

Georgia Tech plans \$750M expansion of Technology Enterprise Park; would create 5,000 jobs

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Aug 18, 2020, 3:25pm EDT **Updated** Aug 18, 2020, 6:22pm EDT

Georgia Tech estimates its proposed 2.2 million square foot expansion at Technology Enterprise Park would cost a hefty \$750 million, but university officials say they are bullish on attracting investors to back what they say will be a state-of-the-art biosciences and health innovation district.

The development would also encourage revitalization and redevelopment in the city's emerging Westside and nurture start-up companies from Georgia Tech that would help retain businesses and jobs downtown, according to the university.

Georgia Tech has filed plans with the city seeking to rezone more than 18 acres of mostly undeveloped land surrounding the current 11-acre TEP from industrial to the industrial mix designation. The 18 acres is bounded by North Avenue on the north, Northside Drive on the west and Marietta Street on the east. The property is bordered by the Northyards Business Park, which was acquired by MetLife in 2016. Georgia Advanced Technology Ventures, a nonprofit that's focus includes buying and developing properties to meet the Georgia Tech's planning, academic and technology goals, owns the property.

As part of the I-MIX zoning, Georgia Tech plans to build 610,000 square feet of lab and research, or industrial, space; 1 million square feet of office space; 100,000 square feet of commercial space; and about 315,000 square feet for 420 units of multi-family residential. TEP currently only has one building for research and labs.

"The best innovation districts are all live, work, play, learn, and if TEP is to evolve, it needs a residential component, a place for people to play, some retail," said Kevin Byrne, CEO of The University Financing Foundation, which owns the TEP existing building and was a developer on the original park.

"There is the work already, and the learn," he said. "Having all of of these aspects at TEP would further validate it as a research node, a research neighborhood, for Georgia Tech ... We're all bullish on technology."

Emory University is currently undertaking a \$1 billion redevelopment of Executive Park in Brookhaven where it plans to create its own health innovation district. Emory's plans call for a hospital and medical office space as well as commercial and residential as part of the mixed-use innovation district standard. Zivalich said the two districts would not compete but

rather complement each other with Emory focused more on clinical research and TEP on biomedical and life sciences research.

Also in the works is The Augury Square, another mixed-use development that also seeks to foster innovation in a connected community.

For Georgia Tech's TEP, the time to build is now. Zivalich said the need for life sciences and lab space is expected to double in the next five years, Georgia Tech can meet that demand with this project through its affordability, talent and location.

“Given the nature of how built out these other communities are, similar to where technology was eight to 10 years ago, where everything was concentrated in Palo Alto on the West Coast, I think people are looking at alternatives options in terms of affordability, for both the talent, as well as affordability for their people to live,” he said.

“Aside from the great institutions in life sciences that we have here in Atlanta, most notably Emory, our programs, and then also the CDC ... I think the market, and more importantly the institutional investors, are recognizing that this is the place to be,” he said.

Zivalich said Georgia Tech is in talks with several developers and plans to leverage the private capital market to finance the expansion. The property is also in a federal opportunity zone that opens up tax breaks to investors. He said Georgia Tech plans to retain land ownership and ground-leases for third-party developments.

“We see that this will be very attractive to capital, not only for the real estate investment, but also the investment in the startups themselves,” Zivalich said.

“And so, we think that this is going to be a very strong opportunity for startup companies but also to retain companies because they want to stay in the federal opportunity zones.”

Existing tenants in the building at TEP owned by The University Financing Foundation include CardioMems, a wireless sensing and communication technology for the human body; Kemira, North American research center for the Finish chemical group; CryoLife, cryogenically preserved human tissues for cardiac and vascular transplant applications; and St. Joseph's Translational Research Institute's preclinical facility.

