

Harrisburg Mall owners plan to change mix of stores to attract shoppers



By **DIANA FISHLOCK, The Patriot-News**
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Bill Russell wants you to visit him before Christmas this year. Well, also after Christmas. He wants you to visit a lot.

Harrisburg Mall's new owners are upgrading the mall inside and out, and Russell, the mall's director, wants to see more customers.

But with 30 percent of **the Swatara Township mall's** space vacant, it's a chicken and egg scenario: Customers will come if there are more stores. Stores will commit to the mall if there are more customers.



The Harrisburg Mall will be getting a new sign at the entrance. *John C. Whitehead, The Patriot-News*

Malls in the top 77 U.S. markets had an average vacancy rate of 8.7 percent in the third quarter of 2012, according to the Wall Street Journal.

Owners St. John Properties Inc. and Petrie Ross Ventures of Maryland bought the 1-million-square-foot mall June 5 for \$9.5 million. That's a fire sale compared to the \$52

million once owed on the foreclosed property.

In their first six months, they have cleaned up front entrance facing Paxton Street, demolishing a half-built restaurant and adding a garden. A police substation will go in soon.

Now they need to fix the mix of stores to attract more female shoppers looking for clothes for themselves and their children, Russell said.

Shoppers were sparse on a recent Friday morning. A group of retired men chatted outside the movie theater, which was bought a few weeks ago by the Regal Entertainment Group.

Despite the shortage of shoppers, St. John Properties sees tremendous potential here, Russell said. “The demographics are excellent. It has good bones. It’s very clean. It’s right off the highway. The previous owners had invested a lot of money in it.”

Their timing is right, said Dave Black, president of the Harrisburg Regional Chamber.

“There’s a general sense that the economy is getting better. The whole corridor has seen revitalization and growth,” he said of Paxton Street.

Black is not concerned that the mall has a 30 percent vacancy rate, the same as when it was sold six months ago. “They haven’t owned it that long. If they’ve owned it another year and it still has that level of vacancy, I might be concerned.”

The stop-and-start construction has hurt mall traffic, Black said. “It’s like your front door is under construction. People are hesitant to knock.”



Bill Russell of St. John Properties, Inc. shows where a Swatara Twp. police substation will be located in the front of the Harrisburg Mall. *John C. Whitehead, The Patriot-News*

The mall has suffered with interim ownership for five years, with a roller coaster ride of revitalization, default, foreclosure and auction, Jerry Wit, vice president of marketing for St. John Properties said over the summer.

Najib Benjelloun has weathered ups and downs in his 20 years running jewelry stores at the Harrisburg Mall, but nothing as bad as business is now, he said last week.

“We had the worst Black Friday ever,” he said, noting he’s seen no mall advertising. “We’re living day by day.”

He suggests the mall should get an Ikea store or something completely new to the area, craft stores, a book store and a card shop.

He’s going to stay here, running HBG Jeweler and Gift and Silvertime III, because he believes the mall will change quickly once the owners can pull in a better variety of stores.

“We have everybody selling the same items. Everybody’s killing everybody,” Benjelloun said.

“We need new items, new products.”

A few stores away, Nick Etzweiler, manager of Linebacker U., a sports memorabilia store, said he considered leaving the mall. “But we’re going to stay because we really believe in what they’re going to do in this place.”

Etzweiler’s parents owned the business until retiring, and he plans to buy it soon.

The Harrisburg Mall owners have plans, too.



New green space and entrance for the Harrisburg Mall in Swatara Township. Tuesday, Nov. 20, 2012. *John C. Whitehead, The Patriot-News*

Probably most important: fill the 188,000 square feet left vacant by Boscov’s departure and the 30,000 square feet never occupied when a deal to land Barnes & Noble fell through.

The new owners should be looking for nontraditional tenants for Harrisburg Mall, said Bob Gorland, vice president of Matthew P. Casey & Associates, which evaluates retail chains.

He’s seen malls rent space to churches, farmer’s markets, flea markets, community colleges, car dealerships, charter schools or companies needing office space, he said.

“You have people coming to that destination. When they leave, they can do other shopping,” Gorland said.

The new owners also plan to add a first-floor bathroom, upgrade the indoor playground and the parking lot. They want to attract more restaurants to the sites outside the mall and add a large video sign visible from I-83.

“I want people to say, ‘Wow. There’s something happening at Harrisburg Mall,’” Russell said.