

4 NOV 1973

## EXECUTIVE SUMMARY

Project Name: Soul City

Developer: Soul City Development Corporation

Approval: Offer of Commitment: Conditional, June, 1972  
Project Agreement: Pending

Amount of Guarantee: \$14,000,000  
First issue to be \$5,000,000

### A. Background and Summary of Progress

#### 1. Background

Soul City is projected to be a free standing city of some 44,000 residents located approximately 15 miles south of Henderson, N.C., 145 miles north of the Raleigh-Durham area and some 130 miles southwest of Washington, D. C. It is located in an area designated as economically depressed by the Economic Development Administration of the U. S. Department of Commerce, but has excellent access via U. S. Route 1, interstate 85 and the Southern Coast Lines Railway.

The overall plan encompasses some 5,180 acres, with 1,705 acres, or 32%, designated for residential; 1,495 acres, or 29%, designated for recreation and open space; 928 acres, or 18%, designated for industrial and 298 acres,

or 6%, designated for commercial.

The project is anticipated to provide for about 29% of the housing stock to be for persons of low and moderate income.

2. Developer

The Developer of Soul City is to be the Soul City Company, a limited partnership which includes Floyd B. McKissick Enterprises, Inc., The National Housing Partnership, Madison and Madison International, Inc., McKissick, S. C. Associates, Robert and Julian Madison and City Development, Inc.

3. Development Progress

None to report. The Project Agreement is still pending approval.

B. Financial History and Status

A letter to the Developer is being presented to the Community Development Corporation Board for approval on November 14, 1973. This letter provides that the Developer shall agree to supply specific evidence of satisfaction of Conditions regarding their debt restructure, cash flow, and Utilities financing prior to execution of financial closing.



C. Key Issues and Concerns

1. Management

The letter referred to in Item B above, also provides that the Developer must present evidence of agreeing to some specific items prior to execution of financial closing. Among these items are securing of an acceptable general manager and a commitment to have the President of the Soul City Development Corporation and other key officers participate directly in industrial promotion on an essentially full time basis.

2. Marketing and Sales

Industrial development and the creation of an employment base in the area is felt to be critical to success of the project due to its free standing nature. Therefore, the letter referred to in Item B above, also provides that the Developer must present evidence of successful industrial marketing techniques prior to their second series of bonds being issued.

3. Low and Moderate Income Housing

No adverse information is available concerning this area. See Item A, 1. above for projected income mix.

4. Local Government

No adverse information is available concerning this area.

5. Equal Opportunity

No adverse information available for this area.

6. Service Delivery

The letter referred to in Item B above, indicates that the Developer shall agree to supply documentation regarding actions that the City of Henderson has taken to finance its share of the regional water system. The Developer shall also establish, or cause to be established, an acceptable management structure to administer the regional water system.

7. Environment and Planning

No adverse information is available concerning this area.



ATTACHMENT B.  
OTHER FINANCIAL DATA

1. Commitment (Date <u>June 1972</u> )	\$ <u>14,000,000</u>
2. Projected Cumulative Net Cash Flow (original)	\$ <u>15,581,000</u>
3. Cash Equity	\$ <u>1,500,000</u>
4. Guarantee Issued	\$ <u>0</u>
5. Interest Rate Assumed	\$ <u>7.5%</u>
6. Escrow Balance (Date _____)	\$ <u>N.A.</u>

<u>STATUS</u> (Date <u>11/8/73</u> )	Cumulative Amount in Thousands		
	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Operating Revenues	\$ <u>95,614</u>	\$ <u>---</u>	\$ <u>---</u>
ss: Land Acquisition Costs	<u>1,945</u>	<u>---</u>	<u>---</u>
Construction Costs	<u>31,621</u>	<u>---</u>	<u>---</u>
Non-construction Costs	<u>26,085</u>	<u>---</u>	<u>---</u>
Financing Costs	<u>19,905</u>	<u>---</u>	<u>---</u>
	\$ <u>16,058</u>	\$ <u>---</u>	\$ <u>---</u>

REMARKS