

# **Old National Highway Corridor**

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



## ULI Atlanta

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### 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

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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

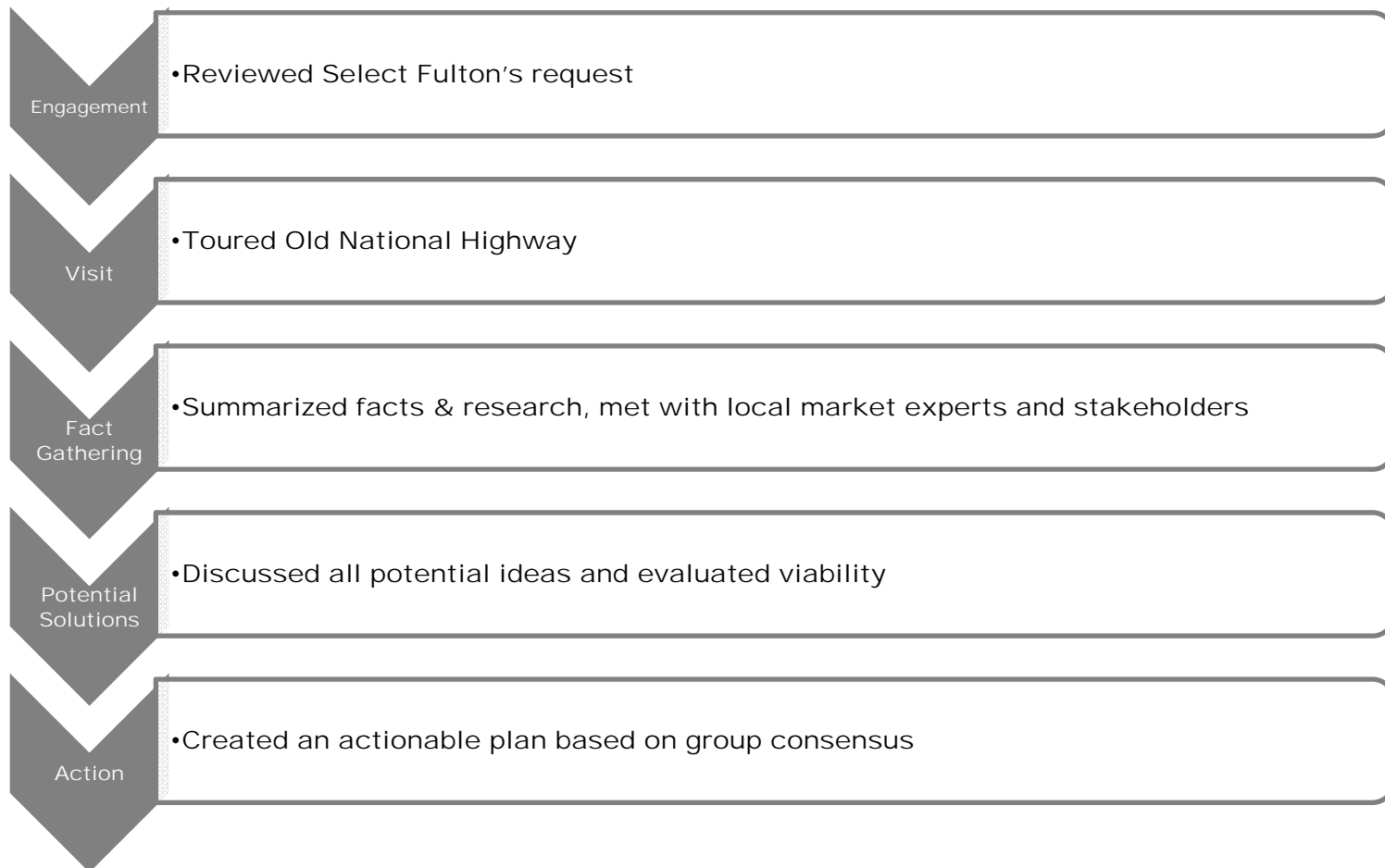
Aaron Bean (King & Spalding) – Paralegal

Ellen Ray (Nelson/Nygaard) – Urban Planner

Tyler Blazer (Cooper Carry) – Architect



# Process





# Stakeholder Meetings

Barbara McKee  
Community  
Stakeholder

Gerald  
McDowell  
Executive Director  
Aerotropolis CID

Don Winbush  
President  
Old National Merchants  
Association

Lynn Smith  
Real Estate Manager  
Hartsfield-Jackson  
Atlanta International  
Airport

