Assessment of Return on Investment for
the City of Greensboro's Downtown Development Efforts

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I. Introduction

Overview of Greensboro City

◆ Population of 3,573 within a 6.9 square mile area.

◆ Median age of 40.4 and a female majority (61%).

◆ Per capita income $29,907.

◆ Median household income of $42,534 (Georgia $71,355).

◆ Poverty rate of 23.5% (Georgia 13.5%).

◆ Housing units 1,630 (median value of $133,300).

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The History of Greensboro's DDA

Initial Formation (1997-1999) — **1**

- Tornado impact mitigation.
- Streetscape Phase I for urban beauty & safety.

2 — **Expansion of Role (2000-2005)**

- Focus on economic development.
- Launch of Downtown Façade Grants.
- Restoration of historic buildings (e.g., Yesterday Café).

Major Projects (2010-2019) — **3**

- Development of Festival Hall.
- Establishment of Oconee Brewing Company.
- Completion of Streetscape Phase III.

Project Overview

Background

- Lack of formal analysis of the outcomes and effects of downtown Greensboro's development and investment.

- DDA submitted a proposal to the Local Government Practicum Program facilitated by the Georgia Municipal Association (GMA).

Objectives

- Collection of qualitative and quantitative data on downtown.

- Development of a comprehensive dataset for analysis.

- 3 Analysis methods for DDA investment evaluation.
  - Trend indicator, ROI, and SWOT analysis.

II. Methodology

Methodology

1 | **Data Collection**

- Quantitative data on demographic shifts and economic indicators.

- Qualitative data on community engagement and cultural impacts.

2 | **Development of Dataset**

- The collected data is then organized into a comprehensive dataset.

- Dataset will enable continuous data collection and analysis by the DDA.

3 | **Analysis**

- **Trend Analysis**: Statistical examination of demographic shifts and economic indicators.
- **ROI Assessment**: Utilization of econometric models to quantify the economic returns.
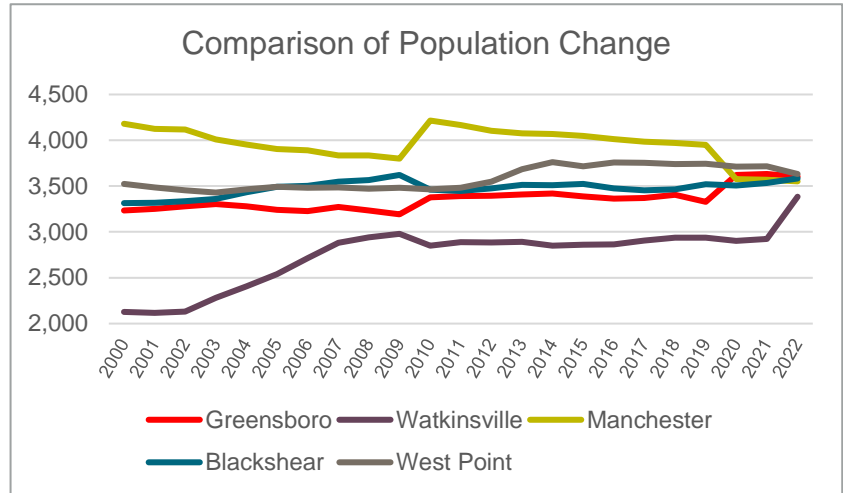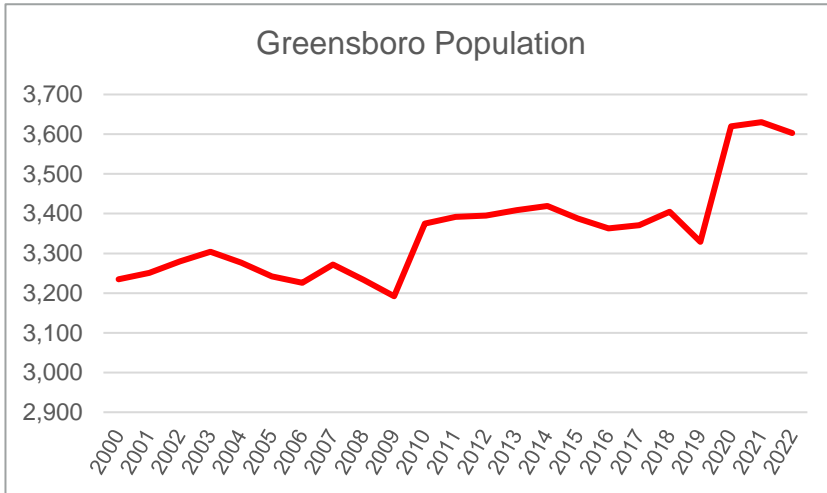- **SWOT Analysis**: Comprehensive assessment of the strategic positioning of downtown development projects.

III. TREND ANALYSIS

1. Demographic Indicators

Population
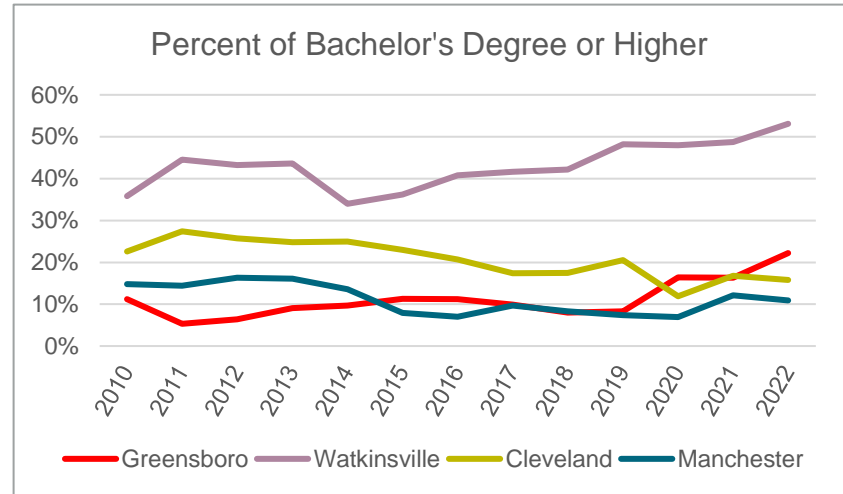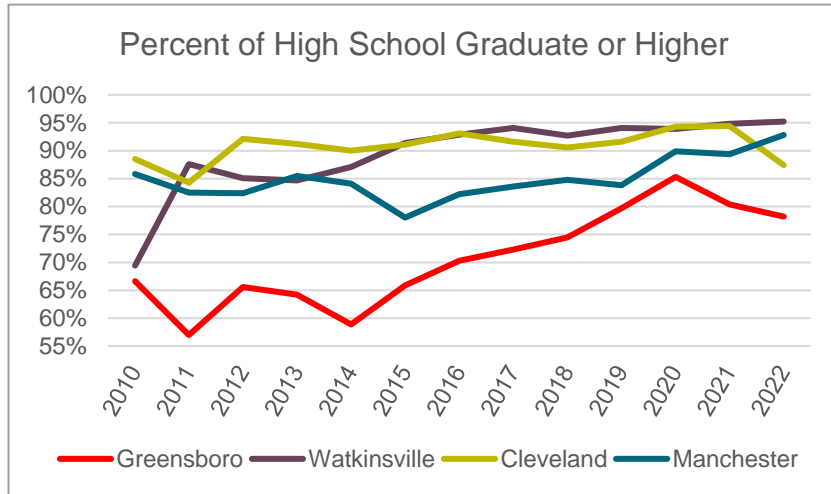

Greensboro Population

Comparison of Population Change

- 3,603 population, increase of 368 people (11.37%) compared to 2000, overall increasing trend.
  - ✓ During this period, many urban development projects were completed, suggesting correlation.
- Compared to other cities, population fluctuations are relatively small.
  - ✓ Cities with significant population growth are associated with attracting businesses.

