

# 4510 & 4516 41<sup>st</sup> Avenue

Community Update & Discussion



# Agenda

- Project Overview
- Sis's Tavern Update
- Development Scenarios for 4510
- Community Discussion

# Sis's Tavern Update



Before...



# Before...



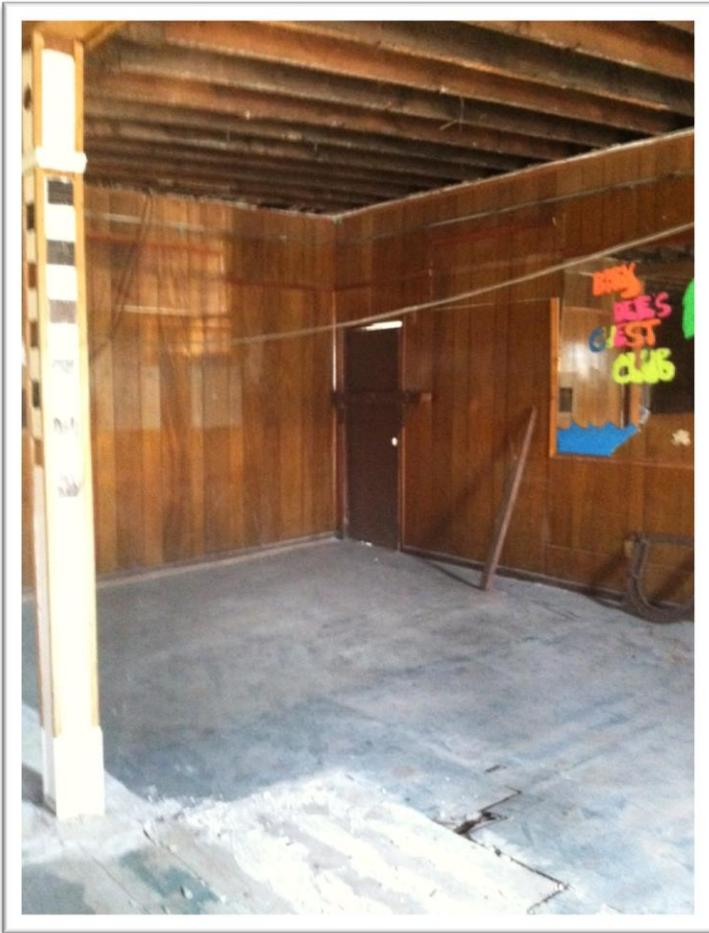
... After



... After



# Sis's Tavern Update



## COMPLETE

- Interior Clean Up

## IN PROGRESS

- Interior Consultation & Historic Research
- Roof Restoration
- Additional Asbestos Removal

