City of Chamblee, Georgia

ANALYSIS FINDINGS

STRATEGIC ECONOMIC DEVELOPMENT PLAN

April 13th, 2016

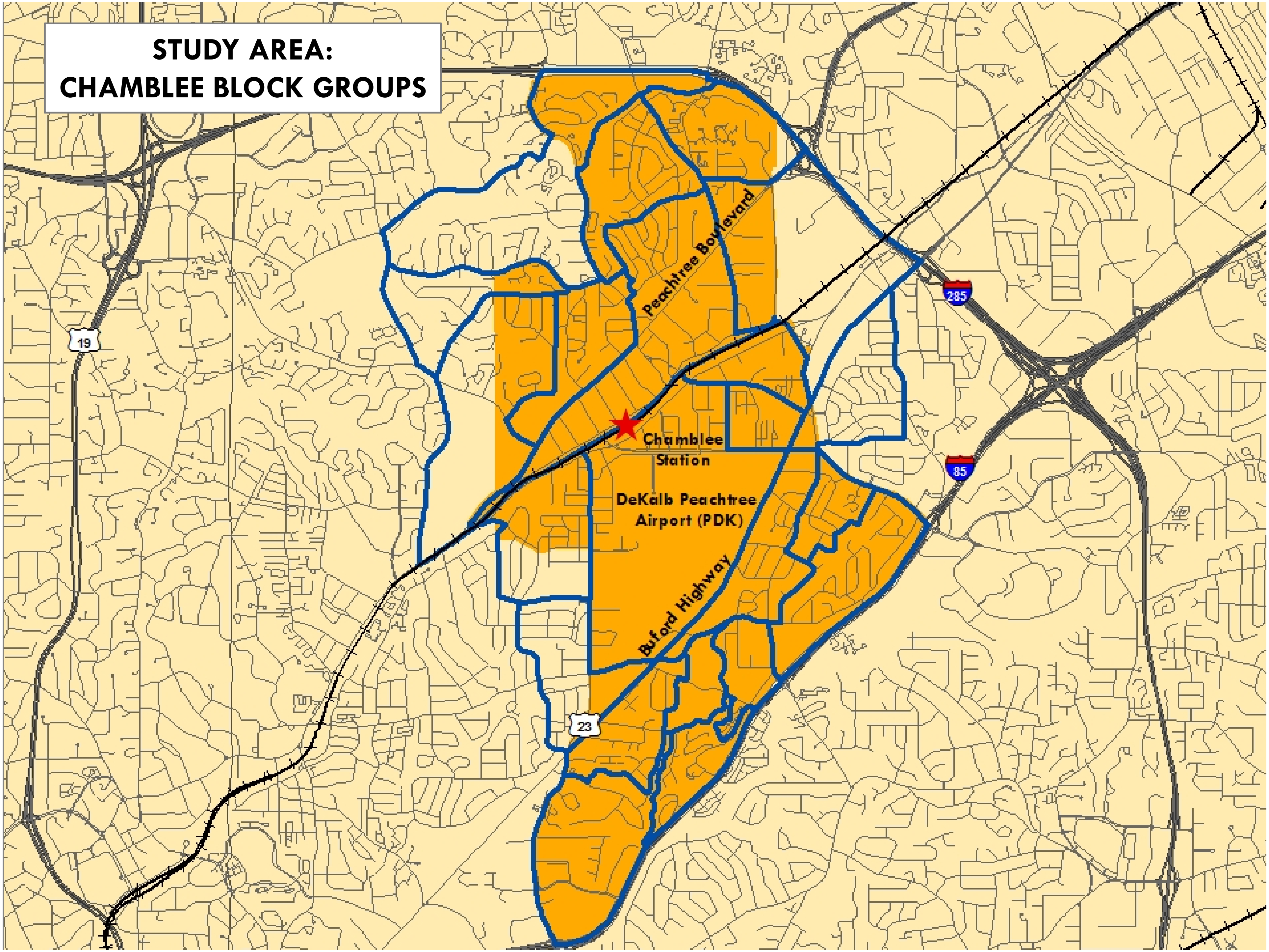
Presented By:
Kyle Talente, Vice President and Principal
RKG Associates, Inc.

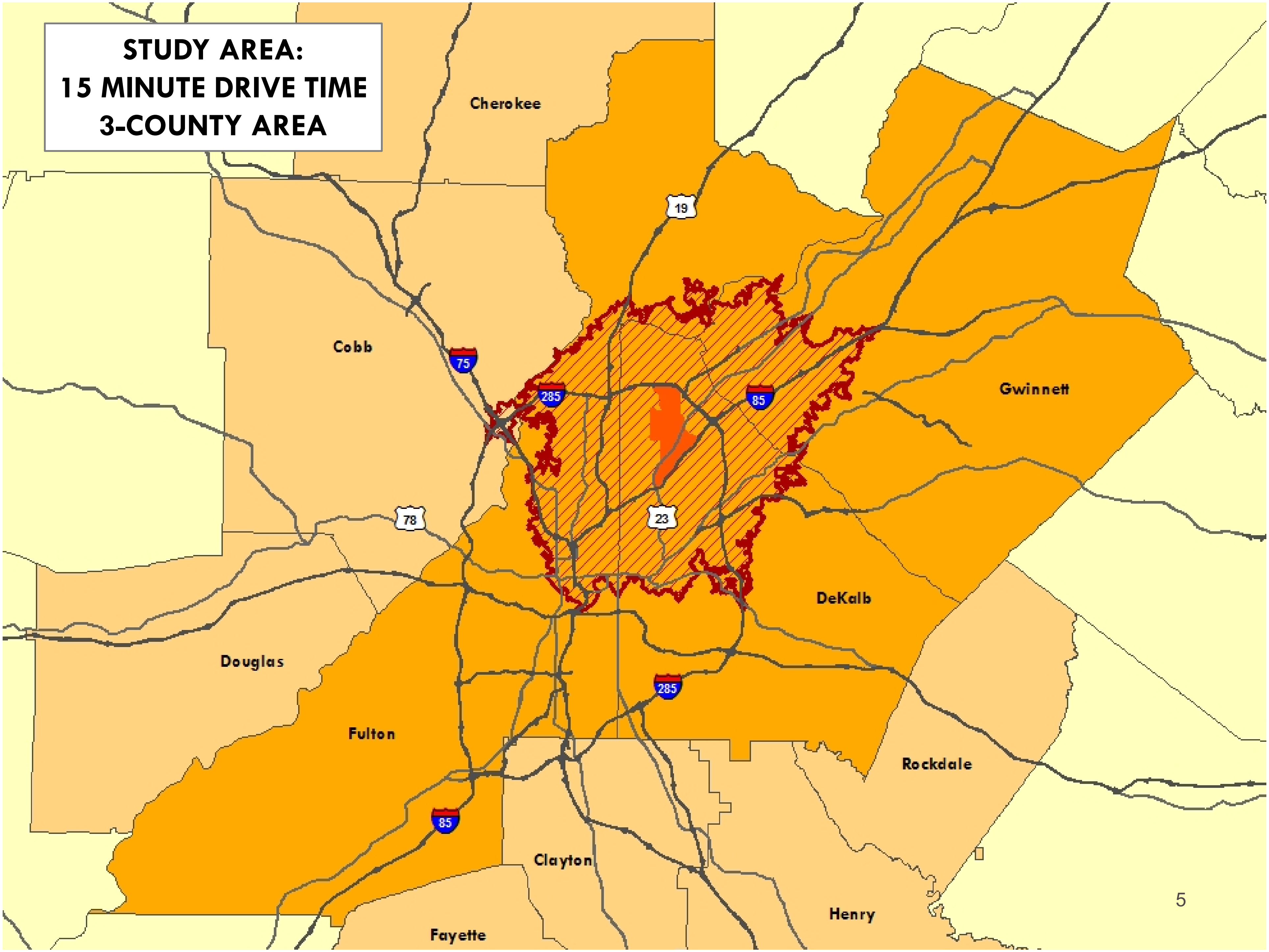
RKG ASSOCIATES INC

WORK COMPLETED

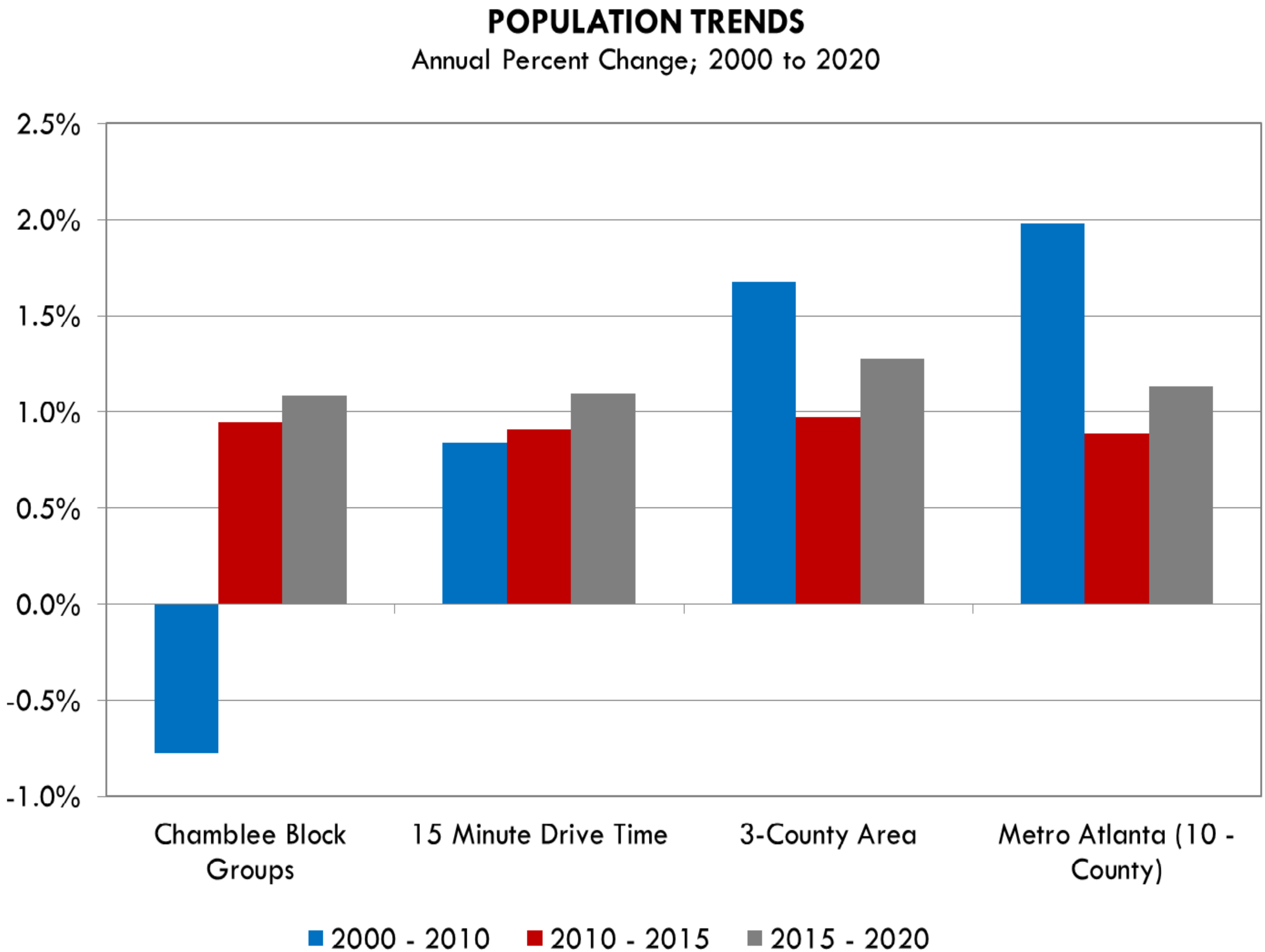
- Kick-Off meeting
- Initial stakeholder interviews
- Socioeconomic/Economic Base Analysis
- Non-Residential Market Analysis

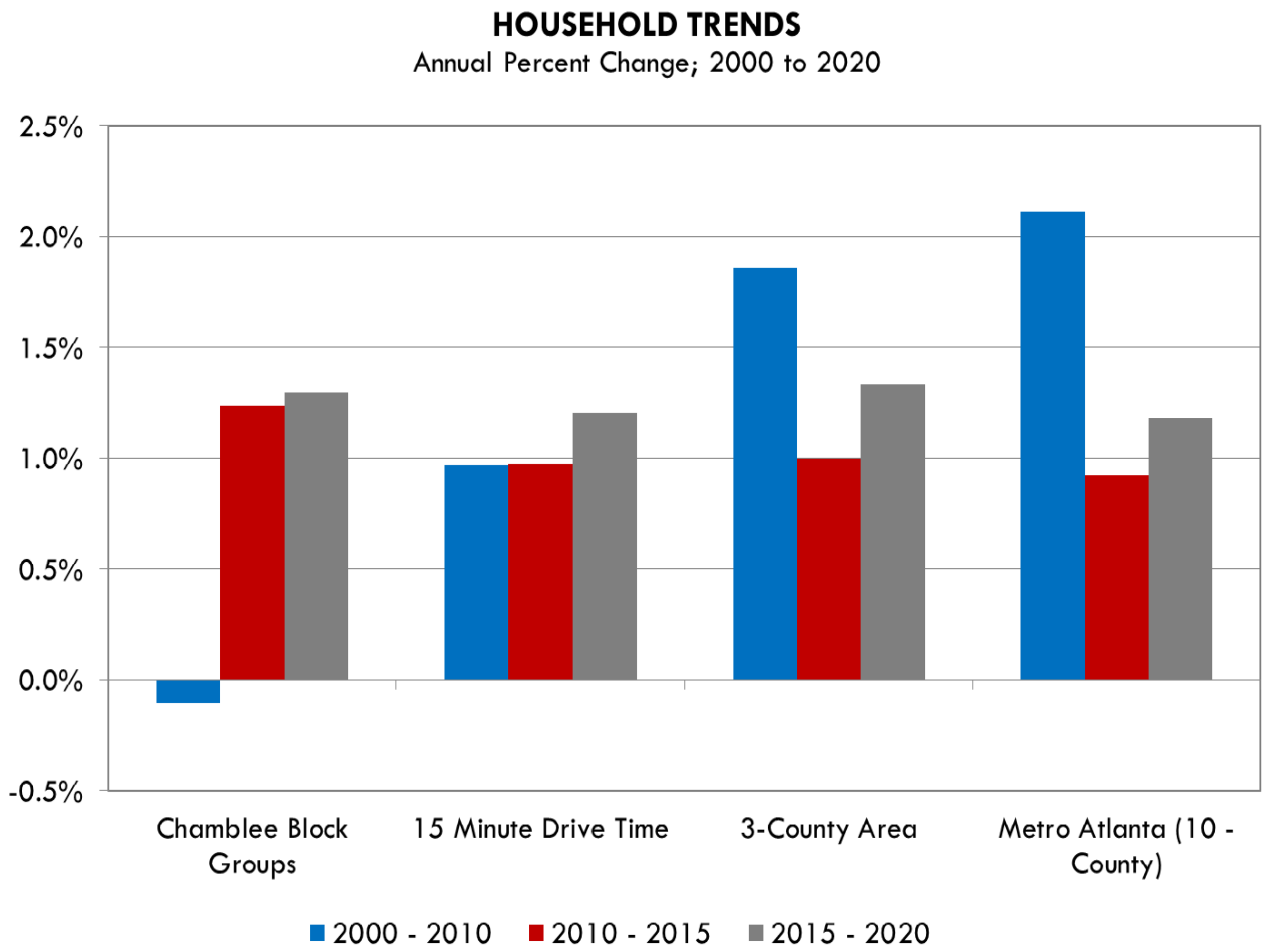
DEMOGRAPHIC ANALYSIS

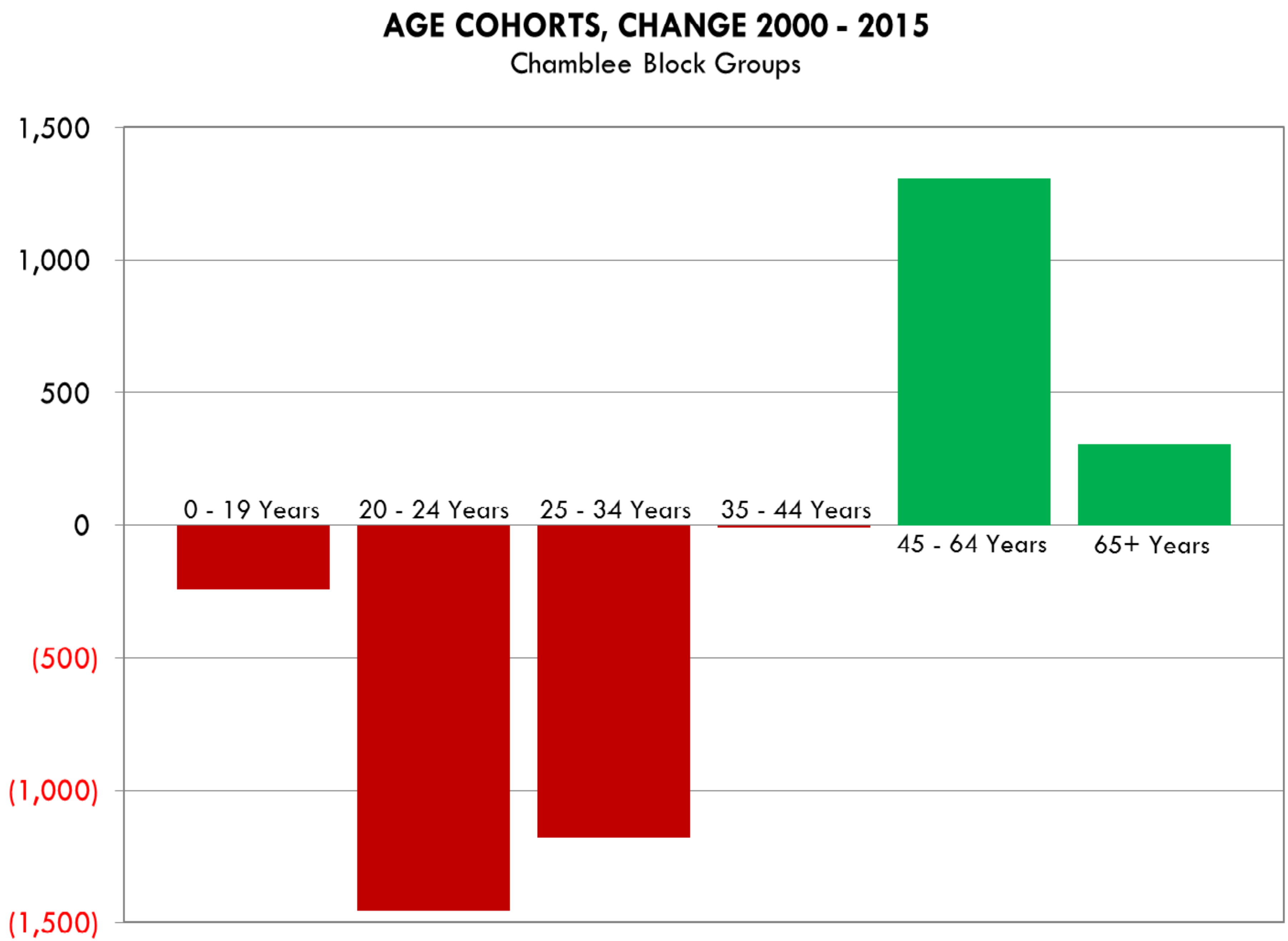

STUDY AREA:
CHAMBLEE BLOCK GROUPS
Peachtree Boulevard
Chamblee Station
DeKalb Peachtree Airport (PDK)
Buford Highway
19
23
285
85

