

## Retail resuscitation: Buyer aims to breathe life into mall

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*Company plans creation of outdoor shopping center*

By WAYNE HEILMAN THE GAZETTE

A nearly vacant 31-year-old mall at one of the busiest intersections in Colorado Springs will be rebuilt by new owners as an outdoor shopping center.

The Shops at the Bluffs, at the corner of Academy Boulevard and Austin Bluffs Parkway, was purchased for \$21 million by Minneapolis-based United Properties, which said Friday it will spend another \$20 million to redevelop the struggling center starting in the spring.

"The property has experienced significant decline over the past few years, but its location on a major thoroughfare and proximity to mature neighborhoods and the planned expansion of the University of Colorado at Colorado Springs make it very attractive for redevelopment," said Kevin Kelley, United's vice president in Lone Tree.

King Soopers, Hancock Fabrics and 24 Hour Fitness, as well as eight shops and restaurants scattered in outlying buildings along Austin Bluffs Parkway and Academy Boulevard all are expected to remain open during and after the redevelopment project, Kelley said.

United is still discussing its plans for the 295,000-square-foot center with 12 current tenants of the enclosed mall, which will be demolished, Kelley said. At least two tenants say they plan to move, while several others said they want to stay.

United hopes to submit redevelopment plans next week to city planning officials, who must approve the project before construction can begin.

Redevelopment plans also call for construction of about 65,000 square feet of additional retail space adjacent to King Soopers and 24 Hour Fitness and in new outlying buildings. The redeveloped center will have about 20 percent less space, Kelley said.

Anton Nelson, a Colorado Springs investor who owns a vacant 13,500-square-foot building that once housed three restaurants on the northeast corner of the complex, said he is selling the property, which will be demolished and replaced by several chain restaurants.

United had been trying to buy the center since last spring from a partnership controlled by American Capital Group LLC, a Santa Barbara, Calif.-based real estate firm that bought the property in 1996 and remodeled the center to give most tenants outside entrances.

Built as an enclosed mall called Mall of the Bluffs in 1974, the center thrived until the 1990s with tenants that included the Colorado Department of Motor Vehicles licensing center, a Marshalls clothing store, a HomeTown Buffet, a Hallmark store and Walgreens.

Just a handful of tenants remain in the enclosed mall with most operating under short-term leases that expire next year. Remaining tenants said Friday that the indoor part of the center is virtually deserted on most days and attracts few walk-in

customers.

"We had one customer in 10 hours that we were open on Wednesday, and that is not even enough to cover our rent," said Lois Egnor, owner of Sherlock Pipe and Tobaccos. "I will either move (the shop) near Fort Carson or retire when my lease expires in July."

Maryann Collins, owner of Kato Designs, a floral shop in the center, said she wants to stay if she can but won't stand in the way of any redevelopment. She said the complex "definitely needs to be rebuilt because this center has had a lot of hard times."

Much of the center had to close Friday when a water main broke; the center is expected to reopen sometime today, Kelley said.

Shops at the Bluffs is the city's third enclosed mall to be converted to an outdoor retail center; Pioneer Plaza was redeveloped in 1995, and the Rustic Hills Shopping Center was redone in the late 1990s. The aging Southgate Shopping Center completed a redevelopment in 2004 and now is the Broadmoor Towne Center.

"Retaining King Soopers as an anchor and converting an obsolete floor plan into more convenient shopping for customers will help rejuvenate" the center and adjacent area, said Kevin Kratt, who helped redevelop both the Rustic Hills and Southgate centers.

Privately held United also owns the Plaza at Highlands Ranch, a 222,000-square-foot shopping center in the Denver area anchored by a Target store, and about 25 million square feet of office, industrial, retail and apartments in Minnesota and Wisconsin.

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## **STATUS OF SHOPS THAT WOULD BE AFFECTED BY SHOPS AT THE BLUFFS RENOVATION**

The 295,000-square-foot mall at 3650 Austin Bluffs Parkway was sold Nov. 30. An outdoor shopping center is planned for the area.

### **STAYING**

24 Hour Fitness Alpine Vision Goodyear Auto Service Hancock Fabrics Hollywood Video King Soopers Old Chicago Red Hot & Blue Southern Grill & Bar Russell Stover Candies Starbucks

### **LEAVING**

betterRest Sherlock Pipes and Tobaccos

### **UNKNOWN**

Advance America Americana Beauty College Discount Trains General Nutrition Center Great Clips Kato Designs Liquor Inn Moss Locksmithing Papa Murphy's Take 'N Bake Pizza Performance Bicycle