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Education

Percent of High School Graduate or Higher

Legend: Greensboro, Watkinsville, Cleveland, Manchester

Percent of Bachelor's Degree or Higher

Legend: Greensboro, Watkinsville, Cleveland, Manchester

- 78.20% have graduated from high school or higher, and 22.20% hold a bachelor's degree or higher.
  - ✓ As of 2022, the lowest in high school graduation, the second in bachelor's degree among four cities.
- Over time, the educational level of Greensboro residents has improved.
  - ✓ Favorable conditions for the economic improvement of Greensboro in the future.
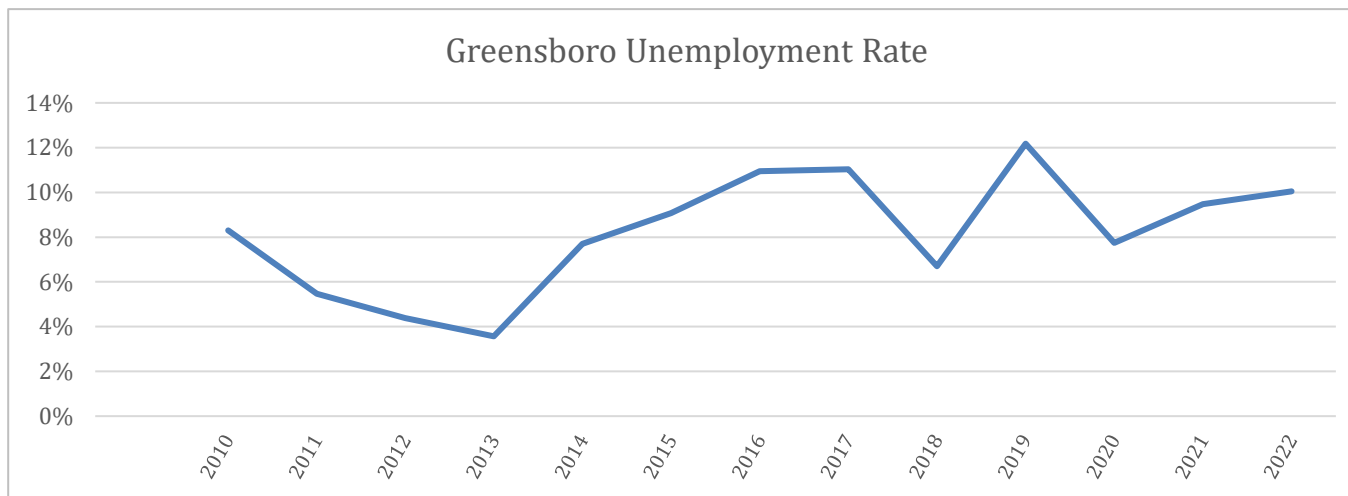
III. TREND ANALYSIS

2. Economic Indicators

    1) General Trend Analysis of Greensboro

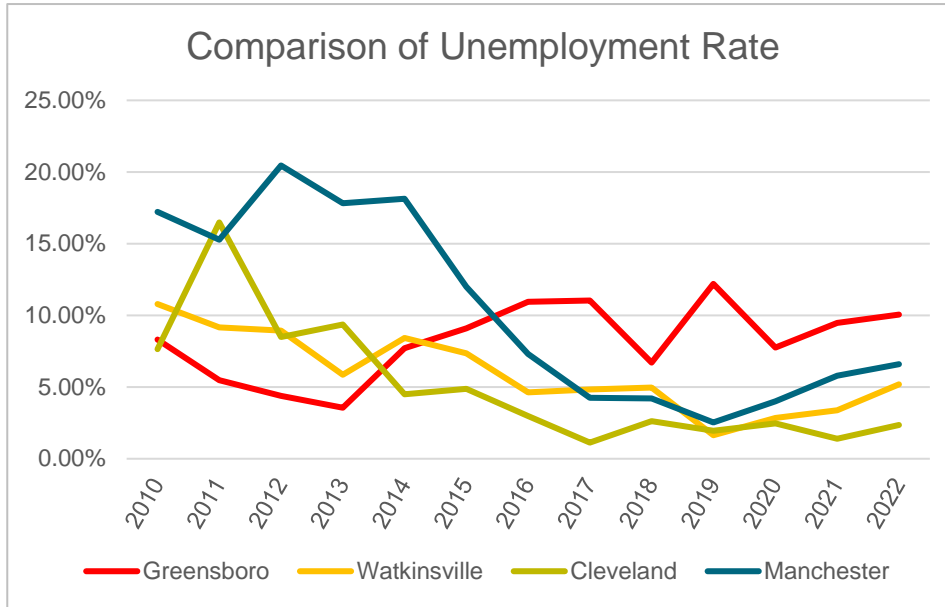   *2) The Assessment of The DDA Investment & Outcome*

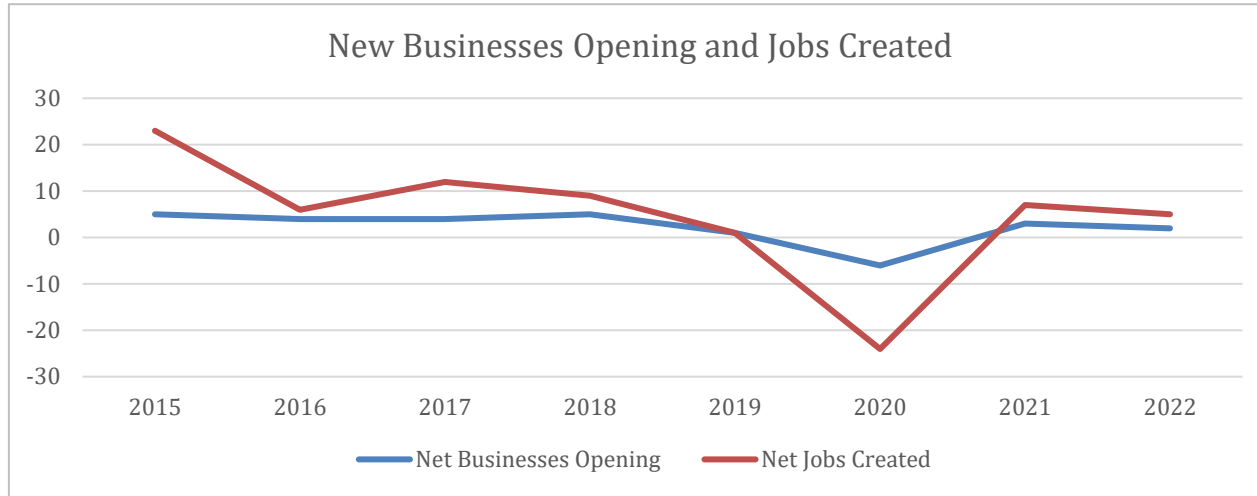# *Employment* *(Greensboro)*

Greensboro Unemployment Rate

- Greensboro's Unemployment rate in 2022 is 10.05% (Georgia 11.31%, 2022).

