BleaklyAdvisoryGroup

To: Jennifer Fine, Economic Development Manager

From: Ken Bleakly and Amy Gore

Date: February 28,2007

RE: Economic Analysis and Redevelopment Strategy for the Northwest Quadrant Addendum

At the request of the City of Roswell, Bleakly Advisory Group prepared additional redevelopment scenarios for the Northwest Quadrant to examine the economic feasibility of redevelopment of the area with a larger focus on residential land uses. The following represent the amount of development required to make the purchase of the existing properties economically feasible. The results of this analysis are as follows:

Zone 1

Under an FAR-based PUD, Zone 1 could be redeveloped into a mix of stacked flats fronting Holcomb Bridge Road and townhome development on the northern portion of the zone. Assuming an FAR of 1.5, this would generate 407 stacked flats and 610 townhome units, or a total of 1,016 residential units. This is equivalent to 36 units per acre. This development would have a market value of $299.8 million and support a land purchase price of $45.0 million, or $735,700 above the land purchase price of $44.2 million. This development could support $24.0 million in TAD proceeds.

Scenario5: Activity Center PUD Residential (FAR 1.5)

	Acreage	FAR	Total Number of Units/Square Feet	Average Unit Value	Estimated Market Value	Land Contribution per Unit/S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasibility									
Stacked Flats	28	0.5	407	$ 250,000	$ 101,640,000	$ 37,500	$ 15,246,000		
Townhomes	28	1.0	610	$ 325,000	$ 198,198,000	$ 48,750	$ 29,729,700		
Total	28	1.5	1,016		$ 299,838,000		$ 44,975,700	$ 44,240,000	$ 735,700
Tad Potential									$ 23,987,040
Difference with TAD									$ 24,722,740

The development above would require 1,830 parking spaces. Assuming townhome parking below units and a structured deck for the stacked flat units, the development could fit on 17.4 acres of the site, leaving 2.8 acres of undeveloped land, in addition to land set aside for circulation and open space.

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Zone 1 Parking & Site Capacity			
Parking Requirements			
Stacked Flats (1.5 spaces per unit)	610		
Townhomes (2 spacer per unit)	1,220		
Total Spaces	1,830		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	28	1,219,680	
Open Space/Circulation	28%	341,510	
Developable	20.2	878,170	
Development Footprint		**Footprint**	
	Total S.F.	**S.F. ***	**Acres**
Stacked Flats (4 Stories)	609,840	152,460	4.4
Townhomes (3 Stories above Parking)	1,219,680	406,560	11.6
Parking (4 Stories)	198,198	49,550	1.4
Net Development Site	2,027,718	608,570	17.4
Net Site Surplus (of developable)		**120,761**	**2.8**

* Assumes 35,000 square feet of development per acre

** Townhome parking below units

However, because Zone 1 is located on a well-traveled, highly visible commercial corridor, it is more likely that the site would be redeveloped with at least some commercial development. Scenario 5, below, demonstrates the economic feasibility of a redevelopment with approximately 70% of the FAR devoted to residential and 30% devoted to Retail.

Scenario5: Activity Center PUD Residential (FAR 1.5)									
	Acreage	**FAR**	**Total Number of Units/Square Feet**	**Average Unit Value**	**Estimated Market Value**	**Land Contribution per Unit/S.F.**	**Total Land Contribution**	**Land Purchase Price**	**Difference**
Economic Feasibility									
Stacked Flats	28	0.4	325	$ 250,000	$ 81,312,000	$ 37,500	$ 12,196,800		
Townhomes	28	0.8	488	$ 325,000	$ 158,558,400	$ 48,750	$ 23,783,760		
Retail	28	0.3	365,904	$ 160	$ 58,544,640	$ 24	$ 8,781,696		
Total	28	1.5			$ 298,415,040		$ 44,762,256	$ 44,240,000	$ 522,256
Tad Potential									$ 23,873,203
Difference with TAD									$ 24,395,459

With an FAR of 1.5, the site could contain 325 stacked flats and 488 townhomes, or a total of 813 residential units (approximately 30 units to the acre). In addition, the site would contain 365,904 square feet of retail development fronting Holcomb Bridge Road. The market value of the development would be $298.4 million and support a land purchase price of $44.8 million, or $522,256 above the land purchase price of $44.2 million. This development could support $24.4 million in TAD proceeds.

The development above would require 2,927 parking spaces. Assuming townhome parking below units and a structured deck for the stacked flat units and retail, the development could fit on 18.5 acres of the site, leaving 1.1 acres of undeveloped land, in addition to land set aside for circulation and open space.

