

1 INTRODUCTION

The City of Kennesaw has evolved from an exurban bedroom community in the northwest quadrant of the Metropolitan Atlanta region into a notable employment and civic center. While strategic decisions made by municipal and Cobb County leaders have helped pave the way for the city's growth, Kennesaw's evolution also has been influenced by the overarching economic growth of the Metropolitan Atlanta area, long being a leader in economic growth nationally and internationally.

This layered success is best exemplified by the many amenities that have shaped the city's growth and evolution that are not located in the city, but immediately adjacent. For example, Kennesaw State University (unincorporated Cobb County) has become one of the largest post-secondary institutions in the state and is driving much of the city's downtown and housing market. Kennesaw has maintained and expanded its substantial production-based economy buoyed by regional clusters (i.e., Lockheed Martin in Marietta) and substantial assets (i.e., Cobb County International Airport in unincorporated Cobb County).

The City's leadership has recognized the importance of having a focused, proactive economic development strategy that maximized the opportunities provided by these abutting assets while defining a specific vision and niche for the City of Kennesaw. To this point, the goal for this strategic plan is to identify strategic direction, resources, and partnerships required for long-term sustainable economic growth, greater returns on local investment, improved job creation and retention, increases in per capita income and property values, enhancements in the local tax base, and strengthened regional networks.

The City's elected leadership, administration, business community, and key stakeholders were engaged over a ten-month process to identify the City's emerging economic development goals, review the market findings and opportunities, and prioritize recommended strategies. This Strategic Economic Development Plan (SEDP) is intended to provide the City of Kennesaw with an action plan that guides internal and partner efforts over the next ten years.

2 DEMOGRAPHIC ANALYSIS

A. INTRODUCTION

The socioeconomic analysis provides the foundation for understanding a community, its economy, and its potential. The consultant analyzed recent demographic trends for the City of Kennesaw's local and regional markets to understand the City's past and current market context. The analysis in this chapter also allows the Consultant to assess Kennesaw's resident and workforce, how they have changed over time, and how they compare to the local and regional marketplace.

B. MAJOR FINDINGS

- The population of the Kennesaw is aging – Between 2014 and 2019 the number of residents in Kennesaw aged 65 years or older increased by 26%. This puts a strain on the city's housing stock as many seniors are aging-in-place.
- The City's population is diversifying – About 48% of the City's population growth since 2014 has been non-white, with the Asian population increasing by 31%. The diversity of residents provides the City an opportunity to strengthen its small business and entrepreneurial efforts targeting minority and women-owned businesses.
- Larger households are locating in Kennesaw – Two-and-three-person households are growing in Kennesaw, expanding by 20% and 18% respectively. Five-or-more person households have grown by 35% over the last five years, while one-person households have declined by 12%.
- Kennesaw is getting wealthier – The median household income has risen to \$70,930 and highest percent growth of households is of households earning more than \$200,000 per year. Over the last five years, Kennesaw saw a 32% growth in households earning more than \$75,000 per year.

C. METHODOLOGY

1. STUDY AREAS

RKG Associates used municipal and county boundaries for the economic base and real estate analysis where possible. Some data sources do not line up with municipal boundaries, these sources follow Zip Code boundaries. For these efforts, RKG had to use such boundaries to simulate the City of Kennesaw. In addition to assessing Kennesaw, RKG Associates also analyzed Cobb County, and a Region composed of Dekalb, Fulton, and Gwinnett Counties to understand unique characteristics surrounding Kennesaw, and how they affect economic development opportunities for the City. These areas were chosen based on their economic activity level and relevance to Kennesaw's competitive marketplace. The following analysis focuses on Kennesaw, Cobb County, and the Region.

2. DATA SOURCES

Primary data sources used for this analysis include demographic information from the U.S. Census Bureau and current estimates and projections from ESRI and EMSI, both are nationally recognized third-party data providers that use U.S. Census data to generate estimates and projections of a variety of socioeconomic variables for a range of geographic areas. Any additional data sources not outlined here are noted within that respective section.

D. POPULATION TRENDS AND PROJECTIONS

Kennesaw is the major population center within Cobb County. In 2019, the population of Kennesaw was estimated to be 33,960, which is about 5% of Cobb County's population (751,218). The three county region of Dekalb, Fulton, and Gwinnett has approximately 2.7 million people living in the area making it a substantial economic hub.

Table 2-1
Population Growth
2014-2019

Jurisdiction	2019 Population	% Growth Since 2014
Kennesaw	33,960	8%
Cobb County	751,218	6%
Region	2,700,569	7%

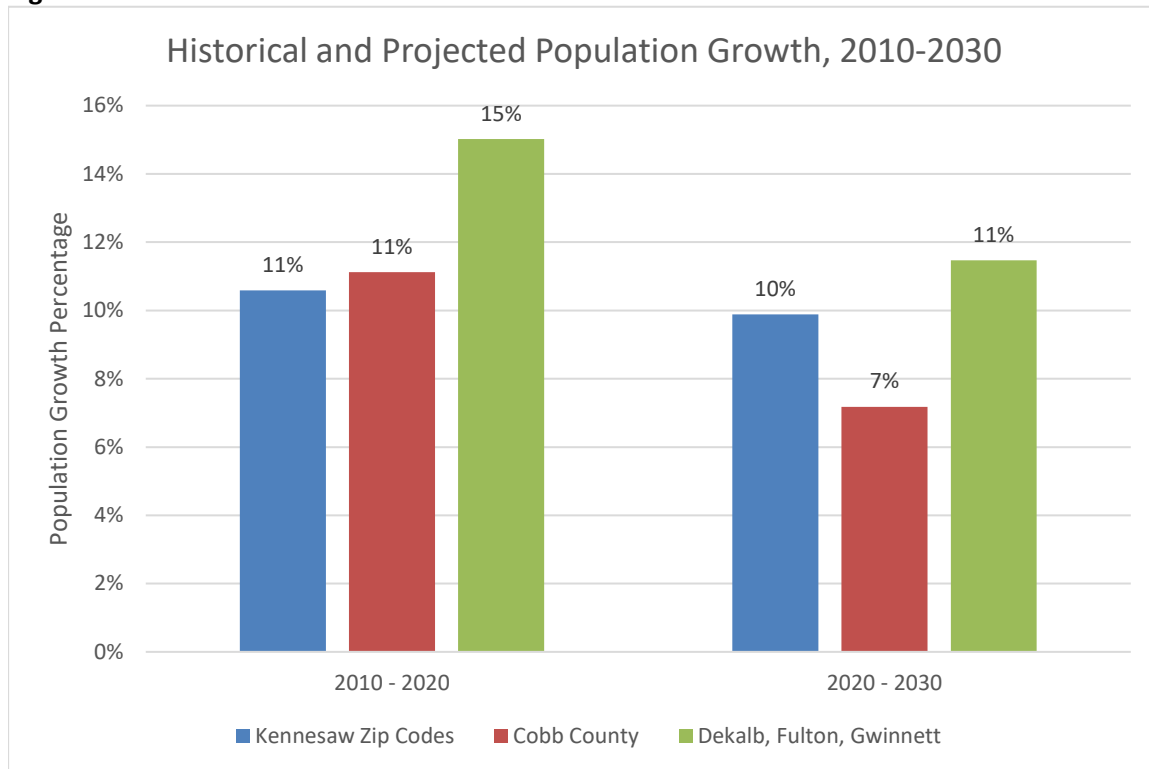
Sources: U.S. Census ACS 2015-2019 5-Year Estimates, 2021

Kennesaw experienced an 8% increase since 2014 which was higher than both Cobb County (6%) and the Region (7%). Population projection data indicate Kennesaw will continue to increase at a pace nearly consistent with Cobb County and the Region (Figure

2-1). This finding suggests that over time, Kennesaw will get more built-out, which will result in fewer new ‘greenfield’ developments, and therefore slowing resident growth.

Projections from EMSI, an economic and demographic data aggregator, suggest that the rate of population growth in Kennesaw and the surrounding area will slow over the next decade. From 2010 to 2020 the population of Kennesaw increased at a rate of 11%. This rate is expected to slow to 10% between 2020 and 2030. The growth rates of Cobb County and the Region are expected to slow significantly in the next 10 years. The population growth rate in Kennesaw is still expected to be higher than Cobb County’s growth rate which will decline to 7% (Figure 2-1). It must be noted that these projections are pre-COVID-19, so the impact of the pandemic on future growth is still being considered based on the potential changes to households, housing types, housing locations, jobs, and market demand.

Figure 2-1



Sources: EMSI 2021

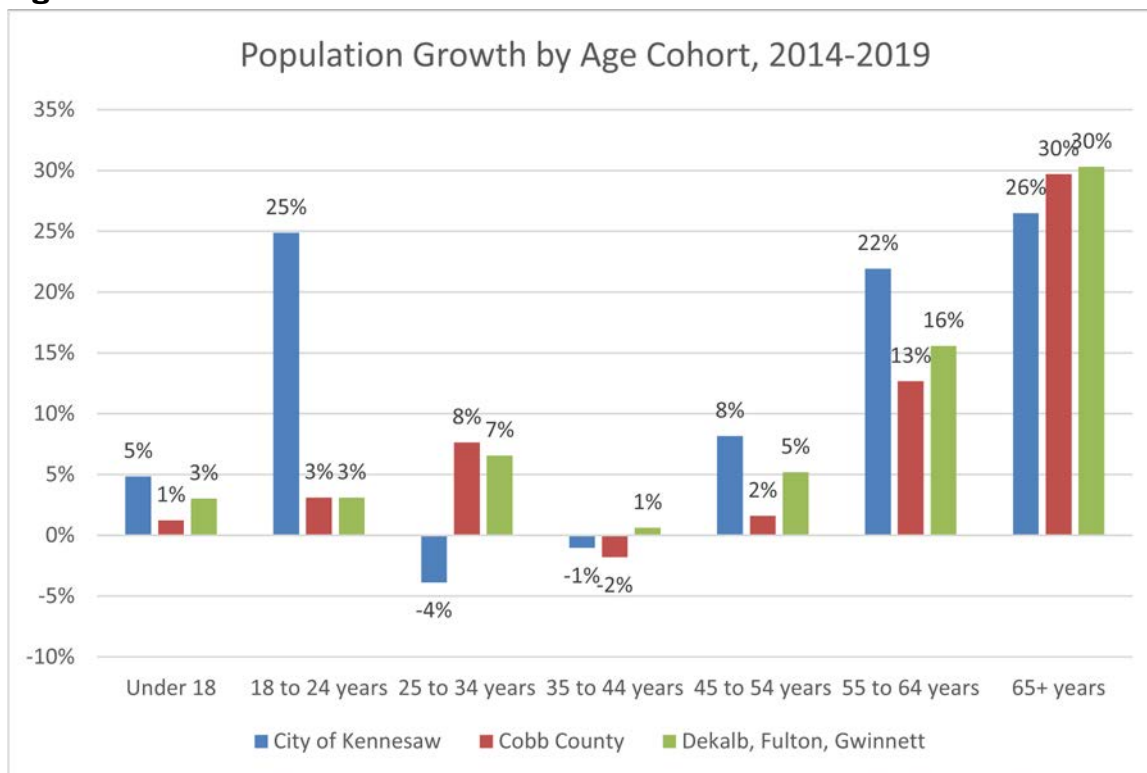
The concerns of an aging workforce (discussed in the next section) and slowing population growth has the potential to adversely impact local businesses. Simply put, a large part of Kennesaw’s workforce is reaching retirement. With few opportunities for greenfield development, new residential development will have to come through infill or redevelopment. The City’s policy and land use regulations will need to promote higher

mixed-use densities to address the supply side challenges contributing to these changing demographic conditions.

E. POPULATION BY AGE

Like many suburban communities across the country, Kennesaw is home to an aging population, with a swelling number of post-retirement-age residents. From 2014 to 2019 the number of residents in Kennesaw aged 65 years or older increased by 26%, which is nearly in-line with Cobb County's and the Region's growth rate of 30% (Figure 2-2).

Figure 2-2



Sources: U.S. Census ACS 2015-2019 5-Year Estimates

Kennesaw also posted very strong growth rates among the other Baby Boomer age cohorts of 55-64 years (+22%) and 60-69 years (+26%). The City's population of all residents under the age of 50 increased by only 6% from 2010 to 2018, with minimal increase in the age 30-49 cohort (+3%). These growth rates are indicative of an area with high housing costs and limited housing opportunities for young adults and families.

The overall population of Kennesaw grew by 8% over the last five years. Residents ages 45 to 65 are moving into Kennesaw at a faster rate than the County and Region. The youth

population is also growing in Kennesaw, as the college age population increased 25% over the last five years due to the growth of Kennesaw State University.

The young adult population, ages 25 to 34, declined by 4% which contrasts with both Cobb County and the Region. This indicates that employment and/or housing options in Kennesaw may not be attractive to this population.

This finding is consistent with national trends and could have a substantial impact on the City's long-term economic development sustainability, as Baby Boomers are tending to age-in-place, which will adversely impact housing availability for the next generation of workers, and therefore the amount of available workforce.

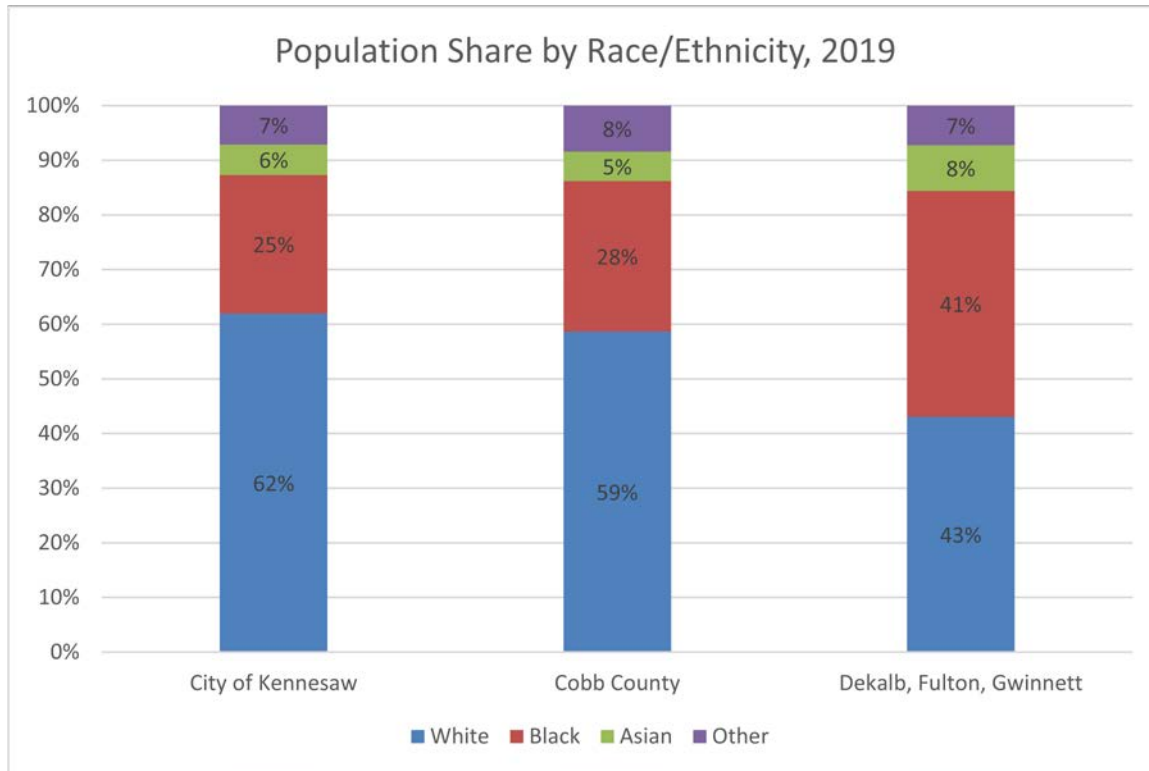
F. RACE & ETHNICITY

Racial diversity in Kennesaw is not as dynamic as both Cobb County and the Region. The resident population of Kennesaw is 62% White, which is more than both Cobb County and Region (Figure 2-3). Among non-white populations, Kennesaw has a large concentration of African Americans (25%), and a growing Asian population which now accounts for 6% of residents.

That said, the City's population growth has been overwhelmingly non-white, with the Asian population showing the strongest increase at 31% (Figure 2-4). The Black population (+12%) showed strong growth as well. The Latino/Hispanic population grew by 1%, while the Other population shrank by 5%.

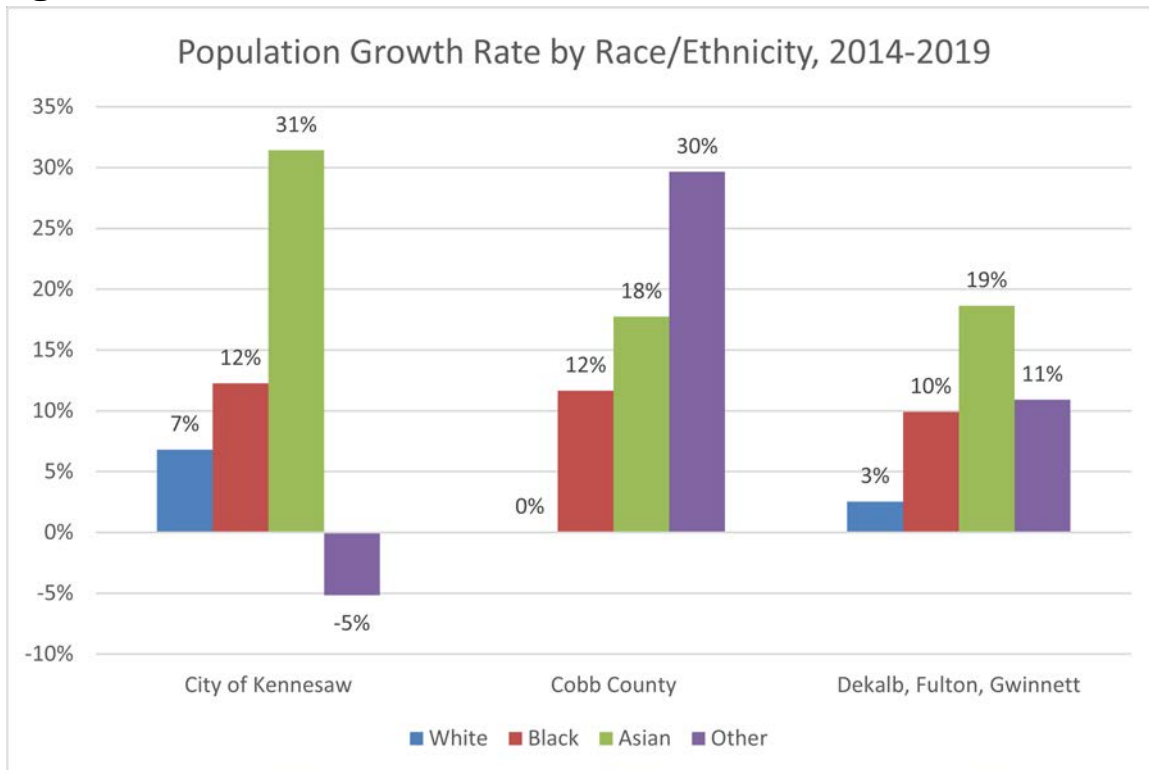
In total, 48% of the City's population growth since 2014 has been non-white. The diversity of residents provides the City an opportunity to strengthen its small business and entrepreneurial efforts targeting minority and women-owned businesses. Creating strategies that embrace the City's emerging population groups can provide a niche for the City's business development efforts and increase the potential business mentoring program candidates. In doing so, the City will be better positioned to retain these companies due to their full integration into the community. Kennesaw will need an intentional plan to identify, attract, and engage this growing part of the community.

Figure 2-3



Source: U.S. Census ACS 2015-2019 5-Year Estimates

Figure 2-4



Source: U.S. Census ACS 2015-2019 5-Year Estimates

G. HOUSEHOLDS

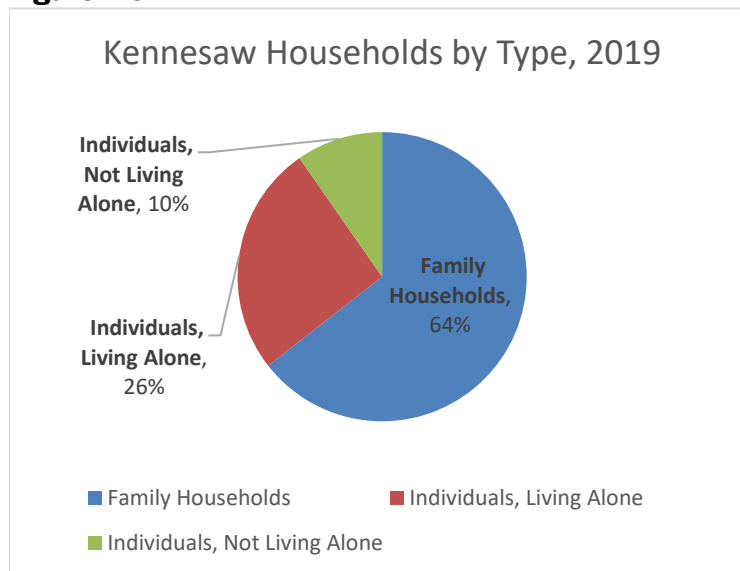
Kennesaw is a very diverse community in terms of the makeup of its housing stock and households. As of 2019, just 64% of the City's residents lived in "family households," or households with two or more people related by marriage or blood, and 26% of Kennesaw's households were comprised of individuals living alone (Figure 2-5). These figures are comparable to those of Cobb County and the Region.

The 2019 average household in Kennesaw contained 2.65 people, compared with 2.64 for all of Cobb County, and 2.61 for the Region. Kennesaw also stands out from Cobb County in terms of housing tenure. As of 2019 about 37% of all households in Kennesaw were renters, compared with 35% in Cobb County (Figure 2-7). About one-third of all recent household growth in Kennesaw has been among renters, while growth in owner occupied units

continues to dominate. This correlates with high growth rate in family households (12%) compared to non-family households (-5%). Conversely, Cobb County and the Region experienced an increase (7-12%) in non-family households, and a modest increase (5-7%) in family households. This finding is reflective of how Kennesaw is attractive to family households, and the residential development pattern that occurred during this time.

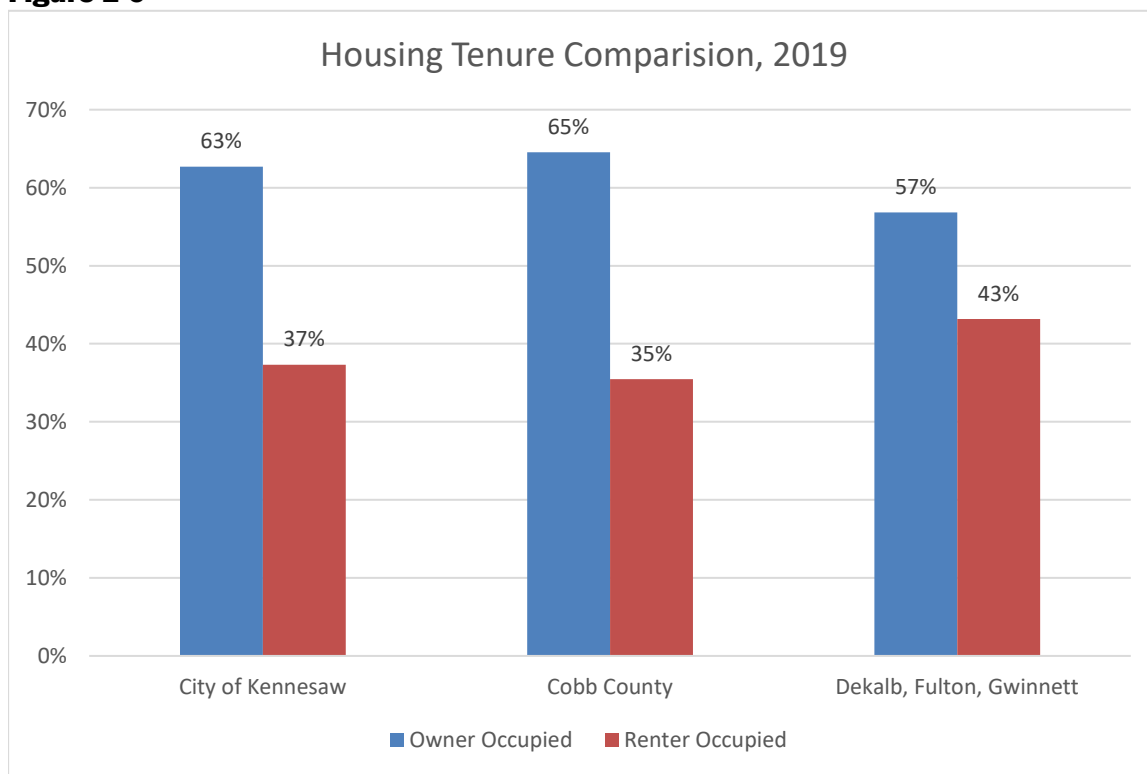
Overall, the characteristics of households and housing tenure in Kennesaw are far more in line with typical suburban communities (Figure 2-6). Historically, the City of Kennesaw placed a great emphasis on maintaining its single-family neighborhoods, which make up a substantial portion of the City's residential land use. These areas will remain stable and largely off-limits to new development, meaning that much of the new housing development in Kennesaw will need to be concentrated in higher-density developments around its commercial nodes, particularly in the Downtown. These development patterns will likely continue to tip the balance towards smaller households and more renters.

Figure 2-5



Sources: U.S. Census ACS 2015-2019 5-Year Estimates

Figure 2-6

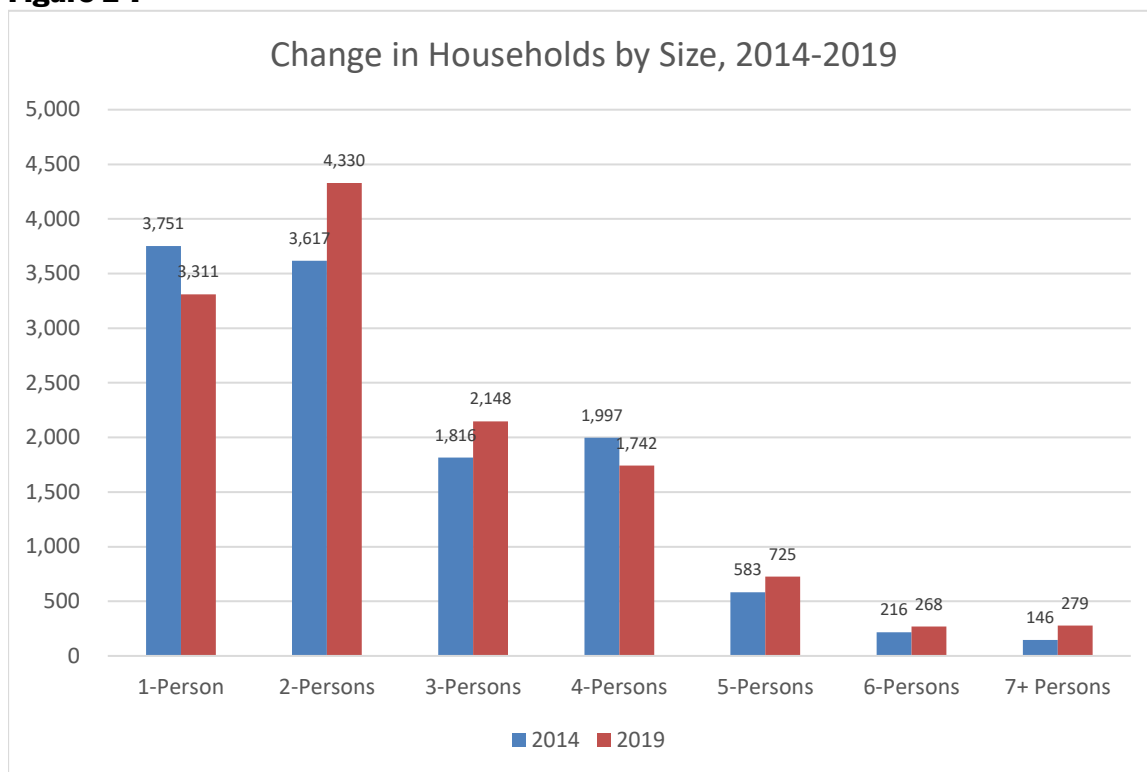


Source: U.S. Census ACS 2015-2019 5-Year Estimates

Households are changing in Kennesaw, driven in part by shifts in size and household type. Overall household growth in Kennesaw was 6% over the last five years, which is slower than the city's population growth rate (Figure 2-7). Two-and-three-person households are growing in Kennesaw, expanding by 20% and 18% respectively. Five-or-more person households have grown by 35% over the last five years, while one-person households have declined by 12%.

Kennesaw experienced a 12% growth in family households and a 5% decline in non-family households. Conversely, Cobb County (7%) and the Region (12%) experienced an increase in non-family households, and a modest increase (Cobb County 5%, Region 7%) in family households.

