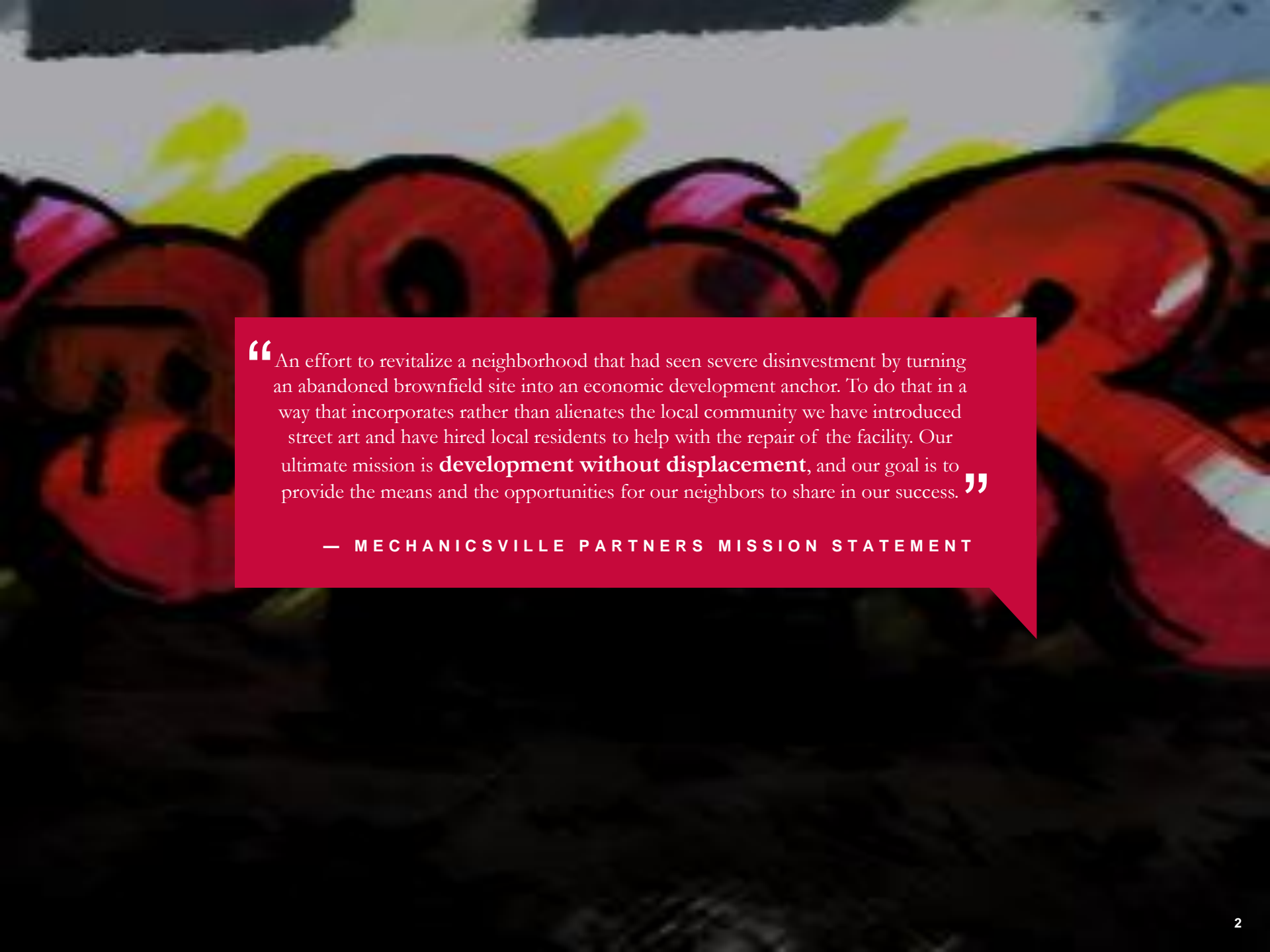


# Mechanicsville Partners, LLC.

Business Plan & Expansion Opportunities

April 30, 2018



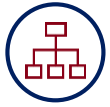


“An effort to revitalize a neighborhood that had seen severe disinvestment by turning an abandoned brownfield site into an economic development anchor. To do that in a way that incorporates rather than alienates the local community we have introduced street art and have hired local residents to help with the repair of the facility. Our ultimate mission is **development without displacement**, and our goal is to provide the means and the opportunities for our neighbors to share in our success.”

— MECHANICSVILLE PARTNERS MISSION STATEMENT

# Executive Summary

## CHANGING THE WAY YOU THINK ABOUT URBAN REVITALIZATION



**Company Overview:** Mechanicsville Partners, LLC. is a for-profit social entrepreneurship, investing in a brownfield property in Mechanicsville; a neighborhood in Atlanta, Georgia which has seen severe disinvestment.



**Founding:** The organization was founded by Mr. Richard Geyer on 27 July 2015.



**Financial Stability:** Cash flow positive as of 2017; projected 2018 revenue ~400k.



**Social Impact:** The Mechanicsville Partners team is committed to providing the means and opportunities for communities to share in each investment's success. The organization works with community leaders to jointly identify opportunities to **train and employ residents, beautify physical spaces, and promote vibrancy.**



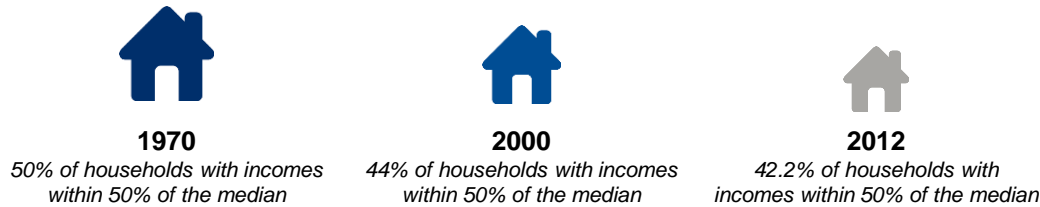
**Expansions Opportunities:** The Mechanicsville Partners business model could be replicated in an expansion effort. The locations under consideration include Augusta, GA, Savannah, GA, and



# Section 1: Urban Revitalization and The Arts

# Low Income Communities are “Sticky”

➤➤➤ The US is experiencing significant, persistent increases in the national Gini Index, a globally accepted measure of income inequality.<sup>4</sup>



➤➤➤ This increased inequality is especially evident in a subset of states<sup>5</sup>.



➤➤➤ Economic mobility factors unduly impact low-income communities<sup>6</sup>.

- Factor 1  
Family Wealth
- Factor 2  
Race & Ethnicity
- Factor 3  
Age/Generation
- Factor 4  
Family Structure

➤➤➤ Furthermore, inequality and intergenerational economic immobility are positively correlated<sup>7</sup>, resulting in a compounding effect.

% of Men Whose Fathers Are In Bottom 5 <sup>th</sup> of Earnings Distribution			% of Men Whose Fathers Are In Top 5 <sup>th</sup> of Earnings Distribution		
Remain in Bottom 5 <sup>th</sup>	Climb 1-3 Positions	Climb to Top 5 <sup>th</sup>	Drop to Bottom 5 <sup>th</sup>	Drop 1-3 Positions	Remain in Top 5 <sup>th</sup>
42%	50%	8%	10%	55%	36%

“The middle class matters for economic growth and economic stability. A solid and growing middle class strengthens our economy and leads to more stable growth.”

