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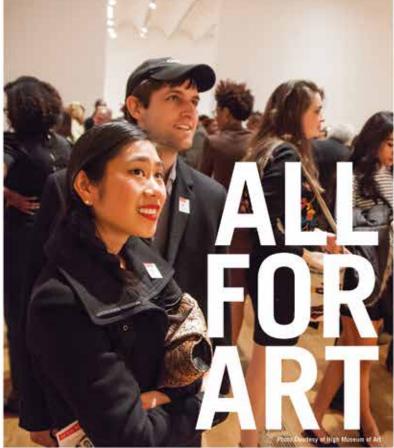
# Atlanta 2019

An in-depth review of the key issues facing Atlanta's economy featuring the exclusive insights of prominent industry leaders











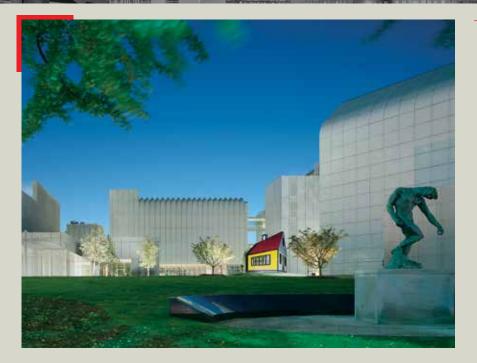








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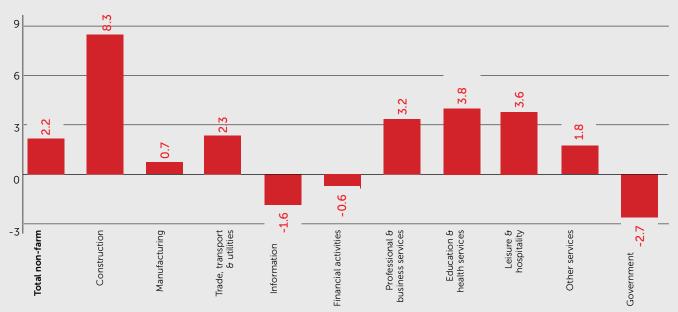


Atlanta is home to the third-largest concentration of Fortune 500 companies in the U.S. and is ranked one of the nation's fastest-growing metro areas, thanks to steady job growth and a thriving tech scene. While national and global challenges like rising interest rates and tariff wars are on the minds of local business leaders, overall Atlanta is experiencing robust activity across all sectors of the economy as it moves into 2019.



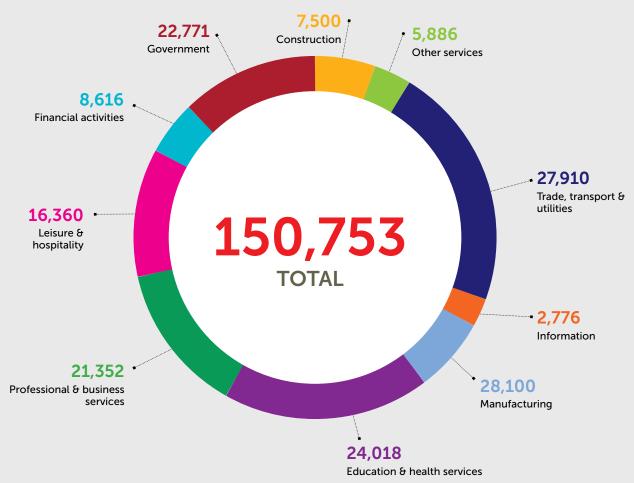
# **Economy in Numbers**

#### Metro Atlanta employment change by sector, October 2018 (year-on-year percent change):

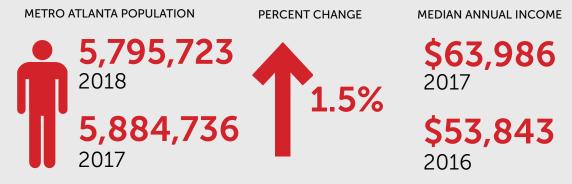


#### Source: U.S. Bureau of Labor Statistics

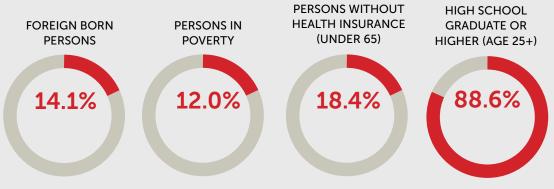
#### Metro Atlanta employment by sector, October 2018:







Source: U.S. Census Bureau/DataUSA



**Source:** Censusreporter.com

#### Top 10 employers in Metro Atlanta, ranked by # of employees (2017):

Company name	Full-time Atlanta employees	Primary facility type
Delt Airlines	31,529	Corporate HQ (FORTUNE #68)
Emory University	25,555	Educational Institution/Healthcare
The Home Depot	25,000	Corporate HQ (FORTUNE #28)
WellStar Health System Inc.	20,000	Corporate HQ/Healthcare
AT&T Inc.	17,000	Division HQ/Regional HQ
UPS	16,231	Corporate HQ (FORTUNE #48)
Northside Hospital	14,577	Healthcare
Piedmont Healthcare	12,906	Corporate HQ/Healthcare
Marriott International	12,000	Hotel
Publix Supermarkets	9,755	DIvision HQ