Bill Edwards  
Mayor  
City of South Fulton

Artie Jones  
Director  
City of College Park  
Economic Development



# Research

## Real Estate Fundamentals

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

## Real Estate Supply & Demand

- Community Leaders
- Government Officials
- Stakeholders
- Market Feasibility

## Real Estate Professionals

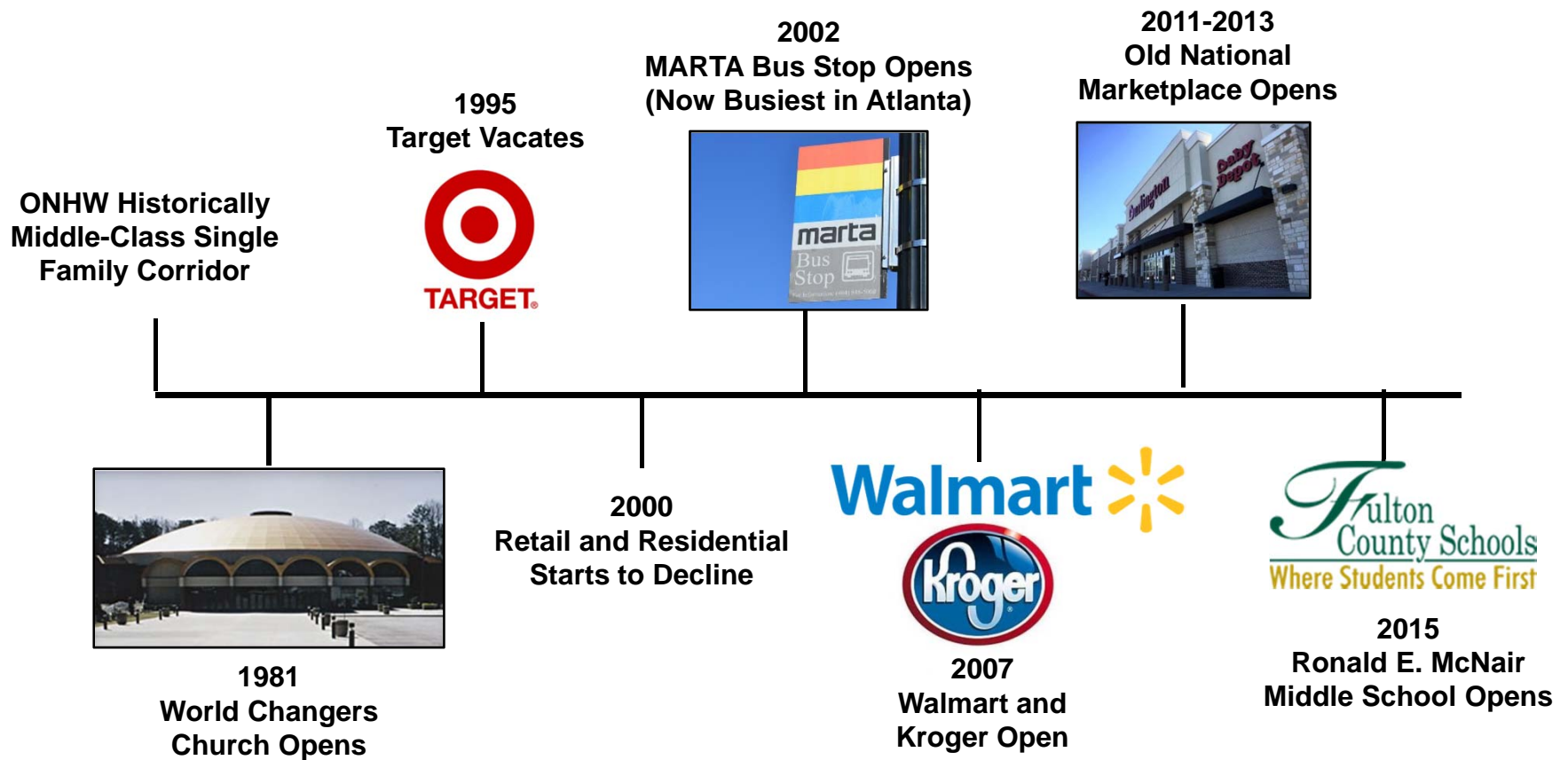
- Local Investors
- Real Estate Brokers

## Marketing Initiatives

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



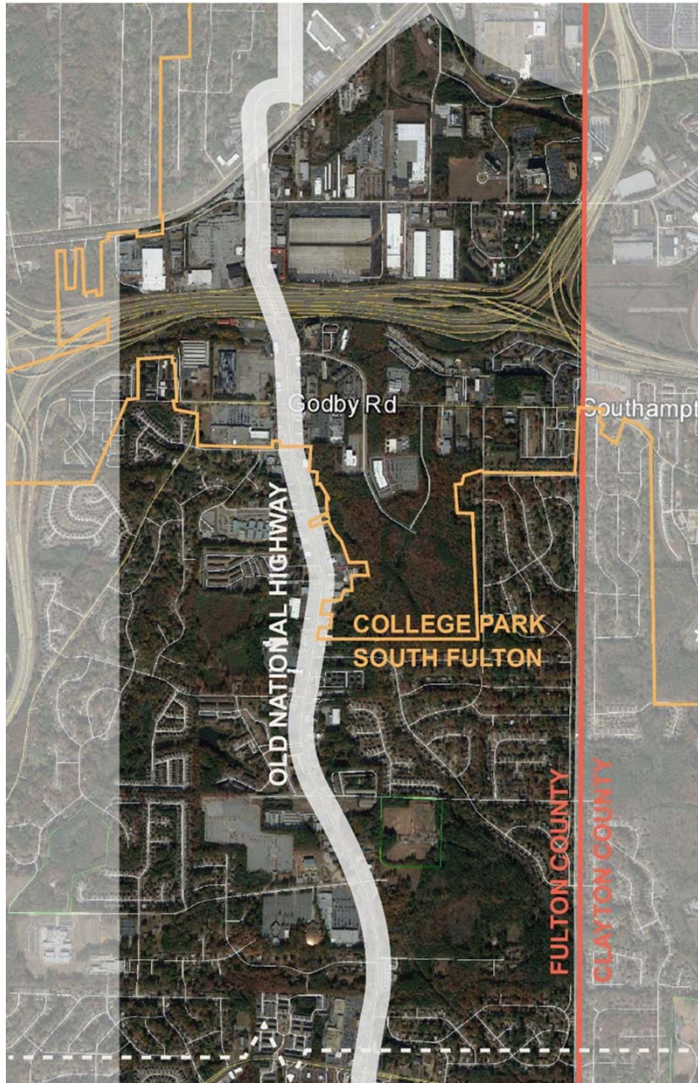
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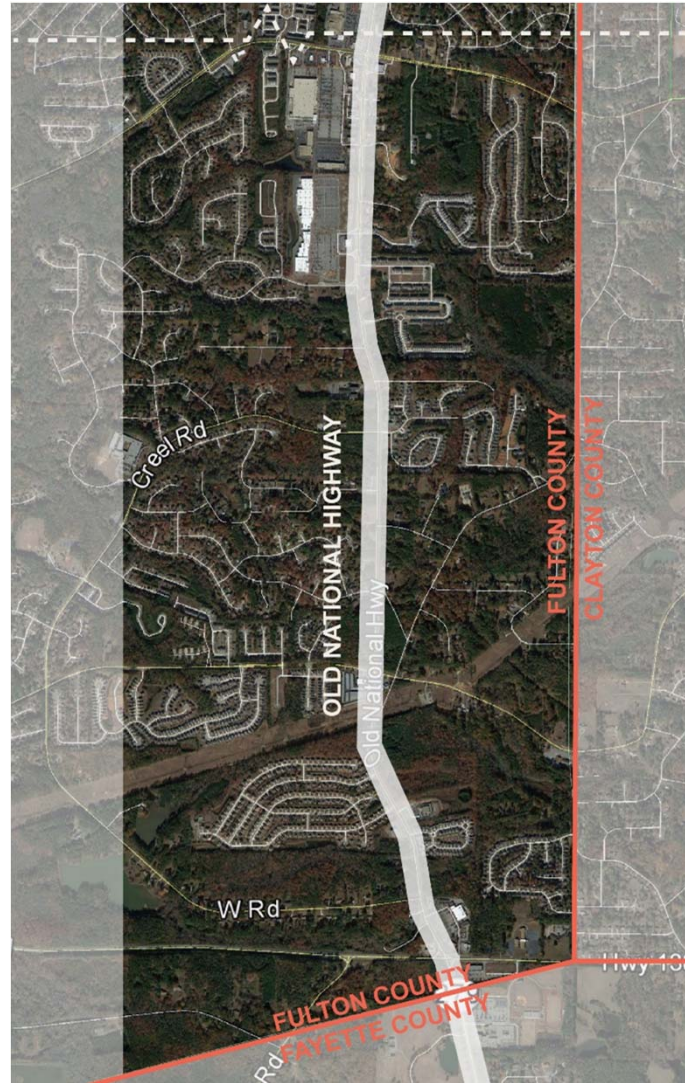




