

**Transparency:** Georgia Power Co. is hosting media tours of the Plant Vogtle expansion construction site south of Augusta.

# Ga. Power talking, touring Vogtle

By Dave Williams  
STAFF WRITER

For a company often criticized as tight-lipped, **Georgia Power Co.** has become a model of transparency as America's first commercial nuclear power project in decades takes shape south of Augusta.

The Atlanta-based utility is hosting media tours of the construction site where two nuclear reactors are being added to two units that went into service during the 1980s. The company's most recent semi-annual construction update didn't contain a single redaction, a major departure from previous reports that blacked out huge blocks of text as trade secrets.

"We have a great story about a bunch of

jobs being created and businesses benefiting in the region," Buzz Miller, Georgia Power's executive vice president for nuclear development, said Sept. 27 after conducting a site tour for Atlanta Business Chronicle. "There's a lot of people working, a lot of cars out in the parking lot."

But watchdogs keeping an eye on the progress of the work say the story of the Plant Vogtle expansion is likely to become one of cost overruns that could threaten the bottom line of the \$14 billion project. Because of legislation the General Assembly enacted in 2009, Georgia Power will be able to recover any overruns from ratepayers well before the two new reactors go into service in 2016 and 2017.

"It's startling to me the way this project is unfolding," said Helen O'Leary, director of consumer energy at **Georgia Watch**, a statewide consumer advocacy group. "There's no mechanism in place to protect the consumer."

Work at the plant beside the Savannah River began to accelerate after the **U.S. Nuclear Regulatory Commission (NRC)** licensed the two new reactors in February.

By late last month, workers were putting together a massive shield building inside a giant assembly building. Shield buildings will surround the two containment vessels atop the new reactors.

The energy generated at those two

► See **VOGTLE, 16A**

## Past and future collide at Tech

By Maria Saporta  
CONTRIBUTING WRITER

After more than four years of a protracted preservation battle, the fate of a historic Midtown building is in question.

The battle has pitted the preservation community and the neighborhood against the **Georgia Tech Foundation**, which has been seeking a demolition permit for the 84-year-old Crum & Forster building at 771 Spring St. since May 2008.

Now a decision by the City of Atlanta to enter into a consent order with the Georgia Tech Foundation rather than go to trial has created even greater confusion.

Preservationists are openly questioning whether city officials have decided to side with the Georgia Tech Foundation to avoid going to court while others argue that the consent order actually could increase the building's chances of being preserved, at least in part.

The situation is quite complex because there have been a variety of actions and landmark designations by city departments, agencies and the Atlanta City Council — all leading to the rejection of the Foundation's attempts to demolish all or some of the building.

In return, the Foundation has filed legal actions against the city, and it has continued to argue for its rights to demolish some or all of the historic building.

It is the most contentious fight that Georgia Tech has experienced in Midtown

► See **TECH, 20A**

## State asks to privatize lodge ops

By Dave Williams  
STAFF WRITER

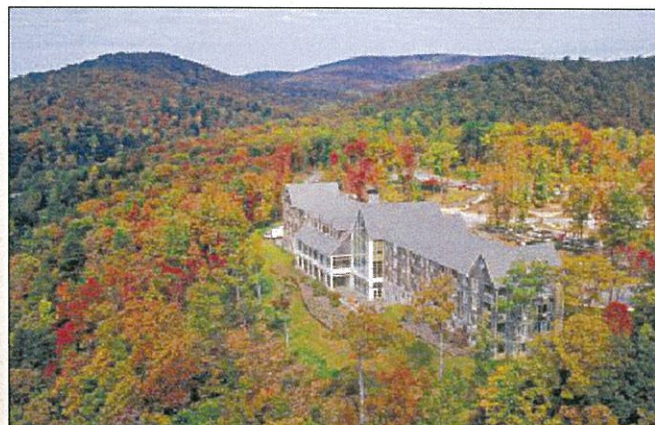
The lodges and cottages at two state parks in the North Georgia mountains soon could be under private management in a plan to help finance a \$9.7 million makeover.

