DOWNTOWN INVENTORY + REAL ESTATE REDEVELOPMENT STRATEGY

From Inventory to Insight

CHARLOTTE COURT HOUSE, VA

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PROPERTY ADDENDUM

This project was made possible through the support of the Virginia Tobacco Region Revitalization Commission, a Commonwealth of Virginia partner dedicated to promoting economic growth, diversification, and long-term revitalization in Virginia's tobacco-dependent communities. Additional funding support was provided by Virginia Housing, whose investment helped expand the project's capacity to examine housing, redevelopment, and community revitalization opportunities across the region.

Focused on Southern Virginia, this project supports communities historically shaped by tobacco production, agriculture, manufacturing, and other legacy industries as they work to build stronger, more resilient local economies. With the support of the Tobacco Commission and Virginia Housing, the initiative provides data-driven insights and strategic tools to help local leaders strengthen downtowns, identify redevelopment opportunities, support business growth, expand housing options, and position their communities for a more diverse and sustainable economic future.

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ABOUT THE PROCESS

This Property Addendum to the Real Estate Redevelopment Strategy examined 4 properties in the downtown. These properties went through several analyses and areas of study. In addition to site visits, the process included:

The Process

PROPERTY IMPACT FACTOR ANALYSIS
This analysis centers on the available lots and buildings in the downtown and the impact various factors have on its reuse such as location, regulation (zoning), willingness of owner, desire to lease or sell the property, current leasing/rent costs, potential incentives, and possible contamination.

INCENTIVE ANALYSIS
This analysis assesses the potential local, state, and federal-level incentives the community may want to utilize to help make projects more feasible or attractive to investors.

REAL ESTATE PHYSICAL CONDITION ANALYSIS
The condition of the available space, and what may have to be done to make it usable, is also a key factor. This analysis includes an assessment of vacant/available properties to get a better understanding of the needs of these properties to reach their full potential.

OPPSYNC™ ANALYSIS
This analysis uses market data and square footage potential and matches it with vacant or underused properties within the targeted area, helping to better match properties with economic opportunity.

PRO FORMA DEVELOPMENT
Understanding how a property could be redeveloped from a financial perspective is a critical piece in the process. High-level construction and operating pro formas have been created for the identified properties. These pro formas will allow property owners to understand the specific ways their property can earn a return and the investment it will take to make them productive.

PROPERTY IMPACT FACTOR ANALYSIS

This analysis examines the availability and redevelopment potential of downtown lots and buildings, considering key factors that influence reuse. Understanding these elements will help identify opportunities and challenges in revitalizing downtown properties.

After conducting on-site evaluations of each property, the properties were put through a scoring matrix. This scoring matrix evaluated the property in five categories on a scale of 1-5, with 5 being the best score. These categories are:

Location- The location of the property within the district is a significant factor in its potential for reuse. Properties scoring a 5 in this category are on Main Street, the main thoroughfare.

Willingness of Owner- This factor reflects how willing a property owner is to redevelop a property. They could be either willing to do this themselves or sell the property to have it redeveloped. A realistic market price is also a factor in making the determination of the willingness of an owner.

Condition of the Property- How ready a property is to be sold or leased is a major factor in its ability to be reused. Properties that scored a 5 in this category are considered to be in “move in” ready condition and could be occupied immediately. Scores lower than 5 require either some or major renovations.

Potential for Contamination- Properties often have many previous uses. The older the building, the more uses it likely has had. Previous industrial uses and/or storage of hazardous materials or chemicals are key indicators. Other potential contamination may be the use of materials with lead or asbestos, including old paint, ceiling tiles, or insulation. Properties scoring a 4 or 5 in this category have very little to no cause for concern, while those scoring a 1 have either known significant contamination or very high likelihood of significant contamination.

Potential for Incentives- While market viability on its own is the best incentive, many existing properties may need additional incentives for a number of reasons. One of the most powerful incentives for downtown properties is the use of federal and historic tax credits. Eligibility for these incentives includes being located in a national registered historic district as well as being a “contributing” property, meaning the property is historic and important to the fabric of the community. Buildings scoring a 5 in this category either are ideal matches for incentives or incentives are not necessary.

The result of the cumulative scoring places the properties in one of three categories: Market Ready, Priority, or Secondary.

