

Augusta, Georgia and North Augusta, South Carolina Urban Area

2009 Master Plan

for a sustainable future

Part 3: Appendices

February 4, 2009



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This report is organized such that each market creation project is presented as an independent and discreet, “stand alone” document. However, ideas, examples and strategies identified in one may be ultimately applicable to other projects.

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The name given the urban area for purposes of this report and for the branding of this ongoing process is The Westobou Vision, hereafter referred to in these reports as Westobou or the Westobou Urban Area. The name Westobou is a Native American name for the Savannah River. This phrase is used to represent a “Shared Vision” for the area that encourages a spirit of collaboration and cooperation across this river, devoid of political, special interest or proprietary boundaries.



In North Augusta

Nine illustrative “Market Creation Projects” have been identified and developed as part of the over-all master plan for Westobou. These are large projects, any one or all of which could be catalytic in bringing about major redefinition of the urban area and its region. Each ties back into the dominant three themes for the project, i.e. Linked Garden Cities, a Place of Learning and Innovation and a Vibrant Place to Live, Work and Play.

One project, **St. Sebastian Health Sciences Park**, focuses on dramatically increasing jobs in Westobou.

The **Westobou Arts Center** aims to provide an unparalleled venue for a museum and a variety of performing arts.

Marbury Village, the **North Augusta Town Center** and **Westobou Crossing** offer commercial and residential living in exciting urban environments.

Augusta Canal Park, **Harrisburg Canal Village**, **Dyess Canal Village** and **Sand Bar Ferry Riverside** provide a wide range of family-oriented housing in dramatic neighborhood settings.

All of these projects lie along and, indeed, are a part of an integrated open-space network which ties the Westobou Community together and to the rest of the region.

Again, these are large projects, requiring an extensive public/private collaboration, considerable amount of money and time frame that can extend over the next twenty years.

These projects are illustrative, but each is calibrated to the quantity and quality of the attributes the area has to offer. These plans will evolve and change, but they do represent an achievable dream, assuming their “Champions” can be found.

The Master Plan divides Westobou’s urban area in North Augusta into 3 distinct districts.

District NA.1—Historic North Augusta

District NA.2—Westobou Crossing

District NA.3—Buena Vista

While these North Augusta districts have much in common with one another, each has its own character, assets, opportunities and issues, which considered together, form the building blocks of this Plan. Illustrative projects, which offer a high degree of Market Creation in each of these districts are identified and discussed in greater detail.

North Augusta Action Districts



Market Creation Project 1: *North Augusta Town Center*

1.1 The Big Idea

The realization of the new Municipal Center at the foot of Georgia Avenue, where it curves eastward to align with the bridge into Augusta, forms a near-perfect visual southern gateway to historic Georgia Avenue and the downtown commercial area. Within this area, atop the Savannah River Bluff, a highly identifiable, much needed, new Town Center can be created, by extending the public open-space fronting the new Municipal Center northward to create a new public common around which development can occur.

Market Creation Project 1: North Augusta Town Center

North Augusta Town Center



District NA.1-Historic North Augusta

1.2 Goals and Objectives

Historic North Augusta District Boundary with Key Projects and Initiatives



The goals and objectives of the new Town Center are multiple:

1. To complete the goals of the original Boeckh Master Plan and to create, along Georgia Avenue, a vibrant main street,
2. Create and strengthen connections to the West Buena Vista neighborhoods and Hammonds Ferry with open space for outdoor events and activities,
3. Slow vehicular traffic along Georgia Avenue, a major thoroughfare,
4. Renovate the historic Hampton Place Park, laid out in the original Boeckh Plan.

1.3 The Scene Today



Looking northwest over the Historic North Augusta District along Georgia Avenue.

This area is bounded by the bluff to the south, the mid-block alley beyond West Avenue to the west, one block east of East Avenue, and Buena Vista Avenue to the north. The historic Hampton Place Park has been severely impacted by a series of public and private “roadway improvements” which have severed it into three disjointed segments. Many of the commercial properties along Georgia Avenue are more suited to outlying, strip commercial areas in form, massing, style, materials, set-back, and contribute little to the desired ‘town center’ urban form. The land slopes toward the river, offering the opportunity to create an interesting sequence of terraces, plazas and pathways.

The new Municipal Building is nearing completion. Traffic improvements have been made along Georgia Avenue, complete with new signals that can better control vehicular movement through the area. A not-for-profit organization, North Augusta 2000, has acquired key undeveloped or under-utilized parcels to the west and north of the Municipal Building and is holding them for redevelopment. On the west side of the new municipal building, a new street provides direct access to the future commercial center of Hammonds Ferry, the riverfront and a new ecology venue at Brick Pond Park.

1.4 Illustrative Full Development Program

The Master Plan proposes an expanded town center for North Augusta consisting of the new Municipal Building, a City Hall Plaza, restored Hampton Place Park, Georgia Avenue streetscaping, a new frontage road along the west side of the Park and surface public parking. The mixed-use program includes a mid-rise (4-6 story) hotel of approximately 100 rooms, with conference center, and 186,000 square feet of commercial/retail space.

It is assumed appropriate to view the concept more broadly as a Lifestyle/Main Street Center made up of a mix of retail, office and residential uses in this location. This is because even though the term Lifestyle Center have been useful as a concept over the last decade, we believe that as the concept continues to evolve it will become an old fashion style “main street”. This is supported by a housing and office with a mix of national and local retail and service tenants. With coordinated phasing and development this could happen the length of the Georgia Avenue commercial area. A further twist on this approach might be to lease the lifestyle/Main Street Center as an outlet center featuring name brands at highly discounted prices.

In the short run however; and, as a means of getting started, the plan proposes a 60,000 square foot development programmed as a lifestyle/Main Street Center. The mix of tenants would include restaurants, women’s ready wear, and services such as day spas, barber and beauty establishments, book stores, coffee houses, gift shops, electronic stores, and card and flower shops. Some outlet center stores include Adidas, American Eagle Outfitters, Burberry, COACH Factory, Kenneth Cole, PUMA, Calvin Klein, Michael Kors and NIKE just to name a few.

There has been a dramatic shift in retail away from the enclosed shopping center to the Lifestyle Center and the Power Center. The shift has been so dominate that enclosed malls have been adding lifestyle and/or power centers in some cases as additions. However, the problem is that people do not generally live or (with the exception of mall employee’s) work at the enclosed mall and are likely to seek a lifestyle center environment that includes residential and office.

This argues for smaller scale mixed-use projects as the future of urban/suburban development, such as:

1. New retail, office and upper storey residential mixed-income development on the blocks on the west side on Georgia Avenue, from the new Municipal Building to West Buena Vista Avenue and around the historic park.
2. New Hotel development on the bluff to the west of the new Municipal Building,
3. New Town Center plaza and associated public improvements linking the new Municipal Building with the historic parks, along with renovation of Hampton Place Park.
4. Updated design and development guidelines for the Georgia Avenue blocks between the new Municipal Building and Spring Grove Avenue aimed at developing a strong urban street wall building on the current Georgia Avenue Overlay Design Standards.
5. Pathway connections from the new plaza to the Greenway, particularly through Water Works park to the east.

Market Creation Project 1: North Augusta Town Center

This is a multi-phased developments made up a several individual private development which could total \$40 million to \$50 million in private investment. The public infrastructure component would likely range from \$ 4-5 million.

North Augusta Town Center Illustrative Site Plan

NORTH AUGUSTA TOWN CENTER

- A)** Upgrade Georgia Avenue Design Guidelines
- B)** Renovate Historic Parks
- C)** New Commercial District
- D)** New Civic Plaza



District NA.1-Historic North Augusta

Table 1.1 Cost Estimate for North Augusta Town Center

Conceptual and Illustrative Program and Cost Estimate						Totals by Phase		
Core Development	Unit	Qty	sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
Building 1- Commercial/Retail	SF	1	60,000	140	8,400,000	TBD	8,400,000	0
Building 2- Commercial/Retail	SF	1	54,000	140	7,560,000	0	7,560,000	0
Building 3- Commercial/Retail	SF	1	24,000	140	3,360,000		3,360,000	0
Building 4- Commercial/Retail	SF	1	24,000	140	3,360,000		3,360,000	0
Building 5- Commercial/Retail	SF	1	24,000	140	3,360,000	0	3,360,000	0
Building 6- Low-Rise Hotel	Key	80	700	175	9,800,000	0	9,800,000	0
		(Excluding Hotel)	186,000		35,840,000	0	35,840,000	0
				Soft Costs @	23%		8,243,200	0
							\$44,083,200	\$0
INFRASTRUCTURE								
Roads and Parking								
New Frontage Road (30')	LF	300	30	50	450,000	TBD	450,000	0
Surface Public Parking	Spaces	30	350	20	210,000	TBD	210,000	0
Public Open Space								
City Hall Plaza	LS	say, allow...			2,500,000	TBD	2,500,000	0
Restore Historic Parks	LS	say, allow...			200,000	TBD	200,000	0
Georgia Ave Streetcaping	LS	say, allow...			500,000	TBD	500,000	0
Total Infrastructure					3,860,000		\$3,860,000	\$0
							NET ALL PHASES	\$47,943,200
INFRASTRUCTURE SOFT COSTS								
Area Action Plan		0.12%			57,532			NA
Infrastructure Design		10.00%			386,000			0
Contingency		15.00%			579,000			0
							\$1,022,532	\$0
Total Infrastructure Costs							4,882,532	0
Total Private and Public							48,965,732	0



1.5 Comparable Projects in other Cities

There are hundreds of Lifestyle Centers around the country but hardly any that have been leased as outlet centers as we have proposed. In the past the Lifestyle Center has been built around the strong performance of the luxury sector in which developers want to take shopping opportunities closer to where affluent, professional people live. We believe the market is moving toward a luxury bargain sector in which the Outlet Center designed as a Lifestyle Center will be a big hit. Most outlet centers are designed to realize a good mix of leading designer and brand name stores that offer everyday savings of up to 65 percent off regular retail prices. This new trend has been described by Prime Outlet Centers as “chic-onomics”.

There are a number of conventional Lifestyle Centers that might serve as models for the kind of environment that we might want to achieve in the North Augusta Town Center. Among them are the Promenade Shops at Briargate in Colorado Springs, The Summit Louisville, in Louisville, Kentucky, or the Shops of Saddle Creek in Germantown, Tennessee which is recognized as the first Lifestyle Center to be built. While all of these centers have been leased as luxury centers they nevertheless demonstrate the type of environment which can be created to achieve high sales volumes.

While the architecture and environmental approach should mirror that of conventional Lifestyle Centers, the leasing approach should feature outlet stores. For examples of a leasing strategy one might look at centers such as Prime Outlets, Williamsburg, Virginia or Prime Outlets, Mercer, Pa. The top ten outlet stores for this center are the following:

- BCBG Factory Store
- COACH
- J. Crew
- Johnston and Murphy
- Le Creuset
- Ann Taylor Factory Store
- BOSE Factory Store
- Brooks Brothers Factory Store
- Henry and David
- NIKE Factory Store

In so far as we can determine, only one outlet center that has been built to date in the U.S.A. as a Lifestyle Center. This is the recently opened Tanger Mall in Deer Park, Long Island, New York. While it will be interesting to follow the performance of this mall as a concept, it does not help us much because of its large scale and the fact that it only opened in October 2008. Because of this we believe that older more conventional models such as Oyster Point in Newport News, Virginia might be a better model for full build-out.

1.6 Start-up Program

Start-up Project Concept

We are recommending a first phase project for the town center which would consist of the following elements:

• Building 1—commercial retail of 60,000 square feet	\$11,332,000
• New frontage road	\$450,000
• Surface public parking	\$210,000
• City Hall Plaza	\$2,500,000
• Restore historic parks	\$200,000
• Georgia Avenue streetcaping	\$500,000
• Soft cost	\$969,632
Total including soft cost	\$15,161,632

Financing Strategy

As has been previously indicated, the total first phase cost for the Town Center Project will be approximately \$16 million. Of this amount approximately \$4.8 million will be in public cost and about \$11.13 million will be in private investment. The public cost will therefore generate more than a 2-1 match in private investment. Table 1.1 provides ICON's estimates of the private development cost and Table 1.2 indicates initial phase costs.

Land cost has been estimated at ten dollars per square foot. This estimate is approximately 64% higher than the cost of the city's purchase of approximately 1.80 acres for \$6.07 per square foot in 2005. However, lately there has been a surge in land prices that we have factored in to assure that our estimates are more realistic.

Table 1.2 Development Cost for First Phase Commercial

Cost Components	Square Footage	Cost PSF	Total
Hard Cost	60,000	\$140.20	\$8,400,000
Soft Cost	60,000	\$32.20	\$1,932,000
Land Cost	80,000	\$10.00	\$800,000
Total	80,000	N/A	\$11,132,000

Source: ICON and George Henry George Partners



Projected Operating Results

The operating results shown in this summary are based upon the developer's ability to attract a mix of strong national and local tenants. Rents have been established at a level that would require minimum annual sales of \$250 per square foot for a viable operation. Table 1.3 provides our estimation of the probable operation of such a center if the right tenant mix can be attracted.

These results are based upon a sampling of income statements from several different shopping centers and adjusted for size. One of the key variables is property taxes. For example, the property tax rates in North Augusta are substantially lower than other places in the country and this would benefit the project. If we assumed a property valued at \$11,200,000 and applied the 6% value assessment we would end up with an assessment ratio of approximately \$672,000, which would be the amount of the property's value that is subject to taxation. If the tax rate is 77.20 mills (exclusive of county and school district levies) then the annual taxes would be \$51,878 which would be less than one-half that of our sample of centers. This would reduce

our operating expenses by \$56,533 and increase our net operating income to approximate \$607,000. We make this point only to strongly suggest that there are always variables in pro-forma that need to be adjusted to the local market. Developers always do their own financial analysis based upon their own assessment of the market and market requirements.

Our sample pro forma also shows that our prototype model would have net operating income of \$551,165 if we expensed the depreciation.

This pro forma also would show that when depreciation is added back in we would have a cash flow of \$895,565 to meet any debt service requirements.

Table 1.3 Pro Forma Income and Operating Statement for Phase I	
Income and Operating Analysis	Revenues and Expenses
Rental Income @\$17psf	\$1,020,000
Expense Recovery	\$183,600
CAM Administration Fee	\$11,220
Total Gross Income	\$1,214,820
Less: Vacancy and Credit Loss @ 3%	\$36,445
Effective Income	\$1,178,375
Less: Operating Expenses	
Maintenance and Repair	\$58,919
Utilities	\$23,568
Administration	\$58,919
Property Taxes	\$108,411
Security	\$4,714
Marketing	\$10,605
Insurance	\$17,676
Depreciation	\$344,400
Total Operating Expenses	\$627,210
Net Operating Income	\$551,165

Debt Service and Profitability Analysis

Our initial approach has been to make a determination as to whether the project could be funded on a conventional basis. In this case we believe that it might be possible even though a creative financing approach may generate a stronger bottom line return.

Table 1.4 shows a conventional financing approach. The table shows that total financing of \$11,132,000 will be required to cover the total development cost for the private sector first phase. It further shows that the assumption is that the developer either in his or her own right or with limited partners will make a 20% equity contribution, or \$2,226,400.

Table 1.4 Project Financing Strategy	
Total Financing Required	\$11,132,000
Developer Equity	\$2,226,400
Debt Financing Required	\$8,905,600
Source: George Henry George Partners	

This would leave a debt financing requirement of \$8,905,600 which could either be financed conventionally or with a mix of financing sources.

Table 1.5 shows that if the project can obtain financing at 6% for 30 years annual debt service would be approximately \$641,000. The net cash flow from the project would be sufficient to cover the debt service and leave an estimated \$250,000 in cash flow as a return to the investors.

This would generate an 11 percent cash on cash return which we believe would be attractive in present times when CD's are paying between 2% and 4%.

Table 1.5 Debt Service and Profitability Analysis	
Net Operating Income	\$551,165
Add Back Depreciation:	\$344,400
Net Cash Flow	\$895,565
Less Debt Service: \$8,905,600 @6% for 30 yrs	\$640,723
Less: Tenant Improvements	-0-
Cash Flow Before Taxes	\$254,842
Estimated Cash on Cash Return	11%
Source: George Henry George Partners	

1.7 Realizing the new Town Center

Key Early Actions and Overall Timetable

Key elements required for successful implementation of this development include:

Vigorous Public and Private Support

A first step is that North Augusta City officials formally adopt the recommendations of the Master Plan. Discussions should be initiated with remaining, adjacent property owners regarding the benefits of working together to achieve this plan.

Town Center Champions must step forward

The town center concept will necessarily be a city-led initiative, with likely state assistance, particularly regarding further improvements to Georgia Avenue in terms possible traffic calming. North Augusta 2000 should continue active site assembly and private developers must be attracted to work in coordinated fashion in redeveloping individual parcels in accordance with the uses and design guidelines developed for the area.

The public sector, would likely be responsible, at a minimum, for the open space infrastructure and public improvements i.e. the new plaza, new public on-street and off street public parking, streetscape/traffic calming improvements and, depending on the size and scale of new development, joint development of new structured parking in this area.

Private developers, yet to be identified, could be identified through a “Request for Developer Interest” process.

Development of a Town Center Area Action Plan

A detailed plan for the redevelopment of this area is well beyond the scope of this Master Plan. The intent of an Area Action Plan is to further define the goals and objectives of the development, as well as set forth use, zoning and design requirements. Given the location, a “Formed Based Zoning” approach seems desirable. The Area Action Plan should be based on solid and up-to-date market feasibility analysis. It must include a well-defined physical and activity program that stakeholders believe in, that has the approval and support of governing officials, and that includes an agreed upon implementation approach.

District NA.1-Historic North Augusta

Control of key sites

North Augusta 2000 has acquired a number of parcels in the area already, and this initiative should be accelerated and expanded along Georgia Avenue up to the new Jackson Square project at West Buena Vista Avenue. The properties would be held by new owners, with present tenants remaining on site, until that individual parcel or a combination of parcels would be ready for redevelopment. At that time the City should issue to private developers a Request for Development Proposals, based on requirements established as part of the Area Action Plan.

North Augusta Town Center Illustrative Timetable

Project Initialization	
Year 1	Create consortium of implementers; Develop and approve Area Action Plan ; Identify Phase 1 private development component and site; Complete site assembly
Public Open Space Infrastructure- (2 Phases)	
Phase 1- Along Bluff Ave and the Town Center	
Year 1-2	Complete on-going improvement projects; Secure funding and required approvals; Refine Georgia Avenue Plaza outdoor program, footprint and complete preliminary design of area
Years 3-5	Final design and construction of Georgia Avenue Plaza, side courts and various pathway connections and public parking
Years 6-10	Complete construction of infrastructure for remaining private projects
Phase 2- Georgia Ave (north of Buena Vista)	
Years 6-15	Site assembly, agreements, final design and construction of remaining public improvements in this area
Buildings- (2 Phases)	
Phase 1- Core Retail/Commercial Complex around Town Plaza	
Year 1	Identify extent of initial project area and program
Years 2-10	Secure financing, complete final design and construction of new landmark retail/commercial around Town Center
Phase 2- Completion of Build-out	
Year 1-5	Continue assistance with site assembly; review design guidelines;
Years 5-15	Secure financing, complete final design and construction of remaining buildings along Georgia Avenue



1.8 Immediate Next Steps

Potential Funding Sources

This is a classic urban-area, Public/Private partnership development deal, wherein the city and state make certain public improvements in order to encourage new development in the preferred direction.

The first phase also calls for \$4.8 million in public financing cost. It is expected that all of the public improvements will be funded by the City of North Augusta. Potential sources of funds include Aiken County Capital Projects Sales Tax, TIF Funds, or possibly EDA Public Works funds and state DOT funds. In addition, there is also a very likely possibility that some of these infrastructure projects (if they can be moved quickly) could qualify for subsequent rounds of federal economic stimulus funding.

Ultimately, the major portion of any private development in this project area will be privately financed, either as equity or as loans. Further incentives, such as tax relief, property purchase price write-downs, or others to be identified, should be considered.

This should be an aggressive plan, focused on maximizing the creation of an identifiable Town Center that puts a pleasant and attractive face on North Augusta and is both economically and environmentally sustainable. The core strategy would necessarily be made up of a number of funding components in order to make it a viable undertaking. The conceptual strategy includes:

1. Complete site assembly and interim tenant agreements whereby the city or other agent would hold the land for this development.
2. Fund, develop and undertake the Area Action Plan that stakeholders believe in, that has the approval and support of governing officials, and that includes an agreed upon implementation approach.
3. Continue discussion with South Carolina DOT regarding the traffic consequences on Georgia Avenue of actions proposed in this plan.

Market Creation Project 2: *Westobou River Crossing*

2.1 The Big Idea

By tying the North Augusta and Augusta communities together with new development that literally spans the river, a destination attraction for both cities could be created. The highlight of the development would be a pedestrian/bike bridge, spanning the river and wide enough to host on-going activities and events. In North Augusta, the long abandoned site of historic Hamburg would be remade into an inviting, recreationally-themed waterfront community of high density, mixed-uses including housing, restaurants, retail, boat dock and fishing venue in the brick pond. The Augusta anchor includes the existing marina and River Walk, as well as proposed new development on the Pension site and in the adjoining former Coca-Cola bottling plant to the east.

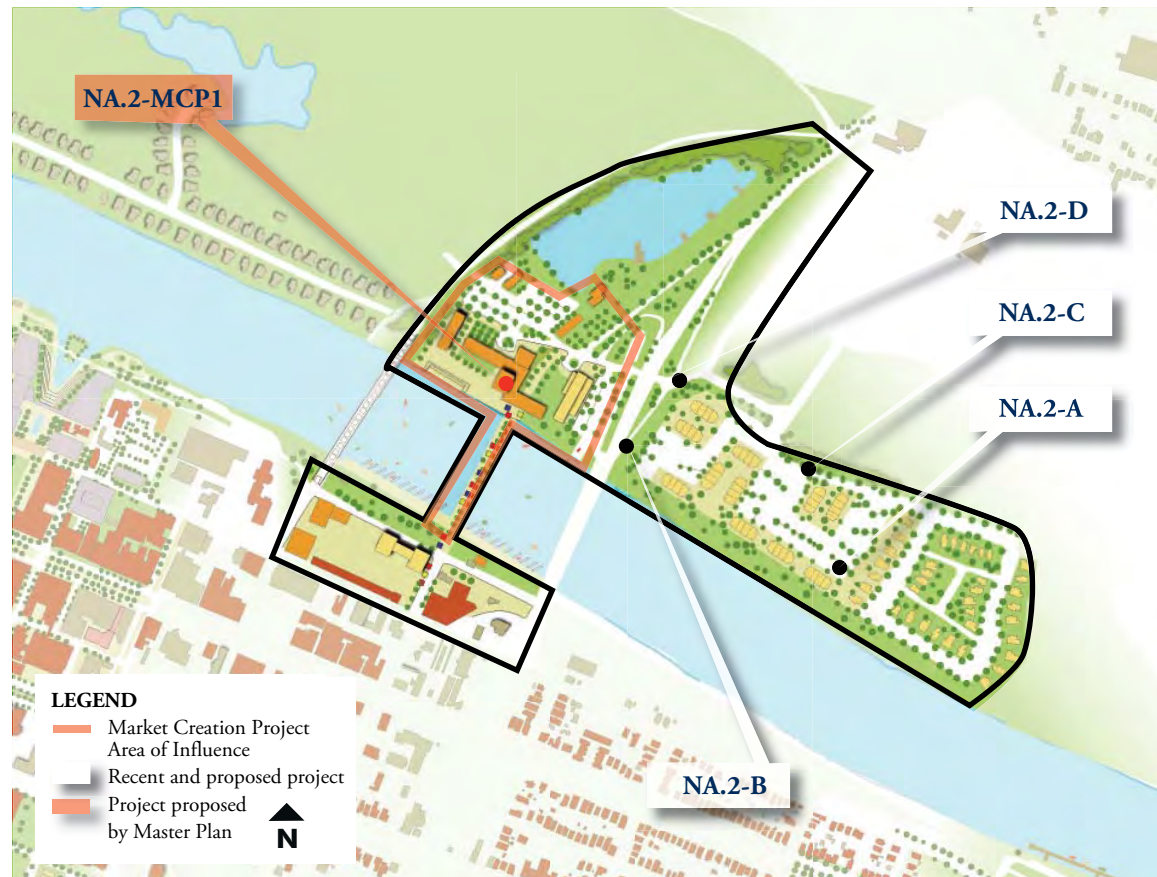
Market Creation Project 2: Westobou River Crossing

Westobou River Crossing



2.2 Goals and Objectives

River Crossing/Hamburg District Boundary with Key Projects and Initiatives



The goals of this project are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Bring the two cities closer together through this cooperative, joint-development effort,
2. Develop a riverfront residential community that attracts people to move into this very desirable downtown location,
3. Create a unique, nationally recognized recreation and entertainment destination that attracts people to visit the Westobou Urban Area,
4. Manage this development to encourage further, coordinated development at its edges and connect to the broader street and pathway systems,
5. Provide an important story-telling venue, focusing on the river, Hamburg and the railroads.



2.3 The Scene Today



Looking northeast over the River Crossing/Hamburg District along the Gordon Highway.

North Augusta's Hamburg site is a largely overgrown and under-utilized area, some of which is owned by the city, but several parcels of which are privately held. The core site area is bounded on the west and north by railroad tracks, on the east by the Gordon Highway/ US 1 corridor to the south by the river. Plans are going forward to build a new ramp system from the Gordon Highway into the site, which will greatly improve accessibility. An abandoned viaduct on this site could easily be converted to pedestrian and bicycle path as part of a connecting link from the existing North Augusta Greenway to this site, Horse Creek and into downtown Augusta.

Four bridges cross the Savannah in this general location, including the I-520, Gordon Highway and 5th Street car/truck bridges and the 6th Street railroad trestle bridge on the western edge. Discussion is ongoing about converting the historic 5th Street Bridge, now owned by the City of Augusta, into a pedestrian/bicycle path connecting the two cities. The piers of a former railroad bridge still exist in the river and, given its lower height, which would bring people closer to the water, could be an attractive alternate site for a pedestrian/bicycle span if the 5th Bridge were kept in service.

2.4 Illustrative Full Development Program

While this market creation opportunity spans both communities, the focus of this analysis is on the North Augusta component and the bridge, given the advanced state of both the public improvements and the Pension Site development in Augusta. Ultimately, this is an active destination park with lots of activities and special events, intermingled with private development. Thus, an illustrative development program might be as follows:

In Hamburg

Riverside, Mixed-use Residential Development

Mid to high-rise construction (5-10 stories) along the riverfront, with structured parking.

Recreation and entertainment area along the pond, including a 'Fishing Center', shops bar and small restaurant.

Public open space improvements include a riverside plaza, small boats ramp, pathways and fishing piers around the pond, and the bike/foot connections through this area to the 5th Street Bridge, and the North Augusta Greenway.

On the Bridge and its Approaches

Improvements as necessary to convert a portion of the bridge and approaches to a multi-purpose path, linking Augusta and North Augusta.

"Set-up" space with power and utilities for vendors and activities.

Possibly a permanent, all-weather, overhead trellis to provide shade and rain protection.

Lighting, trash receptacles, planters, benches and other improvements.

Market Creation Project 2: Westobou River Crossing

In Augusta

Coordination with abutting private interests in insure an integrated product

In Augusta, the existing River Walk and the marina area, with its attendant parkland offer a good place for the bridge activities to land and expand into. South of the levee, the future Pension fund property development, the 5th Street bridge access ramp area and the vacant Coca Cola bottling plant would be integrated into this plan.

This is a multi-phased development made up a several individual private developments, which could total \$80 million to \$90 million in private investment. The public infrastructure component could range from \$ 20- 25 million to be shared by the two cities.

Westobou Crossing Illustrative Site Plan

MIXED-USE DEVELOPMENT

- A)** Docks and Waterfront Plaza
- B)** Canoe Launch
- C)** Retail and Condominiums
- D)** Day Parking

5TH STREET BRIDGE CONVERSION

- E)** Multi-purpose path
- F)** Events area
- G)** Specialty Retail/ Dining/Entertainment



District NA.2- River Crossing/Hamburg

Table 2.1 Cost Estimate for Westobou River Crossing

Conceptual and Illustrative Program and Cost Estimate

							Totals by Phase		
PRIVATE BUILD-OUT	Unit	Qty	Gross sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)	
North Augusta									
High-Rise Condominium w/ garage	DU	120	1,500	\$175	31,500,000	TBD	0	31,500,000	
Mid-Rise Condominium w/garage	DU	80	1,500	175	21,000,000	TBD	21,000,000	0	
Fishing Center	SF	1	10,000	125	1,250,000	TBD	1,250,000	0	
Misc Retail	SF	2	10,000	125	2,500,000	TBD	1,000,000	1,500,000	
					56,250,000		23,250,000		33,000,000
Augusta									
Coca Cola Plant Reuse	SF	40000		150	6,000,000	TBD	6,000,000		
Misc Retail	SF	2	10,000	125	2,500,000	TBD	2,500,000	0	
					8,500,000		8,500,000	0	
	200 DU			Combined Total Soft Costs @	64,750,000 23%		0 \$7,302,500	31,750,000 7,590,000	33,000,000 7,590,000
							\$39,052,500		\$40,590,000
INFRASTRUCTURE									
North Augusta									
Roads and Parking									
New Access Road (30')	LF	2000	0	200	400,000	0	400,000	0	
Public Surface Lot		200	350	20	1,400,000	TBD	1,000,000	400,000	
Boat Ramp	LS	1	allow...	80,000	80,000	TBD	80,000	0	
Public Open Space									
Pond Bank Park	LS	say, allow...			2,500,000		2,500,000	0	
River Front Park- Landside	LS	say, allow...			4,000,000		4,000,000	0	
River Front Park- Waterside	LS	say, allow...			2,000,000		2,000,000	0	
				Total North Augusta Infrastructure	10,380,000		9,980,000		400,000
Augusta									
Public Open Space									
Bridge Conversion	LS	say, allow...			12,000,000		12,000,000		
Augusta-side Open Space	LS	say, allow...			2,000,000		2,000,000		
				Total Augusta Infrastructure	14,000,000		14,000,000		0
				Total Combined	24,380,000		23,980,000		400,000
								NET ALL PHASES	\$104,022,500
INFRASTRUCTURE SOFT COSTS									
Area Action Plan					0.20%	208,045			NA
Infrastructure Design- NA					10.00%	998,000			400,000
Infrastructure Design- Aug					10.00%	1,400,000			
Contingency					15.00%	1,497,000			60,000
						\$4,103,045			\$460,000
				Total Infrastructure Costs		14,083,045			860,000
				Total Private and Public		53,135,545			41,450,000



2.5 Comparable Projects in other Cities

The Hamburg development is all about creating a new activity center in North Augusta where people can come down and enjoy the Savannah River waterfront. When fully developed, people from all over the region will have one additional choice in terms of where they can live, be closer to work, visit and play.

The basic components of this new waterfront activity center will be extensive public open space, housing, eating and drinking activities, and a hotel facility.

There are a number of examples of riverfront developments around the country that may be of different scales because of market conditions but

which nevertheless should be looked at. These include more passive parks such as the Riverfront Park in Nashville, Tennessee which largely serves as an outdoor area for concerts, festivals, and other special events on the Cumberland River. The park also hosts the Music City Independence Day Concert and the Music City Jazz, Blues and Heritage Festival.

