

# OFFERING MEMORANDUM

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11 LOT EAST COBB OPPORTUNITY | EMERSON MANOR



**MACALLAN**  
REAL ESTATE

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**CONFIDENTIAL OFFERING**

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## ADDITIONAL DOCUMENTS

*\*A link to an electronic version of the below will be provided to all prospective buyers.*

Survey including Topo and Trees	Escrow Agreement and Quit Claim Deeds
Jurisdictional Waters Assessment Report	Grading and Drainage Plan
Geotechnical Borings Report	Sewer Plan
Phase I Environmental Report	Water Plan
Sewer Easement	Site Distance Analysis Exhibit
Title Commitment	Asbestos Report on Existing Structures
Cobb County Water/Sewer Map for Area	



## SECTION ONE | EXECUTIVE SUMMARY

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Macallan Real Estate is pleased to present an exciting opportunity to develop eleven single family residential lots in one of the best school districts in Metro Atlanta. Emerson Manor is located on Holly Springs Road north of Post Oak Tritt in the Pope High School district. The property will be zoned R-15 and re-zoning is currently underway with completion anticipated in July, 2015. Lot development could start as early as August or September of this year. Extensive due diligence and engineering have already been completed on the property. All of this information will be provided to prospective buyers for evaluation.

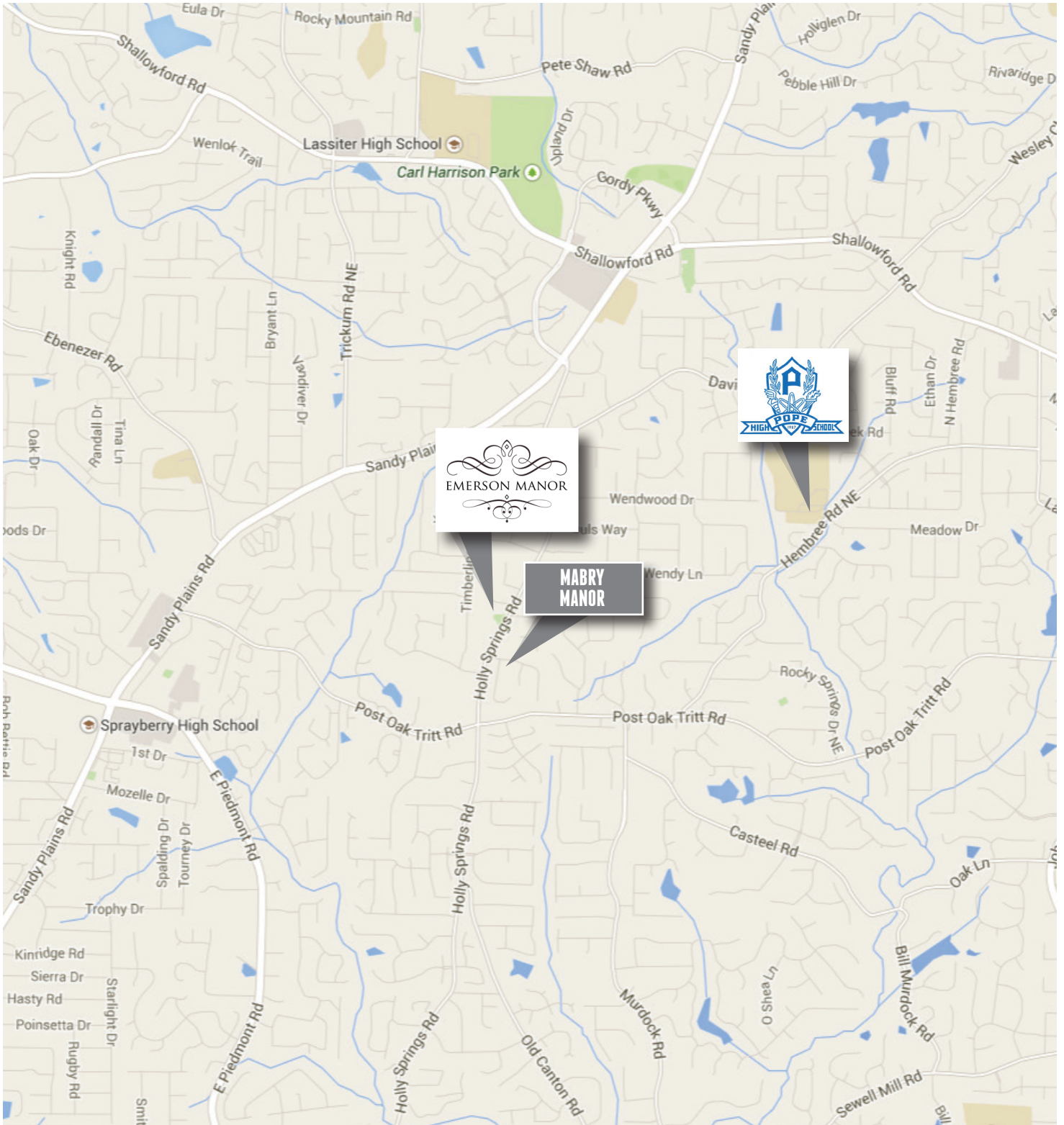
Our objective is to put the property under contract-contingent on re-zoning-to a Builder who will develop and build on the lots and who is willing to participate with us in the re-zoning process. While Emerson Manor is not large enough to support its own separate amenity package, we do believe there is great potential to join or partner with the Mabry Manor community across Holly Springs Road for amenity access. We also think that the home plans, sizes, and price points will be similar to Mabry Manor.

