

UPDATE Last updated: April 9, 2007 01:03pm

New JV Targets Midtown Project's Second Phase

By Natalie Keith

ATLANTA-Daniel Corp. and Selig Enterprises have created a joint venture with MetLife to pursue the development of the second phase of the 12th and Midtown project. The newest phase is expected to break ground in July.

"We believe the real estate fundamentals are strong in Midtown Atlanta and there will be enthusiastic demand for this project in the marketplace," says MetLife head of real estate investments Robert Merck. "Our alliance with Daniel and Selig fits nicely into our strategy to expand our development efforts across all property types and in major global markets."

12th & Midtown is a 2.5-million-sf mixed use development that will create more than 1.2 million sf of class A office space, over 500 hotel rooms, more than 600 residences and more than 150,000 sf of retail space. Construction on the first phase of the project, 1010 Midtown, is under way. The project is a joint venture between Daniel, Selig and Canyon-Johnson Urban Fund, and includes a 35-story tower with 443 residences and up to 50,000 sf of retail space.

The second phase will include a 725,000-sf class A office tower, up to 60,000 sf of retail space and a 400-room hotel. The third phase will include an additional 50,000 sf of class A office space, 40,000 sf of retail space and a boutique five-star hotel.

Daniel Corp. senior vice president Steve Baile tells GlobeSt.com that MetLife will provide financial backing of the second phase, but the level of financing has not yet been determined. "We knew this was going to be a large project and we knew we needed to have a financial partner," Baile says. "For MetLife, this project really fits with their investment criteria."

The joint venture partnership is the latest in a 25-year relationship between Daniel and MetLife. Over the past two decades, the companies have done business together on more than 18 property leasing and management, real estate joint venture and mortgage loan transactions spanning more than five million sf.

Baile adds that leasing efforts for the office and retail space have started. A few letters of intent have been secured but no leases have yet been signed. Discussions with hotel operators are under way, but no agreements have been finalized.