PROPERTY IMPACT FACTOR ANALYSIS

Based on the scoring below, properties were placed in one of three categories:

Market Ready- Properties ready to receive tenants immediately or with minimal improvements.

Priority- These sites are important but need an owner willing to put in work. The Town of Charlotte Court House should prioritize finding developers or resources for these properties.

Secondary- Quality sites, but require ownership willing to put in needed work to redevelop. None of the properties evaluated fall into this category.

Address	Location	Willingness of Owner	Condition	Potential Contamination	Potential for Incentives	Score
115 LeGrande Ave	4	5	5	5	5	24
208 David Bruce Ave	5	4	5	5	5	24
274 David Bruce Ave	5	5	2	4	5	21
130 Woodfork Rd	3	5	3	3	5	19

Scoring Note: 5 = Best; 1 = Worst

PROPERTY IMPACT FACTOR ANALYSIS

ADDITIONAL MARKET IMPACTS

In addition to the individual conditions of each property, there are several factors that impact redevelopment. These factors include:

Low Rent Rates- Low rent rates can devalue properties, making them less attractive to investors and property owners. When rent income is reduced, property owners may struggle to cover maintenance and operational costs, which discourages reinvestment. As rent prices remain low, the area may attract lower-quality tenants, contributing to an environment of instability and stagnation. This cycle can further erode the economic vitality of the district, creating challenges in attracting new investments and hindering long-term growth.

Leverage of Historic Tax Credits- A significant portion of Charlotte Court House's downtown district is listed on the National Register of Historic Places, making many buildings eligible for both federal (20%) and state (25%) historic tax credits. These credits are calculated based on the amount of eligible investment made in the rehabilitation of a qualifying property. Property owners may choose to claim the credits directly to reduce their tax liability or syndicate the credits, essentially selling them to investors in exchange for equity. This syndication process can bring substantial capital into a project, reducing the need for debt and improving overall project feasibility. Historic tax credits are especially effective in supporting redevelopment of older buildings where traditional financing may be difficult to secure.

Lack of Local Development Experience- The absence of experienced local developers means redevelopment projects may lack the necessary expertise to navigate challenges such as zoning, financing, and construction. This can result in poorly executed or failed projects that don't align with the area's needs. Developers without a deep understanding of the community's market conditions may struggle to create developments that are viable and sustainable. Additionally, the lack of a skilled development network can deter outside investors, who may be concerned about the feasibility of projects without local expertise.

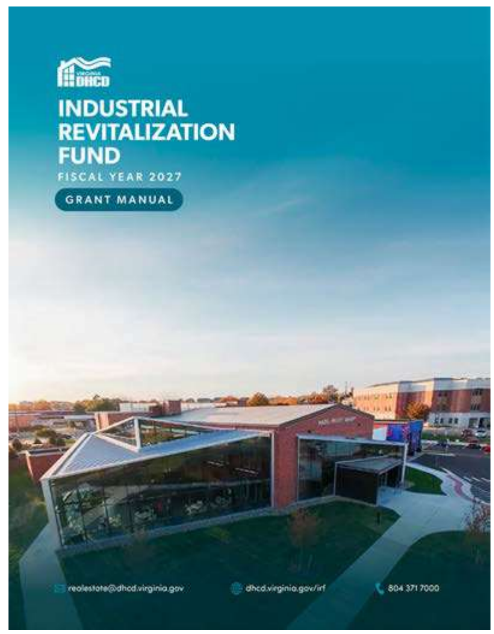
Deferred Maintenance of Unoccupied Properties- When unoccupied properties are left in disrepair, they can become eyesores that contribute to blight and negatively impact the overall value of the area. This not only diminishes the area's appeal but also creates health and safety risks, such as structural issues, and fire hazards. These problems make the properties less attractive to potential tenants and customers, and increase the cost of future renovations or redevelopment, further deterring investment. Over time, the neglect of properties can lead to a downward spiral, where property values decrease and community confidence diminishes, ultimately slowing down revitalization efforts.

DIY Ability- The ability for property owners to save on costs comes down to their own ability to do the physical work themselves (also known as "do it yourself (DIY)" or "sweat equity") versus having to hire out contractors to do the work. The more work a property owner can do themselves, presumably at a lower cost than the market, the more savings can be found.