Figure 2-7



Source: U.S. Census ACS 2015-2019 5-Year Estimates

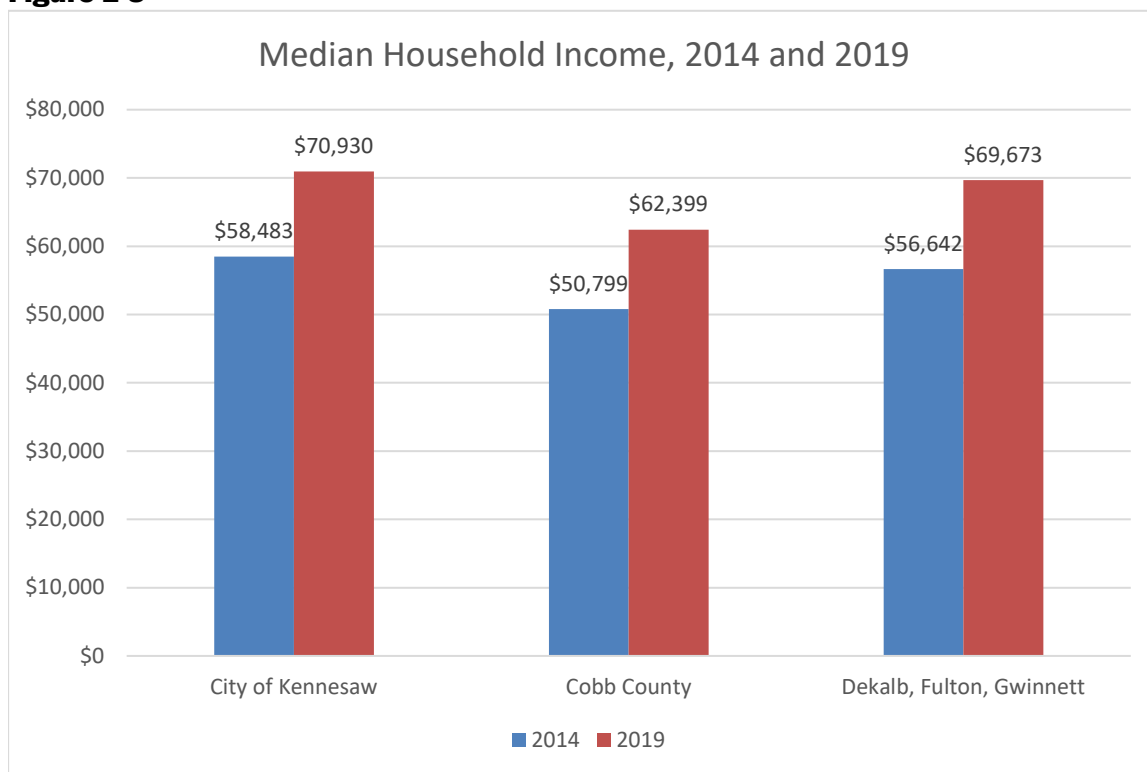
H. HOUSEHOLD INCOME

The population base in Kennesaw includes high concentrations of both high-income and low-income households. The diversity of Kennesaw is also reflected in the income profile of its households. The City's median household income in 2019 was \$70,930, which is above the Cobb County median of \$62,399, and the Region's median income levels (Figure 2-8). The median income in Kennesaw increased 21% from 2014 to 2019, which was a faster growth rate than the Region but slower than Cobb County.¹

The slower rate of income growth in Kennesaw relative to Cobb County is likely related to the fact that recent population growth has been driven by family households, rather than non-family households which may have many more workers per household. The expected trend toward smaller housing units in densely built nodes should continue to reduce household sizes and continue to increase the relative number of non-family households.

¹ U.S. Census Bureau American Community Surveys 2015-2019 5-Year Estimates

Figure 2-8

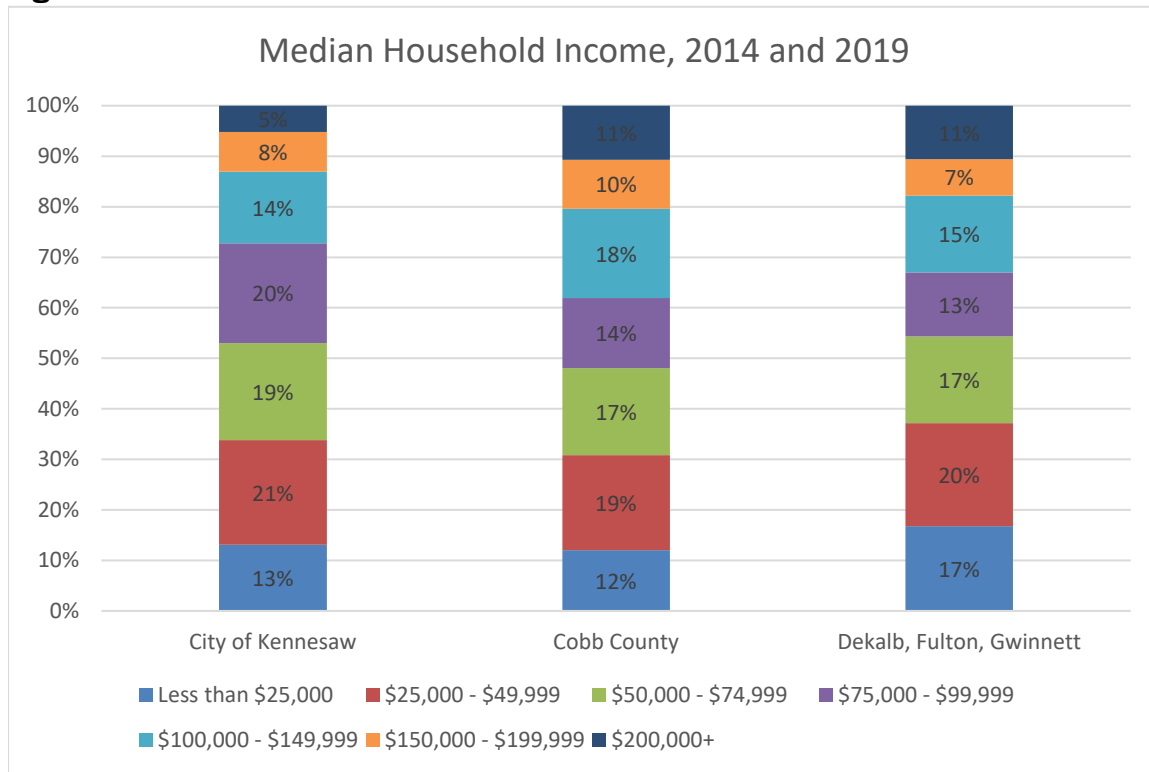


Source: U.S. Census ACS 2015-2019 5-Year Estimates

Household income is far more evenly distributed in Kennesaw than the comparable communities. The 34% of the City's households that earn below \$50,000 is contrasted by the 13% that earn \$150,000 or more (Figure 2-9). Kennesaw also has a higher share of households earning between \$50,000 and \$74,999 than Cobb County or the Region. Approximately 13% of Kennesaw households were estimated to have incomes below \$25,000, compared with 17% for the Region.

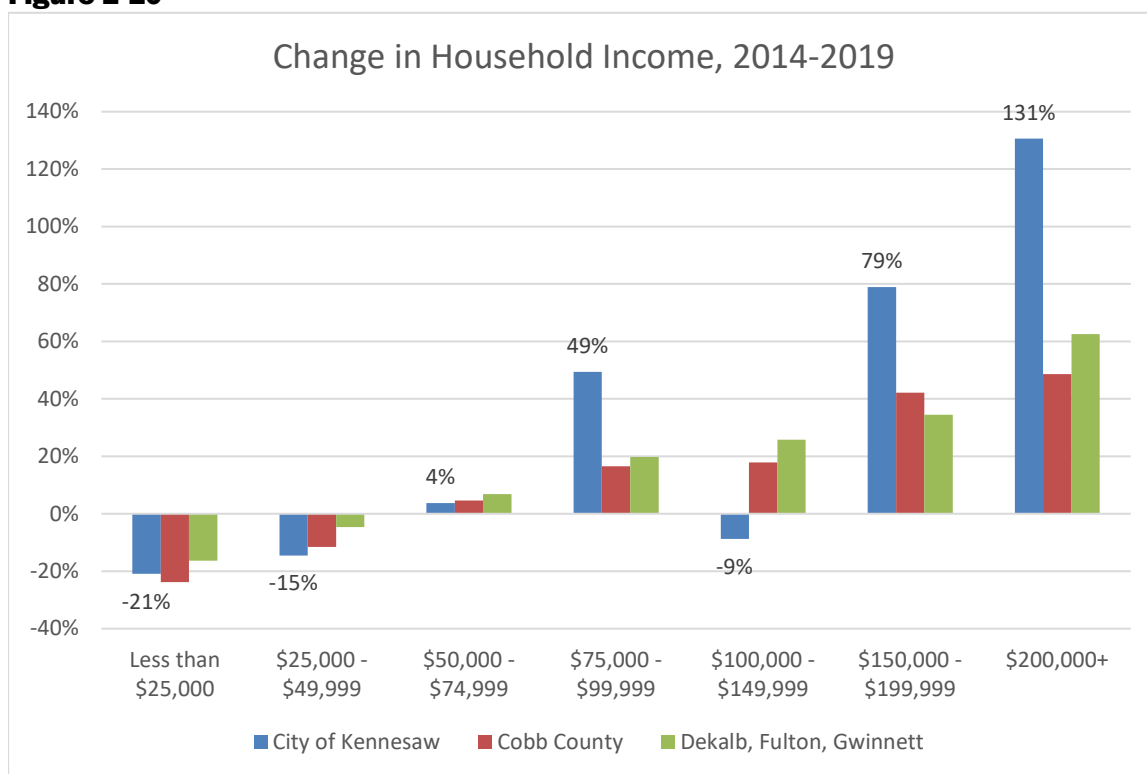
Figures 2-9 and 2-10 suggest there is an opportunity to bolster the lower- and moderate-income earners that comprise a large share of Kennesaw's population. At a base level, increasing opportunities for more moderate-income households can create the potential for the continuum of living, starting with early career development through maximum earning potential and then back to limited income generation during retirement. These new residents could be the replacement workforce for the large Baby Boomer generation that is rapidly entering retirement and tending to age-in-place. Not only will new residents be needed to contribute to the workforce but providing housing opportunities for the next generation of professionals will enhance the City's efforts to promote entrepreneurial development and help keep Kennesaw competitive with neighboring communities.

Figure 2-9



Households are becoming increasingly wealthier with the median household income rising to \$70,930 and some of the highest percent growth taking place in households earning more than \$200,000 per year with the City of Kennesaw seeing a 131% increase. Over the last five years, Kennesaw saw a 32% growth in households earning more than \$75,000 per year. Households earning at or above \$75,000 can afford homes priced over \$250,000 and rents of \$1,875 or more per month. This is substantially higher than most owner and rental products found in the local markets.

Figure 2-10



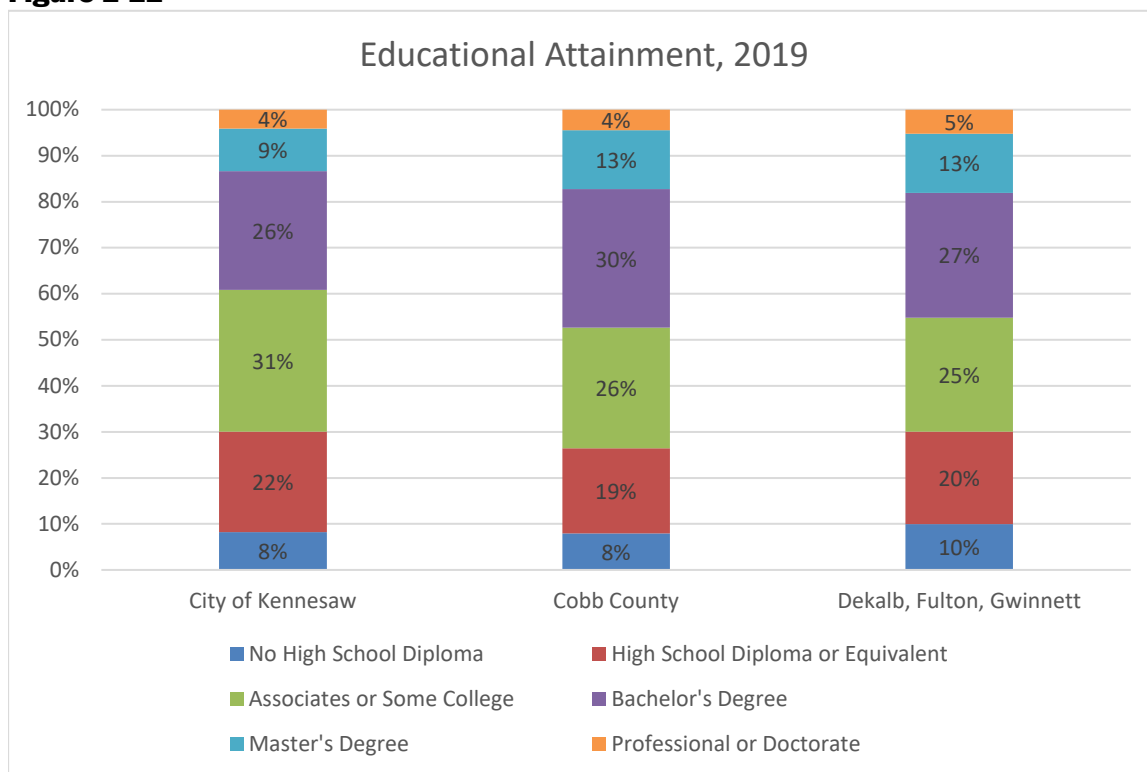
Source: U.S. Census ACS 2015-2019 5-Year Estimates

By supporting regional efforts to attract new companies to the greater Metro Atlanta area, Kennesaw would maintain a seat at the table to be able to promote the quality of life and opportunities available in the City. While the focus should be on jobs that offer better-than-average wage rates, a more holistic view considers that service sector jobs and attainable housing for lower and middle-income earners is a critical part of the market climate necessary to make Kennesaw attractive to companies that have these jobs. Simply put, companies have shown preference in Metro Atlanta for locations that can support a continuum of incomes while providing high levels of support amenities (i.e., dining and retail).

I. EDUCATIONAL ATTAINMENT

Educational attainment among working-age residents of Kennesaw is relatively low with 26% of City residents holding a bachelor's degree and 13% having a master's or professional degree (Figure 2-11). Kennesaw trails both Cobb County (47% with post-secondary degrees) and the Region (45% with post-secondary degrees). The lower educational rates found in Kennesaw can be attributed, to some extent, to the economic base of the city which is significantly more reliant on industries which do not require post-secondary degrees.

Figure 2-11

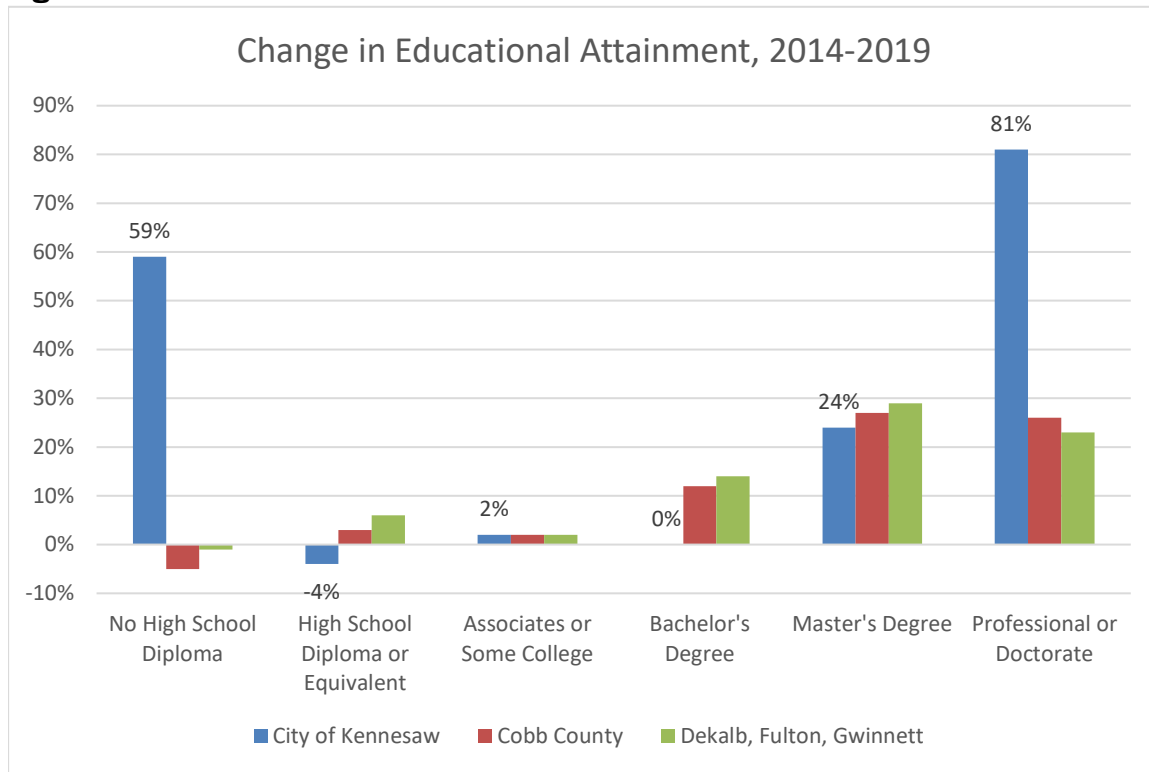


Source: U.S. Census ACS 2015-2019 5-Year Estimates

The population in Kennesaw has grown in a bifurcated manner, with large growth rates for individuals without High School Diplomas and those with Professional Degrees. Over the last five years, the number of residents without a High School Diploma increased by 59% or 660 individuals (Figure 2-12). Conversely, the number of individuals with Professional or Doctorate Degrees increased by 81% or 399 individuals. There is also a strong correlation between the increase in highly educated residents and the increase in household incomes over the last five years.

The City's relative attractiveness as a place to live transcends income level. Unfortunately, the City's existing housing stock is price-limited for low- and moderate-income earners. Without a strategy to address price diversity and availability, pressure will rise on the retail and service sector to meet the staffing levels needed for local businesses to sustain support amenities and services. This also includes essential workers such as teachers, police, and fire departments professionals.

Figure 2-12



Source: U.S. Census ACS 2015-2019 5-Year Estimates

J. CONCLUSION

On the surface, the demographic analysis reveals that Kennesaw is in an enviable position from an economic development competitiveness perspective. The City has a large, well-educated, and diverse population. Regional data indicate that Kennesaw has a strong foundation to attract small and mid-size companies (100 workers or less) with high demand for both a professional and technical workforce.

While this is true, there also are some challenges identified in this analysis. Most notably, the City's large proportion of Baby Boomers entering retirement can create a challenge for companies in staffing needs. As noted, this generation is less likely to relocate after retiring, exacerbating the already tight housing market in Kennesaw and the Region. The effect is a shrinking labor force and rising housing costs. This trend not only impacts those businesses needing highly educated workers, but also the support service industries that contribute to making Kennesaw a desirable place to live and work in the first place.

3 ECONOMIC BASE ANALYSIS

A. INTRODUCTION

RKG Associates analyzed the current and recent socioeconomic trends for the City of Kennesaw and the regional market to understand the potential economic opportunities and challenges facing the City of Kennesaw. This data also helps to identify the characteristics of the current workforce. Additionally, economic data helps to identify recent trends in both the local and regional marketplace and existing strengths and potential opportunities for future economic development.

B. MAJOR FINDINGS

- *Job Growth in Kennesaw has been strong and has outpaced the Region* – Between 2010 and 2020 the city's job base increased from 54,516 to 71,781 jobs, a growth rate of nearly 32 percent. The employment base of the city is made up of small and medium sized businesses, in a variety of sectors including transportation, warehousing, and manufacturing.
- *The educational attainment of the workforce in Kennesaw is bifurcated* – The level of educational attainment among working-age residents of Kennesaw lags its peers; only 26 percent of city residents hold a bachelor's degree and 9 percent have a master's degree or doctorate. Over the last five years, the number of residents without a High School Diploma increased by 59% or 660 individuals. Conversely, the number of individuals with Professional or Doctorate Degrees increased by 81% or 399 individuals
- *Traffic/job accessibility is a major issue* – The City has net commuting patterns of nearly 25,000 people traveling in or out of the city each day just to get to work. The vast majority of in- and out-commuters drive, which places a huge strain on the existing road network. This is particularly important as public transportation is limited.

- Kennesaw is a nearly balanced white- and blue-collar employment market – The five largest industries in the City have concentrations of both highly skilled white-collar jobs and lower skilled blue-collar jobs, constituting almost 50 percent of the City’s total employment base.

C. METHODOLOGY

A variety of data sources were used to analyze the economic base for the City’s local and regional market. Like the Demographic Analysis, population characteristics were provided by Esri and the U.S. Census Bureau. Information about employment trends was gathered from the U.S. Census Bureau’s County Business Patterns data and EMSI, a global data vendor of employment trends and projections. Worker characteristics, labor force data and occupational skill level was provided by the U.S. Bureau of Labor Statistics and the Georgia Department of Labor. Commuting pattern data was generated and presented by the *OnTheMap* service provided by the U.S. Census Bureau’s Center for Economic Studies. Any additional data sources not included above will be noted when appropriate throughout the chapter.

D. LABOR FORCE CHARACTERISTICS

The labor force in and around Kennesaw provides existing and new businesses with a source of potential workers. Labor force trends also provide additional depth to understanding Kennesaw’s economy and its position within the larger region.

1. JOB GROWTH

Employment growth in Kennesaw has kept pace with the strong regional growth in the surrounding market area. Between 2010 and 2020 the city’s job base increased from 54,516 to 71,781 jobs, a growth rate of nearly 32 percent

Table 3-1
Job Growth by Study Area
2010-2020

Study Area	2010 Jobs	2020 Jobs	Growth	Percent Growth
Kennesaw	54,516	71,781	17,266	32%
Cobb County	319,797	415,408	95,611	30%
Region	1,410,829	1,734,037	323,208	23%
Market Area Total	1,785,142	2,221,226	436,084	24%

Sources: EMSI, and RKG Associates, 2021

(Table 3-1). This growth rate was significantly higher than the growth rate for the surrounding Market Area (+24 percent), and greater than even Cobb County, which has also grown tremendously over the last decade.

In a region with many standouts, Kennesaw's economic performance is strong. But the City must not become complacent in its successes. Significant capital and time were required to engage and attract many of these industries. Logically, additional capital will presumably be required to retain and grow those most promising industries. It is necessary to understand these businesses, how they work, and their challenges to be able to foresee the challenges and opportunities that must be met. To this point, retention efforts will become equally important, if not more important, than recruitment efforts in the future.

To address this challenge, Kennesaw must engage the business community with an intentional plan of advocacy. This plan would allow for a transfer of ideas where City leaders would learn what the business community needs to continue striving, while also recruiting and engaging the business community in forward-looking development efforts. This proactive engagement would result in a more centralized and broadened data collection effort to better inform economic development actions and policies. By amassing actionable data that is broader and more meaningful, the City will be in a stronger position to engage with regional partners more effectively on goals that meet the current and long-term needs of the business community.

2. EMPLOYMENT BY AGE

Employment opportunities in Cobb County have increased substantially since 2010. In aggregate, the total number of jobs have increased by 25% between 2010 and 2020 (Table 3-2). Persons between the ages of 25 and 55-years old account for 66% of all jobs. Between 2010 and 2020 jobs for this demographic increased by 15%. Persons over 65 years-old still account for a substantial and growing component of the labor force. Between 2010 and 2020 employment for this demographic group grew by 10,484, or 95 percent.

While acknowledging that a mature and experienced workforce does provide positive fiscal outcomes in the present as well as potential entrepreneurial development, continuing this trend into the future most likely will create an unsustainable labor force dynamic. The lack of a sizeable population of early-career professionals suggests that companies may be unable to fill their pipeline with new talent. If unaddressed, such limitations would place constraints on the magnitude and/or pace of corporate growth, or even necessitate relocation altogether as a basic response.

One solution is a stronger effort to empower entrepreneurs and small business owners to start and grow businesses in Kennesaw. These businesses could serve not only as the small businesses which support the broader service sector, but they also have the potential to grow into some of the more cutting-edge technology companies that exhibit

outsized growth. A more intentional engagement policy would allow the City to tailor the financial support, the technical support, and the mentoring opportunities to both meet the needs that the City exhibits while also providing for unique visions to reveal new paths of opportunity.

Table 3-2
Cobb County Employment by Age Trends
2010-2020

Age Group	2010 Jobs	2020 Jobs	Growth	Percent Growth
14-18	5,110	8,754	3,644	71%
19-21	13,122	16,786	3,664	28%
22-24	17,372	22,135	4,763	27%
25-34	72,930	88,223	15,293	21%
35-44	78,935	88,277	9,342	12%
45-54	74,246	85,364	11,118	15%
55-64	42,939	63,779	20,840	49%
65+	11,078	21,562	10,484	95%
Total	315,732	394,880	79,148	25%

Sources: U.S. Census and RKG Associates, 2021

3. EMPLOYMENT BY EDUCATIONAL ATTAINMENT

Job growth in Cobb County is strongest in positions that do not require a High School education (Table 3-3). In contrast, the Region, which is made up of Dekalb, Gwinnett, and Fulton, are more balanced in terms of skill requirements for newly created jobs with 28% of workers having a bachelor's degree.

Table 3-3
Cobb County Job Growth Rate by Education of Worker
2010-2020

Education	2010 Jobs	2020 Jobs	Growth	Percent Growth
< High School	30,676	49,260	18,584	61%
High School/GED	72,312	92,175	19,863	27%
Some College	87,862	107,367	19,505	22%
Bachelor's or More	89,278	98,404	9,126	10%
Not Available	35,604	47,675	12,071	34%
Total	315,732	394,880	79,148	25%

Sources: U.S. Census and RKG Associates, 2021

The level of educational attainment among working-age residents of Kennesaw lags its peers; only 26 percent of city residents hold a bachelor's degree and 9 percent have a master's degree or doctorate. Over the last five years, the number of residents without a High School Diploma increased by 59% or 660 individuals. Conversely, the number of individuals with Professional or Doctorate Degrees increased by 81% or 399 individuals. There is also a strong correlation between the increase in highly educated residents and

the increase in household incomes over the last five years. This shows that Kennesaw has both the employment and housing to accommodate these population groups.

This well-educated population base is part of Kennesaw's appeal to firms considering a move to the area. The professional and technical talent which exists within and proximate to the city, offers employers a robust human capital base from which to draw. To leverage this competitive advantage, Kennesaw must continue to support regional efforts to attract new companies that offer better-than-average wage rates. An overall strong Region creates the opportunity for shared prosperity with its peer communities while also understanding that Kennesaw is competitive within this dynamic. Thus, business recruitment is more a regional effort than an endeavor for Kennesaw to perform alone as Kennesaw is poised to benefit from the spillover effects from large employment attraction in other locations.

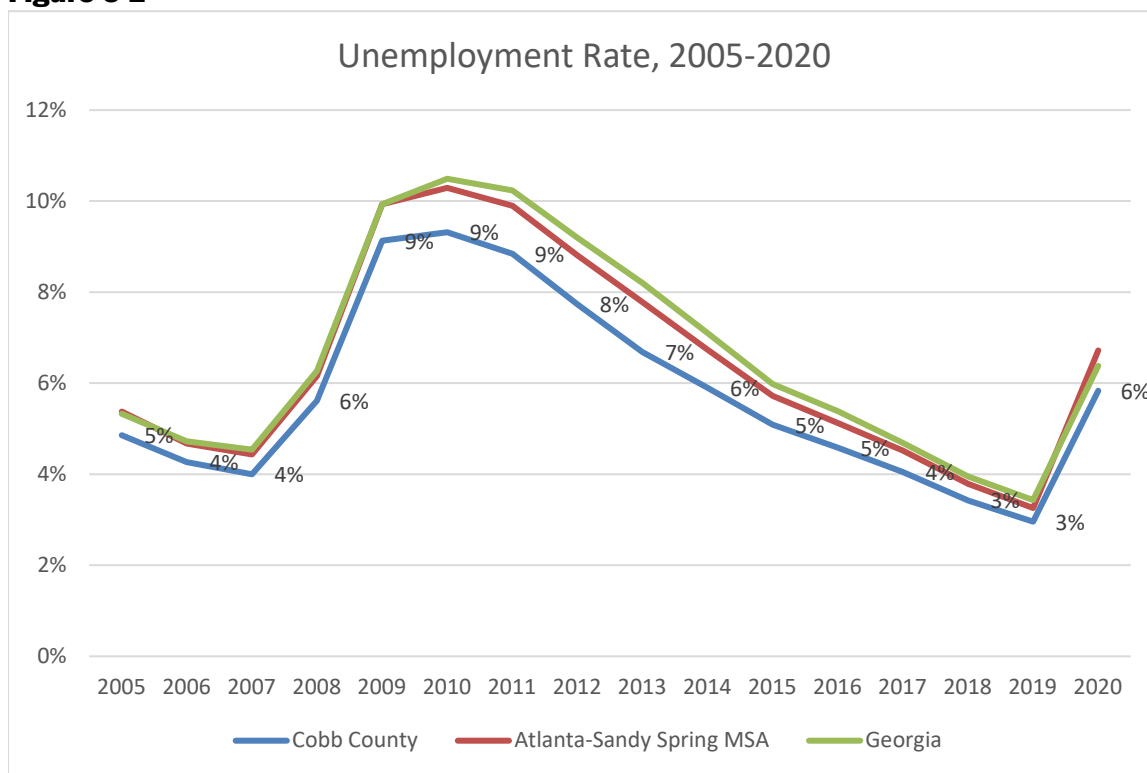
4. UNEMPLOYMENT RATE

Population growth has not kept up with regional job growth, resulting in extremely low unemployment rates. While COVID-19 has temporarily impacted this trend for all businesses, the effect has been much stronger in the retail-service businesses. It must be further noted that the retail market in Kennesaw is challenged by its proximity to the Town Center at Cobb. The center is a mix of big box retailers, national restaurant chains, and local businesses. The Town Center at Cobb was a significant employer for Kennesaw residents, but occupancy dynamics have changed because of market conditions, and the mall is currently under new management. Any changes located at the Town Center at Cobb may have detrimental impacts on employees living in Kennesaw.

