

## Highlights from Ponce City Market press event

- Work on the project by Jamestown Properties and its subsidiary, Green Street Properties will start slowly and won't be evident for some time. The first phase — some 300,000 square feet of restaurants and shops, and as many as 500,000 square feet of offices — won't be completed until 2014. Most work this year will involve interior changes, but a promise that the ugly 70s-era parking deck bordering on Glen Iris Drive soon will be torn down prompted enthusiastic applause from the crowd of about 100 media and invited guests.



*Jamestown Properties Managing Partners D. Lee Wright Jr. (left, obscured) and Michael Phillips, Green Street Properties CEO Katharine Kelley, Mayor Kasim Reed and Jamestown Managing Partner Matt Bronfman*

- Jamestown Managing Director Michael Phillips expects Ponce City Market to include one of four "nationally relevant food halls" in the center of the building, replacing the exhibition hall now on that spot: "We have a real commitment at Jamestown to high quality food and a culture of supporting and incubating local businesses. In the U.S. today, there's three truly relevant food halls: Pike's Place in Seattle, Ferry Building in San Francisco, Chelsea Market in New York [which was developed by Jamestown]. We are focused very much on putting a peg in the ground for Atlanta to have the fourth nationally and internationally relevant food hall."

- Organic gardening on green roofs is among the "cutting edge green technologies" the developers hope to employ, says Green Street Properties President Katharine Kelley: "As you can imagine the most sustainable thing that we can do is renovating an existing, historic building. so we start out with that running advantage. But beyond that we're really trying to push the envelop. And one of the ideas for example that we're especially excited about is the notion of taking green roofs to the next level. And we are looking at the opportunity to create some green roof structures. As you can imagine, we have about six or eight acres of roofs to work with — and converting those into organic gardens where local restaurant operators can grow the food that is then used in the restaurants and markets below." More on environmental aspects of the project [here](#).

- Regarding office market trends, Phillips says Ponce City Market taps into the desire of young professionals to work in creative environments with amenities: "We see a real change on a macro level in the U.S. today with Fortune 100 companies and Fortune 500 companies using assets such as this and industrial real estate such as this to amenitize their hiring practices with this young work force. So we see this building in the next cycle being central in Atlanta to attracting strong forward-thinking companies that can be really be a catalyst for jobs in the city." The office space will be one of the few Class A offices spaces in Atlanta and the only such space at such scale.

- Although plans aren't finalized, Phillips says the team expects to end up with around 2,000 parking spaces — many of them actually inside the building. The most likely pay scheme right now is to offer free parking for shoppers but paid parking for office tenants, Phillips said.

- Eventually, Ponce City Market may have some 300,000 square feet worth of condos and/or rental units. With the market as troubled as it is right now, though, the developers aren't even talking about the residential part of the project.

- Jamestown and Green Street are Atlanta-based companies, so the developers aren't shy about calling it a "legacy project" — both for them and their companies. "For most of us growing up in Atlanta," Phillips said, "we've grown up with this structure in Atlanta and we have a real personal connection to it."

- Some attendees were disappointed that speakers didn't announce a marquee tenant yesterday, which is often revealed at such events. "We're not here today to announce any specific tenants," Phillips said, "but to say we are actively involved in serious LOI negotiations with some of the best restaurants in the Southeast, and significant office tenants as well as retail tenants."

▪ With all the congratulations pouring back and forth during [the rooftop celebration](#), I couldn't help but think that Mayor Kasim Reed made some very good friends in the real estate community by helping to push the deal along. Reed offered his own special thanks to senior policy aide (and former AJC city hall reporter) David Bennett, who served as the city's point man in the deal. Kelley big thanks went to Jim Irwin, Green Street's VP for development.



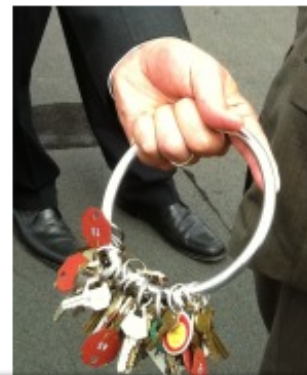
*Emory Morsberger*

▪ One person who wasn't recognized from the podium was Emory Morsberger, the Gwinnett developer who began pushing for the city to turn City Hall East over to a private developer in 2003. Morsberger, who was in the audience lost control of the project to Jamestown in 2010. For a complete timeline on the project (including the springs that were on the site before Sears built there), [click here](#).

▪ Technically, the transaction went through the Atlanta Development Authority, which accepted \$15.5 million from Jamestown on June 29 from the city. The rest of the \$27 million is to be paid to the city in stages, with the ADA in effect holding a mortgage on the property until it's paid off. Jamestown expects to spend some \$150 million on the built-out, bringing the total cost of the project to \$180 million.

▪ [Bisnow ATL](#)'s Jarred Schenke has more details on the financing: "More than \$15M in federal tax credits are helping to fund Jamestown's \$27M purchase of the former City Hall East building in Midtown. The sale, which finally closed today, was held up as Jamestown and the City of Atlanta bartered with the [National Park Service] over historic preservation tax credits. Now David Bennet, an advisor to Mayor Kasim Reed, tells us Jamestown and the feds reached an agreement to achieve those tax credits, including creating a 'more pedestrian' atmosphere in front of the building, breaking up the brick facade on the first couple of floors, and other changes to the original plan. ... Jamestown purchased the project through its Jamestown Coinvest V fund, a \$430M opportunity fund that also owns the Madison in DC."

▪ Matt Bronfman, also a managing director at Jamestown, had one tongue-in-cheek comment when Reed handed him a big, jingling ring of keys: "I also need the security code."



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