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New Orleans Citybusiness

Metairie, LA

Weekly (Monday)

Circ. 14,000

December 21, 2009

Developers hasten Blockbuster's exit

Demand for space at Metairie shopping center leads Stirling Properties to pull plug early

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WHILE STOREFRONTS along major commercial corridors sit vacant as local and national businesses scale back and close shop, one national chain store on Metairie Road couldn't close fast enough.

Stirling Properties commercial real estate

agent Amy Farnsworth said she was aware of Blockbuster's plans to streamline store locations nationwide, making the popular 701 Metairie Road location a prime target for development.

"We're actually the ones who approached Blockbuster," Farnsworth said. "They've been closing stores all across the country ... so we approached Blockbuster and arranged the termination of their lease to get them out of there and get the space back so we could optimize it."

Farnsworth said the 3,588-square-foot store is one of the most highly trafficked locations in the Old Metairie Village Shopping Center, which is managed by Stirling Properties.

Metairie Road Business Association President Greg Richmond said the shopping center has served as a retail hub for Old Metairie for decades.

"Being someone who frequents that location every weekend, I can say it was doing great business," Richmond said. "This was a decision made at the national level by Blockbuster."

With pressure mounting from neighboring businesses looking to expand or find a new location, Farnsworth said the time was right for Blockbuster to pull up stakes.

"Massage Envy right next door had a need to expand, so we wanted to try to help them



The Blockbuster video store on Metairie Road terminated its lease as part of the retailer's national streamlining plan.

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out by working on an expansion that would suit them and keep them as tenants," she said.

A deal is being worked out to open a restaurant in one section of the Blockbuster location in February, while Massage Envy will take over about one-third of the space, which Farnsworth said will be vacated by Jan. 1.

Store manager Randy Breau said a storewide clearance sale began Oct. 26. While the location is no longer offering rentals, customers can purchase any movie left on the shelves — and the actual shelves.

"Some of the fixtures are going to other stores and some of them we're selling," Breau said earlier this month. "We still have a full store, but we're expecting that to change by the

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AMY FARNSWORTH

commercial agent
Stirling Properties

If you can't beat 'em ...

NCR Corp. is installing Blockbuster Express DVD rental kiosks at more than 200 Duane Reade drugstores in New York as the movie rental company gears up to compete with alternative forms of movie delivery to offset dwindling business at its stores.

NCR said most of the kiosks will be in place before the end of the year. Each kiosk will hold more than 900 DVDs.

NCR licensed the Blockbuster Express name from Blockbuster Inc. for the kiosks and the two will share the revenue. NCR will use the kiosks of TNR Holdings Corp., which it acquired in April. TNR operates the nation's second largest chain of kiosks after Coinstar Inc.'s Redbox, a Blockbuster rival.

The New York expansion is part of Blockbuster's plan to install 2,500 NCR-operated kiosks nationally this year. The biggest clusters of these kiosks are in Florida, Georgia, Massachusetts, New York and Arizona, NCR said.

Blockbuster faces stiff competition from alternative outlets for movie rentals. Initially, it was Netflix Inc., with its movies-by-mail service and no late fees, as well as movie streaming through computers, gaming consoles and other devices.

Then it was Redbox, where people can rent a movie for \$1 per day. The Blockbuster Express kiosks will match Redbox's pricing.

—The Associated Press



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Farnsworth said selling off excess inventory and fixtures makes good sense for a company rapidly departing a long-term lease.

"Technically, a tenant has to leave a space empty and in broom-clean condition, the way that they first moved in," she said. "We wouldn't have any use for their racks and whatnot, so it's their responsibility to get all that out of there."

Richmond said the location is not likely to

stay vacant for long, with a restaurant already ready to take over the space in February, which he said is an example of the overall health of Metairie Road's retail community. He did not indicate who would be opening the restaurant.

"I don't think there's too many vacant buildings along Metairie Road at all," he said. "Just about everything has a business now and we've got two new banks going up. It seems like we're doing well."•