

Economic Development Trends

Jennifer Zeller



World-Class Business Center \ Abundant Talent \ Gateway to the World \ Pro-Business Climate \ Quality of Life



What We Do More Than 85 Years of Generating Growth

Manufacturers Record FORBES Industrial Index

Has Your Present Location these Advantages?

LOW PRODUCTION COSTS 	PLENTIFUL AND ADAPTABLE LABOR 	CHEAP RAW MATERIAL 	ABUNDANT POWER
LOW BUILDING COSTS 	LOW TAXES 	EQUABLE CLIMATE permitting year round production at highest efficiency 	COMMUNITY CO-OPERATION
RICH MARKET FOR PRODUCT 	EXCELLENT RAIL-ROAD FACILITIES 	MODERN PORT FACILITIES 	MORE PROFITS

How many of Georgia's Assets can make money for you?

IN GEORGIA, Industry has found vital economies—savings that increase net profit; conditions that simplify the problems of management. And in the list of these outstanding advantages lies the explanation of the great flow of new industry to Georgia's welcoming communities.

Those assets which you need most urgently in your business, you will find in ideal combination in Georgia. Check over the list. Compute the value of each factor from your own standpoint. Study the perfect balance between market, production cost and distribution facilities which Georgia offers. Think of the opportunity to dominate your market, to



increase your net profits if you could reduce manufacturing costs 5%, 10% or 20%—as has actually been done in Georgia.

What will happen to your business if your competitors take advantage of these vital assets, and you do not?

Our intimate knowledge of Georgia's industrial advantages is at your service. We will gladly consult with your engineers, your production men and your distributive organization. We will give you the full facts as they apply to your business—and we will keep your interest strictly confidential. Georgia Power Company, Atlanta, Georgia. New York Office, 120 Broadway.

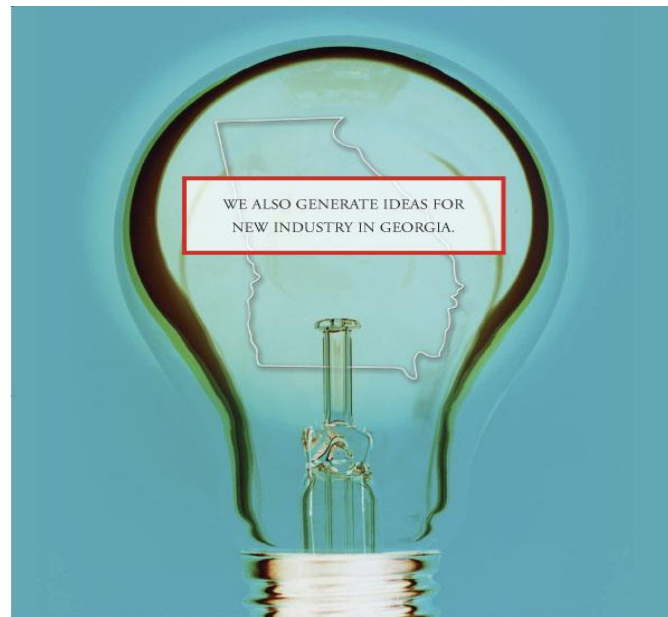
GEORGIA

POWER



COMPANY

... INDUSTRY PROSPERS IN GEORGIA ...



Georgia Power's Economic Development Organization has over seventy five years of business development experience. Working closely with state and local officials, we are able to provide innovative services, advanced technologies and a unique approach to every project. While the Southeast continues to grow, Georgia leads the way, offering an excellent infrastructure for expansion or relocation. So if you're considering the Southeast for business, WE'D LOVE TO SHED LIGHT ON HOW YOUR BUSINESS CAN THRIVE IN GEORGIA.



What We Do Site Selection: Process of Elimination

Talent Availability or Cost

Process of elimination (Barriers to success)

Regulatory

Environmental (air, water, permitting)

Financial

Natural disaster threats

Business environment

Taxes

Permitting

Cost of living/cost of doing business

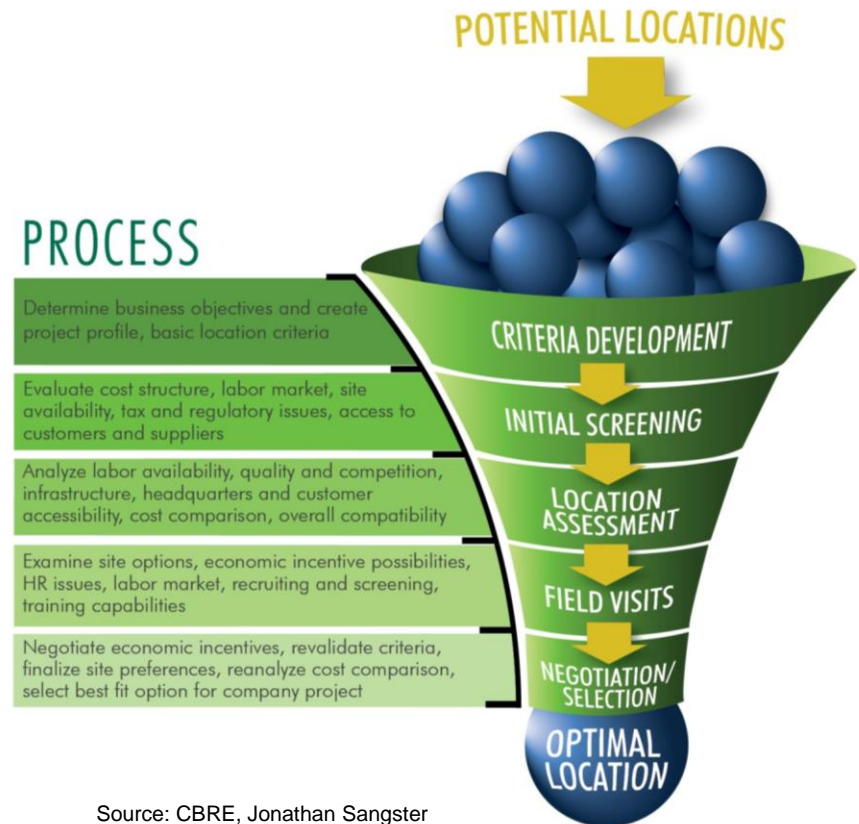
Workforce availability

Accessibility (air, highway, rail, port)

Real Estate Options

Sites/buildings

Infrastructure



Target Industries



Data Centers



HQ and Office Operations



Research & Development

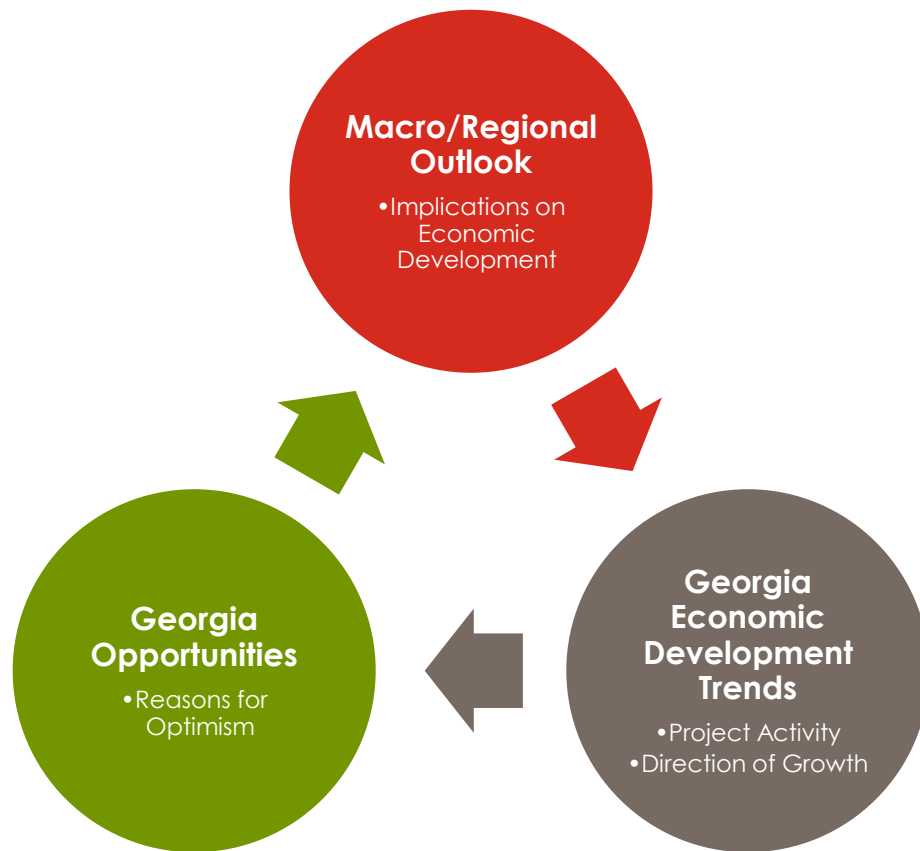


Distribution Centers



Manufacturing

Outline of Discussion



U.S. Macro Economic Trends

Return of Confidence

Current Outlook

Real GDP:
2012 (**2.3%**)

2013: (**2.2%**)
2014: (**2.4%**)

2015: (**3.1%**)
2016: (**3.5%**)

