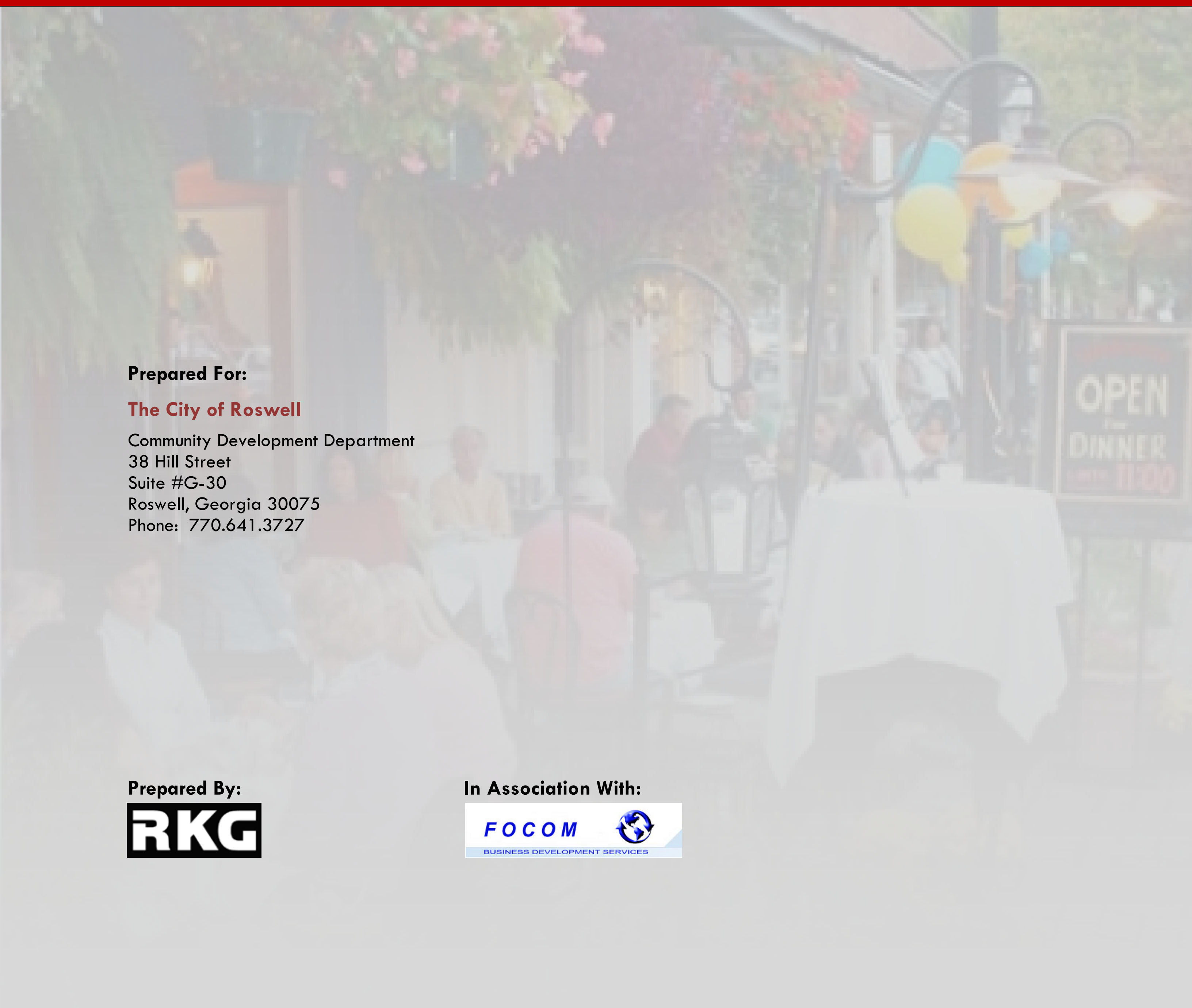
APRIL 2012

STRATEGIC ECONOMIC DEVELOPMENT PLAN
CITY OF ROSWELL, GEORGIA



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FOCOM
BUSINESS DEVELOPMENT SERVICES

Strategic Economic Development Plan
Roswell, Georgia

April 2012

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1 EXECUTIVE SUMMARY

A. PROJECT BACKGROUND – HOW DID WE GET HERE?

Roswell's historical land use and planning documents quickly reveal that the City has encouraged development patterns that established Roswell as a premier bedroom community with ample support services. Through the 1980s and into the 1990s, Roswell was very successful at maintaining this vision. Despite more than 14,000 single-family detached housing units and 6,500 multi-family units being built during this 20-year time period (and the resulting demand for capital investments such as recreation facilities and schools), Roswell remained an amenity-rich and fiscally healthy community. By 1990, Roswell accounted for almost 57% of the total population in the North Fulton County study area (defined as Alpharetta, Johns Creek, Milton, Mountain Park, and Roswell). Roswell benefitted from being the geographic and economic center of this North Fulton County study area, and was able to attract equally strong growth in retail development during this period. Simply put, the revenues generated by the retail market activity were sufficient to establish and maintain Roswell's quality of life standards.

However, development activity in the four other jurisdictions that comprise the North Fulton County study area began increasing in the 1990s. This growth was the natural continuation of the success experienced in Roswell. Between 1990 and 2010, Roswell's share of the North Fulton County population declined from approximately 57% to approximately 34%. The continued suburbanization north of the City of Atlanta along Georgia 400 created opportunities for new and denser development types in North Fulton County, particularly office complexes and mixed use developments. For a myriad of reasons, these development opportunities typically located outside the City limits. The development of North Point Mall in Alpharetta in 1993 was a notable change in growth patterns, as Roswell was now a part of the regional retail market rather than the focal point of the regional commercial market. The effects of Roswell's previous approach to growth and economic development are evident, and have become heightened during the most recent economic downturn. Among the issues the City must now face, the following are the most noteworthy:

- Roswell's suburban development scale has consumed almost all of the City's land area. Since the incorporation of the remainder of North Fulton County into cities such as Johns Creek, Milton, and Sandy Springs, Roswell no longer can grow through expansion. As a result, any future growth likely will require some component of redevelopment.

- Roswell's regulatory environment is not conducive to redevelopment efforts. Most notably, the City's existing zoning ordinance does not allow the necessary density levels to make redevelopment of existing properties financially viable. In addition, the current code is restrictive to the development of multi-family housing, which is a common component in redevelopment efforts. As North Fulton's employment market continues to expand, communities like Roswell are transitioning from bedroom community to edge city.

- Roswell's neighbors in North Fulton County have been more coordinated and aggressive at supporting and attracting new development, particularly office development. Their marketing and outreach efforts have resulted in a more business-friendly reputation with the development and investment community. Given the size and scale of North Fulton County, portability is high for investors and business owners. This disparity in approach places Roswell in a disadvantage in retaining, growing and attracting businesses.

B. THE STRATEGIC ECONOMIC DEVELOPMENT PLAN – WHY DO WE NEED IT?

The City's leadership has recognized that it must take a more comprehensive and strategic approach to defining its economic development goals and implementing an action plan to attain those goals. Previous economic development efforts are not sufficient to position Roswell to succeed in the current economic and market climate of North Fulton County and the entire metropolitan Atlanta area. Most notably, Roswell's leaders are seeking to think and act in a coordinated, efficient manner that will maximize the benefit gained by the deployment of the City's precious resources available for economic development. To complete this effort, the City retained the services of RKG Associates, Inc. of Alexandra, Virginia and FOCOM, Inc. of Lithonia, Georgia (referred herein as the RKG Team) to develop the City's first Strategic Economic Development Plan (SEDP). The RKG Team approach to the SEDP for Roswell balanced the vision of the community with the market realities that shape development opportunity. The SEDP provides three foundation steps necessary to build towards success. They include:

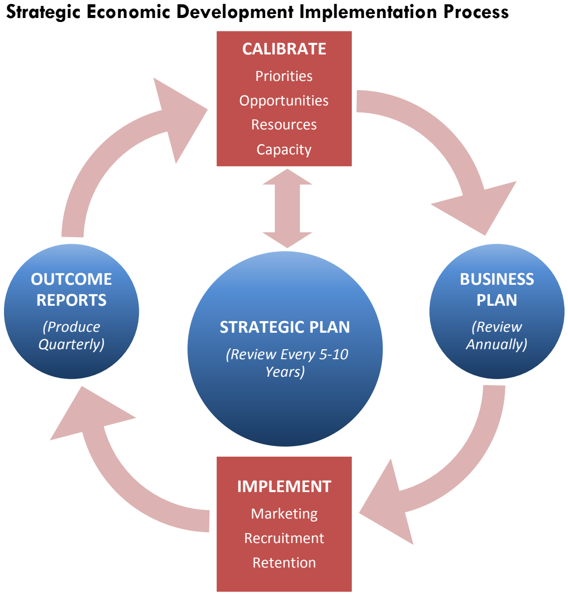
- ***Defining the vision*** – The first step was to identify how the Advisory Committee defined economic development and to specify their collective interpretation of success. The vision is presented as a series of goals and objectives (detailed later in this section).

- ***Assessing market opportunities*** – Concurrently, the RKG Associates Team performed a detailed analytical assessment of the current and projected opportunities and constraints affecting the potential to achieve the defined vision.

- ***Identifying custom implementation approaches*** – Finally, the SEDP document provides the collaborative results of the Advisory Committee, City staff and the Consultant team working together to identify implementation approaches relevant to and achievable within Roswell.

The SEDP is the critical first step in developing and implementing economic development initiatives. Given the comprehensive vision determined by the Advisory Committee (detailed in the body of this document), the SEDP provides the City leadership the information necessary to reconcile the City's economic development priorities and the resources available to implement an action plan. In other words, the SEDP is a "menu" of actions tailored to Roswell based on the inclusive vision of the Advisory Committee. However, the SEDP also provides detailed technical documentation explaining the rationale behind the implementation recommendations. This analytical effort and the resulting action items are presented in a manner that will allow the City's implementation entity to develop a more detailed business plan customized to the determined priorities and resources available.

Figure 1-1
Strategic Economic Development Implementation Process



It is important to reiterate that the Strategic Economic Development Plan only is the first step towards implementing a coordinated, strategic action plan. As with any planning effort, the first step is to establish a strategic mission and enumerate specific objectives. The SEDP process has gone a step further by providing recommended action items corresponding to the objectives. Regardless, the next step should be to vet the results with leadership priorities, financial resource availability, and technical capacity. The vetting process should yield a more concrete, actionable plan that identifies those components of the strategic plan that are valued and achievable within a reasonable timeframe (oftentimes within one year).

This annual action plan should then be periodically reviewed against the SEDP to ensure compatibility with the larger vision and identify areas where changes may need to be approached.

Given this is the City's first economic development strategy, much of the initial focus likely will be on capacity building and initial outreach efforts. However, this SEDP should not be viewed as the first *and final* economic development plan for Roswell. Prudence dictates the strategy should be reviewed every 5-10 years to accommodate successes, identify new/modified courses of action and calibrate for new market/community climate. Reassessments should be made more frequently in times of extreme market or community transition (i.e. the recent economic downturn).

C. CREATING A STRATEGY – WHERE SHOULD WE FOCUS?

The SEDP process was led by an Advisory Committee established by the City Council, with support and input from the RKG Associates Team, City staff and the City Council. The RKG Associates Team worked with City staff, the City Council and the Advisory Committee throughout the plan development process to ensure buy-in and address concerns with strategies and recommendations before the Plan was finalized. The SEDP process was guided by three canons established by both the City Council and the Advisory Committee: [1] the retention of existing jobs; [2] the expansion of existing businesses; and [3] the attraction of new investment and jobs to Roswell. It is from this simple, direct doctrine that the SEDP principles, goals, and opportunities were formed. The resulting action efforts and policy direction of the implementation plan were shaped through combining the needs of the community, the vision of the Advisory Committee, the expectations of civic and government leaders, current market conditions, and projected future market influences.

1. Guiding Principles

From the beginning of the SEDP effort, the RKG Team worked with the Advisory Committee and the City Council to define the principles by which the economic development action plan should serve the City of Roswell. Through a series of work sessions, the Council and Advisory Committee finalized the principles that all action items have been measured against. These include:

- Enhance the quality of life for Roswell businesses and residents;
- Establish the organizational capacity to implement the plan;
- Identify and define strategic revitalization efforts;
- Develop an outreach strategy to "tell the story" of Roswell's business climate;
- Strengthen the City's fiscal health;
- Promote live-work-play investment in Roswell; and
- Build and diversify the City's cultural heritage and entertainment opportunities.

2. Economic Development Goals

Following the economic development principles established through this effort, the Advisory Committee defined strategic underlying goals to ensure the plan would be supported by the community and adoptable by the City Council. The goals that guide this effort can be classified into "operational goals" and "implementation goals." The operational goals focus on having an economic development effort that maximizes the City's ability to leverage its resources. The implementation goals reflect the expectations the Advisory Committee have established. These goals are listed below:

OPERATIONAL GOALS

- To increase the awareness, understanding and support for economic development within Roswell;
- To establish the City as a partner in economic development, and
- To enhance Roswell's economic and fiscal health within context of the North Fulton County market.

IMPLEMENTATION GOALS

- To promote the retention and expansion of existing Roswell businesses;
- To cultivate the entrepreneurial spirit of Roswell residents; and
- To foster a market climate attractive to a variety of business sizes and interests.

3. Current Market Opportunities

While there are some challenges in Roswell within certain market segments, Roswell has opportunities to improve its economic health and viability. Most notably, the rental residential market is performing very strongly with low vacancy rates and rising rents. There have not been any rental housing projects completed in at least the last five years in Roswell due to regulatory constraints currently in place that effectively prohibit this development. Based on the market analysis and discussions with local real estate professionals, there is substantial unmet demand for affordable, market rate, and luxury rental housing in Roswell and North Fulton County. The recent approval of the Groveway project is a step in the right direction; however, there are many more opportunities in Roswell. As market conditions change, the multi-family ownership market likely will provide even greater opportunity for future development and redevelopment in Roswell.

Looking forward, the City's greatest obstacle is identifying those locations most appropriate for higher density housing and enabling regulatory changes that will allow this development. The City's effort to redefine the zoning ordinance is an important and necessary first step in capturing this market opportunity. Given the limited availability of undeveloped land in Roswell, encouraging higher density residential development will require some redevelopment efforts. Without the regulatory and market changes, the Roswell population levels may increase proportionally slower than the rest of the region, and erode the competitiveness of Roswell's commercial market.

Beyond residential development, there are opportunities to accommodate new and repurposed non-residential development as well. Although Roswell currently is over-supplied in retail space, many of the larger, less competitive sites have the potential for redevelopment. These sites can become transformative projects that increase consumer spending (through new residential development) and decrease the excess retail space (through smaller retail footprints). These benefits will improve market conditions for all retailers, as local sales capture potential increases. This selective redevelopment also will improve the viability of the remaining retail developments, as the decreased supply will stabilize rent rates and financial performance. It is important to note that redevelopment should be strategic, focusing on those sites with the greatest potential to catalyze new investment and strengthen the local marketplace. The City needs to identify and prioritize those sites best suited for this investment. Characteristics to measure include size of the site, location, transportation access, proximity to stable neighborhoods, and current condition and occupancy.

In terms of the office market, there is sufficient Class "B" and "C" office space in the City of Roswell. Current economic conditions will make it difficult to attract any new speculative office development. However, there will be opportunities as the economy recovers to support Class "A" office development in Roswell at strategic locations. The Holcomb Bridge/400 intersection has development and redevelopment potential to accommodate a substantial amount of new office development. Interviews with the real estate development community revealed there is consideration of a MARTA station at the Holcomb Bridge/400 intersection. This would substantially increase the potential scale and viability of Class "A" office space at that location. Other sites that can accommodate smaller-scale office development (when the market can support new development) include GA9 between the Founder's Square and Holcomb Bridge/Crossville intersection.

The industrial market has immediate opportunities for new development in Roswell. The market data indicate there is much more demand for warehouse and flex space in North Fulton County than there is supply. The issue to be considered when developing the final business plan for the City's economic development effort is whether this market is consistent with the City's vision. Simply put, new industrial development will not generate the same tax base, jobs, or cachet for Roswell as new mixed-use or office developments. This is challenging for two reasons: [1] the low return of industrial/warehouse make it very difficult to create a financially feasible redevelopment project focusing on industrial uses, and [2] there are limited undeveloped land resources to accommodate new industrial development. Given the SEDP is the long-term vision of the community, a balance should be sought between accommodating the immediate benefits offered by continued industrial/warehouse development and the longer-term opportunities of those development uses more consistent with the stated vision.

Finally, the occupancy rate at the existing Roswell hotels does not warrant a new full-service or discount hotel, but there may be a market for a different type of hotel that does not already exist in the Roswell market. Interest has been expressed to develop a bed & breakfast style facility in the Founder's Square/Canton Street area. This smaller-scale, market niche approach is more feasible than a traditional hotel development and capitalizes on the unique character of this area of Roswell. That said, the City should encourage new hotel development (in the mid- to long-term) in the areas closest to GA400, as these uses are complementary to the office potential and are strong tax revenue generators.

4. Priority Target Industry Clusters

The regional cluster analysis process "casts a wide net" in regards to identifying potential target industries. Taking a more aggressive approach to identifying possible business targets for the City of Roswell provides greater flexibility for the implementation entity to determine the priorities for business recruitment. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal in light of historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

Furthermore, the target industry lists move beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By taking this approach, the implementation entity can apply a comprehensive approach to building upon existing industry clusters and developing new ones. This is particularly important when targeting businesses that already have a relationship with an existing regional industry and/or business. In these cases, the local business leaders can work as ambassadors for the community, opening the dialogue between the prospect and the City.

However, the following priority industry targets should not be viewed as the *only* industry targets. This effort is not intended to preclude other opportunities as they arise. Rather, it is a recommended starting point for the City's new industry outreach efforts.

a.) <u>Healthcare</u>

Roswell is an ideal location for the expansion of healthcare-related industries. Roswell has a comparatively more mature population that is believed to have a strong desire to age in place. As this population continues to age into their senior years, the demand for medical services likely will increase. If the City enacts regulatory policies that allow higher-density housing, particularly age-restricted higher-density housing, the demand for both senior care (those households downsizing within the community) and family care (those households moving their families into the community) will continue to increase. The scale and availability of both the retail and office supply are conducive for expansion of services without the need for immediate development.

The City is a logical fit for continued growth of primary and specialty care operations, particularly for senior and elderly care. The growth at North Fulton hospital is an excellent example of the faith the private sector has in the ability of the community to support additional medical services. However, opportunities such as medical research and development will require a substantial investment and strategic marketing and recruitment plan. The healthcare roundtable is an ideal place to begin the development of a marketing and recruitment strategy. Other initial steps should include detailed discussions with regional economic development partners (i.e. Georgia Power) that can help create a viable recruitment strategy as well as potential end users (i.e. Georgia Tech) who may provide the technical or financial resources to develop the initial facilities. The City also should network with the development community to identify any potential private sector investors as well.

b.) Professional Services

Roswell's quality of life and ideal location along Georgia 400 make the City very competitive to attract and retain technical, research, consulting, and corporate operations companies, ranging in size from 1-person firms to having thousands of employees. Roswell has the inventory and land availability to accommodate all but the very largest of these companies. However, the City is limited in the number of large-scale businesses it can support without substantial redevelopment efforts. That said, a more prudent strategy would be to focus on the smaller to mid-sized firms (1-50 employees) that would be conducive to Roswell's existing vacant inventory.

The most notable challenge in attracting these companies is Roswell's limited supply of Class "A" office space. Many of these companies prefer higher-quality, amenity-laden locations. The majority of available supply within the City can be classified as "B" and "C" grade space. As noted in the real estate analysis chapter, the recent economic downturn has suppressed asking rents at the highest level, making Class "A" space more competitive with the values of "B" and "C". To this end, Roswell will be challenged to attract these companies without improving the quality of the existing stock or having new, high-quality space developed. In either case, the market fundamentals will be very challenging to support this development without some public assistance.

c.) Entertainment/Recreation

Creating a more diverse and integrated entertainment and recreation industry cluster is consistent with both the stated and implied vision established by the comprehensive plan, this economic development strategy, and numerous previous studies performed for the City. The analysis indicates that Roswell is well supported in athletic and passive recreation and entertainment venues, particularly for outdoor events. However, entertainment and recreation components are less comprehensive within Roswell.

For example, the dining segment has a valuable, but small presence (i.e. Canton Street) that can be expanded. Another opportunity area is in small-scale hospitality venues. It is the Consultant Team's opinion that one or more of the historic homes could be an ideal bed and breakfast venue. Other opportunities include expanding community-serving retail venues and the creation of destination sporting venues (i.e. soccer or softball tournaments).

d.) Logistics

In many ways, the data and goods distribution cluster offers the greatest opportunity for immediate economic development success. There is substantial unmet demand within the market, Roswell already has experienced success in recent developments, and the City's access to Georgia 400 and central location to the northern portion of metro Atlanta make this a logical industry target. Furthermore, many of the occupations related to logistics do not require high levels of training or education. Loaders and handlers, drivers and order processing all can be accomplished with a comparatively modest amount of training. This may offer alternatives to those local residents not capable or interested in more high-skilled and white-collar work.

However, the data and goods distribution cluster offers comparatively less economic activity, on a dollar-to-dollar investment comparison, than the other identified clusters. When compared to office, entertainment, and retail operations, this cluster typically provides fewer jobs and less economic output for similar sized (in terms of occupied square feet) businesses. The implementation entity will need to weigh the benefits and challenges the data and goods distribution cluster offers as compared to its other opportunities when determining marketing and recruitment priorities.

D. IMPLEMENTING THE VISION – HOW DO WE START?

The Advisory Committee recognizes that funding, especially in the initial stages of implementation, is critical to beginning an economic development effort. The Advisory Committee also recognizes the reality that funds to implement these economic development efforts may not allow the full strategy to be addressed on the schedule proposed in the implementation matrix. Without these funds, the pace and scale of implementation will need to be adjusted. As a result, the RKG Associates Team and the Advisory Committee have coordinated to identify those actions they believe are most important to initiating and sustaining a formal economic development effort. The following actions should be implemented first to move Roswell from vision to action.

1. Create the Implementation Entity

The priority actions focus on the creation of an implementation entity and the establishment of this entity as a legitimate partner for the development community, the business community, the local labor force and the City as a whole. In order to implement many of the recommendations detailed in the implementation matrix (at the end of this plan), the City must establish the appropriate capability and capacity to execute the plan in a manner consistent with the high standards expected in Roswell. This effort is already underway, and should be completed prior to moving forward.

2. Establish a Business Plan

The Strategic Economic Development Plan is the first step in implementation. Once the implementation entity is finalized and funding levels are established, the City Council, City staff, and the implementation entity board of directors and staff need to utilize the "menu" created in the SEDP to establish implementation priorities and actions. It is from this business plan that the implementation entity will measure the effectiveness and value of its actions.

3. Outreach and Networking

Even with the increased investment by the City to provide more staffing capacity for economic development, the strategic action plan requires more effort than can be provided by the staff to meet the aggressive timelines sought by both the City Council and the Advisory Committee. To account for this gap without requiring an even greater financial investment, the Advisory Committee recommends that the implementation entity implement a series of outreach programs to garner support from civic, business, development, and industry stakeholders.

4. What Are The Recommended Focus Areas?

a.) <u>Workforce and Entrepreneurial</u>

Roswell has a substantial small business (fewer than five employees) and home business base. Protecting these businesses and providing opportunities for them to grow serves Roswell in many ways. First, it keeps jobs and income within the City. Second, it creates a stream of demand for commercial space, potentially reducing vacancy rates. Third, it establishes loyalty from these business owners, making them more likely to grow in place and/or choose Roswell if they start additional business ventures. Finally, national research reveals that investments in small business development have the greatest success rate (and return of investment) to communities. Because of these factors, the Advisory Committee is recommending that the implementation entity develop and implement a workforce and entrepreneurial program customized to current and projected need.

Through the strategic economic development planning process, the Advisory Committee learned that there is very little data currently available to the City or the new implementation entity in regards to establishing proactive, customized workforce training programs or entrepreneurial development programs. Implementing anything other than the "standard" programmatic policies would be speculation. As a result, the City can leverage existing competencies and capacity of programs like Quick Start and FastTrac© to develop strategies in a proactive approach and to create relationships with providers to get programs put into place. The Advisory Committee is recommending that the implementation entity work with existing workforce and small business support entities in the short-term to ensure these fundamental programs are available while concurrently collecting the data necessary to develop more strategic programs as information becomes available.

b.) Regulatory and Toolbox

The City of Roswell benefits from being located in a county and a state that place a high priority on business competitiveness. There are several programs available through various local and state entities that can benefit Roswell in business recruitment and retention. However, some actions require approval and support from the City to enact. These tools generally are locally created and maintained. Given the limited amount of money available for economic development programs, the City must be judicious in the size and type of economic development incentives offered. The tools detailed in the Implementation Chapter, such as a tax allocation district, are considered essential by the Advisory Committee due to their broad application and effective use of public resources.

In addition to establishing a more robust local regulatory and financial toolbox, the Advisory Committee recommends the City create the materials necessary to inform the investment and development community of their respective availability. The City's website is a solid foundation for creating a more dynamic toolbox marketing strategy. Removing this function from the larger Citywide website into a website dedicated to economic development in Roswell is a very important step to increasing awareness of business opportunities in Roswell and combating negative perceptions of the City as unfriendly to business development.

c.) Market and Asset

The Advisory Committee expressed a strong desire for the implementation entity to focus its recruitment and retention efforts to diversify the City's economic base in terms of industry clusters as well as company size. In other words, the business plan should seek a balance of effort to support and attract everything from large employment centers to small start-up businesses. The market and asset efforts should focus on supporting and enhancing all economic development opportunities in a balanced manner. To this end, the Strategic Economic Development Plan market analysis has identified several opportunities for Roswell and the implementation entity to promote new business opportunities. In addition to the market-based recommendations (including the priority target industry clusters), the SEDP identifies a number of location-specific opportunity areas including the Holcomb Bridge/GA400 intersection, the Holcomb Bridge/Alpharetta Highway/Crossville intersection and the Canton Street/Founder's Square area.

d.) Marketing and Outreach

All of the action items within this strategy have an indirect relationship with marketing. For example, it is impossible to develop an ambassador program devoid of the marketing component to attract Roswell business leaders to participate. In addition, the development of a customized workforce training program inherently provides physical materials and newsworthy updates that can be used to celebrate the progress of Roswell as a business-friendly community. The implementation entity should take great care to utilize the successes in each development area as marketing opportunities. However, there also are the marketing-specific tasks that need to be accomplished. The strategy already addressed the need for a marketing director within the implementation entity that can work to promote the City and disseminate information about the state of economic development. This person should be closely tied to the Community Relations Division, potentially being a joint staff person. Among the myriad of tasks detailed throughout this analysis, it is the Advisory Committee's recommendation that the implementation entity should focus attention on recruitment materials, an enhanced and interactive Internet presence, and data dissemination to and data collection from Roswell consumers.

E. ASSESSING THE ALTERNATIVES – IMPLICATIONS OF THE "DO NOTHING" APPROACH

There is a well-known saying in the economic development profession, "you're either growing or you're declining." This statement is a commentary on the populist position to maintain the status quo, as it relates to fiscal health and quality of life issues. Unfortunately, those who desire to keep their community 'the same' oftentimes do not understand that things have remained the same because their community experienced economic growth. For example, the ability to maintain and operate excellent parks and recreation amenities requires a growing revenue base. In Roswell's case, the City sustained its fiscal strength and high quality of life through real property appreciation and retail sales tax revenue growth.

However, reactionary and disjointed approaches to economic and real estate development expose a community to two primary challenges: market evolution and market competitiveness. Market evolution addresses how businesses change with the economic climate to remain competitive. For example, there is a substantial movement within office users to become more efficient with their use of leased space. Concepts such as cubicle farms and office sharing have decreased the amount of space consumed by the average worker, and therefore reduced market demand. Market competitiveness is a factor of both an aging inventory (i.e. older, less attractive buildings without modern amenities) and regional growth patterns (i.e. a neighboring community increasing its market influence through growth).

As noted earlier in this section and detailed throughout the SEDP, Roswell's economic viability has been adversely influenced by both of the aforementioned factors. Roswell's retail market is the perfect example. From the market evolution perspective, retailing has changed in the U.S. The economic downturn has redefined how individuals purchase goods, arguably for a long time. Furthermore, the growth of Internet shopping has changed storefront retailing in both reduction in space needs and merchandising. From the competitive environment perspective, the development and growth within other communities in North Fulton County, eastern Cobb County and western Gwinnett County has reduced Roswell's trade area. Roswell no longer serves as the preeminent commercial destination in North Fulton County, but rather is now one of many viable commercial areas within the region.

It is important to note that the analysis does not indicate Roswell's economic well being is in jeopardy of imminent and rapid decline. The City has been experiencing a slow decline in market competitiveness that was heightened by the recent economic downturn. It is the Consultant's position that continued disjointed, reactionary approaches relative to economic development issues would prolong this gradual decline in Roswell's business climate. Simply put, Roswell is an important component of the North Fulton County market, and will be able to sustain the current market trajectory into the long-term without any change in approach[1]. However, economic and fiscal decline almost certainly will continue and intensify if leadership opts not to implement any strategies.

The SEDP implementation strategy provides a comprehensive approach to how Roswell can be successful at economic development relative to the City's unique issues, opportunities, and conditions. To this end, the RKG Associates Team is not stating that the City must implement the entire strategy at once to avoid further economic stagnation and market decline. Rather, the SEDP is intended to offer customized, specific recommendations on how Roswell can be successful at business retention, expansion and recruitment through a variety of methods. Ultimately, the City's implementation entity and elected leadership will need to decide which, and how many, approaches to pursue relative to economic development. That said, the Advisory Committee and the RKG Associates Team do recognize that Roswell needs to become strategic and proactive in its handling of economic development issues if the community seeks to remain viable in the ever-evolving market climate of North Fulton County.

[1] Assuming no further unforeseen economic shifts similar to what happened during the late 2000s

2 INTRODUCTION

A. LEADERSHIP

The City of Roswell benefitted from a strong regional economic climate. The metropolitan Atlanta region, particularly the portion north of Atlanta, has experienced sustained market growth for decades. This growth has resulted in continued expansion of the local and regional economic base. However, this sustained growth also has created some challenges for long-established communities within the region. Most notably, there has not been parity in the distribution of this success, both within the region and within individual communities. From a regional standpoint, this disparity in growth has created a highly competitive market where communities vie to attract the same development opportunities. From a local perspective, the disparity in development intensity and timing inside a given community has resulted in these communities adopting different approaches for economic development.

The City of Roswell faces these very challenges, operating in a highly competitive regional market while trying to address and meet the needs of different portions of the City. The City's leadership has recognized that historic development trends and patterns, combined with current economic conditions, have dictated the City must take a more comprehensive and strategic approach to reaching its economic development goals. As a result, the City Council is seeking to expand its economic development efforts in a manner that enhances the City's competitive advantages, and therefore improve the fiscal, market and economic health of the community. The City administration recognizes that it is essential to think and act in a coordinated, efficient manor when utilizing precious City resources to expand the local economy. The Roswell Strategic Economic Development Plan (SEDP) is the "road map" for the City to support and sustain existing businesses in Roswell, promote reinvestment and revitalization of culturally and economically strategic resources, and attract private investment within an extremely vibrant, but competitive regional market.

To complete this effort, the City of Roswell retained the services of RKG Associates, Inc. of Alexandria, Virginia and FOCOM, Inc. of Lithonia, Georgia (referred herein as the RKG Team). The RKG Team approach to the Strategic Economic Development Plan for Roswell balanced the vision of the Roswell community with the market realities that shape development opportunity. Community participation was incorporated throughout the process to ensure buy-in and action. The RKG Team provided the technical expertise and guidance to the decision-making bodies including the Roswell City Council (Table 2-1), the Roswell Community Development Department, and a City Council appointed Advisory Committee. The Steering Committee was appointed by City Council because of their individual expertise and/or interest in economic development issues. The full 24-member Steering Committee met seven times throughout the development of the SEDP. The Committee was organized into four distinct subcommittees that each had the responsibility of spearheading the development and review of a component of the final implementation plan. These components include:

Table 2-1
City of Roswell Mayor and City Council

Post	Name	Current Term Ends
Mayor	Jere Wood	December 31, 2013
Post 1	Rich Dippolito	December 31, 2015
Post 2	Becky Wynn	December 31, 2015
Post 3	Betty Price	December 31, 2015
Post 4	Kent Igleheart	December 31, 2013
Post 5	Jerry Orlans	December 31, 2013
Post 6	Nancy Diamond	December 31, 2013

Source: City of Roswell and RKG Associates Inc., 2012

- *Organizational and Regulatory Development* – Organizational development focuses on how the City will approach economic development, establish partners and manage the implementation of the strategy. Regulatory issues are targeted at refining and enhancing the regulatory "toolbox" Roswell has available to promote and secure new economic development efforts.
- *Market and Asset Development* – Market and asset development focuses on identifying target markets and establishing strategies for specific areas of the City including how to better position catalyst properties and specific locations from a physical perspective.
- *Workforce and Entrepreneurial Development* – Workforce development focuses on policies and programs to match local skills to opportunities as well as to identify areas where local skills could be improved to meet new opportunities. The entrepreneurial approach is similar in scope, more directly addressing the support of existing entrepreneurs and cultivating new enterprises/opportunities.
- *Marketing and Outreach* – The marketing and outreach subcommittee will review and address issues related to how Roswell markets itself to capture the various economic opportunities as well as the outreach effort the City undertakes to educate and gain support from the residents, business interests and investors.

The four subcommittees included the following individuals:

Organizational and Regulatory Development

- CHAIR: Small, Jay — Compass Group PLC Food Service
- Bland, Bill — Choate Construction
- LaDow, Tom — LaDow Properties/ICM Strategies
- Nash, Al — Progress Partners
- Perry, Tim — North American Properties

Market and Asset Development

- CHAIR: Orkin, Adam — Orkin Associates
- Bender, Steve — Kimberly Clark Corporation
- Crowell, Vincent — Morgan Stanley Real Estate
- Moxely, Stephen — BB&T
- Paulson, Alex — Randal-Paulson Architects
- Rozier, Jr., David — Zaxby's Franchises
- Schmit, David — Macauley + Schmit

Workforce and Entrepreneurial Development

- CHAIR: Craig, David — Excent Corp
- Davis, Nancy — Georgia Power
- Kaufman, Alex — Kaufman, Miller & Sivertsen
- Schultz, Linda — Fulton County School Board
- Ortiz, Alfredo — CSM Global Food Service

Marketing and Outreach

- CHAIR: Yegenoglu, Duden — Elle in Le Kazan International Inc.
- Chamberlain, Sr., Bryan — Sign*A*Rama
- Davis, Kenneth — Renasant Bank
- Handel, Steve — Atlanta Technology Company
- Keel, Debbie — North Fulton Regional Hospital
- Landers, Tony — Retired – ARC

The Advisory Committee has been integral in the development of this Strategic Plan, having met regularly with the RKG Team throughout the SEDP development process. The Advisory Committee reviewed and authorized everything from the formation of the overarching goals of the SEDP through the editing of the draft implementation measures. The minutes of their feedback and involvement are included in the Appendix document for this report.

B. APPROACH

It is important to note that simply understanding the current market climate within Roswell will not be enough of a foundation for a truly effective strategic plan. Markets do not operate in a vacuum. Demographic, economic and market shifts occurring outside Roswell have an equally substantial impact on the local markets than internal shifts. To this end, it is understood that a successful implementation strategy will require due diligence efforts outside of Roswell as well as inside. The Strategic Economic Development Plan analysis goes beyond simply measuring local demographic and economic data.

The RKG Associates Team approach involves a multi-phase process that incorporates stakeholder participation and economic realities into an implementation strategy that meets the vision of the community in a viable manner. The SEDP culminates in a user-friendly implementation matrix that will guide the City through any policy or program changes necessary to best serve Roswell. Through this initiative, Roswell can ensure that all actions taken are being done strategically, with a comprehensive understanding of the factors that influence (and will be influenced by) those decisions. Ultimately, the SEDP is intended that all Roswell residents, regardless of income level, benefit from the improved market climate, growth in jobs, and all the other related prosperity that accompanies successful economic development efforts. The three components of the RKG approach are:

- *Community Participation* – At the end of the process, the final product must truly be a plan and strategy developed and understood by City officials, local stakeholders, the development community and residents of Roswell, with the help of the RKG Associates Team. It is essential that all decision makers participate in the development and take ownership of the plan. The community participation process strengthened the relationships created through the Advisory Committee process and built a dialogue between the City and key stakeholders on how to implement the SEDP. The success of the Strategic Plan will rely heavily on the ability of the City to maintain and grow the relationships developed with the citizen leaders, development community and local stakeholders.

- *Economic and Market Reality* – The success or failure of any economic development strategy will be determined by several factors. However, market forces ultimately will play the largest role in the viability of the action steps detailed in the implementation plan. As such, focus should be placed on past trends, current conditions, and viable future growth projections in the key market sectors of retail/service, office, light industrial and residential. This understanding of the market forces that affect Roswell and entire the North Atlanta area frames the recommendations for implementation.

- *Implementation* - At the core of a successful strategy is the need for financial, economic, and market viability. It is very important to understand from the beginning of the project: 1) public and private mechanisms, including funding sources that are available; 2) financial and organizational commitments that have already been made; and 3) other outside revenue resources that can be identified. In addition, the SEDP process helped establish a definitive role for the City and its economic development partners to play that will ensure the accomplishment of all goals set forth in the SEDP document. Understanding what initiatives should be undertaken and when they need to occur is integral to transition the City from vision to action.

This document is the result of collaboration between the City of Roswell, the City Council, the Advisory Committee, key business and community leaders, and the RKG Associates Team. The report outlines the current market climate within Roswell and supplements this data with research on recent trends, insights gathered through the Advisory Committee process, interviews with local business professional and a competitive analysis with selected comparison communities. All of these efforts established the foundation for an effective implementation strategy. The resulting user-friendly implementation guideline provides a menu of options and approaches for the City to consider as it transitions from vision to action. The implementation matrix provided at the end of Chapter 9 will help guide the City through any necessary policy and program changes needed to best position Roswell to achieve the economic development goals enumerated in the forthcoming economic development business plan.

The chapters included in this report are as follows:

- Chapter 1: Executive Summary
- Chapter 2: Introduction
- Chapter 3: Socioeconomic Analysis
- Chapter 4: Comparable Communities Analysis
- Chapter 5: Business Development and Workforce Analysis
- Chapter 6: Real Estate Market Analysis
- Chapter 7: Retail Opportunity Analysis
- Chapter 8: Cluster Development and Target Market Assessment
- Chapter 9: Implementation Strategy

3 SOCIOECONOMIC ANALYSIS

A. INTRODUCTION

The socioeconomic analysis lays this framework for the other sections of the report. The socioeconomic analysis will inform the market analysis, the target industry analysis, and the implementation measures. The socioeconomic data in this chapter includes information on population, racial and ethnic composition, households, household income, educational attainment, employment, labor force and regional commuting patterns. The existing socioeconomic conditions will indicate which areas of Roswell's economy need to be improved. Each of the data points in this chapter includes information on the City of Roswell, here referred to as Roswell, as well as the surrounding jurisdictions (Map 3-1). The surrounding jurisdictions include the City of Alpharetta, North Fulton County (defined as the City of Roswell, Alpharetta Census County Division), the five-county Market Area and the ten-county Metro Atlanta Region. The Market Area includes these counties:

- Cherokee County
- Cobb County
- Forsyth County
- Fulton County
- Gwinnett County

The larger Metro Atlanta Region includes the same ten counties that constituted Metro Atlanta as defined as part of Roswell's Comprehensive Plan. These counties are listed below:

- Cherokee County
- Clayton County
- Cobb County
- DeKalb County
- Douglas County
- Fayette County
- Fulton County
- Gwinnett County
- Henry County
- Rockdale County

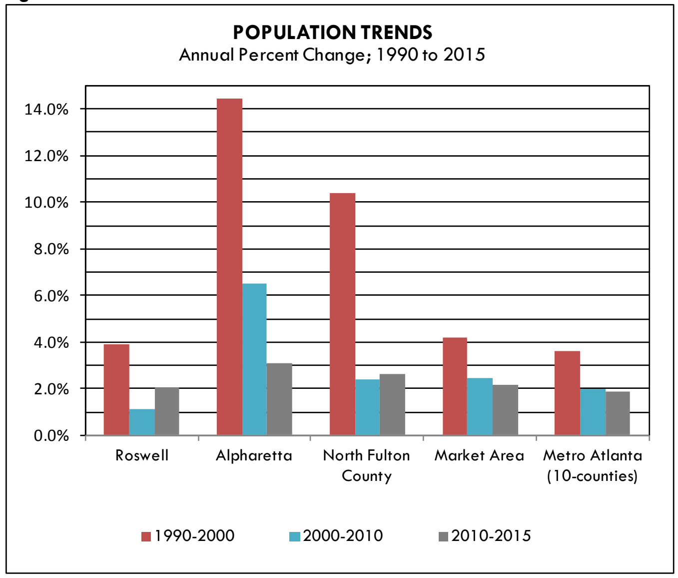
It is important to compare Roswell to the surrounding jurisdictions to understand how it is impacted by the region.

B. POPULATION TRENDS AND PROJECTIONS

1. Population Trends

Population growth in Roswell over the last 20 years has been strong, but remains below that of nearby cities and the surrounding region (Figure 3-1). The population of Roswell grew from 57,043 in 1990 to 88,346 in 2010 (an increase of 54.9%), while the City of Alpharetta grew by 303.6% and Metro Atlanta Region experienced a population increase of 63.4% over the same 20-year period of time. This lower rate of growth is attributable to two main factors: Roswell is a well-established and largely built-out community, and a large portion of the land in Roswell is occupied by single-family homes on large lots. Overall, Roswell benefits from being part of a high growth region, and it has continued to grow at a strong and steady rate. However, it will continue to lag behind other parts of North Fulton County that have abundant developable land and/or have embraced higher density redevelopment approaches.

Figure 3-1



Source: ESRI, US Census and RKG Associates, Inc., 2011

2. Population Projections

The rate of population growth in the metropolitan Atlanta area was greatest between 1990 and 2000. The rate of increase slowed during between 2000 and 2010. This finding is consistent with regional employment trends, as slowed job growth in the region influenced the rate people relocated to the Atlanta area. Looking forward to 2015, the average annual growth rate over this five-year period is projected to be about the same as from 2000 to 2010 in all areas with the exception of Alpharetta, where the average annual growth rate is projected to fall. Similar to the impacts during the 2000's, a cooled employment market will continue to effect in-migration to the Metro Atlanta Region.

3. Population by Age

The population in all of Metro Atlanta Region is aging. However, the population in Roswell is aging at a faster rate than the region as a whole (Table 3-1). The median age in Roswell in

Table 3-1
Population, By Age
City of Roswell and the Region
1990-2015

	Trends			
Location	**1990**	**2000**	**2010**	**2015**
CITY OF ROSWELL				
0 to 4	7.1%	6.9%	7.4%	7.3%
5 to 14	13.5%	13.3%	14.2%	14.1%
15 to 19	6.5%	6.4%	5.9%	5.9%
20 to 34	26.5%	23.0%	18.6%	19.3%
35 to 44	20.6%	18.1%	15.7%	14.0%
45 to 65	19.3%	24.7%	27.9%	27.2%
Over 65	6.6%	7.5%	10.4%	12.3%
Median Age	33.2	35.2	37.6	N/A
MARKET AREA				
0 to 4	7.8%	7.5%	7.2%	7.1%
5 to 14	13.9%	14.7%	14.9%	15.0%
15 to 19	6.8%	6.6%	7.0%	6.7%
20 to 34	28.8%	24.8%	21.3%	21.6%
35 to 44	18.1%	18.4%	16.2%	15.0%
45 to 65	17.0%	20.9%	25.0%	24.6%
Over 65	7.6%	7.1%	8.3%	9.9%
Median Age	31.5	33.0	34.6	N/A
METRO ATLANTA (10 - COUNTIES)				
0 to 4	7.7%	7.4%	7.2%	7.1%
5 to 14	13.9%	14.9%	14.6%	14.7%
15 to 19	7.0%	6.8%	7.1%	6.7%
20 to 34	28.6%	24.9%	21.7%	21.9%
35 to 44	17.8%	18.0%	15.8%	15.5%
45 to 65	17.4%	20.8%	25.0%	24.4%
Over 65	7.6%	7.3%	8.5%	10.0%
Median Age	31.5	32.8	34.4	N/A

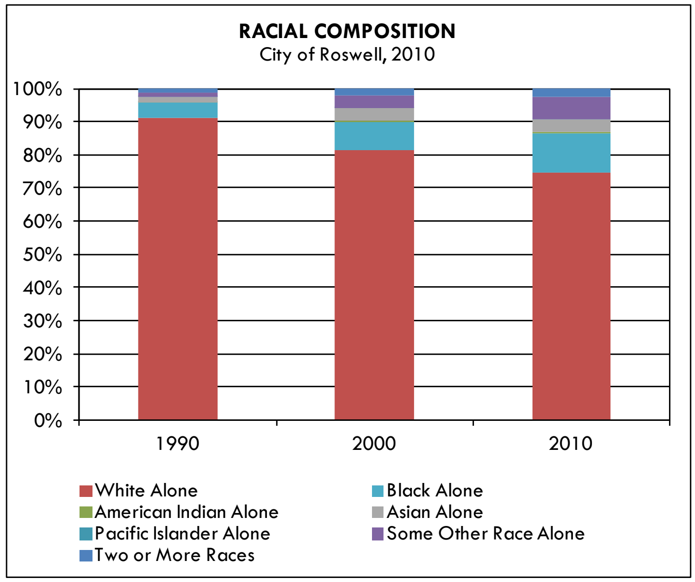
Source: ESRI, US Census and RKG Associates, Inc., 2011

1990 was 33.2 and had risen to 37.6 by 2010, a similar pattern to what had occurred in North Fulton County. Meanwhile, the Market Area and Metro Atlanta Region both had a median age of 31.5 in 1990. By 2010, the Metro Region's median age had only risen to around 34. The median age is rising across the United States, and Roswell is impacted more than the Metro Atlanta Region because of the significant growth in the 65 and over population. This finding is consistent with well-established suburban communities, as the initial residents are opting to age in place due to the high quality of life of the region and convenient location to employment, entertainment and shopping areas.

4. Racial and Ethnic Composition

Race and ethnicity are considered two separate traits by the US Census Bureau. Race refers to White, Black, Asian, etc. Ethnicity refers to a person's country of origin. For example, Hispanic means people from Central America, South America, and other Hispanic or Latino countries. Both race and ethnicity are self-reported and are based upon individual preferences. Race and ethnicity are not mutually exclusive. For example, a person could be of Hispanic ethnicity and fit into any of the racial categories. Simply put, the race and ethnicity percentages do not equal 100% because a person can be both Hispanic and White.

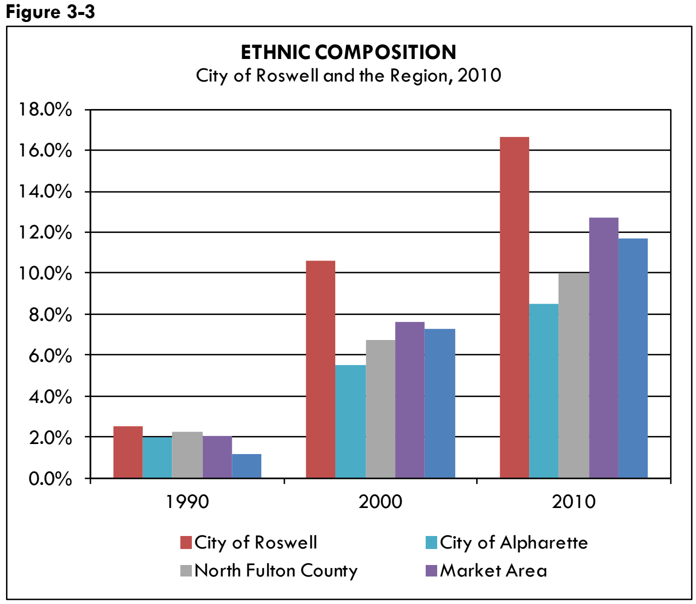
Figure 3-2



Source: ESRI, US Census and RKG Associates, Inc., 2011

Both the racial and ethnic composition of Roswell has been changing over the past ten years. In 1990, 91.0% of the population was White alone, with only 4.6% Black and 1.9% Asian (Figure 3-2). In contrast, by 2010, 74.7% of population was White alone, with 11.7% black and 4.0% Asian. This increasing diversity is consistent with the remainder of North Fulton County. In fact, communities such as Johns Creek, have a more racially diverse community.

Figure 3-3



Source: ESRI, US Census and RKG Associates Inc., 2011

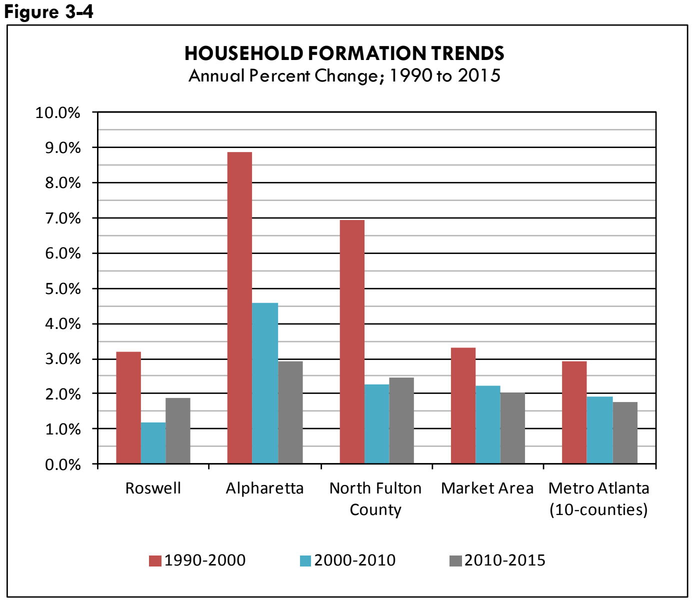
What differentiates Roswell from the rest of North Fulton County is its large increase in ethnic diversity. In 1990, ethnic diversity was very low throughout the entire metropolitan area. However, Roswell has experienced a substantially higher increase of residents with Hispanic origins as a percentage of its total population. The percentage of residents of Hispanic origins was 16.6% in 2010 in Roswell, compared to Alpharetta and North Fulton County at 8.5% and 10.0% of the population, respectively (Figure 3-3). This ethnic diversity presents a unique opportunity for Roswell's economic development efforts.

The racial and ethnic composition of Roswell has been changing in recent years and the City can capitalize on the opportunities presented by this increase in the Hispanic, Black and Asian populations. This growth in diversity translates into demand for new businesses to serve the needs of these residents and the opportunity to train entrepreneurs to target these needs. These changing demographics also will increase the potential for more ethnic and cultural offerings within Roswell.

5. Household Trends and Projections

The household growth rate in Roswell mirrored the population growth rate in Roswell over the last ten years (Figure 3-4). The average annual household growth rate was 1.2% from 2000 to 2010, at the same time that the average annual population growth was a comparable 1.1%. This indicates that the average size of households in Roswell increased slightly from 2000 to 2010 from 2.61 to 2.70. This same pattern holds true for the City of Alpharetta, North Fulton County, the Market Area and the Metro Atlanta Region. While local patterns of increasing household size counters national trends, the finding is consistent with the housing market and development patterns in Roswell and North Fulton County. This area remains very attractive for family households due to the high concentration of single-family detached housing and the strong quality of life factors (i.e. low crime, good schools...).

