



November 20, 2025

Ms. Kelley Morris Salvatore Esq
Partner, Darrow Everett LLP

RE: 132 Fairgrounds Road: Feasibility Analysis

We were asked to evaluate the feasibility of the proposed development at **132 Fairgrounds Road**, specifically as it relates to the need for a density variance. We have also reviewed the impacts to the availability of industrial land and to neighboring properties.

Density / LMI Increase:

Our review included an analysis of the developer's projected construction costs and stabilized income for the proposed **311-unit** project, consisting of **78 LMI units (25%)** and **233 market-rate units (75%)**.

The financial projections incorporate a below-market site acquisition cost, as the current owner previously purchased the property for an existing business use. Even with this below-market land basis and the increased density, the project remains **financially infeasible for a typical developer** in the current market environment given the projected rate of return.

Discussions with the ownership indicate that they are uniquely positioned in that they do not require the typical returns necessary for a conventional developer to pursue a project of this scale. Instead, they view the project as a long-term investment and an opportunity to monetize underutilized land.

Based on the information reviewed, we concluded that **without the increased density**, the project's financial feasibility further deteriorates, rendering it **non-viable**. Increasing the number of LMI units will also further diminish the feasibility of this project rendering it non-viable.

Industrial Land:

The property had remained vacant on the market for several years prior to the current owner's acquisition. Although there is some demand for industrial properties, the current cost of constructing new industrial facilities is often prohibitive from an investment perspective. There are limited exceptions—such as smaller contractor-style condominium buildings, however, that segment of the market is becoming increasingly saturated.





Impact on Neighbors Compared to Industrial Use

The proposed building's closest point to the adjacent residential side street is approximately 140 feet from the neighboring property line, with a proposed height of 58 feet. In comparison, the existing industrial zoning permits a 40-foot-tall industrial building as close as 30 feet from the property line. From a value perspective, it is our opinion that the proposed use would create less impact on neighboring properties than an industrial development that is currently permitted by right.

Respectfully submitted,
SWEENEY REAL ESTATE APPRAISAL

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Eric Schultheis
CGA. 0020190

A handwritten signature in black ink, appearing to read "Thomas O. Sweeney", written over a horizontal line.

Thomas O. Sweeney, SIOR
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