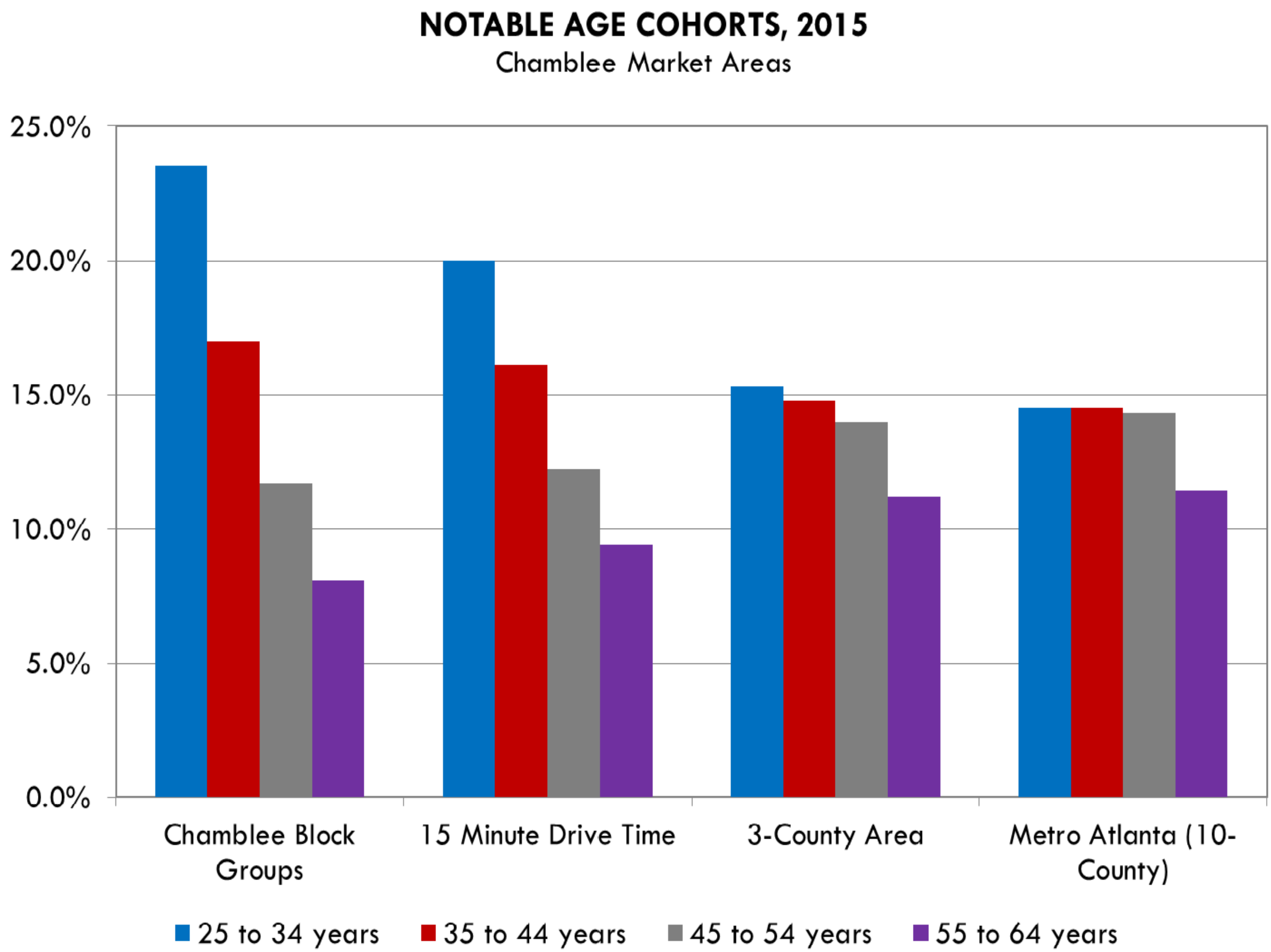


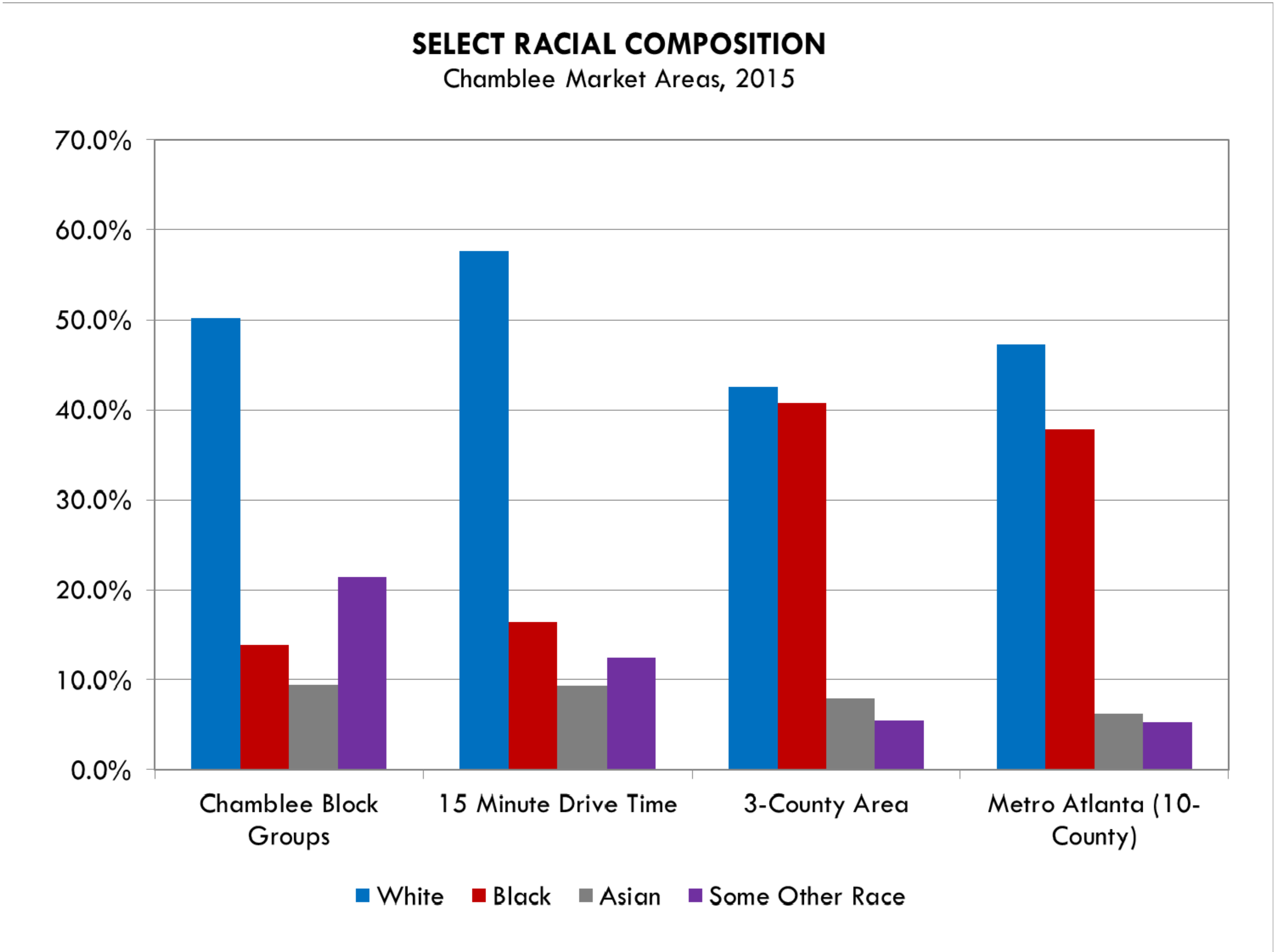
STUDY AREA:
15 MINUTE DRIVE TIME
3-COUNTY AREA
Cherokee
Cobb
Gwinnett
DeKalb
Douglas
Fulton
Rockdale
Clayton
Henry
Fayette
19
75
285
85
78
23
285
85

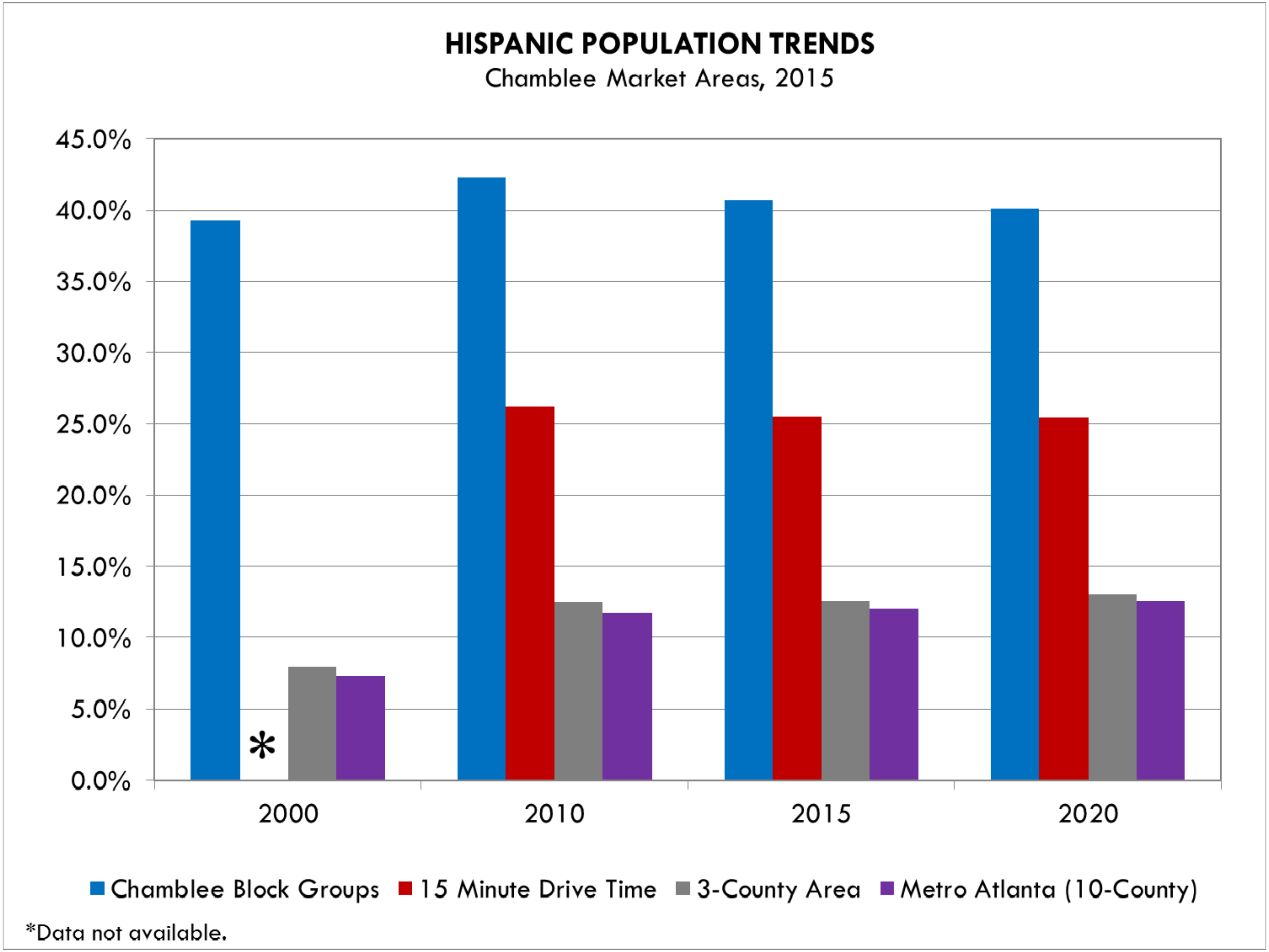

POPULATION TRENDS
Annual Percent Change; 2000 to 2020
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
-1.0%
Chamblee Block Groups
15 Minute Drive Time
3-County Area
Metro Atlanta (10 - County)
2000 - 2010
2010 - 2015
2015 - 2020


HOUSEHOLD TRENDS
Annual Percent Change; 2000 to 2020
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
Chamblee Block Groups
15 Minute Drive Time
3-County Area
Metro Atlanta (10 - County)
2000 - 2010
2010 - 2015
2015 - 2020

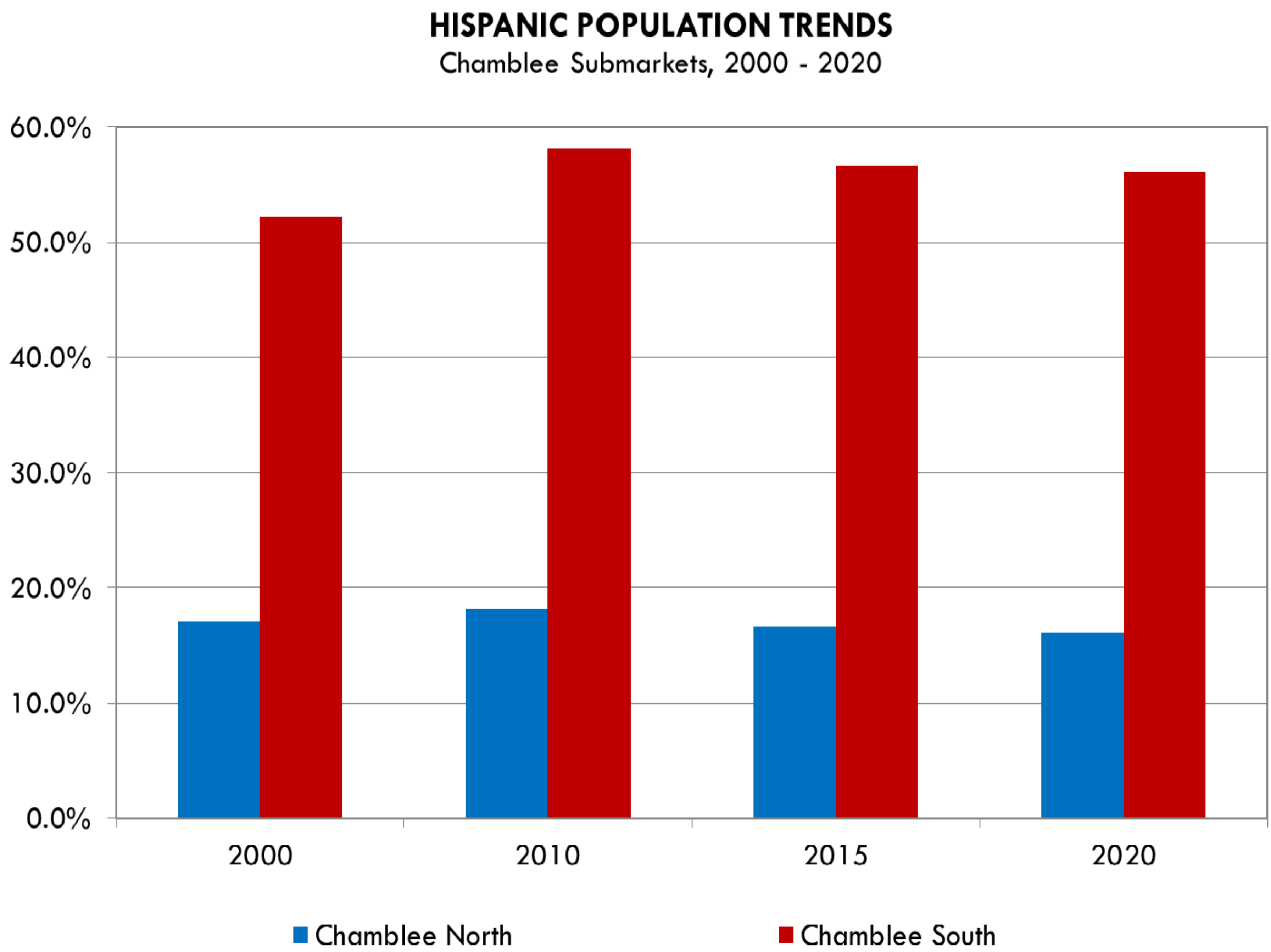

AGE COHORTS, CHANGE 2000 - 2015
Chamblee Block Groups
1,500
1,000
500
0
(500)
(1,000)
(1,500)
0 - 19 Years
20 - 24 Years
25 - 34 Years
35 - 44 Years
45 - 64 Years
65+ Years

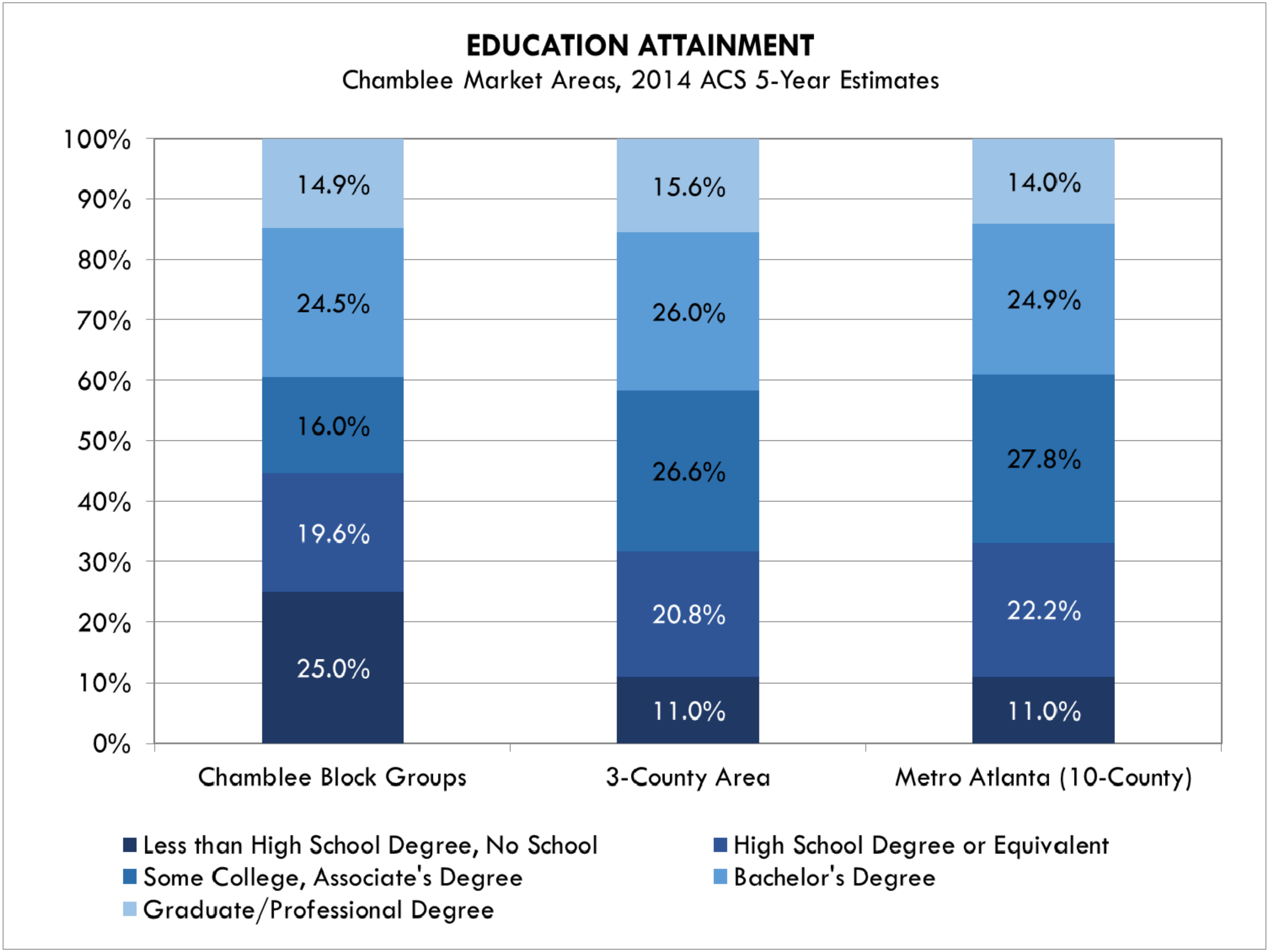

NOTABLE AGE COHORTS, 2015
Chamblee Market Areas
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
Chamblee Block Groups
15 Minute Drive Time
3-County Area
Metro Atlanta (10-County)
25 to 34 years
35 to 44 years
45 to 54 years
55 to 64 years

