



SIX FLAGS SPECIAL SERVICE DISTRICT MARKET ANALYSIS

PRESENTED FOR:



PRESENTED BY:



BleaklyAdvisoryGroup

May 2020

INTRODUCTION

Project Overview

- This report provides a summary of key demographic and economic trends impacting future real estate development in and around the Six Flags Special Services District.
- Results from the study will assist the South Cobb Redevelopment Authority and Cobb County government establish policies to encourage the desired mix of land uses benefiting residents, employees, and businesses.
- The final section focuses on real estate development opportunities for SCRA-owned land.
- Research was conducted through both secondary and primary sources, including input from online community surveys and a dedicated steering committee.

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COVID-19 DISCLAIMER

Generally, this data reflects local and national economic conditions prior to the widespread external economic shock caused by the COVID-19 pandemic. The conclusions developed in this assignment reflect the research and analysis of data collected prior to Q2 2020. The assumptions reported herein do not account for the possibility of a drawn-out economic downturn. These assumptions should be considered valid under a reasonably-likely scenario in which the general economy and real estate markets stabilize within the 2021 calendar year. Under that scenario, most currently planned private and public building projects, job growth, consumer confidence, tax laws, and the availability/cost of capital and mortgage financing, among other factors, will stabilize and normalize 12 months of this writing. The data and the corresponding conclusions and recommendations herein should be reviewed and adjusted should any major changes to the above scenario occur.



BleaklyAdvisoryGroup



- ▶ **Real estate and economic development consulting firm.**
 - ▶ *Founded in 2001*
 - ▶ *Eight-member professional team*
- ▶ **Practice covers six areas in both public and private sectors:**
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 - ▶ *Real Estate Economics*
 - ▶ *Development Consulting*
 - ▶ *Financial Analysis*
 - ▶ *Incentives & Public Finance*
 - ▶ *Housing Analysis*

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SIX FLAGS SPECIAL SERVICES DISTRICT COMPREHENSIVE MARKET STUDY



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Existing Land Use

- The SSD area is comprised of 130 parcels on 2,593 acres
 - 81% of the SSD land is designated industrial
 - 15% residential
 - 3% commercial
- According to Cobb County records approximately 312 acres (43 parcels) are undeveloped and 73 acres (4 parcels) are under development.

Demographics

- Approximately 6,650 people live in the SSD area, which is 10% of the total South Cobb population and approximately 1% of Cobb County's total population.
- The median income in the SSD is estimated at \$36,787, which is 54% of that of the SCRA area and 45% of Cobb County overall.
- The SSD area has a significantly higher presence of younger residents than the SCRA, Cobb County, and the Atlanta MSA.
 - 62% of the SSD residents are in the youngest generational cohort.
- SSD population is 41% Black and 41% Hispanic or Latino. Only 19% of the population is White or another ethnicity.

Economics and Workforce

- The SSD has an estimated 9,239 Primary Jobs
- This represents the addition of 4,845 primary jobs in the past 10 years.
- Jobs increases from 2014 to 2017 doubled nominal employment growth from 2002 to 2014. Much of the growth can be attributed to the growth in the warehousing sector in the area.
- Nearly all the workers in the SSD commute in from elsewhere in the region.

Housing

- An estimated 74% of the homes in the SSD are multifamily and 26% are mobile homes.
- 92% of the homes in the SSD are renter-occupied, with the remainder owner-occupied mobile homes.

Real Estate

- Other than the industrial sector, little commercial real estate development activity has occurred in the SSD area in the past five years.
- The SCRA area's share of Cobb County's industrial space within has expanded by 10% since 2000, while the share of other commercial real estate space has remained flat over the past 20 years. Much of the industrial expansion in the SCRA area has occurred in the SSD.

EXECUTIVE SUMMARY

Real Estate Development Opportunity

- This study undertook demand opportunity forecasts based on analyzing historic and future supply and demand conditions.
- The results of this analysis are indicative, rather than predictive. That is, they represent potential outcomes of the future real estate development cycles, but are not intended to forecast actual development outcomes.
- Given the recent development environment and the planned land use conditions, the real estate market is most likely to continue to seek industrial development throughout the SSD area.
- Opportunities for residential development are also present in the SSD, in the right locations and formats, and at appropriate price points.
- Additionally, while the opportunity for Class A professional office in the area is non-existent, medical office development could occur in select locations.
- The market-driven demand for additional real estate development in the SSD is based on estimates of potential future activity given current trends. However, non-market forces, such as actions by the public sector (including the SCRA), have the ability to alter the course of future demand scenarios.
- Guiding development using land ownership options, economic development initiatives, and community engagement can modify the local real estate development cycle on particular parcels and throughout the area.

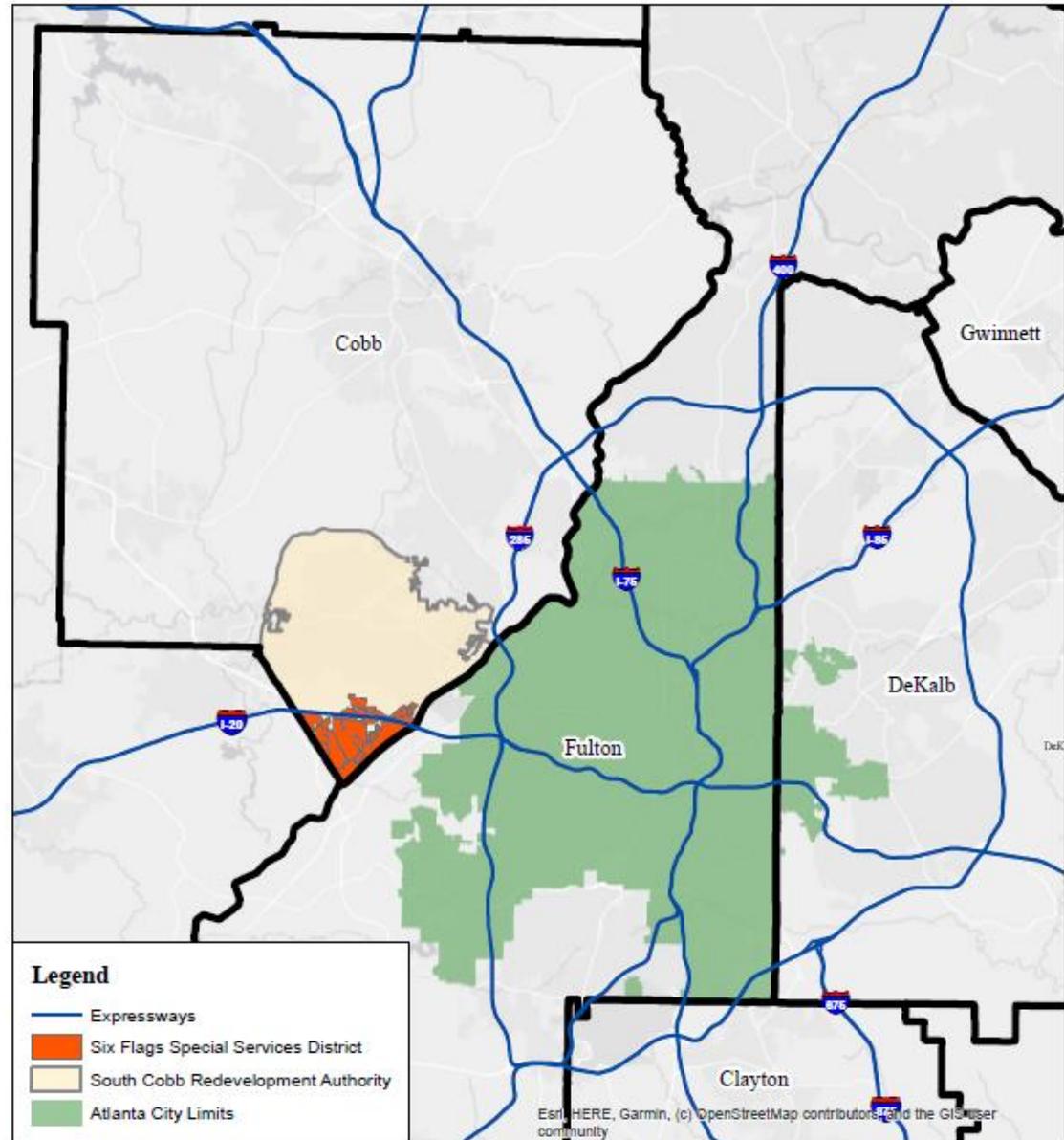
SCRA-Owned Property

- The SCRA owns 50.6 acres near the intersection of Riverside Parkway and Factory Shoals Road within the SSD area.
- The conclusion of this analysis is that while development opportunities do exist on the SCRA-owned site, it lacks the attributes necessary to attract a large market-driven “catalyst” real estate development. Thus public and community actions are needed to grow demand.
- The site provides a unique opportunity to help to grow the community connections and the local economy through both real estate activities, and social activities.
- In order to unlock the site’s potential, aggressive action is necessary. Potential action items are to provide a robust economic development toolbox for potential developers of the site. The SCRA should be an active participant in the development of the property in order to for the site to serve as a “catalyst” for change in the greater South Cobb area.
- To begin, the SCRA should pursue a development partner through an RFQ/P process.
- An ideal partner would have experience in “mission-driven” community development, as well as successful “market-driven” real estate development.
- Other initiatives for the site could be to activate the site prior to the development through “creative placemaking,” establish a philanthropically-funded community development corporation, and/or create a Tax Allocation District (TAD) for the area.

DISTRICT CONTEXT

DISTRICT CONTEXT

- South Cobb County has an abundance of opportunities and resources for development and the establishment of a community’s “sense of place.”
- To guide this implementation process, Cobb County created both the South Cobb Redevelopment Authority (SCRA) and Six Flags Special Services District (SSD) in 2012 and 2014, respectively.
- The SSD is located mostly between I-20, Fulton and Douglas Counties, with a small portion north of I-20, including a 50-acre parcel along Riverside Parkway.
- SCRA’s boundaries extend north to the East-West Connector encompassing all property between the cities of Austell and Smyrna, otherwise known as Mableton (unincorporated).



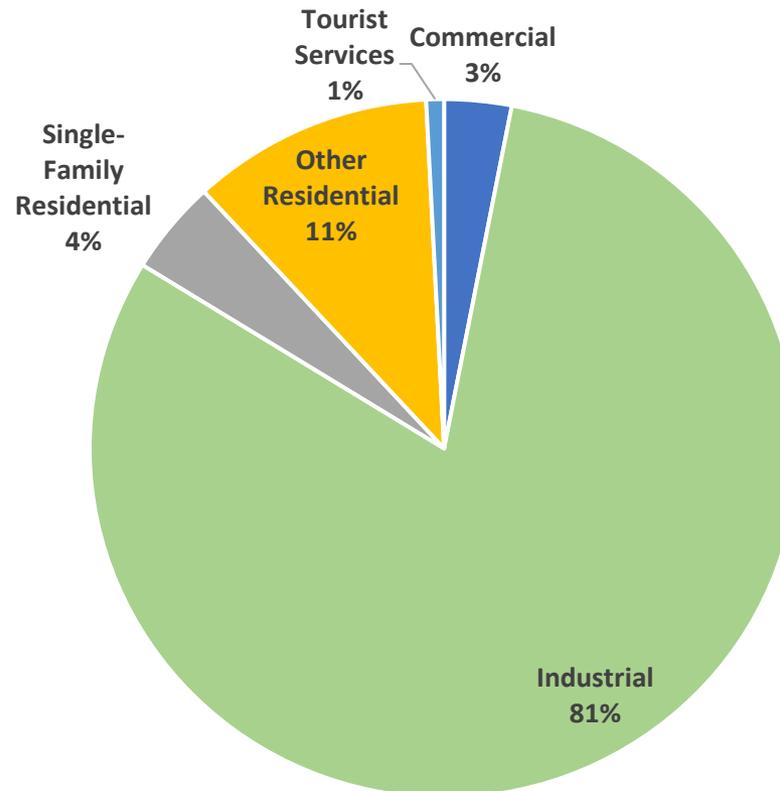
EXISTING LAND USE

Summary

- According to Cobb County land use data, the SSD area is comprised of 130 parcels on 2,593 acres.
- Significant land use characteristics include:
 - Approximately **81% of the SSD land is designated industrial** (heavy, light, and future). These 74 parcels account for 2,093 acres.
 - **15% of the SSD acreage is zoned residential**. Of that, 5% is zoned multifamily, 4% single-family, 4% mobile home park, and 2% “planned village community,” which will also allow some commercial. These 33 parcels account for 399 acres.
 - **3% of the SSD land is zoned commercial**, which is 16 individual parcels, or 12% of the 130 total, on 80 acres.

Source: Bleakly Advisory Group based on parcel level land use data from Cobb County

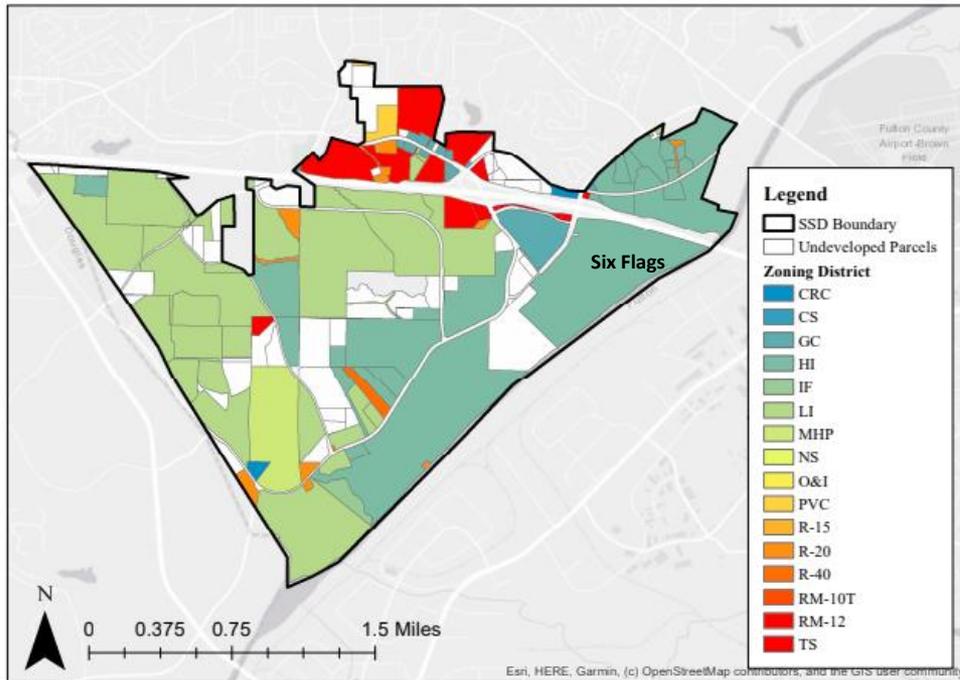
Distribution of SSD Parcels by Zoning District Acreage



EXISTING ZONING DISTRICTS

Zoning Details

- The privately-held land in the SSD is an essential location for key components of the Cobb County and Atlanta Region’s economy.
- The area’s location along I-20, convenient to downtown Atlanta and large swaths of the Southeast, make it attractive for industrial and logistics uses, leading to the large amount of industrial zoned land in the district. Additionally, the convenient location is attractive to locals and tourists seeking entertainment and cultural activities at Six Flags and the adjacent EpiCenter.
- The access to jobs and amenities in the area can help attract additional residents to the area, if new offerings are provided on residential tracts.

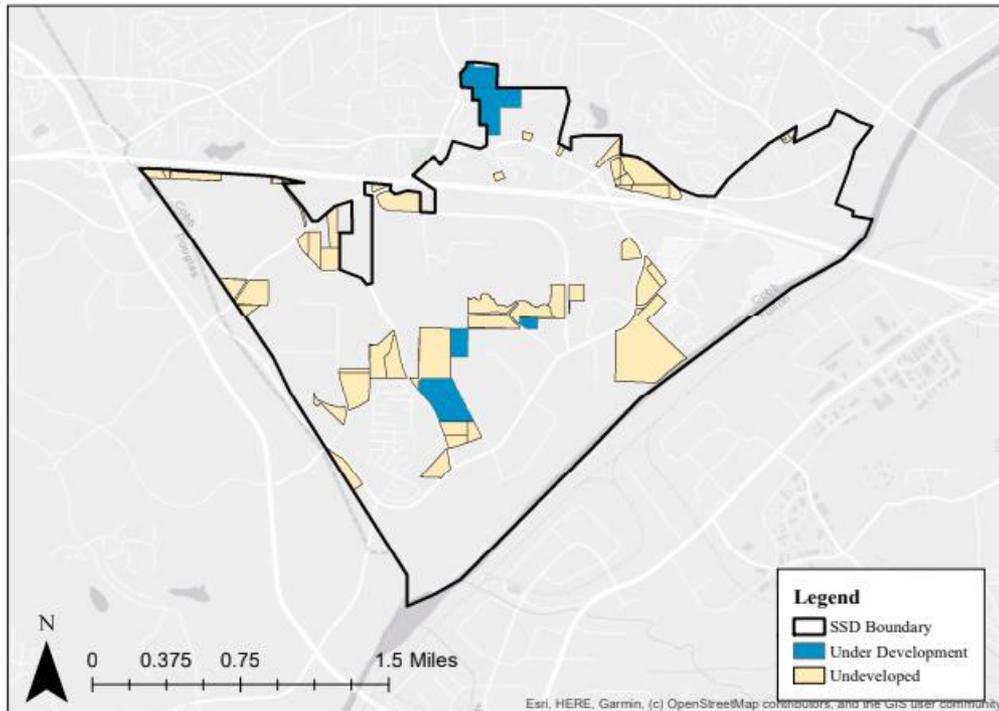


Source: Bleakly Advisory Group based on parcel level land use data from Cobb County

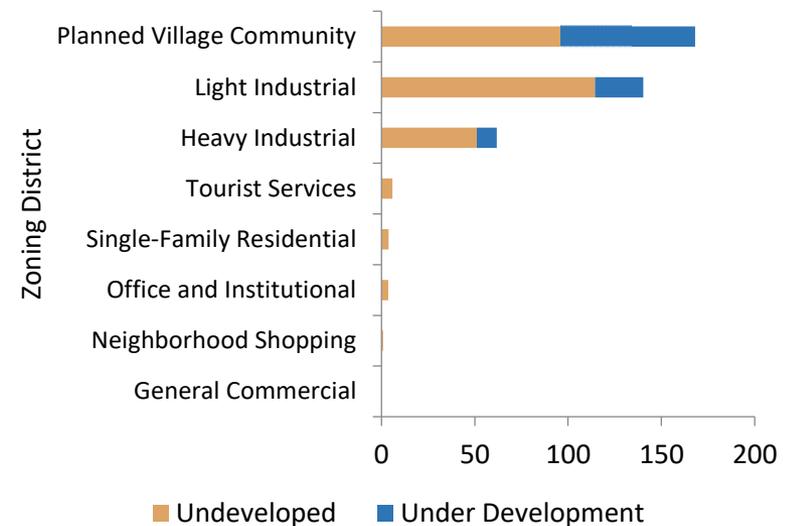
Zoning District	Definition	Parcels	% of Parcels	Acreage	% of Acres
CRC	Community Retail	2	1.5%	8.1	0.3%
C5	Commercial Large Tracts	1	0.8%	0.006	0.0%
GC	General Commercial	11	8.5%	66.0	2.5%
HI	Heavy Industrial	32	24.6%	986.2	38.0%
IF	Future Industrial	1	0.8%	14.6	0.6%
LI	Light Industrial	41	31.5%	1,092.4	42.1%
MHP	Mobile Home Park	1	0.8%	100.5	3.9%
NS	Neighborhood Shopping	1	0.8%	3.9	0.2%
OI	Office and Institutional	1	0.8%	1.5	0.1%
PVC	Planned Village Community	1	0.8%	50.5	1.9%
R-15	Single-Family Residential (15,000 SF Lot Size)	1	0.8%	0.003	0.0%
R-20	Single-Family Residential (20,000SF Lot Size)	20	15.4%	101.9	
R-40	Single-Family Residential (40,000SF Lot Size)	2	1.5%	11.0	3.9%
RM-10T	Residential Multifamily	1	0.8%	0.1	
RM-12	Residential Multifamily	7	5.4%	135.0	0.4%
TS	Tourist Services	7	5.4%	21.0	
Total		130	100%	2,592.7	100%

EXISTING UNDEVELOPED/UNDER DEVELOPMENT LAND

- According to Cobb County records, of the 2,593 acres within the SSD, approximately 312 acres (43 parcels) are undeveloped and 73 acres (4 parcels) are under development.
- As shown on the map below, 43 parcels accounting for 12% of the acreage in the SSD are undeveloped.
- These parcels provide the best opportunities for new development in the SSD, although, depending on the economics of the development, new development also has the potential to take place on currently occupied redevelopment sites.
- The SCRA-owned 50-acre “Magnolia Crossing+Yancey property,” which is zoned planned village community, is categorized as “under development” by Cobb County.