Unemployment in metro Atlanta decreased rapidly in the years after the Great Recession, according to data from the U.S. Department of Commerce. The unemployment rate in Cobb County has tracked lower than both metro Atlanta and the State of Georgia during this time. After peaking at 9 percent in 2009, unemployment in Cobb County declined every year for the rest of the decade; by 2019, the annual average rate was just 3 percent (Figure 3-1). As a result of the pandemic, the unemployment rate in 2020 spiked to 6 percent; while high, it is still lower than both the metro Atlanta area and state.

The writing of this report coincides with the global economic crisis caused by the COVID-19 pandemic. This unprecedented event caused an immediate surge in unemployment claims in early 2020 and will certainly continue to impact the unemployment rate for the foreseeable future. While the full effect of the crisis will not be known for some time, Cobb County is well positioned to recover from the short-term shock due to its very low unemployment rate prior to the crisis and its strong and diverse employment base.

Figure 3-1



Source: U.S. Department of Commerce

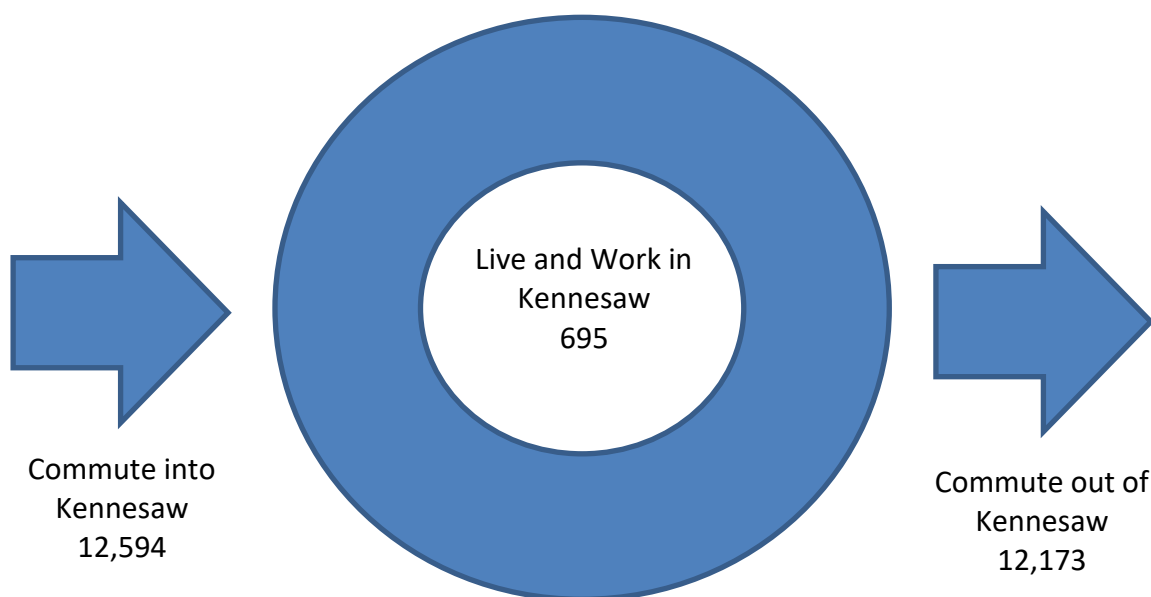
A specific takeaway is that the retail sector is challenged by a tight labor market, unfavorable commuting, and an ongoing COVID-19 pandemic. All these issues combine to make the recruitment and retention of service workers more difficult. In response, the City must engage the business and development community to promote ideas that seek to offset these challenges. These solutions could include increasing and diversifying housing options and providing transportation incentives/stipends within existing jobs, both of which seek to either eliminate the need to commute, or at least lessen its impacts.

5. COMMUTING PATTERNS

The evolution of Kennesaw from a sleepy bedroom suburb into a more urban and employment type center is underscored by its commuting patterns. According to data from the US Census Longitudinal Employer-Household Dynamics (LEHD) program, there were 13,289 private primary jobs located within the City of Kennesaw as of 2019 (Figure 3-2). Of these jobs, 12,594 workers commute into Kennesaw, while 12,173 residents commute outside the city.

Figure 3-2

Inflow/Outflow of Private Sector Jobs



Sources: U.S. Census LEHD, RKG Associates, 2021

The net result of these commuting patterns is that nearly 25,000 people must travel in or out of Kennesaw each day just to get to work. The vast majority of in- and out-commuters have little choice but to drive to work, placing a huge strain on I-75, I-575, Cobb Parkway, and major surface arterials like Piedmont Road, McCollum Parkway, Main Street, and Cherokee Street which contribute to severe traffic congestion.

Traffic impacts are a key factor in attracting and retaining critical talent. This is especially true for entry-level and lower income workers that are less able to afford long commutes. It also negatively impacts community cohesion because of the lack of opportunity for workers to also live in the community where they work, thus planting roots. Considering these challenges, the City must find ways to boost the attractiveness of Kennesaw to a broader range of workers while also addressing the issues of commuting.

6. IN-COMMUTING

Workers are coming from all over the region, with about 37 percent of workers in

Kennesaw coming from other parts of Cobb County, and 11 percent coming from Cherokee County. Employment opportunities found in Kennesaw on average tend to pay less than those found elsewhere as there are many Retail and Restaurant jobs. One of the largest employers near the city is Kennesaw State University which attracts many workers.

While the benefits of being an employment destination are appealing, the level of traffic heightens the existing challenge of North-South connectivity as presented by the presence of Interstates 75 and 575. East-West connectivity is also challenging as Barrett and McCollum Parkways, which are active commercial business districts, experience significant traffic congestion.

Table 3-4
In-Commuting, Where Kennesaw Workers Live
2019

Location	Percent of Workers
Kennesaw	5%
Marietta	3%
Acworth	3%
Atlanta	3%
Woodstock	2%
All Other Locations	84%

Sources: U.S. Census and RKG Associates, 2021

In-commuters come from all over the metro Atlanta area, with no single jurisdiction accounting for greater than 5 percent. Since Kennesaw does not have a transit system, all commuters arrive by personal vehicles and many workers travel long distances to their jobs. Communities with the largest number of commuters to Kennesaw include Marietta, Acworth, Atlanta, and Woodstock. These communities account for 11 percent of all in-commuters, the remaining 84 percent of commuters come from as far away as Cherokee County and places beyond.

As noted earlier, traffic impacts are a key factor in attracting and retaining critical talent. It also negatively impacts community cohesion by the lack of opportunity for workers to also live in the community where they work.

7. OUT-COMMUTING

The ratio of residents that live and work in Kennesaw is very small and points to the need for the city to work toward balancing the ratio so that residents of Kennesaw have more local opportunities. Therefore, Kennesaw must remain mindful of how this critical factor affects the City's regional and national recruitment efforts and focus on firms which meet the needs of existing and future residents.

Looking at the resident workforce of Kennesaw, about 12,173 residents (95 percent of resident workers) commute to jobs outside of the City. About 44% of Kennesaw residents commute to jobs in other parts of Cobb County, while 24% of residents commute to Fulton County. This share of out-commuters is significantly higher than other areas such as Cobb County. The

I-75 corridor provides substantial access to employment opportunities in both Atlanta and Marietta. Kennesaw is located about 30 miles from Downtown Atlanta, providing excellent access to employment. Major employers in the region include Home Depot, Kennesaw State, Lockheed Martin, and General Electric.

This data suggests that Kennesaw is not able to attract large size employers of which other communities have successfully attracted. Kennesaw's existing commercial space is favorable toward small to medium sized firms, particularly those supporting larger firms in the region. As such, Kennesaw should leverage its existing assets, and work towards understanding the supplier and support service needs of large companies in the Atlanta area.

E. EMPLOYMENT TRENDS

Employment trends provide greater insight into the top industries and employers within the region and how they have changed in recent years. It also identifies the industries that have the greatest potential for growth which will be further discussed in the target industry analysis.

Table 3-5
Out-Commuting, Where Kennesaw Residents Work
2019

Location	Percent of Workers
Atlanta	12%
Marietta	8%
Kennesaw	5%
Sandy Springs	5%
Alpharetta	3%
All Other Locations	66%

Sources: U.S. Census and RKG Associates, 2021

1. 2-DIGIT NAICS INDUSTRY GROWTH TRENDS

Kennesaw is a nearly balanced white- and blue-collar employment market. The five largest industries in the City have concentrations of both highly skilled white-collar jobs and lower skilled blue-collar jobs, constituting almost 50 percent of the City's total employment base. The largest employment industry in Kennesaw is Retail Trade, which has 9,316 jobs and represents about 13 percent of all jobs in the City. The Town Center at Cobb accounts for many of the Retail Trade jobs found in Kennesaw.

Table 3-6
Kennesaw Industry Sector Employment Trends
2010-2020

2-Digit NAICS Industry	2010 Jobs	2020 Jobs	Job Growth 2010-2020	Percent Growth Since 2010
Transportation and Warehousing	2,851	5,081	2,230	78%
Construction	3,743	5,884	2,141	57%
Accommodation and Food Services	5,461	7,599	2,137	39%
Professional, Scientific, and Technical Services	4,189	6,204	2,014	48%
Health Care and Social Assistance	2,346	3,879	1,532	65%
Retail Trade	7,859	9,316	1,456	19%
Government	6,677	7,933	1,256	19%
Finance and Insurance	3,246	4,459	1,213	37%
Management of Companies and Enterprises	471	1,345	875	186%
Manufacturing	2,690	3,152	461	17%
Other Services (except Public Administration)	2,148	2,557	408	19%
Information	812	1,208	397	49%
Wholesale Trade	4,640	4,960	320	7%
Real Estate and Rental and Leasing	827	1,134	307	37%
Arts, Entertainment, and Recreation	744	1,007	263	35%
Educational Services	637	742	105	16%
Administrative and Support and Waste Management and Remediation Services	5,029	5,119	90	2%
Unclassified Industry	121	172	51	42%

Sources: EMSI and RKG Associates, 2021

The next four largest sectors in Kennesaw are a mix of white- and blue-collar jobs: Government; Accommodation and Food Services; Professional, Scientific, and Technical Services; and Construction. These sectors together account for approximately 29,002 jobs (Table 3-6).

While employment growth has been robust across almost all the industries in Kennesaw, the five largest industries also account for about 58 percent of the employment growth

since 2010. Transportation and Warehousing experienced a net increase of 2,230 jobs since 2010, a 78% increase. Each of the remaining four largest sectors grew by at least 39 percent from 2010 to 2020. This set of industries drives demand for office space and includes most of Kennesaw's top employers.

Therefore, long-term sustainability will be dependent on several factors closely related to retention, expansion, and small business support and development. At a base level, the success of the City's white-collar industries will be dependent, in part, on ensuring there is sufficient supply of professionals to succeed the aging Baby Boomer generation. Given the proclivity of the Baby Boomer generation to 'age-in-place,' access to housing and price diversity of housing will be critical to supporting the City's employment base. The blue-collar industries are dependent on a skilled workforce who earn higher than average wages so that they can live within or near to the city.

More strategically, enacting programs and policies that support entrepreneurs and small business owners will benefit substantially more existing – and potential – companies operating in Kennesaw. Given larger companies' growth and retraction are more heavily influenced by national and global economic cycles, there is little the City of Kennesaw will be able to do to promote their growth. In contrast, small businesses are much more sensitive to local market influences and can achieve greater success through the City creating a more conducive local marketplace.

2. 4-DIGIT NAICS INDUSTRY SECTOR TRENDS

As noted, the City of Kennesaw experienced substantial job recovery and growth between 2010 and 2020. Eleven different 4-digit industry sectors experienced a net job growth exceeding 500 jobs (Table 3-7). Only one of these sectors, Nonresidential Building Construction (542 net new jobs), is production-based. The remaining largest growth sectors mostly represent businesses concentrated in blue-collar and white-collar services, such as Employment Services, and Restaurants and Other Eating Places. Growth from these 11 sectors accounted for 56 percent of all job growth in the city during this time while representing about 35 percent of all 4-digit sectors.

Table 3-7
Kennesaw Largest Employment Growth Sectors
2010-2020

4-Digit NAICS Industry	Job Growth 2010-2020	Percent Growth Since 2010	Average Wage
Restaurants and Other Eating Places	1,605	34%	\$22,688
Employment Services	1,328	96%	\$34,465
Education and Hospitals (State Government)	1,204	26%	\$55,624
Couriers and Express Delivery Services	1,014	171%	\$36,885
Management of Companies and Enterprises	875	186%	\$131,873
Advertising, Public Relations, and Related Services	836	126%	\$130,466
Building Equipment Contractors	685	64%	\$81,007
Warehousing and Storage	612	50%	\$53,142
Management, Scientific, and Technical Consulting Services	581	117%	\$79,538
Nonresidential Building Construction	542	110%	\$112,635
Individual and Family Services	533	236%	\$32,392

Sources: EMSI and RKG Associates, 2021

The average wage among these top growing sectors was \$85,600, and most of the top sectors have average wages well more than \$100,000. The wages of these high-growth sectors reflect the diversity of the local economy, with growth coming from very high-wage sectors (Management of Companies and Enterprises; Advertising, Public Relations, and Related Services; Nonresidential Building Construction), moderate-wage sectors (Education and Hospitals; Warehousing and Storage), and low-wage sectors (Restaurants; Employment Services; Family Services).¹

3. 4-DIGIT NAICS INDUSTRY SECTOR PROJECTIONS

Job growth projections indicate Kennesaw will benefit from ‘more of the same’ employment growth. According to estimates from the US Bureau of Labor Statistics (BLS) and EMSI, many of the strongest sectors in Kennesaw are likely to see continued growth over the next decade. The Employment Services sector, which is comprised of companies providing executive search, recruitment, and placement services, and supplying temporary workers is expected to lead the City in job growth, with 792 new jobs by 2030.

There are 12 sectors projected to add at least 300 jobs in Kennesaw from 2020 to 2030 (Table 3-8). These sectors are expected to add about 6,004 jobs, representing 72 percent of the total projected job increase of 8,343 jobs.² These growth sectors are concentrated in

¹ EMSI Industry Tables, 2010-2020, for ZIP Codes 30144 and 30152

² EMSI Industry Tables, 2020-2030, for ZIP Codes 30114, and 30152

the Employment Services, Education and Hospitals, and restaurants and Other Eating Places. Other sectors that are expected to grow locally include Depository Credit Intermediation and Offices of Physicians.

Table 3-8
Kennesaw Projected Employment Growth Sectors
2020-2030

4-Digit NAICS Industry	Job Growth 2020-2030	Percent Growth Since 2010
Employment Services	792	29%
Education and Hospitals (State Government)	762	13%
Restaurants and Other Eating Places	708	11%
Depository Credit Intermediation	688	44%
Offices of Physicians	463	65%
Building Equipment Contractors	413	24%
Individual and Family Services	390	51%
Nonresidential Building Construction	382	37%
Advertising, Public Relations, and Related Services	381	25%
Couriers and Express Delivery Services	350	22%
Management, Scientific, and Technical Consulting Services	340	32%
Warehousing and Storage	335	18%

Sources: EMSI and RKG Associates, 2021

The projected patterns of job growth will drive strong demand for high-quality office, medical office, and industrial space. This demand will be distributed around the City in areas with existing concentrations of residential and office space, as well as excellent highway access. To capitalize on this potential growth, the City should consider land use strategies that will maximize the yield of the City's remaining developable land. With the limited number of large-sized lots remaining for development, a coordination between property owners could result in the packaging and marketing of properties eligible for redevelopment. If these parcels are proactively rezoned, the opportunities could be more attractive to would-be developers. Simply put, urban-scale planning solutions could attract additional employment growth while addressing the job-housing balance.

2. OCCUPATIONS

The occupations found in Kennesaw are diverse and are nearly balanced between white- and blue-collared jobs. White-collar jobs can be defined as those in which a person performs professional, desk, managerial, or administrative work. Blue-collar jobs are those in which workers are engaged in hard manual labor, typically agriculture, manufacturing, construction, mining, or maintenance. Different skill levels exist between white- and blue-collar jobs, some of which require little education, while others require

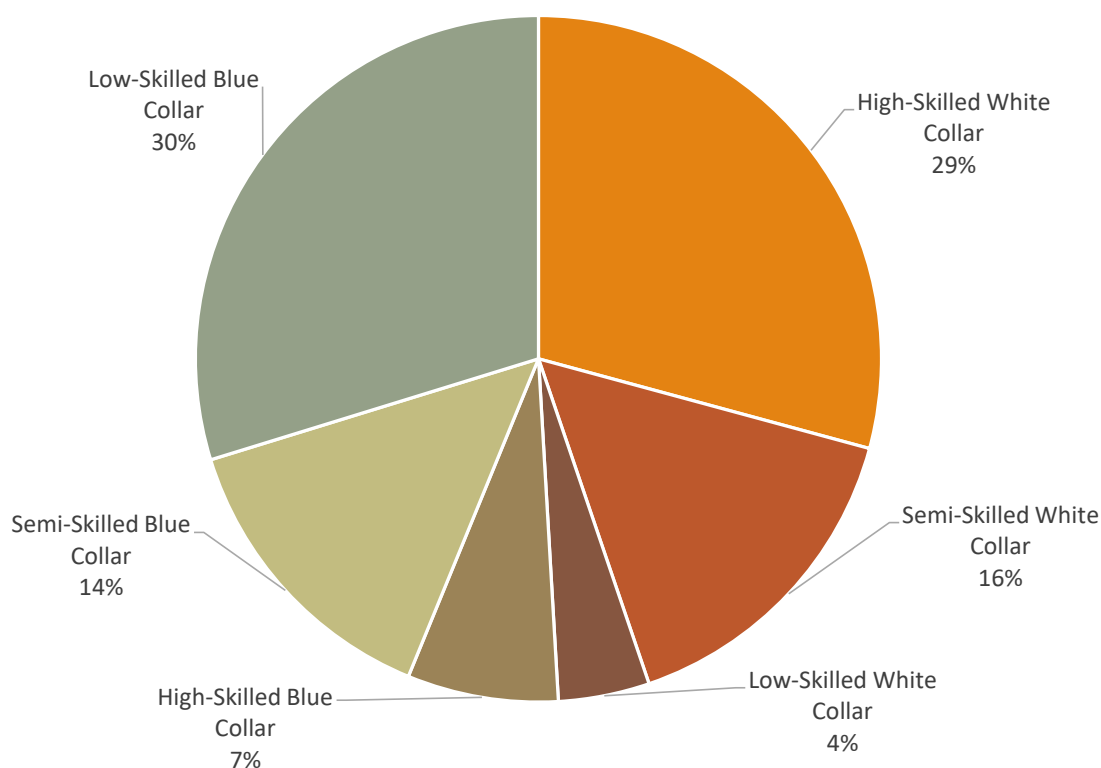
significant knowledge or training. As part of the analysis, the occupations found in Kennesaw were classified by both skill-level and white-and blue-collar classifications.

Figure 3-3 shows that low-skilled blue-collar occupations account for 30% and include professions such as Retail Workers, Laborers, and Cashiers. While about 29% of occupations are classified as high-skilled white-collar fields such as Operations, Engineering, and Research. High-skilled blue collar occupations account for 7% of all occupations and are made up of such occupations as Construction, Carpentry, Plumbing, and Electrical.

Figure 3-3

Kennesaw Zip Code Occupational Employment Type by Skill Level, 2020

Source: US Census, OES, EMSI, RKG Associates 2020



Source: US Census, OES, EMSI

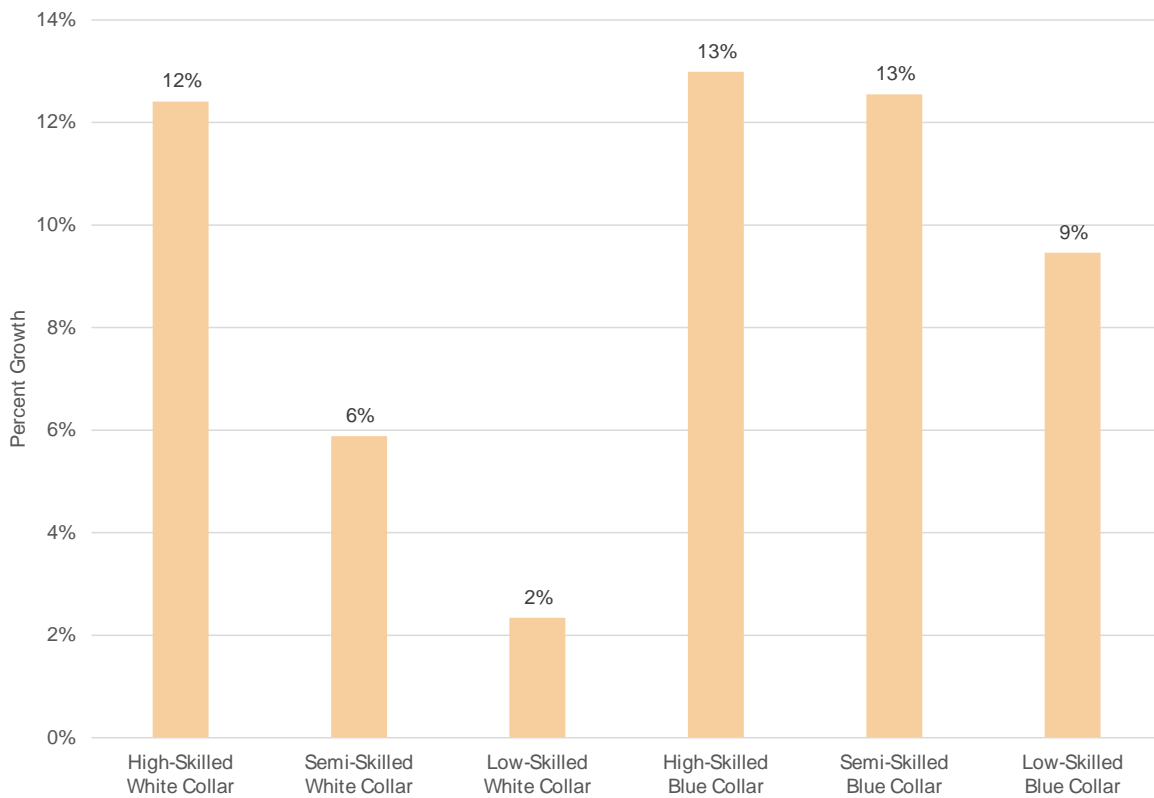
Figure 3-4 shows that Kennesaw is expected to see the largest occupational growth in both the high-skilled white and blue-collar jobs. High-skilled white-collar occupations are expected to grow by 12% (2,500 jobs) between 2020 and 2030. These occupations have an average salary of nearly \$76,000. Low-skilled blue-collar occupations are expected to rise by 9% (1,940 jobs). These occupations tend to be the lowest paying with an average salary of \$26,000. The bifurcation of occupations and earnings in Kennesaw presents an

opportunity and challenge because the city will have to implement policy which bridges the gap and strengthens the worker and resident balance.

Figure 3-4

Growth in Kennesaw Zip Code Occupations by Skill Level, 2020-2030

Source: US Census, OES, EMSI, RKG Associates 2020



Source: US Census, OES, EMSI, RKG Associates

4 REAL ESTATE ANALYSIS

A. INTRODUCTION

Attracting new businesses and encouraging the expansion of existing businesses is an important part of economic development. To do so, a community must have a sufficient supply of appropriate space for these companies. Understanding the dynamics of the real estate market in Kennesaw and the surrounding area are essential to evaluating economic development potential within the City and developing a strategy for growth in the future. To evaluate the non-residential market, RKG Associates analyzed the current land use patterns within the City as well as the recent trends at both a local and regional level for specific property types including office, industrial, retail and accommodation.

B. MAJOR FINDINGS

- Existing commercial land use is dominated by warehouses – Approximately 61% of all commercial square feet in Kennesaw is warehouse space, while industrial uses account for 16% of all commercial square feet. Kennesaw's concentration in industrial and warehouse space is a competitive advantage given the recent shift in demand for this kind of space.
- The market is delivering new mixed-use projects in the Downtown – Some example projects include School House Village and EastPark Village which have large commercial and residential components which can potentially catalyze other parcels Downtown. Private developers are looking at Kennesaw as an opportunity for building new product.
- The Marietta/Kennesaw office submarket has competitive rental rates which are attractive to companies looking to relocate to the area – Compared to Metro Atlanta where the average office rent is \$27.54/SF, Kennesaw rents are slightly cheaper at \$25.41/SF. While Kennesaw offers lower-cost office space, it remains a secondary location for larger office users within the Northwest Atlanta/I-75 Corridor. The Cumberland, Marietta, and CID submarkets, with better access and visibility to I-75 and the Perimeter, already have notable office concentrations.

- The industrial market has experienced strong growth over the past year with low levels of vacancy and increases in rent – The transportation and logistics sectors are driving this growth, as the COVID-19 pandemic has accelerated the move toward e-commerce which requires warehouse and industrial space.
- The City of Kennesaw is a secondary retail shopping market – The City of Kennesaw is proximate to larger, regionally-focused shopping centers (i.e., Town Center at Cobb) that are better suited to accommodate large scale retail opportunities for Northwest Atlanta/I-75. While not a premier retail destination for big box retailers, the City has an opportunity to enhance its community-serving retail in existing retail centers and create a unique dining/entertainment niche in Downtown.
- Kennesaw has been a relatively affordable housing market, but is experiencing substantial value growth – Both home ownership costs and rental rates in Kennesaw are lower than many other suburban markets north of the City of Atlanta. However, value differentials have lessened in the past decade, with rental housing pricing actually exceeding the average for Cobb County. The increasing housing costs, particularly in the rental market, will make attracting resident-workers more challenging, thus potentially hindering economic development efforts.

C. METHODOLOGY AND DATA SOURCES

The data used for the non-residential market analysis was gathered from a few key sources. Current land use patterns for non-residential property came from the Cobb County property tax assessment database. RKG Associates analyzed this source for relevant information, as it is the most accurate information available, and used it as part of the land use analysis.

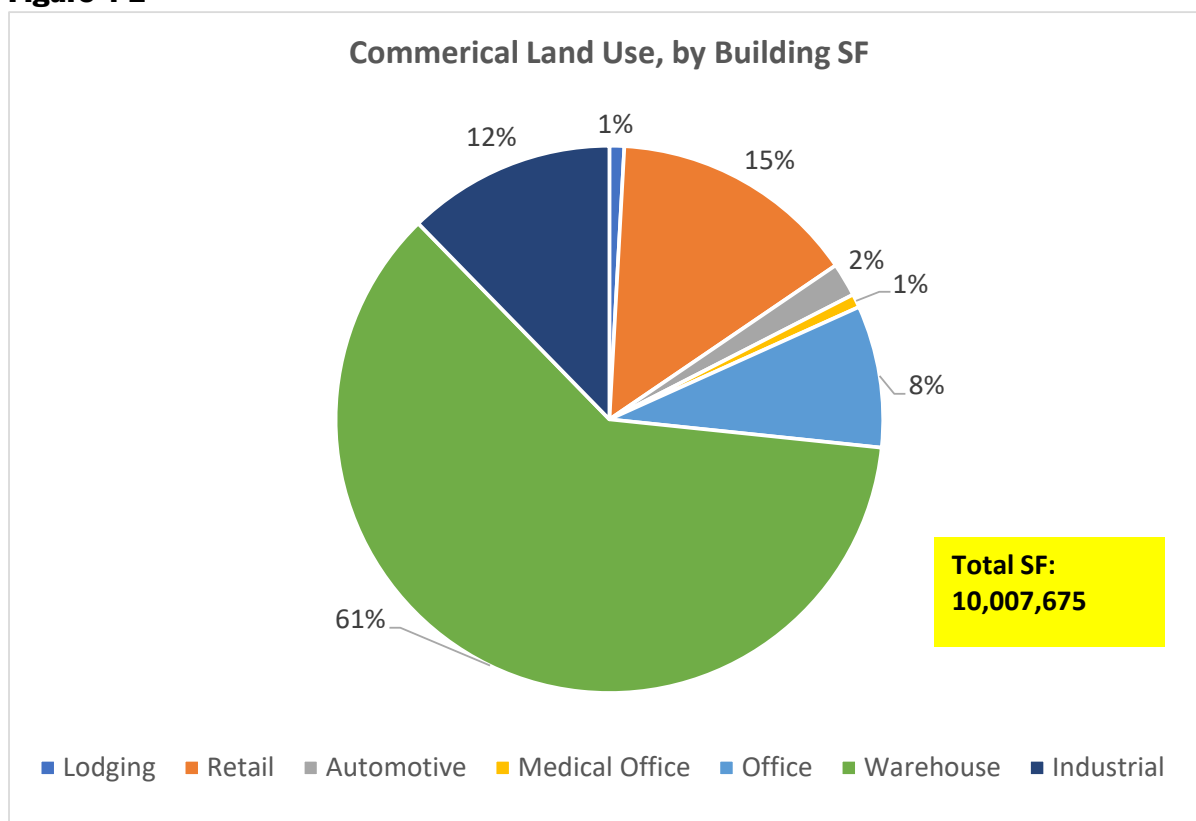
For the larger market analysis, information on a variety of market metrics (vacancy, absorption, rental rates) and current market inventory data was provided by Newmark Knight Frank, Colliers International, and REIS an industry recognized third party data provider. Retail property within Kennesaw was also evaluated based on supportable square footage determined by an analysis of retail supply and demand data provided by Esri. Any additional sources used for this analysis not mentioned above will be noted within this chapter.