INCENTIVE ANALYSIS

Charlotte Court House does not currently offer direct incentives such as façade grants, tax rebates, fee waivers, or local redevelopment loans. Businesses and property owners must instead rely on county, regional, state, and federal programs. Many of these resources require the Town, Charlotte County, the Industrial Development Authority, Commonwealth Regional Council, or a nonprofit organization to apply on behalf of a project. Charlotte Court House is also outside Charlotte County's Enterprise Zone, which is concentrated around Keysville and the county's industrial parks.

Contributing buildings within the Charlotte Court House Historic District may qualify for state and federal historic rehabilitation tax credits equal to as much as 45% of eligible expenses. The 25% Virginia credit may support owner-occupied or income-producing properties, while the 20% federal credit is limited to income-producing buildings. Because these credits may be critical to several redevelopment projects, property eligibility and proposed improvements should be reviewed with the Virginia Department of Historic Resources before design work is finalized or construction begins. Publicly owned buildings may require transfer or a qualified long-term lease to a private developer to fully use the credits.



The Industrial Revitalization Fund (IRF) provides up to $1 million in matching grants or loans to transform blighted and vacant structures.

The Tobacco Region Revitalization Commission may be one of the Town's most important funding partners because Charlotte County is within its Southern Virginia service area. Current programs can support feasibility studies, architectural and engineering services, publicly or nonprofit-owned business facilities, business launch programs, tourism, placemaking, brownfield redevelopment, and infrastructure. Funding may also support catalyst businesses such as breweries, small-scale producers, shared workspaces, and tourism-oriented businesses. Charlotte Court House's participation in the BOOMS Small Towns Pilot Project may strengthen its position, but funding remains competitive and generally requires an eligible public or nonprofit applicant, matching resources, and measurable economic outcomes.

The Industrial Revitalization Fund can provide up to $1 million, generally with a 1:1 match, for the redevelopment of significant vacant and deteriorated buildings. Eligible activities may include acquisition, stabilization, rehabilitation, repair, and limited demolition. Solely residential projects are ineligible, although mixed-use projects may qualify when at least 25% of the space or revenue is commercial, office, or industrial. A locality or economic development authority must apply, and privately owned projects generally receive assistance through a loan rather than a direct grant.

Community Development Block Grant funding may offer the Town its best opportunity to create a larger building improvement or business district revitalization program. Business District Revitalization grants can provide up to $1.25 million for qualifying building rehabilitation, façades, infrastructure, sidewalks, streetscape improvements, and other activities addressing documented

INCENTIVE ANALYSIS

blight. These projects require significant planning, public participation, and documentation, making a CDBG planning grant an appropriate first step.

Environmental barriers may be addressed through the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund. Grants may support environmental assessments, remediation planning, asbestos and lead evaluation, underground storage tank investigations, cleanup, stabilization, and certain demolition activities. Publicly and privately owned properties may qualify, but a locality, economic development authority, or planning district commission must apply.

The Virginia Tourism Corporation's Tourism Development Financing Program may be relevant to a boutique hotel project. The program uses a portion of future state and local sales tax revenues, combined with a developer contribution, to help repay project gap financing. It requires a local economic development authority applicant, documented demand for additional lodging, a feasibility study, local participation, and approval before construction begins. It should therefore be treated as a potential negotiated tool rather than an existing incentive.

INDIVIDUAL PROPERTY ANALYSES

This section examines the 4 properties in Downtown Charlotte Court House that were submitted for this strategy. Under this examination, each property was ranked by the criteria listed in the Property Impact Factor Analysis as outlined on page 5 and then additional analyses of the Real Estate Physical Condition Analysis, OppSync Analysis, and a high level Pro Forma Development for those properties requiring additional investment. Each of these analyses come with their own disclaimer and acknowledgement of limitations of each. These are listed below.

Real Estate Physical Condition Analysis
The Real Estate Physical Condition Analysis is for informational purposes only and is not a substitute for a comprehensive property inspection by licensed professionals. No structural engineering assessment has been conducted, nor have the HVAC, electrical, plumbing, or other mechanical systems been inspected by certified professionals. The observations and opinions expressed herein are based solely on a visual inspection and general knowledge of building conditions. Current and prospective property owners are strongly advised to obtain independent evaluations from qualified specialists before making any real estate decisions.

