

# ALLIANCE TO IMPROVE EMORY VILLAGE

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## INTRODUCTION

### Assignment Objectives

Robert Charles Lesser & Co., LLC (RCLCo) is the market and economic analyst to the Emory Village revitalization planning team led by Peter Drey + Company. The project's steering committee, the Alliance to Improve Emory Village (AIEV), dedicated to revitalizing Emory Village, retained the planning team to design a feasible master plan, building off the vision for the village from the neighboring residents, Emory University personnel and local business owners.

The goal of the planning effort, and shared vision of the community, is to create a safe, economically viable, walkable and mixed-use community that is compatible with, and a resource to Emory University and the historic neighborhoods surrounding the village. RCLCo's involvement has been to determine the market potential and direction for revitalization efforts of Emory Village by examining demand and supply for retail with attention to different traffic and urban design scenarios, and to identify opportunities for other land uses in a mixed-use village setting.

### Methodology

RCLCo accomplished this goal by undertaking the following methodology.

***Situation Analysis*** – Prepared an assessment of the Emory Village Study Area (the Study Area) today, both internally and in the context of the larger market area and surrounding neighborhoods. This included our gaining an understanding of the previously developed shared vision for the Village by the community and their concerns; taking an initial inventory of the retail within the Village; research of its performance issues; and an examination of growth and development trends that might impact future opportunities for the Village.

***Market and Economic Analysis*** – Building upon the research and analysis of the Situation Analysis, we then conducted a more detailed research and analytical effort to identify the likely shoppers for the revitalized Village and to understand their buying habits. Based on this, we determined how much retail



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and what types of retail could be supported at the Village. Our analysis included an assessment of competitive commercial districts, including Virginia/Highland, Sage Hill, LaVista/Briarcliff, Decatur and Clairmont/North Decatur and their impact on Emory Village.

With input from other team members, RCLCo provided recommendations for development and redevelopment of Emory Village, including:

- Factors important for sustainability and livability
- Supportable retail space and types of stores
- An ideal mix of shops and services for the Village

**Committee and Community Meetings**- Through a series of committee meetings and a visioning workshop process led by Peter Drey + Company, provided the AIEV Board, its planning committees and the larger Emory Village/ Druid Hills/ Emory communities with the current situation analysis and market opportunities for a sustainable revitalization plan for Emory Village.



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## EXECUTIVE SUMMARY

Emory Village has an opportunity to be re-developed as a high-quality, pedestrian-friendly, mixed-use village center with specialty retail, restaurants and residential housing designed to both anchor and serve the larger community, i.e., neighboring residents, Emory University, Emory medical complex and CDC.

### *Vision for the Village From Residents, University Personnel and Business Owners*

Through a series of planning charrettes in 2000, neighboring residents, Emory University personnel and business owners developed a vision for Emory Village. The vision is to revitalize the Village to create a pedestrian-oriented, mixed-use environment in keeping with the historic architecture. Specifically, the vision includes a mixed-use center scaled to fit the neighborhood with ground floor retail shops, one to two stories of residential above and, if supportable, decked parking in the rear. The desire is for a pedestrian-oriented village that connects to the adjoining neighborhoods so that residents can walk to the village center. The vision includes having attractive signage, street furniture, finishes and land designated for a park. They do not want a campus “party zone”, a large center that would increase traffic congestion or parking requirements, or a strip center that resembles other shopping centers in the area. The vision includes the incorporation of art, architecture and community icons to create an enjoyable, entertaining and educational place.

Suggested retail store types include:

- CD store
- Clothing stores
- Casual neighborhood dining (like Dish and Harvest in Highlands)
- White table cloth restaurants and established restaurants
- Establishments that serve liquor
- Single screen theatre
- Antique shop



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## *Likely Shoppers to the Village*

The shoppers for Emory Village include local residents from the surrounding neighborhoods, University students (on and off campus) and area workers, which include University personnel, hospital and CDC employees. These shoppers are of high education and high household (or family) income. This means that they have the financial means for higher expenditures, and given their higher levels of education they tend to have a greater appreciation for quality, culture, arts and classical music. Types of retail that best appeal to these demographic characteristics include:

