Georgia Power Community & Economic Development
Episode IV
A New Hope

“A long time ago in a galaxy far, far away?”
“Phantom Menace or real concern?”

- Jobs
- In-migration
- Foreclosures
- Housing prices
- Permits
- Meter sets
- Commercial office overhang
“Phantom Menace”? Commercial Office Overhang in Atlanta

Source: Bureau of Labor Statistics and Costar
The Unknown Impacts of Mobility on Commercial Office Space

• The cell phone & tablets – By 2016, 4.5 Billion mobile consumers (more than half the people on Earth).
• Over 18.9 billion IP addresses – 2.5 for every person on Earth.
• Video will be key driver and is projected to increase five fold.
• Location becomes less important.

Source: Cisco Visual networking Index Forecast 2012-2016
The Unknown Impacts of Telework on Commercial Office Space

- More teleworkers – IBM leads the way, but since 2003
  - Records clerks up 516%
  - Insurance underwriters up 275%
  - Lawyers up 166%
  - Software developers up 127%
  - Not for profits leading the way

Source: U.S. Census Bureau and “The Incredible Disappearing Office: Making Telework Work”
The Relentless Drive to Reduce Business Costs will pressure Commercial Office Space

- Increased productivity through new software tools
- Few workers – more outsourcing
- More BYOD by workers
- Lower communication costs - Verizon
- Need to reduce Real Estate costs
- Need to reduce energy costs
- Desire for more flexibility by employees
“Will the Jedi prevail or will the Empire strike back?"
U.S Macro Economic Trends – Slow Healing Economy

Current Outlook

Real GDP: 2011 (2%) 2012: (2.0-2.5 %) 2013: (2.5-3%) 2014: (4%)

Weights on Recovery

Debt crisis in Europe Hiring | confidence Spending Housing Fiscal policy response

Real GDP % change annualized

Hiring by Businesses Takes a Breather

Moody's Analytics Business Confidence Indexes, 4-wk MA

Source: Moody's Analytics
The U.S. Economy: Fragile, Business Needs Groove

Net Change in U.S. Nonfarm Payroll Employment, Oct 2011 - May 2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Change in Employment (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>112</td>
</tr>
<tr>
<td>Nov</td>
<td>157</td>
</tr>
<tr>
<td>Dec</td>
<td>223</td>
</tr>
<tr>
<td>Jan</td>
<td>275</td>
</tr>
<tr>
<td>Feb</td>
<td>259</td>
</tr>
<tr>
<td>March</td>
<td>143</td>
</tr>
<tr>
<td>April</td>
<td>77</td>
</tr>
<tr>
<td>May</td>
<td>69</td>
</tr>
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</table>

Source: Moody’s Economy.com, June 2012
The Latest Data Points Not Promising

Revisions Were Significant and Unkind
Retail sales, % change

Sources: Census Bureau, Moody’s Analytics

Spending in the Midst of Another Spring Slump
Nonauto retail sales ex gasoline and building materials, % change

Sources: Census Bureau, Moody’s Analytics

U.S. Mortgage Applications Surge on Low Rates
MBA mortgage applications, % change in $ volume (L)
30-yr fixed mortgage rate, % (R)

Sources: Copyright ©Mortgage Bankers Association, June 2012. All rights reserved, Moody’s Analytics
The Atlanta Economy: In Recovery

Job growth return:
Positive growth in 2011, 1.3%
Unemployment doesn’t drop below 8% until 2013

Industries showing signs of recovery:
- Professional & business services
- Manufacturing
- Education & health
- Logistics, transportation, utilities

Industries still showing hardships:
- Government
- Financial
- Construction
- Information
- Commercial real estate market

Reasons for Optimism
- Convention business
- GA Ports
- Logistics/Airport
- Renewed manufacturing growth
- Jobs return sooner than expected

Community & Economic Development
The Atlanta Economy: In Recovery

2010-2011: % Change from a year ago

- Professional and Business Services
- Education and Health Services
- Manufacturing
- Trade, Transportation, and Utilities
- Information
- Leisure and Hospitality
- Other Services
- Mining and Logging
- Financial Activities
- Construction
- Government

2010-2011 % CHG

2010-2011 CHG
### The Atlanta GA Economy: Where are the Jobs?

