

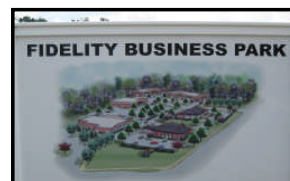
Town of Garner, North Carolina Town Center Market Analysis



Prepared For:



October 2009



CONTEXT AND OBJECTIVES

Over the past several decades the town of Garner has grown from a small exurban town into a suburban community experiencing strong demographic and economic growth. During this time the area north of NC Highway 70, including the town's historic downtown, was largely bypassed physically and economically by this growth and has steadily lost ground to newer conventional suburban development. Today this downtown area has diminished in its economic and civic role for the community and, while having numerous strengths to build upon, has struggled relative to other downtowns in the region.

The decline of this downtown and the lack of a discernable town center in Garner has not been a significant issue during this period as prevailing market forces and preferences have heavily favored conventional shopping centers, subdivisions, apartment complexes and office parks over the past several decades. In the last five to ten years, however, market trends and forces have increasingly brought downtowns and walkable environments into greater relevance and desirability. These include:

- Regional areas like Downtown Raleigh, Durham, and Chapel Hill;
- Smaller downtowns such as Apex, Fuquay-Varina, and Wake Forest; or
- New town centers such as Southern Village and Meadowmont.

Each of these areas offers a stronger sense of community, walkability, interaction, liveliness, and sense of location that conventional stand-alone developments have largely not been able to provide. Having such sustainable areas has become increasingly critical to cities, towns, and suburbs in an era where conventional real estate, particularly retail, has struggled to maintain its value and relevance over time. In such an environment, "moving down the street" has become a standard model of growth and the lack of a sustainable place is a clear threat to Garner and many other suburban communities.

Recognizing the absence of such a place that is sustainable over time and the need to revitalize its older downtown area, the Town of Garner retained a team of consultants, led by Urban Collage and including Kimley-Horn, The Littlejohn Group, and Noell Consulting Group, to create the Historic Downtown Garner Master Plan; a long-term plan to re-energize the area around Garner's historic core (see the aerials later in this report for the area studied) and identify the key opportunities and steps to create a more sustainable and viable downtown area in the long-term.

A key goal of this plan is providing a long-term strategy that is market-based and supportable over time and leads to the creation of a downtown that is truly sustainable; whether it be in its current form or in a new town center. Noell Consulting Group and The Littlejohn Group were charged with identifying development and redevelopment opportunities for commercial and residential land uses in and around the downtown area. These opportunities, and the key steps needed to realize them, form a key basis on which long-term planning can occur.

This report identifies opportunities for retail and office, for-sale and rental residential in and around the town center and the key issues and steps needed to create a sustainable downtown area.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Prior to understanding specific trends and opportunities for this town center, it is important to revisit some key larger-scale trends that support creation of a town center in Garner.

Larger-Scale Trends

Three major trends have gained traction in the last decade, each fueled by large-scale demographic and economic shifts in the country, and each likely to continue gaining momentum in light of the recent economic recession and the need for increased efficiencies going forward. The following summarizes these key trends.

Walkable Places Will Gain in Market Share

Walkable environments, such as downtowns and town centers, are poised to continue achieving increased shares of housing and commercial growth and demand in the coming decades. Three major trends will create this increased demand potential.

- Much higher preferences for walkable, diverse, and convenient communities among Generation Y (those born after 1978) households, a massive age cohort that will hugely influence growth in the Raleigh-Durham area. This generation sees less value in conventional suburban development relative to earlier generations and favors areas convenient to work, shopping, and recreation; particularly areas that combine all three components. Consumer research conducted by RCLCO with Gen Y's throughout the US revealed that more than 2/3 believe living in a walkable community is important to their real estate decisions and 1/3 will pay extra to live in such an environment. Roughly one-half of those surveyed indicated they would trade lot size or home quality to live in an area that better met their lifestyle priorities.
- The Baby Boomers, the group which has driven real estate over the past several decades, are increasingly transitioning from being family households with children to becoming empty nesters. This transition is significant as many of these households have historically lived in locations which are best for their children (typically suburban areas with large lots, cul-de-sacs, good schools) and are now opting for more convenient, accessible locations that offer a lifestyle more suitable to their needs. Recent research by the National Association of Home Builders indicates that one-third of these Boomers would like to live in inner-suburban areas and one-third prefer other suburban markets, with most respondents indicating the need for alternative transportation options to driving for all needs. Town centers could be ideal for their shifting lifestyle.
- The majority of household growth in Raleigh-Durham and the US will be among households without children living at home. Over the past decade, and in the years to come, single-person households, roommates, and childless couples will account for the largest share of household growth. These demographic cohorts are far more likely to opt for homes on smaller lots or attached product (townhouses, condominiums, or apartments) than families with children and are ideal candidates to live in more dense environments, including town centers, activity centers and transit-oriented areas. As Generation Y ages, households with children will again rise. As noted earlier, however, their commitment to walkable areas like intown communities,





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

town centers and potentially station locations, will remain intact and will fuel continued growth in these areas.

Demand for Higher-Intensity Products Will Increase

The aforementioned demographic shifts will also fuel demand for attached products—both rental and for-sale—as well as for higher-density single-family detached products in the coming years. As noted, lifestyle is playing an increasingly critical role in people’s real estate decisions today and will only become more critical in the coming decades. This includes living in homes that offer lower maintenance, and are located in interactive, pedestrian-oriented, mixed-use communities, including Traditional Neighborhood Developments (TNDs) like Southern Village, as well as in older established downtown areas like Garner’s older downtown.

Mixed-Use Environments are Increasingly Important to Commercial Uses

The desire for vibrant, walkable, mixed-use environments extends beyond residential decision-making and applies to commercial uses as well. Increasingly stores are opting for locations that offer a lifestyle or unique atmosphere, and more office tenants are seeking areas that offer amenities within a short walk; attractive to clients and prospective employees alike. Evidence of this can be seen in revitalization efforts in regional downtowns such as Apex, Fuquay-Varina, and Holly Springs. It is the mix of uses found in these environments that create demand at different times of the day and week, thus increasing the overall visitation to the area and boosting potential sales and/or performance for the individual uses and the capture of the center as a whole.

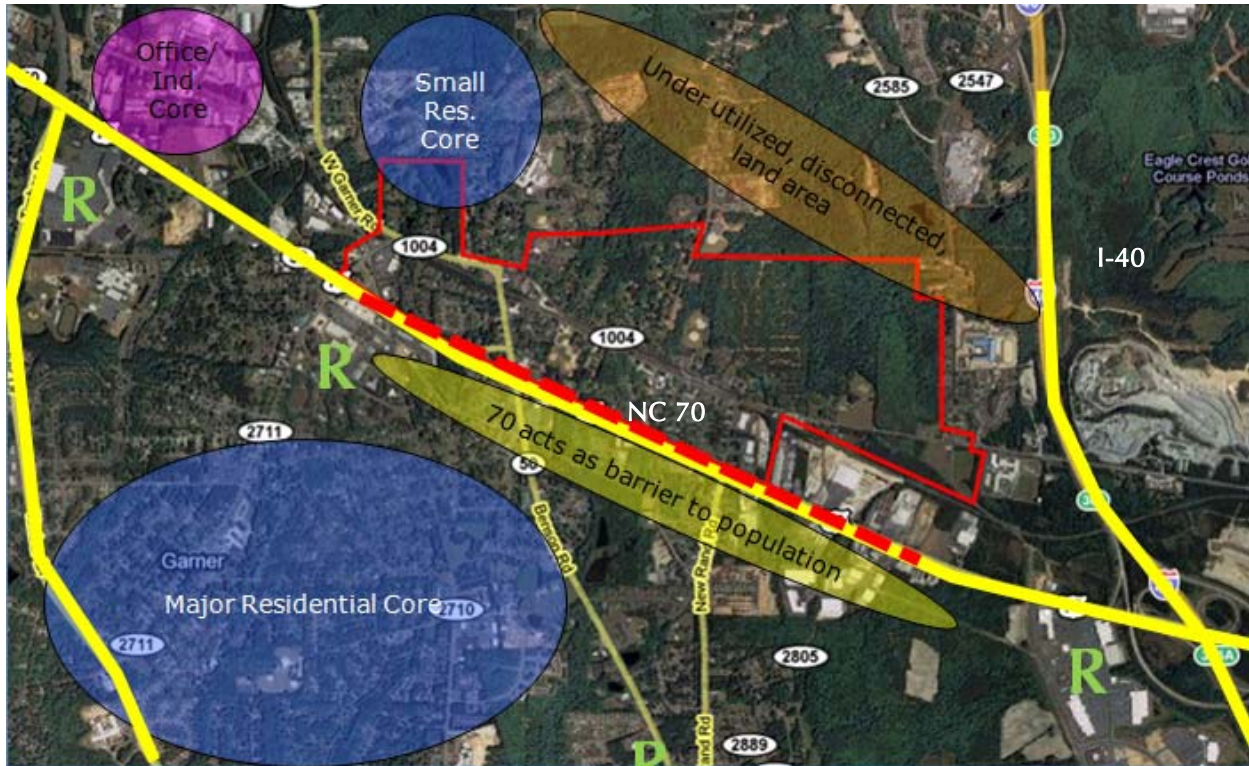
The recent economic struggles are likely to enhance these trends, as Americans increasingly seek areas and environments that are more efficient and sustainable. Factors such as gas prices, home foreclosures, faltering home values, and retail abandonment all favor town centers and downtown areas, be they large or small; efficient locations capable of maintaining their value and quality of life over time.





Study Area Context and Situation

The area under study (shown in the solid red line on the following page) is bounded in the south by Highway 70 and extends largely east-west from Vandora Springs Road to Jones Sausage Road and extends to include adjacent residential, agricultural, and recreation areas to the north.



As indicated on the map, the study area is well- situated regionally with access to I-40, NC 70 and Highway 401 (a major north-south thoroughfare just west of the study area), all major thoroughfares in Wake County; North Carolina’s second most populous county and a major growth market in the Southeast. NC 70 functions as a major commuter route carrying 32,000 cars daily from southern Wake and Johnston Counties to downtown Raleigh and Research Triangle Park, and is a highly visible corridor. It has also emerged as a major retail corridor with neighborhood and regional retail centers serving not only the local population but areas well to the southeast.

Highway 70, a limited access highway, does however cut the study area off from major residential cores to the south; a significant challenge when considering the amount of underutilized land existing between southeastern areas of the city of Raleigh and Garner.

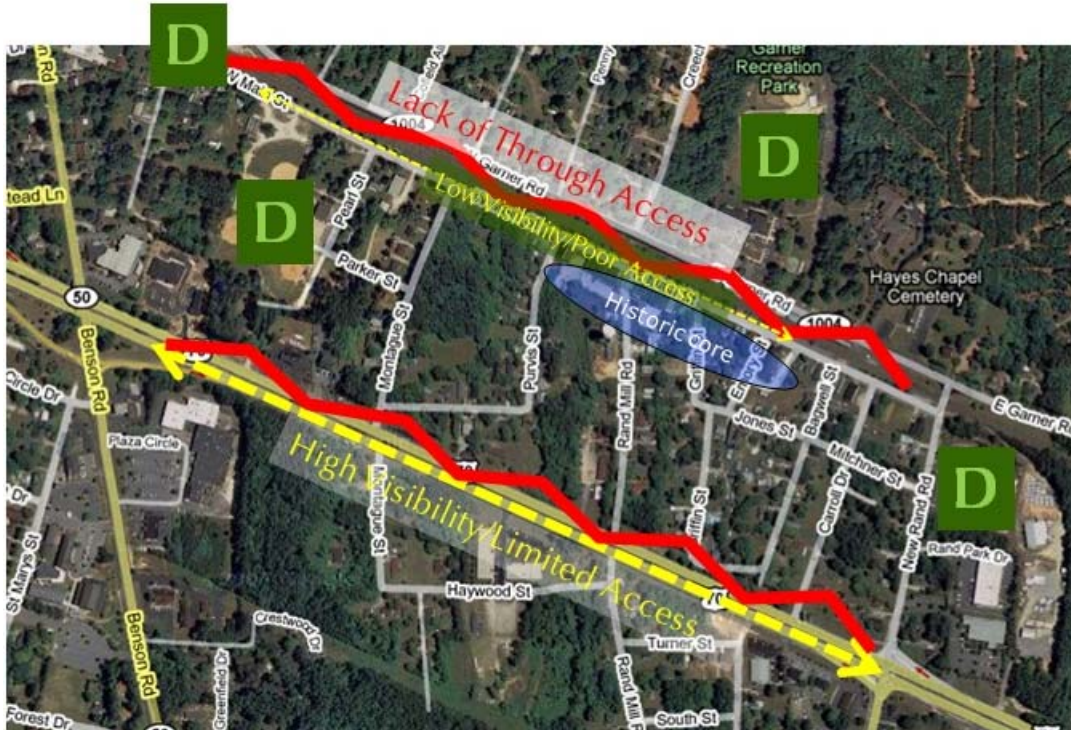
Furthering access challenges is the presence of the railroad corridor which parallels US 70 roughly ¼-mile to the north. Between these two corridors, few major north-south access points are available and visibility and access to the older downtown and the study area is tempered. Increasing north-south access and





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

establishing a greater sense of visibility will be critical to the success of a new town center in Garner and to the future of Garner’s older downtown area.



This said, there are a number of major demand generators in the study area (indicated by the “D’s” on the map) proximate to the older downtown area that create true upside potential; demand generators the older downtown and study area have failed to effectively take advantage of. Five significant demand generators (four of which are indicated above) together bring more than 250,000 people annually into the study area and proximate to the older downtown area, yet have contributed little to economic growth in the area due to a lack of retail and dining opportunities for these visitors. These generators, if appropriately tapped, to be discussed in more detail, create significant potential audiences for not only retail, but residential and other land uses going forward.

From a location perspective an opportunity for a new town center exists for Garner; one that must be highly visible and accessible to NC-70, and one that can better capture both demand potential already coming to the study area as well as other market audiences in the surrounding areas. By creating this new town center, Garner also furthers opportunities to enhance and rejuvenate its older downtown area as well.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

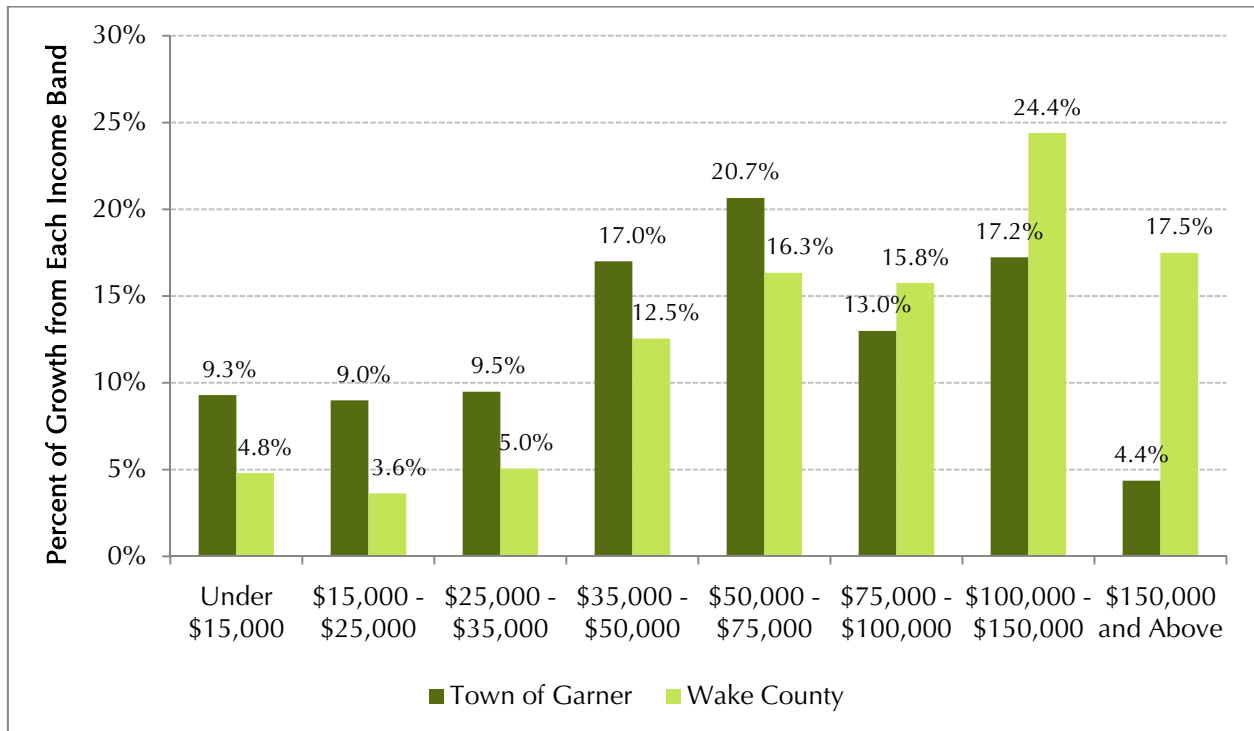
Demographic/Economic/Market Support

As referenced, there are a number of market audiences that could fuel demand for a new town center in Garner, including: those coming to venues in the study area, Garner area residents around the study area and elsewhere in the town, commuters on Highway 70, and area employees working nearby. The following summarizes each of these groups and their potential impacts to a new town center and study area.

Local and Regional Residents

Garner can best be described as a rapidly growing, middle-income bedroom community. The town has experienced annual household growth approaching 4% (3.92%) over the past decade; a high rate of growth consistent with that seen in Wake County (4.35%) during the same time period. Today more than 27,000 people live in the town of Garner, up from roughly 17,700 in 2000. Incomes in the town are healthy, with a median household income of approximately \$50,000 in 2009, and while slightly below those seen in Wake County overall (\$63,000), they are at or above the averages for the state of North Carolina overall (\$47,000) and the US (\$50,000).

The most significant growth in Garner can be found in households earning between \$50,000 and \$75,000 (21% of growth over the past decade and an income capable of supporting home prices of \$150,000 to \$225,000), with strong growth overall being found between households with \$35,000 incomes to those all the way up to \$150,000 (collectively accounting for 68% of Garner's growth).

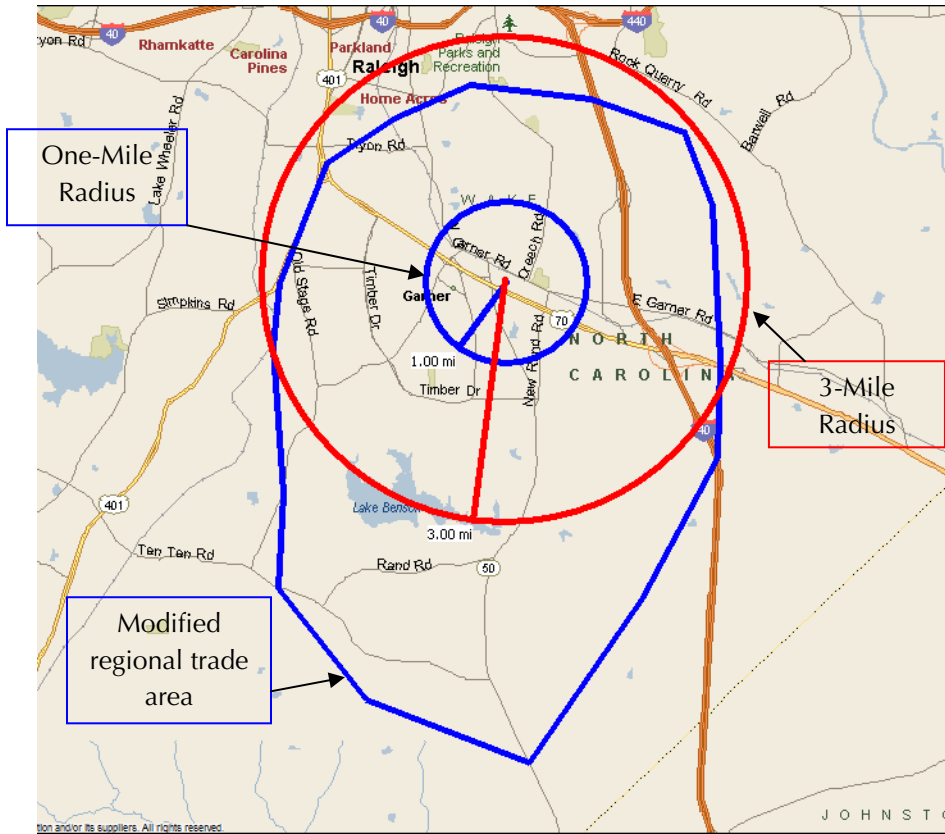




TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Based on case studies of other smaller area downtowns as well as our historical knowledge of similar downtown/town center projects, we divided potential local market audiences for this town center into two key groups:

- Local residents living within one mile of the center of the study area; and
- A modified three-mile radius around that center point of the study area.



