

Jamestown buys City Hall East for \$27M

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German private equity fund Jamestown Properties [as expected](#) on Monday bought the giant City Hall East complex for \$27 million, giving hope to an urban "renaissance" for Ponce de Leon and the Old Fourth Ward.

The deal took months to close. The city of Atlanta signed a letter of intent with Jamestown Properties Sept. 30.

Jamestown and its partner [Green Street Properties](#) plan to tap a deep pool of capital and their urban infill experience to pull off the massive redevelopment of City Hall East, a 2 million-square-foot downtown building at Ponce and North Avenue that sits right on top of the Atlanta Beltline, a sweeping project that could transform intown Atlanta. [Click here for a slideshow of the plans.](#)

City Hall East once served as a Sears, Roebuck and Co. regional warehouse, catalog distribution center and retail store. It was a center of downtown commerce.

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Jamestown and Green Street Properties expect to inject at least \$180 million into the redevelopment to bring the building -- the largest brick building in the Southeast -- back to its glory days. It plans a mix of stores, restaurants, offices and residences. It will rename the project Ponce City Market. [Click here for the project's official website.](#)

The first step in the development will be renovations to the building's interior, including updated mechanical systems. That could begin next week.

Within six months, Jamestown plans to begin demolishing the parking deck along Glen Iris Drive, considered an eyesore that blocks a pedestrian connection between North Avenue and Ponce.

The first phase will take the better part of two years to complete, and how it unfolds will depend on the recovery of Atlanta's job market and the broader U.S. economy.

The first major announcements should be new retailers, Jamestown Managing Director **Matt Bronfman** said. The stores are likely to line North Avenue and Glen Iris.

"We think retail is going to be driving the ship," Bronfman said.

At least 35 to 40 retailers may become part of the project, said Jamestown Managing Director **Michael Phillips**. Jamestown already has letters of intent from four retailers.

The project will be one of the city's largest and most closely watched as the next development cycle tries to get under way. The sale of City Hall East was a huge win for Mayor **Kasim Reed**, who is under pressure to help the city rebound from the Great Recession. Atlanta's jobs recovery hasn't happened with the same speed of other cities, according to the Bureau of Labor Statistics. Of the 12 largest metro areas in the United States, Atlanta lost the most jobs from April 2010 to April 2011, about 9,000. San Francisco was the only other metro area of the 12 to lose jobs.


City political and economic officials, however, think Ponce City Market can become a catalyst for job creation and urban renewal.

"This project will have \$1 billion in positive economic development for the city of Atlanta," Reed said. "My staff took this project as a direct challenge from me the moment my administration took office."

The redevelopment will also be a high profile test to see if Ponce City Market becomes the centerpiece of an urban renaissance. It's supported by at least \$15 million in government tax credits. The federal government is backing urban renewal projects because of the social benefits many believe maintaining population and property values bring to a city's urban core.

Ponce City Market could become the missing piece to the redevelopment puzzle along Ponce and the Old Fourth Ward, a gentrifying, historic neighborhood between downtown and Poncey-Highland.

Developers also believe the project could help the western tip of Ponce echo its glory days at the turn of the last century, when it was a center of commerce and recreation. It once stood across Ponce de Leon Ballpark, home to the Atlanta Crackers baseball team.

Jamestown also believes the project has parallels to its Chelsea Market development in Manhattan. Chelsea Market had roots as a 20th-century industrial building, a former [Nabisco](#)  factory. It now stands among dense high-rises.

City Hall East stands amid the shadow of the 55-story Bank of America Plaza and, on the western tip of Ponce, it's close to the office towers on Peachtree and West Peachtree that form the city's legal and accounting jobs centers.

Both projects are also built near old rail lines that either have been or will be converted into parks.

In the case of Ponce City Market, that abandoned railway is to become the Beltline, an ambitious redevelopment that would take a 22-mile loop of historic railroad in the heart of Atlanta and convert it to paths and parks dotted with mixed-use projects and linked by transit.