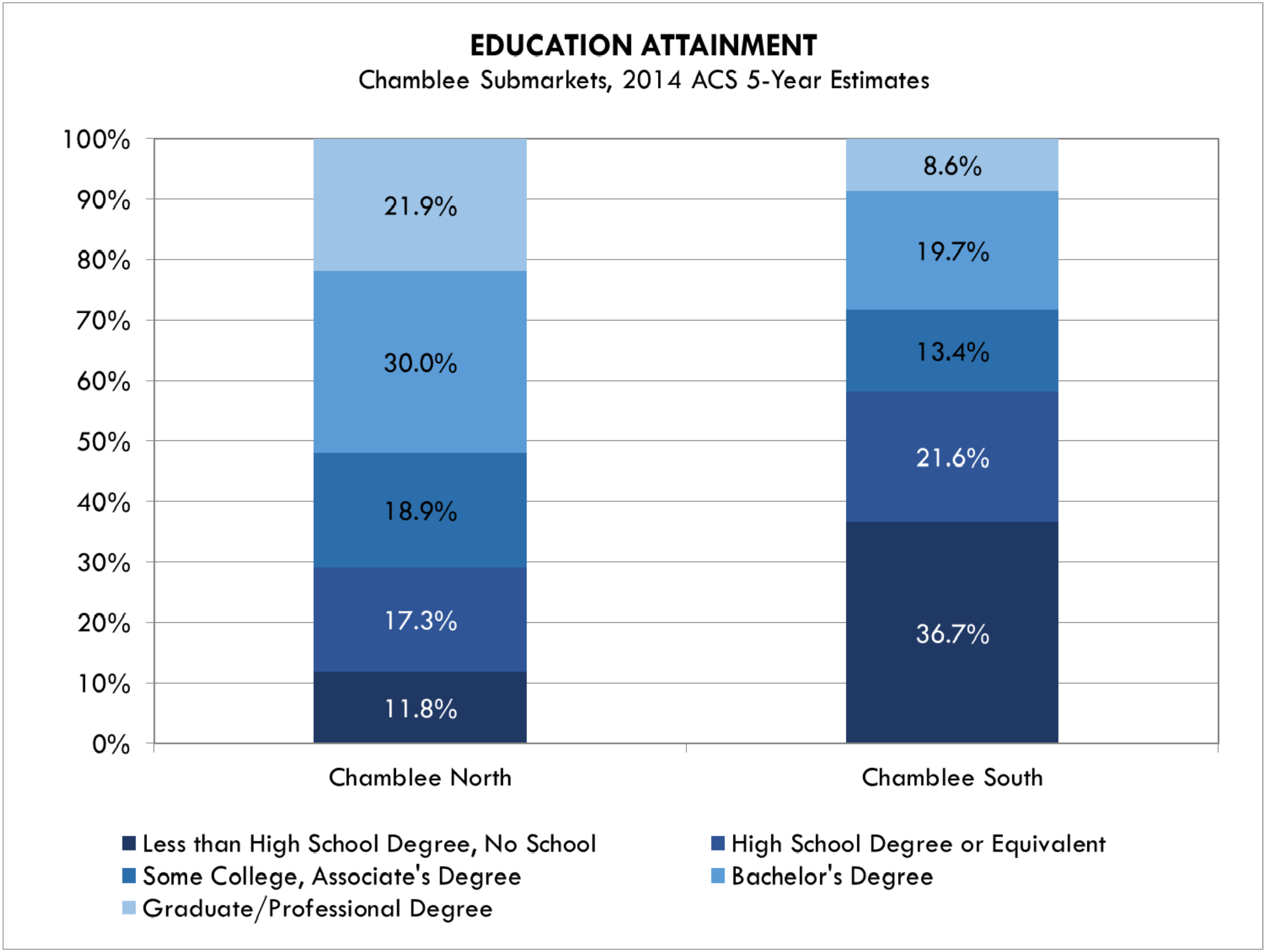

SELECT RACIAL COMPOSITION
Chamblee Market Areas, 2015
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Chamblee Block Groups
15 Minute Drive Time
3-County Area
Metro Atlanta (10-County)
White
Black
Asian
Some Other Race



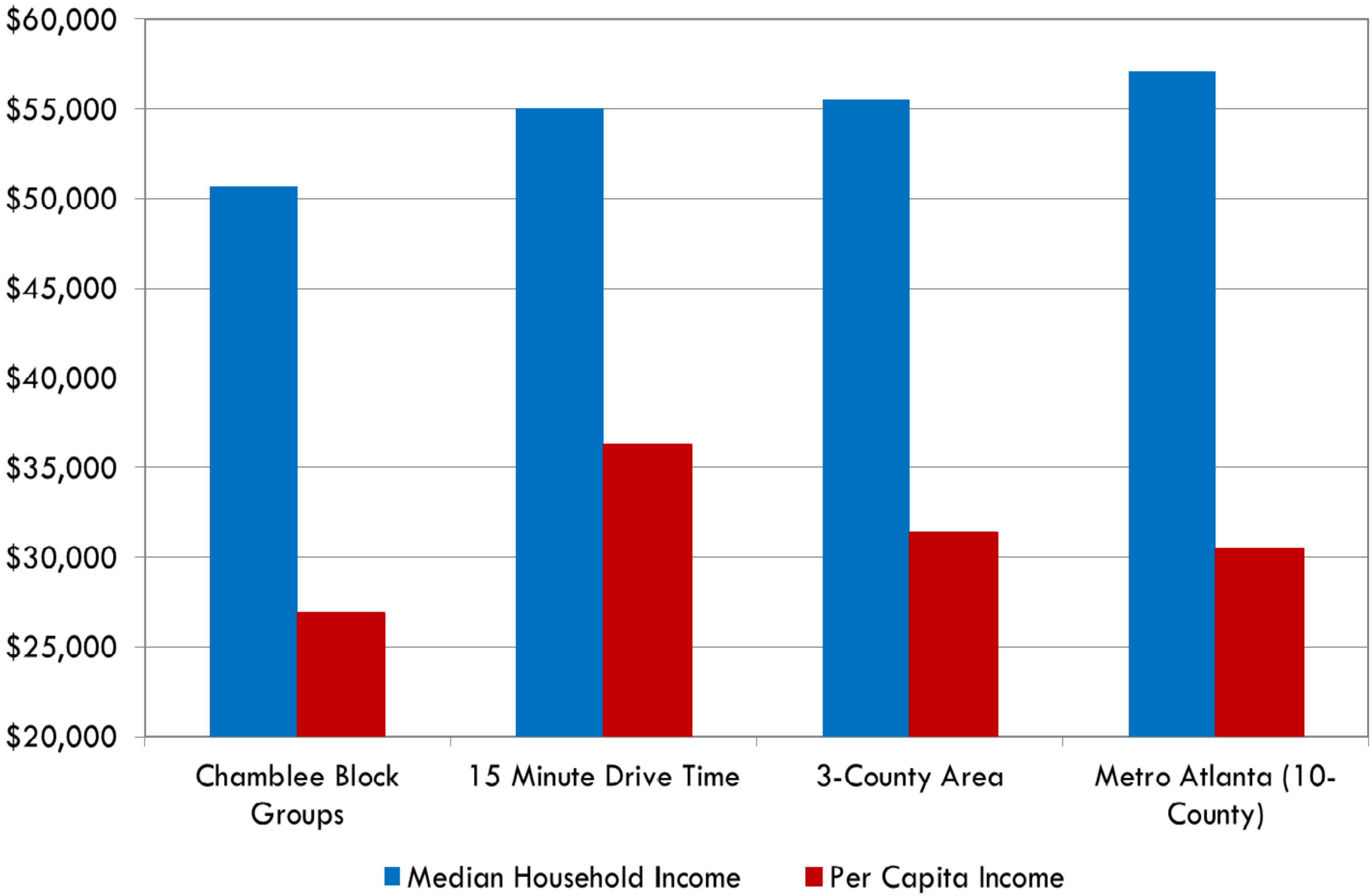
HISPANIC POPULATION TRENDS
Chamblee Market Areas, 2015
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
*
2000
2010
2015
2020
Chamblee Block Groups
15 Minute Drive Time
3-County Area
Metro Atlanta (10-County)
*Data not available.

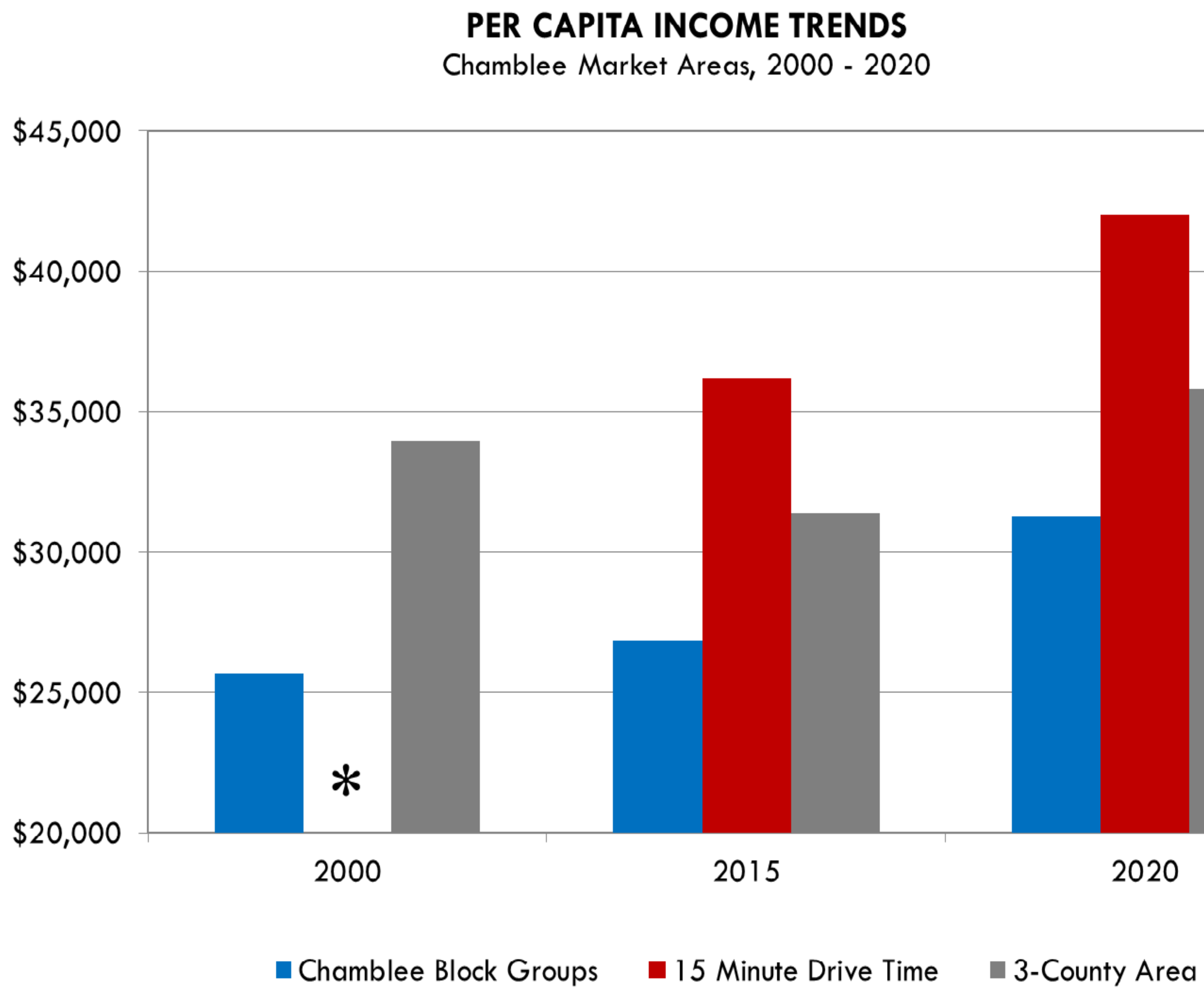

HISPANIC POPULATION TRENDS
Chamblee Submarkets, 2000 - 2020
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
2000
2010
2015
2020
Chamblee North
Chamblee South


EDUCATION ATTAINMENT
Chamblee Market Areas, 2014 ACS 5-Year Estimates
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
14.9%
24.5%
16.0%
19.6%
25.0%
15.6%
26.0%
26.6%
20.8%
11.0%
14.0%
24.9%
27.8%
22.2%
11.0%
Chamblee Block Groups
3-County Area
Metro Atlanta (10-County)
Less than High School Degree, No School
High School Degree or Equivalent
Some College, Associate's Degree
Bachelor's Degree
Graduate/Professional Degree

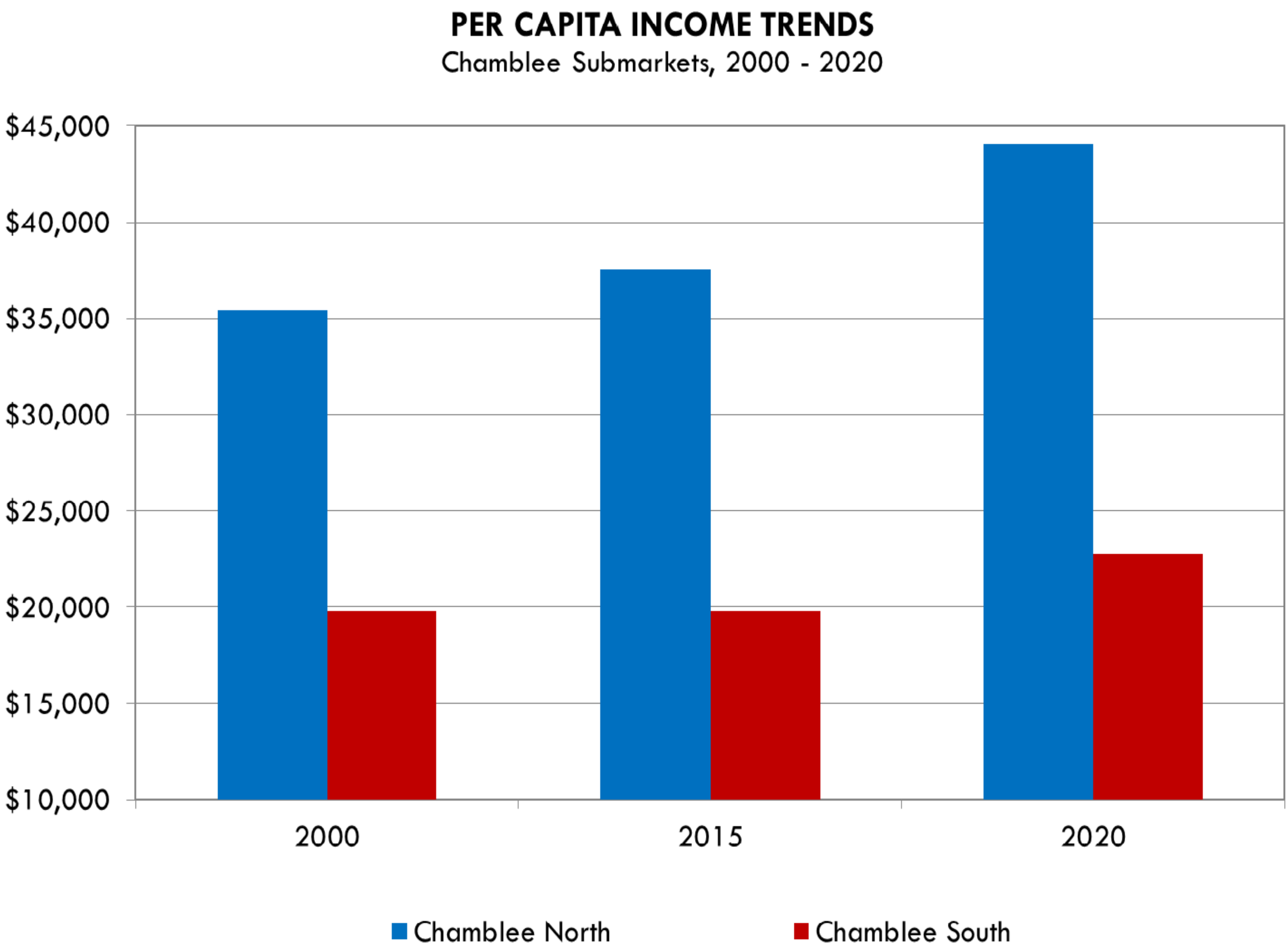

EDUCATION ATTAINMENT
Chamblee Submarkets, 2014 ACS 5-Year Estimates
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
21.9%
30.0%
18.9%
17.3%
11.8%
8.6%
19.7%
13.4%
21.6%
36.7%
Chamblee North
Chamblee South
Less than High School Degree, No School
High School Degree or Equivalent
Some College, Associate's Degree
Bachelor's Degree
Graduate/Professional Degree

INCOME CHARACTERISTICS
Chamblee Market Areas, 2015





*Data not available.