D. NON-RESIDENTIAL LAND USE PATTERNS

1. CURRENT LAND USE

Kennesaw has evolved from bedroom community to the City of Atlanta into a substantial employment center centrally located between Cobb Parkway and Interstate 75. According to the City's property assessment database, the City has about 10 million square feet of non-residential building space. About 61% of this space (6.1 million square feet) is warehouse space (Figure 4-1). Industrial use accounts for nearly 12% of the commercial space found in the city. Most of the non-residential development is located along Cobb and McCollum Parkways and is near the airport. There are currently firms utilizing this space for transportation, logistics, and manufacturing activities.

Figure 4-1



Sources: Cobb County Assessor

The commercial office space inventory is generally limited when compared to the warehouse and industrial space. Commercial office accounts for only 8% of the total commercial land use. Office is generally located in the downtown, and along the major thoroughfares of Cobb Parkway, McCollum Parkway, and Jiles Road. Approximately 15% of space in Kennesaw, or 1.5 million SF, is retail/service space concentrated in a few

commercial nodes throughout the City, but primarily along Cobb Parkway and in the Downtown.

As noted in the Economic Base Analysis section, there is a limited amount of undeveloped land left in Kennesaw which could be used for non-residential development. Therefore, any new non-residential space will result in infill development or the complete redevelopment of existing parcels. Additionally, since the value of commercial properties has increased, specifically industrial property, it will be difficult to agglomerate parcels for potential redevelopments.

2. PLANNED AND PROPOSED DEVELOPMENTS

Several large-scale infill/redevelopment projects are under construction or are in the development pipeline. Each of them has some form of infill/redevelopment and are concentrated in the Downtown. They include:

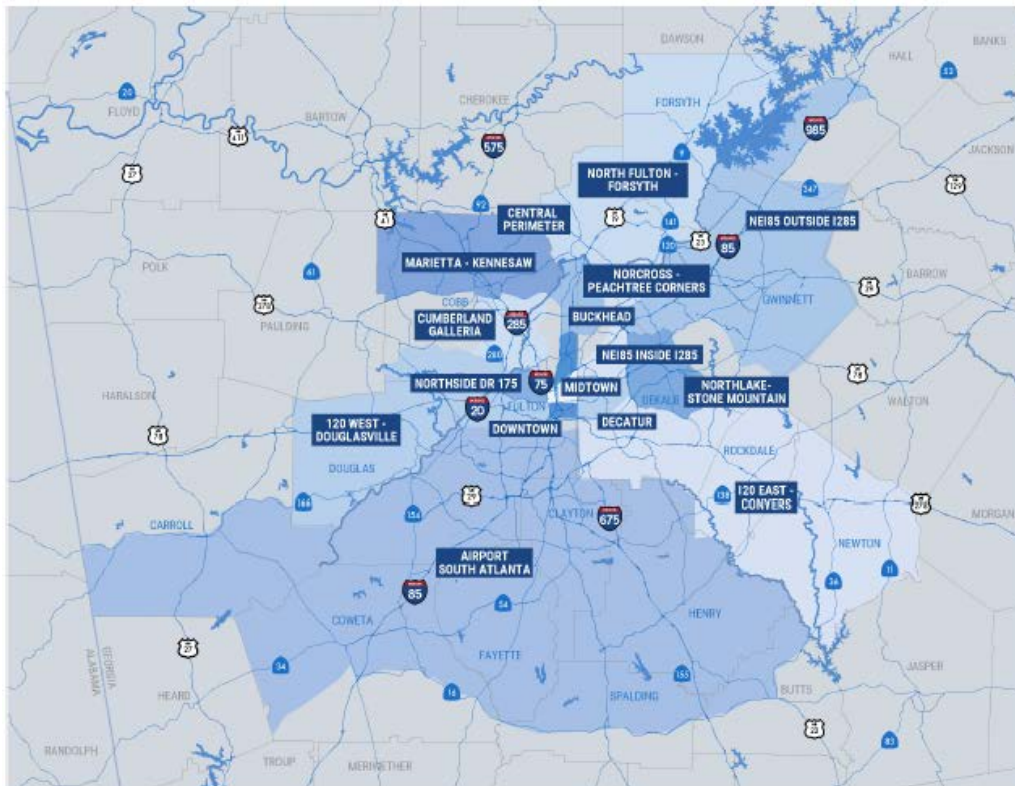
- School House Village – With 38,000 square feet of commercial space, Sanctuary Development plans to develop around 7.5 acres on Keene Street for a mixed-use development that will include retail, 77 three-story townhomes, three restaurants, offices, and breweries.
- Core Property Capital Project – Core Property Capital (CPC) proposes to develop along Summer Street, Keene Street, Burrell Court and Cobb Parkway a mixed-use concept, containing apartments, retail, restaurants and townhomes in two phases. The first phase will include 288 multifamily units at four stories, 15,000 square feet of restaurant/retail and a 3,000-square-foot redevelopment of Lighthouse Baptist Church with a new main building and fellowship hall. The second phase will have up to 110 multifamily units and 20,000 square feet of first-floor commercial or 40,000 square feet of commercial.¹
- Eastpark Village – This development will consist of 850 residential units, approximately 300,000 square feet of commercial, retail, and office space. A Village Green will be surrounded by restaurants, open markets, and residential living.

¹ <https://www.ajc.com/news/local/kennesaw-adds-acres-downtown/4ozBk6OyG2MXDVGPDhTHzN/>

E. OFFICE MARKET

According to Colliers International, the Marietta/Kennesaw area contains 2.9 million SF of space and is one of the larger office submarkets found in the Atlanta region. Most of the office space in the Marietta/Kennesaw area is in Marietta, including major office parks along I-75 and Canton Road, as well as along Cobb Parkway near Dobbins Air Reserve Base.

Map 4-1



Source: Newmark Knight Frank

The office market in Kennesaw is mainly concentrated along Cobb and McCollum Parkways in the South and East of the city. This area contains large sized parcels which have low-rise office buildings. These buildings are used for corporate offices and small businesses. Many of these buildings are located near the Cobb County International Airport and are used as support businesses for the many transportation and logistics companies located in the area.

Downtown Kennesaw has a limited commercial office environment. Businesses which are in the downtown include professional services such as law and tax preparation offices. Most offices in the downtown are used by governmental departments. With the

City of Kennesaw looking to add more housing units to the downtown with mixed-use components and improving walkability can make the area more attractive to commercial office tenants.

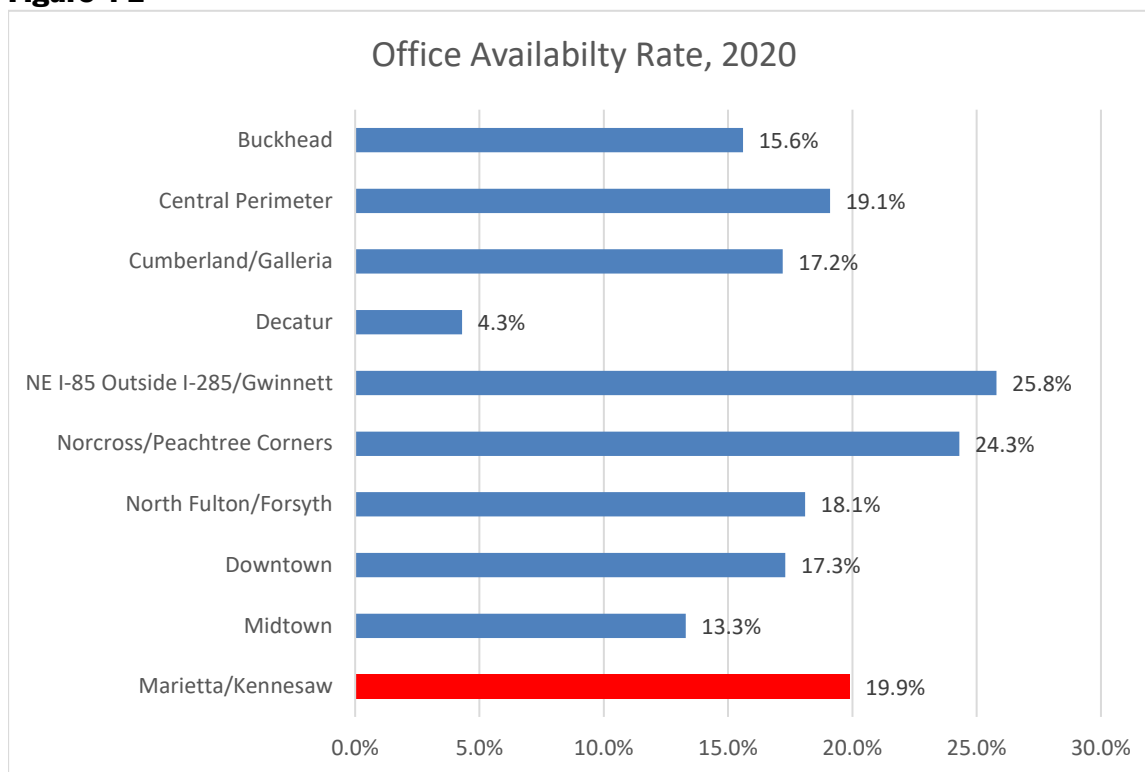
While not located within the city boundaries of Kennesaw, KSU is both a major employer and community resource. The potential for start-up companies to arise from the university offers the city an opportunity to attract small businesses to downtown. Existing commercial buildings in the downtown could accommodate start-up companies which have a few employees, and which are in the preliminary stages of scaling. Across the City of Kennesaw there are many older Class B and Class C office buildings which could be rented at competitive rates. These buildings could be attractive to small businesses looking for space in the region.

1. VACANCY AND NET ABSORPTION

The office availability rate for space in the Marietta/Kennesaw submarket is comparably softer than other office submarkets within the Metro Atlanta region. The overall office availability rate in the Marietta/Kennesaw submarket was 19.9% during the second quarter of 2020. The total inventory for office space in the Marietta/Kennesaw subarea was 2.9 million SF at that time. This availability rate is higher than the overall metro Atlanta rate (17.4%) and higher than most other submarkets in the region (Figure 4-2). However, it is important to note that vacancy analyses do not consider owner-occupied buildings.

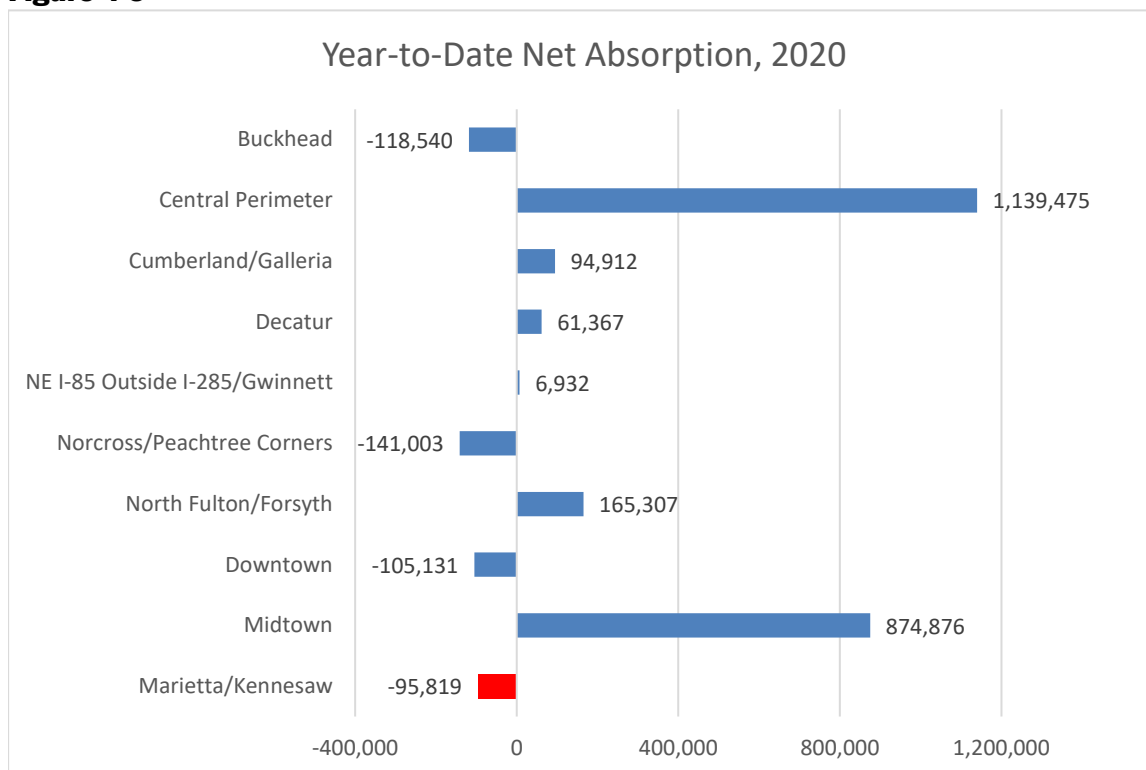
The Marietta/Kennesaw submarket was one of four submarkets in metro Atlanta with negative absorption (-95,819 SF) during 2020, contrasting the net positive 2.1 million square feet of office space absorbed within the greater Atlanta marketplace. According to Colliers International, the net negative absorption was mostly due to the COVID-19 pandemic which halted economic activity for a prolonged period. The effect of working from home resulted in a change of space needs for many companies.

Figure 4-2



Sources: Newmark Knight Frank

Figure 4-3

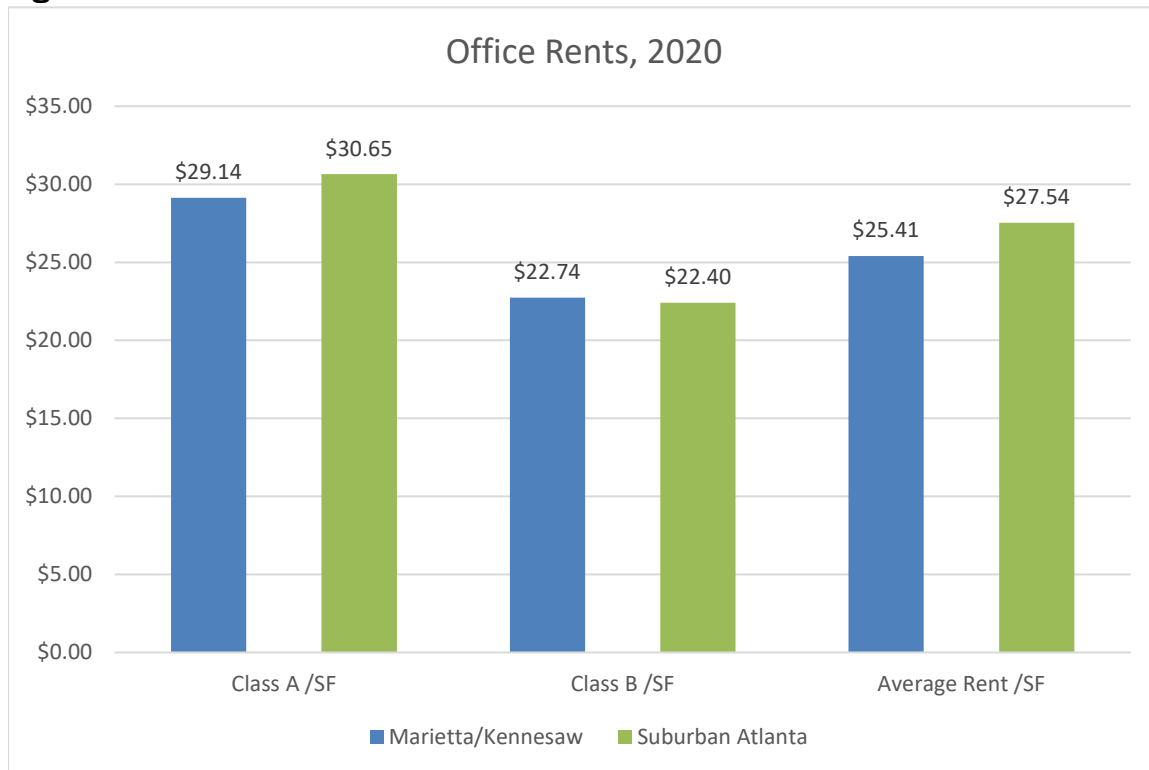


Source: Newmark Knight Frank

2. LEASE RATES

The Marietta/Kennesaw office submarket has competitive rental rates which are attractive to companies looking to relocate to the area. Compared to metro Atlanta where the average office rent is \$27.54/SF, Kennesaw rents are slightly cheaper at \$25.41/SF. These cheaper rents reflect the types of office space available in Kennesaw, with much of the existing office space being Class B or lower.

Figure 4-4



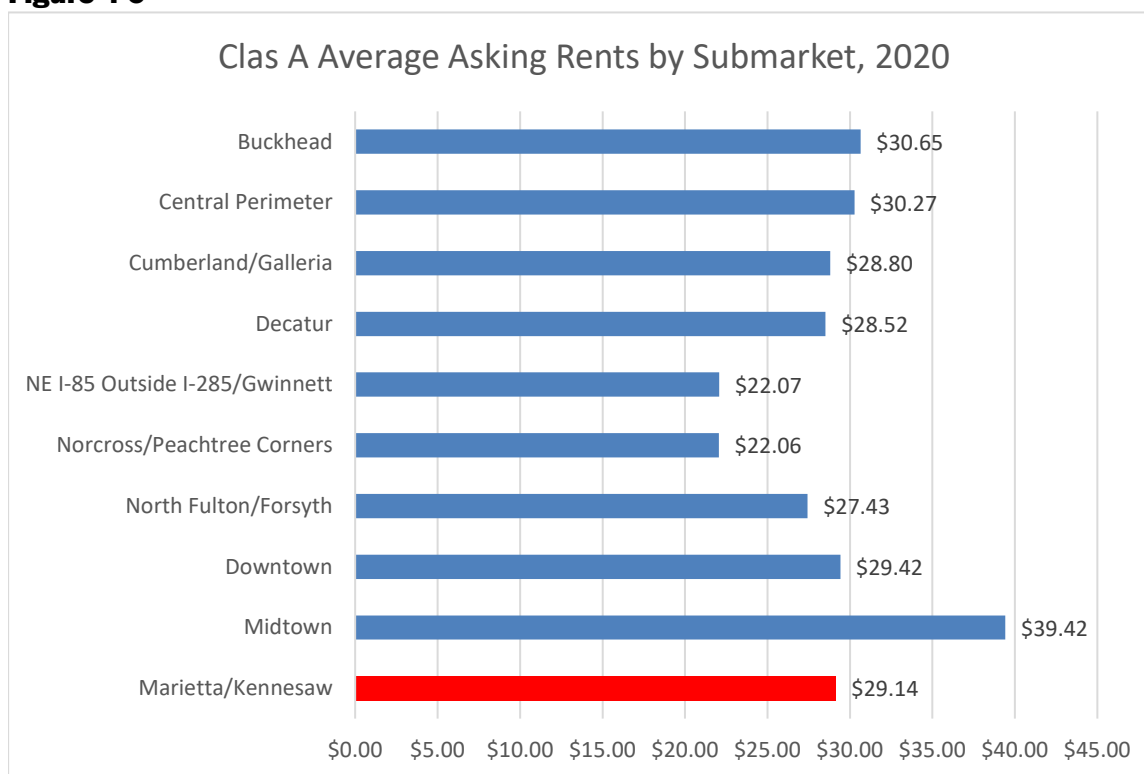
Source: Newmark Knight Frank

The Marietta/Kennesaw market provides a slight value for Class A tenants but is becoming more competitive with the regional suburban marketplace. Rents for Class A office space are \$29.14/SF compared to \$30.65/SF across Suburban Atlanta. This differential is advantageous to newer companies looking for Class A space in Marietta/Kennesaw subarea who do have the means to locate into other Suburban Atlanta submarkets. The Marietta/Kennesaw subarea has excellent connectivity to major highways and population centers, making it a desirable location.

The Class B office space in the Marietta/Kennesaw subarea is slightly more expensive than Suburban Atlanta region, with rents averaging \$22.74/SF. The supply of Class B space in the Marietta/Kennesaw submarket is limited and vacancy is low, hence prices

are slightly higher. Class B space tends to be attractive to smaller companies, which are the predominate business type in Kennesaw, looking for functional space that meets their basic business needs.

Figure 4-5



Source: Newmark Knight Frank

Class A rents in the Marietta/Kennesaw market averaged \$29.14/SF in 2020 (Figure 4-5). This average is close to the middle amongst the suburban submarkets, but far below the average Class A rents in Midtown (\$39.42/SF) or Buckhead (\$30.65/SF). The price differential between the Marietta/Kennesaw market and the higher priced market reflects the premium businesses are willing to pay for better connectivity, stronger amenities, and proximity to transportation infrastructure.

3. COVID-19 IMPACTS

RKG Associates interviewed several real estate professionals during this analysis to understand the ongoing impacts that COVID-19 is having on the office, retail, and hospitality markets. While anecdotal in nature, given the impacts are ongoing, RKG was able to capture the prevailing opinions around the short-term and long-term impacts that COVID-19 will have on office market demand regionally and in the Marietta/Kennesaw marketplace. It is important to note that opinions varied, and there is no unified

perspective on the overall impacts. The following narrative summarizes RKG's primary takeaways from those conversations.

- Telecommuting likely will have mid-term/long-term impacts on at-work employment counts – The immediate impacts of businesses having to embrace telecommuting was evident. Companies were required to accelerate any plans to allow/expand telecommuting options. Many businesses have learned that productivity spiked at the beginning since workers were not having to commute. With the federal government's vaccination program, many companies are mandating vaccination of employees and a return to the office, however, some companies are embracing modified work weeks to allow telecommuting.
- Social distancing requirements may reverse years-long declines in space per employee – There is a mixture of opinion on how this would impact overall leasing demand and activity. Most notably, business representatives indicated that social distancing required the companies to use more space to create appropriate distancing in their respective offices. There was a general sense that overall net office space demands likely will not change by company as the increase in telecommuting will be offset by greater square footage needs to accommodate the remaining in-office staff.
- Opinions vary on long-term impacts of telecommuting on productivity – There is varied opinion about the long-term impacts and viability of telecommuting. One such belief is that companies will continue to see productivity gains and they will allow non-essential staff to work remotely. Another more skeptical belief is that the long-term viability of telecommuting is short-lived as productivity gains will wane as workers become complacent working at home. This may lead companies to revert to more traditional in-office requirements.

From an economic development perspective, the impacts of COVID-19 and telecommuting likely will impact Kennesaw in the short-term. However, this impact will be like changes in demand throughout the Metro Atlanta marketplace. The City remains an advantageous place to locate, given its central location, access to amenities, and strong anchor institutions. To this point, economic development efforts to retain existing office users and coordinate with regional partners to attract new users remain critical initiatives for the City.

F. INDUSTRIAL MARKET

Prior to the COVID-19 pandemic, the industrial market, nation-wide, has seen consistent levels of year-on-year growth with most of the growth driven by the logistics and

warehousing needs of firms engaged in e-commerce. A consequence of the pandemic is that it supercharged those trends as industrial properties are now highly desirable and are seeing escalated rental prices. Industrial market in Kennesaw is mainly concentrated along I-75/575, Cobb Parkway, and McCollum Parkway. Much of the industrial space is clustered around Cobb International Airport and functions as a supply chain and logistics node. Kennesaw is part of the Northwest Atlanta subarea (Colliers), this area includes Marietta.

1. VACANCY AND NET ABSORPTION

The Northwest Atlanta subarea, which contains Kennesaw, has a total leasable space of 79.3 million SF (Colliers), of which 60.0 million SF is warehouse and 19.2 million is flex/manufacturing. The fundamentals remain positive for the Northwest Atlanta subarea; however, the submarket lags the Atlanta industrial market having only absorbed 246,000 square feet year-to-date. The subdued occupancy gains are the result of a tight availability market, particularly with the impacts of COVID-19. Due to the availability crunch, developers have flocked to the submarket over the past year. Over the course of the last year, construction levels for industrial properties in Northwest Atlanta have increased 170%. As of the 2nd Quarter of 2020, there was approximately 3.5 million square feet of industrial space being developed, which was composed of 3.1 million square feet of industrial and 400,000 square feet of flex space.

Northwest's vacancy rate of 4.8% is the third lowest in Atlanta. Based on conversations with developers and real estate brokers in Kennesaw, the city is experiencing a shortage of available industrial property with rents increasing substantially and vacancies near zero. The strong demand for industrial property offers the city an opportunity to capitalize on its strengths as a transportation and logistics hub by working with existing property owners to help expand the total supply of industrial space.

2. LEASE RATES

In the Northwest Atlanta subarea, asking rents for industrial space average around \$5.85/SF. Warehouse space rents for around \$5.50/SF, while Flex rents for \$12.26/SF and Manufacturing rents for \$4.54/SF. Over the last year there has been a modest absorption of 246,000 square feet in the Northwest Atlanta subarea, which resulted in greater market activity.

3. COVID-19 IMPACTS

Based on national trends and conversations with several real estate professionals, the impact of COVID-19 has transformed the industrial market. During the pandemic retailers had to adapt to the nationwide store closures by relying on online shopping. A consequence of the surge in online shopping was that light industrial space used for warehousing merchandise became in demand, particular for properties near urban population centers. To this end, vacancies have declined, and rents and property values have increased for parcels with good highway connectivity. Nationally, the existing supply of industrial properties cannot presently meet the growing demand, and developers/investors are actively acquiring parcels zoned for industrial development.

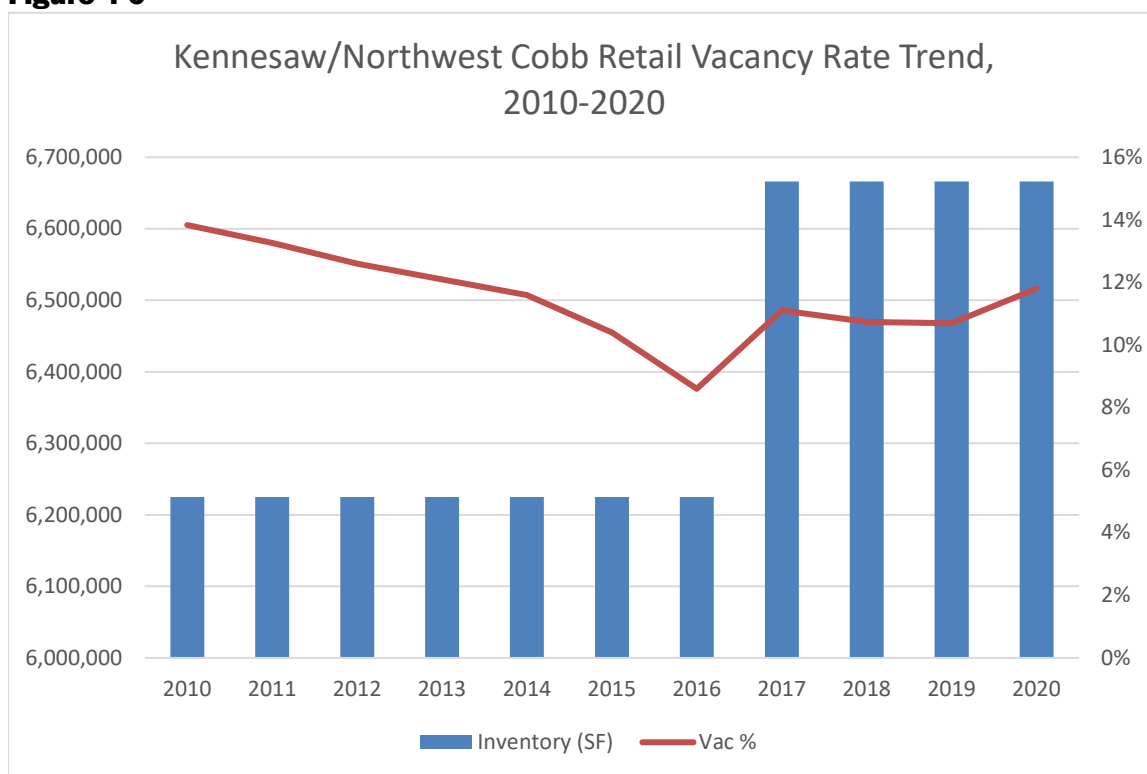
F. RETAIL MARKET

The City of Kennesaw's retail market historically has been focused on meeting neighborhood and daytime population market needs. REIS, a national provider of retail information, for data purposes includes Kennesaw and Northwest Cobb County in the same submarket. The current retail inventory includes 6.6 million SF of retail space in Kennesaw/Northwest Cobb. The Kennesaw/Northwest Cobb submarket accounts for 8% of the 83 million SF in the region. The City of Kennesaw is adjacent to one of the largest retail centers in the Atlanta region, the Town Center at Cobb, which is home to major anchors, specialty shops, and restaurants that draw customers from a regional market. This analysis details the current retail market climate and identifies opportunities for business expansion and recruitment based on unmet needs.

1. VACANCY AND NET ABSORPTION

The Kennesaw/Northwest Cobb retail market prior to the COVID-19 pandemic was healthy and quite dynamic. The subarea's estimated vacancy rate was 11% in 2019 which was lower than the region's vacancy rate of 12%. The Kennesaw/Northwest Cobb market's recovery from the Great Recession was robust, with the Kennesaw/Northwest Cobb vacancy rate declining from 14% in 2010 to 12%, despite the delivery of more than 441,000 square feet of space during that time, due to a positive net absorption of more than 643,000 square feet (Figure 4-6). The COVID-19 pandemic changed the trajectory of the retail market as vacancy rates increased to 12% in 2020 which resulted in a negative absorption of 74,000 square feet of space. Additionally, retailers and shopping centers struggling prior to the onset of the pandemic faced an existential threat once the pandemic restrictions took hold. The Town Center at Cobb is one such example, where the property went into foreclosure but is now under new management.

