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TOP STORY EDITOR'S PICK

McKinley Mall tenants frustrated by neglect amid rumors of a property sale

Samantha Christmann

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T ake a trip to McKinley Mall in Hamburg, and its deteriorating state will become obvious. On entering the property, you'll have to steer your vehicle around giant potholes in the parking lot, though a crew was working to fill some of them Monday. Depending on when you arrive, you may find yourself fighting unplowed snow to make your way into the building.

Once inside, you'll see garbage cans throughout the mall collecting gallons of water from leaky ceilings. And you'll pass scores of empty storefronts, with the mall's directory advertising dozens of stores that left the mall long ago.



The parking lot at the McKinley Mall in Hamburg is littered with large potholes. Tenants say the shopping center's state of disrepair is making it harder to do business.

Joshua Bessex, Buffalo News

As tenants tell it, problems behind the scenes are just as bad. Mall management doesn't return calls or requests for help. Calls from prospective tenants, ready to rent space at the mall, go unanswered. Marketing efforts are nonexistent, and management ignores or squashes tenant efforts to increase foot traffic.

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"It's just really sad to see," said Abby Fritz, owner of children's clothing consignment and retailer Bougie Buffalo. "We have some really amazing small businesses here."



'As humid as a rainforest': McKinley Mall Cinema sues Long Island operator for breaching contract

Tenants at McKinley Mall say the shopping center's state of disrepair is making it harder to do business. But what frustrates them most, they say, is the lack of communication from mall management – especially as rumors swirl that a sale of the struggling property may be in the works.

Some worry that if things don't improve soon, more stores will close, further hollowing out the once-thriving shopping center. And with talk of a possible new owner emerging, tenants are wondering whether relief is on the way – or if McKinley Mall's future remains as uncertain as ever.



Water fills potholes in the parking lot of the McKinley Mall. Joshua Bessex/Buffalo News

McKinley's struggles aren't unusual. Boulevard Mall has been emptied of most tenants as an initial step toward remaking the site into a walkable town center with streets, housing and public spaces. Eastern Hills Mall is much the same, emptied of tenants in anticipation of development into an open-air, mixed-use town center, and awaiting sewer work that will increase its capacity enough to accommodate its residential plans for the site.

But at McKinley, there is no big plan for the future. Owners have said their ambition is to fill the mall with tenants and keep the mall running as a going concern.

Some tenants declined to speak on the record, citing fears they would lose their leases or not be able to renew them. Most tenants' lease terms are structured year to year.



McKinley Mall owner says no sale to Benderson

Mike Kohan, who leads the Kohan Retail Investment Group that owns the mall, declined to answer questions and did not return further requests for comment.

Rafael Pignataro, an attorney with Hodgson Russ, said he represents a prospective mall buyer in California, whose wife has ties to Western New York.

But both Kohan and Summit have told Pignataro that Summit Properties has already bought the mall, he said, and he was told to direct his purchase offers to Summit. There is no record of a sale by Kohan.

"I have a very interested and qualified client who's interested in buying the mall," said Pignataro, who declined to name his client. "It's been a difficult negotiation and transaction this far."

Pignataro said his client has submitted multiple offers to purchase the mall, and has a plan to redevelop it.

"We've received mixed messaging in terms of whether the mall is for sale, whether it's not for sale," Pignataro said.

Pat Williams owns two stores at McKinley Mall, including Decked Out WNY, which has retrofitted its mall space with a showroom featuring the custom decks, porches and pergolas it offers. He has past experience in event management and has tried to organize several events at the mall to increase foot traffic, such as a trade show and a barbecue festival, but said management seems uninterested in supporting tenants' efforts to grow business and foot traffic.



A former Macy's store sits empty at the McKinley Mall. Joshua Bessex/Buffalo News

"I would either be ghosted, totally ghosted, or, 'Oh, I'll get you an answer this week.' Or you write an email, they'll reply, and then you never get an email back," Williams said. "So I stopped pushing people towards the mall for business, because these tenants that I would try to bring in would not get an answer from the mall management, waiting months."

The mall is currently **being sued by Dipson Theatres** and Zurich Cinemas for breach of contract, after the theater's HVAC system at the mall repeatedly failed, leaving theatergoers sweating in the summer and freezing in the winter.

Fritz, at Bougie Buffalo, is well acquainted with the mall's HVAC problems, and has been begging the mall for nearly a year to have her heating and cooling fixed.

"I had a pregnant customer at one point during the summer, she literally was like, 'Oh my god, I'm gonna pass out," Fritz said. "And I literally ran her over to my chair, took her in the hallway, where also the air conditioning wasn't working. She ended up giving all her stuff back and not even making a purchase, because it was so hot in here." Kohan, who has a checkered track record with other failing malls, bought the McKinley Mall out of foreclosure for \$8.5 million in 2021, with a plan to bring in more retailers and nontraditional mall tenants. It was a sale Benderson Development tried but failed to challenge.



Tears are visible on a sign for the McKinley Mall above an entrance. Joshua Bessex/Buffalo News

In spring of 2023, Kohan held an online auction of the property, with the occupancy rate listed at 56%. He failed to find a buyer.

Since then, dozens of tenants have left the mall.

By fall of 2023, Kohan said he was in talks with Benderson to buy the mall – something the developer tried to do two years earlier, saying it was prepared to offer a higher purchase price than Kohan. But no sale materialized.

Last year, Summit Properties USA was put in place to manage the mall's day-to-day operations. It manages properties in Germany, Israel and the United States, including the Kohan-owned Chautauqua Mall in Lakewood, and has offices in Manhattan.

Tenants said they would like to know whether a sale from Kohan to Summit is in the works, and hope that lines of communication will soon open up at the mall. They also hope their concerns about the mall's condition will be heard. "It is very affordable to be here, so it's hard to complain," said Williams at Decked Out WNY. "It's like, if you complain, are you going to be seen as a thorn in the side? Or am I going to get these issues fixed?"

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