

CHAMBERLAIN, HRDLICKA, WHITE, WILLIAMS & AUGHTRY
M E M O R A N D U M

VIA COURIER DELIVERY TO:

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285 Andrew Young International Blvd., N.W.
Atlanta, Georgia 30313-1591

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Georgia Department of Law
40 Capitol Square, S.W.
Atlanta, Georgia 30334

FROM: William D. Montgomery, Counsel to Mount Vernon Baptist Church ("MVBC")

DATE: July 10, 2013

RE: Valuation Considerations and Conclusions on Sale by MVBC of 2.595 acres (113,035 sf) of land and 41,593 sf of Improvements ("Church Property") to the Authority

CC: Pastor Rodney K. Turner
Chairman Anthony C. Bellamy
Vice Chair Joel Ricks
Artis Johnson
Brent Reid

On behalf of MVBC with this Memorandum are submitted the following:

- (1) Cost Valuation Report dated July 10, 2013 prepared for MVBC by Winter Johnson Group ("Valuation Report").
- (2) Clean and redlined versions of Option for the Purchase of Real Property which reflects the terms of the MVBC counteroffer.

MVBC has also received and reviewed:

(a) Integra Realty Resources Appraisal for Georgia State Properties Commission dated June 7, 2013 assigning \$3,180,000 land value and \$1,575,000 parking revenue adjustment for \$4,755,000 total (“Integra Appraisal”).

(b) Pamela J. Smith Appraisal for Georgia State Properties Commission dated June 7, 2013 assigning \$2,100,000 value to property and \$2,800,000 for parking revenue for \$4,900,000 total (“Smith Appraisal”).

(c) Preliminary Boundary Survey for Atlanta New Stadium Project dated July 3, 2013 prepared by Long Engineering, Inc. depicting the Church Property as Tract 1 (“Survey”).

BACKGROUND

As described in the Valuation Report MVBC has a long and storied history at the Church Property and earlier locations in the Vine City community. Current ministries of MVBC have a substantial and widespread positive community impact! A displacement and relocation by the New Stadium Project of the MVBC congregation to new facilities creates significant challenges and will have a substantial economic impact. These economic costs are summarized in pages 17 through 20 of the Valuation Report.

The location of the Church Property at the intersection of Northside Drive and Martin Luther King, Jr. Boulevard is critical, not only to the New Stadium Project, but to the anticipated future evolution of the Northside Drive corridor. This is recognized and presented in the Fall 2012 Georgia Tech School of City and Regional Planning Project “Northside Drive as a Multimodal Development Corridor: Transformation from Utilitarian Auto Route to Grand Transit Boulevard,” and in the similar earlier report related to Northside Drive developed by the City of Atlanta.

APPRAISAL VALUATIONS OF CHURCH PROPERTY

Neither the Integra Appraisal nor the Smith Appraisal gives consideration to any of these factors. Furthermore, they fail to recognize the very significant element of plottage value which the appraisal profession recognizes in an assemblage context where “[t]he combining of two or more parcels . . . into one ownership or use . . . [is] the process that creates plottage value.” “Plottage is the increment of value created when two or more sites are combined to create greater utility.”

The approaches, analysis and usage of the commercial sale comparisons and church sale comparisons cited in the Integra Appraisal and the Smith Appraisal are inappropriate, irrelevant, and are not comparable to the Church Property. They also employ downward adjustments to the extremely low assigned per square foot values, which under the circumstances now applicable to the Church Property, cannot be justified.

APPROPRIATE SALE COMPARISONS

There are three recent City of Atlanta commercial sales comparisons that are relevant and are identified and described below.

1. On April 30, 2013 Stepperson, Inc. sold to Behringer Howard Peachtree Project Owner, LLC 1.964 acres, or 85,552 sf for \$8,800,000. This land sale is at \$93.51 psf [$\$8,800,000 \div 85,552 = \93.51]. This is the Dante's Down the Hatch property on Peachtree Street across from Lenox Square. (See Deed Book 52578, page 684 Fulton County, Georgia records.)

2. On November 16, 2012 Legacy Palms, LLC sold to Courtland Properties, LLC 1.4703 acres, or 64,049 sf for \$7,900,000. Part of this transaction included a parking deck shell which is being retained and included as part of a student housing project now under construction on this site which is located at the northwest corner of Courtland Street and John Wesley Dobbs. The broker that handled this sale indicated approximately \$1,900,000 of the sales price related to the deck. Using a net price of \$6,000,000 for the land results in a \$93.68 psf land value [$\$6,000,000 \div 64,049 = \93.68]. (See Deed Book 51941, page 576.)

3. On October 31, 2012 615 Peachtree LLC (a Cousins Properties affiliate) sold to Georgia Proton Treatment Center, LLC 2.39 acres, or 104,108 sf for \$11,000,000, or \$105.66 psf [$\$11,000,000 \div 104,108 = \105.66]. This site is approximately the size of the MVBC land. (See Deed Book 51840, page 452.) Ironically, this sale is directly across Courtland Street from Land Comparison Sale #2 in the Smith Appraisal which fails to include this sale comparison as part of its valuation analysis. This land is bounded by Peachtree Street, Ponce de Leon Avenue, North Avenue and Courtland and now has under construction a new radiation treatment facility affiliated with Emory University Hospital and Crawford Long Hospital.

