

The *Pulse* of Progress



Atlanta's Economic Monitor

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Industrial Atlanta

Atlanta's industrial sector is anchored by logistics companies and centered largely on Hartsfield-Jackson International Airport. Distribution and storage businesses have long flocked to the area surrounding the nation's busiest passenger airport, both in Clayton County and within Atlanta's city limits. But after a lull in industrial development, the City of Atlanta is poised to establish its first Industrial Urban Enterprise Zone in nearly a decade, pending City Council approval.

AMB Properties, a leading global industrial real estate developer and probably the largest industrial property owner in Atlanta, is looking to build a complex comprising three buildings and more than 300,000 square feet along the emerging Jonesboro Road corridor where the UEZ would be in effect. The development, located near the Southside Industrial Park, would create between 200 and 400 local jobs. This project represents a trend back toward the city, in contrast to recent years in which some companies had opted for locations beyond the city limits due to the lower land costs.

"What you're seeing now is more and more firms wanting to have that close proximity to the airport" and fast access to downtown, says Charles Whatley, ADA's director of commerce and entrepreneurship. In addition to the Southside Industrial Park, the Atlanta Industrial Park near D.L. Hollowell Parkway and I-285 is the city's other industry hub. Together, these centers provide thousands of in-town jobs for Atlantans. Building from the ground up is the most efficient way to increase industrial space within the city. Existing industrial structures, often ill-equipped for today's business technologies,

Neighborhood of the Month: Southside Industrial Park



Southside Industrial Park isn't exactly a neighborhood these days - but it used to be. Decades ago, the park was a single-family and multifamily residential subdivision. The housing was torn down in the early '80s due to noise abatement issues, and, in 1986, Southside Industrial Park was established.

The 250-acre, privately owned park was designed to create jobs, generate revenue and spark revitalization in the area. National and global businesses like the General Paper Goods Company and DHL have set up shop at SIP over the years, either as owners or renters on the property. At present, five parcels remain for sale from ADA, targeted for redevelopment into space for light industry. New projects continue to generate employment opportunities within the park, where ADA hopes to have created between 1600 and 1700 new jobs by the end of 2009.

can find higher values when recast as mixed-use developments. Another way to create more industrial square footage is through conversion of existing structures. Quality Technology Services did just that when it opened a data center in a vacant building on the northwest side of downtown last October. With a footprint of more than 550,000 square feet, the data center will create at least 150 new jobs in the Vine City and English Avenue communities. ADA is involved in bringing industry back into the city, and the focus has recently been on the burgeoning bioscience community. The first of four phases of the Technology Enterprise Park development, completed in October and devoted entirely to bioscience, is 70 percent leased. This project is affiliated with Georgia Tech and located adjacent to Tech's campus in midtown. ADA has also aided Georgia State University in the planning and development of its recently announced University Science Park. The first phase is primarily academic, but it will lay the groundwork for further development of the bioscience industry in Atlanta. Emory University is also developing plans for a major project with Crawford-Long Hospital that will include bioscience research facilities.

"ADA and the City of Atlanta are working together closely to create an industrial policy that will protect and promote Atlanta's core industries -logistics, warehousing, distribution and advanced telecom," Whatley says. "But we're also looking forward, supporting the growth of space for emerging industrial sectors; life sciences, medical devices and sustainable technologies."

Atlanta's Vital Signs: A Retail Checkup

Atlanta is forecast to be the sixth strongest retail market in the U.S. over the next four years, according to Grubb & Ellis's ranking of the top ten U.S. markets. Better news for local retailers, Atlanta ranks no. 2 for highest disposable income per household among the Core Based Statistical Area top ten metros. The median household effective buying income (income after taxes) in Atlanta is \$47,160 - greater than disposable incomes in Chicago, Dallas, Los Angeles and even New York. The cost of living compared across these cities is likely one reason for Atlanta's high ranking. After paying household bills, Atlantans simply have more money left at the end of the month to spend on shopping and dining out. Atlanta also has the highest percentage of African Americans among top ten metros, with buying power that constitutes 21 percent of metro Atlanta's total. The retail volume of the 28-county metro Atlanta area currently totals more than \$75 billion

What is Atlanta buying? According to a Scarborough Research consumer survey of adult Atlantans, 26 percent bought a large appliance in the past 12 months, making Atlanta the no. 2 market in this category. Atlanta is no. 2 for online banking, beating out Washington D.C., and no. 2 for purchasing men's and women's shoes - 44 percent of Atlantans say they have bought women's footwear in the past 12 months. Among the nation's top metros, Atlanta is no. 1 for full-service dining, making it a very attractive market for restaurateurs. In the survey, four out of every ten people responded that they had eaten at a sit-down restaurant at least five times within the last month. Other retail categories where Atlanta ranks first or second include sales of costume jewelry, cosmetics and skin care products and beer.

Disposable Income*

1. Washington, D.C.	\$56,645
2. Atlanta	\$47,160
3. Chicago	\$46,740
4. Dallas - Ft. Worth	\$45,921
5. Philadelphia	\$45,395
6. Detroit	\$45,325
7. New York	\$44,598
8. Houston	\$43,660
9. Los Angeles	\$42,966
10. Miami - Ft. Laud.	\$39,767

*Among top ten US metro markets, using median household effective buying income (after taxes)

Atlanta is fast becoming a top-tier market for retailers, but the types of retail needed going forward will be driven more by empty-nesters and singles than it has been in the past. To accommodate our region's projected growth, it is estimated that we will need to build another 730,000 housing units by 2030. Surprisingly, the demographic trends show that only 10 percent of these will need to accommodate families with children. This has significant implications for retailers and retail developers. Studies have shown that singles and empty-nesters are more predisposed to living and shopping in urban environments, which could explain the population growth occurring within the City of Atlanta and the popularity of new suburban town-center developments.