Source: Metro Atlanta Chamber



# Southern powerhouse:

Atlanta is one of the fastest-growing metro areas in the country, fueled by robust job growth and a booming information technology industry

Expectations for Atlanta were modest when it was founded in 1837 as the end, or terminus, of a new line of the Western & Atlantic Railroad connecting to what is today Chattanooga. Chief engineer Stephen Long wrote, "The Terminus will be a good location for one tavern, a blacksmith shop, a grocery store, and nothing else." Long declined to invest in property in Terminus (later named Marthasville and finally Atlanta). More than 170 years later, that looks like a glaringly poor business decision. Today, Atlanta is one of the 10 largest urban centers and the fastest-growing metro area in the United States.

#### ■ Lay of the land

The Atlanta metropolitan area is located in the state of Georgia in the southeastern U.S., situated between the low foothills of the Appalachian Mountains to the north and the Piedmont to the south. Kennesaw Mountain is the highest point in the region, and this elevated landmass — along with others in the area played a significant strategic role during the Civil War.

Georgia has more counties than any other state in the U.S. other than Texas, and it has the smallest average county size in the country. While this allows for more localization of government, it also means a decentralized collection of governments and increased potential for conflict between jurisdictions, each with its own agenda. At the time of the 2000 U.S. Census, fewer than one in 10 residents in the Metro Atlanta region lived within the City of Atlanta limits.

The Metropolitan Atlanta Rapid Transit Authority — or MARTA, as it is better known — was the area's first significant governmental agency, designed to oversee the public transportation system. Plagued from the onset by issues of class and race, along with perceptions of inner-city crime and poor schools, MARTA was banned by Clayton, Cobb and Gwinnett voters from expanding into their counties during the 1970s. This caused permanent effects on land development in the region and also increased dependency on automobiles.

Despite this history of division, the City of Atlanta's new mayor, Keisha Lance Bottoms, calls Atlanta inclusive and in her 2018 State of the City address outlined her vision for "One Atlanta." Mayor Bottoms is focused on addressing the issue of affordable (•••)

# City reboot

How Atlanta's new mayor is tackling important issues like affordable housing and income inequality in a fresh way, hoping to improve quality of life for everyone

#### Keisha Lance **Bottoms**

*Mayor* – City of Atlanta

#### How is your office attacking the issue of affordable housing?

We recently named the city's first-ever chief housing officer, Terri Lee, whose singular focus is developing a citywide affordability strategy, including coordinating policy initiatives with our agencies and partners and helping us reach our \$1 billion affordable housing investment goal.

We also brought together our planning department, the head of the Atlanta Housing Authority, the head of Invest Atlanta and the head of the BeltLine, and what we learned is that a conversation with those leaders around the table had never happened in our city. I think this really speaks to how much work needs to be done. It doesn't mean that we aren't being thoughtful in that space or that we haven't been working on initiatives, but it does suggest that we haven't always all been growing in the same direction if we're not even sitting around the table to talk about it. That's the first step: aligning internally and with our closest stakeholders. If we do that, it's going to be so much easier for us to align with our external stakeholders, who are also very interested in addressing this issue in Atlanta.

#### How do we close the gap on issues like economic mobility and income inequality?

It begins with the conversations we're having around equity, which is why we created the One Atlanta Office of Diversity, Equity and Inclusion. During the course of the campaign, we saw so many issues plaguing our communities, but there has not been a formalized and operational way for us to address many of these issues. Now we have an entire department whose focus each and every day is addressing issues like economic mobility in our communities.



We all recognize the linchpin to this is education. We need to be a solid partner with our public schools and make sure that every single child in this city has access to a quality education. Also important are our relationships with our corporate partners. Atlanta Committee for Progress is doing some great work to bolster our vocational training and vocational tracks in our schools. A great example of this kind of collaboration is the newly established Center for Workforce Innovation, which will welcome its inaugural class in the fall of 2019. The City of Atlanta, the Atlanta Committee for Progress and local corporate partners have joined Atlanta Technical College to provide students with workforce readiness training and direct access to well-paying jobs. By creating a pathway to opportunity, we can close the income gap and equip our residents for success.



### Joseph **Chancey** *Managing Partner* – Drew Eckl Farnham, LLP

With Atlanta resuming its place as a leading business center in the country and getting back to a place where it's thriving, we are seeing an increased demand in all the traditional areas where we provide legal services in terms of risk management. We are also seeing and reacting to some of the new and evolving risk areas. For example, we have a group in the firm that is focused on cyber liability and data security issues. We are experiencing both as a business that has medical and financial data of our own, but we're also seeing demand from our clients, who need guidance on this cutting-edge issue.

(\*\*\*) housing, improving education, providing job training and placement to all citizens, improving transportation and ensuring the safety and welfare of all of Atlanta's communities.

