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Volume 49 | No. 1 | First Quarter 2014

MACERICH HAPPENINGS

INSIDE: Eataly Debuts at The Shops at North Bridge | Meet Guy Mercurio, Vice President, National Restaurant Leasing for Macerich | Macerich at the Movies



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All Eyes on The Shops at North Bridge

Now More Than Ever, The Shops at North Bridge is at the Center of Things in Chicago

From Yo-Yo Ma to Mario Batali, from the new Eataly to the just-announced first Neiman Marcus Last Call Studio in the city, the Nordstrom-anchored The Shops at North Bridge is raising its profile and changing the landscape along Chicago's famed Michigan Avenue.

Attention-getting new retail and restaurant attractions plus a welcoming new entrance are bringing more and more visitors to this well-positioned property.

"In terms of Michigan Avenue shopping, we used to be at the 10-yard line, but now, with so much exciting new development south toward the Chicago River, The Shops at North Bridge really is becoming the 50-yard line in one of the world's most appealing urban shopping districts," said Todd Hiepler, Senior Manager, Property Management, The Shops at North Bridge.

Making the center more accessible for shoppers is a brand-new, west-facing entrance at the highly-trafficked intersection of Rush Street and Grand Avenue and a concourse-level connection with the Conrad Hotel, not to mention

great new signage. The new entrance opens to the "River North" restaurant district, which also is becoming the technology hub of the city with respect to office users.

Of course, The Shops at North Bridge now is home to a brand-new hot spot, Eataly Chicago, which opened in December and set the tone for a dynamic holiday season that kept the property front and center for visitors as well as locals. The much-anticipated Eataly debut, including a "pasta-cutting" and grand opening visit from Eataly's owners, Mario Batali, Lidia and Joe Bastianich and Oscar Farinetti, was the biggest restaurant story in the country. All of this positive attention burnished The Shops at North Bridge's growing reputation as a top dining destination. Hundreds of thousands of shoppers came throughout the month, supporting strong traffic and sales for North Bridge retailers.

Sophisticated marketing expertise at the property level contributed significantly to Eataly's dramatic arrival. "We stepped in to add extra firepower to Eataly's own marketing efforts," said Erica Strama, Senior Manager, Marketing, The Shops at North Bridge. "Not only were we happy to slice and dice our digital resources to reach locals, office workers and visitors with targeted messages about the Eataly opening, but we also hosted a concierge event during opening week that connected

the new marketplace with a vital set of influencers in hotel-centric downtown."

Further cementing the property's reputation as the place to be over the holidays was an exciting special appearance by classical music legend Yo-Yo Ma and members of the Chicago Symphony Orchestra. What appeared to visitors as an unplanned flash performance was, in fact, an organized mini concert that surprised and delighted shoppers in mid-December – and generated major local news coverage.

The year 2014 is set to bring even more excitement to this impressive retail and restaurant destination with more new names, including the opening of Neiman Marcus Last Call Studio in the fall, Eddie V's Prime Seafood in March and a first-to-market Shake Shack, slated to open in late summer. As well, Nordstrom is now undergoing targeted updates, which include adding windows to its façade along Grand Avenue to bring more activation and energy to this busy thoroughfare.

Beyond the core, four-level The Shops at North Bridge, this elegant urban property weaves through six neighboring blocks of hotels and office towers to make up the larger North Bridge District. In all, the North Bridge experience incorporates top names, including Louis Vuitton, A/X Armani Exchange, BOSS Hugo Boss,





Stuart Weitzman, Woford, Sephora, and wonderful restaurants Joe's Seafood, Prime Steak & Stone Crab, PF Chang's, Seasons 52, The Purple Pig and more. As well, Nike and Havas Worldwide are two key office tenants that have chosen North Bridge as their home.

The increasingly appealing downtown experience at The Shops at North Bridge is obviously a draw for visitors, but it also attracts local residents, who, thanks to Eataly and more, see new reasons to spend time on Michigan Avenue.

