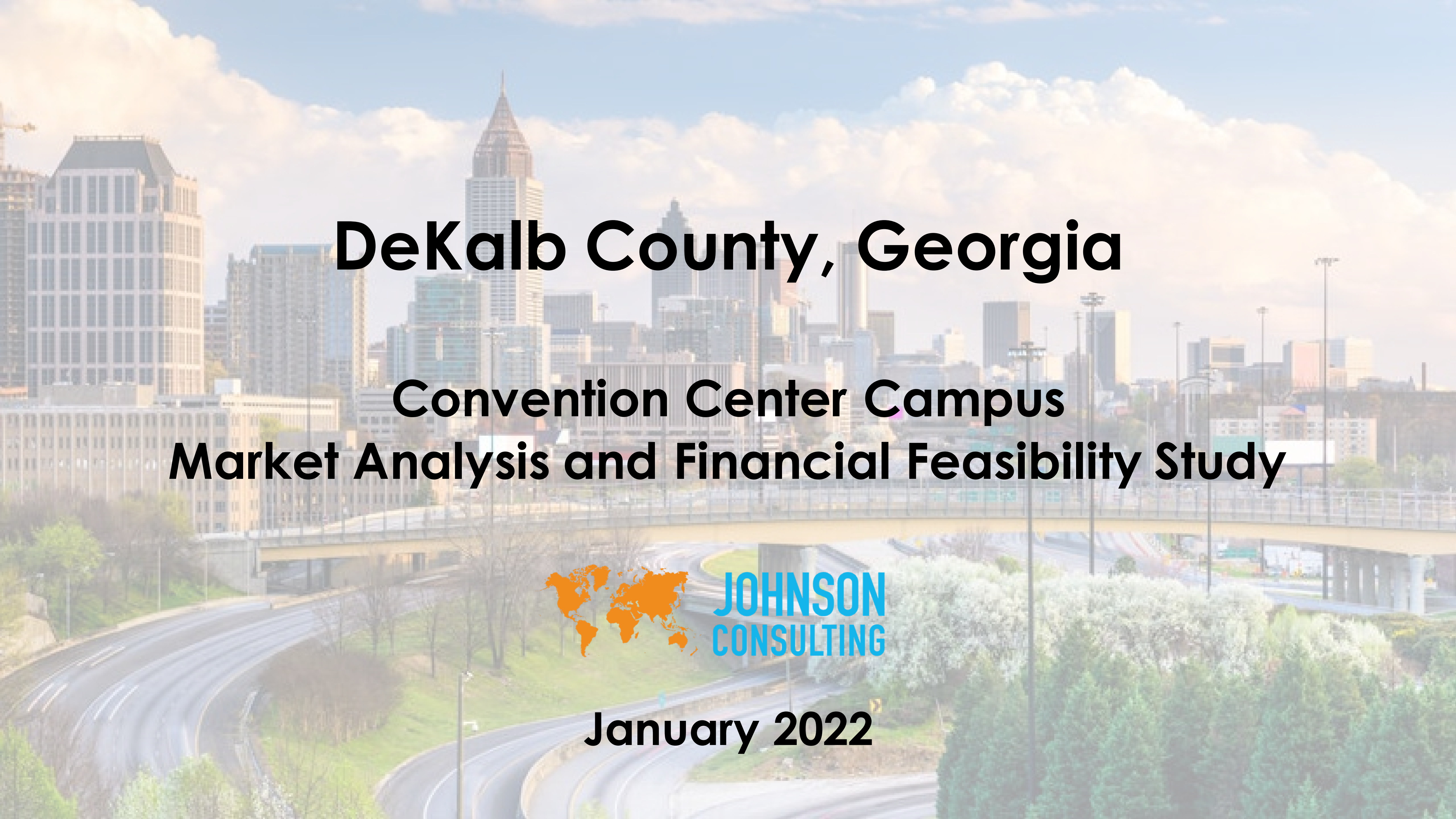

DeKalb County, Georgia

Convention Center Campus
Market Analysis and Financial Feasibility Study

JOHNSON
CONSULTING

January 2022

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Section 1
Introduction

Introduction

Transmittal Letter

Re: Conference Center Campus Market Analysis & Financial Feasibility Study

Dear Mr. Tsismanakis,

C.H. Johnson Consulting, Inc. (Johnson Consulting) is pleased to submit this report to you regarding the market analysis and financial feasibility study for a potential conference center district in DeKalb County that may include a convention center, hotel, and/or performing arts venue. Pursuant to our engagement letter, this report provides an analysis of the economic, demographic, and market characteristics of DeKalb County, as well as the broader region; outlines current trends within the conference, meetings, event center, and performing arts industries; identifies characteristics of regional and comparable facilities; summarizes observations from engagement with key stakeholders, as well as results from the surveys conducted to gather input from regional meeting and event planners; analyzes the hotel market dynamics in the County; provides strategic operational and facility recommendations; analyzes potential sites throughout the County; and projects demand and financial performance generated by the facility's operation.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

DRAFT

C.H. Johnson Consulting, Inc

Introduction

Study Introduction & Methodology

Johnson Consulting was retained by Discover DeKalb to conduct a market analysis and financial feasibility study for a Convention Center Campus in DeKalb County, Georgia. The study aims to foster the ability of Discover DeKalb, as well as other local partner organizations, to make informed decisions regarding the development of a Convention Center Campus, which could include a convention center, hotel, and/or performing arts center. The proposal document submitted to Discover DeKalb by Johnson Consulting outlines a detailed scope of services for the study. Broadly, the objective of this study is to answer the following questions:

- What is the market's potential capacity to support a new conference center, hotel, and/or performing arts facility? What size and type of facility/ facilities can the market support?
- What are the trends in the broader conference and meetings, hotel, and performing arts industries?
- What demand categories make sense for DeKalb County- Medical, SMERFE, other demand categories?
- How will the facility operate from a demand and financial perspective?
- Which funding mechanisms, partnerships, or deal structures could be strategically employed to optimize the facility's development and operation?

In order to answer the questions above, Johnson Consulting developed and executed a comprehensive methodology for the study, which is illustrated by the figure on the right. The observations, analysis, and conclusions of the study will be presented throughout the remaining sections of this report.

Introduction

Project Introduction

DeKalb County is located northeast of the City of Atlanta, and is home to a dense, diverse population of roughly 750,000 residents. The County has several large towns and cities, including Decatur, Chamblee, Stonecrest, Clarkston, Doraville, Druid Hills, Lithonia, Tucker, Dunwoody, and Stone Mountain, among others. DeKalb County is very well located and has a strong and diverse population base, institutional base, corporate base, and film production concentration, all of which are strong attributes to support a convention center.

There has been a longstanding, concerted effort among County stakeholders to develop a world-class convention center, since DeKalb County is the only county in metro Atlanta lacking one. In addition to the City of Atlanta having many large, world-class convention centers, several adjacent metropolitan counties have developed convention center facilities over the past twenty years, including Gwinnett County (Gas South Convention Center) and Cobb County (Cobb Galleria Centre), among others. In 1997, the Georgia State Legislature established the DeKalb County Civic Center Authority with the intention of studying the potential for a convention center in the County, and developing and overseeing such a facility. The Authority and County have studied the subject extensively, and, although no site has been determined for a convention center, three previous planning studies (2002, 2015, and 2020) all identified the need for convention and event facilities in the County. This study will evaluate the most viable site location for the proposed project.

This following report provides a comprehensive analysis of convention center, hotel, and performing arts center opportunities in DeKalb County.

Downtown Tucker


Stone Mountain Park

Introduction

Review of Prior Convention Center Studies

Prior Convention Center Studies			
Year	**Organized / Funded By ...**	**Prepared By ...**	**Takeaways**
2002	DeKalb County Convention Center Authority / Funded by Georgia Dept't of Community Affairs	Rosser International / PriceWatershouseCoopers	Evaluated Northlake, Decatur, and Stonecrest as potential sites. The study ultimately concluded the following site order: Northlake, Decatur, and Stonecrest.
2004	DeKalb County Convention Center Authority	DeKalb County Convention Center Authority	Continued to look at potential convention center sites, and determined Northlake to be the preferred location. The selection was made by weighted voting on such criteria as MARTA service, nearby attractions, neighborhood acceptance, etc. The facility was envisioned as a campus of multiple buildings, serving as a center for cultural and tourism awareness, a venue for artistic displays and performances, community activities, regional trade shows, and a location for offices.
2015	Tucker-Northlake CID / Atlanta Regional Commission / Funded by Decide DeKalb and HOST funds	Sizemore Group / Nelson Nygaard Consulting Associates / Gibbs Planning Group	Served as a major update to the Atlanta Regional Commission's Livable Centers Intiative (LCI) study for the area. The study's five year recommendations included the following: "The CID and Discover DeKalb should pursue development of a regional conference center in the Northlake area."
2016	DeKalb County Department of Planning and Sustainability	DeKalb County Department of Planning and Sustainability / Community Choices Program	Created recommendations for the Lawrenceville Hwy Corridor area. The report recommended the development of a regional conference center in the Northlake area.
2020	Tucker-Northlake CID / Funded by Atlanta Regional Commission	Lord Aeck Sargent	Served as an update to the ARC's LCI study. The study includes the recommendation to, "Work with Discover DeKalb to develop a DeKalb Conference Center in the Northlake area."
2021	City of Tucker	Urban Land Institute (ULI)	Outlines a plan for the redevelopment of Northlake Festival Mall. The recommended program includes a conference center, theater, hotel, boutique grocery store, restaurants, park & outdoor spaces, and a pedestrian connection to Northlake Mall.

Sources: Discover DeKalb

Introduction

In addition to this project introduction and methodology review, this report contains the following sections:

Section 2 – Includes an economic and demographic overview of the DeKalb County, Georgia, and greater regional market. This section also provides an overview of the following: prior local and regional planning; DeKalb County developments that will impact the demand potential of a new facility in the County; and an analysis of the strengths, weaknesses, opportunities, and threats (SWOT) posed by a new facility. The information in this section is essential for understanding the ability of the marketplace to support new facilities.

Section 3 – Provides an overview of the trends in the national meetings & events and performing arts industries. Understanding the outlook and future trajectory of these industries is crucial in analyzing the demand potential of a new facility.

Section 4 – Highlights key themes and takeaways from interviews with relevant local, regional, and national stakeholders, and analyzes data from a survey administered to state and local association & event industry leaders and stakeholders. This section provides valuable input from people who know the meetings & event industry best, and lays a solid framework for understanding the market dynamics in DeKalb County.

Section 5 – Provides inventories and detailed case studies for local competitive facilities in order to understand how well-served the market is across these facility types. This analysis identifies opportunity gaps in the marketplace, and evaluates the demand potential across facility types.

Section 6 – Presents the preliminary recommended program of a new facility in DeKalb, including a discussion of most suitable sites within the County (prepared by TVS), and provides demand and financial projections for renting these facilities.

Section 2

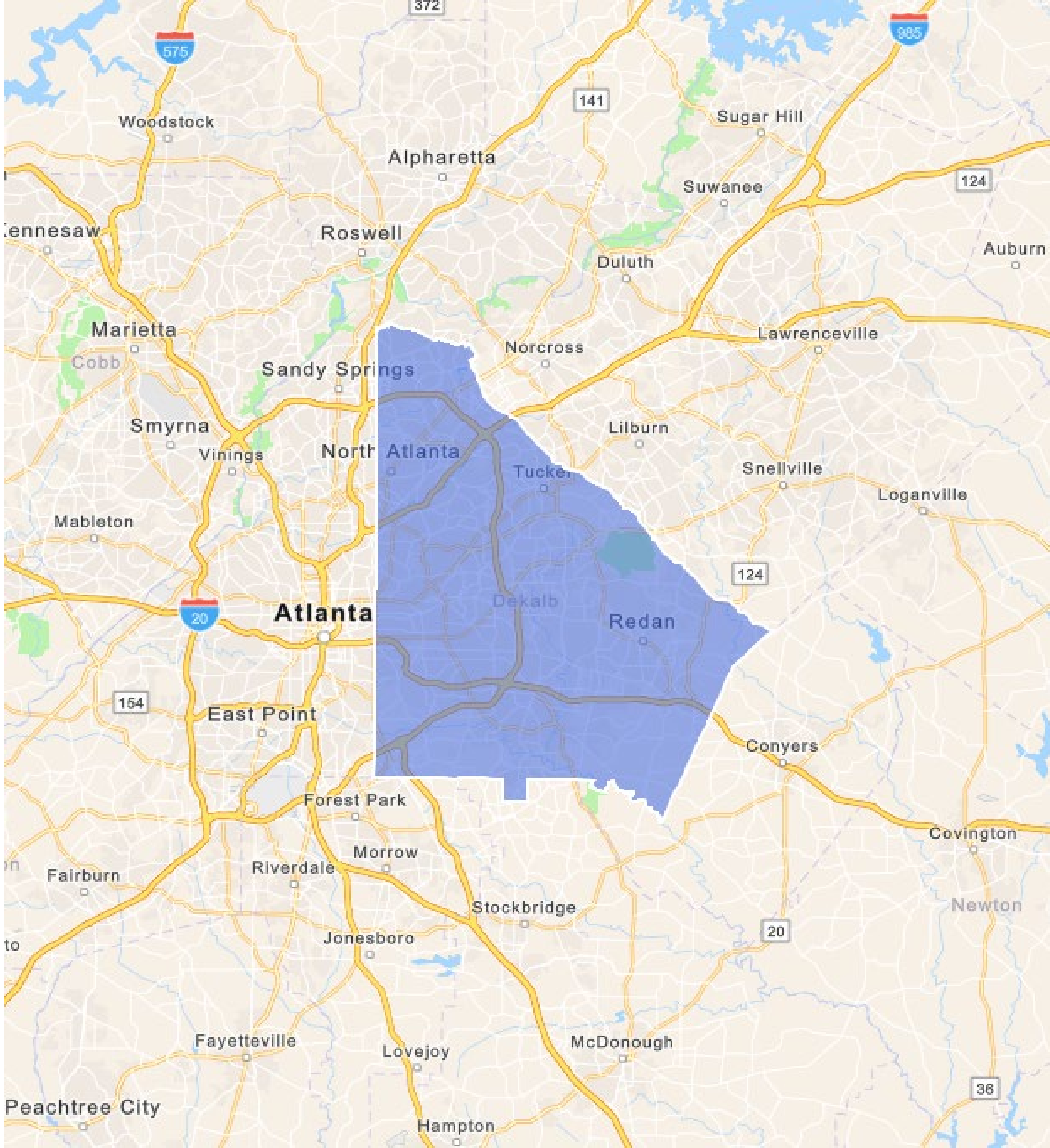
Economic & Demographic Analysis

Economic & Demographic Trends

Introduction

In order to analyze the opportunities for a possible new convention center district in DeKalb County, Johnson Consulting conducted a detailed analysis of the demographic and economic conditions in the County and Atlanta metropolitan region. While characteristics such as population, employment, education, and income are not the only predictors of performance for public assembly facilities, they provide insight into the capacity of a market to provide ongoing support for such facilities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, and the location of competing and/or complementary attractions, directly influence the scale and quality of new, expanded, or renovated facilities that can be supported within a given market.

The map at right shows DeKalb County (highlighted) in the Greater Atlanta region. DeKalb County is roughly 270 square miles in total area, and is located directly north and east of downtown Atlanta.



Economic & Demographic Trends

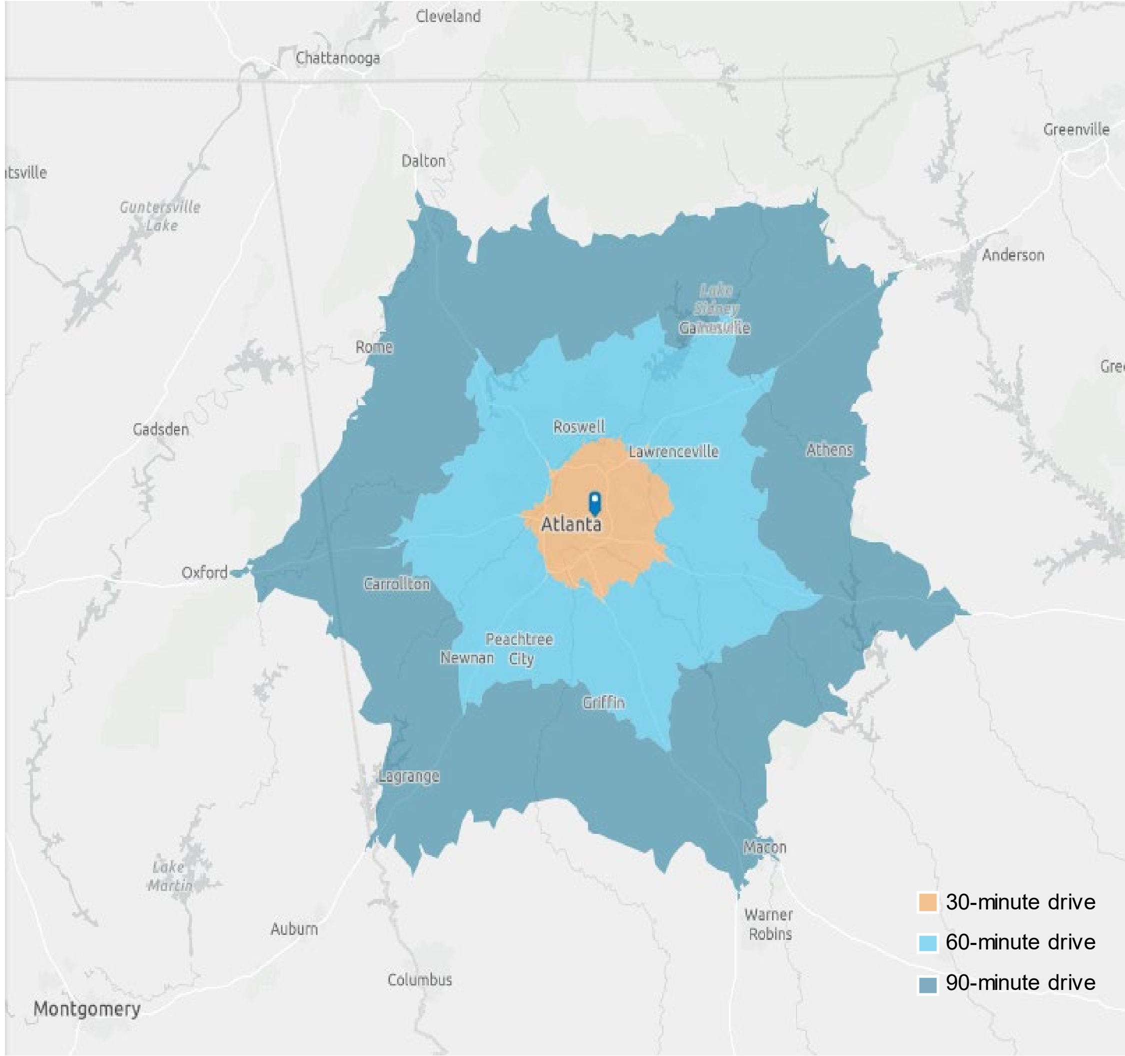
Overview

DeKalb County is in north central Georgia and is a part of the Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area. Encompassing part of Atlanta, DeKalb County has a very diverse economy. Given its clustering of businesses, the metro area is considered the tenth highest GDP per capita in the United States. DeKalb County is home to nine colleges and post-secondary institutions, including Emory University and Georgia State University, as well as several health-oriented institutions (e.g. the Centers for Disease Control and Prevention, and Emory Healthcare), and many highly successful companies (e.g. Delta Air Lines, AT&T, and the Home Depot). This concentration of higher ed institutions and corporations is significant since these are all top users of convention and meeting facilities. DeKalb County is also rich in natural assets, including Stone Mountain Park and Arabia Mountain National Heritage Area which are popular recreational destinations in the County.

DeKalb County is highly accessible through multiple modes of transportation:

- **Air:** DeKalb County is roughly 20 miles from Hartsfield-Jackson Atlanta International Airport (ATL), the world's busiest airport. On average, ATL serves roughly 96M passengers per year. The County is also home to DeKalb-Peachtree Airport (PDK), a general aviation airport that is the second busiest airport in the state (behind ATL).
- **Rail:** The County is served by the Metropolitan Atlanta Rapid Transit Authority (MARTA).
- **Highway:** US Route 23 runs through the County, as do Interstates 20, 85, 285 and 675.

As shown in the map on the right, the 30-, 60-, and 90-minute drive time areas encompass areas as far north as Calhoun, as far east as Athens, as west as the Alabama-Georgia border, and as far south as Macon. South and east of the County is largely rural until Augusta. DeKalb County has historically played a role as serving as the economic hub to the more rural areas east of the County – in some cases and for some services – almost to the Coast.



Economic & Demographic Trends

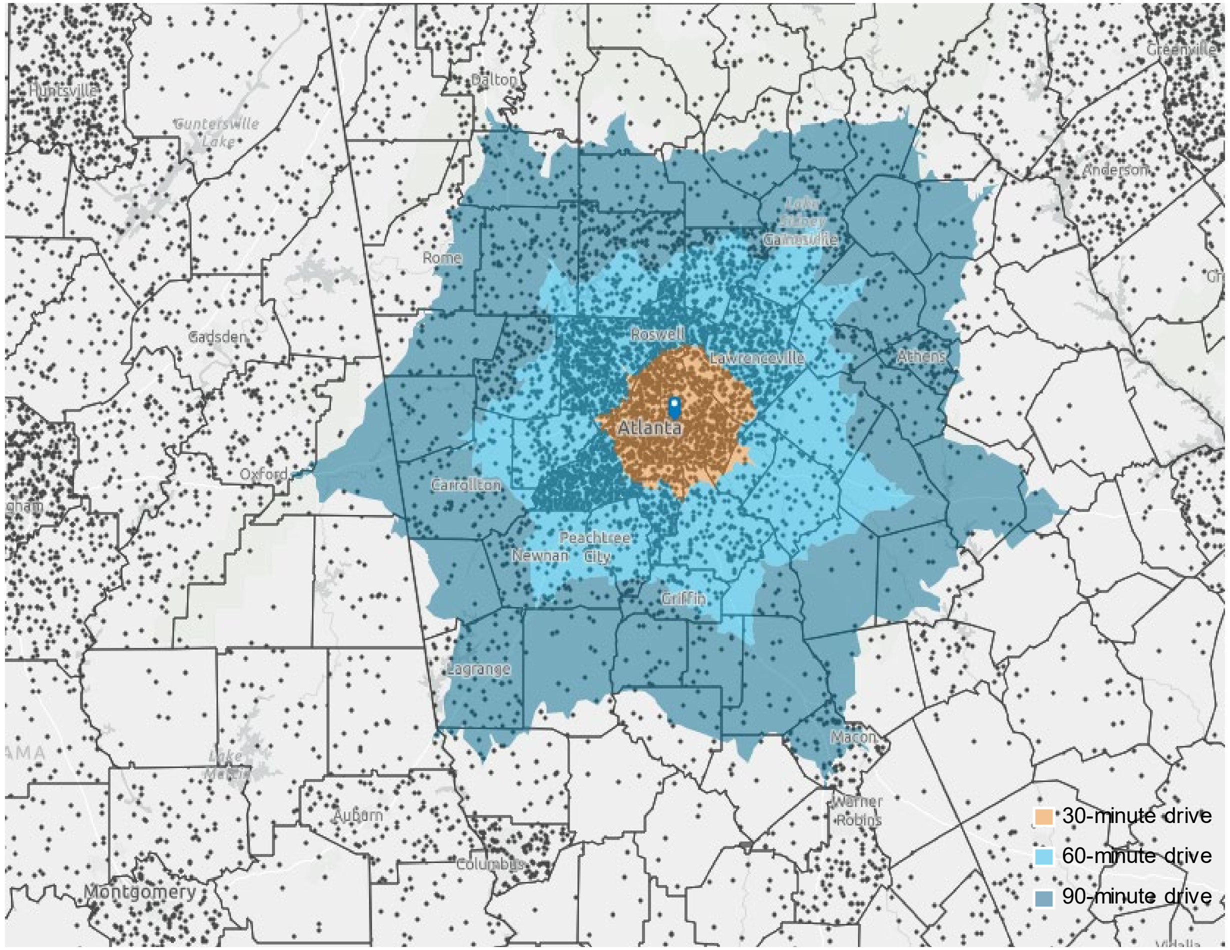
Population

DeKalb County is the fourth most populous county in the state. As shown in the table on the right, the population of DeKalb County was 736,339, according to Esri's 2021 estimates. The 30-, 60-, and 90-minute drive time catchment areas, had 2021 population estimates ranging from nearly 2 million to over 7 million, demonstrating the population density to support additional convention facilities in such a large metropolitan area. The proposed facility will also pull users from the entire state, surrounding region, and nationally.

In addition to continuous growth in the immediate area around DeKalb County, the greater northern Georgia region has experienced steady population growth over the past 20 years and is expected to continue to grow. Between 2000 and 2026, the population of Dekalb County is forecasted to have grown at a compounded annual growth rate of 0.6% per year. This trend is even larger for the 30-, 60-, and 90-minute drive time areas, which have growth rates forecasted at 0.8%, 1.7%, and 1.6% per year, respectively. Growth rates in these markets are comparable with the state of Georgia (1.3% per year) and above that of the nationwide average (0.8% per year). DeKalb County's increasing population density and steady population growth are positive signs that the market could support additional entertainment and event facilities.

Population					
	2000	2010	2021	2026	CAGR
United States	281,421,906	308,745,538	333,934,112	345,887,495	0.8%
Georgia	8,186,453	9,687,653	10,815,378	11,392,648	1.3%
DeKalb County, Georgia	**665,865**	**691,893**	**736,339**	**769,330**	**0.6%**
30-Minute Drive Time	1,583,248	1,648,328	1,837,498	1,946,461	0.8%
60-Minute Drive Time	3,964,653	4,894,451	5,641,357	6,042,313	1.7%
90-Minute Drive Time	5,039,186	6,203,918	7,101,511	7,577,943	1.6%

Sources: Esri, Johnson Consulting



Note: Each dot = 1,000 people

Economic & Demographic Trends

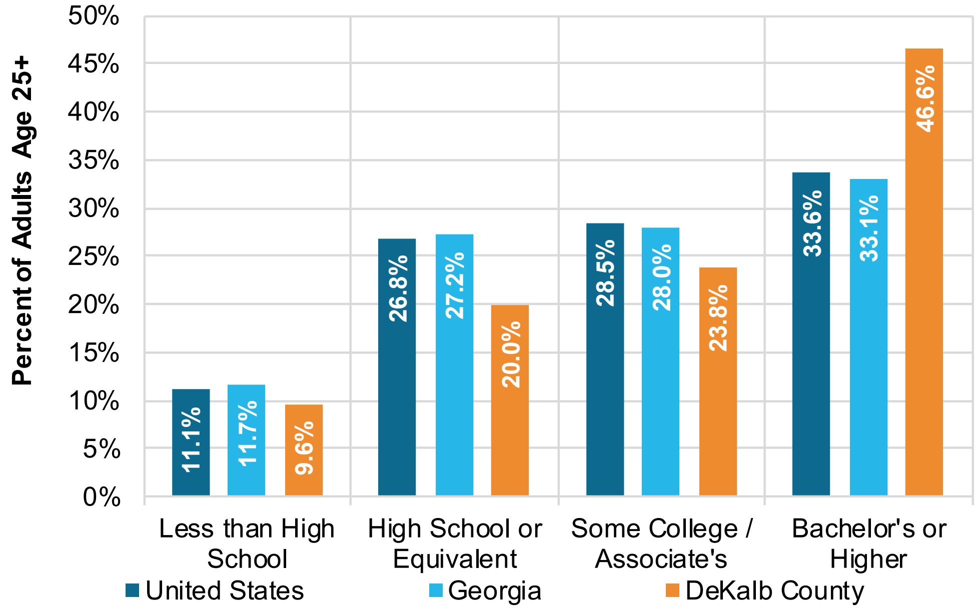
Education & Income

Education and income, although not strict predictors of convention and performing arts center performance, are important market attributes for benchmarking the potential level of convention and performing arts activity. Markets with higher educational attainment and income levels are more likely to have a robust economic base and healthy education system, which are key components of ensuring long-term growth and resiliency. Well-educated, higher income markets have a significant advantage when it comes to attracting new businesses and are also more likely to have the nightlife, retail, and tourism scenes that appeal to event planners and site selectors.

As shown in the chart on the top right, DeKalb County has healthy educational attainment levels among adults age 25+. DeKalb County has far lower levels of individuals with less than a high school education (9.6%) compared to state and national averages (11.7% and 11.1%, respectively). Bachelor's or higher attainment (49.6% of DeKalb County residents), is significantly above both state and national averages. With the County's prestigious colleges and universities, and highly educated workforce, DeKalb County is considered a highly educated county.

The table on the bottom right quantifies the median household income for DeKalb County, and the drive time catchment areas relative to state and national averages. As shown, the median household income within the County is $63,324, above that of the state ($60,605) but below the country's average income ($64,730). However, income levels in DeKalb County are projected to grow at a rate of 2.9% per year over the next five years, above state and national averages. Together, these education and income statistics reflect a strong economic trajectory of this market and the corresponding opportunity for the proposed project.

Educational Attainment



Sources: Esri, Johnson Consulting

Median Household Income

	2021	2026	CAGR
United States	$64,730	$72,932	2.4%
Georgia	$60,605	$68,338	2.4%
DeKalb County, Georgia	**$63,324**	**$73,008**	**2.9%**
30-Minute Drive Time	**$63,114**	**$73,012**	**3.0%**
60-Minute Drive Time	**$72,357**	**$81,149**	**2.3%**
90-Minute Drive Time	**$68,125**	**$77,234**	**2.5%**

Sources: Esri, Johnson Consulting

Economic & Demographic Trends

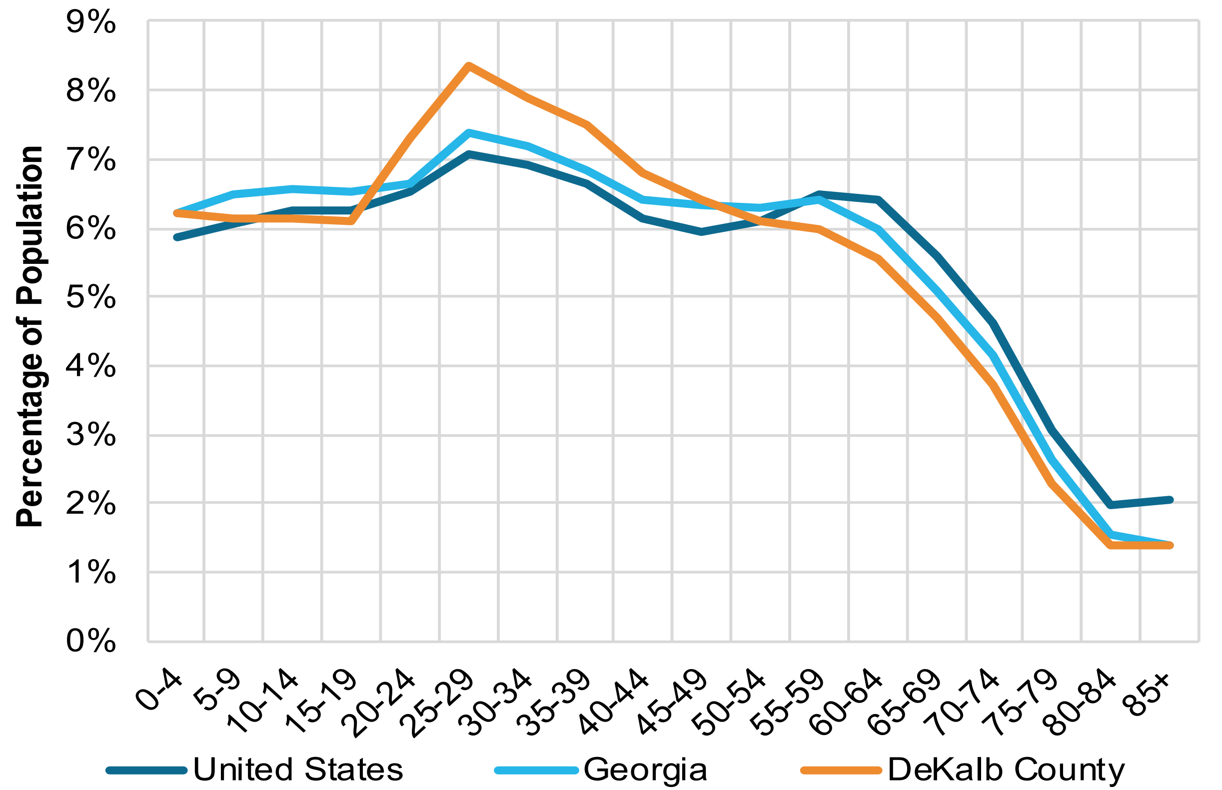
Age

Age is another important demographic indicator to consider when evaluating the market. Some markets seek to combat "brain drain," a phenomenon where primarily college-educated young professionals are leaked to larger metropolitan markets. Other markets seek to attract wealthier retirees, which bring economic spending, leisure time, and philanthropic dollars with them generally.

New facilities have to offer amenities that match their markets and cater to all ages, ranging from family shows for children, conferences and conventions for working professionals, and consumer shows that may appeal to a broad range of demographics. The key is to achieve a programming balance that works within the social and economic context of the market.

As shown in the chart on the right, DeKalb County has a higher proportion of young and middle-aged adults relative to the state and country. This is primarily due to the area's attractiveness as an employment center for younger, highly educated individuals. A successful event facility should devise a programming plan that plays to the profile of the market – largely young and middle-aged adults – to ensure strong attendance numbers. This ties back to the strong higher education and corporate presence in the county so meetings and tradeshows that focus on continuing education and the economic clusters present in the county are key.

Age Distribution



Sources: Esri, Johnson Consulting

Economic & Demographic Trends

Race & Ethnicity

In 2020, 31.7% of DeKalb County residents identify as White, 9.1% as Hispanic, 53.8% as Black / African American, 7.2% as Asian, 0.3% as American Indian / Alaska Native, 0.0% as Pacific Islander, 4.2% as Other Race, and 2.8% as Two or More Races. Compared to the state of Georgia and the United States as a whole, DeKalb County has a higher percentage of residents that identify as Black / African American, and a lower percentage of residents that identify as White or Hispanic. The table below presents race and ethnicity data for DeKalb County and its comparative geographies.

In recent years, DeKalb County has solidified its identity as a welcoming place for the international community in metro Atlanta. The County is home to "International Village" in Chamblee, a 28.9-acre multi-use development which is one of the most diverse communities in the country. DeKalb County is also home to Clarkston, a city that has become known in the last fifty years as a destination for refugee communities settling in the south. Buford Highway, coined the "International Corridor", runs through Clarkston in DeKalb County, as well as through neighboring Fulton and Gwinnett counties. DeKalb County is also home to the New Black Wall Street, a mixed-use commercial development in Stonecrest – a predominately African American community – that intends to be a space for African American businesses to showcase and sell their products.. Organizing events that cater to a wide variety of cultural identities should be a top priority of any new development in the County.

Race & Ethnicity

	White	Hispanic	Black / African American	Other	Asian	Two or More Races	American Indian / Alaska Native	Pacific Islander
United States	69.4%	18.8%	13.0%	7.1%	5.9%	3.6%	1.0%	0.2%
Georgia	55.8%	10.0%	32.2%	4.4%	4.4%	2.7%	0.4%	0.1%
DeKalb County, Georgia	**31.7%**	**9.1%**	**53.8%**	**4.2%**	**7.2%**	**2.8%**	**0.3%**	**0.0%**
30-Minute Drive Time	**33.9%**	**12.5%**	**49.4%**	**5.9%**	**7.5%**	**2.9%**	**0.3%**	**0.1%**
60-Minute Drive Time	**48.1%**	**12.1%**	**36.3%**	**5.3%**	**6.9%**	**3.0%**	**0.3%**	**0.1%**
90-Minute Drive Time	**53.3%**	**11.2%**	**32.7%**	**5.0%**	**5.8%**	**2.9%**	**0.3%**	**0.1%**

Sources: Esri, Johnson Consulting

Economic & Demographic Trends

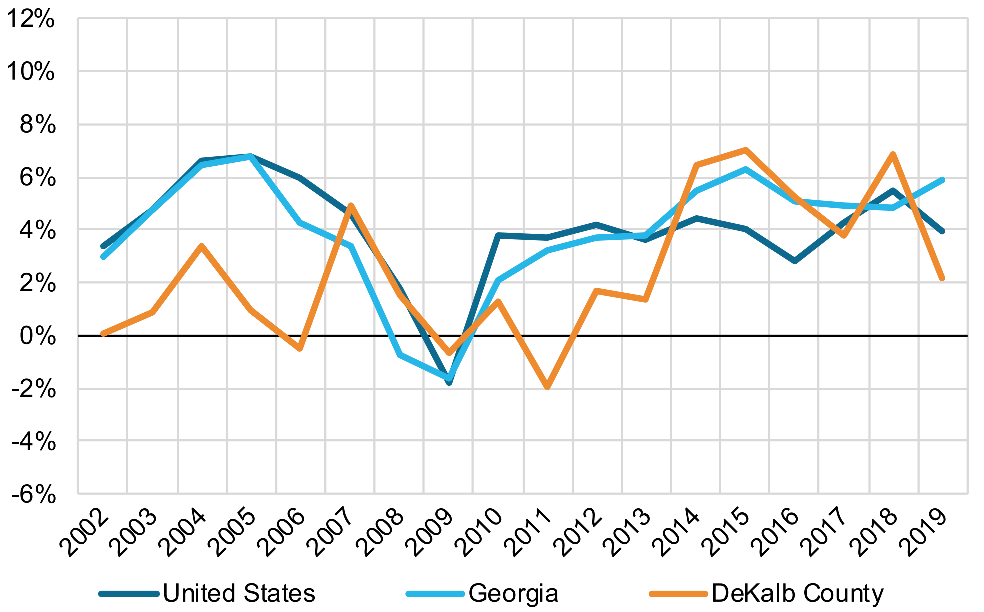
Gross Domestic Product

Gross Domestic Product (GDP) measures the total size of a region's economy by quantifying the total value of goods produced and services provided in a given time period. The chart on the right shows the GDP Year-On-Year growth for DeKalb County relative to that of the state of Georgia and U.S. as a whole between 2002 and 2019. As shown, DeKalb County's GDP grew slower than the state of Georgia and U.S. as a whole in the early 2000s, but has grown faster than the state and the U.S. in recent years. That being said, GDP in the county has had several spikes and dips throughout the years. The county's GDP took a severe dip in 2011 and has been a bit slow to recover. The impact of the COVID-19 pandemic on DeKalb County's GDP is yet to be known, although it can be anticipated that the GDP of all comparative geographies will show a negative impact.

Unemployment

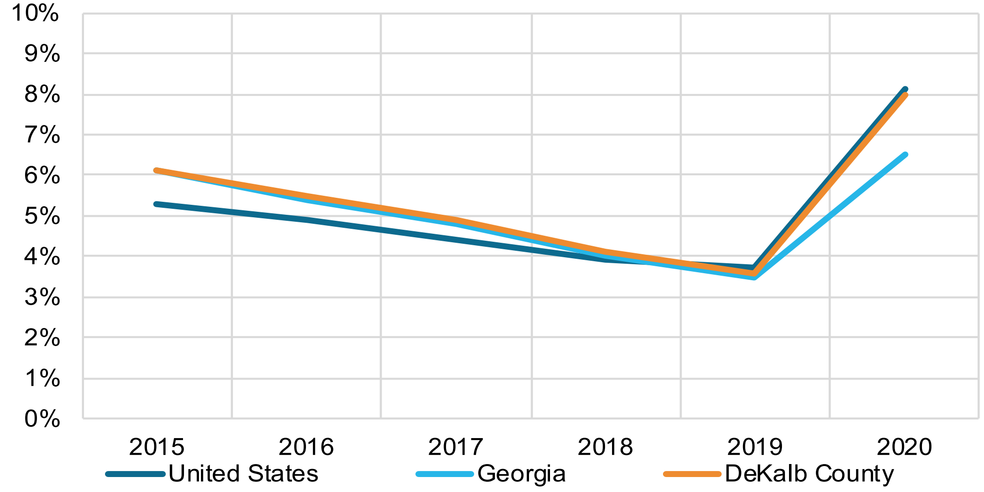
High unemployment rates are indicative of socioeconomic distress, while low unemployment rates can cause issues like qualified workforce shortages. The chart on the right shows the unemployment rate for DeKalb County relative to that of the state of Georgia and U.S. between 2015 and 2020. As shown, DeKalb County's unemployment rate has been comparable to both state and national averages. Unemployment rates don't always capture the entire picture as they ignore variables like underemployment and labor participation rate, but nevertheless, DeKalb County is trending well and has a healthy industry mix and unemployment rate.

Gross Domestic Product Year-On-Year Growth



Sources: Bureau of Economic Analysis, Johnson Consulting

Unemployment Rate



Sources: Bureau of Labor Statistics, Johnson Consulting

Economic & Demographic Trends

Location Quotients by Industry Sector

As of 2020, the top 5 industries with the most employees in DeKalb County are:

- Education
- Health Care and Social Assistance
- Retail
- Accommodation and Food Services
- Other Services

The table on the right contains a Location Quotient (LQ) analysis of the number of employees in Dekalb County by industry sector relative to that of the U.S. as a whole. Location quotients of 1 indicate similar relative concentration of that particular industry in the County, while values higher than 1 indicate higher concentrations of that industry, and values lower than 1 indicate lower concentrations of that industry. The location quotient values are color-coded accordingly, with the orange color connoting the lowest LQ (closest to 0), the white color connoting LQs close to 1, and the blue color connoting the highest LQs (greater than 1). As shown, Dekalb County has a particularly high concentration of employees in Education. The proportion of the Dekalb County workforce employed by Education companies is over three times that of the U.S. as a whole. By contrast, Dekalb County has a low concentration of the workforce employed in traditionally blue-collar industries.

Employment Location Quotient by Industry Sector

Sector	DeKalb County	United States	Location Quotient
Health Care and Social Assistance	49,413	22,411,919	0.9
Retail	43,535	19,122,598	0.9
Accommodation and Food Services	29,355	13,679,720	0.8
Public Administration	21,505	9,111,025	0.9
Education	111,320	12,912,177	3.4
Professional, Scientific, & Technical	21,201	10,920,324	0.8
Other Services	21,525	8,915,927	1.0
Construction	10,786	6,793,487	0.6
Manufacturing	12,202	11,626,164	0.4
Real Estate, Rental, & Leasing	9,292	4,102,327	0.9
Administrative, Support, & Waste Management and Remediation	7,510	3,870,930	0.8
Finance & Insurance	11,823	6,245,916	0.7
Wholesale	9,545	5,933,838	0.6
Information	8,558	3,971,910	0.8
Arts, Entertainment, & Recreation	4,507	3,873,043	0.5
Transportation & Warehousing	6,738	3,820,985	0.7
Unclassified	2,103	966,931	0.9
Agriculture, Forestry, Fishing, and Hunting	56	669,460	0.0
Utilities	438	597,638	0.3
Management of Companies & Enterprises	243	353,125	0.3
Mining	78	388,342	0.1
Securities/ Commodity Contracts	2,129	1,471,652	0.6
Insurance/ Funds/ Trusts	5,697	2,330,349	1.0
Legal Services	4,305	1,918,460	0.9
Total Employees	**381,733**	**150,287,786**	

Source: Esri, Johnson Consulting

Economic & Demographic Trends

Major Employers

The table on the right displays Metropolitan Atlanta's major employers. Of these employers, Emory Healthcare, AT&T, Children's Healthcare of Atlanta, and the Centers for Disease Control and Prevention have locations in DeKalb County. This list reflects the market's strength in the Education and Healthcare fields, and shows a healthy mix of public and private sector entities present in the region. These entities are important because they represent potential users of the new convention center district, as well as potential partners for things like naming rights, advertising, and sponsorships. These industries and employers represent a diverse, well balanced, and stable economic base in DeKalb County.

