Atlanta Business Chronicle - June 23, 2008 http://atlanta.bizjournals.com/atlanta/stories/2008/06/23/story3.html



Business rides on rail plans

Atlanta Business Chronicle - by <u>Dave Williams</u> Staff Writer

It wasn't just frustrated commuters celebrating recently after Gov. Sonny Perdue embraced plans to build two passenger rail lines linking downtown Atlanta with the suburbs.

Developers and other business entrepreneurs see rail stations along the planned routes -- from Griffin in the south to Lilburn and Lawrenceville in the northeast -- as focal points for the region's next wave of growth.

"We've got a lot of good communities that this will turn into superstars," said Emory Morsberger, a Gwinnett County developer and chairman of a group of business leaders backing a proposed commuter rail line from Atlanta to Athens.

Perdue stood on the sidelines this year as lawmakers narrowly rejected a proposal to allow Georgians to vote by region whether to raise sales taxes to pay for needed transportation improvements.

The measure would have set the stage for a metro Atlanta referendum that likely would have included significant funding for the Atlanta-to-Athens and Atlanta-to-Griffin rail lines.

During the General Assembly session, the governor argued that pouring more money into road and transit projects before a planned overhaul of the agency would be throwing good money after bad.

But that was before the latest spike in gasoline prices sent commuters scrambling for ways to get to and from work that didn't involve driving.

"With standing room only on our express buses and gasoline at \$4 a gallon, we need more transit options," Perdue said June 12.

The governor called for making the Atlanta-to-Griffin rail line a state pilot project. The choice of the southern route over the Atlanta-to-Athens line was obvious.

Congress has provided \$87 million of the \$106 million needed to build the Griffin line as far as Lovejoy, 26 miles south of downtown Atlanta. On the other hand, only \$13.5 million has been committed to the Athens line.

Also, the Atlanta-to-Griffin route poses less potential for conflict with the freight rail companies that own the tracks.

"Norfolk Southern has a somewhat parallel line between Atlanta and Macon," said Charles Tarbutton, assistant vice president of the Sandersville Railroad Co. and chairman of the Georgia Chamber of Commerce. "CSX has no such line [from Atlanta to Athens], so it's a real capacity issue."

Tarbutton also is co-chairman of the Get Georgia Moving Coalition, an alliance of more than 50 business, government and environmental organizations that formed to push for the transportation funding initiative in the legislature this year.

Coalition members were ecstatic with Perdue's endorsement of commuter rail, after years of negative responses from the governor's office.

"Everyone knows you can't have any major infrastructure project without the blessings of the governor," said Kay Pippin, president of the Henry County Chamber of Commerce, a member of the coalition.

One of the stations along the Atlanta-to-Griffin line would be in the Hampton area of Henry County.

Pippin said it's the one part of the fast-growing county that still has thousands of acres available for development. A rail station there could be the kick-start the area needs, she said.

"We don't say the 'R' word in Henry County," Pippin said. "[But] we're in an economic funk. ... This was just what the doctor ordered." Nearby Griffin already has significant growth coming on line, including a new satellite campus of The University of Georgia and Sun City Peachtree, an adult single-family community of 3,400 homes.

Joann Vitelli
Emory Morsberger:
The Gwinnett County
developer is chairman
of a group of business
leaders backing a
proposed commuter
rail line from Atlanta to
Athens.

<u>View</u> Larger A station downtown would be a big addition to what already is becoming a success story, said Allen Marshall, founder and managing member of Renaissance Griffin LLC, a downtown revitalization organization.

The Griffin native said the agency has 20 downtown buildings under option, including two he bought. He is converting one into an upscale restaurant that could draw riders getting off the train after work.

"The rail would be icing on the cake," Marshall said.

Likewise, entrepreneurs along the Atlanta-to-Athens line are eyeing planned rail stations in the downtown areas of Tucker, Lilburn and Lawrenceville as potential contributors to ongoing revitalization efforts.

Rep. Clay Cox, R-Lilburn, said a downtown redevelopment plan for Old Town Lilburn is on hold because of the slumping economy. He said an active commuter rail station there would help revive the effort by drawing new retail and service businesses.

"They know there will be ready-made consumers coming through to take advantage of vendors who might lease storefronts," Cox said. "It will be an economic shot in the arm, no doubt."

But developers say they expect the first burst of development around the new rail stations to be more residential than commercial.

Tad Leithead, senior vice president of development at Cousins Properties Inc., compares what is likely to happen in metro Atlanta to the development of cities like Harrison, N.Y., and Greenwich, Conn., which grew up along commuter rail lines radiating out of New York City.

"What you start to get first is residential nodes around stations," said Leithead, chairman of the Atlanta Regional Commission's transportation committee. "You start to see these little towns. ... If that town then develops a square and a couple of boutique restaurants, you start to get revitalization."

Leithead said the growth of transit-oriented communities will be key to Atlanta's ability to absorb the growth expected in the coming decades.

"We're going to add another Denver in the next 25 to 30 years," he said. Many of them are going to go into the city of Atlanta or the Perimeter area. ... But the rest have to go somewhere."

Reach Williams at davewilliams@bizjournals.com.

All contents of this site @ American City Business Journals Inc. All rights reserved.

2 of 2 6/20/2008 2:10 PM