

# STRATEGY FOR SUCCESS

2009 ANNUAL REPORT





# To Our Partners:



Dear Cumberland CID Investor,

Some years provide us with an opportunity to appreciate the rewards of the hard work that comes after three, five, seven years or even longer. These moments come in the form of speeches and ribbon cuttings.

2009 was not one of those years. It was a tough year of focused study and introspection.

As the gears of the economy ground to a halt and traditional funding sources waned, the Cumberland CID reconsidered its business model. We took bold steps to expand our strategy from one centered exclusively on design, to one that incorporates construction investments as well. Instead of waiting years for external changes beyond our control, this will accelerate project delivery for the community. Of course, we will continue to position our projects and work with our government partners to pursue any and all funding opportunities.

Very soon, as well as further out into the future, you will see the results of this flexible strategy. The trucks will move in, dirt will turn and we will continue to look years in advance.

Thank you for your input, support and dedication to making this a great community.

Sincerely,

Tad Leithead  
CID Chairman

Malaika Rivers  
Executive Director



## Cumberland CID Board of Directors

Standing (From left to right):

J. Peter Kasian, *Senior Director, Tishman Speyer*  
John Shern, *CID Vice Chairman, Vice President – Construction, The Home Depot, Inc.*  
Barry Teague, *CID Treasurer, Partner, Walton Communities, LLC*  
Mason Zimmerman, *Senior Vice President, Pope & Land Enterprises, Inc.*  
J. Lynn Rainey, *CID Counsel, Rainey & Phillips*  
Trey Parrish, *Senior Vice President, B.F. Saul Property Company*

Seated (From left to right):

Connie Engel, *Partner, Childress Klein Properties*  
Tad Leithead, *CID Chairman, Chairman, Atlanta Regional Commission*  
Malaika Rivers, *Executive Director, Cumberland CID*

Dear Friends,

It's no longer a secret that the Cumberland Community Improvement District has been a total success from its inception more than two decades ago. Just like then, strong, thoughtful leadership has never been more important than in 2009.



I'm comforted to know that the Cumberland CID stepped up once again – this time by setting the example for how to navigate an economy where most traditional funding sources disappeared or simply became more difficult to secure.

It's tougher to leverage local funds into big state dollars these days. But members of the Cumberland CID rolled up their sleeves and went to work looking for alternative funds from public and private sources. They advanced key projects internally to be sure they would meet the shovel-ready requirements of the federal government's stimulus funds. This effort will result in a newer, safer bridge spanning Cobb and Fulton counties along U.S. 41. And in an effort to beautify various corridors in the community, they picked up a shovel without any outside funding assistance.

With the tremendous development that already exists here, there is room for more. Thanks to the determination of local leaders in this challenging year, the Cumberland CID is poised to continue its commercial and residential growth for decades to come.

I'm proud to live in Cobb County and just as proud to keep my office in the Cumberland CID. Thanks to everyone involved with the Cumberland CID for making this corner of Georgia a special place that I can call home.

Sincerely,

Johnny Isakson  
U.S. Senator

*Located in northwest Atlanta, the Cumberland CID is a model public-private partnership comprised of self-taxing commercial property owners. Thanks to their investment in the community, the Cumberland CID has leveraged \$89 million into more than \$500 million over the past 21 years for area improvements.*