Weights on Recovery

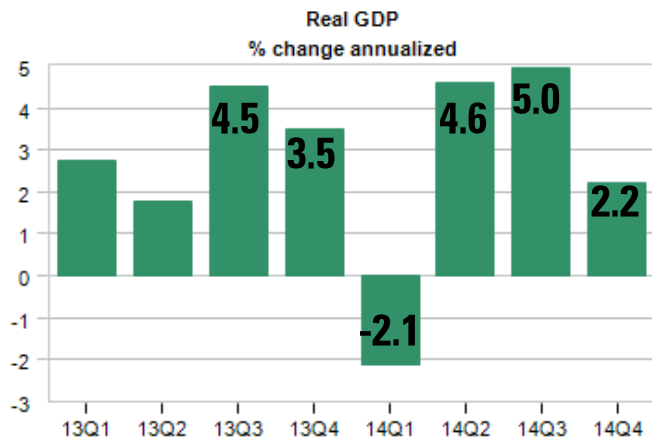
Oil Prices

Slowing
Emerging
Markets

Geopolitical
Threats

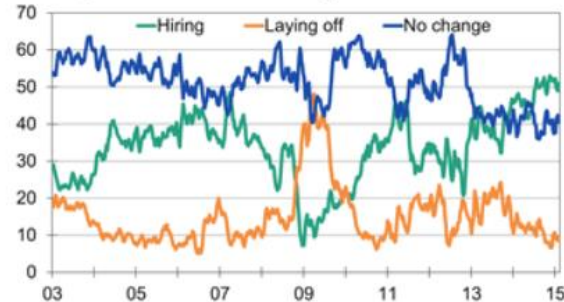
Dollar

Monetary
Response



The Job Market Kicks Into High Gear

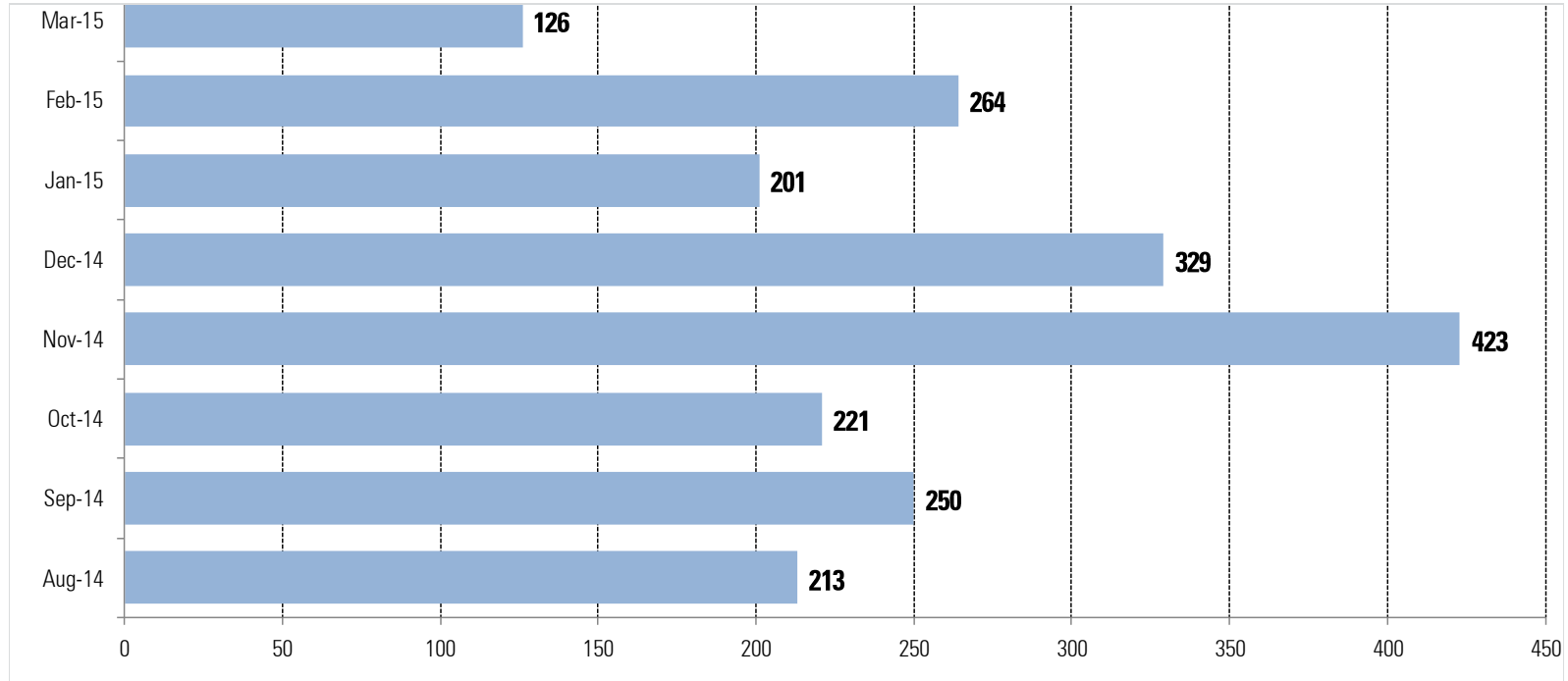
% of respondents to business survey, 4-wk MA



Source: Moody's Analytics

U.S. Macro Job Numbers Booming

Net Change in U.S. Nonfarm Payroll Employment, Aug 2014–March 2015 (averaging 280K)



U.S. Macro Job Numbers Booming

**AVERAGE
MONTHLY
JOB GROWTH IN
2014**

260 000

Labor markets improved significantly in 2014



3.12

million—year-over-year change in jobs



1.1

percentage points—
year-over-year
decline in
unemployment



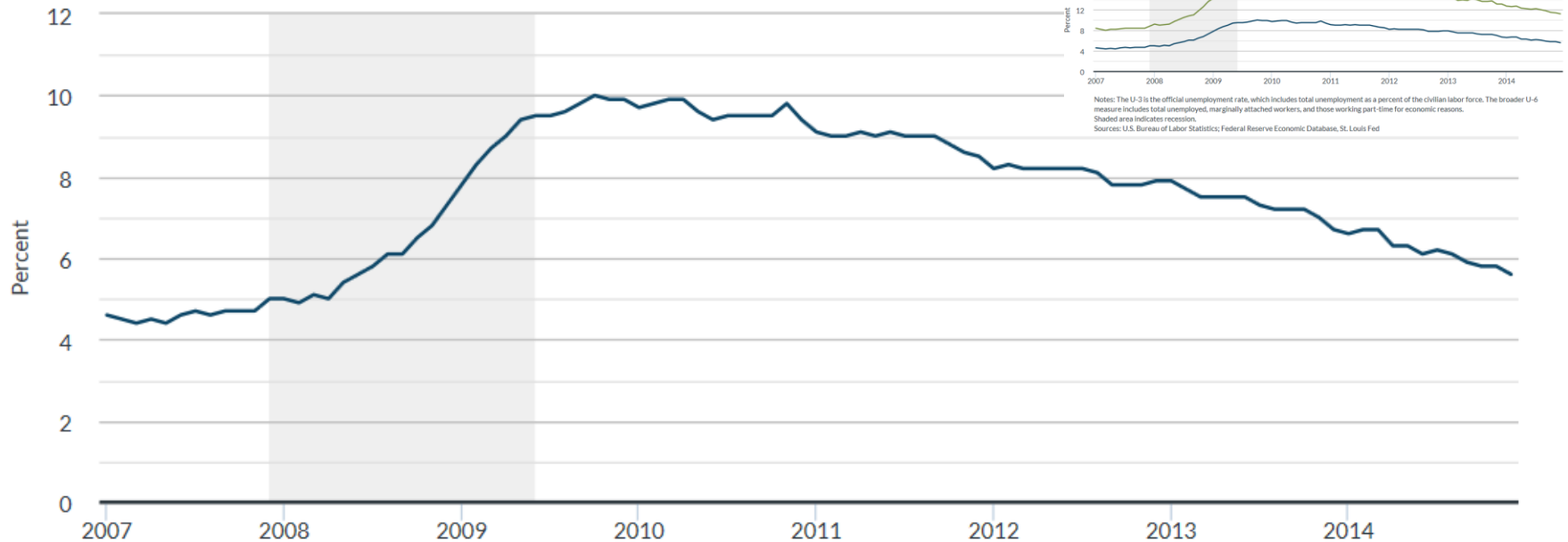
976,000

—year-over-year
decline in people
working part-time
involuntarily

Note: Numbers are seasonally adjusted.
Source: U.S. Bureau of Labor Statistics.

U.S. Macro UE Rate Decreasing (5.5 % March 2015)

The unemployment rate ended 2014 at its lowest point in six-and-a-half years.

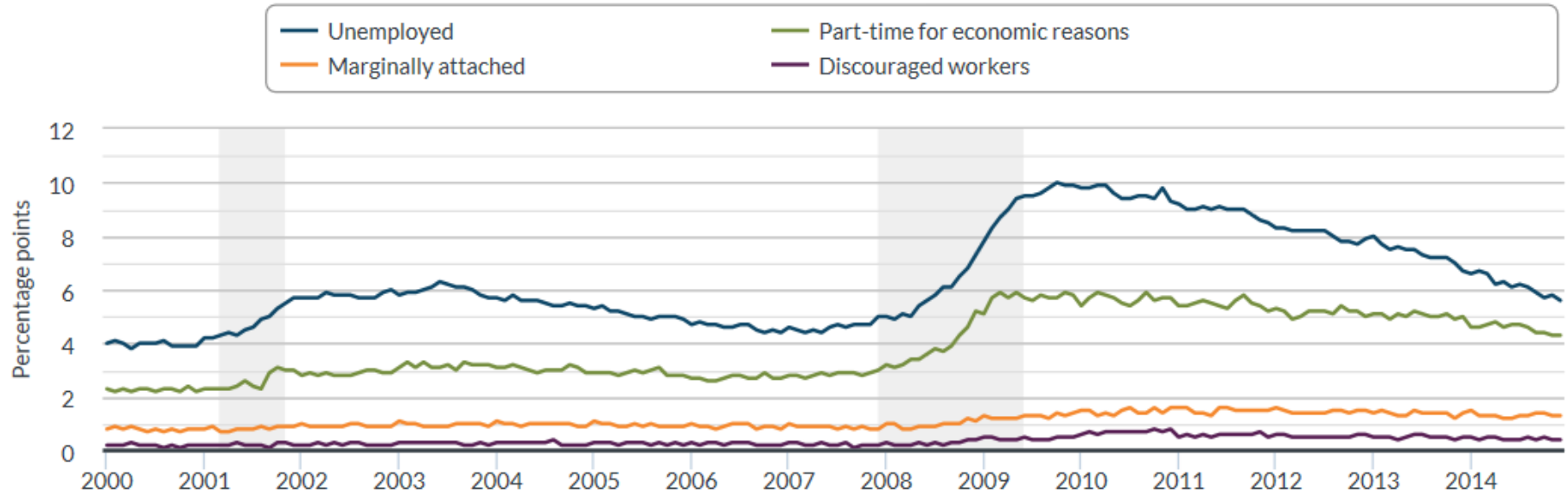


Note: Shaded area indicates recession.

