City of Roswell

ECONOMIC ANALYSIS AND REDEVELOPMENT STRATEGY FOR MIDTOWN ROSWELL

February 28, 2007

Prepared For:
The City of Roswell

ROSWELL
GEORGIA
SINCE 1854

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1.0 INTRODUCTION

After successful revitalization of their historic commercial core, the City of Roswell has been engaged in an effort to upgrade and improve two areas: Midtown Roswell, located on Alpharetta Highway (SR 9) stretching north from Norcross Street to the commercial development of Holcomb Bridge Road and Route 9, and the Northwest Quadrant of Holcomb Bridge Road and GA-400.

The City of Roswell is reviewing their current zoning policies for these two areas, Midtown Roswell and the Northwest Quadrant, to determine the effects of zoning on the economic viability of future redevelopment of the two study areas. This study was commissioned by the City to:

- Evaluate the two study areas to determine whether development/redevelopment would be feasible given current land costs and the permitted zoning in the areas;
- If development is not economically feasible, evaluate possible modifications to zoning policies which would support economically feasible development for each area;
- Evaluate the impact that a Tax Allocation District (TAD) could have on enhancing the economics of development/redevelopment within the two study areas.

This report details Bleakly Advisory Group's research and analysis of the **Midtown Roswell** portion of the study.

OVERVIEW

In order to fully address the above issues, the team followed a five step process outlined below and documented in the following sections of the report:

1) Define the Study Area – The study area is Midtown Roswell, defined as the area contained in the Midtown Roswell Zoning Overlay District.

2) Outline the Regulatory Environment – The team examined and summarized the Land Use Classifications defined in the current Roswell Zoning Ordinance, the Midtown Overlay District and land use policies from the 2025 Comprehensive Plan to determine their influence on potential development in the area.

3) Document Existing Conditions and Market Trends – The team outlined market trends affecting development in the study area, including residential development, office and retail land uses as well as current development activity.

4) Analyze recent land sales in the area to determine current land values – Land sale information was gathered for three property types to reflect current land sale prices in the study area.

5) Analyze the Economic Consequences of Redevelopment – Based on the information regarding the regulatory environment and market trends in the study areas, the team prepared redevelopment scenarios to determine if the proposed land use regulations and market trends permit a level of redevelopment that is economically feasible. Second, potential TAD funding was calculated for each of the build-out scenarios to determine the effect of TAD on the economic feasibility of each development scenario.

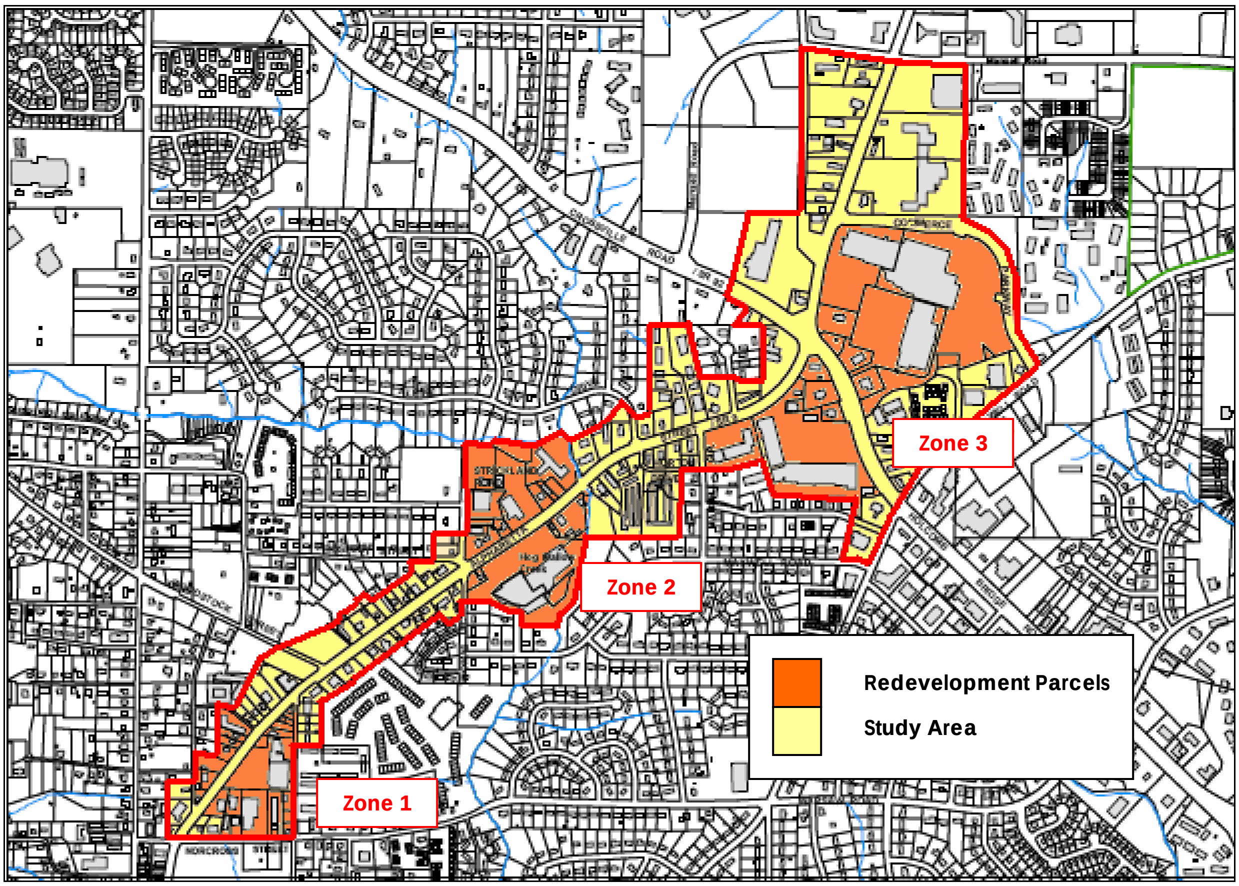
6) Analyze the Economic Consequences of Redevelopment under Alternative Scenarios – Based on the findings of the preceding section, the team developed two alternative redevelopment scenarios for the study area. The analysis of the alternative scenarios includes a determination of economic feasibility and a calculation of the effect of potential TAD support.

2.0 KEY FINDINGS

- Based on the Midtown Roswell Redevelopment Plan (2003), the Midtown Study Area was divided into three subareas for the analysis:

    - The Village Redevelopment Area, totaling 15.2 acres (Zone 1)
    - The Creekside Redevelopment Area, totaling 29.1 acres (Zone 2)
    - The Mansell Road Redevelopment Area, totaling 58.0 acres (Zone 3)
    - The entire Midtown Roswell Study area totals 205 acres, while the three identified redevelopment areas contain 102.3 acres.

Midtown Roswell Study Area



- An analysis of 43 recent sales indicates that the value of the commercial properties through the Midtown Roswell/Alpharetta Street corridor is $979,122 per acre.

- Based on this land value in the area, we tested the redevelopment potential of the three subareas under three zoning assumptions:

    - The current zoning, or the base/underlying zoning

  - The Midtown Roswell Overlay District Zoning
  - Suggested new zoning based on a maximum Floor Area Ratio (“FAR”) and possible residential density caps.

- Based on the analysis we learned the following:

  - The base zoning is insufficient in two of the three subareas to cover the land costs and create an economically viable project. This is because, current land prices in the corridor mandate levels of development which exceeds the current zoning limits.

  - Applying the Midtown Overlay to the area is insufficient to create economic viability for all three areas. The maximum densities under the present Midtown Overlay are not sufficient to allow enough development to economically support acquiring the sites at their current values.

  - Suggested increases in FARs to achieve economic viability:

    - **Zone 1 (The Village)**—The current zoning (60% coverage to 3 stories, or a 1.8 FAR) appears sufficient to achieve economic viability. However, under current zoning, there is no provision for residential development. However, economic viability can be achieved at 1.2 FAR by allowing mixed-use development. We have assumed a maximum residential density of 20 units per acre across the 15.2 acres within the FAR cap.
    - **Zone 2 (Creekside)** —increasing the current .75 FAR to 1.05 (with an allowance for residential development) is required to achieve economic viability. We have assumed an overall density cap of 20 units to the acre across the 29.1 acres.
    - **Zone 3 (Mansell Road)** —We have assumed increasing the current zoning of .75 FAR to 1.05 FAR and limiting residential densities to a maximum of 20 units to the acre across the site.

- Thus, from the analysis we have determined that to economically justify the redevelopment of Midtown Roswell will require increasing the allowable FARs in Zones 2 and 3 to a range from 1.0 to 1.2 FAR to permit sufficient levels of development on the site to make redevelopment economically viable. In Zone 1, the allowance of mixed-use development would improve the economic viability of redevelopment.

- The creation of a TAD district for the area would provide an important financial incentive which could significantly help defray the substantial infrastructure costs on site and adjacent to the site and could allow for a lower maximum FAR, by lessening total project development costs.

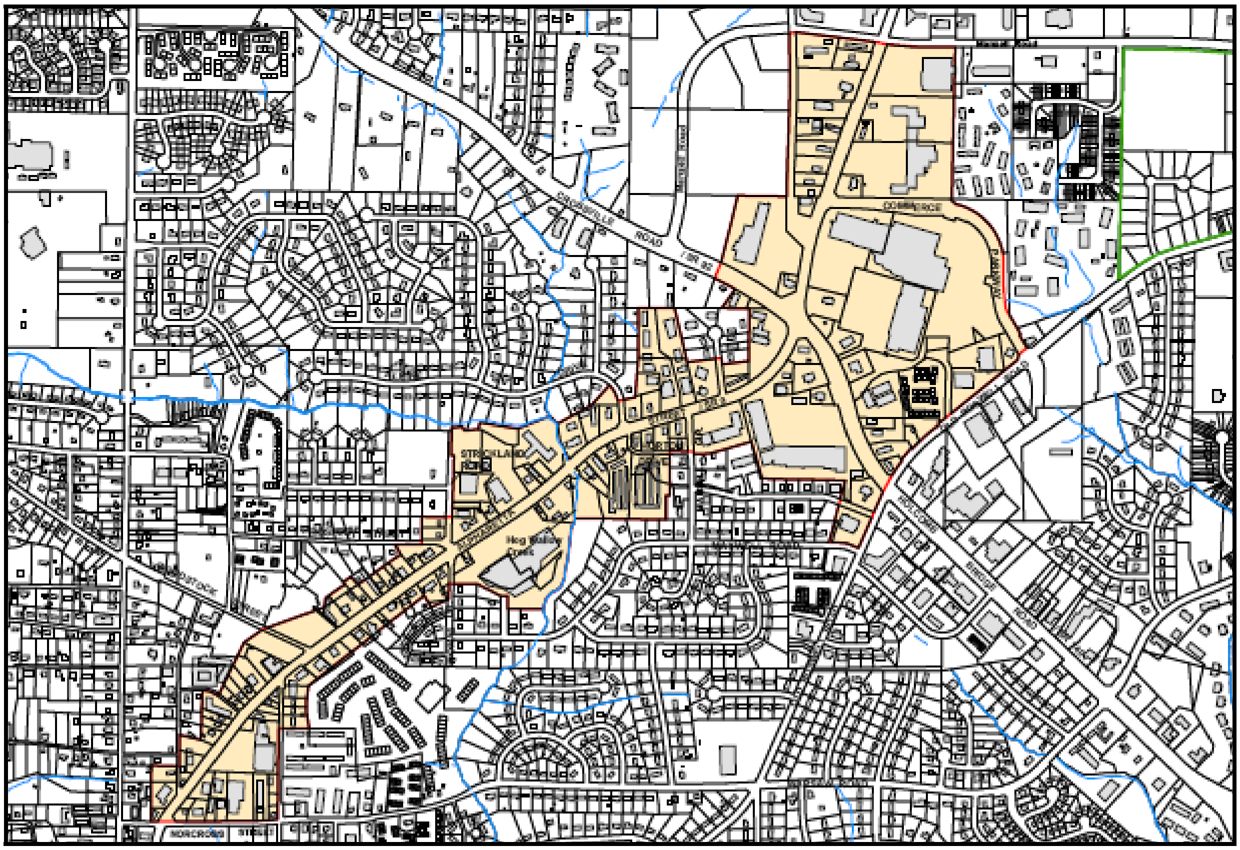
- Another important lesson of this analysis is that it is not just the density which determines economic viability, but also the mix of land uses permitted that is equally critical. For example, in the current market, demand for office space is limited but residential demand is strong. Thus, an area which permits three-story development, but only for commercial uses, may have limited economic value, since demand for upper level office or retail is very limited. Whereas if residential were permitted on upper floors, there might be more demand. This argues for seeking the overall FAR cap on development and allowing more flexibility on use to address changes in market demand.

3.0 MIDTOWN ROSWELL

STUDY AREA

The Midtown Roswell study area includes approximately 205 acres located on Alpharetta Highway (SR 9) from Mansell Road to the north to Norcross Street in the south in the City of Roswell. The study area is approximately one parcel deep from Norcross Street to Holcomb Bridge Road/Crossville Road, expanding to include significant retail development north of Holcomb Bridge Road to Mansell Road.

