

UF SC Shopping Centers Independent September 30, 2015



Independent Newspapers/Rusty Bradshaw

The names may change on the La Ronde Center business listing as the center, one of the oldest in the community, gets a facelift and a new set of tenants on the west side of the facility split by Del Webb Boulevard.

La Ronde Center evolution

Mixed-use medical, retail hoped to provide synergy

By Rusty Bradshaw
Independent Newspapers

One of Sun City's oldest retail centers will have a new look by the second month of the new year.

Work is progressing to transform the La Ronde Center, on Del Webb Boulevard between Talisman Road and Thunderbird Boulevard North. Barnett Dulaney Perkins Eye Center purchased the center and plans are to locate medical and health care entities on the west side of Del Webb Boulevard and retail businesses on the east side.

Barnett Dulaney Perkins Eye Center will anchor the medical side, as its business de-

mand has outstripped the existing site, 9425 W. Bell Road.

"This (La Ronde) was the only location in Sun City that offered the parking we needed," said Mark Rosenberg, Barnett Dulaney Perkins Eye Center CEO. "We also thought this was a great opportunity to expand and add complementary entities."

La Ronde is the second shopping center in Sun City to get a facelift in the last year. Thunderbird Plaza, on the southeast corner of Thunderbird Boulevard and 99th Avenue, also got a new look — and a new building. The new structure is now being



Mark Rosenberg

marketed for medical tenants. The plaza also is home to a CVS Pharmacy and Sun City Urology.

Sun City resident Jim Powell, as a member of the Sun City Home Owners Association Transportation Committee, has long been an advocate for cleaning up commercial areas in Sun City. He is pleased with the efforts at La Ronde Center, and the recently completed renovations at Thunderbird Plaza.

"That will be a real positive," he said. "We hope this will set an example for other business (property) owners."



Jim Powell

See Center — Page 6

Center

Continued From Page 1

Two long-standing unkempt business properties are the former gas station on the southwest corner of 107th and Grand avenues, and the empty center on the southeast corner of 99th Avenue and Union Hills Drive.

Mr. Powell is hopeful the La Ronde and Thunderbird centers will also set an example for residential property owners as well.

"I would say about 95 percent of our residents take good care of their properties, it's a small percentage that doesn't," he said.

Renovation work at La Ronde Center, estimated to cost \$15.5 million, is the first step in creating a solid mixed-use area and adding value to Sun City and the West Valley as a whole, according to Colin Brown of Whiteboard Concepts Co., and a member of the Sun City Development Group. Other health care tenants identified so far are Maxwell Group and Moore Audiology.

"This is a true mixed-use project, and we are looking to find the right tenant mix," he explained.

The retail portion is nearly full already, with tenants who already populated the east side and those who moved across Del Webb Boulevard to the retail portion, according to Mr. Brown.

"These new zones will build a synergy, and they will play off each other," he added.

Mr. Rosenberg said one vacancy on the retail side ideally will be a coffee shop or quick-service-type of shop.

With a number of access points on Thunderbird Boulevard, the Thunderbird center will present some traffic issues as higher numbers of people travel there. SCHOA Transportation Committee and Maricopa County Department of Transportation officials are already struggling with issues on the west side of the intersection of Thunderbird Boulevard and 99th Avenue due to



drivers making U-turns from the eastbound lane to get to the Jack-In-the-Box restaurant on the northwest corner. There are also issues with regular turns and U-turns being made at 99th Drive to access the center.

"We have done about as much as we can at that intersection," said Mike Albertson, MCDOT representative, at the SCHOA committee's Sept. 23 meeting.

While La Ronde also has multiple access points, Barnett Dulaney Perkins officials do not believe they will face the same issues. In fact, the traffic signals at Talisman Road and Thunderbird Boulevard North will help traffic flow, and that was also a drawing point for the company in selecting the center for relocation, according to Mr. Rosenberg.

Originally built in 1971 by Del Webb as Sun City expanded with Phase 2, the 112,000-square-foot La Ronde Center was designed as a lifestyle center, with a grocery store, pharmacy and other daily necessity shops, according to Mr. Brown. But over the years the retail outlets became disjointed.

Work on the La Ronde Center's major shell and facade should be complete in January or February, according to Mr. Brown. Barnett Dulaney Perkins Eye Center, which will occupy 28,000 square feet in the center, is expected to make its move to the new digs in late February or early March, he added. The new center will become the largest non-hospital, medical mixed-use project for health and wellness in metropolitan Phoe-

**What
do you
think?**

Do you have an opinion
on this issue? Share
your comments.

•Email: rbradshaw@newszap.com

nix, Mr. Brown explained.

"We are deeply committed to the West Valley and are proud to lead Sun City's redevelopment with a commitment to medical excellence by bringing this prestigious group of providers together," Mr. Rosenberg stated in a press release.

The La Ronde project is not the only building going on. K. Hovnanian Homes is in the process of filling the last residential parcels in Sun City.

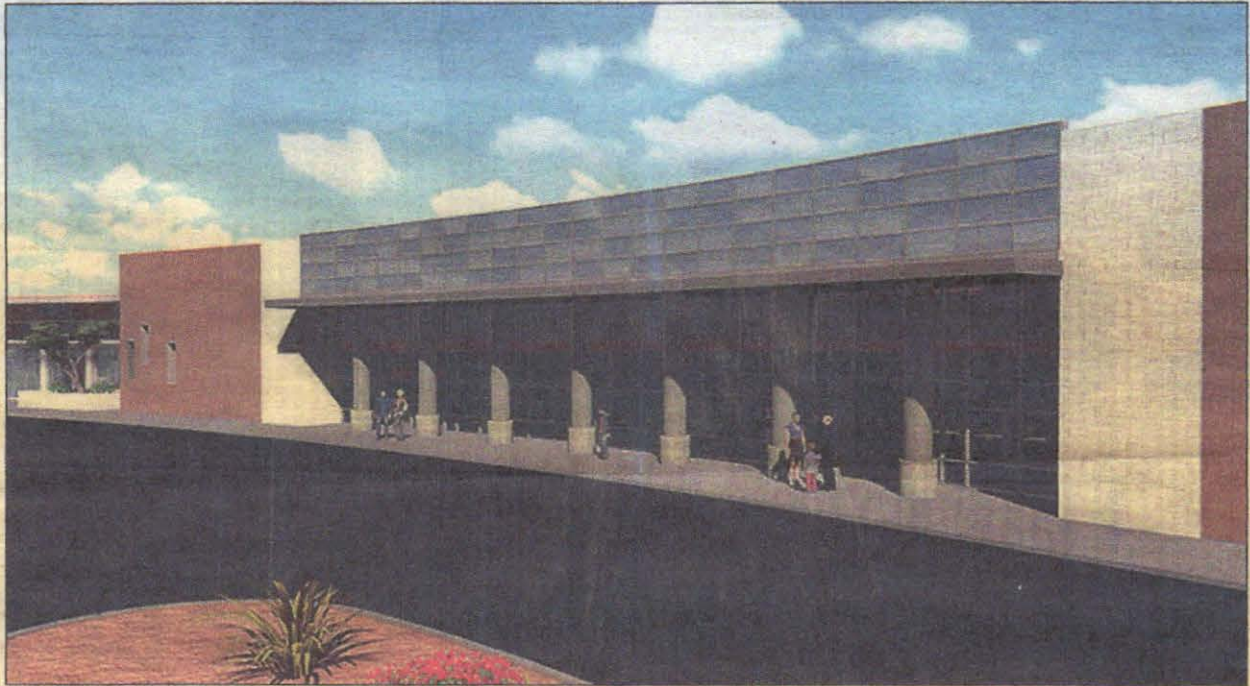
"They have three model homes nearly done," said Jim Fox, Sun City fire marshal. "There are 140 separate lots in that development."

He added the builders had to redo the sewer lines and community walls. The lots, west of Sunland Memorial Park, sat untouched for years while the property went through a succession of owners without any active construction.



**Jim
Fox**

RENOVATION



An artist's rendering depicts the new exterior design of the structures at the LaRonde Center where Barnet Dulaney Perkins will anchor a new medical campus. [Courtesy of Lavidge]

Sun City's LaRonde Center shifts focus from all retail to medical campus

By Jeff Grant
DAILY NEWS-SUN

The LaRonde Center, Sun City's largest shopping center, whose most successful days are well behind it, is about to become a major community medical campus.

Work is scheduled to begin July 1 on a \$7.5 million renovation of the center at Del Webb and Thunderbird boulevards to make way for the new tenants. Expected move-in dates have not been

announced.

The updated center will be anchored by Barnet Dulaney Perkins Eye Care Center, which will relocate its clinic and ambulatory surgical center at 9425 W. Bell Road to a significantly larger building at LaRonde. The move will give Barnet Dulaney Perkins, a provider of advanced vision care and surgery, a total of 28,543 square feet — doubling the 14,000 square feet it occupies on Bell Road.

"We are deeply committed

to the West Valley and are proud to lead Sun City's redevelopment with a commitment to medical excellence by bringing this prestigious group of providers together," said Barnet Dulaney Perkins Eye Center CEO Mark Rosenberg. "We're very excited about this project, the new health-care expertise and opportunities it brings, as well as reinvesting in Sun City. The new retail medical plaza will serve as the epicenter of Sun City's commercial

revitalization hub."

Barnet Dulaney Perkins Eye Center is the managing member of Sun City Development Group, LLC — a group of investors and future tenants at the new Sun City medical complex.

The list of health-care providers scheduled to move to LaRonde has not been announced.

Completed in 1972, the LaRonde Center covers 106,542 square feet spread over two

» See LaRonde on page A4

VF SE Shopping Centers (LaRonde) Daily NewsSun June 13-15, 2015

LaRonde

» From page A1

parcels — a larger portion on the west side of Del Webb Boulevard and a smaller one across the street to the east. Its circular shape is unique among Sun City shopping centers, part of Del Webb's plan to mix with the circular neighborhoods surrounding the intersection of Del Webb, Thunderbird and Talisman roads.

Colin Brown, member of Sun City Development Group and the developer, said the plan is for the western portion to eventually be occupied by mostly medical providers while retailers on that side are moved to the east section.

"It gives us chance to solidify and strengthen the medical entities within this facility and do better justice to the retailers," he explained.

Now less than a third occupied, the western portion includes several medical tenants: STI Physical Therapy and Rehab; Associated Dental; DaVita Palmbrook Dialysis and Paradise Hearing Aids. There also are a handful of midsize and small retailers. Most tenants declined to confirm their plans. However, Finesse Beauty Salon owner Sally Roadruck said she intends to shift to the east side, while the Mattress Firm is expected to stay put for the time being as its lease remains in force.

One business that will not be remaining is Jan & Dean's New and Used Furniture. The store closed May 31, and it is still seeking a new location while maintaining the moving and estate-sale portions of its business.

Barnet Dulaney Perkins will occupy a large building at the northeast end of the structures in LaRonde's west section that once housed a grocery store but has remained vacant for a number years.

"We've been at the location at 94th and Bell for close to 30 years; we've outgrown it. With multiple layers of subspecialists at a surgery center operating at the same time, there is a significant volume

of cars. Parking has been really inconvenient for our patients," Rosenberg said.

Barnet Dulaney Perkins' team uses a number of advanced technologies, such as refractive cataract surgeries, and the expansion will allow more room for procedures and patient consultation.

While LaRonde Center's inside is getting new tenants, its outside will receive a new look, too.

Architect Edward Marley, principal of Swaim Associates Ltd. of Tucson, and general contractor Sterling Design Management Inc. in Phoenix, are modernizing the structures.

"It's going to be a lot of glass, a lot of metal; we're really going for a modern look; midcentury appearance, we're getting rid of the soffit," Brown said.

The work will include the addition of a public wellness garden for community events.

LaRonde Center has had a number of owners over the years; however, none has been able to stem the decline in business. Some larger tenants, such as the grocer, were never replaced.

"As the bigger businesses pulled out, it was harder and harder for smaller guys like me to say, 'I'm going to stay here and not look for a place where there's more pull,'" said Darl Bachmann, co-owner of Ford's World Travel, a travel agency that left the east side of LaRonde in January after nearly 40 years and moved to Bell Camino shopping center at Bell Road and Del Webb Boulevard.

The center was sold last year for \$8 million by Marcus & Millichap, putting in motion plans for its new identity.

"This will be the largest fully integrated medical-provider mall in the Phoenix metropolitan area not owned by a hospital under one roof," said Brown. This will be a truly historic and special project."

• Check us out and like Yourwestvalley.com on Facebook and YourWVNews on Twitter.

Contact reporter Jeff Grant at 623-876-2514 or jgrant@

Anchors Away: Property owners face challenges, find ways to cope



Sun City resident Ed Uhl waits for his ride home after going to the Greenway Terrace shopping center to look for a watch repair store. While he did not find one there, he said he does go to the center once in a while.

Independent Newspapers/Rusty Bradshaw

Centers offer stark contrasts

By Rusty Bradshaw
Independent Newspapers

The national economic downturn is hurting an already suffering business climate in Sun City shopping centers as some have empty store fronts, and prospects of filling them are slim.

Among Sun City's 22 shopping centers of varying sizes, several have lost major anchor stores and smaller shops. Most recently, the Thunderbird Plaza, southwest corner of Thunderbird Road and 99th Avenue, lost Trader Joe's when the company decided in 2008 it would receive more in-store traffic by moving it to Surprise.

But there are success stories.

Greenway Terrace, owned by Arizona Partners, has three major anchor stores — Walgreens, True Value Hardware and Dol-

Read More

Second in a series

Next Week: What efforts are being made to recruit businesses to Sun City?

lar Tree — that are long-standing tenants. Walgreens has been at the center since the 1970s while the others were added within the last five to 10 years, according to Natalia Solis, Arizona Partners spokeswoman.

"This center has good synergy between the tenants and it services that community that surrounds it," she added.

Greenway Terrace, on the northwest corner of 99th and 103rd avenues, also has a good mix of businesses, including restaurants, soft goods and services, and that is a factor in its success, Ms. Solis explained.

Arizona Partners also owns Sun Bowl Plaza, on the south side of Peoria Avenue straddling 107th Avenue. That center lost a major anchor some years ago, but continues to see a fair amount of traffic because of a different dynamic, according to Ms. Solis.

"While Sun Bowl also services its direct community, a large percentage of the tenants are thrift tenants, and as times have gotten tougher these tenants have been able to do well," she explained.

The same is not true for La Ronde Center, on Del Webb Boulevard and Thunderbird Boulevard North and Talisman Road.

"La Ronde had an IGA grocery store and it has lost two furniture stores," said Paul Herrmann, Sun City Visitors center direc-

See **Centers** — Page 18

VF-SC Shopping Centers - General

Centers

Continued From Page 1

tor. "I don't see those being filled any time soon."

He believes Sun City has too many shopping centers for the times, saying they were needed in the 1960s and 1970s when the community was far from other cities.

"With all we have around us now, it is tough unless you have some type of niche business," Mr. Herrmann said.

Judy Butterworth, a principle with DiRito Partners, La Ronde Center owner, said Sun City is at a disadvantage in attracting tenants for anchor stores because of changing demographics businesses are targeting.

"The demographic is for young people with children," she said. "People (major business owners) will not go into senior communities."

Many businesses will only locate into areas where there is guaranteed levels of revenue, Ms. Butterworth explained.

She also said Sun City's design works against businesses because there are no freeways near the community. Centers also need updating and better signs, expenses that are difficult to justify, especially in a down economy, she added.

Ms. Solis believes Greenway and Sun Bowl centers are not hampered by not being near major thoroughfares. Greenway is about a mile from Bell Road to the north and Grand Avenue to the south while Sun Bowl

Sun City shopping centers

- Ventana Lakes Village Center, 99th Avenue and Beardsley Road
- Union Hills Center, southwest corner of Union Hills Drive and 99th Avenue
- Union Hills Plaza, southeast corner of 99th Avenue and Union Hills Drive
- Bell Camino Center, northwest corner of Bell Road and Del Webb Boulevard
- First National Bank of Arizona Plaza, Bell Road west of Boswell Boulevard
- Sun Shadows Center, northwest corner of Bell Road and 99th Avenue
- Promenade, southwest corner of Bell Road and 99th Avenue
- Campana Square Center, southwest corner of Bell Road and 98th Avenue
- Sun Bell Center North, northeast corner of Bell Road and Lindgren Avenue
- Sun Bell Center South, southeast corner of Bell Road and Burns Drive
- Greenway Terrace Center, Greenway Road and 99th Avenue
- La Ronde Center, Del Webb Boulevard at Talisman Road and Thunderbird North
- Thunderbird Plaza, southwest corner of Thunderbird Road and 88th Avenue
- Royal Oak Plaza, southeast corner of Thunderbird Boulevard and 103rd Avenue
- Grand Center, southwest corner of Grand and 107th avenues
- King's Inn Center, southeast corner of Grand and 107th avenues
- Sunset Plaza, Coggins Drive between 103rd and 105th avenues
- Grand Businesses, between 99th and 105th avenues
- Sun Bowl Plaza West, southwest corner of 107th and Peoria avenues
- Sun Bowl Plaza East, southeast corner of 107th and Peoria avenues
- Safeway Plaza, southeast corner of Olive and 107th avenues

is about the same distance from Grand Avenue to the north and Peoria Avenue to the south. Both are on larger through roadways (99th Avenue for Greenway and 107th Avenue for Sun Bowl), but Ms. Solis does not see the roadways as a factor in either center's success.

"Our centers service the surrounding communities and draw from the local neighborhoods," she said. "Individuals in these neighborhoods are looking for the centers where they do not have to commute very far, and they can find all their shopping needs."