Figure 4-6



Source: REIS

The strength of both Kennesaw/Northwest Cobb and the region's retail market has been based on residential and primary employment growth. Simply put, both the City and the Metro Atlanta region continue to be a premier location for business expansion and relocation. As a result, the region is an attractive location for new residents seeking employment as well as retirees that want major metropolitan amenities with a wide variety of community and housing choice.

2. RENTAL RATE

Despite being a small part of the metro area's retail marketplace, the Kennesaw/Northwest Cobb subarea is slightly lower than the average asking rent than the region. In 2020, REIS estimates the average asking rent in Kennesaw/Northwest Cobb at \$18.15/SF, which is lower than the regional average of \$18.29/SF. The lower rental rate likely is the result of the Kennesaw/Northwest Cobb having a generally smaller retail footprint, and a greater focus on neighborhood and local retailers. While there are many national retailers they may not be in the most prime locations which garner the highest rents. Despite that, the City of Kennesaw's retail businesses are boosted by the substantial daytime population (in-commuters) that adds tens of millions in retail spending in the City.

Asking rents for existing retail space in Kennesaw varies greatly depending upon the location, age, and character of the property. Older spaces in the Downtown along Main Street tend to have lower asking rents compared to prime locations such as Cobb Parkway, which is home to many chain restaurants and has a high traffic count. New mixed-used developments in the downtown are expected to yield higher than average rents, as these properties are in a walkable area.

3. SUPPORTABLE RETAIL SPACE

RKG Associates performed a retail gap analysis to understand current unmet retail needs within the City. The retail gap analysis examines the difference between the supply (existing establishment sales) and the demand (consumer household spending) for a variety of different types of retail stores. The analysis is presented for the entirety of Kennesaw as well as for 7-minute drive time radii around the Downtown.

Comparing the demand and supply data can help the City gauge the potential support for additional retail within each commercial center. This demand-supply comparison identifies “sales leakage.” Sales leakage occurs when local consumer demand for retail goods exceeds the amount of sales that are captured by local retail establishments. High sales leakage generally indicates that the local marketplace is underserved in that specific retail category, oftentimes with an insufficient number or quality of product lines and/or fewer businesses than can be supported. The results of the analysis can help to identify any retail “gaps” that can be filled by new store openings if the area has the economic ability to support them.

The following summarizes the retail gap analysis findings:

- Kennesaw has substantial spending surplus – Esri Business Analyst estimates that the City has \$511 million in 2020 annual retail demand between residents and daytime workers. In comparison, businesses in the City captured \$592 million in sales, indicating approximately \$81 million in sales coming from outside the City.
- At a base level, the City of Kennesaw is overserved by retail – Of the 12 retail industry groups studied for this analysis, seven had significantly more sales capture by local businesses than demand from residents and daytime workers (Table 4-1). The sales of the seven retail industry groups outstripped all the local demand for all other retail categories. City has the most notable surplus in retail industry groups that typically have larger, more regionally focused businesses like Bldg. Materials, Garden Equip. & Supply Stores (i.e., Home Depot) which has a surplus of \$60.1 million and Motor Vehicle & Parts Dealers (i.e., CarMax) which has a surplus of \$63.9 million.

- Kennesaw businesses are less successful at capturing demand for retail categories that are more locally oriented – The City has a leakage of \$22.5 million for General Merchandise Stores. This is mostly the result of the Town Center at Cobb attracting consumer spending from Kennesaw itself as there are many department stores and national retailers located there. Downtown Kennesaw cannot compete with these retailers as they are focused on a broader customer base and have greater financial resources to invest in inventory. The same holds true for the retail sales leakage related to Gasoline Stations (\$20.7 million) and Clothing & Clothing Accessories Stores (\$14.1 million) which face similar competition from the Town Center at Cobb and retailers located outside of Kennesaw.

Table 4-1
Retail Supply and Demand for Select Industry Groups
City of Kennesaw, 2021

Retail Industry Group	Demand	Supply	Leakage/(Surplus)
Motor Vehicle & Parts Dealers	\$97,367,430	\$161,263,699	(\$63,896,269)
Furniture & Home Furnishings Stores	\$18,539,100	\$24,299,745	(\$5,760,645)
Electronics & Appliance Stores	\$16,374,460	\$19,966,667	(\$3,592,207)
Bldg. Materials, Garden Equip. & Supply Stores	\$28,454,965	\$88,541,664	(\$60,086,699)
Food & Beverage Stores	\$79,332,411	\$77,075,252	\$2,257,159
Health & Personal Care Stores	\$27,315,672	\$17,866,938	\$9,448,734
Gasoline Stations	\$53,616,455	\$32,919,947	\$20,696,508
Clothing & Clothing Accessories Stores	\$23,301,535	\$9,241,210	\$14,060,325
Sporting Goods, Hobby, Book & Music Stores	\$12,811,594	\$23,536,838	(\$10,725,244)
General Merchandise Stores	\$81,075,032	\$58,530,705	\$22,544,327
Miscellaneous Store Retailers	\$15,880,142	\$19,504,308	(\$3,624,166)
Nonstore Retailers	\$5,799,323	\$8,974,057	(\$3,174,734)
Food Services & Drinking Places	\$50,679,025	\$50,024,242	\$654,783
Total	\$510,547,144	\$591,745,272	(\$81,198,128)

Sources: Esri and RKG Associates, 2021

- The surrounding retail nodes make it very difficult for the City of Kennesaw to capture much of these sales back – The results of the retail gap analysis bear out the challenges and opportunities that result from Kennesaw being located between major commercial nodes. While the City analysis reveals there are several retail categories leaking outside Kennesaw, a 7-minute drive time analysis reveals that neighboring communities are capturing nearly all the City's leaking demand. Based on a 7-minute drive time analysis from the Downtown, there is a surplus of nearly \$1.6 billion in retail.

Table 4-2
Retail Supply and Demand (7-Minute Drive Time) for Select Industry Groups
City of Kennesaw 7-Minute Drive Time, 2021

Retail Industry Group	Demand	Supply	Leakage/(Surplus)
Motor Vehicle & Parts Dealers	\$1,157,808,401	\$1,869,520,242	(\$711,711,841)
Furniture & Home Furnishings Stores	\$221,696,416	\$264,161,089	(\$42,464,673)
Electronics & Appliance Stores	\$193,732,781	\$173,922,172	\$19,810,609
Bldg. Materials, Garden Equip. & Supply Stores	\$350,716,695	\$554,594,205	(\$203,877,510)
Food & Beverage Stores	\$944,000,910	\$928,455,457	\$15,545,453
Health & Personal Care Stores	\$331,938,524	\$290,805,631	\$41,132,893
Gasoline Stations	\$628,282,791	\$533,504,685	\$94,778,106
Clothing & Clothing Accessories Stores	\$278,086,129	\$398,418,318	(\$120,332,189)
Sporting Goods, Hobby, Book & Music Stores	\$152,028,838	\$259,315,484	(\$107,286,646)
General Merchandise Stores	\$962,680,204	\$1,328,824,448	(\$366,144,244)
Miscellaneous Store Retailers	\$190,065,683	\$211,552,606	(\$21,486,923)
Nonstore Retailers	\$72,134,296	\$145,792,507	(\$73,658,211)
Food Services & Drinking Places	\$600,559,169	\$716,651,838	(\$116,092,669)
Total	\$6,083,730,837	\$7,675,518,682	(\$1,591,787,845)

Sources: Esri and RKG Associates, 2021

- Attracting additional retail and restaurant activity to Kennesaw will largely be a function of adding more housing and households – The City is focused on increasing density in the Downtown which will in turn create additional demand for everyday goods and services and for restaurants and bars. New mixed-use developments are expected to increase the potential for retail.
- The ongoing trends toward placemaking and experiential retail will continue to shift demand from regional malls and power centers toward more lifestyle-oriented districts – At present Kennesaw is in the process of creating one such center, Eastpark Village, which will have a significant residential and commercial component. The development is expected to catalyze additional retail, restaurant, and service businesses along Cherokee Street.
- The present uncertainty may produce greater opportunity in the longer term – If older centers face vacancy and blight there will be more urgency to redevelop these properties as mixed-use projects, which will open the door for new businesses that better serve the residents that will be living in new housing units. Businesses that will be drawn to new mixed-use developments will be oriented to the daily needs and convenience of residents and will be focused on food/beverage and personal service uses.

4. COVID-19 IMPACTS

The global economic crisis caused by the COVID-19 pandemic in early 2020 clearly has a negative effect on the retail market in Kennesaw in the short-term. While local, state, and federal programs have helped alleviate some of the challenges other long-term challenges remain. The true impacts of the COVID-19 pandemic remain unknown at this point due to the on-going nature of addressing the health issue. One certainty is that consumer habits have changed substantially (i.e., accelerated online shopping), which will have direct long-term impacts on the City's retail marketplace. The City's retail focus towards community-serving industry groups will support the recovery as many of these goods are purchased in-person; however, the city has many businesses that are not national chains which makes their financial exposure more challenging.

G. RESIDENTIAL MARKET

The Metro Atlanta region has experienced substantial job growth for the past several decades, making the regional unemployment rate very low. These two conditions mean the region must attract more workers to accommodate business expansion and business recruitment. This is particularly important for Cobb County and Kennesaw given the area was initially settled as a bedroom community and is becoming built out. In other words, economic development sustainability will require greater coordination to improve the local and regional jobs-housing balance². Simply put, housing type and price diversity directly impact the attractiveness of a jurisdiction as a place to locate a business. Businesses require workers, and workers require a place to live. It is through this lens that the strategic economic development plan is reviewing the City's residential market.

1. HOUSING TYPE DIVERSITY

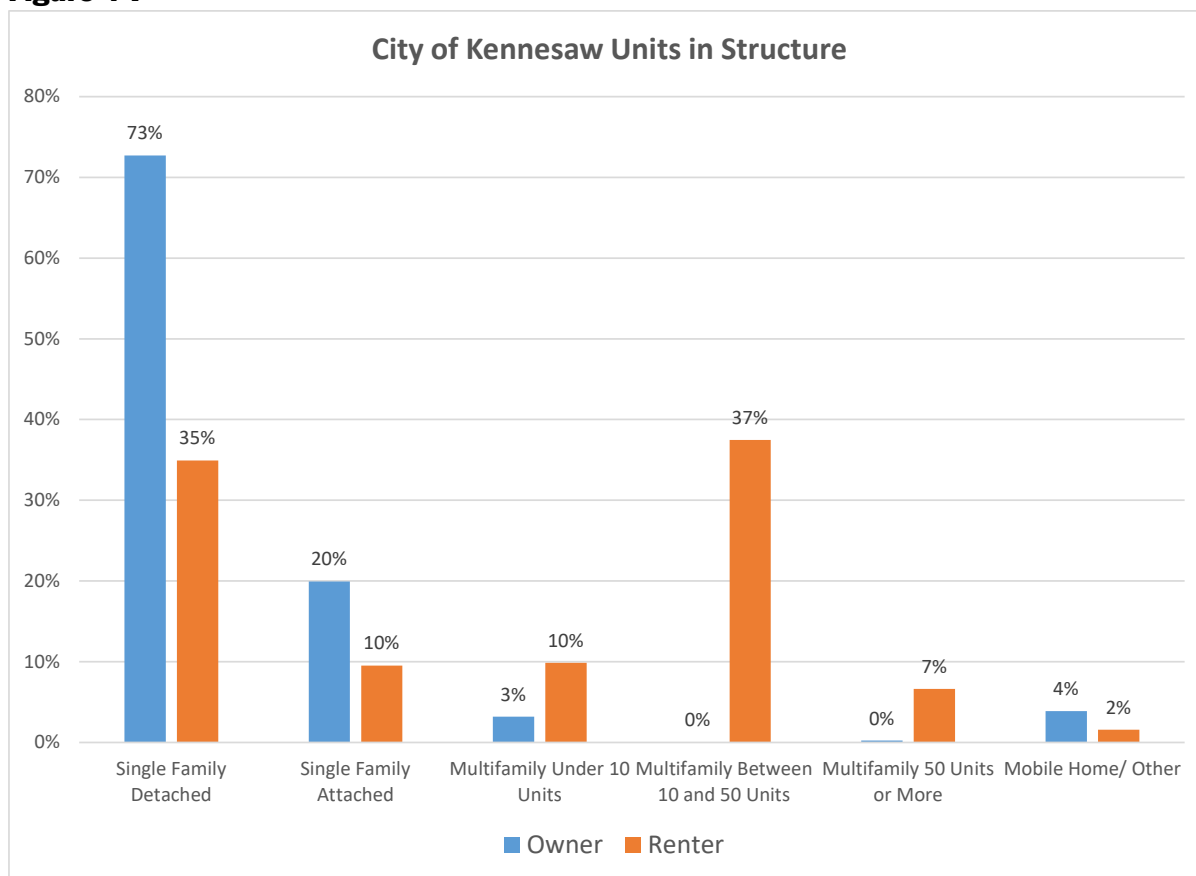
According to the U.S. Census, the City of Kennesaw has approximately 13,044 housing units. The City's housing mix is reflective of a typical suburban employment center. Housing in the city is predominately owner-occupied with 63% of units owned by households, while 37% are renter occupied. The Kennesaw housing market is less diverse than Dekalb, Fulton, Gwinnett County Region, but in line with Cobb County (65% owner, 35% renter)housing market.

While the mix of housing is diverse in Kennesaw, recent development trends reveal new housing development is skewing towards higher density residential development, in addition to new single family housing. Based on data from the American Community

² Jobs-Housing Balance measures the ratio of primary employment opportunities with existing housing units in that area. The measure is one analysis point in understanding the need for new housing.

Survey, in Kennesaw 73% of homeowners live in single family homes, and only 3% live in structures with under 10 units. Conversely, the rental housing stock is more diverse, as nearly 37% of renters live in structures with between 10- and 50-units. The increase over time of rental units shows that a transition is occurring from a more suburban to urban scale development and is consistent with the City's evolution from a traditional bedroom community to a robust employment center in Metropolitan Atlanta.

Figure 4-7

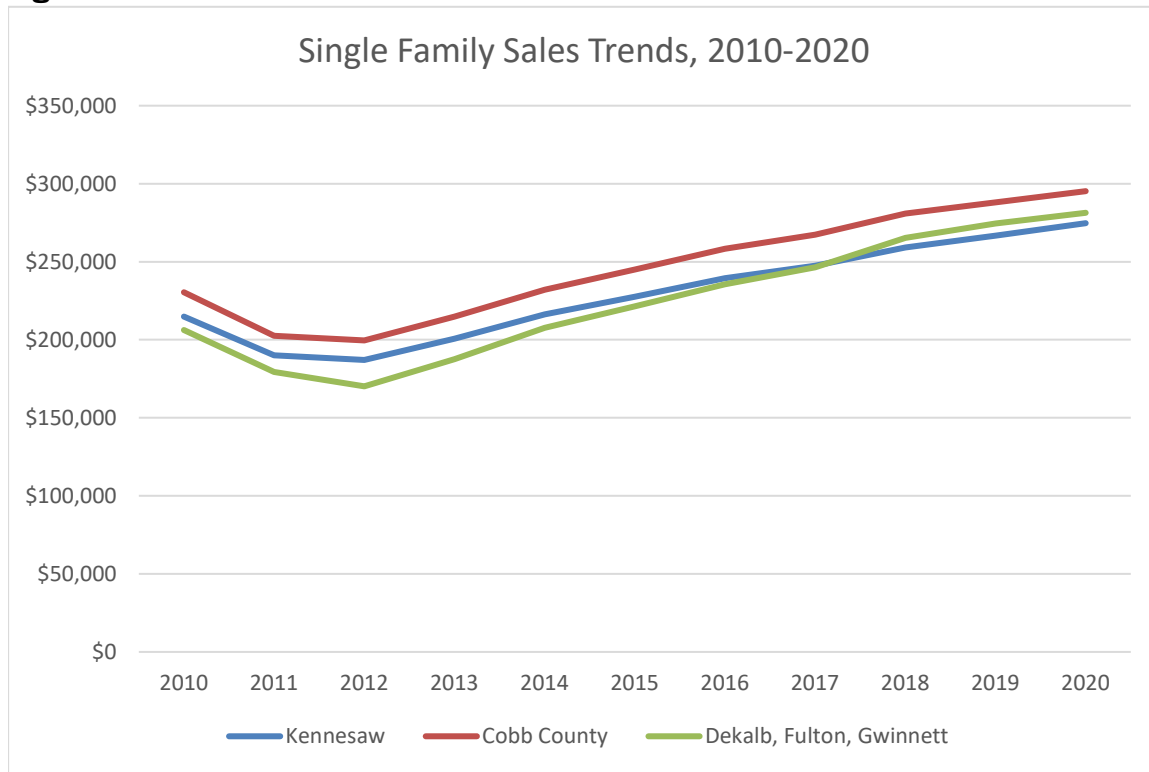


Source: U.S Census American Community Survey

2. HOUSING PRICE DIVERSITY

Compared to the Region (\$281,000) and Cobb County (\$295,000), Kennesaw has a lower median home value (\$275,000). This makes Kennesaw an affordable alternative as it has great connectivity and an abundance of employment opportunities. Between 2010 and 2020, home values jumped by 28% in Kennesaw, which is equal to the increase in Cobb County, but lags the Region which saw a 36% increase (Figure 4-8).

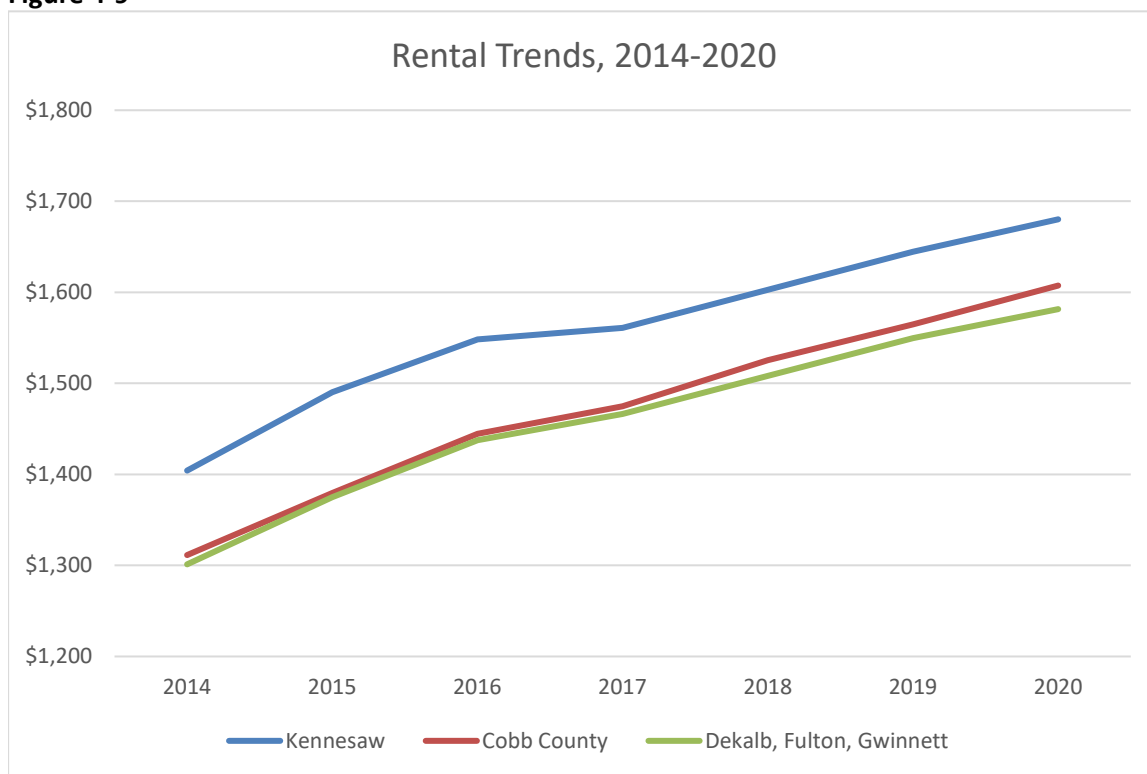
Figure 4-8



Source: Zillow

The median rent in Kennesaw is \$1,680 per month which is higher than rents for both Cobb County (\$1,607) and the Region (\$1,582). Over the last decade, rents have risen 20% in Kennesaw (Figure 4-9). The reason the rents are much higher in Kennesaw is because historically, Kennesaw had mostly single family homes as it was a bedroom community, and rental units were limited. Over the last 20 years, new apartments have been built in the city which are newer on average than those found in the Region and Cobb County.

Figure 4-9



Source: Zillow

3. ECONOMIC DEVELOPMENT OUTLOOK

As mentioned, there is a direct correlation between economic development sustainability and housing diversity and affordability. A current challenge is finding and retaining entry-level professionals and service workers. Employers commonly identify the challenge for these workers to find suitable and affordable housing within proximity to Kennesaw.

To this point, the lack of price diversity — along with the escalating housing prices — could have a negative impact on the City’s business retention, expansion, and recruitment efforts, as companies will seek locations within the region that offer more affordable housing prices. Based on interviews with local real estate professionals, this already is occurring as many workers in the City’s manufacturing, transportation, and logistics industries travel far distances for work, some coming from as far away as Cherokee County. The need for affordable housing within the city cannot be understated as the City’s strength is its ability to be a place for everyone to live and work.

5 BUSINESS DEVELOPMENT ANALYSIS

A. INTRODUCTION

This business development identification is not intended to supplant the regional and statewide business recruitment efforts. In fact, RKG Associates, and the Strategy Committee strongly encourage the City to continue to leverage those relationships and resources to focus on business attraction related to the regional target industries. Rather, this business development cluster analysis aims to guide the City's direct business recruitment and entrepreneurial development efforts. The recommendations herein focus on augmenting the City's existing business climate, complement regional efforts, and support existing industry clusters in Cobb County.

To this point, this chapter aims to identify those industries that can be most impactful and that would provide the best chance for successful retention, expansion, and recruitment efforts implemented by the City's economic development staff. In addition to informing recruitment efforts, a focus on growing these industries can help officials to identify and refine appropriate land use policies and prioritize incentives and capital investments that promote infill/redevelopment projects that encourage the types of buildings best-suited for a targeted use or industry.

The business development clusters identified are not the only sectors that could view Kennesaw favorably as a place to do business. That said, they are likely the sectors to which the City should prioritize human and financial resources pursuing due to the City's relative competitiveness in each respective cluster.

B. METHODOLOGY

Before arriving at the identified business development clusters, this chapter analyzes the local and regional business climate, how the City measures up to typical site selection criteria, recent and projected job growth patterns, and community preference. The City's strengths and weaknesses in each of these areas may make it competitive to businesses and site selection professionals considering sites in Metro Atlanta and can dictate which industries have the greatest chance of success. Kennesaw's opportunities are explored in

part by analyzing the State of Georgia's performance against several business climate criteria and identifying ways that the City might set itself 'apart from the crowd.'

C. BUSINESS CLIMATE FACTORS

Prior to examining Kennesaw's strengths and opportunities for business retention and recruitment efforts, it is worth evaluating the City's overall business climate in comparison with its state and the country. Doing so can assist in identifying programs or initiatives that can differentiate Kennesaw from local, regional, and national competitors.

While quantifying specific business climate factors is difficult at the local level, the non-profit group Prosperity Now's annual Development Report Card for States provides this valuable information at the state level. The group's 2020 report ranks each state and the District of Columbia in 51 unique economic metrics related to Financial Assets and Income, Business and Jobs, Housing and Homeownership, Healthcare, and Education.

Analyzing Georgia's standing within these categories can have several benefits for Kennesaw. In categories where the state performs extremely well, like Microenterprise Ownership Rate (7th in the nation), Kennesaw can determine if it is keeping pace, and if not, implement programs targeting the creation and growth of microenterprises (Table 5-1). In categories where the state does not do as well, like Business Value by Race and Gender (41st and 49th respectively), Kennesaw can create and implement programs to target small business development for minority-owned or women-owned businesses.

These choices can help make the City more competitive to firms looking to expand, relocate, or put down roots, and can help the employees of those firms to see Kennesaw as a great place both work and live.

Table 5-1

Economic Assets and Opportunities Scorecard Connecticut and Comparison States								
Category	Score		Rank					
	Georgia	US	Georgia	South Carolina	North Carolina	Alabama	Florida	Tennessee
FINANCIAL ASSETS AND INCOME								
Access to Revolving Credit	69.1%	74.0%	39	42	34	48	17	44
Asset Poverty Rate	27.3%	24.1%	34	24	29	8	31	28
Bankruptcy Rate	4.10	2.30	48	11	11	51	26	50
Borrowers Over 75% Credit Card Limit	30.9%	25.4%	48	43	40	50	37	38
Consumers with Collections	28.9%	21.2%	45	50	41	46	34	40
Consumers with Prime Credit	42.4%	53.0%	49	46	37	48	38	40
Fell Behind on Bills	13.3%	13.2%	25	20	39	36	46	13
Low Financial Well-Being	20.0%	18.0%	9	23	37	45	26	3
Households with Savings Accounts	64.2%	71.4%	45	33	19	41	39	40
Households with Zero Net Worth	17.2%	15.7%	10	28	25	32	9	17
Income Inequality	4.87	4.93	36	31	27	47	28	32
Income Poverty Rate	13.7%	12.7%	38	42	33	47	31	41
Income Volatility	20.5%	20.1%	24	31	28	41	37	17
Liquid Asset Poverty Rate	48.0%	36.9%	37	29	26	27	34	33
Net Worth	\$61,020	\$92,110	32	24	19	31	27	26
Saved for Emergencies	52.2%	57.8%	43	32	28	44	46	36
Severely Delinquent Borrowers	20.0%	14.8%	44	50	38	48	37	43
Unbanked Households	10.6%	6.5%	48	33	26	45	28	40
Underbanked Households	24.1%	18.7%	49	33	25	47	24	40
BUSINESSES AND JOBS								
Average Annual Pay	\$57,834	\$57,266	13	44	21	23	41	20
Business Ownership by Gender	1.19	1.25	14	42	28	19	16	21
Business Ownership by Race	19.3%	17.6%	8	31	20	29	2	15
Business Value by Gender	4.03	3.03	49	39	39	48	26	32
Business Value by Race	\$374,615	\$440,190	41	42	39	28	51	38
Employers Offering Health Insurance	42.4%	46.8%	40	45	44	8	43	5
Low-Wage Jobs	25.4%	18.7%	41	46	38	50	45	39
Microenterprise Ownership Rate	20.4%	18.2%	7	28	22	28	1	15
Underemployment Rate	7.1%	7.3%	28	19	33	9	31	9
Unemployment Rate	3.7%	3.7%	30	9	36	14	19	19
HOUSING AND HOMEOWNERSHIP								
Affordability of Homes	3.23	3.71	20	21	22	12	37	24
Delinquent Mortgage Loans	1.3%	1.1%	39	36	34	49	25	31
Foreclosure Rate	0.7%	0.9%	19	29	21	28	43	15
High-Cost Mortgage Loans	8.6%	7.6%	42	25	26	32	47	29
Homeownership Rate	63.8%	63.9%	40	12	36	16	28	23
Housing Cost Burden - Homeowners	25.1%	27.7%	22	25	21	17	48	19
Housing Cost Burden - Renters	49.8%	49.7%	38	33	25	27	51	32
HEALTH CARE								
Employee Share of Premium	31.5%	27.8%	43	21	48	33	40	40
Employer Provided Insurance Coverage	57.5%	59.5%	35	40	38	33	50	36
Forgoing Doctor Visit Due to Cost	18.2%	13.0%	51	45	44	47	47	45
Poor or Fair Health Status	19.1%	18.4%	34	32	34	47	42	46
Uninsured Low-Income Children	11.4%	7.1%	48	26	28	17	41	31
Uninsured Rate	15.7%	10.4%	48	41	41	38	49	38
EDUCATION								
Borrowers with Student Loan Debt	25.0%	21.9%	45	31	13	10	9	11
Disconnected Youth	12.6%	11.3%	38	37	33	45	35	42
Early Childhood Education Enrollment	49.2%	48.2%	13	34	30	35	9	46
Four-Year College Degree	31.9%	32.6%	21	38	21	45	27	41
High School Graduation Rate	79.4%	84.1%	44	33	22	16	37	8
Math Proficiency - 8th Grade	31.1%	33.8%	31	40	20	50	34	30
Median Student Loan Debt	\$20,727	\$18,366	49	43	38	32	29	28
Reading Proficiency - 8th Grade	32.1%	33.6%	31	39	27	48	21	33
Severely Delinquent Student Loan Debt	18.3%	15.2%	38	41	32	42	22	42

Source: Prosperity Now and RKG Associates, Inc. 2021

1. FINANCIAL ASSETS AND INCOME

The Financial Assets and Income metrics measure wealth and income equality for individuals across the state. From an economic development perspective, states with broader wealth and income distribution tend to be more prosperous and have more dynamic entrepreneurial marketplaces.

Overall, Georgia is a low-wealth state. The average household net worth in Georgia is \$61,020, substantially below the national average of \$92,110. The bankruptcy rate of 4.1 per 1,000 residents is nearly double the national rate and ranks Georgia 48th overall out of 51 states and Washington DC (Table 5-1). Other metrics where Georgia does not perform well are Consumers with Prime Credit (49th) and Unbanked/Underbanked Households (48th and 49th respectively). These figures highlight the diverging fortunes of Metro Atlanta and the state. Kennesaw and other Cobb County cities have largely prospered at levels well above national averages while income inequality has grown. However, there is a sizable contingent of Kennesaw households that have these financial challenges. The divergence of wealth and prosperity among the City's residents is evident in the demographic data detailed previously in this document.