Midtown Roswell Study Area



Source: Midtown Roswell Redevelopment Plan

3.1 ANALYSIS OF EXISTING CONDITIONS

3.1.1 OVERVIEW OF PREVIOUS STUDIES, REDEVELOPMENT PLANS AND PROPOSED PROJECTS

Previous Studies

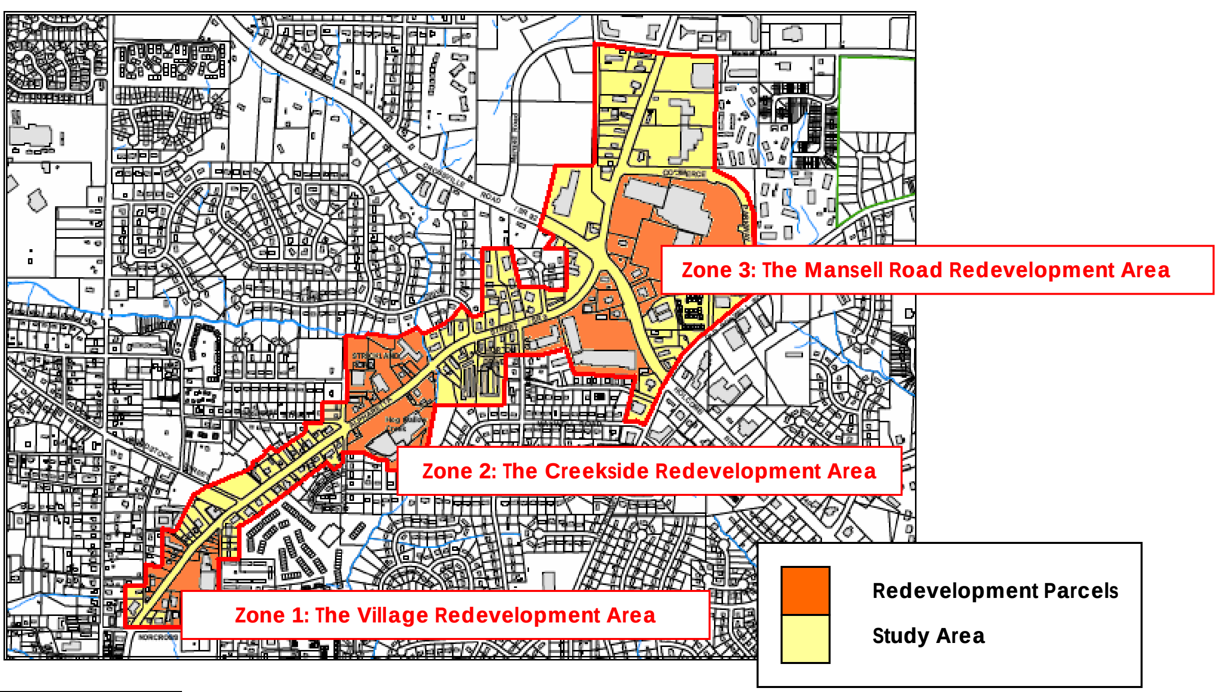
The study area was the focus of the Midtown Roswell Redevelopment Plan completed in 2003 by Glatting Jackson*. The plan was written to provide suggestions for the redevelopment and revitalization of the Alpharetta Street (SR 9) corridor. The plan identifies three distinct areas with redevelopment potential:

The Village Redevelopment Area (Zone1) – The Plan recommends that "[f]uture redevelopment of this area should serve to structure the site into development blocks and pedestrian oriented streets that would connect the Municipal Complex to Alpharetta Street. This new redevelopment should also convert the single use strip commercial center into a mix of uses to include office and residential in additional to retail. " The plan recommends a mix of office (10 -30%), residential (10-35%) and retail (35-60%) for the area.

The Creekside Redevelopment Area (Zone 2) – The plan recommends the creation of a "mix of residential and offices uses that could support a small amount of ground floor retail. The mix of uses should generally include office (20-40%), residential (40-60%) and retail (0-20%).

The Mansell Road Redevelopment Area (Zone 3) – The plan suggests that this redevelopment area, anchored by the Roswell Town Center Mall, be reorganized into a mixed use life-style center, including "restaurants, retail shops and a destination anchor such as a movie theater…The remaining portions of the center could be renovated to serve as the destination anchor for the redeveloped project." The plan recommends the following mix of uses:" retail (40-50%), office (20-40%) and residential (20-25%).

Midtown Roswell



* Midtown Roswell Redevelopment Plan by Glatting Jackson, Kercher Anglin Lopez Rinehart, Robert Charles Lesser & Company and International Resource Group. Approved by Roswell City Council January 6, 2003.

The Midtown plan recommended a new zoning ordinance in order to stimulate pedestrian-oriented, mixed-use redevelopment of current strip centers throughout the Midtown Study Area. The plan also recommended allowing residential densities of 8 to 15 units, or above if:

> *1) Landowner/developers actively participate with the City in the initial development concepts of the site;*
>
> *2) The landowner/developer and City develop a pro-forma demonstrating the costs, yield, and needs to exceed the recommended densities; and,*
>
> *3) The landowner/developers participate with strict adherence to the City's Design Guidelines.*

The Midtown Redevelopment Plan's recommendation led to the formation of the Midtown Design Overlay Zoning District discussed in the Zoning section below.

In addition, the 2025 Comprehensive Plan for Roswell includes important variables for analyzing redevelopment potential. The **Housing Element** of the 2025 Comprehensive Plan includes the following policies regarding future housing mixes and types in Roswell:

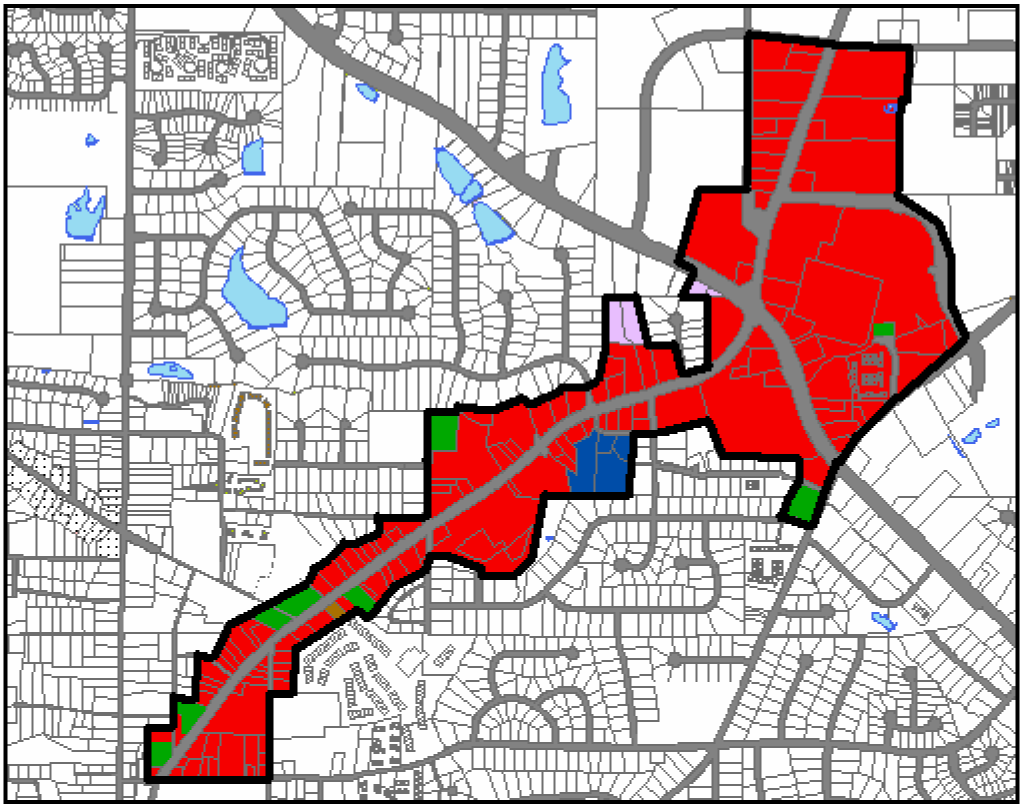
> *Provide for greater innovation in the design and construction of alternative housing types, such as, duplexes, triplexes, quadraplexes, flexible houses, and zero lot line housing.*
>
> *Allow multiple-family dwelling units and other dwellings to be mixed within the same building or on the same site as commercial uses within designated "activity centers."*

In the **Land Use** Element of the Comprehensive Plan, Midtown Study Area is located in Planning Area 1. The City identified the following land use issues for the area:

1. *Minor significant residential infill potential*
2. *Significant commercial infill potential*
3. *Minor significant blighted areas/deterioration*
4. *Significant redevelopment potential*
5. *Minor significant land use incompatibilities identifies*
6. *Significant neighborhood plan priorities*
7. *Significant transitions in land use*
8. *Significant highway traffic congestion*
9. *Minor significant water and sewer limitations*

The Future Land Use Map indicates that the study area will be primarily General Commercial (shown below in red). In addition there is a small amount of public/institutional uses (shown in green), light industry (shown in blue) and office/professional (shown in lavender).

Future Land Use Map



3.1.2 DEMOGRAPHIC TRENDS

Population growth patterns, household characteristics, employment patterns and business concentration are key factors in gauging the strength and current conditions of a local market. This section discusses the aforementioned conditions, as well as provides key demographic data for the Midtown Roswell area.†

This report focuses on four study areas: the Midtown Roswell area, defined above, the 2-mile radius, the City of Roswell and North Fulton County. This section will discuss the following demographic factors that describe the area:

- Resident Characteristics
- Household Characteristics
- Housing Characteristics

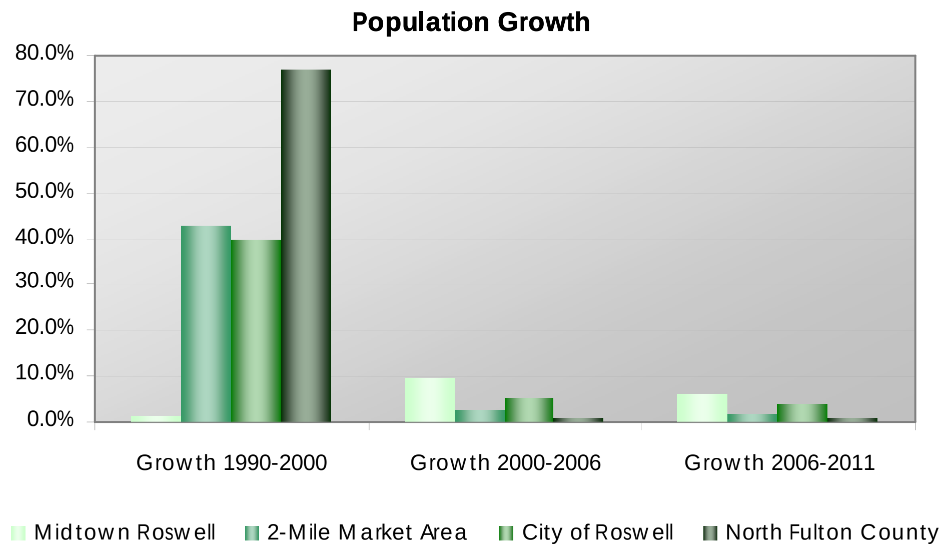
Population Characteristics

The purpose of the following section is to describe the population living in the Midtown Roswell area. It includes an analysis of population growth, race and ethnicity, age distribution and educational attainment.

† The following demographics were provided by Claritas and are estimates based on Census data.

Population Growth

In 2006, an estimated 403 residents live in the Midtown Roswell Study area, which is projected to grow by 6.2% to 428 residents by 2011. In 2006, the population of the study area represents 0.5% of the City of Roswell population (83,447 residents) and 0.2% of the North Fulton County population (267,877 residents). From 1990 to 2000, the study area grew by 1.1%, a very modest growth rate, significantly slower than the City of Roswell, which grew at 39.7% and North Fulton County which grew 77.0% over the same period. From 2000 to 2006, the Midtown Roswell study area grew 9.8%, faster than both the City of Roswell at 5.2% and North Fulton County at 0.8%. The study area is projected to have growth of 6.2% over the next five years, compared to 4.1% growth in the City of Roswell at 0.9% in North Fulton County.



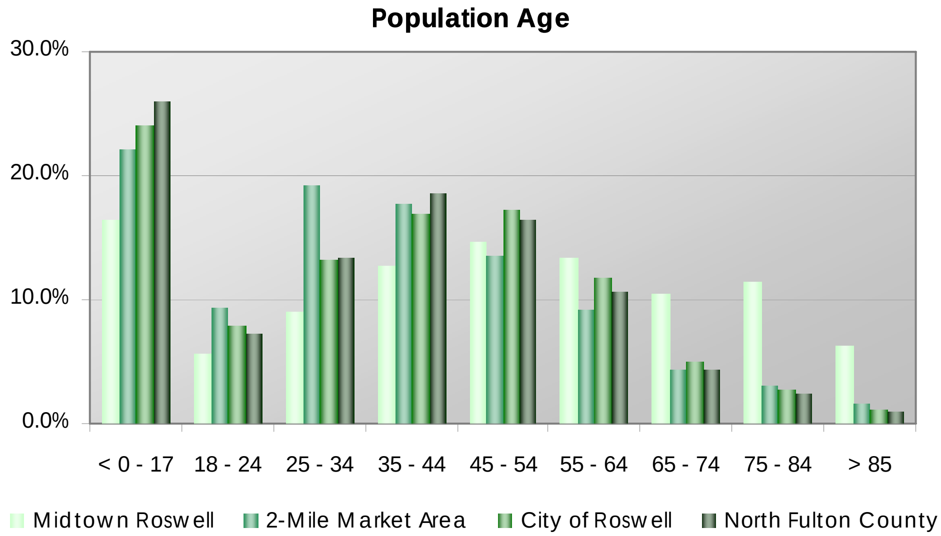
Population Race and Ethnicity

In 2006, 84.9% of the population of the Midtown Roswell Study area is white, with 7.4% African American and 4.5% other. The remainder of the study area population is either Asian or Multiracial (3.2%). The study area is less racially diverse than the City of Roswell or North Fulton County which are 79.4% and 78.5% white, respectively.

Within the Midtown Roswell Study area, 11.7% of the residents identify themselves as Hispanic or Latino which is lower than the City of Roswell at 13.3% but slightly higher than North Fulton County at 8.3%.

Population Age

The median age for residents in the Midtown Roswell Study area is 49.1, over eleven years older than either the City of Roswell or North Fulton County. While the largest portion of residents (16.4%) in the study area are under the age of 17, there is a much smaller proportion in this age group than in either the City of Roswell (24.0%) or North Fulton County (26.0%). The study area has a significantly larger proportion of older adults: 28.0% of Midtown residents are over the age of 65, compared to 8.7% in the City and 7.6% in North Fulton County.



Educational Attainment

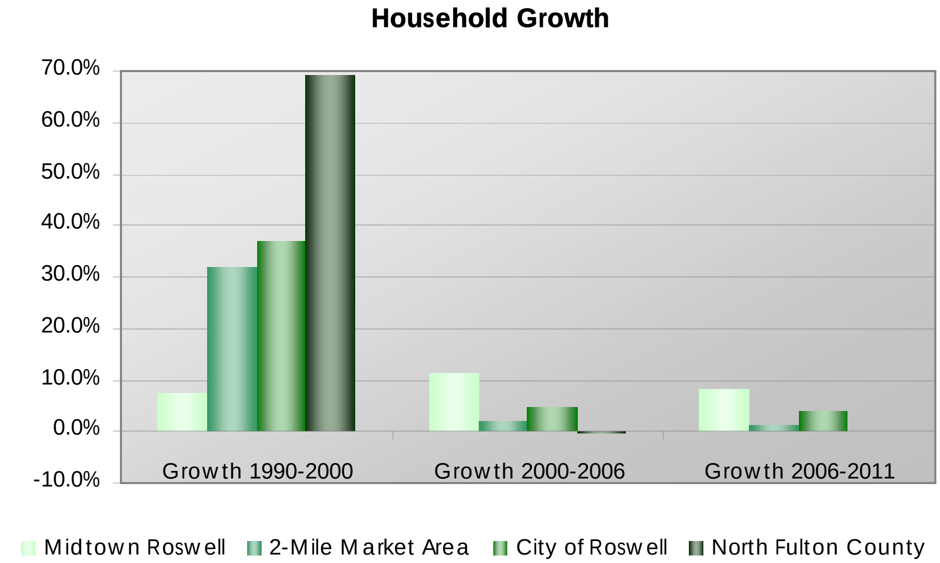
In terms of the educational attainment of residents age 25+ in the Midtown Roswell Study area, the residents are modestly educated—20.0% of residents lack a high school diploma, which is a substantially larger proportion than in either the City of Roswell (7.2%) and North Fulton County (5.3%). The study area has a higher proportion of residents with only a high school diploma, 14.6%, compared to the City and North Fulton County at 13.3% and 12.1%, respectively. Conversely, only 37.6% of study area residents have a bachelor's or post-graduate degree compared to 52.7% of residents in the City of Roswell and 57.5% of residents in North Fulton County.