"In addition to Eataly and fabulous shopping, locals now are coming to North Bridge for a whole new reason: To catch the Chicago Shopping Shuttle that runs daily between our property and the new Fashion Outlets of Chicago," said Strama. "We knew visitors would make the most of the convenient shuttle service between these two signature properties, but what we have found so interesting and surprising is how many downtown residents, who often don't have cars, are using the shuttle to experience the new outlet property near O'Hare airport."

From Fashion Outlets of Chicago to The Shops at North Bridge, Macerich clearly is delivering what Chicago – and its millions of visitors from around the world – look for when it comes to extraordinary shopping, dining and the very best new experiences.

Macerich at the Movies

Bring down the lights and turn up the traffic draw – Macerich is adding two, state-of-the-art, 14-screen movie theaters to two top properties, Santa Monica Place and Scottsdale Fashion Square.

Movies and the mall have been a winning combination since Mary Poppins opened her umbrella and Godzilla toyed with Tokyo. But today – with the movie industry touting a bounty of critically acclaimed films and setting a new domestic box office record of \$10.9 billion in 2013 – up-to-the-moment movie theaters are a stronger than ever part of the entertainment mix at top retail properties.

"Introducing new, ultra-amenity theaters at Santa Monica Place and Scottsdale Fashion Square adds just one more reason to come to the mall," said Randy Brant, EVP, Real Estate for Macerich. "We want to deliver all the best experiences through these outstanding properties – top shopping, the best brands, destination restaurants and more. A great movie theater is a key part of the mix."

Making one of the most celebrated retail properties in the country even better, Santa Monica Place will open a 14-screen ArcLight Cinemas on its third-level, view-oriented Dining Deck. Set to debut in mid-2015, the new theater will deliver what has long been missing from this notable movie town that is home to a number of entertainment industry companies – a premium movie theater experience. In Santa Monica, pent-up demand for a modern movie theater makes the new ArcLight Cinemas an especially welcome addition.

"ArcLight Cinemas at Santa Monica Place will make dinner and a movie a spectacular choice for locals and visitors alike," said Julia Ladd, AVP, Property Management, Santa Monica Place. "Located in the heart of a vibrant beachside downtown, Santa Monica Place is conveniently positioned for movie-goers and shoppers to enjoy the 'perfect visit' to dine, shop and play."

In Arizona at Scottsdale Fashion Square, the two-million-square-foot -and-more shopping center is ratcheting up its already considerable star power with Harkins Theatres' exciting, new Camelview at Fashion Square. Planned to open in spring 2015, Camelview will be part of a 135,000 square-foot expansion of the center that will encompass additional shop space along with the new theater. The new addition exploits an extraordinarily valuable location at Fashion Square: the northwest corner of high-traffic Scottsdale and Camelback Roads.

"Fashion Square leads the region with five major anchors – Barneys New York, Dillard's, Macy's, Neiman Marcus and Nordstrom – and hundreds of sought-after specialty retailers," said Steve Helm, AVP, Property Management, Scottsdale Fashion Square. "A new, high-caliber movie theater makes sense for this outstanding property, and will bring us a counter-punch of consistent traffic from demographics that match those of our retailers. As we see it, movies and the mall continue to be an unbeatable combination."



Leasing News from East to West

Across the Macerich portfolio, exciting new retailer locations are joining a wide range of high-performing properties – in buoyant small city markets, powerful suburban settings, and even an affluent college community.

“What’s exciting is the robust level of activity we’re seeing all over the country,” said Olivia Bartel Leigh, Senior Vice President, Property Management and Risk Management, Macerich. “Retailers are finding great matches for their growth objectives at many Macerich properties.”

Here is a quick update from East to West:

Queens Center will add four top retail flagships – Aeropostale, American Eagle, PacSun and a two-level Express store – to its already robust roster of retailers.

Other great names slated for the nearly 1 million square-foot center are: Sephora,

Panda Express and an expanded Time Warner Cable. As well, Footlocker will open an expanded store at Queens Center.