In 2014, Mabry Manor was the top selling community in all of Metro Atlanta with forty five sales totaling \$32 Million in volume. The market in East Cobb continues to be extremely strong and we believe that Emerson Manor represents an exceptional opportunity to have lots on the ground and houses underway by early 2016.

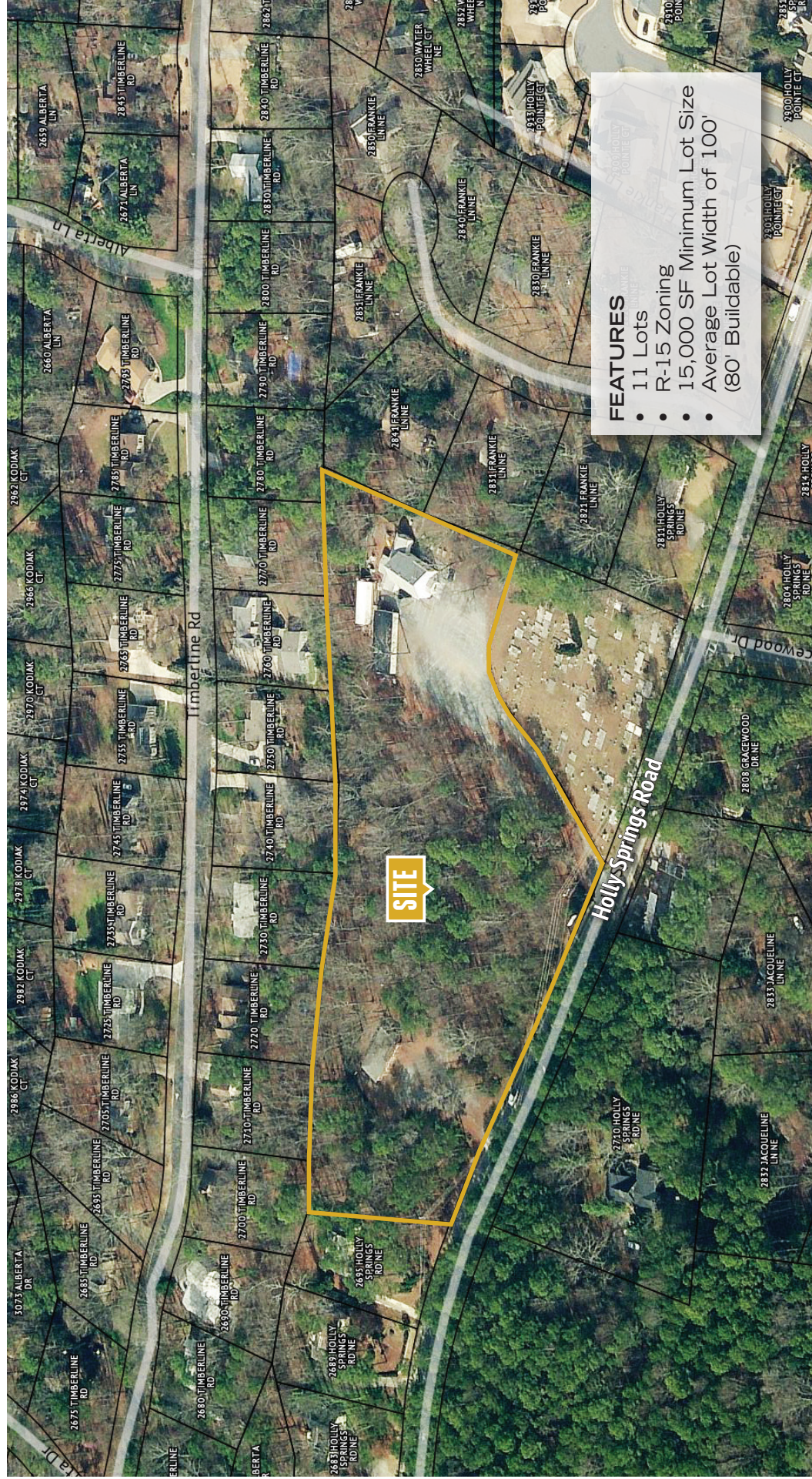




## SECTION ONE | LOCATION MAP



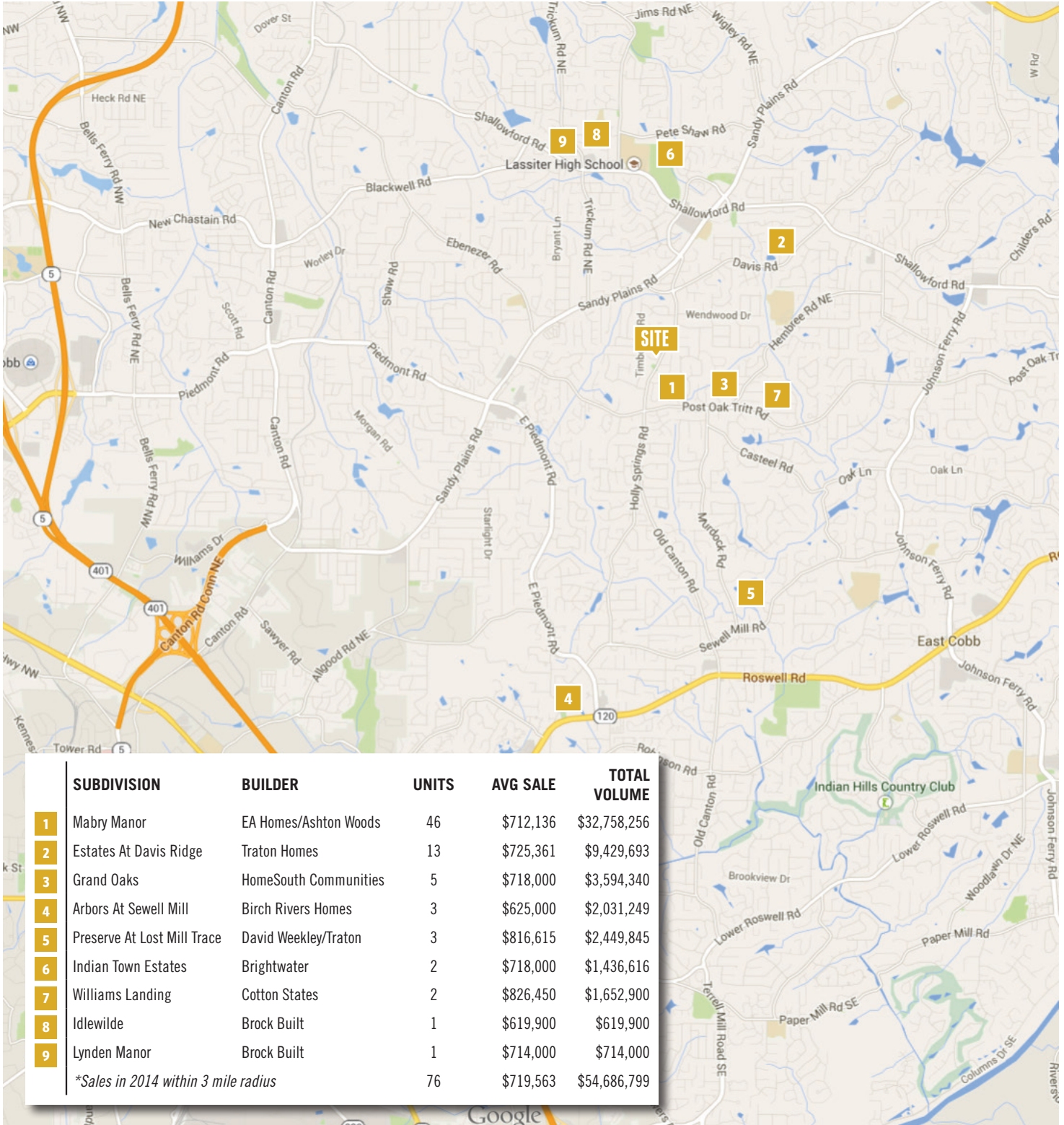
SECTION ONE | SUBJECT PROPERTY AERIAL



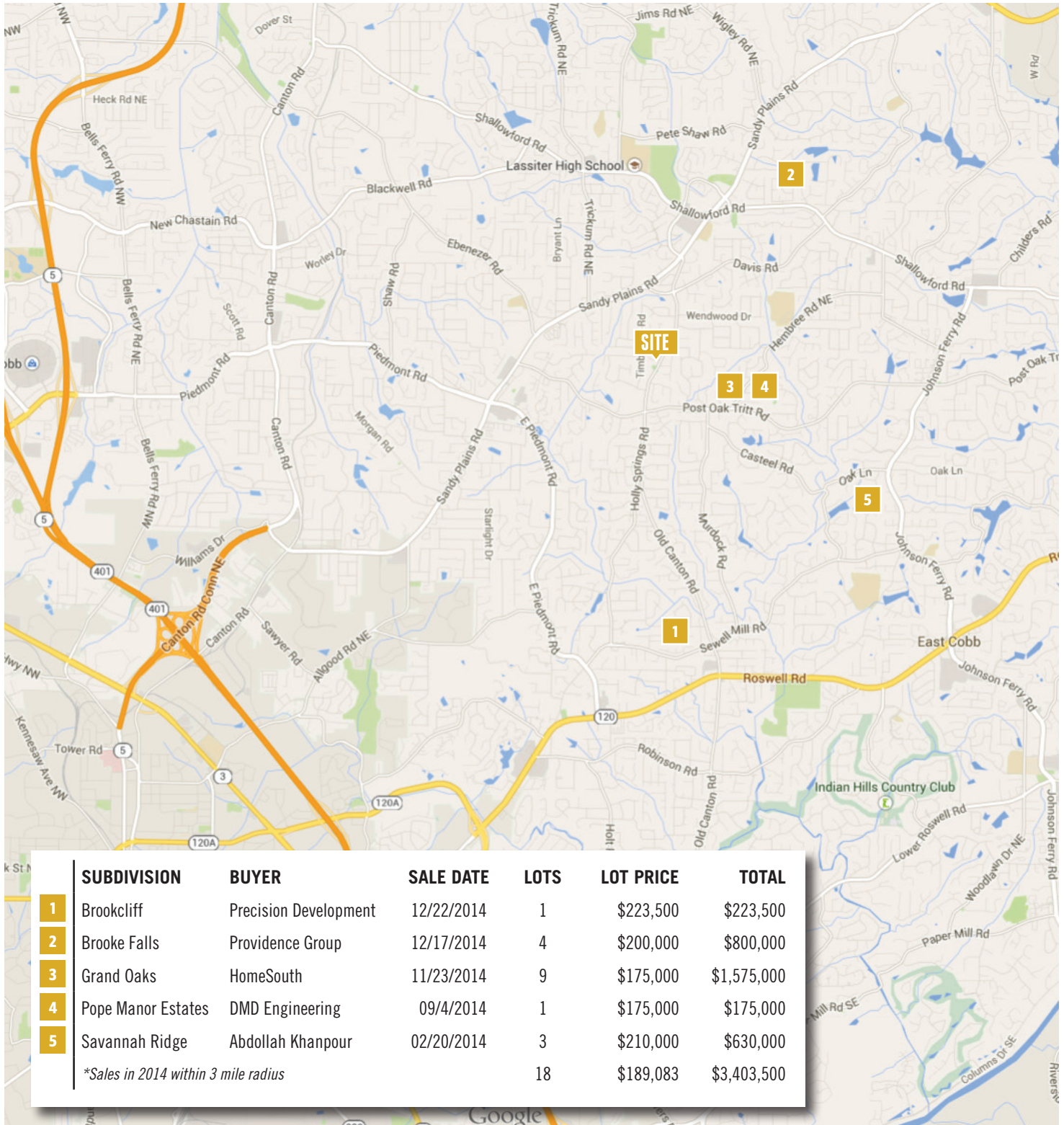
SECTION ONE | SUBJECT PROPERTY AERIAL



## SECTION TWO | COMPETITIVE SALES - SUBDIVISIONS



## SECTION TWO | COMPETITIVE SALES - DEVELOPED LOTS

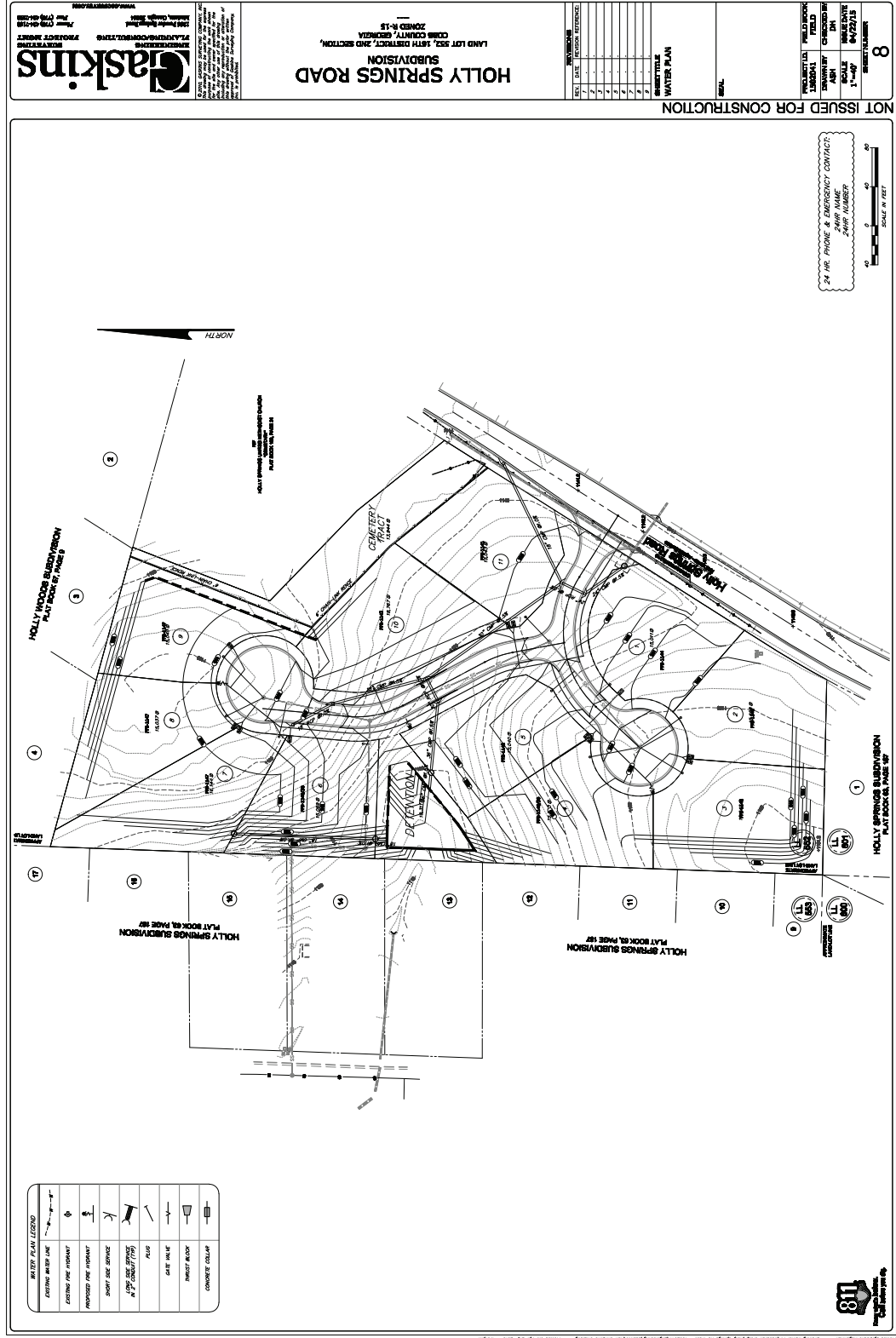