OppSync Analysis
The OppSync Analysis is an informational tool designed to connect retail leakage data, converted to square footage supportability, with available physical storefronts. This analysis is based on market data, industry benchmarks, and general retail trends but does not guarantee the success, profitability, or viability of any business matched to a location. Prospective business owners are strongly encouraged conduct their own due diligence and business planning.

Pro Forma Development
The financial projections and estimates provided in this report are presented in good faith based on current market conditions and available information. However, success in real estate investment and development is inherently uncertain and influenced by numerous factors outside the scope of this analysis. Property owners and investors are strongly encouraged to perform their own due diligence, seek independent professional advice, and verify all assumptions before making financial or business decisions. This report does not constitute a guarantee of financial performance or legal advice.

PROPERTY ANALYSES
115 LeGrande Ave

PROPERTY OVERVIEW
This historic building, owned by Charlotte County, has been beautifully restored. The County is looking to potentially lease this space as an additional income stream.

Total Sq Ft:
115 LeGrande- 1,078 sq ft

PROPERTY ANALYSES
115 LeGrande Ave


REAL ESTATE PHYSICAL CONDITION ANALYSIS
This is a highly distinctive historic brick building with an institutional character rather than a typical downtown commercial storefront. The exterior has strong architectural presence, with arched openings, decorative brickwork, shutters, a prominent entry bay, a metal roof, and a setting that feels more like a community landmark than a conventional private building. The surrounding lawn, mature trees, benches, and nearby historic buildings give it a campus-like feel, which helps the property read as an asset in its current setting. It has the kind of character that is difficult to recreate and could lend itself well to a special use that benefits from authenticity, history, and a sense of place.

The interior reinforces that character. The spaces shown are clean, bright, and organized, with tall ceilings, abundant natural light, checkerboard marble flooring, fireplaces, large windows, and smaller support areas including a kitchenette and restroom. The building is not a standard blank-box commercial space, and that is part of its appeal. Its future use will need to work with the building's existing room layout, architectural features, and more intimate scale rather than trying to force it into a conventional retail or office format. There needs to be confirmation that a second exit would not be needed if a higher capacity use is intended.

OPPSYNC ANALYSIS
Potential uses could include a coffee shop/café/gift shop concept, boutique professional office, small civic or nonprofit use, or gallery space.

115 LeGrande Ave-
Coffee Shop/Café/Gift Shop (1,100 sq ft)
Candy Shop (1,100 sq ft)
Office (1,100 sq ft)

PRO FORMA ANALYSIS
This space is already renovated and a financial pro forma is not necessary.

PROPERTY ANALYSES
208 David Bruce Ave (First Floor)

PROPERTY OVERVIEW
This two-story building sits along David Bruce Avenue. The focus of this analysis in on the first floor space only, which was formerly an ice cream shop.

Total Sq Ft:
208 David Bruce- Approximately 870 sq ft (first floor only)

PROPERTY ANALYSES
208 David Bruce Ave (First Floor)


REAL ESTATE PHYSICAL CONDITION ANALYSIS
This is a two-story historic brick building in a prominent corner location with strong visibility from the street and a traditional downtown form that gives it more presence than its modest footprint may suggest. The building benefits from a simple but attractive exterior, regular window pattern, a front entry facing the sidewalk, and side access that may provide flexibility for service, secondary access, or future code compliance depending on the intended use. Its relationship to the adjacent historic Texaco property also helps create a small cluster of buildings with character, which could support a destination use rather than a purely convenience-based tenant.

The interior has been adapted over time for small-scale commercial use, with some spaces that feel relatively approachable and others that would need further evaluation before reuse. The wood floors, smaller rooms, kitchenette-type areas, and remnants of an ice cream shop activity suggests reuse potential for a specialty retail shop, café, or small food concept. At the same time, the drop ceilings, visible ceiling openings, older finishes, and localized signs of staining or patched areas mean the building should be looked at carefully for roof, moisture, electrical, and code-related issues. This does not appear to be an insurmountable redevelopment challenge, but it is likely a building where the best reuse will come from matching the tenant to the existing scale and character rather than trying to force a use that requires a complete reworking of the building.

