

Redevelopment Opportunities Valdosta, Georgia

Georgia Department of Community Affairs

Roberts-Cranford Buildings Offer Historic Housing Opportunities

Residential development is a natural for upper-story space at the Roberts-Cranford buildings. Just on the edge of downtown Valdosta's retail core, the buildings are close to employers, stores, and entertainment. Parking behind the buildings is an added benefit.

The west building, which was once a Masonic lodge, might lend itself to high-end loft/condos while student housing may be the best choice to maximize rental income in the east building, however consideration should be given to whether these types of tenants could be accommodated in close proximity. Both buildings boast beautiful views of the city from upper floors. The two upstairs floors of the east building feature brick walls and floor to ceiling windows. A project here could start out as apartments and convert to condos if funding sources are an issue, allowing maximum use of historic and affordable housing tax credits. It might also be possible to cater to out-of-towners and businesses needing temporary housing for employees or consultants.

First-floor space nearest the street should be reserved for retail, although some first-floor apartments might work well at the rear of the buildings. Due to its street location and prevailing traffic patterns, this space is not favorable for impulse-buying businesses like clothes, shoes or souvenirs. The focus might be on convenience businesses that appeal to downtown residents (e.g., dry cleaners, shoe repair) or unique retail -- antique shops, period dry goods or restoration hardware that shoppers can't find elsewhere. The ideal tenants would have mail order internet components to boost sales.



Cafes and restaurants would do especially well if housing is marketed to students and young professionals.

The west building creates some challenges due to its unusual floor configurations in the upper levels. Also, its facade isn't as attractive as that of the east building. However, it could be brought to life by the addition of a full-width porch in a historically appropriate style across the front of the building. A unique period (late Victorian) dining space could be created downstairs, using the upper porch and floor as a casual dining and bar area. The southern exposure would probably require the use of an awning or roof to make it comfortable during most of the year. The large size of the floors would create a problem for any restaurant, but the

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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 Roberts-Cranford Buildings in Valdosta.

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 1900-1910. Contributing properties in NR-listed historic district. Attractive Victorian facade detailing. No architectural plans available.

Structure: Two adjacent 3-story buildings. Brick bearing wall with timber columns/beams.

East Building: Interior rebuilt with modern materials after total structural failure; half of front facade retains cast iron storefront columns, no other intact storefront features -- space is partially boarded up. Collapse of roof and floors and subsequent rebuild creates ready-to-go structure with a minimum of constraints. All new compatible windows. Some side and rear openings have been filled in with brick. Front facade features corbelled brick above storefront and on cornice. First floor is elevated approximately 1-1/2 feet above main sidewalk.

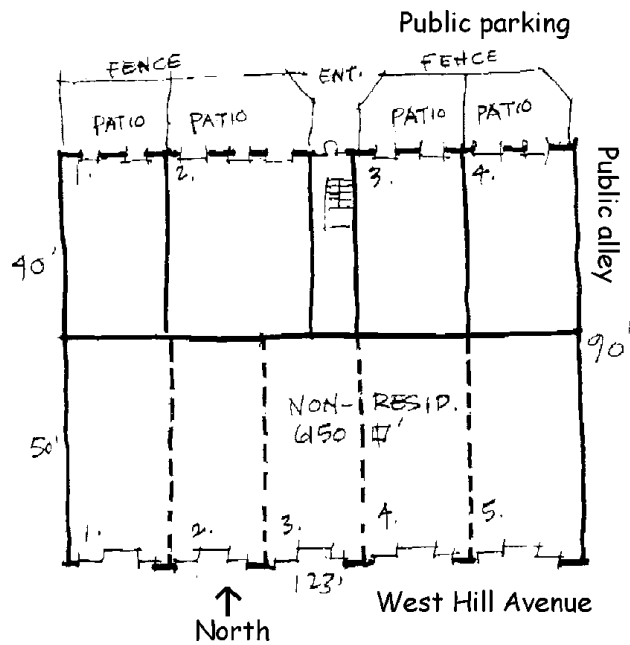
West Building: front facade features brick exterior with pitch-face red sandstone. Second and third floors are substantially intact with room and corridor plan, wide stairwells, wood floors, bead-board wainscot. One room has pressed metal ceiling. Large freight elevator.

Historic Tax Credit Requirements: Rehab of these buildings should include retaining corridor plan of west building with door spacing, retaining wainscot, restoring floors and pressed metal ceilings, and repairing existing historic windows. Both buildings should have new, compatible storefronts installed. New and reopened existing openings on rear and side of buildings would be appropriate.

