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## New York's Chelsea Market Developer Bets on Creating Atlanta's New Destination

Developers Stake \$3.5 Billion on Repurposed Buildings to Lure Tech Companies



Jamestown, the firm that turned a centrally located former Nabisco factory in New York City into a mixed-use project it sold to Google for [more than \\$2 billion](#), might have similar plans in [Atlanta](#). But unlike in New York, the new challenge is creating a \$3.5 billion location that feels central.

The development company bought several buildings in a former gritty industrial part of Atlanta once known as the Chattahoochee Industrial market that is being rebranded as the Upper Westside.

Developers across the country are revitalizing overlooked areas in large cities and buying former industrial buildings and transforming them into mixed-use areas attractive to millennials. Jamestown, which is based in Atlanta, is known for developing and owning high-profile projects such as Google's Chelsea Market and [One Times Square](#), both in Manhattan. In Atlanta, the company transformed a former hulking Sears warehouse into [Ponce City Market](#), a thriving mixed-use project.

Jamestown's development joins the largest project underway in the Upper Westside, [The Works](#), an 80-acre redevelopment from Selig Enterprises near the [Midtown Atlanta Topgolf](#) location. Selig's master plan for the multiphase development calls for 350,000 square feet of retail and entertainment space, 500,000 square feet of office, 500 residences and 200 hotel rooms.

Unlike Chelsea Market in Manhattan, The Works is farther from key areas thanks to the larger footprint of Atlanta. Both Jamestown and Selig are betting that developing an entire section of town will create a central destination in Atlanta. The stakes are high: the project has \$2.5 billion in development under way, in addition to another \$1 billion expected to start within a year, resulting in the \$3.5 billion price tag.

"All you have to do is glance at Atlanta's skyline to see that institutional players have fully bought into the Upper Westside as one of the city's most attractive markets for redevelopment, with over a dozen cranes currently erected in the area," Selig Senior Vice President Malloy Peterson said in an email.

Of course, older cities across the country are refurbishing legacy buildings and creating new destinations, particularly in the East. In Baltimore, a \$5.5 billion development known as Port Covington, where athletic clothing maker Under Armour has moved its headquarters, is creating a newly active part of town with offices, residents as well as retail and entertainment areas.

But the Atlanta project is more than 6 miles from the center of downtown, a trip that can take 45 minutes in heavy traffic. While a brewery and food hall are expected to open early next year, Selig isn't relying on those to draw customers from the region.

He expects to follow close behind those openings with the completion of office leases with two technology companies, said Peterson, but declined to identify the companies because leases are being negotiated.

### Building a Neighborhood

Creative and technology companies are starting to consider migrating over to the Upper Westside because "they need to attract and retain the best talent, and those people want to work in authentic older buildings surrounded by restaurants and retail," said Peterson.

The Upper Westside had been devoid of a major grocery store for years, until a Publix grocery store opened in late 2017 in the Edens' Moores Mill mixed-use development.

Selig has landed several retail tenants for the 27-acre first phase of The Works, including a 16,000-square-foot food hall from the same group that created [Gansevoort Market](#) next to Chelsea Market and Scofflaw Brewing Co. of Atlanta, which will [open the new brewery and tap room](#) at The Works. Selig expects Scofflaw to open in early 2020 and the food hall to follow shortly after.

The two former warehouses Jamestown recently bought in the Upper Westside are about a half mile away from the developer's Ponce City Market, a former 2 million-square-foot Sears warehouse that is now home to a food hall like the one at Chelsea Market, as well as apartments and a hotel.

Given the close locations, Jamestown could create a sizable land assemblage by acquiring adjacent sites. Jamestown declined to comment on the plans for the properties but said in an email that it would "have more to share in the coming weeks."

An affiliate of Jamestown [paid a combined price of \\$14.75 million](#) for the the one-story retail buildings at 1483 [Chattahoochee Ave.](#) and 1357 [Collier Road](#), according to Fulton County records obtained by CoStar. The seller was SWH Wyatt, a partnership between Wyatt Capital, headed by Atlanta broker and investor Harold Wyatt, McKittrick Simmons' Sweetwater Holdings and Jim Irwin's New City.

Jamestown acquired a third property as it continues to assemble properties in Atlanta's Upper Westside. The firm paid \$10.2 million for the 61-year-old industrial building at 1435 Hills Place, less than 400 yards from the building it bought at 1357 Collier Road, according to CoStar data.

The sellers first bought the two buildings two years ago and repositioned them to meet "the evolving demand for such product from office users, retail users, medical users, and demand for in town film production facilities," Wyatt said in an email.

When they started snapping up industrial properties around Chattahoochee Avenue in 2015, Wyatt and Simmons figured other capital sources attracted by the expected long-term demand for such product would follow, Wyatt said.

Some of their other recent deals include selling the buildings at 2282 and 2300 Defoor Hills Road in the Upper Westside to TIAA's Nuveen Global Cities REIT. [Nuveen paid \\$34.6 million for the two-building complex](#) that contains 90,820 square feet of office space in the former industrial buildings.

For Jamestown, the acquisition comes about two months after it closed on its [acquisition of The Shops Buckhead Atlanta](#), an upscale 356,000-square-foot mixed-use project in the heart of the city's Buckhead district.

### For the Record

Tom Shafer of CBRE marketed the buildings for sale for Sweetwater Holdings/Wyatt Capital.