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Enticing local shoppers



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Honeymoon in Niagara

The second time around brings a blissful wedding of new tenants and a fresh look



A 20-sf LED sign (above) that can be used for advertising decorates the project's entrance. Falls-oriented artwork (at right and below) livens up the mall's interior.



By MARY JO MELONE, Contributing Writer

The first thing you're bound to notice when you enter Fashion Outlets of Niagara Falls (N.Y.) is Fashion Avenue, the grand heart of the mall that is lined with the luxury brands that price- and trend-conscious shoppers want.

The Avenue is a big part of the extreme makeover of the mall by Talisman Companies, which has owned the property since 2005. Jim Schlesinger, Talisman's CEO and founder, invested \$35 million in the makeover – better than half of what he originally paid for the 15-year-old mall when Talisman bought it out of foreclosure for \$62 million. The work on the makeover should be done by spring.

Already, Talisman is reaping the benefits of the overhaul that turned the troubled 531,000-sf mall into a frontrunner. Schlesinger estimates sales at \$600 sf, double what it was when he bought it.

"The experience has been unique," Schlesinger says. Talisman also owns Fashion Outlets of Las Vegas (in Primm, Nev.), where sales are also at \$600 per sf – but it took five years to reach that figure. At Niagara Falls, it's taken less than two years. "I've never seen anything like it," he says.

Old to new, cold to warm

The ceiling in the 75,000-sf Avenue is 35 feet high and decorated with wood treatments that replaced the white trusses that existed before. The mall's multicolored scheme has been simplified to natural shades. The exterior is taupe and green and trimmed with stone, and inside, the mall has a warm but contemporary look. A mosaic floor depicting the Falls greets shoppers once they step into the mall; chandeliers hang overhead. These elements draw shoppers towards Fashion Avenue.

A unique sculpture has been placed at each of the mall's four nodes – corridor junctions – so that shoppers can more easily find their way by remembering the sculpture as a landmark. Each node has new lighting, wallpaper,

wood floors and soft seating for shoppers taking a break.

A 20-sf LED sign decorates the project's entrance. "We're setting up a live cam of the Falls," Schlesinger says. The sign will also feature store promotions and other news about the mall as shoppers – the mall gets six million visitors a year – arrive.

The overhaul was designed by Lauer-Manguso & Associates, a Buffalo, N.Y.-based architectural firm.

But the makeover of Fashion Outlets of Niagara Falls isn't about looks alone. It's about re-making it as a luxury-brand mall. About a dozen of the mall's 150 retailers have been asked to leave, Schlesinger says, "because they do not fit into the new merchandising scheme."

Schlesinger declined to identify the stores, but he was glad to name the newcomers – Banana Republic, Esprit and Ann Taylor, among them. Hugo Boss and Gap Kids are coming. And some tenants are getting bigger digs. Bur-berly expanded from 1,800 sf to 4,500 sf and is relocating to Fashion Avenue. Polo is moving from the strip part of the mall to the Avenue. Coach, already on the Avenue, is expanding, and Michael Kors will open there soon.

Reaching across the border

The overhaul couldn't come at a better time. The mall, located in the city of Niagara Falls, is a stone's throw from the Canadian border. The Canadian dollar is now at about par with the U.S. dollar – a dramatic change from the days when Canadian currency was worth less and shoppers from that country had to pay more in U.S. stores. That explains, Schlesinger says, why business has thrived so much.

But Canadian shoppers have also said they'd come no matter what the dollar is doing, says Ann Ackerman, SCMD and Talisman's VP-marketing. The mall wasn't overhauled to take advantage of economic conditions, but a happy set of coincidences led to the renovation. "Everything has come together," Ackerman says.

Talisman is deep into an aggressive marketing campaign to attract Canadian shoppers. The company is duplicating the campaign it has used in its Las Vegas mall to draw in tourists. When people sign up for vacation packages, travel companies offer a day's shopping trip. According to Ackerman, the program includes a round trip shuttle from five hotels on the Canadian side of the border, a coupon book, a break at Dunkin' Donuts and a gift.

