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Out of style?

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WORCESTER -- JoAnn M. Fitts didn't have to worry about anyone disturbing her 10-month-old daughter as she pushed the baby's carriage through Worcester Common Outlets last week.

The once-bustling mall, touted as a downtown catalyst when it reopened in 1994, was quiet and largely vacant Wednesday as Ms. Fitts, her sleeping daughter and mother-in-law surveyed the empty storefronts from the mall's second floor. "Every time I come here, another store has closed," said Ms. Fitts, who stopped at the downtown mall on her way home to Upton. "It's a nice building and I've never had a problem with parking. But the lack of stores is really a disappointment."

Such a sentiment is a far cry from nine years ago, when downtown traffic practically came to a standstill when the mall reopened on the last weekend in October. Customers flocked to the outlet's 90 stores, admiring its cantilevered columns, carpeted floors and reshaped passageways while city officials and the mall's developers congratulated one another on a job well done.

For the first few years, the mall, the successor to the former Worcester Center Galleria, enjoyed its share of success. But cracks soon became evident as customers fled to other outlets, stores started closing and other parts of the \$50 million project failed to materialize.

The pushcarts and popcorn vendors that once dotted the mall are but a distant memory, as are the busloads of eager shoppers hungry for a discounted pair of shoes or handbag. Today, the longest lines are usually reserved for CVS.

The mall's occupancy rate is less than 65 percent, according to city officials, the result of a steady stream of tenants closing down or relocating. Three different companies have managed the mall in the past two years. Chelsea GCA Realty Inc. gave way to Jones Lang SaSalle Inc. in 2001. A year later, CB Richard Ellis took over as mall manager.

"By all accounts, this mall is dead and we need to get rid of it," Mayor Timothy P. Murray said. "It's a giant white elephant that the city should not have to endure for much longer."

Mr. Murray has been a leading critic of the mall and he was pleasantly surprised earlier this month when the owner, CIGNA Investments Inc., said it would sell the mall along with two Front Street office towers and a two-acre parcel behind Notre Dame Church.

Mr. Murray staged a high-profile press conference in late August, calling for the mall to be razed. But while the event put CIGNA into the local spotlight, the groundwork for the mall's sale was likely set in motion months earlier.

CIGNA Corp., the third-biggest health insurer, has been trying to raise capital after two credit rating cuts last year. In a July 30 announcement, CIGNA said it was considering the restructuring or sale of its retirement and investment services division.

CIGNA officials declined to comment last week.

No sale price has been finalized and the properties, with a total assessed value of \$41 million, are being sold as a single unit, said David L. Pergola, executive vice president of Meredith & Grew Inc., a Boston-based real estate services company hired to market the mall and office towers.

The 20-acre site has long vexed city officials who complained about CIGNA's disinterest and delays in making improvements. In addition, local business leaders and other officials increasingly said the mall's design was a major problem.

Built in the early 1970s, the mall and its 4,000-space parking garages cut the downtown in half, a large concrete structure that separates Washington Square and Union Station from downtown offices, a proposed new courthouse, a renovated library and various hotels and restaurants.

"I don't think anyone's to blame," said Daniel R. Benoit, principal at Benoit Reardon Architects Inc. "It was a concept tried during urban-renewal times that was supposed to save the downtown. I don't think any of those people had bad intentions. It was just an experiment that failed and now it's time to move on."

Moving on will take time, money and creativity, but the site has potential and has already attracted interest, city officials and development experts said last week.

Chief Development Officer Philip J. Niddrie said three developers have already contacted him about the project. The city does not intend to sit back and watch from the sidelines, he said. It is adopting an aggressive posture intended to foster cooperation and communication with potential buyers, he said.

Meredith & Grew hopes to sell the property by July, an optimistic schedule that city officials will assist in any way possible, Mr. Niddrie said.

Those interviewed were almost unanimous that the mall, the city's sixth-largest taxpayer, requires a variety of changes in how it looks and what type of tenants it should seek.

More doors and windows are needed along Front and Commercial streets and a connection must be made across Washington Square to Union Station to foster pedestrian traffic, Mr. Niddrie said.

The mall has 486,700 square feet of leasable area, some of which must be altered and used for other purposes -- perhaps for housing, entertainment or office space, others said.