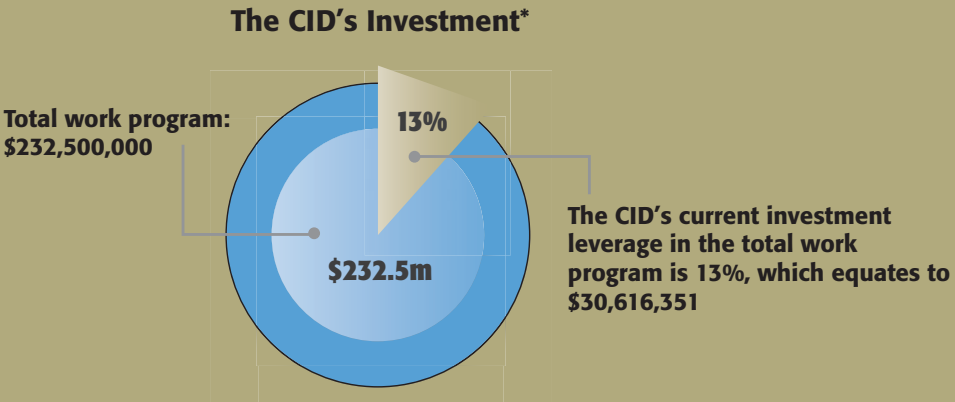


Before the calendar flipped from 2008 to 2009, the Cumberland CID predicted the process to secure funding for projects would become more complex, competitive and challenging. This prediction from the 2008 annual report proved correct.

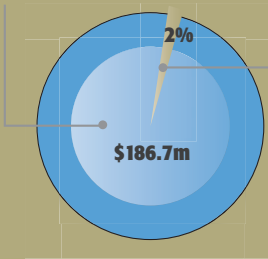
Fortunately, predicting the challenges made facing them more tenable. As 2010 begins, we remain confident and committed in our efforts.

Like any good investor, the Cumberland CID is keeping an eye on the future where there is significant opportunity. At the close of 2009, every local dollar leveraged seven public dollars for a portfolio of active projects worth more than an estimated \$230 million. The CID will continue to position projects to leverage funding opportunities and keep a close watch as they unfold.

With more than 20 years of experience and success to draw upon, the future remains bright for the Cumberland Galleria area.

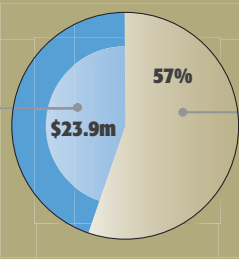


Total **road** work program:  
\$186,700,000



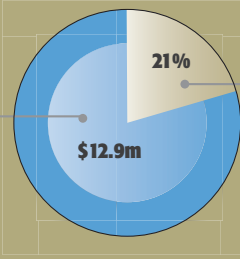
CID current investment:  
\$5.05 Million

Total **streetscapes** work program: \$23,900,000



CID current investment:  
\$13.6 Million

Total **trails** work program: \$12,900,000



CID current investment:  
\$2.7 Million

\*Figures are rounded

*Foresight*

At the close of 2009, every local dollar leveraged seven public dollars for a portfolio of active projects worth more than an estimated \$230 million.



**CEPAC SUCCESS**  
Since its opening, the Cobb Energy Performing Arts Centre has enjoyed great success. In 2009, the Cobb Energy Centre held 224 events with 231,100 visitors, which equates to an **economic impact of \$13 million.**





The year started with the economy in free fall and a new presidential administration with new priorities. Congress approved a multi-billion dollar bill to stimulate the economy in part by focusing on infrastructure projects that were shovel-ready.

**A focused but flexible strategy** was developed by the Cumberland CID to navigate the existing economic conditions.

The Cumberland CID quickly moved 19 projects from its Advanced Action Plan, or wish list, to the in-process work program by committing \$3.2 million to design and engineer the projects. This immediately increased the number of projects that the CID is actively designing from 25 to 44.

The new strategy prepared every project for federal stimulus dollars and for potential funding from Cobb County's Special Purpose Local Option Sales Tax (SPLOST) and any additional future state dollars. The momentum put behind the stimulus project submittals resulted in more than \$15 million in state and federal funds being directed at two CID projects: the Cobb Galleria Parkway streetscape and the widening and reconstruction of the U.S. 41 bridge spanning Cobb and Fulton counties. The new funding designations save the local community money on each project and, in the case of the bridge, puts the construction five years ahead of schedule.

A decade from now, the Cumberland Galleria area will be even better than it is today.

