An aerial photograph of a campus, likely the University of California, Davis, showing various buildings, parking lots, and green spaces. A large, semi-transparent blue circle is centered over the image, containing the text "UCDC's Spelman Gateway".

UCDC's Spelman Gateway

THE TEAM



Amber Pelot
Senior Associate in the
Real Estate Finance &
Investment Group at
Alston & Bird LLP



Ashish Bagle
Project Manager at
Macauley
Investments



Deanna Murphy
Director of
Planning at
Sizemore Group



Howard Grant, Ph.D.
VP, External &
Governmental Affairs
at the Atlanta Housing



Monica Scott
Licensed Realtor with
Berkshire Hathaway
Home Services,
Commercial Division



OUTLINE OF DISCUSSION

- Site Overview
- Recent Development around Site
- Process
- Goals
- Market Trends
- Site Specific Information
- Previous Plans
- Recommendations
- Case Studies
- Deal Structure
- Financial Models
- Challenges
- Next Steps
- Questions



- Acres: 4.84 Acres
- Land Use: Vacant
- Zoning: SPI-21 Historic West End/Adair Pa
- Fee Owner: Spelman College

SITE OVERVIEW



RECENT DEVELOPMENT AROUND SITE



PROCESS

- Meeting with Rita Gibson, Interim Executive Director, University Community Development Corporation
- Meeting with Arthur Frazier, Director, Facilities Management and Services, Spelman
- Community meetings of the AUC Master Plan
- Meeting with Todd Greene, Executive Director, Atlanta University Center Consortium, Inc.
- Previous Plan Review
- Due Diligence on Site
- Market Understanding



GOALS

Spelman and UCDC

- Reactivate site for intermediate land uses and to address below needs
- Longer term proposals
- Expand footprint of Spelman Campus
- Parking garage to alleviate parking constraints
- Upperclassman student housing
- Faculty housing
- Retail space

Atlanta University Center/AUCC

- Physical space for student interaction
- Focus on connectivity of Spelman, Morehouse and Clark Atlanta campuses
- Develop more walkable area
- Collaborative workspace for students
- Area for adult programs
- Classroom area
- Common space for student engagement
- Community meeting space
- An “iconic” space for the community
- Income-producing space



MARKET TRENDS

- Support:
 - Multi-family
 - Office
 - Retail/ Restaurant
- Trends:
 - West Atlanta multi-family market is experiencing higher levels of vacancies over the past few years.
 - More than 10% of the inventory is under renovation.
 - Due to the volume of dated and affordable inventory, rental rates are continuing to increase.
 - The Westside submarket is one of the few Atlanta submarkets to witness negative absorption over 2017-2018.
 - Current inventory is some of the oldest in Atlanta with the average build date of 1970.
 - The Beltline's Westside trail is starting to attract businesses.