Ms. Butterworth said the struggling economy is not helping property owners looking to fill empty store fronts.

"There are a limited amount of users, no one is expanding," she said.

Most shopping centers have too many small shops, which limits what businesses can locate there, according to Ms. Butterworth.

"You usually only have one of any type of business," she said.

In terms of other uses besides retail, Ms. Butterworth said opportunities do exist, but few in senior communities like Sun City.

"I have seen churches, mini storage, charter schools and dinner theaters," she said. "But the opportunities open up in areas with young children."

Another problem Sun City businesses face is residents are losing the "community first" attitude when it comes to shopping, according to Mr. Herrmann. He also believes

businesses hurt themselves by not offering discounts and other incentives to get customers in the door.

"Once they are in with the discount, they will spend more," he said.

He has tried to help at the Visitors' Center by including on the Visitors Center Web site, www.suncityaz.org, a list of all shops in each shopping center. He has also offered other opportunities through the Visitors Center Web site, but so far there have been no takers, according to Mr. Herrmann.

"The mom and pops don't do enough to market their business," he said.

Post your opinions in the Public Issues Forum at www.newszap.com. News Editor Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com.

Empty Boxes: Can Sun City support shopping centers?

Group works to solicit businesses

By Cecilia Chan
Independent Newspapers

Theresa Koegel wants to know when two vacant anchor buildings at 99th and 103rd avenues, former homes of a restaurant and a grocery store, will be occupied with merchants.

"I go by there when I go to the Sundial," she said. "It's just an eyesore."

Hopefully, not for long.

"Both of those are still on the market for retailers," said Lamont Kindseth, leasing manager with Arizona Partners Retail Investment Group. "We are working on plans to remodel the one that use to be a restaurant. We will gut it and bring it back for retail space within the next few months."

Mr. Kindseth said the former grocery store has sat empty for about one year and the former eatery about two years.

"We've had talks with someone for anchor space," he said. Mr. Kindseth said a grocer as a renter would be ideal but the response has not been too good."

Arizona Partners also leases an empty building at Sun Bowl Plaza on 107th and Peoria avenues at various times for use as warehouse space, Mr. Kindseth said.

With 17 shopping centers, empty storefronts tend to stir concerns of neighborhood blemishes in a master-planned community that prides itself on its manicured appearance.

Most recently, the two closed and boarded-up Exxon Mobil stations prompted a director on the Sun City Home Owners Association Board to call the property manager for answers.

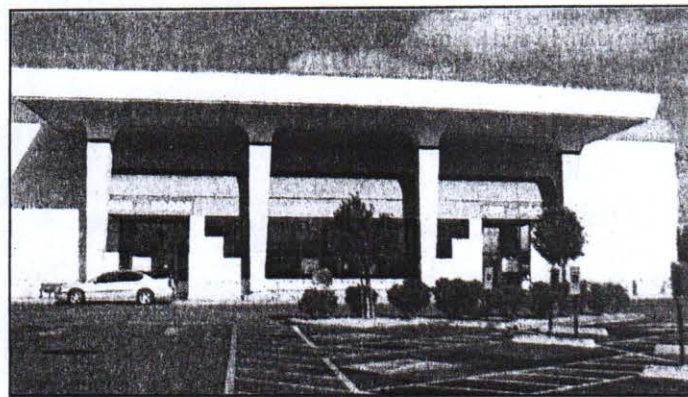
However, that is as far as HOA can legally go.

"We don't keep track of empty store fronts because that's private property," HOA President Tom Stolt said. "We don't control private business-

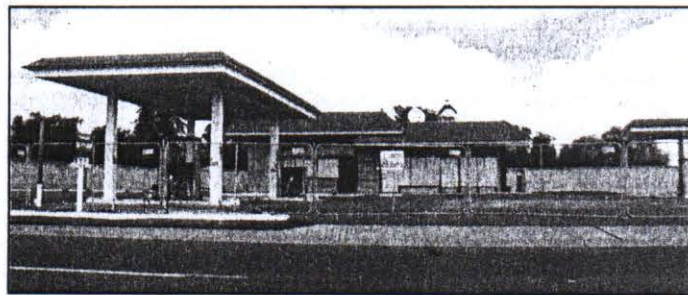


Independent Newspapers/Cecilia Chan

Empty building on 99th and 103rd avenues was once a restaurant.



Former grocery store on 99th and 103rd avenues.



Former Mobil gas station at 99th Avenue and Thunderbird Boulevard.

What do you think?

Where do you go shopping and why?

Write us at 10220 W. Bell Road, Suite 116, Sun City, Ariz., 85351, mail cchan@newszap.com or call Speak Out at 445-2892.

es."

The stations — at 99th Avenue and Thunderbird Boulevard and Thunderbird and Del Webb boulevards — are for sale, according to the real estate broker for the oil company.

In Sun City West, its community leaders are looking to elected officials for help with its

closed Exxon Mobil gas station because they say it is unsightly.

Resident Bob Budorick wonders how long Sun City can support all its shopping centers.

Mr. Budorick, who also chairs a community focus group aimed at fostering volun-

See Group — Page 5

Group

Continued From Page 1

teerism in Sun City, said when the 44-year-old community was first built it was surrounded by desert and so all the needs of its residents was provided from within.

Today, with the Arrowhead Towne Center in Glendale and big box stores such as Costco and Wal-Mart nearby that is no longer the case, he added.

For instance, he noted, the shopping center at 107th and Peoria avenues "use to be more commercial property and gradually commercial stores disappeared and taken over and occupied by the thrift shops."



Former Mobil gas station at Thunderbird and Del Webb boulevards.

"Local shopping centers were occupied by businesses that were serving the local needs of Sun City as a separate community," he said. "Eventually we may find some shopping centers will be disappearing or stores disappear-

ing and Sun City will become more and more of a bedroom community."

Post your comments on this issue at newsblog.info/0302

News editor Cecilia Chan can be reached at 972-6101 or cchan@newszap.com

Shopping choices shrink



Sun Foods IGA loses lease at Greenway Shopping Plaza

MITCHELL VANTREASE
DAILY NEWS-SUN

A disappointed Tom and Fran Wise walked away from the Sun Foods IGA in the Greenway Shopping Plaza after seeing the sign posted on the door.

"Valued Customer! This store will close for business on Sunday, Oct. 5 at 6 p.m. We have appreciated your patronage..."

"I'm kind of in shock about it," Tom said. "There's a lot of competition to go to though, so it's OK."

The store at 99th Avenue and Greenway Road closed its doors on Sunday because its lease expired.

John Smirniotis, the owner, said employees are cleaning the building this week and moving items to Sun

Foods' other location at Del Webb Boulevard and Talisman Road. About half of the staff will move to the other Sun Foods as well.

Since the closure, Smirniotis said hundreds of customers have shopped at the other store.

"People have flooded the place since everything's been happening," he said.

Smirniotis said the bankruptcy of the Fleming Co. prevented him from securing a new lease. It was previously an ABCO grocery store, owned by the company.

When ABCO went out of business in 2002, Smirniotis purchased four of the supermarkets — three in

Phoenix and one in Sun City — converting them to IGAs.

The Del Webb Boulevard store remains open because of a long-term lease at that location.

Lorraine Barringer of Sun City said she's upset at the recent changes. She's been a customer since ABCO became IGA, and doesn't know now where she'll shop.

"Everything that you need has been right here," Barringer said. "They had the best meats and produce in town. It makes me highly upset."

For nearby neighbor Frederick Johnson, the convenience of a grocery store two blocks away vanished.

"I'll have no other choice but to travel somewhere else now," he said.

Johnson couldn't understand the reason for Sun Foods IGA closing its doors.

"This is my store," Johnson said. "I've done all of my shopping here. I don't understand it because they get all of the business."

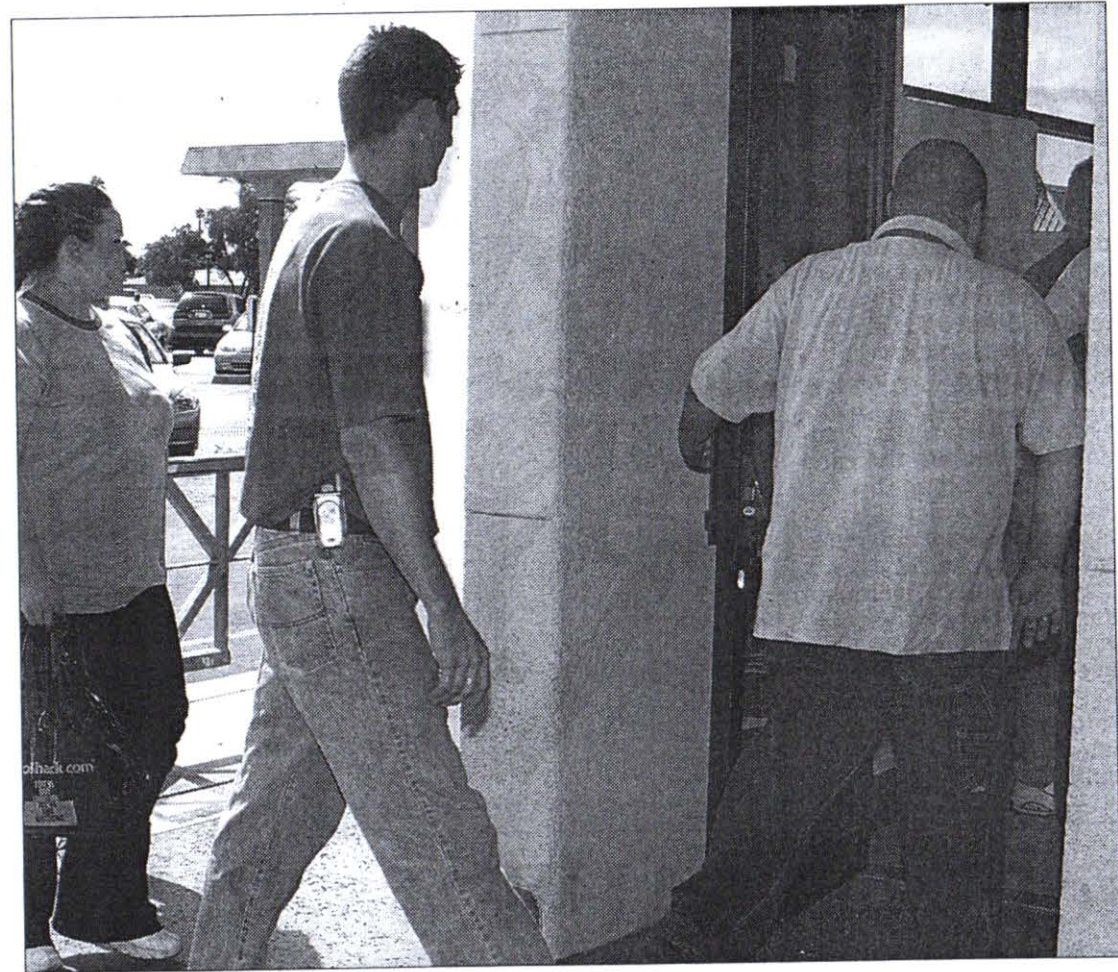
Mitchell Vantrease can be reached at 876-2526 or mvantrease@aztrib.com.

OVER



PHOTOS BY JOY LAMBERT-SLAGOWSKI/DAILY NEWS-SUN

Left, customers chat outside the former Sun Foods IGA at Greenway Road and 99th Avenue Monday after learning it had closed for business on Sunday, catching many customers off guard. Above, Tom and Fran Wise of Sun City read the sign on the store's door. Below, Sun Citizens Nancy Snyder, left, and Mary Jane Grima grab carts outside the store before discovering it had closed Sunday. Snyder said she'll miss the produce at the IGA, but will probably start shopping at Fry's. Grima said she feels bad for the older residents in the area who will now have to travel farther to do their grocery shopping.



PHOTOS BY JOY LAMBERT-SLAGOWSKI/DAILY NEWS-SUN

Employees enter the Sun Foods IGA at Greenway Road and 99th Avenue Monday to clean up the building and transfer merchandise to the store at Del Webb Boulevard and Talisman Road.

comes
ws tips.
, news
h your

Community

■ Radio again. The name, please, of the shows starring Sid Caesar, William Bendix and Milton Berle?

See answer in Thursday paper.

On Sept. 9, 1884, Antoine Feuchtwanger of St. Louis invented the hot dog bun.

Shopping centers sold in Sun City

2 of 6 properties have new owners

By BRUCE ELLISON
Staff writer

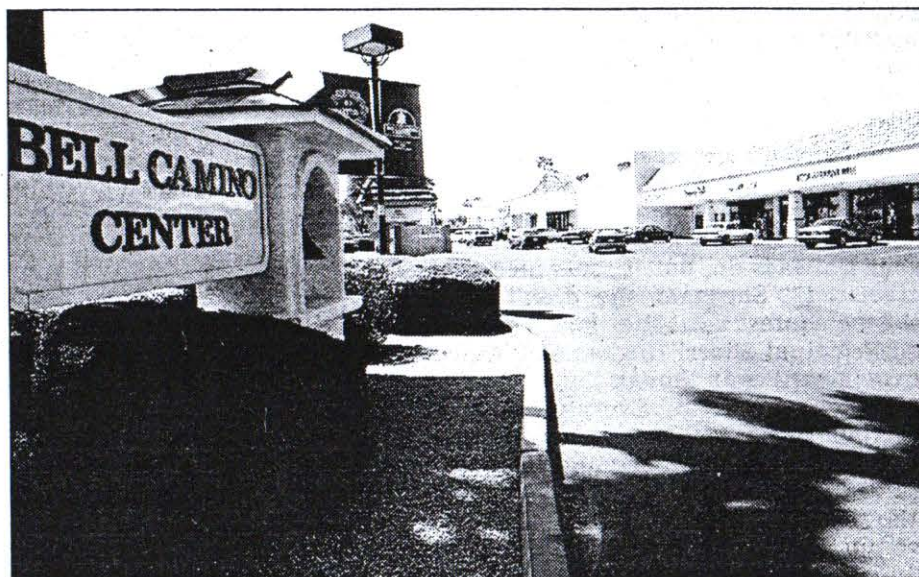
Two of Sun City's major shopping areas have been sold, and four others are on the market.

The centers that changed hands last month are LaRonde Centre, on both sides of Del Webb Boulevard at its intersections with Thunderbird Boulevard and Talisman Road, and Bell Camino Center, at Del Webb Boulevard and Bell Road.

Sun Foods IGA and two furniture stores are the major tenants at LaRonde. A Safeway supermarket and Osco Drug Store anchor the Bell Camino Center.

Both centers had been owned by the Teachers Retirement System of Texas, as are the other centers being marketed — Greenway Terrace, 99th Avenue at Greenway Road; Grand Center, west of 107th Avenue on Grand Avenue; Sunbowl Plaza, 107th and Peoria avenues; and Thunderbird Plaza, 99th and Thunderbird avenues.

Thunderbird Plaza, at 55,000



Gregory Harris/Daily News-Sun

The Bell Camino Center, which recently sold for nearly \$6 million, is one of six Sun City shopping areas available for sale.

square feet of store space, is the smallest; LaRonde, at 107,500 square feet, is the largest.

LaRonde Center changed hands for \$4 million, according to data in the county recorder's office. It was sold twice, first to Cole Partnerships Inc., 3443 N. Central Ave. in Phoenix, and then to Praedium II

Maricopa LLC, in care of First Boston Corp., a New York investment firm.

The Bell Camino center traded hands on Aug. 21 for a price of \$5.6 million. It was initially sold to G.D.A. Real Estate Service Inc., of Englewood, Colo.

Then, like the other center, it

changed hands again, this time to Edgewater Enterprises Bell Camino LP, in Sherman Oaks, Calif.

People who answered the phone at a concern related to G.D.A., the new property manager, said the new owners preferred to have no publicity on the sale; the owners declined to return phone messages left for them.

Tenants in the Bell Camino center said they had been told that the new owners would do some upgrading at the center, especially installing better lighting in the parking lot.

Howard Goldman, a spokesman for the Texas pension fund, said the centers are being sold as part of the fund's plan to eliminate its directly owned real estate, in favor of investments that do not require the fund to be an active manager of properties.

Goldman said the four remaining centers "have attracted good interest" from area real estate professionals, and likely could change hands soon.

"All of them are well-maintained centers, with good tenants," he said.

Vacancies dip at local shopping centers

By MIKE GARRETT
Daily News-Sun staff

SUN CITY — Northwest Valley shopping center vacancies are down slightly from last year. They're also better than the East and Southeast Valley, according to the seventh annual Kammrath & Associates Shopping Center Vacancy Report.

The vacancy rate of shopping centers throughout metropolitan Phoenix climbed from 17.4 to 18.1 percent from May 1990 to May 1991 after more than five million square feet of new space opened, said firm President Robert E. Kammrath.

But Northwest Phoenix, Glendale, Peoria and Sun Cities centers, most of them neighborhood centers, showed a 15.84 percent overall vacancy rate in May 1991, down from 16.23 percent in

May 1990. The number of area vacancies decreased from 1,331 to 1,308.

The survey is based on inspections of all valley shopping centers of 30,000 square feet or larger and represents more than 67 million square feet. It includes all peripheral buildings like restaurants and banks.

It doesn't include leases signed in the past two months and that changes percentages for some centers. CBS Property Services Sun City leasing manager Randy Miller disagreed with Kammrath's vacancy rates for Grand Center, Sun Bowl Plaza, LaRonde Center and Thunderbird Plaza.

Kammrath's research was done for his annual Property Book Directory of Shopping Centers.

"There will be a significant number of major store closures over the next

few months," Kammrath predicted. "The market is simply not in a position to absorb anywhere near the amount of space we are building. Success of new shopping centers is at the expense of older properties."