All three of these land sales are appropriate comparisons. If you average the psf values for all three [$\$93.51 + \$93.68 + \$105.66 = \$292.85 \div 3 = \$97.62$] you get a psf value of \$97.62. If you apply this to the correct area of MVBC Property of 113,035 sf, the result is \$11,034,476.70 [$\$97.62 \times 113,035 = \$11,034,476.70$]. No downward adjustment is appropriate since these three land sales were for current commercial developments that are in key City of Atlanta urban locations. Each tract of land is critical to the related project, similar to the critical and indispensable character of the Church Property to the New Stadium Project if the South Site is selected. An argument can be made that based upon plottage, the \$97.62 psf value using a very conservative 1.2 upward adjustment factor, would produce a land value of \$117.14 psf. This would warrant a value of the Church Property land equal to \$13,240,919 [$\$117.14 \times 113,035 = \$13,240,919$].

VALUATION REPORT ASSUMPTIONS

The MVBC congregation intends to perpetuate its presence and mission in Vine City. Relocation to a new neighborhood site and constructing new facilities that achieve those goals become a necessary part of any sales decision.

The Valuation Report has been developed by an experienced design-build, engineering and construction firm. The purpose is to provide MVBC leadership with critical benchmarks that must be considered in a relocation. The assumed new church construction and development costs, soft costs, fees, land acquisition costs and many other line items in the Schedule of Project Cost Components are derived using Georgia State Finance and Investment Commission Guidelines. This effort to estimate and quantify the reasonable cost parameters of a relocation does not eliminate the inherent risks and uncertainties with which MVBC will be confronted in a move from its present location. These include available suitable land at projected prices, environmental contamination and clean up exposure, storm water retention mandates of the City of Atlanta and numerous other similar unknowns.

COUNTEROFFER BASIS

The price included in the Option is derived from the Valuation Report conclusions. While the land value alone of the Church Property in the New Stadium Project context is arguably within a \$11,000,000 to \$14,000,000 range, that amount would not make MVBC whole or enable a relocation to take place on meaningful terms.

TIME CONSTRAINTS

Because of looming deadlines this memorandum and enclosures are delivered to the principals of the Authority, SPC and counsel concurrently. The leadership of MVBC has an obligation to its members to approach this transaction in a responsible fashion. MVBC recognizes that a decision by the Authority must be made on the South Site by August 1, 2013. Church Approval requires two week notice of a special called congregational meeting for that purpose. In order to maintain a spirit of open dialogue and communication, MVBC leadership suggests that a face to face meeting among representatives of the Authority, SPC, MVBC, their respective counsel and advisors might be warranted to explore whether a sale is feasible. We will make ourselves available to that end if you believe it will be beneficial.

I look forward to hearing from you.

COST VALUATION REPORT

for the

MOUNT VERNON MISSIONARY BAPTIST CHURCH

441 Martin Luther King, Jr. Drive, SW

Atlanta, Georgia 30313

Reverend Rodney K. Turner, Pastor

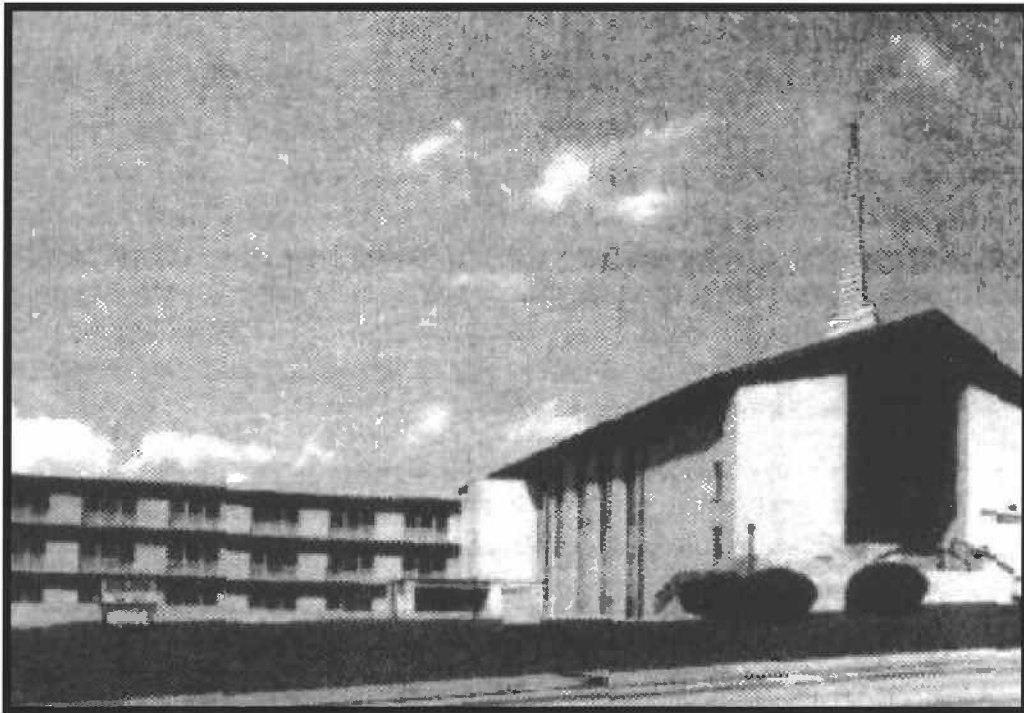


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EXECUTIVE SUMMARY

The purpose of this report is to identify and provide objective cost information for the leadership of the Mount Vernon Missionary Baptist Church, 441 Martin Luther King, Jr. Drive, SW, Atlanta, Georgia on the valuation of its physical plant and other associated costs for the church as it begins negotiations with the Georgia World Congress Center regarding the potential sale of its property. This report provides a comprehensive analysis of all the entire project costs associated with the sale including the intrinsic value of the church's annual parking revenue, interim operational costs and the design/build construction and furnishing of a new worship and educational center in the Vine City community.