SECTION THREE | SITE PLAN/MASTER PLAN





SECTION THREE | WATER PLAN







## SECTION FOUR | DUE DILIGENCE

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### TEAM

- **LAND PLANNER** - B+C Studios – Joel Bowman - B+C Studio is a full-service landscape architecture, design and planning firm based in Atlanta, Georgia. Their portfolio includes a wide diversity of projects ranging from custom residential to citywide land planning efforts. B+C was the land planner and landscape architect for the successful Mabry Manor community across the street from Emerson Manor.
- **ENGINEER** - Gaskins – Chuck Davis - Gaskins has a long history of providing Engineering, Surveying, Planning, Consulting and Construction Management services in Cobb County and throughout the metro-Atlanta Area. They are very familiar with Cobb County development requirements, know all the Cobb County officials, and have completed hundreds of successful projects in Cobb over the years.
- **ZONING ATTORNEY** - Parks Huff - Sams, Larkin, Huff & Balli, LLP, is a Cobb County based law firm that focuses on local real estate, commercial development and land use, covering all issues from taxes to licensing to contracts. Parks is one of the top zoning attorneys in Cobb and has handled a wide variety of projects of all sizes and types in recent years. He knows the Commissioners and other officials very well and has a reputation for building consensus and getting results.

### ZONING/ENTITLEMENT

The property is currently zoned R-20 and has been used for several decades as a church. The church outgrew the existing facilities and recently purchased another property nearby. The two remaining structures on the property are vacant and will need to be demolished by the Purchaser.

Macallan is filing for re-zoning to R-15 prior to the May 7, 2015 deadline which will result in Planning Commission and Board of Commissioners hearings on July 7th and 21st respectively. This zoning change will result in a lot yield of 11 lots - up from the 9 lots the property would yield under the existing R-20 zoning. Our hope is to pass this as a consent agenda item if at all possible.

