

Old National Highway Corridor

An ULI mini-Technical Assistance Panel

Prepared for: Select Fulton



Urban Land Institute Atlanta

Serving Georgia, Alabama, and Eastern Tennessee

- help excel centers jiff
- Distribution uses
- zoning + issues



ULI Atlanta

Mission:

To provide local municipalities, government agencies, and nonprofit organizations with objective, multi-disciplinary guidance and advice on land use, real estate development and urban design-related issues

Primary Task:

Assemble panels of volunteer experts to address specific issues faced by clients (Select Fulton and City of South Fulton)



Participants

John Risher (Haddow & Company) – Real Estate Consultant

Arun Singh (Google Fiber) – Real Estate Sales

Anastasia Kostrominova (ASD|SKY) - Architect

Patrick Kassin (Gables Residential) - Developer

Thomas Kramer (The Concord Group) – Real Estate Consultant

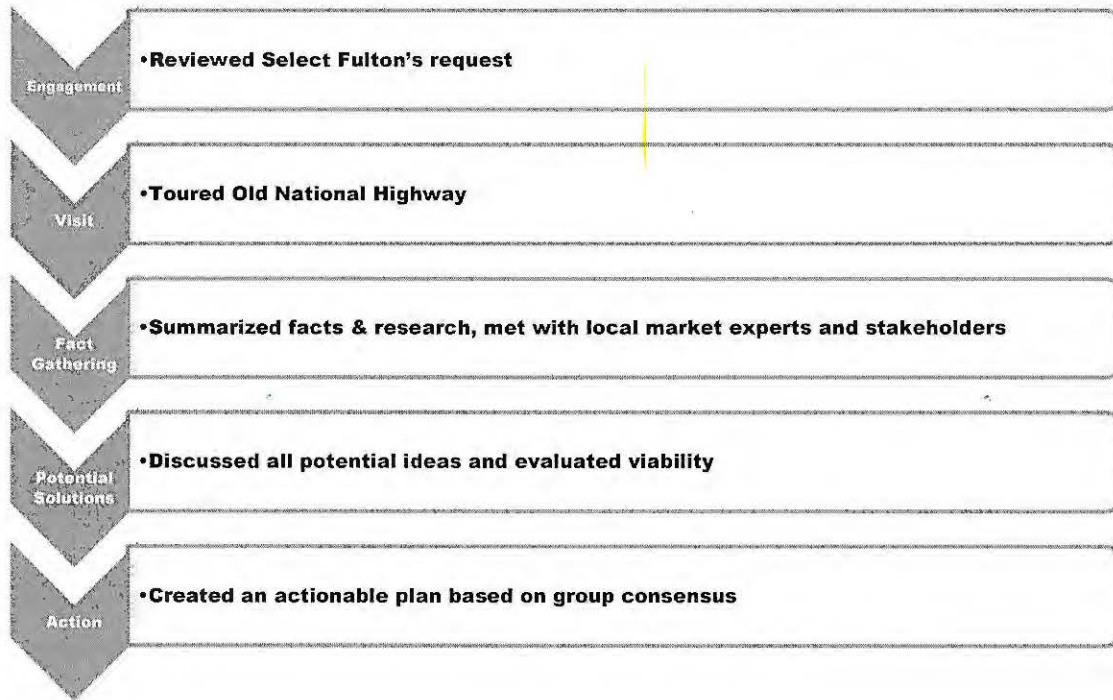
Aaron Bean (King & Spalding) – Paralegal