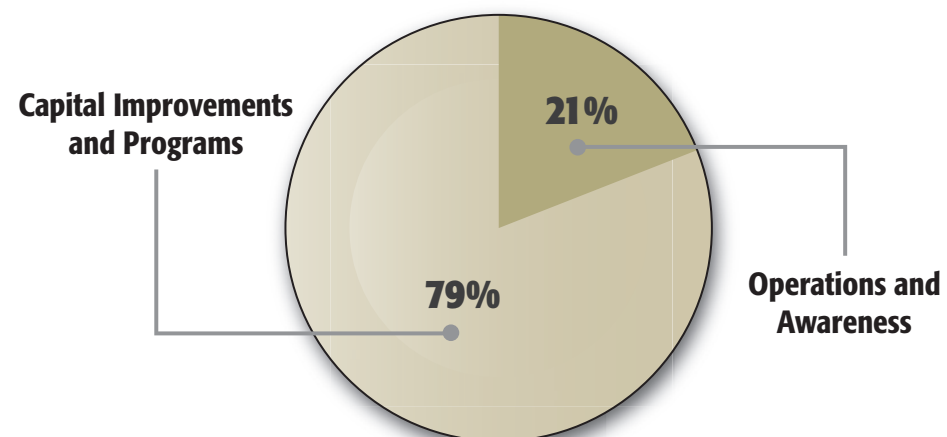


#### COBB GALLERIA CENTRE

One of Atlanta's premier conference facilities, the Cobb Galleria Centre offers accommodations for large-scale conventions to conferences to special events. In 2009 alone, the Cobb Galleria Centre held 763 events with 364,000 visitors. **That's an economic impact of \$69 million.**

#### CID's 2009 Tax Revenue Collections: \$6.2m

##### Where Does It Go?



*Flexible*

*The Cumberland CID quickly advanced 19 planned projects by committing \$3.2 million for design and engineering, which increased its number of active projects from 25 to 44.*





The Cumberland CID is **more focused than ever** on the community's future.

In 2009, the Cumberland CID seized the opportunity presented by the nation's economic challenges. Efforts were made to identify where local money could best be spent on construction and where public dollars could be leveraged for the greatest impact.

As governments shifted their focus away from funding streetscape projects, the CID committed more money to this critical effort. As a result, 2009 brought new greenery and hardscaping to major commuter corridors, including Powers Ferry, Cumberland Boulevard and the interchange of Paces Ferry and Interstate 285. Of course, the Cumberland CID will continue to work with governments to position roads projects for additional funding.

*Focused*

*In 2009, an additional \$6 million was committed to construct seven new streetscape sections along Cumberland Boulevard, Interstate North Parkway and Circle 75.*

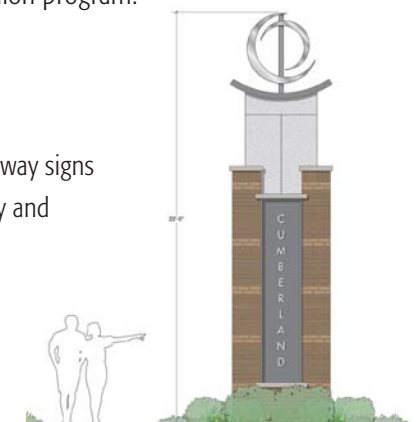
## Projects:

### STREETSCAPES/LANDSCAPES

The Cumberland CID is working on almost nine miles of beautification in the community. An additional \$6 million was committed to construct seven new streetscape sections along Cumberland Boulevard, Interstate North Parkway and Circle 75. The second phase of an \$850,000 landscape installation effort will beautify the four interchanges around I-75 and I-285. Another \$1.5 million will pay for the installation of decorative gateway signs in the community. These initiatives will be under construction beginning early 2010. In all, the CID has committed \$13.6 million to a \$24 million program.

### GATEWAY SIGNAGE

The Cumberland CID is installing decorative gateway signs to designate the Cumberland Galleria community and enhance its image.



### CUMBERLAND GALLERIA SHOWCASE

*Cobb County community leaders, civic boosters, residents and investors gathered to **celebrate the success** of the county's convention and cultural hub at the Cumberland Galleria Showcase on February 11, 2009. The event featured performances by The Atlanta Opera and Atlanta Ballet and a panel discussion among area business leaders.*





## TRAILS

The Cumberland Galleria area is fortunate to be situated among more than 1,200 acres of National Park Service woodlands, affording employees, residents and visitors access to a vast trail network. The Cumberland CID is adding to this network with connections to many developments along Akers Mill Road, Interstate North Parkway and Spring Road. In all, the CID is working on adding 10 additional miles to the trail network. The CID has committed \$2.7 million to a \$12.9 million program.