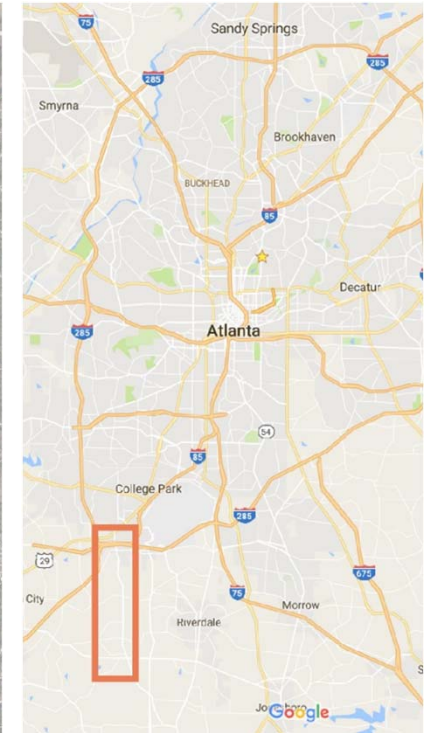
# ONHW in Context – City Jurisdictions



NORTHERN SEGMENT



SOUTHERN SEGMENT

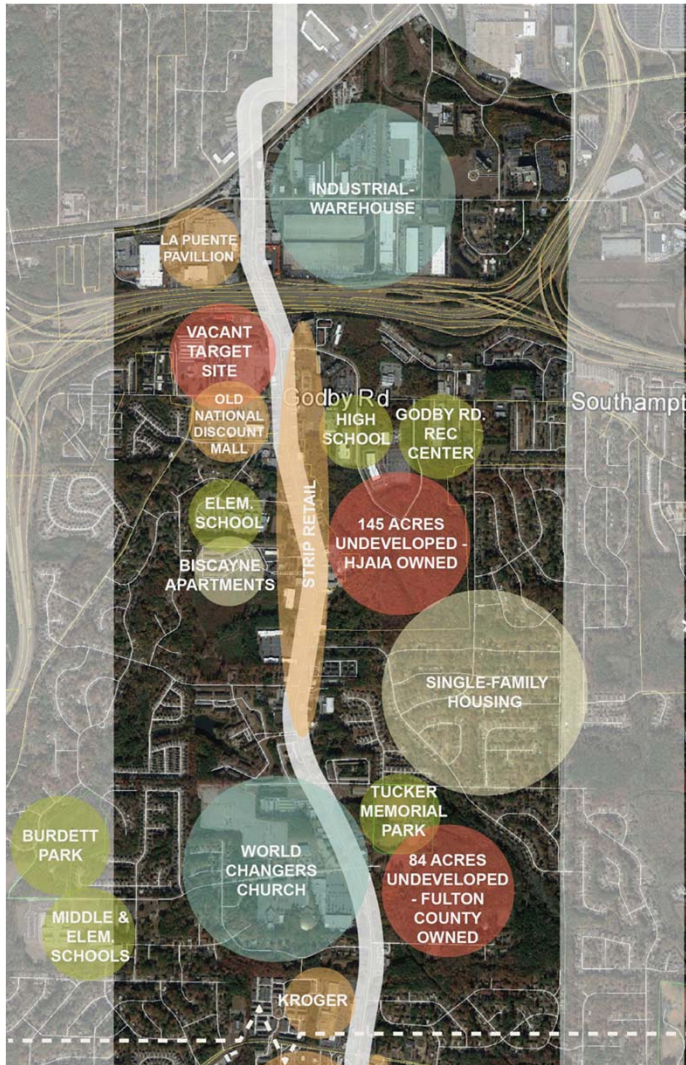


LOCATION IN ATLANTA

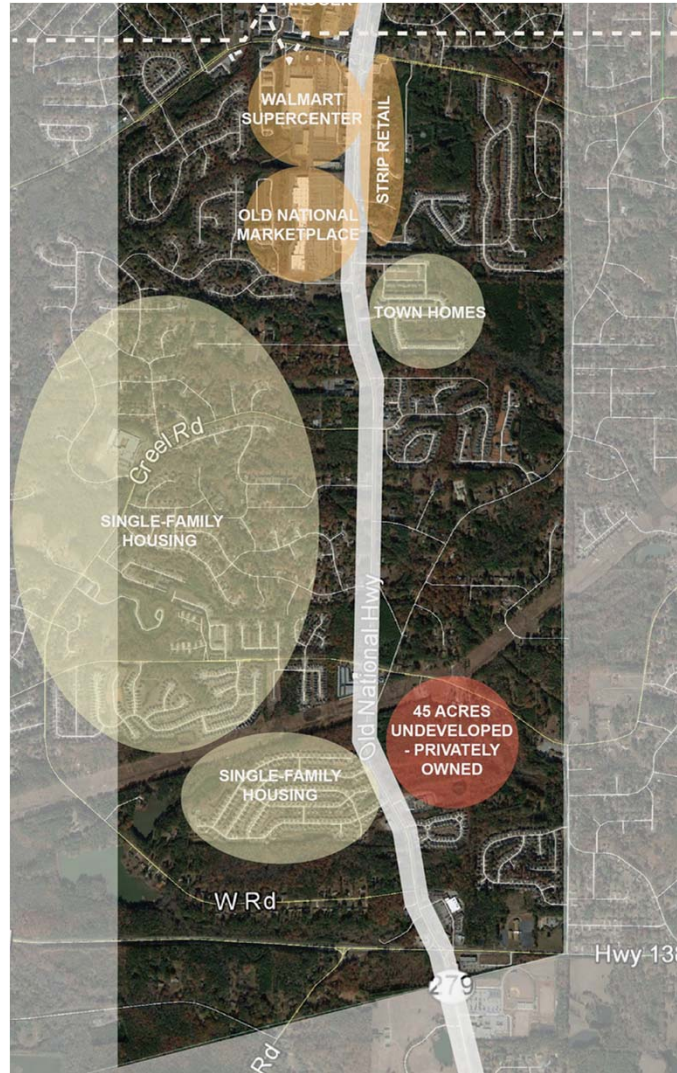




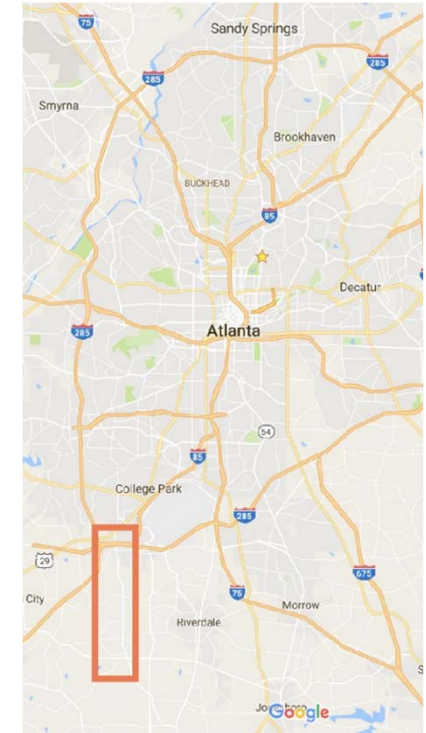
# ONHW in Context – Land Uses



NORTHERN SEGMENT



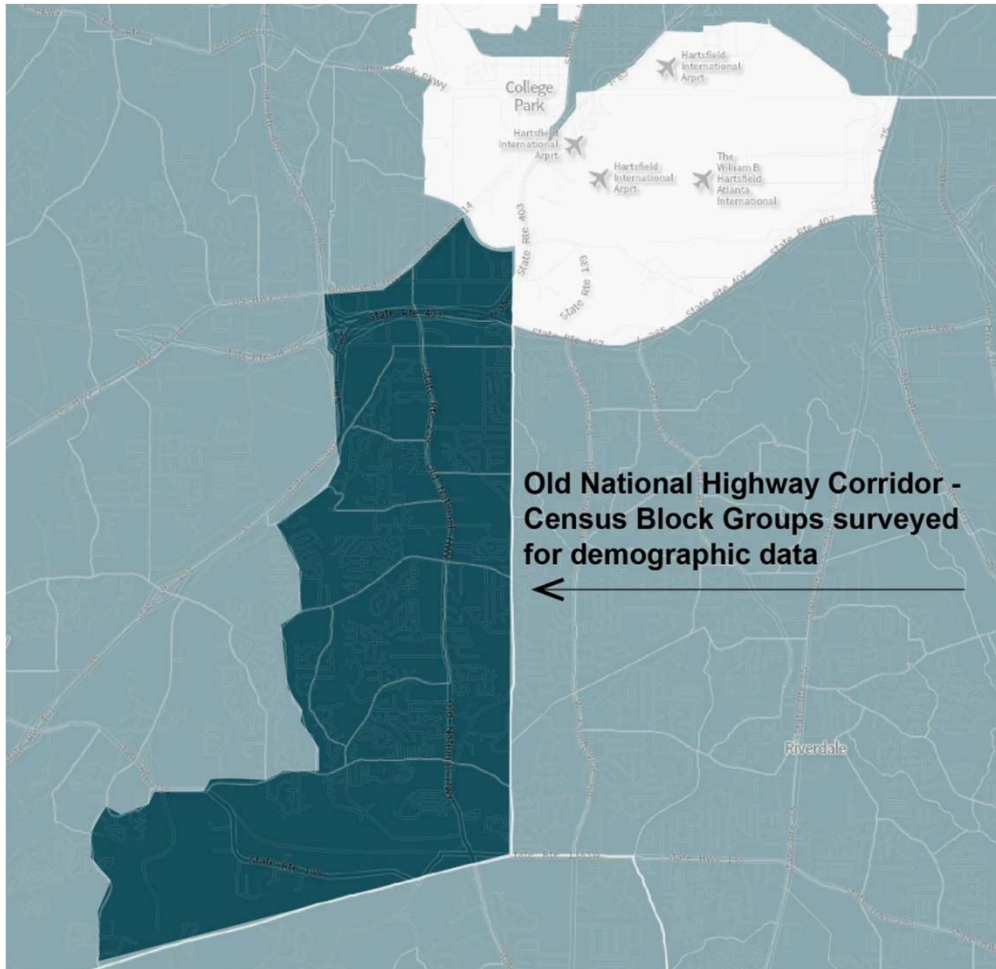
SOUTHERN SEGMENT



LOCATION IN ATLANTA



# Demographics



## OLD NATIONAL HIGHWAY CORRIDOR DEMOGRAPHICS

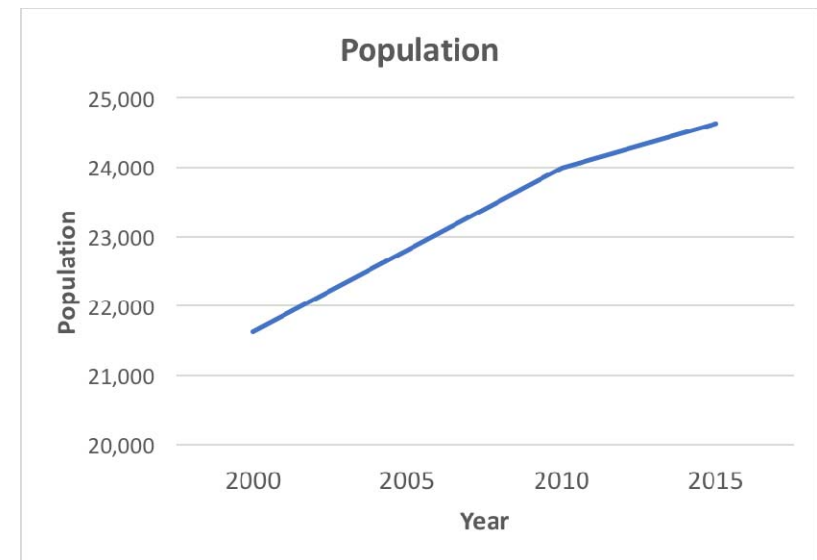
Source: American Community Survey 2015 – 5  
Year Estimates

From Census Block Groups highlighted at left

2015 Population: 24,635

Workers 16 and over: 10,069 (41%)