- Heather Boushey, CAP Senior Economist<sup>1</sup>

“Over the last few decades, the rungs on the ladder of opportunity have grown farther and farther apart, and the middle class has shrunk.”

- President Barack Obama<sup>2</sup>

“Those born into low income face a lower likelihood of transitioning, and may end up in precarious labor market situations. In cases of generational poverty, money is as much the result as the cause of the vicious circle.”

- Miles Corak, Economic Advisor<sup>3</sup>

**Notes and Sources:**

1. *The Endangered Middle Class: Is the American Dream Slipping out of Reach for American Families?* US Senate Hearing of the Committee on Health, Education, Labor, and Pensions, May 12, 2011
2. President Barack Obama's December 6, 2011 Speech in Osawatimie, Kansas on *The State of the US Economy*
3. Miles Corak, *Inequality from Generation to Generation: the United States in Comparison*, Graduate School of Public and International Affairs, University of Ottawa, January, 2012/
4. Gloria Guzman, *US 2016 Census Report on Household Income*, Issued September, 2017. <https://www.census.gov/concept/data/census/library/publications/2017/cap-ageshr16-02.pdf>
5. States were identified as having a GINI Coefficient higher than the 2016 US GINI Index Average (i.e., 0.482) and a medium state income below the 2016 US Median Income level (i.e., \$57,617)
6. Economic Mobility: Research and Ideas on Strengthening Families, Communities, and the Economy. Federal Reserve Bank of Saint Louis, 2016. [https://www.stlouisfed.org/-/media/Files/PDFs/Community%20Development/EconMobilityPapers/EconMobility\\_Book\\_508.pdf](https://www.stlouisfed.org/-/media/Files/PDFs/Community%20Development/EconMobilityPapers/EconMobility_Book_508.pdf)
7. Timothy Smeeding, *On the relationship between income inequality and intergenerational mobility*, AIAS, GINI Discussion Paper 89, August 2013.

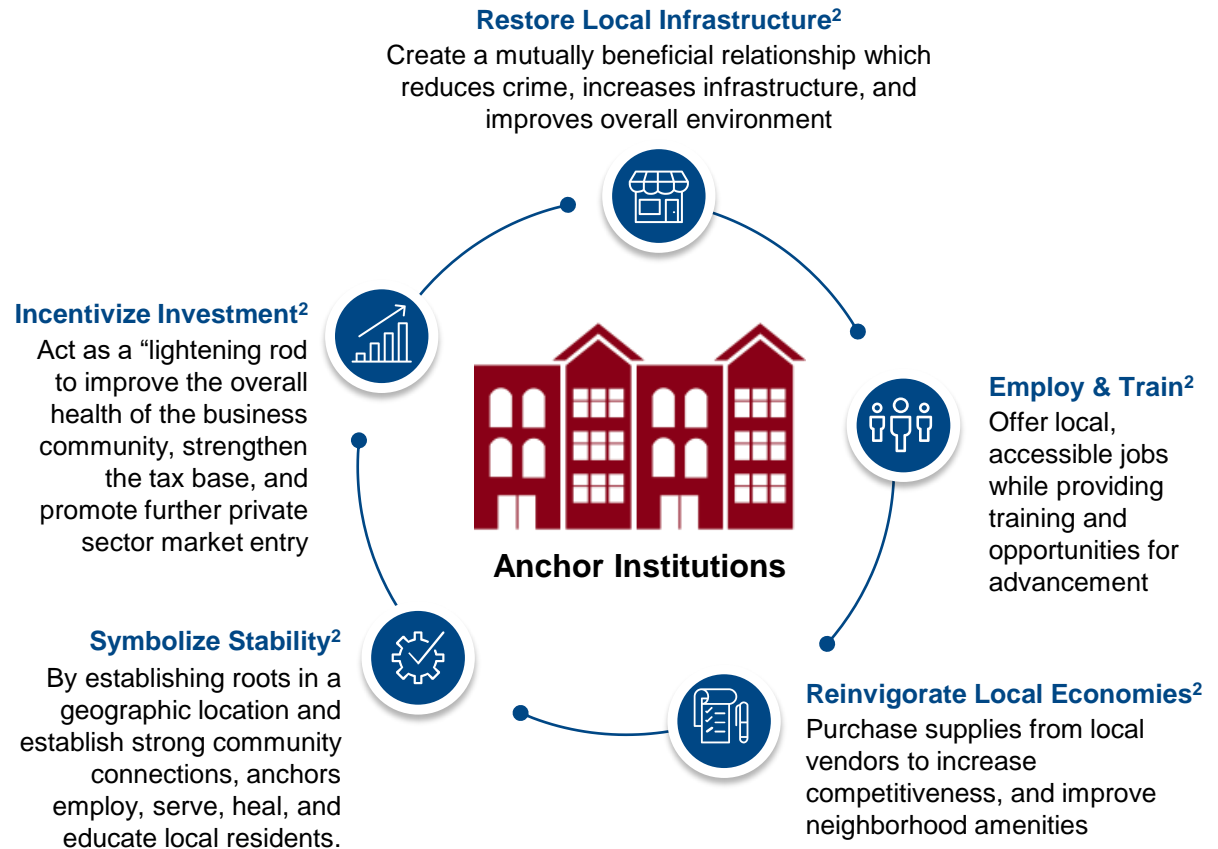
# Real Estate Investments in Anchor Institutions Stimulate Community and Economic Development



## Anchor Institutions Overview

- Anchor Institutions<sup>1</sup> are large community mainstays such as hospitals, universities, cultural institutions, etc.
- They act as economic growth<sup>3</sup> divers by being:
  - Permanent*
  - Large and Growing*
  - Regionally Tailored*
- Their spending results in a **Cycle of Improvement**, sparking innovation and driving community closeness.
- They are especially important in older, industrial cities.
- A strengthened *network effect*<sup>4</sup> results when anchor organizations partner with local community leaders, city officials, philanthropic organizations, and the broader private sector.

## Cycle of Improvement



### Notes and Sources:

- <sup>1</sup> Brian Clarke, *Anchor Institutions: The Economic Benefits of Putting Community First*. Federal Reserve Bank of Boston, Spring 2017.
- <sup>2</sup> *Inner City Insights - Anchor Institutions and Urban Economic Development*. Initiative for a Competitive Inner City, Volume 1, Issue 2, April 2016.
- <sup>3</sup> Chris Schildt and Victor Rubin, *Leveraging Anchor Institutions for Economic Inclusion*. Policy Link, 2015.
- <sup>4</sup> *Building Resiliency: The Role of Anchor Institutions in Sustaining Community Economic Development*. US Department of Housing and Urban Development, February 2013.