#### **■** Peachy economy

Atlanta is home to the third-largest concentration of Fortune 500 companies in the country, so it's no surprise that Forbes ranked the metro area number nine on its 2017 list of Best Places for Business and Careers. With a hospitality industry that welcomed more than 52 million visitors in 2017 and as home to Hartsfield-Jackson Atlanta International Airport (ATL), the world's busiest airport, Atlanta certainly packs a powerful economic punch.

The state of Georgia saw 2 percent employment growth in 2017 (as compared to the 1.1 percent national average), and two-thirds of that growth was in the Metro Atlanta region, which added 55,600 more jobs last year than in 2016. At the time of print, the area's unemployment rate was 4.1 percent, down from 4.2 percent in November 2017 and 5 percent in January 2017. Metro Atlanta ended 2017 with 2.79 million jobs. Hiring was strong in both higher-paying corporate jobs and lower-wage leisure and hospitality positions. Moderately compensated health sector jobs also saw some growth. According to the U.S. Labor Department, manufacturing was the only sector to lose jobs.

The only thing missing from this success story is wage growth, which has been sluggish in the Atlanta

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#### DOWNTOWN

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area in recent years. However, the hope is that December 2017's federal tax reform — and the state tax reform that quickly followed — will inject fuel into this area as well.

#### **■ Global landscape**

While Atlanta is experiencing steady activity in most business sectors, rising interest rates and global tariffs could have an impact on continued economic growth in the region. Many local leaders are keeping a close eve on both of these trends.

In 2018, the Federal Reserve raised interest rates three times, with a fourth hike expected before year's end and three more penciled in for 2019. The idea behind these rate increases is to keep inflation in check and the economy from overheating. However, even with the successive hikes, interest rates remain at historical lows, and so far they have not seemed to constrain investment activity in Metro Atlanta.

Tariffs, on the other hand, could prove to be a much bigger challenge. Since taking office, President Trump has imposed a number of tariffs on imported goods ranging from solar panels and washing machines to steel and aluminum. In the process, he has upset important U.S. trading partners like the European Union, Canada and Mexico, not to mention India and China. All of these countries have retaliated with their own sets of tariffs on American goods.

While the blow these trade policies have had on such industries as automobile and machine parts manufacturing has been more obvious, the transportation and logistics sector in Atlanta, which depends heavily on international trade, is particularly vulnerable to global trade disruptions. Many workers in the Metro Atlanta area, particularly in Fulton County, owe their livelihoods to the activity at Georgia's ports. Perhaps the hardest part for many local business owners is the uncertainty over how long the tariffs will stay in place, how they might change in the future and whether new tariffs will be levied.

#### **■**Foreign investment

In fiscal year 2018, the state of Georgia saw \$1.9 billion invested in 89 foreign-owned projects. 20 percent of these projects were located in the Metro Atlanta area, and close to half of new jobs and capital investment came from return companies, or those that already had a presence in the state.

Europe remained the top investor in Georgia — led by the U.K., France and Germany — accounting for more than 50 percent of the individual foreign-direct investment (FDI) projects and 56 percent of (\*\*\*)



Hala **Moddelmog** President & CEO Metro Atlanta Chamber

#### What were some of your favorite wins for Atlanta in 2018?

We were thrilled when Starbucks decided to put a large office here. The company is bringing 500 new jobs, and Atlanta is going to be its east coast satellite office. Starbucks will be investing \$16 million in its office building. Pandora didn't get as much attention in the press, but it is bringing 250 jobs here, and we're excited to have a brand that is business to business (B2B). Both of these companies are moving into Fulton County.

Inspire Brands, parent company to Arby's and Buffalo Wild Wings, recently bought a new \$32 million headquarters building in Sandy Springs and will be creating 1,100 jobs. ThyssenKrupp is also making Atlanta its U.S. headquarters with a \$200 million investment in three facilities at the Battery, including its corporate offices, an innovation center and an amazing 420-foot-tall glass elevator building overlooking the city. Facebook came with 100 jobs and \$715 million invested in a new data center. 2018 was a big year for relocations, and we want to continue that momentum.

#### What are some trends companies are following to cement their footprint in Atlanta?

Atlanta has always been known as a transportation and logistics hub, so it's no surprise to see companies building their innovation centers here. Mercedes-Benz chose Atlanta for its Innovation Lab, one of only three in the world. Georgia-Pacific is finishing up a project called Point A, which is an innovation center working on supply chain automation. Atlanta is quickly becoming a supply chain city — a concept that I love. Accenture is finishing up a 30,000-square-foot innovation center above its Tech Square office, which further strengthens an already bustling innovation district anchored by Georgia Tech. On a separate note, we have noticed several companies using WeWork to design, build and manage their new offices. WeWork takes care of everything.

# Innovation hub

How Accenture is expanding its footprint in Atlanta's innovative Tech Square to capitalize on local talent and the evolving, collaborative consulting space



#### How is Accenture expanding its footprint in Atlanta?

We have been working hard to drive our innovation agenda. Shortly we will be opening our 30,000-square-foot innovation hub at the top of Tech Square, which is not only the largest in Atlanta but also the largest in the Southeast. We're also tripling our office space on the floors under the lab. We're so proud to have our name on the building and to maintain our presence at Tech Square, which is an epicenter of business in Atlanta, making it an epicenter of business for the Southeast. We're also developing our relationships with organizations like the ATDC, GTRI and Engage Ventures, enabling us to be even more tightly connected with the thriving startup community here.