The Shops at Atlas Park in Queens, NY, is building on the attraction of its new Center Green and refreshed look and feel with a 12,000 square-foot Ulta, a perfect complement to the center’s recently opened Forever 21. A new Ulta also is joining the dynamic suburban shopping destination at **Freehold Raceway Mall** in central New Jersey.

Kings Plaza is Brooklyn’s (only and premier) regional shopping destination, located on the waterfront in south Brooklyn, just one mile north of the Belt Parkway, will soon open Brooklyn’s first Michael Kors later this year as well as Fossil and Chipotle.

At **Twenty Ninth Street** in Boulder, CO, a new Trader Joe’s opened a high-profile location on Valentine’s Day to introduce its signature mix of appealing private label products and more to an upscale college town hungry for this dynamic grocer.

In Upstate New York in Saratoga Springs, **Wilton Mall** raised the curtain last fall

on a new Bow Tie Cinemas, a deluxe eight-screen multiplex. Additionally, the property’s Dick’s Sporting Goods is aiming for the green with a full remodel to its newest prototype, including an enhanced golf section with the store’s popular digital golf simulator.

Nine new retail names are part of a strong merchandise re-mix at Macerich’s **Eastland Mall** in Evansville, IN, including Forever 21, White House|Black Market, Jared The Galleria of Jewelry, Pandora, Francesca’s, Zumiez, Rue 21, Tilly’s and Visionworks.

In Fresno, CA, at **Fashion Fair Mall**, shoppers were delighted just before Christmas with the brand-new Michael Kors store at the city’s top retail destination.

The best brands have loyal followers all over the country – in big malls in big cities and in smaller, really vibrant settings, where we tailor retail rosters to suit the preferences of our avid shoppers,” said Kim Choukalas, Vice President, Leasing, Macerich. “Our malls consistently offer strong platforms for retailers’ strategic growth plans.”



Atlas Park



Freehold Raceway Mall

Macerich's Guy Mercurio Has a Taste for Restaurant Leasing



Like more and more Americans today, Macerich's Guy Mercurio believes there's a story to every meal. It's not just pasta, it's where the wheat was grown. It's not just olive oil, but how that oil was pressed. It's about "terroir" – a sense of place. This passion for food is more than a casual hobby – it informs all aspects of Mercurio's approach as Vice President, National Restaurant Leasing, for Macerich.

An ardent foodie himself, Mercurio gets why Americans spend \$1.8 billion going to restaurants every day. Not surprisingly, this growing segment is increasingly important to the overall mall business. "Restaurants add a heartbeat and excitement to retail properties," said Mercurio. "Eating is no longer just fulfilling a basic need – now restaurant dining is a social event, even entertainment. And for retail real estate, great restaurants provide more reasons and more ways to engage people. This is an important way we connect shoppers with our retailers."

An interesting trend Mercurio sees is that when it comes to restaurants, bigger is not necessarily better. He points out that like some stores, restaurant sizes are growing smaller. They are also becoming more casual in design with the use of more natural materials. Today's restaurants also are more bar-oriented and feature more communal/community tables and seating.

One of the newest additions to the Macerich food map is Eataly Chicago, with 23 different on-site dining options and aisle after sparkling aisle of mouth-watering ingredients. "Eataly perfectly

demonstrates the trend we're seeing in affluent urban markets, which is an incredibly strong interest in unique, quality food and entertaining food experiences," noted Mercurio.

For Eataly Chicago, Macerich provided not only the right setting, but also the right space. According to Mercurio, "We were able to provide the required size, efficient floor plates, access to abundant parking, great signage and visibility, as well as a position as part of an enormously successful downtown retail center that includes one of the top-performing Nordstrom stores in the country."