Sources: U.S. Bureau of Labor Statistics; Federal Reserve Economic Database, St. Louis Fed

U.S. Macro UE Rate Decreasing (5.5 % March 2015)

People working part-time for economic reasons made up a large share of the U-6 unemployment rate.



Note: Shaded areas indicate recession.

Sources: U.S. Bureau of Labor Statistics; Federal Reserve Economic Database, St. Louis Fed

The Georgia Economy Ready for Take Off



Job growth return:

Positive growth began in 2011(1.6%), 3 % by 2015

exceed nation through 2020

Unemployment rate continues to drop over the next 4 years – down to 6% by 2016 – ATL

(GA-6.4%)

Growing industries:

- Transp/util (5.9 %)
- Professional & Bus Serv. (5%)
- Information (2 %)
- Leisure & Hospitality (6.2)
- Construction (4%)
- Trade (3.5%)
- Education and Health Services (3.6%)
- Finance (2.6%)

Declining industries for the period:

Reasons for Optimism:

- Growth in information tech / business services industries
- Construction rebounding
- Continued growth of trans equip manufacturing
- Port Harbor deepening (2017)

Competing Forecasts - Georgia and Atlanta

Improving Economy ...

Heading toward healthy expanding jobs forecast (full employment* by 2016/2017)

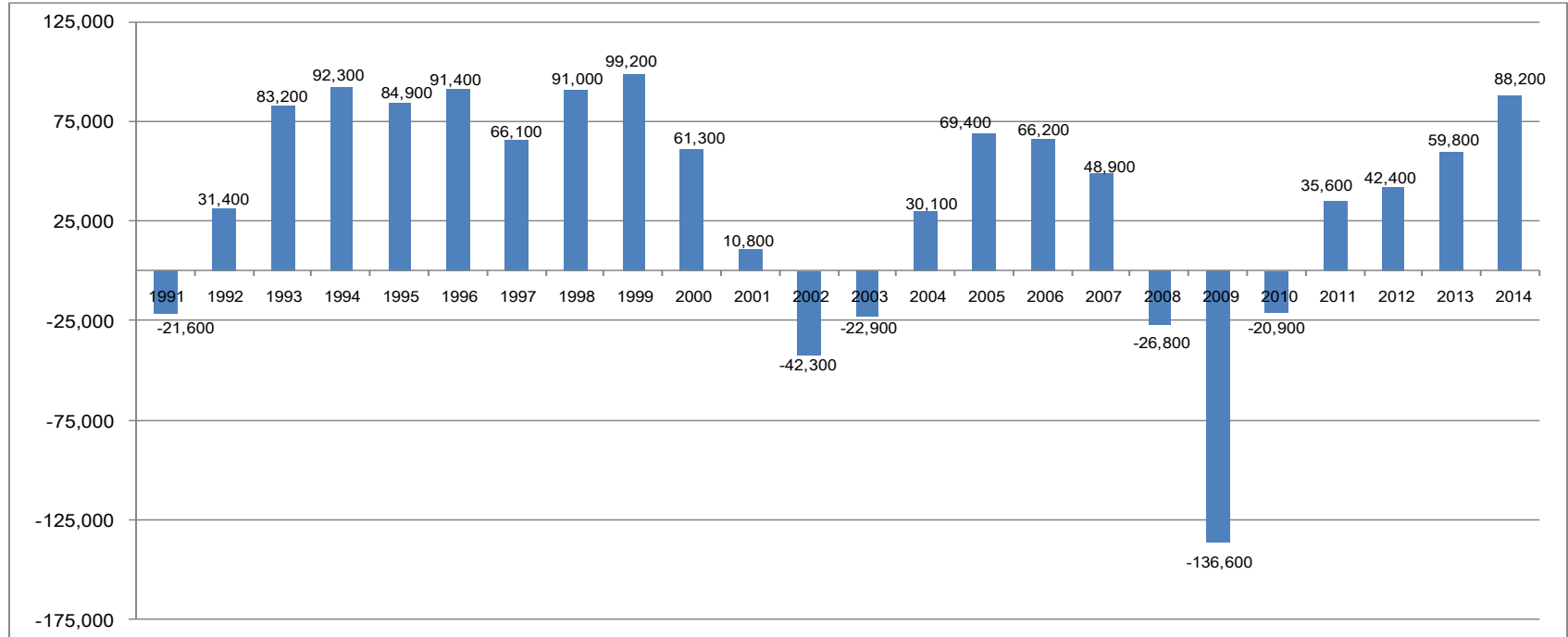
	2012	2013	2014	2015	2016	2017	
<i>Georgia</i>	51,800	80,600	82,600	103,200	85,500	81,100	GSU
	51,800	81,300	122,000	136,300	124,300	83,100	Moody's
	53,500	78,500	79,900	96,300	N/A	N/A	UGA
<i>Unemployment Rate</i>	9.0%	8.2%	7.5%	7.1%	6.4%	5.9%	
<i>Atlanta</i>	41,700	57,500	54,800	66,200	58,400	57,400	GSU
	41,700	57,500	55,700	72,500	72,000	65,800	Moody's
	43,900	61,100	57,900	69,100	N/A	N/A	UGA
<i>Unemployment Rate</i>	8.8%	7.9%	6.9%	7.3%	6.0%	5.2%	

Source: Forecasts as of April 2015 (Feb 2015– GSU); Moody's Analytics- Nov Precise, 2014 Forecast; UGA- Dec 2014)

* Full employment indicates an unemployment rate under 6 %.

Metro Atlanta Annual Net Jobs Change

METRO ATLANTA (MSA) JOBS – NET CHANGE



Source: U.S. Bureau of Labor Statistics 1990-2014 nonfarm employment annual net change, not seasonally adjusted

Largest Job Gainers, 2014

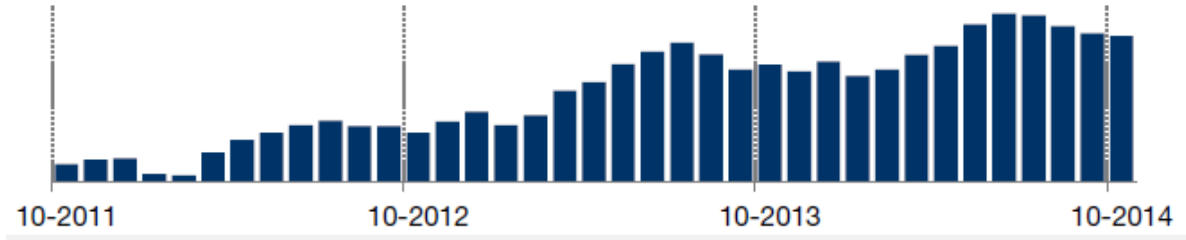
State or metropolitan area	Change in employment 2013-2014
California	461,800
Texas	343,300
Florida	242,000
New York City	172,200
New York	143,300
Los Angeles	133,100
Georgia	120,200
Dallas	110,000
Houston	97,500
Atlanta	88,200