#### Jimmy **Etheredge**

Senior Managing Director - US Southeast -Accenture

#### Why is it important for Accenture to maintain a presence in Atlanta?

We're a global firm, and our focus in terms of clients is what we call the "Global 2000" or the "G 2000." Atlanta is a very important market because of that. We have a lot of important clients or prospective clients who are headquartered here. Another reason Atlanta is important for us as a global organization is that it's an important source of technology talent. Georgia Tech is a worldrenowned research institution, so we like to hire its graduates, but we also like to work with Georgia Tech on research. We also do a lot of hiring here through the AUCC and Georgia State. A little-known fact is that there are more minority technology degrees conferred here in Atlanta than in any other place in the U.S. That's important from a talent perspective. We announced a year and a half ago that Accenture would open 10 innovation hubs across the U.S., and Atlanta was at the top of that list.

#### How has the consulting space evolved in recent years?

In the client service model that I grew up with, consultants went to the client site and worked at the client site. More and more of the companies we've acquired have a different client service model. They do most of their work in their offices. They go periodically to meet with the client, but the client more frequently comes to their offices, and we're designing our innovation hub with that in mind. The space in the innovation hub is geared more toward creativity and collaboration. Most clients have never seen a space like this, and soon the prerequisite will be that if there's going to be an innovation partnership, we will not only need to bring good ideas and talent to the table but also have a space where co-creation is possible. Our new innovation hub is that space, perfect for sparking ideas and collaborative innovation.

(\*\*\*\*) jobs created by foreign companies (3,800). Asia was the number two source region, which is unsurprising considering Georgia's rapid growth in the automotive sector. Led by Korea and Japan, Asian companies invested in 24 projects that generated 1,822 jobs and \$489 million in FDI.

Atlanta's commercial real estate vertical is also seeing a boost from foreign capital. According to Atlanta-based Iron Tree Capital, which siphons money from Middle Eastern investors into local real estate, its clients are showing increased interest in the metro and surrounding areas, particularly in the multifamily and industrial classes. Canada, Germany and China are also increasing their investment dollars in the city. Some reasons for this rising interest include weaker investment yields overseas and the value Atlanta offers compared to other, more expensive gateway markets like New York and Washington, D.C.

Neighborhoods like Midtown are reaping the benefits of this increased interest from both foreign and domestic investors. "Our job is to help create the most exceptional urban district in the Southeast, and we believe that Midtown is one place in this region where this vision is achievable," Kevin Green, president and CEO of the Midtown Alliance, told Focus:. "We are on the ground every day working work as partners, implementers, facilitators and advocates. Our role ranges from working with investors and design teams on new development, to implementing significant transportation and (===)



Midtown and other neighborhoods are experiencing developmen booms thanks to increased interest from investors

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# oundtable: Legal Services

According to a newly released report by CBRE, Atlanta has seen double-digit growth for legal professionals since 2015 and had 16.3 percent more lawyers in 2017 than two years earlier. With its skilled labor pool, comparatively low operational costs and diverse business climate, Atlanta is an ideal hub for legal services.



Rick **Deane** Partner-in-Charge Atlanta Jones Day



Theodore **Blum** Managing Shareholder Greenberg Traurig

Our calling card is our international breadth. We have 43 offices and more than 2,500 lawyers around the world. This makes it easy for our clients to engage us on a local level yet have that international scope and reach. We are a fully integrated partnership, which in the legal world is getting to be something of an oddity. Because we have operations around the world, our clients are dealing with someone they know personally and often have dealt with for a long time. They don't have to engage new lawyers just because they have business operations in another part of the world.

The driver for us is our transactional practice, which is in high demand here in Atlanta. A big reason for this is the depth of experience that we offer. We have senior transactional lawyers with stellar credentials, and that, coupled with the scope of our firm, makes us a very attractive option for big business. What makes our office unique is the fact that we are a full-service practice. We are not specifically focused like some of our other offices.

It is hard to think of a real impediment to the business growth and legal climate here in Atlanta because Atlanta and the State of Georgia are so pro-growth. For the last five years in a row we have been designated as the number one place for business, and you can look around and see that. Our clients are very active, and their business operations are growing. Look at the tech incubation that is taking place at Georgia Tech and the tremendous startups coming through that process. All of these things are attractive propositions for businesses looking to locate here or those already are here; they have a wealth of talented students coming into the marketplace to draw upon.

Atlanta is a dynamic city that is constantly evolving. When I came here in 1992, it was a city full of promise on the verge of bursting into the future. At that time, Atlanta was a regional hub, and the businesses driving the growth of the city were built on long-standing local relationships and connections going back decades and more. Banking, real estate, law firm, corporate boards, philanthropic and civic partnerships were segments of the local economy that always worked well together, and they thrived on the strength of deep-rooted, hometown relationships. Simply put, Atlanta was a city that got things done.

