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Hazelton Lanes to get yet another fresh start

New tenants include American organics chain

By Steven Theobald
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The new owner of the dilapidated Hazelton Lanes vows to give it a new lease on life.

Stephen Chan, the centre's seventh landlord in its 23-year history, says he will spend \$20 million to rescue the decaying facility.

He also announced yesterday that a 45,000-square-foot upscale, organic grocery store will open next fall, a move Chan hopes will bring people back to the Lanes.

The renovations also include plans to straighten out the mall's maze of corridors, which contain enough twists and turns to give an experienced mall rat the spins.

Chan, who bought the Lanes seven months ago for about \$24 million, seems intent on creating a mini-empire in tony Yorkville.

He's already building a luxury condo development just up the street, at 99 Avenue Rd.

Chan is also in exploratory talks to buy the 71-room Howard Johnson Inn at 89 Avenue Rd., sandwiched between his condo building and the mall, real estate sources told The Star.

"It would be a good location to be a boutique hotel," confirmed Chan, president of Max & Co. Development Inc.

"But we don't want to release anything right now because nothing is consummated."

Rumours that the HoJo will be replaced with a swanky hotel are already working their way through the retail tenants still left in the half-empty mall.

"It would be just what we needed," said a menswear retailer who has seen foot traffic dwindle to a trickle.

Tenants shouldn't get their hopes up, warned Jordan Karp, a vice-president at Royal LePage Commercial Inc.

He and other groups have already explored the possibility of converting the HoJo, but the costs are prohibitive, Karp said.

"With the low ceiling heights and the layout of the rooms, you would have to mothball it and rebuild it," he said. "Boutique hotel doesn't mean small rooms."

Chan said he is also looking at other opportunities for condominium developments in the neighbourhood.

"We are very focused on this area."

Long-suffering retail tenants are still furious with the Lanes' previous landlord, Stockton & Bush.

The asset management company bought the centre about three years ago and immediately promised to bring in a big-name anchor tenant. The ever-changing list of names included Neiman Marcus, Saks Fifth Avenue and ABC Carpets.

But no one ever came. Instead, penny-pinching Stockton cut all possible expenses and even shut the public skating rink, once a winter fixture in Toronto.

All the tenants were rounded up yesterday-ironically, in a now-abandoned Club Monaco store- to hear Chan's plans.

Artist renderings were displayed showing the current facade along Avenue Road opened up and encased in an elaborately lit glass canopy.

The main attraction, however, was the arrival of Whole Foods Market Inc., a Dallas-based organic grocer with sales of \$1.57 billion (U.S.) last year.

"It's like a mixture of Pusateri's and the Big Carrot," said Stuart Smith, with real estate firm CB Richard Ellis, which brokered the deal to bring Whole Foods to Canada.

The green grocer will open its Lanes store by fall 2001 and has plans for as many as five more locations in the Toronto area in the next few years, added Smith.

Bringing Whole Foods to the Lanes is part of an over-all strategy to dedicate at least half the mall to stores selling goods and services needed for day-to-day living.

Other possible tenants include a drug store and dry cleaner, said Stephen Adams, Lanes general manager under Stockton and now Max & Co.

"There are over 10,000 people who live within a 10-minute walk of the complex," Adams said, adding high-end fashion stores will still account for perhaps half of the 160,000-square-foot mall.

Tenants, facing huge rent hikes next year, were relieved to see Chan is doing something with the mall, but wondered about the grocery store.

"Are you going to buy grapefruit and a \$4,000 cashmere sweater at the same time?" asked one retailer.

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