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Malls 'hanging tough' trio go after shoppers

by Joan Davis

The three remaining tenants at Hammond Square Mall are hunkering down for the long redevelopment phase and are posting formerly forbidden sale banners outside to remind the public that they're still there and will stay there.

Demolition of the main part of the mall is still two months away. Jimmy Maurin, owner and chairman of the board of Stirling Properties, which purchased the mall in 2006, said he has made a commitment to the three remaining stores that the construction phase will be finished before the Thanksgiving and Christmas selling season.

“They know mentally what to expect once the project looks like a construction site,” he said. “It affects consumer preference. That's the price we pay in the short term for the long-term gains.”

Stirling Properties is trying to minimize those losses for tenants and the city, which is experiencing loss of sales tax revenue.

“The three tenant stores are definitely doing things more productive to bring in clients and increase foot traffic,” Mall Manager Susan Cox said.

Andrew Spring, interim manager with Sears, said the store posted “still open” banners outside, but bad weather over the weekend destroyed them. The store is also hosting sidewalk sales every weekend to draw in shoppers.

“There's not as much foot traffic,” he said. “That's the big difference, but we still have our regular customers and others on strict missions to come buy something. They're not looking around.”

See MALL STORES, 3A

The store has no plans to scale back anything during the construction phase, he said. He is still hiring, and inventory is the highest it has been in years.

“We're ordering everyday to keep things in stock,” he said.

Rita Aid is also posting banners advertising store specials and having items like summer furniture outside, store manager Myra Overmier said. Sales are still “pretty decent,” and though she hasn't laid any employees off, she hasn't hired anyone new. Most of her crew has been with her since 1997 when the store was bought from K&B. “We're waiting to see how it goes,” she said.

Dillard's Store Manager Cathy Johnson said her store is also posting “still open” banners outside in addition to regular advertising, but business continues to be steady.

The stores are getting creative with their advertising because of the loss of inside stores where shoppers would stop, linger and see specials while walking through the mall, Cox said. However, the increased revenue and the addition of new stores will make any loss of business during reconstruction worth it.

Also, before the mall was sold, business was already being lost to developments in Covington, Mandeville and

Baton Rouge where there was a better mix of retail, she said. The proposed new lifestyle center will have stores to serve the whole family.

Senior people at big stores like Sears and Dillard's know the cost of redevelopment like the one coming to Hammond Square, said Jimmy Maurin, owner and chairman of the board of Stirling Properties, which purchased the mall in 2006. Dillard's owns more than 300 stores and Sears close to 1,000.

There's a lot more involved than simply bulldozing the buildings, he said. The problem has been disconnecting the stores' water, sewer and air conditioning systems from each other. A large crane set the new air conditioner on top of Dillard's early last week. The old J.C. Penney store came down first because it was built as an addition to the mall three years after the mall opening in 1976.

"Essentially, Penney's was built disconnected, so it had its own air conditioning," he said. "That's not the case with Sears, Dillard's and Rite Aid which are physically connected with the same water, sewer and air conditioning."

That work is going on in the darkened center of the mall, he said.

"I wish it would move faster, but redeveloping an older property like this is much harder than buying property and starting to build," he said.

The city's road improvements north of the mall are going well, and the next big city project will be the widening of Southwest Railroad Avenue and the exit ramp off the interstate, he said. Plans are in the hands of City Engineer City Spangler, and once they are approved by the Department of Transportation and Development, will go out to bid. The nine-month contract should be finished by June 30, 2008. All other infrastructure improvements, including roads, lights, utilities and drainage, should be finished at the same time.

On the tenant front, Maurin recently returned from the convention of the International Council of Shopping Centers in Las Vegas where Stirling brought 45 representatives to meet with retailers from 50,000 shopping centers nationwide. Stirling had meetings with 30 different retailers, some potential and others advancing to the next level, finalizing language, wording and lease documents.

"This is one of the largest developments to be built in the country over the next 12 to 18 months," he said. "We're getting attention particularly with the emphasis on this area post-Katrina."

Some of the previous tenants will return, but Hammond will see many retailers coming to the Hammond area for the first time, he said.

"People need to remember before we started that when the mall was in full operation, there was 430,000 square feet of retail on 45 acres," Maurin said. "When we finish, there will be almost 900,000 square feet of retail on about 100 acres."

That added retail space will require road improvements for the increase in traffic, the subject of traffic studies on the project, he said. All of the infrastructure improvements are crucial to the success of the new venture.

"The basic infrastructure has to be there so that when the last tenant opens, we've got the ability for people to get around, so there won't be a bottleneck on Railroad Avenue," he said. "Some of it will be subtle, like adding traffic signals, but we're adding new roads."