The **Georgia Board of Natural Resources** is expected to vote this month on a proposal to hire a hospitality management company to market and operate the overnight accommodations, restaurants and public meeting spaces at **Unicoi State Park** near Helen and **Amicalola Falls State Park** near Dawsonville.

"They're a bit under-utilized," said Lee Weeks, CEO of Florida-based **Coral Hospitality**. "Some of the buildings and accoutrements need updating. ... With our ability to market and the state's ability to upgrade, I think we can turn the bottom line around."

As one of the state agencies hardest hit by recession-driven budget cuts in recent years, the Department of Natural Resources (DNR) has turned to the private sector to inject sorely needed capital into its parks and programs.

The effort has yielded mixed results. While Coral Hospitality has been successfully managing the DNR's Brasstown Valley and Lake Blackshear resorts since 2005, a plan two years ago to develop corporate sponsorships, including naming rights for parks or wildlife protection programs, failed to come to fruition.



**Rooms with a view:** The lodge at Amicalola Falls State Park near Dawsonville, where the state is seeking to turn marketing and operations over to a private company.

Becky Kelley, director of the DNR's Parks, Recreation and Historic Sites Division, said she's optimistic the new initiative will pay off because of Coral Hospitality's years of experience with her agency.

"It's a natural opportunity for us to work with a group that's already very familiar with us and the state parks," she said. "We think this is a very positive and beneficial move."

If the board approves the plan, the DNR would amend the contract it already

has with Coral Hospitality to add Unicoi and Amicalola Falls. The company currently receives 3.2 percent of gross revenues to manage Brasstown Valley and Lake Blackshear, a rate set to increase to 3.5 percent during the next fiscal year.

Coral Hospitality plans to spend \$5 million to renovate the 100 guest rooms at the Unicoi lodge, its restaurant, meeting spaces and cottages. Another \$3.9 million would go toward the 56 guest

► See **LODGE, 16A**

## Georgia apparel shops sprouting online

By Amy Wenk  
STAFF WRITER

Internet clothing companies are popping up around Georgia, especially those tailored to niche markets.

This year, there's been a plethora of trademark filings for new apparel companies, including online-only businesses such as **Whiskey Cotton**, **For Multiples Maternity**, **GlamourAlls**, **Infideliti Clothing Co.**, **Chef Duds** and **Southern Tots**. Several more are trying to get started, including **Queenz of Modesty**, which plans to offer medical uniforms for Islamic women, and **Curvy Riderz**, a would-be line of clothing for the female motorcycle rider.

It signals rapid change in the fashion retail industry, which has suffered in recent

years due to high unemployment and lower income levels. Over the past five years, the \$482.8 billion industry has seen revenue decline about 2 percent each year, estimates a June report from research firm **IBISWorld**.

Jumping into the virtual marketplace presents far less risk and upfront costs than opening a brick-and-mortar location. The Internet is cheaper for start-ups and can reach a broader customer base than traditional storefronts.

"The phenomenon keeps growing in that direction and away from the traditional brick-and-mortar," said Jake Aull, principal of **Zen Fires Web Marketing**. Aull is a part-time instructor of social media and search engine optimization at **Georgia State University**.

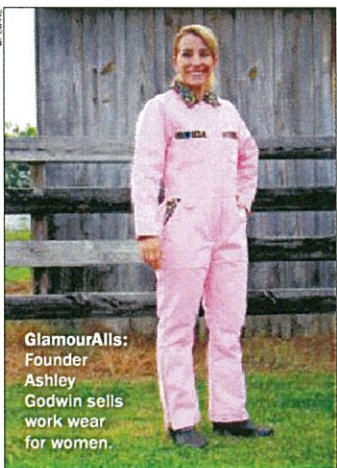
"Traditional brick-and-mortar [retailers] can only have a limited window of profitability because they have large overhead and location-based costs," Aull said. "In this economy, more and more brick-and-mortar companies have been going out of business."

Georgia could be seeing more online retailers due to the landscape, said Edward Rigdon, professor of marketing at Georgia State.

"Georgia has a nice combination for shopping online," Rigdon said. "Here in metro Atlanta, you have this tremendous traffic."

Outside the city, the population is largely rural and far from retail centers such as Lenox Square mall.

