

# REPURPOSING OF BURLINGTON CENTER INTO MIXED-USE DEVELOPMENT ENTERS FINAL PHASE WITH INITIATION OF A 500-UNIT COMPONENT

*A six-year effort by Clarion Partners, MRP Industrial, and Moonbeam Capital transformed a "dead mall" into a thriving development*

BURLINGTON, NJ, UNITED STATES, June 3, 2024 /EINPresswire.com/ -- Six years

after the initiation of an ambitious redevelopment program designed to repurpose the former Burlington Center mall into a thriving mixed-use campus that contributes to the economic well-being of the greater Burlington County, New Jersey region, the final phase – consisting of more

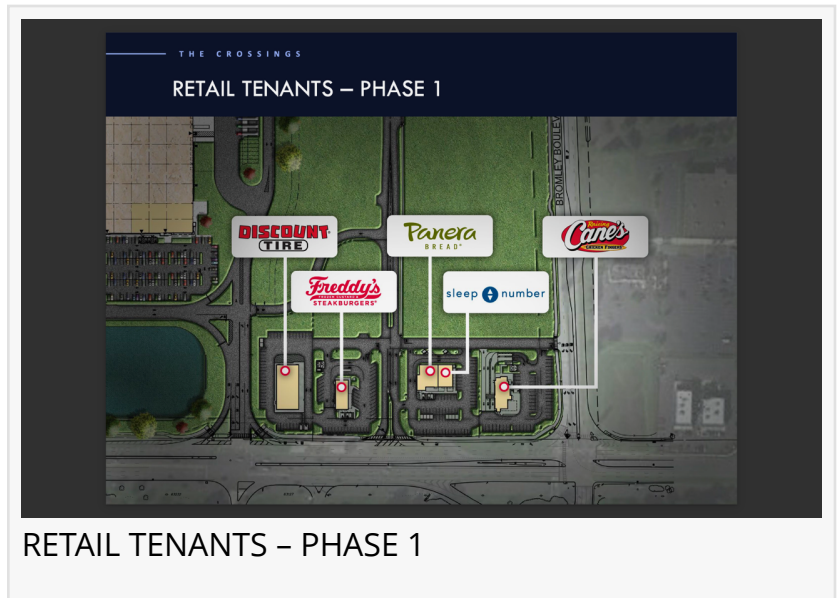
than 500 multifamily units – is now underway. The effort, executed by a partnership between Clarion Partners and MRP Industrial with the assistance from Moonbeam Capital Investments, and facilitated through collaboration with local New Jersey government, created warehouse/industrial and retail space that currently supports approximately 700 jobs, will contribute approximately \$5 million in additional tax revenue to the local economy, and will address the critical need for affordable housing options. Upon completion of the multifamily community, which is expected to occur at the end of 2025, the rebranded “The Crossings” will support more than 2.5 million square feet of warehouse/industrial space, approximately 135,000 square feet of retail space, and a 153-room hospitality component, in addition to the 500-unit multifamily community.

Approximately 1,400 new jobs are expected to be created at The Crossings at the conclusion of all development and leasing activities. This includes 900 in the warehouse/industry sector and 500 in retail/hospitality.

Clarion Partners, headquartered in New York City, has nearly \$77 billion in Assets Under



Management and has developed more than 250 million square feet of industrial space since its founding in 1982. Baltimore-based MRP Industrial, considered among the most active developers of warehouse/industrial buildings across the Northeast, has delivered more than 32 million square feet of space since 2013. Moonbeam Capital Investments, parent company of Burlington Center's former owner, is based in Las Vegas and, at its peak, had owned more than 20 million square feet in its commercial and residential real estate portfolio.



“The Crossings was made possible by the cooperation of Burlington Township and County elected officials, who recognized the opportunity to transform a blighted shopping mall into an integrated, vibrant and economically viable mixed-use development that satisfies the needs of a wide diversity of stakeholders,” said Dan Hudson, Managing Principal of MRP Industrial. “Our plan was deliberate and intentional, and was based on critical feedback and input from the local community and key representatives to ensure that the development plan satisfied the region’s long-term vision and approach to redevelopment initiates. We believe that The Crossings will serve as a national model for smart growth strategies that involve public-private partnerships working together to achieve goals that best meet the needs of the community.”

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History of Burlington Center

In 1982 The Rouse Co. delivered Burlington Center, located on Mount Holly Road in the Burlington Township, featuring anchor tenants Macy's, JCPenney and Sears. At its peak, the 800,000 square foot enclosed mall included more than 100 stores and its opening was credited with the subsequent commercial office and retail development activities between Burlington Township and Mount Holly Township. Shifting consumer shopping patterns mirrored nationally, the arrival of newer retail options in the immediate area, the failure of multiple retail concepts and the overleveraging of debt contributed to Burlington Center's demise. Burlington Center changed hands on several occasions. An affiliate of Moonbeam Capital Investments LLC acquired it in 2012 via foreclosure, when the mall was already suffering from the declining retail

submarket, a high vacancy rate and significant financial distress. In 2019, the mall was closed and sold to Clarion Partners.