# Investments that are Coupled with Arts Programming Have a Compounding Impact on Communities



## Community Arts Programming Range of Impact

Community Arts involve professional artists and community members in a collaborative, creative process. The result is a positive, collective experience of community expression in a financially sustainable environment.<sup>1</sup>

Individual



Community



### IMPROVED PHYSICAL AND PSYCHOLOGICAL WELL-BEING<sup>2</sup>

- Reduced stress, improved immune function, and better overall physical health
- Enhanced self-esteem from newly learned skills and creativity



### COMMUNITY BUILDING AND SOCIAL CHANGE<sup>3</sup>

- Widened, strengthened social bonds that consolidate into a unified community voice
- Deepened motivation to be civically engaged
- Enriched capacity for action



### NEIGHBORHOOD REVITALIZATION AND ECONOMIC PROSPERITY<sup>4</sup>

- Increased tourism to attend local arts events
- Attraction of new residents and businesses
- Heightened confidence in community image, safety, and prosperity

#### Notes and Sources:

1. Joshua Guetzkow, *How the Arts Impact Communities: An Introduction to the Literature on Art Impact Studies*. Taking the Measure of Culture Conference, Princeton University, June 7-8, 2002
2. Weitz, Judith. 1996. Coming up taller: arts and humanities programs for children and youth at risk. Washington, DC: President's Committee on the Arts and the Humanities.
3. Bakken, Bergljot. 2000. "Culture is Healthy." *International Journal of Cultural Policy* 7.
4. Cwi, David. 1980a. The economic impact of ten cultural institutions on the economy of the Springfield, Illinois SMSA. Springfield, Ill.: Center for the Study of Middle-size Cities Sangamon State University.



# Section 2: Mechanicsville Partnership Overview





# Mechanicsville, Georgia

## City History

### Origins

- Mechanicsville is one of the oldest neighborhoods in Atlanta. The neighborhood sprung up in the late 1800's adjacent to several railroad lines just south of downtown and was once a vibrant, multiethnic community.
- The name "Mechanicsville" comes from the "mechanics" that worked on the railway lines.

### Economic Development Efforts

- Mechanicsville has had several false redevelopment starts in the last two decades, including major residential expansion in 2007-2008, when approximately 30% of the current housing stock was built.
- Redevelopment is occurring again, spurred by the sale of Turner field by the City of Atlanta and the reported \$1 billion expansion of the area around the old Braves Stadium by Georgia State.
- Development is moving rapidly south from the center of the city as evidenced by the purchase of Underground Atlanta and the major effort underway in Old Downtown.

## Fast Facts<sup>1,2</sup>

247,358

**2013 Adult Population within 5 Miles**

*The daytime population is 2x the residential population (~490,000)*

\$21,089

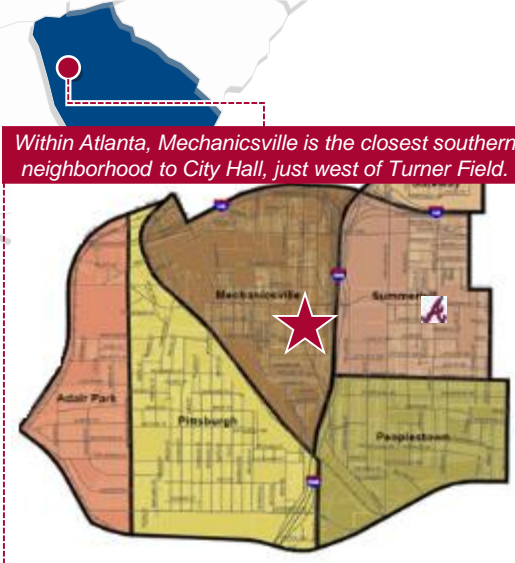
**2013 Median Household Income within 1 Mile**

*Less than 1/2 the GA median household income*

52%

**Percentage of Population Without a Post-Secondary Degree**

*31% of the population have only some/completed high school education*



#### Notes and Sources:

1. Demographics for 713 Ralph David Abernathy Boulevard, Atlanta, GA 30310 (As Provided by Richard Geyer)
2. Point2Homes Demographic Information on US Neighborhoods: <https://www.point2homes.com/US/Neighborhood/GA/Fulton-County/Atlanta/Mechanicsville-Demographics.html#IncomeFinancial>



# Company Overview: Mechanicsville Partners, LLC.



## Objective

- To revitalize a neighborhood that had seen severe disinvestment by turning an abandoned brownfield site into an economic development anchor.
- To incorporate rather than alienate the local community
- To show that it is possible to pursue socially responsible goals while making a profit



## Mission

- Development without Displacement, anchored on core values of community engagement and collective power-building
- Ultimately, provide the means and the opportunities for our neighbors to share in our success



## Concept

- Identify promising real-estate investments to act as anchor institutions in the community
  - Historic, undervalued, brownfield properties
  - Surrounding areas exposed to severe disinvestment
- Collaborate with the neighborhood and neighborhood associations to ensure the project acts as a catalyst from which a stronger tax base can grow
  - Customized improvement efforts to better meet community needs
- Provide local residents with opportunities whenever possible
  - Focus on local labor (specifically, returning citizens)
  - Prioritize local tenants at competitive but achievable rates

## Property Fundamentals

*Mechanicsville Partners, LLC owns two parcels of land which are devoted to Community Art Programming; offering individual studios for artists and craftspeople, and providing prototyping capability for entrepreneurs and others who want to learn skills or create products.*



### Organization

Domestic Limited Liability Corporation



### Property Parcels

780 Windsor Street  
*(Warehouse + Parking Lot)*  
787 Windsor Street  
*(6 Buildings)*



### Location

Mechanicsville  
*South of Atlanta  
West of Turner Field*



### Zoning

Category: I-2  
Brownfield Property<sup>1</sup>  
Developed, Industrial Land



### Size

















2.5 acres  
44,000 square feet  
under roof

**Notes and Sources:**

<sup>1</sup>. The Environmental Protection Agency (EPA) defines a brownfield as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant".



# Similar Efforts Underway

	DELIVER	LOCATION	AUDIENCE	INVESTMENT
 <p><b>Multifamily Impact Fund<sup>1</sup></b> Launched in 2015</p>	 <p>affordable workforce rental housing</p>	<p>More than 4,000 units in communities across...</p>  <p>Maryland Georgia Texas Nevada Florida</p>	 <p>densely-populated, ethnically diverse urban communities</p>	<p>10,000 Number of units Totaling value of <b>\$1B</b></p>
 <p><b>Real Estate Vehicle<sup>2</sup></b> Launched in 2017</p>	<p>MANUFACTURING AND ESSENTIAL MAKER SPACE FRESH FOOD RETAIL COMMUNITY AND HEALTHCARE FACILITIES HOTELS PROMOTING HOUSING LOCAL HIRING AND GROWTH OFFICE SPACE FOR SMALL MEDIUM ENTERPRISES</p>  <p>Georgia</p>	<p>Completed first deal in Atlanta</p>	 <p>mixed-income residential communities</p>	<p><b>\$25M</b> Vehicle value</p>
 <p><b>Minority-Owned CBE<sup>3</sup></b> Founded in 2014</p>	 <p>residential and commercial development/sales and commercial brokerage</p>	<p>Focused on DC, Maryland, and Virginia Regions</p> 	 <p>abandoned or underutilized properties in emerging neighborhoods</p>	<p><b>For-Profit Organization</b></p>  <p>Recognized by Initiative for a Competitive Inner City as a fastest-growing inner city company in the US</p>
 <p><b>Minority-Owned CBE<sup>3</sup></b> Founded in 2014</p>	 <p>Development, lending, policy research, and advocacy</p>	<p>Completed first deal in Atlanta</p>  <p>Georgia</p>	 <p>mixed-income residential communities</p>	<p><b>475</b> Vacant Homes Renovated since 2008 Number of units financed via loan fund <b>5,302</b></p>


