

**City Council of Peachtree City
Workshop Minutes
March 1, 2016**

The Mayor and Council of Peachtree City met in workshop session on Tuesday, March 1, 2016. Mayor Fleisch opened the workshop at 6:39 p.m. Council Members attending: Terry Ernst, Mike King, Kim Learnard, and Phil Prebor.

The purpose of the workshop was to look at statistics and trends: Are we the same community as twenty years ago? What type of community will we be twenty years from now?

- Housing Stock, Retail Vacancy Rate, Industrial Locations
- Demographics, growth rates of surrounding cities and counties.

Fleisch said the City was at a critical juncture in its history. The last six years had been spent repairing the infrastructure. The City had finally gotten to a place where it was important to know where the City was today.

City Manager Jon Rorie said Mike Alexander and Kathryn Lawler of the Atlanta Regional Commission (ARC) would be giving presentations on the statistical trend lines and how they related to the City and the County. He recognized the members of the City's boards and authorities who were in attendance at the meeting, saying it was important to work together as a team.

Alexander, manager of the ARC's Research and Analytics Division, discussed the City's demographics and economics. He noted that the life expectancy in the United States had doubled in 200 years. Americans were living longer and having fewer children.

Fayette County's population was aging, and the County's share of residents over the age of 65 would increase faster than other age groups. It would be the oldest County in the metro area, Alexander said. The most dramatic change would be in the 75 – 85 years age group. The 60 – 64 years groups had stabilized. The majority of Fayette's population was between the ages of 45 and 59. Peachtree City's median age was 43.2 years.

In Fayette County, the largest age group was 45 – 49, with 50 – 54 the next largest, and there were more women than men. Ages 10 – 14 were the largest group of children, followed by ages 15 – 19, with the numbers of men and women about the same. Fayetteville's largest age groups were 40 – 44 and 45 – 49, and the levels were the same for Tyrone. The larger age groups in Brooks were 45 – 49 and 50 – 54, however; there were more women in the 50 – 54 age group, while it was about the same for 45 – 49. In Woolsey, the larger age groups were 50 – 54 and 60 – 64, with women outnumbering men in both groups. Woolsey also had more people in the 80 – 84 age group than the other municipalities, with women significantly outnumbering the men.

More residents in Fayette (90.3%) rated the County as an excellent/good place to live, with only Cherokee County (91%) having more residents rating their neighborhoods as excellent/good. If offered the opportunity to move, 71% of Fayette residents would choose to stay. Only Coweta County had a higher percentage of residents who would choose to stay (72.5%). More Fayette County residents were very (15.7%) or somewhat (62.1%) involved in the community. More people in Fayette County were willing to help their neighbors, with 89.8% agreeing/strongly agreeing compared to 8.7% who did not. In 2014, millennials (ages 24 – 36) of working age were just over 10% of the County's population, compared to DeKalb County, where millennials were just 25% of the population.

Millennials were urban denizens who were partial to city life, high-rise apartments, and uptown neighborhoods, Alexander said. They tended to live in areas where they could walk or use public transportation to get to work, shopping, and/or social activities. They used debit cards rather than credit cards while they were paying down student loans. They were green and gave generously to environmental, cultural, and political organizations. They were internet dependent, from social connections to shopping for groceries.

Midtown Atlanta millennials were single, diverse, and urban, and they sought affordable rents in apartment buildings. They worked in service and unskilled positions that were close to home or public transportation. Single parents depended on their paycheck to buy supplies for their very young children. Midtown singles also embraced the internet for social networking and downloading content.

The schools in the metro area were becoming more diverse. In 2000, 79% of the students in Fayette County were white, 14% were black, and less than 15% were identified as Hispanic, Asian, or Other. In 2015, 51% of the students enrolled in County school system were identified as white, 27% identified themselves as black, 11% were Hispanic, 6% were Asian, and 6% were identified as Other. Fayette County, one of highest performing school systems in the state, was among the few metro counties that reported a decline (-5.6%) in enrollment from 2010 – 2015.