Average vacancy rates varied significantly by the type of shopping center. Neighborhood centers, typically anchored by a grocery store, had 11.5 percent vacancies while unanchored specialty centers averaged 34.7 percent and regional malls 17.1 percent.

The number of Northwest Valley shopping centers increased from 176 to 179, merchants from 3,155 to 3,228 and square footage from 21,856,600 to 22,744,200.

"The Northwest in general has done better than the Northeast and Southeast Valley in reducing its vacancies,"

said Kammrath.

But that may be due to the relative inactivity in shopping center construction in this region, noticeably in the frequent delays in breaking ground on the Arrowhead Regional Mall at 75th Avenue and Bell, now scheduled for a fall 1991 groundbreaking by its developer, Westcor Partners.

Miller agreed with Kammrath's figures for Greenway Terrace and Bell Camino among the six CBS managed Sun City centers. But he showed a 23 percent vacancy rate for Grand Center (adding in the recently opened Melody Lane), 12 percent for LaRonde Center (Horn Furniture opens Monday and Schrodgers Piano & Organ opened last month), 61 percent for Thunderbird Plaza and closer to 10 percent for Sun Bowl Plaza.

(COVER)

Sample vacancy rates of Northwest Valley centers:

SUN CITY — Greenway Terrace, 99th Avenue and Greenway Road, 7 percent; Royal Oak Mall, 103 Avenue and Thunderbird Road, 52 percent; Thunderbird Plaza, 99th Avenue and Thunderbird Road, 67 percent; The Promenade, 99th Avenue and Bell Road, 12 percent; Sun Shadow Square, 99th Avenue and Bell Road, 27 percent; Grand Center, 107th and Grand avenues, 40 percent; Sun Bowl Plaza East, 107th and Peoria avenues, 24 percent; Sun Bowl Plaza West, 107th and Peoria avenues, 19 percent; Kings Inn Center, 107th and Grand avenues, 1 percent; Bell Camino Center, Del Webb Boulevard and Bell Road, 3 percent; LaRonde Centre, Del Webb

Boulevard and Thunderbird Boulevard, 25 percent.

SUN CITY WEST-SURPRISE — Sundome Plaza, R.H. Johnson Boulevard and Camino del Sol, 6 percent; Mercado Del Sol, Camino del Sol and Spanish Garden Drive, 33 percent; Crossroads Towne Center, Bell Road and R.H. Johnson Boulevard, 19 percent.

PEORIA — Plaza 99, 99th and Peoria avenues, 36 percent; Peoria Station, Peoria and 67th avenues, 15 percent; Arrowhead Mall, 99th and Peoria avenues, 21 percent.

GLENDALE — ABCO Center, 51st Avenue and Thunderbird Road, 6 percent; Bell Tower Village, 51st Avenue and Bell Road, 67 percent.

VF - SHOPPING CENTERS - GENERAL

Daily News-Sun, Sun City, Ariz. Wednesday, June 13, 1990 Community A3*

Shopping centers suffer from vacancies

By MIKE GARRETT
Daily News-Sun staff

SUN CITY — The six original Sun City shopping centers have a vacancy rate more than 10 percent higher than the entire Valley.

But the vacancy rate at Northwest Valley centers as a whole is slightly under the Valley average.

Valley shopping center vacancy rates increased to 17.4 percent in May 1990 from 15.4 percent in May 1989, according to the latest edition of The Property Book Directory of Shopping Centers published by Kammrath & Associates, a Phoenix-based real estate investments and research firm.

The survey is based on Kammrath's recent on-site inspections of all Valley shopping centers of 30,000 square feet or larger representing a total of more than 62 million square feet. It includes on-site free-standing restaurant and bank pad space considered shopping center property, Kammrath President Bob Kammrath said.

The six original Sun City centers have a current vacancy rate of 26.9 percent, said Randy Miller, leasing manager for CBS Property Services Inc.

That figure is ballooned by Thunderbird Plaza at 99th Avenue and Thunderbird and Grand Center at 107th and Grand Avenue, which have re-

The Northwest Valley as a whole has a 16.23-percent vacancy rate (1,331 vacancies) among 176 centers — up from 13.5 percent (1,182 vacancies) a year ago. But that's still under the Valley average.

The Property Book
Directory of Shopping Centers
Kammrath & Associates

spective 64.4-percent and 60-percent vacancy rates.

The Northwest Valley as a whole, including Glendale, Peoria and the Sun Cities, has a 16.23-percent vacancy rate (1,331 vacancies) among 176 centers — up from 13.5 percent (1,182 vacancies) a year ago. But that's still under the Valley average, the Kammrath survey shows.

Miller acknowledged the high CBS center vacancy rates but expects to chop at least 7 percent off that 26.9 percent if all the leases he's now negotiating pan out in the next six weeks.

"I expect to close 33,519 square feet of leases within the next six weeks," Miller said.

He said two major tenant

leases should be signed within the next couple of weeks and he now has clearance to negotiate a new tenant for the old Liquor Barn location in Grand Center.

He said Liquor Barn had continued to pay rent on its 10-year lease there after moving out last year and has prevented him since last November from signing a prospective tenant for that space. But, "I expect to do something with that space within the next few weeks."

Other vacancy figures show Sun Bowl Plaza, 107th and Peoria avenues, at 23.6-percent vacant; LaRonde Centre, 14800 N. 107th Ave., 28-percent; Greenway Terrace, 99th Avenue and Greenway Road, at 7.7-percent, and Bell Camino 107th and Bell Road, the Sun City champion at 2.56-percent vacant.

Miller said the LaRonde Centre rate includes the recent Alco Theater closure but noted he is negotiating with two other movie theaters and a playhouse operation to possibly take that spot.

Miller said he is negotiating with restaurants, general merchandise and variety stores to fill some of the vacancies.

He said he has been unable to get any small tenants to move into Grand Center or Thunderbird Plaza without an existing

OVER

anchor tenant. Likewise, the potential anchors don't want to move into centers without a large small-tenant mix.

"I do have a couple of anchors looking at Thunderbird Plaza that aren't as imminent as Grand Center but nevertheless are substantially looking at it."

He said CBS is still working on its Grand Center remodeling plans that would include a new roof once a few more tenant commitments are made.

A.W. Brooks, leasing manager of Cuellar Realty Services, which manages Sundome Plaza and Palms West in Sun City West and Sundown Plaza in Youngtown, said Sundome Plaza, R.H. Johnson Boulevard and Camino del Sol, has only one 1,310-square-foot vacancy. Its 1.04-percent vacancy rate is the best in the Sun Cities.

Brooks said Palms West is about 60-percent occupied and Sundown Plaza, 111th and Grand avenues, is about 80-percent occupied, the same rate as the Cuellar-managed Grand-Bell Center on Dysart Road and Grand Avenue in Surprise.

Brooks said the Valley's overall 17.4-percent vacancy rate is not a bad rate because the Valley is still a growth community.

"If you do not have vacancy, you do not have growth," he said. "You've got to have some

vacancy available so that new companies coming into the Valley have someplace to reside and strike up a business."

Brooks said vacancy rates for the smaller 25,000- to 30,000-square-foot neighborhood or strip centers are much larger

than for the large regional malls, the newer community centers and the so-called "power centers" that feature a large grocery store anchor like Smith's or Albertson's.

"You're going to find vacancy rates in those strip centers anywhere from 0 to 80 percent with an overall average of 30 to 40 percent. Most of those had smaller Safeways or Basha's move out and nobody replaced them."

Kammrath agreed that the older centers generally are not competing with the newer centers because of space limitations.

"Grand Center is typical of what we're seeing Valleywide. Unfortunately, in Sun City you have a lot of what we would term old centers.

"Any sort of an anchor tenant space, which generally is a grocery store built 10 or more years ago, is now obsolete," Kammrath said. "What that does is leave that whole Sun City area open for somebody to build a 50,000- to 70,000 square-foot store if they're willing to de-

molish existing structures as Smith's did with King's Inn.

"Both Smith's and Albertson's have been pretty aggressive and are willing to pay the freight for actual demolition whereas in the past, neighborhood centers popped up only in areas where there was available land."

Nick Christifulli, leasing director of neighborhood centers for Westcor Partners, expects to have only one 808-square-foot vacancy left this fall for The Promenade Center, 99th and Bell, once four new leases are signed.

Christifulli said he has made it a point to sign tenants who are already familiar with the Sun City marketplace and have previously done business at other Sun Cities locations.

"Come October, I'm going to be really happy with the tenant mix because they're all established retailers in the area. We have a theme center and I have to go after the smaller . . . users who can best serve the Sun City customer."

Ed Beeh, leasing manager for D.L. Slaughter, landlord of Sun Shadow Square, 99th and Bell, said his 82,886-square-foot center is now 67 percent leased, up from about 50 percent in May of 1989. "Almost all of the vacancies are still on the east side of the center, which probably shouldn't have been built in the first place," he said.

Daily News-Sun Friday, Jan. 26, 1990 B-7

Centers get face-lift

Merchants approve new look

By MIKE GARRETT
Daily News-Sun staff

SUN CITY — Repainting of the six original Sun City shopping centers and other improvements are scheduled to be completed by Feb. 12, executives of CBS Property Services said.

Bell Camino Center at 107th Avenue and Bell Road and Greenway Terrace at 99th Avenue and Greenway Road are the last centers on the repainting list.

Donna Siebert, CBS Property Services' Sun City property manager, said Thunderbird Plaza at 99th and Thunderbird Boulevard is 99 percent finished and the west side of Sun Bowl Plaza at 107th and Peoria avenues has been completed.

Siebert said LaRonde Centre at 14800 N. Del Webb Blvd. is about two weeks from being finished while Greenway Terrace is one-third of the way through its refurbishment. Workers there have been on the job from midnight to 8 a.m. recently to avoid the daytime shopping rush. Last week's heavy storms also delayed the face-lift.

CBS also continues to repave center parking lots where needed and is hanging distinctive Sun Centers logo banners on parking lot light poles.

Administrator Denise Whitaker said CBS has received favorable reaction from shopping center merchants and Sun City residents about the new look of the centers. She said merchants passed out 3,000 "I shop Sun Centers" bumper stickers and hundreds of Sun Centers visors, T-shirts and golf tees at last Saturday's 30th Anniversary parade.

Whitaker said turnouts at the three CBS-sponsored health and entertainment activities at Grand Center and Thunderbird Plaza during the anniversary week were also better than expected.

This week, CBS named Becky Burkhart as its new Sun Centers promotional coordinator, succeeding Lisa Grace, who accepted a position with another company.

Burkhart most recently worked in CBS' commercial property management's Scottsdale office.

The Ohio native has lived in the Phoenix area for more than 11 years and was formerly associated with the Sun Ridge retirement community in Surprise where she was director of marketing for University Financial Investors.

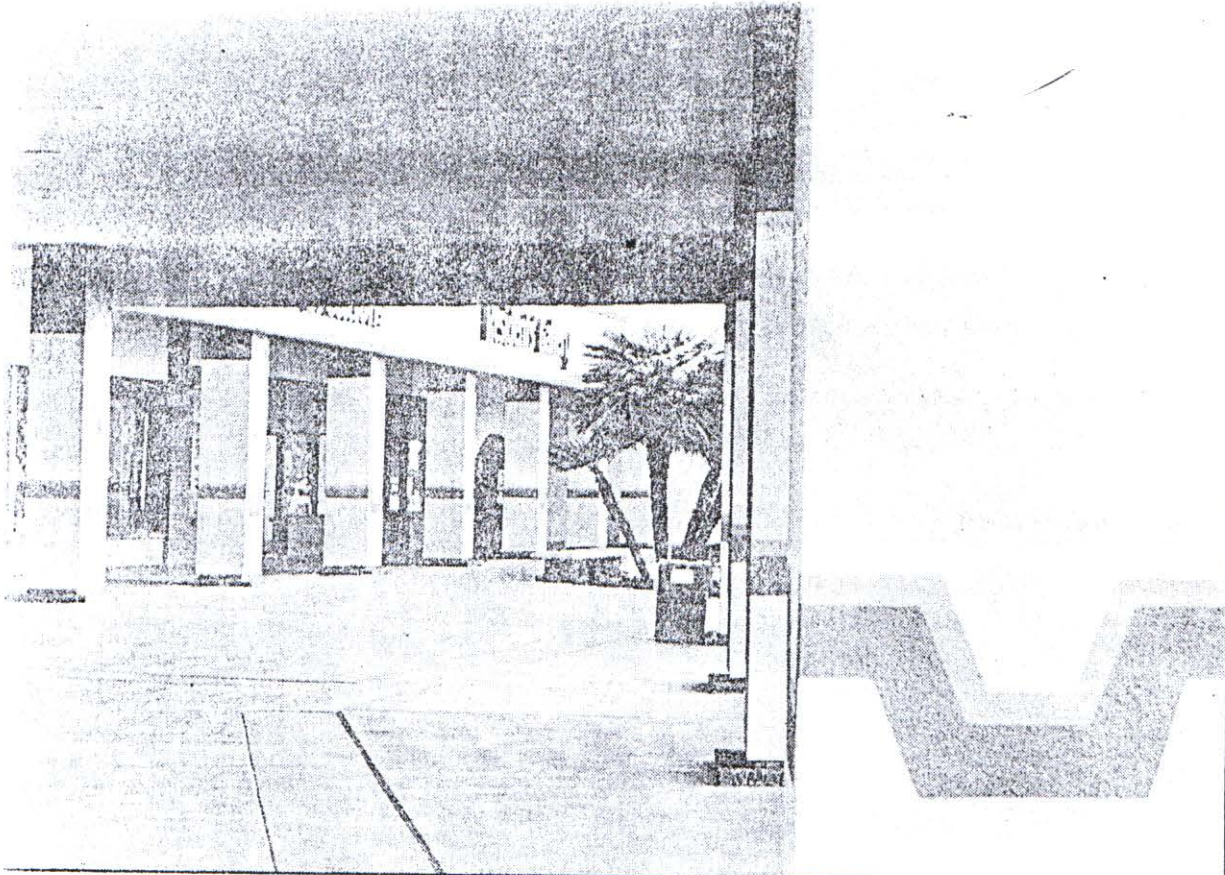
Burkhart will be responsible for public relations and will be actively involved with each of the Sun Centers merchants associations.

CBS Sun Centers leasing agent Randy Miller, who was honored as CBS' top leasing

agent for fourth quarter 1989, has announced four new leases and nine renewals.

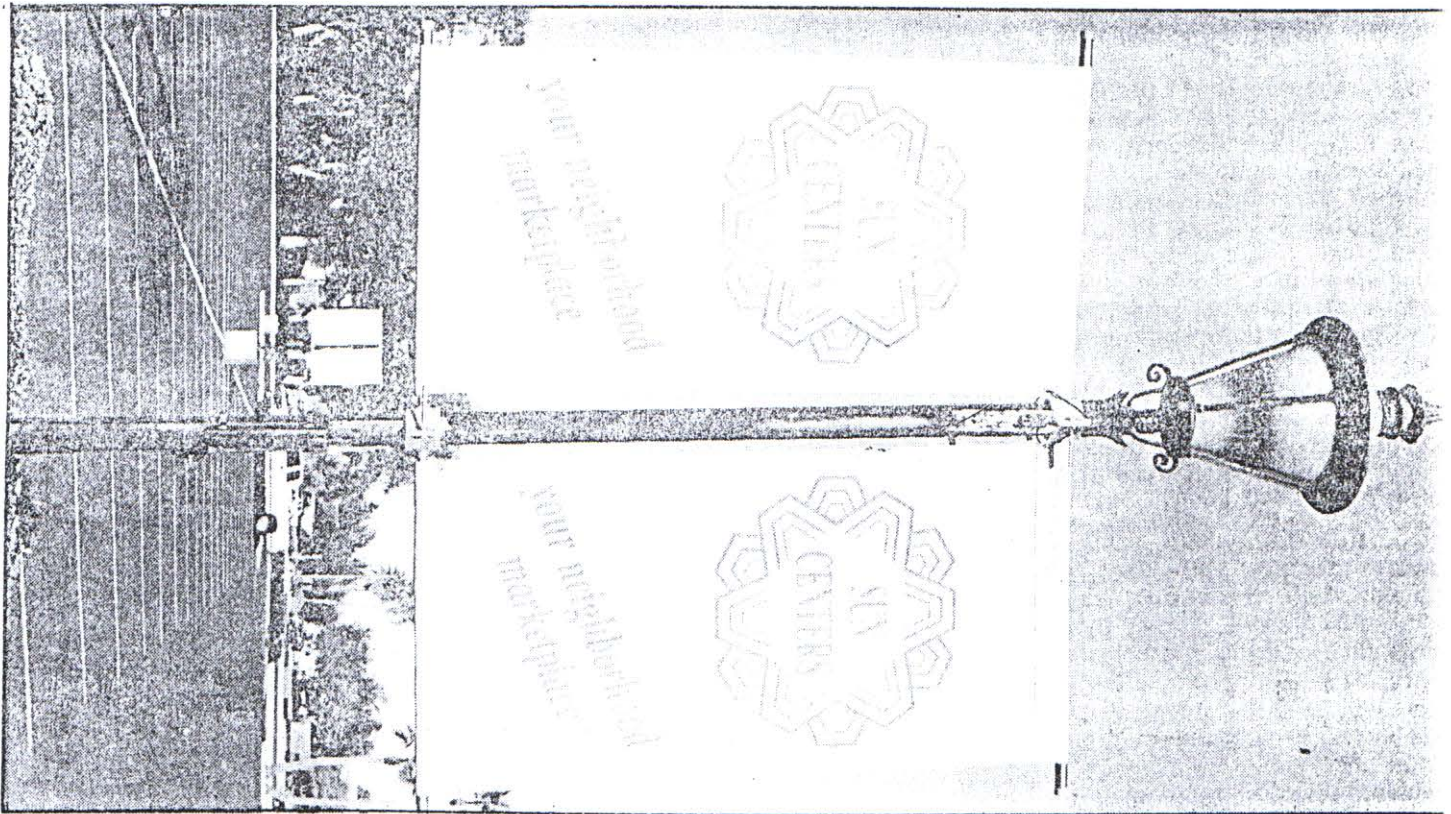
New leases include McCarl's Furniture, Chocolate Cabbage Inc., a gourmet bakery, deli and catering business, and The Book Trader for LaRonde Centre. The

OVER



Daily News-Sun photo by Frances Guarino

NEW THUNDERBIRD LOOK — The arches at Thunderbird Plaza have gotten a new paint theme as a result of CBS Property Services refurbishing of the six original Sun City topping centers.



