

Georgia Department of Community Affairs



Adel's SOWEGA Building Ideal for Mixed Uses

Located on US 41 in the retail core of Adel's downtown, the SOWEGA "Watermelon" Building is one of the city's most important landmark structures. Currently the Chamber of Commerce occupies the first floor while the second and third floors are vacant.

After touring the building and discussing various ideas for reuse, the team decided to recommend that the upper floors be converted to residences. Office development was seen as more problematic due to the difficulty in attracting tenants to a small downtown and the lack of adequate nearby industry. Due to the availability of residential housing grant and loan programs and historic tax credits, the team concluded that the most profitable use for the two upper floors would be residential development – perhaps mixed-income. Residents would be within an easy commute to Valdosta or within walking distance of local government buildings.

To qualify for attractive housing financing, a project must include at least 11 units, some of which should meet affordable housing criteria for the region. The two upper floors of the

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Old Post Office as New Community Arts Center?

The Old Adel Post Office is a fine old structure built in 1939. It is a one-story building with attic space and an occupiable basement.

The team discussed two options for the building—rental apartments or a community center. While the first option would put the building on the tax rolls, there would not be enough housing units to

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Lobby of the historic Adel Post Office, with its marble details and large windows, would make excellent gallery space.

The Quality Growth Resource Team Process

In the fall of 2001, a team of downtown developers, architects, finance managers, marketing experts, and historic preservation planners toured nine "white elephant" buildings in four south Georgia cities—Adel, Hahira, Valdosta and Waycross—to discuss and analyze possibilities for rehabilitation and reuse. This report looks at the two buildings investigated in Adel, the SOWEGA Building and the Old Post Office.

The "White Elephant Team" was an experimental version of the Quality Growth Resource Teams sponsored by the Georgia Quality Growth Partnership (GQGP). These intensive local technical assistance visits are staffed by volunteers from the partnership, the Georgia Department of Community Affairs (DCA), the state university system, and other participants from the design and development fields. The team visits are intended to spread innovative planning practices and "smart growth" concepts throughout the state.

Team members included Eleanor Matthews and Rachel Prioleau of Marketek, Inc.; Steve Foster of the Georgia Power Company; Paul Simo of the Georgia Trust for Historic Preservation; Jack Pyburn of the Office of Jack Pyburn, Architect; Joe Burnett of Main Street Gainesville; Bill Hover of the Historic Preservation Division, Georgia Department of Natural Resources; DeWayne Anderson of Landmark Asset Services, Inc.; and Hal Carter, developer of the Bonair Hotel in Bainbridge, Georgia. DCA team members were Brian Williamson, Rosemary Kernahan, Scott Purvis, Kelly Folsom-Lane, Julie Brown, Martha Reimann, Jim Frederick, and Steve Storey.

Unique Features

History: Built 1930, 3-story with penthouse. Original plans available. Individually listed on the National Register of Historic Places (NR).

Structure: Brick bearing walls with structural clay tile. Nice roof deck that could be reused with a change in the decking surface. Roof recently overlaid with spray polyurethane (apparently poor drainage).

Exterior: Brick with “watermelon” cartouches, cast stone quoins and window surrounds, granite base (needs repair), intact windows, storefront substantially altered, non-historic canopy.