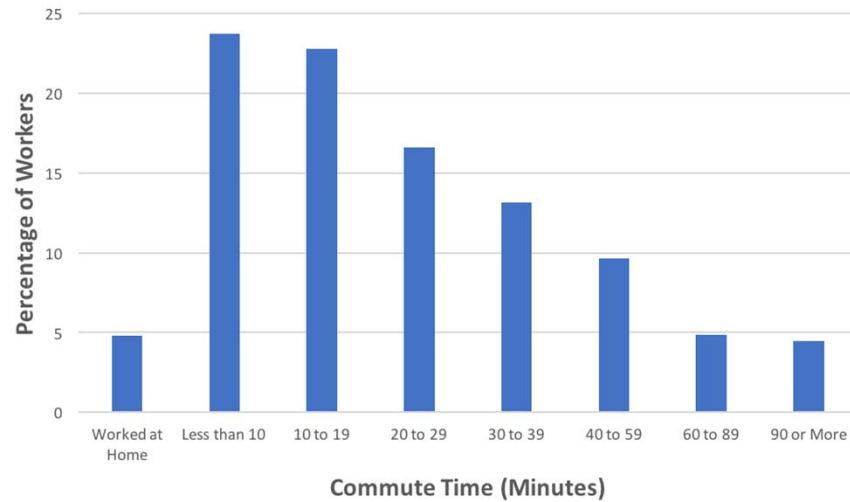
Average Household Size: 2.7



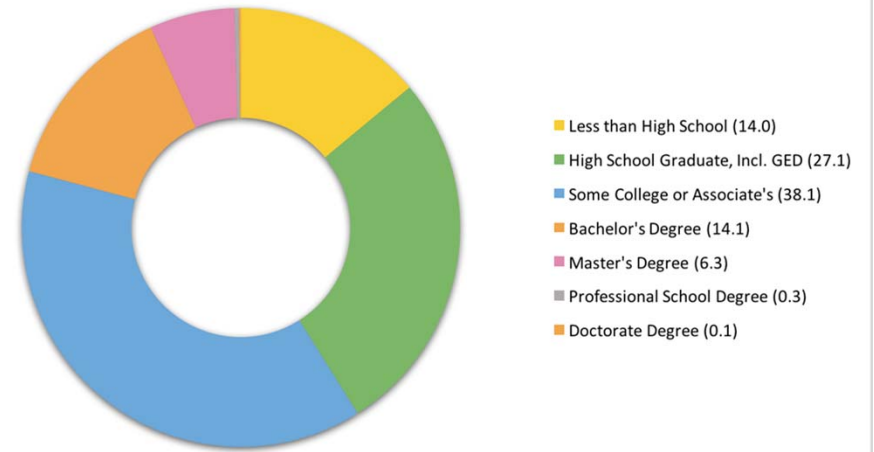




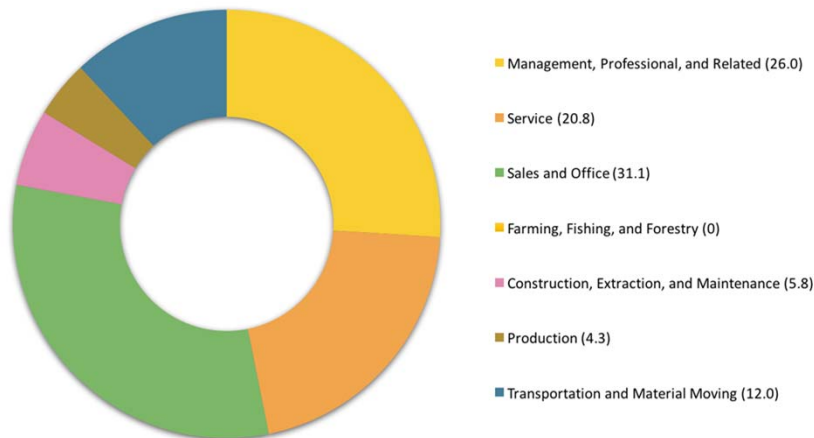
# Demographics



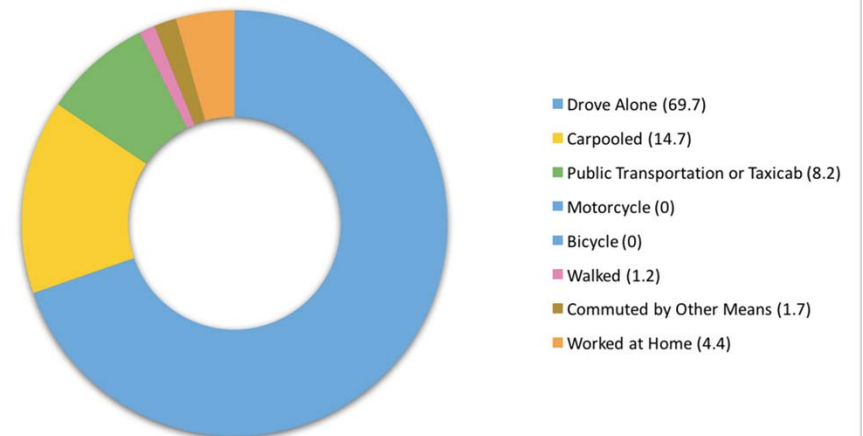
### Highest Level of Education (%)



### Employment Sector (%)

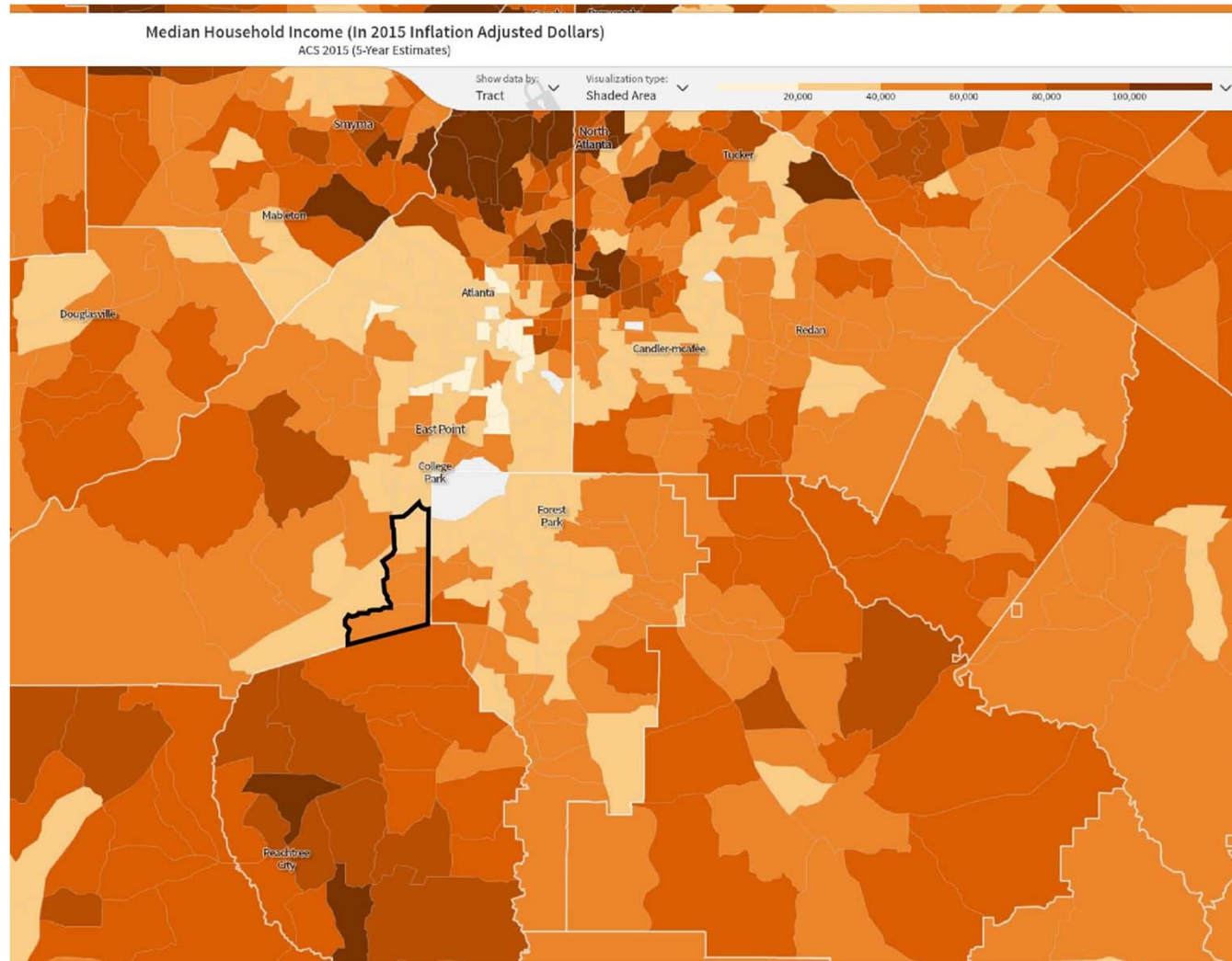


### Mode of Transportation to Work (%)





## 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

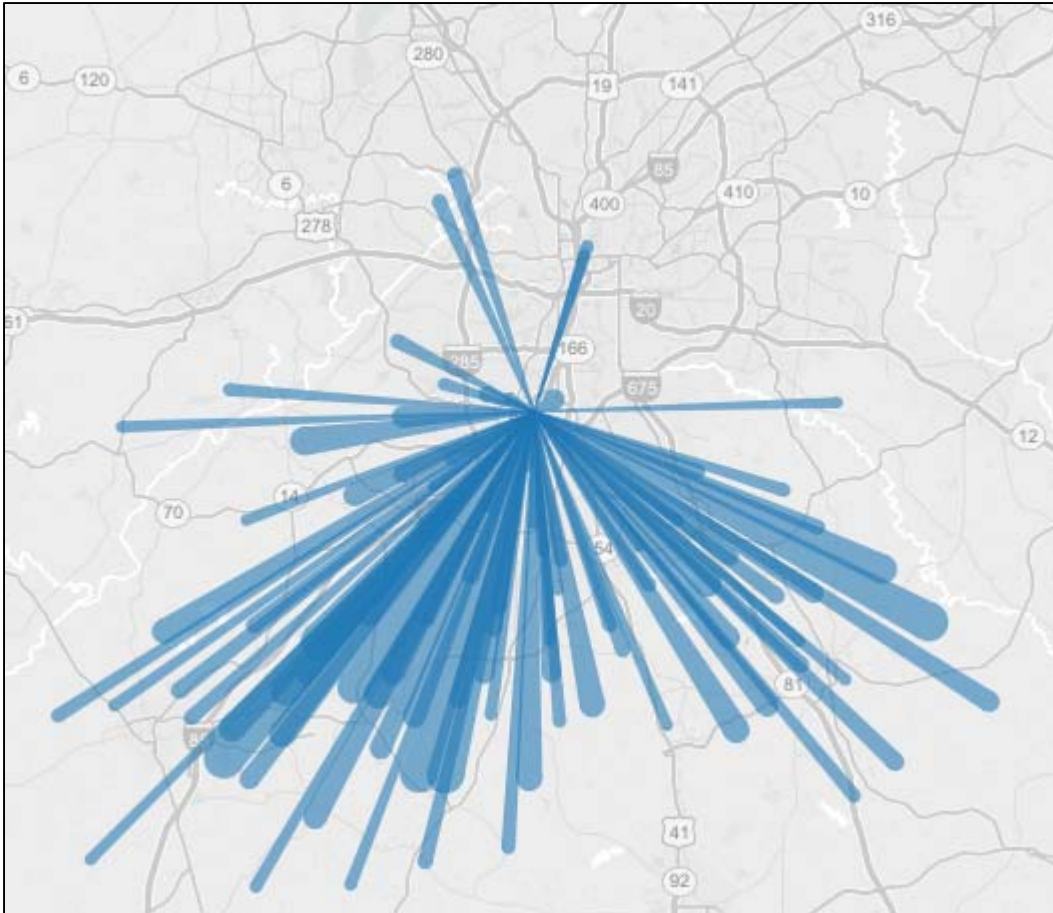
- 63,000 jobs at Hartsfield-Jackson International Airport
- Airport focused Distribution Centers (i.e. DHL)
- Job-Related Training Facilities (i.e. Boeing)
- Retail, Restaurant, and other service-based employment
- Medical Training Facilities







## Commuting Patterns - HJAIA



Data Source: US Census Bureau LEHD Origin-Destination Employment Statistics.  
Graphic Source: John Keltz/Numbers Box

