Market Analysis for the Pine Lake Neighborhood

City of Pine Lake

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100 Waverly Way NE
Atlanta, Georgia 30307
404.522.2243
www.marketekinc.com

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LIST OF EXHIBITS

FRAMEWORK

Marketek, Inc. was retained to conduct a retail and residential market analysis for the Pine Lake neighborhood and to provide recommendations designed to encourage redevelopment of specific sites located on Rockbridge Road on the southern extremity of the neighborhood.

Major tasks included:

- A community assessment of the City of Pine Lake's existing residential and commercial uses and characterization of the community's potential for continued revitalization.

- A socioeconomic analysis of primary market area residents, including population and household growth rates; age, income and racial composition trends; housing characteristics; and employment trends. The primary market area is the area from which the majority of potential patrons of retailers and restaurants and residents of new housing developed on Rockbridge Road will be drawn.

- A representative survey of nearby retail centers with an emphasis on tenant/merchandise characteristics, square footages, average rental rates and occupancy rates.

- A statistical analysis of potential market demand for retail/service/restaurant space in the primary market area for the years 2008-2018, with capture rates and potential supportable space for the Pine Lake community by merchandise category.

- Potential demand for residential product in the Pine Lake community, including for-sale and rental housing. Demand projections will include estimated annual absorption rates for specific recommended product types at varying rents and prices through the year 2013.

- Identification of a market niche and branding concept upon which to focus the community revitalization program. Potential marketing tactics for promoting Pine Lake to real estate developers, development consortiums, public-private partnerships and other potential participants in future redevelopment along Rockbridge Road.

- Recommendations regarding target business opportunities, the optimal business mix and new retail and residential development in Pine Lake.

This report shares Marketek's research findings. Its primary purpose is to provide the client with findings and conclusions concerning the characteristics and depth of the retail and residential market in the Pine Lake community. Exhibits supporting research findings are provided in the Appendices.

COMMUNITY ASSESSMENT

The City of Pine Lake, Georgia was established in 1937 following its existence as a subdivision run by the Pine Woods Corporation. The corporation sold lots around a small fishing lake, attracting Atlanta area residents for fishing and getaway type recreational activities. Over time, the lake and its park-like village became known for natural beauty, including a wide range of trees, birds and small animals. It was no surprise when the Pine Lake "resort" community began to attract increasing numbers of residents who chose to live there year round, in the original cottages and a wide range of housing types.

The residents of the City of Pine Lake established a city government electing a mayor and council, and setting up a police department. An Architectural Review Board was established to preserve the community's physical integrity. A clubhouse was built for meetings, exercise classes, pet care, concerts and a long list of other community activities. The residents of Pine Lake are demographically diverse and deeply committed to maintaining the community's eclectic character. New housing built over the years and renovation of existing homes reflects this and remains a "community issue" that is closely followed.

While revitalization activity is clearly underway within Pine Lake village, Rockbridge Road, a major corridor located at the southern extremity of Pine Lake presents stark contrasts to the ambience of the village. Except for the small commercial center Pine Lake Village located at one of the entrances to Pine Lake, Rockbridge Road is a typical metro corridor, and in fact, could be characterized as "Anywhere USA."

As described in the Retail Market Assessment, there is a variety of commercial establishments in the immediate vicinity of Pine Lake including a few restaurants, beauty services, animal hospital, pawn shop, auto related businesses, a package store, thrift bakery, and a major anchor, the post office. Some of these businesses appear to be marginal. Pine Lake Village is fully occupied and is anchored by the Kingfisher Restaurant. Shopping nodes located within a short drive of Pine Lake vary in terms of occupancies, obsolescence and relevance to market demand.

The proximate neighborhoods vary widely in terms of housing prices and character. Most are moderate to middle-income neighborhoods with single-family homes valued somewhat below the metro average. There are, however, several subdivisions with higher-priced housing.

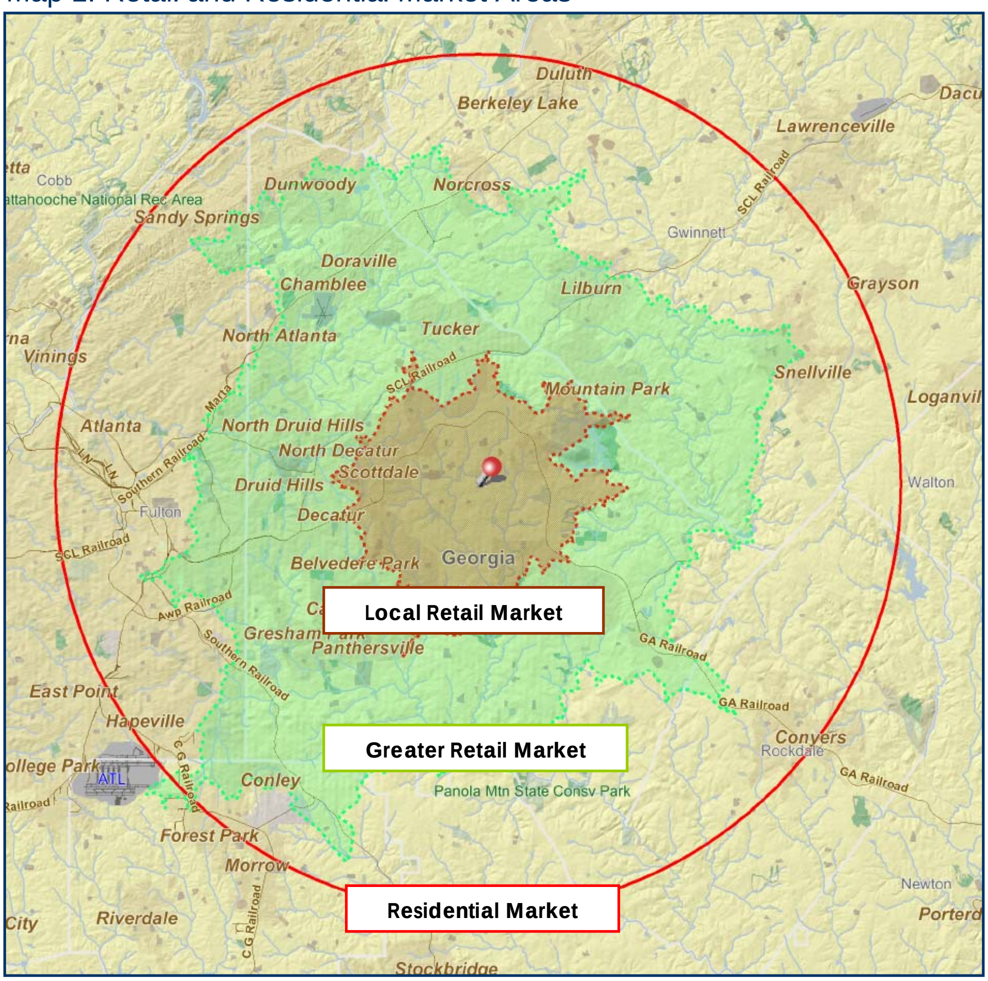
Although Rockbridge Road has high traffic counts as commuters travel to Memorial Drive and I-285, Pine Lake retailers do not currently appear to be capitalizing on these potential customers. As redevelopment on Rockbridge occurs in Pine Lake, it will be necessary to promote the area's competitive assets, including its natural beauty, scenic views, diverse and lively community and convenient location to 1-285 and downtown Atlanta, to attract residents and shoppers. Further, development must give those traveling along Rockbridge the same distinct sense of place that infuses the Pine Lake neighborhood and sets it apart from surrounding cities and corridors.

TARGET MARKET PROFILE

The demographic characteristics of households key to new development in the Pine Lake community – including existing residents as well as Retail and Residential Market Area residents – are provided in this section. Retail and Residential Market Areas are the geographic areas from which the large majority of potential retail customers and residents of new housing emanate; they are based on drive time estimates, geographic and man-made boundaries and the location of existing competitive supply.

The Retail Market Area is comprised of a "Local" and a "Greater" area. Residents of the Local Retail Market Area (defined as a 10-minute drive from the Pine Lake clubhouse) will visit Pine Lake retailers for specialty shopping, entertainment and convenience-related goods and services. The Greater Retail Market Area is larger (defined as a 20-minute drive from the Pine Lake clubhouse) and is the area from which a majority of "destination" shoppers will emanate. Note that the Greater Retail Market Area is inclusive of the Local Retail Market Area. Residents of new housing in Pine Lake will be drawn largely from the Residential Market Area, which is a 15-mile radius from the Pine Lake clubhouse (see Map 1 below).

Map 1. Retail and Residential Market Areas



The delineation of market areas is not meant to suggest that prospective shoppers and residents will be drawn solely from these geographic areas. Because of the Pine Lake's location, competitive assets and ongoing and proposed redevelopment activity, prospective customers and residents will also be drawn from outside of the market areas. Comparisons with the City of Pine Lake and the Atlanta MSA are made where appropriate. Demographic and economic trends are analyzed for the 1990-2012 time frame.

Population and Household Growth

There was moderate population growth in the City of Pine Lake from 1990 to 2007 (see Exhibit 1 in Appendix A). The city's 2007 population is estimated at 1,100, representing an average annual increase of 5.90% (32 persons) since 1990. Over the next five years, population growth is expected to slow to an average annual rate of 2.22% to reach 1,222 persons by 2012. Average annual population growth rates in the Retail and Residential Market Areas were below those of the Atlanta MSA for 1990 to 2007: 1.42% in the Local Retail Market Area, 2.07% in the Greater Retail Market Area and 2.44% in the Residential Market Area. Rates are expected to slow in all geographies for the 2007-2012 period, with the Local Retail Market Area adding 807 persons (279 households) per year, the Greater Retail Market Area adding 12,424 persons (4,625 households) per year and the Residential Market Area adding 31,050 persons (11,536 households) per year through 2012.

Age and Household Income Distribution and Racial Composition

Age trends indicate that the population in the City of Pine Lake tends to be older than those of the market areas and MSA (Exhibit 2). Seventy percent (70.3%) of persons in Pine Lake are between the ages of 25 and 64, compared to 55.6% in the Local Retail Market Area, 58.2% in the Greater Retail Market Area and 57.5% in the Residential Market Area. Median age is highest in the City of Pine Lake (38.1 years) and lowest in the Local Retail Market Area (31.8 years).

Households within Pine Lake and the Retail and Residential Market Areas tend to have lower incomes than those of the Atlanta MSA (Exhibit 3). Median household incomes increase as geographies get larger - $50,184 in the City of Pine Lake; $55,253 in the Local Retail Market Area; $63,075 in the Greater Retail Market Area; and $64,448 in the Residential Market Area.

Exhibit 4 provides the racial composition for the City of Pine Lake, the Retail and Residential Market Areas and the Atlanta MSA. While the majority of residents of the City of Pine Lake are white (73.2%), most residents of the Local Retail Market Area are African American (70.4%). The Greater Retail and Residential Market Areas are more diverse, with 36.2% and 43.3% of residents being white and 49.4% and 42.8% being African American, respectively. The percent of the population that is of Hispanic origin ranges from 4.7% in the Local Retail Market Area to 12.3% in the Greater Retail Market Area.

Tapestry Market Segments

Recognizing that people who share the same demographic characteristics may have widely divergent desires and preferences, Community Tapestry data (developed by ESRI Business Information Solutions) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are geographically defined by census blocks, which are analyzed and sorted by a variety of demographic and socioeconomic characteristics as well as other determinants of consumer behavior. Based on this information, neighborhoods are classified as one of 65 market segments. Households within Pine Lake's Retail and Residential Market Areas have been grouped into Community Tapestry market segments, the top ten of which are shown in Exhibit 5.

While the characteristics of each market segment vary, households within the market areas tend to be young families, couples or single persons with household incomes ranging from moderate to affluent. While higher income households tend to own homes, renters predominate in many market segments, as does a preference for living in multi-unit buildings. Purchases tend to focus on children's products. Complete summaries of each of the top ten Community Tapestry market segment for each market area are provided in Appendix B.

Employment Outlook

According to the Selig Center for Economic Growth, employment growth in Georgia and the Atlanta MSA will continue, although at a modest rate, for the foreseeable future. The Selig Center estimates a 1.1% year-over-year increase in MSA employment from 2007 to 2008, translating to 26,800 non-farm jobs. This is down from the year-over-year increase for 2006 to 2007 of 1.5%. These increases in the job market stand in stark contrast to the heady employment growth in the Atlanta MSA during the last decade, when the average annual increase in employment was 67,100 for a year-over-year rate of 4.1%. The 2008 forecast anticipates that job growth should be adequate to ensure continued economic expansion, but inadequate to significantly boost the metro area's current rate of growth.

Despite these weaknesses, the Atlanta MSA remains an excellent choice for businesses to locate due to Hartsfield International Airport, a large pool of educated and talented workers, a diversified economy, several renowned academic institutions, continued, albeit slower, population growth and an excellent transportation system (e.g., interstate system, rail, transit, etc.).

There are 83,200 employed persons in the Local Retail Market Area, 480,638 in the Greater Market Area and 835,333 in the Residential Market Area (Exhibits 6 and 7). In all three geographies, the greatest share of employees work in the service industry, including health, legal and education fields (from 47.1% in the Local to 49.3% in the Greater). In terms of occupation, most residents in each market area (65.2% in the Local to 68.1% in the Greater) are employed in white collar positions, such as in management, professional, sales or administrative support jobs. Workers living in the Residential Market Area have an average commute time comparable to the MSA average (30.3 minutes and 31.2 minutes, respectively).

As people look to shorten the miles they travel, employees working in or near Pine Lake will become an important market for retailers and housing there. Exhibit 8 shows that there are 1,321 businesses with 6,421 employees within a two mile radius from the intersection of Clubhouse Drive and Forrest Road. While not a large number, these employees have the potential to augment the daytime market for retail and restaurants in Pine Lake.