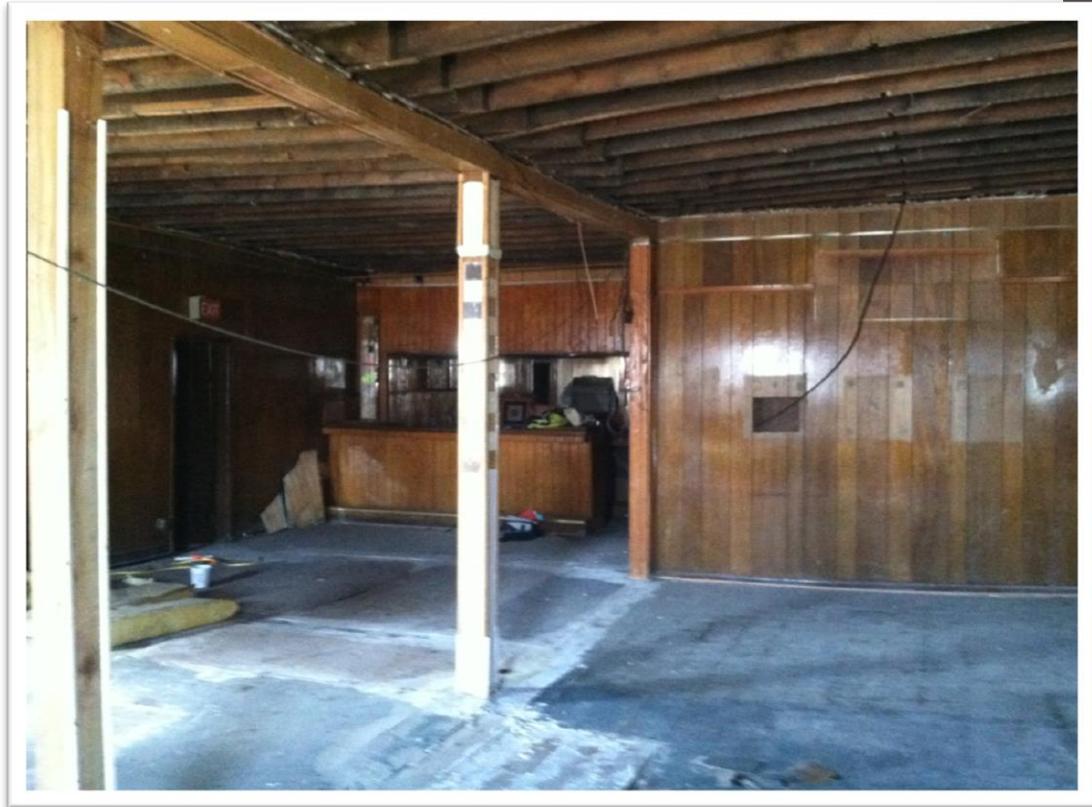
# Sis's Tavern Update

## ON DECK

- Exterior Façade Improvements

## FUTURE

- Interior Renovation
- Sign Restoration
- Program Planning



# Funding

- Secured an additional \$35,000 through Community Legacy Grant
- Awaiting State to approve use of Bond Bill funding
- Submitting application for African American Historic Preservation Program in Summer 2016

# Timeline

## 2016

Spring

- Roof Repair
- Interior Report

Summer

Exterior Facade

Fall

- Exterior Facade
- Interior Reno

# Timeline

# 2017

Winter

- Interior Reno Cont.
- Program Planning

Spring

- Sign Rehab
- Cleanup & Landscaping

# 4510 Development Scenarios



# #1: Green Space

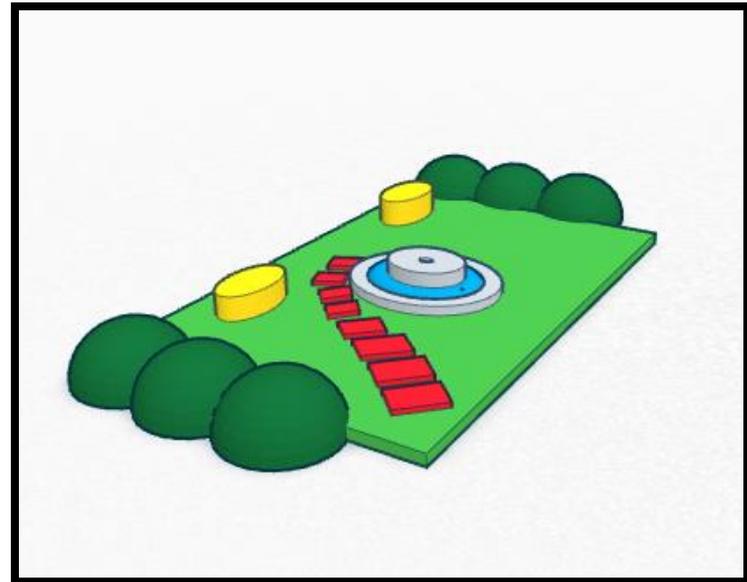
Leave parcel as open space

## PROS

- Outdoor gathering space to enhance Sis's Tavern programming
- Less up front & long term cost to Town
- Low stress on parking
- Environmentally friendly
- Parking Requirement: none

## CONS

- Does not provide any tax revenue to Town
- Does not reveal full development potential of site



**Project Timeline:** 18 months

# #1 - Feasibility

Start-up Costs	
Landscaping, Cleanup & Restoration	\$15,000
Amenities	\$10,000 - \$30,000