Undeveloped/Under Development Study Area Acreage by Zoning District



Source: Bleakly Advisory Group based on parcel level land use data from Cobb County

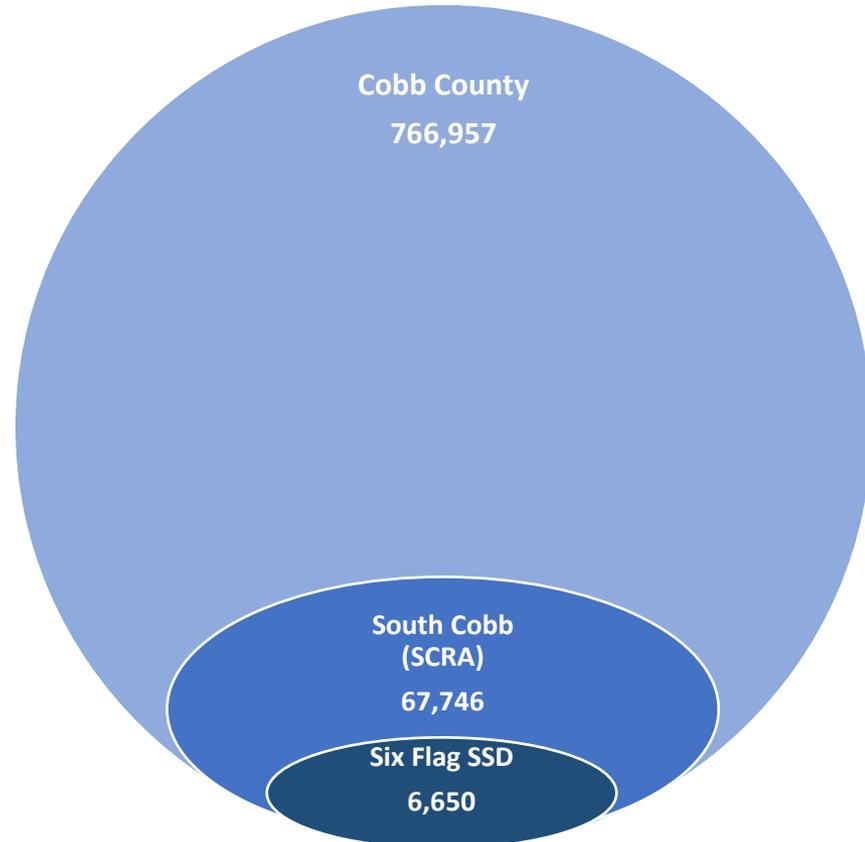
DEMOGRAPHIC ASSESSMENT

DEMOGRAPHIC ASSESSMENT

Population Summary

- While the SSD was formed to help administrate the commercial development district near Six Flags, it does include approximately 2,000 housing units contained in eight multifamily apartment communities and one mobile home park.
- Through a detailed analysis of the area demographics for this study, we estimate that there are approximately 6,650 people living in the SSD area.
- As shown at right, the SSD comprises approximately 10% of the total South Cobb population and approximately 1% of Cobb County's total population.
- This amount of people and households in the area helps to drive the demand for retail offerings and other services in the area, but because the focus of the area has historically been on industrial and entertainment development in the area, consumer demand is somewhat limited.
- The demographics of these areas are detailed in the following section of the report.

Population, 2020 Estimates



DEMOGRAPHIC ASSESSMENT

Population & Households

- Because of the limited nature of residential land uses in the SSD, its household and population growth is inherently limited.
- Nevertheless the SSD added an estimated 16 households and 83 since 2000.
- If the housing vacancy rate, currently approximately 12%, were to improve to 5% by 2025, the population could grow by over 350 persons and by over 100 households, which serves as the basis for the projections shown below.
- This household and population growth rate would put the area on par with the projected growth rates for Cobb County and the larger Atlanta region.

Population					Households				
	SSD	SCRA	Cobb County	Atlanta MSA		SSD	SCRA	Cobb County	Atlanta MSA
2000	6,566	45,930	607,719	4,263,447	2000	1,982	16,770	227,483	1,559,711
2010	6,587	59,594	688,078	5,286,728	2010	1,973	21,690	260,055	1,943,885
2020 Estimate	6,650	67,746	766,957	6,073,585	2020 Estimate	1,999	24,582	292,190	2,245,003
2025 Projection	7,019	71,866	806,624	6,445,334	2025 Projection	2,110	26,056	308,023	2,386,500
New Population 2000-2020	83	21,816	159,238	1,810,138	CAGR Growth 2000-2020	0.04%	1.9%	1.3%	1.8%
					CAGR (Fcst) 2020-2025	1.1%	1.2%	1.1%	1.2%
					New Households 2000-2020	16	1,474	15,833	141,497

Source: Bleakly Advisory Group, based on data from the US Census, Claritas, and CoStar

DEMOGRAPHIC ASSESSMENT

Population Density

- This map illustrates the population densities by Census Tract Block Groups that include the SSD area, SCRA, and the surrounding area.
- The highest population density in the SSD is north of I-20, where seven of the eight local apartment communities are located.
- As shown, the greatest population densities in Cobb County are near Marietta (not shown) Smyrna, Vinings, and the I-75 corridor/Cumberland area.
- Population density is important to understanding the retail and service offerings in an area, as it is necessary to achieve densities at or around 5,000 persons per square mile to arrive at a critical mass large enough to support these offerings.
- Accordingly, there is a greater density of retail and services in Cobb County north of the East/West Connector.
- Additional details on the residential and commercial real estate markets in the SSD is included later in this report.
- The circle on the map represents a three-mile radius from the SCRA's "Magnolia property."

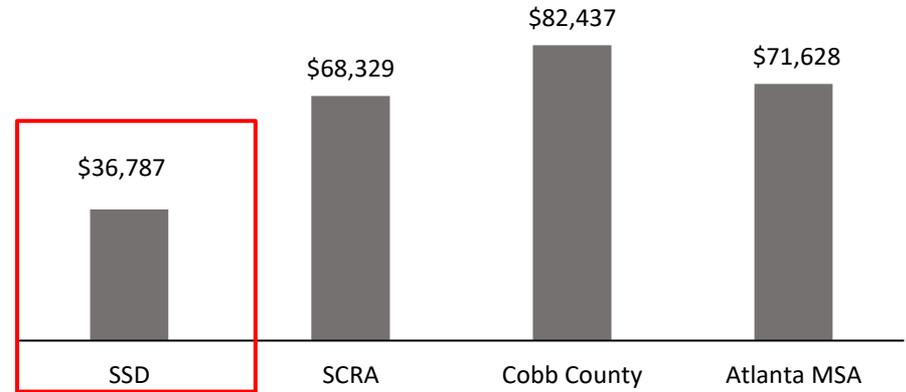


DEMOGRAPHIC ASSESSMENT

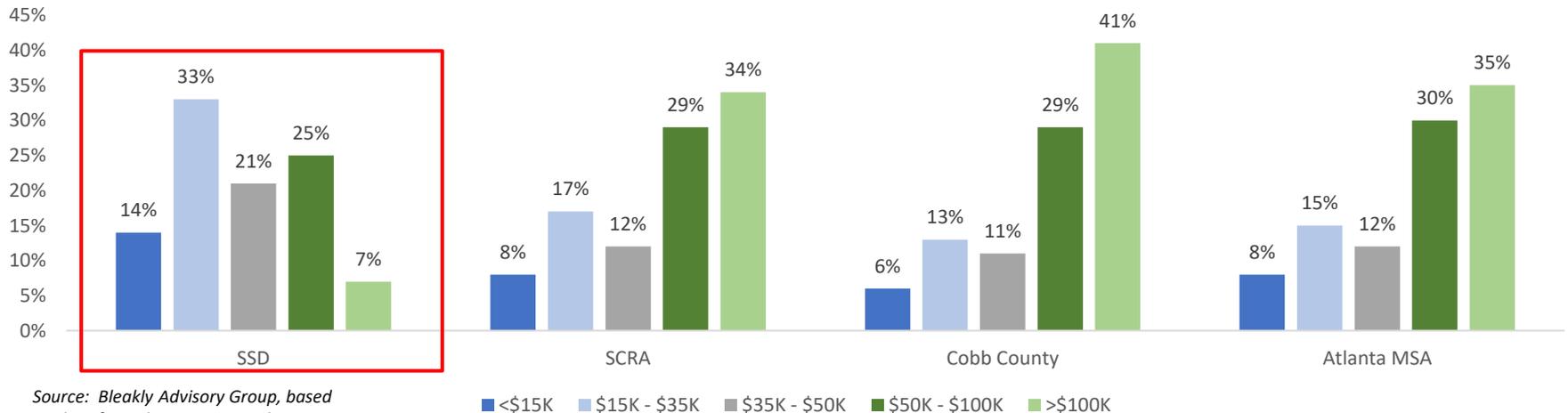
Household Income

- The median income in the SSD is estimated at \$36,787, based on a detailed analysis of demographic data for this study.
- The SSD's median income is 54% of that of the SCRA area and 45% of Cobb County overall.
- 68% of SSD households have an income of \$50,000 or less, compared to 37% in the SCRA, 30% in Cobb County, and 29% in the Atlanta MSA.
- 26% of residents in the SSD live below poverty level.

2020 Est. Median Household Income



2020 Est. Household Income Distribution

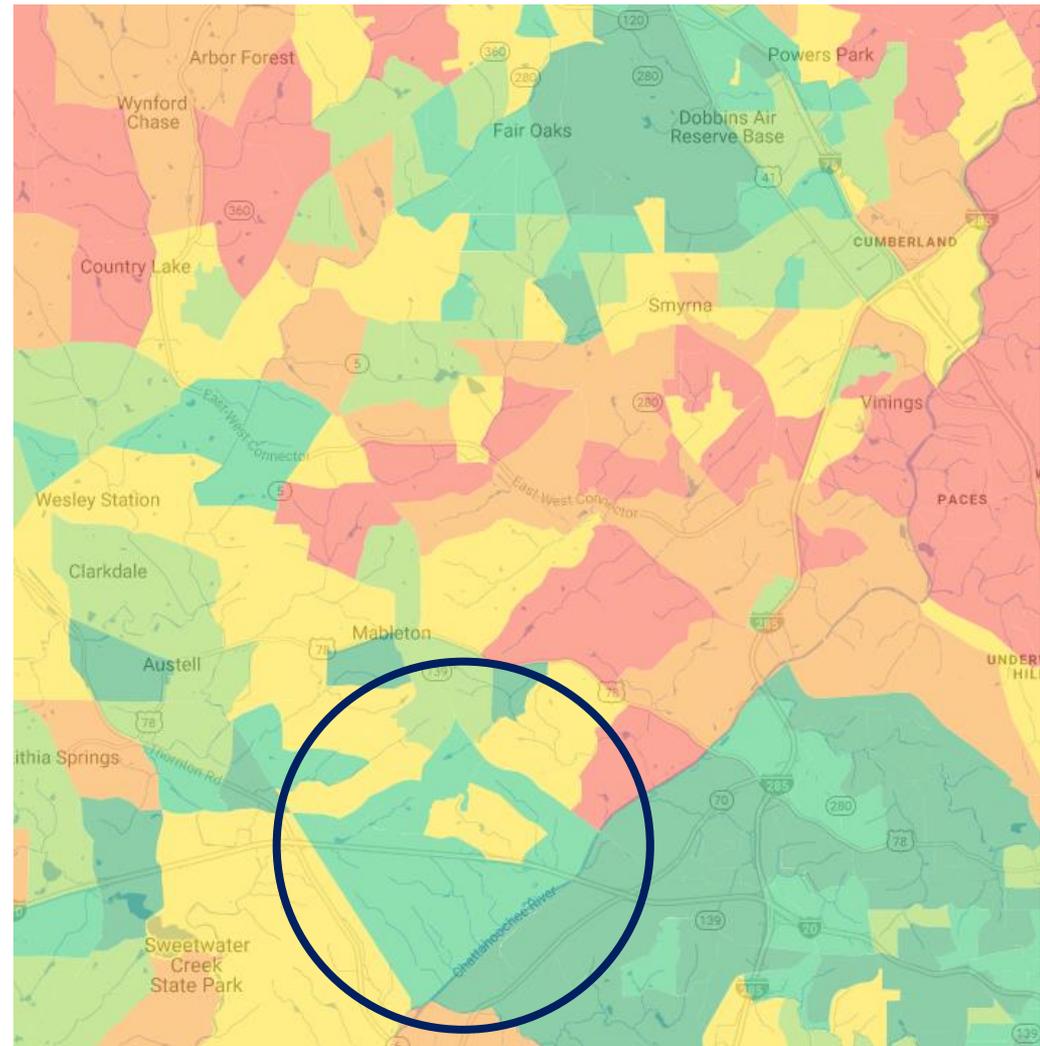


Source: Bleakly Advisory Group, based on data from the US Census, Claritas

DEMOGRAPHIC ASSESSMENT

Household Income

- This map illustrates the median household income densities by Census Tract Block Groups that include the SSD area, SCRA, and the surrounding area.
- Combining this spatial demographic data with the population density map shown above, helps retailers determine opportunities for new stores.
- Areas with higher income densities tend to attract greater variety of retail offerings.
- Higher household income areas in Cobb County are less concentrated compared to population densities.
- As noted above, additional details on the residential and commercial real estate markets in the SSD is included later in this report.
- The circle on the map represents a three-mile radius from the SCRA's "Magnolia property."

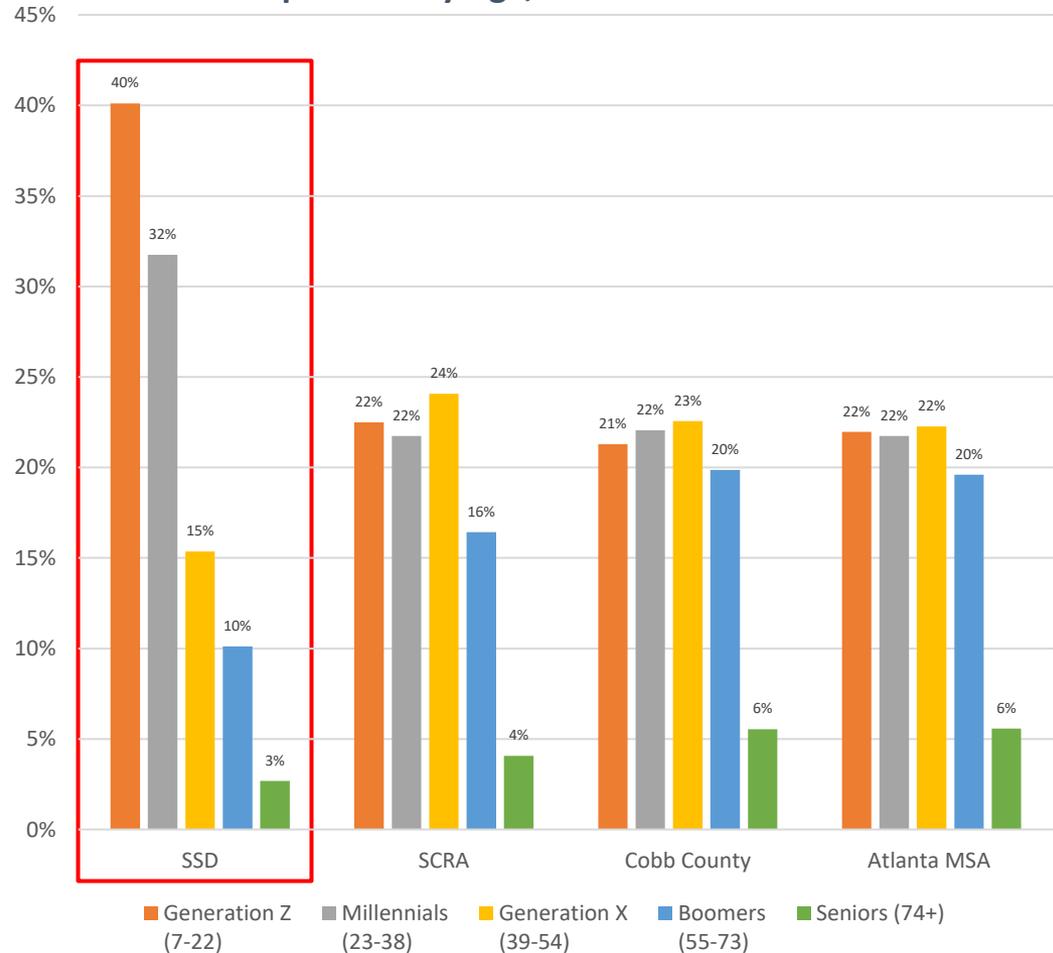


DEMOGRAPHIC ASSESSMENT

Generation Analysis

- The presence of such a young populace in the SSD is an anomaly compared to the surrounding area and the larger region.
- Through a detailed analysis of the area demographics for this study, we estimate that the SSD area has a significantly higher presence of younger residents than the SCRA, Cobb County, and the Atlanta MSA.
- 62% of the SSD residents are in the youngest generational cohort (Gen Z), compared to 44% in the SCRA, 43% in Cobb County, and 44% in the Atlanta MSA.
- Over 35% of SSD residents are children (17 and under), compared to 28% of the SCRA, 23% of Cobb County, and 32% of the Atlanta MSA.

Population by Age, 2020 Estimates

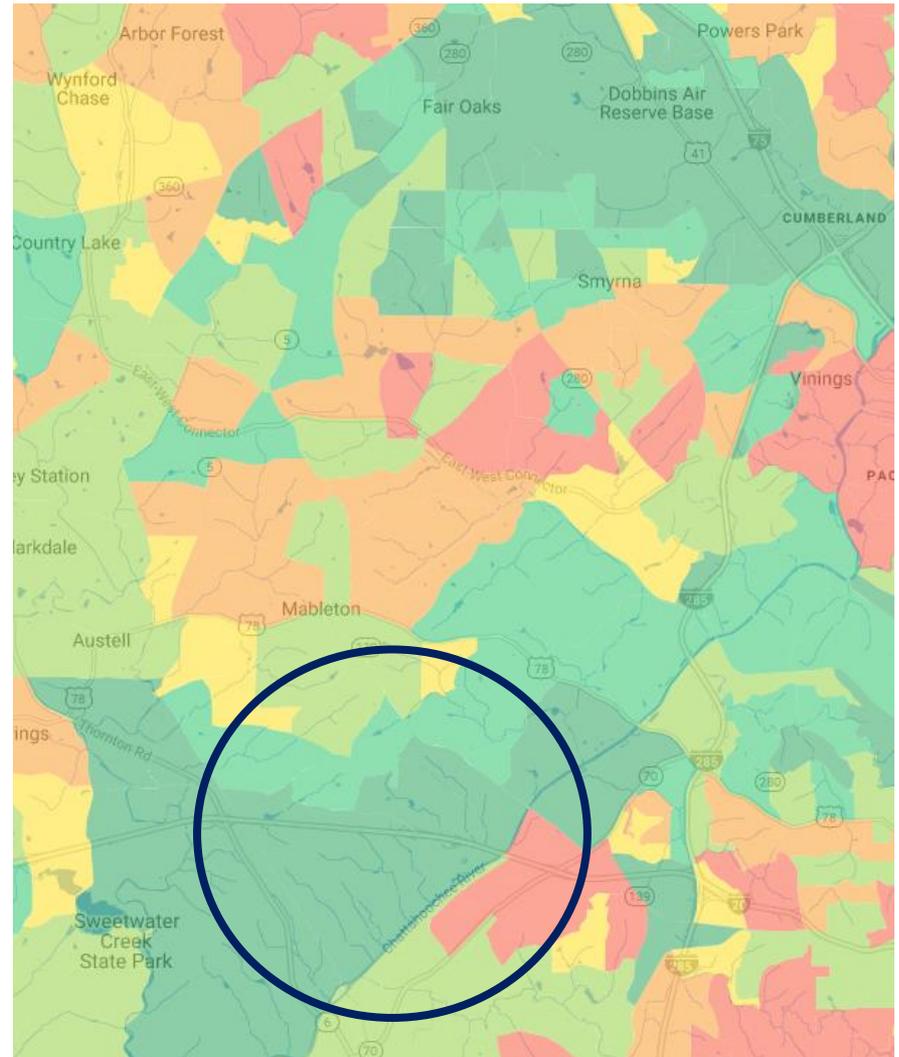


Source: Environics Analytics 2019, Bleakly.
Generations based on Pew Research Center standards.

DEMOGRAPHIC ASSESSMENT

Average Age

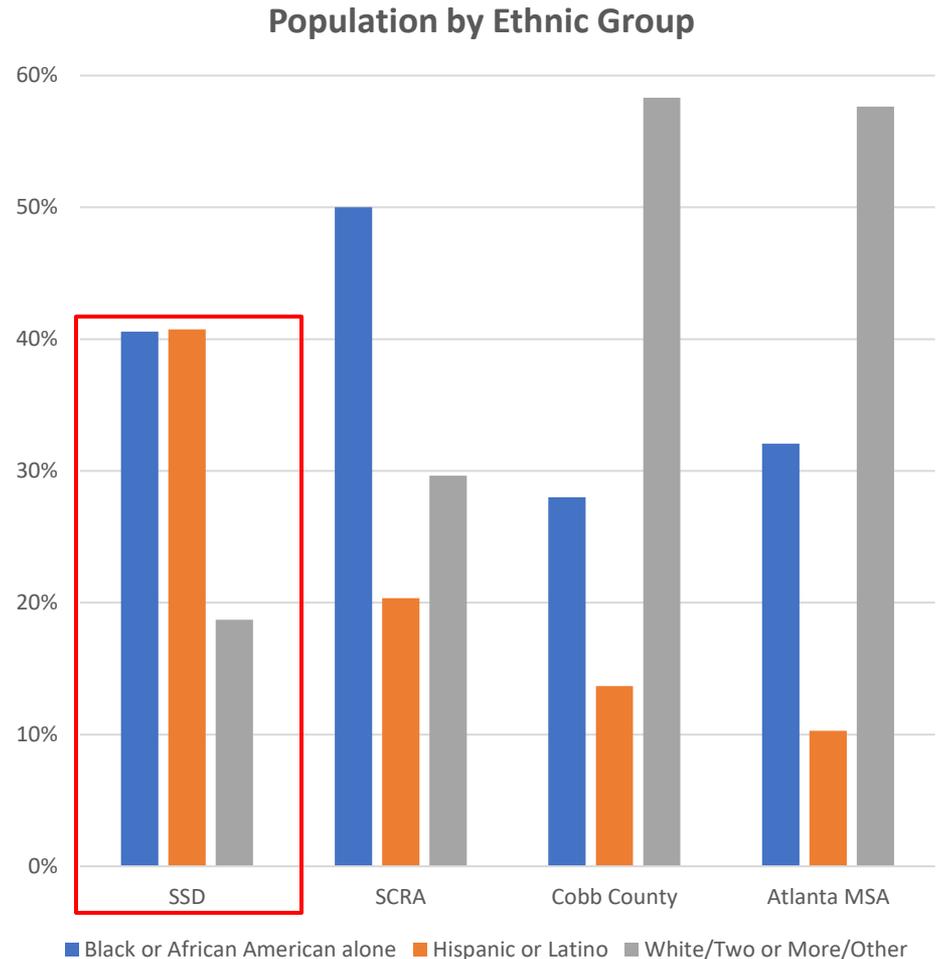
- The map at right illustrates the youthful nature of the SSD area households.
- Somewhat similar age distribution of residents under 34 is present in the I-75 corridor of Cobb County. The younger households in that area tends to be of somewhat higher incomes, as shown on the previous map.
- As noted above, the circle on the map represents a three-mile radius from the SCRA's "Magnolia property."



