

CITY OF STONE MOUNTAIN DDA DOWNTOWN REVITALIZATION STRATEGY mTAP

ULI, Center for Leadership, Class 2025

mTAP Presentation
April 28th



mTAP TEAM



Samir Abdullahi
Director
Select Fulton

Samir Abdullahi is the Director for Select Fulton, Fulton County’s economic and workforce development initiative. In this role, Samir manages both the economic development projects team in addition to the Workforce Development division of Fulton County.

His focus includes recruiting new jobs and capital investment to the county, preparing incentive packages and directing Fulton County’s \$3.2M Workforce Innovation and Opportunity Act funding.



Rosemarie Ashton
Asset Manager
Integral Group

Rosemarie Ashton is an Asset Manager with the Integral Group responsible for advancing the strategic business and asset management plans for the company’s completed real estate portfolio.

She is responsible for implementing the asset and risk management policies and procedures in order to drive operational efficiency and profitability across the Integral portfolio and mitigate risk exposures in its communities. Rosemarie has a strong background in process improvement and operating efficiency.



Mike Atteberry
CRE Credit Senior Portfolio
Manager
Truist

Mike Atteberry is a Senior Vice President in Truist’s Commercial Real Estate Credit Delivery group. In this role he is responsible for analysis, structuring, and risk mitigation of CRE debt commitments across property sectors nationally.

He specializes in both construction and stabilized asset financing. Mike has held a variety of commercial lending positions at Truist since joining the company in 2006, including relationship management and credit officer roles.



Patrick Deveau
Vice President, Development
JLL

Patrick Deveau serves as a Vice President with JLL’s Development Management team within the Project and Development Services group in Atlanta. In his current role, Patrick provides project leadership for multiple corporate headquarter and higher education projects through management of entitlements, design, construction, and project funding.

Patrick is a native of Atlanta and previously resided in New York where he worked as an Architect collaborating on various corporate and institutional projects.



Ivana Petter
Project Architect
Page

Ivana Nikolic Petter is a native of Croatia and brings professional experience gained in Europe, Canada, and the United States.

Ivana has experience in a variety of multifamily, corporate and institutional projects, varying in size, typology as well as location. She is a champion of design, sustainability, building systems and communities.

PROJECT ASK

November 2024, mTAP client pitch

City of Stone Mountain DDA:

We seek guidance on multiple fronts

- Developing a **property acquisition strategy**—including **identifying potential funding sources**, guidance for investor/developer attraction, and **incentive structuring**

- Assistance in **identifying potential highest and best uses** for key catalyst parcels within Stone Mountain’s downtown corridor

- Developing a strategy to **partner with investors and developers** to revitalize these buildings so that we can bring new businesses and additional tax revenue to our city

Challenges

- Legacy and static downtown
- Limited local resources for redevelopment

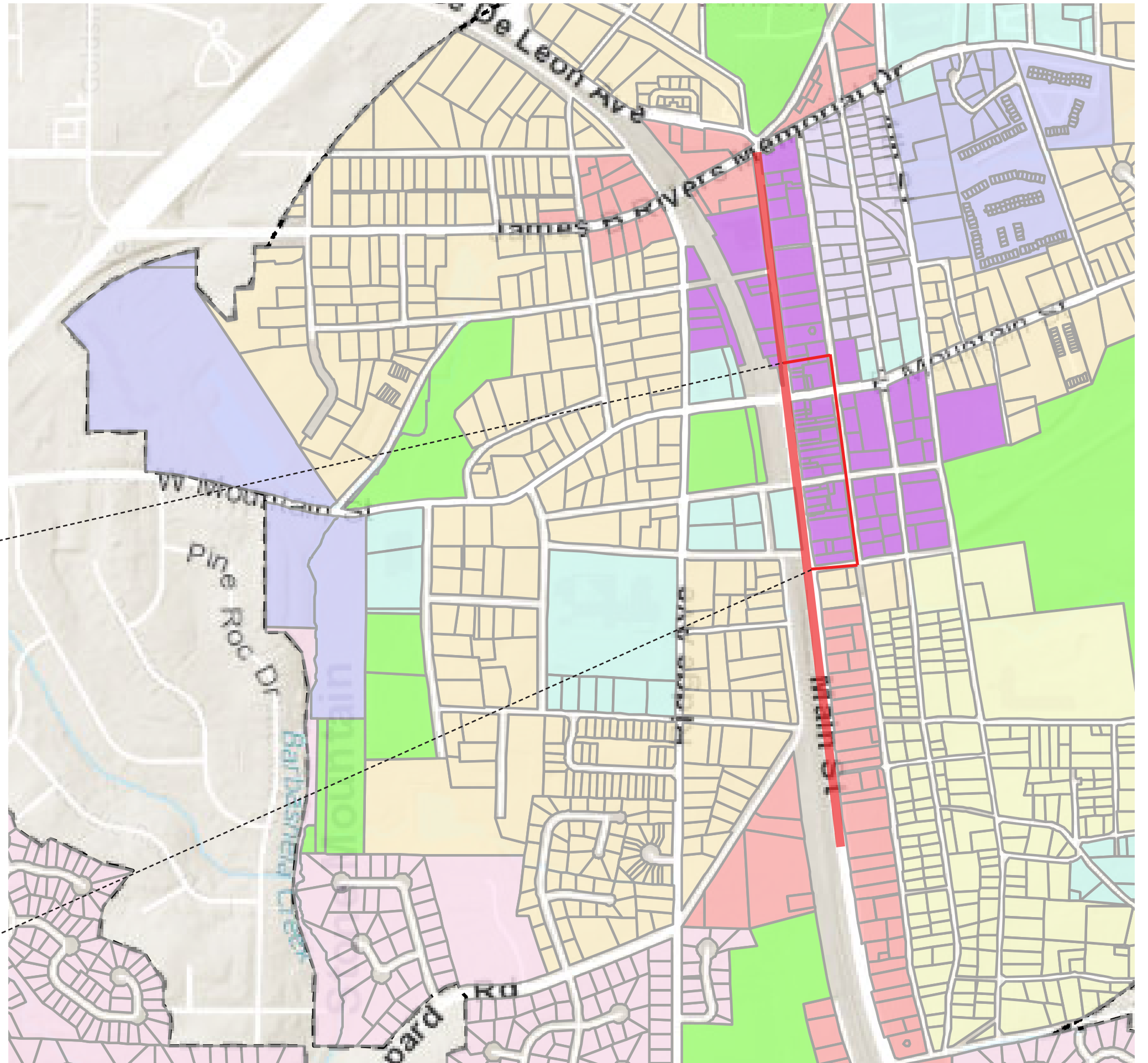
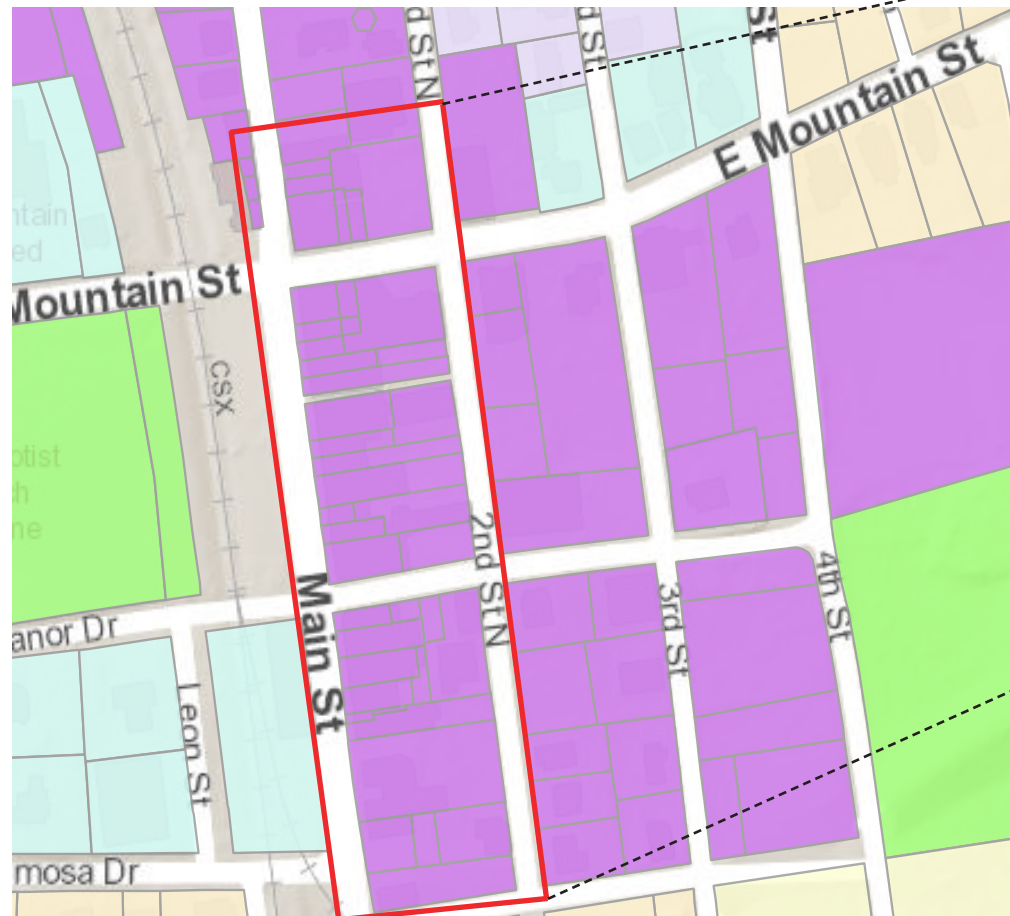
Opportunities