Household Characteristics

The following section describes characteristics of the households living in the Midtown Roswell Study area. It includes an analysis of household growth, household size and type, household income and households by number of vehicles.

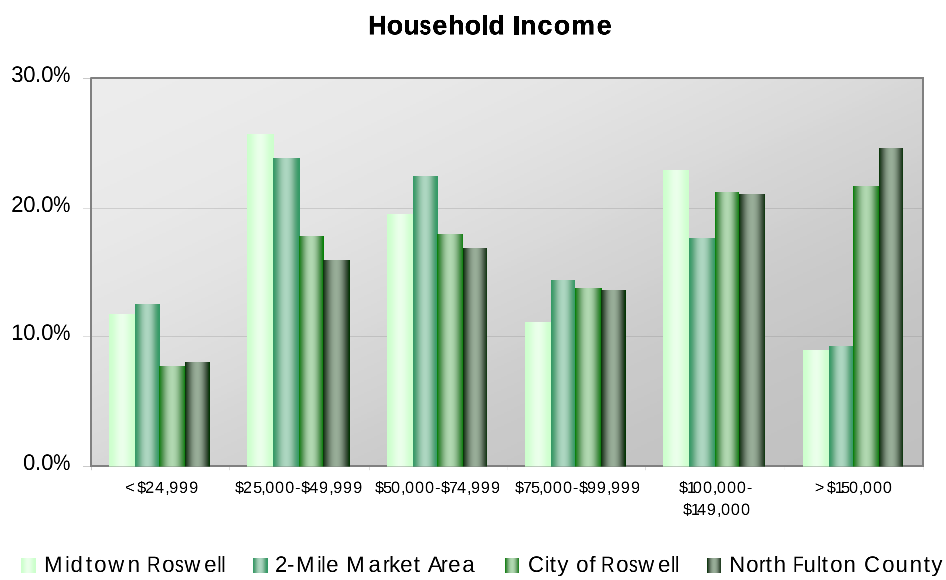
Household Growth

As a primarily commercial area, there are an estimated 145 households in the Midtown Roswell Study area, which is projected to gain 12 households by 2011, a projected growth of 8.3%. Within the City of Roswell, there are 31,650 households, which are projected to grow by 4.0% over the next five years to 32,919 households by 2011. The study area grew at a modest rate of 7.4% from 1990-2000, compared to the City of Roswell and North Fulton County which grew at 36.9% and 69.2%, respectively. From 2006 to 2011, the study area is projected to grow modestly, though somewhat faster than the City of Roswell which is project to grow at 4.0% and North Fulton County which is projected to maintain the same number of households.



Household Income

The median income in the Midtown Roswell Study area is $65,948, or 75.8% of the median household income in the City of Roswell and 71.7% of the median household income in North Fulton County. The largest proportion of study area households (22.9%) earn between $100,000 and $149,999 per year which is comparable to 21% of city and county households.

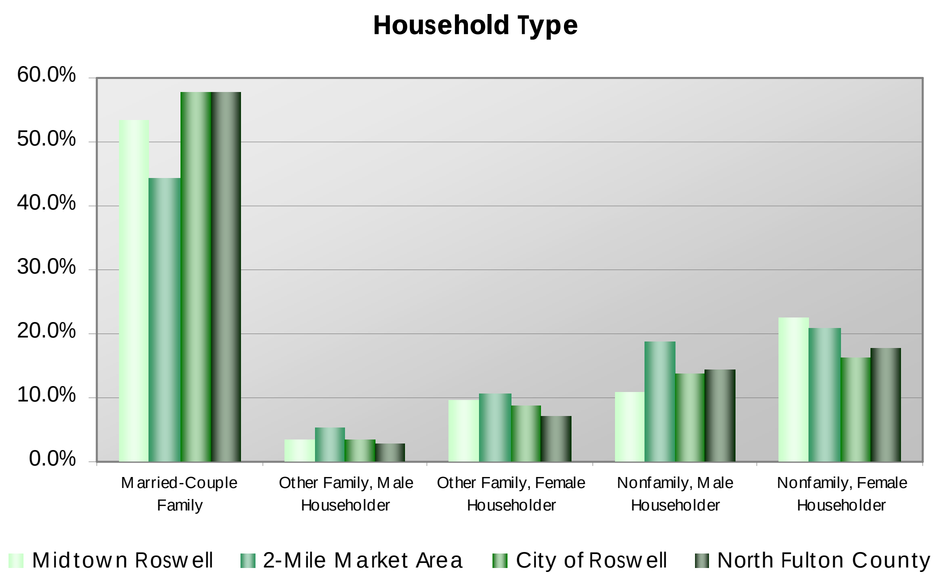


Household Size

The average household size in the Midtown Roswell Study area is 2.41 persons, somewhat smaller than the City of Roswell at 2.62 and North Fulton County at 2.59 persons per household. The smaller household size is attributable to the larger number of one and two-person households. Of households in the study area 65.8% have one to two persons, somewhat higher than either the city (57.2%) or North Fulton County (57.1%).

Household Type

The largest proportion of households in the Midtown Roswell Study area are married couples at 53.4%, comparable to the City of Roswell at 57.8% and North Fulton County at 57.8%. The study area has a higher proportion of female-headed non-family households at 22.6%, compared to 16.4% in the City and 17.7% in North Fulton County.

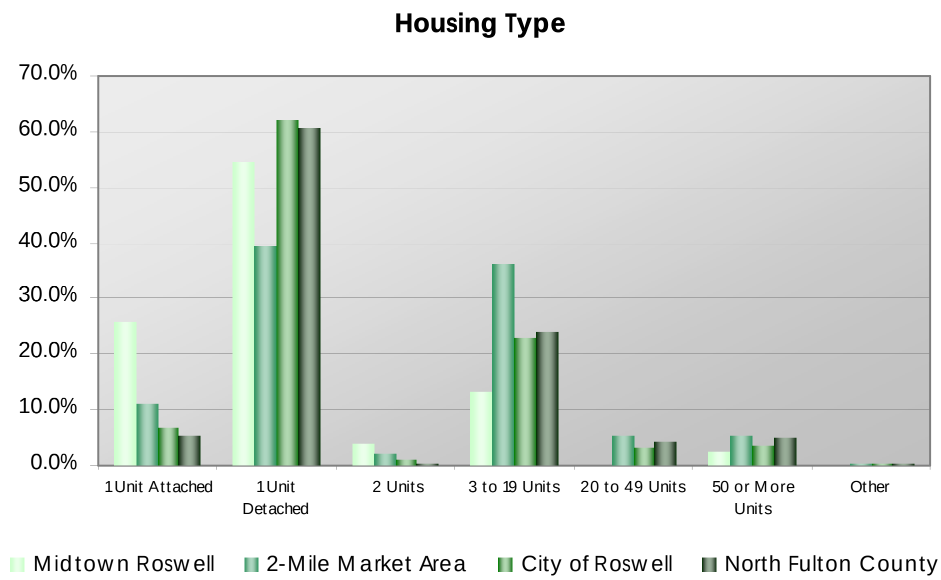


Housing Characteristics

The purpose of the following section is to describe the existing housing stock in the Midtown Roswell Study area. It includes an analysis of housing type, housing tenure, owner-occupied housing values and housing by year built.

Housing Type

The majority of housing units in the Midtown Roswell Study area, 54.4%, are single family detached units, which compares to 62.2% of housing units in the City of Roswell and 60.6% of housing units in North Fulton County. There is a significant proportion single family attached (townhome) and duplex units in the area: 29.7% in the study area compared to 8.0% in the City and 5.8% in North Fulton County. In the study area, 18.5% of housing units are multifamily, less than the City of Roswell and North Fulton County at 29.6% and 33.3%, respectively.

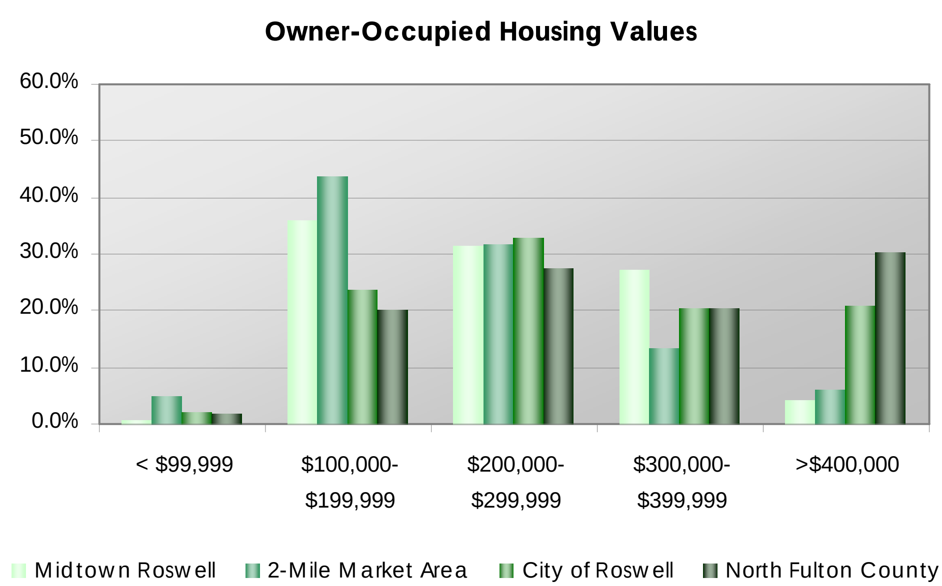


Housing Tenure

The Midtown Roswell Study area has a higher proportion of owner-occupied housing than both City of Roswell and North Fulton County. In 2006, owner-occupied households represented 77.9% of all households in the study area versus 67.9% for the city and 67.4% for North Fulton County overall.

Owner-Occupied Housing Values

The median housing values of the limited supply of owner-occupied housing in the Midtown Roswell Study area are somewhat lower than both the City of Roswell and North Fulton county. The median housing value for owner-occupied housing units in the study area is $241,892, or 88.7% of city housing values and 79.8% of North Fulton County housing values. In the study area, 36.0% of housing is valued between $100,000 and $199,999, compared to 23.8% of the City of Roswell's housing and 19.9% of housing in North Fulton County.



Housing Age

The median age of housing in the study area is 22 years, which is two years older than the City of Roswell and six years older than North Fulton County as a whole.

Demographic Summary

- **Population growth is moderate-**After no real growth from 1990 to 2000, the population growth of the area increased to 9.8% from 2000 to 2006. It is projected to slow slightly to 6.2% over the next five years.
- **Area residents are older and not as ethnically diverse as the surrounding areas-**84.9% of the study area is white and 11.7% identify themselves as Hispanic or Latino. The median age in the study area is 49.1 and almost one-third of residents are over the age of 65.
- **Educational attainment is modest-**In the Midtown Roswell study area, one in four persons lacks a high school diploma.
- **Incomes are somewhat modest-**The median household income is $65,948, approximately 25% lower than the median household income in the City of Roswell or North Fulton County.
- **The housing stock is largely owner-occupied single family attached and detached and of lower average value than the surrounding areas–**84.1% of the housing in the study area is one or two units (townhomes) and 77.9% of housing is owner-occupied. The median value of a home in the study area, $241,892, is approximately ten to twenty percent lower than the median home values in the City of Roswell and North Fulton County.

3.1.3 REAL ESTATE MARKET TRENDS

The following section presents data reflecting the current conditions and performance of the real estate market in Midtown Roswell and 2-Mile Market Area. The section includes data on:

- Residential Development (Owner- and Renter-Occupied)
- Office Development
- Retail Development

Residential

The table below summarizes new single family, townhome and condominium sales in the 2-mile Radius and North Fulton County. (There have been no home sales in the Midtown Roswell study area over the past three years.)

Owner-Occupied

On average, 78 new residential units were sold in the 2-Mile Midtown Market Area from 2003 to 2006. Sales levels decreased from 110 units annually in 2003 to 25 units in 2006, a decrease of 77.3%. In North Fulton County, an average of 1,776 units were sold per year. Sales decreased slightly from 1,650 in 2003 to 1,528 units in 2006, a decrease of 7.4%.

The average sales price for a residential unit in the 2-Mile Market Area from 2003 to 2006 was $366,869. The average sales price increased dramatically from $280,211 in 2003 to $755,282 in 2006, an increase of 169.5%. In North Fulton County, the average sales price was $372,579. The average sales price increased slightly from $381,733 in 2003 to $382,291 in 2006, an increase of 0.15%.

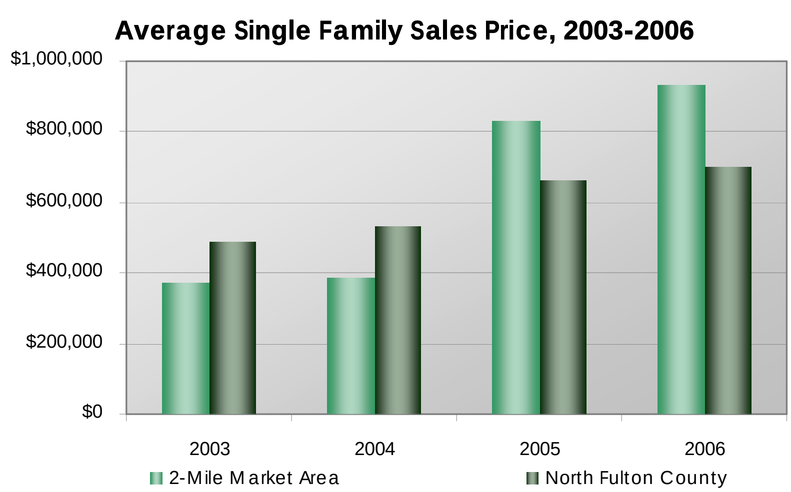
Home Sales					
2 Mile Radius					
	2003	**2004**	**2005**	**2006***	**2003-2006**
All	110	115	61	25	311
	$280,211	$336,893	$267,513	$755,282	$366,869
Single Family	11	77	3	15	106
	$372,164	$384,253	$832,000	$931,959	$473,176
Townhomes	63	25	44	0	132
	$295,054	$260,708	$237,767	$0	$269,453
Condos	36	13	14	11	74
	$226,139	$202,885	$240,040	$512,352	$267,229
North Fulton County					
	2003	**2004**	**2005**	**2006***	**2003-2006**
All	1,650	2,081	1,843	1,528	7,102
	$381,733	$352,668	$378,815	$382,291	$372,579
Single Family	944	885	614	476	2,919
	$489,194	$533,420	$662,851	$698,545	$573,270
Townhomes	533	1,043	988	664	3,228
	$244,738	$224,678	$245,449	$304,946	$250,859
Condos	173	153	241	388	955
	$217,429	$179,647	$201,916	$166,054	$186,588

* Through September, Annualized
Source: SmartNumbers

Single Family

On average, 78 new single family units were sold in the 2-Mile Market Area per year from 2003 to 2006. In 2003, single family homes represented 10.0% of all sales while in 2006, single family homes represented 60.0% of all sales. In North Fulton County, an average of 730 single family units were sold per year from 2003 to 2006. In 2003, single family sales represented 57.2% of all sales, while in 2006, single family homes represented 31.1% of all sales, indicating a transition to townhomes and condominiums as the preferred for-sale product.

