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Hapeville prepared for a big takeoff

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Top-notch: Hapeville Mayor Alan Hallman calls the Ford plant site geographically golden.

A demolition crew is tearing down Ford Motor Co.'s Hapeville plant, the first stage of a 122-acre redevelopment that aims to fuel this southside city's growth and create a wave of new corporate offices and stores.

Jacoby Development Inc., the developer behind Midtown's Atlantic Station that's now spearheading the Ford redevelopment, has pulled together a consortium sponsored by Steven D. Bell & Co., a Greensboro, N.C.-based real estate investment and management firm, to finance the project.

The investment group includes Jacoby, the Turner Family Foundation and the D.H. Griffin Cos. Together, the group plans to spend about \$100 million to reshape the Ford plant, an economic engine for Hapeville since it opened in 1947. Jacoby Development purchased the site in June for slightly more than \$40 million, or about \$330,500 an acre, said Alan Wexler, head of real estate data firm Databank Inc.

The site is pegged to become a regional job and retail complex, with 6.5 million square feet set aside for offices, retail, a hotel and a conference center.

It will also include 4,000 parking spaces to serve nearby Hartsfield-Jackson Atlanta International Airport. That phase of the project could be completed in 18 months. The first buildings may be ready to open in about two years.

It's an ambitious project and a risky one, say commercial real estate developers and brokers.

Over the next decade the site could become the home of Fortune 500 headquarters and logistics-related companies, spurring a southside real estate renaissance to resemble what happened in Atlanta's northern half over the past 30-plus years.

That potential is linked to the airport -- so close to Hapeville its city leaders say it offers their version of "an oceanfront view." Hapeville Mayor Alan Hallman calls Jacoby's site

geographically golden and thinks it could become a booming aerotropolis, a new type of urban development with aviation-focused businesses.

"We have the airport in our back yard and the city of Atlanta at our doorstep," Hallman said.

Still, no one has ever attempted anything like it on Atlanta's southern fringe. The biggest office and retail complexes are in downtown Atlanta, just north of the city near Sandy Springs and Dunwoody, and in the northeastern suburbs near Duluth and Buford.

"The big risk you take in this type of project is the developer, one that may not have the experience to pull it off," Hallman said. "But when we learned Jacoby was interested in this, we were extremely happy."

D.H. Griffin recently started preliminary demolition and environmental cleanup at the Ford plant, but will intensify its effort over the next week and continue at full speed over the next nine to 12 months.

The environmental work will include removing asbestos and petroleum, along with a small area of unused paint that Ford buried nearby in a pit, within an older section of the plant, prior to 1970, said Scott Condra, senior vice president of development with Jacoby.

It cost about \$10 million to clean up the Atlantic Steel Mill, the site that now contains Atlantic Station, Condra said. It will probably take about half that amount to complete the job at the Ford plant.

"There's certainly environmental remediation that needs to be done, but it's not as intensive as it was at [Atlantic Station]," Condra said. "The overall thing is that we are happy to know that throughout its history Ford did an excellent job of protecting this site."

At its peak, the Ford plant employed several thousand workers and cranked out some of America's best-known cars, including the T-Bird. The plant, along with the airport, spurred residential development in Hapeville during the later half of the 20th century.

But, over the years, the airport's expansion took available land away from Hapeville, limiting its population growth.

Meanwhile, given an incentive by cheap gas prices, relatively inexpensive land costs and a fear of inner-city crime, people moved from cities into the northern suburbs, a trend that hit Hapeville hard.

At its height, Hapeville had about 10,000 residents. It now has about 6,200 residents, according to the Census Bureau. It once had several grocery stores. It now has none.

In recent years, as people have gravitated back toward Atlanta, Hapeville has started to grow again.

Oxford Properties LLC, an affiliate of real estate developer John Williams, has launched a \$37 million project in Hapeville -- the city's first new apartments in three decades.

Hapeville will eventually need to consider millions in bonds for water and sewer lines, road improvements, sidewalks and other infrastructure to support Jacoby's project.

When the plant closed, Hapeville lost up to \$2 million annually in commercial taxes and other revenue, forcing the city to cut services.

But, over the long term, Hallman said, Jacoby's project could generate commercial taxes that match or surpass that of the Ford plant.

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