

SPOTLIGHT ON LYNWOOD

Plaza Mexico Revamping Seen As Key to Community's Revival

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Staff Reporter

WHEN Rueben Martinez opened his second bookstore at the newly rehabilitated Plaza Mexico on Long Beach Boulevard, people kept asking "Why Lynwood?"

It's not an unfamiliar question in a city of nearly 73,000 where the median household income is less than \$30,000 a year.

In the 20 years since Montgomery Ward's shuttered its department store, other major retailers have skipped Lynwood in favor of nearby South Gate, Paramount and Downey, said Louis Morales, Lynwood's director of redevelopment. "One of the biggest reasons why retailers didn't look at Lynwood was the income," he said.

So "Why Lynwood?" is almost certainly a question that faced Donald and Min Chae, the Korean-American real estate developers based in the San Gabriel Valley who in 2001 chose to invest \$20 million to convert their adjacent Lynwood Marketplace and Lynwood Town Center shopping malls into a Mexican-themed mercado.

The Chaes did not respond to requests for comment, but for Martinez, owner of **Libreria Martinez Books & Art**, the answer was simple: "Why not? We're bringing authors into that

city who never knew where Lynwood was."

Dozens of retailers, developers and city officials are betting that Lynwood is ready for resurgence and could be a destination for L.A.'s Hispanic community.

Maria Elena Garcia, store manager of shoe retailer **Grupo Emyco**, which opened its first U.S. store in Plaza Mexico, said she gets customers from as far away as San Bernardino and Ventura counties. "They know the name of the store," Garcia said.

Plaza Mexico, on a 36-acre site, is credited with leading the push. The stores are built with Mexican limestone, the plaza area schedules festivals on Mexican holidays, and a replica of the Governor's Palace façade in Jalisco fronts an indoor marketplace that was once Montgomery Ward's.

The partially completed Plaza Mexico, planned to be 425,000 square feet, has attracted several chains and Mexico-based businesses.

"The Plaza Mexico project is the most aggressive and hopeful project that the City of Lynwood has ever embarked on," said Lynwood City Councilman Fernando Pedroza.

One project taking hold is Beverly Hills-based **Charles Co.**'s 77,000-square-foot strip center, near Plaza Mexico on Long Beach Boulevard. And **Primestor Development Inc.** has proposed an 85,000-square-foot retail project called Lynwood Springs, though environmental



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Revival: Construction of Plaza Mexico has inspired new interest in Lynwood.

remediation issues have stalled its development.

What is now Lynwood was part of the original 1810 land grant of 29,514 acres to Don Antonio Lugo, who called the property Rancho San Antonio. His daughter, Guadalupe, inherited the portion of the grant that includes Lynwood in 1860. By 1902, 400 acres had come to be owned by C.H. Sessions, a dairy owner, who named the business after his wife, Lynne Wood. The city was incorporated in 1921.

Several years after the Montgomery Ward's closed, an indoor marketplace opened in the space, housing vendors of everything from clothing to fresh vegetables. The densely packed retailers generate sales of \$1,000 per square foot, said Wayne Brandt, managing director of **RBS Greenwich Capital**. By comparison, most grocery-anchored retail brings in about \$300 to \$400 per square foot, he said.

The Chaes' M&D Properties saw opportunity, said Brandt, who is involved in financing the overall \$55 million invested in Plaza Mexico.

Of the plaza's completed buildings, about 90 percent are leased. Tenants include Chuck E. Cheese and HomeTown Buffet, said its leasing agent, Luis Valenzuela, executive vice president of **NAI Capital Commercial**.

Still, the going is slow. Plaza Mexico is not yet completed and many tenants have not yet moved in. After four months, Martinez said only about 10 percent of the customers in Lynwood buy books, compared with 75 percent or 80 percent in his main store in Santa Ana.

Tenants also pay a 50-cent per foot surcharge to fund 24-hour security. Crime was a factor at the 77,000-square-foot Long Beach Pluma Center proposed by Charles Co. five years ago. The location was rife with prostitution, said Sarah Magana, the firm's director of projects. Today, the \$7.7 million center includes a 99 Cents Only store and a Smart & Final.

"We came in and basically cleaned up the area," she said. "But it took a long time to assemble all the properties and make this a reality."

Why Not Lynwood?

The retail scene has picked up here.