- Unique downtown with strong infrastructure
- Activate and maximize downtown

NEIGHBORHOOD CONTEXT

The goal of **SITE VISIT** and meeting with Downtown Development Authority, and the City representative Maggie Dimov:

- Walk through the core section of downtown,
- Identifying potential buildings of interest



PROPERTY ASSESSMENT



Address:	 A 923 Main Street							 B 5367 E Mountain St							 C 943 Main Street							 D 941 Main Street							 E 933-935 Main Street							 F 971/979 Main Street						
	Selling price is \$350,000, depending on the exact equipment, fixtures and inventory a prospective buyer wishes to include in contract for sale. This is a turn-key retail business opportunity which includes the sale of the building. The business does hold 2 Federal Trademarks for the coffee business: coffee shop and a restaurant can go there.							Former car dealership, holes in roof, \$539,900 on Zillow							Granite facade, used for storage							Black facade, 2nd store access to non-existent balcony							Old Hotel: absent owner, large renovation needs (\$2-3M), \$12.00 psf Rent (\$4,734.5 /month per unit), \$1.16 psf CAM (\$457.67 /month per unit)							Building with small kitchen, A/C works well, available for lease						
	2.340							8.320							8.950							2.900							9.469							1.536 / 2.560						
	1							1							2							2							2							1-2						
	Barbara and Bill Collins																																									
Voter	Pers.A	Pers.B	Pers.C	Pers.D	Pers.E	Combined		Pers.A	Pers.B	Pers.C	Pers.D	Pers.E	Combined		Pers.A	Pers.B	Pers.C	Pers.D	Pers.E	Combined		Pers.A	Pers.B	Pers.C	Pers.D	Pers.E	Combined		Pers.A	Pers.B	Pers.C	Pers.D	Pers.E	Combined		Pers.A	Pers.B	Pers.C	Pers.D	Pers.E	Combined	
Location on the Main Street	3	3	4	4	3	3,4		2	1	1	3	1	1,6		4	5	5	5	5	4,8		3	5	5	3	4	4		5	5	4	5	5	4,8		5	5	3	1	3	3,4	
Condition	4	3	4	4	4	3,8		1	1	1	1	1	1		4	3	4	4	4	3,8		3	4	4	4	4	3,8		2	5	2	2	2	2,6		3	3	4	3	3	3,2	
Path to ownership	4	3	3	5	3	3,6		4	5	5	5	5	4,8		2	1	2	3	2	2		3	3	3	3	3	3		2	5	3	4	3	3,4		3	3	3	3	4	3,2	
Impact to the overall SM Revitalization	3	2	3	2	2	2,4		4	3	4	5	2	3,6		3	5	5	5	4	4,4		2	2	3	3	3	2,6		5	5	5	5	5	5		3	5	2	2	3	3	
Return on the Investment	3	4	4	4	3	3,6		3	1	1	4	2	2,2		4	3	5	5	5	4,4		3	5	5	3	4	4		3	1	2	2	2	2		4	3	3	2	3	3	
Total	17	15	18	19	15	16,8		14	11	12	18	11	13,2		17	17	21	22	20	19,4		14	19	20	16	18	17,4		17	21	16	18	17	17,8		18	19	15	11	16	15,8	

*Grading on a scale 1-5 with 5 being the best score

SITE SELECTION

To maximize the impact of the site selection, we evaluated multiple properties using a comprehensive assessment process. Ultimately, the chosen location stood out due to its strategic position in the heart of Main Street—at a prominent intersection with direct sightlines to the future amphitheater (currently a green space).

Furthermore, to amplify the overall effect of the downtown revitalization, we recommend combining the three highest-scoring properties with an additional, smaller parcel situated between them. This creates a cohesive and highly desirable half-block investment opportunity.