This report also considers the real financial and logistical impacts to the church's current operations and the funds that will be required for the church's interim operational needs.

Mount Vernon Missionary Baptist Church as currently configured is a 41,593 square feet complex which includes an educational wing that is 19,007 square feet. The building is sited on 2.595 acres (or 113,035 square feet). This facility was completed in May 1963.



The delivery of this project will be overseen by the church's Board of Trustees who will employ a Design/Build contractor that will have the responsibility of overseeing the

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Pre-design, Design, Construction, Commissioning and Occupancy consistent with Mount Vernon's to be determined program of requirements. All contractors, consultants and suppliers are to be approved by the leadership of Mount Vernon.

The overall project schedule is projected to be thirty (30) months from the date of sale of the new church contingent upon the identifying and securing site for the new facility within a six month period.

**Mount Vernon Missionary Baptist Church
Program Schedule**



This report will identify the elements of cost that Mount Vernon Missionary Baptist Church will need to anticipate as a result of selling their existing facility and relocating to a new site in the Vine City community including the impact of ongoing operations. Because of the nature of church operations which are continuous, special consideration has been given to financial and logistical impacts to the church's current operations and the funds that will be required for all of interim operational needs.

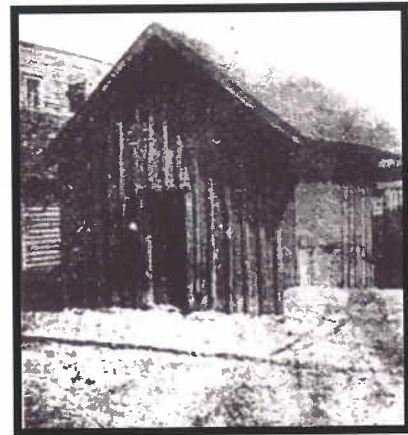
It is not anticipated that Mount Vernon will be required to fund any costs associated with the relocation of the church. All of the funding for the project will be secured as a result of any potential sale.

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HISTORY OF MOUNT VERNON MISSIONARY BAPTIST

The Mount Vernon Missionary Baptist Church credits her birth as a church to three former members of Mount Carmel Baptist Church; Mother Sallie Griffin, Brother Ed Tucker and Sister Melinda Kellum. These three members are considered the founders of Mt. Vernon's spiritual heritage. After leaving Mount Carmel Baptist Church, these three members met each Wednesday night in the home of Mother Sallie Griffin with a determination to serve the Lord.

While these faithful servants were meeting in Mother Griffin's home, Reverend E. D. Florence was conducting night services in a tent in his backyard. While meeting in Mother Griffin's home was rewarding, the three members felt and saw a need for a church in their community. They approached Reverend Florence several times requesting his assistance and guidance in organizing a Church in the community. He finally consented and on a Wednesday night in April 1915, the three members along with Reverend Florence met at 55 Markham Street and organized a church with Reverend Florence as the official pastor. At that meeting, Reverend Florence's mother-in-law asked that she be given the honor of naming the newly organized church. Her request was granted and she named it the Mount Vernon Baptist Church. Thus, this historic church was established.



Flourishing on the Wings of Faith...

With such a dynamic leader and gospel preacher, the church continued to grow and within two years, the little storefront church became too small to house the membership. In 1918, the members of Mount Vernon Baptist Church purchased a large and beautiful church valued at \$50,000, located on the corner of Mangum and Hunter Streets. On a beautiful Sunday morning in July 1918, the membership of Mount Vernon Baptist Church began worshipping in its new sanctuary.



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In 1955, the church received a letter from the Commissioner of Roads and Revenue indicating that a new location must be found because of the planned West-By-Pass Project. In July 1957, the members purchased the property on the corner of Haynes and Hunter Streets and Northside Drive. This property cost \$90,000 and was paid in full in two years and four months.

Mount Vernon Joins in Fellowship with Saint Stephens...

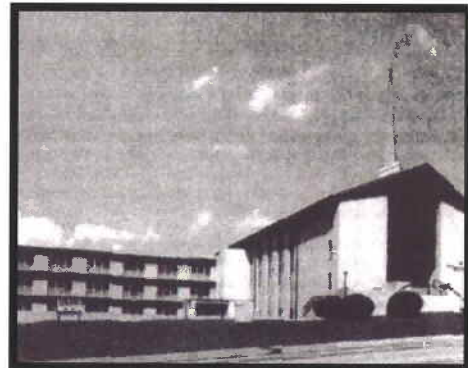
On the second Sunday in June 1960, with a twenty-four hour notice, the members of Mount Vernon Baptist church were forced to move and leave their beloved church. They were blessed in that; the pastor and members of Saint Stephens Baptist Church opened their doors to the Mount Vernon Church family. This was the first of many joint worship services. The Mount Vernon Church family worshiped with Saint Stephens until May 1963.

Groundbreaking for the New Church...