- Low at 3.56% in 2013 but increased thereafter, reaching 12.19% in 2019

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Employment *(Greensboro)*

Comparison of Unemployment Rate

Legend: Greensboro, Watkinsville, Cleveland, Manchester

- In 2022, Greensboro's unemployment rate was the highest among four cities.

  ✓ In the early 2010s, Greensboro's unemployment rate was relatively low.

  ✓ Greensboro is the only city with higher unemployment rate in 2022 than in 2010.

- Cleveland's low unemployment rate is due to manufacturing & service industries.

  ✓ The birthplace of Cabbage Patch Kids

  ✓ Growth in restaurant and service industries.

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Employment (Downtown)

New Businesses Opening and Jobs Created

- Downtown's new business openings were stable until the onset of the COVID-19 pandemic in 2020, while net job creation fluctuated.

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Industry *(Greensboro)*
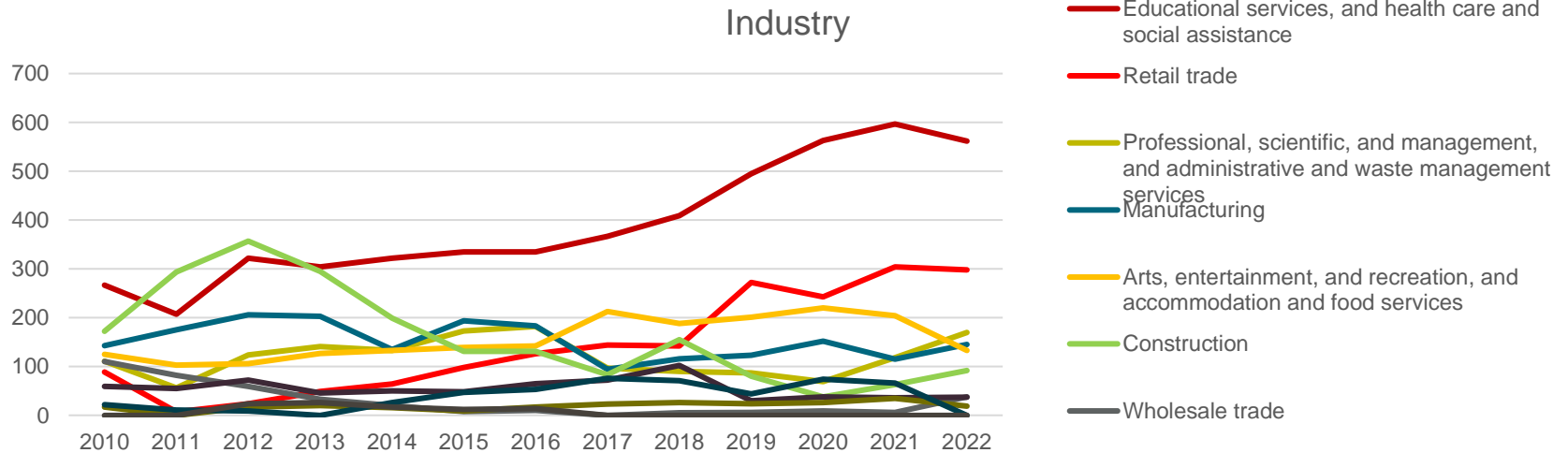
- Increase of employees in the Educational services, health care, social assistance, and Retail trade.
- Decrease of employees in Construction.

Investment *(Greensboro, Downtown)*

Total Expenditure

Urban Redevelopment & Housing
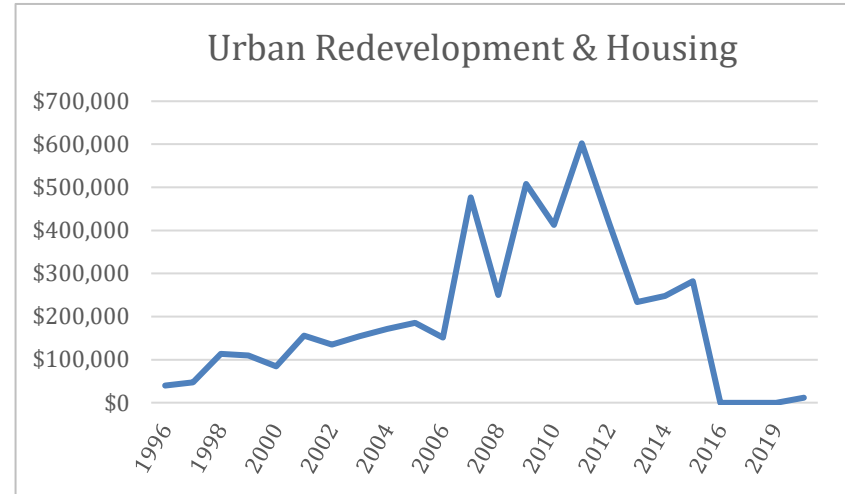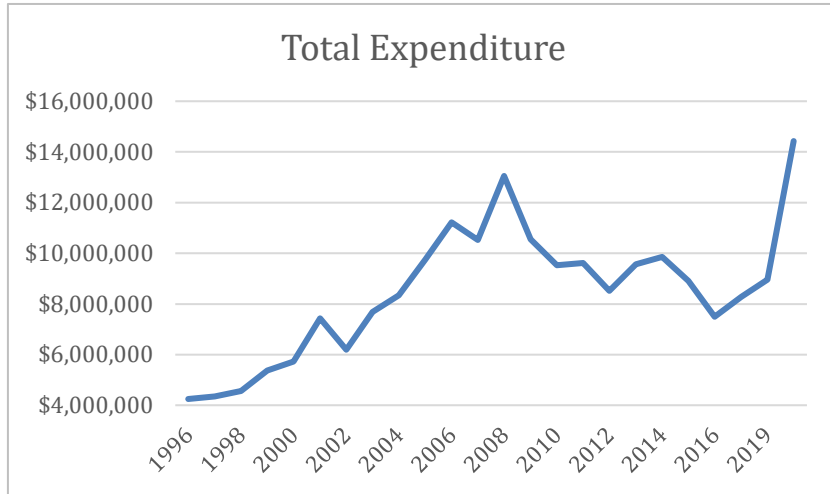
- Greensboro's expenditure budget and the amount allocated to Urban Redevelopment & Housing have similar trends from the late 1990s to the early 2010s (In 2011, it accounted for 6.26%)

- However, since the mid-2010s, Urban Redevelopment & Housing has decreased (Zero in 2017).