PER CAPITA INCOME TRENDS
Chamblee Submarkets, 2000 - 2020
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
2000
2015
2020
Chamblee North
Chamblee South

DEMOGRAPHIC ANALYSIS IMPLICATIONS

- **Chamblee is a tale of two cities; very divergent with much different economic bases**
  - Population
  - Income
  - Education

- **The City's demographic has been changing in 'both halves'**
  - Getting older – Baby Boomers
  - Getting wealthier – development/investment
  - Getting more diverse - community

- **Economic development strategy will need to focus on each side to be most effective**
  - Cannot have a 'single' strategy and benefit all residents

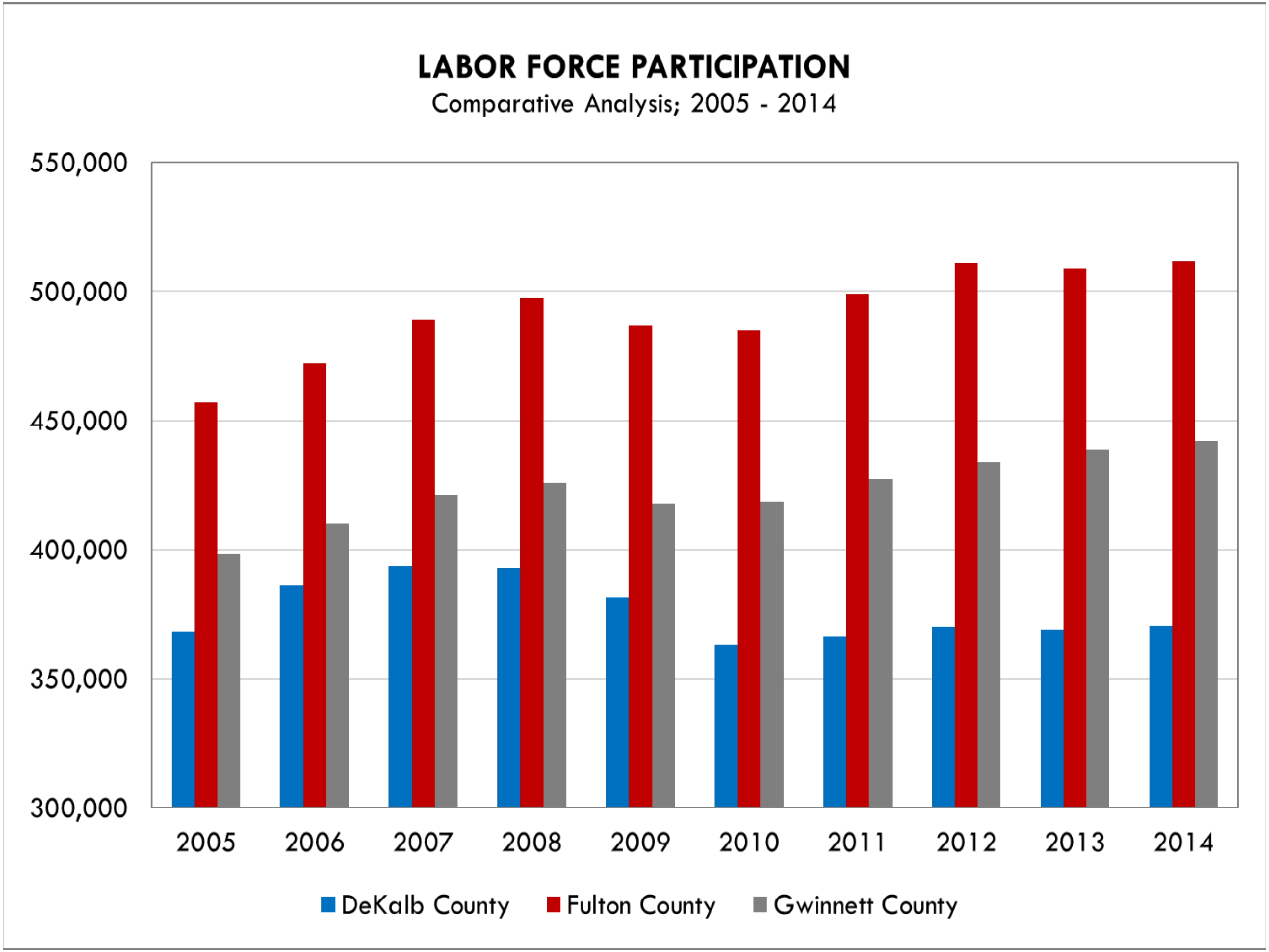
DEMOGRAPHIC ANALYSIS IMPLICATIONS

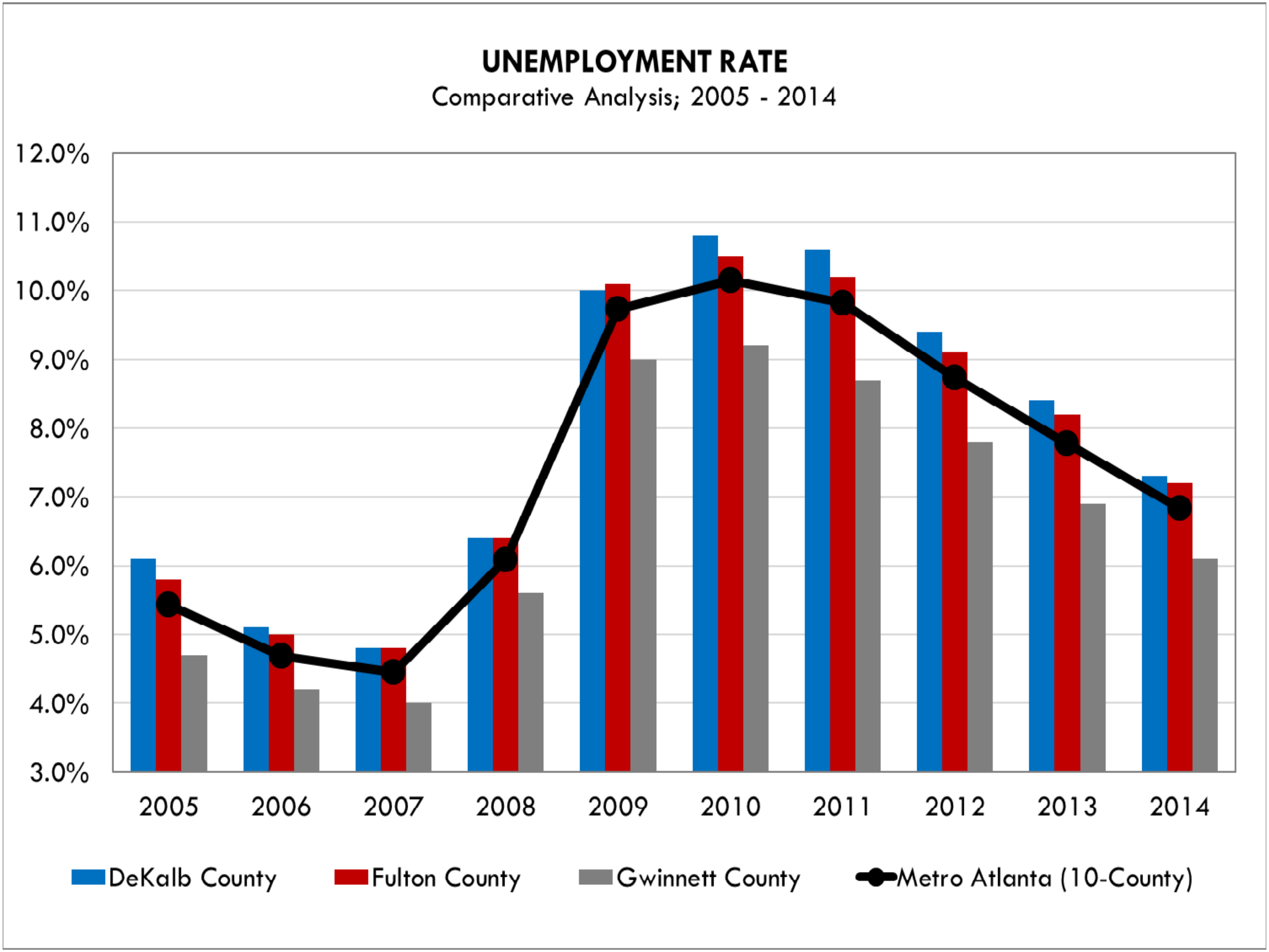
- **Changing demographics (growth of 45+ persons) can impact economic development potential**
  - Small business and entrepreneurial growth
  - Medical services

- **Chamblee's large Asian and Hispanic populations are an asset**
  - Attracting and developing culturally-influenced business
  - Advancing niche marketplaces

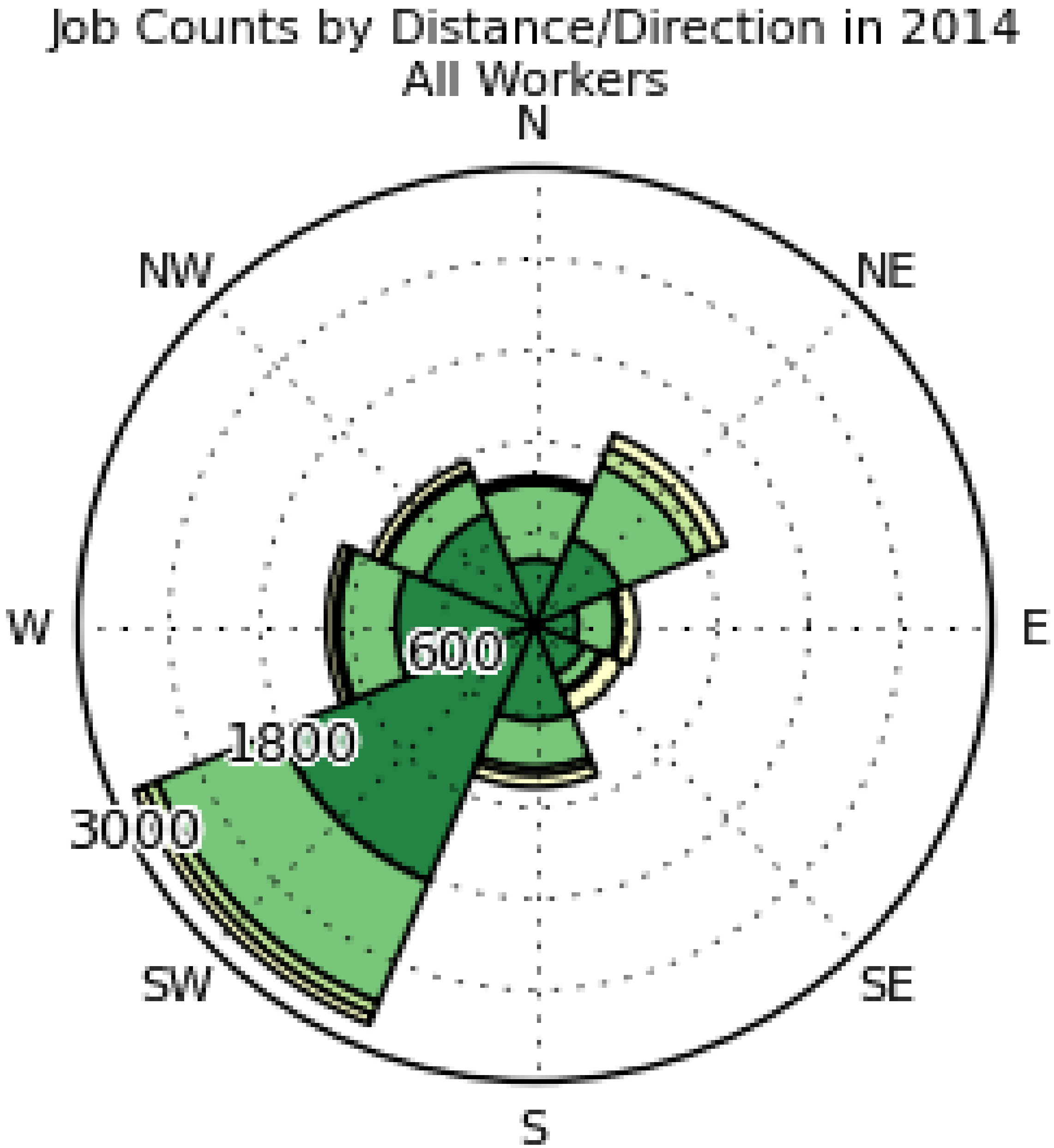
- **The larger lower-educated adult population offers opportunities and challenges**
  - Workforce education
  - Job training
  - Labor supply

ECONOMIC BASE ANALYSIS

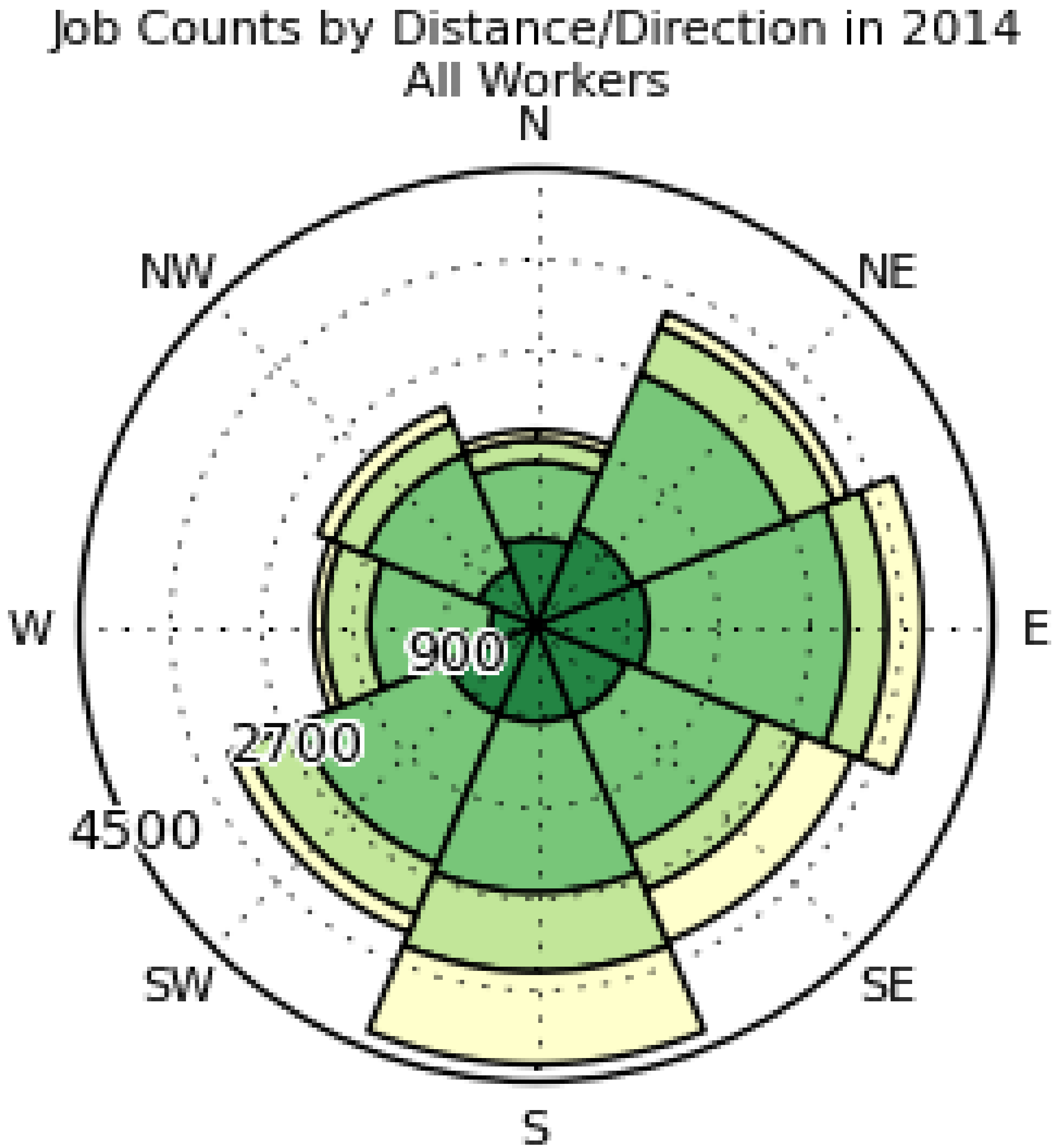

LABOR FORCE PARTICIPATION
Comparative Analysis; 2005 - 2014
550,000
500,000
450,000
400,000
350,000
300,000
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
DeKalb County
Fulton County
Gwinnett County


UNEMPLOYMENT RATE
Comparative Analysis; 2005 - 2014
12.0%
11.0%
10.0%
9.0%
8.0%
7.0%
6.0%
5.0%
4.0%
3.0%
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
DeKalb County
Fulton County
Gwinnett County
Metro Atlanta (10-County)

COMMUTING PATTERNS: CHAMBLEE RESIDENTS



COMMUTING PATTERNS: CHAMBLEE WORKERS



Resident Work Destinations by Distance
Chamblee, Georgia, 2002 - 2014

	2002	2008	2014
Less than 10 miles	61.1%	56.4%	58.1%
10 to 24 miles	30.7%	31.8%	31.6%
25 to 50 miles	3.7%	4.7%	3.9%
Greater than 50 miles	4.5%	7.2%	6.5%
Total Jobs	9,508	8,728	10,069

Workforce Home Destinations by Distance
Chamblee, Georgia, 2002 - 2014

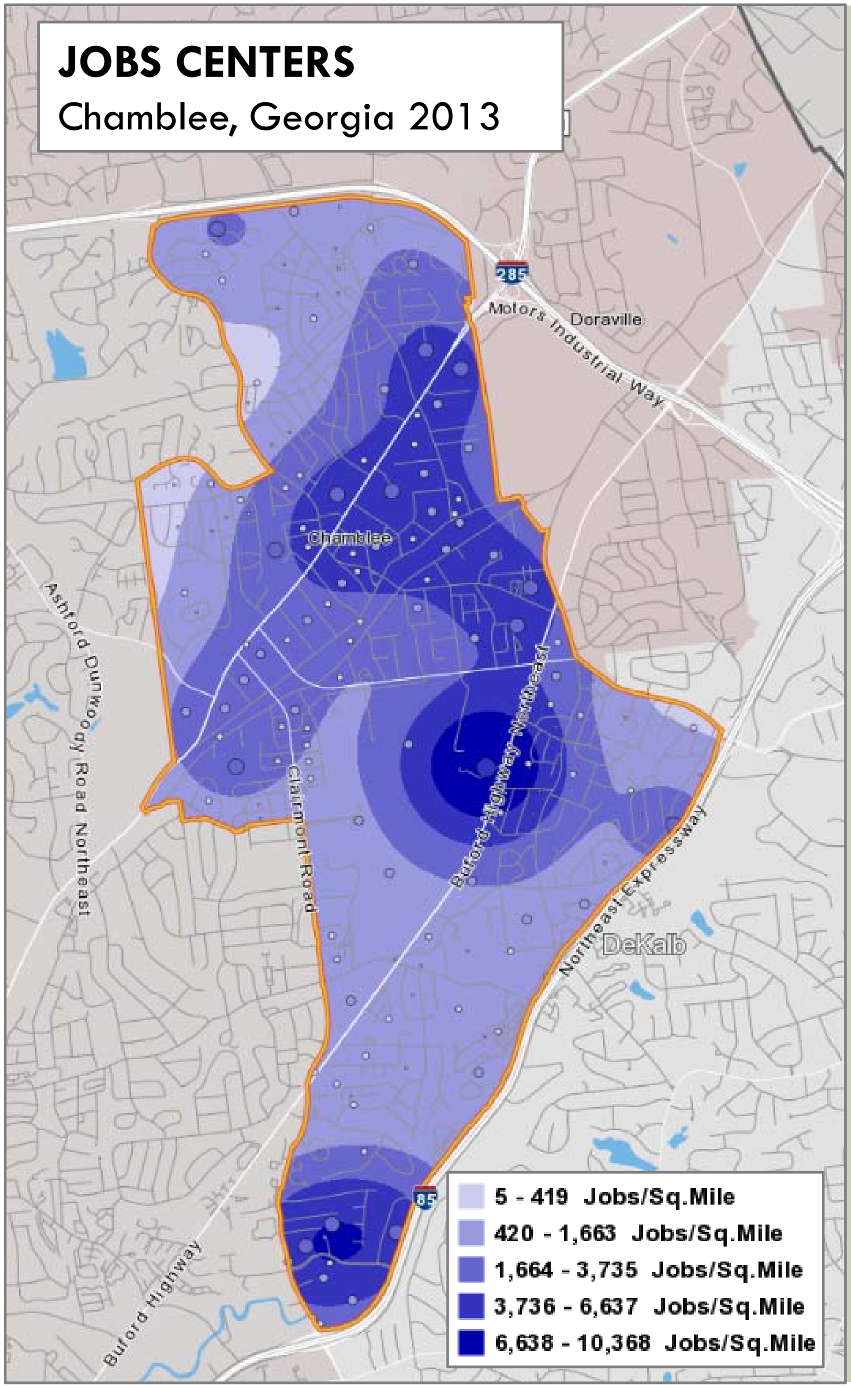
	2002	2008	2014
Less than 10 miles	33.5%	30.3%	28.3%
10 to 24 miles	48.2%	48.4%	46.5%
25 to 50 miles	11.7%	13.9%	14.9%
Greater than 50 miles	6.6%	7.3%	10.3%
Total Jobs	25,111	24,075	24,573