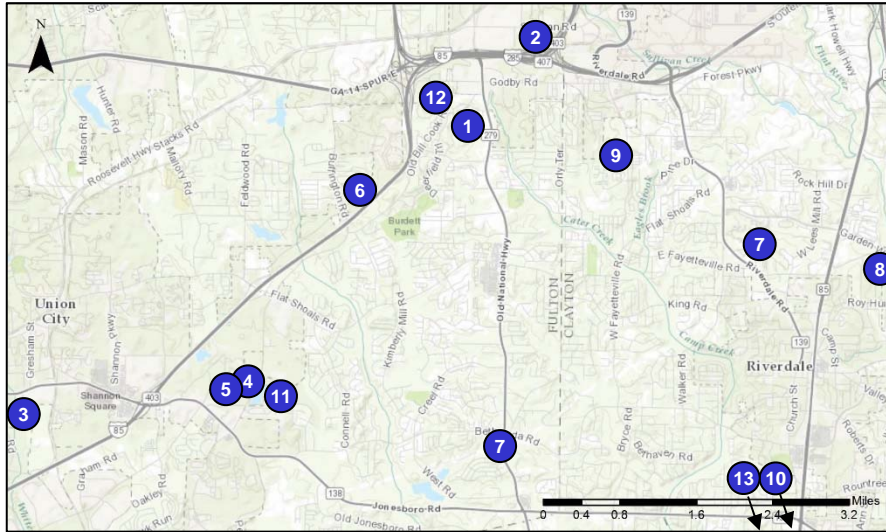
### Employee Residence

County	% Total
South Fulton	22.0%
Coweta	14.8%
Fayette	13.8%
Henry	9.8%
Clayton	7.9%
Cobb	6.7%
North Fulton	6.0%
Dekalb	5.7%
Gwinnett	2.9%
Douglas	2.3%
Cherokee	1.0%
Remaining GA	6.9%
US	0.2%
Total	100.0%





# Market Rate Feasibility – MULTIFAMILY



No.	Project	Year Built	No. of Units	Average Monthly Effective Rent	Average Monthly Rent Per Sq. Ft.	Occ. Rate
1.	Biscayne Apartments	1978	370	\$753	<b>\$0.76</b>	93.0%
2.	Embarcadero Apartments	1974	404	\$871	<b>\$1.02</b>	93.0%
3.	Evergreen Commons	2003	328	\$890	<b>\$0.82</b>	94.0%
4.	Hidden Lake (Phase I)	1985	160	\$813	<b>\$0.76</b>	92.0%
5.	Hidden Lake (Phase II)	1988	160	\$805	<b>\$0.84</b>	92.0%
6.	Legacy Ridge	2009	244	\$998	<b>\$0.91</b>	96.0%
7.	Meadow Springs	2000	216	\$901	<b>\$0.83</b>	97.0%
8.	Monterey Village	2004	202	\$997	<b>\$0.89</b>	98.0%
9.	Parc at 1875	1989	352	\$798	<b>\$0.82</b>	94.0%
10.	Shadow Ridge	2000	294	\$809	<b>\$0.80</b>	93.0%
11.	Shannon Lake	1989	294	\$698	<b>\$0.72</b>	96.0%
12.	South Hampton Apartments	1974	344	\$649	<b>\$0.64</b>	82.0%
13.	Villas by the Lake	2003	256	\$821	<b>\$0.74</b>	98.0%
<b>Totals/Weighted Averages</b>			<b>3,624</b>	<b>\$822</b>	<b>\$0.81</b>	<b>93.1%</b>

Source: Axiometrics

Updated: May 2017

## Quick Facts

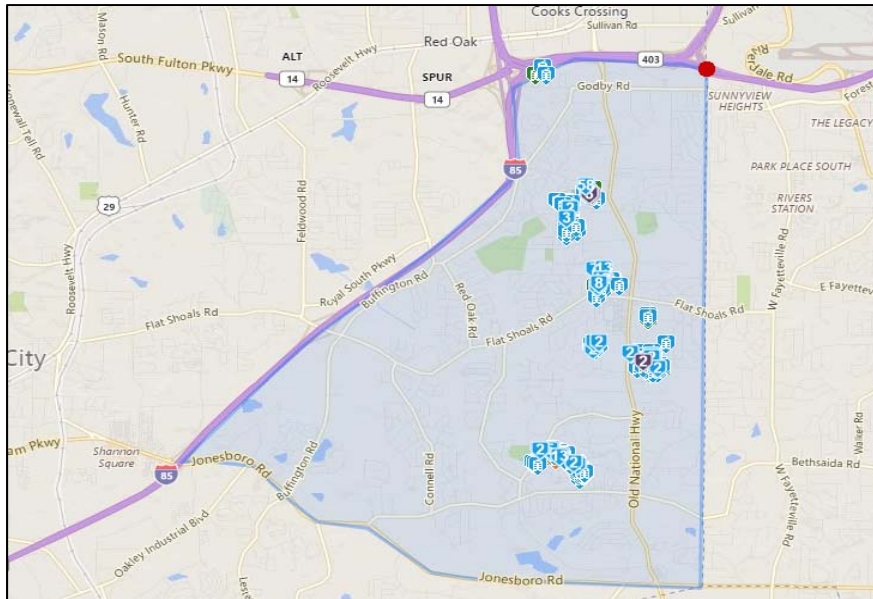
- *New construction will require rents in the \$1.10 to \$1.15 PSF range, excluding the cost of land, to justify the cost of development.*
- *Legacy Ridge, the newest apartment in the market area, was completed in 2009 and is achieving average rents of \$0.91 PSF.*
- *Contour Development Group is currently 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.*



# Market Rate Feasibility – SINGLE FAMILY



	2013		2014		2015		2016		2017 YTD	
Price Range	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price	Unit Sales	Average Sale Price
<b>Single-Family Homes</b>										
New Sales	4	\$113,533	12	\$131,606	23	\$173,841	41	\$168,140	20	\$179,292
Resales	179	\$62,236	166	\$73,279	223	\$82,689	215	\$87,494	71	\$100,912
<b>Totals/Weighted Averages</b>	<b>183</b>	<b>\$63,357</b>	<b>178</b>	<b>\$77,211</b>	<b>246</b>	<b>\$91,211</b>	<b>256</b>	<b>\$100,410</b>	<b>91</b>	<b>\$118,138</b>
<b>Townhomes</b>										
New Sales	1	\$27,000	1	\$39,000	2	\$47,250	0	—	0	—
Resales	64	\$41,391	58	\$38,620	48	\$47,186	71	\$49,252	14	\$75,046
<b>Totals/Weighted Averages</b>	<b>65</b>	<b>\$41,170</b>	<b>59</b>	<b>\$38,626</b>	<b>50</b>	<b>\$47,189</b>	<b>71</b>	<b>\$49,252</b>	<b>14</b>	<b>\$75,046</b>
Note: Sales data for 2017 are through April 29, 2017.										
Source: FMLS										

## 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 retails 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 McKoy 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 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.*

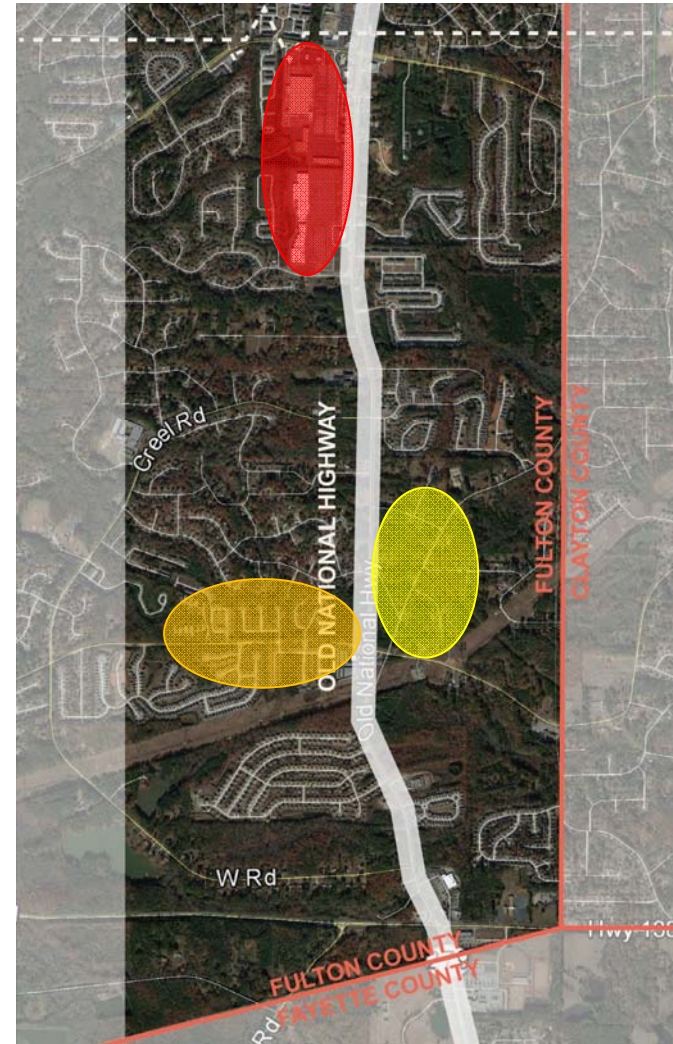
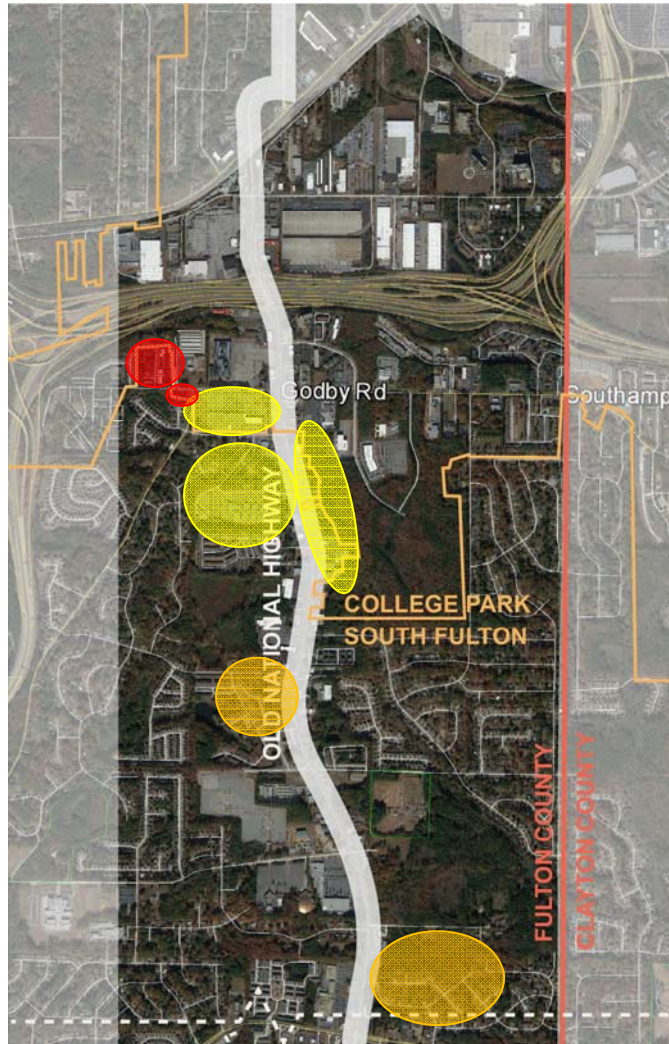
## Outlook

