

3.1 INTRODUCTION

Developing a coherent and targeted economic development strategy for the Fulton Industrial Boulevard (FIB) area begins with a frank self-assessment of both current conditions in the area and the range of opportunities and threats that face the area's economic future. By taking a critical look at FIB's strengths, weaknesses, opportunities and threats, one can understand the area's current and future competitive position and then recommend targeted strategies for improving that position. This type of analysis is commonly known as a S.W.O.T. (Strengths, Weaknesses, Opportunities, Threats) analysis.

What is meant by the terms Strengths, Weaknesses, Opportunities and Threats?

- **Strengths** of FIB are what makes it appealing as a business location both for current businesses and for attracting new employers to the area.
- **Weaknesses** are the factors which are detrimental to businesses operating in FIB and could be a deterrent to attracting new businesses to the area.

Both of these are internal factors about the conditions found in FIB and its labor market and define the area both for its present companies and for prospects looking at the area. They are typically a relative measure of how the area ranks in comparison with its main competition, for example, average lease rates, average wage rates and crime rates of FIB verses its competitors.

- **Opportunities** are those factors occurring in the local, regional, state, national, and global economy that provide opportunity for FIB to grow and prosper in the future, such as the impact of the growth exports in the U.S. economy.
- **Threats** are those trends in the local, regional, state, national or global economy that could negatively impact the competitive position of FIB. For example, the off-shoring of a large segment of the U.S. manufacturing base has had a negative impact on the Georgia and U.S. economy as well as FIB.

This S.W.O.T. analysis will frame the questions that are vital to establishing an economic development strategy for FIB, for example:

- Where does FIB stand in relation to its peers in terms of other major industrial locations?
- What actions can FIB take to capitalize on its existing strengths and maximize the opportunities available?
- What actions can FIB take to mitigate weaknesses and minimize the potential threats?
- How can FIB organize its resources and assets to best compete in a highly competitive marketplace?

The challenge for FIB is to understand both the opportunities and threats to the area from these external factors and to find ways to improve its competitive position by capitalizing on the opportunities for the area while minimizing and or adjusting to the external threats.

In consideration of both opportunities and threats to the FIB area, it is important to focus on those that can be addressed by reasonable policy actions within the resources of the CID and its supporters. For example, if there appears to be demand for another deep water harbor due to the opportunities being created by the widening of the Panama Canal, creating a deep water port on the Chattahoochee would be a very difficult and costly engineering challenge. However, improving the rail and truck access of FIB to an expanded Port of Savannah or Brunswick would be a more achievable way to address the same opportunity. Unfortunately, in our experience, many communities try to focus on the first option and fail in seizing the achievable opportunities before them.

3.2 FULTON INDUSTRIAL BOULEVARD S.W.O.T. ANALYSIS

This section outlines the strengths, opportunities, weaknesses and threats facing FIB that emerged from the competitive assessment process. This was a collaborative process involving the input of dozens of individuals.

Key inputs were derived from a wide variety of qualitative and quantitative sources, including:

- The planning team
- The Project Management Team
- Core Team (steering committee)
- Public meetings & input
- Stakeholder interviews
- Baseline assessment data.

STRENGTHS

- Large base of existing industries (550+) that can expand and grow
 - Expand existing operations
 - Tapping supply chain relationships for potential FIB businesses
- Excellent regional interstate network access to SE and National markets
- Hartsfield-Jackson Atlanta International Airport (H-JAIA) proximity without airport noise
- Fulton County Airport-Brown Field as hub for corporate flights
- FIB provides strong access throughout corridor
- Very competitive industrial lease rates
- Manufacturing presence
- Strong food-related industry presence
- Direct, if limited, MARTA bus service
- Presence of services and retail for businesses, employees
- Large, well trained workforce
- Higher wage rates than other portions of region
- Redevelopment/development sites available
- Active & dedicated business community/large firm presence
- Existing economic development partnerships and organizations:
 - Fulton County Board of Commissioners
 - Community Improvement District
 - Development Authority of Fulton County
 - South Fulton Chamber of Commerce
 - South Fulton Economic Development Initiative
- Opportunity Zone in place

WEAKNESSES

- Perception of crime and public safety issues in corridor
- Gateway entrance at I-20 interchange is unappealing to businesses due to:
 - Vacant buildings
 - Run down hotels, motels
 - Adult business presence
 - Commercial clutter
 - Signs of disinvestment and deterioration
- Interchange area reflects poorly on quality of rest of FIB
- Aging stock of industrial buildings, many in outdated configurations
- Lack of updated retail options in key parts of corridor
- No coordinated marketing of FIB, focus on individual buildings, areas
- Skills deficiency in labor force for certain jobs in FIB
- Telecom services are inadequate for many businesses, big data uses
- Perception of FIB as a low cost, low tech industrial market
- FIB not on the “radar screen” of regional economic developers for prospects
- Water costs are high, barrier for large users
- Underperforming local schools not providing needed labor
- MARTA service to area is limited relative to potential use/need
- Rail network underdeveloped, not marketed as asset
- No leveraging of Fulton County Airport asset to corporate market