EMPLOYMENT TRENDS: 3-COUNTY AREA

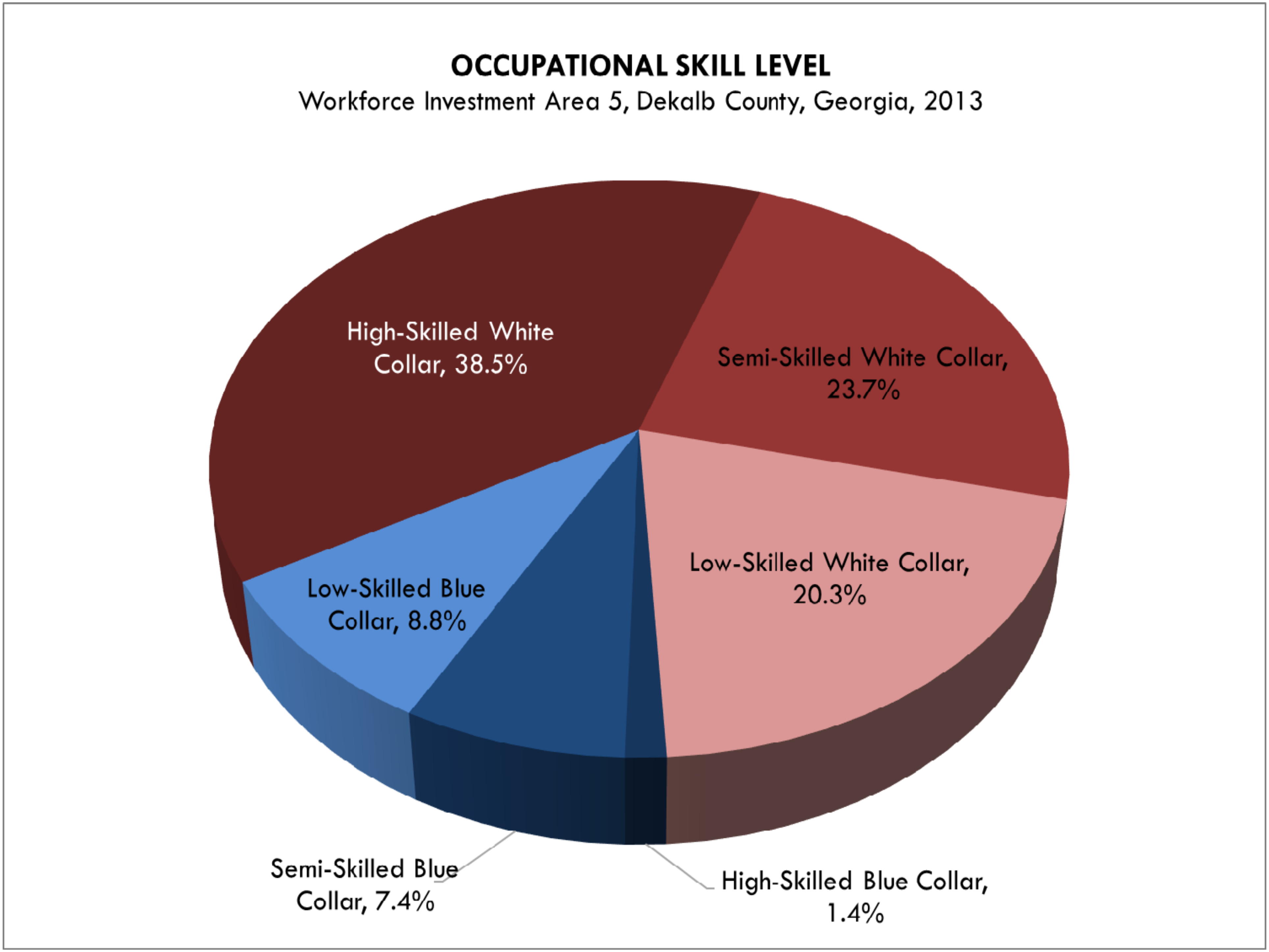
- **Top Industry Sectors:**
  - Health Care and Social Assistance (138,759)
  - Professional, Scientific and Technical Services (136,170)
  - Accommodation and Food Service (130,001)
  - Retail Trade (123,014)

- **Major Growth Sectors (2009 – 2013):**
  - Accommodation and Food Service (12,200)
  - Information (8,400)
  - Health Care and Social Assistance (6,211)

- **Sectors With the Largest Employment Declines (2009 – 2013):**
  - Construction (11,954)
  - Wholesale Trade (3,067)
  - Manufacturing (2,836)



- Largest Employers
  - Centers for Disease Control and Prevention (3,400)
  - Internal Revenue Service (2,600)
  - Wal-Mart Super Center (374)
  - Jim Ellis Volkswagen, Inc. (249)
  - RR Donnelley (197)
  - UniHealth Post-Acute Care of Brookhaven (193)
  - Rollins, Inc. (189)
  - Curry Cars, LLC (178)
  - Sam’s Club (174)
  - Jim Ellis Atlanta, Inc. (162)


OCCUPATIONAL SKILL LEVEL
Workforce Investment Area 5, Dekalb County, Georgia, 2013
High-Skilled White Collar, 38.5%
Semi-Skilled White Collar, 23.7%
Low-Skilled White Collar, 20.3%
Low-Skilled Blue Collar, 8.8%
Semi-Skilled Blue Collar, 7.4%
High-Skilled Blue Collar, 1.4%

Average Annual Wage, May 2014
Top 10 Occupations by Employment
Atlanta - Sandy Springs - Marietta, GA MSA

Occupation	Employment	Average Annual Wage
All Occupations	**2,387,970**	**$48,750**
Office and Administrative Support	391,540	$35,750
Sales and Related	265,740	$41,610
Food Preparation and Serving Related	214,020	$20,320
Transportation and Material Moving	204,650	$37,090
Business and Financial Operations	157,610	$73,840
Management	149,020	$117,160
Education Training and Library	139,720	$47,850
Production	131,230	$32,450
Healthcare Practitioners and Technical	118,260	$77,630
Computer and Mathematical	97,810	$83,270

Select Occupations

Average Annual Wage Ranges, May 2014

Atlanta - Sandy Springs - Marietta, Georgia MSA

	Minimum	Maximum
Management Occupations	$30,090	$198,280
Business & Financial Operations Occupations	$45,730	$117,410
Community & Social Service Occupations	$28,040	$84,090
Education Training & Library Occupations	$19,960	$116,130
Healthcare Practitioners & Technical Occupations	$24,990	$260,110
Healthcare Support Occupations	$19,950	$56,940
Food Preparation & Serving Related Occupations	$17,930	$29,670
Building & Grounds Cleaning & Maintenance Occupations	$19,210	$45,640
Personal Care & Service Occupations	$18,310	$51,370
Sales & Related Occupations	$19,400	$113,790
Office & Administrative Support Occupations	$20,150	$56,830
Production Occupations	$20,080	$74,540
Transportation & Material Moving Occupations	$20,340	$145,310

Note: Data based on occupations for which information was available.

ECONOMIC BASE IMPLICATIONS

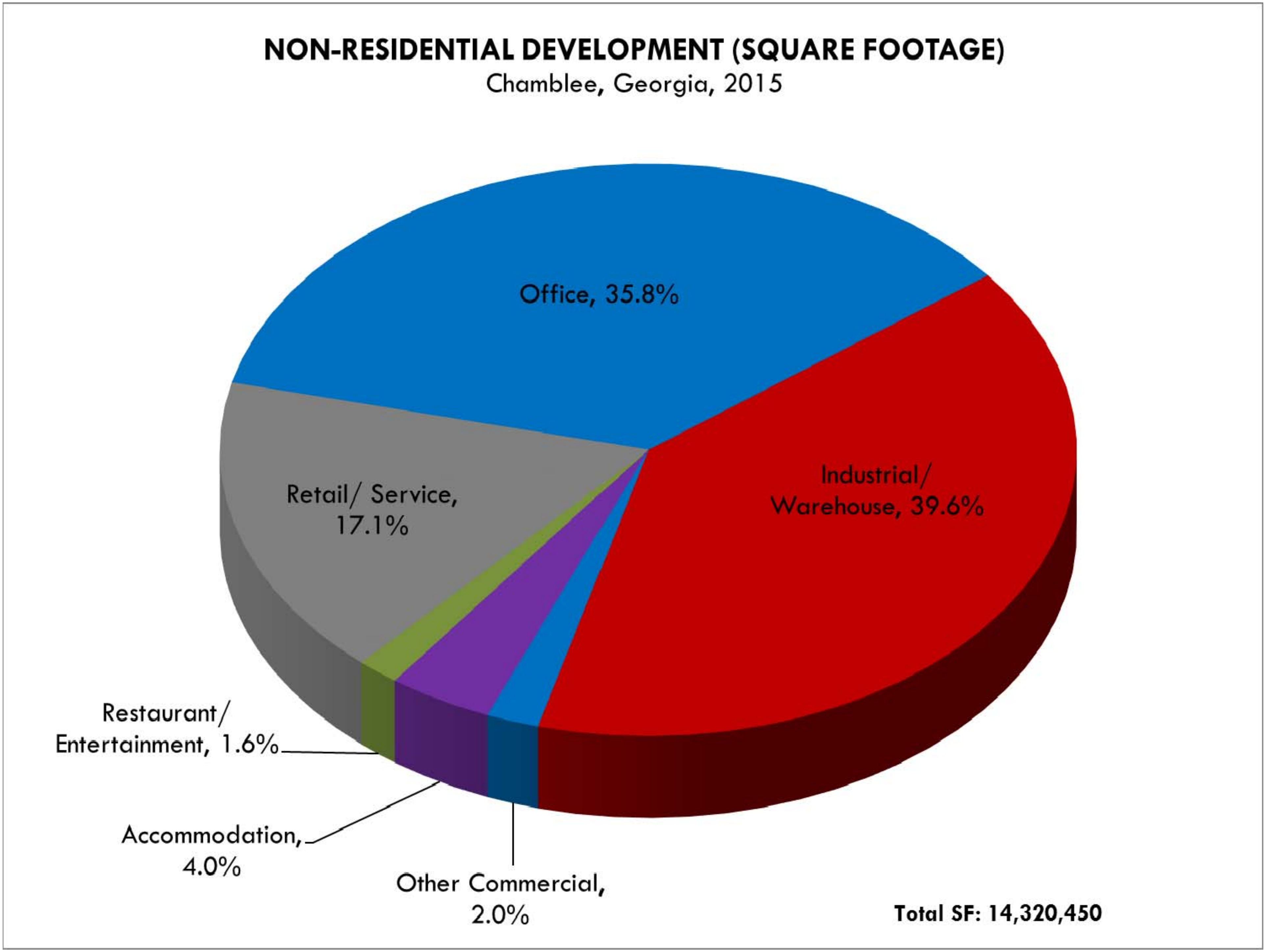
- **Fulton, Gwinnett, and DeKalb economies perform similarly, but not the same**
  - Labor force
  - Employment
  - Business climate
- **Fulton and Gwinnett are recovering faster than DeKalb from Recession**
  - Labor force participation
  - Unemployment rate
- **Chamblee a microcosm of this difference, sitting at the intersection of the three Counties**
  - North/South of MARTA strong example

ECONOMIC BASE IMPLICATIONS

- **Economic development opportunities will vary based on local/ regional focus**
  - Different strengths based on location
  - Regional opportunities 'blind' to local context
  - PDK
  - Changing the economic base could upset local balance

- **Local workforce earns less than the MSA average annual wage (per capita income comparison)**
  - Workforce development and job training efforts
  - Entrepreneurial assistance

NON-RESIDENTIAL MARKET ANALYSIS


NON-RESIDENTIAL DEVELOPMENT (SQUARE FOOTAGE)
Chamblee, Georgia, 2015
Office, 35.8%
Industrial/ Warehouse, 39.6%
Retail/ Service, 17.1%
Restaurant/ Entertainment, 1.6%
Accommodation, 4.0%
Other Commercial, 2.0%
Total SF: 14,320,450

Non-Residential Development (Square Feet)
Chamblee, Georgia, 2000 - 2014

	2000 - 2004	2005 - 2009	2010 - 2014	Total
Accommodation	40,475	0	0	40,475
Automotive	126,860	0	152,588	279,448
Commercial Conversion	0	2,564	0	2,564
Department Store	144,829	282,782	0	427,611
Grocery/ Market	5,072	16,566	0	21,638
Manufacturing/ Warehouse	482,209	78,950	0	561,159
Office	240,313	357,181	0	597,494
Restaurant	0	19,977	8,562	28,539
Retail/Service	33,019	78,982	13,965	125,966
Shopping Center	32,710	143,155	0	175,865
Total	1,105,487	980,157	175,115	2,260,759

Apartment Development (Units)
Chamblee, Georgia, 2000 - 2015

	2000 - 2004	2005 - 2009	2010 - 2015	Total
Garden (1-3 Stories)	634	600	24	1,258
High Rise (4+ Stores)	0	1,284	0	1,284
Total	634	1,884	24	2,542

PLANNED		UNDER CONSIDERATION	
Chamblee Plaza	**Retail: 178,000 SF**	Patillo Offices/MARTA Parking Lot	**Retail: 20,000 SF**
2161 Irvingdale Dr - 3519 Broad St	**Office: 70,000 SF**	Nissan Dealership	**Office: 80,000 SF**
Downtown Plan	**General Comm.: 30,000 SF**	5251 Peachtree Blvd	**Multi-Family: 455 Units**
3453 Pierce Dr	**Multi-Family: 830 Units**		
City Life			
Brown Auto			
Century Center			
3051 - 3077 Clairmont Rd			

APPROVED		UNDER CONSTRUCTION	
5018 Buford Highway	**Retail/Office: 25,000 SF**	2215 & 4250 Perimeter Park	**Retail: 202,000 SF**
4900 Buford Highway	**General Comm.: 79,000 SF**	Peachtree Crossing	**Office: 53,470 SF**
Parkview	**Multi-Family: 200 Units**	(5001 Peachtree Blvd)	**General Comm.: 55,000 SF**
(5090 - 5170 Peachtree Blvd)	**Townhouse: 6 Units**	5000 Peachtree Blvd	**Multi-Family: 630 Units**
4251 N. Peachtree Rd		Mercy Care	**Townhouse: 117 Units**
		(5134 Peachtree Rd)	**Single Family: 33 Units**
		5000 Buford Highway	
		Parkview	
		(5090 - 5170 Peachtree Blvd)	
		Olmstead	
		(Chamblee Tucker Rd & Peachtree Blvd)	
		3588 Broad St	

CHAMBLEE DEVELOPMENT IMPLICATIONS

- **Mix of non-residential development reveals City's industrial past/ITP influence**
  - Highest concentrations of office and industrial
  - Limited retail, dining, entertainment focus
  - Mix of housing uses

- **Redevelopment was strong prior to Recession**
  - Retail, office, multifamily
  - Repurposing of land assets to maximize value/opportunity

- **Recovery from downturn has been slow**
  - Only 175k SF in last 5 years compared to 1M SF in two previous 5-year periods

CHAMBLEE DEVELOPMENT IMPLICATIONS

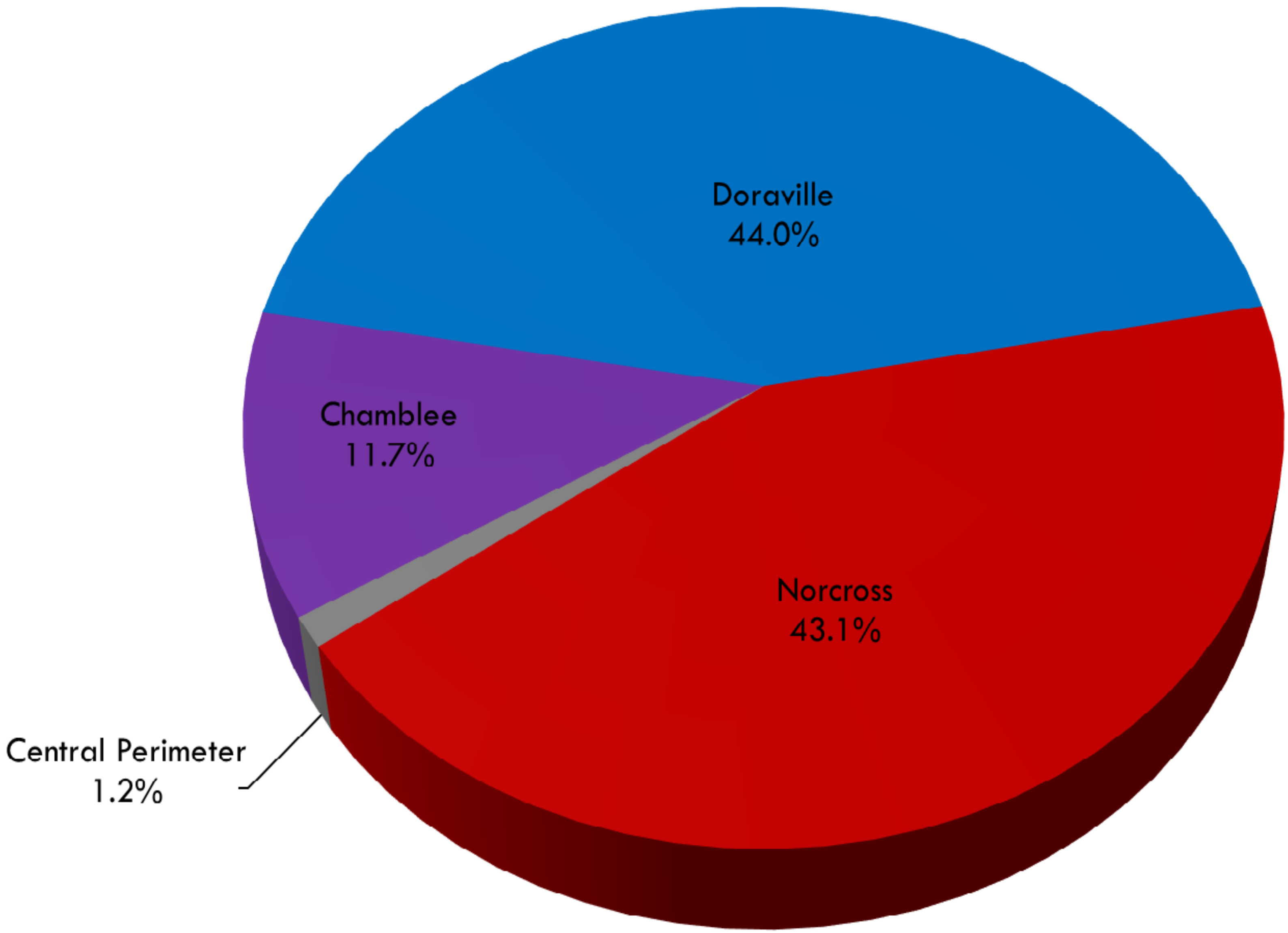
- **Project pipeline reveals market ready to reverse recent lull**
  - 425k of SF retail
  - 203k SF office
  - 164k SF general commercial
  - 2,115 apartments; 123 townhomes ; 33 single family homes