The popularity of the park has attracted a number of eating and drinking establishments as well as hotel facilities including a Broadway Diner, Crab Shack, bar and grill, Japanese restaurant, and Hard Rock Café. Hotels that have been attracted to the location include a Marriott Courtyard, a Hilton, a Doubletree, and a Hunt. This type of park is a more passive alternative to riverfronts developed as active entertainments districts such as Newport of the Levee in Newport, Kentucky or the Flats District in Cleveland.

A second model that might be explored would be the Chattanooga Riverfront. This is the launch point for the Tennessee Aquarium, River George Explorer, the Fat Cat Ferry and Chattanooga Water Taxi.

An even more passive model of a park that would be more supportive of the housing and hotel components of the proposed development would be the North Charleston Riverfront Park. It is a more family oriented 10 acre recreational park with a small amphitheater, pavilion and stage, and fishing pier. This would be a good supporting environment for the housing and retail that is being proposed as well as the hotel component.

2.6 Start-up Program

Startup Project Concept

Given current and probable future conditions in the market, George Henry George Partners have concluded that the five year plan for implementation should include the following components:

- 80 unit Condominium Buildings
- 5,000 square feet of miscellaneous retail
- New access road
- Riverfront Park-Waterside
- Riverfront Park-Landside

The condo building will provide additional housing choices for buyers seeking urban core waterfront housing with respect to the type, location, and price. Its location in a proposed new activity center should make it attractive for singles, and childless couples, and its price ranges should be competitive for riverfront views.

Unit Mix, Size and Prices

The unit mix, size and prices for the proposed 80 unit start-up project can be found in Table 2.2 below.

Table 2.2 Unit Mix and Pricing			
Number of Units	Type	Size	Price
30	1Br	800	\$232,000
20	1BR + Den	950	\$275,500
20	2 Br	1150	\$333,500
10	2 BR +Den	1350	\$391,500

Source: George Henry George Partners

Unit sizes would range from a low of 800 square feet for the one bedroom unit to a high of approximately 1350 square feet for the two bedroom unit with den. Prices would range from a low of \$232,000 to a high of approximately \$391,500 for the 2 bedroom unit with den.

Market Support for Housing

In determining market support for a start-up project of this type we are making the following assumptions:

- 20% Down payment
- 80% Mortgage @ 5.5% for 30 years
- Monthly condo fees of 30 cents per square foot

Using these assumptions a 1 bedroom unit would require the following:

1. Down payment of \$46,400
2. Monthly mortgage payments of \$1,054 not including real estate taxes
3. Monthly condo fees of \$240

Therefore the total monthly housing cost, excluding utilities, would be approximately \$1,300 per month. Using the same assumptions, a 2 bedroom plus den unit would require the following:

1. Down payment of \$78,559
2. Monthly mortgage payment of \$1,777 not including real estate taxes
3. Monthly condo fee of \$345.

Therefore the most expensive unit would require a monthly housing cost of \$2,122.

Using a 30% of household income standard to support housing cost, there are currently over 52,000 households in the housing market primary trade area who earn sufficient income to support a monthly housing budget of up to \$1,550. There are approximately 17,000 households capable of supporting a monthly housing budget of \$2,500.

About 2.70 percent of these 69,000, or 199 will be making a decision each year about which projects within the urban core that they will consider. Approximately 10.7 percent or 7,383 will have a propensity to live in the urban core. This project will have to compete with this market plus any new residents to the city.

Our estimates of demand have been based upon a project start-up in early 2012 when we believe that the following events have occurred:

1. An access road has been completed and the riverfront parks have been put in place.

2. The housing financial markets have been stabilized and credit is again readily available for home mortgages.
3. The economy has rebounded from its current slowdown.
4. An Urban Core Promotion and Marketing Program has been developed and implemented.
5. There has been sufficient absorption of non-obsolete housing units in the local housing market to bring the vacancy rates for non-obsolete residential units below 5%.



Market Support for Retail Component

The vision for the retail component of the project calls for a fishing center of approximately 10,000 square feet and an additional 10,000 square feet of miscellaneous retail. In the first phase of the project we would propose building 5,000 square feet of miscellaneous retail on the ground floor of the 50 unit condo project. The retail component of the project combined with the public improvements proposed will be the key to establishing this area as a new activity center in the urban core.

The leasing strategy should be to lease or sell to high sales volume tenants that can both attract people to the site and retain people at the site. This strategy suggests that the tenant targets should be eating and drinking establishments that have a high sales volume per square foot potential. For our purposes we have assumed \$350 sales per square feet and occupancy cost of 8% which would yield rents of about \$28 per square foot.

We have previously estimated that given the anticipated growth in households in the urban core, new retail expenditure from those household would likely support nearly 70,000 square feet of new retail, including eating and drinking by 2014. While the current slowdown in housing is likely to slow somewhat the amount of retail expansion, we nevertheless believe that there will be sufficient growth in the market to support a relatively small project of this size in this new and exciting location.

The key to the success of the strategy is to insure good high quality access to the site. The strategy would be to sell the commercial retail space to a small space, retail developer or directly to tenants for about \$300 per square foot.

First Phase Activity

The financial analysis of the first phase of development activity for Westobou River Crossing will include three components of the development plan. These components are as follows:

- 1 Mixed–Use condo with 5,000 square feet of retail
- New access road
- River front park–landside
- River front park–waterside

ICON has provided preliminary cost estimates for each of the project components shown above. A second phase of an additional 120 units would be built when the first phase has been proven successful.

Table 2.3 Market Base for Condo Project Price Range				
Household Income	Primary Trade Area Households	Percent of Total Households	Annual Housing Budget	Monthly Housing Budget
\$50,000-\$74,999	32,729	19.49%	\$18,600	\$1,550
\$75,000-\$99,000	19,455	11.59%	\$26,100	\$2,175
\$100,000-\$149,999	17,031	10.14%	\$37,500	\$3,125
Source: U.S. Census Bureau and George Henry George Partners				

Financial Analysis for Condo Housing/Retail Project

Our financial analysis of a proposed first phase housing condo project has been based on building the 80 unit mid-rise condo proposed by the Plan. Table 2.3 shows our analysis of what we think might be possible. The numbers and assumptions used are based upon other similar projects in the southeast of the USA. However, these assumptions may or may not fit existing market conditions in the North Augusta market after additional research and study. However, they are designed to help in making a determination as to whether a project of this type might be doable.

Table 2.4 shows that gross unit cost will be approximately \$337,500. This amount includes the development of the garage and common area space in the project. Total development cost excluding developer fees, will be approximately \$27,000,000.

Sales prices have been established at approximately \$290 per square foot. This would yield an average unit price of \$307,980 for the mix of units that we are proposing. While these are high end prices for the market they nevertheless should have strong appeal due to their riverside location and almost immediate access to regional urban core employment opportunities.

Table 2.4 Hamburg Condo/Retail Financial Analysis Development Cost

Development Cost	Per Square Foot	Per Unit	Total
Land Cost	\$10	\$15,000	\$1,200,000
Hard Construction	\$160	\$240,000	\$19,200,000
Gov. Permits & Fees	\$12	\$18,000	\$1,440,000
Other Soft Costs	\$32	\$48,000	\$3,840,000
Construction Financing	\$11	\$16,500	\$1,320,000
Total Development Cost	\$225	\$337,500	\$27,000,000
Revenues			
Sales Price (Avg.)		\$307,980	\$24,638,400
Less: Sales Expenses		\$15,399	\$1,231,920
Total Revenues		\$327,893	\$32,789,250
Per Unit Sales of Retail Space		18,750	\$1,500,000
Total Revenue		\$311,331	\$24,906,480
Total Development Cost		\$337,500	\$27,000,000
Net Revenues		(\$26,160)	(\$2,093,520)
Required Developer Return@20%		\$67,500	\$5,400,000
Project Subsidy Requirements		\$93,660	\$7,492,800
<i>Source: George Henry George Partners</i>			

However, the market weakness will require some form of public subsidy to close the gap between the total development cost, including developer fees, and anticipated project revenues. We have estimated that

the subsidy requirements may be in the \$7.5 million range, but could be higher or lower based upon the number of variables which might affect the final implementation of the project.

2.7 Realizing Westobou Crossing

Key Early Actions and Overall Timetable

Key elements for successful implementation of this development include:

Vigorous Public and Private Support

This joint North Augusta/Augusta project requires the long term collaboration of both cities. Private developers, and potentially private owners. It will also require the need to work closely to insure that the river and pond resources, as well as the public amenity components are used to best advantage.

The first step in achieving broad support is to obtain approval, by both cities, of the Master Plan, and secondly, creation of an organizing task force, charged with developing a detailed Westobou Crossing Area Plan.

Champions for Westobou Crossing must step forward

In addition to its oversight role, in the public sector, North Augusta would likely be responsible, at a minimum, for its open space infrastructure and public improvements, i.e. the pond and the parkland around it, adjustments to the river bank, public parking, riverfront plazas, boat ramp, as well as, all multi-path connections to the bridge and existing Greeneway.

If the 5th Street Bridge is the chosen, the City of Augusta, as owner of the 5th Street Bridge, will have primary responsibility for the improvements required to convert it to a destination attraction, as well as a bike and pedestrian connection between the two cities. They will also be responsible for improvements on existing public land in Augusta, such as the 5th Street access ramp area and coordination with abutting private entities.

On the private side, abutters can greatly benefit from the focus on this area, and may become active participants in development of the very substantial residential and retail components.

Development of a Westobou Crossing Area Action Plan

This project has high value and high priority. A joint effort of the two cities and the property owners should be launched immediately to further define, enrich and refine the Master Plan concept for this area. This plan would include a well-defined physical and activity program that stakeholders believe in, that has the approval and support of governing officials, and that includes an agreed upon implementation approach.

Control of key sites

In North Augusta, the city presently owns much of the land, however, key parcels remain in private hands. These parcels need to be committed to this project as soon as possible so that final planning of infrastructure elements can proceed.

On the Augusta side, the city controls the central core site. While it could move ahead without the abutters, the Westobou Area Action Plan should set forth guidelines for both the Pension Site and the Bottling Plant site to insure full integration into this project.

Westobou Crossing Illustrative Timetable

Project Initialization	
Year 1	Create consortium of implementers; Develop and approve Area Action Plan ; Complete site assembly; Identify Phase 1 Private development component and site
Public Open Space Infrastructure- (3 Phases)	
Phase 1- The Pond Fishing Center (North Augusta)	
Year 1-2	Secure funding, cross agreements and required approvals
Years 2-5	Final design and construction of site improvements, including pond, banks, parking and viaduct
Phase 2- Bridge Reconfiguration/Reconstruction and Riverfront East of 5th St Bridge (North Augusta) and Coca Cola Site (Augusta)	
Years 2-5	Financing agreements, final design and construction of site improvements including cross river connection
Phase 3- Riverfront West of 5th St Bridge (North Augusta) and Pension Fund Site (Augusta)	
Years 6-10	Financing agreements, final design and construction of remaining public improvements required to realize this project.
Buildings- (3 Phases)	
Phase 1- The Pond Fishing Center (North Augusta)	
Year 1-2	Secure funding, cross agreements and required approvals
Years 2-5	Final design and construction of fishing center building
Phase 2- Bridge Reconfiguration/Reconstruction and Development of Hamburg East of 5th St Bridge (North Augusta) and Coca Cola Site (Augusta)	
Years 2-6	Financing agreements, final design and construction of new mixed-use, 6-10 story residential in Hamburg East and reuse of Coca Cola Plant site in Augusta
Phase 3- Hamburg West Condominium Development (North Augusta) and Pension Site (Augusta)	
Years 6-10	Secure financing, complete final design and construction of new 8-10 story, landmark, market rate residential condominium with ground level retail unto Riverfront Plaza.

District NA.2- River Crossing/Hamburg

Potential Funding Sources

Westobou Crossing is both a public recreation-oriented project and a private for profit mixed-use venture. The core strategy should aggressively focus on maximizing the potential of this unique river-spanning site. As such, it would necessarily be made up of a number of funding components in order to make it a viable undertaking. The partial list includes:

- Bank construction loan financing
- Tax increment financing
- New market tax credit financing
- Revolving loan fund for downtown housing construction lending (new)
- Waiver of government development fees (new)
- Waiver of some portion of developer fees
- Land write-downs
- Short term (1-5 years) tax abatements

While additional work needs to be done to button down the actual cost of this project, our analysis suggest that unless total development costs can be substantially reduced that, this project will require a strong commitment from the city of North Augusta to initiate a new activity center in the riverfront location. We should note that similar condo projects have and are being built in other cities at more competitive prices.

It is expected that all public improvements of this initial phase, at a total cost of \$9.2 million will be funded by the City of North Augusta. Potential sources of funds will likely include TIF, or possibly EDA Public Works funds. In addition it is also a very likely possibility that some of these infrastructure projects, if they can be moved quickly, could qualify for possible subsequent rounds of federal economic stimulus funding.



2.8 Immediate Next Steps

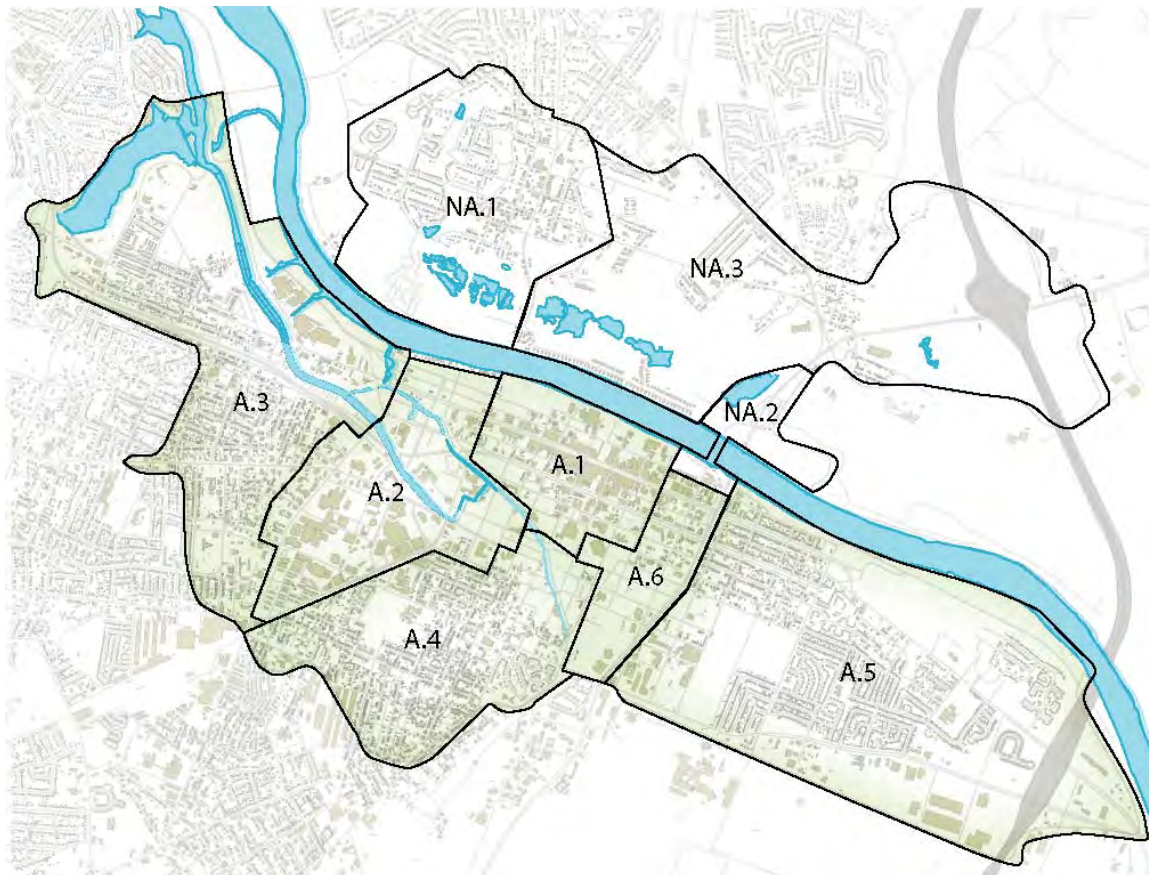
This site has been deemed high-priority by both cities. In order for this project to have any near-term credibility on this site, several actions need to be taken as soon as possible

1. The two cities must develop a Memorandum of Understanding that, at a minimum, sets forth the intention to work together to realize this concept on this site. Ideally, roles and responsibilities would be spelled out and agreed to for each.
2. Site assembly should be accelerated and agreements executed whereby the city or other agent would hold the land for this development.
3. SPLOST, and/or other funds should be approved and released to allow planning, design and construction of the key openspace, health, safety and welfare, infrastructure components. The SPLOST monies, in particular would apply only to Augusta sponsored projects, especially the bridge crossing and the Augusta-side approaches.

North Augusta would identify funding sources for public improvements on their side of the river.
4. Finally, the two cities would develop a joint “Area Action Plan” which would layout the final program of size and use, a strategy and a schedule for development.

In Augusta

Augusta Action Districts



The Urban Area in Augusta is divided into six districts:

District A.1—The Augusta Downtown Core

District A.2—The Medical District

District A.3—Harrisburg

District A.4—Laney Walker/Bethlehem

District A.5—Old Town/East of East Boundary

District A.6—Higher Education Focus District

While these districts have much in common with one another, each has its own character, assets, opportunities and issues, which considered together form the building blocks of this Plan. Illustrative projects, which offer a high degree of market creation within each district are identified and discussed in greater detail.



Market Creation Project 3: *Westobou Arts Center*

3.1 The Big Idea

Augusta is well known as a regional center for the performing arts, from classical to contemporary performances. It also is home to the Morris Museum, which houses the finest collection of Southern Art anywhere, as well as a number of other special interest entities. The setting on the Savannah River, surrounded by history and adjacent the Augusta Convention Center, the new Trade, Exhibit and Event Center and the Augusta Common offers a unique opportunity to provide a state-of-the-art regional and national destination in the heart of Westobou.

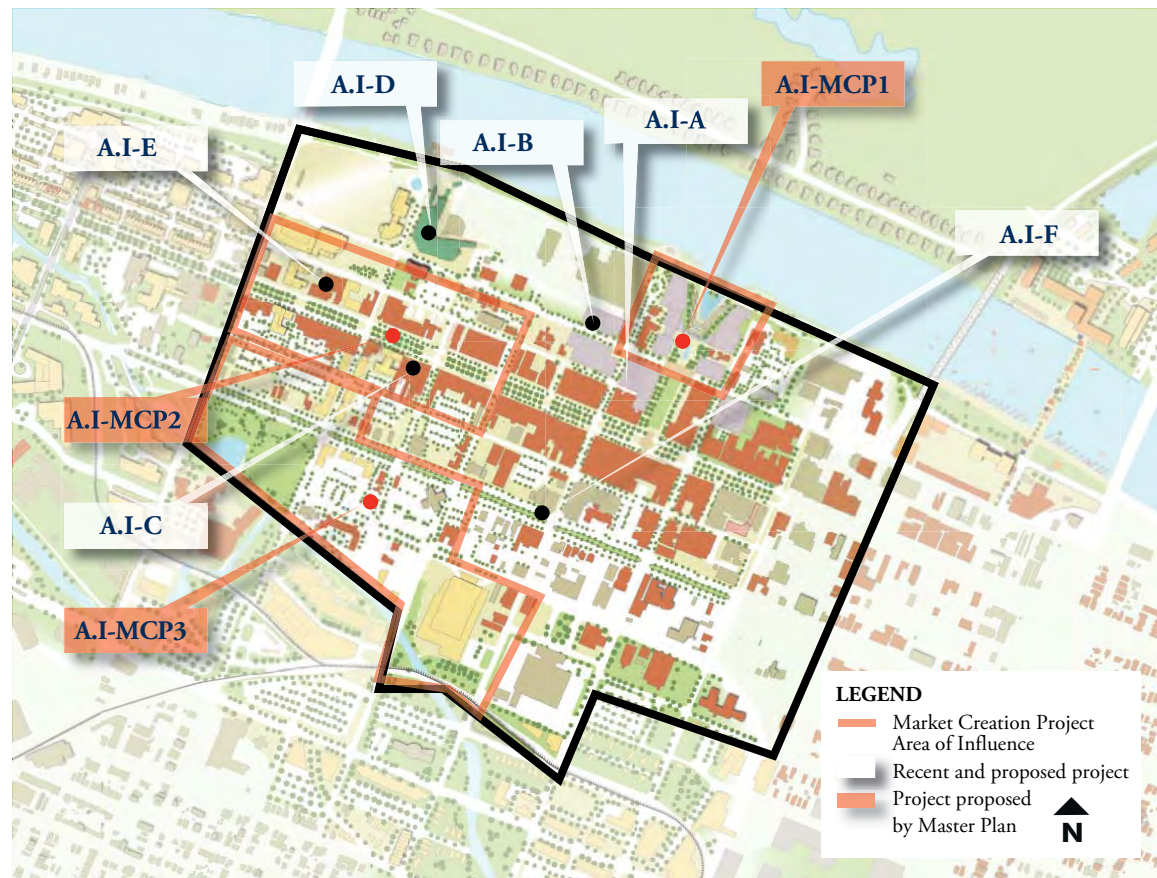
Westobou Arts Center



District A.1- Downtown Core

3.2 Goals and Objectives

Downtown Core District Boundary with Key Projects and Initiatives



The goals of this project are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Promote arts and culture in the region by giving them the purpose-built facilities they need to grown and thrive.
2. Entice more people to visit downtown, by creating an arts-oriented destination attraction
3. Develop a large outdoor civic space which, as a destination unto itself, brings the river into the city and which can host many different types of events, both landside and waterside.
4. Integrate the new facility within the fabric of historic buildings, including the historic Cotton Exchange, so as to create a system of large and small outdoor spaces and pathways that together form a memorable “urban labyrinth” of shops, cafes and restaurants that people will want to return to time and again.
5. Collaborate with nearby commercial/office building managers to insure adequate parking through the joint development of new joint-use, structured parking facilities along Reynolds Street.
6. Realize the long-discussed connection of historic Broad Street to the river.
7. Incorporate a number of related historic venues along Broad Street within the arts center concept, including the Imperial, Miller and, possibly the Majestic, theaters.

3.3 The Scene Today



Looking north over the Downtown Core District and the Savannah River.

This is the heart of Augusta's traditional downtown, and the historic center of arts and cultural activities for the region. It remains the region's principal gathering area for special events and activities. The Convention Center and the proposed Trade, Exhibition and Entertainment Center as well as several existing and proposed hotels, are situated nearby. The Augusta Common, between 8th and 9th Streets provides an axial connection from Broad to the proposed 'Arts' core site and the river beyond.

Ownership of the proposed site is in just three hands, and thus site assembly could be less complicated than in other areas. There is much undeveloped land along Reynolds which development of the Westobou Art Center and associated parking structures would fill and reestablish the urban fabric.

While the river is a very important feature of this area, recent development of large riverfront homes on the far side, with their backsides facing Augusta, presents an unattractive view from the Augusta side. While the levee forms a barrier between the city and the river, strategic openings are possible.

The Downtown Urban Core needs a strong brand to distinguish it from other activity centers in the metropolitan area. Establishing itself as the cultural and entertainment center of the region and beyond is one obvious way to accomplish that branding. There is sufficient household income in the market to support such an initiative. Further, other areas of similar size have already proven that this type of branding can be accomplished.

3.4 Illustrative Full Development Program

The area is bounded by Reynolds Street to the south, the river and levee to the north, 8th to the east and 9th to the west. Major aspects of the development plan include:

Public Open Space Infrastructure

Riverside Area

This area would include the boat basin, the levee opening, adjustments to River Walk and the riverbank.

Along Reynolds

The new art/fountain plaza would lie opposite the Augusta Common. Alleyways and small plazas between the new center facilities and existing adjacent historic buildings tie the venue to the City fabric.

Broad to Greene and Telair

A mid-block connection from Broad to Greene and Telfair, which would tie that area into this venue area.

Westobou Arts Center

The River Center Facility, the program of which would include:

- Entry/visitor services—including entry lobby, Box office, toilets and miscellaneous other,
- Main performance hall (2200 seats)—including lobby, 2200 seat hall, stage and back-of-house functions,
- Secondary performance venues—including a small recital hall, a large recital hall, a number of practice and class rooms,
- Administrative offices including conference room,
- Ancillary Space- includes café/dining areas, meeting rooms/assembly,

Outlying Venues

Here are number of beautiful and significant historic venues that such be incorporated under the ‘performing arts’ umbrella, including the Imperial Theater (600+ Seats), the Miller Theater (1200+ seats) and possible other venues, particularly along Broad Street.

The Morris Museum

Public Area

Including entry/visitor services, main lobby, café/dining, meeting rooms/assembly,

Exhibit Space

including permanent and temporary exhibits areas,

Administrative Offices

with conference room

This is a multi-phased development of a new Morris Museum and Westobou symphony hall, which could total \$70 million to \$80 million in private/foundation/corporate sponsor investment. The public infrastructure component could range from \$25-30 million. Renovation of existing historic venues could add an additional \$15-20 million to the cost.

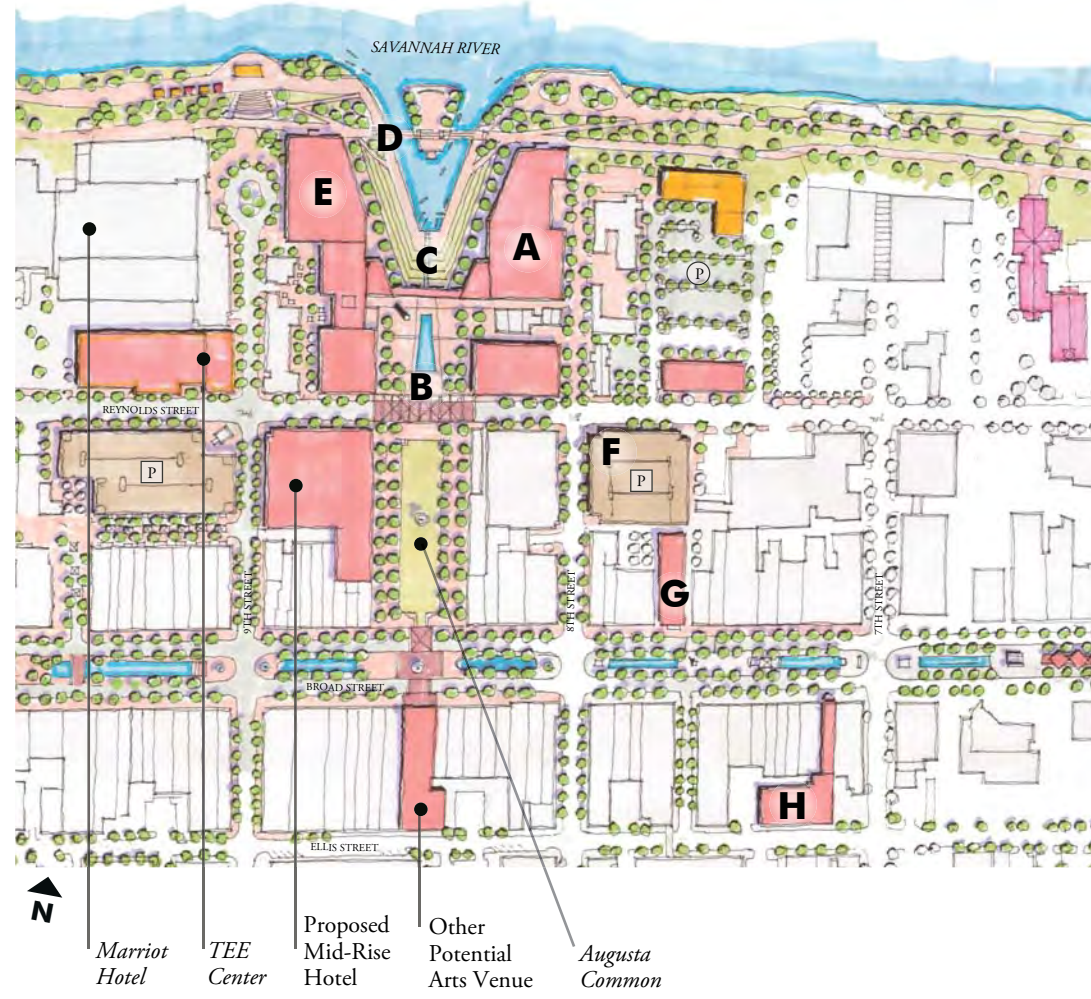


Market Creation Project 3: Westobou Arts Center

Westobou Arts Center Illustrative Site Plan

WESTOBU PERFORMING ARTS CENTER

- A)** New Morris Museum
- B)** New Civic Plaza/ Arts forecourt
- C)** River basin/ Waterfront amphitheater
- D)** River Walk flyover
- E)** New Riverside Symphony Hall/ Performance Complex
- F)** Proposed Parking Garage
- G)** Restored Imperial Theater
- H)** Restored Miller Theater



LEGEND	
	Residential
	Commercial
	Religious/Cultural
	Greenspace
P	Structured Parking
P	Surface Parking

District A.1- Downtown Core

Table 3.1 Cost Estimate for Westobou Arts Center

Conceptual and Illustrative Program and Cost Estimate							Totals by Phase	
INSTITUTIONAL BUILD-OUT	Unit	Qty	Gross sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
Signature Performing Arts Building	LS	1	76,800	\$400	30,720,000	TBD		30,720,000
Morris Museum	LS	1	40,000	\$400	16,000,000	0		16,000,000
Imperial Theatre Improvements	SF	1	14,400	\$250	3,600,000	0	3,600,000	
Miller Theatre Improvements	SF	1	38,400	\$250	9,600,000	0	9,600,000	
			169,600		59,920,000	0	13,200,000	46,720,000
				Soft Costs @	20%	0	2,640,000	9,344,000
							\$15,840,000	\$56,064,000
INFRASTRUCTURE								
Roads and Parking								
Garage (Location TBD), say...	Spaces	500	450	50	11,250,000	100,000	11,350,000	
								11,350,000
Public Open Space								
River Basin (Morris Plaza)								
Waterside	LS	allow...			8,000,000	TBD	7,000,000	1,000,000
Landside/Amphitheater	LS	allow...			5,000,000	TBD	4,000,000	1,000,000
Riverwalk	LS	allow...			3,000,000	TBD	2,000,000	1,000,000
Reynolds Arts Forecourt	LS	allow...			4,000,000	TBD	3,000,000	1,000,000
Pathways and plazas	LS	allow...			2,000,000	TBD	1,000,000	1,000,000
Walkway to Post Office	LS	allow...			600,000	TBD	600,000	0
				Total	33,850,000		\$17,600,000	\$5,000,000
				Infrastructure				NET ALL PHASES \$94,504,000
INFRASTRUCTURE SOFT COSTS								
Area Action Plan					0.20%	189,008		NA
Infrastructure Design					10.00%	1,760,000		500,000
Contingency					15.00%	2,640,000		750,000
						\$4,589,008		\$1,250,000
				Total Infrastructure Costs		22,189,008		6,250,000
				Total Institutional and Public		38,029,008		62,314,000

Note: Assumes use of Morris site and gifting of land

Note: Garage would be joint development with hotels and office/commercial interests



3.5 Comparable Projects in other Cities

There are a number of different projects that might serve as a barometer for the type of development that might take place in downtown Augusta. The most frequently mentioned are the Peace Center in Greenville, SC and the Koger Center for the Arts in Columbia, SC. Both are worthy models with the Koger Center opening in 1989 and the Peace Center opening in 1990.