NEW LOGO — Lightpoles in the Sun Bowl Plaza parking lot are adorned with new Sun City Centers marketplace signs. Daily News-Sun photo by Frances Guarino

Shopping centers to get new look

By MIKE GARRETT
Daily News-Sun staff

SUN CITY — CBS Property Services is about ready to launch a major facelift and promotional campaign for the six original Sun City shopping centers it manages.

The centers are being repainted with new color schemes and accents, parking lots are being resealed, false fronts will be torn down, and cleanup has begun. Also, a number of Sun City 30th anniversary celebration promotions are planned.

About \$250,000 has been earmarked for repainting the centers, beginning within the week at the first two centers, Sun Bowl Plaza at 107th and Peoria avenues and Thunderbird Plaza at 99th and Thunderbird Road. The last center is scheduled for repainting by Feb. 12, CBS executives said.

The other four CBS centers are Grand Center at 107th and Grand Avenue, Greenway Terrace at 99th and Greenway Road, LaRonde Centre at 14650 N. Del Webb Blvd. and Bell Camino at 107th and Bell Road.

A new logo has been designed

called "Sun Center, your neighborhood marketplace" to help give the six centers a common bond and theme.

"We're not changing the names of the shopping centers," said CBS Sun City promotions director Lisa Grace. "We just have this umbrella logo that identifies each of the six as belonging to the same ownership."

"The first thing we noticed when we came out to Sun City was there needed to be something to tie all the original six centers together," said Ron Roeske, vice president of CBS' Phoenix commercial operations.

He said the logo could be used on fliers, ads and grocery sacks to help give the centers a central theme.

"We're still working on monument signage for the centers and somehow hope to tie that logo into the monuments."

Roeske said the centers' owner, the Teachers Retirement System of Texas has approved the project and its concept. CBS' Sun City property manager Donna Siebert said most of the work has been bid out and is ready for awarding contracts.



CBS Properties

LOGO — This logo will be used to identify Sun City shopping centers.

"The best approach we think is to do one center, get it done and start another one," Siebert said. "We don't want them going all at the same time and have the same recurring problems. The direction will be the southern end of Sun City up to the northern end to Bell Camino and Greenway."

Roeske said CBS had to wait until the Texas Teachers board had clear title to the centers before approving a major image changing campaign.

"We approached the architects to try to tie all the centers as close as we can with the same color themes," Roeske said. "They went through several color schemes and designs before arriving at mostly peach, pastel and earthtones." He said that comments from residents and merchants also were considered in the final selections.

Sample paint schemes can be seen at each center, the most obvious at Thunderbird Plaza.

While each center will have similar paint schemes and hues, striping and overall architectural design will be distinctive for each center.

"We needed to enhance the original architecture of each center, not change its identity completely," Roeske said. "But we have to make the centers stand out behind their landscaping and change their image so people driving by notice a difference."

Of the six centers, Roeske said LaRonde Centre's mostly brick structure will probably be the easiest to repaint, Sun Bowl Plaza and Bell Camino will need more cleanup than any-

thing else and Greenway and Thunderbird will need only minor alterations and "artsier" colors.

"The centers were saying, 'Show us some colors where we can really make a statement, but not too gaudy.'"

"The merchants reaction to what we're doing has been all positive," Siebert said.

Only Sun City's first shopping center, Grand Center, will need a major facelift, Roeske said.

Roeske said the Texas and Phoenix architects whom CBS hired hope to return Grand Center to its basic appearance before the last remodeling in 1974. That means removal of the half-circle arches and pillars fronting the center to give it a more open, lighter look.

CBS Sun City leasing manager Randy Miller hopes the changes will get prospective tenants more excited about the centers, especially Grand Center.

Miller said that the capital improvements will not be passed on to centers' tenants through higher rents, although their triple net leases allow CBS to do that.

Although CBS executives say changing the centers' appearance will help attract new tenants (many have signed LaRonde Centre leases in the past several months), a lot more needs to be done to build better shopper loyalty to Sun City merchants.

Miller said reactivating the old trolley system or something similar like Glendale's Dial-A-Ride will help get residents without their own transportation back into the centers.

"Another problem I'm running into is tenants who used to be out here say they got fed up with the mentality they perceived of how the Sun City shopper would shop for only the loss-leader items and not really have any loyalty to that store," Miller said.

"And yet we get weekly irate phone calls from neighborhood residents wondering why it's taking so long to put a grocery store in at Thunderbird Plaza," Miller said. "Because they want to be able to walk over there to get their groceries, we're not doing our job."

(OVER)



Nick Van Nice, *The Phoenix Gazette*

Plans for the Thunderbird Plaza Center, 99th Avenue and Thunderbird, include a bookstore and arts and crafts stores.

Phoenix-based CBS takes over 6 Sun City shopping centers

By MIKE GARRETT
News-Sun staff

SUN CITY — Phoenix-based CBS Property Services Inc. has officially taken over as permanent managers of the six original Sun City shopping centers.

CBS had been managing the centers for the past four months while they were in Maricopa County Superior Court receivership. The court had appointed CBS as interim centers manager for the owner, the Texas State Teachers Pension Fund.

The previous manager, Zane May Partners of Dallas, defaulted on payments to the teachers pension fund in April and was unable to meet the court's Aug. 11 deadline for coming up with the funds to maintain control of the centers.

Ron Simonsgaard, CBS vice president of leasing, confirmed the management announcement Friday.

CBS has made personnel

changes in officially taking charge of management.

The first change was to appoint former Royal Oak Mall leasing agent Randy Miller Wednesday to replace former Zane May Sun City leasing agent Neal Waldman effective Sept. 1 as the new Sun City Properties leasing agent in CBS' retail properties division.

Miller will be in charge of leasing for Sun Bowl Plaza at 107th and Peoria avenues, Grand Center at 107th and Grand avenues, Thunderbird Plaza at 99th Avenue and Thunderbird Boulevard, Greenway Terrace at 99th and Greenway Road, LaRonde Centre at 14650 N. Del Webb Blvd., and Bell Camino at Bell Road and Del Webb Boulevard.

The new budget submitted this week for approval to the teachers pension fund will include a new commercial promotional coordinator position.

The person filling the position

will be in charge of special promotions (sidewalk sales, parking lot events and other promotions) and public relations for the six centers. The person also will work with Miller and CBS' Sun City property manager, Donna Siebert.

Simonsgaard said he hopes to increase leasing activity for the centers now that CBS is no longer in limbo as manager.

"We have completed a restaurant deal at the Tivoli Gardens space at LaRonde Centre," Simonsgaard said.

But he said the bad news was the loss this week of Hancock Fabrics, which had been considering a move into the Grand Center spot vacated last month by TG&Y.

A 10-year veteran in the commercial real estate market, Miller said he was manager and leasing agent for Herve Tessier & Associates, the landlord for Royal Oak Mall, 103rd Avenue and Thunderbird Boulevard.

He plans to meet with Siebert next week to plan what can be done to help the Sun City centers.

News Sun Aug 19/89

Daily News-Sun, Sun City, Ariz.

MONDAY, JULY 24, 1989

Shopping centers struggle

By MIKE GARRETT
News-Sun staff

SUN CITY — The merchants at Sun City's oldest shopping centers are on a merry-go-round. They're falling off at an alarming rate with no one to catch or replace them while their centers are in receivership.

Caught in the middle as merry-go-round operator is CBS Property Services Inc., the temporary county Superior Court-appointed manager of the six original Sun City centers.

CBS officials are waiting for word any day now that the Phoenix-based firm will be named by the centers owner, the Texas Teachers Pension Fund, as permanent managers of the centers to succeed financially troubled Zane May General Partners, based in Dallas.

Merchants at the three older Sun City centers hardest hit by tenant attrition say CBS has done a good job cleaning up their centers and making them more presentable to shoppers.

But many of those who haven't already had to close their doors at Grand Center, 107th and Grand avenues; Sun Bowl Plaza, 107th and Peoria avenues; and Thunderbird Plaza, 99th Avenue and Thunderbird Boulevard, say they can't hang on much longer.

If CBS property managers (or whoever the future managers are) don't do something soon to replace those lost tenants in order to bring back more walk-in traffic to their centers, many more may have to follow their predecessors, merchants say.

Sun City's two older centers,

Grand Center and Sun Bowl Plaza, have been the most devastated by tenant attrition. The remaining merchants are struggling to make ends meet.

Some Grand Center merchants who met informally last week say they are behind on their rent payments. Many have had to cut back or are considering a reduction in operating hours, which could violate their lease.

In the past month, Grand Center has lost the Liquor Barn, TG&Y closed down last Friday and its once popular restaurant, Melody Lane, has closed its doors after filing for Chapter 7 bankruptcy a week ago, after 21 years there.

Thunderbird Plaza has added Liberty Bank to its casualty list. And after 18 years at LaRonde Centre, Quinn & Loe men's store is moving to the Westcor-managed Promenade Center at the end of August, leaving a row of empty stores.

Sun Bowl Plaza merchants are hoping the addition of the new Senior Citizens Center this fall will help stem the tide of vacancies. But its oldest tenant, the 21-year-old Heritage House, may not last that long, says owner-operator Gladys Wagner, who is surrounded by vacancies on the west end of the center.

No real lease incentives, fewer customers, high rents and escalating common area maintenance fees are blamed by merchants in the older centers for their current plight.

"Common area maintenance fees (CAM) were raised by approximately 58 percent when

See Shopping, A3

Shopping centers face tough times

—From A1

Zane May had the centers, judging by other merchants I've talked to," said Grand Center Dairy Queen owner-manager Randy Suchy.

Ron Roeske, CBS Property Services' vice president of commercial operations, said that CBS has not raised any common area maintenance fees or the rent of any Sun City merchants in the six centers it manages since it took over in May.

"Nobody from my office has told any tenant that we're increasing their rents," he said.

Roeske said CBS is now studying ways to reduce rents of those merchants with the most problems.

Suchy, along with Wagner and Don Clayborn, owner of Sun City Cleaners and Laundry, say they've had to borrow heavily from their savings just to pay the rent. Jack Breese, owner of Susie's Wigs in Grand Center, said he has stopped paying his rent entirely and is still having financial problems keeping his year-old business afloat.

"I doubt if I can survive more than a few more months," said Suchy, who took over the Dairy Queen 2½ years ago when Grand Center was virtually 100 percent leased.

"At that point I won't have a choice, I'll have to look for a backer or think about moving. Dairy Queen has already told

'You have to give up your own wages just to make ends meet.'

Don Clayborn
store owner

me they would like me to move because sales have reached such a low volume. It's through no fault of my own. I'm running sales all the time just to try to get people into the store."

"You have to give up your own wages just to make ends meet," said Clayborn.

Melody Lane owners John and June Kenkel found bankruptcy court was their only answer.

They referred questions to their Phoenix attorney, Ira Schiffman, who confirmed they had filed for bankruptcy under Chapter 7 of the U.S. Bankruptcy Code last week after two years of operating Melody Lane.

"I just sensed they did the best they could," Schiffman said. "They put their heart and soul and life savings into this business and it didn't pan out."

"I don't think it's because of mismanagement," Schiffman said. "John has been in the restaurant business for over 40 years as manager of a restaurant-supper club in Ohio."

"I tend to attribute the financial and economic problems to the area itself versus the people themselves," Schiffman said. "They were under a great deal of stress and pressure from their landlord and the person they had purchased the business from for payments on the sale."

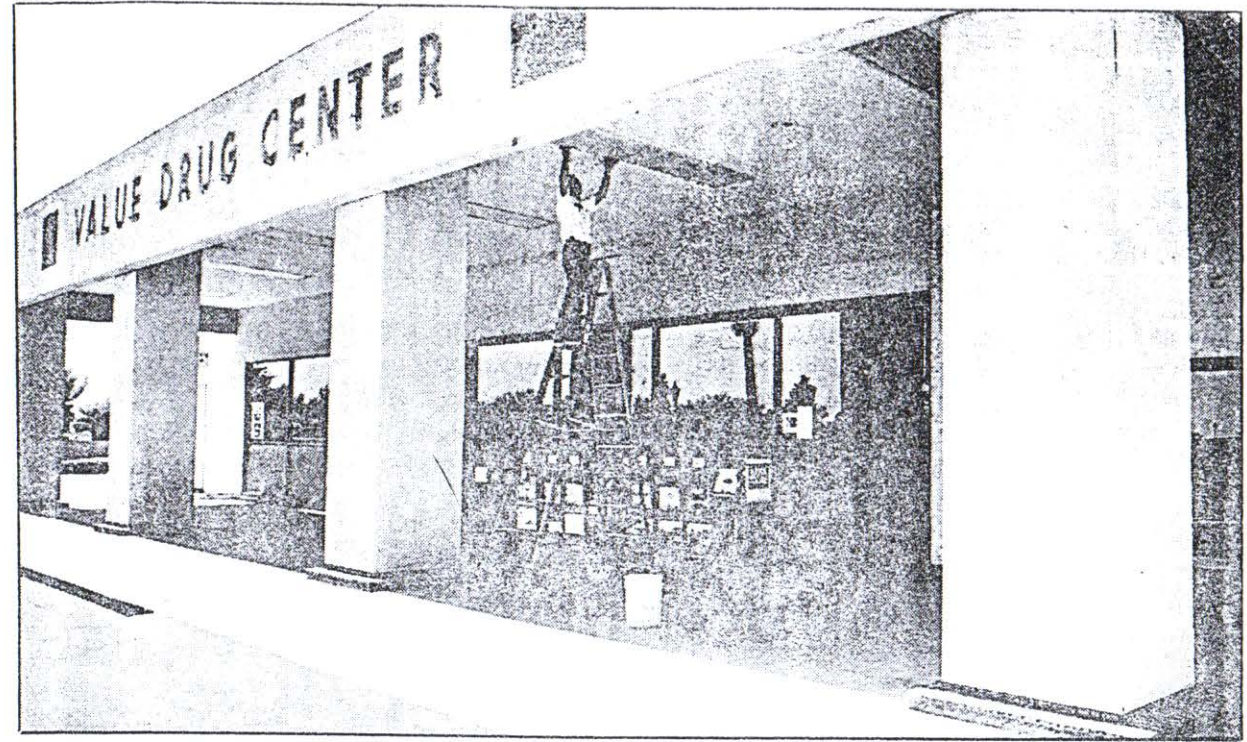
Now that the business is in bankruptcy court, he said a court-appointed trustee is assigned to represent the property of the estate and will decide what will happen with all of the assets.

Grand Center merchants say they will try to hold out until the Smith's Food King chain opens on the east side of 107th and Grand at the end of this year.

They're counting on Smith's to recoup some of the lost traffic into their center. They're not counting on CBS to replace the lost tenants even though they say promises and assurances have been made that new tenant negotiations are in progress. Hancock Fabrics has indicated it wants to move into the TG&Y spot and has been negotiating a lease.

But Clayborn is concerned Smith's may have just the opposite effect and take away more Grand Center shoppers.

Smith's officials have said to area homeowners it would not duplicate any Grand Center businesses in its center.



News-Sun photo by Mollie J. Hoppes

VACANT — Bob O'Donnell, of CBS Leasing, cleans light fixtures outside the vacant Thunderbird Plaza, 99th Avenue and Thunderbird Road. The vacancy is one of many around Sun City.

"In fact, they have already contacted several of the merchants from this center trying to entice them to move into their center," Clayborn said.

Suchy said he wants to stay where he is because of his loyal customer base. He said he can get better incentives and lease for \$3 per square to \$4 per square foot less in other area centers.

"The problem is I already have enough financial problems. I'm looking at \$80,000 to get into a new place to remodel it," Suchy said.

"My wife works there, my kid comes in and sweeps the floors and I do my own windows to try and cut expenses," he said.

"But unless our rent is decreased and we get some help

with these CAM charges, we can't afford to stay," Suchy said. "You can only take so much out of your savings account."

While Grand Center merchants say CBS has done a much better job in cleaning and maintaining Grand Center, a lot still needs to be done.

Clayborn, who has owned Sun City Cleaning seven years, said he has a severe termite problem that has not really been addressed since Del Webb managed the centers.

He said he borrowed \$50,000 to remodel his place, which helped attract some new business. But that has been offset by Liquor Barn moving out. He said his business has never really been the same since Safeway left more than three years ago.

Suchy said the center has poor outside lighting that causes many of his Sun City customers to stay away at night. He and Breese also say little has been done about erecting a center marquee, even though he drew up blueprints on his own for an \$8,000, 25-foot-tall sign.

"At the last merchants association meeting, they would have heard me say that we are proceeding with a marquee for the center," Roeske said.

"But how much longer can we last when we keep hearing these things?" Breese asked. "We understand that they're (CBS) kind of between a rock and a hard place. But we can't keep going on these promises and assumptions that things will get better."

