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GLENN KOENIG Los Angeles Times

LURE: City Manager Gary Milliman at the mall site. A study showed shoppers left South Gate to spend more than \$220 million a year.

South Gate Looks to Shoppers

A huge outdoor mall planned for completion in 2008 would tap an overlooked market.

By ROGER VINCENT
Times Staff Writer

One of the Southland's largest new shopping centers is slated to be built in South Gate next year, reflecting an industry trend toward building shopping centers in overlooked urban districts.

A \$175-million outdoor mall, called the Gateway, would be built on the site of a departed pipe manufacturing plant at Firestone Boulevard and Atlantic Avenue. At 600,000 square feet, the mall would be larger than the Grove, a popular outdoor shopping venue in the Fairfax district of Los Angeles.

Eight developers competed for the opportunity to build on the city-controlled site southeast of downtown Los Angeles.

"This is a huge, untapped market," said developer Douglas Beiswenger, who added that there was little competition within a five-mile radius. "The retailers."

Local property owner Jean Heintz said there was "a giant sucking sound" of potential commerce heading east across the Long Beach Freeway to Downey. "South Gate needs some new retail," she said.

Beiswenger's Allied Retail Partners of Newport Beach and Santa Ana-based Red Mountain Retail Group Inc. plan to develop the Gateway together. They have built or control more than 80

Center of attention

The former site of a pipe manufacturing plant in South Gate is being acquired by developers who plan to build an outdoor mall.



Sources: Allied Retail Partners, National Geographic Society, Sanborn, Google Earth

shopping centers, mostly in California and Arizona, and plan to start work in November on an \$80-million upscale mall in Newport Beach called Bel Mare.

Their South Gate center is expected to be anchored by large consumer electronics, hardware,

clothing and discount department stores, Beiswenger said. It would also include entertainment elements, such as restaurants and perhaps a movie theater, when completed in 2008.

The developers also plan to tap into another development

trend by adding several types of signs and video displays.

Other shopping centers, including Citadel Outlets in the City of Commerce, have taken advantage of their high-traffic locations to mount prominent [See Mall, Page C4]

South Gate Aims to Help Shoppers and Its Image

[Mall, from Page C1]

video advertising. But the Gateway would take signage to a new level by adhering it to many building surfaces, said project architect Greg Lyon of KTG Group Inc. in Santa Monica.