**Notes and Sources:**

1. Press Release, Turner Impact Capital Launches Dedicated Property Managers for Multi-State Housing Portfolio. October 20, 2017.
2. Press Release, Bridges Launches UrbanView, an Impact-Driven US Real Estate Vehicle. January 10, 2017.
3. The Menkiti Group: <https://www.menkigroup.com/about/>
4. Atlanta Neighborhood Development Partnership: <https://www.andpi.org/>



# Historical and Projected Financial Performance

	Actual Financial Performance			Projected Financial Performance		
	2015	2016	2017	2018	2019	2020
<b>Revenue</b>						
SPECIAL EVENTS					75,000	50,000
CORP OFFSITES/MEETINGS				25,000	50,000	55,000
EVENTS	2,365	53,044	62,372	100,000	50,000	50,000
MOVIE FILMING		12,000	82,300	75,000	75,000	50,000
MOVIE PRODUCTION	1,250	6,950	68,750	50,000	50,000	50,000
PHOTO/VIDEO SHOOTS	-	9,930	7,722	10,000	10,066	20,000
STUDIO RENTAL			17,500	35,000	85,000	300,000
COMM MTGS/ST/WED/MISC			-	5,500	20,000	30,000
<b>TOTAL REVENUE</b>	<b>3,615</b>	<b>87,424</b>	<b>246,344</b>	<b>355,000</b>	<b>415,000</b>	<b>605,000</b>
<b>Expenses</b>						
ADVERTISING	996	152	157	12,000	5,000	5,150
MARKETING				2,500	3,000	3,500
OFFICE EXP	529	340	727	500	550	605
REPAIRS/MAINTENANCE	70,063	53,481	49,647	23,000	23,690	24,401
EVENT COMMISSIONS	-	8,266	56,818	47,913	83,891	61,083
PROPERTY INSURANCE	-	1,857	2,021	3,537	6,646	7,261
<b>Workforce</b>						
SUPERVISORY			60,000	60,000	63,000	66,150
LABOR			-	20,000	21,000	22,050
INTEREST			-	5,000	5,000	5,000
LEGAL	3,000	255	-	1,000	2,000	4,500
SECURITY	1,946	-	-	2,000	2,200	2,420
SUPPLIES	14,466	24,231	12,344	5,000	5,500	6,050
<b>Taxes</b>						
PROPERTY	3,735	14,780	1,847	11,000	14,500	15,000
SOLID WASTE	-	3,123	3,120	3,400	3,570	3,749
<b>Utilities</b>						
CABLE			1,838	1,930	2,026	2,128
ELECTRIC	733	7,387	7,447	8,000	8,240	8,487
GAS				3,000	3,150	3,308
WATER				300	330	363
WASTE REMOVAL	1,580	3,844	1,542	2,400	2,472	2,546
MISC	-	474	-	5,000	5,500	6,050
<b>TOTAL EXPENSES</b>	<b>97,048</b>	<b>118,190</b>	<b>197,508</b>	<b>217,480</b>	<b>261,265</b>	<b>249,800</b>
<b>NOI</b>	<b>(93,433)</b>	<b>(28,076)</b>	<b>48,836</b>	<b>137,520</b>	<b>153,735</b>	<b>355,200</b>
LOAN PRINCIPAL PMTS				25,000	25,000	25,000
SHAREHOLDER PMTS				13,617	40,330	47,628
<b>CASH FLOW</b>	<b>(93,433)</b>	<b>(28,076)</b>	<b>48,836</b>	<b>98,903</b>	<b>88,405</b>	<b>282,572</b>


## Sources of Revenue




**Studios**


**Music and Arts Events**




**Movie Filming and Production**



**Movie Crew Parking**



**Community Gatherings, Weddings,  
and Other Special Events**



**Corporate Meetings and Off-Sites**

# Mechanicsville Partners Generates Positive, Quantifiable Impacts on the Local Community



## Employment

50

Number of **low or no skill individuals employed** to date

5,000

**Hours of temporary labor** paid above minimum wage

100

**Percentage** of low or no skill employees selected from a **vulnerable population**

60+

**Percentage** of low or no skill employees that were **formerly incarcerated**



## Vibrancy

50,000

Number of **visitors** brought into the neighborhood

4x

**Quadrupled** the number of new, unique tourists

2+

Times hosting **AfroPunk**, spurring entrepreneurial activity (3<sup>rd</sup> event planned for October)

1+

Times hosting **Red Bull Culture Clash** (planned for 2<sup>nd</sup> event in August)

25,000

Square feet of **mural wall space** for local artists

15k

Negotiated contract to reveal new **Reebok shoe line**; expecting to sell over 15k shoes



## Community Reinvestment

6

**New businesses** have sprung up in the area

30+

**New houses** in development within 5 blocks of the property

## What the Community is Saying

*During the 2 years that I have been in this community; I have had the opportunity to see first-hand what it's like to be in the midst of a **community transformation**. I recently completed my MBA; and a part of my success is due to the fact that I was able to peacefully study. The venue where the festivities are held certainly brings the community together during difficult times. Although my time is winding here in this community, I can honestly say that it has been an honor and a privilege to have been a part of a community that promotes peace and togetherness.*

- VINSON ALLEN (MINISTER/MOTIVATIONAL SPEAKER)



# Local Community Partnerships



## Environmental Protection Agency

- Spread the message that many of these brownfields are being redeveloped – not by major developers, but by smaller, neighborhood level companies to create the infill that many of these older industrial neighborhoods need to survive and thrive.
- Demonstrate that it is in the best interest of the neighborhoods and the projects to incorporate rather than exclude the neighborhood residents and organizations that already exist.



## Atlanta Workforce Development Agency

- Provide training and jobs to returning prisoners.
- Maintain close relationships to local economic development agencies including the Mechanicsville Economic Development Association and the Neighborhood Planning Unit.
- Foster relationships with and host events for smaller non-profit arts organizations and schools to aid in fundraising and awareness for their efforts.



## Existing Makers Groups and Universities

- Provide the maker philosophy to a broader audience.
- Be involved in helping entrepreneurs start and run their craft-based businesses.
- Demonstrate a commitment to supporting not only technology-based entrepreneurs but also those across the economic and education spectrum.



## Val-Kill Furniture

*Established in 1926 by Eleanor Roosevelt, one of Val-Kill Furniture's core values is to employ those who were not considered "ideal employees". The company and its outreach philosophy served as a model for Franklin Roosevelt's Second New Deal that pulled the US out of the Depression.*

- Obtained the Val-Kill trademark.
- Commissioned by the Roosevelt Vanderbilt Historical Association to build reproduction furniture to sell in the gift shops and websites for the National Park Service (who control the Roosevelt and Vanderbilt Heritage sites).
- Committed to preserving the Val-Kill legacy by continuing to assist in the training and development of people who "might not otherwise be employable".