Ellen Ray (Nelson/Nygaard) – Urban Planner

Tyler Blazer (Cooper Carry) – Architect



Process





Stakeholder Meetings

Barbara McKee
Community Stakeholder

Gerald McDowell
Executive Director
Aerotropolis CID

Don Winbush
President
Old National Merchants Association

Lynn Smith
Real Estate Manager
Hartsfield-Jackson
Atlanta International Airport

Bill Edwards
Mayor
City of South Fulton

Artie Jones
Director
City of College Park
Economic Development



Research

Real Estate Fundamentals

- Zoning Analysis
- Underutilized Land Analysis
- Property Type Analysis
- Crime

Real Estate Supply & Demand

- Community Leaders
- Government Officials
- Stakeholders
- Market Feasibility

Real Estate Professionals

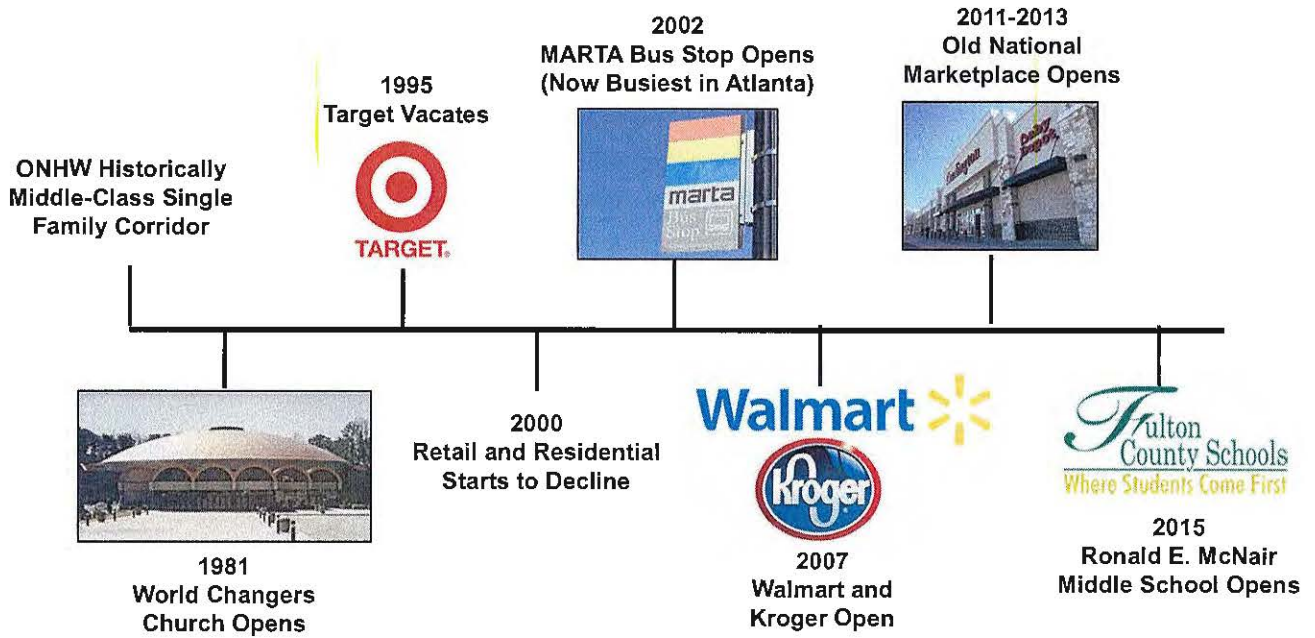
- Local Investors
- Real Estate Brokers

Marketing Initiatives

- Branding South Fulton
- Studying Other City Campaigns
- Comparing To Other Challenged Areas



