

Company buys Cortana Mall Advocate, The

04/21/2011

Mall Properties Inc., of New York, has sold the Cortana Mall to a special purpose entity owned by its lender and a property management firm has been hired to take over the leasing duties.

Fred Meno, chief operating officer of the asset management division at The Woodmont Co. in Dallas, said Thursday the mall was sold Jan. 31 and Woodmont was brought in the next day. The sale did not include the major anchor department stores, which are owned by the retailers in those stores.

Meno said Woodmont retained the entire onsite staff at Cortana and has begun working on filling the malls vacancies, which he estimated at roughly 70 percent of the nondepartment store space.

The main focus for us right now is stabilizing the operations of the mall and getting it leased up, he said. There's some vacancy there and we feel there's an opportunity to add additional tenants to the project.

Asked whether Woodmont was hired to prep the mall to be sold, Meno said there have been no discussions about selling

The mall is not for sale and whether it will at some point remains to be seen, he said.

Mall Properties could not be reached for comment.

Asked whether Mall Properties was legally compelled to sell Cortana to the lending group or provide any other details, Meno said he could not get into the issues surrounding lenders and borrowers.

Dottie Tarleton, a retail broker with Stirling Properties, said it wouldn't be a surprise to see Cortana sold.

Im sure the bank is not going to want to own it so if Woodmont has been hired to lease it up. ... Id envision that their job is to re-tenant it and then at some point in time, when it makes sense, to sell it.

The lenders goal, she said, is typically to get the income stream to a point to where they could get out of the deal whole.

Meno said Mall Properties still owns Cortana Place, which includes the malls outlying parcels.

He pointed out that the malls anchors Dillards, J.C. Penney, Macys, Sears and Virginia College are tenant-owned. He said there have been conversations with the anchors, though he wouldn't discuss details.

Obviously, were all in this together. if good things start happening for the mall itself, then that has benefits for everybody, he said.

Meno said the only other property in Louisiana that Woodmont manages is Houma Crossing, a Hobby Lobby-anchored center in Houma.