

The Tale of Two Towers

Mobile's tallest skyscrapers — the former AmSouth building and the RSA Battle House Tower — both set historical heights for the state of Alabama. In 1965, the former First National Bank building, standing at 424 feet and 34 stories high, became the tallest building in Alabama. It held that distinction until 1986, when Birmingham's 34-story Wachovia Tower was built, surpassing its Mobile rival by 30 feet.

In 2007, the RSA Battle House Tower took over as the state's tallest building, and is among the tallest on the Gulf Coast. With its crowning spire, the 35-story building is 745 feet high.

Dr. David Bronner, head of the Retirement Systems of Alabama, investing public monies in numerous Mobile properties, in March bought the AmSouth Bank Building (American Bancorporation) for \$6.75 million, and is preparing to make another significant mark on downtown Mobile.

Current businesses and the Mobile Downtown Alliance are talking of what could be and how Bronner could again change the landscape of a burgeoning downtown, but as *The Business View (TBV)* went to press, he was keeping it a secret.

"This is such a key spot — between the RSA Battle House Hotel and Tower and the rest of downtown," said **Elizabeth Sanders**, executive director of Downtown Mobile Alliance. She talked of Bronner's purchase and reported plans for Class B office space, saying, "It is exactly what we need. There are only so many tenants who want 'A' space and are willing to pay 'A' space rates. There is a larger number who want to be in a nice class 'B.' That's the market we are."

Class A describes newer quality office space, and Class B is typically a step below that, explained **Joe Toole**, director of real estate for RSA. "And Bronner's Class B is anyone else's Class A," he added.

Toole said the building was a good investment. The parking deck alone was worth the price, he added. "This is a diamond in the rough, and we couldn't let it slip," he said.

Within weeks of closing, contractors were resealing and painting the parking deck.

Bronner has a new nickname for his latest acquisition, calling it the GM building. When asked what that stands for, all he revealed was, "It doesn't stand for Goodwyn, Mills & Cawood Inc. (GMC, a Montgomery architectural firm with a Mobile office, retained by RSA to develop the building's renovation plan) or General Motors. Wait and see," he challenged. "Hopefully everyone will be pleasantly surprised."

Following a study by GMC, Bronner said he plans to work as fast as he can to update the front of the building. Renovations include the addition of coloring and central air; the latter involves changing all the exterior glass of the building. Construction also means dealing with asbestos removal and working with tenants as the modifications take place.

Final plans will come after the environmental engineers at GMC make the recommendations on the "best and safest way to handle any asbestos in the building," said Toole. "In three to four months, we will be able to say more," said Toole in his April interview with TBV.

John Sledge, architectural historian with the Mobile Historic Development Commission, explained that architecture and buildings become symbols of how a

culture views itself. "You see it in the oldest cathedrals, then in the dwellings of princes and kings. In the 20th Century, the skyscraper became the symbol of American capitalism," he said. "They (skyscrapers) say we are a modern metropolis, a prosperous business center."

Sledge's uncle was a First National Bank vice president and led the building committee for the Mobile tower. According to *Historic Architecture in Alabama: a Guide to Styles and Types, 1810-1930*, the property was home to a 13-story First National Bank building constructed in 1913 and the U.S. Customs House built in 1953.

In its heyday, the AmSouth building was 90 percent occupied, estimated **John Toomey**, former leasing agent for the building. At the time the building was sold, it was closer to 50 percent. About the sale to Bronner, Toomey said, "If you're a tenant, it's fabulous. If you're a Mobilian interested in the skyline, it's fabulous."

Sledge explained that while the RSA Tower was obviously stiff competition, historically in five years' time the rest of the commercial market will catch up. "You'll see that the RSA Tower is a good catalyst for downtown development."

A revitalized downtown is already luring companies such as Burr & Forman law firm. **Doug Anderson** is a Burr & Forman partner who is coordinating the law firm's move in December to the RSA Tower. "I go downtown for lunch or to a meeting and I can feel the energy downtown," he said.