OPPSYNC ANALYSIS
This building requires some minor repairs. Most importantly, the building needs to be cleared of most of its existing contents in order to market the property. If a use like an ice cream shop or coffee shop is considered, a deck off of the back of the building should be constructed in order to give customers a quiet and safer gathering space away from the busy street out front.

208 David Bruce Ave
Café (870 sq ft)
Coffee Shop (870 sq ft)
Bakery (870 sq ft)

PRO FORMA ANALYSIS
This space is already in a move-in state and a financial pro forma is not necessary.

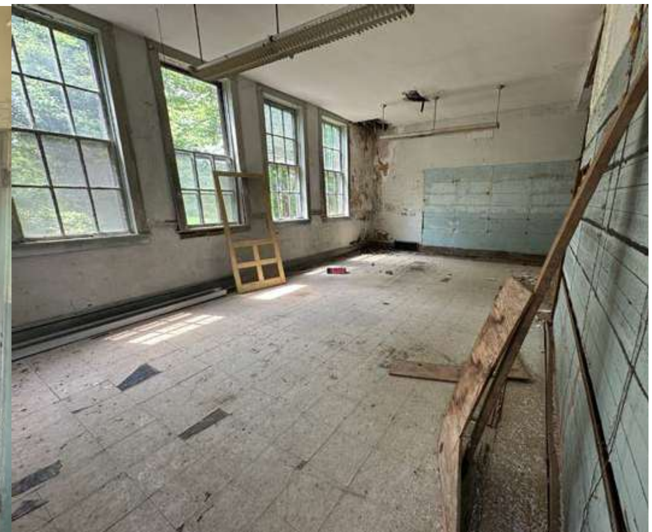
PROPERTY ANALYSES
274 David Bruce Ave

AI-GENERATED IMAGE

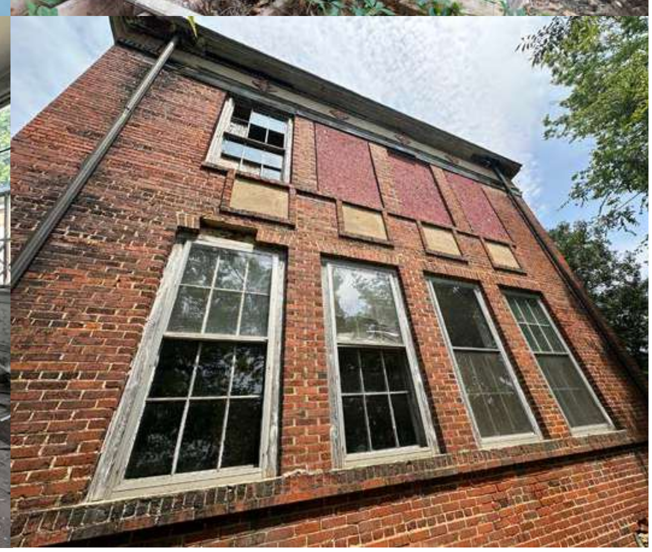
PROPERTY OVERVIEW
These two historic buildings along Dave Bruce Avenue were formerly used as the school administration and school buildings, respectively.

Total Sq Ft:
274 David Bruce- Approximately 14, 600 sq ft (two buildings)

PROPERTY ANALYSES
274 David Bruce Ave





PROPERTY ANALYSES
274 David Bruce Ave

REAL ESTATE PHYSICAL CONDITION ANALYSIS
The former school administration building is a highly character-defining historic structure with strong adaptive reuse potential, especially because so much of its original building fabric is still readable. The exterior has a civic presence, with brick walls, a formal entry, classical detailing, and a campus-like relationship to the former school building next door. Inside, the building has a mix of smaller former office or classroom spaces and a larger open volume with exposed brick, wood roof framing, tall ceilings, and a raw industrial quality that could become a major asset in the right project. The building is not tenant-ready, but it has the bones, proportions, and authenticity that many successful historic redevelopment projects need.

The former school building appears to be the larger and more challenging of the two, but it may also be the more visually powerful long-term opportunity. Since interior access was not available, any assessment is limited to the exterior and the photos taken through the glass. From those views, the building appears to retain its historic massing, red brick exterior, tall window openings, and formal schoolhouse character, but the visible interior areas show a much higher level of deterioration, including damaged finishes, open ceiling areas, compromised windows, and sections where the floor system may need careful evaluation. Together, these buildings should be viewed less as conventional real estate and more as a preservation-driven redevelopment opportunity. The upside is significant, but the first step would need to be a serious structural, environmental, and code review before any final reuse strategy is pursued.