Alexander discussed race and ethnicity, noting the 20-county metro area would become more diverse than the rest of Georgia, with the forecast in 2040 predicting 42% of the population as White-Non Hispanic (currently 49%), 27% of the population as Black-Non Hispanic (currently 32%), 9% as Other-Non Hispanic (currently 7%), and 22% as Hispanic (currently 12%). Fayette County's population should increase by 32,280 by 2040, with 58.5% White-NonHispanic; 20.7% Black-Non Hispanic, 10.6% Other-Non Hispanic, and 9.9% Hispanic.

Alexander continued that Atlanta was number one in job growth from November 2014 – November 2015, when compared to job growth in Dallas, San Francisco, Phoenix, Miami, Washington, D.C., Los Angeles, Boston, New York, Philadelphia, Chicago, and Houston. While jobs were available in the metro area, job earnings were lower today than in 1998. The per capita income level in 2000 was \$39,000 to \$40,000, and it was closer to \$38,000 in 2014. The per capita median for the United States had increased from \$42,000 in 2000 to \$46,000 in 2014. However, the cost of living in Atlanta was reasonable compared to other metro areas.

The median household income in Peachtree City was \$95,405, with 5.29% earning less than \$15,000; 4.13% earning \$15,000 to \$24,999; 5.22% earning between \$25,000 and \$34,999; 11.29% earning between \$35,000 to \$49,999; 13.31% of households were in the \$50,000 to \$74,999 range; 12.63% earned \$75,000 to \$99,999; 24.36% earned between \$100,000 and \$150,000; 13.35% brought home between \$150,000 and \$199,999; and 10.42% brought home paychecks worth more than \$200,000.

Alexander noted that more people came into Peachtree City to work (12,740) than left the City to go to work (11,747), while 2,460 people lived and worked in the City, which was not the case in the rest of the metro area. More people left their cities to work in the rest of the metro area. The top occupations in Fayette County were heavy tractor and trailer truck drivers [most job postings in the County required a commercial driver's license (cdl)], software developers and applications, and registered nurses. The top industries in the County were hospitals, truck transportation, and ambulatory health care services.

The workforce was aging, Alexander said. The number of youth aged 14 – 18 had dropped from 1999 to 2015, while the number of people aged 65 – 99 had increased from 582 to 2,053 during the same time period. People in the 55 – 64 group were working longer, too, with an increase from 2,444 in 1999 to 6,367 in 2015. Health care and retail trade were the fastest growing industries in terms of employment.

Lawler, the manager of aging and health resources, discussed how place mattered. She noted that retirees moving to Atlanta had \$40 billion in personal income and added \$7.8 billion to the gross domestic product (gdp). Working age people (18 – 64) would add \$4 billion more in personal income and \$2.6 billion to the gdp. Communities where aging people thrived also thrived economically; however, most cities in the 10-county metro area did not mention people over 65 in their economic development strategies.

Longevity was the most powerful trend affecting communities. Lawler said everything came together through long-term planning. Having a large aging population had never happened before, and the question was how would the baby boomers do it. Longevity touched all aspects, and in the metro region, Fayette County was ground zero. The City would have to reimagine its future. Place mattered, and where people lived determined how long they would live. People who lived in communities 10 miles from Atlanta lived 10 years longer.

Aging residents played an important part in the economy, but it was not addressed, Lawler continued. Communities with choice as an option would weather the changing demographics well. The three areas of choice were housing options for all ages (affordable and supportive), transportation (affordable and diverse), and active healthy living (no matter age or ability).

Lawler continued that lifelong communities' core principles included connectivity, pedestrian access and transit, neighborhood retail and services, social interaction, diverse dwelling types, healthy living, and consideration for existing residents.

The key lessons that had been learned were lifelong communities required good planning and forethought, most of the region's communities were not lifelong communities, and accessibility must be comprehensive and community-wide.

Lawler noted that Mableton had been working on a plan for their community for several years. Development was happening slowly, and there was time to be thoughtful with planning, Lawler pointed out. The city had a form-based code [a land development regulation that fostered predictable built results and a high-quality public realm by using physical form (rather than separation of uses) as the organizing principle for the code; it was a regulation, not a mere guideline, adopted into city, town, or county law], had a farmer's market, had re-designed roads and bike paths, and started a walking club and community garden.