Burr & Forman, based out of Birmingham, has 35 employees in Mobile and will have the entire 22nd floor of the RSA Tower and first right of refusal to the 21st floor, he added.

"We're in growth mode and we think Mobile will grow even during this economic downturn. We are planning to grow with Mobile," said Anderson.

Toole said that the tower's occupancy rate of 80 percent, with just two floors

remaining, is much better than expected at this point, and he has two large bid packages out.

"It took me four years to get to that point in Montgomery. I'm not even happy, I'm delighted," Bronner said.

Bronner is widely quoted as saying it was the community's "yes" vote for school taxes in 2001 that proved to him Mobile was a forward-thinking city ready for investment. He speaks affectionately of the latest investments including the Tower, Battle House Hotel, Riverview Hotel and Alabama Cruise Terminal. "I think we've done something the community is proud of. I not only feel I'm a partner with the business community, but the people of Mobile."

A Look at RSA's Investm

With the Battle House Tower and adjoining hotel capturing headlines, it's easy to overlook some of the millions of dollars in projects the Retirement Systems of Alabama (RSA) has invested over the last decade. Although the highest profile, the tower and hotel project is only one of more

than a dozen. Dr. David Bronner, president of RSA, put money into over the years. To date, more than \$653.6 million has been invested here, and that figure is expected to climb as continued investment is made in the former AmSouth Bank building.

Below is a snapshot of some of RSA's Mobile area holdings. In addition to the below-mentioned projects, other local RSA inventories include: Dominion Senior Living, Signal International, Mobile City Parking Garage, Aker Kvaerner, Gulf Coast Exploreum and Science Center, SSAB

Alabama, Ciba Specialty Chemicals and Akzo Nobel.

To learn more about RSA, and its portfolio, visit www.rsa-al.gov.



Photo by MYSHOTZ.COM, Tad Denson

Alabama Cruise Terminal
210 S. Water St.
www.shipmobile.com

Built in 2004, the Alabama Cruise Terminal is the homeport for Carnival Cruise Lines' ship, *Holiday*, until this fall when *Carnival* replaces it with a larger vessel, *Fantasy*. The terminal was completed in record time. To accommodate the *Fantasy*, the city of Mobile is upgrading the terminal with a new gangway.

Investment: \$16.1 million

RSA Battle House Tower
11 N. Water St.
www.battlehousetower.com

With 35 floors, the RSA Battle House Tower is the tallest building in Alabama, and among the tallest along the Gulf Coast. Opened in 2006, the structure has seven floors of hotel rooms, and is home to some of Mobile's most well-respected businesses, including Regions Bank, which moved its banking operations there when the tower opened. Other tenants include International Shipholding Corp.; Rep. Jo Bonner; and Goodwin, Mills & Cawood.

Tower and Hotel Combined Investment: \$231.5 million



Photo by MYSHOTZ.COM, Tad Denson



Photo by MYSHOTZ.COM, Tad Denson

Renaissance Riverview Plaza Hotel
64 S. Water St.
www.renaissanceriverview.com

This hotel was built in the 1980s, and was in dire need of a complete renovation when RSA purchased the hotel in the early 2000s. Nearly every square foot of the Riverview was gutted and redone, and most significant to the property was the new hotel entrance created on Royal Street. The hotel reopened under the Renaissance (Marriott) flag in 2007.

Investment: \$66.6 million



Photo by MYSHOTZ.COM, Tad Denson

The Battle House, a Renaissance Hotel
26 N. Royal St.
www.rsabattlehouse.com

The Battle House Hotel opened in 1852, and is often referred to as "Mobile's living room." The hotel had fallen on hard times and was boarded up for some 30 years before RSA purchased it in 2001. RSA meticulously restored the hotel to its original grandeur. This project was completed in conjunction with the Battle House Tower, and it opened in 2006.

Tower and Hotel Combined Investment: \$231.5 million

Investments in the Mobile Area



Photo by MYSHOTZ.COM, Tad Denson

AmSouth Bank Building 107 St. Francis St.

