

# The Washington Post

May 20, 2017

## The place where old-fashioned malls are beating Amazon: Small-town America

By Jill Rothenberg

Hair freshly done from the beauty parlor on a recent Friday morning, Ada Clark, 93, and her daughter Carol, 63, met in front of the J.C. Penney in the Pueblo Mall, about 100 miles south of Denver. Their afternoon plan: a walk around the mall, followed by lunch at Red Lobster.

When the mall was built in 1976, Pueblo was a booming steel town. The Colorado Fuel and Iron Co. was the city's largest employer, and a now-empty meatpacking plant also offered good wages. The mall — with its 1,100 retail

jobs — has outlasted them both. It's also the social hub for the city — and for the many small towns east to Kansas and south to New Mexico.

"Any time I get out of town to go to the mall and maybe to Sam's Club, I guarantee that within an hour or so, I'm going to run into someone I know," said Steve Francis, 60, of Lamar, a town

of nearly 8,000 people 120 miles east of Pueblo near the Kansas border. "You take your family, your neighbors, and you make a day of it. The Pueblo Mall isn't just the only game in town two hours away, it's the only game in town for three counties."

---

*"With department store closings, many malls will have to get creative with how they utilize space," said Amy Raskin, who follows urbanization trends as chief investment officer at Chevy Chase Trust. She said many malls nationwide have converted space into multifamily residential units, whereas more rural malls may take on nonstandard anchor tenants, such as a Walmart.*

*--Amy Raskin, Chief Investment Officer, Chevy Chase Trust*

The Pueblo Mall is an outlier in the age of Amazon.com, when socks and laundry detergent and televisions — nearly anything you can think of — can be delivered to your front stoop within hours. The rise of online shopping has summoned a death knell for some of the old standard-bearers of retail. (Jeffrey P. Bezos, the chief executive of

Amazon, owns The Washington Post.)

Macy's and J.C. Penney, for instance, have in recent years reported crippling losses and widespread store closures. When those big anchor stores close, suburban malls find it hard to replace them. Many '60s- and '70s-era enclosed malls have been abandoned, razed or reimaged.

**Washington Post**  
**May 20, 2017**  
**Chevy Chase Trust**

“With department store closings, many malls will have to get creative with how they utilize space,” said Amy Raskin, who follows urbanization trends as chief investment officer at Chevy Chase Trust. She said many malls nationwide have converted space into multifamily residential units, whereas more rural malls may take on nonstandard anchor tenants, such as a Walmart.



(Gerald Salazar, right, and John Montoya sit and chat inside the Pueblo Mall in Pueblo, Colo. Despite the death of the mall in many parts of the country, it remains a mainstay in some rural areas. (Matthew Staver/For The Washington Post)

Despite Pueblo's three Walmarts and the arrival of a Dick's Sporting Goods and an Ulta Beauty store, the Pueblo Mall is bustling. On weekends, its nearly 3,000 outdoor parking spaces fill up. Inside are a few relics of the golden age of American malls: Amy's Hallmark, Claire's, Kay Jewelers. And in the food court is an Orange Julius, with its old-school classics and a modern update: smoothies.

The mall does not track visitors, according to manager Timothy Schweitzer, but based on sales trends, he says traffic has increased 3 percent to 5 percent in the past year. He said the mall's average sales per square foot are healthy,

holding at around \$400 over the past six months. He attributed this to the bigger-name tenants that have opened in recent years, including Bath and Body Works, Victoria's Secret, Charlotte Russe, Hot Topic and Zumi.

It draws kids from all over on the weekends. “It's still not unusual to see out-of-town teams from La Junta [65 miles], Rocky Ford [54 miles] or Walsenburg [53 miles] walk around the mall after soccer or basketball games,” said Carol Clark, who works for the CW Railway and lives 25 miles south in Colorado City.

Clark says that when the mall was built, downtown Pueblo suffered and many of its stores closed. The mall became Pueblo's new town square.

Now it's among the city's main employers, along with two hospitals, including the state-operated Colorado Mental Health Institute. State and federal corrections (there are 13 prisons and the nearby federal Super Max in adjoining counties) also provide jobs, as well as a burgeoning legal marijuana industry that emerged after the passage of Colorado's Amendment 64.