Incorporating the latest in dining trends is always part of the Macerich equation. "We recognize the importance of diversifying concepts, menus, and price points to appeal to many different – and changing – customer demographics," said Mercurio. "Today in the Macerich portfolio, we have the first-ever Kona Grill, ZTejas, True Food Kitchen, Thirsty Lion, Blanco Tacos, Mastro's Ocean Club, Stacked Burgers, as well as some of the first generation locations for Lazy Dog Café, Eddie V's, Shake Shack, Seasons 52, Earl's, BJ's Brewhouse, and Bobby Flay's Burger Palace – and now the second-ever U.S. Eataly that is part of a larger retail property. That's a pretty powerful track record."

Searching out inspiring, one-of-a-kind restaurants is something Mercurio does on the job – and on vacation. "It drives my wife and daughter crazy when we end up eating five meals a day while traveling as a family. But helping to bring local concepts to new audiences is a hugely satisfying part of my work. I hope sometime in the future we have the opportunity to work with unique concepts such as Locanda Verde, Lafayette and The Dutch in NYC, the Blue Plate concepts in Santa Monica, and some of my hometown favorites in Dallas, such as Fireside Pies and Neighborhood Services. These concepts seem repeatable, and they certainly fit with our creative restaurant merchandising strategy."

Support Sales Tax Fairness Legislation

What's fair is fair: Macerich, along with many of our retail partners and industry peers, support what ICSC and other organizations are doing to advocate for enactment of legislation to level the playing field between brick-and-mortar and online retailers regarding sales taxes.

Consumers at retail stores are required to pay sales and use taxes on their purchases even though, in online sales, states may not

require online retailers to collect sales and use taxes in states where retailers are not physically located. As a result, in 2013 states lost an estimated \$23 billion in sales tax revenue that they were owed.

We invite you to join the worthwhile effort to promote sales tax fairness by contacting your Member of Congress to say "yes" – please support this legislation.

For more information and ways to get involved, visit www.efairness.org.

Eataly Hits the Spot with Incredible Chicago Opening

An Interview with Adam and Alex Saper, Managing Partners, Eataly



They came, they saw, they ate. And then they came back for more. This could be the Twitter version of Eataly's stunning December debut at The Shops at North Bridge, which drew insatiable crowds and rave reviews in Chicago. The new two-level Eataly Chicago is the second and largest Eataly in the country, bringing together not only the highest-quality products from Italy, but also the best locally sourced produce, meats, fish, cheeses and so much more in a dazzling 63,000 square-foot marketplace.

Perfectly set amid the beautiful ingredients are 23 in-house eateries – from the fine-dining experience at Baffo

to fresh pasta, pizza, espresso, focaccia, rotisserie and even a birreria and Nutella Bar. Tasting, strolling, having a glass of wine, thinking about how to assemble something special for dinner later on – it's all part of the Eataly experience.

More than 120,000 hungry visitors sought out Eataly during its opening week – a warm Chicago welcome for the concept created by a team that includes food celebrities Oscar Farinetti, Mario Batali, Joe and Lidia Bastianich, and managing partners, Adam and Alex Saper. The two Saper brothers, who run the company day to day, talked with *Happenings* about the extraordinary Chicago Eataly experience and what's next for the growing Eataly brand.

Q: A month after opening Eataly Chicago, which everyone reports has been tremendously successful, what is your sense of the fit with the Chicago market? Any surprises?

A: Adam: I think we had an amazing opening in December, and our goal now is to integrate ourselves as a real part of Chicago life and become a place that people will come to often. Chicago truly is a food town, and I think part of the reason we have been made so welcome

is that Eataly simply adds to the high-quality food experiences that already are here, we don't take anything away. There is a big sign when you walk in the door that says, "Grazie Chicago" and this really explains it all – all the help we had in opening and in understanding the values of this remarkable city. And we're still learning.

Alex: To get specific, one of the biggest surprises we had was how successful the Nutella Bar is. We know people love Nutella, but we could not have imagined how wildly popular this concept would be. Pasta sales were incredible the first month and olive oil, too.

Q: How did you choose your two U.S. locations? Can you share the thought process in terms of choosing a market? Is there a demographic profile you look for?