On the third Sunday in May 1961, the Mount Vernon Baptist Church family held its Ground Breaking Services. Reverend Marcus Williams preached the sermon for this occasion. Several months' later construction began on the half-million dollar structure that now stands as a monument for God and to Reverend J.R. Lovett, as a great Ambassador for Christ.

Mount Vernon Returns Home...

On the second Sunday in May 1963, the Mount Vernon Church family returned home. This was truly a great day! With a touch of sadness and overwhelmed with gladness, the Mount Vernon Baptist Church family gathered at the old church site which is now a part of the Techwood West By-Pass and formed their line for the march. The march proceeded to the church and stopped at the steps of the new sanctuary. Reverend Ernest Wilkerson gave a prayer of thanks. Mrs. J.R. Lovett cut the ribbon.



The keys to the church were presented to Deacon Troy Goodrum who in turn gave them to Deacon Luther Wilder, who opened the doors and the weary travelers marched in.

Reverend Cameron Alexander preached the Entrance Day Sermon- the first sermon preached in the new edifice. During this period, the Mount Vernon Church family was without an under shepherd due to the death of Reverend Lovett.

For the next forty years, the Mount Vernon Missionary Baptist Church has been under the dynamic leadership of such pastors as Reverend S.A. Baker, Reverend W. J.

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Gresham, Reverend Willie James Lawson, Sr., Reverend Billy Robinson, and Reverend William J. Perkins who were all committed to grow the church and continue its upward mobility as a spiritual and educational edifice in the Atlanta community. Significant reinvestment projects during this period included spiritual and physical revitalization through the renovation of the sanctuary, administrative offices and educational building and other physical facilities of the church. Some specific projects that these men oversaw included Computerization of the Church office, installation of an elevator in the church, renovation of the Annex and fellowship hall and the installation of a new heating and air conditioning system.

Today, the Mount Vernon church family is led by Reverend Rodney K. Turner. Since accepting the call as the church's 9th Pastor, Reverend Turner has embarked on a religious course of action aided and guided by the Holy Spirit that will model in this 21st century the commitment of the congregation to serve this present age.

Under Reverend Turner's leadership over 850 new members have joined the Church and more than twelve new ministries have been implemented. Great emphasis has been placed on evangelistic and outreach ministries and through the guidance of the Holy Spirit there has been many men and women who have accepted the Lord Jesus Christ as their Savior and have been baptized. Reverend Turner has also overseen several internal and external building improvements to the Church and school.

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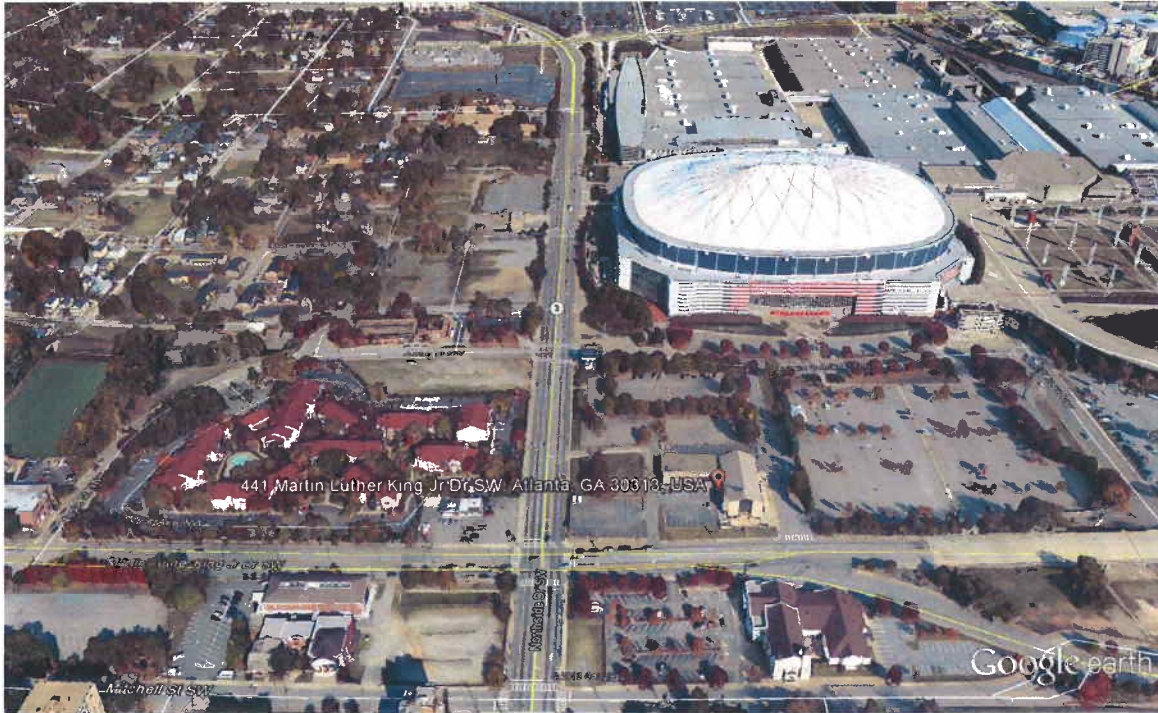
PROJECT ANALYSIS

In order to accurately assess the value of the Mount Vernon Missionary Baptist Church, it must be understood that this is more than just a market valuation of the real estate, but the current value of an existing 98 year old historic religious institution plus ALL of the costs required for Mount Vernon to continue and maintain its operations of doing God's work during its relocation, future construction period and the redevelopment of a new campus to carry out its divine commission to the City of Atlanta and the Vine City community.