Views from the selected site



Street frontage of the selected site



Main Street and Manor Dr Corner



933/935 MAIN PRO FORMA ANALYSIS



Development Costs	
Acquisition Cost	1,500,000
Total Construction Cost	1,500,000
Developer's Fee	87,500
Professional, Financing and Other Soft Costs	35,000
Reserves	24,000
Insurance	7,000
Total Building Area (SqFt)	4,734
Development Cost Summary	
Total Development Cost (TDC)	\$3,146,500
TDC/Unit	\$524,417
TDC/SqFt	\$665

Zoning
Multi Use

Operating Budget		
# of Units by	Floorplan	Monthly Rent
	1	\$3,454
	5	\$2,500

Average Vacancy Rate	25.00%
Other Income	\$0
Per Unit Per Year (PUPA) Real Estate Taxes	\$0
Per Unit Per Year (PUPA) Operating Expenses	\$7,000
Operating Budget Summary	
Total Units	6
Total Potential Gross Rent	\$191,446
Annual Vacancy Loss	(\$47,862)
Total Effective Gross Income	\$143,585
Total Operating Expenses	(\$42,000)
Expense Ratio	29.25%
Net Operating Income	\$101,585

Capital Sources	
Senior Debt Terms	
Principal	\$2,886,500
Amortization (Years)	30
Interest Rate	6.00%
Lender Minimum Debt Coverage Ratio	1.15
Senior Debt Service Summary	
Loan to Cost (TDC) Ratio	91.74%
Estimated Annual Debt Service	207,672
Debt Coverage Ratio	0.49
Maximum Debt Service (based on NOI and terms above)	88,334
Max Mortgage Amount (based on NOI and terms above)	1,227,787
Does Debt Service Exceed Amount Supportable?	Yes
Other Capital Sources	
Façade	\$10,000
DDRLF	\$250,000
Grants/Soft Debt/Other Sources	
Grants/Soft Debt/Other Sources	
Deferred Developer Fee	
Owner Equity	
Other Sources Summary	
Total funding needed beyond senior debt	\$260,000
Total funding identified	\$260,000
Total Remaining Gap (red) or Surplus (blue)	\$0

Additional Debt Service Calculator	
Principal	\$250,000
Amortization (Years)	15
Interest Rate	2.00%
Annual Debt Service	19,305.26

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rent Income	\$191,446	\$197,190	\$203,105	\$209,198	\$215,474	\$221,939	\$228,597	\$235,455	\$242,518	\$249,794	\$257,288	\$265,006	\$272,956	\$281,145	\$289,580	\$298,267	\$307,215	\$316,431	\$325,924	\$335,702
Vacancy Loss	(\$47,862)	(\$49,297)	(\$50,776)	(\$52,300)	(\$53,869)	(\$55,485)	(\$57,149)	(\$58,864)	(\$60,630)	(\$62,448)	(\$64,322)	(\$66,252)	(\$68,239)	(\$70,286)	(\$72,395)	(\$74,567)	(\$76,804)	(\$79,108)	(\$81,481)	(\$83,926)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Eff. Gross Income	\$143,585	\$147,892	\$152,329	\$156,899	\$161,606	\$166,454	\$171,448	\$176,591	\$181,889	\$187,345	\$192,966	\$198,755	\$204,717	\$210,859	\$217,185	\$223,700	\$230,411	\$237,324	\$244,443	\$251,777
Total Annual Expenses	(\$42,000)	(\$42,840)	(\$43,697)	(\$44,571)	(\$45,462)	(\$46,371)	(\$47,299)	(\$48,245)	(\$49,210)	(\$50,194)	(\$51,198)	(\$52,222)	(\$53,266)	(\$54,331)	(\$55,418)	(\$56,526)	(\$57,657)	(\$58,810)	(\$59,986)	(\$61,186)
Net Operating Income	\$101,585	\$105,052	\$108,632	\$112,328	\$116,144	\$120,083	\$124,149	\$128,346	\$132,679	\$137,151	\$141,768	\$146,533	\$151,451	\$156,527	\$161,767	\$167,174	\$172,754	\$178,513	\$184,457	\$190,590
Total Debt Service	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)	(\$207,672)
Bridge Loan Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Coverage Ratio	0.49	0.51	0.52	0.54	0.56	0.58	0.60	0.62	0.64	0.66	0.68	0.71	0.73	0.75	0.78	0.80	0.83	0.86	0.89	0.92
Cash flow Available	(\$106,088)	(\$102,620)	(\$99,040)	(\$95,344)	(\$91,529)	(\$87,590)	(\$83,524)	(\$79,326)	(\$74,993)	(\$70,521)	(\$65,904)	(\$61,139)	(\$56,221)	(\$51,145)	(\$45,906)	(\$40,499)	(\$34,918)	(\$29,159)	(\$23,215)	(\$17,082)
Obligations: Payments from Cash Flow																				
Cash Remaining After Obligations	(\$106,088)	(\$102,620)	(\$99,040)	(\$95,344)	(\$91,529)	(\$87,590)	(\$83,524)	(\$79,326)	(\$74,993)	(\$70,521)	(\$65,904)	(\$61,139)	(\$56,221)	(\$51,145)	(\$45,906)	(\$40,499)	(\$34,918)	(\$29,159)	(\$23,215)	(\$17,082)

937 MAIN PRO FORMA ANALYSIS



Development Costs		
Acquisition Cost		150,000
Total Construction Cost		542,832
Developer's Fee		34,641
Professional, Financing and Other Soft Costs		13,857
Reserves		6,000
Insurance		7,000
Total Building Area (SqFt)		2,064
Development Cost Summary		
Total Development Cost (TDC)	\$747,330	
TDC/Unit	\$747,330	
TDC/SqFt	\$362	

Zoning
Office

Operating Budget		
# of Units by		
Floorplan	Monthly Rent	
1	\$3,012	

Capital Sources	
Senior Debt Terms	
Principal	\$487,330
Amortization (Years)	30
Interest Rate	6.00%
Lender Minimum Debt Coverage Ratio	1.15
Senior Debt Service Summary	
Loan to Cost (TDC) Ratio	65.21%
Estimated Annual Debt Service	35,061
Debt Coverage Ratio	0.57
Maximum Debt Service (based on NOI and terms above)	17,483
Max Mortgage Amount (based on NOI and terms above)	243,002
Does Debt Service Exceed Amount Supportable?	Yes
Other Capital Sources	
Façade	\$10,000
DDRLF	\$250,000
Grants/Soft Debt/Other Sources	
Grants/Soft Debt/Other Sources	
Deferred Developer Fee	
Owner Equity	
Other Sources Summary	
Total funding needed beyond senior debt	\$260,000
Total funding identified	\$260,000
Total Remaining Gap (red) or Surplus (blue)	\$0

