



## **\$1.1 BILLION MIXED-USE DEVELOPMENT WILL BE A ...MIDTOWN MONSTER**

*Two Powerful Developers Plan 12<sup>th</sup> & Midtown*

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by Jill Lerner and Lisa Schoolcraft

Two powerful developers plan to build a \$1.1 billion, 2.5 million-square-foot mixed-use development spanning three city blocks at the intersection of Peachtree and 12th streets -- the most dramatic step yet toward the realization of a "Midtown Mile."

Dubbed "12th & Midtown," the project will feature more than 1.2 million square feet of class A office space, more than 500 hotel rooms, more than 600 residences and, notably, what is being planned as Atlanta's first flagship shopping destination; featuring up to 150,000 square feet of multi-level retail space, complete with 35-foot-high storefronts and graphic displays, akin to those found in Chicago, Miami and New York.

The project is being developed by joint-venture partners Daniel Corp. and Selig Enterprises Inc., along with basketball legend Earvin "Magic" Johnson's real estate investment firm, Canyon-Johnson Urban Fund L.P., an equity partner. (The trio also paired up for Plaza Midtown, a \$100 million mixed-use development at 950 West Peachtree.)

Atlanta-based architecture firm Rule Joy Trammell + Rubio is designing the project.

With control of the three city blocks at the corner of Peachtree and 12th streets, the venture becomes the single-largest contributor to the Midtown Mile, an initiative of Midtown Alliance and the city of Atlanta to create an outdoor shopping destination.

"As the single-largest landowner on the Midtown Mile, we really set the style," said Steve Baile, vice president in charge of Birmingham, Ala.-based Daniel's Atlanta office.

"We will do the development this city needs and we know the Midtown Alliance wants."

Scott Selig, vice president of Atlanta-based Selig Enterprises, said their vision is based on Chicago's Magnificent Mile and New York City's Madison Avenue, which members of the joint-venture team visited when crafting their plans for 12th & Midtown.

Officials say the project's retail -- which will consist of multi-level flagship stores on Peachtree Street and smaller, eclectic retailers and restaurants on Juniper, 12th and Crescent streets -- will be the amenity that drives the rest of the development.



"Our goal is to bring to Atlanta a true shopping destination," said Selig, whose company developed Brookwood Place on Peachtree Street and The District at Howell Mill, and whose portfolio includes more than 10 million feet of real estate throughout the Southeast.

Selig's Shirley Gouffon was instrumental in defining the project's retail vision.

Daniel Corp.'s Baile assembled the land over the past three years from the Michael C. Carlos and Andrew Carlos estates.

He said the project, whose first phase, 1010 Midtown, was announced in August, was intended to be a three-block development from the start.

"That's one of the reasons we've been quiet until now. We wanted to make sure it was going to happen."

Construction of the first phase, 1010 Midtown, is under way.

The phase will include a 35-story building at 1080 Peachtree St. with 443 residences and up to 50,000 square feet of flagship retail and dining space. This phase will encompass the former sites of Vision nightclub and a Bank of America branch. The first homes will be available in fall 2008.

Phase 2, at 1075 Peachtree St., is expected to begin construction in the spring. It will include a 725,000-square-foot class A office tower, up to 60,000 square feet of flagship retail space and a 400-room luxury hotel topped with 100 upscale residences.

The third component of the project, Phase 3 at 1125 Peachtree St., will include an additional 500,000 square feet of class A office space, 40,000 square feet of flagship retail and also a boutique, five-star hotel topped with a select number of high-end residences.

Magic Johnson's involvement with Daniel Corp. and Selig began when Chris Brown, chief financial officer for Daniel Corp., met some of Johnson's associates at a conference. In 2002, Brown and Baile flew to California to meet with Johnson's team.

Whereas Johnson's firm provided mezzanine financing for Plaza Midtown, Canyon-Johnson Urban Fund will be a full equity partner in 12th & Midtown.

Despite the involvement of Johnson -- also known for his successful chain of movie theaters -- the project will not include a cinema, officials said.



**DANIEL**  
CORPORATION

Baile said 12th & Midtown's size will be an advantage in attracting top hotel companies.

"This is a district, this is not a single development ... that's how the guys are looking at it. They're not buying into a single site, they're buying into a project."