



**DOWNTOWN  
DEVELOPMENT**

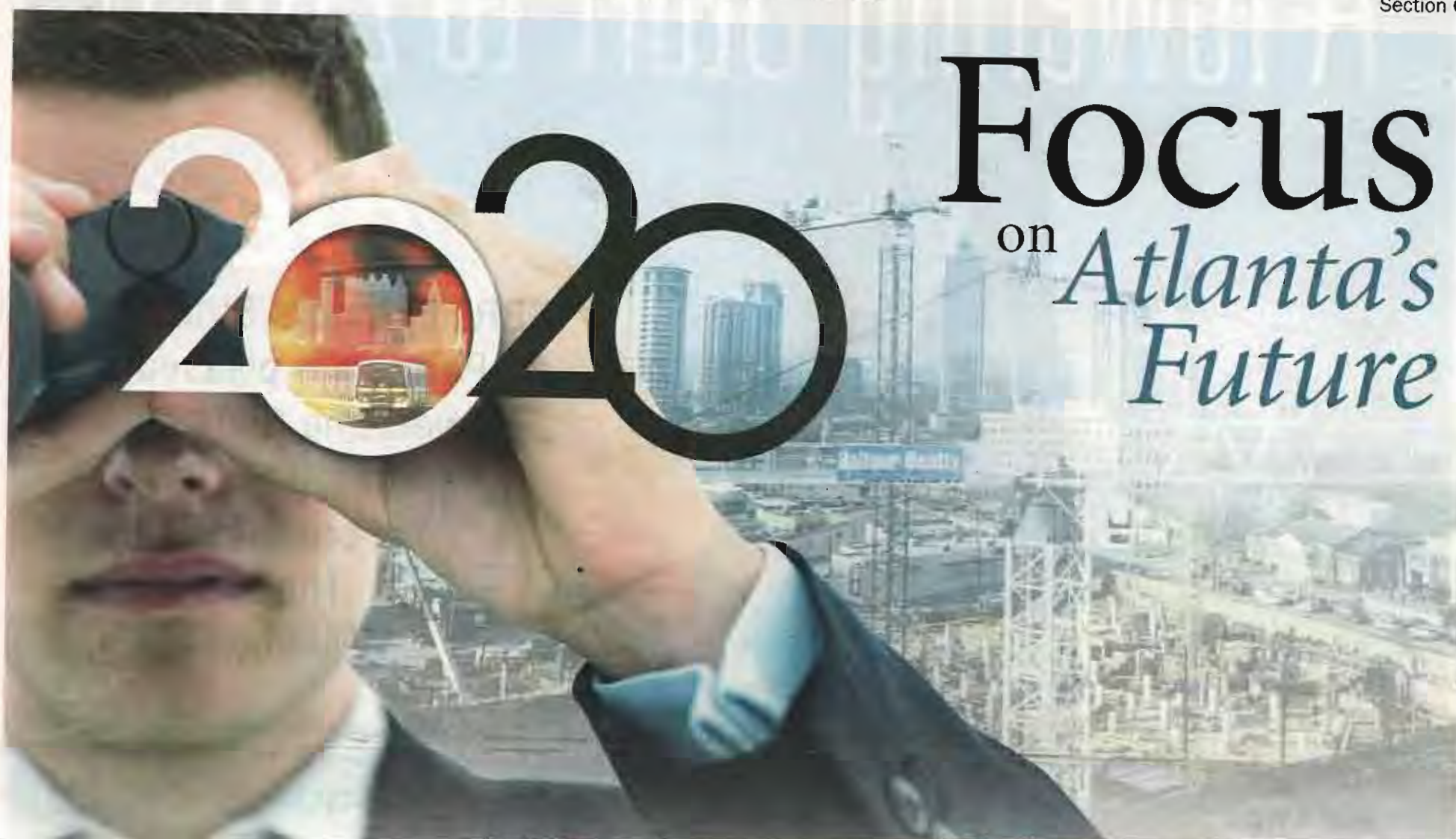
A.J. Robinson with Central Atlanta Progress believes commercial centers will become even more transit-friendly in the coming years.