OPPSYNC ANALYSIS
These buildings must be thought of as one campus or project. An ideal reuse would be a combination of needs based on economic opportunity. Considering that, reusing these properties as a combination of a boutique hotel (using a short-term rental format) and a brewpub/restaurant would be likely be the combination of meeting both community needs and financial viability.

274 David Bruce Ave - Administration Building
Boutique Hotel Units (8 Units)

274 David Bruce Ave - Former School Building
Boutique Hotel Units (4 units)
Brewpub (6,400 sq ft)

PROPERTY ANALYSES
274 David Bruce Ave (Scenario 1)

274 David Bruce Ave								
Current Configuration		14,600 sq ft (Two Buildings, Both Vacant)						
Potential Redevelopment		Boutique Hotel/Brewpub						
Redevelopment Costs								
	Acquisition							
	Rehab	$	3,650,000	$250 per sq ft				
1	New Construction	$	-					
	Developer Fee							
	Total Acquisition and Rehab	**$**	**3,650,000**					
Redevelopment Incentives								
	State Historic Tax Credit							
	Federal Historic Tax Credit							
2	***Total Incentives***	$	-					
	Net Investment	$	3,650,000					
	Equity	$	730,000					
	Loan Amount	**$**	**2,920,000**					
Income			**Annual Gross Rent**	**Units**	**Sq Ft**	**Total Sq Ft**		**Monthly Rent per Unit**
	Hotel Rooms	$	315,360	12	500	6,000	$	2,190
	Brewpub	$	51,000	1	6,400	6,400	$	4,250
3	***Total Annual Income***	$	366,360					
	Annual Debt Service	$	(271,665)	7.0%	*			
	Gross Cash Flow	$	94,695					
	Annual Operating Expenses	$	(109,908)	Taxes, Insurance and Maintenance to be calculated				
	Net Cash Flow	$	(15,213)					
	Internal Rate of Return		-10.4%					

Notes:
* = Key cost variable and dependent on negotiation
Operating expenses calculated at 30% of Income

Brewpub lease rate calculated $8.00 sf annually
Hotel Room Sq Ft is an average of all rooms which will likely vary from 400-600 sq ft with an ADR of $180.00 and 40% occupancy

PRO FORMA ANALYSIS (NO INCENTIVES)

This initial pro forma evaluates the redevelopment of the two vacant buildings at 274 David Bruce Avenue in Charlotte Court House, totaling approximately 14,600 sq ft, as a boutique hotel and brewpub. The concept includes 12 hotel rooms and a 6,400 sq ft brewpub. Rehabilitation costs are estimated at $3.65 million, or approximately $250 per square foot. No acquisition cost, historic tax credits, grants, or other redevelopment incentives are included in this initial scenario. The model assumes $730,000 in owner equity and a $2.92 million loan.

The 12 hotel rooms are assumed to generate approximately $315,360 in annual gross income, based on an average of $2,190 per room per month, while the brewpub is projected to generate $51,000 in annual lease income. Combined annual gross income is estimated at $366,360. Operating expenses are calculated at 30% of income, or $109,908 annually. At an assumed 7% interest rate, annual debt service is approximately $271,665. After operating expenses and debt service, the project is projected to generate annual net cash flow of -$15,213, with an internal rate of return of -10.4%.

Under these initial assumptions, the project is not financially feasible using conventional financing alone. Importantly, however, the annual operating deficit is relatively modest compared with the $3.65 million rehabilitation cost, suggesting that the underlying redevelopment concept has potential if the capital stack can be improved.