Investment *(Downtown)*
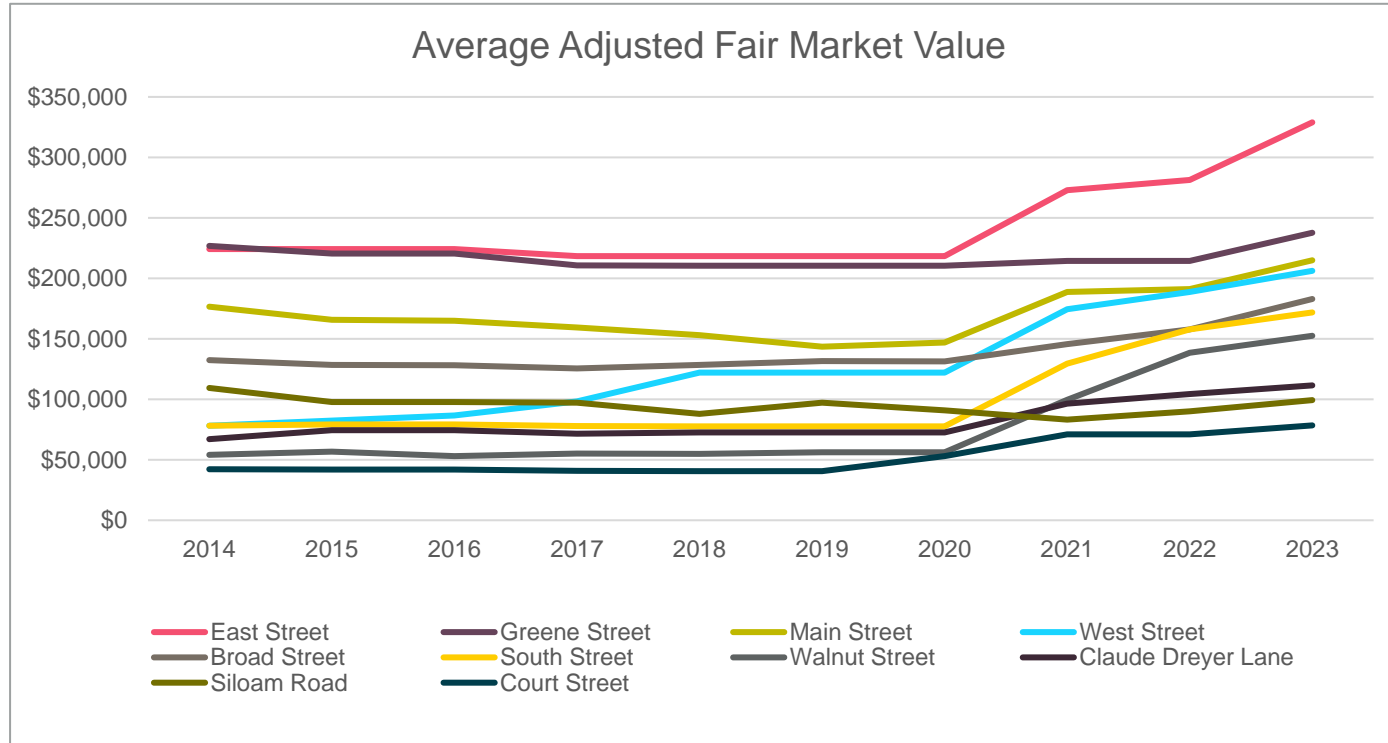

The Number of Projects

The Cost of Projects
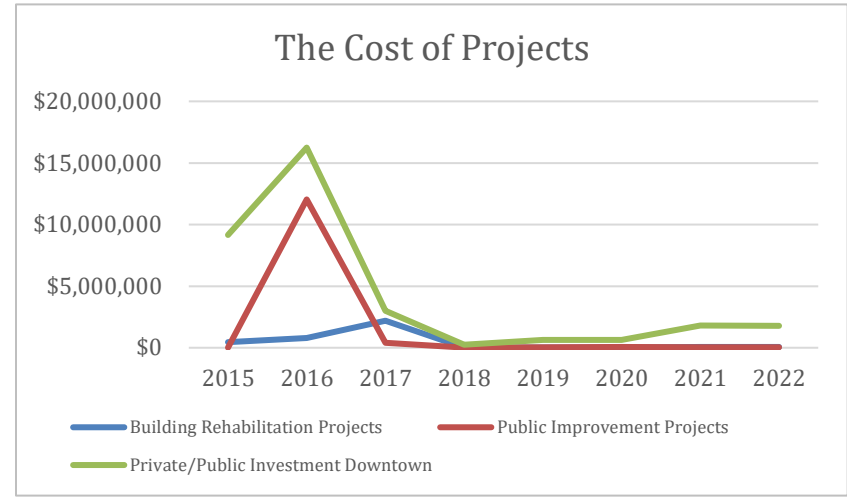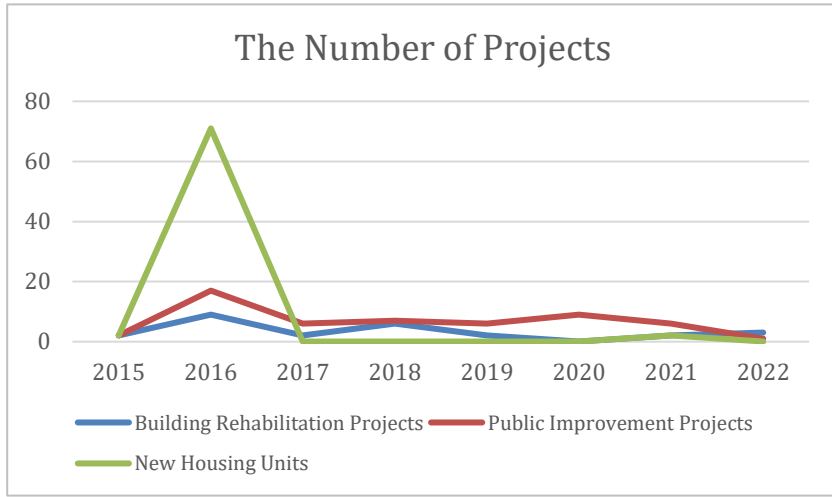
- The number of projects and the cost of projects show a slight slowdown after reaching a peak in 2016.

  ✓ Investment in urban development projects is gradually weakening.