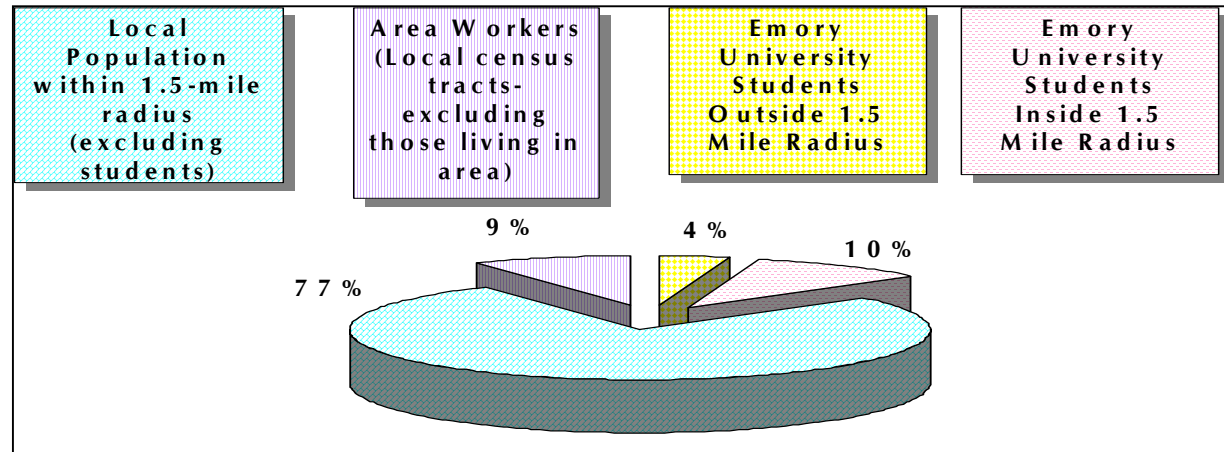
- Fine and casual dining
- Specialty markets or food stores
- Wine shops
- Book and music stores (including rare and classical books and music)
- Eclectic shops
- Higher quality apparel
- Shops with rare and high quality gifts
- Coffee shops and newsstands
- High quality home furnishings
- Antiques or specialty imported furniture
- Arts
- Theatre
- Spas

The primary source of shoppers for these types of retail includes the neighboring residents (population within a 1.5 mile trade area). This group accounts for 77% of the demand potential or buying power to support retail and restaurants at Emory Village. As shown below, university students account for 14% of retail demand and area workers account for only 9%. Thus, the village should primarily be designed with a tenant mix to serve residents of the adjoining neighborhoods.



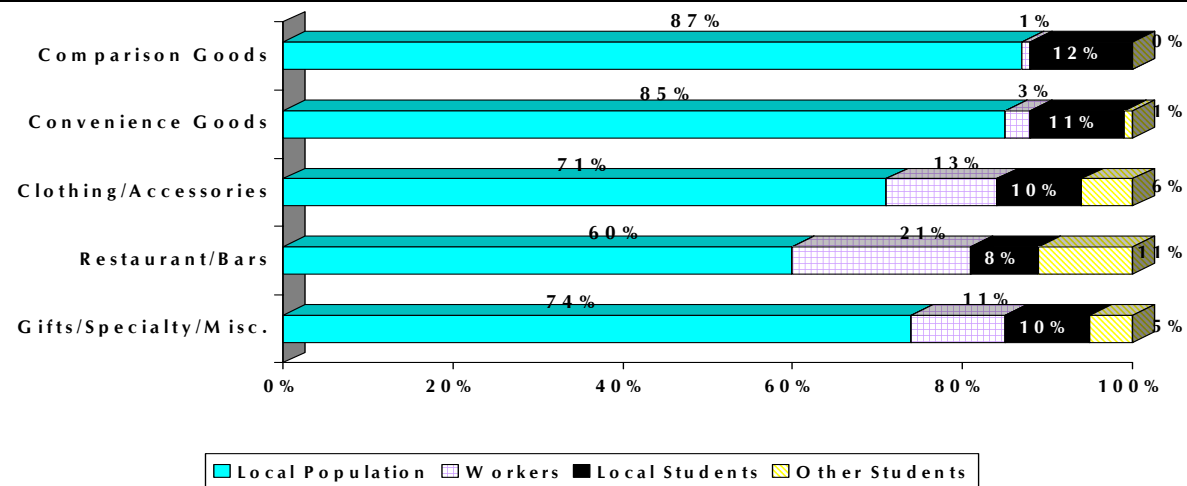
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**Figure 1** Sources of Demand for Retail at Emory Village (Percent of expenditures)



This is not only true in terms of total retail buying power but also in terms of buying power for specific types of retail stores, as shown below.