The Mount Vernon Missionary Baptist church is located on 2.595 acres or 113,035 square feet at 441 Martin Luther King, Jr. Drive in downtown Atlanta, Georgia. The programmed area of the three story edifice includes the following main program areas: Sanctuary, Office/Classroom, Fellowship Hall, Stone Entry Terrace/Vestibule and Mechanical (Back of House) space. The total calculated program area, determined by as built drawings, indicates that the current programmed area is 41,593 square feet. This monumental brick structure sits at the intersection of Martin Luther King, Jr. Drive and Northside Drive which is the vortex of several major studies regarding the realignment of Martin Luther King, Jr. Drive, the new Atlanta Falcons Stadium and Northside Drive Corridor Transportation Study.

The commercial value of the land where Mount Vernon is sited is some of the most valuable in the city as documented by the number of vehicles which travel along Northside Drive and Martin Luther King, Jr. Drive daily. Also, the church's proximity to MARTA, Georgia Dome, Georgia World Congress Center, Underground Atlanta, Richard B. Russell Federal Center and Annex, Atlanta University Center and the planned Multi Modal Station makes the Mount Vernon church property one of downtown Atlanta's most valuable assets.

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REPLACEMENT FACILITY

In order to adequately value the replacement cost of Mount Vernon Missionary Baptist Church, there are several key elements which must be considered:

Impact of Building Codes on Program Space

The current Mount Vernon Church was built under the governing building codes of the early 1960's. Therefore many of the code compliance issues that must be considered mandate larger programmed areas to accommodate the current church capacity. Requirements such as Americans with Disabilities Act ("ADA"), including but not limited to additional handicap accessible bathrooms, access ramps to all of the required building entrances, wheel chair ramps for the pulpit and choir stands, additional elevators to accommodate emergency egress/ingress and other office spaces must be factored into the evaluation. The building also was constructed at a time when energy efficiency requirements and life safety codes were not as stringent.

To accurately evaluate the existing program space in current comparable valuation, a generally accepted grossing factor of 1.25 is required.

Impact of Limited Available Sites in the Vine City Community

The Mount Vernon church is fully committed to remaining in the downtown Atlanta community of Vine City. Vine City is generally considered to be bounded by Joseph E. Boone Blvd. (Simpson) and the English Avenue neighborhood to the north, Northside Dr. and Downtown Atlanta to the east, Martin Luther King, Jr. Dr. (formerly Hunter St.) and the Atlanta University Center to the south, and Joseph E. Lowery Blvd. (Ashby) and the Washington Park neighborhood to the west. Over the past 30 years, Vine City, one of Atlanta's oldest inner-city neighborhoods, has experienced a loss of population, property disinvestment, and general economic decline. In addition, major flooding in 2003 destroyed many homes in the neighborhood and the area has since been designated as a Flood Recovery Area by the City of Atlanta.

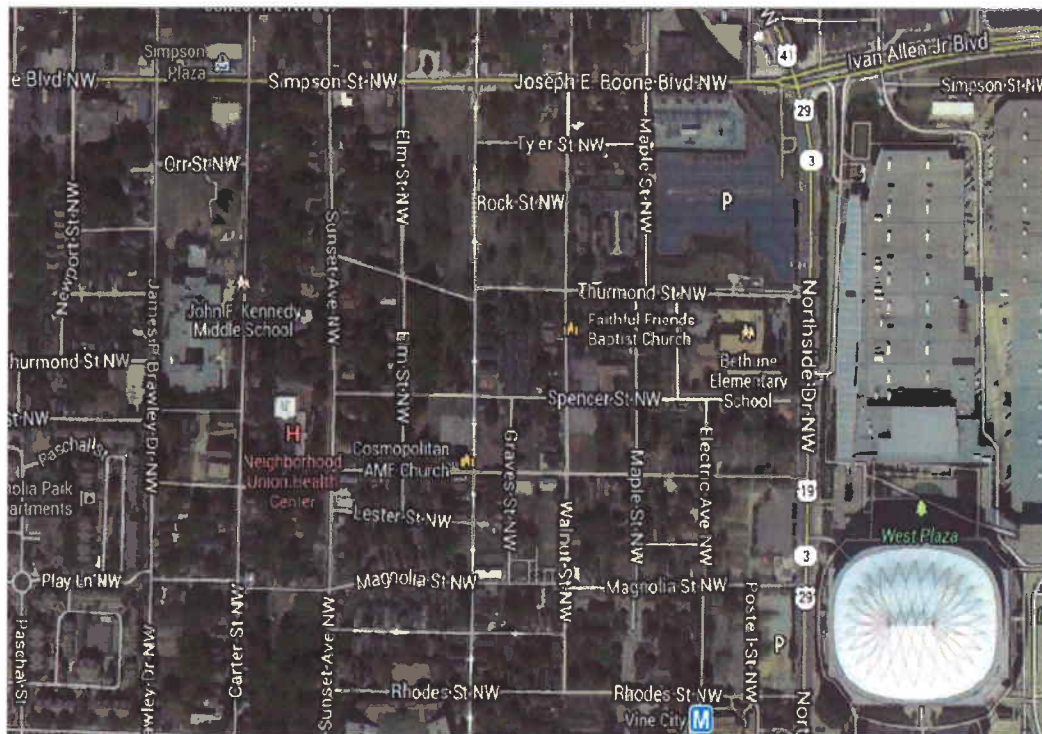
Mount Vernon's decision to remain committed to this community presents significant challenges in assembling the necessary land required to stay in this community. In order to accommodate the current program on a future site and be compliant with current building codes, it is calculated that a minimum of five acres (2.3 for the building and 2.7 for surface parking and site detention) would be required to build a comparable new church complex.

