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David Marks, senior vice president of Tower Investments, at his office in Woodland, Calif., on Thursday. "This property is only going to be appreciating as things develop around there," he said of land his family purchased south of Broadway.

California ranchers stake claim south of Broadway

Belief in plans for convention hall fuels 2 buys

By **CHAS SISK**
Staff Writer

A California ranching family with property interests in 13 states and Canada is buying into plans to build a new convention center in downtown Nashville.

The Marks family, which owns Woodland, Calif.-based Tower Investments LLC, has signed contracts to buy eight acres south of Broadway, including part of the site selected by a study committee as the best location for a new convention center and hotel.

"We're supporting the convention center and that plan," said David Marks, a senior vice president at the family firm. "We like the opportunity."

The deals appear to establish a price of more than \$60 a square foot for land in the neighborhood known as SoBro — double the asking prices a decade ago.

The transactions also introduce a new party to the potential convention center project, a family who says it wants to play a role in shaping the center's future.

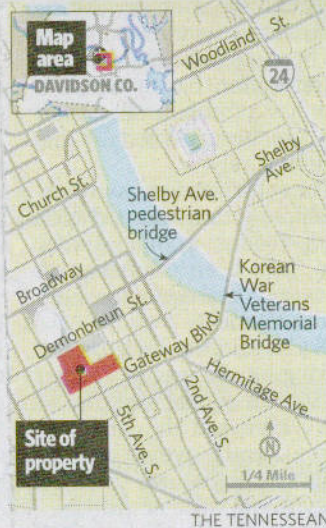
The Marks family already own three Lower Broadway buildings and 1,700 acres in Leiper's Fork, which they acquired three years ago and are dividing into homesteads for horse enthusiasts.

Marty Dickens, chairman of the Music City Center Coalition, which recommended the convention center site to Metro government in February and is now pushing for its construction, said

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MIDSTATE EMPIRE

The Marks family has bought eight acres along Fifth Avenue South in SoBro, greatly expanding its holdings in Nashville. The family already owns 1,700 acres in Leiper's Fork and three buildings on Lower Broadway, including the Merchants restaurant building at 401 Broadway and the Big River Grille building at 111 Broadway.



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Purchase boosts family's holdings in Midstate area

By **CHAS SISK**
Staff Writer

It wasn't exactly love at first sight, but it's fair to say that the big, wide parking lot behind the Gaylord Entertainment Center caught the eye of David Marks and his family of real estate investors not long after they arrived in Nashville.

"This property is only going to be appreciating as things develop around there," he said. "It's in the path of development, and it's a large piece of property. A large piece of real estate in the downtown is difficult to find."

With their acquisition of that 5.7-acre lot and another across the street, the 2.3-acre Chilton Industrial Machine and Tool Co., the Marks family have more than doubled their investment in downtown Nashville, adding to a portfolio that already includes three buildings on Lower Broadway.

The investment is one of more than 100 that the Marks family have made across the country and Canada through Tower Investments LLC, their family firm based in Woodland, Calif. They have amassed their portfolio without much fanfare, occasionally drawing praise from local officials without causing controversy.

But this deal is an unusual commitment for the company, run by five Marks siblings and their father, a cattle rancher who founded Tower to manage his holdings in the late 1980s. For the most part,

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Sales: Family wants to work with city

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the Marks family's involvement is bound to help the convention center efforts.

"I think it's great that they will be at the table," he said. "They are really knowledgeable and experienced at what they do."

The Marks family is buying two sites. The bigger of the two and the one that's earmarked for the convention center is a blockwide parking lot south of Gaylord Entertainment Center. The other 2.4-acre parcel is just south of the Country Music Hall of Fame and Museum, and has been suggested as a site for a convention center hotel. It now has a machine shop on it and has been owned by the Chilton family.

The sellers include two partnerships, both associated with Mark Bloom, a bond trader who has been investing in downtown real estate for more than a decade.

Bloom said the price on the parking-lot site was more than the \$60 per square foot that he had earlier said the land was worth, but he would not be more specific. Marks declined to reveal the value of the deal.

The price of land brings into

question how much the city would eventually have to pay if it were to buy it for the convention center. At \$60 per square foot, the 5.7-acre parking lot would be valued at \$15 million.

Yet in February, the Music City Center Coalition, then known as the Music City Center Committee, estimated that it would cost \$20 million to \$25 million to acquire 15 acres of land for the proposed convention center — which equates to about \$30 to \$40 per square foot.

Dickens said their purchase does not change the coalition's basic assumption about the project or its costs.

"It could very well be that the land has a higher price on it, but you should remember that there's a fairly significant contingency number," he said. The committee's estimates call for a contingency fund of \$54 million to cover cost overruns.