- *The area remains highly desirable for e-commerce and other distribution uses.*





# Crime Map



Source: Trulia & APD





# Opportunities



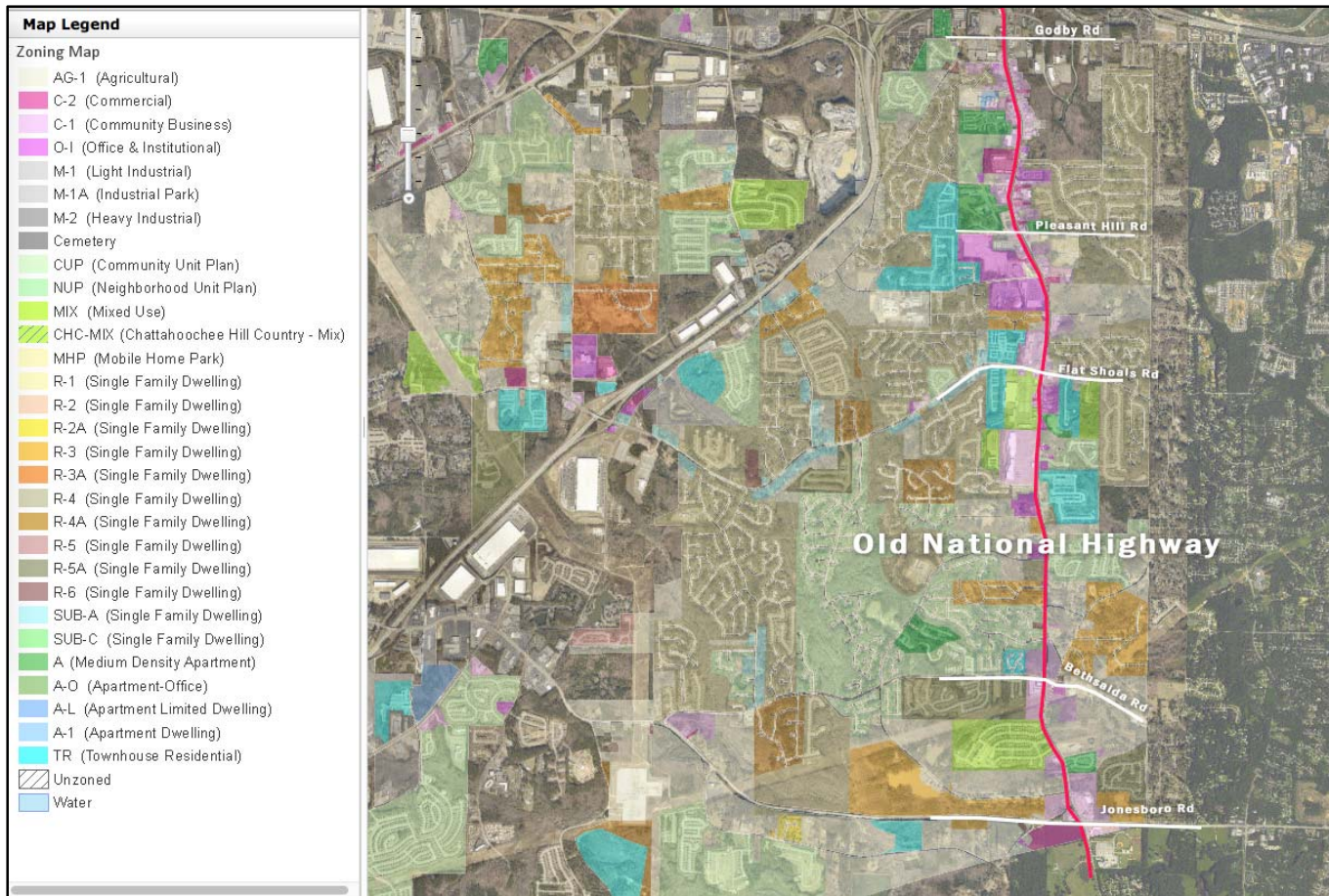
# Financing Mechanisms

- 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)

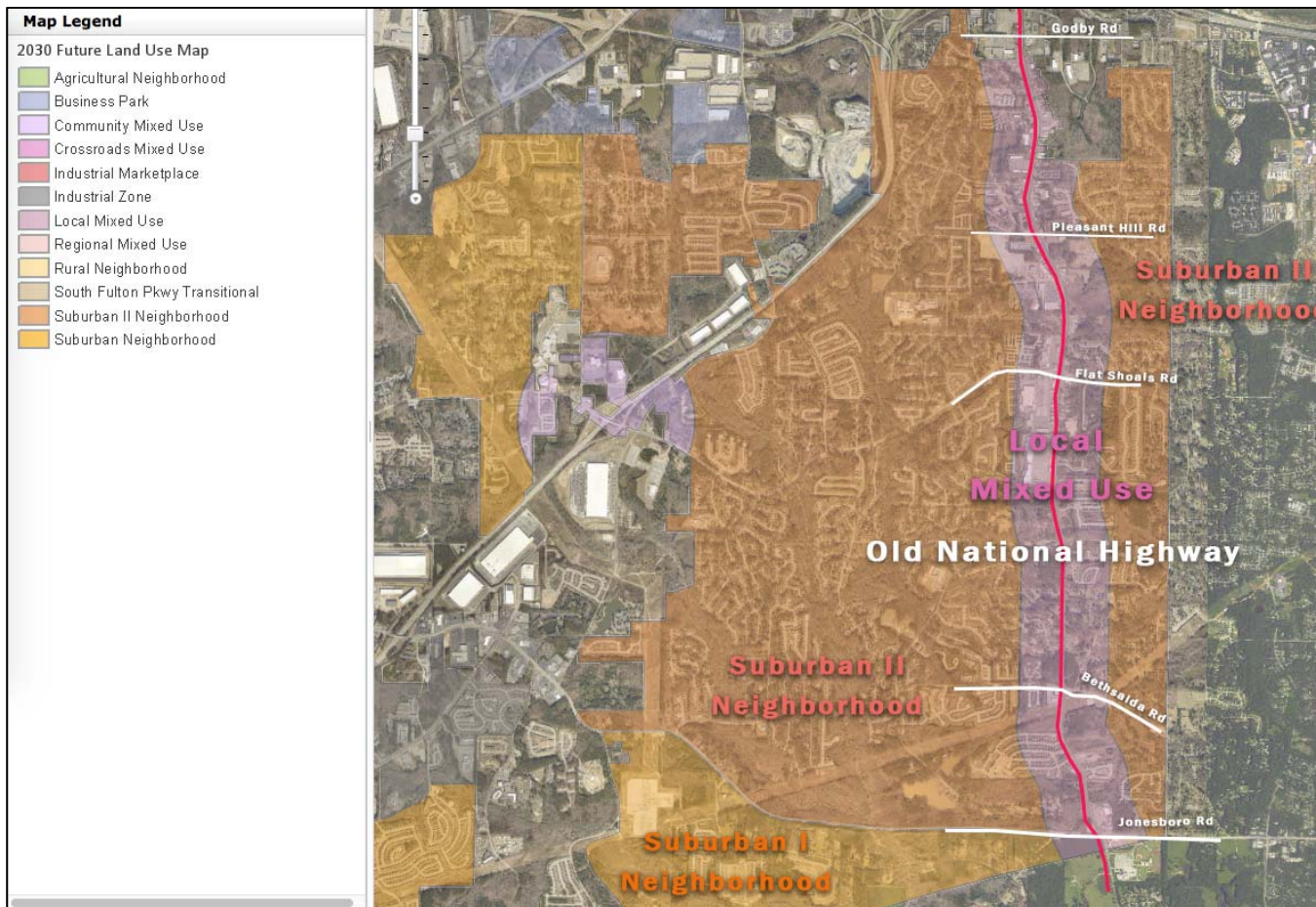
## CHALLENGES

- 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



## 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
- Out reach channels with limited budget:
  - Schools, churches,
  - Grassroots Focus