Figure 3-4

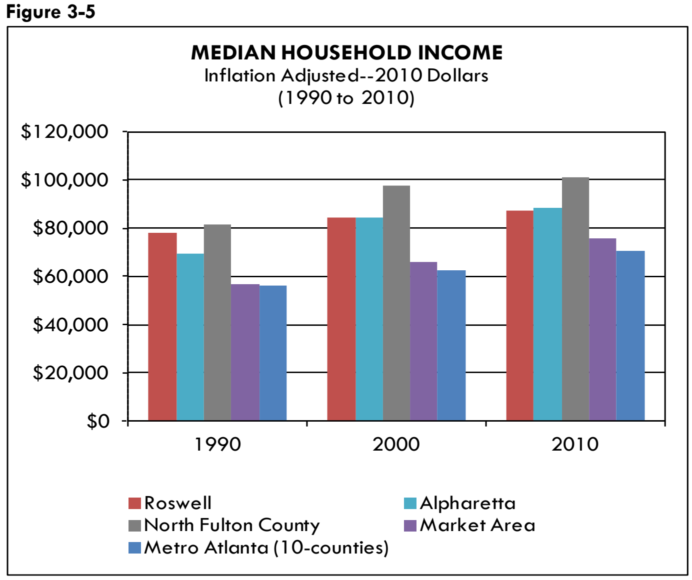


Source: ESRI, US Census and RKG Associates, Inc., 2011

6. Median Household Income

Median household income[1] has been increasing consistently between 1990 and 2010 throughout the metropolitan Atlanta area (Figure 3-5). In the case of Roswell, Alpharetta, and North Fulton County, the percentage change in income was higher from 1990 to 2000 than from 2000 to 2010. This finding is not surprising, as the economic downturn has adversely affected personal wealth and income potential throughout the United States. Despite the modest slowdown from rates in the 1990s, the continued increase in median household income from 1990 through 2010 in Roswell is greater than inflation and, therefore, indicates the buying power of households in Roswell and North Fulton County continues to increase.

Figure 3-5



Source: ESRI, US Census, and RKG Associates Inc., 2011

[1] Median household income is adjusted for inflation, which means that the 1990 and 2000 median household income values have been increased at the rate of inflation and expressed in 2010 dollar values.

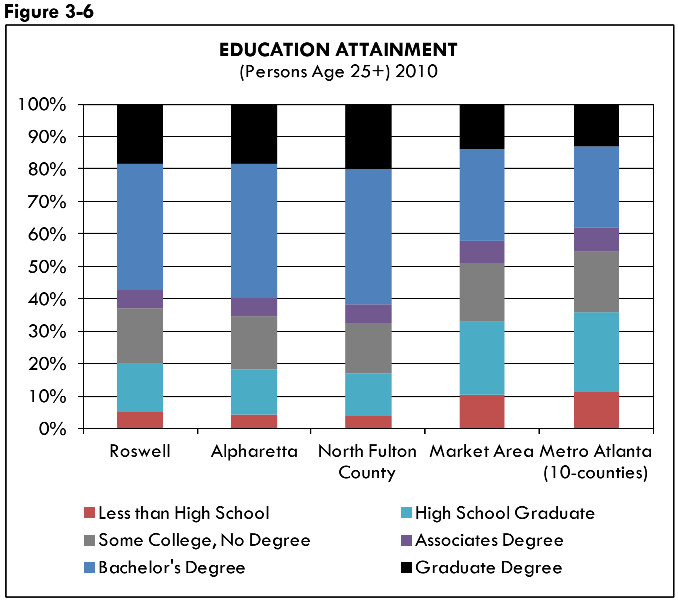
The median income in 1990, 2000 and 2010 in Roswell, Alpharetta and North Fulton County was significantly higher than in the larger Market Area and the Metro Atlanta Region. North Fulton County attracts residents with some of the higher incomes in the Atlanta Metro Region. In 1990, the Roswell median income was within approximately $3,600 of the median income in North Fulton County. However, by 2010 the Roswell median income was approximately $13,900 lower than in North Fulton County. In addition, the median household income for Alpharetta has outpaced that of Roswell and, currently, the Alpharetta median household income is higher than in Roswell.

This finding is as much of a function of the development trends within the region as it is a growing disparity in socioeconomic conditions. Given Roswell generally is built out, the surrounding cities have attracted the large-scale residential development once concentrated in Roswell. This new development is attractive to households seeking to locate in the North Fulton market. The development community typically seeks unmet market segments, and in this case largely is higher-end housing. In more simple terms, Roswell has more variety of single-family detached housing types (ranging from ranch-style to large estates) reflective of its position as one of the first suburban communities in this portion of the metro market. Communities that have experienced their housing boom more recently likely will not have many of the smaller, more modest housing types.

7. Education Attainment Levels

The educational attainment of Roswell's workforce is critical to helping Roswell attract employers. Roswell and all of North Fulton County has a very highly educated population. Within Roswell, approximately 57% of the population has at least a Bachelor's Degree (Figure 3-5). The percentage of the population ages 25+ with Bachelor's Degrees is consistent across all of North Fulton County, with more than 62% having such degrees within the entire area. This finding indicates there is an opportunity to attract companies that require a high-skilled labor force to Roswell. This should not be surprising, given the success of communities such as Sandy Springs and Alpharetta to draw large corporate office users.

Figure 3-6



Source: ESRI, US Census and RKG Associates, Inc., 2011

However, this finding does not indicate high-end job recruitment is the only opportunity for Roswell. Roswell has a higher portion of its population at lower education levels than either Alpharetta or North Fulton County. A total of 5.3% of the population has 'Less than High School', 15.0% of the population are 'High School Graduates', and 16.6% of the population has 'Some College No Degree'. This indicates that Roswell's Strategic Economic Development Plan must focus on attracting and sustaining jobs that require a variety of educational levels while providing more workforce preparedness and training options to residents and businesses. Concentrating on attracting jobs that require a Bachelor's Degree or greater would not serve approximately 43% of the City's population.

C. ECONOMIC BASE ANALYSIS

The economic base analysis examines the labor force and business characteristics in efforts to understand the economic opportunities and threats for Roswell and the larger region. This analysis includes data on employment, major employers, labor force participation, unemployment trends, and commuting patterns. The purpose of this economic base analysis is to establish a context for evaluating the local and regional development potential.

1. Methodology

The data for Roswell came from the Atlanta Regional Commission (ARC). In this data, Roswell is delineated by Traffic Analysis Zones (TAZs). These TAZs essentially mirror the boundaries of the City of Roswell. Using TAZ data was the only way to obtain employment trend data at the City level. The ARC employment data for Roswell is limited in detail to the two-digit NAICS code level. ARC was used because county level is the smallest level in which the U.S. Census Bureau's County Business Pattern database (CBP) publishes data. The data for Fulton County at the two-digit level also came from ARC so that an accurate comparison could be made between Roswell and Fulton County.

Fulton County employment data is also available at the 3-digit level (Appendix). The CBP data for Fulton County has much more specific employment and establishment data that goes beyond the two-digit NAICS code to the three-digit level. The 3-digit data provides a greater understanding of the types of employment that are growing or declining in the local economy.

Some of the three-digit data from the CBP for Fulton County is suppressed by the Census Bureau due to confidentiality issues. In the cases of suppressed data, RKG Associates had to estimate the employment numbers. Consequently, the analysis does not purport to be based on actual data. Rather, the estimates presented represent general market trends, and are sufficient to perform the analysis necessary to inform the SEDP implementation strategy.

2. Employment and Establishment Trends

a.) *City of Roswell*

The City of Roswell has experienced substantial job loss between 2006 and 2009, with employment opportunities declining by more than 10.4%. This rate of loss is greater than the loss rates experienced in both Fulton County (-4.0%) and the Metro Atlanta Region (-5.4%). Net employment losses were greatest in the retail trade (-1,515 jobs), construction (-1,017 jobs) and administrative/waste management (-1,011 jobs) sectors (Table 3-2). These losses are consistent with recent regional development trends. In addition to national trends in retail trade employment losses, much of North Fulton's regional retail operations have located in Alpharetta near the North Point Mall. This migration has hurt Roswell the most, as it was reported that many retailers have left Roswell to

Table 3-2
Employment Trends
City of Roswell

NAICS	Description	2006	2009	Change	% Change
48-49	Transportation and Warehousing	580	1,065	485	83.6%
54	Professional, Scientific, and Technical Services	3,435	3,916	481	14.0%
51	Information	1,791	2,236	445	24.8%
62	Health Care and Social Assistance	2,610	2,755	145	5.6%
55	Management of Companies and Enterprises	555	658	103	18.6%
31-33	Manufacturing, Non-Durable	149	232	83	55.7%
31-33	Manfacturing, Durable	495	500	5	1.0%
11	Agriculture, Forestry Fishing and Hunting	0	0	0	0.0%
21	Mining	0	0	0	0.0%
22	Utilities	32	30	(2)	-6.3%
92	Public Administration	962	945	(17)	-1.8%
72	Accommodation and Food Services	4,354	4,331	(23)	-0.5%
99	Other	231	55	(176)	-76.2%
71	Arts, Entertainment, and Recreation	1,094	835	(259)	-23.7%
42	Wholesale Trade	3,355	3,077	(278)	-8.3%
53	Real Estate and Rental and Leasing	1,279	927	(352)	-27.5%
52	Finance and Insurance	2,890	2,502	(388)	-13.4%
61	Educational Services	3,423	3,031	(392)	-11.5%
81	Other Services (except Public Administration)	1,760	1,088	(672)	-38.2%
56	Administrative/Waste Management	4,099	3,088	(1,011)	-24.7%
23	Construction	2,112	1,095	(1,017)	-48.2%
44-45	Retail Trade	6,848	5,333	(1,515)	-22.1%
TOTAL		**42,054**	**37,699**	**(4,355)**	**-10.4%**

Source: Atlanta Regional Commission and RKG Associates, Inc., 2011 locate in Alpharetta. The losses in construction jobs are a regional issue, as development has slowed substantially since 2006 within the entire metropolitan Atlanta region.

In contrast, the City has experienced a net gain in transportation and warehousing (485 jobs), professional, scientific and technical services (481 jobs), and the information (445 jobs) sectors. The health care and social assistance (145 jobs) and the management of companies and enterprises categories (103 jobs) were the only other two categories with notable employment growth during the study period. Despite the net growth in these industries, the gains were greatly outpaced by losses in the remaining 13 categories.

b.) <u>Fulton County</u>

Employment in Fulton County as a whole fared better than Roswell during the economic downturn (through 2009), but was still negatively affected (Table 3-3). From 2006 to 2009, Fulton County employment dropped by 4.0%, or 28,995 jobs. While there were increases of over 1,000 employees in five of the service-based industry sectors including Professional, Scientific, and Technical Services and Health Care and Social Assistance, these increases were exceeded by losses of more than 1,000 employees in 12 industry sectors including administrative/waste Management and Retail Trade. The most noticeable differences between Fulton County and Roswell is that the County experienced growth in both the Educational Services and the Accommodations and Food Service categories, where Roswell experienced losses. This disparity in findings presents both an opportunity and concern for economic development efforts in Roswell. The regional success of these industry sectors indicates there is potential to capture activity in Roswell. However, the losses in Roswell indicate there may be a need to address some competitiveness or operation issues being experienced by local businesses. Further outreach in these sectors will help identify the potential issues, and allow the City to determine the best approach to mitigate them.

Table 3-3
Employment Trends
Fulton County

NAICS	Description	2006	2009	Change	% Change
61	Educational Services	47,960	51,085	3,125	6.5%
72	Accommodation and Food Services	62,629	64,797	2,168	3.5%
54	Professional, Scientific, and Technical Services	71,504	73,669	2,165	3.0%
48-49	Transportation and Warehousing	38,805	40,274	1,469	3.8%
62	Health Care and Social Assistance	67,177	68,341	1,164	1.7%
22	Utilities	3,050	3,886	836	27.4%
71	Arts, Entertainment, and Recreation	10,553	10,812	259	2.5%
21	Mining	83	88	5	6.0%
11	Agriculture, Forestry Fishing and Hunting	178	140	(38)	-21.3%
53	Real Estate and Rental and Leasing	18,325	17,394	(931)	-5.1%
31-33	Manufacturing, Non-Durable	11,542	10,480	(1,062)	-9.2%
99	Other	1,799	498	(1,301)	-72.3%
81	Other Services (except Public Administration)	20,548	19,076	(1,472)	-7.2%
23	Construction	19,096	17,403	(1,693)	-8.9%
55	Management of Companies and Enterprises	17,664	15,178	(2,486)	-14.1%
92	Public Administration	47,841	44,935	(2,906)	-6.1%
51	Information	49,010	45,798	(3,212)	-6.6%
42	Wholesale Trade	44,535	40,982	(3,553)	-8.0%
31-33	Manfacturing, Durable	22,305	17,560	(4,745)	-21.3%
52	Finance and Insurance	51,210	46,132	(5,078)	-9.9%
44-45	Retail Trade	55,711	50,614	(5,097)	-9.1%
56	Administrative/Waste Management	54,612	48,000	(6,612)	-12.1%
TOTAL		**716,137**	**687,142**	**(28,995)**	**-4.0%**

Source: Atlanta Regional Commission and RKG Associates, Inc., 2011

Note

[1] Defined as the Traffic Analysis Zones (TAZs) that equate to the approximate boundaries of the Fulton County

3. Major Employers

The largest employer in Roswell is Kimberly-Clark, a worldwide producer of personal care products. The company built its Roswell campus between 1980 and 1985. This facility is home to the Global Healthcare, Business-to-Business Sales, Latin America Operations, and the Global Nonwovens divisions of the company. There are also additional staff services on campus related to global sustainability, safety, and some research and law services. No manufacturing is done on the Roswell campus. Kimberly-Clark has continually expanded on the existing campus at a steady state of about five percent a year. In addition, the company has enough land available to double the current size of the campus, so there is no immediate need for additional land. What the company may be interested in pursuing in the mid-term, however, is constructing more buildings on-site. To make the best use of available space, Kimberly-Clark may require a variance on the current City of Roswell 90 foot height requirement as well as a new road to access the company's campus from the north. Overall, it appears as though many of the reasons that Kimberly Clark chose to locate in Roswell back in 1980 are still intact, including being close to the company's manufacturing facilities, the availability of skilled labor, land available at a reasonable cost, space for growth, and access to the Atlanta-Hartsfield International Airport. In the near future, the company's biggest concerns are transportation access to the campus and the option to continue to increase the building height and density of the campus.

The second largest employer is North Fulton Regional Hospital. It is a private hospital with a wide variety of specialties given the hospitals size and location outside of a major city. The hospital has ample land to accommodate future growth, and due to recent expansions and improvements, the hospital has no plans to add additional beds or new services at this time. The hospital has contracted with Duke Development for a new medical office building to be built on the hospital's site. As of March 2012, ground was broken on a new 55,000 SF medical office building. There are already two other medical office buildings on the site. The current strategy calls for some doctors in the old buildings to move into the new building and the older space will be backfilled by medical tenants seeking less expensive office space. The hospital site does not accept non-medical tenants, with covenants that would prevent outside users on the campus. The few exceptions are support operations such as cafeteria operators. Therefore, any expansions done by North Fulton Regional Hospital will be done on-site.

The other large employers rounding out the top ten include Verizon Wireless; Prommis Solutions, a provider of technology solutions that handles default resolution for the residential mortgage industry; the City of Roswell; Witness Systems, a software company specializing in workforce performance; and the retailers Target; Wal-Mart; Publix Super Markets; and the Home Depot.

Table 3-4
Larget Employers
City of Roswell, 2010

Business Name	Employees
Kimberly-Clark Corporation	1,453
North Fulton Regional Hospital	1,016
Verizon Wireless	975
Prommis Solutions, LLC	649
City of Roswell	616
Target Store	506
Witness Systems, Inc	411
Wal-Mart Supercenter	371
Publix Super Markets, Inc.	276
The Home Depot	272
Roswell Nursing & Rehabilitation	262
Kroger	230
Kohl's Department Store	228
United Parcel Service	223
Tenet Patient Financial Service	200
Liv Home, Inc	186
Johnson Controls, Inc.	175
Enable Of Georgia, Inc.	150
Support Net, Inc.	150
Andritz Inc	145
Saint Francis Day School Inc.	140
Nalley Toyota of Roswell	135
St George Village	134
Honda Carland	133
The Atlanta Journal Constitution	128
Comcast Cable Communications	126
Nalley Lexus Roswell	125
The Olive Garden Italian	111
Total	**9,526**

Source: City of Roswell, and RKG Associates Inc., 2011

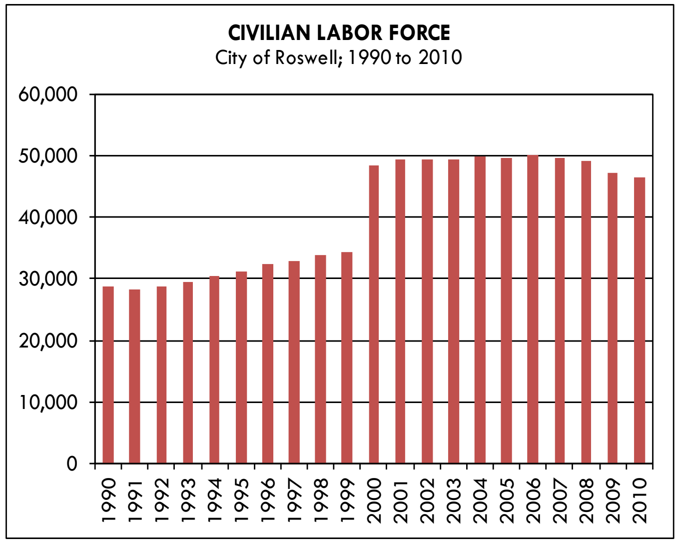
4. Labor Force Participation

The civilian labor force is the sum of both the employed and unemployed workers who live in Roswell. The civilian labor force does not include workers who do not have jobs and are not looking for work. In Roswell, the civilian labor force rose throughout the 1990s and 2000s before falling off slightly from 2007 to 2010. The large jump in the civilian labor force from 1999 to 2000 was the result of updated data from the 2000 Census that showed that the population of Roswell had grown more than anticipated from 1990 to 2000. Therefore, there was not a huge increase in the labor force from 1999 to 2000, but rather a continued increase in the labor force between the decennial censuses from 1991 to 1999 that was not properly accounted for in the data. The analysis indicates labor force participation declining starting in 2008 because of the recession. What this means is that the labor force in Roswell is shrinking due to increases in the number of workers being forced into retirement, workers who are no longer actively seeking work, or workers choosing to stay out of the workforce for family reasons. While an unfortunate side effect of the economic downturn, this is an opportunity for business recruitment, as many of these workers may be willing to rejoin the workforce if an attractive job is made available.

5. Unemployment Trends

The Roswell unemployment rate is below the unemployment rate in the Metro Atlanta Region (Figure 3-8). While the unemployment rate in Roswell tends to rise and fall with the unemployment in the larger region, the rate of unemployment in Roswell is consistently lower. This primarily is due to the relative high education and occupational skill level of Roswell residents. The high level of education and the skills of the Roswell labor force are valued in the market and therefore the average Roswell resident in the workforce likely is less susceptible to downsizing than the average laborer in the Metro Atlanta Region.

Figure 3-7

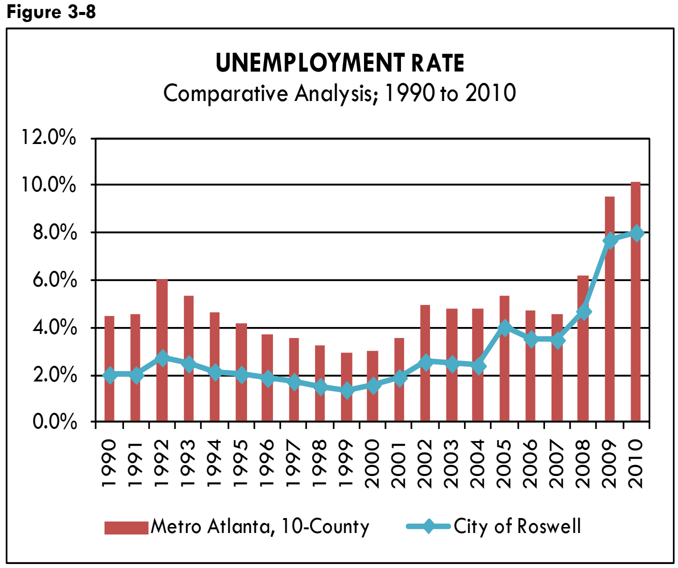


Source: Bureau of Labor Statistics and RKG Associates Inc., 2011

6. Occupational Skill Levels

RKG Associates collected occupational data from the Georgia Department of Labor and then categorized this data by job type and skill level (Figure 3-9). These groupings were derived from the consultant's common knowledge regarding the skill and educational requirements of general occupational categories. Although it is difficult to group occupational categories in this manner with great precision, the results provide some indication of the distribution and diversity of skills available within the labor force. The occupational categories and their descriptions are as follows:

Figure 3-8



Source: Bureau of Labor Statistics and RKG Associates Inc., 2011

- Highly-Skilled White Collar (HSWC) – a professional position requiring a college degree, with supervisory/ management responsibility or specialized training while working within a white-collar work environment.

- Highly-Skilled Blue Collar (HSBC) – a trade or non-professional position requiring less than an advanced degree, but some post secondary education, a certificate, or specialized training or skill while working within a white collar work environment.

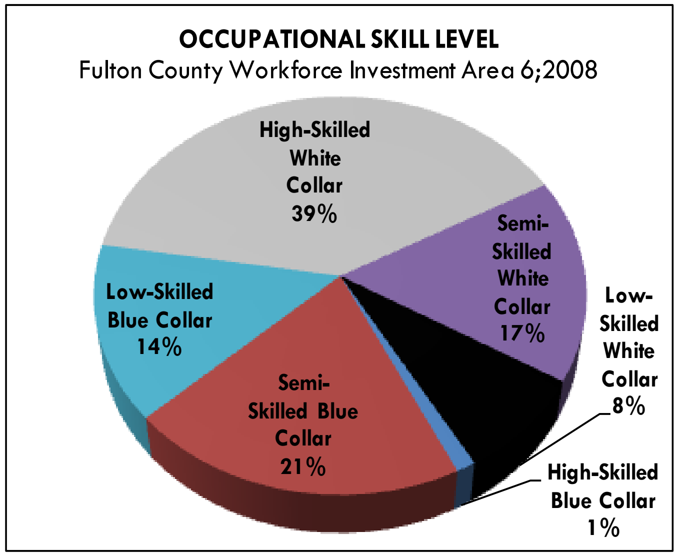
- Semi-Skilled White Collar (SSWC) – a professional position requiring less than an advanced degree, but some post secondary education, a certificate, or specialized training or skill while working within a white collar work environment.

- Semi-Skilled Blue Collar (SSBC) – a trade position requiring less than an advanced or trade school degree but requiring some specialized training or skill, while working within a blue collar environment.

- Low-Skilled White Collar (LSWC) – a position within a white collar work environment requiring no degree or formal schooling beyond high school, but requiring some on-the-job training.

- Low-Skilled Blue Collar (LSBC) – a position within a trade profession requiring no advanced degree or formal schooling, but requiring some on-the-job training.

Figure 3-9



Source: Georgia Department of Labor, and RKG Associates, 2011

Occupational data is gathered by Workforce Investment Areas and North Fulton County is part of Workforce Investment Area 6 (WIA 6). This data is regional and not Roswell specific. The data implies that at the regional level there is a concentration of high-skilled, white-collar workers. This data will inform the target industry analysis included as Chapter 8 in this report, and help the consultant determine what type of industries would be interested in the skills of the workers in Roswell and the broader region.

7. Regional Commuting Patterns

The regional commuting patterns data is divided into two categories: people living in Roswell and people working in Roswell (Table 3-5 and 3-6). First, the data evaluates where the 41,330 workers that live in Roswell are employed. Only a marginal percentage of people living in Roswell are employed in Roswell (13.5%). Everyone else living in Roswell works outside of the City limits. The highest percentage of Roswell residents commute to Atlanta (13.8%) followed by Sandy Springs (10.8%) and Alpharetta (10.6%). Overall the majority of Roswell residents commute somewhere in Fulton County, the remaining residents travel to the neighboring counties of Cobb, Gwinnett and DeKalb.

The second data set examines where the 41,901 people who work in Roswell reside. There are a total of 5,597 workers who both live and work in the City of Roswell (13.4% of all workers). The rest of the people who work in Roswell are widely dispersed throughout the region with 15.3% commuting from Cobb County, 10.1% commuting from Gwinnett County, and 8.8% commuting from DeKalb County. Only a small percentage of the workers in Roswell come from the neighboring jurisdictions of Alpharetta (4.4%) and Sandy Springs (3.6%). Workers come into Roswell from all of the surrounding areas.

Not many people who live in Roswell work in Roswell. There is a mismatch in the skills of Roswell residents and the jobs available in Roswell. As such, Roswell residents travel far distances to find suitable jobs. In addition, Roswell must attract workers from the rest of Fulton County and the surrounding counties to fill the jobs in the City itself.

Table 3-5
2006 Commuting Patterns of Where People Work
City of Roswell Residents

County Where Employed	Number	Percent
FULTON COUNTY	**22,417**	**54.2%**
Atlanta	5,693	13.8%
Roswell	5,597	13.5%
Sandy Springs	4,466	10.8%
Alpharetta	4,386	10.6%
All other locations	2,275	5.5%
COBB COUNTY	**4,619**	**11.2%**
Marietta	753	1.8%
Vinings	353	0.9%
Smyrna	308	0.7%
All other locations	3,205	7.8%
DEKALB COUNTY	**4,366**	**10.6%**
Dunwooddy	1,335	3.2%
Tucker	325	0.8%
All other locations	2,706	6.5%
GWINNETT COUNTY	**4,361**	**10.6%**
Northcross	330	0.8%
All other locations	4,031	9.8%
FORSYTH COUNTY	**1,342**	**3.2%**
CLAYTON COUNTY	**627**	**1.5%**
CHEROKEE COUNTY	**506**	**1.2%**
BIBB COUNTY	**274**	**0.7%**
DOUGLAS COUNTY	**220**	**0.5%**
HALL COUNTY	**197**	**0.5%**
ALL OTHER LOCATIONS	**2,401**	**5.8%**

Source: Georgia Power, US Census, LED Origin-Destination Database and RKG Associates Inc., 2011

Table 3-6
2006 Commuting Patterns of Where People Live
City of Roswell Employees

County of Residence	Number	Percent
FULTON COUNTY	**14,426**	**34.4%**
Roswell	5,597	13.4%
Atlanta	2,005	4.8%
Alpharetta	1,860	4.4%
Sandy Springs	1,501	3.6%
All other locations	3,463	8.3%
COBB COUNTY	**6,431**	**15.3%**
Marietta	430	1.0%
Smyrna	404	1.0%
All other locations	5,597	13.4%
DEKALB COUNTY	**3,703**	**8.8%**
Dunwooddy	445	1.1%
North Atlanta	330	0.8%
All other locations	2,928	7.0%
GWINNETT COUNTY	**4,249**	**10.1%**
Dultuh	252	0.6%
All other locations	3,997	9.5%
FORSYTH COUNTY	**2,060**	**4.9%**
CLAYTON COUNTY	**714**	**1.7%**
CHEROKEE COUNTY	**3,493**	**8.3%**
Woodstock	439	1.0%
All other locations	3,054	7.3%
PAULDING COUNTY	**361**	**0.9%**
HENRY COUNTY	**346**	**0.8%**
HALL COUNTY	**381**	**0.9%**
ALL OTHER LOCATIONS	**5,737**	**13.7%**

Source: Georgia Power, US Census, LED Origin-Destination Database and RKG Associates Inc., 2011

D. IMPLICATIONS

The demographic data indicate the City of Roswell is in the process of entering a transition phase. The relative slow down of population and household growth during the 2000s as compared to the rest of North Fulton County is consistent with development patterns (discussed later in this document). Over the past 40 years, Roswell primarily has grown as a suburban bedroom community with substantial large-lot, single family detached housing. This growth has consumed almost all of Roswell's land area. Since the incorporation of the remainder of North Fulton County into cities such as Johns Creek, Milton and Sandy Springs, Roswell no longer can grow through expansion. With a limited supply of vacant land and limited densification of existing developments, the City's population growth will remain below other parts of North Fulton County.

In order to maximize Roswell's economic development potential, the City's leadership will need to focus on revitalization and reinvestment of strategic properties and increasing development intensity on the few remaining large-scale vacant parcels (i.e. the southeast quadrant of the Georgia 400/Holcomb Bridge Road interchange). Given the high quality of life and stability of Roswell's neighborhoods, the revitalization and intensification efforts need to be strategic in order to maintain the balance between community character and fiscal health.

The data on the local jobs, local labor force and commuting patterns indicate the local jobs and the labor force do not align. Only a select few Roswell residents have the opportunity to live and work within the City. There is a need for a concerted effort to bring more high-skilled and diverse jobs to the City through recruitment and entrepreneurship. An increase in jobs in Roswell for Roswell residents would have a number of benefits beyond the improved economic and fiscal health of the Roswell economy. Most notably, providing opportunities for people to work closer to home will reduce commuter traffic as travel distances become shorter. The development of mixed-use, live/work projects at strategic locations in Roswell could eliminate several car trips altogether.

4 COMPARABLE COMMUNITIES ASSESSMENT

A. INTRODUCTION

As part of this effort, the City of Roswell wants to identify strategies employed elsewhere that have garnered positive results. Based on the input of the City Council and the Advisory Committee, RKG Associates has identified five successful strategies, programs and partnerships that helped attract economic development in a manner consistent with the goals and objectives of the Strategic Economic Development Plan (SEDP). The following chapter provides some detail of these case studies, including the issues facing these communities and how they were solved. The "best practices" described in this Chapter provides the foundation for the recommendations found in the implementation strategy.

All of the communities were carefully selected because they were similar to Roswell, in terms of population and socioeconomic characteristics (Table 4-1) and/or had economic development challenges and opportunities similar to those that exist in Roswell. Alpharetta, Georgia was selected because it is a direct neighbor of Roswell, has an equally high median household income and education level when compared to Roswell, operates within the Atlanta regional economy, and has been very active in terms of economic development. Walnut Creek, California has a similar socioeconomic mix to Roswell and was selected because of the unique way they dealt with a decline in household size and rise in single households. Alexandria, Virginia was selected because, similar to Roswell, it was faced with underperforming commercial space. Naperville, Illinois was selected because it experienced rapid growth without an economic development strategy, but recognized the need for one as local development patterns were resulting in inefficient infrastructure systems and City land resources were diminishing. Finally, Roswell can learn from the best practices of Rockville, Maryland, which has encouraged redevelopment of aging, obsolete retail centers and built a thriving town center through public/private partnerships.

Table 4-1
Socioeconomic Characteristics of Comparable Communities

	Roswell, GA	Alpharetta, GA	Walnut Creek, CA	Alexandria, VA	Naperville, IL	Rockville, MD
Population	88,346	57,551	64,173	135,234	139,966	61,209
Population Change, 10 years	11.4%	65.1%	-0.2%	5.4%	9.0%	29.2%
Distance from Major City	23 miles	27 miles	25 miles	8 miles	30 miles	22 miles
Median Household Income	$87,070	$88,617	$82,111	$74,558	$106,863	$85,841
Edu. Attainment (% Bachelors or above)	57.0%	59.7%	56.3%	60.9%	61.2%	56.3%
Unemployment Rate	8.0%	8.0%	7.6%	4.8%	7.5%	5.0%

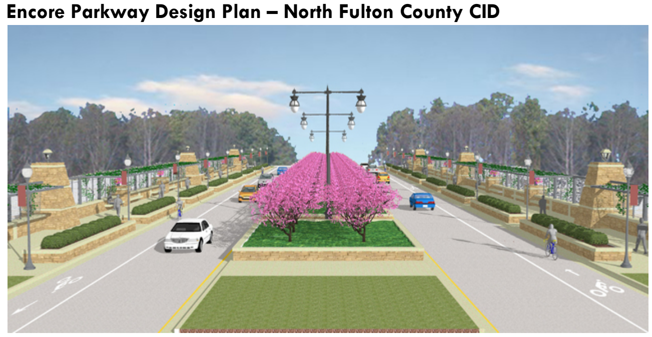
Source: ESRI, U.S. Census, Bureau of Labor Statistics and RKG Associates, Inc., 2011

B. ALPHARETTA, GEORGIA

Alpharetta, Georgia is direct neighbors with Roswell and as such they share many similar characteristics. As mentioned previously, Alpharetta residents have a similarly high median household income ($88,617) and education levels (59.7% with Bachelor's Degree or above). In addition, both communities contain a large supply of retail options and establishments. However, both communities share the same local and regional challenges, especially North Fulton County's highly competitive retail/service market. Roswell continues to be affected by the opening of North Point Mall nearly 20 years ago.

Despite the success created around North Point Mall, Alpharetta business leaders noticed that storefronts and businesses were not living up to their full potential. The Alpharetta business community had a vision for making the area's commercial market more competitive and sustainable, and implemented the North Fulton Community Improvement District (CID) as a vehicle to effect change. The New CID addresses needed infrastructure improvements, such as streetscaping and transportation, which need to be made in order to enhance the viability of area businesses.

Figure 4-1
Encore Parkway Design Plan – North Fulton County CID



The North Fulton CID is a self-taxing district in Alpharetta that also covers a very small number of properties within Roswell and Milton. Commercial property owners within the CID boundary pay a voluntary tax which funds the CIDs efforts to improve the area. Specific improvements that have been completed include transportation improvements and expansion of key roads and bridges, creating "Gateway" districts to Alpharetta by beautifying entrances at major interchanges, and completing a commuter shuttle feasibility study to determine opportunities for a Commuter Shuttle operating within the area. Future projects include improved pedestrian connections in the Encore Parkway Corridor (Figure 4-1), and wider sidewalks and a multi-use path along the old Milton Parkway. According to the North Fulton CID website, the CID has invested more than $13.6 million in the community, leveraging these dollars to create almost $75 million in new infrastructure. In turn, these projects have helped to make Alpharetta a thriving retail area.

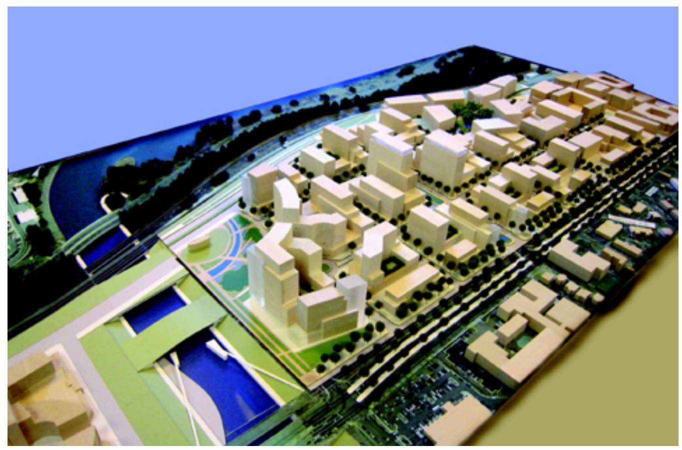
The CID approach offers challenges and opportunities for the City of Roswell. Most notably, the revenues generated through the self-tax can be used to leverage public investments in infrastructure to improve the aesthetics and functionality of the City's existing commercial base. In addition, the North Fulton CID staff has agreed to work with a new CID organization to help establish its operations and identify appropriate staff. Having two, adjacent CID efforts will only strengthen Roswell and Alpharetta's commercial viability. The main challenge will be to garner support from the Roswell property and business owner base. The Consultant learned that CIDs generally are formed through the efforts of the business community, and not the local jurisdiction. It is not possible to form a CID without the desire of the businesses. The implementation entity will have to take ownership of this effort and work with local business and property owners to make the CID possible. Furthermore, the North Fulton CID does cover a small portion of Roswell. While a CID that is focused specifically on all Roswell businesses will help to re-energize the retail market, this effort will have to work in concert with the North Fulton effort.

C. ALEXANDRIA, VIRGINIA

Alexandria, Virginia is located across the Potomac River from Washington, D.C. Like Roswell, the population of Alexandria is highly educated (60.9% with a Bachelor's Degree or above) with high median household incomes ($74,558). The area's location near the major employment center of Washington, D.C., high quality of life, and stable employment base helps to make this area a very desirable place to live and work. Like Roswell, Alexandria effectively is built out and offers very few opportunities for greenfield development. Any substantial growth in the City requires redevelopment.

Also similar to Roswell, Alexandria has experienced pockets of disinvestment and stagnating retail along transit corridors. Large-scale development efforts immediately outside the City's boundaries have adversely influenced the commercial market with Alexandria. There is a small number of aging retail strip centers outside the Old Town area that function from a financial perspective, but have the potential to expand the City's economic base. In order to address the underperforming commercial space, the City has developed plans that take a more comprehensive view of these properties as redevelopment sites. Through these planning efforts, the City has cultivated support from the public, the property owners and the development community for realistic and implementable catalyst investments at these sites. In addition to the physical redevelopment of the subject property, the plans include guidelines and funding mechanisms for improving storefronts, streetscape and gateway improvements, and traffic control.

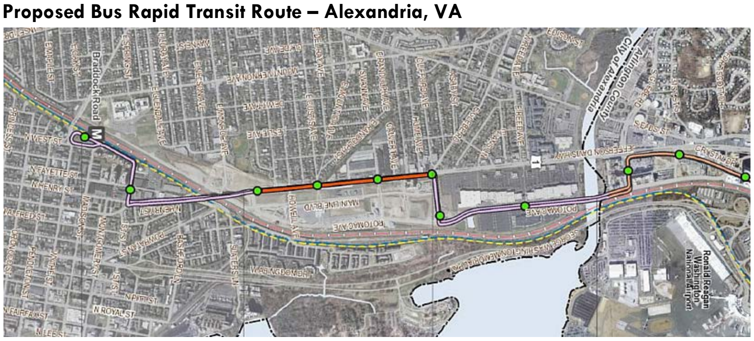
Figures 4-2 and 4-3
Potomac Yard; Existing Condition and Concept Model – Alexandria, VA



One example of this approach is the development that has occurred at Potomac Yard (Figures 4-2 and 4-3), a large area of underutilized land that the City envisions to be a transit-oriented, mixed-use community. In total, the site is planned contain about 735,000 SF of retail space, 1.9 million SF of office space, 625 hotel rooms, and 1,927 residential units. The plan for this area has helped to guide public and private investment and development decisions.

In addition to comprehensive planning of the site, the City engaged in a partnership with the developer to help create a new fire station and 64- affordable and workforce housing units. The developer donated almost one-acre of land to the City and contributed over $12 million to get the project done. In return, the City allowed for a density bonus for the residential units at the site. To date, the construction of the Fire Station and residential units has been completed, and development of the residential portion of the rest of the site is well underway. These residential units will help to support the retail and office uses at the site and throughout the City. In addition, there are plans to link Potomac Yards to the Metrorail system serving the DC metro area. Once built, this station will help to improve traffic control and accessibility to Potomac Yards.

Figure 4-4
Proposed Bus Rapid Transit Route – Alexandria, VA



Although Alexandria is a desirable place to live, the heavy congestion and traffic issues can deter business from locating to the area. Alexandria is not only looking at rail-based options of traffic control but is also in the process of studying the use of all different transit modes, including Bus Rapid Transit (BRT) and streetcars. A BRT system allows for buses to have an exclusive transit-way, thereby easing traffic congestion and improving access to different parts of the City.

The City of Roswell may benefit from similar efforts to identify substantial redevelopment opportunities that allow the City to capitalize on exiting market opportunities while identifying creative ways to best access major corridors within the City. Improving access for Roswell residents, as well as those who work or visit the City will help to attract customers and businesses to the area. Alexandria uses a unique public/private funding model, visioning process, and focused approach to spurring economic development in the City. A similar approach and strategy is recommended for Roswell, and is discussed in more detail in the Implementation Chapter of this report.

D. NAPERVILLE, ILLINOIS

Naperville, Illinois is an affluent community located approximately 30 miles west of downtown Chicago immediately outside the Interstate loop system (I-294 and I-355). Naperville experienced substantial growth during the 1980s and 1990s as Chicago experienced the typical suburbanization growth patterns. The leadership in Naperville recognized that the City was rapidly approaching build out and needed to be strategic in how it addressed the new challenge of having to maintain its exiting base while managing its limited number of remaining development sites.

Figure 4-5
Office Complex – Naperville, IL

In response to this issue, the Naperville Development Partnership (NDP) was founded in 1995. The NDP is a public/private economic development organization that promotes business interests in the City. This organization assists existing businesses with expansion plans, coordinates and promotes business development programs, cultivates a strong labor pool, and maintains a strong and diverse economy to enhance further the community's quality of life.

Based on the efforts of the Naperville Development Partnership, the City has attracted Fortune 500 firms and many small businesses (Figure 4-5). In fact, Naperville was named *Money* Magazine's second best place to live and a top 100 place to "Live and Launch (a business)" in 2006.

Figure 4-6
Main Street Promenade – Naperville, IL

The Naperville Development Partnership contains Board members from both the public and private sector. The Mayor, private business representatives, and the Chamber of Commerce all serve on the Board. It is recommended that Roswell structure the implementation entity in a similar manner to ensure a balanced organization that represents a diversity of interests. As in Naperville, many communities recognize that the greatest opportunities for success in economic development are a result of coordination and cooperation between the public and private sector. Having a majority representation from the private sector will help generate the confidence (and ultimately financial support) from the Roswell business community.

E. WALNUT CREEK, CALIFORNIA

Walnut Creek, California is a slightly smaller community than Roswell (64,173 population), but has experienced a similar development pattern to Roswell. Most notably, Walnut Creek is regarded as a desirable community to raise a family. Many of the residents that chose Walnut Creek in the 1980s and 1990s have chosen to remain due to the high quality of life despite their children reaching adulthood and leaving the community. This has resulted in recent population stagnation (-0.2% over the past ten years), a declining average household size, and a rise in non-family households. Furthermore, there was growing concern from residents that their families were unable to find suitable, affordable housing within the City. The community recognized that these trends had the potential to make Walnut Creek relatively less competitive with adjacent communities, in terms of both retail viability and job growth/retention. The community leadership determined that the City needed to diversify its housing stock to allow existing households to remain in the community through "right-sizing" their housing, to accommodate a greater diversity of households and incomes, and to promote a more sustainable commercial market. The City's solution was to allow and encourage mixed-use development projects with higher-density housing.

Figure 4-7
Existing Mixed-Use Project – Walnut Creek, CA

Similar to Roswell, the City had used its regulations to limit the development of multi-family housing. To encourage the development of multifamily units and mixed-use projects going forward, the City added three new mixed-use land use classifications into its zoning code in 2006. There were previously no existing zoning districts that were compatible with a combination of office, retail, and residential on the same lot. The result is the development of many mixed-use projects in Walnut Creek, of which one is shown in Figures 4-7 and 4-8. Currently, there are a variety of projects under development, including an 80,000 SF office building and 300-unit apartment building, and another project to include 49 condominiums and 38,000 SF of retail space.

Figure 4-8
Proposed Strip Center Redevelopment Concept – Walnut Creek, CA

Walnut Creek should serve as an example to Roswell for how to encourage mixed-use projects. These mixed use developments not only serve the single residents and smaller households within the City, but also help to create attractive places to shop and do business. The City of Roswell has a number of commercial sites that are in need of redevelopment. The creation of mixed-use land classifications could help to encourage the redevelopment of these sites into more prosperous and sustainable mixed-use communities. Given the limited amount of fully integrated live-work-play developments in North Fulton County, these development opportunities would give Roswell a competitive advantage to attract both new residents and new businesses.

F. ROCKVILLE, MARYLAND

The City of Rockville, Maryland is a community of 61,209 people located about 22 miles northwest of Washington DC. Rockville lies on the I-270 corridor outside of the Washington DC beltway (I-295). While Rockville is smaller than Roswell, the population has significantly increased over the last 10 years. Rockville is considered a desirable place to live in the Washington DC region and attracts households and with similar levels of median income ($85,841) and education attainment (56.3% with a bachelors degree or above) to that of Roswell.

Rockville has dealt with two issues that Roswell will need to address in the future: 1) redevelopment of a failed retailed shopping venue and 2) a limited supply of vacant land. The City of Rockville has dealt with these issues by assisting in the development of a mixed-use project called Rockville Town Center (Figure 4-9). The City has also increased density in select locations to facilitate continued growth.

Figure 4-9
Rockville Town Center

Over a nine-month period in 2000-2001, the City completed the *Rockville Town Center Master Plan,* which outlined a vision and action plan for the redevelopment of a functionally obsolete shopping mall site.[1] While the project was met with some resistance during the planning and implementation phases, the resulting development project was completed in May of 2007. The redevelopment project included approximately 400,000 SF of commercial space and 644 residential units. The total cost of the project was $360 million, which included $260 in private funding and $100 million in federal, state and local funding. The total costs of the project are as follows:

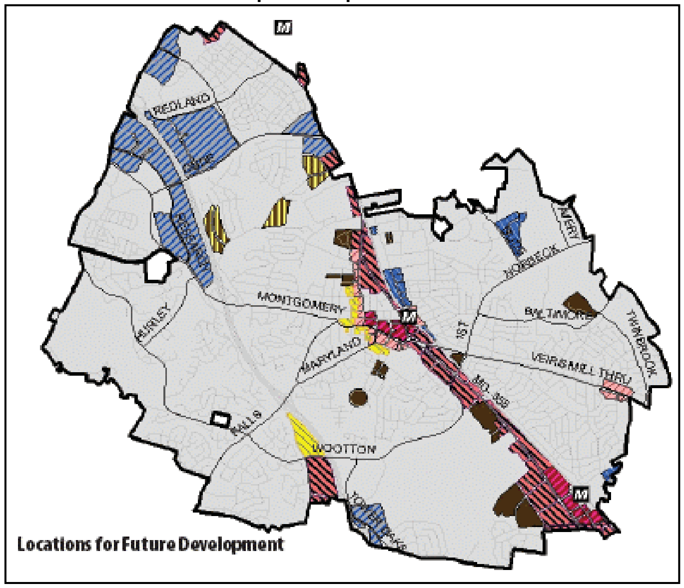
- $260 million in private funding,
- $60 million from the City of Rockville for infrastructure improvements and an Arts and Innovation Center (funded through general obligation bonds),
- $26.3 million from the County for a new library, plus $12 million in associated infrastructure, and
- Approximately $2 million in state and federal funding.

While the development came online at the start of the national recession, Rockville Town Center Development Company managed to find tenants for all but one storefront, which will be occupied by a grocery store in the summer of 2012. Of the 46 retails spaces in the development, currently only two spaces totaling 3,900 SF are available for lease in addition to the pending grocery store lease. While the Rockville Town Center project is considerably larger than what is envisioned for Roswell, it is indicative of how a City government can work with private developers to redevelop an underperforming retail site. The experience of Rockville shows that large-scale redevelopment projects are difficult, yet not impossible, if private and public funding sources are brought together with a common goal in mind.

[1] Rockville Town Center Master Plan http://www.rockvillemd.gov/masterplan/towncenter/. Accessed January 9, 2012.

As mentioned previously, Rockville also increased density in select areas while preserving the character of single-family neighborhoods. According to the City of Rockville Strategic Plan Report, from 2000 to 2010 Rockville's population grew by 32%, with little increase in land area. Meanwhile, the City did not significantly change any of its single-family zones when the City changed its zoning ordinance in 2008.

Figure 4-7
Rockville. MD Future Development Map



For example, the gray area shown in the map in Figure 4-6 is dominated by single-family development. The zoning changes were made only for the areas shown in color. Therefore, nearly all of the growth and future development is slated as infill or the redevelopment of land that does not currently contain single-family residences. Rockville has shown that it is possible to concentrate growth in a few select areas without affecting the existing single-family development.

5 BUSINESS DEVELOPMENT AND WORKFORCE ANALYSIS

A. INTRODUCTION

The recent national economic downturn and subsequent financial crisis disrupted commercial activities at all levels of our economy. The crisis led to substantial reductions in consumer spending and a severe tightening of financial credit. These conditions affected small business most, as over half tend to rely on real estate assets to obtain credit, which lost significant values during the crisis and has not yet recovered.[1] A positive business climate is fundamental to economic development within the City of Roswell.

Roswell retained the RKG Associates Team to prepare business outreach and retention, and entrepreneur growth strategies component of the Strategic Economic Development Plan (SEDP). FOCOM, Inc., a subcontractor to RKG Associates, engaged and encouraged the involvement of key business owners and stakeholders. The purpose of this section of the SEDP is to add specificity to the business development vision of the City of Roswell. Specifically, it is to centralize the outreach system for current and potential entrepreneurs and to automate the communication, data storage, retrieval and response system as a prominent feature of the infrastructure for the Roswell SEDP. Further, the purpose is to identify growth businesses and industries that align with the current and target workforces; and which the long-term economic development plan will support, including identifying incentives, initiatives, and programs for existing businesses and stimulating entrepreneurship pursuits.

The City of Roswell seeks to identify and develop incentive strategies to create a more viable and competitive business environment to support its economic development over the next ten years. To address this, the RKG Team identified the strengths, weaknesses, opportunities, and threats within the Roswell business base, and identified target business and industry groups. The information gathered from this section will inform the implementation strategies for the City of Roswell. The implementation strategies related to business development and workforce empowerment will be the best and most reasonable strategies, initiatives, methodologies and techniques that will encourage maximum, sustainable business growth in the City of Roswell. Further, they will serve as ambitious and achievable program options to address business outreach and retention, and entrepreneurship growth.

B. METHODOLOGY

The methodology the Consultant used to develop the recommendations and plan was straight-forward. The Consultant [1] identified knowledgeable sources of Roswell business stakeholders and influences, [2] collected data and information from these and other electronic sources, [3] analyzed the data, and [4] developed recommendations based upon relevancy and implementation feasibility. In order to establish a baseline for analyzing and projecting the needs of the city, several preliminary activities were completed including:

- Review of the City of Roswell Comprehensive Plan 2025 and 2030.
- Conduct interviews and collect data from key officials and stakeholders involved in the city's economic development activities.

[1] http://www.treasury.gov/initiatives/fsoc/Documents/FSOCAR2011.pdf, / 2011 FSOC Annual Report, p. 20

- Review of local and national media to identify the needs, vision, past activities and potential program initiatives appropriate for the city.
- Review the activities of neighboring cities and other jurisdictions within the Atlanta SMSA.
- Review Economic Development Program practices and evaluation guidelines commonly employed in similar cities.

FOCOM identified a wide variety of business and workforce related sources, with potential to provide information and insight into business outreach, business retention, and entrepreneur growth in Roswell. These sources were derived from the public and private sector, both internal and external to the City of Roswell. The Consultant selected the internal sources based on their direct involvement in the Roswell local economy (Appendix A) and external sources based on their business subject matter and geographic areas of interests, such as the Small Business Administration (SBA) and Fulton County Office of Workforce Development.

1. Data and Information Collection

FOCOM collected data and information through a variety of means including interviews, internet sources, statistical databases, and electronic surveys. The interviews included Roswell local officials, representatives of Metro Atlanta-area, state, and national business and workforce organizations. The Consultant also extracted data from internet accessible databases such as from the Roswell Business Registry, University of Georgia Terry College of Business, and the U. S. Economic Census Information System. Finally, the Consultant administered more than 3,300 surveys to Roswell businesses and collected 198 responses, which provided results at a 95% confidence level, with a 6.75% margin of error.[2] The Consultant tested the validity of the survey results in some instances by comparing the results to actual data collected from the Roswell Business Registry.

2. Data and Information Analysis

FOCOM used descriptive, exploratory, and statistical inference methods to analyze the data and information collected. We used the Roswell business registry and U.S. Economic Census data to describe the Roswell business composition and profile. FOCOM used that data to infer the future outlook or prospects for the Roswell business environment. Data mining and exploration was done to examine the nuances of the business registry and economic census data to identify business conditions and opportunities within the local business community. The Consultant used the survey results of the population sample to infer the concerns and interests of the broader business population. Collectively, the analysis was used to identify, define, and validate the optimum approach to business outreach, retention, and entrepreneurial growth for the City of Roswell.

FOCOM used an evidenced based approach to define solutions and recommendations by defining these efforts within the context of the findings and conclusions drawn from the data analysis. Significant consideration was given to the state of organization, process, and the infrastructure in place to support the recommended outreach, retention, and entrepreneurial growth initiatives.