DEMOGRAPHIC ASSESSMENT

Population by Ethnicity

- As shown in the chart at right, the SSD and SCRA population is more racially diverse than the rest of Cobb County, and the Atlanta MSA.
- The demographic composition of the SSD is 41% Black and 41% Hispanic or Latino. Only 19% of the population is White or another ethnicity. Nearly all of this group is classified as White.
- The population of Cobb County is 58% White/Other, 28% Black, and 14% Hispanic or Latino.



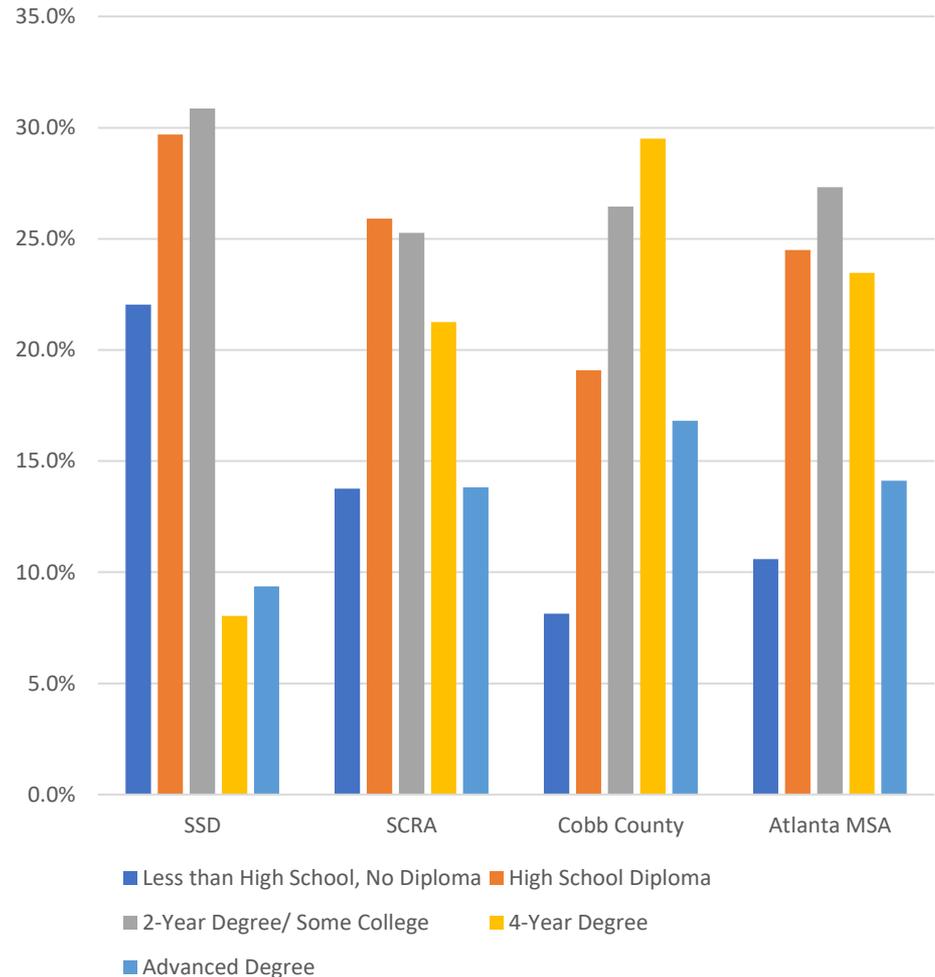
Source: Bleakly Advisory Group, based on data from the US Census, Claritas

DEMOGRAPHIC ASSESSMENT

Educational Attainment

- On average, SSD and SCRA residents tend to have lower levels of education.
- 18% of the SSD residents have a 4-Year College Degree or more, compared to 35% in the SCRA and 38% of Atlanta MSA residents.
- Only 7% of the SSD residents have an advanced degree, compared to 14% in the SCRA, 17% in Cobb County, and 14% of Atlanta MSA residents.
- 57% of SSD residents have a high school diploma or less, compared to 40% in the SCRA and 35% of the Atlanta MSA.

Educational Attainment



Source: US Census ACS5-Year 2017, Environics Analytics 2019

EMPLOYMENT AND WORKFORCE

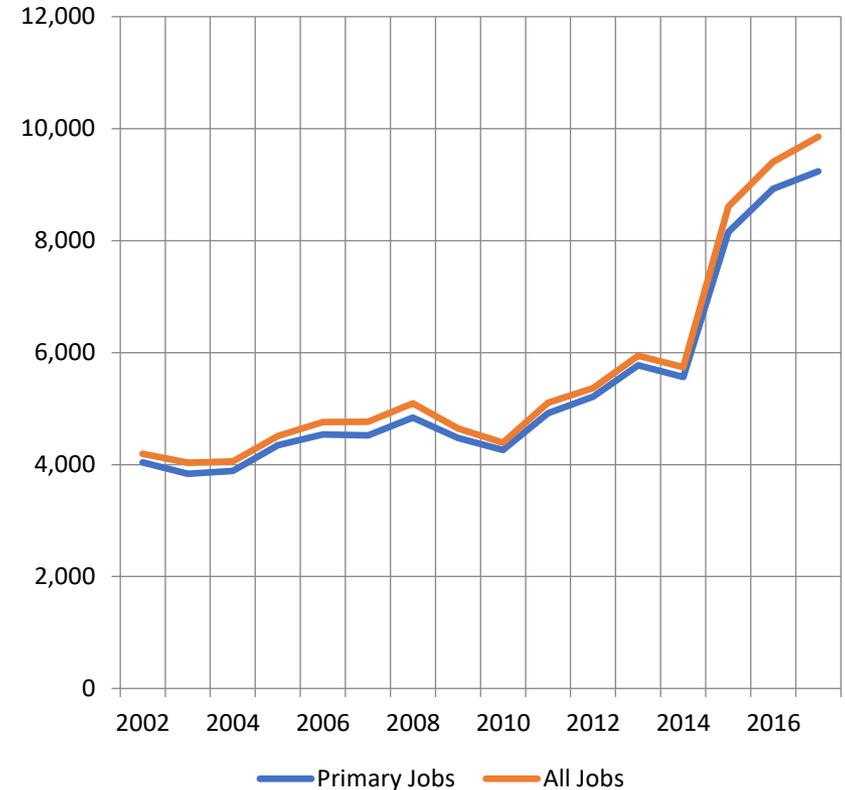
EMPLOYMENT

SSD Employment Trends

The SSD has an estimated 9,239 Primary Jobs

- This represents the addition of 4,845 primary jobs in the past 10 years.
- Jobs increases from 2014 to 2017 (3,674) doubled nominal employment growth from 2002 to 2014 (1,526). Much of the growth can be attributed to the growth in the warehousing sector in the area.
- Whereas the average annual employment growth rate in the SSD area from 2002-14 was 3.3%, it was 16.5% from 2014-17, pointing to the area’s emergence as an important job center in the post-Great Recession Atlanta regional economy.
 - The average annual wage for warehousing jobs in Cobb County is approximately \$47,500, according to the Georgia Department of Labor.
- Prior to 2014, employment levels stayed relatively consistent, weathering the 2007-08 financial crisis.

Data Note: US Census Longitudinal Employer-Household Dynamics] data infrastructure tracks jobs as its primary unit instead of people. As such, the system naturally captures more than one job per person when available in the data. The dominant (or primary) job for an individual is defined as the job that earned the individual the most money. Constructed this way, the number of primary jobs should be equal to the number of workers. [The data includes] “Primary” jobs and “All” jobs so that “Non-primary” jobs can be calculated through subtraction. –US Census, Data Overview LODES Version 7



Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Primary Jobs	4,039	3,836	3,889	4,349	4,539	4,522	4,841	4,476	4,264	4,916	5,213	5,772	5,565	8,156	8,926	9,239
All Jobs	4,194	4,035	4,057	4,511	4,759	4,765	5,094	4,648	4,394	5,104	5,368	5,944	5,738	8,611	9,409	9,854

EMPLOYMENT AND WORKFORCE

Employment Estimate by Sector – Work - SSD

- A total of 2.6% of the Cobb County’s jobs are located in the SSD.
- While Transportation and Warehousing sector jobs have grown recently, Wholesale Trade is the top sector in the SSC, representing over 1,819 jobs or 20% of the SSD’s primary jobs.
- The average annual wage for wholesale trade jobs in Cobb County is approximately \$88,500, according to the Georgia Department of Labor.
- In addition to the Transportation and Warehousing and Wholesale Trade sectors, the SSD also has a particularly strong employment presence in: Arts, Entertainment, and Recreation & Construction
 - Nearly 70% of the SSD jobs are in these four categories.
- As shown at right, over 40% of Cobb County’s Arts, Entertainment, Recreation sector jobs are in the SSD due to the presence of Six Flags.

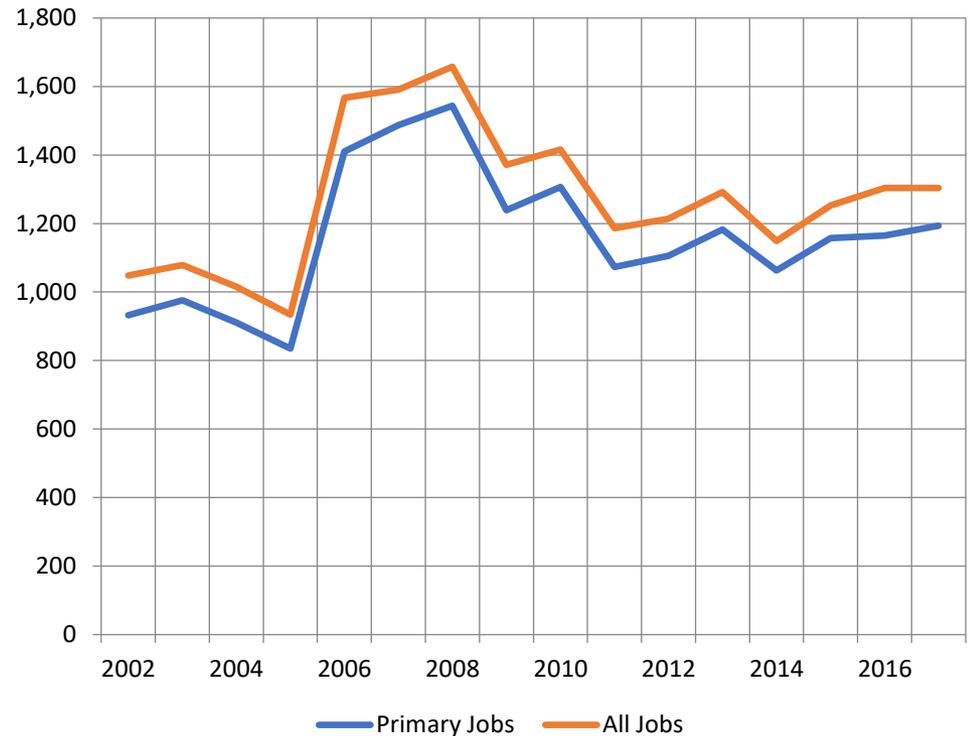
SSD Primary Jobs: Top NAICS Sectors	SSD Primary Jobs	Percent of jobs in the SSD	Share of Cobb Jobs in the SSD
11: Agriculture, Forestry, Fishing	0	0.0%	0.0%
21: Mining, Quarrying, and Oil	0	0.0%	0.0%
22: Utilities	0	0.0%	0.0%
23: Construction	1,481	16.0%	5.4%
31-33: Manufacturing	284	3.1%	1.5%
42: Wholesale Trade	1,819	19.7%	6.1%
44-45: Retail Trade	932	10.1%	2.2%
48-49: Transportation and Warehousing	1,385	15.0%	11.7%
51: Information	18	0.2%	0.2%
52: Finance and Insurance	1	0.0%	0.0%
53: Real Estate and Rental and Leasing	104	1.1%	1.7%
54: Professional, Scientific, and Tech	215	2.3%	0.6%
55: Management of Companies	8	0.1%	0.1%
56: Administrative and Support	931	10.1%	3.0%
61: Educational Services	16	0.2%	0.1%
62: Health Care and Social Assistance	27	0.3%	0.1%
71: Arts, Entertainment, and Recreation	1,723	18.6%	40.4%
72: Accommodation and Food Services	224	2.4%	0.7%
81: Other	71	0.8%	0.8%
92: Public Administration	0	0.0%	0.0%
99: Unassigned	0	0.0%	0.0%
Total	9,239	100%	2.6%

WORKFORCE

SSD Workforce Trends

The SSD has an estimated **1,194 primary job workers** living in the area in **2017**.

- The workforce in the area has shrunk by approximately 25% since its peak in 2008.
- Thus, while the area's employment opportunities have risen dramatically since the Great Recession, the new jobs are not positively impacting the residents of the area. This fact can also be seen in the area's median household income (<\$40K), shown on previous pages, which is lower than the typical wages of the majority of jobs in the area.
- Data Notes [US Census Longitudinal Employer-Household Dynamics] data infrastructure tracks jobs as its primary unit instead of people. As such, the system naturally captures more than one job per person when available in the data. The dominant (or primary) job for an individual is defined as the job that earned the individual the most money. Constructed this way, the number of primary jobs should be equal to the number of workers. [The data includes] "Primary" jobs and "All" jobs so that "Non-primary" jobs can be calculated through subtraction. –US Census, Data Overview LODES Version 7
- If a person works primarily in one job and then takes a weekend shift at another job, that person has one primary job, but has two total jobs.



Source: US Census, BLS & ARC, RIMS II Economic Impact on State of GA, Bleakly

EMPLOYMENT AND WORKFORCE

SSD Workforce Trends

- The SSD’s 1,194 workers represent 8% of Cobb’s 323,096 workforce.
- Administrative and Support is the top sector, representing over 154 jobs or 12.9% of the SSD’s primary jobs.
- The SSD is particularly strong:
 - Accommodation and Food Services
 - Retail
 - Health Care and Social Assistance.
 - The SSD has 537 jobs in these three categories, representing 32.1% of the SSD’s jobs in these categories.
- Additional evidence of the lack of impact of the local employment opportunities on the area’s populace can be seen in the comparison between the top employment sectors in the area versus the top sectors in which locals are employed. None of the top four local sectors is a leading employer of the local workforce.

SSD Primary Jobs: Top NAICS Sectors	Workers	Percent of jobs in the SSD	Share of Cobb Jobs in SSD
11: Agriculture, Forestry, Fishing	1	0.1%	0.5%
21: Mining, Quarrying, and Oil	1	0.1%	0.7%
22: Utilities	2	0.2%	0.2%
23: Construction	69	5.8%	0.5%
31-33: Manufacturing	99	8.3%	0.5%
42: Wholesale Trade	88	7.4%	0.4%
44-45: Retail Trade	123	10.3%	0.4%
48-49: Transportation and Warehousing	93	7.8%	0.6%
51: Information	28	2.3%	0.2%
52: Finance and Insurance	42	3.5%	0.2%
53: Real Estate and Rental and Leasing	25	2.1%	0.4%
54: Professional, Scientific, and Tech	60	5.0%	0.2%
55: Management of Companies	20	1.7%	0.2%
56: Administrative and Support	154	12.9%	0.6%
61: Educational Services	48	4.0%	0.2%
62: Health Care and Social Assistance	113	9.5%	0.3%
71: Arts, Entertainment, and Recreation	22	1.8%	0.5%
72: Accommodation and Food Services	147	12.3%	0.5%
81: Other	26	2.2%	0.3%
92: Public Administration	33	2.8%	0.4%
99: Unassigned	1	0.1%	0.0%
Total	1,194	100%	0.4%

EMPLOYMENT AND WORKFORCE

Commuting Patterns - SSD

Study Area Jobs and Residents

- There are 9,845 primary jobs located in the SSD.
- It's estimated that 3,271 people live in the SSD, of which an estimated 1,304 are employed.

Who Commutes In?

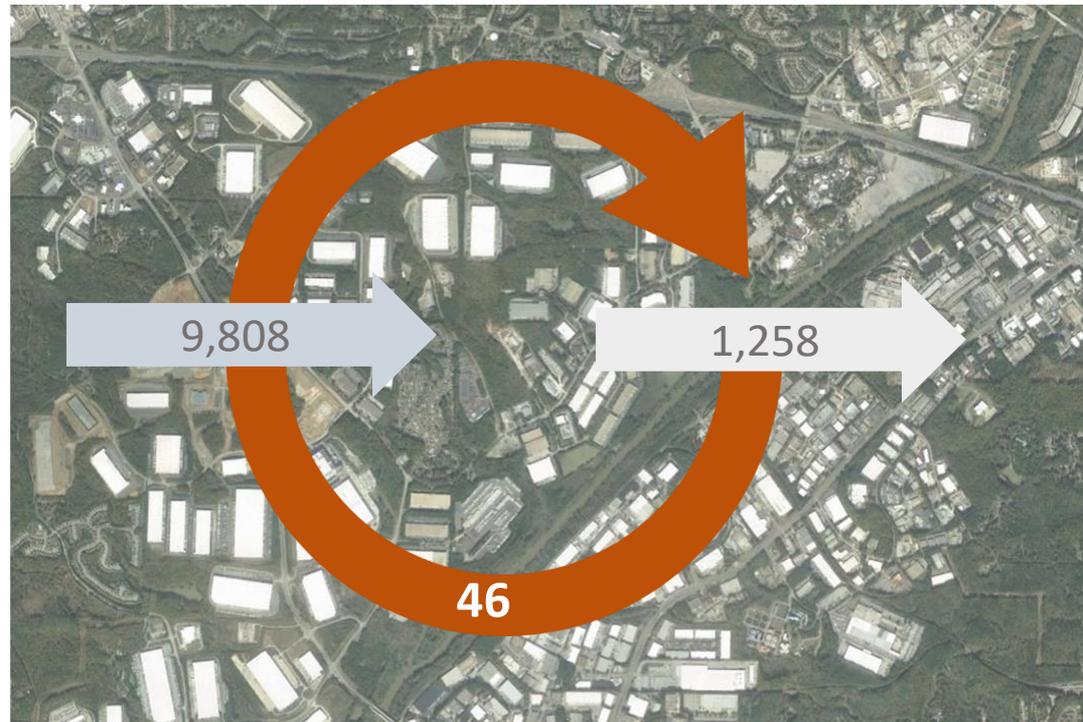
- 9,808 people commute into the SSD each day for work.
- This represents 97% of people who work in the SSD.
- Only 46 SSD workers already live in the SSD.

Who Commutes Out?

- An estimated 1,258 SSD working residents (96%) commute out of the SSD to jobs elsewhere in the region.