Fortune 500 Companies

Of Georgia's 17 Fortune 500 companies, all but two of the 17 lie within the metro Atlanta region – in Cobb, Fulton, and Gwinnett Counties. While DeKalb County is not home to any of these Fortune 500 companies, many DeKalb residents work for them, including Delta Airlines (#178), the Home Depot (#18), Publix Super Markets (#69), Kroger Co. (#17), AT&T (#11), and UPS (#35). The presence of these companies in the metro Atlanta region is significant, as they are large employment centers, real estate development influencers, event and entertainment consumers, and, overall, key corporate stakeholders in the market.

Major Employers (Metro Atlanta)

Employer	Employment
Delta Air Lines	34,500
Emory University & Emory Healthcare	32,091
The Home Depot	16,510
Northside Hospital	16,000+
Piedmont Healthcare	15,900
Publix Super Markets	15,591
WellStar Health System	15,453
The Kroger Co.	15,000+
AT&T	15,000
UPS	14,594
Marriott International	12,000+
Children's Healthcare of Atlanta	9,000
Cox Enterprises	8,894
Centers for Disease Control and Prevention	8,403
The Coca-Cola Company	8,000
Southern Company	7,753
Grady Health System	7,600
SunTrust Bank	7,478
Georgia Institute of Technology	7,139
State Farm	6,000
Turner	6,000
Kennesaw State University	5,488
Bank of America	5,130
Metropolitan Atlanta Rapid Transit Authority (M	4,700
Allied Universal Security Services	4,570

Source: Metro Atlanta Chamber, Johnson Consulting

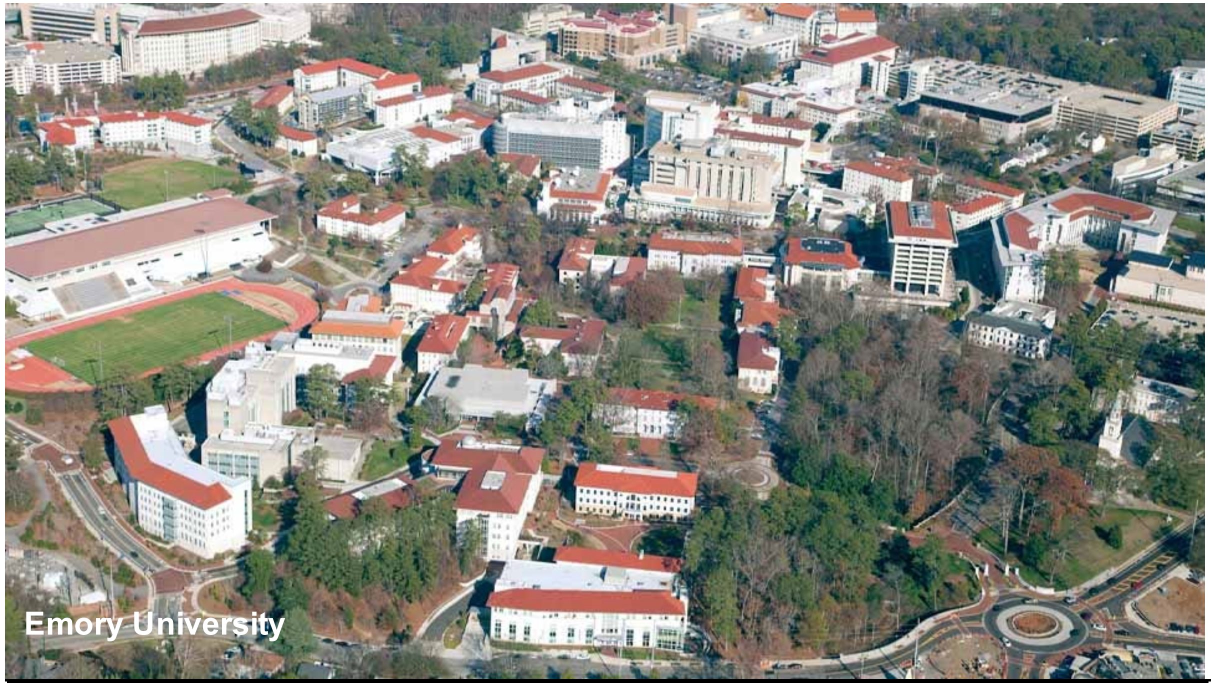
Economic & Demographic Trends

Higher Education Institutions

DeKalb County is home to 18 colleges and universities, while the larger metro Atlanta region (including Fulton, Gwinnett, Clayton, Henry, and Rockdale Counties) is home to nearly 80. Of the colleges in DeKalb County, Emory University is by far the largest, with over 4,500 graduates per year. The next largest school, Georgia Piedmont Technical College, graduates roughly 2,000 students per year. The table at right highlights key details about the major colleges, technical schools, and universities located in DeKalb County.

Education & Health Sectors

This data, as well as preceding data on Location Quotients by Industry Sector and Major Employers, highlights that DeKalb County's economic base is largely rooted in education and health. With world-renowned institutions like the CDC and Emory, and a well-educated workforce, DeKalb County is already a destination for cutting edge research and development. Influential institutions such as these are powerful potential partners for DeKalb County in a new convention center district. The health sector in particular is a major meetings and event producer, as well as a consumer. These organizations could host events and sponsor trade shows and conventions, occupy potential adjacent commercial space, serve as advertising/ naming rights partners, and more.



Major Colleges, Technical Schools and Universities - DeKalb County

	Area	Enrollment
Two-Year Colleges & Technical Schools		
Georgia Military College	Stone Mountain	8,260
Georgia Perimeter College	Various	21,000
Georgia Piedmont Technical College	Clarkston	-
Four-Year Colleges & Universities		
Agnes Scott College	Decatur	1,000
Columbia Theological Seminary	Decatur	300
DeVry University	Various	-
Emory University	Atlanta	15,398
Luther Rice College and Seminary	Lithonia	1,060
Mercer University	Atlanta	9,024
Oglethorpe University	Brookhaven	1,385

Source: Respective Facility Websites, Johnson Consulting

Hotel Facility Inventory

Hotel Inventory

Thanks to strong leisure tourism and business travel segments, the metro Atlanta area has a very large hotel inventory. According to CoStar, there are 98 hotels accounting for 11,527 hotel rooms and 270,175 SF of meeting space within DeKalb County. The majority (4,800, or 41.6%) of hotel rooms are in the “Economy” class. There are 2,108 hotel rooms in the “Upper Upscale” class (18.3% of total), 2,377 in the “Upscale” class (20.6% of total), and 1,768 in the “Upper Midscale” class (15.3% of total). These higher quality hotel rooms are most likely to be selected by conference center attendees, so it is advantageous that together, they represent more than half of DeKalb County’s total hotel stock. The table on the top right profiles the largest hotels in the County, all of which have over 200 rooms. As shown, the 495-room Crowne Plaza Atlanta Perimeter at Ravinia is the largest hotel in the market by far.

Hotel Pipeline

DeKalb County also has a very strong hotel pipeline of hotels that are currently in development, which will be opening within the next few years. In total, these hotels account for 1,407 new hotel rooms in the market – an 12.2% increase in total rooms.

DeKalb County Hotels

Hotel	Class	Year Built (Renovated)	# of Rooms	Meeting Space
Crowne Plaza Atlanta Perimeter at Ravinia	Upscale	1986 (2019)	495	21,374
Marriott Atlanta Perimeter Center	Upper Upscale	1975 (2018)	344	18,400
Atlanta Evergreen Marriott Conference Resort	Upper Upscale	1989	336	40,000
Emory Conference Center Hotel	Upper Upscale	1995	325	29,375
Marriott Atlanta Northeast Emory Area	Upper Upscale	1974	294	25,000
Le Meridien Atlanta Perimeter	Upper Upscale	1979 (2014)	275	10,000
Embassy Suites by Hilton	Upper Upscale	1985	252	7,942
DoubleTree by Hilton	Upscale	1984	250	9,844
DoubleTree by Hilton	Upscale	1970 (2004)	209	3,633

Sources: CoStar, Johnson Consulting

DeKalb County Hotel Pipeline

Hotel	Class	Phase	Opening	Number of Rooms
AC Hotels by Marriott	Upscale	Under Construction	2022	156
Children's Healthcare of Atlanta Hotel	-	Under Construction	2022	150
Tempo by Hilton	Upscale	Proposed	2022	150
Holiday Inn	Upper Midscale	Under Construction	2021	143
Hilton Garden Inn	Upscale	Final Planning	2022	141
Manor Druid Hills	-	Proposed	2023	140
Residence Inn	Upscale	Under Construction	2021	125
La Quinta Inns & Suites Atlanta	Upper Midscale	Under Construction	2024	104
Avid	Midscale	Final Planning	2022	100
Unnamed Hotel @ Ravinia Pwky	Upscale	Proposed	2022	100
Tru by Hilton Atlanta Northlake Parkway	Midscale	Under Construction	2021	98
Total				**1,407**

Sources: CoStar, Johnson Consulting

Hotel Facility Inventory

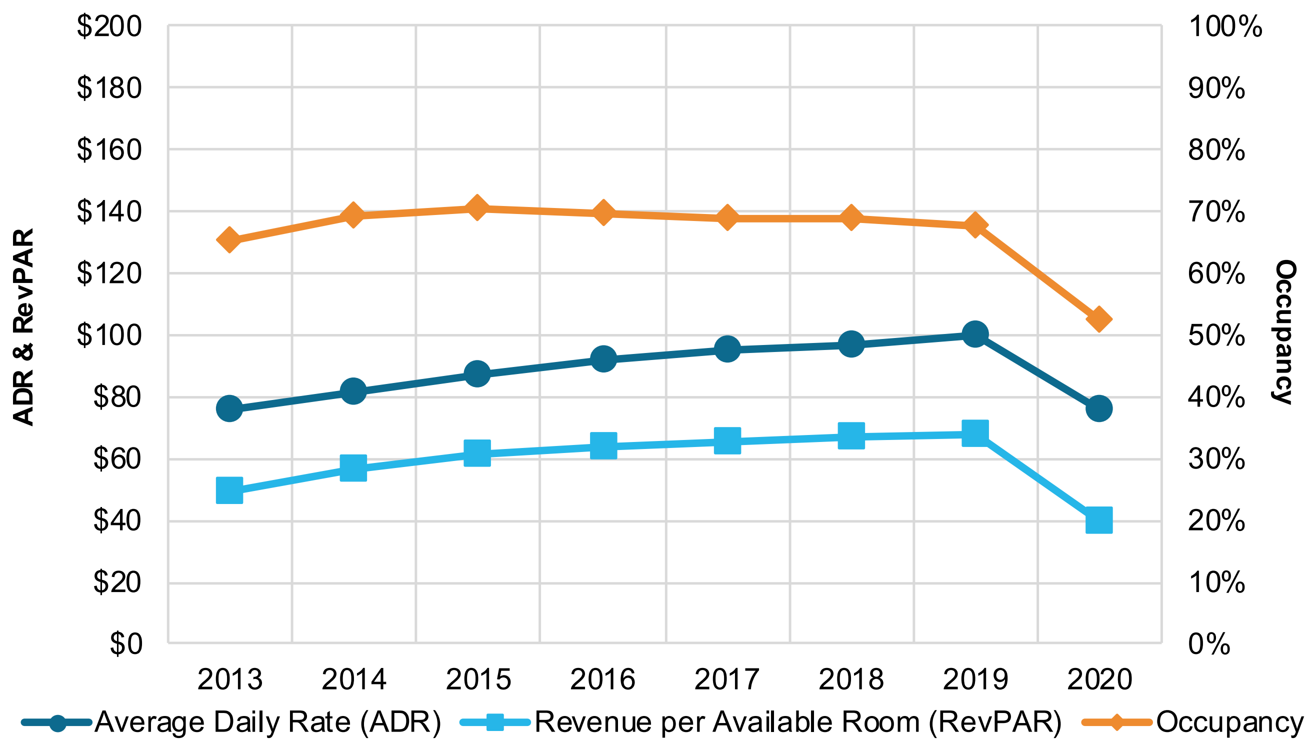
DeKalb County Hotel Market Performance

Hotel market performance is another way to evaluate the overall trajectory of the tourism market in DeKalb County. The success of the broader tourism market is strongly correlated with the conference and events segment's potential as event planners want to hold their events in markets that their attendees are excited to visit, and that have the supply of hotels available for a room block to support their event.

As shown on the top right, the hotel market enjoyed significant improvements between 2013 and 2019, particularly to Average Daily Rate (ADR) and Revenue per Available Room (RevPAR). Average Daily Rate, Revenue per Available Room, and Occupancy increased during this time period by 31.7%, 36.6%, and 2.4%, respectively. As expected, these indicators all took a dive in 2020 as a result of the COVID-19 pandemic.

There are many unknowns that remain in terms of the pace of the recovery trajectory, but these numbers bode very well for the conference center's outlook overall and will help to strengthen and diversify the demand base for existing and planned hotels.

DeKalb County Hotel Market Performance



Sources: CoStar, Johnson Consulting

Event Facility Inventory

Metro Atlanta's event facility inventory is relatively developed, with a range of facilities of various sizes. The largest facilities are close to downtown Atlanta. As shown in the table on the right, downtown Atlanta is well served by several large convention centers catering to events with a national and international pull. Georgia World Congress Center (GWCC) is the largest facility by far, with over 1.5M SF of total event space. Outside of downtown, the Georgia International Convention Center (GICC), Cobb Galleria Centre, and Atlanta Evergreen Marriott Conference Center are attractive facilities that are able to capture demand for mid-size event spaces away from downtown Atlanta. All of these facilities also have hotel options and retail amenities close by.

We will be revisiting this data in greater detail in Section 5.

DeKalb County Largest Event Facilities (50-Mile Radius)

Facility	Location	# of Guest Rooms	# of Meeting Rooms	Largest Meeting Space (SF)	Total Meeting Space (SF)
Georgia World Congress Center	Atlanta, GA	-	106	151,800	1,721,171
Atlanta Convention Center at AmericasMart	Atlanta, GA	47	26	96,000	467,391
Georgia International Convention Center	College Park, GA	-	7	37,800	243,518
Cobb Galleria Centre	Atlanta, GA	-	20	144,000	194,700
Hyatt Regency Atlanta	Atlanta, GA	1,216	27	39,000	135,330
Gwinnett Center	Duluth, GA	-	11	50,000	87,155
Renaissance Atlanta Waverly Hotel & Convention Center	Atlanta, GA	522	33	16,268	69,728
Omni Atlanta Hotel CNN Center	Atlanta, GA	1,067	26	19,864	66,018
Edgar H. Wilson Convention Center	Macon, GA	-	9	30,800	57,937
Atlanta Evergreen Marriott Conference Center	Stone Mountain, GA	336	23	9,450	40,509
Loews Atlanta Hotel	Atlanta, GA	414	-	12,000	36,551
Georgia Aquarium	Atlanta, GA	-	4	16,400	29,300
Lanier Islands Legacy Lodge	Buford, GA	282	-	6,000	29,171
Renaissance Concourse Atlanta Airport Hotel	Atlanta, GA	387	-	11,000	27,664
Emory Conference Center Hotel	Atlanta, GA	325	22	4,680	27,251
Georgia Tech Global Learning Center	Atlanta, GA	-	27	2,924	27,204
Crowne Plaza Atlanta Perimeter at Ravinia	Atlanta, GA	495	-	12,152	26,978
Clarence Brown Conference Center	Cartersville, GA	-	16	13,000	23,948
Loudermilk Convention Center	Atlanta, GA	-	17	5,000	22,408
The Westin Atlanta Airport	Atlanta, GA	500	23	6,519	22,290
Georgia Tech Hotel and Conference Center	Atlanta, GA	252	23	7,260	20,590
Allen Entrepreneurial Institute Convention Center	Lithonia, GA	-	26	-	20,000
Atlanta Marriott Northeast/ Emory Area	Atlanta, GA	294	15	5,000	18,877
Hyatt Regency Atlanta Perimeter	Atlanta, GA	182	-	4,220	16,472
Sonesta Atlanta Airport North	Atlanta, GA	378	-	4,050	15,389
Atlanta Marriott Perimeter Center	Atlanta, GA	344	-	6,270	14,592
Newnan Centre	Newnan, GA	-	9	6,060	13,790
DoubleTree by Hilton Hotel Atlanta Northlake	Atlanta, GA	183	12	3,060	13,444
Morrow Center	Morrow, GA	-	5	5,225	12,287
Courtyard by Marriott Atlanta Decatur Downtown/Emory	Decatur, GA	170	11	6,490	11,834
Douglasville Conference Center	Douglasville, GA	1,800	3	7,600	11,192
Merle Manders Conference Center	Stockbridge, GA	-	5	6,000	10,591

Sources: Pollstar, Facilities, Cvent, Johnson Consulting

Performing Arts Facility Inventory

Metro Atlanta's performing arts facility inventory is robust, with a range of amphitheaters, auditoriums, theatres, and clubs of various sizes and configurations. The inventory list at right captures a 50-mile radius around DeKalb County, and is limited to facilities with capacities of over 500. This radius captures downtown Atlanta, the metro area, as well as neighboring central Georgia cities.

Similar to the event facility inventory list in the previous slide, the performing arts facilities are largely clustered in downtown Atlanta. However, there are also several small and mid-size venues outside of downtown Atlanta that serve the greater metropolitan area, including the Sandy Springs Performing Arts Center in Sandy Springs, GA and the Infinite Energy Theater in the Gas South District in Duluth, GA.

This list shows a well-developed performing arts market in the metro Atlanta area, with facilities to accommodate a variety of activities and user groups. Within DeKalb County, the Porter Sanford Performing Arts and Community Center is a 500-seat auditorium/ theater and a 100-seat black box theater. The facility is county owned and operated, and has a primary mission of serving DeKalb County residents. Aside from Porter Sanford, the performing arts facility inventory within DeKalb County is relatively minimal. There are, however, several arts centers which are homes to theater companies and periodically hold performance, including the ART Station, Callenwolde Fine Arts Center, and the Spruill Center for the Arts. While the County itself does not have many performing arts facilities, residents are in close proximity to facilities in neighboring counties – including the Infinite Energy Theater in Gwinnett County – and in downtown Atlanta. Given the presence of the Porter Sanford venue and the significant supply of venues in the region, an additional performing arts venue would be a challenge to program and operate.

DeKalb County Performing Arts Facilities (50-Mile radius)

Facility	Location	Type	Total Capaci
Cellairis Amphitheatre At Lakewood	Atlanta, GA	Amphitheatre	19,00
Ameris Bank Amphitheatre	Alpharetta, GA	Amphitheatre	12,50
Southern Star Amphitheatre	Austell, GA	Amphitheatre	12,00
Cadence Bank Amphitheatre At Chastain Park	Atlanta, GA	Amphitheatre	6,90
Wolf Creek Amphitheater	Atlanta, GA	Amphitheatre	5,42
Fox Theatre	Atlanta, GA	Auditorium / Theatre	4,66
Atlanta Coliseum	Duluth, GA	Auditorium/ Theatre	4,50
Live! At The Battery Atlanta	Atlanta, GA	Outdoor	4,00
Masquerade Music Park	Atlanta, GA	Amphitheatre	4,00
Coca Cola Roxy	Atlanta, GA	Auditorium / Theatre	3,80
Cobb Energy Performing Arts Centre	Atlanta, GA	Auditorium / Theatre	2,75
Frederick Brown Jr. Amphitheater	Peachtree City, GA	Amphitheatre	2,50
Mable House Barnes Amphitheatre	Mableton, GA	Amphitheatre	2,40
The Tabernacle	Atlanta, GA	Auditorium / Theatre	2,40
Atlanta Symphony Hall	Atlanta, GA	Auditorium/ Theatre	1,83
Southern Ground Amphitheater	Fayetteville, GA	Amphitheatre	1,80
The Buckhead Theatre	Atlanta, GA	Auditorium / Theatre	1,50
Heaven At The Masquerade	Atlanta, GA	Club	1,42
Ferst Center For The Arts	Atlanta, GA	Auditorium / Theatre	1,15
Variety Playhouse	Atlanta, GA	Club	1,10
Byers Theatre	Atlanta, GA	Auditorium / Theatre	1,07
Sandy Springs Performing Arts Center	Sandy Springs, GA	Auditorium / Theatre	1,07
Center Stage Theater	Atlanta, GA	Auditorium / Theatre	1,05
The Amp At Adamson Square	Carrollton, GA	Amphitheatre	1,00
37 Main - Johns Creek	Johns Creek, GA	Club	90
Rialto Center For The Arts	Atlanta, GA	Auditorium / Theatre	83
Believe Music Hall	Atlanta, GA	Auditorium / Theatre	80
Infinite Energy Theater	Duluth, GA	Auditorium / Theatre	70
The Loft	Atlanta, GA	Club	65
Terminal West	Atlanta, GA	Club	62
Jennie T. Anderson Theatre	Marietta, GA	Auditorium / Theatre	60
Riverside EpiCenter	Austell, GA	Auditorium / Theatre	59
Hell At The Masquerade	Atlanta, GA	Club	55
Roswell Cultural Arts Center	Roswell, GA	Auditorium / Theatre	54
37 Main - Buford	Buford, GA	Club	50
Porter Sanford Performing Arts Center	Decatur, GA	Auditorium / Theatre	50

Sources: Pollstar, Facilities, Johnson Consulting

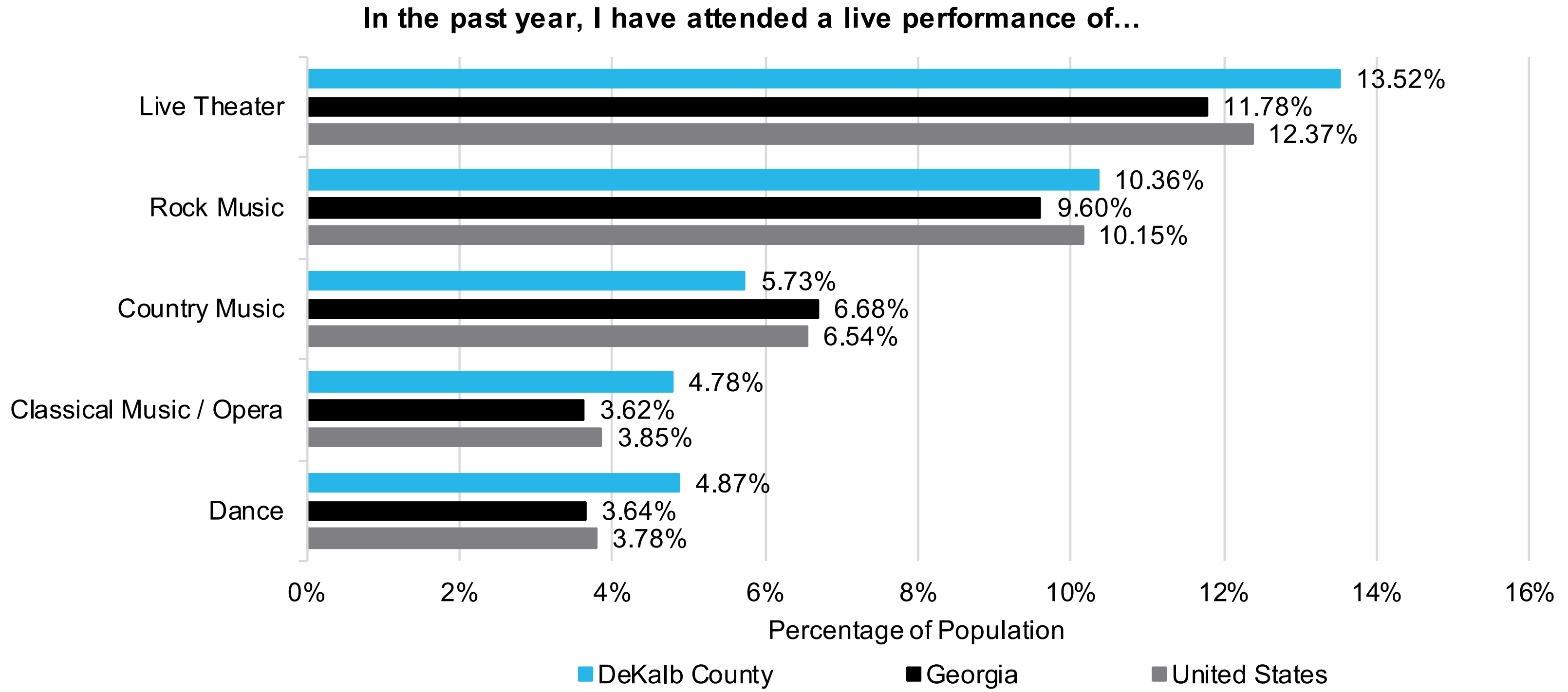
Economic & Demographic Trends

Consumer Behavior – Live Entertainment

Consumer spending and behavior metrics related to performing arts type activities can be used to gauge the market's capacity to support a new facility. The metrics presented at right were gathered by Esri and represent rates at which residents of a given geography attended various live performing arts events.

In 2020, DeKalb County residents attended performing arts events at roughly similar rates to the country and state as a whole. DeKalb County residents attend comparatively the most performances of live theater, rock music, classical music / opera, and dance. By contrast, DeKalb County residents attended comparatively fewer country music performances.

DeKalb County, GA
Consumer Behavior (2020)



Sources: Johnson Consulting, Esri

Economic & Demographic Trends

Prior Local Relevant Plans & Studies

Prior Relevant Plans & Studies				
Year	**Plan**	**Funded By …**	**Prepared By …**	**Takeaways**
2019	City of Stonecrest Comprehensive Plan 2038	City of Stonecrest	The Collaborative Firm, LLC	Outlines a guide for the city's future developments over the next 20 years. The plan was a culmination of a lengthy citizen engagement process in an attempt to identify the city's greatest assets, and understand its long-term needs and opportunities.
2020	Various	Metropolitan Atlanta Rapid Transit Authority (MARTA)	Metropolitan Atlanta Rapid Transit Authority (MARTA)	In the past few years, MARTA has proposed several transit improvement projects in DeKalb County which will amount to a quarter billion dollar investment in the county. These projects are largely concentrated in the eastern part of the county, and include the following: the I-20 East Transit Initiative, which includes both new Bus Rapid Transit (BRT) and Heavy Rail Transit (HRT); MARTA is planning a TOD hub at the Kensington MARTA station.
2020	Downtown Tucker Grid Plan	Tucker Northlake CID / Atlanta Regional Commission (ARC)	Lord Aeck Sargent / Alta Planning & Design	Aims to restore and expand the street grid created in the 1890s. The plan builds on the work of the Downtown Master Plan and envisions pedestrian-oriented spaces, businesses along the alleys, connections on dead end streets, including a 1.6-acre town green on Railroad Avenue.
2020	Downtown Tucker Master Plan	Tucker Northlake CID / City of Tucker	TSW	Builds on the work of the City's Comprehensive Plan and clarifies the vision for growth in the Downtown Districts. The plan supports the long-standing success of the business community, presents development opportunities, and maintains the benefits of a youthful city center anchored by the high school and middle school at each end of downtown.

Sources: Discover DeKalb

Economic & Demographic Trends

Local Developments

Assembly (Doraville, GA)

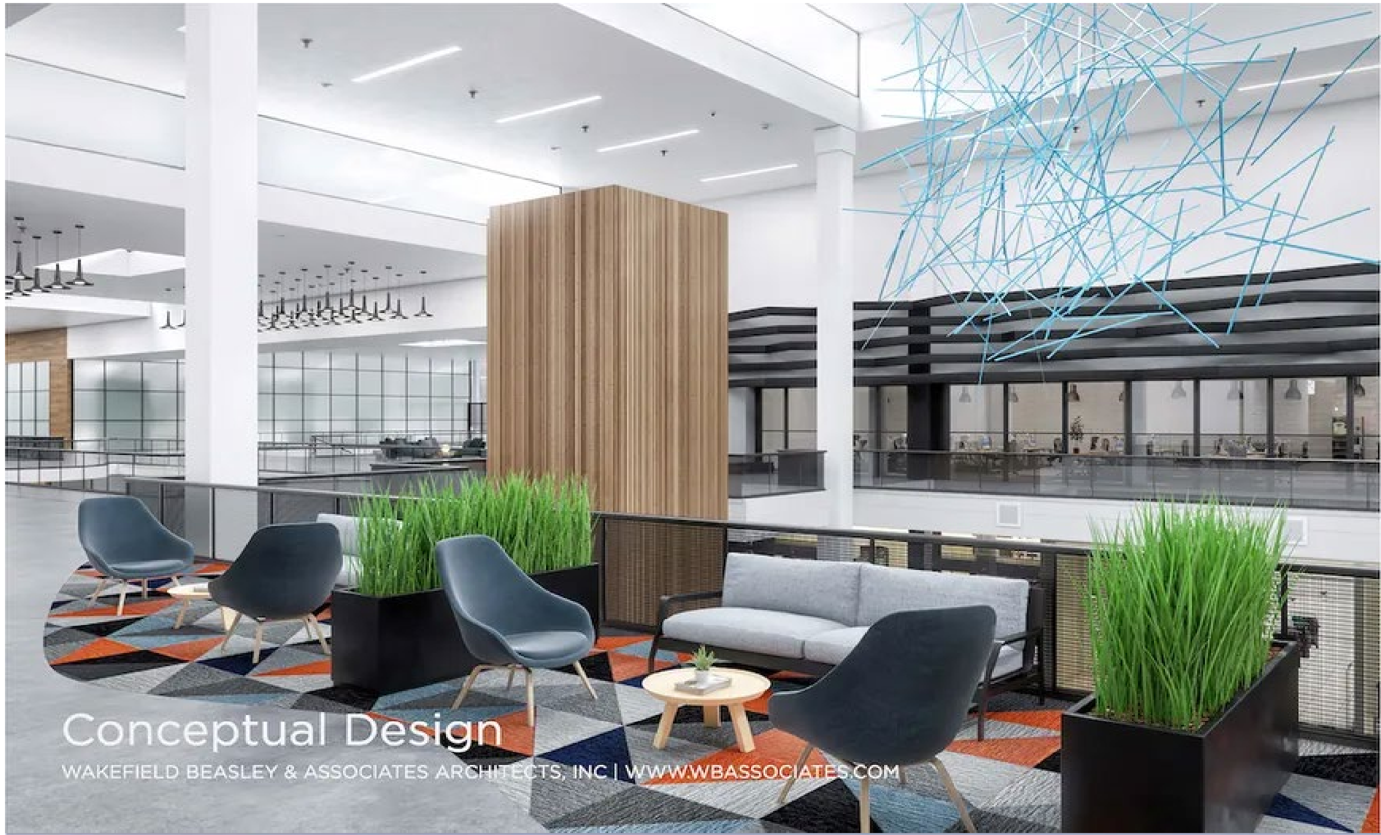
In early 2021, Gray Television purchased 128 acres in Doraville, a community in northwest DeKalb County and adjacent to Atlanta, with plans to construct Assembly Yards at the site of a former GM plant. Gray Television intends to build a “Studio City” with numerous film studios, and spaces oriented towards e-gaming, digital media, and robotics. A small film studio, Third Rail Studios, is already located on the site. Later phases of the project will include apartments, townhomes, a hotel, office space, restaurants, and retail space. The site is located in a tax allocation district (TAD), as well as a community improvement district (CID). In addition to being able to use funds available from these place-based financing tools, Doraville approved $1.5B in revenue bonds, and a 35% property tax incentive for the next 30 years for the Assembly Yards site.

Economic & Demographic Trends

Local Developments

Northlake (Tucker, GA)

In 2016, Dallas-based commercial developer ATR Corinth Partners purchased the struggling Northlake Mall, which formerly held a Sears, Kohl's, and J.C. Penney's, among other retailors. In the past 5 years, ATR Corinth has developed an ambitious plan for a mixed-use project with office space, 3-4 restaurants, and more. In 2021, Emory Healthcare committed to leasing 224,000 SF of office space to accommodate 1,600 employees at Northlake. CDC Credit Union and Burlington also committed to leasing space at Northlake, and Macy's will remain at the mall as its anchor retail tenant. Residential developers are also pursuing nearby sites for rental apartment complexes.



Economic & Demographic Trends

Local Developments

The Mall at Stonecrest (Stonecrest, GA)

In the spring of 2021, Florida-based Hallmark Venture Group, Inc. acquired the 29-acre site in southeast DeKalb County. The Mall at Stonecrest has 1.2M SF of commercial space and is managed by Urban Retail Properties, LLC. Despite being at risk of foreclosure prior to its sale, the mall performed well during the pandemic, and maintained an occupancy rate of over 90%. The venture capital group expressed interest in developing many new experiences: a sports and entertainment complex; the SeaQuest Stonecrest aquarium, which opened in June 2021; Lisa Young, a 145,000 SF beauty superstore; an apartment complex; and other projects. As of the fall of 2021, the deal with Hallmark Venture Group has not officially closed. However, development plans for several of the proposed concepts are still underway.

Economic & Demographic Trends

Local Developments

New Black Wall Street (Stonecrest, GA)

The New Black Wall Street Market opened in fall 2021 in Stonecrest, 100 years after the Tulsa Massacre that destroyed a retail district known as “Black Wall Street”. The facility is designed to house 100+ restaurants, shops, and other high-quality retail amenities, and aims to be a space for black-owned businesses to showcase their work and sell their products directly to consumers.

The project was developed by the Allen Entrepreneurial Institute, and shares the organization’s same mission: to increase the size and number of minority and women-owned businesses throughout the United States and globally. In cooperation with the Allen Institute, the market provides support for vendors through training, marketing, advertising, online sales support, and more.

SWOT Analysis

S W O T

Strengths

- High local & regional population
- Proximity to Atlanta
- Accessibility to regional highways and transit to and from downtown Atlanta
- Strong corporate and institutional presence
- Healthy hotel inventory and pipeline
- Increasingly diverse demographics
- Fast pace of regional development

Weakness

- Lack of cohesive identity between communities in the County
- Limited/ aging tourism amenities

Opportunities

- Synergies with educational and healthcare institutions (i.e. Emory, CDC)
- MARTA improvements throughout County, especially in east
- Aging malls which are being converted and revamped to include new retail experiences

Threats

- Failure to attract & retain new businesses
- Failure to compete with larger, more diversified regional markets in metro Atlanta
- High-quality event facilities in neighboring Cobb, Gwinnett, and Fulton counties
- Inability to attract business travel away from downtown Atlanta

Economic & Demographic Trends

Implications

DeKalb County exhibits favorable economic, demographic, and market indicators across the board in terms of evaluating the potential for a community's ability to support new events amenities, as well as to attract business to such a facility. There is a substantial and growing population base in the County, the adjacent metropolitan Atlanta area, and within the 30-, 60-, and 90- minute drive time areas. DeKalb County is highly diverse, and has a sizable, growing international community. The area is very well-educated and has high median household incomes that indicate a propensity to spend comparatively high amounts on entertainment and recreation. There is a significant corporate presence in the metropolitan Atlanta area, which is expected to continue to accelerate in the near future with the trend in corporations expanding their footprints in the southern U.S. This will contribute to the area's robust, resilient, and diverse economic base that is home to healthy industry clusters, particularly in Education and Healthcare. A new facility as an anchor for a larger mixed-use development would be very attractive to event attendees and planners. All these factors are indicative of a market with a solid demand base for meetings, conferences, and other types of events.

Focusing on the performing arts land use, there is limited need for a purpose-built performing arts center in the county given the existing inventory in the county and surrounding metro area. A component of the proposed convention center can be designed to be used as a black box space and multi-purpose venues often can transform and hold live entertainment events. The hotel market is rebounding from the pandemic, and oftentimes these projects are built as part of a Public/Private Partnership (P3) wherein the public sector contributes support to the development of the convention space and a private developer pays for the hotel.

Section 3

Industry Trends

JOHNSON CONSULTING

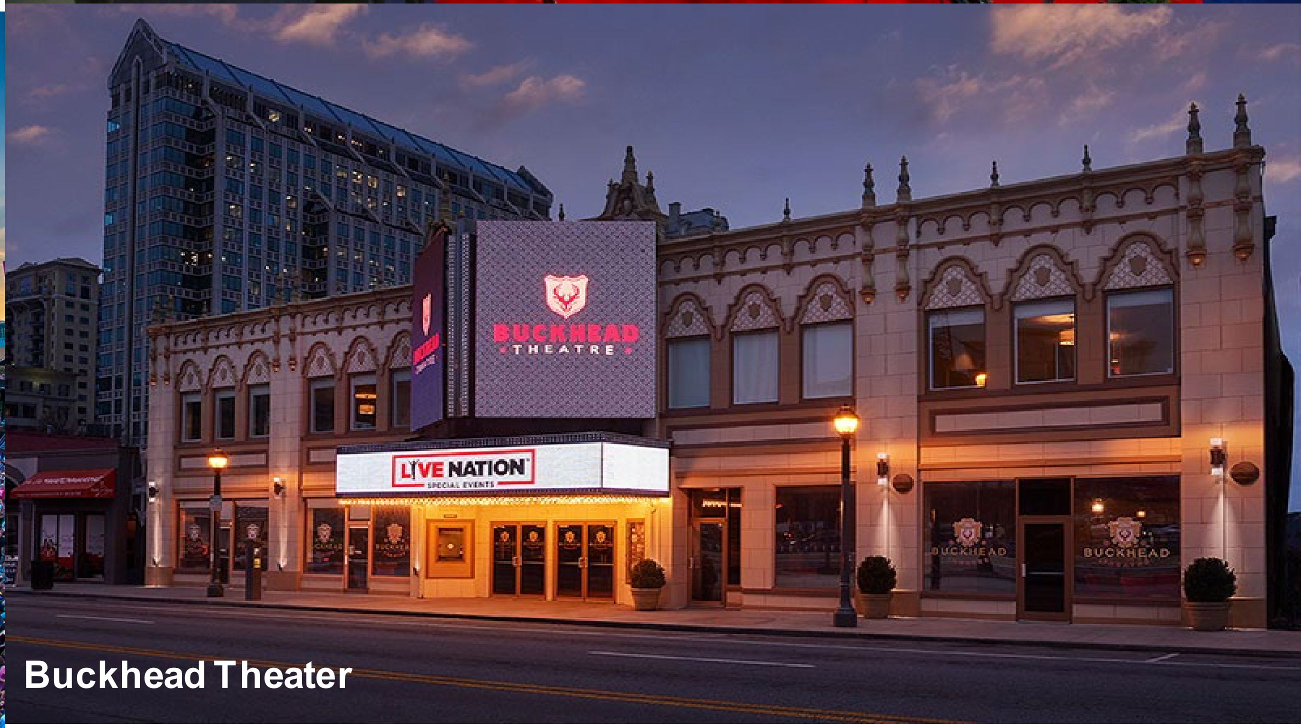
Industry Trends

Introduction

This section provides insight into the meetings, events, and performing arts industry, including an industry overview along with research and trends, such as historical statistics, the current state of these industries, and future market trends. Further, this section focuses on the impact of broader economic conditions, as well as the overall health of these industries, and will address the impact of the COVID-19 pandemic.

Georgia World Congress Center

Central Park



Buckhead Theater

Meetings & Events Industry

JOHNSON CONSULTING

Conference Center Market Analysis

Primary Types of Facilities

- **Hotel and Meeting Room Facilities:** Many markets have developed a multipurpose or small convention or conference center complex within or adjacent to a hotel, as a means of improving the lure of the hotel and subsidizing its operations. These facilities, which have been undertaken in markets of varying sizes, are frequently developed through public-private partnerships whereby the public sector may assemble land, build parking, and fund meeting space components as a way to execute a project. Often the various project elements are developed as a joint project, in terms of timing, but in some markets, the public elements have been built first with the hotel coming later.

- **Conference Centers:** These facilities provide a specialized combination of meeting spaces, high-tech amenities, and services in support of training and education initiatives. Most conference centers are operated in conjunction with a hotel, although some are part of a university and a small number operate as standalone venues.

- **Convention Centers:** These facilities combine the meeting capabilities of a conference center with exhibit space. These facilities are designed to meet the broad needs of the Meetings, Incentive, Convention, and Exhibition (M.I.C.E.) industry and primarily serve as economic development enterprises for the community. Their mission is to bring outside visitors and associated spending into the community, although they may also host large locally oriented consumer events

- **Exposition Halls:** These facilities focus exclusively on product and consumer shows that require little meeting space. Pure exposition halls generally exist in markets that have other convention and/or meeting venues available or in situations where the private sector has responded to a lack of supply by developing an inexpensive facility. Fairgrounds also offer facilities that are exposition-oriented.

- **Events Centers:** Events centers, or arenas, are used as multi-purpose facilities to host a wide range of events, from small to mid-size conventions, and trade shows, to sporting events, concerts, and banquets. These facilities typically host many more locally oriented events than dedicated exhibit and ballroom space within convention centers. Events centers also incorporate breakout and meeting rooms, and often have a full commercial kitchen to cater banquet events.

Conference Center Market Analysis

Types of Events

Conference centers and multipurpose event facilities are, as the name implies, able to accommodate many different types of events. The matrix below categorizes each type of event that can occur in these types of facilities, at the broadest of levels, and describes some of the key characteristics of each event type.

	Conventions & Conferences	Exhibitions & Trade Shows	Meetings & Assemblies	Consumer Shows	Entertainment Events	Sporting Events
Purposes	Networking Education Idea Sharing	Sale of Goods & Services Advertising Networking	Organizational Business Idea Sharing Networking	Sale of Goods & Services Advertising Community Partnerships	Entertainment Arts & Culture Leisure	Tournaments & Competitions Recreation Leisure
Facility Types	Hotels Convention Centers	Hotels Convention Centers Expo Centers Fairgrounds	Hotels Convention Centers Arenas Theaters	Hotels Convention Centers Expo Centers	Arenas & Stadiums Theaters & Amphitheaters Convention Centers	Arenas & Stadiums Convention Centers Sports Complexes
Event Duration	2 - 5 Days	3 - 6 Days	1 - 2 Days	2 - 5 Days	1 - 3 Days	1 - 3 Days
Visitor Stay	2 - 4 Days	1 - 3 Days	1 - 2 Days	1 - 2 Days	1 Day	1 - 2 Days
Visitor Type	Industry Specific	Industry Specific	Organization Specific	General Public	General Public	General Public
Visitor Origin	Mostly Non-Local	Mostly Non-Local	Local & Non-Local	Mostly Local	Mostly Local	Mostly Local
Economic Impact	$$$$$	$$$$$	$$$$	$$$	$$$	$$$

Conference Center Market Analysis

Types of Event Sponsors

The conference and events industry includes a wide variety of event types that are sponsored by different types of businesses and organizations, including:

Corporations: Business meetings are an integral part of the meetings industry. They represent the majority of meetings held throughout the world, and topics can be as wide-ranging as the industries themselves. For the purposes of this report, corporate meetings will refer to off-site conferences, sales, and incentive meetings, such as the events that are often held at hotels.