History





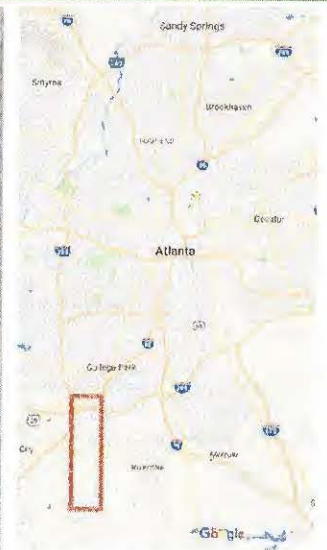
ONHW in Context – City Jurisdictions



NORTHERN SEGMENT



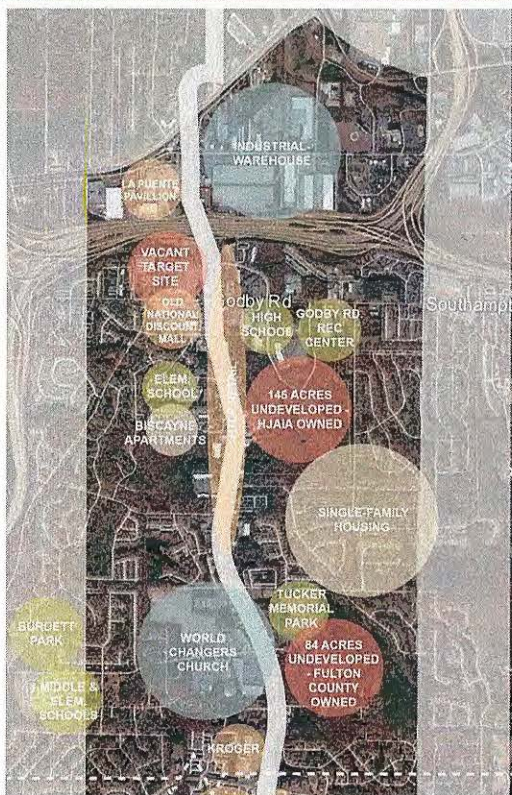
SOUTHERN SEGMENT



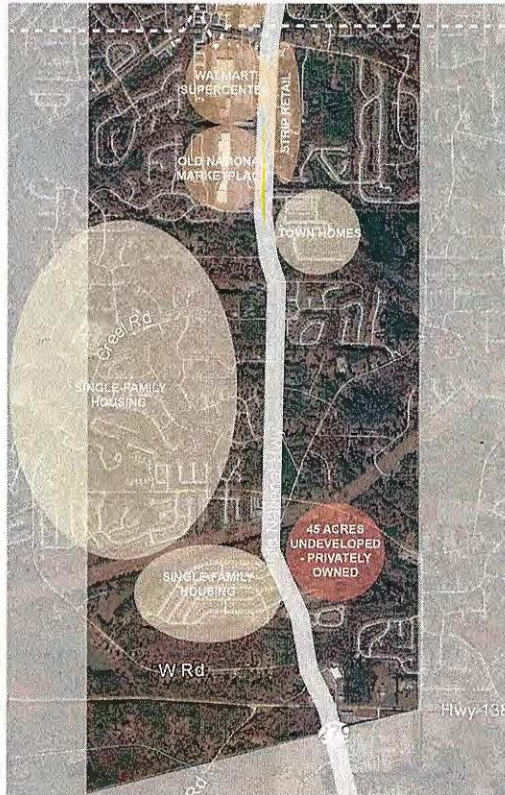
LOCATION IN ATLANTA



ONHW in Context – Land Uses



NORTHERN SEGMENT



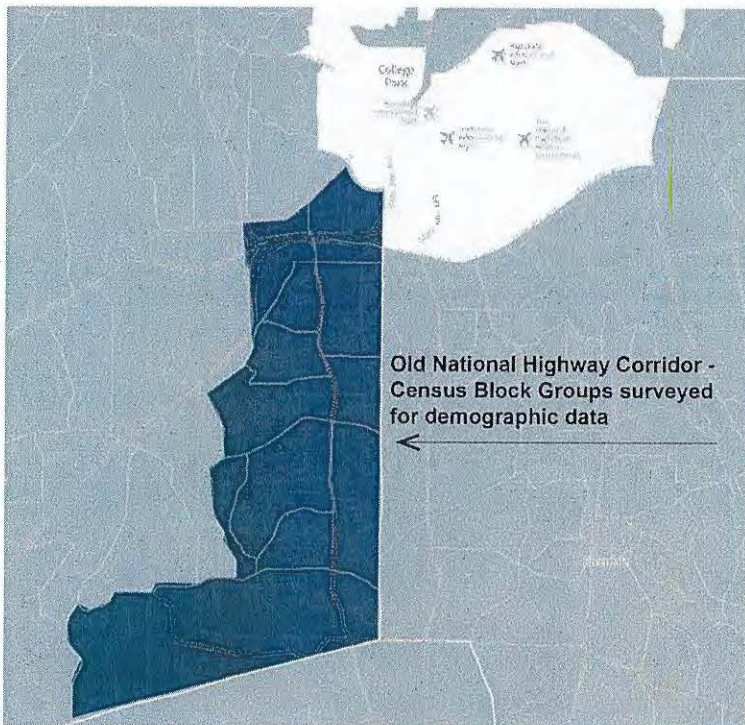
SOUTHERN SEGMENT



LOCATION IN ATLANTA



Demographics

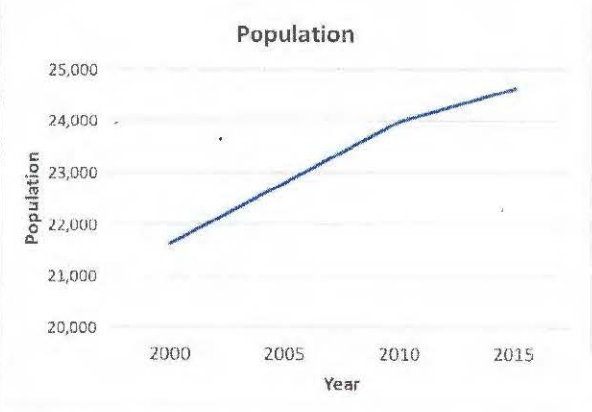


OLD NATIONAL HIGHWAY CORRIDOR DEMOGRAPHICS

Source: American Community Survey 2015 – 5
Year Estimates

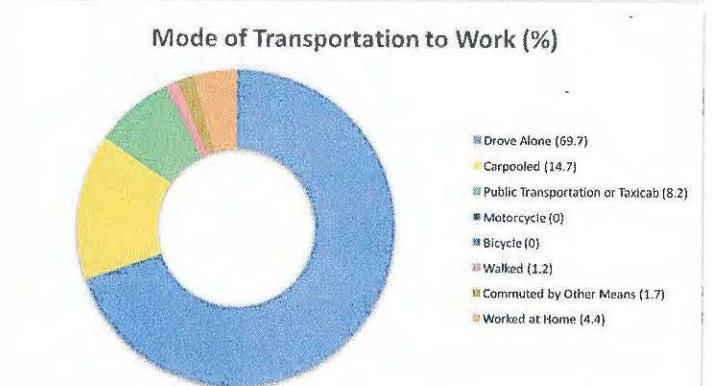
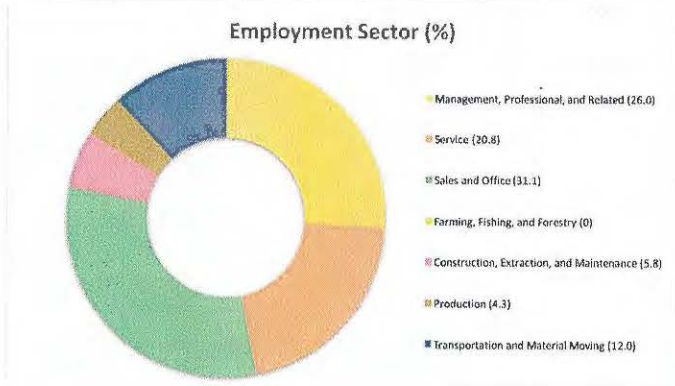
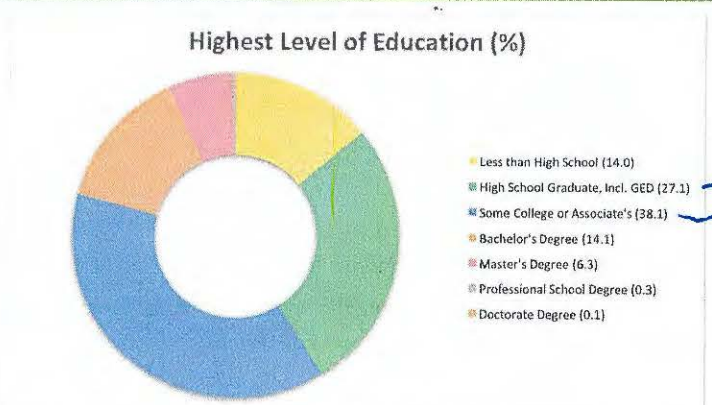
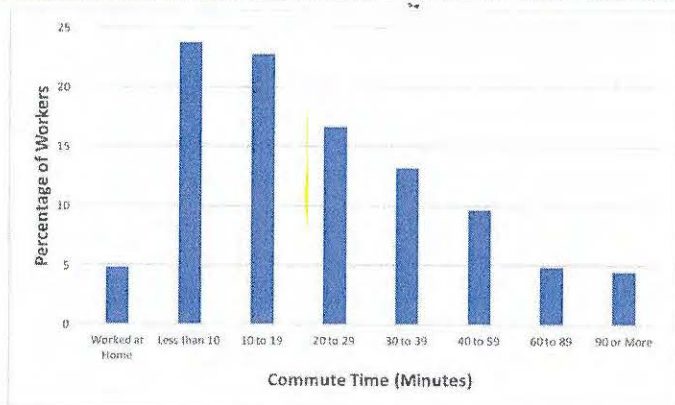
From Census Block Groups highlighted at left