VF - SHOPPING CENTERS general news-SUN JULY 9, 1989

Specialty shops stay afloat in Sun City

By MIKE GARRETT
News-Sun staff

SUN CITY — A Sun City business that offers specialized products or services with a solid and loyal customer base will do well here regardless of location. That's the indication from the remaining Thunderbird Plaza merchants, 99th Avenue and Thunderbird Boulevard, who are trying to survive with no anchor store and few prospects of any change in the status quo.

They don't seem to be deterred by the loss of the A.J. Bayless grocery store more than two years ago and its other anchor, Value Drug Store, to Sun Shadow Square in June or Liberty Bank to Freedom Plaza this week.

Only the Thunderbird Plaza barber and beauty shops seem really dependent on walk-in traffic.

Most renters feel that CBS Property Services Inc. managers are making efforts to fill their center and say they have considerably improved its cleanup and maintenance from when Dallas-based Zane May General Partners was their landlord.

But Zane May went into re-

'There's a lot of us who just plan on hanging in here. As long as you're making money, you'll stay. Our customers know we're here. We could go to another area but we like it just fine here.'

Sally Holmes
resident manager
Alice Rae Intimate Apparel

ceivership, and CBS officials are hoping their firm will be named permanent manager of Sun City's original shopping centers.

"Just in the last few months you can see the difference in the painting, the maintenance and the trim," said Sally Holmes, resident manager of Alice Rae Intimate Apparel, a 10-year Thunderbird fixture.

"They (Zane May) let things slide downhill to where the center didn't look good," Holmes said. "CBS has been doing the little everyday things like sweeping up."

"We have been very fortunate that we are a specialty store," Holmes said. "Our customers come to us, so we haven't been hurt as much by loss of walk-in traffic."

She said that Alice Rae is the only area store that specializes in prosthesis fittings for mastectomy patients. "A lot of places just don't carry what we do here."

"There's a lot of us who just plan on hanging in here. As long as you're making money, you'll stay," Holmes said. "Our customers know we're here. We could go to another area but we like it just fine here."

"But we are keeping our fingers crossed that Zane May will be out of here soon and that the stores will start filling up. There is no reason why they shouldn't be," Holmes said. "There is a customer need for a drugstore and a grocery store and more retail shops."

Package Plus owner Joleen Wiley said her sales are down from last year but better than expected.

"We're a service organization where people come to us. We're not dependent on those who

happen to walk into the center and stumble in like some stores.

"I'm sure we're losing a certain amount of trade from the walk-ins that would be in the center to grocery shop or something. But there is nothing we can do about it until we find out what's going to happen."

Wiley said she hopes that CBS will continue to manage the centers once their disposition has been resolved because of what they have accomplished.

"Losing Bayless wasn't anybody's fault. We just happened to have the wrong store — that and the builders here who built too many shopping centers."

She said she's just sorry for the neighborhood residents who bought there thinking they could depend on a nearby grocery and drugstore.

"There has been a lot of talk, a lot of speculation and a lot of rumors going around," she said.

Sun City Residents Gallery manager Virginia Simmons also acknowledged the rumors. But they haven't hurt her business because of the gallery's hand-crafted products and its reputation in the community, Simmons said.

"We like our spot and the people we serve," Simmons said. "We have very loyal customers and have a real nice group of merchants to work with. We all try to pull together."

Maharani Creations manager Beverly Holm said her store is, to her own surprise, doing quite well.

"Maharani seems to be a destination shopping point," said Holm. "The people come to Maharani because of our name. There is not much else around here except the lingerie shop."

She said the store lost some revenue when Bayless moved out but that has since been recouped.

Holm said she too is pleased with the way CBS has managed the centers.

That's good news to Ron Roeske, vice president of Phoenix commercial operations for CBS, who said last week the receivership situation is almost at an end. He said CBS wants to work closer with residents and merchants for their support to create a more positive community image.

Ron Simonsgaard, vice president of leasing for CBS, said the

Lomas Co., officials who advise the Texas Teachers Pension Fund, have indicated to him that the deal was supposed to have closed July 14 and they're only waiting for the final title report.

"If there aren't any surprises there, the deal is done and the property reverts back to the Texas Teachers Pension Fund," Simonsgaard said. "We're pretty confident that we will be their managers and leasing agents."

In the meantime, he said CBS is still trying to make some improvements to the six Sun City centers it manages — Bell Camino, Greenway Terrace, Thunderbird, Sun Bowl Plaza, Grand Center and LaRonde Centre.

"Texas Teachers has sent an architect out to start to look at what needs to be done. They've contacted a local architect here to look at different centers architecturally," said Simonsgaard.

"We're trying to see what we can do to get local residents to come back, those who aren't using the centers consistently. We're also in the middle of a major study of how each tenant is doing in gross sales."

more news by 7/9/89

Wednesday MAY 17, 1989 The Phoenix GAZETTE

New shops sought to revive 6 centers

By Connie Cone Sexton
The Phoenix Gazette

SUN CITY — Stores for shoes, video movies, women's and men's clothing, yogurt and crafts are possible tenants for six area shopping centers in receivership.

And the management group that has taken over the Sun City facilities is soliciting even more ideas for possible tenants.

On Tuesday, CBS Properties Inc. told members of the Sun City Homeowners Association it wants to lure a variety of businesses to bring new economic life to the area.

The centers, owned by Zane May Operating Partners, were put into receivership last month by a Maricopa County Superior Court judge.

According to court documents, Zane May allegedly had failed to make recent payments on a \$34.6 million loan it took out for the properties.

As the court appointed receiver, CBS officials are working to fill tenant vacancies at the sites.

The centers are being spruced up to get ready for new occupants and make conditions better for current businesses.

Company officials have toured each facility to discover what improvements are necessary, said Ron Roeske, vice president of community operations.

Work to be done includes:

■ Steam cleaning all sidewalks, store fronts, restrooms and canopy centers.

"We won't leave the center until it not only is appealing to the tenants but to you (the residents)," Roeske told the HOA members.

■ Dressing up the appearance of the properties, via minor painting jobs or repair.

■ Cleaning the exterior and interior of all vacant buildings to help market the properties. Pa-

per covering store fronts will be torn down. "People need to see in," Roeske said.

■ Landscaping improvements.

The once-over at the centers should be completed this month, CBS officials said.

Ron Simonsgaard, vice president of leasing, asked HOA members to brainstorm for ideas for tenants.

During an overview of what shops the centers now have and those they are targeting, suggestions from HOA members included a computer store, arts and crafts store, a bike shop, music and record store and an athletic clothing and equipment shop.

Of the six centers he is helping to revive, Simonsgaard anticipates competition for the Grand Center, southwest corner of Grand and 107th avenues. The draw will come from a new shopping center planned for the southeast corner of 107th and Grand avenues.

The Smith's food store and shopping center will replace the Comfort Inn across the street from the Grand Center.

"They're going to draw from a large area. We're not going to compete with them . . . We're looking at some kind of a soft goods center," Simonsgaard said. He says he believes the Smith's store will enhance the corner and help lure customers to the Grand Center.

Occupancy is close to 100 percent at the Greenway Terrace center, northwest corner of 99th Avenue and Greenway Road, he said. About 1,500 square feet of space are vacant for a tenant, however.

The Bell Camino Center, northwest corner of Bell Road and Del Webb Boulevard, is in very good shape, being 100 percent leased, Simonsgaard said.

A senior citizens center could be added to the Sun Bowl Plaza,

Troubled shopping areas listed

The following is a list of Sun City shopping centers in receivership, their current tenants, those CBS Properties Inc. sees as potential additions and ones it is now targeting:

■ Grand Center, southwest corner of Grand and 107th avenues.

Current: Includes Liquor Barn, Sun City Drug, Freed's Furniture, McCrory Stores.

Potential: soft goods.
Target: deli, shoes, large size women's clothing stores.

■ Greenway Terrace, northwest corner of 99th Avenue and Greenway Road.

Current: Includes Abco, Walgreens, American Express, Radio Shack and First Interstate.

Potential: Drive-through bank.
Target: Kitchen, video stores.

■ Sun Bowl Plaza, southwest corner of Peoria and 107th avenues.

Current: Includes Safeway, Walgreens, Southwest Savings and Loan.

Potential: senior citizen center, hardware store.

Target: optical and medical

facilities, bookstore, hardware, men's and women's clothing stores.

■ Thunderbird Plaza, southwest corner of 99th Avenue and Thunderbird Road.

Current: Includes vacancy where Bayless had been.

Potential: SuperRx Drugs (may make a deal), hardware and apparel stores.

Target: shoes, bank, bookstore, arts and crafts stores.

■ La Ronde Center, northwest and northeast corner of Talisman Road and Del Webb Boulevard.

Current: Includes Sun Foods, Revco, Alco Theatres, Security Pacific Bank, First Federal.

Potential: Stockbroker, restaurant.

Target: Bakery, bookstore, deli, video, appliance, yogurt and bed and bath stores.

■ Bell Camino Center, northwest corner of Bell Road and Del Webb Boulevard.

Current: Includes Safeway, Osco Drug, restaurant, travel business and shoe store.

Center is 100 percent leased.

"They're going to draw from a large area. We're not going to compete with them . . . We're looking at some kind of a soft goods center."

— Ron Simonsgaard

southwest corner of Peoria and 107th avenues.

"That would bring in between 200 and 300 less-than-mobile

senior citizens to the center," he said. Other possible tenants include a medical office and a bookstore.

The loss of the Bayless store at the Thunderbird Plaza, southwest corner of 99th Avenue and Thunderbird Road, has hurt the center, residents said.

CBS officials said, however, it may make a deal with a drug store to come in that would fill the vacancy.

A sandwich shop and bed and bath store may be tenants at La Ronde Center on the northwest corner of Talisman Road and Del Webb Boulevard.

Although a specific center was not named, the CBS officials said Hancock Fabrics also might agree to signing a lease.



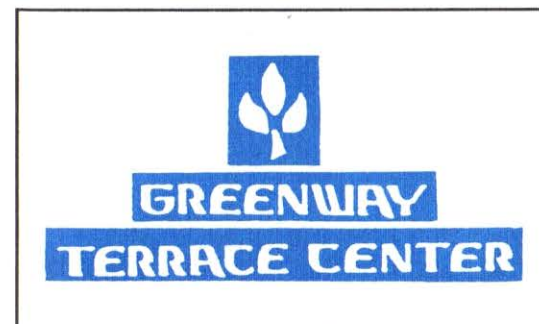
Abbott's Men's Shop	972-1441
Arctic Water & Ice	984-1495
Bell Camino Beauty Salon	972-4448
Bell Photo-Finish	977-2062
Camino Optical	977-4445
Carpet Library	974-4949
First American Title	972-2194
Framing Loft	977-9759
Great American Dance Fashions	876-8383
Lovin' Touch Restaurant	933-0908
Nan's Fashions	977-9030
OSCO Drug	972-2121
Pamela's Hallmark & Post Office	972-5218
J & B's Pet Palace, Inc.	815-9363
Safeway - Store #236	972-1350
Schroeders Piano & Organ	933-3991
SpaceMakers	974-1176
Stone's Shoes	972-8219
Sun City Travel	974-3607
United States Postal Service	972-5218

BELL CAMINO
Del Webb Blvd. & Bell



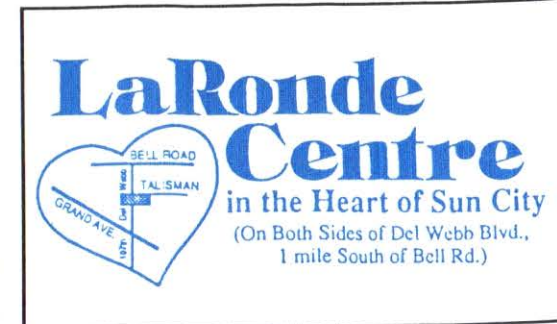
Arizona Public Service	846-8697
Aztec West Beauty Salon	972-0802
Bank of America	248-4614
Bealls Outlet Store	815-0300
Erika's Naughty Nails	974-2868
First Interstate Bank	876-5966
Gilbert Ortega's Indian Art Gallery	933-6005
Grand Ave. Shoe Repair	972-7575
H & R Block	933-6912
Old America Store	972-1756
Sun City Barber/Stylist	
Hairpiece Sales & Service	974-1481
Sun City Cleaners/Laundry	972-4755
Sun City Travel	974-6061
United States Postal Service	974-4973

GRAND CENTER
107th Avenue & Grand



Abbott & Associates Insurance	977-8899
ABCO Marketplace	222-1555
Antiques, Coin & Jewelry	933-8041
Arctic Ice & Water	984-1495
Bank of America	248-4630
Caliber Bank	207-1192
Center Shoe Repair	974-3739
Cheese House	974-0843
Chum's Lounge	977-8090
Draper's & Damon's	974-2501
Faye's Custom Lingerie	972-6331
First American Title	977-0917
First Interstate Bank	876-5972
Ford's World Travel	933-8295
Frontier Smoke Shop	972-3481
Gio's Barber Shop	974-1422
Greenway Cleaners	977-0043
Greenway Hair Styling	933-1129
Ken Meade Realty	974-1776
Little Bite of Italy	972-8206
Melby's Men's Wear	974-9904
Miller's Hallmark & Post Office	974-2411
Nancy's Country Cupboard	933-0663
Nan's Fashions	972-0526
Radio Shack	972-2303
Sun Beauty Salon	974-2546
Sun City Alterations	972-3125
Sun City Silvercraft	977-1827
The 3 Lynx Toy Store	933-0033
Tres Arcos Dress Shop	977-0577
United States Postal Service	974-2411
Walgreen's - Store #813	974-2524

GREENWAY TERRACE CENTER
99th Avenue & Greenway



WEST SIDE	
Arctic Ice & Water	984-1495
Arizona Optical	977-2562
Bea's Shoes	933-7041
The Book Trader	977-6404
Cigna Dental Health	876-8011
Denny's Decorating	933-8244
Finesse Beauty Salon	974-3673
First Interstate Bank	876-5952
GT's Hallmark & Post Office	876-8504
Harry's Oriental Rugs	933-9660
Horne Furniture	933-0001
Horne Too	933-0001
Jerry Jackson Realty	974-3629
Pat Fisher Fashions	933-6372
Sun Foods - IGA Grocery	977-4293
Trantina Insurance Agency	933-8271
United Title Agency	972-6145
EAST SIDE	
Becraft Cleaners	977-5361
Caliber Bank	207-1168
CBS Leasing Office	974-9762
Chocolate Cabbage Bakery	977-3735
Ford's World Travel	933-8256
Lakes West Barber Shop	974-8681
Perfect Endings Salon	977-3232
Send Me Shipping Service	876-8316
Sun City Florists	974-0404
Sun City Tax Service	974-6036
Tivoli Gardens Restaurant	974-8224
United States Post Office	876-8504
Wagon Wheel Appliances	933-8207

LA RONDE CENTRE
Del Webb Blvd. (107th) & Talisman



EAST SIDE

Al Batts Realty 977-4733
 Arctic Ice & Water 984-1495
 Bob Kenney's
 World Wide Travel 815-1499
 Bow Wow Pet Groomers 977-7190
 Hair Barn 933-6700
 Safeway - Store #185 933-5531
 Sun Bowl Barber Shop 977-6409
 Walgreen's - Store #819 972-8127

WEST SIDE

Almost Antique 974-1222
 Beavon's Furniture 972-7704
 Caliber Bank 207-1186
 China Rose Buffet 974-8018
 Diamond Five Jeweler 933-9841
 J & S Western Wear &
 Post Office 972-2775
 Olive Branch Senior Center 974-6797
 Peoria Vac Sales & Repair 974-1134
 Plaza del sol Cleaners 933-8037
 Soroptimists Thrift Shop 972-8008
 Sun Cities Animal Rescue
 Resale Shop 972-8541
 United States Postal Service 972-2775
 West Valley Lutheran
 Thrift Shop 815-7061

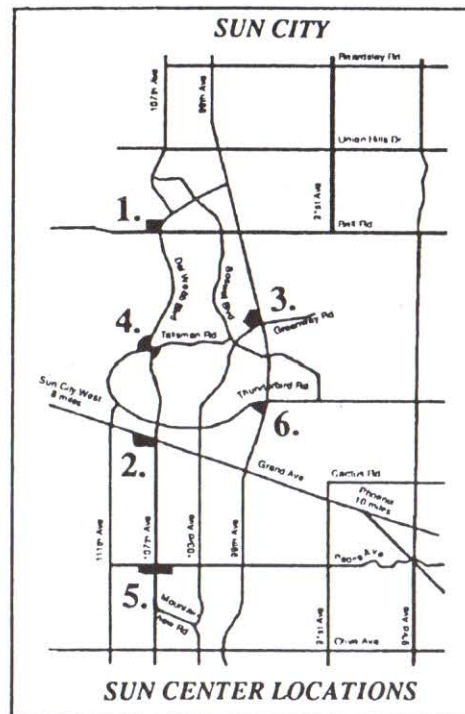
SUN BOWL PLAZA
 107th Avenue & Peoria



**99th Avenue &
 Thunderbird Blvd.**

Alice-Rae Shops 977-7010
 Arctic Ice & Water 984-1495
 Carlson Travel 974-3668
 Chang-Lee Restaurant 974-3601
 Colby & Company 977-3860
 Enterprise Car Leasing 974-0974
 Fashion Place 977-4747
 Garden Cafe 977-6658
 Package Plus Shipping 933-5074
 Resident's Gallery 977-9613
 Seracon, Inc. 972-6176
 Thunderbird Barber Shop 972-9125
 Trader Joe's Market 972-0599
 Valley Beauty Salon 933-0996

THUNDERBIRD PLAZA
 99th Avenue & Thunderbird



1. BELL CAMINO
 Del Webb Blvd. & Bell Road

2. GRAND CENTER
 107th Avenue & Grand

3. GREENWAY TERRACE
 99th Avenue & Greenway

4. LA RONDE CENTRE
 Del Webb Blvd. (107th) & Talisman

5. SUN BOWL PLAZA
 107th Avenue & Peoria

6. THUNDERBIRD PLAZA
 99th Avenue & Thunderbird

Printed October, 1994

SHOPPING in SUN CITY



*your neighborhood
 marketplace*

Sun City, Arizona

Merchant Directory

*Bell Camino
 Grand Center
 Greenway Terrace
 LaRonde Centre
 Sun Bowl Plaza
 Thunderbird Plaza*

For further information contact:
 CBS Investment Realty, Inc.
 14805 N. Del Webb Blvd.
 Sun City, AZ 85351
 (602) 974-9762

Landlord switch offers hope to area merchants

By MIKE GARRETT
News-Sun staff

SUN CITY — Some merchants in the six original Sun City shopping centers were preparing to withhold lease payments and had requested an audit of landlord Zane May's books until the company went into receivership last month.

