

Atlanta 'problem property' becomes a powerhouse

By Steve McLinden

With declining traffic, an empty anchor and occupancy below 50 percent, the prospects for Atlanta's aging, open-air Hammond Square looked bleak at best in 1999.

But the complex had three things going for it that many other dying centers do not: location, location and location. Well placed on Roswell Road just off a teeming section of Interstate 285, the center sat in a three-mile trade area with a population of 65,000 and average household income of more than \$110,000 a year — one exit away from Perimeter Mall and the lure of its Bloomingdale's, Macy's and Nordstrom anchors. People who visit Perimeter for upscale shopping can also swing by The Exchange for basics.

That demographic alone was enough for Hammond Square's well-capitalized owner, Roswell, Ga.-based Mimms Enterprises, to take the first baby steps to remake the tattered 30-year-old property, which had lost Service Merchandise as a main tenant and was largely occupied by mom-and-pops.

Mimms spent the next several months buying out ground leases, first from Service Merchandise and then from a fitness center owner, before floating the project out into the retail community through real estate broker breakfasts, requests for proposals and other marketing tactics. Response was favorable. "That gave us the push we needed to renovate the center, which was way overdue," said Michele A. Del Monaco, senior vice president of leasing at Mimms. "Finally, we actually owned the entire property and could do something with it."

Mimms relocated some tenants, jettisoned a few others and then scored a coup by signing Whole Foods Market to the vacant 50,000-square-foot Service Merchandise space — only the chain's second in the market. "It was the hottest store in Atlanta, and a lot of tenants wanted to jump on that bandwagon," said Brad J. Shoemaker, Mimms' marketing director.

As part of a \$1 million-plus makeover, Mimms added a new facade with stucco-and-brick finish, renovated the interior and redivided several retail spaces. The firm also renamed the center The Exchange at Hammond.

Thus a problem property was transformed into a nice-problem-to-have property within a three-year span from 2000 to 2003, complete with jam-packed parking lots on weekends and holidays. Joining Whole Foods were the likes of Office Depot, Petco and Ross

Dress for Less, as well as niche retailers Dollar Tree and Book Ears, a books-on-tape retailer. The Bikram Yoga school opened near the Whole Foods entrance, and Artuzzi's, an Italian bistro, subleased an old Baja Fresh site.

For its efforts, Mimms captured the 2003 Outstanding Achievement Award from the Georgia chapter of the American Concrete Institute. The firm, ranked as the largest privately held owner of retail real estate in the Atlanta market, was also asked to present the project as a case study for the regional ICSC education session, "How to Take Your Eyesore to Tenants Galore."

"Part of our success was just creating a vision and getting all the pieces in place," said Del Monaco. "We own a lot of good centers in bad markets, but in this case, we got to turn around a bad center in a good market." ■