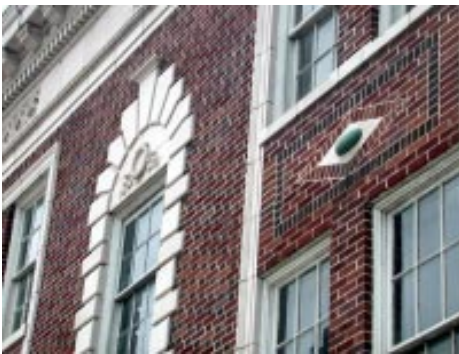
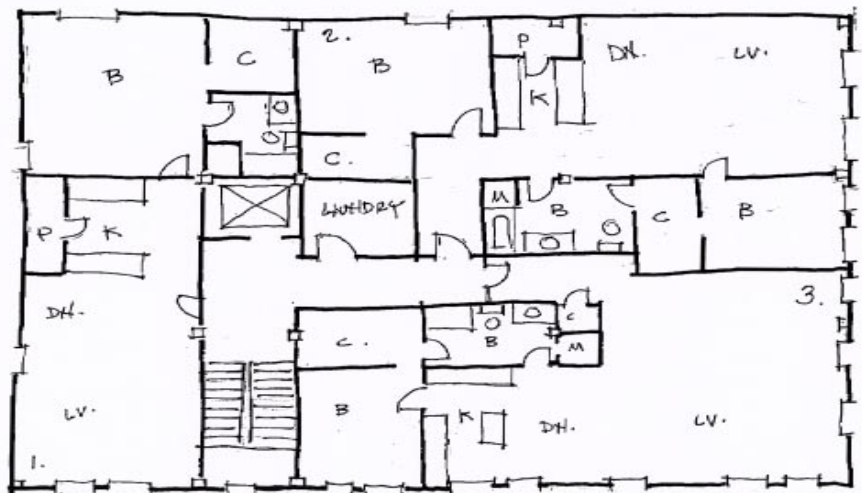
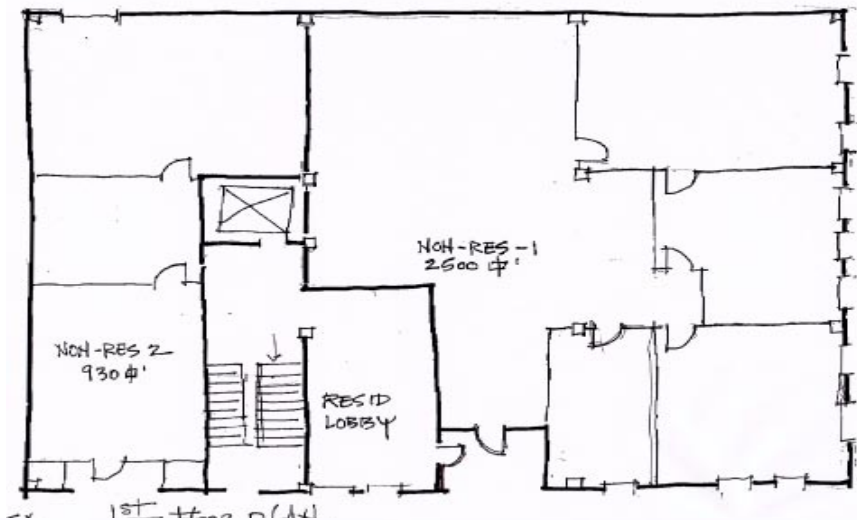
Interior: First and third floors substantially altered, second floor intact. Features include: terrazzo floor corridor, wood double-hung windows (metal center-operable windows on secondary side), interior panel doors with transoms, plaster walls/ceilings, and mouldings.

Tax Credit Requirements: Retain windows and second floor corridor and associated features; remove canopy. Install new, compatible storefronts. Consider replacing roof to add usable outdoor space for residents.

Other: Limited access with non-operable elevator, single set of stairs.

ADA access : Appears readily attainable.

Site Issues: Limited parking. Demolition of adjacent buildings (if not historic) may provide extra parking. Noise from street could be a problem for renters.



Unique watermelon cartouches grace the facade of the SOWEGA building, designed to house a watermelon growers association.

Note: These floorplans are intended to illustrate the proforma on the opposite page, but will not reflect some of the alternatives the team offered for consideration. In particular, actual building layouts would need to conform to historic preservation guidelines in order to make the project eligible for certain tax credits. DCA is not suggesting that these plans be taken literally.

A financing approach . . .

Because the team looked at nine buildings in two days, it was not possible to develop a cost analysis and financing strategy for this building in the very limited time available. A “back-of-the-envelope” calculation, however, was prepared during the team’s visit. It assumes a rehabilitated building with 11 units, 8 of which would rent at an 80%-of-median-income rate. It also assumes that two units would be unrestricted and that the project would include two nonresidential storefronts.

Uses of Funds

Acquisition	\$ 250,000
Building rehab (14,600 sq. ft. at \$55 per sq. ft.)	803,000
Soft costs (30%)	312,000
Total	1,365,000

Sources of Funds

CDBG Redevelopment Funds	\$ 200,000
CDBG Housing	400,000
HOME Funds	200,000
Georgia Cities Foundation	100,000
Chamber of Commerce	150,000
State Redevelopment Loan Fund	150,000
Equity	165,000
Total	1,365,000

Pro forma income and expenses

11 units at \$325 per month	\$ 42,900
Less vacancy contingency at 7%	-3,000
Nonresidential rental (2 at \$600/mo.)	14,400
Less vacancy contingency at 7%	-2880
Effective Gross Rent	51,420
Less operating expense (11 at \$2,500 per unit)	-27,500
Less replacement reserve (11 at \$300 per unit)	-3,300
Net operating income	20,620