Most potential remedies for improving net worth and asset poverty involve housing affordability, workforce development, and entrepreneurial opportunities. At a base level, having price appropriate housing for existing residents who work retail/service and entry level jobs can have a substantial impact on household financial stability. Kennesaw can combat income inequality by committing to the development of quality low- and middle-income housing. Given the City's (and region's) historically low unemployment rate, building skills and providing entrepreneurial opportunities to the City's underemployed working population may prove to be a more effective way to build wealth than focusing on programs that cater specifically to the unemployed.

2. BUSINESS AND JOBS

The Business and Jobs metrics address the quality of jobs and access to business ownership opportunities for existing residents. Georgia performs well in several Business and Jobs categories, including Microenterprise Ownership Rate (7th), Business Ownership by Race (8th) and Business Ownership by Gender (14th). Looking at these metrics independently would indicate that Georgia's proportion of Black, Asian, Latino, and other minorities that own businesses is higher than the proportion of White workers that own businesses. However, Georgia's rankings of 41st in Business Value by Race and 49th in Business Value by Gender indicate that most of Georgia's minority-owned and women-owned businesses are small, relatively low-revenue enterprises.

From an economic development perspective, this data presents opportunities for Kennesaw. On one hand, the strong entrepreneurial spirit in Georgia provides Kennesaw a substantial economic development opportunity to connect with the City's existing, established workforce that may desire to start their own company. This is particularly true for the City's older population who may have the experience and financial resources to start their own business. These individuals represent potential entrepreneurs/business owners that a local program could help encourage. More specific to the research findings, an entrepreneurial/small business program that targets minority-owned and women-owned businesses could help address the value divide while appealing to the largest portion of the City's resident growth over the past 18 years.

3. HOUSING AND HOMEOWNERSHIP OPPORTUNITIES

One of Metro Atlanta's (and Georgia's) most notable advantages versus other strong job markets like Boston and New York City is its lower cost of housing. Still, the state's relatively low wages and educational attainment mean that housing and homeownership are a challenge for too many. This challenge is even more acute in Kennesaw as the lack of housing affordability has become a challenge for businesses to attract service workers as well as entry and mid-level professionals. Simply put, workers in the lower 75% of the earning spectrum in Kennesaw are challenged to find sufficient housing within proximity of the City that meets their space needs/preferences. This challenge could limit the City's long-term success in continuing to attract larger employers with a diverse workforce base.

4. HEALTHCARE

Healthcare metrics provide insight into residents' access to health insurance, their overall health status, employers' share of healthcare premiums, and other measures. In this category, Georgia is one of the country's poorest-performing states. Nearly 16 percent of residents are uninsured, the 3rd highest uninsured rate in the country. Further, more than 11 percent of Georgia's low-income children are uninsured. It should be noted that the Prosperity Now measures, in focusing on insured rates and overall health, do not factor in measures of actual patient care. While Kennesaw's more affluent composition limits the number of uninsured persons or low-income children, the low-income households in Kennesaw do experience these challenges.

To this point, the City of Kennesaw is the juxtaposition of health care and access to healthcare. The City is just a short distance away from several of the South's most famous and elite medical institutions in a state that has one of the country's highest uninsured

rates. While issues related to healthcare policy are typically settled at the federal and state levels of government, Kennesaw has the unique opportunity to engage with its resident healthcare providers to investigate the potential for local programs to assist residents and employees of local businesses (direct action) and/or advocate for legislative policies at the state/federal level (indirect action) to enhance access to healthcare for its residents.

5. EDUCATION

High-performing schools are critical to attracting and retaining new firms and residents, especially those that wish to “put down roots” in the community for the long term. Separating “successful” schools and districts from the pack is difficult, as success can be measured in many ways. Standardized test scores and graduation rates are among the most cited measures but fail to account for socioeconomic factors that may be driving them; a graduation rate of 85 percent in “community X” may actually represent a more impressive performance than a 90 percent graduation rate in “community Y” if the former faces starker economic or social challenges. That said, traditional measures of school district success are readily available online and can dramatically affect the marketability of a community in the eyes of prospective firms and residents.

Kennesaw diverges from the state rankings as it relates to schools. The ProsperityNow scorecard reveals some of the challenges of Georgia’s overall educational attainment. Most notably, the high school graduation rate in Georgia (79.4%) is the 44th lowest in the U.S. However, this does not reflect the performance of Cobb County schools where the average school has an “A” rating according to Niche, a nationally recognized school achievement assessment organization. The City of Kennesaw has highly performing public schools including Kennesaw Mountain High School, North Cobb High School, and Harrison High School. The City’s primary and secondary school performance is a strong draw for residents and potential new workers for local businesses. As noted in the previous section, the challenge of housing affordability makes Kennesaw accessible to higher earners, but many businesses—including most of the target clusters—have a diverse employment base in terms of wage rates.

D. SITE SELECTION CRITERIA

Site-specific selection factors are key criteria when firms weigh decisions about where to locate, move, or remain. Are there vacant parcels or adaptable structures available for development? Does a site have good access to highways or public transportation? Is it available at a reasonable cost? In addition to a site being physically and financially within reach, business leaders evaluate factors like local labor costs, tax rates, and labor availability, among others. Area Development Magazine, a site and facilities planning

publication, releases an annual ranking of top site selection factors according to a survey of American corporate executives. The information in the ranking highlights the relative importance of a variety of factors, ranging from quality of life to available labor, when making site selection decisions. While the survey results are not specific to any geographic area, they help communities like Kennesaw to understand how they can meet firms' most pressing site selection needs, and where to focus efforts to improve.

Firms' most important selection criteria have shifted over time. While highway accessibility and labor costs have consistently been the two most important factors in site selection since at least 2000, firms now pay much closer attention to "soft criteria" like the availability of skilled labor and the quality of life that communities can offer would-be employees (Table 5-2). A necessity to seek out sites that offer high quality of life may be reflective of a more employee-focused culture in which firms feel the need to court prospective workers that change jobs relatively frequently. The strong national economy that emerged since the 2008 financial crisis has also seen firms place relatively less importance on a state or municipality's incentive packages; however, these preferences may change in the future because of the COVID-19 pandemic.











Table 5-2

Site Selection Criteria Priorities; 2000 - 2020				
Source: Area Development Magazine Corporate Survey and RKG Associates, Inc., 2021				
2020	2019	2018	2010	2000
Availability of Skilled Labor	Highway Accessibility	Availability of Skilled Labor	Highway Accessibility	Highway Accessibility
Highway Accessibility	Availability of Skilled Labor	Labor Costs	Labor Costs	Labor Costs
Energy Availability and Costs	Labor Costs	Highway Accessibility	Tax Exemptions	Availability of Skilled Labor
Quality of Life	Quality of Life	Corporate Tax Rate	Occupancy or Construction Costs	Corporate Tax Rate
Labor Costs	Occupancy or Construction Costs	Tax Exemptions	State & Local Incentives	State & Local Incentives
Occupancy or Construction Costs	Corporate Tax Rate	Quality of Life	Corporate Tax Rate	Tax Exemptions

Kennesaw has a competitive advantage in four out of the top 10 site selection criteria, explaining the City's successful business attraction for the past several decades (Table 5-3). Proximity to I-75, I-575, and Route 41 provides Kennesaw with great accessibility and connection to markets. Additionally, anchor institutions such as Cobb International Airport and KSU offer significant competitive advantage, with KSU attracting talented individuals from Georgia and places beyond, and the airport serving as a nodal point for the transportation and logistics industry.

Table 5-3

Kennesaw Top Site Selection Criteria Competitiveness
Source: Area Development Magazine Corporate Survey and RKG Associates, Inc., 2021

Rank	Factor	
1	Availability of Skilled Labor	
2	Highway Accessibility	
3	Energy Availability and Costs	
4	Quality of Life	
5	Labor Costs	
6	Occupancy or Construction Costs	
7	Corporate Tax Rate	
8	Tax Exemptions	
9	State and Local Incentives	
10	Inbound/ Outbound Shipping Costs	

The area's well-educated population means a strong availability of skilled labor, although the City's and region's low unemployment rate means new college or high school graduates often present the largest pool of residents actively looking for jobs. There are limited state and local incentives and tax exemptions available in Kennesaw, and what is available can also be found elsewhere in Metro Atlanta.

Metro Atlanta is a low-cost market compared to many of the country's most competitive urban centers. As one of the country's ten most populous metro areas and one of its fastest growing, the Atlanta region can offer a quality of life that, while improvable, offers tremendous value for the cost. Its tremendous diversity, arts and culture scene, sports teams, universities, hospitals, and unique neighborhoods—not to mention its mild winters—would appeal to most firms considering a move. That said, continued progress on some social issues, governmental priorities, and land use decisions will be needed to keep up with the country's highest-flying metros. Metro Atlanta's historic preference, including the City of Kennesaw, for designing itself around the needs of cars, rather than human-centric design, means more traffic and fewer walkable neighborhoods than some competitive cities. Continued efforts to create vibrant, walkable live-work-play destinations in the City's commercial centers will strengthen the City's competitive position within the region and foster long-term sustainability as other areas/regions continue investment in dynamic employment centers.

E. COMPETITIVE ASSETS AND CONSTRAINTS

This section summarizes Kennesaw's economic development strengths and weaknesses based upon conversations with business owners, local and regional implementation partners, elected officials, community organizations, and the public. The findings are grouped into strengths, weaknesses, opportunities, and threats. Feedback from stakeholders is combined with summarized findings and analysis as presented in other sections of this SEDP report.

1. STRENGTHS

The City of Kennesaw has several competitive advantages when it comes to economic development, business attraction and growth, and quality of life amenities. The following attributes were the most consistently identified by local business and community leaders as positioning the City for success in business attraction, retention, and expansion.

- *The City of Kennesaw is located close to major labor force and employment centers* – Kennesaw's location in the northern portion of Metro Atlanta region makes it proximate to several strong and growing submarkets. Additionally, Metro Atlanta has robust employment and activity centers as well as most of the region's highest skilled labor force.
- *Kennesaw's transportation connections* – Access to I-75, I-575, and GA-41, as well as Cobb County Airport and active rail lines, make Kennesaw a true multi-modal community for businesses that need to move inputs and products.

- KSU is a major anchor institution – KSU is a large, and growing, state university that has transitioned from a commuter school to a four-year institution. On-campus and off-campus activity continues to increase with growth in local entrepreneurial activity.
- The government's focused, forward-thinking leadership embraces market opportunities – Kennesaw, Cobb County, and Georgia are supportive of business growth and development. This has carried over into the City's perspective and approach to engaging and assisting businesses.
- Local and regional partner coordination is strong – There are several local and regional implementation partners already operating in and around Kennesaw with similar goals for economic development prosperity. This will help forge stronger, more strategic relationships moving forward.
- The City's infrastructure has capacity for growth – Kennesaw is not limited in its ability to accommodate more real estate development because of infrastructure limitations. This is not the case in all municipalities within the Metro Atlanta region.
- The City's existing high-quality commercial assets – The City's land use and building codes have yielded a physical inventory base that has positioned the City for success, particularly regarding the industrial market. Continued success and long-term sustainability will be influenced by the City's policies evolving with market conditions.
- Kennesaw's corporate citizens are invested in the community – Both large and small businesses have engaged with the City and other community partners to maintain and enhance the City's quality of life for residents and workers.
- Kennesaw schools are well regarded – As noted earlier, public schools in Kennesaw are well regarded, making the City a highly desirable place to live.
- Kennesaw is a comparatively more diverse community – The City's diversity (detailed in the Demographic Chapter) is both a strength and an opportunity. From an economic development perspective, it signals Kennesaw is more accepting and embracing of new ideas and perspectives.
- Kennesaw has a range of income levels with a strong high-income resident base – This income diversity offers limited opportunities to support businesses that have a wide range of jobs, particularly those that have concentrations of highly-skilled jobs.

2. WEAKNESSES

While the City is well positioned for economic development success, there are aspects of Kennesaw's location, regulatory environment, and community characteristics that could hinder the City's retention, expansion, and recruitment efforts. The following factors were the most noted by participants in this process.

- Vehicular access in and out of Kennesaw is extremely challenging during rush hour – Traffic congestion was the most common weakness observation of participants in the economic development planning process. While the City has good connectivity, local and regional land use patterns have created substantial traffic issues during rush hour. This limits the attractiveness of Kennesaw as a place to work for people who live elsewhere, particularly for low-paying and moderate-paying jobs.
- Redeveloping functional assets is financially challenging – Industrial property development has become prohibitively expensive to acquire. Parcel agglomeration is difficult for existing property owners and the cost of building materials have increased significantly.
- Existing building and land assets are limited – Kennesaw does not have widespread vacancy or disinvested buildings. Given that there is limited vacant land, new investments tend to be redevelopment projects. The financial challenges of redevelopment are more substantial than traditional greenfield development. Land use policies and programs need to adjust to this reality for continued investment to occur.
- Marketing and outreach efforts are limited – The marketing of Kennesaw needs to be scaled to achieve community goals. To this point, Kennesaw needs to invest more to effectively run an outreach program to increase the city's visibility, both regionally and nationally.
- Existing City-focused economic development assets are not fully activated – The Downtown Development Authority (DDA) and Kennesaw Development Authority (KDA) are not maximizing their full potential for marketing, retention, and recruitment downtown. Community stakeholders need to work together to support economic development efforts.
- Current financial investment and staffing capacity cannot implement full strategy – The City's vision and supporting goals for economic development require greater financial investment and more staff members to reach the expected level of success.

3. THREATS

The 'threats' section of this narrative focuses on changing market conditions and emerging trends that could adversely impact the City's efforts to meet the defined economic development goals. To this point, these observations help inform the specific recommendations made in the Implementation Strategy Chapter.

- Limited relationships and coordination with local and regional entities – The City benefits from having several local and regional partners that are committed to economic development success. However, the City has not clearly defined its expectations of those partners. Engaging with internal and external partners to clarify roles and

responsibilities will strengthen the City's economic development efforts and reduce any overlap/inefficiencies in implementation

- The City can better leverage regional partners to free up resources – One way to improve external resources is clearly defining the City's economic development staff's roles in business recruitment, particularly for smaller to mid-sized companies. Simply put, larger companies may not see Kennesaw as an ideal place to locate, but small to mid-sized companies may see an opportunity given Kennesaw's strategic location close to exiting large corporations and economic activity centers.
- Funding and staff capacity to implement the City's economic development vision is limited – The City lacks the financial and staff resources to execute the full depth and breadth of their economic development goals. The existing composition of the economic development department is insufficient in terms of person-power and funding to undertake the proposed initiatives. The City of Kennesaw will need to allocate money for this endeavor otherwise neighboring communities committed to economic development can, over time, chip away at Kennesaw's competitive advantage.
- The City is not collecting all the data it needs to make informed decisions - Collecting and maintaining comprehensive and accurate business, permitting, and property information will make the City's economic development efforts stronger. Maintaining a robust economic development database is important because the COVID-19 pandemic has exposed many information shortfalls. Having a robust business database will allow the city to address issues as they arise.
- Community engagement is needed to address NIMBY - Citizen engagement and education is one of the most important economic development activities, and one almost all communities ignore. Land use decisions are the core of economic development activity. Development in communities like Kennesaw, which have limited land, tend to be infill/redevelopment of existing built properties. Infill and redevelopment are much more challenging than greenfield development because you are changing the use/intensity of a site that the community already is accustomed. Without public support, it is very challenging to garner approval for changes to land use.
- As existing Baby Boomer residents age-in-place, housing affordability and availability issues will compound – Data show that Baby Boomers are more likely to age-in-place than previous generations. Having these residents remain in Kennesaw is a testament to the desirability of the City as a place to live during all life cycles. However, the historic turnover in housing of retirees to new working households is being disrupted, effectively reducing the available housing supply for the next generation of workers. As noted in the Real Estate Chapter, housing availability and affordability already are challenges in the City, which it is addressing through a concurrent housing needs assessment process. Measures to increase housing options are as much an economic development issue as a community growth issue. While the region touts its housing

affordability (as detailed earlier), this is not the case in Kennesaw and Cobb County due to an imbalance of supply and demand.

4. OPPORTUNITIES

The Implementation Strategy Chapter details all the City's opportunities related to the City's defined economic development goals. That said, this section highlights the most common economic development opportunities mentioned by business leaders and community leaders during this planning process.

- *Increase entrepreneurial and small business development activities* – Small businesses are the 'backbone' of Kennesaw's economy. Engaging existing City residents and workers at local companies likely is the most cost-effective way for the City to promote business growth and job creation. More specifically, the City should engage the growing ethnic diversity and the aging population in the community and region to mine entrepreneurs and secure angel investments in start-up companies. KSU can play a leading role in incubating and growing companies which can then find a permanent home in the city.
- *Continue to support and pursue mixed-used development* – Kennesaw already has begun enabling mixed-use development to augment the existing supply of commercial and residential spaces. In Kennesaw, the scale of nonresidential development needs to be consistent with market potential/opportunities; small office and dining/entertainment in downtown, maker-space and small-scale retail along commercial corridors. There are opportunities for repositioning underperforming assets and strengthening downtown.
- *Increase effort to support existing businesses, particularly smaller, locally-owned businesses* – As noted in the weaknesses section, there are more existing businesses than can be adequately engaged under the City's current investment. There is growth potential for Kennesaw businesses if more resources were made available to engage and assist these businesses.
- *Increase networking and business-to-business connections for local businesses* – Many business development opportunities occur through networking opportunities for business owners. The City and the Chamber already are engaged in networking events. The Committee encourages the City to further invest in these events, particularly expanding industry-specific networking opportunities and information sharing opportunities.
- *Expand citizen engagement to expand community support for growth* – The city can take a more proactive approach to engaging with Kennesaw residents and stakeholders, such as KSU, particularly engaging in conversation outside of a land use or business incentive package process. Meeting with stakeholders to discuss economic

development goals, priorities, actions, and results while listening to their questions and concerns can build trust and awareness, which potentially will increase support and decrease opposition.

- Create stronger internal (City departments) and external (implementation partner) relationships – Each department within the City and implementation partner outside of the City have specific responsibilities to achieve. Sometimes, these responsibilities conflict or oppose economic development goals and opportunities. However, addressing potential challenges or finding mutually beneficial solutions are much more challenging without consistent and collaborative engagement. To this point, there is an opportunity to strengthen intra-departmental and inter-organizational collaboration through pre-project interactions and regular strategy meetings.
- Improve the City's data collection to enable proactive strategies – As noted, collecting and maintaining comprehensive and accurate business, permitting, and property information will make the City's economic development efforts stronger. RKG recommends the City create a central database for all business licensing, building permit, and property assessment data to strengthen its marketing outreach and improve planning efforts.

F. KENNESAW BUSINESS DEVELOPMENT OPPORTUNITIES

The business development cluster analysis casts a wide net in determining potential industry sectors for the City to proactively market. Taking a more aggressive approach to identifying possible industry targets for Kennesaw enables the City's economic development office to refine its proactive marketing and recruitment outreach efforts. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal considering historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

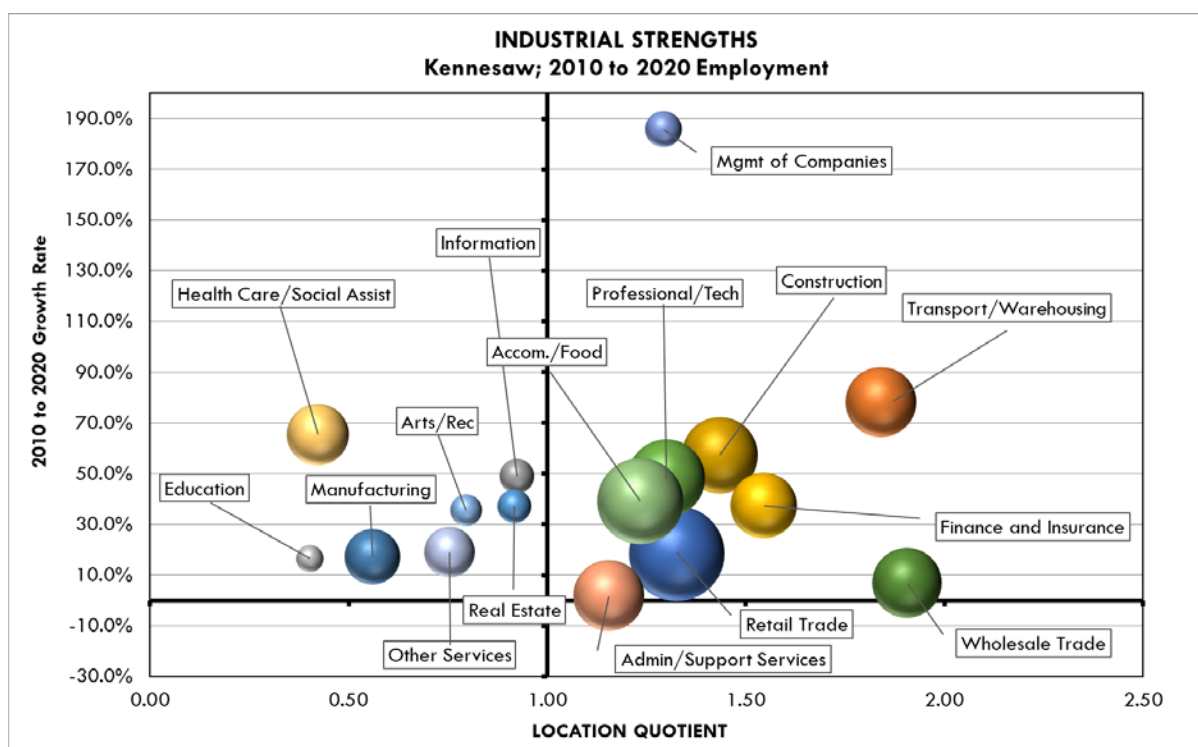
Furthermore, the business development list looks beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By using this methodology, Kennesaw can apply a comprehensive approach to building upon existing industry clusters and developing new ones. This is particularly important when targeting industries that already have a relationship with an existing regional industry and/or business.

It is important to note that the business development cluster analysis approach for Kennesaw is different from traditional assessments. Most notably, the City staff, Committee, and RKG Associates all recognized that the traditional target industries for Cobb County remain relevant within Kennesaw (Figures 5-1 and 5-2). These clusters have

been inventoried and identified by the City's regional and state partners. Proactive recruitment efforts are more logically led by these regional and state partners, with the City providing any support and information, as necessary. These clusters include:

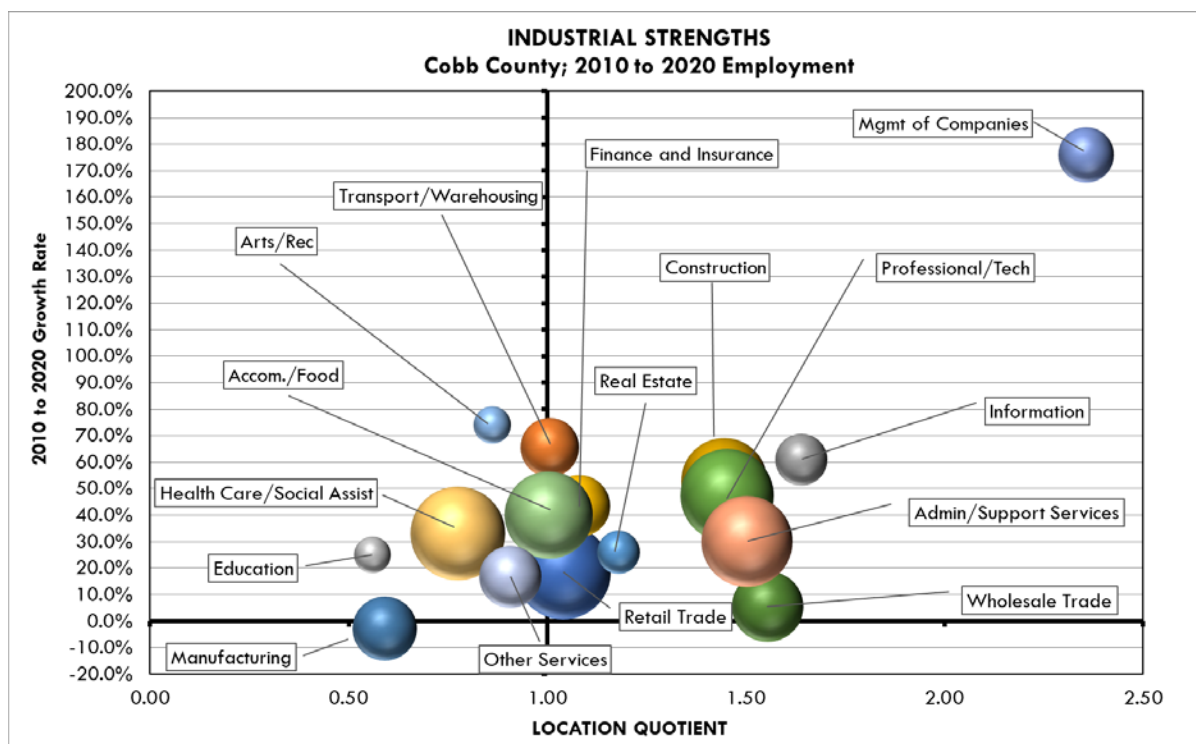
- Construction
- Transportation and Warehousing
- Professional, Scientific, and Technical Services
- Wholesale Trade
- Management of Companies

Figure 5-1



Sources: EMSI, RKG Associates, 2021

Figure 5-2



Sources: EMSI, RKG Associates, 2021

Rather, this approach focuses on those clusters that are scaled to the City's recruitment potential. In other words, this assessment focuses on smaller businesses that [1] are more sensitive to the specific location within Metro Atlanta, [2] will not qualify for the larger incentive programs offered regionally or statewide, [3] will benefit from locating near the existing employment clusters in the City, and [4] will enhance the City's efforts to create more dynamic live-work-play centers.

1. ADVANCED MANUFACTURING AND SUPPORT INDUSTRIES

Advanced manufacturing is characterized by a close relationship between technology research and development and to the production of goods. The industry is poised for growth as potential changes to global supply chains, resulting from the COVID-19 pandemic, may increase domestic manufacturing and reshoring of jobs. For the industry cluster to thrive, significant capital investment, and appropriate manufacturing/industrial space, access to a skilled workforce, and access to markets and supply chain clusters is required.

The City of Kennesaw already has an existing manufacturing ecosystem which helps support larger manufacturers in Cobb County and Metro Atlanta. The city maintains a skilled labor force of both professional and technical workers. The firms employing these workers are small and have linkages with larger firms in and around Metro Atlanta. Firms currently engaged in advanced manufacturing and support industries in Kennesaw include:

- EAU Technologies, Inc.
- Carson Tool & Mold
- Chemtronics
- TUG Technologies Corporation

As mentioned earlier, the City should rely on its regional and statewide partners to recruit the larger, anchor companies in this sector. Kennesaw's efforts should focus on growing existing and attracting new smaller companies to be proximate to these larger companies, whose target clientele reflects the Cobb County industry makeup which was identified earlier. Some emerging and growing industries in the region include Pharmaceutical and Medicine Manufacturing, Soap and Cleaning Compound Manufacturing, and Computer and Peripheral Equipment Manufacturing. These industries require highly skilled professional and technical workers to meet the demands of the job.

2. HEALTHCARE AND SOCIAL ASSISTANCE

The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The services provided by establishments in this sector are delivered by trained professionals with the requisite expertise, and in many cases with an educational degree or credential. For the industry cluster to thrive, a large regional hospital usually serves as a nodal point for the associated healthcare and social services. From a health infrastructure standpoint, proximity to existing labs and facilities is necessary, and a supply of centrally located land zoned for lab, research, and light industrial is ideal. Additionally, the industry requires large amounts of human capital, as the workforce tends to be diverse and varies between technical and non-technical jobs.

Kennesaw has the makings of an ideal healthcare ecosystem with proximity to the Centers for Disease Control and Emory University which has a renowned hospital system. KSU is also a great community asset, as it has a Nursing School and offers degrees in life sciences. All this coupled with the growing elderly population in Kennesaw and Cobb County make for a favorable environment for this industry to thrive. Firms currently engaged in Healthcare and Social Assistance in Kennesaw include:

- Kaiser Permanente
- Exodus Health Center
- Central Home Health Care
- Piedmont Quickcare

The COVID-19 pandemic impacted the healthcare and social assistance industry significantly, and in many cases pushed it toward its breaking point. The lessons learned from the pandemic can be an opportunity for industry players as there is expected to be more federal/state funding for basic science research into diseases. Additionally, there might be an increase in the number of insured individuals which provides healthcare companies the potential for greater revenues. Currently, Georgia has a lower-than-average percent of population having insurance coverage; with the pandemic heightening the need for healthcare growth in this industry is expected.

Emerging and growing industries include Home Healthcare Services, Other Outpatient Care Centers, Residential Mental Health and Substance Abuse Facilities, and Continuing Care Retirement Communities and Assisted Living. Kennesaw could capitalize on these sectors as the city already has the required human resources and health infrastructure.

3. INFORMATION TECHNOLOGY & SOFTWARE DEVELOPMENT

The Information Technology and Software Development sector has grown tremendously over the last two decades, with further growth projected from Web 2.0 related activities. Private investment in computers and software is projected to increase at an annualized rate of 4.2% per year. This growth will most likely occur in software development and server maintenance jobs. For the industry cluster to thrive, the major drivers are human capital and venture funding. A technically trained workforce that can actualize ideas and bring product to market is essential. Additionally, since technology and software development have low barriers to entry for start-up companies, venture funding is required for growth. Venture funding allows start-up companies to secure financing, typically in the form of equity, to scale the business.

