



City Hall East transfer from Atlanta to Jamestown delayed — again

Ken Edelstein Apr 16, 2011

Atlanta's City Hall East still seems to be under some sort of slow-motion voodoo spell.

Katharine Kelley, one of the project's lead developers, [told a real estate audience March 3](#) that she hoped to close the deal to buy the giant building and the block of land surrounding it from the city within 30 days. But one of Kelley's top lieutenants confirmed yesterday that the closing date has moved back, well into May.

"While we've certainly made great progress towards closing, we're probably still about 30 days away," Green Street Vice President for Development Jim Irwin wrote in an email.



City Hall East. Image credit: Ken Edelstein

My impression is that it's not unusual for such big real estate deals — particularly those involving a government — to alternate between hiccups and hope, and hence always to take longer than expected. *(Any real estate industry readers want to illuminate us on that point in the comments section?)*

But the City Hall East deal seems to be going for some sort of record. Grand dreams to transform one of Atlanta's largest buildings into a mixed-use, transit-friendly, eco-village were first announced about eight years ago by Gwinnett developer Emory Morsberger. In 2005, he agreed in principal to buy the property for \$27 million.

But that deal was delayed by several factors, including the city's languid pace in finding new space for the Police Department and then the real estate collapse.

More than a year ago, Jamestown Properties took control of the deal, and things seemed to be moving more quickly. In March 2010, Mayor Kasim Reed proposed that the city sell the property to a group led by Jamestown for \$13.5 million upon the sale and another \$13.5 million at a later date. At the time, he said, that also would relieve taxpayers of having to foot around [\\$1 million in maintenance costs](#).

[editorial]



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The German-funded, Atlanta-based development company finally signed a letter of intent on Sept. 30 with the city that reportedly put the property's price at [\\$15.5 million](#).

Under Kelley's leadership, Green Street, which a Jamestown-owned company that specializes in sustainable projects, has [developed City Hall East's initial plans](#) and made a strategic decision to lead with work on the mixed-used property's commercial and retail portions before moving on to the residential part.

The project got some good news earlier this month when the city proposed to fund transit projects with money that might come from a proposed sales tax that metro Atlanta voters will consider next year. Not only did a stretch of the Beltline both north and south of City Hall East make the city's wish list, but so did a North Avenue trolley.

In case you missed it, City Hall East is the large hulk of a building that sits between North and Ponce de Leon Avenues next to the Beltline. Originally the Southeast distribution center for Sears, it served as an underutilized city office building from 1991 into 2009, and has pretty much been vacant since then.