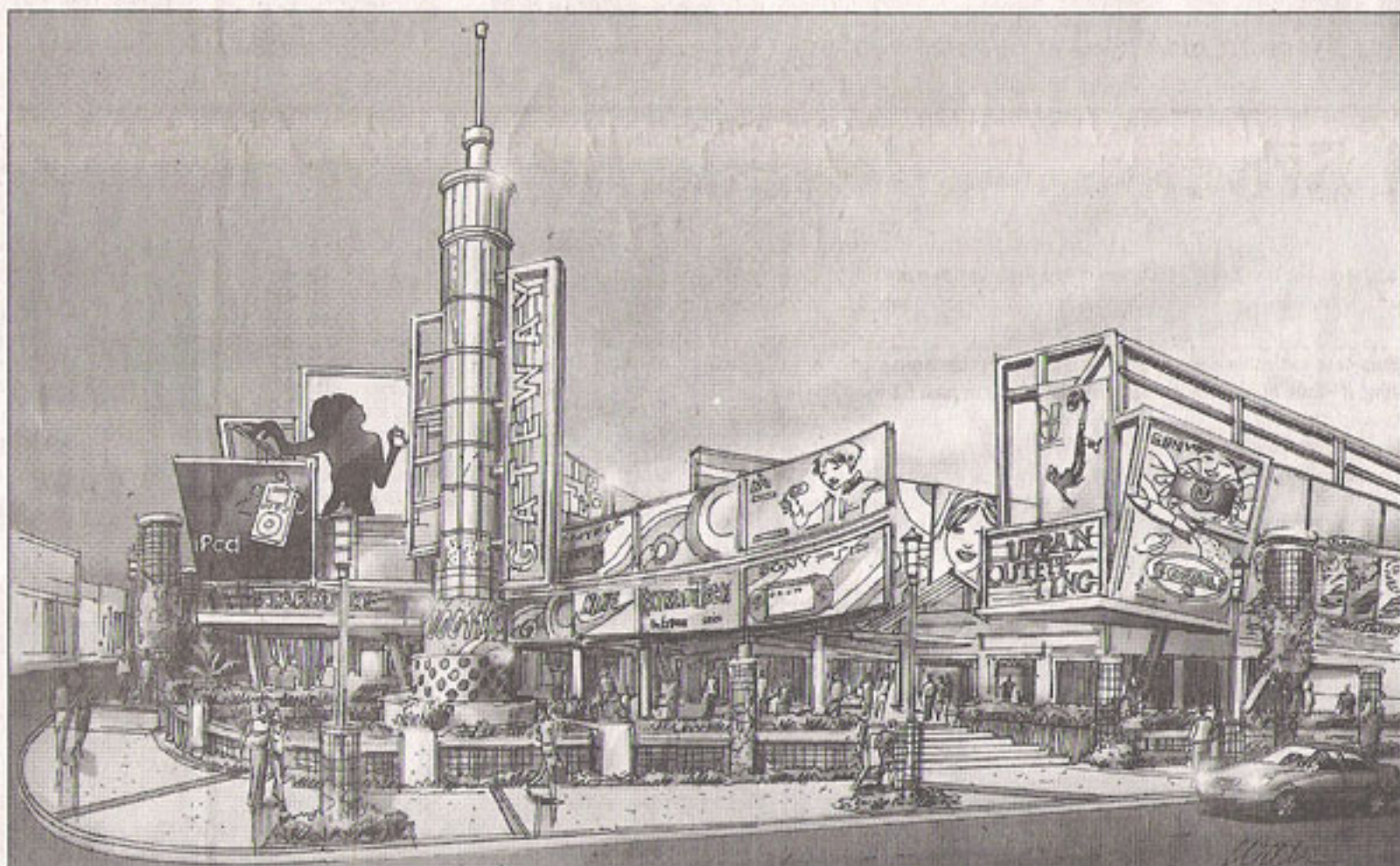
"Look in any direction and you will see something," Lyon said.

Such signs are a likely source of revenue to the mall's owners, who may sell advertising to off-site businesses as well as promote their tenants and offer original entertainment programming.

So-called lifestyle centers such as the Grove and the Gateway — with their Main Street scale and entertainment components — are intended to become community gathering points, said retail consultant Greg Gotthard of Alvarez & Marsal.

"They're popular in well-to-do communities, and now we are starting to see opportunities for them in areas that have more moderate incomes and have not been a focus of retailers in the past," Gotthard said.

If the developers complete their acquisition of the South Gate property by November as expected and begin construction next year, it would end long contention over the site. In the 1980s, state officials considered the parcel as a potential location of a medium-security prison, even though it was still in use by pipe maker Ameron International Corp.



KTGY Group

THE PROPOSAL: An artist's rendering of the planned Gateway shopping center in South Gate.

In more recent years, it was acquired by developers who cleaned it up and planned to build a retail center, until it was taken over by the Los Angeles Community College District for use as a campus. Facing opposition because dorms would be near a rail yard and chemical plant, the district chose another location in South Gate.

Now, the city has an agreement to buy the land from the college district for \$30 million. It

plans to resell the property to developers for \$34.5 million and not offer them any redevelopment subsidies, said City Manager Gary Milliman, who is part of a new administration that arrived in 2003 after a notoriously corrupt era in city politics ended in a raucous recall election.

Former city Treasurer Albert Robles was convicted of soliciting more than \$1.8 million in bribes from municipal contractors. Prosecutors said he and his allies nearly steered the city into bankruptcy as they bled more than \$12 million from its coffers.

"South Gate has been working hard for the last three years to restore its reputation," Milliman said.

Many businesses had steered clear of the city, he said, because of the "pay-to-play" image of its

government.

The city is also trying to attract new housing and recently approved a 186-unit condominium project to be constructed by Dublin, Calif.-based Summit Properties Group next year on Firestone, Milliman said.

South Gate wooed mall developers after a study showed that residents left the city to spend more than \$220 million a year on shopping, Milliman said.

Leo Quijano, who lives near the planned mall site, said he was concerned about a potential increase in traffic congestion but acknowledged that he would welcome more local shopping.

Local activist Virginia Johnson said, "The community seems to like the idea" of a new mall.

"Things have changed quite a bit since the old regime."