9,845 Jobs

1,304 Working Residents



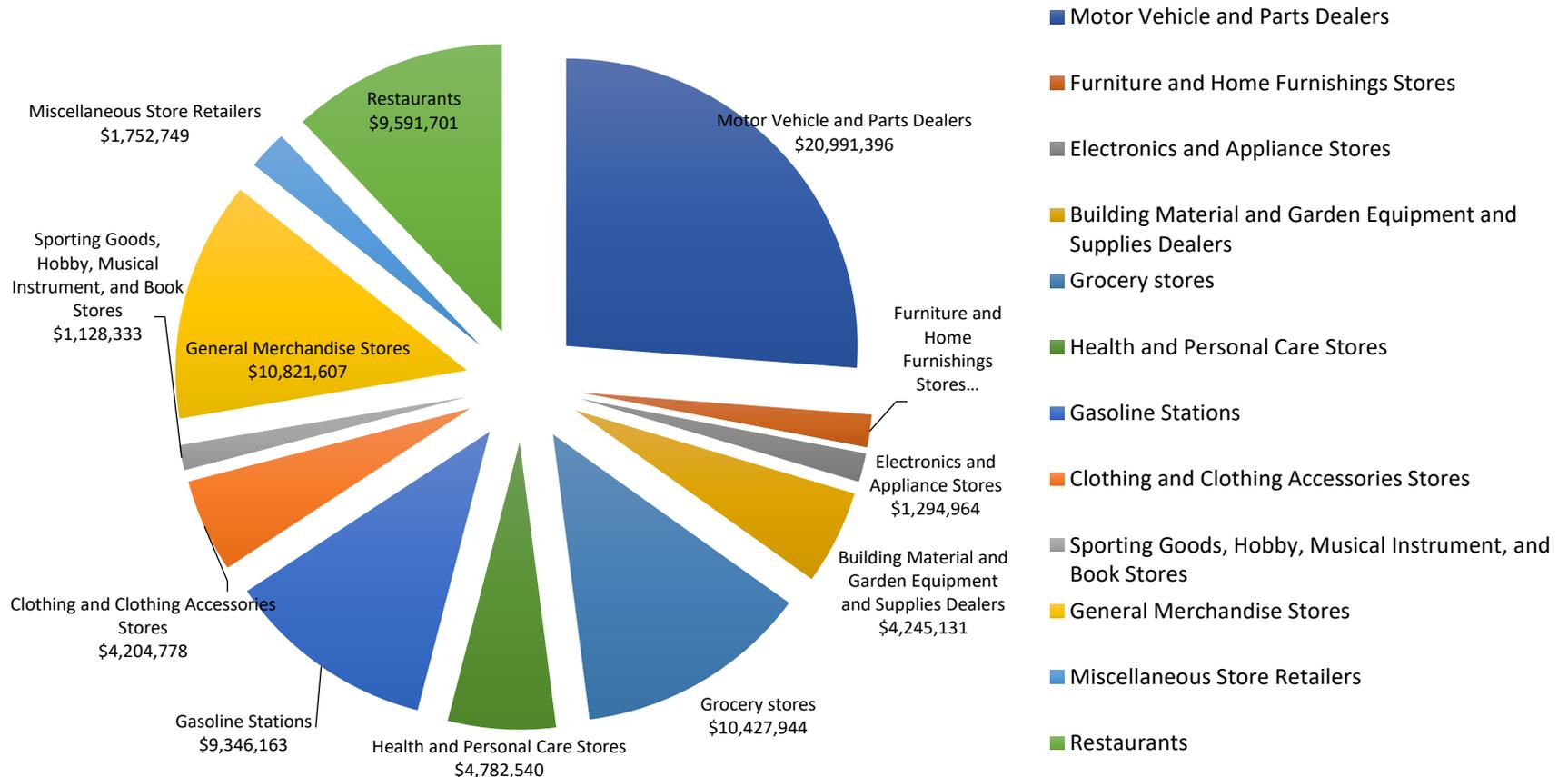
Source: US Census longitudinal employer-household dynamics

CONSUMER SPENDING

CONSUMER SPENDING

Retail Spending Patterns in the SSD

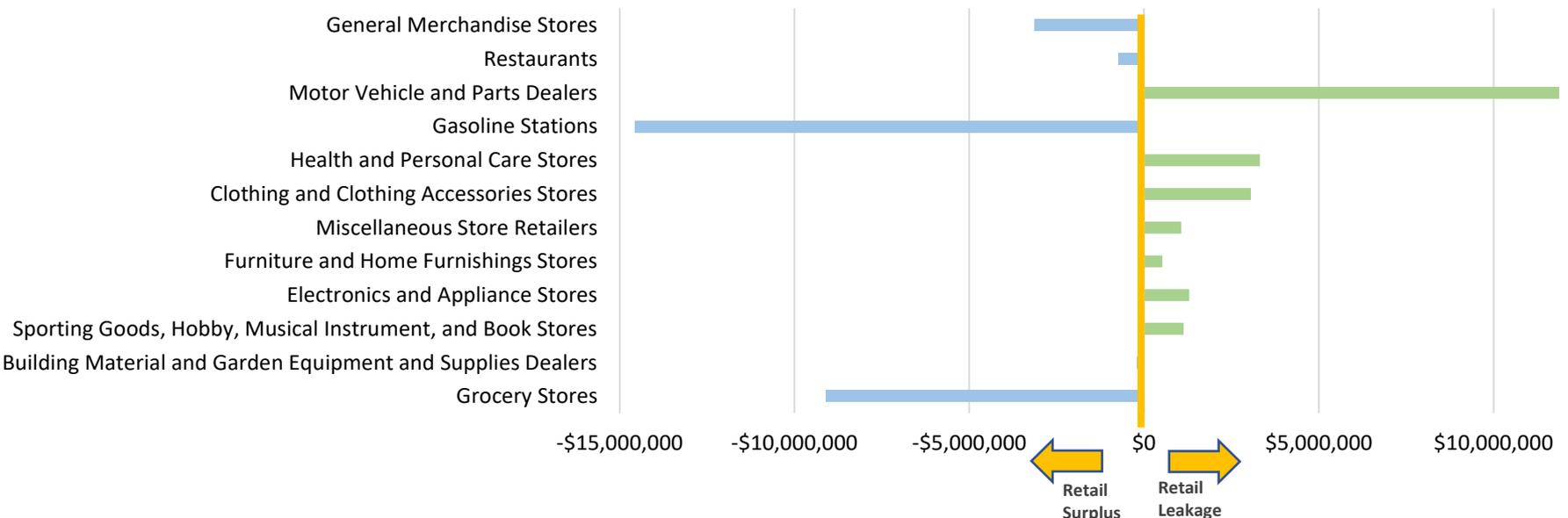
- Retailers in the SSD sold an estimated \$85.5 million in retail goods in 2019.
- Top categories include Motor Vehicle and Parts Dealers (26%), General Merchandise (14%), and Grocery Stores (13%).



CONSUMER SPENDING

Advanced Consumer Spending – Opportunity Gap SSD

- Households in the SSD area spend approximately \$80 million annual at physical retail locations. This amount of spending supports approximately 300,000 SF of retail space both in and outside of the local area.
- Shown below is the difference between demand and supply for retail by store type in the SSD area.
- A positive value signifies an opportunity gap (“leakage”), while a negative value signifies a surplus.
- The fact that a store type exhibits an opportunity gap means that, in those store types, there are fewer sales (supply) in the area than spending (demand) from households who reside in the same area.
- This general retail leakage points to the fact that local households spend money outside of the area and additional retail offerings in the area could gain their support.
- However, other than in the vehicle/parts dealer segment, the local “leakage” is of limited levels, meaning additional retail would still need support from spending by those who live elsewhere.



REAL ESTATE ASSESSMENT

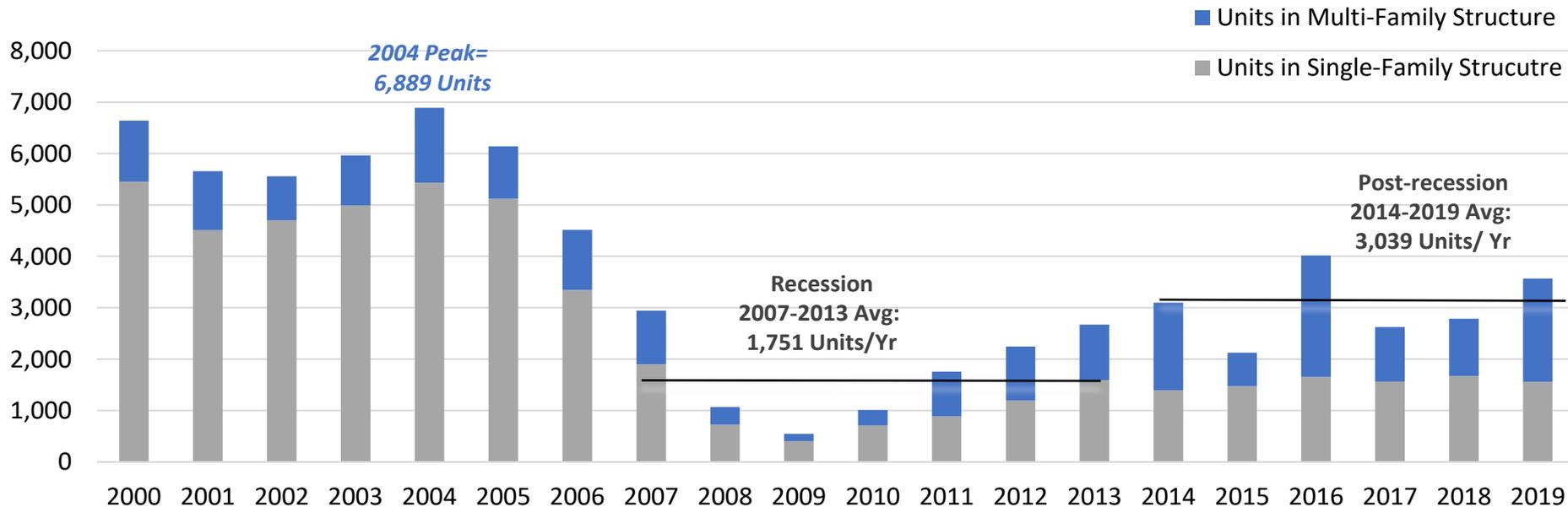
Residential

REAL ESTATE ASSESSMENT: RESIDENTIAL

Building Permits

- Cobb County’s strong residential growth trend began in 2000, lasting until the recession. The city issued building permits for an average of units 5,910 annually, peaking in 2004 with permits for a total of 6,889 units.
- When the Housing Bubble burst in 2006-2007, the growth in building permits for both multi-family and single-family dropped significantly.
- Since the post-recession recovery began in 2013/2014, permit issuances in Cobb County has reached 3,039 units annually.

Cobb County Residential Building Permits by Permit Type, 2000-2019



Source: Environics Analytics 2020

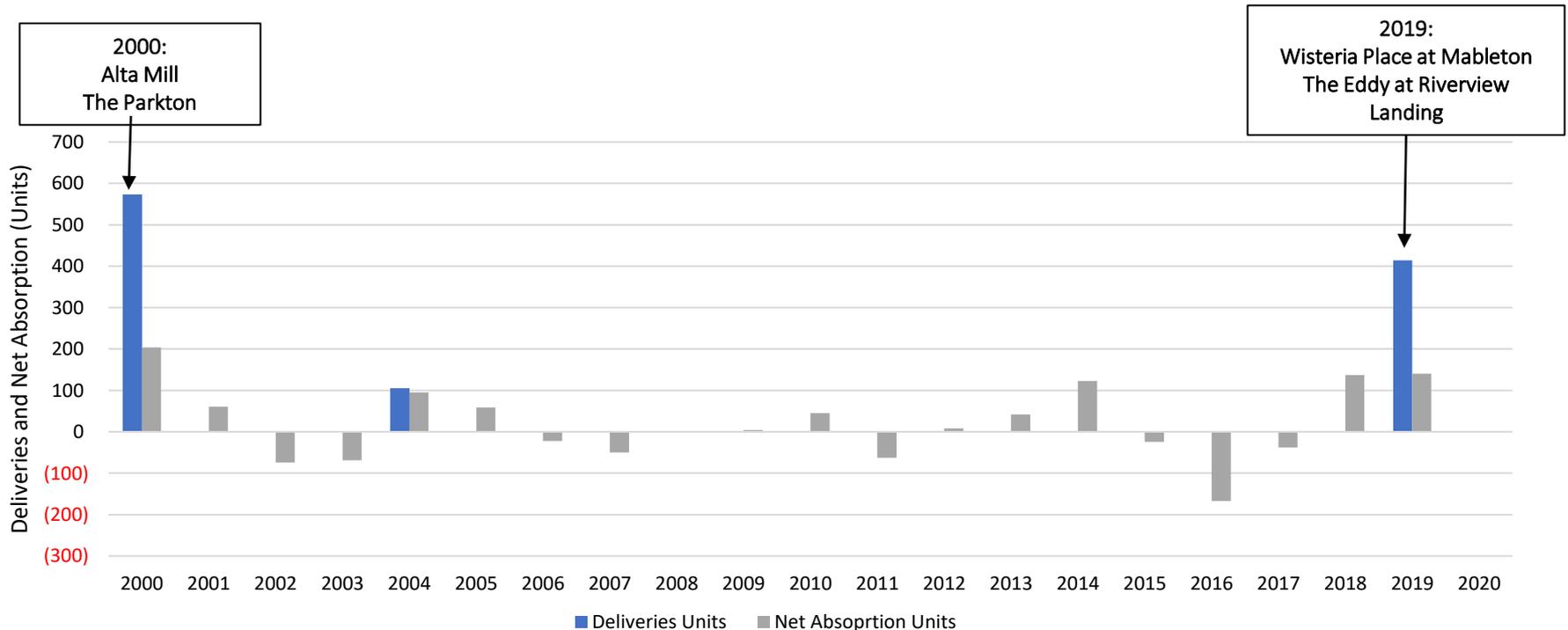
Source: U.S. Census, SOCDs Building Permit Database

REAL ESTATE ASSESSMENT: RESIDENTIAL

Apartment Market Pricing and Vacancy Trends

- There has been a small amount of new construction activity from 2001 until in the larger SCRA area, which includes the SSD. In 2019, two projects, Wisteria Place at Mableton and The Eddy at River View Landing, created 414 market-rate units.
- The Eddy at River View Landing contributed 310 market rate units, whereas Wisteria Place at Mableton contributed 104. Eddy at River View Landing is a mid-rise style apartment, whereas, Wisteria Place at Mableton is low-rise. The majority of the apartments in the SCRA and Cobb County are garden style.

SCRA Apartment Deliveries and Absorption, 2000-2020



REAL ESTATE ASSESSMENT

Housing Type

- Because of the limited nature of residential land uses in the SSD, its housing characteristics are skewed compared to other nearby areas.
- Analysis for this study estimates that 74% of the homes in the SSD are multifamily and 26% are mobile homes.
- 92% of the homes in the SSD are renter-occupied, with the remainder being owner-occupied mobile homes.

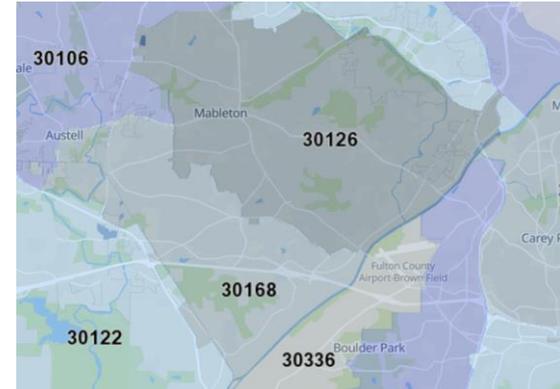
Type of Housing	SSD		SCRA		Cobb County		Atlanta MSA	
 1 Unit Detached (SF)	0	0%	18,710	67%	208,309	65%	1,654,492	67%
 1 Unit Attached (TH)	0	0%	2,291	8%	27,273	9%	128,432	5%
 Small Multi-Family (2-4 Units/Bldg.)	1,634	74%	910	3%	9,059	3%	95,882	4%
 Lg Multi-Family (5+ Units/Bldg.)			4,414	16%	70,041	22%	525,650	21%
 Trailer, RV & Boat	587	26%	1,403	5%	4,405	1%	74,290	3%
Total Housing Units	2,221		27,728		319,087		2,478,746	
% Renter	92%		33%		33%		34%	
% Owner	8%		67%		67%		66%	

REAL ESTATE ASSESSMENT: RESIDENTIAL

New Home Sales

219 New Homes were sold in the SCRA in 2019

- 48% Single-family (2019 Average Price \$587,500)
- 52% Townhome (2019 Average Price \$338,022)



Summary of New Home Sales, SCRA: 30126 & 30168 2014-2019

New Home Type	2014	2015	2016	2017	2018	2019
Single Family						
Volume	58	89	112	116	100	105
Average Price	\$244,869	\$271,022	\$314,016	\$323,926	\$583,000	\$587,500
Townhome						
Volume	31	20	19	67	128	114
Average Price	\$228,654	\$247,486	\$275,518	\$278,754	\$354,990	\$338,022
Condominium						
Volume	0	0	0	0	0	0
Average Price	\$0	\$0	\$0	\$0	\$0	\$0
All New Homes						
Volume	89	109	131	183	228	219
Average Price	\$473,523	\$518,508	\$589,534	\$602,680	\$937,990	\$925,522

Source: BAG, smartREdata

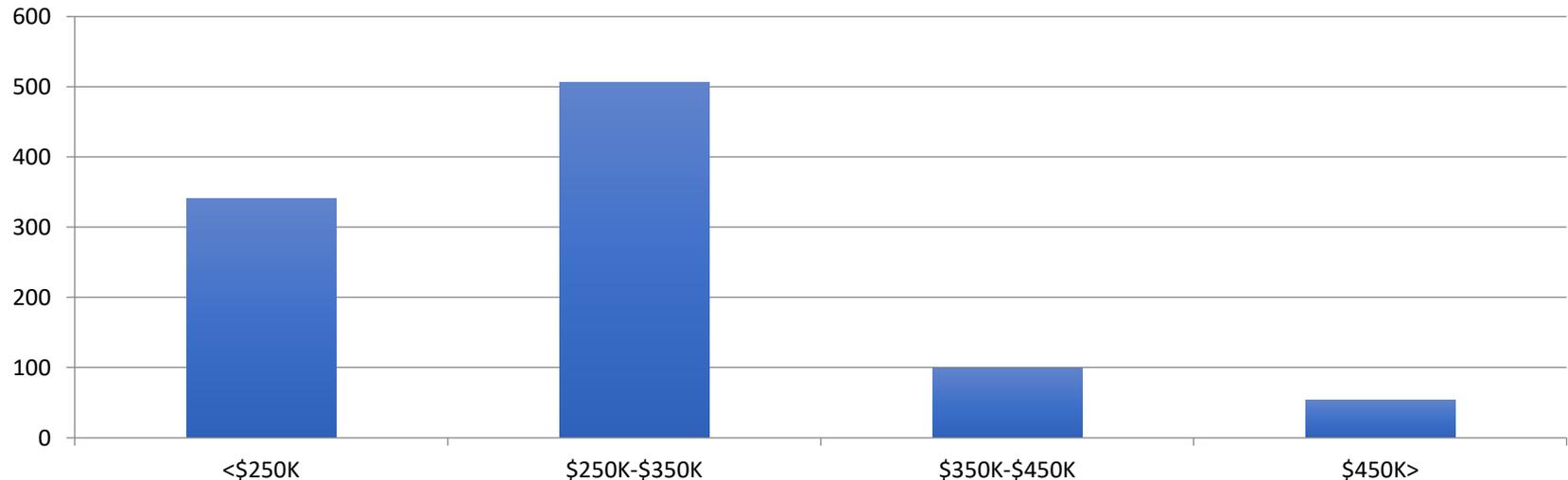
REAL ESTATE ASSESSMENT: RESIDENTIAL

New Home Sales

New Home Sales Price Distribution

- The average price of all new homes in the Zip Codes 30126 & 30168 in 2019 was \$265,518.
- 50% of homes (both single-family and townhome) sold for less than \$250,000, which is approximately the upper limit of affordability of a household earning \$50,000 annually.
- Given the lack of available residential land, the SSD area is lacking supply of new homes for sale.

New Home Sale Distribution by Price, All homes, Zip Codes: 30126 & 30168 2014-2019



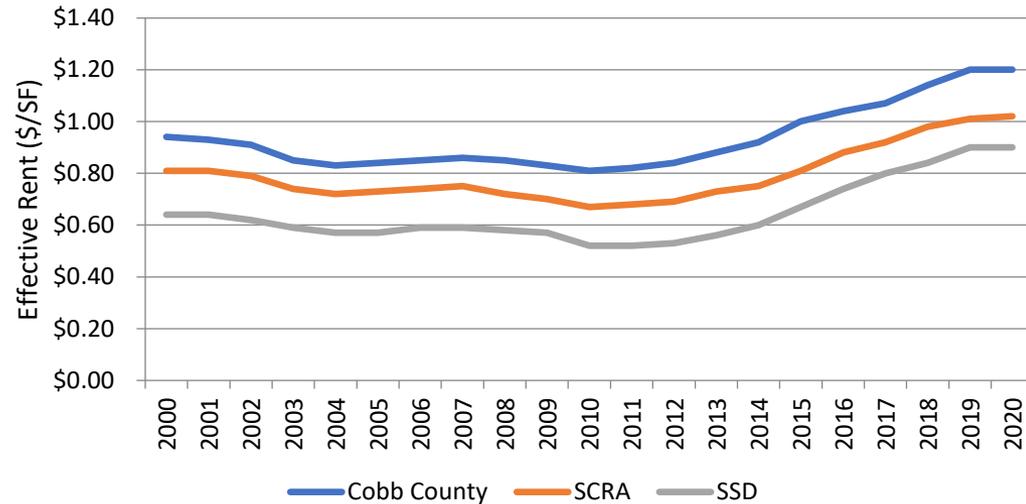
Source: BAG, SmartREdata

REAL ESTATE ASSESSMENT: RESIDENTIAL

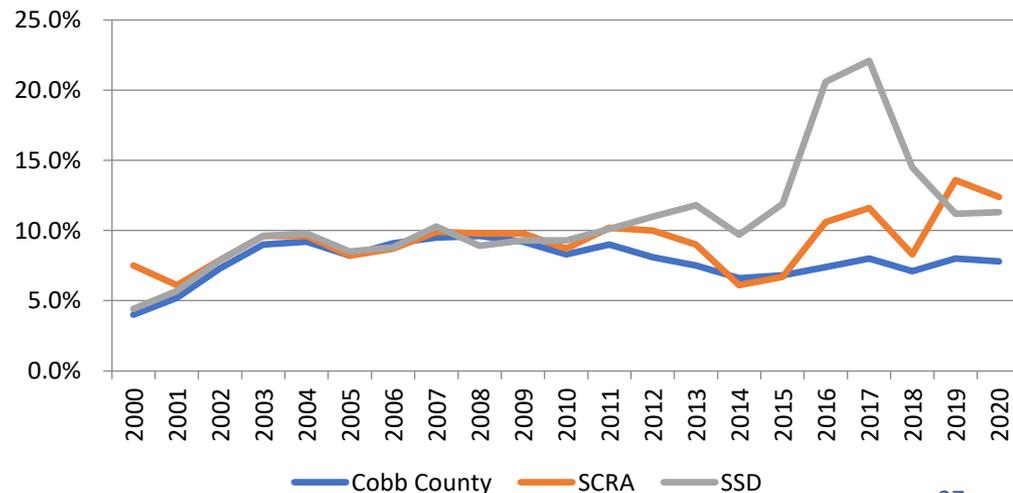
Apartment Market Pricing and Vacancy Trends

- The apartment average rent per square foot for each study area overtime follows similar trends.
- Apartments in the SSD have historically rented at around \$0.15/SF discount to the SCRA and \$0.30/SF discount to Cobb County overall. This gap has stayed consistent overtime, following the same trends as the SCRA and Cobb County.
- Apartment vacancy has been relatively constant from 2003 to 2013 in the SSD, SCRA, and Cobb County. Post 2013, each of the study areas have diverse trends in vacancy.
- After 2013, the SSD significantly increases in vacancy rates, reaching its peak in 2018 at 22% due to renovation-induced move-outs.

