

Struggling county malls regroup for redevelopment

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Three suburban shopping malls that once were thriving retail centers in St. Louis County are at a crossroad.

Northwest Plaza and Jamestown Mall, two properties that felt the full impact of the economic turmoil in the last several years, are not showing any signs of major activity even during a time when national retail figures are improving. Meanwhile, Crestwood Court, formerly called Crestwood Mall, is poised for redevelopment after years of decline.

Northwest Plaza, the 1.8 million square-foot mall and 12-story office tower in St. Ann, was foreclosed in 2009 by its lenders, institutional investors led by Wells Fargo. During an online auction in July, the high bid for Northwest Plaza was \$2.9 million, a far cry from \$45 million the mall sold for in 2006. It is not known who the high bidder was in July or if the bid was accepted.

Jamestown Mall is under court-appointed receivership by KP Development (formerly Koman Properties) and day-to-day operations are being handled by Priority Properties, both based in St. Louis.

A redevelopment draft for the mall, put together with the help of the St. Louis County Economic Council, was published in May but has gained little traction since there has not been an owner



BRIAN CASSIDY

A redevelopment plan for Jamestown Mall was published in May, but has not moved forward.

in place to move the plan forward.

Mike Margiotta, an asset manager at Priority, said the future of Jamestown Mall is up in the air.

"There is no redevelopment plan at this time," Margiotta said. "Our job is to keep the place clean, safe and inviting for customers, vendors and employees. But there is no big plan for the future."

Jesse Tron, a spokesman for the International Council of Shopping Centers, said the struggles at the malls were

partly a result of the boom years when retailers demanded new and expensive properties. "I think moving forward, you're going to see very little to no development of new malls, which is actually a good thing for the industry," Tron said. "What people are doing when they have capital is they're reinvesting in current properties and bringing those properties up to date."

Tron said the national shopping center vacancy rate dropped to 7 percent

from 7.1 percent in the latest report, a step in the right direction that stems from higher retail sales during the last several quarters.

Indeed, Chicago-based Centrum Properties, which owns Crestwood Court, rode out the roughest part of the economic downturn before formulating a redevelopment plan, which is expected to be disclosed in early 2012. Centrum bought the property for \$17.5 million in 2008.

Crestwood Mall was one of the region's first suburban malls, but suffered a decline in the early 2000's and currently houses artist studios. Centrum envisions an entertainment-retail complex that will accommodate art tenants but seek to attract retailers, movie theaters and restaurants. The Jamestown Mall redevelopment plan draft also stresses the importance of rebranding the property and marketing it as a community hub.

Mark Birsinger, a small-business development consultant at M.A. Birsinger & Co. in Wildwood, thinks places like Jamestown Mall and Northwest Plaza might have a future as small-business incubators. He would like to see a private-public partnership that brings fledgling small businesses together with volunteer business experts who can advise them on how to grow.

"You might as well take this negative and turn it into a positive," Birsinger said.

E.B. SOLOMONT contributed to this story.