- **Integrating existing/proposed land uses into a cohesive economic vision will be important through this effort**
  - Marketing/recruitment
  - Retention/expansion
  - Future land use decisions

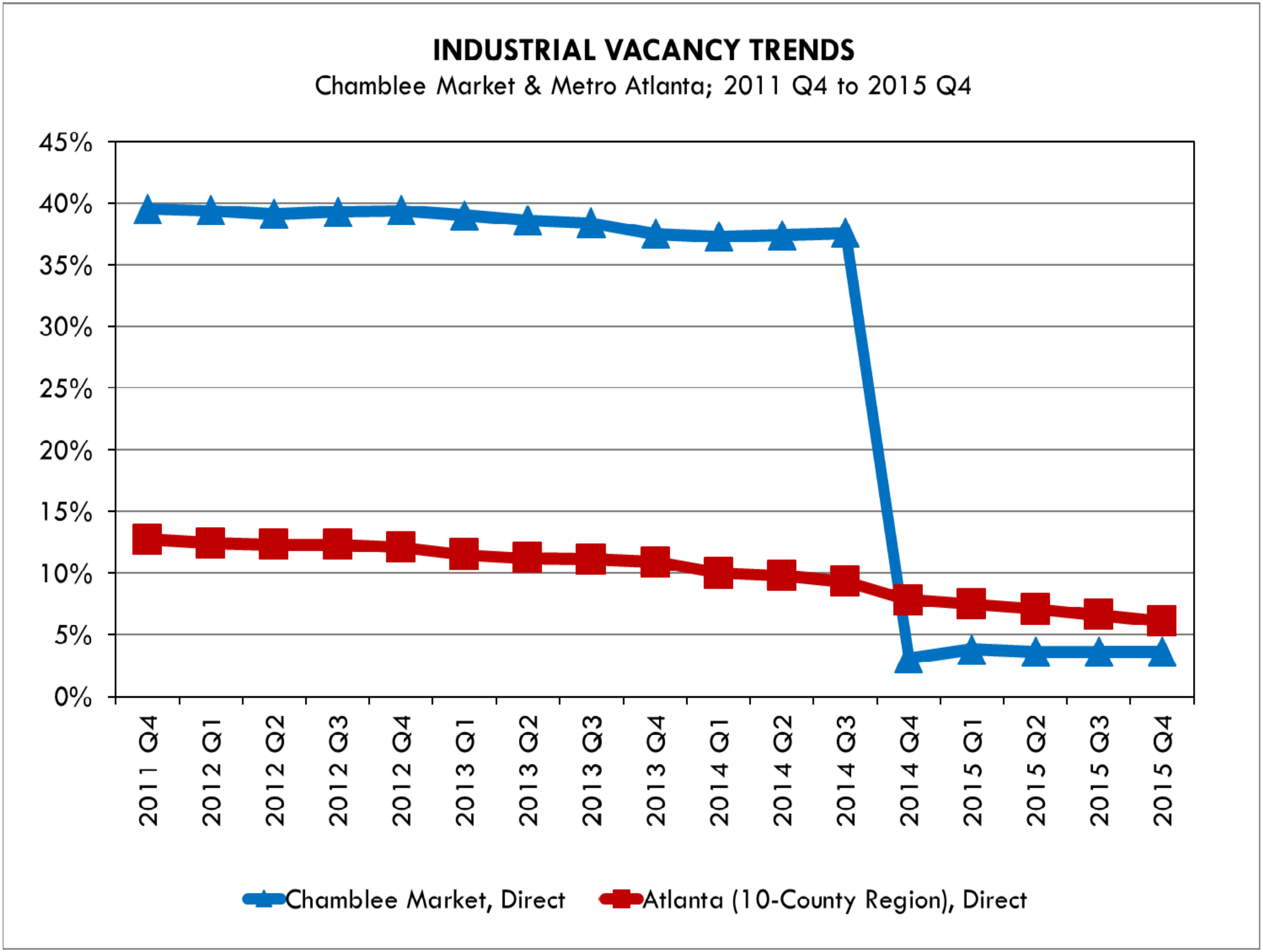
INDUSTRIAL MARKET ANALYSIS

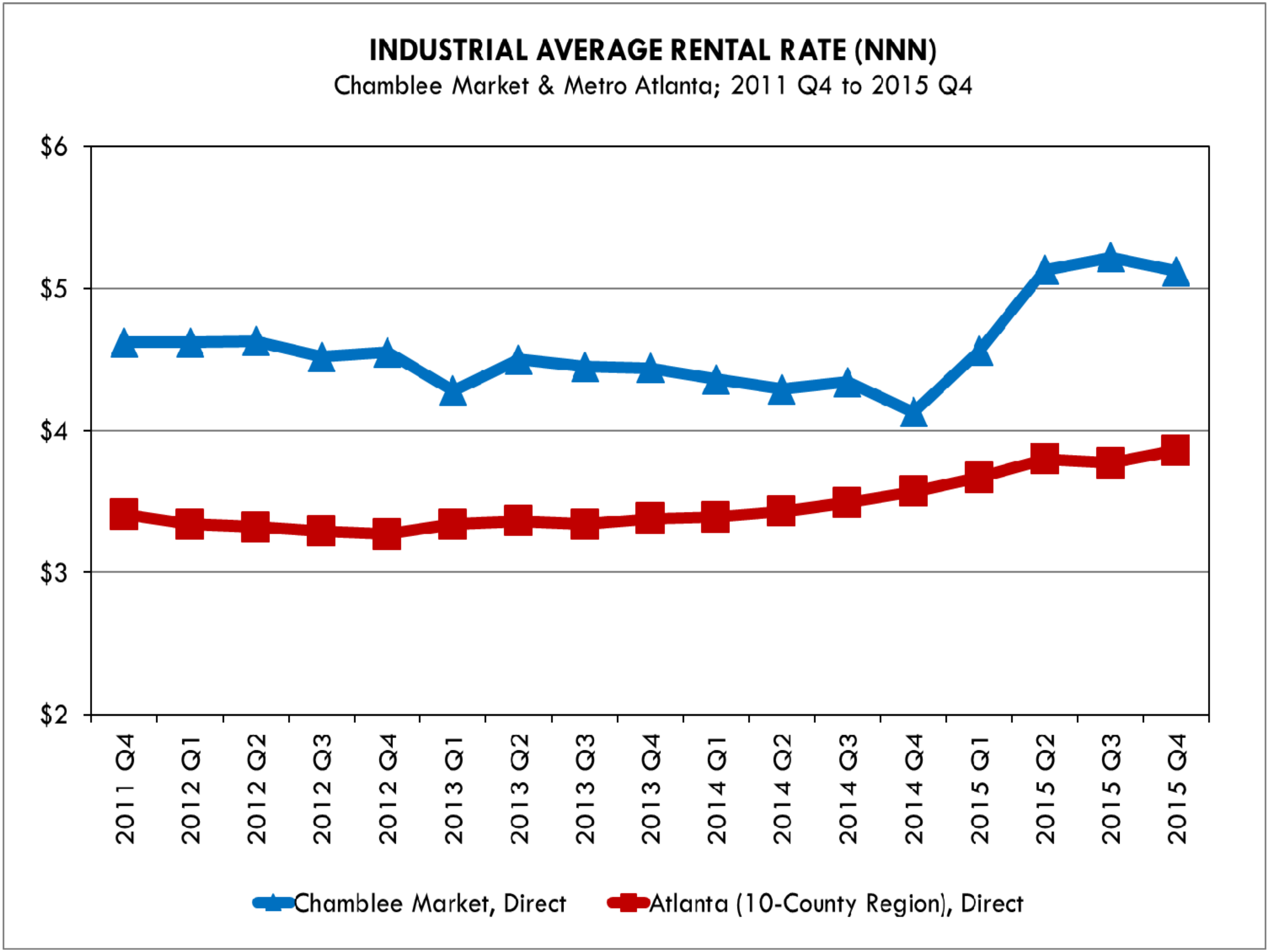
INDUSTRIAL INVENTORY (GLA)

Comparative Market Area, Year End 2015



Total GLA: 75,905,421 SF

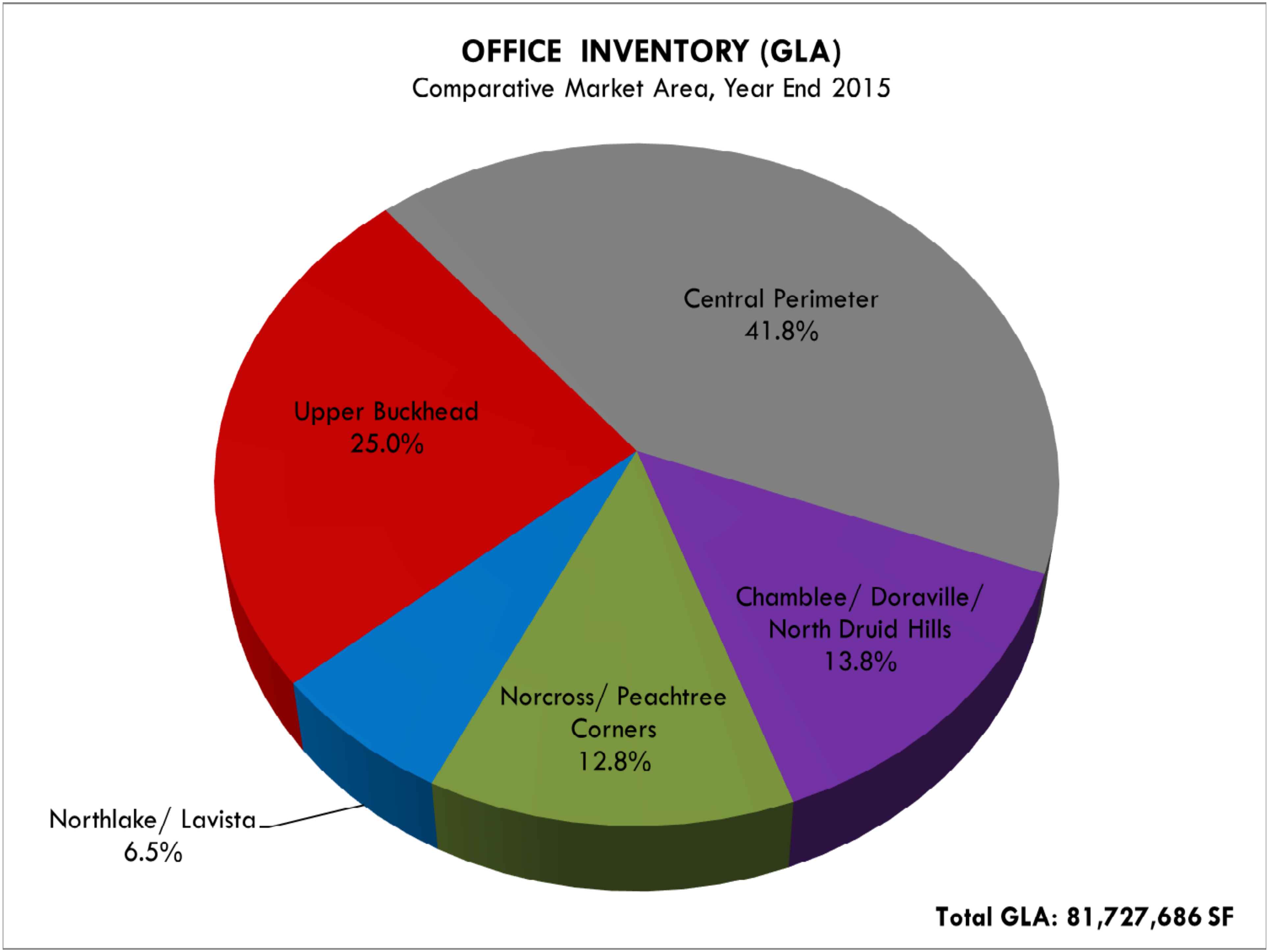

INDUSTRIAL VACANCY TRENDS
Chamblee Market & Metro Atlanta; 2011 Q4 to 2015 Q4
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
2014 Q3
2014 Q4
2015 Q1
2015 Q2
2015 Q3
2015 Q4
Chamblee Market, Direct
Atlanta (10-County Region), Direct

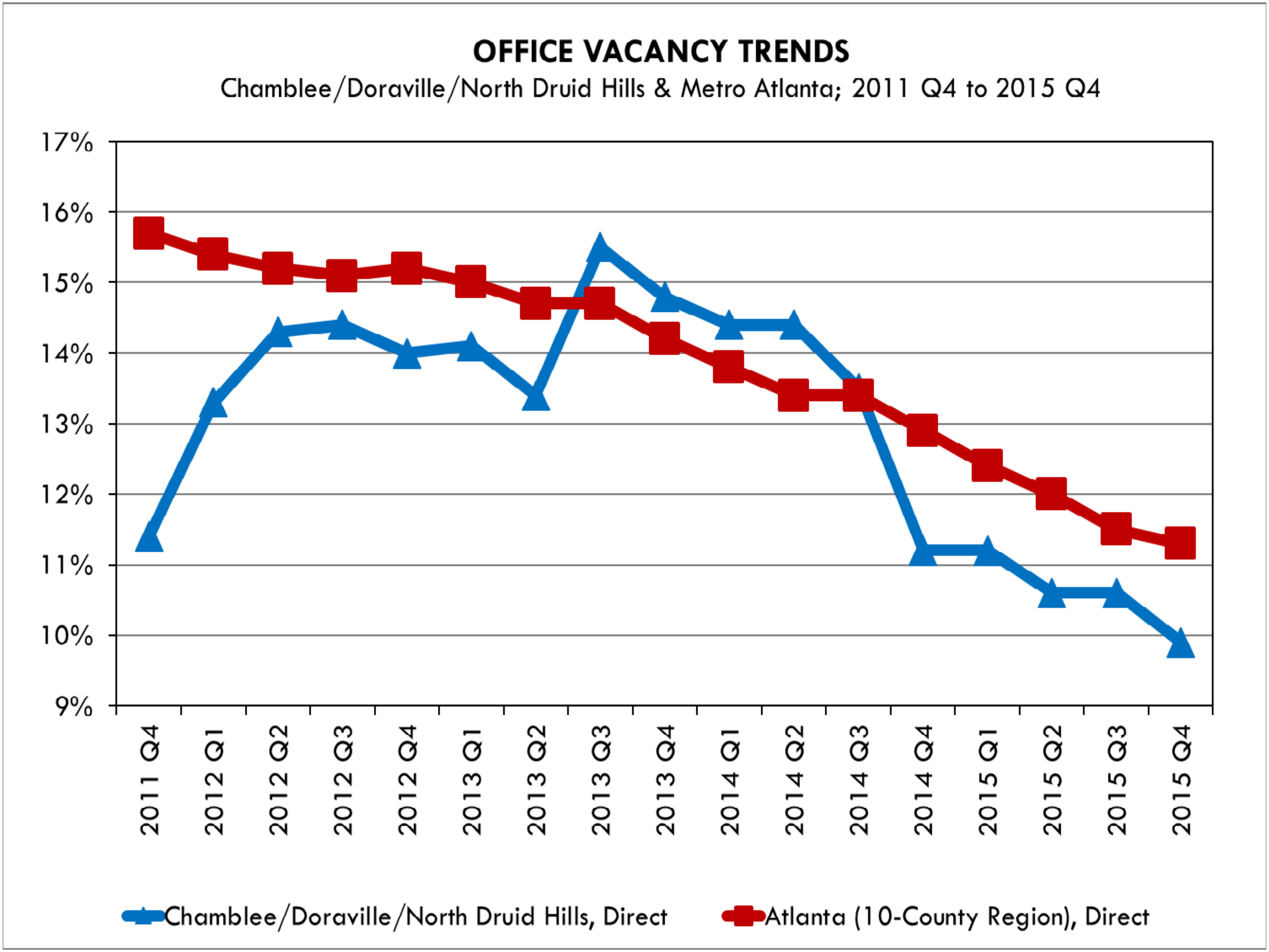

INDUSTRIAL AVERAGE RENTAL RATE (NNN)
Chamblee Market & Metro Atlanta; 2011 Q4 to 2015 Q4
$6
$5
$4
$3
$2
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
2014 Q3
2014 Q4
2015 Q1
2015 Q2
2015 Q3
2015 Q4
Chamblee Market, Direct
Atlanta (10-County Region), Direct