SITE SPECIFIC INFORMATION

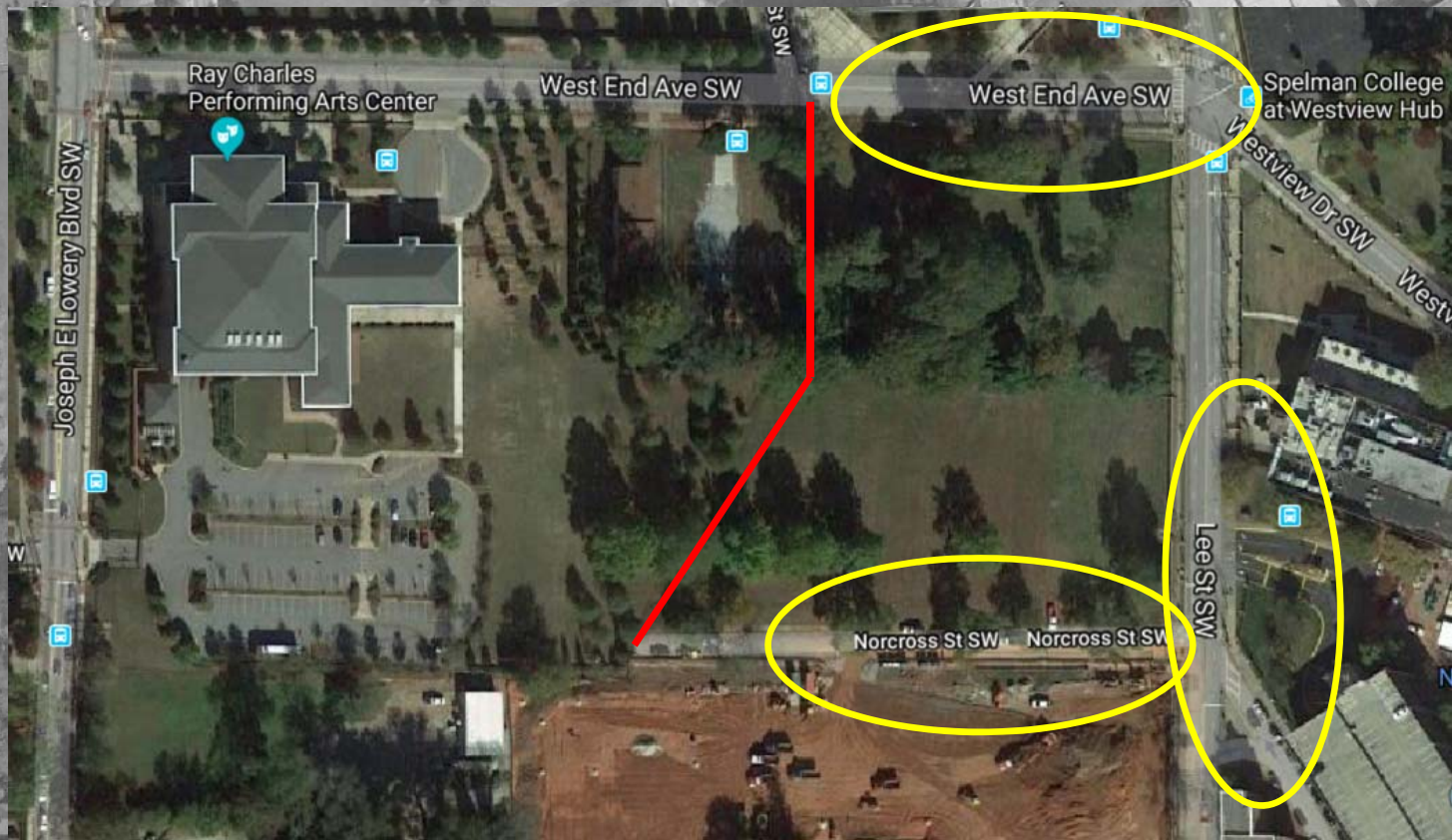
- Site
- Access
- Due Diligence Overview
- Zoning
- Utilities

SITE VIEW



Address: 0 Park Street
Parcel ID: 14 010800030629
Acreage: 4.8419 acres
Vacant/Raw Land
Fee Owner: Spelman College