This second area was modified to take freeways and road networks into account and extends beyond the three-mile distance to the south as residential communities in that area directly relate to Garner, primary commuter routes filter north to NC 70, and the lack of services, retail uses, government entities to the south. It should be also noted that these radii are typically examined as criteria for location decisions among retailers.

The following are some brief statistics on the 1-Mile and Modified 3-Mile Trade areas.

Area	Total Population	Median HH Income	Potential Demand in Town Center
1-Mile Radius	9,900	\$36,400	Convenience goods, dining
Modified 3-Mile	35,000	\$50,000	Dining, festivals, destination uses

While numerically not as large as some groups, area residents represent demand potential 365 days per year and spend most of their retail dollars closer to home. As such, residents in the 1-Mile and Modified 3-Mile areas represent the overwhelming share of demand potential for retail uses as well as the primary audiences for new residential development.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Commuters

More than 32,000 cars per day travel down NC Highway 70 along the study area; many of which carry commuters to and from work. These commuters today have little reason to stop in the study area and are likely completely unaware of Garner’s older downtown just north of the highway. Further, the limited access nature of the thoroughfare discourages drivers from stopping in the area.

These commuters represent an audience that could patronize restaurants, coffee shops, dry cleaners, drug stores, or other establishments in a new town center. To fully achieve this capture, however, strong visibility and frontage along NC 70 will be required and enhanced access via a full median break will be needed. Capture of such commuters could be enhanced via anchoring such a town center with a YMCA or other large-scale exercise facility. YMCA has expressed a willingness to consider a location along NC 70 and experiences its peak hours around the workday; consistent with tapping into commuters along the highway.

These commuters also represent opportunities to live in a new Garner town center as they become more exposed through retail and/or a YMCA/fitness center.

Venue Visitors

As referenced earlier, the study area and Garner’s older downtown benefit from a large number of demand generators located around the area. These demand generators include:

Demand Generator	Draw	Est. Attendance
Garner Baseball, Inc.	Four baseball fields	39,000
Garner Recreational Park	Baseball fields, bike trails	19,500
Garner Senior Center	Seniors events	85,000
Avery Street Recreation Center	Range of events	62,000
North Garner Middle School	Basketball	14,400
Creech Road Park	Softball leagues	14,400
Historic Theater	Non-Sports Events	27,000
Total		261,000

Food and/or retail operations are limited in these venues and providing dining and convenience retail opportunities in a town center format represents an untapped opportunity, even if initially offered in smaller kiosks or a limited-service restaurant facility. It should be noted that these figures do not include the Polar Ice House, a busy ice rink located in the study area. That rink draws from a very wide area of Wake County and does provide some more substantial food service, although the study area and town center should benefit from those opting not to eat there as well as the visibility to those patronizing the facility. Like commuters, over time visitors to these venues represent prospective audiences for other types of retail, residential uses, and office uses as they become more regularly acquainted with a new town center in the study area.

Area Employees

The final of the five major audiences that fuels demand potential for a town center in Garner are area employees, from office and industrial workers, to retail, medical and municipal workers. In 2007 nearly 16,500 people worked in the 27529 ZIP code, the majority of which work along the Highway 70 corridor





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

between Highway 410 and I-40 (proximate to the study area). Of this, an estimated 4,300 white collar and medical jobs can be found in the area as well; jobs particularly able to spend on food and retail around their place of work. These dollars today are spread throughout the area with even a small capture representing an opportunity for a new town center in the study area.

Retail Analysis

The most direct impact many of these audiences can have on the study area is through direct retail expenditures. As noted, many of these audiences already frequent or drive by the study area on a regular basis and represent groups logical to support retail in a new town center. The lack of any true town centers or lifestyle commercial developments in the Garner area—places that could tap into that demand potential—leaves open an opportunity for the study area. Interestingly, in a number of interviews with area stakeholders, it was noted that Garner residents occasionally frequent dining establishments in downtown Apex and other smaller downtowns in the region given lack of local options. While Garner’s older downtown area has attracted several restaurants over time—some of which have been quite successful but suffered from reported management and space configuration issues—its limited visibility has been a challenge it has not been able to overcome.

Garner and the Highway 70 corridor indeed function as a regional retail core, serving not only Garner residents but areas in southeast Wake County into Johnston County. As a result there is more than 2.5 million square feet of retail space in the Garner area today (including free-standing retail and retail in shopping centers), most of which is occupied (94% overall) and is housed in conventional retail centers. As shown below, newer centers such as White Oak tend to outperform older space and, typical of major retail corridors, cannibalize quality tenants from these older centers (which are averaging closer to 70% occupancy). One new center, Fifth Avenue at Forest Hills, has performed poorly in the market due both to the ongoing recession, high rents, and the lack of an anchor tenant in the center.

Property Name	Center Type	Year Built	Total SF	Total Avail. SF	Total Occ.	Lease Rates	
Garner Towne Square	Power Center	1999	212,376	9,400	96%	\$20.00	- \$20.00
Southside Shopper	Neighborhood	1999	12,000	2,500	79%	\$12.00	- \$14.00
Forest Hills	Neighborhood	1975	185,000	5,000	97%	\$12.00	- \$14.00
Fifth Ave. at Forest Hills	Neighborhood Boutique	2006	26,500	20,000	25%	\$20.00	- \$24.00
Garner Village	Neighborhood	1988	47,000	1,500	97%	\$8.00	- \$16.00
Aversboro Square	Neighborhood	2006	21,000	2,600	88%	\$12.00	- \$14.00
Shops at Timber Landing	Neighborhood	2001	95,000	9,000	91%	\$18.00	- \$20.00
Garner Plaza	Neighborhood	1967	57,766	31,658	45%	\$6.20	- \$6.20
Timber Crossing	Neighborhood	1988	78,546	0	100%	\$9.00	- \$14.00
White Oak	Power Center	2004	820,000	34,500	96%	\$30.00	- \$30.00
			1,555,188	116,158	93%	\$6.20	- \$30.00
						Average:	\$14.72 - \$17.22





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Estimated Retail Demand Potential

Utilizing an array of sources, including Claritas, the International Council of Shopping Centers, and the Urban Land Institute, retail demand potential for a new town center was estimated from the five major sources identified:

- Residents living within a mile of the center of the study area;
- Residents living within the modified three-mile radius (Garner-area residents);
- Commuters on NC 70;
- Visitors to the venues located in the study area; and
- Area employees working along the NC 70 corridor between Highway 410 and I-40.

Demand estimates were provided both today in 2009 and five years out in 2014 (with the former two areas listed above being the only growth provided for). Expenditures were assigned to each of these groups and captures of demand were estimated based on the number of businesses currently located in the area (via US Census ZIP Business Patterns). Based on our historic experience, well-executed town centers tend to outperform conventional retail centers in terms of captures of sales and rents charged and, given the lack of any type of lifestyle-oriented retail center in the area, capture premiums for some retail types (mostly limited and full-service dining) were assumed to be reasonable. Retail sales for 22 store categories were then converted to square feet utilizing data provided by the Urban Land Institute and the amount of supportable stores and square feet were estimated for the subject town center. It should be noted that square feet of space was only incorporated into final demand estimates in those store types where support was sufficient for a fully operating store (e.g. if 1,000 square feet of store A was supportable, but typical store sizes for that store type are 3,000 square feet, demand for that space was not included as that store is not likely to be supportable). Given more limited data on expenditures by store type for employees, commuters, and visitors, these 22 categories were squeezed to five: limited-service and full-service dining, drinking places, dry goods, and specialty foods.

Two scenarios were examined for retail demand potential in this town center: one that assumes stronger access to Highway 70 (median break with four-way access) and one with limited, right-in and right-out access. The following summarizes the demand potential over the next five years from the largest of the demand sources: those residents living between one and three miles from the center of the study area utilizing an aggregation of the 22 retail groups examined (into 15 groups).





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

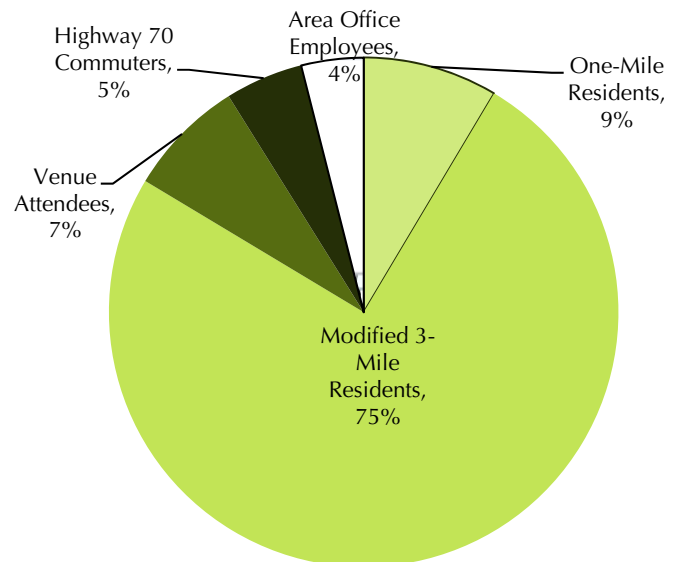
Retail Demand Potential by Store Type, Two Scenarios

2014 Demand	Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet
Furniture	10%	4,214	0%	0
Electronics	5%	2,100	0%	0
Hardware/Garden	0%	0	0%	0
Grocery/Beverage	17%	7,172	12%	1,988
Health/Personal Care	0%	0	0%	0
Clothing/Shoes/Jewelry	20%	8,444	27%	4,444
Sports/Hobbies	7%	2,825	0%	0
Book Stores	7%	2,786	0%	0
Florists	0%	0	0%	0
Office/Stationary	9%	3,578	22%	3,578
Full Service Dining	16%	6,424	20%	3,212
Ltd Service Dining	17%	7,200	15%	2,400
Drinking Places	11%	4,480	14%	2,240
Total		49,223		17,862
Food/Drink	44%		48%	

As can be seen, the stronger access scenario generates much greater demand potential from residents living within three miles of the study area (a bit further to the south given road patterns), with upwards of 49,000 square feet of demand potential existing from these sources.

As shown in the pie chart to the right, these three-mile radius residents constitute more than three-fourths of demand potential with local residents (within one-mile), commuters, venue visitors, and local office employees constituting the remaining 25% of demand.

Assuming this improved access and visibility to Highway 70 and the provision of some type of anchor use (YMCA, hospital/medical center, civic anchor, etc) we estimate that, by 2014, up to 65,000 square feet of retail space could be supportable in a new Garner town center from all demand sources. The large majority of this demand (more than 75%) will come from residents living roughly within three miles of the study area with the remainder of demand emanating from the other sources referenced. No additional demand was estimated beyond the sources identified above although, with strong execution and/or certain destination type tenants/uses anchoring the town center, capture of such demand (e.g. residents beyond the 3-mile radius) could be achievable over time.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Roughly half of the space demanded and supportable is for dining, both full-service (sit-down) and limited-service, as well as for other food-driven establishments such as a smoothie shop, coffee shop, or wine bar. Limiting dining/food establishments to less than half of the space developed is important to the long-term success of the non-dining retail uses. The following summarizes the mix of supportable retail space.

Store Type	Ex. Type	# of Stores	Total SF	Comments on Audience
Fast Casual Rest.	Pizza, Burritos, Burger	5	12,400	Mix of employees, venue visitors, commuters
Drinking Places	Coffee, smoothie, wine bar	2	4,400	Mix of residents, employees, venue visitors, commuters
Sit Down Rest.	Family, Mexican, Italian	4	13,000	Mix of regional residents, employees & venue visitors
Specialty Foods	Wine store, candy, bakery	4	8,600	Mostly all local and regional residents
Dry Goods	Boutique clothing, gift shop	9	26,500	Mostly all local and regional residents
Totals		24	64,900	

Office Analysis

The Garner area has not historically served as a significant office location in the Raleigh-Durham market as more significant office functions in the region have either located in larger downtowns (Raleigh, Durham), the Research Triangle Park (RTP), or in locations closer to executive households in the region (North Raleigh, Chapel Hill). The strong freeway access found in the Garner area has made it attractive as a local office destination, with space being fueled largely by a mix of local-serving companies (Realtors, accountants, small law firms, insurance agents, etc) or by uses serving some of the industrial businesses in the area. The table below illustrates the generally small nature of office-using firms found in the Garner area (ZIP 27529).

Industry Sector	Number of Employees									
	1 – 4	5 - 9	10 - 19	20- 49	50- 99	100- 249	250- 499	500- 999	1000 or more	% 20 or Less
Information	9	3	0	1	1	0	0	0	0	86%
Finance & insurance	30	19	9	1	0	0	0	0	0	98%
Real estate & rental & leasing	33	11	3	3	0	0	0	0	0	94%
Professional, scientific & technical services	70	13	11	6	1	0	0	0	0	93%
Management of companies & enterprises	2	1	1	0	1	0	0	0	0	80%
Health care and social assistance	37	21	16	16	0	3	0	0	0	80%
Total	181	68	40	27	3	3	0	0	0	90%

SOURCE: US Census Bureau for ZIP 27529 (2006 data). Government employment not included.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Assuming roughly 250 square feet of space per employee, roughly 90% of the office using firms in the Garner area can be housed in offices of 5,000 square feet or less.

It should not be surprising, therefore, that most of the space found in the Garner area is generally smaller, including offices in converted homes. Space in the area is generally affordable (\$12 - \$14/square foot) and is relatively well occupied; averaging around 90%. The major exception to this is medical office space, which has recently become overbuilt with the movement of some key medical tenants from older space to newer buildings at White Oak. Further, very little of this space has any amenity orientation and is mostly found in stand-alone structures not walkable to retail or services. Given the increasing importance of quality of life at the workplace, providing a walkable town center environment with nearby retail should represent an opportunity in the Garner area. Indeed, other smaller downtowns in the region (Apex, Holly Springs, Fuquay-Varina) have reported solid office demand in their downtown areas; particularly in newer space provided.

Demand for smaller office-using tenants was estimated in the Garner area based on demand from two key sources: population growth in the market that fuels demand for local-serving office users and tenants already in the market relocating to new or higher-quality space.

Estimated Five-Year Population Growth within Modified 3-Mile Radius **5,702**

	Scenario 1	Scenario 2
Ratio, Residents per Small Office Employee	@ 18.9	@ 27.8
New Small Office Employees Annualized	302 60	205 41
New Annual Small Office Square Feet	15,082	10,271
Capture @ 20%	3,016	2,054
@ 30%	4,525	3,081

Blended Annual Demand from Growth **3,169**

Existing Small Office Firms--Garner	221
Est. Firms Leasing Space & Turning Over Annually	15%
Firms in the Market Annually	33.2
% That Move	20%
Firms Moving Annually	6.6
Capture, Subject Property	25%
Firms Captured Annually	1.7

Annual Square Feet Captured (Avg. 6 Emps/Firm) **2,486**

Total Five-Year Demand, New and Turnover **28,277**

Scenario 1 utilizes the change in Wake County's population over the growth of small office employees (in firms with less than 20 employees) from 2000 to 2006 while Scenario 2 utilizes the Wake County population per small office employee ratio as of 2006.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Factoring in these two sources, we believe more than 28,000 square feet of small office space can be supported at the subject property over a five-year period. This demand estimate is for smaller firms only (those under 20 employees) and does not factor in upside from any larger firms (e.g. larger medical facilities) that could locate in such an environment.

For-Sale Residential Analysis

Over the past decade, Garner has evolved as one of Raleigh's more affordable areas in which to buy a home, with many single family homes priced under \$200,000 in a market with an average price point of well over \$300,000 for a new single-family home. The market for attached housing in Garner is very limited, mainly due to the low price of single family homes. In most suburban locations buyers will choose single-family homes over attached product unless price is an issue.

Garner offers a convenient commute to Raleigh and a lower cost of living relative to Raleigh and many of the surrounding small towns. However, the schools have historically been seen as a deterrent (and have become a focus of the Town—although perceptions may take some time to change). This perception limits Garner's selling proposition to families with children to that of offering more home for the money relative to other parts of Wake County. The top 10 single-family communities in the Garner area indeed offer more home for the money as a primary sales proposition with average price per square foot values ranging from \$60 to \$89, with half of them averaging under \$70 per square foot. Overall in Wake County the top 10 performing communities had homes ranging in price per square foot from \$69 to \$112, with 60% selling at prices over \$90 per square foot, and only one selling below \$70 per square foot.

In suburban communities with very affordable single-family housing, it can be a great challenge to incorporate marketable dense for-sale housing into the market as one of two key selling propositions for attached product (value—lifestyle being the other) is tempered. In many town centers, the enhanced design and inherent expense of building higher-density, mixed-use product results in attached home prices that struggle to compete with nearby lower-priced detached homes. In short, it is difficult to sell a premium town house or condominium project in a town center when there is predominantly value priced single-family homes in the market. Creating higher-priced single-family homes, likely in the town center, will help to create this value proposition.

Historic Data

The first chart in this series compares sales of new construction single family homes in Wake County to those sales in the Garner area (St Mary's district of Wake County). Key points from this include:

- Both markets have seen a decrease in closing volume from the peak. This is due to the economy and housing market troubles. However, Wake County's market is expected to recover ahead of most of the nation.
- Pricing has stayed stable in both markets, with both showing increases thus far in 2009 over historic levels (this may change in the coming year as the Raleigh economy finally feels the impact of the ongoing national recession).
- Garner has historically provided approximately 8% to 12% of the closings in Wake County.
- Garner pricing has consistently been 50% to 60% lower than Wake County.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

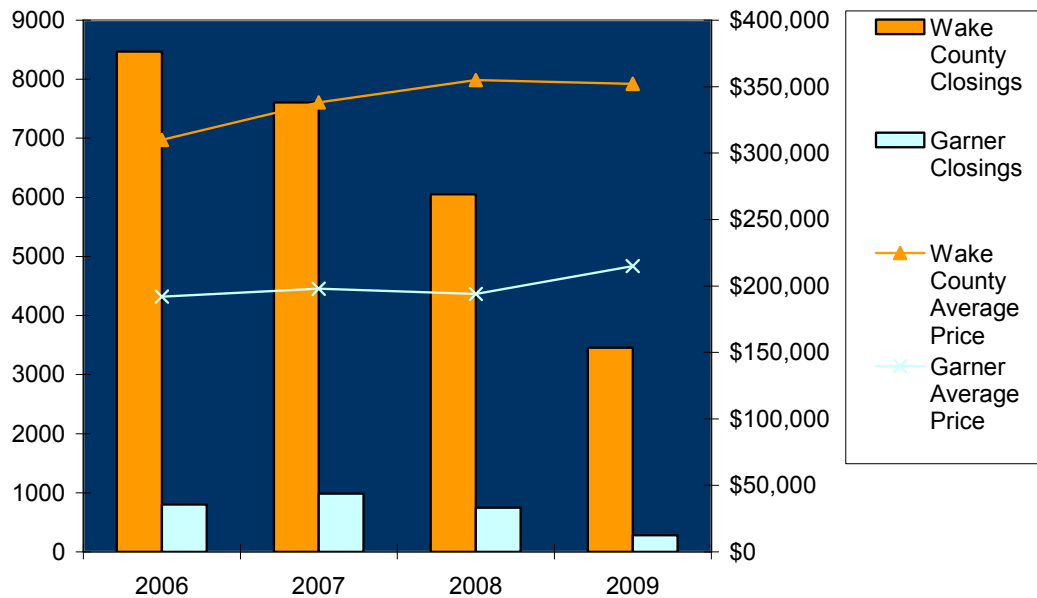
- Garner’s market position in the county is a price-sensitive location and may be susceptible to employment declines now being experienced in the metro area overall.

Sales of New Construction Single Family Homes- Wake County vs Garner

	Wake County				Garner (St Mary)			
	<u>Closings</u>	<u>Average Price</u>	<u>Average Size</u>	<u>Avg. PPSF</u>	<u>Closings</u>	<u>Average Price</u>	<u>Average Size</u>	<u>Avg PPSF</u>
	2006	8467	\$310,000	3283	\$94	802	\$192,000	2303
2007	7609	\$338,000	3407	\$99	986	\$198,000	2428	\$82
2008	6052	\$355,000	3495	\$102	750	\$194,000	2415	\$80
2009	3452	\$352,000	3366	\$105	282	\$215,000	2521	\$85

Source: MORE Data

Sales of New Construction Single Family Homes- Wake County vs Garner



A review of the ratio of building permits to closings reveals that Wake County and Garner have achieved a level of equilibrium between supply and demand, responding to the ongoing recession. This bodes well for a market recovery as there is not an excess of inventory homes in the market.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Wake County and Garner- Permits to Closings

<u>Wake Permits</u>	<u>Wake Closings</u>	<u>Closings to Permits</u>	<u>Garner Permits</u>	<u>Garner Closings</u>	<u>Closings to Permits</u>
9434	8467	0.9	936	802	0.9
7736	7609	1.0	983	986	1.0
5750	6052	1.1	534	750	1.4
2206	3452	1.6	122	282	2.3
25126	25580	1.0	2575	2820	1.1

A review of the top 10 single family communities by sales volume shows a wide variety of builders and price points in the Wake County market overall. Cary, a much more established location, has the most top performing communities with 4 of the top 10, and the top 3 spots. No communities in the Garner market are in the top 10.

