

PROPERTY REPORT

BY BAILEY WEBB
PORTRAIT BY BEN ROSE

THE NEW NAME OF LUXURY

Move Over, Madison Avenue: These Are The Streets of Buckhead

It's as if fate dictated this opportunity for Ben Carter. Buckhead blueblood Carter's eponymous real-estate firm is developing The Streets of Buckhead, a \$1.2 billion mixed-use project that has already attracted Hermès, Etro, Bottega Veneta, Lora Piana and Luigi Borrelli to its 500,000 square feet of retail.

Ben Carter Properties assembled the nine-acre parcel at Peachtree, East Paces Ferry and Pharr roads. As Buckhead Village watering holes dried up—squeezed by the city and neighborhood's well-heeled power base, which had tired of the raucous, sometimes dangerous, weekly bacchanalia—Carter paid record price for the land.

Carter hopes to have the retail outlets 50 percent committed by year's end. In addition, The Streets of Buckhead is slated for 330,000 square feet of Class A office space and four high-end hotels, including a Monaco, a 1 Hotel & Residences that will house 42 luxury condominiums, and a yet-to-be announced traditional, ultraluxury hotel comprising 40 condominium residences. The venture will also feature two towers that will consist of high-end apartments.

Of course, The Streets of Buckhead is no one-man show. Barry Hotel Partners is developing the 1 Hotel & Residences, which is a modern luxury concept formulated by Barry Sternlicht, Chairman and CEO of Starwood Capital, who previously crafted the W Hotels brand. Wood Partners is actualizing the high-rise apartments, while CB Richard Ellis Strategic Partners Fund 4 serves as financial partner. There's also the Ben Carter Properties team, which includes Paisley Boney IV, the firm's partner and chief executive officer, who is leading the development's retail leasing.

Atlanta Peach sat down with Carter and Boney at the company's Buckhead office overlooking The



Exceeding expectations. The Streets of Buckhead, a \$1.2 billion mixed-use development that has already attracted some of the world's top design houses, is the brainchild of Ben Carter, founder and chairman of Ben Carter Properties.

ers. None of it is discount or off-price. All of it involves a keen sense of fashion. Really, it will be the only place in the country where you can have that combined

shopping experience within a two- or three-block radius. It's more than just a high-end, luxury shopping experience. With Lenox and Phipps Plaza, you have luxury in both. One's anchored by Neiman Marcus with the accompanying luxury wing, and the other is anchored by Saks Fifth Avenue with a small wing of luxury there. The positive is that they brought good

luxury retailers to Atlanta. The negative is, for the consumer, if you really want to shop at Neiman's and Saks, you have to get in your car twice. Many of the retailers we're talking to, though they don't have a store in Atlanta, have been doing business [here], in some cases for more than 20 years—wholesale business with Neiman's and Saks. They know Atlanta well. They know their customer well. They have seen income levels grow tremendously. They're ready to do Atlanta.

So what's holding them up?

Their problem is they typically don't like to do malls. They really have an aversion to that. Also, just as the consumer is frustrated there are two malls, they have the same challenge. If they were going to do a retail store, they'd have to pick. Then, they have the problem of, is my Saks customer going to come to the Lenox wing? Is my Neiman's customer going to come to the Phipps wing? So, for the most part, many of them have just passed.

BEN CARTER: We're trying to bring a totally different venue to Atlanta that doesn't exist elsewhere. With the other mixed-use projects, hopefully Atlanta will grow and be able to support various districts. Buckhead has the reputation nationally and internationally as being the center of shopping and dining and the best hotels. We're just building on that success.

PB: It's a lot more than just the retail. It's a combination of the restaurants and hotels and the residential, and then the ability to build a pedestrian experience on that. Atlanta is the largest city in the country that doesn't have it.

What's your ideal vision for the hotel and residential aspects?