**Figure 2** Store Type Demand by Demand Source



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The types of retail categories as illustrated in the chart are defined as follows:

- Comparison Goods: Building materials, lawn/ garden and pet supply, home centers, furniture, appliances, TV/ radio, electronic stores, computers, and software.
- Convenience Goods: Grocery, drug, and hardware.
- Clothing and Accessories: All clothing and shoe stores.
- Restaurants and Bars: All eating and drinking establishments.
- Gifts/ Specialty/ Miscellaneous: Jewelry, books, gifts, florists, hobby, sporting goods, camera, luggage and other specialty types of goods.

As shown above, students and area workers have a greater propensity to spend money on restaurants in comparison to other types of retail and conversely have a lower propensity for other types of retail.

The conclusion to draw from this analysis is that Emory Village would best be re-developed to include stores targeted primarily to residents of the surrounding neighborhoods. Currently, the Village includes stores primarily targeted to students, suggesting that there is opportunity not being realized. In other words, the Village is not developed or programmed in terms of store types that would appeal to households of higher education levels and higher incomes. With re-vitalization to create a mixed-use village center designed to feature the store types best suited to the market audience, it could yield greater sales, greater taxable income to DeKalb County, and greater benefit to the surrounding community, including the University and adjoining neighborhoods.

## *Emory Village: Strengths and Challenges for Re-vitalization*

In addition to benefiting from a strong base of people with high education levels and incomes, Emory Village has many other strengths from which to build. These include:

- Historic Character
- Proximity to Emory University
- Good visibility and traffic counts



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- Peavine Creek
- Golf Course
- Strong Buying Power in trade area

The challenges to re-vitalization primarily exist with the current design of the center and current tenant mix, which limits the Village's potential. The challenges include:

- Disconnected buildings
- Disconnected parking
- Lacks pedestrian orientation
- Perceived hazards
- Lacks a strong sense of place and street front orientation
- Lacks public outdoor space
- Poor existing tenant mix

By implementing an improved physical plan that highlights the strengths of the study area and addresses these challenges, Emory Village can result in a vibrant commercial and livable center that can serve the needs of the local residents, provide a positive economic and fiscal impact to DeKalb County and greater potential for long-term sustainability and property value appreciation. The greatest opportunity for Emory Village is to redevelop into a strong sense of place, one with a mix of uses (retail, restaurants and housing) to create the opportunity to attract high credit tenants and provide a sustainable center to support and enhance the overall value of the larger residential area.

## *Reasons for Creating a Strong Sense of Place*

Creating a strong sense of place requires more than just the construction of a building and the presence of tenants occupying that building. Emory Village is a group of buildings with tenants but in its current state the center is not maximizing its potential. Creating a strong sense of place requires a design, construction and maintenance that stimulates and pleases the senses, encourages use, and promotes community pride. This means that the Village needs to be more than just a place that provides shops but



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also a place that is enjoyable to visit, entertaining and educational. The Village design should encourage human activity and interaction through crosswalks, sidewalks, storefronts, public spaces and the mix of shops. The design should enhance social integration, economic return and environmental sustainability, in keeping with the historical architecture of the existing center. This is critical and should be extremely important to the local community and to DeKalb County because without re-investment retail strip centers do not maintain value long-term and mixed-use places can transform an area and bring long-term economic development to the community. This is the opportunity for Emory Village, one that goes beyond the Village itself but a way to enhance the greater community and bring economic development to the area.