Ackerman has also worked with media to spread the word about Fashion Outlets of Niagara Falls to Canadian residents, not just tourists. The campaign was launched to coincide with a Dixie Chicks concert in Toronto, about an hour's drive from the mall. Twenty women each won a limo for a weekend trip to the mall, and they could each invite a guest. They won a hotel stay at the nearby Seneca Niagara Casino, a free dinner, tickets to the concert and \$50 in mall gift certificates. A Canadian radio station heavily promoted the event.

Since then, the campaign has "morphed," Ackerman says, into "Chicks Day Out" promotions with other Canadian media to develop more awareness of the mall. A second-chance drawing for up to \$1,000 in gift certificates has also been held at the mall, and a similar campaign aimed at U.S. consumers will begin in May.

Talisman's acquisition of the Niagara mall is all part of the Schlesinger strategy. With five carefully tended retail projects in its portfolio, Talisman is a boutique firm, special-

izing in buying declining malls, renovating them and selling them. Typically, the company has about four million sf in its portfolio. In September, the company bought the 127,000 sf Santa Fe (N.M.) Outlets, and Schlesinger intends to apply his special treatment to it to create another high-end Fashion Outlets mall.

Additionally, Schlesinger says he's looking into new construction, ground-up projects. "We're looking at other sites," he says, but declines to elaborate. He is moving forward despite the uncertainty in the overall economy and is taking advantage of the decline in real estate prices.

"Now is the time to buy," Schlesinger says. "This is my day in the sun." ▮

Tenants at Fashion Outlets of Niagara Falls include:

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|--------------------------|--------------------------------|------------------------------|
| Adidas Outlet | Gap Outlet | Old Navy |
| Aeropostale | Geoffrey Beene | Olsen Europe |
| American Harley Davidson | GNC | OshKosh B'Gosh |
| Ann Taylor Factory Store | Guess Factory Store | Pac Sun |
| Anne Klein | Hartstrings | Panda Express |
| Applebee's | IZOD's The Original | Payless ShoeSource |
| Bag & Eye | IZOD | Pfaltzgraff Factory Store |
| Banana Republic | Jainlee Collectibles | Phase Id |
| Bass Outlet | J. Crew | Piercing Pagoda |
| Beacon | John's Flaming Hearth | Pita Gourmet |
| Bead It! | Johnston & Murphy | Polo Ralph Lauren |
| Ben & Jerry's | Jones New York | Rainbow Airbrush |
| Big Dog | Journeys | Record Theatre |
| Books Etc | K.B. Toys | Reebok |
| Brooks Brothers | Kitchen Collections | Rockport |
| Burberry | La Rosa Pizza | Rue 21 Company Store |
| Burlington Shoes | La Russa's | S & K Menswear |
| Calvin Klein | Labels | Samsonite Company Store |
| Camille Cosmetics | Leather Outlet | Shades |
| Carter's Childrenswear | L'eggs Hanes Bali Playtex | Silver Treasures |
| Casual Male XL | Lids | Skechers |
| Children's Place Outlet | Lindt Chocolates | Sports Collectors Corner |
| Claire's Accessories | Liz Claiborne | Stride Rite Keds Sperry |
| Coach Factory Outlet | Lovely Nails | Subway |
| Corning Corelle Revere | Maidenform Outlet Store | Sunglass Hut Outlet |
| Cosmetics Co. | Marshall's | Teriyaki Delight |
| Cost Cutters | McNerney's Irish Imports | Timberland Outlet Store |
| CT News | Metro Com USA | Tommy Hilfiger Company Store |
| Dress Barn | Mikasa Factory Store | Ultra Diamond Outlet |
| Dress Barn Woman | Morey's Jewelers | Van Heusen Direct |
| Dunkin' Donuts | Motherhood Maternity | Vitamin World |
| Eddie Bauer Outlet | Naturalizer | Wear House |
| Esprit | Nautica Factory Store | Wilson Leather Outlet |
| Factory Brand Shoes | New Age Creations | Wimpy's |
| Footlocker | Nine West | Zales Outlet |
| Fossil Company Store | Oakley Vault | Zumiez |
| Fragrance Outlet | OFF Fifth Saks 5th Ave. Outlet | |