Until the Battle House Tower, this was Mobile's tallest skyscraper. Built in 1965, the 34-story tower served as headquarters for First National Bank and AmSouth, prior to its merger with Regions Bank. Many of the Battle House Tower's tenants are prior AmSouth Bank building tenants. RSA pledges significant renovation to this building to bring it up to par with other available commercial lease space in the Southeast.

Investment (building alone, no capital in renovations to date): \$6.7 million



Photo by MYSHOTZ.COM, Tad Denson

Grand Hotel Marriott Resort, Golf Club & Spa, Point Clear www.marriottgrand.com

For more than 160 years, "the Grand" in Point Clear has been known as an oasis for Mobile area residents and travelers from around the world. Located at the bend in Mobile Bay, RSA purchased this property in the 1990s and turned it into a "masterpiece" by adding a spa that now ranks as Marriott's no. 1 spa facility, a family-friendly pool, boardwalk, lush landscaping and bountiful water activities. Modern renovations mixed with Old World traditions to maintain the Grand Hotel's Southern charm.

Investment: \$97.3 million



Photo by MYSHOTZ.COM, Tad Denson

Robert Trent Jones Golf Trail-Magnolia Grove 7001 Magnolia Grove Dr. www.rtgolf.com

Magnolia Grove golf course is part of the statewide Robert Trent Jones Golf Trail developed by the Retirement Systems of Alabama. Home to the Bell Micro LPGA Classic, and for several years, the LPGA Tournament of Champions, this course spurred several upscale residential neighborhood developments in west Mobile. Currently, Magnolia Grove is undergoing a nearly \$6 million upgrade on one of its courses in preparation of next spring's LPGA tournament.

Investment: \$23 million



Photo by MYSHOTZ.COM, Tad Denson

Bayview - Colony at The Grand Point Clear www.colonyatthegrand.com

Opened in 2007, Bayview-Colony is an upscale residential condominium development located on 175 acres within the grounds of the Grand Hotel. Residents have access to the Grand Hotel's amenities, as well as a private lake, and proposed pools and amphitheater, planned for various cultural events. There are two-, three- and four- bedroom condos at Colony at The Grand. Residents vary from families to retirees. While the condo project is complete, there are still several facets of this project in various stages from development to construction.

Investment: \$70.9 million

Magnolia Grove's Crossings Course Under Renovation

Among golfers around the globe, the Retirement Systems of Alabama's Robert Trent Jones (RTJ) Golf Trail, spanning Alabama with 468 holes at 11 sites, is well-known for its quality play and impeccable public courses. This is just one of the reasons, said **Bill Lang**, public relations director for the trail, that RSA is investing more than \$5 million in the RTJ's Magnolia Grove in west Mobile to upgrade one of its three golf courses, "The Crossings."

The Crossings course was taken out of commission in December 2008 when renovations began on all of its green complexes, as well as the installation of a new irrigation system, tree removal and redesign of several holes. Used by LPGA for several years, this 18-hole course hosted both the Tournament of Champions and Bell Micro Classic. According to **Paul Martino**, director of golf operations for Magnolia Grove, all work will be completed this Fall and by the time the classic returns next spring.

"We expect everyone to love it, especially the LPGA players," Martino said. "This renovation will only add to RTJ's world-class standards."

The green complexes will be the most significant change players will notice, as Martino said they are putting down an "ultra-dwarf" grass that is the "latest and greatest" in greens' grasses. He also said the changes would make The Crossings a more playable and player-friendly course for local golfers.

Magnolia Grove has 54 holes on three courses. In addition to The Crossings, there is "The Falls," characterized by large, liberally contoured greens and massive cloverleaf bunkers; and "The Short" course, recently named "best par 3 course in America" by *Golf World* magazine. In addition to this accolade, the magazine also named it as one of its "Readers Choice Top 50 Public Courses," and *Golf Digest* named The Falls and The Crossings courses as "Best Places to Play" as two of the nation's "best value" courses.



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