

Press Release



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SALE OF CITY HALL EAST MOVES ONE STEP CLOSER TO FRUITION

*LEGISLATION INTRODUCED BY CITY COUNCILMEMBER KWANZA HALL WILL FACILITATE THE
REDEVELOPMENT OF THE FORMER SEARS SITE*

ATLANTA – “The redevelopment of City Hall East is one step closer,” announced Atlanta City Councilmember Kwanza Hall after the Atlanta City Council agreed Monday by a vote of 14-0 to modify the zoning conditions pertaining to the property. (*Legislative Reference No. 10-O-0776*)

In November 2005, the City rezoned the City Hall East property and the City-owned parking lot on North Avenue to allow for redevelopment of the property into a new mixed use complex with residential, office, retail, and restaurant uses. A development team entered into a contract to purchase the properties. At the time, the development team anticipated a predominately residential development.

Given the impact of the recession, the continued softness in the condominium and apartment markets, and the recent openings of major apartment communities adjacent to the new Historic Fourth Ward Park, real estate experts now project that the redevelopment needs to include more retail, office, and restaurant uses. Residents of the adjacent Old Fourth Ward neighborhood have expressed a preference for more retail options as well.

In response to these changing conditions and desires, Councilmember Hall introduced legislation to amend some of the conditions of the 2005 zoning. The changes in conditions were also sought by the prospective purchaser of the property and will help conclude the sale of the property, which is currently owned by the City of Atlanta.

The development group Jamestown Properties will pay the City of Atlanta \$13.5 million upfront and another \$13.5 million at a later date for the property fronting 675 Ponce de Leon Avenue in Council District 2, an area Hall represents.

In anticipation of today’s vote, Hall has already begun meeting with groups such as the Fulton County Development Authority and the State of Georgia to identify financing opportunities for

the property. “The sale of City Hall East is a critical budget filler for the City this year,” said Hall, “and its redevelopment will be a critical budget filler in the future. The sooner we can creatively combine and layer the funding tools critical to its success, the better.”

City Hall East, a former Sears warehouse, had been Atlanta's police and fire headquarters, but is now empty. The city bought the property in 1991 for \$12 million.

The neighboring Neighborhood Planning Units, the Office of Planning, and the applicant supported the final recommended changes to the zoning conditions.

The changes to the zoning conditions will:

- Reconfigure the size and overall intensity of retail space. The conditions allow up to two individual retail tenants of up to 150,000 square feet, while limiting the overall amount of retail square feet to 390,000. This is similar to the amount and composition of retail space at nearby Midtown Promenade and the Edgewood Retail District.
- Allow for the location of telecom hotels – large collections of servers and switches that support various telecommunication and digital industries – in the complex while limiting their size and location, keeping them away from windows and streets.
- Allow the City Hall East property to transfer part of its required open space to Historic Fourth Ward Park, a new greenspace south of North Avenue, as was contemplated in the original master plan for the redevelopment of the property. The ordinance includes language reinforcing the requirements for the new streets and open space on the parcel north of North Avenue included in the original master plan.

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