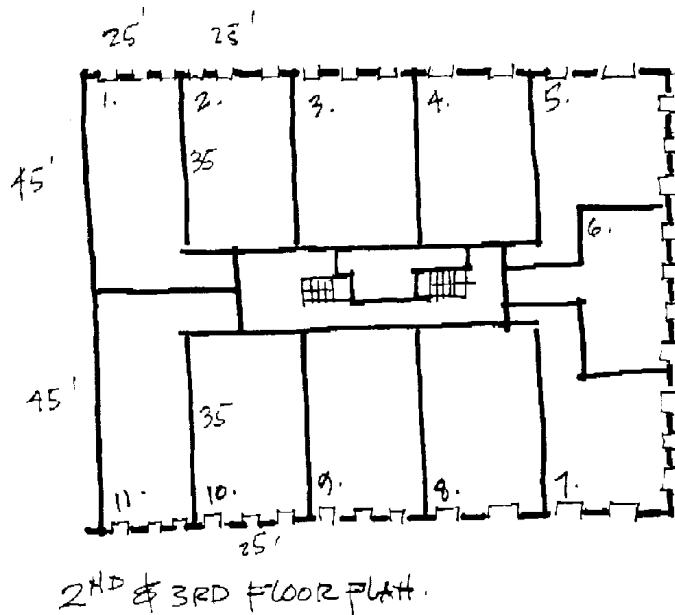
ADA: West building has freight elevator. First floor of east building could be accessible.

Parking: Convenient parking in rear. Wide alley/walkway offers access on three sides of the building.

Ground Floor Plan



2nd /3rd Floor Plan



Note: These floorplans are intended to illustrate the pro forma 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 26 residential units (11 units at 60% of area median rent, 10 at 80%, 5 unrestricted) and 5 nonresidential storefronts.

Uses of Funds

Acquisition	\$ 300,000
Building rehab (33,210 sq. ft. at \$55 per sq. ft.)	1,900,000
Soft costs (30%)	700,000
Total	2,900,000

Sources of Funds

CDBG Redevelopment Funds	\$ 250,000
CDBG Housing	500,000
HOME Program	500,000
Georgia Cities Foundation	200,000
City	100,000
State Redevelopment Loan	250,000
Equity (Rehabilitation Tax Credit)	500,000
Low Income Housing Tax Credit	600,000
Total	2,900,000

Pro forma income and expenses

26 units at \$450 per month average	\$ 140,400
Less vacancy contingency at 7%	-9,828
Nonresidential rental (5 at \$400 per month)	24,000
Less vacancy contingency at 40%	9,600
Effective Gross Rent	144,972
Less operating expense (26 at \$3,000 per unit)	-78,000
Less replacement reserve at \$300 per unit	-7,800
Net operating income	59,172

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 programs listed; 3) tax credits or vouchers would be available; or 4) this would be the best or most profitable approach for the city or building owners to take.



Roberts-Cranford Buildings

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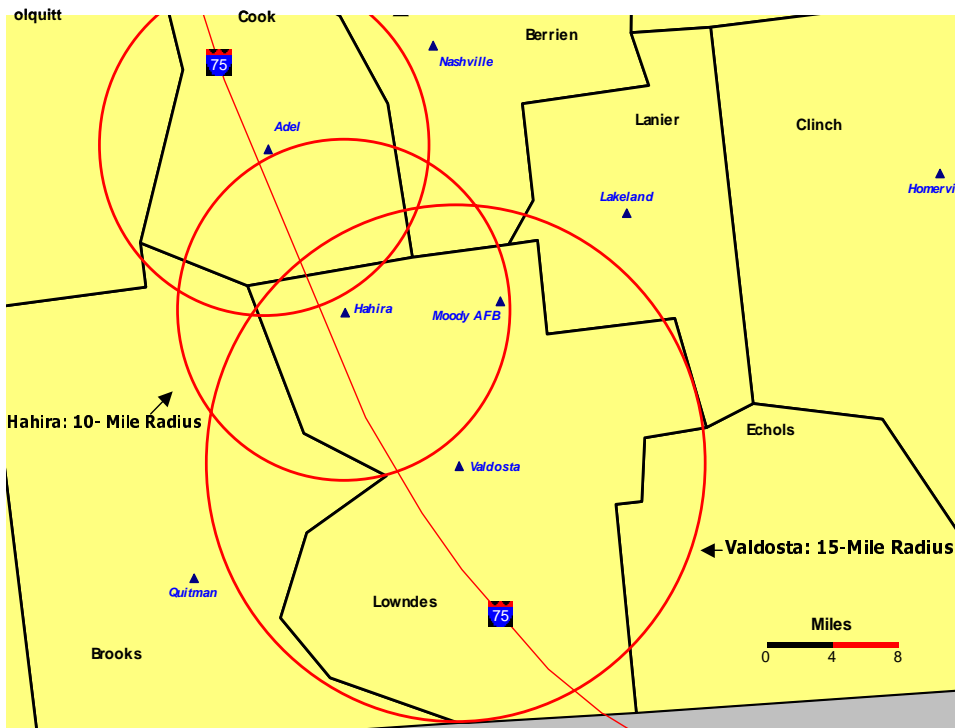
large area downstairs could be reduced by the kitchen and storage in the back and an attractive period bar. The period theme & bar would be carried to the second floor as well. The second floor area could be reduced by the inclusion of a large opening with a stairway to the second floor.