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Total Adjusted Fair Market Value *(Downtown)*
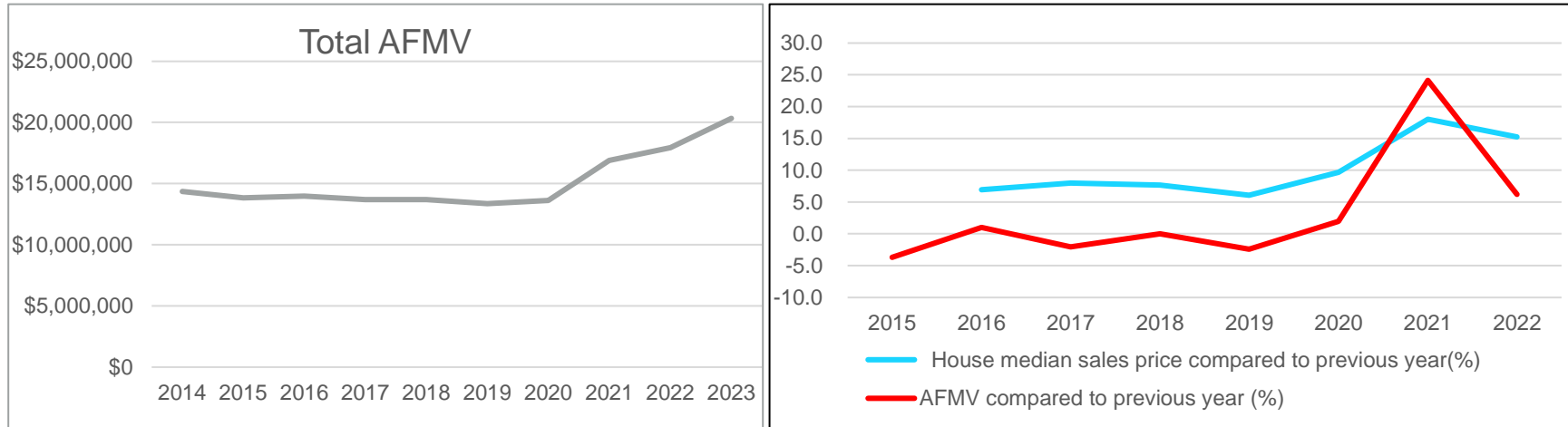
Total AFMV
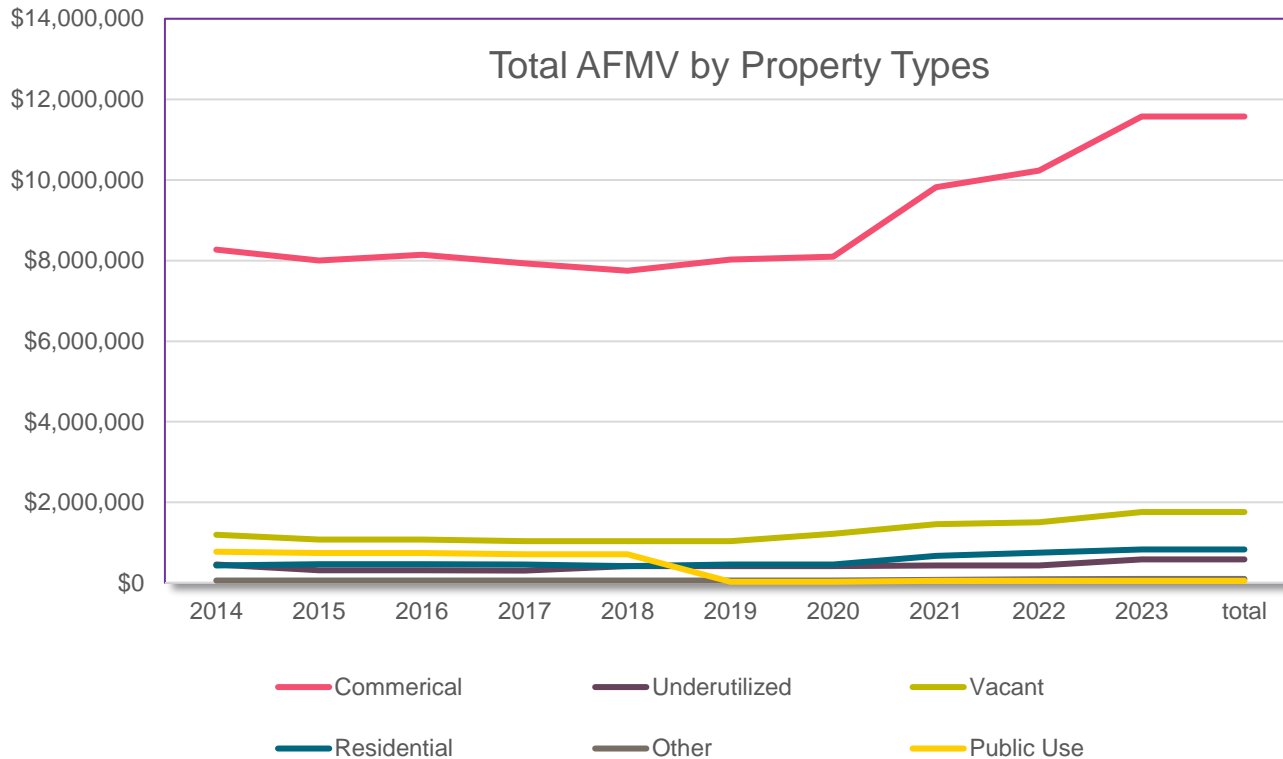

- Total AFMV showed a slight decline from $14.3 million in 2014 to 2020. However, it significantly increased from 2021 to 2023, culminating in a value of $20.3 million by 2023.
- To evaluate the rate of change in AFMV, compare it to median home sales price trends in Georgia.
  - ✓ Property values have risen sharply since 2020, reflecting the recovery in the real estate market.

Average Adjusted Fair Market Value *(Downtown)*

Average Adjusted Fair Market Value

Legend: East Street, Greene Street, Main Street, West Street, Broad Street, South Street, Walnut Street, Claude Dreyer Lane, Siloam Road, Court Street

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Analysis by Property Type *(Downtown)*

Total AFMV by Property Types

Legend:
- Commerical
- Underutilized
- Vacant
- Residential
- Other
- Public Use

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Analysis by Property Type *(Downtown)*

Commercial Resurgence

The commercial has experienced a significant, indicating strong business growth.

Vacant Properties Poised for Growth

Vacant property values are increasing, suggesting potential for growth and redevelopment.

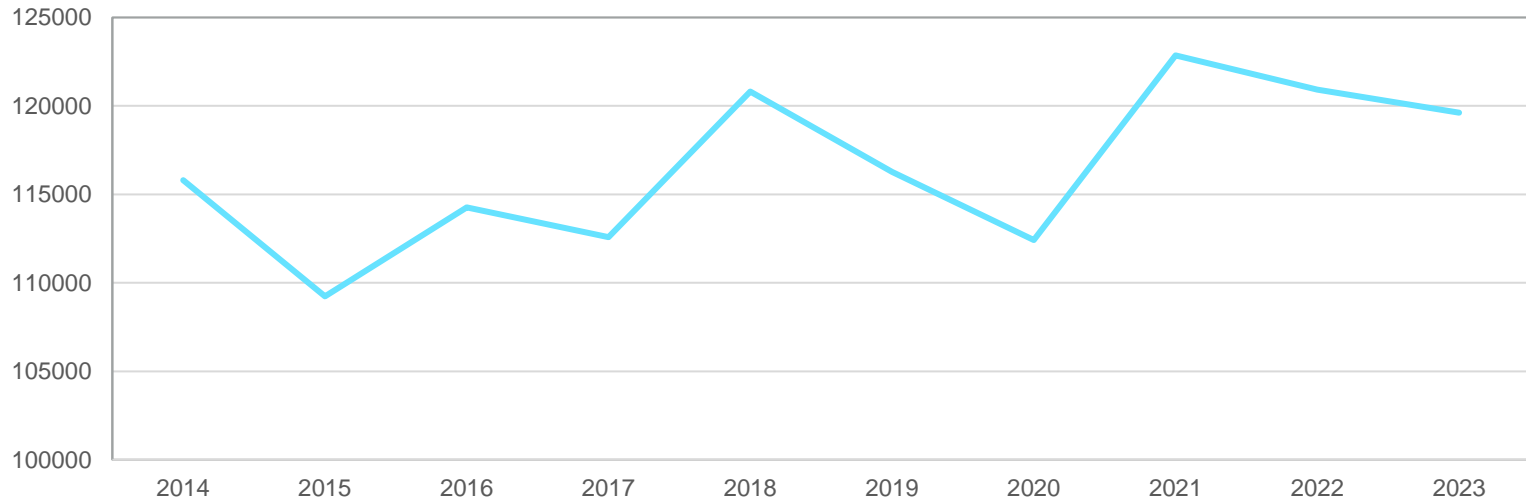**Underutilized Properties Awakening**

Underutilized properties have steadily risen in AFMV, hinting at enhanced value through redevelopment.