## *The Essential Elements of Creating a Strong Sense of Place*

There are nine primary critical factors to creating a strong sense of place for Emory Village. These include:

1. Physical Configuration

The building or buildings should become a memorable place of distinction. This can be created through strong architectural design that complements the existing historic architecture as well as the larger neighborhood and features strong connections to the University and surrounding neighborhoods.

2. Distinctive Open Spaces

A garden, park or green space adjacent to the Village is an important place for outdoor gathering and design in creating a strong sense of place and adding value to the Village.



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## 3. Pedestrian Scale and Connectivity

Connectivity is important to the physical and social characteristics and interaction necessary for place making. This includes places for walking, gathering, celebrating, and eating outdoors.

## 4. Access

Vehicular circulation is an important element of place making. Transportation ingress and egress will need to be addressed.

## 5. Mixed uses

Mixed uses create critical mass and a sense of place by affording the community a wider range of goods, services and experiences at one location, thereby increasing connectivity and choice and reducing trip generation rates. Incorporating residential uses into the Village will add value and greater long-term sustainability for the Village. Another reason for this is that mixed-use developments create synergy and support for the other uses. The residential benefits from the retail and vice versa. A single use project can lose value from negative market influences but mixed-use projects tend to withstand negative market influences because the uses are interconnected and can provide value from the other use. This is another reason to encourage connectivity of the Village to the surrounding uses. When retail is not connected to the surrounding neighborhoods, it doesn't benefit from the appreciation of the residential and is more susceptible to negative market influences and competition, thus leading to decline.

## 6. Connectivity to the Adjoining Neighborhoods

Connectivity to the University and adjoining neighborhoods can strengthen the Village. As mentioned above, this is critical to long-term sustainability.



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## 7. Landscape environment

Elements of the natural environment, including trees, plants, flowers and water, are a powerful part of the place. Integrate Peavine Creek into the Village design. Landscaping can soften the edges and provide shading, color and beauty to the Village.

## 8. Parking

Providing sufficient parking is necessary and parking design and placement that allows buildings to be closer together and more integrated with each other is important. Strong pedestrian connectivity can reduce demand for automobile movement and thus parking spaces. Additionally, incorporating other uses such as residential can allow for shared parking opportunities.

## 9. Partnership

Creating a strong sense of place requires a partnership between the public and private sectors. The local governments will greatly benefit from a mixed-use Village that has a strong sense of place and support in terms of zoning approvals, street enhancements, parking right-of-ways and sidewalks, for example, is required to make this possible.

### *Economic and Fiscal Impacts of Mixed-Use Villages*

While we have not been commissioned to determine the potential economic or fiscal impacts to DeKalb County, our experience with these types of villages has been not only higher sales tax revenue from the retail but also transformation and greater economic development for the surrounding area.

Mixed-use villages created with a strong sense of place attract businesses, residents, workers and shoppers whose disposable income generates higher property values and higher rents. As noted earlier in this report, the shoppers for Emory Village have higher disposable incomes. Mixed-use villages have



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achieved higher rents and residential unit pricing by 20%-50% over single-use shopping centers and multifamily housing in the surrounding area, or project's trade area.

In addition, these types of projects generate higher property and sales tax receipts that help pay for a municipality's schools, police and fire protection and other vital services. In the city of Englewood, California, a mixed-use project went from generating \$6,839 in sales taxes as a strip center to \$301,189 in sales taxes once redeveloped into a mixed-use center. This is because the sales per square feet of mixed-use retail villages is generally \$500 to \$800 per square foot compared to only \$200 per square foot of the typical mall or strip shopping center.

Not only does the mixed-use project generate higher property values and greater sale tax returns, but it also prevents obsolescence that, if not addressed, leads to their eventual demise and abandonment. Genuine communities and areas with strong sense of place seldom become obsolete and they are rarely abandoned. Emory Village has the location and ingredients for conversion to a strong sense of place that will result in long-term sustainability.

## Recommendations

Emory Village is recommended as a mixed-use pedestrian oriented center of small eclectic shops with storefronts and building facades of historically pleasing architecture aligning North Decatur and Oxford Roads with parking in the rear in addition to street parking. Crosswalks connecting both the neighborhood and the university are recommended to encourage and allow for pedestrian orientation. The mixed-use center as described and interwoven with green space, incorporating the essential design elements noted above, will create a strong sense of place for the community.

