

Atlanta

## Progress Made in City Hall East Redevelopment

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Jim Burress (2010-05-28)



ATLANTA, GA (WABE) - Whether you refer to it as the "Old Sears Building," or the more recent "City Hall East," you probably now know it as the massive, now-vacant, edifice on Ponce de Leon. Slated five years ago to undergo transformation into Atlanta's premier urban address, it's more recently been Atlanta's biggest question mark. Until this week. WABE's Jim Burress reports.

At two million square feet, the 9-story red brick and concrete monolith known as City Hall East is even 40% roomier than the 55-story Bank of America tower, just up the road. For 85 years, the building has both dominated and defined the neighborhood around it.

"It's front and center in my world," said Kit Sutherland, president of the Fourth Ward Alliance, Secretary of Neighborhood Planning Unit "M", and my neighbor. To her, the building is almost like family. She can't look out her living room window without it defining her view.

"When we moved in here, we knew the property would be part of our lives," said Sutherland. "We see it, we walk around it, we drive around it. We knew eventually it would redevelop. We didn't know when that would happen, or what shape that would take, but here we are."

Where we are, literally, is gazing at the west facade of what was built as a Sears distribution warehouse in 1925. Sears sold the building to the city in 1991.

Never fully utilized, the city planned to sell the building to developer Emory Morseberger in 2005. But as Sutherland says, that was then.

"At that time, that's what we were all thinking. OK this is going to be a really cool residential project. It's going to lend itself to loft condominiums or apartments, with some retail.' Then everything changed," she said.

What changed? The real estate market dried up, as did capital. Ultimately, the market left City Hall East's future on hold and the building vacant.

Standing just outside of City Hall East, you notice some of its unsightliness. Windows are broken. A parking garage sits with gates blocking any entry or exit. But as Sutherland says, you just can't ignore a 2-million square foot building. So it's not whether something will happen with City Hall East, but when, and what.



Jim Burress, WABE

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"Our greatest sign of success will be if we can really create a unique sense of place, especially by setting the tone for the retail component," said Katharine Kelley, president and CEO of Atlanta-based Green Street Properties. A subsidiary of German real estate investor Jamestown Properties, Green Street has now taken the lead on the City Hall East redevelopment.

"It's definitely a challenging opportunity for us," she added.

Green Street has seen success with similar projects -- including Chelsea Market in New York City, Warehouse Row in Chattanooga, and even White Provision here in Atlanta. For City Hall East to work, Green Street says it must focus on a diversity of tenants, including "big box" retailers. But first, the neighborhood and the city had to give their approval.

(sound from Neighborhood Planning Unit "M" meeting Monday night) "It's been properly seconded, those in favor signify by a raise of hands "

In a series of hearings Monday and Tuesday, Green Street got the green light.

" the motion carries. Thank you very much "

The zoning conditions now allow two retailers to occupy 150-thousand square feet each. That's not big enough for a Super Wal-Mart or a Costco, for example, but it's the perfect size for, say, Target. Green Street's Kelley says that's a good fit for the neighborhood.

"Intown residents need all the same services that those in the suburbs need, so I think those types of retailers are very much seeing that."

Green Street hopes to close on the building by year's end for \$27-million. From there, redevelopment will likely come in stages and could begin next year.

Jim Burress, WABE News.

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