The average sales price for a single family unit in the 2-Mile Market Area increased from $372,164 in 2003 to $931,959 in 2006, an increase of 96.9%. In North Fulton County, the average sales price for a single family home increased from $489,194 in 2003 to $698,545 in 2006, an increase of 42.8%

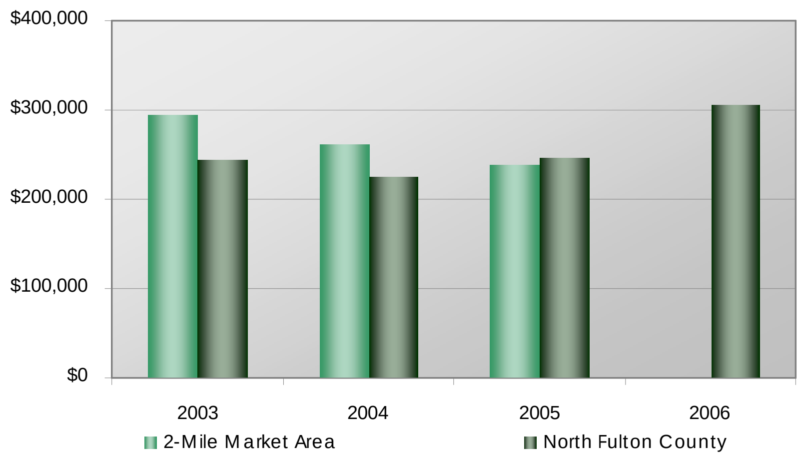


Townhomes

On average, 33 new townhome units were sold in the 2-Mile Market Area per year from 2003 to 2006. In 2003, townhomes represented 57.3% of all sales while in 2006, there were no townhome sales. In North Fulton County, an average of 807 townhome units were sold per year from 2003 to 2006. In 2003, townhome sales represented 32.3% of all sales, while in 2006, townhomes represented 43.3% of all sales.

The average sales price for a townhome unit in the 2-Mile Market Area decreased from $295,054 in 2003 to $237,767 in 2005 (there were no townhome sales in 2006), a decrease of 19.4%. In North Fulton County, the average sales price for a townhome increased from $244,738 in 2003 to $304,946 in 2006, an increase of 24.6%. There has been one townhome development just outside of the study area border, Liberty Townhomes, which had an average price of $279,700 from 2004 to 2006.

Average Townhome Sales Price, 2003-2006



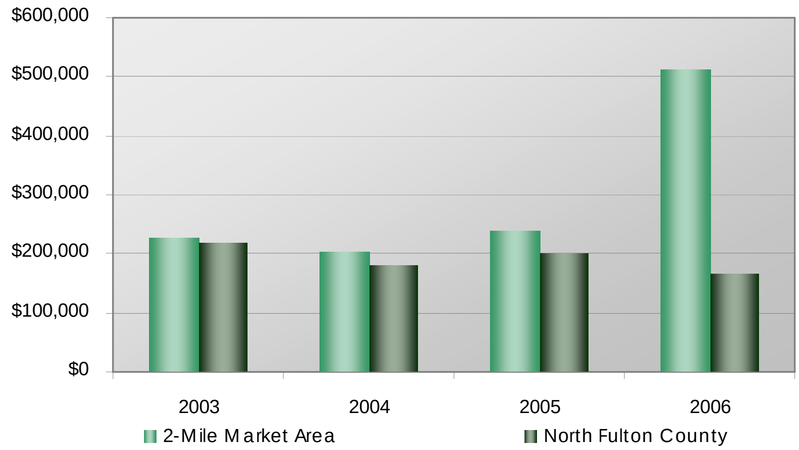
Condominiums

On average, 19 new condominium units were sold in the 2-Mile Market Area per year from 2003 to 2006. In 2003, condominiums represented 32.7% of all sales while in 2006, condominiums represented 44.0% of all sales. In North Fulton County, an average of 239 condominium units were sold per year from 2003 to 2006. In 2003, condominium sales represented 10.5% of all sales, while in 2006, condominiums represented 25.4% of all sales.

The average sales price for a condominium unit in the 2-Mile Market Area increased from $226,139 in 2003 to $512,352 in 2006, an increase of 126.6%. In North Fulton County, the average sales price for a townhome decreased from $217,429 in 2003 to $166,054 in 2006, a decrease of 23.6%. There has been one condominium development just outside of the study area border, Liberty Lofts, which had an average price of $283,525 from 2004 to 2006.

Thus, the overall pace of home sales has been declining from 2003 to 2006, single family sales are a small portion of the overall sales and townhomes have declined precipitously. Average values of dramatically increased from $280,211 to $755,282.

Average Condominium Sales Price, 2003-2006



Renter-Occupied

There are no major apartment complexes in the immediate study area, however there are thirteen apartment complexes in the 2-Mile Market Area, listed below.

There are 4,140 rental units in the 2-mile market area, with an average of 318 units per complex. The average age of the complexes is 23 years with rents ranging from $572 to $1,085 for a 1-bedroom, $730 to $1,205 for a 2-bedroom and $848 to $1,166 for a 3-bedroom unit.

2-Mile Market Area Rental Apartments

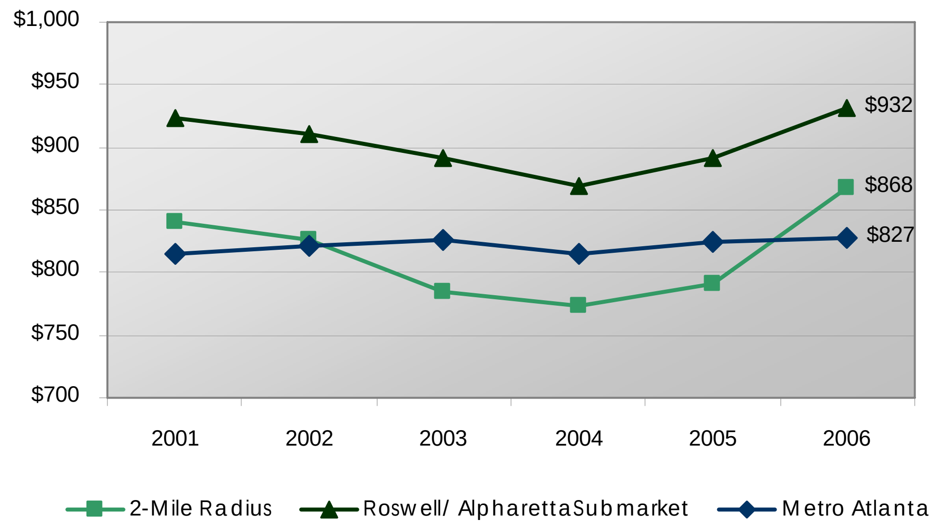
						Studio		1BR		2BR		3BR		4BR	
Property Name	Size (units)	Year built	Class	Rent/ Unit	Vacancy Rate	Rent/ Month	Size (SF)	Rent/ Month	Size (SF)	Rent/ Month	Size (SF)	Rent/ Month	Size (SF)	Rent/ Month	Size (SF)
Martin's Landing	300	1973	BC	$899	14.7%	$0		$0		$845	1,308	$914	1,525	$1,461	1,627
Ashton Point	300	1975	BC	$750	6.0%	$0		$650	965	$730	1,308	$878	1,648	$0	
Concepts 21 - Roswell	304	1980	BC	$779	2.6%	$635	595	$666	748	$783	1,008	$980	1,223	$0	
Riverwood Apts	340	1982	BC	$712	1.2%	$0		$629	750	$773	1,000	$848	1,500	$0	
Parkridge Apts	508	1982	BC	$1,158	0.0%	$0		$1,085	870	$1,205	1,113	$0		$0	
Wood Creek	340	1983	BC	$701	2.6%	$0		$572	913	$796	1,150	$986	1,425	$0	
Belcourt	324	1984	BC	$837	6.8%	$0		$770	850	$895	1,125	$0		$0	
Huntington Farms	468	1984	A	$1,032	6.4%	$0		$750	932	$1,146	1,280	$1,190	1,411	$0	
Eaglescrest Apts	200	1984	BC	$741	1.5%	$0		$610	660	$833	937	$1,005	1,355	$0	
Wood Crossing	268	1985	BC	$700	5.2%	$0		$592	782	$766	1,023	$955	1,450	$0	
Central Ridge	134	1988	A	$890	7.5%	$0		$784	785	$953	1,127	$1,166	1,300	$0	
Central Ridge	270	1991	BC	$845	8.1%	$0		$778	785	$946	1,225	$0		$0	
Roswell Gables	384	1995	A	$929	7.0%	$0		$808	875	$1,015	1,172	$1,063	1,413	$0	
Total/Average	**4,140**	**1983**		**$ 868**	**5.1%**										

Source: Reis, Inc.

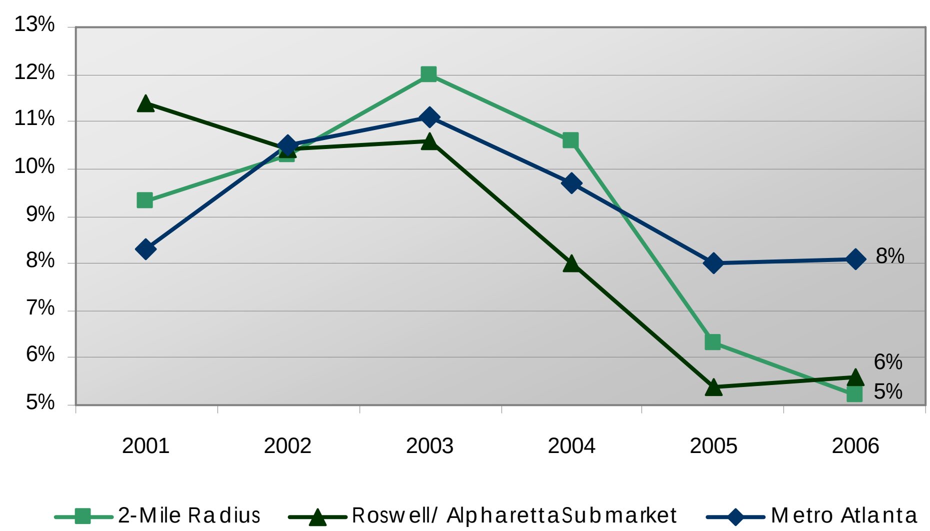
Note: the data does not include Frasier Street Apartments, which does not participate in Reis surveys.

Apartments in the 2-Mile Market Area have been underperforming compared to the larger Alpharetta/Roswell submarket and the Atlanta Metro region; however this pattern appears to be changing. In the 3rd quarter of 2006, market area apartments had an average rent of $868, or 93.1% of submarket rents and 104.9% of regional rents. The average vacancy in the market area, 5.2% was lower than both the submarket at 5.6% and the region at 8.0%.

2-Mile Market Area Average Rent, 2001-2006



2-Mile Market Area Average Vacancy, 2001-2006



Office

The Midtown area contains 173,600 square feet of office space which represents 4.5% of the 2-Mile Market Area office inventory and 0.5% of the North Fulton County office inventory. There is 13,125 square feet of space vacant, or 7.6% of the inventory, a lower percentage than found in the 2-Mile Market Area and North Fulton County at 10.6% and 18.2%, respectively.

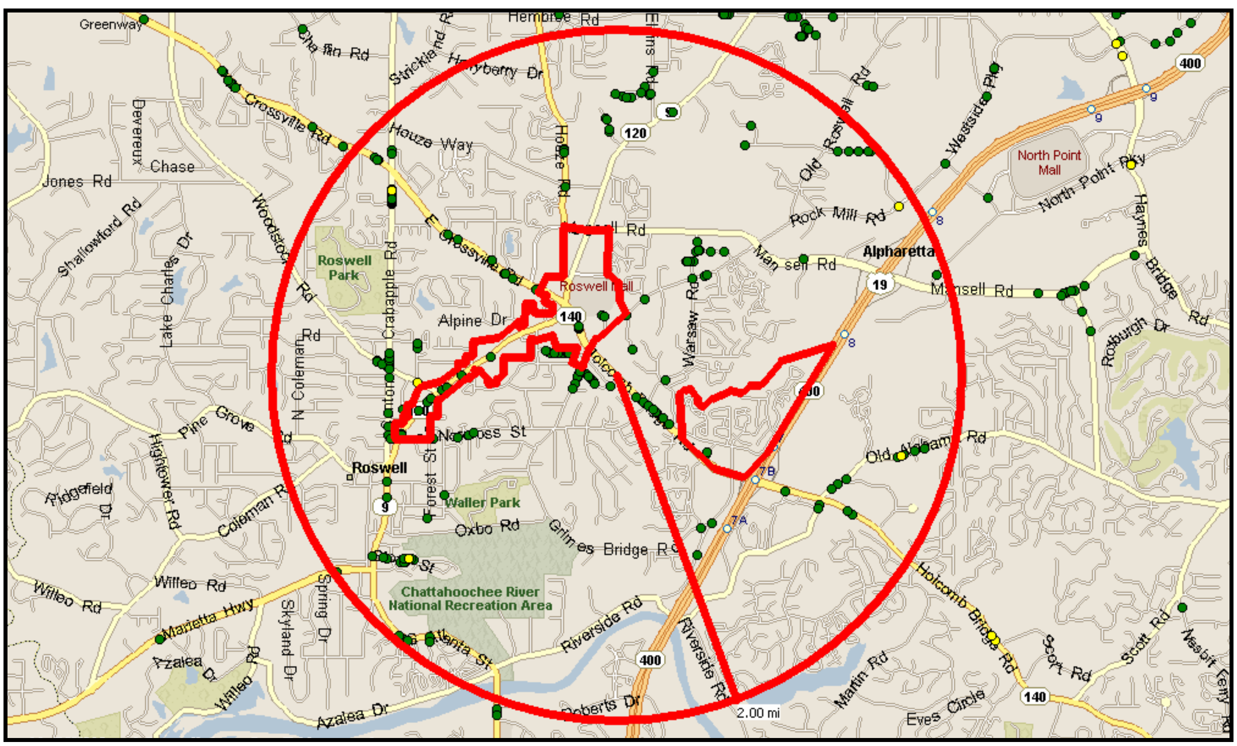
The average office rent in Midtown is $12.11 per square foot, considerably lower than the 2-Mile Market Area at $16.86 and North Fulton County at $19.48. On average, the office stock in Midtown is 24 years old, eight years older than the 2-Mile Market Area and ten years older than North Fulton County.