Last 12 Months June 2009, Top 10 New Single Family Subdivisions by Volume, Wake County

<u>Subdivision</u>	<u>Area</u>	<u>Builder</u>	<u>Average</u>	<u>Average</u>	<u>PPSF</u>	<u>Closed, LTM</u>
			<u>Size</u>	<u>Closing Price</u>		<u>6/09</u>
Harmony	Cary	Pulte Home Corp	3876	\$370,216	\$96	118
Twin Lakes	Cary	Kb Home	2669	\$299,187	\$112	91
Weldon Ridge	Cary	Parker/Orleans	4195	\$408,400	\$97	60
Highland Creek/Wf	Wake Forest	Centex Homes	2943	\$273,860	\$93	57
Greystone/Cary	White Oak	M/I Homes	3585	\$312,696	\$87	51
Mccrimmon/Park	Cary	Pulte Home Corp	2992	\$283,500	\$95	49
Churchill	St. Matthews	Centex Homes	2707	\$186,617	\$69	47
Stonewater/Cary	White Oak	Lennar	3312	\$351,767	\$106	43
Southern Oaks	Middle Creek	Royal Oaks Bldrs	2289	\$191,795	\$84	39
Braxton Village	Holly Springs	Royal Oaks Bldrs	2526	\$212,765	\$84	34

Last 12 Months June 2009, Top 10 New Single Family Subdivisions by Volume, St. Mary

<u>Subdivision</u>	<u>Area</u>	<u>Builder</u>	<u>Average</u>	<u>Average</u>	<u>PPSF</u>	<u>Closed, LTM</u>
			<u>Size</u>	<u>Closing Price</u>		<u>6/09</u>
Battle Ridge	St Marys	Kb Home	2474	\$161,813	\$65	24
Chasteal Trails	St Marys	Atreus Homes	3035	\$181,688	\$60	24
Sumerlyn	St Marys	Centex Homes	2576	\$178,625	\$69	20
White Oak Landing	St Marys	Comfort Homes	NA	\$205,075	NA	20
Griffis Glen	St Marys	Comfort Homes	2429	\$152,028	\$63	18
Griffis Glen	St Marys	Atreus Homes	1645	\$146,300	\$89	15
Macadie Park	St Marys	Comfort Homes	2410	\$145,083	\$60	12
Eagle Ridge	St Marys	K Hovnanian	NA	\$270,450	NA	10
Sunnybrook Estates	St Marys	Jordans Const	2287	\$177,200	\$77	10
Abbingtion Ridge	St Marys	Venture Bldg Group	NA	\$170,250	NA	8

Townhouse product is an alternative to single-family homes. In most cases, townhomes provide a price sensitive option for buyers in markets with relatively high price points. They also offer a low maintenance





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

lifestyle alternative appealing to couples and singles without children and empty nesters. Condominiums are also a viable product type in Wake County, particularly in downtown Raleigh and areas like Chapel Hill, but have been limited to fewer than 20 closings over the last 4 years in Garner.

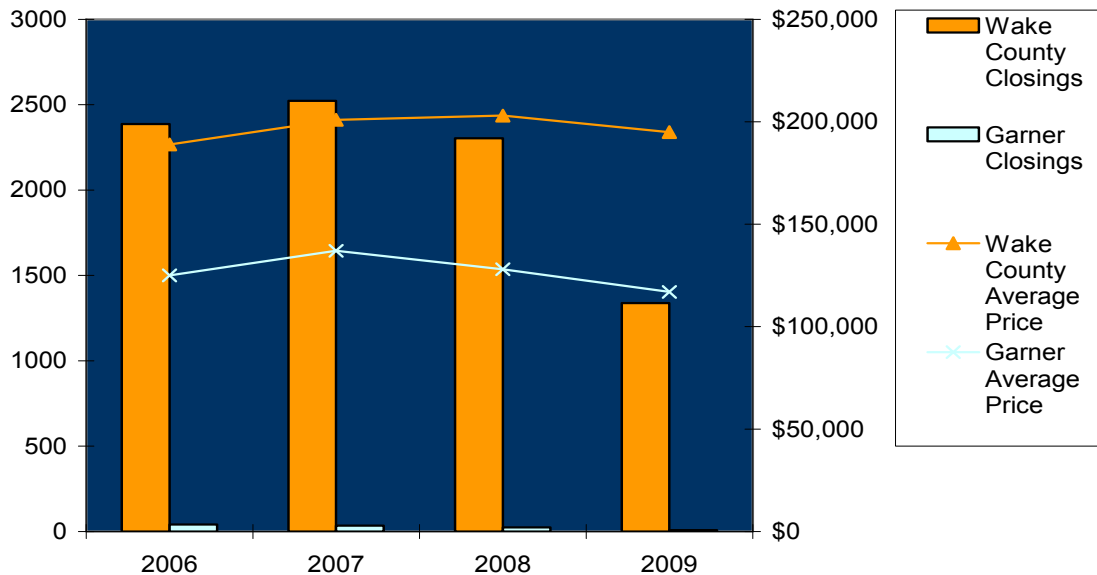
- Wake County has a relatively strong market for townhomes, particularly in mixed use, town center communities.
- Sales are down in both markets, mirroring the single-family market
- Garner encompasses under 2% of the attached market in the county overall, with very low prices being the main draw; a challenge that must be overcome for townhouse product to thrive in a town center environment.

Sales of New Construction Town Homes- Wake County vs Garner

	Wake County				Garner (St Mary)			
	<u>Closings</u>	<u>Average Price</u>	<u>Average Size</u>	<u>Avg. PPSF</u>	<u>Closings</u>	<u>Average Price</u>	<u>Average Size</u>	<u>Avg PPSF</u>
2006	2387	\$189,000	2050	\$92	41	\$125,000	1558	\$80
2007	2523	\$201,000	2188	\$92	34	\$137,000	1530	\$90
2008	2303	\$203,000	2090	\$97	25	\$128,000	1333	\$96
2009	1337	\$195,000	2048	\$95	8	\$117,000	1465	\$80

Source: MORE Data

Sales of New Construction Town Homes- Wake County vs Garner





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Currently Active

There are multiple new construction single-family home communities to choose from in and around Garner. Pricing at these communities generally starts in the mid \$100's and tops out in the mid \$200's. They are fairly typical of traditional single-family subdivisions, offering homes that have basic finishes and exteriors, with generous space. Most communities offer some form of pool or clubhouse. The area is also adjacent to several golf course communities with homes ranging from \$200,000 to \$400,000. Communities such as Eagles Ridge offer production built homes in a golf course setting, with buyers willing to pay a premium for the lifestyle. While indicative of Garner's attractiveness, these communities are typically not competitive with intown or town center housing options.

Residential Case Studies:

Several series of case studies have been created as a part of this larger town center analysis, including case studies assembled to illustrate how other communities have successfully (and not successfully) incorporated for-sale housing into their town centers. The following summarizes two North Carolina communities and their experiences with incorporating residential into their downtown areas.

Salisbury North Carolina

Salisbury North Carolina was selected due to a number of similarities to Garner including:

- Population- 28,462
- Low average home sales price in the area- \$157,000
- Low demand for attached product in the area- less than 20 units closed per year
- A commitment to planning and creating a viable town center

Salisbury is located about an hour northeast of Charlotte off of I-85. The city has its own unique economy, one that has stagnated in recent years. A good number of residents work in different areas. The growth rate has been relatively slow, at only 8% over the past 8 years. In 2000, the town committed to improve its downtown by enacting a comprehensive plan that supported office, retail, tourism and housing. The plan has been a strong success with:

- 75 retailers now active in downtown
- 15 restaurants
- 130 residential units
- A "Main Street" USA community



Residential development has focused on small projects, with flexibility between using spaces as rental, for sale or even live/work. There have been adaptive reuse projects such as the Kress, new construction like the Firehouse Lofts and many units of residential topping ground floor retail. Most projects are small with fewer than 10 residences and a focus on mixed use buildings.

For Sale condominiums have focused on offering affordable product vs. luxury offerings. Currently available product ranges from \$92,500 for a 1300 sf condo in an adaptive reuse building to \$250,000 for 1,450





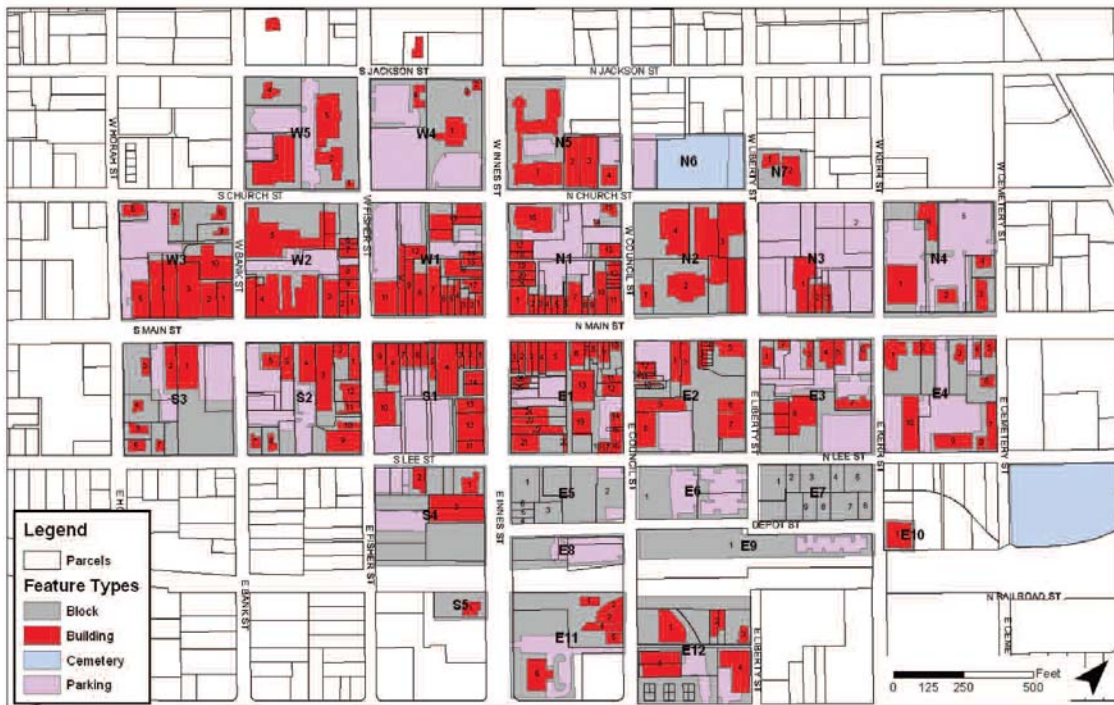
TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER



square foot condominium unit in a new building with high end finishes. Most of the units are priced well below \$150,000. This strategy allows downtown Salisbury to be competitive on a retail price basis with the low priced single family communities that cover most of the outskirts. Rentals are similar, with rents ranging from \$600 to \$1400 a month.

Parking was a key concern for buyers. Developers and the city addressed this concern by providing ample on street parking and dedicated parking for buildings. Most buildings include two dedicated parking spaces per condominium unit. Few building amenities (such as pools, gyms, and gathering areas) are offered as residents have the amenity of downtown with its parks, shops, dining establishments and library. Many of the adaptive reuse buildings offer historic tax credits to buyers.

The residential was developed at the same time as the rest of the plan developed. The smaller scale projects and sites allowed units to come onto the market slowly as opposed to a large project delivering units all at once. The smaller more diverse offerings also penetrate a wider audience of buyers and keeps in scale with the town center.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Matthews North Carolina

Matthews, North Carolina was selected due to a number of similarities to Garner including:

- Population (26,901) similar to that of Garner
- Relatively affordable housing prices around Matthews
- A commitment to planning and creating a viable town center

Matthews North Carolina is located about 20 minutes of Center City Charlotte, North Carolina off of US Highway 74. Residents of Matthews enjoy easy access to several employment centers in the Charlotte area access via I-485 to Ballantyne and the University area, as well as Center City Charlotte. Additionally, Matthews has its own employment base. The growth rate has been strong, at 18% over the past 8 years.

About 15 years ago, there was a push to redevelop downtown Matthews into a viable town center that included retail, office and residential. The town hall was rebuilt in a mixed use development including a town green additional office space, YMCA, and retailers. At the same time, a push was made to promote and restore business along Trade Street. A farmers market was established and a number of festivals and promotions take place to regularly attract visitors to downtown.

At the same time, residential development adjacent to downtown was pursued with limited success. With much of the residential focused on single-family, suburban style development to the south of Matthews and very affordable single-family and town house product to the east, there was a strong potential for an alternative product walkable to town. Three major projects were built, including the Park Place townhomes, the Trade Street Towns and the mixed-use Park Square. Park Square fared the best by offering smaller product priced in line with affordable options to the east of town. The affordably priced condominiums and townhomes were well received by buyers.

Park Place and Trade Street Towns did not fare as well. Park Place was targeted to empty nesters with large master-down plans. The price point was about 15% to 20% above area patio homes targeted to the same market, but not walkable to downtown. Though the homes were nice, they lingered in the market while the more affordable patio homes sold quickly; the premium clearly not accepted by the market. Trade Street Towns, meanwhile, suffered from a number of problems. The site plan was very commercial with the town homes basically surrounded by a surface parking lot. The price point was 20% to 25% above similar sized attached product in more suburban settings.



The lessons learned from these difficulties in incorporating for sale residential into a town center include:

- Pricing cannot be at a considerable premium over comparable product at least until housing is more established in the town center.
- Site planning is key- although the spaces may be denser, they still must feel residential.
- Mixed use can work given a competitive price point.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Rental Apartment Analysis

Much of the rental apartment product found in the Garner area consists of generally older units achieving moderate rents. The lack of a large base of employment nearby has historically limited demand for apartments, although newer retail and industrial growth has contributed to the need for rental units in the area. Two new rental apartment communities have been developed in the Garner area in the last few years and have performed well in the market; averaging roughly 98% occupancy and rents of around \$.85 to \$.90 per square foot. Both communities are garden-apartment product and, while Abberly Place is located within White Oak, neither it nor Heather Park can be considered part of a mixed-use project or located in a walkable, mixed-use environment.

Renters in the two market-rate communities are largely singles with some couples earning between \$25,000 and \$50,000 annually and working either in the Garner area or in Raleigh. Strong access via I-40 and NC 70, as well as access to retail uses and services has attracted them to the Garner area.

In the coming five to ten years, greater market forces will favor continued development of rental apartments in the Raleigh-Durham area overall and specifically in the Garner area. Between 2010 and 2015, we estimate demand for new apartments in the greater metro area to be approximately 3,500 units annually.

		<u>2010 - 2015</u>
Raleigh-Durham Estimated Employment Growth		120,350
Projected Relationship to New Apartment Absorption In MSA		5.8
Estimated Supportable New Apartment Absorption in MSA		20,894
Estimated Annual New Apartment Absorption in MSA		3,482
PMA Capture of New Job Growth Within the MSA	@ 7.8%	272

	Under \$25,000	\$25,000 \$35,000	\$35,000 \$50,000	\$50,000 \$75,000	\$75,000 Above	Total:
PMA Renter HHs By Income Range:	38%	22%	19%	13%	8%	100%
	104	59	51	37	21	272
Corresponding Rent Range (28% of Gross Income):	Under	\$585	\$820	\$1,165	\$1,750	
	\$585	\$820	\$1,165	\$1,750	Above	
Capable of Being Delivered in New MF Complex	0%	100%	100%	50%	0%	
Annual New Units Demanded	0	59	51	18	0	128

Assuming reasonable captures of demand based on household and job growth in the Garner area, we estimate demand potential to be approximately 128 market-rate units annually in and around Garner. This level of demand equates to roughly one new apartment community every two to three years and indicates support for development of approximately 250 rental apartments as part of a new town center.





Case Study Analysis

To more fully understand opportunities and the need for an anchor land use in the town center, two types of case studies were conducted as part of this engagement:

- Brief case studies of other small downtowns in Wake County (one in Johnston County) to understand locally-demonstrated support for town center development and to gain insights into programs and policies utilized in these downtowns; and
- National case studies focusing on other suburban towns that have created their own town centers, their key success factors, anchors within the town centers, and lessons learned.

Together, these case studies add qualitative insights that can help guide decision-making; helping Garner capitalize on others demonstrated successes while avoiding the pitfalls others may have made.

Local Downtown Case Studies

Five downtowns were examined to understand performance of suburban town centers in the area, including Clayton, Fuquay-Varina, Apex, Holly Springs, and Wake Forest. With the exception of Holly Springs, all of these downtowns have historically served their respective towns; only Holly Springs' downtown is newly developed where a downtown didn't truly exist before.

None of the downtowns have been particularly proactive in participating in new development, although four have experienced significant new private-sector investment, some of which are the result of RFP processes. In all cases, new development was provided in two-story buildings averaging around 15,000 to 20,000



square feet and in each case, the buildings were well-received in the market. Developers and leasing agents interviewed report each building is performing well in the market and are nearly fully occupied. In every case the local developer had a vested interest in the community and typically a strong relationship with the municipality.

Office uses in particular have performed well, attracting smaller, local-serving tenants appreciative of the unique character and environment found in these downtowns and the ability to walk to restaurants and shops. Retail spaces have also performed well, attracting local restaurateurs and small shop owners unhappy with conventional retail center options in the market and able to build local bases that limit their competition and exposure to national chains that dominate suburban Raleigh. Finally, an adaptive reuse project in Wake Forest in northern Wake County provides significant meeting and event space, which has been heavily utilized and considered a significant amenity to the downtown area.

These towns have also noted a number of key success factors and programs/policies that have helped strengthen their town centers. These include:

- Having a well-defined vision for the downtown and making decisions relative to investments and infrastructure consistent with that vision;





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

- Providing marketing assistance/promotion for businesses staying open after hours and on weekends;
- Preserving historic homes and architecture to further the unique character of the area;
- Hosting numerous community events in the town center to keep residents familiar with their downtown and the shops and other opportunities present there;
- Create opportunities to share infrastructure costs, such as with parking lots where parking can be shared between land uses;
- Providing wayfinding throughout the community to let residents know how to access downtown and reaffirm the importance of the area to the community;
- Being creative in marketing and promoting the town center area via new media channels (social networking sites, etc) which are particularly helpful in targeting younger residents.



National Case Studies of New Town Centers

A second series of case studies was conducted to understand key success factors for suburbs creating new town centers including understanding key anchors for these town centers and their effectiveness in drawing support for component land uses. Four case studies were conducted, including:

- Smyrna, Georgia;
- Miramar, Florida;
- Burnsville, Minnesota; and
- Harrisburg, North Carolina.

Smyrna represents perhaps the most notable new suburban downtown development and has the longest track record in which to gauge success. Smyrna, located in suburban Atlanta, had a very small downtown but recognized its lack of significant architecture and critical mass would limit its long-term success. As such, the town began an ambitious plan to develop a new town center nearby and, in 1988, began laying the framework for this downtown. Utilizing bonds, Smyrna began construction of two civic buildings: a 28,000 square foot library and a 55,000 square foot community center.



Included in this initial development effort was an RFP process that resulted in the sale of excess land to a local builder for the development of 21 single-family homes. Both the homes and the civic buildings were well-received and began to establish a unique sense of character for the community. Revenues from the land sale for the homes was utilized to help build a city hall in 1996, a year which also saw Smyrna participate in the

development of a 40,000 square foot retail and office building. Several smaller efforts, including a fire station and public safety building were added in the following years.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Major commercial and residential components were added to downtown Smyrna in 2002, with the town participating in a public-private venture that created Market Village; a 65,000 square foot retail, office, and residential project also resulting from an RFP process. That project has been highly successful and has greatly contributed to the sense of character and place needed in downtown Smyrna. Included in that town center are a mix of locally-established restaurants, local-serving office, and townhouses. Market Village is now attracting 50,000 visits annually and is achieving rent premiums of roughly 10% over other area land uses.

Since the completion of Market Village in 2002, Smyrna officials have seen a more than \$200 million increase in the tax base within one mile of the center.

Key Success Factors:

- Incorporating residential component early on both to establish location as multi-use, create character, and generate revenues for next civic development;
- Hosting regular events, festivals, etc in the town center to familiarize residents with town center and make it a part of their everyday lives;
- Participating in public-private development, particularly of mixed-use project, which has greatly enhanced character and sense of location.

Miramar, Florida represents a newer and equally as ambitious effort as that seen in Smyrna. In 2001 and 2002 the city purchased approximately 54 acres for the creation of a new town center; something it had not previously had. Fourteen of the 54 acres were retained for civic uses with the remaining acreage being either utilized for lakes and open space, or private development.



Several civic uses were developed over the next 7 years, led first in 2003 by the development of a new city hall and followed by the creation of a 45,000 square foot cultural arts center and a 72,000 square foot library. Notable is this third building, which was largely developed with funds for a county library and two floors of local colleges.