Conceptually the owners could occupy the top floor as a office and residence, providing it met the fire codes. Or alternatively the restaurant could have office/meeting room space for large dinners, banquets, and receptions (Rotary Club, etc.) The most likely market would be local and regional in nature drawing heavily upon students and young professionals in the area. A

TGI Friday's would be a good national chain analog.

Alternatively, the building could be developed into housing (condos or apartments) as in the east building, utilizing the porch across the front as a private decks/porch.

In any case, a trendy, upscale image should be cultivated for the project. The best architects and designers in the area should be used to create truly unique and dramatic spaces. Commercial uses could be marketed locally, but also regionally through publications like *Southern Living*.



Market Support for Redevelopment in Valdosta

- The Valdosta market area is defined by a 15-mile radius from the intersection of US 41 and US 84 (see map above).
- From 1990 to 2001 the market area population increased from 66,194 to 79,452, representing an average annual growth rate of 1.82%, below 2.58% statewide. The population growth rate within the market area is expected to decrease to 1.14% per year between 2001 and 2006, below the state rate of 1.56%.
- The 2000 population of the city of Valdosta was 43,724.
- An estimated 473 households per year were added to the market area between 1990 and 2001, increasing at an annual rate of 2.06%. The number of new households is expected to decline to 364 annually within the next five years.
- The population of the Valdosta market area is slightly younger than the state. The 2001 estimated median age of the market area is 31.5 years compared to 34.7 years statewide.
- Median household income within the Valdosta market area is estimated at \$36,846, 80% of the state median of \$46,157.
- Sixty percent (60%) of the market area population is white, compared to 66% statewide. Thirty-seven percent (37%) of market area residents are black, above

29% statewide. Only 3% of market area residents are Hispanic, one-half the proportion statewide (6%).

- The Valdosta market area maintains a sizable employment base with 3,481 businesses within a 15-mile radius, 42% of which falls within the services sector.

Competitive Advantages

Proven Track Record: Housing in downtown Valdosta (upper-story residential development) has been successful in recent years with strong absorption and occupancy rates.

Multiple Target Markets: Downtown Valdosta has several target markets, including market area residents, daytime workers, university students and Moody Air Force Base personnel.

Organizational Base: With a Main Street program in place and committed officials, Valdosta has the organizational base to put together large-scale redevelopment projects.

Reputation: Valdosta has historically been, and is today, considered a regional shopping center, although much of the retail development today is located along I-75.

Valdosta State Students: Valdosta State University has almost 10,000 students and is continuing to grow. VSU students are a large potential market for shopping and dining downtown. The growing student population also increases the need for

affordable student housing.

Project Constraints

Lack of Focus on Business Recruitment and Retention: The city has dedicated considerable resources to improving the appearance of downtown through streetscape improvements. While this has improved the appearance of downtown, too little attention has been placed on business recruitment and retention.

Large Downtown: Downtown Valdosta is a large area: While it is tempting to focus on buildings as they become available (despite their location), redevelopment efforts should be concentrated in particular areas.

Weakening Business Base: Vacant storefronts and first-story office space are some of downtown's most critical challenges at present.

Competition with Interstate: Many of Valdosta's new retail businesses are located along I-75 rather than in downtown. While national chains and "big-box" stores will inevitably locate along major transportation facilities, some of the new businesses along I-75 reportedly moved from downtown.

Opportunities

Housing: Downtown has several buildings with vacant upper-story space that would be ideal for residential development. Attracting residents to downtown – including students and professionals – would provide a base of support for new retail and entertainment uses and help downtown establish itself as a 24-hour center.

Entertainment Center: Downtown should promote itself as an entertainment center, appealing to area residents, Moody personnel and, most importantly, university students. Competing with retail business along the interstate will be an ongoing challenge, but I-75 cannot position itself as an "urban entertainment district." Suitable types of entertainment include live theater, art films, restaurants, nightclubs and bars.

Move Beyond Aesthetics: Downtown Valdosta should move beyond the aesthetic improvements made to downtown and focus on business recruitment and retention. The aesthetic improvements should be viewed as the foundation upon which to build business recruitment.