Then the Olympics came, and the growth of the city really took off. The local relationships that historically drove so much of the city's commerce expanded to welcome new people with fresh ideas from all over the world, bringing new priorities and often different ways of getting things done. It was becoming an international city on the move.

Now we are entering a new chapter in the life of the city. We are experiencing innovative growth in so many directions — from technology and innovation to healthcare and biomedical: from media, entertainment and the arts to fintech; from trade and logistics to transportation; from tourism and hospitality to sports and retail; from banking and financial services to real estate and construction: from manufacturing to professional services. And these are just a few of the sectors of our city's economy undergoing transformative growth. Throughout all these chapters in the city's growth over the last 26 years, we have experienced our share of recessions, challenges and demands. But through these challenges, Atlanta has only become stronger and more diverse.



Mark **Wasserman** Managing Partner Eversheds Sutherland (US) LLP



Audra **Dial** Atlanta Office Managing Partner Kilpatrick Townsend

Developing female talent is a huge issue in the profession generally. Most of us have starting classes that are 50 percent men and 50 percent women, and most law schools are graduating pretty equal classes. However, in terms of retaining equal talent and moving women into partnership, most firms have not done all that well. Our numbers are in line with industry averages, so we're average — which is not what we aspire to be in anything. There's a ton of research showing that when providing services to clients, having a more diverse workforce translates to better service across the board. You are offering different viewpoints, and clients are demanding that today. As a business matter, it's imperative for us to be able to serve our clients correctly.

As a firm, we've signed on to something called the Mansfield Rule. In essence, this means that the pool of people we look at for any large positions — whether for our executive committee or for practice group leaders - needs to be at least 30 percent diverse. We not only adopted that 30 percent target but also adopted a new women's initiative overall. It is part internal training and mentorship, involving more business development and other sorts of classes. It also involves clients because we want to make sure our clients are tied into helping mentor our younger female lawyers, to help keep them on board throughout the process. It's a fairly wholistic path, and I think Atlanta is a great city for that. No city is perfect, and no organization is perfect, but I think Atlanta has always strived to make sure that diversity is key across the board. We've done well on that front.

We are the oldest law firm in Atlanta and have had a chance to grow up with many Atlanta giants. I would say we also have the strongest intellectual property (IP) practice in the city and arguably in the Southeast. Our firm is very proud of the legacy of pro bono work we have built. We represented the King family for years and are currently working on several unique asylum cases. The firm was founded on the philosophy of giving back to the community and really focusing on being a citizen lawyer. Thomas Jefferson talked about this concept: if you're a lawyer, you have a duty to the community to do more than practice law. You owe it to the community to give back in the form of civic involvement. That's what our firm's values are all about and have been since the beginning. It's nice to see that legacy continue today.

Intellectual property is extremely significant for us. For most companies, their most important assets are in their intellectual property — whether it's a patent right, a trademark or trade secret — and we counsel our clients on how to best protect their assets and how to monetize them. Licensing agreements and transactions that relate to the use of intellectual property are some of the most significant work happening today. Intellectual property is the future of the American economy. I think that Atlanta's economy is a subset of what's happening in the American economy on a larger scale. Today, so much more of our value as an economy is based on intellectual property.

There's a lot of innovation happening in Atlanta. There is so much creativity and cutting-edge thinking here. Most of our big companies in Atlanta are really driving that innovation.



Eloisa **Klementich** CEO Invest Atlanta

As the City of Atlanta's economic development authority, Invest Atlanta focuses on growing Atlanta's economy in a way that is beneficial to everyone. Investments we're making today are supporting an equitable and inclusive future for our city by facilitating new jobs, affordable housing, transit-oriented development, small business activity and other economic benefits.

Our strategies are sensitive to the needs of the market and the community. In 2010, Atlanta reported the loss of several thousand jobs. Because of our focus and the economy, today we are adding thousands of jobs and have seen positive year-overvear job gains since 2013; in fact, last year Atlanta had the fifth highest year-over-year job growth among U.S. metro areas.

Atlanta is also becoming known around the world as a tech town on par with other startup hubs like San Francisco and New York. In fact, according to one small business research firm, we ranked third as a startup city — ahead of Seattle, Austin and Boston. The tremendous talent we have coming out of our colleges and universities, as well as the strong business climate within our city, region and state, has helped Atlanta add the most businesses to the Inc. 5000 since 2012.

While we expect this momentum to continue, it's critical to ensure that the benefits of this job growth are shared. Helping businesses, no matter what size, and all our residents, regardless of where they fall on the income scale, is at the core of Invest Atlanta's economic development strategy. We recognize the need to look at growth through a lens of inclusivity. Hence, Invest Atlanta is widening its scope to ensure everyone is participating in this extraordinary period of economic growth. Our goal is to see all Atlantans thriving along with our economy. And by opening access to new job opportunities and affordable living options to our residents, the City of Atlanta can rise as one.



( streetscape improvements – all in partnership with the City of Atlanta."