ACCESS





**DUE
DILIGENCE**

TITLE
SURVEY
ENVIRONMENTAL
GEOTECH
ZONING

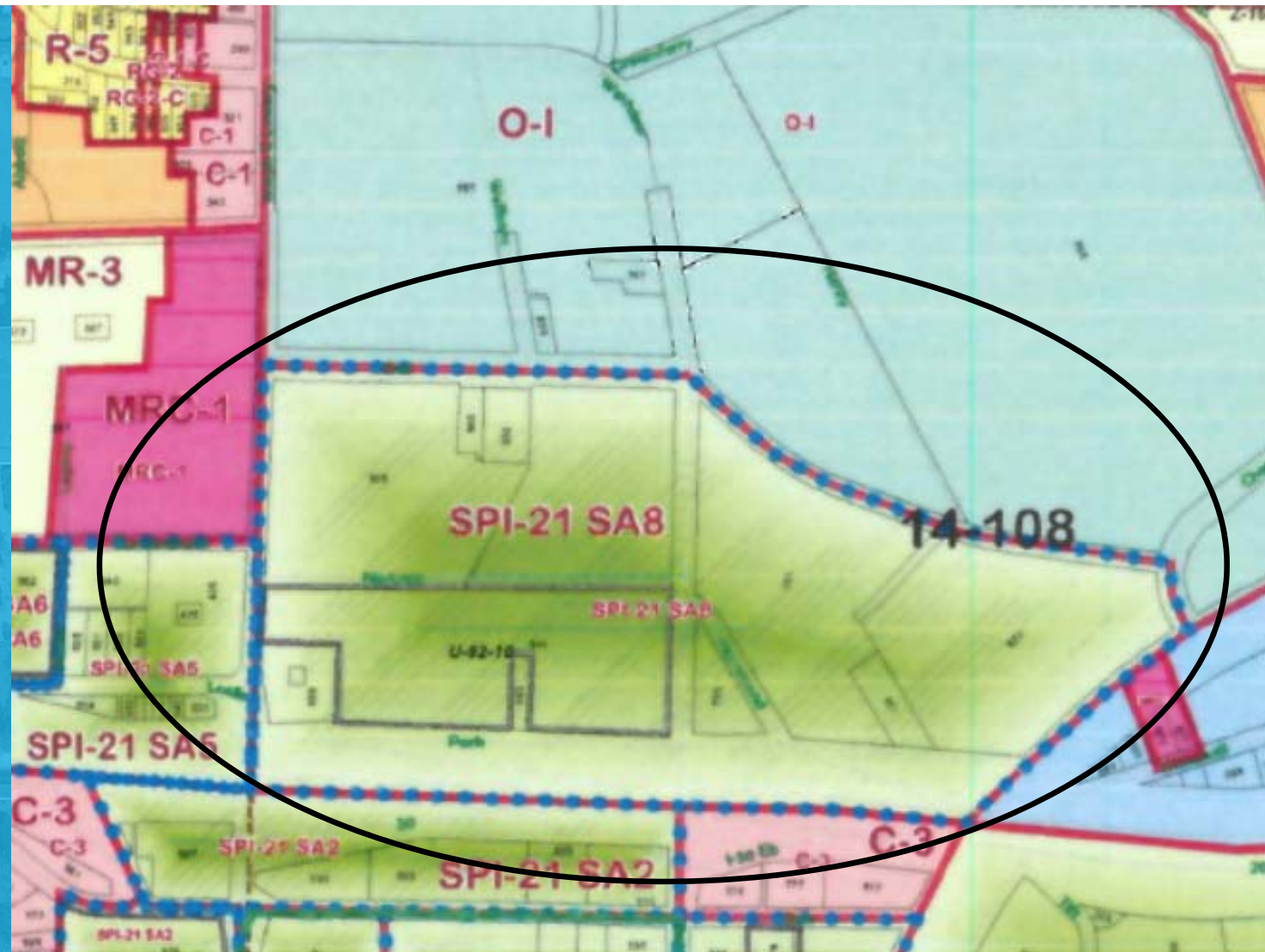


ZONING

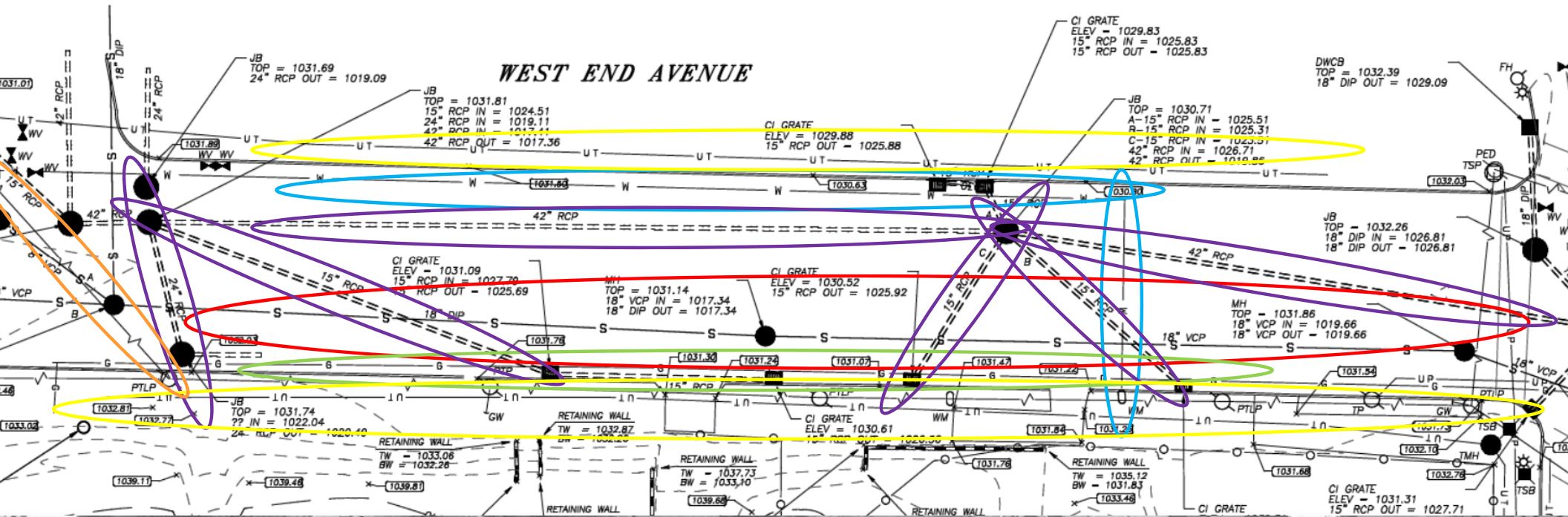
SPI-21 Historic West End/Adair Park Special Public Interest District; Site is in subarea 8 (Institutional/AUC)