Apartment Average Rent per Square Foot, Jan. 2020



Average Apartment Vacancy, Jan. 2020



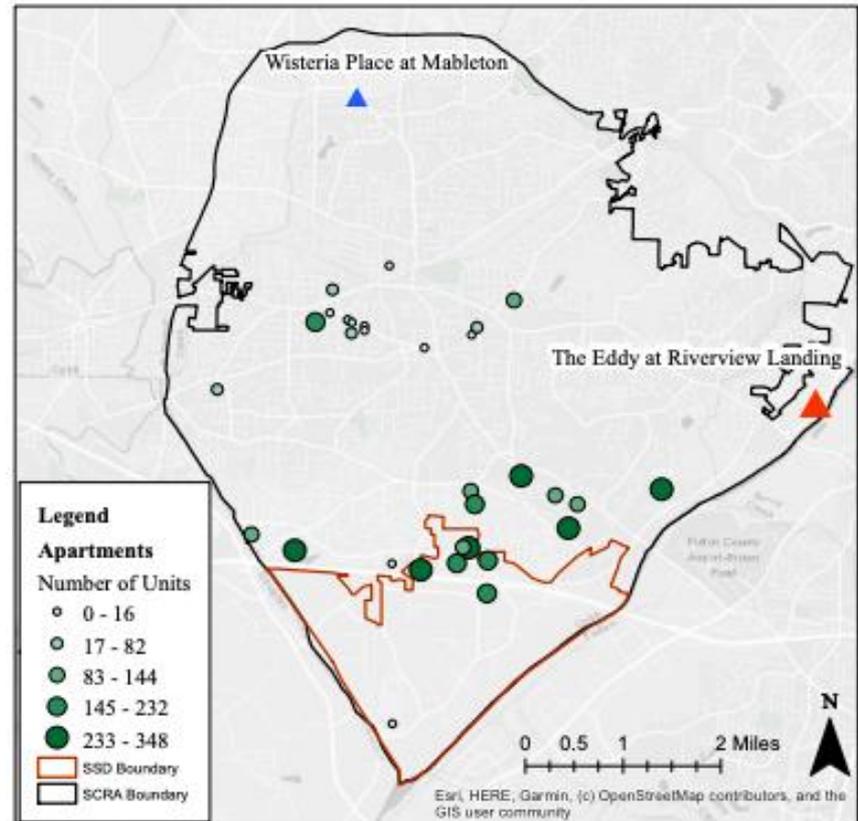
REAL ESTATE ASSESSMENT: RESIDENTIAL

Apartment Inventory: Inventory Overview

- While the Atlanta region has seen robust growth in the multifamily sector, with 964 multifamily projects representing 197,000 units delivered since 1999, multifamily activity in the local market area has been very slow, with just 1,092 added units since 2000.

Apartment Inventory

	SSD	SCRA	Cobb County
Multifamily			
Locations	8	29	365
Existing Units	1,634	4,616	69,400
Vacancy %	11.30%	12.40%	7.80%
Avg. Rent/ SF	\$0.90	\$1.02	\$1.20



REAL ESTATE ASSESSMENT

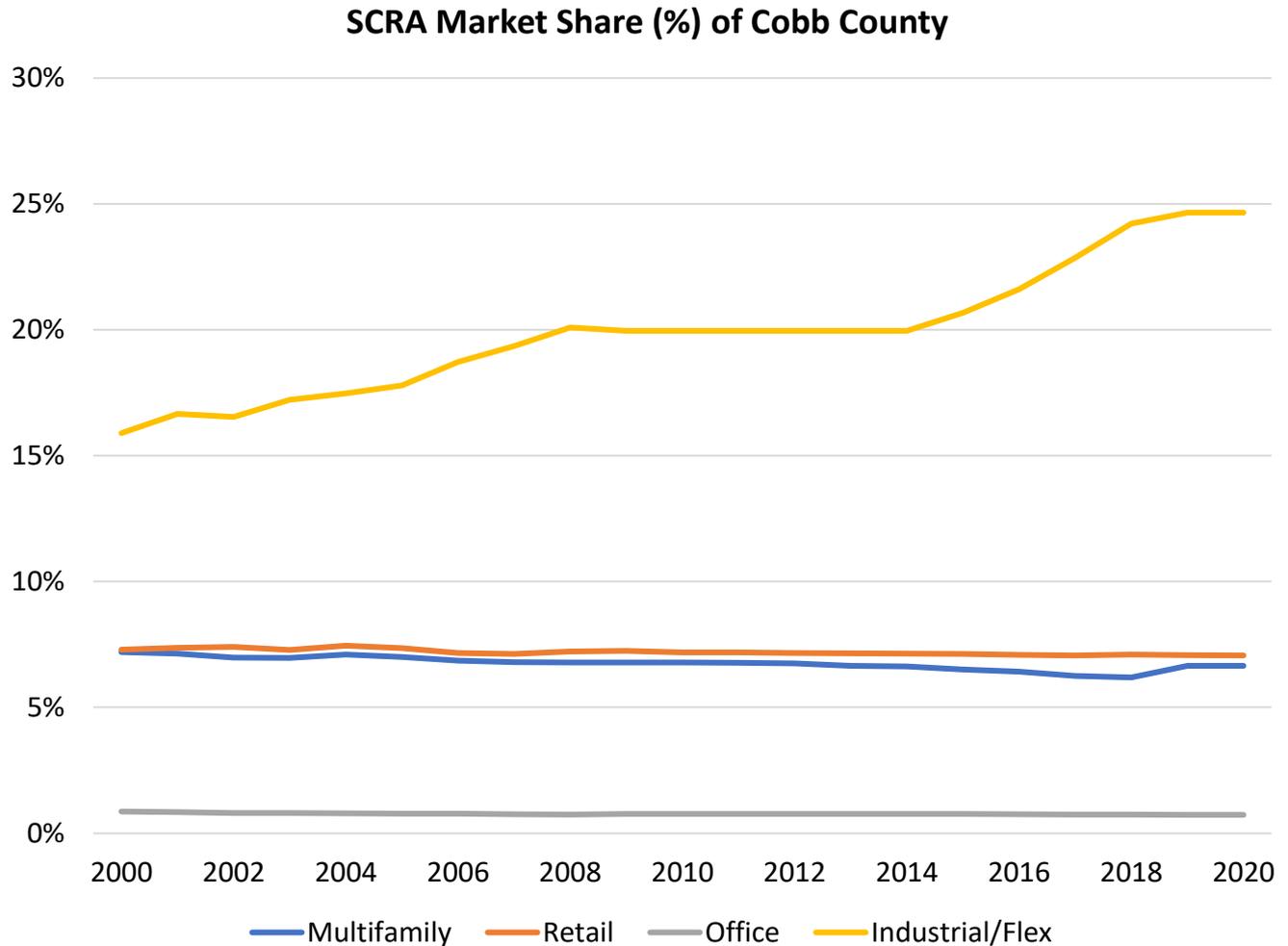
Commercial

COMMERCIAL REAL ESTATE

The SCRA area's share of industrial/ flex space within Cobb County has expanded by an impressive 10% since 2000, while the share of multifamily and retail space have remained flat over the past 20 years.

This points to the fact that industrial has been the only commercial real estate development type that has been active in South Cobb, including in the SSD over the past two decades.

This fact begins to reveal the challenges for new commercial development in the SSD.



COMMERCIAL REAL ESTATE

Real Estate Inventory Comparative Overview

- **Average commercial rental rates** within the SSD and the SCRA lag Cobb County:
 - **Retail – SSD is 13% lower, whereas the SCRA is 17% lower** than average rents in Cobb County.
 - **Office – SCRA is 24% lower** than average rents in Cobb County
- Since 2010, only a handful of new commercial buildings have been built in the SCRA:
 - Two new multi-family development
 - Eight new retail space
 - No new office space
 - Three new spaces for Industrial/ Flex
- Vacancy rates in the SSD and SCRA tend to be relatively higher than desired, showing that the space could be better utilized.

	SSD	SCRA	Cobb County
Retail			
Existing Locations	15	260	3,372
Existing SF	100,961	3,348,244	47,390,015
Vacancy %	7.50%	5.40%	4.20%
Avg. NNN Rent	\$12.36	\$11.72	\$14.08
Office			
Existing Locations	1	63	2,407
Existing SF	10,200	308,085	41,970,177
Vacancy %	0.00%	2.40%	11.30%
Avg. Base Rent	N/a	\$18.00	\$23.56
Industrial/ Flex			
Existing Locations	102	266	2,009
Existing SF	13,521,138	17,546,667	71,180,832
Vacancy %	5.80%	4.90%	4.30%
Avg. NNN Rent	\$3.97	\$4.11	\$6.17

Based on data from CoStar

COMMERCIAL REAL ESTATE: RETAIL

Retail Inventory

Total Retail Space

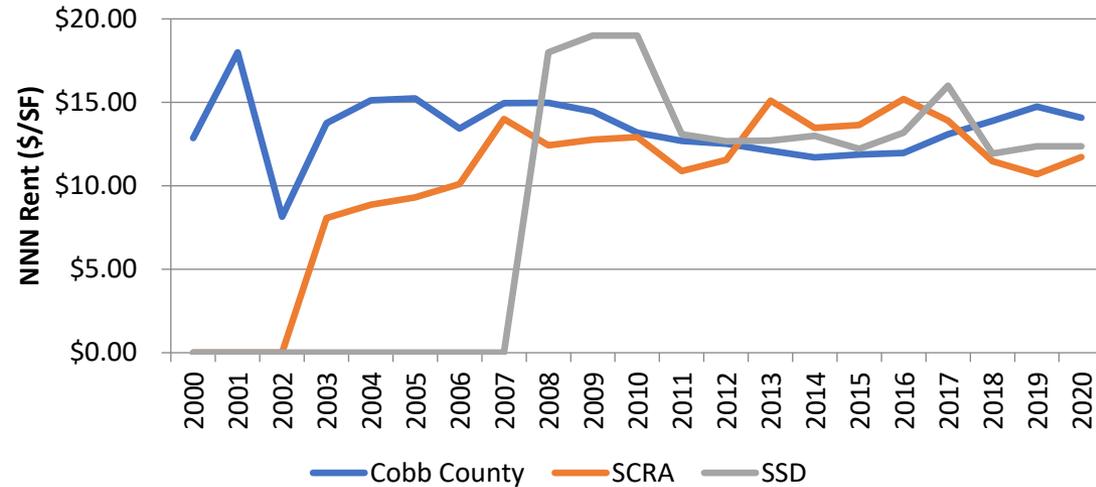
SSD: 100,961 SF

SCRA: 3,348,244 SF

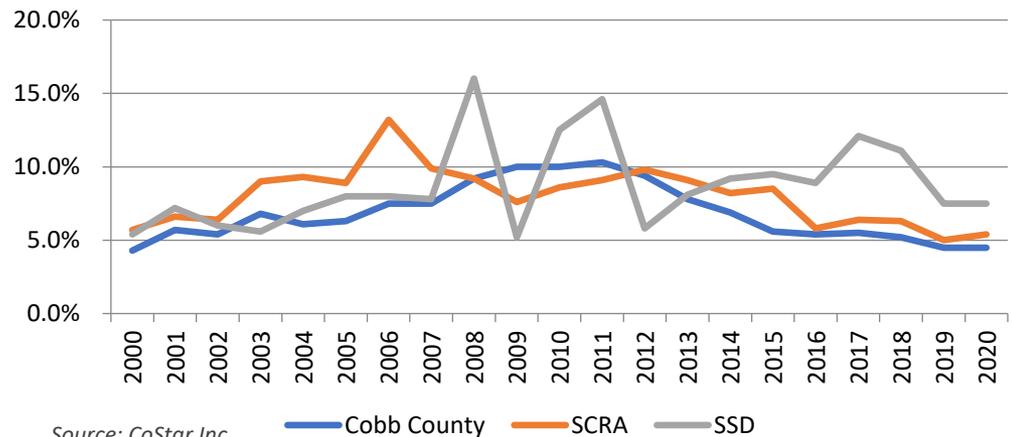
Cobb County: 47,390,015 SF

- Since 2011, the SSD, SCRA, and Cobb County average asking retail rent per square foot rates have remained relatively flat.
- The SCRA follows a similar trend to Cobb County in vacancy rates, whereas the SSD is sporadic, following no specific pattern.
- Because few new retail additions have occurred in the local area, and demand has remained steady since the end of the Great Recession, the local retail market conditions have changed little over the past five years.

Average Retail Rent per Square Foot



Retail Vacancy Rate



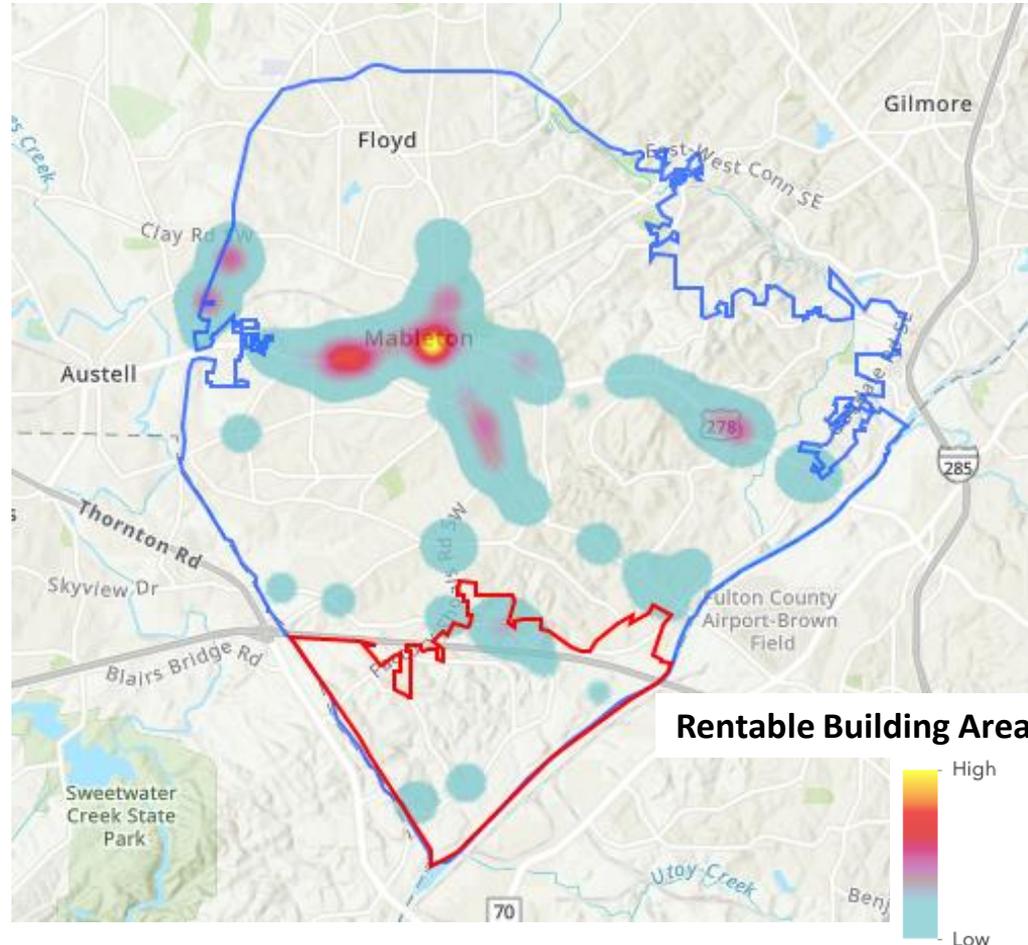
Source: CoStar Inc.

COMMERCIAL REAL ESTATE: RETAIL

Retail Inventory

- Most retailing in the larger SCRA area takes place in the central Mableton area along the Highway 78 corridor.
- Retail options in the SSD are smaller neighborhood-oriented shops in older buildings.

Retail Summary	SSD	SCRA	Cobb County
Locations	15	260	3,372
Square Feet Total	100,961	3,348,244	47,390,015
SF Under Construction	0	0	40,400
12 Month Net Absorption	4,846	118,665	1,610,931
Vacancy Rate	7.50%	5.40%	4.20%
Average NNN Rent (\$/SF)	\$12.36	\$11.72	\$14.08

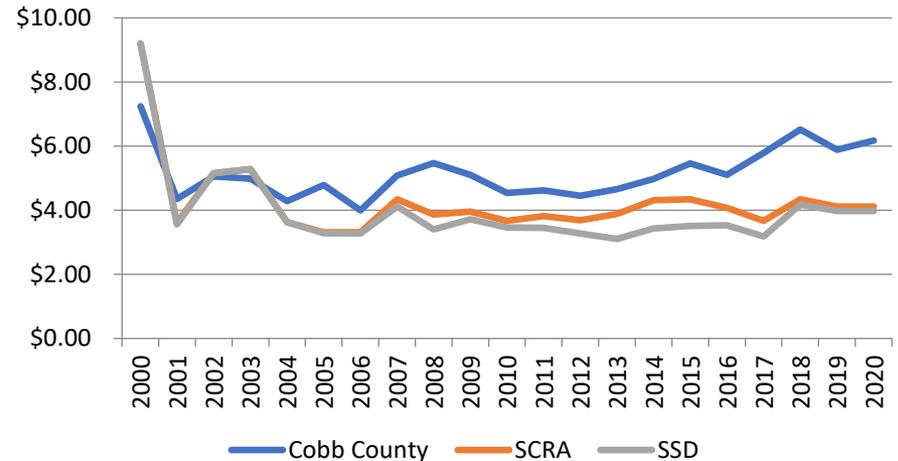


COMMERCIAL REAL ESTATE: INDUSTRIAL & FLEX

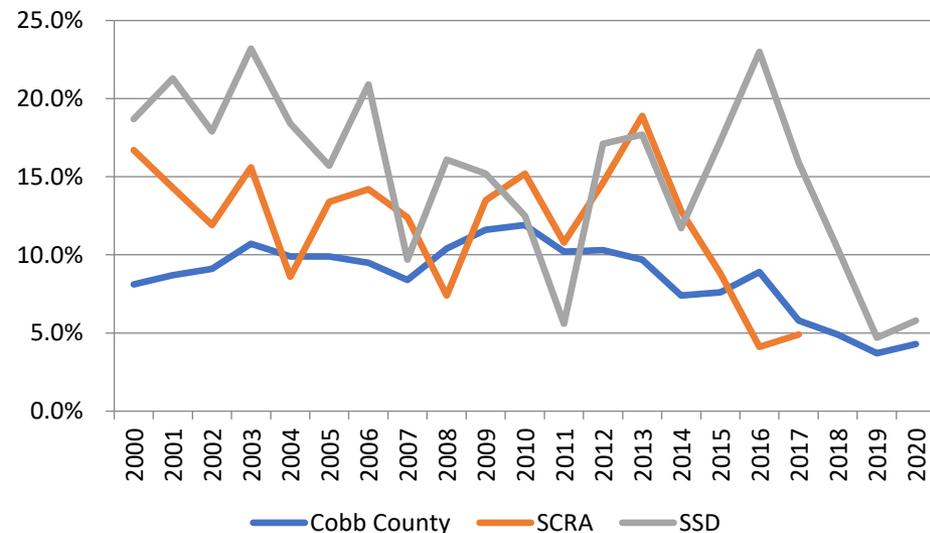
Industrial & Flex Inventory

- As the inventory of industrial space grew tremendously in the post-Great Recession economy, market conditions in the local area and throughout the Atlanta region, continued to improve.
- Industrial asking rents have increased slightly in the SSD overall, and grown by approximately \$1.00/SF in Cobb.
- Vacancies have dropped throughout the region. These positive market conditions work in favor of developers seeking to add additional industrial space into the marketplace.
- Because of its location along I-20 and near other major clusters of industrial buildings, such as Fulton Industrial Blvd., the SSD area should continue to hold favor for industrial development in the short- to medium-term.

Industrial/Flex Average NNN Rent (\$/SF)



Industrial/Flex Vacancy Rate

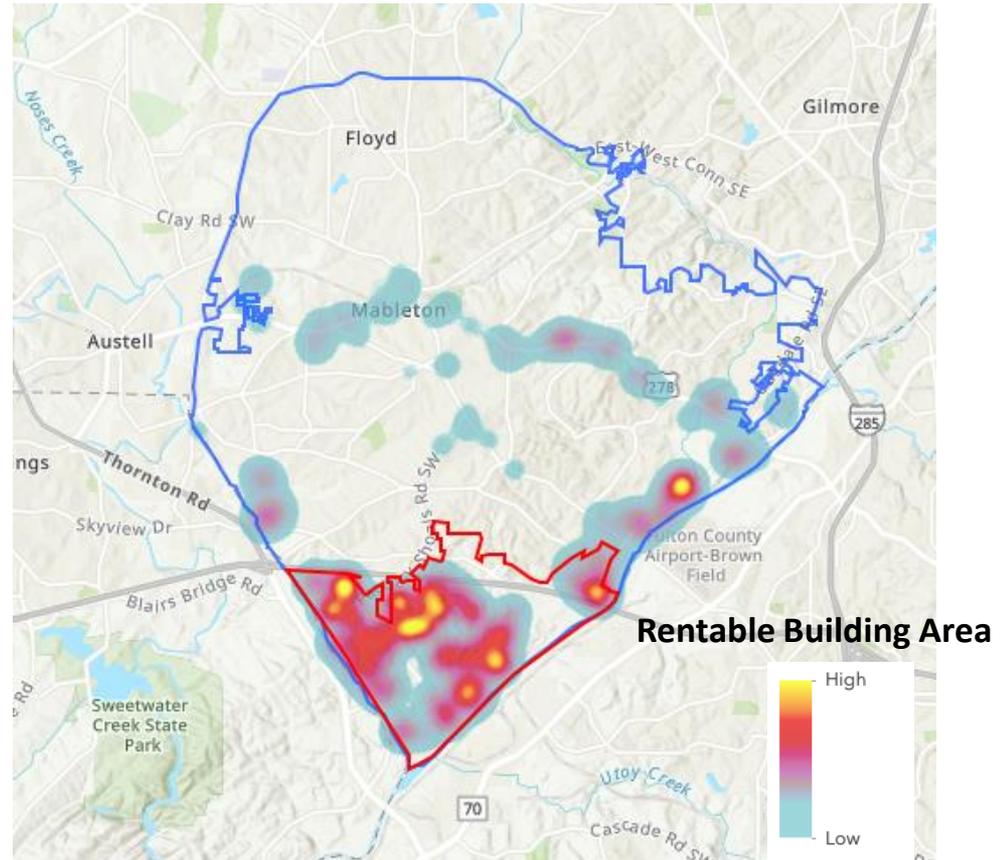


COMMERCIAL REAL ESTATE: INDUSTRIAL & FLEX

Industrial & Flex Inventory

- The SCRA is home to approximately 25% of Cobb County's Industrial/Flex space.
- The SSD accounts for 77% of the SCRA's Industrial/Flex space and 19% of Cobb's.
- The area is essential to the Cobb County and Atlanta region's economy because of the elevated amount of industrial real estate in the area.