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Another major concern with finding an acceptable site is the City of Atlanta's and Atlanta business community's commitments and priorities related to Vine City. As the City of Atlanta Northside Drive Transportation Study highlights, the emphasis for the City is for "Vine City MARTA zone is envisioned as a mixture of sports and convention activities on the east side of Northside Drive that is supported by residential, office and a retail district to the west..."

The activity center envisioned for the Vine City MARTA Zone is concentrated around the Vine City MARTA station. This center possesses an excellent access to regional destinations including the Georgia World Congress Center and the Georgia Dome and would also serve as a potential regional transit transfer station to support increased density."

A review of the existing tax records indicate that a large percentage of property in the Vine City community area within a 2 mile radius of the church is owned by investors/speculators who do not live in the area. This will make acquiring a site at a reasonable cost extremely difficult.



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Therefore, evaluating potential sites for the new church campus makes current real estate market comparables in Vine City non applicable.

Impact of Large Construction Projects on Communities

Large stadium and transportation projects have had a sordid impact on the City of Atlanta's African American communities and historical institutions, especially churches. History records some of these impacts:

1) Atlanta Braves Stadium



Father Ford who headed the Emmaus House stated in an article to The Journal of the Southern Regional Council in 1996 that the impact of these major stadium projects can have significant negative impacts on a community. He stated, *"I first came to work in the area in 1967 because of problems created by the 1965-66 construction of Atlanta-Fulton County Stadium, home of the Atlanta Braves. While the Braves stadium was touted as an economic benefit to the area, the neighborhoods surrounding the stadium-- Summerhill, Mechanicsville, and Peoplestown--declined dramatically after its construction."*

The initial erection of the structure required the destruction of thousands of households and the displacement of 5,500 residents. By 1990, Summerhill's population had dwindled from 16,000 to 2,746 and Mechanicsville's had plummeted from about 15,600 to 3,900.

As of 1992, unemployment in Summerhill was sixty-six percent and the median household income was \$7,670. In Mechanicsville and Peoplestown, the median household income as of 1990 was \$5,598 and \$11,563, respectively.

http://beck.library.emory.edu/southernchanges/article.php?id=sc18-2_002

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2) Atlanta Olympic Stadium



While funds were committed in 1993 for community development, in 2011, the Board decided to start shifting some of the money to other organizations, resulting in funds being redirected from organizations that historically provided meaningful affordable rental housing and meals for seniors, to organizations that used the money for neighborhood beautification projects.

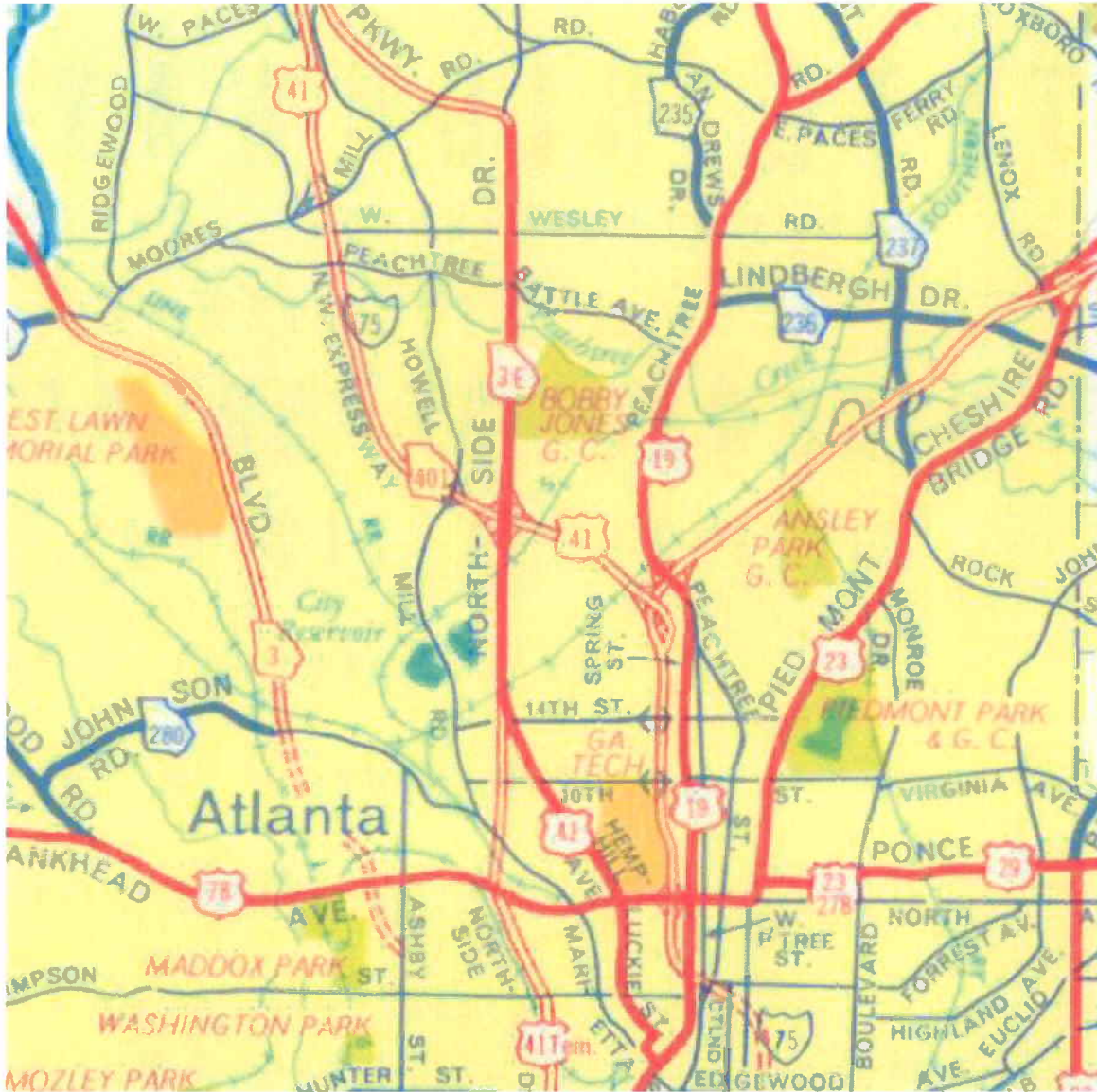
In addition, the new stadium, including traffic and parking, caused resentment from the residents who claim that *“the police began talking to you crazy,”* and an increase in car break-ins, which Dr. D. Farmer said leads to *“higher personal car insurance rates for people living in the zip codes surrounding the stadium.”*