► See **APPAREL, 21A**



**GlamourAlls:** Founder Ashley Godwin sells work wear for women.

## Georgia Power talking, touring Vogtle

Continued from 3A

"nuclear islands" will then be converted into electricity in a separate turbine building. A passive cooling system will cool the water used during the process.

At its peak, the project is expected to create 5,000 construction jobs. Once complete, it will have 800 permanent employees.

Most of the components necessary to build the two additional reactors are already on site. In an approach far different from what was used when the first two were built, the new units are being assembled in modules.

The modular construction approach and passive design are integral to the AP1000, a new generation of nuclear reactor designed by Westinghouse Electric Co. LLC.

The AP1000 was built with passive safety features to cool down the reactor after an

accident without the need for electricity or human intervention.

The NRC conducted a review of the AP1000 late last year with an eye toward the accident at a Japanese nuclear plant following an earthquake and tsunami.

"If they had had AP1000s in operation at Fukushima, none of this would have happened," said Mitch Singer, a spokesman for the Washington, D.C.-based Nuclear Energy Institute.

But executing the AP1000 design at Plant Vogtle hasn't come without complications. In April, federal inspectors discovered that some of the concrete rebar pieces being connected at the construction site did not comply with NRC specifications.

Southern Nuclear Operating Co., the Georgia Power affiliate overseeing the project, has submitted an amended design.



**Passive safety features:** Shield buildings will surround the two containment vessels atop the two new Vogtle reactors.

Last month, more than 200 steel plates manufactured by a subcontractor in Valdosta failed NRC inspections.

Georgia Power also is locked in a \$400 million legal dispute with the construction team headed by The Shaw Group Inc. and a second smaller lawsuit involving \$28.7 million in site preparation work.

While Georgia Power reported in its most recent construction update that the

project was tracking about 4 percent below the costs estimated when work began, critics say that's bound to change.

The utility has conceded that such a large project as the Plant Vogtle expansion can expect to exceed its anticipated budget by 20 percent to 25 percent, even though no "traditional" contingency amount was built into the original budget.

"You're talking \$3 billion to \$3.5 billion," said Bobby Baker, an energy lawyer with Freeman Mathis & Gary LLP. "They've still got these construction change orders out there. ... The issue is whether they can get the contractor to pick up 100 percent of the cost."

Miller said the biggest driver behind the cost increases is quality assurance and safety.

"We plan for the unexpected, and when the unexpected happens, we address it," Miller said. "Build it right, and the economics will take care of itself."

Reach Williams at davewilliams@bizjournals.com.

## Fewer visitors

Business has declined at the lodge at Unicoi State Park during the last five years:

FISCAL YEAR	OCCUPIED ROOMS	OCCUPANCY RATE	REVENUE*
2011	18,600	39.2%	\$39.26
2010	20,593	43.4%	\$41.07
2009	18,316	38.6%	\$42.55
2008	23,742	49.9%	\$53.13
2007	25,196	53.1%	\$52.79

\* per available room Source: PKF Consulting USA, LLC

## State asks to privatize lodge ops

Continued from 3A

rooms at the Amicalola Falls lodge and comparable facilities there.

Bill Donohue, executive director of the North Georgia Mountains Authority, an agency administratively attached to the DNR, said Unicoi and Amicalola Falls were chosen for the initiative because they have more assets than other state parks and, thus, more revenue-generating potential.

"The private sector is interested in a return on investment," he said. "Some of these are small 30- or 60-room lodges. It's a challenge to make them economically feasible."

But neither Unicoi nor Amicalola Falls has been living up to its potential in recent years. The occupancy rate at Unicoi declined from 53.1 percent in fiscal 2007 to 39.2 percent in fiscal 2011, while revenue per available room fell from \$52.79 to \$39.26 during the same period.

Donohue said the recession wasn't the only factor in the drop-off. He said the lodges, particularly at Unicoi, no longer suit the tastes of modern tourists.

"Unicoi is 42 years old," he said. "It was designed in a way that was popular in 1970, but it's tough to fix that in a renovation."