There is no new office space in the development pipeline for the study area. However, there is 425,000 square feet planned for the 2-Mile Market Area and 8.3 million square feet planned, proposed or under construction in North Fulton County.

Office Market in Midtown Roswell			
	Midtown Roswell	2-Mile Market Area	North Fulton County
Square Feet	173,600	3,822,541	38,569,875
% of Market Area	4.5%	100.0%	
% of County	0.5%	9.9%	100.0%
Vacant	13,125	404,596	7,035,314
Vacant %	7.6%	10.6%	18.2%
Min Rent	$ 10.80	$10.80	$4.75
Max Rent	$ 13.25	$21.50	$28.00
Avg Rent	$ 12.11	$16.86	$19.48
Avg Year Built	1983	1991	1993
Proposed/Planned/UC	-	425,500	8,361,878

Source: Dorey's

Location of Office Space in Midtown Roswell and 2-Mile Market Area



Retail

The Midtown Roswell Study Area contains 1,188,809 square feet of retail space which represents 35.1% of the 2-Mile Market Area retail inventory of 3,391,677 square feet of retail space and 7.3% of the North Fulton County retail inventory of 16,381,379 square feet. Fifteen percent of the retail space is vacant, slightly lower than the vacancy rate for the 2-Mile Market Area at 17.2%, but higher than North Fulton County at 11.6%.

The average rent for retail space in Midtown is $14.91, somewhat lower than the average rent for retail in the 2-Mile market area at $16.20 and North Fulton County at $22.94. On average, the retail stock in the Midtown Roswell study area is 27 years old, slightly older than the 2-Mile Market area, but ten years older than North Fulton County.

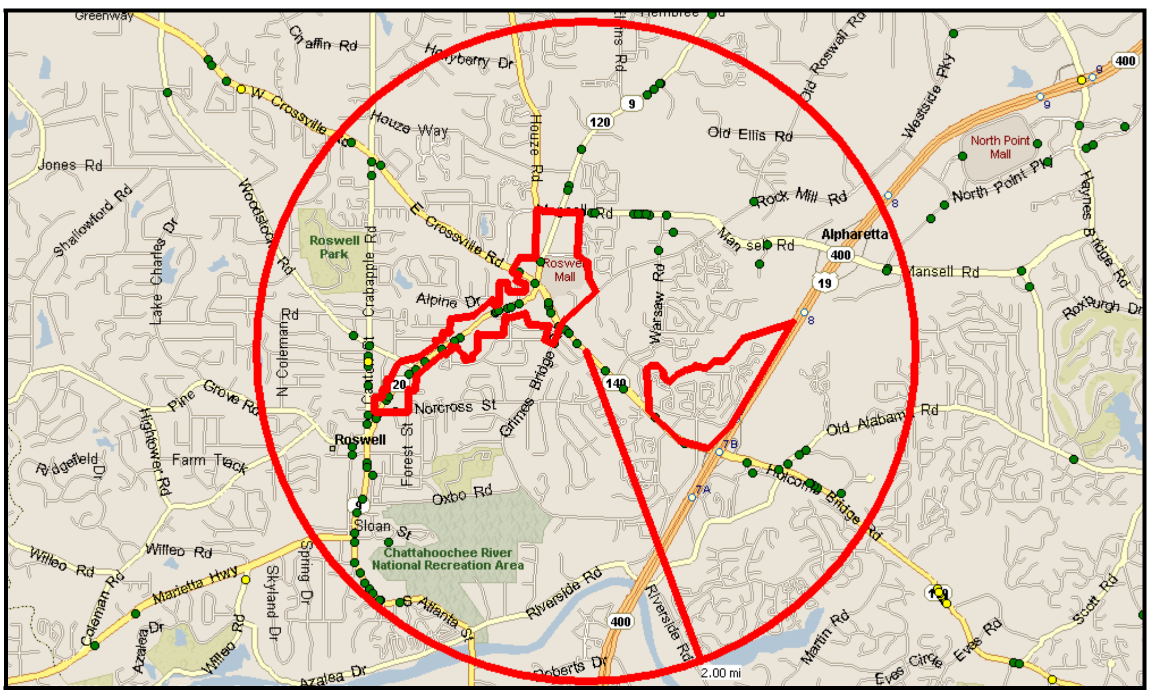
There is 19,000 square feet of retail space in the development pipeline for the 2-Mile Market Area and 2,064,886 square feet in the pipeline for North Fulton County.

Retail Market in Midtown Roswell

	Midtown Roswell	2-Mile Market Area	North Fulton County
Square Feet	1,188,809	3,391,677	16,381,379
% of Market Area	35.1%	100.0%	
% of County	7.3%	20.7%	100.0%
Vacant	178,771	582,323	1,893,295
Vacant %	15.0%	17.2 %	11.6%
Min Rent	$9.50	$9.50	$8.00
Max Rent	$15.50	$29.00	$45.00
Avg Rent	$14.91	$16.20	$22.94
Avg Year Built	1980	1983	1990
Proposed/Planned/UC	-	19,000	2,064,886

Source: Dorey's

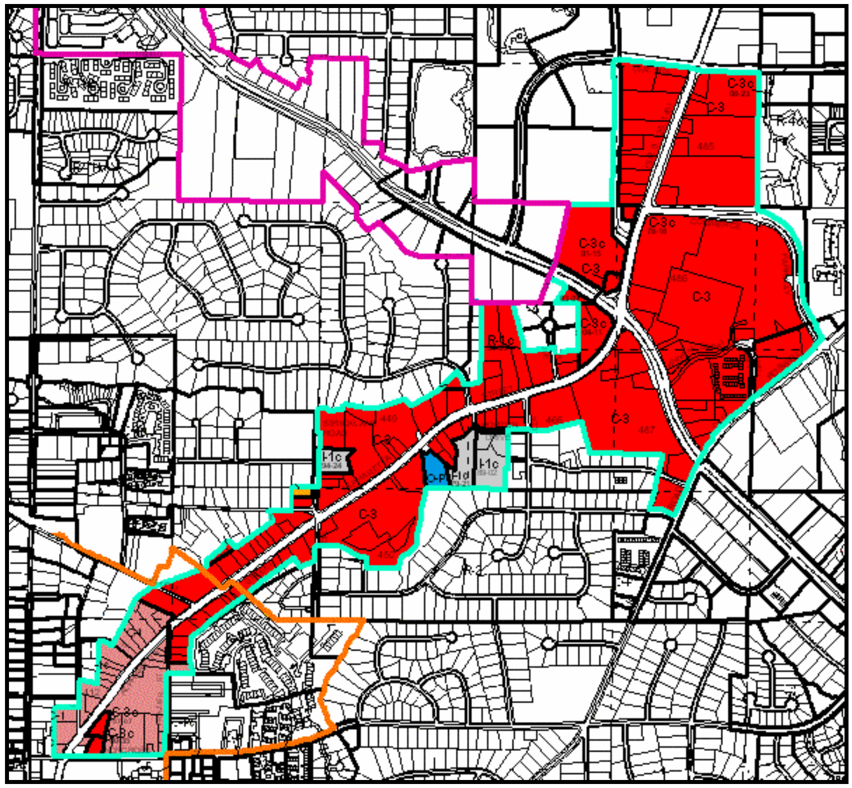
Location of Retail Space in Midtown Roswell and 2-Mile Market Area



3.1.4 CURRENT ZONING

The current zoning in the Midtown Roswell Study area is a combination of high and low intensity commercial. There is a small amount of office/profession and industrial zoning in the middle portion of the study area.

Current Zoning in Midtown Roswell



The following table gives maximum build out for the relevant zoning categories for Midtown Roswell. The underlying zoning is primarily C-1 and C-3. The area is within the Midtown Roswell Overlay District. According to the Roswell Zoning Ordinance, the overlay zoning "cannot be combined with either the use permissions and dimensional requirements of the underlying zoning district or, if applicable, those of the Historic Properties Overlay District...[the overlay] provid[es] additional development rights...which may be exercised by property owners under certain conditions, while retaining all development rights conferred by the underlying zoning district to property owners."

Zoning Allowances in the Midtown Roswell Study Area

	Base/Underlying Zoning		Overlay Zoning		
	C-1	C-3	MR-1	MR-2	MR-3
Maximum Height (feet)	50	40	45	45	45
Maximum Height (stories)	3	3	3	3	3
Maximum Lot Coverage/Density					
Maximum FAR Retail/Services (s.f. per acre)			13,650	2,610	17,250
Maximum FAR Office/Institutional (s.f. per acre)			2,300 -7,000	4,000 -8,000	4,000 -8,000
Total Dwelling Units per Acre			3 to 8	6 to 8	6 to 8
Minimum average heated floor area per dwelling unit (s.f.)			2,000	2,000	2,000
Minimum heated floor area per dwelling unit (s.f)			1,400	1,400	1,400
Maximum Lot Coverage	60%	25%	40%	40%	40%
Estimated FAR	**1.8**	**.75**	**.84**	**.61**	**.95**

Source: City of Roswell Zoning Ordinance/Bleakly Advisory Group

Based on the above zoning allowances, we have estimated that the FAR for development in the study area ranges from .61 to .95 for the overlay district and .75 to 1.8 for the base/underlying zoning.

3.1.5 LAND PRICES

Land prices range significantly throughout the Midtown study area, depending on current use, zoning and site access and visibility. From the period 2000 to 2006, land sales in the area averaged $979,122.

Land Sales in the Midtown Roswell Study Area

Parcel	Address	Acreage	Sale Date	Amount	Price per Acre
12 19940449034	ALPINE DR REAR	0.8	25-Jul-01	$32,500	$41,140
12 18940411055	WOODSTOCK RD	4.0	30-May-03	$225,000	$55,970
12 19940449057	ALPHARETTA ST	0.9	20-Jul-04	$199,334	$212,060
12 19020412065	1028 GREEN ST	0.4	25-Apr-00	$112,338	$311,288
12 19020412040	56 NORCROSS ST	0.6	7-Dec-04	$200,000	$344,839
12 20800485054	10700 HWY 19	0.8	29-Jan-03	$300,000	$389,613
12 19020412079	FRAZIER ST	0.2	8-Apr-03	$90,000	$430,719
12 20810467016	10445 ALPHARETTA ST	3.0	6-Feb-03	$1,625,000	$541,667
12 19020412023	1096 ALPHARETTA ST	0.5	30-Sep-04	$300,000	$563,276
12 19930450042	1212 ALPHARETTA ST	1.1	19-Apr-02	$643,000	$608,324
12 19940449023	1300 ALPHARETTA ST	0.8	28-Feb-05	$550,000	$658,187
12 20900487071	OLD ROSWELL RD	0.7	5-Aug-05	$435,000	$669,231
12 19020412029	1066 ALPHARETTA ST	0.3	15-Feb-02	$225,000	$674,768
12 19020412075	1110 ALPHARETTA ST	0.9	10-Jan-01	$610,000	$677,778
12 20900487052	1750 GRIMES BRIDGE RD	2.0	30-Jan-06	$1,400,000	$686,270
12 21800503025	780 OLD ROSWELL RD	2.2	7-Apr-04	$1,500,000	$694,441
12 20800485057	10695 ALPHARETTA HWY	6.0	13-Jun-03	$4,250,000	$708,333
12 19020412049	1073 ALPHARETTA ST	0.3	14-Sep-05	$250,000	$756,250
12 19020412025	1084 ALPHARETTA ST	0.4	5-Sep-02	$270,000	$759,915
12 19920427031	1170 ALPHARETTA ST	0.3	27-Apr-00	$250,000	$764,211
12 20820486016	604 HOLCOMB BRIDGE RD	1.5	26-May-04	$1,200,000	$817,440
12 19020412057	1050 FRAZIER ST	0.3	8-Dec-05	$257,000	$829,253
12 20820486012	610 HOLCOMB BRIDGE RD	9.0	11-Nov-04	$8,000,000	$888,889
12 19020412037	1007 ALPHARETTA ST	0.7	11-Jun-03	$650,000	$946,957
12 19020412024	1090 ALPHARETTA ST	0.4	29-Jun-05	$414,000	$990,870
12 19020412071	100 NORCROSS ST	1.9	3-Aug-05	$2,000,000	$1,063,736
12 19940449049	1264 ALPHARETTA ST	0.2	23-May-01	$217,500	$1,087,500
12 20910466049	10440 ALPHARETTA HWY	1.5	7-Apr-04	$1,662,500	$1,096,934
1219940449061/41		0.6	31-Jan-05	$620,000	$1,103,912
1220900466057/6058/7046		13.9	1-Oct-04	$15,500,000	$1,118,327
12 19020412027	1078 ALPHARETTA ST	0.8	5-Jun-06	$927,500	$1,131,104
12 20910466053	10475 ALPHARETTA ST	0.5	1-Apr-03	$600,000	$1,161,600
12 20040426034	1101 ALPHARETTA ST	0.6	30-Aug-06	$700,000	$1,166,667
12 19920427075	1155 ALPHARETTA ST	1.0	26-Mar-01	$1,185,000	$1,185,000
12 20910466082	10479 ALPHARETTA ST	3.7	28-Jul-05	$4,350,000	$1,185,288
12 19020412073	110 NORCROSS ST	0.1	20-Feb-03	$150,000	$1,320,000
12 20820486011	624 HOLCOMB BRIDGE RD	1.7	1-Jul-04	$2,785,000	$1,617,528
12 20800485075	10775 ALPHARETTA HWY	0.3	29-Nov-04	$500,000	$1,666,667
12 19920427088	1180 ALPHARETTA ST	0.2	17-Jun-05	$394,900	$1,720,184
12 20900487050	680 HOLCOMB BRIDGE RD	0.4	11-Jul-03	$800,000	$1,815,000
12 19920427020	1137 ALPHARETTA ST	0.3	30-Dec-05	$ 550,000	$1,826,067
12 21900503082	760 OLD ROSWELL RD	1.5	2-Nov-04	$2,960,000	$1,922,089
1220800485030/1		1.4	20-Feb-03	$5,333,333	$3,892,957
Average					$979,122