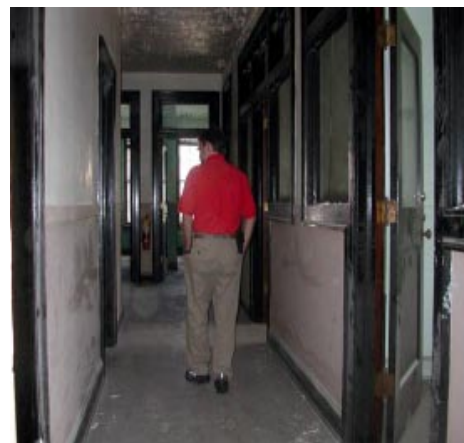
Disclaimer: This project scenario is provided only to stimulate discussion and to illustrate a conceptual public-private financing package of the type that might be used for this building. DCA does not warrant that: 1) costs, rents or cash flows are accurate; 2) funding would be available from the sources listed; 3) tax credits would be available; or 4) this would be the best or most profitable approach for the city or building owners to take.

SOWEGA Bldg., continued from page 1

SOWEGA Building would not be large enough to be subdivided into this many units. However, by incorporating the building next door and putting two ADA-accessible units downstairs at the rear of the building, funding requirements could be met. Adequate parking for residents could be placed in the center of the block.

To keep the downtown lively, storefronts on the first floor should be leased for retail or commercial use, ideally something complementary to the residences such as a soda fountain, sandwich shop, clothing store, or drugstore. Landscaping could be added to enhance the street frontage. Two ADA-accessible units could be provided on the first floor adjacent to the parking lot.

The Chamber of Commerce currently owns the SOWEGA building but is willing to relocate if a suitable project proceeds.



The second floor of the SOWEGA Building features attractive existing finishes and terrazzo floors. A “Phillip Marlowe” theme could be used for the redevelopment of the public spaces. Glass window walls (shown above) could be preserved.

Art Center, continued from page 1

qualify for DCA financing. Additionally, it could be difficult to construct apartments on the ground floor while keeping the building eligible for historic tax credits.

Several team members believe that a community arts center would be a sound reuse of the old post office. Possibilities include art classes (pottery, photography, painting, dance) for citizens of all ages. Meeting rooms or even a café/coffee shop could be included.

The side yard is large enough to serve as a sculpture garden or a fenced playground for children. The marble lobby area and original postal counters, which should be retained for historic reasons, would make an excellent display space for art exhibits.

The basement could be used for children’s day care, elderly activities, or arts classrooms.

The loading dock in the rear of the building could be retrofitted with a simple kitchen suitable for events catering or basic lunch service.

The post office is currently in private ownership, but may be available for redevelopment at the owner’s acquisition cost of approximately \$120,000.

Old Post Office Building: Unique Features

History: Built 1939, 1-story with attic space and occupiable basement. Original plans available. NR status: not listed.

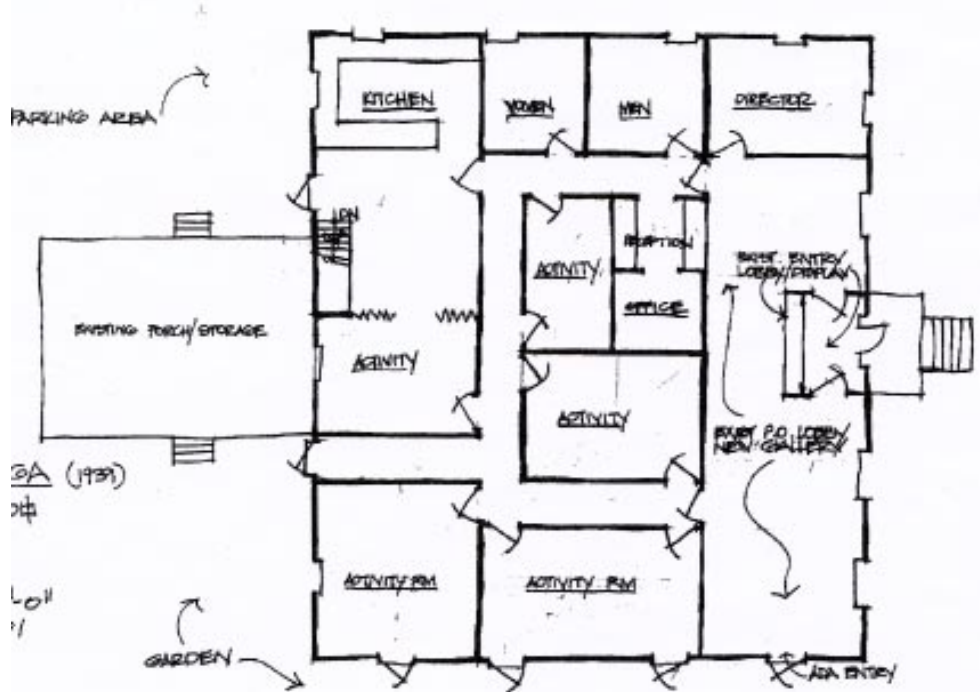
Structure: Reinforced concrete and brick façade.

