

Gart family buys Denver Pavilions

Group's real estate firm and ING pay \$94.5 million

By John Rebchook

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The Gart family's real estate company, with partner ING Clarion Partners LLC, paid \$94.5 million Tuesday for the Denver Pavilions shopping center.

The purchase of the two-block, 347,000-square-foot center that includes the last Niketown that opened in the U.S., Barnes & Noble, Virgin Megastore and Maggiano's restaurant marks the largest purchase by Gart Properties LLC.

The 10-year-old Pavilions is the largest retail center in downtown, with about 50 stores and restaurants.

The new owners plan to invest \$25 million on renovations and tenant incentives, including new high-tech video signs and escalators that will stretch to the edge of the 16th Street Mall.

"We're moving more to make it more of a destination for fashion, lifestyle and dining, rather than nightclubs," said Mark Sidell, president of Gart Properties, in a phone interview. "If they took a blindfold off you in most shopping centers, you wouldn't know what city you are in. There are more eyeballs and footfalls going past the Pavilions on a daily basis than anyplace else in downtown."

He noted that downtown Denver sees about 12 million visitors annually.

"Our job is to give people shopping and dining choices that they will not find in 'any mall USA' that you can find in the suburbs," Sidell said.

He said that with neighbors such as Evan Makovsky, owner of the Sage Building (formerly known as Fontius), the upper end of the mall is staging a renaissance.

"The great thing is that we don't have to create the downtown wave, we can just surf it," Sidell said.

The nearby Hyatt Regency Denver will be subleasing the former Wolfgang Puck restaurant space on the second floor during the Democratic National Convention in August, he said.

"That will help give us some additional exposure during the DNC," Sidell said.

Tami Door, president of the Downtown Denver Partnership, said it's exciting to have local ownership of the Pavilions, especially with such a storied name as the Gart family.

"This further continues the momentum downtown," Door said. "Two separate Urban Land Institute panels . . . identified that core area around the 16th Street Mall as a future urban village. I really think that area is going to boom."

Last year, the Pavilions generated about \$3.75 million in sales and property taxes to pay for Denver Urban Renewal Authority tax increment financing bonds. Tax increment fund bonds financed the construction a decade ago, when the area was considered blighted.

Gart Properties also owns the California Mall, on the other side of the 16th Street Mall.

"That gives us almost three blocks from California Street to Tremont Place along the mall," Sidell said.

rebhookj@RockyMountainNews.com or 303-954-5207

Major tenants at Denver Pavilions

Tenant/ Square feet/Lease expires

* **United Artist Theatres** / 79,438 / 2018

* **Niketown** / 29,324 / 2014

* **Barnes & Noble** / 27,500 / 2013

* **Virgin Records** / 24,000 / November

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