Source: Fulton County Tax Assessor

3.2 DEVELOPMENT PRO FORMAS

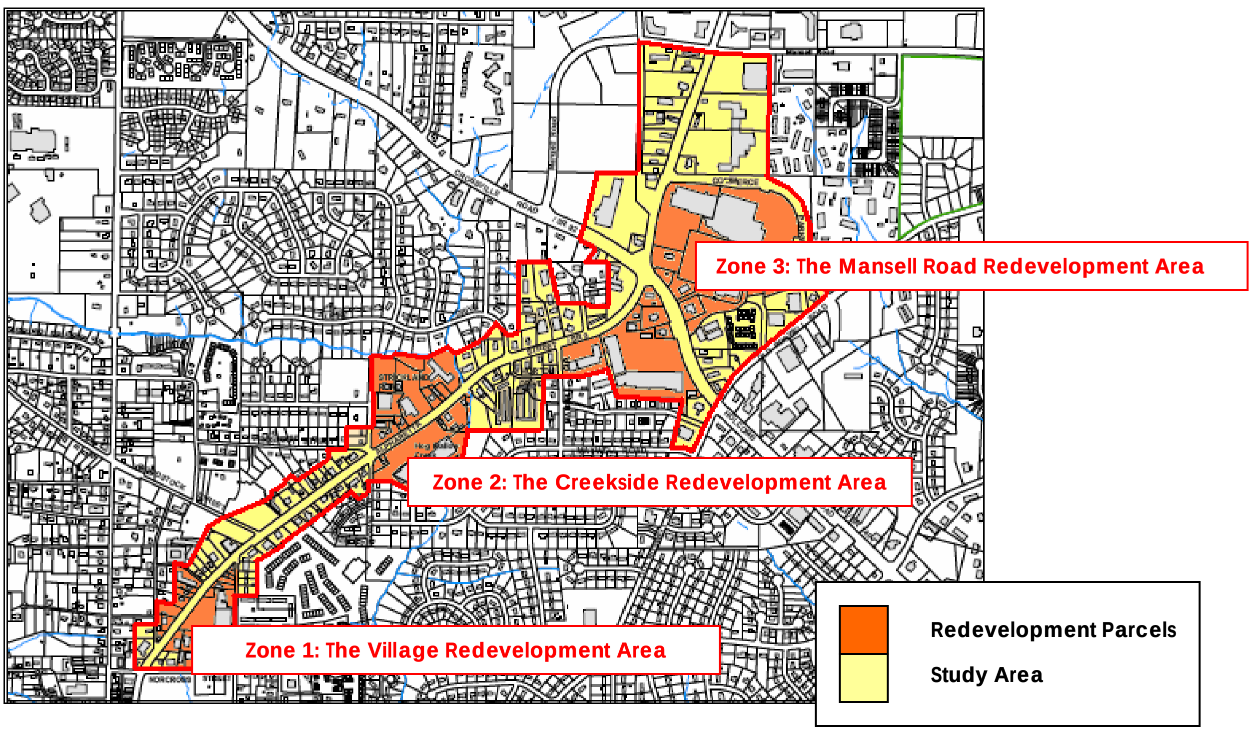
3.2.1 METHODOLOGY

A multi-step analytic process was used to determine the economic consequences of the current zoning allowances in the Roswell Zoning Ordinance on the economic viability of redevelopment:

1. As previously noted, three redevelopment areas were analyzed the Midtown Roswell Redevelopment Plan:

   Zone 1: The Village Redevelopment Area
   Zone 2: The Creekside Redevelopment Area
   Zone 3: The Mansell Road Redevelopment Area

Midtown Roswell



2. A development summary was prepared for each of the three zones under base/underlying zoning to evaluate the economic feasibility of development/redevelopment. The size and value of the components of the proposed development scenarios were derived from construction and sales price data on comparable projects in and around the study area. The key assumptions used in the analysis included the following:

Land Use Type	Unit Size	Sales Price/Const.Values
Townhouses	2, 000 s.f.	$300,000 to $350,000
Small Condo/Apt.	2,000 s.f.	$225,000 to $275,000
Retail	varies	$145 to $160 per s.f.
Office	varies	$145 to $160 per s.f.

Land Contribution Estimates:
Residential 15% of value
Retail/office 15% of value

3. Using the size of the zone, the maximum densities permitted under the current zoning is applied to the three zones. From this analysis, an estimate of the total build-out of the zone and its estimated market value is derived. From the market value the estimated maximum land contribution can be determined for the development prototype. This maximum land value is then compared to the estimated land purchase price for the parcel, based on the current land values discussed above, to determine if the prototype development will support land costs sufficient to acquire the site for the estimated purchase price. This is the analysis that a property owner will do to determine if they can afford to redevelop the site themselves, or sell to a third party.

4. Using the development scenario as a model, an estimate of the potential TAD for each scenario was developed. The TAD estimate is based on the estimated market value for the project from which the TAD proceeds available to the development was generated. The estimated TAD funding has been shown as a potential incentive to the project to help fund needed infrastructure and/or to fund any gaps between what the projects can support in land costs and the actual land purchase price. The TAD estimate is based on the full value of the project, and given a long redevelopment period (5+ years), would likely occur in increments.

5. If the base-case scenario (current zoning) was unable to support an economically feasible redevelopment project, a second scenario using the densities allowed in the Midtown Overlay District was created. Again, the market value of the potential development was calculated and compared to the cost of land in the zone to determine economic feasibility of redevelopment at that zoning. Also, the TAD potential was calculated to determine if the TAD was enough to cover any shortfall between land the land contribution of the project and the land cost.

6. Finally, an alternate scenario based on various FAR (Floor Area Ratio) assumptions was modeled to determine what level of FAR would allow for economically viable redevelopment. Again, the potential TAD funding generated by this level of development was calculated.

7. The final portion of the analysis of each scenario examines the capacity of the site to physically accommodate the proposed development. To the degree practical, it was assumed that surface parking would be used, and where required by site constraints structured parking, either under the residential or commercial development or "laminated" as a deck connected to the residential or commercial development. The site capacity calculations for each of the development scenarios are following the development analysis spreadsheets.

The resulting development analyses for the three zones are included as Appendix 4.2 to 4.7. The key results of the analysis relating to the proposed land uses for the current zoning are as follows by zone:

3.2.2 ZONE 1: THE VILLAGE

Current Zoning

Zone 1 is currently zoned C-1: Commercial. This zoning category allows for 60% site coverage and a maximum height of 3 stories. For the 15.2 acres in Zone 1, this would allow the construction of a maximum of 1,191,802 square feet of commercial development with an estimated market value of $172.8 million. Based on the assumption that a developer could pay 15% of its market value in land costs, the potential land contribution for development under this zoning category is estimated to be

$25.9 million. This is significantly higher than the estimated land purchase price of $14.9 million, indicating this redevelopment to be economically feasible.

Scenario 1: Current Zoning									
	Acreage	Maximum Lot Coverage	Total Square Feet	Average Unit Value	Estimated Market Value	Land Contribution per S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasibility	15.2	60%	1,191,802	$145	$ 172,811,232	$ 22	$ 25,921,685	$ 14,882,654	$ 11,039,030

Why hasn't redevelopment occurred? Given the three story height limit, the most likely configuration would be retail on the bottom floor and two stories of office above, since second- and third-story retail is rarely successful and residential space on the upper floor is not permitted. As a result of the current low level of demand for office, the ability to redevelop the site is limited.

Midtown Overlay Zoning

Zone 1 could accommodate a mix of uses under the Midtown Overlay. For this scenario, we assumed the site was comprised of stacked flat units over ground floor retail and office. With 13,650 s.f. per acre, the project would have 207,480 s.f. of office development, 106,400 s.f of retail development (at 7,000 s.f. per acre) and 122 residential units (at 8 units per acre.) This development would generate a market value of $75.9 million and allow for a land contribution of $11.4 million, creating a deficit of $3.5 million for the project. The amount of residential development permitted is too low to achieve economic viability and the overlay, while allowing a mix of uses, which is good, allows far less density than current zoning.

Scenario 2: Midtown Overlay District Zoning (MR-3)									
	Acreage	Max Units or Floor Area (per Acre)	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	15.2	8	122	$ 250,000	$30,400,000	$37,500	$4,560,000		
Office	15.2	13,650	207,480	$145	$30,084,600	$22	$4,512,690		
Retail	15.2	7,000	106,400	$145	$15,428,000	$22	$2,314,200		
Total	15.2				$75,912,600		$11,386,890	$14,822,654	$(3,495,764)

* Residences over Office

FAR-Based PUD

Several alternative zoning configurations were tested to achieve economic viability. Zone 1 with a total FAR of 1.2 with residential units capped at a maximum density of 20 units per acre would appear to work. On the 15.2 acre site, this zoning would allow for 298 stacked flat residential units and 198,634 s.f. of retail development. The estimated value of this development would be $103.3 million allowing for a land contribution of $15.5 million, slightly higher than an assumed purchase price of $14.9 million.

Scenario 3: FAR 1.2									
	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	15.2	0.90	298	$250,000	$ 74,487,600	$ 37,500	$ 11,173,140		
Office	15.2		-	$ 145	$ -	$ 22	$ -		
Retail	15.2	0.30	198,634	$ 145	$ 28,801,872	$ 22	$ 4,320,281		
Total	15.2	1.20			$ 103,289,472		$ 15,493,421	$ 14,882,654	$ 610,766

* Residences over Office and Retail

In terms of the capacity of the site to accommodate the above development, while the project would require 1,241 parking spaces it appears that it could fit on the 15.2 acre site, leaving 0.4 acres undeveloped in addition to the land reserved for circulation and open space.

4.3 Zone 1 Parking & Site Capacity			
Parking Requirements			
Stacked Flats (1.5 spaces per unit)	447		
Office (2.5 spaces per 1,000 s.f.)	-		
Retail (4.0 spaces per 1,000 s.f.)	795		
Total Spaces	1,241		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	15.2	662,112	
Open Space/Circulation	30%	198,634	
Developable	10.6	463,478	
Development Footprint		**Footprint ****	
	Total S.F.	**S.F.**	**Acres**
Stacked Flats (2 Stories above Retail)	446,926	223,463	6.4
Office	-	-	-
Retail (Ground Floor Retail)*	198,634	N/A	N/A
Parking (3 Stories)	403,475	134,492	3.8
Net Development Site	1,049,034	357,954	10.2
Net Site Surplus (of developable)		**17,979**	**0.4**

* Below Stacked Flats

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

3.2.3 ZONE 2: CREEKSIDE

Current Zoning

Zone 2: Creekside is currently zoned C-3: Commercial. This zoning allows for 25% lot coverage and up to three stories. For Zone 2, this would allow the construction of 850,697 square feet of commercial space. The market value for the redeveloped area would be $137.8 million, allowing for a land contribution of $20.7 million. However, the land price for the 29.1 acres would be approximately $28.5 million, creating a shortfall of $7.8 million.

Scenario 1: Current Zoning	Acreage	Maximum Lot Coverage	Total Square Feet	Average Unit Value	Estimated Market Value	Land Contribution per Unit/S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasibility	29.1	25%	850,697	$145	$ 137,851,065	$ 22	$ 20,677,660	$ 28,492,450	$ (7,814,790)

Midtown Overlay Zoning

Zone 2 could accommodate a mix of stacked flats, office and retail under the Midtown Overlay Zoning. We assumed stacked flat condominiums above the commercial development. This zoning would allow for 233 condominiums, 232,800 square feet of office and 75,951 square feet of retail development, for a total market value of $103.0 million. This amount of development would support a land contribution of $15.4 million; however the current land purchase price is estimated to be $28.5 million, resulting in a shortfall of $13.0 million. Thus, since the densities permitted under the Midtown Overlay are less than the current zoning, it resulted in a lower financial return than the current zoning.

Scenario 2: Midtown Overlay District Zoning (MR-3)									
	Acreage	Max Units or Floor Area (per Acre)	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									
Residences									
Stacked Flats*	29.1	8	233	$ 250,000	$ 58,200,000	$ 37,500	$ 8,730,000		
Office	29.1	8,000	232,800	$ 145	$ 33,756,000	$ 22	$ 5,063,400		
Retail	29.1	2,610	75,951	$ 145	$ 11,012,895	$ 22	$ 1,651,934		
Total	29.1				$ 102,968,895		$ 15,445,334	$ 28,492,450	$(13,047,116)

* Stacked Flats over Office and Retail

FAR-Based PUD

Under an FAR-based PUD, Zone 2 could be redeveloped into a mix of commercial/stacked flat development fronting Alpharetta Highway and townhomes on the remainder of the property. Assuming an FAR of 1.05 with residential units capped at 20 per acre, this would generate 254 townhomes and 317 stacked flat units, or a total of 571 residential units. The remaining .2 FAR would be used for a mix of office (126,760 s.f.) and retail uses (63,380 s.f.), predominately under the stacked flat condominiums. This development would have a market value of $193.9 million and support a land purchase price of $29.1 million, or $598,878 above the land purchase price of $28.5 million.

Scenario 3: FAR 1.05									
	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									
Residences									
Townhomes	29.1	0.50	317	325,000	$ 102,992,175	$ 48,750	$ 15,448,826		
Stacked Flats*	29.1	0.40	254	250,000	$ 63,379,800	$ 37,500	$ 9,506,970		
Office	29.1	0.10	126,760	$ 145	$ 18,380,142	$ 22	$ 2,757,021		
Retail	29.1	0.05	63,380	$ 145	$ 9,190,071	$ 22	$ 1,378,511		
Total	29.1	1.05			$ 193,942,188		$ 29,091,328	$ 28,492,450	$ 598,878

* Stacked Flats over Office and Retail

In terms of site capacity, the FAR-based development above would require 1,584 parking spaces and would fit on 18.6 acres of the site, leaving 1.7 acres of land undeveloped in addition to the land reserved for circulation and open space.

4.5 Zone 2 Parking & Site Capacity			
Parking Requirements			
Townhomes (2 per unit)*	634		
Stacked Flats (1.5 spaces per unit)	380		
Office (2.5 spaces per 1,000 s.f.)	317		
Retail (4.0 spaces per 1,000 s.f.)	254		
Total Spaces	1,584		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	29.1	1,267,596	
Open Space/Circulation	30%	380,279	
Developable	20.4	887,317	
Development Footprint		**Footprint****	
	Total S.F.	**S.F.**	**Acres**
Townhomes (2 Stories)	633,798	316,899	9.1
Stacked Flats (2 Stories above Retail)	380,279	190,139	5.4
Office (3 Stories)	126,760	42,253	1.2
Retail (Ground Floor Under Stacked Flats)	63,380	N/A	N/A
Parking (Surface)*	308,977	102,992	2.9
Net Development Site	1,513,193	652,284	18.6
Net Site Surplus (of developable)		**75,503**	**1.7**

* Parking spaces for townhomes under units

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

3.2.4 ZONE 3: MANSELL ROAD

Current Zoning

Zone 3 is currently zoned C-3: Commercial. This zoning allows for 25% lot coverage and up to three stories. For the 58.0 acres in Zone 3, this would allow a total of 1,894,860 square feet of commercial development with a market value of $303.2 million which would support a land contribution of $45.5 million. However, the current value of the land is approximately $56.8 million, resulting in a shortfall of $11.3 million.