C. BUSINESS OUTREACH AND DEVELOPMENT

To help formulate a baseline, the Consultant utilized the city's database of licensed businesses and the standard US industry codes to categorize the current entrepreneur population according to growth potential.

[2] Raosoft Inc. survey software provider

1. Business Base Profile

The City of Roswell is host to more than 5,000 businesses (as of 9/30/2011). The business base consists of approximately 35.0% home-based establishments with primarily one employee and 65.0% commercial-based establishments (Tables 5-1 and 5-2). The findings reveal that more than 60% of Roswell businesses are small businesses, two-thirds (66.7%) of which have four or fewer employees. Nearly eighty percent (79.6%) indicate annual sales of one million or less.

Table 5-1
Businesses Employee Size Profile

		% of Establishment	
Employees	**Establishments**	**Registry**	**Survey**
0-4	2,202	66.7%	65.8%
5-9	517	15.7%	15.5%
10-19	297	9.0%	8.7%
20-49	192	5.8%	5.6%
50-99	59	1.8%	1.2%
100-500	34	1.0%	3.1%

Source: Roswell Business Regsitry and FOCOM, 2011

For comparative purposes, the Consultant analyzed the number of business establishments by employee size based on the data provide in the Roswell Business Registry. Next, the Consultant compared the tabulation to the results of the Business Survey. Based on the statistical valid sample with 95% confidence and a +/- 6.75% pts margin of error, the comparison indicates that, in the results of employee size data for example, all categories were less than 1% difference, except 100-500 employees which has a 2.1% point difference, but well within the margin of error.

The industry make-up of the Roswell business base, as defined by the North American Industry Classification System (NAICS), is overwhelmingly service oriented, with more than seventy percent (70.7%) of the establishments engaged in professional and other services that are not retail, food, or hospitality related (Table 5-3).

Table 5-2
Annual Revenue

Annual Revenue	**% of Establishments**
Less than $0.5 M	62.7%
$0.5M - $1.0M	16.9%
$1.0M -$5.0M	10.6%
$5.01M - 10.0M	4.9%
$10.01M - $50.0M	2.1%
Greater than $50.01M	2.8%

Source: Roswell Business Regsitry and FOCOM, 2011

Roswell is in the process of standardizing and loading its business classification nomenclature to match those of NAICS. According to the Roswell Business Survey, 61.0% of the businesses are single locations and approximately 77.0% of the businesses serve markets beyond Roswell. This suggests that the vast majority of Roswell business could move outside of the city and still serve their markets.

Table 5-4 lists the markets served by Roswell businesses, which also indicates the potential access that the city has to expand its market appeal by working with its businesses that have a presence in other geographic markets.

Table 5-3
Roswell Industry Profile

NAICS	Industry	Establishments	% of Revenue	Growth Rate
11	Agriculture	-	-	-
21	Mining, oil, gas	-	-	-
22	Utilities	-	-	-
23	Construction	5.4%	10.4%	N/A
31-33	Manufacturing	1.4%	1.3%	-3.4%
42	Wholesale Distribution	4.6%	19.5%	-34.6%
44-45	Retail	9.3%	21.9%	8.4%
48-49	Transportation & Warehousing	5.6%	2.7%	N/A
51	Information	1.7%	N/A	-7.7%
52	Finance and Insurance	18.1%	13.9%	N/A
53	Real estate & rental & leasing	5.2%	2.4%	28.1%
54	Professional, scientific, & technical services	19.1%	10.1%	13.3%
55	Management of companies and enterprises	0.8%	1.0%	N/A
56	Administrative & support & waste management & remediation serv	6.2%	5.9%	27.1%
61	Educational services	1.4%	0.3%	35.7%
62	Health care & social assistance	8.9%	6.1%	25.9%
71	Arts, entertainment, & recreation	1.3%	0.5%	-3.7%
72	Accommodation & food services	5.8%	2.3%	25.8%
81	Other services (except public administration)	5.4%	1.6%	2.3%

Source: 2007 Economic Census - U.S. Census Bureau and Roswell Business Survey and FOCOM, 2011

2. Business Base Performance

The selection of Roswell's top five industries is based on the following criteria (Table 5-5):

- _Percentage of Establishments_, which is an indicator of the industry's relative physical capacity
- _Growth Rate_, which is an indicator of industry health
- _Percentage of Employees_, which indicates relative knowledge and skills base

Table 5-4
Markets Served

Markets Served	% of Establishments
Roswell	22.9%
Metro Atlanta	40.2%
Georgia	10.6%
National	20.1%
Global	6.2%

Sources: Roswell Business Survey and FOCOM, 2011

Wholesale Distribution was Roswell's weakest performing industry from 2002 to 2007. While representing only 4.6% of the number of business establishments, it was responsible for 19.5% of Roswell's business revenues. During that five-year period, the number of Wholesale Distribution establishments decreased by 20.0%, with its contribution Roswell revenues declined from 58.0% to 19.5%.

From 2002 to 2007, Roswell saw significantly high growth in the Health Care, Accommodations and Food Services, and Others Services (i.e. repair, personal, etc.) when compared to the Georgia and U.S. growth in those industries, as illustrated in Figure 5-1. The comparative growth performance of these industries may indicate a competitive advantage for the City of Roswell.

Table 5-5
Roswell Top 5 Industries by Factors

% of Firms		% Growth (rate)		% of Employees	
Professional Services	19.1%	Educational Services	35.7%	Administrative, Waste Mgmt, & Remediation	19.5%
Finance & Insurance	18.1%	Real Estate	28.1%	Professional Services	16.2%
Retail	9.3%	Administrative, Waste Mgmt, & Remediation	27.1%	Health Care & Social Assist.	12.8%
Health Care & Social Assist.	8.9%	Health Care & Social Assist	25.9%	Retail	12.4%
Administrative, Waste Mgmt, & Remediation	6.2%	Accommodation & food services	25.8%	Accommodation & food services	8.5%

Sources: 2007 Economic Census - U.S. Census Bureau and Roswell Business Survey and FOCOM 2011

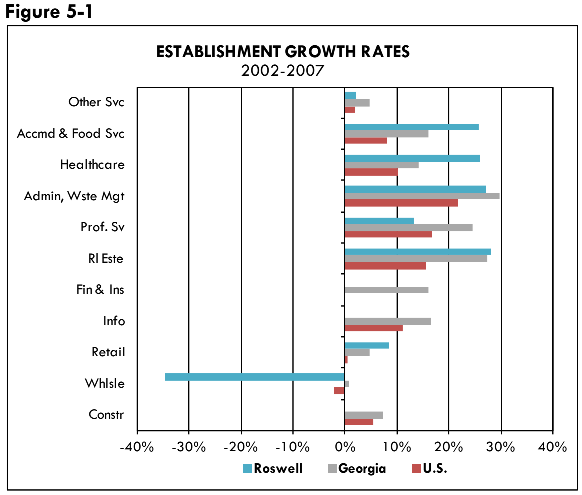
Excluding home-based businesses, the 2007 Economic Census records indicate that women owned businesses comprise 20.0% of Roswell's business base, while minority owned business make up 8.0%. The number of minority owned businesses increased at more than twice the rate of Roswell businesses overall between 2002 and 2007. These trends were consistent with those throughout Georgia and the U.S. (Figure 5-2). By contrast, the number of women owned business establishment in Roswell lagged significantly when compared to Georgia and U.S. trends. These trends indicate significant growth potential in Roswell minority and women owned businesses establishments.

Also, during the 2002 to 2007 study period, Roswell experienced comparatively higher rate of employment growth in Professional Services, Administrative and Remediation, and Health Care industries than Georgia or the U.S. (Figure 5-3).

Roswell, however, faces a substantial business performance challenge in maintaining its base of business establishments. From 2002 to 2007, there was a 1.9% annual increase in the number of business establishments. However, since 2008, the number of establishments has decreased by 1.8% per year, with a 6.3% net loss in 2011 (as of 8/19/2011).

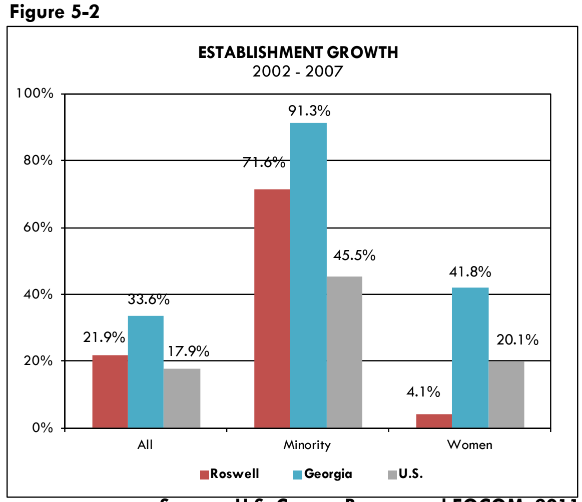
Home-based business experienced nearly twice the annual rate in net decline (Figure 5-5). Between 2002 and 2007, Roswell saw an annual net increase in home-based businesses of 2.7%. However, since

Figure 5-1



Source: U.S. Census Bureau and FOCOM, 2011

Figure 5-2

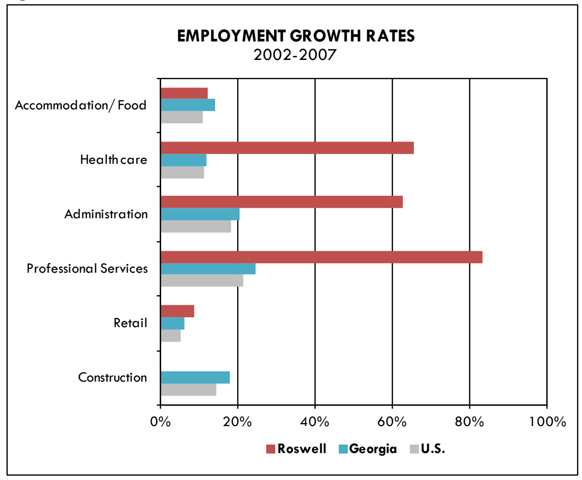


Source: U.S. Census Bureau and FOCOM, 2011

2008 home-based businesses have experienced an average annual decrease of 2.7%, with a 7.4% net loss in 2011 (as of 8/19/2011).

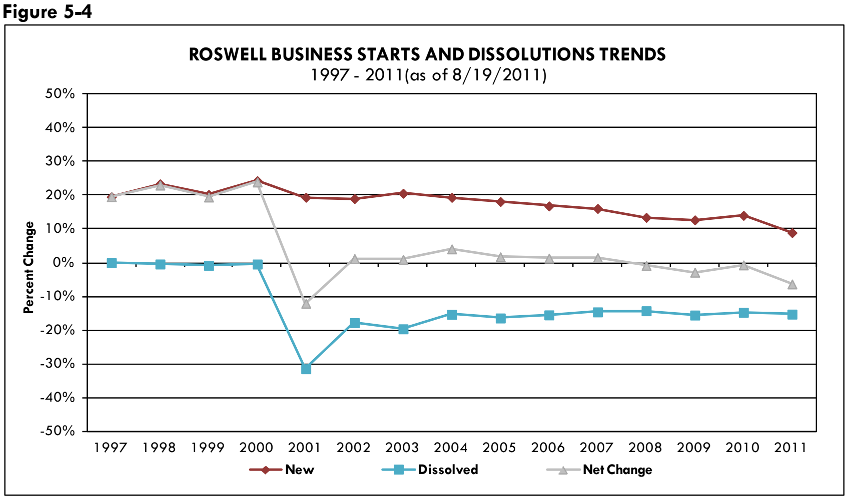
The average age of all open businesses in Roswell is 7.7 years. Approximately 39.0% of all businesses are between 3-4 years old.[3] The average age of home-based businesses is 3.9 years. The average age of businesses that closed in Roswell is approximately 3.8 years, with almost half (48.9%) of all businesses that closed in Roswell since 1998 being home-based-businesses.

Figure 5-3



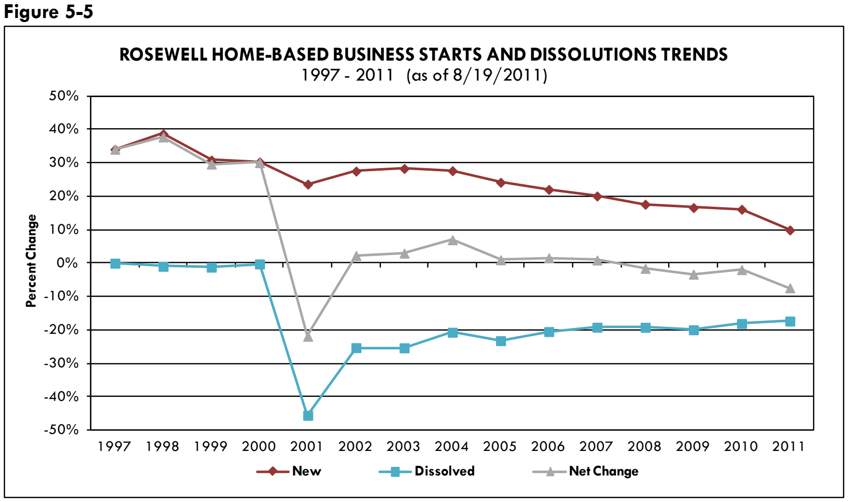
Source: U.S. Census Bureau and FOCOM, 2011

Figure 5-4



Source: Roswell Business Survey and FOCOM, 2011

Figure 5-5



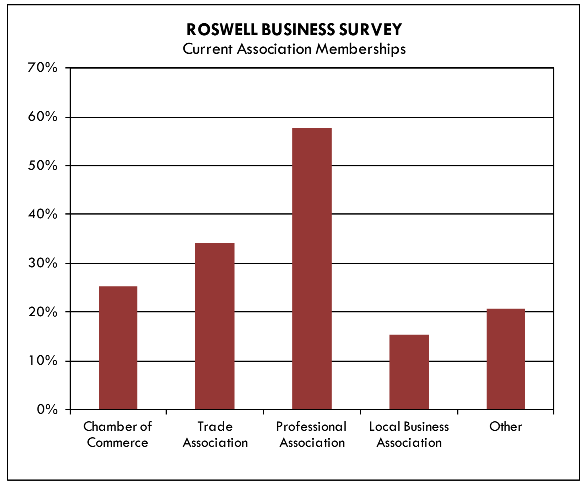
Source: Roswell Business Survey and FOCOM, 2011

[3] The business survey indicated 40.8% of all businesses between 1 – 3 years old with a 6.8% margin error at a 95% level of confidence. The tabulation from the business registry indicates 36.6% of all businesses are less than 4 years old. However, the business registry does not define business closures until the end of each calendar year.

3. Business Affiliations, Perceptions and Needs

According to the business survey, Roswell businesses are affiliated most prominently with four types of business organization – the Chamber of Commerce, Trade Associations, Professional Associations, and Local Business Associations. The relative percentages of participation with these organizations are presented in Figure 5-6.

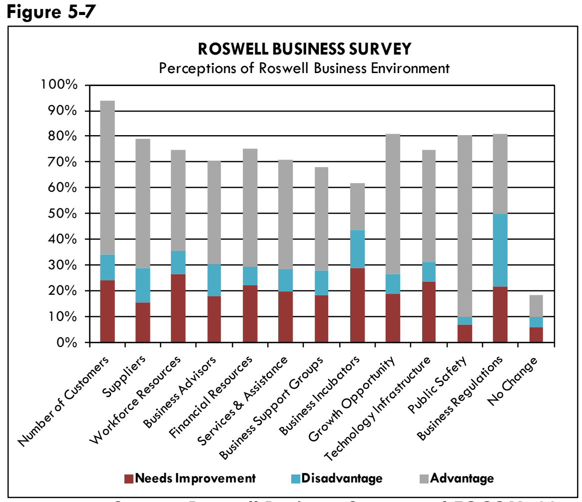
Figure 5-6



Source: Roswell Business Survey and FOCOM, 2011

Another important set of findings are the perceptions that Roswell businesses have of the local business environment. According to the survey, businesses perceive Roswell's top three advantages as Public Safety, Number of Customers, and Growth Opportunity (Figure 5-7). Within the context of these advantages, businesses see the relative top three disadvantages as Business Regulations, (lack of) Businesses Incubators, and (lack of) Business Advisors. Businesses view Businesses Incubators, Workforce Resources, and Technology Infrastructure as the top three areas that need improvement.

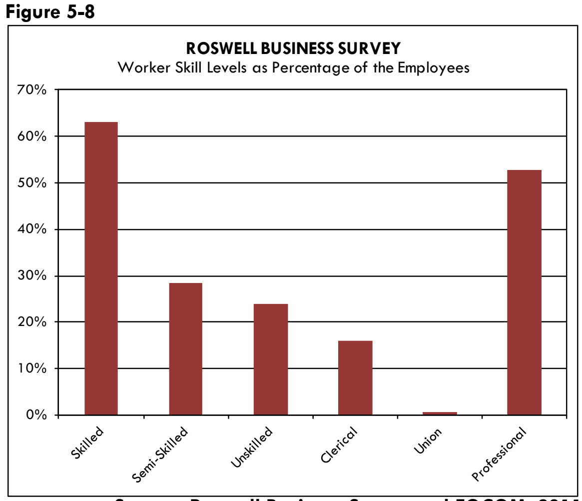
Figure 5-7



Source: Roswell Business Survey and FOCOM, 2011

An important internal component to business success is the quality of a company's personnel. More than 60% of survey respondents indicate that, on average, 63.0% of their workforce is skilled labor and nearly 53.0% are skilled professionals and/or managers (Figure 5-8).

Figure 5-8



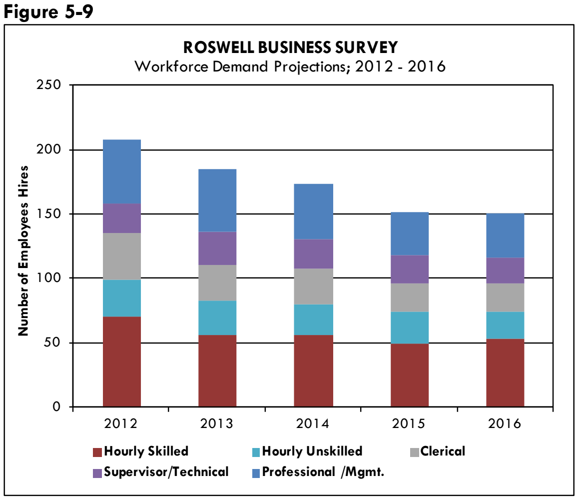
Source: Roswell Business Survey and FOCOM, 2011

The survey also indicates a continued and robust demand for a professional and skilled workforce through the year 2016 (Figures 5-9 and 5-10). By 2016, Roswell businesses projects to have hired more than 600 professional, managerial, supervisory, technical, and skilled workers, which constitute more than 70.0% of the expected hires.

Based on the survey responses, Roswell businesses face two major challenges in meeting the workforce needs they project – the availability and quality of the skill levels as currently experienced. The majority of respondents perceive the availability of clerical and professional skill levels as Good to Excellent. However, less than 50.0% perceive the availability of skilled and semi-skilled as Good to Excellent. Nearly 40% of respondents believe that there is Average to Poor availability of skilled and semi-skilled workers (Figure 5-11).

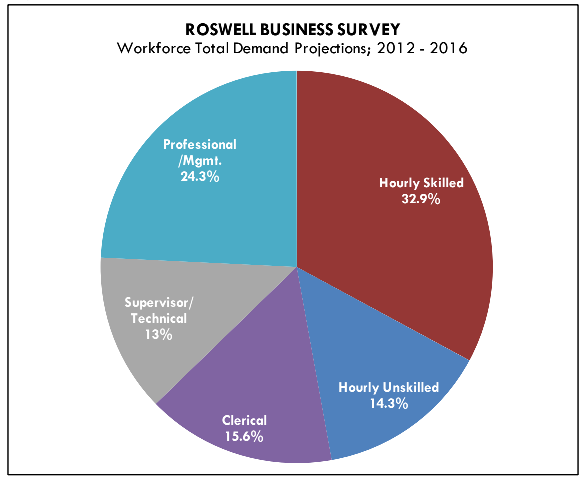
Respondents also indicate concerns about the quality of the skills (Figure 5-12). While more than 50.0% of respondents perceive the quality of the Skilled, Clerical, and Professional worker force as Good to Excellent, 33.0% of respondents see the quality of Skilled workers as Average to Poor, and almost 47.0% perceive Semi-skilled as Average to Poor.

Figure 5-9



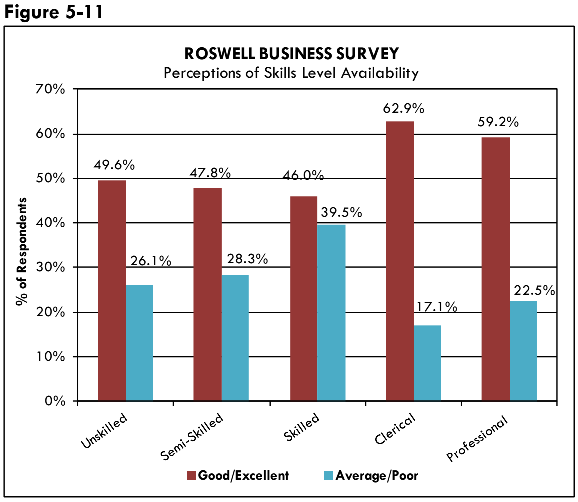
Source: Roswell Business Survey and FOCOM, 2011

Figure 5-10



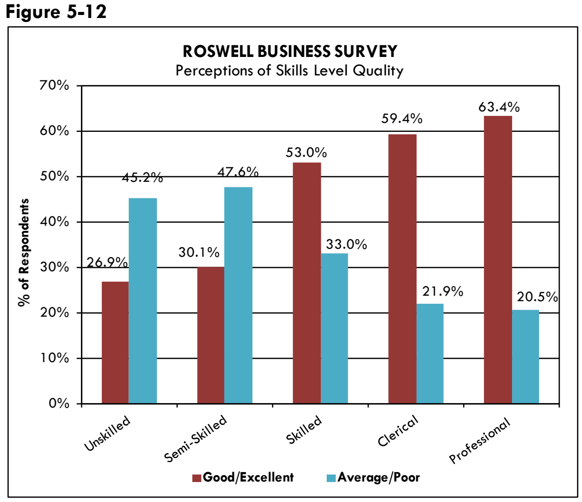
Source: Roswell Business Survey and FOCOM, 2011

Figure 5-11



Source: Roswell Business Survey and FOCOM, 2011

Figure 5-12



Source: Roswell Business Survey and FOCOM, 2011

Ultimately, respondents expressed difficulty in finding the right people. Nearly 80.0% of respondents cite deficiency in skills as a factor that contributes to difficulties in recruiting personnel (Figure 5-13). Despite these challenges, few businesses indicate that they use resources other than internal ones to assist in the development of the required skill-sets (Figure 5-14).

4. Stakeholder Interviews

In addition to these empirical findings, our interviews identified the following observations:

- Roswell is in the preliminary stages of developing a comprehensive economic development plan. The City has focused on completing the 2030 Comprehensive plan, which has been completed and submitted to the state Department of Community Development.

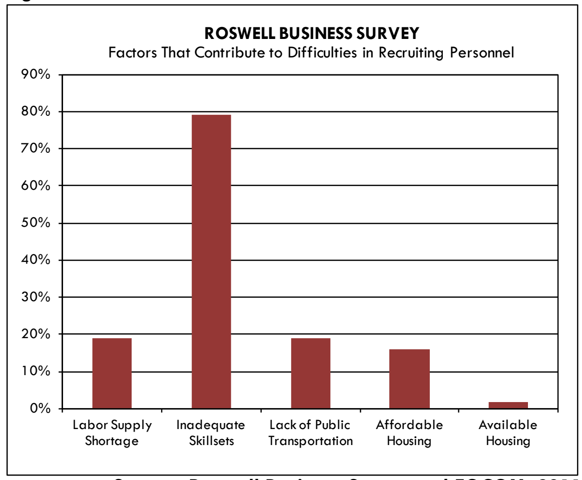
- The Opportunity Zone (OZ) program is experiencing a slow start; only a few businesses are currently participating.

- An important goal of the City's economic development plans is to decrease the vacancy rate of existing commercial space by growing or attracting desirable businesses. The specific types of businesses have not yet been determined. The three areas that the city is focusing on are: [1] Holcomb Bridge Road/Alpharetta Street corridors; [2] the North Roswell Industrial Park; and [3] the Chattahoochee Riverfront.

- The primary existing linkages with local businesses include a newsletter and a Web site to promote marketing and networking. The Economic Development Division and the Convention & Visitors Bureau have launched the "Find It All – Roswell" campaign and are updating the website with the assistance of SBDC and SCORE. They also maintain an email list of local businesses and they sponsor free monthly workshops for business owners. These initiatives are both in the developmental stages.

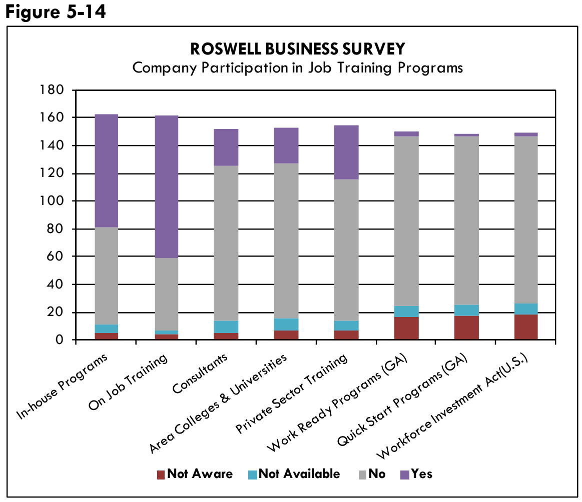
- No specific metrics have been developed to monitor or evaluate the current performance of the City's economic development efforts.

Figure 5-13



Source: Roswell Business Survey and FOCOM, 2011

Figure 5-14



Source: Roswell Business Survey and FOCOM, 2011

- There is a "disconnect" between the council's desire to expand the business base, on the one hand, and the neighborhoods' resistance to commercial development in their areas. Restrictions on building height limit the type of development. Residents prefer retail, but there is a relatively high vacancy rate for retail uses. Vacant "big box" sites require the recruitment of larger businesses. The City is exploring creative adaptive reuse opportunities and is seeking ideas for the most viable options.

- Regarding the efforts of neighboring jurisdictions, Alpharetta has just finished its Economic Development Plan. North Fulton and Gwinnett counties are designated as technology hubs. The North Metro Technical Association of GA is also active.

- While many residents and some of the council prefer residential development, the City needs to expand its commercial tax base. Development during the past 20 years did not focus appropriate attention on a balanced approach to attracting both residential and non-residential development. Uses such as light industrial have not been expanded.

- The Hispanic community and other ethnic populations have grown. Tourism has been challenged due to economic woes. There is less corporate travel. The wedding market has remained strong in Roswell due to excellent facilities near the Chattahoochee River and elsewhere. The downtown square is struggling.

Though having conducted more than 22 interviews with internal and external business stakeholders and collected research and background data from 15 online sources, the Consultant found minimal infrastructure in Roswell to support business outreach activities. Additionally, Roswell appears to lack mechanisms for business retention, entrepreneur growth, or supportive workforce development initiatives. Finally, the Consultant was unable to identify the information, tracking, reporting, and content management processes and systems to maintain effective, proactive monitoring and decision making necessary to manage the business development process for the City of Roswell effectively.

5. Implications

Through the observations, data collection, and findings, the Consultant concludes that there are several opportunities to enhance the performance of the Roswell business base. However, there are also several challenges and requirements that must be addressed in order to do so.

The opportunities exist in leveraging the strengths of the Roswell business base – high potential industries, critical mass of a skilled workforce in select industries, and perceived advantages of the business environment. The challenges include strengthening the weaknesses found in underperforming industries, business sectors (i.e. home-based, women and minority owned) and workforce, improving areas of perceived disadvantages in the business environment, and meeting the expressed needs of the business community. The primary requirements include developing and/or acquiring the organizational capabilities and capacities to acquire skilled business and economic development personnel. In addition, it is important to develop and execute a business action plan, secure the resources (internal and external) necessary for effective and sustainable development of the prioritized opportunities, and overcome the identified challenges.

Through the analysis of the findings, we conclude that there are three strategic areas of opportunity listed below, based on the related factors and statistics included.[4]

HIGH POTENTIAL INDUSTRIES AND SECTORS

1. <u>Health care and Social Assistance:</u>
   - Share of Roswell business base (8.9%).
   - Significant 5 years growth rate in number of Roswell establishments (25.9%)
   - Significant portion of Roswell skill sets/workforce (12.8%)
   - 2nd fastest U.S. industry employment growth projection 2008 – 2018 (24%)[5]

2. <u>Administrative and Support, Waste Management and Remediation Services</u>
   - Share of Roswell business base (6.2%).
   - Significant 5 years growth rate in number of Roswell establishments (27.1%)
   - Significant portion of Roswell skill sets/workforce (19.5%)
   - 3rd fastest U.S. industry employment growth projection 2008 – 2018 (18%)

3. <u>Professional, Scientific, and Technical Services</u>
   - Significant share of Roswell business base (19.1%).
   - Significant 5 years growth rate in number of Roswell establishments (13.3%)
   - Significant portion of Roswell skill sets/workforce (16.2%)
   - Fastest U.S. industry employment growth projection 2008 – 2018 (34%)

[4] Percentage business base, 5 years establishment growth rate, and portion of workforce based on 2002 – 2007 U.S. Economic Census
[5] http://www.bls.gov/emp/ep_table_203.htm and http://www.bls.gov/oco/oco2003.htm

4. Accommodation and Food Services
   - Share of Roswell business base (5.8%).
   - Significant 5 years growth rate in number of Roswell establishments (25.8%)
   - Portion of Roswell skill sets/workforce (8.5%)
   - 10th fastest U.S. industry employment growth projection 2008 – 2018 (7%)

5. Minority owned businesses
   - Share of Roswell business base (8%).
   - Number of Roswell establishments increased by 71.6% between 2002 and 2007 compared to 21.9% for all Roswell businesses.

SKILLED WORKFORCE IN SELECT INDUSTRIES

1. Construction (commercial & infrastructure)
   - Portion of Roswell skill sets/workforce (5.3%)
   - 3rd fastest U.S. industry employment growth projection 2008 – 2018 (18%)

2. Other (Personal) Services (except government and private households).
   - Portion of Roswell skill sets/workforce (3.2%)
   - 6th fastest U.S. industry employment growth projection 2008 – 2018 (13%)

PERCEIVED ADVANTAGES OF THE BUSINESS ENVIRONMENT

- *Public Safety*: 70.4% of survey respondents perceive as an advantage, which can be leveraged as a quality of life and business security asset.
- *Number of Customers*: 59.9% of survey respondents perceive as advantage, which can be leveraged as a market asset
- *Growth Opportunity*: 54.3% of survey respondents perceive as advantage, which can be leveraged as a market asset

We also conclude that the four strategic challenges listed below, which if successfully addressed, can be leveraged as additional business opportunities.

IMPROVE UNDERPERFORMING INDUSTRIES

1. Wholesale trade
   - Share of Roswell business base (4.6%)
   - Significant share of Roswell business revenue (19.5%)
   - Portion of Roswell skill sets/workforce (4.2%)
   - Significant 5 years decline in number of Roswell establishments (-34.6%)
   - U.S. industry employment growth projection from 2008 to 2018 (4%)

2. Information
   - Share of Roswell business base (1.7%).
   - Portion of Roswell skill sets/workforce (1.8%)
   - 5 years decline in number of Roswell establishments -7.7%, compared to 5.9% Georgia growth and 2.7% U.S. growth
   - U.S. industry employment growth projection 2008 – 2018 (4%)

3. Arts, entertainment, and recreation
   - Share of Roswell business base (1.2%)
   - Portion of Roswell skill sets/workforce (1.6%)

- 5 years decline in number of Roswell establishments -3.7%, compared to 21.1% Georgia growth and 13.0% U.S. growth
- 5th fastest U.S. industry employment growth projection 2008 – 2018 (15%)

UNDERPERFORMING BUSINESS SECTORS

1. Home-based businesses
   - Share of Roswell business base (35%)
   - Four consecutive years net loss in number of establishments averaging -2.7% per year

2. Women owned businesses
   - Share of Roswell business base (20%)
   - Number of Roswell establishments increased by only 4.1% between 2002 and 2007 compared to 41.8% and 20.1% for all Georgia and U.S. businesses respectively

AREAS OF TO IMPROVE THE BUSINESS ENVIRONMENT

- *Business Regulations*: 50% of survey respondents perceive this as a disadvantage or needs improvement
- *Businesses Incubators*: 43.8% of survey respondents indicate a need for this level of business support
- *Business Advisors*: 35.8% of survey respondents expressed interest in this level of support

EXPRESSED NEEDS OF THE BUSINESS COMMUNITY

- *Business Incentive Programs*: 71.7% of respondents indicated that Roswell can help in this area
- *Local Business Updates*: 58.4% of respondents indicate the need for this support
- *Financial Programs*: On average, more than 53% of respondents indicated a need for information and/or assistance with local, state, and/or federal programs

We conclude that there are four strategic requirements, which include:

1. Develop the organizational capabilities and capacity

- *Develop and/or acquire the skilled business and economic development personnel*: The City of Roswell, working with its business community needs to secure resources versed in organizing, planning, executing, and managing macro-business development initiatives.
- *Develop and execute a business action plan*: The business development component of the Roswell economic development organization needs to prepare and execute a data driven action plan to realize the strategic opportunities and address the strategic challenges described above.

2. Secure the resources (internal and external) necessary for effective and sustainable development of the prioritized opportunities and overcoming the identified challenges.

- *Internal Resources*: The economic development organization(s) must acquire the competencies in business outreach, retention and development, and entrepreneur growth. Additionally, the organization(s) must acquire the information, services, systems, and management to maintain relevant, accurate and timely information to successfully manage and develop its business base.
- *External Resources*: The economic development organization(s) must develop and maintain working relationships with Roswell business stakeholders; local, state, and national business development service providers and information sources.

Roswell resources to capture, monitor, and report on its businesses and industries performances appear to be limited to its business registry and the U.S. Economic Census System. The current limitation of these systems results in a reliance on dated and incomplete information. In the case of U.S. Economic Census System, the data is only captured every five years, with the most current data being 4 years old. With respect to the business registry, much of the data required to measure business performance, especially at the industry level, needs to be expanded and captured to be more comprehensive, and standardized for consistency and analysis.

The findings also indicate opportunities that include stabilizing and expanding the business base by:

- Improving Roswell's ability to coordinate the priorities of elected officials, city government staff, the business community and its citizens to develop a unified vision for business growth
- Adjustments to restrictions on land usage must occur to encourage more rapid "smart growth" in the city
- Available resources must be better cataloged and linkages developed to provide support for the business community

D. WORKFORCE ANALYSIS

The availability and quality of the local workforce are major factors in the site location decisions of companies looking to open new facilities. The following sections provide an overview analysis of current and projected occupational employment and implications concerning the workforce and industrial base. It provides detail on the types of occupations that Roswell resident have now and will have in the future. This section concludes with an analysis of workforce training programs and recommendations for how to help close the gaps in workforce development.

1. Current Occupational Distribution

Occupational data in the City of Roswell are tracked according to the 20 different Workforce Investment Areas (WIAs) throughout the state. Fulton County, excluding the City of Atlanta, is deemed WIA 6. Currently, the top twenty (20) occupations in WIA 6 have a variety of different skills levels (Table 5-6). (Please refer to Chapter 3 for detailed definitions of the different skill levels.) Eighteen of the top twenty jobs correspond to white collar skill-sets, leaving the only two blue collar job categories: laborers and freight, stock and material movers; and maintenance and repair workers. Three out of the top five occupations are low-skilled and include customer service representative, retail salesperson and combining food preparation, and serving workers. The remaining job categories are either semi-skilled or high-skilled. The employee estimates indicate that low-skilled white collar jobs are the most prevalent in the region, followed by high-skilled and then semi-skilled.

2. Occupational Projections

The data on the growth of occupations through 2018 is organized according to the number of annual openings (Table 5-7). The projections indicate the 20 largest occupations will account for 8,510 new job openings per year. The projected job growth is split between low-skilled occupations and high-skilled occupations. The greatest need in terms of job training is for management analysts, registered nurses, and computer systems analysts. This finding emphasizes the responses from Roswell businesses, where there appears to be a disconnect between quality low-level labor and the amount of corresponding jobs. In order to create a more dynamic, versatile work force, it is important for Roswell to encourage a broad focus of job preparedness, and not just focus on training requirements for high-and semi-skilled workers. Implementing a holistic approach to job readiness and skill development will be critical to the retention of existing businesses and the success of attracting those business with expanding labor needs.

Table 5-6
Top 20 Occupations
Workforce InvestmentArea 6, Fulton County, 2008

Type of Job	Skill Level	2008 Employees
Customer Service Representatives	Low-Skilled White Collar	25,150
Retail Salespersons	Low-Skilled White Collar	20,780
General and Operations Managers	High-Skilled White Collar	17,600
Office Clerks, General	Semi-Skilled White Collar	17,180
Combined Food Preparation and Serving Workers, Including Fast Food	Low-Skilled White Collar	15,700
Executive Secretaries and Administrative Assistants	Semi-Skilled White Collar	15,400
Laborers and Freight, Stock, and Material Movers, Hand	Low-Skilled Blue Collar	15,300
Management Analysts	High-Skilled White Collar	14,850
Waiters and Waitresses	Low-Skilled White Collar	13,430
Registered Nurses	High-Skilled White Collar	12,770
First-Line Supervisors/Managers of Office and Administrative Support Workers	High-Skilled White Collar	12,710
Cashiers	Low-Skilled White Collar	12,170
Bookkeeping, Accounting, and Auditing Clerks	Semi-Skilled White Collar	11,570
Computer Systems Analysts	High-Skilled White Collar	10,450
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	Semi-Skilled White Collar	10,420
Accountants and Auditors	High-Skilled White Collar	9,770
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	Low-Skilled White Collar	9,730
Stock Clerks and Order Fillers	Semi-Skilled White Collar	9,520
Secretaries, Except Legal, Medical, and Executive	Semi-Skilled White Collar	8,280
Maintenance and Repair Workers, General	Semi-Skilled Blue Collar	8,260

Source: Georgia Department of Labor, and RKG Associates, Inc., 2011

E. ENTREPRENEURIAL GROWTH

The process of stimulating the growth of entrepreneurs and small businesses is multi-faceted. It requires a logical, focused, adaptable and well-executed program to produce the desired results. The City of Roswell currently does not have any formal programs to support entrepreneurial growth. The implementation chapter will summarize recommendation on how to establish such a process. The City government should provide leadership and guidance in order to bring together the persons, businesses, organizations and resources necessary to succeed in this effort.

F. CONCLUSIONS

The City of Roswell has a diverse industry business base to support its local economy. The primary source of information about businesses in the City is stored in its business registration database. However, Roswell needs the staff, infrastructure, and processes to support the optimization of its business base in order to maximize their contribution to the local economy. The Consultant found the following deficiencies related to business and workforce development:

- No centralized point of contact within the City of Roswell to address the workforce related questions
- No infrastructure in Roswell to identify, assess or monitor workforce development needs or efforts
- Workforce development efforts are believed to be occurring within the City of Roswell however; they are decentralized via county and state government agencies
- There is nothing in place in Roswell (via City Government) to address the "displaced worker(s)"

Table 5-7
Top 20 Growth Occupations
Workforce Investment Area 6, Fulton County, 2008-2018

Type of Job	2008	2018	Total Change 2008-2018	% Change in Emp.	Annual Growth Rate	Annual Openings 2008-2018 [1]	Skill Level
Customer Service Representatives	25,150	29,600	4,450	17.66%	1.64%	1,140	Low-Skilled White Collar
Waiters and Waitresses	13,430	15,280	1,850	13.79%	1.30%	910	Low-Skilled White Collar
Retail Salespersons	20,780	22,460	1,680	8.10%	0.78%	810	Low-Skilled White Collar
Management Analysts	14,850	19,080	4,230	28.50%	2.54%	670	High-Skilled White Collar
Registered Nurses	12,770	17,280	4,510	35.31%	3.07%	660	High-Skilled White Collar
Combined Food Preparation and Serving Workers, Including Fast Food	15,700	19,330	3,630	23.12%	2.10%	660	Low-Skilled White Collar
Office Clerks, General	17,180	18,900	1,720	10.03%	0.96%	490	Semi-Skilled White Collar
Computer Systems Analysts	10,450	12,470	2,020	19.27%	1.78%	480	High-Skilled White Collar
Executive Secretaries and Administrative Assistants	15,400	17,260	1,860	12.02%	1.14%	430	Semi-Skilled White Collar
Accountants and Auditors	9,770	11,120	1,350	13.81%	1.30%	310	High-Skilled White Collar
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	9,730	10,710	980	10.12%	0.97%	290	Low-Skilled White Collar
Bookkeeping, Accounting, and Auditing Clerks	11,570	12,640	1,070	9.20%	0.88%	290	Semi-Skilled White Collar
Computer Software Engineers, Applications	5,420	7,350	1,930	35.59%	3.09%	270	High-Skilled White Collar
Elementary School Teachers, Except Special Education	4,190	5,400	1,210	28.88%	2.57%	210	High-Skilled White Collar
Child Care Workers	3,410	4,330	920	26.77%	2.40%	190	Semi-Skilled White Collar
Business Operations Specialists, All Other	7,230	8,220	990	13.68%	1.29%	180	High-Skilled White Collar
Network Systems and Data Communications Analysts	2,260	3,190	930	40.81%	3.48%	140	High-Skilled White Collar
Teachers and Instructors, All Other	3,880	4,780	900	23.25%	2.11%	130	High-Skilled White Collar
Nursing Aides, Orderlies, and Attendants	4,900	5,770	870	17.79%	1.65%	130	Semi-Skilled White Collar
Medical Assistants	2,770	3,710	940	34.03%	2.97%	120	Semi-Skilled White Collar

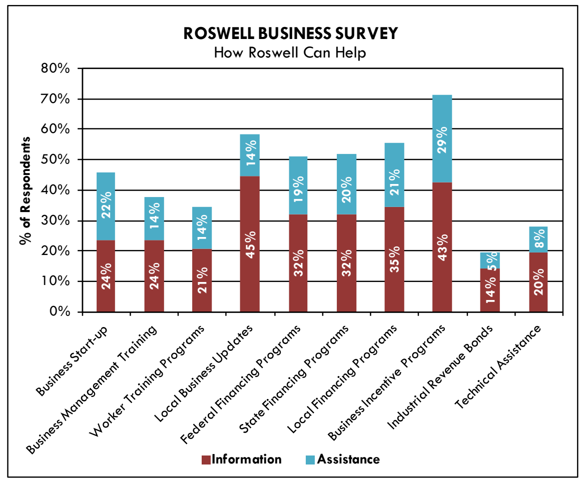
Source: Georgia Department of Labor, and RKG Associates, Inc., 2011
Note:

- Aware of initiatives/organizations like Georgia Quick Start, Every Woman Works, Georgia Virtual Technical/College, Georgia Tech - Enterprise Innovation Institute, Georgia Work Ready, etc. however; indicate there is no ongoing communication/coordination of effort between the City of Roswell and those organizations/initiatives from a standpoint of "measuring effectiveness of efforts/organizations"

As the information indicates, Roswell businesses see their business environment as possessing a variety of opportunities and challenges. Many of the issues must be addressed within the individual businesses, while others can be enabled and facilitated by external resources. To assist in identifying where external support might be most helpful, Roswell businesses indicate how the City of Roswell can assist in these efforts. Though the results require further examination, the responses provide areas of focus in which to direct initiatives and resources.

Roswell businesses seek the City's support in the areas of technical support and information. The top three areas of requested support pertain to Business Incentive Programs, Financial Programs (local, state, and federal), and Local Business Updates. These three are followed closely by a need for Business Start-up Assistance (Figure 5-14).

Figure 5-14



Source: Roswell Business Survey and FOCOM, 2011

Roswell is in need of a business management information system that contains the following components:

- An automated database system to track the number, industry codes, size, and profitability of local businesses
- An automated entrepreneurial database related to outreach, communication, marketing and collaboration, and business development programs
- A coordinated system to provide support services, management training, marketing assistance, access to capital and other services for local businesses
- An effective process for expanding the number of growing businesses
- Full occupancy of commercial real estate by businesses that are compatible with community standards, environmentally friendly, employers of City residents and significant contributors to the local tax base

However, there are substantial gaps in the current approach to data collection and implementation of business and workforce outreach. The implementation strategy identifies methods to address these needs. FOCOM recommends that the business plan developed for the implementation entity include some or all of those action steps to address the following areas of concern:

- The information currently in use is not sufficiently integrated and detailed enough to produce required data
- Business communication and outreach systems do not exploit current technology and lack the ability to effectively communicate with the business community
- There is no efficient method of coordinating with area business development organizations and service providers to ensure that local business receive adequate assistance
- No unified system exists to facilitate the managed creation and growth of local businesses
- There are no processes to match businesses with vacant commercial space to promote full absorption

- Roswell is in jeopardy of not being able to detail its ability to provide, on an ongoing basis, a trained workforce / labor force for existing and prospective companies. This potential issue could create concerns for companies that consider whether or not it would be in their company's best interest to settle/move/remain in the City of Roswell
- As a result of no centralized effort / point of contact (no infrastructure) working to coordinate/monitor workforce development activities and the effectiveness thereof, the City of Roswell may find itself ill-prepared to attract companies who place substantial emphasis on training via community-based initiatives
- Roswell may also find itself losing its trained and untrained workforce to neighboring cities should companies overlook Roswell as a city to move to / settle in. This report assumes that the workforce will move to become employed. In addition, the economic base of Roswell could be diluted if a significant number of people migrated away from Roswell

6 REAL ESTATE MARKET ANALYSIS

A. INTRODUCTION

This chapter details the single-family residential, multifamily residential, retail, office, industrial and hotel market forces that are shaping the City of Roswell's development environment. The real estate analysis examines recent real estate trends within the City of Roswell and the Atlanta region. This real estate analysis is divided into two separate analyses: residential and nonresidential. Both the residential and nonresidential analyses consider factors such as: (1) existing inventory of buildings, (2) development trends over the last five years, (3) vacancy rates, (4) absorption rates (when applicable), and (5) rental/ sales rates. In addition, RKG Associates conducted a number of interviews with local development and real estate professionals in order to understand the nuances of the Roswell market and to gain an "in-field" perspective on the investment climate in and around the City. The relevant information from these interviews is summarized in the chapter and provides context for the real estate data. The general purpose of this analysis is to provide a better sense of the real estate market in the City of Roswell, and to give City administrators a sense of the value of the property.

As part of the initial visits to the City of Roswell, the RKG Associates team set up a series of interviews with real estate professionals in Roswell and the surrounding region. The purpose of these interviews was to supplement the quantitative data collected by RKG Associates with qualitative data from the real estate professionals. The analysis hopes to answer certain questions like: "What factors will drive future demand for additional housing in the City of Roswell?" The important perspectives garnered from these interviews are summarized throughout this chapter.

B. RESIDENTIAL ANALYSIS

RKG Associates performed a detailed analysis of the residential real estate markets within the City of Roswell. To accomplish this, RKG obtained the parcel assessment database from the City of Roswell (which is collected and maintained by Fulton County). The consultant categorized the different properties by land use, as designated by the assessment database. The parcel records were sorted by the year built in order to determine the pace and intensity of new development activity in the City of Roswell.

The database provided by the City of Roswell has some limitations in terms of accuracy and completeness. Where parcel records had incomplete data fields, RKG attempted to calculate or estimate the appropriate value (if possible) based on the average value of similar properties. Consequently, the data presented in this chapter does not reflect exact conditions, but is considered sufficiently accurate and suitable for the purpose of identifying general land use trends and growth patterns in the City.

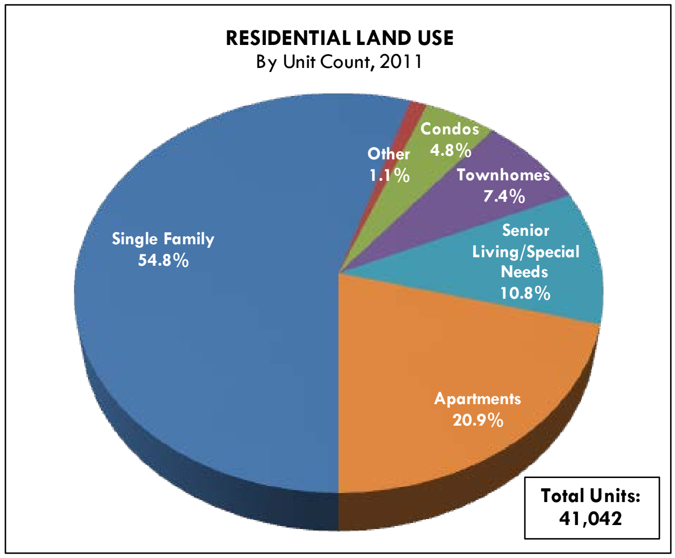
1. Residential Land Uses

Residential development accounts for a majority of the taxable land area within the City of Roswell. Residential properties total more than 18,000 acres of the approximately 28,600 acres of developed, taxable land in Roswell. Based on the City's property assessment database and RKG Associates research, there are approximately 41,402 residential units in the City (Figure 6-1). More than 67% are traditional ownership units. Single-family detached houses account for 54.8% of the total, followed by apartments

(20.9%) and senior living/special needs housing (10.8%).[1] Townhomes (7.4%) and condominiums (4.8%) make up a smaller, but significant share of the housing supply. While there are a variety of housing options for those households looking for an alternative to a single-family detached home, the volume of this housing is very limited.

The types of housing built in the City of Roswell have changed over time (Figure 6-2). New housing construction in Roswell was very minimal until 1959 and consisted of only single-family units. Then, from 1960-1969, the construction of new single-family and multifamily units began to increase. The 1980's was the peak of new construction for both new single-family (8,315 units) and multifamily units (5,197 units). The pace of residential development began falling in the subsequent decades; however, unit production remained at or above the levels seen in 1960-1969.

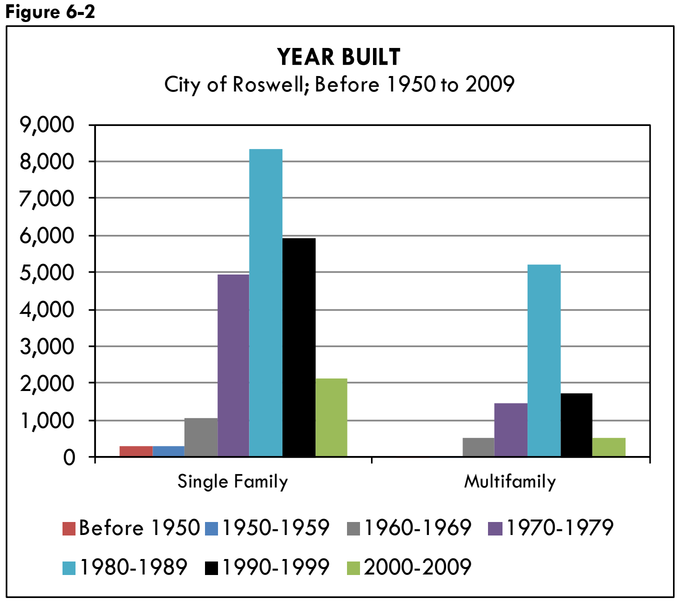
Figure 6-1



Source: City of Roswell and RKG Associates Inc., 2011

Development projections indicate that new housing production will continue to slow in Roswell. In addition to the limited supply of developable land available in Roswell, the economic downturn continues to depress market activity. Furthermore, the City's existing regulatory environment substantially limits the development of housing on many of the remaining vacant parcels and precludes higher-density development altogether. A change in policy will be necessary to allow for any measurable increase in residential unit development.