- SAP Required
- What uses are permitted?
- What uses are NOT permitted?
- Other restrictions and limitations



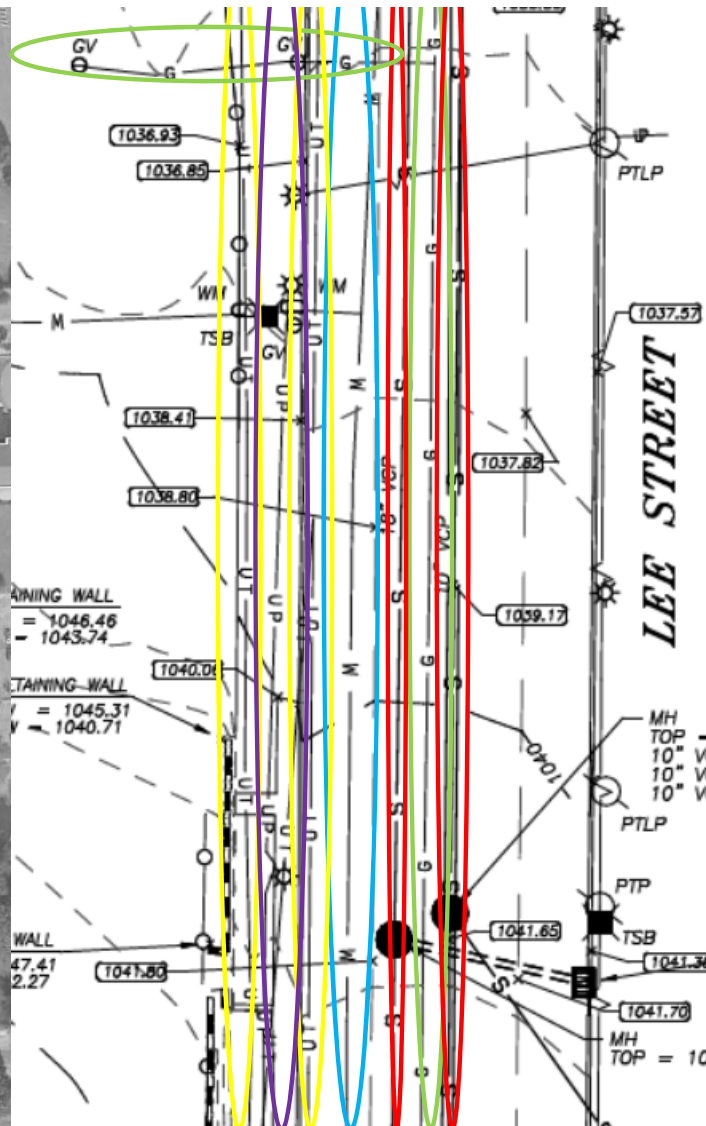


WEST END AVE. UTILITIES



G: Gas Line (Green)
S: Sanitary Sewer Line (Red)
UT: U/G Telephone (Yellow)
W: Waterline (Blue)
Storm Sewer (Purple)
Overhead Utility (Orange)

LEE STREET UTILITIES



G: Gas Line (Green)
S: Sanitary Sewer Line (Red)
UP: U/G Power (Purple)
UT: U/G Telephone (Yellow)
W: Waterline (Blue)
Overhead Utility (Orange)