Rorie asked Alexander about the 2.5 million growth pattern that was expected in Atlanta. Alexander said a 30% increase in Fayette County's population was expected, with younger people moving to Fayette, as well as older people who wanted to retire in the County. Rorie said that information would obviously impact planning. The discussion had been about millennials, but the City also needed to attract residents ages 65-plus. Both required planning and neither age group could be excluded. Transportation issues for an aging community were also important. Rorie said the City was not the same community it was 20 years ago, and asked what it would be 20 years from now, saying the long-term planning should begin.

Learnard noted the information on the core principles of lifelong communities, saying they fit the Atlanta Beltline and asking what that meant. Lawler said there were a lot of ways to achieve the principles, and the Atlanta Beltline was an example, but it was not the only answer. The Beltline provided multiple ways to get around and to interact with the community. With the constrained resources available, every intervention had to be highly strategic and achieve multiple outcomes. Lawler said the ARC tracked various things on the Beltline, and on a beautiful weekend, approximately 23,000 people experienced that one piece of the Beltline.

A resident noted that the City's golf cart paths also promoted a healthy lifestyle. Lawler said the community had some incredible assets, and planning had been a hallmark of the community. People did not come to the City by accident. Another resident asked if there was a list of ordinances/codes that could help the City. Lawler said tools/examples were available on the ARC website. No one had totally figured it out in the Atlanta region, so providing room for innovation was important.

A break was called from 8:15 – 8:25 p.m.

Planning and Development Director Mike Warrix then looked at statistics and trends in Peachtree City. The City had a strong history of comprehensive planning, beginning with the 1985 Land Use Plan. The Comprehensive Plan was compiled in 1992, and it had been updated in 2008. The next update was planned in 2016.

The preparation of a new Comprehensive Plan was on the horizon, Warrix said. There had not been a full re-write of the plan since 1992, only a series of updates. The process would begin in May and would run through spring 2017. The plan must be adopted locally by June 2017. Staff had already reached out to the ARC for data and to facilitate some of the workshops. The purpose of the all the data was to help develop a plan based on the data that would help the City in planning for the next 10 – 20 years.

Elements of the Comprehensive Plan were economic development (maintaining a diversified economy that encouraged high paying, quality jobs, and maximum tax contribution), land use (establishing appropriate land uses that were suitable for development that would protect the surrounding environment and aesthetics), community services (to continue to provide adequate levels of service in all areas for City residents), and transportation (providing a system with safe and convenient circulation).

Warrix continued that the objectives and policies of economic development were to encourage job creation and retain existing businesses, provide incentives and amenities (quality of life), provide adequate and modern infrastructure, and to reduce the burden on the residential tax base.

One of the overriding concerns in the 1992 plan was the need to address the residential tax base, Warrix said. Currently, 80% of the City's revenues came from residential uses, which had negative net revenue. The majority of City services were for residential uses. Commercial and industrial uses had positive net revenue. Fewer City services were used by commercial and industrial taxpayers.

A better balance of land use was needed, Warrix said. Currently, 50% of the land use was residential, 25% was open space, 15% was industrial, and 4% was commercial. The land uses were typically more balanced in other cities, as were the tax revenue generating capabilities. During the update of the Comprehensive Plan, they would need to look at tax revenue issues

and how the City would attempt to provide a better balance of uses. Annexation was an issue that would be looked at.

Fleisch asked how redevelopment could help the tax base, saying the average age of a home in the City was 26 years, and the breakeven point on a house was \$330,000. The retail and industrial areas were just as old. Fleisch asked how tearing those buildings down could help with the tax base.

Rorie said no one was suggesting rewriting the Land Use Plan. Peachtree City was not the same community it was 20 years ago, and it would continue to change. Plan elements needed to be in place. It was about providing a balance while maintaining the quality of life going forward. Budget sessions would begin immediately after the Retreat sessions, and critical decisions would be made during the budget process that would begin to address the changes short-term.

There was a conversation with residents regarding quality of life, transportation, attracting millennials, and the effect of retail on quality of life; however, no one spoke into the microphone.