#### **■** Business of attraction

According to a July 2018 survey by GeekWire.com, Atlanta ranked number two in the country, behind Raleigh, North Carolina, as the most desirable place for tech industry workers to live. Perhaps for this reason, Atlanta was also one of the favorites to land Amazon's HQ2 and the 50,000 jobs that will come with it. While Atlanta ultimately lost out to northern Virginia and New York City for the coveted second headquarters, the bid sparked some much-need improvements city-wide.

Amazon identified some specific needs for its HQ2 site, and two of the most important were education and transit. In response, many candidate



cities moved forward on projects in those areas in hopes of attracting the e-commerce giant. In May 2018, Atlanta consolidated its public transit under the regional Transit Link Authority, and earlier in the year the State of Georgia announced that it would spend \$100 million to build a bus rapidtransit corridor on Georgia 400 north of Interstate 285. Atlanta included both of these projects in its Amazon pitch.

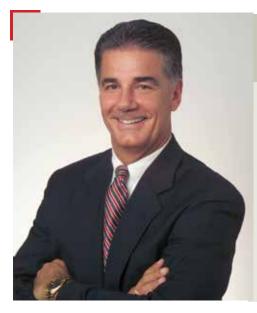
The potential of landing Amazon triggered other development plans, as well. One that has been receiving a lot of attention is the Gulch project, in which Los Angeles-based CIM Group proposed about 10 million square feet of mixed-use development - to include office, retail, housing (including a percentage of affordable housing) and hotel rooms in a number of high-rises — on the notoriously

unsightly mass of parking spaces Downtown near Philips Arena. Mayor Bottoms is pushing to "Greenlight the Gulch," but critics are concerned about the impact the development could have on the surrounding community.

The Aerotropolis is another venture with plans to attract new business to the region, specifically in the airport area with Hartsfield-Jackson Atlanta International Airport at the heart. By bringing in more business to the underdeveloped southside, the hope is to create more jobs for residents and turn the Aerotropolis into a thriving global business district.

#### **■ Upward trajectory**

There are more than 602,000 businesses in the state of Georgia, and 510,000 of them are located in Metro Atlanta. "I think the key to success as a business



Darrell (Corky) **Dawes** CEO – Peachtree Planning

Atlanta is such a diverse market fundamentally. The thing about Atlanta that is really unique is we have all these different people — the baby boomers, the traditionalists, the millennials, the Gen-Xers — and we work with a group to help us learn how to better communicate with all of them because they all communicate differently. The message can be the same, but it's like speaking different languages. Atlanta gives us the opportunity to continue to always get better at communication. The sample demographics in any area of the city are unbelievable. That's the beauty of Atlanta.

is making sure that you're constantly redefining yourself instead of limiting yourself or calling yourself a niche market," Zeron Turlington, CEO of Full Circle Group, told Focus: "You have to continue to figure out what the customer needs."

Atlanta also boasts the majority of the state's 280,000 tech jobs and is one of the fastest-growing tech markets in the country. The region ranks number three nationally in STEM job growth employment and number 27 in total STEM jobs. These economic drivers are a strong indication that Atlanta's growth will continue. According to the Atlanta Regional Commission (ARC), the number of jobs in the city is expected to reach 3.3 million by

2020 and 3.5 million by 2025. These jobs will lead to population growth estimated to reach 6.5 million in 2020 and 6.9 million by 2025.

Metro Atlanta's recent and projected job growth — bolstered by the booming information technology sector, which contributed almost a full percentage point to total GDP growth in 2017, along with hot industries like insurance, finance and real estate — outpaces the nation as a whole. As long as the region continues to prioritize challenges like transportation, infrastructure, affordable housing, inclusion and economic mobility, among others, the area's economic boom is poised to continue its upward trajectory in 2019 and beyond.

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# Regional strength:

The Atlanta metropolitan area is made up of 10 diverse counties, all of which contribute to its status as a global powerhouse

According to the Atlanta Regional Commission (ARC), Metro Atlanta is a dynamic 10-county region comprising Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry and Rockdale counties, along with the City of Atlanta. Not only is it the economic capital of the Southeast, but it is also a major player on the global stage. Known for its southern hospitality, diverse population, pleasant climate and abundant tree canopy, the Atlanta area is so much more than just the powerhouse city that gives it its name.

The 10-county Atlanta region added 75,800 new residents year-over-year from April 2017 to April 2018, according to the Atlanta Regional Commission (ARC), with a population increase of 1.7 percent in that same time period, primarily fueled by job growth. Fulton County experienced the largest population growth, welcoming 17,570 new residents, while Cherokee and Henry counties had the fastest uptick in residents relatively speaking, spiking by 7,100 and 5,800 residents respectively.

Many counties are providing enticing incentives to attract both businesses and residents to their communities. "We've developed some new economic incentive tools for Cobb County that reflect the diverse business needs of the community," Michael Hughes, economic development division manager at the Cobb County Community Development Agency, told Focus:. "We've shifted from a one-size-fits-all approach; now we've got the capacity to provide incentives for entrepreneurs, innovators and small businesses."