Source: Bureau of Labor Statistics, April 2015

Georgia Housing is Back

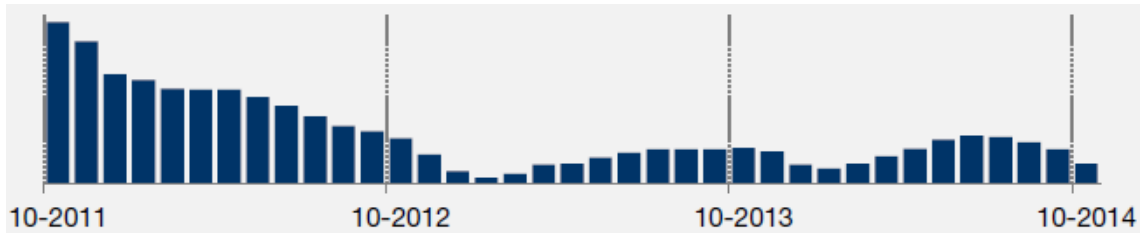
12.4 %

Median Sales Price
March 2014 - March 2015



- 16.9 %

Inventory supply down*
March 2014 - March 2015



*monthly supply of inventory

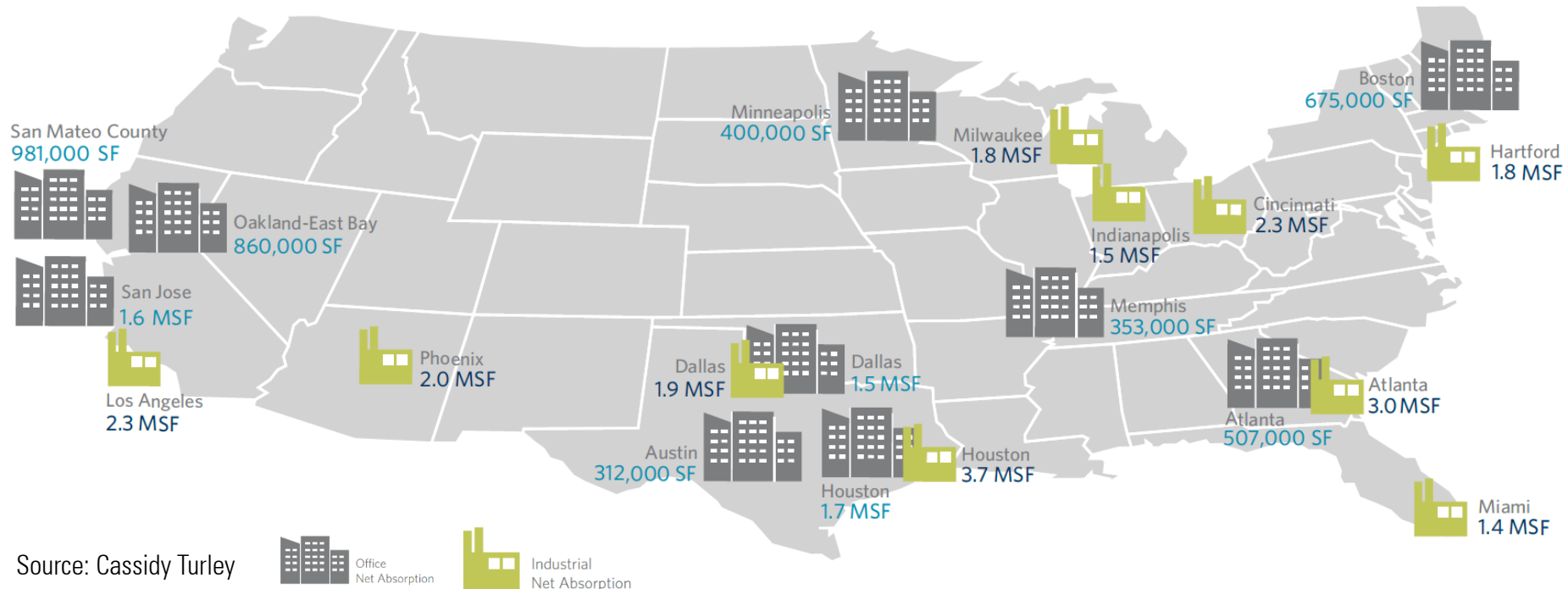
Source: Georgia Realtors Association, March 2015

Pending Sales Up 9.2%

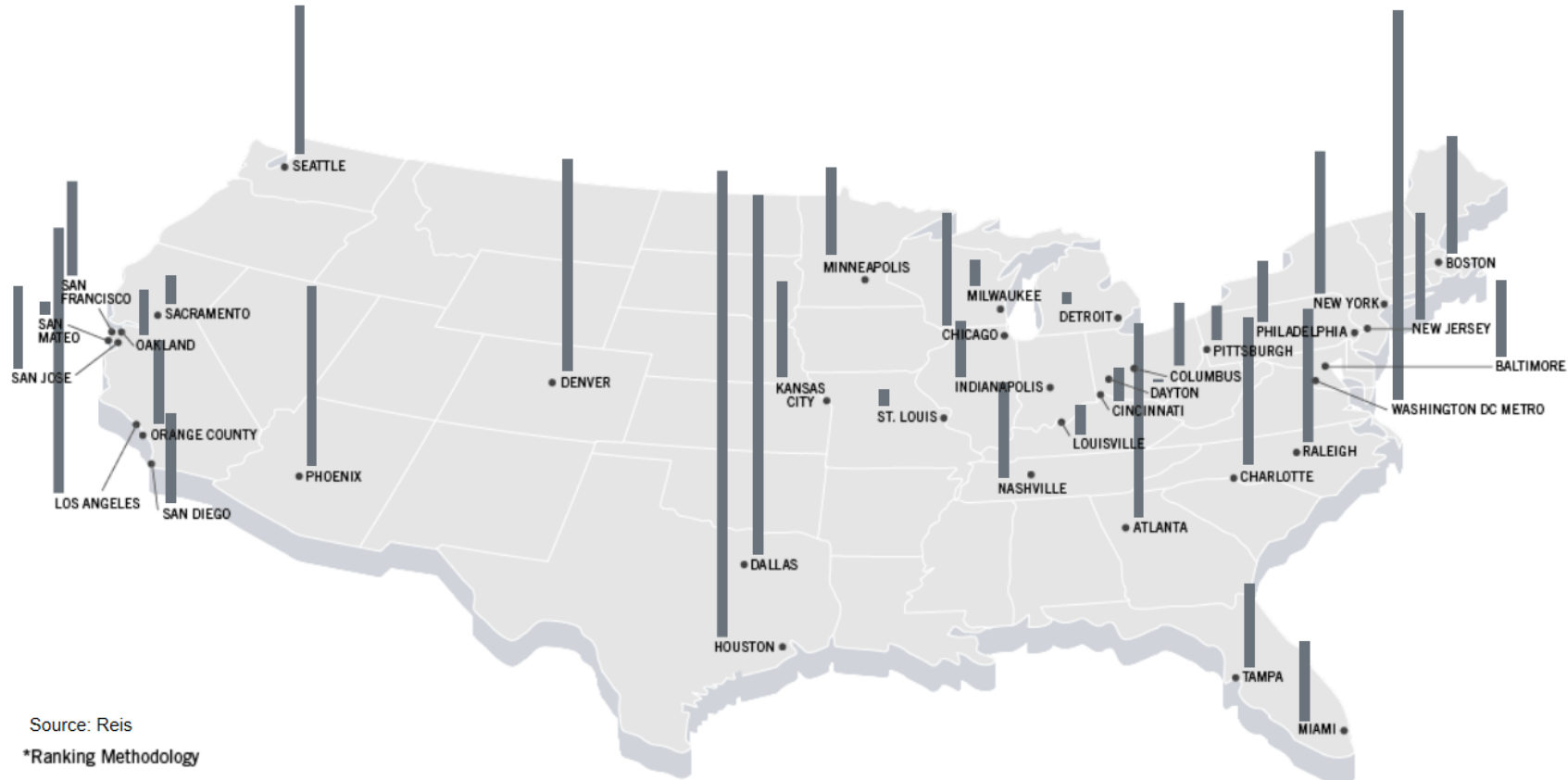
U.S. Macro Office and Industrial Absorption

Top 10 Demand Markets Q1 2015

7th highest in industrial construction



U.S. Macro Multi-Family Under Construction Q2 2014



Source: Reis

*Ranking Methodology

Project Activity- Last Decade



- 800 companies
- 113,000 direct jobs
- \$24 billion investment



Economic Development Trends

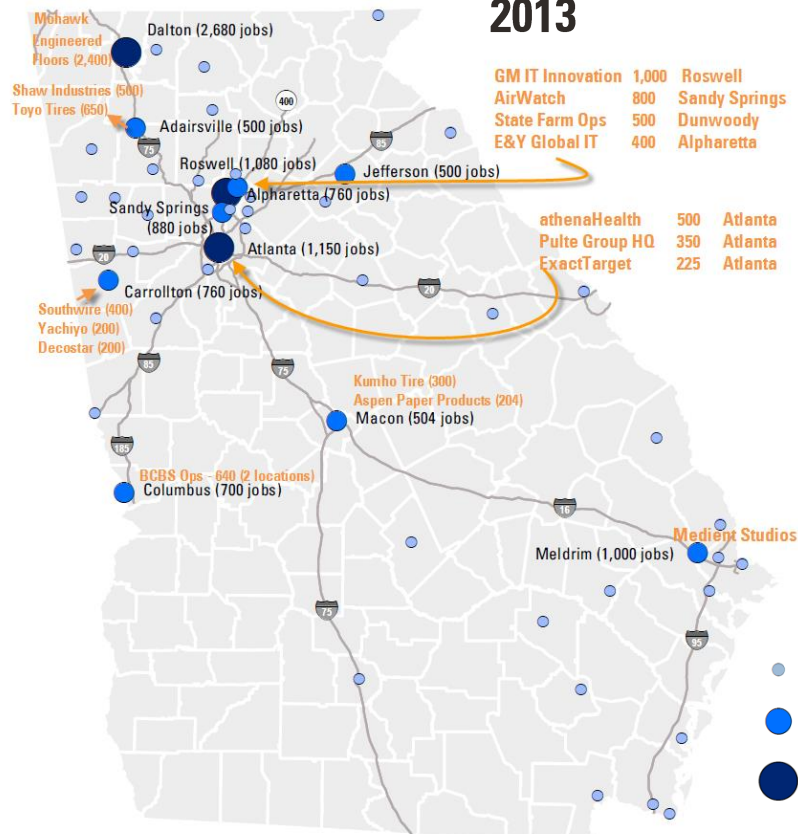
How are we doing?