Simultaneous with the development of the city hall, the City of Miramar joint-developed a 950-space parking deck, of which the City utilized 700 and other land uses the remaining 250 or so spaces. That parking is now being wrapped with retail and office uses, along with an initial phase of residential development. This first phase of development includes roughly 50,000 square feet of retail, 40,000 square feet of office, and 17 residential units. Of note is the inclusion of a 24-hour fitness facility in the retail component; a land use the City believes stimulates the greatest *direct* impact to the town center development to date. This fitness center has generated demand for other retail uses including restaurants.



When fully developed, Miramar's town center will include more than 175,000 square feet of retail space, 52,000 square feet of office space, and 504 residential units.





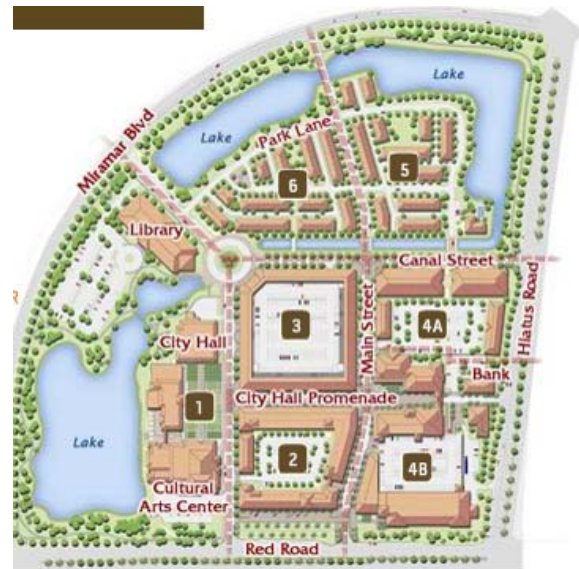
TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

Key Success Factors:

- Land control and joint development with private entities;
- Working with the county to secure a library and community college space;
- Having an array of anchors to generate demand at all times;
- 24-hour fitness facility which generates strongest demand; and
- Having regular festivals and events in the town center which draw thousands of visits.

Lessons Learned:

- Not developing both sides of the street simultaneously to gain greater sense of place and location.



Burnsville, Minnesota has undertaken a somewhat less coordinated effort relative to these first two suburbs, attempting to facilitate private-sector development with less extensive public-sector involvement. Burnsville’s efforts began in 1995 with streetscaping efforts along Nicollet Avenue; a major corridor in the city. During this process, opportunities for the city to purchase numerous properties in transition emerged and, over the next eight years, the city acquired or became involved with the development of more than 50 acres of property. Included in this is the development of several residentially-based projects that are comprised of more than 250 units in four separate projects; projects that also included 30,000 square feet of retail space.



In 2004 the City developed Nicollet Commons Park, a half-acre well-landscaped park intended to become a center for the area. While small, the park is very heavily programmed and is visited by 40,000 to 50,000 people annually, both on a daily use basis and via events such as small lunch concerts and annual jazz and art events. The events in the park have particularly benefitted local restaurants; both part of redeveloped properties and existing restaurant facilities.



In addition, two parking decks have been developed—one on each side of Nicollet Avenue—for transit use and for a new performing arts facility. That facility opened earlier this year and includes a 1,000-seat theater, which has further benefited the area’s restaurants.

One property remains for development which, given the economic recession ongoing nationally, won’t occur within the





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

next couple of years as the recession has already impacted projects located in the area.

The investments made to date, however, have resulted in increased tax revenues from \$100,000 - \$200,000 less than a decade ago to somewhere between \$1.5M and \$2.0M today.

Key Success Factors:

- Gaining land control and implementing a TIF (Tax Increment Financing) district;
- Building the public park heavily programming it with weekly events and festivals;
- Providing parking structures to eliminate large expanses of parking in the area.



Lessons Learned:

- Trying to traverse Nicollet Avenue with residential on one side of the road and the park on the other;
- A lack of any major anchors, aside from the newly opened performing arts center;
 - City Hall and other major municipal functions are located about 4 – 6 blocks away;
 - Major medical and a YMCA are located further away;
 - Uses too spread out to create major synergies.

Finally, Harrisburg, North Carolina, a suburb of Charlotte, has a new town center, anchored by a town hall and YMCA. Unlike the other case studies, this project was privately-led with the town providing little in terms of an active role in development. Harrisburg had a very small downtown; one that was similar to Smyrna in that it lacked mass and architectural character, and was located on a state highway and thus was not pedestrian-oriented.



A private developer was able to assemble approximately 100 acres for the town center in 2002 and 2003 and initiated development of the mixed-use project. Due to ongoing state highway construction, retail was not an immediate opportunity and thus the residential components of the project led the charge. The entirety of the 60-acre residential component of the property (373 units), comprised of a mix of townhouses and condominiums, was completed within 3.5 years and responded well to an untapped demand for attached product in a suburban location.

Retail development in the project has occurred in two general manners: in outparcel sales along Highway 49 and in mixed-use retail and office “Main Street” type product on more interior portions of the property. Outparcel sales have been strong, although they vary in terms of quality and aesthetics and do not





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

contribute to the overall town center atmosphere. Retail and office in the “Main Street” format has met with mixed-success for several reasons:

- It suffers from limited visibility from Highway 49—the main traffic artery in the area, some of this caused by the sale of outparcels along the frontage;
- It lacks a sense of critical mass and little has been developed on both sides of a street, limiting the effectiveness of the concept;
- One of the anchors for the office, Novant Health’s 3-acre property, has yet to be developed with the planned large-scale medical facility and creates a hole in the middle of the property;

Overall, both Main Street office and retail uses have performed moderately well but are struggling with the recession. Notable is the fact that the majority of office tenants in the project (which include a mix of medical, legal, real estate, etc) came from outside of Harrisburg and were attracted to the newly developed, quality office space and environment; something they couldn’t find before in Harrisburg. To date more than 110,000 square feet of office space has been built, of which 25,000 is vacant today.

Finally, and quite importantly, the developer worked with the Town and the YMCA to build a two-story town hall and YMCA. The first floor was converted to condo ownership and the town purchased that space for its facilities. The developer feels the YMCA has contributed significantly to the traffic in the community, much more so than the town hall portion of the building. Very important, however, is the sense of location and legitimacy the town hall adds to the project, as the developer has noted many now feel that Harrisburg is more of a real town than it was when town offices were located in lower-quality space.



Key Success Factors:

- Incorporating a significant residential component that both added to the sense of place in the project and tapped into pent up demand for quality attached product in a suburban location;
- Including a YMCA, which generates significant traffic and familiarity with the project and spurs demand for retail uses;
- Including the town hall as part of the project, which connotes a true sense of town center to the project and created a greater identity both for the project and the town;
- The success of the project has created other spin-off projects nearby, although their value and success have yet to be measured.

Lessons Learned:

- Selling off the outparcels, while profitable, failed to add to the character of the project and hid other office and retail uses (owned by the developer) from Highway 49;
- Included in this is the 3-acre medical site in front of town hall and in the center of the project, that diminishes the overall feel of the project and tempers other office and retail demand;
- Not having both sides of the street developed in too many blocks, which again limits the feel that is so critical to a project such as this.





Opportunity Assessment

Creation of a new town center in Garner represents a potentially significant opportunity. No town centers or downtowns exist proximate to Garner and an array of uses can be developed to create a true mixed-use community in the study area. These land uses can tap into an array of market audiences for support, many of which are either already frequenting the study area or are proximate to the study area on a daily basis.

In creating this town center, it is critical for the Town to secure a site that is highly visible from Highway 70, and one that has strong access to Highway 70. This includes securing access directly onto Highway 70, including a median break with left-turn capabilities into and out of the property. To accomplish this, the Town will need to become actively involved in land assembly, as this process is too complicated and time-consuming to be privately-initiated.

The town will also need to either create a new north-south road from Highway 70 to Main Street/Garner Road, or upgrade an existing road between the two corridors. This road can function as the north-south axis for the town center and, if possible, should align with a crossing of the rail corridor adjacent to Main Street. This crossing can create greater through access to residential areas north of Main Street.

Also critical to the success of the town center is the incorporation of a major anchor use; preferably one that drives retail demand potential and traffic into the town center. The YMCA has expressed interest in a Highway 70 location and would represent a strong anchor for the town center. Similarly, discussions of locating a significant medical facility accessible to Highway 70 are gaining momentum and would contribute to office demand and retail support in the town center. While the former market-based uses will likely require visibility and access to Highway 70, a strong civic use could be located closer to Garner Road. While less directly significant (generating less retail sales), the location of a major civic anchor in the town center would accomplish several indirect impacts:

- As noted in interviews with area developers, it would signal to the development community that Garner is fully behind the town center and is making such a center its major focus of investment in the community; and
- It would significantly add to the perception among Garner's residents that this center is indeed the community's town center, adding to that sense of legitimacy many in the case study communities noted and furthering the sense of place the town center can provide.

From a private-sector perspective, a number of opportunities exist for new development, including:

- Approximately 60,000 to 65,000 of retail space (not including a YMCA or other civic anchor) that includes:
 - 29,000 square feet of full- and limited-service restaurants and drinking establishments like smoothies, coffee, and/or wine bars;
 - 34,000 square feet of other retail uses including small clothing shops, gift shops, home furnishings and specialty food stores (bakeries, wine store, candy shop, etc);
 - This retail should be immediately adjacent to and around a major anchor use like a YMCA or larger-scale medical facility and should be visible from Highway 70;





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

- An office component, possibly in second-floor space, that provides offices for local attorneys and accountants, realty offices, smaller medical offices, etc.
- An array of new for-sale single-family homes, townhouses and, over time, condominium flats;
 - While a small component (probably limited to less than 20 units), incorporation of new single-family homes on small lots can help tee up more dense lifestyle products and should be offered in the initial phases of the project;
 - Townhouse product represents a significant opportunity for the town center, fueled both by the lifestyle proposition created by the town center and the price-alternative opportunity created by the aforementioned single-family homes;
 - When completed, we believe demand exists for 30 to 40 units in the next few years, possibly exceeding this amount over time;
 - Finally, as the town center is created, opportunities for condo flats will emerge, driven by the lifestyle offered in the town center;
 - Unit offerings should be in smaller phases of 6 to 10 units per building, totaling to 30 to 45 units over a three-year period;
- A rental apartment complex, built in a Main Street manner, that continue residential streets and add critical mass to the town center;
 - This community should be stick built and provide on-street and surface parking, possibly with some units developed over retail.

Town Center Summary	
Anchor Uses	
<u>Visitor-Generating</u>	
YMCA/Fitness Center	
Medical Facility	
<u>Symbolic</u>	
Major Civic Anchor	
	Square Feet/Units
Retail	55,000 - 65,000
Restaurants	25,000 - 30,000
Other Retail	30,000 - 35,000
Local-Serving Office	25,000 - 30,000
For-Sale Residential	80 – 100
Single-Family	20
Townhomes	30 – 40
Condominiums	30 – 45
Rental Apartments	250

Garner should work with Wake County to create park spaces in the town center itself for events and passive recreation, and to connect the town center to other area parks and recreational venues via trail systems.

Finally, creation of this town center will create significant upside for Garner’s older downtown area through stronger connections from Highway 70 to Main Street, significant infilling of residential development, and the location of viable retail and additional demand generators adjacent to this older downtown area.

It is important to note that the demand for all of the above uses is based on future growth, and capture of audiences/retail expenditure types currently missed in Garner, thus it will not have any major cannibalizing effects on current developments within Garner. Additionally, it is the audiences located within the greater Garner market area, and the strong visibility/access provided via Highway 70 that primarily support this opportunity, a fact that must be heavily considered should any location or phase removed from Highway 70 be considered for initial development.





TOWN OF GARNER MARKET OPPORTUNITIES FOR A TOWN CENTER IN GARNER

About The Littlejohn Group

The Littlejohn Group specializes in research, marketing and sales for housing. Total research services include review of the land plan, development restrictions and opportunities, market conditions and all variables that influence the best housing product mix for the site. Urban in-fill and redevelopment are a strong focus of the company providing attached or dense housing strategies that include condominiums and town house product, mixed-use concepts, and varied uses such as affordable housing and senior housing. Housing strategies are guided by primary and secondary market research and tied to feasibility studies and competitive mapping to insure successful plans and development.

With over 20 years of proven experience, principal Emma Littlejohn has consulted in virtually every segment of residential housing: condominium and cooperative; master-planned communities; resort properties; senior housing; mixed-use developments. Ms. Littlejohn is a member of the National Homebuilders Institute for Residential Marketing, the Urban Land Institute, Charlotte Region Commercial Board of Realtors, a graduate of the University of North Carolina at Chapel Hill and has completed post baccalaureate studies in Real Estate through the Harvard University Graduate School of Design.

About Noell Consulting Group

Formed in 2008, Noell Consulting Group is a real estate advisory services firm based in Atlanta geared toward providing private and public sector clients with advice that is Marketunistic—market-based, yet opportunistic—in perspective. The research, analysis, and advice provided by Noell Consulting Group allows its clients to make decisions that are well-grounded in reality while taking full advantage of opportunities that exist in the market; including opportunities that may not be readily apparent. In doing so, Noell Consulting Group provides insights into not only where the market is today, but where the market it is heading in the coming years.

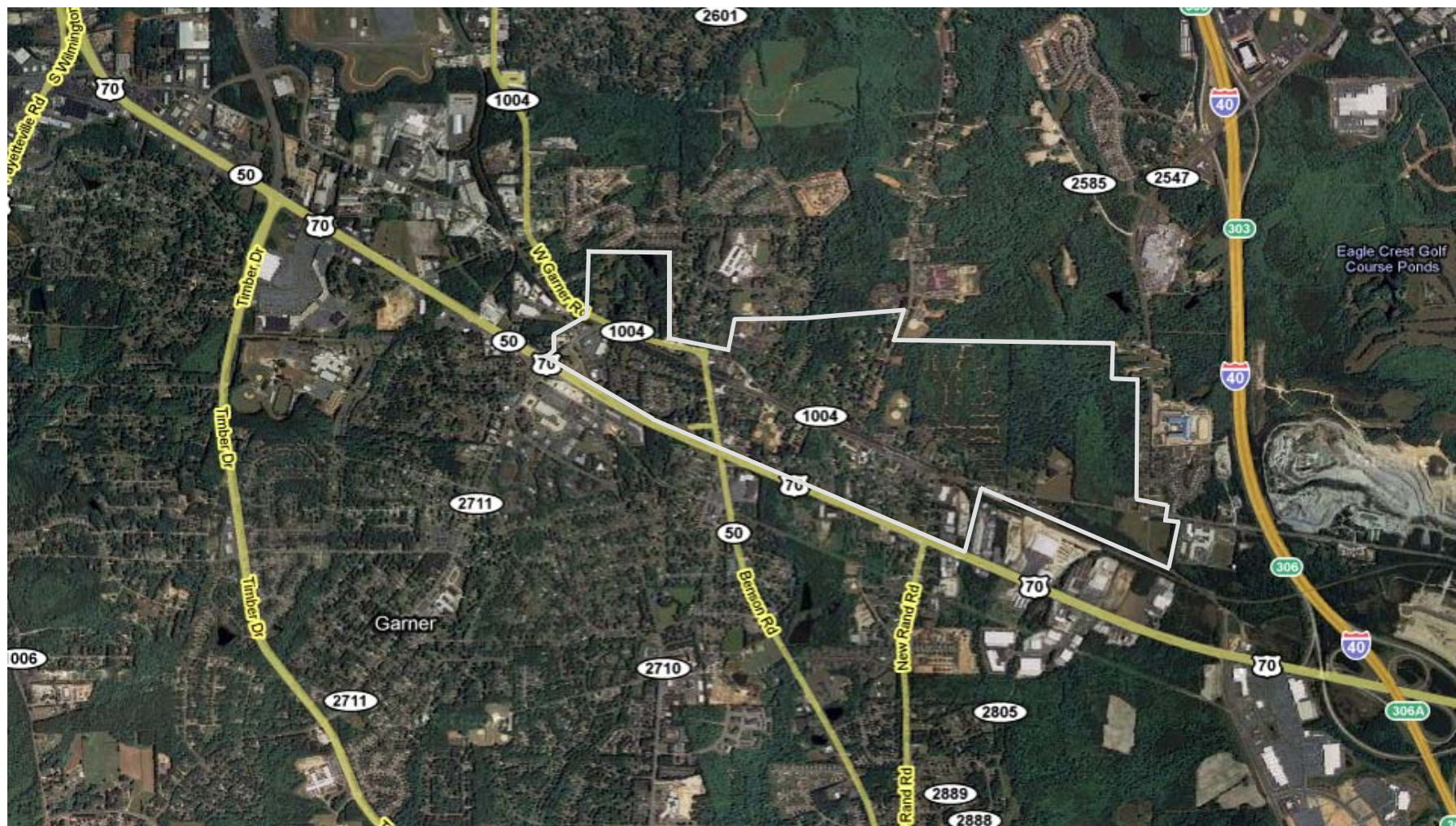
Noell Consulting Group provides strategic advice that spans the array of commercial and residential product types, including more complex and dynamic mixed-use projects. Included in this is extensive experience with town center and more conventional retail projects, from smaller neighborhood retail centers to large-scale regional town or power centers. Our goal when studying any of these land uses, either in combination or as stand-alone products, is to understand first who is demanding these products, what they are seeking, how these products can satisfy their needs, and how these products and projects should be positioned in the competitive market to maximize opportunities for success.

Noell Consulting Group is headed by Todd Noell, who offers more than 14 years of consulting experience in addition to four years of public planning experience. Mr. Noell has worked for a broad array of client types—both private and public sector—and has extensive experience and knowledge of dozens of markets across the spectrum of land uses. During his 14 years of consulting experience, Mr. Noell led and managed hundreds of market analysis, highest & best use, short- and long-term modeling, and consumer research engagements. Mr. Noell is joined by David Laube, who offers 8 years of market analysis and private development experience dealing with both residential and commercial products. Our combined knowledge and experience provides us with an understanding of issues and opportunities across the spectrum of real estate and economic development.



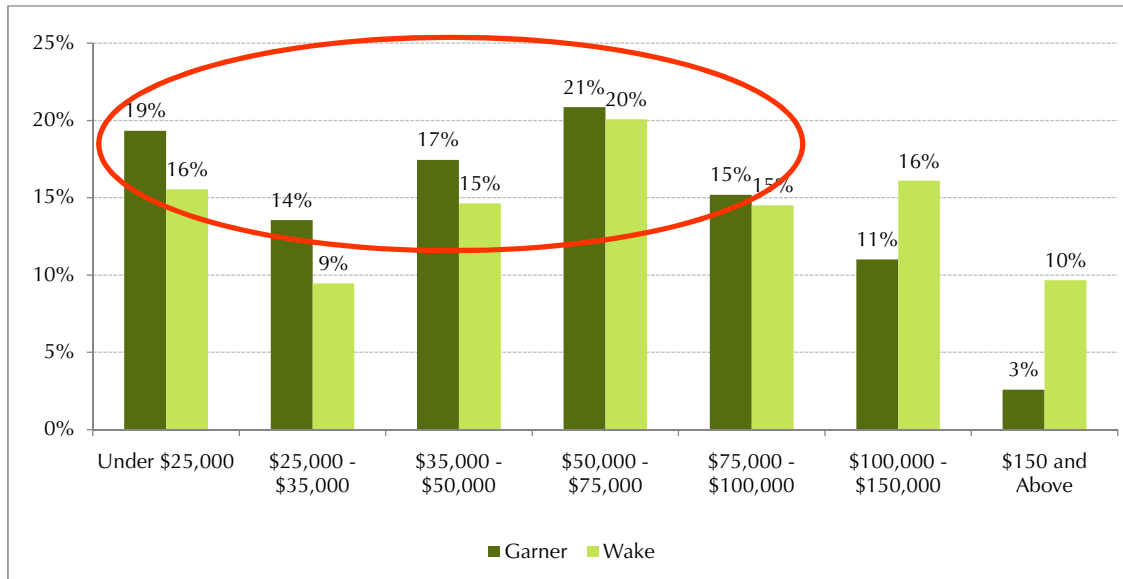
TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 1
Study Area Map

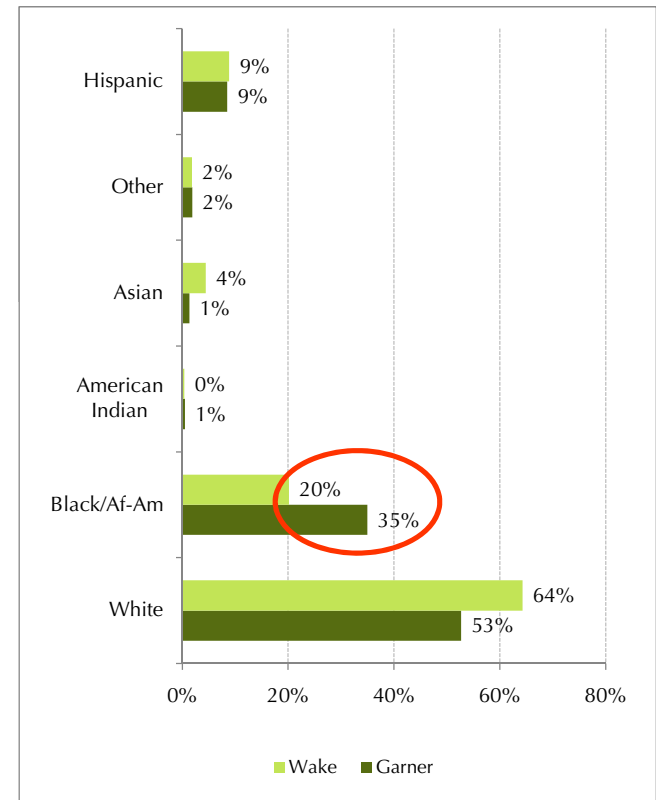
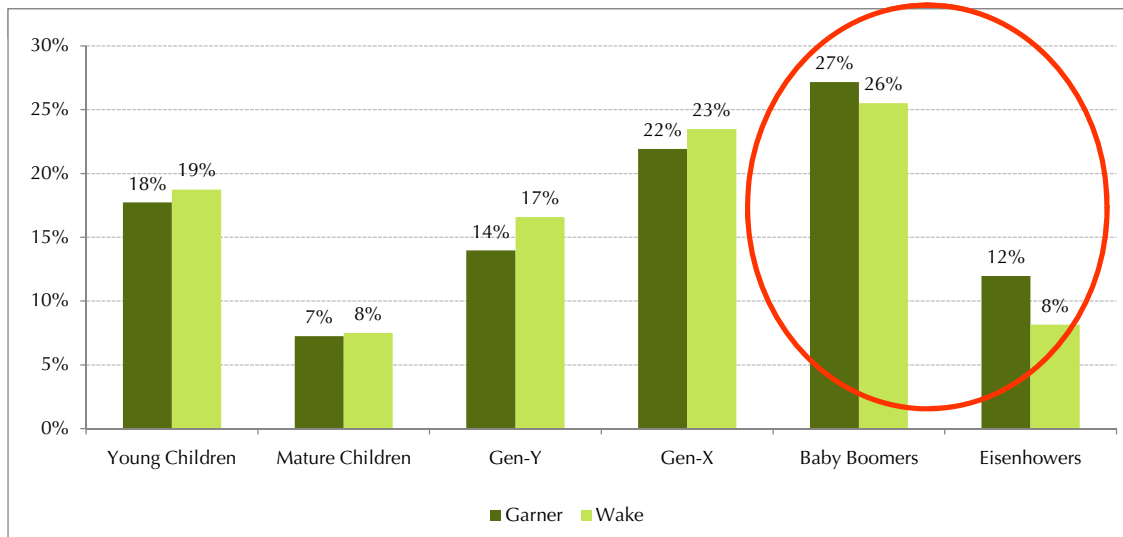


TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 2
Town of Garner and Wake County Demographic Comparison



Relative to Wake County as a whole, the Town of Garner has a higher percentage of households earning less than \$100,000, older Baby Boomer and Eisenhower generations, and African American households.