Residential Appeal

Residential AFMV has been consistently rising, reflecting the appeal of downtown living and successful urban initiatives.
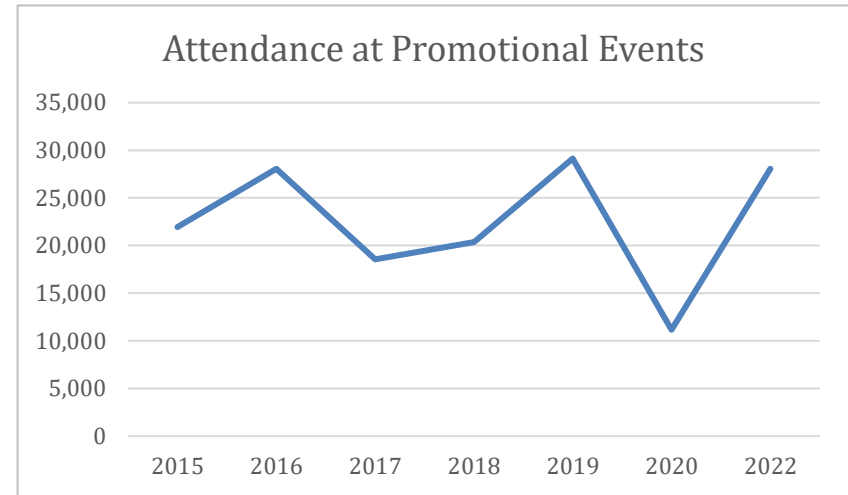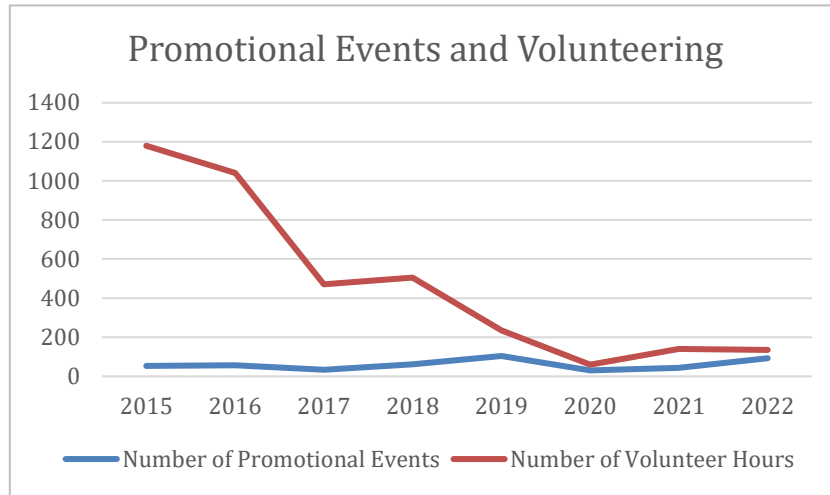
Total Property Tax *(Downtown)*

- Property taxes are calculated based on the AFMV at a specific tax rate.
  - ✓ Some proportional relationship between AFMV and property tax.
- Over the past 10 years, AFMV increased by 41%, yet property taxes only risen by about 3%.

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III. TREND ANALYSIS

3. Social and Other Indicators

Participation in Community

Promotional Events and Volunteering
- Number of Promotional Events
- Number of Volunteer Hours

Attendance at Promotional Events
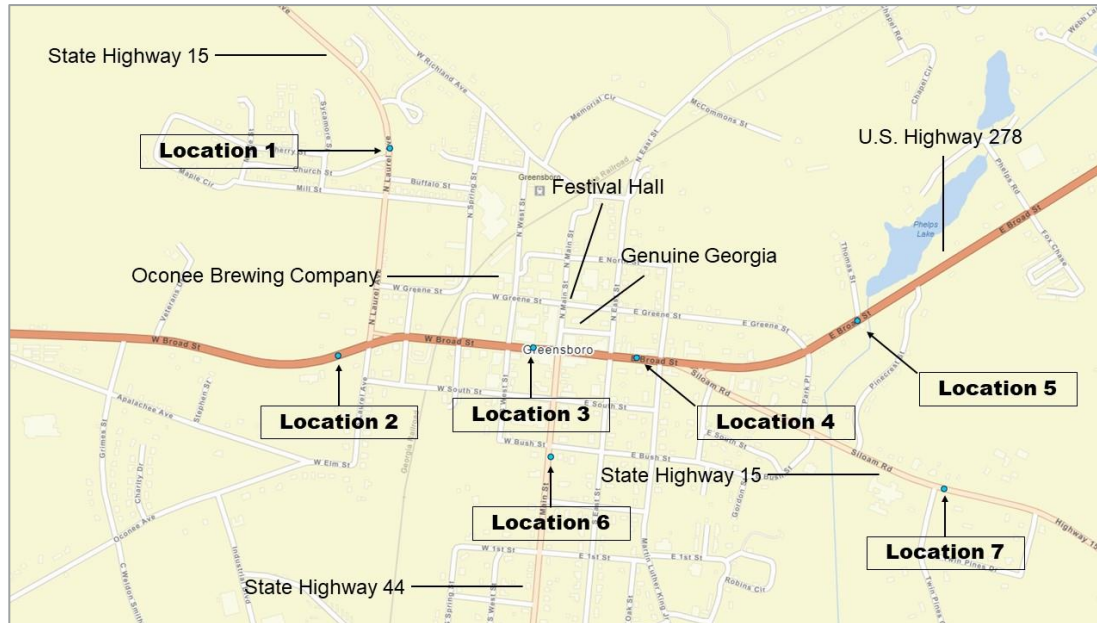
- The number of promotional events is relatively constant. However, volunteer hours show a decreasing trend. Attendance at promotional events fluctuates, with recent increasing trend.

  ✓ COVID-19 likely had a significant impact on this trend.

Traffic Counts

- Traffic count encompasses movements for all purposes.
  - ✓ Could be an economic indicator.
- Annual Average Daily Traffic
  - ✓ Locations 2-5, on US-278.
  - ✓ Locations 1 and 7, on Georgia State Highway 15.
  - ✓ Location 6, on Georgia State Highway 44.

Traffic Counts
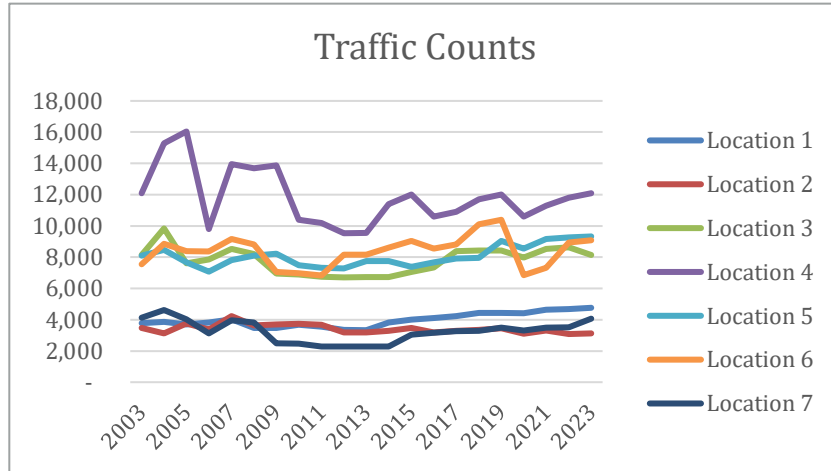
- As of 2023, Location 4 has the highest traffic counts, Location 2 has the lowest (Location 4 > 5 > 6 > 3 > 1 > 7 > 2)

- The downtown east side has a higher traffic volume compared to the west side.

  ✓ It suggests that many vehicles primarily travel from east to west.

  ✓ Significant portion of the traffic disperse onto Georgia State Highway 15 and 44 before reaching Location 2.