"It's unlikely the complex will succeed entirely as retail space," said William D. Kelleher Jr., principal of Kelleher & Sadowsky Associates Inc.

While the mall may never again feature 100 stores, it can still succeed if a vibrant, creative developer looks beyond its past, said Ross B. Glickman, chief executive of Urban Retail Properties Inc. of Chicago.

Mr. Glickman, who grew up in Newton, said downtown urban sites can be a challenge, but the site has profitable office towers and a parking garage, assets that a developer can leverage on behalf of the mall.

"If it was a vacant lot, the ideas would spill over," he said. "You've got to think of this land as an empty parcel and then let your imagination run wild."

Playing the blame game should not be a part of the redevelopment efforts, experts said. The outlets were developed by Stephen R. Karp, who was once New England's most prolific mall developer. Mr. Karp, president of New England Development, sold 14 of his shopping malls to Simon Property Group Inc. in 1999, but not Worcester Common Outlets.

Worcester's outlets likely failed for a variety of reasons, including errors in design and the mix of tenants, competition from other retailers, including the Wrentham Village Premium Outlets, and changing consumer sentiment, said Michael J. Tesler, president of the consulting firm Retail Concepts and an adjunct professor at Bentley College.

“The people who failed in Worcester were very smart people,” Mr. Tesler said. “New England Development hasn't made a lot of mistakes.”

One critical mistake that CIGNA made was to allow the outlets to blend into the overall retail landscape, experts said. A new developer must focus on making the site a destination -- offering something that can't be found elsewhere.

“It has to be something special,” said Jerry Ellis, chief executive of Building 19, which operates Spags 19 in Shrewsbury. “You must give people a reason to come downtown. I wandered around the outlets last year and there was nothing special about the place. Vanilla might work in the ice cream business, but it doesn't sell in retailing.”

All around the country, cities and towns are dealing with the de-malling of America, particularly old-fashioned bunker-type malls that limit a consumer's movement, said Adam Epstein, president of Site Analytics Co., a New York City property evaluation, selection and marketing company.

“Not only have people's tastes moved away from malls, they're aggravated by them,” Mr. Epstein said. “You have to walk a mile and half to get to the store you want, fight your way past a bunch of kids around the doors and then deal with little sticks of teriyaki chicken thrust in your face as you go through the food court. At that point, you're no longer a happy shopper.”

Entertainment, outdoor access and a variety of boutique shops offering food, services and consumer staples should be part of the city's redevelopment efforts, he said. In addition, a developer may be able to lure a big-box retailer such as The Home Depot, Target or Wal-Mart, companies that are increasingly looking at urban areas as part of their expansion plans.

One tenant said it hopes to keep leasing space no matter what happens with the mall's pending sale.

Quinsigamond Community College leases 12,000 square feet at the mall for continuing education and credit courses, tutoring for ESL, adult basic literacy and GED preparation courses. QCC President Sandra L. Kurtinitis said the college has been well-served by the space.

“We're very happy, and I hope the new landlord will continue to make us happy.”

Marketing, negotiating and selling such a large, multifaceted property will be complicated and time-consuming, and Worcester should expect some bumps along the path, said David P. Forsberg, president of the Worcester Business Development Corp.

The winning bidder will want state and local support and will need to be someone with a significant track record managing complex, urban design projects, he said.

“This is going to be a challenge,” he said. “It can't be a purely private deal. In addition, the mall must be reoriented and it has to become the connection to major parts of the city.”

Michael P. Hogan, president and chief executive of Massachusetts Development Finance Agency, the state's economic development authority, said CIGNA considered the mall a marginal property. A sale is good news for a city and region that could benefit from a vibrant, downtown retail environment, he said.

The site is not a “handyman's special,” but is a collection of land and buildings that requires vision and a willingness to work with the city, he said. “It's not going to happen overnight, but there will be interest,” Mr. Hogan said.

Mr. Benoit, who in 1999 proposed linking Union Station with the downtown by demolishing a section of the mall, said what's being asked of a new developer isn't something written in any textbook. Creativity and sensitivity to the city's other attributes must be part of the mix.

“The city now has a great opportunity,” Mr. Benoit said. “We've got to act and we've got to act soon. This can lift a great psychological burden off of Worcester.”