

## Retail developers keep sense of humor about economy

Shopping centers trying new ideas to stay ahead of competition

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A convention for shopping center developers was a mixture of gallows humor, cautious optimism and announcements of retailers coming soon (really).

The International Council of Shopping Centers Southeast Conference on Monday convened some of the industry's top local experts to discuss where retail development is going.

"What an exciting time to be in the business," Atlanta's Jeff Fuqua, president of St. Petersburg, Fla.-based Sembler, told a session called "Not your daddy's strip mall."

"Except for the collapse in our capital markets and ... leasing ..., we're pretty much unaffected," he said.

Dark humor aside, developers and retail brokers showed that while the slow economy is making retailers more cautious, their business hasn't come to a standstill.

Fuqua discussed progress on The Prado, a Sandy Springs strip mall that Sembler bought in 2006, and is turning into a 345,000 square foot multi-level mall with a Target, Publix, Circuit City, Staples, and [Home Depot](#). The Target will open Tuesday, and other retailers will open now through March.

Other Sembler projects still underway in Atlanta include Town: Brookhaven and Westside Crossing at 14th and Northside, which will have a CVS.

Still, Fuqua said privately that some of the company's developments will not come out of the ground as fast as first announced, mostly because retailers are moving slower. "Lending is the least of our trouble," he said, when asked about the credit crunch. "Slow moving retailers are a bigger deal."

Ray Uttenhove, a tenant representative and managing principal of Staubach's Atlanta office, agreed. "It can be very frustrating for developers. The process is so elongated [for retailers to commit] which sometimes results in paralysis, which we all hate."

But retailers are afraid to make mistakes in the current economy.

Uttenhove and Ruth Coan, with The Shopping Center Group, told the session on retailers that the winning concepts in this economy focus on value.

Going to TJ Maxx, Uttenhove said, is "a treasure hunt," and the rapidly changing inventory makes it an "interesting shopping experience."

Other discount retailers — Bealls Outlets, Dots, Burlington Coat Factory, Rack Room Shoes, and Jo-Ann Fabric and Craft stores — are growing.

TJ Maxx will open two A.J. Wright stores in Atlanta next year, the first in Georgia for the company. A.J. Wright is a “value focused, lower price point,” store geared to blue-collar workers, Uttenhove said.

Restaurant broker Harold Shumacher said that value is also the key word for restaurants, which are seeing sales off by 15 to 20 percent, he said.

“People should leave the restaurant saying, ‘That was a good experience. A good \$10 spent,’” said Shumacher.

Part of what is coming out of the slow economy, however, is new thinking on what a shopping center should be.

Another panelist, W. Neal Freeman, with Watkins Associated Developers in Atlanta, discussed his “Family Festival” concept. It’s a mall built around a baseball field on the theory that if shops and restaurants are nearby, families won’t go back to their cars after a tee ball game. One Family Festival center already has opened in Dacula and another is under development in Cumming.

“The theory works!” Freeman said. “Less than 10 percent [of families] go back to their cars [after a game].”

Some of the malls also have or will have basketball courts, swimming pools and the Monkey Joe’s indoor playgrounds.

The company’s motto: “Build it, and they will come, play and stay,” he said.