2015 Population: 24,635
Workers 16 and over: 10,069 (41%)
Average Household Size: 2.7



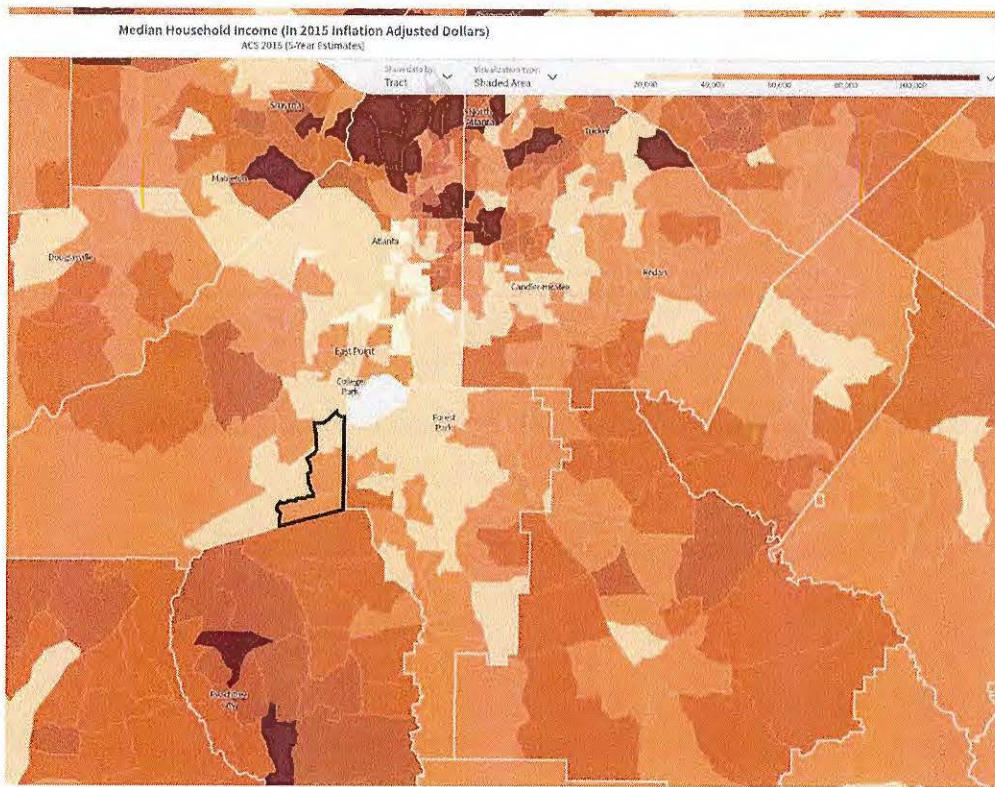


Demographics





Demographics – Median Income Heat Map



HOUSEHOLD INCOME RANGES FROM \$20,000- \$60,000 AND IS COMPARABLE TO RANGE IN ADJACENT AREAS IN FULTON AND CLAYTON COUNTIES



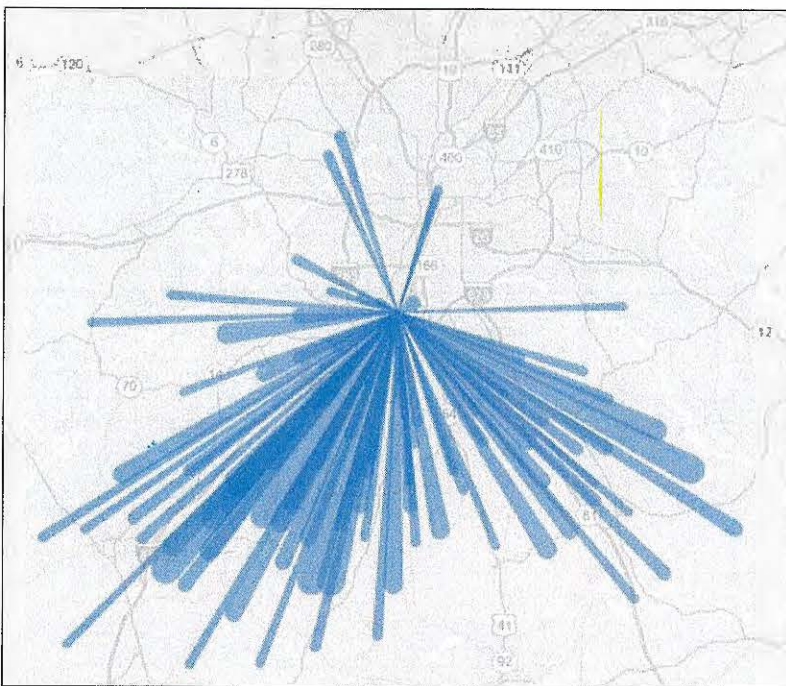
Proximate Distribution Centers

- 63,000 jobs at Hartsfield-Jackson International Airport
- Airport focused Distribution Centers (i.e. DHL)
- Job-Related Training Facilities (i.e. Boeing)
- Retail, Restaurant, and other service-based employment
- Medical Training Facilities





