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AIG no anchor for AIG Baker

Baker staying busy while AIG faces takeover

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The developer behind Birmingham-based AIG Baker Shopping Center Properties Inc. said his company's fortunes are not tied to teetering insurance giant American International Group Inc.

AIG Baker, developers of retail centers in the Birmingham area such as Wildwood and Patton Creek, is not a subsidiary of New York-based AIG, though the insurer's global real estate division is a longtime investor in AIG Baker.

"We don't see an impact going forward because of AIG's decisions going forward," Alex Baker, president of AIG Baker, said in an interview Monday. "AIG Baker has a strong balance sheet. We have our own sources of equity and our own equity."

The Federal Reserve has orchestrated what amounts to an \$85 billion takeover of AIG to prevent the world's largest insurer from a bankruptcy filing that could have disrupted global financial markets.

AIG formed a joint venture with then-AB Shopping Center Properties Inc. in 1993. Baker said the relationship has given his firm's development projects an initial push.

"AIG has provided some financing on the front end of projects," Baker said, though he declined to give specific financial details of AIG's investments.

Baker said his company has projects under way in New Jersey, Virginia and Texas, as well as a number of developments at work here in Alabama. All are moving forward, he said.

At the Wharf, the mixed used development in Orange Beach, AIG Baker is building a new conference center to go along with retail, amphitheater, hotel and condo components.

Closer to its headquarters, AIG Baker is finalizing plans to annex property into Hoover and develop a hotel at the Village of Lee Branch development on U.S. 280. The company plans to add a hotel and other tenants to fill vacancies at the firm's Vestavia Hills City Center development.

Academy Sports is set to vacate Wildwood in Homewood early next year when its lease expires. Baker said a deal to fill that space is close to being done, along with a re-development plan for the center's western end.

Bankrupt retailer Linens 'N Things is closing stores, including its Patton Creek location in Hoover. Baker said there are two tenants interested in taking that space and AIG Baker is set to select the better of the deals.

Baker said his company is nailing down tenants so it can develop sites off Interstate 65 in Pelham and at U.S. 31 and I-65 in Hoover.

He said his biggest concern is not what happens with AIG but rather how the slumping economy affects retailers and shoppers - both of which could curtail development plans.

"I told our employees the other day that we shouldn't have our eye on the ball that is AIG but rather have our eye on the ball that is this global financial crisis," he said. "I never bought into the idea that this is a Wall Street crisis and not a Main Street crisis. Main Street is where we do business and that's going to be our main concern."

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