SUPER BLOCK- Concept-3



SPELMAN COLLEGE
140,000 Sq Feet
office space
16 Town Homes
350 parking spaces

MOREHOUSE SCHOOL OF MEDICINE
230,000 Sq Feet
Medical Offices
160 Residential units
1100 parking spaces

MOREHOUSE COLLEGE
Performing Arts Center
Archives Building

- Adding a new vertical street offers better connectivity
- Central Green Space shared by Morehouse and Spelman College
- Morehouse Arts Center and proposed archives not integrated into the development

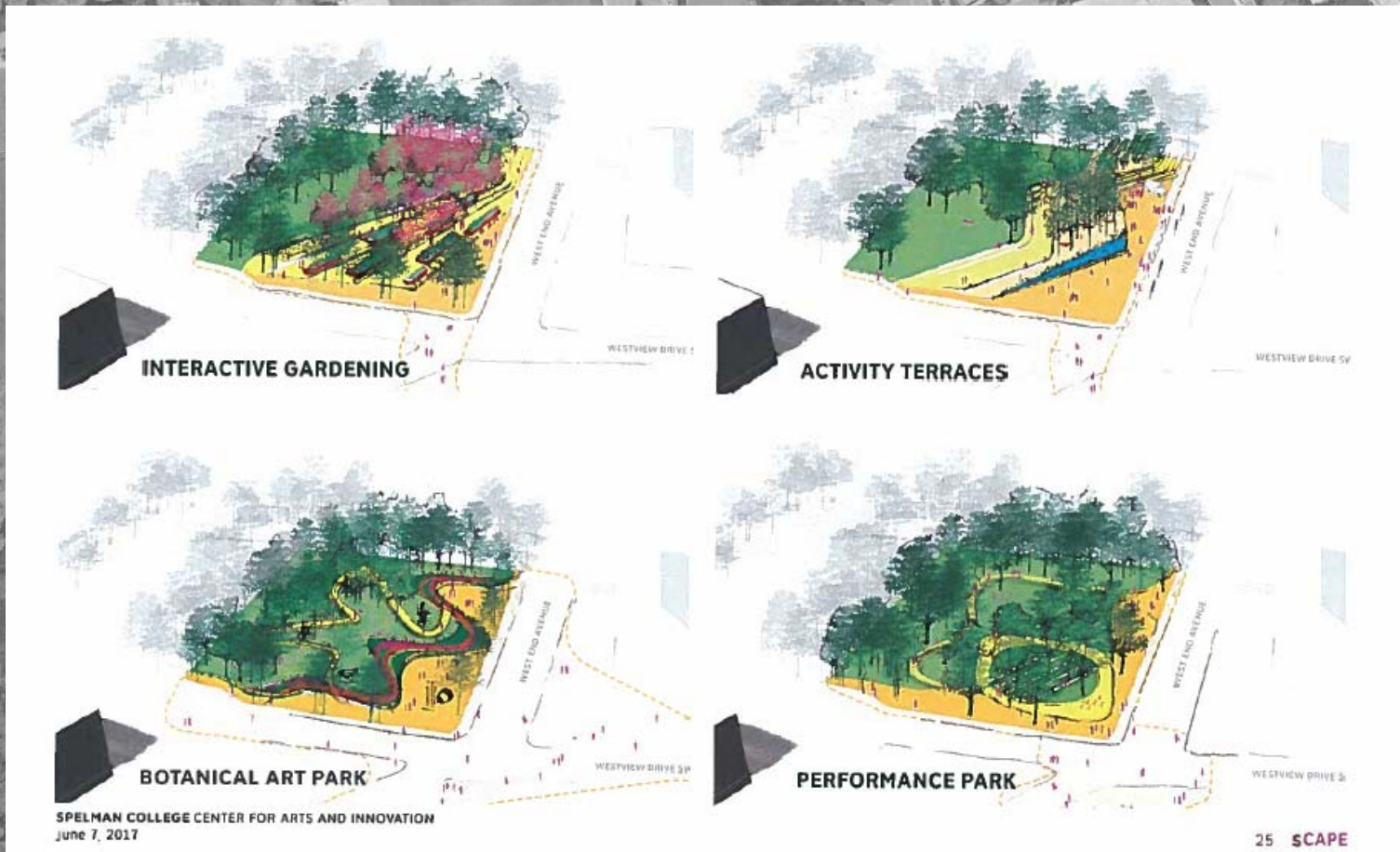


SCHEME 01



VIEW FROM CA&I - LEE STREET LOOKING SOUTH

Previous Plans

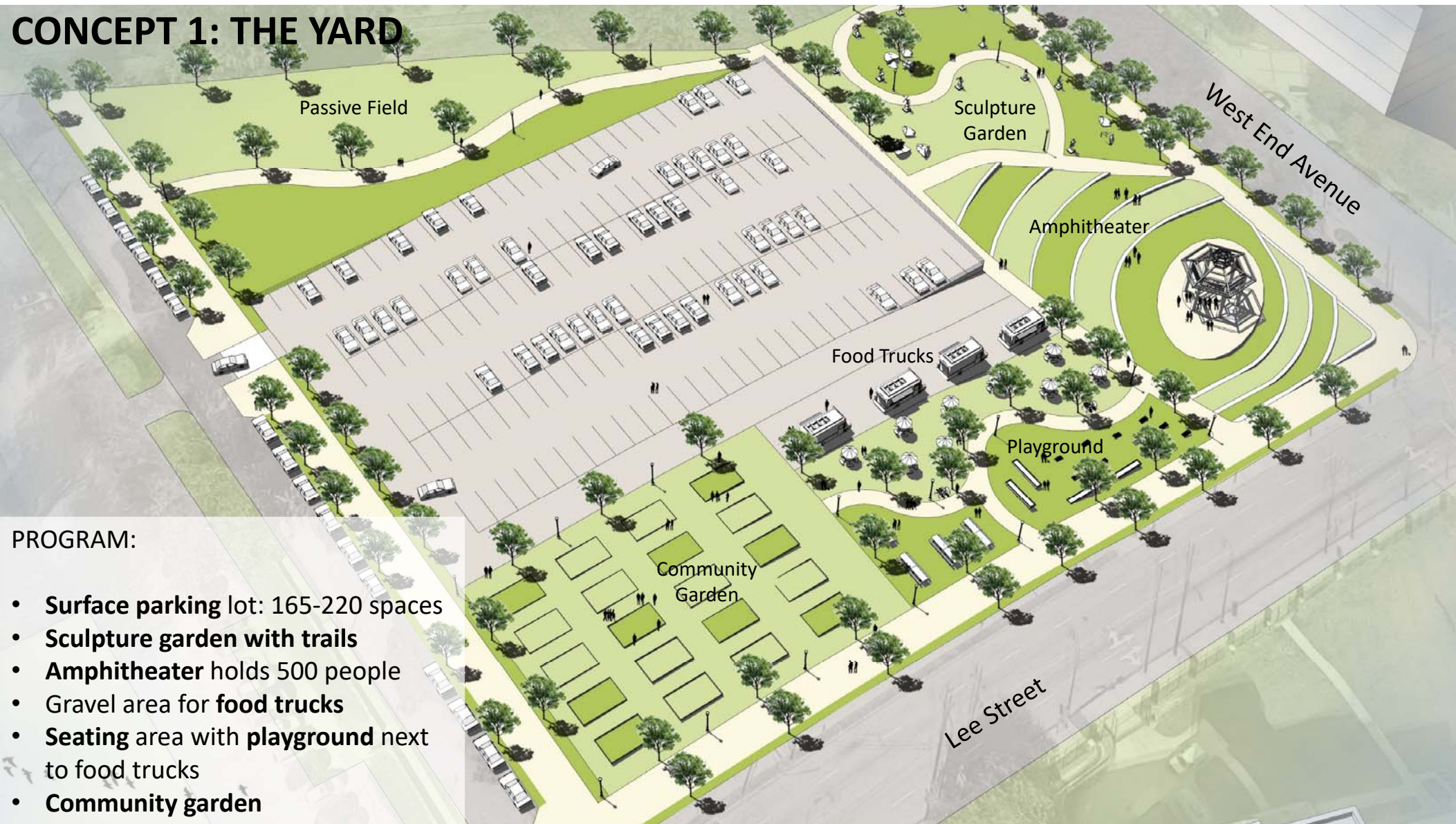


Previous Plans



Recommendations

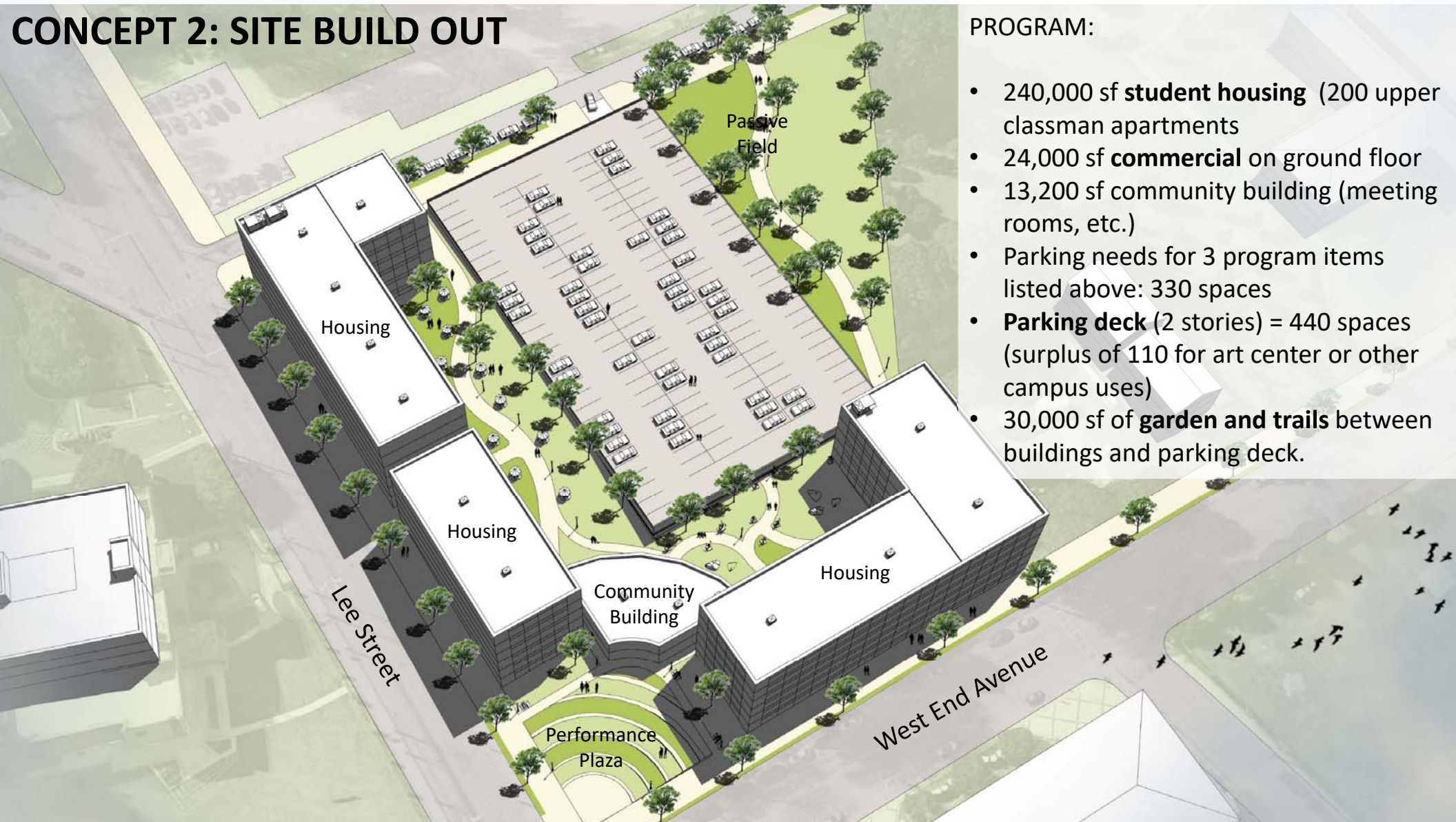
CONCEPT 1: THE YARD



PROGRAM:

- **Surface parking lot:** 165-220 spaces
- **Sculpture garden with trails**
- **Amphitheater** holds 500 people
- Gravel area for **food trucks**
- **Seating area with playground** next to food trucks
- **Community garden**

CONCEPT 2: SITE BUILD OUT



PROGRAM:

- 240,000 sf **student housing** (200 upper classman apartments)
- 24,000 sf **commercial** on ground floor
- 13,200 sf community building (meeting rooms, etc.)
- Parking needs for 3 program items listed above: 330 spaces
- **Parking deck** (2 stories) = 440 spaces (surplus of 110 for art center or other campus uses)
- 30,000 sf of **garden and trails** between buildings and parking deck.