Commuting Patterns - HJAIA



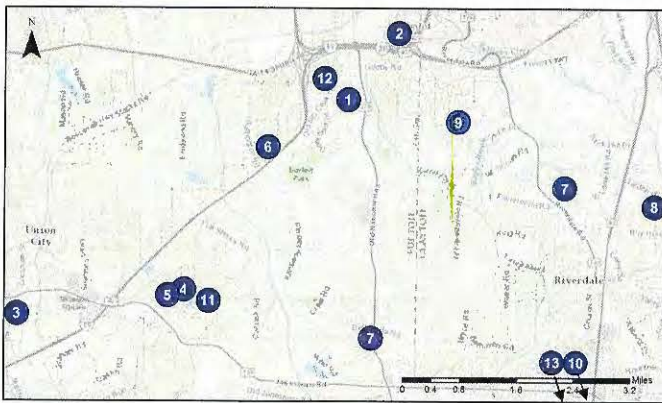
Data Source: US Census Bureau LEHD Origin-Destination Employment Statistics.
Graphic Source: John Keltz/Numbers Box

Employee Residence

County	% Total
South Fulton	22.0%
Coweta	14.8%
Fayette	13.8%
Henry	9.8%
Clayton	7.9%
Cobb	6.7%
Ncrth Fulton	6.0%
Dekalb	5.7%
Gwinnett	2.9%
Douglas	2.3%
Cherokee	1.0%
Remaining GA	6.9%
US	0.2%
Total	100.0%



Market Rate Feasibility – MULTIFAMILY



No.	Project	Year Built	No. of Units	Average Monthly Effective Rent	Average Monthly Rent Per Sq. Ft.	Occ. Rate
1.	Biscayne Apartments	1978	370	\$753	\$0.76	93.0%
2.	Embarcadero Apartments	1974	404	\$871	\$1.02	93.0%
3.	Evergreen Commons	2003	328	\$890	\$0.82	94.0%
4.	Hidden Lake (Phase I)	1985	160	\$813	\$0.76	92.0%
5.	Hidden Lake (Phase II)	1988	160	\$805	\$0.84	92.0%
6.	Legacy Ridge	2009	244	\$998	\$0.91	96.0%
7.	Meadow Springs	2000	216	\$901	\$0.83	97.0%
8.	Monterey Village	2004	202	\$997	\$0.89	98.0%
9.	Parc at 1875	1989	352	\$798	\$0.82	94.0%
10.	Shadow Ridge	2000	294	\$809	\$0.80	93.0%
11.	Shannon Lake	1989	294	\$698	\$0.72	96.0%
12.	South Hampton Apartments	1974	344	\$649	\$0.64	82.0%
13.	Villas by the Lake	2003	256	\$821	\$0.74	98.0%
Totals/Weighted Averages			3,624	\$822	\$0.81	93.1%

Source: Axiometrics

Updated: May 2017

Quick Facts

- New construction will require rents in the \$1.10 to \$1.15 PSF range, excluding the cost of land, to justify the cost of development.
- Legacy Ridge, the newest apartment in the market area, was completed in 2009 and is achieving average rents of \$0.91 PSF.
- Contour Development Group is currently repositioning two older communities, Manor Glenn and Hampton Place Apartments.

Outlook

- New market-rate apartment development along Old National Highway is unlikely in the near-term given prevailing market rents.
- Opportunities may exist for value-add renovation of older apartment communities.



Market Rate Feasibility – SINGLE FAMILY



Price Range	2013		2014		2015		2016		2017 (YTD)	
	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price
Single-Family Homes										
New Sales	4	\$113,533	12	\$131,506	23	\$173,641	31	\$168,140	20	\$173,292
Resales	119	\$52,286	166	\$73,279	223	\$92,689	215	\$87,494	71	\$100,912
Total/Weighted Averages	163	\$51,837	178	\$77,211	246	\$91,211	256	\$101,413	91	\$113,103
Townhomes										
New Sales	1	\$27,068	1	\$39,029	2	\$47,253	0	—	0	—
Resales	24	\$41,391	38	\$38,629	46	\$47,165	71	\$49,252	14	\$73,043
Total/Weighted Averages	25	\$41,179	39	\$38,829	48	\$47,169	71	\$49,252	14	\$73,043

Note: Sales data for 2017 are through April 28, 2017.
Source: FIRM

Quick Facts

- The average sale price in 2016 was \$100,410 and there were no sales over \$225,000.
- Sales over \$150,000 have grown to 18.4% of sales in 2016 from 0.5% in 2013.
- Express Homes is developing the remaining lots in the Stoneridge community. Recent sales in Stoneridge range from \$157,000 to \$180,000.