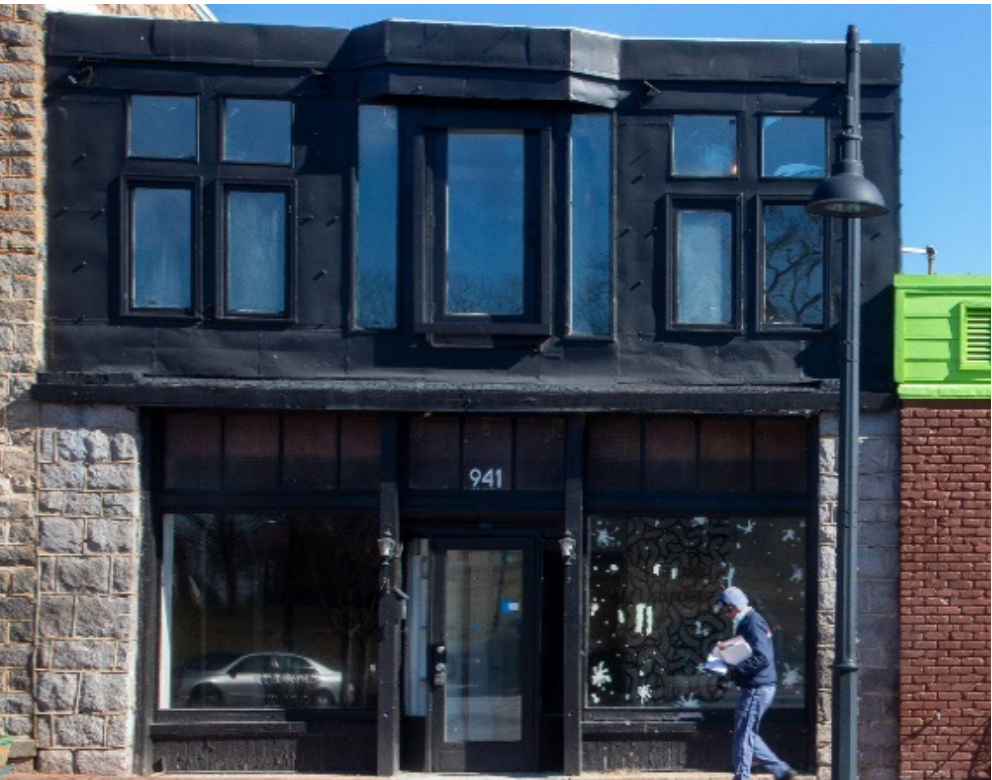
Average Vacancy Rate	25.00%
Other Income	\$0
Per Unit Per Year (PUPA) Real Estate Taxes	\$0
Per Unit Per Year (PUPA) Operating Expenses	\$7,000
Operating Budget Summary	
Total Units	1
Total Potential Gross Rent	\$36,141
Annual Vacancy Loss	(\$9,035)
Total Effective Gross Income	\$27,105
Total Operating Expenses	(\$7,000)
Expense Ratio	25.83%
Net Operating Income	\$20,105

20 Year Operating Pro Forma	
Rent Annual Growth Rate	3.00%
Other Income Annual Growth Rate	3.00%
Expenses Annual Growth Rate	2.00%
Cash Flow & Return Summary	
Total Cash Flow over years 1-10	(\$116,529)
Total Cash Flow over years 1-15	(\$142,844)
Total Cash Flow After Obligations (years 1-10)	(\$116,529)
Total Cash Flow After Obligations (years 1-15)	(\$142,844)
Cash-on-cash Return on Equity (Year 1)	

Additional Debt Service Calculator	
Principal	\$250,000
Amortization (Years)	15
Interest Rate	2.00%
Annual Debt Service	19,305.26

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rent Income	\$36,141	\$37,225	\$38,342	\$39,492	\$40,677	\$41,897	\$43,154	\$44,448	\$45,782	\$47,155	\$48,570	\$50,027	\$51,528	\$53,074	\$54,666	\$56,306	\$57,995	\$59,735	\$61,527	\$63,373
Vacancy Loss	(\$9,035)	(\$9,306)	(\$9,585)	(\$9,873)	(\$10,169)	(\$10,474)	(\$10,788)	(\$11,112)	(\$11,445)	(\$11,789)	(\$12,142)	(\$12,507)	(\$12,882)	(\$13,268)	(\$13,666)	(\$14,076)	(\$14,499)	(\$14,934)	(\$15,382)	(\$15,843)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Eff. Gross Income	\$27,105	\$27,919	\$28,756	\$29,619	\$30,507	\$31,423	\$32,365	\$33,336	\$34,336	\$35,367	\$36,427	\$37,520	\$38,646	\$39,805	\$40,999	\$42,229	\$43,496	\$44,801	\$46,145	\$47,530
Total Annual Expenses	(\$7,000)	(\$7,140)	(\$7,283)	(\$7,428)	(\$7,577)	(\$7,729)	(\$7,883)	(\$8,041)	(\$8,202)	(\$8,366)	(\$8,533)	(\$8,704)	(\$8,878)	(\$9,055)	(\$9,236)	(\$9,421)	(\$9,609)	(\$9,802)	(\$9,998)	(\$10,198)
Net Operating Income	\$20,105	\$20,779	\$21,473	\$22,190	\$22,930	\$23,694	\$24,482	\$25,296	\$26,135	\$27,001	\$27,895	\$28,817	\$29,768	\$30,750	\$31,763	\$32,808	\$33,887	\$35,000	\$36,148	\$37,332
Total Debt Service	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)	(\$35,061)
Bridge Loan Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Coverage Ratio	0.57	0.59	0.61	0.63	0.65	0.68	0.70	0.72	0.75	0.77	0.80	0.82	0.85	0.88	0.91	0.94	0.97	1.00	1.03	1.06
Cash flow Available	(\$14,956)	(\$14,283)	(\$13,588)	(\$12,871)	(\$12,131)	(\$11,367)	(\$10,579)	(\$9,766)	(\$8,927)	(\$8,061)	(\$7,167)	(\$6,245)	(\$5,293)	(\$4,311)	(\$3,298)	(\$2,253)	(\$1,175)	(\$62)	\$1,086	\$2,270
Obligations: Payments from Cash Flow																				
Cash Remaining After Obligations	(\$14,956)	(\$14,283)	(\$13,588)	(\$12,871)	(\$12,131)	(\$11,367)	(\$10,579)	(\$9,766)	(\$8,927)	(\$8,061)	(\$7,167)	(\$6,245)	(\$5,293)	(\$4,311)	(\$3,298)	(\$2,253)	(\$1,175)	(\$62)	\$1,086	\$2,270

941 MAIN PRO FORMA ANALYSIS



Development Costs		
Acquisition Cost		500,000
Total Construction Cost		762,700
Developer's Fee		63,135
Professional, Financing and Other Soft Costs		25,254
Reserves		12,000
Insurance		7,000
Total Building Area (SqFt)		2,900
Development Cost Summary		
Total Development Cost (TDC)	\$1,363,089	
TDC/Unit	\$194,727	
TDC/SqFt	\$470	

Zoning
Retail

Operating Budget	# of Units by Floorplan	Monthly Rent
	1	\$2,116
	6	\$2,500

Average Vacancy Rate	25.00%
Other Income	\$0
Per Unit Per Year (PUPA) Real Estate Taxes	\$0
Per Unit Per Year (PUPA) Operating Expenses	\$7,000
Operating Budget Summary	
Total Units	7
Total Potential Gross Rent	\$205,390
Annual Vacancy Loss	(\$51,347)
Total Effective Gross Income	\$154,042
Total Operating Expenses	(\$49,000)
Expense Ratio	31.81%
Net Operating Income	\$105,042