Industrial/Flex Inventory Overview	SSD	SCRA	Cobb County
Locations	102	266	2,009
Square Feet Total	13,521,138	17,546,667	71,180,832
12 Month Net Absorption	1,590,026	1,716,436	4,277,592
Vacancy Rate	5.80%	4.90%	4.30%
Average NNN Rent (Asking \$/SF)	\$3.97	\$4.11	\$6.17



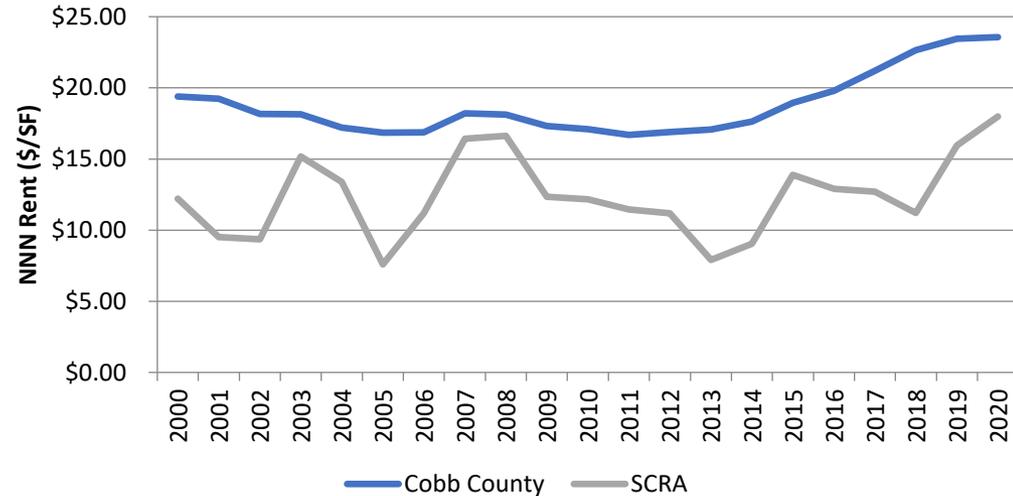
COMMERCIAL REAL ESTATE: OFFICE

Office Inventory

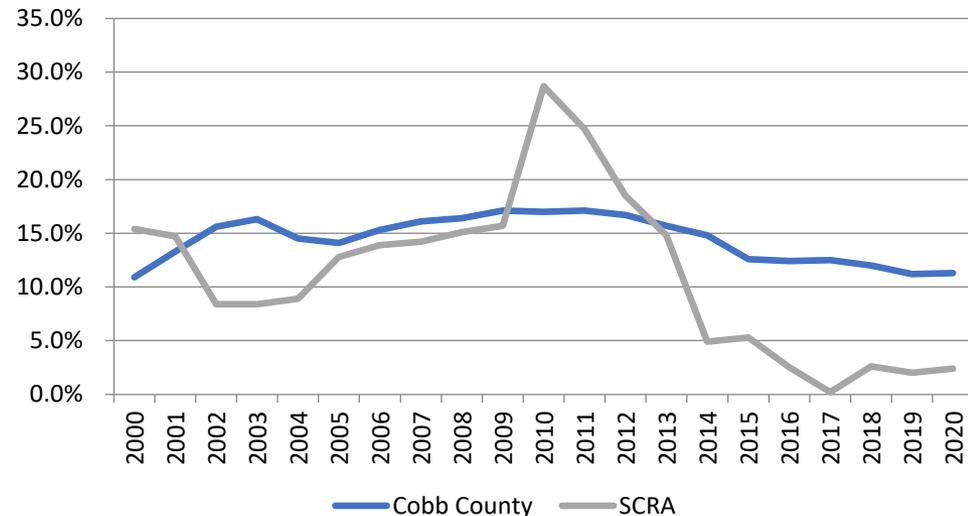
The SCRA has had a higher office occupancy rate than Cobb County since 2014, and currently has only 2.4% vacancy.

- The SSD only has one building of office space with 10,200 SF.
- The SSD area lacks attributes that would attract regionally-significant office development.

Average Office Rent per Square Foot



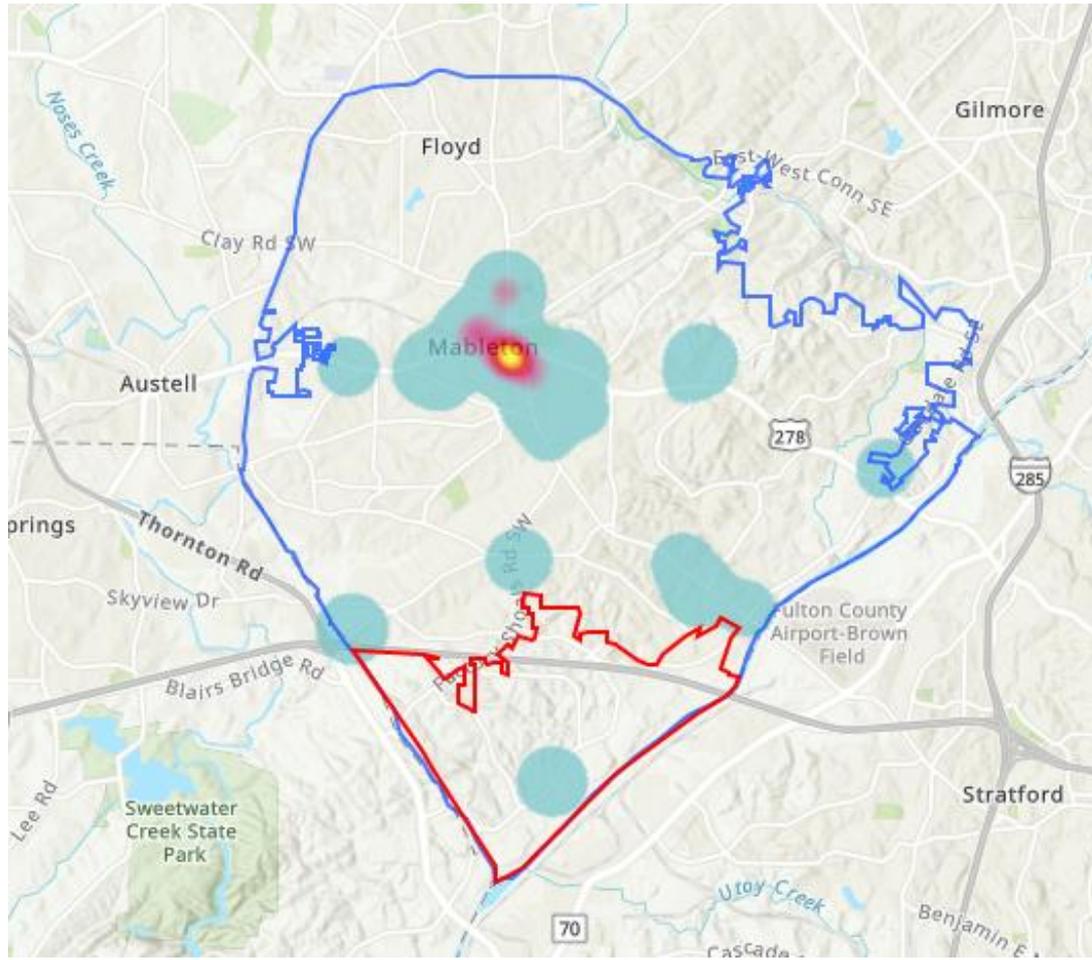
Office Vacancy Rate



Office Inventory Overview	SSD	SCRA	Cobb County
Locations	1	63	2,407
Square Feet Total	10,200	308,085	41,970,177
SF Under Construction	0	0	13,500
12 Month Net Absorption	0	8,750	2,880,475
Vacancy Rate	0.00%	2.40%	11.30%
Average NNN Rent (\$/SF)	N/a	\$18.00	\$23.56

COMMERCIAL REAL ESTATE: OFFICE

Office Inventory



Rentable Building Area

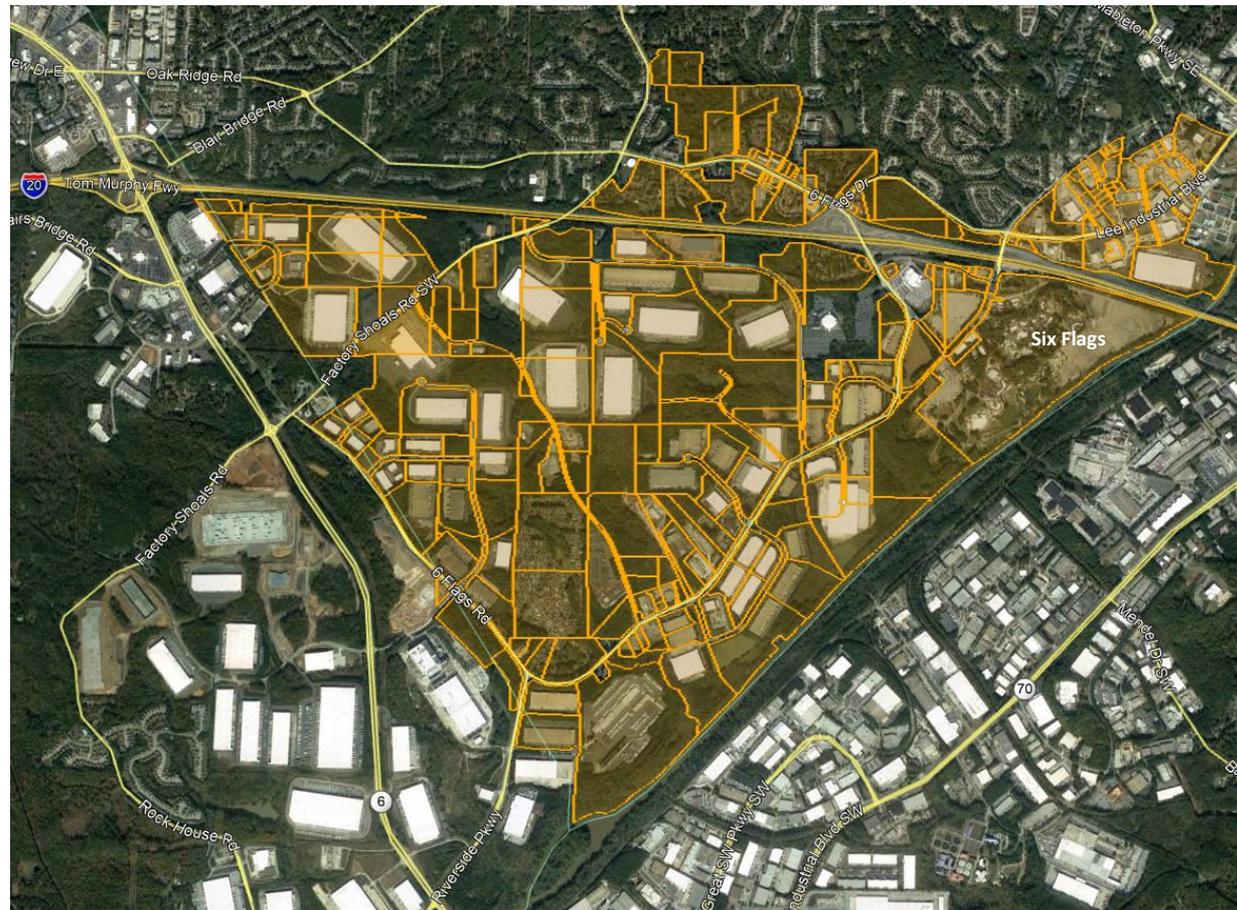


REAL ESTATE DEMAND FORECAST

REAL ESTATE DEMAND FORECAST

Real Estate Demand Opportunity Assessment, 2020-2025

- As part of the **Six Flags Special Service District (SSD) Real Estate Market Study**, Bleakly Advisory Group prepared 5-year development potential forecasts for the key land use types within the SSD boundaries:
 - **New For Rent Residential**
 - **New Single-Family For Sale Residential**
 - **New Attached (Townhome) For Sale Residential**
 - **Retail**
 - **Industrial**
 - **Office**
- Each real estate development potential forecast utilizes population and employment projections for growth in Cobb County and the local area under various assumptions, including the area's recent market history and demonstrated capture of its fair share of Cobb County's population and household growth, employment growth, and real estate development.

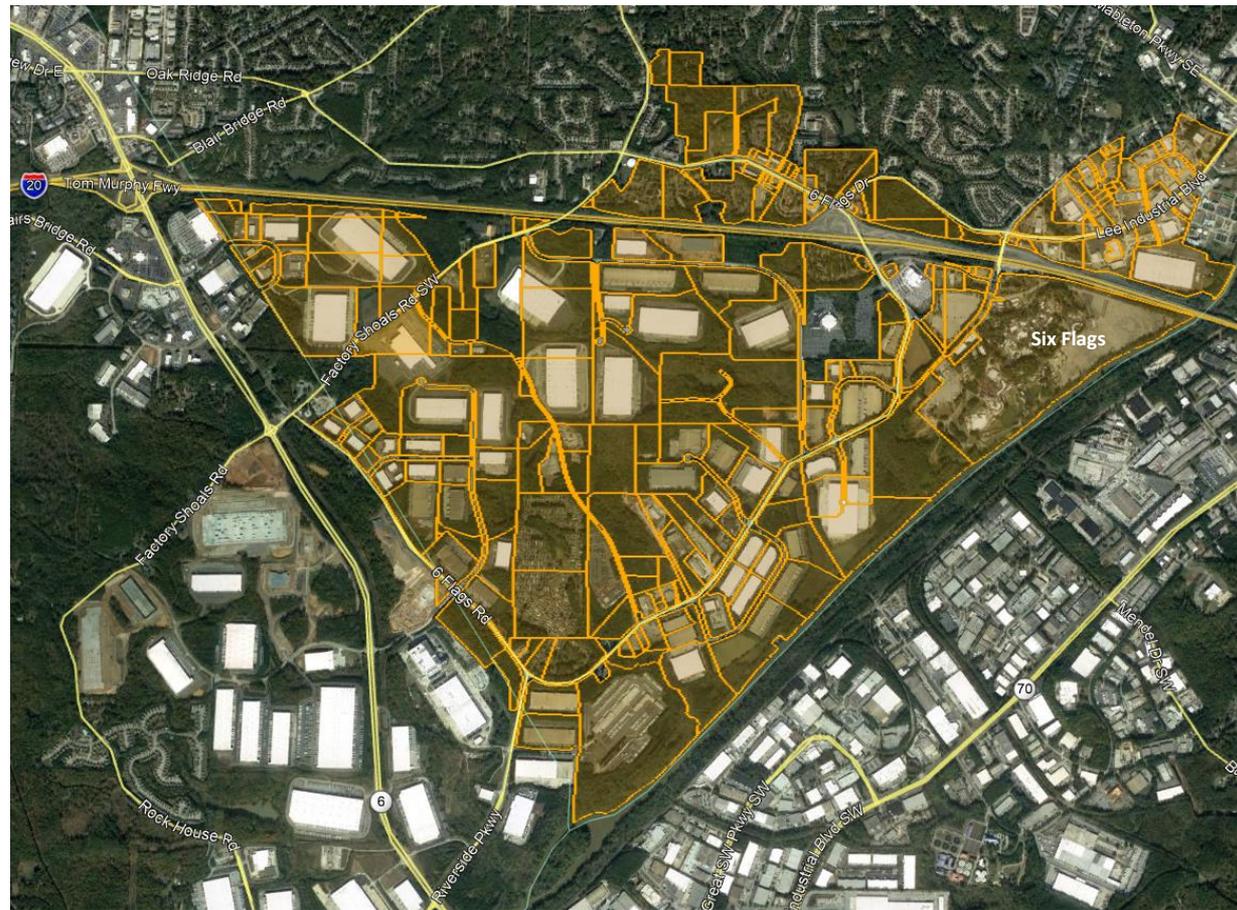


REAL ESTATE DEMAND FORECAST

Real Estate Demand Opportunity Assessment, 2020-2025

• **This assessment is summarized in this document includes:**

- An assessment of demographic and economic trends that have driven, and will drive, demand in the SSD real estate market:
 - Population and household growth
 - Employment growth
 - Household characteristics
- An assessment of the real estate supply/existing inventory in terms of total square feet by land use type, occupancy, absorption trends, rental rates, sales prices, etc.
- The demand opportunity forecasts are based on analyzing historic and future supply and demand conditions and do not take into account other factors that impact the likelihood of development such as zoning, development costs, local appetite for growth, unknowable national/international economic trends, etc.

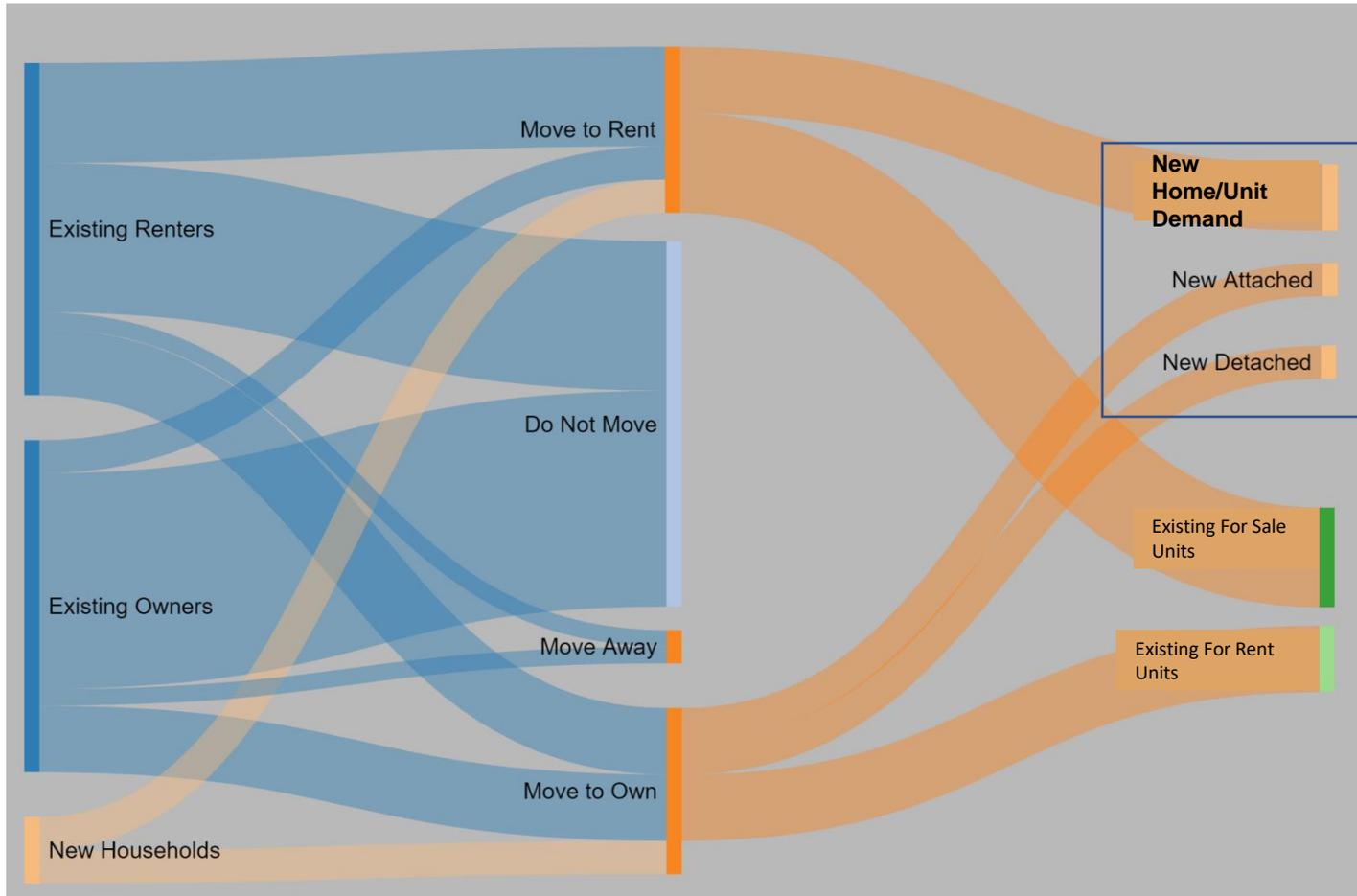


REAL ESTATE DEMAND FORECAST

Real Estate Demand Opportunity Assessment, 2020-2025

	Residential			Commercial		
	New For Rent Residential (Units)	New For Sale Single-Family Residential (Units)	New For Sale Attached Residential (Units)	Retail (Sq. Feet)	Industrial (Sq. Feet)	Medical Office (Sq. Feet)
2020-2025	983	107	430	44,000	475,000	97,900
Market Opportunity Assessment by Land Use:	 <p>HIGH</p> <ul style="list-style-type: none"> Job growth in the local area and larger region provide potential for additional rental units in the SSD. Subsidized affordable and senior units provide best opportunity. Market-rate units would likely need some form of subsidy as well. 	 <p>MODERATE-LOW</p> <ul style="list-style-type: none"> While single-family demand likely exists in SSD north of I-20, opportunities are greatest for price-points that are difficult to deliver for single-family units. The area could attract first-time homebuyers of all ages at the appropriate price-points. 	 <p>MODERATE-HIGH</p> <ul style="list-style-type: none"> Townhomes provide the best for-sale residential development opportunities because of the difficulty to deliver single-family units at lower price-point at which the largest demand pools exist in the area. 	 <p>LOW</p> <ul style="list-style-type: none"> Should jobs and new residents continue to locate to the area, small-scale retail development opportunities could exist in select locations in the SSD. Best opportunities are to utilize existing retail to foster entrepreneurship energy of local residents. Any larger-scale retail opportunities would need to attract demand from outside the area. 	 <p>HIGH</p> <ul style="list-style-type: none"> The area is home to Cobb County's newest and largest collection of industrial/warehouse/distribution space. The market opportunity for continued development of this type of space in the SSD is the greater than all other property types. 	 <p>MODERATE-HIGH</p> <ul style="list-style-type: none"> While the opportunity for Class A professional office in the area is non-existent, medical office development could occur in select locations. The realization of this demand in the SSD will likely depend on positive shifts in national health-care trends to allow for better community health delivery.