- **PRIOR RE-ZONING EFFORT** - Prior to Macallan getting the property under contract, the church had contracted with another developer who planned to build a senior living facility. After multiple neighbor meetings and extensive opposition from the community, the developer dropped the contract without actually filing for re-zoning. We believe strongly that the current re-zoning effort will benefit from this prior proposal as multiple stakeholders have indicated relief that the property is going to be re-zoned R-15 and not commercial.
- **COMMISSIONER MEETING** - Macallan has had at least four separate conversations and two separate meetings with Commissioner Birrell regarding this project. She has expressed her support and actively convened a stakeholders meeting on April 15, 2015 including Planning Commissioner Trombetti, the East Cobb Civic Association, the Cobb County Cemetery Preservation Association, the Holly Springs Memorial Association (owner of adjacent cemetery) and neighbor representatives. In addition, Macallan has had preliminary conversations with both Commissioner Lee and Commissioner Weatherford who have both expressed support as long as Commissioner Birrell is supporting the project.
- **PEDERSON MEETING** - John Pederson, Cobb County Director of Zoning, participated in Macallan's initial meeting with Commissioner Birrell. He was supportive of the project and offered several pro-active solutions to improve the initial plan. He noted that this was a "good use" for this land that avoided the issues and concerns associated with a potential commercial re-zoning and noted that this is the last tract this size in the area.



## SECTION FOUR | DUE DILIGENCE

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- **HELGA HONG MEETING** - Helga Hong is the long-time volunteer head of the Cobb County Cemetery Preservation Association. While she does not have formal authority as best we can tell, staff and Commissioners are deferential to her with respect to cemeteries given her long years of service in this position. The County recently named a road after her. The Church has met with Hong four or five separate times regarding the cemetery issues (see below for further information). Macallan has also talked directly with her and she participated in the most recent stakeholder meeting with Commissioner Birrell on April 15, 2015.
- **EAST COBB CIVIC ASSOCIATION MEETING (ECCA)** – Macallan has had repeated contacts with Trish Steiner and other ECCA members. They were the organizing force in opposing the prior commercial re-zoning. Four of their board members were present at the April 15th meeting and they have convened another neighbor meeting for May 22, 2015 to discuss the project. To date, they have expressed strong support for the R-15 zoning though they have made a couple of requests (see below for more information).
- **NEIGHBOR MEETING** – Several neighbors attended the series of meetings the Seller had with the Holly Springs Memorial Association Inc. and the Cobb County Cemetery Preservation Association to resolve the buffer situation. Most notably, Bob and Carolyn Meadows live near the site and will both be buried in the cemetery. She is very active in Republican politics and comes from the Dodgen family which has deep roots in East Cobb. She was very happy with the agreed upon concessions and has offered to speak on our behalf at the Planning Commission or BOC meeting. An additional neighbor meeting has been set for May 22, 2015 at the request of ECCA.
- **ZONING CONDITIONS** – To date, the following zoning conditions have been discussed and agreed upon:
  - » Builder, at its cost to provide a landscape planting strip along the NW boundary of the cemetery as shown on the Site/Master Plan.
  - » Builder, at its cost, will install a black vinyl coated 6 foot chain link fence along the two common property lines between Emerson Manor and the cemetery buffers within 60 days of closing. This chain link fence shall be installed six inches inside of the cemetery buffer and the cemetery owner shall be responsible for all future repairs and maintenance of the fence.
  - » Builder to voluntarily increase side setback on Lot 9 from 10' to 15' and will deed restrict the lot to disallow any impervious surfaces including pools within the side setback.
  - » Georgia Native Plant Rescue will be allowed on site prior to clearing and grubbing activity.
- **VARIANCES REQUESTED**
  - » All lots will have the flexibility to reduce the front setbacks by up to 10' (from 35' to 25') but shall increase the rear setback by the same amount. Commissioner Birrell and the ECCA both liked this variance in that it will allow larger backyards and more of a buffer between the new houses and neighboring property owners.

### EXISTING CONDITIONS/DEMOLITION REQUIRED

The property includes two vacant structures that will need to be demolished including a 3,200 sanctuary building and a 1,150 SF single family residence. There are driveways leading from Holly Springs Road to each structure as well as a gravel parking area in front of the former church building.



## SECTION FOUR | DUE DILIGENCE

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An Asbestos survey report was performed on both buildings November 6, 2014. The report is available for review and did find asbestos containing materials (ACM) in several places. This asbestos will need to be abated prior to demolition.

### LEGAL/TITLE

A title search has been completed and a title commitment has been issued by First American Title Company. The title commitment is available for review.