The decision was made to demolish Burlington Center to pave way for a new, mixed-use project and in 2022 that work began. One bright spot in the repurposing effort occurred when “Petal,” a beloved life-sized bronze elephant sculpture with a laughing child on its back that had graced the interior of Burlington Center since 1982, was placed in a new and permanent home at Burlington Riverwalk, ending a saga that captured the attention of the local community and was the subject of various television broadcasts. Moonbeam Capital Investments owners Steven and Natalie Maksin donated “Petal” for public display and are credited with securing its eventual landing spot.

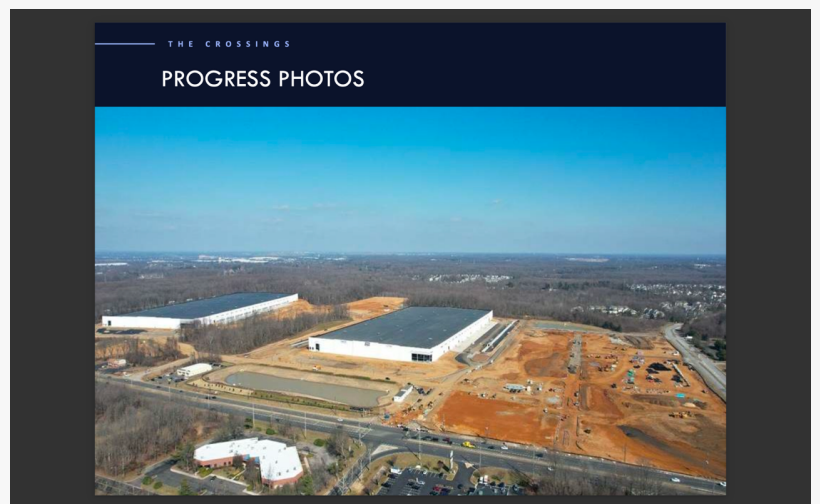
Nationwide closure of enclosed malls continues

Last summer, CapitalOne Shopping Research published data that suggests “as few as 150 shopping malls will still be in operation by 2032,” a decline from the estimated 1,150 malls currently operating throughout the United States. The group stated that approximately two million square feet of mall space was demolished last year and “up to 87 percent of all large shopping malls may close over the next decade.”

In its analysis of 153 mall redevelopments last year, JLL reported that “46 percent of all U.S. mall developments are mixed-use and most retain retail use.” The commercial real estate brokerage



FORMER BURLINGTON MALL SITE PLAN



PROGRESS PHOTO 1



PROGRESS PHOTO 2

firm added that “other uses like hotel, green space, and health and medical facilities are becoming common additions.”

## Industrial/warehouse space paves the way for replacement retail and housing

MPR Industrial and Clarion Partners determined that developing industrial/warehouse space on the former retail site was the first and most significant use to begin their repurposing strategy. The decision to construct large-scale buildings serving the needs of light manufacturing, warehouse, logistics and last-mile operations—requirements that expanded exponentially during the healthcare crisis and continues today—was viewed as the highest and best use for this site, particularly given its strategic location along Mount Holly Road between I-295 and the New Jersey Turnpike and less than 25 miles from the Port of Philadelphia, combined with its ready access to one-third of the country’s effective buying income.

The successful execution of those Phase I plans would pave the way for future development activities incorporating retail and restaurant, housing and hospitality uses. But that pivot hinged on complete buy-in from Burlington Township officials before the first shovel hit the ground.

“Our team outlined the tremendous advantages of a well-conceived industrial/warehouse development strategy and presented it to the Burlington Township’s Governing Body,” said Dan Hudson. “We emphasized the need to establish a strong foundation with this asset class that would immediately inject energy and vibrancy into The Crossings, with the attraction of jobs and millions of dollars of tax revenue and COAH fees to fund an assortment of local programs and initiatives. This holistic solution, which turned a negative into a positive, was embraced by elected officials and representatives and led to the resultant transformative journey and fruition of our vision.”

The first building in this asset class comprising 635,000 square feet of warehouse/industrial space was developed within the Westampton Township section of the redevelopment and leased by Walmart. This was followed by the construction of a nearly 940,000 square foot warehouse/industrial building that was leased by Maersk and a 750,000 square foot warehouse/industrial building that is currently available for lease. Combined, the current two users employ more than 600 workers. A fourth and final 210,000 square foot warehouse/industrial will be constructed on the pad-ready site in the future, based on leasing pace.

Each of the buildings are registered with the United States Green Building Council (USGBC) and achieved LEED® Certification, with sustainable design and construction focusing on efficient and energy savings operations. At the core of the design was attention to site planning to create sensible traffic flow for the various uses both on and offsite. Enhancements to buffers were included which serve as transitions between uses and the public itself, by incorporating effective landscaping.

