

LAWSUIT AGAINST SANDY SPRINGS CHALLENGES DENIAL OF REZONING FOR LAKESIDE OFFICE COMPLEX

July 16, 2008. Greenstone Properties has filed a lawsuit in Fulton Superior Court challenging the Sandy Springs City Council's denial of rezoning for its Lakeside office complex. Greenstone also announced its intention to seek substantial damages from the City as a result of the denial.

The redevelopment project would have replaced the 1960s-era Lakeside office complex with a mix of office, retail, multi-family residential and hotel uses, creating a vibrant "live-work" community. The project would generate an estimated \$3,000,000 in additional tax revenues for the City annually.

According to the lawsuit, the Lakeside redevelopment proposal had received the necessary conditional approvals from the City's professional staff, the Design Review Board and the Planning Commission. However, the proposal was then turned down by vote of three members of the City Council (with two members abstaining, one not present, and the Mayor not voting), solely due to traffic concerns that disregarded the opinions of the traffic engineers, the City staff and GRTA.

The traffic aspects of the redevelopment had previously received support from the City's own traffic engineers and also received approval from the Georgia Regional Transportation Authority, which reviews regional traffic issues. Greenstone had proposed making multimillion dollar improvements to nearby intersections, as recommended by its traffic consultant and as supported by the City and GRTA. City staff and GRTA agreed with the traffic analysis prepared by Greenstone's consultant. The traffic analysis showed that the traffic situation along Glenridge Drive would be improved by the Greenstone improvements after accommodating the impact of the full build-out of the Lakeside project.

The lawsuit alleges that Greenstone bought the property for \$62,000,000 only after receiving assurances and positive feedback from City officials as to its redevelopment plans. Greenstone then went through the lengthy process of obtaining the approvals at all levels of the City, as well as from various regional authorities, before the City Council denied rezoning. The Council vote was contrary to its own staff's recommendations.

"We were very disappointed with the City Council vote," said De Little, president of Greenstone Properties. "Lakeside would be one of the most dynamic developments in the metro area, would add jobs and housing and increase the City's tax base. I do not think anyone had a real issue with our master plan other than its traffic impact. We worked hard to come up with a traffic plan that would accommodate the impact of our development and leave things better than we found it, in other words the proverbial 'win/win.' Every professional traffic engineer who reviewed our plans supported them." Mr. Little added, "A lawsuit was certainly not our preferred course of action."

Further media inquiries should be directed to Greenstone's counsel in the litigation:

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