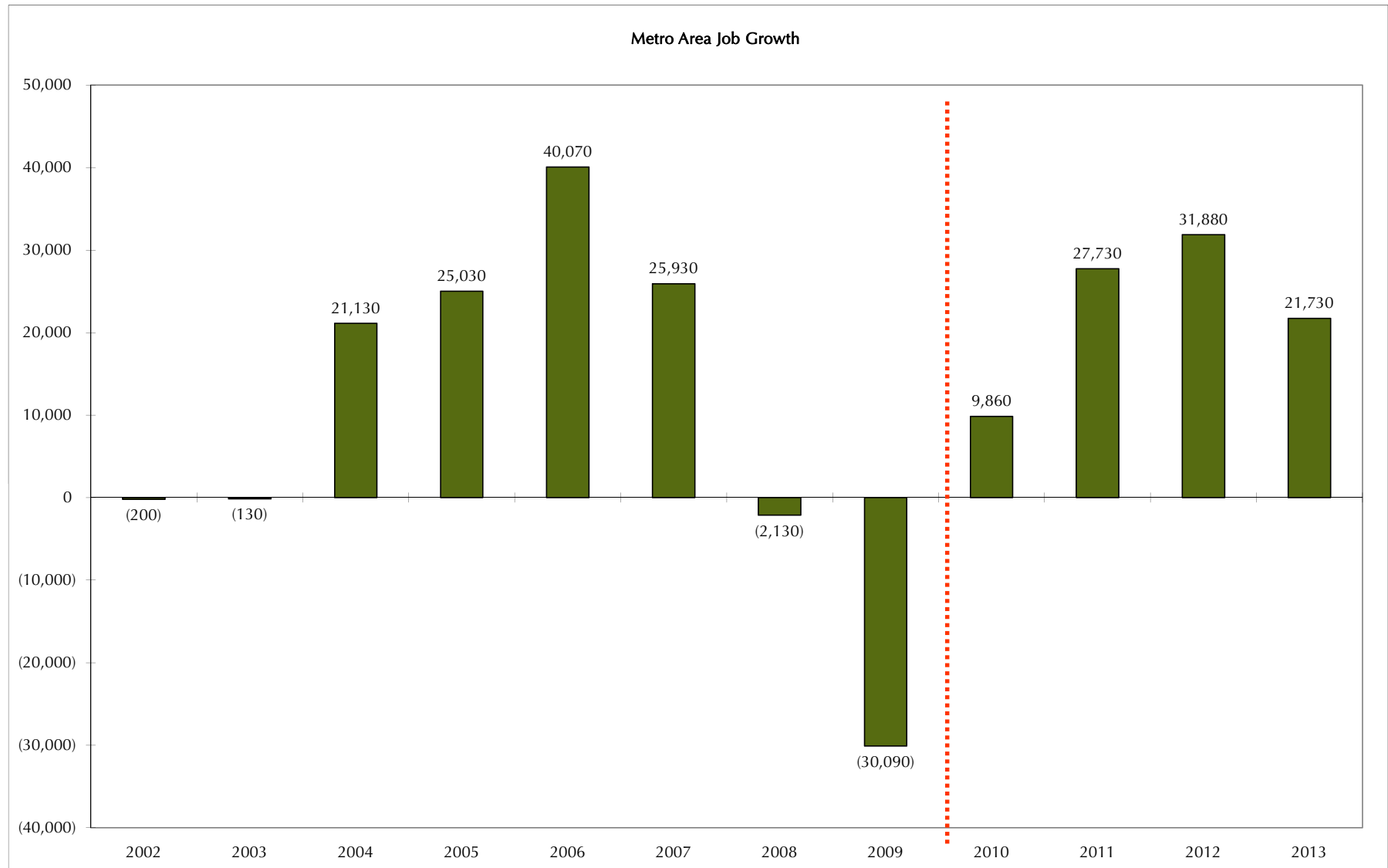


Source: Claritas, Inc.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 3
Historical and Projected Job Growth, Raleigh Metro Area

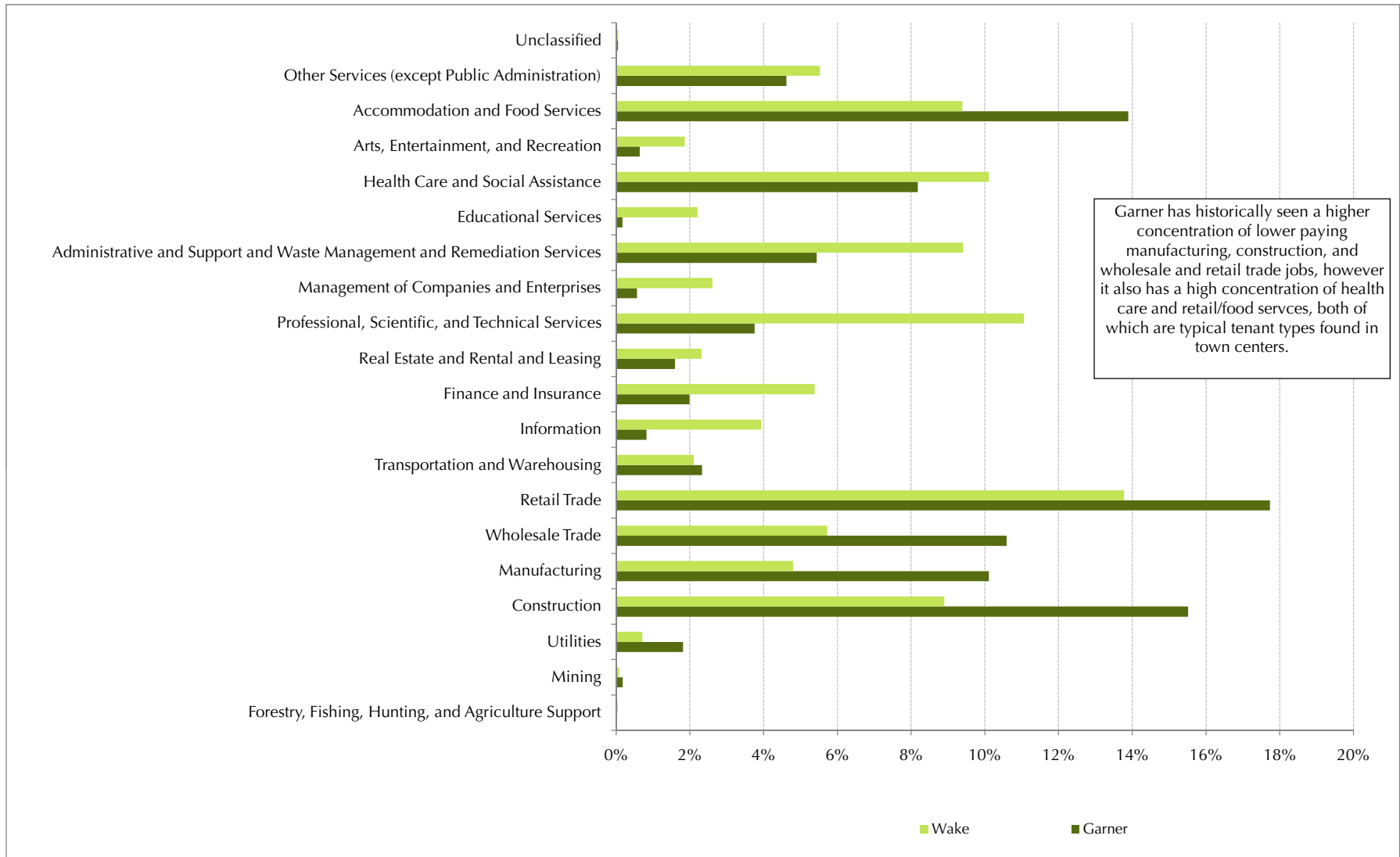


Source: Economy.com



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 4
Town of Garner Versus Wake County Employment Concentration by Sector Comparison



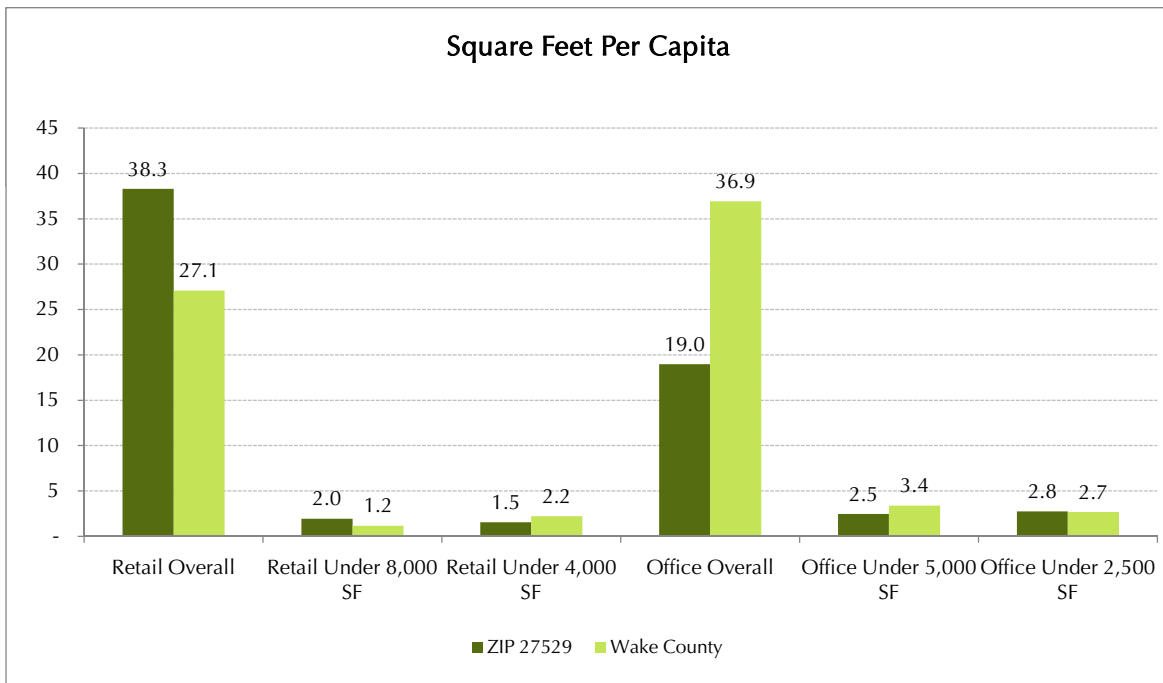
Source: US Census County Business Patterns using zip code 27529



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 5 Town of Garner Commercial Concentration Summary

Industry Sector	Number of Employees										% 20 or Less	
	Total	1 - 4	5 - 9	10 - 19	20-49	50-99	100-249	250-499	500-999	1000 or more		
Information	14	9	3	0	1	1	0	0	0	0	0	86%
Finance & insurance	59	30	19	9	1	0	0	0	0	0	0	98%
Real estate & rental & leasing	50	33	11	3	3	0	0	0	0	0	0	94%
Professional, scientific & technical services	101	70	13	11	6	1	0	0	0	0	0	93%
Management of companies & enterprises	5	2	1	1	0	1	0	0	0	0	0	80%
Health care and social assistance	93	37	21	16	16	0	3	0	0	0	0	80%
Total	322	181	68	40	27	3	3	0	0	0	0	90%



Garner has a high percentage of small professional services firms, as well as a strong concentration of retail. While the retail square feet per capita number in Garner is significantly higher than the Wake County average, this is primarily because the retail in Garner serves as a shopping destination for all of SE Raleigh.

Source: US Census County Business Patterns using zip code 27529



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 6

Estimated Demand For Town Center Retail From Residents Living Within A One-Mile Radius Of Existing Downtown Garner

1-Mile Radius (2009)

Store Type	Per Capita Expend	Total Retail Sales	Typical Sales/SF	Supportable SF	Wake Cty % in Stores Under 8K SF	Supportable Small Shop Square Feet	Typical Existing Store SF	Existing Estabs	Fair Share Capture Scenario			Town Center w/ Strong Access			Town Center w/ Limited Access			
									Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	
Population		6,548																
Furniture & Furnishing Stores	\$274	\$1,791,015	\$179	9,998	57%	5,668		2	2,834	0	0	2,636	0	0	1,285	0	0	0
Furniture Stores	\$146	\$958,311	\$156	6,143	59%	3,624	7,696	1	1,812	0	0	1,359	0	0	603	0	0	0
Home Furnishing Stores	\$127	\$832,705	\$216	3,855	53%	2,043	4,214	1	1,022	0	0	1,277	0	0	681	0	0	0
Electronics & Appliance Stores	\$321	\$2,102,777	\$336	6,265	43%	2,716		1	1,246	1	0	969	0	0	438	0	0	0
Appliances, TVs & Electronics	\$241	\$1,577,087	\$304	5,188	39%	2,023	2,100	1	899	0	0	674	0	0	299	0	0	0
Computer & Software	\$67	\$437,728	\$467	937	59%	553	0	0	277	0	0	207	0	0	92	0	0	0
Camera/Photography	\$13	\$87,962	\$630	140	100%	140	2,200	0	70	0	0	87	0	0	47	0	0	0
Building Materials/Garden (Hardware)	\$806	\$5,275,226	\$324	16,282	53%	8,629		3	2,030	0	0	1,523	0	0	676	0	0	0
Grocery/Beverage Stores	\$2,608	\$17,080,371	\$639	26,744	15%	4,106		1	2,256	1	0	2,819	1	0	1,504	0	0	0
Grocery Stores	\$1,607	\$10,523,029	\$455	23,128	7%	1,619	15,000	0	1,012	0	0	1,265	0	0	675	0	0	0
SpecialtyFood Stores	\$49	\$323,958	\$193	1,679	72%	1,209	1,988	0	604	0	0	755	0	0	403	0	0	0
Beverage Stores	\$117	\$767,288	\$396	1,938	66%	1,279	3,196	1	639	0	0	799	0	0	426	0	0	0
Health/Personal Care	\$835	\$5,466,096	\$429	12,741	40%	5,097		2	2,039	0	0	2,548	0	0	1,360	0	0	0
Clothing/Accessories	\$622	\$4,069,727	\$254	16,025	49%	7,862		3	3,485	1	0	3,485	1	0	2,324	1	0	0
Clothing Stores	\$449	\$2,937,541	\$250	11,750	38%	4,465	4,000	2	1,786	0	0	1,786	0	0	1,191	0	0	0
Shoe Stores	\$94	\$612,805	\$190	3,225	78%	2,516	2,950	1	1,258	0	0	1,258	0	0	839	0	0	0
Jewelry/Luggage/Leather Goods	\$79	\$519,380	\$495	1,049	84%	881	1,494	1	441	0	0	441	0	0	294	0	0	0
Sporting Goods/Hobby/Music	\$92	\$603,701	\$200	3,019	33%	996		1	498	0	0	623	0	0	332	0	0	0
Hobby/Toy Stores	\$71	\$462,049	\$145	3,187	25%	797	2,600	0	398	0	0	498	0	0	266	0	0	0
Music Instruments	\$17	\$109,834	\$200	549	52%	286	2,562	0	143	0	0	178	0	0	95	0	0	0
Book Stores	\$71	\$466,474	\$246	1,896	31%	588	2,786	0	294	0	0	367	0	0	196	0	0	0
Florist	\$24	\$158,681	\$226	702	70%	491	1,424	1	246	0	0	307	0	0	164	0	0	0
Office Supplies/Stationary	\$130	\$850,213	\$202	4,209	59%	2,483	3,578	1	1,242	0	0	931	0	0	828	0	0	0
Full Service Restaurants	\$577	\$3,779,637	\$308	12,272	67%	8,222	3,212	7	997	0	0	2,990	1	1	1,993	1	0	0
Limited Service Restaurants	\$533	\$3,487,340	\$199	17,524	100%	17,524	2,400	11	1,524	1	0	3,048	1	1	1,524	1	0	0
Drinking Places	\$65	\$428,082	\$450	951	100%	951	2,240	1	476	0	0	1,427	1	0	713	0	0	0
Total	\$6,958			128,627		65,334		32	19,705	6	0	24,349	7	2	13,699	4	0	0
									Actual Supportable	0				5,612			0	

2009 Demand	Fair Share Scenario		Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet	Mix	Square Feet
Furniture	NA	0	0%	0	NA	0
Electronics	NA	0	0%	0	NA	0
Hardware/Garden	NA	0	0%	0	NA	0
Grocery/Beverage	NA	0	0%	0	NA	0
Health/Personal Care	NA	0	0%	0	NA	0
Clothing	NA	0	0%	0	NA	0
Sports/Hobbies	NA	0	0%	0	NA	0
Book Stores	NA	0	0%	0	NA	0
Florists	NA	0	0%	0	NA	0
Office/Stationary	NA	0	0%	0	NA	0
Full Service Dining	NA	0	57%	3212	NA	0
Ltd Service Dining	NA	0	43%	2400	NA	0
Drinking Places	NA	0	0%	0	NA	0
Total		0		5,612		0
% Food/Drink	0%		100%		0%	

NOTES:

Population and per capita expenditures based on one-mile radius via Claritas.
Store sizes and sales per square foot estimates provided by ULI
Estimated small shop captures of retail based on Wake County Business Patterns



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 6
Estimated Demand For Town Center Retail From Residents Living Within A One-Mile Radius Of Existing Downtown Garner

1-Mile Radius (2014)