Year	Locations	Capital Investment (\$B)	Jobs
2008	85	\$1.8	8,404
2009	78	\$2.0	10,429
2010	88	\$2.6	11,042
2011	80	\$2.4	10,231
2012	83	\$3.3	11,843
2013	78	\$2.9	18,532
2014	81	\$2.1	16,575
2015 YTD	21	\$0.5	4,009

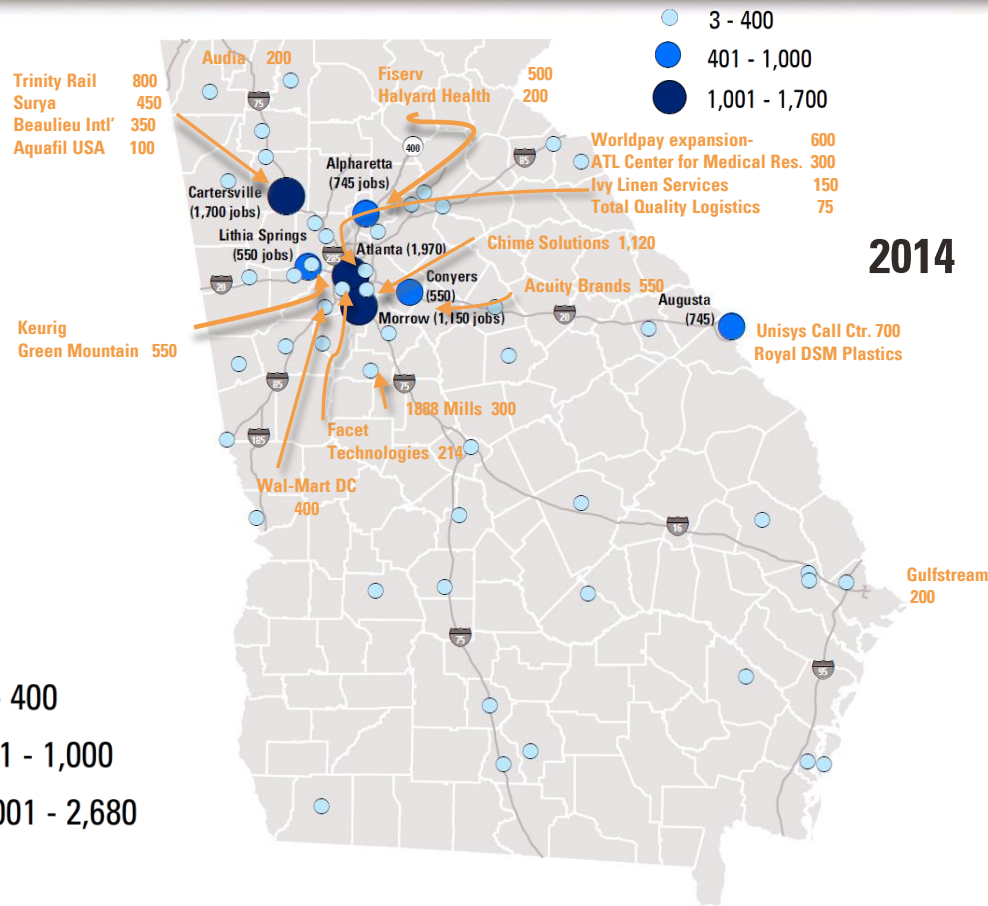
As of April 24, 2015

Project Job Creation by City – New and Expansions

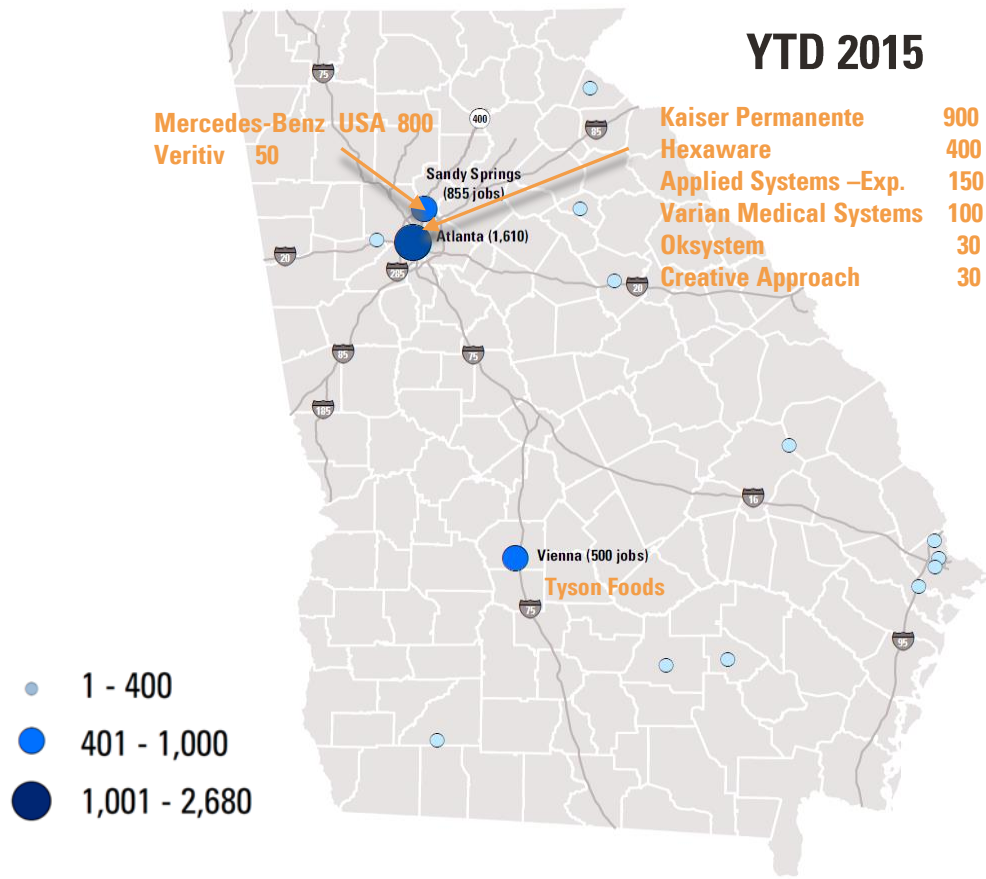
2013



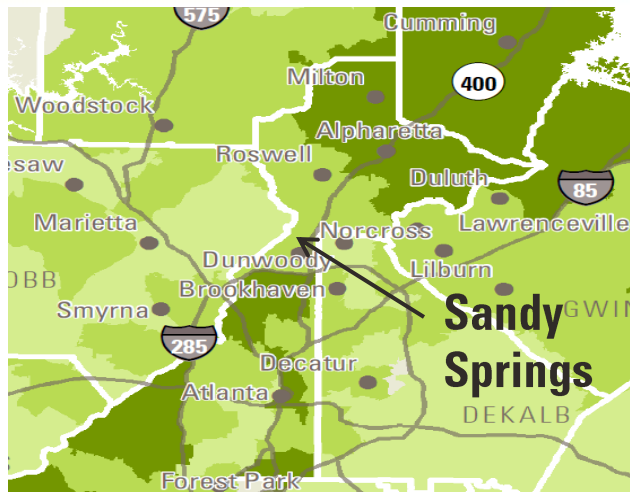
2014



Project Job Creation by City – New and Expansions



Atlanta Highlights 2014-2019 Population Growth by Zip Code



Top ZIP Codes
in ATL MSA

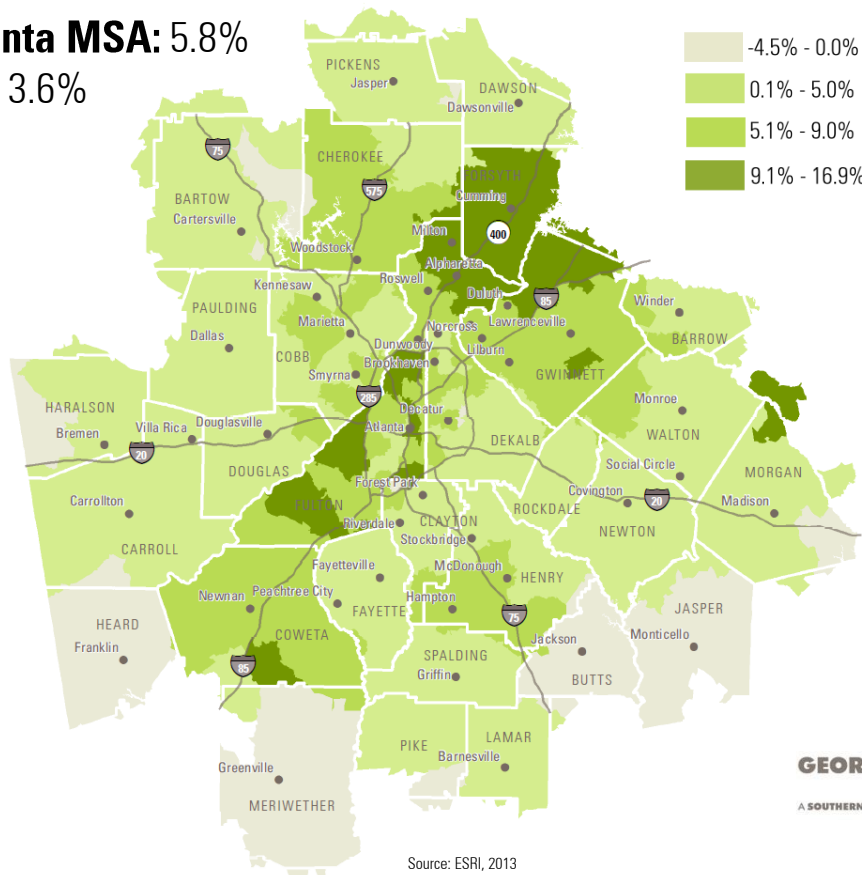
City

2013-2018
Population Growth

30336	Atlanta/W Atlanta/Fulton Ind.	16.9%
30363	Atlanta	16.4%
30312	Atlanta/Downtown	15.5%
30040	Cumming	14.8%
30041	Cumming	14.3%
30028	Cumming	13.1%
30213	Fairburn	12.1%
30004	Alpharetta	11.9%

