

# Reason to celebrate

## 2014 SHAPING UP TO BE A BIG YEAR FOR DOWNTOWN ATLANTA

BY CHRISTINE HALL  
Contributing Writer

**G**et ready for a great year, downtown Atlanta. The area is expected to explode with new hotels, attractions and businesses relocating to the Central Business District.

With the exception of a few years since 1978, Larry Gellerstedt, president and CEO of Cousins Properties Inc., has had his office downtown. He has seen good times and not-so-good times for the area,



Larry Gellerstedt

but said there is a significant amount of investment taking place downtown right now.

And he points out that the really great thing about all of the development is it is not just one thing, it's several different kinds,

from the \$1 billion Atlanta Falcons' football stadium to the College Football Hall of Fame to the Georgia State University law school building to the Atlanta Streetcar to The Coca-Cola Co. announcing it will relocate its IT operations - and 2,000 workers - from the suburbs to downtown.

"There is more investment going on right now and into the next year than took place during the 1996 Olympic Games," he said. "This is a huge, exciting time for downtown."

Atlanta is experiencing similar growth as other major metropolitan areas in that there are more people moving into the urban area, and that is a positive for businesses, hotels, conventions and restaurants wanting to serve those demographics, Gellerstedt said.

Other major attractions set for downtown this year include the National



William Pate

Center for Civil and Human Rights, and the Atlanta Streetcar will begin service in April, William Pate, president and CEO of the Atlanta Convention & Visitors Bureau, said.

"All of this new development drives momentum and excitement for the destination," he said. "Atlanta is one of only eight U.S. destinations on The New York Times' list of '52 Places to Go in 2014,' released in January."

More than \$1.5 billion in new hospital-ity product will open in Atlanta in 2014,

Pate said. Hotel occupancy rates are near pre-recession levels, making the destination attractive to hotel developers again, and that includes new projects as well as redevelopment of existing hotel properties.

Westin Peachtree Plaza this month said it was close to completing a \$70 million renovation of its 1,073-room hotel. In April, Starwood Hotels & Resorts Worldwide Inc. will complete the \$25 million remodel of the former Days Inn Atlanta Downtown to open the first Aloft hotel in Georgia. Construction began earlier this year on a new Hyatt House hotel near the Georgia Aquarium, and Legacy Property Group will begin building a 129-key Homewood Suites by Hilton in the spring.

BIG YEAR CONTINUED ON PAGE 8B



### TURNER AWARD

#### Community work leads to honor

Charles Gardner hailed for Partner in Hope program. H.M. CAULEY, 7B



### DAN SWEAT AWARD

#### Outgoing Turner exec recognized

Phil Kent honored with CAP award. NICOLE BRADFORD, 6B



### RETAIL

#### Shops to 'pop up' downtown

CAP helps fill vacant spaces with retail shops. DOUG DELOACH, 2B

## INDUSTRY FOCUS

## HOTELS

## Additions, facelifts spruce up downtown offerings

BY TONYA LAYMAN  
Contributing Writer

With a number of new attractions opening this year in downtown Atlanta, hotel owners and operators say they are getting ready to house the new demand these will generate.

Paul Breslin, principal of hospitality consulting firm **Horwath HTL**, said there is a small amount of new inventory coming on line this year, but what is most significant in the downtown marketplace is the dollars that have gone into renovating and rehabbing older properties to make them more desirable for travelers.

"We are experiencing a true return beyond our previous points of demand and that is very encouraging," he said, adding the industry has experienced sustained growth the past four to five years.

As demand continues to rise, Breslin said, there will be greater expectations from visitors. That is sparking action by developers and hotel owners to take older properties and renovate them into first-class facilities.

"New supply growth is somewhat limited but the demand is growing," he said. "Atlanta is stronger than before, but we aren't at a point where we need to build massive amounts of new hotels. But the

hotels we do have are having those transformations and renovations because of the growing opportunities. They can take an old Days Inn that hasn't been renovated in years and make it one of the hottest, coolest brands out there."

That is exactly what **Banyan Investment Group**, in partnership with **DeBartholomeo Development LLC**, is doing. They are renovating the 263-room **Days Inn Atlanta Downtown** at 300 Spring St. to the tune of \$25 million to become Georgia's first **Aloft** hotel.

"This is a phenomenal deal," Breslin said. "Aloft was a brand born out of the W hotels. It feels like W light. And being a few blocks from the W is not a bad thing at all. It is actually synergistic."

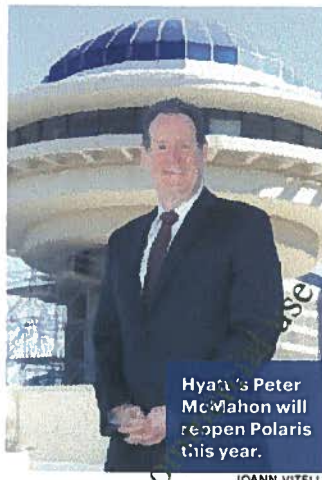
This is one of the latest of many renovations that have taken place in downtown in recent years, including upgrades at **Westin Peachtree Plaza**, **Atlanta Marriott Marquis**, **Hilton Atlanta Downtown** and **The Ritz-Carlton, Atlanta**.