Figure 6-2



Source: City of Roswell and RKG Associates, Inc., 2011

2. Rental Residential

There are 26 traditional apartment complexes in Roswell, totaling 8,588 units (Table 6-1). It is important to note this total is not all rental units, as there are single-family residences being used as rentals and small-scale multifamily buildings not accounted for in this total. Due to limitations in data availability, it is very difficult to estimate the total number of these units. Regardless, the volume of rental housing in Roswell is comparatively low to similar communities including Alpharetta and Sandy Springs.

The City of Roswell does not track the vacancy or rental rates for the apartment complexes in Roswell. Therefore, to estimate the vacancy and rental rates at local complexes, the consultant contacted the ten largest apartment complexes in Roswell (nine complexes responded). These complexes represent

[1] Examples of the types of units in the senior living/special needs housing category include assisted living units at the Harbinger House and the Chambrell at Roswell.

approximately 50.0% of the apartment units in Roswell. The data gathered from these complexes speaks to the overall conditions in the City's multifamily market.

Table 6-1
Apartment Complexes
City of Roswell, 2011

Name	Units
Ashley Forest	220
Aspen Pointe	300
Autumn Ridge	113
Avistele @ Martin's Landing	300
Belcourt	324
Berkshires (Saratoga)	284
Centennial Ridge	664
Chattahoochee Landing	396
Concepts 21	304
Crossing @ Woodbridge (Creekside)	268
Eagles Crest	200
Frazier Street Apt	152
Grande Oaks	270
Greenhouse Patio (Hwy 9)	236
Holcomb's Pond	304
Jasmine @ Holcomb Bridge	437
Jefferson @ Champions Green	426
Kings Bridge	312
Orion @ Roswell Village	668
Riverwood	340
Rosemont	270
Roswell Creek	508
Seven Pines	360
Walton Centennial	350
Willeo Creek	242
Windsor @ Wood Creek	340
Total	**8,588**

Source: Roswell Police Department and RKG Associates Inc., 2011

a.) <u>Vacancy</u>

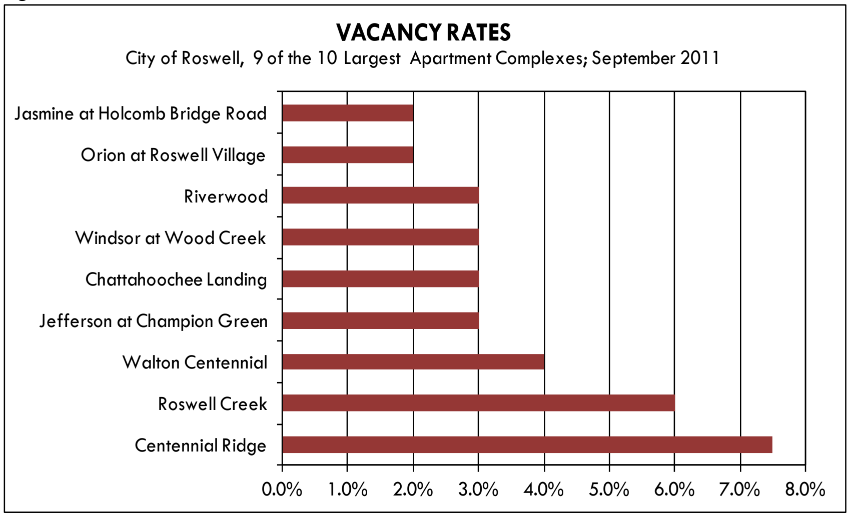
The real estate firm of Marcus and Millichap provides multifamily housing market data for the Roswell/Alpharetta submarket. According to their research, the vacancy rate in the Roswell/Alpharetta submarket was 5.5% in the 3rd quarter of 2011 (1.3% lower than the same quarter the previous year) and 5.3% in the 4th quarter of 2011 (0.9% lower than the same quarter the previous year). In comparison, Marcus and Millichap reports that the vacancy rate for the Atlanta metro area was higher in both the 3rd and 4th quarters of 2011 at 8.6% and 8.5%, respectively. The data is consistent with the relative supply and demand balance for the City. Roswell is a highly desirable place to live, but has comparatively fewer rental housing choices. This imbalance in supply and demand is exacerbated by the fact that the current regulatory environment in Roswell effectively prohibits new rental housing. Although the Groveway hybrid form based ordinance (which allows rental housing) recently was approved by the City Council, this project will not balance the relative supply and demand equilibrium.

The vacancy rates in the largest apartment complexes in Roswell substantiate the findings of Marcus and Millichap in the larger Roswell/Alpharetta submarket (Figure 6-3). The vacancy rates at the complexes range from a low of 2.0% to a high of 7.5%. The vacancy rate likely will remain low because the City of Roswell Building and Inspection Division has not issued any permits for new apartments since 2005. The market data indicate there is an opportunity to increase the amount of rental housing in Roswell. The market analysis indicates that the greatest need is in the mid-range to high-end of the market.

b.) <u>Lease Rates</u>

The data from Marcus and Millichap shows that the effective gross rent across all unit sizes in Roswell/Alpharetta was $801 in the 3rd quarter and $802 in the 4th quarter of 2011 (1.6% higher than the same quarter the previous year). In contrast, the effective gross rent in the Atlanta metro area was lower at approximately $760 in both the 3rd and 4th quarters of 2011. Roswell rents are higher than in the Atlanta metro area because the very low rents in places like the South DeKalb County and South Fulton County submarkets bring down the Atlanta metro average. However, the rents in Roswell/Alpharetta are still below rents in submarkets such as Buckhead and Midtown.

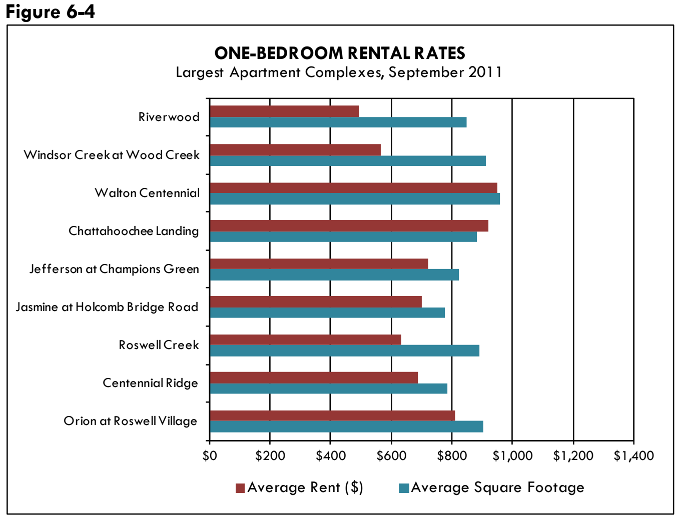
Figure 6-3



Source: Apartment Representatives and RKG Associates, Inc., 2011

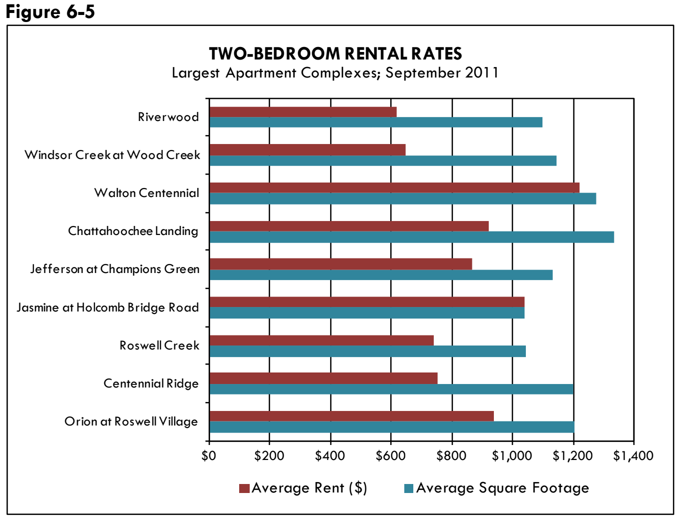
The rental rate and square footage data for the largest apartment complexes in Roswell were gathered for one-bedroom and two-bedroom units (Figure 6-4 and 6-5). The average rental rates cover a wide range, from $492 per month to $950 per month for a one-bedroom unit and from $619 per month to $1,233 per month for a two-bedroom unit. For both one- and two-bedroom units, the lowest rents are at Riverwood and the highest rents at Walton Centennial. This price difference is due to a myriad of factors including the square footage of the units, the amenities available, the year built. For example, Walton Centennial was built in 2003, while Riverwood was built in 1981. Location does not appear to be a distinguishing factor because both complexes are located along Holcomb Bridge Road with easy access to Georgia-400. Overall, the apartment rents in Roswell are relatively inexpensive and give households with incomes well below the Roswell median income of $87,070 the opportunity to live in Roswell. The overall value of rents in the City further indicates the opportunity to accommodate higher-end, luxury-style apartment units.

Figure 6-4



Source: Apartment Representatives and RKG Associates, Inc., 2011

Figure 6-5



Source: Apartment Representatives and RKG Associates, Inc., 2011

c.) *Implications*

There is strong demand for rental housing, both regionally and in the City of Roswell. This demand is the product of uncertain economic conditions, a high unemployment rate, a high rate of foreclosures, and the tightening of the financial requirements for owning a home. The rental market in the City of Roswell is near full occupancy, especially at the more desirable apartment complexes. There is demand for additional multifamily housing, and to meet this demand, the City should consider offering a wider variety of products. The existing rental complexes all tend to be very low density, garden-style apartments. Based on development project being proposed elsewhere in North Fulton County, there is an opportunity to accommodate vertical mixed-use multifamily residential development, particularly in the higher-end of the pricing scale.

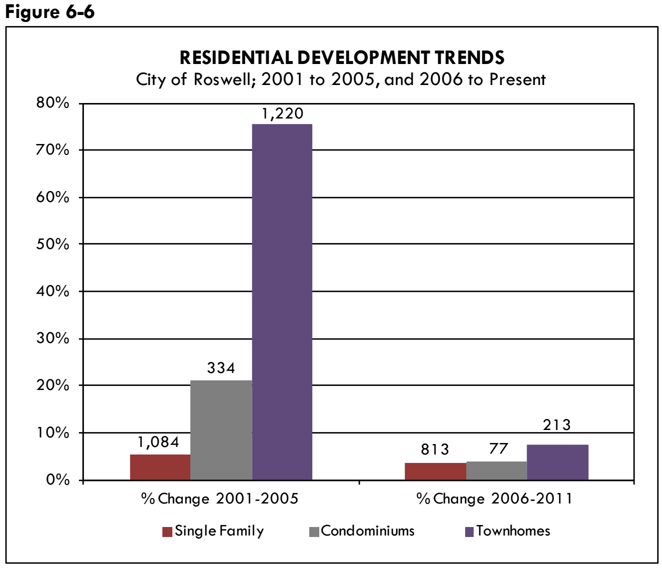
3. For Sale Residential

This section looks closer at the development trends of different types of for-sale units, such as condominiums and townhomes, and examines the sales trends and market conditions.

a.) *Development Trends*

Residential development trends indicate that Roswell is experiencing an increase in more urban-form development patterns. Since 2001, there have been almost as many townhouse and condominium units built in Roswell as there have been single-family detached units. This is a substantial shift from previous development patterns, which is evident in the percentage growth for each unit type.

Figure 6-6



Source: City of Roswell and RKG Associates, Inc., 2011

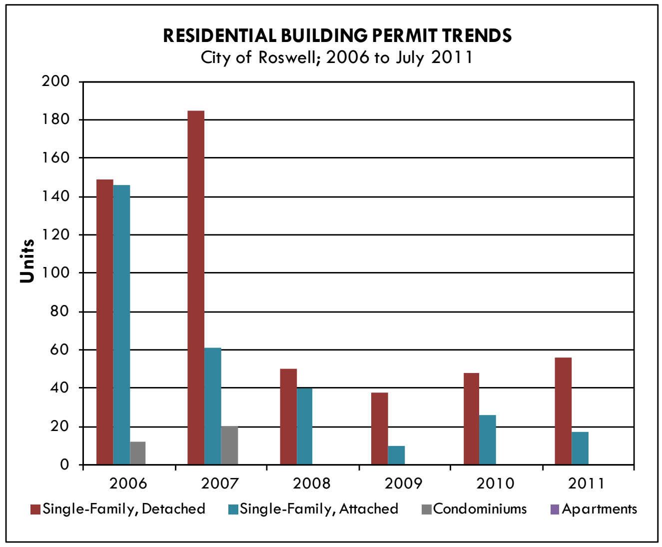
The shift in development was most noticeable from 2001 to 2005, where Roswell experienced a 21.0% increase in the number of condominiums and a nearly 75.0% increase in the number of townhomes in Roswell. In contrast, the number of single-family detached units increased approximately 5.0%. While the economic downturn had an adverse effect on residential development since 2005, the percentage increase in condominium units and townhouse units still exceed single-family housing development growth rates.

Looking beyond 2011, this trend will continue in the short-term given the number of building permits issued in recent years (Figure 6-7). The City of Roswell Building Permits and Inspection Division has not issued a building permit for a condomium since 2007. In addition, the number of building permits issued for single-family attached units, which includes units such as townhomes, has been 40 units or less every year since 2008. Finally, the number of building permits issued for single-family, detached units fell precipitously from 2007 to 2008, but began to increase slightly from 2009 through July 2011. While not all building permits issued result in actual construction, building permit data shows the maximum number of units that can be built in the short-term.

b.) *Assessed Value*

Analyzing the value of ownership units is an important measure in determining the affordability of the housing supply within a given study area (in this case for Roswell). In Fulton County, residential properties are taxed at 40.0% of the real property value (Figure 6-8).[2] This means that if a residential property has an assessed value of $100,000 its market value approximately is $250,000. RKG Associates has adjusted the stated assessed values into appraised values, or market values, for this analysis (Figure 6-8).

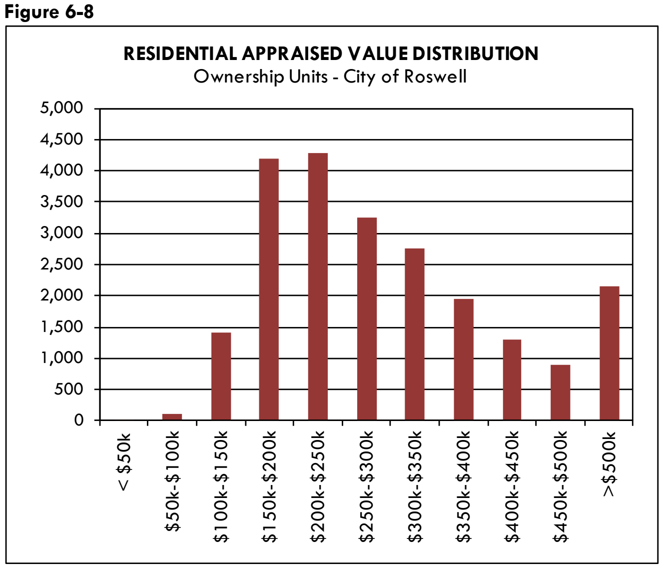
Figure 6-7



Source: City of Roswell and RKG Associates, Inc., 2011

The majority of the housing units in Roswell have an appraised value between $150,000 and $250,000. However, there is a large number of units valued above $250,000, with an average home value of $313,660 within the City. The data show that there are fewer than 1,600 traditional ownership units within Roswell with an appraised value under $150,000 (approximately 7.0% of the total unit count), resulting in many low and moderate income households being priced out of the Roswell housing market. This is particularly relevant for the first-time home buying population, where it has been reported that many current residents lament their children are not able to find adequate housing within the City if they desire to return to Roswell when beginning their careers.

Figure 6-8



Source: City of Roswell and RKG Associates, Inc., 2011

c.) *Sales Trends*

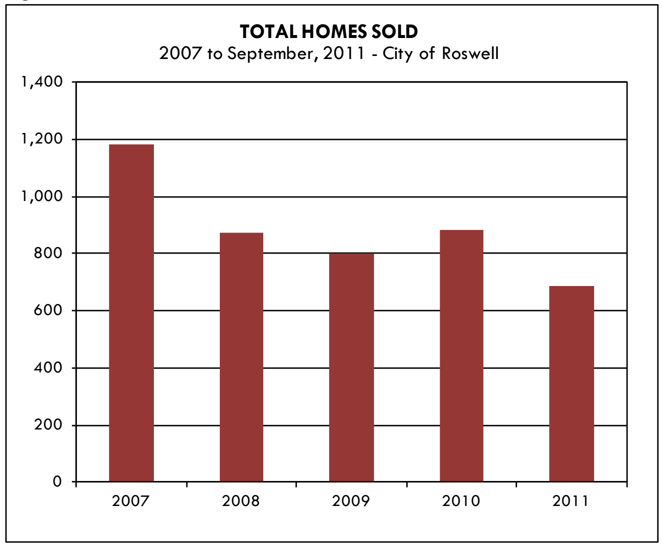
The number of homes sold in the last five years peaked right at the beginning of the economic downturn. Approximately 1,180 homes sold during 2007. The number of homes sold dropped to 874 units in 2008, and remained at that level since then (Figure 6-9). The 2011 data is only currently available through the end of September of 2011, but is on track to finish around 800 homes given the current sales rate.

Another key indicator of the health of the for-sale residential market is the average days on market (Figure 6-10). The days on market indicates how long it takes to sell a home from the day it is listed until the home is sold. In Roswell, the average days on market shifted from a low of 68 days in 2007 to 87 days by 2009. In 2010 and 2011, the average days on market remained around 87 days. Once again, the market showed a decline in 2007 before the reduction halted and leveled off from 2009-2011.

[2] City of Roswell Community Profile. http://www.roswellgov.com/index.aspx?NID=934. Accessed January 13, 2011.

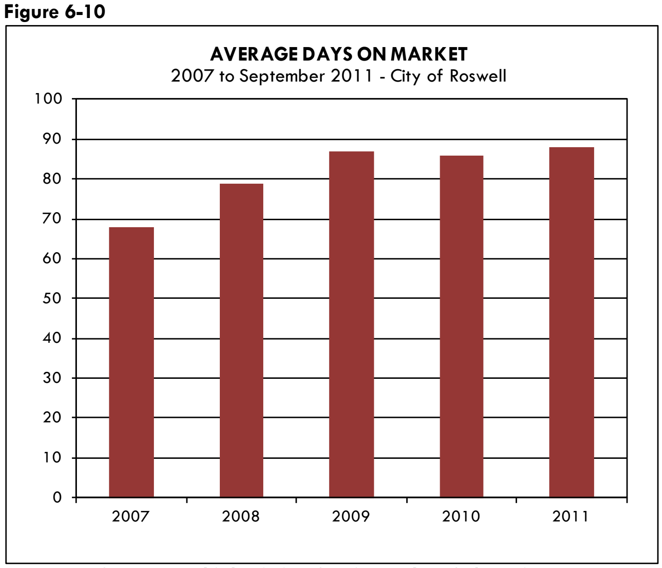
The final market indicator are the average list price and average sales price (Figure 6-11). The average sales price in Roswell declined from $383,999 in 2007 to approximately $315,638 through 2011. This decline is consistent with national and regional trends, where the economic downturn has adversely impacted home values. As a result, the average asking price also has declined during this period. Asking prices have come down from nearly $400,000 to sleightly below $340,000 during the same period. However, sellers have resisted dropping asking prices at the same rate as the changes in purchase price. The sale-to-value ratio has declined each year since 2007, with a 2011 value of 94.1% (or an average sales price 94.1% of the average asking price). This resistance to reducing prices as aggressively as actual prices is indicative of a relatively confident seller market. Simply put, Roswell historically has been a very desirable community. As a result, sellers are less willing to list a property at a "value" price. Given the relatively slight change in days on market and sale-to-value ratio, the data indicate current sales are not as impacted by nationally common issues such as foreclosure and short sales as other areas despite their prevalence in the local market.

Figure 6-9



Source: Multiple Listing Service and RKG Associates, Inc., 2011

Figure 6-10



Source: Multiple Listing Service and RKG Associates, Inc., 2011

The information gathered from interviews with local real estate professionals corroborates these data findings. In Roswell and Alpharetta combined, approximately 26.0% of the actively listed properties (at the time of writing this report) are distressed, with an average asking price of approximately $248,000. However, the asking prices are reported to be close to market values, suggesting banks and distressed sellers are still seeking close to market value. Instead, it was reported that owners are opting to rent their current home and buy another home since hard to sell their existing home at market value.

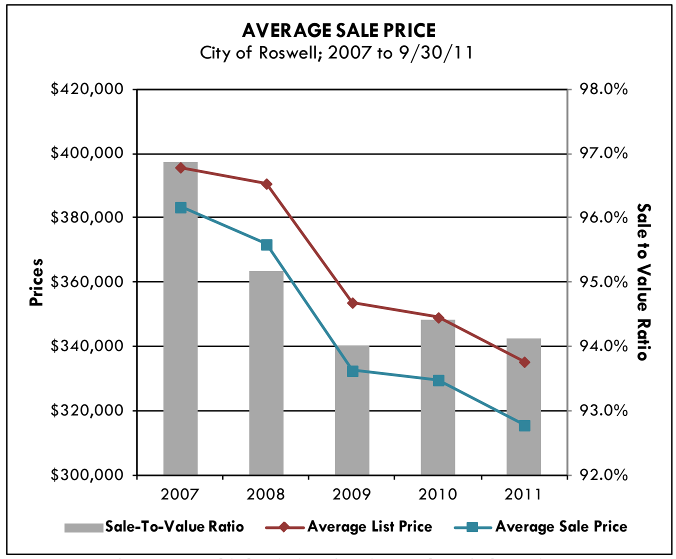
Within the market, it was reported that the greatest demand among homebuyers is for homes valued at between $350,000 and $500,000, which is partially driven by a desire to avoid a jumbo loan with a higher interest rate. Jumbo loans start when a loan is in access of $418,000 in the Roswell market. This finding is not surprising, as the highest income households have been least impacted by the predatory lending practices and ill-advised home purchasing decisions well documented in the news media.

d.) *Implications*

The for-sale housing market in the City of Roswell has been negatively impacted by the national economic downturn. The resale market continues to experience a decline in the average sale price of homes in order to complete the sale.

However, the downturn is not the only factor impacting the ownership market. The limited amount of land available for new development is very limited. The combination of declining demand, over-speculation and competition in the market and limited opportunities has substantially reduced the rate of development of new ownership units. The relatively modest number of permits issued by Roswell since 2008 indicates that the number of new units delivered will remain low.

Figure 6-11



Source: Multiple Listing Service and RKG Associates, Inc., 2011

Moving forward, the City of Roswell needs to reexamine its approach to new housing delivery. In addition to considering new rental housing, the City needs to consider a more flexible approach to delivering a greater mix of ownership units. Recent development indicates townhouse and condominium development have increased in Roswell. This is due to increasing interest from existing residents to downsize their homes, to increasing cost of land forcing developers to get a greater yield of units per acre, and affordability/preference issues of the new households seeking to live in Roswell. In each case, there is market opportunity to increase the variety of ownership units from the traditional single-family detached home.

C. NONRESIDENTIAL ANALYSIS

This section details the retail, office, industrial and hotel market forces that are shaping Roswell's development environment. This nonresidential real estate market analysis reflects the most current market conditions and includes information such as development trends, leasing, vacancy rates, and absorption for the different types of real estate uses. The general purpose of this analysis is to provide a sense of Roswell's ability to absorb new nonresidential development over time.

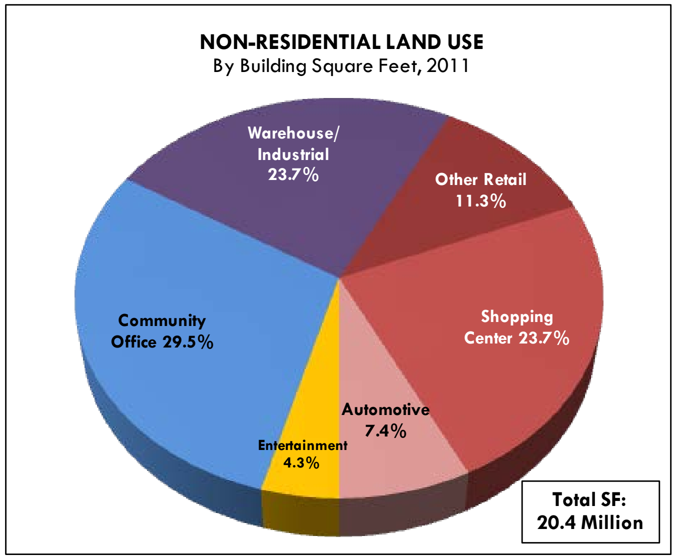
Previously, the City of Roswell has resisted more intense development patterns, which resulted in the existing nonresidential development patterns. Nearly 47% of all non-residential space is retail space, with shopping centers accounting for half of this total. There is also a small, but vibrant portion of the buildings dedicated to automotive uses (7.4%), with Roswell being home to a cluster of auto repair facilities and car dealerships. The City has limited entertainment activity (4.3% of all nonresidential square feet), with stable hotel and dining markets that have not shown strong growth indicators. The remaining 53% of non-residential building square footage is split between community office and warehouse/industrial space (Figure 6-12). The warehouse/industrial space is concentrated in smaller warehousing facilities within larger complexes and a few back office facilities. There is very limited class "A" office space in Roswell despite the substantial success of North Fulton County within this market segment. Overall, Roswell's noncommercial uses reflect its location as a suburban bedroom community.

1. Retail

The retail data available from the real estate firm, Cushman and Wakefield, merges Roswell and Alpharetta into the Roswell/Alpharetta submarket (Figure 6-13). Roswell/Alpharetta is home to the majority of the retail establishments along Georgia 400. The other submarkets, Dawson County and Cumming/Forsyth County, each contain about 23.0% of the retail square footage along the Georgia 400 Corridor. Therefore, the Roswell/Alpharetta submarket is the premier retail market along the corridor and it has unique retailers that attract customers from all along the Georgia 400 Corridor.

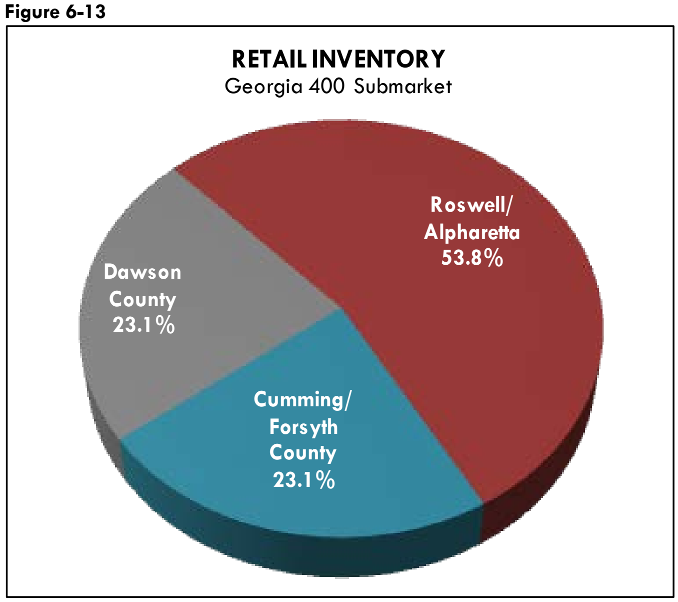
While this chapter covers the historic and current conditions in the retail market, the reader can look to Chapter 7 for a retail opportunity analysis and specific recommendations on the type of retailers that could be attracted to the City of Roswell.

Figure 6-12



Source: Cushman and Wakefield and RKG Associates, Inc., 2011

Figure 6-13



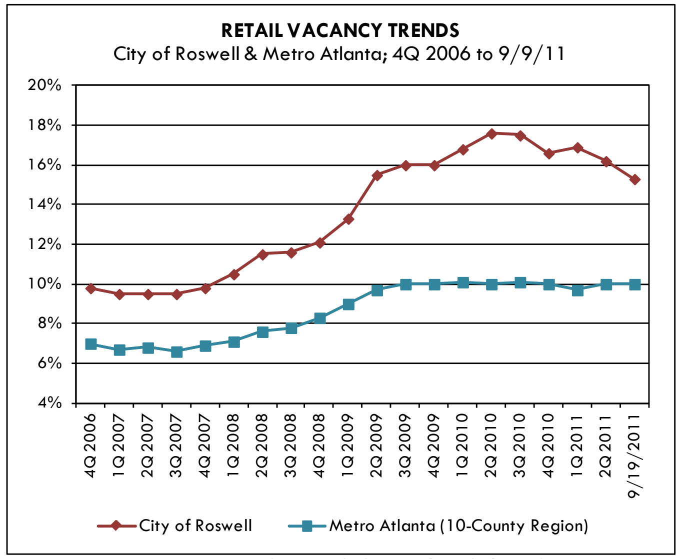
Source: CoStar and RKG Associates, Inc., 2011

a.) <u>Vacancy</u>

Additional retail data for just the City of Roswell was available from CoStar, a commercial real estate information company. These data were made available through the City. The retail vacancy rate in Roswell has continually been higher than in Metro Atlanta. Even when the national and local retail markets were significantly healthier in the 4th quarter of 2006, Roswell still had a relatively high vacancy rate (Figure 6-14). In Roswell, the vacancy rate hovered under 10.0% through the 4th quarter of 2007 and increased continually through the 3rd quarter of 2010 when it reached 17.5%. The vacancy rate in Roswell has decreased slightly over the last year and currently is approximately 15.3%. In comparison, the Metro Atlanta vacancy rate has held steady at about 10.0% since the 2nd quarter of 2009.

The opening of North Point Mall was a substantial turning point for retailing in North Fulton County and has continued to impact the City of Roswell's retail market. Prior to the Mall development, Roswell was the premier destination for retail goods and services in North Fulton. As a result, Roswell had more retail space than could be supported just by the residents of the City. The opening of the Mall and the critical mass developing around it has shifted regional consumption patterns, attracting several retailers to relocate from Roswell just across the border into Alpharetta. The economic downturn also has hurt Roswell, as national retailers have either closed altogether (i.e. Comp USA) or are reducing the number of close-proximity venues (i.e. Lowes Home Improvement). While new stores have opened in the City, such as the Publix at King's Market, many large storefronts in Roswell remain vacant. Given the proposed reinvestment at North Point Mall and the continued delivery of new retail space in developing areas of North Fulton County (i.e. John's Creek), the importance of Roswell as a regional center likely will decrease over time. As a result, the focus of future retail development should be to support the existing community and to identify niche markets more so than attracting regional shoppers into traditional development.

Figure 6-14

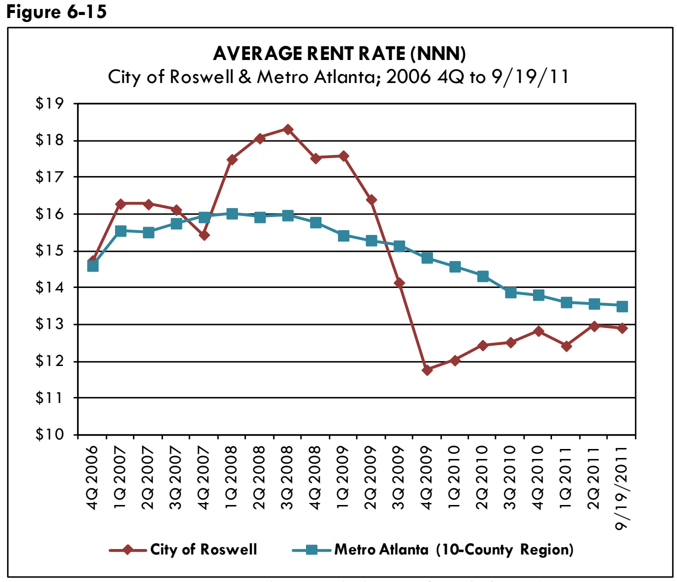


Source: CoStar and RKG Associates, Inc., 2011

b.) *Lease Rates*

Lease rates in Roswell have been more adversely impacted by market and economic forces than the rest of the Metro Atlanta market. Since the 4th quarter of 2006, local lease rates have fallen below the Metro average (Figure 6-15). The City of Roswell rental rates varied widely over the last six years. The most substantial shift occurred during 2009, where asking rents declined from a high of $18.32 in the 3rd quarter 2008 to $11.78 by 4th quarter 2009. This shift has been attributed to Roswell's sustained high vacancy rate and the out migration of several large retail tenants. It was reported that asking rates vary greatly depending on the age and location of the property. However, local real estate professionals believe Roswell lease rates remain below market averages due to the disparity of supply and demand. The relatively high vacancy in Roswell will force owners of retail space who want to increase occupancy to keep the rental rates low to attract tenants.

Figure 6-15



Source: CoStar and RKG Associates, Inc., 2011

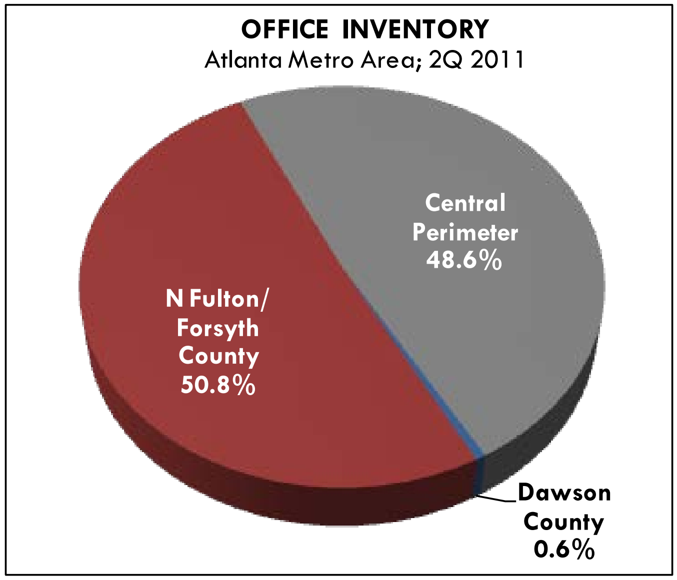
c.) *Implications*

Drastic changes will need to take place to improve the conditions in the City of Roswell's retail market. The City of Roswell's retail inventory increased by 3.5% over the past five years adding 307,510 SF of retail space to the market. The new retail space included a Lexus dealer, Holcomb Plaza, a Harley Davidson dealer, Pix Gas, and other small retail establishments. There was not enough demand, however, to fill this space and keep existing space occupied. As a result, the retail vacancy rate in Roswell has remained well above the Metro Atlanta equilibrium levels. Growth projections indicate the local market will not expand, in terms of consumer demand, enough to absorb any significant amount of this vacancy. Simply put, Roswell is over-retailed for its level of demand. One strategy would be for the City to consider regulatory changes that would encourage the redevelopment of underutilized/vacant buildings in favor of new residential or mixed use projects that reduce retail levels and increases the City's consumer base. The sites for redevelopment should be chosen based upon factors such as location, condition, traffic counts, etc. that make these properties attractive candidates for redevelopment while minimizing impacts to stable neighborhoods. The resulting decrease in supply will help stabilize vacancy rates.

2. Office

The office building square footage in the market north of the City of Atlanta along the GA-400 corridor is almost evenly divided between the Central Perimeter submarket and the North Fulton/Forsyth County submarket (Figure 6-16). There is a total of 35.1 million SF of office space in the North Fulton/Forsyth County submarket.

Figure 6-16

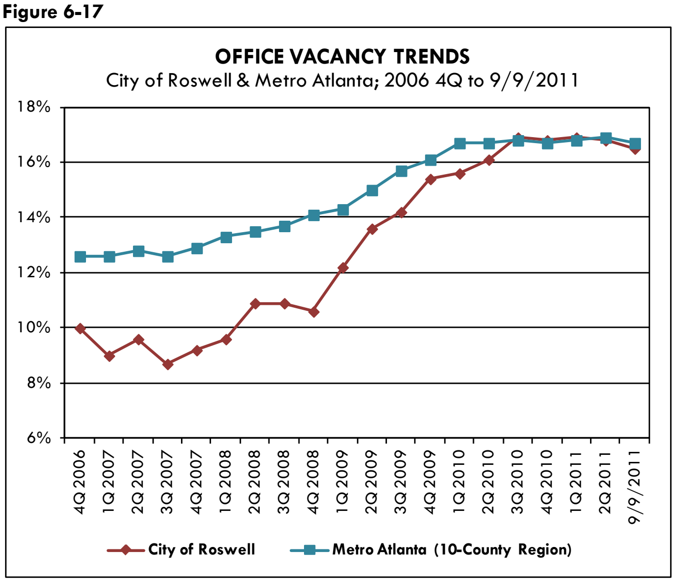


Source: CoStar and RKG Associates, Inc., 2011

a.) *Vacancy*

Vacancy data is available from Costar for City of Roswell alone (Figure 6-17). While the vacancy rate for the City of Roswell historically has been well below the market equilibrium level for Metro Atlanta, reduced market activity has brought local vacancy levels more in line with the regional market by the 3rd quarter of 2010. The vacancy rate in Roswell stood at 10.0% in the 4th quarter 2006, but rose over time to a high of 16.9% in the 1st quarter of 2011 and has remained at that level. The large properties with above market vacancy rates include the Roswell Business Center, Mansell Overlook, Fulton Corporate Center, Hembree Professional Building, and Holcomb Woods Business Park. The vacancy rate in Metro Atlanta has risen more slowly, but is currently at 16.7%, commensurate with the vacancy rate in Roswell. It was noted by local real estate professionals that the economic downturn, combined with continued speculative development has caused a surge in office vacancy. Roswell has typically been the "value" market in North Fulton County, offering competitive lease rates due to its limited supply of Class "A" product. However, the growing vacancy market wide has driven down lease rates outside Roswell, making premier space more affordable to typical Class "B" tenants. This resulted in a substantial shift from Roswell space into more coveted space in Alpharetta and Sandy Springs for minimal impacts to cost. It was reported that this is common in many of the Metro Atlanta value markets, as the premier locations seek to maintain high occupancy levels.

Figure 6-17

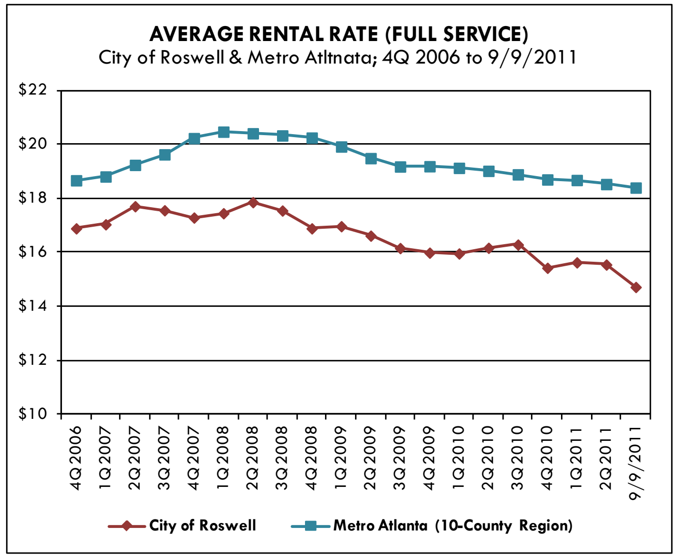


Source: CoStar and RKG Associates, Inc., 2011

b.) Lease Rates

The lease rates in the City of Roswell have continually been below those of Metro Atlanta (Figure 6-18). A rental rate of a full service office lease in the City of Roswell was $16.89 in the 4th quarter of 2006, but fell to $14.72 by September 2011. In comparison, lease rates in Metro Atlanta experienced minor fluctuations, starting high in the 4th quarter of 2006 ($18.67) and returning to a similar level by September of 2011 ($18.40).

Figure 6-18



Source: CoStar and RKG Associates, Inc., 2011

The consultant's interviews revealed some of the nuances in lease rates in the Roswell office market. First of all, Roswell office rental rates are similar to those in Sandy Springs and Alpharetta for comparable spaces. Across these three markets, Class "A" and "B" mid-rise space typically advertises for $19 to $21 per square foot, but negotiations tend to bring the lease rate closer $17 to $19 per square foot. Furthermore, office condo space is leasing for as low as $7 to $8 per square foot. These price differences across office classes and types of office space equate to an average rental rate in Roswell of $14.72, as seen in the average rental rate figure.

As mentioned, the increasing affordability of Class "A" space has attracted typically Class "B" tenants to the premier locations. The fact that Roswell vacancy has increased more rapidly than the Metro Atlanta market while lease rates have fallen more drastically indicates the market simply is over supplied right now. While development has all but stopped in the region, it is likely that the market will not return to equilibrium for some time.

c.) Implications

Tenants seek office space in Roswell because of its "value" compared with the other office markets in Metro Atlanta. Roswell does not have a substantial Class "A" office market. Therefore, the economic downturn has hurt Roswell more than other areas. Tenants can get better Class "A", "B", and "C" space than what Roswell has to offer at comparable prices.

The greatest opportunity for new office space is for a radical change in the type of office space available. The intersections of Holcomb Bridge Road/400 and Holcomb Bridge/9 offer the right access and visibility for new mixed-use and Class "A" office space developments. However, these opportunities likely will not be market viable for years.

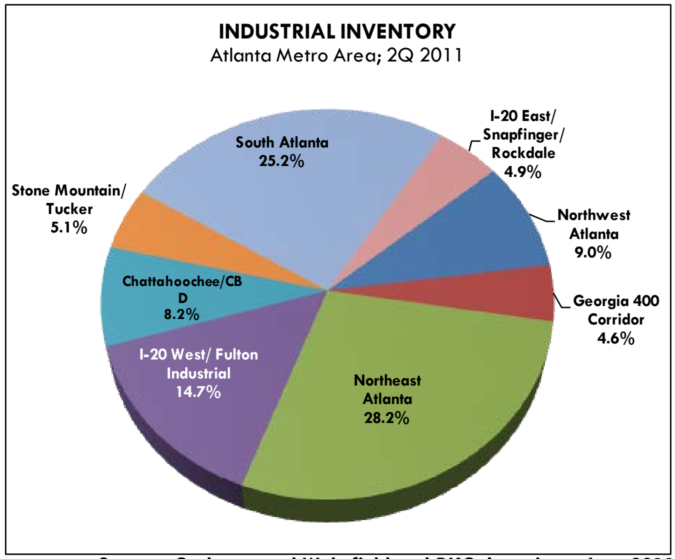
3. Warehouse/Industrial

Roswell is part of the Georgia 400 Corridor submarket (Figure 6-19). The Georgia 400 Corridor plays a very small role in the overall industrial market in Metro Atlanta, comprising only 4.6% of the total industrial building square footage. The Georgia 400 corridor has limited industrial space and typically uses its available land and buildings for residential, retail and office uses.

a.) *Absorption Trends*

Net absorption is a measure of the ability of the market to lease space, both already existing space and space that is newly constructed. Net absorption shows the amount of industrial space occupied at the end of a given time period versus the amount of occupied space at the beginning of that period. Basically, if more industrial tenants move into the area than left the area in a given time span, then the absorption is positive. If more tenants vacated space than leased space, then absorption is negative.

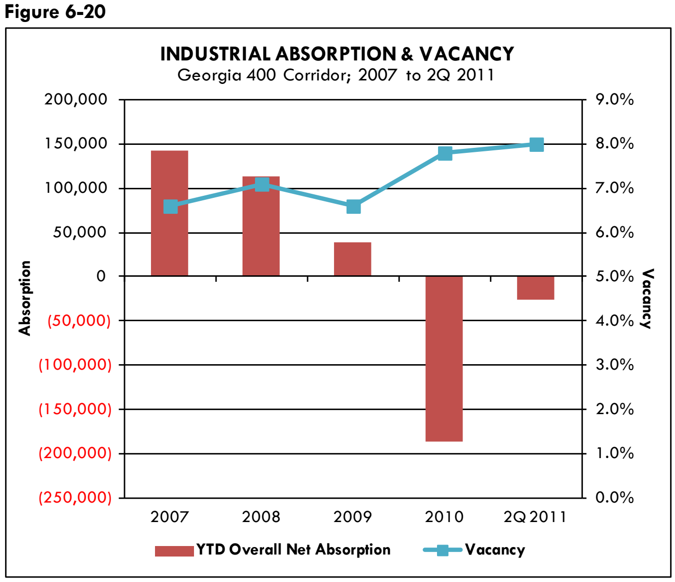
Figure 6-19



Source: Cushman and Wakefield and RKG Associates, Inc., 2011

The Georgia 400 Corridor has experienced rising vacancy and negative absorption since 2009 (Figure 6-20). Absorption was positive for 2007, 2008 and 2009, but was negative in 2010 and 2011. In 2011, the vacancy rate in the Georgia 400 Corridor submarket was 8.0% with a negative absorption of 26,161 SF. Negative absorption is indicative of limited demand in this submarket, and consistent with the impacts of the economic downturn on the entire Metro Atlanta region.

Figure 6-20



Source: Cushman and Wakefield and RKG Associates, Inc., 2011

b.) *Vacancy*

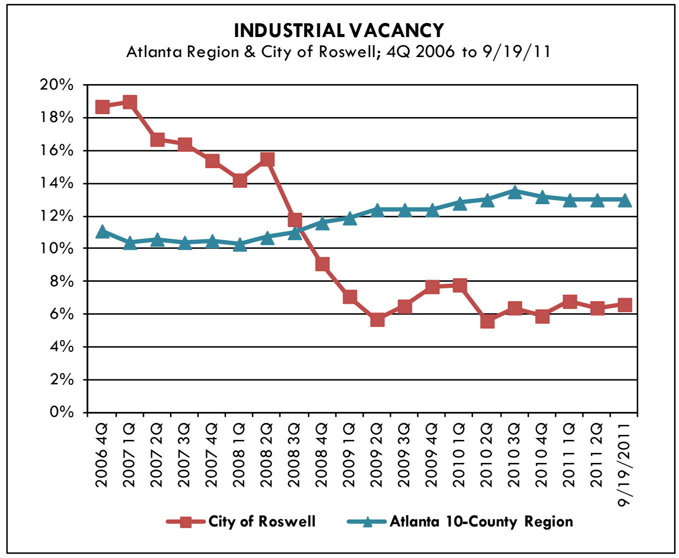
The vacancy rate in the industrial market in Roswell has actually improved over time, unlike the patterns seen in the other nonresidential markets in Roswell (Figure 6-21). There is only a very small inventory of 2.7 million square feet of industrial space in the City of Roswell. Consequently, any new buildings in the market, or the gain or loss of a tenant, have an exaggerated impact on the vacancy rate in Roswell. The vacancy rate was high in the 4th quarter of 2006 (just over 18.0%). This was due to the recent addition of 260,063 SF at the Roswell Distribution Center (RDC). As the space at the RDC was absorbed, the vacancy rate in Roswell fell (RDC is now approximately 85.0% to 90.0% occupied). Since 2009, the industrial vacancy rate has stayed between 5.6% and 7.8% in the City of Roswell.

In comparison, the vacancy rate in Metro Atlanta has been much more consistent because the inventory is much larger. The Metro Atlanta vacancy rate is currently about 13.0%, and has varied over the last six years from approximately 10.0% to 13.0%. The data indicate Roswell and the GA400 corridor are viable industrial markets. The comparatively lower vacancy rates are indicative of both the viability of industrial/warehousing in the City and the limited opportunity to deliver new industrial space into the marketplace. It was reported that there is very little, if any, developable land in North Fulton County zoned to allow industrial development. This has adversely impacted the market from reaching its true potential.

c.) *Lease Rates*

The majority of the industrial space in Roswell is flex/office space, which generally commands higher rental rates than traditional industrial space. The rental rates in Roswell have decreased in the recent past from a height of $6.10 per square foot to the current rate of $5.05 per square foot (Figure 6-22). The rental rates in Metro Atlanta are significantly lower. At the highest point in the 1st quarter of 2008 the rate was approximately $3.50 per square foot, but is now closer to $3.10 per square foot. The falling rental rates are an indicator of the softening industrial market in Roswell and in Metro Atlanta.

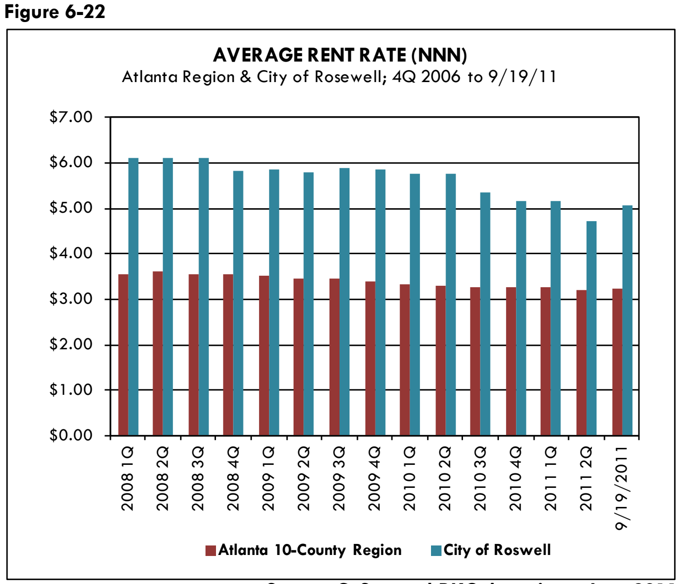
Figure 6-21



Source: CoStar and RKG Associates, Inc., 2011

Information on the industrial advertised lease rates indicates the variety among industrial leases in Roswell (Table 6-2). First, the data shows that most of the spaces available are less than 20,000 SF. Only two available properties are larger. Next, the leases are structured differently with everything from triple net (NNN), modified gross, and gross leases. These different lease structures show the amount of added expenses that are included in the rental rate as opposed to paid separately by the tenant. In the case of a NNN lease, the tenants pays all of the expenses in addition to a set base rent payment, and for a gross lease, the owner collects the rent and then pays expenses from the rental payment. The final important point is that the advertised lease rates vary from under $5.00 per square foot for a large 29,293 square foot space available on Northfield Court to a high of over $17.00 per square foot for a very small space on Mansell Road. Overall, the size and location of industrial space in Roswell dictates the lease rate.

Figure 6-22



Source: CoStar and RKG Associates, Inc., 2011

The industrial market in Roswell will be affected in the near future because 150,000 square feet of industrial space is under construction in neighboring Alpharetta at 3200 Webb Bridge Road. This is the only new industrial construction project in the Georgia-400 Corridor submarket since 2007.

Table 6-2
Industrial Lease Rates
Roswell, GA

Location	Square Feet	Lease Type	Lease Rate/SF
UNDER 5,000 SF			
5055 Old Ellis Pt.	1,250	--	$8.16
615 Hembree Parkway 300	1,689	Modified Gross	$9.00
740 Hembree Place	1,752	NNN	$6.00
700 Hembree Place	1,940	NNN	$6.00
1025 Mansell Road	2,709	Modified Gross	$17.00
325 South Atlanta Street	2,944	--	$9.00
720 Hembree Place	3,504	NNN	$6.00
615 Hembree Parkway 200	4,380	Modified Gross	$11.00
5,000 SF TO 10,000 SF			
11442 Alpharetta Hwy	5,000	NNN	$10.00
11442 Alpharetta Hwy	5,000	NNN	$10.00
1051 Northfield Court 280	5,000	--	$7.25
646 Hembree Park D	6,172	--	$7.25
745 Hembree Place	7,832	NNN	$6.00
645 Hembree Park A	7,971	--	$7.25
725 Hembree Place	8,000	--	$8.00
735 Hembree Place	8,094	NNN	$6.00
647 Hembree Park I	8,327	--	$7.00
215 Hembree Park Dr.	8,378	Gross	$16.00
1050 Northfield Court 100	9,933	--	$7.00
10889-B Alpharetta Hwy	10,000	NNN	$8.00
10,000 SF TO 20,000 SF			
105 Hembree Park Dr.	10,120	Modified Gross	$5.50
215 Hembree Park Dr.	12,895	NNN	$6.50
10895-A	13,800	NNN	$12.00
10889-A	15,000	NNN	$12.00
200 Hembree Park Dr.	17,648	--	$6.75
10887-A	19,000	NNN	$12.00
655 Hembree Park Dr.	19,394	--	$6.75
OVER 20,000 SF			
1075 Northfield Court	39,293	--	$4.25
11660 Alpharetta Hwy	40,000	Modified Gross	$9.50

Source: LoopNet.com and RKG Associates, Inc., 2011

d.) *Implications*

The Roswell industrial market is strong, but challenging. The vacancy rate is low and Roswell is a great location with easy access to the Metro Atlanta market. The problems with additional industrial development, however, are two-fold: 1) industrial development is incompatible with the City of Roswell's vision and 2) the best potential industrial sites are also good for office and mixed-use developments. Therefore, the Roswell industrial market with continue to perform well, but will not expand greatly. Furthermore, it is unlikely that existing industrial proprieties will be redeveloped because the market fundamentals are not strong enough to make this level of investment worthwhile.