Associations: Trade and business associations represent certain industries and strive to keep members informed about current issues related to their industry. Associations sponsor meetings and conventions to serve this educational and informational purpose, and also assist in marketing efforts by holding trade shows where members can display and sell their products.

Educational Institutions: Universities are increasingly recognizing that more continuing education occurs at meetings, rather than in classroom settings, and are becoming an important player in developing and sponsoring continuing education activities and conferences.

Government: All levels of government hold meetings for the purpose of education, discussion of issues, and policy deliberation. In many countries, governments also create and sponsor trade shows in order to support sectors of the economy.

Independent Show Organizers, Incentive Houses, and Publishing Companies: The meetings industry has grown so large that it now supports a growing number of organizations that specialize in the business of producing meeting events. These businesses may work on behalf of corporations and associations, and handle all aspects of a meeting, from booking attendees to event operations.

Social, Military, Education, Religious, Fraternal, and Ethnic (SMERFE) Organizations: These organizations typically sponsor convention or assembly events that are not always business-related and tend to be geared more towards social networking and discussion of issues.

Conference Center Market Analysis

Nationwide Trends

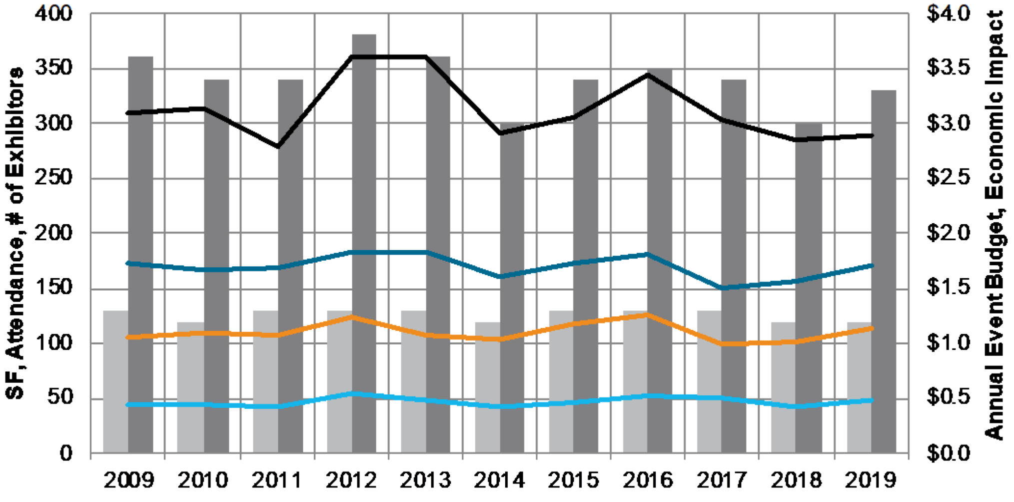
This section provides insight into the nationwide conference and meetings industry, based upon two sources of published data that are widely respected in the industry – 1) Professional Convention Management Association (PCMA), whose members host conferences and meetings across a range of industries, and 2) Center for Exhibition Industry Research (CEIR), which tracks exhibition events.

Over the past decade, the convention, meetings and exhibition industry has demonstrated relative stability across a variety of measures. Data from the PCMA's Meetings Market Survey, shown on the top right, indicates slight increases in the square footage requirements of organizations' largest events and attendance at organizations' largest events. Slight contraction is indicated in the number of exhibitors, total hotel room pickup, annual event budget, and economic impact.

The exhibitions industry has also enjoyed steady growth in recent years, following declines that resulted from nationwide economic conditions. In 2018, the exhibition industry finally once again entered an expansion phase that surpassed its previous peak. This data is supported by the Center for Exhibition Industry Research's (CEIR) Index Report for the exhibition industry, which is summarized on the bottom right. Exhibitions are defined as events with at least 3,000 net square feet of exhibit space and 10 or more exhibitors. This report compiles data from over 600 events that occurred in North America, representing 14 industry sectors.

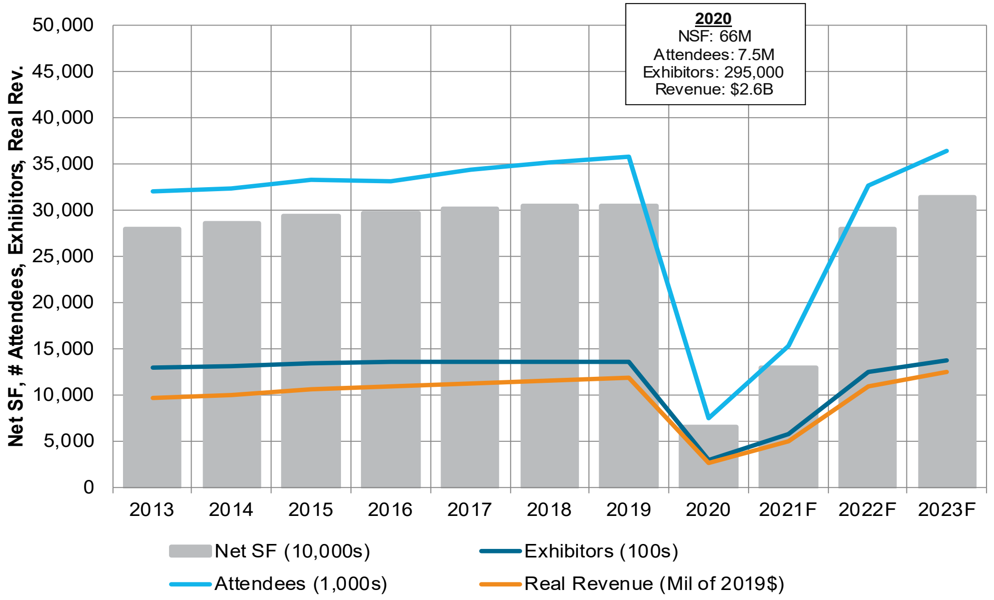
The 2021 CEIR Index Report indicates a drastic decline across all index indicators in 2020 – net square foot declined by 78.3%, exhibitors by 78.4%, attendees by 79%, and real revenues by 78.2%, for an overall index decline of 78.5%. According to the index, 2021-2023 are anticipated to represent recovery years, with the overall index increasing by 97.5% in 2021 and 115.5% in 2022.

Conference & Meetings Industry Trends



Sources: PCMA, Johnson Consulting

Exhibition Industry Trends



Sources: 2021 CEIR Index Report, Johnson Consulting

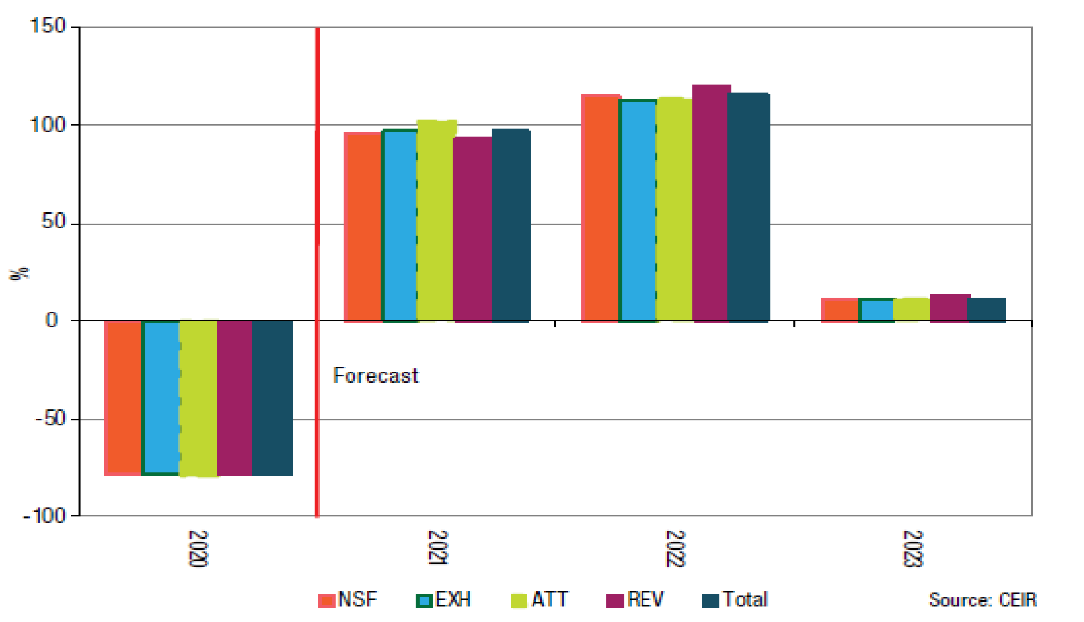
Conference Center Market Analysis

Nationwide Trends – COVID-19 Impact

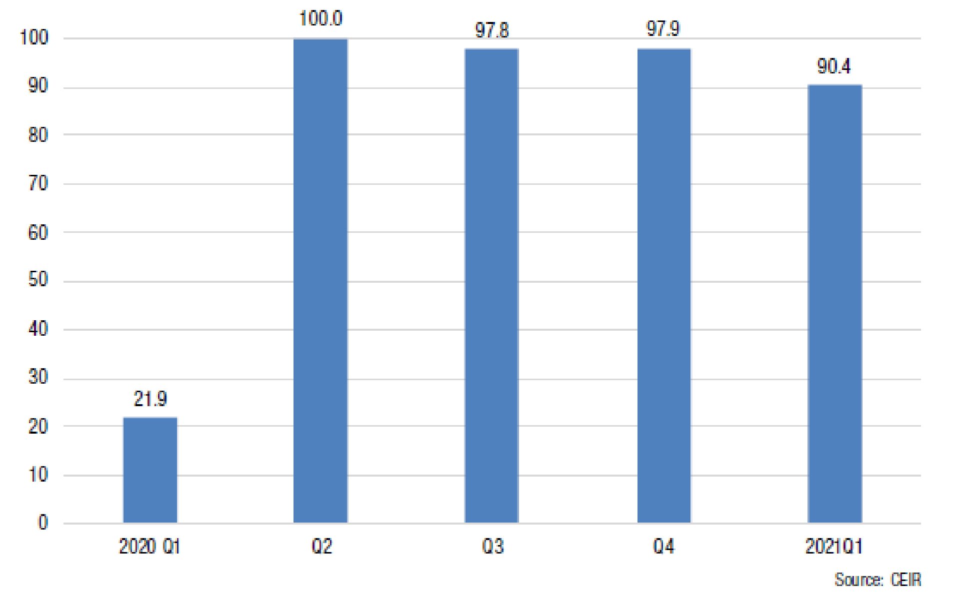
The 2021 CEIR Index Report offered the following insights into the future of the exhibition industry:

- **Full recovery by 2023:** CEIR asserts that, “strong underlying macroeconomic factors should lay a firm foundation for the industry as exhibitions re-open”. In the best case scenario, the exhibition industry will fully recover by mid-2022; worst case scenario, the exhibition industry will not fully recover until 2024. The cancellation rate will continue to be a critical determining factor in exhibition performance, as it was in 2020. By 2023, the impact of COVID-19 should largely diminish – the CEIR Total Index is expected to exceed the pre-pandemic level by 2.5%.
- **ID, FD, and GS to lead the recovery:** In 2023, the top three performing sectors are expected to be Industrial/ Heavy Manufacturing (ID), Food (FD), and Discretionary Consumer Goods and Services (GS), while the bottom three sectors are expected to be Education (ED), Consumer Goods and Retail Trade (CG), and Business Services (BZ).
- **Variants continue to be a wildcard:** With recent surges in Delta, and concerns about a surge of Omicron, the immediate exhibition industry recovery is still uncertain. These surges influence both the cancellation rate, as well as the performance of completed events. However, with the widespread vaccination effort, and the more recent booster shot roll-out, there is optimism that the Omicron variant will not be as economically destructive as previous variants.

CEIR Index for the Overall Industry, 2020-2023
Percent Change



Cancellation Rate of In-Person Events, Q1 2020-Q1 2021
Percent



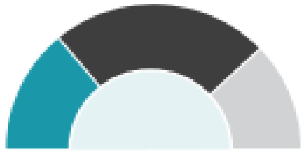
Conference Center Market Analysis

Nationwide Trends – COVID-19 Impact

PCMA offered the following insights gathered in its 2020 COVID-19 Survey, and in its more recent COVID-19 Recovery Dashboard Survey from September 2021:

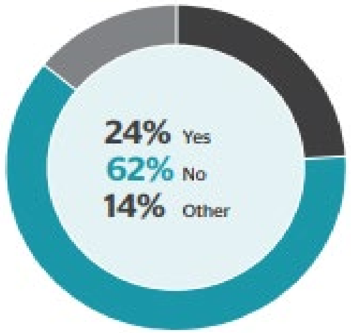
- **Return of face-to-face (F2F) events:** In the 2020 survey of event planners, PCMA found that, by a wide margin, respondents believed that virtual events would not cannibalize F2F events. This is an optimistic outlook, even as planners reported they were otherwise concerned about the time horizon for return to “normal” events.
- **Pent-up demand for F2F events:** In the 2020 survey of event planners, PCMA found that respondents were somewhat divided on people’s comfort with travel for events. Roughly a third of respondents believe there is pent-up demand to meet, while nearly half of respondents noted that people are still hesitant to travel. One quarter of respondents marked “Other”, and the vast majority of those respondents said there would be a combination of both. These people argued that, as much as planners want to return to “normal”, their travel is largely dependent on vaccination, and sanitary practices and protocols at events. Since conventions have returned and vaccines have rolled out, the widespread enthusiasm for large events indicates that there is significant pent-up demand in this industry, but that people are now having to weigh the dangers of the new, potentially more contagious variants.
- **Planners growing less anxious, more resilient:** Between surveys conducted by PCMA in August 2021 and September 2021, planners and suppliers indicated that they felt less anxious about the future of events. More planners in September 2021 indicated that they think it’s necessary to develop soft skills – including resilience in times of crisis – to succeed professionally in an economic recovery.
- **Planners tired of “wait and see”:** Between August and September 2021, the proportion of planners who said they were canceling their F2F event in the coming months due to the Delta variant more than doubled – from 11% to 23%. However, the number of planners who indicated they were moving forward with a F2F event in Fall 2021 also increased. This attitude can be summed up as, “Enough already.” Many planners are tired of the “wait and see” approach that characterized 2020 and much of 2021.

Do you anticipate that there will be a pent-up demand to meet face-to-face once the pandemic is behind us, or do you worry that people will still be concerned about close contact and the spread of germs and opt not to travel?



27% There will be a pent-up demand to meet.
48% People will be hesitant to travel.
25% Other

Do you worry that digital events will cannibalize face-to-face events in the future?



Conference Center Market Analysis

The Future of Meetings & Events

The preceding slides have established that the conference and events segment bounces back from hard times like September 11 and the 2008 recession, as will happen with the recovery from the pandemic. The period from now until full recovery provides an opportunity for planning and development for meeting venues that will help aid in the economic recovery and create jobs and trade. , and an extremely important element of a market's overall tourism strategy. Moving forward into the future, this segment will be presented with new challenges and opportunities. The Professional Convention Management Association (PCMA) and Marriott International released a report establishing 5 overarching trends that will define the future of the industry, as follows:

Emotional Intelligence: Designing with the end-user in mind. Meetings and events will need to move past reactive adjustments to adopt a proactive approach to personalized experiences, understanding the needs of participants before they arrive.

Orchestrated Serendipity: Engineering and embracing the unexpected for more meaningful moments. Experiences must embrace freedom and surprise, freeing consumers from the constant constraint of schedules or agendas. By embracing the unexpected, we can engage participants and leave a lasting impression.

Multimodal Design: Designing for adaptation and iteration. Every event has a unique objective and audience, and a space must reflect each event's specific personality and needs. Space is critical to any event and should be designed to adapt to the ways that participants will engage.

Bigger than Oneself: Acting on a meaningful message. You can't just provide content anymore. Every event must have a message. Participants want to understand what's important to a business, and experience events that deliver that message down to the smallest detail.

Clear Sense of Place: Leveraging geography for deeper enrichment. The most memorable events celebrate local surrounding, enriching visitors, exposing them to the local culture, and connecting them with the community to increase engagement.

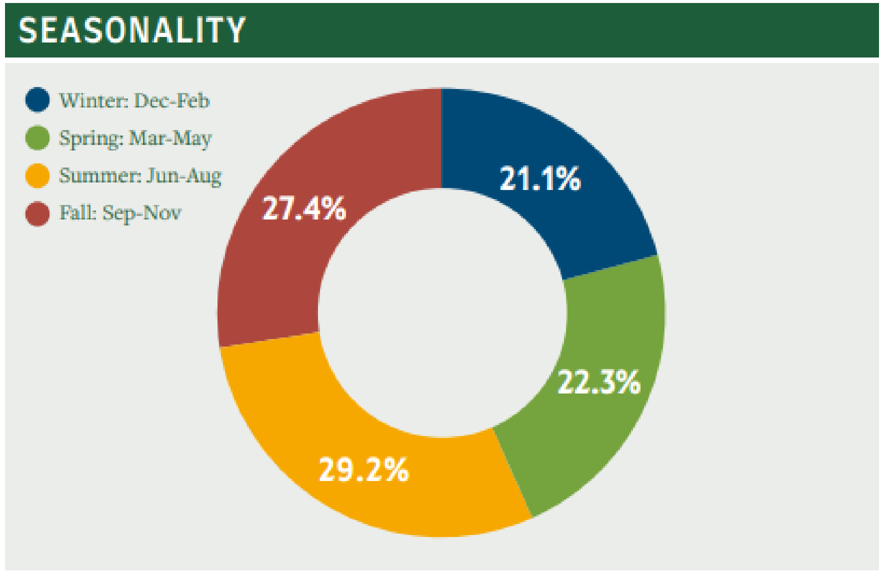
Events and facilities that harness these trends will be well-situated for success in the years to come.

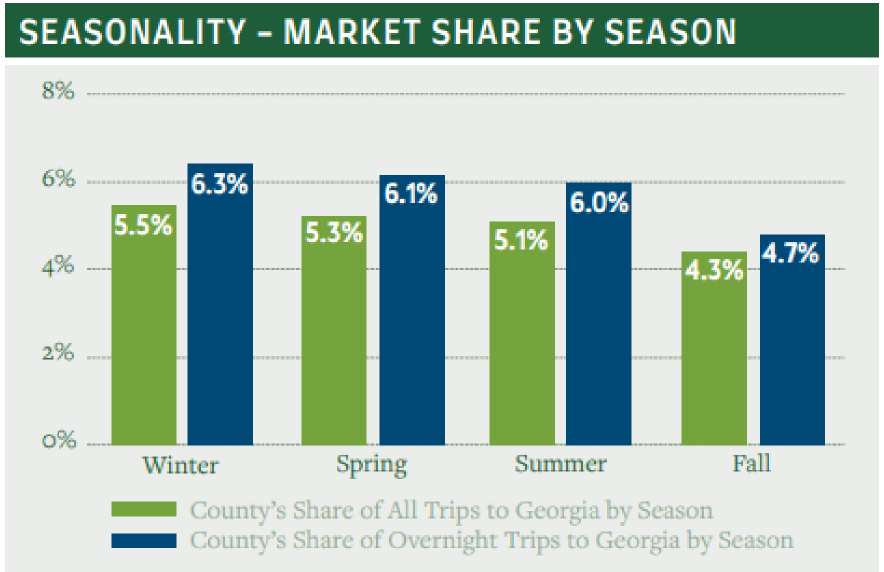
DeKalb County Visitor Survey

There are a few key considerations when evaluating local and regional potential in the conference and event market. The tables over the next 2 pages illustrate findings from an Explore Georgia 2019 "Arrivalist" report on visitation patterns in DeKalb County. Arrivalist data tracks an anonymous, representative panel of U.S. travelers using GPS data from their mobile devices.

Seasonality

The report highlighted the seasonality of visitation to DeKalb County. As the figure at left shows, the majority of travelers coming into the area are visiting in the summer, followed by fall, spring, and winter. However, travelers are relatively evenly spread throughout the year. The figure at right shows that DeKalb County's share of total visitation in the state of Georgia is roughly 5-6%. This is a relatively small share considering the size of the County, its population, its tourism amenities, its regional connectivity, and its proximity to downtown Atlanta. The proposed project will help to increase this share and help to diversify the tourism economy.





DeKalb County Visitor Survey

Origin

The “Arrivalist” data indicated that the top states from which visitors are originating are Georgia, Alabama, South Carolina, Florida, and Tennessee. Georgia is by far the state with the greatest number of visitor origins – nearly 1/3 of total visitors. However, Florida visitors stayed the longest when they did travel to DeKalb County, followed by visitors from Tennessee, South Carolina, Alabama, and Georgia.

Overnight vs. Day Trip Visitors

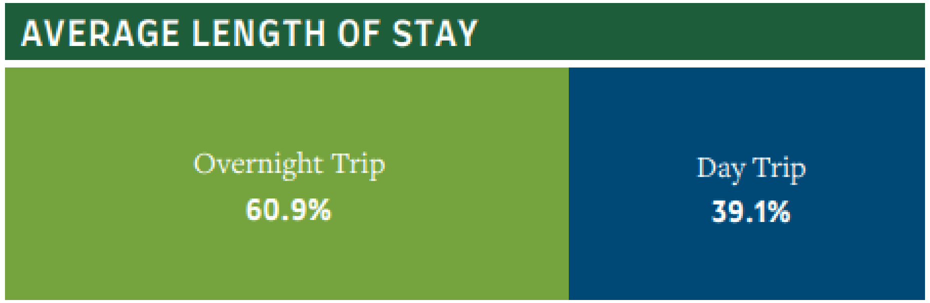
The data showed that 39.1% of all trips to DeKalb County were day trips, while 60.9% were overnight trips. On average, visitors to DeKalb County stayed 1.7 days.

TOP VISITOR ORIGIN STATES

STATE	STATE SHARE OF ALL COUNTY TRIPS	AVERAGE LENGTH OF STAY
Georgia	29.0%	0.8 days
Alabama	11.5%	1.1 days
South Carolina	8.7%	1.2 days
Florida	8.5%	2.6 days
Tennessee	7.1%	1.3 days

TOP VISITOR ORIGIN DMAs*

DMA	DMA SHARE OF ALL COUNTY TRIPS	AVERAGE LENGTH OF STAY
Atlanta	10.6%	0.5 days
Macon	5.2%	0.7 days
Birmingham	5.1%	1.0 days
Greenville-Spartanburg, SC/Asheville, NC	4.8%	0.9 days
Columbus	4.2%	0.8 days
Augusta	4.1%	0.8 days
New York	3.8%	3.2 days
Chattanooga	3.6%	0.6 days
Charlotte	3.4%	1.7 days
Nashville	2.6%	1.5 days



Performing Arts Industry

JOHNSON CONSULTING

Performing Arts Market Analysis

Primary Types of Facilities

- **Proscenium Theater:** The most typical type of stage in theatrical productions – features a rectangular stage opening made from the proscenium arch and the stage floor. The proscenium arch separates the actors from the audience, and is commonly called "the fourth wall."

- **Theater in the Round:** Also referred to as an area stage theater, this is the type of stage one would find at certain concerts and theatrical productions. It can also be used in conjunction with a proscenium, as is seen at the Grammys or the Oscars. It places the stage at the center of a square or circle, surrounded by spectators on all sides. It is generally thought of as less formal than types like the proscenium theater.

- **Thrust Stage Theater:** This theater type combines features from arena stage and the proscenium theater. It often has seating on three sides or in a semicircle with the stage "thrusting" out into the middle. Usually, the stage is low platform and has a proscenium opening at the back for entry/exit and scene changes. It can also be referred to as an open stage theater.

- **Black Box Theater:** This theater type combines features from arena stage and the proscenium theater. It often has seating on three sides or in a semicircle with the stage "thrusting" out into the middle. Usually, the stage is low platform and has a proscenium opening at the back for entry/exit and scene changes.


Sandy Springs Performing Arts Center

Gwinnett Performing Arts Center

Performing Arts Market Analysis

Research and Trends

.Pollstar is a well-respected researcher and aggregator of information in the live entertainment industry. It obtains data from agents, managers, promoters, and producers of artists and concerts, and provides insights including ticket sales, ticket prices, and gross revenue, which can be analyzed to evaluate the strength of the industry as a whole.

Pollstar gathers data from arts venues throughout the United States and across the world. The figure at right shows the top 25 theater venues in the U.S. with capacities of less than 2,000, representing the approximate range of what would be envisioned in DeKalb County. As shown, the number of tickets sold by these venues in 2019 ranged from approximately 60,000 to nearly 222,000 and gross ticket sales ranged from approximately 2.2 million to over $14.4 million, equating to average ticket prices ranging from just under $39 to over $80 per ticket. These figures are another important consideration when evaluating a performing arts center in DeKalb County, and they serve as proof that smaller venues are still capable of attracting talent and selling tens or hundreds of thousands of tickets per year.

Top Theater Venues with Capacity less than 2,000 (2019)

Rank	Venue	Location	Tickets Sold	Gross Sales	Average Ticket Price	Capacity
1	Count Basie Center for the Arts	Red Bank, NJ	221,835	$12,154,865	$54.79	1,543
2	Barbara B. Mann Performing Arts Hall	Fort Myers, FL	211,195	$14,431,708	$68.33	1,874
3	Mayo Performing Arts Center	Morristown, NJ	166,949	$9,457,583	$56.65	1,302
4	Schermerhorn Symphony Center	Nashville, TN	166,633	$10,488,573	$62.94	1,844
5	HEB Performance Hall	San Antonio, TX	157,047	$7,809,569	$49.73	1,746
6	Moore Theatre	Seattle, WA	152,756	$7,197,778	$47.12	1,800
7	Florida Theatre	Jacksonville, FL	137,778	$5,767,724	$41.86	1,900
8	Capitol Theatre	Port Chester, NY	130,689	$8,182,894	$62.61	1,800
9	State Theatre New Jersey	New Brunswick, NJ	121,906	$7,215,968	$59.19	1,850
10	Hershey Theatre	Hershey, PA	113,924	$6,649,155	$58.36	1,904
11	Bergen Performing Arts Center	Englewood, NJ	104,043	$5,566,698	$53.50	1,367
12	Chevalier Theatre	Medford, MA	100,668	$5,723,917	$56.86	1,900
13	Tennessee Theatre	Knoxville, TN	96,638	$6,055,916	$62.67	1,631
14	F. M. Kirby Center for the Performing Arts	Wilkes-Barre, PA	76,230	$3,330,286	$43.69	1,800
15	Washington Pavilion	Sioux Falls, SD	72,755	$4,284,247	$58.89	1,900
16	Dominion Energy Center	Richmond, VA	72,165	$3,826,961	$53.03	1,800
17	Wagner Noel Performing Arts Center	Midland, TX	67,780	$3,683,265	$54.34	1,819
18	Lincoln Theatre	Washington D.C.	67,315	$2,968,720	$44.10	1,225
19	Luther Burbank Center for the Arts	Santa Rosa, CA	63,368	$4,037,554	$63.72	1,681
20	Parker Playhouse	Ft. Lauderdale, FL	59,955	$3,090,310	$51.54	1,191
21	Mesa Arts Center	Mesa, AZ	58,545	$3,050,562	$52.11	1,600
22	Grand Theater	Wausau, WI	56,086	$2,184,184	$38.94	1,214
23	Cerritos Center for the Performing Arts	Cerritos, CA	55,186	$4,442,301	$80.50	1,721
24	Rialto Square Theatre	Joliet, IL	54,542	$2,847,280	$52.20	1,966
25	Merriam Theater	Philadelphia, PA	52,360	$3,141,769	$60.00	1,870

Source: Pollstar, Johnson Consulting

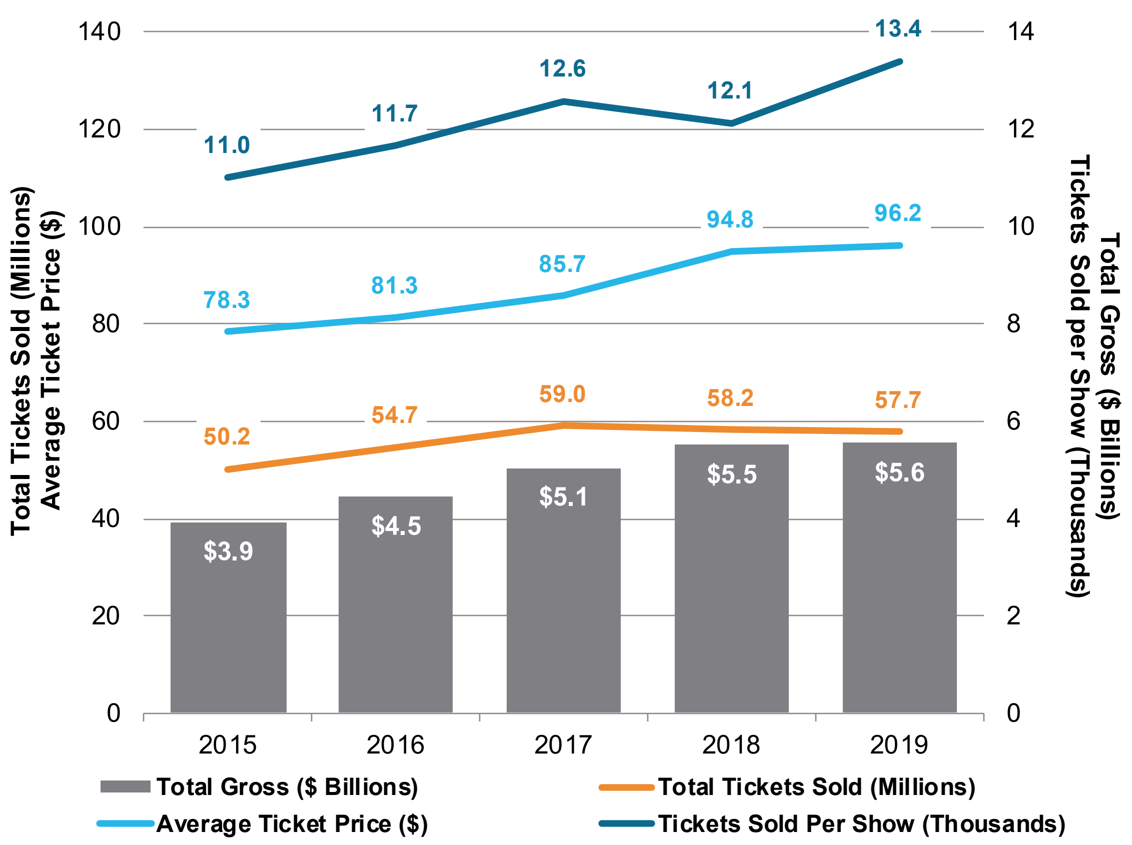
Performing Arts Market Analysis

Research and Trends

Pollstar also publishes a list of the top 200 theater venues on a quarterly basis. The bottom figure at right illustrates the trend for these top 200 venues over the course of the past few years. As shown, total ticket sales at these venues increased from 24.93 million in 2016 to 27.58 million in 2019. Beginning in 2019, Pollstar began publishing the total gross ticket sales for each of the top 200 venues as well. Total ticket sales for these venues exceeded $1.84 billion in 2019 alone.

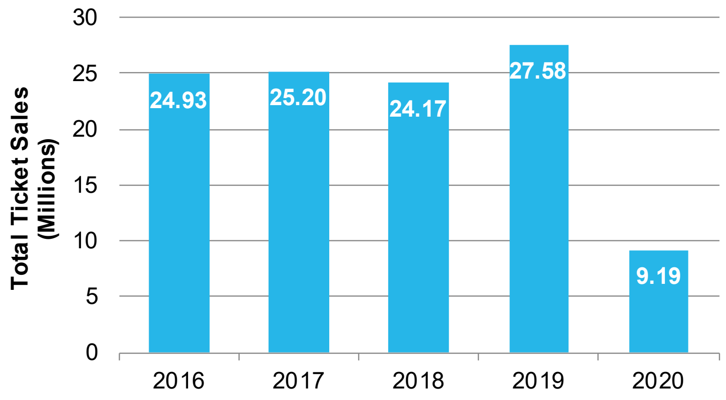
In addition to venue data, Pollstar also provides a wealth of data on specific artists and tours. The 2019 year-end business analysis shows steady growth in the top 100 worldwide tours over the course of the last several years, across various measures. In 2019, these tours accounted for $5.6 billion in total gross ticket revenue and 57.7 million tickets sold, equating to an average ticket price of over $96 per ticket and an average of over 13,400 tickets per show. The top figure at right shows these statistics for 2015 – 2019. The bottom figure at right shows the total ticket sales for the Top 200 theater venues from 2016 – 2020. This bottom figure shows a steady increase in ticket sales from 2016 – 2019 with a peak of $27.6M in sales in 2019. In 2020, there was a marked decline in ticket sales, as many theater venues were forced to close for several months during the onset of the COVID-19 pandemic. While year-end data has not yet been released for 2021, ticket sales are expected to rebound partially.

Top 100 Worldwide Tours (2015-2019)



Sources: 2019 Pollstar Business Analysis, Johnson Consulting

Top 200 Theater Venues (2016-2020)



Sources: 2016-2020 Pollstar Top 200 Theaters, Johnson Consulting

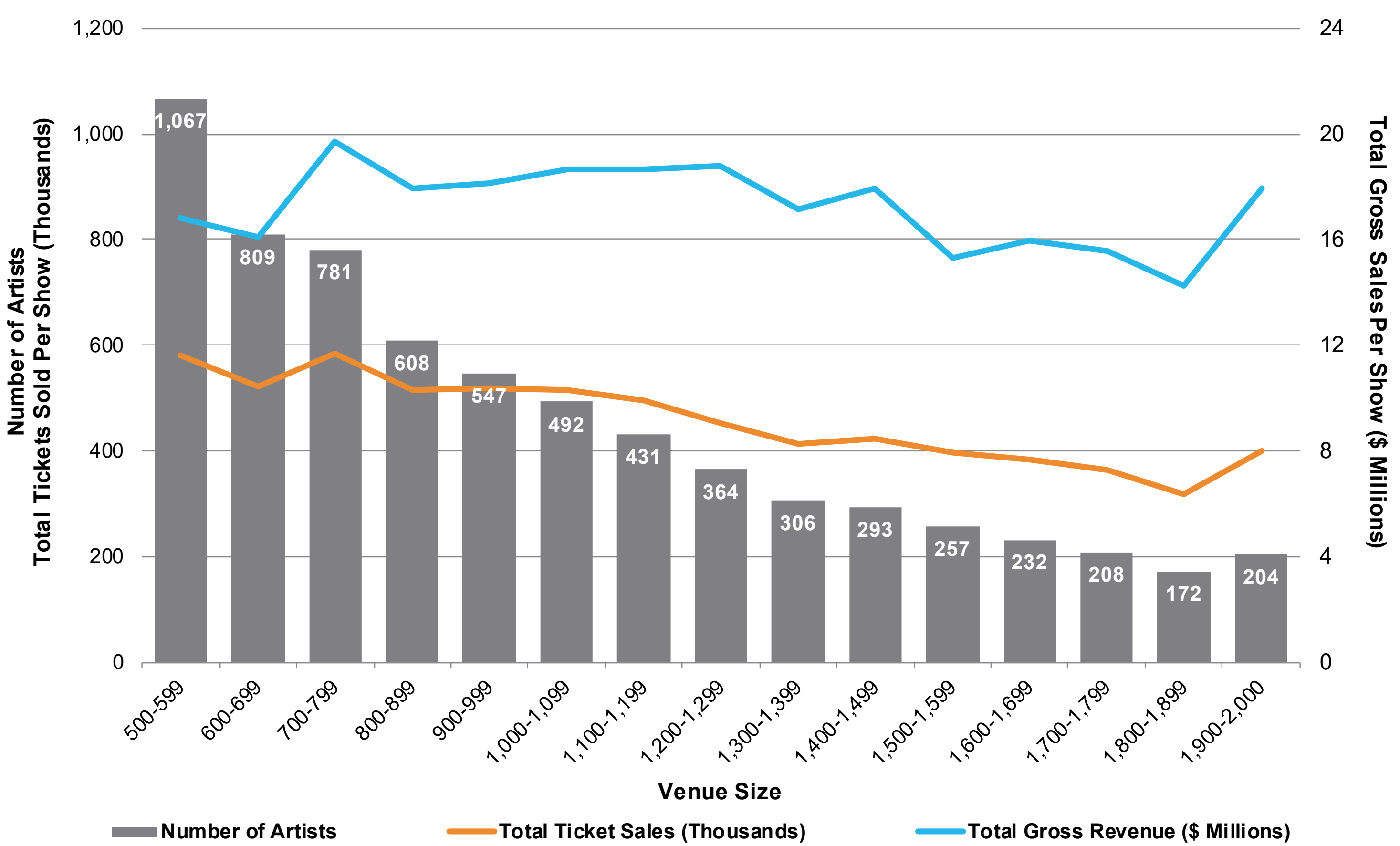
Performing Arts Market Analysis

Research and Trends

While this data is useful for evaluating the strength of the industry overall, it's unlikely that these "Top 100" caliber tours would be performing at a venue like what would be envisioned in DeKalb County. In order to quantify the universe of demand that could be accommodated by smaller venues, the Consulting Team has pulled Pollstar's directory of artists and aggregated them by the average number of tickets they sell per show, essentially representing the typical size of the venue at which they perform. Of course, artists may perform at smaller or larger venues on occasion, but for the purpose of this analysis, they have been categorized according to this typical venue size. The figure at right presents this data for the universe of artists by venue size, including the number of artists, total ticket sales (in thousands), and the total gross revenue (in $ millions) for each venue size category between capacities of 500 and 2,000, the size range typical for a smaller performing arts venue.

The database contains 6,771 artists that perform in venues for 500 – 1,500 attendees, summing to nearly 6.9M tickets sold and nearly $259M in gross revenue. In other words, the universe of potential demand would be vast and, given that a venue could recruit an effective talent buyer and sales team, tapping into this market could prove to be a significant revenue generator.

Universe of Artists by Venue Size



Sources: Pollstar, Johnson Consulting

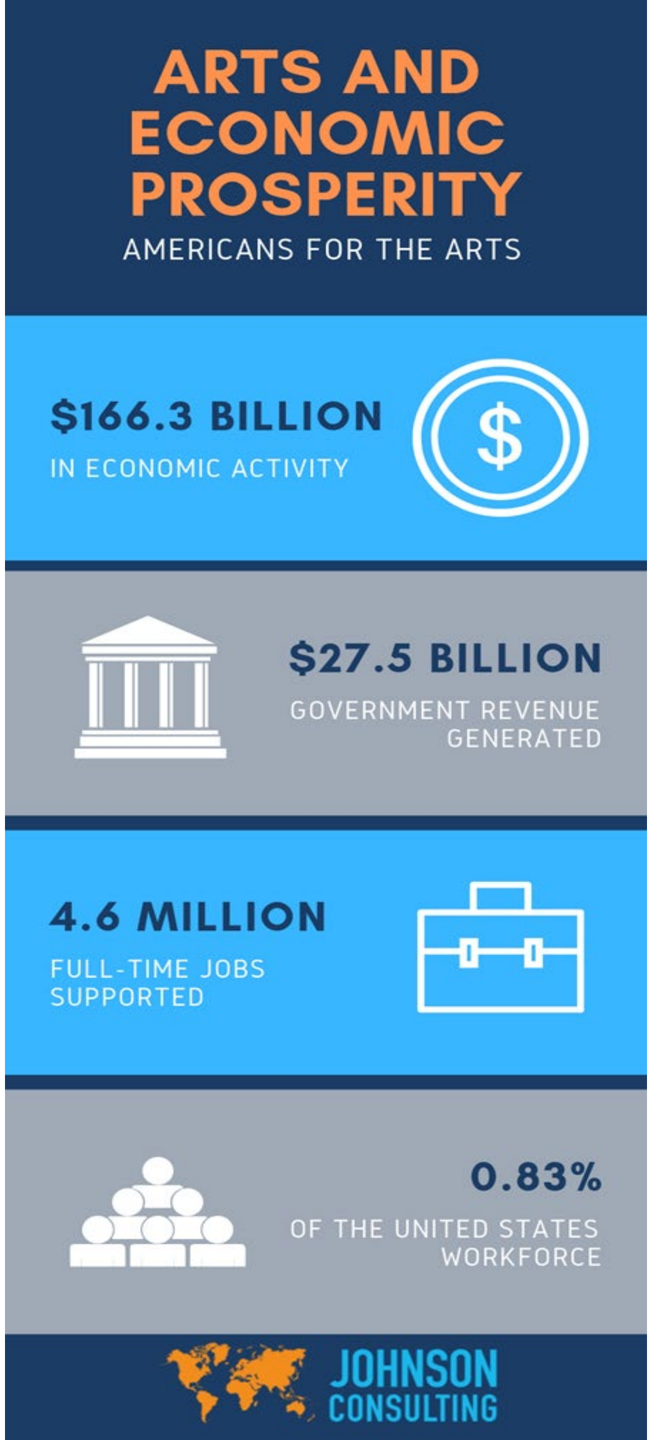
Performing Arts Market Analysis

Arts and Economic Prosperity

A major constituent within the performing arts industry is nonprofit arts and cultural organizations. Every five years, Americans for the Arts releases a research study named Arts and Economic Prosperity, which details the economic impact of these organizations and their audiences. Currently, the publication is on its fifth edition and highlights data primarily from 2015, the most recent year of the survey. The study includes data about spending, jobs, revenue, and household income among others The highlights of this study are presented in the figure at right.

In 2015, nonprofit arts & cultural organizations and their audiences accounted for a total of $166.3 billion in economic activity. This figure can be broken down into two parts – spending by organizations, $63.8 billion, and spending by audiences, $102.5 billion. As a multibillion-dollar industry, one can imagine the financial impact this spending has on government revenue as well. In total, these organizations generated $27.5 billion in government revenue, including $15.7 billion from audiences and $11.9 billion from the organizations themselves. Compared to the budgets most municipalities provide for nonprofit arts & cultural groups, this is a substantial return on investment.

In addition to spending and government revenue, the arts are essential in generating the resources that help a community thrive – jobs & income. 4.6 million total full-time equivalent jobs were supported through this industry, creating $96.1 billion in resident household income was created from these jobs. Ultimately, nonprofit arts & cultural organizations are a major economic force.



Performing Arts Market Analysis

Arts and Economic Prosperity

These arts and cultural activities are also a major driver of the tourism industry for the markets in which they operate, as they have the ability to draw attendees locally and from other counties. The reason it is so important to attract visitors from out of town is their propensity to spend more money – and thus generate more revenue for local economy.

The figure at right presents more data on arts and tourism. While the average attendee spends $31.47 per person per event, this number is weighted because on average only 34% of attendees are non-local, meaning they reside outside the county in which the event is taking place. Local attendees only spend $23.44 per person per event, compared to $47.57 for non-local attendees. This means that on average, individuals attending from out of town spend more than twice as much as those attending their local event. This creates an enormous increase in revenue and economic activity. Of the non-local attendees, 14.3 percent reported overnight lodging – another big economic generator for a community. 2/3 of all nonlocal attendees' primary attraction was the destination's arts and cultural scene, while the remaining 1/3 were attracted primarily for another reason, but chose to engage in the arts and cultural scene as well.

Performing Arts Market Analysis

Nationwide Trends – COVID-19 Impact

The Americans for the Arts offered the following insights in its research update on the COVID-19 Pandemic Impact on the Arts from November 2021:

- **Artist employment recovering, but slower than the overall economy:** The U.S. Bureau of Labor Statistics reported that, as of October 2021, "Arts, Entertainment, and Recreation" jobs are still down 11% compared to pre-pandemic levels. The Census Bureau's Small Business Pulse Survey also reported that businesses in this sector are among the most likely to take longer than 6 months to recover from the pandemic.