The types of tenants supported and recommended for Emory Village include a mixture of white table cloth and casual dining restaurants, small upscale apparel stores, upscale specialty stores, a single screen theatre serving the local community, a specialty music store, coffee shops, book store, specialty housewares, and specialty or antique furniture store. Attracting these tenant types can best be achieved through the creation of a pedestrian-friendly center with village-type storefronts and commanding architectural design elements. This will create a shopping, entertaining, and dining experience for



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shoppers by nature of the strong architectural design, public spaces and tenant mix. Strong pedestrian connections enhanced by small plazas invite shoppers to linger. As a result, the mixed-use village center can reinforce cross-shopping among tenants to result in strong tenant sales, higher property values and greater sales tax revenues.

The amount of retail that can be supported at Emory Village is approximately 100,000 square feet. The total amount of square feet will largely depend on property assemblage, site redevelopment and opportunity to accommodate parking and rear-building delivery needs where applicable. The appearance of the rear of the center can be addressed through garages and architecturally designed recessed areas for deliveries and trash receptacles to make attractive for residential. The recommended tenant types are shown below.

**Figure 3** *Recommended Tenant Types, Emory Village, Mixed-Use Center*

RECOMMENDED STORE TYPES	EXISTING IN EMORY VILLAGE	NEW TO EMORY VILLAGE
Full service restaurant (fine and casual dining)	X	X
Specialty market or food store		X
Wine Shop		X
Books	X	
Electronics/ Music		X
Computer and/or Software		X
Fast food (pay before eating)	X	
Snacks (Coffee, Smoothie, Ice Cream)	X	
Health/Personal care/Day Spa/Salon		X
Jewelry (including antique and/or specialty)		X
Florist	X	
Hobby/ Gifts/ Specialty (Eclectic, rare and high quality)		X
Furniture (Antique or Specialty, Imported)		X
High Quality Housewares (Specialty)		X
Men's Clothing (Upscale apparel)		X
Women's Clothing (Upscale apparel)		X
Children's Clothing (High quality)		X
Footwear (Upscale apparel)		X
Entertainment (Arts, Theatre)		X



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As shown above, the tenant types recommended are different from the existing tenants. Specifically, the store types recommended are more eclectic with specialty items targeted to higher income, higher educated households. Attracting the appropriate tenants depends on the ability to redevelop the existing center into a pedestrian-oriented mixed-use center as recommended.

The store sizes envisioned for the Village are small in comparison to more conventional strip shopping centers that feature convenience retail (drug and larger grocery stores) and comparable goods.

**Figure 4** *Recommended Tenant Mix, Emory Village, Mixed-Use Center*

RECOMMENDED STORE TYPES	STORE SIZE/ GROSS LEASABLE AREA	NUMBER OF STORES	TOTAL GROSS LEASABLE AREA BY STORE TYPE	GLA MIX BY STORE TYPE
Full service restaurant (fine and casual dining)	3,000	6	18,000	17%
Specialty market or food store	5,000	1	5,000	5%
Wine Shop	1,000	1	1,000	1%
Books	3,000	1	3,000	3%
Electronics/ Music	2,000	1	2,000	2%
Computer and/or Software	1,000	1	1,000	1%
Fast food (pay before eating)	2,500	4	10,000	10%
Snacks (Coffee, Smoothie, Ice Cream)	1,200	3	3,600	3%
Health/Personal care/Day Spa/Salon	3,500	1	3,500	3%
Jewelry (including antique and/or specialty)	1,000	1	1,000	1%
Florist	1,500	1	1,500	1%
Hobby/ Gifts/ Specialty (Eclectic, rare and high quality)	1,500	3	4,500	4%
Furniture (Antique or Specialty, Imported)	3,800	1	3,800	4%
Housewares (Specialty)	3,000	1	3,000	3%
Men's Clothing (Upscale apparel)	1,500	2	3,000	3%
Women's Clothing (Upscale apparel)	1,500	5	7,500	7%
Children's Clothing (High quality)	1,500	2	3,000	3%
Footwear (Upscale apparel)	1,500	2	3,000	3%
Professional Services	1,500	6	9,000	9%
Personal Services	1,250	6	7,500	7%
Entertainment (Art, Theatre)	10,000	1	10,000	10%
<b>TOTAL</b>			<b>103,900</b>	<b>100%</b>