The only significant issue that came up in the title search was an easement and a reverter right retained by a prior Grantor back in the 1980's for the cemetery access and parking area. This access and parking area was not defined in the chain of title with a metes and bounds description. Thus after much discussion and negotiation, the Seller, Macallan, and the Holly Springs Memorial Association (who currently has fee simple title to the adjacent cemetery) have agreed upon a resolution whereby the Seller will deed a buffer area to the Cemetery Association at closing in order to provide permanent access and parking.

The original Grantor and the Holly Springs Memorial Association will both sign quit claim deeds to Macallan for the remainder of the site in exchange for title to the buffer areas. The title company has confirmed this arrangement fully resolves all issues and will allow them to issue a title commitment for the entire remaining site. All of the quit claim deeds are being executed by May 3, 2015 and will be held in escrow by the title company until closing pursuant to a separate Escrow Agreement. The Escrow Agreement and deeds are available for review.

### CEMETERY ISSUES

There is a cemetery immediately adjacent to the site which is owned and maintained by the Holly Springs Memorial Association, Inc. As outlined above, the Seller has met with representatives of this Association multiple times to negotiate a solution to the access and parking issue. They have verbally agreed to the latest Site Plan/Master Plan after a half dozen iterations and are scheduled to sign the agreed upon deeds documenting this agreement by May 3, 2015. Please note that the drive aisles, parking, and landscape island shown within the cemetery buffer are for illustrative purposes only and do not represent obligations of Buyer or Builder to reconfigure this area.

The layout of the cemetery buffers (10' on one boundary and 50' on the other boundary) does not conform to the Cobb County Cemetery Development Regulations which require a 50' buffer on both sides. However, we have been told by multiple parties that if we have an alternative settlement agreed upon by the cemetery owner, the neighbors, and the Cobb County Cemetery Preservation Association – as we believe we now do – then there is a precedent and history of approving such agreements by the Planning Commission and Board of Commissioners. Essentially, we are agreeing to give up the right to count the buffer areas as acreage toward lots by deeding it at closing in exchange for limited concessions on the development regulations. The Cobb County Cemetery Preservation Association presented, voted on, and approved the plan at their April meeting.

It is important to note that the cemetery already has a 25' internal buffer along the NW boundary. At John Pederson's suggestion, we increased our setback adjacent to this boundary to 15' and added a deed restriction regarding impervious area and a landscape planting strip. Thus when you combine the 25' internal buffer, the 10' buffer being deeded to the Holly Springs Memorial Association at closing, and the 15' setback, you do have 50' feet on this boundary between a grave and the nearest home.



## SECTION FOUR | DUE DILIGENCE

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### **SURVEY/TOPO**

A complete boundary, topographical, and tree survey was performed in February, 2015 by RKS Green Consulting Group and is available for review. The subject site currently slopes from the north and south down towards the central area of the site as well as from east down to the west.

### **ARBORIST/TREES**

As noted above, the surveyor has already provided a complete tree survey. The builder will have to comply with standard requirements of the Cobb County Arborist and tree ordinance.

### **WETLANDS**

There are no evident wetlands on site. The site does fall towards the center and there is a natural swale at the low point where storm water runs during rain events. Macallan hired Contour Environmental, an environmental consultant to perform a jurisdictional waters assessment on the site in April, 2015. The assessment report is available for review and indicated that there are no wetlands/jurisdictional streams/state waters on the site and thus no buffers of any kind will be required.

### **PHASE I ENVIRONMENTAL**

In October of 2013, the Seller hired Mill Creek Environmental Services to provide a Phase I Environmental Site Assessment. That report is available for review and indicated that there are no recognized environmental conditions on the site.

### **GEOTECHNICAL BORING LOGS**

In November of 2014, GeoWerks Engineering was engaged to perform soil borings at six locations across the site to a depth of 20 feet. That report is available for review. None of the borings hit refusal and four of the six borings hit no rock at all. Two of the borings hit partially weathered rock at 12 and 13 foot depths however the depths at which the partially weathered rock was encountered were substantially below any grading activity anticipated for the site.

### **UTILITIES**

- **SEWER** – There is no sewer in Holly Springs Road. Sewer is available on Timberline Road to the west of the site and Cobb County has confirmed there are no capacity issues. An easement to reach the sewer from the subject property was obtained by the Seller back in 2006 from the property line to Timberline Road. This easement is available for review. See engineered sewer plan for additional information.
- **WATER** – A twelve inch ductile iron water line runs along Holly Springs Road immediately adjacent to the site and Cobb County Water has confirmed there are no capacity issues.
- **GAS** – A gas main runs along Holly Springs Road and is thus available to the subject property.
- **CABLE AND TELEPHONE** – Cable and telephone are both in the immediate area and available to the site.