Kennesaw has the potential for a strong Information Technology and Software Development sector, given its proximity to KSU, Georgia Tech, and Emory University. These institutions produce talented workers with skills in engineering, math, and computer science which can be used in the software development industry. Local firms engaged in Information Technology and Software Development include:

- Riskonnect
- Orasi Software
- Radius Technologies
- Real Tech Solutions
- FortifyData

Emerging and growing industries include Motion Picture and Video Production, Internet Publishing and Broadcasting and Web Search Portals, and Other Telecommunications. Kennesaw's high quality of life, well-educated workforce, and proximity to existing technology centers make the City competitive in this environment.

4. PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES

The Professional, Scientific, and Technical Services sector comprises establishments that engage in activities that require a high degree of capital and need a workforce with expertise and training. Examples activities include legal advice and representation, accounting, engineering, computer services, and other professional, scientific, and technical services. Metro Atlanta has seen substantial growth in this area and growth is projected to continue through 2025 based on the rebound from the COVID-19 pandemic.¹ This sector provides an opportunity for small business development, as many professional and technical services are dominated by small firms.

Like the Information Technology and Software Development sector, the Professional, Scientific, and Technical Services Sector is buoyed by proximity to KSU, Georgia Tech, and Emory University. Additionally, the Fulton and Cobb County labor markets have many talented workers; the city of Kennesaw already has existing office space suitable for small and mid-sized businesses. Local firms engaged in Professional, Scientific, and Technical Services include:

- Source Bioscience
- Renmatix
- Advocos LLC
- Dornier Med Tech
- FOB Synthesis Inc.

¹ IBIS World, 2021

Emerging and growing industries include Management Consulting Services, Veterinary Services, Other Legal Services, and All other Professional, Scientific, and Technical Services.

5. TRANSPORTATION AND WAREHOUSING

A consequence of the COVID-19 pandemic was a greater demand for transportation and warehousing. It is anticipated the sector will continue to grow long-term because of the demand for goods to be transported to manufacturing and consumption centers. An example of future growth is that consumer spending is anticipated to grow at an annualized rate of 3.4% over the next five years.² To meet the growing demand, investment in the Transportation and Warehousing sector will need to take place. The industry has high barriers to entry as there are substantial initial capital costs, especially with regards to refrigerated trucking and storage. Additionally, large amounts of industrial space are required, which currently is in short supply with industrial rents rising over the past year.

The City of Kennesaw already has an existing transportation, logistics, and warehousing ecosystem which helps support Cobb International Airport. Businesses in this sector already occupy many of the industrial buildings in Kennesaw. Firms currently engaged in transportation and warehousing include:

- UPS Freight
- FedEx Ground
- Doccargo
- Estes Express Lines
- M&M Trans Inc.

As mentioned earlier, Kennesaw's efforts should focus on growing existing and attracting new companies. The Metro Atlanta region is a major economic hub, and the growth in transportation and warehousing illustrates the growing demand. Some emerging and growing industries in the region include General Freight Trucking, Specialized Freight Trucking, and Charter Buses. These industries require high skilled workers with the requisite certifications to meet the demands of the job.

² IBIS World, 2021

6 **IMPLEMENTATION STRATEGY**

A. INTRODUCTION

The following section details the recommendations for the City of Kennesaw to consider as it creates its annual economic development business plans for the next 5 years. The implementation strategy is a culmination of the outreach efforts, the consultant's empirical research, feedback from local and regional implementation partners, the direction of the Working Group, and input from staff and the City Council. The initial portion of this section details the principles and goals identified and defined by the Working Group in partnership with the City staff and the consultants. This section is followed by the discrete recommendations and implementation steps to assist the City in transitioning from vision to action.

B. PROPOSED ECONOMIC DEVELOPMENT GOALS

The City assembled the Working Group to represent the various public and private perspectives that influence—and are influenced by—the City's economic development efforts. This Working Group provided guidance and feedback throughout the development of this plan. As part of that effort, a comprehensive outreach strategy was held to identify, refine, and prioritize the City's economic development goals. These goals were presented and reviewed with the Working Group, who provided feedback on refining and prioritizing these goals. The following list represents the culmination of this input and selection process and are presented in order of the Working Group's recommended priority.

1. GOALS

- *Retain and create stable, quality jobs* - The backbone of the City's economy are small companies, which from a Kennesaw perspective can be defined as companies with 10 or fewer employees. Economic development staff, the Working Group, and RKG Associates all recognize that the greatest immediate potential to support business and job growth is a more comprehensive, proactive small business and entrepreneurial retention, expansion, and recruitment program.

- Enhance the opportunity for increasing community equity - This analysis revealed that Kennesaw's community is diversifying. The Working Group and RKG Associates both recognize the value of creating economic development opportunities for these emerging populations to grow the City's business and employment base. Most notably, RKG Associates recommends creating new entrepreneurial programs that offer specific opportunities to women and minority populations. In addition to this, the Working Group recognizes that job creation in the city needs to be tied to livable wages for Kennesaw residents. To meet this requirement, the City must strengthen the connection between local incentives and requiring wages that are commensurate with the cost of living in the City.
- Increase the City's proactive efforts to engage and support existing businesses - The Working Group and RKG Associates encourage the City to increase investments in networking and collaboration efforts with implementation partners and the City's existing business base. Increasing the opportunities for businesses to develop new relationships can create new economic development opportunities without substantial City engagement or investment. Increase proactive marketing and outreach is an important component of this goal, as businesses/partners cannot participate in events of which they are unaware.
- Improve Kennesaw as a place to live, work, shop, and recreate – The City should actively engage with existing businesses and potential developers to enhance the office, retail, shopping, and recreational amenities in Kennesaw. This would require partnerships which leverage existing resources to promote and shepherd projects through the public process.
- Strengthen Downtown and its connection to other local economic activity centers – A revised Downtown is critical to the future development of Kennesaw. The city needs to expand its working relationship with organizations such as the Kennesaw Downtown Development Authority to ensure smooth collaboration. Additionally, the city needs to enhance physical and economic connections to other commercial nodes such as Cobb Parkway through public and private investments.
- Make Kennesaw more business friendly - The Working Group recognizes that business engagement is the primary component of economic development activity. For a city, real estate and land use issues require similar attention through economic development efforts. For example, incompatible zoning can undermine business recruitment more easily than an ill-conceived local incentive program.

The City should work with business owners to understand their needs, and how existing regulations may hinder business plans and ideas.

- Increase public awareness and support for Kennesaw's economic development 'story' - Most economic development projects are focused on real estate and land use investments. Decisions on supporting (or opposing) a specific project oftentimes is reliant upon public support. Most individuals are unaware of the connection between economic development, community development, fiscal sustainability, and the local business climate. To this point, the RKG Associates, and the Working Group recommend a series of community outreach initiatives aimed at engaging elected officials, business leaders, and Kennesaw residents so that future decisions that impact economic development are balanced and well informed.
- Scale the City's economic development efforts to maximize efficiency and effectiveness - It is essential that the City have current and complete business records and real estate market information. The Working Group encourages that the City's economic development department enhance data collection efforts and access to information so that economic development actions and efforts are well-informed. Additionally, the City should measure the impacts of economic development initiatives annually. This would enable the city to track their return on investment.
- Continue to develop strategic partnerships with implementation partners – Kennesaw already has working relationships with several of the regional economic development partners focused on business recruitment including the Georgia Department of Economic Development (GDEcD), the Metro Atlanta Chamber (MAC), and the Cobb Chamber of Commerce. The Working Group and RKG Associates recommend the City focus its recruitment efforts on businesses with 50 or fewer employees and leverage these regional partners focused on those larger firms that often seek incentives beyond the capacity of the City.

C. BUILDING FOR SUCCESS

Kennesaw already has built positive momentum with their existing economic development staff and actions. This strategic plan is not intended to supplant those efforts, but rather build upon them and provide the City the tools to refocus efforts to align with current and emerging opportunities, strengthen community awareness and support of economic development, and improve the efficiency and effectiveness of the City's economic development investments.

- Scaling expectations with investment – One of the more common challenges communities have when implementing a strategic plan is to establish realistic expectations in terms of the timing and scale of results. While many of the initial actions in this plan are focused on adopting and changing policies, establishing new programs and initiatives, and collecting and tabulating the data necessary to be successful, there is a larger challenge that Kennesaw faces as it moves forward... scaling expectations with investment. Simply put, the City currently does not fund economic development efforts sufficiently to pursue all of the proposed implementation goals. The Working Group and staff prioritized which goals should be pursued first, and which should be taken up as additional resources and staff capacity is made available.
- Be creative and flexible when implementing – The strategic economic development plan is not intended to be a literal guide for the City to follow. The concepts and strategies provided by the consultant are best practices at achieving the vision defined by the Working Group. Given the long-term timeframe of several of these recommendations, several factors relevant to Kennesaw may (and most likely will) change over time. Market conditions and access to resources will adjust over time, requiring the City to find an alternative approach to reach the stated vision. To this point, this document should be viewed as guidelines and not prescriptive edicts.
- Being proactive can provide greater opportunities – Many communities implement economic development effort by reacting to demands from the marketplace and not the vision established by processes such as these. Getting ahead of the investment market provides several benefits. Most notably, engaging with property owners before there is an established plan can lead to more creative solutions that meet the needs of both the public and private partners. At the very least, the investment community will have a greater understanding of the City's vision and can create investment strategies to engage that vision prior to finalizing any investment plans.
- Coordination is critical – The City of Kennesaw has limited staff and financial resources to achieve all the goals laid out in this document. However, there are several key investment partners that already focus on many of these opportunities. The City should continue to engage regional and state-wide economic development partners to leverage their expertise and resources to assist the City in obtaining its goals. In other words, there is no reason for Kennesaw to 'reinvent the wheel.' This is particularly true with business recruitment, as there already are

several well-funded and resourced entities that can represent Kennesaw's interests to large companies through simple coordination.

D. PRIORITY ACTIONS

The Implementation Matrix presented later in this chapter provides an easy-to-follow guide of the economic development recommendations for Kennesaw. The recommendations are parsed into six general topic areas: [1] Outreach, Communication, and Marketing; [2] Business Retention and Expansion; [3] Business Recruitment; [4] Existing Asset Development; [5] Toolbox Development; and [6] Organization and Coordination. The specific recommendations in this strategy were shaped through combining the vision of the Working Group, input from community stakeholders, business leaders, and elected officials, current and projected market conditions, and current/projected market opportunities.

The following action items are "priorities" for the Working Group in context of the City's short-term implementation of an economic development business plan. They are considered critical, and in some cases catalytic, in their importance to reach the stated goals. The narrative provides context for these recommendations to help frame the City's efforts in a manner that will maximize the effectiveness of City resources in expanding the City's economic sustainability, support new and existing businesses, expand the diversity of local housing choices, and attract further investment to Kennesaw. While the other actions identified and detailed in the Implementation Matrix are necessary to meet the defined economic development goals, their implementation are considered to be more supportive and ancillary to these efforts.

1. OUTREACH, COMMUNICATION, AND MARKETING

With the appropriate resources, the City's economic development team can implement a more proactive and effective marketing and outreach effort to prospects, current businesses, and the community as a whole. On one hand, the City is recommended to update its marketing materials to reflect the new priorities and be more effective in its messaging. The Implementation Matrix details specific collateral recommendations as well as enhancements to the City's print and digital outreach efforts. Most notably, the City's economic development effort should have an independent, professionally developed website. While economic development efforts will remain City functions (at least into the foreseeable future), having an economic development specific website designed to be more informative and engaging has become a minimum standard in marketing and business retention/recruitment efforts.

On the other hand, additional effort needs to be made to better engage the leaders, residents, and businesses within Kennesaw to increase awareness and understanding of what economic development is, how the City is implementing its economic development efforts, and why those efforts are beneficial to everyone in the City. Given much of the City's economic development efforts require City Council support—and therefore greater community endorsement—investing resources and staff time to increasing understanding and awareness is necessary to garner greater support for the City's inevitable growth and evolution.

Objective 1: Create marketing collateral to 'sell' the defined economic development vision

The Working Group encourages the City to refine existing material and create new materials to be more comprehensive. Most notably, materials highlighting the City's emerging small business programming and incentives should be prioritized. Further, the City should create industry-specific materials in collaboration with regional partners to ensure consistency. It is important to note that while having marketing materials is a minimum benchmark for disseminating information, keeping those materials current is essential. This is particularly important for Internet-based materials, as having inaccurate/out-of-date data sources can harm the community's potential for a prospect before ever learning about the opportunity. Specific recommendations include:

- Quality-of-Life Brochure – The quality-of-life brochure should focus on the intangibles of living and working in Kennesaw, highlighting the various technology, workforce, cost of living, and social amenities of the area. The content should emphasize factors such as school performance, cultural assets, proximity to road and rail transportation, access to the regional markets, and quality/variety of leisure activities. This material is particularly valuable in the professional services recruitment and entrepreneurial development.
- Target Industry Materials – Industry-specific marketing materials for each of the target industries is important for disseminating specific data that is valuable to the City's target industries. Each document should be customized based on the cluster (see Chapter 5). The documents should highlight information including employment and establishment growth data, regional wage rates, current businesses operating in the area, competitive advantages of operating locally, unique incentives available (where applicable) and local business contacts (ambassadors).

- *Incentive Sheet* – The City’s incentive marketing materials will need to be created once local incentive programs are established to reflect local, county, and statewide programs. Each incentive sheet should focus on those programs relevant to the industry group being targeted. Prospective businesses can use this document to gauge the financial benefits to doing business, and existing businesses may be alerted to incentive programs they were unaware of, therefore helping to ensure their continued presence in the City.
- *Business Testimonial Book* – RKG Associates’ efforts for this analysis has revealed several compelling “success stories” of existing businesses succeeding in Kennesaw. However, these experiences are not chronicled or readily available to use in marketing. The Working Group recommends crafting a business testimonials book with written statements from existing industry leaders on topics ranging from quality of life, business climate, value-add created by the City, and personal preference to do business locally. Getting input from companies that have chosen Kennesaw and thrive locally is valuable to industry recruitment. Individual testimonies of leaders from a range of businesses by size should be a priority.
- *Property Assemblage Book* – As noted earlier, the City’s economic development efforts should include land use and real estate marketing. The City should create a property assemblage book that highlights those catalytic land assets identified in each of the commercial centers where the City and property owner are aligned on the future development program. To this point, the assemblage book should only highlight those assets where the property owners are engaged and supportive of the City marketing their property. The book should focus on the top (5-10) catalytic projects. Each listing should provide information on all the properties as well as the community’s development vision for that area.

Objective 2: *Create a more robust performance dashboard to better engage the Kennesaw community.*

One of the most common challenges that municipal economic development efforts face is having defined, realistic, and measurable outcome expectations. Too often communities try to define economic development ‘success’ through nominal measure of job creation, business attraction, and/or tax revenue growth. While this approach is understandable since these metrics are measurable and make sense to the public, they are not accurate or reasonable assessments of economic development activity. Most notably, these nominal measures ignore larger economic conditions and cycles. Using a nominal

year-over-year job growth measure as the benchmark for economic development success is destined to failure during a downturn or recession. For a City the size and scale of Kennesaw, these types of measures also can be skewed by the attraction (or relocation) of a single large employer.

RKG Associates recommends the City adopt performance measures that track the effectiveness and efficiency of various implementation programs. This approach differs from the nominal approach by measuring how successful a program is compared to its investment and desired outcome. For example, a more impactful measure of an entrepreneur program is the graduation rate rather than the number of jobs created. Graduation rate can identify deficiencies in the screening process or the curriculum. If entrepreneurial development is a City priority, the investment should be tracked against the efficacy and continued improvement of the program. For nominal measures, programs should be compared to each other to determine if certain efforts produce results at a lower cost or timeframe. However, the priority of a given program should be considered along with the nominal results.

RKG Associates recommends the City establish a formal economic development dashboard to track performance across each of these topic areas (as implementation resources are added): [1] business retention and expansion, [2] capital investment, [3] entrepreneurial development, [4] workforce development, [5] fiscal sustainability. Metrics for each topic area could include:

- **Business retention and expansion**
 - Site visits performed
 - Ombudsman assists
 - Jobs retained/expanded
 - Network event attendance
 - Priority retention prospect contacts
- **Capital Investment**
 - Number of companies assisted
 - Number and value of new investments
 - Incentive cost compared to total capital investment
 - Average annual wage of new jobs
 - Debrief highlights from lost opportunities and subsequent recommendations

- **Entrepreneurial development¹**
 - Enrollment inquiries versus enrollment
 - Graduation rates
 - Jobs created per graduate
 - Debrief on businesses leaving the mentorship program and subsequent changes
- **Workforce development**
 - Regional programs offered
 - Program application and enrollment of Kennesaw businesses/residents
 - Internships, apprenticeships, and employment placements
 - Business inquiries versus program engagement
- **Fiscal sustainability**
 - Number of incentives given
 - Dollar value of incentives compared to jobs created/preserved
 - Dollar value of incentives compared to capital investment created
 - New business tax revenues
 - Other benefits (i.e., infrastructure investments)

Objective 6: Implement a proactive community engagement and education initiative

Many economic development decisions require elected leaders to support the use of resources to succeed. Having community support (or at least minimizing community opposition) is a critical component of having a successful economic development effort. The Working Group encourages the City to implement a series of community engagement efforts to increase Kennesaw residents' understanding of what 'economic development' is, why economic development efforts are necessary, and how economic development investment benefits them and the entire community. This effort is particularly important in Kennesaw around land use issues. It is well documented that there are a diverse set of opinions on land use locally. The Working Group want to ensure community support/opposition to a development initiative is informed by facts and not misinformation.

One way for the City to amplify staff capacity for community outreach is to engage its citizens in the process. RKG engaged several City business leaders and residents that are well suited to engage in these roles. Specific roles include:

¹ As programming resources are added to the City's economic development program

- Community advocates – There has not been much effort in engaging residents about the opportunities/challenges of implementing an economic development program to date. Given the challenge of reaching all the different community groups (and economic development perspectives in Kennesaw), the Working Group recommends a select group of interested citizens assist in engaging local civic organizations (i.e., homeowner associations, social clubs...). Ideally, the community advocates would be individuals with strong ties and broad recognition within either a specific area of the City or with a civic group. Individuals selected to be advocates should be familiar with the City's economic development efforts, can discuss and explain economic development concepts, and be well spoken. Most importantly, the advocates must be available to assist in outreach to various community (i.e., congregations) and civic (i.e., neighborhood groups) entities.
- Business ambassadors – The ambassador program is a collection of business and industry leaders that provide support to the economic development entity's staff for industry recruitment and retention. Although these individuals will have no formal authority within the recruitment process, they provide a 'real life' vantage point for prospects about doing business in Kennesaw. Their most important function is to provide a business perspective for prospects interested in locating/expanding within the City. Utilizing business leaders in the recruitment process legitimizes the recruitment effort through testimonials while leveraging the staff's time and effort. The most effective ambassadors may not be from the largest businesses. The City should identify ambassadors from each of the major industry sectors to ensure appropriate coverage regardless of the prospect.

Community awareness and support is a critical component of implementation. Simply put, the amount of financial and political support for economic development is influenced by the willingness of residents to endorse local action. Past actions (that occurred before initiating this effort) indicate there is not widespread understanding of economic development initiatives in the City of Kennesaw, why it is important for future sustainability, and what needs to be done to achieve the stated vision. Increased awareness and education about economic development can only benefit the City's implementation in building sustainable and strategic relationships with all local stakeholders.

2. BUSINESS RETENTION AND EXPANSION

Business retention and expansion (BRE) efforts have the greatest economic development potential for Kennesaw. At a base level, retaining existing businesses and/or enabling

existing businesses to grow typically costs less (per job) than recruiting new companies into an area. In RKG Associates' experience, most of our municipal clients have reported lower expenses in assisting an existing company to grow than the cost to attract a new company to their jurisdiction. Similarly, recruitment typically only replaces the loss of a company that was lured somewhere else.

The City's engagement with businesses has been limited due to [1] a low priority for BRE activities and [2] inadequate resources to proactively engage these businesses. The COVID-19 pandemic response from the City not only provided valuable support to existing businesses through information dissemination and support, it exposed the value existing businesses place on a more proactive engagement effort. A more proactive and comprehensive effort to improve the local business climate, make networking connections with suppliers/clients/partners, and address regulatory or physical impediments to success/growth should be a top priority for the City.

Objective 2: Work with SelectCobb to do a joint business survey annually, or a city-specific survey if SelectCobb is not interested.

The City's economic development staff should work with SelectCobb (or implement an independent survey if SelectCobb is not interested) to develop an annual business survey that engages community businesses about current market conditions, recent market and business trends, identify existing/emerging challenges and needs, and provide opportunity for businesses to provide feedback on economic development priorities.

The survey responses provide four valuable outcomes. First, programs and policies can be created to address challenges/opportunities identified by several businesses. Second, trends/issues in each industry and/or business center within the City can be identified and mitigated through collaboration with key stakeholders. Third, individual responses can be used to ensure site visits (discussed later in this section) are targeted to those businesses that have the most immediate opportunities to grow/are at risk of downsizing or closing. Finally, survey findings can be tracked over time to identify market trends and fine tune programs based on the current and projected economic climate.

As awareness of the survey grows, it can be expanded to serve as a comprehensive approach to identify workforce, market, regulatory, and growth needs of the City's business base. The results collected from this effort can guide any changes to existing business outreach approach and help define economic development policy focus for the coming year.

Objective 1: Build industry roundtables in a number of different market areas.

An industry “roundtable” should be created for each and any industry group within the City that cares to participate in programs and services offered by the City. These informal groups should consist of between eight and twenty representatives from the specific industry group, members of the implementation entity staff and other representatives from the City and community, as necessary. The group should meet on a regular basis (typically quarterly) to discuss issues related to the ability to do business in Kennesaw.

The City’s economic development staff also should use this opportunity to disseminate information about current projects and programs being developed and/or revamped, including how these changes will influence the group. Simply put, this forum allows local businesses to participate in the economic development process, to learn of current events, and to provide feedback on additional efforts that may be undertaken. While all industries should be encouraged to form roundtables, the Working Group recommends the implementation entity prioritize the development of roundtables in the following categories:

- Logistics
- Manufacturing
- Professional Services
- Healthcare
- Dining and Retail

The roundtables are the first step in collecting data outside of the formal form submittals to the City. These groups should be used to generate initial concept and policy ideas as they relate to workforce and entrepreneurial development programs, financial and regulatory incentives, and market and asset development. Survey outreach to the rest of the City’s business base should first be vetted through the relevant focus group to ensure relevance and buy-in.

3. BUSINESS RECRUITMENT

Business recruitment varies depending on the size of the company being attracted. Within economic development, larger companies tend to seek out regional locations (i.e., metropolitan Atlanta) rather than specific jurisdictions. For example, I-75 corridor is a highly active goods transportation corridor, providing a competitive advantage to attract logistics and transportation companies. However, this cluster is not focused on Kennesaw per se and, in fact, likely would prefer a site immediately adjacent to the Interstate. However, support service businesses connected to logistics, warehousing, and goods movement would be more open to a proximate location.

City already has relationships with statewide, regional, and local economic development partners actively engaged in larger-scale business recruitment including SelectCobb and the Metro Atlanta Chamber. These entities have larger budgets and can offer more substantial incentives to companies seeking to relocate to Kennesaw. Given the resources available to the City's economic development effort, RKG Associates and the Working Group recommend the City continue to build these relationships, offering data and marketing support to their efforts rather than executing a proactive recruitment strategy.

Objective 2: Scale proactive marketing and recruitment efforts to best leverage the City's resources and market reach.

That said, it is reasonable that the City's economic development team engage in small-scale business recruitment, focusing on helping to fill smaller spaces within the City that may be less of a focus for these larger-scale economic development partners. It is at this scale that the City's recruitment collateral and efforts should be focused. The City's business recruitment efforts should be focused on companies that are more sensitive to specific locations. These companies oftentimes are 'too small' for the City's regional recruitment partners, offering the City an opportunity to 'fill the gap' in providing the site location and marketing resources for these companies.

For example, Georgia Power's available property database does not include office properties with less than 10,000 SF of available space. In contrast, most office-related businesses require less than 10,000 SF of space. The City can create a similar on-line tool in coordination with local real estate brokers and property owners to offer site identification assistance to these smaller companies. The recommended small business and entrepreneurial programming and the changes to the City's incentive programs align with this strategy as well. RKG Associates recommends the City create customized marketing collateral that targets these smaller businesses as detailed in the Outreach, Communication, and Marketing section.

4. EXISTING ASSET DEVELOPMENT

Economic development efforts at the municipal level should have a strong connection to land use and real estate investment/planning. Asset development includes the preparation and marketing of development-ready sites and buildings. Given the built-out nature of Kennesaw, new real estate investment will require infill development and/or redevelopment of existing properties. Infill and redevelopment efforts carry greater investment risk than traditional greenfield investment due to the increased challenges of longer construction periods, the added demolition costs, the temporary loss

of revenue during demolition/construction, and the uncertainty of the marketplace at project completion. Further, Kennesaw does not have traditional blight or vacancy issues, so redevelopment carries the additional challenge of how to address existing tenants/leases.

The speculative nature of infill and redevelopment requires a unified vision for development between the property owner and the City. Kennesaw can alleviate some of that risk by coordinating its regulatory and policy environment with market demand and investor/owner needs. RKG Associates and the Working Group recommends the City adopt a more proactive effort to engage property owners, develop long-term visions for the City's commercial areas, and refine existing zoning and incentive programs to facilitate the execution of those strategies.

Objective 1: Formulate (or enact) economic development concepts for each of the City's employment centers.

The City already has engaged this strategy for the Downtown, and should expand such planning for Highway 41, Jiles Road, Moon Station Road, and Cobb International Boulevard. This proactive planning would allow the city to engage with residents, business owners, and property owners to define a future for the study area and establish specific implementation strategies to execute that vision. The strategies can address short, mid, and long-term goals for the area.

Objective 2: Work with property owners to ensure economic development plans are consistent with short-term and long-term investment strategies.

The City needs to engage commercial and industrial property owners to coordinate future potential economic development efforts. The City is not in a position to lead real estate investment to shape future economic development efforts. The vast majority of investment will come from the private sector. To this point, aligning the City's land use and real estate development vision with the marketplace is imperative. At a base level, the City's planning efforts will yield limited results if strategies are not market viable or counter the investment strategy of a targeted infill/redevelopment site. More strategically, coordinating planning efforts and marketing strategies with property owners can identify challenges and offer creative solutions that may not have been addressed otherwise. This preemptive effort can accelerate action and result in a product that exceeds both the City's vision and the owner's investment expectations.

Based on the economic development small area plans, mentioned above, the City should identify 4-6 priority investment/reinvestment properties to focus their efforts. Once the properties are identified, the City should develop a prospectus book highlighting each site, current use/ownership, City vision, and the tools available to develop the site. Additionally, the City will need to engage with property owners on an annual basis to determine any changes to the investment strategy.

5. TOOLBOX DEVELOPMENT

Municipalities in Georgia are limited in the tools available to them to promote and induce economic development activity. The City of Kennesaw has not utilized the full depth and breadth of tools available to them. More specifically, some of the tools available (i.e., the Kennesaw Development Authority) exist but are not being used to their capacity. While RKG understands the City's position on aiding businesses, economic development is a competitive environment.

Objective 2: Create economic development incentives that match City's priorities and performance expectations.

To this point, the Working Group and RKG Associates recommend the City consider incentives that are location (i.e., Downtown), business (i.e., target industry), and situation-specific (i.e., blight removal), and include claw back requirements that would make the partner reimburse the City if they do not meet the incentive requirements. For example, it was noted through this process that the City's annual alcohol license fees are much higher than most jurisdictions surrounding Kennesaw. The City can consider a lower license fee in certain commercial areas where restaurants and bars are more appropriate for those uses (i.e., Downtown) than other areas (i.e., Cobb International Boulevard). Providing a license fee more in-line with neighboring communities (or even below them) promotes the type of uses that the City wants in the specific areas it wants them to locate.

Most notably, RKG Associates recommends any incentives that the City enacts should be formulaic, clearly defining the 'if-then' relationship of incentive to required performance threshold (i.e., number of jobs created). Improved clarity regarding a proposed project's eligibility for incentives will benefit developers, businesses, and the City alike by reducing confusion and saving time. These can also ensure that rules are applied consistently, and that assistance is going to worthy (and otherwise infeasible) projects that are evaluated on a level playing field. The criteria considered when granting the City's financial incentives should be based upon net new job creation, the value of property created, locational considerations (with preference given to projects on catalytic

sites and preferably with multi-modal access), and industry sector. The amount of incentives provided should be on a “sliding scale” to ensure that the incentive commitment is in line with the amount of private investment committed, and to discourage developers from making arbitrary program changes in order to meet assistance thresholds. As noted, all incentives should include performance reviews with “claw back” provisions to ensure that projects deliver upon promises made.

6. ORGANIZATION AND COORDINATION

Economic development must be led by a team of dedicated professionals with the capability to execute the implementation plan and meet the community’s defined goals. There are several successful models that a community can emulate ranging from internal economic development staff to a privately funded, not-for-profit organization that operates on behalf of the community. Even within the Metropolitan Atlanta marketplace, several different approaches are taken. A community must consider the various advantages and disadvantages of each option, particularly within context of issues such as market realities, partner interest/viability, leadership preference, and available resources. To date, the City of Kennesaw has implemented its economic development efforts internally.