## ROADS

With the help of U.S. Senators Isakson and Chambliss as well as the Georgia Department of Transportation (GDOT), the CID was able to find funding for the Cobb Parkway/U.S. 41 Bridge replacement project, which will go under construction late 2010/early 2011. In addition, the CID initiated intersection improvements, minor roadway widenings and safety improvements to four different corridors. The CID has currently committed \$5 million to improve 5.7 road miles in the area worth an estimated \$187 million.

## REGIONAL

The CID maintained its critical relationships with the county, state and regional partners in 2009. As Cobb County developed its next SPLOST list, the CID advocated for project funding. As GDOT prioritized its managed lane/transit corridors and determined that the NW Corridor would be the state's first, the CID acted as its local champion. The CID also participated in GDOT's continued efforts to plan for improvements on the top end of I-285 and a potential high speed rail project from Hartsfield-Jackson Airport to Chattanooga, Tenn.

### 92,869 total clean commute logs submitted in 2009!

- 36,862 vanpool logs
- 36,405 carpool logs
- 16,321 telework logs
  - 2,782 transit logs
  - 474 biking logs
  - 25 walking logs



## **COMMUTER CLUB** A PROGRAM OF THE CUMBERLAND CID

Since 1996, Commuter Club has helped thousands of individuals and businesses in the Cumberland Galleria area save money while improving both the environment and their quality of life. While the vanpool program experienced a slight decline in 2009, the number of carpoolers increased. Commuter Club ridership eliminated more than 2.1 million vehicle miles from the roads over the year, saving commuters nearly \$1.1 million.

### IN 2009, ACHIEVEMENTS INCLUDED:

- Recognized as a Best Workplaces for Commuters by the U.S. Environmental Protection Agency for the seventh year in a row.
- Recognized as a finalist for Outstanding Transportation Management Association from Association for Commuter Transportation (ACT).
- Surpassed its Track Your Trek Walk Challenge campaign goal, logging more than three million steps in October.

*More than 100 corporate partners in the CID benefit from Commuter Club's customized assistance. And it's not just the local community that benefits — commuters from 20 metro Atlanta counties participate in the program.*





# CID Snapshot:

Size: 5.5 square miles

2009 Employment: 65,600

2020 Projected Employment: 71,500

2009 Population: 20,300

2020 Projected Population: 37,500

Based on Atlanta Regional Commission and  
Neilson-Claritas, Inc. data. Figures are rounded.

While it's impossible to predict exactly how the Cumberland CID will grow over the next 20 years,  
**there are positive signs** that 2009 will prove to be an anomaly.