HOUSING DEMAND MODELING



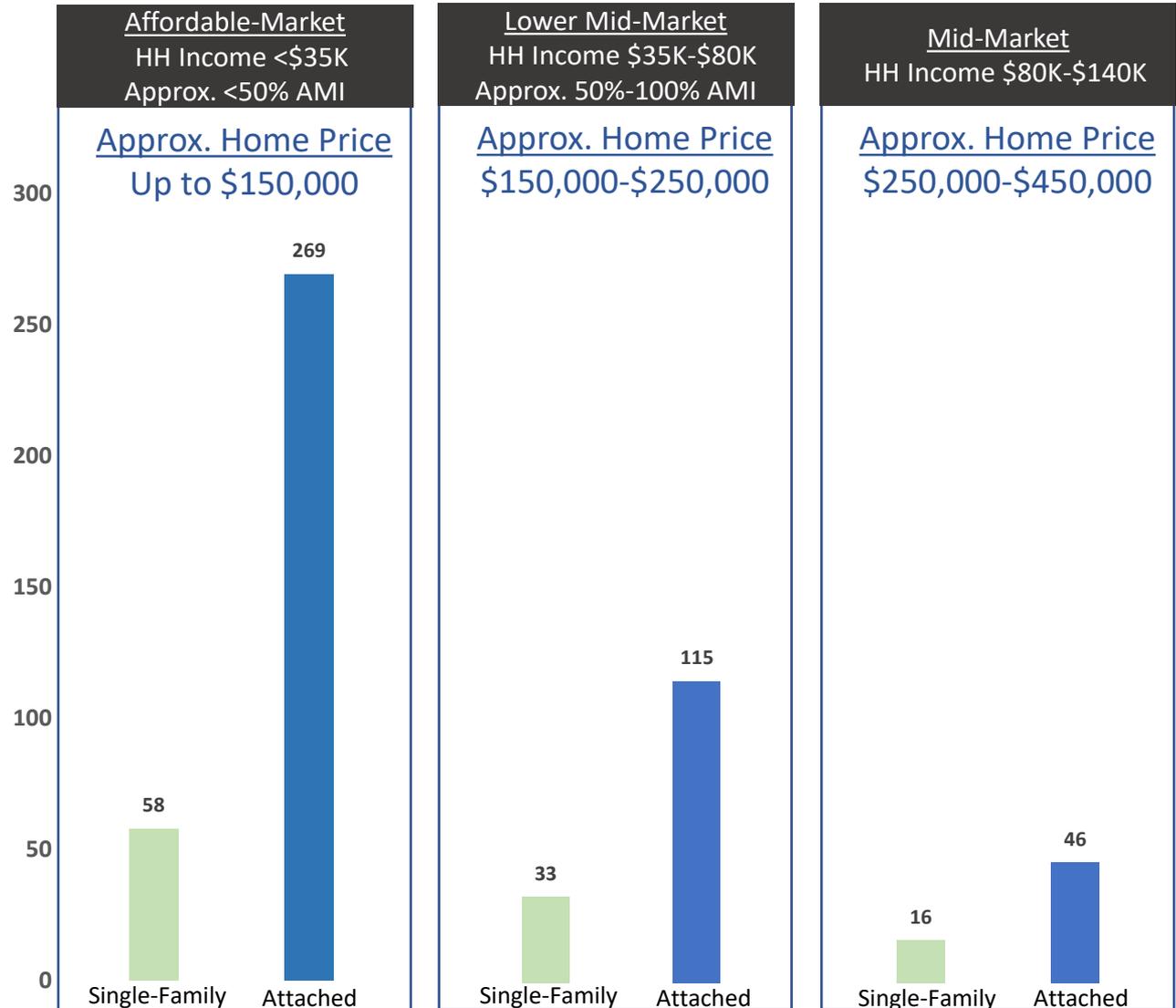
New residential demand, by housing type

Housing demand originates from **three consumer buyer segments**: new households moving to the local area, current owner households in turnover and current renter households in turnover who will chose to stay in the area.

This analysis qualifies the three demand segments for Cobb County by income levels, tenure, annual turnover, preference to buy/rent new, and preference to buy/rent detached/attached homes.

REAL ESTATE DEMAND FORECAST 2020-2025 FOR SALE RESIDENTIAL

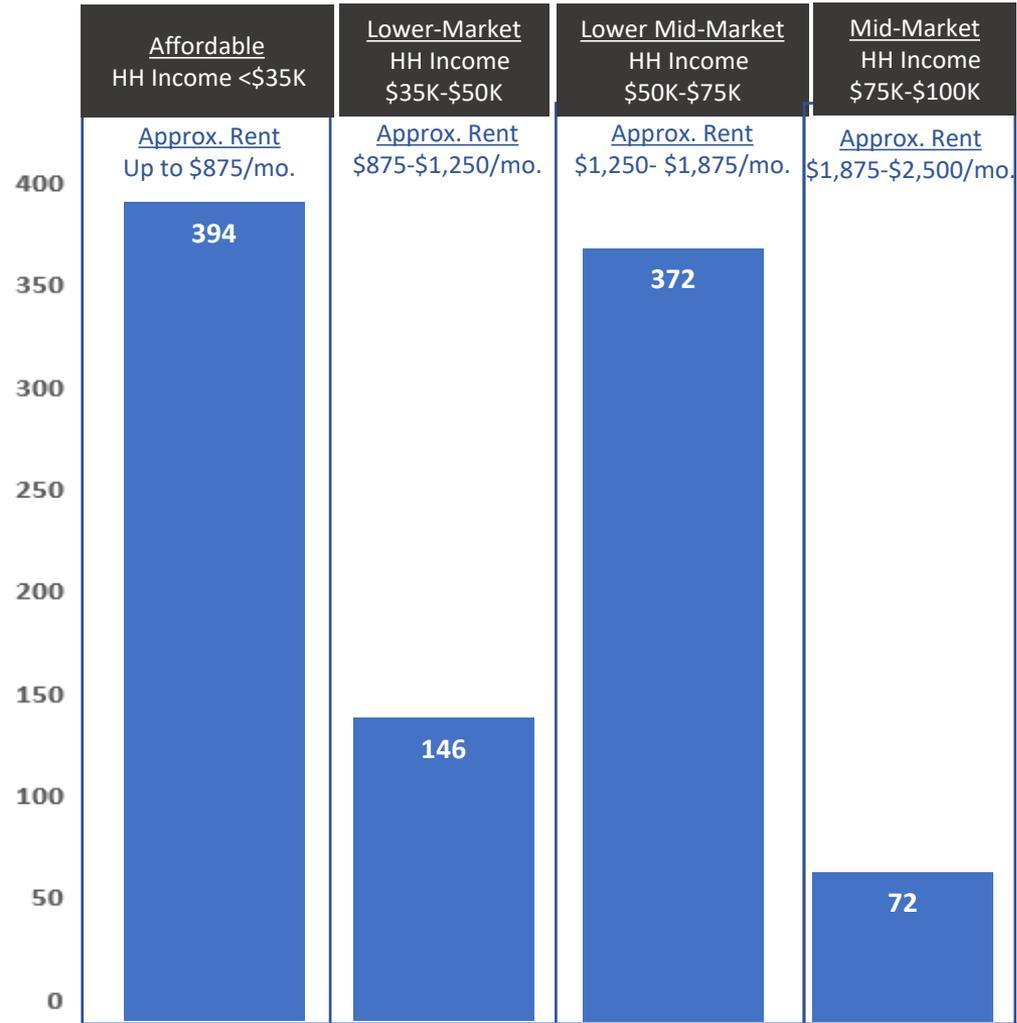
- To estimate future housing demand in the SSD, the analysis assumed capture rates of various Cobb County demand segments, depending on tenure and income, based on historic and expected patterns.
- The highest levels of for sale housing demand are single-family and attached townhome units priced below \$150,000. In today's marketplace, these units are difficult for home-builders to deliver, particularly single-family product.
- The totals shown at right represent potential demand in the SSD over the 2020-2025 period.



REAL ESTATE DEMAND FORECAST 2020-2025

FOR RENT RESIDENTIAL

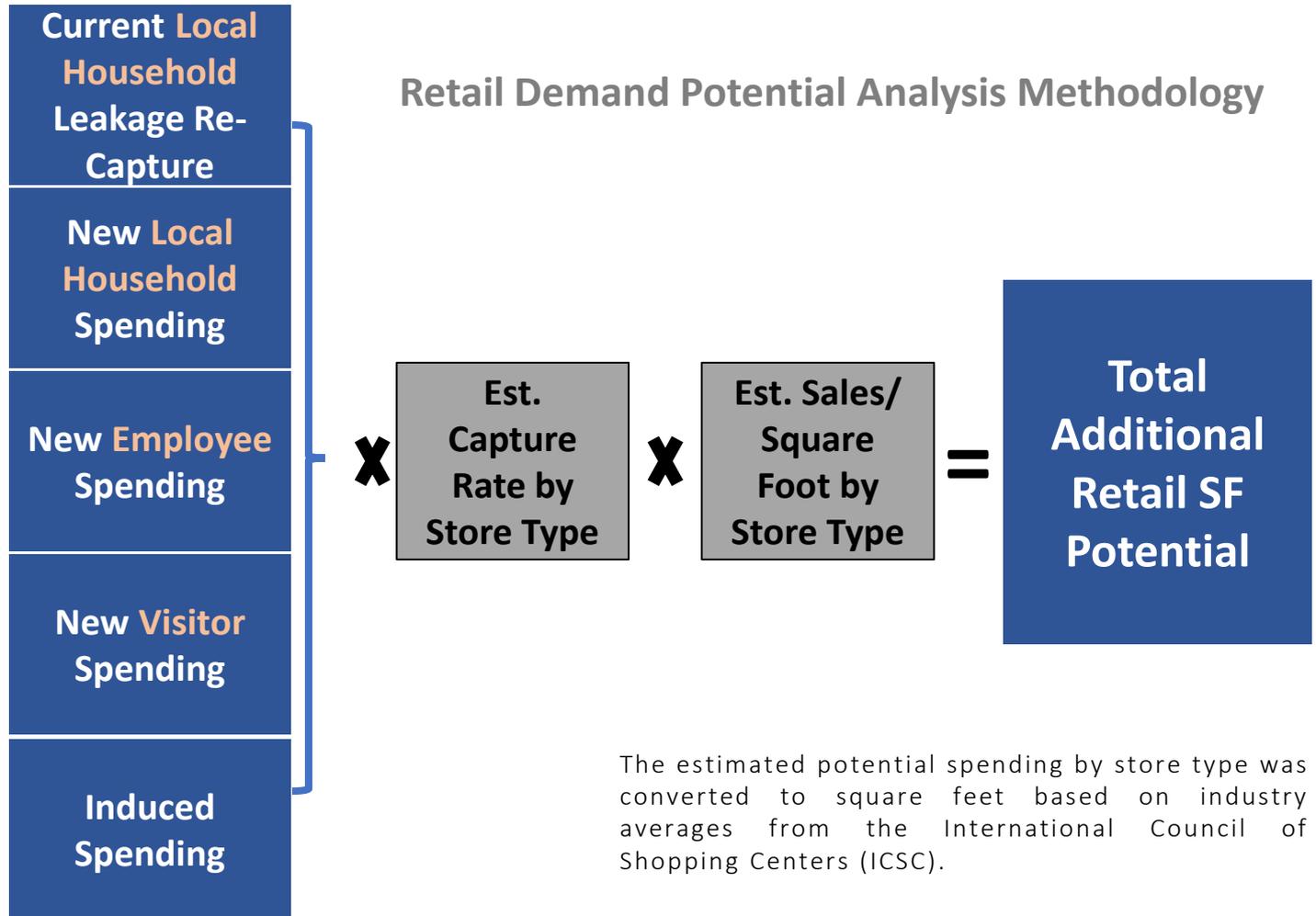
- The highest levels of for rent housing demand are for units priced up to \$875 per month. Similar to the more affordable for sale housing products, in today's marketplace, these units are difficult for developers to deliver.
- It's likely that subsidies would be needed to deliver these affordable units priced under \$1,000 per month.
- The totals shown at right represent potential demand in the SSD over the 2020-2025 period.
- These totals include demand for senior housing units.



REAL ESTATE DEMAND FORECAST 2020-2025

RETAIL

- To estimate future retail square feet demand potential in the SSD, new spending by various market segments was estimated in the context of potential capture rates for future local retail sales.



The estimated potential spending by store type was converted to square feet based on industry averages from the International Council of Shopping Centers (ICSC).

REAL ESTATE DEMAND FORECAST 2020-2025

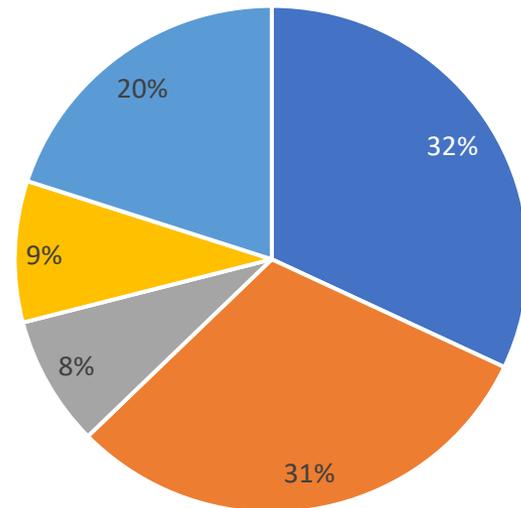
RETAIL

- Based on the analysis described above, assuming new population and employment growth in the area, the SSD can likely support up to approximately 45,000 additional square feet of retail space over the next five years.
- This new space would need to be located in desirable locations that are able to attract spending from both local residents and visitors.
- It's likely that this new spending could be best captured at locations with visibility from or near I-20, near Six Flags and/or the EpiCenter.
- Additional entertainment options in the area could help to actualize this demand.

New Spending Demand by Store Type

Restaurants	11,150
Dry Goods Stores	9,075
Local-serving Office/Other	7,870
Health and Personal Care Stores	6,780
Bank	4,500
Food Stores	4,475
TOTAL	43,850

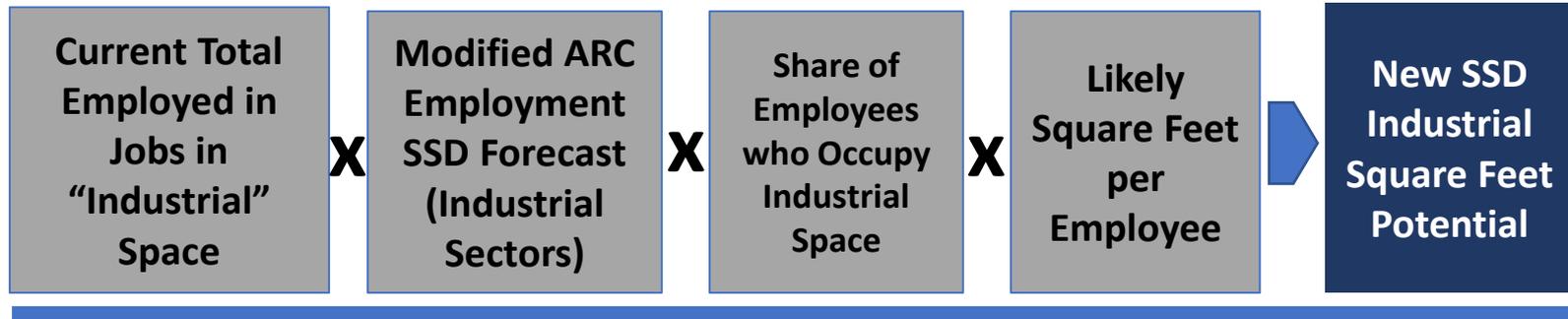
New Spending Demand by Market Segment



- Current Resident Re-Capture
- New Residents
- New Local Employees
- Day/Night Visitors
- Additional Induced Spending

REAL ESTATE DEMAND FORECAST 2020-2025

INDUSTRIAL



- The future industrial space potential forecasts for the SSD use metro employment levels and projections developed by the Atlanta Regional Commission (ARC) for job sectors most associated with driving industrial space demand.
- ARC projections were modified upward based on recent levels of development in the area
- Industrial space includes warehouse and distribution facilities.
- **This analysis concludes that the SSD area could absorb approximately 475,000 to 500,000 square feet of industrial space over the next five years.**

Industrial Related Employment Sectors	Total Employed 2020	Forecast		Net Growth	% of Workers in Industrial Space	Industrial Employment Growth	SF/Worker	Growth in Industrial Demand (SF)
		Annual Growth Rate	Total Employed 2025					
Construction	1,730	5.4%	1,822	93	20%	19	1,000	18,544
Transport and Warehouse	1,571	8.2%	1,701	129	80%	104	2,500	258,849
Manufacturing	296	0.0%	296	0	100%	0	1,500	0
Wholesale	1,959	4.0%	2,038	79	100%	79	2,500	198,037
Total	5,556		5,857	301		201		475,430

- *Forecast includes only for-lease, not owner-occupied, space.*

REAL ESTATE DEMAND FORECAST 2020-2025

OFFICE

- While the opportunity for Class A professional office in the area is non-existent, medical office development could occur in select locations.
- The realization of this demand in the SSD will likely depend on positive shifts in national health-care trends to allow for better community health delivery.
- Under the appropriate circumstances and location(s), the SSD could support approximately 100,000 SF of medical/medical office facilities over the next five years.

Cobb Co. MEDICAL OFFICE DEMAND								
			2020	2021	2022	2023	2024	2025
	Current Share	2020-2025 Ann. Growth						
MSA Total Employment		1.5%	2,785,900	2,827,879	2,870,491	2,913,744	2,957,650	3,002,217
Cobb Co. Employment	14.0%		389,155	395,019	400,971	407,013	413,146	419,372
Cobb Co. Healthcare and Social Assistance Employees	9.9%	2.9%	38,370	39,472	40,606	41,773	42,973	44,207
Healthcare Practitioners and Technicians	44%		16,752	17,233	17,728	18,237	18,761	19,300
Non-Nurse Health Diagnosing and Treating Practitioners	44%		7,355	7,566	7,784	8,007	8,237	8,474
Net New Practitioners who Generate MOB Demand				211	217	224	230	237
Space Demanded Per Practitioner	500	SF		105,600	108,700	111,800	115,000	118,300
Cumulative New MOB Space Demanded				105,600	214,300	326,100	441,100	559,400

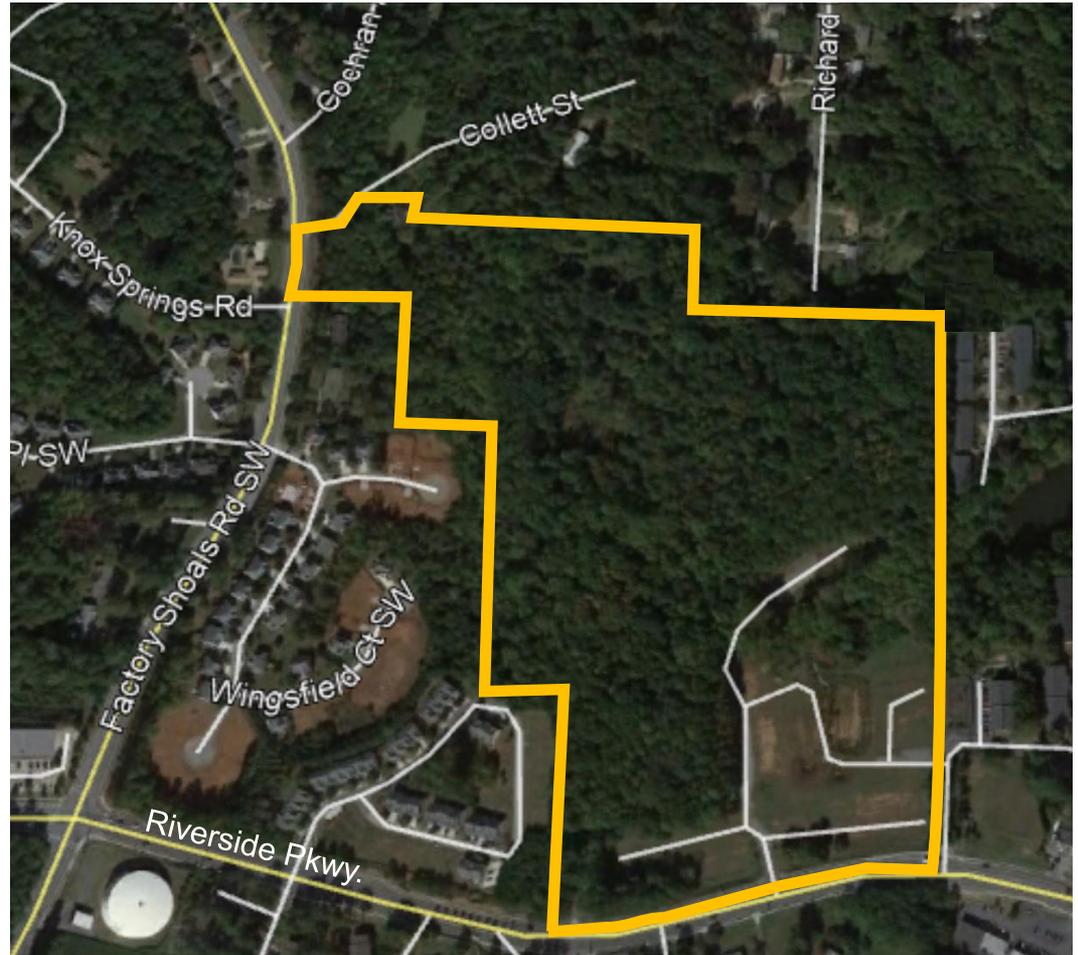
SSD CAPTURE	15%	83,900
	17.5%	97,900
	20%	111,900

• Forecast includes only for-lease, not owner-occupied, space.

