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Real Estate Notes

SunTrust deal could lead to Commerce Club move

Atlanta Business Chronicle - December 1, 2006 by [Jill Lerner](#)

Large office tenants such as SunTrust Banks Inc. aren't the only businesses being courted by downtown real estate developers.

The Commerce Club and One Ninety One Club also are being cultivated by both Allen Plaza and One Ninety One Peachtree Tower.

The Commerce Club occupies 25,000 square feet at 34 Broad St. in a building owned by Georgia State University. The One Ninety One Club occupies about 20,000 square feet at the One Ninety One building.

Barry Real Estate Companies Inc., which is hoping to build a third, 40-plus story office tower at its Allen Plaza, and Cousins Properties Inc. (NYSE: CUZ), owners of One Ninety One Peachtree Tower, are both in talks with the two clubs.

The developers also are courting SunTrust (NYSE: STI), which is said to be scouting for 500,000 square feet of office space downtown following the bank's recent sale of its 25 Park Place office tower, to Georgia State University.

Each of the clubs has ties to prominent real estate industry and downtown business figures, including from Cousins and SunTrust.

Officers of the Commerce Club include Phil Humann, chairman of SunTrust and of the Commerce Club, as well as Larry Gellerstedt, president of Cousins' office/multifamily division.

Cousins CEO Tom Bell also is on the Commerce Club's board and he has been asked to serve on the One Ninety One Club board.

The Commerce Club and One Ninety One Club, both of which have seen their membership numbers decline in recent years, discussed the possibility of merging in spring 2005.

Although officials from each of the clubs say they are not pursuing a real estate move, there is recent precedent for relocations.

In September, a third prominent social club, the Buckhead Club, announced it will move from the Atlanta Financial Center to the under-construction 3344 Peachtree Road, a 50-story mixed-use tower rising in Buckhead.

The Buckhead Club and One Ninety One Club are owned by the same parent company, Dallas-based ClubCorp Inc.

In October, ClubCorp agreed to be purchased by private equity firm KSL Capital Partners LLC, which has said it will invest \$150 million in upgrading and expanding the ClubCorp brand.

Broker Rick Lackey of City Commercial Real Estate, who represented the Buckhead Club in its move, is said to be representing the One Ninety One Club in its talks with Barry Real Estate, and also representing the club's parent company in a proposed social club at Atlantic Station.

Lackey declined to comment.

If SunTrust takes space in either Barry Real Estate's proposed 50 Allen Plaza, or Cousins' One Ninety One Peachtree building, the Commerce Club would be a natural complement.

Barry Real Estate officials believe their building would be a particularly appropriate home for the club given the fact that former Mayor Ivan Allen Jr., after whom Allen Plaza is named, was the club's first president.

Commerce Club General Manager Caroline Hubbard said the club, which has about 1,100 members, is not actively pursuing a new home but would consider opportunities that came along.

The club suffers from tight parking at its current location.

Ed O'Neal, manager of the One Ninety One Club, said his club hopes to stay in the One Ninety One building and said his company "couldn't be happier" with Cousins' recent purchase of the tower.

'Towering' ambition

Regent Partners LLC has acquired the last remaining undeveloped parcel of land adjacent to the Tower Place complex, with plans to build a mixed-use development.

The 4.54-acre parcel includes both land and air rights, and is zoned for 1.5 million square feet of development. It was purchased from TRC Two Capital City Plaza LLC for an undisclosed price.

The parcel, which is currently used as extra parking space for Capital City Plaza, will be accessed by an extension of Tower Place Drive.

"We are particularly excited by the prominence this piece of property has from Georgia 400, and believe it will make an excellent corporate headquarters for an organization seeking a marquee building," said David Allman, chairman of Regent Partners.

Regent Partners is in the planning stages for the property and has not determined a timeline for development. However, Allman said his company envisions a mixed-use purpose, possibly with hotel, office and a residential component.

The 26-acre Tower Place is Regent Partners' signature project. The most recent addition to Tower Place is the under-construction 3344 Peachtree Road, a 50-story vertical mixed-use tower.

DeKalb dissent. The DeKalb Chamber of Commerce is raising concerns about proposed impact fees being considered by the county CEO and Board of Commissioners.

The chamber defines an "impact fee" as a one-time assessment charged for the effect of a particular development on nearby infrastructure or public facilities.

In a Nov. 21 letter to DeKalb County CEO Vernon Jones and the Board of Commissioners, officials of the chamber said they had "serious concerns" about the potential impact the proposed fees would have on the economic growth of DeKalb.

The letter was signed by chamber officers David Purcell of Georgia Power Co.; Betty Willis of Emory University; and Leonardo McClarty, president and CEO of the DeKalb Chamber of Commerce.

Grubb grabs

Grubb & Ellis Co. (NYSE: GBE) has added several senior executives to its expanding Atlanta operation.

New hires include William Lampley, James Pitts, Sam Zelony and Barry Snell.

Lampley joins as president of the Eastern region for transactions services, a newly created position that expands Grubb & Ellis' brokerage management team as the company focuses on significantly growing its presence nationally.

Previously, Lampley was with Kellogg Partners, an Atlanta-based real estate consulting firm he founded in April 2005 after 11 years with Jones Lang LaSalle Inc.'s corporate solutions team.

Pitts, who also came from Kellogg Partners, joins as senior vice president in the Atlanta office.

Zelony joins as senior vice president in charge of Grubb & Ellis' third-party agency leasing in the Atlanta marketplace.

Most recently, Zelony was director of leasing for Trizec Properties Inc., where he marketed and leased One Alliance Center, Two Alliance Center, Palisades and Interstate North Office Park, among others.

Snell has been named regional managing director of the Southeastern region for the project management services group. He will lead Grubb & Ellis' construction management services in Southeastern markets.

Previously he worked for Skanska USA Building Inc.

Buckhead Village builder

The Buckhead Community Improvement District has hired Silverman Construction Program Management for its Buckhead Village streetscape project.

Silverman Construction works primarily with nonprofit and community organizations to help them plan capital construction programs.

The Buckhead Village project will focus on pedestrian improvements, including new sidewalks, trees and streetlights, including a plaza gathering space. Construction is scheduled to begin in the spring.

With the Buckhead Village project, Silverman Construction is now working in the same capacity for all three community improvement districts in the city of Atlanta. The firm has worked with the Midtown Alliance on its streetscape projects and with the Atlanta Downtown Improvement District on its new wayfinding signage system.

Ackerman acquisition

Ackerman & Co. has purchased the three-building Highlands Overlook complex in Smyrna from Invesco for \$16.75 million, or a little more than \$68 per square foot.

The 246,100-square-foot flex warehouse complex is between the East-West Connector and South Cobb Drive in the Cumberland submarket and is about 87 percent leased.

Developed in 1985, the property includes a 152,000-square-foot building, with The Atlanta Journal-Constitution's newspaper distribution operation as a major tenant.

Tom Shafer and Brad Smith of Resource Real Estate Partners LLC brokered the sale.

Ackerman has named Frank Farrell and Gwen Wegman, both with Ackerman, to lease the 31,000 square feet of available space.

The property is the second Cumberland submarket purchase for Ackerman in the past two years. In 2005, the real estate firm paid \$14.9 million for Phase 1 of Powers Pointe at 5665 New Northside Drive.

If you have news for Real Estate Notes, contact Jill Lerner at (404) 249-1073; fax, (404) 249-1058; or at jlerner@bizjournals.com.

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