- **Rebound in arts attendance:** The AMS Audience Outlook Monitor reported that, as of October 2021, 52% of arts attendees are attending in-person programs – a marked increase from 38% in September and 17% in April. By January 2022, this number is expected to jump to 71%.

- **The pandemic's impact on non-profit arts and culture organizations and their audiences:** As of July 2021, financial losses to the nation's nonprofit arts and culture organizations were an estimated $17.8B. Local area businesses – i.e. restaurants, lodging, retail, and parking – were also severely impacted by canceled events, with an estimated loss of $17.6B in audience ancillary spending. Local government revenues losses due to canceled events are estimated at $6.0B and 1M jobs.

- **The economic importance of getting artists and their creative workers back to work:** Prior to the pandemic, the arts and culture sector was a $919.7B industry that supported 5.2M jobs and represented 4.3% of the nation's economy. Artists and creatives are among the most severely impacted in the U.S. workforce. This sector is a catalyst for the nation's economy, and an industry that promotes ancillary spending and accelerates economic activity and recovery.


Sandy Springs City Green


Gas South District

Implications

The meetings and events industry, like any, is subject to the expansion and contraction of the national and global economies. Greater Atlanta's economy is booming and many features are supportive of meeting facilities. While the industry suffered during the most recent economic recession at the end of the last decade, it has since rebounded to pre-recession levels and in many respects, has served as a catalyst for economic recovery and growth. In order to gauge likely future conditions in the marketplace, it is important to consider the current position in the business cycle and the broader outlook for the economy. Of the 4 stages of the business cycle – 1) Recession; 2) Trough; 3) Expansion; and 4) Peak – the Federal Reserve indicated that the U.S. economy started 2020 in the expansion stage, but the pandemic caused a major economic disruption. While the outlook for the future of events remains uncertain, there are positive signs of recovery, albeit along an elongated curve.

Indeed, the convention, meetings and exhibition industry plays a critical role in providing stability and propelling economies forward even as business and economic cycles fluctuate. The industry is a driver of global innovation with an enormous economic impact and convention centers will continue to serve as venues for the exchange of knowledge, culture, and capital – a defining component of economic innovation. The industry is also directly reflective of supply chain health, and is deeply affected by logistics disruptions; when bottlenecks occur, the events industry is heavily impacted. Accordingly, convention centers and other types of meeting and event venues should be viewed as strategic investments in the future of our communities.

There are millions of events and performances happening annually throughout North America and around the world in the meetings, events, and performing arts industries. Despite being mature industries, these markets have enjoyed stability and modest growth over the past decade, which is evidenced by the data published by PCMA, CEIR, Pollstar, and Americans for the Arts. This data indicates long-term stability across many indicators that measure events, event budgets, ticket sales, attendance, and revenue, and forecasts rebounds to be made once the COVID-19 pandemic subsides. While it is difficult to forecast when this could occur, the facilities recommended within this report would not be opening their doors within the next 2 years at a minimum, given the significant time that would be required to navigate the financing, planning, design, and construction phases of development.

DeKalb County is well-positioned to capitalize on the long-term health of these industries by making strategic investments in facilities to host these activities. These facilities would certainly provide a public amenity to the existing DeKalb County community, and could also attract regional and national activity, generate significant economic and fiscal impacts, and catalyze future growth in the community.

Section 4
Community Engagement Summary

JOHNSON CONSULTING

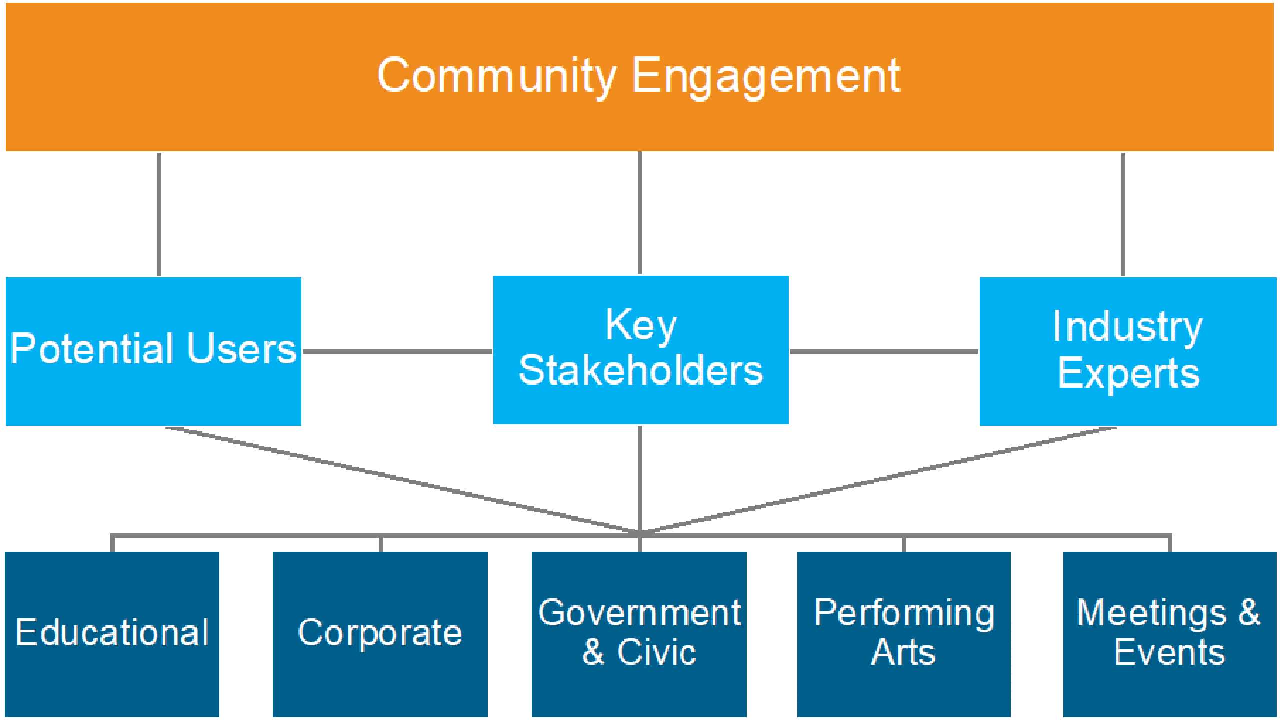
Community Engagement Overview

Introduction

The engagement of community stakeholders in DeKalb County was emphasized as a priority of this study from the outset. As with any project of this magnitude, it is crucially important to engage with a wide variety of individuals and organizations throughout the community in order to foster a sense of buy-in and inform the study's observations, conclusions, and recommendations. The Consulting Team engaged the community via two methods: individual interviews conducted in person or via Zoom, and online surveys. The following subsections expand on these methods of engagement and outline the findings of each.

Interview Summary

Beginning with the DeKalb County Site Visit on June 2nd – 3rd, 2021 and continuing throughout the duration of the project's completion, the Consulting Team conducted more than 35 interviews and focus groups with a variety of potential users – including corporate and medical users – of the proposed facility, key stakeholders in the DeKalb County and Greater Atlanta community, and industry experts in their respective convention, arts, and/or hospitality fields. These engagements helped us to understand the performing arts and meeting and events demand that exists in DeKalb County, the facilities that currently serving that demand, and the market opportunities that exist for the proposed facility. The figure at right outlines the scope of the community engagement effort, including the types of entities that were targeted.



Community Engagement Overview

These entities interviewed represent a broad spectrum of community leaders and representatives of the educational, corporate, civic, performing arts, and meetings and events sectors that are familiar with DeKalb County and its demand, infrastructure, political dynamics, history, and community culture.

The following entities were engaged through interviews or focus groups:

- **ART Station Theatre**
- **Asian-American Hotel Owner's Association (AAHOA) (20,000 members + 200 events)**
- **Associated Builders and Contractors of Georgia**
- **Board of Education**
- **Centers for Disease Control and Prevention**
- **Callenwolde Fine Arts Center**
- **City of Doraville**
- **City of Stonecrest**
- **City of Tucker**
- **City of Tucker**
- **Decide DeKalb**
- **DeKalb County Chamber of Commerce**
- **DeKalb County Board of Commissioners**
- **DeKalb County Planning & Sustainability**
- **DeKalb County School System**
- **DeKalb County Convention & Visitors Bureau**
- **Duluth Travel Incorporated**
- **Georgia Council for the Arts**
- **Georgia Game Developers Association**
- **Gray Television**
- **Kellen Company (125 associations + 200 events)**
- **Meeting Expectations (285 nationally rotating events)**
- **Metro Atlanta Rapid Transit Authority (MARTA)**
- **New Black Wall Street**
- **Northlake Festival Shopping Center**
- **Northlake Mall**
- **Southern Association of Independent Schools**
- **Spruill Center for the Arts**
- **The Mall at Stonecrest**
- **Tucker-Northlake CID**

Community Engagement Takeaways

DEKALB COUNTY…

- Has lost a significant amount of business due to its lack of a convention center. As local stakeholders (including hoteliers) emphasized, there "hasn't been anyone knocking on the door" to host large events in DeKalb for a long time – event planners have just grown accustomed to hosting their events in neighboring counties.

- Is "due for a win" with a new facility that helps solidify the county as an events destination. Over the years, DeKalb County's area has shrunk significantly as its land has been divided and incorporated into other counties. As a result, DeKalb's tax base has suffered.

- Lacks a distinct identity, according to event planners active in the metro Atlanta market. A new facility would enable DeKalb County to create a sense of place and identity for itself, separate and unique from its neighbors.

- Is home to communities like Stonecrest, in the south part of the County, which are rapidly developing high-quality retail experiences that will be demand generators in the future (i.e. The New Black Wall Street, The Mall at Stonecrest).

- Has many malls that are aging out and in various stages of redevelopment. Many of these malls are well-located in terms of regional highways and MARTA transit, and have ample land to allow a District concept with adjacent forms of development to take shape.

- Is rich in natural assets that are unique experiences and serve as tourism drivers (i.e. Arabia Mountain, Stone Mountain).

- Is becoming increasingly diverse and international. DeKalb County is home to the "International Village" mixed-use development in Chamblee, as well as the "International Corridor" on Buford Highway.

- Is home to a very active film industry. The area is a popular site for filming, and the County is home to a few of the largest studios in the U.S. (i.e. Third Rail Studios, Blackhall Studios, and Eagle Rock Studios).

Community Engagement Takeaways, Cont'd

DEKALB COUNTY…

- Has lost a significant amount of business and tax revenue to neighboring counties due to the County not having a convention center to hold large meetings and events. Several stakeholders expressed that neighboring counties have "eaten our [DeKalb County's] lunch" by capturing tax revenue that would have gone to DeKalb but for a convention center.
- Is home to several national corporations (i.e. Home Depot, Delta Air Lines, AT&T, etc.), institutions (i.e. the CDC, Emory Healthcare, etc.), and some of the world's largest production studios (Blackhall Studios, Eagle Rock Studios, and Third Rail Studios) which contribute to Greater Atlanta's economic prosperity, and bring many professionals annually into the County for business travel.
- Benefits from its location in the fast-growing metropolitan Atlanta market, as well as its proximity to major regional highways (i.e. I-78, I-85, I-285, and I-20) which connects it to other Georgia markets (i.e. Alpharetta, Augusta, and Marietta).

THIS PROJECT COULD…

- Enable DeKalb County to compete for state, regional and national conventions and meetings. Increase tax revenues generated as a result of conventions, conferences, and other large events.
- Promote new and enhance existing relationships between County stakeholders and the businesses and institutions located in DeKalb. A new convention center district would be an amenity for all to use, and would attract more economic activity into the County.
- Support continued development in the metropolitan region, and promote further connectivity between the City of Atlanta, DeKalb County, and the State of Georgia.

Community Engagement Takeaways, Cont'd

DEKALB COUNTY…

- Contains several clusters of quality hotel supply around the County – including in Decatur, Tucker-Northlake, Chamblee, and Stonecrest. However, these hotels do not include much space for meetings and large events.
- Contains several malls, including many that are aging and in need of investment (i.e. Northlake Mall, Northlake Festival, and South DeKalb Mall). The Mall at Stonecrest is an example of a County mall that is performing very well, with low vacancy and plans to expand the mail to include more amenities and attractions (i.e. SeaQuest aquarium).
- Has been historically marked by disparities in opportunity, resources, and material wealth which have effectively created two clear zones of the County – the north (predominately White), and the south (predominately Black).

THIS PROJECT COULD…

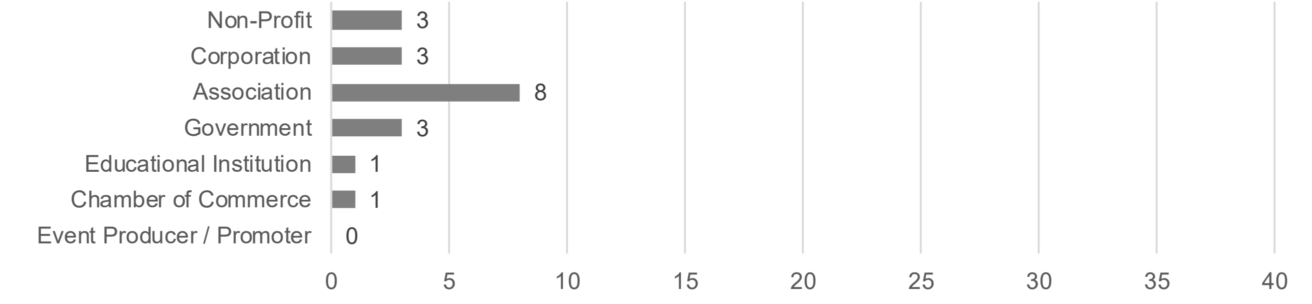
- Bring more out-of-town visitors into DeKalb County, which would be beneficial for existing hotel properties throughout the County. New community amenities developed in a convention center district would serve hotels, and vice versa.
- Support the redevelopment efforts at DeKalb's malls. In order for a new convention center district to thrive, it is crucial that there are retail amenities (including shops, restaurants, and other unique experiences) close by. These different forms of development can benefit each other.
- Be an invaluable amenity for all community residents, throughout the County. It is crucial that the design and programming are attractive and welcoming to different activities and potential users.

Results of Project Survey

In an effort to gauge the potential for locally, regionally, and nationally driven event demand that could be accommodated in a new convention center district, Johnson Consulting worked with Discover DeKalb to conduct a survey of association & event industry leaders and stakeholders. With the help of Discover DeKalb, Johnson Consulting distributed two, very similar surveys – one to Georgia Society of Association & Event Planners (GSAE) members, and the other to associations, and association and trade organization management companies that represent 1,000's of events in the state of Georgia, regionally and nationally.. Each survey was 14 questions, and was distributed to all individuals via email. The survey to GSAE members garnered 14 responses, while the other survey to industry stakeholders garnered 19 responses – both good response rates and in line with other surveys conducted by Johnson Consulting. The following pages will summarize the results of the survey, question by question for each survey.

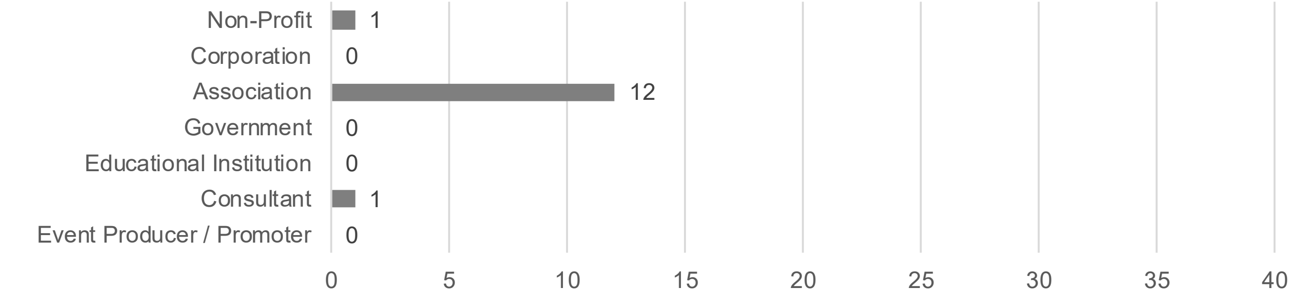
As shown at right, most survey respondents of both surveys indicated that they represent an association, although there was representation of other types of organizations including non-profits, corporations, government, and education institutions.

What type of organization do you represent?



Source: Johnson Consulting

GSAE: What type of organization do you represent?



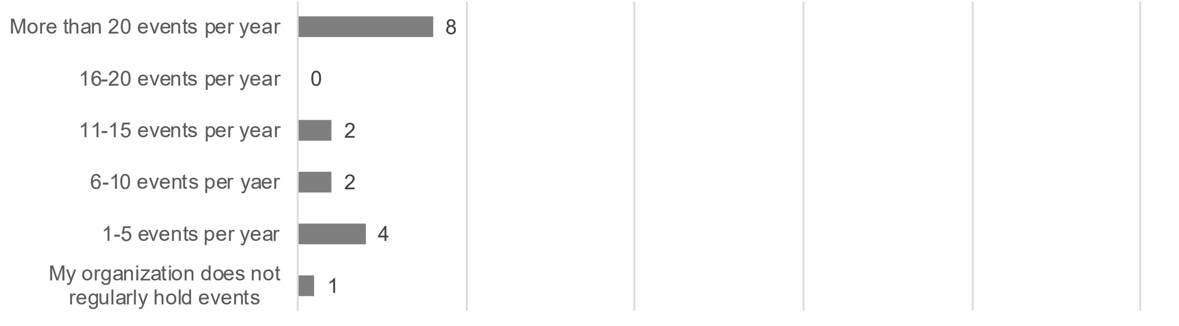
Source: Johnson Consulting

Results of Project Survey

Survey respondents were asked questions regarding the frequency of events. As shown on the top right, many non-GSAE members indicated that their organization held over 20 events per year. By contrast, GSAE members indicated that their organization held events much less frequently – 1-5 times per year on average.

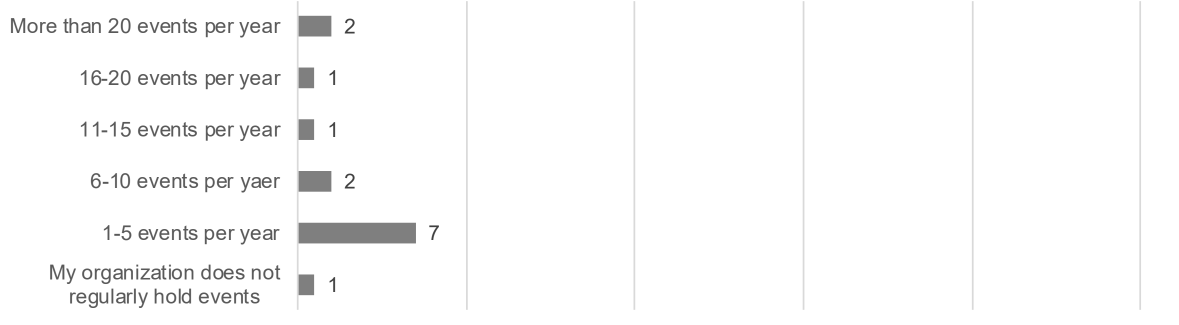
Survey respondents were then asked about the types of events that their organizations typically hold. As shown in the bottom figures, meetings are the most common type of event, followed by conventions / conferences with and without exhibits.

How many events does your organization hold per year?



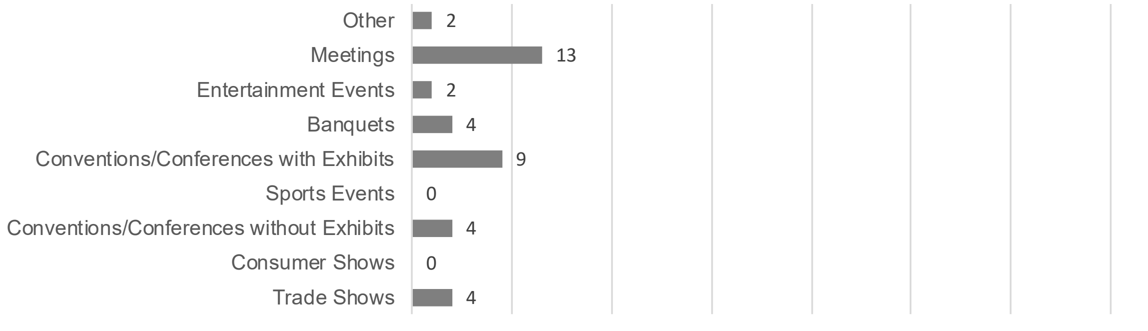
Source: Johnson Consulting

GSAE: How many events does your organization hold per year?



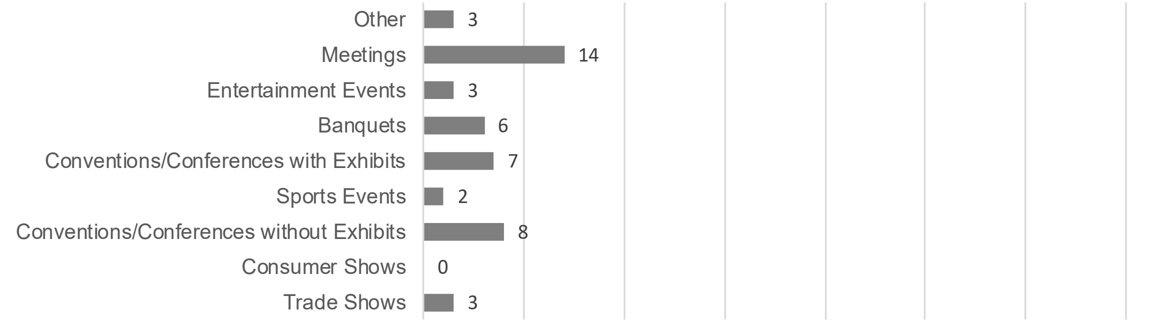
Source: Johnson Consulting

GSAE: What type(s) of events does your organization hold? Select all that apply.



Source: Johnson Consulting

What type(s) of events does your organization hold? Select all that apply.



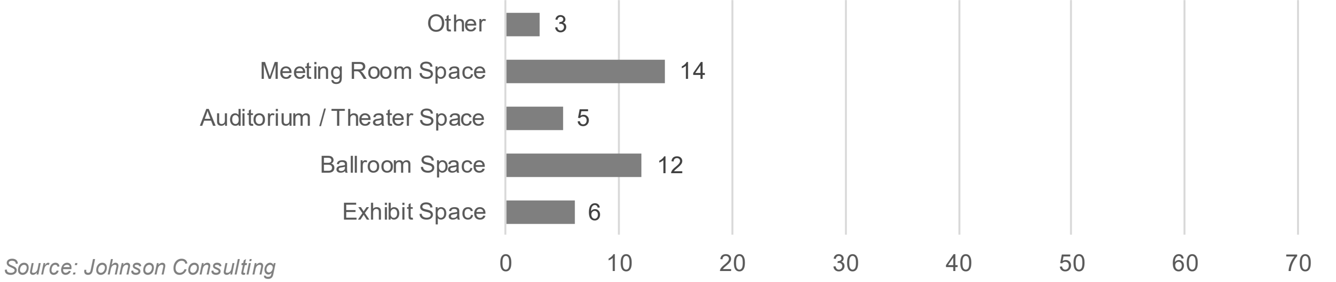
Source: Johnson Consulting

Results of Project Survey

As shown on the top right, non-GSAE members indicated that meeting room space was the most common type of space required for respondents' organizations' events, followed by ballroom space. GSAE members, by contrast, indicated that ballroom space and auditorium/ theater space were the most common types of spaces required for events.

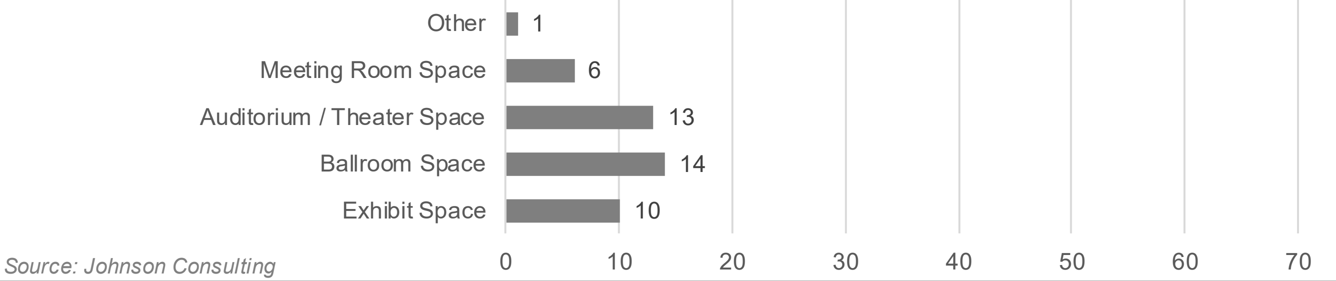
As shown in the bottom figures, the vast majority of organizations' smallest and most frequently-occurring events have attendances of less than 500 people, but there is a significant tranche of events that have attendance ranges from 500 to 2,500 or more people.

What type(s) of spaces do your organization's event(s) require?



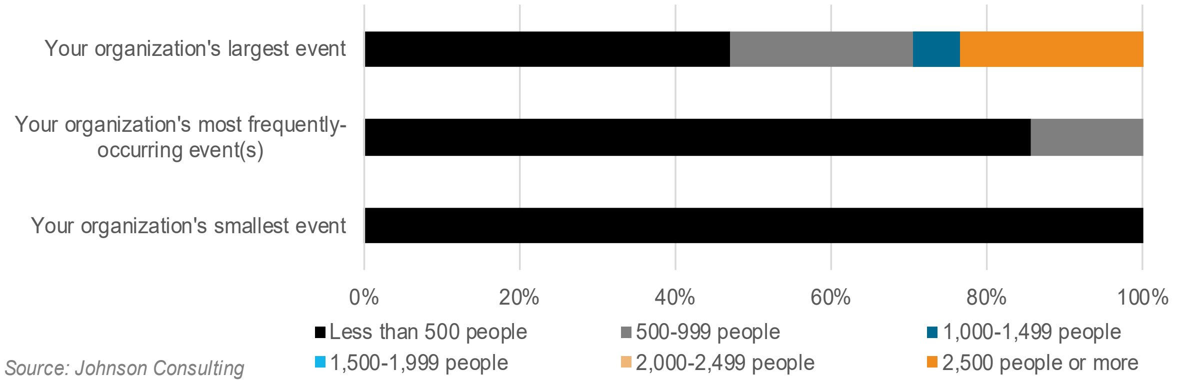
Source: Johnson Consulting

GSAE: What type(s) of spaces do your organization's event(s) require?



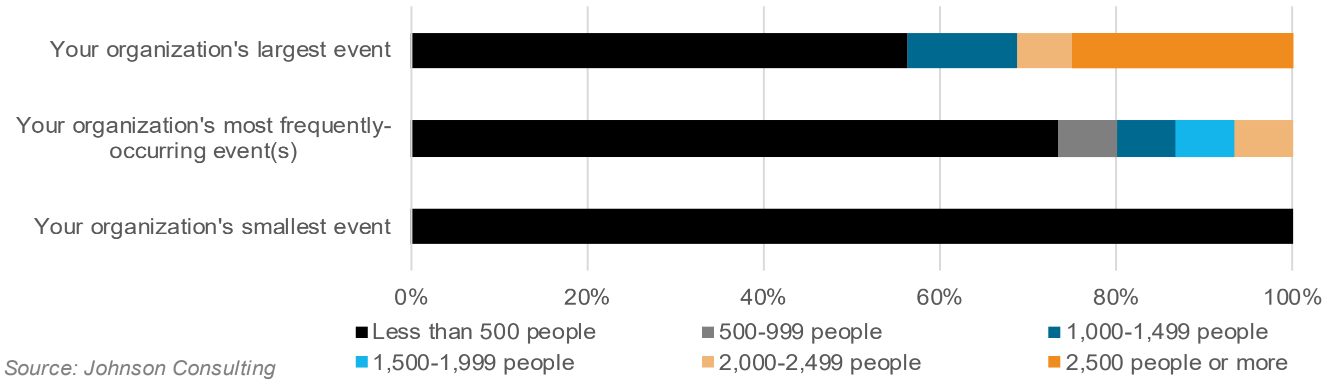
Source: Johnson Consulting

GSAE: On average, how many people attend your organization's events?



Source: Johnson Consulting

On average, how many people attend your organization's events?



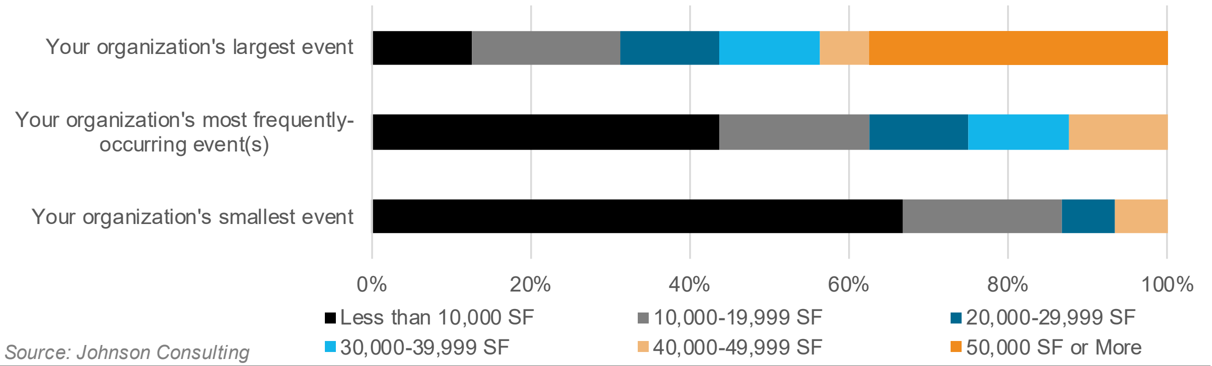
Source: Johnson Consulting

Results of Project Survey

As shown at top right, the majority of respondents need more than 10,000 SF for their largest event with the largest cohort of respondents needing 50,000 or more SF. This follows in the table below with 75% of respondents needing 20,000 to more than 50,000 SF of space.

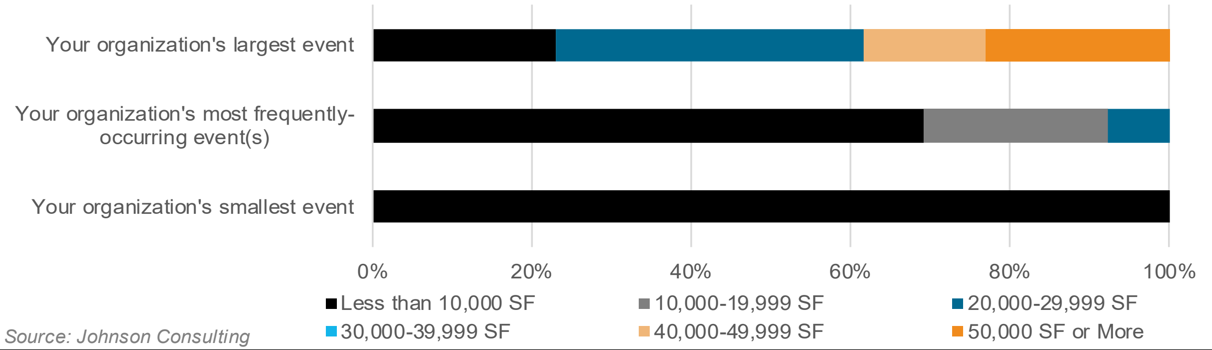
As shown at bottom, respondents from all organizations indicated that the majority of their events are happening outside of DeKalb County. GSAE members noted that events are largely not happening in DeKalb County, whereas non-GSAE members noted that about 5-10% of their largest, smallest, and most frequently occurring events are taking place “mostly within DeKalb County”. This question touches on a key issue, and a primary motivating factor for this project – DeKalb County does not have a convention center within the county, and is otherwise lacking larger event space, so the County is unable to compete with adjacent, competitive metro Atlanta destinations (i.e. Cobb and Gwinnett Counties) – or elsewhere nationally.

On average, what square footage of space is required for your organization's events?



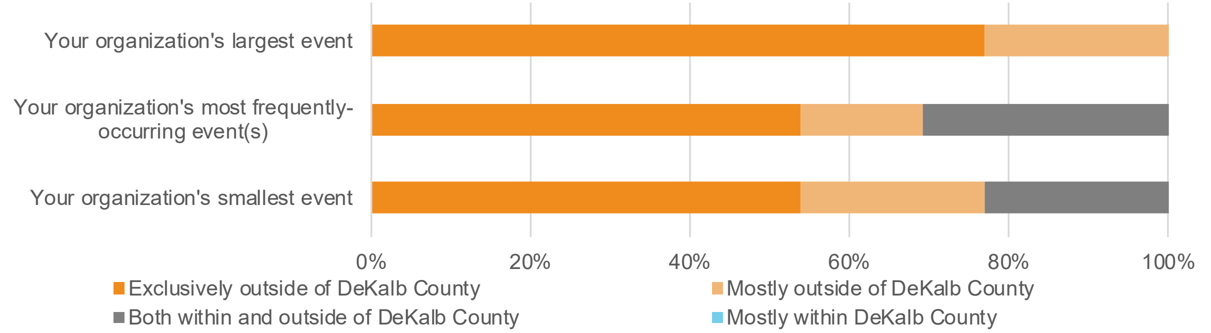
Source: Johnson Consulting

GSAE: On average, what square footage of space is required for your organization's events?



Source: Johnson Consulting

GSAE: Where have your organization's event(s) taken place?



Source: Johnson Consulting

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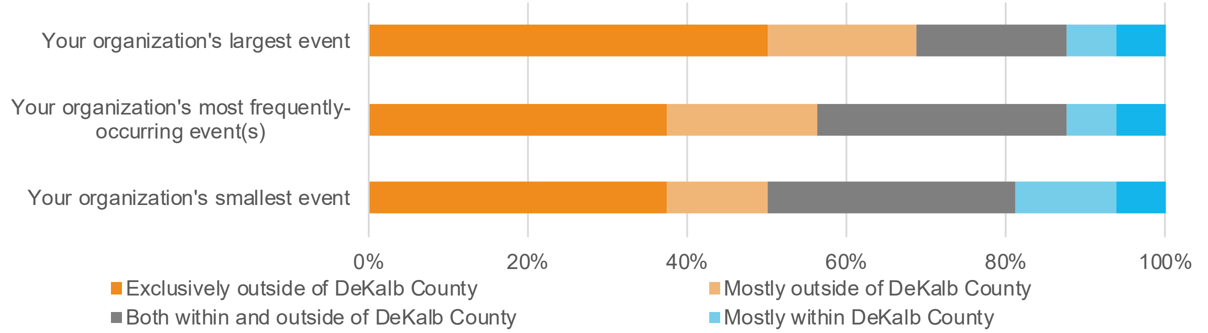
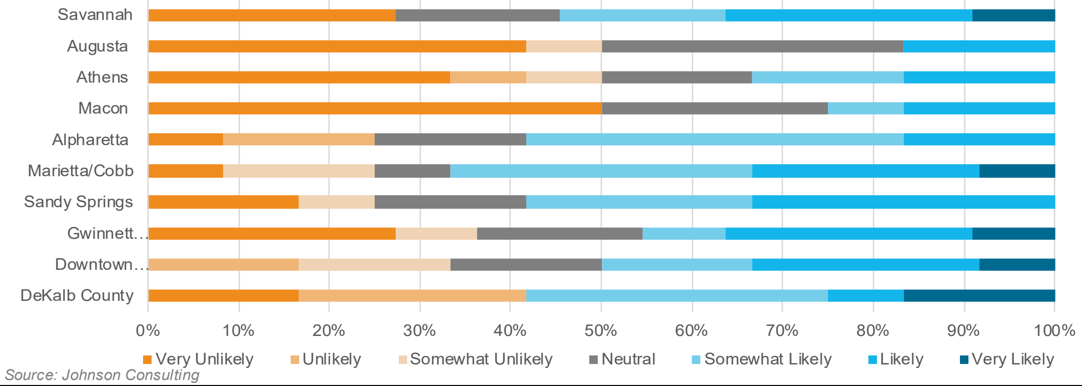


Source: Johnson Consulting

Results of Project Survey

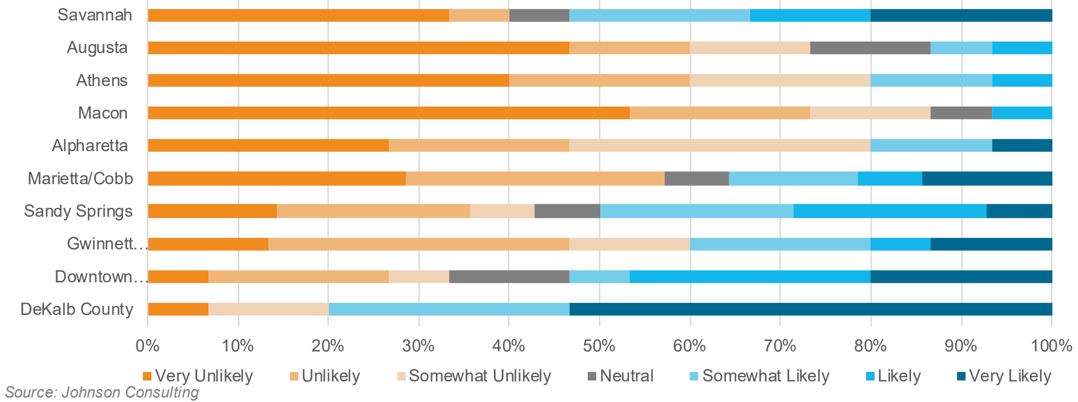
As shown at far right, the Crowne Plaza Ravinia Perimeter was the top facility for hosting respondents' organizations' events in DeKalb County, followed by Atlanta Evergreen Marriott Conference Center, Atlanta Marriott Northeast/ Emory Area, and several other local event facilities. Assuming identical facilities in various markets, respondents largely indicated an interest in hosting events in Savannah. However, DeKalb County also received favorable input, particularly among non-GSAE members.

GSAE: Assuming there was an identical facility that could equally accommodate your organization's event(s) in each of the following communities, how likely would you be to consider holding your event(s) there?



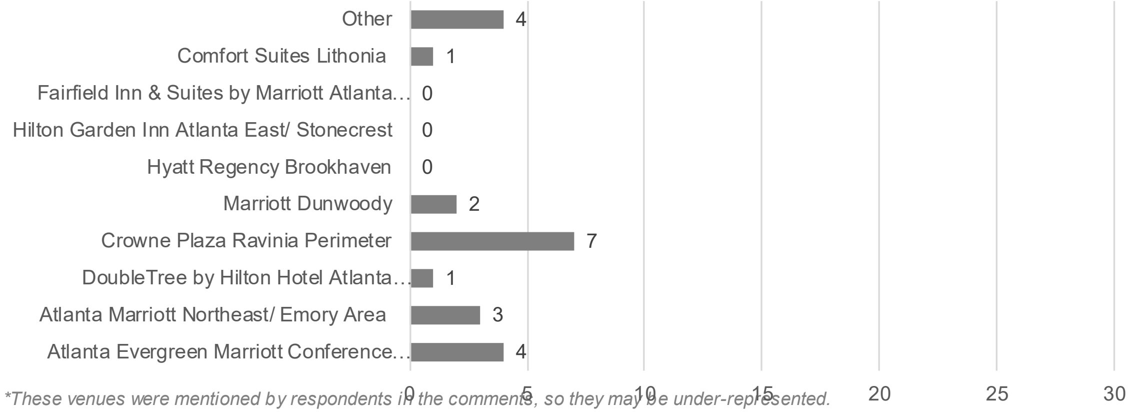
Source: Johnson Consulting

Assuming there was an identical facility that could equally accommodate your organization's event(s) in each of the following communities, how likely would you be to consider holding your event(s) there?



Source: Johnson Consulting

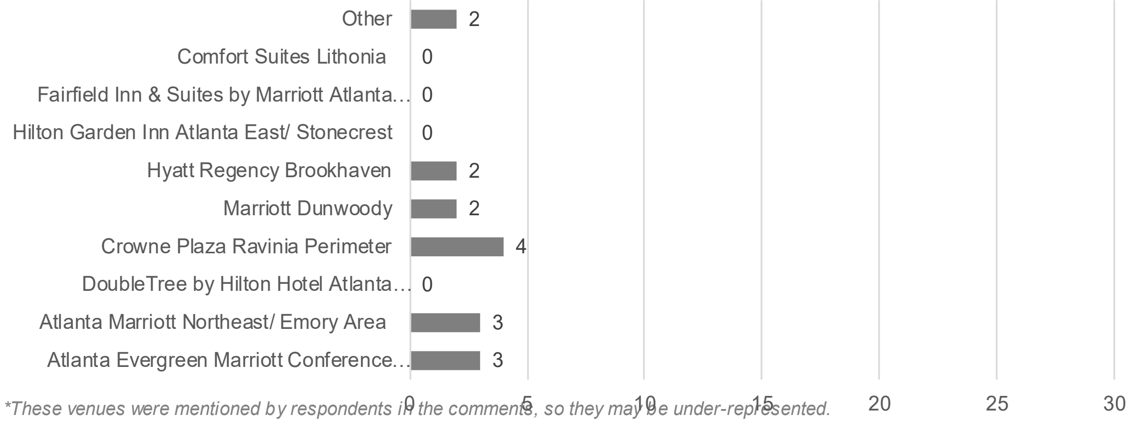
If your organization has held events within DeKalb County, where have these events been held? Select all that apply.



**These venues were mentioned by respondents in the comments, so they may be under-represented.*

Source: Johnson Consulting

GSAE: If your organization has held events within DeKalb County, where have these events been held? Select all that apply.



**These venues were mentioned by respondents in the comments, so they may be under-represented.*

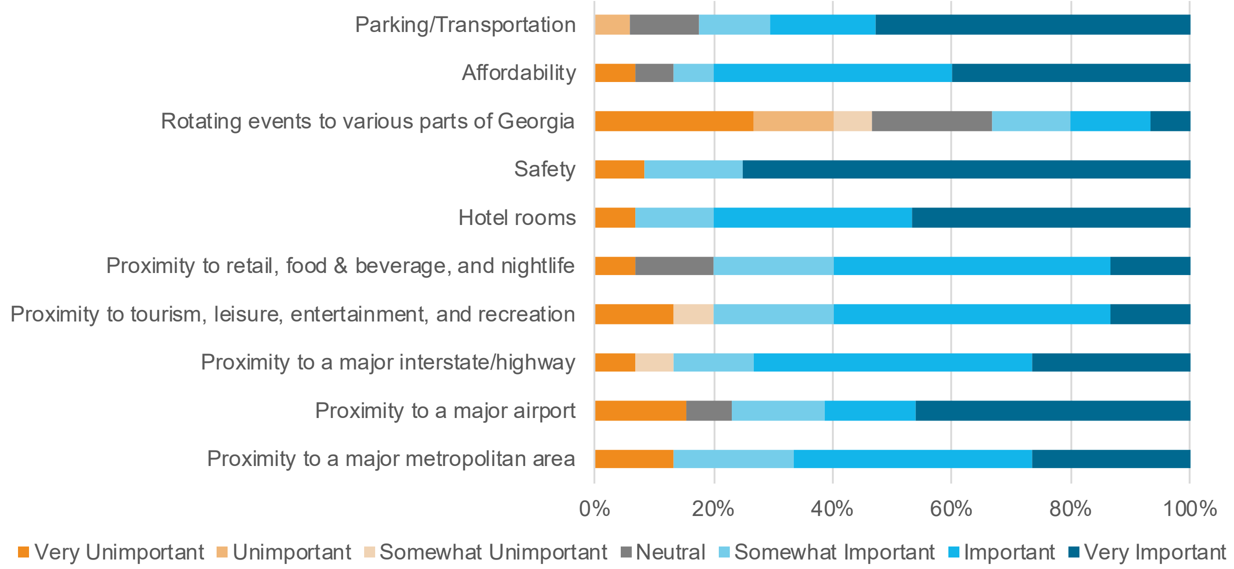
Source: Johnson Consulting

Results of Project Survey

As shown at right, there are a variety of factors that event planners consider when selecting a geographic market and specific event facility within which to hold their events. In general, the most important decision-making factors that GSAE and non-GSAE members indicated when selecting event spaces are safety, affordability, parking/transportation, and hotel rooms.