4. Hotel

This section includes information on the existing conditions and planned and proposed hotels for Roswell. The local competitive market includes the following hotels for which data was available:

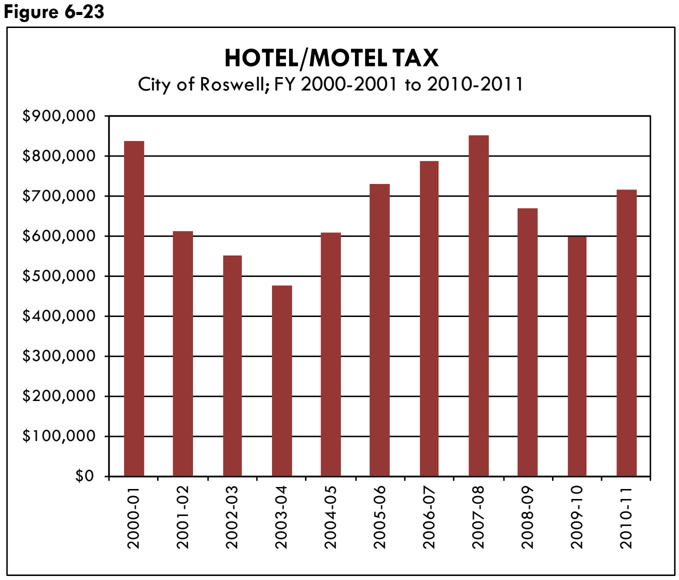
- Comfort Suites@ North Point Mall
- Holiday Inn Express
- Ramada Limited Suites
- InTown Suites
- Holiday Inn
- Studio 6
- Courtyard
- Doubletree
- Best Western
- La Quinta Inn and Suites

The data presented in the figures provide the combined total of the data reported for individual hotels. Unfortunately, not all hotels reported a complete set of data each year, so the Roswell Convention and Visitors Bureau (CVB) has found that the data does not always completely reflect the prevailing market conditions. To cross check the data, the Consultant has also included hotel/motel tax data. The hotel tax is a percentage of revenue collected from hotel stays and every hotel must accurately report its revenues each year for taxing purposes.

a.) <u>Hotel/Motel Tax</u>

The revenues generated from this tax support the Roswell Convention and Visitors Bureau, Historic Trails, and generate capital for the City-owned historic homes. From FY 2000-2001 to 2010-2011, a total of $7.45 million was collected (Figure 6-23). Data for the past eleven years shows that the hotel/motel tax collected was very high in fiscal years (FY) 2000-2001 and (FY) 2007-2008, but has fluctuated greatly in the intervening years. After FY 2000-2001 when the hotel/motel tax generated $838,225, the amount collected from the hotel/motel tax fell by over $223,000 to $614,800, in 2002-2003. After hitting a low point in FY 2004-2005, the hotel/motel tax collected in FY 2010-2011 totaled $718,500. These fluctuations correspond to regional economic prosperity, indicating the Roswell hotel market is subject to changes in overall hotel demand. This finding is consistent with regional and national markets, as travel (both business and personal) has been inconsistent due to market forces. The data also indicate that the efficiency in revenue collection in Roswell has not improved during this time period. Given no new products were delivered during this time period, the hotels in Roswell are faring no better or worse than they were a decade ago.

Figure 6-23

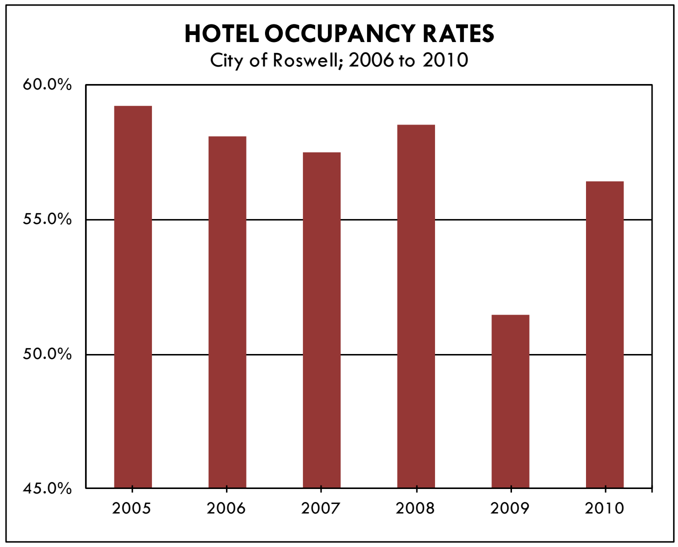


Source: Roswell CVB and RKG Associates, Inc., 2011

b.) Occupancy

The hotel occupancy is shown in two forms: annual occupancy and monthly occupancy. From 2005 to 2010, the last complete year for which data was available, the occupancy rate in Roswell remained between 55.0% and 60.0% (Figure 6-24). The only exception was 2009, when the occupancy dropped to 51.5%. This anomaly was described by local hoteliers as a result of the economic downturn. Industry standards dictate that occupancy at existing hotels typically needs to exceed 65.0% before investors will consider developing a new hotel in the market. Therefore, while the occupancy has remained relatively steady over the last six years, at no point has it been high enough to warrant the addition of a new hotel comparable to the hotels already in the market.

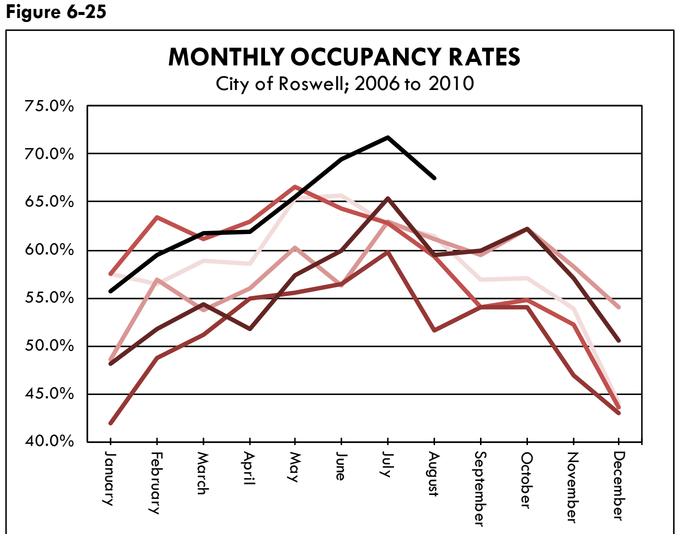
Figure 6-24



Source: Smith Travel Research and RKG Associates, Inc., 2011

Data on the monthly occupancy rate shows the cyclical nature of the hotel industry (Figure 6-25). These trends are different depending on the region. For example in a place like Lake Tahoe, California, the occupancy rates are highest in the winter during the ski season, remain strong in the summer when people come to swim in the Lake, and fall sharply in the spring and fall when it is too cold to swim, but not yet cold enough to ski. In the case of Roswell, which is typically not a major tourist destination, the occupancy rate is more consistent though the year, but tends to be lowest in the winter.

Figure 6-25



Source: STR and RKG Associates, Inc., 2011

c.) Room Rate Trends

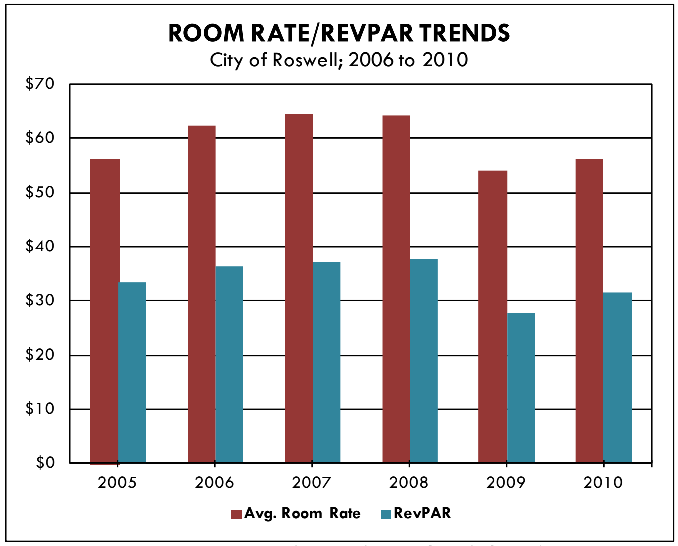
The room rate reflects a hotel's competitive position and quality. The average daily room rate in Roswell rose from 2005 to 2007, before dropping by $10 to $54.10 in 2009. The rental rate increased slightly in 2010, but was still below 2005 levels (Figure 6-26). The room rates in Roswell are very affordable and there are a range of room rates depending on the quality of the hotel.

RevPAR, or revenues per available room, is calculated by dividing the total revenue from the hotel by the hotel's total capacity. RevPAR is a measure of a hotel's efficiency. For example, a 100-room hotel has 36,500 annual room-nights (100 rooms x 365 days per year). If the hotel has an occupancy rate of 50% (18,250 room-nights) and gross revenue of $1.83 million for a given year, then its average annual room rate would be $100 and its average annual RevPAR would be $50.

The RevPAR measure goes beyond the average room rate and takes into consideration the revenue lost when a room remains unoccupied.

RevPar trends were consistent with room rate trends (Figure 6-26). As the room rate went up in 2007, the RevPar rose to $37.04, and when the room rate dropped in 2009, the RevPar fell to $27.85. This means that the fall in price was not enough to keep the vacancy rate from dropping. The combination of a fall in price and occupancy made the RevPar low in 2009. While the market started to recover in 2010, the hotel/motel sales tax data, occupancy rate and rental rate data indicate that the market has not fully recovered.

Figure 6-26



Source: STR and RKG Associates, Inc., 2011

d.) *Implications*

The hotel market in Roswell has been stable. The recent performance of local hotels indicates the potential for growth in the mid-term. New development likely will not occur, however, until the occupancy rate reaches around 65.0%, with an occupancy rate closer to 70.0% being the traditional investment 'trigger'. Given that the size of potential market for hotel customers is limited, the type and size of any new hotel needs to be carefully considered. The greatest potential lies in a boutique/bed and breakfast hotel development focused on tourism, since there are no hotels like this currently in the Roswell market. There is less potential for a full-service hotel or a conference/convention center and hotel because there is substantial local and regional competition and the Roswell market is not strong enough to support such a large-scale operation in its current state.

That being said, increased efforts to promote Roswell's natural and manmade tourist attractions and entertainment venues could improve the local hotel market. It was indicated to RKG Associates, and corroborated through research, that current outreach efforts are underfunded. As a result, there is an opportunity for the City o boost its hotel market viability through greater coordinated marketing and outreach efforts with the Roswell CVB as well a regional and national partners.

D. IMPLICATIONS

While there are some challenges in Roswell within certain market segments, Roswell has opportunities to improve its economic health and viability. Most notably, the rental residential market is performing very strongly with low vacancy rates and rising rents. There has not been any rental housing projects completed in at least the last five years in Roswell due to regulatory constraints currently in place that effectively prohibit this development. Based on the market analysis and discussions with local real estate professionals, there is substantial unmet demand for affordable, market rate, and luxury rental housing in Roswell and North Fulton County. The recent approval of the Groveway hybrid form based ordinance is a step in the right direction; however, there are many more opportunities in Roswell. As market conditions change, the multi-family ownership market likely will provide even greater opportunity for future development and redevelopment in Roswell.

Looking forward, the City's greatest obstacle is identifying those locations most appropriate for higher density housing and enabling regulatory changes that will allow this development. The City's effort to redefine the zoning ordinance is an important and necessary first step in capturing this market opportunity. Given the limited availability of undeveloped land in Roswell, encouraging higher density residential development will require some redevelopment efforts. Without the regulatory and market changes, the Roswell population levels continue to increase proportionally slower than the rest of the region, and continue to erode the competitiveness of Roswell's commercial market.

Beyond residential development, there are opportunities to accommodate new and repurposed non-residential development as well. Although Roswell currently is over-supplied in retail space, many of the larger, less competitive sites have the potential for redevelopment. These sites can become transformative projects that increase consumer spending (through new residential development) and decrease the excess retail space (through smaller retail footprints. These benefits will improve market conditions for all retailers, as local sales capture potential increases. This selective redevelopment also will improve the viability of the remaining retail developments, as the decreased supply will stabilize rent rates and financial performance. It is important to note that redevelopment should be strategic, focusing on those sites with the greatest potential to catalyze new investment and strengthen the local marketplace. The City needs to identify and prioritize those sites best suited for this investment. Characteristics to measure include size of the site, location, transportation access, proximity to stable neighborhoods, and current condition and occupancy.

In terms of the office market, there is sufficient Class "B" and "C" office space in the City of Roswell. Current economic conditions will make it difficult to attract any new speculative office development. However, there will be opportunities as the economy recovers to support Class "A" office development in Roswell at strategic locations. The Holcomb Bridge/400 and Mansell/400 intersections have development and redevelopment potential to accommodate a substantial amount of new office development. Interviews with the real estate development community revealed there is consideration of a MARTA station at the Holcomb Bridge/400 intersection. This would substantially increase the potential scale and viability of Class "A" office space at that location. Other sites that can accommodate smaller-scale office development (when the market can support new development) include GA9 between the Founder's Square and Holcomb Bridge/Crossville intersection.

The industrial market has immediate opportunities for new development in Roswell. The market data indicate there is much more demand for warehouse and flex space in North Fulton County than there is supply. The issue to be considered when developing the final business plan for the City's economic development effort is whether this market is consistent with the City's vision. Simply put, new industrial development will not generate the same tax base, jobs, or cachet for Roswell as new mixed-use or office developments. This is challenging for two reasons: [1] the low return of industrial/warehouse make it very difficult to create a financially feasible redevelopment project focusing on industrial uses, and [2] there are limited undeveloped land resources to accommodate new industrial development. Given the SEDP is the long-term vision of the community, a balance should be sought between accommodating the immediate benefits offered by continued industrial/warehouse development and the longer-term opportunities of those development uses more consistent with the stated vision.

Finally, the occupancy rate at the existing Roswell hotels does not warrant a new full-service or discount hotel, but there may be a market for a different type of hotel that does not already exist in the Roswell market. Interest has been expressed to develop a bed & breakfast style facility in the Founder's Square/Canton Street area. This smaller-scale, market niche approach is more feasible than a traditional hotel development and capitalizes on the unique character of this area of Roswell. That said, the City should encourage new hotel development (in the mid- to long-term) in the areas closest to GA400, as these uses are complementary to the office potential and are strong tax revenue generators.

7 RETAIL OPPORTUNITY ANALYSIS

A. INTRODUCTION

The Retail Opportunity Analysis examines the difference between demand (consumer expenditures) and the supply (retail sales) for a variety of different types of retail stores. The results of the analysis will indicate if there are any retail gaps in the City of Roswell as a whole or any of the smaller competitive retail markets within Roswell. Simply put, this analysis will show the ability of the City to support the development of new retail ventures.

RKG Associates separates the retail opportunity analysis from the other real estate markets due to the local reach of retail supply and demand. The retail market generally acts more locally than office, industrial, and residential markets. While there are some exceptions, most retailers rely on market activity from a smaller geographic level. To this end, a retail opportunity assessment needs to be handled differently than other analyses that focus solely on the City of Roswell or a regional market area.

B. METHODOLOGY

The data on retail sales and consumer expenditures comes from Claritas Inc., a prominent national data vendor. The supply data shows the dollar value of sales for different retail categories, and the demand data shows the consumer expenditures within the different competitive retail markets. Subtracting the supply dollar value from the demand dollar value shows either the sales leakage or the sales surplus within the market.

Sales leakage is the gap between local consumer demand for retail goods and the amount of these sales that are captured by local merchants. A high sales leakage indicates consumer demand is greater than the ability of local businesses to capture that demand. As such, consumers typically make retail purchases outside their trade area. Because this consumer spending is not captured by local businesses, it is said to have "leaked" to other businesses outside the local market. In such cases, conventional wisdom suggests that there may be opportunities for existing businesses to expand their product lines and for new local businesses to be created to capture this unmet spending potential.

In contrast, an area has a "sales surplus" when captured sales (supply) exceed local demand. These situations indicate that the trade area has a market cluster, or concentration of businesses, pulling sales in from outside the primary market. Market clusters attract consumers from outside the trade areas, as they become known for a specific niche or for having a wide variety of shops from which to choose. A good example of a market cluster in the City of Roswell is automotive dealerships. Consumer expenditures on automobiles by City residents are estimated to be $246.5 million for 2011. However, dealerships in Roswell are reported to have sold $513.5 million worth of automobiles. Therefore, there was a surplus of $267.0 million in the market ($246.5 million minus $513.5 million) indicating that consumers living outside the City travelled to Roswell to purchase their vehicle from one of the local dealerships.

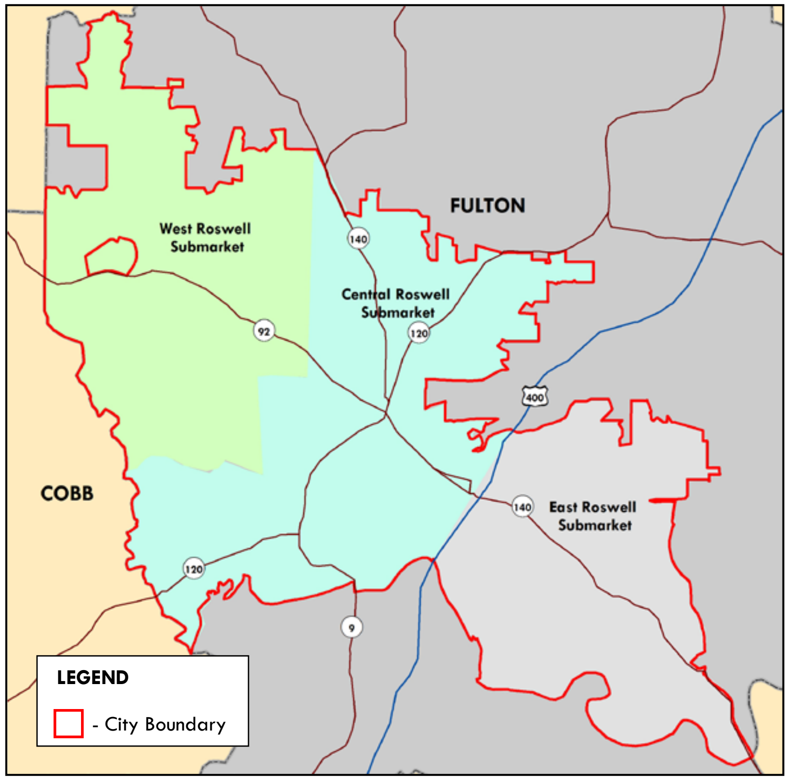
Leakage analysis does not support or refute an opportunity per se, as there are instances where a surplus indicates an opportunity and where leakage does not translate into supportable sales. However, this effort is a critical component of RKG Associates' efforts to identify the local market potential for a given market area. The findings presented in this chapter are a combination of empirical analysis and market understanding generated by decades of professional development.

RKG Associates defined the boundaries of the competitive retail market in Roswell based on real estate research and interviews with local real estate professionals. The analysis was completed for five separate competitive retail markets. Map 7-1 shows the boundaries for each of the three submarkets within the City of Roswell

- City of Alpharetta
- City of Roswell
- West Roswell Submarket
- Central Roswell Submarket
- East Roswell Submarket

The City of Alpharetta was included because it is the greatest competitor to Roswell, in terms of retail attraction, due to its critical mass of retail offering and proximity Roswell consumers. These two jurisdictions border one another and customers can easily travel between the two cities.

Map 7-1
Retail Submarket Identification



It is important to note that the retail opportunity analysis does not analyze the potential of every retail market category. Simply put, some retail categories are not conducive to business recruitment (i.e. internet retailers) or are not consistent with desirable industry targets (i.e. gasoline stations). As a result, these categories were not analyzed to determine retail opportunities. That said, the opportunity analysis is comprehensive in its approach to identifying potential recruitment targets that are consistent with the economic development goals and objectives identified by the Strategic Economic Development Plan (SEDP) Advisory Committee.

C. SUPPLY

The supply side analysis includes an examination of the competitive retail environment as well as the business mix that currently exists within each of the five retail markets. As part of this analysis, RKG Associates performed a detailed site and market inventory of the City of Roswell. The consultant identified commercial properties through a "windshield survey," identifying business types, occupancy patterns and general building conditions. This data was then cross-tabulated against the City's assessment database to gain a better understanding of actual retail building square footage, occupancy/vacancy rates and development trends.

Within the City of Roswell, there are approximately 4.0 million square feet of shopping center retail space (Table 4-1). Almost all of this space is concentrated along Holcomb Bridge Road/Crossville Road, with another concentration area along Mansell Road. While there are a few modest-sized shopping centers elsewhere in the City, most commercial development is located along these two corridors. According to Claritas, the Central Roswell Submarket constitutes approximately two-thirds of the retail sales capture in the City, totaling nearly $818 million in sales. This finding is consistent with development patterns, as the GA120/GA140/GA9/GA92 intersection historically has been the commercial focal point of the City. East Roswell ($230 million) and West Roswell ($213 million) are proportional, but much smaller than Central

Roswell. It should be noted that this square footage does not include small stand-alone retail establishments or retail shopping centers below 10,000 square feet.

Alpharetta contains about the same amount of shopping center retail space as Roswell (4.1 million SF), despite having nearly 50% of the population. The City has become the retail epicenter for North Fulton County because of the development of the North Point Mall and the North Point Market Center. These two facilities combined for a total of approximately 1.5 million square feet. In total, there is approximately 3.5 million square feet of shopping center space near North Point Mall within the City of Alpharetta (Table 7-2). The location of the North Point Mall area between the Mansell Road and Haynes Bridge Road interchanges along GA400 make is convenient to both Roswell residents as well as all of North Fulton County.

Table 7-1
Shopping Center Inventory
City of Roswell

Retail Name	Anchor Tenants	Year Built	Square Feet [1]	Type
Roswell Town Center	Aurora Cineplex	1974	500,000	Discount Center
King's Market	Publix	1995	285,089	Power Center
Retail center at 970-976 Mansell Road	Walmart	1990	216,495	Power Center
Retail center at 1145 Woodstock Road	Super Target	2000	212,660	Power Center
Retail center at 2600 Holcomb Bridge	Marshal's	--	177,917	Big Box Center
Centennial Village Shopping Center	Kroger's	2005	166,766	Community Shopping Center
Retail center at 11000 Alpharetta Highway	N/A	2000	153,859	Big Box Center
Roswell Crossing	Office Max	2000	149,751	Neighborhood Grocery Center
Roswell Village Shopping Center	Goodyear	--	145,403	Neighborhood Retail/Service
Alpharetta Highway At Mansell Road	N/A	1990	132,546	Community Shopping Center
Retail center at 850-880 Woodstock Road	Home Depot	2000	125,315	Power Center
Holcomb Bridge Crossing	PGA Tour	--	108,948	Community Shopping Center
Retail center at 1570 Holcomb Bridge	N/A	1995	108,593	Neighborhood Retail/Service
Mansell Village	Kroger's	--	106,506	Neighborhood Retail/Service
Holcomb 400	LA Fitness	--	103,616	Neighborhood Retail/Service
Retail center at 1125 Woodstock Road	TJ Maxx	1995	100,600	Power Center
Stonebridge Square	Kohl's and Michaels	--	100,600	--
Retail center at 8465 Holcomb Bridge	Kroger's	2000	100,152	Power Center
Retail center at 8560 Holcomb Bridge	N/A	--	100,152	Big Box Center
Retail center at 1017 Alpharetta Street	N/A	2000	100,000	Neighborhood Retail/Service
Retail center at 2340 Holcomb Bridge	Kohl's	2005	91,764	Big Box Center
Coleman Village	N/A	2001	91,158	Community Shopping Center
Market Center @ Holcomb Woods	N/A	2000	87,300	Power Center
King Plaza	Publix	2000	82,055	Community Shopping Center
Mansell Shops	Office Depot	1990	76,753	Community Shopping Center
Village Festival At Crossville	N/A	1977	52,148	Community Shopping Center
Retail center at 11570 Maxwell Road	N/A	--	50,000	Neighborhood Retail/Service
Retail center at 1207 Alpharetta Street	N/A	1990	36,606	Neighborhood Retail/Service
Retail center at 2342 Holcomb Bridge	Riteaid	--	32,406	Big Box Center
Mansell Square	N/A	2000	23,036	Fashion Center
Crabapple Place Shopping Center	N/A	2006	9,000	Neighborhood Retail/Service
Barrington Square	N/A	--	5,600	--
Total		**--**	**4,010,393**	**--**

Source: ESRI, Assessment Database and RKG Associates, Inc., 2011
[1] Estimated

Table 7-2
City of Alpharetta; Shopping Centers

Retail Name	Type	Square Feet [1]
North Point Village	Regional Shopping Center	1,000,000
North Point Marketcenter	Power Center	517,000
Retail center at 5230 Windward Parkway	Power Center	500,000
Retail center at 7601 North Point Parkway	Power Center	500,000
Mansell Crossing	Regional Shopping Center	444,571
Retail center at 10600 Davis Drive	Big Box Center	250,000
Retail center at 10700 Davis Drive	Big Box Center	100,000
Retail center at 2855 Jordan Court	Big Box Center	100,000
Retail center at 4925 Windward Parkway	Big Box Center	100,000
Retail center at 7111 North Point Parkway	Big Box Center	100,000
Alpharetta Crossing	Neighborhood Retail/Service	95,504
The Terraces At Windward	Neighborhood Retail/Service	85,359
Shops At Old Milton	Neighborhood Retail/Service	56,905
Retail center at 1224 North Point Court	Big Box Center	50,000
Retail center at 200 Duluth Street	Big Box Center	50,000
Retail center at 7531 North Point Parkway	Big Box Center	50,000
Retail center at 975 North Point Drive	Big Box Center	50,000
The Arbors Of Alpharetta	Neighborhood Retail/Service	20,370
Old Milton Promenade	Neighborhood Retail/Service	11,050
Total	**--**	**4,080,759**

Source: ESRI and RKG Associates, Inc., 2011
[1] Estimated

D. DEMAND

Roswell residents consume retail goods and services at a higher level than most of the Metro Atlanta market. Based on 2011 consumer expenditure and population data, Roswell residents spend approximately $17,833 per capita on retail goods and services. In comparison, Alpharetta residents (despite a comparable median household income level) spend an estimated $13,962 per capita on retail goods and services. When compared to demographic characteristics, this finding is not surprising. Older, more established households tend to have higher disposable income at similar income levels than younger households. This typically is a product of lower household costs related to dependents (i.e. childcare) and housing (i.e. lower mortgage payments). Given the comparably higher average age for Roswell residents, a higher retail expenditure level is consistent with socioeconomic conditions.

Within the selected retail categories for this analysis, Roswell residents consume approximately $1.06 billion in retail goods and services. Department/general merchandise spending ($208.7 million), groceries ($161.0 million) and home improvement ($138.9 million) sales account for the majority of activity. Within each of the submarkets, consumer expenditures on retail are highest in Central Roswell ($428.75 million), followed by East Roswell ($373.32 million) and then West Roswell ($267.51 million). This finding us consistent with development densities, as the share of households roughly corresponds to the share of retail spending. In contrast to sales capture, Alpharetta residents only consume $564.2 million in retail goods and services, or slightly more than 50% of the Roswell total. As already mentioned, the Alpharetta population is much smaller than Roswell. However, it reinforces the finding that Alpharetta is the regional focus for retailers.

TYPES OF RETAIL CENTERS

Regional Shopping Center – Very large shopping malls that contain at least 250,000 SF.

Discount Center – A concentration of discount retailers, i.e. Ross Dress for Less, Stein Mart, and TJ Maxx. Usually 10 to 50 stores. Gross leasable area (GLA) from 10,000 SF up to 50,000 SF.

Power Center – A center dominated by anchors including discount department stores, off-price stores, wholesale clubs. Usually less than 30 stores. GLA ranges from 50,000 SF up to 1 million SF.

Community Shopping Center – General merchandise or convenience oriented. Wide range of apparel and other soft goods offerings. Usually a strip, "L" or "U" shape. Usually more than 30 stores. GLA ranges from 30,000 SF up to 1 million SF.

Big Box Center – A center with one or more big box retailers, i.e. Wal-Mart, Target, and Lowes. Usually less than 10 stores. GLA ranges from 25,000 SF up to 500,000 SF.

Neighborhood/Retail Service Center – A large collection of retailers, businesses and service providers in many categories. Usually 30 or more stores. GLA ranges from 25,000 SF up to 250,000 SF.

Fashion Center – A concentration of fashion retailers, i.e. Abercrombie & Fitch, American Eagle Outfitters, Ann Taylor, and Banana Republic. Usually more than 10 stores. GLA ranges from 25,000 SF up to 250,000 SF.

Source: US Retail Centers.com, 2012

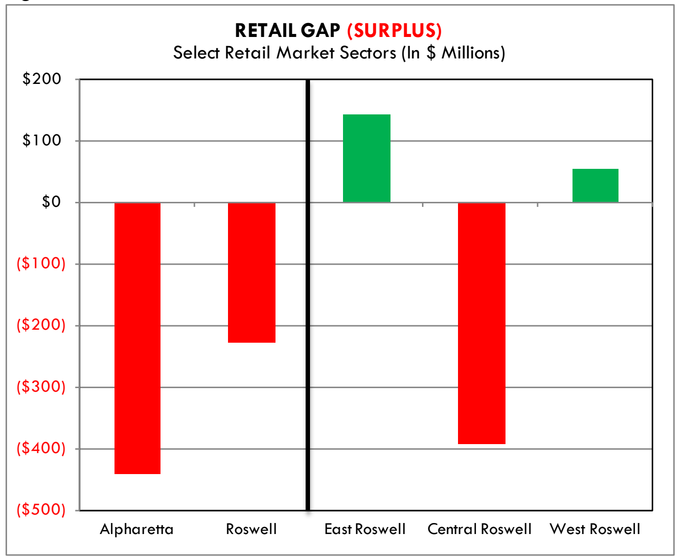
E. GAP ASSESSMENT

The difference between the estimated consumer demand and actual retail sales is called "retail sales leakage." Retail leakage occurs when people living in one market area make purchases outside this area. This spending, which is said to have "leaked" out of the market, occurs for a number of reasons including: (1) the desired goods and services are either not available or are not competitively priced in the local market or (2) purchases are made for reasons of convenience (e.g., shopping on the way home from work). The results of this analysis, in conjunction with RKG Associates professional observations and interview findings, revealed the most viable retail market opportunities for business expansion and/or recruitment within the City and specifically for each of the three submarkets.

A comparison of the retail supply and demand activity corroborates findings from the real estate analysis that the Alpharetta/Roswell market has a regional consumer base. Both Alpharetta and Roswell experienced a surplus of retails sales capture in 2011 for the select retail categories (Figure 7-1).

Alpharetta experienced a surplus of more than $438 million in sales capture, while Roswell experienced a surplus in sales capture of approximately $226 million. This analysis reveals two primary findings. First, the development of North Point Mall development as made Alpharetta the dominant retail destination in North Fulton County. Second, while Roswell no longer leads the region as the preeminent retail destination, it remains a viable retail market based on its demographic and geographic advantages.

Figure 7-1



Source: Claritas and RKG Associates, Inc., 2011

Within Roswell, retail supply and demand is not uniform. Central Roswell remains the local retail destination for Roswell residents, with a net surplus of nearly $390 million. Part of this is the impact of the retail development in Roswell immediately adjacent to North Point Mall. However, the submarkets established commercial base and central location within the City make it a logical location to support local retail needs. In comparison, both East and West Roswell have relative leakages of retail sales. While on the surface this finding indicates there are opportunities to add more retail, any substantial development will have further adverse impacts on the market as a whole. Roswell still has the retail supply it once supported through having a larger market draw. The real estate analysis indicates that growth in retail services in Alpharetta has led to a surplus of supply in Roswell. Regardless of where new destination retail is developed within the City, it likely will have continued adverse impacts on the City's retail market as a whole. In other words, the retail gap in East and West Roswell is not sufficient to overcome the retail surplus in Central Roswell. A more detailed gap analysis assessment is presented in Table 7-3

F. MARKET OPPORTUNITIES

While the gap analysis indicates market data does not support much destination-scale retail development, the analysis should not be interpreted as a sign there are no opportunities in Roswell. Rather, it is an indication that new retail development and recruitment needs to be strategic and scaled appropriately. The following section identifies some of those strategic opportunities. The estimated sales leakages shown in the subsequent narrative represent the potential sales to be captured either by new businesses or by existing businesses given an expansion of the merchandise lines, the creation of new businesses, longer operating hours, increased marketing efforts, or any combination thereof.

In reality, it is unreasonable to expect that all leaked sales could be recaptured, either by existing or new merchants. Individuals will continue to shop away from home, where they work and through other methods (catalogs, internet…). It would be unrealistic to assume that a new or expanded merchant could capture 100% of leaking sales. To this end, RKG has used a series of recapture rates to estimate the potential business expansion and/or addition opportunities within each submarket. The consultant utilized its professional experience to adjust for local conditions, regional competition and mix of offerings. Although recapture rates could be higher as the City progresses through implementing the SEDP, these estimates best reflect the current retail market climate. The result of this effort provides an estimated amount of additional square footage that could e supported by the spending power of the local market for each market segment.

Table 7-3
Retail Gap/(Surplus)
Roswell Trade Areas

Category	City of Alpharetta	City of Roswell	East Roswell	Central Roswell	West Roswell
Total	($438,472,477)	($225,579,192)	$142,953,007	($389,892,462)	$54,849,460
Automotive Parts/Accsrs, Tire Stores	$2,189,779	($832,393)	$3,676,514	($9,475,754)	$4,652,683
Furniture Stores	($11,358,462)	($16,407,478)	$3,697,828	($20,917,380)	$3,563,695
Home Furnishing Stores	($2,450,067)	($6,962,212)	$2,449,822	($10,783,140)	$2,395,828
Appliances, TVs, Electronics Stores	($21,672,481)	$7,310,198	$8,353,977	$1,161,403	($1,524,671)
Computer and Software Stores	($11,748,991)	$5,359,837	$2,100,662	$1,870,766	$1,533,144
Camera and Photographic Equipment Stores	($597,692)	$215,656	($20,400)	($39,473)	$468,379
Building Material and Supply Dealers	($20,326,489)	$21,533,473	$40,930,974	($58,319,090)	$22,253,584
Lawn, Garden Equipment, Supplies Stores	$6,382,669	$6,390,927	$4,587,347	$3,146,740	($1,090,752)
Supermarkets, Grocery (Ex Conv) Stores	($120,340,126)	$40,452,774	$15,609,501	$21,419,619	$5,000,835
Convenience Stores	$2,679,654	$6,240,671	$2,812,892	$1,277,285	$1,770,276
Specialty Food Stores	$1,332,295	$1,131,714	$54,729	$889,425	$310,727
Beer, Wine and Liquor Stores	($268,073)	$3,297,636	$1,646,751	$368,287	$1,859,052
Pharmacies and Drug Stores	$12,350,767	$46,133,341	$18,879,651	$18,451,542	$10,812,155
Cosmetics, Beauty Supplies, Perfume Stores	($1,989,701)	$41,409	$903,594	($832,292)	$294,921
Optical Goods Stores	$120,554	($4,399,182)	$546,517	($5,015,231)	$422,561
Other Health and Personal Care Stores	($2,059,622)	$417,654	$1,727,195	($1,239,123)	$1,486
Men's Clothing Stores	($813,158)	$208,056	$1,335,398	($1,260,212)	$980,853
Women's Clothing Stores	($1,818,800)	($4,314,676)	$2,887,906	($6,269,844)	$387,786
Children, Infants Clothing Stores	($4,182,296)	($4,406,426)	$935,634	($4,972,750)	$790,539
Family Clothing Stores	($31,420,227)	($21,083,110)	$10,383,056	($30,324,158)	$7,755,440
Clothing Accessories Stores	($172,446)	($1,123,653)	$200,659	($1,295,288)	$124,703
Other Clothing Stores	($447,148)	($2,420,160)	$333,574	($3,387,100)	$616,222
Shoe Stores	($3,464,239)	($4,626,552)	$292,867	($5,431,488)	$1,190,547
Jewelry Stores	($2,365,041)	($7,320,046)	$3,148,572	($12,476,563)	$1,819,931
Luggage and Leather Goods Stores	($910,621)	($2,720,531)	$328,889	($3,191,980)	$240,099
Sporting Goods Stores	$1,154,634	($9,408,030)	($3,344,336)	($6,217,926)	$1,302,115
Hobby, Toys and Games Stores	($2,624,411)	($6,738,663)	$2,533,218	($9,057,643)	$859,723
Sew/Needlework/Piece Goods Stores	($7,944,681)	($2,731,219)	($1,302,106)	($2,492,956)	$470,549
Musical Instrument and Supplies Stores	$351,486	($1,067,516)	$513,695	($2,091,452)	$674,353
Book Stores	($6,185,273)	($5,224,248)	$1,655,878	($6,613,535)	$1,063,982
News Dealers and Newsstands	($2,000,910)	($141,758)	$111,864	($128,758)	($116,324)
Prerecorded Tapes, CDs, Record Stores	($8,574,374)	($13,493,672)	$111,864	($14,380,039)	$934,334
Department Stores Excl Leased Depts	($39,831,435)	($90,360,757)	$274,950	($49,898,984)	($30,387,337)
Other General Merchandise Stores	($10,293,539)	$40,207,686	$32,826,499	($8,667,102)	$23,021,604
Florists	$790,340	$1,142,617	$932,454	($273,375)	$484,734
Office Supplies and Stationery Stores	$875,807	($2,700,807)	$1,146,565	($301,479)	($3,372,196)
Gift, Novelty and Souvenir Stores	($5,369,235)	($9,965,548)	$867,866	($9,293,369)	($880,586)
Used Merchandise Stores	$1,390,970	($2,742,221)	($617,472)	($2,880,187)	$795,679
Other Miscellaneous Store Retailers	($6,191,447)	$8,150,166	$3,640,648	$3,496,167	$1,225,040
Full Service Restaurants	($73,224,989)	($83,443,903)	($5,561,483)	($68,836,495)	($5,986,137)
Limited Services Eating Places	($63,688,198)	($64,255,900)	($16,156,676)	($41,673,600)	($3,201,764)
Special Food Services	($7,494,576)	($49,792,970)	($4,882,010)	($44,519,540)	($455,173)
Drinking Places Alcoholic Beverages	$3,737,316	$4,870,624	$2,397,480	$583,610	$1,786,841

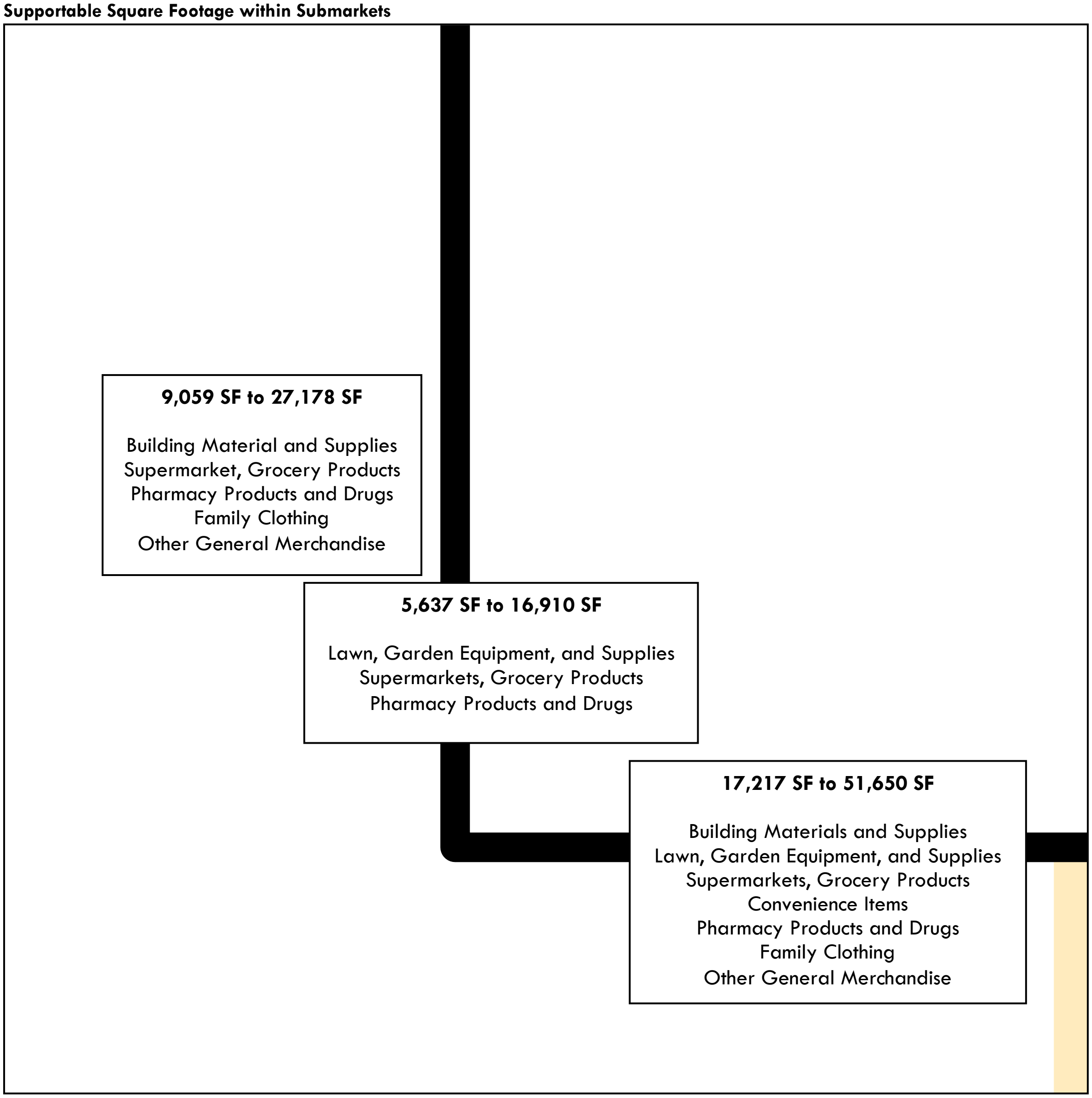
Source: Claritas Inc., and RKG Associates, Inc., 2011

The market data revealed there are very few retail segments that have enough unmet demand to sustain a new business in the City. Of the four market segments that have a large enough leakage to support new destination retail businesses, only one is viable for Roswell. The pharmacies and drug stores ($46.1 million), supermarkets and grocery stores ($40.5 million), general merchandise stores other than department stores ($40.2 million), and building materials and supply dealers ($21.5 million) segments all are leaking enough sales from Roswell to support a new store. However, all but the pharmacies and drug stores have a corresponding retail surplus in Alpharetta diminishing (and even eliminating) this opportunity.

That finding notwithstanding, the analysis of each individual submarket revealed there is enough demand to support some additional neighborhood serving retail (Map 7-2). Neighborhood serving retail differs from destination retail in that its market area is much smaller, reducing the competitiveness of Alpharetta's offerings and limiting the need for consumers from outside the area. An example of neighborhood serving retail is a convenience store, where someone living close by likely will bypass the store to patronize a similar venue further away.

The recaptured sales were translated to supportable square footage for each of the market segments in each of the submarkets utilizing local Urban Land Institute (ULI) sales per square foot levels (Table 7-4). The consultant estimates that East Roswell can support between 9,059 and 27,178 square feet of new neighborhood serving retail space, Central Roswell can support between 5,637 and 16,910 square feet of new neighborhood serving retail space, and West Roswell can support between 17,217 and 51,650 square feet of new neighborhood serving retail space. These are very small amounts of retail space considering that a new Publix grocery store, for example, typically ranges between 28,000 and 54,000 square feet.

Map 7-2
Supportable Square Footage within Submarkets



G. IMPLICATIONS

The national economic downturn has had a negative impact on the retail market. Retailers throughout the local, regional and national marketplace are strategizing a new approach to serving consumers. Many of these efforts include store closures and reductions in product lines/store sizes. The Roswell market also has been impacted by growing regional competition, particularly from Alpharetta. The development of North Point Mall created a measurable shift in consumption habits within the region. The result of these events has been the creation of surplus retail supply within Roswell. Finally, the decline in residential development (and the limited vacant land to accommodate new residential development) will block Roswell's ability to "grow its way out" of the surplus retail supply. Simply put, Roswell needs to reduce the volume of retail space in order to return to market equilibrium.

As mentioned in other parts of this document, the most logical solution is to promote the redevelopment of obsolete and underperforming shopping centers into mid-rise residential or mixed-use developments with a smaller retail footprint. The Roswell Town Center and King's Market developments are prime candidates for a redevelopment strategy, as they both have good transportation access and are large enough to become catalysts to spur additional reinvestment within Roswell. By encouraging redevelopment of older, underutilized shopping centers, Roswell can improve the overall health of its retail market in three ways. First, the increase in housing translates into new consumer demand available to bolster the City's retail base and potentially attract new retailers. Second, mixed-use development offers market opportunities not found in traditional suburban development (i.e. better walkability) that could draw retailers not interested in use-separated development. Finally, the net reduction in retail space will improve the financial health of the remaining shopping centers by creating more competition for space. In each case, the strategy provides for a more sustainable long-term solution to correcting an existing market challenge.

8 CLUSTER DEVELOPMENT AND TARGET MARKET ASSESMENT

A. INTRODUCTION

The identification of existing and potential industry clusters is a critical element of an Economic Development Strategy. Industry "clusters" are strategic groupings of businesses and industries that locate within close proximity of each other, or near a strategic resource, to gain economic benefits. One of the strongest industry clusters in the Atlanta region is transportation and logistics. The Hartsfield-Jackson Atlanta International Airport, Delta Airlines headquarters, the Logistics Institute at Georgia Tech, and Atlanta's central location in the southeastern United States all contribute to making transportation and logistics a dominant cluster. This cluster of businesses attracts job seekers interested in the field, increasing the labor pool and thereby providing a wide range of skill sets and abilities.

In order to identify the industry clusters for the City of Roswell, the consultant first identified the strengths and weaknesses of the region, the business climate, and quality of life factors. Using a screening process (described in detail later in this chapter), the consultant then identified particular industry groups that either already exist or would benefit from the competitive advantages of Roswell and the greater Fulton County region.

The result of these efforts is a list containing specific industry segments that are compatible with the resource offerings of Roswell. This list is intended to be used to focus a comprehensive recruitment effort by the City's Economic Development Division and/or the newly created Roswell Business Alliance. However, it is important to note that this target industry list is not intended to preclude any industries from being recruited or welcomed into the City. Rather, this list exemplifies those industries that may have the greatest interest in Roswell based on local and regional competitive advantages.

It should be noted that this analysis maintains a regional focus as well as a local focus. The economy of a single community does not operate in a vacuum. Growth trends and amenities in surrounding counties have an impact on Roswell as much as the trends and amenities within Roswell itself. For the purposes of this analysis, the consultant utilized several data sources that provide information about the business climate in and around the City of Roswell. These data sources compile the information at different geographic scales and each section of this analysis details the geography being reported.

This chapter includes: (1) a review of the City of Roswell and the broader region business climate and site location strengths and weaknesses; (2) a summary of the region's quality of life factors; (3) a description of the screening criteria used to identify target industry groups; and (4) a description of the industry groups selected.

B. BUSINESS CLIMATE FACTORS

To assess the business climate factors that impact the City of Roswell and Georgia, the consultant collected State rankings from the Corporation for Enterprise Development (CFED) in Washington, DC. CFED is a non-profit organization that promotes economic vitality through increased economic competitiveness. It also gathers economic, financial and other relevant data on all fifty states and the District of Columbia. The CFED issues an annual *Development Report Card for the States*, which ranks each state in 92 categories, of which 58 categories are included here. These categories fall under the sub-headings of: (1) Financial Assets and Income, (2) Business and Jobs, (3) Housing and Homeownership, (4) Healthcare, (5) Education, and (6) Other.

While rankings are, by nature, subjective and do not provide the complete picture of the business climate in Georgia and the local region, they are useful in measuring the State's performance relative to other states. This comparison provides a practical and adequate method for comparing the relative performance of Georgia in a number of important areas.

The CFED data shown in Table 8-1 was sorted by the State's ranking among all fifty states and District of Columbia (second column). The ranking system goes from 1 (the best in a particular category) to 51 (the worst in a particular category). CFED also compares Georgia with the states of Florida, Tennessee, Texas and Virginia. These states have been included in this analysis to provide a sense of how Georgia compares to states that can be considered competitors, in terms of economic development recruitment due to geographic and amenity similarities. In addition "grades" are given on a curve: ten states get A's, ten states get B's, sixteen get C's, ten get D's and five get F's."[1] The following narrative summarizes the findings in the 2009-2010 CFED scorecard for Georgia.

1. Financial and Assets Income

Financial Assets and Income are not Georgia's strongest overall attribute. Georgia received a D grade in this category. While the State performs well in-terms of net worth and asset poverty by race and gender, it ranked in the bottom half of states given Georgia's overall low net worth, high asset and income poverty rates, high proportion of households who do not have bank accounts, a high personal bankruptcy rate, and large median credit card debt. A household is considered 'asset poor' if it "has insufficient net worth to support itself at the federal poverty level for three months in the absence of income."[2] This means that a low net worth and a high asset poverty rate are nearly universal across race and gender lines. Most of the potential remedies to improving net worth and asset poverty include policy changes at the State level such as the enforcement on regulation of the mortgage market and a state-level earned income tax credit.

2. Business and Jobs

Georgia performs much better in the business and jobs category with an overall B grade. The state has a strong small business environment with a small business ownership rate of 18.3%. Georgia also has a high business creation rate that is far greater than in competitive state like North Carolina, Tennessee, Texas and Virginia. Where Georgia is falling behind the U.S., however, is in employment growth. That being said, Georgia's employment growth rate is on par with many competitive states with the exception of Texas. Overall, Roswell is fortunate because it is located in a state with a high rate of business creation and a strong small business ownership growth rate. The Business Development and Workforce Chapter (Chapter 5) examines how Roswell currently supports local small businesses and the Implementation Chapter (Chapter 9) outlines ways to promote and support small businesses in Roswell.

3. Housing and Homeownership

Georgia ranks poorly in the housing and homeownership metrics. Georgia has a relatively low homeownership rate (65.8%), a high foreclosure rate (2.3%), and severe mortgage debt as a percentage of home value (100.6% of home value). This means that, on average, Georgia homeowners own more than their homes are worth. Roswell is not immune to foreclosures and falling prices. As discussed in detail in Chapter 3, about 26.0% of the homes sold in Roswell are distressed properties and the sale prices continue to drop, causing some owners to receive less than the value of their home upon sale.

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[1] 2009-2010 Asset and Opportunity Scorecard, Corporation for Enterprise Development http://scorecard2009.cfed.org /downloads/pdfs/profiles/georgia.pdf. Accessed January 25, 2012.
[2] *Ibid*.