Annual Costs	
Maintenance	\$2,000
Replacement Reserve	\$500

# #2 – Mixed Use Retail

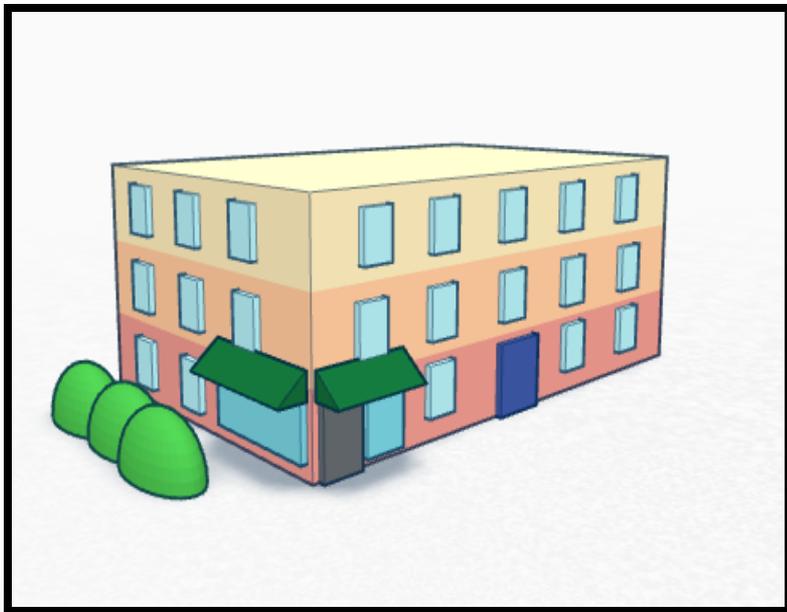
## Ground floor retail w/ apartments

### PROS

- Fill a Community desire for retail space
- Long term tax revenue

### CONS

- Parking on site is insufficient for retail – approx. 29 spaces
- Difficult retail market for smaller tenants
- Not feasible if any debt is used



**Project Timeline:** 24 months

# #2 - Feasibility

		0	1
<b>Construction</b>		<b>\$1,923,220.28</b>	
	Developer Contribution	\$384,644.06	
	Grant	\$0.00	
	Loan	\$1,538,576.22	
<b>Revenue</b>			
	Potential Gross		\$252,765.00
	Vacancy Allowance		\$ (18,957.38)
<b>Total Revenue</b>			\$ 233,807.63
<b>Expenses</b>			
	Ground Lease (if applied)		0
	Op Expenses		\$75,829.50
	Reserve		\$ 18,704.61
<b>Total</b>			\$94,534.11
<b>NOI</b>			<b>\$139,273.52</b>
	Taxes		\$ (1,903.74)
	Debt Service		-\$130,492.04
<b>Free Cash Flow</b>		<b>(\$1,923,220.28)</b>	<b>\$6,877.73</b>

# #3 – Senior Housing

## Below-market housing for 65+

### PROS

- Fills a community desire for senior housing
- Long term tax revenue
- Complementary programming opportunities with Sis's Tavern



### CONS

- Parking is insufficient – approx. 15 spaces
- Lot size is inadequate for “assisted living facility” designation
- Needs grant money to finance project
- Not feasible if debt is used

**Project Timeline:** 24-36 months

# #3 - Feasibility

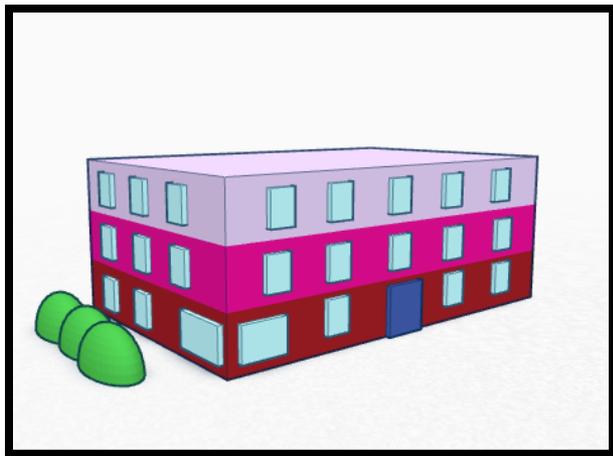
		0	1
<b>Construction</b>		<b>\$1,923,720.28</b>	
	Developer Contribution	\$384,744.06	
	Grant	\$384,744.06	
	Loan	\$1,154,232.17	
<b>Revenue</b>			
	Potential Gross		\$239,640.00
	Vacancy Allowance		\$ (19,171.20)
<b>Total Revenue</b>			\$220,468.80
<b>Expenses</b>			
	Ground Lease (if applied)		\$5,000.00
	Op Expenses		\$71,892.00
	Reserve		\$17,637.50
<b>Total</b>			\$94,529.50
<b>NOI</b>			<b>\$125,939.30</b>
	Taxes		\$ (1,786.45)
	Debt Service		-\$130,525.97
<b>Free Cash Flow</b>		<b>(\$1,923,720.28)</b>	<b>(\$6,373.12)</b>