Capital Sources	
Senior Debt Terms	
Principal	\$1,103,089
Amortization (Years)	30
Interest Rate	6.00%
Lender Minimum Debt Coverage Ratio	1.15
Senior Debt Service Summary	
Loan to Cost (TDC) Ratio	80.93%
Estimated Annual Debt Service	79,363
Debt Coverage Ratio	1.32
Maximum Debt Service (based on NOI and terms above)	91,341
Max Mortgage Amount (based on NOI and terms above)	1,269,576
Does Debt Service Exceed Amount Supportable?	No
Other Capital Sources	
Façade	\$10,000
DDRLF	\$250,000
Grants/Soft Debt/Other Sources	
Grants/Soft Debt/Other Sources	
Deferred Developer Fee	
Owner Equity	
Other Sources Summary	
Total funding needed beyond senior debt	\$260,000
Total funding identified	\$260,000
Total Remaining Gap (red) or Surplus (blue)	\$0

Additional Debt Service Calculator	
Principal	\$250,000
Amortization (Years)	15
Interest Rate	2.00%
Annual Debt Service	19,305.26

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rent Income	\$205,390	\$211,551	\$217,898	\$224,435	\$231,168	\$238,103	\$245,246	\$252,603	\$260,181	\$267,987	\$276,026	\$284,307	\$292,836	\$301,621	\$310,670	\$319,990	\$329,590	\$339,478	\$349,662	\$360,152
Vacancy Loss	(\$51,347)	(\$52,888)	(\$54,474)	(\$56,109)	(\$57,792)	(\$59,526)	(\$61,311)	(\$63,151)	(\$65,045)	(\$66,997)	(\$69,007)	(\$71,077)	(\$73,209)	(\$75,405)	(\$77,668)	(\$79,998)	(\$82,397)	(\$84,869)	(\$87,415)	(\$90,038)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Eff. Gross Income	\$154,042	\$158,663	\$163,423	\$168,326	\$173,376	\$178,577	\$183,934	\$189,452	\$195,136	\$200,990	\$207,020	\$213,230	\$219,627	\$226,216	\$233,003	\$239,993	\$247,192	\$254,608	\$262,246	\$270,114
Total Annual Expenses	(\$49,000)	(\$49,980)	(\$50,980)	(\$51,999)	(\$53,039)	(\$54,100)	(\$55,182)	(\$56,286)	(\$57,411)	(\$58,560)	(\$59,731)	(\$60,925)	(\$62,144)	(\$63,387)	(\$64,654)	(\$65,948)	(\$67,266)	(\$68,612)	(\$69,984)	(\$71,384)
Net Operating Income	\$105,042	\$108,683	\$112,444	\$116,327	\$120,337	\$124,477	\$128,752	\$133,167	\$137,725	\$142,430	\$147,289	\$152,305	\$157,483	\$162,829	\$168,348	\$174,045	\$179,926	\$185,996	\$192,262	\$198,730
Total Debt Service	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)	(\$79,363)
Bridge Loan Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Coverage Ratio	1.32	1.37	1.42	1.47	1.52	1.57	1.62	1.68	1.74	1.79	1.86	1.92	1.98	2.05	2.12	2.19	2.27	2.34	2.42	2.50
Cash flow Available	\$25,679	\$29,320	\$33,081	\$36,964	\$40,974	\$45,114	\$49,389	\$53,804	\$58,362	\$63,068	\$67,926	\$72,942	\$78,120	\$83,466	\$88,985	\$94,682	\$100,563	\$106,633	\$112,899	\$119,367
Obligations: Payments from Cash Flow																				
Cash Remaining After Obligations	\$25,679	\$29,320	\$33,081	\$36,964	\$40,974	\$45,114	\$49,389	\$53,804	\$58,362	\$63,068	\$67,926	\$72,942	\$78,120	\$83,466	\$88,985	\$94,682	\$100,563	\$106,633	\$112,899	\$119,367

943 MAIN PRO FORMA ANALYSIS



Development Costs		
Acquisition Cost	550,000	
Total Construction Cost	1,500,000	
Developer's Fee	102,500	
Professional, Financing and Other Soft Costs	41,000	
Reserves	24,000	
Insurance	7,000	
Total Building Area (SqFt)	8,438	
Development Cost Summary		
Total Development Cost (TDC)	\$2,217,500	
TDC/Unit	\$443,500	
TDC/SqFt	\$263	

20 Year Operating Pro Forma		
Rent Annual Growth Rate	3.00%	
Other Income Annual Growth Rate	3.00%	
Expenses Annual Growth Rate	2.00%	
Cash Flow & Return Summary		
Total Cash Flow over years 1-10	(\$382,605)	
Total Cash Flow over years 1-15	(\$431,867)	
Total Cash Flow After Obligations (years 1-10)	(\$382,605)	
Total Cash Flow After Obligations (years 1-15)	(\$431,867)	
Cash-on-cash Return on Equity (Year 1)		

Zoning
Office

Operating Budget		
# of Units by		
Floorplan	Monthly Rent	
1	\$3,078	
1	\$3,078	
3	\$2,500	

Average Vacancy Rate	25.00%
Other Income	\$0
Per Unit Per Year (PUPA) Real Estate Taxes	\$0
Per Unit Per Year (PUPA) Operating Expenses	\$7,000
Operating Budget Summary	
Total Units	5
Total Potential Gross Rent	\$163,875
Annual Vacancy Loss	(\$40,969)
Total Effective Gross Income	\$122,906
Total Operating Expenses	(\$35,000)
Expense Ratio	28.48%
Net Operating Income	\$87,906

Capital Sources	
Senior Debt Terms	
Principal	\$1,957,500
Amortization (Years)	30
Interest Rate	6.00%
Lender Minimum Debt Coverage Ratio	1.15
Senior Debt Service Summary	
Loan to Cost (TDC) Ratio	88.28%
Estimated Annual Debt Service	140,834
Debt Coverage Ratio	0.62
Maximum Debt Service (based on NOI and terms above)	76,440
Max Mortgage Amount (based on NOI and terms above)	1,062,463
Does Debt Service Exceed Amount Supportable?	Yes
Other Capital Sources	
Façade	\$10,000
DDRLF	\$250,000
Grants/Soft Debt/Other Sources	
Grants/Soft Debt/Other Sources	
Deferred Developer Fee	
Owner Equity	
Other Sources Summary	
Total funding needed beyond senior debt	\$260,000
Total funding identified	\$260,000
Total Remaining Gap (red) or Surplus (blue)	\$0

Additional Debt Service Calculator		
Principal	\$250,000	
Amortization (Years)	15	
Interest Rate	2.00%	
Annual Debt Service	19,305.26	