Table 8-1
2009-2010 Assets and Opportunities Report
Corporation for Enterprise Development (Page 1 of 2)

Category	Georgia	Georgia Data [1]	Florida	Tennessee	Texas	Virginia
FINANCIAL ASSETS AND INCOME	**D**		**B**	**C**	**C**	**B**
Net Worth	30	$66,700	14	36	48	6
Net Worth by Race	3	3.8	4	10	9	6
Net Worth by Income	2	7.7	3	11	9	6
Net Worth by Gender	15	1.4	14	23	24	34
Asset Poverty Rate	35	24.2%	17	32	37	1
Asset Poverty by Race	5	1.8	22	13	8	32
Asset Poverty by Gender	10	1.3	27	11	12	37
Extreme Asset Poverty Rate	34	15.3%	12	37	29	3
Income Poverty Rate	37	13.3%	23	43	41	11
Unbanked Households	47	48.4%	30	44	41	19
Bankruptcy Rate (per 1,000 people)	50	5.1	21	51	12	32
Median Credit Card Debt	43	$3,252	44	18	19	45
Median Installment Debt	33	$15,303	32	6	46	37
BUSINESSES AND JOBS	**B**		**C**	**C**	**C**	**B**
Small Business Ownership Rate	15	18.3%	3	19	14	45
Private Loans to Small Business	9	$2,342	13	20	31	33
Microenterprise Ownership Rate	15	17.2%	2	16	11	45
Women's Business Ownership Rate	19	4.5%	7	39	26	30
Minority Business Ownership Rate	17	4.3%	4	29	11	14
Women Owned Business Value	11	$153,057	27	15	26	24
Minority Owned Business Value	40	$131,516	36	39	34	25
Employee Ownership (per 1,000 firms)	43	0.9	50	30	24	7
Business Creation Rate (per 1,000 workers)	8	13.3	6	50	41	26
Employment Growth	39	-0.7%	38	40	5	19
Annual Unemployment Rate	36	6.2%	36	39	20	9
Low-Wage Jobs	40	2.9%	31	35	41	19
Average Annual Pay	5	$45,145	38	10	2	9
Retirement Plan Participation	35	47.1%	51	35	48	15
Employers Offering Health Insurance	36	49.9%	33	22	40	9
HOUSING AND HOMEOWNERSHIP	**D**		**D**	**B**	**C**	**B**
Homeownership Rate	31	65.8%	32	26	44	24
Homeownership by Race	20	1.5	11	26	7	13
Homeownership by Income	27	2.7	5	16	28	24
Homeownership by Gender	34	1.2	6	39	30	29
Foreclosure Rate	36	2.3%	51	17	10	13
High-Cost Mortgage Loans	37	18.5%	47	45	42	21
Mortgage Debt as % of Home Value	49	100.6%	41	27	48	26
Affordability of Homes	24	3.3	39	12	5	33
Housing Cost Burden: Homeowners	27	34.6%	49	18	19	31
Housing Cost Burden: Renters	31	44.8%	51	16	29	25
HEALTHCARE	**F**		**F**	**C**	**D**	**D**
Uninsured Rate	39	19.3%	49	29	51	27
Uninsured by Race	36	2.3	21	5	38	28
Uninsured by Income	34	3.9	13	11	12	42
Uninsured by Gender	30	1.2	27	49	5	33
Uninsured Low-Income Children	41	20.0%	51	12	50	36
Uninsured Low-Income Parents	44	42.9%	48	16	51	32
Employees Insured by Employer	32	60.5%	42	40	49	15
Employee Share of Premium	35	27.0%	51	41	26	49
Out-of-Pocket Medical Expenses	24	21.7%	23	9	13	29

Table 8-1
2009-2010 Assets and Opportunities Report
Corporation for Enterprise Development (Page 2 of 2)

Category	Georgia	Georgia Data [1]	North Carolina	Florida	Tennessee	Texas	Virginia
EDUCATION	**C**		**D**	**C**	**D**	**D**	**B**
Head Start Coverage	50	13.7%	48	41	30	49	46
Math Proficiency: 8th Grade	39	24.7%	24	36	42	22	11
Reading Proficiency: 8th Grade	38	25.6%	32	31	39	34	18
High School Degree	38	86.1%	37	33	41	51	29
Two-Year College Degree	37	56.1%	33	34	46	40	14
Four-Year College Degree	22	29.3%	28	29	44	35	7
Four-Year Degree by Race	25	1.5	33	14	16	45	23
Four-Year Degree by Income	41	6.2	43	18	46	42	37
Four-Year Degree by Gender	26	1.0	40	1	36	4	8
Average College Graduate Debt	6	$16,628	7	30	25	15	14
College Graduates with Debt	8	49.2%	22	10	4	18	21
OTHERS							
State Minimum Wage	N/A	$5.15/Hr Not indexed to Inflation	$7.25/Hr; Not indexed to Inflation	7.25/Hr; Indexed to Inflation	N/A	$7.25/Hr; Not indexed to inflation	$7.25/Hr; Not indexed to inflation

Source: Corporation for Enterprise Development and RKG Associates, Inc., 2011.
Notes:
[1] The ratios in this column measure the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

4. Healthcare

Health insurance impacts economic development in that the uninsured may not seek essential medical attention and miss more work than their insured counterparts. In addition, the uninsured may incur high medical costs that inhibit their ability to cover other necessary expenses. Georgia, like the U.S. as a whole, has approximately 61.0% of employees insured by their employers. Where Georgia continues to score below average, however, is the percentage of uninsured, especially among low-income parents and children. Healthcare is a larger state-level issue of which Roswell has little control.

5. Education

The Georgia rankings related to education show that Georgia lends a lot of support to higher education. The Georgia population is highly educated, with 29.3% of the population holding four-year degrees. In addition, graduates finish school with minimal debt. Roswell benefits from being in a state with a high number of well-educated people and Roswell has successfully attracted a disproportionately high number of college graduates to live in the City.

6. State Minimum Wage

RKG Associates chose to include another data point collected by CFED, the state minimum wage. The minimum wage in Georgia ($5.15 per hour) is low compared to the federal minimum wage ($7.25 per hour). Meanwhile, the competing state's minimum wages align with the federal minimum wage, with the exception of Tennessee, which has no state minimum wage law. The low minimum wage in Georgia is one reason for the low net worth and high asset poverty rate in Georgia.

7. Implication

As is the case with many cities in Georgia, Roswell possesses certain advantages and disadvantages related to economic development. Roswell is at an advantage because Georgia cultivates a strong small business environment and high average annual pay. On the contrary, the Georgia economy may continue to be brought down by a high foreclosure rate and slow employment growth.

C. TOP SITE SELECTION FACTORS

The consultant obtained site selection data from the 25th annual survey of site selection decision makers published by *Area Development Magazine*, a site and facilities planning publication. The information in Table 8-2 shows a score-based ranking of the top site selection factors for the years 2007 through 2010 as identified by a sampling of America's corporate executives. Although not specific to any one area, the results of this effort indicate those factors that are most important when a company is considering relocation/expansion. This analysis helps to identify those attributes of Roswell to highlight, in terms of marketing efforts, as well as identification of attributes that may need to be improved.

The results of the survey indicate that highway accessibility and labor costs continually rank at the top of the list. Both of these factors are related to long-term operations costs. Other factors that could significantly impact long-term operation costs include the corporate tax rate (6th), inbound/outbound shipping costs (8th) and energy availability and costs (9th). Meanwhile, tax exemptions (3rd), occupancy or construction costs (4th) and state and local incentives (5th) are more closely tied to initial start-up costs. While they remain relatively important, they are less significant than long-term operations costs.

Roswell can market several of the top site selection factors. Georgia has a relatively low corporate tax rate (6.0%). In addition, Georgia businesses are subject to a "Single Factor Gross Receipts" formula, which means only the gross receipts or sales, as opposed to a company's in-state property and payroll, are subject to the corporate tax. Roswell also benefits from a large pool of skilled labor and is accessible to the highway, particularly portions of the City that border the Georgia-400 Corridor.

Roswell, however, does not compete well in terms of state and local incentives, although that is starting to change with the recent Opportunity Zone designation. Businesses within an Opportunity Zone can receive the State's maximum state job tax credit of $3,500 per job. The incentive, which is available for new or existing businesses which create two or more jobs, are credits which can be taken against the business's income tax liability and state payroll withholding.

Roswell also cannot offer certain tax exceptions or credits because in Georgia these incentives are geared towards less prosperous Tier 1 and Tier 2 counties. Fulton County, a Tier 3 county, therefore has limited tax credits to offer. Roswell needs to improve upon its weaknesses by offering local incentives and taking advantage of other available state level incentives. Furthermore, the City does not have a large available supply of buildings in a range of sizes. It will be important to make land available for additional commercial development to help encourage growth.

Table 8-2
Top Site Selection and Quality of Life Criteria
Area Development Magazine

Rank	Criterion	2007	2008	2009	2010
SITE SELECTION FACTORS					
1	Highway Accessibility	96.9	95.4	92.9	97.3
2	Labor Costs	92.3	91.4	96.7	91.0
3	Tax Exemptions	82.8	88.6	88.4	90.9
4	Occupancy or Construction Costs	88.2	90.4	86.7	89.8
5	State and Local Incentives	83.4	87.2	84.9	89.3
6	Corporate Tax Rate	83.8	85.3	87.0	86.3
7	Availability of Skilled Labor	88.7	87.7	86.9	85.9
8	Inbound/Outbound Shipping Costs	N/A	N/A	81.7	84.0
9	Energy Availability and Costs	89.0	87.9	88.0	82.1
10	Availability of Buildings	79.3	80.8	75.7	81.0
11	Low Union Profile	80.6	82.7	75.8	75.4
12	Environmental Regulations	83.2	76.1	71.2	74.8
13	Availability of Land	85.4	82.0	75.7	73.4
14	Availability of Advanced ICT Services	82.2	55.5	83.2	72.9
15	Expedited or "Fast-Tracked" Permitting	71.5	72.5	72.2	68.2
16	Right-To-Work-State	72.1	76.6	74.0	67.9
17	Proximity to Major Markets	82.8	78.7	73.3	66.4
18	Proximity to Suppliers	71.8	69.2	63.9	63.6
19	Raw Material Availability	62.5	56.8	57.0	61.5
20	Availability of Long-Term Financing	63.0	64.2	65.4	58.5
21	Training Programs	56.6	62.3	61.7	56.7
22	Accessibility of Major Airport	54.4	53.3	49.0	50.0
23	Availability of Unskilled Labor	65.2	62.9	55.5	45.4
24	Proximity of Technical University	32.7	38.4	36.7	36.1
25	Railroad Service	38.1	27.2	27.4	36.0
26	Waterways or Oceanport Accessibility	15.2	15.7	17.7	21.9
QUALITY-OF-LIFE-FACTORS					
1	Low Crime Rate	74.0	78.2	79.0	86.4
2	Healthcare Facilities	57.4	77.6	68.4	72.2
3	Housing Costs	58.8	67.1	61.5	68.4
4	Housing Availability	62.1	66.2	62.4	66.4
5	Ratings of Public Schools	62.6	65.7	61.4	61.2
6	Climate	51.6	56	55.0	56.3
7	Colleges and Universities in Area	47.3	55.3	50.7	53.2
8	Cultural Opportunities	48.7	46.4	46.0	48.7
9	Recreational Opportunities	43.4	48.6	52.7	48.2

Source: Area Development Magazine, 2007-2010 and RKG Associates, 2011

D. QUALITY OF LIFE FACTORS

The quality of life analysis examines the qualitative aspects of economic development. When performing a target industry analysis, it is important to understand the criteria that companies look for when deciding where to locate. This analysis focuses on the top five quality of life factors reported in the annual survey of site selection decision makers by *Area Development Magazine* (Table 8-2).

1. Crime

A low crime rate was ranked as the top quality of life criteria. In fact, Roswell has a relatively low crime rate. The crimes per 1,000 people in the Atlanta-Sandy-Springs-Marietta MSA in 2010 were 38.8 per 1,000 people, compared to 22.1 in Roswell (Table 8-3). Both violent crimes and property crimes per 1,000 are lower in Roswell than in the MSA. This is to be expected given the MSA contains urban areas, like the City of Atlanta, that tend to have higher crime rates than suburban areas. Furthermore, the crimes per 1,000 people in nearby Sandy Springs tended to be particularly high (34.4) as compared to Roswell (22.1). The low crime rate in Roswell is a very positive attribute that would encourage businesses to locate to the City.

Table 8-3
Crime Rate Comparison
2006 to 2010

	City of Roswell				
	2006	**2007**	**2008**	**2009**	**2010**
VIOLENT CRIME					
Homicide	0	2	2	5	0
Forcible rape	12	18	16	17	22
Robbery	92	108	106	76	69
Aggravated assault	74	70	63	75	51
Total	**178**	**198**	**187**	**173**	**142**
PROPERTY CRIME					
Burglary					
Commercial	135	185	212	236	141
Residential	314	326	330	375	306
Larceny-theft					
Entering Autos	516	602	733	714	450
Other Larcenies	1,128	1076	1,120	975	971
Motor Vehicle Theft	224	210	169	131	111
Arson	10	1	5	4	7
Total	**2,327**	**2,400**	**2,569**	**2,435**	**1,986**
CRIME INDEX RATE					
Crimes per 1,000 people	29.5	29.6	31.6	29.8	22.1

Sources: Roswell Police Department, and RKG Associates Inc., 2011

2. Healthcare Facilities

Roswell businesses and residents have access to high quality healthcare, the second most important quality of life factor included in the survey. Locally, the City is served by North Fulton Hospital. Larger hospitals in Metro Atlanta region, like Emory University Hospital and Piedmont Hospital, are easily accessible for patients with serious illnesses. The fact that healthcare is readily available would be considered a positive attribute for companies looking to locate in Roswell.

3. Housing Costs

Housing costs are another important site selection factor that companies consider. The cost of rental housing in Roswell is very affordable, as the average unit rental rate ($802) is affordable to households with an annual income of $32,080 (assuming a household spends 30% of their income on housing). However, a significant portion of the ownership housing is too expensive for many households. Even after a five-year decrease in the Roswell average sale price, the 2011 average sale price was still relatively high ($315,600).

In order to analyze home ownership costs, the consultant analyzed the affordability of homes ranging from $300,000 to $350,000 in value. These calculations assume that the house is located in Roswell and the property tax millage is as follows: City of Roswell 5.455, Fulton County 10.307, State of Georgia 0.025, and Fulton County Schools 18.5 per $1,000 of assessed value. The results show a household would need an annual income between approximately $50,000 and $68,000 to buy a $325,000 home, depending on the level of the down payment (Table 8-4).

The analysis indicates the supply of ownership housing is limited for households earning below the regional median income. Based on current lending practices, a FHA buyer would need to have a household income at or above the regional median. This precludes more than 50% of the potential ownership market from finding suitable housing in the City. This situation only is advantageous in a select few industries where the majority of employees earn above average incomes. For most industries, the lack of affordable housing could be a deterrent to business recruitment, particularly if the level of congestion along North Fulton roads and the cost of gasoline continue to rise.

Table 8-4
Affordability Thresholds
FHA and Conventional Homebuyers

FHA HOMEBUYER			
Threshold Home Value	**$300,000**	**$325,000**	**$350,000**
Downpayment	3.5%	3.5%	3.5%
Mortgage Total (%)	96.5%	96.5%	96.5%
Current Interest Rates	3.92%	3.92%	3.92%
Annual Mortgage Cost	$16,372	$17,736	$19,101
Real Estate Taxes	$1,927	$2,087	$2,247
Insurance Cost	$563	$609	$656
Total Annual Cost	$18,862	$20,433	$22,004
Required Gross Income	**$62,900**	**$68,100**	**$73,300**
CONVENTIONAL HOMEBUYER			
Threshold Home Value	**$300,000**	**$325,000**	**$350,000**
Downpayment	20.0%	20.0%	20.0%
Mortgage Total (%)	80.0%	80.0%	80.0%
Current Interest Rates	3.92%	3.92%	3.92%
Annual Mortgage Cost	$13,573	$14,704	$15,835
Real Estate Taxes	$1,927	$2,087	$2,247
Insurance Cost	$563	$609	$656
Total Annual Cost	$16,063	$17,400	$18,738
Required Gross Income	**$45,900**	**$49,700**	**$53,500**

Source: City of Roswell, Bankrate.com, State Farm Insurance, Bank of America and RKG Associates, Inc., 2011

4. Housing Availability

The availability of housing in Roswell is limited due to the low vacancy rate, especially in multifamily rental housing. The vacancy rate for multifamily rental units in the Roswell/Alpharetta market was 5.3% in the fourth quarter, down 0.9% from the previous year. The 2010 Census reports that the average vacancy rate across all housing types in Roswell was 7.2%, compared to 11.9% for the Metro Atlanta region. This means that new households moving to Roswell may have a more difficult time finding a place to live. While the cost of rental housing in Roswell is affordable to many households, the limited supply of rental housing units could detract businesses with some low-and moderate-income workers from locating to the City.

5. Ratings of Public Schools

Each year the Governor's Office of Student Achievement in Georgia issues a report card on each of the schools. The report card contains a performance index that places each student into one of three categories: (1) Does Not Meet Standards (2) Meets Standards and (3) Exceeds Standards. The scoring is based upon each student's performance on a variety of standardized tests in varying subjects (Table 8-5). The types of tests taken vary by grade level.[3]

The highest percentage ranking is given to Platinum schools, which is a school that "must have made Adequate Yearly Progress (AYP) for three consecutive years and have a minimum of 35.0% Exceeding Standards and at least 98.4% of Students Meeting and Exceeding Standards." In Roswell, none of the schools met this standard. However, it should be noted Mountain Park Elementary met the second highest "Gold" standard. The Gold standard requirements assert that a school "must have made AYP for two consecutive years and have a minimum of 30.0% Exceeding Standards and at least 97.0% of Students Meeting and Exceeding Standards."

None of the Roswell schools have a "Needs Improvement" status. In comparison, approximately 14.0% of the schools in the state of Georgia fall in the "Needs Improvement" category. Additionally, Esther Jackson and Mimosa, Roswell's lowest performing schools, have improved since 2006. Overall, Roswell schools are meeting state level expectations. All the Roswell schools are exceeding the states standards and the lower

[3] Criteria were developed comparing the most recent two years of Criterion Referenced Competency Test (CRCT) (grades 1-8 in reading, English/language arts, math, social studies, and science) and/or the Georgia High School Graduation Test (grade 11 first Year (FAY) students.

performing schools are continually showing improvement. The high quality of schools in Roswell is a very positive quality of life factor that would help attract companies into the City.

Table 8-5
Educational Quality
2006 to 2010

	2006			2007			2008			2009			2010		
	Meeting Standards	Exceeding Standards	Combined	Meeting Standards	Exceeding Standards	Combined	Meeting Standards	Exceeding Standards	Combined	Meeting Standards	Exceeding Standards	Combined	Meeting Standards	Exceeding Standards	Combined
ELEMENTARY															
Hembree Springs	48.88%	43.35%	92.23%	47.73%	43.25%	90.98%	41.53%	50.00%	91.53%	40.53%	53.32%	93.85%	38.51%	54.84%	93.35%
Hillside	52.09%	39.75%	91.84%	49.29%	42.90%	92.19%	50.26%	39.74%	90.00%	43.57%	44.18%	87.75%	44.60%	42.70%	87.30%
Esther Jackson	55.15%	28.87%	84.02%	53.71%	24.40%	78.11%	55.04%	27.75%	82.79%	53.74%	27.70%	81.44%	54.16%	32.70%	86.86%
Mimosa	59.01%	15.14%	74.15%	59.76%	15.74%	75.50%	63.91%	17.27%	81.18%	63.67%	17.08%	80.75%	62.06%	19.28%	81.34%
Mountain Park	39.89%	58.04%	97.93%	37.47%	60.52%	97.99%	34.42%	63.24%	97.66%	37.29%	60.10%	97.39%	36.39%	61.71%	98.10%
Northwood	49.77%	44.71%	94.48%	41.50%	50.94%	92.44%	41.95%	54.48%	96.43%	43.50%	50.86%	94.36%	37.72%	57.06%	94.78%
River Eves	53.35%	37.13%	90.48%	46.60%	42.28%	88.88%	47.52%	46.63%	94.15%	44.75%	49.23%	93.98%	48.03%	46.76%	94.79%
Roswell North	50.87%	40.55%	91.42%	47.17%	43.50%	90.67%	49.35%	41.13%	90.48%	49.10%	41.67%	90.77%	45.23%	47.44%	92.67%
Sweet Apple	48.32%	48.53%	96.85%	45.97%	49.78%	95.75%	41.40%	53.93%	95.33%	41.62%	53.53%	95.15%	37.87%	57.27%	95.14%
MIDDLE SCHOOL															
Crabapple	50.51%	42.41%	92.92%	48.42%	42.91%	91.33%	53.80%	38.70%	92.50%	45.47%	48.35%	93.82%	42.81%	52.36%	95.17%
Elkins Pointe	55.43%	32.29%	87.72%	54.19%	30.64%	84.83%	55.94%	29.42%	85.36%	53.92%	34.47%	88.39%	48.56%	37.91%	86.47%
HIGH SCHOOL															
Centennial	24.25%	68.64%	92.89%	31.02%	63.00%	94.02%	25.05%	71.25%	96.30%	29.16%	66.49%	95.65%	27.67%	65.15%	92.82%
Roswell	23.35%	73.56%	96.91%	27.09%	66.94%	94.03%	20.96%	74.79%	95.75%	22.01%	74.95%	96.96%	22.24%	71.49%	93.73%

Source: Georgia Department of Education and RKG Associates Inc., 2011

E. COMPETITIVE ASSETS AND CONSTRAINTS

The City Council, the City's Community Development Department, the Strategic Economic Development Plan Advisory Committee, key stakeholders and the Consultant worked together to identify the strengths and weaknesses of the City of Roswell. Based on this effort, the RKG Team categorized these findings into six distinct categories; [1] economy, [2] workforce and education; [3] transportation and infrastructure; [4] policy and regulation; [5] marketing and coordination; and [6] housing. The following narrative highlights the most significant strengths and weaknesses identified through scheduled project coordination meetings, discussions with community stakeholder groups, and interviews with potential implementation partners. Adjustment and additions were made by the RKG Associates Team based on the market findings reported in the previous chapters.

1. Economy

a.) Strengths

Regional Market Activity – North Fulton County consistently has been a driving economic engine for Metropolitan Atlanta and the entire State of Georgia. When Gwinnett and Cobb Counties are considered, few large-scale markets have performed as well or better than this area. The City of Roswell is seated at the center of this regional activity. This is evident in the success Roswell has had to this point despite having no economic development plan. It is the continued growth and success of surrounding jurisdictions that has created the need for a coordinated strategy.

Strong Consumer Base – Roswell's market fundamentals are (and have been) very strong within the local and regional market. From a purely economic perspective, Roswell is an extremely desirable location to operate most businesses. The real estate market analysis revealed that Roswell and North Fulton County are at the forefront of growth and prosperity in Metro Atlanta. While Alpharetta may have established itself as the premier retail market in North Fulton, opportunities still remain for Roswell to reestablish a healthy retail market equilibrium.

Catalyst Development Sites – Although there are a limited number of developable sites left in Roswell (an identified weakness), there are a few that can be truly transformative for the City Most notably, there are some large (20+ acre) sites in Roswell at both the Holcomb Bridge Road and Mansell Road intersections along Georgia 400. Furthermore, the market analysis has identified potential redevelopment sites further from 400 that could have equally catalytic effects on reinvestment and revitalization of Roswell's commercial core.

Untapped Markets **–** The growth of ethnic communities in Roswell present a unique economic opportunity for the City. Given these communities are firmly established within the City, there is a potential to attract and sustain businesses that cater to these communities. Supporting businesses to best serve this City resident population is an immediate opportunity to fill the abundant retail vacancy in Roswell. Nurturing entrepreneurial growth likely will have sustainable, long-term benefits to the City. Other unique market opportunities that have not been fully pursued include the Canton Street/Founder's Square downtown market.

b.) Weaknesses

Market Competitiveness **–** The strength of the regional market is both a benefit and a threat. Simply put, each of North Fulton County's five other cities are vying for the same businesses and opportunities as Roswell. While the RKG Team does not recommend Roswell take an adversarial approach to economic development, it must take a cooperative and proactive approach. The rise of Alpharetta as the region's retail destination is a good example of the impacts of Roswell not being strategic in economic development. Some or all of that development could have been captured in Roswell with a more active marketing and recruitment effort.

Limited Developable Land **–** As mentioned, the City has a limited supply of undeveloped land remaining for future growth. Even as these remaining parcels are marketed and developed, the City will need to focus on reinvestment and revitalization. Redevelopment requires a substantially different regulatory and market-based approach that more traditional "greenfield" development.

2. Workforce and Education

a.) Strengths

Educated Labor Force **–** The Roswell labor force has a large concentration of highly educated participants. While this factor alone does not make Roswell a primary location for prospective businesses, it does indicate the labor force has the capacity to learn and adapt to new skill requirements. This is particularly true for companies that demand high-skilled labor (i.e. research firms and corporate headquarters). The existing business survey performed as part of his analysis corroborates this finding, as local businesses had the highest satisfaction finding highly skilled workers.

Access to Education/Training Partners **–** While Roswell is not a center for formal training and workforce development providers per se, the City has access to a wide variety of potential workforce development partners. Local opportunities range from internationally renowned universities (i.e. the University of Georgia, the Georgia Institute of Technology and Emory University) to regional training providers and specialized workforce development organizations. This level of diversity offers the City an opportunity to create customized programs for virtually any employment need.

b.) Weaknesses

Limited supply of low-skilled workers **–** While the City and North Fulton County have ample high-skilled labor, there is an apparent shortage of low-skilled and semi-skilled labor. Local businesses that responded to the survey expressed concerns about the availability of low-skilled labor and the quality of those laborers that were available. If the City seeks to diversify its employment base and take advantage of the abundant vacant commercial space, it will need a diversified employment base to attract various business types.

Disconnect Between Employers and Labor Force – Among the concerns expressed in the business survey was the lack of connection between the employment needs of the Roswell business community and the programs/classes being offered locally. Without a central entity leading the workforce development efforts in the City, offerings are not tailored to local needs. Rather, they are reactions to industry trends and regional/state initiatives. The preservation and growth of existing business citizens will require a centralized, strategic approach that calibrates local offerings based on input from all existing and potential corporate citizens.

No Strategy or Implementation – Similar to the previous issue, the City currently lacks an implementation strategy to gather the information necessary to identify the workforce development needs, to determine the scale and approach to address those needs, and the resources to coordinate provision of the development programs among the various workforce and training providers. In short, there is no entity guiding workforce development in the City. This has resulted in an inconsistent and inefficient delivery system for new and existing Roswell businesses.

3. Transportation and Infrastructure

a.) <u>Strengths</u>
Centrally Located in North Fulton County – As mentioned, Roswell is centrally located in the northern portion of the Metropolitan Atlanta area. The City is connected to both Cobb and Gwinnett Counties and has direct links to the economic, cultural, civic, and governmental assets in the region. Traffic analyses performed by and for the City indicate that Holcomb Bridge Road is a regional connector to Georgia 400 and downtown Atlanta. The continued suburbanization of the Atlanta region has transitioned Roswell from a suburban bedroom community to the verge of an edge city. Growth patterns throughout North Fulton County reveal the competitive advantage of the City's location.

Georgia 400 – The direct access to Georgia 400 is the single-most important transportation and infrastructure asset for the City of Roswell. The connections at Holcomb Bridge Road and Mansell Road are driving the development (and redevelopment) potential for Roswell. Without these connections, the economic conditions in Roswell would be substantially more difficult to improve.

Potential Access to MARTA – As North Fulton County continues to mature in terms of regional real estate development patterns, the importance of access to mass transit will become as important as Georgia 400 historically has been. Roswell has a unique opportunity to capitalize on the economic growth potential of a new MARTA station at the intersection of Holcomb Bridge Road and Georgia 400. Planning for the future development of a MARTA station in the City substantially alters the market potential for that area. Given the existing difficulties of accommodating the traffic volumes in Roswell, it is easy to understand the importance of reducing automobile dependence both in and around Roswell.

b.) <u>Weaknesses</u>
Regional Road Network – The regional road network has imposed a competitive weakness for the City of Roswell. The lack of connectivity within the greater North Fulton/East Cobb/West Gwinnett market has placed uncharacteristically high traffic demand on traditionally secondary streets. Roads such as Holcomb Bridge were not designed to accommodate the traffic volumes placed on them due to the lack of connectivity between residential centers and employment centers. Interestingly the failure of Roswell roads, in terms of traffic volumes, is more heavily influenced by through traffic, or commuters moving from one area outside Roswell to another area outside Roswell, than by the traffic generated by Roswell residents. As a result, this problem likely will increase regardless of development that occurs within Roswell.

Potential Loss of Access to MARTA – As much as a potential MARTA station would benefit Roswell, not accommodating a MARTA station potentially will harm Roswell. In addition to the additional development potential related to a transit oriented development near a MARTA station, there is less opportunity to attract drivers from the roads onto MARTA if the station is not built in Roswell. This factor will become increasingly important as development continues to occur outside the City, and more through traffic is generated.

Infrastructure Capacity – It is well documented that the Metropolitan Atlanta area currently is addressing the needs and concerns of sufficient water supply. Given the regulatory and capital challenges to develop new capacity, more and more communities are struggling to find and maintain the resources necessary to accommodate the substantial growth of the northern Atlanta market. As Roswell continues to (re)develop, decisions will need to account for the impact each project likely will have on the City's infrastructure capacity.

4. Policy and Regulation

a.) <u>Strengths</u>

Engaged Elected Body – The Roswell City Council has engaged the SEDP process since the beginning and has expressed support for initiating more strategic economic development efforts. In fact, the City has implemented initial recommendations concurrent with the completion of this strategy. These actions are an important and necessary first step for the City to indicate it is willing to be an active, supportive partner in future economic development efforts.

Capable City Staff – While the current City staffing levels are insufficient to enact this strategy, those staff members in place are capable of implementing and managing an economic development business plan. The RKG Team has had first-hand interactions with the various City departments and their respective leaders. The existing professional capacity within the City can be leveraged through greater investment in staff and resources to achieve the level of success envisioned by the City Council and the Advisory Committee.

Fiscal Health – The City Council has successfully maintained a fiscally strong City government. Having the capacity to invest in economic development oftentimes is the leading cause for communities not to achieve success. Starting an economic development effort is capital intensive. This effort will require some initial investment to establish the necessary tools for the City to be an effective partner. The City is in position to make those investments without unnecessarily risking fiscal instability.

b.) <u>Weaknesses</u>

Perception – The RKG Team was told numerous times during this process that Roswell has a reputation as a difficult place to invest and do business. Whether this reputation is deserved is secondary to the adverse impacts this reputation is having on the economic growth of the City. Most notably, there is concern that Roswell's development process and policies are implemented in a manner that creates uncertainty for investors and business owners. To the extent reasonable and appropriate, the City needs to adopt policies and procedures that mitigate this uncertainty while protecting the City's interests.

Suburban Mindset – Until recently, there has been a prevailing sentiment that Roswell remains a suburban economy. Throughout this process, there have been discussions related to the market potential and development character possible within the City. It will be crucial for the leaders and decision makers to address these concepts, educating the community on the market realities influencing the real estate decisions in Roswell and the consequences of making decisions that contradict these realities. While the future of Roswell's economic health should be determined by the community, it is important that the community understand the impacts of their collective decision. Without overcoming these perceptions, the City will not be able to realize its full potential.

Difficulty in Making Strategic Decisions – The absence of having universal support for the City's comprehensive plan and the absence of a strategic economic development plan has had an impact on the way decisions are made regarding investment and economic development. The current City Council is taking the necessary strides to position itself and future councils to be better informed about the impacts of individual real estate and investment cases. However, greater trust needs to be placed on the City's professional staff to help determine the City's approach to economic development. While final decisions of major cases do, and should, rest with the City's elected body, the City staff is in place to provide the technical and strategic analysis that should inform the Council's decisions.

5. Marketing and Coordination

a.) Strengths

Accessible Partners and Stakeholders – Roswell has access to a number of governmental, non-profit and private organizations focused on economic development with the Metropolitan Atlanta region. These partners can provide both capital and professional support to the City in implementing the SEDP, further leveraging local resources. In addition, these entities can provide a greater perspective on local issues and decisions through their collective history and experience. Fostering these relationships will be substantially beneficial to the City's marketing and recruitment efforts.

Involved Business and Community Base – The SEDP Advisory Committee is made up of local business and community leaders that have taken a stake in seeing the City they live in, work in, and/or operate a business in be more successful in supporting and sustaining the local economic base. These individuals are a small sampling of those community members that are active in making Roswell a better place to live, work, and play. Bringing together representation of all perspectives will activate the City's economic development efforts while developing greater buy-in.

Desirable "Product" to Sell – As mentioned, Roswell and the greater North Fulton County market is a highly desirable place to invest and operate a business. The area has experienced substantial growth over the past 30 years. The relative slow-down in Roswell compared to other areas in North Fulton County is more a function of opportunities and regulatory constraints than it is a lack of market potential. Addressing the process and policy needs while increasing awareness of the market potential of the City most likely will increase investment interest and activity.

b.) Weaknesses

Undefined Roles and Expectations – As with any community beginning a new economic development initiative, Roswell will have to define the roles and responsibilities for implementation. Given there are existing entities involved in economic development, the City needs to work with these groups to ensure implementation is complementary, and not competitive. This is particularly true with regional partners such as the North Fulton Chamber of Commerce. The implementation strategy identifies an approach that achieves collaboration between entities. However, the ultimate approach needs to be determined by the business plan established by the implementation entity.

No Established Leadership – Inherent in undefined roles for the City and its partners is the undefined roles within the City to implement an economic development strategy. Right now, economic development is understaffed and underfunded. This is not surprising, given the previous position of the City about economic development. However, all leaders in the City will have to take a more direct approach to economic development. This ranges from the City Council in supporting, funding and enacting the regulatory changes to the department leaders in collecting data and implementing new policies and procedures. The most important change is the establishment of an implementation entity responsible for carrying out the plan and accountable for successes and failures.

Inconsistent Interaction with Community – Similar to the issues identified with internal and partner interaction, greater efforts need to be enacted to involve the Roswell community. Without regular and consistent outreach, resident stakeholders can become disenfranchised with the City's efforts. This disconnect allows for individuals to more easily misinterpret and/or be misinformed about general or specific City efforts related to economic development. This outreach effort benefits both the residents by being informed of (and educated about) City efforts, and the City by gaining first-hand insight from a wide variety of Roswell residents.

6. Housing

a.) Strengths

Quality of Life **–** Roswell has established and maintained a high quality of life compared to other areas and communities in the Metropolitan Atlanta area. This desirability as a place to live has continued to place positive pressure on the housing market. As a result, Roswell benefits from comparatively high housing values and low vacancy rates. The City's high quality of life will continue to create demand for new housing opportunities in Roswell.

Proximity to Regional Market **–** Roswell is comparatively close to most of the region's entertainment, shopping and employment centers. Georgia 400 is a direct connection from Roswell to Interstate 285 (and subsequently all areas of the Metropolitan Atlanta market) and downtown Atlanta. This level of connectivity makes Roswell a consideration for almost anyone seeking a home within the Atlanta area.

Stability of Neighborhoods **–** Roswell's neighborhoods, with very few exceptions, have remained relatively stable despite the impacts of the recent economic downtown. While Roswell is not immune to the impact of over-speculation by consumers and predatory lending practices, the individual neighborhoods within the City have maintained their appeal and character. Having communities that have endured for 30+ years as premier places to live is an attractive feature to prospective consumers.

b.) Weaknesses

Housing Choice **–** A substantial amount of Roswell's housing supply is single-family detached housing. While this finding is consistent with Roswell's historic role as a bedroom community, new market segments are entering the region and cannot be accommodated within the City. Most notably, existing residents of the City are starting to seek smaller, more easily maintained housing as their children grow and move out. It was reported to the RKG Team that these households oftentimes want to stay in the City, but downsize their homes. Another growing market segment is the young professional group that wants the convenience of living near their job, but do not want the requirements of home maintenance or ownership. Both groups provide an unmet opportunity to expand Roswell's consumer base and strengthen the local commercial market.

Affordability **–** Roswell's housing supply is comparatively expensive within the Metropolitan Atlanta market. While there are small numbers of comparatively affordable ownership and rental housing options, the supply is inadequate to meet the demand. This issue correlates with the lack of housing variety, as the housing types mentioned above oftentimes are more affordable than traditional single-family detached houses. Increasing the variety and cost of housing will have positive impact on the diversity of Roswell's labor force.

Active Nightlife **–** It was noted through the SEDP process that Roswell, and all of North Fulton County, are considered to be deficient in suitable active nightlife for adults. While Roswell offers substantial family-oriented recreation available to all, there is a sentiment that Roswell is not as competitive in providing the active nightlife activities attractive to young professionals. It was noted that increased variety of nighttime venues would enhance Roswell's competitiveness in attracting more residents, and therefore consumer base.

F. REGIONAL CLUSTER ANALYSIS

1. Overview

The regional cluster analysis process "casts a wide net" in regards to identifying potential target industries. Taking a more aggressive approach to identifying possible business targets for the City of Roswell provides greater flexibility for the implementation entity to determine the priorities for business recruitment. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal in light of historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

Furthermore, the target industry lists move beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By taking this approach, the implementation entity can apply a comprehensive approach to building upon existing industry clusters and developing new ones. This is particularly important when targeting businesses that already have a relationship with an existing regional industry and/or business. In these cases, the local business leaders can work as ambassadors for the community, opening the dialogue between the prospect and the City.

The following section discusses the rationale used to describe how the above findings were incorporated into the industry screening process. Based on the assets and constraints summarized earlier, the consultants initiated a review of primary and secondary source materials in order to identify a broad range of potential industries that appear to be either compatible with the City's location/labor assets or marginally affected by known constraints. This process has several purposes when undertaken as part of an economic development strategy including:

- Establishing a framework for matching the City's available "product" (land, utilities, intangibles, etc.) to potential markets;
- Identifying a receptive "audience" for a focused marketing campaign;
- Understanding the characteristics, size and long-term growth potential of compatible markets;
- Establishing priorities for the allocation of marketing resources; and
- Identifying prospect industries for further consideration.

2. Industry Screening

Industry cluster analyses involve examining the economic relationships among commercial and industrial sectors. From the cluster analysis, RKG Associates identified those industries that may enjoy a competitive advantage within the greater Atlanta region, but would also benefit from Roswell's strategic location. The underlying assumption of the cluster analysis is that companies concentrate in areas where they enjoy some competitive advantage. These advantages, whether related to location, natural resources, vendor relationships or other factors, allow companies to compete more successfully.

An industry cluster is a group of companies in industries that are related in one of three ways:

- *Buyers and Suppliers* – the most common relationship
- *Competitors* – producers of same or similar goods and service, usually firms in the same or similar industries
- *Shared Resources* – companies that rely on the same location- specific resources such as labor and raw materials

Industry cluster analysis provides a method for determining local competitive advantage – which in turn is crucial in attracting investment, be it through attracting firms or expanding existing firms. The industry cluster analysis will rely on a statistical cluster identification process designed to incorporate and assimilate local, state, and Federal economic data. The fundamental criteria analyzed in the process include:

- *Industry Growth* – Industries with positive growth over the past six years (2003-2009) and those that are most likely to grow both locally and statewide.
- *Industry Size* – Component industries of an industry cluster must have sufficient size in terms of total employment, number of establishments and total sales in order to justify their inclusion in the cluster.
- *Industry Concentration* – RKG Associates examined current concentrations of each industry in Fulton County. Low concentrations of employment and establishments suggest that a given industry may not be well suited for a given region.
- *Local Fit* – Local fit includes both quantitative analysis and considerable professional judgment, based on community characteristics, industry preferences, specific industry composition and location-based activity. Local infrastructure was analyzed including the presence of highways, utility costs, telecommunications service level, and the match of the region's labor force profile with industry needs. Special attention was paid to target industries already identified by Progress Partners and/or Georgia Power.
- *Other Criteria* – Includes skilled and professional workforce requirements by industry, tendency of given industries to concentrate in Fulton County, and job training resources.

Additional targeting of companies in these industry clusters will likely enhance the City's changes for success within the north Atlanta area. However, the industry targeting analysis was not restricted to only known industry clusters. A broad range of industry categories was analyzed from manufacturing, distribution and transportation, to high-end services. The result is a full range of options for the City to consider. Table 8-6 provides a synopsis of the recommended target industries for the City of Roswell.

a.) *Healthcare and Social Assistance*

Industry Size – The healthcare and social assistance market sector is an important component of the regional economic base. Healthcare-related jobs account for nearly 10% of all employment within Fulton County, totaling almost 70,000 as of 2009. Within Roswell, the healthcare services market sector accounts for more than 2,750 job, or 7.3% of the City's employment base. North Fulton Regional Hospital directly accounts for nearly 40% of this total employment within the City.

Industry Growth – Healthcare is one of the strongest industries in Roswell and Fulton County. Between 2006 and 2009, the healthcare and social service market sector was one of the few sectors that experienced a net growth in jobs for Roswell (145 jobs), Fulton County (3,690 jobs) and the 10-county Metropolitan Atlanta study area (10,661 jobs). The County and region also experienced a net increase in establishments; indicating healthcare is expanding, and not just consolidating. Growth within the industry sector has been especially strong in hospital employment both locally and regionally. Home health care and care for the elderly also has experienced substantial net and percentage growth.

Industry Concentration – The Metropolitan Atlanta market is a regional hub for healthcare services. Similar to the overarching economic role Atlanta plays within Georgia and the entire southeast, the healthcare industry is strong within this market due to the need for these services to cluster in population centers. Furthermore, the Metro Atlanta region boasts some of the best medical training and research facilities in the region. The combination of a large local population, the regional draw, and the quality support services will keep healthcare a top growth sector within the region. Given the recent announcement of the North Fulton Regional Hospital's office space expansion, it is logical to conclude that the Roswell market is a logical location for continued expansion of local- and regional-focused care provision.

Local Fit – Roswell is an ideal location for the expansion of healthcare-related industries. Roswell has a comparatively more mature population that is believed to have a strong desire to age in place. As this population continues to age into their senior years, the demand for medical services likely will increase. If the City enacts regulatory policies that allow higher-density housing, particularly age-restricted higher-density housing, the demand for both senior care (those households downsizing within the community) and family care (those households moving their families into the community) will continue to increase. The scale and availability of both the retail and office supply are conducive for expansion of services without the need for immediate development.

The City is a logical fit for continued growth of primary and specialty care operations, particularly for senior and elderly care. The growth at North Fulton Hospital is an excellent example of the faith the private sector has in the ability of the community to support additional medical services. However, opportunities such as medical research and development will require a substantial investment and strategic marketing and recruitment plan. The healthcare roundtable is an ideal place to begin the development of a marketing and recruitment strategy. Other initial steps should include detailed discussions with regional economic development partners (i.e. Georgia Power) that can help create a viable recruitment strategy as well as potential end users (i.e. Georgia Tech) who may provide the technical or financial resources to develop the initial facilities. The City also should network with the development community to identify any potential private sector investors as well.

Initial Opportunities –

- Hospital Services - Roswell is home to North Fulton Hospital, which provides a variety of specialized medical services. The recent announcement of the new 50,000 SF office building is a sign the hospital administration believes there is additional market for healthcare services. The implementation entity should work closely with the hospital to identify expansion opportunities or the development of additional service areas.

- Senior/Elderly Care – As Roswell residents continue to age in place, additional senior and elderly care opportunities will arise. Industries such as home health care and assisted senior living facilities can be fostered within Roswell. Additional research and analysis should be done by the implementation entity to identify potential market gaps and entrepreneurs/investors.

- Childcare – Childcare is a growing industry locally, regionally and nationally. As the cost of living continues to increase, the need for both parents to work will increase. Given the relatively high cost of housing in Roswell, the demand for childcare likely is high locally. In addition, the common preference for childcare is to have the facility located near the guardian's place of employment. As Roswell initiates this strategy and begins to attract jobs, the demand for childcare in Roswell will increase even without growth in households.

- Medical Research and Development – Given Roswell's entrepreneurial spirit and the concentration of highly-skilled and highly-educated residents, there are opportunities to attract medical-related research and development businesses. Roswell is well positioned to attract researchers and investment from both Emory University and the Georgia Institute of Technology. The Consultant Team recommends the City develop a formal business plan and recruitment strategy to market and attract local, regional and national research entities to the City, drawing on both the financial and labor base within the City.

b.) Technical, Research, Consulting, and Corporate Operations

Industry Size – Technical, research, consulting, and corporate operations include most business-to-business and retail consulting or technical advisory services. Industries such as legal services, engineering services, financial services, and computer services all are included in this market sector as well as corporate headquarter operations and business support services. Within the Metropolitan Atlanta region, professional and scientific services accounted for more than 14% of the total employment. These jobs accounted from more than 18% of Roswell's employment base and 28% of Fulton County as a whole. Kimberly-Clark accounts for a large portion of Roswell's employment base within this cluster.

Table 8-6
Priority Industry Targets, By Industry Cluster
Roswell, Georgia

NAICS	Industry	2009 County Employment	2003-2009 County Emp. Change	2003-2009 Metro Atlanta Emp. Change	2009 Annual Wage Rates	Local/ Regional Fit [1]
HEALTHCARE AND SOCIAL ASSISTANCE						
Healthcare Services						
6211	Offices of Physicians	11,855	7.3%	14.5%	$79,832	Strong
6212	Offices of Dentists	3,126	8.8%	18.6%	$49,534	Moderate
6213	Offices of Other Health Practitioners	2,405	45.7%	25.5%	$39,430	Very Strong
6214	Outpatient Care Centers	3,065	-4.4%	0.2%	$45,170	Stable
6221	General Medical and Surgical Hospitals	25,467	17.8%	7.6%	$46,874	Very Strong
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	1,578	32.8%	27.2%	$57,522	Strong
Social Assistance						
6216	Home Health Care Services	2,108	53.8%	45.0%	$35,011	Very Strong
6233	Community Care Facilities for the Elderly	2,758	68.1%	63.1%	$21,526	Strong
6244	Child Day Care Services	5,510	18.4%	26.2%	$18,365	Moderate
Research and Support Facilities						
6215	Medical and Diagnostic Laboratories	881	53.8%	-6.8%	$84,694	Strong
TECHNICAL RESEARCH, CONSULTING AND CORPORATE OPERATIONS						
Professional Services						
5411	Legal Services	15,551	13.1%	34.1%	$88,735	Strong
5413	Architectural, Engineering, and Related Services	11,277	32.9%	-3.3%	$61,093	Very Strong
5416	Management, Scientific, and Technical Consulting Services	13,525	2.8%	22.0%	$78,095	Moderate
Information Services						
5112	Software Publishers	5,039	7.2%	53.3%	$108,414	Moderate
5151	Radio and Television Broadcasting	3,768	23.6%	24.8%	$76,095	Moderate
5152	Cable and Other Subscription Programming	4,971	18.2%	39.9%	N/A	Moderate
5171	Wired Telecommunications Carriers	13,277	-28.5%	-18.3%	$81,938	Stable
5191	Other Information Services	4,000	2953.4%	251.1%	$95,212	Strong
Technical Research and Modeling						
5415	Computer Systems Design and Related Services	28,080	88.7%	76.7%	$88,673	Strong
5417	Scientific Research and Development Services	1,102	-22.6%	0.6%	$89,003	Moderate
5419	Other Professional, Scientific, and Technical Services	3,047	20.5%	8.0%	$44,645	Strong
Market-Based Relationships						
5511	Management of Companies and Enterprises	57,612	33.4%	9.7%	$95,898	Strong
Support Services						
5223	Activities Related to Credit Intermediation	3,551	49.7%	-21.9%	$64,196	Moderate
5239	Other Financial Investment Activities	3,871	37.6%	16.9%	$154,111	Very Strong
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	11,644	17.8%	17.5%	$68,701	Strong
5611	Office Administrative Services	3,472	79.4%	-9.2%	$55,484	Strong
5612	Facilities Support Services	5,856	292.5%	300.6%	$23,792	Strong
5614	Business Support Services	12,464	142.4%	26.4%	$31,279	Very Strong
LOCAL AND REGIONAL DATA AND GOODS DISTRIBUTION						
Physical Distribution						
421	Wholesaling, Durable Goods	17,728	-12.0%	-8.1%	$84,702	Stable
422	Wholesaleing, Non-Durable Goods	15,959	-6.3%	-9.9%	$71,517	Stable
4931	Warehousing and Storage	3,334	1.6%	15.3%	$41,262	Strong
Logistics						
4841	General Freight Trucking	2,307	-5.3%	-9.9%	$40,945	Moderate
4842	Specialized Freight Trucking	1,481	-18.0%	-10.4%	$27,450	Moderate
4885	Freight Transportation Arrangement	1,842	19.8%	-6.1%	$53,315	Strong
Order Processing, Data Processing, and Back Office						
4889	Process, Physical Distribution and Logistics Consuulting Services	58	176.2%	-86.1%	$43,964	Moderate
5182	Data Processing, Hosting and Related Setvices	6,595	-6.8%	29.7%	$85,872	Very Strong
ENTERTIANMENT AND RECREATION [2]						
7121	Museums, Historical Sites, and Similar Institutions	1,491	62.1%	57.8%	$29,689	Strong
7211	Traveler Accommodation	12,759	3.5%	6.2%	$26,960	Moderate
7221	Full-Service Restaurants	27,533	12.7%	11.5%	$16,588	Moderate

Source: County Business Patterns and RKG Associates, Inc., 2011.
[1] Out of a total score of 25, 20 to 25 equals Very Strong, 18 to 20 equals Strong, 15 to 17 equals Moderate, and 12 to 14 equals Stable.
[2] Additional non-industry targets identified in the adjoining narrative.

Industry Growth – Similar to the healthcare and social services market sector, the technical, research, consulting, and corporate operations sector experienced a net gain in employment between 2006 and 2009 for all three study areas despite the national economic downturn. The Atlanta region has long been regarded as one of the premier locations for companies operating within this market sector. Within Roswell, these market sectors accounted for a net increase of 1,019 jobs between 2006 and 2009 (the City experienced a net decrease in employment of 4,435 jobs over the same period). Growth was strongest in the computer systems & design and architectural, engineering & related services industries.

Industry Concentration – North Fulton County has a high concentration of technical, research, consulting, and corporate operations firms. Sandy Springs and Alpharetta have experienced the greatest concentrations and largest net increases in job growth. However, all of North Fulton County has benefitted with job growth in this sector. The high quality of life, available inventory, and convenient access to downtown Atlanta and Hartsfield-Jackson Atlanta International Airport make North Fulton County an ideal location for these businesses. Given the current availability of quality office space and the potential for continued development of new office space, North Fulton County (and Roswell) likely will experience continued growth in this market into the near future.

Local Fit – As mentioned, Roswell's quality of life and ideal location along Georgia 400 make the City very competitive to attract and retain technical, research, consulting, and corporate operations companies. Technical, research, consulting, and corporate operations businesses range in size from 1-person firms to having thousands of employees. Roswell has the inventory and land availability to accommodate all but the very largest of these companies. However, the City is limited in the number of large-scale businesses it can support without substantial redevelopment efforts. That said, a more prudent strategy would be to focus on the smaller to mid-sized firms (1-50 employees) that would be conducive to Roswell's existing vacant inventory.

The most notable challenge in attracting these companies is Roswell's limited supply of Class "A" office space. Many of these companies prefer higher-quality, amenity-laden locations. Majority of available supply within the City can be classified as "B" and "C" grade space. As noted in the real estate analysis chapter, the recent economic downturn has suppressed asking rents at the highest level, making Class "A" space more competitive with the values of "B" and "C". To this end, Roswell will be challenged to attract these companies without improving the quality of the existing stock or having new, high-quality space developed. In either case, the market fundamentals will be very challenging to support this development without some public assistance.

Initial Opportunities –

- <u>Information Services Companies</u> – Roswell has access to a dedicated fiber-optic line that bridges Alpharetta and Roswell. Given the success Alpharetta has generated through is efforts to attract business services that rely upon high-speed data sharing, Roswell has an opportunity to benefit as well. More specifically, Roswell's competitive advantages in warehousing and distribution provide an opportunity to attract companies that serve this industry (i.e. logistics and tracking).

- <u>Small to Mid-Sized Professional Services Companies</u> – Roswell's existing inventory of vacant retail and office space is conducive to attracting small to mid-sized companies (up to 50 jobs) seeking "value" space. There is a substantial office market of tenants that do not need prime, Class "A" office space. While pricing has made this space more competitive, Roswell likely would be successful at attracting these smaller, less amenity-dependent companies. Examples include insurance companies, independent consulting firms, and financial services companies (i.e. payroll companies).