INDUSTRIAL MARKET IMPLICATIONS

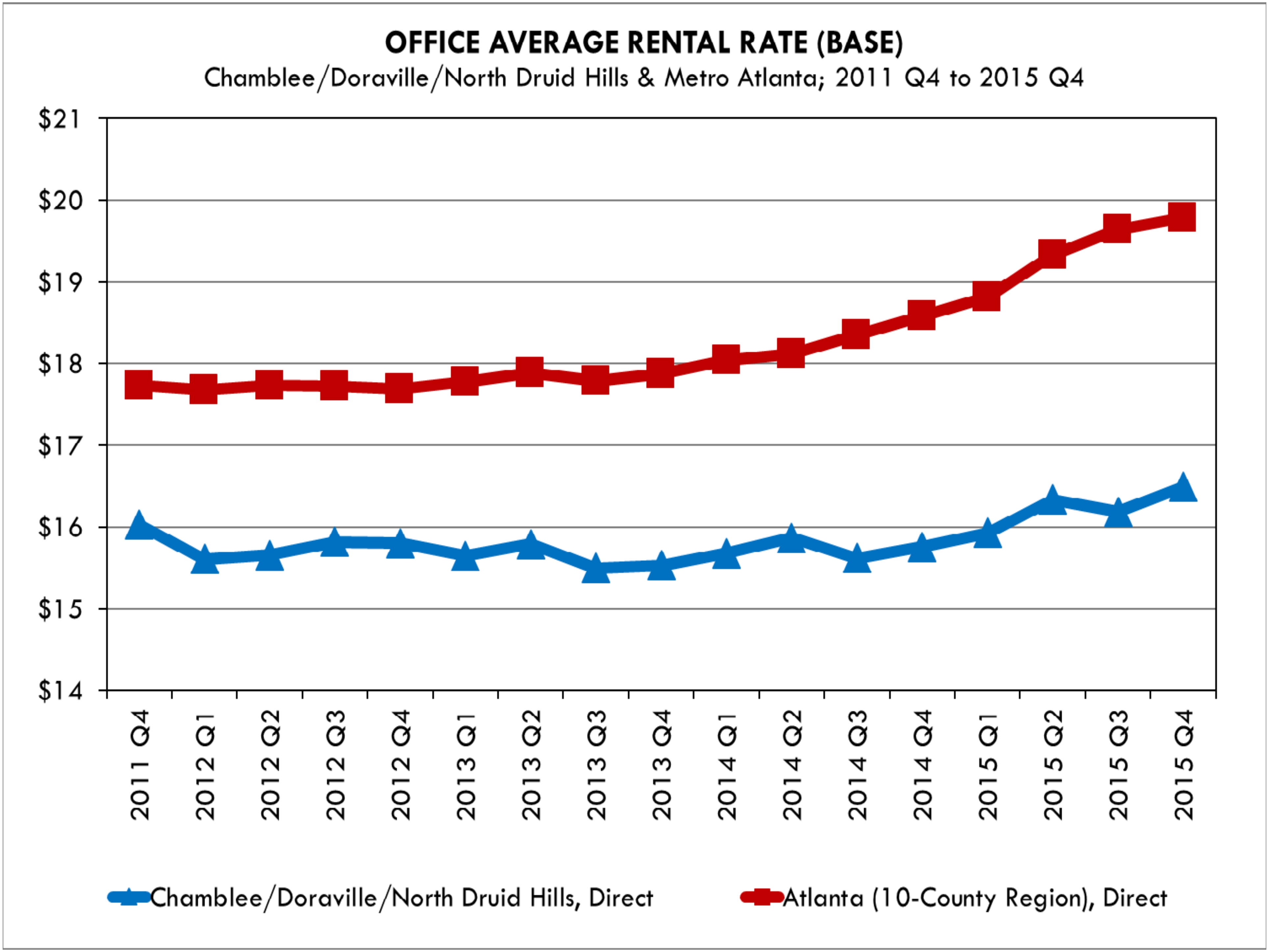
- Chamblee market is comparatively small component of the industrial market north of Atlanta
- The removal of the GM plant from marketing efforts exposed how tight the local market is
  - Low vacancy
  - Rising rent rates
- Market for additional small-scale and logistics-based industrial is strong
  - I-85, I-285
  - ITP
- Balance market opportunity with economic development goals

OFFICE MARKET ANALYSIS


OFFICE INVENTORY (GLA)
Comparative Market Area, Year End 2015
Central Perimeter
41.8%
Upper Buckhead
25.0%
Chamblee/ Doraville/
North Druid Hills
13.8%
Norcross/ Peachtree
Corners
12.8%
Northlake/ Lavista
6.5%
Total GLA: 81,727,686 SF



OFFICE VACANCY TRENDS
Chamblee/Doraville/North Druid Hills & Metro Atlanta; 2011 Q4 to 2015 Q4
17%
16%
15%
14%
13%
12%
11%
10%
9%
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
2014 Q3
2014 Q4
2015 Q1
2015 Q2
2015 Q3
2015 Q4
Chamblee/Doraville/North Druid Hills, Direct
Atlanta (10-County Region), Direct

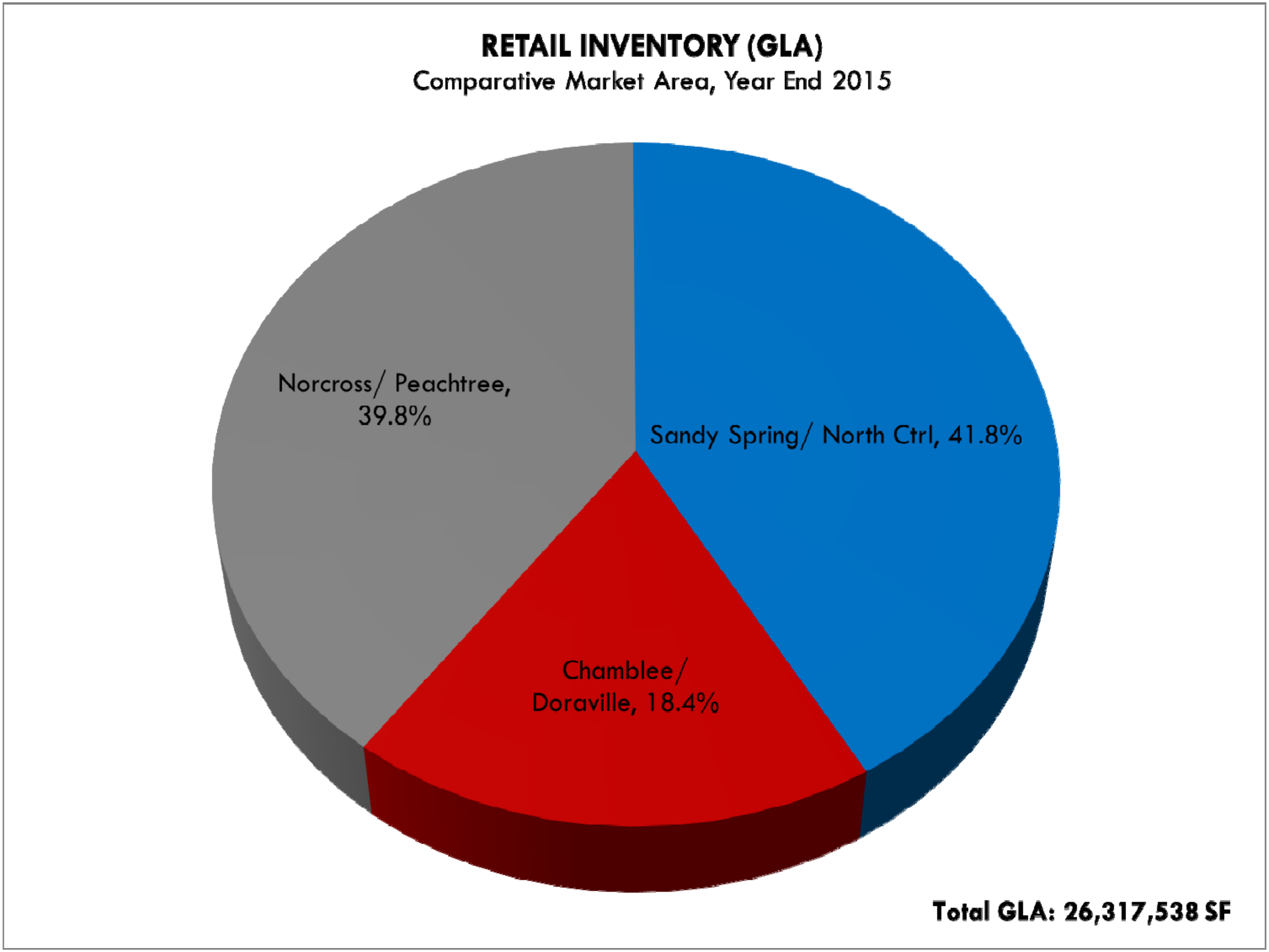

OFFICE AVERAGE RENTAL RATE (BASE)
Chamblee/Doraville/North Druid Hills & Metro Atlanta; 2011 Q4 to 2015 Q4
$21
$20
$19
$18
$17
$16
$15
$14
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
2014 Q3
2014 Q4
2015 Q1
2015 Q2
2015 Q3
2015 Q4
Chamblee/Doraville/North Druid Hills, Direct
Atlanta (10-County Region), Direct

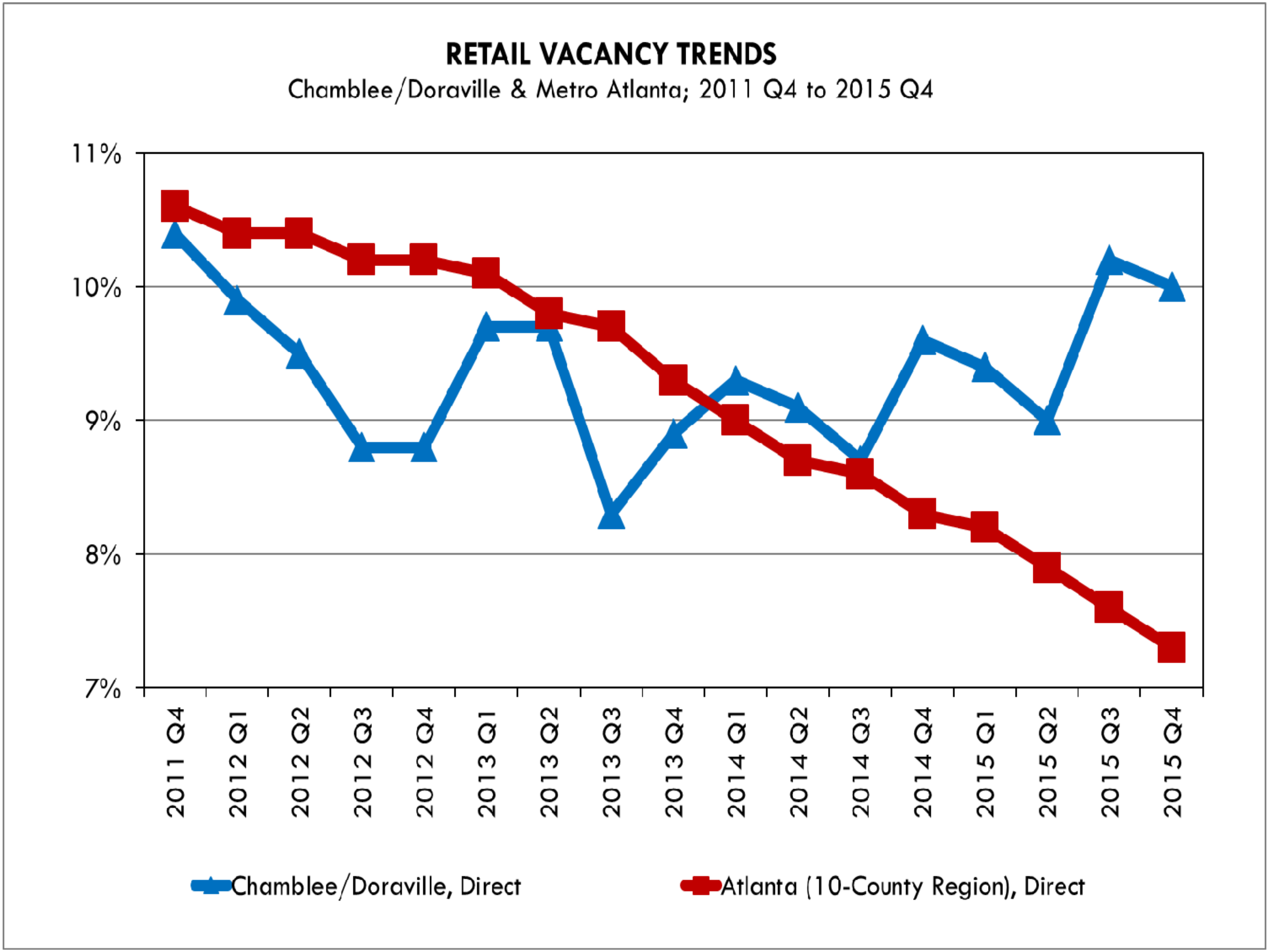
OFFICE MARKET IMPLICATIONS

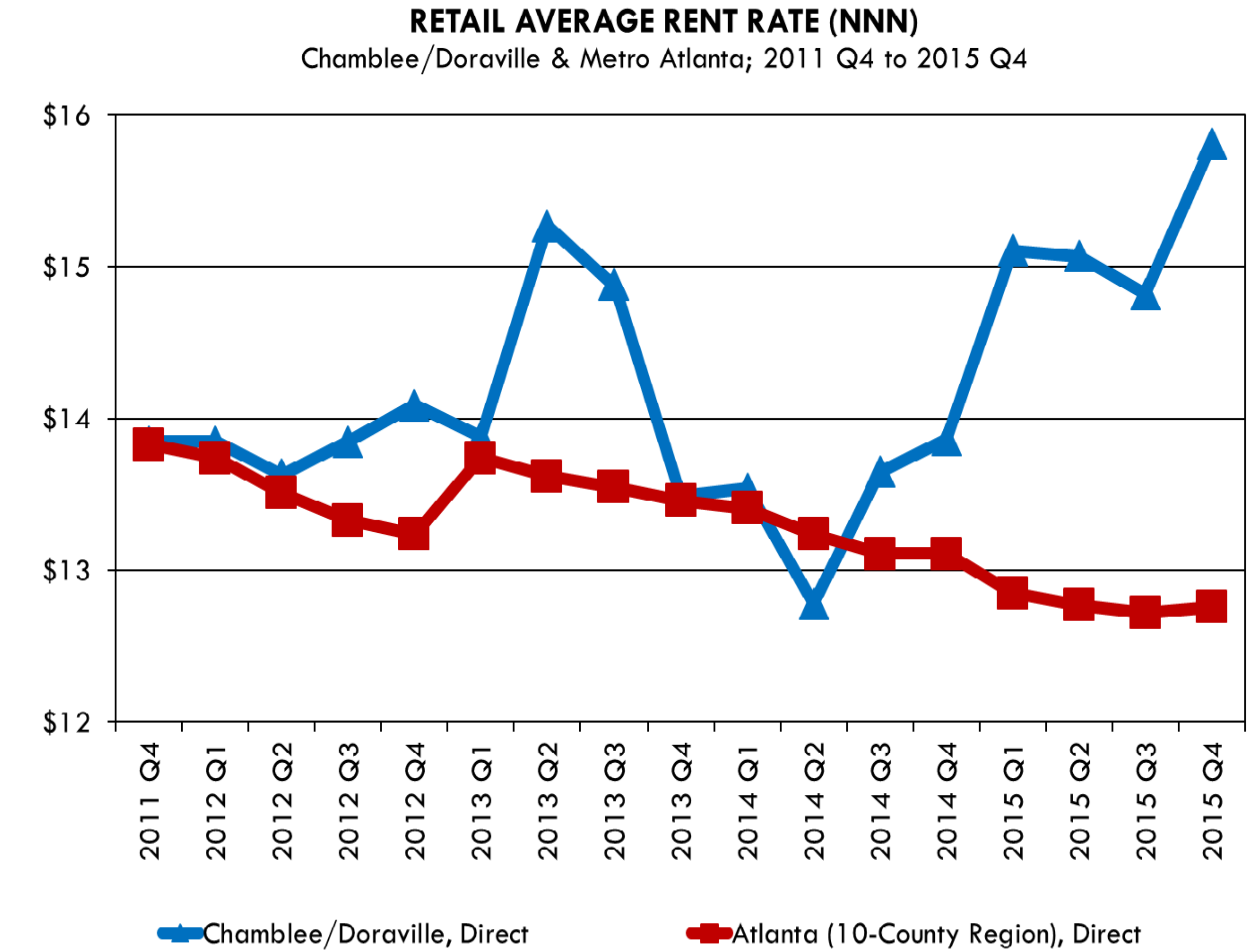
- Chamblee/Doraville space older, less competitive in regional market
  - Value alternative
  - Location vs quality

- Low vacancy rates over the last year indicate the potential/interest for additional office development
  - Evident in proposed development
  - Target industries could influence preferred type/location of space
  - Market conducive for small and mid-scale users
  - Influence of PDK, MARTA, GM

RETAIL MARKET ANALYSIS


RETAIL INVENTORY (GLA)
Comparative Market Area, Year End 2015
Norcross/ Peachtree, 39.8%
Sandy Spring/ North Ctrl, 41.8%
Chamblee/ Doraville, 18.4%
Total GLA: 26,317,538 SF


RETAIL VACANCY TRENDS
Chamblee/Doraville & Metro Atlanta; 2011 Q4 to 2015 Q4
11%
10%
9%
8%
7%
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
2014 Q3
2014 Q4
2015 Q1
2015 Q2
2015 Q3
2015 Q4
Chamblee/Doraville, Direct
Atlanta (10-County Region), Direct


RETAIL AVERAGE RENT RATE (NNN)
Chamblee/Doraville & Metro Atlanta; 2011 Q4 to 2015 Q4
$16
$15
$14
$13
$12
2011 Q4
2012 Q1
2012 Q2
2012 Q3
2012 Q4
2013 Q1
2013 Q2
2013 Q3
2013 Q4
2014 Q1
2014 Q2
2014 Q3
2014 Q4
2015 Q1
2015 Q2
2015 Q3
2015 Q4
Chamblee/Doraville, Direct
Atlanta (10-County Region), Direct

Supportable Square Footage
Chamblee North Trade Areas, 2015

Category	Conservative	Moderate	Aggressive
Total	**3,076**	**6,152**	**9,227**
Lawn & Garden Equip & Supply Stores	273	545	818
Grocery Stores	1,170	2,341	3,511
Specialty Food Stores	11	22	34
Clothing Stores	121	242	363
Shoe Stores	318	636	954
Jewelry, Luggage & Leather Goods Stores	93	187	280
Sporting Goods/Hobby/Musical Instr Stores	117	233	350
Book, Periodical & Music Stores	86	172	257
Other General Merchandise Stores	725	1,450	2,176
Other Miscellaneous Store Retailers	34	68	103
Special Food Services	58	116	174
Drinking Places - Alcoholic Beverages	69	139	208

Supportable Square Footage
Chamblee South Trade Areas, 2015

Category	Conservative	Moderate	Aggressive
Total	**2,728**	**5,455**	**8,183**
Lawn & Garden Equip & Supply Stores	57	115	172
Health & Personal Care Stores	176	353	529
Book, Periodical & Music Stores	4	8	12
Department Stores Excluding Leased Depts.	1,943	3,886	5,829
Florists	16	31	47
Office Supplies, Stationery & Gift Stores	9	19	28
Limited-Service Eating Places	522	1,044	1,567