## Mechanicsville Civic Association

- An active organization designed to develop and maintain an informed and productive community
- Notify, inform, and involve residents in decisions that affect their neighborhood
- Promote unity and sustainability within the neighborhood



# Keys to Success

## 01 Strong Team

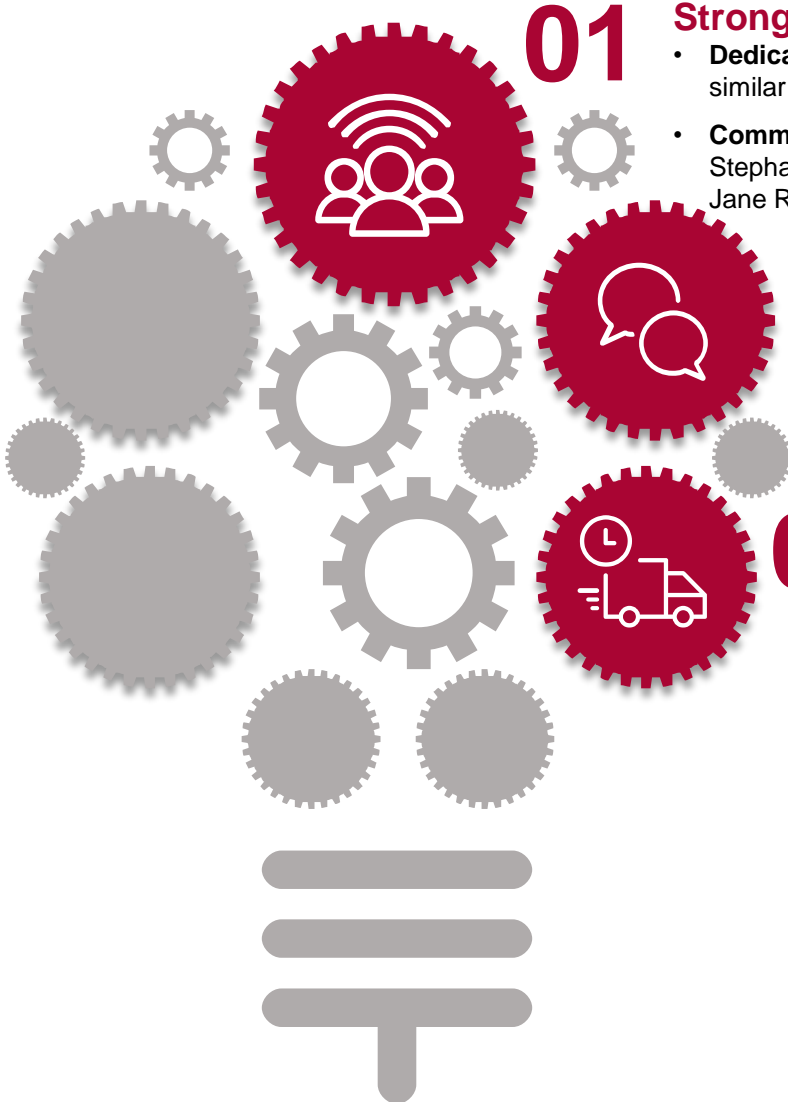
- **Dedicated Founder:** Ric Geyer has demonstrated proof of successfully executing similar initiatives, and experience working as a Bloomberg Fellow on Innovation
- **Community Partners:** Established early relationships with Camilla Warren (EPA), Stephanie Horwitz (GA EPD), Jessica Lavandier (Atlanta City Planning Dept.), and Jane Ridley (Mechanicsville Civic Association)

## 02 Deep Network

- **Breadth of Advisors:** Identified POCs for legal and technical guidance with experience in this space
- **Vendor Relations:** Wide variety of vendors to support events held at the different venues

## 03 Entrepreneurial Spirit

- **Frugality:** Discovered that the EPA Brownfields Grant (Department of Planning) could pay for Phase 1; joined the Brownfields Program 30 days after purchase
- **In Search of Avenues to “Yes”:** Leverage relationships with GA EPD to determine opportunities to satisfy requirements
- **Passion:** Dedication and a track record in providing solutions to address social justice and income inequality
- **Skin in the Game:** Full-time dedication and personal funding involved in the success of the effort




The background of the slide is a complex, abstract pattern of overlapping, semi-transparent geometric shapes in various colors including blue, purple, pink, red, and white. The shapes are arranged in a way that creates a sense of depth and movement, with some areas appearing more prominent than others. The overall effect is a vibrant, multi-colored mosaic.

# Section 3: Opportunities for Expansion



# Criteria for Expansion

	<b>Vulnerable Population with Promise</b>		<b>Strong Real Estate Indicators</b>		<b>Promising Economic Trends</b>		<b>“Secret Sauce”</b>
	<input type="checkbox"/> Median household income <input type="checkbox"/> Gini Coefficient <sup>1</sup> <input type="checkbox"/> People in poverty <input type="checkbox"/> Population total <input type="checkbox"/> Population growth rate		<input type="checkbox"/> Median year of real estate built <input type="checkbox"/> Decreasing crime growth rate <input type="checkbox"/> Distance to nearest public transportation stop		<input type="checkbox"/> Major corporate investments in city <input type="checkbox"/> Community vibrancy <input type="checkbox"/> Undervalued property		<input type="checkbox"/> Network of community relationships <input type="checkbox"/> Growth in arts, craftsman, sports, or food industries <input type="checkbox"/> City commitment to growth or social impact

**After careful consideration, Mechanicsville Partners is evaluating possible opportunities to expand the business model to either Augusta or Savannah Georgia.**

**Notes and Sources:**

1. The Gini Coefficient is a measure of statistical dispersion intended to represent the income or wealth distribution of a nation's residents, and is the most commonly used measurement of inequality.

# Expansion Risks and Mitigation Strategies



## Macroeconomic

- Real estate market downturn
- Major corporate investments lead to gentrification, which pushes the local community out



## Community

- Community Downturn (Increasing Crime, Decreasing Population, Decreasing Vitality)
- Community Hostility to the Project (Noise complaints, Weary of outsiders)



## Leasing & Tenant

- Lack of Demand (Vacancies)
- Rent Roll Quality (Credit Worthiness and Stability)
- Rollover Risk (Remaining Term Left on Leases at a Property)



## Physical Asset

- Aging Assets Tend to Have More Risk for Unforeseen Problems to Surface



## Investment

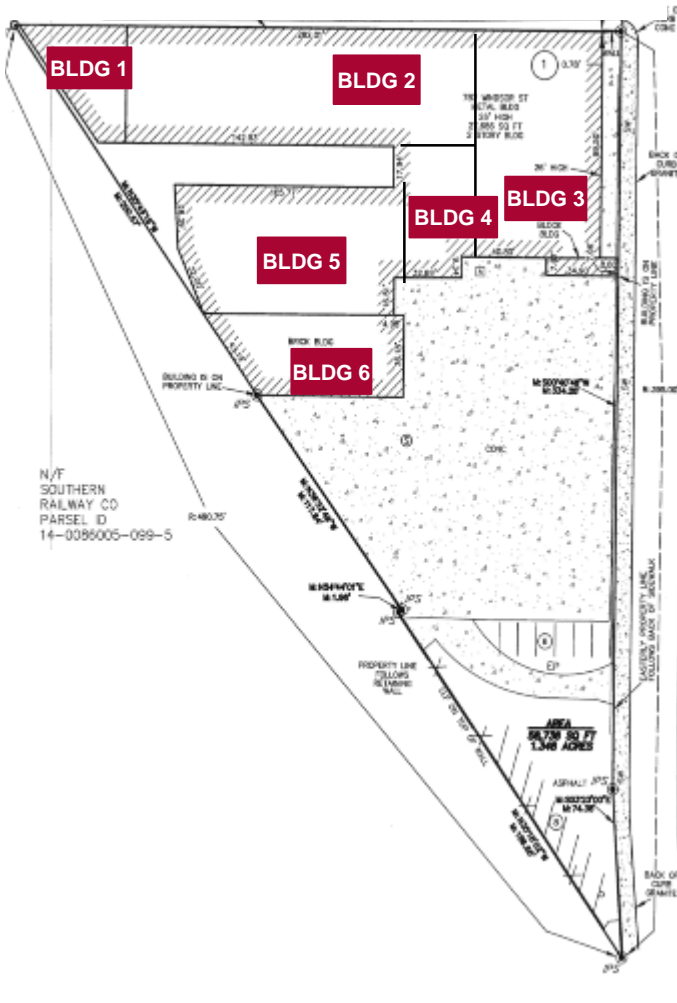
- Investor return, distribution, and exit opportunities
- Maintaining a sufficient pool of capital