The Peace Center facility program includes a concert hall with 2100 seats, 60 pit seats, 1 star dressing room, 2 chorus dressing rooms for 15 people, 5 solo dressing rooms, a wardrobe room, green Room and rehearsal hall. Affiliated facilities include the Gunter Theatre and the Dow Brands Amphitheatre.

The Peace Center was built at a cost of approximately \$42 million with both public and private financing. Approximately \$13.25 million came from city, county, and state sources and \$28.75 million came from private or philanthropic sources.

The Kroger Center is slightly larger with a main auditorium of 2,256 seats, an orchestra pit for 80 musicians, 2 star dressing rooms, 2 chorus rooms with 30 people capacity each, wardrobe room, green room and engraving shop.

The Koger Center was developed at a cost of \$15 million in 1989 and was funded by public and private contributions.

However, it appears that the City of Augusta is proceeding on the premise that it will begin with the renovation of the two existing theater venues before building a new performing arts center. While this approach may lack the “WOW” factor of a “Market Creation Project” it nevertheless does contribute to sustaining the development of the downtown core. In this context it may be more important to look at theater renovations as comparable models. One such model is the Strand-Capitol Performing Arts Center, Inc, in York, Pennsylvania.

The performing arts center is composed of two renovated theaters, the Strand Theater which has a seating capacity of 1,268 and the Capitol Theater which has a seating capacity of 647. Together these two venues have a capacity of 1,915 seats. In addition to these two historic theater buildings the

complex encompasses three other buildings. The Capitol Theater opened originally in 1906 as an opera house and the Strand Theater opened in 1925 for vaudeville shows and silent films. The center serves as the leading arts presenter in the south central Pennsylvania area.

In 1976 a group of York, Pennsylvania business and civic leaders formed an ad hoc committee to determine the potential for a performing arts center in the downtown. This effort led to the reopening of the Strand Theater in 1980 after four years of fund raising and renovations and the reopening of the Capitol Theater in 1981. In 2003 a two-year, \$17.5 million facility renovation was undertaken. This, included increasing the Strand’s stage and backstage support areas; enlarging the lobby with expanded concession and hospitality areas; a balcony and new seating; an educational wing; and new HVAC equipment.

District A.1- Downtown Core

3.6 Start-up Program

Startup Project Concept

A good start to implement this concept, especially in view of the financial resource requirements, would be the following:

- Renovation of the Miller Theater, as interim home for the Augusta Symphony
- Renovation of the Imperial Theater
- River Basin Public Open Space Improvements (Morris Plaza)
- Walkway to Post Office

If these improvements could be implemented over the next five year period, they would then set the stage for a phase two which would include the new performing arts center building, the Morris Museum, and the 500 space garage over the following five year period.

Market Support

The Augusta-Richmond, GA-SC Metropolitan Statistical Area is ranked 89th in population out of the 360 MSAs in the United States. Since size may be one factor in determining the type and quality of urban core initiatives we have identified areas similar in size to the Augusta-Richmond MSA.

We found two similar areas in South Carolina, and one each in the states of Colorado, Pennsylvania, Wisconsin, Mississippi, Maine, Florida and Iowa. Table 5 shows the population rank for each, the 1990 and 2000 population, total growth between 1990 and 2000, and the percentage growth.

All of these Metropolitan Statistical Areas in the year 2000 census range in size from a low of about 480,000 to a high of about 560,000. All of the MSA's have showed steady growth. However, Colorado Springs, Colorado has shown exceptional growth due largely to its role as a suburb to the city of Denver, Colorado.

As a part of this analysis we have surveyed each of the areas to determine which areas are presently supporting a performing arts center.

Table 3.2 MSA's of Comparable Size

MSA	Population Rank	2000	1990	Change	Percent
Greenville, SC	84	559,940	472,153	87,787	16.40
Charleston- N. Charleston, SC	85	549,033	506,874	42,148	8.30
Colorado Springs, CO.	86	537,484	409,482	128,002	31.30
Harrisburg- Carlisle, PA.	87	509,074	474,242	34,832	7.30
Madison, WI	88	501,774	432,323	69,451	16.10
Augusta-Richmond, GA-SC	89	499,684	435,763	63,921	14.70
Jackson, MS	90	497,197	446,941	50,258	11.20
Portland-S. Portland, ME.	91	487,568	441,257	46,311	10.50
Lakeland-Winter Haven, FL.	92	483,924	405,382	78,642	19.40
Des Moines, IA	93	481,394	416,346	65,048	15.60

Source: US Census Bureau and George Henry George Partners



Table 3.3 shows the results indicating that all of the MSA's with a ranking above the Augusta-Richmond MSA have all established performing arts centers with the exception of Colorado Springs. This is largely due to its market link with the City of Denver.

There are two metro areas ranked below Augusta-Richmond, GA-SC MSA that have fully operating performance arts centers. These include Portland, Maine and Des Moines, Iowa.

The Downtown Augusta/North Augusta Urban Core needs a strong brand to distinguish it from other activity centers in the metropolitan area. Establishing itself as the cultural and entertainment center of the region is one strong way to accomplish that branding. There is sufficient household income in the market to support such an initiative. Further, other areas of similar size have already proven that this type of branding can be accomplished.

Table 3.3 Performing Arts Center Analysis

MSA	Population Rank	Performing Arts Center	
		Yes	No
Greenville, SC	84	X	
Charleston- N. Charleston, SC	85	X	
Colorado Springs, CO.	86		X
Harrisburg- Carlisle, PA.	87	X	
Madison, WI	88	X	
Augusta-Richmond, GA-SC	89		X
Jackson, MS	90		X
Portland-S. Portland, ME.	91	X	
Lakeland-Winter Haven, FL.	92		X
Des Moines, IA	93	X	

Source: US Census and George Henry George Partners



District A.1- Downtown Core

Financial Feasibility

The financial feasibility of the first phase of the Westabou Arts Center is largely dependent upon making a determination of the following:

- Will sufficient financial resources be available to fund the public support needed to get the first phase of the project off the ground?
- Will there be a sufficient market base to meet operating revenue expectations in support of an expanded program of dance, music, and theater events that will appeal to people of all cultural and ethnic backgrounds at an affordable price?
- Will there be sufficient private sector, public sector, and philanthropic interest in the initiative to meet operating endowment, rainy day funds, or capital campaign requirements?

These are difficult questions to answer but for the fact that we have clearly noted that they have been done in other venues comparable with Augusta and therefore should be possible in Augusta-Richmond, GA, and in South Carolina as well. Table 3.4 below projects ICON's estimated financial requirements for the first phase of activities.

Table 3.4 First Phase Financial Requirements for Westabou Arts Complex

Core Development	Unit	Qty	Gross/Unit	Cost/sf	Bldg. Cost	Land	Sub Totals	Totals
Imperial Theater	SF	1	24,000	\$112.50	\$3,600,000	0	\$3,600,000	\$3,600,000
Miller Theater	SF	1	45,000	\$200.00	\$9,600,000	0	\$9,600,000	\$9,600,000
Sub-Total					\$13,200,000			
Soft Cost @20%					\$2,640,000			
Total					\$15,840,000			
Public Open Space								
River Basin (Morris Plaza)								
Waterside	LS				\$7,000,000	TBD	N/A	N/A
Landside /Amphitheater	LS				\$4,000,000	TBD	N/A	N/A
River Walk	LS				\$2,000,000	TBD	N/A	N/A
Reynolds Arts Forecourt	LS				\$3,000,000	TBD	N/A	N/A
Pathways and Plazas	LS				\$1,000,000	TBD	N/A	N/A
Walkway to Post Office	LS				\$600,000	TBD	N/A	N/A
Infrastructure Cost					\$17,600,000			
Soft Cost					\$4,589,008			
Total Infrastructure Cost					\$22,189,008			
Total					\$38,029,008			

Source: U.S. Census Bureau and George Henry George Partners

The first phase financial requirements make clear that the renovation of the Imperial and Miller Theaters are key building blocks in the process of developing a viable performing arts district within the urban core of the Augusta-Richmond, GA-SC metropolitan area. It also makes clear that building the physical environment for a new performing arts center building and a Morris Museum are equally important if the longer term goal is to be achieved within a reasonable time period. Only about \$15.8 million of the projected \$38 million, not including land cost, is expected to go toward the renovation of the two existing theater properties. The other nearly \$22 million plus any land costs will be in support of Phase two activities.

In addition to these Phase I capital costs, the plan should also include a five year plan for operating support for the two renovated theaters. According to several national surveys most large budget performing arts center operations have earned income (ticket sales, rentals, other income, and investment income) of about 66%. This would require operating support for approximately 34% of the total budget that would have to be funded by memberships, corporate sponsorships, special fundraisers, local government subsidies, foundation grants, etc.



Table 3.5 provides our estimates for the initiation of the Westabou Performing Arts Center in the Augusta-North Augusta urban area, using the Miller and the Imperial Theaters as the two venues with start-up in 2010. The \$2.5 million budget assumption is only about one-third of the Peace Centers 2005 operating budget that was about \$7.5 million.

As Table 3.5 shows, we have made an assumption of a start-up budget of \$2,500,000 in the first full year of operation with a ten percent annual increase thereafter. The distribution of operating expenses is based upon surveys of large performing arts organizations which are defined as organizations having annual budgets of more than \$2 million per year.

Table 3.5 Performa Operating Statement for Miller & Imperial Theaters

	Percentage	2010	2011	2012	2013	2014
Artistic salaries, travel, and other fees for presentations	28%	\$710,000	\$781,000	\$859,100	\$945,010	\$1,039,511
Stage and Direct Production Cost	14%	\$357,500	\$393,250	\$432,575	\$475,833	\$523,416
Direct Marketing Expenses	9%	\$235,000	\$258,500	\$312,785	\$312,785	\$344,064
Fundraising Expenses	5%	\$130,000	\$143,000	\$173,030	\$173,030	\$190,333
Management and General Expenses	23%	\$572,500	\$629,750	\$761,998	\$761,998	\$838,197
All other Expense	19%	\$485,000	\$533,500	\$645,535	\$645,535	\$710,089
Total	100%	\$2,500,000	\$2,750,000	\$3,025,000	\$3,327,000	\$3,660,250
Revenues						
Earned Income:						
Ticket Sales	45%	\$1,125,000	\$1,237,500	\$1,361,250	\$1,497,375	\$1,647,113
Other Earned	16%	\$400,000	\$440,000	\$484,000	\$532,400	\$585,640
Contributed Income	34%	\$850,000	\$935,000	\$1,028,500	\$1,131,350	\$1,244,485
All other Income	5%	\$125,000	\$137,500	\$151,250	\$166,375	\$183,013
Total Income	100%	\$2,500,000	\$2,750,000	\$3,025,000	\$3,327,000	\$3,660,250
<i>Source: George Henry George Partners & The Urban Institute, Center for Nonprofits and Philanthropy</i>						

3.7 Realizing the Westobou Arts Center

Key Early Actions and Overall Timetable

Key elements for successful implementation of this development include:

Vigorous Public and Private Support

The Westobou Arts Center concept will require a collaboration of government officials, affected property and business owners, most importantly, the Morris Museum, the Augusta Arts Council, the arts groups and the community at large. The first step is approval by the City of the Master Plan, and immediate follow-up initiatives, including development of a mechanism to facilitate follow-up public/private collaboration of “Champions” to carry the concept to the next level.

Champions for the Westobou Arts Center must step forward

The public sector, would likely be responsible, at a minimum, for the open space infrastructure and public improvements, i.e. the boat basin, adjustments to the river bank, the new opening in the levee, the arts/ fountain plaza, the alleyways, as well as work in joint venture with downtown building owners regarding new structured parking in this area.

A community-sponsored joint capital campaign is envisioned for the new museum and performing arts facilities. This would be directed and staffed jointly by the two facility sponsors,. Both during implementation

Westobou Arts Center Illustrative Time Table

Project Initialization	
Year 1	Create consortium of implementers; complete site assembly; develop and approve Area Action Plan
Public Open Space Infrastructure	
Year 1	Secure funding and required approvals; refine outdoor program, footprint and complete preliminary design of area
Years 2-5	Final design and construction of riverside basin, plazas, side courts and various pathway connections
Buildings- (2 Phases)	
Phase 1- Existing Venues	
Year 1	Secure funding and required approvals for renovation of Imperial and Miller theaters
Years 2-5	Final design and restoration/rehabilitation of existing theaters
Phase 2- New Riverside Complex	
Year 1	Complete project initiation described above, particularly regarding cross agreements with parcel owners
Years 2-5	Fund raising campaign; final programming and design; start construction in year 5
years 6-10	Complete construction of new Riverside Buildings, ie the Morris Museum and Symphony Hall.

and, once opened, these entities would operate the facilities in joint cooperation with each other, as well as the City of Augusta.

Development of a Westobou Arts Center Master Area Action Plan

Working together the three major stakeholders and the property owners would further define, enrich and refine the Master Plan concept for the this unique civic center. This plan would include a well-defined physical and activity program that stakeholders believe in, that has the approval and support of governing officials, and that includes an agreed upon implementation approach.

Control of key sites

Today, three interests control the proposed site. The property currently owned by Morris Communications is the largest and most central of the parcels. Both the properties to the east and west contribute to the plan as currently envisioned and should be a part of any redevelopment of this area. Potentially, the city's land bank could take ownership of these parcels, either through gifting or acquisition, and hold for eventual redevelopment into the arts center complex.



Potential Funding Sources

There are a number of potential financing resources that should be considered in coming up with a creative financing strategy for the first phase activity. A capital campaign should be considered as one of the major sources of funding for the theater renovations. In York, PA. the effort consisted of a paid capital campaign administrator who served as a staff liaison to the chairman of a 28 member capital campaign leadership committee, 154 volunteer campaign solicitors, the fund raising counsel, architectural firm and other parties involved in the center's \$15.7 million capital campaign. The capitol campaign should be considered as a 5-10 year effort to assist in the renovation of the two existing theaters but also to build a capitol fund for the new performing arts building.

Table 3.6 identifies in our view, the funding sources with the highest potential to generate funds for the implementation of the first phase of the Westabou Complex. However, as the history of the Peace Center in Greenville, SC suggests much work needs to be done to accomplish the following:

- Overcome a concern that the Augusta –Richmond Metropolitan area might not embrace a performing arts center.
- Make the center appeal to a broad audience.

Table 3.6 Potential Funding Sources			
Core Development	Bldg. Cost	Land	Possible Funding Sources
Imperial Theater	\$4,320,000	0	SPLOST funds Capital Campaign Funds EDA Public Works Funds New Market Tax Credits Historic Tax Credits
Miller Theater	\$11,520,000	0	SPLOST funds Capital Campaign Funds EDA Public Works Funds New Market tax Credits Historic Tax Credits
Public Open Space			
River Basin (Morris Plaza) Waterside Landside /Amphitheater River Walk	\$13,000,000	TBD	TIF Funds EDA Public Works Funds SPLOST Funds Federal Stimulus Package
Reynolds Arts Forecourt Pathways and Plazas Walkway to Post Office	\$4,600,000	TBD	TIF Funds EDA Public Works Funds SPLOST Funds Federal Stimulus Package
Infrastructure Soft Cost	\$4,589,008		TIF Funds EDA Public Works Funds SPLOST Funds Federal Stimulus Package
Sub-Total	\$38,029,008		
Operating Support	4,600,000		Corporate Sponsors Memberships Fund Raisers Foundation Grants Public Support
Total Requirements	\$42,629,008		
<i>Source: U.S. Census Bureau and George Henry George Partners</i>			

- Develop an outreach program to broaden public support.
- Maximize partnership potential with local arts groups.
- Create a strong outreach to students and teachers.

Strong public support will be required in order to maximize the use of some of the resources that have been identified in the table below. This will be especially true for Capital Campaign Funds as well as for next term SPLOST funds and other forms of public support.

District A.1- Downtown Core

In essence, the Westobou Arts Center is a civic project, (with a potential private development element) that will serve citizens of the region and well beyond. The core strategy would necessarily be made up of a number of funding components in order to make it a viable undertaking. The partial list includes:

Seed Funding

Identify funding programs, e.g. 2009 SPLOST program, that can “kick start” the planning and design components of the entire performing arts program, including the new riverside facility, as well as for funds for the renovation of the Imperial and Miller Theaters. The Imperial would be a full renovation and the Miller would be renovated to a level that it would serve as a home for the Augusta Symphony, until such a time as the new, purpose-built Riverside Pavilion is completed for their permanent home. Apply for construction funding as soon as possible.

Other Governmental and Institutional Assistance

Referred to Augusta and the region, with its numerous federal and state programs in the military, national intelligence, natural sciences, education and health sciences. Certainly there is a strong tradition of contribution to the essence of Augusta that comes from these sectors. Every program and funding opportunity that these governmental and institutional sectors can come from local, state and federal sources should be examined for this project, as was done, for example, in the partnership between Columbus, Georgia and their university.

Joint Capital Campaign

It is recommended that the Performing Arts Center constituents and the Morris Museum consider design and implementation of a joint fund-raising campaign to solicit donations from private, corporate and foundation sponsors.

Land Gifting Alternatives

The land is in very few hands. It may be in the interest of one or more of the current owners to gift the land in such a way as to reap a tax benefit, while serving an important public purpose.

Joint Development with ‘for profit’ Entities

There may be adequate land on site to consider other private uses, such as condominium development. Funds for the arts center would be a combination of foundation grants and corporate and individual contributions. Funds would also be sought from state and local funding programs as well.

Private Project Funding Gap Assistance

Ultimately, most of any private development on the site will be privately financed, either as equity or as loans. Further incentives, such as tax relief, property purchase price write-downs, or others to be identified, should be considered.



3.8 Immediate Next Steps

In order for this project to have any near-term credibility, following approval by the Commissioners of this Master Plan, several actions need to be taken as soon as possible:

1. The three major stakeholders (City, Morris Museum and the Augusta Symphony) must agree to a Memorandum of Understanding that, at a minimum, sets forth the intention to work together to realize this concept on this site. Ideally, roles and responsibilities would be spelled out and agreed to for each.
2. Agreements would be executed whereby the city or other agent would hold the land for this development.
3. SPLOST, and/or other funds would be approved and released to allow for development of an Area Action Plan for this area, particularly as it pertains to required public infrastructure improvements.

Until such agreements are in place, ad-hoc, special interest groups should coordinate efforts to take advantage of upcoming funding programs to assist in planning, design and implementation of known and agreed upon component parts of the overall program. These should be seen as integral early action initiatives, vital to realization of the full program and thus supported as part of an overall implementation strategy for the Westobou Arts Center.

For example, it is understood that the performing arts sector is presently formulating a phased strategy for creating a multi-site venue in this downtown area. Phase 1 would renovate the two primary historic venues, the Imperial and the Miller theaters, the latter into an interim home for the Augusta Symphony. Phase 2, would realize the new central facility on the river thus providing a permanent, “purpose-built” home for the Augusta Symphony, as well as a state-of-the-art facility for national touring companies.



Market Creation Project 4: *Marbury Village*

4.1 The Big Idea

Marbury Village revitalizes three blocks of Broad Street (10th to 13th Street) into a unique and exciting up-scale living, working, and retail environment within Augusta's Downtown Core. Building on recent and ongoing entrepreneurial business efforts, the unusual street width and the significant historic fabric, this concept establishes a unique "Urban Village" at this strategic location in the downtown, which is distinct and readily identifiable. Self-contained, and able to establish a safe and controllable enclave for long-term economic stability, it also serves as an anchor and a catalyst for adjacent revitalization both east and west along Broad Street, as well as to the river to the north and the historic canal system to the south.

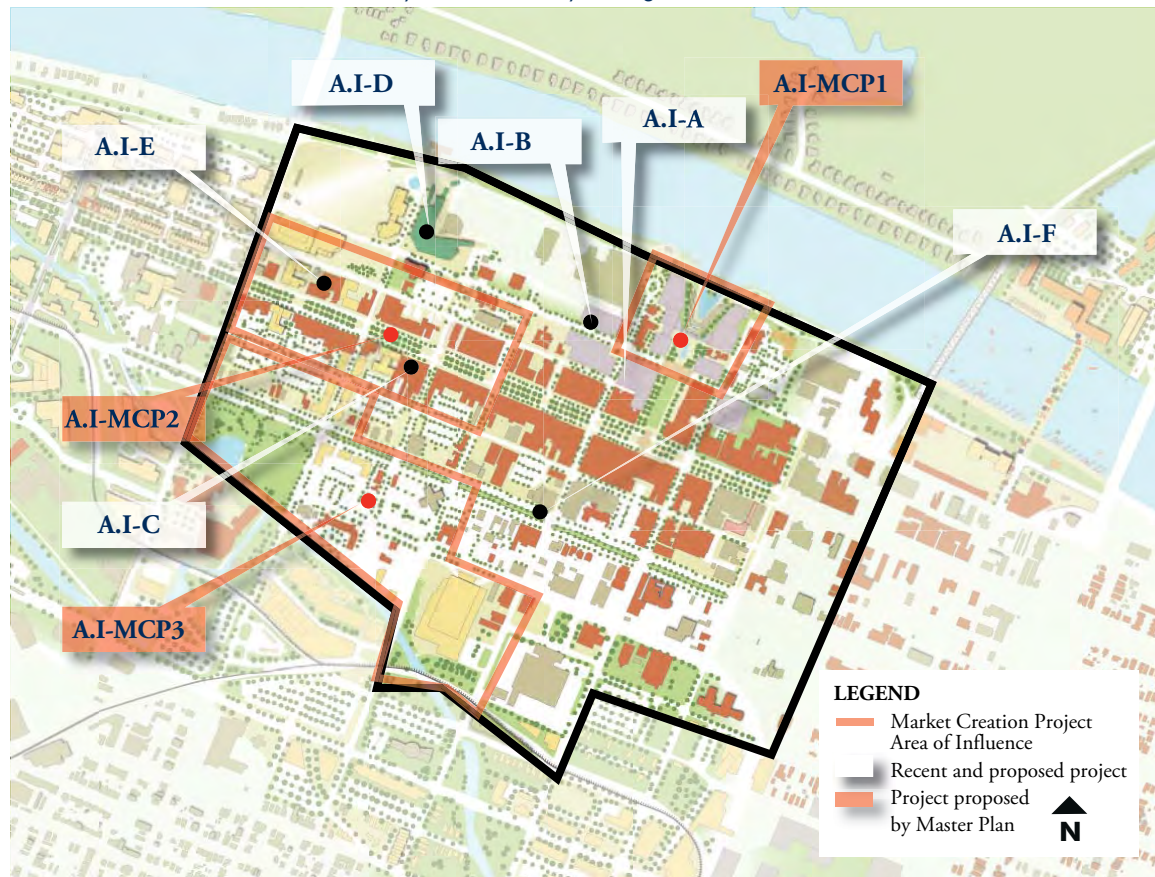
Marbury Village



District A.1- Downtown Core

4.2 Goals and Objectives

Downtown Core District Boundary and Marbury Village



The goals of this project are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Entice people with more disposable income to return to downtown, by creating a desirable, high-end residential district with significant luxury housing, enjoying high amenity, in new buildings.
2. Make this a regional destination by revitalizing Broad Street into a pedestrian friendly, open space Market Place, with cafes, shops, activities and a range of amenities built into the street for all age groups.
3. Support existing retail efforts and encourage new specialty retail uses that can further energize the district.
4. Attract investment to create affordable housing units by rehabilitating existing buildings.
5. Preserve and enhance the historic character through sensitive adaptive reuse and appropriate new infill projects.
6. Support events and programming that will take advantage of the district and build its reputation.
7. Provide a critical link in the chain that will bring Augusta's downtown and the medical area closer together.
8. Develop new, in-town grocery store in this high traffic area, strategically located to serve both Augusta and North Augusta.



4.3 The Scene Today



Looking northwest over Marbury Village within the Downtown Core District

This part of Broad Street, from 10th to 13th, is one of the most historically intact sets of downtown blocks in the Westobou Urban Area. While this is Augusta's "main street", auto traffic is light except for a few times during the day.

While some upper story adaptive reuse has occurred, even with a concentration of newer restaurants, antique and specialty shops, the retail activity is far less than what historically occurred along the street. The sidewalks are lined with a pleasant canopy of Chinese elms. This stretch of Broad Street was spared the "median parking lot improvements" that occurred to the east, however, this part of Broad is characterized by an unattractive surface parking area in the middle of the street.

Both Ellis Street to the south and Jones Street to the north are primarily service alleys for Broad Street. Each has marginal uses and significant open land which could be redeveloped in support of the village concept.

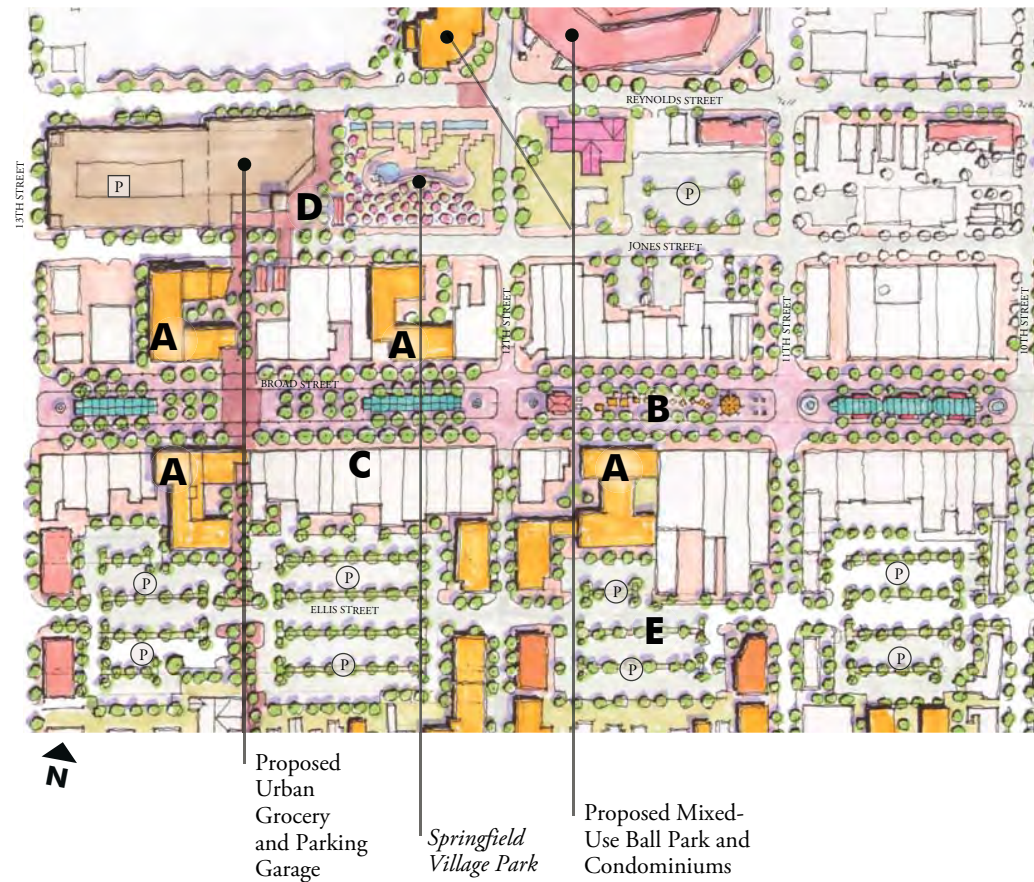
13th Street is a major north-south connector to the medical area and to North Augusta. The area will have good access via 12th Street to the proposed riverfront ballpark and adjacent venues.

District A.1- Downtown Core

MARBURY VILLAGE

- A)** New mixed-use residential on non-conforming sites
- B)** Vibrant urban street plaza on Broad Street
- C)** Revitalization of existing buildings and businesses
- D)** Mid-block pedestrian connections to ball park and Augusta Canal Park
- E)** Ellis Street public parking and service area

Marbury Village Illustrative Site Plan



LEGEND

- Residential
- Commercial
- Religious/Cultural
- Greenspace
- Structured Parking
- Surface Parking



4.4 Illustrative Full Development Program

The area is bounded by Reynolds Street to the north, Greene Street to the south, 10th to the east and 13th to the west. Major aspects of the total development plan include:

Public Infrastructure

Along Broad Street...

- Conversion of Broad Street in this area into an innovative and vibrant, pedestrian-friendly market place zone, with vehicle speeds and volumes reduced and easy access across the street via a wide center median hosting restaurants, shops, open seating, activity/performance space, water features and interactive public art. This programmed center median would serve to enclose and define the street and serve as a stepping-stone from one side of Broad to the other,
- Development of an incentive plan to encourage renovation and reuse of existing historic structures to residential and other uses compatible with the objectives of the plan.

Along Reynolds and Jones Streets...

- New mixed-use, central, public/private parking facility with retail grocery store at ground level,
- Develop mid-block connection to Reynolds adjacent Springfield Sculpture Park.

Along Ellis and Greene Streets...

- Convert Ellis Street and the rear area of private buildings into coordinated surface parking areas.
- Develop mid-block connections where possible to Greene Street and the new Augusta Canal Park.

Private Build-out

Along Broad Street...

- Substantial, new, up-scale residential mixed-use mid-rise to high-rise development on four well located properties, (currently occupied by buildings deemed non-contributing to the urban fabric of the area).

Along Reynolds and Jones Streets...

- New grocery store at ground level in new central public/private parking facility.

Along Ellis and Greene Streets...

- Encourage new private development at the ends of blocks

District A.1- Downtown Core

Table 4.1 Cost Estimate for Marbury Village

Conceptual and Illustrative Program and Cost Estimate

							Totals by Phase	
PRIVATE BUILD-OUT	Unit	Units	Gross sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
Mixed-use Bldg 1 (w/ garage)	DU	100	1,500	\$175	26,250,000	TBD	26,250,000	
Mixed-use Bldg 2 (w/ garage)	DU	100	1,500	\$175	26,250,000	TBD		26,250,000
Mixed-use Bldg 3 (w/ garage)	DU	100	2,000	\$175	35,000,000	TBD		35,000,000
Mixed-use Bldg 4 (w/ garage)	DU	100	1,200	\$175	21,000,000	TBD		21,000,000
Side Street Mixed Res Development	DU	100	1,200	\$140	16,800,000	TBD		16,800,000
Jones/Reynolds Garage retail	SF	1	50,000	\$120	6,000,000	TBD		6,000,000
Misc Retail	SF	1	10,000	\$110	1,100,000	TBD	1,100,000	3,300,000
		400	64,400		132,400,000	0	27,350,000	108,350,000
		DU		Soft Costs @	23%		6,290,500	24,920,500
							\$33,640,500	\$133,270,500
INFRASTRUCTURE								
Parking								
Ellis St Surface Lot Coop	Spaces	400	350	20	2,800,000	TBD	2,800,000	
Jones Reynolds Garage	Spaces	600	450	50	13,500,000	TBD		13,500,000
Public Open Space								
Broad Street Market Place								
Roads, sidewalks, median	LF	1700	160	40	10,880,000		10,880,000	0
Trees	Each	120	LS	2,000	240,000		240,000	0
Lighting and Power	Each	100	LS	3,500	350,000		350,000	0
Structures and Pavilions	Each	4	1800	300	2,160,000		2,160,000	0
Art, Fountains, Special Features	Each	5	LS	100,000	500,000		500,000	0
Misc	LS	say, allow...			1,000,000		1,000,000	0
Jones and Reynolds								
Jones Street Garage Plaza	LS	say, allow...			1,500,000	0	0	1,500,000
12th Street Plaza	LS	say, allow...			3,000,000	0	0	3,000,000
12th Street Improvements	LS	say, allow...			600,000	0	0	600,000
Mid-block Cross Connections	LS	say, allow...			3,000,000	0	3,000,000	0
				Total Infrastructure	36,730,000		\$20,930,000	\$18,600,000
							NET ALL PHASES	\$206,441,000
INFRASTRUCTURE SOFT COSTS								
Area Action Plan				0.12%	247,729			NA
Infrastructure Design				10.00%	2,093,000			1,860,000
Contingency				15.00%	3,139,500			2,790,000
					\$5,480,229			\$4,650,000
Total Infrastructure Costs					26,410,229			23,250,000
Total Private and Public					60,050,729			156,520,500



4.5 Comparable Projects in Other Cities

The premise behind Marbury Village is that a people-centered environment in downtown Augusta where people can live, be close to work, and play will add considerable long term value to the downtown. The basic components are residential dwellings, both owner-occupied and rental, entertainment venues such as eating and drinking establishments, and specialty retail shops. These are often developed in a revitalized neighborhood where there can be a mix of the old and new.