Scenario 1: Current Zoning	Acreage	Maximum Lot Coverage	Total Square Footage	Average Unit Value	Estimated Market Value	Land Contribution per Unit/S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasibility	58	25%	1,894,860	$ 160	$ 303,177,600	$ 24	$ 45,476,640	$ 56,789,076	$ (11,312,436)

Midtown Overlay Zoning

Under the Midtown Overlay Zoning, it is assumed that the site could support 29 acres of townhomes for a total of 232 townhome units and 29 acres stacked flats (232 units) over commercial development (500,250 square feet of retail and 232,000 square feet of office). This redevelopment would have a market value of $213.4 million, supporting a land purchase price of $37.6 million. However, the current value of the land is $56.8 million, resulting in a shortfall of $19.2 million.

Scenario 2: Midtown Overlay District Zoning (MR-3)									
	Acreage	Max Units or Floor Area (per Acre)	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									
Residences									
Condominiums	29	8	232	$ 250,000	$ 58,000,000	$ 37,500	$ 8,700,000		
Townhomes	29	8	232	$ 325,000	$ 75,400,000	$ 48,750	$ 11,310,000		
Retail	29	17,250	500,250	$ 160	$ 80,040,000	$ 24	$ 12,006,000		
Offices	29	8,000	232,000	$ 160	$ 37,120,000	$ 24	$ 5,568,000		
Total	58				$ 213,440,000		$ 37,584,000	$ 56,789,076	$ (19,205,076)

FAR-Based PUD

With an FAR of 1.05 with a residential cap of 20, Zone 3 could contain 632 stacked flat condos and 442 townhomes with 505,296 square feet of commercial development. The market value of the development would be $362.2 million, supporting a land contribution which is $57.3 million, or $577,811 more than the purchase price of the land at $56.8 million.

Scenario 3: FAR 1.05									
	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									
Residences									
Stacked Flats	58	0.50	632	250,000	$ 157,905,000	$ 37,500	$ 23,685,750		
Townhomes	58	0.35	442	325,000	$ 143,693,550	$ 48,750	$ 21,554,033		
Retail	58	0.15	378,972	$ 160	$ 60,635,520	$ 24	$ 9,095,328		
Offices	58	0.05	126,324	$ 160	$ 20,211,840	$ 24	$ 3,031,776		
Total	58	1.05			$ 362,234,070		$ 57,366,887	$ 56,789,076	$ 577,811

The development above would require 3,663 parking spaces and could fit on 36.9 acres of the site, leaving 3.7 acres of undeveloped land in addition to the land reserved for circulation and open space..

4.7 Zone 3 Parking & Site Capacity			
Parking Requirements			
Townhomes (2 per unit)*	884		
Stacked Flats (1.5 spaces per unit)	947		
Office (2.5 spaces per 1,000 s.f.)	316		
Retail (4.0 spaces per 1,000 s.f.)	1,516		
Total Spaces	**3,663**		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	58	2,526,480	
Open Space	30%	757,944	
Developable	40.6	1,768,536	
Development Footprint		**Footprint ***	
	Total S.F.	**S.F.**	**Acres**
Townhomes (2 Stories)	884,268	442,134	12.6
Stacked Flats (3 Stories)	947,430	315,810	9.0
Office (3 Stories)	126,324	42,108	1.2
Retail (2 Stories)	378,972	189,486	5.4
Parking (3 Stories)	903,217	301,072	8.6
Net Development Site	3,240,211	1,290,610	36.9
Net Site Surplus (of developable)		**162,279**	**3.7**

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

3.3 THE IMPACT OF TAD

The City of Roswell may wish to consider the creation of a Tax Allocation District (TAD) to be used to generate additional funds for the redevelopment of Midtown Roswell. A TAD allows the increased tax revenues from redevelopment to fund a bond issue which can pay for a variety of redevelopment needs, such as improved infrastructure, streetscape and roadway improvements, and land acquisition.

The table below gives an estimate of the TAD funds that could be generated in the ten scenarios presented for the three portions of Midtown Roswell. There are three instances when TAD funds could make a project economically feasible. For example, in Zone 1, the Midtown Overlay zoning has a slightly negative outcome without any incentive, but committing a portion of the potential $6,073,008 in TAD funds that could be generated could make the project financially feasible. Redevelopment in Zone 2 could be economically viable under current zoning if the TAD were used to subsidize selective project costs. In addition, in Zone 3, redevelopment under the base zoning could become economically feasible with TAD support.

Summary of TAD

	Difference between Land Contribution and Land Purchase Price	Potential TAD	Total Difference
Zone 1			
Base Zoning	$ 11,039,030	$ 13,824,899	$ 24,863,929
Midtown Overlay	$ (3,495,764)	$ 6,073,008	$ 2,577,244
FAR 1.2	$ 610,766	$ 8,263,158	$ 8,873,924
Zone 2			
Base Zoning	$ (7,814,790)	$ 11,028,085	$ 3,213,295
Midtown Overlay	$ (13,047,116)	$ 8,237,512	$ (4,809,604)
FAR 1.05	$ 598,878	$ 15,515,375	$ 16,114,253
Zone 3			
Base Zoning	$ (11,312,436)	$ 24,254,208	$ 12,941,772
Midtown Overlay	$ (19,205,076)	$ 17,075,200	$ (2,129,876)
FAR 1.05	$ 577,811	$ 28,978,726	$ 29,556,536

The TAD could be used in a variety of ways to assist in the redevelopment. It could fund the realignment and improvement of the streets serving the area, to install improved sewer and water, create structured parking or other infrastructure. The provision of the TAD could subsidize the cost of redevelopment thereby allowing a lower maximum FAR than would be required if TAD were not available.

The TAD estimates above are based on the market value of the complete projects. However, given the long development period for some of the projects, it is likely that the TAD proceeds would be provided in increments as new value is created.

4.0 APPENDIX

4.1 Midtown Roswell Demographic Characteristics

	Midtown Roswell		2-Mile Market Area		City of Roswell		North Fulton County		Atlanta MSA	
Population										
1990	363		22,179		56,805		150,144		3,069,411	
2000	367		31,670		79,334		265,690		4,247,981	
2006	403		32,546		83,447		267,877		4,862,409	
2011	428		33,161		86,906		270,349		5,381,977	
Growth 1990-2000	1.1%		42.8%		39.7%		77.0%		10.7%	
Growth 2000-2006	9.8%		2.8%		5.2%		0.8%		14.5%	
Growth 2006-2011	6.2%		1.9%		4.1%		0.9%		38.4%	
Population by Race										
White	343	84.9%	22,006	67.6%	66,285	79.4%	210,199	78.5%	2,908,004	59.8%
African American	30	7.4%	3,794	11.7%	7,070	8.5%	23,220	8.7%	1,466,998	30.2%
Asian	9	2.2%	1,565	4.8%	3,882	4.7%	20,020	7.5%	191,836	3.9%
Other	18	4.5%	4,067	12.5%	4,361	5.2%	8,842	3.3%	195,122	4.0%
Two or More Races	4	1.0%	1,115	3.4%	1,849	2.2%	5,595	2.1%	100,449	2.1%
Total	404	100.0%	32,547	100.0%	83,447	100.0%	267,876	100.0%	4,862,409	100.0%
Population Hispanic or Latino										
Not Hispanic or Latino	356	88.3%	22,719	69.8%	72,348	86.7%	245,753	91.7%	4,438,693	91.3%
Hispanic or Latino	47	11.7%	9,828	30.2%	11,099	13.3%	22,124	8.3%	423,716	8.7%
Total	403	100.0%	32,547	100.0%	83,447	100.0%	267,877	100.0%	4,862,409	100.0%
Population by Age										
< 0 - 17	66	16.4%	7,169	22.0%	20,052	24.0%	69,707	26.0%	1,275,575	26.2%
18 - 24	23	5.7%	3,056	9.4%	6,660	8.0%	19,350	7.2%	458,917	9.4%
25 - 34	36	9.0%	6,236	19.2%	11,044	13.2%	35,720	13.3%	765,403	15.7%
35 - 44	51	12.7%	5,798	17.8%	14,154	17.0%	49,812	18.6%	813,798	16.7%
45 - 54	59	14.7%	4,396	13.5%	14,418	17.3%	44,177	16.5%	689,193	14.2%
55 - 64	54	13.4%	2,982	9.2%	9,879	11.8%	28,601	10.7%	454,100	9.3%
65 - 74	42	10.4%	1,425	4.4%	4,109	4.9%	11,642	4.3%	234,042	4.8%
75 - 84	46	11.4%	977	3.0%	2,233	2.7%	6,482	2.4%	126,463	2.6%
> 85	25	6.2%	505	1.6%	898	1.1%	2,384	0.9%	44,918	0.9%
Total	402	100.0%	32,544	100.0%	83,447	100.0%	267,875	100.0%	4,862,409	100.0%
Median Age	49.11		34.70		37.80		36.84		34.1	

Source: Claritas

4.1 Midtown Roswell Demographic Characteristics

	Midtown Roswell		2-Mile Market Area		City of Roswell		North Fulton County		Atlanta MSA	
Pop. Age 25+ by Educational Attainment										
No High School Diploma	64	20.4%	3,414	15.3%	4,097	7.2%	9,538	5.3%	519,146	16.6%
High School Graduate (or GED)	46	14.6%	3,966	17.8%	7,528	13.3%	21,589	12.1%	790,857	25.3%
Some College or Associate Degree	86	27.4%	5,897	26.4%	15,233	26.8%	44,681	25.0%	862,106	27.6%
Bachelor's Degree	90	28.7%	6,263	28.1%	20,244	35.7%	69,831	39.1%	648,663	20.7%
Post-Graduate Degree	28	8.9%	2,780	12.5%	9,633	17.0%	33,181	18.6%	307,145	9.8%
Total	314	100.0%	22,320	100.0%	56,735	100.0%	178,820	100.0%	3,127,917	100.0%
Households										
1990	121		9,174		22,062		61,134		1,140,838	
2000	130		12,116		30,207		103,448		1,554,154	
2006	145		12,352		31,650		102,967		1,764,419	
2011	157		12,525		32,919		102,981		1,943,505	
Growth 1990-2000	7.4%		32.1%		36.9%		69.2%		36.2%	
Growth 2000-2006	11.5%		1.9%		4.8%		-0.5%		13.5%	
Growth 2006-2011	8.3%		1.4%		4.0%		0.0%		10.1%	
Households by Household Income										
< $24,999	17	11.8%	1,548	12.5%	2,436	7.7%	8,206	8.0%	301,535	17.1%
$25,000-$49,999	37	25.7%	2,942	23.8%	5,612	17.7%	16,448	16.0%	436,747	24.8%
$50,000-$74,999	28	19.4%	2,761	22.4%	5,674	17.9%	17,367	16.9%	374,832	21.2%
$75,000-$99,999	16	11.1%	1,784	14.4%	4,375	13.8%	13,972	13.6%	249,057	14.1%
$100,000-$149,000	33	22.9%	2,172	17.6%	6,694	21.2%	21,707	21.1%	248,243	14.1%
> $150,000	13	9.0%	1,145	9.3%	6,859	21.7%	25,266	24.5%	154,005	8.7%
Total	144	100.0%	12,352	100.0%	31,650	100.0%	102,966	100.0%	1,764,419	100.0%
Average Household Income	$ 81,242		$ 83,034		$ 116,534		$ 125,082		$76,961	
Median Household Income	$ 65,948		$ 65,265		$ 87,017		$ 91,930		$59,599	
Per Capita Income	$ 32,025		$ 31,805		$ 44,391		$ 48,239		$28,183	

Source: Claritas

4.1 Midtown Roswell Demographic Characteristics

	Midtown Roswell		2-Mile Market Area		City of Roswell		North Fulton County		Atlanta MSA	
Households by Household Size*										
1-person	42	29.4%	3,590	29.1%	7,308	23.1%	25,270	24.5%	400,528	22.7%
2-persons	52	36.4%	3,911	31.7%	10,799	34.1%	33,609	32.6%	551,350	31.2%
3-persons	20	14.0%	1,863	15.1%	5,492	17.4%	17,146	16.7%	327,366	18.6%
4-persons	18	12.6%	1,491	12.1%	4,926	15.6%	16,925	16.4%	281,653	16.0%
5+ persons	11	7.7%	1,497	12.1%	3,125	9.9%	10,017	9.7%	203,522	11.5%
Total	143	100.0%	12,352	100.0%	31,650	100.0%	102,967	100.0%	1,764,419	100.0%
Households by Type										
Married-Couple Family	78	53.4%	5,481	44.4%	18,298	57.8%	59,528	57.8%	495,230	70.1%
Other Family, Male Householder	5	3.4%	654	5.3%	1,097	3.5%	2,824	2.7%	41,543	5.9%
Other Family, Female Householder	14	9.6%	1,301	10.5%	2,720	8.6%	7,502	7.3%	162,811	23.0%
Nonfamily, Male Householder	16	11.0%	2,335	18.9%	4,357	13.8%	14,882	14.5%	5,476	0.8%
Nonfamily, Female Householder	33	22.6%	2,582	20.9%	5,178	16.4%	18,231	17.7%	1,836	0.3%
Total	146	100.0%	12,353	100.0%	31,650	100.0%	102,967	100.0%	706,896	100.0%
Households by Number of Vehicles										
No Vehicles	9	6.2%	831	6.7%	955	3.0%	3,385	3.3%	119,927	6.8%
1 Vehicle	40	27.6%	4,800	38.9%	9,222	29.4%	31,099	30.2%	540,717	30.6%
2 Vehicles	61	42.1%	5,309	43.0%	15,702	50.0%	51,171	49.7%	746,329	42.3%
3 Vehicles	24	16.6%	1,106	9.0%	4,627	14.7%	13,690	13.3%	260,695	14.8%
4 Vehicles	6	4.1%	228	1.8%	896	2.9%	2,831	2.7%	71,202	4.0%
5 or more Vehicles	5	3.4%	78	0.6%	5	0.0%	791	0.8%	25,549	1.4%
Total	145	100.0%	12,352	100.0%	31,407	100.0%	102,967	100.0%	1,764,419	100.0%
Average Number of Vehicles	1.99		1.63		1.88		1.85		1.84	
Civ Employed Pop 16+ by Occupation										
Management, Business, and Financial Operations	43	21.8%	3,526	18.9%	11,616	24.9%	42,182	28.7%	424,087	17.0%
Professional and Related Occupations	42	21.3%	3,906	20.9%	11,327	24.2%	37,468	25.5%	494,006	19.8%
Service	32	16.2%	3,025	16.2%	4,589	9.8%	12,740	8.7%	297,812	11.9%
Sales and Office	54	27.4%	4,754	25.5%	14,143	30.3%	41,673	28.4%	714,492	28.7%
Farming, Fishing, and Forestry	-	0.0%	26	0.1%	43	0.1%	145	0.1%	4,594	0.2%
Construction, Extraction and Maintainance	14	7.1%	1,997	10.7%	2,644	5.7%	6,496	4.4%	258,285	10.4%
Production, Transportation and Material Moving	12	6.1%	1,430	7.7%	2,376	5.1%	6,178	4.2%	300,380	12.0%
Total	197	100.0%	18,664	100.0%	46,738	100.0%	146,882	100.0%	2,493,656	100.0%