# Yo Boulevard!







# NEW NATIONAL



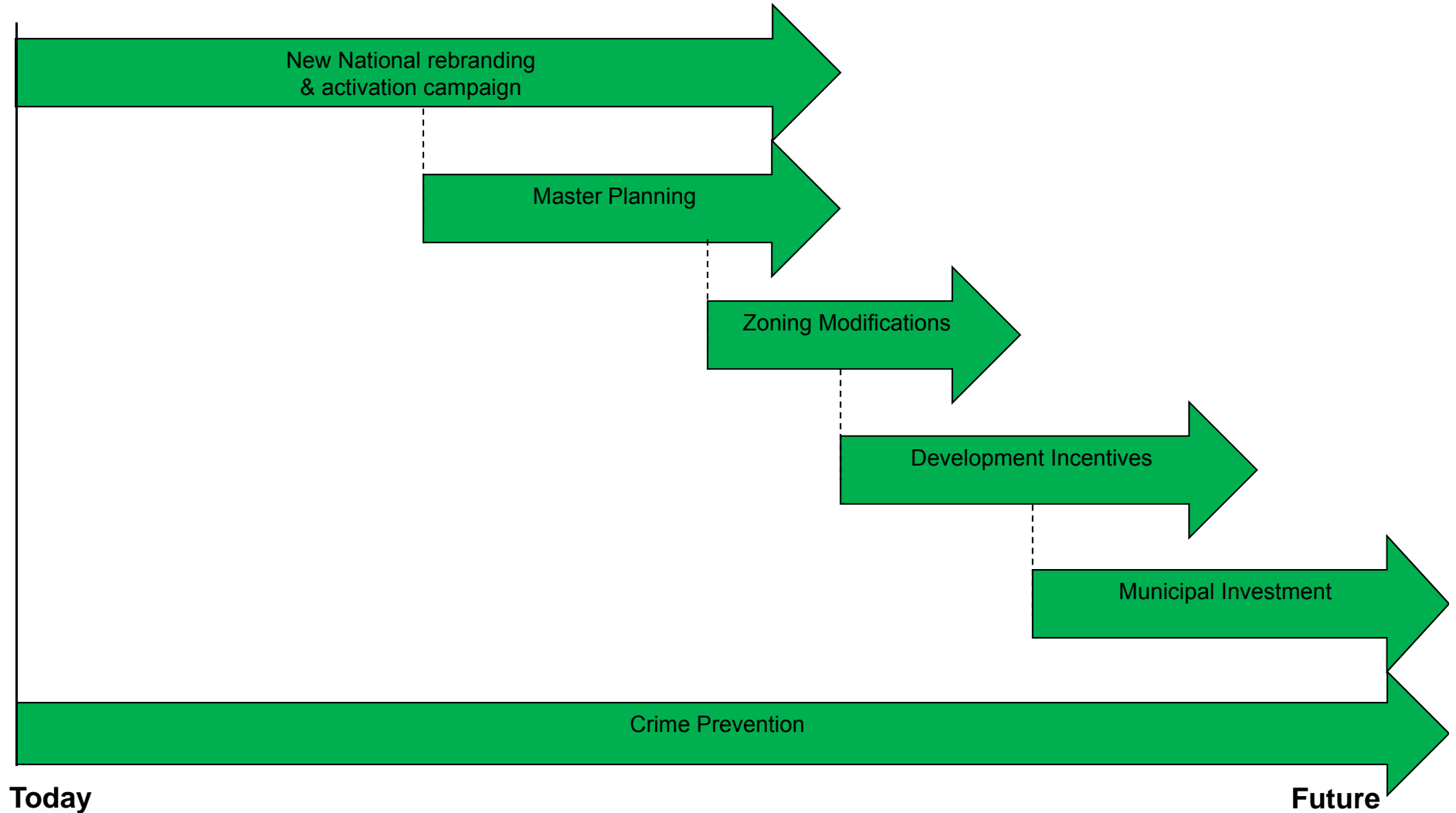
# Near Term Recommendations for New National

