

December 6, 1946

Mr. C. J. Smith,
Newnan, Georgia.

Dear Jay:

Recently Scotty told me of having a session with you and in the course of the conversation he said he felt you knew little of how this building was actually obtained, of the increase of the income since our occupancy, of the obtaining of \$300,000. in building material at practically no cost, and of the equipping of this building by personally dramatizing our situation from Jacksonville to New York City to those people who count and could give us this material. A fair appraisal of the building with all improvements is \$1,250,000. Engineers tell us that it would take \$926,000. to erect the building alone.

When we were seemingly "going out on a limb" Mr. Smith said in the presence of several in the Regents' office that he thought we should receive compensation for handling the auxillary enterprise successfully. Mr. Smith has had too much on him to see about anything like this.

This we have done something Guy Wells and others do not have to do, but they have overlooked the compensation. The building was in the red, with an income of only a little more than \$20,000. So far, we have doubled the income and, before another month will have passed, will have created an income amounting to 3% on \$2,000,000. from the building alone.

If all of this was turned over to a rental agent their commission would be \$3,000. a year. But a rental agent could never have secured these tenants. They wouldn't have known about them, and couldn't have had the contacts nor created the pressure to have them sign up. The tenants signed up by us can be vacated any time we need their space for school purposes.

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Mr. C. J. Smith:

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All this big auxillary enterprise, in addition to running the third largest college in the state, only 150 students less than Georgia Tech, is work and long hours, from 9 in the morning to 9 at night, but I love it for it is doing something big for the youth of the state.

I know that when Talmadge gets in, my "day at court" with many others is limited.

Just writing this at the request of Scotty as he thought you, as a banker, would understand.

Attached is program of how the building was secured.

Cordially yours,

George M. Sparks,
Director.

GMS:c

About two years before the close of the war, Governor Arnall appointed a legislative committee to visit all state institutions to find out what would be needed for post-war building. This was done because it was thought that when the war closed unemployment would beset the nation.

I met with the committee and sold them on the idea of making our needs the No. 1 emergency program. They scheduled us for \$400,000.

They had hardly said "good-bye" before we began to look around for a place to reconvert to our needs.

After consultation with many experts and a survey of the city, someone told us about the Bolling Jones Building which had been in the red for years, and that the Fulton National Bank had some sort of investment in the building.

After looking over the building with many engineers, contractors, and school people, I went to see Erle Cocke. When I told him what I wanted, he said that I was talking to the president of the corporation within the bank that owned the building. Someone then had an option but he had rather see us have it. The option ran out and I cautioned him not to say anything to Marion Smith until we got so far along he couldn't afford to stop it. (Marion was a director and general counsel for Fulton National and I was afraid he would interfere because of his connection with both institutions.)

I saw the governor about buying the building as a gesture for caring for returning veterans, and his answer was: "George, you know, I am very much interested in your program but if I were to give you this building, Guy Wells and all his crowd would be in my office the next day wanting the same thing. I have promised to pay the state out of debt."

I understood his position, so went to the hardest man in the state to trade with, B. E. Thrasher. I asked him if he had any old flea-bitten trust funds at the University of Georgia or Georgia Tech, paying only 1 or 1½%. He said there were \$600,000. such bonds and handed me a list. I persuaded him to get his pencil out and start figuring for I had a self-liquidating proposition which could pay 4½%. He was persuaded and became enthusiastic. We agreed to get Dr. Sanford and have him make it his program.

When I took Dr. Sanford into Thrasher's office, he thought he was giving me the well-known Sanford run-around. Thrasher put the pressure on him until he called Marion Smith on the telephone. Mr. Smith was so pleased that he asked to talk to Thrasher and Sparks.

Mr. Smith said that if we could find enough unrestricted funds that could be invested in such a project. The matter was taken up with the Board of Regents and Mr. Callaway said that it was a good plan only if Sparks would continue in charge of the program.

Georgia Tech and the University found only \$292,000. such unrestricted funds for investment. It was then that I offered to take over the liquidation of Bolling Jones, Inc. I was made the legal president; in a few weeks I had liquidated it for more than enough to pay the difference of \$292,000. and the price of the building, \$301,000.

We have already budgeted \$57,000, this year as payment on the building, more than twice as much as we agreed to pay.

The Mutual Life had \$125,000. loan on the building which they did not wish to release. Three long distance telephone calls to New York, and a letter I secured from Ellis to them, did the job. Both the rental area and the school part of the building are now the pride and joy of this part of the building.

Instead of the little more than \$20,000. income we are receiving nearly $2\frac{1}{2}$ times that much income to liquidate the debt and, at the same time, paying to Georgia and Tech trust funds $4\frac{1}{2}\%$; whereas, they were receiving 1 and $1\frac{1}{2}\%$ before.

We are likewise liquidating a big parking area to the side and back of our building, receiving good income from Hurt Building people, and having a place for the students to park, the most economical in Atlanta.

I am having a big time doing all this for it means something for those boys and girls who would never have the opportunity but for this institution.