Interior: Intact floor plan, wood wainscot in work area, marble wainscot in public lobby, intact plaster, doors, and windows.

Tax Credit Requirements: Rehabilitation should include retaining windows, wainscot, and lobby features.

Other: Property undergoing preparation for marketing, including lead-based paint and asbestos removal, as well as systems removal. Inappropriate use of sandblasting has occurred; however, damage has been minimal.

Site Issues: Excellent shaded parking. Space for a garden or deck on south side.



Note: These floorplans are intended to illustrate the Community Arts Center concept presented herein, but the actual building layout would need to conform to historic preservation guidelines in order to make the project eligible for certain tax credits. DCA is not suggesting that these plans be taken literally.

Potential Funding Sources for the Old Post Office

<i>Local Development Fund</i>	Provides up to \$10,000 on a dollar-for-dollar local matching basis. Can be used for planning, architectural fees, environmental analysis and other “soft” costs. See www.dca.state.ga.us/grants/developfund.html .
<i>Georgia Council for the Arts</i>	Organizational grants up to \$5,000 and Grassroots Arts Program grants up to \$2,000 are possible. See www.arts-ga.com .
<i>Downtown Development Loans</i>	DCA’s Downtown Development Revolving Loan Fund can provide up to \$200,000 for purchase or rehabilitation of downtown buildings. Projects may be for public or private use. See www.dca.state.ga.us/economic/ddrfl2.html .
<i>CDBG</i>	Community Development Block Grants up to \$500,000 are available for projects that directly benefit people with low to moderate incomes. Senior citizens centers, Head Start, day care and other activities are possible. See www.dca.state.ga.us/grants/grantprogram.html .
<i>USDA Rural Development</i>	Loans at below-market rates for community facilities. See www.rurdev.usda.gov/ga/ao-list.htm#tifton
<i>Georgia Cities Foundation</i>	Loans up to \$200,000 at below-market rates. May cover up to one-third of project cost.



The team identified two promising uses of the Old Post Office , rental apartments and a community center. However, it may be difficult to build apartments while retaining the historic lobby. Using the building as a Community Arts Center could save the lobby for gallery displays and provide a place for public gatherings.

Market Support for Redevelopment in Adel

- The estimated population of the Adel market area is 18,234.
- Between 1990 and 2001 the market area population grew at an average annual rate of 1.86%, or by 281 persons per year. Population grew at a slower rate than the state, within which the population increased by 2.58% per year between 1990 and 2001.
- In line with state trends, population growth in the market area is expected to slow in the next five years to 1.20%.
- Within the city of Adel, population remained almost unchanged during the 1990s. In 1990 the city’s population was 5,107 increasing to 5,307 by 2000, representing an average annual increase of just 20 persons annually.
- The household growth rate within the market area outpaced population growth from 1990 to 2001, increasing by an average annual rate of 2.51% or by 137 households per year. Similar to population growth, household growth is expected to slow in the next five years.
- The age distribution of the Adel market estimated median household income is \$29,806 compared to \$46,157 throughout the state. Almost twice as many households statewide have incomes over \$50,000 than within the market area – 25% compared to 46%, respectively.
- The racial composition of the Adel market area is similar to the state with 71% of the population white (compared to 66% statewide) and 26% of the population black (29% statewide). Only 4% of the population is Hispanic, below 6% statewide.
- Within a 10-mile radius of downtown, there are 628 businesses, 37% of which fall into the services category and 27% are retail trade businesses. Within a five-mile radius of downtown there are 512 businesses.

Downtown Adel’s Competitive Advantages

Compact Shopping District: The retail core of downtown Adel is essentially located within a two block area, on US 41 and
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Burwell. Redevelopment efforts can therefore be focused in a central area, allowing one or two redevelopment projects to have a great impact.

Proximity to Institutional Anchors: City and county offices are located directly to the east of US 41, making downtown convenient to government workers.

Existing Industry in and Around Downtown: There are 628 businesses within a 10-mile radius of downtown, employees of which are a target market for downtown retail and housing.