Senior Planner David Rast looked at key trends and the available land left in the City. Since 1997, the City had annexed 1,494 acres (1,215 lots) into the City. Approximately 630 acres had been annexed to clean up the City's borders during 1997 – 2001. In 2006, approximately 780 acres (1,125 lots) were annexed on the west side (Wilksmoor Village) to reduce the size of an unincorporated island. In 2012, a developer asked for annexation for The Gates on the south side (approximately 70 acres, 90 lots). Various parcels (seven acres) on the east side along SR 54 East were annexed in 2013 at a developer's request, and the parcels had been developed for commercial/office use. There had been discussions with other developers regarding potential annexations, which would be looked at during the Comprehensive Plan process.

Rast gave an overview of the residential property left in the City. There were a total of 1,410 residential lots remaining in the City, with 167 platted/approved lots in existing subdivisions, including Camp Creek Estates, Smokerise Plantation, The Peninsula, Hyde Park, The Gates, Everton Phase One (not part of the annexed area on the west side of the City), Smokerise Crossing – Phase 5, and others. Phase 2 (annexed and rezoned portion) of Everton at Peachtree City had 118 lots, the annexed portion of Everton had 475 lots, and Cresswind had 650 lots. If the City wanted more residential lots, there needed to be more annexation or redevelopment.

There were approximately 304 acres of residentially-zoned or residentially-designated parcels use on the Land Use Map, including 200 acres known as the Bradshaw Tract (zoned R-43 and on septic). Rast pointed out that, after taking out the land needed for roads, buffers, etc., there would be approximately 120 lots when the property was developed. The Hardy/Kidd/Whitlock tracts, located immediately north of Everton, in Wilksmoor Village totaled 32 acres and were zoned Agricultural Reserve (AR). The McWilliams tract in Wilksmoor Village had approximately 18 acres, and it was zoned General Industrial (GI). The McWilliams tract was bordered by the Hardy/Kidd/Whitlock tracts and Everton. Various parcels located around the City with different zonings and owners totaled 54 acres.

The City had approximately 762 acres of retail acreage, with 3,763,357 square feet of retail building space. The total for undeveloped acreage was 27.47 acres. Most of those acres were just waiting for tenants to come with a site plan. Approximately 121,679 square feet (3.23%) of retail space was vacant, which Rast said was pretty good compared to metro Atlanta. The information on the Overlook in Wilksmoor was included as a completed project since the space was completely leased. Rast said most of the older centers were at 100% occupancy, so they

would be hard to redevelop without developers offering incentives or assistance for the tenants. Noting this was a good/bad trend, Rast pointed out the same was true for office space.

Aberdeen Village had 157.98 acres of retail, with 5.26 acres that were undeveloped. It had 756,501 square feet of retail, with tenants occupying 678,501 square feet, leaving 38,000 square feet (5.02%) vacant.

Braelinn Village had a total of 99.62 acres with 13.95 acres remaining undeveloped. Tenants occupied 471,749 square feet of 492,815 square feet available, leaving 21,066 square feet vacant (4.27%).

Glenloch Village had 105.52 acres of retail space, and no undeveloped acreage remained. Glenloch had 525,250 square feet of retail space, with tenants occupying 518,759 square feet. There were 6,500 square feet (1%) of vacant retail space.

Kedron Village's retail space totaled 150.17 acres, with 8.26 acres still undeveloped. Out of 678,404 square feet of retail, 12,084 square feet (1.78%) were vacant.

Wilksmoor Village had had 249.39 acres of retail space, with no acreage left. It had 1,290,387 square feet of retail space, with 1,251,368 square feet leased, and 44,029 square feet (3.41%) vacant.

There were 15.99 acres of undeveloped office space left in the City – 1.84 acres in Aberdeen, 5.89 acres in Glenloch, and 8.26 acres in Kedron. Braelinn and Wilksmoor had no undeveloped office acreage. Aberdeen Village had 38,000 square feet of vacant office space (4.75%), Glenloch had 36,500 square feet of vacant space (1%), and Kedron had 29.25% (52,800 square feet) of vacant office space. Of a total of 1,722,154 square feet of office space, approximately 212,600 square feet were vacant (15.11%). Rast said the largest space was the World Airways building in Kedron. The building had new owners, and it was 50% leased currently. There were no large assemblages of acreage left for office use.