**Mechanicsville Partners is actively monitoring and addressing each risk category. Our keys to success enable us to address risks quickly and effectively when they arise.**

# Appendix

# Appendix 1: 787 Windsor Detailed Usage Plan

**Building Overview:** 787 Windsor encompasses 1.33 acres (57,995 square feet), and includes 6 separate buildings totaling 28,597 square feet. Two buildings date to 1890, are composed of brick and wood frame construction, and are structurally in excellent condition. The remaining structures are constructed of steel skin on steel frame and were built in the late 1940's. These frames are in good condition, and we have replaced the bottom 12 feet of steel skin around the perimeter of both Buildings 2 and 3.



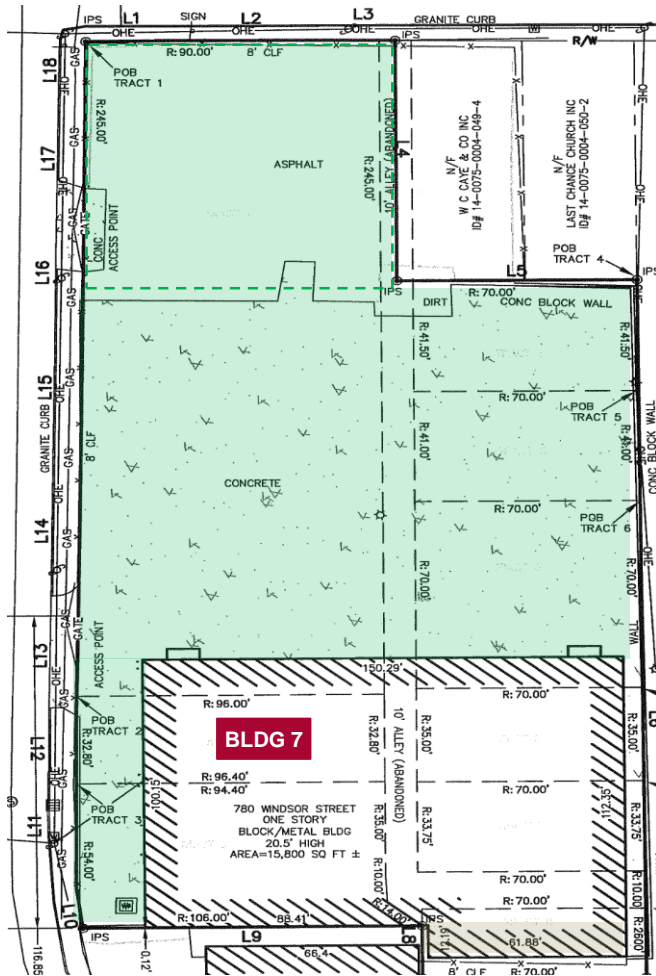
- Building #1** is a 2,000 square foot brick building which was constructed in 1890 as a railroad repair facility and maintenance shop. Substantial renovation has already occurred, and this building now houses the Valkill prototyping shop and the new bathroom facilities which will support both Building #1 and #2.
- Building #2** is a 8,500 square foot steel fabricated structure built in the economic run-up just after World War Two. It will be subdivided into 17 individual studios and outfitted as an entrepreneurial space, housing 8500 square foot of shop space for artists, entrepreneurs and craftspeople. These spaces will be rented out at market rate rents similar to other facilities in town (e.g., Metropolitan Bldg., Goat Farm, WonderRoot, etc.). Rents at these other facilities currently range from \$1.00 to \$2.00 per foot per month. This building also houses the maintenance equipment for the property.

  - To date, we have built 5 studios which are currently being leased.
  - To finish this building, we need to build out the remaining 12 studios, repair/replace the roof, and add a fire-rated wall between Building 2 and Building 3.
- Building #3** is a 6,500 square foot steel fabricated structure with a 26 foot clear height that has been used as an entertainment space since our inception. We have hosted numerous events (including name acts and festivals) that have helped to elevate the facility in the minds of artists and others who use the space and draw attendees during the day and night. We currently seek temporary certificates of occupancy for each large event.

  - Two recent examples were the Red Bull “Culture Clash” (8/25/17), which was nationally advertised, and Afropunk 10/5-8/16 and 10/9-13/17 (now Atlanta’s stop on his annual international tour).
  - In total, our hosted events have attracted over 40,000 people from Atlanta and beyond.
  - The building has been featured in several movies, including “Step” and “Honey 4”.
  - To date, we have removed the original piping and wiring, replaced the lowest 12’ of steel skin around the entire building and have added two man doors and a 16’ security door. We have also removed 100+ steel studs used in securing machinery to the floor.
  - Our next phase includes insulating the roof and exterior skin, adding HVAC and a sprinkler system, and adding a fire-rated wall between Building 2 and Building 3. Our goal is to make the building easier to use (and dramatically increase our revenue) by outfitting it as a more formal assembly space
- Building #4** is an open, 2,500 covered space and 150’ alleyway that houses festivals and other events. It also provides space to accommodate smaller events outdoors.
- Building #5** will be built into a gallery and maker space. It will operate on a membership basis similar to other maker spaces in Atlanta and elsewhere.
- Building #6** is a 3,500 two-story brick structure built in 1890, and is the most iconic structure in the development. It originally served as a steam boiler manufacturing facility for small railyard engines. In the 1920’s, the second floor on the front half of the building was removed and the building was converted to a truck repair facility. It is currently leased as a studio for a local artist, and will eventually serve as the pivotal structure in the development.

# Appendix 2: 780 Windsor Detailed Usage Plan

**Building Overview:** 780 Windsor encompasses 1.21 acres and includes one large warehouse building (15,800 square feet), and a parking lot (42,000 square feet), suitable for parking 130 cars. This building uses models such as Architectural Salvage Warehouse of Detroit<sup>1</sup> and the Lifecycle Business Center in Atlanta<sup>2</sup>.



- **Building #7** is a 15,800 square warehouse building. Approximately 25% of the warehouse's exterior sheet metal skin needs to be replaced (the original roof will remain intact). In addition, the electrical systems and wiring need to be upgraded and repaired.
  - We are currently working with large organizations (including Red Bull, Reebok, etc.) to secure full-time sponsorship and tenancy of this building.
  - A two-phased plan has been established to transform a portion of this building into music practice spaces. The first phase of development will occur from January to June 2019 to allow for initial tenants to enter into the building. The second phase will occur from January to June 2020.
- **Parking Lot:** The demand for the lot itself from the movie industry is growing and it continues to support base camps for local productions. The lot has been leased to a half dozen different production companies, including 20th Century Fox, Universal Studios, etc.