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The recommended store types and gross leasable space supported by store type varies from what is currently offered in Emory Village. Emory Village is comprised of retail tenants primarily targeting students versus local residents. As shown in the graph below, restaurants and bars make up almost one-half of the mix. Of this, almost all are considered fast food (where food is paid for prior to consumption). The recommended mix suggests that there are too few of some store types and too many of others. The difference is shown below.

**Figure 5** *Difference in Recommended Tenant Mix Versus Existing Tenant Mix, Emory Village*

RECOMMENDED STORE TYPES	TOTAL GROSS LEASABLE AREA BY STORE TYPE	GLA MIX BY STORE TYPE	CURRENT STORE TYPES IN EMORY VILLAGE	% OF TOTAL	DIFFERENCE - RECOMMENDED VERSUS CURRENT
Full service restaurant (fine and casual dining)	18,000	17%	8,500	13%	9,500
Specialty market or food store	5,000	5%	1,000	2%	4,000
Wine Shop	1,000	1%	0	0%	1,000
Books	3,000	3%	3,000	5%	0
Electronics/ Music	2,000	2%	0	0%	2,000
Computer and/or Software	1,000	1%	0	0%	1,000
Fast food (pay before eating)	10,000	10%	12,790	20%	-2,790
Snacks (Coffee, Smoothie, Ice Cream)	3,600	3%	7,460	12%	-3,860
Health/Personal care/Day Spa/Salon	3,500	3%	12,000	19%	-8,500
Jewelry (including antique and/or specialty)	1,000	1%	0	0%	1,000
Florist	1,500	1%	1,500	2%	0
Hobby/ Gifts/ Specialty (Eclectic, rare and high quality)	4,500	4%	0	0%	4,500
Furniture (Antique or Specialty, Imported)	3,800	4%	0	0%	3,800
Housewares (Specialty)	3,000	3%	0	0%	3,000
Men's Clothing (Upscale apparel)	3,000	3%	0	0%	3,000
Women's Clothing (Upscale apparel)	7,500	7%	0	0%	7,500
Children's Clothing (High quality)	3,000	3%	0	0%	3,000
Footwear (Upscale apparel)	3,000	3%	0	0%	3,000
Professional Services	9,000	9%	14,745	23%	-5,745
Personal Services	7,500	7%	3,600	6%	3,900
Entertainment (Art, Theatre)	10,000	10%	0	0%	10,000
<b>TOTAL</b>	<b>103,900</b>	<b>100%</b>	<b>64,595</b>	<b>100%</b>	<b>39,305</b>



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The primary target market audience for each store type is shown below.

**Figure 6**

**Primary Market Audience by Store Type, Emory Village**

RECOMMENDED STORE TYPES	TOTAL GROSS LEASABLE AREA BY STORE TYPE	PRIMARY MARKET AUDIENCE FOR EACH STORE TYPE
Full service restaurant (fine and casual dining)	18,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Specialty market or food store	5,000	Local Residents, Emory University Faculty and Staff, Area Workers
Wine Shop	1,000	Local Residents, Emory University Faculty and Staff, Area Workers
Books	3,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Electronics/ Music (Specialty)	2,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Computer and/or Software	1,000	Emory University Students, Local Residents
Fast food (pay before eating)	10,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Snacks (Coffee, Smoothie, Ice Cream)	3,600	Local Residents, Emory Students and Faculty, Area Workers
Health/Personal care/Day Spa/Salon	3,500	Local Residents and Emory Students
Jewelry (including antique and/or specialty)	1,000	Local Residents, Emory University Faculty and Staff, Area Workers
Florist	1,500	Local Residents, Emory University Faculty and Staff, Area Workers
Hobby/ Gifts/ Specialty (Eclectic, rare and high quality)	4,500	Local Residents
Furniture (Antique or Specialty, Imported)	3,800	Local Residents
Housewares (Specialty)	3,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Men's Clothing (Upscale apparel)	3,000	Local Residents
Women's Clothing (Upscale apparel)	7,500	Local Residents and Emory Students
Children's Clothing (High quality)	3,000	Local Residents
Footwear (Upscale apparel)	3,000	Local Residents
Professional Services	9,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Personal Services	7,500	Local Residents, Emory Students and Faculty, Area Workers and Visitors
Entertainment (Art, Theatre)	10,000	Local Residents, Emory Students and Faculty, Area Workers and Visitors
<b>TOTAL</b>	<b>103,900</b>	