Meanwhile, merchants say they're happy with the new manager of the centers, CBS Property Services Inc.

Leasing agents are coming to the merchants association meetings and asking about their priorities and how they can help restore the centers to their past appearance.

CBS assumed managerial control of the centers April 21 when a Phoenix Superior Court judge appointed CBS as receiver of the centers after Dallas-based Zane May General Partners Inc. allegedly defaulted on its mortgage payments the first four months of this year.

CBS will maintain managerial control over the centers until Zane May either sells them or raises additional financing to meet outstanding note obligations on its \$34.9 million loan to the mortgage holder, Teachers Retirement System of Texas.

The merchants' prime complaints have been over increased rents and common area fees and decreased maintenance services during the three years Zane May has owned the centers.

The most outspoken of the merchants and an organizational leader in their efforts to get Zane May to justify its rent and common area increases is Guy Erickson, general manager of Stone's Shoes stores in Bell Camino Center, 107th Avenue and Bell Road, and Greenway Terrace, 99th Avenue and Greenway Road.

Erickson said Bell Camino and Greenway Terrace merchants suspected Zane May was charging inflated and unjustified common area fees, and the merchants were in the process of requesting an audit of Zane May's books when the receivership went into effect.

"Bell Camino wrote a letter and requested copies of paid bills for the fees we were being charged, while Greenway wrote them a nice letter requesting a face-to-face meeting where we could sit down and discuss these questions on a variety of these fees to see if we could come to some kind of solution to the problems," Erickson said.

"Greenway was prepared to open an escrow account at Western Savings and to begin paying all rent, merchants dues and common area charges to the

escrow account and withholding all funds from Zane May until the books were audited. We were getting ready to play hardball."

Zane May's two general partners, Paul Zane Pilzer and Alan May, have not returned telephone calls to answer the allegations and criticisms from the local merchants.

Erickson said he thinks CBS is headed in the right direction with the centers.

"We had a meeting with the new management people at Bell Camino last Tuesday and their first emphasis was going to be to clean up the centers to get them to the state they were in before.

"They basically sat down and asked the tenants if you could see something done, what would you like done?" Erickson said.

"They are taking every individual action that is done from management's end and putting it out for bids, whether it be for landscaping, garbage collection, insurance or whatever. That way you at least will be charged legitimate prices."

'Greenway was prepared to open an escrow account at Western Savings and to begin paying all rent, merchants dues and common area charges to the escrow account and withholding all funds from Zane May until the books were audited. We were getting ready to play hardball.' —

Guy Erickson
general manager
Stone's Shoes stores

He said the biggest problem with Zane May was the overall cleanliness of the centers.

When Prudential Insurance Co. owned the centers and they were managed by Del Webb, Erickson said one full-time porter was responsible for cleaning two centers.

"When Zane May took over, they increased the fees we were paying for this service and they discontinued the service. It started out with one porter working for all of the centers and he would only spend about three hours a day at the centers.

"The maintenance people were saying it wasn't their job to clean out the bushes, that it was the landscapers' job. The land-

OVER

scaper said it wasn't his job to clean out the bushes, that's the maintenance people's job. Zane May sat there in the middle and didn't do a damn thing," he said.

Erickson said the centers sidewalks went from being hosed down once a week to once a month or less, the parking lot cleaning service no longer vacuumed up the loose dust but rather just moved it around, and general painting and upkeep was no longer being done.

George White, former manager of Del Sol Beauty Salon at Sun Bowl Plaza, 107th and Peoria avenues, said little was done to maintain or promote that center, especially keeping the pillars and arches clean after pigeons had been there.

Yet common area fees went from 92 cents a square foot to around \$1.70 a square foot, Erickson said.

But when tenants voiced their disapproval to Zane May's Sun City leasing agents, Erickson said they usually refused to meet with them.

"The tenants were told, 'Here is the letter, here is our policy, if you don't like it, that's the breaks and when your lease expires, you're free to go.'"

"I know I got a 21-page lease and it's 99.9 percent thou shalt nots and .1 percent thou can," said Harold "Zeb" Zebolsky, co-owner of Beall's Fashions, who moved from Sun Bowl Plaza to Bell Camino, Del Webb Boulevard and Bell Road, where he said his business has been substantially better.

"I had to pay \$2.50 a square foot more than at Sun Bowl Plaza with an escalation of 50 cents after the second year," Zebolsky said. "But at \$11.50 (a square foot) I think that's somewhat close to what the going rate is around here on the north end of town."

Zebolsky said that to break a lease would mean hiring a lawyer and spending thousands of dollars. "One of our merchants was told when he was trying to negotiate a lease: 'Here's what the rent is, here's what the lease says, do you want it or don't you, take it or leave it.'"

Zebolsky said that in 2½ years, Zane May never added one new Sun Bowl tenant. With so little traffic in the center, he finally had to move.

Heritage House owner Gladys Wagner, who has been at Sun Bowl Plaza more than 20 years, said she is reaching a point of no return on her three-year lease because her high rent and lower business have made it difficult to stay in business.

"But I don't want to leave the people who are so dependent on

us and have been loyal to me over the years," Wagner said.

Customer loyalty and concern would have kept Value Drugs owner Dave Garden at Thunderbird Plaza, Thunderbird Boulevard and 99th Avenue, instead of moving to Sun Shadow Square at 99th Avenue and Bell Road.

But he said his dealings with Zane May left him little choice.

"They (Zane May) cost me a lot of money," Garden said. "If I would have remodeled it would have cost me \$12,000 to \$15,000. But it cost me \$40,000 to move."

Garden said a year ago he asked for a 15-year renewal on his Thunderbird Plaza lease but only if Zane May would find a new grocery store tenant for the former Bayless store, vacant now for 16 months.

Instead, when Zane May indicated it was going to put a competing drugstore chain into the Bayless store, Garden decided he had to move.

"They just don't seem to give a darn. The people are not being taken care of and a lot of my customers there can't get to me now," Garden said. "I offer free delivery service but a lot of them are having a hard time."

Another sore point with the merchants was paying 100 percent of Zane May's incurred management expenses.

Erickson said when Prudential and Del Webb owned the centers, they passed on 2½ to 5

percent of their management fees to the centers but that most tenants expect to pay up to 50 percent.

"But Zane May chose to go completely in the opposite direction. While Prudential went overboard in giving the people a break, Zane May went overboard by passing on 100 percent of the fees to the tenants," Erickson said. "That is ridiculous because it is not my responsibility to pay for the management person's job to collect my rent or to lease spaces."

He said Bell Camino's management fees and related expenses came to about \$59,000, or almost 20 percent of the shopping center's entire common area budget.

"You multiply that by six centers and you tell me who is worth basically \$320,000 to \$370,000 to do management work? That's ridiculous. They're insulting my intelligence as a business person."

Now, he said everything has all been put on hold until Zane May's fate has been determined. If the company does get its act together and resume control of the centers, Erickson said the audit proceedings "will still go through because something stinks real bad."

"CBS management is also trying to audit everything now because they would like to know where all the money went. Right now, no one knows."

7 Sun City shopping centers may be sold

4-26-89

By MIKE GARRETT
News-Sun staff

SUN CITY — Seven Sun City shopping centers are in Maricopa County Superior Court receivership and under new management while their Dallas-based owner either seeks new financing or sells the centers.

Phoenix-based CBS Properties Inc., which manages 14 million square feet of commercial property throughout the Southwest, assumed managerial control of the centers May 21 from its May Operating Partners.

Superior Court Judge Robert Pickrell appointed CBS President Jim Schlesing as receiver for the centers after signing the receivership order late last Thursday.

The centers include Sun Bowl Plaza on the southwest corner of 107th and Peoria Avenues; Plaza Del Sol Center (formerly Sun Bowl Plaza) on the southeast corner of 107th and Peoria; Grand Center at 107th and Grand avenues; Thunderbird Plaza at 99th Avenue and Thunderbird Boulevard; Greenway Terrace at 99th and Greenway Road; LaRonde Centre, 14600 N. Del Webb

Blvd.; and Bell Camino Center at Webb Boulevard and Bell Road.

CBS also manages the 1 million-square-foot Phoenix City Square on Central Avenue and the Olive Square Center at 43rd and Olive avenues.

"We've had a number of phone calls and we're simply trying to reassure everyone that we intend to really do our job so that those centers fill back up and everyone can do well," Schlesing said Tuesday.

The Sun City Home Owners office also has received some concerned calls from Sun City merchants regarding the centers' fate, spokeswoman Betty Van Fredenberg said.

The Teachers Retirement System of Texas board, which holds the mortgage deeds on the seven properties, apparently has not received a payment on its mortgage from Zane May in the past four months and foreclosed on the mortgage, sending it into receivership, Van Fredenberg said.

The complaint filed in Superior Court alleges that Zane May failed to make payments for January, February, March and

April on its \$34.6 million loan.

Zane May general partner Paul Zane Pilzer said through a company spokeswoman Monday that he couldn't comment on the matter on the advice of his attorney.

The Teachers Retirement System has held the mortgage on the centers since Zane May purchased the six centers in 1986 from Prudential Insurance Corp.

The court order also gave the receiver control over three bank accounts that handle all the rental income from the shopping center tenants.

"The Texas Teachers Retirement System hasn't foreclosed exactly," Schlesing said. "What happens is the court appoints a receiver during that process, whether or not Zane May is going to come through on its (outstanding) notes or not.

"The receiver's job is to operate the properties, collect the rent and so forth," Schlesing said. "To operate the properties is the most important thing as far as I'm concerned, because we know how important those centers are to the community of Sun City and we know how important it is to have a receiver."
See Receiver, A5

(over)

—From A1

portant the community of Sun City is to those centers."

Schlesing said Tuesday that CBS will take an active and aggressive marketing approach in operating the centers and filling them to capacity.

He indicated changes will be made as quickly as possible "so that nothing happens to hold up progress in filling up the centers.

"I can't comment on how they've operated in the past, but since I've been a receiver before, typically by the time I've been appointed, there have been gen-

erally problems getting some decisions made," Schlesing said. "Obviously, there have been some type of financial problems or the receiver wouldn't be involved.

"When I'm appointed I try to cut through all that and make sure we get back to some continuity and decision-making to solve problems quickly."

He said he will maintain open communications with the present tenants and keep them informed of any expansion plans or leasing activity.

Until Zane May resolves its financial problems with the cen-

ters, Schlesing said CBS will continue to manage the centers for the Teachers Retirement System. Even if Zane May defaults to the teachers fund, Schlesing indicated CBS would probably continue to manage the centers indefinitely.

"We are one of the largest management companies in the Valley and I think that was one of the reasons we were selected."

He said a number of his staff people are former Del Webb managers who are familiar with the Sun City area and its shopping centers.

"We have a lot of background

information that has been very helpful in terms of how those properties have been operated."

Schlesing said CBS will conduct a complete market review of the Sun City area before considering any lease adjustments. Many Sun City merchants have complained of higher rents and lack of cooperation with Zane May, which maintains an office at Sun Bowl Plaza. Several, such as Value Drugs, have either moved to other, cheaper Sun City centers not owned by Zane May or closed their doors.

"We know we'll have to be competitively and fairly priced

in order to attract other users to Sun City," Schlesing said. "The biggest process we have already begun is setting up meetings with the various merchants associations."

Schlesing said CBS may establish a citizens group to get comments on developing its target market.

"What does the community of Sun City feel it needs out there to serve the community? Those are the types of users that our sales departments are going to address. We know one thing, for the centers to be successful all of

our tenants need to be successful," Schlesing said.

He said CBS will actively work with the Northwest Valley Chamber of Commerce. Chamber officials said they just learned of the CBS takeover this week and hope to meet with CBS officials for discussions.

Bob Kammrath of Kammrath and Associates, a commercial real estate research company, said current Sun City vacancy rates are between 10 and 11 percent, which is better than the Valley as a whole. He said that Sun City centers should be performing better than the market.

Sun Cities shopping centers survive despite competition

Editor's note: This is the first of a three-part series on area businesses and shopping centers.

By MIKE GARRETT

News-Sun staff

SUN CITY — The Sun Cities may have lost some of their better-known restaurants last summer. But shopping centers apparently have survived with only the normal number of casualties.

That's not to say all is well in the Sun City retail business community.

The Sun City market can still be characterized as a "tough sell." And there is a threat of oversaturation from the two newer area centers — Sun Shadow Square at 99th Avenue and Bell Road and Crossroads Towne Center, under construction at Bell and R.H. Johnson Boulevard.

Merchants who move here still have to cater to the special needs of the retirement community. The competition can be fierce, and if they're underfinanced or

inexperienced, they're not likely to make it through the summer doldrums, when many Sun Citians vacate the community and business can slow down to a crawl.

While Sun City area shopping center vacancy and turnover rates are probably as good or better than anywhere else in the Valley, some merchants here are concerned. They believe their rental rates are too high to get through the summer, their landlords are unresponsive to their needs or they see an oversaturation of shopping centers.

How much of a problem exists in the local centers depends on who talks to you.

Del E. Webb Realty & Management Co. leasing manager Dennis Kemp, who is in charge of the seven Del Webb-managed Sun City centers, and Phil Brant, Del Webb Communities manager of commercial sales and leasing in Sun City West, don't see any major problems with the Sun Cities business community.

They do see a slight overbuild that they say eventually will catch up to the market.

Greenway Terrace advertising coordinator Clark McAllister reports merchants there have had a better-than-average summer and business is now great.

The Promenade Merchants Association President Bob Dierken says things are looking up as the center prepares for its second anniversary this month. After high turnover rates this past year, several new merchants are moving in to replace some of the vacant spots.

Ron Rainier, new Royal Oak Mall leasing manager for Tessier & Associates (Royal Oak's landlord), is trying to get stable, viable tenants for a mall that has experienced probably the highest turnover rate of any Sun City center the past couple years.

One of the most outspoken of the merchants is Gene Fazio, who owned Royal Oak Barber Salon for a couple years before

recently moving his shop to Sun City West's Beardsley Square.

He says Sun City will continue to lose merchants unless shopping center landlords become more responsive to the unique problems of maintaining a business in Sun City.

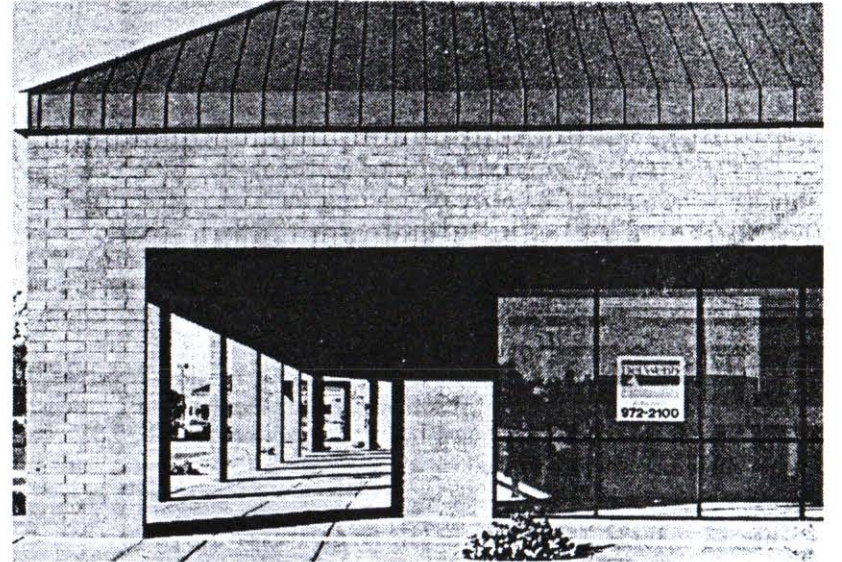
Here is what they're saying in detail:

"We haven't experienced any abnormal turnover of tenants in our centers," said Kemp.

"We've had people who have closed their stores. Some have retired and some merchants have sold their stores to other people. But our centers overall are 96 percent occupied.

"The only exception to that is the new one, Sun Shadow Square, which is in the 60s (percent) as far as occupancy and within a couple of weeks will be in the 70s, which puts us ahead of our schedule.

"You have to remember some of these merchants have been here 20 some years. They came here maybe when they were in



While the seven older Del Webb managed Sun City shopping centers are 96 percent occupied, the new Sun Shadow Square at 99th Avenue and Bell Road has nearly 40 percent of its space for lease. (News-Sun photo by Mike Garrett)

their 40s or 50s and many of them are now retiring."

Kemp believes much of Sun City's business turnover rate can be traced to mismanagement and/or an operating philosophy

that doesn't meet the special needs of the retirement community.