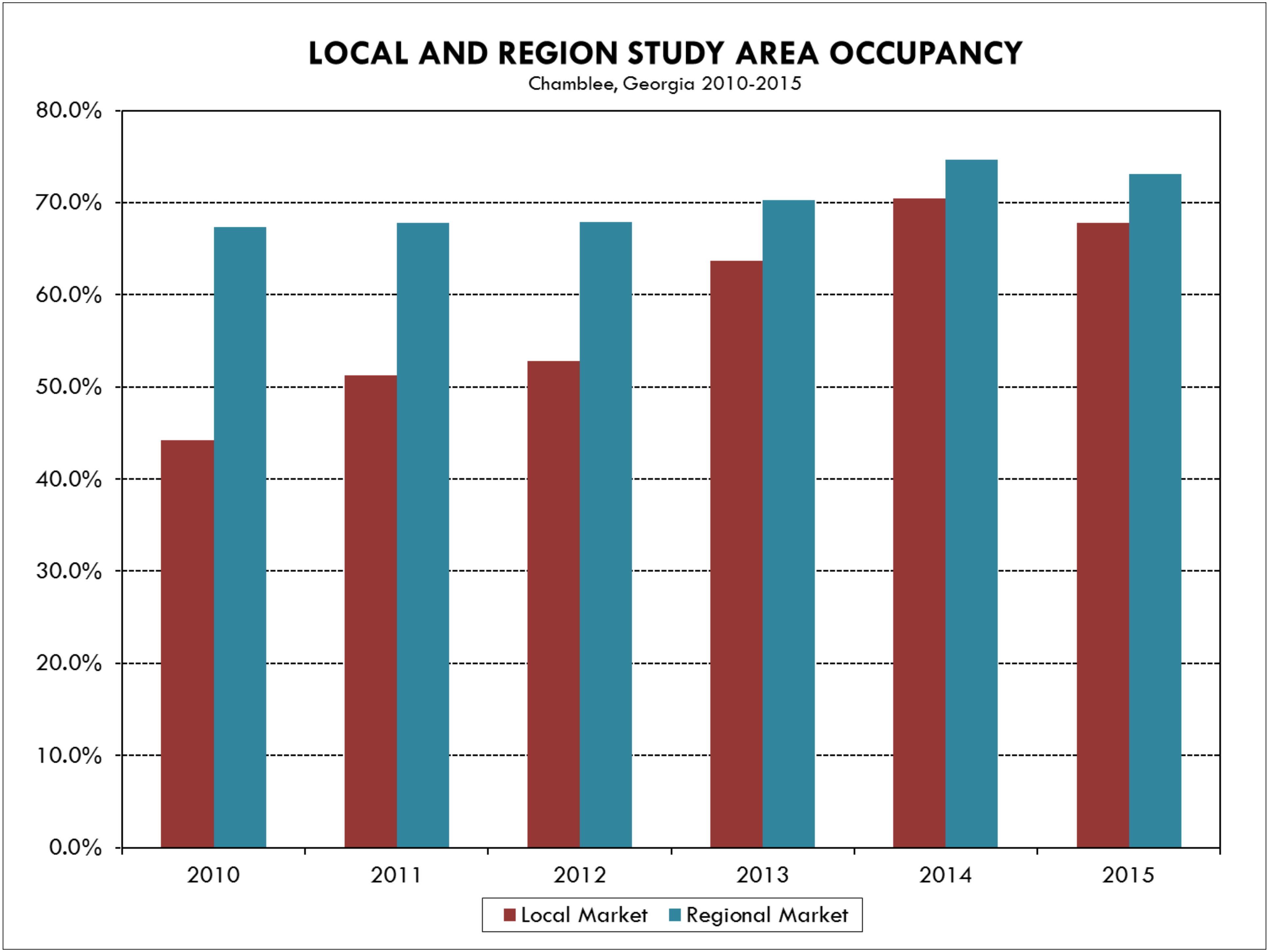
RETAIL MARKET IMPLICATIONS

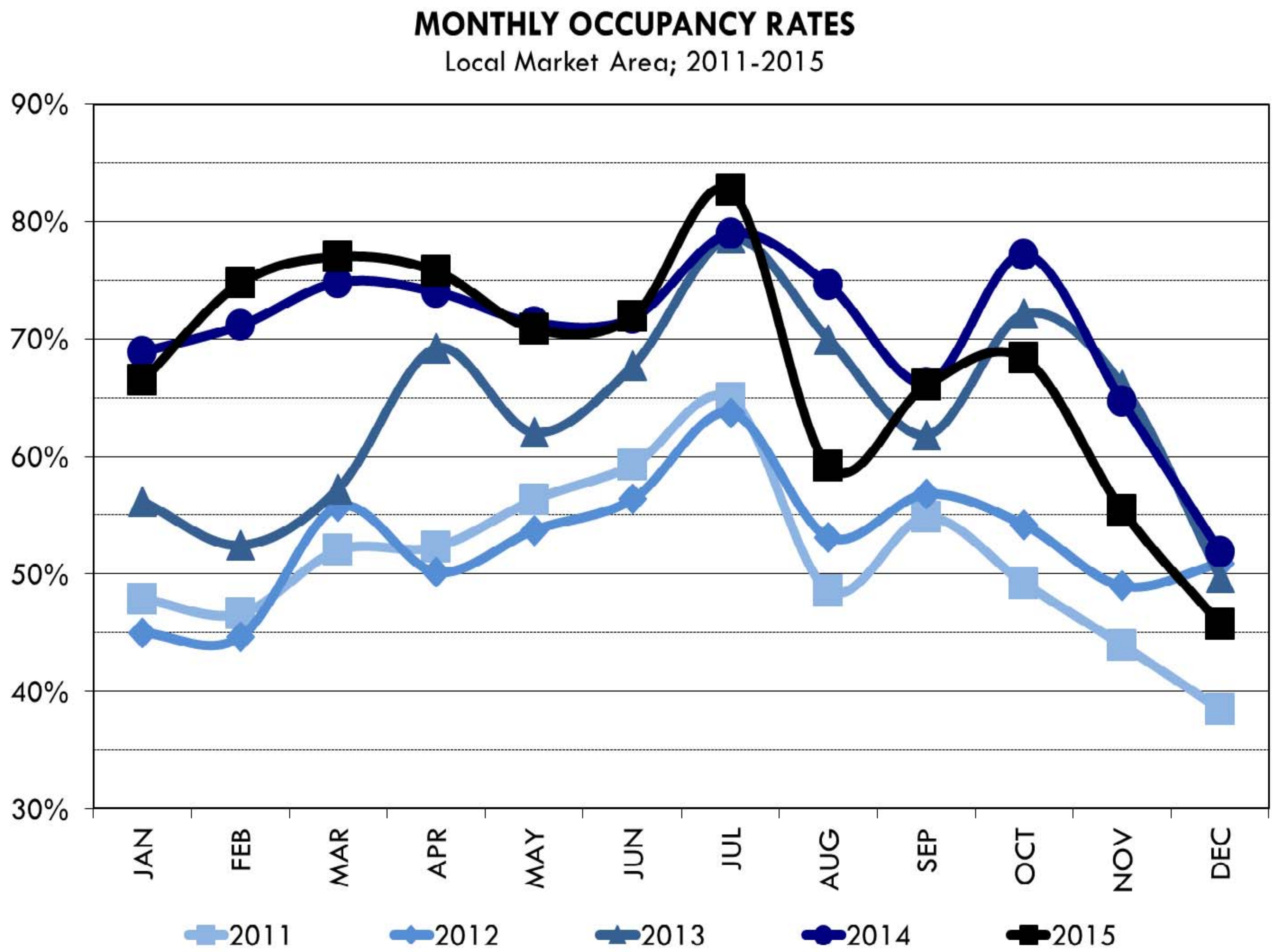
- Retail vacancy rates since 2011 may generate interest to develop additional retail
  - 425,000 SF in pipeline

- Current available space may not be as competitive when compared to surrounding markets, particularly at higher price points
  - Redevelopment potential as new space comes online

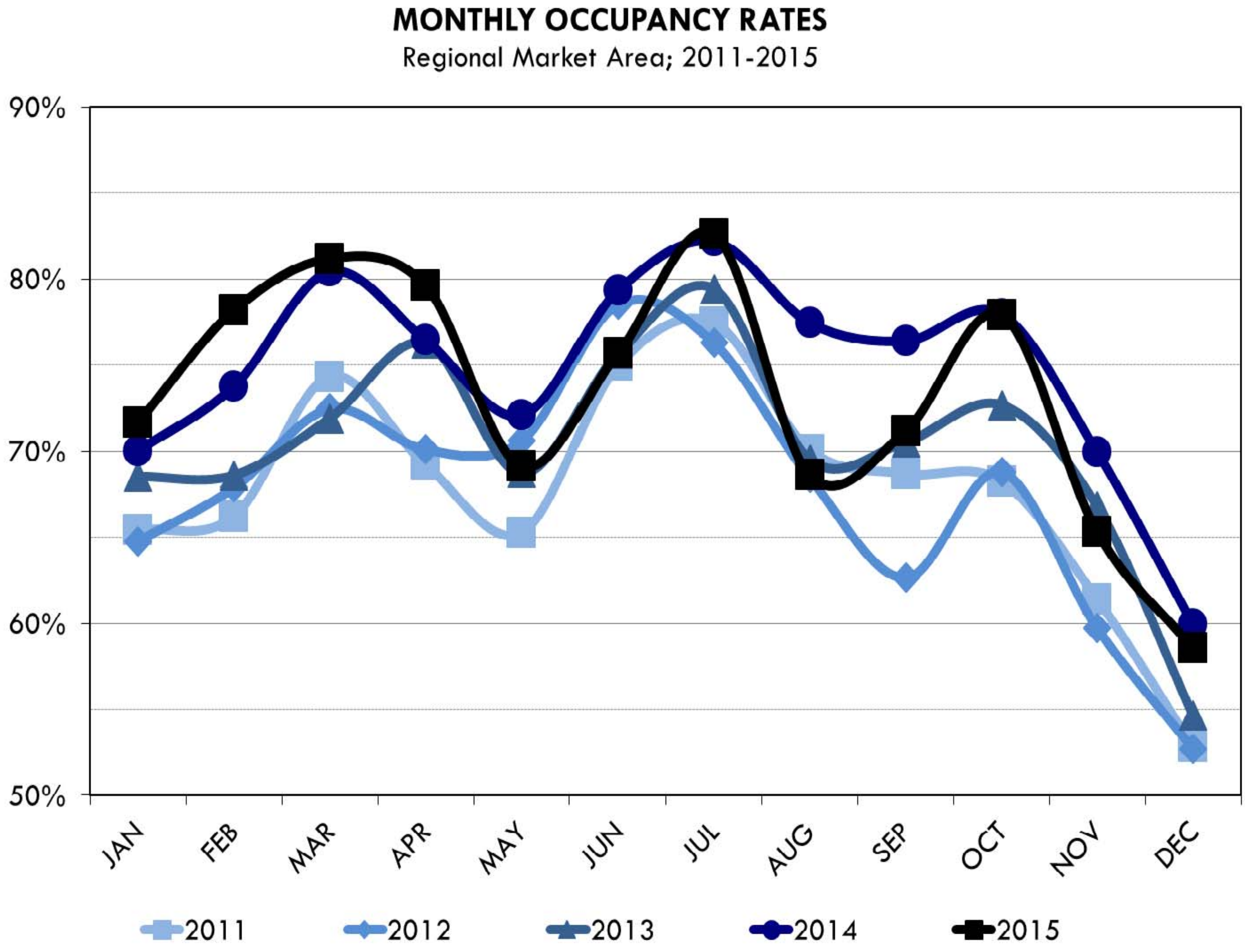
- New development is focused on capturing regional needs, as local needs are generally met
  - Type of retailer
  - Ethnic community needs/opportunities

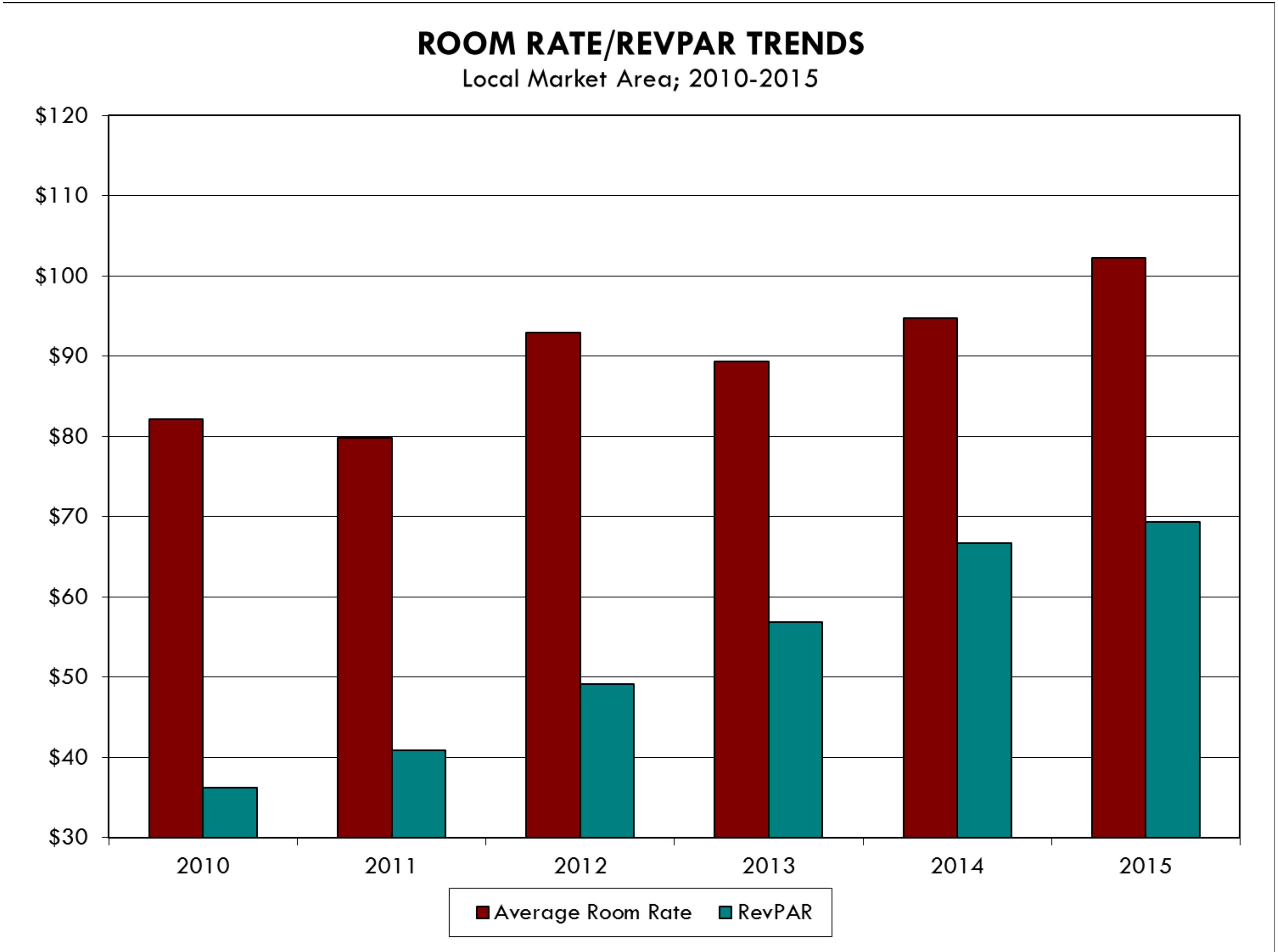
HOTEL MARKET ANALYSIS

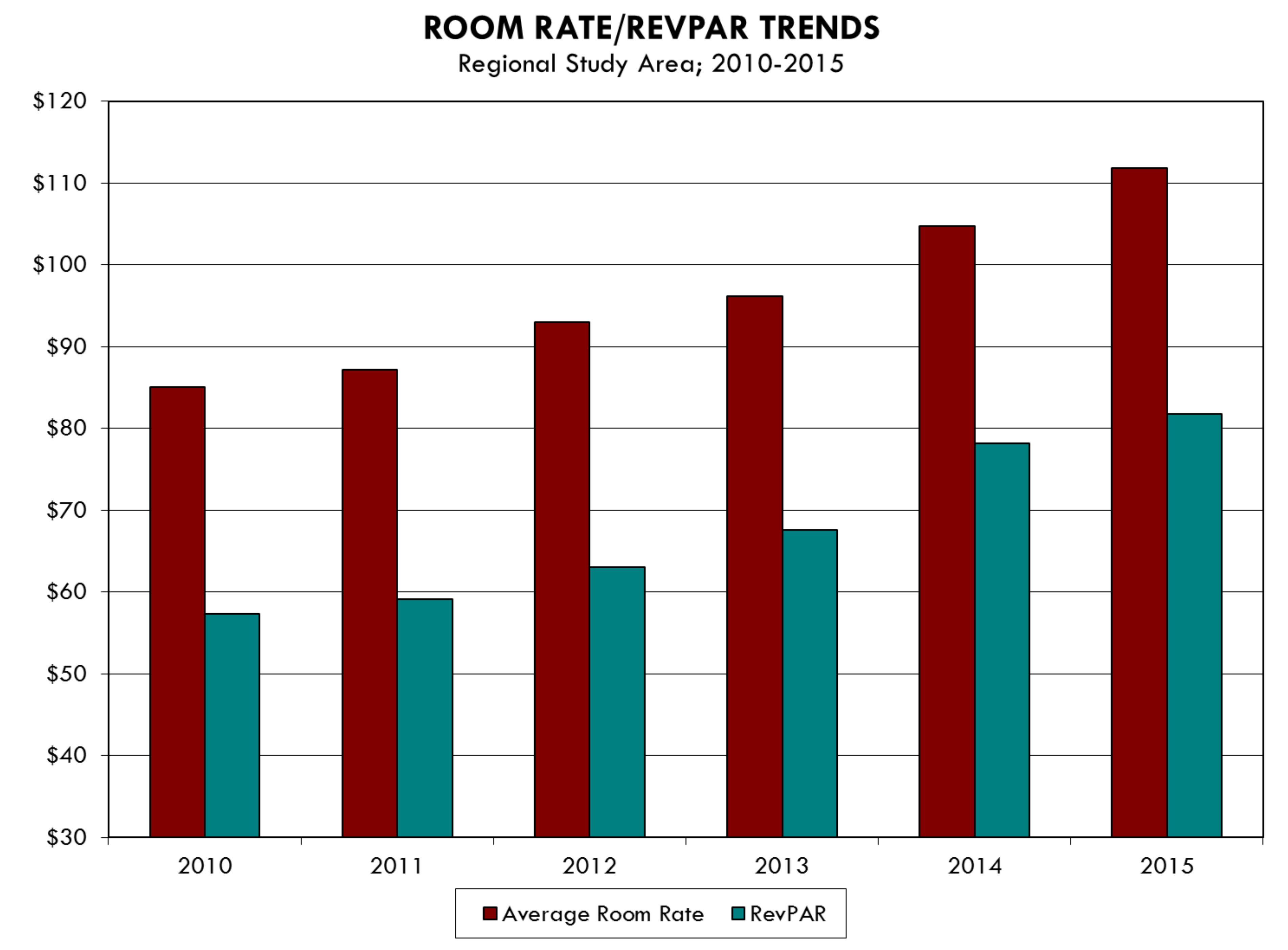

LOCAL AND REGION STUDY AREA OCCUPANCY
Chamblee, Georgia 2010-2015
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
2010
2011
2012
2013
2014
2015
Local Market
Regional Market



MONTHLY OCCUPANCY RATES
Local Market Area; 2011-2015
90%
80%
70%
60%
50%
40%
30%
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
2011
2012
2013
2014
2015


MONTHLY OCCUPANCY RATES
Regional Market Area; 2011-2015
90%
80%
70%
60%
50%
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
2011
2012
2013
2014
2015


ROOM RATE/REVPAR TRENDS
Local Market Area; 2010-2015
$120
$110
$100
$90
$80
$70
$60
$50
$40
$30
2010
2011
2012
2013
2014
2015
Average Room Rate
RevPAR


ROOM RATE/REVPAR TRENDS
Regional Study Area; 2010-2015
$120
$110
$100
$90
$80
$70
$60
$50
$40
$30
2010
2011
2012
2013
2014
2015
Average Room Rate
RevPAR

HOTEL MARKET IMPLICATIONS

- Notably high occupancy rates for both Chamblee and the Region in recent years indicates that there is strong potential for additional hotel development

- Hotel development in Chamblee will need to be scaled to the local market and avoid directly competing with regional accommodation clusters

- A known brand and unique concept will be necessary to compete with the well-located regional competition