Traffic Counts
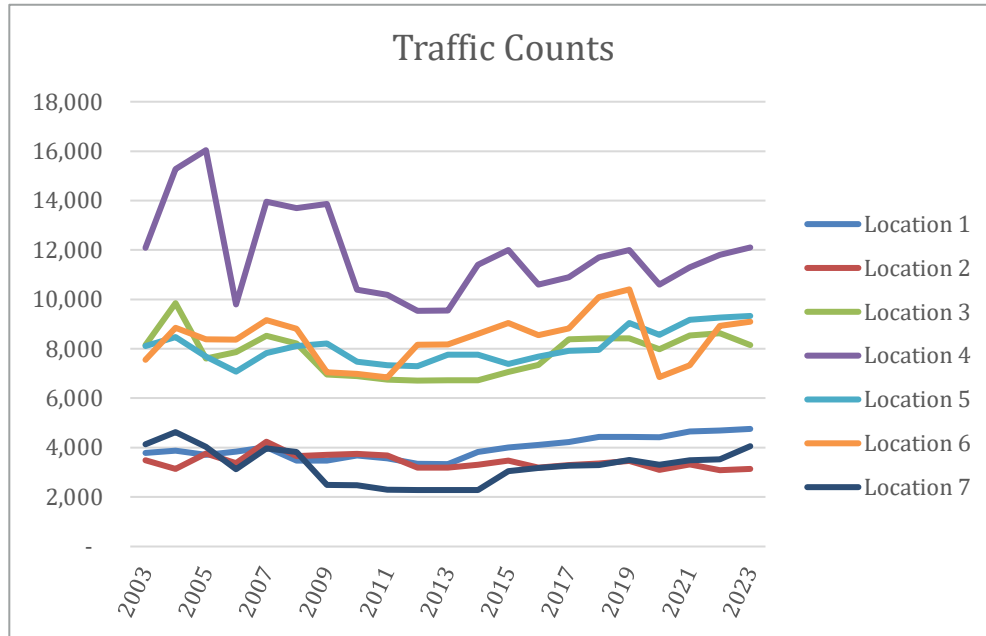
Traffic Counts

- The traffic counts show significant fluctuations without consistent trend.

- It's difficult to find a correlation with downtown development projects.

  - ✓ In 2010 (Festival Hall opened), total traffic counts decreased (-9.00%), and continued the following year (-2.43%).

  - ✓ In 2017 (Oconee Brewing Company opened), total traffic counts increased (4.84%), and continued the following year (5.23%).

  - ✓ In 2019 (Streetscape Phase III completed), total traffic counts increased (4.04%), but decreased the following year (-12.55%).

- Traffic counts between 2003 and 2023 are not significantly different.

Traffic Counts

- Comparing with other cities
  - ✓ Rutledge, Union Point, Warrenton
  - ✓ US-278 passes through the cities, and I-20 is nearby.
- The comparison was made based on proportions, not absolute numbers.
  - ✓ Traffic data from five locations in each cities were aggregated.
  - ✓ The proportion of each year's traffic to the total traffic (2003-2023) was calculated.

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Traffic Counts

Comparison of Traffic Counts
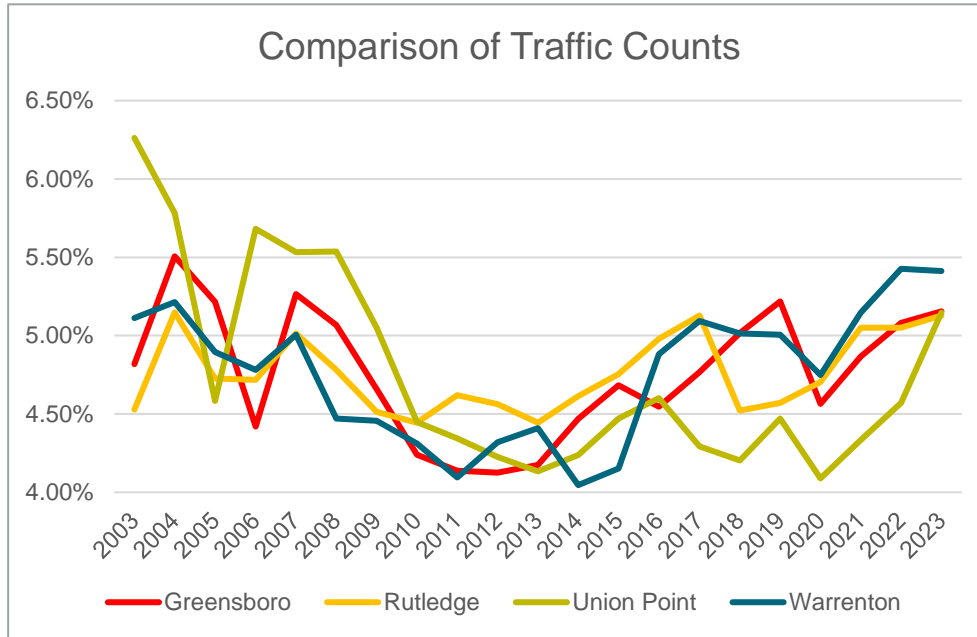
- The comparison shows similar trends of change.
  - ✓ Decrease in the late 2000s
  - ✓ Decline around 2019.
- This trend mirrors the overall economic situation in the U.S.
  - ✓ Recession in late 2000s
  - ✓ The spread of COVID-19
- However, the fluctuation in Greensboro is relatively small.

IV. ASSESSMENT OF ROI

Premise

$$Return\ on\ Investment\ (ROI) = \frac{Net\ Return}{Cost\ of\ Investment}$$

- Return on Investment (ROI) refers to the profitability of an investment.

- ROI can also be utilized to measure non-financial value.

    ✓ In the public sector, investment returns are not limited to profit concepts alone.

- To calculate ROI, it's necessary to be able to convert the effects into monetary value.

ROI-I

$$ROI\text{-}I = \frac{Private\ Investment}{Public\ Investment}$$

	2015	2016	2017	2018	2019	2020	2021	2022	Total
Private Investment	$9,148,741	$4,190,477	$2,595,283	$243,260	$599,792	$577,197	$1,766,372	$1,750,000	$20,871,122
Public Investment	$5,000	$12,056,000	$405,912	$7,500	$38,750	$72,000	$33,500	$30,000	$12,648,662
ROI (I)	1829.75	0.35	6.39	32.43	15.48	8.02	52.73	58.33	1.65

- ROI-I is calculated by evaluating how much public investment in downtown development has driven private investment in downtown development.

- The ROI-I values peaked in 2015. ROI for the entire period from 2015 to 2022 is 1.65.

The Cost of Projects
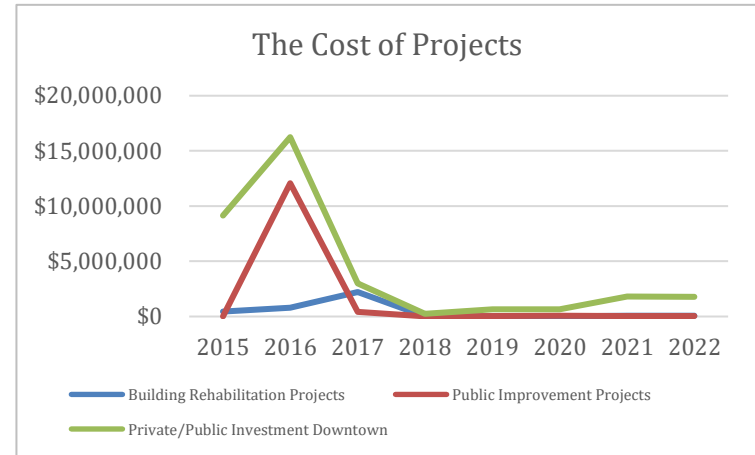
ROI-II

$$ROI\text{-}II = \frac{Private\ Investment + Increase\ in\ AFMV}{Public\ Investment}$$

	2015	2016	2017	2018	2019	2020	2021	2022	Total
Private Investment + Inc AFMV	$8,616,498	$3,799,909	$1,917,989	-$433,729	-$411,228	-$172,910	$4,301,658	$5,334,993	$22,953,180
Public Investment	$5,000	$12,056,000	$405,912	$7,500	$38,750	$72,000	$33,500	$30,000	$12,648,662
ROI (II)	1723.30	0.32	4.73	**-57.83**	**-10.61**	**-2.40**	128.41	177.83	1.81

- ROI-II is reflecting the broader economic impact including the leverage of public funds on private investment and real estate appreciation.