## 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





# ONHW Stakeholders

City of College  
Park

Hartsfield-  
Jackson Atlanta  
International  
Airport

Aerotropolis CID

Community  
Residents

Municipal  
Services

City of South  
Fulton

Select Fulton

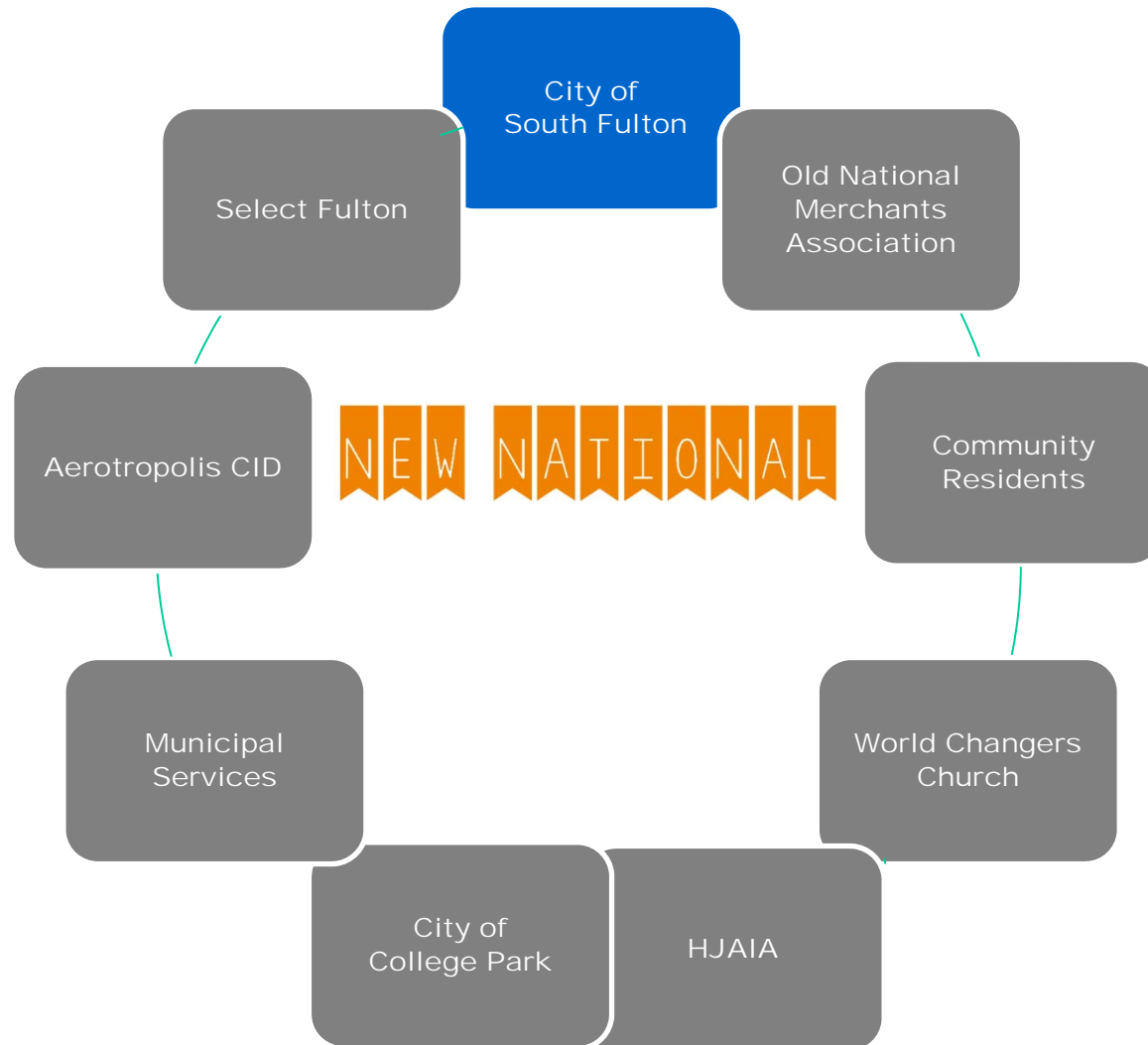
Old National  
Merchants  
Association

World Changers  
Church

Development  
Community

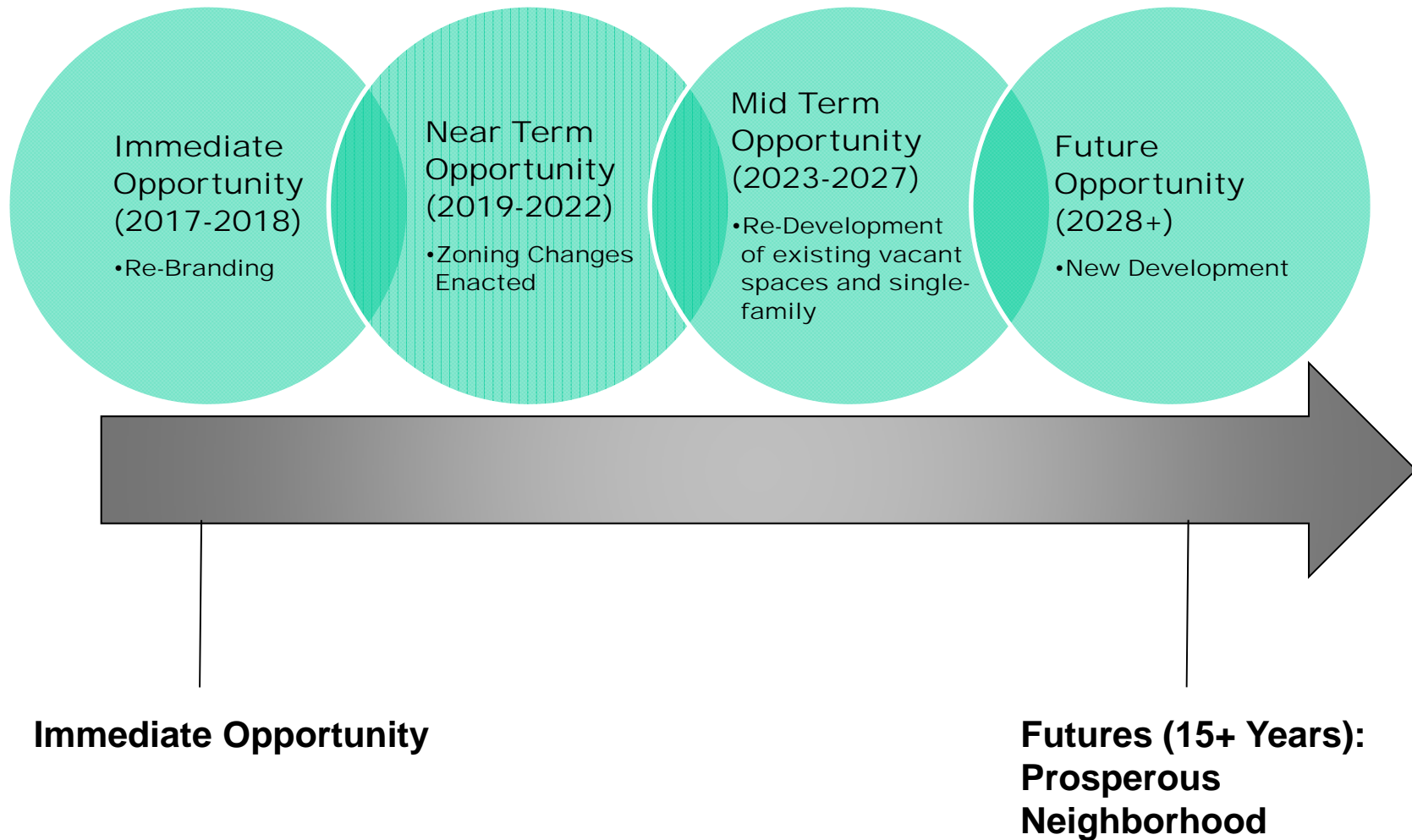


# New National Core Group

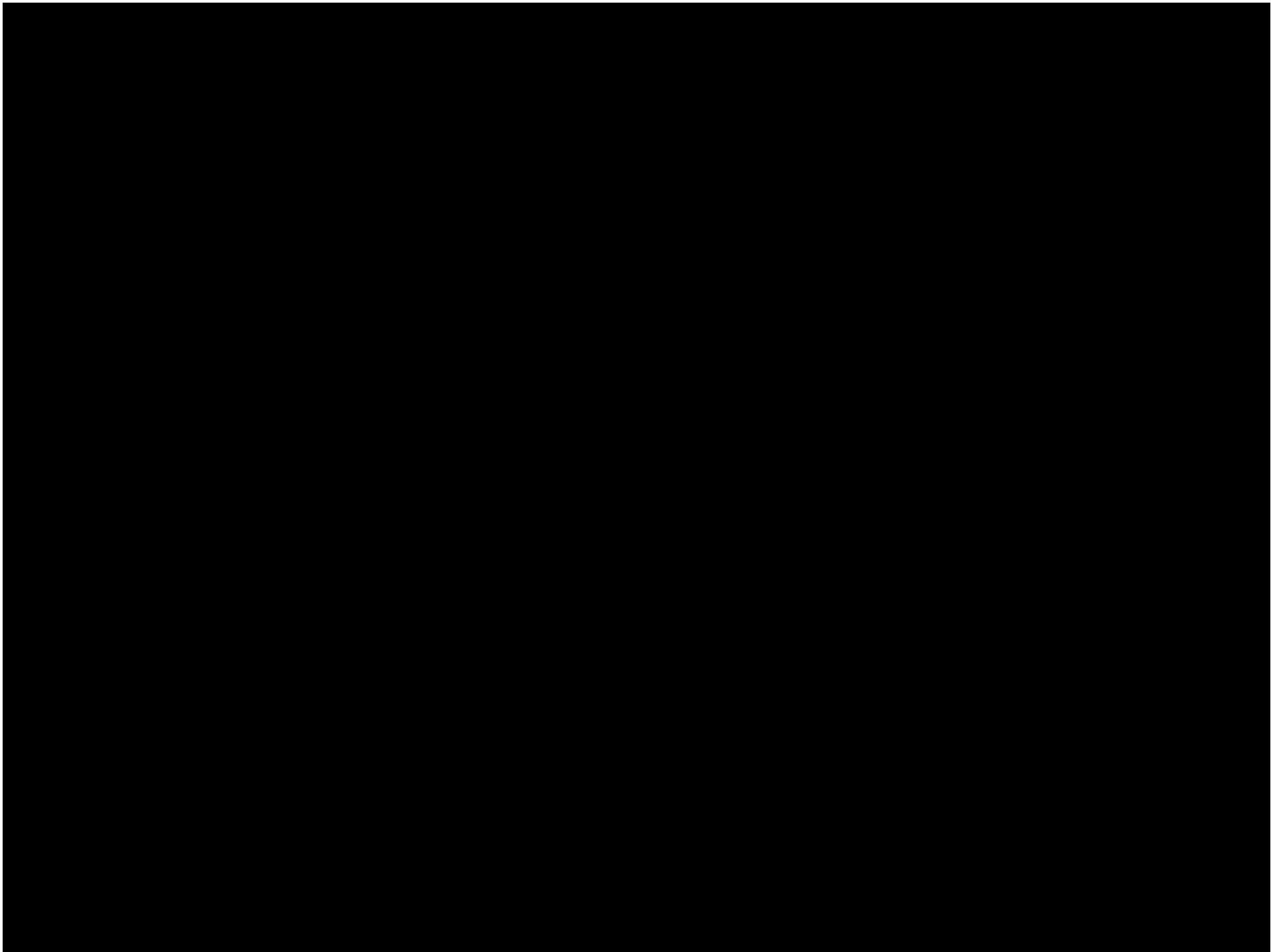




# Development Timeline









## City Facilities – Brookhaven Case Study



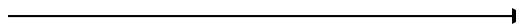
- **Brookhaven City Hall**
  - Previously occupied by Georgia State
  - Semi-permanent facilities as new township is formed
  - Located near Brookhaven Town Center – a mixed-use development





# One Hundred Oaks – Vanderbilt Health (Nashville, TN)

From



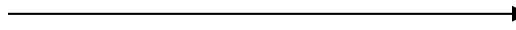
To





# Retrofitting Strip Malls – Denton County Public Library (TX)

From



To







# Movement Charter School (Charlotte, NC)

From



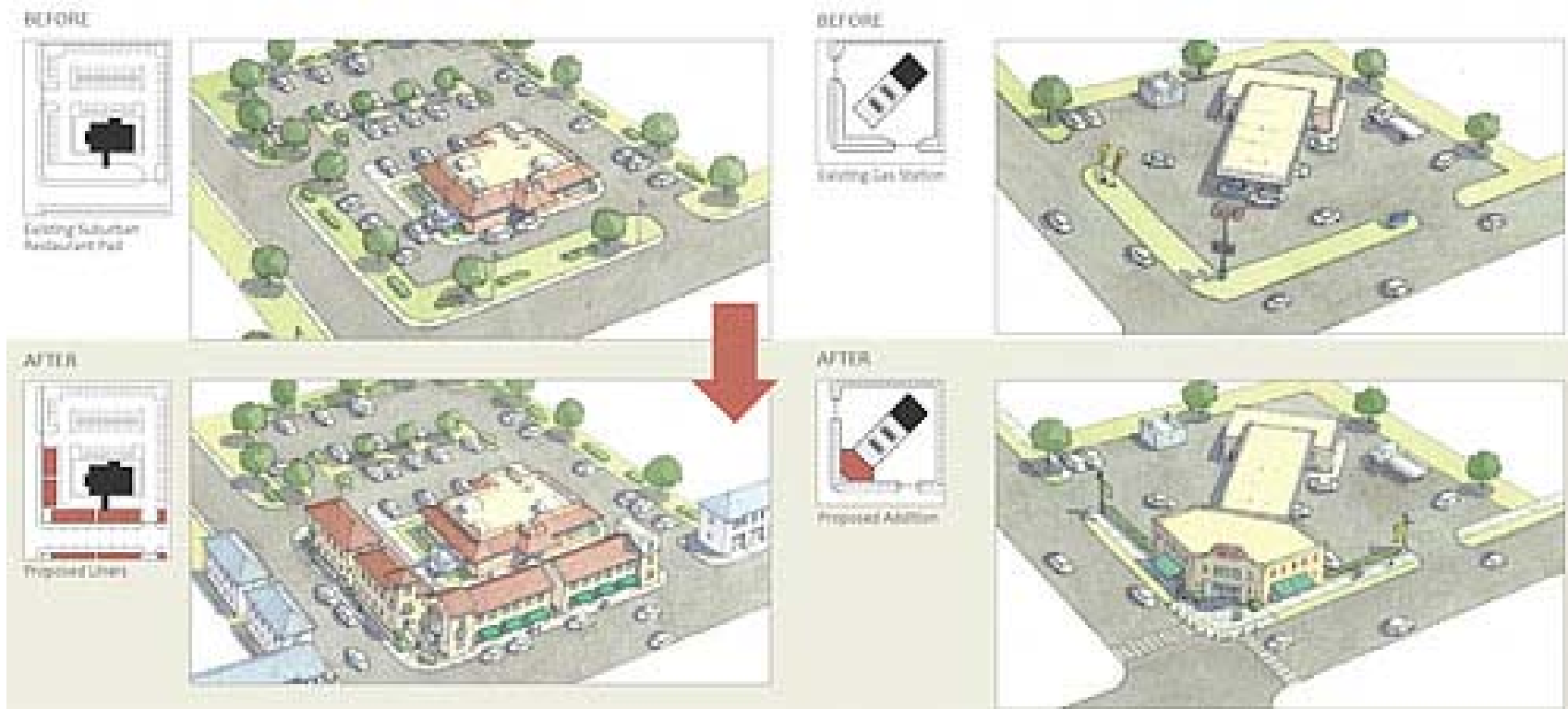
To







# Rezoning Opportunities – Infill Development



- Encourage existing landowners/stakeholders to reinvest by retrofitting with additional mixed-uses along corridor
- Creates an active street presence to encourage walkability
- Provides opportunity to diversify retail/commercial stock within corridor



# Rezoning Opportunities – Mixed Use, Transit Oriented



## 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