How Selig Enterprises, Daniel partnered up

By Lisa R. Schoolcraft
STAFF WRITER

The partnership between Selig Enterprises Inc. and Daniel Corp. began when Steve Baile took a drive around Midtown.

It was around Thanksgiving in 2002, and Baile, vice president of Birmingham, Ala.-based Daniel's Atlanta office, was scouting retail shopping centers to find a developer he thought would help build what he envisioned as The Plaza Midtown, a 418-unit condominium project with 70,000 square feet of retail space.

Baile happened upon Brookwood Place in the 1700 block of Peachtree Street in Midtown, a Kroger-anchored shopping center built by Selig Enterprises in 2002, and liked what he saw. Baile cold-called the Selig Enterprises number listed on the sign outside the development, which led to the partnership that built The Plaza Midtown.

Today, Atlanta-based Selig Enterprises and Daniel are working on the $1.1 billion 12th & Midtown that will transform three square blocks of Peachtree Street.

In 2001, Daniel, which has built office towers and campus-style office parks, was actively trying to get into the Atlanta market, Baile said, mostly by acquisition of office or apartment property.

"We identified each submarket in Atlanta and saw that Midtown was showing incredible fundamentals," Baile said.

DANIEL CORPORATION

1934 Charles Daniel founds Daniel Construction Co. in Greenville, S.C.

1964 Daniel Corp. formed in Birmingham, Ala., as subsidiary to construction company.

1986 Charlie Tickle becomes chairman and CEO and led a partnership to take company private.

2002 Daniel expands into Atlanta market, partnering with Selig Enterprises Inc. to develop The Plaza Midtown.

SELIG ENTERPRISES INC.

1918 Ben J. Massell founds Massell Properties.

1942 CMS Realty Co., named for Caroline Massell Selig, founded.

1968 CMS Realty becomes Selig Enterprises Inc. as Simon Selig and his son, S. Stephen Selig III, the current president and chairman, manage the company.

2006 Selig Enterprises opens The District at Howell Mill with the first Wal-Mart in Atlanta's city limits. Selig Enterprises and Daniel Corp. announce 12th & Midtown project.

So Daniel, founded in 1964 as a subsidiary of Daniel Construction Co., pieced together the land for The Plaza Midtown at West Peachtree and Spring streets from Eighth Street to Peachtree Place and got it through the zoning process, he said.

Daniel was considering several options for the site, including condos, apartments, or an office tower and a condo tower.

But Baile realized what The Plaza Midtown — and Midtown itself — needed was a retail component. Hence Baile's drive around Midtown.

Calling Selig Enterprises, Baile talked to the receptionist, who put him in touch with Selig Enterprises' Bob Riddle, executive vice president. "He was free that afternoon so I drove right over."

Four hours later, "I left that room knowing that I could trust these people and do business with them," Baile said. "We don't pick our partners lightly."

And Selig Enterprises, one of Atlanta's top retail developers, rarely takes on partners "unless we have to," said Scott Selig, vice president of his family's company. "We are a very conservative company. We have been around a long time and we do slow, steady growth. We did not do high-rise mixed-use projects."

The Selig/Daniel partnership for 12th & Midtown is different than the one they crafted for The Plaza Midtown, which began construction in September 2003.

At The Plaza Midtown, Daniel was responsible for development and sales of the residential units, while Selig Enterprises owned, leased and operated the retail portion. For 12th & Midtown, the projects are a 50/50 partnership.

"For us, there was not as much risk at The Plaza Midtown," Selig said. "Midtown is in the start of a transition and we were just doing a 70,000-square-foot neighborhood shopping center. Our bread and butter has been grocery-anchored centers and Plaza Midtown was just that. That was not outside the box for us."

Baile knew The Plaza Midtown would not be Daniel's only foray into the Atlanta market.

"The day after we closed The Plaza Midtown, we were looking for our next deal," he said. "We've been working on 12th & Midtown for three years."

The project is being built in phases. Begun in August, the first phase is 1010 Midtown, a $159 million, 35-story, 443-unit condo tower with two-story retail on the bottom. The first condos should be delivered in October 2008, Baile said.

"We're going to bring international and national flagship retailers to that site," Selig said.

Baile and Selig see their partnership expanding.

"We're looking at ventures together in Birmingham and Jacksonville," Baile said. "I think we'd be selling ourselves short if we don't."

Reach Schoolcraft at lschoolcraft@bizjournals.com.

BE A PART OF GEORGIA'S BIGGEST ECONOMIC FORECASTING EVENT

On December 13, Steve Forbes, president and CEO of Forbes Inc. and editor-in-chief of Forbes magazine, will headline the Georgia Economic Outlook luncheon in Atlanta. He'll be joined by Governor Sonny Perdue, R Georgia Benson, dean of the Terry College of Business, and Michael P. Adams, president of the University of Georgia. Registration costs $80 per person or $640 for a table of eight. Corporate sponsorships are also available for each event. Call (706) 425-2941 or go online for more information about the series of 10 economic forecast luncheons around the state or to receive information about becoming a corporate sponsor.

GEORGIA ECONOMIC outlook 2007
TERRY COLLEGE OF BUSINESS
The University of Georgia

www.terry.uga.edu/exec_ed

STATEWIDE SPONSORS

SYNOVUS · SELIG & CENTUR · Georgia Trend · ATLANTA BUSINESS CHRONICLE · PRA

ATLANTA SPONSORS

Crawford · landbank · THE PEACHTREE BANK · JACKSON · Blue Cross Blue Shield of Georgia · HDC Centers

ATLANTA • DECEMBER 13, 2006
Georgia World Congress Center

SAVANNAH • DECEMBER 15, 2006
Westin Savannah Harbor Golf Resort & Spa

AUGUSTA • JANUARY 5, 2007
Augusta Marriott Hotel & Suites

COLUMBUS • JANUARY 12, 2007
Columbus Convention & Trade Center

BRUNSWICK • JANUARY 17, 2007
East Georgia College

JEKYLL ISLAND • JANUARY 19, 2007
Jekyll Island Convention Center

MACON • JANUARY 23, 2007
Macon Centreplex Convention Center

THOMASVILLE • JANUARY 30, 2007
The Pebble Restaurant

ALBANY • JANUARY 31, 2007
Hilton Garden Inn

ROME • MARCH 1, 2007
Rome Country Club

PLUS OTHER KEY SPONSORS: Georgia Black Chamber of Commerce • Georgia Chamber of Commerce • Georgia Department of Economic Development • Georgia Economic Developers Association • Georgia Hispanic Chamber of Commerce • Atlanta Convention & Visitors Bureau • Metro Atlanta Chamber of Commerce