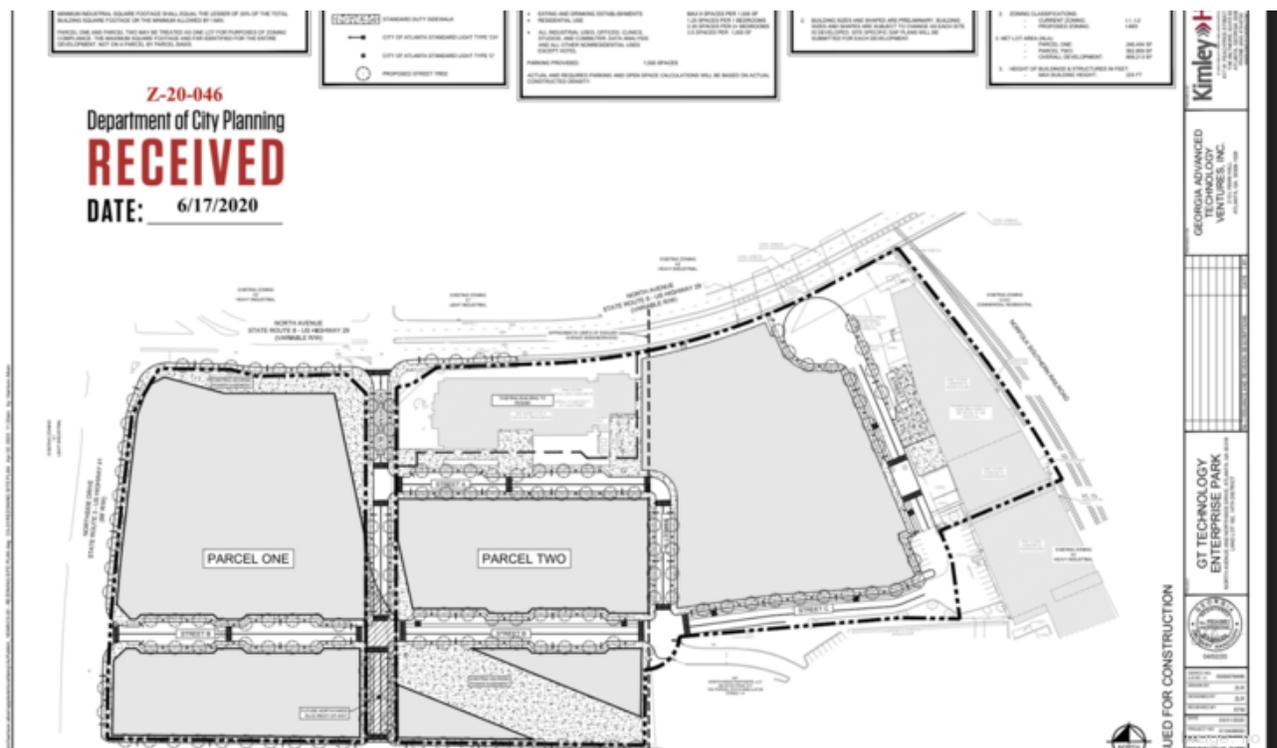
Zivalich said existing and new tenants have been interested in the new spaces at TEP because there is a shortage of research and lab spaces throughout the area.

"One of the things that we've dealt with is there's a shortage of space available in the Atlanta market, and so I think that's what the investor and the developer community sees," he said.

"Between the expansion of existing concerns as well as newer startups that are looking to consolidate, we're talking with two or three firms right now that are existing in Atlanta, that

have gotten FDA approval and are looking for facilities to consolidate," he said. "Right now, they're scattered between two to three different facilities because of the nature of what they're trying to do. We have a very deep list of prospects here, so we're very encouraged."

For more than a decade, Georgia Tech has been looking to transform Technology Enterprise Park in Atlanta's Westside into a live-work-play-learn hub and model it after its world-renowned Tech Square. Expansion plans at TEP include more laboratory and office space where research and start-ups would focus on biomedical innovation, digital health, advanced manufacturing and medical devices. Georgia Tech estimates 5,000 new jobs would be created at full build out anticipated to be in 2029.



Enlarge

The site plan for the proposed expansion at Georgia Tech's Technological Enterprise Park.

City of Atlanta

The expansion would also include residential and commercial spaces that would create “a quality urban mixed-use district and not what TEP is currently configured as — an industrial research park,” said Tony Zivalich Jr., executive director of real estate development at Georgia Tech.

The surrounding area is undergoing a transition that includes an increase of mixed-use developments and new residential developments like the Herndon Square residential development proposed immediately south of the property on Cameron M. Alexander Boulevard. The TEP expansion would contribute to the trend of redevelopment in the

neighborhood, Zivalich said. Hopes are that the TEP project is a "catalytic development" that may encourage continued revitalization of underutilized land in this area north of the Mercedes Benz Stadium along Northside Drive.