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Former Burlington Township Mayor Pete Green says this has been “a rewarding and immensely satisfying journey”

E.L. “Pete” Green’s tenure as Mayor of Burlington Township traversed the period which witnessed the slow decline of Burlington Center and its eventual reinvention into The Crossings, and his administration was intimately involved in decisions and approvals that led to the eventual development plan. “As the central gathering place for so many years, it was painful for everyone to watch its demise and, we took our time to support the new vision, because it was critical to get it right the first time,” he said.

“The original proposal for an outlet mall, an asset class that lost favor nationally, never materialized and paved the way for the new mixed-use strategy incorporating a range of essential and product types producing long-term value. The lesson we learned is the importance of collaboration, transparency, and trust to arrive at a result that serves many important stakeholders and stands the test of time. The Crossings has breathed new life into a once abandoned site, and this has been a rewarding and immensely satisfying journey that benefits many audiences.”

First phase of retail component now operational

Leveraging the more than 150,000 consumers residing within a six-mile radius of the site, Ferber Company, a retail development company selected by MRP Industrial, Clarion Partners and Moonbeam Capital Investments, simultaneously developed several free-standing buildings on pad sites suitable for quick-service restaurant and other uses, including medical as well as consumer products and services. Freddy’s Frozen Custard and Steakburgers, and Raising Cane’s are now operational on separate pad sites and Discount Tire is expected to open soon. Panera Bread and SleepNumber share a building and are operational at The Crossings.

The development team planted more than 160 new trees and 1,300 pieces of shrubbery to help mitigate environmental impact. A Department of Environmental Protection (DEP) wetland basin, featuring thousands of plugs grown offsite and later transplanted within the campus, was also constructed.

Proactively addressing the housing crisis

According to a recent article in Forbes, “the nation is short some 6.5 million homes and

developers can't seem to build fast enough to meet the demand." The article further states that "rising interest rates (are expected) to exacerbate the housing shortage by stalling development activity and further throwing off the housing supply-demand pendulum. While residential is in short supply, shopping malls are suffering from a problem of abundance." The article also suggests that "retail has historically followed rooftops (and) most are already in dense populations centers—the exact places most in need of housing."

Reports indicate that a housing shortage of between 200,000 and 300,000 units exists in New Jersey. Jefferson Apartment Group, who recently purchased land from the partnership, aims to help alleviate this issue with the construction of a 500-unit multifamily development spanning 20 buildings and consisting of one-, two-, and three- bedroom apartments and townhouses. Amenities will include two stand-alone clubhouses, two courtyards with swimming pools, as well as playground and dog park.

Incorporating the multifamily component in The Crossings' development plan was intended to help satisfy Burlington Township's affordable housing obligations, with 20 percent of the units designed to adhere to The Council on Affordable Housing (COAH) guidelines.

Negotiations are also in the final stages at The Crossings for a 150-room full-service hotel with conference and meeting facilities.

"Our redevelopment and repurposing plan successfully reinvigorated a site that was removed from the tax rolls and was generally creating blight over an entire region," said MRP Industrial's Senior Vice President Brian Peterson. "The resultant program, which moved forward with the endorsement and support of Burlington County officials, creates minimal additional stress on local county services, while adding sorely needed jobs, taxes and housing that benefits all residents."

#### About Clarion Partners

Clarion Partners, LLC, has been a leading real estate investment manager for over 40 years. Headquartered in New York, the firm maintains strategically located offices across the United States and Europe. With \$76.6 billion in total real estate and debt assets under management, Clarion Partners offers a broad range of real estate strategies across the risk/return spectrum to approximately 500 institutional investors across the globe. Clarion is scaled in all major property types and was an early entrant into the Industrial sector. The firm's global industrial team manages a 1,000+ property portfolio in the U.S. and Europe consisting of more than 250 million square feet. Clarion Partners is an independent subsidiary of Franklin Templeton. More information about the firm is available at [www.clarionpartners.com](http://www.clarionpartners.com).

#### About MRP Industrial

Founded in 2013, MRP Industrial is considered among the most active developers across the

Northeast, having developed 59 buildings comprising nearly 32 million square feet of space. The company also maintains a future development pipeline consisting of 895 acres, with the ability to develop approximately 6.7 million square feet of space. Visit [www.mrpindustrial.com](http://www.mrpindustrial.com)

### About Moonbeam Capital Investments

The Moonbeam Capital Investments group of companies and its affiliate Moonbeam Leasing and Management, headquartered in Las Vegas, co-managed certain aspects of the redevelopment of Burlington Center mall. At its peak, Moonbeam's affiliates owned more than 20 million square feet in its commercial and residential real estate portfolio. Recent redevelopment projects include West Oaks Mall in Ocoee, Florida; Greeley Mall in Greeley, Colorado; Columbia Place Mall in Columbia, South Carolina; Renaissance Professional Park in Las Vegas, Nevada; Sherwood Plaza in Phoenix, Arizona and Spectrum Plaza in Houston, Texas. Visit [www.moonbeammanagement.com](http://www.moonbeammanagement.com)

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