Only Kedron, Wilksmoor, and the Industrial Park had industrial zoning and property. Kedron's 5.59 acres (AMF industrial park on Senoia Road, just south of Saranac subdivision) had 17,770 square feet, and there was no vacant space. Wilksmoor had 48.55 acres of industrially-zoned property. Tenants filled 186,850 square feet, leaving 29,050 square feet (13.78%) of vacant space. The Industrial Park had 1,832.30 acres, with 320.42 (15.99%) acres undeveloped. The total building square-footage was 6,814,263, and tenants filled 6,814,263 square feet. The vacancy rate was 2% (167,950 square feet). There were no large tracts of land available in the Industrial Park.

Joan Young of the Fayette County Development Authority (FCDA) discussed economic development in Fayette County. She defined economic development as the creation of jobs and wealth and the improvement of the quality of life, adding the FCDA could do what taxing entities could not do. She pointed out the differences between economic growth and economic development, saying economic growth was a quantitative term. It provided an increase in wealth for a limited number and no planning was required. There were possible negative results, and it was exclusive. Economic development was a qualitative term, and it improved the overall economy. It was a product of planning with a multi-leveled positive impact, and it was inclusive.

Fayette County recruited business and industry that were a good fit for the workforce, culture, and economy of the community. Good corporate citizens brought higher wages, better jobs,

tax payers, and world class companies. The target industries included aviation/aerospace, advanced manufacturing, data processing, film/new media, corporate headquarters, and IT.

In 2015, the County had a population of 107,826, with Fayetteville's population at 15,945, and Peachtree City's at 34,364. The median household income was \$84,434 – Fayetteville's median was \$58,438 and Peachtree City's was \$92,647. The population by race was 17.1% white, 21.8% black, 7.2% Hispanic, and 4.3% Asian. As for education, 15.5% of the population held a graduate degree, 27.6% had a bachelor's degree, 8.9% had an associate degree, and 22% had some college. The rate for those with their general educational development (GED) diplomas 2.8%, while 17.9% had only had high school diplomas.

Young continued that Fayette County had a great labor force in terms of quality and education, but it did not have a young workforce. She said the County did not have what millennials were looking for.

The FCDA was created on April 19, 1986, by the Board of Commissioners to develop and promote trade, commerce, industry and employment opportunities for the public good within the County. The nine members represented Fayette County, Fayetteville, Peachtree City, Tyrone, and the Peachtree City Airport Authority. The FCDA was a "statutory authority" under the Georgia Constitution. A statutory authority was a body set up by law with goals and objectives set out in the originating legislation, with senior management chosen by the relevant government.

Businesses were recruited to increase the quality of life for the citizens of the County, to create an opportunity for people to live and work in the same community, and to balance the tax digest of the community (corporate services needs vs. residential needs), Young said. The FCDA's roles and responsibilities included preparing the County for economic development opportunities, business recruitment, and retention; serving as a conduit for tax incentives on behalf of the taxing entities; identifying target markets; developing a sales team and strategy; and product identification and development (land, buildings, infrastructure).

Young said companies expected tax incentives. Start-up costs were exorbitant, and that was why tax incentives played an important part in making a business case for the company. The FCDA was responsible for tax abatements and issuing bonds. The FCDA also managed site selection and project management at the local, county, and state levels.

The FCDA's recruitment partners included Georgia EMC, Metro Atlanta Chamber of Commerce, Georgia Power, and the state.

Young said the site location process for companies looking for new locations included identifying the business case, considering the options, contacting states/communities, collecting/analyzing information, conducting site visits, and beginning the elimination process.

The economic development process included the process of elimination, not inclusion. Most states and communities were eliminated before they even knew there was a project, so websites were critical. Eighty percent of the companies started the relocation process by looking for an existing building. Tax incentives made a good deal better, they did not make a bad deal good.

Learnard said that, under state law, an authority could issue bonds. The authority could buy property and lease it back to a company over a period of years. The FCDA issued bonds for

Pinewood Studios, and any community that wanted the studios would have offered tax abatements. Learnard said it was a buy back over a period of time.