- Home Based Business Development – Roswell has a unique opportunity to grow this sector from "within." Roswell is home to more than 3,000 home-based businesses, with many more believed to be in this market sector. Strategically developed business development and workforce development programs could translate into growth of these home-based businesses into more traditional office-based businesses. The RKG Team, led by FOCOM, has recommended a series of actions to engage this business base and develop business growth programs to promote their expansion. This effort likely will overlap with the small to mid-sized business effort.

c.) *Local and Regional Data and Goods Distribution*

Industry Size – The data and goods distribution cluster includes a wide range of businesses, from the companies that physically move goods between locations to the companies that develop the software to improve efficiency in goods movement to the facilities that receive and process the orders for goods. The Wholesale Trade and Transportation and Warehousing market sectors account for approximately 11% of Roswell's employment base, and almost 13% of the Metropolitan Atlanta market's employment base.

Industry Growth – The Transportation and Warehousing market sector experienced the largest employment growth within Roswell between 2006 and 2009 of any single market sector (485 jobs). The development and subsequent occupancy at the Roswell Distribution Center likely accounted for much of this job growth. Employment growth trends throughout the rest of Fulton County and the Metropolitan Atlanta area indicate employment within these markets have declined in recent years. The disparity in performance likely is a reflection of the pent up demand for local and regional warehousing and distribution within North Fulton County. There is little supply and even less developable land dedicated to industrial/warehousing uses. As growth continues to occur in this area, demand for space to meet distribution needs will increase.

Industry Concentration – The opportunity within this industry cluster stems from the lack of industry concentration. As noted in the real estate chapter, North Fulton County and Roswell have comparatively little goods and data distribution activity. Less than 5% of the region's industrial and warehousing supply is located along the entirety of the Georgia 400 corridor. The lack of available supply and the growing market demand have created an opportunity for business development in Roswell.

Local Fit – In many ways, the data and goods distribution cluster offers the greatest opportunity for immediate economic development success. There is substantial unmet demand within market, Roswell already has experienced success in recent developments, and the City's access to Georgia 400 and central location to the northern portion of metro Atlanta make this a logical industry target. Furthermore, many of the occupations related to logistics do not require high levels of training or education. Loaders and handlers, drivers and order processing all can be accomplished with a comparatively modest amount of training. This may offer alternatives to those local residents not capable or interested in more high-skilled and white-collar work.

However, the data and goods distribution cluster offers comparatively less economic activity, on a dollar-to-dollar investment comparison, than the other identified clusters. When compared to office, entertainment, and retail operations, this cluster typically provides fewer jobs and less economic output for similar sized (in terms of occupied square feet) businesses. The implementation entity will need to weigh the benefits and challenges the data and goods distribution cluster offers as compared to its other opportunities when determining marketing and recruitment priorities.

Initial Opportunities –

- Logistics and Tracking Companies – The dedicated fiber-optic line in Roswell makes the City an ideal location to house companies that provide logistics and tracking support to the data and goods distribution sector. While these companies are not location dependent as those that physically move goods, the quality of life and location benefits for Roswell/North Fulton County are an ideal complement to the technological amenities available.

- Back Office, Telemarketing and Data Storage – Similar to the logistics and tracking companies, these companies would benefit from the technology amenities and the quality of life offered in Roswell/North Fulton County. In addition, many of these companies require larger-scale, affordable space to house their employees and equipment. The current office and retail vacancies in Roswell are prime candidates to accommodate these businesses. However, those facilities without access to the fiber optic line likely will require some level of connection before they are attractive alternatives for these companies.

- Goods Storage and Distribution – The Roswell Distribution Center exemplifies the market opportunities to accommodate small-scale warehouse and distribution facilities that serve North Fulton County/ the northern metro Atlanta market. Access to Holcomb Bridge Road and Georgia 400 make this area attractive to businesses that serve the local market and need to store merchandise in less expensive warehouse space. This opportunity is most viable near the two Georgia 400 interchanges.

d.) Entertainment and Recreation

Industry Size – While not a traditional target industry for communities seeking to implement an economic development plan, the entertainment and recreation cluster are consistent with the vision established through this process and complement the focus on preserving and enhancing the quality of life for Roswell's civic and corporate citizens. It was noted through this process that there are limited options in terms of nightlife within Roswell and that efforts to promote Roswell's entertainment and recreation amenities are understaffed and underfunded.

Industry Growth – On the positive side, assets such as Canton Street have proven that there is a market for entertainment and dining amenities within the City. Furthermore, entities like the Roswell Visitor and Convention Bureau (CVB) have been leveraging their assets to accomplish more than what their scope and size typically would dictate. The Find It All Roswell effort is an excellent example of how the stakeholders within the community are attempting to improve market conditions for the service businesses in Roswell.

Industry Concentration – Roswell has most of the "pieces" needed to create and implement a comprehensive business marketing and recruitment strategy to enhance the City's entertainment and recreation industry cluster. In addition to having a nationally recognized parks and recreation department, Roswell has a number of natural, historic, cultural, and recreational amenities within the City. Improved coordination among these venues likely will create opportunities for additional business ventures. The implementation entity should work closely with the CVB to refine the marketing strategy and develop a parallel business recruitment strategy to augment existing assets.

Local Fit – Creating a more diverse and integrated entertainment and recreation industry cluster is consistent with both the stated and implied vision established by the comprehensive plan this economic development strategy and numerous, previous studies performed for the City. The analysis indicates that Roswell is well supported in athletic and passive recreation and entertainment venues, particularly for outdoor events. However, entertainment and recreation components are less comprehensive within Roswell.

For example, the dining segment has a valuable, but small presence (i.e. Canton Street) that can be expanded. Another opportunity area is in small-scale hospitality venues. It is the Consultant Team's opinion that one or more of the historic homes could be an ideal bed and breakfast venue. Other opportunities include expanding community-serving retail venues and the creation of a destination sporting venues (i.e. soccer or softball tournaments).

Initial Opportunities –

- Entertainment District – Roswell has a thriving dining destination in Canton Street, but does not have an entertainment/nightlife area attractive to adults seeking greater variety in offerings. As the City considers expanding the variety of housing to attract a more diverse population, the need for some form of nightlife/entertainment venues (i.e. live music venues and bars) will increase the potential of attracting the young professional market. Simply put, several areas in the metro Atlanta have more attractive nightlife and entertainment options to draw this market segment (i.e. Virginia Highlands). This opportunity would be most appropriate being incorporated into a large-scale, mixed-use development (or redevelopment) project. The entertainment district can be integrated as part of a live-work-play concept that allows the overlap of residential, commercial and entertainment uses to create a balance of activity. This approach also ensures the district will not impact existing stable neighborhoods.

- Community-Serving Retail – As noted in the retail market section, there are several opportunities to attract community and neighborhood-service retail businesses (see Chapter 7). A formal marketing effort will help attract these users to the City. However, the Consultant Team recommends that the overall supply of retail space be lowered to levels more in line with Roswell's market potential to restore equilibrium and create revitalization opportunities within the City.

- Bed and Breakfast – The hotel market analysis indicates the market is not ready to support additional commercial hotels. However, there are market factors within Roswell that lend to the potential for one or two bed and breakfast concepts. Most notably, interest exists to do a bed and breakfast facility in the Founder's Square/Canton Street area. This is a logical and beneficial choice, given the unique character and scale of the area. Additionally, the three historic homes owned by the City also have potential for this use, assuming it can garner sufficient support.

- Feasibility Assessments – There are several other concepts that have been noted through this process that warrant further study. Most notably, there is interest to expand the City's cultural and performing arts center to accommodate a more diverse scale of events. Additionally, there was a concept presented to attract an Olympic-caliber training and preparation facility (concepts mentioned include a velodrome and shooting facility) to Roswell. While outside the scope of this effort, these concepts warrant further study and consideration. The RKG Team encourages the City to perform a market and financial feasibility assessment on pursuing these, and any other, efforts that will most likely require a public-private partnership to enact.

9 IMPLEMENTATION STRATEGY

A. INTRODUCTION

This chapter details the proposed economic development implementation strategy for the City of Roswell. Simply put, this chapter provides the "road map" of successive action steps that will assist the City in embarking on a comprehensive effort to enhance business and real estate activity. The action items detailed below are a product of a collaborative effort among the key stakeholders that will be charged with promoting and implementing the plan. Each strategy is founded in the analysis presented throughout this report and vetted by City staff, businesses leaders, community stakeholders, and the Strategic Economic Development Plan (SEDP) Advisory Committee. It is through this effort that the Advisory Committee presents this strategy for the City Council's consideration.

Above all else, the Advisory Committee recognizes that the success or failure of these efforts likely will be determined by the established leadership structure's approach to economic development. There is consensus that the City Council, the City Administration and the Advisory Committee must be committed to the long-term vision and willing to address and resolve difficult, and likely controversial, issues related to initiating a formal economic development effort. Ultimately, the implementation entity must have support and buy-in from the administration, the development community, the business community, and the residents of Roswell to achieve the vision presented in this chapter. With support from these stakeholders, this strategic plan will serve as the guide for the creation of the implementation entity's business plan.

B. GUIDING PRINCIPLES

From the beginning of the SEDP effort, the Advisory Committee and City Council have been engaged in the development of the economic development implementation strategy. As an initial exercise, the consultant worked with both groups to define the principles by which the economic development action plan served the City of Roswell. Through a series of work sessions, the Council and Advisory Committee finalized the principles that all action items have been measured against. These include:

- **Enhance the quality of life for Roswell businesses and residents** – Roswell has a reputation of a very high "quality of life" within the Atlanta metro area boasting great schools, abundant recreation opportunities, a thriving historic downtown and one of the lowest unemployment rates in the region. Part of what will attract businesses, particularly small businesses, to Roswell is the opportunity to live and work within the city. To preserve this environment, the Advisory Committee suggests actions that will improve the business climate while enhancing the quality of life, including mitigating traffic impacts, diversifying retail opportunities and preservation/development of recreation opportunities. The action items included here were developed to balance economic vitality and cultural/community preservation.

- **Establish the organizational capacity to implement the plan** – The development of the organizational capacity to implement the strategy is critical for long-term success. The Advisory Committee recognizes that the existing structure needs to be augmented to meet the established goals and objectives within a reasonable timeframe. The Advisory Committee proposes the included framework for an implementation entity that accommodates capacity needs while remaining accountable to the City and its economic development stakeholders. Much of this effort will be reorganizing initiatives already approved and supported by the City Council (i.e. the Roswell Business Alliance and the Downtown Development Authority).

- **Identify and define strategic revitalization efforts –** The Advisory Committee recognizes that implementing an economic development effort for the first time is an incremental effort that will require a long-term commitment from the City, community stakeholders and the business community. However, the Committee also has emphasized that strategic revitalization efforts occur in the short-term. The Advisory Committee has identified "catalyst" projects, or those efforts that can initiate a series of investments/changes within Roswell. One of the immediate challenges identified by the City Council and the Advisory Committee is the issue of high vacancy in existing commercial buildings.

- **Develop an outreach strategy to "tell the story" of Roswell's business climate –** The Advisory Committee recognizes that the market climate in the City is better than certain perceptions of Roswell portray and desires to see past and recent "successes" better publicized and marketed. The Advisory Committee believes the City's investment in creating an economic development plan is a new approach that should be broadcast to alert businesses and investors that Roswell's approach to economic sustainability is changing. The strategy includes several marketing and outreach efforts for the City and its implementation entity to enact. These efforts focus on not only marketing to businesses and consumers outside Roswell, but to educate and engage Roswell's businesses and residents.

- **Strengthen the City's fiscal health –** The City Council and Advisory Committee both desire to have the strategic economic development plan provide action items that protect the City's fiscal well being. More specifically, the stakeholder participants want to see the residential and non-residential land book stabilize and grow. Given the recent national economic downturn, the Advisory Committee recognizes that this principle is more important now than it would have been prior to the national recession. The resulting implementation plan includes strategies that stabilize and strengthen the City's sales tax base. Ultimately, the Advisory Committee sought strategies that would position the City to encourage and capture existing market opportunities.

- **Promote live-work-play investment in Roswell –** From the outset of the planning process, the Advisory Committee has acknowledged that there are limited housing options for potential residents. Currently, Roswell has a substantial concentration in single-family detached housing with comparatively little alternative ownership and rental options. The Committee is concerned that the variety of housing has forced existing residents and their children to relocate to find suitable housing for their changing needs and the slowdown in housing and population growth hurts the market's ability to find new, high-quality users. The strategic economic development plan includes actions that allow diversity of housing stock.

- **Build and diversify the City's cultural heritage and entertainment opportunities –** Similar to the quality of life focus, the Advisory Committee recognizes the City has a substantial cultural, tourism and recreational economic base that should be preserved and celebrated as part of the economic development plan. This principle has been consistent in Roswell, manifesting itself in all previous planning and development efforts led by the City. The recent Comprehensive Plan effort, the LCI midtown project and several other existing planning documents all place a priority on preserving the cultural and entertainment foundation in the City. Most notably, there has been particular interest in preserving and expanding the business climate established on Canton Street, and portions of Georgia Route 9 around Founder's Square.

C. STRATEGIC ECONOMIC DEVELOPMENT GOALS

Following the economic development principles established through this effort, the Advisory Committee defined strategic underlying goals to ensure the plan would be supported by the community and adoptable by the City Council. The implementation strategy organizes the action steps into five topic areas most relevant to Roswell's current needs, opportunities and constraints. These categories include: [1] Organization & Coordination Structure, [2] Workforce & Entrepreneurial Support, [3] Regulatory & Toolbox Establishment, [4] Market & Asset Cultivation, and [5] Marketing & Outreach Strategies. The policy direction of the plan was shaped through combining the needs of the community, the vision of the Advisory Committee, the expectations of civic and government leaders, and current market conditions and projected future market influences.

The goals that guide this effort can be classified into "operational goals" and "implementation goals." The operational goals focus on having an economic development effort that maximizes the City's ability to leverage its resources. Specifically, the Advisory Committee desires to establish a plan that rallies support from internal and external partners, expanding the implementation capacity of the City without substantial expansion of funding. The implementation goals reflect the expectations the Advisory Committee have established. These goals are listed below:

OPERATIONAL GOALS

- **To increase the awareness, understanding and support for economic development within Roswell –** One of the fundamental challenges to implementing a comprehensive economic development plan for the first time is garnering buy-in to the concepts and initiatives to be implemented. The following strategy incorporates several recommendations that increase the awareness and participation of residents, businesses, property owners, investors, developers and strategic partners.

- **To establish the City as a partner in economic development –** Throughout the SEDP process, the consultant and Advisory Committee have been reminded of previous decisions and approaches implemented by past Councils relative to economic opportunity (i.e. a second ramp on GA 400, the North Point Mall development…). Despite recent actions of the current Council that begin to dispel impression (i.e. the SEDP, the RBA and the DDA), it is apparent these actions have influenced the perceptions of Roswell relative to economic development. The Advisory Committee has sought to establish an implementation strategy that will change these perceptions through building upon recent efforts and implementing a proactive marketing campaign.

- **To enhance Roswell's economic and fiscal health within context of the larger North Fulton County market –** No one on the Advisory Committee has advocated to actively pursue an implementation strategy that would create an unhealthy competitive environment for Roswell and its sister cities that constitute the North Fulton County area. Rather, the action items approved for the plan build upon the strengths and opportunities in Roswell while growing regional cooperation and economic activity. Simply put, the Advisory Committee has actively sought to develop a plan that benefits both Roswell and North Fulton County through local and regional opportunities that complement outside efforts.

IMPLEMENTATION GOALS

- **To promote the retention and expansion of existing Roswell businesses –** The Advisory Committee has established a multi-faceted strategy focused on preserving and creating jobs in Roswell. Success in both efforts will create a series of additional benefits that address the defined principles of the SEDP. The first facet of this strategy focuses on preserving and supporting established businesses in the City. The Committee supports actions that engage existing businesses to identify needs, concerns and opportunities for job retention and creation.

- **To cultivate the entrepreneurial spirit of Roswell residents –** Existing business support is only one component of the strategy defined through the Committee process. There is ample research available detailing the economic benefits for a jurisdiction to "grow from within" and develop businesses locally. The analysis revealed there are a substantial number of small and home-based businesses in Roswell. Given the existing entrepreneurial atmosphere and the relatively high employment and education attainment of Roswell residents, the Advisory Committee has recognized the potential to developing local entrepreneurs.

- **To foster a market climate attractive to a variety of business sizes and interests –** The third approach to job creation is business attraction. The Advisory Committee supports a proactive business recruitment effort, focusing on those industries with the greatest potential of selecting Roswell as a place to do business. The target industry analysis chapter details the industry clusters and specific market sectors that best fit Roswell's market climate and development patterns. However, the implementation strategy identifies some initial recommendations to pursue.

D. PRIORITY ACTIONS

The Advisory Committee recognizes that funding, especially in the initial stages of implementation, is critical to beginning an economic development effort. The Advisory Committee also recognizes the reality that funds to implement these economic development efforts may not allow the full strategy to be addressed on the schedule proposed in the implementation matrix. Simply put, the RKG Team estimates it will cost between $400,000 and $600,000 annually to operate the implementation entity at the level proposed by the Advisory Committee.[1] Without these funds (from some combination of government support or through non-government sponsorships), the pace and scale of implementation will need to be adjusted. As a result, the RKG Associates Team and the Advisory Committee have coordinated to identify those actions they believe are most important to initiating and sustaining a formal economic development effort. The Advisory Committee recommends these actions be considered first when drafting the implementation entity's business plan.

The priority actions focus on the creation of an implementation entity and the establishment of this entity as a legitimate partner for the development community, the business community, the local labor force and the City as a whole. In order to implement many of the recommendations detailed in the implementation matrix (at the end of this chapter), the City must establish the appropriate capability and capacity to execute the plan in a manner consistent with the high standards expected in Roswell. The following priority actions are considered critical, and in some cases catalytic, in their importance to achieve longer-term strategies. They include organizational and programmatic steps that will improve the City's ability to respond to changes in the local and regional economic climate as well as "bricks and mortar" concepts that can be executed concurrently with the establishment and refinement of the organization and program development.

The RKG Team advises that the implementation entity consider these priorities when developing its business plan. Throughout this process, all stakeholders have recognized that the depth achieved in any individual task and/or the scope of the implementation entity will be influenced by the funds available to administer this plan. To this end, the Strategic Economic Development Plan should guide the decision makers determining the appropriate scope and scale of Roswell's economic development efforts.

[1] Cost estimate ranges for each implementation action item is provided as part of the implementation matrix.

1. Organization and Coordination Structure

The most important action item to enact is the establishment of an implementation entity. The Advisory Committee has recognized from the beginning of this effort that to be successful at economic development, the City needs to become more proactive in business recruitment and retention, and promoting real estate investment. Given the prosperous nature and competitive market within North Fulton County, the implementation entity should balance its efforts to improve and enhance Roswell's economic climate with the benefits of avoiding unnecessary competition with other North Fulton cities. To this end, the economic development action plan being proposed by the Advisory Committee is a multi-faceted and comprehensive effort requiring a broad range of skill sets and greater financial investment as well as greater communication and coordination with other local and state economic development entities.

Simply put, the existing economic development efforts within Roswell are not strategically managed or adequately funded and staffed to the level necessary for the City to achieve the goals established through this effort. Furthermore, the City must overcome a perceived reputation as being indifferent to businesses and investment. Because of the current climate in Roswell, the Advisory Committee is recommending that the City's existing efforts in economic development be reorganized into a single public-private partnership economic development entity to implement the strategic plan. Reorganizing the City's efforts under an independent implementation entity has four primary benefits for the City of Roswell.

Instant credibility – Removing those efforts currently handled within the City administration will provide an almost instant message to the business and development community that Roswell is serious about success. Independent, non-profit economic development entities are able to separate more easily from political and administrative nuance in the development process since direct accountability is to the board of directors, and not the City Council. There are several examples of this model for similar sized communities (i.e. Annapolis, Maryland) where a quasi-governmental economic development entity has produced success where "in-house" economic development had not. It is the Advisory Committee's position that maintaining this independence is critical for success.

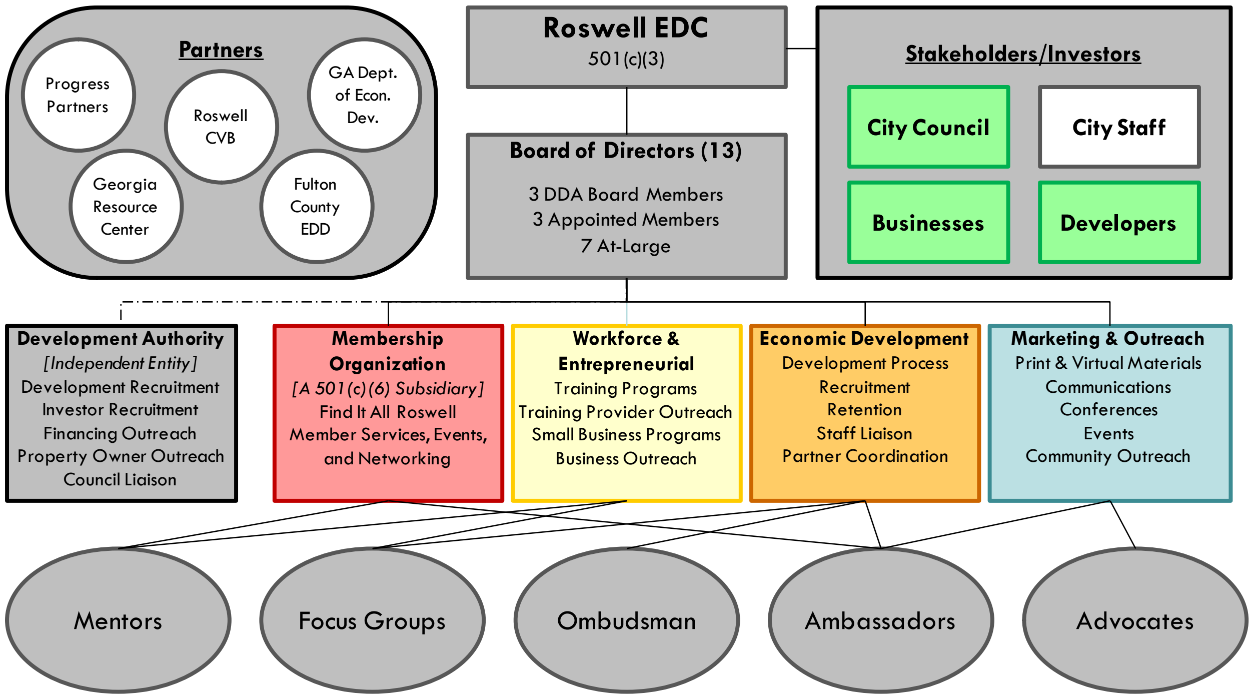
Greater flexibility – Having a singular economic development entity outside administrative controls also allows the board of directors more flexibility in staffing, outreach, community and business interaction, and implementation. Simply put, jurisdictions must follow certain procedures and protocols that independent non-profits do not. For example, procurement procedures typically are much different for an independent entity than they are for a City. In addition, having the economic development implementation entity outside of City government will increase the potential for private support, both financial and strategic resources.

Unity – Under the current configuration within Roswell, there are three separate entities performing portions of the functions that a comprehensive economic development entity typically manages. The RBA, the DDA and the City staff all have parallel missions, but currently have very little coordination. Bringing these entities under a single organization with a unified board of directors allows for better coordination and efficiencies in costs while reducing the potential for disjoined and counterproductive action.

Accountability – Despite the increased credibility and greater flexibility, a single, outside economic development entity ultimately will be more accountable to the City of Roswell. Initial funding almost exclusively will be generated by the City. As a result, the implementation entity will have to provide detailed accounting of its efforts, successes and failures to the City Council. Assuming the City enters into an agreement with the implementation entity that has a performance clause, then the City retains a level of oversight with the implementation entity.

Luckily, this effort already has begun with the establishment of the Roswell Business Alliance and the Downtown Development Authority. It is recommended that the Roswell Business Alliance be realigned to form the implementation entity. The structure and function of both entities can be integrated into the

Figure 9-1
Proposed Implementation Entity Organization Chart



greater economic development mission defined by the Advisory Committee. The initial step in creating the implementation entity is to establish an organization and board structure that capitalizes on the private sector talent in Roswell while ensuring the community benefit component remains the primary focus.

a.) *Board Members*
The Advisory Committee recommends that the City restructure the Roswell Business Alliance (RBA) into the implementation entity. The implementation entity can function under the same agreement structure as the RBA, with a modified memorandum of understanding. The Committee recommends a 13-member board of directors composed of private sector, strategic partner organization and public representatives (see organization chart). The proposed Board should include:

- Three members of the Downtown Development Authority board members
- A Convention and Visitor's Bureau appointee
- A Progress Partners appointee
- A Georgia Resource Center appointee
- Seven at-large members selected by the six appointed board members

The Board also should include two ex-officio, non-voting members; the City Administrator and the Community Development Director. These members are integral to ensuring coordination within the City staff and should be part of the board structure. However, the Committee believes having them as voting members would be inappropriate, given they are employed by the City Council and could potentially have to address taking positions contrary to the Council.

The three appointed Downtown Development Authority (the Advisory Committee recommends renaming it the Roswell Development Authority, or RDA) should become part of the implementation entity structure. While the 7-member DDA board will retain control over DDA actions to avoid having to restructure the organization, it will become a participant in the implementation entity operations. Simply put, having the implementation entity and DDA operate independently is inefficient and can cause confusion when trying to implement complex economic development efforts.

If the two entities operate with a single vision and integrate the discussion process, then the City will minimize the potential of having counterproductive efforts on the same project.

It is important to note that a contingent of the Advisory Committee has expressed an interest to have Council-appointed members of the implementation entity Board. While the Council appoints the DDA board (some who are members of this Board), concern was expressed about perceived control over the implementation entity. However, counterpoints were made by other Advisory Committee members that the leadership responsible for the implementation of the economic development plan must be knowledgeable of real estate and market nuance and must be "true authentic economic development leaders." The RKG Team recommends the City adopt an implementation entity structure that is as autonomous as possible. While the RKG Team recognizes that the implementation entity and the City must work as partners in economic development, it is the Consultant's experience that implementation entities are most successful at developing legitimacy with the business and development community when they are headed by individuals with substantial expertise in economic development issues (i.e. finance, workforce, business, real estate, etc.) and less influenced by the political component of government administration.

To this point, the Mayor of Annapolis, Maryland recently stated to the RKG Team that he learned that economic development is a balance between trusting those individuals best equipped to make sound economic development decisions and respecting the will and vision of the community. He stated economic development does not work if both factors are not present and equal.

b.) Entity Structure

The Advisory Committee recommends the City establish the implementation entity as a 501(c)(3) entity, with the Roswell Business Alliance membership objectives being reconstituted as a 501(c)(6) subsidiary of the implementation entity. After much discussion, the Committee agreed that an economic development implementation entity serves all businesses and property owners within its service area, not just those that are paying members. The Advisory Committee believes utilizing the 501(c)(3) approach avoids the potential conflict of paying members expressing concerns that their resources are supporting other businesses not contributing.

However, the Advisory Committee does believe there is a need for a membership-based entity within the City to support local businesses with marketing and advertising. To accommodate this function, the Committee encourages the City to establish a 501(c)(6) subsidiary of the implementation entity that can address those needs.

c.) Focus

The Advisory Committee recommends the implementation entity have five primary focus areas, each requiring equal attention and effort. Within each of these focus areas, the implementation entity board of directors should operate individual working committees focused on the implementation and administration of activities germane their respective actions within the business plan. Each of these working committees should have board member representation, and be comprised of individuals with knowledge of the topic area. The four topics are:

Development Authority – The development authority working committee should be the seven-member board established under the authority's charter. This group's responsibility will be to implement the powers of the authority to serve and advance the economic development mission of the City. The committee should seek additional, non-voting members to provide expert advice (i.e. a lending specialist) assist in vetting concepts.

Marketing and Outreach – The marketing and outreach committee should focus on assisting implementation entity staff to identify marketing opportunities, reviewing existing materials for relevance, advising on new materials and working with other committees on potential cross-over needs (i.e. the development prospectus).

Workforce and Entrepreneurial Development **–** The workforce and entrepreneurial development committee should focus on advising staff about managing and modifying existing programs, creating new programs, and identifying potential implementation partners. It is recommended that this committee seek participants from the education, outreach and small business development community.

Economic Development **–** The economic development committee should advise staff on implementation of the strategic plan, provide feedback on potential changes and/or needs of the organization based on changing market conditions and provide implementation assistance when necessary.

c.) *Staffing*
The new economic development corporation will require a broad range of skills and staffing to implement the plan successfully. The Advisory Committee is recommending the new implementation entity be staffed by three professionals and an administrator in the short term, with the potential of adding an additional professional staff member as efforts increase and expand. This staffing plan will replace the existing staffing plan for economic development within the Community Development Department. It is anticipated that the positions in the Community Development Department will be terminated. The new implementation entity staffing plan includes:

Executive Director **–** The executive director should be the public persona of the implementation entity, becoming the visual and vocal leader for economic development within Roswell. This position should have substantial experience in economic development, with a preference towards having public or non-profit economic development management experience. The executive director should be the liaison for the development community, becoming the “go to” resource when investors, developers and property owners seek to implement a project in Roswell. The executive director should be responsible for implementing the mission and operation of the implementation entity, with the board of directors providing strategic guidance, advice and resources for implementation.

It is highly recommended that the executive director have prior experience in creating an economic development entity and effort from scratch. While this document will serve as a critical guideline for initiating a successful economic development effort, it is impossible for the Advisory Committee to anticipate and mitigate all potential issues and challenges that might occur within the next 12 to 24 months as the implementation entity begins operations.

Economic Development Manager **–** The economic development manager should be tasked with assisting investors and developers going through the development process with the City. The economic development manager should manage and operate the ombudsman program, being the strategic resource for real estate investment in Roswell. As part of those responsibilities, the economic development manager should participate in inter-departmental reviews to ensure all development projects move through the City’s various approval processes in the minimum amount of time. This staff member should be familiar with the different regulatory procedures for the City and have a strong understanding of staff responsibilities throughout the various departments in order to know whom to contact about a particular issue. Initially, the economic development manager also will be responsible for establishing and implementing the workforce and entrepreneurial initiative for the EDC. This position ultimately should be the direct contact for existing Roswell businesses and business prospects.

Marketing Director **–** The marketing director should be charged with three main tasks. First, the marketing director should develop and coordinate a more comprehensive and efficient information-sharing program between the implementation entity and the City administration, between the implementation entity and strategic partners, and between the implementation entity and the community. The information sharing process should be a multi-media program that informs its audience about the progress by the implementation entity and other events that improve the community. Second, the marketing director should be tasked with updating and maintaining all marketing materials, keeping them current and relevant to the mission of the implementation entity. Finally, the marketing director should be coordinating with the various City, community and interest groups on events taking place related to the marketing and promotion of the City. These should include, but not be limited to, City-sponsored events, Convention and Visitor's Bureau events, business recruitment trips, trade show exhibits and public ceremonies.

The marketing director could be a co-sponsored position between the implementation entity and the City's Community Relations Division, to ensure that any efforts or materials are consistent between the two staffs.

Business Specialist (FUTURE) – The business retention coordinator primary focus should be to work with each of the various business interests within the City to identify issues related to doing business in Roswell and facilitating discussions with the appropriate entities to find a solution. The retention coordinator should be an active participant in the industry focus group discussions that occur as part of the workforce and entrepreneurial development efforts. This position should be considered once the workforce and entrepreneurial development efforts become too onerous for the economic development manager to implement alone. A typical day for the business recruitment coordinator would be out in the field meeting with business operators in various industries within specific areas of the City. The implementation entity should create a goal of meeting with no less than five new businesses each week, increasing as staffing and volunteer support increases.

d.) <u>Implementation Outreach Programs</u>

Even with the increased investment by the City to provide more staffing capacity for economic development, the strategic action plan requires more effort than can be provided by the staff and meets the timelines sought by both the City Council and the Advisory Committee. To account for this gap without requiring an even greater financial investment, the Advisory Committee recommends that the implementation entity implement a series of outreach programs to garner support from civic, business and development stakeholders on a volunteer basis. By enacting these programs, the City can leverage its investment while increasing the awareness of and support for economic development in Roswell. Furthermore, having volunteers participate in implementation increases the community's dedication to seeing results while creating the atmosphere of expected success for the implementation entity staff and board of directors. It is likely that many board members will become participants in these programs. The implementation entity board should consider making participation mandatory.

Community Advocates – Community advocates are residents of Roswell that support the economic development efforts being implemented and are willing to become vocal supporters of the effort. Given the sensitivity of development within a community, particularly when it occurs near established neighborhoods, having residents of the community speak out in support of economic development has proven to be a critical component of overcoming real and perceived concerns. The advocate program should be an implementation tool to increase exposure within the civic community of Roswell. Most notably, the advocate program should provide direct outreach to neighborhood and community organizations, attending meetings and speaking with these groups about the benefits and challenges of economic development. The advocate group can include professional experts as well, as long as they are residents of the City.

Business Ambassadors – The ambassador program is a collection of business and industry leaders within a particular industry that is active in the marketing and recruitment of new businesses to Roswell. Although they likely will have no formal authority within the recruitment process, they provide a "real life" vantage point about doing business in the City for prospects. There most important function is to coordinate with the economic development manager to interact with prospects. Utilizing business leaders in the recruitment process legitimizes the recruitment effort through testimonials while leveraging the staff's time and effort. It is important that ambassadors be well informed, well spoken and respected within their industry. In other words, the implementation entity should be selective in nominating ambassadors.

Development Ombudsman **–** The development ombudsman program is focused on providing property owners and investors technical and process-oriented assistance when going through the City's development process. Whether it is a rezoning or variance request, the ombudsman program is intended to assist applicants in effectively and efficiently finding a resolution. The program should have two components. First, the implementation entity staff should be familiar with all procedures and expectations and be able to advise applicants on how to ensure a complete application package. Second, the implementation entity should collaborate with industry professionals (i.e. engineers) to provide advisory services when it comes to technical needs. These professionals need to have experience and familiarity with the Roswell process. It is envisioned that this assistance will be advisory in nature, and not provide technical requirements to the applicant. Because of this, there should be no cost to the implementation entity. The professional community benefits from greater exposure of their business, which can lead to new contracts.

Mentorship Program **–** A business development mentorship program pairs successful entrepreneurs with individuals with a business concept, but limited resources or understanding of starting, operating, and growing a business. In general, a mentorship program pairs an existing industry leader with a person interested in opening a business in that industry. These programs provide local entrepreneur's access to someone who has "been there" within their industry, adding confidence in the advice and direction provided. Having a local mentor also provides stability, as the relationship created can carry forward after the program has served its purpose. The participant typically signs an agreement to operate for a certain period within the boundaries of the program (the City in this case) or pays a mentorship fee. The implementation entity should recruit Roswell residents with the appropriate backgrounds to become mentors. It is recommended that the implementation entity utilize a training program for its mentors to ensure consistent and successful efforts (i.e. the Mentor-Protégé Program through the Small Business Administration).

d.) Partners

The City of Roswell has an established network of economic development partners that complement this effort. Simply put, entities such as the Georgia Department of Economic Development, the Georgia Resource Center and Progress Partners each provide a pivotal service to Roswell related to large-scale economic development. The Advisory Committee recognizes the value of all economic development efforts, ranging from large corporate headquarter recruitment down to home-based business start-ups. To this end, the Advisory Committee encourages the implementation entity establish regular meetings with these entities to coordinate recruitment efforts, advise on current and future marketing and outreach efforts, and identify potential joint venture opportunities.

2. Workforce & Entrepreneurial Support

Roswell has a substantial small business (fewer than five employees) and home business base. Protecting these businesses and providing opportunities for them to grow serves Roswell in many ways. First, it keeps jobs and income within the City. Second, it creates a stream of demand for commercial space, potentially reducing vacancy rates. Third, it establishes loyalty from these business owners, making them more likely to grow in place and/or choose Roswell if they start additional business ventures. Finally, national research reveals that investments in small business development have the greatest success rate (and return of investment) to communities. Because of these factors, the Advisory Committee is recommending that the implementation entity develop and implement a workforce and entrepreneurial program customized to current and projected need.

Through the strategic economic development planning process, the Advisory Committee learned that there is very little data currently available to the City or the implementation entity in regards to establishing proactive, customized workforce training programs or entrepreneurial development programs.

Implementing anything other than the "standard" programmatic policies would be speculation. As a result, the City can leverage existing competencies and capacity of programs like Quick Start and FastTrac© to develop strategies in a proactive approach and to create relationships with provider to get programs put into place. Advisory Committee is recommending that the implementation entity work with existing workforce and small business support entities in the short-term to ensure these fundamental programs are available while concurrently collecting the data necessary to develop more strategic programs as information becomes available. Initial programs to ensure availability include (but are not limited to):

Workforce Development

- Soft skills training
- Computer usage and data processing
- Customer interaction
- Personnel management

Entrepreneurial Development

- Business planning
- Hiring and managing staff
- Securing financing
- Business operations
- Marketing and advertising

a.) *Provider Outreach*

The first step in determining an appropriate workforce and entrepreneurial assistance program is to develop relationships with existing providers within the local market. This includes all facets of training and support from private training entities to vocational and community colleges to traditional universities to state and federally run programs. The metropolitan Atlanta area is well served by a variety of training providers and business support entities. However, there is no unifying effort in Roswell to ensure the programs available to local businesses are consistent with the needs of existing or prospective businesses. The implementation entity should inventory all workforce providers that currently or will operate in Roswell and gather their program offerings. This first step will provide immediate benefit to local businesses, as many are not aware of these offerings and do not know how to access them. This outreach effort also provides the implementation entity with the critical introduction to these entities, allowing the implementation entity to recruit them to assist in program development and/or establish relationships to explore the implementation of subsequent training needs.

b.) *Data Collection*

As mentioned, one of the most inhibiting factors to creating a dynamic, comprehensive workforce and entrepreneurial training program is the lack of data available at the local level. Simply put, the information collected by the City to date is a good foundation from which to begin increasing data collection efforts, but independently insufficient to determine specific need or even industries with the greatest opportunities. As a result, the Advisory Committee recommends that the City undertake a substantial data collection modification effort. This effort should be focused on increasing the amount of information collected relative to economic development investment and business productivity. Most notably, all forms collected by the City should require a common identification number (the Advisory Committee recommends the property ID number) so that all information can be compiled into a single database if necessary:

- ***Development process and building permit applications*** – Ensure all information about the property is provided including estimated start date, estimated completion date, total building square footage (by type of development for mixed use projects), number of stories, estimated construction value (per unit for residential), total number of units, type of residential units, and construction type (i.e. stick frame, concrete & steel)

- ***Business licenses*** **–** The City should require business name, date of initial operation, total employees, business name, primary NAICS code, Email and telephone contact information

Mandatory Completion **–** Regardless of the form, the City should restrict acceptance of an application if it is not completed. Simply put, the Advisory Committee's recommendation to expand the City's efforts is to get more information. Adding more fields, but not requiring them be accurate is counterproductive. Each application should be reviewed by a staff member before approval or acceptance.

Online Submission **–** The Advisory Committee recommends that the City implement an online-only permit, application and form submission process. Making all data collection occur through the Internet reduces the amount of staff time for review. Rather than ensuring all fields are complete, the staff review should focus on accuracy of information. The Advisory Committee recognizes that not all entities are Internet savvy or are readily accessible to a computer. As a result, terminal should be added in City Hall for applicants to use when necessary.

Universal Access **–** Once a universal ID code is implemented, the data can be stored and accessed by all potential users (i.e. emergency services, economic development, and finance). To ensure true coordination and cooperation, the compiled database should be accessible by all entities within the Roswell government structure and the implementation entity. This level of access can improve response and coordination during the development process and lead to indirect benefits for Roswell outside the scope of the Strategic Economic Development Plan, such as reduced administration costs.

c.) *Industry Roundtables*
An industry "roundtable" should be created for each and any industry group within the City that cares to participate in programs and services offered by the implementation entity. These informal groups should consist of between eight and twenty representatives from the specific industry group, members of the implementation entity staff and other representatives from the City and community, as necessary. The group should meet on a regular basis (typically quarterly) to discuss issues related to the ability to do business in Roswell. The implementation entity staff also should use this opportunity to disseminate information about current projects and programs being developed and/or revamped, including how these changes will influence the group. Simply put, this forum allows local businesses to participate in the economic development process, to learn of current events, and to prove feedback on additional efforts that may be undertaken. While all industries should be encouraged to form roundtables, the Advisory Committee recommends the implementation entity prioritize the development of roundtables in the following categories:

- Accommodation and food service
- Recreation and entertainment
- Retail
- Finance
- Healthcare
- Real estate development
- Professional services
- Logistics
- Information services
- Home businesses

The roundtables are the first step in collecting data outside of the formal form submittals to the City. These groups should be used to generate initial concept and policy ideas as they relate to workforce and entrepreneurial development programs, financial and regulatory incentives, and market and asset development. Survey outreach to the rest of the City's business base should first be vetted through the relevant focus group to ensure relevance and buy-in.

3. Regulatory & Toolbox Development

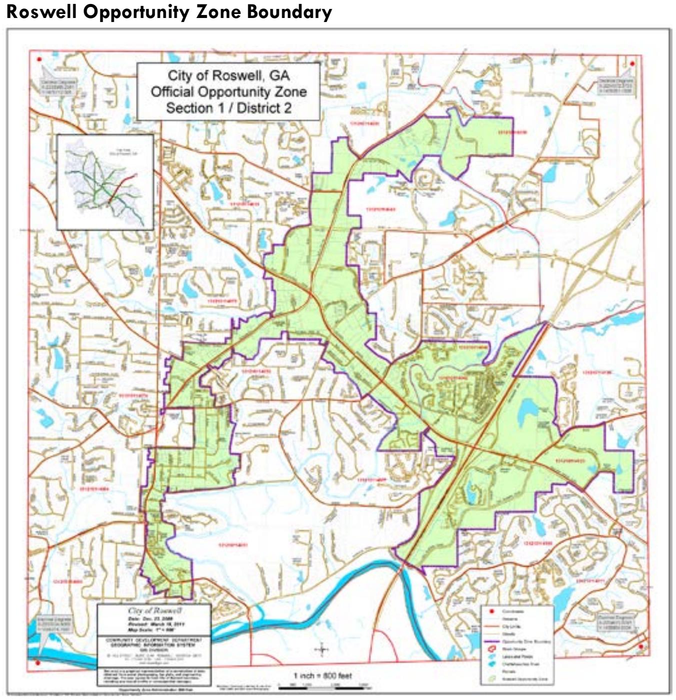
The City of Roswell benefits from being located in a county and a state that place a high priority on business competitiveness. There are several programs available through various local and state entities that can benefit Roswell in business recruitment and retention. However, some actions require approval and support from the City to enact. These tools generally are locally created and maintained. Given the limited amount of money available for economic development programs, the City must be judicious in the size and type of economic development incentives offered. The following tools are considered essential by the Advisory Committee due to their broad application and effective use of public resources.

In addition to establishing a more robust local regulatory and financial toolbox, the Advisory Committee recommends the City create the materials necessary to inform the investment and development community of their respective availability. The City's website is a solid foundation for creating a more dynamic toolbox marketing strategy. Removing this function from the larger Citywide website into a website dedicated to economic development in Roswell a first, and very important, step to increasing awareness of business opportunities in Roswell and combating negative perceptions of the City as unfriendly to business development.

a.) *Community Improvement District*

A Community Improvement District (CID) is a mechanism created by the Georgia General Assembly for funding certain governmental services including street and road construction and maintenance, parks and recreation, storm water and sewage systems, water systems, public transportation systems, and other services and facilities. The administrative body of the CID may levy taxes, fees and assessments within the CID, not to exceed 2.5 percent of the assessed value of the real property. The CID is powerful tool in promoting economic development, as the administrative body can utilize revenues to enhance the physical environs of the CID area. The North Fulton CID is an excellent example of a successful CID effort. The Advisory Committee recommends that the implementation entity lead an effort to create a CID within Roswell that corresponds to the Opportunity Zone boundary already in place. Increasing the availability of tools within this area increases the potential for revitalization. This effort will require substantial communication and coordination with the businesses and property owners within the proposed boundary, indicating the implementation entity will need to seek support from other business-based organizations as well. Based on participation from the private sector, the boundary may not exactly match the opportunity zone boundary.

Figure 9-2
Roswell Opportunity Zone Boundary



b.) <u>Tax Allocation District</u>

Similar to the CID, a Tax Allocation District (TAD) is an economic development incentive enabled by the General Assembly. A tax allocation district is a geographic boundary where incremental increases in real property tax revenues can be used to pay debt service on bonds financing infrastructure and other redevelopment costs. In other words, tax increment financing allows cities to charge the costs of constructing public facilities and infrastructure directly to the businesses that use them rather than the public at large. In return, the businesses benefit from the construction of facilities that might not otherwise be available to them. TADs offer a flexible alternative to financing economic development without the need to use general funds, LOST or SPLOST revenues or to raise taxes. The Advisory Committee recommends the City Council approve the creation of a Tax Allocation District with the same geographic boundaries as the City's Opportunity Zone, and pursue support from the Fulton County Board of Education and the Fulton County Government to maximize the potential benefit to Roswell's economic development effort.

c.) <u>Universal Design Code</u>

The City's current zoning code is not conducive to supporting revitalization efforts. The existing City zoning code has two primary flaws when it comes to revitalization. First, the existing zoning categories are very restrictive to mixed-use development and all but prohibit medium and high-density multifamily residential. Second, the standing practice of making changes to individual parcels through the variance process has made the existing code fractious and near impossible to assemble property to redevelop in a cohesive manner.

The Advisory Committee recommends the City pursue a more conducive regulatory environment for projects located within the Opportunity Zone boundary that provides the developer flexibility in terms of scale and mix of uses in exchange for design and aesthetic controls. Currently, the development of a Unified Development Code (UDC) is underway and expected to be completed by mid-2012. The Advisory Committee supports this action, and encourages the City to adopt policies such as form-based code in areas consistent with the Strategic Economic Development Plan and the Comprehensive Plan.

d.) <u>Streamlined Development Review Process</u>

The development approval process is universally objectionable to the development community. In addition to the regulatory constraints, the process oftentimes is a long and arduous exercise. While the Advisory Committee recognizes the value and importance of the development process in ensuring new investment within Roswell meets the vision of the community and the development standards expected by the administration, it has identified some areas where efficiencies can be achieved.

Maximum Review Periods – Currently, there is no mandate establishing a maximum review period for an application. The Advisory Committee recommends a review period of no more than thirty days from date of submittal for all projects.

Concurrent Review – Applications are reviewed by up to four entities depending upon the location; the City Council, the Planning Commission, the Design Review Board and/or the Historic Preservation Commission. Currently, these reviews happen consecutively. The Advisory Committee recommends the City adopt a policy these reviews occur concurrently.

Administrative Approvals – All development applications must go through the same process regardless of whether it is a major redevelopment plan or the subdivision of one residential lot into two residential lots. While the Advisory Committee recognizes the City should retain maximum review processes for substantial projects, it recommends the City enact an administrative review process for small, minimal impact projects. In these cases, the project should be relatively small and create no substantial impacts on the community. The Committee recommends the Community Development Department establish a recommendation for the City Council to consider.

Meeting Expediency – Many communities implement a maximum talking time for participants in a development review process meeting. Based on feedback from the development community and the Advisory Committee, there is an opportunity for the City to streamline the meeting process by establishing a maximum time limit for public comments. The Advisory Committee recommends that public comments be limited to three minutes during meetings.

4. Market & Asset Cultivation

The Advisory Committee expressed a strong desire for the implementation entity to focus its recruitment and retention efforts to diversify the City's economic base in terms of industry clusters as well as company size. In other words, the business plan should seek a balance of effort to support and attract everything from large employment centers to small start-up businesses. The market and asset efforts should focus on supporting and enhancing all economic development opportunities in a balanced manner. To this end, the Strategic Economic Development Plan market analysis has identified several opportunities for Roswell and the implementation entity to promote new business opportunities. This section presents the Advisory Committee's recommendation for the market-based opportunity approach as well as the site-specific approach.

a.) <u>Target Industry Marketing Campaign</u>
The target industry marketing campaign involves three basic steps: [1] target identification, [2] target communication, and [3] recruitment. Each step builds on the success of the previous step. However, the steps should be repeated on a regular basis as new companies are developed, leadership within companies change and the local, regional and national markets consistently shift. Furthermore, the marketing process will vary from company to company, oftentimes requiring a long 'courtship' process.

Target Identification – Target identification involves developing, maintaining and expanding a list of businesses within the identified industry clusters to actively contact and recruit. The Advisory Committee recommends the implementation entity utilize the following methods to identify potential leads for recruitment. First, the implementation entity should employ a business database company, such as Dun and Bradstreet, to collect contact information for all businesses within the targeted industries. These data vendors allow a client to input detailed screening criteria to ensure the resulting list best meets the client's needs. Inputs typically include industry code, location, company size, employee count and annual sales volumes, among others. These services generally are fee-based, often charging by the record. Second, the implementation entity should work with industry leaders in the community to gather information on companies they do business with, whether as clients or dealers. This list is most valuable, as these businesses already have some understanding of Roswell and have completed business in the community. Third, the implementation entity should join industry-specific professional organizations related to the target industries to gain access to their membership lists. The combined results of these efforts should result in a comprehensive list.

Target Communication – Target communication includes all interaction between the City and the prospects from initial contacts and follow-ups to face-to-face meetings. The communication process should be initialized through a direct mailing campaign, using the target list developed in the last step. The mailing should include information about Roswell, the target industry specific brochures, and other pertinent documentation (see marketing recommendations for the actual materials to be created). The initial mailing should be followed up with a direct phone call within two to three weeks. The phone call should be made by either staff or an ambassador. If this is a referral, then the person making the referral should be involved early in the process.

Recruitment – Communication beyond the initial phase of contact needs to be tailored based on the response of the prospect. The recruitment process may require several contacts, meetings at professional trade shows and/or multiple attempts through the initial communication process. The ultimate goal should be to get the prospect to visit the community either on a one-on-one basis or as part of a recruitment /networking visit. Regardless of the timeline, continued contact is important in developing a rapport with the prospect. It is important to note that the person/persons in charge of working with a prospect should be consistent throughout the process, when possible.

b.) <u>Catalytic Projects</u>

Four catalyst areas were identified through the Roswell Strategic Economic Development Plan process by the Advisory Committee that could generate immediate business interest and opportunities in Roswell. It should be noted that the results of pursuing these projects might differ from what is presented in the following section, but the concepts should be carried through as best as possible in coordination with the Comprehensive Plan and the City's Strategic Economic Development Plan.

Canton Street/Founder's Square/River – There is substantial interest from the Market and Asset Subcommittee to further the growth of the City's "Downtown District." The Canton Street area is an economic asset that is unique to North Fulton County, and very difficult to replicate elsewhere. To this end, there is a strong desire to expand the existing activity on Canton Street along Route 9 connecting to Founders Square, the river and even to the Route 9/Route 140 intersection. Density would be used as a tool to help keep costs down, while Form Based Codes could be used to create a unique feel and character to the area. The connection to the river would be more residential and recreational in nature, with walking paths and trails.

Holcomb Bridge Road and Route 400 – This area is envisioned as a new employment center for Roswell. It is to combine medium- to high-density office and residential uses with supporting retail. The potential MARTA transit stop in this area would be integral to promoting it as an employment center, as it would allow for more options in getting to and from work. Creative financing with the right regulatory and financial incentives will need to be used in order to help fulfill this area's vision as a new employment center.

Mansell Road and Route 400 – There are several opportunities for large-scale projects to occur within Roswell near the Mansell Road and Georgia 400 area. Most notably, there are two undeveloped parcels in the Colonial Park office park zoned to accommodate large office developments. In addition, the approximately 229,000 square foot vacant UPS facility poses a tremendous opportunity for recruitment and retention for both office use as well as logistics. The City's last remaining large-scale undeveloped parcels are just north of Mansell Road on Old Roswell Road.