Outlook

- The cost to develop new lots poses a significant barrier to new construction.
- Existing lot inventory may prove attractive to developers if they can be acquired below replacement cost.
- Strong price appreciation in the area bodes well for long-term future development.



Market Rate Feasibility – RETAIL



- **Quick Facts**

- *High traffic counts along Old National Highway are viewed favorably by retail developers.*
- *Old National Highway corridor is a price-sensitive retail market and vacancy is an issue in some centers.*
- *Several national retailers have closed in the last few years due to poor sales, and the Target site has been vacant since 1995.*
- *Interstate-oriented retail dominates the northern portion of Old National Highway and bars and clubs are also prevalent.*

- **Outlook**

- *Vacancy in newer centers preclude near-term large scale retail development.*
- *National retailers exhibit continued reluctance to locate on the corridor due to perceived crime and moderate incomes.*



Market Rate Feasibility – Office

- **Quick Facts**
 - *Harriston Square Office Park offers rents at \$12 PSF on a modified gross lease. Currently eight (8) suites available.*
 - *Dr. Paul McKoy is planning a 50,000 sq. ft. medical office building on Old National Highway.*
- **Outlook**
 - *Any new construction would be service-oriented space, designed with a specific user in mind.*
 - *Construction of multi-tenant speculative office space is not likely in the near-term.*





Market Rate Feasibility – Industrial

Major Industrial Leases

Duracell (873,000 SF)

Armada (447,606 SF)

Kuehne + Nagle (406,625 SF)

Samsung (550,000 SF)

Speculative Development

Camp Creek Business Center (400,000 SF)

Southmeadow Distribution Center (400,000 SF)

Majestic Airport Center IV (1,000,000 SF)

Quick Facts

- *The Atlanta industrial market is booming and Airport/I-85 submarket recorded 5.7 million square feet of absorption last year alone.*
- *Proximity to HJAIA, Interstates 85 and 285, and an CSX intermodal railyard in Fairburn make this area "Main and Main" from an industrial standpoint.*
- *There were 2,692,125 square feet of for-lease industrial space under construction in the Airport I-85 south submarket at year-end 2016.*

Outlook

- *The area remains highly desirable for e-commerce and other distribution uses.*

Source: Trulia & APD



Crime Map





Opportunities



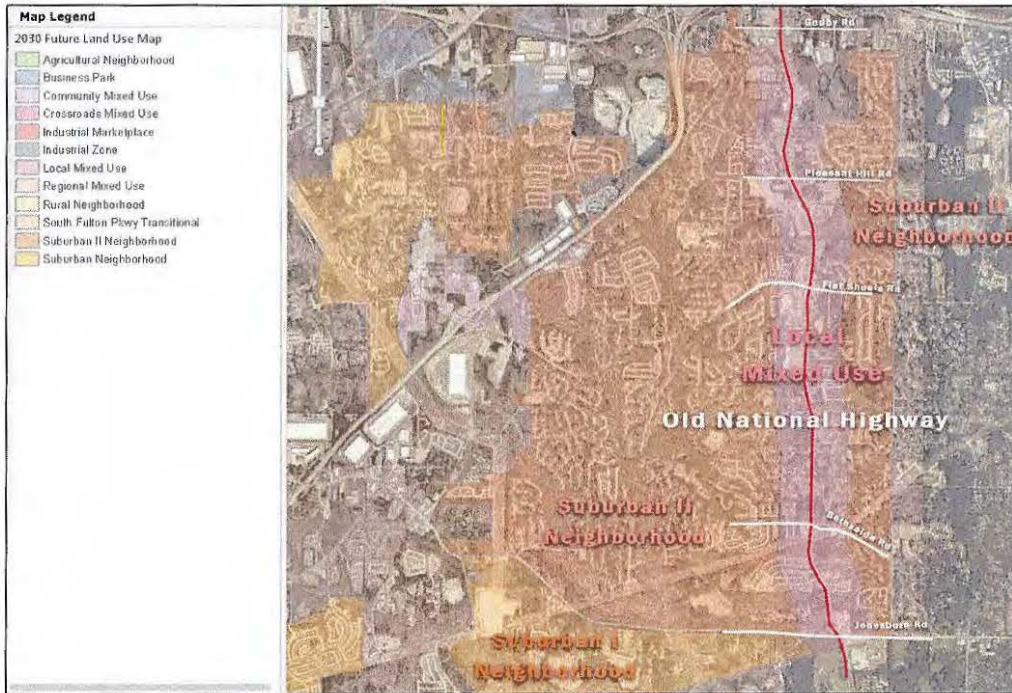
Financing Mechanisms

- Tax Allocation Districts
- New Market ⁵² Tax Credits
- Lease-Purchase Legal Mechanisms
- DAFC Property Tax Abatements
- Community Development Block Grants
- Infrastructure Grants
- Low Income Housing Tax Credits





Future Potential Zoning



2035 Future Land Use

- Local Mixed-Use
 - Commercial Corridor
- Suburban II Neighborhood
 - Medium to Low-Density Residential
- Suburban I Neighborhood
 - Low-Density Residential