Transit Oriented Development Opportunities at MARTA



The Metropolitan Atlanta Rapid Transit Authority is Atlanta's public transit system, accommodating 450,000 passenger trips every day through bus and rail service. MARTA's Transit Oriented Development Department generates urban infill joint development opportunities around MARTA's existing stations by leasing or selling property rights to developers. MARTA prefers mixed-use developments with multifamily residential, retail, office, hotel and other components because it fosters the greatest increase in transit ridership and useage.

Completed and continuing TOD projects within the city include the One Atlantic Center office tower at the Arts Center station, Resurgens Plaza at the Lenox station and AT&T Towers at the Lindbergh station (pictured). The latter includes retail space in addition to offices and is at the core of a growing live-work-play district. In most cases, MARTA will publicly advertise an offering of property for joint development, issue an offering memorandum and request for proposals/request for qualifications (RFP/RFQ) and solicit competitive development proposals. Two stations are expected to be offered in early 2008.

Brookhaven-Oglethorpe University Station is located just north of the Buckhead community. It is surrounded by well established single-family neighborhoods, a major commercial corridor (Peachtree Road) and a number of large multifamily residential properties. This 11-acre site has recently been favorably rezoned. MARTA was awarded LCI funds to supplement the cost of building a parking structure at the new TOD. Indian Creek Station is the end-of-the-line station for MARTA's East line. It is surrounded by multifamily rental units, new townhomes and a pending retail strip center. This 15-acre site has a creek and would directly connect to the fare gates at the station. For more information about these development opportunities or the TOD Department in general, please contact Ted Tarantino, manager of TOD, at (404) 848-5397 or ttarantino@itsmarta.com, or contact Darryl Connelly, the director of TOD and real estate at (404) 848-5176 or dconnelly@itsmarta.com.

New Developments: the Center for Civil and Human Rights

Atlanta's Center for Civil and Human Rights, slated to open its doors in 2010, is beginning to take shape. With the recent completion of economic impact and feasibility studies, planners have gained new insight on both subject matter and overall demand for the center, helping them to crystallize a sustainable business model. "What the studies allow us to do is to feel confident that the economic model is going to work, to go to funders and tell them how it's going to fit together," says Doug Shipman, executive director of the CCHR Partnership. "All of this allows us to move to the next step."

The studies themselves contained few surprises as to the predicted success of the center - after all, the idea has been on the table and gathering support for years. Even using conservative figures on the number of distinct visitors the center would attract, the operational economic impact over ten years tops \$1 billion.

The most interesting results of these studies, Shipman says, had to do with the museum experience and the hierarchy of potential reasons for visiting CCHR. A trip to a museum is often remembered as a result of a shared, intergenerational experience, whether with an older family member who tells his or her own story or by way of a museum guide - anyone who can add perspective and depth to an exhibit. Demand for a center devoted to matters of civil and human rights was fairly consistent across age, economics and ethnicity. In fact, the topic was the no. 1 reason cited as a draw to CCHR. An educational experience for children and the King papers rounded out the top three. Relatively low priority was placed on having exhibits that are interactive - a somewhat counterintuitive finding, given today's multimedia culture.

In October, Shipman and other representatives for CCHR toured the United States Holocaust Memorial Museum in Washington, D.C. The group toured the facility, observing exhibits, overall design and flow. Later, they met with the museum's executive director and staff members from the exhibitions and education programs to discuss best practices. With all of this in mind, Shipman is about to release the draft of a "content road map" for CCHR, which will set forth what elements of civil and human rights history will be featured in the center's narrative and where that story begins and ends. The plan should be in final form by the end of the year. And, so that everyone can keep informed of new developments, Shipman recently launched a blog (www.cchrpartnership.org/blog) on CCHR's website that he plans to update each week.

Although the center's location and design have yet to be determined, Shipman's vision is clear. "The center has the chance not only to be a great institution, but to really lift all the other institutions in town to make the city a destination for meetings and discussions around issues of contemporary civil and human rights. Atlanta will be seen as a real vanguard when it comes to these topics," he says. "To me, this is a catalyst to continue Atlanta's legacy of leadership, and I think that's what the impact is going to be long-term."

To sign up for regular updates on CCHR, visit www.cchrpartnership.org

Upcoming Economic Development Events

December 12, *Heralding Freedom: Historical and Current Perspectives on Human Rights*. 7-8:30 p.m. Former U.S. President Jimmy Carter and Ambassador Andrew Young will discuss political, religious and civil freedoms as they launch a special exhibit called "Gulag: Soviet Prison Camps and Their Legacy." The event coincides with Human Rights Day. Free - online RSVP required. The Martin Luther King, Jr. National Historic Site, 450 Auburn Ave.

December 20, BeltLine Northeast Study Group Meeting. 6:30 - 8:30 p.m., MLK Recreation Center, 2nd floor, 90 Boulevard Ave. For more information go to www.beltline.org.

January 30, 2008, Small Business Monthly Information Session. 5 p.m. at the offices of the Atlanta Development Authority. To RSVP, send an email to cbrackett@atlantada.com or call (404) 614-8295.

January 31, 2008, ULI 2008 Urban Marketplace. 7:30 a.m. to 1 p.m. With keynote speaker Ron Terwilliger. Network with more than 600 developers and real estate professionals. Exhibit space still available. Georgia World Congress Center. For more information, contact jdufresne@uli.org or call ULI Atlanta at (770) 951-8500.



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