

# At Northway Mall, reactions are mixed to closed Korvettes

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**M**ore than 15 months after Korvettes closed its store at Northway Mall, the 141,000-square-foot outlet remains vacant and continues to take a predictable toll on mall sales.

Mall manager Robert Graf says sales rose a token 2 percent in the past year in the 38 stores between the mall's Korvettes and Montgomery Ward anchors.

This is well below the inflation rate for general merchandise, where volume would probably be if Korvettes were reoccupied.

"A vacancy like this is bound to cut down on some of your traffic and hurt the entire mall," Graf admits. "You're drawing fewer bodies with a big, empty store."

When Korvettes was vacated in February 1980, Graf said in an interview that he was "optimistic" that a replacement would be found within two months.

But the economy then fell into recession and retailing only recently has begun displaying signs of strength. And Graf was probably overly sanguine all along.

"Typically you have a site in a mall while it is under development and a company plans to move in years in advance," says Richard Steinberg, executive vice president of Mall Properties Inc., the owner of Northway Mall. "People aren't necessarily standing by and ready to lease a store that opens in Albany."

Being so close to Colonie Center probably hasn't helped either. That mall last year notched sales of \$175 per square foot on leasable space — compared to a nationwide average of about \$110 — and has announced plans for eventual expansion.

The Korvettes store is actually owned by Arlen Realty & Development Corp., which sold the troubled Korvettes chain to Agache-Willot of France but retained its Northway Mall real estate and some other Korvette properties.

There is a rumour that Mall Properties has bought the

Korvettes store from Arlen, but Arlen officials were unavailable for comment and Steinberg refuses to confirm or deny it. "I don't want to discuss it," he says flatly.

Steinberg says Mall Properties has been actively canvassing retailers on behalf of the store. News stories last September indicated that Agache-Willot might reopen the store or that Alexander's Inc., another department store chain, might move in.

But nothing has materialized. Steinberg says one company has been here to look at the store twice and is currently conducting market research in the Albany area. The same company made similar studies a year ago and decided against taking the store, Steinberg says, but it's giving Korvettes a second look under new management.

Steinberg will offer no estimate of when the store might be occupied, however.

Northway has three vacant storefronts, including a large Nugent's near Korvettes that went out of business shortly after its closing and has been vacant since. But the vacancy rate is pretty much par for the course at Northway.

Graf says the mall is coping with its Korvettes problem largely by shifting its advertising and promotion budget heavily toward media advertising and away from in-mall promotions. "We want people to realize we're still here," he explains.

Mall merchants don't appear to be totally dissatisfied with the results. The Jewel Box, a jewelry store in the middle of the mall, says business this year is "stable."

"Going to a jeweler is basically like going to a doctor," says manager Linda Krueger. "You find someone you like and you continue to do business with him. But I'm not getting as much walk-in traffic as I had hoped for since the closing of Korvettes."

Montgomery Ward, the mall's sole anchor, says business is running a healthy 30 percent over year-ago volume and store manager Charles Weir predicts that growth throughout the year "will be that or greater."

Weir says some of the increased business has come from a new health and beauty aid department. Other big sellers lie in the home improvement area, including decorative ceiling fans, insulation materials, hot water heaters and wood-burning stoves. "Anything to do with the home is doing very well," Weir says.

Yet he adds that he would do even better if Korvettes were reoccupied. "Another anchor store would attract more business," he says. "It's not



Staff photos

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conducive to attracting people into the mall anytime you look down the other end and see it boarded up."

Another element in the Northway Mall equation is the potential impact of the proposed Crossgates Mall in the Pine Bush area. William Diamond, an Albany State University marketing professor, oversaw a computerized study on the potential impact of Crossgates and concluded that it would sharply undercut traffic at nearby malls.

The sole exception is Colonie Center, he says,

because it would have drawing power comparable to Crossgates.

"In an area with modest economic growth, you have to expect a major mall to have a very serious impact on existing trade patterns," Diamond says, adding that Crossgates could "seriously jeopardize" the existence of Northway with or without a replacement for Korvettes.

Crossgate proponents have said that the mall would appeal heavily to upper-income shoppers, many from outside the Capitaland area. This seemingly would not conflict with shopping traffic

at Northway, which essentially caters to middle and lower-middle income people.

But the contention doesn't wash with Diamond.

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“This isn't Westchester County by any stretch of the imagination,” he says. “I just can't see where the differentiation in shoppers would be that sharp. The proportion of shoppers that would come to Crossgates from outside the area wouldn't be as large Crossgates people predict.”

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