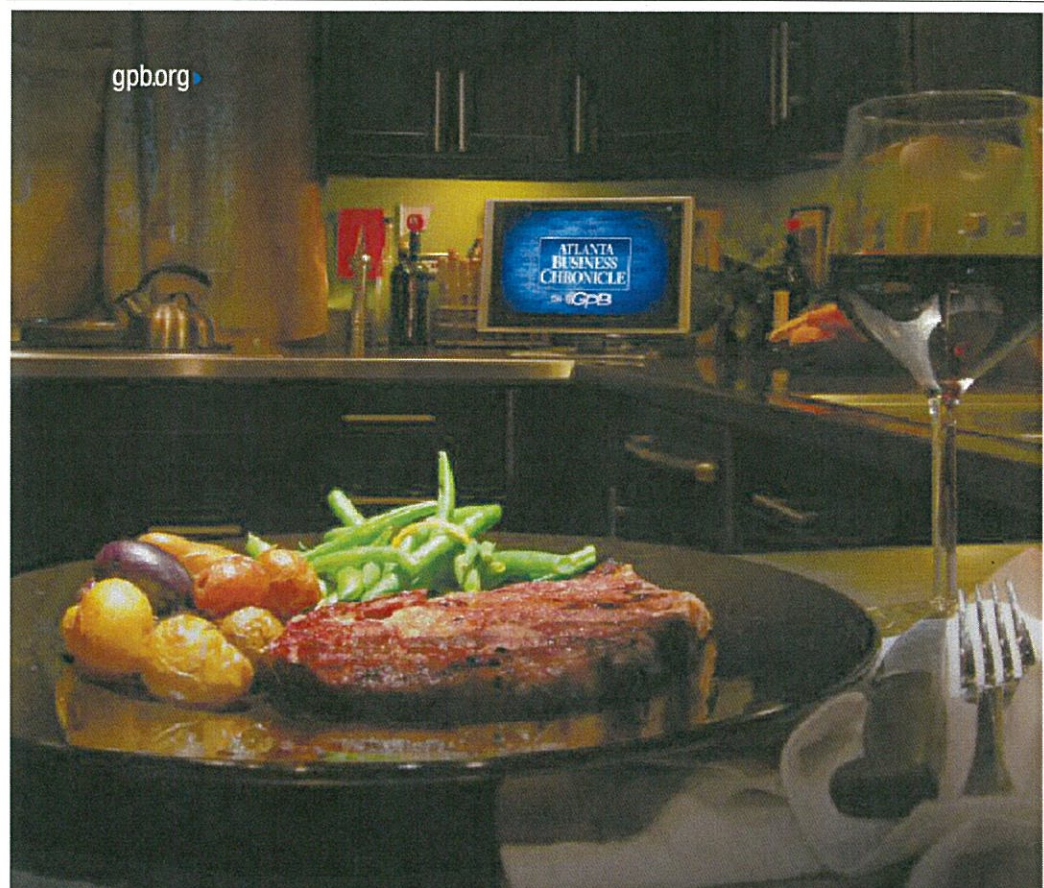
Donohue said the makeover at Unicoi will be more extensive than at Amicalola Falls, including the construction of larger guest rooms and bathrooms.

"[The lodge at] Amicalola Falls is just 20 years old," he said. "We think there's 20 years more useful life in that building."

Weeks said Coral Hospitality has built a reputation as a turnaround company.

He cited as an example the financially struggling Gansevoort South Hotel of Miami Beach, which brought in Coral Hospitality in 2010. "We're used to turnaround situations where we can go in and have an immediate impact," Weeks said.

Reach Williams at davewilliams@bizjournals.com.



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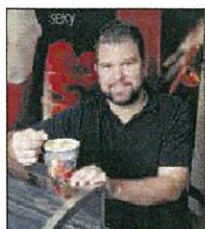
### INSIDE

The Insider.....	8A
The Week	
In Business.....	12A
Editorials.....	24A
Indexes	
of Companies.....	43A
Executive Profile.....	36A
People	
in the News.....	36A-37A
Calendar.....	38A
Leads.....	39A-42A
Lists.....	28A, 30A, 31A
	8B, 12B, 14B

### ON THE BEAT

Maria Saporta.....	6A
Medical Alert.....	10A
Real Estate	
Notes.....	14A-15A
Restaurants	
& Hospitality.....	17A
Time Out with Eleanor	
Ringel Cater.....	23A

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## Taking the High Road

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Regent Partners' chessmasters: David Tennery, Adam Allman, Reed Freeman and David Allman.