A: Alex: First we choose the city – we have to believe the city is a place we can do well – and then we look for space. It's not easy to find such a large, well-located space. We want to be central, and we also want to be convenient for residents, business people, and visitors.

Adam: To add to what my brother said, our customer is everyone who cares

A Look at What's New

Some of the most recent openings across our portfolio

ARDEN FAIR

Got Sleep? • Wetzel's Pretzels

THE SHOPS AT ATLAS PARK

Atlas Park Floris Spa and Nails • Atlas News • The Time Shop

BILTMORE

FASHION PARK

Juice 365 • Forever Flawless

THE VILLAGE

AT CORTE MADERA

C Wonder

CROSS COUNTY

SHOPPING CENTER

Red Mango Yogurt and Smoothies • Panda Express • Steve Madden

DANBURY FAIR MALL

Arhaus Furniture

DEPTFORD MALL

Footlocker-House of Hoops

DESERT SKY MALL

Rocky Mountain Chocolate Factory • Wetzel's Pretzels

FLAGSTAFF MALL

The Children's Place

FREEHOLD

RACEWAY MALL

Déjà vu Cosmetics

FRESNO FASHION FAIR

Zee Jewelers



about high-quality food. We look for cities with a density of those kinds of people. In terms of selecting the exact location, we look for whether there are enough local residents to support the concept; whether there are enough businesses to support the restaurants especially; and whether there is an ample tourist population to fill up the “off” hours. The location at The Shops at North Bridge offered us the right space and important proximity to all three of these sets of shoppers. So it was a very good fit. Macerich believed in our idea and truly supported us.

Q: What can you share about the company’s growth plans? How does the online store fit with this?

A: Adam: Our plan is to grow, opening one large store per year for the next five years. We are looking to be in Los Angeles, Boston, Philadelphia, Washington, D.C., and maybe San Francisco. We’re not yet sure where the next Eataly will be. Our online business is definitely growing, but it’s not our main focus – Eataly is primarily a physical concept. For cities where we don’t have a location, online is a great way to allow people who have visited the store and enjoyed our products to experience

them again. It’s also a way to introduce the concept more broadly.

Q: Eataly is a market and a collection of restaurants (20+ in Chicago alone!) – how do these two uses support each other, and is one more of a business driver than the other?

A: Adam: It’s really 50-50 in the U.S. between retail and restaurants. They feed each other. It’s like what you see in the best markets in Europe, La Boqueria in Barcelona or Mercato Centrale in Florence, for example. The energy of the retail gives energy to the restaurants. So it’s actually the combination of the two experiences and the interplay that gives the concept its power. We actually had people try to sell us on the idea of putting the retail on one level and all the restaurants on another level. That’s not who we are – it goes against our concept.

Q: Eataly uniquely brings together celebrity partners and strong executives to run the company. Please talk about your roles as Managing Partners and how you work with the famous foodie names we all know.

A: Adam: My brother and I run the company on a day-to-day level with

our partners Mario, Lidia, Joe, and our partners in Italy. We speak a lot, but I handle the daily operations. The value of Mario, Lidia and Joe goes beyond the brand – they are intimately involved in all aspects of the business, the menus and restaurant decisions especially. This is very much a collaborative partnership.

Q: Reading both of your backgrounds – summers in Italy, passion for Italian food – it sounds like your roles at Eataly really are dream jobs. Can you talk about what you like most about your work?

A: Alex: This is definitely a dream job – we’ve both been obsessed with food for as long as I can remember. My favorite part of the job, beside the perks of getting to try everything, is that we’re the opposite of fast food: We’re helping to influence the way people eat for the better and provide people with products that are made sustainably.

Adam: I agree completely. And the other huge benefit is the satisfaction of meeting people who have experienced Eataly and loved it. That is an incredible satisfaction. When you work long hours, seven days a week, to have people really appreciate and get what you are doing is an amazing feeling.

