

Office Lease | Deals

100 OAKS

719 THOMPSON LANE, NASHVILLE 37204

By **JOE MORRIS**

NASHVILLE BUSINESS JOURNAL CONTRIBUTOR

The former 100 Oaks Mall is undergoing a major rebirth with the addition of 19 Vanderbilt University Medical Center clinics.

Despite the successes of the 41-year-old mall's exterior tenants, its interior had

TYPE OF DEAL: Purchase/Lease

COST: \$52.2 million

SQUARE FOOTAGE: 800,000 total, Vanderbilt's lease 436,520 square feet.

LEAD DEVELOPERS: Tony Ruggeri, Frank Mihalopoulos

COMPANY: M&R Investors, Dallas; 100 Oaks Plaza, Nashville

PHONE: 214-219-5600

OWNER'S BROKER: Janet Sterchi, Lisa Maki

COMPANY: CB Richard Ellis

PHONE: 615-248-1118

TENANT'S BROKER: Ken Leiser, Harrison Johnson, Ann Ozler

COMPANY: CB Richard Ellis

PHONE: 615-248-1133

long been home to little more than mall-walker exercisers and the occasional discount outlet.

The mall's prime location off Interstate 65 and closeness to downtown, Green Hills and Cool Springs intrigued Tony Ruggeri, who along with partner Frank Mihalopoulos bought the property from Belz Enterprises in late 2006 for \$52.2 million.

"We were looking to acquire properties in Tennessee, and after we went through our analysis we contacted brokers in the market," Ruggeri said. "It's a fantastic piece of real estate—basically right across the street from some of the highest-demographic residents in the area. We felt like it was more a matter of just reconfiguring what was happening there."

Brokers Janet Sterchi and Lisa Maki of CB Richard Ellis were working with Ruggeri and Mihalopoulos on the deal, while a group of their colleagues, including Ken Leiser, Harrison Johnson and Ann Ozler, assisted Vanderbilt University Medical Center.

The new owners were already thinking of reconfiguring the mall's interior and adjacent tower for office space, so it didn't take long for everyone to meet at the bargaining table.

"We knew that Vanderbilt was active in the market, that they were tight on space and that they were one of a number of potential tenants for the space," Ruggeri says. "We met with them, but had no idea of the dimensions they would be taking."

Vanderbilt ended up leasing more than half of the 800,000 square feet of available



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Janet Sterchi, Harrison Johnson, Lisa Maki, Ken Leiser and Ann Ozler worked the deal that led to Vanderbilt University Medical Center's presence at 100 Oaks.

space, and is in the midst of overhauling the property's interior while the new owners work on outside issues including the building's façade, landscaping and traffic flow.

"This property allows Vanderbilt to take advantage of existing space in a great location," says Janice Smith, chief administrator of Vanderbilt Health 100 Oaks. "One clinic moved in February and is fully operational, and patients are quite pleased with the new space and ease of access."

Distinguished Deals & Developments judge Bob Hickman says the intricacy of the deal makes it noteworthy.

"What impressed me was the difficulty, as well as the size of the deal," Hickman says. "It's a huge lease at more

than 400,000 square feet, but the intuitiveness, the initiative, was impressive. The owners, the agents and Vanderbilt really thought outside the box."

The hospital has been holding community meetings in the surrounding neighborhoods and has been in steady contact with the Berry Hill Merchants Association so all the concerned parties are in the loop as work progresses.

Ruggeri says the deal couldn't have worked out better.

"We're thrilled to be in the Nashville market and would like to do more projects there," he says. "In today's market it's not easy to find the right types of projects, but with this one we've been very pleased."

JOE MORRIS is a Nashville-area freelance writer.