

# THE WEEKLY A.C.R.E. REPORT

KEEPING THE INFORMED INFORMED



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# TOP ARTICLES

## FROM THIS PAST WEEK

### AVALON LANDS THREE FASHION RETAILERS FOR ITS SECOND PHASE

Three more fashion retailers are headed to the Avalon development in Alpharetta — Boogaloos, Hammer Made and Scout & Molly's. The retailers are expected to open in April 2017 in Phase Two of the project. Other retailers already confirmed for Avalon's expansion include Brooks Brothers, Urban Outfitters, Rumi's Kitchen, The Boardroom Salon for Men, Lucky Brand, Levi's, Barleygarden Kitchen and Craft Bar, and Brine Fish House. Phase Two will also include The Hotel at Avalon and the Alpharetta Conference Center.



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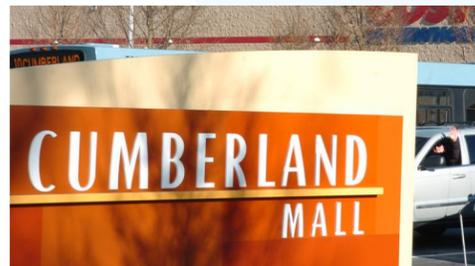
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### GEORGIA'S FIRST AC HOTEL OPENS

Georgia's first AC Hotel by Marriott opened this week. Atlanta hotel developer Noble Investment Group and mall giant Simon Property Group debuted the AC Hotel Atlanta Buckhead at Phipps Plaza. The 166-room hotel sits at Peachtree and Wieuca roads, and adjacent to Nordstrom. It features a lounge, fitness center, indoor pool and dining area with an outdoor patio. It also has 2,500 square feet of meeting space. Interstate Hotels & Resorts will manage the hotel. And, Matt Parsons will serve as general manager.

### CUMBERLAND MALL TO ADD TWO RETAILERS AND TWO RESTAURANTS

Cumberland Mall plans to add four retailers this fall: Footaction, Moe's Southwest Grill, Build-A-Bear Workshop and Thai Café. Mall owner General Growth Properties Inc. made the announcement on Tuesday. In recent months, Cumberland Mall has added Apple, The Buckle, Buffalo Wild Wings, Hot Topic, Pandora, Sephora, Zale's and Zumiez.



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### GEORGIA TECH NAMES THREE FINALISTS TO DESIGN NEW \$20M+ COBB CAMPUS

Georgia Tech said Aug. 25 that on the short list are Flad Architects, HOK and tvsdesign. The preliminary cost limit of the project is \$20 million to \$27.5 million. Georgia Tech announced June 27 that it bought a portion of the Lockheed Martin facilities, where the school can expand research and education, eventually adding up to 500 jobs. The deal involves four buildings and 52 acres on the aerospace giant's south campus in Marietta. The facilities once housed operations for the F-22 Raptor program, which ceased in 2013.



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### 53-ACRE STUDIO COMPLEX SET TO OPEN IN 2017

A 53-acre film and TV studio complex is quietly rising in an aging industrial area of southwest DeKalb County — one of the largest developments of its kind in metro Atlanta. Valhalla Studios, located at 1415 Constitution Road near Starlight Drive-In, will include nine sound stages totaling 200,000 square feet, representing an investment of up to \$70 million. The project started construction this spring and could start hosting productions by the beginning of 2017.

### TOYOTA OPENS LEXUS PARTS DISTRIBUTION FACILITY IN METRO ATLANTA

Toyota Motor Sales U.S.A. Inc. has opened its new 107,000-square-foot parts and distribution facility in Lithia Springs, Ga. The facility stocks about 43,000 Lexus parts, the facility will serve 27 Lexus dealers in the Southeast, primarily in Atlanta, and a five-state area that includes Georgia, North Carolina, South Carolina, Alabama, and Tennessee.



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## LATEST BUCKHEAD HOTEL TO BRING MORE DENSITY TO PIEDMONT

A new hotel is soon to rise south of Piedmont Road in Buckhead, an area in transition to a more dense, mixed-use village. McKibbin Hospitality, which has a development office in Gainesville, Ga., and Atlanta-based Coro Realty Advisors, have begun site work on a 186-room Hampton Inn & Suites by Hilton. The hotel is coming to the Buckhead Place shopping center across Piedmont Road from Terminus and near the grocery store known as “Disco” Kroger. The hotel is part of a larger, mixed-use project that also includes an additional 190 apartments and 35,000 square feet of retail. The hotel could open in spring 2018.



