Old National Highway Corridor

An ULI mini-Technical Assistance Panel
Prepared for: Select Fulton
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

- Reviewed Select Fulton's request
- Toured Old National Highway
- Summarized facts & research, met with local market experts and stakeholders
- Discussed all potential ideas and evaluated viability
- Created an actionable plan based on group consensus
Stakeholder Meetings

Barbara McKee
Community Stakeholder

Gerald McDowell
Executive Director
Aerotropolis CID

Don Winbush
President
Old National Merchants
Association

Lynee Smith
Real Estate Manager
Northfield-Jackson
Atlanta International
Airport

Bill Edwards
Mayor
City of South Fulton

Artie Jones
Director
City of College Park
Economic Development
Research

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

Real Estate Fundamentals

- Community Leaders
- Government Officials
- Stakeholders
- Market Feasibility

Real Estate Supply & Demand

- Local Investors
- Real Estate Brokers

Real Estate Professionals

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

Marketing Initiatives
ONHW Historically Middle-Class Single Family Corridor

1981 World Changers Church Opens

1995 Target Vacates

2000 Retail and Residential Starts to Decline

2002 MARTA Bus Stop Opens (Now Busiest in Atlanta)

2007 Walmart and Kroger Open

2011-2013 Old National Marketplace Opens

2015 Ronald E. McNair Middle School Opens
ONHW in Context – City Jurisdictions

LOCATION IN ATLANTA

NORTHERN SEGMENT

SOUTHERN SEGMENT
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

Old National Highway Corridor - Census Block Groups surveyed for demographic data
Demographics

Commute Time (Minutes)

Highest Level of Education (%)

Employment Sector (%)

Mode of Transportation to Work (%)

Less than High School [14.0%
High School Graduate, incl. GED [17.1%
Some College or Associate's [34.2%
Bachelor's Degree [19.1%
Master's Degree [6.6%
Professional School Degree [0.0%
Doctorate Degree [0.1%

Less than High School [14.0%
High School Graduate, incl. GED [17.1%
Some College or Associate's [34.2%
Bachelor's Degree [19.1%
Master's Degree [6.6%
Professional School Degree [0.0%
Doctorate Degree [0.1%

Management, Professional, and Related [26.6%
Service [26.6%
Sales and Office [33.3%
Construction, Extraction, and Maintenance [5.8%
Production [4.3%
Transportation and Material Moving [22.9%

Drove Alone [63.7%
Carpooled [14.7%
Public Transportation or Taxis [8.2%
Motorcycle [0%
Bicycle [0%
Motorcycle [2.2%
Commuted by Other Means [1.7%
Worked at Home [4.4%
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

Employee Residence

<table>
<thead>
<tr>
<th>County</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Fulton</td>
<td>22.0%</td>
</tr>
<tr>
<td>Coweta</td>
<td>14.8%</td>
</tr>
<tr>
<td>Fayette</td>
<td>13.8%</td>
</tr>
<tr>
<td>Henry</td>
<td>9.8%</td>
</tr>
<tr>
<td>Clayton</td>
<td>7.9%</td>
</tr>
<tr>
<td>Cobb</td>
<td>6.7%</td>
</tr>
<tr>
<td>Ncrth Fulton</td>
<td>6.0%</td>
</tr>
<tr>
<td>Dekalb</td>
<td>5.7%</td>
</tr>
<tr>
<td>Gwinnett</td>
<td>2.9%</td>
</tr>
<tr>
<td>Douglas</td>
<td>2.3%</td>
</tr>
<tr>
<td>Cherokee</td>
<td>1.0%</td>
</tr>
<tr>
<td>Remaining GA</td>
<td>6.9%</td>
</tr>
<tr>
<td>US</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Graphic Source: John Keltz/Numbers Box
**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.