3) Highway Construction Projects

“Highways and freeways were also built and expanded to meet Atlanta’s growing need. Well before federal money became available in the late 1950s under the [interstate highway](#) program, Atlanta was already working on its freeways—an approach that allowed the city to link up later with three major interstate highways that connected Atlanta to the region and fed suburban metropolitan growth. Highway construction (combined with urban renewal activities) also lowered the supply of black housing within the city—displacing almost 67,000 people in the period from 1956 to 1966 and adding to an already severe housing shortage. By 1959 African Americans made up 36 percent of the city's population but occupied only 16 percent of the available residential land.” New Georgia Encyclopedia 2/16/2012

<http://www.georgiaencyclopedia.org/nge/Article.jsp?id=h-2207>

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GA DOT MAP CIRCA 1961

In 1955, Mount Vernon MBC was forced to move as a result of a major highway construction project.

These are some of the major considerations that the leadership at Mount Vernon must contemplate as it plans to redevelop in the Vine City community especially in light of the fact that this relocation is at the request of the Georgia World Congress Center to facilitate the construction of the new Atlanta Falcons Stadium.

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GA DOT MAP CIRCA 1961

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INTERIM FACILITY REQUIREMENTS

To accommodate the ongoing church operations and spiritual responsibility of the church, Mount Vernon MBC must have a comprehensive plan for continuing its various ministries which house, support and facilitate the following:

1. Capacity for a minimum of 500 worshippers
2. Spiritual and Social Services programs (TBD & budget TBD)
 - a) Recovery Through Christ which ministers to Substance Abuse and other life dominating sins.
 - b) Homeless ministry
 - c) Health Educational ministry
 - d) Food, HIV/Aids, Diabetes, Heart Disease, Alzheimer's, others
 - e) Elderly Support / sick and shut in ministry
 - f) Youth and College Student Outreach program ministry
 - g) Prison Outreach ministry

The new facility must also be able to accommodate all church operations including Sunday Worship Services, mid week Bible Study, choir practice, business meetings, special events and easily accommodate Mt. Vernon's senior and youth programs.

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TOTAL PROJECT COST ANALYSIS

The Project Cost Estimate has been developed and includes all direct and associated project costs for all activities and phases, including predesign, design, construction, loose equipment, land, start-up [building commissioning], move-in, and contingencies. In preparing this Cost Estimate, our team has assumed that minimally, Mount Vernon's current program of requirements, site considerations and operating assumptions are relatively the same.

This report also assumes that for pricing purposes, the building configuration, methods, materials and systems will be of similar nature except where codes and life safety must be considered. The report also includes a grossing factor of 1.25 which has been applied to the existing space program to accommodate the life safety and code issues identified in this report.

This report and analysis also includes costs that will be incurred by Mount Vernon for legal representation; inspections, testing and surveys; loose equipment and furniture; environmental and archaeological studies; interim facility costs; probable City of Atlanta Sewer Agreements; and a Project Contingency per the guidelines established by the Georgia Office of Planning and Budget and the Georgia State Financing and Investment Commission.

All of the projections are based on a total program schedule of thirty (30) months and the durations of the Master Project Schedule.