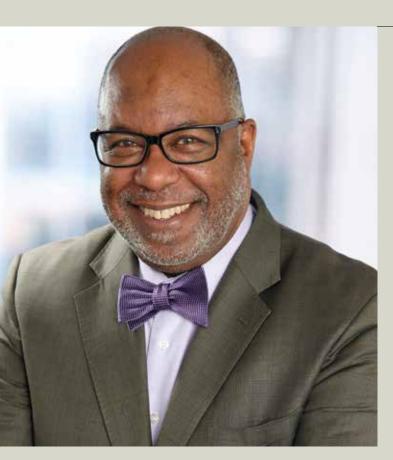
#### **■** Demographic shifts

Atlanta's non-white population has doubled in the past 45 years, and in just one decade (from 2000 to 2010) the city's Latino population more than doubled. According to data from Woods & Poole Economics, at the end of 2017 only one county in the Metro Atlanta area (Cobb) still had a majority-white population, and that is predicted to change in the next few years. By 2021, it's expected that whites will account for 49.6 percent of Cobb County's population. Atlanta has always been a diverse area, but even within that diversity the tides are shifting.

In Gwinnett County in 2017, four in 10 residents were white (down from nearly nine out of 10 in 1990), and two in 10 were Hispanic. In Fulton County, it is expected that Asians/Pacific Islanders will slightly outnumber African-Americans by 2050. DeKalb County became ( • • •)

# Collaborative muscle

How the Atlanta Regional Commission is helping bring together regional groups in the spirit of community and collaboration, making Metro Atlanta stronger



#### What are some strategies for maintaining an economically competitive market?

Our region is awakening to the power of our collaborative muscle. First is the fact that there are few community issues we can address without extensive collaboration, but second is our willingness now to collaborate. We (ARC) are being called upon more and more to be a convener with groups that either have not convened regularly or have never convened before, to help them think about the way forward on different kinds of issues. Four years ago, four regional institutions that are now nicknamed "the Big Four" came together to identify where we had overlap in our regional portfolios and to determine how to integrate our strategies and work together on them. The first effort we decided to

#### Doug **Hooker**

Executive Director – Atlanta Regional Commission

work on together was K-12 education. From that effort we helped create Learn4Life, a regional educational collaborative involving eight school districts and over 610,000 students. It is off to an encouraging start.

Coming out of the recession, the community as a whole has given a more thoughtful, collaborative, concerted approach to trying to diversify our economy, to lift up the things that we are strong in and make us stronger in new sectors of the economy. I think our growing muscle and communities in fintech, cybersecurity and health IT are examples of that. We don't have the connective and autonomous vehicle activity that a lot of other places in the country have, but instead of trying to be copycats, we're trying to advance application of smart mobility technologies in a more thoughtful and broader fashion. As a region, we've been doing some things that are on the cutting edge that we didn't even realize were cutting edge.

#### How did the bid for Amazon HQ2 impact the region?

The chase for Amazon HQ2 sharpened our collective economic development muscle. We now have a Regional Marketing Alliance, which was huge in working with the state on sharpening our pitch to HQ2. While we didn't win the bid, the important thing about having gone through the process is there is now a much clearer focus in our relationships between the various economic development agencies and in our relationships with site selection and tax consultants. As a result, the better coordinated efforts between our State and regional economic development agencies have several other major prospects in play. We're going to be a stronger player nationally and internationally for economic development expansion and relocation well into the future because of that.

(\*\*\*) majority black in 1996, but by 2030 both the black and white populations are expected to decline. In a region that has long struggled with issues of race and class, these demographic shifts have sparked a controversial cityhood movement in which predominantly white and wealthy areas in suburban Atlanta are becoming their own municipalities.

In 2005, Sandy Springs broke off into its own city, and since that time, about 10 other large cities have formed in Fulton County. When South Fulton formed in 2017, it ate up most of the county's remaining unincorporated land. DeKalb County is headed in a similar direction, with many of its newest cities emerging from heavily white and higher-income communities. This trend is leaving hundreds of thousands of nonwhite, lower-income residents in unincorporated DeKalb, where they are left footing the bill for county services. Proponents of the cityhood movement argue that it is primarily economically driven, creating better opportunities to address some of the area's biggest challenges, while detractors claim it is a form of re-segregation based on both race and class with enormous economic and social fallout.

#### **■**Facelifts

Despite this trend toward new cities, existing Atlanta-area suburbs are working to reinvent their identities around denser, urban, mixed-use development. Recent examples of this include Avalon in Alpharetta, Halcyon in Forsyth County, Pinewood Forrest in Fayette and city-backed town centers such as City Springs in Sandy Springs.

In 2017, Halpern Enterprises opened the Shops at Belmont, which has helped to bring hundreds of residences, new restaurants and merchants to Smyrna. Smyrna is also benefiting from its proximity to the Battery. "Having the Braves and the Battery located just outside our city limits established a major destination center which also has a positive effect on Smyrna," Ken Suddreth, director of community development for the City of Smyrna, told Focus:. "New studies have been performed and older ones updated. Spring Road has become a place that draws interest from all kinds of people and industries and is ready for redevelopment. We think we do compete with the rest of the hotbeds around Atlanta now."



