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## **PRESS RELEASE**

Contact: Bonnie Eaton 760-325-1437, Ext: 206

Fax: 778-0320

**FOR IMMEDIATE RELEASE**

### **ARIZONA PARTNERS NEW OWNERS OF PALM SPRINGS' DESERT FASHION PLAZA**

PALM SPRINGS, CA, APRIL 1, 1998-- At a cost of \$13.5 million, Phoenix-based ARIZONA PARTNERS became the new owners of Desert Fashion Plaza. Escrow closed Friday, March 27th on the 285,000 square foot shopping mall located in the heart of downtown Palm Springs on Palm Canyon Drive.

Desert Fashion Plaza was originally the site of the legendary Desert Inn. Shops replaced desert bungalows in 1966 and the current enclosed shopping mall was constructed in 1986.

ARIZONA PARTNERS has dramatic new plans in store for the retail center which could expand the mall to over 350,000 square feet. Redevelopment plans will go forward on exterior and interior

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*303 North Indian Canyon Drive (92262)  
P.O. Box 2724/Palm Springs, California 92263  
Phone: 760-325-1437 Fax: 760-778-0320*

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features as early as July 1998 with the first phase projected to be completed by September 1998.

Certainly one of the most striking differences that shoppers at the Plaza will notice upon the completion of the renovation work will be the removal of all of the center's roof. The main entrance to the mall, including the "Lincoln logs" out front, will be replaced by an open air plaza enhanced by numerous outdoor dining areas, trendy shops, and places for people to enjoy music and dancing. This fundamental change to the current facade of the Plaza will make shops and eateries more noticeable to traffic and create a wonderful village atmosphere for strolling pedestrians on Palm Canyon Drive.

Plans also include the addition of a 3,000-seat state-of-the-art cinemaplex featuring stadium-style seating. Los Angeles-based Metropolitan Theaters will be the first new tenant to occupy space vacated by the I. Magnin department store inside Desert Fashion Plaza.

"The former I. Magnin store will be rebuilt to encompass approximately 54,000 square feet of space," stated Bruce Corwin, President of Metropolitan Theaters. "The cinemaplex will feature two stories connected by an escalator that will transport movie-goers to

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14 different screens. Included in our plans for the Plaza are wide screen projections which currently do not exist anywhere in the valley."

According to Mark Burns, a partner of ARIZONA PARTNERS, "Eliminating the roof will open the Plaza up to the beautiful Palm Springs climate which is why we're all here. In fact, we plan to change the entire image of the center, tearing down existing barricades, and making it more accessible for everyone. In addition to our new cinemaplex, we're bringing in live theater, great restaurants, a nightclub, specialty shops, and a year-round Farmer's Market. The Plaza will be a one-stop destination for tourists and residents. We believe the result for the City of Palm Springs will be the most exciting dining, shopping and entertainment center it's ever seen."

ARIZONA PARTNERS specializes in acquiring, developing and managing retail shopping centers. Principles, Mark Burns and Bruce Shapiro, each have over 10 years of hands-on retail center experience. Together, they've completed over \$2 billion in transactions, establishing several long-term local and national relationships.

Current projects for the investment group include Phoenix West Plaza Shopping Center in Phoenix, Arizona; Riviera Plaza

Shopping Center is Mesa, Arizona; Laguna Village in Chandler, Arizona; and Tempe Village Shopping Center in Tempe, Arizona. Desert Fashion Plaza is the first purchase for Arizona Partners in the Southern California area.

Richard Biegel is ARIZONA PARTNERS' Director of Development. "The new Plaza will be reminiscent of the beautiful outdoor public squares of wonderful cities and villages in Europe," explains Biegel. Biegel previously worked for the developers of the highly successful "Forum Shops" at Caesar's Palace in Las Vegas, Nevada.

Current tenants at Desert Fashion Plaza include the center's anchor store, retail giant Sax Fifth Avenue; AnnTaylor; BBI; Dani C.; Express; Genevieve; Hot Cha Cha, Inc.; Iris; La Mariposa; The Limited; Neil's; Patchington; Savvy; Ted Land Shoes; Victoria's Secret; Aussie Outfitters; Avant Garde; Bath & Body Works; Beyond Clay; The Sharper Image; The Alley; Avalon Bay; Benjamin St. John; Don Vincents; Structure; Cafe Mah-Valous, California Pizza Kitchen, Fun in the Sun Candy; Hamburger Hamlet; P'Nut Gallery; and Trilussa.

Integral to Desert Fashion Plaza is the 200-room Hyatt Regency Suites which occupies the center's north end. Guests at the hotel can easily enter The Plaza through the hotel lobby to take advantage of

the many fine shops available inside the mall. The addition of new theaters and night club options will provide guests with a full-range of entertainment possibilities.

According to Hyatt Regency General Manager, Kurt Holbrook, the renovation of Desert Fashion Plaza "is a great thing for Palm Springs and will enhance the City for everyone."

For more information about Desert Fashion Plaza and leasing opportunities, please call Richard Biegel at 602-222-9495.

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