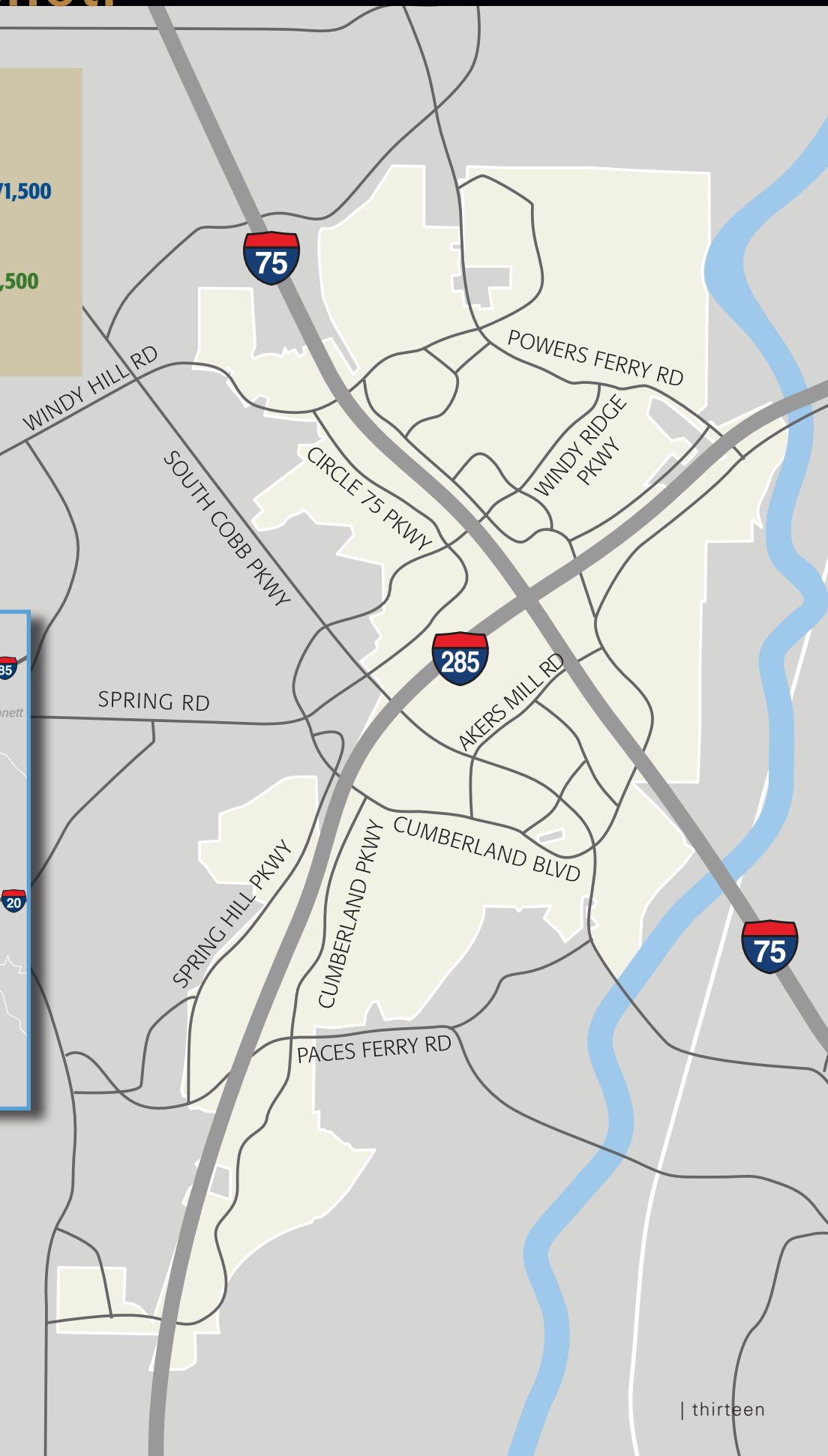
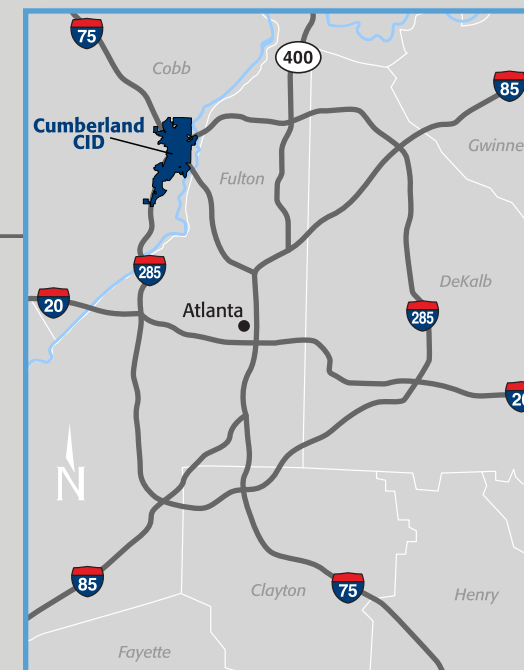
According to independent research contracted by the Cumberland CID, there are 65,600 full-time jobs within the district or 1.7% of Georgia's total jobs. The direct, indirect and induced economic impact of these jobs represent \$7.2 billion, or 2.2% of Georgia's total labor income. The Cumberland CID's economic impact on the state of Georgia is \$21.2 billion, or 5.1% of the state's cumulative gross output. That means the **CID's economic output per employee is three times higher than the state average.**