RETAIL MARKET ASSESSMENT AND POTENTIAL USES

Supply Overview

In their *Atlanta Retail Space Guide*, Dorey Publishing and Information Services divides the metro Atlanta retail market into 28 submarkets. Of these, Pine Lake falls in the Stone Mountain/Snellville submarket, which consisted of 7.3 million square feet of retail space in 105 shopping centers as of winter, 2007. The average rental rate for available space is $11.22 per square foot. Vacancy rate averages 11.69%

Exhibit 9 in Appendix C provides Marketek's survey of selected shopping centers in or near Pine Lake (including smaller, local centers and larger, regional ones). Most of the local centers surveyed were built in the 1980s, with a few built before then. Vacancy rates range from 0% at Stonewood Village and Rockmor Plaza to 34% at Eagle Rockbridge Plaza. Most local centers had at least some available space, with asking lease rates for ranging from $8/SF to $15/SF triple net.

In terms of tenant mix, most local shopping centers are convenience-related, with stores such as beauty supply shops, hair and nail salons, cleaners/laundromats, auto-related stores, grocery stores and dollar stores. A cinema located at Hairston Village is now vacant. In Pine Lake, Pine Lake Village offers the Kingfisher Café, a hair salon, insurance office and an event facility. Other retailers/restaurants along Rockbridge Road include a Chinese food restaurant, beauty supply shops, an animal hospital, a pawn shop and a package store. In addition to the Kingfisher Café, another full-service restaurant is currently in the process of opening in a free-standing building on Rockbridge.

Overall, shopping and dining opportunities are limited in local retail centers around Pine Lake. Many businesses are marginal and shopping centers approaching obsolescence in that they are becoming increasingly irrelevant in the retail market place. While the Kingfisher Café in Pine Lake Village is a promising example of the potential for new retail and restaurant development in city, the Rockbridge corridor currently lacks the sense of place and critical mass of quality development to invite passersby to stop. The development of additional unique, quality restaurants and retailers in the city should create synergies between these establishments, allowing them to benefit from each other's customer base and attract a greater number of shoppers and diners.

Existing Retail Balance

Retail MarketPlace data prepared by ESRI Business Information Solutions weighs estimated retail sales against estimated demand to help gauge how well a defined market area is currently meeting its retail potential. Retail 'supply' is based on estimates of actual retail sales using the Census of Retail Trade and a variety of other business and government databases. Retail 'demand' represents the expected amount spent by market area residents for various retail goods and services, based on consumer expenditure patterns derived from the U.S. Consumer Expenditure Survey.

When estimated retail demand exceeds supply, a leakage is presumably occurring, meaning that consumers are looking outside of the market area for retail goods and services. A surplus, conversely, suggests that supply exceeds demand and that certain business categories are importing sales from shoppers who live outside the market area. It is important to note that the data reflects only potential shopping from resident shoppers and does not include spending from visitors or employees working but not living within the market area. In reality, the consumer marketplace is quite fluid. Even if goods are locally available, priced appropriately and of good quality, local shoppers will always do a certain amount of shopping away from home, including over the internet or through catalogues. The leakage/surplus analysis, however, provides a reasonable indication of the availability of goods in the Pine Lake retail market areas.

Exhibit 10 (in Appendix C) provides a supply and demand comparison for the Pine Lake retail market areas for several merchandise categories. Because shoppers generally travel less ten minutes for convenience-related goods (i.e., grocery and health and personal care stores), the supply and demand comparison for these categories includes the Local Retail Market Area only. Supply/demand estimates for all other merchandise categories are for the Greater Retail Market Area.

Among the ten retail categories listed, the largest leakage is in the Restaurant category ($239 million in sales), followed by Apparel ($123 million in sales) and Furniture and Home Furnishings ($106 million in sales). Merchandise categories for which there appear to be surpluses include General Merchandise Stores ($339 million in sales), Sporting Goods, Hobby and Book & Music stores ($43 million in sales) and Health and Personal Care stores ($16 million in sales).

Total leakage is estimated at $561 million in sales, which translates into 2,418,354 square feet of retail/restaurant space.[1] Marketek estimates that Pine Lake has the potential to capture as much as 3% of the sales leakage occurring in the apparel, home furnishings, electronics and apparel categories and as much as 4% of sales leakage occurring in the restaurant category in the Greater Retail Market Area. In the Local Retail Market Area, Pine Lake has the potential to capture up to 13% of sales leakage occurring for groceries. These capture rates translate to an immediate potential demand of 77,929 square feet of retail space (see Exhibit 14 – Summary of Potential Supportable Retail Space in Pine Lake – for space estimates by merchandise/service category).

Potential Retail Demand

Estimates of potential market demand for retail uses are provided to gauge the appropriate level of commercial development in Pine Lake. Potential retail sales are estimated by applying expenditure potential[2] by type of merchandise to market area population figures and are divided among five merchandise and service categories: *shopper's goods*, *convenience goods*, *restaurants*, *entertainment* and *personal services*.[3] Based on estimates of sales per square foot of store space, potential sales are converted to supportable space estimates.

Within the Local Retail Market Area, potential sales of $1,213 million would currently support 5.0 million square feet of retail space (Exhibit 12). By 2013, potential sales of $1,240 million would support 5.1 million square feet of retail space, representing a five-

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[1] Square footage estimates are based on standard retail sales per square foot of store space as established by the Urban Land Institute.

[2] Consumer spending is estimated from the Bureau of Labor Statistics' Consumer Expenditure (CEX) Surveys. The CEX surveys have been used for over a century to provide data to study consumer spending and its effect on gross domestic product.

[3] Exhibit 11 specifies the types of goods and services in each of these categories.

year increase of 108,804 square feet. In 2018, potential sales of $1,267 million would support 5.2 million square feet, an increase of 110,746 square feet since 2013. It is important to note that invariably some level of potential expenditures by residents will occur outside of the Local Retail Market Area – including the internet – if desirable goods and services are not available.

Exhibit 13 provides the same type of analysis for the Greater Retail Market Area. From 2008 to 2018, the amount of retail space potentially supported by Greater Retail Market Area resident expenditures is estimated to increase from 35.4 million square feet to 39.9 million square feet, an increase of 4.5 million square feet of retail space.

Note that the retail potential within the Greater Retail Market Area is considerably greater than that of the Local (4.5 million square feet in the Greater versus 0.2 million square feet in the Local). While the larger size of the Greater Retail Market Area is an obvious factor, the Greater Retail Market Area also has higher anticipated household growth rates and greater household expenditures. This means that for future retail development in Pine Lake to be successful, it must be unique enough to attract shoppers from outside the immediate area in addition to nearby residents. Further, as the lower median income of Local Retail Market Area households indicates ($55,253 versus $63,075 in the Greater Retail Market Area and $67,092 in the MSA), downtown Pine Lake should offer retailers, restaurants and service providers that offer convenient and reasonably-priced goods and services in order to meet the needs of local households. Ultimately, the share of potential supportable space that Pine Lake can support will depend on the success of implementing a comprehensive development program that includes a wide variety of retail, entertainment, housing and office uses. In other words, a passive or segmented approach to development would likely result in Pine Lake achieving only a fraction of its estimated potential.

Based on the assumption that a comprehensive development program is underway, Marketek estimates that over the next ten years Pine Lake can capture 12% of the increase in potential Local Retail Market Area expenditures, translating into 27,362 square feet of retail space (see Exhibit 14). Marketek estimates that Pine Lake has the potential to capture 3% of the increase in Greater Retail Market Area expenditures over the next ten years, representing a total of 107,984 square feet of retail space. When combined with existing unmet demand, there is demand potential for 185,913 square feet of retail space in Pine Lake through 2018. Capture rates are primarily based on Marketek's experience in similar shopping districts, Pine Lake's current retail potential relative to the Local and Greater Retail Market Areas and Pine Lake's competitive advantages as development continues. Exhibit 14 summarizes the potential demand for new retail space in Pine Lake.

The following summarizes the distribution of space among *shopper's goods, convenience goods, restaurant, entertainment* and *personal service* retail categories.

- *Shopper's goods* account for the largest share of space. Over the next ten years, Pine Lake could capture 90,940 square feet of retail space supported by Greater Retail Market Area resident expenditures, an estimated 11.8% of which (10,695 square feet) would be supported by Local Retail Market Area residents.

- Marketek estimates Pine Lake could potentially capture 18,819 square feet of *convenience goods* space supported by Local Retail Market Area resident expenditures over the next ten years. This level of potential demand could accommodate a small prepared or natural foods store or a drug store/pharmacy. The primary target for *convenience goods* in Pine Lake will be residents, as consumers are typically willing to travel only a few minutes from home for most convenience goods and services.

- Pine Lake should be able to capture 4% of the increase in the *restaurant* and *entertainment* sales in the Greater Retail Market Area by 2018, resulting in additional demand of approximately 70,128 square feet of restaurant and/or entertainment space. Estimated demand is based upon the assumption that by the year 2018, Pine Lake will have established itself as an expanded mixed-use center with a wider variety of shopping, entertainment and new housing. Primary target markets for *restaurant*s and *entertainment* are Local and Greater Retail Market Area residents and people who work at nearby businesses.

- Over the next ten years, Pine Lake could capture 2% of *personal service* space supported by Greater Retail Market Area resident expenditures, resulting in 6,026 square feet of supportable *personal service* space. Similar to *convenience goods*, the primary market for *personal services* will be those living within close proximity of Pine Lake.

Estimates of potential retail space in Pine Lake should be considered conservative based on the fact that expenditures of a key market – employees of nearby businesses who do not live in the Local or Greater Retail Market Areas – fall outside of the model. As discussed in the Target Market Profile, 6,421 potential customers of Pine Lake businesses work within a two-mile radius of the city. A survey conducted by the International Council of Shopping Centers found that suburban workers surveyed spent an average of $143 per week during lunch and after work. Finally, new housing developed in Pine Lake will further boost potential demand for retail space as a major selling point of new housing will be close proximity to shopping and entertainment.

Business Mix & Potential Business Targets

A successful business district in virtually any size community will have a balance and mix of uses that includes retail shopping, professional, financial and government services, entertainment, restaurants, housing and personal services. At present, most of these uses are present along Rockbridge Road, although limited in both quantity and quality. A critical goal over the next ten years and longer will be to increase the number of retail businesses in Pine Lake and their attractiveness to diners and shoppers.

Pine Lake has the capability to serve local residents, area workers, visitors and passers-through with a wide range of goods and services. The keys to business development success are to:

- Offer unique, quality merchandise, restaurant and entertainment establishments;
- Target high dollar volumes per square foot for a business to succeed (i.e., smaller spaces, in-depth merchandise and high turnover inventory); and

- Work with new and existing businesses to provide complementary product lines and encourage cross-over sales.

The results of the statistical market analysis as well as input from the Pine Lake community indicate that the city as ample opportunity to grow its retail base and fill niches and voids in the local marketplace. Identifying the most appropriate business mix for Pine Lake is a function of demographics, lifestyle and community characteristics, the existing business base and current retail trends.

Pine Lake is urged to seek developers and business owners who will contribute to the business district's success with dedication to:

- Providing a high quality product at a fair price
- Providing exceptional customer service
- Responding to the changing needs of both trade area customers and visitors
- Aggressively marketing to these target customer groups
- Offering multiple, complementary product lines and/or services
- Filling specific, unique niches
- Having focus, imagination and a deep desire to meet the needs of the customer

To diversify its business base and attract and retain more shoppers, Pine Lake should focus on the following opportunities: specialty retail, restaurants and entertainment-type businesses. Convenience goods are also important, but are the dominant retail type in retail centers in close proximity to Pine Lake. Attraction of restaurant and entertainment anchors along Rockbridge Road will animate Pine Lake's retail district in the late day and evening hours, which is critically important to the area's success.

Listed on the following page are potential target businesses for Pine Lake. The downtown district should seek to capitalize on Pine Lake's creative culture. For example, traditional restaurants and stores can be combined with visual or performance art, such as a coffee shop with art displays or brewpubs with live music. To encourage local business owners, entrepreneurs and artists, an artist co-op with shared studio and gallery space could be developed. A business mentoring program and business incubator space could also be established to provide start-up or expansion support for local retailers.

Note that this list includes small office space users including health, business, real estate, financial, insurance and legal services. At this time, Marketek anticipates that these would be the primary office space users in downtown Pine Lake. While the city has competitive assets that would make it a desirable location for a larger office space user, attracting a larger company would require a concerted marketing effort promoting these assets on the part of the city.

In an effort to put these business targets and demand estimates into context, Exhibit 15 shows the average size of several types of businesses that may be appropriate for Pine Lake. In addition to the median size of businesses within a particular business category, the median size of national, local chain and independent retailers is also shown.

TARGET RETAILERS, RESTAURANTS AND SERVICES FOR DOWNTOWN PINE LAKE		
Specialty Retail	Specialty apparel for men, women, teenagers & children Pet store/grooming Gallery of handcrafted arts* Home accessories & antiques Toys and games for all ages Books/music	Funiture workshop specializing in handcrafted furniture and restoration Interior design Picture framing/print shop Upholstery Nonprofit businesses
Restaurants/Food	Coffee shop w/ art displays Small grocery/Natural foods Ice cream/yogurt/smoothies Bakery/deli Brewpub Farmer's Market	Ethnic restaurants Seafood Family style Outdoor patio/café Bar/grille
Arts & Entertainment	Artist gallery/studio/lofts Dance/exercise studio Billiards Collaborative artist space	Day Spa/Salon Live Music Theater/movies Community events - art/music/ performances
Services	Health services Business services Financial services Consumer services (video/DVD rental, shoe repair, alterations, film processing)	Insurance services Real estate Legal services

*High-quality, non-manufactured arts and crafts including weaving, pottery, glass, woodcarving, paper crafts and art-to-wear/jewelry

Source: Marketek, Inc.