There are numerous examples of urban villages around the country but two are put forth here to make different points. The Church Street Market Place in Burlington, Vermont, with a population of 38,000 and a metropolitan population of 206,000, smaller than Augusta, is a classic example of how to bring a downtown retail street alive. There are over 50 shops, 50%-60% of them locally owned selling everything from fine jewelry, men's, women's and children's apparel to flowers. There are also 28 dining establishments and events for every season. The area is a major tourist attraction. Major events include the Discover Jazz Festival, Market fest, and the Christmas Tree Lighting Ceremony.

In a larger city and on a larger scale, the Arena District on Columbus, Ohio is worth noting because of the way that the urban village was planned as a part of the development of a new sports venue. The district contains the Nationwide Area which is home to the National Hockey League Columbus Blue Jackets; 79 condo's ranging in price from \$229,000-\$650,000; 251 rental apartment units renting for between \$625-\$1,835 per month, and over 100,000 square feet of retail space. In a similar way, when Marbury Village is linked to a new downtown ballpark it could also create a smaller version of an arena district. We should note that the Arena District in Columbus, Ohio also has an office component, which has yet not been included in the Marbury Village development concept.

Other examples worth noting for their urban design and program mix are Bethesda Row, MD, historic sections of Savannah and Charleston, and even Gervais Street in Columbia.

Urban Villages speak to an urban lifestyle in which it is possible to come out of your home in the morning and walk to an establishment for your morning coffee or have a drink and perhaps dinner in the evening without having to get into your car to drive home. This is an emerging trend nationally and we believe that the momentum to create an urban village along Broad Street between 10th and 13th has already begun with the coming of new retail and eating and drinking establishments and the reuse of some buildings as residential.

4.6 Start-up Program

The Plan envisions the development of an urban village along the three blocks of Broad Street between 10th and 13th Streets into a “unique and exciting upscale living, working, and retail environment within the urban core. The proposed development program would include 400 units of housing, and 10,000 square feet of retail in four buildings, a reuse incentive program for 100 residential units and 125,000 square feet of retail along Broad Street. These developments would be supported by a 400 space surface parking lot on Ellis Street and the creation of a Broad Street Market Place with mid-block cross connections.

This is a relatively large-scale project, which while transformative, is likely to take more than a decade for total absorption. Given this prospect, it will be important to focus on what might be possible during the first five years of plan implementation.

Startup Project Concept

Given current and probable future conditions in the market, it is concluded that the five year plan for implementation should include the following components:

- 50-100 unit condominium building with 5,000 square feet of retail
- Ellis Street surface parking lot
- Broad Street Market Place improvements

The condo building will help to create more houses choices for buyers seeking downtown houses both with respect to the type, location, and price of housing as compared with the White’s Building and other potential projects. The dedicated parking created on Ellis Street will address a critical marketing problem faced by most downtown projects and, the Broad Street Market Place Improvements will send a strong signal to developers and potential buyers that the city has made a serious commitment to sustaining the revitalization of the section of the downtown.

Unit Mix, Size and Prices

The unit mix, size and prices for the proposed start-up project can be found in Table 4.2. While we are suggesting an initial development of 100 units, market conditions may suggest the need for a smaller development of perhaps 50 units, should annual absorption suggest that full absorption might require a term of more than 18 months.

Under current assumptions, we are proposing a mix of forty one bedroom units; thirty five one bedroom plus den units; fifteen two bedroom units; and ten two bedroom plus den units.

Number of Units	Type	Size	Price
40	1Br	775	\$251,875
35	1BR + Den	982	\$319,150
15	2 Br	1140	\$370,500
10	2 BR +Den	1480	\$481,000

Source: George Henry George Partners

Unit sizes would range from a low of 775 square feet for the one bedroom unit to a high of approximately 1500 square feet for the two bedroom unit with den. Prices would range from a low of \$251,875 to a high of approximately \$481,000 for the 2 bedroom unit with den.

Market Support

In determining market support for a start-up project of this type we are making the following assumptions:

- 20% Down payment
- 80% Mortgage @ 5.5% for 30 years
- Monthly condo fees of 30 cents per square foot

Using these assumptions a 1 bedroom unit would require the following:

- Down payment of \$50,375
- Monthly mortgage payments of \$ 1,144 excluding real estate taxes
- Monthly condo fees of \$235. Therefore the total monthly housing cost, excluding utilities, would be approximately \$1,379 per month.
- Using the same assumptions, a 2 bedroom plus den unit would require the following:
- Down payment of \$96,476
- Monthly mortgage payment of \$ 2,183 excluding real estate taxes
- Monthly condo fee of \$444.

The most expensive unit would require a monthly housing cost of \$2,627. Using a 30% of household income standard to support housing cost, there are over 52,000 households in the housing market primary trade area making sufficient income to support a monthly housing budget of \$1,550.

There are an additional 17,000 households capable of supporting a monthly housing budget of \$3,125.

While only a very few of these households are likely to be captured by the downtown market, we have previously projected that if the right incentives are put in place an annual demand of between 61-99 units per year beginning in 2011 would be possible.

Our estimates of demand have been based upon new projects start-ups in 2011 when we believe that the following events have occurred:

- The housing financial markets have been stabilized and credit is again readily available for home mortgages.
- The economy has rebounded from its current slowdown.
- The City of Augusta and perhaps the City of North Augusta have put into place CBD housing incentive programs. (Such a program may not be required in North Augusta, SC)
- An Urban Core Promotion and marketing program has been developed and implemented.
- There has been sufficient absorption of non-obsolete housing units in the local housing market to bring the vacancy rates for non-obsolete residential units below 5%.

District A.1- Downtown Core

Financial Analysis of First Phase Project Activity

The financial analysis of the first phase of development activity for Marbury Village will include three components of the development plan. These components are as follows:

- 1 Mixed-use condo with garage and 5,000 square feet of retail
- Broad Street Market Place (including street crossing)
- Ellis Street surface parking lot

Preliminary cost estimates for the Broad Street Market Place and street crossing component and the Ellis Street surface parking lot are shown in Table 4.1. This includes an estimated cost of \$15 million for the Broad Street Market Place including the street crossings and about \$2.8 million for the Ellis Street surface parking lot.

It is expected that all of these improvements, at a total cost of \$17.8 million will be funded by the City of Augusta.

Financial Analysis for Condo Housing Project

Our financial analysis of a proposed first phase housing condo project has been based on the 100 unit project proposed by The Plan as one of four that is projected to be built. The project has been conceived as a mixed-use project with 100 units of housing, garage support, and some retail. Since we do not know the actual dimensions of the retail component at this time, we have made an assumption that the condo will contain 5,000 square feet of

retail space. Table 4.3 shows our analysis of what we think might be possible. The numbers and assumptions used are based upon other similar projects in the southeast of the USA. However, these assumptions may or may not fit existing market conditions in downtown Augusta after additional research and study. However, they are designed to help in making a determination as to whether a project of this type might be doable.

Table 4.3 Market Base for Condo Project Price Range				
Household Income	Primary Trade Area Households	Percent of Total Households	Annual Housing Budget	Monthly Housing Budget
\$50,000-\$74,999	32,729	19.49%	\$18,600	\$1,550
\$75,000-\$99,000	19,455	11.59%	\$26,100	\$2,175
\$100,000-\$149,999	17,031	10.14%	\$37,500	\$3,125
Source: U.S. Census Bureau and George Henry George Partners				

Table 4.4 shows that if gross development cost can be held in the \$225 per square foot range; and sales prices held at \$325 per livable square foot it would give the project a fighting chance in this market. Nevertheless the negative return would make it difficult to attract a developer unless it was made clear by the City of Augusta that a substantial subsidy was available to support the project. We have estimated a subsidy requirement of approximately \$6.2 million. Much of this could be made up

Table 4.4 Marbury Village Condo Financial Analysis

Development Cost	Per Square Foot	Per Unit	Total
Land Cost	\$10	\$15,000	\$1,500,000
Hard Construction	\$160	\$240,000	\$24,000,000
Gov. Permits & Fees	\$12	\$18,000	\$1,800,000
Other Soft Costs	\$32	\$48,000	\$4,800,000
Construction Financing	\$11	\$16,500	\$1,650,000
Total Development Cost	\$225	\$337,500	\$33,750,000
Revenues			
Sales Price (Avg.)		\$345,150	\$34,515,000
Less: Sales Expenses		\$17,258	\$1,725,750
Net Condo Revenues		\$327,893	\$32,789,250
Net Sale of Retail Per Unit		\$14,250	\$1,425,000
Net Revenues		\$342,360	\$34,236,800
Actual Return		\$4,860	\$486,000
Required Developer %		20%-22%	20%-22%
Subsidy Requirements			
Required Return		\$67,500	\$6,750,000
Actual Return		\$4,860	\$486,000
Total Project Subsidy		\$62,640	\$6,264,000

Source: George Henry George Partners



4.7 Realizing Marbury Village

Key Early Actions and Overall Timetable

Key elements for successful implementation of this development include:

Vigorous Public and Private Support

The Marbury Village concept will require a collaboration of government officials, property and business owners and new ventures into the area for of successful implementation. The first step is approval, by the City, of the Master Plan, and secondly, immediate follow-up initiatives, including development of a mechanism to facilitate follow-up public/private collaboration of “Champions” to carry the concept to the next level.

Marbury Village Champions must step forward

In Marbury Village, as the process moves forward, the public sector, at a minimum, will be responsible for the streets, sidewalks, medians, parks, plazas and mid-block pathways, as well as public surface and structured parking. The public sector will also likely provide incentive programs to help underwrite the cost of private development to the level of quality desired.

The private sector will develop mid-rise to high-rise, market-rate residential, with affordable-housing components and ground floor retail on private parcels.

Development of a Marbury Village Area Action Plan

Working the area’s public and private stakeholders, further defines, enriches and refines the Master Plan concept for the village. This includes well-defined physical and activity programs that stakeholders believe in, that has the approval and support of governing officials, and includes an agreed upon implementation approach.

Control of key sites

The city should move to obtain site control of future parking sites, through purchase of land between Jones and Reynolds and through easement agreements along Ellis Street. As they come up for sale, the city's Land Bank could acquire key under-performing, or incompatible private parcels within the village, and hold them for eventual redevelopment into higher and better use.

Alternatively, within the private sector, key property owners could 1) agree to redevelop their individual properties in accordance with the Area Action Plan, or 2) pool their properties to allow a single larger developer to take responsibility for realizing a larger, more integrated development.

Marbury Village Illustrative Timetable

Project Initialization	
Year 1	Create consortium of implementers; develop and approve Area Action Plan ; complete parking easement agreements on Ellis Street; identify Phase 1 private development component and site
Public Open Space Infrastructure- (2 Phases)	
Phase 1- Broad Street and Ellis Street	
Year 1	Secure funding, cross agreements and required approvals
Years 2-5	Final design and construction of Broad Street reconfiguration, cross connections and Ellis Street parking lots
Phase 2- Jones and Reynolds Street	
Years 6-10	Site assembly, financing agreements, final design and construction of new public parking garage with ground level retail between Reynolds and Broad
Buildings- (3 Phases)	
Phase 1- Broad Street Mid-rise Condominium	
Year 1	Identify first project site and program
Years 2-5	Secure financing, complete final design and construction of new landmark market rate residential condominium with ground level retail; acceleration of existing structure re-use assistance program.
Phase 2- Complete Broad Street and Reynolds Street Buildout	
Year 1	Complete project initiation described above, particularly cross agreements with parcel owners
Years 2-5	Secure financing, complete final design for 3 additional market rate condominium and rental midrise buildings on Broad Street.
years 6-10	Construction of additional new market rate residential condominium with ground level retail on Broad Street; complete new public garage with ground level retail between Reynolds and Broad
Phase 3- Completion of Build-out	
Year 11-20	Completion of other new construction and rehabilitation of historic Buildings



Potential Funding Sources

In essence, Marbury Village is a commercial area dominated by private sector business objectives, but with a larger public purpose that will serve the entire region, as well as the immediate neighborhood. The core strategy could include several public funding sources that can help to make it a viable undertaking, both in project realization and on-going operations and up-keep. Several key programs are listed below:

SPLOST funding for core infrastructure improvements along Broad Street

Apply in 2009 for SPLOST funds for basic street, median, sidewalk and associated utility improvements along Broad Street between 10th and 13th Streets.

EDA Public Works funding

These could be used in a variety of ways, both in the planning and in construction of infrastructure components of this project.

TAD financing to build in public open space amenity

Tax Allocation District (TAD) programs allow future tax revenue from new development to underwrite additional infrastructure and public sector improvements, including, but not limited to street trees, environmental graphics, signage, and in the Broad Street median: fountains, outdoor art, multi-use pavilions and other improvements to attract people downtown.

Up to 50% of both the Broad Street median and the sidewalks could be leased to businesses for retail, dining and entertainment uses. Similarly, the ground floor of the proposed Jones/Reynolds parking garage, including parking and service areas, ideally, would be leased to an upscale grocery chain.

Private Project Funding and Gap Assistance

Ultimately, most of the development will be privately financed, as equity and/or construction loans and permanent financing. However, according to analysis to date, further incentives, such as tax relief, property purchase write-downs, new market tax credit financing, revolving loan fund for downtown housing construction lending, waiver of government development fees will be needed to realize this market creation project.

US Stimulus Package

In addition that is also a very likely possibility that planning design and construction of infrastructure projects, if they can be moved quickly, could qualify for the federal economic stimulus package that is almost surely will be approved during the early days of the next federal administration.

It is critical that this public investment is not only creating jobs, but also that it is generating private investment.

Other Financing Sources

There are a number of financing sources that might prove helpful in funding this project. They include the following:

- New market tax credit financing.
- Revolving loan fund for downtown housing construction lending (new).
- Waiver of government development fees (new).
- Tax abatement.
- Land write-downs.



While additional work needs to be done to button down the actual cost of this project, our analysis suggests that this is the type of project can be done in Augusta if there is strong commitment on the part of the city and development community to build a vibrant urban residential sector.

Ongoing Operations

Having a strategy and a program for ongoing management, maintenance and updating the product is critical:

Public Space

Operation of activity programs and ongoing development and maintenance may become a critical component of the Business Improvement District (BID) mission. The Downtown Development Authority is a likely candidate to carry forth this mission.

Private Facilities

This will remain the responsibility of the individual owners and developers, however joint public assistance programs should be examined to insure and uniform standard of upkeep throughout the project area.

4.8 Immediate Next Steps

In order for this project to have any credibility, following approval of the Master Plan by the Commissioners, several early actions need to be initiated:

1. The City of Augusta and a strong majority of individual property owners should agree to a Memorandum of Understanding that, at a minimum, sets forth the intention to work together to realize this concept this area. Ideally, roles and responsibilities would be spelled out and agreed to for each.
2. Agreements would be executed whereby the city or other agent would acquire and hold land for this development.
3. SPLOST, and/or other funds would be approved and released to allow planning, design and construction of the key open-space, health, safety and welfare, infrastructure components.

Market Creation Project 5: *Augusta Canal Park*

5.1 The Big Idea

A new central park between downtown and the emerging Third Level Canal redevelopment area and the medical area could act as both a connector and a catalyst to surrounding development, while a new in-town neighborhood around this park, large enough to enjoy for recreation or outdoor events, would tie this park directly to the Third Level Canal and extend the neighborhood to the east.

Market Creation Project 5: Augusta Canal Park

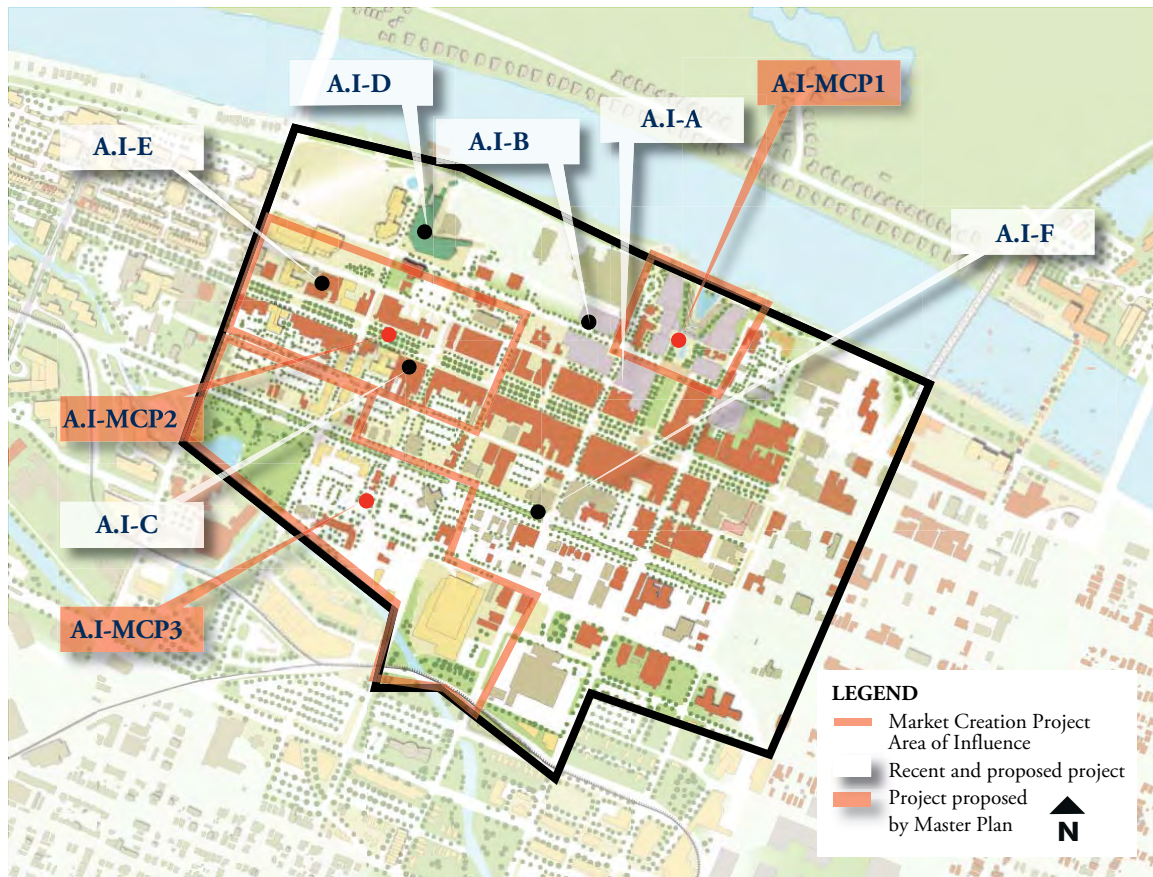
Augusta Canal Park



District A.1- Downtown Core

5.2 Goals and Objectives

Downtown Core District Boundary with the Augusta Canal Park Neighborhood



The goals of this project are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Provide another high amenity venue for market rate residential development, encouraging families with more disposable income to return to downtown, into new townhouse and mid-rise buildings.
2. Provide a real downtown park, for passive recreation, picnicking and canal boating.
3. Create a catalytic setting that will encourage rehabilitation and infill residences along Greene and Telfair.
4. Preserve and enhance the historic character of the area through sensitive adaptive reuse and appropriate new infill projects.
5. Expand Davidson School's outdoor performance capability.
6. Provide a critical link in the chain that will bring Augusta's downtown and the medical area closer together.
7. Expand the park westward to give Sacred Heart Cultural Center and the St. Sebastian Health Sciences District frontage on the park.



5.3 The Scene Today



Looking northeast over Augusta Canal Park Neighborhood within the Downtown Core District.

This central downtown location is highly underdeveloped though it sits along the 13th Street Corridor and Telfair and Greene Streets, which are two of the most elegant urban residential and civic streets in the area. There is a large amount of open land and numerous vacant or near-vacant buildings, typically one to two story mid-fifties in-fill commercial or light industrial structures. The original Davidson School sits empty.

The Calhoun Expressway noses back down to ground in this area and undoubtedly has had a negative effect on this area. The remarkable Sacred Heart Cultural Center is part of this area, as are a number of historic churches and residences. The Third Level of the Augusta Canal runs along the edge of this area, across from which sits the new Davidson School facility. The area lies adjacent the proposed Marbury Village and the Medical District expansion area.

District A.1- Downtown Core

Augusta Canal Park Neighborhood Illustrative Site Plan

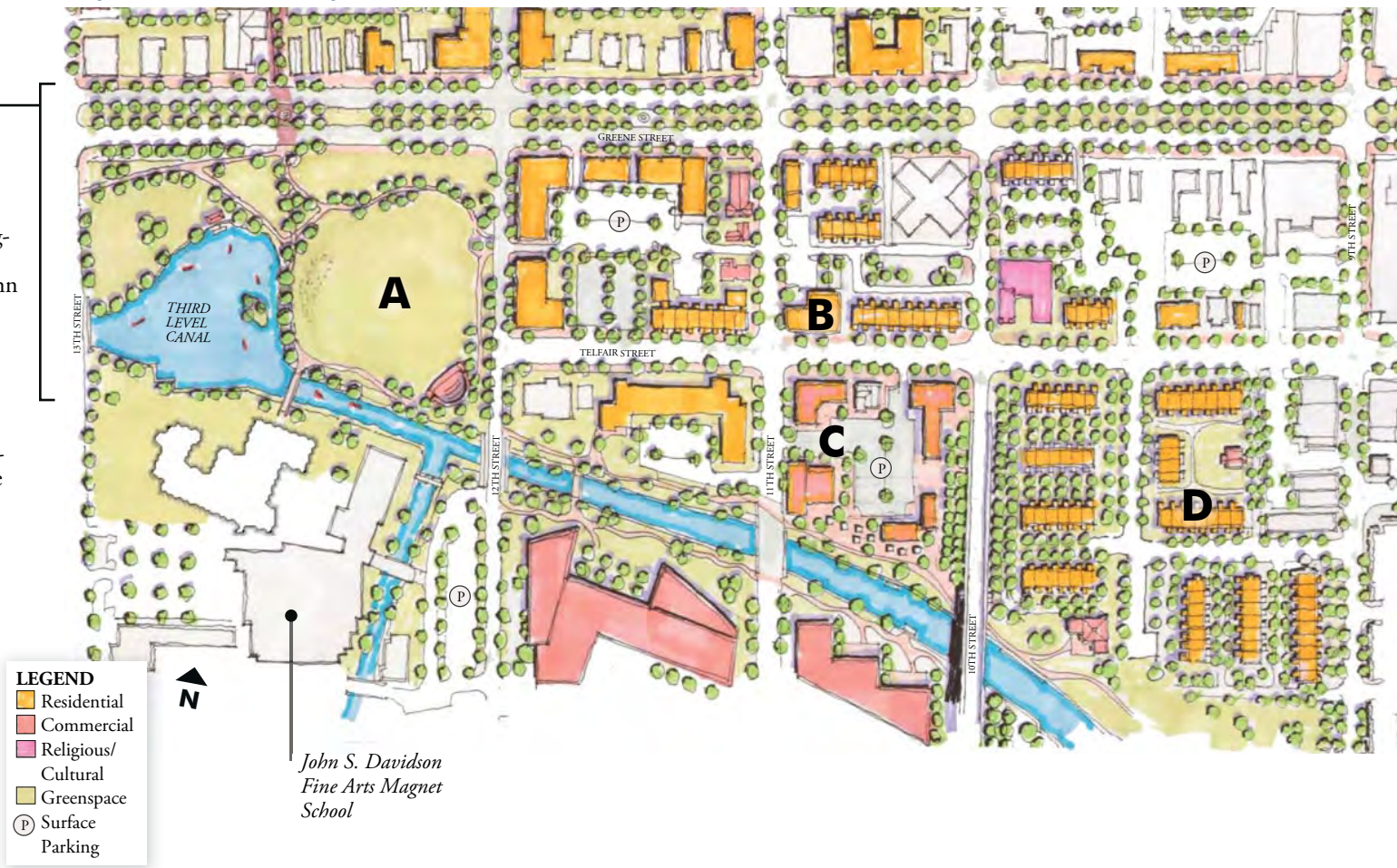
AUGUSTA CANAL PARK NEIGHBORHOOD

A) Large, centrally located city park alongside the Third Level Canal opposite the John S. Davidson Fine Arts Magnet School

B) Extensive private mixed-use residential development along Greene Street and Telfair Street abutting the park and Third Level Canal

C) New neighborhood retail center

D) Potential alternative site for relocation of James Brown Arena



5.4 Illustrative Full Development Program

The area is bounded by Greene Street to the north, the Third Level Canal to the south, 9th to the east and 13th to the west. Major aspects of the development plan include:

The Augusta Canal Park

This would be the largest park in the downtown and would serve as Augusta's Central Park, a large informal urban open space designed for multiple uses, including passive recreation, pick-up games, dog park, Frisbee throwing, picnicking and a great lawn for special performances of the Davidson School and other groups and events. The Third Level Canal would be integrated as a waterside linear park its entire length from 7th to 15th and might widen out in this area to create a boating and water-viewing venue.

Park-side Residential

The new park presents an amenity around which to build higher-end residential in the form of mid-rise, duplex, townhouse and renovated historic houses. In addition to the park amenity, these would be within an easy walk to downtown and to the medical district.

Canal-Side Residential

In this program the area along Telfair to the north side of the canal is proposed to be a water-side town-house community stretching from 12th to 9th Streets.

A Possible Alternative Use

An alternative use for portions of this area along the canal has emerged based on conversations related to the possible relocation of the James Brown Arena. If a decision were made to explore alternative locations to the present site for a new facility, a county-wide search should be done. If an urban site were deemed preferable, the area between 10th and 11th, Telfair and the canal could be a good choice given its central location. This would be particularly true, if the adjacent area on the south side of the canal in this area were developed as an integrated, joint transportation hub, as described in the Master Plan for the downtown and the health science community.



District A.1- Downtown Core

Table 5.1 Cost Estimate for Augusta Canal Park

Conceptual and Illustrative Program and Cost Estimate

							Totals by Phase	
PRIVATE BUILD-OUT	Unit	Qty	Gross sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
Greene St Residences	DU	25	1,500	\$140	5,250,000	TBD	3,000,000	2,250,000
12th Street Apts w/ garage	DU	150	1,500	\$175	39,375,000	TBD	39,375,000	0
9th & 10th St Town Houses	DU	100	2,000	\$140	28,000,000	TBD	15,000,000	13,000,000
Greene Street Mid-Rise	DU	36	2,000	\$140	10,080,000	TBD	10,080,000	0
Sacred Heart Mid-Rise W/ Garage	DU	120	1,200	\$175	25,200,000	TBD	0	25,200,000
Misc Retail	SF	2	20,000	\$140	5,600,000	TBD	2,000,000	3,600,000
		431			113,505,000	0	69,455,000	44,050,000
		DU		Soft Costs @	23%		15,974,650	10,131,500
							\$85,429,650	\$54,181,500
INFRASTRUCTURE								
Roads and Parking								
Public Surface Lot		100	350	20	700,000	TBD	700,000	
Public Open Space								
Augusta Canal Park	LS	say, allow...			5,000,000	TBD	5,000,000	
Third Level Canal Walk	LS	say, allow...			3,000,000	TBD	0	3,000,000
				Total Infrastructure	8,700,000		5,700,000	3,000,000
								NET ALL PHASES \$148,311,150
INFRASTRUCTURE SOFT COSTS								
Area Action Plan					0.15%	222,467		NA
Infrastructure Design					10.00%	570,000		300,000
Contingency					15.00%	855,000		450,000
						\$1,647,467		\$750,000
				Total Infrastructure Costs		7,347,467		750,000
				Total Private and Public		92,777,117		54,931,500



5.5 Comparable Projects in other Cities

Augusta Canal Park has the distinct advantage of lying proximate to the Downtown Core and the Medical District. It also capitalizes on the water amenity of the Third Level Canal and a new public park to leverage value.

Typically, private developers prefer to develop around a key amenities and parks and water are among the best. Historically, the best properties were situated on land surrounding an important public park or open space, such as Boston's Common or Chicago's Lincoln Park.

While specific new residential development on former industrial canals is relatively new in this country, good examples do exist in Cambridge, Massachusetts, on the Lechmere Canal; on the canals of downtown Lowell, Massachusetts; at Mission Bay in San Francisco; and in Georgetown, Maryland. In another form, canal-side development has long been a staple along the Florida coast. Even in the original town center of Reston, Virginia was built on a canal-like water body.

In Europe, good historic examples exist along the Union Canal in England, in Amsterdam, Paris and Venice. A New York state program is developing residential use on stretches of the historic Erie Canal. The point is that where there is amenity at hand, water or park, there is added value, pleasure and excitement.

5.6 Start-up Program

Start-up Project Concept

Given current market conditions, and as a means of creating a greater variety of housing choices in the urban core, it is our judgment that the most feasible startup project would be as follows:

- 25 unit Greene Street residences
- Residential reuse incentive program
- Augusta Canal Park

The retail reuse incentive program has been deferred until the introduction of new housing units begins to change the retail climate.

The private costs have been estimated to be approximately \$4.5 million for the 25 single family housing units. The public costs for the start-up project activity has been estimated by ICON to be approximately \$5.4 million for the Canal Park and the Residential Reuse Incentive Program.

Unit Sizes and Prices

The Plan has made an assumption that the average unit size will be about 1500 square feet. This would allow for some differentiation in the size of units ranging from 1400 to approximately 1800 square feet depending upon the layout of the units and the number of bedrooms and bathrooms.

Prices for the units would reflect both size and finishes such as flooring, cabinets, countertops, etc. However, for purposes of this analysis we will use only base prices as a means of determining feasibility.

This example proposes that the 25 housing units be built in three different models. These would include the following:

- 13–1400 square foot units with a base price of \$176,859
- 10–1600 square foot units with a base price of \$202,124
- 2–1800 square foot units with a base price of \$252,655

Options and special type finishes could add an additional \$50,000 to \$100,000 to the sales price at the purchaser's option.

