

New Life For Brooks Brothers Block?

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Residential, Retail Could Transform Historic Buildings

by Kathryn Maese

A Fashion District property owner is expected to close escrow this week on two buildings on the historic Brooks Brothers Block on Seventh Street, possibly giving one of Downtown's most rundown streets new life with a loft development, said Mark Tarczynski, a broker for CB Richard Ellis.

Denver-based Thermo Grand Avenue, the owner of the properties -- which include the Brockman (also known as the Old Brooks Brothers), Coulter and Mandell buildings -- is in negotiations to sell the latter two parcels to George Peykar, who owns dozens of small properties in the Fashion District.

Tarczynski, who is representing the buyer, said Peykar has "gone non-refundable," which means he has already put a substantial amount of money into the deal, making the sale a near certainty.

The Coulter and Mandell properties -- which combined total 137,000 square feet -- will likely fetch the owner close to \$8 million, Tarczynski said. "The asking price was \$55 a square foot, and the seller was able to get pretty near that."

The four-story Coulter is at 500 W. Seventh St., and once housed Coulter's Department Store. The narrow four-story Mandell at 518 W. Seventh St. is a former office building wedged between the Coulter and the Brockman buildings. It will likely be combined with the 123,000-square-foot Coulter as part of a live-work loft project with retail on the ground floor, Tarczynski said.

The more architecturally significant Brockman building may not be far behind its neighbors. The property is on the market and Tarczynski said it has received numerous offers. He said Thermo plans to close the offering period in the coming weeks to choose a buyer. The Brockman is also expected to be converted into residential.

The deal, which could revitalize part of a block that has been boarded up and vacant for more than a decade (Brooks Brothers closed in 1987), would be the third live-work project in the Central Business District in the last year. The others include the CIM Group's loft-style condos at 1140 Flower St., across from Staples Center; the same developer is also building a \$22 million mixed-use venture with 274 lofts at Ninth and Flower streets.

The prospect of bringing back pedestrian life and vitality to an area that has long been an eyesore with its dilapidated, abandoned buildings (most went vacant in the wake of Metro Rail construction), has thrilled preservationists.

"This is a significant block and an important piece of the puzzle on the historic Seventh Street corridor," said Ken Bernstein, director of preservation issues at the Los Angeles Conservancy. "Both properties would be well-suited for adaptive reuse."

Bernstein said the project is significant because it would link a once-grand retail corridor, which housed department stores such as Bullocks, May Company and Barker Brothers, to the new trend of Downtown living.

In the late 1980s and early '90s, the buildings were threatened with demolition to make way for a mixed-use office tower. The Conservancy opposed the idea and the plan never materialized. "In retrospect, if it had been demolished, we would have been left with another vacant lot," Bernstein said. "It would have precluded this opportunity for a more positive reuse."

Recent failed attempts to develop the building included plans for a \$30 million hotel. In May 2001, Thermo was in negotiations with Sage Hospitality to turn the properties into a Courtyard by Marriott hotel with National Historic Registry status. There was also talk of creating live-work lofts.

Tarczynski said the new developer could still apply for historic status, which would allow him to use city tax credits for adapting and preserving old buildings.

Thermo, which acquired the Brooks Brothers site in 1998, had pledged to help preserve the buildings and revitalize the street. The firm has renovated six historic buildings in downtown Denver.