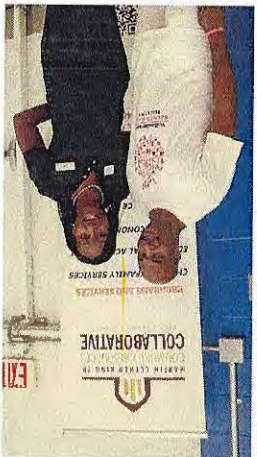
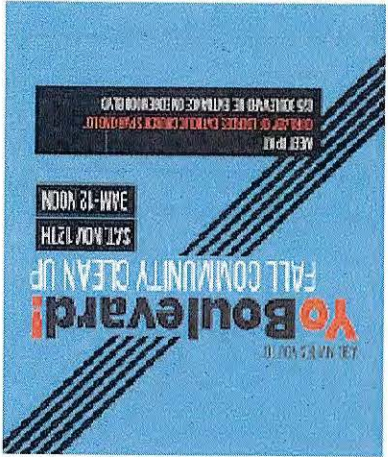
Brief Overview of Character Areas

- Local Mixed-Use
 - Strip Zoning
 - Does not address multi-modal use
- Suburban II Neighborhood
 - 3 to 5 units/acre
 - Allows civic/institutional
 - Suburban I Neighborhood
 - 2 to 3 units/acre



Yo Boulevard – Case Study

- “Yo Boulevard”
 - Year Of Boulevard
- Initially a one year, intense effort, promoting the best Boulevard!
 - Emphasis on priming the area for future development
 - Bring together the different stakeholders
- Established in 2012
 - Gained momentum and has continued for 5+ years
- Theme/Message:
 - Celebrate Diversity, Community
- Community Engagement:
 - T-Shirts, block parties, ornamentation, civic pride, education, retail clean-up, food bank, etc.
 - Atlanta Police Department (APD) Mini-Precinct
- Out reach channels with limited budget:
 - Schools, churches,
 - Grassroots Focus



NEW NATIONAL



Near Term Recommendations for New National

Elements of New National

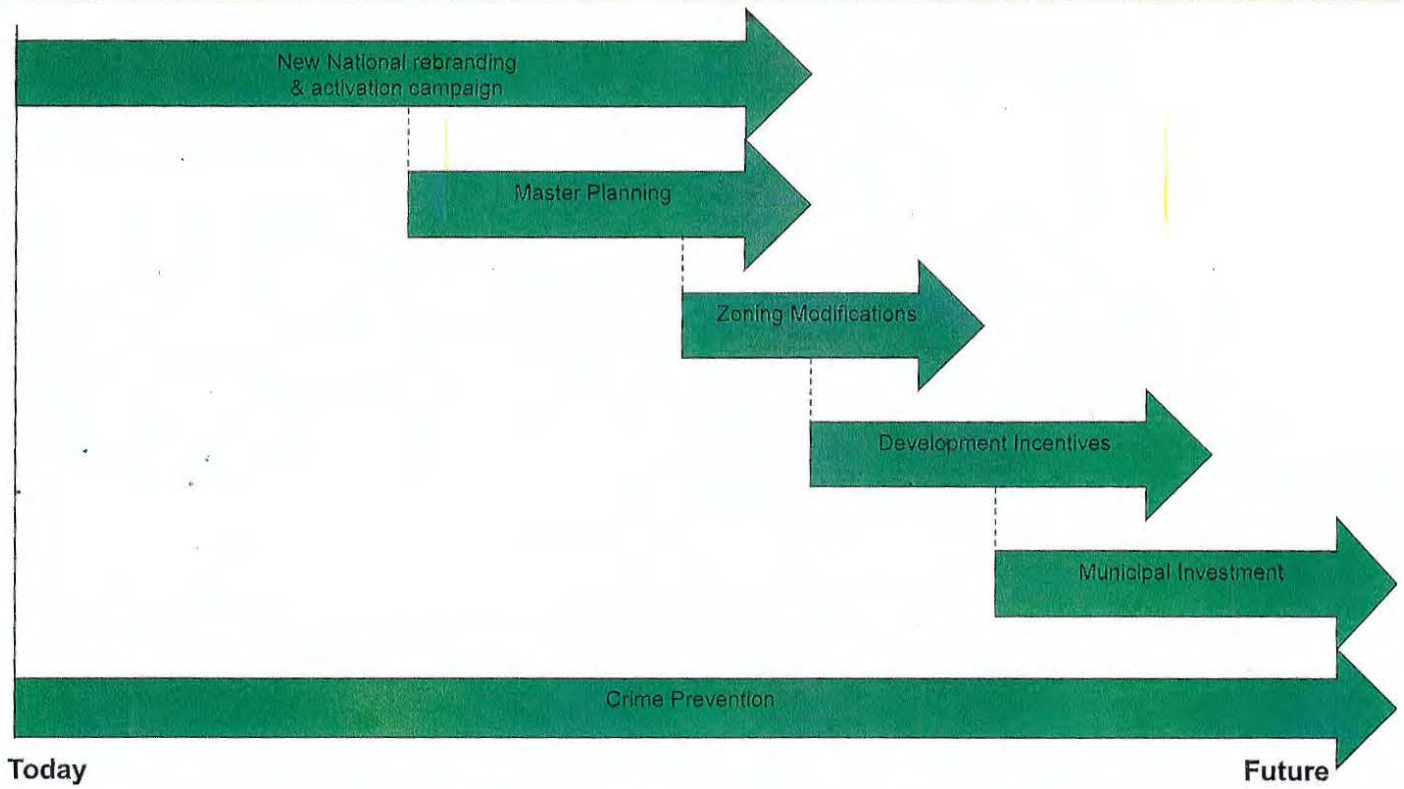
- Development of working group
- Marketing & branding campaign
- Activations
 - Co-working space
 - Planning studio
 - Co-host external non-profit organizations
 - Educational seminars
 - Urban farming
- Incubator Opportunities
 - Commercial kitchen incubator ✓
 - SBA community programs
- Leverage existing community centers
- Libraries
- Training programs
- Civic institutional uses
- Block party

