

Saved from near dead, Macomb Mall is getting a major update

By JC Reindl Detroit Free Press Business Writer Filed Under Business Michigan Business
12:24 PM, May 11, 2014 |

freep.com

Bleeding tenants and losing visitors, the Macomb Mall in Roseville was recently in danger of becoming metro Detroit's next dead mall.

But today the 50-year-old mall is undergoing a midlife renovation and expansion to avoid the sad fate that met once-popular but now-closed shopping centers such as Summit Place Mall in Waterford Township and the old Winchester Mall of Rochester Hills.

The new owner of Macomb Mall, Lormax Stern Development of West Bloomfield, started construction this spring of a new Dick's Sporting Goods anchor store where a Value City once stood and is having success in attracting other national retailers such as Shoe Carnival and beauty megastore ULTA.

As well, construction is scheduled to begin next month on the first of two additional new retail buildings in or around the mall, including a small strip center along busy Gratiot Avenue where there is now a closed Longhorn Steakhouse.

Interior renovations and outdoor landscaping work are to kick off this summer, the first extensive aesthetic update for the 921,000-square-foot enclosed mall since the 1990s. Construction is to begin next month on a new main entrance off Gratiot where there was once a coney island restaurant.

And at least nine tenant retailers have committed to remodeling or relocating their stores inside the mall.

"The folks that were here believe that we're headed in the right direction, or they wouldn't be relocating, renovating and putting the investment back into the center," said Karl Zarbo, director of operations for Lormax Stern Development.

The first phase of renovations is slated to finish in time for the October Dick's opening. The second phase could be done by late 2015.

The company won't specify a dollar amount for its planned investment in revitalizing Macomb Mall, although Zarbo said the \$8.4-million figure reported last year by some media outlets was inaccurate. He says the actual amount is far bigger.

Lormax Stern bought the mall out of receivership a year ago for an undisclosed sum and started making plans for an eventual makeover. Prior to the announcement, shoppers and retail experts wondered how much longer the mall could hold out amid its dwindling tenant base.

"When people walk through and see all the closed stores, it doesn't really send a great message," said mall worker Ashley Mucha, 22, of Clinton Township.

The renovation plan "was absolutely vital for Macomb Mall's continued existence," said Thomas Guastello, owner of Center Management in Birmingham, a commercial developer.

"Without this type of upgrade and bringing in new quality tenants ... the existing tenants would have found it impossible to continue renting," Guastello said.

Lormax Stern had helped redevelop the site of the former Livonia Mall, which opened at about the same time in 1964 as Macomb Mall and was its architectural twin. Because Livonia Mall was too far gone, it was razed to make way for a new open-air shopping center, a redevelopment strategy that some call "de-malling."

Although in decline, Macomb Mall hadn't yet fallen to a point of no rebound. "This was caught soon enough," Zarbo said.

Anchored by Sears, Kohls, and Babies "R" Us, Macomb Mall currently reports an 85% occupancy rate and about 75 merchants. The number of stores and merchants will go down as renovation proceeds, Zarbo says, as new retailers move into spaces where there were once three or four smaller storefronts.

"One of the difficult challenges of the older malls today is just too many small spaces. There just is not a corral out there of small operators to fill them," he said.

The mall is looking to snag another big-name retailer for the space presently occupied by Silver Cinemas, which will not be renewing its lease next year.

The forthcoming renovations will extend to Macomb Mall's towering retro-futuristic sign near Gratiot and Masonic Boulevard.

While some in town are eager to see the triple-pronged sign retired — "We call it Godzilla," joked Roseville Mayor John Chirkun — others consider it an iconic landmark of sorts.

In consideration of both views, Zarbo said they are drawing up plans "to respectfully retrofit it."

Contact JC Reindl: 313-222-6631 or jcreindl@freepress.com. Follow him on Twitter @JCReindl.