

DALLAS FIRM ENTERS TN WITH 850,000-SF RETAIL BUY

100 Oaks Mall

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GlobeSt.com

December 7, 2008



NASHVILLE-The sale of an 850,000-sf retail asset here involved two firsts: it was the first Tennessee buy for a Dallas investment firm and 100 Oaks Mall was the first enclosed shopping mall built in Nashville, back in 1967.

100 Oaks Plaza LLC, led by Anthony T. Ruggeri and Frank Mihalopoulos, purchased the retail asset and the adjoining 100 Oaks office tower from Belz Enterprises of Memphis. The prior relationship between the two sides facilitated the Dallas-based firm's entrance into the market, a

spokeswoman for the buyer tells GlobeSt.com. Mihalopoulos declined to reveal the acquisition price, and tells GlobeSt.com that the cap rate is no really applicable because it is a redevelopment. "This was not bought as an income-producing property," he explains. JP Morgan financed the deal.

"Middle Tennessee is a strong, dynamic and vibrant region. We have great faith in Nashville and in the 100 Oaks Mall," Ruggeri says in a statement. "We feel the 100 Oaks project can be a vital part of the regional retail and office market. We see a tremendous opportunity to redevelop the property and make it a significant mixed-use project in Nashville."

The property is located on 57 acres at 719 Thompson Lane, near the Interstate 65 and Armory Drive intersection. The tenant roster includes AmSouth Bank, Regal 27 Cinemas and Guitar Center, Inc., PetSmart, TJ Maxx, and Burlington Coat Factory.

The new owner plans to renovate the mall, which Belz remodeled in 1996. Mihalopoulos explains the firm as been planning the 100 Oaks project for some time, and the renovation will take approximately two to three years. He says the redevelopment plans are in the preliminary stages, and he tells GlobeSt.com that no price tag or eventual rental rates have been set yet. "This is a great location and a great piece of property," Mihalopoulos explains, "but it is time to be upgraded to fit the dynamic of the market."

Currently both the retail and office portions of 100 Oaks are a combined 50% occupied. The new owner has plans to turn retail space on the second floor into office, keeping the existing retail tenants on the ground floor, he says. "We are redeveloping retail space into office, kind of de-malling the project."

Janet Sterchi and Lisa Maki with CB Richard Ellis will handle the office leasing, and John Forster with Shopping Center Group will oversee the retail leasing. Gresham Smith and Partners will provide architecture and engineering services as the property is renovated and redeveloped.

Although 100 Oaks Mall may be the first Tennessee property, it may not be the investment group's last. "We love the market and are looking at other projects in the area," Mihalopoulos says.