6C

February 6-12, 2009

INDUSTRY FOCUS

Section C



**Focus**  
on *Atlanta's  
Future*

ATLANTA BUSINESS CHRONICLE

COMMERCIAL REAL ESTATE

February 6-12, 2009 • Page 5C

**SOUND OFF**

Business and community leaders weigh in on Atlanta's future



**Jerome  
Russell**

President of real estate development, H.J. Russell & Co.

**Hot spots:** Peachtree Street from downtown to Buckhead and two to three miles west and east of Peachtree will be prime real estate. There will be other strategic pockets in the metropolis near key infrastructure and institutions.

**Challenges:** The current economic climate will challenge new construction projects for the next two years. Existing commercial buildings will be acquired and repositioned before new construction projects begin. Bankers will be comfortable with financing existing buildings with proven income streams.

**Smart growth:** This is a good time for developers to collaborate with municipalities on setting new policies to address the new paradigm as we come out of this cycle. Focusing on issues like workforce housing, transit-oriented development, sustainability and tax allocation districts can help set the tone for smart growth.



**Robert  
Armstrong**

President, Atlanta Land Group

**Hot spots:** We believe significant mixed-use development will occur on the General Motors Doraville site and similar large tracts located in close proximity to the northern crescent of Interstate 285. Spots that won't be too hot? Specialty retail centers in overbuilt markets, such as East Cobb, Roswell, Alpharetta, Duluth and Suwanee.

**Challenges:** The merchant developer who typically develops sites, leases to a stabilized occupancy level and divests to REITs and pension funds, etc., is finding that previously anticipated sale values are not realistic.

**Smart growth:** Local governments should review their zoning ordinances to ascertain whether the mixed-use definitions and criteria meet the needs of today and tomorrow's new-age development. To promote urban mixed-use application, consideration must be given to providing the development community a lot of flexibility.



**Mit  
Shah**

CEO, Noble Investment Group Ltd.

**Hot spots:** Atlanta will continue to be a city where ease of transportation will dictate where commercial growth happens. Areas that will grow out of favor will be ones that have inappropriate infrastructure for access or to handle existing growth.

**Challenges:** Currently, there is a dearth of capital for new commercial construction. In the lodging sector, new supply growth throughout the U.S. has been well under the historic national average for the past five years and will be de minimis over the next two to three years given the current capital environment.

**Smart growth:** Government and local leaders must work together to recruit new companies and industries to Atlanta, work toward a regional transit structure that benefits all, focus efforts on environmental sustainability, and work together on other public policy platforms that improve the quality of life for Atlantans.



**Joyce  
Shepherd**

Councilwoman, City of Atlanta

**Hot spots:** The south side of Atlanta is one of those areas. Fort McPherson Army base, which is slated to close in 2011, has a huge plan for mixed-use redevelopment that includes commercial space, housing, a biotech institution, a special-event venue and more. There is also the major plan for the old Ford plant in Hapeville, which abuts the city of Atlanta.

**Challenges:** A shortage of funding and incentives for redevelopment projects. Investment strategies are changing due to lack of financing. Changes in demographics are needed to support redevelopment.

**Smart growth:** Promote and collaborate on key projects, such as neighborhood commercial districts, tax allocation districts, new market tax credits and urban enterprise zones. Make sure there is a master plan in place for a redevelopment area that is clear and community-supported.

1. In the coming decade, what areas of Atlanta will be the next hot spots for commercial real estate development? What areas will be out of favor for new development?
2. How might the current economic slowdown impact long-range plans for commercial building? What other challenges may developers face moving forward?
3. What steps should local developers and government officials take to promote smart growth and avoid overbuilding and urban sprawl?