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To add to the design and character of the Village multiple store fronts are recommended with store frontages of approximately 40 to 50 feet, i.e., more rectangular versus square. There will be some stores, such as apparel or specialty home furnishings, that will likely require additional store frontage to accommodate a larger store size and window space for showing merchandise. As such, we would recommend two (or more) storefronts for that particular store. It will be important that the exterior design from the street be in keeping with a distinctive architectural design.

In addition to store frontage, appropriate grouping of the retail stores is important. For example, many of the apparel shops should be grouped together and larger stores, such as full-service restaurants, specialty market or food store and specialty housewares or furniture may serve as anchors. Restaurants, coffee shops and specialty market/food stores will require a higher level of traffic, ingress and egress and shoppers prefer to park closer to these types of retail. Whereas, apparel, books, music and gifts/specialty can be located further from parking areas. Wine shops are best located near the specialty market/food stores and restaurants can be grouped proximate to one another, although with some spacing. Many of the specialty shops would best be located near restaurants and other anchor stores to increase patronage.

## *Residential*

Other uses that would be supportable from a market perspective to create a mixed-use environment include both multifamily for-sale housing and rental housing, including loft apartments. Approximately 160 units are recommended for Emory Village. Financing is more difficult for multifamily for-sale housing when vertically integrating above retail stores and renters have a higher attraction (and tolerance) to living above retail. Key elements include good ventilation, hidden trash receptacles, day versus early morning deliveries, and amenities as well as separate parking for the housing. Additionally, it is important to carefully place the residential above certain store types. Restaurants with strong smells and those with late-night patrons can be negatives for residential.

Assuming these are addressed and that design elements are strong, rental rates in the \$1.10 to \$1.30 per square foot range are achievable. For-sale attached housing with units in the \$150 to \$300 per square



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foot range can be supported adjacent and/or proximate to the center. Such housing could include row townhouse units or condominium units.

A summary of the potential opportunities for housing is shown on the table in Figure 7.

**Figure 7**

**Opportunity Matrix for Housing**

Land Use	Study Area Strengths	Trends Occurring in Local Market	Level of Opportunity	Estimated Annual Demand Potential	Most Optimal Positioning	
			<i>Product Type</i>	<i>Subject Site</i>		
<b>Attached For-Sale Residential</b>	Proximity to high-end residential, Emory University and hospitals with access to other employment centers in City of Atlanta and Decatur.	New attached for-sale housing in and around the Emory Village area. All selling well.	\$250,000 - \$350,000	XXX	Strong demonstrated demand in market for product priced below \$500,000	Attached condo lofts or townhomes at \$150 to \$300 per s.f.
			\$350,000 - \$500,000	XX		
			\$500,000 - \$750,000	X		
<b>Rental Apartments</b>	Proximity to Emory University and hospitals. Access to other employment centers in City of Atlanta and Decatur.	Occupancies in area are relatively strong, little new construction.	Flats over retail or in walk-up building configurations	XXX	Strong demonstrated demand in market.	Premium to existing product, \$1.10 - \$1.30 per square foot.

### *Benefit to Community and DeKalb County*

In conclusion, the recommended mixed-use village concept for Emory Village will have a greater impact to Emory University and the adjoining neighborhoods than the existing village concept and design. In its existing state, the Village is not maximizing its potential. The recommended retail mix and mixed-use village concept will be unique in the market, allowing Emory Village to differentiate itself from the competition. Specifically, the other shopping centers in the trade area, including Emory Promenade, Emory Commons, Toco Hills, LaVista/Clairmont and at Briarcliff and Sage Hill, all feature more



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conventional middle-income retailers. Even Virginia Highlands and Decatur feature more conventional/less specialty and larger retailers than recommended for Emory Village, as these are more regional-serving and destination retail. The vision for Emory Village is one of a small neighborhood village with character and connectivity to serve the adjoining neighborhoods and Emory University. This differentiation will also help Emory Village achieve higher sales per square foot.