PROPERTY ANALYSES
274 David Bruce Ave (Scenario 2)

274 David Bruce Ave						
Current Configuration		14,600 sq ft (Two Buildings, Both Vacant)				
Potential Redevelopment		Boutique Hotel/Brewpub				
Redevelopment Costs						
	Acquisition					
	Rehab	$ 3,650,000	$250 per sq ft			
1	New Construction	$ -				
	Developer Fee					
	Total Acquisition and Rehab	**$ 3,650,000**				
Redevelopment Incentives						
	State Historic Tax Credit	$ (684,375)	25% (.75 Syndication Value)			
	Federal Historic Tax Credit	$ (620,500)	20% (.85 Syndication Value)			
2	***Total Incentives***	$ (1,304,875)				
	Net Investment	$ 2,345,125				
	Equity	$ 730,000				
	Loan Amount	**$ 1,615,125**				
Income		**Annual Gross Rent**	**Units**	**Sq Ft**	**Total Sq Ft**	**Monthly Rent per Unit**
	Hotel Rooms	$ 315,360	12	500	6,000	$ 2,190
	Brewpub	$ 38,400	1	6,400	6,400	$ 3,200
3	***Total Annual Income***	$ 353,760				
	Annual Debt Service	$ (150,265)	7.0%	*		
	Gross Cash Flow	$ 203,495				
	Annual Operating Expenses	$ (106,128)	Taxes, Insurance and Maintenance to be calculated			
	Net Cash Flow	$ 97,367				
	Internal Rate of Return	14.1%				

Notes:
* = Key cost variable and dependent on negotiation
Operating expenses calculated at 30% of Income

Brewpub lease rate calculated $6.00 sf annually
Hotel Room Sq Ft is an average of all rooms which will likely vary from 400-600 sq ft with an ADR of $180.00 and 40% occupancy

PRO FORMA ANALYSIS (HISTORIC TAX CREDITS)

The project includes the same rehabilitation costs estimated at $3.65 million, or $250 per sq ft. State and federal historic tax credits are introduced into the capital stack and are projected to generate approximately $1.30 million in net equity after syndication. This reduces the net investment to approximately $2.35 million. The model assumes $730,000 in owner equity and a $1.62 million loan.

The completed project is projected to generate $353,760 in annual gross income, including approximately $315,360 from 12 hotel rooms and $38,400 from the brewpub, a reduction in lease per sq ft to assist in recruiting. Operating expenses are estimated at 30% of income, or $106,128 annually. At an assumed 7% interest rate, annual debt service is approximately $150,265. After operating expenses and debt service, the project is projected to generate $97,367 in annual net cash flow, or approximately $8,114 per month, with an internal rate of return of 14.1%.

Historic tax credits significantly change the feasibility of the project by reducing the required debt by more than $1.3 million and producing both strong positive cash flow and a potentially attractive return. Under the assumptions presented, the project appears financially supportable. However, a rehabilitation of this size carries considerable construction-cost risk. If costs increase materially beyond the assumed $250 per sq ft, additional assistance may be necessary. A below-market interest rate loan, additional grant funding, or another form of gap financing could provide an important cushion and help preserve the project's feasibility if construction costs escalate.

PROPERTY ANALYSES
130 Woodfork Rd

PROPERTY OVERVIEW
This former hospital is a historic two-story building near the fringe of town. It is being proposed as a group home.

Total Sq Ft:
130 Woodfork Rd- Approximately 8,000 sq ft (Two stories)

PROPERTY ANALYSES
130 Woodfork Rd


REAL ESTATE PHYSICAL CONDITION ANALYSIS

This former hospital is a large, two-story brick institutional building with a straightforward rectangular form, regular window pattern, and modest mid-century character. The exterior appears relatively intact, with a durable masonry shell, multiple access points, and some existing accessibility features, including ramped entry areas. Unlike many downtown commercial buildings, the property sits on a more campus-like site with open lawn and fencing, which could provide flexibility for parking, outdoor space, service access, or future residential/community use.

The interior still clearly reads as a former medical or institutional facility, with long corridors, small rooms, handrails, hard-surface flooring, fluorescent lighting, and a layout built around patient rooms, offices, treatment rooms, and support spaces. That configuration could lend itself to senior housing, workforce housing, supportive housing, offices, nonprofit space, medical/community service space, or a mixed-use civic reuse. However, the building shows significant deferred maintenance, including peeling wall surfaces, ceiling damage, apparent water intrusion, deteriorated finishes, and storage clutter. Before reuse is pursued, the building will need a full assessment of structural conditions, environmental issues, life safety, accessibility, plumbing, electrical, HVAC, and overall rehabilitation cost.