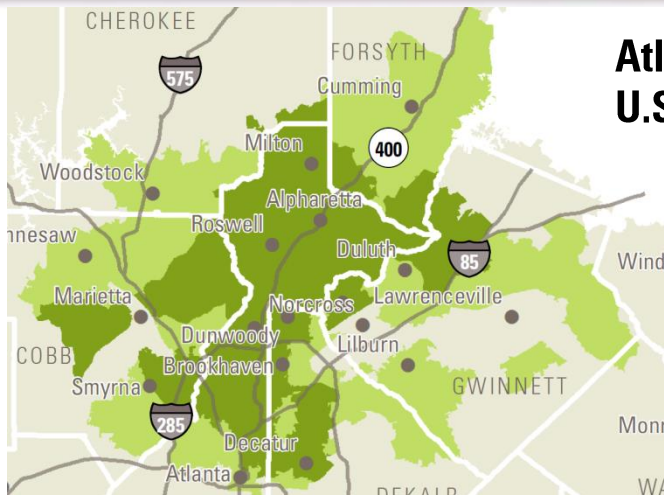
Atlanta MSA: 5.8%

U.S: 3.6%



Map Examples

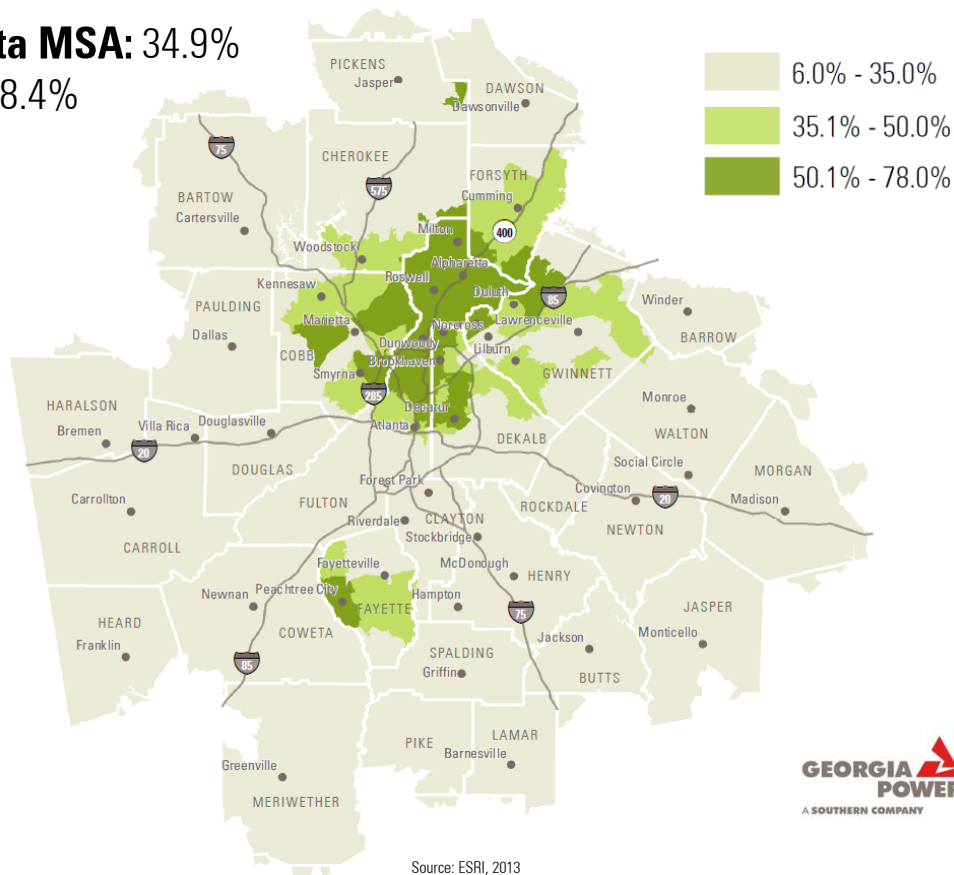
Population 25+: Bachelor's Degree or More by Zip Code



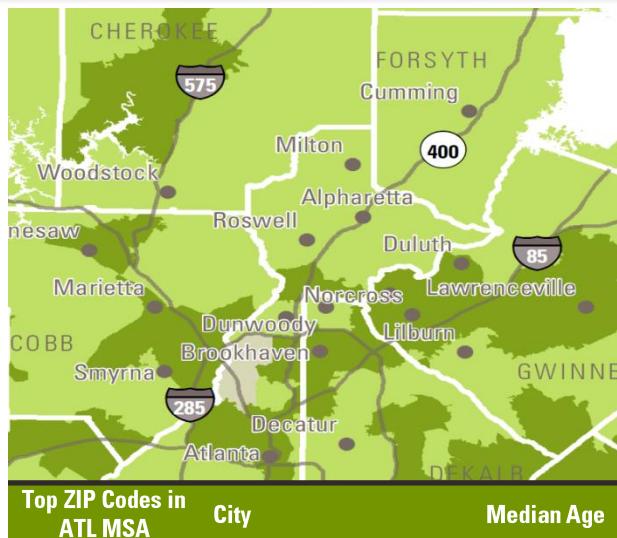
Atlanta MSA: 34.9%

U.S: 28.4%

Top ZIP Codes in ATL MSA	City	Bachelor's Degree or More
30306	Atlanta/Morningside	78%
30326	Brookhaven	78%
30327	Sandy Springs	78%
30305	Atlanta/Buckhead	75%
30307	Atlanta/Druid Hills/Candler Park	74%
30309	Atlanta/Midtown	74%
30338	Dunwoody/Sandy Springs	71%
30005	Alpharetta/Johns Creek	70%

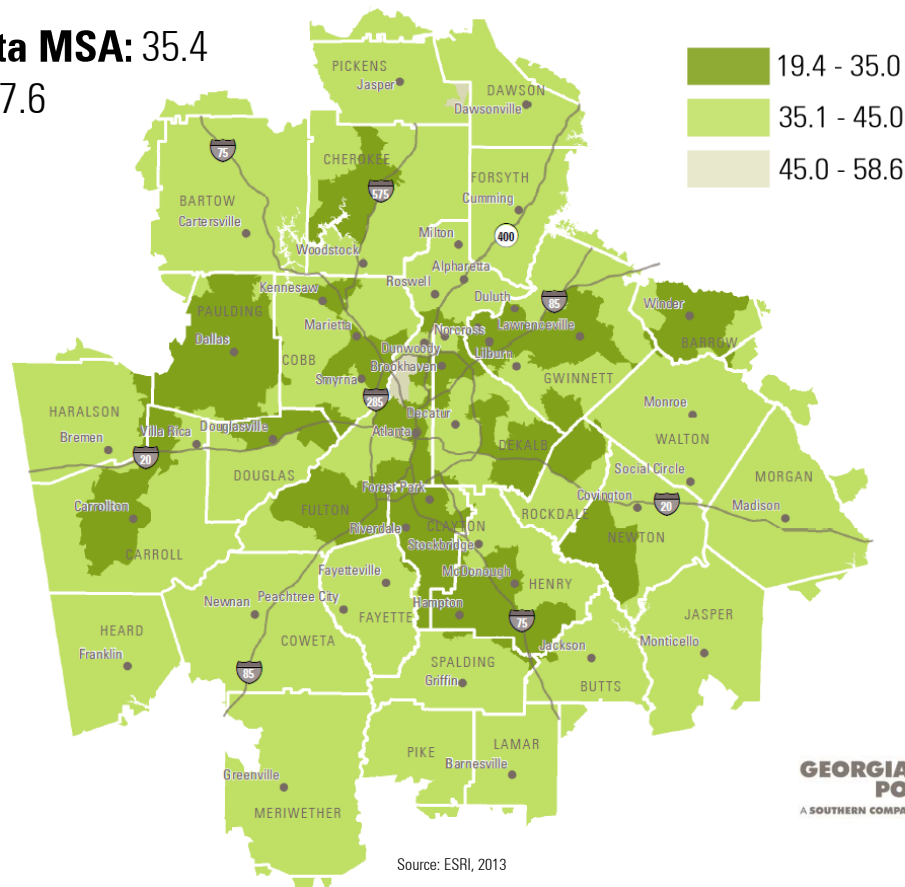


Map Examples Median Age by Zip Code



Atlanta MSA: 35.4

U.S: 37.6



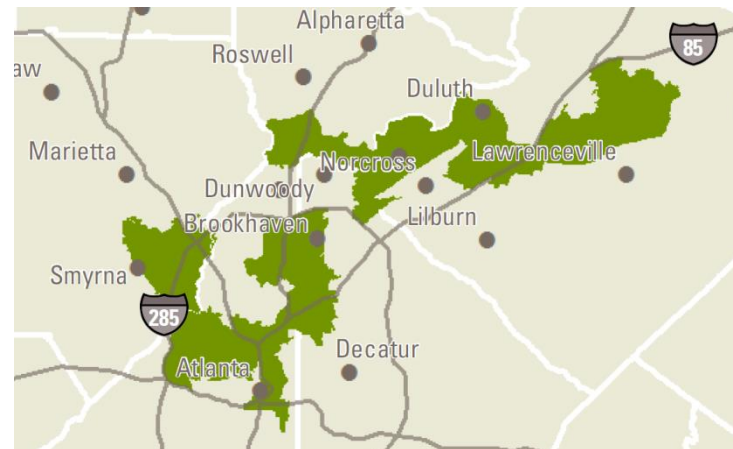
Source: ESRI, 2013

Map Examples

Fastest Growing, Most Educated and Youngest Zip Codes in Metro Atlanta

ZIP Code*	City/Area	2014-19 Population Growth	2014 Bachelor's or More	2014 Median Age
30309	Atlanta/Midtown	9.82%	74%	34.3
30363	Atlanta/Atlantic Station	16.38%	66%	28.3
30339	Sandy Springs/Vinings	6.15%	66%	32.2
30319	Atlanta/Brookhaven	5.26%	65%	35.0
30342	Atlanta/North Buckhead/South of I-285	11.33%	63%	33.8
30324	Atlanta/Piedmont Heights/Lindbergh/Pine Hills	7.69%	62%	32.9
30308	Atlanta/Midtown	9.12%	61%	33.0
30350	Atlanta/GA 400/Roswell	7.82%	52%	34.2
30092	Norcross/Peachtree Corners	7.62%	52%	35.0
30080	Smyrna	5.29%	52%	33.4
30312	Atlanta/Downtown	15.50%	48%	33.1
30329	Atlanta/Buford Highway	6.59%	48%	31.3
30303	Atlanta/Downtown	11.46%	43%	25.8
30318	Atlanta/Downtown	8.61%	42%	29.4

