

## FORMER MACY'S BUILDING RIPE FOR NEW LEGACY

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For a little over a year, the vast space that was once a bustling Macy's in downtown Atlanta has sat silent. The 185,000-square-foot space continues to be marketed by Ruth Coan at The [Shopping Center Group Inc.](#), who envisions the space as perhaps a cultural venue or an old-market style retail area, much like Faneuil Hall in Boston.

"There's a variety of different ways this property could be utilized," Coan said during a tour of the cavernous building, now known as the 180 Peachtree. "It's a facility that could house multiple uses. Some museum groups have even come in to see how they can co-tenant this space."

The former department store space has remained vacant for so long because of the stigma that still haunts downtown, said John M. Weir, senior vice president of [Taconic Investment Partners LLC](#), which owns 180 Peachtree.

"Retailers don't perceive it as a 24/7 area," he said. "That's changing."

Retailers always follow rooftops, and the downtown residential population is projected to grow from 25,000 to 30,000 just this year, Weir said.

"That's all news retailers want to hear," he said. "The hurdle that has to be gotten over is that at 5:30 p.m. everyone goes home."

Weir doesn't see the space as returning to purely retail, since only a very few retailers could take all 185,000 square feet. To give some perspective, Atlanta-based The [Home Depot Inc.](#) (NYSE: HD) generally takes about 110,000 square feet for its stores.

"We've talked to Target and Wal-Mart," Weir said. "They're not ready for [a store in downtown.] I think that will change. In three to five years' time, who can tell?"

Downtown has been criticized for its lack of retail, particularly along the Peachtree Corridor, which is a focus of [Central Atlanta Progress Inc.](#)

"I think the whole block where 180 Peachtree, the 191 Building, the Westin and other related buildings are is very important," said A.J. Robinson, president of Central Atlanta Progress. "If you look historically at Atlanta, that is the top of the Peachtree ridge. That is the highest point. There has always been very significant development on the top of the ridge because it was so visible."

The Peachtree ridge may not look like the highest point in downtown any more because of skyscrapers that have sprung up in other areas, Robinson said.

The block that houses 180 Peachtree and the Westin "historically have been very animated," he said. Prior to Macy's, 180 Peachtree housed Davidson's, which converted to the Macy's nameplate in 1985.

"Our challenge is to reanimate the block with something that is excited and produces traffic and is a good calling card for our whole downtown community, because it is so visible," he said.

Ideally, CAP would like to see the former Macy's space be retail again, Robinson said.

"But one of the concerns as people have looked at it, is that it is not ideal retail space today," he said. "That's not to say that it doesn't fit some retail profile. I think it can work, but maybe as a retail/entertainment use. Something that speaks to the vibrancy of downtown and the [Peachtree] corridor."

In fact, the space can be subdivided fairly easily, Coan said. The first floor has about 75,000 square feet, the mezzanine about 50,000 square feet, and the lower level has about 60,000 square feet.

"This building is really pretty," she said. The fixtures, including elegant chandeliers, all work and the marble floor remains intact.

Coan said the former Macy's space would be leased out "in the single digits for the entire space, with a higher valuation for spaces on Peachtree Street if we divide it."

The building, constructed in the 1900s, once held a theater, which was removed to allow Macy's to expand, Coan said. It has fiber-optic capabilities because of tenants like Level 3 on the upper floors, and even has its own Georgia Power substation in the bowels of the footprint. Some of the building's subspace even runs under Peachtree Street.

"Even though it is an historic building, it's still very contemporary," Coan said.

Robinson said the right mix will be found for 180 Peachtree.

"Patience will pay off in the next 12 months," he said, citing the opening of the Georgia Aquarium later this year and the new condominium projects under way or about to be, including [Novare Group Inc.](#)'s Twelve Centennial Park, a 1,034-unit, 102-room hotel/condo. "I think a solution will present itself and we'll say we're glad we waited."