

BOOM



Shawn Yorks/Daily Star

MALL WORK — The morning sun casts heavy equipment in silhouette on Monday morning at a recently-cleared plot of land between The Palace Theater and Interstate 12. In the distance is the Subway Sandwich shop at the Petro Truck Stop.

Stores eager to grow in Hammond

By **JOAN DAVIS**
Daily Star City Editor

North Shore retail growth is popping up all along the Interstate-12 corridor.

Announcements of developments of 200 stores by Colonial Properties Trust and 30 acres for Zuppardo's "Market Place 21," both in St. Tammany, and a 471-acre mixed-use development at Juban Crossing in Livingston Parish have some local residents wondering if the North Shore population can support such growth.

At issue especially is Dillard's, an anchor store in Hammond for many years, which has announced commitments in two of those developments.

Jimmy Maurin, owner and chairman of the board of Stirling Properties, developer of the Hammond project, said he has been to Dillard's headquarters in Little Rock twice since the mall purchase from Sizeler in May 2006. Dillard's owns the Hammond store and the parking lot, so at the time of the purchase, he questioned Dillard's future plans in

Hammond.

"I made my pitch to Dillard, that we were buying the mall to tear down," he said. "I asked them if they were interested in selling their store, and we received an absolute 'no.'"

Dillard's representatives told him they have sat frustrated in Hammond for more than 10 years, wanting to expand and renovate. The store represents the smallest Dillard store in the nation at 75,000 square feet. Typical stores are from 100,000 to 200,000 square feet.

"They were very frustrated with Sizeler, as all of us in Hammond have been," he said.

Dillard's decision to build stores in three North Shore locations is based on their concept of serving customers, he said.

"They said the state of Louisiana is important to Dillard's, especially since the storm," he said. "They said they don't want Dillard's customers to drive more than 20 miles to a store. They want stores in every market to serve their customers."

In most newer developments, like the Mall of Louisiana, the anchor stores own their own buildings, he said. However,

Palace Theatre, while Sears, an anchor store remaining, is a tenant.

Home Depot is moving forward in its commitment to Hammond, he said. The building supply store received its rezoning and variance on land use from the Hammond Planning and Zoning Commission this month. Home Depot will lease the property from Stirling, and it will build on the leased land.

The decision to buy Hammond Square was not made lightly, Maurin said. Sizeler did more research in its 32-year history on the Hammond Square development than any of its other projects for two reasons:

Sizeler for 10 or 15 years let Hammond Square go down, and no one in the retail industry could understand why.

"They owned the property for 30 years with only minimal upgrades," he said. "That mall sitting there unattended for such a long period of time gave retailers the opinion that this must not be a good retail market. They looked at Wal-Mart and Lowe's doing good business, and thought this must be a 'Wal-Mart town.' That's code for the fact that mostly working-class people here can't afford to shop in an upscale shopping center."

Maurin said Stirling's research, with the help of a retail study conducted by Southeastern, showed that



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TO THE EAST — The entrance sign to the Stirling Properties mall in Covington is off I-12 at Madisonville Road.

developers enter into agreements that bind each store on what they can and can't do. Dillard's had that kind of agreement with Sizeler.

In the Stirling Covington development, for example, Target owns its own store, while Stirling owns Penney's, Belks and Hollywood Theatre. In Hammond, AMC owns the

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— **James Maurin,**
Stirling Properties

RETAIL BOOMING ON INTERSTATE 12 CORRIDOR

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Hammond is an affluent market, even before the storm, which has made it bigger and more affluent.

"We all knew Hammond was going to be the beneficiary of that horrible storm," he said. "Lots of people moved here, and initially we didn't know if they would stay. Market research came up with data that between 10,000 and 15,000 people moved to Tangipahoa, and they're not going back."

The event has been unprecedented, he said.

"We accomplished 10 years of growth in one day," he said. "Is it real growth? Will it go away?"

Maurin said 1,700 new building permits were issued in Tangipahoa Parish in 2006. Before that the parish had the biggest year ever with 550 building permits.

"The indicator is that these people are not just living with friends and relatives," he said. "They're building houses at a rate unprecedented, over three times the previous high rate of growth. That gave us a pretty strong feeling that people who came here after the storm were planning to stay."



MAURIN

The second reason is that the research also showed that the newcomers are significantly more affluent than the average Tangipahoa Parish resident, Maurin said. They have raised the median income level in the parish by between 5 and 10 percent.

Because of the exodus of the working class from New Orleans, everyone in the region has seen an increase in labor rates, he said.

The old minimum wage job in Hammond doesn't exist anymore, so everyone, technically, got a raise. There is also a workforce shortage in the region.

"I'm trying to explain to retailers from all over the country why they should come to Hammond today," he said. "I have to explain away a false negative, an earthquake of population change. This is a seismic event that has changed Tangipahoa Parish."

The new Hammond Square redevelopment, as yet unnamed, is set to open pre-Thanksgiving in 2008 or at the latest, Easter 2009, Maurin said. So far, 30 to 40 tenants are discussing placement in the 100-acre, \$100 million development.

Bob Basford, director of the Hammond Area Economic and Industrial Development District, said the boom in retail development on the North Shore shows



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COVINGTON — Vehicles sit outside the stores at the Stirling center off Madisonville Road.

faith in the anticipated growth of the five parishes representing the North Shore: Tangipahoa, Livingston, St. Tammany, Washington and St. Helena.

"I think we are the next population center in the state, and that we do a good job in supporting the retail coming here to the I-12 corridor," Basford said.

He said the Amite Wal-Mart is evidence of the ability of the market to absorb more growth. Many thought the Amite store would decrease traffic in the Hammond store, but evidence is that both stores are doing well.

He's hoping retail development in Tangipahoa Parish will minimize the outshopp-

ping going on outside the parish.

Hammond Mayor Mayson Foster said the city was aware of the other developments coming to the North Shore, "but we do believe our area can support a new shopping area such as Hammond Square is developing," he said.

Hammond has one advantage the other developments don't, the mayor said. Hammond has the north-south roadway of Interstate 55 as well as the I-12 east-west corridor.

"We can draw north-south and east-west. They draw east-west only," he said.

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