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## Union Station Is Leased to N.Y. Firm for \$160 Million

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A New York real estate company paid \$160 million for the 84-year lease of Union Station. The acquisition gives it control of the station's office and retail space, concourse and ticket counters.

Ashkenazy Acquisition bought the lease from Union Station Venture II, a group of private investors and a pension fund. Ash-

kenazy owns 12 million square feet of retail space across the country, including the real estate of Barneys stores in New York, Chicago and Los Angeles.

"We look at irreplaceable assets like this," Ashkenazy President Michael Alpert said. "We have long-term horizons. It's something we wanted to own. It's a trophy asset. We see an opportunity to create long-term value given its location, as well as the opportuni-

ty to upgrade the tenant mix."

The lease attracted 25 bidders. Union Station is considered valuable because thousands of tourists, shoppers and commuters on Amtrak, MARC and Virginia Railway Express pass through every day.

The 130 retail stores and restaurants have sales per square foot of \$700 to \$800, and 29 million people visit the station each year.

Union Station, designed by Daniel Burnham, opened in 1907 and is a leading example of the Beaux-Arts style of architecture. It once employed 5,000 people and included a Turkish bath, a mortuary, a hotel and a bowling alley.

When air travel became popular, the train station fell into disrepair.

Parts of the roof caved in, and its demolition was considered un-

til an act of Congress saved it. The station was restored and reopened in 1988.

"It's a landmark property," said Ronald M. Pastore, president of Union Station Venture II, which helped restore the station. "It ends up being the front door to an entire area of Washington."

The nonprofit Union Station Redevelopment Corp. owns the property.

Around Union Station, along

the H Street corridor and in NoMa — north of Massachusetts Avenue — several office, retail and housing projects are planned or being built.

District developer Akridge, which bid on the Union Station lease, plans a \$1 billion project to include 3 million square feet of offices, stores, condominiums and rental apartments above the railroad tracks.

"Ashkenazy is a good operator and will add a lot of value, and that's ultimately what we want to see happen," said Matthew J. Klein, president of Akridge.