The Marks family itself is betting that the proposed 1.2 million-square-foot Music City Center will jump-start development throughout SoBro. The Marks family wants to work with the city on a master plan for the convention center, and say they would be interested in pursuing ideas for the

addition of retail and residential development to the convention center's plan to help it reach "full potential and economic feasibility."

It plans to work with the city to facilitate the extension of Gateway Boulevard, the landscaped corridor that comes across Gateway Bridge and ends at Fourth Avenue South. The city has envisioned that road creating another major artery in downtown and linking the downtown more directly with Music Row.

Right now, Gateway Boulevard ends at the Chilton property that the Marks family is buying. The family said that it would be interested in "facilitating the extension of Gateway Boulevard" and "temporarily providing public parking once structures are removed and any necessary environmental work has occurred."

The family also plans to work with a major hotel operator to develop a convention center hotel, probably on the Chilton parcel.

The Chilton property technically is still owned by Robert Chilton III. But earlier this year, Chilton agreed to sell the land to an investment group led by

Corner Realty, a partnership that includes Bloom. That group had intended to build condos on the site, but scrapped those plans when the convention center committee earmarked it for a hotel.

"That's not what I do," said Ray Hensler, Corner Realty's president. "So, it made sense to let that land go into the hands of somebody that is a little more inclined to let that play out."

For Bloom, the sale is a profitable end to an investment.

"The days when 10, 11 years ago, a local family could buy some dirt for \$10 or \$15 a square foot and hold it for future development are over," Bloom said.

Bloom and his partners bought the 5.7-acre parcel in 1996, paying slightly more than \$4 million. The group purchased that land from the Metro Development and Housing Agency, buying the land at a price per square foot that was 36 percent less than land on the same block that had been sold to the Metro Transit Authority just one month before. ■

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Marks: Family adds to holdings in Nashville

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the company has focused on offices, industrial buildings and residential subdivisions.

The firm's holdings include a 150-acre office and training facility in Rochester, N.Y., once owned by Eastman Kodak; 1,350 acres of residential land in southeastern Minnesota; and 12,000 acres of commercial land in northeastern Nevada.

It was that business that brought the Marks to Nashville in the first place. While looking at residential sites in Jamestown, Tenn., the family learned about Leiper's Fork, the upscale enclave in southwestern Williamson County.

They began buying land there three years ago, so far accumulating about 1,700 acres. The family has been subdividing that land into homesteads for horse enthusiasts.

Late last year, the Marks started buying property downtown: first the former Heilig-Meyers furniture store at 411 Broadway, then the Merchants restaurant building at 401 Broadway and finally the Big River Grille building at 111

Broadway. So far, their downtown investment has totaled nearly \$9.4 million.

Small-city redevelopment

In some ways, the Marks' investment in downtown Nashville most closely resembles their investments in Sioux City, Iowa, and Little Rock, Ark. But even those investments were on a smaller scale than their commitment in Nashville.

In Sioux City, the company purchased a derelict hotel next to the city's convention center, gutting it and signing a deal with Clarion hotels. But the firm has not taken part in broader efforts to redesign the convention center.

In Little Rock, the Marks bought five downtown office buildings, including four on a single block. The Marks plan to turn that block into an interconnected development, but so far, they have started work on only one of those buildings.

Still, officials in both cities said they had received no bad reports about the Marks. Unlike some previous develop-

ers, they have followed through on promises to make their cities better.

"I think they're people of their word," said Sharon Priest, executive director of the Little Rock Downtown Partnership. "They're in it to make money, but they're also in it to help cities restore their downtowns."

The Marks' latest deal, to purchase the GEC parking lot and the Chilton site, would take those efforts further. Based on a price of \$60 a square foot — roughly what sellers say the land sold for — it appears that the Marks have paid at least \$20 million for the two properties. (David Marks declined to disclose the exact purchase price.)

Long-term commitment

Their commitment is also more than financial.

The Marks say they want to work with the city to develop a master plan for the area, one that would address many of the big questions in SoBro: How to extend Gateway Boulevard? How to bring

in more business? How to design the Music City Center, a 15-acre convention hall proposed for the area, so that it doesn't become an obstacle to future development?

The Marks already are committing to build a hotel next to the convention center, a key part of that project. But they also have not ruled out getting involved in residential or retail development around the center. "There's a potential," Marks said.

As their investment in Nashville has grown, so has their presence.

Their roots remain in Northern California, where the family owns two ranches with more than 1,600 head of cattle.

But one of the Marks children, Alex, a former computer executive, has relocated to the Nashville area, while David, a former doctor, plans to become a frequent visitor, as manager of the family's investments here.

"We feel Nashville still has a great amount of potential," David Marks said.

"We're going to be long-term players." ■