## Checkmate on the Perimeter: \$300M+ Concourse deal done

By Douglas Sams  
STAFF WRITER

The landmark "King" and "Queen" office buildings that have towered over Georgia 400 and the Perimeter for more than 20 years have a new owner.

Regent Partners LLC on Oct. 1 finalized the purchase of the 2.1 million-square-foot Concourse Corporate Center for just north of \$300 million. It partnered with GEM Realty Capital Inc., a private equity firm based in Chicago.

The transaction involved some of the biggest names in Atlanta real estate. Owner TIAA-CREF put the development on the market earlier this year. CBRE Inc. brokered the sale.

Regent and GEM will now consider how to continue urbanizing the project at Interstate 285 and Hammond Drive. The most likely development to start in the next year or two would

include mid-rise apartment units and new retail.

Concourse Corporate Center is one of the most recognized mixed-use projects in metro Atlanta because of its towers that resemble two giant chess pieces rising over the Georgia 400/I-285 interchange.

Concourse is also significant in the history of Atlanta regional development patterns for pioneering office markets that later blossomed farther north on Georgia 400. More than 20 years ago, it formed the first wave of suburban mixed-use office projects that included Galleria, Northpark Town Center and Ravinia.

Concourse contains a hotel and a popular athletic club. Over the years it has become a magnet for other developers who have dotted the area with office towers. The King and Queen buildings are also visible to anyone shopping at Perimeter Mall or its surrounding retail centers.

► See CONCONCOURSE, 18A

## New apartments, retail eyed for Piedmont

By Amy Wenk  
STAFF WRITER

A proposed mixed-use project would redevelop an aging stretch of Piedmont Avenue between Buckhead's glass office towers and Atlanta's historic Ansley Park neighborhood.

Colorado-based developer Archstone is proposing 300 apartment units and 36,000 square feet of retail at Piedmont Avenue and Cheshire Bridge Road. Plans include a five-story mid-rise building for the six-acre site at the edge of Midtown, not far from Piedmont Park.

Currently, the property houses the Rock Springs shopping center with tenants such as Taco Cabana, Pot 'n Pan restaurant and Sheik Burritos n Kabobs.

Archstone filed plans for the project with the city of Atlanta at the end of September. A spokesman for the developer declined to comment.

► See PIEDMONT, 22A



Redevelopment project: Archstone filed plans for 300 apartment units plus retail at Piedmont Avenue and Cheshire Bridge Road.

## Real estate execs' new field of dreams – rugby

By Douglas Sams  
STAFF WRITER



Armand Veri, left, and Chip Roach: They hope the new fields on Cascade Road will go on to host a national rugby tournament.

Every year, the Georgia Dome becomes a national stage for college football, hosting such huge events as the Chick-fil-A Kickoff Game and the Southeastern Conference championship.

Now, a group of current and former athletes hopes five acres of Bermuda grass at Cascade Road and Interstate 285 could put Atlanta on another national sporting stage — for rugby.

A dedication of the field last month drew the attention of USA Rugby, the more than 35-year-old organization with 90,000 members that is responsible for the development of rugby programs and national teams representing the United States. "It's one of the true banner fields for rugby in [the country]," said Kurt Weaver, director of youth and high school for

USA Rugby, based in Boulder, Colo.

The field is the passion of former players with Atlanta's most storied rugby team, Old White. The field now serves as its home.

Its founders include Atlanta sports radio personality Beau Bock. Old White alum Armand Veri, a partner with Aerotropolis and Atlantic Station developer Jacoby Development, led the effort to find the site. Veri helped get the field rezoned in 2009, and then turned dense woods and gullies at Cascade and Fairburn roads into one of the largest rugby fields in the United States. The project cost \$250,000. Once new bleachers and a 5,000-square-foot clubhouse are added the costs could exceed \$750,000.

The Atlanta Rugby Foundation, a nonprofit group made up of former Old White players, owns the field and will continue to

► See RUGBY, 18A