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**Market Rate Feasibility - MULTIFAMILY**

<table>
<thead>
<tr>
<th>Project</th>
<th>Year</th>
<th>Units</th>
<th>Rent Type</th>
<th>Rent Effective (PSF)</th>
<th>Rent at Door (PSF)</th>
<th>Source: Axiometrics</th>
<th>Updated: May 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biscayne Apartments</td>
<td>1978</td>
<td>370</td>
<td></td>
<td>$753</td>
<td>$0.76</td>
<td>93.0%</td>
<td></td>
</tr>
<tr>
<td>Embarcadero Apartments</td>
<td>1974</td>
<td>404</td>
<td></td>
<td>$871</td>
<td>$0.76</td>
<td>93.0%</td>
<td></td>
</tr>
<tr>
<td>Evergreen Commons</td>
<td>2003</td>
<td>328</td>
<td>$960</td>
<td>$0.82</td>
<td>94.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hidden Lake (Phase II)</td>
<td>1985</td>
<td>160</td>
<td>$913</td>
<td>$0.76</td>
<td>92.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy Ridge (Phase I)</td>
<td>1986</td>
<td>160</td>
<td>$950</td>
<td>$0.76</td>
<td>92.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy Ridge</td>
<td>2005</td>
<td>244</td>
<td>$998</td>
<td>$0.91</td>
<td>96.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meadow Springs</td>
<td>2002</td>
<td>216</td>
<td>$1,001</td>
<td>$0.83</td>
<td>97.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monterrey Village</td>
<td>2006</td>
<td>202</td>
<td>$997</td>
<td>$0.89</td>
<td>98.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parc at 1575</td>
<td>1989</td>
<td>352</td>
<td>$759</td>
<td>$0.82</td>
<td>94.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shadow Ridge</td>
<td>2000</td>
<td>294</td>
<td>$859</td>
<td>$0.80</td>
<td>93.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shannon Lake</td>
<td>1980</td>
<td>204</td>
<td>$950</td>
<td>$0.72</td>
<td>93.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Hampton Apartments</td>
<td>1974</td>
<td>344</td>
<td>$549</td>
<td>$0.64</td>
<td>82.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Villas by the Lake</td>
<td>2003</td>
<td>256</td>
<td>$821</td>
<td>$0.74</td>
<td>99.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total/Weighted Averages</strong></td>
<td>3,624</td>
<td></td>
<td>$2,522</td>
<td>$0.91</td>
<td>93.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Market Rate Feasibility – SINGLE FAMILY

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 McKay 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 the 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.
Opportunities
Financing Mechanisms

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

**CURRENT ZONING**
- Agricultural (AG-1)
- C-1 & C-2
- Mixed Use
- Office/Institutional (O-I)
- Community Unit Plan (CUP)
- Townhouse Residential (TR)
- Med. Density Apartment (A)
- Light Industrial (M-1)

**CHALLENGES**
- Agricultural (AG-1)
  - Low Density, incompatible with corridor overlay
- Mixed Use
  - Density bonus but doesn't require retail/commercial
- Office/Institutional (O-I)
  - Office parks do not engage corridor with active use
- Light Industrial (M-1)
  - Does not engage corridor with active use
Future Potential Zoning

Map Legend

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
- Outreach channels with limited budget:
  - Schools, churches,
  - Grassroots Focus
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
“New National” – City of South Fulton

Today

Crime Prevention

Future

New National rebranding & activation campaign

Master Planning

Zoning Modifications

Development Incentives

Municipal Investment
ONHW Stakeholders

- City of College Park
- Hartsfield-Jackson Atlanta International Airport
- Aerotropolis CID
- Community Residents
- Municipal Services
- City of South Fulton
- Select Fulton
- Old National Merchants Association
- World Changers Church
- Development Community

Urban Land Institute Atlanta
Serving Change, Advocacy, and Future Planning
Development Timeline

Immediate Opportunity (2017-2018)
- Re-Branding

Near Term Opportunity (2019-2022)
- Zoning Changes Enacted

Mid Term Opportunity (2023-2027)
- Re-Development of existing vacant spaces and single-family

Future Opportunity (2028+)
- New Development

Futures (15+ Years):
Prosperous Neighborhood
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
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