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Rent Income	\$163,875	\$168,791	\$173,855	\$179,070	\$184,442	\$189,976	\$195,675	\$201,545	\$207,592	\$213,819	\$220,234	\$226,841	\$233,646	\$240,656	\$247,875	\$255,311	\$262,971	\$270,860	\$278,986	\$287,355
Vacancy Loss	(\$40,969)	(\$42,198)	(\$43,464)	(\$44,768)	(\$46,111)	(\$47,494)	(\$48,919)	(\$50,386)	(\$51,898)	(\$53,455)	(\$55,058)	(\$56,710)	(\$58,412)	(\$60,164)	(\$61,969)	(\$63,828)	(\$65,743)	(\$67,715)	(\$69,746)	(\$71,839)
Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Eff. Gross Income	\$122,906	\$126,593	\$130,391	\$134,303	\$138,332	\$142,482	\$146,756	\$151,159	\$155,694	\$160,364	\$165,175	\$170,131	\$175,235	\$180,492	\$185,906	\$191,484	\$197,228	\$203,145	\$209,239	\$215,516
Total Annual Expenses	(\$35,000)	(\$35,700)	(\$36,414)	(\$37,142)	(\$37,885)	(\$38,643)	(\$39,416)	(\$40,204)	(\$41,008)	(\$41,828)	(\$42,665)	(\$43,518)	(\$44,388)	(\$45,276)	(\$46,182)	(\$47,105)	(\$48,047)	(\$49,008)	(\$49,989)	(\$50,988)
Net Operating Income	\$87,906	\$90,893	\$93,977	\$97,160	\$100,447	\$103,839	\$107,341	\$110,955	\$114,686	\$118,536	\$122,511	\$126,613	\$130,846	\$135,215	\$139,725	\$144,378	\$149,181	\$154,136	\$159,251	\$164,528
Total Debt Service	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)	(\$140,834)
Bridge Loan Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Coverage Ratio	0.62	0.65	0.67	0.69	0.71	0.74	0.76	0.79	0.81	0.84	0.87	0.90	0.93	0.96	0.99	1.03	1.06	1.09	1.13	1.17
Cash flow Available	(\$52,928)	(\$49,941)	(\$46,857)	(\$43,674)	(\$40,388)	(\$36,995)	(\$33,494)	(\$29,880)	(\$26,149)	(\$22,298)	(\$18,324)	(\$14,222)	(\$9,988)	(\$5,619)	(\$1,110)	\$3,544	\$8,346	\$13,302	\$18,416	\$23,694
Obligations: Payments from Cash Flow																				
Cash Remaining After Obligations	(\$52,928)	(\$49,941)	(\$46,857)	(\$43,674)	(\$40,388)	(\$36,995)	(\$33,494)	(\$29,880)	(\$26,149)	(\$22,298)	(\$18,324)	(\$14,222)	(\$9,988)	(\$5,619)	(\$1,110)	\$3,544	\$8,346	\$13,302	\$18,416	\$23,694

DEVELOPMENT COST

Development Costs by Line Item	Total Cost	Cost/Unit	Cost/Sq Ft
Acquisition Costs			
Land			
Existing Structures *	4,200,000		
Subtotal	4,200,000		
Site Improvements			
Off Site Infrastructure *			
On Site Infrastructure *			
Demolition*			
Subtotal	0		
Construction			
Building Permit Fees *			
Tap Fees *			
Construction / Rehabilitation *	5,805,532		
Landscaping *			
Contingency *	580,553		
Other (please specify) *			
Subtotal	6,386,085		
Professional Fees			
Professional and Other Fees	150,111		
Engineering Fees			
Real Estate Attorney Fees			
Soils Tests			
Surveys			
Green Planning and Design Fees			
Other (please specify)			
Subtotal	150,111		
Construction Finance			
Construction Insurance	35,000		
Construction Loan Orig. Fee			
Construction Interest			
Attorney Fees			
Title and Recording			
Other (please specify)			
Subtotal	35,000		
Permanent Finance & Syndication			
Loan Fees & Expenses			
LIHTC Fees			
Attorney Fees			
Title and Recording			
Other (please specify)			
Subtotal	0		
Soft Costs			
Appraisals & Market Study			
Environmental Reports			
Capital Needs Assessment			
Temporary Relocation			
Permanent Relocation			
Marketing			
Soft Cost Contingency			
Other (please specify)			
Subtotal	0		
Developer Fee / Profit			
Developer's Fee	375,276		
Consultants			
Admininstration Fee			
Subtotal (ie - maximum developer fee)	375,276		
Reserves			
Operating Reserve			
Debt Service Reserve			
Lease-up Reserve			
Replacement Reserve	90,000		
Other (please specify)			
Subtotal	90,000		
Total Development Expenses	\$11,236,472		

Property Summary (From Operating Budget Worksheet)	
Total Square Footage in Units	0
Non Living Square Footage	0
Total Project Square Footage	0
Number of Units	0

Development Costs Summary	% of Total Expenses
Hard Cost Per Unit	
Land Cost Per Unit	
Soft Cost Per Unit	
Hard Cost Per Square Foot	
Soft Cost Per Square Foot	

Line Items marked with a * are included in hard cost evaluation.

Additional Metrics	
Developer Fee/Profit % of Total Budget (excluding Dev. Fee, reserves and acquisition)	5.7%
Months of debt & expense reserves	
Contingency % of Total Construction Expenses	10.00%
Total HOME Eligible Expenses	\$11,146,472

CAPITAL SOURCES

SOURCES OF FUNDS					
Hard Debt					
	Source	Principal	Type of Loan	Interest Rate Amortization (Years)	
First Mortgage					
Second Mortgage					
Third Mortgage					
Government Grants and Soft Debt					
	Source	Amount	Amount Per Unit	COMMENTS	
Cash Grant	DeKalb County	250,000	62,500	City of Stone Mountain VFW Park Improvement Project - \$300,000 CDBG funds will be used as gap funding to complete approximately \$866,000 in park improvements at VFW Park at 888 Gordon Street, St. Mountain. The park improvements will include a new pavilion, walking path, new natural play area, new parking, drainage, and landscaping	
Cash Grant	City of Stone Mountain	200,000	50,000		
CDBG	DeKalb County	NA	NA		
Tax Allocation District	City of Stone Mountain; DeKalb County; Dekalb School System	2,000,000	500,000	Downtown tax base critical to City funding; would require County + School with PILOT; Could generate \$500k a year \$250,000 max loan, 2% rate; 15 year term; Est \$70k finance savings v: market	
GA Downtown RLF	Georgia DCA	280,000	70,000		
Other Grants (Non-Governmental)					
	Source	Amount	Amount Per Unit	COMMENTS	
New Market Tax Credits	Financial Institution; Community Development Entity (CDE)	1,500,000	375,000	DeKalb doesn't do; Need to find Bank as partner; City Bank? 50% below market rates and fees; 20-30% of total project costs	
Tax Credit Equity					
	Source	Amount	Amount Per Unit	COMMENTS	
Federal Historic Tax Credits	9% LIHTC Proceeds			20% Federal Tax Credit; Syndicates 80-90 cents on the dollar 25% State Tax Credit (can add to Federal); Syndicates 80-90 cents on the dollar	
	4% LIHTC Proceeds				
	National Park Service	800,000	200,000		
	State Historic Tax Credits	Georgia DCA	1,000,000		
Other Equity					
	Source	Amount	Amount Per Unit	Amount Kept Upfront	
	Deferred Developer Fee			375,276	
	Owner Equity				
Total Sources		\$6,030,000			
Total Development Costs		\$11,236,472			
Gap (Surplus)		\$5,206,472			