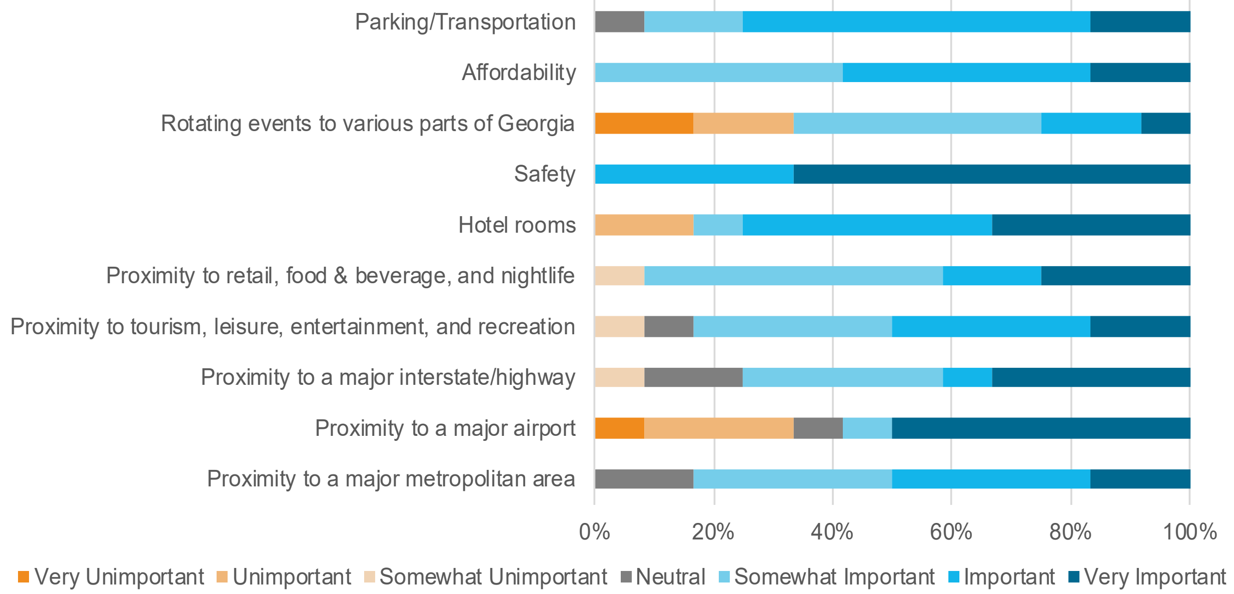
DeKalb County should keep all of these factors in mind as it attempts to maximize competitiveness with other event facilities both within and outside of the greater Atlanta area.

How important are the following decision-making factors when your organization considers where to hold an event?



Source: Johnson Consulting

How important are the following decision-making factors when your organization considers where to hold an event?



Source: Johnson Consulting

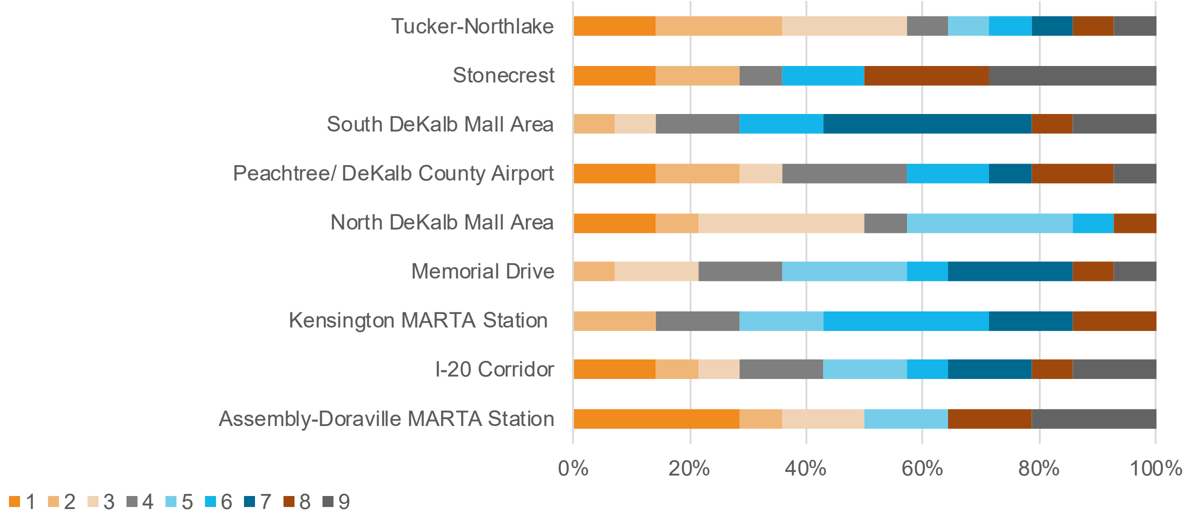
Results of Project Survey

Next, respondents were asked to rank DeKalb County areas in terms of how appropriate the areas would be for a new convention center district. This shortlist of sites was finalized in conjunction with TVS and Discover DeKalb, and was based on the following factors: site visit findings; discussions with area elected officials, business leaders, arts leaders, event planners, and other local stakeholders; zoning and parcel data; adjacent, complementary development (i.e. restaurants, shops, entertainment, hotels, etc.); and local comprehensive plans. This shortlist was ultimately also used by TVS in their site analysis. For more detail on the project site analysis, see Section 6.

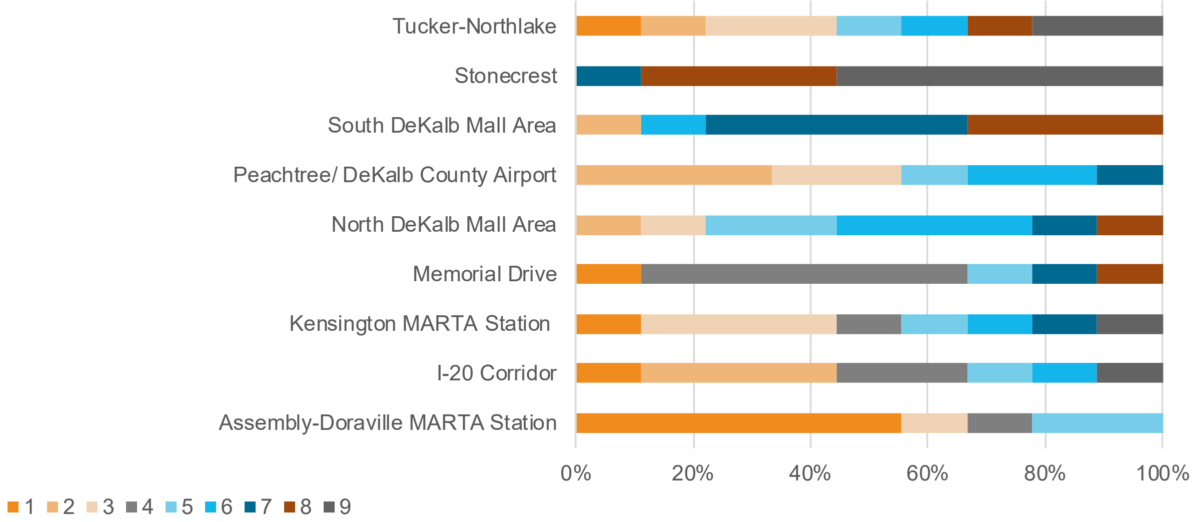
The figures on the right show the popularity of these sites among respondents. Respondents were required to rank all listed sites in order of favorability as a location of a new convention center. The numbers (1-9) correspond to the ranking that respondents chose for each individual site.

As the figures show, the majority of respondents in both surveys selected Assembly-Doraville MARTA Station as the top site. Among non-GSAE members, Tucker-Northlake and North DeKalb Mall were ranked in the top 3 sites among over half of the respondents. Among GSAE members, Peachtree/ DeKalb County Airport was consistently ranked in the top 3 sites among over half of the respondents.

In keeping with your assessment of the most important decision-making factors in event selection, please rank the following DeKalb County areas in terms of how appropriate they would be for a new convention center district. This district could include a new convention center, hotel, and/or performing arts venue.



GSAE: In keeping with your assessment of the most important decision-making factors in event selection, please rank the following DeKalb County areas in terms of how appropriate they would be for a new convention center district. This district could include a new convention center, hotel, and/or performing arts venue.

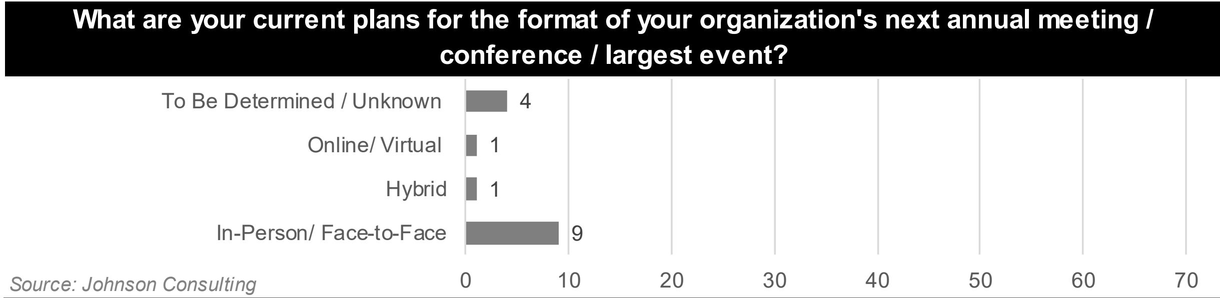


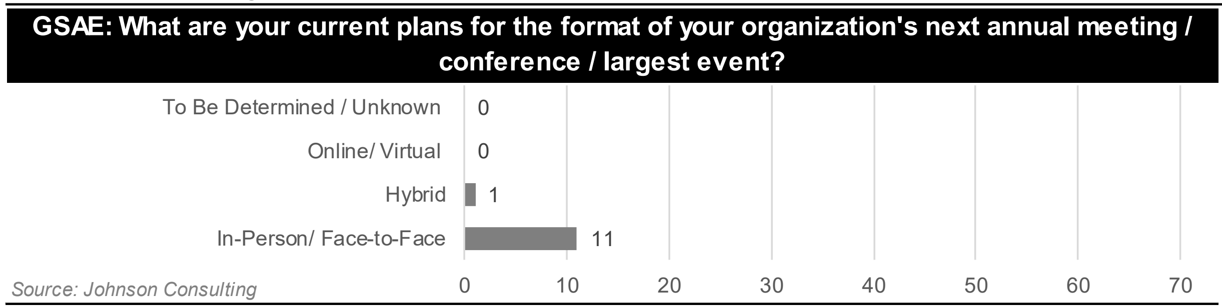
Source: Johnson Consulting

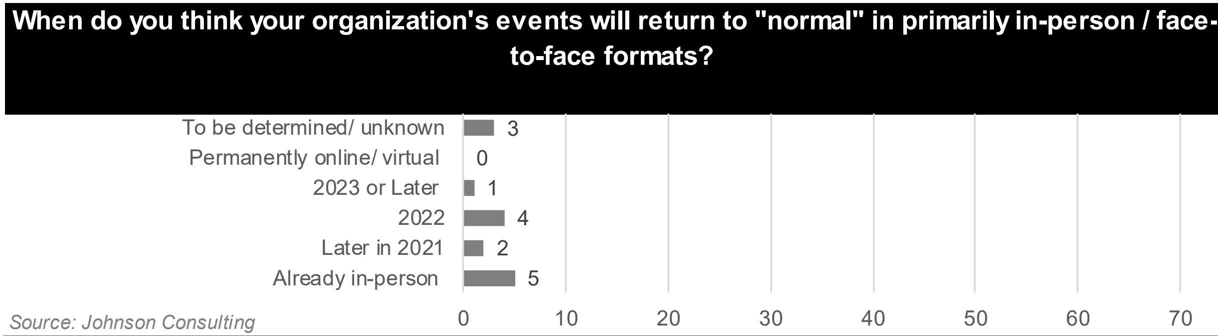
Results of Project Survey

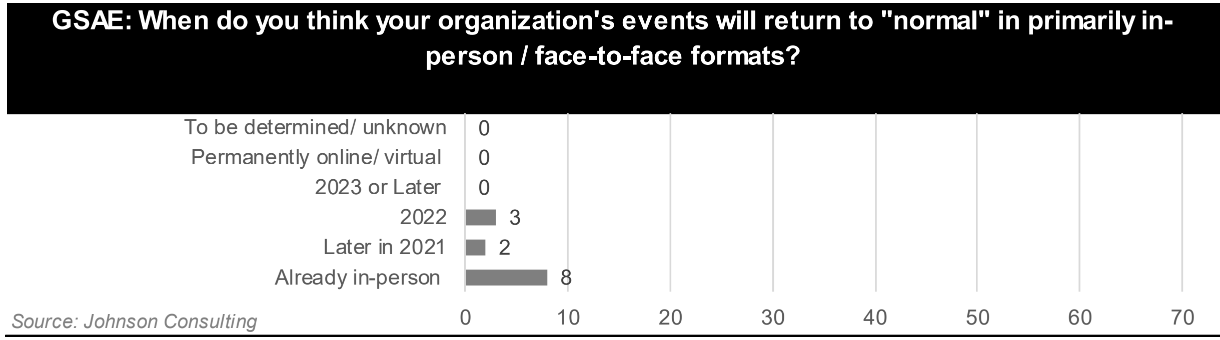
In this next batch of questions, respondents provided insight on post-COVID meeting plans. On the top right, more than respondents overwhelmingly indicated that their next annual meeting/ conference would be held in-person, while fewer indicated that they planned to hold these events in a hybrid or yet to-be-determined format. Given that the majority of these events are already moving back to in-person formats, there should be a healthy stream of demand ready to be tapped into in coming years as more and more events move back to in-person formats.

On the bottom right, respondents were asked to indicate when they anticipated events would return to primarily in-person/ face-to-face/ “normal” formats. The majority of respondents noted that their events are already in-person, or will be in-person by 2022. These findings are positive, and illustrate a move back to in-person event formats that would provide opportunity for DeKalb County to capture pent-up event demand.





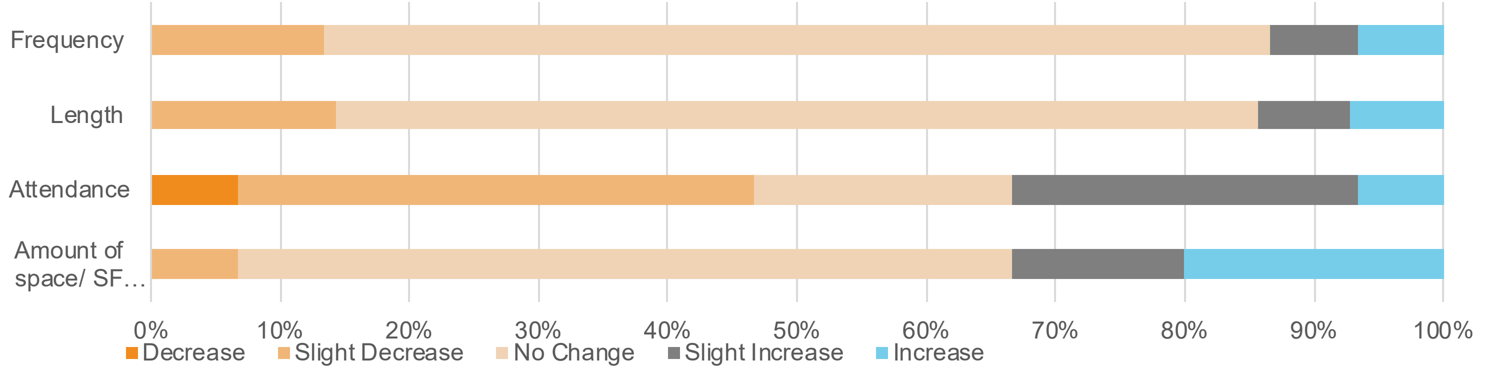




Results of Project Survey

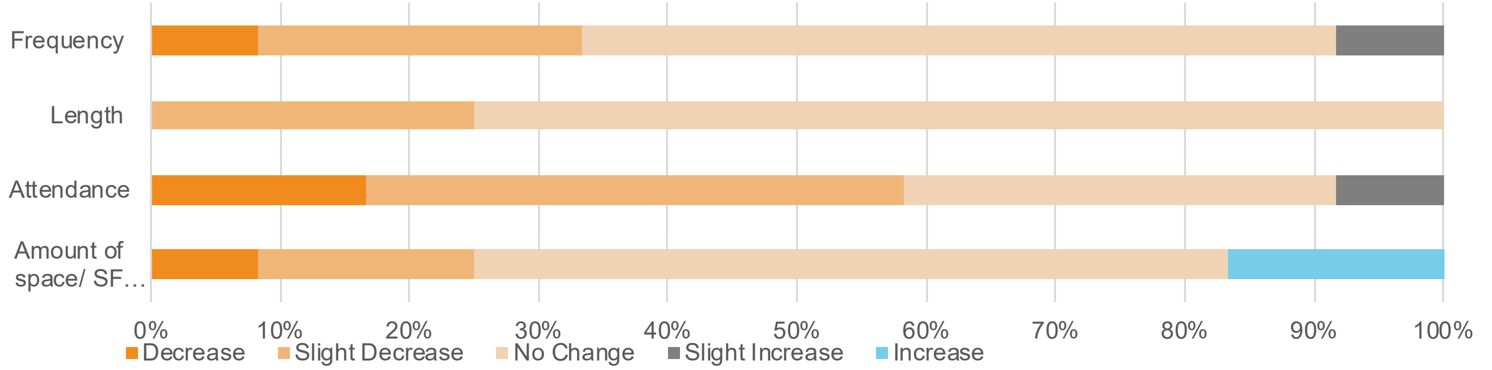
In this final question, respondents were asked how events are expected to change, if at all, after the COVID-19 pandemic. The majority of respondents in both surveys indicated that they expect frequency, length, and amount of space/ square footage needed to not change between pre- and post-pandemic. About 20% of respondents in each survey indicated that they thought amount of space/ square footage needed for events would increase. This question is critical in helping to hone in on appropriate facility size and programming into the future.

Compared to your organization's in-person events that occurred before the COVID-19 pandemic began, how will your organization's post-pandemic, in-person events change, if at all, in terms of the following attributes:



Source: Johnson Consulting

GSAE: Compared to your organization's in-person events that occurred before the COVID-19 pandemic began, how will your organization's post-pandemic, in-person events change, if at all, in terms of the following attributes:



Source: Johnson Consulting

Lost Business

While it is difficult to quantify the amount of demand that exists for event space from all segments of demand, the event RFPs that Discover DeKalb has been unable to convert can provide a foundation. These statistics are referred to as “lost business”. This “lost business” data only captures existing event business that was lost – it does not capture the RFPs that elected not to hold their events in DeKalb at all. The table at right presents DeKalb County’s lost business data for 2016-2019. Since 2020 can be considered an outlier year in terms of events canceled, it was not accounted for in this analysis.

As shown, during this time period, DeKalb County lost out on 146 events in total, equating to 586 event days, 11,270 attendees, and 53,888 requested room nights. Many of these inbound leads could be attracted to DeKalb County if a suitable event facility existed, and the presence of such a facility would undoubtedly increase the volume of inbound leads as the facility becomes known throughout the event market as an attractive place to hold events.

DeKalb County Lost Business

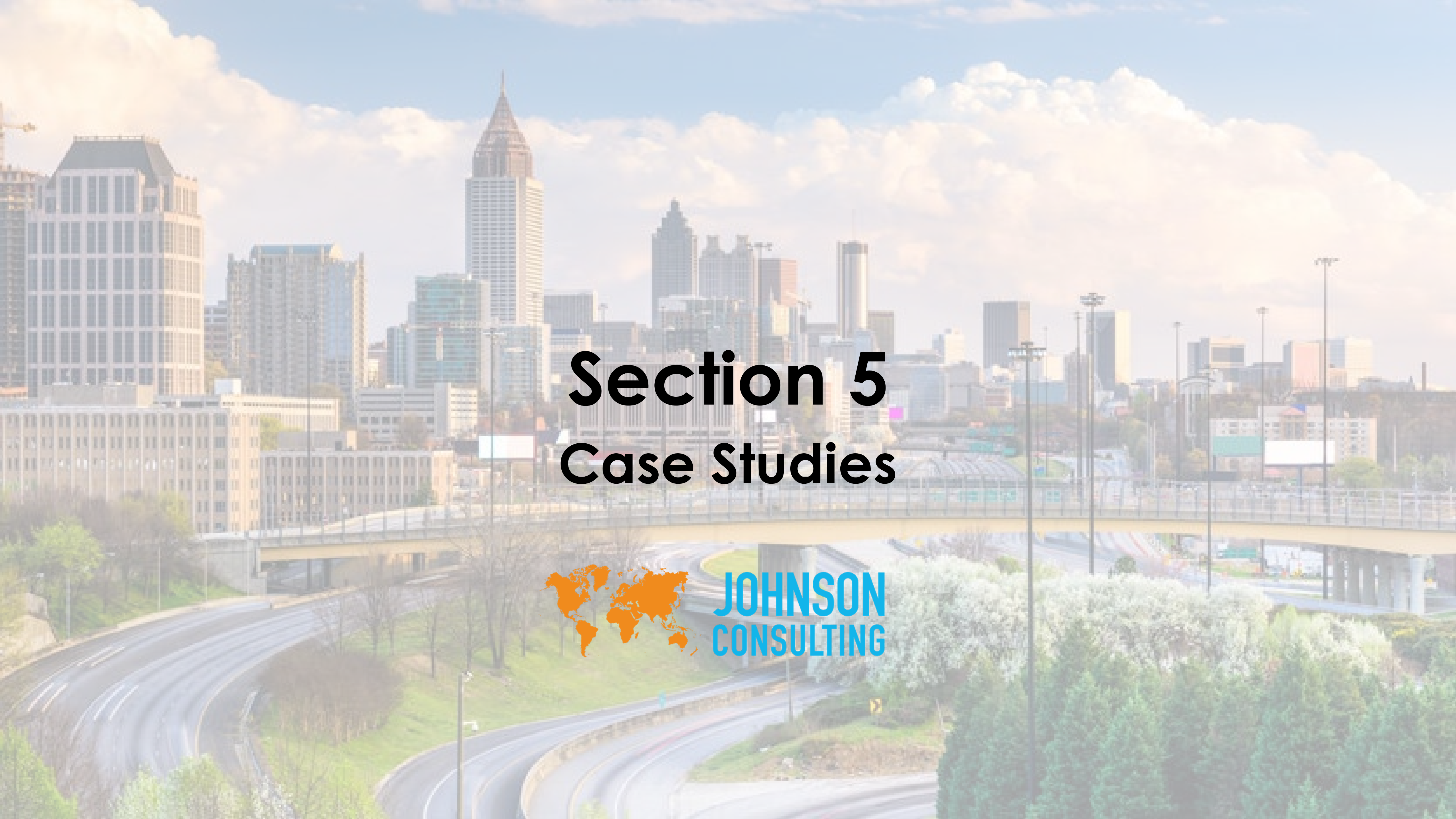
	2016	2017	2018	2019	Total
# of Events	17	55	49	25	146
Event Days	78	207	196	105	586
Attendance	5,060	6,210	0	0	11,270
Requested Rooms	4,884	14,713	19,970	14,321	53,888

Source: Discover DeKalb

Implications

Based upon this analysis, it is clear that potential users hold generally positive views of DeKalb County. Collectively, survey data, stakeholder interview input, and lost business data point to a demand for smaller to midsize events in the County. Respondents indicated that a medium-sized venue seems sufficient for serving their smaller, most frequent, and most of their large events.

When it comes to sites, survey data highlights a preference for the northern part of the County. This preference is largely based on existing access to complementary forms of development and commercial amenities. Employing a District approach to development in this context is best as it allows for most, if not all, concerns to be addressed.



Section 5

Case Studies

JOHNSON CONSULTING

Case Studies

In order to understand the operating characteristics for a potential convention center district in DeKalb County, this section presents case study profiles of a set of local and national comparable facilities, as well as the markets within which they operate. The key characteristics of these case studies are provided in the following profiles, and include:

- Location, size, character, and attributes of the market and the areas adjacent to the facility
- Location, size, character, and attributes of the facility
- Ownership, operations, and management structure of the facility
- A demand profile, including the number of events, type of events, and total attendance, as available
- A financial profile, including operating revenues and expenses as well as supplementary non-operating revenues such as public subsidy, grants, and private contributions, as available

This information provides insight into the scale of facility that could be realistically feasible in DeKalb County, as well as some general parameters within which the facilities could reasonably expect to operate in terms of demand and financial performance. These venues were selected for a variety of reasons such as the program of spaces, operation and management structure, market similarities, geographic proximity, and key lessons to be learned about how to optimize demand potential and financial sustainability.

Cobb Galleria Centre


Gas South District

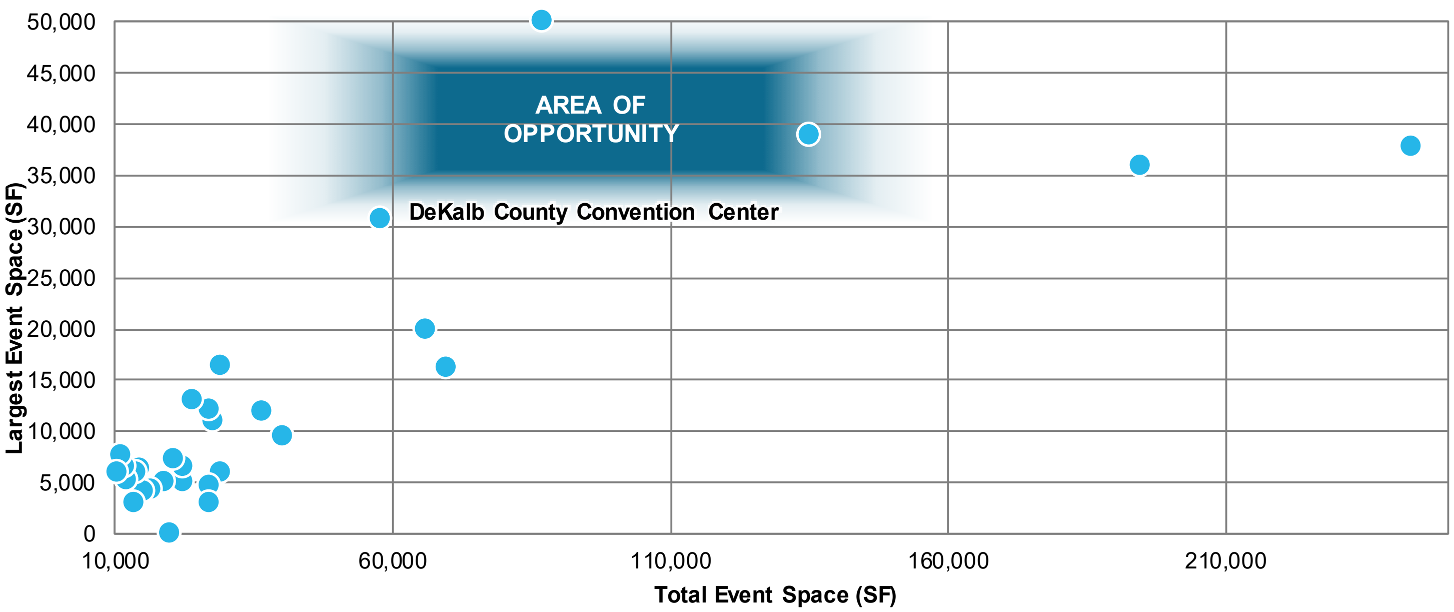
Local Facilities

Local Event Facility Inventory

Before discussing case studies in greater detail, a revisit of the area's inventory (from Section 2) in greater detail is necessary. The table at bottom right highlights the largest event facilities within a 50-mile radius of DeKalb County. This shortlist was derived from the full event facility inventory, shown in Section 2. These facilities are mapped in the Area of Opportunity (AOO) chart at top right.

As shown in the Area of Opportunity chart, event facilities in the metro Atlanta area are predominately less than 40,000 SF, with largest contiguous spaces of less than 20,000 SF. There is a clear gap in facilities sized between 50,000 and 100,000 SF. However, there are a few facilities outside of downtown Atlanta that are this size, including the Gwinnett Center in Duluth, GA. Gwinnett County's Gas Light South area, with its convention center, performing arts center, and adjacent hotel facilities would serve an area similar to the DeKalb market. Given DeKalb County's prime location, accessibility, and its strong economic profile, the Consulting Team is confident that DeKalb County will, too, be able to distinguish itself as an attractive alternative option.

DeKalb County Event Facility Area of Opportunity



DeKalb County Largest Event Facilities (50-Mile Radius)

Facility	Location	# of Guest Rooms	# of Meeting Rooms	Largest Meeting Space (SF)	Total Meeting Space (SF)
Georgia World Congress Center	Atlanta, GA	-	106	151,800	1,721,171
Atlanta Convention Center at AmericasMart	Atlanta, GA	47	26	96,000	467,391
Georgia International Convention Center	College Park, GA	-	7	37,800	243,518
Cobb Galleria Centre	Atlanta, GA	-	20	144,000	194,700
Hyatt Regency Atlanta	Atlanta, GA	1,216	27	39,000	135,330
Gwinnett Center	Duluth, GA	-	11	50,000	87,155
Renaissance Atlanta Waverly Hotel & Convention Center	Atlanta, GA	522	33	16,268	69,728
Omni Atlanta Hotel CNN Center	Atlanta, GA	1,067	26	19,864	66,018
Edgar H. Wilson Convention Center	Macon, GA	-	9	30,800	57,937
Atlanta Evergreen Marriott Conference Center	Stone Mountain, GA	336	23	9,450	40,509

Sources: Pollstar, Facilities, Cvent, Johnson Consulting

Local Comparable Facilities

In order to illustrate the potential for public private partnerships to produce successful convention centers, Johnson Consulting compiled information about several comparable case studies from the local market. These local case studies are in neighboring metro Atlanta communities such as College Park and Sandy Springs. As in the case of DeKalb County, these local case study facilities have attempted to capture event demand from downtown Atlanta into neighboring municipalities. These facilities have a combination of convention centers, arts venues, and/or hotels.

Although these case studies take various forms in terms of ownership, management, cost responsibility, and revenue sharing, these case studies show the potential for these types of partnerships to yield favorable results for all parties involved. The local case studies are described in greater detail at right.

Local Comparable Case Studies Summary

	Georgia International Convention Center	Cobb Galleria Centre	Gwinnett Center @ Gas South District	Alpharetta Conference Center @ Avalon	Sandy Springs Performing Arts & Conference Center
OVERVIEW					
Location	College Park, GA	Atlanta, GA	Duluth, GA	Alpharetta, GA	Sandy Springs, GA
Ownership	City of College Park	Cobb-Marietta Coliseum and Exhibit Hall	Gwinnett County	City of Alpharetta	City of Sandy Springs
Management & Operation			Gwinnett CVB	Marriott International	
FACILITY					
Year Built	2003	1994	1992	2018	2018
Event Space (Square Feet)					
Exhibit Space	151,200	144,000	50,000	10,136	5,000
Ballroom Space	40,040	25,200	21,600	10,036	-
Meeting Space	16,000	20,000	11,355	6,110	7,869
Lobby / Gallery Space	90,000	-	-	15,038	8,830
Total Event Space	**297,240**	**194,700**	**87,155**	**41,320**	**21,699**
DEMAND (2019)					
# of Events	-	417	-	-	500
Total Attendance	500,000	347,000	-	-	-
FINANCIALS (2019)					
Operating Revenue	$8,999,030	$13,840,000	-	-	$918,800
Operating Expenses	$14,361,764	$12,365,000	-	-	$3,619,800
Net Operating Income (Deficit)	**($5,362,734)**	**$1,475,000**	**-**	**-**	**($2,701,000)**
Public Subsidy	$5,362,734	-	-	-	$2,701,000
Grants	-	-	-	-	-
Private Contributions	-	-	-	-	-
Net Income	**$0**	**$1,475,000**	**-**	**-**	**$0**

Note: Gwinnett Center and Alpharetta CC financials not publicly available. -

Source: Relevant Facilities, Guidestar, Esri, Johnson Consulting

Local Comparable Case Studies

Georgia International Convention Center – College Park, GA

Georgia International Convention Center (GICC) is in College Park, GA, and is conveniently adjacent to Hartsfield-Jackson International Airport (ATL) and about 10 minutes from downtown Atlanta. It is the second largest convention center in the state of Georgia, behind the Georgia World Congress Center. The GICC is also the first convention center in the U.S. that connects directly to an airport, via the free ATL SkyTrain.

The center has approximately 400,000 SF of total event space, including 150,000 SF of exhibit space, 90,000 SF of pre-function space, and 16,000 SF of meeting space. The center also has the largest ballroom in Metro Atlanta at 40,000 SF. The center campus has 3 existing hotels – a 403-room Atlanta Airport Marriott Gateway, the 204-room Renaissance Atlanta Airport Gateway, and the 147-room SpringHill Suites Atlanta Airport Gateway – and the newly opened AC Hotel by Marriott. The campus also features the Gateway Arena, a 3,500-seat arena which opened in 2019.

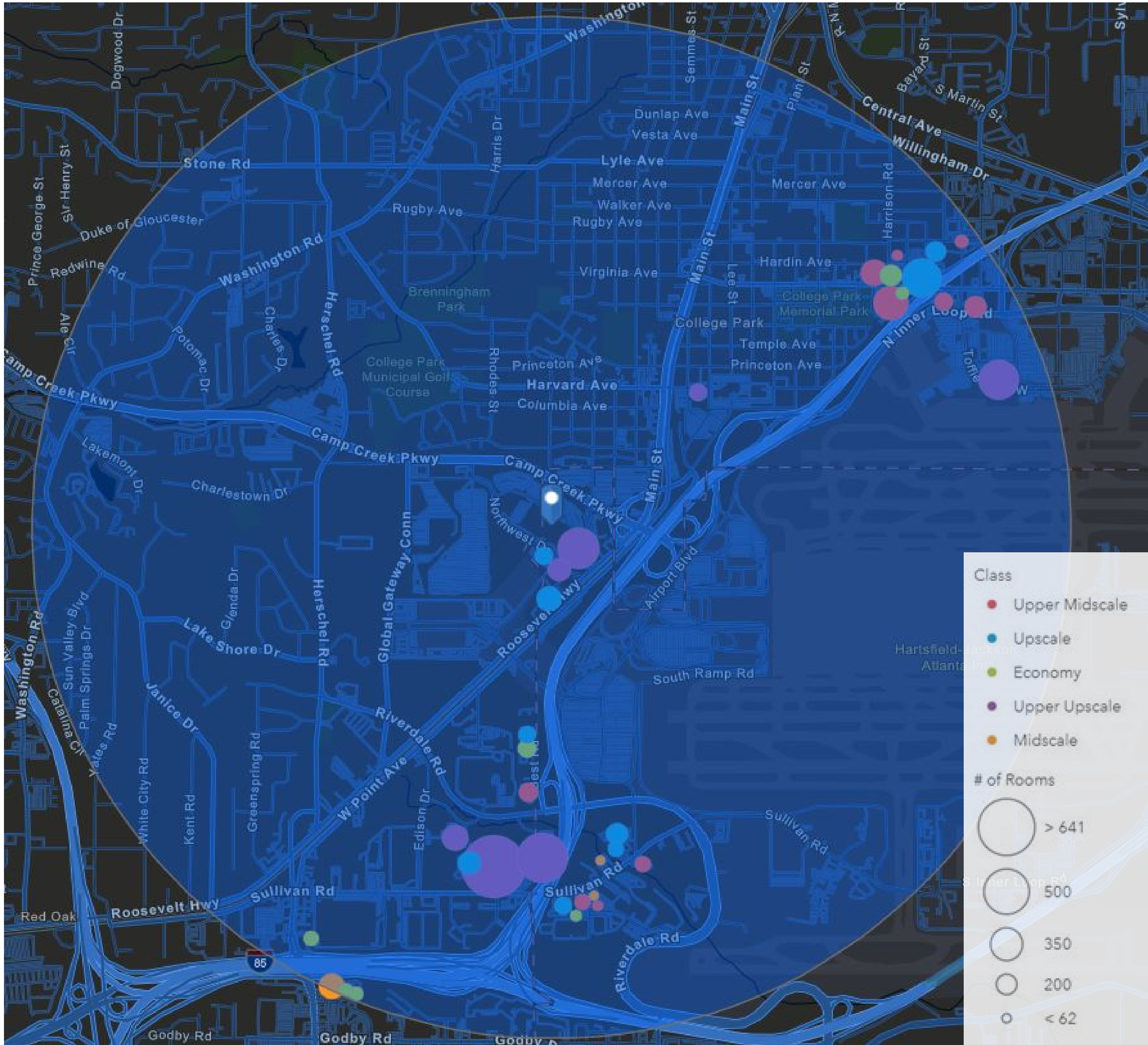
The facility opened in 2009, and is owned and operated by the City of College Park. The convention center regularly receives revenue contributions from the Hotel/ Motel Tax Fund, which is derived from hotel/ motel taxes and a special district tax levied on hotels and motels in the City of College Park. In 2019, the GICC received $6.5M from the Hotel/ Motel Tax Fund. The GICC also receives contributions from the General Fund which amounted to $1.8M in 2019.

Local Comparable Facilities

Georgia International Convention Center – College Park, GA

The population and MHI within the 5-mile radius around the Georgia International Convention Center (GICC) is relatively on the low side, and has also grown at a relatively low rate (0.3% annually). Incomes around this facility are relatively low, with a MHI of $42,009 within 5 miles of the facility. This MHI is significantly less than DeKalb County's MHI ($63,324). However, 1-mile radius MHIs are projected to grow exponentially over the next 5 years – from $23,738 in 2021 to $38,079 in 2026.

The map at right highlights all hotel inventory within a 2-mile radius (roughly a 10-minute drive time) of the GICC in College Park, GA, a community located in Fulton and Clayton Counties. This radius captures the hotel facilities within close proximity to the GICC – a nearly 250,000 SF convention center, adjacent to the Gateway Center Arena. The size of each dot corresponds to the number of rooms at the hotel, while the color corresponds to hotel class, a standardized measure of quality within the hotel industry. As the map shows, the majority of hotel properties within a 2-mile radius of the GICC are Upper Upscale (35.8%), with sizable shares of Upper Midscale (22.3%) and Upscale (24.5%) properties as well.



Local Comparable Case Studies

Cobb Galleria Centre – Atlanta, GA

Cobb Galleria Centre is in the Cumberland/ Galleria district of northwest Atlanta, in Cobb County. The Centre is located in a large mixed-use arts and entertainment district, which includes Cumberland Mall, Truist Park, the Battery Atlanta, and Cobb Energy Performing Arts Centre. The venue is well-located in relation to Atlanta and is accessible via I-75 and I-285.

The Centre has approximately 144,000 SF of exhibit space, 25,000 SF of ballroom space, and 20,000 SF of meeting space for a total of just under 200,000 SF of event space. In 2019, the Centre hosted 417 events and 347,000 attendees. The adjacent Cobb Energy Performing Arts Centre, hosted 274 events and welcomed 269,000 attendees. The Cobb Galleria Centre opened in 1994, and is owned and operated by the Cobb-Marietta Coliseum and Exhibit Hall Authority. The seven-member Authority is made up of an appointed Board created by the Georgia General Assembly in 1980 for the purpose of acquiring, constructing, and maintaining facilities for the community's enhancement.

The Cobb Galleria Centre represents a high-quality facility outside of downtown Atlanta that has managed to differentiate itself and solidify itself as a destination for events. Further, the area around the Centre continues to evolve and improve with time, as new retail and entertainment experiences are added in the area. Most recently, the Atlanta Braves moved to Triust Park, near the Cobb Galleria and in a district known as the Battery. For more information on the financial performance and event demand mix for the Cobb Galleria Centre, see the next page.

Local Comparable Case Studies

Cobb Galleria Centre – Atlanta, GA, Cont.

2019 Financial Performance & Organization (from 2019 Annual Report)

INTERGOVERNMENTAL REVENUES

Debt service for the Cobb Galleria Centre is provided for by a portion of the Hotel/Motel and Liquor by the Drink Taxes collected by Cobb County and the municipalities within Cobb County.

The Cobb-Marietta Coliseum & Exhibit Hall Authority has entered into separate agreements with Cobb County and the municipalities in which all or a portion of the Hotel/Motel and Liquor By The Drink Tax collections are remitted directly to the Authority's Bond Trustee for the servicing of the Authority's bond debt. Remaining amounts are forwarded to the Authority and used to pay amounts which the Authority is contractually obligated to remit back to the County and municipalities and to provide funding for Cobb Travel & Tourism.

Fiscal year ending September 30, 2019 (unaudited)	
Gross Tax Revenues Remitted to the Bond Trustee:	
Hotel/Motel Tax	$ 19,563,000
Liquor By The Drink Tax	1,026,000
	$ 20,589,000
Debt Service	(6,449,000)
	$ 14,140,000
Contractual Payments Back to the County/Municipalities	(7,652,000)
Cobb Travel & Tourism Funding	(1,594,000)
Intergovernmental Revenue Surplus	$ 4,894,000

COBB GALLERIA CENTRE

Since opening in 1994, Cobb Galleria Centre's operating revenues have exceeded operating expenses each year, resulting in an operating profit.

