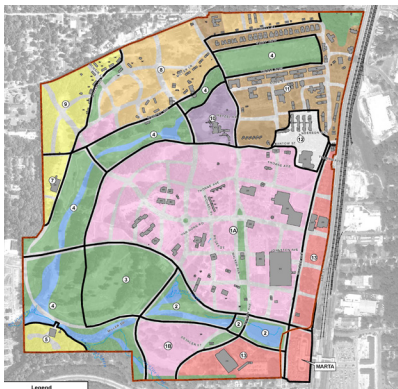
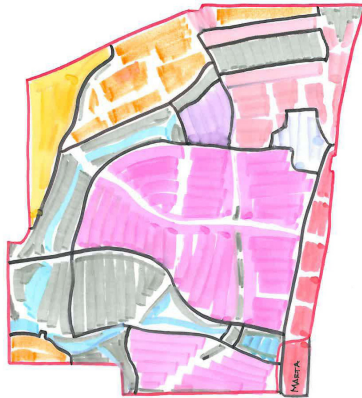


FORT MCPHERSON BUSINESS PLAN

MCPHERSON PLANNING LOCAL REDEVELOPMENT AUTHORITY (MPLRA), ATLANTA, GEORGIA



PROFESSIONAL SERVICES

Business Plan

CLIENT

McPherson Planning Local
Redevelopment Authority

Fort McPherson was designated for closure under the Base Realignment and Closure Act (BRAC) of 2005. Matrix provided a market analysis, pro-forma and detailed business plan for the redevelopment of the 488-acre Fort McPherson facility as set out in their Outreach and Land Use Plan prepared in 2007. This effort entailed four broad areas of activity:

- **Cash Flow Model:** The cash flow model is the critical planning tool that integrates the market analysis findings, infrastructure cost and phasing projections, building conditions analysis and property holding cost projections. A key decision-making tool, it was designed to arrive at an optimal strategy that accomplishes the goals of the re-use plan at an acceptable level of cost and risk to the MPLRA and the City of Atlanta.
- **Financial Feasibility Analysis:** The purpose of the financial feasibility analysis was to examine alternatives to minimize negative cash flows, mitigate public sector risk and identify sources of public financing to make redevelopment economically feasible. Tax Allocation District (TAD) financing was identified as one potential source of public support. However, the commercial and industrial nature of most of the property suggested opportunities to consider a broader range of potential financing mechanisms, including conventional revenue bonds, dedication of future local sales tax proceeds and a variety of other alternatives.

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- **Alternatives Testing/Sensitivity Analysis:** The first cash flow projection, developed from the integration of several independent estimates of costs and revenues, seldom produces an optimal Business Plan. The development of a financially feasible Business Plan is far more likely to emerge after several iterations of alternatives analysis and testing. This required the development of financial models that are specifically designed for that purpose. This additional effort in constructing the financial models returned improved capability to investigate alternatives to enhance the development economics of the project, assess the financial sensitivity and associated public sector risk of the Business Plan to changing market conditions and development costs.
- **Preferred Business Plan Model:** The resulting outcome of the various cost studies, model development and alternatives testing was a “preferred” business plan that balances community goals, economic/market constraints and acceptable levels of public investment and risk. This preferred model was the outcome of diligent analysis and testing. The preferred Business Plan will provide the basis for valuation and negotiation of the property’s transfer from the Army.