RESIDENTIAL MARKET ASSESSMENT AND POTENTIAL USES

National Overview

Throughout the nation, residential markets are responding to recent foreclosure rate increases as sub-prime, adjustable rate mortgages default. Banks have reacted by tightening lending standards and taking a more conservative approach to loaning funds. In response, national home sales decreased and prices stagnated from 2006 to 2007. According to the U.S. Department of Commerce, home sales dropped by 27% over that time period to 774,000 last year. Nationally, the median new home sales price moved up only 0.2% from 2006 to reach $246,900 in 2007. With slowed sales and an increasing number of foreclosures, the Department of Commerce estimates a 9.6-month supply of unsold new homes.

The cooling for-sale market should increase demand for apartments as former renters who overreached and now face foreclosure return to the rental market. Grubb & Ellis, in its 2008 real estate forecast, notes that multifamily housing is the only commercial real estate sector to benefit from the faltering ownership housing market because more people are renting rather than buying. This includes not only households who are facing foreclosure but also current tenants who might have become owners when mortgages were more accessible. The days of easy mortgages are vanishing and the drop in home sales, reflected in the inventory of unsold homes, is evidence of this.

State Overview

Georgia's economy is expected to begin to slowly turn around in the third quarter of 2009 and will accelerate to about 2.5% growth by mid-2010. Until the upswing begins, sharp pullbacks in spending by consumers and businesses are expected. The aftershocks of the financial panic and asset losses will continue to be felt, and even though the economy is expected to bottom out in two more quarters, its recovery will be slow.

Standard & Poor's Case-Shiller's September home price index shows that national house prices declined almost 17% on the year. The report shows that metro Atlanta home prices increased 1.3% from May to July 2008, but were down 8.2% on the year. A senior economist with the National Association of Homebuilders predicts that when the housing market recovers, Atlanta property values likely will be the first to rise based on the region's continuing population growth.

In November 2008, however, Georgia still ranks sixth in foreclosures, with more than 10,000 foreclosure filings - default notices, auction sale notices and bank repossessions - or one foreclosure filing for every 387 houses. Nationally there were 259,085 foreclosures, or one in every 488 U.S. housing units went into foreclosure in November.

Local Supply

Within the City of Pine Lake, there are an estimated 348 occupied housing units, with 61% owner occupied and 39% renter occupied (Exhibit 16 in Appendix D). In the Residential Market Area, 58% of households own their homes and 43% rent, compared to 69% and 31%, respectively, in the Atlanta MSA. The vast majority of homes in Pine Lake are single family detached (77.0%). A fifth (19.4%) are in structures with between two or more units. Within the Residential Market Area, however, multifamily housing is more popular: Thirty-nine percent (38.5%) of households in the Residential Market Area live in structures with two or more units.

Owner-occupied homes within Pine Lake are typically valued below those of the Residential Market Area and MSA (estimated 2007 median values of $141,466, $197,518 and $190,129, respectively). Sales data for the City of Pine Lake and surrounding Zip Codes from homes sold on the Georgia First Multiple Listing Service (provided in Exhibit 17) show that the average sales prices for residential units sold in Pine Lake in 2007 was $158,575, compared to $132,356 in Zip Code 30083 (which immediately surrounds Pine Lake). In Pine Lake, home sales were clustered from $150,000 to $224,999 (57.9% of homes sales). In the larger area surrounding Pine Lake (Zip Codes 30021, 30083, 30084, 30087 and 30088), the average sales price in 2007 was $177,824. Sales prices were also more evenly distributed in this larger geography: While the majority of homes sold for less than $199,999 (69.9%), there were still considerable sales above $200,000, with 8.8% above $300,000.

In 2000, median rent in the city was $542, compared to $666 in the Residential Market Area. While the distribution of structure types in Pine Lake indicates that much of the rental housing is single family homes, newly developed rental housing is likely to be in higher-density, multi-unit structures. Exhibit 18 provides a summary of rental apartments communities located near Pine Lake that are more comparable to what might be developed there. As shown, rents for one bedroom units in the apartment communities surveyed range from $425 for a 750 square foot unit ($0.57/SF) to $695 for a 630 square foot unit ($1.10/SF). Rental rates for two bedroom units range from $525 for a 1,200 square foot unit ($0.43/SF) to $857 for a 960 square foot unit ($0.89). Four of the 12 communities surveyed offered three bedroom units with rents from $752 to $1,012.

Occupancy rates for all complexes surveyed range from 80% at Tree Hills and the Polo Club to 98% at Ashgrove; most tend to be in the mid 80s to low 90s. While these occupancy rates are not strong (93% is considered equilibrium), they do not necessarily indicate diminished demand for rental housing in the Pine Lake area. New, well-developed rental housing constructed as part of a mixed-use redevelopment program along Rockbridge Road would be in position to attract renters that these apartment communities, most built in the 1970s or 80s, are not.

According to Databank, Inc's 2007 4th Quarter Rental Apartment Survey, the average rental rate for a one bedroom unit in DeKalb County was $689; the average for a two bedroom unit was $789 and for a three, $909. The rental apartment occupancy rate countywide was 93.1% as of the fourth quarter of 2007.

Potential Demand

A statistical demand analysis was performed for the Residential Market Area to estimate the potential market depth for for-sale and rental housing (Exhibits 19 and 20). Even though the analysis uses finite numbers, the end result (i.e., potential market support) should be interpreted as an approximation of market depth that is balanced with the characteristics of the competitive supply.

The two main sources of annual potential demand for housing are new household growth and turnover. New household growth[4] is traditionally used to project market growth and is based on population and household growth projections. The owner and renter analyses use the average annual increase in population beginning with the estimated household base in 2008 and the projected 2008-2013 annual increase in new households.

In both the owner and the renter demand analysis, the more quantitatively significant source of potential demand, turnover, has as a base the estimated number of owner or renter occupied units that will exist within the Residential Market Area within the next five years. Projected owner and renter occupied households are qualified or segmented by owner or renter turnover rates (derived from the 2000 Census), as well as income and household size. For both renters and owners, it is assumed that a majority of prospective homebuyers will live in one to five person households. In terms of income, the bulk of potential homebuyers will likely have annual incomes of $50,000 and higher, while prospective renters will have annual incomes between $25,000 and $60,000.

Households that will potentially be owners or renters are qualified by income, household size and Tapestry data. Recognizing that estimated potential demand will depend on the housing preferences of new and existing market area households, Tapestry data is used to narrow demand estimates to include households that would be most attracted to new housing developed in Pine Lake (e.g., young professionals, empty nesters, couples with few or no children, etc.). In other words, the appeal of residential development in Pine Lake will vary depending on a household's characteristics or preference/lifestyle choice. For instance, a large family may prefer a house with a big yard as opposed to a loft-style condominium in a mixed-use setting.

Over the next ten years, 8,093 Residential Market Area households will be potential buyers of newly developed higher density market rate housing annually (Exhibit 19). An estimated 9,144 households in the Residential Market Area are potential renters at market rate projects set in mixed-use settings (Exhibit 20). Based on an evaluation of the local housing market, Pine Lake's competitive assets and our experience in facilitating residential development in comparable areas, Marketek estimates that during the first five years of development, approximately 602 units of market rate for-sale and rental housing could be absorbed in Pine Lake (Exhibit 21). This represents 0.7% of total potential demand for new housing units within the Residential Market Area.

Within the estimated demand for 602 residential units, 47% (or 282 units) is for-sale product and 53% (or 320 units) is rental product. Marketek further segmented potential new Pine Lake housing units by household size, with the assumption that smaller households (1-2 persons) will likely live in downtown and larger households (3-5 persons) will likely live in housing developed in the neighborhood. This analysis showed that an estimated 373 households will be potential new residents of downtown housing and 229 households will be potential residents of housing within the Pine Lake neighborhood (Exhibit 22). These projections for the potential demand for housing assume that there will exist marketable for-sale and rental products and

[4] New households are those currently living outside the Residential Market Area, the majority of whom likely reside within the Atlanta MSA.

that a marketing program for new housing will be underway. Exhibit 23 shows potential target markets for newly developed downtown housing.

Based on recent home sales in and close to Pine Lake, opening price points of newly developed downtown housing in Pine Lake should range from $125,000 to $250,000. Smaller, more affordable units will appeal to first time homebuyers and retirees looking to downsize, while larger, more expensive units will appeal to move-up or move-over buyers. Although there is potential demand for units priced above $250,000, it is our opinion that in this market when unit prices rise above this level demand will begin to thin out.

Current monthly rents at nearby market rate rental communities suggest that market rents of around $725 for a one-bedroom unit, $850 for a two bedroom unit and $975 for a three-bedroom unit would be achievable in Pine Lake. These rents assume that the apartment community would offer a unique architectural style and amenities. Community features should include ample parking, a fitness center, a pool, a laundry facility and shared greenspace. Other possible amenities that would upgrade a community include a business center, tennis courts, controlled access and in-unit washers and dryers. Washer/dryer hookups, balconies, dishwasher/disposal, cable-ready and high-speed internet access should also be standard unit features. Many successful rental projects throughout the country incorporate features that were once reserved for owner-occupied homes to reduce the distinction between owners and renters. Private street level entrances, assigned street addresses to individual units, garages and storage with direct access to the unit are some examples.

Housing Affordability

While much of the housing developed in Pine Lake over the next five years and beyond will target upwardly mobile households, affordably priced workforce housing should also be incorporated into the housing program. Providing a variety of housing options that meet the needs of varying income groups is a key tenant to maintaining Pine Lake's vibrant, authentic and diverse community. Higher density housing and government-sponsored programs work together to create successful mixed-income communities in which lower and higher priced homes blend seamlessly. Exhibit 24 identifies several housing subsidies funded by the state or federal government that could be used to maintain housing affordability in Pine Lake. Exhibit 25 provides maximum household income limits to be eligible for these programs and other forms of affordable housing. Along with the options listed in Exhibit 24, adoption of an inclusionary zoning ordinance will work to create and maintain low to moderately priced housing in Pine Lake.

MARKET NICHE, BUSINESS TARGETS & BRANDING

The marketing process begins with a clear statement of Pine Lake's identity and competitive position in the marketplace. Pine Lake must perceive itself as a product and market itself to compete with other nearby business districts and cities by not only meeting the needs of its target audience but by also giving them a unique and authentic experience. Business districts and communities that win in the long run are those that create brand personalities that connect with people, that share values and that build long term relationships.

Developing and promoting a brand theme will be a key part in marketing Pine Lake, acting as the central organizing principle – the DNA – around which Pine Lake communicates its message or story to its target audience. The city's brand theme should be succinct, emotional, distinctive, truthful and meaningful. It is not a tagline but rather the central idea upon which all other initiatives are based – e.g., logo, urban design, business recruitment, signage, marketing collateral, website, etc.

Product Insight

Identifying what "Pine Lake" means to internal and external markets and balancing these perceptions with reality lays the foundation for the brand theme. While understanding the emotional core of a product is essential in building an effective brand theme (the product here being Pine Lake), truthfulness is key.

Central or reoccurring themes in Pine Lake revealed during this study this process are summarized below:

Product Insight	
Motivations for Locating in Pine Lake	• Socially and economically diverse environment • Wanted to escape the problems associated with living in some parts of Atlanta (congestion, crime, high home values, rapid pace etc.) but still be close to the city • Fell in love with the people, homes and lake • Quality of life • Close to employment centers • "Warm-hearted community" • "Internalized, focused fortress"
Pine Lake's Most Significant Assets	• "The people" • Amazing sense of community • Strong community leaders (public and private) • Small town living within metro area; close ties to metro area yet separate • Natural beauty of the neighborhood • Potential views of Stone Mountain and the Atlanta sky line from multistory buildings on Rockbridge Road • Unique recreational areas, including swimming and trails • Access to I-285 • Affordability • Unique character of homes

Product Insight	
Pine Lake's Most Significant Assets (continued)	• With growth has come a group of community-minded citizens, many who want to preserve what initially attracted them to Pine Lake and are willing to work hard to do so • Diverse residents (age, income, ethnic groups, etc.) • Commitment to the arts • Proximity to job opportunities and higher learning • Commitment to green living and building
Pine Lake's Most Significant Challenges	• Have to overcome negative commercial image of surrounding area (highway-oriented retail, some of which is marginal in quality) • Lack of commercial facilities and a commercial tax base • Future development pressures threaten Pine Lake's small town character • Helping new residents value the character/beauty/history of the community • Lack of existing commercial base – hard to "sell" community to prospective businesses and residents without strong retail base • Encouraging quality growth – some developers are too focused on the bottom line as opposed to investing in the future of the community • Current incomes and densities of the city do not support higher-end development • No quality buildings to recruit quality businesses into
Factors that Separate Pine Lake from Other Nearby Cities (e.g., Decatur, Stone Mountain, Avondale)	• Still time to take control - not yet been overrun by growth like other nearby metro cities. • Community history and core historic community spaces • Nature's beauty is infused throughout the community – Pine Lake *is* a natural beauty spot rather than a place with dispersed nature areas • Smaller lots and "camp cottage" style homes • Affordability with community assets
Perception of Pine Lake from Outside of the Community	• General unfamiliarity with Pine Lake • Speed trap
Images that Come to Mind When Residents Think of "Pine Lake"	• Artistic, creative community • Progressive community mindset • The lake • Community openness to newcomers and new ideas • Residents who vary in age, income and background • Dedication to community • A community where you know your neighbors • Environmentally friendly • Collaboration: government, people and business

Product Relevance

The next step of developing a brand theme for Pine Lake is to understand the characteristics and motivations of its target audience. While differentiating Pine Lake from its competitors is a key step in the marketing process, the reality is that there will always be communities that offer similar features. The world is increasingly cluttered with options; the key is to not only understand your competitive differences but to also tap into the emotional core of your target audience. In other words, add meaning or relevance to your product. Pine Lake's target audience is not defined by just demographics or geography. Instead, it's an attitudinal target that cuts across different identifiers and will be attracted to a common vision and value set.