Construction recently began on a new **Hyatt House** hotel near the **Georgia**

#### ► DOWNTOWN HOTELS

Full Year	2010	2011	2012	2013
Occupancy	82%	80%	83%	84%
RevPAR	\$84	\$78	\$87	\$89

SOURCE: SMITH TRAVEL RESEARCH



Hyatt's Peter McMahon will reopen Polaris this year.

JOANN VITELLI

**Aquarium and Legacy Property Group** is also scheduled to begin building a 129-key **Homewood Suites by Hilton** this summer, said David Marvin, president of Legacy Property Group. The hotel is scheduled to open in mid 2015 and will sit adjacent to Legacy's existing 242-room **Hilton Garden Inn** at Baker and Marietta streets. "We know this market well," he said. "We have developed three hotels in the

area and are landlords or owner-operator of 15 restaurants within a couple of blocks from this location."

With the startup of the **Atlanta Streetcar** and the openings of the **College Football Hall of Fame** and the **National Center for Civil and Human Rights** this year, in addition to the market growth in terms of travelers, Marvin believes the demand is there for this new hotel. "The ring of attractions and cultural facilities begets more interest and I think that downtown in general is booming with lots of good things happening."

One of the largest renovations in downtown hospitality has been the three-year upgrade of **Hyatt Regency Atlanta** wrapping up this year with the renovation of **Polaris**, an iconic restaurant atop the hotel that has been vacant since 2005.

"The economic downturn kept this restoration project on hold but we were able to tie it into our hotel master plan and dedicate a \$5 million investment in the space upstairs," said Peter McMahon, Hyatt general manager. He expects Polaris will open this spring.

"This is a special place," he said. "It has been an iconic piece of downtown architecture for many years. It was the beacon of Atlanta and people would come from far and wide to go up there and enjoy classic cocktails."

#### BIG YEAR CONTINUED FROM PAGE 1B

Meanwhile, the reopening of the **Polaris** restaurant atop John Portman's **Hyatt Regency Atlanta** is a much-anticipated renovation, expected to bring another unique experience to travelers, Pate said.

"Polaris is an iconic piece of Atlanta's history, and hotel construction is a visible sign of a robust hospitality industry," he said. "As Atlanta looks ahead to welcoming 50 million visitors by the end of the decade, these new hotels further enhance our hotel portfolio, offering a variety of choices for our visitors."

Georgia State University is doing its part to reshape the downtown area, too.

Looking to eventually support some 40,000 students – from the current approximately 32,000 – Mark Becker, president of the university, has been working on several projects this year.

Included is the 200,000-square-foot **Humanities Law** building, a second 65,500-square-foot science building for wet labs, research space, classrooms and offices. The university has also taken over the former **Georgia-Pacific Plaza** at 55 Park Place and the former **SunTrust Building** at 25 Park Place, Becker said. The school also renovated the former **Atlanta Life Insurance** building at 100 Auburn Ave., where senior administration has moved into top floors, freeing up additional space.

Georgia State is also taking on a green-space project with plans to tear down **Kell Hall** on Peachtree Center Avenue. It will

include open-air gathering areas and a greenway that will extend from **Woodruff Park** to the courtyard of the **Perimeter Center** on Piedmont Avenue.

There are about 4,100 students living downtown in dormitories, and Becker is planning for another 700.

"We think having thousands of students living downtown is creating life on the streets as well as driving and supporting business," he said. "That concentration of life downtown during the day and at night is a big positive."

Georgia State's developments will also be affected by the Atlanta Streetcar. Becker said there will be at least four stops along Auburn and Edgewood avenues.

Atlanta Streetcar will begin project testing in April and is expected to start service in early summer. A.J. Robinson, president of **Central Atlanta Progress**, said. For the first time, it will connect the east and west sides of the downtown area.

It will also connect more of the community, and at the same time, drive economic development. Robinson considers it more than a transit option, but a "major piece of economic infrastructure that will lift up the central city's property values."

"Atlanta has had streetcars for many years, but the difference today is technology. It is not your grandfather's streetcar. These are all electric and quiet, and there is one wire over it so it is not visually impairing," he said. "People will be surprised how useful it is."

Over on the business side, **Coca-Cola's** relocation is moving 2,200 IT jobs from outside the Perimeter, an exciting trend

after years of companies moving to the suburbs, said Brian McGowan, outgoing president and CEO of **Invest Atlanta**.

"It is exciting because it is IT jobs, mostly 25- to 30-year olds," he said. "Companies like **Coca-Cola** are moving back because they can't attract that kind of talent in the suburbs."

Even though it isn't in the downtown core, **Ponce City Market** has attracted the IT jobs of **athenahealth Inc.** and **MailChimp**. **AT&T Foundry**, located on the Georgia Tech campus, and one of four AT&T innovation technology centers in the world, will provide a technology incubator.