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tbody>
<tr>
<td><strong>Georgia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>38,800</td>
<td>42,600</td>
<td>54,500</td>
<td>73,400</td>
</tr>
<tr>
<td><strong>2011= 37,300</strong></td>
<td>-12,400</td>
<td>17,900</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>40,500</td>
<td>57,200</td>
<td>81,900</td>
<td>110,000</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>9.8%</td>
<td>8.9%</td>
<td>8.5%</td>
<td>7.3%</td>
</tr>
<tr>
<td><strong>Atlanta</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,300</td>
<td>36,600</td>
<td>41,500</td>
<td>53,900</td>
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<tr>
<td><strong>2011= 28,900</strong></td>
<td>-13,500</td>
<td>8,900</td>
<td>N/A</td>
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<tr>
<td></td>
<td>30,300</td>
<td>33,200</td>
<td>56,200</td>
<td>72,900</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>10.0%</td>
<td>9.0%</td>
<td>8.5%</td>
<td>7.4%</td>
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**Source:** Forecasts as of June 2012 (May 2012 – GSU; Moody’s- March 2012; UGA- Dec 2011)
Positive Employment Forecast

Georgia Projected Employment Growth

Employment in Thousands


GA
U.S.
Top Metro Markets in Financial Activities
2000 - 2040

- Los Angeles-Long Beach-Santa Ana, CA Metropolitan Statistical Area
- Chicago-Joliet-Naperville, IL-IN-WI Metropolitan Statistical Area
- Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area
- Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area
- Boston-Cambridge-Quincy, MA-NH Metropolitan Statistical Area
- Miami-Fort Lauderdale-Pompano Beach, FL Metropolitan Statistical Area
- Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area
- Phoenix-Mesa-Glendale, AZ Metropolitan Statistical Area
- Houston-Sugar Land-Baytown, TX Metropolitan Statistical Area
- Minneapolis-St. Paul-Bloomington, MN-WI Metropolitan Statistical Area
- Atlanta-Sandy Springs-Marietta, GA Metropolitan Statistical Area
- San Francisco-Oakland-Fremont, CA Metropolitan Statistical Area
World-Class Business Center
2012 Fortune 1,000 Companies
## Economic Development Trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Locations</th>
<th>Capital Investment ($B)</th>
<th>Jobs</th>
</tr>
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<tbody>
<tr>
<td>2007</td>
<td>88</td>
<td>$1.8</td>
<td>13,418</td>
</tr>
<tr>
<td>2008</td>
<td>85</td>
<td>$1.8</td>
<td>8,404</td>
</tr>
<tr>
<td>2009</td>
<td>78</td>
<td>$2.0</td>
<td>10,429</td>
</tr>
<tr>
<td>2010</td>
<td>88</td>
<td>$2.6</td>
<td>11,042</td>
</tr>
<tr>
<td>2011</td>
<td>80</td>
<td>$2.4</td>
<td>10,231</td>
</tr>
</tbody>
</table>
## Major Project Announcements 2012 YTD

### Projects With 250 Jobs or Greater

<table>
<thead>
<tr>
<th>Company</th>
<th>Industry/Facility</th>
<th>Jobs</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>LakePoint Sporting Complex</td>
<td>Tourism</td>
<td>300</td>
<td>Cartersville</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>Construction equipment manufacturing</td>
<td>1,400</td>
<td>Athens</td>
</tr>
<tr>
<td>Dinex Group</td>
<td>Emission control systems manufacturing</td>
<td>250</td>
<td>Dublin</td>
</tr>
<tr>
<td>Anchor Glass</td>
<td>Glass manufacturing</td>
<td>400</td>
<td>Warner Robins</td>
</tr>
<tr>
<td>Baxter International</td>
<td>Pharmaceutical manufacturing</td>
<td>1,500</td>
<td>Covington</td>
</tr>
<tr>
<td>Elekta Inc.</td>
<td>Headquarters and office operations</td>
<td>250</td>
<td>Dunwoody</td>
</tr>
<tr>
<td>Mohawk Industries</td>
<td>Carpet manufacturing</td>
<td>500</td>
<td>Summerville</td>
</tr>
<tr>
<td>State Farm</td>
<td>Back office operations</td>
<td>500</td>
<td>Dunwoody</td>
</tr>
</tbody>
</table>
Episode VI

“What is a good Jedi to do to help Atlanta return to its rightful place in the universe?”
What is a Good Jedi to Do?

- SHEP – Ports deepening
- International Terminal
- Beltline & Atlanta Street car
- Smart developments – opportunity at military bases
- $200 Million Ponce City Market (Spring 2014) on the Beltline
What is a Good Jedi to Do?

• The Transportation SPLOST is vital – Make sure you vote! July 31st
• Support K-12 Education improvements – Get your firm involved with GPEE
• Help make our communities better places to live and work – Care about what is going on and don’t accept poor quality planning and design.
Our Contact Information

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