## SECTION FOUR | DUE DILIGENCE

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### ENGINEERING

Gaskins has provided a comprehensive proposal to provide complete engineering services. This proposal is available for review upon request. The selected Buyer can elect to use their own engineer or can continue to use Gaskins to complete LDP documents. Presumably, the selected Buyer will want to proceed with engineering during re-zoning in order to be ready for submittal as soon as the property has been successfully re-zoned.

- **GRADING** – After consideration of different options, we believe the best option is to mass grade the site. Gaskins has come up with a preliminary grading plan with our input that we believe provides high lot quality with minimal walls or haul off. The “neat” numbers on the cut-fill analysis of the plan prior to any adjustment for shrinkage are 23,662 CY Cut and 20,564 CY Fill. The fill increases to 23,649 CY Fill with a standard 15% adjustment thus the site essentially balances.
- **SEWER** – As shown on the attached plan, the sewer system includes six manholes with an average depth of around nine feet. The builder will need to run the outfall line from the property line through the easement to Timberline Road approximately 200 LF.
- **STORM** – The detention pond has been sized to meet all Cobb County requirements and will involve both poured and block walls of varying heights. There is an existing drainage easement from the property line to the headwall shown on the adjacent lot so as design progresses, the pond could potentially piped directly into this structure.

### TRANSPORTATION

Macallan and Gaskins have had several discussions with Cobb DOT with respect to the project.

- **DECEL LANE** - The current plan does not show a decel lane but Gaskins has confirmed that one could be accommodated if needed. During a preliminary review, Cobb County initially indicated that a decel lane would not be required.
- **RIGHT OF WAY** - Cobb DOT confirmed that there are no capacity issues or future plans to widen Holly Springs Road. The adjacent cemetery actually has graves in the right of way on both sides of the street meaning this section of the road can effectively never be widened. Regardless, Cobb DOT indicated they would likely ask for the dedication of additional right of way during re-zoning even though they acknowledge it is unlikely it will ever be needed. We believe we have a good chance of achieving re-zoning without this requirement. If it does end up being required, John Pederson of Cobb County suggested that we just reserve future right of way which would not impact lot lines or lot sizes. It would require notice of same to the future homeowners whose homes front Holly Springs Road.
- **SIGHT DISTANCE** – Cobb DOT raised the issue of site distance concerns across the cemetery in response to an earlier version of the site plan which showed a community entry adjacent to the cemetery. This is no longer a concern with the current site plan however Gaskins has prepared a sight distance easement exhibit that is available for review. In addition, the cemetery owner has agreed to execute a sight distance easement to Cobb County just to make sure there are no further issues.

### SCHOOL DISTRICTS

The subject property is located in the attendance zone for Mountain View Elementary, Hightower Trail Middle School, and Pope High School.



## SECTION FIVE | CONDITIONS OF SALE/OFFER TERMS

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We are requesting offers by Friday, May 15th with the objective of selecting a Buyer and going under contract by June 1st. A separate bid sheet will be distributed for interested parties to fill out with their offer terms.

*Conditions for offers include:*

- No brokerage fees will be paid by Macallan. If the Buyer is represented by a Broker, please factor paying the Buyer's broker's commission into your offer.
- Closing within 30 days of successful re-zoning.
- Minimum of \$50,000 in Earnest Money.
- All Earnest Money shall be non-refundable upon successful re-zoning. Buyer to indicate with Offer Buyer's willingness as to what percentage of Earnest Money will be non-refundable prior to completion of re-zoning given information and due diligence provided. Obviously a higher amount of earnest money and/or a higher percentage of earnest money non-refundable at contract execution would be attractive to Macallan in evaluating offers.
- Given the extensive amount of information provided and the amount of engineering and due diligence already completed, there will be no due diligence or inspection period contingencies in the contract. Only re-zoning and standard title contingencies.
- While we expect approval for 11 lots, the contract will provide for the possibility of losing one or even two lots. Given that development costs are largely fixed, provide the price per lot you are willing to pay (raw) for nine lots, ten lots, and eleven lots.
- Indicate whether or not you are willing to agree to name the new subdivision Emerson Manor. This name honors the legacy of the church previously located on the property and is preference but isn't an absolute requirement.
- We understand that you may want to contact some of our consultants directly regarding questions you may have. Given that everyone is very busy right now and the potential for the consultants to be bombarded with a large number of inquiries in a short amount of time, we ask that you either route questions through us or let us know who you want to talk with so that we can provide authorization and set up the meeting(s) for you to ask the questions directly.
- As of the Effective Date of the contract, the Buyer shall be responsible for all consultant and third party fees to move forward with planning, engineering, permitting, etc. Macallan shall remain responsible for paying for the zoning attorney and for consultant activities to the extent changes or revisions are needed as a result of zoning related requests or comments.