  ✓ The effectiveness of downtown development efforts is reflected in the AFMV within downtown.

  ✓ The negative change in ROI since 2018 is the effect of decreased investment and AFMV.

- ROI-II for the entire period from 2015 to 2022 is 1.81, which is 0.16 higher than ROI-I
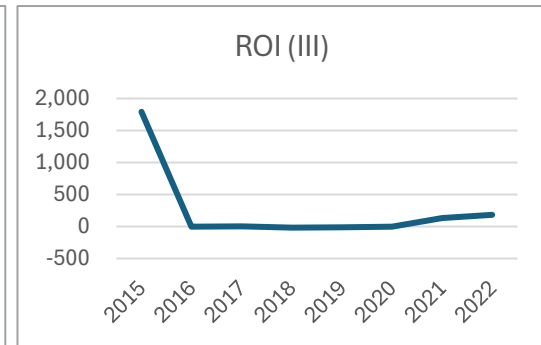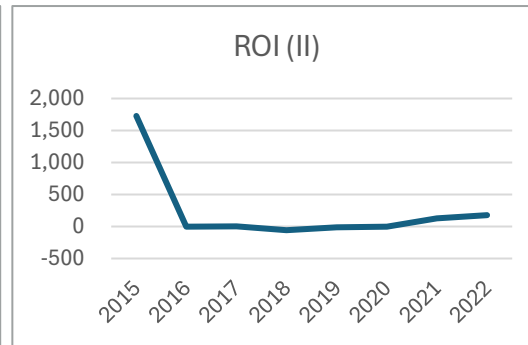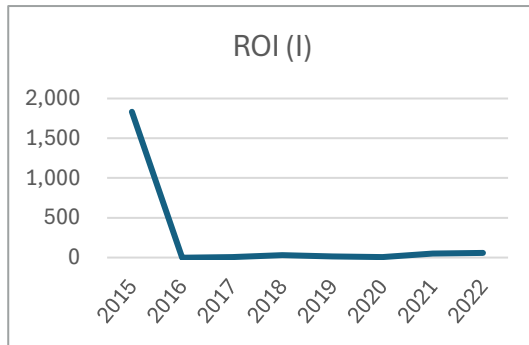
ROI-III

$$ROI\text{-}III = \frac{Private\ Investment + Increase\ in\ AFMV + Job\ Creation + Volunteering}{Public\ Investment}$$

	2015	2016	2017	2018	2019	2020	2021	2022	Total
Private Investment + Inc AFMV + Job Creation + Volunteering	$8,961,753	$3,894,676	$2,130,684	-$137,793	-$371,322	-$110,438	$4,462,025	$5,504,748	$24,334,332
Public Investment	$5,000	$12,056,000	$405,912	$7,500	$38,750	$72,000	$33,500	$30,000	$12,648,662
ROI (III)	1792.35	0.32	5.25	**-18.37**	**-9.58**	**-1.53**	133.19	183.49	1.92

- ROI-III includes job creation and volunteering as considerations.

  - ✓ The monetary value of job creation is calculated by multiplying the median individual income that year. The monetary value of volunteer hours is calculated by multiplying the minimum wage in Georgia.

- the ROI calculated from 2015 to 2022 for the entire period is 1.92, which is 0.11 higher than ROI-II.

Assessment of ROI

- ROIs calculated using the three methods for the entire period from 2015 to 2022 are all greater than 1.

  ✓ ROI-III (1.92) > ROI-II (1.81) > ROI-I (1.65)

- They all peaked in 2015 and then decreased, but the figures have gradually improved since then.

  ✓ This means the effects of downtown development efforts peaked in 2015 and have declined.

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V. SWOT ANALYSIS

SWOT Analysis

STRENGTHS

Downtown Revitalization
Economic Vitality
Historical Preservation

WEAKNESSES

Lack of DDA Staff
Invest Decrease

S   W

O   T

Positive Condition
Favorable Location
Tourist Resources

OPPORTUNITIES

Unfavorable Indicators
Economic Volatility
Funding Dependencies

THREATS

Strength (Internal)

- **Downtown Revitalization and Economic Vitality**

  - ✓ Revitalize the downtown, key projects like Streetscape improvements.

  - ✓ The amount of property taxes collected increased (Possible investment amount).

- **Community Engagement and Historical Preservation**

  - ✓ These initiatives preserve Greensboro's heritage and enrich its cultural life.

  - ✓ These stimulate production and consumption by attracting tourists and locals.

Weakness (Internal)

- **Lack of DDA Staff**

  - ✓ Greensboro has no separate organization for downtown development efforts.

  - ✓ Developing a city's downtown involves complex tasks spanning various fields.

  - ✓ Supplementing full-time positions may be a realistic alternative.

- **Invest Decrease in Downtown Development Efforts**

  - ✓ If investment in downtown development projects decreases, promoting private investment, increasing AFMV, job creation, and volunteering cannot be expected.

Opportunity (External)

- **Positive conditions for future development**

  ✓ Improved education levels, stable traffic counts, no significant population decline

- **Favorable Location**

  ✓ Close to major cities in Georgia such as Atlanta, Athens, and Augusta.

  ✓ Positioned along the road between Atlanta and Augusta, and close to I-20

- **Abundant Tourist Resources and Favorable Location for attracting tourists.**

  ✓ Many historic buildings in the downtown area.

  ✓ Nearby attractions such as Lake Oconee.

Threat (External)

- **Unfavorable Local Economic Indicators**

  - ✓ The unemployment rate is relatively high, community participation decreased.

- **Funding Dependencies & Sustainability**

  - ✓ The DDA's reliance on grants and funding poses risks.

  - ✓ Need for diversified funding strategies.

- **Economic Volatility & Regional Competition**

  - ✓ Economic uncertainty and competition from neighboring cities' development.

VI. CONCLUSION

Summary

- Through trend analysis on various indicators, several positive factors and negative factors related to Greensboro and DDA projects were identified.

- Based on this, ROI was calculated in three ways.

  - ✓ The ROI assessment conducted in this project is at a rudimentary level.

  - ✓ In the future, calculations should be performed using a more professional approach based on richer data sources.

- We also conducted a SWOT analysis and found that although there are some Weaknesses and Threats, there are also Strengths and Opportunities.

- This project is meaningful as the first attempt to analyze the effects of the DDA efforts.

Suggestions

- To increase the workforce dedicated to performing relevant tasks.

  ✓ Developing the downtown involves complex tasks spanning various fields.

- To build a good relationship with the new City Manager.

  ✓ If City Manager support DDA projects, the momentum will be strengthened.

- To increase investment in downtown development projects.

  ✓ Downtown development projects creates positive economic related effects.

- To put more effort into promoting tourism in the city.

  ✓ Greensboro has various tourism resources and an advantageous location.

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Thank You