Scottish Rite Redevelopment

A case study of an "Everyday Neighborhood"

September 2006

History of Oakhurst

- 1910 - incorporated, annexed into Decatur 1916
- Business district was formed around Scottish Rite Hospital for Crippled Children
- 1976 - Hospital left site, decline of neighborhood and business district
- 1990's - beginning of "civic pride" efforts to revitalize
- 2002 - Completion of Scottish Rite site redevelopment

Scottish Rite Hospital for Crippled Children (1940's)
BEFORE PHOTOS

The following photos were taken in 1996 and 1997. They indicate the state of disrepair at the old Scottish Rite hospital....

BEFORE - Fenced, empty property

BEFORE - Looking down Hill Street to the East and West
Development Timeline

- October 1997 – RFP
- May 1998 – Selection
- May 1999 – Approval of Urban Redevelopment Plan
- May 2000 – Property Transfer approved
- March 2001 - Groundbreaking
- June 2002 – Project Completion

Length of time for redevelopment:

4 ½ YEARS!!
Development Sources of Funding

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>$1,725,000</td>
</tr>
<tr>
<td>Historic tax credit equity</td>
<td>673,489</td>
</tr>
<tr>
<td>Housing Authority grant</td>
<td>255,000</td>
</tr>
<tr>
<td>EDGE Loan (FHLB)</td>
<td>220,000</td>
</tr>
<tr>
<td>Fundraiser proceeds</td>
<td>20,000</td>
</tr>
<tr>
<td>Owner's equity*</td>
<td>1,123,111</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,016,600</strong></td>
</tr>
</tbody>
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Sources of Owner's Equity

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of accessible housing site to Independent Communities</td>
<td>$60,000</td>
</tr>
<tr>
<td>Sale of 10 parcels to DHA</td>
<td>500,000</td>
</tr>
<tr>
<td>Sale of Health Center + 3 single family parcels</td>
<td>431,111</td>
</tr>
<tr>
<td>Owner's equity</td>
<td>132,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,123,111</strong></td>
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</tbody>
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AFTER PHOTOS

The renovation completely restored the main building and two wings to their original look. The outparcels were developed as shown on the following slides...
Oakhurst Business District 2006
- Scottish Rite Campus
- Oakhurst Businesses
- Residential Development associated with Scottish Rite Redevelopment

Scottish Rite Campus
- PRI PRISM and CaringWorks Headquarters
- Decatur Eye Care
- YWCA
- Seen Art Gallery
- Palate Dessert and Wine Bar
- Watershed Renovation
- Solarium (Community Facility)
Oakhurst Business District

- 8 Restaurants and Bars:
  - Universal Joint
  - Mojo's Pizza
  - Matador Mexican
  - Oakhurst Grill
  - Steinbeck's Oyster Bar
  - Jupiter Coffee
  - Mulligan's
  - Wahoo (College Ave)

- 2 Hair/Spa Salons
- Food Market
- Auto repair shop
- Running shoe store
- Real Estate Firm
- Mead Street Business Park
- Dry Cleaners

Today on and around the Scottish Rite campus....

- 45 employees on Scottish Rite campus
- 13 new single family homes
- 14 new accessible rental units
- 3 new businesses/destinations
- Reclaimed 5 vacant and abandoned properties
- Community Events:
  - Jazz Nights
  - Halloween at Solarium
  - Christmas Craft Show
  - Oakhurst Art Show

Neighborhood Statistics

CRIME:
1999 → 155 burglary/theft cases
2005 → 47 burglary/theft cases

ABANDONED PROPERTY:
1998 → 5-10% abandoned property
2006 → 1 abandoned home

SCHOOLS:
1998 → Segregated elementary schools
2006 → Redlining to provide racially diverse schools; support by local residents

HOME PRICES:
1998 → $150,000 and lower
2006 → $250,000 - $470,000
Financing Information

- Historic Tax Credits:
  - Buyer: Guilford Capital (now Column Financial)
  - Price: $92
  - Difficult to place because of small amount of credits
- Construction/Perm Loan:
  - Lender: Regions Bank
  - Terms: Prima + 1, floating interest rate; 2 year interest only construction loan; 5 year mini-perm loan; matures April 2007
  - Required PRI and YWCA to sign leases

Commercial Tenant Leases

Original annual lease rates:
- PRI $10/sqft
- YWCA, Seen Art Gallery $10/sqft
- Decatur Eye Care $13/sqft
- Solarium $10 per year for 19 years

Source of leases:
- YWCA – Broker
- All others were word of mouth from community relationships

Other PRI Properties in “Everyday Neighborhoods”

Welcome House
Downtown Atlanta
Fremont School Apartments
Downtown Spartanburg, SC

Maxwell House Apartments
Downtown Augusta, Georgia