Capital Sources Summary		
	Total	% of Total
Conventional (C)	0	0%
Tax Exempt (T)	0	0%
Federal Financing (F)	0	0%
Tax Credits	1,800,000	16%
Government Grants	2,730,000	24%
Other Grants	1,500,000	13%
Other Equity	0	0%
GAP	5,206,472	46%
Total Sources	11,236,472	100%

Debt Service Summary		
	Annual Payment	Debt Coverate Ratio
First Mortgage	\$0	
Second Mortgage	\$0	
Third Mortgage	\$0	
Total Debt Service	\$0	
Property Debt Coverage Ratio		
Break Even Point (BEP)		

Calculator: Maximum Debt Service & Principal Calculator	
Lender Minimum Debt Coverage Ratio	1.15
Interest Rate	5.00%
Amortization (Years)	30
Maximum Debt Service (based on NOI)	\$0
Maximum Loan Amount (based on NOI)	\$0

Calculator: Maximum Mortgage Principal (based on valuation)	
Appraised Value	
Loan to Value Ratio (LVR)	65%
Maximum Loan Amount (based on LVR)	\$0
OR	
Net Operating Income (NOI)	\$0
Capitalization Rate	5%
Value at Cap Rate	\$0
Loan to Value Ratio (LVR)	65%
Maximum Loan Amount	\$0

SOURCES AND USES BUDGET

Project Activities		Total Project Cost	Funds Requested	Total Other Funds	Source	Status
	Acquisition Costs	\$4,200,000		\$4,200,000		
	Site Improvements	\$0		\$0		
	Construction	\$6,386,085		\$6,386,085		
	Professional Fees	\$150,111		\$150,111		
	Construction Finance	\$35,000		\$35,000		
	Permanent Finance and Syndication	\$0		\$0		
	Soft Costs	\$0		\$0		
	Developer Fee / Profit	\$375,276		\$375,276		
	Reserves	\$90,000		\$90,000		
Totals Costs from Project Costs cells above		\$11,236,472	\$0	\$11,236,472		
Total Costs from Development Costs Worksheet (to Check)		\$11,236,472				
Total Funds (Requested + Other)		\$11,236,472				
Gap (Surplus)		\$0				

CASH FLOW SENSITIVITY ANALYSIS

Input Cells	
Project Assumptions	
Rentable SF	22,870
Rent PSF	<u>\$17.51</u>
Gross Potential Rent	\$400,454
Other Income	\$0
Gross Potential Income	\$400,454
Vacancy (%)	25%
Vacancy (\$)	<u>-\$100,113</u>
Effective Gross Income	\$300,340
Operating Expenses (%)	30%
Operating Expenses (\$)	<u>-\$90,102</u>
Net Operating Income	\$210,238

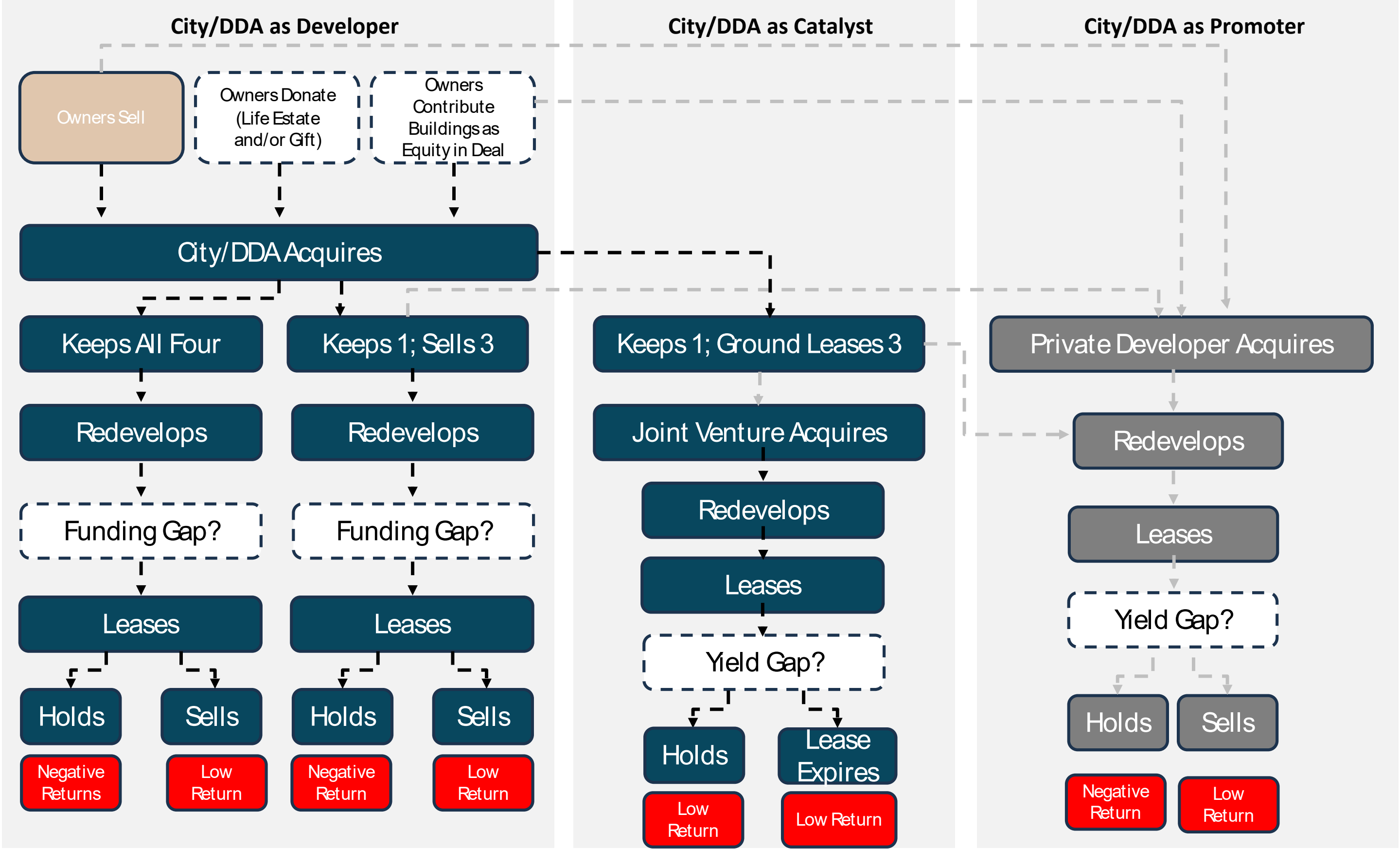
Loan Parameters	
Minimum DSC	1.15
Amortization	360
Underwritten Interest Rate	6%
Required Debt Yield	8.27%
Supportable Loan Amount	\$2,541,012

Sources/Uses	
Acquisition Costs	\$4,200,000
Construction Costs	\$6,386,085
Soft Costs	<u>\$650,387</u>
Total Project Costs	\$11,236,472
Supportable Loan Amount	<u>\$2,541,012</u>
Funding Gap	\$8,695,460

