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## Five Questions with Susan Mendheim

### *Midtown Alliance CEO's Vision for Midtown Mile*

In five years, Susan Mendheim would like nothing more than to see throngs of shoppers marching shoulder to shoulder down Peachtree Street on the day after Thanksgiving or, really, any other day. Mendheim, president and CEO of Midtown Alliance, leads an effort to transform Peachtree Street between 15th Street and North Avenue into a retail destination similar to Chicago's Magnificent Mile on Michigan Avenue and Madison Avenue in New York -- Atlanta's own Midtown Mile.

Over the past decade, Midtown Alliance has spurred the effort to take the area from, well, seedy to one of Atlanta's chicest neighborhoods. With partners such as Selig Enterprises, Novare Group, Hines, Cousins and Daniel Corp. and 770,000-square-foot of new retail development on the way, the Midtown Mile initiative has the momentum, development muscle and national and international contacts with retailers to bring the dream to reality. We discussed "how" with Mendheim.

CoStar Advisor: What types of retailers are we trying to attract, and what's the process for that?

Mendheim: The Midtown Mile is going to combine both new and existing retail into an authentic, cosmopolitan shopping and dining district that will feature a diverse mix of national brands, local boutiques, restaurants and outdoor cafes. It's a coordinated initiative that's designed to promote the 1 million square feet of existing and new retail coming to Peachtree between North Avenue and 15th Street. That includes 230,000 square feet of existing stores and restaurants as well as 770,000 square feet that is currently under construction or proposed and we think really will happen in the next few years.

First of all, we're excited about a couple of things that we know. One, we have great demographics and a great story to tell there. The other is we're developing physical spaces that meet retailers' requirements.

As far as the demographics, we've reached some benchmarks that are attractive to the major national and international retailers that we're looking for. We have population density -- 30,000 people living within a few blocks of the Midtown Mile right now. That's expected to increase to 52,000 within the next four years. Another big one for us is household income. Midtown has affluent residents with household incomes averaging \$81,000, which we think is substantial when the national average is around \$40,000. We're more than double the national average.

The third one is the residential growth, which has just been astonishing here. The Midtown residential market has been going strong since before 2000. In the past six years, we've added 7,800 new residential units and another 13,000 are under construction or planned for build-out by 2010.

As far as physical spaces -- and this is huge because we've really had to encourage this kind of development -- national retailers that are looking for street-front locations on city streets want several things. They want a large amount of space that we have to get the developers to agree on, and they've readily agreed that they'll develop larger spaces. Retailers are looking for somewhere between 10,000 and 40,000 square feet, and we can deliver that. They want high ceilings, 40-foot ceilings that would accommodate a big, single presence or a mezzanine or two stories in a shop. They also want a significant, customized presence on the street so that they can stand out and not just be a bland part of a larger shopping mall concept.

All of the 770,000 square feet of new development along the Midtown Mile is being designed with this presence in mind. In other words, it's designed for flagship retail.

CA: What kinds of infrastructure improvements are underway or need to be in place for this effort?

Mendheim: We feel like a lot of the infrastructure along the Midtown Mile is already in place to support this million square feet of retail. For example, we have three mass-transit rail stations strategically located. We have immediate interstate access to I-75/85. We're on a grid system, which is unusual for the city, so it's easier to get around here.

We're proud of the fact that Midtown Alliance is orchestrating the construction of beautiful new streetscapes, which includes wide sidewalks, pedestrian lights and new signage and trees, all the things that make it fun to be on the street and easy to walk around. I might add that we have Midtown Blue safety force and Midtown Green environmental maintenance. We're adding an extra level of security and maintenance to every inch of the street to make it absolutely beautiful, clean and safe.

CA: Currently, where are you in the process?

Mendheim: First of all, we have a team of professionals who are building the new developments and attracting those retailers on their own. What we're doing is acting as the quarterback of the team and promoting the whole idea. We do have quite a bit of interest on a weekly if not daily basis from retailers and brokers and property owners alike. We tell the same story to all of them about the Midtown Mile and what our vision is here, and then our individual property owners and developers take it from there and talk to them about what they have in the works.

The goal of the Midtown Alliance is to create a vibrant live-work-play community in Midtown Atlanta, so in response to the growing base of affluent residents and workers that we've seen in Midtown lately, our business leadership wanted to create a retail destination on par with the world's best shopping streets, wanted to go for the gold, and that is to create an authentic, urban, walkable shopping district along Peachtree Street featuring upscale national and international retailers.

Now, with the numerous property owners along Peachtree, no single developer could achieve this vision, and it did require a coordinated effort. So, the Midtown Alliance brought together a group of developers and landowners and retail industry professionals who are absolutely committed to this vision of a retail destination here in Midtown that's unlike any other in the Southeast.

CA: The area's we're emulating -- Madison Avenue and Michigan Avenue -- have been retail destinations for a century, if not more. How do you build a similar cachet for Midtown's Peachtree corridor? How do you make it a destination with appeal beyond in-town residents, especially with malls at nearly every point on the Perimeter's compass?

Mendheim: That's a big question. The scope and the scale and the authentic urban environment of Atlanta's Midtown Mile will emulate the world's best shopping streets. Unlike outdoor malls and traditional, enclosed regional malls, the Midtown Mile will provide an urban shopping experience as well as a collection of stores and restaurants that just can't be found in the Southeast.

I wanted to point to a few that are already here, because that's always the proof in the pudding -- concepts like Fifth Group with Ecco and South City Kitchen, Tom Catherall's Here to Serve with Shout and Bob Amick's coming in with Trois at the corner of 11th and Peachtree and then another restaurant in that same building (1180 Peachtree). These are professionals who know the industry and know the market and are here in a big way. That's just one aspect of this shopping/dining district.

Another early arrival was the Midtown Design District that, again, has this ambience we're looking for, this kind of high-end, unique product -- in this case contemporary home furnishings. You see retromodern and SPACE, Ligne Roset and Kartell.

You also have a unique character we have on Peachtree that really does provide a sense of place that money can't buy -- the Sothern landmarks like the Fox Theatre and the Georgian Terrace Hotel and even

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the Margaret Mitchell House where you can walk in and see the typewriter and the little room where she actually wrote *Gone With the Wind*, not to mention the Woodruff Arts Center and High Museum of Art and Louvre exhibit. There's so much to give character and a unique appeal that all the new things will add more and more excitement to the mix.

CA: Outside of Atlanta, what's your favorite place to shop, and why? How can we create a similar experience here?

Mendheim: It's hard for me to name a favorite, but one that's on my mind right now is the Magnificent Mile in Chicago. It's not only great shopping, but it's also got that same unique character and appeal. I love the historic buildings. I love the beautiful streetscapes with the flowers and other plantings. It's near cultural attractions. We were awestruck by how clean and safe and welcoming it is. I think I can describe Midtown with all of that. Maybe it's been an inspiration to us and maybe it's just that we share the ingredients for a similar experience.