Holcomb Bridge Road and Atlanta Highway – A new entertainment district of Roswell is envisioned at this area. It would be a vibrant district that would be active both day and night. Entertainment options could include music venues, art galleries, and theaters. High-density residential development would help to activate the area at nighttime and support the retail and entertainment uses. Including a small office component would help to activate the area during the day.

Atlanta Highway – Connection between Canton Street and Holcomb Bridge Road – It is envisioned this area contain ground floor commercial uses with upper-level residential uses, such as loft apartments and condominiums. The development in this area should be brought up to the street and increased in density. This would be an ideal area for a cultural center or ethnic marketplace.

c.) <u>Residential Development</u>

Residential development is not a typical economic development strategy. Rather, it typically is a result of economic development as demand for housing increases because of more jobs and better community amenities. However, the market analysis performed as part of this strategy revealed Roswell does not have a diverse housing supply, being predominantly single-family detached housing. When measured against the real estate market and socioeconomic characteristics of the City, several potential opportunities become noticeable:

- There are opportunities to capture existing Roswell residents who want to "age in place" and downsize their living arrangement.
- There is an unmet demand from young professionals seeking to live near their families and/or job in Roswell.
- The existing rental market currently serves one demand sector of the market.
- Financial feasibility analysis indicates redevelopment projects likely will require a large component of residential
- The ownership multi-family market (i.e. condominiums) is very soft, and likely will be into the foreseeable future.

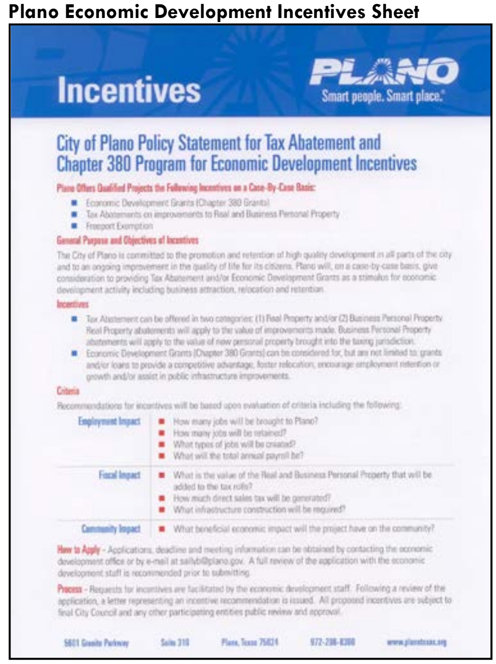
Based on these factors, the Advisory Committee has indicated that the City needs to make the necessary regulatory adjustments to allow the development of a wider variety of housing within the City. The City's upcoming Unified Development Code effort is the ideal solution for this issue long term. However, any projects and opportunities that arise while that effort is underway should be considered on a case-by-case basis. Ultimately, the Advisory Committee encourages the City to allow a greater diversity in housing type, within context of delivering high-quality, aesthetically pleasing units.

5. Marketing & Outreach Strategies

All of the action items within this strategy have an indirect relationship with marketing. For example, it is impossible to develop an ambassador program devoid of the marketing component to attract Roswell business leaders to participate. In addition, the development of a customized workforce training program inherently provides physical materials and newsworthy updates that can be used to celebrate the progress of Roswell as a business-friendly community. The implementation entity should take great care to utilize the successes in each development area as marketing opportunities.

However, there also are the marketing-specific tasks that need to be accomplished. The strategy already addressed the need for a marketing director within the implementation entity that can work to promote the City and disseminate information about the state of economic development. This person should be closely tied to the Community Relations Division, potentially being a joint staff person. Among the myriad of tasks detailed throughout this analysis, it is the Advisory Committee's recommendation that the implementation entity should focus attention on the following tasks.

Figure 9-3
Plano Economic Development Incentives Sheet



Incentives

PLANO
Smart people. Smart place.

City of Plano Policy Statement for Tax Abatement and Chapter 380 Program for Economic Development Incentives

Plano Offers Qualified Projects the Following Incentives on a Case-By-Case Basis:

- Economic Development Grants (Chapter 380 Grants)
- Tax Abatements on improvements to Real and Business Personal Property
- Freeport Exemption

General Purpose and Objectives of Incentives

The City of Plano is committed to the promotion and retention of high quality development in all parts of the city and to an ongoing improvement in the quality of life for its citizens. Plano will, on a case-by-case basis, give consideration to providing Tax Abatement and/or Economic Development Grants as a stimulus for economic development activity including business attraction, relocation and retention.

Incentives

- Tax Abatement can be offered in two categories: (1) Real Property and/or (2) Business Personal Property. Real Property abatements will apply to the value of improvements made. Business Personal Property abatements will apply to the value of new personal property brought into the taxing jurisdiction.
- Economic Development Grants (Chapter 380 Grants) can be considered for, but are not limited to: grants and/or loans to provide a competitive advantage, foster relocation, encourage employment retention or growth and/or assist in public infrastructure improvements.

Criteria

Recommendations for incentives will be based upon evaluation of criteria including the following:

Employment Impact	How many jobs will be brought to Plano? How many jobs will be retained? What types of jobs will be created? What will the total annual payroll be?
Fiscal Impact	What is the value of the Real and Business Personal Property that will be added to the tax rolls? How much direct sales tax will be generated? What infrastructure construction will be required?
Community Impact	What beneficial economic impact will the project have on the community?

How to Apply - Applications, deadline and meeting information can be obtained by contacting the economic development office or by e-mail at sallyb@plano.gov. A full review of the application with the economic development staff is recommended prior to submitting.

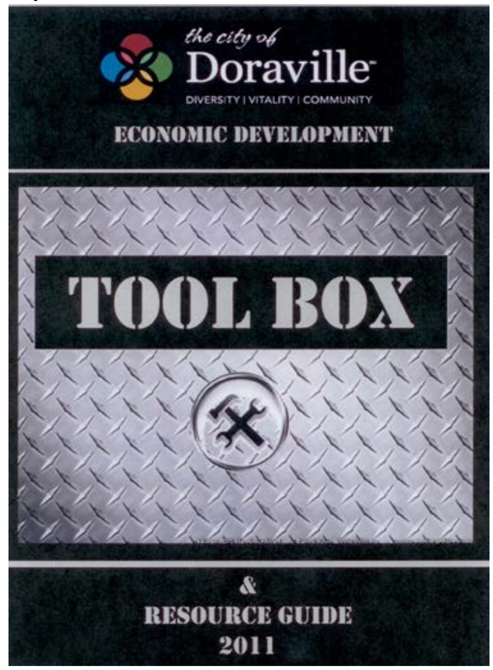
Process - Requests for incentives are facilitated by the economic development staff. Following a review of the application, a letter representing an incentive recommendation is issued. All proposed incentives are subject to final City Council and any other participating entities public review and approval.

5601 Granite Parkway Suite 310 Plano, Texas 75024 972-208-8300 www.planotexas.org

a.) *Create target industry recruitment and retention marketing materials*
Providing marketing materials to existing and prospective businesses is a tool that can serve many purposes. Marketing materials can be a quick way of showing prospective companies the benefits of doing business in Roswell. These materials can also be used as part of an introduction with businesses that help open the door to further dialogue. Existing businesses would also benefit from marketing materials as it provides reasons for why it is important to stay in Roswell and continue to do business in the area.

Consistently updating these materials, particularly those related to projects currently under development, is important because these materials not only promote new development in the City, but also provide a status of success for new growth. Other general recommendations from the Advisory Committee include: [1] ensure there is uniformity in design and print quality on all materials; [2] update data and figures utilizing nationally recognized data sources, which is particularly true for web-based materials; and [3] critically review content in each document on whether it is necessary for inclusion and limit the size of documents.

Figure 9-4
City of Doraville Resource Guide



The new marketing brochures should be no more than a single 11x17 sheet folded in half. However, a single 8.5x11 sheet printed on both sides or tri-fold is preferred. The marketing materials should cover five main topic areas:

Quality of Life – Highlight the positive attributes of Roswell and the reasons businesses would want to choose this community as a place to do business. The quality of life brochure should emphasize factors such as cost of living, crime information, schools, and leisure activities.

Target Industry Materials – If funding is available, the implementation entity should create industry-specific marketing materials for each of the target industries. Each document should be customized based on the particular cluster. The documents should highlight information including employment and establishment growth data, current businesses operating in the City, amenities available within the City and region, potential sites (developed and undeveloped), incentives available (where applicable) and local business contacts (ambassadors).

Incentive Sheet – Develop an incentives document that details all local (Roswell), county, state and federal incentive programs. Prospective businesses can use this document to gauge the financial benefits to doing business in Roswell, and existing businesses may be alerted to incentive programs they were unaware of, therefore helping to ensure their continued presence in the City. The Plano Economic Development organization located in Plano, Texas developed a good example of this type of document.

Business Testimonial Book – Craft a business testimonials book with written statements from existing Roswell business leaders on topics ranging from quality of life, business climate, market performance and personal preference on choosing Roswell to do business. It is recommended that a wide range of business leaders who have been historically successful in Roswell be interviewed for the testimonial book.

Technology Sheet – Provide a technology sheet that details the high tech infrastructure available in Roswell including the fiber optic infrastructure and internet/cellular coverage.

b.) Create an independent "eVillage" Internet presence for the implementation entity

An eVillage provides streamlined access for information relevant to all facets of economic development. A true eVillage concept is relevant to all potential consumers of information related to economic development including investment prospects, businesses, consumers, and residents. The proposed eVillage is recommended to contain three parallel websites, with one dedicated to investment prospects and businesses, one dedicated to consumers, and one dedicated to community outreach and communication. For example, the Town of Culpeper, Virginia, created an eVillage website, which provides distinct links to both businesses/entrepreneurs and residents/visitors. A similar type of website would help Roswell better market to prospective investors and businesses, increase outreach to gain feedback, increase community awareness of the benefits of economic development, and allow Roswell residents to communicate about City and neighborhood issues.

Figure 9-5
Partial Screen Capture of Reston, Virginia eVillage

The content for each website should be built to focus on those characteristics most relevant to the target market, offering linkages between the sites as well as to outside entities germane to business development and recruitment (i.e. Progress Partners). Examples of information that could be posted on the investor/businesses website include downloadable marketing materials, a news section that advertises recent new construction and rehabilitation projects, a searchable database that inventories all available commercial space, and a password-accessible area for holding on-line surveys and accessing focus group notes and minutes.

Figure 9-6
Culpeper, Virginia Economic Development Website Homepage

The consumer-based website should focus on providing existing and potential shoppers with real-time information on business offerings within the City. In addition to an exhaustive business database (tied into the Find It All Roswell effort), the website should incorporate an interactive mapping tool that allows users to locate Roswell businesses by area or business type. The Advisory Committee recommends the implementation entity investigate the potential to create a "virtual" shopping experience, bringing existing Canton Street/Founder's Square retailers the opportunity to market their goods online in a collaborative environment. The model would be similar to an Amazon Marketplace, where the implementation entity offers hosting and transaction assistance for these businesses. If successful, this effort could be expanded to other areas and businesses.

The community outreach and communication parallel website is intended to engage the Roswell citizenry and encourage them to understand economic development in the City while promoting neighborhood unity. One component of this effort could be a password-based community association area that allows Roswell residents to interact with members of their community about anything. Providing this service promotes information sharing and attracts residents to the implementation entity website frequently. An additional opportunity is to create the community homepage in a manner that allows each user to customize the information available, with access to local media, entertainment, and events (i.e. local weather, city events, stock pricing, etc.). Attracting and retaining community residents to this website ultimately will increase their awareness and understanding of what the implementation entity is accomplishing and the benefits being provided to the City.

c.) *Consumer Outreach*

A consumer survey is vital to understanding where business/interest is being generated and sustained, and how businesses can better serve their customers. Businesses can use the survey results to help better position their stores and increase sales (which in-turn helps to ensure business retention) and the economic development organization can use the results to help focus and inform recruitment efforts. There are two ways to approach the consumer survey outreach. One option would be to position volunteers in high-traffic shopping areas and ask questions as consumers enter and exit the business. The second option would be to create an on-line survey. This type of survey would need to be advertised on the home screen of the website and promoted in the local newspapers in order to alert residents and consumers of the survey.

E. IMPLEMENTATION MATRIX

The following implementation matrix presents the full range of objectives and corresponding action items for consideration when creating the implementation entity business plan. The time lines, estimated costing, and implementation partners for each action item identified in the matrix reflect of the level of effort desired by the Advisory Committee and assessment by the Consultant team. The final business plan established by the implementation entity should be heavily influenced by the Advisory Committee's established strategy, but refined based on the available strategic and capital resources available to this effort. The final timing, focus and potential costs will be better determined through the reorganization of the implementation entity and the dedicated participation from various public and private sources.

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN Implementation Matrix		Implementation Lead		Implementation Timing (Years)										Estimated
		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
ORGANIZATION AND COORDINATION STRUCTURE														
Objective #1: Create a viable, independent implementation entity to guide economic development in Roswell.														
Action 1:	Reorganize the Roswell Business Alliance memorandum of understanding to reflect the role and mission of the new implementation entity	CC, CD, ED												B
Action 2:	Integrate the Downtown Development Authority board with the newly created implementation entity board	CC, CD, ED,												A
Action 3:	Identify remaining board members to fill out the 15-person board of directors for implementation entity, including the City Council member assigned to community development	CC, CD, ED												A
Action 4:	Develop long-term public funding strategy and deliverable guidelines for the implementation entity	CC, CD, ED, PP	D, O											B
Action 5:	Establish the implementation focus areas for the implementation entity surrounding workforce & entrepreneurial issues, economic development issues, marketing & outreach issues, and development authority issues	CD, ED	D, I, O											B
Action 6:	Develop and implement a marketing strategy to introduce the newly created implementation entity	CR, ED, VB, PP												B
Action 7:	Create a detailed business plan based on the priorities and available resources to implement the strategic economic development plan	CC, CD, ED, PP												C
Action 8:	Define the metrics which will be used to determine the efficiency and effectiveness of the implementation entity	CC, CD, ED												A
Action 9:	Hire the appropriate staff to adequately implement the mission of the implementation strategy, including an executive director, an economic development director, a marketing director and an administrator	CC, CD, ED												E
Action 10:	Monitor successes and implementation efforts in a pre-established accounting system	ED, CC												B
Objective #2: Enhance the coordination and collaboration of City functions that influence economic development.														
Action 1:	Implement a monthly inter-departmental review (IDR) meeting with representatives from each City department to discuss economic development issues and/or projects	ED, CD, CR												A
Action 2:	Establish "Table for Four" monthly coordination meeting between the City administrator, the implementation entity executive director, the community development director and the City Council liaison for community and economic	CC, ED, CD, CR												A
Action 3:	Create a City listserve of City council members and department representatives to streamline information and assistance requests by the implementation entity for economic development purposes	ED												B
Action 4:	Distribute a quarterly progress report and activity summation to the listserve	ED												A
Action 5:	Create City staff position or integrate responsibilities to an existing staff position within the community relations division for the coordination of press releases and activities to be sponsored by the implementation entity	CC,CR												C
Objective #3: Cultivate effective, meaningful coordination with local, regional and statewide economic development entities.														
Action 1:	Establish quarterly meeting schedule with Alpharetta Economic Development and Progress Partners to coordinate and strategize efforts	ED, PP, AE												A
Action 2:	Establish semiannual meeting schedule with the Georgia Resource Center and the Georgia Department of Economic Development and other public economic development entities	ED, FE, DA, RC, GE												A
Action 3:	Distribute a quarterly progress report to local, regional and statewide economic development entities	ED, CR												A
Action 4:	Coordinate with Progress Partners, Alpharetta Economic Development and state allies to develop joint marketing and advertising materials/efforts	ED, AE, FE, DA, RC, GE												B
Objective #4: Build a network of "grass roots" economic development support within the City.														
Action 1:	Identify existing residents, civic stakeholders, and local business owners supportive of economic development within Roswell to gauge their interest in actively participating in implementation	ED, CD, CC, CR	I, N											A
Action 2:	Implement a marketing and education campaign targeted to Roswell residents that informs them of [1] what is economic development, [2] what its benefits are, [3] how they are impacted, and [4] ways to get involved	ED, CR, CD	N											C
Action 3:	Attend civic organization and neighborhood association meetings outside of a rezoning or specific development project to hold question and answer sessions on economic development in the City	ED	N											B

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN

Implementation Matrix

		Implementation Lead		Implementation Timing (Years)										Estimated
		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
ORGANIZATION AND COORDINATION STRUCTURE (CONT.)														
Action 4:	Establish and implement a semiannual or annual "town hall" forum to discuss economic development and market-based issues impacting Roswell with residents	ED, CR	N, I											A
Objective #5: Activate the existing business community to become economic development partners.														
Action 1:	Identify and coordinate existing business leaders within various industry sectors (i.e. healthcare, R&D, logistics...) in Roswell to become Ambassadors of the City, actively participating in business recruitment and marketing	ED, CR	I, O, D, F											B
Action 2:	Establish focus groups of 8 to 20 business leaders in each of the following areas: accommodation & food service, recreation, retail, finance, healthcare, real estate development, home business, professional services, logistics, and	ED	I, O, D, F											B
Action 3:	Meet with these focus groups as needed, but no less than quarterly, to discuss topics and issues influencing their respective industries locally, regionally and nationally	ED	I, O, D, F											A
Action 4:	Work with professional services businesses familiar with the Roswell development approval process to develop a development ombudsman program to help applicants through the process	ED	I											A
Action 5:	Identify and train Roswell business leaders to become business mentors to small businesses, start-up businesses and home-based businesses interested in doing business within Roswell, recommend having 3-5 mentors by the end of year	ED, GA	E, I, O, D, F											C
Action 6:	Establish a formal mentorship program that provides direct support to qualified small businesses seeking to improve their business operations	ED	I, O, D, F											B
Objective #6: Streamline all data collection and dissemination within the City to support and enhance economic development efforts.														
Action 1:	Establish a centralized digital data clearinghouse within the City where all information gathered by the City is maintained	ED, CD, CR												D
Action 2:	Continue to implement and expand the ERP process	CD, CC, CR												A
Action 3:	Create a common property identifier on all forms and applications that allows for each data point collected by the City on properties, buildings and businesses to be merged within a single data record	CD												A
Action 4:	Provide each City department and the economic development implementation entity access to this information over a centralized database	CD, CR, ED												A
Action 5:	Move to an online only application process, with terminals available within Community Development for applicants who do not have personal access to the internet	CD, CR												C
Action 6:	Reconfigure all development-related forms (i.e. building permits, business licenses, site plan review and development process) to mandate that all data fields have to be accurately filled in before submission	CD, CR												A
Action 7:	Negotiate an agreement with Fulton County to coordinate improvements to all Roswell GIS data files including City-funded efforts to update existing information	CD, FC, CR												C
Action 8:	Explore the potential for the City to assume responsibility for real property reassessments to ensure property values and market information is updated and accurate	CD, CR, FC												D
WORKFORCE AND ENTREPRENEURIAL SUPPORT														
Objective #1: Secure the resources to efficiently and effectively implement workforce and entrepreneurial programs.														
Action 1:	Hire a workforce and business development professional as part of the implementation entity	CD, ED, GE, RC	E											D
Action 2:	Identify work and meeting space to accommodate staff and volunteers	CD, ED	O, R											C
Action 3:	Interview and train 12 volunteers on business outreach, interaction and relationship building	ED	N											B
Action 4:	Identify and recruit all service providers (i.e. Gwinnett Tech), donors (i.e. corporate sponsors), and volunteers (i.e. mentors) to support the workforce and entrepreneurial effort	ED, GE, RC, PP, DA	I, F, D, C											B
Action 5:	Develop and execute a data driven action plan to realize the strategic opportunities and address the strategic challenges currently being faced by businesses in Roswell	CD, ED	C											C
Action 6:	Develop monitoring and reporting capability to track income/expenditure, resource usage, out-reach efforts, applications, enrollment, participant and service provider progress and feedback	ED, CD, GE, DA	C											B

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN
Implementation Matrix

		Implementation Lead		Implementation Timing (Years)										Estimated
		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
WORKFORCE AND ENTREPRENEURIAL SUPPORT (CONT.)														
Objective #2: Collect all data necessary to develop and operate a comprehensive workforce and entrepreneurial program.														
Action 1:	Work with the various focus groups to identify existing and projected market trends and needs within workforce development and business development to define a survey for businesses within those industries	ED, CD	E, I, O, F, D											B
Action 2:	Implement an online survey for each identified industry to determine existing and projected workforce needs, current and projected business performance, and real and perceived perceptions of the implementation entity and City	ED	I											B
Action 3:	Implement an outreach effort to persons whose business has relocated from Roswell or closed to identify common reasons, and garner opinions on what (if anything) the implementation entity or City could have done to prevent those	ED	I, O, F, D											B
Action 4:	Analyze the data collected through the survey to identify common themes, issues, and opportunities	ED	C											C
Action 5:	Create a database of every business in the City by NAICS code by collecting more information through the business license process including primary NAICS code, year business started, number of employees and contact information	ED												A
Action 6:	Create databases of workforce partners, entrepreneur/small business development partners, focus group members, business leaders, mentors and program participants	ED	E											A
Action 7:	Build a database of trade associations within each targeted industry area	ED												A
Action 8:	Implement a program conclusion and follow up survey of program participants to track effectiveness and success rate	ED	I, O, F, D											A
Action 9:	Perform follow up surveys with City businesses each year to create a longitudinal database to track trends	ED	C											B
Objective #3: Identify business development and workforce development best practices.														
Action 1:	Collect program offerings from all local and regional workforce and training providers	ED	E											A
Action 2:	Collect program offerings from all local and regional small business development centers and entrepreneurial programs	ED	E											A
Action 3:	Conduct online research business outreach and development best practices	ED												A
Action 4:	Participate in economic development forums, conferences, and learning events	ED												C
Objective #4: Provide workforce and entrepreneurial programs to retain, grow and attract businesses.														
Action 1:	Establish initial business development programs including: [1] writing a business plan; [2] how to finance a business; [3] how to identify, hire and manage staff; and [4] how to market to clients	ED	E											C
Action 2:	Utilize research on best practices, the target industry list, and the results of the focus group and outreach survey to begin defining additional business development programs based on need	ED												A
Action 3:	Secure training and support for mentors, establishing the initial mentorship program based on a "grass roots" approach, developing more standardized programs as interest and resources increase	ED, GA	E											B
Action 4:	Refine these programs annually based on changing approaches, shifts in target industries, and the results of the new surveys	ED	E											B
Action 5:	Hold workforce forum to share results of initial workforce survey results with local workforce training providers	ED	E											B
Action 6:	Identify existing and establish new workforce program offerings based on results of the survey and the forum	ED	C											C
Action 7:	Create marketing and outreach program for all workforce and small business development programs available for Roswell businesses	ED	C											B
Action 8:	Target enrollment of five businesses into the mentorship program within the first year, with a goal of 20% increase each year until 2030	ED												A
Action 9:	Target serving 25 businesses with information requests, 10 businesses for program requests, and 2 businesses for program enrollment per month for the first full year of operation	ED												A

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
WORKFORCE AND ENTREPRENEURIAL SUPPORT (CONT.)														
Objective #5: Create a business incubator program to support the development and expansion of small businesses in Roswell.														
Action 1:	Compile and analyze data collected through outreach effort to provide recommendations on the type of incubator to pursue	ED												A
Action 2:	Work with the Board of Directors to determine a business plan for a business incubator; recommendation to focus on small business development tied into mentor program	ED												A
Action 3:	Perform an incubator feasibility study to determine the size and scale of the initial investment	ED	C											C
Action 4:	Identify and secure appropriate space to host the facility	ED, CD, CR	O											C
Action 5:	Work with Alpharetta Economic Development and Progress Partners to explore a joint operation and marketing effort; will require involvement at the initiation of establishing an incubator	ED, PP, AE												A
REGULATORY AND TOOLBOX DEVELOPMENT														
Objective #1: Modify the City's zoning code to make revitalization and redevelopment more conducive in specific areas.														
Action 1:	Rewrite the zoning code to include form based code within the City's official Opportunity Zone	ED, CD, CR	C											E
Action 2:	Create transition zones in areas where commercial development will abut existing residential communities	ED, CD, CR	C											Included with above
Action 3:	Develop overlay districts in areas outside the Opportunity Zone where the City desires revitalization to occur	ED, CD, CR	C											Included with above
Action 4:	Allow various type of ownership and rental residential land uses into the zones established for commercial and revitalization areas (i.e. the Opportunity Zone)	ED, CD, CR	C											Included with above
Action 5:	Consider separate/special accommodations for age-restricted housing within these area inducing (but not limited to) density bonuses and reduced parking requirements commensurate with the proportion of housing dedicated to this	ED, CD, CR	C											Included with above
Action 6:	Focus new commercial investment along Roswell's transportation corridors including GA400, Holcomb Bridge Road, Alpharetta Highway, Crossville Road and Mansell Road	ED, CD, CR	C											Included with above
Action 7:	Create historic revitalization overlay district for Founder's Square/Canton Street area delineating specific design and parking requirements consistent with an historic area	ED, CD, CR	C											Included with above
Objective #2: Improve the City's development review process to provide greater certainty to the development community.														
Action 1:	Establish maximum staff review periods for all development process submittals (i.e. rezoning, variance...)	CD, CC, CR												A
Action 2:	Establish a concurrent review process for City Council, the Development Review Board and the Historic Preservation Council for all application types	CD, CC, CR												A
Action 3:	Allow for administrative review approvals for projects consistent with the comprehensive plan and meet specific size criteria recommendations include: [1] under 1 acre; [2] less than 20,000 building SF, and [3] less than 50 housing units	CD, CC, CR												A
Action 4:	Develop the ombudsman program within the implementation entity to assist applicants to prepare for, and navigate the development review process	ED, CD, CR												B
Action 5:	Include the implementation entity in all communications and internal strategy meetings related to development process applications and deliberations	ED, CD, CR												A
Objective #3: Collect more information from all development applications, permit applications and business licenses														
Action 1:	Require inclusion of property identification number on all City forms	CD												A
Action 2:	Require estimated construction costs (per unit for residential and per square foot for non-residential) on all applications	CD												A
Action 3:	Transition to an on-line only application process to centralize data collection; provide terminals in the Community Development Department for walk-in applicants	CD, CC, CR												C
Action 4:	Require all data fields to be filled in before accepting the application; provide internal review to ensure information is accurate before approval	CD												B

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
REGULATORY AND TOOLBOX DEVELOPMENT (CONT.)														
Objective #4: Strengthen the importance and flexibility for development within the "Primary Investment Area"														
Action 1:	Establish a building permit/inspection waiver program for businesses occupying no less than 20,000 square feet of space, creating 100 FTE jobs, and making a minimum 10-year commitment to operating in Roswell	ED, CC		■	■	■								A
Action 2:	Establish a waiver of business license and occupation taxes of up to $75,000 annually for up to 3 years based on the number of FTE jobs creates and total capital investment, with a minimum threshold of15 jobs and $1M of investment	CC		■										A
Action 3:	Create a Roswell Community Improvement District (CID) following the same boundaries as the Opportunity Zone	CD, CR, CC, GA	C	■	■	■								C
Action 4:	Create a Roswell Tax Allocation District (TAD) following the same boundaries as the Opportunity Zone	CD, CR, CC, GA		■	■	■								B
Action 5:	Realign the Downtown Development Authority (DDA) boundaries to be consistent with the Opportunity Zone boundaries	CD, CR, CC, GA		■	■	■								A
Action 6:	Market the common boundary for these tools as the "Primary Investment Area"	ED, CD, CR		■	▒	▒	▒	▒	▒	▒	▒	▒	▒	A
Objective #5: Develop a loan consortium for projects within the Primary Investment Area														
Action 1:	Establish the legal structure within the implementation entity to administer the loan consortium (potentially the downtown development authority)	CC, CR, ED, GA		■										E
Action 2:	Develop the mission of the loan consortium based on input from the financial industry focus group; recommendations include: [1] interest rate buy downs, [2] loan guarantees, and [3] low interest secondary and gap mortgages	ED		■	■									A
Action 3:	Determine the public/private investment ratio for the consortium (9 to 1 ratio of private to City dollars recommended)	ED			■									A
Action 4:	Establish the minimum return on investment requirements for each lending strategy to be implemented by the consortium	ED			■									A
Action 5:	Market the consortium to potential institutional and private lenders/investors; target $1 million of private investment	ED, CR	F, D		■	■								B
Action 6:	Work with investment partners to administer and monitor the loan consortium (i.e. underwriting procedures)	ED	F			▒	▒	▒	▒	▒	▒	▒	▒	B
Objective #6: Establish an Economic Development Investment Fund for Roswell														
Action 1:	Place the investment fund under the implementation entity, to be administered by the downtown development authority component	ED, CR, CC		■										A
Action 2:	Develop the mission of the investment fund based on input from the downtown development authority, the financial industry focus group, and the development industry focus group	ED, CR, CC	C	■	■									B
Action 3:	Investigate the benefits of programs such as [1] development fee mitigation, [2] low interest secondary and gap mortgages, [3] joint venture development arrangements, and [4] independent development projects	ED	C	■	■									Included with above
Action 4:	Establish standards of qualification for applicants based on development type, scale, location and consistency with the comprehensive plan and zoning code	ED	C	■	■									Included with above
Action 5:	Make initial City investment of $250,000, seeking matching contributions from other public and private entities	CC, CR			■									E
Action 6:	Ensure all joint venture and stand alone development projects achieve no less than a return of investment	ED				▒	▒	▒	▒	▒	▒	▒	▒	B
Objective #7: Implement a bond-lease program through the downtown development authority														
Action 1:	Establish formal bond-lease program within the downtown development authority in coordination with the Fulton County tax assessment office on procedures for assessment	ED, GA		■	■									A
Action 2:	Determine criteria for when the bond lease program is applicable; recommended to be coordinated with job creation, tax revenue generation or implementation of specific City goal	ED, GA			■									A
MARKET AND ASSET CULTIVATION														
Objective #1: Create a development prospectus that identifies those areas in Roswell best suited for catalytic investments and revitalization.														
Action 1:	Coordinate with Community Development to identify areas of the City where large-scale reinvestment and redevelopment are most appropriate; recommend Alpharetta Highway, Holcomb Bridge Road, and Hembree area	ED, CD	R, D, O	■	■									A

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
MARKET AND ASSET CULTIVATION (CONT.)														
Action 2:	Create a detailed property inventory database for each area identified	ED, CD												B
Action 3:	Outreach to property owners in this area to determine their investment strategies and willingness to participate/lead property assemblage and redevelopment	ED	O, D, R											B
Action 4:	Refine the identified areas into sub-areas ranked by potential for investment	ED, CD												A
Action 5:	Produce marketing materials that identify the area, detail the vision for that area and provides contact information for property owners to begin discussions	ED, CR	C											B
Action 6:	Implement a regular outreach program to communicate with identified property owners and update prospectus to reflect new market realities/ownership positions	ED												B
Action 7:	Work with the development community on assessing and monitoring the effectiveness and relevance of the prospectus	ED	R, D, O											A
Objective #2:	**Build more strategic relationships with the real estate community.**													
Action 1:	Increase awareness of development projects and current opportunities through continued communication with local and regional real estate professionals, providing progress updates on a regular basis via print and digital media	ED, PP	D, O, R											B
Action 2:	Hold networking events for property owners and real estate investment professionals to interact	ED	D, O, R											B
Action 3:	Establish relationships with national site selection consultants through targeted outreach and marketing efforts	ED, PP	C											B
Action 4:	Hold information session open houses and networking opportunities for local real estate brokers and Realtors to share information and provide feedback to the implementation entity	ED	R, D, O											A
Action 5:	Work with City business leaders to participate in the ambassador program and actively participate in business recruitment and retention efforts with the implementation entity	ED	I, D											A
Action 6:	Work with Roswell companies to identify potential target industries and businesses, particularly their vertical and horizontal network chain members	ED	I, D, O, R											A
Objective #3:	**Grow and enhance the City's healthcare and social assistance industry cluster**													
Action 1:	Work with North Fulton Regional Hospital, Northside Hospital, Saint Joseph's Hospital and the healthcare focus group to identify potential medical niches for Roswell; patient care, medical research and social assistance recommended	ED	I											A
Action 2:	Facilitate discussions with focus group on identifying regional and national trends in healthcare and social assistance	ED	I											A
Action 3:	Utilize a business listing database, such as Dun and Bradstreet, to get a list of practitioners within the niche fields identified through facilitated discussions	ED												A
Action 4:	Identify potential sites suitable for development/redevelopment for healthcare and social assistance businesses; near North Fulton Regional Hospital and along GA400 recommended	ED, CD	O											A
Action 5:	Develop joint marketing and recruitment materials to attract practitioners in these niches	ED												A
Action 6:	Join state and national professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences (i.e. Research! America)	ED	I											B
Action 7:	Implement marketing and outreach campaign to targeted businesses utilizing medical/social assistance ambassadors and implementation entity staff	ED	I											B
Action 8:	Host a recruitment trip each year in collaboration with Progress Partners and the Georgia Resource Center with businesses interested in locating operations in Roswell	ED, GR, PP	I											B
Objective #4:	**Grow and enhance the City's technical, research, and consulting operations**													
Action 1:	Work with the professional services focus group to define market opportunities and identify potential target markets in context of the target industry analysis	ED	I											A
Action 2:	Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of the strategic economic development plan	ED												B

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
MARKET AND ASSET CULTIVATION (CONT.)														
Action 3:	Inventory and identify businesses providing support services within North Fulton County, seeking opportunities to attract and retain back office and support service companies (i.e. building maintenance)	ED												B
Action 4:	Coordinate and distribute marketing materials specific to the technical, research and consulting operations industries with Progress Partners, the Georgia Resource Center and the Georgia Department of Economic Development	ED, PP, RC, GE												A
Action 5:	Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences (i.e. AFCOM)	ED												B
Action 6:	Host a recruitment trip each year with businesses interested in locating operations in Roswell	ED	I											B
Action 7:	Work with Progress Partners on recruitment and marketing for corporate headquarters and large-scale targets	ED, PP	I											A
Objective #5:	**Grow and enhance the City's entertainment and recreation industry cluster**													
Action 1:	Work with the retail focus group and entertainment focus group to identify potential opportunities, regional and national industry trends & projections, and opportunities to enhance these industry clusters	ED	I											A
Action 2:	Work with the Roswell Recreation, Parks, Tourism, and Cultural Affairs department to identify and test potential investments and developments for market and financial viability	ED, CR	C											C
Action 3:	Perform a market and financial feasibility study to determine the costs and benefits of expanding the City's performing arts center	ED, CR, CC	C											C
Action 4:	Work with the Roswell Convention and Visitor's Bureau to identify joint marketing and advertisement campaigns, especially the Find It All Roswell program	ED, VB												B
Action 5:	Work with the Convention and Visitor's Bureau to determine the potential of creating a weekend event program for Canton Street and Founder's Square	ED, VB												A
Action 6:	Further explore the potential to develop a nationally-recognized recreation performance research facility related to an Olympic sport with recreation crossover potential to consumer markets (i.e. cycling)	ED	C											C
Action 7:	Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of the strategic economic development plan	ED												A
Action 8:	Coordinate and distribute marketing materials specific to the retail, entertainment and recreation opportunities	ED												A
Action 9:	Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences (i.e. ICSC and the Intl. Association of Amusement Parks &	ED												B
Action 10:	Host ra ecruitment trip each year with businesses interested in locating operations in Roswell	ED, CR	I											B
Objective #6:	**Grow and enhance the City's local and regional data and goods distribution industries**													
Action 1:	Work with the logistics focus group to identify market opportunities, regional and national trends and projections, and issues influencing the industry cluster	ED	I											A
Action 2:	Explore the feasibility of expanding the North Fulton fiber optic network within Roswell	ED	C, I											C
Action 3:	Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of the strategic economic development plan	ED												A
Action 4:	Coordinate and distribute marketing materials specific to the data and goods distribution industry cluster	ED												A
Action 5:	Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences (i.e. the American Society of Transportation & Logistics)	ED												B
Action 6:	Host a recruitment trip each year with businesses interested in locating operations in Roswell	ED, CC	I											B
Objective #7:	**Implement target industry recruitment and retention visit events.**													
Action 1:	Develop and implement recruitment trips sponsored by the City and hosted by local business leaders, bringing target businesses into Roswell for short-term networking and recruitment events	ED, PP, CC	I											Included with above

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
MARKET AND ASSET CULTIVATION (CONT.)														
Action 2:	Create targeted business appreciation events for existing industries within Roswell, providing local businesses an opportunity to network and learn about education/financial programs in a social environment	ED, PP, CC	I											Included with above
Action 3:	Implement an outreach effort to include topics that appeal to a wide variety of business owners and entrepreneurs interested in gaining additional knowledge on general business practices and City processes	ED, PP, CC	I											Included with above
MARKETING AND OUTREACH STRATEGIES														
Objective #1: Create target industry recruitment and retention marketing materials.														
Action 1:	Create quality of life brochure highlighting Roswell's attributes as place to live and work including cost of living, crime information, schools, and leisure activities, among others	ED, PP, VB												B
Action 2:	Develop a industry "highlights" tri-fold materials for each target industry market including market fundamentals, local and regional business climate, labor force data, etc.	ED, PP, VB												B
Action 3:	Develop a detailed incentives document that details all local (Roswell), county, state and federal incentive programs	ED												B
Action 4:	Craft a business testimonials book with written statements from existing Roswell business leaders on topics ranging from quality of life, business climate, market performance and personal preference on choosing Roswell to do business	ED												B
Action 5:	Produce a technology sheet detailing the high tech infrastructure available in Roswell including the fiber optic infrastructure and internet/cellular coverage	ED, PP												B
Action 6:	Develop each of these materials in print, digital and internet format	ED												B
Action 7:	Create conference materials and permanent display materials for exhibitions and outreach efforts	ED												D
Objective #2: Build a true multi-media marketing and outreach campaign for economic development in Roswell														
Action 1:	Create an independent "eVillage" Internet presence for the implementation entity	ED, CR	C											C
Action 2:	Create parallel websites, with one dedicated to investment prospects, one dedicated to consumers and one dedicated to community outreach and communication	ED, CR	C											Included with above
Action 3:	Build content for each website focused on those characteristics most relevant to the target market, offering linkages between the sites as well as to outside entities germane to business development and recruitment (i.e. Progress	ED, CR	C											Included with above
Action 4:	INVESTOR - Publish development prospectus and all target industry marketing materials	ED, CR	C											Included with above
Action 5:	INVESTOR - Provide web-based and downloadable version of incentives book	ED, CR	C											Included with above
Action 6:	INVESTOR - Maintain current events section that advertises recent new construction and rehabilitation projects in the City	ED, CR	C											Included with above
Action 7:	BUSINESS - Establish a user-input, searchable database on the website that inventories all available commercial space (including apartments) within the City; have listings expire every 30 days without renewal	ED, CR	C											Included with above
Action 8:	BUSINESS - Provide a password-accessible area for holding online surveys and accessing focus group notes, minutes and agendas	ED, CR	C											Included with above
Action 9:	CONSUMER - Explore the potential to create a virtual shopping experience, bringing existing downtown retailers the opportunity to market their goods online in a collaborative environment	ED, CR	C											Included with above
Action 10:	CONSUMER - Provide interactive mapping tools to allow users to gain a strong geospatial understanding of the area in addition to the actual offerings in Roswell	ED, CR	C											Included with above
Action 11:	RESIDENT - Create a password-based community association area that allows Roswell residents to interact with members of their community about any and all issues	ED, CR	C											Included with above
Action 12:	RESIDENT - Establish a universal homepage with access to local media, entertainment, and events that can be customized by the individual to provide show preferred information (i.e. local weather, city events, stock pricing, etc.)	ED, CR	C											Included with above
Action 13:	Higher a well established website developer to ensure the infrastructure and source code are optimized to efficiently and effectively drive interest and business to Roswell	ED, CR	C											B
Objective #3: Integrate social media outlets into Roswell's economic development activities														
Action 1:	Create and regularly maintain a Facebook account	ED												A

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost
MARKETING AND OUTREACH STRATEGIES (CONT.)														
Action 2:	Create and regularly maintain a Twitter account	ED												A
Action 3:	Create and regularly maintain a LinkedIn account	ED												A
Action 4:	Develop a comprehensive digital outreach list to publish regular eNewsletters and make necessary eBlast messages	ED												A
Action 5:	Build relationships with all local print, digital and social media outlets and create a regular communication strategy	ED	I											B
Action 6:	Get a Quick Response code developed for the implementation entity's website	ED	C											B
Action 7:	Have all materials translated into other languages, starting with Spanish, Chinese, and Korean	ED	C											C
Action 8:	Dedicate staff time to consistently and frequently update and maintain these efforts and relationships	ED												A
Objective #4: Bolster the image of Roswell as a place to live, work, and play.														
Action 1:	Explore strategic partnership opportunities with the Roswell Recreation, Parks, Tourism, and Cultural Affairs department as well as the Convention and Visitor's Bureau to organize and implement events and outreach projects	ED, CR, VB												B
Action 2:	Sponsor annual conferences of trade groups and target industry events to take place in Roswell	ED	I, D, R											B
Action 3:	Organize "young professional groups" for City residents and employees of City companies to improve professional and social networking opportunities	ED, VB	I											B
Action 4:	Install consistent signage and way finding throughout the City, guiding residents and tourists to key recreation, employment and entertainment venues	CD, CR, CC												D
Action 5:	Increase usage and marketing of the City's riverfront as a way to enhance quality of life	CR, ED, VB	O, R											D
Action 6:	Continue to implement multi-modal connectivity in the City, specifically bicycle and pedestrian connectivity	CR, CC												F
Objective #5: Educate and inform Roswell citizens about the benefits and opportunities in economic development.														
Action 1:	Create a "meeting in a box" kit for community groups to self-educate on the basics of economic development in Roswell, with information on how to follow up with the implementation entity	ED												B
Action 2:	Advertise the advocate program, offering community groups access to residents more knowledgeable on local economic development efforts	ED, VB, CR	I											A
Action 3:	Develop and implement an "economic development 101" program and marketing materials that offers a more hands-on approach from the implementation entity including seminars and outreach meetings by entity staff	ED, CR	N, I, R											B
Action 4:	Hold an annual or semi-annual town hall event to debrief community members on current economic development efforts, trends and projections in the market, and likely future opportunities/efforts	ED	N											A
Action 5:	Host industry-specific market summits designed to provide a panelist-style discussion on regional market conditions and how those conditions are influencing the Roswell market	ED, CD	N, I, O, F, R											B
Objective #6: Connect with Roswell and North Fulton consumers on conditions, opportunities and concerns about doing business in Roswell.														
Action 1:	Expand the scope of Find It All Roswell as a marketing program for Roswell to include tourism venues, personal services, and public attractions/amenities	ED, VB	I											B
Action 2:	Outreach to commercial vendors in the Founder's Square/Canton Street area to develop a "virtual" shopping mall, offering web-based retailing through the implementation entity website	ED, VB	I											A
Action 3:	Link the virtual shopping mall to an interactive geospatial map to provide context and proximity for consumers	ED	C											C

CITY OF ROSWELL, GEORGIA STRATEGIC ECONOMIC DEVELOPMENT PLAN		Implementation Lead		Implementation Timing (Years)										Estimated
Implementation Matrix		**Public/NP**	**Private**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Cost**
MARKETING AND OUTREACH STRATEGIES (CONT.)														
Action 4:	Expand the virtual shopping concept to other areas, as deemed appropriate by feedback from consumers and the retail focus group	ED	I											B
Action 5:	Offer retailers and service providers an opportunity to link to the implementation entity's website	ED	I											A
Action 6:	Host periodic surveys for consumers to provide feedback on specific market segments and the performance of the implementation entity's website	ED	N											B
Action 7:	Use analytic software to track usage of the website by consumers to understand market areas and interest concentrations	ED	C											B

LEGEND

Implementation Leaders

Public:

CC - Roswell City Council
CD - Roswell Community Development Department
PR - Roswell Public Relations
BE - Fulton County Board of Education
CR - Other City of Roswell Departments/Entities
FC - Fulton County
GA - State of Georgia
US - Federal Government

Partners:

ED - Roswell Economic Development Corporation (NEW)
VB - Roswell Convention and Visitors Bureau
AE - Alpharetta Economic Development
PP - Progress Partners (North Fulton Chamber of Commerce)
NF - North Fulton Community Improvement District
FE - Fulton County Economic Development Corporation
DA - Development Authority of Fulton County
RC - Georgia Resource Center
GE - Georgia Department of Economic Development

Private

C - Consultant
D - Development Community
F - Financial Institutions
I - Industry Leaders
N - Neighborhood Residents
O - Property Owners
R - Realtors/Brokers
E - Higher Education Providers (i.e. Gwinnett Tech)

Cost Estimate Legend:

A - Under $1,000
B - $1,000 to $10,000
C - $10,000 to $50,000
D - $50,000 to $100,000
E - $100,000 to $500,000
F - Over $500,000
Unk. - Unknown

Action

Implementation

F. COSTING AND FUNDING

The City currently has committed resources to economic development. Within in the City administration, economic development is funded at approximately $180,000 annually in the form of staff and programs administered in the Community Development Department. Additionally, the City has committed $175,000 to the Roswell Business Alliance for the last six months of FY2012 and pledged $335,000 in FY2013, and $252,250 in FY2014, $202,000 in FY2015 and $150,000 annually beyond FY2015. Combining the resources provides the following potential revenue for the implementation entity:

- FY2013 - $515,000
- FY2014 - $432,250
- FY2015 - $382,000
- FY2016 and beyond - $330,000

In an effort to understand how these investment levels corresponds to the proposed implementation strategy, the Advisory Committee charged the consulting team with estimating the potential cost of the plan as proposed. It is important to note that these estimates are an "order of magnitude" calculation, and most likely will vary from actual costs at implementation. Factors that will influence the final costs include:

- Funding limits
- Reduction/removal of tasks
- Secured private and other funding
- In-kind contributions, and
- Pace of progression in implementation.

1. Potential Costs

The potential costs of implementing the strategic economic development plan fall into two categories; one-time start-up costs and operational costs. The start-up costs are singular cash infusions into programs or investments intended to catalyze a specific program or effort. These costs are not expected to reoccur unless both the implementation entity and the City Council agree. Operational costs are the costs to administer and implement the various marketing, outreach, and recruitment efforts. These costs are presented as annual outlays, recurring each year. It is important to note these cost estimates do not account for how these costs are paid (i.e. either appropriations or outside sources). The implementation entity should be seeking sponsorships, donations, in-kind services and grants whenever possible.

- <u>One-Time Costs</u> – The consulting team estimates the one-time, initiation costs will range between $500,000 and $700,000. The majority of this investment will occur in three areas; [1] a proposed $200,000 investment in the new loan consortium that is intended to capitalize $800,000 in private funds, [2] approximately $150,000 to $200,000 in various consulting efforts to establish the entities marketing presence and determine the feasibility of several potential projects, and [3] a $250,000 expenditure to initiate the investment fund. Both investments are envisioned as revolving loan programs, where the initial investment can sustain the program without further investment.

  Other potential initial investments include computer systems and furniture for the implementation entity, an enhance computer system and web-based program within Community Development for on-line application processes, training costs for volunteers, and consultant assistance in establishing and analyzing databases.

- <u>Staffing and Operations</u> – The initial staffing recommendation (four positions) are projected to cost between $275,000 and $325,000 annually (salaries and benefits). The addition of a business development and entrepreneurial specialist likely will cost between $50,000 and $65,000 annually. A joint staff person in the community relations division to increase outreach form both the City and the implementation entity would cost an additional $35,000 to $50,000 annually.

- Workforce and Entrepreneurial Programs – Implementing the comprehensive workforce and entrepreneurial development effort detailed in the matrix is projected to have an annual cost between $75,000 and $100,000. Much of this total is a result of the development and implementation of the actual training and business development programs. It is expected that some of these costs will be recuperated through user fees or the responsibility of the education partner implementing the program. The implementation entity should target between 25% and 35% of these costs to come from alternative sources other than City appropriations.

- Regulatory and Toolbox Programs – Many of regulatory changes and financial tools to be established for economic development are projected to have little or no financial cost. Rather the cost to establish these tools will be the result of utilized staff hours. The two largest costs to developing and implementing tools will be the establishment of the CID and the TAD. Both are labor-intensive efforts that will require substantial outreach to business and property owners. It is likely that the staff costs will be incurred by both the City staff and the implementation entity staff.

- Market and Asset Programs – If the implementation entity implements a full recruitment strategy within each of the four target industry clusters, the potential annual cost would range between $40,000 and $60,000 annually. The majority of this cost is related to the recruitment and retention visits/events held with existing and prospective businesses. The development and maintenance of the development prospectus materials has a smaller, but substantial cost as well.

- Marketing and Outreach Programs – As mentioned, much of the cost to implement the marketing and outreach effort will be in initial outlays for the development and printing of the marketing materials, establishing the organization's internet presence, and developing conference, exhibit and event presentation collateral. Costs related to marketing and outreach operations are estimated to range between $40,000 and $50,000. Much of this expense is for the implementation entity to maintain memberships, attend/participate in conferences, and market to the various trade organizations related to the target industry groups. This effort can expand or contract depending upon how aggressive the implementation entity chooses to invest.

2. Potential Revenue Sources

One of the largest obstacles to implementing an economic development strategy is finding sufficient funding to implement the plan. While there are literally hundreds of economic development loans and grants available for project-specific economic development (the Georgia Department of Community Affairs has an extensive listing of all programs and funds available), the administration of an economic development organization is process oriented, and will require continued level of traditional and non-traditional financial sources. It is traditional that economic development efforts are largely funded by public sources. Some of the more common sources include:

- General funds,
- Dedicated property tax millage, and
- Bond funding.

In each of these cases, funds would be provided by the City of Roswell, and decided by the City Council. However, there are alternative sources of funds to implement and manage economic development organizations. The following examples provide external funding opportunities for the Roswell implementation entity to augment public funds. It is important to note that these funding sources oftentimes are not guaranteed over the long-term, and generally require delivery of specific results. To this end, the

Advisory Committee recognizes the importance of pursuing and securing these resources, but encourage the implementation entity to act judiciously in establishing expectations and delivering results.

- *Corporate Sponsorships* – This revenue-funding source allows corporations to provide resources to an economic development entity in exchange for benefits such as prominent advertising space in publications and name recognition at specific events. Corporate sponsors commonly provide in-kind benefits as well, which include staff support, professional assistance and materials.

- *Partnerships* – Partnerships are pooled funding sources between two separate agencies, such as two government entities, a non-profit and a public agency, or a private business and a public agency. Two partners jointly develop revenue-producing facilities/assets/programs and share risk, operational costs, responsibilities and asset management, based on the strengths and weaknesses of each partner. This is prevalent in fee-based services such as training programs.

- *Private Donations* – Private donations may also be received in the form of funds, land, facilities, supplies/equipment, art, or in-kind services. Donations from local and regional individuals as sponsors for events or facilities should be pursued.

- *Friends Association* – These groups are formed to raise money typically for a single focus purpose that could include a signature facility/asset or program that will better the community as a whole in addition to their special interest.

- *Irrevocable Remainder Trusts* – These trusts are set up with individuals who typically have more than $1 million in wealth. They will leave a portion of their wealth to an agency in a trust fund that allows the fund to grow over time and then is available for an agency to use a portion of the interest to support specific facilities/assets or programs that are designated by the trustee.

- *Volunteerism* – The revenue source is an indirect revenue source in that persons donate time to assist the department in providing a product or service on an hourly basis. This reduces the organization's cost in providing the service while building advocacy for economic development in Roswell. Many of the programs will rely on volunteer efforts.

- *Special Fundraisers* – Many agencies have special fundraisers on an annual basis to assist in funding specific programs and capital projects. These include events such as golf tournaments, festivals, and music concerts. These fundraisers often require outside assistance to be successful, particularly for large-scale events.