

Management of Paseo Nuevo Mall in Santa Barbara Considering Housing, Hotel for Nordstrom Building



A hotel in the Nordstrom building at Paseo Nuevo in Santa Barbara is an idea under consideration by mall management. (Joshua Molina / Noozhawk file photo)

By Joshua Molina, Noozhawk Staff Writer | [@JECMolina](#)
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The management of [Paseo Nuevo](#) mall in Santa Barbara has met with residential developers and would consider a hotel at the [site of the Nordstrom building](#).

"We have definitely looked at every which way for housing at Paseo Nuevo," said Kristen Weidemann, general manager of the mall. "We have met with several different residential developers to see if we could put housing on Paseo. We understand how important it is to diversifying and creating more people downtown."

The comments came at Wednesday's [Santa Barbara Leadership Team Zoom](#) meeting led by former Santa Barbara Mayor Hal Conklin, who hosts the weekly gathering of business leaders.

Weidemann was joined by Mary Lynn arms-Romo, senior marketing director for Paseo Nuevo.

The two executives shared that mall management has considered building housing in the middle of the Paseo Nuevo mall, but that it would "not make for a very attractive apartment," because it would be long, narrow, dark and with only one outside window.

A hotel in the Nordstrom building is on the table.

"We are definitely jumping on it, looking at all the different opportunities we can do with it, and a hotel is definitely one of them," Weidemann said. "They are gonna look at every which way they can to make it a great anchor for downtown. We're investing so much money into the mall itself. We want to make sure that whatever we put on either end of the center is only going to enhance what we have already done."

Paseo Nuevo has been at the center of community conversation amid the larger debate about the future of downtown retail. Santa Barbara for years has struggled with vacant retail storefronts, and the health of business in the downtown core was worsened by the [COVID-19 pandemic](#) and stay-at-home order. The [City of Santa Barbara](#) recently closed eight blocks of State Street to cars to allow pedestrians, bicyclists and skateboard riders to use the middle of the street, a move that seemingly has injected a dose of energy into the downtown core.

Paseo Nuevo is also spending \$20 million on infrastructure upgrades and tenant improvements as it looks to lock up a 46-year lease extension with the city.

The mall plans to open up the former [Macy's](#) building — one of its larger anchor spots that's vacant — facing State Street.

Harms-Romo said there's no timeline for the changes to what's called the "Ortega Building," but that the mall wants to open it up to Ortega Street and create a breezeway.

"So you don't have to walk around that whole building that takes up that entire block," Harms-Romo said. "And, whatever tenants end up occupying the Ortega building will then have more walk-by traffic as well."

Paseo Nuevo management is looking to lease out the building to multiple tenants.

— [Noozhawk](#) staff writer [Joshua Molina](#) can be reached at jmolina@noozhawk.com. Follow Noozhawk on [Twitter](#): [@noozhawk](#), [@NoozhawkNews](#) and [@NoozhawkBiz](#). Connect with [Noozhawk on Facebook](#).