Fiscal year ending September 30, 2019 (unaudited)	
OPERATING REVENUES	$ 13,840,000
OPERATING EXPENSES	(12,365,000)
OPERATING PROFIT	$ 1,475,000
Capital Expenditures paid from Reserves	$ 2,504,000

COBB ENERGY CENTRE

Fiscal year ending September 30, 2019 (unaudited)	
OPERATING REVENUES	$ 10,817,000
OPERATING EXPENSES	(7,951,000)
OPERATING PROFIT (before depreciation)	$ 2,866,000

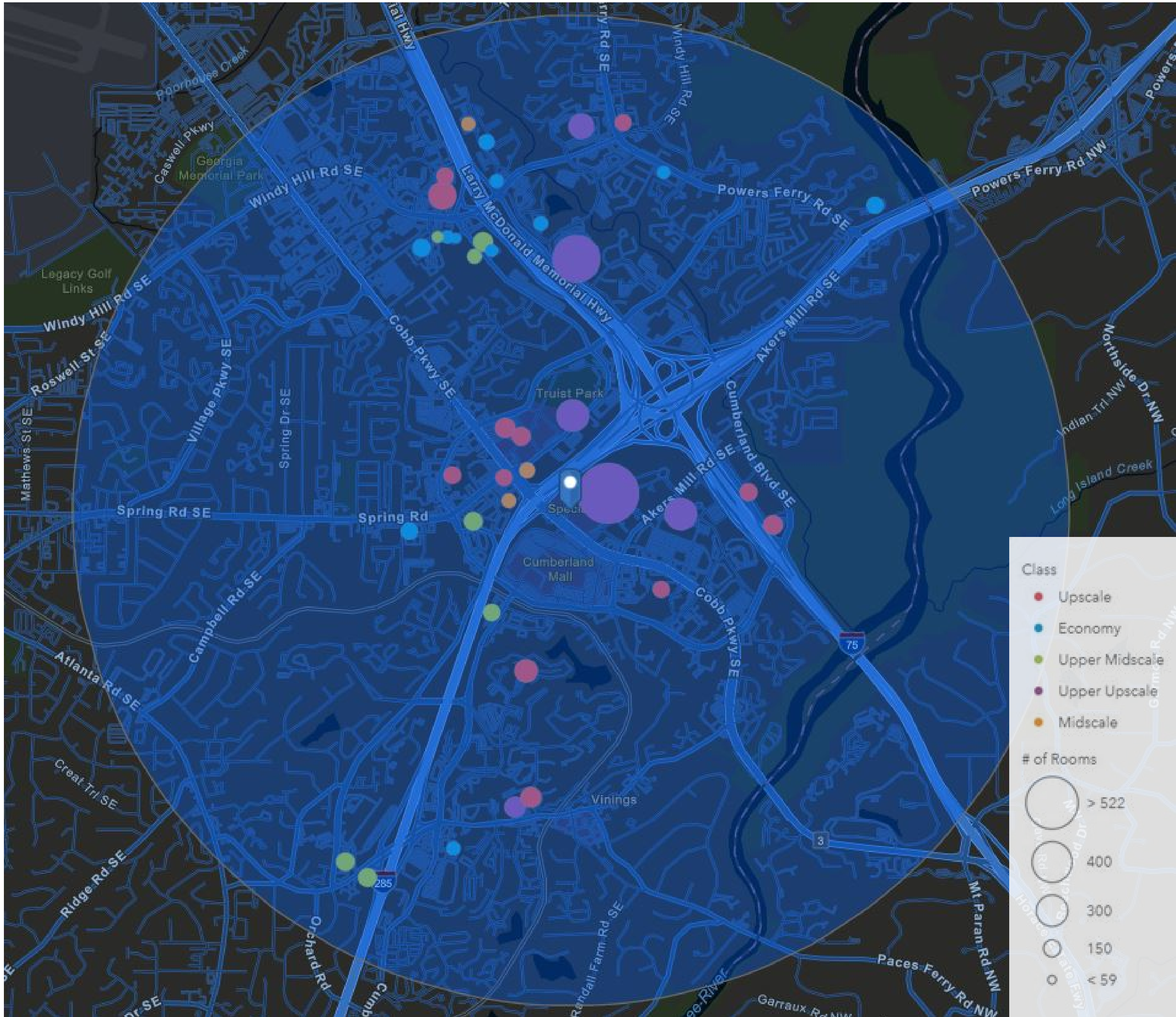
Operating results do not include depreciation expense of $2.2 million.

Local Comparable Facilities

Cobb Galleria Centre – Atlanta, GA

There is a sizeable population around the Cobb Galleria Centre, and the median household income (MHI) are relatively high. Among the local comparable facilities, Cobb Galleria has the largest population located within 1 mile of the facility (13,253). Within 5 miles of the Cobb Galleria, the population is 205,730, and the MHI is $80,291. Between 2000 and 2026, the population is expected to have grown 1%, and MHIs are expected to have grown 2.1%. While population and MHI are both higher in Cobb County than in DeKalb County, Cobb is expected to have slower growth rates leading into 2026.

The map at right highlights all hotel inventory within a 2-mile radius (roughly a 10-minute drive time) of the Cobb Galleria Centre in northwest Atlanta, in neighboring Cobb County. This radius captures the hotel facilities within close proximity of the Cobb Galleria – a nearly 200,000 SF convention center with a nearby performing arts facility, the Cobb Energy Performing Arts Center. The size of each dot corresponds to the number of rooms at the hotel, while the color corresponds to hotel class, a standardized measure of quality within the hotel industry. As the map shows, the majority of hotel properties within a 2-mile radius of the Cobb Galleria are Upper Upscale (33.9%) and Upscale (28.7%).



Local Comparable Case Studies

Gwinnett Center– Duluth, GA

The Gwinnett Center, also sometimes called the Infinite Energy Forum, is located within the Gas South District, a large mixed-use district located in Duluth, GA, a roughly 20-minute drive northeast of downtown Atlanta. In addition to its convention center, the Gas South District is home to the 13,000-seat Infinite Energy Arena, the 702-seat Infinite Energy Theater, and retail and residential development. In early 2021, the convention center began expansion plans on a new grand forum entrance, as well as an 11-story adjacent West Atlanta Gwinnett Hotel.

The convention center has approximately 50,000 SF of exhibit space, 22,000 SF of ballroom space, and 11,000 SF of outdoor courtyard space for a total of roughly 87,000 SF of event space. The facility opened in 1992, and is owned by Gwinnett County and operated by the Gwinnett Convention & Visitors Bureau. The convention center was financed with funds from a four-year sales tax approved by Gwinnett County voters in 1988. In the 2000s, the campus expanded, with the addition of a parking deck, performing arts center, and arena. In 2015, the facility entered into a naming rights agreement with Infinite Energy.

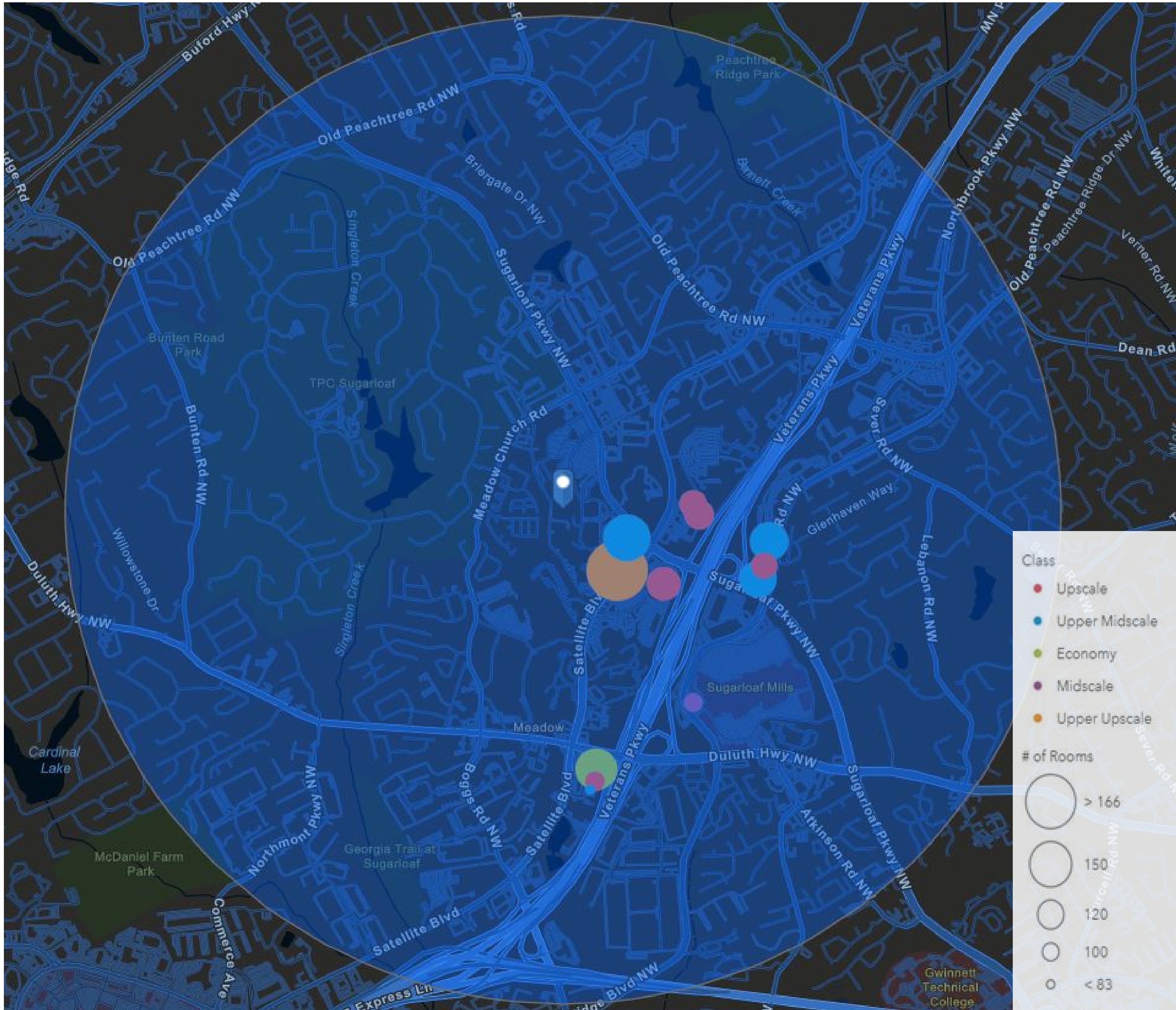
As of late 2021, the Gas South District is undergoing major improvements, both to its core facilities and to the district at large. The convention center is expected to add event space, bringing its total event space up to 100,000 SF. An adjacent hotel is under construction and expected to be complete in early 2022. A large mixed-use development, Revel, is also planned for the area, as discussed previously in this section.

Local Comparable Facilities

Gwinnett Center – Duluth, GA

The population around the Gas South District has grown significantly over the past 20 years. By 2026, the population within 5 miles of the District is projected to have grown 1.9% annually. Within 1 mile of the facility, in the Gas South District, the population will have grown 7% annually between 2000 and 2026. In this same time frame, the county as a whole is projected to have grown 2.1% annually. Incomes are also quite high around the Gas South District, particularly within 1 mile of the facility ($99,812). By 2026, the MHI within 5 miles of the facility are expected to have grown 2.5% annually, similar to DeKalb County's growth rate (2.9% annually).

The map at right highlights all hotel inventory within a 2-mile radius (roughly a 10-minute drive time) of the Gas South District in Duluth, GA, in neighboring Gwinnett County. This radius captures the hotel facilities within close proximity of the Gwinnett Center and the area in which the center is located, known as the Gas South District. This district includes a nearly 100,000 SF convention center, as well as several entertainment facilities (the Infinite Energy Center Arena, Theater, and Forum). The size of each dot corresponds to the number of rooms at the hotel, while the color corresponds to hotel class, a standardized measure of quality within the hotel industry. As the map shows, the majority of hotel properties within a 2-mile radius of the Gwinnett Center are Upper Midscale (33.6%) and Upscale (38.7%).



Local Comparable Case Studies

Alpharetta Conference Center – Alpharetta, GA

The Alpharetta Conference Center is in the northern Fulton County community of Alpharetta, GA, a roughly 30-minute drive from downtown Atlanta. The conference center is part of a larger mixed-use development called the Avalon, which includes a 330-room Hotel at Avalon, a Marriott-branded Autograph Collection hotel. The conference center has approximately 12,500 SF of exhibit space, 10,000 SF of ballroom space, and 6,000 SF of outdoor courtyard space for a total of just over 40,000 SF of event space.

The Avalon development opened in 2014, and the hotel and conference center opened in early 2018. The total development is roughly 86 acres, and features over 500,000 SF of retail, 16 restaurants, a movie theater, Class A office space, and luxury residences.

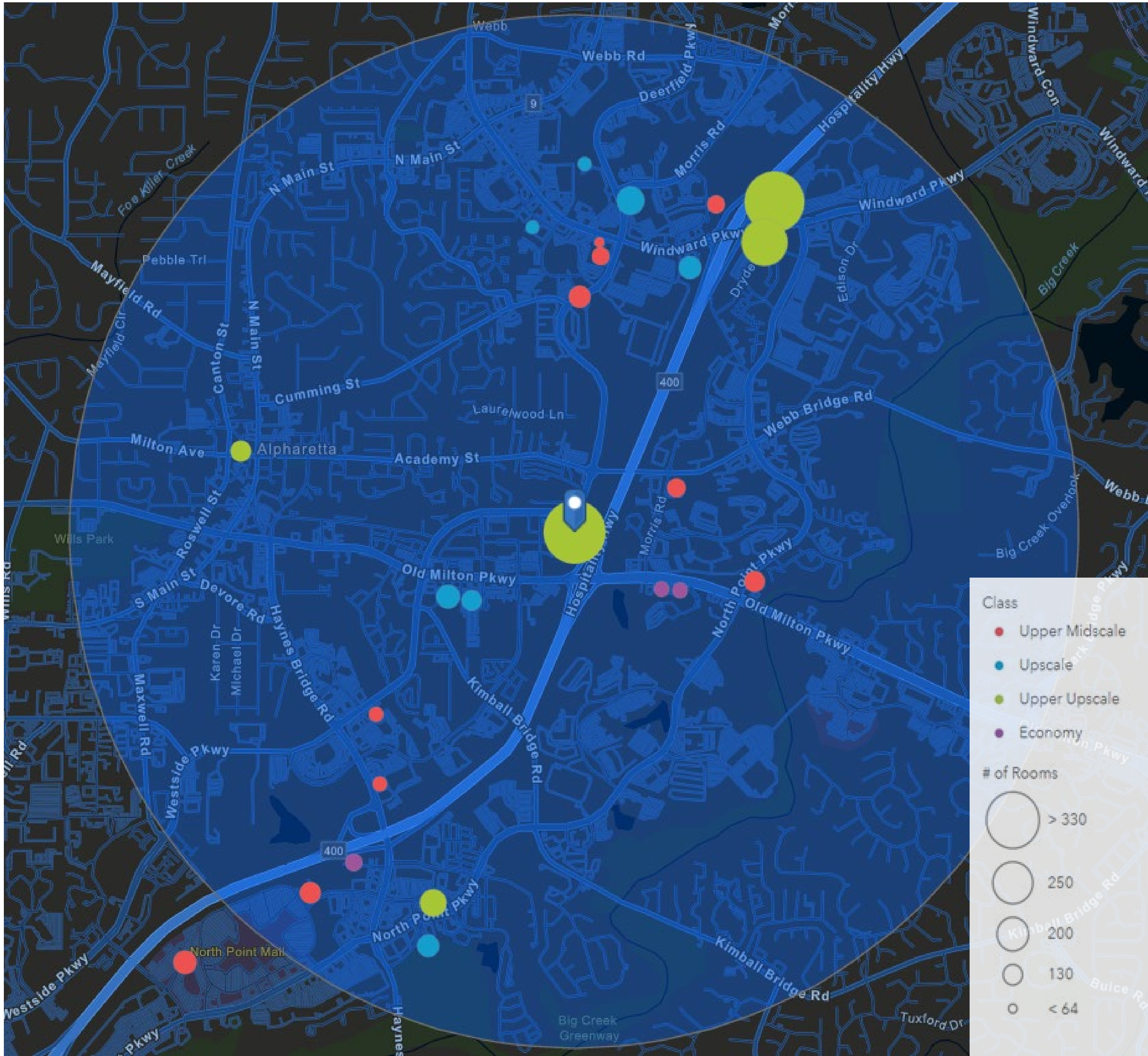
The Avalon was developed through a Public-Private Partnership (PPP) between the City of Alpharetta, Stormont Hospitality Group, Avalon developers North American Properties (NAP), and Long Wharf Real Estate Partners. The project was financed through 25-year revenue bonds, funded through hotel/ motel taxes.

Local Comparable Facilities

Alpharetta Conference Center – Alpharetta, GA

The population around the Avalon has grown significantly between 2000 and 2026. In the 5-mile radius around the center, population has risen 1.9% annually over this period; within 1-mile, the population has grown 2.8% annually. Incomes around this facility are high relative to Fulton County, the state, and the nation, with a MHI of $114,744 within 5 miles of the facility. MHIs are expected to continue to grow within 1-, 5-, and 10-mile radii of the facility over the next 5 years. Over the next 5 years, MHIs within a 1-mile radius of the facility are expected to grow 2.2% annually.

The map at right highlights all hotel inventory within a 2-mile radius (roughly a 10-minute drive time) of the Alpharetta Conference Center in Alpharetta, GA, a community located in Fulton County. This radius captures the hotel facilities within close proximity to the Alpharetta Conference Center and the Avalon development. The size of each dot corresponds to the number of rooms at the hotel, while the color corresponds to hotel class, a standardized measure of quality within the hotel industry. As the map shows, the majority of hotel properties within a 2-mile radius of the Avalon are Upper Upscale (35.2%), with a sizable share of Upper Midscale (31.6%) properties as well.



Local Comparable Case Studies

Sandy Springs Performing Arts & Conference Center – Sandy Springs, GA

The Sandy Springs Performing Arts & Conference Center opened in 2018 and are part of a mixed-use development called City Springs, north of downtown Atlanta. The development includes several facilities: a performing arts center; a conference center; an entertainment lawn and amphitheater that are home to the Sandy Springs Farmers Market and several concert and festival series, including "City Green Live"; a history museum; a private event venue; restaurants and retail; and Sandy Springs City Hall.

The performing arts center at City Springs is a high-quality facility that regularly hosts performances by the City Springs Theatre Company and traveling tours coming to the metro Atlanta region. The center's primary venue is the 1,070-seat Byers Theatre, which has a full orchestra pit, fly loft, and 1,300 SF rehearsal room, among other back-of-house amenities. The center also has a smaller Studio Theatre, a 5,000 SF flex space that can be arranged as a meeting space, 350-seat venue for small performances, or a destination for corporate meetings and banquet-style events. The adjacent conference center at City Springs has 5 meeting rooms, ranging from 327 – 867 SF, a 4,800 SF flexible indoor meeting room, and 6,500 outdoor terrace for a range of corporate and social events.

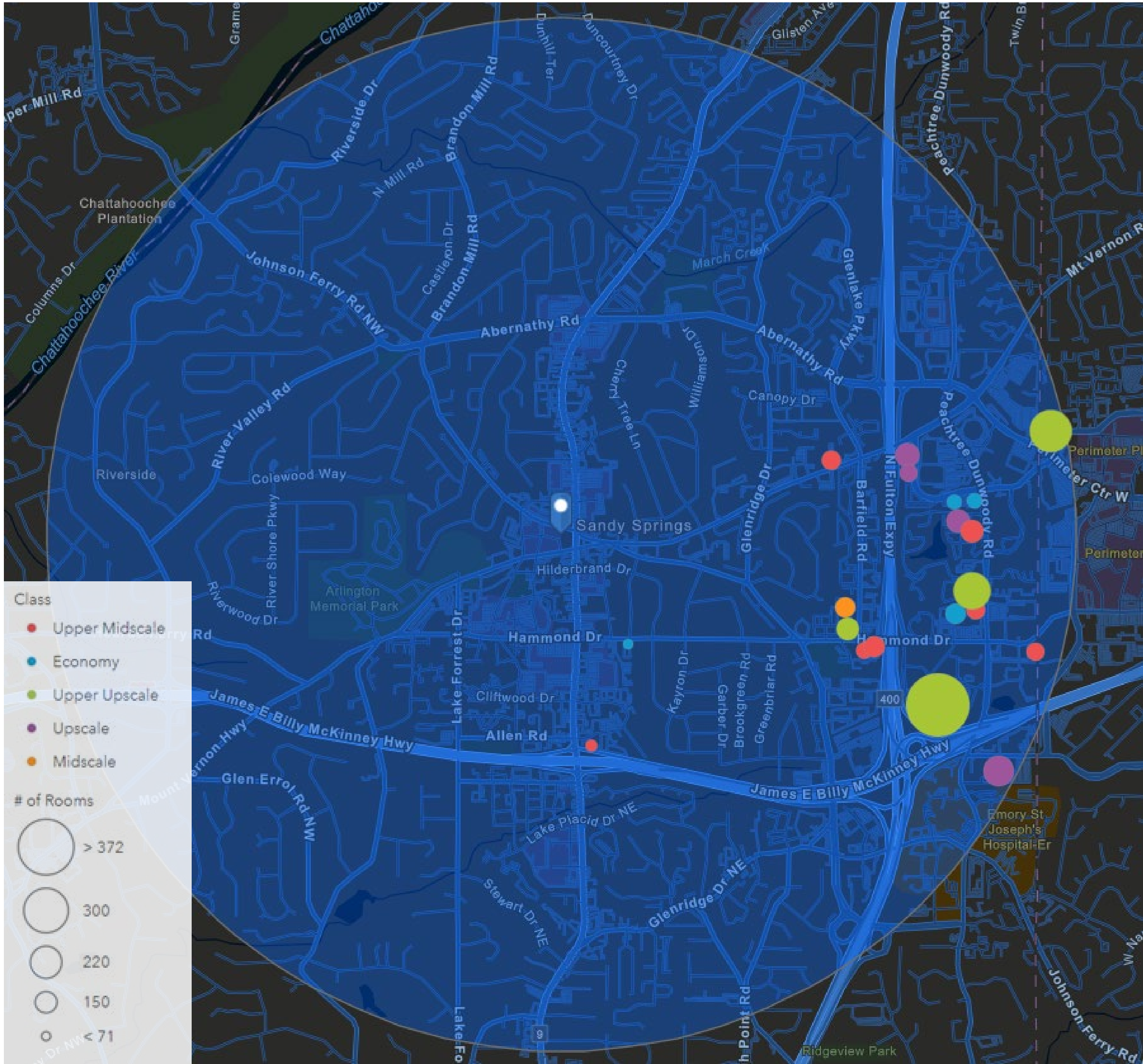
The performing arts center and conference center are owned and managed by the City of Sandy Springs, and is subsidized by the City's General Fund. The facilities were managed by Spectra during the first year of operations; the city's contract with Spectra ended early in 2019, and has been publicly managed ever since.

Local Comparable Facilities

Sandy Springs Performing Arts Center – Sandy Springs, GA

Relative to the other local competitive facilities previously discussed, the Sandy Springs has a relatively high population within 1 mile of the facility (10,289), and a relatively high annual population growth rate (2.5%). MHIs within 1 mile of the facility are also relatively high ($98,496), and are projected to grow 2.6% annually over the next 5 years.

The map at right highlights all hotel inventory within a 2-mile radius (roughly a 10-minute drive time) of the Sandy Springs Performing Arts Center in Sandy Springs, GA, a community located in Fulton County. This radius captures the hotel facilities within close proximity to Sandy Springs, a facility with a high-quality performing arts center and convention center. The size of each dot corresponds to the number of rooms at the hotel, while the color corresponds to hotel class, a standardized measure of quality within the hotel industry. As the map shows, the majority of hotel properties within a 2-mile radius of the Sandy Springs facility are Upper Upscale (33.8%), with a sizable share of Upper Midscale (27.9%) properties as well.



Local Comparable Facilities – Expansion Plans

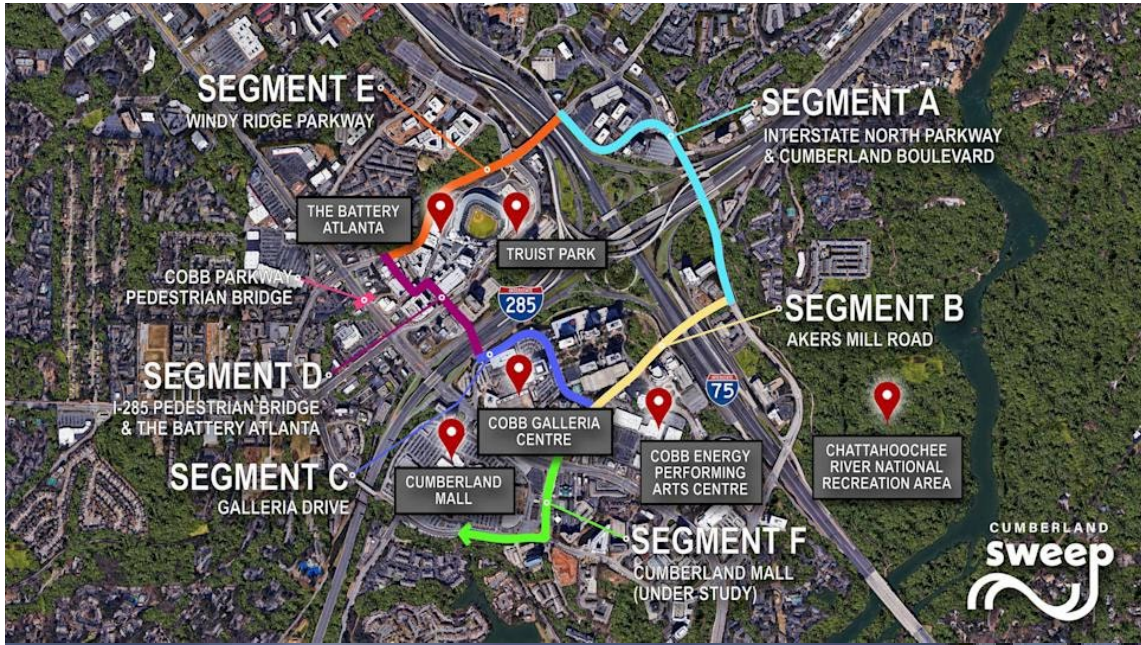
"Cumberland Sweep" Bike and Pedestrian Pathway (Cobb County)

In September 2021, the Cumberland Community Improvement District (CID) announced plans for the development of the Cumberland Sweep, a $44M, 3-mile multimodal bike and pedestrian trail connecting various attractions in the Cumberland commercial district. The district includes the Cobb Galleria Centre, Cobb Energy Performing Arts Center, Cumberland Mall, the Battery Atlanta, and Truist Park. The first phase of the project is expected to begin in October 2024.

Gas South District Expansion Plans (Gwinnett County)

In early 2021, construction began on an expansion of the convention center, designed by Smallwood, Reynolds, Stewart, Stewart, and Associates. The expansion plans include: the addition of nearly 60,000 SF of exhibit space; a renovation of the grand ballroom and meeting spaces; the addition of a new, 2-story grand entrance, which would include event and meeting space; a renovation of the Infinite Energy Theatre; and the development of new amenities, including a food court. In early 2021, construction also began on the 11-story Westin Atlanta Gwinnett Hotel, located between the convention space and the Infinite Energy Arena. The hotel is expected to open in early 2022. The expansion is expected to cost roughly $67M, paid for through a 2017 special purpose local option sales tax program.

Additionally, there are plans for a new mixed-use development within the Gas South District, known as Revel, to include retail, restaurants, and office space. However, Revel plans have been on hold since late-2019, when the main developer (North American Properties) withdrew from the project.



Local Comparable Facilities – Expansion Plans

Avalon Adjacent Development (Alpharetta)

In fall 2021, residential developer Empire Communities purchased 5 acres of land “on the doorstep of” the Avalon development in Alpharetta. Construction was expected to begin in late-fall 2021 on Empire’s project, Chiswick Park, which is expected to include 43 high-end townhomes. This area is adjacent to other amenities near Avalon, including the following: a residential neighborhood, Foundry; a greenspace, Thompson Park; and Alpharetta’s multi-use trail, the Alpha Loop.

The area between the Avalon and Alpharetta’s downtown historic district has continued to fill in with new development in recent years. A new Hilton Curio Collection Hotel, the Hamilton, opened in downtown Alpharetta in fall 2021. This downtown historic district is also home to a diverse mix of retail amenities and restaurants, including the newly opened Jekyll Brewing adjacent to the Hamilton.

Sandy Springs Cultural Arts Center (Sandy Springs)

In spring 2021, the City of Sandy Springs announced its plans to partner with the Georgia Commission for the Holocaust on an arts and culture center on the City Springs complex. The center would house the “Anne Frank and the World: 1929-1945” exhibit, as well as other arts or museum exhibitions. There has been disagreement within City Council over the cost, location, and overall feasibility of such a project. At the time of this report production, the project had not been approved.

National Comparable Facilities

JOHNSON
CONSULTING

National Comparable Facilities

Johnson Consulting also compiled information about several comparable case studies from around the nation, as summarized at right and on the following pages. These facilities have a combination of convention centers and/or attached hotels. These facilities are in similarly well-developed markets outside of major cities, and are high-quality, mid-size venues that capture demand outside of downtown areas. While there are many other national facilities that could conceivably compete with a new convention center property in DeKalb County, this list was selected based on the Consulting Team's evaluation of the County and the greater market. These national comparable facilities profiled are of a similar size, scale, and market as DeKalb County.

The case studies are described in greater detail in the following pages.

National Comparable Case Studies Summary

	Suburban Collection Showplace	Schaumburg Convention Center	Overland Park Convention Center	St. Charles Convention Center
OVERVIEW				
Location	Novi, MI	Schaumburg, IL	Overland Park, KS	St. Charles, MO
Ownership	TBON, LLC.	Village of Schaumburg	City of Overland Park	City of St. Charles
Management & Operation		Marriott	Spectra	Spectra
FACILITY				
Year Built	2005	2006	2002	2005
<u>Event Space</u> (Square Feet)				
Exhibit Space	281,700	97,200	58,494	27,600
Ballroom Space	73,692	26,656	24,937	22,225
Meeting Space	10,378	10,494	14,145	7,124
Lobby / Gallery Space	-	11,799	14,000	1,008
Total Event Space	**365,770**	**146,149**	**111,576**	**57,957**
DEMAND (2019)				
# of Events	-	-	313	193
Total Attendance	-	-	385,596	322,134
FINANCIALS (2019)				
Operating Revenue	-	$45,998,000	$13,744,089	$7,892,525
Operating Expenses	-	$20,983,000	$12,897,621	$7,779,820
Net Operating Income (Deficit)	**-**	**$6,567,000**	**$846,468**	**$112,705**
Public Subsidy	-	-	-	-
Grants	-	-	-	-
Private Contributions	-	-	-	-
Net Income	**-**	**$6,567,000**	**$846,468**	**$668,141**

Note: Suburban Collection Showplace financials not publicly available. -

Note: Schaumburg is joinly operated with the adjacent Marriott hotel, and therefore its revenues and expenses are combined with the hotel.

Source: Relevant Facilities, Guidestar, Esri, Johnson Consulting

National Comparable Case Studies

Suburban Collection Showplace – Novi, Michigan

The Suburban Collection Showplace (SCS) is the second largest convention center in the State of Michigan. Located in the northwest suburbs of Detroit, the facility is conveniently located off I-96, between Lansing (55 minutes) and Detroit (40 minutes). Since opening in 2005 (then known as the Rock Financial Showplace), the SCS has successfully captured meeting and event business outside of downtown Detroit and Lansing with its high-quality facilities, large exhibit hall floor, attractive hotel, and overall well-balanced complex. Its location between the state's capital and its largest city allow it to market heavily to the association and government event markets. The facility is owned and managed by TBON, LLC., a local Novi-based corporation. In 2010, Michigan car dealer Suburban Collection bought the naming rights for the facility.

When the SCS was originally built in 2005, the facility included a large exhibit hall floor. In 2018, the facility was expanded to include the Diamond Banquet and Conference center, totaling an additional 188,000 SF of event space and allowing the facility to host over 8,000 guests at one time. The facility has 65,000 SF of column-free exhibit floor with 40-foot clear ceiling height, ideal for hosting larger gatherings, sports, and entertainment events. In addition to its over 280,000 of exhibit space, the facility has over 80,000 SF of meeting and ballroom space. In 2013, the attached, 126-room Hyatt Place Detroit/ Novi hotel opened, further bolstering SCS' position as a destination for large national and international events in the Detroit metro area.

National Comparable Case Studies

Schaumburg Convention Center – Schaumburg, IL

The Schaumburg Convention Center is in suburban Chicago, a roughly 30-minute drive from downtown Chicago and in close proximity to O'Hare International Airport. The convention center is an attractive, "hassle-free" event space outside of downtown. The center is close to suburban upscale shopping and dining in Schaumburg, and adjacent western suburbs.

The center has approximately 150,000 SF of total event space – 100,000 SF of exhibit space, 25,000 SF of ballroom space, and 10,000 SF of meeting room space. The center is attached to the 474-room Renaissance Schaumburg Convention Center Hotel. The facility opened in 2006, and is owned by the Village of Schaumburg and jointly managed by Marriott along with the adjacent Renaissance hotel. The table below outlines financial performance for the two facilities from 2016-2019. Actuals have not yet been reported for 2020.

Schaumburg Convention Center & Hotel Financials

	2016	2017	2018	2019
Sales Revenue	$43,117.00	$44,421.00	$46,194.00	$45,998.00
Operating Expense	$20,591.00	$21,066.00	$21,415.00	$20,983.00
Admin. Charges	$11,181.00	$11,362.00	$11,233.00	$11,603.00
Fixed Charges	$6,106.00	$5,894.00	$6,543.00	$6,845.00
Net Operating Income	$5,239.00	$6,099.00	$7,002.00	$6,567.00

Source: City of Schaumburg, Johnson Consulting

National Comparable Case Studies

Overland Park Convention Center – Overland Park, KS

The Overland Park Convention Center is in the suburban Kansas City community of Overland Park, a roughly 15-minute drive southwest of downtown Kansas City. Overland Park is the largest city in the metropolitan Kansas City market, and the second largest city in Kansas. Overland Park offers an attractive location outside of downtown Kansas City, and provides a smaller convention center alternative to the roughly 800,000 SF Kansas City Convention Center.

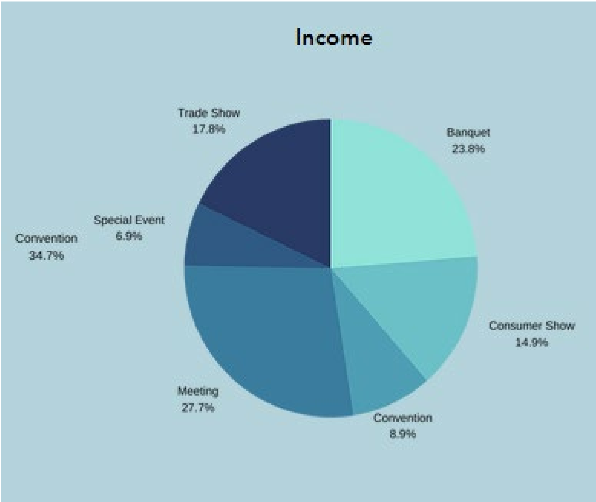
The center has approximately 58,000 SF of exhibit space, 25,000 SF of ballroom space, and 15,000 SF of outdoor courtyard space for a total of roughly 100,000 SF of event space. The center is attached to the 412-room Sheraton Overland Park Hotel at the Convention Center. The facility opened in 2002, and is owned by the City of Overland Park and operated by Spectra. The convention center was designed by DLR Group, and is known for having many high-quality amenities, including artwork by local artists and a café. The convention center was financed through general obligation bonds issued by the City of Overland Park, while the hotel was financed through tax-exempt bonds, as allowed by IRS Ruling 63-20.

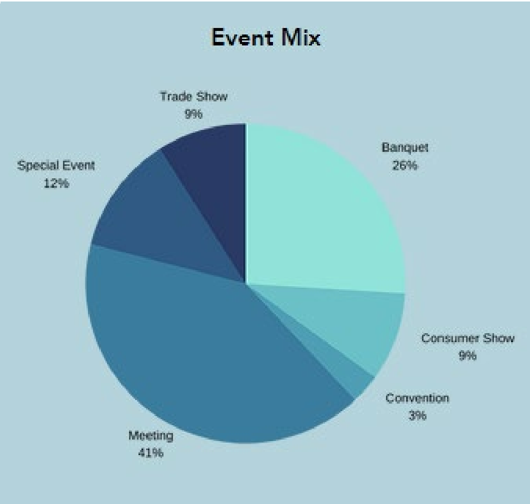
Overland Park is an example of a high-quality small convention center that is well-managed and scaled perfectly to fit its programming needs. In 2019, the center was named the "Best Small Convention Center in North America" by Exhibitor Magazine. That same year, Overland Park held 313 events and welcomed 385,596 visitors. In total, the center had \$13.7M in revenue and \$12.9M in expenses, achieving net operating income of \$846,468. For more information on the event mix, income, and room nights generated at Overland Park in 2019, see the next page.

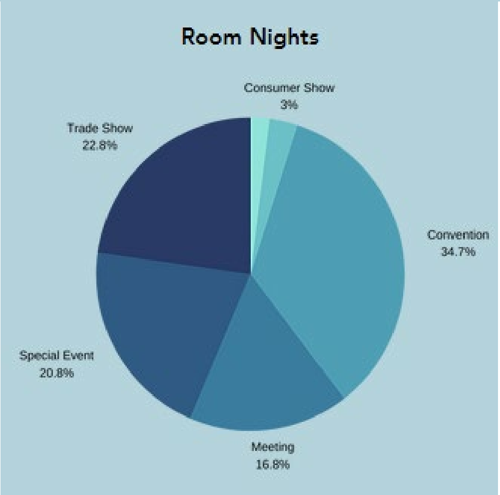
National Comparable Case Studies

Overland Park Convention Center – Overland Park, KS, Cont.

2019 Income, Event Mix, and Room Nights (from 2019 Annual Report)







National Comparable Case Studies

St. Charles Convention Center – St. Charles, MO

The St. Charles Convention Center is in suburban St. Louis, a 10-minute drive from Lambert St. Louis International Airport and a 30-minute-drive northwest of the downtown area. St. Charles offers a suburban location that is on the edge of St. Louis and that is closer to the capital City of Jefferson City, providing a convenient location for groups and associations in Jefferson City that need to meet close to their St. Louis membership base.

The center has approximately 58,000 SF of combined exhibit hall, ballroom, and meeting space. The center is attached to an Embassy Suites Hotel, an all-suite, 296-room facility managed by Atrium Hospitality. The facility opened in 2005 and is operated by Spectra. The Convention Center is owned by the City of St. Charles and its Convention and Sports Facilities Authority. The facility was funded via a sales tax Tax Increment Financing (TIF) mechanism and a 5% County-wide hotel tax. The money comes directly to the Authority and is governed by the Oversight Board. Spectra submits an annual budget which is approved by the Oversight Board. The funds are dedicated specifically to debt service payments and operations.

The St. Charles Convention Center is one of the highest performing convention centers of its size in the country. In 2019, the facility achieved an overall occupancy of 57%, with the exhibit hall having the highest occupancy rate (62%). In the same year, the facility hosted 193 events and welcomed 322,134 guests, with over one-third of these events being meetings and one-third of attendees at consumer shows. Conventions, the final third of total demand, are the center's primary revenue and room night generator, accounting for \$2.5M in gross event revenue (32%) and 15,181 total room nights (58%). In total, the facility had \$7.9M in operating revenue and \$7.8M in total expenses, resulting in a net income of \$112,705. For more information on the event mix, income, and room nights generated at St. Charles in 2019, see the following pages..

National Comparable Case Studies

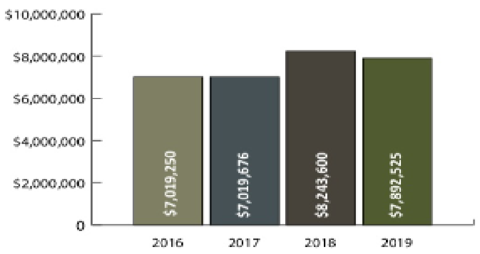
St. Charles Convention Center – St. Charles, MO, Cont.

2019 Financial Performance & Organization (from 2019 Annual Report)

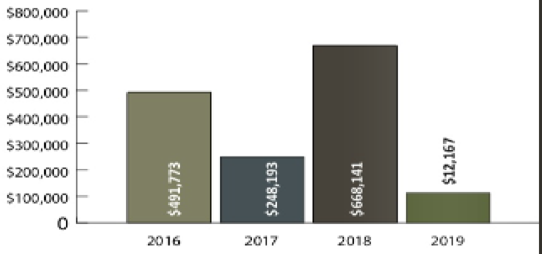
	ACTUAL	BUDGET	VARIANCE
Income			
Rental Revenue	$1,382,389	$1,434,443	$(52,056)
Service Revenue	$ 932,339	$ 870,669	$ 61,670
Ancillary Revenue	$5,473,370	$5,241,823	$ 231,548
Other Revenue	$ 104,427	$ 56,000	$ 48,427
Total Gross Operating Revenue	**$7,892,525**	**$7,602,937**	**$ 289,589**
Expenses			
Event Expenses	$ 2,279823	$2,113,330	$(166,493)
Personnel	$3,667,180	$3,629,054	$ (38,126)
Operating Expenses	$1,832,817	$1,760,015	$ (72.803)
Total Expenses	**$7,779,820**	**$7,502,399**	**($277,421)**
Net Income (Loss)	**$ 112,705**	**$ 100,538**	**$ 12,167**

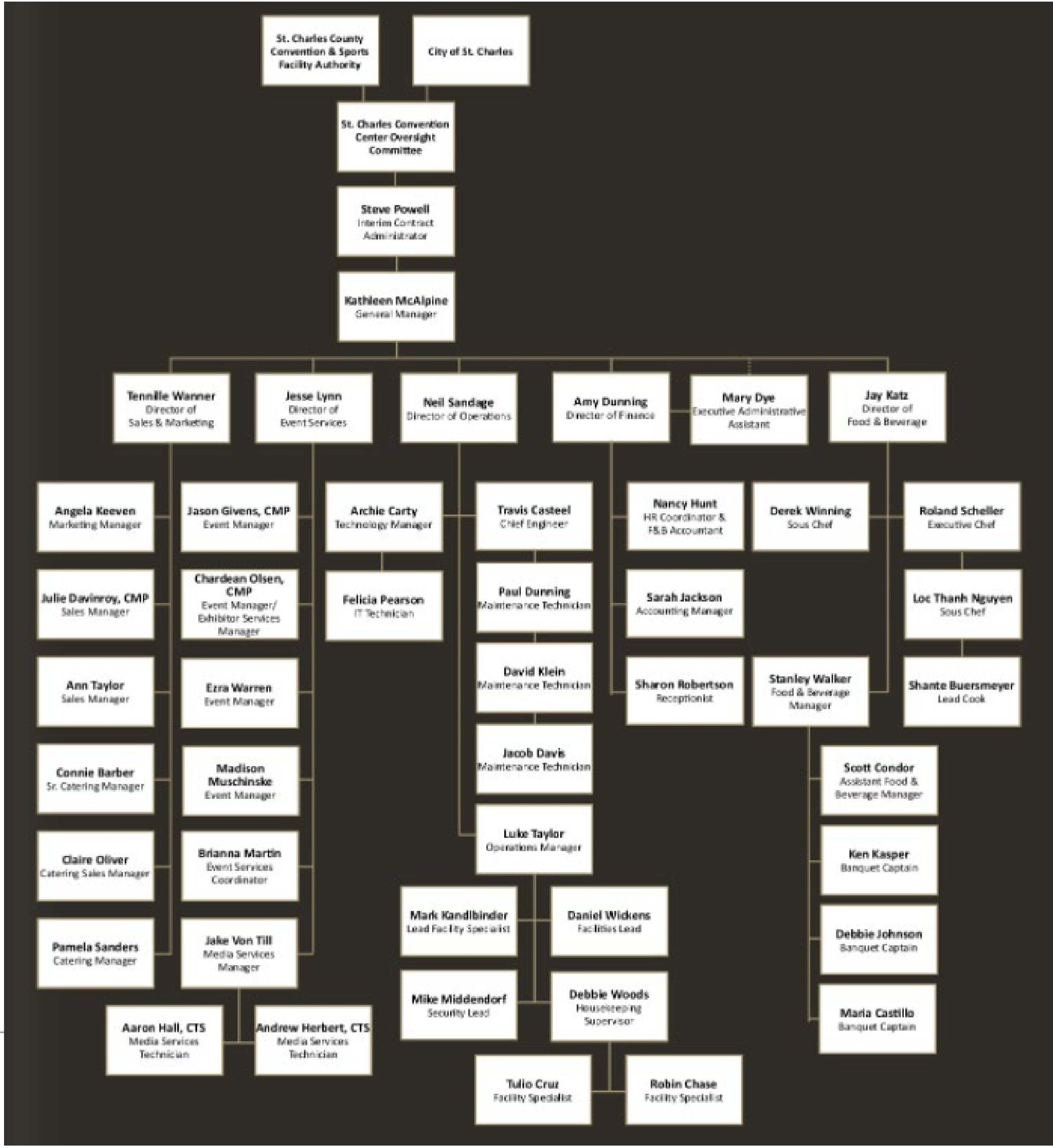
Spectra's trend of surpassing budgeted financial expectations continued in 2019. For the ninth year in a row Spectra operated the St. Charles Convention Center at a net profit.