# #4 – Artist Housing

## Artist's Housing with gallery

### PROS

- Stronger connection with Gateway Arts District programming
- Potential artists for Sis's Tavern
- Long term tax revenue



### CONS

- Not enough parking to accommodate large project – approx. 19 spaces
- Not feasible if any debt is used

**Project Timeline: 24 months**

# #4 - Feasibility

		0	1
<b>Construction</b>		<b>\$1,923,720.28</b>	
	Developer Contribution	\$384,744.06	
	Grant	\$0.00	
	Loan	\$1,538,976.22	
<b>Revenue</b>			
	Potential Gross		\$237,612.00
	Vacancy Allowance		\$ (17,820.90)
<b>Total Revenue</b>			\$219,791.10
<b>Expenses</b>			
	Ground Lease (if applied)		0
	Op Expenses		\$71,283.60
	Reserve		\$17,583.29
<b>Total</b>			\$88,866.89
<b>NOI</b>			<b>\$130,924.21</b>
	Taxes		\$ (1,830.30)
	Debt Service		-\$130,525.97
<b>Free Cash Flow</b>		<b>(\$1,923,720.28)</b>	<b>(\$1,432.05)</b>

# #5 – Art & Storage

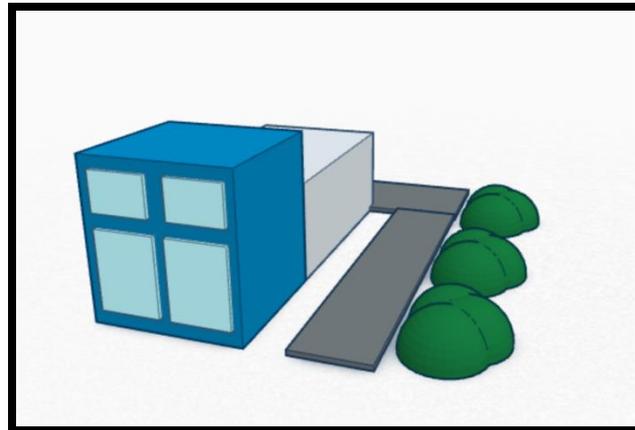
## Artist's Work / Dance Studio with DPW storage

### PROS

- Contributes to Arts District activity
- Future connections with Sis's Tavern programming
- Provides needed storage for Town
- Parking requirement: 2-3 spaces

### CONS

- Need grant funds/outside sources to complete
- Town would need to serve as landlord to ensure feasible rents & bypass zoning



**Project Timeline:** 24-36 months

# #5 - Feasibility

		0	1
<b>Construction</b>		<b>\$400,791.28</b>	
	Developer Contribution	\$0.00	
	Grant	\$124,245.30	
	Loan	\$276,545.98	
<b>Revenue</b>			
	Potential Gross		44,400.00
	Vacancy Allowance		\$ (2,220.00)
<b>Total Revenue</b>			\$42,180.00
<b>Expenses</b>			
	Ground Lease (if applied)		0
	Op Expenses		\$13,320.00
	Reserve		\$ 3,374.40
<b>Total</b>			\$16,694.40
<b>NOI</b>			<b>\$ 25,485.60</b>
	Taxes		\$ (902.79)
	Debt Service		-\$24,524
<b>Free Cash Flow</b>		<b>(\$400,791.28)</b>	<b>\$59.01</b>

# Alternative Scenarios

- Subdivide parcel to create buffer for Sis's Tavern, then sell to developer to build 1 Single-Family home
  - Very feasible
- Subdivide parcel, then sell to developer to build 2-4 Townhomes
  - Only works if Townhomes sell at certain threshold
- Don't develop & use solely for DPW Storage

# HCDC Recommendation

- Hyattsville CDC Staff recommend the Performance Art & Storage scenario, based on cost evaluations, community desires and needs, and compatibility with the development of Sis's Tavern.
- It is the least expensive option involving construction, it provides for DPW storage on site, and it offers a complementary use to future Sis's Tavern programming.
- There are also further cost saving opportunities by purchasing a modular or pre-manufactured structure, fitted to a concrete base, instead of constructing the building on site.
- While the Town would still own the site/building and be responsible for long term maintenance, a tenant could be secured who could manage day-today facility operations.

# Community Discussion

Any questions  
for the HCDC  
team?



What were  
your thoughts  
on the  
different  
scenarios?



Which  
option  
would most  
benefit the  
community?



Thank you!