**Notes and Sources:**

1. Richard Geyer is a co-founder of Architectural Salvage Warehouse of Detroit  
 2. Richard Geyer served on the board of Lifecycle Business Center in Atlanta until 2016.



# Appendix 3: Expansion Scorecard

Population <sup>1</sup>				Real Estate <sup>1</sup>				Macroeconomic	“Secret Sauce”
Measure	Low	Medium	High	Measure	Low	Medium	High	Measure	Measure
Gini Coefficient (2012-2016)	.38	.42 (median of 3 <sup>rd</sup> bucket)	.47	Distance to Nearest Public Transit (miles) (2009)	.64	2.3	6.4	Major Corporate Investments in City	Network of Community Relationship
Median Household Income (2012-2016)	\$34,610	\$51,037 (GA) \$55,332 (US)	\$81,154	Median Year Built (Using Residential as Proxy) (2012-2016)	1955	1989 (GA) 1977 (US)	1987	Community Vibrancy	Growth in the Arts, Craftsmen, Sports, or Food Industries
People in Poverty (2012-2016)	6.04%	17.77% (GA) 15.11% (US)	25.57%	Non-Violent Crime Growth Rate <sup>2,3,4</sup> (2014-2016)		-7.8%(GA) -3.5%(US)		Real estate bubble (undervalued property)	City Commitment to Growth/ Social Impact
Unemployment Rate (2016)	3.9%	5.1% (median of 3 <sup>rd</sup> bucket)	6.7%	Violent Crime Growth Rate <sup>2,3,4</sup> (2014-2016)		5.5%(GA) 8.25%(US)		Tourism	
Population Growth Rate (2000 to 2012-2016)		23.37% (GA)							

Notes and Sources:

- Using the PolicyMap Database, I gauged the best Low/Medium/High proxies. There is an index with a scale of 5 buckets. For the Medium estimate, I either provided information on the US/GA average or took the mean of the middle (3<sup>rd</sup>) bucket. I will indicate which it is. For low, I took the low number of the second bucket. For high, I took the high number of the 4<sup>th</sup> bucket.
- Atlanta Police Department <http://www.atlantapd.org/i-want-to/crime-data-downloads>
- Georgia Bureau of Investigation Crime Statistics <https://gbi.georgia.gov/crime-statistics>
- FBI 2016 Crime in the United States <https://ucr.fbi.gov/crime-in-the-u.s/2016/crime-in-the-u.s.-2016/topic-pages/tables/table-1>



# Appendix 4: Mechanicsville Statistics

Population		Real Estate		Macro Trends <sup>4</sup>
Gini Coefficient <sup>1</sup> (Census Tract 131201200, 2012-2016)	.55	Distance to Nearest Public Transit <sup>1</sup> (Census Tract 13121004600, 2009)	.57 miles	<ul style="list-style-type: none"> <li>Analysts predict Atlanta to be one of the favorites for Amazon HQ2</li> <li>Major corporate relocations of State Farm Insurance, Mercedes Benz bringing of thousands of jobs to the Atlanta metro area</li> </ul>
Median Household Income <sup>2</sup> (1 mile radius, 2013)	\$21,089	Median Year Built <sup>1</sup> (Using Residential as Proxy, Census Tract 13121012000, 2012 -2016)	1987	
People in Poverty <sup>1</sup> (Census Tract 13121012000, 2010)	43.7%	Non-Violent Crime Growth Rate <sup>3</sup>	-8.7%(2014-2017) -13.2% (2014-2016)	
Unemployment Rate <sup>1</sup> (Fulton County, 2010)	5.4%	Violent Crime Growth Rate <sup>3</sup>	-22%(2014-2017) -11%(2014-2016)	
Population Total <sup>2 v</sup> (1 mile radius, 2013)	19,707	Total Non-Violent Crime <sup>3</sup>	347(2017) 330 (2016) 380 (2014)	
Population Growth Rate <sup>1</sup> (SM, 2000 to 2012-2016)	284.17%	Total Violent Crime <sup>3</sup>	85(2017) 97(2016) 109 (2014)	

Notes and Sources:

1. PolicyMap Database <https://proxy.library.upenn.edu:4053/maps>
2. Demographics for 713 Ralph David Abernathy Boulevard, Atlanta, GA 30310 (As Provided by Richard Geyer)
3. Atlanta Police Department <http://www.atlantapd.org/i-want-to/crime-data-downloads>
4. Reis Apartment Guide Metro Atlanta, Submarket: South Fulton



# Appendix 5: Opportunities for Further Analysis

## Company Overview

- **“What we are”**
  - Current products and services
- **“What we do”**
  - High-level market need
  - Key customers
  - “How to win”
- **“What we value”**
  - 3-4 qualitative measures that represent the company’s core values

## Go-To-Market Strategy

- **Customer:**
  - Customer identification
  - Geographic, demographic and psychographic profiles
  - Needs, preferences, and buying behavior
- **Product/Service:**
  - Product/service description
  - Customer benefit
- **Marketing Plan:**
  - Market penetration (reaching customers)
  - Positioning by product
  - Promotional tactics/marketing channels
  - Pricing
- **Operations Plan:**
  - Distribution/action plan
  - Major milestone timeline (1, 3, 5 year)
  - Growth goals

## Organizational Structure

- **Organization/legal form**
- **Management Team**
  - Experience
  - Governance/decision structure
- **Advisors/External Contacts**
- **Key Hires**

## Similar Model Use Cases

- 4731 Grand River Detroit
- 3451 Benning LLC:  
<http://www.neighborhooddevelopment.com/>
- Battery Park City Authority:  
<http://bpca.ny.gov/about/who-we-are/>
- Boston Ujima Project:  
<https://www.ujimaboston.com/>

## Financial Analysis

- **5-year projected revenues and profits**
- **External funding required**
- **use of funds**

## Investment Structure

- **Role of investor**
  - Value added
  - Relationship
- **Funding needs**
- **Expected returns and timeline**



The background of the slide is a photograph of a boat's interior. It features a steering wheel with a black rim and a white center, positioned in the upper right. The seats are upholstered in bright red and yellow fabric. The overall scene is brightly lit, suggesting a sunny day on the water.

# Tools & Resources

# Resource 1: Impact Logic Model Template

## Outcome Questions

- 1) What social or environmental issue is being targeted?
- 1) Who are the target beneficiaries?
- 1) What main driver is causing the challenge and why?
- 1) How does the business model address the driver?