The start of the 21st Century has been an unprecedented period for Americans, impacting the way we make decisions about every aspect of our lives, including where we choose to live, work, shop and relax. The following summary is based on research by DYG Research and provides an overview of how our society is adapting and how consumers are reacting and changing.

Climate

- Post 9/11– reality of terrorism at home and abroad has shattered our sense of security
- Enron – corporate culture betraying trust
- Iraq War – no end in sight
- The Economy – bubble, bust, jobless recovery

Reaction

- An erosion of public trust. Cynicism is at an all time high.
- Feeling of betrayal by social institutions: corporate accountability, church scandals, Katrina fiasco, etc.
- Moving from "America Triumphant" to "America Uncertain"
- High degree of uncertainty about quality of life, security, economy, quality of communities, personal financial situations.
- Risk Minimization: Consumers are seeking safety in all aspects of life (armored cars, armored homes, armored/antibacterial bodies).

Key Social Trends: Driving Issues for the American Consumer

- Connecting: Ending isolation and loneliness; need to plant roots (e.g., shift from "island of me" to larger community web).
- Lifestyle Simplification: Make trade-offs in the name of reducing stress, overload and excess (e.g., greater reliance on services).
- Passion and Pursuit of Leisure: Status shifts from work to play, elevating the notion of leisure (e.g., believe that leisure is vital part of success…need for escape).
- Freedom from Authority: Autonomy and control in all aspects of life (e.g., access to information and deeper exploration of brands).

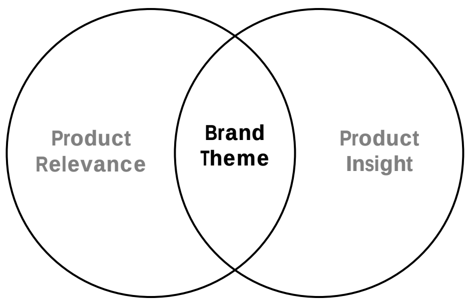
The New Consumer Paradigm

- Movement toward meaning over materialism.
- Increasing importance of relationships – e.g., family, community.
- Strive for balance, integrated lifestyle.
- Instill change, fix things that are wrong, build a legacy and make every moment count.

Pine Lake is well positioned to capitalize on these shifting values. Unlike most of the Atlanta metro area, Pine Lake is deeply rooted in community, arts and culture. Multigenerational residents welcome newcomers, often sharing a vision of the future. The lake and scenic landscape makes it almost impossible to believe that city life is a short drive away.

Core Brand Theme

The core brand theme is the area in which the needs and motivations of Pine Lake's target audience (i.e., "Product Relevance") overlap with what Pine Lake is today and what it has the potential to become (i.e., "Product Insight"), depicted in the diagram below.



Those who will be drawn to Pine Lake – customers and residents – will most likely be looking for an escape – from skyrocketing homes prices, noise and pollution, gridlock, crime, ubiquitous strip development and an overall lack of community. They will want to be a part of something fresh and exciting, a place where they can finally take a deep breath and enjoy what's around them.

The experience of living, shopping, working or enjoying Pine Lake can be summed as follows:

"Pine Lake, Georgia: Celebrating Nature & the Individual Spirit"

The following are some examples of potential avenues that Pine Lake could explore to express this theme. They are listed here only as possible projects and programs that could be untaken now or in the future, and should be used as a basis for generating more ideas for expressing the spirit of Pine Lake's.

- **Biofuel Station Development**: A biofuel station filtering leftover cooking oil from area restaurants could be developed as a co-op in Pine Lake. Owners of cars taking diesel fuel could "buy" into the co-op by paying an annual or bi-annual fee and thus be able to purchase filtered biofuel in Pine Lake. Co-op members should receive a bumper sticker or other decal identifying them as members and promoting the station in Pine Lake.

- **Quality, Pedestrian-oriented Retail Core**: Pine Lake is not a recognizable city to motorists traveling on Rockbridge Road, and area residents are driving long distances for goods and services that are not found locally. Establishment of a small, retail core that is visible along Rockbridge Road could give Pine Lake the identity and the tax-base that it needs to prosper.

This "Uptown District' would provide a place to recruit desirable retailers and provide the public areas for hosting some of the following marketing projects and programs.

- **Uptown Kingfishers:** Pine Lake could invite local residents to design their own kingfisher figures, which could be five feet tall or higher, to be placed in the City's Uptown core, at community buildings and around the lake. The program should emphasize creativity in materials, colors, and design. The kingfishers could be placed in fixed locations in uptown or be mobile, with shoppers and visitors encouraged to move the figures about town. Designs should be solicited from households near Pine Lake in addition to city residents, and should be promoted through county schools, community colleges and artist co-ops.

- **Produce & Artist Market**: Pine Lake could begin a regular produce and artist market, perhaps on Saturday morning, selling local and/or organic produce and local artwork. The market could begin as a quarterly or monthly event and occur more frequently as popularity builds. The market should be promoted to Local Retail Market Area residents in addition to households in Pine Lake.

- **Made in Pine Lake**: Consider developing products (or promoting existing products) that promote and bring to life Pine Lake's brand theme. One example is to involve local businesses, and display artwork for sale by Pine Lake artists at local restaurants, retailers, coffee shops or bookstores. The produce and artists market, and special events held in Pine Lake, could feature Made in Pine Lake goods.

- **Visual and Performance Art Space**: A community art space with artist studios and gallery space would reflect Pine lakes involvement in the arts. This space could also house a small, independent theater group that could practice and perform there. Institutional buildings transitioning from their former uses have the potential to be ideal locations for such artist space, and allow for the adaptive reuse of structures that otherwise may be demolished.

- **Public Art**: An active, on-going public art program, with performance art and both permanent and rotating art, including sculpture and two-dimensional art, would convey a dynamic and creative environment. At the city limits, distinctive art could establish clear "gateways" into the city along Rockbridge Road.

- **Speakers'/Performers' Corner**: The city could establish a location within an Uptown public space to be a "speakers' corner" where individuals are encouraged to speak or perform without microphone. The speakers' corner would be open during only certain hours, and speakers and performers would be limited by a time period.

- **Clean Energy Devices:** While running entire buildings using solely solar, hydroelectric or wind energy may not be not a reasonable expectation for Pine Lake, the city could develop clean energy devices that feed power into the grid of existing electricity providers, such as Georgia Power, in exchange for credit on an energy bill. Such devices, along with Pine Lake's commitment to green building, should be promoted to potential visitors and residents, putting the city on the map as a leader in sustainable building practices. Ideally, information behind how the clean energy devices and green building techniques work would be available to visitors; and would be promoted through creative posters or displays, perhaps designed by local artists.

Implementation of a Marketing Program

The next step that Pine Lake needs to take is to develop and implement a consistent and well-coordinated marketing program. At this point in the (re)development process, marketing efforts should be primarily geared toward developers and new businesses within the Atlanta metro area as opposed to the general public. This market report is an important tool in formulating such a marketing program and providing valuable information to developers and businesses.

An aggressive marketing campaign would successfully promote and capitalize on the market opportunities identified in the Retail and Residential Market Analyses. The underlying purpose of the initial marketing effort should be to convince prospective residents, employers, shoppers and investors that positive change is occurring with tangible results. Key to the program will be promoting Pine Lake's core brand theme.

The following outline of elements should be included in a future marketing program.

1. Real Estate Preparation

One of the key elements of transforming the Rockbridge Road area into a vibrant, mixed-use district will be providing incentives that will attract developers. One of the best strategies for recruiting developers is to be able to provide an inventory of available real estate, and better yet, be in the position to bring key properties to the table. Steps in real estate preparation include:

1. Conduct a review of existing sites, buildings and underutilized/vacant lots for redevelopment and determine infrastructure availability.
2. Document property inventory that includes property specifications and condition, ownership, the terms of the sale/lease.
3. Based on the property inventory, rank the sites/buildings according to their potential for development or locational importance, categorizing them as short-term or long-term potential initiatives.
4. Select sites/buildings with the greatest potential for immediate or short-term occupancy; secondly, select those with long-term occupancy potential.
5. Identify best uses for sites/buildings.
6. Consider land swaps, land purchases or land assembly.
7. Prepare collateral specification sheets on targeted or available sites/buildings (stored digitally so that they can be readily updated) that include the following:
   - Total and useable square footage
   - Lease/sales terms
   - Amount of store frontage and parking
   - Photographs, aerials, building footprints and/or floor plans

2. Development/Business Relocation Incentives

Potential incentives that should be promoted to attract developers or new businesses to Pine Lake include:

- Local government support of public policy initiatives and economic incentives.
- Flexible building and zoning codes and expedited plan review.
- Public land leased or sold at below-market rates.
- Low interest loans/revolving loan fund.
- Property tax breaks.

- Tax increment financing to subsidize a project's land cost or for public spaces.
- 'Island TIFs' to target individual properties.

3. Identification of Target Businesses and Housing Options

The centerpiece of a successful redevelopment program is attracting businesses and housing options with the greatest chance for survival, particularly in the initial phase of the program. "Success stories" will be the easiest way to attract developers and investors. Therefore, recruiting the right types and mix of businesses and housing is crucial. A marketing program should address the following.

- Target business and housing options based on the findings of the Market Analysis.
- As much as possible, recruit businesses and types of housing that compliment Pine Lake's core brand theme.
- Differentiate between short-term and long-term initiatives.
- Businesses and housing options that appeal to more than one target market are most likely to succeed.
- Strive for a balance of national retailers and locally owned businesses; national stores will lend credibility to the area while locally owned stores will help Pine Lake compete with "anywhere USA" business districts and malls.
- A variety of smaller businesses that complement each other will be easier to attract than large national chains and will offer customers something different than what they can find elsewhere.

4. "Made in Pine Lake"

Involve local businesses and residents in promoting "Made in Pine Lake" products that exemplify the character of Pine Lake, and involve local businesses. Consider beginning developing products and promoting existing products that promote and bring to life Pine Lake's brand theme.

5. Signage

Revise Pine Lake's sign ordinance to encourage signage that will serve both motorists traveling along Rockbridge and pedestrians walking in the downtown. Roadside signs should be within the line of sight of drivers, rather than taller billboards, which will be too high to catch a motorist's eye. Signs directing pedestrians should include sandwich boards, which add to streetscaping to create a lively sidewalk, and shingle signs, which allow pedestrians to quickly and easily identify retail and restaurant offerings.

6. Collateral Materials

Marketing collateral should not only communicate the vision for Pine Lake but also demonstrate market support for targeted businesses. Collateral materials will require developing multiple packages with variations on the information presented (e.g., prospect packages, media packages, new business packages, etc). Types of collateral material should include:

- Prospect package – focus on succinct, attention getting information. Demographic highlights, potential market support for retail and residential uses, property specification sheets, photographs or renderings of recent and planned projects, infrastructure upgrades, success stories, etc.
- Market opportunity fact sheets – business-specific fact sheets that outline why specific businesses or market segments (retail or residential) should be located in Pine Lake.

- Quality, fold out maps that illustrate the vision of Pine Lake with existing anchors and proposed projects highlighted.
- Develop CD-ROMs that duplicate the hard copy material.

7. Web Presence

Enhance and maintain the city's website to enable prospective residents and customers to access information on new development and upcoming events as well as gain some idea of the "Pine Lake experience." It is essential that the website complement and build upon the brand theme. Specific objectives include:

- Communicate the experience of living, working, shopping or visiting Pine Lake.
- Inform local and area residents, employees, existing businesses, developers and prospective businesses/residents of key information (e.g., property specification sheets, new and proposed projects, community events, business listings, news releases, etc.).
- Continue to build community by facilitating a dialogue between citizens, leaders, developers and stakeholders (e.g., discussion forums, email updates, opinion surveys, etc.).
- Outline the development process (e.g., design guidelines, permitting process with links to forms, timeframe, etc.).
- Minimize operations and marketing costs by delivering information & services online.

8. Public Relations

Efforts to promote the results of the market analysis should include:

- Press kit/package.
- One-on-one and small group presentations to:
  - Stakeholders – business community, property owners, etc.
  - Referral sources – realtors, business leaders, etc.
  - Developers
  - Business prospects
  - Financial backers
  - Large group/public presentations to key partners
- A speaker's bureau should be organized together with an ongoing presentation schedule to publicize the effort, progress and results of redeveloping Pine Lake. These presentations may also be helpful in generating business leads and volunteers to help with the effort.

9. Business Recruitment Campaign

Business Recruitment should focus on attracting specific employers, developers, retail and/or service businesses to Pine Lake. A business development team should be organized to help carry out the following:

- Direct mail campaign to businesses and developers from within and beyond the Atlanta metro area.
- Advertising campaign.
- Referral networks: brokers, other economic development agencies, leasing offices, etc.
- A call program to leads generated from ad/direct mail campaigns.
- Sales program to identify and court prospects.
- Database development to track prospects.