OPPSYNC ANALYSIS

The owner of this building envisions a group home setting, following operational patterns they have in other facilities. This use would be excellent for this property as hospitals have very limited options overall.

PRO FORMA ANALYSIS NOTE

The construction and operation of a group home differ significantly from a typical real estate project, so several major assumptions were required to fit the concept into a standard pro forma. Operating costs are estimated at 80% of revenue, compared with 30% in a typical real estate model, and construction costs are estimated at $300 per square foot to account for specialized facility needs. Conventional real estate financing may therefore not be the best comparison, as lenders will likely focus heavily on the operator, licensing, staffing, reimbursement structure, experience, and reliability of Medicaid revenue. This pro forma should be viewed as an initial test of whether the proposed operation can support the real estate investment, rather than as a traditional income-property analysis.

PROPERTY ANALYSES
130 Woodfork Rd

130 Woodfork Rd							
Current Configuration		8,000 sq ft Former Hospital (Vacant)					
Potential Redevelopment		Group Home					
Redevelopment Costs							
1	Acquisition	$	250,000				
	Rehab	$	2,400,000	$300 per sq ft			
	New Construction	$	-				
	Developer Fee						
	Total Acquisition and Rehab	**$**	**2,650,000**				
Redevelopment Incentives							
2	State Historic Tax Credit						
	Federal Historic Tax Credit						
	Total Incentives	$	-				
	Net Investment	$	2,650,000				
	Equity	$	530,000				
	Loan Amount	**$**	**2,120,000**				
Income			**Annual Gross Rent**	**Units**	**Occupancy**	**Monthly Rent per Unit**	
3	Beds	$	2,499,520	40	80%	$	5,207
	Total Annual Income	$	2,499,520				
	Annual Debt Service	$	(197,236)	7.0%	*		
	Gross Cash Flow	$	2,302,284				
	Annual Operating Expenses	$	(1,999,616)	Taxes, Insurance and Maintenance to be calculated			
	Net Cash Flow	$	302,668				
	Internal Rate of Return		52.3%				

Notes:
* = Key cost variable and dependent on negotiation
Operating expenses calculated at 80% of Income

Medicaid Reimbursement Estimated at $6,500 per bed, 80% occcupancy

PRO FORMA ANALYSIS (NO INCENTIVES)

This pro forma evaluates the acquisition and rehabilitation of the former hospital at 130 Woodfork Road for use as a 40-bed group home. The model assumes a $250,000 acquisition price and approximately $2.4 million in rehabilitation costs, based on an estimated $300 per sq ft for roughly 8,000 sq ft, resulting in a total development cost of $2.65 million. The financing scenario assumes $530,000 in owner equity and a $2.12 million loan. At a 7% interest rate with a 20-year amortization, annual debt service is approximately $197,236.

Unlike a traditional real estate pro forma, revenue is based primarily on Medicaid reimbursement rather than rents. Reimbursement is estimated at approximately $6,500 per bed per month, with stabilized occupancy of 80%. This produces approximately $3.12 million in potential annual revenue and approximately $2.5 million after the 20% vacancy/occupancy adjustment. Because a group home is an operating business with significant staffing, administration, programming, food, utilities, and other service-related expenses, operating costs are estimated at 80% of effective income rather than the 30% typically used in the other real estate pro formas. This leaves approximately $499,904 available before debt service and approximately $302,668 in annual cash flow after debt service.

On paper, the project produces substantial cash flow, a debt service coverage ratio of approximately 2.53, and a calculated internal rate of return of 52.3%. However, these results should not be directly compared with the other real estate redevelopment scenarios.


FR 31
JOSEPH R. HOLMES
(ca. 1838-1869)
Joseph R. Holmes, formerly enslaved in Charlotte County, campaigned for civil rights and education after emancipation. He served as a delegate to the Virginia Republican Party conventions in 1867 and 1869 and was elected to represent Charlotte and Halifax Counties in Virginia's Constitutional Convention of 1867-68, held as a precondition for the state's readmission to the Union. On 3 May 1869 Holmes was shot dead here on the courthouse steps. Brothers John and Griffin S. Marshall, along with William T. Boyd and Macon C. Morris, all white, were charged with his murder. The men fled and were never tried. The murder drew international attention to the plight of freedpeople during Reconstruction.

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