



THE LEGACY

INDUSTRY SHAKERS

THE ART OF THE DEAL

Melvin Simon, a leasing representative for the Albert Frankel Co., an Indianapolis strip center developer, had a hunch there was a lot of money to be made building centers outside the city limits. "Frankel didn't want to go out of town, but I thought there was a big opportunity," Simon told Nancy E. Cohen, author of *America's Marketplace: The History of Shopping Centers*.

He and brothers Fred and Herbert formed Melvin Simon & Associates in 1960 and opened their first shopping center, the grocery-anchored Southgate Plaza, in Indianapolis. Even with their recognition of a "big opportunity," the Simons



L-R: Herbert, Melvin and Fred Simon in 1960.

probably had no idea that in about 50 years their company would become the largest mall owner in the world. At first, they developed grocery- and drugstore-anchored centers and sold them off to investors. But by the early 1960s, the company owned a small portfolio of community centers. The Simons built their first enclosed mall, the 150,000-square-foot University Mall, in Ft. Collins, Colo., in 1964. In 1975 they opened their first 1 million-square-foot mall, Towne East Square, in Wichita, Kan. By the early 1980s they were building three or more centers that size every year. The Simons became famous for negotiating complex deals. In the early 1990s the Ghermezian family brought in the Simons as partners in the construction of Mall of America to find the capital and anchors needed to revive the then-foundering project. The Simons also joined with Sheldon M. Gordon in the early '90s to co-develop The Forum Shops, Las Vegas, one of the most lucrative centers in the world; it posted sales per square foot in excess of \$1,200. Melvin Simon & Associates changed its name to Simon Property Group when it went public in 1994.

KING OF THE REIT

Milton Cooper took Kimco Realty Corp. public in 1991, at a time when REITs weren't popular with investors and had trouble attracting capital. But Cooper's firm changed that perception, says Ralph Block, a REIT historian and the owner of Westlake Village, Calif.-based Essential REIT Publications, which tracks the industry. "His significance is huge," Block said of the Kimco chairman and CEO. "He's one of the few people who have had a tremendous impact on the REIT industry and its growth." Kimco led the resurgence in the 1990s of publicly traded REITs, he says. "A lot of other companies

have tried to follow in his footsteps," Block said. Cooper and his partner Martin Kimmell began Kimco in 1958, initially to build open-air centers in Florida. By 1981 New Hyde Park, N.Y.-based Kimco owned 77 East Coast properties and changed its strategy from being predominantly a ground-up developer of centers to an acquirer that retenanted properties. Today Kimco is the largest community shopping center owner in the country, with 700 properties in the United States, Canada and Mexico. The firm shows no signs of slowing down. In October Kimco closed on its \$700 million purchase of the 41-center portfolio of Mid-Atlantic Realty Trust. Cooper himself shows no sign of slowing down either. In the spring of 2001 he said he would retire within a year. Three years later, he's still there.

CARPE DIEM

Brothers Matthew and Martin Bucksbaum, owners of a supermarket chain, had to learn the development business in a hurry. In 1954 they wanted to build a supermarket at a planned center in Cedar Rapids, Iowa, but when the developer "couldn't get it together, he sold the land to us, and we became the developer," recalls Matthew Bucksbaum. An architect explained to them how to negotiate leases and handle mortgages. Ten years later the company, which was then called General Management Corp., had five shopping centers. It built its first enclosed mall in 1965 and went public in 1972.



Martin (right) and Matthew Bucksbaum

However, the stock languished. The company went private again in 1984, but returned to the equity markets in 1993 when the Bucksbaums determined that the future lay in acquisition rather than development. General Growth Properties, as the company is now called, is the second-largest shopping center landlord in the United States, with 136 centers in 41 states. It is also one of the top three third-party mall management firms. In August Matthew and his son John — Martin died in 1995 — are opening the 2 million-square-foot Jordan Creek Town Center, in West Des Moines, the metro area where GGP was based until it relocated to Chicago in 1995.

REMEMBERING 'MR. D'

He spoke softly, but for decades Edward J. DeBartolo Sr. (1909-1994) carried one of the biggest sticks in the shopping center industry.

DeBartolo was a workaholic visionary, a devoted parent and a passionate sports fan, says his son, Edward J. DeBartolo Jr. "He was bigger than life."

Edward John DeBartolo was born Anthony Paonessa in Youngstown, Ohio, but later adopted the surname of his general contractor stepfather. He started working for his stepfather at 13, forging a work ethic that never left him. He studied civil engineering and served in the U.S. Army Corps of Engineers, where it is said he earned the money to found The Edward J. DeBartolo Corp. (in 1948) playing cards.



Edward J. DeBartolo Sr.

It was a major feat at the DeBartolo Corp. to beat "Mr. D" into the office; he was usually there by 5:30 a.m., and rarely took a day off, even when he was well into his 80s. Somehow, though, his family always came first.

"He was a great grandfather," the junior DeBartolo said. "He was a workaholic but a great father to [my sister] Denise and me."

He was a tough businessman, too. He knew every detail of every lease and didn't hesitate to let offending tenants know when they were out of line. Yet he rarely lost his temper, his son says.

A true visionary, he was able, like many industry founders, "to go outside a city limit and know this was where a population would be," the son said. In particular, during the 1960s DeBartolo snapped up property along interstate intersections in Florida after observing that Walt Disney was buying up land there.

He had the same focus on his other major business: sports. At one point, the family owned three horse-racing tracks, the Pittsburgh Penguins hockey team and the San Francisco 49ers football team.

Though his company merged into Simon Property Group in 1996, DeBartolo's legacy and counsel remain.

" 'Always work a little harder than you play,' " DeBartolo said, quoting his father, " 'and you'll be successful.' "