

To: The Leon County Commissioners
From: Lisa Simone Cleveland, Esq.
Re: Executive Summary - Create, Inc. Student Housing Project
Date: September 11, 2007



This Executive Summary is being submitted on behalf of Bethel Missionary Baptist Church and its supporting 501(c)3 organization named Create, Inc., with respect to its plans to create a unique student housing environment that will serve a multi-campus audience, as well as further build economic drivers to facilitate positive change in the Frenchtown Community of Tallahassee, Florida.

Affirmative Hillspoint LLC ("AHLLC") is working closely with the Church in order to help it plan and develop its various parcels of land and bring additional long-term economic resources to bear within the Frenchtown community. AHLLC is a real estate development group focused on senior and student housing and other development needs of non-profit organizations. This effort has and continues to be a lengthy process that has required intense interaction with the community, research within focus groups, teambuilding and the cooperation of municipal agencies. This planning process began 1 1/2 years ago under the leadership of Reverend Dr. R. B. Holmes Jr., Deacon Bernie Edwards, Attorney Carolyn Cummings and Dr. Linda Fortenberry, the Director of Education and Institutional Development. The vision of this leadership group is unparalleled as it relates to community development, empowerment and positive change.

Key Points – The Student Housing Project:

- The project will have a favorable impact on the Frenchtown Community and a low impact on other FSU off-campus housing dormitories because it is positioned to serve students of multiple campuses;
- The existing Holiday Inn Select is not a long-term competitive hotel and will not be a viable economic driver in the community in the long run;
- Because of the unique and convenient location of the Holiday Inn, during our focus groups, students from FAMU, FSU and TCC have expressed sincere interest in the project;
- Create, Inc. is working with FAMU to include the proposed student housing project in its marketing materials for non-freshmen for the 2008-2009 school year. Similar discussions are being pursued with TCC;
- There is a grave need for student housing options for FAMU sophomores, juniors, seniors and graduate students;
- Our original and recently updated market study concludes that when the student housing project markets to the FAMU and TCC student populations in addition to FSU that only a 2.9% market penetration is needed; the project will be marketing 364 beds to in excess of 11,000 full-time, non-commuting students, after assuming that all on-campus housing is 100% occupied;
- The project addresses the desire for housing options with enhanced security
- A Christian-sponsored student housing option is widely supported by the parents of the students from all three campuses within the Bethel community as it will encourage learning in a stable, safe social environment;
- The amenities provided by the hotel environment such as wireless Internet access, a fitness center, and unlimited meal plan, and uniquely designed study

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COMPANY, LP**

161 Avenue of the Americas
13th Floor
New York, NY 10013
P:(212) 925-9600 x 202
F:(212) 925-9720

lisa@aeclp.com



and lounge areas create an all-encompassing lifestyle environment that does not exist heretofore (See attached project comparison chart);

- The project is not intended to be exempt from ad valorem taxation; and
- As budgeted the project has more than a 1.5 times debt service coverage.

Key Points - Community:

Through numerous meetings with City Officials, focus groups from varying socioeconomic, racial and cultural backgrounds, and work sessions with members of the Church and members of the local community, one constant, powerful message rings clear: the Bethel Missionary Baptist Church has been the catalyst for positive change and development in the Frenchtown community and toward bridging this community with downtown Tallahassee. Bethel Missionary Baptist Church and its Empowerment Foundation have the capability and know how to affect needed changes that benefit the entire Tallahassee community. *The feasibility studies demonstrate that after paying debt service, there will be several hundred thousand dollars available annually to support the other community-based missions of Create, Inc.*

Regardless of the economic drivers that this opportunity creates, numerous stakeholders within Tallahassee agree that it is time to reposition the aging and out of date Holiday Inn. With new hotel product planned and entering the downtown Tallahassee marketplace in the same price range, the future of the Holiday Inn is bleak. Repositioning the property at this time will allow the church to a) unify its campus and, b) develop and master-plan the entire Holiday Inn property in order to include additional downtown parking, as well as much needed retail services to serve the demand created by the Frenchtown community, as well as students, the Church congregation and its over all development plans within its 2010 vision. These goals were met with a positive response when we met with various officials in the City of Tallahassee.

The 2008 – 2009 Student Housing Market

Finally, as we understand the concerns that have been raised relative to student housing demand, many of the issues that impacted this school year will not exist next year. In addition, the Create, Inc. project has benefits over other similar projects in the market.

- This year 1,400 new FSU dorm beds came on line and directly removed that number of students from the potential off-campus dorm demand. Historic retention levels of 28% would indicate that approximately 400 fewer students will move in to these new dorms next year.
- This year's FSU Freshman enrollment cap can be assumed to be a "one-time" event
- The Create, Inc. project has a unique draw of students from FAMU and TCC that are not attracted to other off-campus dorm options. Focus group research indicates willingness for students from different schools to live together.
- The reputation of Bethel Missionary Baptist Church and its active Student Ministries puts it in touch with hundreds of students from all three institutions and will create a unique demand for this project.

Please don't hesitate to call me with questions. Sincerely, *Lisa*

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Student Housing Survey- Comparison Sheet for Dorm-Style Options

Feature & Comparison Points:	Off Campus Dorm-style Options				FSU (2) (New Dorms)
	Bethel Project	Southgate	Seminole Oaks	Osceola Residence	
Features					
Living space (standard semi-private)	340 sq. ft.	220sq. ft.	240 sq. ft.	240 sq.ft. (est)	200sq. ft.
Number of students sharing bathrooms	2	2	4	4	4
Kitchenettes in each room	yes	no	no	no	no
Pool facility	yes	no	yes	yes	no
Fitness center	yes	yes	yes	yes	no
Computer room	yes	yes	yes	yes	no
On-floor laundry room	yes	yes	no	no	no
Security controlled access to building	yes	yes	yes	no	yes
game room	yes	yes	yes	yes	yes
T.V. Lounge with cable	yes	yes	yes	yes	yes
Wheel Chair Accessible rooms	yes	yes	yes	yes	yes
On-site dining services	yes	yes	yes	yes	no
Services					
Wireless internet included	yes	no (1)	no	yes	yes
High speed cable included	yes	yes	yes	yes	yes
Cable with HBO included	yes	yes	yes	no	no
Meal plans available	yes	yes	yes	yes	yes
Private transportation service included	yes	no	no	no	no
On-site parking available	yes	yes	yes	yes	no
Laundry service available	yes	no	no	no	no
Weekly house-cleaning	yes	yes	yes	yes	no
Pricing					
Per month with unlimited meals	\$1,115.00	\$1,117.50	\$925.00	\$837.50	\$1,003.00

(1). Available in common areas only
 (2). Includes Degraff & Wildwood Halls