## Impact Logic Model

**Input**

*Resources contributed by agent(s)*

**Activity**

*Inputs mobilized to produce specific outputs*

**Output**

*Intermediate product of activity*

**Outcome Short-Term**

*Near-term result brought about by producing outputs*

**Outcome Intermediate**

*Intermediate result brought about by producing outputs*

**Outcome Long-Term**

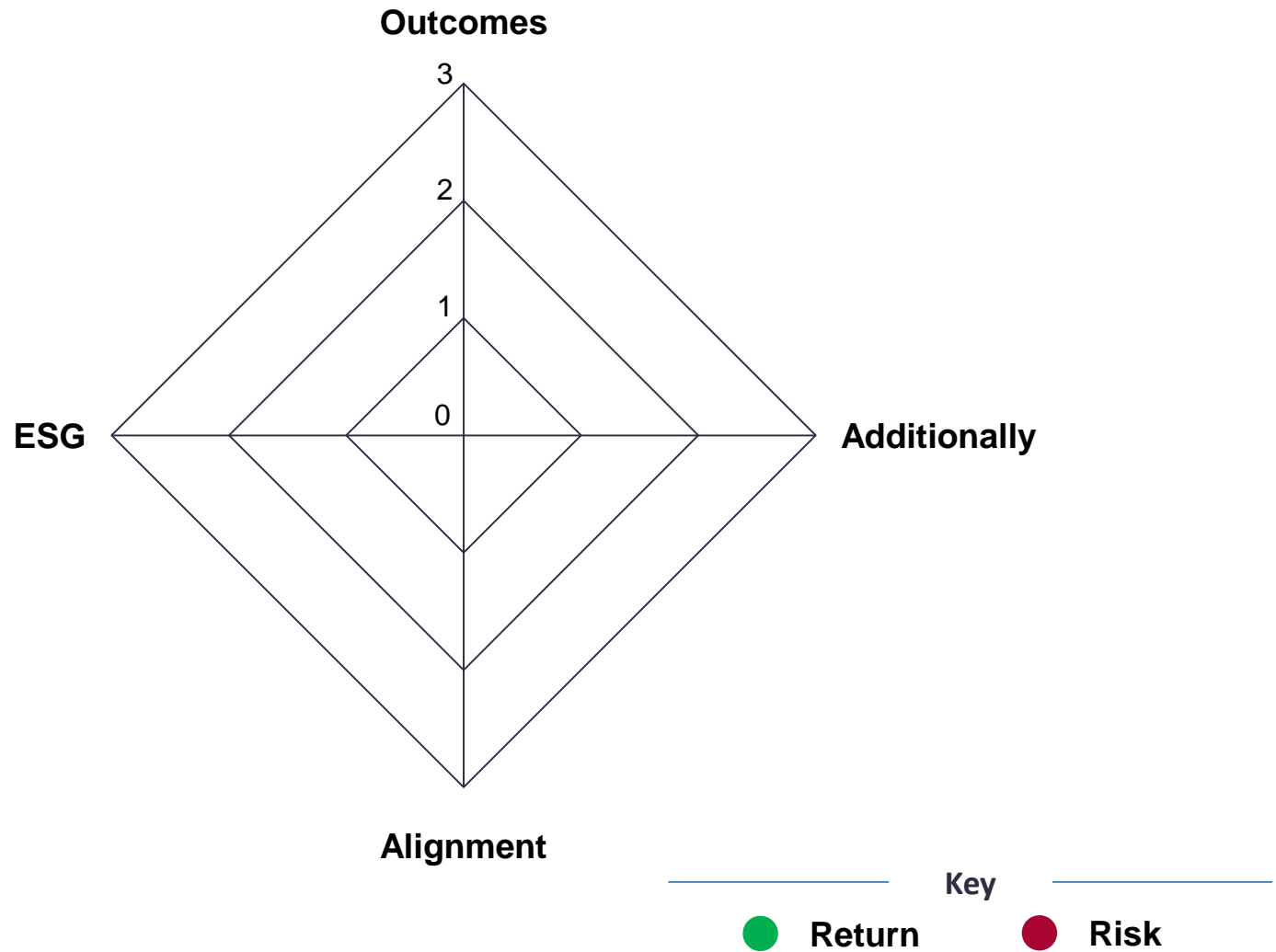
*Long-term result brought about by producing output*

# Resource 2: Impact Return-Risk Analysis Template

		Outcomes	Additionally	Alignment	ESG
<b>Return</b>	<b>Score</b>				
	<b>Rationale</b>	<ul style="list-style-type: none"> <li>• What social or environmental issue is being targeted?</li> <li>• What are the projected outcomes?</li> <li>• Who are the beneficiaries?</li> </ul>	<ul style="list-style-type: none"> <li>• Is the investor integral to the development/ structuring of the investment?</li> </ul>	<ul style="list-style-type: none"> <li>• Will the investment create impact as it generates competitive investor returns?</li> </ul>	<ul style="list-style-type: none"> <li>• Can the investor improve the organization's environmental, social, or corporate governance (ESG) factors?</li> </ul>

<b>Risk</b>	<b>Score</b>				
	<b>Rationale</b>	<ul style="list-style-type: none"> <li>• How well-tested are the links in the logic model (specifically output and outcome)?</li> <li>• Are there other external factors that threaten the output-outcome link in the impact logic model?</li> </ul>	<ul style="list-style-type: none"> <li>• Does the investment lead to outcomes which would not otherwise occur?</li> <li>• Is there confidence that the investment does not “displace” other social benefits?</li> </ul>	<ul style="list-style-type: none"> <li>• How fundamentally aligned is the business model and its general impact?</li> <li>• Is there potential for perverse incentives?</li> </ul>	<ul style="list-style-type: none"> <li>• Does the organization carry any ESG risks?</li> <li>• Can these be mitigated?</li> </ul>

# Resource 3: Impact-Risk Radar Template



# Reference 4: Meet the Team



FIRST + LAST NAME

**Title or Role**

### About FIRST + LAST NAME

4-5 line description of relevant skills and experiences (similar to resume summary)

### Skills



## EXPERIENCES

2004 - 2010

**Experience/Role**  
1-2 line description of significant experience.

2010 - 2014

**Experience/Role**  
1-2 line description of significant experience.



# About the Authors



The Wharton Social Impact Initiative is dedicated to advancing the science and practice of social impact through rigorous academic research, training, and outreach. Specifically, the Social Impact Fellowship is an academic research fellowship designed to engage undergraduate and graduate students across The University of Pennsylvania and The Wharton School in research, consulting, and internal strategy projects. Through the Fellowship program, students apply and strengthen their strategic, operational, and leadership skills in relevant projects while gaining real-world experience.



**Margaret Fletcher**  
*Graduate Student Fellow*

Margaret Fletcher is a first year MBA candidate at The Wharton School, focusing on Strategic Management, Innovation, and Business Analytics.

Prior to business school, Margaret was a Strategy & Operations Senior Consultant at Deloitte Consulting, where she spent over five years advising clients across the private and public sectors. She is passionate about helping organizations and governments partner to improve citizen lives and experiences across the globe.

Margaret will be spending the summer as a Brand Management intern with Proctor & Gamble, learning how companies can harness both propriety and open-source data to better meet their customer needs.



**Lisa Shmulyan**  
*Undergraduate Student Fellow*

Lisa Shmulyan is a senior at the University of Pennsylvania, majoring in Politics, Philosophy, and Economics and minoring in Consumer Psychology. She also studied at Sciences Po in Paris during her semester abroad.

Lisa was born in Moscow, Russia but raised in the suburbs of Minneapolis. At UPenn, she is involved with the Turner Social Impact Society, the Institute of Contemporary Arts, the IMPACT magazine, and the Penn Social Entrepreneurship Movement. She has conducted economic research through her involvement in the University Scholars Research Program.

Upon graduation, Lisa plans to pursue a master's degree at the London School of Economics.