McGowan said **Invest Atlanta** is talking to some large prospects that are looking at Atlanta that say it is critical that they be in proximity to Georgia Tech.

"This is an increasing trend that we will see over the next five years, and the mayor will be talking about it," he added.

Atlanta's list of attractions will get a boost when the **College Football Hall of Fame** and the **National Center for Human and Civil Rights** open this year.

Both will be a place of learning and exploration aimed at all ages as well as a place for meetings.

McGowan said **Invest Atlanta** has put \$53 million into the human rights center and \$1 million in the **College Football Hall of Fame**.

Atlanta has long been a place for meeting, but until the **Georgia Aquarium** opened in late 2005, there wasn't a "major magnet of tourism."

With the existing downtown

#### ► COMING THIS YEAR

- Atlanta Streetcar – will begin testing in April and set for operation in early summer
- College Football Hall of Fame – set to open in the fall
- Atlanta Falcons' football stadium – breaking ground this year, completion set for 2017
- National Center for Civil and Human Rights – grand opening set for May

attractions, the **World of Coca-Cola**, **The Children's Museum of Atlanta**, these new attractions are helping to move Atlanta from just a meeting place to a meeting and tourism place as they are all within walking or streetcar distance, said Robinson.

"You will be able to come and do your business, and then experience our tourism in an efficient way you couldn't do in the old Atlanta," he added.

The new Atlanta Falcons stadium is slated to break ground this year next to the **Georgia Dome** and open in 2017. The new stadium will be a centerpiece as Atlanta looks to host the **College Football Championship**, and another, **Final Four** and **Super Bowl**, Pate said.

"Sometimes when you are living it every day, you don't go up to 10,000 feet and take a perspective," Gellerstedt said. "When you add up all of these investments – in excess of a couple of billion dollars – that is a lot of money, and it is a positive, historic time for downtown in terms of transforming itself."

INDUSTRY FOCUS

VIEWPOINT

# Civic leaders help make downtown the place to be

If you haven't noticed, there's a major surge of activity occurring in the heart of the city.

The significant momentum taking shape in downtown Atlanta right now is impressive.

There are 34 new developments and adaptive reuse projects across all sectors of the real estate market. Most notably for 2014 are the openings of two major attractions: the National Center for Civil and Human Rights and College Football Hall of Fame Atlanta, as well as the highly anticipated Atlanta Streetcar and the renovation of the Polaris Lounge. And don't forget about our new Atlanta Falcons football stadium, which breaks ground this year, as well.

With all this new investment, we're seeing an uptick in residential development. Currently, there are four residential projects nearing completion. There's also a flurry of activity in the hotel market with five new projects underway. Meanwhile, our office market trends see transaction activity that is significantly changing downtown's inventory. Most importantly, leasing activity is returning with notable large deals, such as Coca-Cola's move of nearly 2,000 IT employees to SunTrust Plaza; more than 6,500 Coke staff will be working in downtown.

As you can see, downtown is in the game in a significant way. It's a dynamic intown market that boasts walkable streets, an authentic city atmosphere, numerous transit access points and world-class attractions, while offering a unique value for everyone from startups to Fortune 1000s who want to be part of the momentum that's occurring throughout the heart of the city and the region. So, why would you want to be anywhere else?!

The central business district's distinct character cannot be replicated, and Central Atlanta Progress works hard to maintain the strong sense of community found "Only in Downtown." Since its inception in 1941, CAP has been viewed among its peers as an unparalleled leader in convening ideas and initiatives that spark innovation and positive change for the city and region.

Today CAP sits at the center of downtown Atlanta's surge of activity. The civic leaders that serve on our board of directors come to the table with a range of viewpoints, yet have a singular mission of maintaining downtown's vitality and vibrancy. With our board's thought leadership and a staff of dedicated employees on the front lines, CAP has been able to successfully implement projects and initiatives that benefit not just the immediate downtown area, but the city, state and region as a whole.

Within downtown Atlanta's four-square-mile area is a thriving and diverse neighborhood of residents,



Dave Stockert is CEO and president, Post Properties Inc., and is the 2014 chairman of Central Atlanta Progress.

workers, students and visitors who benefit each day from the fruits of CAP's labor. Our organization touches nearly every aspect of the city center,

be it traffic signalization and streetscape improvements or pop up art events happening in Woodruff Park.

CAP's work is everywhere, and our singular focus is to foster a vibrant community. From enhancing the quality of life for our residents to making downtown a more attractive and entertaining location for visitors, our impact is real and it is lasting. The best way to be a part of downtown Atlanta is to be involved with Central Atlanta Progress. For projects large

and small, much of the work CAP performs on behalf of the city is done in partnership with our membership base of more than 200 companies. They range from multinational Fortune 500s to local startups, and collectively create the network that is the backbone of the organization. Our members are a varied and engaged group of corporate citizens who contribute their time and ideas, and in return receive the connections and collaborations that only enhance their own endeavors.

Georgia's Other Dome.

Come see the new Polaris, re-turning in 2014.

Another great reason to Be Downtown.

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Atlanta's Premier Hotel. On Peachtree Street.

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