Market Support

In determining market support for a start-up project of this type we are making the following assumptions:

- 20% down payment
- 80% mortgage @ 5.5% for 30 years
- 1% property taxes: \$147

Using these assumptions a 1400 square foot unit would require the following:

1. Down payment of \$35,372
2. Mortgage amount: \$141,487
3. Monthly mortgage payments of \$803.35 excluding real estate taxes
4. Estimated real estate taxes monthly: \$147

Therefore the total monthly housing cost, excluding utilities, would be approximately \$950 per month. Using the same assumptions, the 1800 square foot unit would require the following:

1. Down payment of \$50,531
2. Mortgage amount: \$202,124
3. Monthly Mortgage payment of \$1,148 excluding real estate taxes.
4. Estimated real estate taxes: \$211



As seen in Table 5.2 the most expensive unit would require a monthly housing cost of \$1,359. Using a 30% of household income standard to support housing cost, there are over 32,729 households in the housing market primary trade area making sufficient income to support a monthly housing budget of \$1,550. This would be sufficient to cover the base price of the units.

There are an additional 17,000 households capable of supporting a monthly housing budget of \$3,125. Some of these households would compose the market for upgraded units with higher quality finishes.

Our estimates of demand have been based upon new project start-ups in 2011 when we believe that the following events have occurred:

1. The housing financial markets have been stabilized and credit is again readily available for home mortgages.
2. The economy has rebounded from its current slowdown.
3. The City of Augusta has put into place CBD housing incentive programs.
4. An Urban Core Promotion and Marketing Program has been developed and implemented.
5. There has been sufficient absorption of non-obsolete housing units in the local housing market to bring the vacancy rates for non-obsolete residential units below 5%.

Table 5.2 Market Base for Condo Project Price Range

Household Income	Primary Trade Area Households	Percent of Total Households	Annual Housing Budget	Monthly Housing Budget
\$50,000-\$74,999	32,729	19.49%	\$18,600	\$1,550
\$75,000-\$99,000	19,455	11.59%	\$26,100	\$2,175
\$100,000-\$149,999	17,031	10.14%	\$37,500	\$3,125

Source: U.S. Census Bureau and George Henry George Partners

Financial Feasibility

In undertaking the financial analysis for the Greene Street residences we are moving away from previous assumptions. Instead of using the construction estimates provided, we have evaluated current selling prices in the market for similar housing products and worked our way backwards (inductively) to make an estimate of construction cost. This approach has produced radically different results.

For purposes of this analysis we are making the following assumptions for the development of the single family units:

- Hard cost @ \$65 per square foot
- Soft cost @ 30% of hard cost
- Developer fees @ 30% of combined hard and soft cost
- Land cost at 15% of total cost including developer fees

The use of these assumptions yield a total development cost of approximately \$126.50 per square foot. This is substantially lower than our previous assumptions but may be more consistent with the actual market climate in the Augusta-Richmond, GA-SC, MSA.

District A.1- Downtown Core

Table 5.3 shows our estimation of the feasibility of the Greene Street single-family housing development of 25 units. The table shows that the developer should be able to achieve a net income of over \$375,000 on project income of about \$4.8 million. The net to the developer could be increased substantially if buyers purchased a substantial amount of the options and upgraded finishes that would be available.

Table 5.3 Development Analysis

Greene Street Single Income

13 Units at \$176,859	\$2,299,167
10 Units at \$202,124	\$2,021,240
2 Units at \$252,655	\$505,310
Total Income	\$4,825,717

Development Cost

Hard Cost	\$2,457,000
Soft Cost	\$737,100
Construction Interest	\$330,000
Land Cost	\$622,850
Site Preparation	\$60,000
Sales Cost	\$241,285
Total	\$4,448,235
Net to Developer	\$377,482

Source: George Henry George Partners

For the purpose of this analysis we have made the assumption that the developer would have equity of approximately \$800,000 in the project. We have also assumed a project build-out over two years. This would yield an average annual return of about 23% over the two year project build-out period.

This is the type of project that might be undertaken by a non-profit in partnership with a private developer. The private developer would bring his or her know how to the project while the non-profit might be able to access financial resources for the project which might not be available to the private developer such as funds from new market tax credits.

Profits could be split by a predetermined agreement between both parties.

5.7 Realizing the Augusta Canal Park Neighborhood

Key Early Actions and Overall Timetable

Key elements for successful implementation of this development include:

Vigorous Public and Private Support

The development of a vibrant new neighborhood around the new park and the Third Level Canal will require significant site assembly for both parkland and housing. Thus the concept will require a collaboration of government officials, property and business owners and new ventures into the area for successful implementation. The first step is approval, by the City and the Augusta Canal Authority of the Master Plan; and secondly, immediate follow-up initiatives, including development of a mechanism to facilitate follow-up public/private collaboration of “Champions” to carry the concept to the next level.

Canal Park Champions must step forward

For the Canal Park neighborhood initiative to succeed, the public sector, at a minimum, will be responsible for much of the required public infrastructure. The Augusta Canal Authority could assume responsibility for the new canal park and canal-side linear park.

Augusta Canal Park Neighborhood Illustrative Time Table

Project Initialization	
Year 1	Create consortium of implementers; develop and approve Area Action Plan ;
Public Open Space Infrastructure- (2 Phases)	
Phase 1- Augusta Canal Park Site and Adjacent Private Development Land	
Year 1	See project initialization above
Years 2-5	Complete site pssembly for Park and abutting private development; Finalize Phase 1 private development component and sites. Secure funding, cross agreements and required approvals; Final design and construction of park and related street and waterway improvements.
Phase 2- Telfair and Third Level Canal Site	
Year 1	See project initialization above
Years 2-5	Commence site assembly for Third Level Canalside Park and abutting private development; identify Phase 1 private development component and site
Years 6-10	Secure funding, cross agreements and required approvals; final design and construction of Canalside Park and related street and waterway improvements.
Buildings- (3 Phases)	
Phase 1- Augusta Canal Park Site and Adjacent Private Development Land	
Year 1	Identify first project site and program
Years 2-8	Secure financing, complete final design and construction of new landmark market rate residential condominium facing new Augusta Canal Park. acceleration of existing structure re-use assistance program.
Phase 2- Telfair and Third Level Canal Site	
Year 1	Complete project initiation deccribed above, particularly cross agreements with parcel owners
Years 5-10	Secure financing, complete finalDesign for town house community (affordable and market rate) with easy access to Canal.
years 6-10	Construction of additional new market rate Residential Condominium with ground level retail on Broad Street. Complete new public Garage with ground level Retail between Reynolds and Broad
Phase 3- Completion of Build-out	
Year 11-20	Completion of other new construction and rehabilitation of historic Buildings

District A.1- Downtown Core

Yet to be identified private parties will develop the residential and supporting neighborhood commercial based on criteria and requirements developed as part of the Area Action Plan process. The public sector will also likely provide incentive programs to help underwrite the cost of private development to the level of quality desired.

Development of a Canal Park Neighborhood Area Action Plan

Working with the areas public and private stakeholders, further defines, enriches and refines the Master Plan concept for this water park neighborhood. This includes well-defined physical and activity programs that stakeholders believe in, that have the approval and support of governing officials, and includes an agreed upon implementation approach.

Control of key sites

Key sites include the area between Greene and the Third Level Canal from the RR tracks to the west to 11th Street to the east. Most of this area is currently in private ownership and site assembly is a priority. The properties would be held by new owners, with present tenants remaining on site, until that individual parcel or a combination of parcels would be ready for redevelopment. At that time the City should issue to private developers a Request for Development Proposals, based on requirements established as part of the Area Action Plan.

Potential Funding Sources

The New Market Tax Credit Program (NMTC) is a federal tax initiative that is designed to increase the amount of investment capital available for economic and urban development programs is low-income communities. The NMTC Program provides private sector investors such as banks, insurance companies, corporations, and individuals with federal income tax credits in return for new investments ranging from small business start-ups to real estate development.

In order to qualify for such funds the CDC or non-profit would need to be certified as a Community Development Entity (CDE). However, if the CDC does not want to take this route it may chose to apply to existing CDE's to fund their Land Acquisition Revolving Loan Fund.

However in this case, the money would be provided in a low interest, interest only loan for up to seven years. One important value of the NMTC Program is that it can provide loans for pre-development on projects that are unlikely to receive traditional funding. These loans can be used for activities such as land acquisition, demolition, site preparation, construction, renovation and infrastructure improvements.

This tool could be especially effective if a CDC or non-profit does the necessary preparation work and develops the knowledge capacity to use this resource.

The financing tools that we have identified can be used in tandem to create an effective creative financing approach for land acquisition and development. The ability to attract these resources would enhance the partnership between the CDC and a private developer due to its ability to attract cheaper development dollars.



5.8 Immediate Next Steps

This approach would be a much cheaper alternative than the conventional financing route but would also require more coordination and cooperation.

The \$5.4 million in public financing would require funds from the most typical sources. These include:

- SPLOST Funds
- Municipal Bonds
- Community Development Block Grant Funds
- Canal Authority Capital Budget Funds

While additional work needs to be done to button down the actual cost of this project, our analysis suggests that this is the type of project can be done in Augusta if there is strong commitment on the part of the city and development community to build a strong downtown residential sector.

Following approval of the Plan by the City. Several initial actions are appropriate.

1. The exact placement of this large park should be determined on the basis of the future disposition of the J.C. Calhoun Expressway, so any action would likely await the recommendation of the Urban Area Transportation Planning Review. If the Expressway remains, the potential of making a strong connection to the Medical Area and the use of Sacred Heart Cultural center as a cornerstone of the park is diminished such that the park may be better situated a block further east. Therefore the Transportation Planning reviews should be completed as soon as possible.

2. In the meantime, assuming approval of this concept and the Master Plan, site assembly of public parkland could commence.
3. The plan also suggests enlargement of the Third Level Canal into a boating lagoon in this area. This would require study and approval by the Augusta Canal Authority.

All of the above suggests that the Area Action Plan for this area should be done in concert with those of surrounding areas.



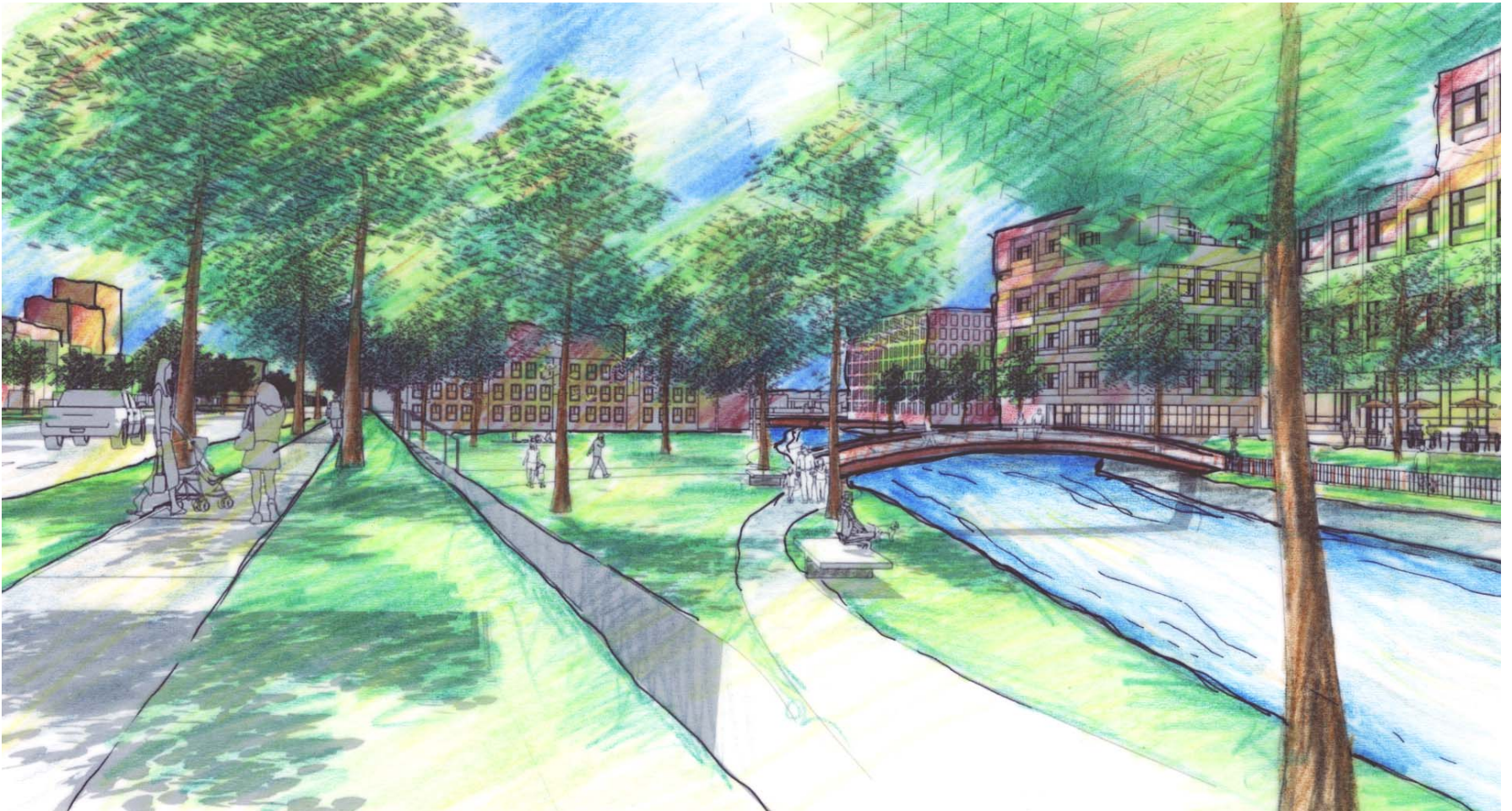
Market Creation Project 6: *St. Sebastian Heath Sciences Park*

6.1 The Big Idea

The city, indeed the county and the region, joined with the health sciences community, could realize a cutting edge, nationally significant, mixed-use health sciences park on the scale of University of California San Francisco's Mission Bay in this area of underutilized land between the present medical area and the downtown core.

Market Creation Project 6: St. Sebastian Heath Sciences Park

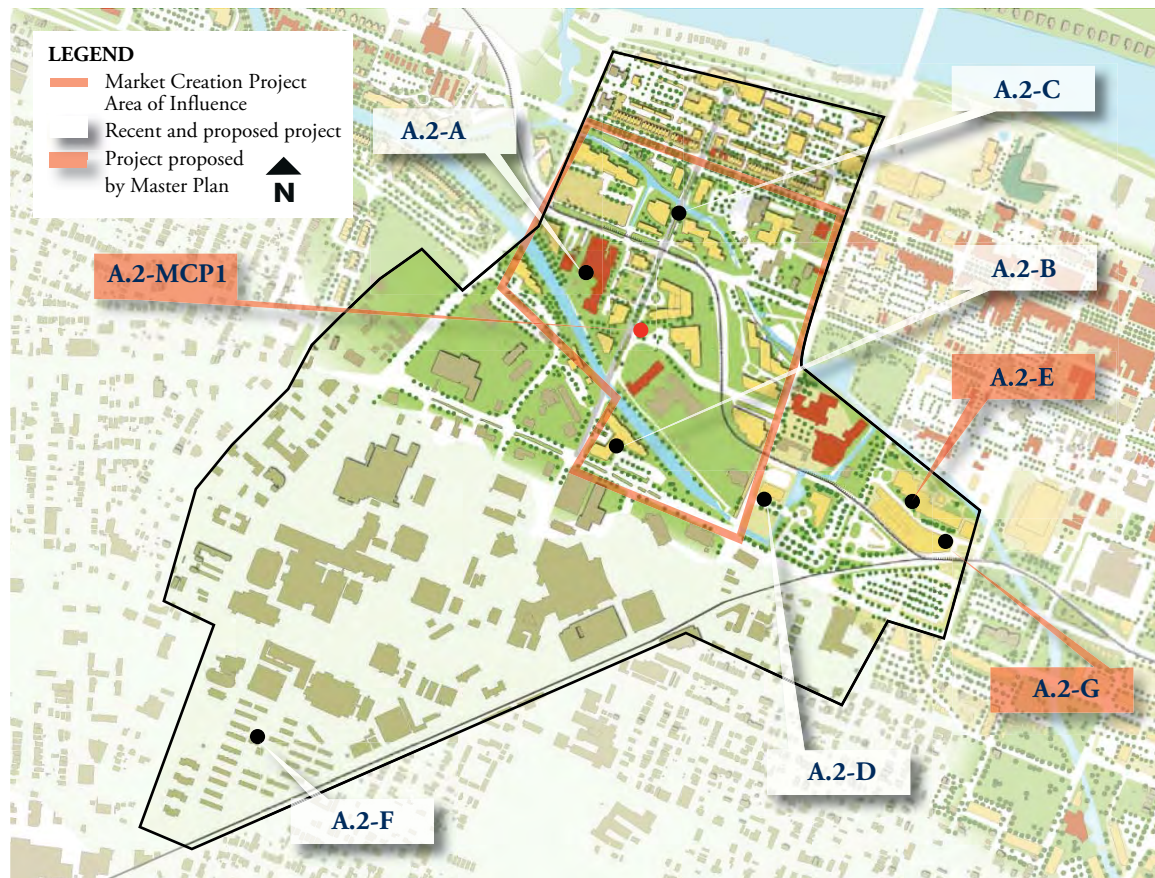
St. Sebastian Heath Sciences Park



District A.2- Medical District

6.2 Goals and Objectives

Medical District Boundary with Key Projects and Initiatives



The goals of this project are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Use this area to move Augusta's Health Sciences' industry to a whole new economic level, as dramatic a city-building initiative move as when Augusta became "the Lowell of the South" more than 150 years ago.
2. Use the canal system as a framework for re-development of this area into a world-class, green and sustainable Health Sciences Park, with environmentally friendly buildings and systems throughout.
3. Locate this development in this particular area, with multiple pathways to downtown, such that both will benefit from this adjacency.
4. Make this area so attractive that the "best minds", "best practices" and substantial research dollars are drawn to this initiative from around the world.

6.3 The Scene Today



Looking northwest over the Medical District between the Savannah River and the First Level Canal.

This area is bounded by 13th and 15th Street and Broad Street. There are many acres of underutilized land within this area. This was the industrial heart of Augusta's textile mill heritage. The first, second and third levels of the Augusta Canal wind through this area. Today, only the Enterprise and the Sutherland Mills remain, and both have been restored to new uses. The Enterprise in particular is a beautiful, iconic reminder of those days and those activities, which turned a sleepy town into one of the nation's premier manufacturing centers, The Medical College of Georgia.

The Calhoun Express way bisects the site on an elevated viaduct, forming an obvious barrier and deterrent to development. An active railroad line passes through this area, and often long train assemblies approaching one hundred cars run through the area.

District A.2- Medical District

ST. SEBASTIAN HEALTH SCIENCES PARK

A) New high-tech campus between Broad Street and Walton Way

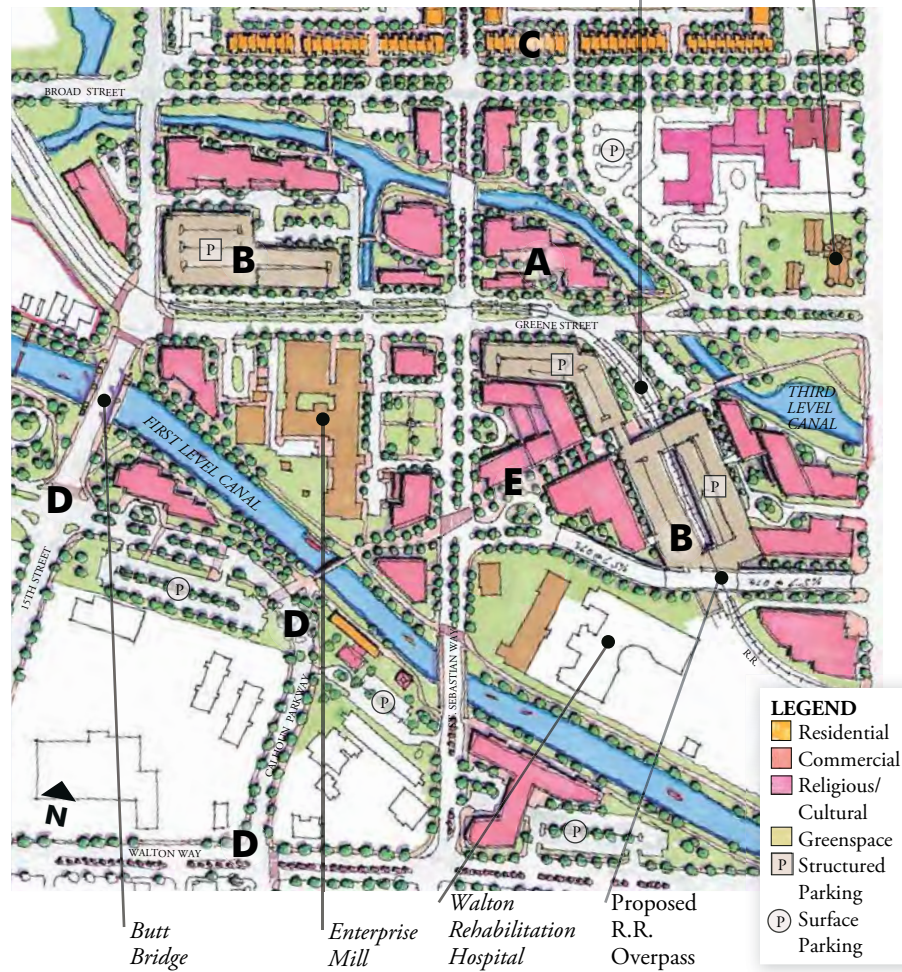
B) New parking decks to buffer railroad and provide emergency crossover

C) Twenty-first Century brick front townhouses along the north side of Broad Street

D) Direct connection from reconfigured J.C. Calhoun Expressway into the heart of the medical area

E) Greenway to downtown

St. Sebastian Health Sciences Park
Illustrative Site Plan



LEGEND	
	Residential
	Commercial
	Religious/Cultural
	Greenspace
P	Structured Parking
P	Surface Parking



6.4 Illustrative Full Development Program

The fundamental question is whether or not this area is to be developed in a coordinated or ad hoc fashion in the future. In this scenario, a large scale, coordinated development is assumed. The development program is divided into 1) Public Infrastructure and 2) Institutional and Private Facilities which locate here.

Public Infrastructure

Completion of the St. Sebastian Way Extension and the Greene Street/Riverwatch Connection

This project is currently under construction and will provide the cross-spines on which a mega-project can be built.

Construction of the Linear Park and Greenway Connections along the Canal Network

This important amenity element will help attract investment to the area, as well as meet one of the over-arching goals of the Master Plan, i.e. to develop an integrated open-space network of paths and nodes, which reinforce the theme of: “Garden Cities in the Midst of a Green and Natural Region” and connect the Medical Area to the Downtown Core.

J.C. Calhoun Reconfiguration

This transportation initiative would end the expressway vehicular lanes at 15th Street and use the former ‘flyover’ right-of-way for redevelopment and bike/foot paths leading to downtown. Auto traffic in the area could have better access into the medical area, thanks to a ground level intersection at 15th Street with an extension to old Bailie Street. The elimination of this “fly-over” would open the area

to the medical area, and re-establish a sense of the historic scene. This would also allow for creation of a well-balanced park in front of the Sacred Heart Cultural Center

Train Related Noise and Vibration Mitigation

Continued freight train service through this area seems to be a given. Measures to mitigate the noise and vibration impacts, i.e. the establishment of no whistle zones and anti-vibration road beds, ties and rail connections are available and should be introduced in these areas.

Rail Road Overpass

A railroad overpass from St. Sebastian Way to 13th Street, would avoid train traffic for those going from the medical area to Downtown or North Augusta. Direct connections to structured parking in this area could further facilitate ‘cross-track’ movements.

Parking Garages

The Plan recommends placement of parking and utility structures in such a way that they buffer inhabited facilities from noise and vibration.



District A.2- Medical District

Table 6.1 Cost Estimate for St. Sebastian Health Sciences Park

Conceptual and Illustrative Program and Cost Estimate

							Totals by Phase	
PRIVATE/INSTITUTIONAL BUILD-OUT	Unit	Units	Gross sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
Illustrative HS Building 1	SF	1	60,000	\$300	18,000,000	TBD	18,000,000	
Illustrative HS Building 2	SF	1	210,000	\$300	63,000,000	TBD	63,000,000	
Illustrative HS Building 3	SF	1	150,000	\$300	45,000,000	TBD	45,000,000	
Illustrative HS Building 4	SF	1	90,000	\$300	27,000,000	TBD	27,000,000	
Illustrative HS Building 5	SF	1	100,000	\$300	30,000,000	TBD		30,000,000
Illustrative HS Building 6	SF	1	160,000	\$300	48,000,000	TBD		48,000,000
Illustrative HS Building 7	SF	1	240,000	\$300	72,000,000	TBD		72,000,000
Illustrative HS Building 8	SF	1	280,000	\$300	84,000,000	TBD		84,000,000
			1,290,000		387,000,000	0	127,500,000	234,000,000
				Soft Costs @	23%		29,325,000	53,820,000
					Total Private/Institutional Build-Out		156,825,000	287,820,000
INFRASTRUCTURE								
Roads and Parking								
Internal Roads (w/ Imprvts)	LF	1500		200	300,000	TBD	200,000	\$100,000
15th/Greene Street Parking								
Garage	Spaces	610	420	50	12,810,000	TBD	12,810,000	\$0
Central Parking Garage	Spaces	1000	420	50	21,000,000	TBD		\$21,000,000
RR Noise and Vibration Mitigation								
Note: Special Funding Program Required								
"Jump Ramp" @ RR	LF	1000		2,500	2,500,000	TBD		\$2,500,000
Surface parking	Spaces	610	350	20	4,270,000	TBD	2,000,000	\$2,270,000
			610,000	Soft @	25%	0		\$0
Public Open Space								
Broad St Park	LS	say, allow...			1,500,000	TBD	1,500,000	\$0
Calhoun Greenway	LF	1000	30	80	2,400,000	TBD		\$2,400,000
Third Level Canal Walk	LF	1000	30	80	2,400,000	TBD	2,400,000	\$0
				Total Infrastructure	47,180,000		\$18,910,000	\$28,270,000
							NET ALL PHASES	\$491,825,000
INFRASTRUCTURE SOFT COSTS								
Area Action Plan					0.10%	245,913		245,913
Infrastructure Design					10.00%	1,891,000		2,827,000
Contingency					15.00%	2,836,500		4,240,500
						\$4,973,413		\$7,313,413
Total Infrastructure Costs						23,883,413		35,583,413
Total Private and Public						180,708,413		323,403,413



Institutional and Private Build-out

The Plan envisions development of a nearly 1.3 million square foot health sciences park as a major expansion of the existing health science district, made up largely of the Medical College of Georgia and its teaching hospital, University Hospital, the Veteran's Hospital, Walton Rehabilitation and a number of smaller health related businesses and organizations. The idea behind this vision is to capture the value of these health service anchors to attract a wide variety of entrepreneurial and research activities in the health sciences field to the urban area of the Augusta-Richmond County MSA.

This is not just a physical development, it is an economic strategy using a market creation approach initially to attract top biotech researchers and small biotech companies to the Augusta-Richmond, MSA. These are possible because talent is now portable and because similar type companies want to cluster in a single geographic area in order to leverage their knowledge base. The current base of biotech companies in the States of Georgia and South Carolina is relatively small and scattered across the state. In Georgia we identified the following:

- Agilent Technologies
- AtheroGenics
- Inhibitex
- Noramco
- Clinimetrics
- Milkart
- Theragenics
- Bayer

These companies are involved in a range of research and product development including technology, inflammatory diseases, pharmaceutical ingredients, medical devices, oral and tablet formulation, and the manufacturing of drugs. Two companies were identified in South Carolina, these were AA1Pharma in Charleston specializing in pain management medications and Martek Biosciences in Kingstree that manufactures and sells products derived from algae.

Experience has shown that it is nearly impossible for small companies to grow in isolation and that they require the technical assistance and the wisdom from older executives that a research park can provide.

In addition to the buildings, the St. Sebastian Health Science Park should have a program that offers the following:

- Venture Capital
- Low Interest Revolving Loan Funds
- Technical Assistance Program
- Discounted Legal Assistance Fees

The park, as envisioned, at full build-out, will consist of buildings ranging in size from 60,000 to 280,000 square feet. The buildings may be either single tenant or multi-tenant buildings based upon demand at the time of construction. The type of space that the park will provide is very specialized space because generally there are a shortage of buildings that can meet the air quality standards for certain kinds of biotech research. These are buildings that have been engineered for compliance with NIH and FDA standards. Generally, this requires large laboratories featured with metal casework with epoxy tops served by central de-ionized water, gas and vacuum systems. The facility also requires emergency power equipment, an effective perimeter security system, and ample parking for employees and visitors.

District A.2- Medical District

From Walton Way to the First Level Canal

Densification of the former Sears site will likely be the major growth strategy for the Medical College over the next decade. Sites created or mitigated by the elimination of the Calhoun Expressway flyover could accommodate additional MCG educational and clinical needs. If existing parking were converted from surface to structured facilities, land would be available for several hundred thousand square feet of building within an attractive, well-landscaped MCG campus.

From the 1st Level Canal to the Railroad Tracks

Between the First Level Canal and Broad Street, development initiatives should first focus on creating partnerships between the private sector and the Medical College of Georgia. The Enterprise Mill is extremely important as an existing mixed-use anchor, and, with the consolidation of parking to garages, that property could be further developed primarily as adjunct and service uses.

Denser new development with a large percentage of structured parking would focus on the east side of St. Sebastian Way. The bulk of existing surface

parking would be moved to structured facilities and more formal open green space would enhance the fronts of historic buildings.

From the Railroad Tracks north to Broad Street

Create a state-of-the-art research corridor along the Third Level Canal and around the new St. Sebastian Way connector. Mid-rise development would orient to the Third Level Canal and its linear park. As noted above, the Medical College of Georgia would be a full partner in development of this new industry in this area.

Three and four story residential and office space, built by private interests would line the north side of Broad Street, reestablishing the urban structure of this important street. The few historic homes would be preserved and renovated to new uses.

In the area bounded by the railroad right-of-way, Greene and 13th Streets, the elimination of the Calhoun in this area would allow development of new mixed residential and office buildings fronting the proposed Augusta Canal Park and the beautiful Sacred Heart Cultural Center.

Jones and Reynolds Street

This gateway area for the two cities and the medical district is prime for redevelopment as an auto-oriented commercial/office center. Uses could range from gas stations and fast food, to drive-thru banking, to doctor's offices. All would be done under design guidelines that insure well landscaped open areas and edges, as well as building set back requirements and signage control that compliments this important gateway.



6.5 Comparable Projects in other Cities

There are number of different university research parks or life sciences parks around the country that have been developed over the last two decades. However, one development that could be used as a model because of its strong urban orientation is the Virginia Bio Technology Research Park in Richmond, Virginia. The park is situated on 34 acres of land that is next to the Virginia Commonwealth University Medical Center.

The park now has over 55 public and private life science organizations that occupy more than 1.1 million square feet of space on nine buildings and employ more than 2000 scientist, engineers, technicians and support staff. Capital investment in the facilities is already approaching \$500 million.

At full build-out the park will contain 1.5 million square feet of research, office and laboratory space in more than one dozen buildings and employ 3,000 scientist, researchers, engineers and technicians, working in fields that include drug development, medical diagnostics and devices, biomedical engineering, environmental biosciences, and forensics and laboratory services.