Additionally, the commercial, residential and hospitality sectors are projected to grow and are poised for development. For example, the net new office demand in the Cumberland CID is estimated to be an additional 2.1 million to 3.65 million square feet over the next 10 years. That's an equivalent of five to nine new Cobb Galleria office buildings. Today, more than 20,300 people call the area home. In 2020, 37,500 residents will live here. And hotels are expected to grow from 4,270 to 5,020 rooms in 2020. With this growth on the horizon, the Cumberland Galleria area should see continued investment from private developers.

While the work of the Cumberland CID has become more challenging, it has also become increasingly more important to provide the crucial infrastructure investments and improvements to support projected growth. The Cumberland CID will continue to be a vital engine for progress in metro Atlanta.

# Future

*The CID's economic output per employee is  
three times higher than the state average.*

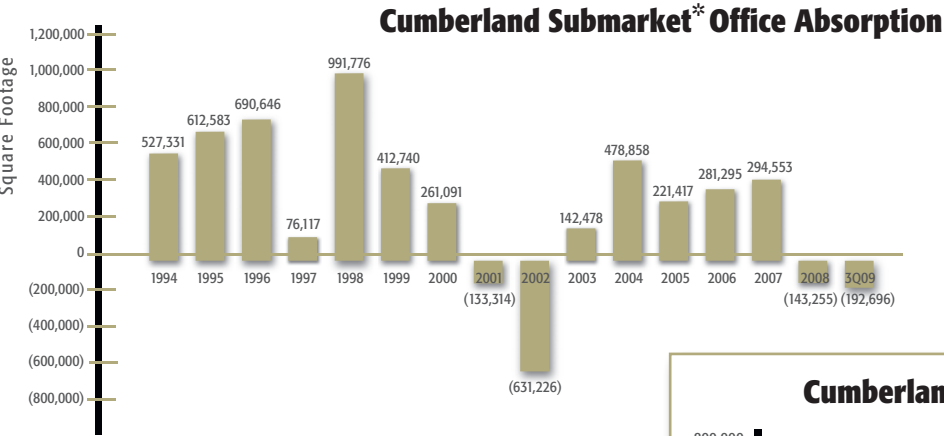




# Cumberland CID Market Data\*:

## Office:

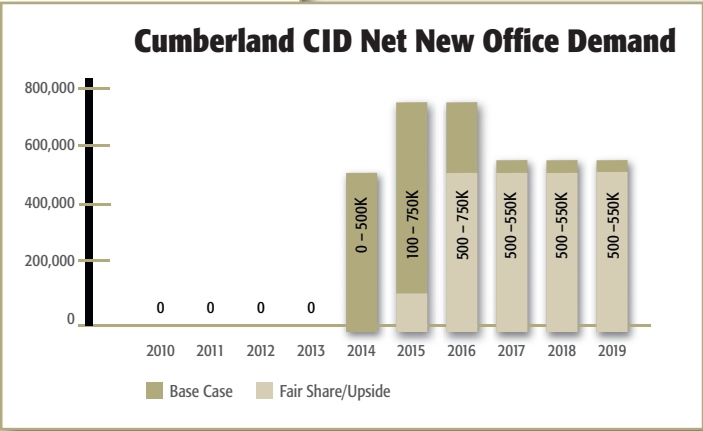
- **Total Existing Office Space:** 17,500,000 SF
- **Vacancy Rate:** 20%
- **Class A Average Rental Rate:** \$21.34 per SF
- **Absorption:** Since 1994, the CID has added nearly 3.9 million SF of office space. In growth years, the CID averages 400,000 SF of positive absorption.



## Retail:

- **Total Existing Retail Space:** 3,500,000 SF
- **Vacancy Rate:** 9%
- **Average Rental Rate:** \$25.50 per SF
- **Estimated retail expenditures within the CID total \$947 million annually.**

In the next growth cycle (2014-2019), the CID will likely see a growth of 2.1–3.65 million SF of new office space, which is equal to 8%-12.6% of the region’s predicted office market growth.