Gross Revenue Four Year History



Net Income Four Year History





National Comparable Case Studies

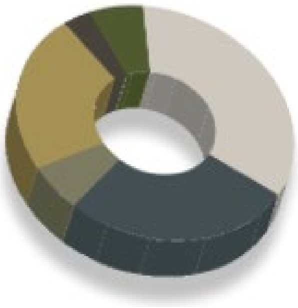
St. Charles Convention Center – St. Charles, MO, Cont.

2019 Market Segments (from 2019 Annual Report)

EVENTS BY TYPE

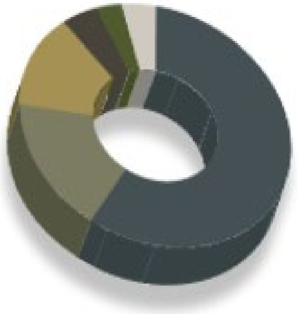
Event Type	# of Events	Percentage
Banquet	50	26%
Consumer Show	25	13%
Convention	29	11%
Meeting	66	34%
Special Event	16	8%
Trade Show	16	8%
Total:	193	

ATTENDANCE BY TYPE



Event Type	Attendance #	Percentage
Banquet	21,158	7%
Consumer Show	109,512	34%
Convention	88,404	27%
Meeting	19,390	6%
Special Event	72,609	23%
Trade Show	11,061	3%
Total:	322,134	

ROOM NIGHTS BY TYPE



Event Type	Room Nights	Percentage
Banquet	870	3%
Consumer Show	1,085	5%
Convention	15,181	58%
Meeting	4,419	17%
Special Event	3,505	13%
Trade Show	1,230	4%
Total:	26,290	

EVENT GROSS REVENUE

Event Type	Gross Revenue	Percentage
Banquet	$1,440,557	18%
Consumer Show	$1,095,784	14%
Convention	$2,487,559	32%
Meeting	$1,308,081	17%
Special Event	$718,579	9%
Trade Show	$737,538	10%
Total:	$7,788,098	

Implications

The facility inventories for arts facilities, event facilities, and hotels in the Greater Atlanta metro area reveals that, in line with the anecdotal evidence that was gathered in the community engagement process, there is a market opportunity for a convention center and hotel property in DeKalb County. Although there are a significant number of event facilities across the region, the size and growth trajectory of DeKalb County is sufficient to support these facilities, with the exception of a performing arts venue. In addition, there is a notable shortage of meeting and event facilities within the County itself. The magnitude of this shortage will impact the size recommendation for the new facilities, which will be addressed in the following sections of this report.

The case studies demonstrate the various models that can be pursued among convention and event center facilities. In terms of the program of these facilities, they primarily focus on large meetings and conventions. Each facility was conceptualized in order to serve the needs of the community and market area within which they operate, providing event spaces without replicating or cannibalizing demand from the other existing facilities in the market. These facilities host hundreds of events that draw tens or even hundreds of thousands of attendees each year and have a wide array of financial models that are employed to fund capital and operational expenses. These facilities do not typically generate large operating profits – in fact, many require non-operating revenue to balance their operating budgets, which can come in the form of public subsidy, grants, or private contributions. There are economies to be gained by co-locating convention center and hotel facilities from development and financing strategy, and with a well-thought-out rental rate structure, robust sales and marketing operation, and additional ancillary revenue streams, the need for operating subsidy can be minimized. Overall, the case study facilities provide examples of where these types of facilities have been developed in other similar markets and provide a window within which DeKalb County's proposed convention center could expect to operate.

Another current and important trend going forward is the location of convention facilities as part of mixed-use developments with high-quality amenities that are walkable and connected to the outdoors. This is what has made both Avalon in Alpharetta and City Springs in Sandy Springs very attractive from a planner and user perspective. This has also influenced the mixed-use developments in and around the mixed-use districts in Cobb County, which has the Cumberland Sweep, a $44M, 3-mile multimodal bike and pedestrian trail connecting various attractions in the Cumberland commercial district, that includes the convention center.

There are several site options in DeKalb County that can offer the opportunity to have the convention center be part of a mixed-use district and the one that offers the most viability and dynamism should be a top priority for future success.

Section 6

Program, Demand & Financial Projections

JOHNSON CONSULTING

Facility Programming

Introduction

In this section, the Consulting Team details the rationale that supports the project's feasibility from a market and demand perspective, the detailed program of spaces within the recommended facility, and the potential sites on which the facility could be located. These recommendations are based on the observations, analysis, and conclusions in the preceding sections of this report, which will be summarized in order to provide a coherent rationale for the facility-related recommendations. These recommendations will also be used as the basis for the operational and financial projections, as well as the economic and fiscal impacts, which are all provided later in this section.


Alpharetta Conference Center & Hotel at Avalon


Gas South District

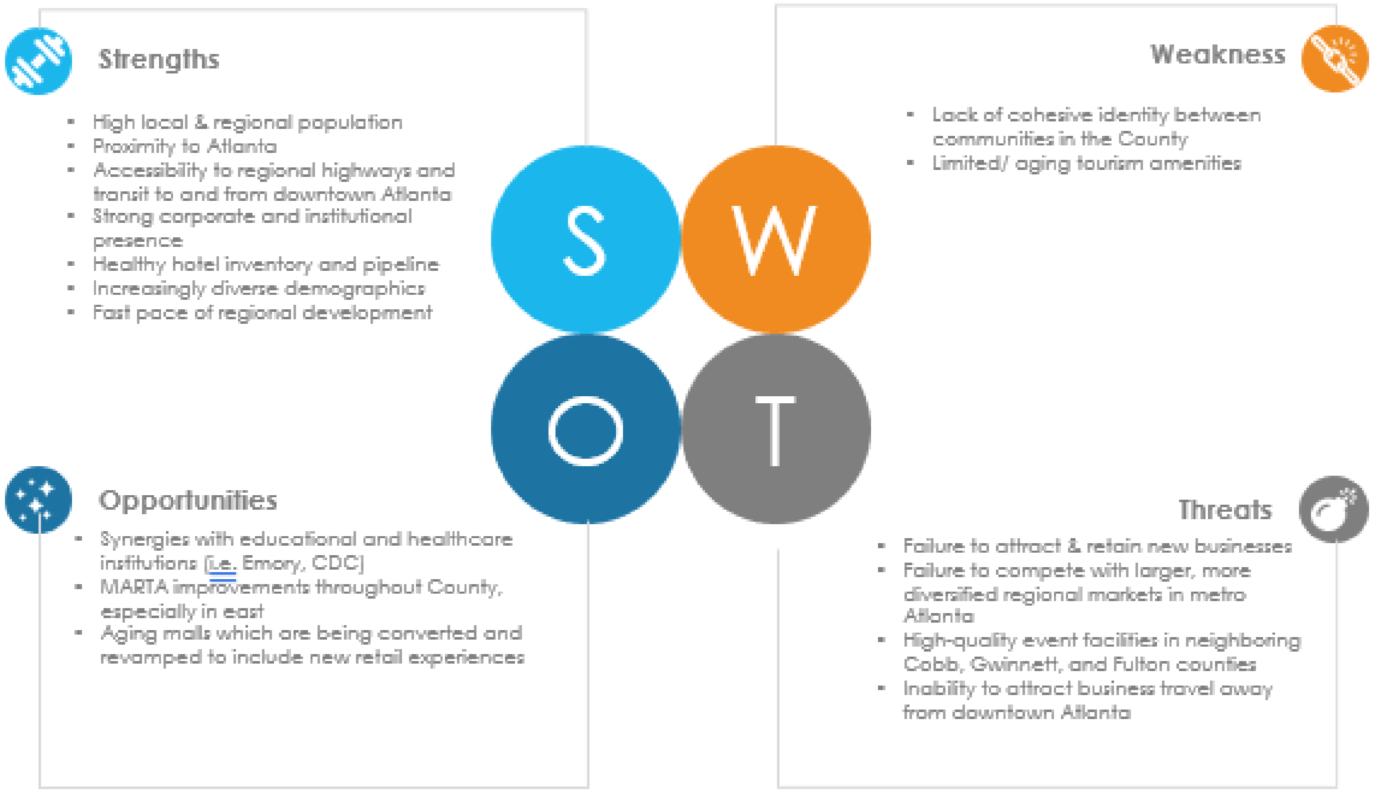
Strategic Recommendations

JOHNSON
CONSULTING

Strategic Recommendations

Market Rationale

The rationale that supports the feasibility of the proposed DeKalb County Convention Center from a market perspective can be summarized by the figure to the right, which pulls from the most salient observations and conclusions in the preceding sections of this report. The graphic sorts these points into a “SWOT” analysis, which outlines the market’s strengths, weaknesses, opportunities, and threats in the context of the proposed development of a convention center in DeKalb. As shown, there are a number of existing strengths that support the project’s market viability, as well as several opportunities which could come to fruition if the project is executed properly. There are also a few threats to market viability if the project is not properly executed, as well as some existing weaknesses in the market. Some of these considerations, like hotel supply and demand, facility supply and demand, and community interest, are heavily intertwined with the development of the project, while others rely more on other independent, overarching economic factors. Overall, the project’s feasibility from a market-driven perspective is favorable in the opinion of the Consulting Team.



Strategic Recommendations

Performing Arts Center Recommendations

Through our interviews and research, it is not recommended at this time to proceed with the development of a purpose-built performing arts center as part of the convention center complex. The Atlanta Metro area has one of the Country's strongest inventories of live entertainment and performing arts facilities in the country. In our meetings with area arts organizations, it was indicated the the current inventory of facilities in the County is sufficient for arts programming now and going forward and that any additional facilities would face a challenge due to the competitive operating environment.

It was also indicated that there is more capacity for additional programming and use of the County owned 500-seat Porter Sanford Theater, which also includes a 100-seat black box theater. Ensuring that this county asset is as highly utilized as possible should be a priority.

Other observations include additional smaller performance facilities being developed by the private sector to support live entertainment and music performances, like the proposed small entertainment venue proposed at the Mall at Stonecrest.


Porter Sanford – Exterior


Porter Sanford – Interior

Strategic Recommendations

Convention Center Rationale

Local Events: Through interviews, surveys, and outreach, it was made evident that there are a number of events already existing in the DeKalb County community and surrounding areas that could be attracted to a new convention center. These events are currently being held in a variety of other facilities throughout the area that are able to accommodate some of the event-related needs, but often underaccommodate in some respect, whether it be the size, configuration, location, or aesthetics of the facility, or the quality or scope of the services offered by the facility. These events are hosted by a variety of user types, including corporate, non-profit, and Social, Military, Education, Religious, Fraternal and Ethnic (SMERFE) users. The mid-size and large events from these users must leave the county to host their event or can't locate their event in the County due to a lack of facilities.

A new facility also tends to lead to the proliferation of additional events in the local area that spring up as a result of having an attractive facility to be held in. Ultimately, local events are events for which the event planner or host organization wants to hold the event in DeKalb County but is restricted by the limited inventory of event facilities in which the event can be hosted. This is further amplified by the unanimous agreement by local and regional event planners during a focus group that a facility for DeKalb County is needed and would be attractive for their events. This is further supported by the results of our survey work highlighted in the prior section of this report.

Strategic Recommendations

Convention Center Rationale

Regional, State, and National Events: The convention, conference, and meetings industry consists of a large universe of events that rotate to various locations on a regular basis. Common demand segments in this industry are corporate, association, non-profit, and social, military, educational, religious, fraternal, and ethnic (SMERFE), among others. Discover DeKalb has expressed that they receive Requests for Proposals (RFPs) for these and other events that can oftentimes not be converted due to the lack of an appropriate event facility in in the County. See below table for more information.

Lost Business: The table below outlines lost business data from Discover DeKalb. This does not include events that do not even consider DeKalb County for their events since they know there aren't currently facilities that can accommodate their events. This is true at a local, regional and national level. Although it would take a talented sales and marketing team time to build this business since it's not currently active in a major way, a new convention center would allow a greater number of these leads to be converted and to help introduce the County and the proposed convention center to a much larger regional and national audience.

DeKalb County Lost Business					
	2016	2017	2018	2019	Total
# of Events	17	55	49	25	146
Event Days	78	207	196	105	586
Attendance	5,060	6,210	0	0	11,270
Requested Rooms	4,884	14,713	19,970	14,321	53,888

Source: Discover DeKalb

Partnerships: A successful operation for the proposed DeKalb County Convention Center should leverage partnerships with nearby corporations, educational institutions, and other entities to attract these types of events, as well as DeKalb County's destination appeal that stems from its attractive outdoor offerings and anchored by institutions such as the Arabia Mountain National Heritage Area and Stone Mountain Park. DeKalb County hotels are strong in their offerings but in smaller clusters throughout the County, but the presence of a convention center can help to foster synergies between event activity and demand for hotel rooms throughout the entire county through the compression of hotel rooms demand for medium and large events. Ultimately, these are events that would need to be attracted to DeKalb County, which is accomplished by 1) having an attractive event facility in DeKalb County, 2) having a sophisticated sales and marketing operation to sell the facility and 3) locating the facility in the most attractive setting in terms of sizing, location, and programming,

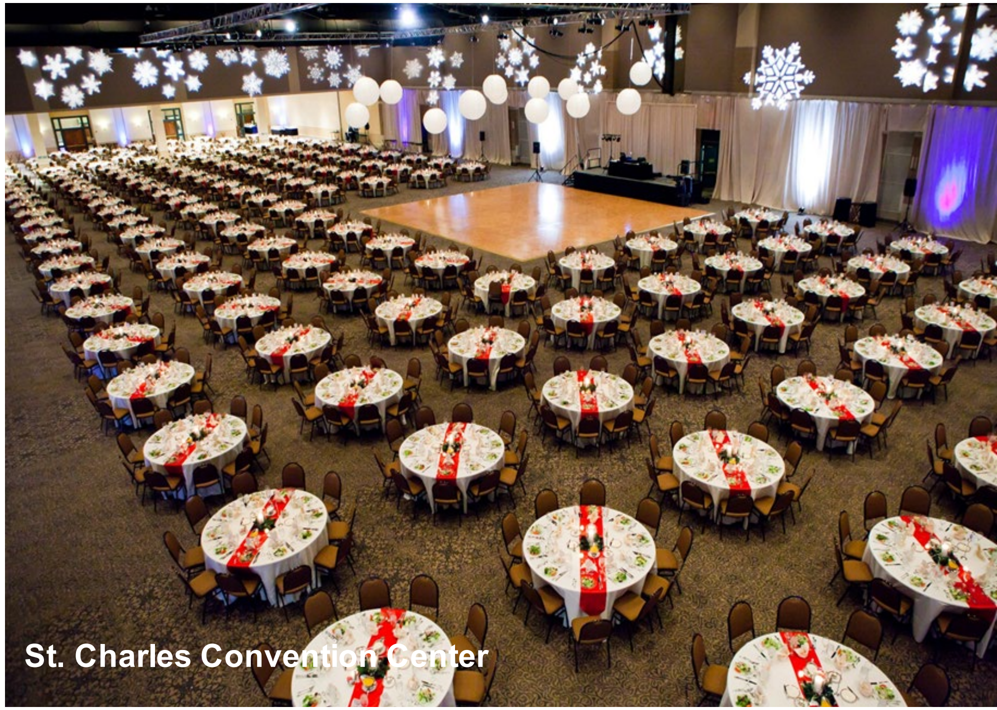
Strategic Recommendations

Facility Recommendations – Phase I

The recommended Phase I facility, in the judgement of the Consulting Team, is currently supportable in DeKalb County. The Phase I facility is conceptualized as the "bare minimum," or as the most cost-conscious facility that still makes sense from a market and demand perspective. It is intended to serve the majority of the locally, regionally, and nationally driven meeting & events demand. The Phase I facility should be designed in a way that allows for future expansion to Phase II.

Multipurpose Hall

- 50,000 SF of mid- to high-quality space.
- Ability to accommodate a wide variety of users and event types, including conventions, trade shows, exhibitions, banquets, consumer shows, and conferences, by being highly divisible with flexible configurations such as theater, classroom, reception, and banquet.
- Can accommodate events with lower attendances that have socially distanced configurations in the near-term, while allowing for events with higher attendances in the long-term as the pandemic subsides, the economic recovery continues, and DeKalb County continues to build its profile as a destination for meetings and events.
- Easy access to loading docks for load in and load out of events with exhibits or other event types with significant loading requirements.


St. Charles Convention Center

Strategic Recommendations

Facility Recommendations – Phase I, Cont'd.

Ballroom

- 25,000 SF of high-quality space.
- Serves in tandem with the Multipurpose Hall, allowing for larger conventions and exhibitions to have exhibits in the Multipurpose Hall with seated banquet functions or general sessions in the ballroom, as well as for banquet-only type events.

Black Box Theatre

- 6,000 SF in total.
- Approximately 250 seats.
- Allows for intimate performances and shows, and small meetings and other events.

Meeting Rooms

- 14,000 SF in total.
- 8-10 rooms of varying sizes and technical/ infrastructure capabilities, ensuring that the individual needs of the groups are met while still allowing for flexibility.


Cobb Galleria Centre

Strategic Recommendations

Facility Recommendations – Phase II

The Phase II recommendations are conceptualized as the “aspirational” future possibilities for this type of facility in DeKalb County. These facility components, in the judgement of the Consulting Team, cannot be confirmed to be supportable from a development cost perspective at the present time, but will likely become viable as the economic recovery trajectory becomes clearer, fundraising efforts can begin, and the Longmont community and greater Atlanta region continue to grow rapidly. Phase II elements are a menu of possible opportunities that could be added all at once or one at a time as the Phase I facility’s performance is evaluated in conjunction with market, demand, and financial considerations.

Exhibit Hall Expansion

- 50,000 SF of high-quality space. This is in addition to the 50,000 SF from Phase I, and would effectively double the exhibit hall on site.
- This addition would allow for larger conventions and exhibitions, and greater flexibility to hold events of various sizes in the facility.

Hotel

- 200 - 300 room, full-service hotel.
- Increases the attractiveness of the event center to larger conventions, conferences, and exhibitions dramatically.
- Could be highly integrated, both physically and operationally with the Phase I Ballroom, Multipurpose Hall, and Meeting Rooms. All of these elements serve as incentives to hotel developers that could be critical in attracting them to DeKalb County.
- Could be an attractive facility for future partnerships with hospitality and culinary programs at area colleges and universities.
- Feasibility is contingent upon the hotel market performance improving in DeKalb County over the course of the next few years, as the market is arguably not currently strong enough to support such a development – for this reason, the hotel is not included in the Phase I demand and operating projections.

Strategic Recommendations

Funding Strategy – Under Development

There are a multitude of ways to finance these types of facilities, including issuing municipal bonds, redirecting a portion of general fund revenues, increasing or imposing additional local taxes (sales taxes, lodging taxes, food and beverage taxes, or property taxes), creating a special taxing district around the facility (TIF, BID, etc.), and public private partnerships, among others. This section focuses on potential funding strategies that are specific to this project, and the location of the proposed facility, in particular.

There are a few existing types of development incentives at play in the area for this type of project, which could offer varying types of support in the form of capital and/or operational funding. This research is ongoing, as the Consulting Team discusses opportunities with stakeholders and conducts research on the latest methods for funding these types of facilities. A few well-known incentives include:

- Qualified Opportunity Zones (QOZ)
- Urban Renewal Areas (URA)
- TBD

Summary - Schedule of Areas

Net Leasable Area

The program recommendation of 95,000 square feet net leasable convention floor area yields a total gross floor area (GFA) of approximately 213,400 SF for the venue. This is a ratio of 2.25 net area to gross area, which is consistent with recently constructed venues of similar size and complexity. The recommended GFA includes circulation space such as lobbies and prefunction, service and support spaces, a banquet kitchen and administrative offices.

Parking

Current county parking regulations require 1 parking space for every 40 square feet of the largest assembly space. This yields a requirement of 1250 spaces for the venue, and approximately 412,500 square feet of area to accommodate. This can be accommodated with a combination of surface parking and structured parking.

Category				Category Total SF	Percent of Total GFA
MULTIPURPOSE HALL				50,000	23.43%
	Hall A		21300		
	Hall B		21300		
	Flex Corridor		7400		
MEETING & BANQUET				45,000	21.09%
	Ballroom		25,000		
	Meeting Rooms		14,000		
	Black Box Theater		6,000		
PUBLIC CIRCULATION				40,000	18.74%
	Lobbies		12,000		
	Ballroom Prefunction		6,250		
	Registration Hall		5,000		
	Concourse / Other		16,750		
SUPPORT (FRONT OF HOUSE)				8000	3.75%
SERVICE (BACK OF HOUSE)				56,000	26.24%
FOOD SERVICE				8000	3.75%
VENUE MANAGEMENT				6400	3.00%
Total GFA				**213,400**	**100.00%**
Parking	1 per 40SF Hall	1,250 spaces		412,500	
Total BUA				**625,900**	

Detailed Program

DEKALB COUNTY CONVENTION CENTER

SUMMARY SCHEDULE OF AREAS

Category					Category Total SF	Percent of Total GFA
MULTIPURPOSE HALL					50,000	23.43%
	Hall A			21300		
		MP-A1	7100			
		MP-A2	7100			
		MP-A3	7100			
	Hall B			21300		
		MP-B1	7100			
		MP-B2	7100			
		MP-B3	7100			
	Flex Corridor			7400		

Category	Space Type	Unit/Subdivision			Category Total	Percent of Total
MEETING & BANQUET					45,000	21.09%
	Ballroom			25,000		
		BR-A	12500			
		BR-B1	6250			
		BR-B2	6250			
	Meeting Rooms			14,000		
		MR-1	1750			
		MR-2	1750			
		MR-3	1750			
		MR-4	1750			
		MR-5	1750			
		MR-6	1750			
		MR-7	1750			
		MR-8	1750			
	Black Box Theater			6,000		

Category	Space Type	Unit/Subdivision		Category Total	Percent of Total
PUBLIC CIRCULATION				40,000	18.74%
	Lobbies		12,000		
	Ballroom Prefunction		6,250		
	Registration Hall		5,000		
	Concourse / Other		16,750		

Category	Space Type	Unit/Subdivision	Category Total	Percent of Total
SUPPORT (FRONT OF HOUSE)			8000	3.75%
	Show Managers Offices			
	Help Desk			
	Business Center			
	Coat Check/Box Office			
	Public Restrooms			
	Prayer Room			
	Mothers Room			
	First Aid Room			

Category	Space Type	Unit/Subdivision	Category Total	Percent of Total
SERVICE (BACK OF HOUSE)			56,000	26.24%
	Loading Dock			
	Compactor/Recycling			
	Dock Office			
	Security Office			
	Receiving and Warehouse			
	Storage			
		General Building		
		Black Box Theater		
		Meeting/Banquet		
		Operable Wall		
	Pyrotechnics Room			
	Service Contractors Offices			
	Central Recording Room			
	Audiovisual / Sound Recording Room			
	Translation Booths			
	Dressing Rooms			
	Green Room			
	Engineering & Maintenance Shops			
		Electrical		
		Plumbers & Pipfitters		
		Building Trades		
		Landscape Maintenance		
	Staffing Office			
	Uniform Issue			
	Employee Locker Rooms			
	Employee Break Rooms			
	Housekeeping/Janitorial			
	BOH Service Corridors			
	Data Services Room			
	Main Telephone Room			
	Technology Closets			
	Electrical Rooms			
	Air Handling Rooms			
	District Utility Services			
	Central Plant			
	Emergency Generator Rooms			
	BOH Circulation			

Category	Space Type	Unit/Subdivision	Category Total	Percent of Total
FOOD SERVICE			8000	3.75%
	Food Service Dock			
	Receiving Office			
	Commissary			
	Full Service Banquet Kitchen			
	Food Services Operations Offices			
	Chef's Table / Tasting Room			
	Concessions			
	Pantry / Set-up Alcoves			
	Storage			
	FS Locker / Breifing Room			
	FS Staff Toiletroom			
	Executive Marketing Offices			

Category	Space Type	Unit/Subdivision	Category Total	Percent of Total
VENUE MANAGEMENT			6400	3.00%
	Reception			
	Director			
	Enclosed Offices			
	Open Offices			
	Conference Room			
	Break Room			
	Restrooms			
	Workroom			
	Filing, Storage & Supplies			
	Data Services			
	Secured Money			
	Circulation			

Total GFA			**213,400**	**100.00%**
Parking	1 per 40SF Hall	1,250 spaces	412,500	
Total BUA			**625,900**	

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Site Analysis

JOHNSON CONSULTING

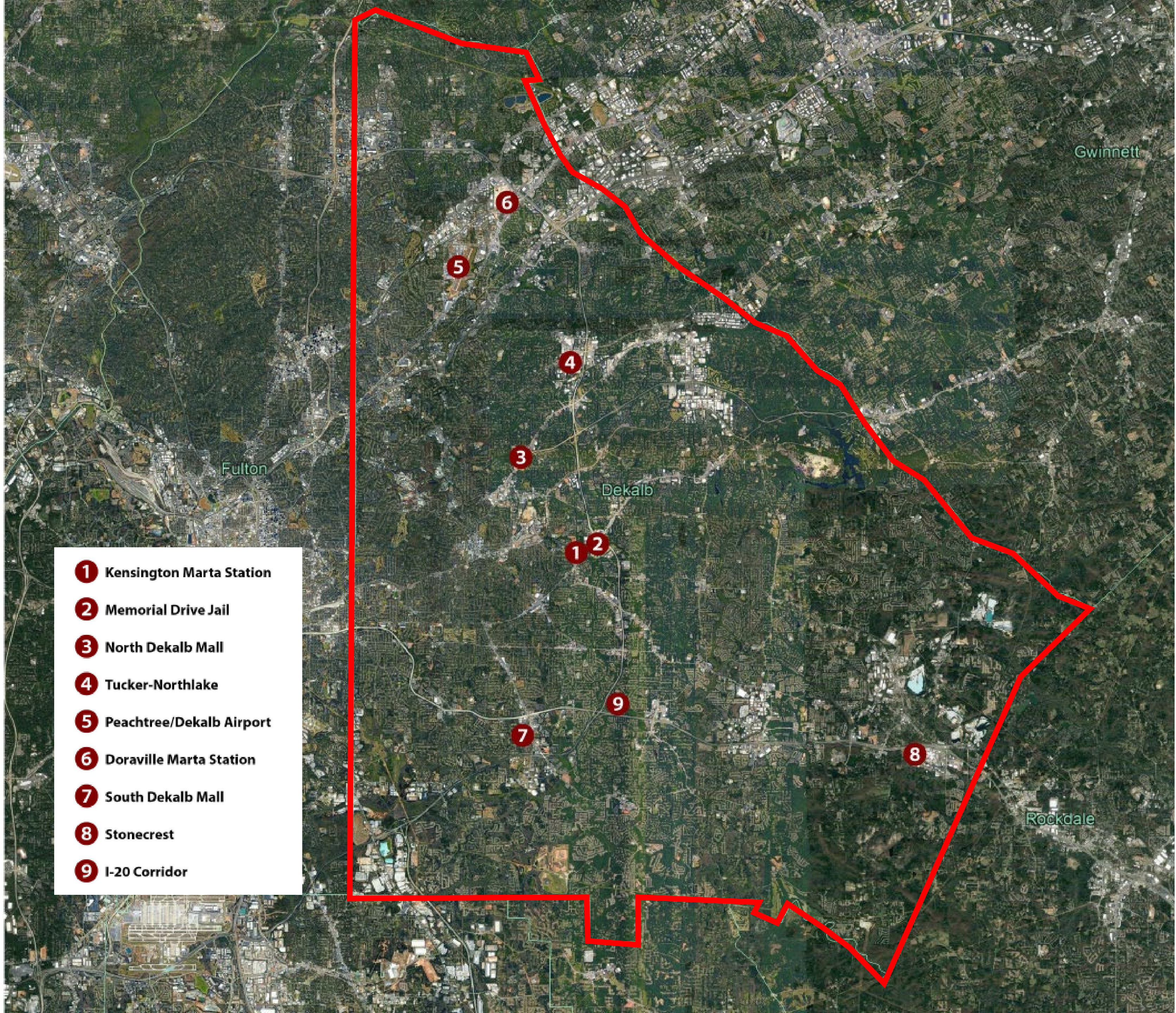
Site Evaluation

Site Selection Criteria / Matrix

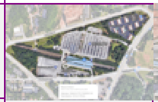
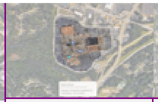
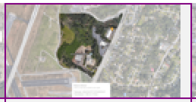
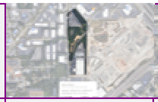
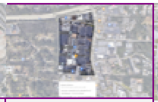
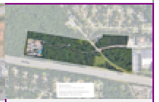
A survey of locations for the proposed venue was conducted across DeKalb County with priority given to locations within unincorporated DeKalb with at least 20 acres of land available for development. The survey included over a dozen sites which was narrowed down to nine sites for further evaluation.

The following matrix ranks each of the nine sites based on 24 criteria that are critical to the development and operational effectiveness of a convention center. The criteria includes both internal site characteristics such as topography/complexity and external neighborhood characteristics such as hotel access and neighborhood ambiance. Association Executives and Management Companies were surveyed for their site preferences, and the survey results were given more weight than any other evaluation criteria.

Of the nine sites, the top five scoring sites were selected for further site analysis and functional layout test fits.



SITE EVALUATION MATRIX

EVALUATION CRITERIA		POTENTIAL SITE AREA								
		1	2	3	4	5	6	7	8	9
		Kensington Marta Station	Memorial Drive / I-285	North Dekalb Mall	Northlake Festival	PDK Airport	Doraville Assembly	South Dekalb Mall	Stonecrest	I-20 Corridor
Site Configuration										
A	Site Imagery									
B	Potential Acreage Available	44	70	41	62	61	28	71	28	71
	Area Score - 0-30, 30-60, or above 60 acres	●●	●●●	●●	●●●	●●●	●	●●●	●	●●●
Neighborhood Characteristics										
C	Proximity to Existing Quality Hotels	●●	●●	●●●	●●●	●●	●●	●	●●	●
D	Proximity to Supportive Land Uses	●	●	●●	●●	●●	●●	●●	●●	●
E	Opportunities for Collateral Development	●●	●●	●●	●●	●●	●●●	●●●	●●	●●
F	Pedestrian Access / Walkability	●	●	●	●	●	●	●	●	●
H	Proximity to Retail & Restaurants	●	●	●●	●●	●●●	●●	●●	●●	●
I	Proximity to an Urban Core	●	●	●	●	●	●	●	●	●
J	Proximity to Downtown Atlanta	●●	●●	●●	●	●	●	●●	●	●●
K	Proximity to ATL Airport	●●	●●	●●	●	●	●	●●●	●●	●●●
L	Proximity to Tourist Attractions / Entertainment	●	●	●●	●●	●●●	●●	●	●●●	●
M	Proximity to Public Transportation - Marta Rail	●●●	●●●	●	●	●	●●●	●	●	●
N	Proximity to Major Road Network / Truck Route	●●	●●●	●●	●●●	●●●	●●●	●●●	●●●	●●●

LEGEND	
⊗	N/A
●	Concern
●●	Neutral
●●●	Good

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SITE EVALUATION MATRIX

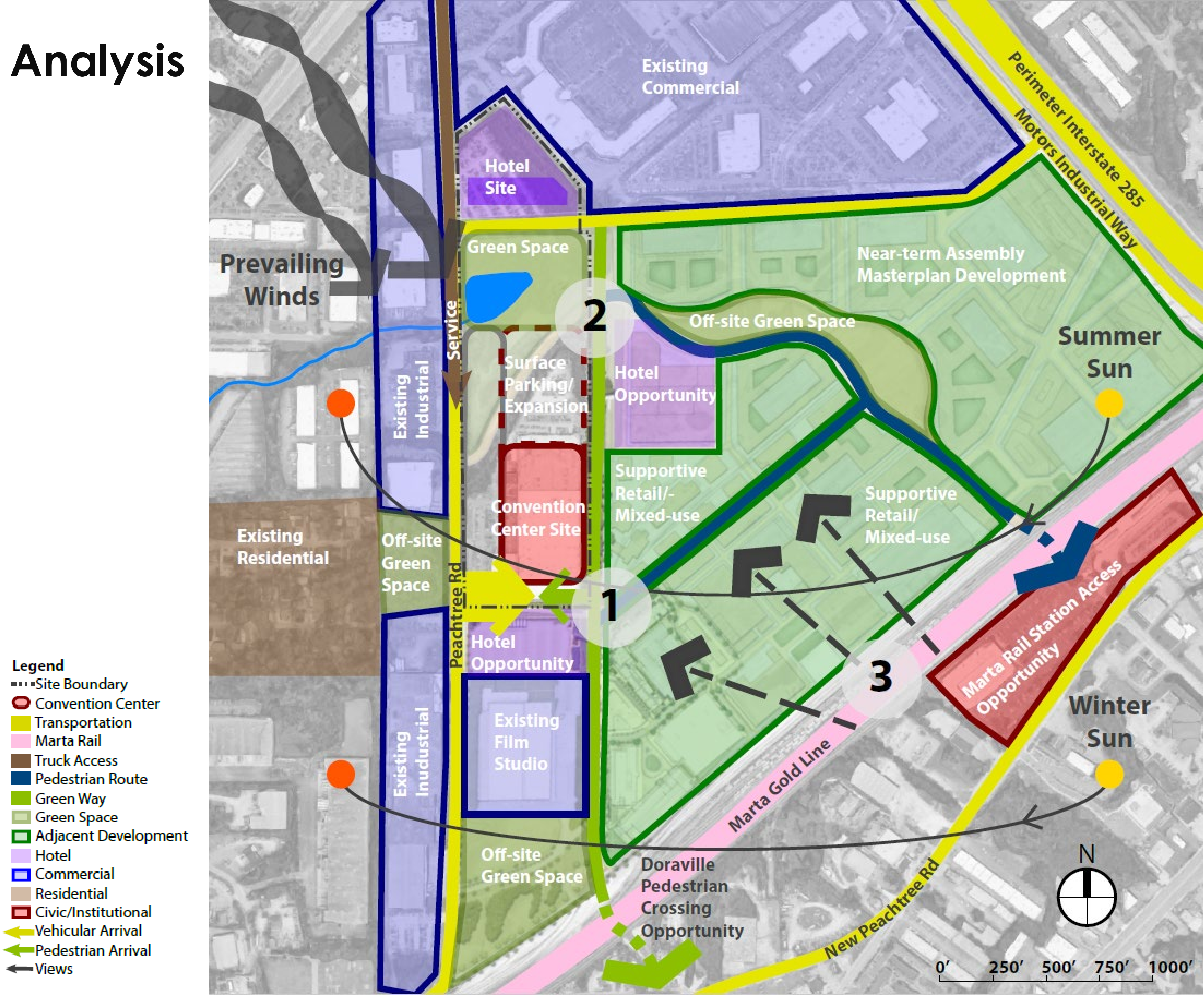
		POTENTIAL SITE AREA								
		1	2	3	4	5	6	7	8	9
EVALUATION CRITERIA		Kensington Marta Station	Memorial Drive / I-285	North Dekalb Mall	Northlake Festival	PDK Airport	Doraville Assembly	South Dekalb Mall	Stonecrest	I-20 Corridor
Site Analysis										
Q	Demolition & Site Preparation	●●	●	●	●	●●●	●●●	●	●●	●●
R	Complex Site Constraints (ie. Size / Shape)	●	●●	●●●	●	●●●	●●	●●●	●●	●●
S	Topography	●●	●	●●●	●●●	●●	●●●	●●●	●●	●
T	Desirable Ambiance	●●	●	●●●	●●●	●●●	●●	●●	●●	●
U	Noise Levels	●●	●	●●	●●	●●	●●	●●	●	●
V	Parking Availability	●●●	●●	●●●	●●	●●	●●●	●●●	●●	●
W	Existing Traffic Conditions	●●	●●	●●	●	●●●	●●	●●	●●	●●
X	Integration Potential with Current Masterplan/ Neighborhood	●	●	●●	●	●●	●●	●	●●	●●
Y	Site in Unicorporated Dekalb County - No 1 / Yes 3	●●●	●●●	●●●	●●●	●	●	●●●	●●●	●●●
Z	Issues with Land Ownership - Yes 1 / Uncertain 2 / No 3	●●	●●●	●	●●	●●●	●●●	●●	●●	●●
Meeting Planner Location Preference (Weighted 3x)										
AA	Georgia Society of Association Executives - First choice: 0-10% 1 / 10-30% 2 / +40%	●●	●●	●	●●	●	●●●	●	●	●●
AB	Association and Trade Organization Management Companies - First choice: 0-10% 1 / 10-30% 2 / +40%	●	●	●●	●●	●●	●●●	●	●●	●●
TOTAL SCORE		49	48	54	53	56	63	51	50	49

LEGEND	
⊗	N/A
●	Concern
●●	Neutral
●●●	Good

Doraville Assembly – Site Analysis

Orientation Priorities

1. Arrival / Center of Gravity at Boulevard and Rails to Trails Intersection
2. Connect Green Space and Watershed to Masterplan
3. Visibilty from Elevated Marta Rail



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Doraville Assembly

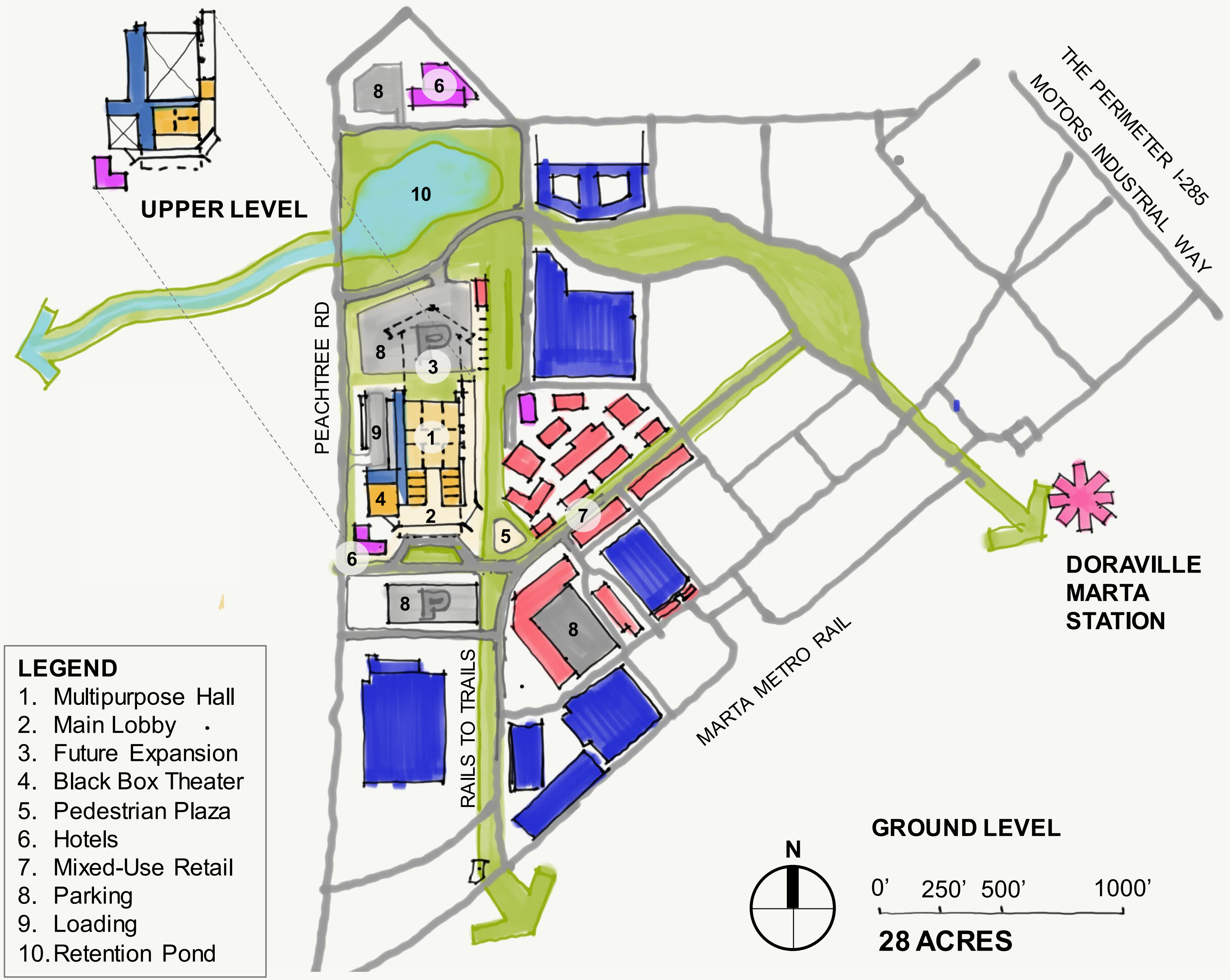
Site Evaluation Ranking No. 1 (63 points)

The former GM assembly site in Doraville is the preferred site for Association Executives and Meeting Planners surveyed. The density and ambiance of the mixed-use development lends itself to pedestrian walkability and mass transit use and should result in attracting and retaining visitors. The film studios and industrial legacy of the Assembly site offer visitors a unique experience within the development. The close proximity to international food and shopping along Buford Highway, and the nearby existing hotel stock increases the attractiveness of this location.

The test-fit of the convention center functional layout demonstrates the site can be utilized to accommodate the desired program, within a limited site geometry that may be reliant on off-site parking and/or structured decks.