Store Type	Per Capita Expend	Total Retail Sales	Typical Sales/SF	Support-able SF	Wake Cty % in Stores Under 8K SF	Supportable Small Shop Square Feet	Typical Store SF	Existing Estabs	Fair Share Capture Scenario			Town Center w/ Strong Access			Town Center w/ Limited Access			
									Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	
Population	7,500																	
Furniture & Furnishing Stores	\$274	\$2,051,407	\$179	11,452	57%	6,492		2	3,246	1	0	3,019	1	0	1,472	0	0	
Furniture Stores	\$146	\$1,097,637	\$156	7,036	59%	4,151	7696	1	2,076	0	0	1,557	0	0	691	0	0	
Home Furnishing Stores	\$127	\$953,770	\$216	4,416	53%	2,340	4214	1	1,170	0	0	1,463	0	0	780	0	0	
Electronics & Appliance Stores	\$321	\$2,408,495	\$336	7,176	43%	3,111		1	1,427	1	0	1,110	1	0	502	0	0	
Appliances, TVs & Electronics	\$241	\$1,806,376	\$304	5,942	39%	2,317	2100	1	1,030	0	0	772	0	0	343	0	0	
Computer & Software	\$67	\$501,368	\$467	1,074	59%	633	2277	0	317	0	0	238	0	0	105	0	0	
Camera/Photography	\$13	\$100,751	\$630	160	100%	160	2200	0	80	0	0	100	0	0	53	0	0	
Building Materials/Garden (Hardware)	\$806	\$6,042,180	\$324	18,649	53%	9,884	4820	3	2,326	0	0	1,744	0	0	774	0	0	
Grocery/Beverage Stores	\$2,608	\$13,302,850	\$434	30,632	15%	4,703		1	2,583	1	0	3,229	1	0	1,723	0	0	
Grocery Stores	\$1,607	\$12,052,950	\$455	26,490	7%	1,854	15,000	0	1,159	0	0	1,449	0	0	773	0	0	
SpecialtyFood Stores	\$49	\$371,057	\$193	1,923	72%	1,384	1988	0	692	0	0	865	0	0	462	0	0	
Beverage Stores	\$117	\$878,842	\$396	2,219	66%	1,465	3196	1	732	0	0	915	0	0	488	0	0	
Health/Personal Care	\$835	\$6,260,800	\$429	14,594	40%	5,838	12544	2	2,335	0	0	2,919	0	0	1,557	0	0	
Clothing/Accessories	\$622	\$4,661,416	\$254	18,355	49%	9,005	3,992	3	3,991	1	0	3,991	1	0	2,662	1	0	
Clothing Stores	\$449	\$3,364,624	\$250	13,458	38%	5,114	4000	2	2,046	1	0	2,046	1	0	1,364	0	0	
Shoe Stores	\$94	\$701,900	\$190	3,694	78%	2,881	2950	1	1,441	0	0	1,441	0	0	961	0	0	
Jewelry/Luggage/Leather Goods	\$79	\$594,892	\$495	1,202	84%	1,010	1494	1	505	0	0	505	0	0	337	0	0	
Sporting Goods/Hobby/Music	\$92	\$603,701	\$200	3,019	33%	996	2,825	1	498	0	0	623	0	0	332	0	0	
Hobby/Toy Stores	\$70	\$457,144	\$145	3,153	25%	788	2,600	0	394	0	0	493	0	0	263	0	0	
Music Instruments	\$17	\$108,668	\$200	543	52%	283	2,562	0	141	0	0	177	0	0	94	0	0	
Book Stores	\$71	\$534,293	\$246	2,172	31%	673	2786	0	337	0	0	421	0	0	225	0	0	
Florist	\$24	\$181,751	\$226	804	70%	563	1424	1	281	0	0	352	0	0	188	0	0	
Office Supplies/Stationary	\$130	\$973,823	\$202	4,821	59%	2,844	3578	1	1,422	0	0	1,067	0	0	949	0	0	
Full Service Restaurants	\$577	\$4,329,151	\$308	14,056	67%	9,417	3212	7	1,141	0	0	3,424	1	1	2,283	1	0	
Limited Service Restaurants	\$533	\$3,994,357	\$199	20,072	100%	20,072	2400	11	1,745	1	0	3,491	1	1	1,745	1	0	
Drinking Places	\$65	\$490,320	\$450	1,090	100%	1,090	2240	1	545	0	0	1,634	1	0	817	0	0	
Total	\$6,958			146,889		74,688		32	22,413	6	0	27,694	8	2	15,586	4	0	
									Actual Supportable	0	0			5,612			0	

2014 Demand	Fair Share Scenario		Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet	Mix	Square Feet
Furniture	NA	0	0%	0	NA	0
Electronics	NA	0	0%	0	NA	0
Hardware/Garden	NA	0	0%	0	NA	0
Grocery/Beverage	NA	0	0%	0	NA	0
Health/Personal Care	NA	0	0%	0	NA	0
Clothing	NA	0	0%	0	NA	0
Sports/Hobbies	NA	0	0%	0	NA	0
Book Stores	NA	0	0%	0	NA	0
Florists	NA	0	0%	0	NA	0
Office/Stationary	NA	0	0%	0	NA	0
Full Service Dining	NA	0	57%	3212	NA	0
Ltd Service Dining	NA	0	43%	2400	NA	0
Drinking Places	NA	0	0%	0	NA	0
Total	32,092			49,223		17,862
Food/Drink			44%		48%	0%

NOTES:
Population and per capita expenditures based on modified three-mile radius via Claritas.
Store sizes and sales per square foot estimates provided by ULI
Estimated small shop captures of retail based on Wake County Business Patterns



TOWN OF GARNER
TOWN CENTER MARKET ANALYSIS

Exhibit 7

Estimated Demand For Town Center Retail From Residents Living Within A Modified Three-Mile Radius Of Existing Downtown Garner

3-Mile Radius (2009)

Store Type	Per Capita Expend	Total Retail Sales	Typical Sales/SF	Supportable SF	Wake Cty % in Stores Under 8K SF	Supportable Small Shop Square Feet	Typical Store SF	Existing Estabs	Fair Share Capture Scenario			Town Center w/ Strong Access			Town Center w/ Limited Access			
									Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	
2009 Population	37,378																	
Furniture & Furnishing Stores	\$274	\$8,432,582		47,074	57%	26,685		6	6,671	1	0	6,532	1	1	3,025	1	0	
Furniture Stores	\$146	\$4,511,984	\$156	28,923	59%	17,065	7,696	3	4,266	1	0	3,368	0	0	1,421	0	0	
Home Furnishing Stores	\$127	\$3,920,598	\$216	18,151	53%	9,620	4,214	3	2,405	1	0	3,164	1	1	1,604	0	0	
Electronics & Appliance Stores	\$321	\$9,900,440		29,496	43%	12,787		4	3,636	2	1	3,044	1	1	1,321	1	0	
Appliances, TVs & Electronics	\$241	\$7,425,350	\$304	24,425	39%	9,526	2,100	4	2,005	1	1	1,583	1	1	668	0	0	
Computer & Software	\$67	\$2,060,940	\$467	4,413	59%	2,604	2,277	0	1,302	1	0	1,028	0	0	434	0	0	
Camera/Photography	\$13	\$414,150	\$630	657	100%	657	2,200	0	329	0	0	432	0	0	219	0	0	
Building Materials/Garden (Hardware)	\$806	\$24,837,186	\$324	76,658	53%	40,629	6,500	10	3,779	1	0	2,984	0	0	1,259	0	0	
Grocery/Beverage Stores	\$2,608	\$80,418,992		125,916	15%	19,334		2	9,065	2	2	11,927	3	3	6,046	2	1	
Grocery Stores	\$1,607	\$49,545,259	\$455	108,891	7%	7,622	15,000	0	3,811	0	0	5,015	0	0	2,542	0	0	
Specialty Food Stores	\$49	\$1,525,279	\$193	7,903	72%	5,690	1,988	1	2,845	1	1	3,744	2	2	1,898	1	1	
Beverage Stores	\$117	\$3,612,599	\$396	9,123	66%	6,021	3,196	2	2,408	1	1	3,169	1	1	1,606	1	0	
Health/Personal Care	\$835	\$25,735,855	\$429	59,990	40%	23,996	12,544	5	4,363	0	0	5,741	0	0	2,910	0	0	
Clothing/Accessories	\$622	\$19,161,373		75,449	49%	37,017	4,166	8	9,127	3	3	9,127	3	3	6,088	1	1	
Clothing Stores	\$449	\$13,830,737	\$250	55,323	38%	21,023	4,000	5	3,822	1	1	3,822	1	1	2,549	1	0	
Shoe Stores	\$94	\$2,885,253	\$190	15,186	78%	11,845	2,950	2	3,645	1	1	3,645	1	1	2,431	1	1	
Jewelry/Luggage/Leather Goods	\$79	\$2,445,382	\$495	4,940	84%	4,150	1,494	2	1,660	1	1	1,660	1	1	1,107	1	0	
Sporting Goods	\$92	\$2,842,387	\$220	12,920	39%	5,039	3,500	2	1,550	0	0	2,040	1	0	1,034	0	0	
Hobby/Toy Stores	\$71	\$2,175,450	\$145	15,003	25%	3,751	2,600	1	1,875	1	0	2,468	1	1	1,251	0	0	
Music Instruments	\$17	\$517,126	\$200	2,586	52%	1,345	2,562	0	672	0	0	885	0	0	448	0	0	
Book Stores	\$71	\$2,196,284	\$246	8,928	31%	2,768	2,786	0	1,384	0	0	1,821	1	0	923	0	0	
Florist	\$24	\$747,112	\$226	3,306	70%	2,314	1,424	3	579	0	0	761	1	0	386	0	0	
Office Supplies/Stationary	\$130	\$4,003,031	\$202	19,817	59%	11,692	3,578	2	4,677	1	1	3,692	1	1	3,119	1	1	
Full Service Restaurants	\$577	\$17,795,552	\$308	57,778	67%	38,711	3,212	22	1,702	1	0	5,373	2	2	3,403	1	1	
Limited Service Restaurants	\$533	\$16,419,337	\$199	82,509	100%	82,509	2,400	32	2,539	1	1	5,345	2	2	2,539	1	1	
Drinking Places	\$65	\$2,015,524	\$450	4,479	100%	4,479	2,240	2	1,378	1	0	4,352	2	2	2,067	1	1	
Total	\$7,045	\$217,198,231	\$349	621,909	50.3%	313,054		98	52,997	15	8	66,091	20	16	35,818	10	6	
									Actual Supportable			21,706			41,212			16,368

2009 Demand	Fair Share Scenario		Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet	Mix	Square Feet
Furniture	0%	0	10%	4,214	0%	0
Electronics	10%	2,100	5%	2,100	0%	0
Hardware/Garden	0%	0	0%	0	0%	0
Grocery/Beverage	24%	5,184	17%	7,172	12%	1,988
Health/Personal Care	0%	0	0%	0	0%	0
Clothing	39%	8,444	20%	8,444	18%	2,950
Sports/Hobbies	0%	0	0%	0	0%	0
Book Stores	0%	0	0%	0	0%	0
Florists	0%	0	0%	0	0%	0
Office/Stationary	16%	3,578	9%	3,578	22%	3,578
Full Service Dining	0%	0	16%	6,424	20%	3,212
Ltd Service Dining	11%	2,400	12%	4,800	15%	2,400
Drinking Places	0%	0	11%	4,480	14%	2,240
		21,706		41,212		16,368
Food/Drink	11%		38%		48%	



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 7

Estimated Demand For Town Center Retail From Residents Living Within A Modified Three-Mile Radius Of Existing Downtown Garner

3-Mile Radius (2014)

Store Type	Per Capita Expend	Total Retail Sales	Typical Sales/ SF	Supportable SF	Wake Cty % in Stores Under 8K SF	Supportable Small Shop Square Feet	Typical Store SF	Existing Estabs	Fair Share Capture Scenario			Town Center w/ Strong Access			Town Center w/ Limited Access			
									Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	Square Ft Captured	Stores Supported	Full Stores Supported	
2014 Population	43,080																	
Furniture & Furnishing Stores	\$274	\$9,731,738	\$179	54,326	57%	30,796		6	7,699	1	0	7,539	1	1	3,491	1	0	0
Furniture Stores	\$146	\$5,207,118	\$156	33,379	59%	19,694	7,696	3	4,923	1	0	3,887	1	0	1,639	0	0	0
Home Furnishing Stores	\$127	\$4,524,620	\$216	20,947	53%	11,102	4,214	3	2,776	1	0	3,652	1	1	1,851	0	0	0
Electronics & Appliance Stores	\$321	\$11,425,740	\$336	34,040	43%	14,757		4	4,196	2	1	3,512	2	1	1,524	1	0	0
Appliances, TVs & Electronics	\$241	\$8,569,328	\$304	28,189	39%	10,994	2,100	4	2,314	1	1	1,827	1	1	771	0	0	0
Computer & Software	\$67	\$2,378,456	\$467	5,093	59%	3,005	2,277	0	1,502	1	0	1,186	1	0	500	0	0	0
Camera/Photography	\$13	\$477,955	\$630	759	100%	759	2,200	0	379	0	0	499	0	0	253	0	0	0
Building Materials/Garden (Hardware)	\$806	\$28,663,698	\$324	88,468	53%	46,888	4,820	10	4,362	1	1	3,443	1	0	1,452	0	0	0
Grocery/Beverage Stores	\$2,608	\$63,107,832	\$434	145,316	15%	22,312		2	10,461	3	3	13,765	4	3	6,978	2	1	1
Grocery Stores	\$1,607	\$57,178,392	\$455	125,667	7%	8,797	15,000	0	4,398	0	0	5,787	0	0	2,934	0	0	0
SpecialtyFood Stores	\$49	\$1,760,270	\$193	9,121	72%	6,567	1,988	1	3,283	2	2	4,320	2	2	2,190	1	1	1
Beverage Stores	\$117	\$4,169,170	\$396	10,528	66%	6,949	3,196	2	2,779	1	1	3,657	1	1	1,854	1	0	0
Health/Personal Care	\$835	\$29,700,820	\$429	69,233	40%	27,693	12,544	5	5,035	0	0	6,625	1	0	3,358	0	0	0
Clothing/Accessories	\$622	\$22,113,448	\$254	87,073	49%	42,720	4,166	8	10,533	4	3	10,533	4	3	7,025	2	2	2
Clothing Stores	\$449	\$15,961,554	\$250	63,846	38%	24,262	4,000	5	4,411	1	1	4,411	1	1	2,942	1	0	0
Shoe Stores	\$94	\$3,329,766	\$190	17,525	78%	13,670	2,950	2	4,206	1	1	4,206	1	1	2,805	1	1	1
Jewelry/Luggage/Leather Goods	\$79	\$2,822,128	\$495	5,701	84%	4,789	1,494	2	1,916	1	1	1,916	1	1	1,278	1	1	1
Sporting Goods/Hobby/Music	\$92	\$3,280,296	\$200	16,401	33%	5,412	2,825	2	1,665	1	0	2,191	1	1	1,111	0	0	0
Hobby/Toy Stores	\$70	\$2,152,359	\$145	14,844	25%	3,711	2,600	1	1,855	1	0	2,441	1	1	1,238	0	0	0
Music Instruments	\$17	\$511,637	\$200	2,558	52%	1,330	2,562	0	665	0	0	875	0	0	444	0	0	0
Book Stores	\$71	\$2,534,651	\$246	10,303	31%	3,194	2,786	0	1,597	1	0	2,101	1	1	1,065	0	0	0
Florist	\$24	\$862,215	\$226	3,815	70%	2,671	1,424	3	668	0	0	878	1	0	445	0	0	0
Office Supplies/Stationary	\$130	\$4,619,753	\$202	22,870	59%	13,493	3,578	2	5,397	2	2	4,261	1	1	3,600	1	1	1
Full Service Restaurants	\$577	\$20,537,203	\$308	66,679	67%	44,675	3,212	22	1,964	1	0	6,201	2	2	3,927	1	1	1
Limited Service Restaurants	\$533	\$18,948,964	\$199	95,221	100%	95,221	2,400	32	2,930	1	1	6,168	3	3	2,930	1	1	1
Drinking Places	\$65	\$2,326,044	\$450	5,169	100%	5,169	2,240	2	1,590	1	0	5,022	2	2	2,386	1	1	1
Total	\$7,044			716,317		360,043		98	60,618	18	11	75,558	23	19	40,974	12	7	7
									Actual Supportable	32,092		49,223			17,862			

2014 Demand	Fair Share Scenario		Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet	Mix	Square Feet
Furniture	0%	0	10%	4,214	0%	0
Electronics	10%	2,100	5%	2,100	0%	0
Hardware/Garden	22%	4,820	0%	0	0%	0
Grocery/Beverage	33%	7,172	17%	7,172	12%	1,988
Health/Personal Care	0%	0	0%	0	0%	0
Clothing	39%	8,444	20%	8,444	27%	4,444
Sports/Hobbies	0%	0	7%	2,825	0%	0
Book Stores	0%	0	7%	2,786	0%	0
Florists	0%	0	0%	0	0%	0
Office/Stationary	33%	7,156	9%	3,578	22%	3,578
Full Service Dining	0%	0	16%	6,424	20%	3,212
Ltd Service Dining	11%	2,400	17%	7,200	15%	2,400
Drinking Places	0%	0	11%	4,480	14%	2,240
Total		32,092		49,223		17,862
Food/Drink	11%		44%		48%	

NOTES:

Population and per capita expenditures based on modified three-mile radius via Claritas.
Store sizes and sales per square foot estimates provided by ULI
Estimated small shop captures of retail based on Wake County Business Patterns



**TOWN OF GARNER
TOWN CENTER MARKET ANALYSIS**

Exhibit 8
Summary Of Demand For Town Center Retail From One And Three-Mile Residents

2009 Demand	Fair Share Scenario		Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet	Mix	Square Feet
Furniture	0%	0	9%	4,214	0%	0
Electronics	10%	2,100	4%	2,100	0%	0
Hardware/Garden	0%	0	0%	0	0%	0
Grocery/Beverage	24%	5,184	15%	7,172	12%	1,988
Health/Personal Care	0%	0	0%	0	0%	0
Clothing	39%	8,444	18%	8,444	18%	2,950
Sports/Hobbies	0%	0	0%	0	0%	0
Book Stores	0%	0	0%	0	0%	0
Florists	0%	0	0%	0	0%	0
Office/Stationary	16%	3,578	8%	3,578	22%	3,578
Full Service Dining	0%	0	21%	9,636	20%	3,212
Ltd Service Dining	11%	2,400	15%	7,200	15%	2,400
Drinking Places	0%	0	10%	4,480	14%	2,240
		21,706		46,824		16,368
Food/Drink	11%		46%		48%	

2014 Demand	Fair Share Scenario		Strong Access Scenario		Limited Access Scenario	
	Mix	Square Feet	Mix	Square Feet	Mix	Square Feet
Furniture	0%	0	9%	4,214	0%	0
Electronics	10%	2,100	4%	2,100	0%	0
Hardware/Garden	22%	4,820	0%	0	0%	0
Grocery/Beverage	33%	7,172	15%	7,172	12%	1,988
Health/Personal Care	0%	0	0%	0	0%	0
Clothing/Shoes/Jewelry	39%	8,444	18%	8,444	27%	4,444
Sports/Hobbies	0%	0	6%	2,825	0%	0
Book Stores	0%	0	6%	2,786	0%	0
Florists	0%	0	0%	0	0%	0
Office/Stationary	33%	7,156	8%	3,578	22%	3,578
Full Service Dining	0%	0	21%	9,636	20%	3,212
Ltd Service Dining	11%	2,400	21%	9,600	15%	2,400
Drinking Places	0%	0	10%	4,480	14%	2,240
		32,092		54,835		17,862
Food/Drink	11%		51%		48%	



**TOWN OF GARNER
TOWN CENTER MARKET ANALYSIS**

Exhibit 9
Estimated Garner Town Center Retail Demand From Other Market Sources

Garner Baseball, Inc.		Players	Family	Fam/Play	Games/Week	Weekly		\$ Spent	Total \$	Avg \$/SF	SF Supported
						Attendance	Weeks				
	Spring	525	375	0.71	32	1,646	14	\$7	\$161,280		
	Fall	325	250	0.77	25	1,327	12	\$7	\$111,462		
									\$272,742	250	1,091

Other Sports						48300		\$7	\$338,100	250	1352		
Avery Rec Ctr						61380		\$7	\$429,660	250	1719		
Senior Center						85450		\$7	\$598,150	250	2393		
Grand Total, inc Garner BB Inc						198,129			\$1,638,652		6,555		
											DT Area Capture	75%	
											Town Center Supportable Square Feet	4,916	
											Dining	60%	2,950
											Retail	30%	1,475
											Other	10%	492