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## CAREY WATERMARK INVESTORS BUYS RENAISSANCE ATLANTA MIDTOWN

Carey Watermark Investors 2 Inc. bought the Renaissance Atlanta Midtown Hotel for an undisclosed sum. The 21-story, 304-room boutique hotel at the northwest corner of West Peachtree Street and Abercrombie Place was built in 2009, converted to a Renaissance in 2011 and underwent \$3 million in improvements between 2011 and 2015. It features restaurant Community Smith, 8,600 square feet of meeting space, a 24-hour spa/fitness center and a rooftop bar.



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## THIRD & URBAN TO LAUNCH 416 MILLION WESTSIDE ADAPTIVE REUSE PROJECT

Third & Urban is converting a vacant Westside warehouse development into 105,000 square feet of creative flex space. The adaptive reuse project along Chattahoochee Avenue near the Westside’s top restaurants and entertainment continues the transformation of the area’s low-rise brick industrial buildings into hip, creative space. Third & Urban’s redevelopment, known as Complex, would take shape close to Ellsworth Office Lofts. Third & Urban, along with equity partner Lakewood Commercial Properties, could break ground on Complex as early as November. State Bank & Trust is providing construction financing for the \$16 million project, which will include a mix of office, warehouse and retail space. The development would target tenants that need creative flex space for both office and warehouse needs, such as medical device firms and contractors.

## JPX WORKS SECURES CONSTRUCTION FINANCING FOR NEW TOWER, LILLI MIDTOWN

JPX Works LLC has secured construction financing for its 24-story apartment tower at Peachtree and Third streets amid two of Midtown’s historic landmarks, The Fox Theatre and Georgian Terrace hotel. The project will be called Lilli Midtown, with larger units than many towers and rents averaging more than \$2,700. The project will not add parking. Instead it will use the Georgian Terrace’s existing parking deck, which will be linked to Lilli Midtown by a two-level pedestrian bridge.



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THIRD & URBAN

## KROGER FORMERLY KNOWN AS ‘MURDER’ MOVING TOWARD ITS FINAL DAYS

The Kroger will be reborn as part of 725 Ponce and will sit below a 360,000-square-foot office tower. Just across the Beltline from Ponce City Market, the project has more than just proximity in common with its neighbor. Designed by New York-based S9 Architecture, who had a role in PCM, the project is being spearheaded by Jim Irwin, who worked for Jamestown on PCM and now has his own company, New City. The \$155-million venture could benefit from almost \$7.4 million of tax abatement over a decade.

## NEW VIDEO GIVES BEST GLIMPSE YET OF GRANT PARK’S ‘THE BEACON ATLANTA’

The Beacon Atlanta by Pellerin Real Estate is moving forward in South Grant Park, a few blocks southwest of the neighborhood’s eponymous greenspace, near Eventide Brewing. Developers say the \$20-million project is now 60 percent leased. Plans call for the revitalization of six old industrial warehouses, which would become the cornerstones of a 9-acre district touted as a “unique retail, dining, and cultural destination nestled along the Beltline.” It’s meant to function as a sort of town center for nearby residents and a respite for Beltline adventurers. Uses will range from the necessary (a nursery school, hair salon, food market, and dentist); to the recreational (family-oriented and foodie-magnet restaurants, plus a tasting-room concept called “Grant Hall” where everything from kombucha tea to craft beer and artisanal cheese can be sampled); to the functional (loft-office space and an “artists’ walk” concept with working studios that convert to storefronts after-hours). Plans also call for a smallish music venue that can fit up to 700 folks. The Beacon’s opening is planned for late summer next year.