LA ENCANTADA
Oils and Olives by Queen
Creek Olive Oil
LAKEWOOD CENTER
Oki Japan • Edge Up •
Intimate Basics • JTrendy
• Prinkipia Yogurt • Sarku
Japan • Green Crush
NORTH PARK
China Max

**THE SHOPS AT
NORTH BRIDGE**
Eataly • Camper • Porsche
Design • Lao Sze Chuan •
Eddie V’s Prime Seafood
PACIFIC VIEW
Green Crush
SANTAN VILLAGE
World of Beer

SANTA MONICA PLACE
Eton
SOUTH PLAINS MALL
Maurices
**SOUTH TOWNE
CENTER**
Brow Spa 24 • Bella Ella
Boutique

SOUTHRIDGE MALL
Maurices
STONEWOOD CENTER
Ashley Fox
**TWENTY NINTH
STREET**
Spavia
VALLEY RIVER CENTER
Justice • Texas Roundhouse
• Maurices

**THE MALL AT
VICTOR VALLEY**
Red Robin Gourmet
Burgers and Brews •
Sadana’s By Eyebrow
Beauty
**WESTSIDE
PAVILION**
Oki Japan

Macerich Malls Click with Shoppers, Retailers and Brands



Top malls have always been about delivering the very best experiences. This hasn't changed, but now the digital dimension is a growing part of the experiential equation.

With a brand-new set of mobile apps that make Macerich malls the most searchable retail properties in the country – and a host of other engaging high-tech tools – the company is doing more and more to effectively connect shoppers with retailers and brands.

“We are sharply focused on supporting the omni-channel goals of our retailers,” said Ken Volk, Chief Marketing Officer, Macerich. “The mission of Macerich Marketing is to make sure that our shoppers can connect with our retailers – where, when and how they choose. Information, access, flexibility and convenience are driving our investment in top-of-the-line digital platforms.”

Macerich's digital network – large-format screens, an ever-evolving mobile app, interactive shopping directories, proximity marketing, push notifications, virtual concierge, even same-day package delivery powered by crowdsourcing – is revolutionizing the shopper experience at Macerich's premium properties.

An important part of the digital nexus is Macerich's partnership with Retailigence, the Silicon Valley-based Online-to-Offline retail technology leader, which provides the groundbreaking product search technology that enables Macerich malls to stake their claim as “most searchable” in the country.

Another key differentiator is the exciting interactivity built into Macerich's large-format digital boards at key properties across the country. Not only are the screens eye-catching focal points for retailer- and sponsor-provided content, but these boards also allow shoppers to post their own comments and images with text-to-screen capabilities that make every screen, every day something fresh.

“Engagement is everything for shoppers today,” said Mechelle Peters, Vice President, Corporate Marketing, Macerich. “In a real-world example, think of girlfriends buying new clothes at Tysons Corner Center for an island getaway. They use the Tysons mobile app ahead of time to search for the latest swimsuits and find just what they're looking for at Nordstrom and H&M, mapping their way through the mall. Then, after a productive afternoon of shopping, they send a text to ask Guest Services about happy hour specials and where to find the best Margarita at the mall. Their cocktails look so delicious

they not only post their pictures on Instagram, they also upload them to the mall's big digital display. Next, they use the mall's mobile app on their iPhones to access store sales and find great new shoes at Nine West. Finally, they use the app to buy movie tickets for the center's AMC Theatre and book a restaurant reservation too. This is what it's like to shop at Macerich's top centers today.”

Digital interactivity also provides an important and immediate way of sourcing shopper demand. “Of course Macerich's digital displays are a great platform for voting and polling on fun topics – like spring trends – but they also are powerful tools to find out which stores and restaurants shoppers want,” said Jameson Valone, Assistant Vice President, Digital Marketing, Macerich. “More broadly, how people use our digital network gives us valuable data about what they're interested in at our properties. And these real-time analytics help us to always refine the merchandise mix and the amenities we offer to enhance the shopping experience.”

Blink and the experience will change again – and that's all part of the plan for Macerich's potent and always-evolving digital network that puts the focus on retailer and brand goals.



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