Feasibility Study of 3965 Roosevelt Highway

Urban Land Institute – Center for Leadership Mini-TAP

May 10, 2011
CLIENT INTRODUCTION

- Atlanta Mission (formerly, Atlanta Union Mission)
  - *Established in 1938, the ministry provides emergency shelter, residential discipleship, job attainment, and transitional housing to more than 950 homeless men, women and children daily.*

- Wellspring Living
  - *Wellspring Living’s mission is to confront the issue of childhood sexual abuse and exploitation through advocacy, education and treatment programs for girls and women.*
**PROJECT BACKGROUND**

- Atlanta Mission owns property at 3965 Roosevelt Highway

- Clients are considering a partnership whereby Wellspring Living would use the property for a transitional housing and education facility for its clients, *but first* they wanted to make sure that the property would be suitable for that purpose.
EXISTING IMPROVEMENTS – 3 BUILDINGS

- Wieland Building
- 2nd Mile Building
- School Building
EXISTING IMPROVEMENTS
PROJECT SCOPE

- Submarket Study
- Zoning Study
- Valuation Study
- Conclusions & Recommendations
SUBMARKET: COMMUNITY CENTERS

- Siloam Church International
- Jesse Draper Boys & Girls Club
- Etris Community Center (senior center)
**Submarket: Higher Learning Centers**

- United Medical and Business Institute
  - Medical Assisting and Medical Administration
- Atlanta Technical College
  - Cosmetology
  - Barbering
  - Culinary Arts
ZONING STUDY

- Current Zoning
- Special Use Permit
- Future Use Findings
ZONING: WELLSPRING’S PROPOSED USE

- Wellspring’s use is likely permitted under the existing Special Use Permit
- Residents – limited to 300
  - Transitional housing OK
  - Kitchenettes in units could pose a problem
- On-Site Education
  - Ok for residents
  - Nonresidents receiving benefit? Might need modification to special use permit
- Horses
  - 1 horse per fenced acre
  - Barn located 100 feet from property line
ZONING: RE-ZONING POTENTIAL

- 2025 Future Land Use Plan
VALUATION ANALYSIS & RECOMMENDATIONS

- Method
- Assumptions & Conclusions
- What Next?
Valuation: Assumptions & Conclusion

- Property must be re-zoned to Industrial to attract a developer
- Assumptions
  - 25% land footprint, or 72,000 SF with an estimated net operating income of $210,852
  - $4.00/SF annual rental ($288,000) on a modified gross rental basis
  - Total Costs: $8,316,643
- Developer will need a minimum 8% return
- Return under this evaluation is: 2.54%
- Implications ➔ Not sufficient to attract a developer to the site
EXISTING IMPROVEMENTS: CARRYING COSTS

- $62,600 Annually:
  - Property Insurance: $3,200
  - Liability Insurance: $2,000
  - Property Management: $18,600
  - Property Taxes: $0
  - Utilities: $38,800

- 501(c)(3) Status
  - Implications of changing ownership
  - Implications of changing use
What Next?

- Community Partnerships
  - Schools
  - Churches
- Atlanta Mission-Wellspring Operational Agreement
QUESTIONS & DISCUSSION

• Team Members
  • Shea Campbell – CB Richard Ellis
  • Christine Norstadt – Friese Legal, LLC
  • Philip Rodbell – Selig Enterprises, Inc.
  • James Talley – Atlanta Housing Authority
  • Simon Tuohy – Urban Realty Partners