*Source: U.S. Census Bureau, 2014



Area	14-19 Population Growth	2014 Bachelor's or More	2014 Median Age
Atlanta MSA	5.8%	34.9%	35.4
USA	3.6%	28.4%	37.6

Criteria

> = 35% Bachelor's Degree or More

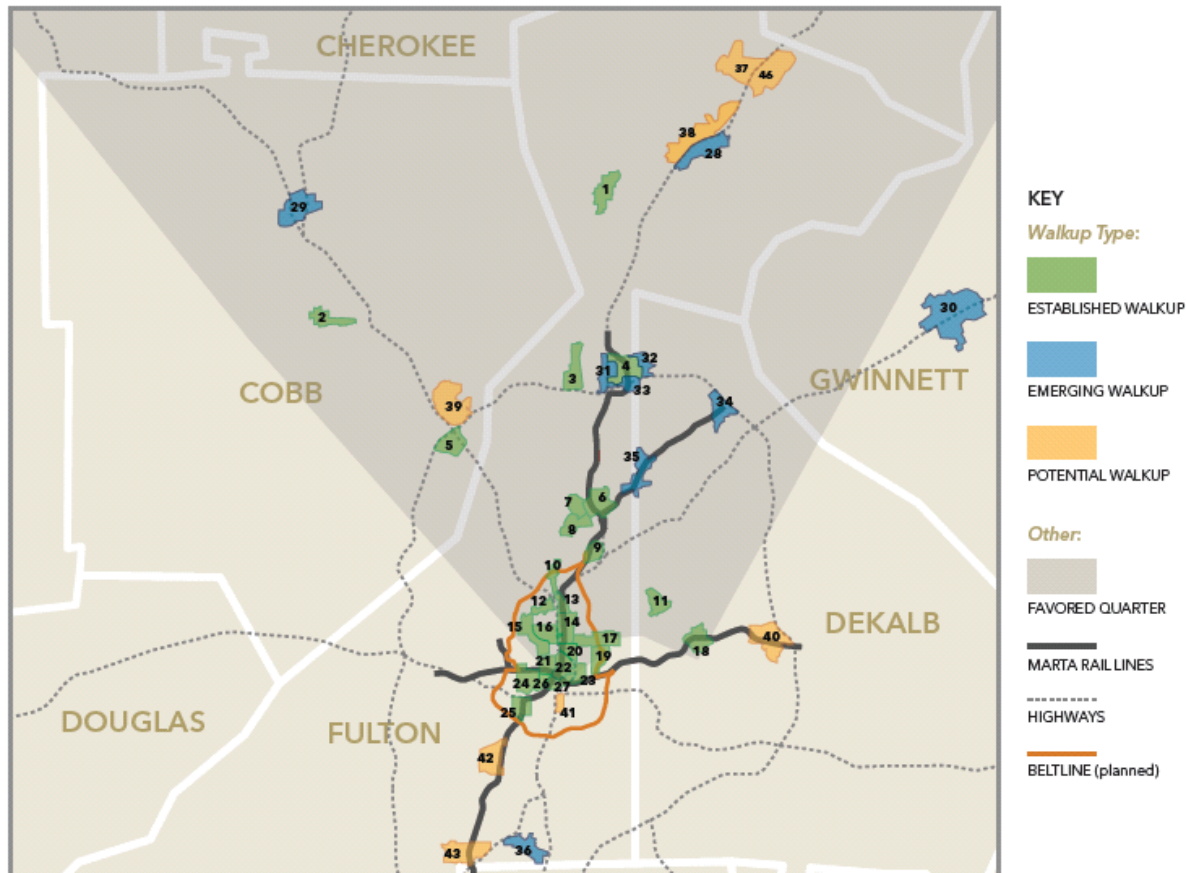
< = 35 Median Age

> = 5% Population Growth 2013-2018

Source: ESRI, 2013



Walk-Ups – THE RIGHT INVESTMENT



KEY

Walkup Type:



ESTABLISHED WALKUP



EMERGING WALKUP



POTENTIAL WALKUP

Other:



FAVORED QUARTER



MARTA RAIL LINES



HIGHWAYS

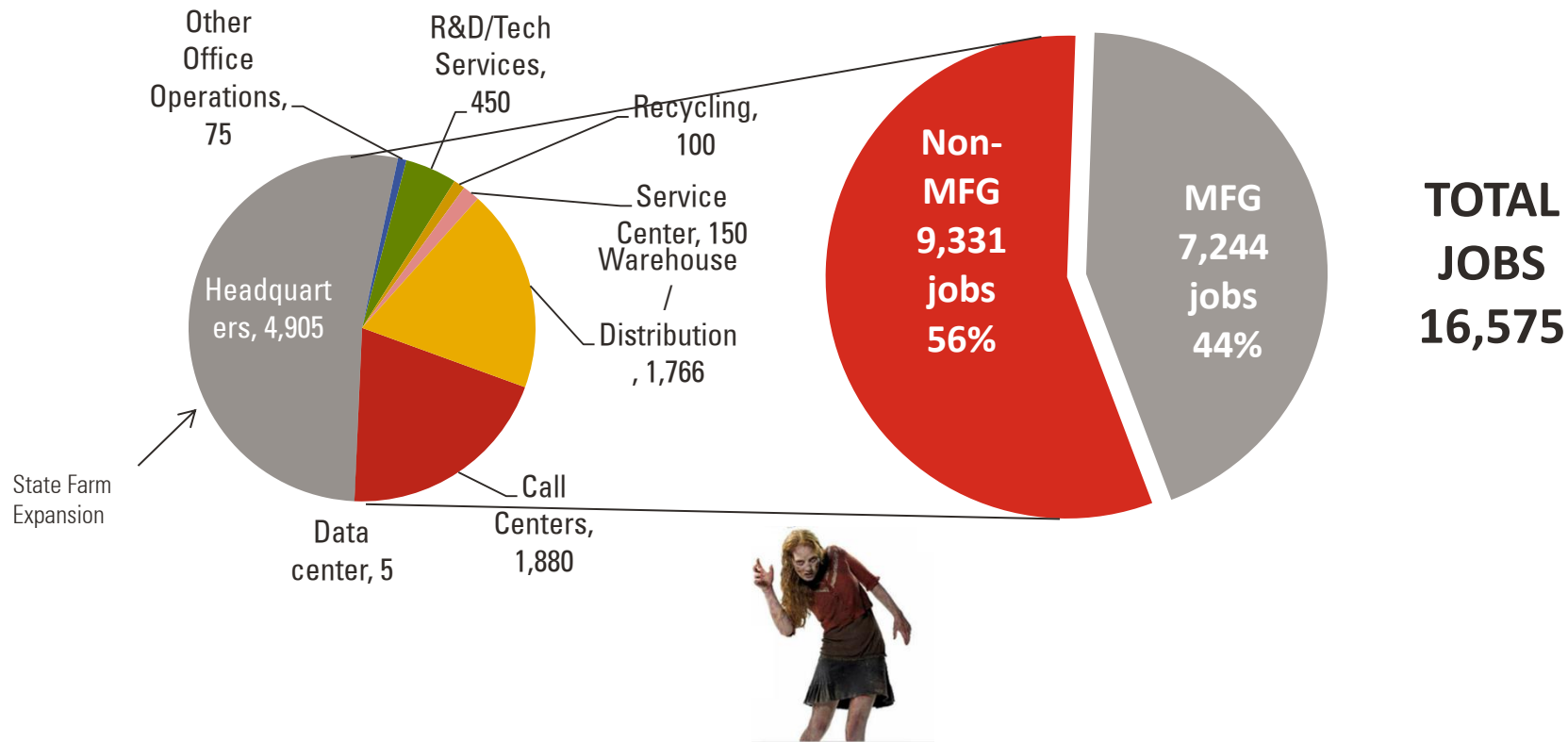


BELTLINE (planned)