The idea for a park of this type was started in the mid 1980's when the business and civic leadership of the city began to discuss how a research park might attract life sciences companies into the downtown area. However it took a new President at the university to get things going. The planning process began in 1992 as a partnership between the Commonwealth of Virginia, The City of Richmond, and Virginia Commonwealth University. The park was incorporated as a 501-C-3 in May of 1992 and began operating as the Virginia Biotechnology Research Park Authority in July of 1993.

The park officially opened in 1995 after the completion of the Virginia Biotechnology Center which housed the commonwealth's first technology incubator and administrative office space. The park has expanded its business assistance function to early stage companies with the creation of the Virginia Biosciences Development Center. The park has 16 business partners in the Richmond area who support the park with substantially reduced rates for service. These include both law and CPA firms.



6.6 Start-up Program

Start-up Project Concept

Ideally, the start-up project would include a biotech incubator, wet lab space, administrative office space, and rental space for more mature biotech companies who want to locate into the area because of its positive business climate, location near the hospitals and Fort Gordon, or the Savannah River Plant.

As a startup project we would propose the following initiatives.

Table 6.2 Development Analysis

Venture Capital Fund	\$1,000,000
Revolving Loan Fund	\$1,000,000
Technical Assistance/Marketing/Financial & FDA Approval Process	\$500,000
Discounted Legal Services	-0-
HS Building 1 (60,000 square feet)	\$18,803,200
Internal Road	\$200,000
Surface Parking	\$528,000
Total	\$21,561,200

This initial effort requiring approximately \$21.6 million in total development cost with less than \$2.7 million being in public cost would serve as the initial catalyst to spur the growth of technology firms in the Augusta-Richmond, MSA.

Market Support

The market support for such a development must be created. There is no traditional market demand for such a facility. However as the history of the development of the Virginia Biotechnology Center shows, once the park became identified as “the research area” in the city, state and local government as well as Fortune 500 companies wanted to locate facilities in the park. For example, Biotech Five is the home of the North American Research and Development Center for Infilco Degremont, Inc., the U.S. affiliate of the world’s leading water treatment engineering company. Biotech Nine is the home of the Phillip Morris USA Center for Research and Technology. This is a \$350 million structure in which most of the company’s worldwide R & D efforts have been consolidated.

The absence of a strong base of biotech firms in the Augusta metro area indicates that at present that there is little or no demand for the type of specialized space proposed in this plan. We have noted that while that office data for the Augusta market is not sufficiently accurate for good conclusions to be drawn on the extent of demand. However, where statistics are available at the national level and in the Greenville, SC and Columbia, SC markets, which are similar, we have found that vacancy rates are above 10%.

Financial Feasibility

We have therefore concluded that the national commercial office market is soft as well as similar local markets such as Greenville and Columbia. Further, conditions in Augusta probably reflect this trend as well. This is reflected in Augusta by the amount of space that is still available for rent and the offering prices per square foot.

All of these factors reinforce the fact that a major private/ city/ county/ state joint effort will need to be made to create a market for the proposed health sciences park.

In undertaking the financial analysis for the 60,000 square foot health sciences building we are using the construction estimates determined from other similar projects and adjusted somewhat for pricing in the Augusta-Richmond, MSA. For purposes of this analysis we are making the following assumptions for the development of the 60,000 square foot health sciences building.

- Hard cost shell @ \$120 per square foot
- Tenant improvement allowance @ 100
- Soft cost @ 30% of hard cost = \$36
- Land cost at \$10 per square foot
- Surface parking a @ \$4,000 per space

Note: In addition there is generally a tenant contribution required from \$100-\$120 per square foot which is not borne by the developer.



Market Creation Project 6: St. Sebastian Heath Sciences Park

Table 6.3 Estimation of Total Development Cost Health Sciences Building 1

Land Cost @\$10 psf	\$1,060,000
Hard Cost @129 psf	\$7,200,000
Tenant Improvement @\$100 psf	\$6,000,000
Soft Cost@\$36 psf	\$2,160,000
Surface Parking @\$4,000 per space	\$528,000
Builders Fee @ 15%	\$2,383,200
Total Development Cost	\$19,331,200
Total Building Size	60,000
Development Cost Per Square Foot	\$322.19*

Note: Does not include tenant improvement contribution of \$100 per square foot Source: George Henry George Partners

The use of these assumptions yield a total development cost of approximately \$322.19 per square foot. Table 6.3 shows our estimation of total development cost, not including an additional tenant contribution of approximately \$100 per square foot.

It is therefore obvious that due to the specialized character of these type facilities, they can be expensive to develop, especially when considering the additional tenant contributions that are likely to be required.

Table 6.4 shows our estimation of the operating results for the 60,000 square foot health sciences building assuming rents of \$30 per square foot which would be expected for this type of quality space. The table shows that the park authority should be able to achieve a net income of approximately \$820,000 on project income of about \$2.7 million. However we should note that if we add back depreciation and amortization expenses approximately \$1.5 million would be available annually to support debt service.

Table 6.4 Development Analysis for Health Sciences Building 1

Income @ \$30per square foot	\$1,800,000
Vacancy Rate @ 5%	\$90,000
Net Rental Income	\$1,710,000
Contributions	\$566,898
University Support	\$353,937
Interest Income	\$39,684
Miscellaneous Income	\$15,630
Total Operating Income	\$2,686,149
Operating Expenses	
Salaries and Benefits	\$315,299
Marketing and Promotion	\$131,377
Occupancy Cost	\$601,335
Administrative	\$ 70,183
Amortization Expenses	\$107,616
Depreciation Expenses	\$615,644
Other	\$24,384
Total Operating Expenses	\$1,856,836
Operating Income	\$820,312
Add Back Amortization Expenses:	\$107,616
Add Back: Depreciation	\$615,644
Net Available for Debt Service	\$1,544,572



6.7 Realizing the St. Sebastian Health Sciences Park

Key Early Actions and Overall Timetable

Vigorous Public and Private Support

Of all projects and initiatives identified in this Master Plan, development of the health sciences industry is the most complex but has the biggest payoff in terms of the long term growth and economic health of the Urban Area and, indeed, the region. Following approval by the City, of the Master Plan, a mechanism to facilitate follow-up public/private collaboration, a “Consortium of Champions” to carry the concept forward must be developed.

Initially, the focus is local, but state and federal decision makers must be approached quickly. In particular, the leaders of the City and the medical community, led by MCG, should organize the political and business community leadership of the entire region to rally around this Health Sciences initiative.

Current land-owners must participate. For this endeavor to have any chance of succeeding, a key first step, is to have site control of sufficient land, properly located and configured to bring to the table.

The railroads, Georgia DOT, and Georgia Power are all key players and must be convinced that it is in their interest to collaborate on this initiative.

Canal Park Champions must step forward

Augusta’s highest level leaders of the political, business and medical institutional sectors, must further develop and sell this plan. An exploratory committee, led by the heads of the state congressional delegation, the county commissioners, the mayor, the MCG president and a recognized business leader, should initiate this process.

Development of a St. Sebastian Way Health Sciences Park Area Action Plan

With this plan the consortium, would work with the area’s public and private stakeholders, further define, enrich and refine the Master Plan concept for the Health Sciences Park. This includes well-defined physical and use programs and time-tables that stakeholders believe in, that has the approval and support of governing officials, and includes an agreed upon implementation approach.

Market Creation Project 6: St. Sebastian Health Sciences Park

Control of key sites

This Master Plan identifies the area between the existing railroad right-of-way and Broad Street as the site of Phase One Development. The land is in relatively few hands and there is interest on the part of some to sell or to participate in the development. This area is key in that it will be opened up and better connected to both downtown and the medical campus core by the new St. Sebastian Way. St. Sebastian Way Health Sciences Park is a massive undertaking which will require multiple financing vehicles from numerous sources to realize. The core strategy includes at least four key public program components, designed to make it a viable undertaking.

St Sebastian Health Sciences Park Illustrative Timetable

Project Initialization	
Year 1-2	Create consortium of Health Sciences implementers; develop and approve Area Action Plan ; identify Phase 1 private development component and site; complete site assembly.
Public Open Space Infrastructure- (3 Phases)	
Phase 1- RR Tracks to Broad Street	
Year 1-5	Identify developer entity/partners; secure funding, cross agreements and required approvals: finalize future of J.C.Calhoun flyover
Years 6-10	Final design and construction of site improvements, including Third Level Canal and Broad Street parks
Phase 2- Broad to Reynolds	
Years 1-6	Secure financing; final design and construction of roadway and streetscape improvements facilitating repositioning of this area as attractive auto-oriented office/commercial/retail zone.
Phase 3- Walton Way to Tracks	
Years 6-10	Secure financing; ; final design and construction of remaining public improvements required to realize this project.
Buildings- (3 Phases)	
Phase 1- RR Tracks to Broad Street	
Year 1-5	Identify developer entity; secure funding, cross agreements and required approvals
Years 6-10	Final design and construction of Phase 1 facilities, including parking structure and support buildings
Phase 2- Broad to Reynolds	
Years 1-5	Complete redevelopment design guidelines and financing/relocation assistance agreements; enact program
Years 6-10	Monitor and administer program
Phase 3- Walton Way to Tracks	
Years 2-6	Finalize development agreements, coordination with DOT and abutters regarding roadway improvements; final design and construction of remaining facilities including joint expansion of Enterprise Mill area, structured parking/RR overpass between St. Sebastian and 13th Street.
Years 6-15	Financing agreements, final design and construction of remaining public improvements required to realize this project.
<p>NOTE: Though not a part of the St. Sebastian Area, the blocks bound by 10th, 13th, Walton Way and the Third Level Canal are included as part of the overall Medical District as the 10th Street Health Sciences Park.</p> <p>This is a strategic central location where a number of uses make sense including Health Sciences facilities, a central Transportation Center for the Urban Area, a potential Arena replacement site are just a few examples.</p>	

District A.2- Medical District

Potential Funding Sources

For Infrastructure

SPLOST Funding for Core Infrastructure Improvements along Broad Street and Third level Canal Park

Apply in 2009 for SPLOST funds for professional planning and design services related to developing an Area Action Plan, which would include public infrastructure improvements along the canals and cost/benefit analysis related to reconfiguration of the J. C. Calhoun Expressway in this area.

Public Financing to build in Public Open Space Amenity

Public financing such as Tax Allocation District (TAD) programs allow future tax revenue from new development to underwrite additional infrastructure and public sector improvements, including, but not limited to street trees, environmental graphics, signage, and other improvements.

Foundation and Federal/State Grant Programs

Actively solicit private and corporate foundations to support this concept. Seek out aid from NIH and similar governmental sources.

For health sciences facility development

Ultimately, much of the development will be privately financed, as equity or loans. Further incentives, such as tax relief and property purchase write-downs, may be needed to realize this market creation project.

One preferred means to finance this project would be through the use of revenue bonds. We have estimated that if revenue bonds could be issued for a period of 20 years with coupon rates ranging from 3.7 percent in year one and escalating to approximately 6.1 percent in year 20 it would require a small subsidy of about \$200,000 in the first year but none thereafter unless rental income did not perform up to expectation. Another major funding source is through fou

The \$2.7 million in public financing would require funds from the most typical sources. These include:

- SPLOST Funds
- Municipal Bonds
- State Government Funds

While additional work needs to be done to button down the actual cost of this project, our analysis suggests that this type of project can be done in Augusta if there is strong commitment on the part of the Medical College of Georgia, the City of Augusta, and the State of Georgia.



6.8 Immediate Next Steps

Efforts to develop this concept have been mentioned for several years, with little success, due largely to lack a detailed strategy, adequate resources and sustained, coordinated action on the part of the City and the Health Sciences entities. This project redefines and expands earlier initiatives.

1. Development of a mechanism to facilitate public/private collaboration to carry the concept to the next level. To this end, a high-level consortium (state and local officials, leaders in the medical community, the business community and other key stakeholders) should be established, properly staffed, financed and charged with implementing this plan. This can be started through an Area Action Plan process, directed by this consortium.
2. If there is not adequate land available, there is no opportunity for support for anything other than ad hoc development. The City of Augusta, with the cooperation of others, must move quickly to assemble the Phase One area identified above, and hold it until its full potential can be identified and implemented.
3. SPLOST and/or other funds should be approved and released to allow planning, design and construction of the key open-space, health, safety and welfare, infrastructure components. This will promote tangible early results which have immediate public benefit, while making the area more attractive to potential private/foundation investment.

This initiative will likely require a decade and more of devoted effort involving a skilled full-time professional director and supporting staff, as well as significant dollar and political capital. Properly conceived and played, this is market creation at its best, building on existing attributes and assets, to move to a whole new level. The pay-off is a large scale initiative which can grow across the entire medical expansions area, and would redefine not only the Urban Area, but also the entire region.

Market Creation Project 7: *Harrisburg Canal Village*

7.1 The Big Idea

Harrisburg needs a new mixed-use retail center, in the spirit of the one that served this area in the early twentieth century, providing needed services while giving the neighborhood a new image and identity. The First Level Canal, as it runs from Chaffee Park eastward to the historic and iconic Butt Bridge, offers nearly a mile of high quality waterfront. An up-scale, European-styled canal village with the canal-bordered, tree-lined path and near continuous row housing would facilitate more direct access to the water with auto access and parking in the rear. This canal-side parkway would be part of the greenway network connecting to downtown. At Broad Street, the village would flow into the historic mill scene with a new neighborhood center of mixed historic and site-appropriate, new construction. This retail development would be supported by the combination of new surrounding residential and increased street traffic along the improved Broad Street corridor.

Market Creation Project 7: Harrisburg Canal Village

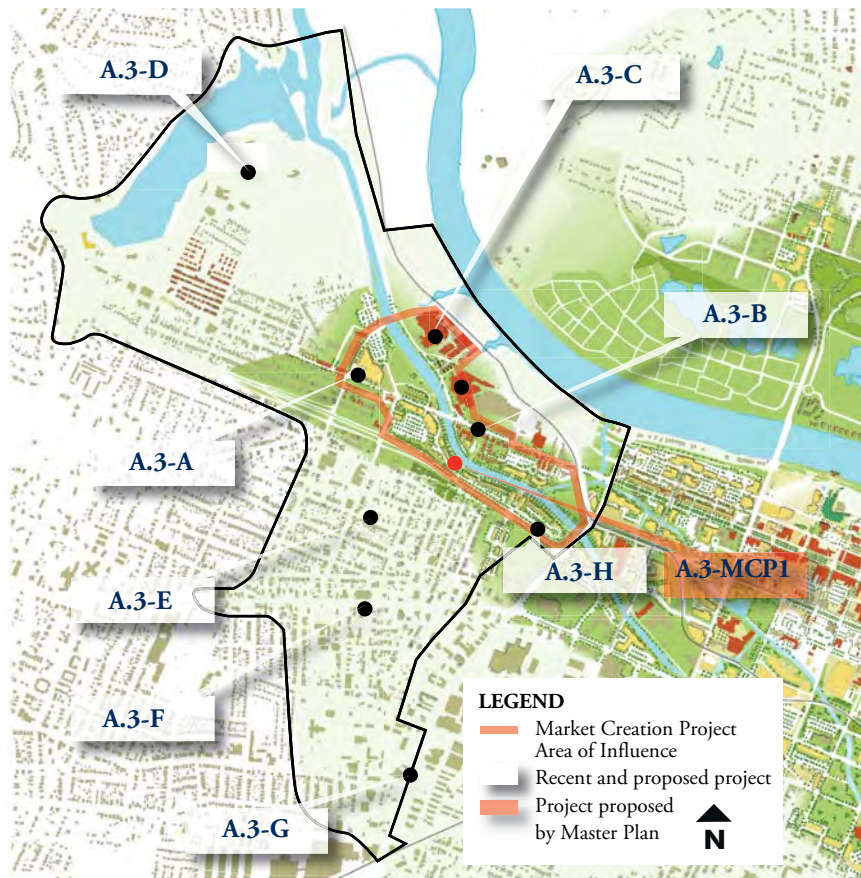
Harrisburg Canal Village



District A.3- Harrisburg

7.2 Goals and Objectives

Harrisburg District Boundary with Key Projects and Initiatives



The goals of the Harrisburg Canal Village development are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Reposition Harrisburg as a safe, stable and pleasant in-town Augusta neighborhood.
2. Promote revitalization of Broad Street in Harrisburg.
3. Preserve and enhance the Augusta Canal National Heritage Area mill village setting through sensitive adaptive reuse and appropriate new infill projects.
4. Entice people with more disposable income to return to the Urban Area, by creating a desirable, waterfront, high-end new residential district along the canal.
5. Attract investment to create affordable housing units by rehabilitating existing buildings in the neighborhood.
6. Reconnect the Harrisburg neighborhood across the Calhoun Expressway.



7.3 The Scene Today



Looking over the Harrisburg District along the First Level Canal.

The area generally runs along either side of the First Level Canal between the Butt Memorial Bridge and Chaffee Park and along Broad Street from 15th Street across Crawford Avenue to the Ezekiel Harris House. The majority of properties along Broad Street are underutilized and in need of extensive repair.

While there are a number of active churches in the area, the blocks that lie between the Calhoun Expressway and the canal, running from 15th Street to Crawford Avenue are comprised of largely vacant parcels and distressed housing. Georgia Power has power line easements along canal banks through this area, which, at present, makes it impossible to develop this resource into a meaningful amenity.

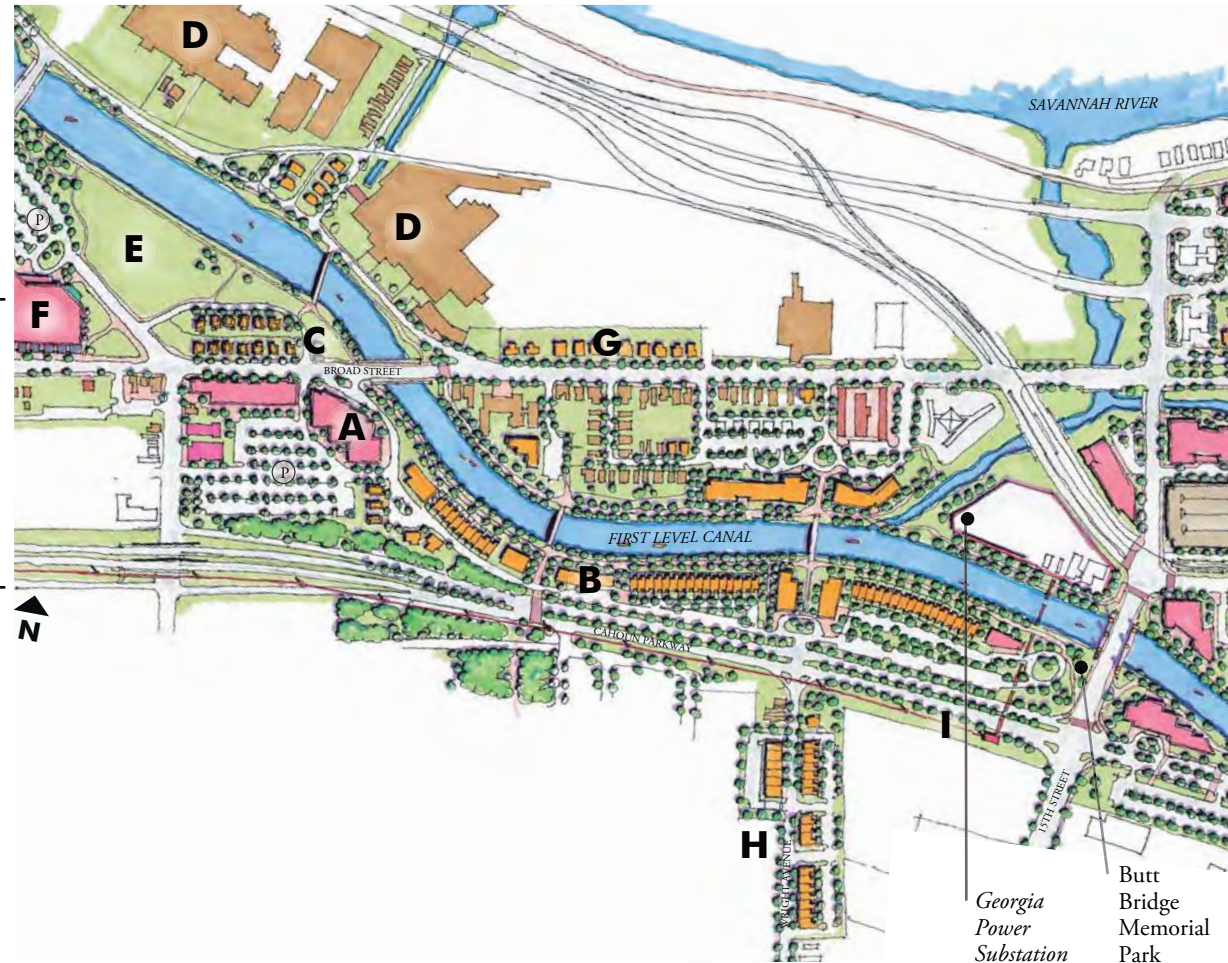
The Proposed Kroc Center project at the corner of Eve and Broad will not only enhance the area, but will also provide a critical back drop for the Canal Village project. The proposed revitalization of Chaffee Park and reinterpretation of the historic scene, all of which is part of the Kroc Center development will further prepare this area for private redevelopment.

District A.3- Harrisburg

Harrisburg Canal Village Illustrative Site Plan

HARRISBURG VILLAGE

- A)** New Village Commercial Center
- B)** Residential development along the First Level Canal
- C)** Recreated Historic Mill Housing Setting
- D)** Sibley and King Mills redevelopment
- E)** Chaffee Park revitalization
- F)** Kroc Center
- G)** Infill housing along Broad Street
- H)** Establish residential buffer along Wright Avenue to halt encroachment
- I)** Relocate/bury utility lines



- LEGEND**
- Residential
 - Commercial
 - Religious/Cultural
 - Greenspace
 - P Surface Parking

7.4 Illustrative Development Full Program

The Plan envisions capturing the value of the canal in Harrisburg as one component of a major development initiative that will build an additional 270 new housing units not including current plans for the renovation of the Sibley Mills. The new housing development would include 100 waterside town house units, 120 apartment units, and 50 new units of residential infill. In addition the vision calls for 12 relocated houses and 80,000 square feet of commercial retail and service.

Over a 20 year period the area could see new and improved roads and parking and quality open space with improvements including a new canal frontage road, surface public parking, and the conversion of J.C. Calhoun Expressway to a parkway. There would be canal footbridges, canal path improvements, Broad Street streetcaping, Chafee Park improvements, a Harrisburg Connector and Hawkes Gulley Raceway.

Public Infrastructure

Broad Street Improvements

These would include all of Broad Street as it passes through Harrisburg, from Washington Road to 15th Street, with a particular emphasis on street tree planting and the burial of overhead utility lines from Eve Street to 15th Street.

First Level Canal Utility Line Relocation

No significant redevelopment can occur along the First Level Canal until the existing lines, both high tension and distribution, are either relocated (likely to the Calhoun ROW) or placed under ground. This is a high priority first step for this area.

Calhoun Expressway Reconfiguration

While the Canal Village project could go forward without this initiative, reconfiguration of the Calhoun Expressway would facilitate vehicular access, cross-connections within the neighborhood, realignment of utilities and potentially make more land available for both parkland and private redevelopment.

Private Buildout

Harrisburg Neighborhood Center

Bounded by Crawford Avenue, Broad Street, the Calhoun Parkway and the canal, this project would add new construction with historic structures in a mix of retail, church, civic and residential uses reminiscent of the vibrant historic scene supposed in the early 20th century. This reinterpretation would be designed to serve both the adjacent residents, as well as motorists along Broad Street.

Harrisburg Historic Millworker Housing Setting

This project would relocate and restore six to eight historic mill worker houses on the north side of Broad, opposite the proposed neighborhood center, as part of the Kroc Center Mitigation requirement for their new facility which has negative impacts on the area's Historic Scene.

Canal-side Residential

Once utilities are relocated, a high-end residential development can take advantage of this uniquely sited waterfront location. This project would after new construction infill of sites adjacent to on-going millworker housing renovation along Broad Street, and would re-use the former Martha Lester School and the historic city stables, thereby encompassing the area between the Calhoun and the Broad Street corridor.

District A.3- Harrisburg

Table 7.1 Cost Estimate for Harrisburg Canal Village

Conceptual and Illustrative Program and Cost Estimate									
							Totals by Phase		
PRIVATE BUILD-OUT	Unit	Qty	sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)	
NOTE: EXCLUDING SIBLEY AND KING REDEVELOPMENT									
Residential New Waterside Townshes	DU	100	2,500	140	35,000,000	TBD	0	35,000,000	
Residential New Waterside Apts	DU	120	1,200	140	20,160,000	TBD	0	20,160,000	
Worker Housing Setting (Relocated)	DU	12	800	140	1,344,000	TBD	1,344,000	0	
Residential Infill (New)	DU	50	1,500	140	10,500,000	TBD	6,000,000	4,500,000	
Commercial Areas	Ea	1	80,000	110	8,800,000	TBD	8,800,000	0	
		232	83,500		75,804,000	0	16,144,000	59,660,000	
	DU			Soft Costs @	23%		3,713,120	13,721,800	
							\$19,857,120	\$73,381,800	
INFRASTRUCTURE									
Roads and Parking									
New Canal Frontage Road (30')	LF	2000	30	50	3,000,000			3,000,000	
Surface Public Parking	Spaces	250	350	20	1,750,000		750,000	1,000,000	
Convert J.C.Calhoun to Parkway	LS	2,500	60	60	9,000,000			9,000,000	
					9		9	0	
Canal Footbridges	Ea	4	1200	100	480,000	TBD	120,000	360,000	
Canal Path Improvements	LF		4000	400	1,600,000	TBD	200,000	1,400,000	
Broad Street Streetcaping	LS	say, allow...			1,000,000	TBD	1,000,000	0	
Chaffee Park Improvements	LS	By Kroc Center W/ Calhoun Reconfigurationsay,			NA	TBD			
Harrisburg Connector	LS	allow...			1000000	TBD	0	1,000,000	
Hawkes Gulley Raceway	LS	say, allow...			1000000	TBD	1,000,000	0	
					Units				
Substation Dress-up	LS		1	2,000,000	2,000,000	0	2,000,000	0	
Bury Lead-Ins to Substation	LF	2000	0	4,000	8,000,000	TBD	1,000,000	7,000,000	
Relocate Powerline Poles	Ea		20	200,000	4,000,000	TBD	1,000,000	3,000,000	
					Total Infrastructure	15,000,000	\$7,070,009	\$25,760,000	
							NET ALL PHASES	\$126,068,929	
INFRASTRUCTURE SOFT COSTS									
Area Action Plan							0.15%	189,103	NA
Infrastructure Design							10.00%	707,001	2,576,000
Contingency							15.00%	1,060,501	3,864,000
							\$1,956,606	\$6,440,000	
Total Infrastructure Costs							9,026,615	32,200,000	
Total Private and Public							28,883,735	105,581,800	



7.5 Comparable Projects in other Cities

Harrisburg Canal Village lies in a nationally significant historic setting, and within an easy walk to the medical campus, the region's major employer. It capitalizes on the First Level Canal, Chaffee Park and a proposed Butt Bridge Park to leverage value.

Typically, private developers prefer to develop around a key amenity and parks and water are among the best. Historically, the best properties were situated on land surrounding an important public park or open space, such as Boston's Common or Chicago's Lincoln Park.

While specific new residential development on former industrial canals is relatively new in this country, good examples do exist in Cambridge, Massachusetts, on the Lechmere Canal; on the canals of downtown Lowell, Massachusetts; at Mission Bay in San Francisco; and in Georgetown, Maryland. In another form, canal-side development has long been a staple along the Florida coast. Even in the original town center of Reston, Virginia was built on a canal-like water body.

In Europe, good historic examples exist along the Union Canal in England, in Amsterdam, Paris and Venice. A New York state program is developing residential use on stretches of the historic Erie Canal. The point is that where there is amenity at hand, water or park, there is added value, pleasure and excitement.

7.6 Start-up Program

The plan envisions capturing the value of the canal in Harrisburg as one component of a major development initiative that will build an additional 270 new housing units not including current plans for the renovation of the Sibley and King Mills. The new housing development would include 100 waterside town house units, 120 apartment units, and 50 new units of residential infill. In addition the vision calls for 12 relocated houses and 80,000 square feet of commercial retail and service.

Over a 20 year period the area could see new and improved roads and parking and quality open space with improvements including a new Canal Frontage Road, Surface Public parking, and the conversion of J.C. Calhoun Expressway to a parkway. These would include canal footbridges, canal path improvements, Broad Street Streetcaping, Chafee Park improvements, a Harrisburg Connector and Hawkes Gulley Raceway.

An important precondition needed to capture some of these future development opportunities will be the need to relocate the power utility.

Start-up Project Concept

Given current and probable future market conditions, we have concluded that the initial start-up activities for the Harrisburg Village Canal, in addition to the Sibley and King Mill renovation initiatives should include the following:

- Power Utility Relocation \$15,000,000
- 120 Unit Waterside Apartments \$21,346,280
- Canal Footbridges \$480,000
- Broad Street Streetcaping \$1,000,000
- Canal Path Improvements \$200,000

Total Estimated Cost Phase I \$38,026,280

While some of these public improvements are certainly expensive, in addition to their obvious public open space benefit for the entire community, they are designed to generate over \$90 million in private investment over the following 20 year period. The 120 unit market rate apartment building, in concert with the public improvements, would be a good start to the process.

Unit Mix Size and Monthly Rents

The unit mix size and monthly rental amounts for the apartment building can be found in the following table. Under our current assumptions, we are proposing 40 one bedroom units of 800 square feet; 30 two bedroom units at 950 square feet, 15 two bedroom units with den at 1150 square feet, and 15 three bedroom units.

Table 7.2 Unit Mix and Pricing

Number of Units	Type	Size	Monthly Rent
40	1Br	800	\$720
30	2BR	950	\$808
15	2 Br +Den	1150	\$920
15	3BR	1350	\$1,013

Source: George Henry George Partners

Market rents for such units in the Augusta-Richmond market range from low of about 52 cents per square foot per month to a high of \$1.14 per month. For the purpose of this analysis we are going to set our price points as 90 cents per square foot per month for the one bedroom; 85 cents per square foot per month for the two bedroom unit; 80 cents per square foot per month for the two bedroom with den unit; and, 75 cents per square foot per month for the three bedroom unit.



Development Cost Estimates

These rental rates would result in rental rates for the one bedroom of about \$720; the two bedroom of \$808; the two bedrooms with den of \$920 per month; and the three bedroom unit of \$1,013 per month.

Market Support for Rental Housing

Table 7.3 shows the distribution of households in the PTA and monthly housing cost the households can afford the proposed rental units based upon the HUD standard. This 30% standard includes the payment of the cost of heating and electricity, as well as other occupancy related expense

Table 7.3 shows that the target household for this project would be households with incomes between \$35,000 and \$75,000. These households make up approximately 35% of the households in the trade area. There are approximately 59,000 of these households in the market however about 65% of them are probably home owners leaving only about 20,000 or so in the rental market. Further complicating this problem is the rental market pricing structure which is a low cost market.

Nevertheless, the market base is sufficient to attract tenants to this project if environmental problems can be addressed and an exciting quality development could use the canal and canal park system as a quality amenity.