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Mount Vernon Missionary Baptist Church Atlanta, Georgia Total Project Cost Summation Sheet						
		COST BY ITEM		COST BY PHASE		
Cost Component	Amount	Pre design	Property Acquisition	Design	Construction	Equipment
1) Pre design	\$200,000	100%				
2) Construction Cost of Existing Program	\$7,939,518					
3) Add. Program Area for Code Compliance	\$1,984,880					
4) Total Construction Costs	\$9,924,398				100%	
5) A/E Fees	\$595,464			70%	30%	
6) Owner's Representation Fees	\$150,000	20%	20%	20%	20%	20%
7) Legal Fees	\$150,000	50%	15%	15%	10%	10%
8) PM/CM Fees	\$611,843	20%	20%	20%	20%	20%
9) Land Procurement	\$3,000,000		100%			
10) Inspections, Testing, Surveys	\$198,488			30%	70%	
11) Loose Equipment & Furniture	\$496,220					100%
12) Environmental/Archeological Studies	\$99,244			100%		
13) Commissioning	\$173,677			20%	80%	
14) Present Value of Parking (25 yr annuity)	\$2,733,283					
15) Interim Facility Costs	\$300,000	10%	15%	25%	50%	
16) Moving Expenses	\$25,000					100%
17) Other-Sewer Agreement w/COA	\$500,000				100%	
18) Project Contingency	\$1,421,821					
Total Project Costs	\$20,379,437					

Notes:

- 1) **Pre design**-Cost of all of the pre design studies including Master Planning
- 2) **Construction Cost of Existing Program**-Current cost estimate prepared by the Winter Johnson Group to replace existing structures
- 3) **Additional Program Area for Code Compliance**-Additional area required to accommodate current building and life safety codes
- 4) **Total Construction Costs**-Construction Cost Estimate Summation
- 5) **A/E Fees**-6% of the Construction Cost per GSFIC Guidelines
- 6) **Owner's Representation Fees**-Mt. Vernon cost to assign a project representative to administer project
- 7) **Legal Fees**-Based on legal expenses for comparable projects
- 8) **PM/CM Fees**-Design Builder Fees for coordinate and managing the overall program including all phases, commissioning and occupancy
- 9) **Land Procurement**-Land Costs based on comparables land sales
- 10) **Inspections, Testing, Surveys**-2% of the Construction Cost per GSFIC Guidelines
- 11) **Loose Equipment & Furniture**-Budget based on comparable projects with similar program usages
- 12) **Environmental/Archeological Studies**-Based on comparable projects in this community where Phase 1 & 2 environmental studies are required
- 13) **Commissioning**-1.75% of the Construction Cost per GSFIC Guidelines
- 14) **Value of Parking (25 yr annuity)**-Present Value of the Future Annuity of the Current Parking Revenues
- 15) **Interim Facility Costs**-Cost to operate for 156 weeks while new facility is being constructed
- 16) **Moving Expenses**-Based on estimated from reputable moving company
- 17) **Other-Sewer Agreement w/COA**-Based on comparable storm water detention structures in Vine City
- 18) **Project Contingency**-7.5% of the Total Project Costs per GSFIC Guidelines

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CONSTRUCTION ESTIMATE

ESTIMATED REDEVELOPMENT COST

MOUNT VERNON BAPTIST CHURCH

July 3, 2013

Atlanta, Georgia

	Programmed Area	Estimated \$/SQFT	Total Estimated Value	
1ST FLOOR	Fellowship Hall	5,754 sqft	\$ 204.39 /sqft	\$ 1,176,080
	Office / Classroom	5,469 sqft	\$ 131.22 /sqft	\$ 717,642
	Kitchen	1,687 sqft	\$ 309.05 /sqft	\$ 521,368
	Back-Of-House / Mechanical	2,641 sqft	\$ 121.97 /sqft	\$ 322,123
	TOTAL	15,551 sqft	Average: \$ 176.01 /sqft	\$ 2,737,193
2ND FLOOR	Sanctuary	7,302 sqft	\$ 321.55 /sqft	\$ 2,347,956
	Office / Classroom	6,468 sqft	\$ 131.22 /sqft	\$ 848,731
	Stone Entry Terrace	1,817 sqft	\$ 59.12 /sqft	\$ 107,419
	TOTAL	15,587 sqft	Average: \$ 211.90 /sqft	\$ 3,304,105
3RD FLOOR	Sanctuary	2,794 sqft	\$ 321.55 /sqft	\$ 898,410
	Office / Classroom	7,070 sqft	\$ 131.22 /sqft	\$ 927,725
	Back-Of-House / Mechanical	591 sqft	\$ 121.97 /sqft	\$ 72,084
	TOTAL	10,455 sqft	Average: \$ 181.56 /sqft	\$ 1,898,219
TOTAL	Sanctuary	10,096 sqft	\$ 321.55 /sqft	\$ 3,246,366
	Fellowship Hall	5,754 sqft	\$ 204.39 /sqft	\$ 1,176,080
	Office / Classroom	19,007 sqft	\$ 131.22 /sqft	\$ 2,494,089
	Kitchen	1,687 sqft	\$ 309.05 /sqft	\$ 521,368
	Back-Of-House / Mechanical	3,232 sqft	\$ 121.97 /sqft	\$ 394,207
	Stone Entry Terrace	1,817 sqft	\$ 59.12 /sqft	\$ 107,419
	TOTAL	41,593 sqft	Average: \$ 190.89 /sqft	\$ 7,939,518

WINTER JOHNSON
GROUP

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VALUE OF THE PARKING REVENUE AUTHORITY

Mt. Vernon MBC

Future Value of the Parking Revenue Annuity

Mt. Vernon MBC currently generates approximately \$140,000 per year for parking for special event. Those funds are critical to the operations of the church and its budget.

We have calculated the future value of this annuity based on the 25 year life of the facility as follows:

$$\text{Present Value} = \left(\frac{PMT}{i} \right) \left(1 - \frac{1}{(1+i)^n} \right) (1+i)$$

Therefore, the present value of that annuity stream at 2% interest is \$2,733,284.

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