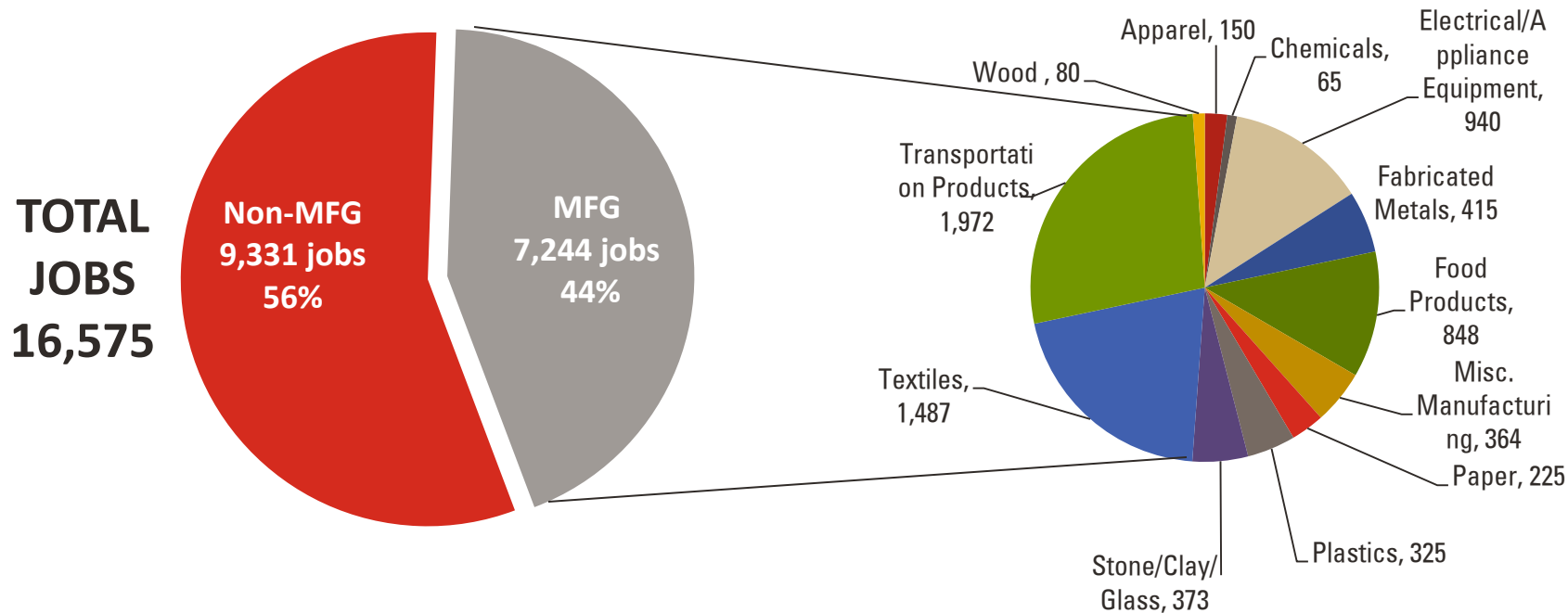
ID#	ESTABLISHED WALKUPS	Acres
1	Downtown Roswell	536.6
2	Downtown Marietta	410.6
3	Sandy Springs	560.9
4	Perimeter at The Center	628.3
5	Cumberland- Core	509.6
6	Buckhead	625.9
7	Buckhead Triangle	291.2

Walkable Urban Areas

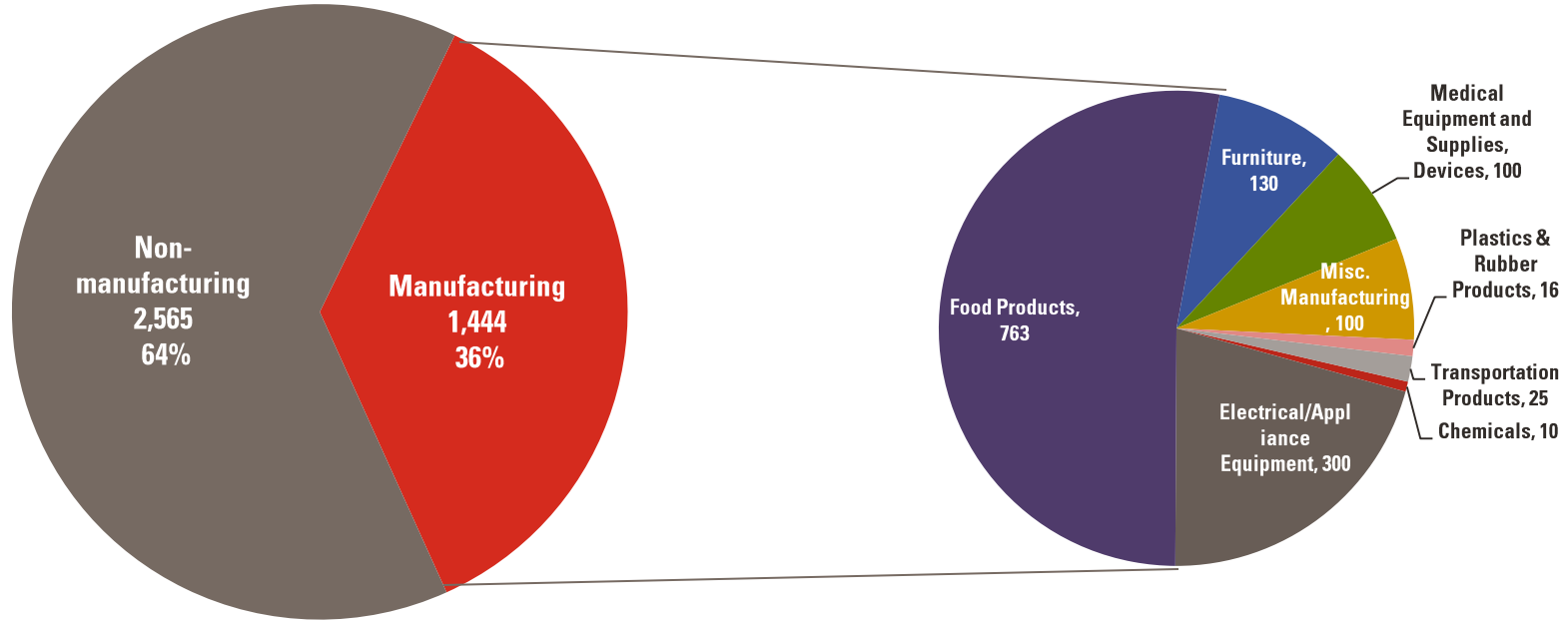
GPC ED Projects – Non-Manufacturing Locations, 2014



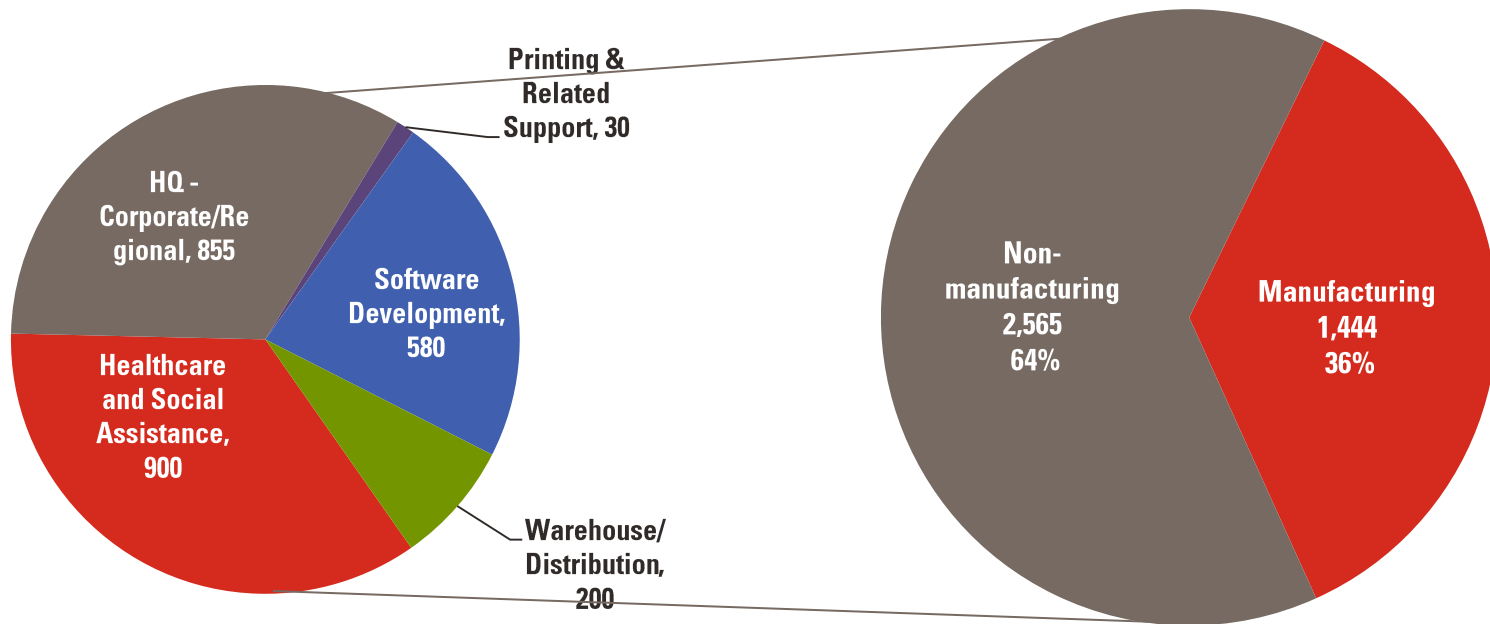
GPC ED Projects – Manufacturing Locations, 2014



GPC ED Projects – Manufacturing Locations, 2015















GPC ED Projects – Non-Manufacturing Locations, 2015










Hot Industry Trends – Deloitte Consulting

Industry and Activity Trends

A higher priority is now being placed on talent availability and sustainability, regardless of industry sector

Industry/Function	Status
Business Services	
Aerospace	
Financial Services	
Software and IT/Mobility	
Data Centers	
E-commerce Fulfillment	
Life Sciences	
Automotive Components	
Shale Gas/Oil	
Food Processing	
Chemical	
Cyber Security	

Industry	Status
Solar Industry (mfg.)	
Wind Industry (mfg.)	
Recordable Media (mfg.)	
Renewable Fuels	
Telecom Networking	
Photofinishing	
Federal Contractors	

Active	Slowing Activity	Minimal Activity
		

- Functionally, experiencing more HQ's, MFG., and Shared Services

Source: Deloitte Consulting, Jeff Rossate

Reasons for Optimism

Several Economic Factors are Strong

- 2015-2016 forecasted at 3 - 3.5% growth
- Auto & Retail Sales are Climbing
- Housing market rebound is here/reflected in sales
- Hiring up reflected in nonfarm employment growth
- Real estate and construction rebound faster than expected
- Pre-recession demographic trends returning

Reasons for Optimism

Ripe for Economic Development

- Georgia growth exceeding forecasts
- Winning huge market share in large projects
- Continued record-setting economic development job growth
- Ports providing more opportunity to exceed growth
- Re-shoring

Competition is Fierce

“Collaborate to Compete”

– Bruce Katz, Brookings

Jennifer Zeller, Manager of Research & Engineering Services, Georgia Power Community & Economic Development, Atlanta

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