Young said the FCDA would not offer tax abatements unless the taxing entity was in agreement. The FCDA could issue a bond without the taxing entity. However, Young said just because they could did not mean they should. Each project had to stand on its own merit. Tax abatements were key to bringing companies to the County, but she would not do abatement without an agreement with the taxing entity. The FCDA and the taxing entities were partners. Young also described the tax abatement as a phase-in for the company, paying over a longer period of time.

Frank Destadio said the decision on tax abatement should be with elected officials, not a volunteer authority. Residents had a say in who their elected officials were. Prebor added that asking volunteers to be in control over a large amount of money was the issue. Learnard said that was why there was a carefully-scripted process for putting those volunteers on the board. It was a heavy responsibility. Young said some of something was better than all of nothing. When a company was incentivized, their good faith was put on the line in a real fiscal manner.

Carlotta Ungaro, president and CEO of the Fayette County Chamber of Commerce, said generally, an authority went to the governing bodies before going to a company so the incentives were known. The governing entity would know what they were going to get and had already voted on it, and a marketing tool was available on the website.

Young said she met with all the taxing entities but one on a model the FCDA would use that would lay out what the abatement would be and which industries would be targeted. She wanted everything to be above board. They wanted it on record, they wanted a resolution. She did not want her board to be under scrutiny because something that had been done that a governing body was not aware of. Destadio said he wanted elected officials to discuss and vote in public.

Prebor questioned whether it was important to know what the industry would be. Young said there should be a wage minimum, which would be better than the median wage of the community. The FCDA was working on a financial model that could be used that would include wages, capital investments, and more that would be already approved by the elected officials. Fleisch noted the City had approved a jobs grant/tax credit during the recession as an added incentive, and to date, Panasonic had been the only industry to take advantage of it. Although focused on retention, the incentive could be used for new recruits.

Learnard found information regarding tax abatements, and read the following:

Abatements may be provided by the economic development authority if the company chooses to finance its capital investment (land, building, and equipment), using an industrial revenue bond. Pursuant to that financing, the title to the assets is deeded to the development authority and the deeded properties are leased back to the company at a prescribed rate over a certain period of time. The company would lease the land, building, and equipment from the development authority with the rent being used to pay the bond. A company may receive a tax abatement for the entire life of the industrial revenue bonds, but not to exceed 20 years.

Young said it was a huge issue, which was why the FCDA wanted something in a resolution approved during a public meeting. Rorie noted that the FCDA made some internal decisions regarding tax abatements last year and the types of companies that would qualify for an

abatement, which led to a company coming to the City and asking for tax abatement on its own. Rorie said the company was told no because of the partnership between the City and the FCDA. It worked both ways.

The County was running out of available existing inventory space, Young pointed out. Currently, the County had a 5.8% vacancy rate. By 2017, the vacancy rate would be one percent, Young pointed out. In 2014, the top 10 factors companies considered included highway accessibility, occupancy/construction costs, available land, availability of skilled labor, labor costs, right to work state, proximity to markets, energy availability and costs, and the corporate tax rate.

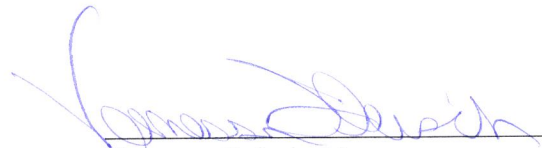
The current need in the County was additional building inventory. The vacancy rate had dropped from 8% (600,397 square feet) in the first quarter of 2015 to the existing vacancy rate of 5.8% (433,324 square feet).

State finance programs for businesses included job tax credits that were awarded to qualified businesses based on county economic tiers and on county participation in a Joint Development Authority. OneGeorgia provided Encouraging Diversity, Growth, and Equity (EDGE) funding for rural economic development projects both in capacity building and job creation opportunities; however, Fayette County did not qualify. Regional Economic Business Assistance (REBA) provided funding for competitive economic development projects in any region of the state.

Young said economic development was a process, not an event. It was a long-term commitment of time and resources. Sustainable community economic development required leadership development, community development, and economic development.

The workshop concluded at 10:07 p.m.


Pamela Dufresne, Deputy City Clerk


Vanessa Fleisch, Mayor