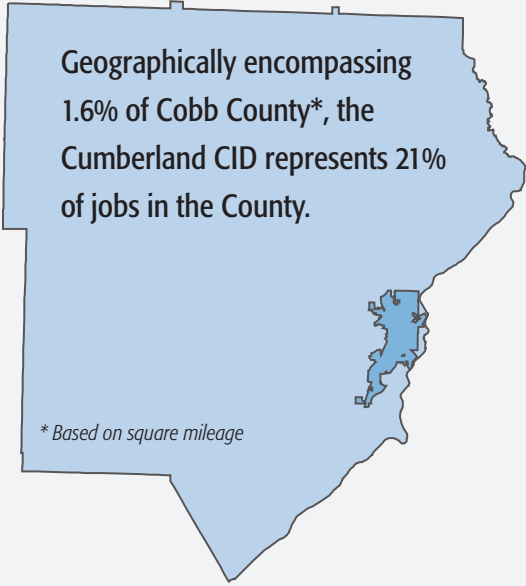


From 1994 – 2007, the Cumberland submarket captured 8% of the market. This figure is used for RCLCO’s “base case” scenario. The Cumberland submarket is currently 12.6% of the overall market, representing its “fair share.” This figure is used for RCLCO’s “fair share/upside” scenario.

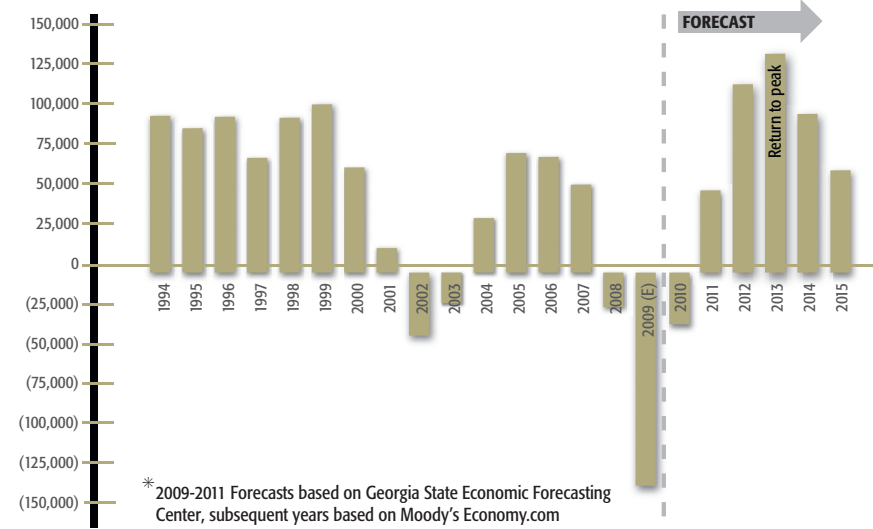
\*The CID represents 72% of CoStar’s Cumberland Office Submarket.



## Employment:



## Employment Growth, Metro Atlanta\*



## Economic Impact:

In Georgia, the Cumberland CID represents:

1.7% of full-time jobs | 65,600

2.2% of labor income | \$7.2 billion

5.1% of gross output | \$21.2 billion

The Cumberland CID’s economic output is *three times* greater than its labor force.

## Residential:

### Cumberland CID Resident Demographic Characteristics

	Cumberland CID	Cobb County	28-County Metro Atlanta Area
Residential Population	20,336	709,110	5,494,339
Median Household Income	\$59,887	\$66,187	\$58,964
Median Owner-Occupied Housing Value	\$295,810	\$190,978	\$170,986
Percentage Bachelor’s Degree or Higher	59.4%	39.5%	30.6%



From 2003 through 2007 (prior to the current downturn), the typical new home has averaged \$280,000 for a townhome or condominium and \$590,000 for a new single-family home. These figures are well above metro averages and position the area for a healthy recovery.

\*As reported by a 2009 RCLCO market assessment and economic and fiscal impact analysis.



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**CumberlandCID.org**

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