As noted above, mixed-use developments with strong sense of place attract businesses, residents, workers and shoppers whose disposable income generates higher property values and higher rents. We believe that Emory Village, re-developed as recommended, building upon its historic and unique character, will have the potential to generate higher property values and greater sales tax revenues to DeKalb County. In addition, the Village will have the ability for longer-term sustainability and value creation for the surrounding area, including the adjoining residential neighborhoods and Emory University.



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## QUALIFICATIONS

RCLCo is the nation's leading independent real estate advisory services firm. We are committed to assisting clients in devising successful real estate solutions. Often we are called upon to help conceive strategic plans that maximize land values by considering local market trends, regional growth, competition and financial criteria. Our particular services include:

- Economic development strategies
- Neighborhood redevelopment and revitalization strategies
- Market and financial analyses
- Product programming
- Consumer research
- Optimization analysis
- Disposition strategy
- Investment advisory services

We provide advisory services to a broad range of clients who specialize in different types of real estate product types, including neighborhood and community revitalization, mixed-use projects, retail, office and residential.

Our goal in all such engagements, regardless of the macro or micro issues at hand, is to translate market knowledge and our experience into winning strategic advice.

This engagement was conducted by Belinda Sward, Managing Director, and David Laube, Associate. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCo advisory services, please call (404) 365-9501.



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## CRITICAL ASSUMPTIONS

The conclusions and recommendations presented in this report were reached based on our analysis of the information available to us from our own sources and from the client as of the date of this report. We assume that the information is correct, complete and reliable.

Our conclusions and recommendations are based on certain assumptions about the future performance of the global, national, and/or local economy, as well as that of the real estate market and on other factors similarly outside either our control or that of the client. To the best of our ability we analyzed trends and information available to us in drawing these conclusions and making the appropriate recommendations. However, due to the very fluid and dynamic nature of the economy and the real estate markets, it is critical to continually monitor the economy and the market, and to revisit the aforementioned conclusions and recommendations periodically to ensure that they stand the test of time.

We assume that in the future the economy and the real estate markets will grow at a stable and moderate rate. Often this assumption is made due to budget limitations that prevent us from delving deeper and/or more frequently into the economic forecast or the forecast of the real estate markets. History tells us that the economy is quite cyclical, and the real estate markets are typically very sensitive to these cycles.

Additionally, we assume that economic, employment and household growth will occur more or less in accordance with current expectations, as will other forecasts of trends and demographic and economic patterns. Along these lines, we are not taking into account any major shifts in the level of consumer confidence; in the cost of development and construction; in tax laws (i.e., stable property and income tax rates, deductibility of mortgage interest, etc.); or, in the availability and/or cost of capital and mortgage financing for real estate developers, owners, and buyers. Should any of the above change, there is good reason to believe that this analysis should be updated, and the conclusions and recommendations summarized herein be accordingly reviewed (and possibly revised).



# ALLIANCE TO IMPROVE EMORY VILLAGE

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We also assume that competitive projects will be developed as planned (active and future), and that real estate demand will be met with a reasonable stream of supply offerings. Finally, we assume that major public works projects occur and are completed as planned.



# ALLIANCE TO IMPROVE EMORY VILLAGE

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## GENERAL LIMITING CONDITIONS

Every reasonable effort has been made to insure that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. This study is based on estimates, assumptions and other information developed by RCLCo from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agent and representatives or any other data source used in preparing or presenting this study. This report is based on information that was current as of August 20, 2002, and RCLCo has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, no warranty or representation is made by RCLCo that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co., LLC" or "RCLCo" in any manner without first obtaining the prior written consent of RCLCo. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of RCLCo. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the Client without first obtaining the prior written consent of RCLCo. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCo.