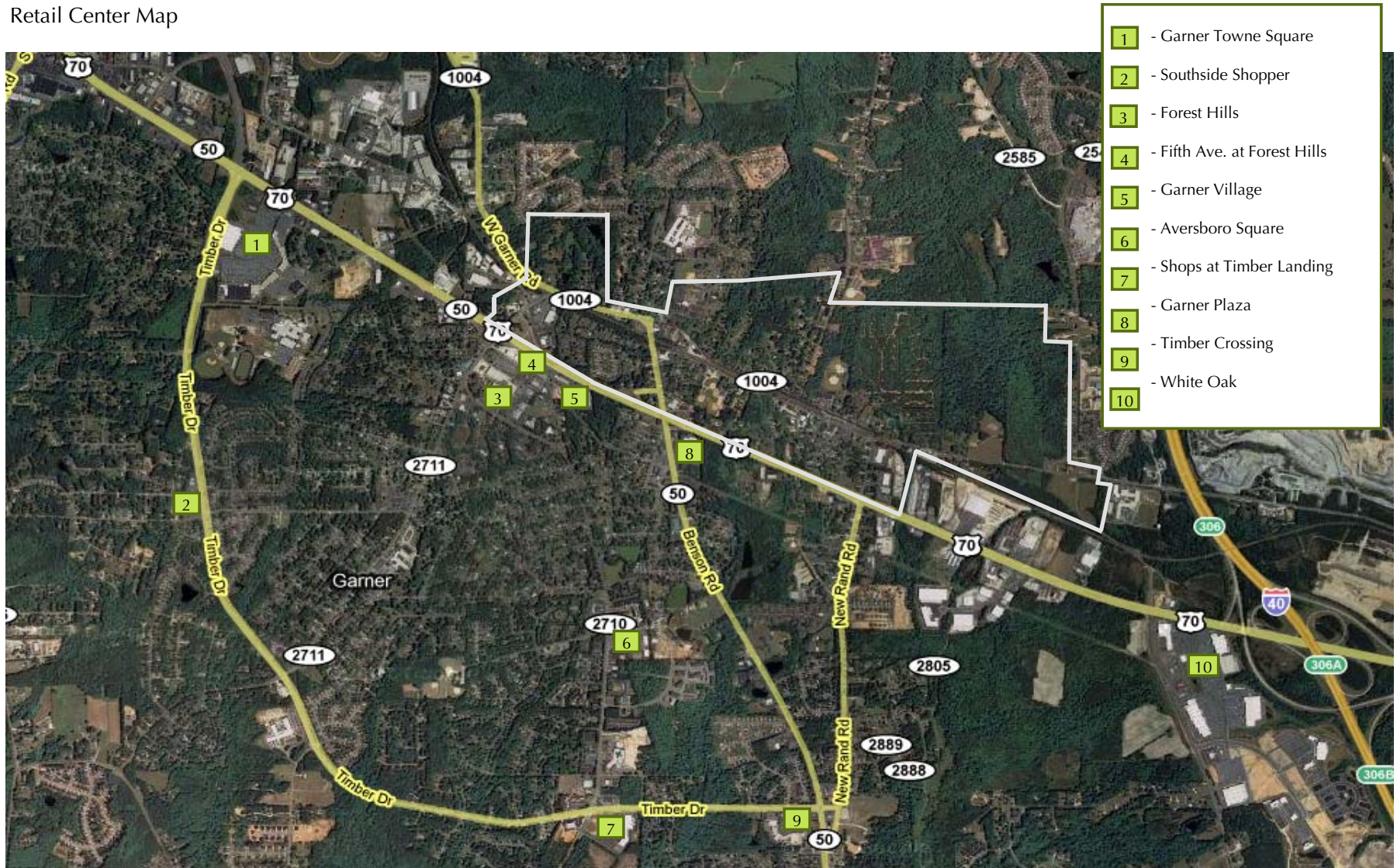
Commuters						
32,000	Daily Commuters Along Highway 70					
12%	% Stopping Along Commute					
3,840	Commuters Stopping Daily Along Hwy 70					
20	Average Commute Distance					
10	Potential Stopping Locations					
10%	Fair Share Capture					
384	No. of Commuters Potentially Stopping at Subject Town Center					
avg. daily expenditures per ICSC						
\$3.40	Groceries					
\$3.60	Restaurant/Dining					
\$6.80	General Retail					
\$1.40	Services					
Total \$ Spent	Store Type	# days	Avg. Sales/SF	Square Feet Supported	% TC Eligible	SF Supported at TC
\$1,306	Groceries	200	\$450	580	100%	580
\$1,382	Rest\Dining	200	\$300	922	100%	922
\$2,611	General Retail	200	\$200	2,611	50%	1,306
\$538	Services	200	\$250	430	100%	430
				4,543		3,238

Office Employees		
Est. Office Employees Close By		1,500
	Food	Retail
Spending At Work		
Annual	\$1,371	\$1,583
Daily	\$5.48	\$6.33
Week	\$27.42	\$31.66
% in Town Center Format	100%	50%
Adjusted Daily Expenditures	\$27.42	\$15.83
Potential Annual Expenditures	\$2,056,500	\$1,187,250
Capture	20%	20%
Pot. Town Center Expenditures	\$411,300	\$237,450
Typical Sales/SF	\$250	\$250
Square Feet Supported	1,645	950
Typical Store Size	2,700	3,200
Stores Supported	0.6	0.3



TOWN OF GARNER TOWN CENTER PLAN MARKET ANALYSIS

Exhibit 10
Retail Center Map



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

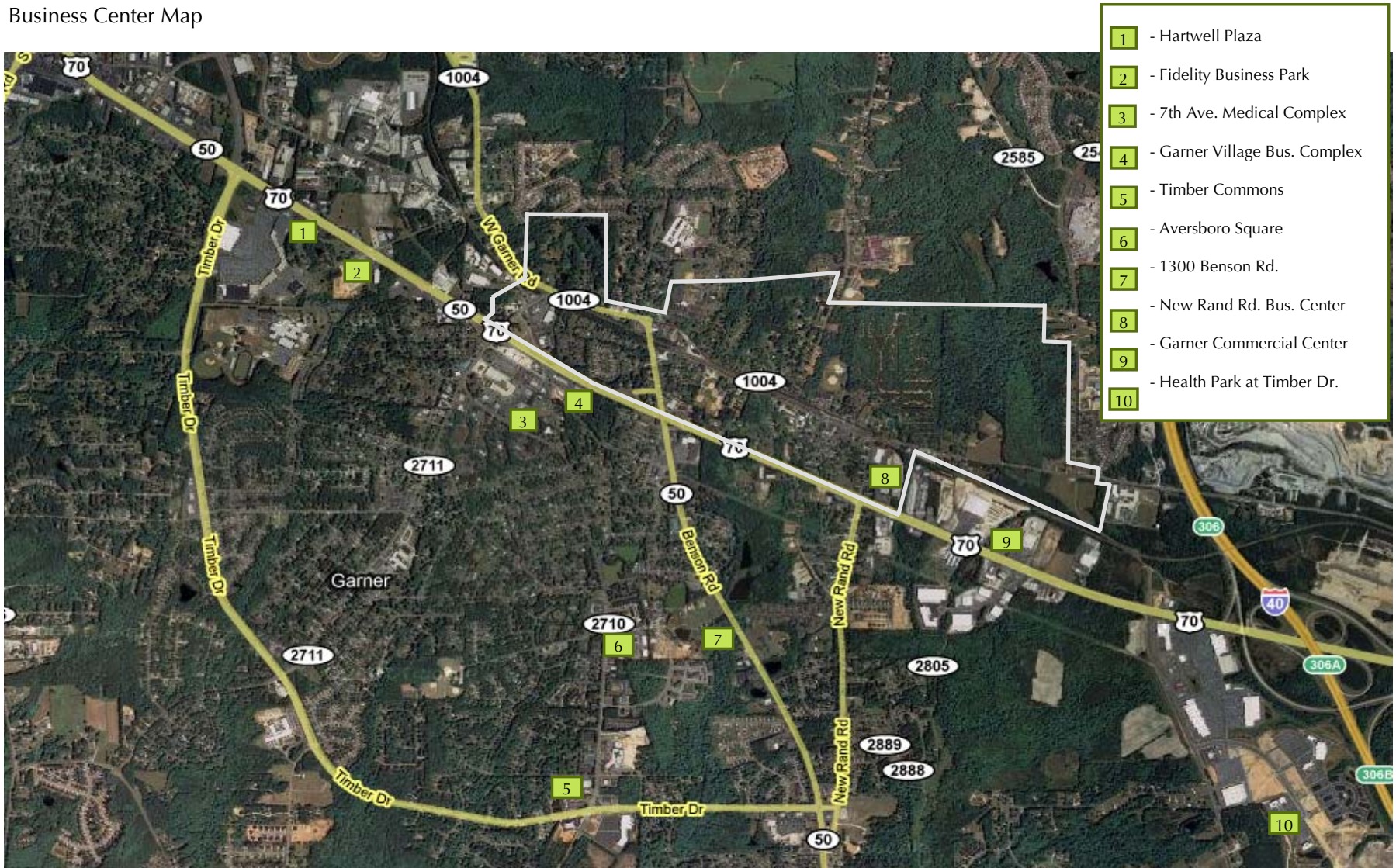
Exhibit 11
Retail Center Summary

Map Key	Property Name	Center Type	Year Built	Developer Management	Total Leasable SF	Total Avail. SF	Total Occ.	Lease Rates	CAM Fees	Anchor Tenant (s)	Additional Tenant (s)	Outparcel (s)
1	Garner Towne Square	Power Center	1999	Midland Regancy Partners	212,376	9,400	96%	\$20.00 - \$20.00	\$5.36	Kroger, Target, Home Depot, United Artists	Lane Bryant, Dress Barn, Blockbuster, PetSmart, OfficeMax, ShoeCarnival	Applebee's, Chik-fil-A, Wachovia, SouthTrust, Schlotsky's
2	Southside Shopper	Neighborhood	1999	Munday Leasing	12,000	2,500	79%	\$12.00 - \$14.00	\$2.65	NA	Jersey Mike's, Triangle Auto Guide, JKO Karate, The Hair Show	NA
3	Forest Hills	Grocery Anchored	1975	Sunbelt Garner York Properties	185,000	5,000	97%	\$12.00 - \$14.00	\$2.75	Food Lion	North American Video, Postal Plus, Roadrunner Pizza, Protective ins., Garner Carpet	Fifth Ave.
4	Fifth Ave. at Forest Hills	Neighborhood Boutique	2006	Sunbelt Garner York Properties	26,500	20,000	25%	\$20.00 - \$24.00	\$2.75	NA	Swift Creek Coffee House, Cabinets & More	NA
5	Garner Village	Neighborhood	1988	NA Tim Elliot/Joe Sample	47,000	1,500	97%	\$8.00 - \$16.00	\$2.50	NA	Best Buy office, Garner Ministries, tanning salon	NA
6	Aversboro Square	Neighborhood	2006	Ball Rentals	21,000	2,600	88%	\$12.00 - \$14.00	\$2.50	NA	Garden Gate Café, DancExplosion, Karate Int., Right Time Kids, Perfect Touch, Hair Pros	NA
7	Shops at Timber Landing	Grocery Anchored	2001	Widewaters Widewaters	95,000	9,000	91%	\$18.00 - \$20.00	\$2.91	Lowes Foods	Cleaners, Great Clips, Chinese, Pizza, Smokehouse, Dollar Tree	NA
8	Garner Plaza	Vacant Grocery Anchor	1967	Unknown Commercial Associates	57,766	31,658	45%	\$6.20 - \$6.20	\$0.85	Just lost Peak Fitness	Family Dollar, Community Thrift Store	NA
9	Timber Crossing	Grocery Anchored	1988	Gray Wilson - Timber Crossing Inv.	78,546	0	100%	\$9.00 - \$14.00	\$2.80	Food Lion	Subway, RiteAid, US Post Office, Andys Cheesteak, Best Printing, Salon Bella	Office Buildings
10	White Oak	Power Center	2004	Core Properties	820,000	34,500	96%	\$30.00 - \$30.00	\$3.50	BJ's, Target, BestBuy	Staples, Dick's, Kohl's, TJ Maxx, Ross, Party City, Michaels, Linens N Things	Logan's Roadhouse
					1,555,188	116,158	93%	\$6.20 - \$30.00	\$2.86			
							Average:	\$14.72 - \$17.22				



TOWN OF GARNER TOWN CENTER PLAN MARKET ANALYSIS

Exhibit 12
Business Center Map



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

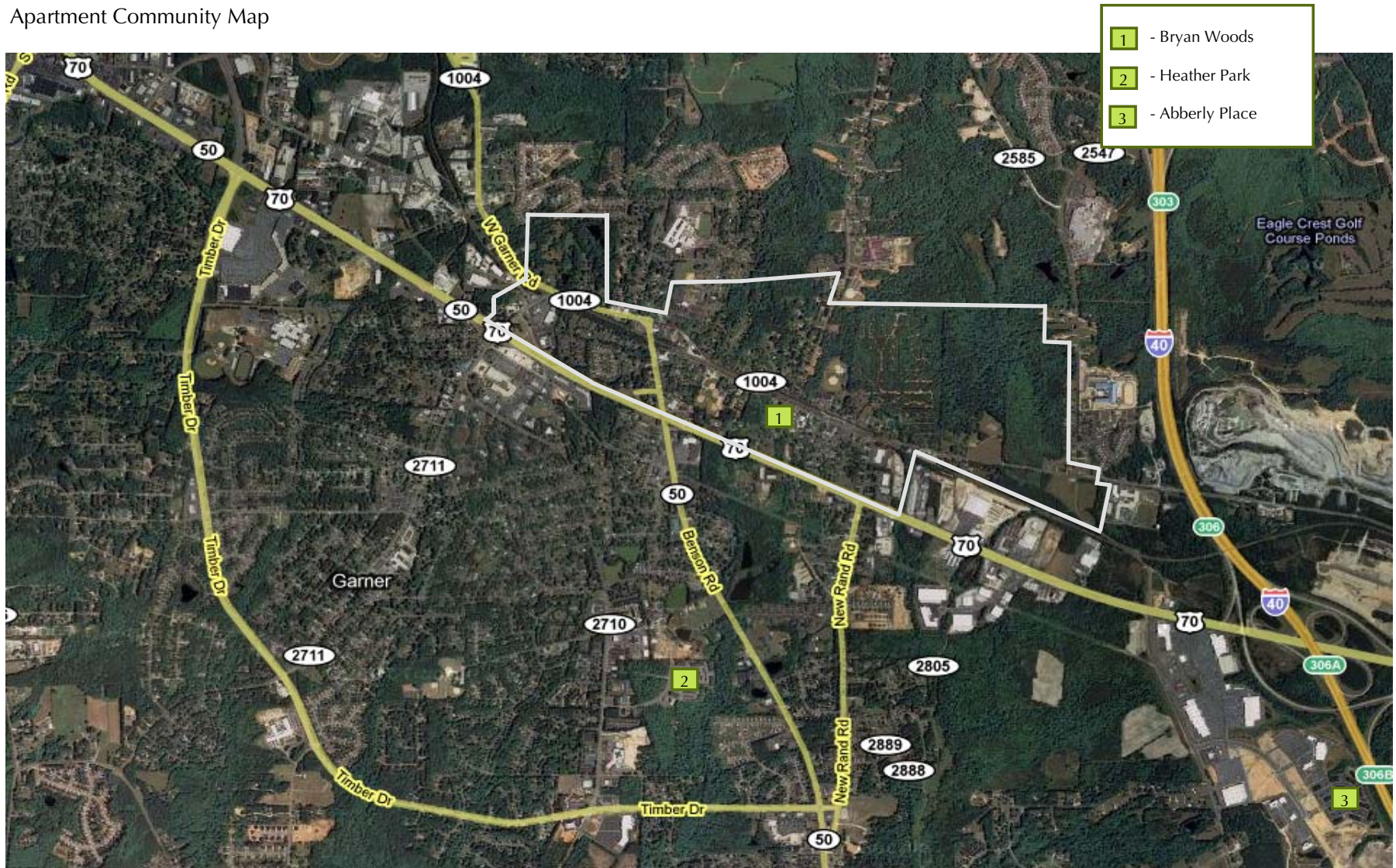
Exhibit 13 Business Center Summary

Map Key	Property Name	Center Type	Year Built	Developer Management	Total Leasable SF	Total Avail. SF	Total Occ.	Lease Rates (NNN)	CAM Fees	Tenant Types
1	Hartwell Plaza	Neighborhood Office	1986	Forrest Ball Hartwell Realty	23,328	4,110	82%	\$11.50 - \$12.50	\$3.50	RBC, Hartwell Realty
2	Fidelity Business Park	Neighborhood Office	2007	Magdy Saad	15,000	5,000	67%	\$15.00 - \$17.00	\$3.00	Dentist, nursing, law firm, investment bank. Majority of tenants purchased suites at \$115/sf for shell cond. space
3	7th Ave. Medical Complex	Medical Office	2002	Access Medical	42,000	42,000	0%	\$15.00 - \$19.00	\$6.00	Town considering for dept. police, planning, too expensive
4	Garner Village Business Complex	Neighborhood Office	1988	NA Tim Elliot/Joe Sample	47,000	1,500	97%	\$8.00 - \$16.00	\$2.50	Best Buy office, Garner Ministries, tanning salon
5	Timber Commons	Neighborhood Office	NA	NA Tim Elliot/Joe Sample	@ 25,000sf	NA	NA	NA - NA	NA	NA
6	Aversboro Square	Neighborhood Office	1990	JV with Forrest Ball Hartwell Realty	21,878	0	100%	\$11.50 - \$11.50	\$3.50	Teach - UNC autistic div.
7	1300 Benson Road	Neighborhood Office	2007	Jonathan Adams	5,500	0	100%	\$15.00 - \$15.00	\$0.00	Counseling service, attorney, payroll service, etc.
8	New Rand Road Business Center	Flex Office	2000	LTB Rental Prop. Brown Commercial Realty Bobbitt	20,000	0	100%	\$8.00 - \$11.00	\$1.38	Service providers, contractors, Honeywell
9	Garner Commercial Center	Flex Office	1995	Commercial Associates	40,000	0	100%	\$8.00 - \$9.00	\$1.00	Service businesses, contractors, etc.
10	Health Park at Timber Drive	Medical Office	2004	Access Medical Development	53,000	15,000	72%	\$16.00 - \$16.00	\$6.00	Medical offices, dental, insurance, obgyn, internal, radiology
					267,706	67,610	75%	\$8.00 - \$19.00	\$2.99	
							Average:	\$12.00 - \$14.11		
							Neighborhood Office Avg:	89%	\$12.20 - \$14.40	\$2.50
							Medical Office Avg:	36%	\$15.50 - \$17.50	\$6.00
							Flex Office Avg:	100%	\$8.00 - \$10.00	\$1.19



TOWN OF GARNER TOWN CENTER PLAN MARKET ANALYSIS

Exhibit 14
Apartment Community Map



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 15

Apartment Communities - Bryan Woods

Community Overview

- Class C apartment complex near Historic Downtown

Fee Structure

Application Fee:	\$ 40	Per person
Security/Reg. Deposit:	\$ 400	Per Apartment
Pet Fee:	\$ 500	Non-refundable

Community Amenities

- Swimming pool
- Ample surface parking

Product Program

Unit Type	Unit Count	Unit Mix	Available Units	Occupancy	Base Rent Range	Unit Size Range	Current Conc.	Effective \$/SF	Straight Average \$/SF
1B/1b	NA	NA	NA	NA	\$605 - \$655	657 - 703	NA	\$0.92 - \$0.93	\$0.93
2B/1b	NA	NA	NA	NA	\$680 - \$735	894 - 917	NA	\$0.76 - \$0.80	\$0.78
2B/2b	NA	NA	NA	NA	\$740 - \$750	992 - 992	NA	\$0.75 - \$0.76	\$0.75
3B/2b	NA	NA	NA	NA	\$840 - \$880	1,090 - 1,144	NA	\$0.77 - \$0.77	\$0.77
Summary:	160	100%	37	77%	\$716 - \$755	908 - 939		\$0.80 - \$0.81	\$0.81

*Ranges in Summary Line are Weighted by Unit Mix

Unit Finishes

Ceiling Height	Ceiling/ Duct Finish	Flooring	Cabinets	Countertops	Appliances	Laundry	Windows	Balconies	Technology
8.5'	Finished	Carpet and linoleum	Wood	Laminate	White	Washer / Dryer connections	Standard casement	Walk-out patio or balcony	NA

Floor Plan Config.

Floor plans feature walk-in closets, built in bookshelves and fireplaces, and some with cathedral ceilings. Storage closets located off patios.

Market Audience

- 85% Minority, primarily African American and Latino
- Typically blue collar workers in construction/manufacturing
- Commute throughout southern Raleigh

Renters chose this property for affordability, calm suburban setting, and convenient commute with proximity to 70, 440, and location near major blue collar employment.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 16

Apartment Communities - Abberly Place



Community Overview

- Phase I developed in 2004 by HH Hunt, Phase II delivered 2009
- Class A community adjacent to White Oak power center

Community Amenities

- Two resort style pools with cabanas and Wi-Fi
- Grilling area, 2 fitness centers, coffee bar, business center
- Clubhouse with lounge, billiards, big-screen TV
- Car care center, guest suite, playground

Product Program

Fee Structure

Application Fee:	\$ 55	Per person
Administration Fee:	\$ 50	Per Apartment
Security/Reg. Deposit:	\$ 500	Per Apartment
Pet Fee:	\$ 250	Non-refundable
Surety Bond:	\$ 87.50	Refundable
Pet Rent:	\$ 10	Non-refundable
Detached Garages:	\$ 125	Per month
Washer/Dryer Rental:	\$ 40	Per month
Cable/High Speed Internet:	\$ 55	Per month

Unit Type	Unit Count	Unit Mix	Available Units	Occupancy	Base Rent Range	Unit Size Range	Current Conc.	Effective \$/SF	Straight Average \$/SF
1B/1b	260	43%	6	98%	\$690 - \$804	664 - 932	NA	\$1.04 - \$0.86	\$0.95
2B/2b	284	47%	4	99%	\$880 - \$1,022	1,068 - 1,280	NA	\$0.82 - \$0.80	\$0.81
3B/2b	56	9%	0	100%	\$937 - \$1,165	1,242 - 1,380	NA	\$0.75 - \$0.84	\$0.80
Summary:	600	100%		100%	\$803 - \$941	909 - 1,139		\$0.91 - \$0.83	\$0.87

*Ranges in Summary Line are Weighted by Unit Mix

Unit Finishes

Ceiling Height	Ceiling/ Duct Finish	Flooring	Cabinets	Countertops	Appliances	Laundry	Windows	Balconies	Technology
9'	Finished	Carpet with ceramic tile in bathrooms and kitchen	Wood	Laminate	Black GE appliances, microwave included	Full size washer/dryer connections	Large casement windows with 2" plantation blinds	All units have a minimum of 50sf	Disc. Cable/internet avail.