He mentioned the Country Cupboard restaurant, which took

* Shopping, A9

*Shopping

—From A1

over for the failed Duff's operation at Greenway Terrace, as the type of operation that has been successful because it's a locally owned "mom-and-pop" kind of operation that takes a personal interest in its Sun City customers.

"The ones who don't make it are where there is a professional manager who knows all the textbook answers but doesn't know how to relate to the population.

"They've got a corporate office in Chicago or New York writing rules and regulations on a broad spectrum for cities like New York, Chicago, Los Angeles or Philadelphia that don't fit here in Sun City."

"This is a unique community and you have to cater to what's here."

Kemp feels Webb has an advantage managing most of the Sun Cities centers because it can exert some control over the types of businesses locating here. Any competition will be well spaced out. Their centers are also not as subjected to sale to absentee owners or investors.

"We also watch the other (non-Webb) centers to see what they're doing. We don't want to make the same mistakes — and we have made our own mistakes I'm sure.

"The result (of outside ownership) is we have some tenants that really should not have been allowed into the center — based on either the competitive conditions within Sun City, the experience level of the retailer or the capitalization of the retailer. We look very closely at that."

Webb surveys have shown that Sun Citians do support their own centers and generally don't drive more than 1½ miles to do their shopping, except for big ticket or seasonal-type shopping, according to Kemp.

"It goes back to how the community perceives the retailers. If the retailer is somebody servicing them as an individual and not just as somebody who sells something to them, they will remain loyal to that retailer," said Kemp.

As for rental rates, they vary from center to center. Webb has taken over management and leasing of Sun Shadow Square and The Village at Surprise, two of the Sun City area's more exclusive and expensive centers.

Kemp said their rentals vary from \$14 to \$18.50 a square foot.

The older Sun City centers like Sun Bowl Plaza, LaRonde Centre and Grand Center pay around \$10.50 per square foot.

Kemp feels location isn't as important as quality service to

Sun City shoppers, who have a little more time to shop around.

As for the oversaturation potential, Kemp said commercial developers are typically ahead of the residential market, so they can get in the prime locations ahead of their competition.

With the Sun City market, developers are closely watching all the building activity surrounding the Sun Cities.

"I think now we do have a lot of competitive space on the market. But right behind it is a residential development that is going to absorb the housing units and therefore require the goods and services of the retailers that will come in," Kemp said.

In the overall scheme of things, one new center with perhaps 30 retailers won't make that much difference to the 225-250 retailers already serving the

Sun City area, Kemp noted.

What types of businesses does Kemp feel would now do well in Sun City?

He listed what he called first-class restaurants such as LoPerchio's that have a real commitment to the community. "We also need a good Mexican restaurant, a good fabrics store, a pet shop with a good breeder supplying it and a bicycle shop."

Kemp would also like to see a good discount hobby and sporting goods shop, "a Nevada Bob's type operation" that would carry golf and tennis equipment and athletic-type clothes.

Kemp doesn't see Sun City merchants having much concern over increased competition from the newer Peoria neighborhood centers sprouting up.

Next: Phil Brant's assessment of Sun City West's business community.

SOLAR



Sales or Service
we Repair or will
Trade any system

Solahart®

SOLAR HOT WATER SYSTEMS
30 YEARS EXPERIENCE
269-5831

Sun City declines?

Phase I shows signs of age, merchants say

EDITOR'S NOTE: Some of Sun City is 27 years old, young by standards of many communities, but unusual in that it was built as a retirement haven. Retirees have changed over the years, and so have their shopping and buying habits. Today, the News-Sun presents a special look at the shopping centers and the older homes in Sun City.

By MIKE GARRETT
Financial editor

SUN-CITY — Some Sun City area shopping centers boast healthy retail sales with few, if any, tenant vacancies.

But others are struggling with grumbling or concerned merchants who say they will move if their rents are raised too high or if no tenant replacements are found to generate more traffic into the centers.

Some merchants with lease renewals say their rents and maintenance fees are being substantially raised by their new owner, Zane May Interests of Dallas. It bought the centers last November from Prudential Insurance Co.

Sun City's two oldest shopping centers — Phase I's Grand Center and Sun Bowl Plaza — appear to be struggling the most among the original six Sun City centers now owned by Zane May, a real estate investment company that owns commercial real estate throughout the United States.

Sun City's two newest centers, The Promenade and Sun Shadow Square, on opposite sides of Bell Road at 99th Avenue, continue to have problems attracting new tenants in what may be an oversaturation in that area.

Oversaturation isn't the problem at Sun Bowl Plaza, 107th and Peoria Avenues, and to a lesser extent Grand Center, Grand and 107th.

The Sun Bowl Resident's Gallery is scheduled to close June 27 and Pomeroy's Men's Store, one of the original tenants when the center opened in 1968, is closing in early June.

This continues a several-year trend as other Sun Bowl merchants have moved without anyone replacing them — despite a \$750,000 renovation-remodeling in 1984.

Several of Sun Bowl's remaining merchants say that increasing rents may force them to move. They also wonder why no new tenants have been signed by Zane May's management team, Coldwell Banker.

Mel Osburn, owner-operator of Osburn's Apparel, another of the original Sun Bowl tenants, sees another problem for Phase I merchants.

"What's happened here is no secret. It's very obvious the economic base for Sun City Phase I has declined," said Osburn.

He is a member of a new, but yet unnamed, group of area business, real estate, civic and resident.

See Retirement, A3

Wednesday May 27, 1987 News-Sun

OVER

Retirement haven shows a few wrinkles

From A1
 tial leaders recently formed to study the area's changing economy.

"The average maximum age in Phase I has risen and the years of residency here have reached 12-14 years. Their discretionary income has been eroded by inflation, higher medical bills, everything.

"Apparently the new landlord is looking at the higher growth factor in metro Phoenix and feels justified in increasing our rents because of those figures."

Alan May, a partner with Paul Zane Pilzer in the Zane May limited partnership, said he is aware of the problems some merchants are having and wants to more familiarize himself with the area. He's planning a trip to Sun City soon.

"Typically, we buy property for long-term investments and do not sell property which we purchase. We're a long-term investor.

"We're very pleased with the purchase of the property (the six centers) and are beginning to study what needs to be done to enhance its value to the community, to the merchants and to ourselves from a long-term point of view," said May.

He said his company will conduct an attitude and opinion market study and survey within the next 12 months.

Bell Camino Center and Greenway Terrace have no vacancies and are doing well from sales figures he has seen, May said, adding he is puzzled at suggestions that Sun Bowl Plaza is having problems.

"They have some vacancies but their sales per square foot are among the highest of any center in Sun City and should make it one of the most desirable centers for merchants to locate in.

"The six centers average sales per square foot is substantially better than the national average for comparable centers."

May said he thinks part of the problem has been a transition in store managements.

Zane May is also concerned about the loss of the Grand Center Safeway Store last year to Safeway's Liquor Barn subsidiary and he said it's investigating what can be done to bring food back to Grand Avenue.

...the economic base,

obtained from the Sun City Area Board of Realtors which show that the average resale price of a Phase I home has risen from \$69,500 to \$74,000 over the last five years.

May would not comment on other concerns raised by merchants and residents — the closing of the Residents Gallery whose sales proceeds benefit the Boswell Memorial Hospital Auxiliary and a multi-million dollar loan Zane May is apparently negotiating with the Teacher Retirement System of Texas to help finance improvements in its shopping center holdings.

Residents Gallery manager Roberta Hoover said the operation could not continue under Zane May's proposed rental increase. She said the gallery had been operating since 1969 under a \$1 a year lease agreement when Del Webb managed the centers.

Hoover said the closing will have a big impact on the 70-80 volunteers who work four-hour shifts in the store once a week.

"It has also done so much for the consigners in the area to bring things in to sell," said Hoover.

"We did an estimate that from the time we opened we have contributed \$268,000 to the hospital. We've been open an estimated 5,675 days and have had 182,000 volunteer hours put in by compassionate, caring and concerned people."

Zeb Zebolsky, co-owner (with wife, Dolores) of Beall's Fashions in Sun Bowl Plaza, said he doesn't think Zane May is familiar with the operation here.

"Our problems are different than in their other plazas."

He lists all the merchants who have moved out with no replacement, including Alexander's Sun Bowl Restaurant a month ago, El Charro, a Sun City Mexican restaurant, Liberty Bank, a furniture store and a barber shop.

"We may have to move too if there is no increase in traffic in the center and our rent goes up," he said.

Mark Meschke, a past president of the Sun Bowl Merchant's Association and manager of the closing Pomeroy's, agreed with Zebolsky that the new landlord doesn't seem to show the same interest and concern that Del Webb and Prudential did when they owned the



Above, Pomeroy's is closing its store at Sun Bowl Plaza after 18 years and currently has no plans to relocate it. Manager Mark Meschke said the new landlord, Zane May, a Texas-based retail property management firm, doesn't show the concern for business the way former owners did. Top, some merchants of Sun Bowl Plaza are saying the lack of customer traffic through the shopping center is more than a seasonal problem. They say residents in the oldest part of Sun City just don't have the money to spend like they used to 27 years ago, when the community was founded, because of the effects of inflation on fixed incomes. Right, sales clerk Mary Meschke marks down merchandise at Osburn's Ladies Apparel in Sun Bowl Plaza. Not all at the shopping center are reporting poor sales. (News-Sun photos by M.J. Hoppes)

Meschke says Pomeroy's will keep its profitable Greenway Terrace store but doesn't know yet where the Sun Bowl Plaza store will relocate.

He agrees with the other merchants that the area south of Grand has been in economic decline and that a 20-40 percent Sun Bowl vacancy rate will deter people from shopping at the center.

Other concerned Sun Bowl merchants are Gladys Wagner, owner-operator of Heritage House, and Irv Setterberg, owner of Setterberg

Jewelers. Both are also among the center's original tenants.

"I think everyone is upset about the way things have been happening," said Wagner, who doesn't know yet whether she will renew her lease when it expires in November.

While Wagner thinks her business, especially greeting card sales, has been steady, she's concerned about the impact several closings would have on area shoppers who don't have the mobility to shop at other centers.

Setterberg said he has two years left on his lease, which calls for a \$10.50 per square foot rental charge for 1,600 square feet. He said he's concerned about how the closing of Pomeroy's and the Resident's Gallery will affect his business, which he said has been fairly stable.

Wednesday May 27, 1987 News-Sun A-3

Merchants find Sun City tough sell

Third of three parts
By MIKE GARRETT
News-Sun staff

SUN CITY — To operate a successful business in Sun City, a retail merchant has to weather perhaps a 50-percent dropoff (or more) in revenues during the summer months.

He must generally stay open only 8 to 5, close on Sundays and stock items or provide a personalized service 90 percent geared to a retiree market comprised of mostly fixed incomes.

That's a tall order to fill, too tall for many undercapitalized area merchants who have had to move or throw in the towel.

That's not to say that many Sun City area merchants and shopping centers haven't been pleased with the business they're doing here. Greenway Terrace, for example, is 100-percent occupied, with most merchants doing increased business, according to its advertising coordinator, Clark McAllister.

The most stable Sun City businesses have been banks and savings and loans. Most unstable have been restaurants, despite the fact that surveys show Sun Citians go out to eat more than residents in other Valley communities.

Most merchants say Sun Citians will support their business if they get good, courteous service and value for their money. Despite the apparent affluency of the community, Sun Citians still look for bargains and don't hesitate to drive to other Valley shopping areas to find them.

"The success of a shopping center still depends on the tenants, not the landlords," says Gene Fazio, a Sun City barber nearly four years, who moved his shop from Royal Oak Mall to Beardsley Square in Sun City West last week amid rising over-

head and dwindling revenues.

"But tenants' longevity doesn't seem to be of much concern to the landlords because they aren't giving us any lease adjustments, particularly during the summer months," said Fazio.

"I wouldn't advise any businessman to come into Sun City now unless he gets some lease incentives to offset the summer."

Fazio said he has observed better than a 50-percent turnover rate at Royal Oak Mall in the four summers he's been there.

Fazio explained that most merchants he knows of have to pay triple net costs as part of their overhead. That means paying taxes on their business, rental taxes and insurance on their shops and most of the utilities and upkeep of their businesses.

During the summer months, when more utilities are used and revenues are at their lowest, that can be a real drain, he said.

"Most of the rental costs on a triple net lease usually go to the landlord," said Fazio. "That's his profit or it goes to pay for the existing financing etc. The tenant is still responsible for taxes for the first year and for the percentage of square feet that he occupies in his particular shopping center or mall. Also, he pays his own insurance to cover glass and his own equipment."

With the extra charges, Fazio said a tenant is probably paying \$14.50 a square foot instead of \$13, as was the case at Royal Oak Mall.

Yet Fazio said most Sun City merchants didn't start having serious problems until two years ago, when he feels the Sun City commercial market started becoming oversaturated.

"Now it's so rampant, it's ridiculous.

"Del Webb's problem in its

commercial division is that they are just about the only one left and they've gotten too complacent." Fazio noted that the new, larger centers Webb doesn't control will gobble up many of the older, smaller businesses as the pie gets smaller.

While Fazio struggled to make ends meet at Royal Oak, his former neighbor across the street, Phil De Jong of Arizona

'I think the previous problems stemmed from putting in businesses without thoroughly investigating their background or if they had enough assets to make it through the summer.'

Coin & Jewelry Exchange, said he "has been doing fantastic business" and has no complaints in the four years he has been at Royal Oak.

"I think one of the problems for the high turnover rate here has been the reluctance of many of the merchants to advertise," said De Jong. "I've advertised in the paper all along and I think that's the main reason I've done so well. I noticed that some of the businesses which closed here or moved on never did any advertising."

De Jong also wanted to dispel the theory that Sun City prices are higher than comparable goods or services in Phoenix.

"Because of the competition here, I think Sun City merchants have better prices. I know I do a lot of my shopping out here."

New Royal Oak leasing manager Ron Rainier (for Tessier & Associates) hopes to rectify the high turnover rate by putting in more stable businesses.

"I think the previous problems stemmed from putting in businesses without thoroughly investigating their background or if they had enough assets to make it through a summer.

"I've turned down many businesses that wanted to locate here and could have filled the center," said Rainier. "Right now everyone is interested in coming to Sun City. But unless it's a substantial, viable business, I'm not going to let them come in here."

That will likely mean more chains like Dunkin' Doughnuts, with which Rainier is currently negotiating to move into the mall.

Lee Optical, a Diet Center, Arizona Gold and Silver and Foster Medical are other businesses that have either recently opened or are planning on locating at Royal Oak, according to Rainier.

The Promenade is another Sun City shopping center which has had a high turnover rate.

Bob Dierken, president of The Promenade Merchants Association and owner-operator of Sun City's only car dealer (Cars 4-U), thinks the Westcor-owned center is also turning around.

"We had our best May ever this past spring," Dierken reports.

Negotiations are now underway for a seafood restaurant to move into the space vacated by Cafe Philadelphia and fill the void left by the Red Lobster at nearby Campana Square.

Negotiations are also underway, though there are some legal entanglements, to possibly reopen Grandma's Restaurant and Bakery, according to Dierken. Coldwell Banker is knocking down walls at the east end of the center getting ready to open.

"In the past we've had merchants in here who were just not good business people," said Dierken. "I can appreciate the Westcor people wanting to fill up the square footage. But we've had a lot of mom-and-pop, one- or two-people operations that have been way underbudgeted with no cash reserves.

"It's the American dream to own your own business. But they have everything they own tied up into that business and don't know how to run a business out here. Too many of the managers have been younger people who don't know how to relate to the older retiree."

As a result, Dierken said The Promenade merchants are redirecting their efforts, as the center gets ready to celebrate its second anniversary this weekend, by concentrating on showcasing its assets as perhaps Sun City's most attractive and exclusive center.

"We hope to make it a real status symbol to be located here," said Dierken.

Status may help the merchants but it won't help longtime Sun City residents on fixed incomes.

Even lower prices won't help many older Sun City retirees, particularly those in Phase I who have lived here 15-20 years, according to Mel Osburn, longtime owner-operator of Osburn's Fine Apparel shops in Sun Bowl Plaza and Bell Camino.

"The market is really tough out here," said Osburn. "The older consumer's dollar has really shrunk to a considerable degree and they don't have as much disposable income as they once had.

"Their retirement costs for food, shelter and health care have increased and that's where most of their income goes."

Osburn noted that while Sun City has a 5 percent annual turnover rate, that still leaves 95 percent of the residents who have gotten a year older and likely have less disposable income for buying optional items.

The best example of that is Phase I's Sun Bowl Plaza, which has lost six merchants — Liberty Bank, El Charro Restaurant, Antique Center, Lee Optical, Sun City Decorators and Plaza Barber Shop in the past few years, without anybody moving in to replace them.

So, while many residents consider Sun City to be heaven on earth, a number of its merchants are getting closed off at the pearly gates, discovering its avenues and streets weren't paved with gold after all.

Big centers built to cater to SC shoppers

By **MIKE GARRETT**
Financial Editor

Sun City's seven original Del E. Webb Development Co. shopping centers always have catered to the desires and wishes of its chief customers—Sun City retirees.

Specialty shops and service-oriented businesses generally have located in Sun City.

And Sun Citians have usually supported their own centers through the years, even during the recession of 1980-82.

MOST SUN City businessmen and women have commented on their customers' loyalty. But to be successful in Sun City, personalized service is a must, they say—something Sun City shoppers have come to expect and something they often don't get in the large metropolitan shopping centers.

The only type of store missing from the Sun City shopping scene is the large department store to anchor the center, al-

though Devco has tried for years to attract one of the large chains to locate here.

Most Sun City centers have a large grocery or drug store to serve as an anchor.