SCRA-OWNED PROPERTY CONCLUSIONS

SCRA-OWNED PROPERTY

- The SCRA owns 50.6 acres at 490 Riverside Parkway in unincorporated Cobb County, outlined at right.
- The 12.5 acres in the southeast corner of the site was developed in 1972 as Magnolia Crossing, a 146-unit apartment complex, demolished in 2016, upon purchase by SCRA.
- The remaining acreage was previously owned by the Yancey family, never developed in the modern era.
- The property is tax exempt but appraised at approximately \$2.4 million by Cobb County, based on the sale history.
- The follow pages assess the current conditions and market-based development potential for this site, based on the research conducted and reported in earlier sections of this report.



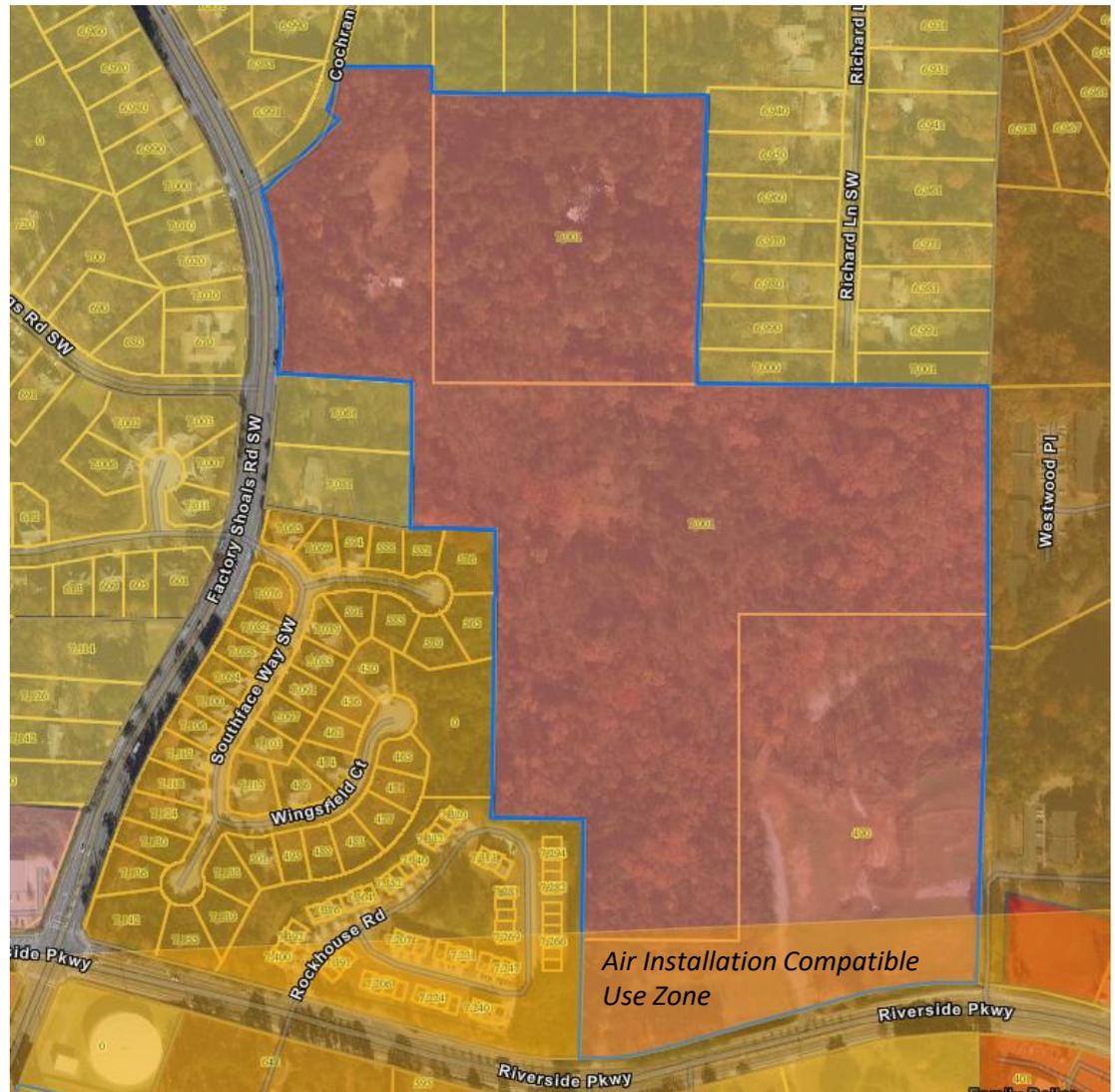
SCRA-OWNED PROPERTY

Zoning

- The SCRA property is zoned “Planned Village Community” by Cobb County.
- According to Cobb zoning ordinances this zoning is meant to “encourage flexible site plans and building arrangements under a unified plan of development rather than lot-by-lot regulation for retail commercial and service uses which are designed and oriented to be self-sufficient neighborhoods making up a community.

The developer benefits from better land utilization and economy in the provision of roads and utilities and overall site design. Projects developed within a PVC district should be designed to compact unified retail centers within the center of the community.”

- A wide array of commercial, civic, and residential uses are allowed under this zoning.
- The frontage on Riverside Pkwy. is in an Air Installation Compatible Use Zone for Fulton Co. Airport- Brown Field.



SCRA-OWNED PROPERTY

Traffic Counts

- Riverside Parkway and Factory Shoals Road provide auto access to the site.
- The most visible and lengthy frontage is on Riverside Parkway
- Based on data from GDOT and CoStar, the average annual daily trips (AADT) at the site are between 15,000 – 20,000.
- This traffic volume is at the minimum level to attract interest from most national and regional retail tenants. Typically retailers seeking auto-oriented sites pursue locations with at least 30,000 ADT.
- Given the “mid-block” location of the road frontage, limited frontage on Factory Shoals, and the somewhat limited amount of average daily trips at the SCRA-owned property, from a auto-driven demand perspective, this site is not well-suited to attract national/regional retail tenants that depend on “drive-by” traffic to compel consumer demand.



SCRA-OWNED PROPERTY

Local Trade Area Overview

1-Mile Radius 2020

Pop: 8,839
HH: 3,147
Average HH Income: \$67,323
Median HH Income: \$54,818
Bachelor's Degree or Higher: 22%

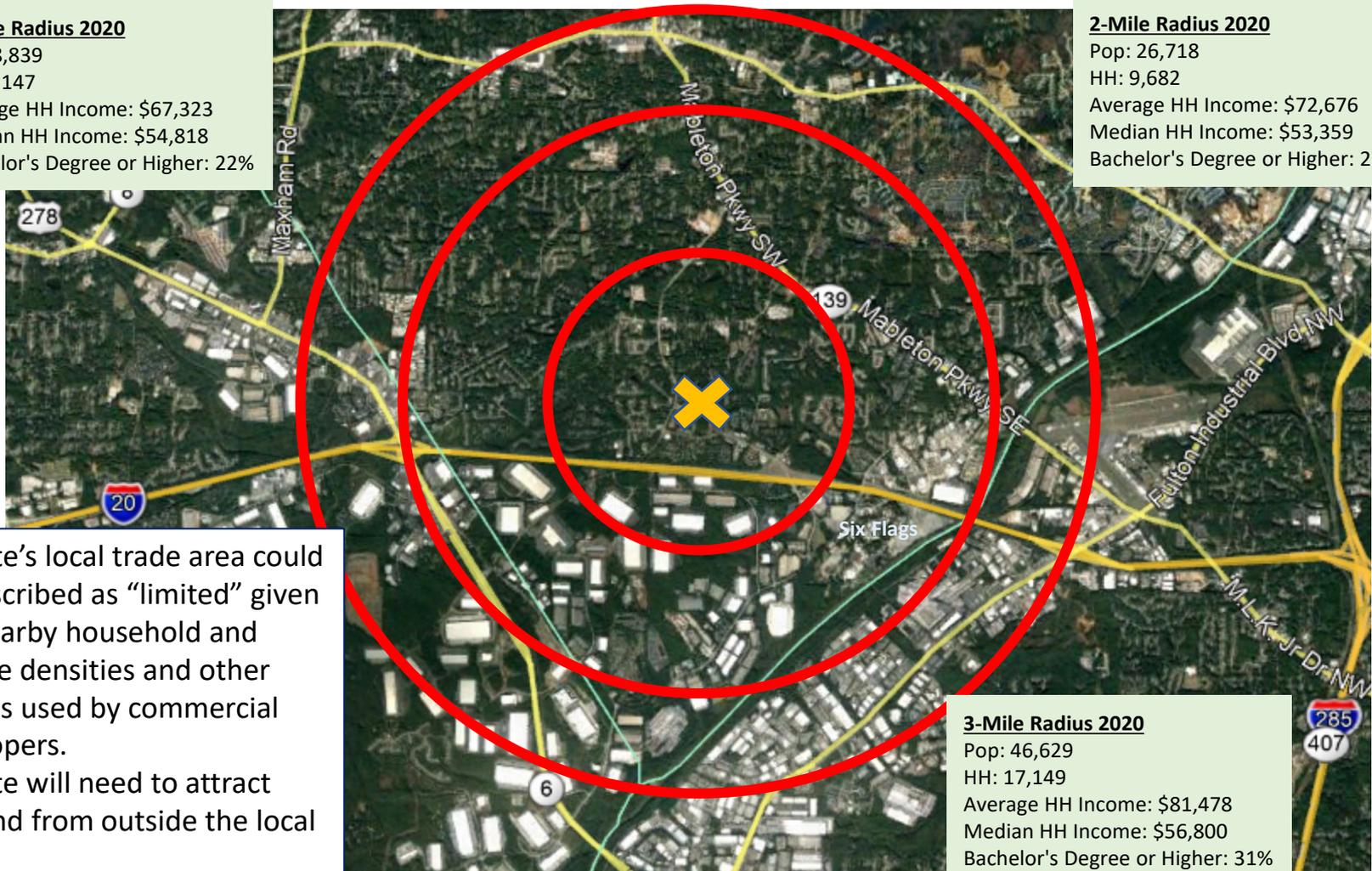
2-Mile Radius 2020

Pop: 26,718
HH: 9,682
Average HH Income: \$72,676
Median HH Income: \$53,359
Bachelor's Degree or Higher: 26%

3-Mile Radius 2020

Pop: 46,629
HH: 17,149
Average HH Income: \$81,478
Median HH Income: \$56,800
Bachelor's Degree or Higher: 31%

The site's local trade area could be described as "limited" given the nearby household and income densities and other metrics used by commercial developers. The site will need to attract demand from outside the local area.



SCRA-OWNED PROPERTY

Nearby (within 1-mile) Real Estate Highlights

Industrial

2.145 million SF

890,000 SF Built in 2018-19

97% Occupied

Retail

86,525 SF

Avg. Year Built 1983

Typical Asking Rent: \$16/SF

95% Occupied

Family Dollar, Dollar General

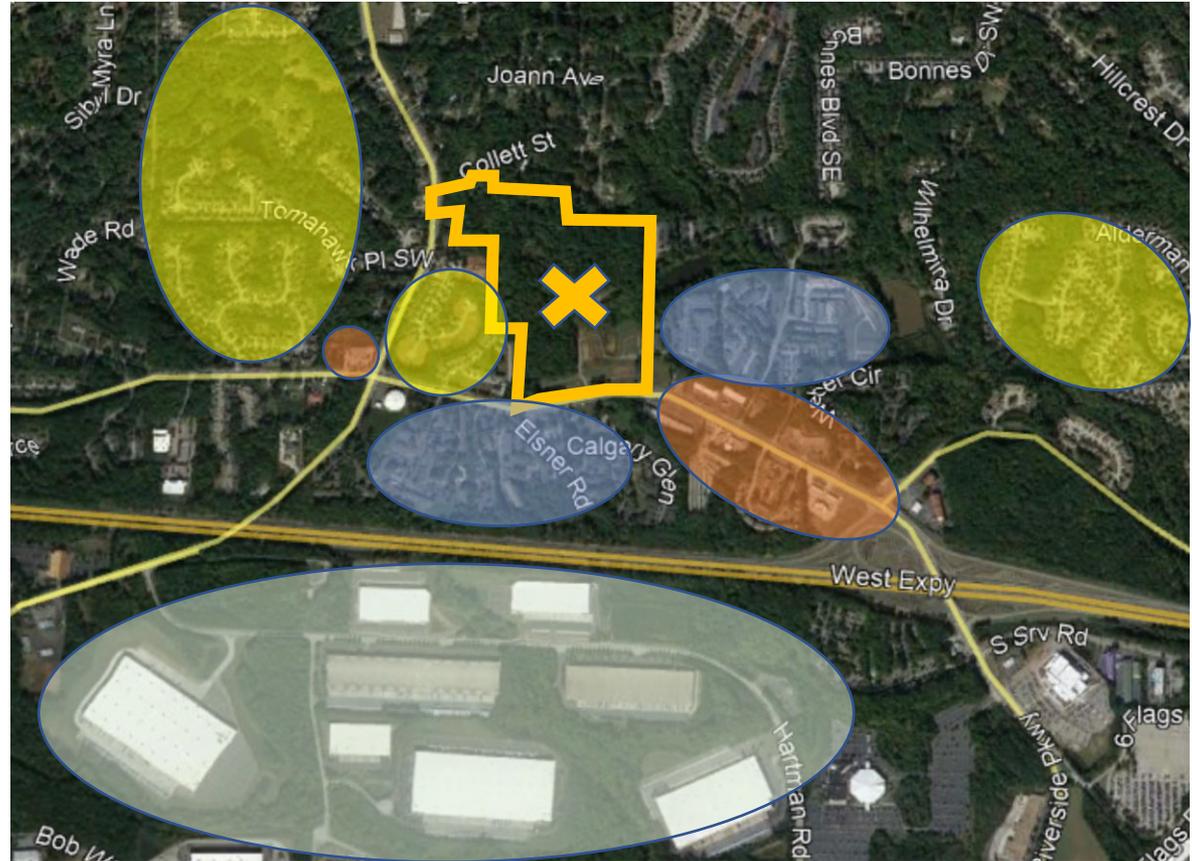
MF Apartments

6 Communities / 1,016 Units

Avg. Year Built 1978

624 Units Renovated in 2018-19

Avg. Monthly Rent: \$951 (\$0.93/SF)



Single-Family

New: \$275K - \$325K

Resale: \$175K - \$225K

Townhome

New: \$175K - \$225K

Resale: \$75K - \$125K

SCRA-OWNED PROPERTY

S.W.O.T. Analysis: Real Estate Development Market Potential

Strengths

- Publicly-owned allows for potential to “guide” development
- No structures on the site
- Visibility: frontage on important thoroughfares allows for potential regional access
- Two access points
- Flexible zoning allows for mixed uses
- Verdant vegetative coverage

Opportunities

- Some real estate demand exists in the area
- Community medical services are needed locally
- Could serve as a location for additional needed community services
- Given zoning, potential to create on-site demand through mixed uses
- The area needs a development catalyst and the owner is seeking to catalyze the area’s development

Weaknesses

- Limited local trade area, particularly for retail
- Only minimum necessary traffic counts for national/regional retailer
- Frontage at “mid-block” significantly diminishes retail opportunities
- Air Installation Compatible Use Zone

Threats

- Other potential development sites in the area can also provide similar opportunities
- Lack of new commercial invest in SSD north of I-20
- Surrounding land uses limit drawing demand as a walkable destination.
- Uncertainty caused by COVID-19

SCRA-OWNED PROPERTY

Real Estate Demand Opportunity Assessment, 2020-2025

	Residential			Commercial		
	New For Rent Residential (Units)	New For Sale Single-Family Residential (Units)	New For Sale Attached Residential (Units)	Retail (Sq. Feet)	Industrial (Sq. Feet)	Medical Office (Sq. Feet)
SSD Overall Market Opportunity Assessment:	HIGH	MODERATE-LOW	MODERATE-HIGH	LOW	HIGH	MODERATE-HIGH
SCRA-Owned Property Market Opportunity Assessment:	MODERATE-HIGH The site could attract a large number of subsidized affordable and senior units. Market-rate units would likely need some form of subsidy	MODERATE The site could attract first-time homebuyers of all ages at the appropriate price-points in the mid- \$200K to mid \$300K range, but lower density limit land revenue opportunity	HIGH Given the surrounding land uses, townhomes provide the best for-sale residential development opportunity in the mid-to-high \$200K range	LOW Opportunity to explore how the site can help foster the entrepreneurship energy of local residents	MODERATE-HIGH Developers could be attracted to the site, but it lacks the most desirable attributes or industrial. This use would change the residential character of the immediate area	MODERATE-HIGH A “mission-driven” health entity could find the site attractive to serve the local community

Additional Considerations: The SCRA-owned site lacks the attributes necessary to attract a large market-driven “catalyst” real estate development. Market opportunities are limited, and thus public and community actions are needed to grow demand.

Local resident input for this study confirmed that the area generally lacks essential elements that foster cohesive community connections (see below for additional details). While the examination and implementation of these connections exceeds the scope of a real estate market study, it is clear that the further development of these connections can help to drive demand necessary for an expansion of real estate demand into the area.

The SCRA-owned property provides a unique opportunity to help to grow the community connections and the local economy through both real estate activities, and social activities. The site is positioned so that it can become a “catalyst” for community and economic development.

SCRA-OWNED PROPERTY

Additional Considerations

- The public sector (Cobb County, SCRA) can lead the way to development through initiatives that send a signal that this site is a priority for the area. These initiatives include the aggressive use of economic development tools such as a Tax Allocation District (TAD), grants, relaxed regulation, expedited permitting, property tax reduction through “bond-for-title,” infrastructure development, etc.
- The SCRA should pursue a development partner through an RFQ/P process. An ideal partner would have experience in “mission-driven” community development, as well as successful “market-driven” real estate development.
- Consider seeking phased development that relies upon “creative placemaking” in early phases.
- According to ULI, “creative placemaking describes a comprehensive community development approach that intentionally embeds arts, culture, and community-engaged design into strategies to revitalize and stabilize communities.”

www.americas.uli.org/research/centers-initiatives/building-healthy-places-initiative/creative-placemaking/

“Creative placemaking animates public and private spaces, rejuvenates structures and streetscapes, improves local business viability and public safety, and brings diverse people together to celebrate, inspire, and be inspired.”

- The SCRA could explore the idea of a Public /Private/ Philanthropic partnership through the creation of a local **Community Development Fund**
 - Non-developer local private philanthropic sector could contribute up to 50% equity in the fund
 - Return expectations:
 - Moderate return on investment
 - High return on community
 - Leverage the SCRA ability to borrow low-interest money
 - Could be packaged with TAD incentives to create robust financing for a catalytic project.
 - Could evolve into an entity along the lines of Chattanooga’s River City Company.

Further . . .

- Because the area is in a “Less Developed Census Tract” the site is an eligible recipient of economic development programs such as New Market Tax Credits and Community Development Block Grants (CDBG).

“SOUL OF THE COMMUNITY”

The John S. and James L. Knight Foundation

Adapted from www.knightfoundation.org/sotc/

Soul of the Community (SOTC) is a three-year study conducted by Gallup of 26 communities across the United States to determine the factors that attach residents to their communities and the role of community attachment in an area’s economic growth and well-being. The study focuses on the emotional side of the connection between residents and their communities.

The study compared residents’ attachment level to the GDP growth in the 26 communities over five years. The findings showed a significant correlation between community attachment and economic growth. Researchers analyzed the connection between community attachment and economic growth and found that cities with the highest levels of attachment had the highest rate of GDP growth.

KEY COMMUNITY ATTRIBUTES THAT DRIVE ATTRACTION = ECONOMIC GROWTH

Social offerings — Places for people to meet each other and the feeling that people in the community care about each other

Openness — How welcoming the community is to different types of people, including families with young children, minorities, and talented college graduates

Aesthetics — The physical beauty of the community including the availability of parks and green spaces

Knight Soul of the Community 2010

Why People Love Where They Live and Why It Matters: A National Perspective



The SCRA site can serve as a catalyst for community attachment, which will, in turn, provide a catalyst for economic growth.



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