10. Implementation Program

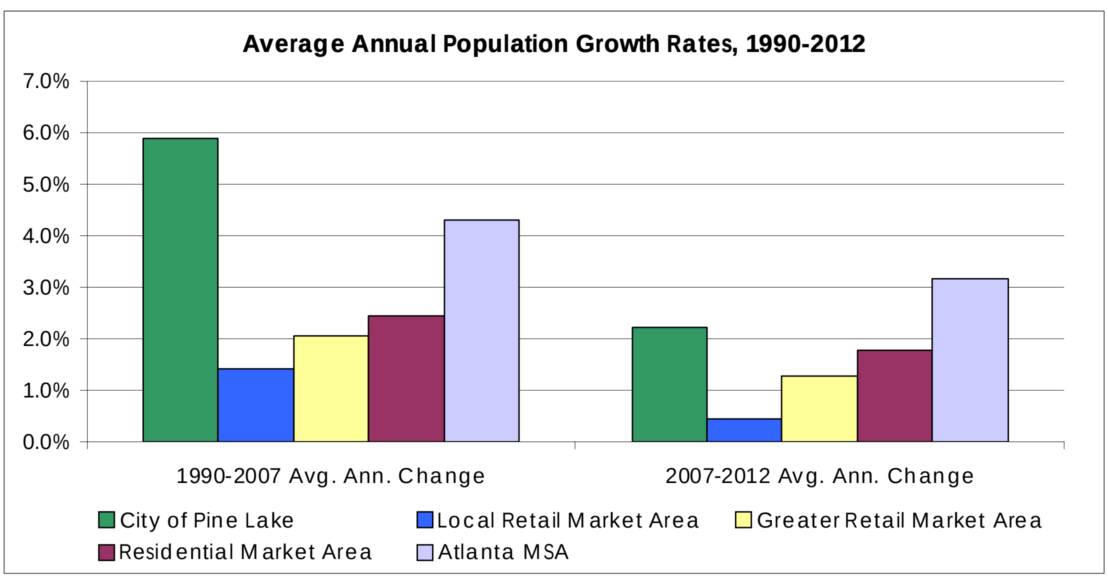
Annual priorities will need to be established and a budget set to ensure that a marketing program is implemented. It should be organized with consideration for resources, schedule or timing and responsible parties (including staff and volunteers/committees).

APPENDIX A. Target Market Profile Exhibits

EXHIBIT 1

POPULATION & HOUSEHOLD GROWTH
City of Pine Lake, Retail and Residential Market Areas and Atlanta MSA
1990-2012

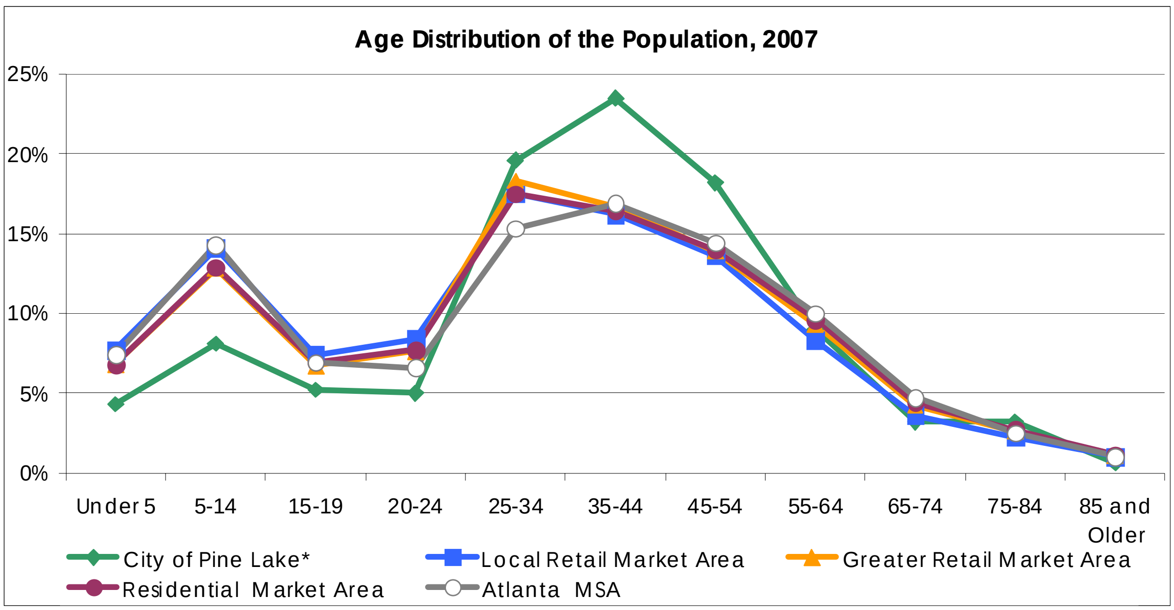
Geographic Area			Avg. Ann. Change 1990-2007			Avg. Ann. Change 2007-2012	
	1990	2007 (Estimate)	Number	Percent	2012 (Forecast)	Number	Percent
City of Pine Lake							
Population	549	1,100	32	5.90%	1,222	24	2.22%
Households	299	638	20	6.67%	709	14	2.23%
Avg. Household Size	1.84	1.91	0.004		1.91	0.000	
Local Retail Market Area							
Population	141,463	175,728	2,016	1.42%	179,763	807	0.46%
Households	54,410	63,976	563	1.03%	65,371	279	0.44%
Avg. Household Size	2.56	2.69	0.008		2.69	0.000	
Greater Retail Market Area							
Population	722,220	976,522	14,959	2.07%	1,038,644	12,424	1.27%
Households	280,204	369,128	5,231	1.87%	392,251	4,625	1.25%
Avg. Household Size	2.53	2.59	0.004		2.60	0.002	
Residential Market Area							
Population	1,225,412	1,733,496	29,887	2.44%	1,888,745	31,050	1.79%
Households	471,499	653,402	10,700	2.27%	711,080	11,536	1.77%
Avg. Household Size	2.53	2.58	0.003		2.59	0.002	
Atlanta MSA							
Population	3,069,425	5,322,915	132,558	4.32%	6,166,421	168,701	3.17%
Households	1,140,843	1,938,092	46,897	4.11%	2,240,089	60,399	3.12%
Avg. Household Size	2.65	2.70	0.003		2.71	0.002	



Source: ESRI BIS; Marketek, Inc.; Pine Lake Comprehensive Plan

EXHIBIT 2
POPULATION BY AGE
City of Pine Lake, Retail and Residential Market Areas and Atlanta MSA
2007

Age Category	City of Pine Lake*	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
Under 5	4.3%	7.7%	6.8%	6.8%	7.4%
5-14	8.1%	14.1%	12.8%	12.9%	14.3%
15-19	5.2%	7.4%	6.7%	6.9%	6.9%
20-24	5.0%	8.4%	7.6%	7.7%	6.6%
25-34	19.6%	17.5%	18.3%	17.5%	15.3%
35-44	23.5%	16.2%	16.7%	16.4%	16.9%
45-54	18.2%	13.6%	13.9%	14.0%	14.4%
55-64	9.0%	8.3%	9.3%	9.6%	10.0%
65-74	3.2%	3.6%	4.2%	4.4%	4.7%
75-84	3.2%	2.2%	2.6%	2.7%	2.5%
85 and Older	0.6%	1.0%	1.1%	1.1%	1.0%
Total	1,100	175,728	976,522	1,733,496	5,322,915
Median Age	38.1	31.8	33.8	34.0	34.7



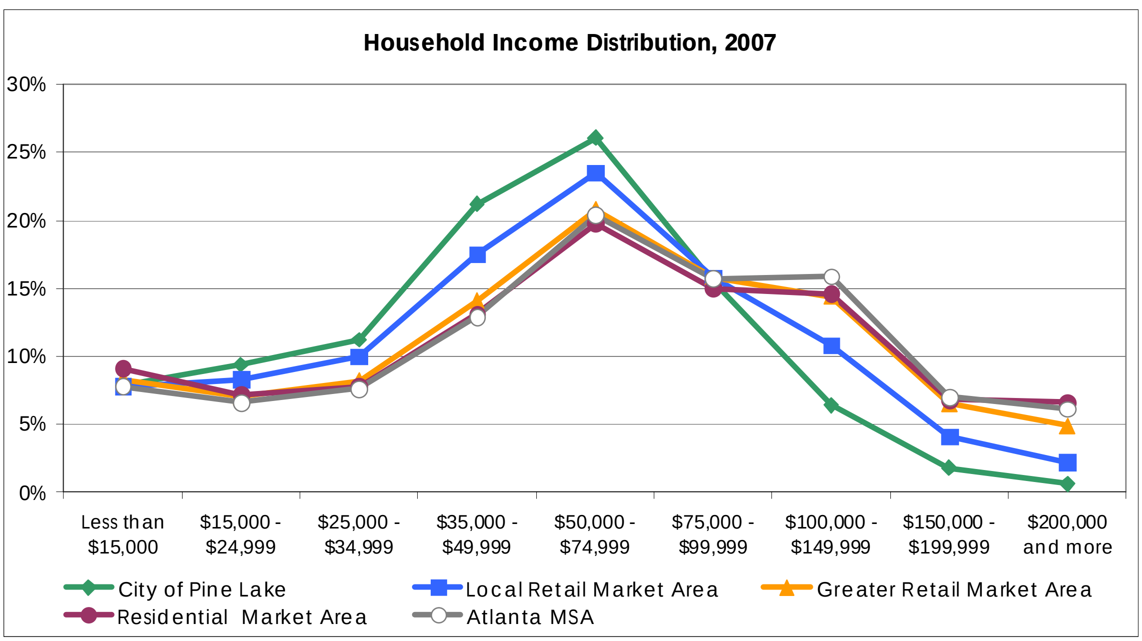
*Age trends for the City of Pine Lake are from 2000.

Source: ESRI BIS; Marketek, Inc.

EXHIBIT 3

HOUSEHOLD INCOME
City of Pine Lake, Retail and Residential Market Areas and Atlanta MSA
2007

Household Income	City of Pine Lake	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
Less than $15,000	7.9%	7.8%	8.3%	9.1%	7.8%
$15,000 - $24,999	9.4%	8.3%	7.0%	7.2%	6.6%
$25,000 - $34,999	11.2%	10.0%	8.2%	7.8%	7.6%
$35,000 - $49,999	21.2%	17.5%	14.1%	13.1%	12.9%
$50,000 - $74,999	26.1%	23.5%	20.8%	19.8%	20.4%
$75,000 - $99,999	15.5%	15.8%	15.8%	15.0%	15.7%
$100,000 - $149,999	6.4%	10.8%	14.4%	14.6%	15.9%
$150,000 - $199,999	1.8%	4.1%	6.5%	6.8%	7.0%
$200,000 and more	0.6%	2.2%	4.9%	6.6%	6.1%
Total	638	63,976	369,128	653,402	1,938,092
Median Household Income	$50,184	$55,253	$63,075	$64,448	$67,092
Median as % of U.S.	94%	104%	119%	121%	126%

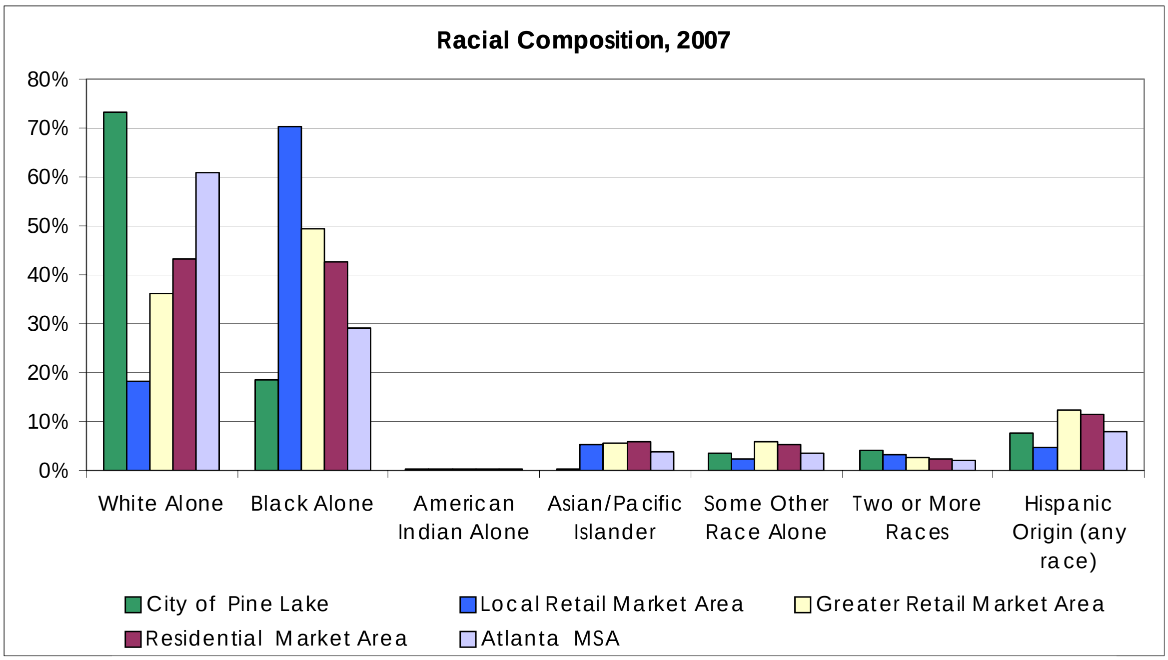


Source: ESRI BIS; Marketek, Inc.