PROS:
- Unique offering
- Pedestrian density
- Public Transit

CONS:
- Limited site area
- Somewhat secluded
- Topographical challenge

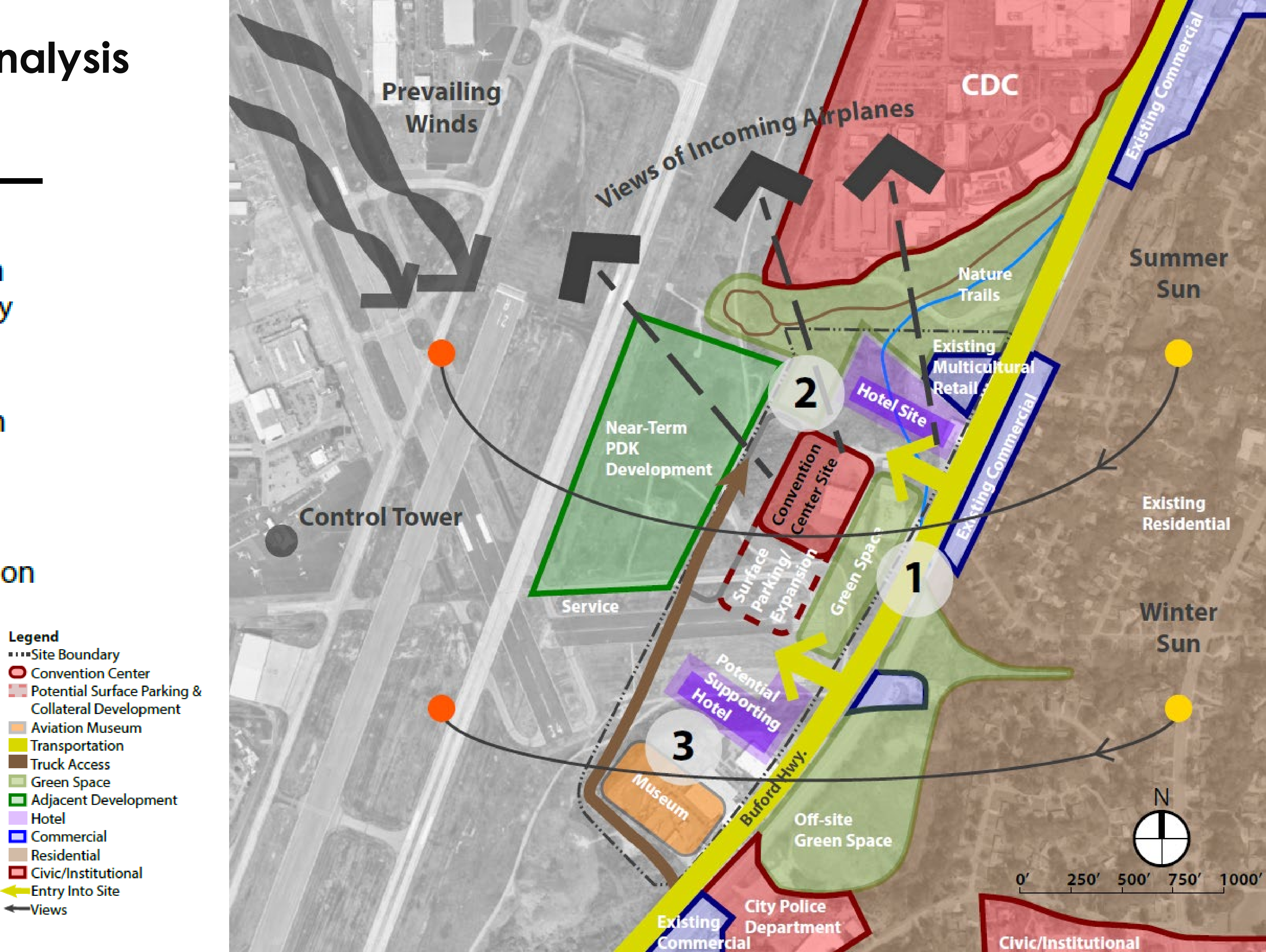


LEGEND
1. Multipurpose Hall
2. Main Lobby
3. Future Expansion
4. Black Box Theater
5. Pedestrian Plaza
6. Hotels
7. Mixed-Use Retail
8. Parking
9. Loading
10. Retention Pond

PDK Airport – Site Analysis

Orientation Priorities

1. Visibility & Approach from Buford Highway
2. Connection to Green Space & Views
3. Connection to Aviation Museum



PDK Airport

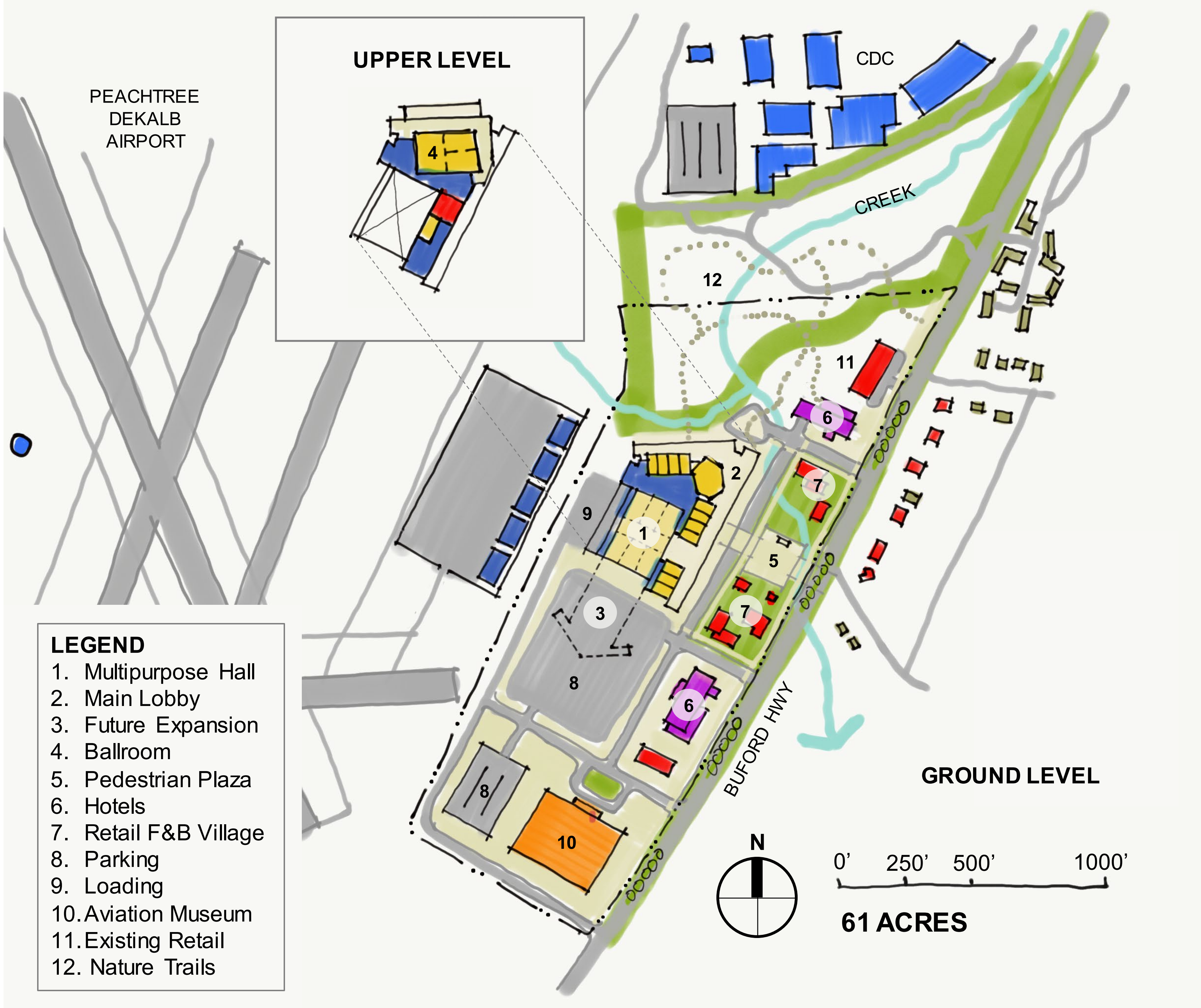
Site Evaluation Ranking No. 2 (56 points)

The Peachtree DeKalb Airport site includes several features unique to this location. The Buford Highway address offers four unique cultural food choices in the existing retail building (no. 11). Views toward the airport landing strip and shared nature trails offer visitors multiple recreational activities and a potential alternative for airlift. The opportunity exists to align with the PDK masterplan and co-locate the PDK Aviation Museum with the new Convention Center and Hotel. Additional opportunities exist to enhance the streetscape along Buford Highway and create a pedestrian oriented cultural food district adjacent to the proposed venue.

The nature trails and creek although beautiful presents a challenge due to the topography. Existing county facilities on-site would require relocation. Hotels would need to be built as existing hotel stock is very limited near the site.

PROS:
- Multicultural
- Unique offering
- Nature trails

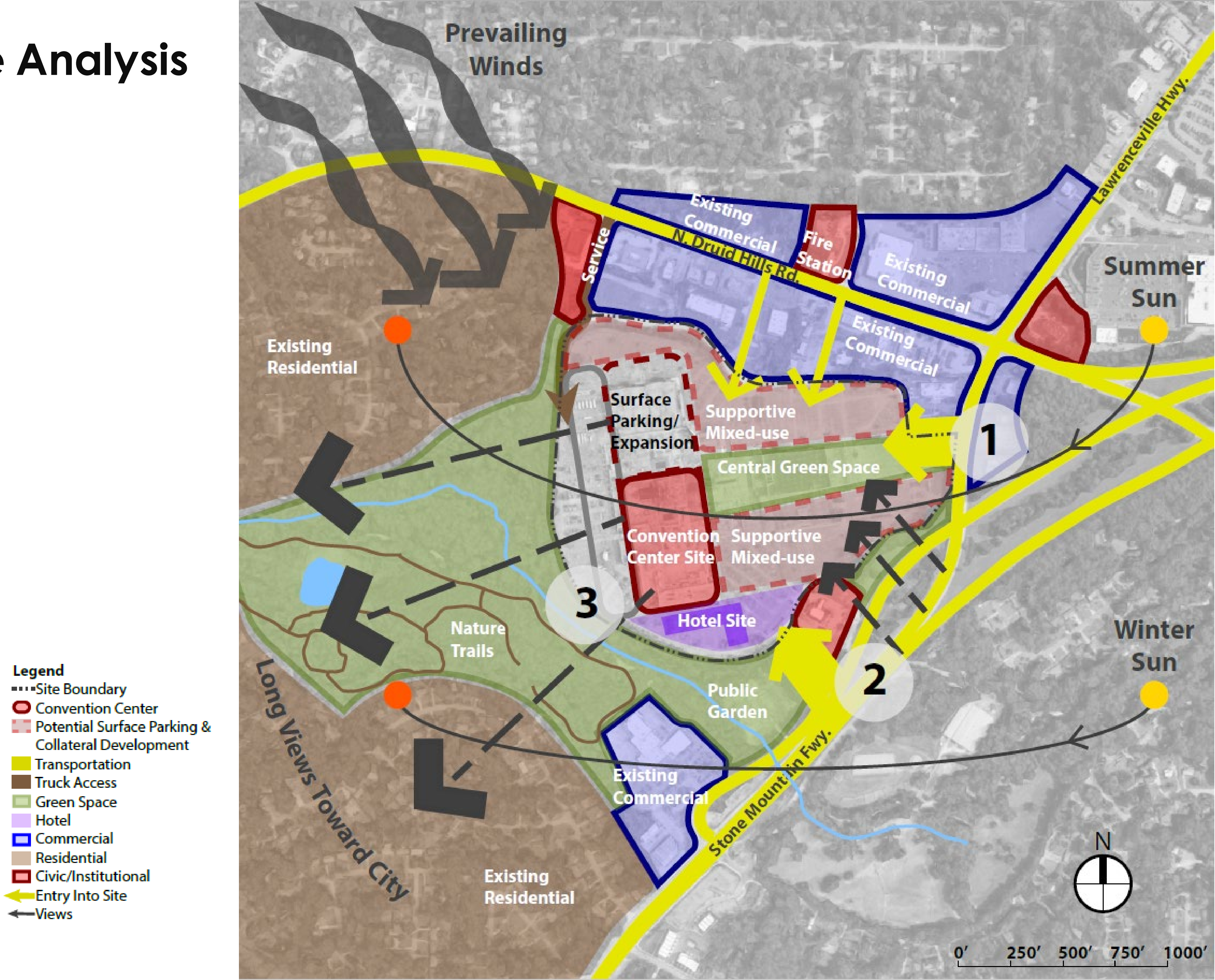
CONS:
- Limited hotels
- Topographical challenge
- Relocate county services



North Dekalb Mall – Site Analysis

Orientation Priorities

1. Strengthen Main Entrance/Promenade
2. Visibility from Highway
3. Connection to Nature Trails and Views



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North Dekalb Mall

Site Evaluation Ranking No. 3 (54 points)

Of the three shopping mall sites under consideration North DeKalb Mall ranks highest. Well inside the Perimeter, this location benefits from better proximity to tourist sites in Atlanta / Decatur and its proximity to Emory University. The site is adjacent to a nature preserve with trails. There is an opportunity to create a new mixed-use district within the mall site to support both the convention center program and stimulate existing commercial development adjacent to the site. Plenty of land is available for on site parking.

Due to the somewhat homogenous nature of the area, a new supporting mixed-use development and connection to the nature preserve is essential to create a desirable location.

PROS:

- Proximity to Atlanta
- Nature trails

CONS:

- Homogenous Character
- Limited public transit

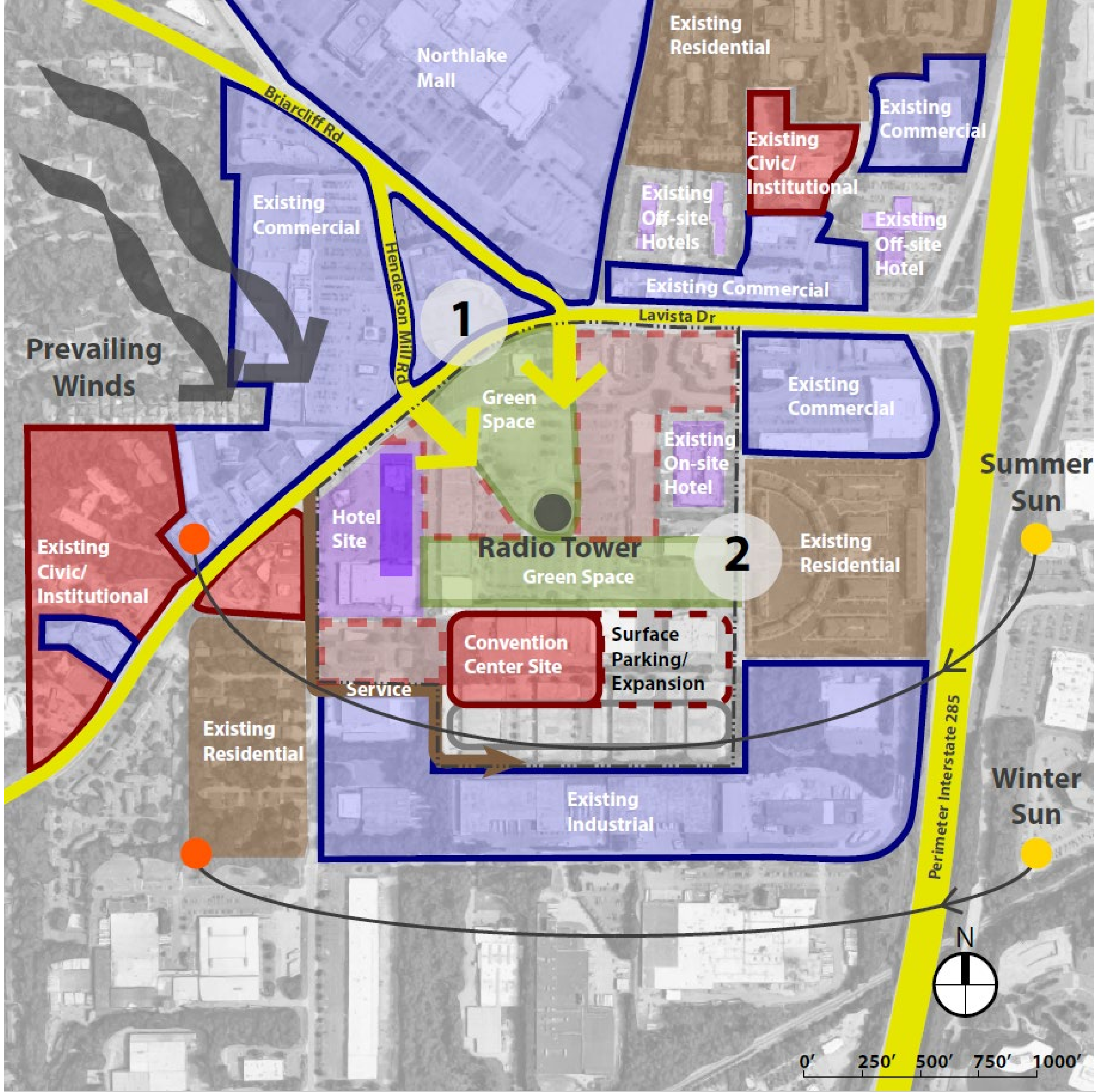
Northlake Festival – Site Analysis

Orientation Priorities

1 Entry into Site from Lavista Rd

2 Connection to Green Space and Community

Legend
- Site Boundary
- Convention Center
- Potential Surface Parking & Collateral Development
- Transportation
- Truck Access
- Green Space
- Hotel
- Commercial
- Residential
- Civic/Institutional
- Entry Into Site



Northlake Festival

Site Evaluation Ranking No. 4 (53 points)

The Northlake Tower Festival site is unique in that it has a very tall radio tower at the heart of the development. This area has good access to quality hotels and a variety of commercial real estate that can support and be enhanced by the convention center.

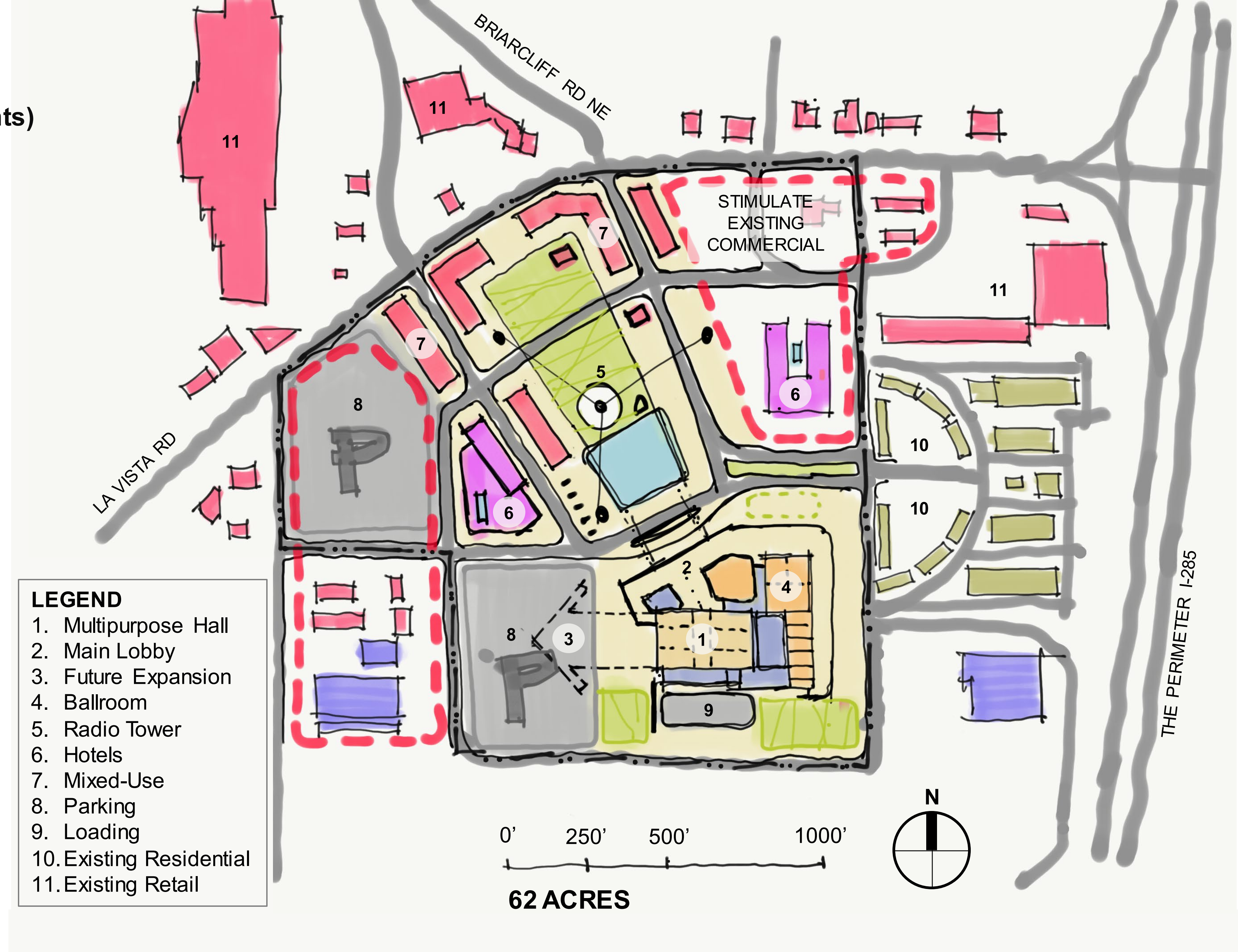
The tower presents a challenge in that it restricts the location of the convention center to the SE corner of the site, 1000 feet from the main road. The site suffers from a similar homogeneity as the other mall sites.

PROS:

- Proximity to Hotels

CONS:

- Homogenous Character
- Limited public transit



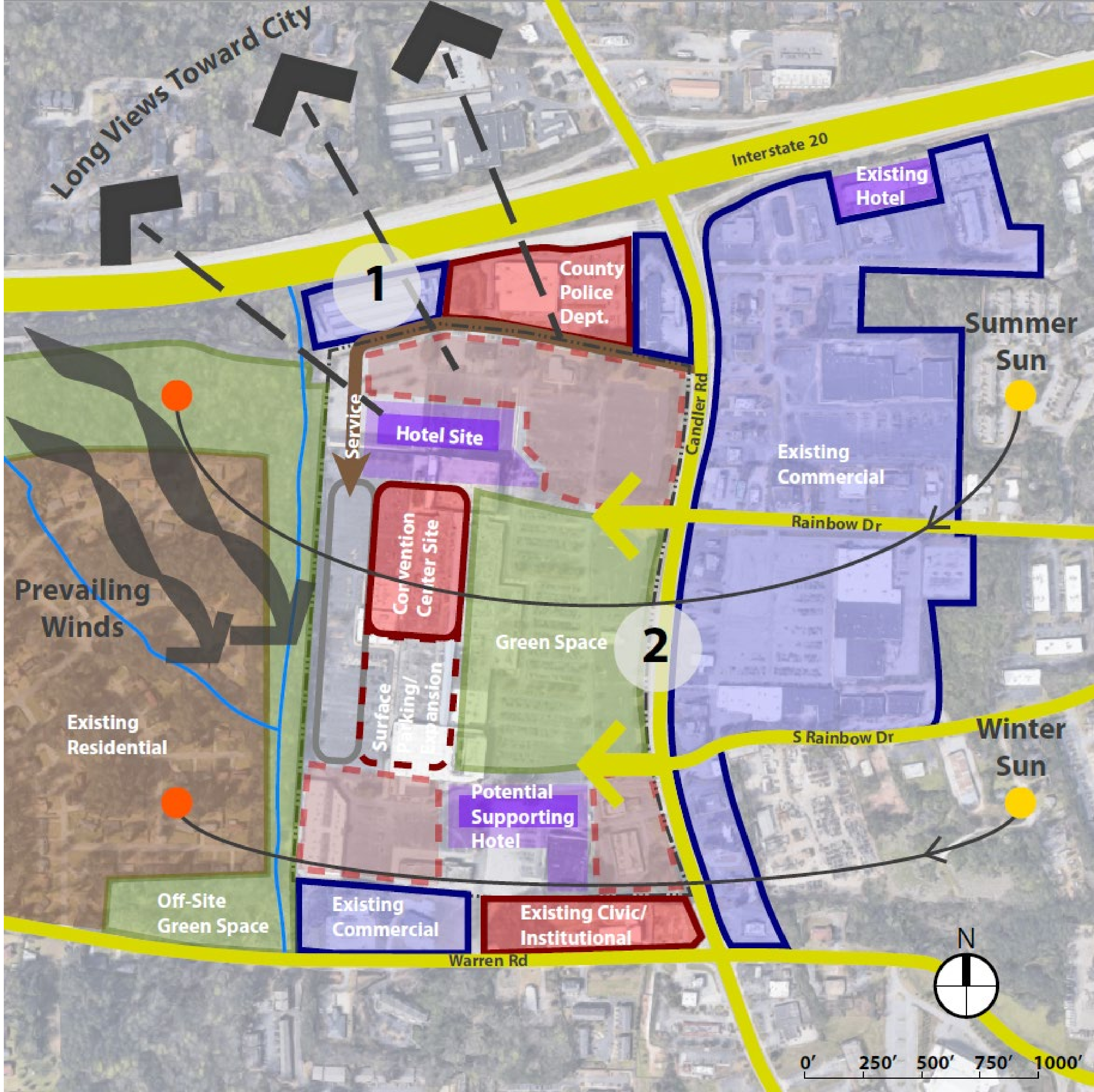
South Dekalb Mall – Site Analysis

Orientation Priorities

1 Views of City

2 Connection to Rainbow Drive & S Rainbow Drive

Legend
Site Boundary
Convention Center
Potential Surface Parking & Collateral Development
Transportation
Truck Access
Green Space
Hotel
Commercial
Residential
Civic/Institutional
Entry Into Site
Views



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South Dekalb Mall

Site Evaluation Ranking No. 5 (51 points)

South DeKalb Mall presents an opportunity similar to the other mall sites, to redevelop the large piece of land into a self-sustaining convention and mixed-use district. The site is within one mile of Porter Sanford Performing Arts Center. This site has good proximity to the Atlanta airport and being adjacent to the interstate allow access to downtown Atlanta.

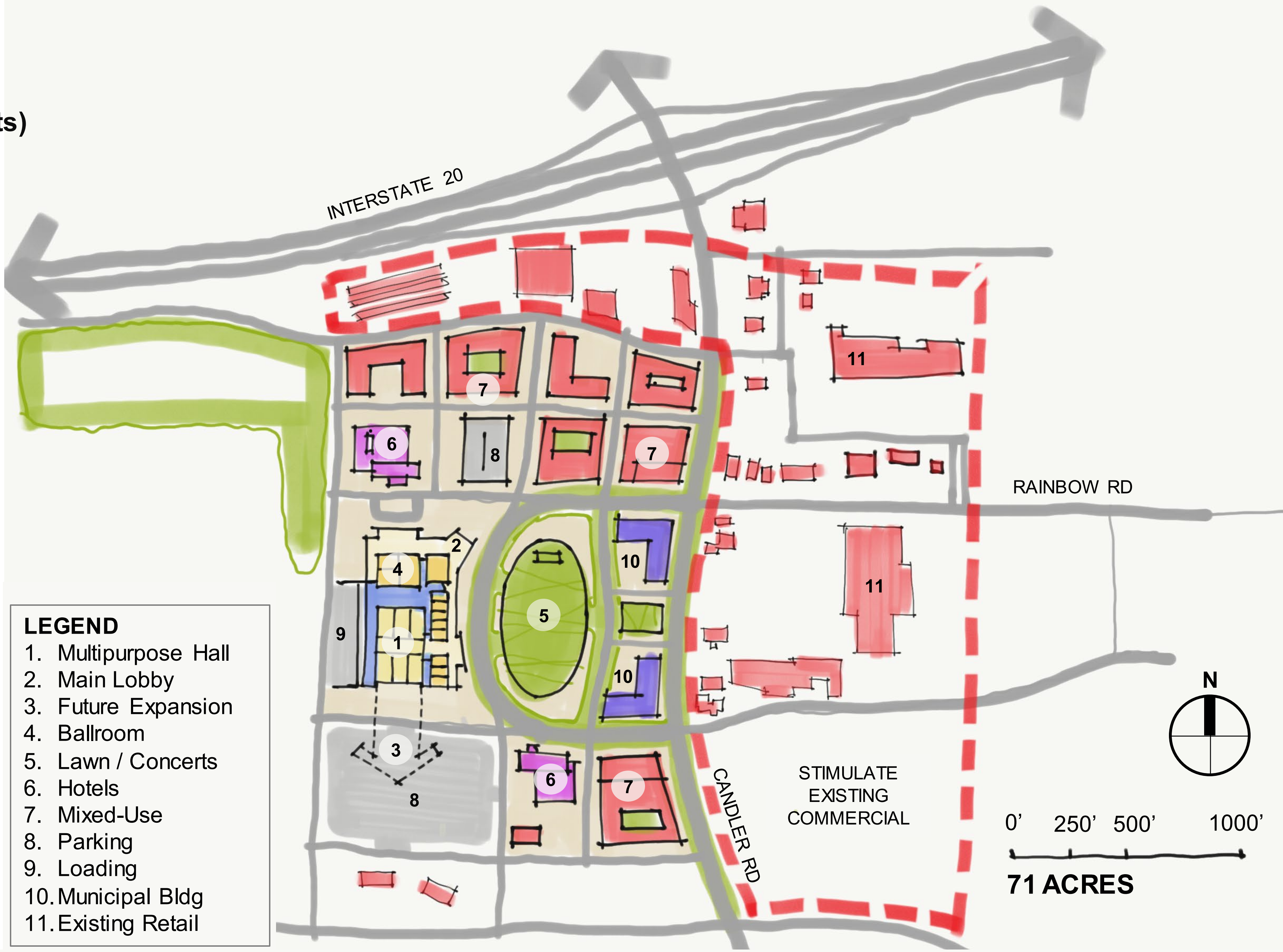
Several county and government services would need to be relocated.

PROS:

- Proximity to Performing Arts Center
- Proximity to Airport

CONS:

- Homogenous Character
- Limited public transit



LEGEND

1. Multipurpose Hall
2. Main Lobby
3. Future Expansion
4. Ballroom
5. Lawn / Concerts
6. Hotels
7. Mixed-Use
8. Parking
9. Loading
10. Municipal Bldg
11. Existing Retail

Demand & Financial Projections

JOHNSON CONSULTING

Demand & Financial Projections

In order to quantify the economic and fiscal impact of DeKalb County Convention Center, Johnson Consulting put together demand and financial projections for the facility's operations. These projections are based on experience in selected convention centers most comparable to the proposed facility in DeKalb County and Johnson Consulting's experience in the hospitality and conference center industry.

Event Demand

As shown on the top right, the DeKalb County CC is estimated to host 242 events in Year 1, which can be expected to grow to 254 events by Year 3 and 266 events by Year 5 as the market continues to grow and the facility develops its reputation as an attractive meeting venue. The market's characteristics, location, high-end amenities, and convention center's program of spaces make it most attractive to meetings, conferences, banquets, and social events, with the possibility to attract larger conventions, trade shows, consumer shows, public events, and sports and entertainment events on a less frequent basis.

Attendance

The table on the bottom right shows the projected event attendance for the DeKalb County CC. Average attendance per event varies depending on event type, with consumer shows and public events being the largest and meetings/conference being the smallest due to the frequency of smaller individual meetings. As shown, this equates to total annual attendance numbers of over 281,000 in Year 1, which can be expected to grow to over 308,000 by Year 3 and 331,000 by Year 5.

Projected Event Demand

Event Type	Year 1	Year 3	Year 5
Exhibit Events			
Conventions/Trade Shows	38	40	42
Consumer Shows/Public Events	23	25	27
Subtotal Exhibit Events	**61**	**65**	**69**
Non-Exhibit Events			
Meetings/Conferences	99	103	107
Banquets/Social	62	64	66
Sports/Entertainment/Other Events	20	22	24
Subtotal Non-Exhibit Events	**181**	**189**	**197**
Total	**242**	**254**	**266**

Source: Johnson Consulting

Projected Attendance

Event Type	Year 1	Year 3	Year 5
Exhibit Events			
Conventions/Trade Shows	77,900	84,080	88,956
Consumer Shows/Public Events	93,380	104,050	113,211
Subtotal Exhibit Events	**171,280**	**188,130**	**202,167**
Non-Exhibit Events			
Meetings/Conferences	26,730	28,531	29,853
Banquets/Social	24,180	25,600	26,598
Sports/Entertainment/Other Events	59,000	66,528	73,128
Subtotal Non-Exhibit Events	**109,910**	**120,659**	**129,579**
Total	**281,190**	**308,789**	**331,746**

Source: Johnson Consulting

Demand & Financial Projections

Projected Operating Pro Forma

The table at right shows Johnson Consulting's projections of DeKalb County CC's operating revenues and expenses.

Total operating revenues at the proposed venue, accounting for the cost of goods sold, are projected to be $7.9 million in Year 1, increasing to $9.9 million in Year 5, and $11.1 million in Year 10. These figures are consistent with those recorded for comparable venues. Total expenses at the proposed venue, based on the stated assumptions, are projected to be $8.4 million in Year 1, increasing to $9.9 million in Year 5, and $11 million in Year 10. The ratio of revenues to expenses at the proposed venue is consistent with similar facilities.

After consideration of all operating revenues and expenses, the proposed venue is projected to operate at a net operating deficit of ($485,000) in Year 1, improving to a deficit of ($9,000) in Year 5, and a profit of $51,000 in Year 10, before debt service.

The preceding projections are in line with comparable facilities, from both a demand and operating statement perspective, and are considered to be fair and reasonable. There are a myriad of policy, management and operating decisions to be made from this point forward. Many of these are material and could affect demand and financial performance of the proposed venue.

Projected Operating Expenses ($000, Inflated)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Rental (Space & Equipment)	$1,331	$1,391	$1,453	$1,518	$1,584	$1,615	$1,648	$1,681	$1,714	$1,748
Food & Beverage (Gross)	5,678	6,070	6,451	6,815	7,175	7,337	7,503	7,673	7,847	8,025
Contract Service	726	759	793	828	864	881	899	917	935	954
Advertising/ Sponsorship	100	120	144	166	190	200	210	216	223	229
Other	78	83	88	93	97	99	102	104	106	108
Total Revenues	**$7,914**	**$8,423**	**$8,929**	**$9,418**	**$9,910**	**$10,133**	**$10,361**	**$10,591**	**$10,825**	**$11,065**
per Square Foot	***$180***	***$192***	***$203***	***$214***	***$226***	***$231***	***$236***	***$241***	***$246***	***$252***
Expenses										
Rental (Space & Equipment)	$732	$765	$799	$835	$871	$888	$906	$924	$943	$962
Food & Beverage	3,407	3,642	3,871	4,089	4,305	4,402	4,502	4,604	4,708	4,815
Salaries, Wages, and Benefits	2,300	2,346	2,393	2,441	2,490	2,539	2,590	2,642	2,695	2,749
Utilities	533	560	587	616	645	658	671	685	698	712
Repairs and Maintenance	167	175	184	192	202	206	210	214	218	223
General and Administrative	394	402	410	418	426	435	443	452	461	471
Insurance	44	45	46	46	47	48	49	50	51	52
Materials and Supplies	300	315	330	346	363	370	378	385	393	401
Professional Fees	481	491	501	511	521	531	542	553	564	575
Other	42	44	46	48	50	51	52	53	54	55
Total Expenses	**$8,399**	**$8,784**	**$9,166**	**$9,541**	**$9,919**	**$10,129**	**$10,343**	**$10,562**	**$10,786**	**$11,014**
Net Operating Profit	**($485)**	**($360)**	**($237)**	**($123)**	**($9)**	**$4**	**$18**	**$28**	**$39**	**$51**

Source: Johnson Consulting

Demand & Financial Projections

Event Attributes

As shown on the top right, Johnson Consulting used a variety of assumptions regarding the attributes of the events occurring in the DeKalb County CC, which varied depending on the type of event. These attributes represent the average attribute for that type of event and include the number of show days (number of days the event is taking place), the number of move in/out days, and the average square footage utilized by the event.

Operating Revenue Assumptions

The table on the middle right shows the assumptions underlying the projected operating revenue, including rental rate and food and beverage per caps.

Projected Operating Revenue

The table on the bottom right shows Johnson Consulting's projections of DeKalb County CC's operating revenue. The largest revenue category is food and beverage followed by space and equipment rental. As shown, Johnson Consulting projects the facility to generate approximately $7.9 million in revenue in Year 1, $8.9 million in revenue in Year 3, and $9.9 million in revenue by Year 5. These numbers equate to $180, $203, and $226 per square foot of convention center space, respectively.

Event Attributes

Event Type	Show Days	Move In/Out Days	Average SF Used
Exhibit Events			
Conventions/Trade Shows	2.40	1.00	61,250
Consumer Shows/Public Events	2.20	1.00	61,250
Non-Exhibit Events			
Meetings/Conferences	1.40	0.50	10,500
Banquets/Social	1.40	0.50	15,750
Sports/Entertainment/Other Events	1.40	0.50	10,500

Source: Johnson Consulting

Operating Revenue Assumptions

Line Item	Assumptions	
Rental (Space & Equipment)	$5,500	/ event
Food & Beverage (Gross)		
Conventions/Trade Shows	$12.00	per cap
Consumer Shows/Public Events	$8.00	per cap
Meetings/Conferences	$18.00	per cap
Banquets/Social	$13.50	per cap
Sports/Entertainment/Other Events	$8.00	per cap
COGS, Labor, & Expenses	60%	of gross F&B sales
Contract Service	$3,000	/ event
Advertising/ Sponsorship	$100,000	annually
Other	1%	of total revenue

Source: Johnson Consulting

Projected Operating Revenue ($000, Inflated)

	Year 1	Year 3	Year 5
Revenues			
Rental (Space & Equipment)	$1,331	$1,453	$1,584
Food & Beverage (Gross)	5,678	6,451	7,175
Contract Service	726	793	864
Advertising/ Sponsorship	100	144	190
Other	78	88	97
Total Revenues	**$7,914**	**$8,929**	**$9,910**
per Square Foot	***$180***	***$203***	***$226***

Demand & Financial Projections

Operating Expense Assumptions

The table at right shows the assumptions underlying the projected operating expenses.

Projected Operating Expenses

The table on the bottom right shows Johnson Consulting's projections of DeKalb County CC's operating expenses. The largest expense category is food and beverage followed by salaries, wages, and benefits. As shown, Johnson Consulting projects the facility to generate approximately $8.4 million in expenses in Year 1, $8.2 million in expenses in Year 3, and $10 million in expenses in Year 5.

Operating Cost Assumptions

Line Item	Assumptions	
Rental (Space & Equipment)	55%	of Rental Revenue
Food & Beverage	60%	of Food & Beverage Revenue
Salaries, Wages, and Benefits	$2,300,000	annually
Utilities	$32.00	/ 1,000 of gross SF-days
Repairs and Maintenance	$10.00	/ 1,000 of gross SF-days
General and Administrative	$4.50	/ SF of function space
Insurance	$0.50	/ SF of function space
Materials and Supplies	$18.00	/ 1,000 of gross SF-days
Professional Fees	$5.50	/ SF of function space
Other	0.5%	of total expense

Source: Johnson Consulting

Projected Operating Expenses ($000, Inflated)

	Year 1	Year 3	Year 5
Expenses			
Rental (Space & Equipment)	$732	$799	$871
Food & Beverage	3,407	3,871	4,305
Salaries, Wages, and Benefits	2,300	2,393	2,490
Utilities	533	587	645
Repairs and Maintenance	167	184	202
General and Administrative	394	410	426
Insurance	44	46	47
Materials and Supplies	300	330	363
Professional Fees	481	501	521
Other	42	46	50
Total Expenses	**$8,399**	**$9,166**	**$9,919**

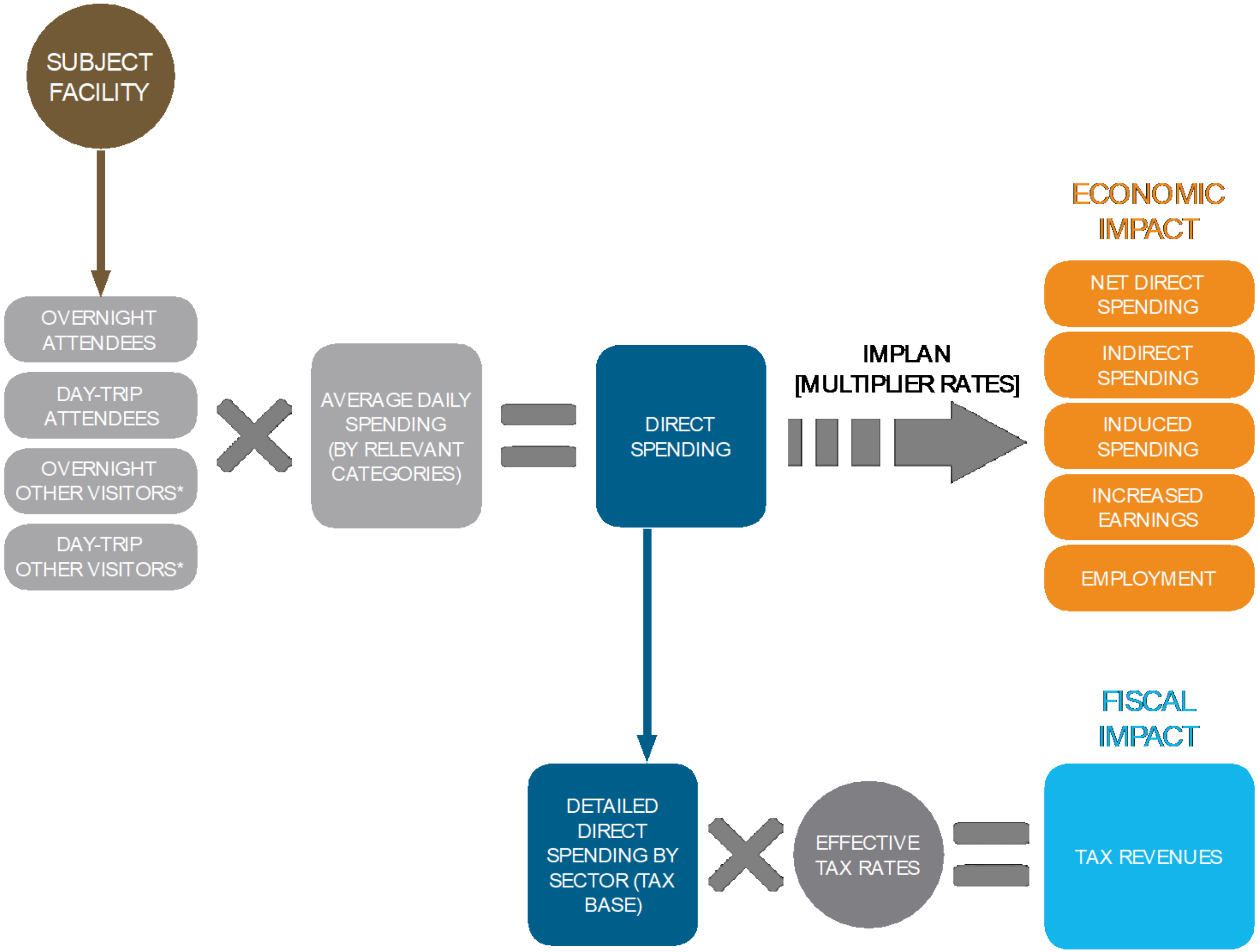
Source: Johnson Consulting

Economic & Fiscal Impacts

Economic & Fiscal Impact – Under Development

Economic Impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. For the purpose of this analysis, impact totals are discussed in terms of the DeKalb County economy.

Impacts are directly affected by the demand and operating pro forma of the facility. Once the Consulting Team gets final confirmation on these elements with Discover DeKalb, then the Team will run analysis on economic and fiscal impacts of the facility.



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