The following is a short history of each Sun City shopping center, starting with the first one—Grand Center at 107th and Grand avenues.

GRAND Center opened in 1960, the same year Sun City became reality. The center has Sun City's only two main-line bus stops. The first travel service, the first bank, the first golf car business, the first realty outlet (Del Webb Home Realty), one of the first restaurants (Melody Lane), the first grocery store, first service station and the first budget variety store all started here.

For many years it was the site of Sun City's only radio station, KWAQ-FM before the

*** Big, A18**

* Big centers

—From A16

station was sold in 1983.

Sun City Travel is believed to be the first non-Del Webb business in Sun City.

FREED'S Fine Furnishings, Safeway and the TG&Y store probably have the longest tenure of the Grand Center stores.

Sun Bowl Plaza followed Grand Center and also features some long-standing businesses dating back to the mid-1960s.

While Grand Center was the community's first, Sun Bowl Plaza is characterized by many longtime Sun Citians as distinctly reflecting Sun City tastes.

Its tree and plant life, large parking area and covered shopping have given the recently remodeled Sun Bowl Plaza a unique appeal in the heart of "old Sun City."

SOME OF the center's oldest businesses include Osburn's Ladies Apparel, Setterberg Jewelers, Heritage House, Tom Tate's Garden Buffet, Pomeroy Men's Store and El Charro Mexican Restaurant.

It wasn't until the 1970s that the first shopping centers began to sprout up on the north side of Grand Avenue.

Sun City's largest shopping center, La Ronde Centre, got the ball rolling when construction began in 1970. The first tenants began operating in 1972.

La Ronde's unique, completely circular architecture was appropriate for the times when Sun City neighborhoods were going around in circles.

LA RONDE was and is noted for having Sun City's first and only movie theater (the Alco), its first printing shop and, like most Sun City shopping centers, is the home of several financial institutions, including First Federal, First Interstate Bank, Arizona Bank and Continental Bank.

Greenway Terrace was under construction at the same time as La Ronde Centre, with the first retailer, Al Mart Gift Shop, opening its doors Nov. 1, 1972. The two anchor stores, Lucky's Food Stores and Walgreens Drugs, opened their doors in 1973.

Thunderbird Plaza began construction Jan. 1, 1973, and finished the same year. The smallest of Sun City's centers has also been one of the most popular, with a strategic loca-

*** Big, A19**

* Big centers

—From A18

tion at Thunderbird Boulevard and 99th Avenue.

Thunderbird Plaza is typical of Sun City shopping centers with a large grocery store (A.J. Bayless) and drug store, (Value Drug Center), jewelry store (Liska Jewelers), a beauty salon (Valley Beauty Salon) and distinctive restaurants (Sing High). It also is one of the few centers to have a veterinarian (Thunderbird Veterinary Clinic).

UNLIKE THE other centers, a shopper can stop in every store from one end of the center to the other in an afternoon.

Bell Camino Center was Sun City's first shopping center north of Bell Road to serve what Sun Citians call Phase III. (Devco now doesn't recognize all these building-phase titles.)

Constructed in 1977, it was the last one built by Devco in Sun City.

It's also the second largest center in square footage, with 97,790 square feet. Its two largest tenants, Safeway and Long's Drugs, opened in late 1977.

BELL CAMINO has its own selection of unique stores,

including the Framing Loft, Smithfield Meats, Hickory Farms, Lovin Touch Deli and General Nutrition Center.

Unlike Sun City, Sun City West didn't get its first shopping center until nearly two years after home sales began. When Sundome Plaza (then called Camino del Sol) opened in April 1980 with Angela's Hair Studio, it featured the largest leasable square footage in the Sun Cities at 124,612 square feet.

Unfortunately, Sundome Plaza tried to get started right in the middle of the recession and had trouble filling up its space the first couple of years.

But times have changed and the center is closing in on 100 percent occupancy. It may face competition from the Sun Cities' newest center, Mercado del Sol.

MANY SUN City businesses chose to open satellite stores in Sundome Plaza to capture the Sun City West trade.

Sundome Plaza is so large it has more than two anchor stores—including Freed's Design Studio, Safeway, Walgreen's and Today's Swim & Patio.

300-seat dining facility opens in La Ronde Centre

April 11, 1972
La Ronde Centre now has a complete restaurant, the Wilcrest, which opened Thursday.

Jack Willis, for 10 years director of food services for Diamond's of Phoenix, is owner-manager of the new facility, manned by a staff

of 35.

"We offer complete meal service on the premises in our 150-seat dining room,"

Willis stated, "and we can seat 150 or more additional guests in our banquet room."

To ensure the greatest

possible variety of choice, with a minimum of repetition, menus will change daily throughout each month, Willis said. "Everything will be a specialty, we hope," he added. "Each item we serve will be prepared right in our own kitchen."

Beginning today, reservations for dinner parties, banquets, smaller group dinners, and other special events may be made by calling 977-5301.

"We will offer the best in steaks daily, and prime rib of beef on Friday and Saturday evenings," Willis said.

First Dirt Turned For \$3 Million Shopping Center; Theater Included

Work has begun on a \$3.1 million shopping center which will bring 35 more businesses to Sun City, including a 450-seat theater.

LaRonde Centre, going up in Phase II at Del Webb and Thunderbird boulevards and Talisman Road, is scheduled for completion about the end of the year, John W. Meeker, president of the Del E. Webb Development Co. announced.

It will be Sun City's largest shopping center — the other three — Grand Avenue, Plaza del Sol and Sun Bowl Plaza — having a total of 57 stores.

Alco Theater will be the community's first

June 25, 1971
theater, although films are shown weekly, except in the summer, at Town Hall Center.

Meeker said Wilcrest Restaurant, another feature of the shopping center, will have quality dining facilities "with luxurious decor and serving a variety of gourmet foods."

In all the shopping center will contain 108,551 square feet of usable lease space.

Among other businesses are as El Rancho Supermarket, Revco Drug Store, Mayo's Home Furnishings, Hessler's Stereo and TV Center, Fabric World, Laura's Draperies,

Southwest Savings and Loan, Famous Name Confections, and Brown's Card and Gift Shop.

Other stores will include a men's clothing shop, a men's and women's shoe store, two beauty shops, a liquor store, a southwestern handcrafted gifts shop, a women's wear store, an attorney's office, a jewelry store, a brokerage house, Del Webb Resale office, and Suharo Frame and Art Shop.

La Ronde Centre will be divided on the northwest and southeast corners of the intersection. Already adjacent to La Ronde

are the First National Bank, Arizona Bank and First Federal Savings and Loan.

On the northeast corner of the center area will be a Union 76 gas station. The southwest corner will include an Enco station and a small park.

The theater was added after a community survey showed residents wanted one.

Also under construction in Sun City are a bowling alley near Lakeview Center and a softball - baseball stadium. A second miniature golf course is to be built, adjacent to Town Hall South.

THE ARIZONA REPUBLIC

BUSINESS

14-D

Phoenix, Sunday, July 16, 1961

Businesswise

Sun City Stores 'Like Small Town'

By MAL HERNANDEZ

Sun City shopping center is among the most modern in the nation—yet it boasts a home-town, general store atmosphere unique in today's hustling, bustling world.

What apparently makes it different from similar shopping centers, is the fact that the majority of its customers are retired people who live in the communities of Sun City and Youngtown.

Managers of stores in the shopping center, 24 miles northwest of Phoenix on U.S. 60-70-89, report that their customers, with plenty of time on their hands, tend to make their stores "head-quarters for conversation."

As a result, shopping is more leisurely, and services offered on a more personal basis.

BOB PROTTI, manager of the Sun City Safeway Store, points

out that like the manager in the small, neighborhood store, he really gets to know his customers by name.

"Each individual purchase by a customer may be small, but the same customer will come back to shop three or four times the same day," Protti explains, "so I really get to know them."

O.L. Greenway, who operates the drug store in Sun City, also comments on the "meeting place" atmosphere of the shopping center.

"ALTHOUGH THE soda fountain is losing its attraction on the national scene," he comments, "I'm having trouble handling all the business at our Sun City store where my customers gather to chat awhile, not unlike teen-agers, over a Coke or soda."

In general, the Sun City store keepers find the buying habits of their senior citizen customers different from those in stores they operate elsewhere.

Protti said he finds his mostly retired customers are very conscientious shoppers who watch prices closely and favor name



Hernandez

brands, but will still try new products.

THEY TEND to buy a lot of health and diet foods and call for more special cuts of meat, and, Protti says, "they want what they want and no substitutes!"

Although they shop at a leisurely pace with lots of conversation en route, they still like fast service at the checkout counters, Protti has noted.

He also reports that his customers are very savings stamp and coupon-conscious.

And the surveys show the senior citizens are much more apt to utilize their savings stamp collections for purchasing catalog items than the average shopper.

GREENWAY SAID he finds his customers at Sun City very responsive to advertising. He points out that while they will ask for drug preparations that haven't been available for years, the women will demand the newest items in cosmetics as soon as they are advertised.

His Sun City store, he adds, has greater sales of geriatric products and prescriptions than his Phoenix store. Most of his customers have 30-day accounts and are "very prompt in paying their bills."

To add to the convivial atmosphere of his store, Greenway offers a live organ music recital from 10 a.m. to 2 p.m. daily.

THE OWNERS of Bedels Corner on Fashions find the tastes of their Sun City customers most youthful.

The proprietors point out that the slogan for Sun City is "active retirement" and add their customers go in mainly for resort fashions "all year 'round. We can hardly keep shorts and sleeveless blouses in stock."

One cry they hear most, the Bedels claim, is: "My, I'm putting on weight."

Apparently this is a result of relaxed living and those soda fountain conferences. And it probably accounts for Safeway's extensive sales of diet foods at its Sun City store.

Stevens Beauty Shop, fully occupied when we visited it, finds little demand for dyeing or tinting, but that customers, who come from all over the country, know hair styles and want good work.

Judging from our tour of the Sun City shopping area, the retired citizens who patronize its stores are anything but "dated" when it comes to marketing and knowing what they want.

SUN CITY, ARIZONAPlaza del Sol Shopping Center No. 2

Location: Southeast corner of 107th Avenue and Peoria Avenue

Acreage: 7.69 acres

Description: Single-story shopping center containing 39,480 sq. ft. of gross leasable area.

History: This center was opened in December 1965.

Zoning, Evaluation, Current Status and Future Plans: Commercial 2 (C-2). Medium restrictive value. Obtained for sales, service and amusement uses. The Maricopa County Fair Market Value, Assessed Valuation, and Taxes for the years indicated are as follows:

Safeway Portion:

	<u>FMV</u>	<u>Assessed</u>	<u>Taxes</u>
1972	\$197,520	\$ 49,380	\$ 3,530
1973	203,263	49,960	3,292
1974	227,636	60,425	4,556
1975	227,636	60,425	4,496

Remainder of Center:

	<u>FMV</u>	<u>Assessed</u>	<u>Taxes</u>
1972	\$ 270,220	\$ 67,555	\$ 4,830
1973	266,216	64,975	4,282
1974	262,774	69,040	5,924
1975	308,766	81,455	6,060

This property is currently 100% leased.
No future change is contemplated.

Principals: Del E. Webb Development Co. - Owner
Ten business firms - Tenants

Date Acquired: December 1965

Purchase Price: \$463,922

Book Value:

Land	\$ 7,726
Land Improvements	71,220
Buildings and Structures	<u>384,976</u>
	463,922
Less Depreciation	<u>169,692</u>
Net Book Value	<u>\$ 294,230</u>

DEL WEBB'S Sun City

Complete one-stop shopping convenience and a bumper crop of free parking.

SHOPPING CENTER

Shopper's Guide

ANTIQUE REPAIRING

Sun City Picture Frame and Art Shop
YE 3-1717

APPLIANCES

Brice Sun City Hdwe.
YE 3-2121

ART SUPPLIES

Sun City Picture Frame and Art Shop
YE 3-1717

BANK

First National Bank of Arizona
YE 3-1321

BARBER — BEAUTY SHOP

Sun City Barber Shop
Stevens Beauty Salon YE 3-1502

BEER

Sun City Liquor Store
YE 3-2381

BLINDS — CARPET — TILE

Baer's Carpets — Draperies
YE 3-1152

Sun Control Blind & Carpet
YE 3-3041

Sun Control Carpet, Blind & Tile Co.
YE 3-3041

CAMERAS — FILM DEVELOPING

Greenway Drugs
933-0141

Sun City Photo Shop
YE 3-1717

CANDY

Greenway Drugs
933-0141

Memory Lane Confectioner, Inc.
933-3091

CARPETS

Baer's Carpets — Draperies
YE 3-1152

Brown's of Glendale
Sun City Store YE 3-0311

Sun Control Blind & Carpet
YE 3-3041

CLOTHING, LADIES'

Bedel's Corner-On-Fashion
YE 3-2111

Porter's
933-2431

CLOTHING, MEN'S

Porter's
933-2431

DINING ROOM, COCKTAIL LOUNGE

HiwayHouse
YE 3-1311

DOCTORS — DENTISTS

Sun City Medical Building
933-2351

DRAPERIES

Baer's Carpets — Draperies
YE 3-1152

Sun Control Blind & Carpet
YE 3-3041

DRUGS

Greenway Drugs
933-0141

FURNITURE

Brown's of Glendale
Sun City Store YE 3-0311

GIFTS

Brice Sun City Hdwe.
YE 3-2121

Greenway Drugs
933-0141

Porters
933-2431

GREETING CARDS

Greenway Drugs
933-0141

GROCERIES

Sun City-Youngtown Safeway

HANDBAGS

Greenway Drugs
933-0141

HARDWARE

Brice Sun City Hdwe.
YE 3-2121

HEALTH FOODS

Twin Cities Health Center

HOTEL ACCOMMODATIONS

HiwayHouse
YE 3-1311

HOUSEWARES

Brice Sun City Hdwe.
YE 3-2121

ICE CREAM

Memory Lane Confectioner, Inc.
933-3091

INSURANCE

A. T. Germond
YE 3-2141

JEWELRY

Greenway Drugs
933-0141

LAUNDRY — DRY CLEANING

One-Hour Valet
YE 3-9984

LIQUOR — WINE

Sun City Liquor Store
YE 3-2381

MIRRORS — GLASS TOPS

Sun City Picture Frame and Art Shop
YE 3-1717

NURSERY

Berridge Nurseries Inc.
YE 3-1592

PICTURE FRAMING

Sun City Picture Frame and Art Shop
YE 3-1717

REAL ESTATE

Sun City Real Estate
YE 3-1976

REPAIR SERVICE

Brice Sun City — Frigidaire
YE 3-2121

Masters TV
YE 3-2451

RESTAURANTS — SNACK BARS

Greenway Drugs
933-0141

Memory Lane Confectioner, Inc.
933-3091

Coffee Brake, HiwayHouse
YE 3-1311

SERVICE STATION

Sun City Union Service Station
YE 3-1182

STATIONERY

Greenway Drugs
933-0141

TELEVISION — SALES, SERVICE

Masters TV
YE 3-2451

TRAVEL BUREAU

Sun City World Travel Bureau
YE 3-1811

UTILITIES & SERVICES

Arizona Public Service
YE 3-1331

News-Sun
YE 3-1892

Western Union
YE 3-1811

VARIETY STORE

T.G.&Y.
YE 3-1521

WESTERN WEAR

Porter's
933-2431

SHOP WITH CONFIDENCE! SUN CITY SHOPPING CENTER MERCHANTS STAND BEHIND THEIR MERCHANDISE AND SERVICE

PHOENIX-WICKENBURG HIGHWAY

- 1 — Baer's Carpets — Draperies
- 2 — Porter's
- 3 — Memory Lane Confectioner, Inc.
- 4 — Brice Sun City Hardware
- 5 — Brown's of Glendale
- 6 — Sun City World Travel Bureau
- 7 — A. T. Germond Ins. Agency
- 8 — Youngtown-Sun City News-Sun

- 9 — Sun City Frame and Art Shop
- 9 — Sun City Photo
- 10 — Twin Cities Health Center
- 11 — Arizona Public Service Co.
- 12 — Sun City Real Estate Co.
- 13 — Sun Control Carpet, Blind, & Tile Co.
- 14 — Master's Radio & TV
- 15 — Sun City Liquor Store
- 16 — Bedel's Corner on Fashions
- 17 — U.S. Post Office
- 18 — Greenway Drug Co.

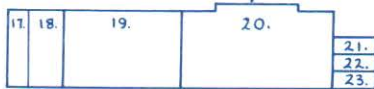
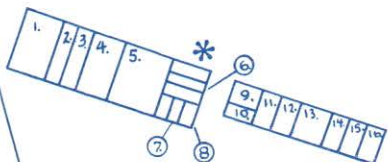
27.

- 19 — T.G. & Y.
- 20 — Safeway
- 21 — Steven's Beauty Salon
- 22 — Sun City Barber Shop
- 23 — One Hour Valet
- 24 — Berridge Nurseries, Inc.
- 25 — First National Bank of Arizona
- 26 — Sun City Union Service Station
- 27 — HiwayHouse
- 28 — Medical Building
- * bus stop

107TH AVE.

OAKMONT DRIVE

108TH AVE.



28.

Welcome!



Welcome to your Sun City Shopping Center! In this convenient center you'll find everything you need from food to fashions, from housewares to hobbies, from toiletries to television, from flowers to ice cream . . . every possible need you'll find at Sun City Shopping Center. And always it's a pleasure to make shopping pleasant for you.

DEL WEBB'S
Sun City
SHOPPING CENTER

PATRONIZE SUN CITY MERCHANTS—THEY ARE TRUSTED MEMBERS OF YOUR COMMUNITY