EXHIBIT 4

RACIAL COMPOSITION
City of Pine Lake, Retail and Residential Market Areas and Atlanta MSA
2007

Race	City of Pine Lake	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
White Alone	73.2%	18.3%	36.2%	43.3%	60.9%
Black Alone	18.6%	70.4%	49.4%	42.8%	29.2%
American Indian Alone	0.2%	0.2%	0.3%	0.3%	0.3%
Asian/Pacific Islander	0.2%	5.3%	5.6%	5.9%	3.9%
Some Other Race Alone	3.7%	2.4%	5.9%	5.3%	3.7%
Two or More Races	4.1%	3.4%	2.6%	2.4%	2.0%
Hispanic Origin (any race)	7.8%	4.7%	12.3%	11.4%	8.0%
Total	1,100	175,728	976,522	1,733,496	5,322,915



Source: ESRI BIS; Marketek, Inc., Atlanta Regional Commission

EXHIBIT 5 TOP TEN TAPESTRY MARKET SEGMENTS Retail and Residential Market Areas 2007						
	Local Retail Market Area		Greater Retail Market Area		Residential Market Area	
	Market Segment	Percent of HHs	Market Segment	Percent of HHs	Market Segment	Percent of HHs
1	**Milk and Cookies**	21.4%	**Aspiring Young Families**	12.5%	**Metro Renters**	11.0%
2	**Young and Restless**	16.7%	**Metro Renters**	10.2%	**Aspiring Young Families**	8.5%
3	**Aspiring Young Families**	14.6%	**Young and Restless**	7.9%	**Up and Coming Families**	7.3%
4	**Inner City Tenants**	12.1%	**Milk and Cookies**	7.3%	**Young and Restless**	6.5%
5	**Metro City Edge**	6.2%	**Up and Coming Families**	5.3%	**Milk and Cookies**	6.4%
6	**Metropolitans**	6.0%	**Sophisticated Squires**	5.2%	**Sophisticated Squires**	5.3%
7	**Up and Coming Families**	3.2%	**Metropolitans**	4.8%	Enterprising Professionals	5.0%
8	**Metro Renters**	3.0%	**Metro City Edge**	4.1%	Laptops and Lattes	4.5%
9	Cozy and Comfortable	2.9%	**Inner City Tenants**	3.8%	**Metro City Edge**	3.7%
10	Old and Newcomers	2.5%	**Family Foundations**	3.8%	**Family Foundations**	3.4%
Total Households		56,683		239,564		402,496

Source: ESRI BIS; Marketek, Inc.

EXHIBIT 6 EMPLOYED POPULATION 16+ BY INDUSTRY City of Pine Lake, Retail and Residential Market Areas and Atlanta MSA 2007					
Economic Sector	City of Pine Lake	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
Agriculture/Mining	0.0%	0.2%	0.2%	0.2%	0.4%
Construction	4.3%	5.0%	7.7%	7.5%	8.8%
Manufacturing	5.3%	6.5%	5.8%	6.2%	8.0%
Wholesale Trade	3.4%	2.9%	2.9%	3.4%	3.7%
Retail Trade	13.9%	12.2%	10.1%	10.5%	11.6%
Transportation/Utilities	4.0%	6.6%	5.4%	5.2%	6.6%
Information	5.0%	4.8%	4.6%	4.6%	3.6%
Finance/Insurance/Real Estate	8.7%	8.5%	8.7%	9.5%	8.8%
Services	48.0%	47.1%	49.3%	48.3%	44.1%
Public Administration	7.4%	6.2%	5.2%	4.5%	4.3%
Total Number	534	83,200	480,638	835,333	2,500,401
Average Travel Time to Work (min)	28.4	34.9	31.0	30.3	31.2

Source: ESRI BIS; City of Pine Lake adjusted based on Pine Lake 2006 Comprehensive Plan population estimates

EXHIBIT 7

EMPLOYED POPULATION 16+ BY OCCUPATION
City of Pine Lake, Retail and Residential Market Areas and Atlanta MSA
2007

Economic Sector	City of Pine Lake	Local Retail Market Area	Greater Retail Market Area	Residential Market Area	Atlanta MSA
White Collar	**67.9%**	**65.2%**	**66.9%**	**68.1%**	**66.2%**
Management/Business/Fin'l	11.5%	14.6%	17.0%	18.5%	18.2%
Professional	22.3%	21.5%	24.3%	23.6%	21.2%
Sales	12.4%	10.9%	11.1%	12.1%	12.5%
Administrative Support	21.7%	18.2%	14.5%	13.9%	14.3%
Services	**16.4%**	**15.5%**	**15.1%**	**14.6%**	**13.8%**
Blue Collar	**15.9%**	**19.3%**	**18.0%**	**17.3%**	**20.1%**
Farming/Forestry/Fishing	0.0%	0.1%	0.1%	0.1%	0.2%
Construction/Extraction	3.4%	4.5%	6.6%	6.1%	6.8%
Install/Maintain/Repair	2.2%	3.0%	2.5%	2.5%	3.4%
Production	5.3%	4.7%	3.5%	3.5%	4.1%
Transportation/Mat'l Moving	5.0%	7.0%	5.3%	5.1%	5.6%
Total Number	534	83,200	480,638	835,333	2,500,401

Source: ESRI BIS; City of Pine Lake adjusted based on Pine Lake 2006 Comprehensive Plan population estimates

EXHIBIT 8

JOBS WITHIN IN 1-MILE AND 2-MILE RADII OF PINE LAKE
2007

Industry	1-Mile Area		2-Mile Area	
	Number	Percent	Number	Percent
Agriculture & Mining	28	1.8%	63	1.0%
Construction	37	2.4%	136	2.1%
Manufacturing	27	1.8%	98	1.5%
Transportation	20	1.3%	189	2.9%
Communication	53	3.4%	154	2.4%
Electric/Gas/Water/Sanitary Serv.	0	0.0%	2	0.0%
Wholesale Trade	12	0.8%	85	1.3%
Retail Trade	322	20.9%	1,969	30.7%
Finance/Insurance/Real Estate	132	8.6%	665	10.4%
Services	849	55.2%	2,912	45.4%
Government	42	2.7%	113	1.8%
Other	15	1.0%	35	0.5%
Total	1,537	100.0%	6,421	100.0%

Note: Distance is from the intersection of Clubhouse Drive and Forrest Road.

Source: ESRI BIS

APPENDIX B. Summary of Primary Target Markets

Market Segment	Socioeconomic	Residential	Preferences
Aspiring Young Families • Local Retail: 14.6% • Greater Retail: 12.5% • Residential: 8.5%	• Young start-up families, married couples or single parents with children. • High school graduates with average incomes. • About half work in services, sales or government positions.	• Attracted to large, growing metro areas in the South and West. • Either own single family homes or live in newer, multi-unit buildings.	• Buy baby and children's products and toys and household furniture. • Use the internet to visit chat rooms, do research and plan vacations. • Enjoy going dancing, attending movies and participating in religious clubs and activities. • When dining out, prefer family restaurants or fast food.
Cozy and Comfortable • Local Retail: 2.9%	• Large market segment made up of married couples without children or with older children. • Employed in manufacturing, utilities, transportation and government industries.	• Live in the single family homes where they raised their children. • Located mainly in Midwestern and Northeastern suburbs.	• Spend money on home improvement projects and lawn care. • Own computers but value television over the latest technology advances. • Have mutual funds, second mortgages, home equity credit lines and long-term-care insurance policies. • Enjoy professional golf, hockey and football.
Enterprising Professionals • Residential: 5.0%	• Young, highly educated working professionals. • Single or recently married.	• Live in newer neighborhoods in townhomes or apartments. • Mobile but prefer to own rather than rent.	• Purchases reflect their youth, mobility and growing status. • Rely heavily on Internet for shopping, work and communication. • Travel, practice yoga, jog and go to the gym.
Family Foundations • Greater Retail: 3.8% • Residential: 3.4%	• Family households, with a mix of married couples, single parents, grandparents and young adult children. • Moderate incomes. • Slightly older. • Predominantly black/African American.	• Live in attached and detached single family homes, valued below the national average. • Stable neighborhoods.	• Active in community. • Budget minded, but spend on home improvement projects, small appliances, baby products and apparel. • Enjoy watching TV, martial arts/kickboxing and basketball. • Health and style conscious. • Do not dine out often.
Inner City Tenants • Local Retail: 12.1% • Greater Retail: 3.8%	• Young, multicultural households. • Singles and single parents. • Not highly educated. • Below average incomes generated from service and unskilled labor jobs.	• Usually rent in mid-rise and high-rise buildings. • Renters predominate.	• Much of their income is devoted to infant and children's products. • Enjoy going to the movies, watching TV, shopping and attending basketball and football games.

Market Segment	Socioeconomic	Residential	Preferences
Laptops and Lattes • Residential: 4.5%	• Young, affluent and single. • Educated, working in professional jobs. • Median age slightly above the national level. • Singles and couples.	• Likely to still be renting. • Live in multi-unit structures.	• Active and unencumbered. • Technologically savvy (PCs, PDAs, etc). • Health conscious and physically fit. • Buy organic, exercise and are environmentally aware.
Metro City Edge • Local Retail: 6.2% • Greater Retail: 4.1% • Residential: 3.7%	• Young with below average incomes. • Almost one-half have children, often headed by a single parent. • Unemployment is high.	• Usually live in single family detached homes. • Rental and ownership are almost evenly split.	• Buy baby food and supplies, children's clothing and toys. • Play basketball and football and enjoy going to the movies. • Eat out at fast food restaurants. • Shop at Lerner's, Lane Bryant and T.J. Maxx.
Metro Renters • Local Retail: 3.0% • Greater Retail: 10.2% • Residential: 11.0%	• Young, well educated professionals that are just starting out on their own. • Nearly one-third are in their twenties. • Incomes are slightly above average and climbing.	• Likely to rent in high-rise buildings. • High rents may force them to have roommates. • Live in ethnically diverse neighborhoods.	• A young market, expenditures are primarily devoted to themselves: ski/workout clothing, designer apparel, organic food, travel and imported wine/beer. • Go to concerts, movies and dancing and enjoy yoga, skiing and jogging. • Shop online. • Favorite stores are Bloomingdales, Banana Republic, Macy's and Gap.
Metropolitans • Local Retail: 6.0% • Greater Retail: 4.8%	• Singles and childless couples. • Slightly older with incomes above the national average.	• Live in older neighborhoods. • Mix of single family and multi-unit structures. • Almost equally divided by renters and owners.	• Busy, urban lifestyle. • Enjoy yoga, listen to jazz, rent foreign videos, attend rock concerts and visit museums. • Travel frequently for business and pleasure.
Milk and Cookies • Local Retail: 21.4% • Greater Retail: 7.3% • Residential: 6.4%	• Young, affluent couples who are starting their families. • Many with children. • Dual income families.	• Single family homes, valued close to the national average. • Most likely rent.	• Focused on life, family and the future. • Buy baby and children's products, invest and are well insured. • Spend time with their families at the zoo, going to the movies and visiting theme parks. • Busy lifestyles necessitate fast food and instant breakfasts.

Market Segment	Socioeconomic	Residential	Preferences
Old and Newcomers • Local Retail: 2.5%	• Transitional areas made up of renters either starting careers or retiring. • Single person or shared households. • Some attended college or graduate school. • Work in service, retail, sales, administrative and government industries.	• Variety of housing types including single family detached and attached homes and mid- and high-rise apartment buildings. • Median home value is $139,000.	• Older members consult with financial planners and are health-conscious. • Younger members enjoy movies, college football games and activities such as kickboxing and yoga. • Shop at Pier 1, Harris-Teeter and Walgreen's and online.
Sophisticated Squires • Greater Retail: 5.2% • Residential: 5.3%	• Primarily families with children. • Commute to maintain a semi-rural lifestyle. • Well educated and professional.	• Enjoy cultured country living in newer home developments. • Preference for low density development. • Ownership predominates.	• Embracing a rural lifestyle. • Golf is a major interest – playing and watching. • Enjoy do-it-you-self home projects and gardening.
Up and Coming Families • Local Retail: 3.2% • Greater Retail: 5.3% • Residential: 7.3%	• Generation Xers growing up. • Young, affluent families with young children. • Growth market.	• Newly developed homes. • Ownership predominates. • Homes valued slightly above the national average.	• Family and home priorities dictate purchases: baby and children's products, gardening supplies, home furnishings, etc. • Visit the zoo, take adult education classes, attend ball games.
Young and Restless • Local Retail: 16.7% • Greater Retail: 7.9% • Residential: 6.5%	• Young and on the go. • Single person and shared households. • Moderate incomes. • Work in service and professional management occupations.	• Due to their youth, high turnover. • Approximately three quarters are renters. • Rents and home values are in line with the national average.	• Purchases center on themselves: sports clothing/gear, designer clothing and computers/software. • Enjoy movies, concerts, fast food and bar/grilles. • Use storage facilities. • Shop at Banana Republic and Express.