Development costs do vary among regions, however we have based our estimates on what similar projects have cost. Some studies have shown that mid-rise and high rise projects require relatively high construction cost methods because they are generally built of steel and reinforced concrete, while townhouses and low rise housing up to four stories are usually less expensive, stick built construction not requiring elevators. We have assumed the development cost will be as shown on a per unit basis in Table 7.4.

We have estimated hard construction cost of about \$115 per square feet, soft cost of approximately \$23 per square feet, design fees at \$8.50, and developer fees at \$22. This generates a total unit cost of approximately \$177,885 or about \$167.50 per square foot. This would create a total project cost of \$21,346,200.

Table 7.4 Estimated Development Cost for Harrisburg Canal Village Apartment Building

Unit Cost	2008 Dollars
Average Square feet per Unit	1062
Hard Cost per square feet	\$115
Soft cost per square feet.20%	\$23
Design Fees	\$8.50
Developer Fees	\$22
Total Cost	\$167.50
Total Unit Cost	\$177,885
Total Project Cost	\$21,346,200

Source: George Henry George Partners

Table 7.3 Monthly Housing Budget

Household Income	Primary Trade Area Households	Percent of Total Households	Annual Housing Budget	Monthly Housing Budget
\$35,000-\$49,999	26,462	15.76	\$12,000	\$1,000
\$50,000-\$74,999	32,729	19.49	\$18,600	\$1,550

Source: U.S. Census Bureau and George Henry George Partners

District A.3- Harrisburg

Gross Income Estimates

Table 7.5 shows our project income estimates based upon what we think is possible in the Augusta regional market. The major source of income for the project will be generated by the rental market. As the table shows the one-bedroom units are projected to generate approximately \$432,000 annually in project income; the two-bedroom units will generate approximately \$339,000 in project income; the two bedroom plus den units will generate approximately \$110,000, and the 3 bedroom units about \$61,000..

Once the project is fully leased up, we are estimating a normal operating vacancy of 5%, which we have deducted from the projected gross income as will be reflected in Table 7.6.

Table 7.5 Project Income Estimates

Categories	1BR	2BR	2BR+Den	3BR
Market Rate Per Square Foot	0.9	0.85	0.8	0.75
Square ft. per unit	800	950	1150	1350
Rent per Unit	\$720	\$808	\$920	\$1,013
Number of Units	50	35	10	5
Total Monthly Rents	\$36,000	\$28,263	\$9,200	\$5,063
Annual Rents	\$432,000	\$339,150	\$110,400	\$60,750
Estimated vacancy Factor				
Annual Gross	\$432,000	\$339,150	\$ 110,400	\$60,750
Vacancy Factor (Assume 5%)	0.05	0.05	0.05	0.05
Vacancy Loss Estimate	\$21,600	\$16,95	\$5,520	\$3,038

Source: George Henry George Partners

Projected Operating Performance

Table 7.6 presents a “back of the envelope” operating pro forma for the 120 unit apartment complex based upon projected gross income of \$942,300 less the projected 5% vacancy allowance of \$47,115 plus about \$43,346 in other income. This creates gross effective income of approximately \$938,531.

Operating expenses are projected to be approximately \$417,083 or approximately or about 44.4% of gross effective income. These expenses include management fees, salary expenses, utilities, insurance, supplies, advertising, and maintenance (including replacement reserves) and property taxes.

Operating expenses have been held to 44.4% of gross effective income, which we believe would be reasonable for a project of this type. Net operating income is projected to be about \$521,448. This is the amount that would be available to meet demand.

Table 7.6 Projected Operating Performance

Potential Gross Rents	\$942,300
Less: Vacancy Allowance	\$47,115
Sub-total	\$895,185
Plus: Other Misc. Income	\$43,346
Effective Gross Income	\$938,531
Less Operating Expenses	
Management Fee (5% of Gross)	\$46,927
Salary Expenses	\$83,529
Utilities	\$44,111
Insurance	\$15,016
Supplies	\$8,916
Advertising	\$13,609
Maintenance, Repairs and Replacements	\$77,335
Property Taxes	\$127,640
Annual Operating Expenses	\$417,083
Net Annual Operating Income	\$521,448

Source: George Henry George Partners



7.7 Realizing the Harrisburg Canal Village Neighborhood

Key Early Actions and Overall Timetable

A key strategy of the Master Plan is to create exciting new projects in those locations in each of the surrounding neighborhoods, which are most proximate and convenient to the downtown and which are situated next to a major amenity. The Harrisburg Canal Village, situated on potentially attractive waterfront in the midst of a nationally significant historic area and adjacent the medical district, meets these criteria very well. Following approval of the plan by the City/County Commissioners, implementation should commence through the Area Action Plan phase. Key components for realizing this plan include:

Vigorous Public and Private Support

The Augusta Canal Authority considers this one of their most significant areas. The Kroc Foundation is working with the Authority and Historic Augusta, inc. in the preservation and enhancement of key aspects of the historic scene, i.e. worker housing groupings. Private development efforts are ongoing to rehabilitate key housing clusters along Broad Street. The neighborhood has at least two active community groups and a neighborhood association who can support this initiative. The city's Department of Housing and Community Development is showing considerable interest in the area.

Harrisburg Canal Village Champions must step forward

Oddly enough, Georgia Power holds the key to revitalization of this area. Relocation or burial of existing overhead transmission and distributions lines along the canal and Broad Street, and the masking of the existing substation site must be done before meaningful development can occur. The City needs to develop a strategy for the City Barns and other city-owned property in the area. Local churches, either individually or collectively, and others can become active participants. Private development interests currently involved in this area can embrace the idea. Property owners can participate in a number of ways. The Canal Authority is the natural leader for organizing this collaboration.

Development of a Harrisburg Canal Village Area Action Plan

An Area Action Plan should be undertaken as soon as possible. This Area Action Plan would build on the concepts identified in this Master Plan and finalize a feasible plan, program, concept design, and development timetable for this project. To be successful, it must be inclusive and realistic, in order that stakeholders can embrace it and that governing officials can approve it, support it and that all can agree upon joint implementation approach.

Control of Key Sites

There are a number of key sites, including the entire area bounded by Crawford Avenue, The Calhoun Expressway, Broad Street and 15th Street, where site assembly has begun and should continue. City-owned land should be inventoried in this area, and including the commercial buildings on Broad, just east of the Ezekial Harris House. Agreements must be made on properties just east of Chaffee Park.

Harrisburg Village Illustrative Timetable

Project Initialization	
Year 1	Assemble consortium of implementers; develop and approve Area Action Plan ; commence site assembly; identify Phase 1 private development component and site
Public Open Space Infrastructure- (3 Phases)	
Phase 1- Neighborhood Retail Center	
Year 1-2	Complete site assembly; secure funding, cross agreements and required approvals
Years 2-6	Final design and construction of site improvements, including street upgrades, public parking and canal connections relating to new neighborhood center.
Phase 2- First Level Canal Village (15th Street to Chaffee Park)	
Years 2-5	Complete site assembly; coordinate utility line reconfiguration with Ga Power/ DOT/ City; secure funding, cross agreements, and required approvals
Years 6-10	Negotiate financing agreements, final design and construction of site improvements including power line and J.C. Calhoun reconfigurations
Years 10-12	Upgrade canal-side park and pathways. Onstruction of Butt Bridge Park
Phase 3- Sibley and King Mills Reuse	
Years 1-10	Agree on development strategy; negotiate with King Mill current tenants; final design and construction of remaining public improvements required to realize this project.
Buildings- (3 Phases)	
Phase 1- Neighborhood Retail Center	
Year 1-2	Final programming and feasibility analysis, solicit development interest; secure funding, cross agreements and required approvals
Years 2-8	Final design and construction of new neighborhood retail center
Phase 2- First Level Canal Village (15th Street to Chaffee Park)	
Years 2-5	Continue and complete historic fabric restoration adjacent Chaffee Park and along Broad Street; solicit private development partner.
Years 6-15	Secure financing agreements; final design and construction of Canal Village of townhouses, garden and midrise residential.
Phase 3- Sibley and King Mills Reuse	
Years 1-12	Final programming and feasibility analysis, solicit development interest; secure funding, cross agreements and required approvals; Complete Final Design and Construction of new 8-10 story, landmark, market rate residential condominium with ground level retail unto Riverfront Plaza.

District A.3- Harrisburg

Potential Funding Sources

Since the \$434,000 could only finance approximately \$6.3 million in debt services on a \$21.35 million dollar project, it is clear that operating income will not be sufficient.

Project strategies to cover potential debt service requirements, even if a substantial amount could be raised through syndication. This is largely because market rents within the area are not sufficient to carry the costs of a new construction project. It would therefore require a creative financing approach that would perhaps require more subsidy tools than are currently available. Among the tools that may be available are the following:

- Deferred note on portion of developer fee
- Land write downs (which has already been included in the analysis)
- Equity syndication
- Property tax abatements

Financing of the proposed public improvements
The first phase public improvements have been estimated to require approximately \$1.7 million in public financing. It is expected that most of these improvements will be funded by the City of Augusta or the Augusta Canal Authority. Potential sources of funds will likely include SPLOST funds, TIF Funds; EDA Public works funds or The Canal Authority Capital Budget.

Special consideration should be given to the need to finance the power utility relocation. Public policies differ as to who should pay for the relocation of power lines. In most cases it becomes a question of who benefits. For example, if lines have to be relocated in order to build a highway or put in a new street it is perceived as a public benefit and is paid for by the public sector. On the other hand, if the relocation is seen as benefiting a third party such as a private developer, then that party is expected to cover the cost. One approach might be to create a special tax allocation district that would float bonds for a portion of the cost with the utility also bearing a part of the cost since it will also benefit from the development of the Harrisburg Canal Village.

Given the enormous needs of this project, as well as the townhouse project proposed, one might have to make a determination as to whether public subsidies might be leveraged better on other projects until the pre-condition of relocating the power lines has been met. On the other hand, as technologies improve and demands change, the utility company should immediately add the need to mitigate this negative impact into its future planning.

7.8 Immediate Next Steps

Redevelopment of this area, with the wide First Level Canal running through it, can transform this part of town, can be a catalyst for realizing a whole new image of Harrisburg, and can link the downtown to this neighborhood and all neighborhoods to the west. Following approval of the plan by the Commissioners, and the Augusta Canal Authority, the process of developing an inclusive Area Action Plan process should commence as soon as possible. Key first steps include:

1. Support of the ongoing neighborhood planning efforts, as well as the activities of private developers to provide high quality rehabilitation of historic mill worker housing along Broad Street, and the mitigation efforts of the Kroc Center development in this area,
2. Realizing that this may be a decades long effort, commence investigation and analysis of the relocation of power transmission and distribution lines away from the canal and Broad Street, to the J.C. Calhoun corridor.
3. Commence site assembly along the First Level Canal from the Butt Bridge to Chaffee Park,
4. Work with Historic Augusta, the Canal Authority and interested parties to research fully, both the Revolutionary War and industrial history of this area.

Market Creation Project 8: *Dyess Canal Village*

8.1 The Big Idea

Residential development around Dyess Park and the Third Level Canal will create a high-quality affordable neighborhood of renovated and new housing at the point most proximate to the downtown core and at the eastern terminus of the historic canal system. The project would also capitalize on the presence of the new Judicial Center to create a new neighborhood commercial center.

Market Creation Project 8: Dyess Canal Village

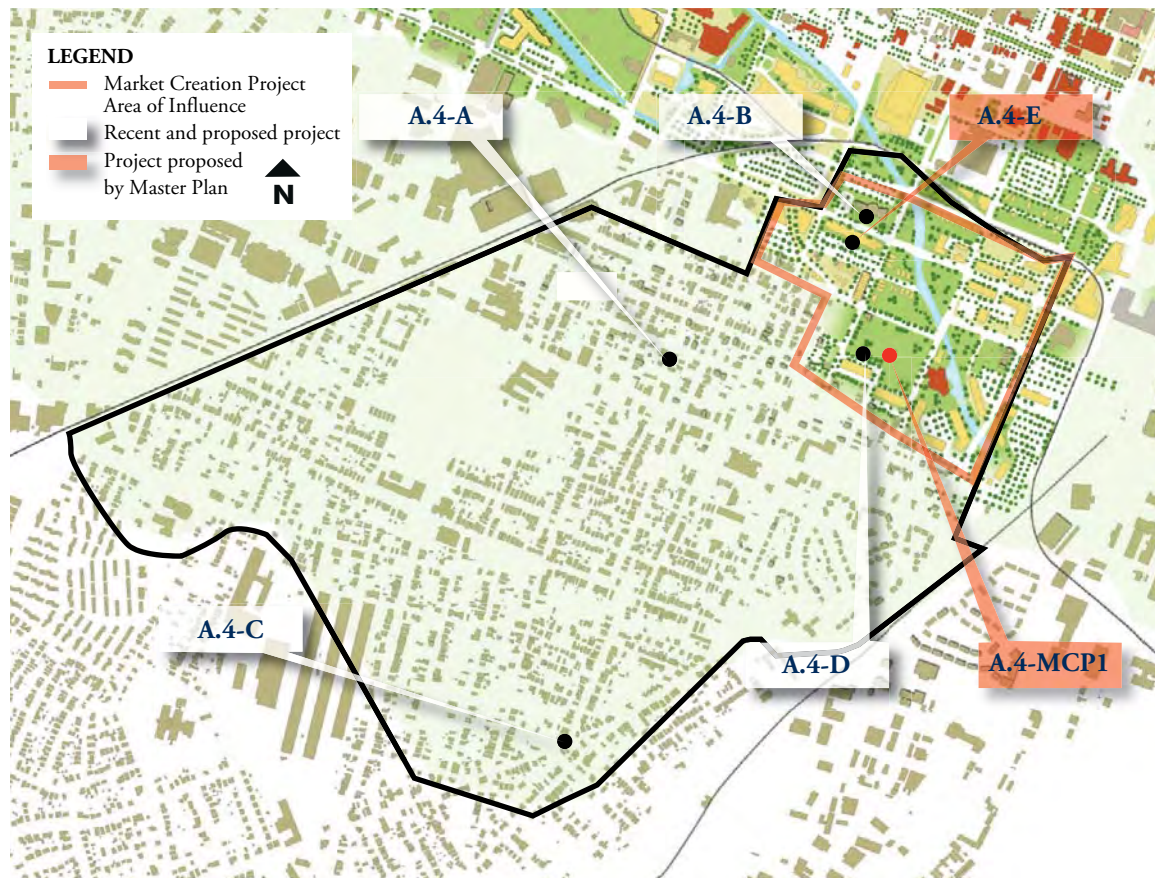
Dyess Canal Village



District A.4- Laney Walker/ Bethlehem

8.2 Goals and Objectives

Laney Walker/Bethlehem District Boundary with Key Projects and Initiatives



The goals of the Dyess Village development are multiple, requiring the on-going collaboration of both the public and private sectors. A few key ones are listed below:

1. Connect Laney Walker and Bethlehem neighborhood to the downtown core,
2. Entice households with more disposable income to return to the Urban Area,
3. Reposition Laney Walker as a safe, stable and pleasant in-town Augusta neighborhood,
4. Promote revitalization of Walton Way within this area,
5. Preserve and enhance the Augusta Canal National Heritage Area through sensitive adaptive reuse and appropriate new infill projects,
6. Attract investment to create affordable housing units by rehabilitating existing buildings in the neighborhood,
7. Improve the quality of new construction.



8.3 The Scene Today



Looking northwest over Laney Walker and Dyess Park.

Dyess Park is a multi-use recreation facility, with swimming pools, basketball courts and ball fields, with the former firehouse converted to community space. New residential development is occurring on the blocks to the west and north of the park. Parcels are being acquired in this area in anticipation of further development in the future.

Environmental clean-up of the Third Level Canal is complete, canalside parks and trails are planned that will convert this former liability into an amenity around which to focus redevelopment.

The new Judicial Center at 9th and Walton Way can become a catalyst for further development along both streets. Also at the northern edge, if the James Brown Arena were redeveloped or relocated to another location, a new residential neighborhood connecting corridor could open up to Greene Street and the downtown core.

District A.4- Laney Walker/ Bethlehem

DYESS CANAL PARK VILLAGE

- A)** Mixed-use commercial development attendant to the new Judicial Center
- B)** Enhanced Walton Way streetscape
- C)** Development of single-family and town-house infill housing surrounding the park area
- D)** Renovation of park facilities into passive use
- E)** Single-family and multi-family residential development from the Third Level Canal along 7th Street

Dyess Park Canal Village Illustrative Site Plan



8.4 Illustrative Full Development Program

Public Infrastructure

The Plan envisions the Dyess Canal Village initiative as a mixed residential neighborhood featuring single family homes, town houses, garden apartment buildings, residential historic renovation, and new commercial development associated with the new courthouse and a growing neighborhood. Specific projects include the 40 unit single family development; a 30 unit Canal Townhouse development; a 60 unit Canal Garden Apartments, and 40 units of renovated historic housing. In support of the neighborhood residential and the new courthouse ICON would also add 70,000 square feet of commercial development.

Public amenities would include Dyess Park, canal way improvements and Walton Way and James Brown Boulevard streetcaping. Like Harrisburg, this project also requires the relocation of some power lines and a substation which ultimately could affect the financial feasibility of the project. It also calls for neighborhood improvement programs for both residential and retail.

Walton Way and Ninth Street Improvements

These would include continuation of the landscaped center median along Walton Way from the medical area, as well as street tree planting, curb and sidewalk improvements along both streets. Along Ninth Street, double rows of trees would strengthen the sense of “street wall” and specialty lighting would reinforce connections to downtown.

Third Level Canal Improvements

Control devices must be installed at critical points along the canal to maintain proper water levels and flows. The canals need to then be cleared of debris, silt and vegetation. Complete current plans for a linear park alongside the canal, with a number of small, park nodes developed along the way. Develop a new plaza area at the terminus of the Third Level Canal (includes the former Southern Milling Company site) at 7th Street.

Dyess Park

Current plans, calling for conversion of the existing, high-activity, recreation facility to a more passive, neighborhood-oriented “village green” should be implemented to strengthen the identity and sense of place of this key neighborhood focal point.

Private Build-out

Walton Way Commercial Center

The new judicial center will spark office and retail development around it. Given the potential for train related delays to the north, the city block on south side of Walton Way becomes an obvious preferred location for this type of development. A block long commercial building with parking in the rear is envisioned for this area. Similar development could occur to the east and west, along Walton Way, as the market allows.

Third Level Canal Housing

As mentioned above, getting more people, and a healthy diversity of income and household types living in the Urban Area is a major goal of this Master Plan. This is already happening in the area, however, we believe that a focused development around the southerly end of the Third Level Canal could be very attractive to many types of households, both renters and buyers. A combination of low-rise garden apartments and town houses along the canal, with single family homes to in the adjacent blocks is proposed for this area

District A.4- Laney Walker/ Bethlehem

Table 8.1 Cost Estimate for Dyess Canal Village

Conceptual and Illustrative Program and Cost Estimate

PRIVATE BUILD-OUT	Unit	Qty	sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
Residential Single Family	DU	40	1,800	140	10,080,000	TBD	3,000,000	7,080,000
Residential Canal Townhouse	DU	30	1,600	140	6,720,000	TBD	6,720,000	0
Residential Canal Garden Apartments	DU	60	1,200	120	8,640,000	TBD	8,640,000	0
Residential (Historic Reuse)	DU	40	1,200	130	6,240,000	TBD	3,000,000	3,240,000
Court Related Commercial	SF	50,000		110	5,500,000	TBD	5,500,000	0
Other Commercial	SF	20,000		110	2,200,000	TBD	1,000,000	1,200,000
		170			39,380,000	0	27,860,000	11,520,000
	DU			Soft Costs @	23%		6,407,800	2,649,600
							\$34,267,800	\$14,169,600
INFRASTRUCTURE								
Roads and Parking								
New Frontage Road (30')	LF	1000	30	50	1,500,000		1,500,000	0
Surface Public Parking	Spaces	200	350	20	1,400,000		1,400,000	0
Public Open Space					9		9	0
Dyess Park	LS	1			5,000,000		5,000,000	0
Canalway Improvements	LF	1			3,000,000		3,000,000	0
Broad Street Streetcaping	LS	say, allow...			500,000		500,000	0
Power Utility Relocation								
Substation	Ea	1		4,000,000	4,000,000	0	0	4,000,000
Powerline Poles	Ea	10		200,000	2,000,000		0	2,000,000
Total Infrastructure					17,400,009		11,400,009	6,000,000
							NET ALL PHASES	\$65,837,409
INFRASTRUCTURE SOFT COSTS								
Area Action Plan					0.25%	164,594		NA
Infrastructure Design					10.00%	1,140,001		600,000
Contingency					15.00%	1,710,001		900,000
						\$3,014,596		\$1,500,000
Total Infrastructure Costs						14,414,605		7,500,000
Total Private and Public						48,682,405		21,669,600



8.5 Comparable Projects in other Cities

Dyess Canal Village lies along Walton Way at the location where the new judicial center is located. It capitalizes on the adjacent Third Level Canal, Dyess Park and proposed pathways to downtown to leverage value.

Typically, private developers prefer to develop around a key amenity and parks and water are among the best. Historically, the best properties were situated on land surrounding an important public park or open space, such as Boston's Common or Chicago's Lincoln Park.

While specific new residential development on former industrial canals is relatively new in this country, good examples do exist in Cambridge, Massachusetts, on the Lechmere Canal; on the canals of downtown Lowell, Massachusetts; at Mission Bay in San Francisco; and in Georgetown, Maryland. In another form, canal-side development has long been a staple along the Florida coast. Even in the original town center of Reston, Virginia was built on a canal-like water body.

In Europe, good historic examples exist along the Union Canal in England, in Amsterdam, Paris and Venice. A New York state program is developing residential use on stretches of the historic Erie Canal. The point is that where there is amenity at hand, water or park, there is added value, pleasure and excitement.

8.6 Start-up Program

Start-up Project Concept

In terms of testing feasibility for a start-up project we would propose the following:

- 30 Residential canal townhouse units
- New frontage road
- Canal way improvements
- Relocation of power line poles

The private costs have been estimated to be approximately \$6.1 million for the 30 Townhouse units. The public costs for the start-up project activity has been estimated by ICON to be approximately \$4.5 million for the new frontage road and the canal way improvements.

The cost to relocate the substation and power line poles has been deferred to beyond the initial five year period.

Unit Sizes and Prices

ICON has made an assumption that the average unit size will about 1600 square feet. For purposes of this analysis we will make the assumption that all 30 of the townhouse units will be 1600 square feet.

However, prices for the units might be different since they may reflect options and finishes such as flooring, cabinets, countertops, etc. However, for purposes of this analysis we will use only base prices as a means of determining feasibility.

GHG Partners is proposing a base price of \$250,000 for the 30 Townhouses that will be canal residences.

Options and special type finishes could add an additional \$50,000 to \$100,000 to the sales price at the purchaser's option.

Market Support

In determining market support for a start-up project of this type we are making the following assumptions:

- 20% down payment
- 80% mortgage @ 5.5% for 30 years
- 1% property taxes

Using these assumptions a 1400 square foot unit would require the following:

1. Down payment of \$50,000
2. Mortgage amount: \$200,000
3. Monthly mortgage payments of \$1,135.58 excluding real estate taxes
4. Estimated real estate taxes monthly: \$208

Therefore the total monthly housing cost, excluding utilities, would be approximately \$1,343.38 per month.

Table 8.2 shows that there are approximately 32,700 households in the market who can afford to purchase the townhouse units at their base price. There are an additional 19,450 households who could afford upgraded units.

Table 8.2 Market Base for Single Family Housing Units

Household Income	Primary Trade Area Households	Percent of Total Households	Annual Housing Budget	Monthly Housing Budget
\$50,000-\$74,999	32,729	19.49%	\$18,600	\$1,550
\$75,000-\$99,000	19,455	11.59%	\$26,100	\$2,175
\$100,000-\$149,999	17,031	10.14%	\$37,500	\$3,125

Source: U.S. Census Bureau and George Henry George Partners

Financing feasibility

There are also 17,000 households capable of supporting a monthly housing budget of \$3,125. These households could afford premium options and upgrades to finishes.

As in other cases, our estimates of demand have been based upon new projects start-ups in 2011 when we believe that the following events have occurred:

1. The housing financial markets have been stabilized and credit is again readily available for home mortgages.
2. The economy has rebounded from its current slowdown.
3. The City of Augusta have put into place CBD housing incentive programs.
4. An Urban Core Promotion and Marketing Program has been developed and implemented.
5. There has been sufficient absorption of non-obsolete housing units in the local housing market to bring the vacancy rates for non-obsolete residential units below 5%.

Instead of using the construction estimates provided we have evaluated current selling prices in the market for similar housing products and worked our way backwards (inductively) to make an estimate of construction cost. This approach has produced different results.

For purposes of this analysis we are making the following assumptions for the development of the single family units:

- Hard cost @\$75 per square foot
- Soft cost @ 30% of hard cost
- Developer fees @30% of combined hard and soft cost
- Land cost at 15% of total cost including developer fees

The use of these assumptions yield a total development cost of approximately \$145.76 per square foot. This is slightly higher than our assumptions for another similar project but is consistent with our desire to develop a higher quality unit along the canal.

Table 8.3 shows our estimation of the feasibility of the 30 unit Residential Canal Townhouse Development. The table shows that the developer should be able to achieve a net income of nearly

\$1.4 million on project income of about \$7.5 million. The net to the developer could be increased substantially if buyers purchased the options and upgraded finishes that would be available.

For the purpose of this analysis we have made the assumption that the developer would have equity of approximately 20% of land and hard and soft construction cost in the project. This would translate to approximately \$1.1 million for the project. We have also assumed a project build-out over two years. A net income of \$1.4 million would yield an average annual return of about 50% over the two year project build-out period.

Table 8.3 Development Analysis Green Street Single Housing	
Income	
30 Units at \$250,000	\$7,500,000
Development Cost	
Hard Cost	\$3,600,000
Soft Cost	\$1,080,000
Construction Interest	\$359,441
Land Cost	547,488
Site Preparation	\$142,000
Sales Cost	\$375,000
Total	\$6,103,929
Net to Developer	\$1,396,071
<i>Source: George Henry George Partners</i>	

8.7 Realizing the Dyess Canal Village

Key Early Actions and Overall Timetable

A key strategy of the Plan is to create exciting new projects in each of the surrounding neighborhoods, which are most proximate and convenient to the downtown and which are situated next to a major amenity. The Dyess Canal Village meets these criteria very well. Following approval of the plan by the City/County Commissioners, implementation should commence through the Area Action Plan phase. Key components for realizing this plan include:

Vigorous Public and Private Support

Both the Bethlehem and Laney Walker neighborhoods have a number of active entities with projects in the works that are bringing about significant positive revitalization. The city's Department of Housing and Community Development is active in the area and has recently completed a neighborhood master plan, which should be supported.

Dyess Park Champions must step forward

As seen above, there are private and not-for-profit developers (eg. ANIC), who are already invested in the area. The city, local churches, either individually or collectively, and others can become active participants. Property owners within this target area can participate in a number of ways. The Canal Authority is the natural leader for organizing this collaboration.

Development of a Dyess Canal Village Area Action Plan

An Area Action Plan should be undertaken as soon as possible. This Area Action Plan would build on the concepts identified in this Master Plan and finalize a feasible plan, program, concept design, and development timetable for this project. To be successful, it must be inclusive and realistic, in order that stakeholders can embrace it and that governing officials can approve it, support it and that all can agree upon joint implementation approach.



Control of Key Sites

There are a number of key sites, along Walton Way—opposite the new Judicial Center; around Dyess Park and, in particular, along the eastern end of the Third Level Canal—where site assembly has begun and should continue. The Southern Milling Company property is a key site upon which to build this concept. Contiguous properties at the end of the canal, on either side of /Twiggs/9th Streets should be considered. If the James Brown Arena were relocated, and the site set aside for housing, this neighborhood could grow up toward Telfair.

Dyess Village Illustrative Timetable

Project Initialization	
Year 1	Create consortium of implementers; develop and approve Area Action Plan ;
Public Open Space Infrastructure- (2 Phases)	
Phase 1- Third Level Canal Terminus Park	
Year 1	See project initialization above
Years 2-5	Complete site assembly for linear park and abutting private development; finalize Phase 1 private development component and sites; secure funding, cross agreements and required approvals; final design and construction of park and related street and waterway improvements
Phase 2- Dyess Park Area/Judicial Center	
Year 1	See project initialization above
Years 2-5	Commence site assembly for Third Level Canalside Park and for private development along canal and Walton Way opposite the new judicial center.
Years 6-10	Secure funding, cross agreements and required approvals; final design and construction of Canalside Park and related street and waterway improvements.
Buildings- (3 Phases)	
Phase 1- Augusta Canal Park Site and Adjacent Private Development Land	
Year 1	Identify first project extent and develop final program
Years 2-8	Secure financing; complete final design and construction of a mix of canal-side townhouses, garden apartments and midrise buildings along the eastern most reach of the canal; accelerate existing structure re-use assistance program for historic houses in neighborhood.
Phase 2- Dyess Park Area/Judicial Center	
Year 1	Identify first project extent and develop final program; commence site assembly; identify development partner.
Year 2-6	Secure funding, cross agreements and required approvals; final design and construction of Canalside Park and related street and waterway improvements.
Years 5-10	Secure financing, complete final design for town house community (affordable and market rate) with easy access to Canal.
Phase 3- Completion of Build-out	
Year 11-20	Completion of other new construction and rehabilitation of historic Buildings

Potential Funding Sources

One would expect that this development could be funded conventionally. This would include developer equity and conventional sources of construction and development financing. However we have noted the need for a city revolving housing fund designed to encourage the middle class to return to the urban core of the region. This would be an ideal project for low interest construction loans or low interest property acquisition loans to assist the process.

The \$9.5 million in public financing would require funds from the most typical sources. These include:

- SPLOST Funds
- Municipal Bonds
- Community Development Block Grant Funds
- Canal Authority Capital Budget Funds

While additional work needs to be done to button down the actual cost of this project, our analysis suggests that this is the type of project can be done in Augusta if there is strong commitment on the part of the city and development community to build a strong downtown housing residential sector.



8.8 Immediate Next Steps

While the development of the Dyess Village neighborhood may require decades to realize, following approval of the Plan, several things should commence as soon as possible to realize the full potential of the Dyess Canal Village development:

1. Formalize a collaborative arrangement, with specified meeting times, between the Department of Community Development and the Augusta Canal Authority to insure coordinated development, wherein the actions and approvals of each compliment those of the other.
2. Undertake the Area Action Plan for Dyess Village.
3. Support the recently completed neighborhood master plan,
4. City and Canal Authority to complete the restoration of the canal-way in this area,
5. Complete site Assembly opposite the new Judicial Center and around the Third Level Canal, and Dyess Park, particularly the Southern Milling Company, the former coroners facility and the adjacent industrial building,
6. Accelerate code enforcement and rehabilitation of historic properties in the area.

Market Creation Project 9: *Sand Bar Ferry Riverside*

9.1 The Big Idea

This project would create a new, regional, multi-use open space destination at the eastern edge of the Augusta downtown core, including a 'New Urbanist' village with green, waterfront park, fields and rural amenities in this struggling neighborhood. There is nearly a mile of forgotten, underdeveloped Savannah River waterfront in this neighborhood and the area between Sand Bar Ferry Road and the levee, which is underutilized and cries out for higher and better uses.

