

CITY HALL EAST

Atlanta, Georgia

Atlanta developer Emory Morsberger of Avalon Homes is pursuing the City of Atlanta's Request for Proposals for Sale and Redevelopment of the City Hall East (CHE) Building located at 675 Ponce de Leon Avenue in Midtown Atlanta. The building itself, built by Sears, Roebuck and Company as their southeastern headquarters, warehouse and distribution center in 1926, is the largest in Atlanta at just over 2,100,000 square feet. The building currently houses a variety of City Departments including police and fire, however the majority of the structure remains vacant and represents a drain on the City's budget. Recognizing the underutilization of the structure the City began soliciting bids for purchase and redevelopment in late 2003.

The City of Atlanta has three primary objectives in seeking the sale and redevelopment of CHE:

- Improve the property and create an exemplary development that will complement the accelerating redevelopment of the area and the City.
- Improve the operating conditions of agencies currently housed in CHE by relocating those operations or by improving their conditions in CHE.
- Maximize and protect the value of this public asset.

Realizing such a vision would require a strong market understanding of a variety of uses including residential and commercial components as well as a comprehensive knowledge of the financial and physical constraints associated with higher-density multi-use and mixed-use environments, Mr. Morsberger retained Robert Charles Lesser & Co., LLC (RCLCO) to become an active member of his RFP response team, Progress Coming.



In undertaking this process, RCLCO has conducted financial analysis of multiple scenarios involved with transplanting or maintaining the existing City departments within the building as well as preliminary market analysis of for-sale and for-rent residential, office and retail uses within loft structures.

In preparing our conclusions, we examined the potential revenue streams achievable to both the developer and the City under different development scenarios in an effort to provide the most financially successful, win-win response to the RFP.