



Everything New Orleans

Hammond Square Mall planning airy makeover

Closed-in structure to be demolished

Thursday, September 14, 2006

By Greg Thomas

Real estate writer

The owner of the 30-year-old Hammond Square Mall announced Wednesday plans to demolish most of the structure and build in its place an open-air retail center made up of large free-standing retailers.

Such a move will allow Dillard's and Sears, current anchors of the mall, to remain and expand while making room for a new Home Depot, Target and J.C. Penney, James Maurin, chairman of Stirling Property Investors, told an overflow crowd of business and civic leaders at a business expo at Southeastern University of Louisiana's University Center. Demolition is expected to begin in March with initial tenants opening throughout 2008.

Stirling paid Kenner real estate company Sizeler Properties \$14 million for the mall site in the spring.

The 430,000-square-foot mall will be replaced with more than 850,000 square feet of retail space. The project is expected to generate \$250 million in annual revenue, permanently employ 1,200 people, create 900 construction jobs and eventually account for 20 percent of Tangipahoa Parish's tax base, Maurin said.

Dillard's will expand from its approximately 70,500-square-foot store to 95,000 square feet; Sears will completely gut its store and refurbish it; and a 128,000-square-foot Target will be built next to Dillard's.

The city of Hammond will be asked to install new roads that will slice through the property creating pedestrian walkways, parking for two strips of smaller shops, a roadway that will ring the retail complex, and other infrastructure. Hammond Mayor Mayson Foster said that those will be the only public tax dollars going into the \$100 million project, which he bills as the largest retail expansion in the parish's history.

The project will take advantage of a range of tax incentives, including restoration tax abatements, state employee creation credits, Gulf Opportunity Zone Act financial credits, and bonds, Maurin said.

The era of the enclosed mall -- the mainstay of retail development throughout the 1960s and 1970s -- has given way to the open-air "lifestyle centers," where the roofs disappear, roads lead to strips of stores and the anchors that once tied the ends of the enclosed malls become free-standing entities.

Plans for the Hammond mall are the latest sign that post-Hurricane Katrina residential

construction and retail investment in the metro area is moving north of Interstate 10 to higher ground.

"If you don't like growth, you're in the wrong place," said Don Boihem of Entergy. Boihem is an ex-officio Hammond Chamber of Commerce president.

Maurin says he is doing everything he can to keep work on the project, including its financing, local.

Parish National Bank, lead lender on the project, has joined Florida Parishes Bank and First Guaranty Bank, said Lou Goudeau, senior vice president of Parish National. As the development grows, more financial institutions will be brought in, she said.

The mayor added that what he needs most is housing. "We get inquiries from companies every day because we have the land. And raw land values have risen 30, 40 percent, and in some cases 300 percent, but the second thing they ask for that we have to provide is the housing stock."

Other retailers considering locating in the new retail center include Gap Inc. and Old Navy. Stirling also is in talks with numerous restaurant chains.

Rite Aid, Chase Bank and AMC Theater, all of which currently operate at the mall, will remain. All of the retailers currently based in Hammond Square that will be a part of the new retail complex will remain open during the property's renovation. The Target that will be built in the complex will not carry groceries.