APPENDIX C. Retail Market Assessment Exhibits

EXHIBIT 9
SUMMARY CHARACTERISTICS OF SELECT SHOPPING CENTERS
Pine Lake Competitive Maket Area
Spring 2008

Center/ Location	Driving Distance	GLA (SF)	Rate ($/SF)	Vacancies Rate	Vacancies SF	Year Built	Anchors/ Retail Mix
Local Retail Centers							
Fox Trot Shopping Center 3711 N Decatur Rd, Decatur	2.6 mi.	31,000	$11 NNN	30%	9,209	1987	Laundromat, food mart, package store
Rockmor Plaza 4855 Memorial Dr, Stone Mtn	2.2 mi.	39,000	NA	0%	0	1964	Rent A Center, Dollar General, tires/wheels, two restaurants
Rockbridge Market Place 3965 Rockbridge Rd, Stone Mtn	2.0 mi.	17,000	$12 NNN	23%	3,879	1985	
Eagle Rockbridge Plaza 4450 Rockbridge Rd, Stone Mtn	0.9 mi.	8,000	$9-$12.50 NNN	34%	2,718	1989	Beauty supply, hair salon, grocery, insurance, tax prep, storefront church
Rockbridge Village 4687 Rockbridge Rd, Stone Mtn	0.7 mi.	24,766	NA	NA	NA	1986	St. Vincent DePaul thrift store, cleaners, barber, dentist, food mart
Crowe's Crossing 1230 S Hairston Rd, Stone Mtn	3.4 mi.	93,728	$15 NNN	7%	6,600	1986	Kroger, Athlete's Foot, Subway
Hairston Village 937 N Hairston Rd, Stone Mtn	2.8 mi.	172,000	$8 NNN	20%	34,455	1988	Kroger, Unique Home Furnishings, former Hairston 8 Cinema now vacant
Redan Village 4800 Redan Rd, Stone Mtn	3.0 mi.	59,366	NA	8%	4,800	1975	Family Dollar, CVS, former Blockbuster Video vacant
Stonewood Village 5976 Memorial Dr, Stone Mtn	2.3 mi.	50,165	NA	0%	0	1972	Dollar General, Rent-A-Center, beauty supply
Regional Retail Centers							
North DeKalb Mall 2050 L'ville Hwy, Decatur	6.0 mi.	650,667	NA	NA	NA	1965	Stein Mart, Macy's, AMC Theaters
Belvedere Plaza 3435 Memorial Dr, Decatur	5.1 mi.	368,065	$11-$12 NNN	2%	5,093	1956	Kroger CitiCenter, Dollar Tree, Maxway, Thrift Store
Cofer Crossing 4367 L'ville Hwy, Tucker	6.2 mi.	272,400	NA	1%	3,500	1999	WalMart, Kroger, Goody's
Northlake Mall 4800 Briarcliff Rd, Atlanta	8.2 mi.	1,125,000	$20-$40 NNN	NA	NA	1971	Sears, JC Penny, Macy's, Parisian
Northlake Tower Festival Mall 3953 Lavista Rd, Tucker	8.2 mi.	366,103	$10-$16 Gross	8%	27,620	1984	Toys R Us, AMC Theaters, Haverty's, Bally's, HiFi Buys, Blockbuster, PetSmart
Stone Mountain Square 5370 Stone Mtn Hwy, Stone Mtn	7.1 mi.	336,663	NA	5%	17,904	1991	Marshalls, Media Play, TJ Maxx, Linens & Things, Crunch Fitness, Old Navy, Staples

Note: Distances are driving distances from the intersection of Clubhouse Drive and Forrest Road.

NA: Not Available

Source: Marketek, Inc.; Dorey's Atlanta Retail Space Guide

EXHIBIT 10

EXISTING RETAIL BALANCE
Local and Greater Retail Market Areas
2007

Merchandise Category	Demand Spending Potential	Supply (Retail Sales)	Difference Leakage (Surplus)
Local Retail Market Area			
Grocery	$258,121,547	$225,643,910	$32,477,637
Health & Personal Care	$61,703,015	$77,527,251	($15,824,236)
Greater Retail Market Area			
Furniture & Home Furnishings	$359,975,533	$253,802,171	$106,173,362
Elecronics & Appliances	$371,906,117	$311,973,766	$59,932,351
Building Materials, Garden Equip. & Supply	$365,885,246	$373,197,801	($7,312,555)
Apparel	$709,335,057	$586,073,021	$123,262,036
Sporting Goods, Hobby, Book & Music Stores	$156,452,057	$199,222,902	($42,770,845)
General Merchandise Stores	$1,672,157,404	$2,011,280,480	($339,123,076)
Miscellaneous Specialty Retailers (florist, office supplies, gift stores, etc.)	$150,488,957	$265,042,643	($114,553,686)
Restaurants	$1,790,423,769	$1,550,934,575	$239,489,194
Total Leakage			**$561,334,580**
Estimated Supportable Square Footage			**2,418,354**

Source: ESRI BIS; Marketek, Inc.

EXHIBIT 11
SUMMARY OF MERCHANDISE AND SERVICE CATEGORIES

Merchandise/Service Category	Types of Goods/Services
Apparel	Women's Apparel, Men's Apparel, Children's, Footwear, Watches & Jewelry
Home Furnishings	Furniture, Floor Coverings, Major and Small Appliances, Household Textiles, Floor Coverings, PC Software and Hardware, Housewares, Dinnerware, Telephones
Home Improvement	Maintenance and Remodeling Materials, Lawn & Garden, Hardware
Misc. Specialty Retail	Pet Care, Books & Periodicals, Sporting Equipment, Toys & Hobbies, Video Cassettes & Games, TV/VCR/Cameras, Audio Equipment, Luggage, Eyeglasses
Groceries	Food at Home, Nonalcoholic Beverages at Home, Alcoholic Beverages, Smoking Products
Health & Personal Care	Pharmacy
Restaurants	Food Away From Home, Alcoholic Beverages
Entertainment	Admission to Movie/Theater/Opera/Ballet, Recreational Lessons, Participation in Clubs
Personal Services	Shoe Repair, Video Rental, Laundry & Dry Cleaning, Alterations, Watch & Jewelry Repair, Hair Salon/Barber, Photo Processing & Supplies, Child Care

Source: ESRI BIS

EXHIBIT 12

RETAIL EXPENDITURE POTENTIAL
Local Retail Market Area
2008-2018

Merchandise or Service Category	Spending per Hhold	Target Sales* ($/SF)	2008 Retail Potential		2013 Retail Potential		2018 Retail Potential	
			Sales (in millions)	Space (SF)	Sales (in millions)	Space (SF)	Sales (in millions)	Space (SF)
Apparel	$2,261	$209	$145.3	695,002	$148.4	710,156	$151.6	725,580
Home Furnishings	$1,484	$199	$95.4	479,226	$97.4	489,675	$99.6	500,310
Home Improvement	$936	$140	$60.2	429,811	$61.5	439,182	$62.8	448,721
Misc. Specialty Retail	$1,855	$216	$119.2	551,760	$121.8	563,791	$124.4	576,036
Shoppers Goods			**$420.0**	**2,155,799**	**$429.1**	**2,202,804**	**$438.5**	**2,250,647**
Grocery	$6,222	$390	$399.8	1,025,106	$408.5	1,047,457	$417.4	1,070,207
Health & Personal Care	$1,050	$365	$67.5	184,859	$68.9	188,890	$70.4	192,992
Convenience Goods			**$467.3**	**1,209,965**	**$477.5**	**1,236,347**	**$487.8**	**1,263,199**
Restaurants	$3,596	$263	**$231.0**	**878,510**	**$236.1**	**897,665**	**$241.2**	**917,161**
Entertainment	$403	$90	**$25.9**	**287,598**	**$26.4**	**293,869**	**$27.0**	**300,252**
Personal Services	$1,077	$151	**$69.2**	**458,296**	**$70.7**	**468,288**	**$72.2**	**478,459**
Total			**$1,213.4**	**4,990,168**	**$1,239.8**	**5,098,973**	**$1,266.8**	**5,209,719**

Five Year Net Gain	$26.5	108,804	$26.9	110,746

* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

EXHIBIT 13 RETAIL EXPENDITURE POTENTIAL Greater Retail Market Area 2008-2018								
Merchandise or Service Category	Spending per Hhold	Target Sales* ($/SF)	2008 Retail Potential		2013 Retail Potential		2018 Retail Potential	
			Sales (in millions)	Space (SF)	Sales (in millions)	Space (SF)	Sales (in millions)	Space (SF)
Apparel	$2,743	$209	$1,025.3	4,905,893	$1,089.6	5,213,199	$1,157.0	5,535,732
Home Furnishings	$1,825	$199	$682.1	3,427,709	$724.8	3,642,422	$769.7	3,867,773
Home Improvement	$1,213	$140	$453.3	3,237,529	$481.6	3,440,328	$511.4	3,653,176
Misc. Specialty Retail	$2,290	$216	$856.0	3,963,028	$909.6	4,211,273	$965.9	4,471,818
Shoppers Goods			**$3,016.7**	**15,534,158**	**$3,205.7**	**16,507,223**	**$3,404.0**	**17,528,500**
Grocery	$7,440	$390	$2,780.9	7,130,517	$2,955.1	7,577,175	$3,137.9	8,045,963
Health & Personal Care	$1,262	$365	$471.8	1,292,510	$501.3	1,373,473	$532.3	1,458,447
Convenience Goods			**$3,252.7**	**8,423,027**	**$3,456.4**	**8,950,648**	**$3,670.3**	**9,504,411**
Restaurants	$4,341	$263	**$1,622.4**	**6,168,857**	**$1,724.0**	**6,555,276**	**$1,830.7**	**6,960,841**
Entertainment	$510	$90	**$190.6**	**2,117,352**	**$202.5**	**2,249,984**	**$215.0**	**2,389,187**
Personal Services	$1,254	$151	**$468.7**	**3,103,883**	**$498.0**	**3,298,311**	**$528.9**	**3,502,372**
Total			**$8,551.0**	**35,347,277**	**$9,086.7**	**37,561,441**	**$9,648.9**	**39,885,311**
Five Year Net Gain					$535.6	2,214,164	$562.2	2,323,870

* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Sources: ESRI BIS; Urban Land Institute; Marketek, Inc.

EXHIBIT 14
SUMMARY OF NEW POTENTIAL SUPPORTABLE RETAIL SPACE
Pine Lake, Georgia
2008-2018

Merchandise/Service Category	Potential New Supportable Retail Space in Downtown Pine Lake						Total New Supportable Space
	Existing Demand		Future Demand (2008-2018)				
			Local Retail Market Area		Greater Retail Market Area		
	Capture	Sq Ft	Capture	Sq Ft	Capture	Sq Ft	
Shoppers Goods							
Apparel	3%	14,744	10%	2,920	2%	13,965	28,709
Home Furnishings	3%	16,006	10%	2,044	2%	9,778	25,784
Home Improvement	---	---	15%	2,906	3%	13,899	13,899
Misc. Specialty Retail	3%	9,035	12%	2,825	3%	13,513	22,548
Subtotal	**3%**	**39,785**	**11%**	**10,695**	**3%**	**51,155**	**90,940**
Convenience Goods							
Grocery	13%	10,826	15%	6,725	1%	6,725	17,551
Health & Personal Care	--	--	16%	1,268	1%	1,268	1,268
Subtotal	**13%**	**10,826**	**15%**	**7,993**	**1%**	**7,993**	**18,819**
Restaurants	**4%**	**27,318**	**11%**	**4,255**	**4%**	**31,871**	**59,189**
Entertainment	**--**	**--**	**11%**	**1,393**	**4%**	**10,939**	**10,939**
Personal Services	**--**	**--**	**15%**	**3,026**	**2%**	**6,026**	**6,026**
Total	**3%**	**77,929**	**12%**	**27,362**	**2%**	**107,984**	**185,913**

Source: ESRI; Urban Land Institute; Marketek, Inc.

EXHIBIT 15
TYPICAL SIZE OF SELECTED BUSINESSES

Merchandise or Service Category	Median	National	Local Chain	Indepen-dent
Specialty Retail				
Appliances	5,956	6,292	5,911	~
Art Gallery	1,802	~	1,802	1,907
Arts/Crafts Supplies	8,928	20,957	~	3,070
Beauty Supplies	1,807	1,634	2,450	1,829
Bike Shop	3,440	~	~	2,596
Bookstore	10,093	23,000	9,990	2,740
Cameras	2,000	2,000	~	~
Children's Wear	3,913	4,879	3,054	2,105
Family Shoe Store	4,000	4,113	5,100	2,460
Family Wear	8,000	8,500	3,474	5,132
Gift/Cards	4,200	4,900	3,780	1,653
Hardware	13,200	13,900	~	~
Home Accessories	7,595	10,215	5,365	2,462
Jewelry	1,500	1,610	1,968	1,200
Luggage	2,500	2,499	~	~
Men's Clothing Store	3,500	4,319	3,065	2,750
Pet Supplies	7,995	17,600	3,201	3,200
Record/Tapes	4,464	6,178	~	2,017
Sporting Goods	8,465	22,000	4,980	2,995
Toys	7,855	12,000	~	3,344
Women's Ready to Wear	4,400	4,503	3,960	2,145
Convenience				
Drugstore/Pharmacy	10,920	10,860	16,668	4,977
Supermarket	50,420	49,071	51,495	23,300
Bakery	1,990	4,000	~	1,700
Gourmet Grocery	18,000	~	~	~
Wine/Liquor	3,440	~	6,237	2,920
Personal Services				
Day Spa	2,875	~	2,563	3,060
Women's Hair Salon	1,400	1,450	1,250	1,361
Nail Salon	1,200	~	1,200	1,200
Picture Framing	1,600	1,703	~	1,588
Health Club	10,249	9,548	5,508	10,249
Mail/Packaging/Copying	1,278	1,240	~	1,236
Tailor/Alteration	950	~	900	1,035
Video Rental	6,000	6,333	4,240	4,733
Shoe Repair	855	~	~	795
Drycleaners	1,800	~	1,800	1,649
Film Processing	1,252	1,600	1,304	1,150
Day Care	4,000	~	~	3,901
Laundry	2,114	~	2,150	1,955
Restaurants				
Restaurant with Liquor	5,204	6,669	5,600	3,362
Restaurant without Liquor	3,581	6,500	3,025	2,625
Bar/Cocktail Lounge	3,821	~	~	3,821
Ice Cream Parlor	1,137	1,144	1,137	1,116
Coffee/Tea	1,578	1,650	1,624	1,400
Entertainment				
Cinema	35,022	37,161	35,022	21,250

Source: Urban Land Institute, "Dollars and Cents of Shopping Centers"

APPENDIX D. Residential Market Assessment Exhibits

EXHIBIT 16

SUMMARY CHARACTERISTICS OF EXISTING HOUSING UNITS
City of Pine Lake, Residential Market Area and Atlanta MSA
2007