Market Creation Project 9: Sand Bar Ferry Riverside

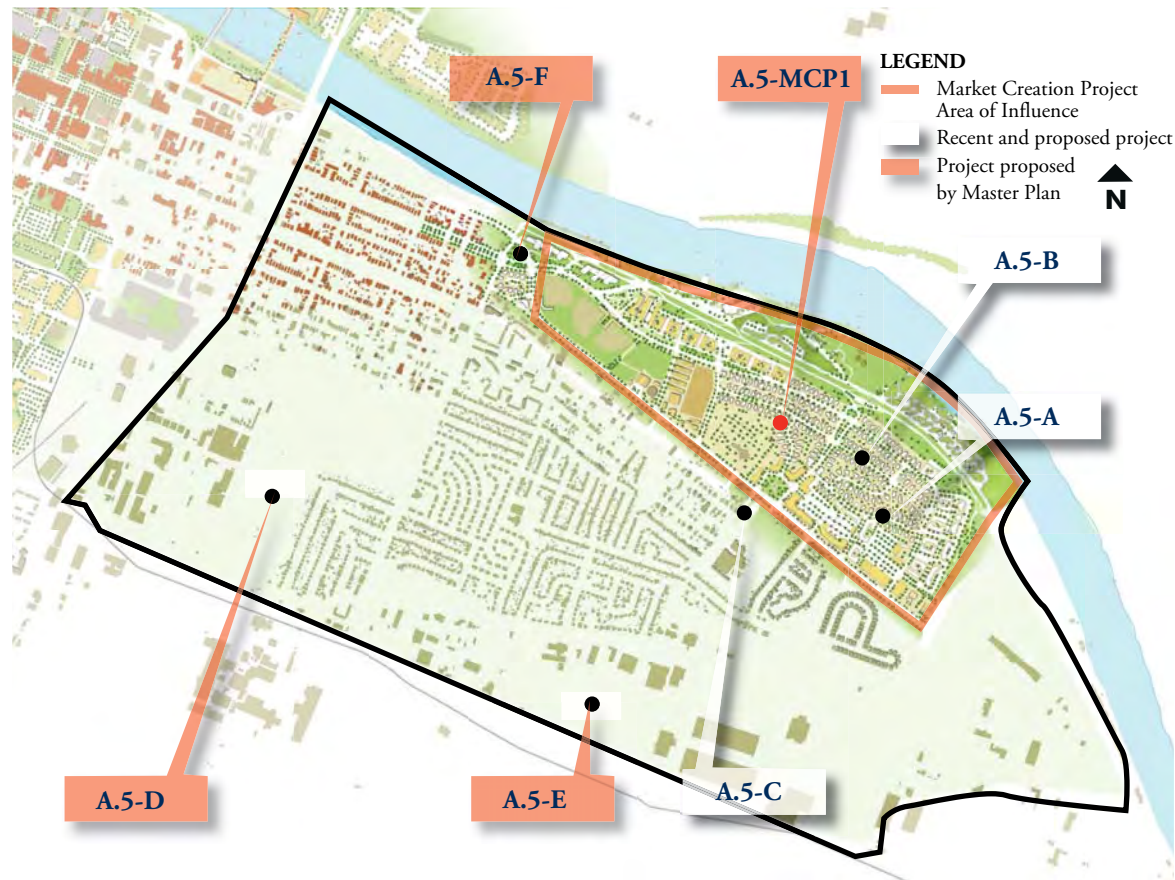
Sand Bar Ferry Riverside



District A.5- Old Towne/East of East Boundary

9.2 Goals and Objectives

Olde Towne/East of East Boundary District Boundary with Key Projects and Initiatives



The Goals of this project are multiple and will serve a very diverse segment of the population. It will also require dedicated effort from a number of groups.

1. Entice households with more disposable income to return to the urban area,
2. Change the public perception of the entire Sand Bar Ferry Road area, and reposition it as a safe, stable and pleasant “edge of town” Augusta neighborhood,
3. Provide a setting and context for current proposals to rebuild the Underwood and Marion Homes projects,
4. Develop Sand Bar Ferry road into an attractive gateway into the downtown core by taking advantage of new I-520 connections,
5. Create a ‘water and fields’ recreation destination at this end of the Urban Area’s open space network,
6. Add to the unique character of this ‘edge of town’ area by providing a home for symbiotic “Urban Agriculture” activities, such as the Exchange Club’s annual fair, the Golden Harvest organic farm and tourist carriage/city stables.



9.3 The Scene Today



Looking east over the Olde Towne/East of East Boundary District, which is bordered to the north by the Savannah River.

The area today has three component pieces: Sand Bar Ferry to the Levee; The levee; and the Levee to the River.

Along the western stretch of Sand Bar Ferry Road to the Levee, large under-utilized tracts open storage areas (vehicle holding lots, junk yards, etc.) are the dominant uses. A large church, the Greater Young Zion Baptist Chapel sits strategically in the center. The distressed Marion Homes and the Underwood Homes neighborhoods occupy the eastern end of the site along with light industrial and under-utilized commercial land along the road. With the completion of the I-520 extension to I-20, pressure for commercial development of this area will increase, which, if left unchecked, will further negatively impact the adjacent neighborhood to the south. The levee is cut in three locations, but remains a potential linear connection to the downtown to the west and the natural areas of swamp and riverfront east to the new Savannah Bluff Lock and Dam.

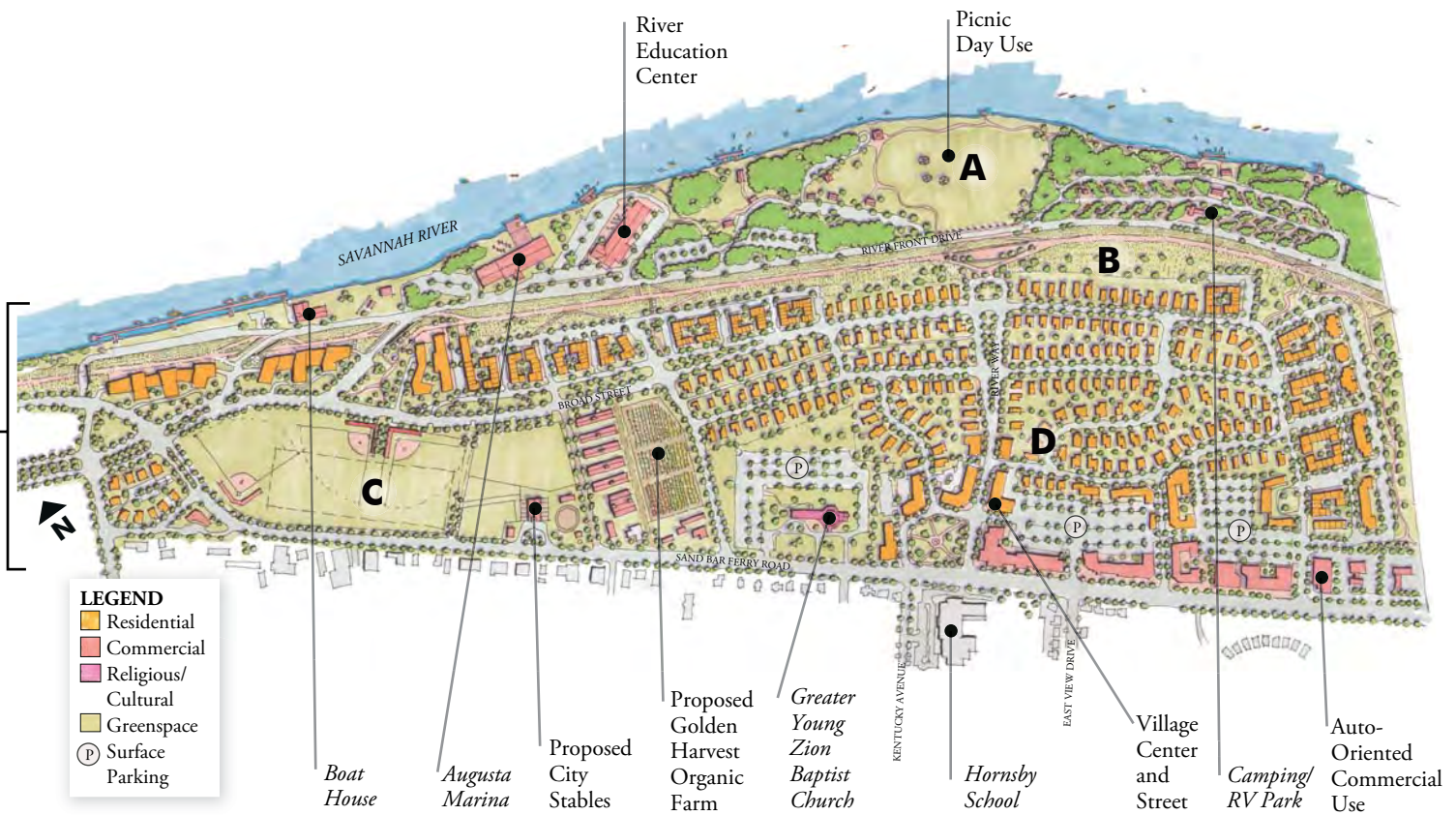
The area between the Levee and the river provides nearly a mile of open riverfront. There is some light industrial use in this area, however, the only “riverfront appropriate” use is the Augusta Rowing Club. Much of the land is in city ownership. While the area is relatively low lying, it is ideal for recreation development. Existing industrial buildings might be good for recreation related reuse. An existing road runs nearly the entire length of the site, up against the levee, maximizing the waterfront land available.

District A.5- Old Towne/East of East Boundary

SAND BAR FERRY RIVERSIDE

- A)** Regional Savannah View Park with multi-recreational and educational uses
- B)** Levee Way linear park connecting downtown with Phinizy Swamp
- C)** Multi-purposed regional Sand Bar Ferry Park for organized sports, picnics, games, fairs, and permanent “farm” operations
- D)** ‘New Urbanist’ Sand Bar Ferry Village including shops, single-family, townhouse, and garden apartment style

Sand Bar Ferry Riverside Illustrative Site Plan



9.4 Illustrative Full Development Program

This is a large project with many components and for easier explanation is divided into three basic areas: 1) along Sand Bar Ferry Road to the river, 2) atop the levee and 3) from the levee to the river. Conceptual infrastructure and private build-out elements are described for each below.

The Plan envisions the development of the Sand Bar Ferry Riverside as a major development initiative that will be inclusive of the Marion Homes area. Over a 20 year period the area could see new and improved roads and parking and quality open space with a Riverfront Park, and Levee Way improvements. These improvements in infrastructure and open space will provide a competitive environment for the introduction of a mixed use community consisting of 160 units of mixed income rental housing, 80 single family homes, 80 town homes, and 60 units of village housing over retail. Additional components of the development would include 60,000 square feet of village commercial space, a Golden Harvest Organic Farm, and buildings for an Exchange Club Fair.

While a number of the public improvements need to be implemented in conjunction with any private or non-profit sector initiative, it is equally important that the private or non-profit sector respond to the public investment as a means of assuring the city that public funds are creating new market opportunities and tax base.

Infrastructure

Sand Bar Ferry Road to the Levee

Sand Bar Ferry/ Broad Street intersection improvements This existing intersection configuration is confusing and also a barrier to accessing the site from Old Towne and downtown. Simplifying this intersection would open the site to development of a Broad Street entrance

Broad Street Extension This initiative would create a new access and development corridor for the entire site, extending from East Boundary to the village center of the proposed Marion/Underwood Homes development.

Sand Bar Ferry Park Pastoral in character, this would essentially be a large open multi-use field occupying nearly one third of the frontage along Sand Bar Ferry Road and the Broad Street Extension. A variation of the historic town common found throughout the original colonies, this open space would host a long list of events and activities, including 'pick-up' ball games, soccer programs, the fair grounds and even special activities such as kite festivals, balloon and equestrian events. Above all, as proposed at Dyess Park in Laney Walker, it provides a significant passive, non-urban, soft landscape with which the neighborhood can identify.

Atop the Levee

The Levee Trail This dedicated, paved recreational path would provide ready access to both downtown and the natural areas of the swamp and river to the west. Future extensions into South Augusta are possible and foreseen.

Levee to the River

This area offers all of Augusta the opportunity to enjoy a variety of recreational activities along, on and potentially in the Savannah River including:

RV Park and Camp Grounds at the quieter, easterly end of the site.

Open fields for activities and passive use just across the levee from the proposed new Village Center.

Wooded areas with picnic pavilions and pathways to the river.

Fishing and Boating Venues from pathway turnouts along the river bank or from docks and piers in the river.

Educational Programs These include community sponsored programs such as nature walks and canoe trips out-of-doors and boat building in a former industrial shed, converted to that purpose.

District A.5- Old Towne/East of East Boundary

Table 9.1 Cost Estimate for Sand Bar Ferry Riverside

Conceptual and Illustrative Program and Cost Estimate									
PRIVATE/NON PROFIT BUILD-OUT		Unit	Qty	sf/unit	Cost/sf	Building Cost	Land	PHASE 1 (YRS 1-5)	PHASES 2 and 3 (YRS 6-20)
	Underwood Homes by AHA (To be coordinated with this Project)								
	Levee Way Apartments (Market)	DU	80	1,500	175	21,000,000	TBD	0	21,000,000
	Levee Way Apartments Affordable	DU	80	1,500	150	18,000,000	TBD	18,000,000	0
	Single Family Houses	DU	80	1,600	120	15,360,000	TBD	15,360,000	0
	Town Homes	DU	80	1,200	120	11,520,000	TBD	11,520,000	0
	Village housing over Retail	DU	60	1,200	130	9,360,000	TBD	3,000,000	6,360,000
	Village Commercial Center	SF	1	60,000	110	6,600,000	TBD	6,600,000	0
	Golden Harvest Organic Farm	LS				2,000,000	TBD	2,000,000	0
	Exchange Club Fair Support Buildings	LS				3,000,000	TBD	3,000,000	0
	Other Commercial by AHA (To be coordinated with this Project)								
			380			86,840,000	0	59,480,000	27,360,000
			DU		Soft Costs @	23%		0	13,680,400
								\$73,160,400	\$33,652,800
INFRASTRUCTURE									
Roads and Parking									
	Broad/ Sand Bar Ferry Intersection	LS	1			1,500,000		1,500,000	0
	Broad Street Extension	LF	3000	40	60	7,200,000		7,200,000	0
	Other Neighborhood Streets	LF	4000	25	60	6,000,000		4,000,000	2,000,000
	Surface Public Parking	Spaces	500	350	20	3,500,000		1,500,000	2,000,000
Public Open Space									
	Sand Bar Ferry Park	LS	say, allow...			8,000,000		2,000,000	6,000,000
	Levee Way Improvements	LF	say, allow...			2,000,000		2,000,000	0
	Riverfront Park	LS	say, allow...			10,000,000		10,000,000	0
					Total Infrastructure	38,200,009		28,200,009	10,000,000
								NET ALL PHASES	\$145,013,209
						INFRASTRUCTURE SOFT COSTS			
								Area Action Plan	0.20% 290,026 NA
								Infrastructure Design	10.00% 2,820,001 1,000,000
								Contingency	15.00% 4,230,001 1,500,000
									\$7,340,029 \$2,500,000
								Total Infrastructure Costs	35,540,038 12,500,000
								Total Private and Public	108,700,438 46,152,800

Private and Not-for-Profit Build-out

Ultimately, as with many of the other projects identified in other districts, private and not-for-profit entities focus on residential revitalization of the Westobou Urban Area in these project areas where public improvements have created new or improved amenities. As seen below, given the recreation orientation of this development, opportunity also exists for participants interested in non-residential uses.

Sand Bar Ferry Road to the Levee

New housing development along the Broad Street Extension and the base of the levee, connecting to the proposed new village on the Marion Homes and the Underwood Homes sites.

This plan recommends that the Exchange Club, relocate its Annual Fair from its present facility to this site, as part of a coordinated “Urban Agriculture” focused redevelopment focus for this plan.

The plan recommends location of the Golden Harvest Organic Farm in this area, with the possibility of livery and stable facilities for tourist horse-drawn carriage operations and law-enforcement horse-mounted operations.

Atop the Levee

A new mid-rise mixed-use apartment complex that opens onto the levee and offers full waterfront view and access, similar to the proposed development in downtown.

Levee to the River

This low lying waterfront area is best used for public purpose and as such is mostly publicly funded, however, certain recreation programs and certainly the RV/Camping elements could be developed on a lease basis, by private and not-for profit interests.

9.5 Comparable Projects in other Cities

There are a number of emerging models of mixed income projects which are positioned as workforce housing. One such project in Raleigh, North Carolina is Carlton Place. This project has only recently been completed. The development is made up of 80 1, 2, and 3 bedroom units. The population that it is designed to serve would also fit nicely into the Augusta market. The composition is as follows:

- 8 units-special needs
- 8 units-30% of AMI
- 32 units-50% AMI
- 16 units-60% AMI
- 16 units –Market rate

Obviously the mix of affordable units can be changed depending upon the financing requirements. The project amenities include on-

site management and maintenance, fitness room, business center, laundry room, storage space, walk in closets, electric range and frost free refrigerators, dishwasher and garbage disposal, washer and dryer hook-ups, emergency fire sprinkler system, prewiring for cable system and internet, picnic area, tot lot, and a parking space per unit with garage parking.

Rents range from a low of \$340 for the one-bedroom affordable housing units to approximately \$670 for the three bedroom affordable unit. Prices for the same market rate units range from \$700 for the one bedroom unit to \$1,100 for the three bedroom units.

9.6 Start-up Program

Start-up Project Concept

Given current and probable future market conditions, we have concluded that the initial start-up activities for Sand Bar Ferry road, in addition to the proposed Public Housing Authority Project, should include the following:

Estimated Cost

An 80 unit 80/20 mixed income apartment building.	\$14,044,368
Riverfront Park	\$10,000,000
Sand Bar Ferry Park	\$2,000,000
Levee Way Improvements	\$2,000,000
Broad/sand Bar Ferry Intersection	\$1,500,000
Broad Street Extension	\$7,200,000
Total Estimated Cost Phase I	\$36,744,368

While some of these public improvements may be expensive, they will be designed to generate over \$100 million in private investment over the following 20 year period. The 80 unit mixed income apartment building, in concert with the public improvements, would be a good start to the process.



Unit Mix, Size and Monthly Rents

The unit mix size and monthly rental amounts for the apartment building can be found in the following table. Under our current assumptions, we are proposing 20 1 bedroom units of 800 square feet; 20 two bedroom units at 950 square feet, 20 two bedroom units with den at 1150 square feet, and 20 three bedroom units.

Table 9.1 Unit Mix and Pricing

Number of Units	Type	Size	Monthly Rent
20	1Br	800	\$625
20	2BR	950	\$741
20	2 Br +Den	1150	\$828
20	3BR	1350	\$918

Source: George Henry George Partners

Market rents for such units in the Augusta-Richmond market range from low of about 52 cents per square foot per month to a high of \$1.14 per month. For the purpose of this analysis we are going to set our price points as 82 cents per square foot per month for the one bedroom; 78 cents per square foot per month for the two bedroom unit; 72 cents per square foot per month for the two bedroom with den unit; and, 68 cents per square foot per month for the three bedroom unit.

These rental rates would result in rental rates for the one bedroom of \$625; the two bedroom of \$741; the two bedrooms with den of \$828 per month; and the three bedroom unit of \$918 per month.

Market Support for Rental Housing

Table 9.2 shows the distribution of households in the PTA and monthly housing cost the households can afford based upon the HUD standard. This 30% standard includes the payment of the cost of heating and electricity, as well as other occupancy related expenses.

Table 9.2 shows that as many as 38% of the households in the trade area may have little choice but to rent housing due to lower household incomes. Most households having incomes of less than \$30,000 would qualify for some affordable housing assistance since their income is less than 80% of the median for the area. Major subsidies would be required for households making less than \$15,000 per year.

The other 62% may have a variety of home ownership options given the relatively inexpensive housing choices available in the metropolitan area and given the relative abundance of vacant housing units.

The rental market is generally more heavily weighted to lower income ranges because higher income households are more likely to own than rent. Therefore, we would expect that the depth of the market for market renters would be in the \$25,000-\$35,000 household income range. As indicated earlier, these households can support housing expenses in the \$625-\$875 per month range. Higher rents might be obtainable from higher income households who are not yet ready to make a housing investment decision.

There are nearly 50,000 market households who could afford the market rents for this project. In addition there will be tenant assistance available for the families who might qualify for the 16 affordable housing units in the building through Section 8 or other programs.

Table 9.2 Monthly Housing Budget Analysis

Household Income Ranges	Annual Housing	Monthly	PTA % Budget	Budget
Income Less than \$15,000	24,836	14.79	\$ 3,000	\$ 250
Income \$15,000-\$24,999	19,825	11.81	\$ 6,000	\$ 500
Income \$25,000-34,999	19,432	11.57	\$ 9,000	\$ 750
Income \$35,000-\$49,999	26,462	15.76	\$12,000	\$ 1,000

Source: George Henry George Partners

District A.5- Old Towne/East of East Boundary

Development Cost Estimates

Development costs do vary among regions, however we have based our estimates on what similar projects have cost. Some studies have shown that mid-rise and high rise projects require relatively high construction cost methods because they are generally built of steel and reinforced concrete, while townhouses and low rise housing up to four stories are usually less expensive stick built construction not requiring elevators. We have assumed the development cost will be as shown on a per unit basis in Table 9.3.

We have estimated hard construction cost of about \$110 per square feet, soft cost of approximately \$21.80 per square feet, design fees at \$7.50, Developer fees at \$14.20 and garage spaces at approximately \$12,750 per space. This generates a total unit cost of approximately \$175,500 or about \$165 per square foot. This would create a total project cost of \$14,050,000.

Table 9.3 Estimated Development Cost for Levee 80 Unit Apartment Building

Unit Cost	2008 Dollars
Average Square feet per Unit	1062
Cost per square feet	\$109.50
Soft cost per square feet 20%	\$21.80
Design Fees	\$7.50
Developer Fees	\$14.20
Total Cost	\$153.00
Unit Cost	\$162,805.00
Garage Cost	\$12,750.00
Total Unit Cost	\$175,555.00
Total Project Cost	\$14,044,368.00

Source: George Henry George Partners

Gross Income Estimates

Table 9.4 shows our project income estimates based upon what we think is possible in the Augusta regional market. The major source of income for the project will be generated by the rental market. As the table shows the one-bedroom units are projected to generate approximately \$159,000 annually in project income; the two-bedroom units will generate approximately \$178,000 in project income; the two bedroom plus den units will generate approximately \$199,000, and the 3 bedroom units about \$220,000.

Once the project is fully leased up, we are estimating a normal operating vacancy of 5%, which we have deducted from the projected gross income as will be reflected in Table 9.4.



Projected Operating Performance

Table 9.5 presents a “back of the envelope” operating pro forma for the 80 unit apartment complex based upon projected gross income of \$746,640 less the projected 5% vacancy allowance of \$37,332 plus about \$34,345 in other income. This creates gross effective income of approximately \$743,500.

Operating expenses are projected to be approximately \$330,480 or approximately or about 44.4% of gross effective income. These expenses include management fees, salary expenses, utilities,

insurance, supplies, advertising, and maintenance (including replacement reserves) and property taxes. Operating expenses have been held to 44.4 per cent of gross effective income which we believe would be reasonable for a project of this type. Net operating income is projected to be about \$413,000. This is the amount that would be available to meet debt service requirements. In order to achieve a debt coverage ratio of 1.20 then maximum amounts available for debt service would be \$344, 311.

Categories	1BR	2BR	2BR+Den	3BR
Market Rate Per Square Foot	0.78	0.78	0.72	0.68
Rent per Unit	\$800	\$950	\$1150	\$1350
Number of Units	\$624	\$741	\$828	\$918
Total Monthly Rents	20	20	20	20
Annual Rents	\$12,480	\$14,820	\$16,560	\$18,360
Estimated Vacancy Factor				
Annual Gross	\$149,760	\$177,840	\$198,720	\$220,320
Vacancy Loss Estimate	\$149,760	\$177,840	\$198,720	\$220,320
Vacancy Factor (Assume 5%)	0.05	0.05	0.05	0.05
Vacancy Loss Estimate	\$7,488	\$8,892	\$9,936	\$11,016

Source: George Henry George Partners

Potential Gross Rents	\$746,640
Less: Vacancy Allowance	\$37,332
Sub-total	\$709,308
Plus: Other Misc. Income	\$34,345
Effective Gross Income	\$743,653
Less Operating Expenses	
Management Fee (5% of Gross)	\$37,183
Salary Expenses	\$66,185
Utilities	\$34,952
Insurance	\$11,898
Supplies	\$7,065
Advertising	\$10,783
Maintenance, Repairs and Replacements	\$61,277
Property Taxes	\$101,137
Annual Operating Expenses	\$330,480
Net Annual Operating Income	\$413,174

Source: George Henry George Partners

9.7 Realizing Sand Bar Ferry Riverside

Key Early Actions and Overall Timetable

A key strategy of the Plan is to create exciting new projects in those locations in each of the surrounding neighborhoods, which are most proximate and convenient to the downtown and which are situated next to a major amenity. Sand bar Ferry Riverside, with its riverfront, levee way and frontage on the propose Sand Bar Ferry gateway. meets these criteria very well. Following approval of the plan by the City/County Commissioners, implementation should commence through the Area Action Plan phase. Key components for realizing this plan include:

Vigorous Public and Private Support-

This is one of Augusta's 'forgotten' waterfronts and once discovered, will generate significant interest and energy. The need for major improvement in this area already seems to have broad government and community support, particularly around the Underwood Homes and Marion Homes sites. The neighborhood's churches can play a large role in the implementation of this multi-phase, mixed-use effort. Several special interest groups have expressed interest in being involved in particular programs and others will find this area. The key is to insure integrated, coordinated and collaborative development.

Sand Bar Ferry Riverside Champions must step forward

The city, through the Departments of Recreation and of Housing and Community Development, the Augusta Housing Authority, local churches, either individually or collectively, can become active participants. Special-interests such as the Exchange Club, Golden Harvest, rowing/ boating/ equestrian/ specialty sports groups can each champion their respective interests. Property owners within this target area can participate in a number of ways. Housing and Community Development is the natural leader for organizing this collaboration.

Development of a Sand bar Ferry Area Action Plan

An Area Action Plan should be undertaken as soon as possible. This Area Action Plan would build on the concepts identified in this Master Plan and finalize a feasible plan, program, concept design, and development timetable for this project. To be successful, it must be inclusive and realistic, in order that stakeholders can embrace it and that governing officials can approve it, support it and that all can agree upon joint implementation approach.

Control of Key Sites

There are a number of key sites, south of the levee and along the north side of Sand Bar Ferry Road, where site assembly has begun and should continue. These are typically large, open, semi-industrial sites, used for open storage of various sorts, inappropriate to the high quality redevelopment potential of this area. Much of this land is already in public hands. North of the levee, it is likely that there is sufficient public land available already that the initial phases of a new riverside park could commence. A first step would be an inventory of public land in this area. Additional properties could be added as they come available.

Sand Bar Ferry/Riverside Illustrative Time Table

Project Initialization	
Year 1	Create consortium of implementers, potentially including City, AHA, Private Developers, Exchange Club, Golden Harvest; develop and approve Area Action Plan ;
Public Open Space Infrastructure- (3 Phases)	
Phase 1- Underwood/Marion Homes Area	
Year 1	Housing and Community Development Dept, AHA and private developer create a joint development plan; commence site assembly
Years 2-6	Complete site assembly; finalize Phase 1 private development component and sites; secure funding, cross agreements and required approvals; final design and construction of Town Green, Broad Street Extension and related streets.
Phase 2- Sand Bar Ferry Park	
Year 1	See Project Initialization above
Years 2-5	Commence site assembly for major regional park, the Broad Street Extension and abutting private development; Identify Phase 2 private development component and sites
Years 6-10	Secure funding, cross agreements and required approvals; final design and construction of Broad Street/SandBar Ferry intersection, Broad Street Extension, and new park; develop levee multi-purpose trail.
Phase 3- Sand Bar Ferry Riverside Park	
Year 1	See project initialization above
Years 2-5	Commence site assembly for major regional riverside park north of levee, Identify recreational component and sites
Years 6-15	Secure funding, cross agreements and required approvals; final design and construction of park elements
Buildings- (3 Phases)	
Phase 1- Underwood/Marion Homes Area	
Year 1	Identify first project site and program
Years 2-8	Secure financing, complete final design and construction of 'New Urbanist" residential village and auto-oriented shopping center in this area.
Phase 2- Sand Bar Ferry Park	
Year 1	Complete project initiation described above, particularly cross agreements with parcel owners
Years 5-10	Secure financing, complete final design for town house community (affordable and market rate) with easy access to canal.
Phase 3- Sand Bar Ferry Riverside Park	
Year 1	See project initialization above
Years 2-5	Commence site assembly for major regional riverside park north of levee, Identify recreational component and sites
Years 6-15	Secure funding, cross agreements and required approvals; final design and construction of park elements, including reuse of existing buildings.

District A.5- Old Towne/East of East Boundary

Potential Funding Sources

The available operating income will not be sufficient to cover potential debt requirements, even if the financing is a low interest long term bond financing strategy. This is largely because market rents within the areas are not sufficient to carry the costs of a new construction project. It will therefore require a creative financing approach that might have to utilize several different subsidy tools. These may include the following:

- Section 108 Project Assistance
- Federal Low Income Tax Credits
- State Low Income Tax Credits
- Federal Tax Exempt Bond Financing
- Deferred Note on Portion of Developer Fee
- Land Write Downs
- Equity Syndication
- Property tax Abatements

Even though very competitive, the State and Federal LIHTC programs are worth pursuing because they are designed to finance up to 60 percent of project cost with equity obtained from the sale of the tax credits.

In addition, if the Federal Exempt Bond Financing Program is used the project may be eligible for the low bond interest rate plus an additional 4% credit that may be able to cover an additional 25% of project cost.

Financing of the Proposed Public Improvements

The first phase public improvements have been estimated to require approximately \$22.7 million in public financing. It is expected that most of these improvements will be funded by the City of Augusta.

Potential sources of funds will likely include SPLOST funds, TIF Funds, or possibly EDA Public works funds. Funding for the Broad Street extension and the Broad/Sand Bar Ferry intersection should also target state and federal DOT funds.

In addition, there is also a very likely possibility that some of these infrastructure projects, assuming they can be moved quickly, could qualify for possible subsequent rounds of federal stimulus funding.



9.8 Immediate Next Steps

This is the single largest project in the Westobou urban area, but interest and activity is building to a level where immediate attention is required to realize the full potential of the Sand Bar Ferry opportunity. Following approval of the plan by the Commissioners. Immediate next steps include:

1. Formalize a collaborative arrangement, with specified meeting times, between the Department of Community Development and the Augusta Housing Authority to insure coordinated development of the Underwood Homes and the Marion Homes neighborhoods, wherein the actions and approvals of each compliment those of the other, as well as the overall Master Plan concept for this area.
2. Undertake the Area Action Plan for Sand Bar Ferry Riverside, coordinated with area wide transportation and open space network plan reviews.
3. Solicit program development interest in this area from potential participant “Champions, specifically, churches having “Faith-based Initiatives”, the Exchange Club, Golden Harvest, the city’s recreation department and others.
4. Complete a site assembly analysis to assess the amount of land needed to create a critical mass and its likely cost. Commence assembly process.

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