This process included a review of the City’s existing approach and external partnerships to identify any potential recommendations for an organizational structure that maximizes the City’s potential for success at retaining, expanding, and attracting businesses and investment. The Working Group engaged with RKG Associates to provide feedback on different potential organizational structures, including the strengths and weaknesses for each option. Specific areas of interest identified were:

- Focusing the City’s economic development efforts based on available resources and community priorities,
- Formalizing relationships with implementation partners to mitigate any confusion and/or overlap in activities,
- Identifying the skills necessary to implement the prioritized economic development actions effectively and efficiently, and
- Leveraging the City’s engaged private sector to increase competencies and resources.

RKG Associates reviewed the City’s existing approaches and organization; assessed existing and potential relationships with other local, regional, and state-level partners; engaged several community leaders and key stakeholders (including existing and

potential partners); and compared the defined goals and objectives with current staffing and financial resources. The results of this work produced three primary findings:

1. *There is a passionate and engaged business community in Kennesaw* – The SEDP process has revealed there are several business leaders willing/interested in engaging with the City with its economic development efforts. This offers the City an opportunity to leverage the knowledge, experience, relationships, and resources of Kennesaw businesses to better leverage City resources.
2. *Current relationships with implementation partners generally are not well defined* – The Kennesaw Economic Development Department has developed positive relationships over the years with all the potential implementation partners. However, those relationships are not defined, and has resulted in lack of clarity about what entities are responsible for which actions. Clearly defined relationships should be a priority to provide better clarity and transparency in implementation.
3. *The City's existing investment in economic development is not consistent with desired outcomes* – The City currently employs two full-time economic development professionals and does not invest the sufficient funding to properly meet the defined economic development goals for Kennesaw. Without additional resources, the City's economic development efforts need to be scaled to the staff and financial capacity.

Each of these points are addressed in the following priority actions.

Objective 2: *Staff the economic development organization commensurate with stated goals.*

The City's stated economic development goals are comprehensive, asking the existing economic development staff to lead the City's business retention and expansion, small business and entrepreneurial development, business recruitment, and community engagement. Simply put, the current staff of two is not sufficient to be able to accomplish all these efforts. If Kennesaw is to be successful in each of its economic development efforts, additional financial and staff resources will be necessary. More specifically, RKG Associates recommends the City create specific positions and hire professionals with the technical expertise for each given focus area. RKG Associates recommends creating the following positions (in sequential order) based on the priorities established by the Working Group and the City's existing economic development staff.

- Small Business/Entrepreneurial Development Professional – Small business and entrepreneurial development was the consensus priority for Kennesaw. As noted in the Implementation Matrix, there are several discrete actions the City should undertake in collaboration with the Kennesaw State University Small Business Development Center to enhance small business and entrepreneurial development, including overseeing the entrepreneurial program and engaging the City’s home-based businesses. RKG Associates envisions the small business professional also would contribute to the retention efforts, focusing on BRE visits to small independent business owners.
- Ombudsman – While small business development and business retention and expansion are the priorities the Working Group recommends immediate action, enhancing the City efforts (both real and perceived) to make permitting and review more ‘user friendly’ also should garner more dedicated staff time. RKG Associates’ business engagement interview process revealed a dichotomy in perceptions of the City’s friendliness to businesses.

On one hand, there is a consensus that the City wants to support new and existing businesses. The economic development staff was complimented consistently in working with businesses that have sought help. On the other hand, some businesses shared experiences where City policies and processes were cumbersome, excessively costly, or not well defined.

The ombudsman position is focused on providing property owners and investors technical and process-oriented assistance when going through the development review and entitlement processes. Whether it is a rezoning or variance request, the ombudsman program is intended to assist applicants in effectively and efficiently navigating the relevant City rules and regulations. The position has two priorities. First, the ombudsman must be familiar with all procedures and expectations in Kennesaw and be able to advise applicants on how to ensure a complete application package. Second, the ombudsman must be able to collaborate with industry professionals (i.e., engineers) to provide advisory services when it comes to technical needs.

It is envisioned that this assistance will be advisory in nature, and not provide technical requirements directly to the applicant. The existing staff provides these services on an ad hoc basis when time is available. However, a more comprehensive business outreach and engagement strategy most likely will

identify sufficient need to have a dedicated position to provide support and liaison services.

- *Business Retention and Expansion Specialist* – Business retention and expansion has been recognized as a core function for the City’s economic development efforts. Current staffing levels allow for a modest number of BRE visits and time committed to assisting these businesses. A full-time staff person committing 100% of their efforts to BRE would be able to engage 30-35 businesses a week, not accounting for follow-up items raised in the BRE interview. This translates into less than 2,000 visits a year. While RKG envisions each staff member would have some commitment to BRE (i.e., the small business professional position described), having a professional committed to BRE full time should be a minimum commitment by Kennesaw.

RKG Associates recognizes that hiring these new positions simultaneously will carry a financial commitment currently unavailable. More likely, these positions will be created over time as resources are made available (this timeline may be accelerated through the PPP process). As noted, RKG recommends the City create these positions sequentially in order of description to be consistent with the Working Group’s identified priorities.

E. IMPLEMENTATION MATRIX

The following Implementation Matrix presents the full range of objectives and corresponding action items for the City’s consideration. As noted, this matrix should serve as a reference document as the economic development staff craft their annual business plan. The timelines, estimated costs, and implementation partners for each action item identified in the matrix reflects RKG Associates professional recommendation guided by input from City staff and the Working Group. The City’s economic development annual business plan should be structured to advance the vision and goals established through this effort but prioritized and scaled based on the available staffing and capital resources available at that time. The final timing, focus, and potential costs for each action item should be refined by staff and/or the responsible implementation partner when implementation occurs.

City of Kennesaw, Georgia Strategic Economic Development Plan Implementation Matrix				Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
				Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
OUTREACH, COMMUNICATION, AND MARKETING (OCM)																	
Objective 1	Create marketing collateral to 'sell' the City's economic development vision																
	Action 1.1	Create all materials listed below in print and digital format, updating regularly (minimum once a year)			KEN	C											C Annual
	Action 1.2	Create target industry-specific fact and information sheets			KEN	C											Included Annual
	Action 1.3	Refine the existing marketing document to reflect recommended changes where applicable (i.e. incentives)			KEN	C											Included Annual
	Action 1.4	Create quality of life information sheets on livability and amenities in Kennesaw			KEN	C											Included Annual
	Action 1.5	Create a property prospectus book as detailed in Asset Development Action 2.3 (digital only)			KEN	C											Included Annual
	Action 1.6	Create vision brochure for each small area plan developed as detailed in Asset Development Action 1.3			KEN	C											Included Bi-Annual
Objective 2	Create a more robust performance dashboard to better engage Kennesaw residents and businesses																
	Action 2.1	Establish a formal economic development dashboard to track performance across each of these topic areas: [1] retention, [2] capital investment, [3] entrepreneurial development, [4] workforce development, [5] fiscal sustainability			KEN												ST One Time
	Action 2.2	Retention metrics should include: [1] site visits performed, [2] business assists, [3] jobs retained/expanded, [4] network event attendance, [5] prospect contacts			KEN												ST Semiannual
	Action 2.3	Capital Investment metrics should include: [1] number of assists, [2] number/value of investments, [3] incentive/cost ratio of new investments, [4] jobs created with wages, [5] debrief highlights from lost opportunities			KEN												ST Semiannual
	Action 2.4	Entrepreneurial metrics should include: [1] enrollment inquiries, [2] business enrollment, [3] graduations, [4] jobs created, [5] debrief on businesses leaving the mentorship program			KEN												ST Semiannual
	Action 2.5	Workforce metrics should include: [1] programs offered, [2] program applications and enrollment, [3] internships, apprenticeships, and employment placements, [4] businesses assisted, [5] business inquiries			KEN												ST Semiannual
	Action 2.6	Fiscal sustainability metrics should include: [1] number of incentives, [2] dollar value of incentives, [3] jobs created/preserved from incentives, [4] capital investment created, [5] new tax revenues, [6] other benefits (i.e.			KEN												ST Semiannual
	Action 2.7	Provide regular updates to the City Council (recommended quarterly)			KEN												ST Semiannual
Objective 3	Improve Kennesaw's electronic and social media presence and activity																
	Action 3.1	Create a separate website for the City's economic development that is linked to the City's official page			KEN; KEN	C											C One Time
	Action 3.2	Update the website with a more dynamic design and organization based on the proposed new/revised content in this implementation matrix (i.e. Citizen Engagement section, local source site database)			KEN	C											Included One Time
	Action 3.3	Ensure weekly use of the City's social media platforms (i.e. Instagram, Twitter, Facebook...)			KEN	C											Included One Time
	Action 3.4	Host the City's annual business and citizen surveys on the website in its own section, with results of previous efforts posted for public review as detailed in Action 6.2 and Business Retention and Expansion Objective 2			KEN	C											Included One Time
	Action 3.5	Add a target industry section to the website where information and the marketing collateral can be kept			KEN	C											Included One Time
	Action 3.6	Use the website to collect information, allow individuals to sign up for the newsletter, and better engage the City's economic development staff			KEN	C											Included One Time
	Action 3.7	Create a citizens section on the website with access to educational information, the annual survey and results information, contact information for the assigned staff liaison, and the newsletter registration			KEN												Included One Time

City of Kennesaw, Georgia		Implementation Lead		Implementation Timing (Year)										Estimated	Cost
Strategic Economic Development Plan Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost	Type
OUTREACH, COMMUNICATION, AND MARKETING (OCM)															
Objective 4	Implement a regular (monthly) newsletter focusing on recent, current, and future economic development activities														
Action 4.1	Highlight recent economic development activity and successes, maintaining a 'running tally' dashboard of accomplishments for the year	KEN												ST	Monthly
Action 4.2	Publish regular opinion editorials from business leaders, partner organizations, or invited guests focused on topics that influence (or are influenced by) economic development in Kennesaw/Cobb County	KEN, SC	I, O											ST	Monthly
Action 4.3	Include separate topic-themed City Manager/Economic Development Manager messages in each newsletter	KEN												ST	Monthly
Action 4.4	Implement, monitor, and report the results of opinion polls and business surveys through the newsletter	KEN												ST	Monthly
Action 4.5	Highlight a different City businesses (preferably from the target industries) in each newsletter	KEN	I											ST	Monthly
Action 4.6	Target writing two (2) or three (3) industry/market white papers each year focused on educating local businesses and residents about current or impending market shifts and how they will impact Kennesaw/Cobb County	KEN, SC	I											ST	Monthly
Objective 5	Improve awareness and relationships with the business and economic development community														
Action 5.1	Cohost at least three (3) networking/marketing events annually with the KBA and other municipal/regional partners	KEN, KBA, SC, MAC, TCID, SC												B	Quarterly
Action 5.2	Host monthly/quarterly networking events for local investors, developers, and business leaders, focusing on specific industry sectors for each event	KEN, KBA, SC, MAC, TCID, SC	I, O, R											B	Monthly
Action 5.3	Hold two (2) lecture/guest speaker events annually; bringing in regional/national industry leaders to discuss sector/market trends. This can be co-hosted with local partners	KEN, KBA, SC, MAC, TCID, SC												C	Quarterly
Action 5.4	Host a "State of the City" event for business leaders to discuss activities over the past year, successes, opportunities, and share the business plan for the next year	KEN	I											B	Annual
Action 5.5	Create a "Lessons Learned" report every six months that details the successes and opportunities to share with the site selector and investor contacts	KEN												ST	Semiannual
Action 5.6	Develop at least eight (8) business ambassadors, individuals who can work with economic development staff to promote the City and engage existing/prospective business owners in targeted industries. Train more as necessary	KEN	I											A	Bi-Annual
Objective 6	Implement a proactive community engagement and education initiative														
Action 6.1	Hold an annual town hall meeting open to the public (and televised) to discuss accomplishments and ongoing efforts for the previous/upcoming year	KEN	N											A	Annual
Action 6.2	Implement a biannual resident survey to gauge the goals and concerns of Kennesaw residents about the City's economic development efforts. Use the results to inform any changes to approach	KEN	N											ST	Bi-Annual
Action 6.3	Hold four (4) to six (6) community outreach meetings dispersed throughout the City annually to engage business leaders and residents on economic development issues, opportunities, and challenges those areas are facing	KEN												A	Annual
Action 6.4	Host semiannual expert panelist discussions on topics of economic development each year. These discussions should address specific market/location opportunities and challenges facing Sandy Springs businesses	KEN	I, C											B	Quarterly
Action 6.5	Provide an online tool for citizens and groups to submit questions, provide feedback on content, or request meetings on the economic development website	KEN												ST	One Time
Action 6.6	Develop at least four (4) engaged Kennesaw residents as advocates that can assist in community outreach and resident interaction	KEN	N											A	Bi-Annual



City of Kennesaw, Georgia Strategic Economic Development Plan Implementation Matrix			Implementation Lead		Implementation Timing (Year)										Estimated Cost	Cost Type
BUSINESS RETENTION AND EXPANSION (BRE)			Public/NP	Private	1	2	3	4	5	6	7	8	9	10		
Objective 1	Build industry roundtables in a number of different market areas															
	Action 1.1	Create an industry roundtable for every key market sector including [1] Logistics [2] Manufacturing; [3] Professional Services; [4] Healthcare; [5] Dining & Retail	KEN, KBA	I											ST	One Time
	Action 1.2	Make sure all partner organizations have representation on roundtables that crossover missions (i.e. MAC, Georgia Innovation Crescent...)	KEN, KBA, SC, TCID, GP, MAC,												ST	One Time
	Action 1.3	Meet each roundtable quarterly or semiannually as necessary, with one meeting targeted immediately after the release of the business survey results	KEN	I											A	Semiannual
	Action 1.4	Use roundtable meeting to discuss: [1] market climate; [2] regulatory issues; [3] growth opportunities; [4] implementation coordination	KEN	I											ST	Annual
	Action 1.5	Use feedback from roundtables to help set annual action plan	KEN												ST	Annual
Objective 2	Work with Select Cobb to do a joint business survey annually, or a City-specific survey if Select Cobb is not interested															
	Action 2.1	Establish a fixed date (i.e. week) that the survey will be released. This should be consistent year over year. Recommend the Fall	KEN												A	Annual
	Action 2.2	Work with partners to refine questions and expand awareness of the survey each year	KEN, KBA, SC	I											ST	Annual
	Action 2.3	Invest in multimedia marketing and outreach at least 2 months prior to the release of the survey each year (i.e. print, social media, direct outreach)	KEN												BR 2.2	Annual
	Action 2.4	Share general results of the survey with roundtables, partner organizations, and the community through the monthly newsletter	KEN												ST	Annual
	Action 2.5	Use results of survey to prioritize retention/expansion visits for the year	KEN	I											ST	Annual
	Action 2.6	Work with respective roundtables about industry-specific findings from survey to determine annual action items	KEN	I											ST	Annual
	Action 2.7	Retain all survey results to create a longitudinal assessment tool (i.e. Excel database) that can help economic development efforts become more predictive to changing market climates	KEN												ST	Annual
Objective 3	Enhance the City's business inventory															
	Action 3.1	Reconfigure the business licensing process to require business and contact information as part of the filing. Use this information to build a more comprehensive contact list	KEN												ST	One Time
	Action 3.2	Provide opportunity for businesses to register to the business list through the City's economic development website	KEN												OCM 3.1	Annual
	Action 3.3	Coordinate with the Kennesaw Business Alliance and Select Cobb on their respective contact lists (as it relates to city businesses)	KEN, KBA, SC												ST	Annual
	Action 3.4	Use sign-in sheets at City-sponsored business events to collect and verify existing data for the business list	KEN, KBA												ST	Annual
	Action 3.5	Ask industry roundtable members to engage their relationships to build the database	KEN	I											ST	Bi-Annual
Objective 4	Execute a more proactive business retention and expansion effort for Kennesaw Businesses in coordination with the Kennesaw Business Alliance and Select Cobb															
	Action 4.1	Use the comprehensive business list to identify new companies to visit and track past visit efforts. Do not concentrate on the same businesses year over year	KEN	I											ST	Continuous
	Action 4.2	Establish quotas for number of monthly visits, starting with ten (10) per month, expanding as more staff is hired	KEN												ST	Bi-Annual
	Action 4.3	Use business survey results to prioritize outreach efforts to companies that indicate growth needs or challenges to maintain operations	KEN												ST	Annual

City of Kennesaw, Georgia		Implementation Lead		Implementation Timing (Year)										Estimated	Cost
Strategic Economic Development Plan Implementation Matrix		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost	Type
BUSINESS RETENTION AND EXPANSION (BRE)															
Objective 4	Execute a more proactive business retention and expansion effort for Kennesaw Businesses in coordination with the Kennesaw Business Alliance and Select Cobb														
	Action 4.4	Coordinate with economic development partners for business visits (i.e., Select Cobb for industrial, MAC for corporate headquarters and Cobb Tourism for hotels)	KEN, MAC, SC, KBA, CTT											ST	Continuous
	Action 4.5	Hire a business ombudsman that can assist businesses through the City's entitlement processes and can oversee community engagement efforts for economic development	KEN											OC 2.2	Annual (Salary)
	Action 4.6	Maintain database of visited businesses to track frequency and results of the visit through a Consumer Relationship Management (CRM) software, partner with Select Cobb if they already have one	KEN											B	Annual
	Action 4.7	Activate business ambassadors to assist in outreach, providing them training on questions to ask and how to track the conversation	KEN	I										OCM 5.6	Annual
	Action 4.8	Create a direct "help line" initiative on the City's economic development website that allows businesses to connect to an economic development staff member for assistance	KEN											OCM 3.1	One-Time
BUSINESS RECRUITMENT (BR)															
Objective 1	Continue to strengthen the City's strategic networking and data collecting practices to promote business recruitment														
	Action 1.1	Engage with regional partners quarterly or semi-annually on recruitment trends, opportunities, and City priorities (including Select Cobb, the Town Center CID, MAC, Georgia Power, and GDEcD)	KEN, KBA, TCID, MAC, GDEcD, SC	GP										A	Annual
	Action 1.2	Maintain local property and land database, coordinating with partners on maintaining an accurate and up-to-date list (especially Georgia Power's Site Selection Tool)	KEN/GIS	R, O										AD 2.1	Annual
	Action 1.3	Work with regional partners to build relationships with site selectors in target industry sectors, adding them the City's economic development newsletter distribution list	KEN, KBA, SC, MAC, GDEcD, SC											ST	Annual
	Action 1.4	Collaborate on leads collected through business outreach and marketing efforts by the City	KEN, KBA, SC, MAC, GDEcD, SC											ST	Annual
Objective 2	Scale proactive marketing and recruitment efforts to best leverage the City's resources and market reach														
	Action 2.1	Work with industry roundtable members to identify potential business recruitment targets that have a business connection to Kennesaw (i.e. suppliers)	KEN	I										ST	Annual
	Action 2.2	Continue advertising through relevant digital and print mediums annually to tout Kennesaw opportunities	KEN											D	Annual
	Action 2.3	Create a searchable online database of available commercial space and land for prospectus businesses to review to augment the Georgia Power Site Selection Tool (see Asset Development section)	KEN	C										AD 2.1	Annual
	Action 2.4	Create a 'tip line' for citizens to call/Email/text ideas on business recruitment and any leads they may have on businesses that may wish to relocate or expand to Kennesaw	KEN											OCM 3.1	One Time
	Action 2.5	Develop/refine the City's business recruitment collateral (see Outreach, Communication, and Marketing section)	KEN	C										OCM 1.1	Annual
Objective 3	Create a home-based and small business development program under the City's economic development efforts in partnership with KSU Small Business Development Center														
	Action 3.1	Hire a full-time staff member dedicated to small business development and entrepreneurial activity	KEN											OC 2.1	Annual (Salary)
	Action 3.2	Provide seminars on how to start, operate, and fund a business	KEN, KSU											ST	Annual
	Action 3.3	Expand information seminars in partnership with local and regional partners on how to start, operate, and grow a business (i.e. how to secure financing)	KEN, KBA, SC	C, I										B	Annual
	Action 3.4	Partner with KBA, Select Cobb, and KSU program to expand mentoring of existing businesses in Sandy Springs	KEN, KBA, SC, KSU	I										A	Annual

City of Kennesaw, Georgia Strategic Economic Development Plan Implementation Matrix		Implementation Lead		Implementation Timing (Year)										Estimated	Cost
		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost	Type
BUSINESS RECRUITMENT (BR)															
Objective 3	Create a home-based and small business development program under the City's economic development efforts in partnership with KSU Small Business Development Center														
Action 3.5	Fund the training of 2-3 new mentors each year, selecting within business sectors that are underrepresented, particularly women and people of color	KEN	I											B	Annual
Action 3.6	Proactively market small business initiatives to existing businesses, focusing on home-based businesses in Kennesaw using updated business tracking data	KEN												BR 2.2	Annual
Action 3.7	Create a Business-2-Business database that businesses can access to find specific services/networking opportunities	KEN	I											A	Continuous
Action 3.8	Work with local banks to create a PPP revolving loan fund that offers low/no-interest loans and/or gap financing to start-ups and small businesses seeking to grow. Target an 80% private/20% public resource pool	KEN, KDA	F, I											F	One-Time
ASSET DEVELOPMENT (AD)															
Objective 1	Formulate (or enact) economic development concepts for each of the City's primary economic centers														
Action 1.1	Focus on Downtown, Highway 41, Giles Road, Moon Station Road, and Cobb International Boulevard	KEN	R, O, I											ST	Annual
Action 1.2	Define short-term, midterm, and long-term visions for each area consistent with the economic development plan	KEN	R, O, I											ST	Annual
Action 1.3	Enact regulatory changes to allow defined visions to occur (see TOOLBOX DEVELOPMENT section)	KEN												ST	One Time
Action 1.4	Create a marketing brochure for each employment center/commercial corridor that encapsulates the vision	KEN	C											OCM 1.6	Bi-Annual
Action 1.5	Encourage elected leadership to engage in the study and champion the results	KEN												ST	Annual
Objective 2	Work with property owners to ensure economic development plans are consistent with short-term and long-term investment strategies														
Action 2.1	Create a comprehensive ownership database of all commercial properties in each of the opportunity sites to begin a dialogue about their property interests and investment priorities	KEN												C	One Time
Action 2.2	Continue dialogue with owners, particularly catalytic parcels, on a regular basis to track changing strategies and create new opportunities	KEN	O											ST	Annual
Action 2.3	Create a catalyst sites prospectus (focus on four (4) to six (6) properties), defining property ownership, implementation concepts, and available incentives to help bring the vision to fruition	KEN	C											OCM 1.5	Bi-Annual
Objective 3	Create a locally-controlled comprehensive property and asset database														
Action 3.1	Inventory all existing vacant commercial and industrial land and buildings in collaboration with local real estate listing entities	KEN	C, O, R											ST	Annual
Action 3.2	Connect with all property owners to detail price, availability, and vision for those asset; include in online listings	KEN	O											ST	Annual
Action 3.3	Create a web-accessible database of those assets to connect to the economic development website	KEN	C											AD 2.1	One Time
Action 3.4	Create an 'open source' database for property owners and brokers to submit new listings and changes to existing listings	KEN	C											AD 2.1	
Action 3.5	Work with regional and state implementation partners to make sure their asset lists are current and complete	KEN, KBA, SC, MAC, GDEcD, SC												ST	Annual
Action 3.6	Maintain regular communication with property owners to ensure occupied/developed land is removed	KEN	O											ST	Annual

City of Kennesaw, Georgia Strategic Economic Development Plan Implementation Matrix		Implementation Lead		Implementation Timing (Year)										Estimated	Cost
		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost	Type
TOOLBOX DEVELOPMENT (TD)															
Objective 1	Match land use regulation to economic development vision														
	Action 1.1 Use small areas plans to establish policies that create consistency and predictability	KEN												ST	One Time
	Action 1.2 Rezone opportunity sites to meet City-finalized vision for those areas including housing-focused mixed-use development for infill/redevelopment. Consider overlay zones if easier than rezoning process	KEN												ST	Annual
Objective 2	Create economic development incentives that match City's priorities and performance expectations														
	Action 2.1 Create areas specific tax and business operation incentives consistent with small area vision (i.e., a dining and entertainment business license incentive in Downtown)	KEN												ST	One Time
	Action 2.2 Establish tax incentives for businesses within the City's target industry clusters, connecting performance requirements to level of incentive (i.e., a 30% tax abatement for 10 years in exchange for 20 net new jobs)	KEN												ST	One Time
	Action 2.3 Make all incentives formulaic so that businesses know their potential based on criteria such as [1] net new jobs created, [2] average wage rates, [3] capital investment	KEN												ST	One Time
	Action 2.4 Make a small business license and tax incentives available anywhere in the City, providing the applying company currently has fewer than 10 FTE employees and annual revenues of less than \$2M	KEN												ST	One Time
	Action 2.5 Consider a blight improvement tax/fee incentive to assist property owners with substandard properties, with a maximum benefit of 25% of the total rehabilitation costs capping at \$10,000	KEN												ST	One Time
	Action 2.6 Consider higher incentive values for business owners that also reside in the City	KEN												ST	One Time
	Action 2.7 Require claw back provisions in all incentive packages to ensure compliance with stated agreements	KEN												ST	Continuous
Objective 3	Consider a Kennesaw Economic Development Land Bank through the Kennesaw Development Authority														
	Task 3.1 Utilize the Kennesaw Development Authority to operate as the City's land bank with owning and disposing of City-acquired properties for the purposes of property assemblage to encourage economic development investment	KEN, KDA												ST	Annual
	Task 3.2 Transfer any properties acquired for economic development purposes	KEN, KDA	O											ST	Annual
	Task 3.3 Use an RFP process for the disposition of any Land Bank assets with clearly defined development expectations for any individual or assembled parcels	KEN, KDA	C											ST	One Time
ORGANIZATION AND COORDINATION (OC)															
Objective 1	Fund economic development commensurate with economic development goals														
	Action 1.1 Increase economic development funding proportional to the City's implementation expectations, recommend minimum \$500,000 annually by year 3	KEN; KEN												E	Annual
	Action 1.2 Consider establishing a real property tax set-aside for funding economic development	KEN												ST	Annual
	Action 1.3 Work with the City staff to investigate if the private sector would be willing to help fund economic development in Kennesaw through a public-private partnership	KEN	I, O, R											ST	Annual

City of Kennesaw, Georgia Strategic Economic Development Plan Implementation Matrix		Implementation Lead		Implementation Timing (Year)										Estimated	Cost
		Public/NP	Private	1	2	3	4	5	6	7	8	9	10	Cost	Type
ORGANIZATION AND COORDINATION (OC)															
Objective 2	Staff the economic development organization commensurate with the stated goals														
Action 2.1	Hire a small business/entrepreneurial development director as detailed in Business Recruitment Action 3.1	KEN												D	Annual (Salary)
Action 2.2	Hire a business ombudsman that can assist businesses through the City's entitlement processes and can oversee community engagement efforts for economic development	KEN												D	Annual (Salary)
Action 2.3	Increase the business retention and expansion efforts by one (1) full-time professional	KEN												D	Annual (Salary)
Objective 3	Create greater coordination and collaboration with economic development entities and partners														
Action 3.1	Provide a regular progress report (either in person or in writing) to the City Council on status of projects and progress in metrics	KEN												ST	Semiannually
Action 3.2	Continue to develop the partnership with Kennesaw State University to attract research and development efforts within Kennesaw	KEN, TC, KSU												ST	Continuous
Action 3.3	Establish a quarterly coordination meeting with all implementation partners to discuss any ongoing or upcoming coordination efforts	KEN, MAC, CTT, SC, TCID												A	Quarterly
Action 3.4	Establish monthly department head meetings to discuss data collection and sharing issues related to economic development efforts	KEN												ST	Quarterly
Action 3.5	Expand the role of the Development Authority and the Downtown Development Authority as their state-defined role of providing specific financing tools for economic development efforts	KDA, KEN, KDDA												ST	Annual
Objective 4	Enhance strategic relationships with local and statewide implementation partners														
Action 4.1	Establish a quarterly strategic meeting schedule with regional and statewide partners including: Georgia Department of Economic Development, Metro Atlanta Chamber, and Georgia Power Community and Economic Development	KEN, GDEd, GP, MAC, SC												A	Quarterly
Action 4.2	Create a quarterly coordination meeting schedule with representatives from Select Cobb, reviewing ongoing and upcoming initiatives in Kennesaw	KEN, SC												A	Quarterly
Action 4.3	Have a staff member serve as direct liaison with Kennesaw State University, focusing on [1] Admissions and Facilities, [2] Real Estate, [3] Research, and [4] Small Business Development Center	KEN, MAC												ST	Monthly
Action 4.4	Establish a formal quarterly or semiannual coordination meeting with the other Cobb County municipalities, particularly Marietta and Acworth	KEN												ST	Quarterly

LEGEND

Implementation Leaders

Public

KEN	City of Kennesaw
SC	Select Cobb
GDEcD	Georgia Department of Economic Development

Partners

KBA	Kennesaw Business Association
TCID	Town Center CID
KDA	Kennesaw Development Authority
KDDA	Kennesaw Downtown Development Authority
GP	Georgia Power
GIC	Georgia Innovation Crescent
MAC	Metro Atlanta Chamber
TC	2-Year Colleges
KSU	Kennesaw State University
CTT	Cobb Travel and Tourism

Private

C	Consultant
F	Financial Institutions
I	Industry Leaders
N	Neighborhood Residents
O	Property Owners
R	Realtors/Brokers

Cost Estimate Legend:

ST	Staff Time
A	Under \$1,000
B	\$1,000 to \$10,000
C	\$10,000 to \$50,000
D	\$50,000 to \$100,000
E	\$100,000 to \$250,000
F	\$250,000 to \$500,000
G	Over \$500,000

 Action

 Implementation