An aerial photograph of a city street scene. The left half of the image is in grayscale, showing a residential area with houses, trees, and a parking lot. The right half is a blue-tinted version of the same scene. The text 'Case Studies' is overlaid on the blue-tinted portion.

Case Studies

Grambling
Tech Square
John Hopkins
Howard University



Howard University, Washington D.C.

2.2 Acres

Private developer ground lease to plan, finance, build, and operate a first-class mixed-used development

To include

- Residential
- Retail space (inclusive of a grocery store)
- Multi-story parking garage



John Hopkins East Baltimore Development

88 Acres

Private development; JH School; City Park

To include

- Lab and Office
- Residential
- School
- Retail space
- 5 acre park
- Hotel

Case Studies



Deal Structure

Phase I

Activated park, parking lot - Spelman is developer

Financing TBD

Potential for other AUC schools to share in cost

Phase II

Student Housing, Retail – 3rd Party developer

Equity/debt

Spelman puts in land

Developer owns improvements

Small split to Spelman

Parking Deck – Spelman is developer

100% bond financing – 25yr; 3%

Tax Exempt Bonds

Hires fee developer (RFP)

Community building

Development strategy TBD

Financial Model

Phase I –
Activated park + parking lot - Spelman is
developer

Sculpture garden = \$550k

Trails = \$10k

Amphitheater = \$1.75mm

Gravel food truck lot =
\$9,200

Playground = \$50k

Community garden = \$112k

Parking lot = \$3.3mm

Contingency = \$620,300

Design fees = \$384,090

TOTAL DEV. COST =
\$6,785,590



Financial Model

Phase II
Parking Deck – Spelman is developer
**not looking for any net cash flow*

440 parking spaces

Land = \$0

\$/parking space = \$25,000

TDC = \$11,000,000

100% bond financing; 3%; 25yr
Existing funds allocated for
operations = \$4.5mm

Avg parking rent = \$3/sp/day

Monthly revenue = \$40,150

Monthly OpEx = \$X

Monthly debt service = \$52,163

Annual funding gap = \$144,156 + \$X
OpEx

- Current funds available are enough to pay off bonds with \$900k left over for X years of OpEx
- Need to assess additional funding needed for annual operating expenses
- To determine how allocation of spaces to housing will be addressed – revenue share etc.

Conclusion = Project needs further analysis

Financial Model

Phase II Student Housing, Retail – 3rd Party developer

Unit count = 200
Avg unit = 918 sf
Retail sf = 24,000
300 parking spaces

Land = \$0
Hard costs = \$152k/unit
Soft costs = 25%
Retail TI = \$30/sf

Debt = 65% LTC; 5%

Avg apt rent = \$1.53/sf
Avg retail NNN rent = \$20/sf
Avg parking rent = \$150/sp/mo
Stabilized NOI = \$2.92mm

Pre-tax profit margin = 28%
**does not take into account
interim cash flows or TVM*
Equity multiple = 2.16

Conclusion = Project is marketable

An aerial photograph of a city, showing a mix of residential houses, commercial buildings, and green spaces. A prominent blue horizontal band runs across the center of the image, serving as a background for the title text. The city features a baseball field in the upper left, a large parking lot in the upper right, and a multi-lane highway at the bottom.

CHALLENGES



- Stakeholder Consensus
- Coordination with AUC Schools
- Rising Construction Costs
- Phase I - Nonrevenue Generating
- Phase II – Relationship between Spelman and the developer
- Building a parking lot without development
- Due Diligence Unknowns
- Market Speculation

An aerial photograph of a city area, showing various buildings, streets, and green spaces. A semi-transparent blue horizontal band runs across the middle of the image, serving as a background for the text.

NEXT STEPS

- 
- Stakeholder Consensus
 - Due Diligence



QUESTIONS?