THIRD & URBAN

## MEMORIAL DRIVE'S NEXT REDEVELOPMENT PIECE COULD GO MODERN

Developer Pellerin Real Estate, which is active in Little Five Points and elsewhere in Grant Park with The Beacon Atlanta, among other places, unveiled early glimpses at this past weekend's Summer Shade Festival of a modern-style structure that could replace Harp Transmission Service at 350 Memorial Drive. A tipster says plans call for a pop-up restaurant to operate on the site for a year, followed by a buildout. Further details are expected to be unveiled at a Trees Atlanta meeting this evening. The new structure would replace a multi-bay auto service garage that's stood on the property since 1948, according to property records.



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## POPE & LAND EXPANDS CUMBERLAND OFFICE EMPIRE

Pope & Land Enterprises is expanding further into Atlanta's suburban office environs. In a JV with Noro Management, the Atlanta firm bought Powers Ferry Landing West and RiverEdge One, both in the Cumberland/Galleria submarket. The 115k SF, two-building Powers Ferry Landing West is part of an area that has seen a surge in office use, especially when Intercontinental Exchange (ICE) bought and refurbished 5660 Interstate North for its HQ. As for RiverEdge One, Pope & Land is returning home, so to speak, says VP Kirk Billings. The six-story, 130k SF office building off Northside Drive at Powers Ferry Road was developed by Pope & Land in 1980. Both buildings are value-add plays, each only 75% leased at the time of purchase.



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## WESTSIDE'S STOCKYARDS GAINS TENANTS, COMPLETION DATE

When the project launched, the only confirmed tenant was The Painted Duck, a high-end bowling alley and game bar not unlike The Painted Pin in Buckhead. Now, a press release by the firms notes that four new tenants have signed on, bringing occupancy to more than 65 percent already. On the food front, Stockyards will include a new concept by The Indigo Road, a Charleston hospitality group behind The Cocktail Club, Indaco, The Macintosh, Oak Steakhouse, and O-Ku.

Other new additions to the roster include Atlanta-based Fitzgerald & CO and Momentum Worldwide — two brand agencies — and global communications and engagement firm Weber Shandwick. The three offices will fill more than 43,000 square feet of the available office space with 200 employees. Additionally, Mannington Commercial will open a Customer Engagement Center and showroom to feature their premium flooring products. With tenants lined up and work underway, expect to see the first phase of the project delivered in early 2017.



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## MILL CREEK TO START 400-UNIT BUCKHEAD VILLAGE APARTMENT TOWER

Mill Creek Residential will start construction on a 400-unit apartment tower in the Buckhead Village, after recently acquiring the 1-acre site for about \$16 million. The site contains a single-story building occupied by apartment search company Promove. Formally called Modera by Mill Creek-Buckhead, the 21-story project will be developed at Peachtree and Pharr roads next to The Shops Buckhead Atlanta. Mill Creek plans to break ground early this month. Residents could move in by the summer of 2018. Mill Creek is expecting to achieve \$2.65 a foot. The project will also include about 180 two-bedroom units, which reflects a little more focus on bigger units than most intown apartment towers that broke ground during the past year. Modera Buckhead will feature 21,000 square feet of high-end retail space. It will also have amenities such as a sky bar, a large demo kitchen for mixology and cooking classes, and an open-air social lounge.

## LENNAR FORGING AHEAD WITH MIDTOWN TOWER

The firm has filed permits with the City of Atlanta to begin construction of a 27-story apartment tower across from the Mayfair Renaissance on 13th Street. Lennar's permits show the address as 187 13th St. According to the permits, Lennar is seeking to develop 310 units that will front 13th, near Juniper Street. The apartments would be constructed on top of a seven-story parking deck.

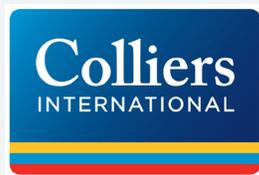


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## UNION INVESTMENT BUYS MIDTOWN'S TEN 10TH BUILDING FOR \$150 MILLION

Midtown's Ten 10th Street building has sold to Union Investment for \$150.5 million. The transaction for the 420,000-square-foot project, also known as Millennium in Midtown, closed Aug. 29. Union Investment paid about \$358 a foot for the 14-story building where Google maintains its Atlanta sales and engineering office. The nearly \$151 million transaction marks a huge turnaround for Ten 10th since former anchor tenant New York-based PwC relocated to the 12th & Midtown mixed-use project a few years ago. Ten 10th was built in 2001.

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