film training
culinary

Theater

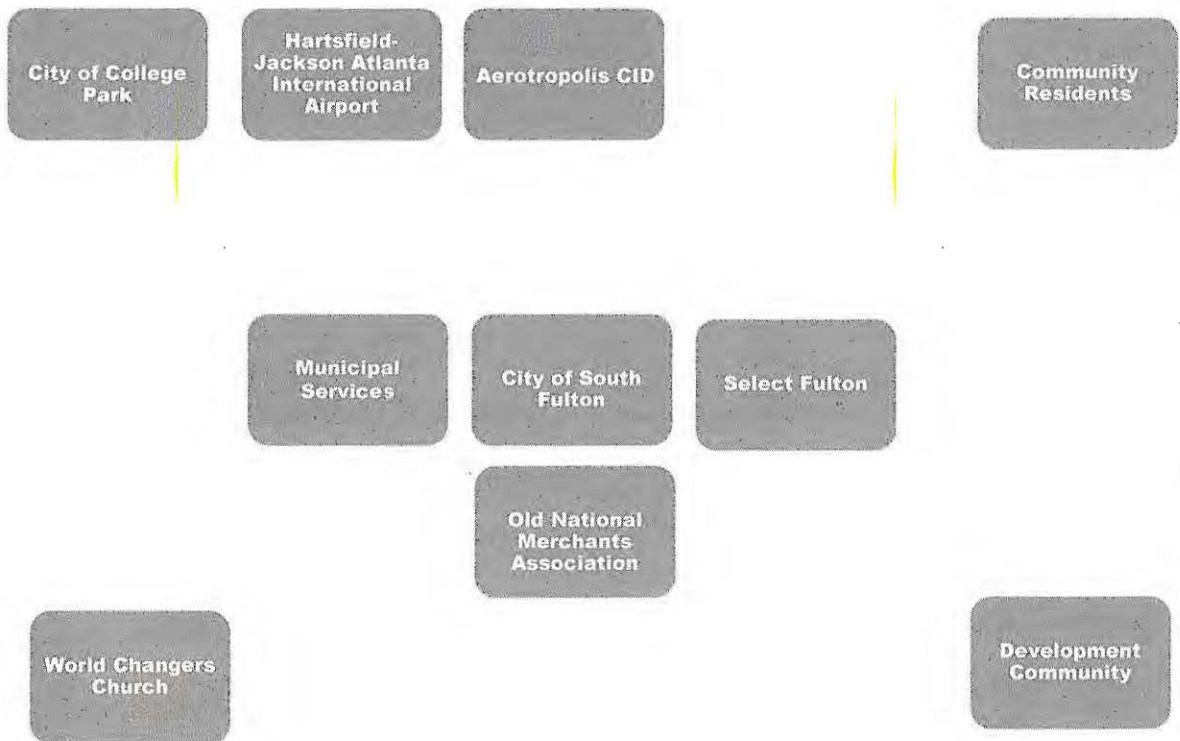


“New National” – City of South Fulton





ONHW Stakeholders





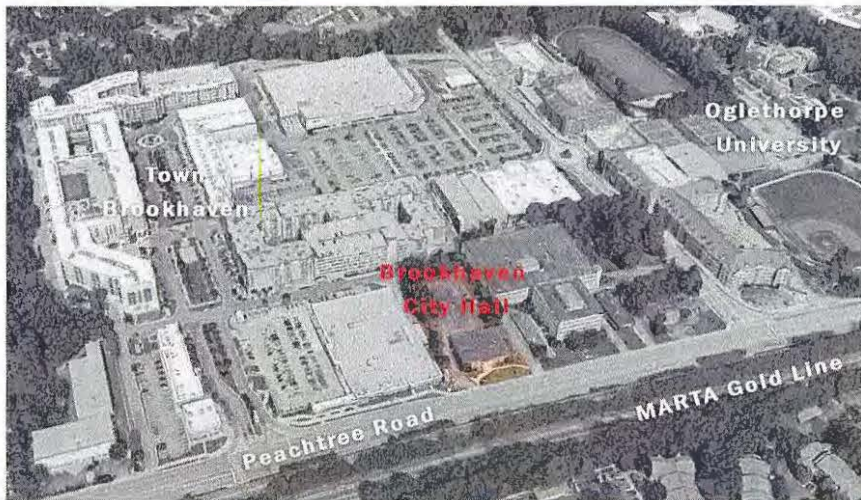
Development Timeline







City Facilities – Brookhaven Case Study



- **Brookhaven City Hall**
 - Previously occupied by Georgia State
 - Semi-permanent facilities as new township is formed
 - Located near Brookhaven Town Center – a mixed-use development





Rezoning Opportunities – Mixed Use, Transit Oriented



Mixed-Housing Opportunities

- Encourage zoning to address housing as scalable opportunity for development in well-established neighborhoods
- Scale housing as buffer from denser commercial districts along corridor
- Provides opportunity to diversify housing options

Transit-Oriented Development

- Development & density needs to sustain alternative modes of transit for future commuter/transit lines
- Improves equitable access to job centers
- Increase density/housing near future transit nodes to sustain future transit investments