

Stores to remain open during renovations at Fountain Hills Plaza

Fountain Hills Plaza developers want shoppers to spread the word that its tenants are operating and stores will remain open during renovations.

Only Bashas' supermarket is closed, stressed Gregory B. Valladao, vice president, acquisitions and development for The Pederson Group.

"The short-term pain will be offset with long-term gains," Valladao said at the Chamber of Commerce's April breakfast meeting.

Tenants as well as the community will experience the advantages that will come with the remodeling and new construction, he said.

Representatives of The Pederson Group and David Basha, director of the real estate division for the family-owned supermarkets, updated Chamber members about plans for the strip retail center at the southwest corner of Palisades Blvd. and La Montana Drive.

The expense to upgrade the property will be between \$23 million and \$25 million, said Valladao.

Originally built in 1987, Fountain Hills Plaza has a diverse mix of retail tenants.

Valladao said the shopping center was purchased from California-based investors who "made no investment in the property" which is "why sidewalks are cracked, the parking lot is falling apart and there are dead palm trees."

"Some saw it as an utter disaster; others saw it as an opportunity, especially knowing that we had such good partners in Bashas'," said Valladao.

The expanded Bashas', a new prototype design for the company, will anchor the redesigned shopping center. The building will be nearly 50,000-square-foot compared to the previous 35,800-square-foot structure.

The architectural layout will be similar to the Bashas' market at Hayden and Indian School Road, said Basha.

The Pederson Group and Bashas' partnered on that renovation project. It was the first time that Bashas closed a store to renovate a store.

"In the end, the project doubled its business and we decided it was time to do it again," said Valladao.

Demolition of Bashas' supermarket will start around May

1 after asbestos abatement is completed, said Valladao.

The parking lot will be completely replaced to conform with American Disabilities Act requirements. Some parking spaces will be covered. New landscaping will be planted.

The existing façade of the stores will be razed and rebuilt. Whenever possible, construction will be scheduled late evenings and early mornings.

Temporary signage will be created with town assistance to identify the stores once the façade is removed.

"There will always be a route to the businesses," said Valladao. "There will be a well-marked driveway."

Reopening is planned for February or March 2009.

The remodeled Bashas' will feature an expanded bakery and deli, a pharmacy, and an expanded produce department. The supermarket also partners with a bank, either Wells Fargo or Chase; a rice garden and Starbucks.

Paul's ACE Hardware will increase in size by about 6,000 square feet. Bedmart is moving out of the plaza; Pony Express will be relocated within the center.

"My concern is making sure that businesses are able to make it through this painful process," said Margaret Lloyd. She handles leasing and tenant relationships for The Pederson Group.

"Come and support them. They need your help through this difficult time," said Lloyd.

Only four or five empty locations exist, said Lloyd. She asked residents to suggest businesses they would like the center to recruit.

A primary location is the corner suite at Palisades and La Montana previously occupied by 20/20 Eye Image Center, said Lloyd.

"It is one of the first things you see," said Lloyd. "I would like to see a café with outside tables" to create a people-gathering place.

David Basha said his family's business opened the first supermarket in town. As the population expanded, the community outgrew the store.

The Chamber presented Bashas' with a 30-year membership plaque.

Bashas' continues to own 11 acres behind Fountain Hills Plaza and at one time had considered building a new store on the property. Basha said the company does not have plans for the real estate except for a small portion that will be used to extend the supermarket.

He confirmed that Bashas' will close the store at 136th St. and Via Linda because of an insufficient volume of business.

The Pederson Group has developed 27 shopping centers, including the Promenade at the corner of Frank Lloyd Wright and Scottsdale Road, Scottsdale. The firm built an office and retail center at Terravita and Anthem.



Chamber of Commerce Chair Francesca Carozza, left, and President Frank Ferrara, right, welcomed representatives of The Pederson Group and Bashas' to the April Chamber meeting. Updating renovation plans for Fountain Hills Plaza were Gregory B. Valladao, vice president, acquisitions and development for The Pederson Group; Dusty Sluder, Bashas' local store manager; Margaret Lloyd, in charge of leasing and tenant relations, and David Basha, real estate director for the supermarkets.