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12th & Midtown project to define Miracle Mile

BEST OVERALL WINNER



By Lisa R. Schoolcraft
STAFF WRITER

Four years ago, 12th & Midtown, a \$2 billion mixed-use development being built by **Selig Enterprises Inc.** and **Daniel Corp.**, was little more than an Atlanta nightclub, a couple of parking lots and a vision.

Today, the four-block project at the intersection of 12th and Peachtree streets in Midtown is nearly 40 percent complete and will eventually feature more than 3 million square feet of residential and commercial space.

The overall project comprises more than 1.2 million square feet of office space, more than 600 luxury hotel rooms, more than 1,000 residences and up to 300,000 square feet of retail. The project has been selected as Atlanta Business Chronicle's Best in Atlanta Real Estate Awards winner in the Best Overall Category.

12th & Midtown is expected to be the cornerstone of the 14-block Midtown Mile, which local boosters hope will become a retail destination much like Madison Avenue in New York City or the Magnificent Mile in Chicago.

"It's really a linchpin project for the Midtown Mile," said Susan Mendheim, president and CEO of the **Midtown Alliance**.

12th & Midtown has designed and incorporated enough retail space to accommodate street-level, flagship stores, she said, but there is also a balance for boutique retail and restaurants.

"My family has been involved in real estate in Atlanta for more than 90 years," said Steve Selig, president of Selig Enterprises. "This project, 12th & Midtown, is the most important, most dramatic."

Residential start

The first phase of 12th & Midtown kicked off in 2006 with the 35-story, 425-unit 1010 Midtown condominium tower, which includes 50,000 square feet of retail space on the ground floor. 1010 Midtown opened in November. The second phase, at 1075 Peachtree St., includes a 38-story, 725,000-square-foot class A office tower, 60,000 square feet of retail, and a 414-room Loews Atlanta Hotel with 52 condos on top. Construction on the \$500 million second phase, which is expected



SPECIAL

to be completed early next year, began in summer 2007.

Law firm **Seyfarth Shaw LLP** and **The Boston Consulting Group Inc.** have already inked deals totaling a combined

expected to be a mix of luxury multifamily residences, boutique hotels, class A office space and street-level retail.

The complexity of the project has been the biggest challenge, said Steve Baile,

Miracle project:

The \$2 billion 12th & Midtown development represents a major piece of Midtown boosters' Miracle Mile vision.

121,000 square feet of office space at 1075 Peachtree.

The project has also signed four new-to-Atlanta restaurants. 12th & Midtown's third and fourth phases are in the final design stages and are

Daniel's senior vice president of Atlanta operations.

"The buildings are getting bigger and more complex in how they are integrated," he said. "One of the difficult things is diving in and making all these entities function together properly."

Beyond the design challenges, financing was also a major issue, Baile said.

Daniel and Selig Enterprises are funding the project in joint ventures with **MetLife Real Estate Investments**, **Canyon-Johnson Urban Funds**, **Citibank** and **Hypo Real Estate Capital Corp.**

"To go out and find the kind of debt we needed to get these things off the ground was very complicated," Baile said. "As we all know, it's a timing issue. If we hadn't gotten [financing] when we did, we would have never gotten these projects off the ground."

Reach Schoolcraft at lschoolcraft@bizjournals.com.

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DEALMAKERS

Developers: Daniel Corp. and Selig Enterprises Inc.

Attorneys: Alston & Bird LLP

Architect: Rule Joy Trammell + Rubio

Contractor: Brasfield & Gorrie LLC

Lender: Daniel Corp. (equity partner), Selig Enterprises Inc. (equity partner), MetLife Real Estate Investments (equity partner), Canyon-Johnson Urban Funds (equity partner), Citibank (construction financing, Phase I), Hypo Real Estate Capital Corp. (construction financing, Phase II)

Engineers: Eberly & Associates, civil engineer, and Jordan and Skala Engineers, MEP engineer

Cost: \$2 billion