Other cities, such as Duluth and Sugar Hill, are also pushing for denser development in their downtowns.

#### **■**Challenges

One of the things that makes the Atlanta area so attractive is its high quality of life, and maintaining that standard of living is critical to the area's future. In order to become a leader in the global economy, Metro Atlanta has to overcome a number of challenges.

Transportation remains at the forefront of regional leaders' minds, and it is imperative that the region works together to implement the newly formed ATL to expand and better coordinate transit options across municipality lines. Along with this comes a need to prepare for new innovations in transit technology, like autonomous vehicles and smart signals.

Traffic challenges aren't limited to commuter jams, either. Metro Atlanta's total freight volume is projected to grow 76 percent by 2040, which means the current logistics infrastructure will be strained if investments aren't made to improve efficiency. Fortunately the Georgia Ports Authority is currently

spearheading efforts to improve rail links and create inland ports, and GDOT is planning a number of truck-only highway lanes.

Workforce development and bridging the skills gap is another area the metro area is focusing on. More than half of the advertised jobs in Metro Atlanta require at least a bachelor's degree, but only 35 percent of residents over age 25 meet that requirement. The ARC's WorkSource Atlanta Regional provides a variety of services to ensure that businesses can recruit and maintain a skilled workforce. Learn4Life, another initiative supported by the ARC, is working to reverse longer-term skills shortages by addressing educational challenges in local communities. With increasing automation of the workforce, education and skills training are even more critical for workers trying to land jobs.

"Along with economic development comes the need for talent development," Kali Kirkham Boatright, president and CEO of the Greater North Fulton Chamber of Commerce, told Focus:. "This is what we've been focusing on as part of our new strategic plan, which we started implementing in early 2017. That continual focus on talent development as part of the larger picture is going to be more and more important."



Housing affordability is perhaps the most pressing issue in the region, as the majority of neighborhoods in Metro Atlanta are not affordable for families earning less than \$50,000 a year. Another challenge is that most of the region's residents don't live close to where they work. This translates to a large chunk of money spent on commuting costs every month. In fact, many Atlanta residents spend 63 percent of their pay on housing and transportation costs combined.

Regional leaders are starting to take note. Sandy Springs leaders, for example, are encouraging developers to build more affordable housing near offices and MARTA stations. In addition, there are several efforts underway that deal with housing affordability either directly or as part of other initiatives, including the Transformation Alliance, the Atlanta Regional Housing Forum, the Atlanta Regional Housing Collaborative and the Georgia Initiative for Community Housing.

#### **■**Looking ahead

While Atlanta has a long history of decentralized government and the accompanying challenges of getting things done across jurisdictional lines, the sentiment moving into 2019 is one of collaboration and commitment to setting aside differences in order to work together toward a common goal. Though the region faces many challenges, its leaders are tackling issues like transportation, affordable housing and workforce development head-on. While 2019 won't bring immediate solutions, with regional initiatives like the ATL and the Aerotropolis in the works, Metro Atlanta is taking steps in the right direction to improve quality of life for all of its residents and solidify its place as a global leader.





Chris **Clark** President & CEO – Georgia Chamber of Commerce

We spend a lot of time talking about transit and transportation in Georgia, so we have some specific recommendations there. We're asking our leaders to bolster economic mobility with diverse and thriving communities in order to maintain Georgia as a welcoming place to live, work and play. We want to be a talent epicenter and to attract talent from all over the world. We want to make sure we keep our international standing for global commerce and agriculture.

# Market voices: Mayors' Corner



Rusty **Paul** Mayor City of Sandy Spring

The Central Perimeter Market is probably the second most important and some would argue the most important — business area in the state. The State of Georgia's economic engine starts in Midtown and runs north to the Central Perimeter area. Sandy Springs sits in the center of that. We have more Fortune 500 companies per capita in Sandy Springs than any other city in the country. Even the parent company for the New York Stock Exchange is based in Sandy Springs. We are the second-largest city in Metro Atlanta and the sixth-largest city in the state, with Atlanta's northern border at our southern border. In a lot of ways, we have a good symbiotic relationship with the City of Atlanta.

Our main highlight has to be the redevelopment of downtown. Previous mayors and city councils have been working for decades to figure out how to revitalize downtown, and last year it finally blossomed. We have a lot of restaurants and housing developments open around downtown; the private sector has really spurred growth. Alpharetta has been a city on the move for the last two decades because the fundamentals are here. The real estate market is strong, and we have good transportation, great schools, a high quality of life and a fantastic business environment. That has created a strong basis for growth.



Jim Gilvin Mayor City of Alpharetta



Lori **Henry** Mayor City of Roswell

We've been somewhat insular in the past and not focused on attracting businesses, but I think that shift is happening now. It isn't just one single development for Roswell; the whole city is open for business. We have not been communicating well outside of our city walls. Our focus right now is looking at what types of businesses we want to attract and how we are going to strategize that. One of the first baby steps is to redevelop our website with an economic development focus on it. Roswell will be much more attractive to the business and development community.