Housing Characteristic	City of Pine Lake	Residential Market Area	Atlanta MSA
Occupied Units (2007)	348	653,402	1,938,092
Owner occupied	61%	58%	69%
Renter occupied	39%	43%	31%
Owner Occupied Unit Value (2007)			
Median	$141,466	$197,518	$190,129
Average	$175,489	$268,400	$241,135
Contract Rent (2000)			
Median	$542	$666	$640
Average	$540	$668	$638
Units in Structure for Occupied Units(2000)			
Single Family Detached	77.0%	56.7%	66.6%
Single Family Attached	0.7%	4.8%	3.5%
2-4 Units	9.3%	8.8%	6.2%
5-9 Units	10.1%	9.2%	6.8%
10+ Units	2.9%	19.6%	12.6%
Mobile Home	0.0%	0.9%	4.3%
Median Year Occupied Units Built (2000)	1956	1977	1982

Source: ESRI BIS

EXHIBIT 17

SINGLE FAMILY HOME SALES
City of Pine Lake and Surrounding Zip Codes
2007

Sales Price	City of Pine Lake		Zip Code 30083		Zip Codes 30021, 30083, 30084, 30087 and 30088	
	Number	Percent	Number	Percent	Number	Percent
Under $75,000	1	5%	29	8%	63	4%
$75,000 to $99,999	3	16%	68	18%	159	11%
$100,000 to $124,999	1	5%	71	19%	181	12%
$125,000 to $149,999	2	11%	86	23%	223	15%
$150,000 to $174,999	3	16%	58	16%	229	16%
$175,000 to $199,999	4	21%	35	9%	164	11%
$200,000 to $224,999	4	21%	12	3%	110	8%
$225,000 to $249,999	1	5%	10	3%	102	7%
$250,000 to $299,999	0	0%	3	1%	99	7%
$300,000 to $399,999	0	0%	1	0%	99	7%
$400,000 and above	0	0%	1	0%	29	2%
Total	19	100%	374	100%	1,458	100%

Average Sales Price	$158,575	$132,356	$177,824

Average Time on Market	101	80	82

Source: Georgia First Multiple Listing Service

EXHIBIT 18
SUMMARY CHARACTERISTICS OF RENTAL APARTMENT COMMUNITIES
Pine Lake Competitive Area
2008

	Community/ Unit Size	Rent Low	Rent High	Square Feet Low	Square Feet High	Rent/ Sq. Ft.	Occ Rate	Year Built
1	Ashgrove	92 Units					98%	1983
	One bedroom	$580	$580	600	600	$0.97		
	Two bedroom	$690	$700	864	864	$0.80		
2	Emerald Ridge	210 Units					86%	1971
	Two bedroom	$825	$825	1,400	1,400	$0.59		
	Three bedroom	$860	$875	1,600	1,925	$0.49		
3	Fox Ridge	64 Units					NA	1967
	One bedroom	$495	$495	650	650	$0.76		
	Two bedroom	$595	$595	950	950	$0.63		
4	Highland Run East	300 Units					90%	1970
	One bedroom	$425	$630	750	750	$0.70		
	Two bedroom	$525	$730	1,200	1,200	$0.52		
	Three bedroom	$752	$810	1,500	1,500	$0.52		
5	The Pointe	360 Units					90%	1988
	Studio	$590	$590	530	530	$1.11		
	One bedroom	$695	$750	630	840	$0.98		
	Two bedroom	$857	$877	960	1,060	$0.86		
	Three bedroom	$1,012	$1,012	1,210	1,210	$0.84		
6	Polo Club	244 Units					80%	1984
	Two bedroom	$740	$820	1,029	1,094	$0.73		
	Three bedroom	$925	$925	1,300	1,300	$0.71		
7	Eagle Springs	74 Units					90%	1988
	Two bedroom	$710	$755	1,012	1,042	$0.71		
8	Shadow Trace	81 Units					NA	1984
	One bedroom	$518	$557	576	576	$0.93		
	Two bedroom	$759	$774	864	864	$0.89		
9	Jasmine Pines	216 Units					93%	1985
	One bedrrom	$550	$550	757	786	$0.71		
	Two bedroom	$650	$650	1,107	1,147	$0.58		
10	Reserves at Oakes	296 Units					83%	1984
	One bedroom	$650	$720	600	1,005	$0.85		
	Two bedroom	$770	$810	1,123	1,355	$0.64		
11	Tree Hills	822 Units					80%	1990
	One bedroom	$600	$730	647	889	$0.87		
	Two bedroom	$760	$930	1,018	1,375	$0.71		
12	Worthing Creek	360 Units					NA	1979
	One bedroom	$566	$625	544	988	$0.78		
	Two bedroom	$674	$790	1,158	1,308	$0.59		

Source: Marketek, Inc., Databank, Inc.

EXHIBIT 19

POTENTIAL ANNUAL DEMAND ANALYSIS FOR FOR-SALE UNITS
Residential Market Area
2008-2013

New Household Demand		Turnover	
Annual New Households (1)	11,536	Total Households (1)	711,080
Owner Propensity	69%	Owner Propensity	58%
Number	7,960	Number	412,426
Target Market Adjustment (2)	20%	Turnover Rate (5)	10%
Number	1,592	Number	39,593
Income Qualified (3)	65%	Target Market Adjustment (6)	30%
Number	1,036	Number	11,878
Household Size Qualified (4)	96%	Income Qualified (7)	63%
Subtotal	992	Number	7,459
		Household Size Qualified (8)	95%
		Subtotal	7,101
Total Potential Annual Market Demand			8,093

1. ESRI BIS
2. Based on Tapestry data, estimated proportion of new households to whom the proposed type of housing would appeal.
3. Estimated proportion of new households with annual incomes of $50,000 and greater.
4. Estimated proportion of new households with 1 to 5 persons.
5. U.S. Bureau of the Census estimate of the number of owner households that turnover within a 12 month period.
6. Based on Tapestry data, estimated proportion of existing market area households to whom the proposed type of housing would appeal.
7. Estimated proportion of existing households with annual incomes of $50,000 and greater.
8. Estimated proportion of existing households with 1 to 5 persons.

Sources: Marketek, Inc.; Census 2000; ESRI BIS

EXHIBIT 20

POTENTIAL ANNUAL DEMAND ANALYSIS FOR RENTAL UNITS
Residential Market Area
2008-2013

New Household Demand		Turnover	
Annual New Households (1)	11,536	Total Households (1)	711,080
Renter Propensity	31%	Renter Propensity	42%
Number	3,576	Number	298,654
Target Market Adjustment(2)	20%	Turnover Rate (5)	36%
Number	715	Number	108,710
Income Qualified (3)	29%	Target Market Adjustment(6)	30%
Number	205	Number	32,613
Household Size Qualified (4)	96%	Income Qualified (7)	29%
Subtotal	196	Number	9,399
		Household Size Qualified (8)	95%
		Sub-Total	8,948
Total Potential Annual Market Demand			9,144

1. ESRI BIS
2. Based on Tapestry data, estimated proportion of new households to whom the proposed type of housing would appeal.
3. Estimated proportion of new households with annual incomes between $25,000 and $60,000.
4. Estimated proportion of new households with 1 to 5 persons.
5. U.S. Bureau of the Census estimate of the number of owner households that turnover within a 12 month period.
6. Based on Tapestry data, estimated proportion of existing market area households to whom the proposed type of housing would appeal.
7. Estimated proportion of existing households with annual incomes between $25,000 and $60,000.
8. Estimated proportion of existing households with 1 to 5 persons.

Sources: Marketek, Inc.; Census 2000; ESRI BIS

EXHIBIT 21

POTENTIAL SUPPORTABLE FOR-SALE AND RENTAL PRODUCT
Pine Lake Capture
2008-2013

Year	For-Sale Units			Renter Units			Total Supportable Space		
	Potential Demand Units (1)	Potential Pine Lake Capture Rate	Potential Pine Lake Capture Units	Potential Demand Units (2)	Potential Pine Lake Capture Rate	Potential Pine Lake Capture Units	For-Sale & Rental Units	Percent For-Sale Units	Percent Rental Units
Year 1	8,093	0.5%	40	9,144	0.5%	46	86	47.0%	53.0%
Year 2	8,093	0.5%	40	9,144	0.5%	46	86	47.0%	53.0%
Year 3	8,093	0.5%	40	9,144	0.5%	46	86	47.0%	53.0%
Year 4	8,093	1.0%	81	9,144	1.0%	91	172	47.0%	53.0%
Year 5	8,093	1.0%	81	9,144	1.0%	91	172	47.0%	53.0%
Total	40,465	0.7%	282	45,718	0.7%	320	602	46.8%	53.2%

1. As shown in Exhibit 19.
2. As shown in Exhibit 20.

Source: Marketek, Inc.

EXHIBIT 22

POTENTIAL SUPPORTABLE HOUSING UNITS BY LOCATION
Pine Lake
2008-2013

Year	Downtown Housing (1-2 person hholds)		Neighborhood Housing (3-5 person hholds)		Total Housing		
	For-sale Units	Renter Units	For-sale Units	Renter Units	Down-town	Neigh-borhood	Total Units
Year 1	25	28	15	18	53	33	86
Year 2	25	28	15	18	53	33	86
Year 3	25	28	15	18	53	33	86
Year 4	50	57	31	34	107	65	172
Year 5	50	57	31	34	107	65	172
Total	175	198	107	122	373	229	602

Source: Marketek, Inc.

EXHIBIT 23

PRIMARY TARGET MARKETS FOR NEWLY DEVELOPED HOUSING
Downtown Pine Lake

	For-Sale Product	Rental Product	Live/Work Units
Occupation **Age** **Household Size** **Income** **Approximate Price Point** **Motivations/Preferences**	**Entry-Level Professionals** 25 to 35 1 to 2 persons, few with children $45,000-$75,000 $150,000-$250,000 Access to work/downtown/ public transit/pedestrian trails Tired of rentals/first time buyer Investment and resale important Seek vibrant, mixed-use setting Intown lifestyle w/o intown price Relatively mobile	**Entry-Level Professionals** 25 to 35 1 to 2 persons, few with children $30,000-$45,000 $750+ Alone/$1,200+ Roommate Access to work/downtown/ public transit/pedestrian trails Seek vibrant, mixed-use setting Highly Mobile	**Creatives/Professionals** 25+ 1 to 2 persons, few children $40,000+ $160,000+ Buy/$900+ Rent Seek urban lifestyle Seek large adaptable spaces Access to suppliers, customers Creative community Relatively mobile
Occupation **Age** **Household Size** **Income** **Approximate Price Point** **Motivations/Preferences**	**Higher-Level Professionals** 30 to 50 1 to 2 persons, some with children $65,000+ $230,000+ Access to work/downtown/ public transit/pedestrian trails Move-up or move-over buyer Seek vibrant, mixed-use setting Value authenticity/community Investment and resale important Relatively mobile	**Higher-Level Professionals** 30 to 50 1 to 2 persons, few with children $45,000+ $1,100-$1,400 Access to work/downtown/ public transit/pedestrian trails Seek vibrant, mixed-use setting Relatively mobile	**Creatives** Advertising, marketing, film & music, software developers, inventors, photographers, designers, culinary, clothing design, furniture designers, hat makers, jewelry design, welders **Professionals** More traditional fields of accounting/finance, education, law, various types of consulting
Occupation **Age** **Household Size** **Income** **Approximate Price Point** **Motivations/Preferences**	**Empty Nesters/Retirees** 55+ 1 to 2 persons $50,000 and/or available equity $200,000+ Possibly close to children Access to work/downtown/ public transit/pedestrian trails Proximity to cultural activities Less maintenance, more security Move-over, move-down buyer Highly settled Value over investment	**Empty Nesters/Retirees** 55+ 1 to 2 persons $40,000 and/or available equity $950-$1,200 Possibly close to children Access to work/downtown/ public transit/pedestrian trails Proximity to cultural activities Less maintenance, more security Seeking intown lifestyle Relatively settled	

Source: Marketek, Inc.

EXHIBIT 24 AFFORDABLE HOUSING SUBSIDY PROGRAMS		
	Homeownership Programs	**Rental Housing Programs**
Program	**GA Dream 1st Mortgage Loans***	**Low Income Housing Tax Credit****
Target Household Income	Max of $68,000 to $78,000	Up to 60% AMI
Program Description	For homes up to $250,000 Provides low-income mortgages to first time homebuyers through private lenders	Developer receives tax credit based on percentage of affordable units and target income level; Encourages mix of incomes
Program	**GA Dream 2nd Mortgage Loans***	**Housing Choice Vouchers***
Target Household Income	Up to 80% AMI	Up to 50% AMI
Program Description	Loan from $5,000 to $20,000 Provides no-interest loan to first time homebuyers for use as down payment or for closing costs; Higher loans for "green" homes	Tenant pays 30% of income for rent and voucher covers the remainder; Tenant selects housing from private sector and has lease w/ landlord
Program	**GA Dream Single Family Development****	**Multifamily Housing Bonds****
Target Household Income	Below 80% AMI	Low to moderate income
Program Description	Development and Home Buyer Subsidies for single family construction or rehab of up to 4 units per application; Subsidy boost for Energy Star homes	Bonds issued by local gov't and administered by DCA; Can be used for renter- or owner-occup. projects; Encourages mixed-inc. housing with at least 20% units market rate

*Applied for by individual families.
**Applied for by developers, housing authorities or government entities.

Source: Georgia Department of Community Affairs

EXHIBIT 25 2008 MAXIMUM INCOME LIMITS BY HOUSEHOLD SIZE				
Income Level	Household Size			
	1 Person	2 Person	3 Person	4 Person
30% of AMI	$14,950	$17,100	$19,200	$21,350
50% of AMI	$24,900	$28,500	$32,050	$35,600
60% of AMI	$29,880	$34,200	$38,460	$42,720
80% of AMI	$39,850	$45,550	$51,250	$56,950

Source: Department of Housing and Urban Development