PB: The residents on top of the 1 will be people who tilt a little more toward contemporary. The ultraluxury hotel will be like any famous hotel you would find in New York, Paris or London. It's going to be very high-end and will appeal to people 40 and older who are looking for a more traditional luxury experience.

What inspired you to tackle this enormous project?

BC: We had done some different, notable retail developments. Mall of Georgia was the first mall in the country that really had a themed history program in the architecture and the experience. We built an outdoor village to give it a town-square feeling. We opened a project in Jacksonville [Florida] called St. Johns Town Center that's all open-air and featured four restaurants around a park. We saw what happened with the families' experience with being able to

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Streets to discuss the venture and the area's future.

ATLANTA PEACH: There are two huge malls less than a mile away. How do you differentiate your project?

PAISLEY BONEY IV: [The Streets of Buckhead] combines not just a luxury district, but sort of a NoLiTa/SoHo/Meatpacking District with the trendier design-

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make a reservation and go shopping and come back and have dinner and not have to get in their car. All of those were mixed-use where there was a multifamily or hotel near by, but not on top. We integrated the hotel and residential component. When we started to see all the vacancy in Buckhead Village, we thought we might be able to pull it off. We had the retail contacts and the master-planning ability. The question was, 'Could you get the land?'

How did you do that?

BC: One at a time. It was 35 property owners, and we had to terminate something like 27 retail leases, which was quite complicated. But if you want to own nine acres in the Southeast, this has to be the best nine acres.

How do you integrate the best of other cities and projects into a cogent, seamless development here?

BC: You have places where you go and have a travel agent or your



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friends tell you, 'This is the place to stay,' because you can walk around and go shopping or [go] out to eat. It's the entertainment and shopping hub of the area. We've seen these places around the world and the U.S., and we recognized that there's a major void in Atlanta. We want to change that.

PB: A lot of these markets were developed over time. No one developer did Madison Avenue or Fifth Avenue. No one developer did Rodeo Drive. No one developer did Michigan Avenue. There are only a few projects that have been done all at once like this. Even those, as good as they are, don't have quite the urban appeal that this has. The hotels aren't right on top of it. They don't have nearly the pedestrian and street-level opportunities.

What's the public-art plan for The Streets of Buckhead?

BC: I felt like it was a way to help the district develop a cultural base, because we really don't have an outdoor sculpture museum or outdoor public-art museum in Atlanta. There are some interesting pieces of sculpture scattered around the city. Our hope is to use this as a base for people to learn where other locations are, but to have a large concentration here. We have 14 to 16 spaces where we can use art. My guess is, it's going to require about \$10 million to totally fund all the locations we have. Our goal was to announce our commitment to fund \$3 million [for the acquisition or commissioning of works of art that will become part of the Art on the Streets program], and we hope to form a nonprofit organization or an alliance with a museum where we will donate our pieces, and hopefully our funds ultimately will help seed \$10 million of fundraising.

What have been the high points and fun parts of your international search for retailers and inspiration?

BC: The easiest answer for me is Madison Avenue. I go up there and have stayed at the same hotel for 20 years, my home away from home, the Hôtel Plaza Athénée. It's small enough that the staff knows me. They know my dogs. My children started going up there when they were 10 years old, so the staff knows my kids.



You go to Paris and the Champs-Élysées, and the side streets around the Hôtel Plaza Athénée there, and the luxury retail. You can walk for six or seven blocks with just a tremendous variety of restaurants and shops, and you can jump in a cab and go to a museum. It's just an overall cultural aesthetic, quality-of-life experience that here in Atlanta we haven't had yet. We're a relatively young city in terms of international standards, and we've had huge suburban growth. But I think you're going to see a lot of interest in urban growth in Atlanta over the next 10 years. A project like this will help fuel that. It's a combination of lifestyle choices that will be extraordinarily unique. ○

Setting new standards. An artist's rendition shows the future of Buckhead Avenue looking west from North Fulton (top), and an idea of how shopping will change the area (below).