Funding Gap Analysis (Cost Less Supportable Debt): 22,870sf project										
Total Project Costs	Rent PSF									
		\$13.51	\$14.51	\$15.51	\$16.51	\$17.51	\$18.51	\$19.51	\$20.51	\$21.51
	\$6,744,000	\$4,780,000	\$4,640,000	\$4,490,000	\$4,350,000	\$4,200,000	\$4,060,000	\$3,910,000	\$3,770,000	\$3,620,000
	\$7,868,000	\$5,910,000	\$5,760,000	\$5,620,000	\$5,470,000	\$5,330,000	\$5,180,000	\$5,040,000	\$4,890,000	\$4,750,000
	\$8,992,000	\$7,030,000	\$6,890,000	\$6,740,000	\$6,600,000	\$6,450,000	\$6,310,000	\$6,160,000	\$6,020,000	\$5,870,000
	\$10,116,000	\$8,160,000	\$8,010,000	\$7,870,000	\$7,720,000	\$7,570,000	\$7,430,000	\$7,280,000	\$7,140,000	\$6,990,000
	\$11,240,000	\$9,280,000	\$9,130,000	\$8,990,000	\$8,840,000	\$8,700,000	\$8,550,000	\$8,410,000	\$8,260,000	\$8,120,000
	\$12,364,000	\$10,400,000	\$10,260,000	\$10,110,000	\$9,970,000	\$9,820,000	\$9,680,000	\$9,530,000	\$9,390,000	\$9,240,000
	\$13,488,000	\$11,530,000	\$11,380,000	\$11,240,000	\$11,090,000	\$10,950,000	\$10,800,000	\$10,660,000	\$10,510,000	\$10,370,000
	\$14,612,000	\$12,650,000	\$12,510,000	\$12,360,000	\$12,220,000	\$12,070,000	\$11,930,000	\$11,780,000	\$11,640,000	\$11,490,000
	\$15,736,000	\$13,780,000	\$13,630,000	\$13,490,000	\$13,340,000	\$13,190,000	\$13,050,000	\$12,900,000	\$12,760,000	\$12,610,000

Supportable Loan Analysis										
Total Project Size	Rent PSF									
		\$13.51	\$14.51	\$15.51	\$16.51	\$17.51	\$18.51	\$19.51	\$20.51	\$21.51
	4,574	\$390,000	\$420,000	\$450,000	\$480,000	\$510,000	\$540,000	\$570,000	\$600,000	\$620,000
	9,148	\$780,000	\$840,000	\$900,000	\$960,000	\$1,020,000	\$1,070,000	\$1,130,000	\$1,190,000	\$1,250,000
	13,722	\$1,180,000	\$1,260,000	\$1,350,000	\$1,440,000	\$1,520,000	\$1,610,000	\$1,700,000	\$1,790,000	\$1,870,000
	18,296	\$1,570,000	\$1,680,000	\$1,800,000	\$1,920,000	\$2,030,000	\$2,150,000	\$2,260,000	\$2,380,000	\$2,500,000
	22,870	\$1,960,000	\$2,110,000	\$2,250,000	\$2,400,000	\$2,540,000	\$2,690,000	\$2,830,000	\$2,980,000	\$3,120,000
	27,444	\$2,350,000	\$2,530,000	\$2,700,000	\$2,880,000	\$3,050,000	\$3,220,000	\$3,400,000	\$3,570,000	\$3,750,000
	32,018	\$2,740,000	\$2,950,000	\$3,150,000	\$3,350,000	\$3,560,000	\$3,760,000	\$3,960,000	\$4,170,000	\$4,370,000
	36,592	\$3,140,000	\$3,370,000	\$3,600,000	\$3,830,000	\$4,070,000	\$4,300,000	\$4,530,000	\$4,760,000	\$4,990,000
	41,166	\$3,530,000	\$3,790,000	\$4,050,000	\$4,310,000	\$4,570,000	\$4,840,000	\$5,100,000	\$5,360,000	\$5,620,000

POSSIBLE ROADMAPS



RESOURCES

Government Grants and Soft Debt

Source	DeKalb County	City of Stone Mountain	Dekalb Community Development Block Grant	New Market Tax Credit Program	Economic Development Administration	Tax Allocation District	GA Downtown RLF
Amount	\$250,000.00	\$200,000.00	\$250,000.00	\$1,500,000.00		\$2,000,000.00	280,000.00
Per Building	\$62,500.00	\$50,000.00		\$375,000.00		\$500,000.00	\$70,000.00
Type	Grant	Grant	Grant			Grant	Loan
Chance of Funding	Moderate	Moderate	Unlikely	Unlikely	Unlikely	Moderate	Moderate
Comments	Requires City and DDA to lobby Board of Commissioners for funding.	Requires DDA to lobby Board of Commissioners for funding.	City of Stone Mountain VFW Park Improvement Project recently awarded \$300,000 in CDBG fund from DeKalb County; Would require prioritization of redevelopment from City of Stone Mountain	DeKalb doesn't do; Need to find Bank as partner; City Bank? 50% below market rates and fees; 20-30% of total project costs	Long timeline; Requires substantial projects; Geared towards disaster recovery;	Downtown tax base critical to City funding; would require County + School with PILOT; Could generate \$500k a year	\$250,000 max loan, 2% rate; 15 year term; Est \$70k finance savings vs. market

Tax Credit Equity

Source	Historic Tax Credit	State Historic Tax Credit
Amount	\$1,500,000	\$1,875,000
Per Building	\$365,000	\$468,000
Type	Tax Credit	Tax Credit
Chance of Funding	Moderate	Moderate
Comments	20% Federal Tax Credit (no cap); Syndicates 80-90 cents on the dollar. Stone Mountain historic district currently listed on register. Requires strict compliance standards. Credit is reimbursement.	25% State Tax Credit (can add to Federal; \$5M cap); Syndicates 80-90 cents on the dollar. Stone Mountain historic district currently listed on register

OTHER CONSIDERATIONS

UP ZONING

Higher density supports local businesses by increasing foot traffic and creating a more vibrant, active streetscape. **In underutilized areas, upzoning can serve as a catalyst for reinvestment, attracting new development, jobs, and services.**

However, successful upzoning will require intentional planning, thoughtful design standards, and early engagement with the community to optimize the City of Stone Mountain's opportunity to grow more inclusively, sustainably, and efficiently— which would lead to newly activated and refreshed Main Street, while reinforcing the existing character.

ADAPTIVE REUSE

Adaptive reuse offers a practical and sustainable alternative to full historical preservation, especially when a building is in a deteriorated state.

Rather than preserving an entire structure that may no longer be safe or functional, adaptive reuse focuses on salvaging and repurposing key architectural elements and materials.

This approach respects the site's history while allowing for modern functionality, improved safety, energy efficiency. and cost savings.

OFFSETS

As an alternative approach to reduce upfront costs, offset strategies such as density credits or land swaps allow cities to acquire or develop land by offering increased development right elsewhere or exchanging underutilized public land, while also encouraging private-public collaborations.

THANK YOU

Q&A and Discussion