Floor Plan Config.

Crown molding, garden tubs, walk-in closets, fireplaces, and optional upgrades to granite, stainless steel, and built-in bookshelves in some units.

Market Audience

- About 50% commute to Dwn. Raleigh, 25% throughout the region, and 25% local in Garner
- Largely singles and young couples pre-kids, with a small percentage of families
- Significant amount of teachers and manufacturing employees

Renters chose this property for its convenient location right off I-40 enabling them to have an easy commute throughout the region, access to all the retail/services offered at White Oak, and extensive amenity package. Community has been very successful, and even leased its second phase at a pace of 23 units/month during the difficult economic climate in 2009.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 17

Apartment Communities - Heather Park

Community Overview

- Developed by TriStar Mgmt. in 2001

Community Amenities

- Swimming pool, playground, car care center
- Clubhouse, fitness center, business center

Fee Structure

Application Fee:	\$ 50	Per apartment
Administration Fee:	Waiving	Per Apartment
Security/Reg. Deposit:	\$ 100	Per Apartment
Pet Fee:	\$ 150	Non-refundable
Pet Dep.:	\$ 150	Refundable
Detached Garages:	\$ 75	Per month
Washer/Dryer Rental:	incl.	Per month



Product Program

Unit Type	Unit Count	Unit Mix	Available Units	Occupancy	Base Rent Range	Unit Size Range	Current Conc.	Effective \$/SF	Straight Average \$/SF
1B/1b	48	23%	0	100%	\$780 - \$840	788 - 788	NA	\$0.99 - \$1.07	\$1.03
2B/2b	104	50%	1	99%	\$860 - \$920	1,074 - 1,074	NA	\$0.80 - \$0.86	\$0.83
3B/2b	56	27%	3	95%	\$960 - \$1,020	1,236 - 1,236	NA	\$0.78 - \$0.83	\$0.80
Summary:	208	100%	4	98%	\$868 - \$928	1,052 - 1,052		\$0.84 - \$0.90	\$0.87

*Ranges in Summary Line are Weighted by Unit Mix

Unit Finishes

Ceiling Height	Ceiling/ Duct Finish	Flooring	Cabinets	Countertops	Appliances	Laundry	Windows	Balconies	Technology
9'	Finished	Carpet with ceramic tile in bathrooms and kitchen	Wood	Laminate	White	Washer/ dryer included	Large casement windows with 1" aluminum blinds	All units have a minimum of 50sf	High speed internet incl.

Floor Plan Config.

Market Audience

- Majority of renters commute throughout the region, with only an approximate 10% staying in Garner
- Approximately 25% singles, 50% young couple pre-kids, and 25% families

Renters chose this property for its convenient location right off Hwy. 70 & I-40 enabling them to have an easy commute throughout the region. Community has been successful maintaining high occupancy, but has seen modest rental rate growth.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 18
Small Town Demographic Summary

Town	July 2008 Pop. Est.	Land Area (Sq. Miles)	2007 Median HH Income	2007 Est. Median Housing Value	% Cauc.	% Black	% Other	Bachelor's Degree or Higher	2008 SFD Building Permits	Live and Work in Town	% Family HHs
Garner	27,138	12.8	\$53,038	\$163,080	65.5%	27.1%	7.4%	28.2%	74	18.5%	69.5%
Clayton	8,906	5.4	\$49,873	\$138,302	68.2%	20.0%	11.8%	23.4%	196	14.9%	69.7%
Fuquay-Varina	17,002	6.8	\$48,026	\$159,112	66.3%	24.4%	9.3%	27.1%	343	21.5%	68.1%
Apex	33,075	10.5	\$79,536	\$242,704	83.4%	7.5%	9.1%	58.8%	199	12.6%	75.5%
Holly Springs	20,870	7.5	\$77,855	\$219,993	75.7%	18.6%	5.7%	50.7%	301	9.3%	78.7%
Wake Forest	27,068	7.8	\$58,553	\$194,410	78.6%	15.8%	5.6%	43.0%	211	15.9%	73.8%
Average:	22,343	8.5	\$61,147	\$186,267	73.0%	18.9%	8.2%	38.5%	221	15.5%	72.6%



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 19
Small Town Demographic Summary

Town	Description	Main Thoroughfare (s)	Traffic Count	Downtown Core	Approx. Comm. SF	Visibility from Thoroughfare (1-5 Scale)	Local Access (1-5 Scale)	Regional Access (1-5 Scale)	Parking Availability (1-5 Scale) / Type	Municipal Presence
Garner	Historic, linear rail frontage, one-sided	Main Street (Garner Rd.)	<300 (13,000)	2 Blocks, one-sided	40,000	1	2	5	3 Angle street	Rev. Auth. In ren. storefront
Clayton	Historic, intersection, rail backing, two-sided	Main Street	11,000	3.5 Blocks, two-sided	140,000	5	5	3	5 Central lot & parallel	Chamber of Commerce in ren. storefront
Fuquay	Historic, intersection, rail backing, two-sided	Main St. & Academy St.	16,000	2 Blocks, two-sided	80,000	5	4	1	5 Central lot & parallel	CoC, DMV, Police, Fire, Library
Varina	Historic, linear, rail backing, two-sided	Broad Street	10,000	1.5 Blocks, two-sided	60,000	4	3	1	3 Angle street & private lot	None
Apex	Historic, linear, rail backing, two-sided	Salem Street	8,700	3 Blocks, two-sided	120,000	5	4	5	5 Central lot & parallel	New cons. police HQ
Holly Springs	New, linear, two-sided	Main Street	11,000	1 Block, two-sided	60,000	3	3	4	4 Central lot & parallel	New cons. town hall
Wake Forest	Historic, linear, rail backing, two-sided	White Street	7,400	2.5 Blocks, two-sided	100,000	5	4	2	4 Central lot & parallel	New cons. town hall
Average:			10,683	2 Blocks, two-sided	85,714	4	4	3	4 Central lot & street	Significant



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 20 Local Downtown Core Case Studies - Clayton, NC

Description: Double-sided, 3.5 Block hist. stretch

Main Thoroughfares: E & W Main Street

Traffic Counts: 11,000

Approx. Size (SF): 140,000

Anchors: Community Center, rest.,
unique retailers - drugstore, furniture

Downtown Org.: Downtown Development Association
DDA Advisory Board

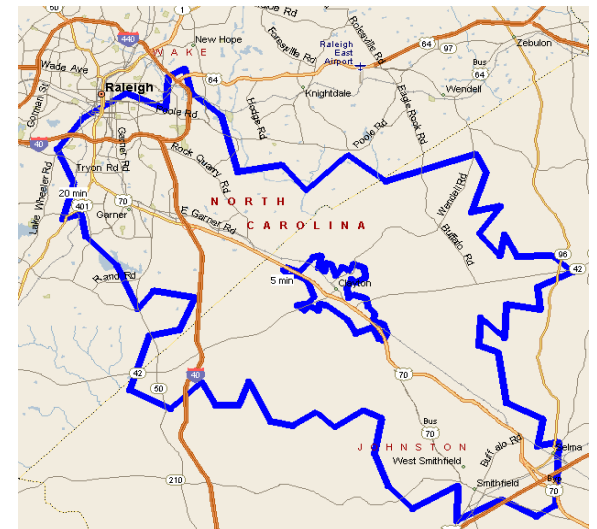
Municipal Presence: Downtown Dev. Assoc. in restored
storefront

Popular Events: Concert series, X-Mas tree lighting,
Harvest Fest., Millstock Music & Art Fair

Est. Annual Visitors: Not tracked

Funding Programs: Downtown Façade Improvement Grant
Downtown Improvements Grant
Clayton Downtown Red. Incentive Grant

Audiences Attracted:
Types of audiences: Local residents
Where they come from: Within 5-miles
Why are they coming: Personal services, independent rest.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 21
Local Downtown Core Case Studies - Fuquay-Varina, NC

Description: Double node, comb. 3.5 Block hist. stretch, double sided

NA

Funding Programs:

Main Thoroughfares: Main St/Broad St.

Traffic Counts: 13,000

Audiences Attracted:
Types of audiences: NA
Where they come from: NA
Why are they coming: NA

Approx. Size (SF): 140,000

anchors: NA



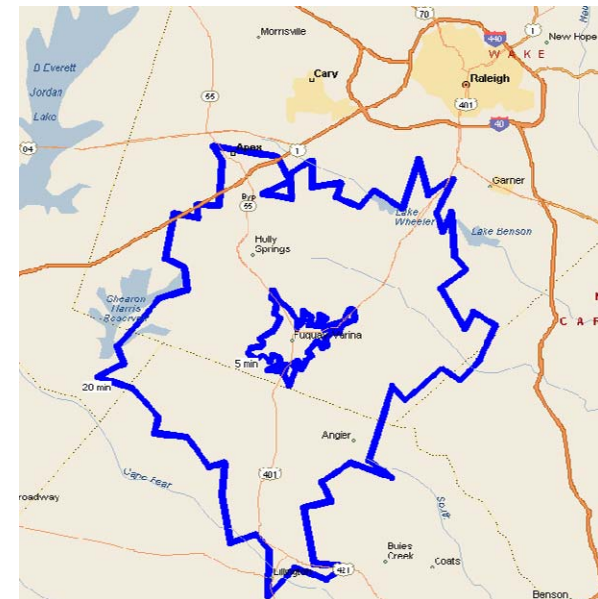
Downtown Org.: NA

Lessons Learned: Promote/require businesses to stay open past 6pm and on weekends, especially Sundays. Ensure a safe, secure enviro. with ample lighting, ADA compliance, and security cameras.

Municipal Presence: NA

Popular Events: NA

Est. Annual Visitors: NA



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 22
Local Downtown Core Case Studies - Apex, NC

Description: Double-sided, 3 Block hist. stretch

Main Thoroughfares: Salem Street

Traffic Counts: 8,700

Approx. Size (SF): 120,000

Anchors: Unique boutique shops, independent rest.
Cultural Center

Downtown Org.: Dwnt. Business Assoc.
Unofficial "Dwnt. Ambassador"
Rotary Club, Chamber of Commerce

Municipal Presence: Cultural Arts Center, Police HQ (UC)
Fire Station, Chamber of Commerce

Popular Events: Peak Fest (25,000), 4th of July Parade,
X-Mas Parade, Fall Fest., Movie Series

Est. Annual Visitors: Est. 50,000

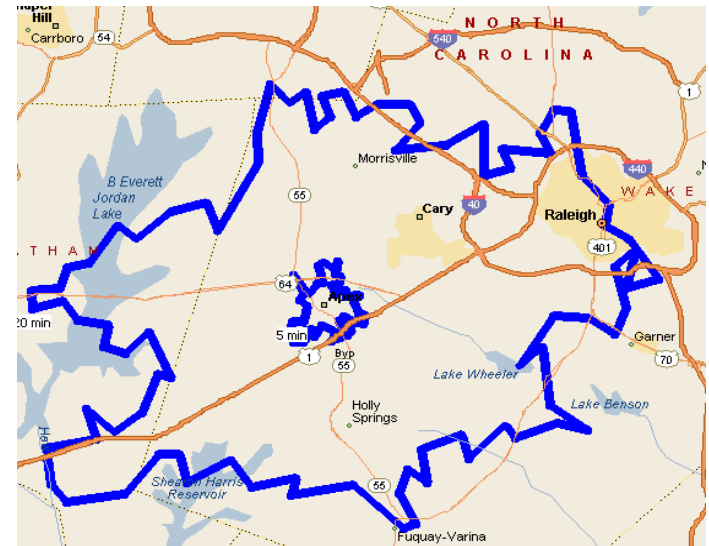


Funding Programs: Matching 50/50 façade grant (\$1k cap)
75% reduction in impact/permit/conn. fees

Audiences Attracted:
Types of audiences: "Mom's w/Strollers", Daytime business m/w
out of town visitors
Where they come from: Apex and S. Raleigh
Why are they coming: Unique shops, active business community

Lessons Learned:

- Offer a reduction in impact/connection/permitting fees for new development within Downtown
- Maintain an unofficial "Downtown Ambassador" to help promote the core without any agenda
- Focus on business friendly lunches
- Preserve historic homes, and mandate walkable streetscape and connection to core in future developments within close proximity
- Create a community/cultural center with discounted events/classes to attract additional aud.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 23 Local Downtown Core Case Studies - Holly Springs, NC

Description: Double-sided, 1 Block new cons. stretch

Main Thoroughfares: Main Street

Traffic Counts: 11,000

Approx. Size (SF): 60,000

Anchors: Town Hall, Library/Cultural Center
Boutique retail shops/services

Downtown Org.: Forming a Dwnt. Dev. Committee

Municipal Presence: Town Hall
Library/Cultural Center

Popular Events: Farmers Mkt

Est. Annual Visitors: Not tracked

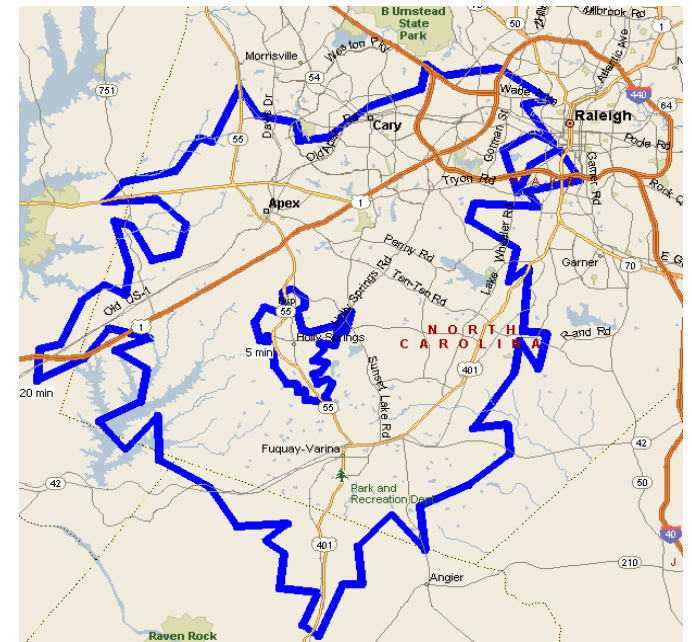
Funding Programs: Municipal Bonds
DOT Grants

Audiences Attracted:

Types of audiences: Local residents
Where they come from: Throughout town
Why are they coming: Primarily for Town Center/Cultural Cntr
Also dest. services - special salon



Lessons Learned: Create as many reasons as possible for your citizen to have to come into Town Hall, and then ensure the town center is inviting for them to stay or come back
Look for opportunities to help share infrastructure burdens with private sector such as shared parking with municipal centers
Focus on independent and unique proprietors who will thrive despite big-box competition



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 24 Local Downtown Core Case Studies - Wake Forest, NC

Description: Double-sided, 2.5 Block stretch

Main Thoroughfares: White Street

Traffic Counts: 7,400

Approx. Size (SF): 100,000

Anchors: Boutique art galleries, private event facility, trendy coffee shop, Town Hall

Downtown Org.: Downtown Revitalization Corp.
Chamber of Commerce

Municipal Presence: New 44,000sf Town Hall under cons.
Planning dept, Polic Dept.

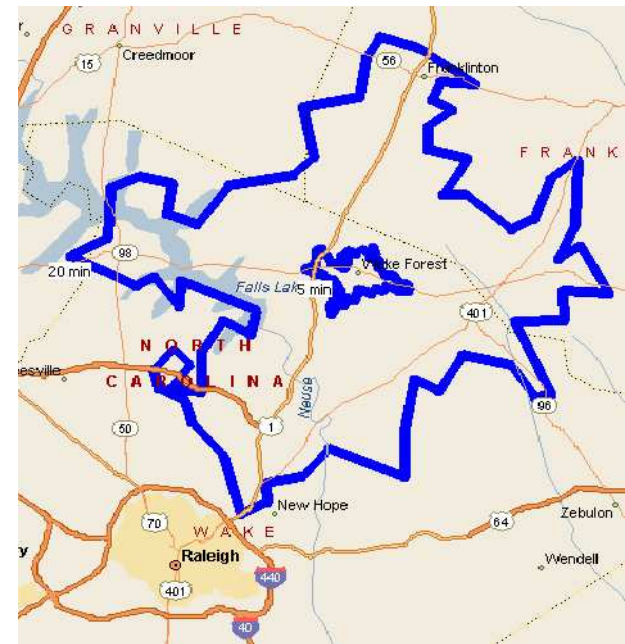
Popular Events: Farmers Mkt (15,600)
Meet in the Street Fest. (10,000)

Est. Annual Visitors: 50,000

Funding Programs: Trying to est. now, issue of making them equitable to existing businesses, façade impr. grant, DOT enhancement grant

Audiences Attracted:
Types of audiences: Long time community res.
Where they come from: Throughout town
Why are they coming: Unique shops/rest/events

Lessons Learned: Focus on proper way finding signage not just on site, but throughout community
Create consolidated marketing programs for Town Center businesses
Create event space that does not impede business success during large gatherings
Focus on staying up-to-date, social media marketing, events attracting Generation Y, etc.



TOWN OF GARNER TOWN CENTER MARKET ANALYSIS

Exhibit 25 Family Festival Case Study

Description:	A family oriented shopping center development concept anchored by a community ball field, and children sporting venues with ancillary shop space targeted for children and moms pre/during/post sporting events and practices.
Location Criteria:	Traffic lighted intersections with high visibility (traffic counts of 15,000+), in young family (20% of population under 14; 25,000 pop. in 3-mile; 50,000 pop. in 5-mile) dominated suburban markets throughout the southeast with strong household incomes (\$80k+). Prefer locations adjacent to existing children sporting centers such as public parks/ball fields, and/or elementary schools.
Typical Development Program:	A total of 70,000 square feet of retail space in multiple free standing buildings located on approximately 9 acres with 350 surface parking spaces surrounding a central ball field. Typically 3-5 anchor tenants, often businesses focusing on children sports, and 15 - 20 small shops selling goods related to those sports and fast casual restaurants.
Demonstrated Success:	Has not achieved a premium over the market in rental rates, but has held successful occupancy levels while other conventional centers have dropped. Businesses report that they are able to survive the current economic climate better given the continued captive audience brought in by the children sporting uses, which parents have not cut out of their budget.

Dacula Family Festival: Dacula, GA	Demographics			Tenant Mix			
		Med. HH Inc.	Pop.	Anchors	31,102	Small Shop	22,900
Total SF:	3-Mile Radius	\$95,852	34,861	Monkey Joes	12,502	Building 1	11,700
54,002	5-Mile Radius	\$91,241	84,328	Swim Atlanta	9,500	Building 2	11,200
6-Acres				Jack City Sports	9,100	*Nail salon, kids consignment,	
227 Parking spaces (4.2/1,000sf)				Ballfield		video games, casual rest.	

Hoover Family Festival: Hoover, AL	Demographics			Tenant Mix			
		Med. HH Inc.	Pop.	Anchors	43,600	Small Shop	48,200
Total SF:	3-Mile Radius	\$95,162	26,230	Monkey Joes	12,600	Building 3	6,800
91,800	5-Mile Radius	\$78,561	78,627	Swim Atlanta	9,800	Building 2	8,200
12-Acres				Building 5	8,500	Building 6	9,000
518 Parking spaces (5.6/1,000sf)				Building 8	7,800	Building 7	14,400
				Building 9	4,900	Building 10	4,900
				Ballfield		Building 11	4,900

Midway Family Festival: Cumming, GA	Demographics			Tenant Mix			
		Med. HH Inc.	Pop.	Anchors	44,248	Small Shop	28,850
Total SF:	3-Mile Radius	\$94,630	21,068	Monkey Joes	12,500	Building 1	10,600
73,098	5-Mile Radius	\$86,277	53,517	Swim Atlanta	11,500	Building 2	7,450
9-Acres				Warehouse Ministry	10,000	Building 3	5,400
327 Parking spaces (4.5/1,000sf)				Discovery Point	10,248	Building 4	5,400
				Ballfield			

*Adjacent to major public ball field facility - Midway Park

*Sporting goods, pizza, burgers, smoothie, karate studio, nail salon