Zone 1 Parking & Site Capacity			
Parking Requirements			
Stacked Flats (1.5 spaces per unit)	488		
Townhomes (2 spaces per unit)*	976		
Retail (4.0 spaces per 1,000 s.f.)	1,464		
Total Spaces	2,927		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	28	1,219,680	
Open Space/Circulation	30%	365,904	
Developable	19.6	853,776	
Development Footprint		**Footprint**	
	Total S.F.	**S.F. ****	**Acres**
Stacked Flats (3 Stories above Retail)	487,872	162,624	4.6
Townhomes	975,744	325,248	9.3
Retail (Ground Floor Retail)*	365,904	N/A	N/A
Parking (4 Stories)	634,234	158,558	4.5
Net Development Site	2,463,754	646,430	18.5
Net Site Surplus (of developable)		**49,247**	**1.1**

* Townhome parking below units

** Assumes 35,000 s.f. of development per acre

*** Below Stacked Flats

Zone 2

Under an FAR-based PUD, Zone 2 could be redeveloped into a mix of stacked flats fronting Old Holcomb Bridge Road and townhome development on the northern portion of the site. Assuming an FAR of 0.75, this would generate 835 stacked flats and 1,252 townhome units, or a total of 2,087 residential units. This is equivalent to approximately 18 units per acre. This development would have a market value of $615.7 million and support a land purchase price of $92.4 million, or $989,518 above the land purchase price of $91.4 million. This development could support $50.2 million in TAD proceeds.

Scenario 4: Activity Center PUD Residential (FAR 0.75)									
	Acreage	**FAR**	**Total Number of Units/Square Feet**	**Average Unit Value**	**Estimated Market Value**	**Land Contribution per Unit/S.F.**	**Total Land Contribution**	**Land Purchase Price**	**Difference**
Economic Feasibility									
Townhomes	115	0.50	1,252	$ 325,000	$ 407,013,750	$ 48,750	$ 61,052,063		
Stacked Flats*	115	0.25	835	$ 250,000	$ 208,725,000	$ 37,500	$ 31,308,750		
Total	115	0.75			$ 615,738,750		$ 92,360,813	$ 91,371,295	$ 989,518
Tad Potential									$ 49,259,100
Difference with TAD									$ 50,248,618

The development above would require 3,757 parking spaces. Assuming townhome parking below units and surface parking for the stacked flat units, the development could fit on 59.3 acres of the site, leaving 21.2 acres of undeveloped land, in addition to land set aside for circulation and open space.

Zone 2 Parking & Site Capacity			
Parking Requirements			
Townhomes (2 per unit)*	2,505		
Stacked Flats (1.5 spaces per unit)	1,252		
Total Spaces	3,757		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	115	5,009,400	
Open Space/Circulation	30%	1,502,820	
Developable	80.5	3,506,580	
Development Footprint		**Footprint**	
	Total S.F.	**S.F. ****	**Acres**
Townhomes (2 Stories)	2,504,700	1,252,350	35.8
Stacked Flats (3 Stories)	1,252,350	417,450	11.9
Parking (Surface)*	407,014	407,014	11.6
Net Development Site	4,164,064	2,076,814	59.3
Net Site Surplus (of developable)		**921,837**	**21.2**

* Parking spaces for townhomes under units

** Assumes 35,000 square feet of development per acre

Zone 3

Under an FAR-based PUD, Zone 3 could be redeveloped into a mix of townhomes and stacked flats. Assuming an FAR of1.0, this would generate 287 stacked flats and 503 townhome units, or a total of 790 residential units. This is equivalent to approximately 24 units per acre. This development would have a market value of $235.4 million and support a land purchase price of $35.3 million, or $808,103 above the land purchase price of $34.5 million. This development could support $18.8 million in TAD proceeds.

Scenario 4: Activity Center PUD Residential (FAR1.0)									
	Acreage	**FAR**	**Total Number of Units/Square Feet**	**Average Unit Value**	**Estimated Market Value**	**Land Contribution per Unit/S.F.**	**Total Land Contribution**	**Land Purchase Price**	**Difference**
Economic Feasibility									
Townhomes	33	0.70	503	$ 325,000	$ 163,513,350	$ 48,750	$ 24,527,003		
Stacked Flats*	33	0.30	287	$ 250,000	$ 71,874,000	$ 37,500	$ 10,781,100		
Total	33	1.00			$ 235,387,350		$ 35,308,103	$ 34,500,000	$ 808,103
Tad Potential									$ 18,830,988

The development above would require 1,437 parking spaces. Assuming townhome parking below units and surface parking for the stacked flat units, the development could fit on 18.1 acres of the site, leaving 5.0 acres of undeveloped land, in addition to the land set aside for circulation and open space.

Zone 3 Parking & Site Capacity			
Parking Requirements			
Townhomes (2 per unit)*	1,006		
Stacked Flats (1.5 spaces per unit)	431		
Total Spaces	1,437		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	33	1,437,480	
Open Space	30%	431,244	
Developable	23.1	1,006,236	
Development Footprint		**Footprint**	
	Total S.F.	**S.F. ***	**Acres**
Townhomes (2 Stories)	1,006,236	503,118	11.6
Stacked Flats (3 Stories)	431,244	143,748	3.3
Parking (Surface)	140,154	140,154	3.2
Net Development Site	1,577,634	787,020	18.1
Net Site Surplus (of developable)		**219,216**	**5.0**

* Assumes 35,000 square feet of development per acre