Access to I-75 and US 41: Downtown is accessible to surrounding cities via I-75 and US 41, especially Valdosta. Residents of downtown housing in Adel could drive just 20 minutes to work in Valdosta. In terms of shopping, I-75 and US 41 opens downtown to households throughout the market area.

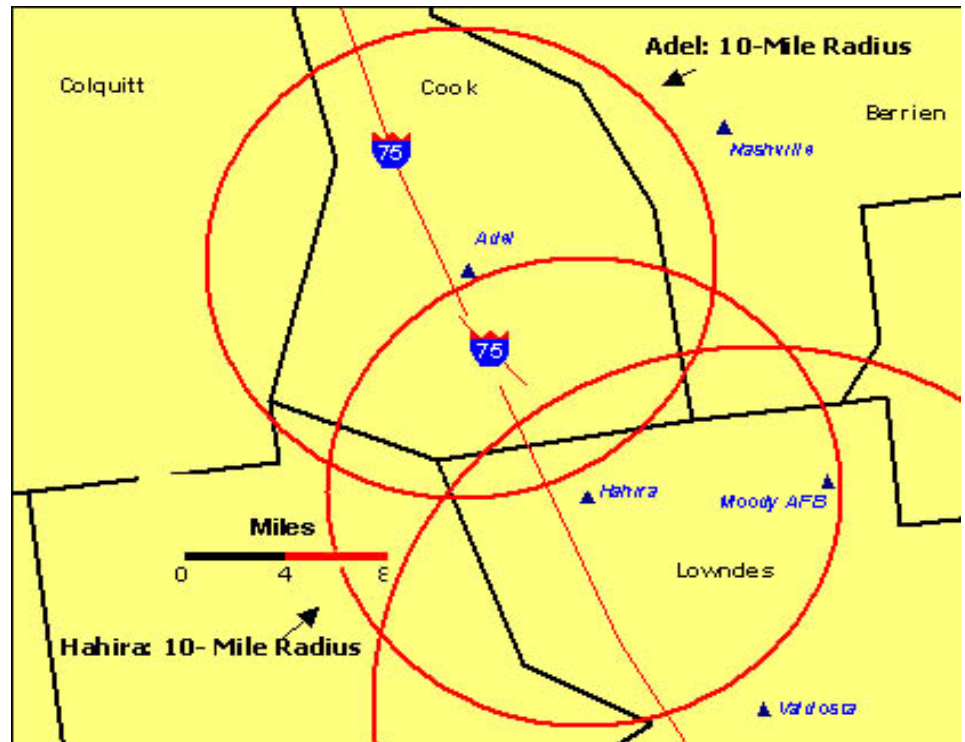
Longtime Businesses: Downtown Adel has a handful of longtime businesses that draw customers from throughout the area (e.g., Whidby Jewelry, Michelle's).

Opportunities

Deter Out-Migration: New housing would appeal to markets that want to stay in the area but have had to look outside of the city for housing and shopping needs.

Provide Needed Affordable Housing to Local Residents: City leaders identified the need for attractive, affordable housing (rental and for-sale) during the site visit.

Rebuild the Retail Base by Encouraging Residential Development: Downtown residential development is one of the most effective strategies in jump-starting revitalization efforts.



The Adel market area is defined by a 10-mile radius from the intersection of GA Highway 37 at US 41. The delineation of a market area is not meant to suggest that prospective residents or shoppers of downtown housing will be drawn only from this geographic area. Because of the location of the downtown, quality of life attributes, and presumed quality of new development, it is expected that prospective shoppers and residents will also be attracted from outside of the market area.

Available Buildings: With two buildings currently available at very low cost, developers would be more likely to consider investing in downtown.

Community Center: Developing a community center – a place where residents could go to learn, meet with each other and enjoy themselves – would instill a sense of community among downtown residents and provide needed services.

Development Constraints

Limited Development Downtown: While there are some successful retail businesses downtown, they are few in number. In addition, the concept of downtown housing has not yet been introduced.

Ample First-Story Office Space: Much of the first-story space in the core retail area is currently being used as office space rather than as retail.

Lack of Greenspace/Community Center: There are no parks or community centers in downtown, both of which are important in creating a livable downtown.

Moderate Household Income: The median household income of the Adel market area

is low which will limit new development. Economic development professionals will need to focus on attracting the types of businesses and housing choices that market area households will be able to afford.

Moderate Population Growth: Population and household growth rates within the market area are below state levels and are expected to slow over the next five years.