As revenue from online shopping climbs nationally — up 14.7 percent in the first quarter, compared with a year ago — regional malls like Pueblo's can compete by tailoring themselves to their consumers, said David Mitroff of Piedmont Avenue Consulting in Oakland, Calif.

**Washington Post**  
**May 20, 2017**  
**Chevy Chase Trust**

"People are ordering online, and that changes the whole shopping dynamic," Mitroff said. "But now the mall has barber shops, gyms, local stores and other things you can't just buy on Amazon. Or you can go see what they have. You can touch it."

Shoppers like Carol Clark do order online — in her case, 30-pound bags of specialty dog food that can be obtained cheaper and more conveniently that way than by buying it in Pueblo.

"The mall, whether in Pueblo or in Denver where my daughters live, is more social," she said, "and we may or may not buy something."

Civic pride and tradition also play a part. In some markets with older regional malls, people buy from a traditional anchor store such as a Sears because it's American, Mitroff said.

"It reinforces 'this is our mall, this is our city, let's shop there,'" he said. "Especially if it's the same price, why wouldn't you do that? And if city officials say, 'Do you understand that when you buy at J.C. Penney here, we actually get tax revenue off of that? But if you buy from Amazon, we don't.'"

Shoppers in southern Colorado are often more willing to drive longer distances for their retail purchases, especially for durable goods such as refrigerators and other appliances, according to Chris Markuson, director of economic development for Pueblo County.

Two other factors work in Pueblo's favor: the distance to other shopping centers and the small-town demographics. Pueblo's median household income is \$36,367, according to the most recent 2015 statistics, compared with the state's \$63,909.

"What this means is that these malls are safe," said Brian Harper, CEO of New York City-based Rouse Properties, which owns 34 malls in 19 states. "If you're, say, the third or fourth mall in Cleveland, Ohio, you've got to reinvent."

The Farmington Mall in Farmington, N.M., about 300 miles southwest of Pueblo and on the edge of the Navajo Nation Reservation, is a regional focal point.

"The Farmington Mall is a perfect example of a mall that will always just be a mall," Harper said. "A big night out in Farmington, New Mexico — and it's great — is Red Lobster and a football game afterward — it's 'Friday Night Lights.' Or it's Red Lobster and the mall or vice versa. So it serves as the hub for Farmington, because there's no downtown."

But Harper said that even regional shopping centers miles from major metropolitan centers can adapt and offer something new to consumers.

Back at the Pueblo Mall on a Friday afternoon, Bruce and Jennifer Miller watch their 2-year-old son and other kids in a small indoor play area near Sears "When I went to the mall as a kid, it was like 'Yes!' and sort of a big deal," says Bruce Miller, a Pueblo native who works in construction. "But when I was a kid, there was no playground. My son really loves it."

*Washington Post*  
May 20, 2017  
Chevy Chase Trust

The mall holds community events throughout the year, including a “Walk with a Doc” mall-walking program, health fairs, school concerts and, recently, a Child Abuse Prevention Awareness Day and a “Pueblo’s Got Talent” showcase.

In front of the playground is the Boot Barn, a national Western and workwear chain that serves people from the many ranches and farms that dot the counties of southern Colorado. The store even stays open on holidays when the rest of the mall is closed.

“We had a good day this past Easter,” store manager Jenni Pacheco said. “You can’t predict when your work boots are going to need to be replaced, even if it’s on a holiday. We have rodeos, fairs [the Colorado State Fair is held each August in Pueblo], concerts and even father-daughter dances that keep us busy all year.”

And there are plans for new mall tenants, including entertainment outlets, restaurants, and possibly a grocery store, Schweitzer said. A Planet Fitness has opened, along with the women’s plus-size store Torrid.

On a recent Friday afternoon, Toni Brgoch of La Veta, a town of 750 that is 65 miles southwest of Pueblo, stopped by the Clinique counter at Dillard’s. Though she was on her way back from visiting her grandchildren in Denver and could have picked up makeup at one of the larger malls, she preferred to stop in Pueblo, where she has been shopping for 42 years.

“When my children were young, we came to Pueblo for doctor’s appointments and the mall — we’d make a day of it,” she said. “Growing up in Walsenburg, we had a J.C. Penney, where my mom worked, and a Montgomery Ward mail-order center. But now there’s just a Safeway. Taking the stores out of these towns hurts them. I hope this mall stays.”

*Washington Post*  
May 20, 2017  
Chevy Chase Trust