Source: Claritas

4.1 Midtown Roswell Demographic Characteristics

	Midtown Roswell		2-Mile Market Area		City of Roswell		North Fulton County		Atlanta MSA	
Workers Age 16+, Transportation To Work										
Drove Alone	148	77.1%	12,991	70.9%	36,725	80.7%	118,246	81.4%	1,909,432	77.8%
Car Pooled	24	12.5%	3,338	18.2%	4,681	10.3%	12,503	8.6%	332,325	13.5%
Public Transportation	-	0.0%	669	3.6%	854	1.9%	2,868	2.0%	76,490	3.1%
Walked	2	1.0%	337	1.8%	495	1.1%	1,245	0.9%	29,001	1.2%
Motorcycle	-	0.0%	18	0.1%	26	0.1%	44	0.0%	1,922	0.1%
Bicycle	-	0.0%	19	0.1%	52	0.1%	85	0.1%	2,130	0.1%
Other Means	1	0.5%	337	1.8%	1	0.0%	1,394	1.0%	18,939	0.8%
Worked at Home	17	8.9%	624	3.4%	2,682	5.9%	8,924	6.1%	84,969	3.5%
Total	192	100.0%	18,333	100.0%	45,516	100.0%	145,309	100.0%	2,455,208	100.0%
Workers Age 16+ by Travel Time to Work										
Less than 15 Minutes	37	21.1%	3,632	20.5%	7,256	16.7%	24,637	18.1%	432,292	18.2%
15 - 29 Minutes	54	30.9%	5,828	32.9%	13,888	32.0%	45,480	33.3%	751,456	31.7%
30 - 44 Minutes	35	20.0%	4,764	26.9%	12,283	28.3%	35,909	26.3%	591,164	24.9%
45 - 59 Minutes	28	16.0%	1,913	10.8%	5,774	13.3%	16,993	12.5%	303,748	12.8%
60 or more Minutes	21	12.0%	1,572	8.9%	4,243	9.8%	13,366	9.8%	291,579	12.3%
Total	175	100.0%	17,709	100.0%	43,444	100.0%	136,385	100.0%	2,370,239	100.0%
Average Travel Time to Work in Minutes	33.08		31.58		33.45		32.67		33.99	
Tenure of Occupied Housing Units										
Owner Occupied	113	77.9%	5,867	47.5%	21,490	67.9%	69,062	67.1%	1,213,076	68.8%
Renter Occupied	32	22.1%	6,485	52.5%	10,160	32.1%	33,905	32.9%	551,343	31.2%
Total	145	100.0%	12,352	100.0%	31,650	100.0%	102,967	100.0%	1,764,419	100.0%
Owner-Occupied Housing Values										
< $99,999	1	0.9%	281	4.8%	480	2.2%	1,266	1.8%	180,793	14.9%
$100,000-$199,999	41	36.0%	2,568	43.8%	5,117	23.8%	13,776	19.9%	578,998	47.7%
$200,000-$299,999	36	31.6%	1,873	31.9%	7,080	32.9%	19,029	27.6%	238,700	19.7%
$300,000-$399,999	31	27.2%	793	13.5%	4,370	20.3%	14,135	20.5%	104,905	8.6%
>$400,000	5	4.4%	354	6.0%	4,443	20.7%	20,855	30.2%	109,680	9.0%
Total	114	100.0%	5,869	100.0%	21,490	100.0%	69,061	100.0%	1,213,076	100.0%

Source: Claritas

4.1 Midtown Roswell Demographic Characteristics

	Midtown Roswell		2-Mile Market Area		City of Roswell		North Fulton County		Atlanta MSA	
Housing Units by Units in Structure										
1 Unit Attached	41	25.9%	1,481	11.0%	2,359	7.0%	6,009	5.3%	63,258	3.3%
1 Unit Detached	86	54.4%	5,332	39.6%	21,036	62.2%	68,555	60.6%	1,293,710	66.9%
2 Units	6	3.8%	284	2.1%	333	1.0%	590	0.5%	38,286	2.0%
3 to 19 Units	21	13.3%	4,876	36.3%	7,753	22.9%	27,027	23.9%	315,443	16.3%
20 to 49 Units	-	0.0%	702	5.2%	1,044	3.1%	4,940	4.4%	47,170	2.4%
50 or More Units	4	2.5%	724	5.4%	1,214	3.6%	5,712	5.0%	82,185	4.2%
Other	-	0.0%	50	0.4%	81	0.2%	277	0.2%	94,047	4.9%
Total	158	100.0%	13,449	100.0%	33,820	100.0%	113,110	100.0%	1,934,099	100.0%
Housing Units by Year Structure Built										
Built 1999 to 2006	36	22.8%	1,352	10.1%	4,017	17.3%	14,241	12.6%	403,353	20.9%
Built 1995 to 1998	1	0.6%	1,623	12.1%	1	0.0%	22,245	19.7%	223,371	11.5%
Built 1990 to 1994	6	3.8%	774	5.8%	3,833	16.6%	18,363	16.2%	197,237	10.2%
Built 1980 to 1989	63	39.9%	5,170	38.4%	13,149	56.8%	34,378	30.4%	396,302	20.5%
Built 1970 to 1979	21	13.3%	2,772	20.6%	21	0.1%	14,346	12.7%	288,531	14.9%
Built 1960 to 1969	15	9.5%	1,156	8.6%	1,708	7.4%	6,030	5.3%	191,630	9.9%
Built 1950 to 1959	9	5.7%	359	2.7%	9	0.0%	2,219	2.0%	112,057	5.8%
Built 1940 to 1949	1	0.6%	118	0.9%	192	0.8%	575	0.5%	51,542	2.7%
Built 1939 or Earlier	6	3.8%	123	0.9%	227	1.0%	713	0.6%	70,076	3.6%
Total	158	100.0%	13,447	100.0%	23,157	100.0%	113,110	100.0%	1,934,099	100.0%
Median Year Structure Built	1984		1984		1986		1990		1986	

Source: Claritas

Zone 1: The Village

Scenario 1: Current Zoning (C-1)

	Acreage	Maximum Lot Coverage	Total Square Feet	Average Unit Value	Estimated Market Value	Land Contribution per S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasability	15.2	60%	1,191,802	145	$ 172,811,232	$ 22	$ 25,921,685	$ 14,882,654	$ 11,039,030
Tad Potential									$ 13,824,899
Difference with TAD									$ 24,863,929

Scenario 2: Midtown Overlay District Zoning (MR-1)

	Acreage	Max Units or Floor Area (per Acre)	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 Feasability									
Condominiums	15.2	8	122	$ 250,000	$ 30,400,000	$ 37,500	$ 4,560,000		
Office	15.2	13,650	207,480	$ 145	$ 30,084,600	$ 22	$ 4,512,690		
Retail	15.2	7,000	106,400	$ 145	$ 15,428,000	$ 22	$ 2,314,200		
Total	15.2				$ 75,912,600		$ 11,386,890	$ 14,882,654	$ (3,495,764)
Tad Potential									$ 6,073,008
Difference with TAD									$ 2,577,244
* Residences over Office									

Scenario 3: FAR 1.2

	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 Feasability									
Stacked Flats	15.2	0.90	298	$ 250,000	$ 74,487,600	$ 37,500	$ 11,173,140		
Office	15.2		-	$ 145	$ -	$ 22	$ -		
Retail	15.2	0.30	198,634	$ 145	$ 28,801,872	$ 22	$ 4,320,281		
Total	15.2	1.2	198,634		$ 103,289,472		$ 15,493,421	$ 14,882,654	$ 610,766
Tad Potential									$ 8,263,158
Difference with TAD									$ 8,873,924
* Residences over Office and Retail									

Zone 1 Parking & Site Capacity			
Parking Requirements			
Stacked Flats (1.5 spaces per unit)	447		
Office (2.5 spaces per 1,000 s.f.)	-		
Retail (4.0 spaces per 1,000 s.f.)	795		
Total Spaces	**1,241**		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	15.2	662,112	
Open Space/Circulation	30%	198,634	
Developable	10.64	463,478	
Development Footprint		**Footprint**	
	Total S.F.	**S.F.**	**Acres**
Stacked Flats (2 Stories above Retail)	446,926	223,463	6.4
Office (2 Stories above Retail)	-	-	-
Retail (Ground Floor Retail)*	198,634	N/A	N/A
Parking (3 Stories)	403,475	134,492	3.8
Net Development Site	1,049,034	357,954	10.2
Net Site Surplus		**17,979**	**0.4**

* Below Stacked Flats

Zone 2: Creekside Redevelopment Area

Scenario 1: Current Zoning (C-3)

	Acreage	Maximum Lot Coverage	Total Square Feet	Average Unit Value	Estimated Market Value	Land Contribution per Unit/S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasability	29.1	0.25	950,697	145	$ 137,851,065	$ 22	$ 20,677,660	$ 28,492,450	$ (7,814,790)
Tad Potential									$ 11,028,085
Difference with TAD									$ 3,213,295

Scenario 2: Midtown Overlay District Zoning (MR-2)

	Acreage	Max Units or Floor Area (per Acre)	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 Feasability									
Residences									
Condominiums	29.1	8	233	250,000	$ 58,200,000	$ 37,500	$ 8,730,000		
Office	29.1	8,000	232,800	$ 145	$ 33,756,000	$ 22	$ 5,063,400		
Retail	29.1	2,610	75,951	$ 145	$ 11,012,895	$ 22	$ 1,651,934		
Total	29.1				$ 102,968,895		$ 15,445,334	$ 28,492,450	$ (13,047,116)
Tad Potential									$ 8,237,512
Difference with TAD									$ (4,809,604)

* Stacked Flats over Office and Retail

Scenario 3: FAR 1.05

	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 Feasability									
Residences									
Townhomes	29.1	0.50	317	325,000	$ 102,992,175	$ 48,750	$ 15,448,826		
Stacked Flats*	29.1	0.40	254	250,000	$ 63,379,800	$ 37,500	$ 9,506,970		
Office	29.1	0.10	126,760	$ 145	$ 18,380,142	$ 22	$ 2,757,021		
Retail	29.1	0.05	63,380	$ 145	$ 9,190,071	$ 22	$ 1,378,511		
Total	29.1	1.05			$ 193,942,188		$ 29,091,328	$ 28,492,450	$ 598,878
Tad Potential									$ 15,515,375
Difference with TAD									$ 16,114,253

* Stacked Flats over Office and Retail

Zone 2 Parking & Site Capacity			
Parking Requirements			
Townhomes (2 per unit)*	634		
Stacked Flats (1.5 spaces per unit)	380		
Office (2.5 spaces per 1,000 s.f.)	317		
Retail (4.0 spaces per 1,000 s.f.)	254		
Total Spaces	**1,584**		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	29.1	1,267,596	
Open Space/Circulation	30%	380,279	
Developable	20.4	887,317	
Development Footprint		**Footprint**	
	Total S.F.	**S.F.**	**Acres**
Townhomes (2 Stories)	633,798	316,899	9.1
Stacked Flats (2 Stories)	380,279	190,139	5.4
Office (3 Stories)	126,760	42,253	1.2
Retail (Ground Floor Under Stacked Flats)	63,380	N/A	N/A
Parking (3 Stories)	308,977	102,992	2.9
Net Development Site	1,513,193	652,284	18.6
Net Site Surplus		**75,503**	**1.7**

* Parking spaces for townhomes under units

Zone 3: The Mansell Road Redevelopment Area

Scenario 1: Current Zoning (C-3)

	Acreage	Maximum Lot Coverage	Total Square Feet	Average Unit Value	Estimated Market Value	Land Contribution per Unit/S.F.	Total Land Contribution	Land Purchase Price	Difference
Economic Feasability	58	0.25	1,894,860	160	$ 303,177,600	$ 24	$ 45,476,640	$ 56,789,076	$ (11,312,436)
Tad Potential									$ 24,254,208
Difference with TAD									$ 12,941,772

Scenario 2: Midtown Overlay District Zoning (MR-3)

	Acreage	Max Units or Floor Area (per Acre)	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 Feasability									
Residences									
Condominiums	29	8	232	250,000	$ 58,000,000	$ 37,500	$ 8,700,000		
Townhomes	29	8	232	325,000	$ 75,400,000	$ 48,750	$ 11,310,000		
Retail	29	17,250	500,250	$ 160	$ 80,040,000	$ 24	$ 12,006,000		
Offices	29	8,000	232,000	$ 160	$ 37,120,000	$ 24	$ 5,568,000		
Total	58				$ 213,440,000		$ 37,584,000	$ 56,789,076	$ (19,205,076)
Tad Potential									$ 17,075,200
Difference with TAD									$ (2,129,876)

Scenario 3: Activity Center FAR 1.05

	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 Feasability									
Residences									
Condominiums	58	0.50	632	250,000	$ 157,905,000	$ 37,500	$ 23,685,750		
Townhomes	58	0.35	442	325,000	$ 143,693,550	$ 48,750	$ 21,554,033		
Retail	58	0.15	378,972	$ 160	$ 60,635,520	$ 24	$ 9,095,328		
Offices	58	0.05	126,324	$ 160	$ 20,211,840	$ 24	$ 3,031,776		
Total	58	1.05			$ 362,234,070		$ 57,366,887	$ 56,789,076	$ 577,811
Tad Potential									$ 28,978,726
Difference with TAD									$ 29,556,536

Zone 3 Parking & Site Capacity			
Parking Requirements			
Townhomes (2 per unit)*	884		
Stacked Flats (1.5 spaces per unit)	947		
Office (2.5 spaces per 1,000 s.f.)	316		
Retail (4.0 spaces per 1,000 s.f.)	1,516		
Total Spaces	**3,663**		
Site Capacity			
	Acres	**Total S.F./**	
Total Site	58	2,526,480	
Open Space/Circulation	30%	757,944	
Developable	40.6	1,768,536	
Development Footprint		**Footprint**	
	Total S.F.	**S.F.**	**Acres**
Townhomes (2 Stories)	884,268	442,134	12.6
Stacked Flats (3 Stories)	947,430	315,810	9.0
Office (3 Stories)	126,324	42,108	1.2
Retail (2 Stories)	378,972	189,486	5.4
Parking (3 Stories)	903,217	301,072	8.6
Net Development Site	3,240,211	1,290,610	36.9
Net Site Surplus		**162,279**	**3.7**

* Parking spaces for townhomes under units