OPPORTUNITIES

- Strong regional job grow over coming decade—creating demand
- Expansion of Cargo at H-JAIA creating demand for industrial development in surrounding counties
- Expansion of Port of Savannah as global portal for South East U.S.—arrival of Panamax shipping in 2015
- Continued growth in global commerce, European firms bringing production to U.S.
- Southeast Auto Industry Expansion
- Manufacturing on-shoring occurring in key industries
- The storage needs for the vast collection of information publicly available online, otherwise known as “Big Data”
- Entertainment industry and related production
- Growth of Atlanta Region/Georgia as consumer market
- Logistics industry growth for Southeast and National market
- Emergence of I-85 Corridor Birmingham to Charlotte as Economic Mega Region—Atlanta the Hub
- CID as evidence of FIB ownership/businesses working together to better position the area in the marketplace

THREATS

- Heightened competition in industrial sector—regionally 681 million SF exists, having added 70 SF over the last decade
- Heightened local competition from Douglas, Airport East and I-85 submarkets, Camp Creek area
- Continued decline in overall manufacturing sector, growth confined to certain subsectors
- Increasing obsolescence of portions of FIB industrial inventory for new industrial demand
- High drop-out rate and low educational achievement of local schools impacts skills of future labor force
- Transformative technologies will accelerate turnover rate of businesses, need to be recruiting new companies in new industries to grow and succeed
- Lack of a tools to support redevelopment of older industrial inventory
- Environmental justice policy is potential regulatory hurdle for existing, expanding and new prospects

GOOGLE'S DATA CENTER IN ADJACENT DOUGLAS COUNTY TAKES ADVANTAGE OF RECYCLED, GREY WATER AND AREA FIBER NETWORKS. THE FIB AREA IS A PRIME LOCATION FOR LIKE-MINDED PURSUITS.



Photo Credit: Google

3.3 IMPLICATIONS OF S.W.O.T. ANALYSIS FOR FIB

STRENGTHS

FIB needs to capitalize on its strengths and use them as the core of its development strategy going forward. A review of the strengths suggests several ideas in terms of strategy for FIB:

- **Focus on expanding the substantial existing base of businesses**—with over 500 industrial tenants and owners this major presence can most easily be expanded by helping existing companies expand their current operations and working their supply chain relationships to attract key suppliers to locate in the area.
- **Expand key industrial clusters in Food Processing and Manufacturing**—both of these sectors have a strong presence in FIB already and may offer strong prospects for future growth an expansion
- **Attract Big Data users to the area**—by enhancing the fiber optic network, FIB would be an excellent location for Big Data firms such as server farms, data centers, call centers, etc. These uses do not require significant truck access and may require a secure site, which could easily be provided at FIB. They would be excellent additions to the county’s tax digest and could be users of the ample grey water available in the area for cooling purposes.
- **Preserve excellent access to FIB by keeping FIB uncongested**—this a major long term objective, as many established industrial areas begin to suffer from increasing commercial traffic intrusion over time, lessening the initial appeal of the area for industrial uses. FIB needs to have as its priority purpose serving the industries in the area.
- **Leverage the CID as the “landlord” of FIB**—having the CID in place is a major organizational and management advantage for the area. Given its singular focus on FIB, it is the logical organization to focus on creating a strategy for the economic future of the area and taking the lead role in coordinating both public sector and private sector initiatives to achieve that vision. Given the multiple ownerships of the industrial inventory in the area having this overall coordinating body is essential and can pay great dividends as is evident in the action of the Perimeter CID and Cobb Galleria CID, for example.



PRESERVING AND ENHANCING THE AREA’S TRAFFIC FLOW (LEFT) WILL BE ESSENTIAL TO CONTINUED SUCCESS. EXPANDING THE EXISTING BASE OF INDUSTRIES, SUCH AS WAREHOUSING (RIGHT) WILL BE IMPORTANT TO FUTURE GROWTH.

WEAKNESSES

In the analysis, a number of weaknesses of the FIB were identified that could be remedied through concerted action in the future:

- **Develop a unified identity, property data base and central website to market FIB to prospects**—as a by-product of its long development history and multiple owners, FIB lacks a unified “brand” and marketing portal. Create a website for FIB which would provide ready access to the building inventory, key broker contacts and descriptive information on the CID’s efforts and labor force characteristics for future clients. Also, a description of who already is based in FIB and key industry clusters would be useful to prospects.
- **Focus on fixing the “front door” to FIB—many of the problems of the FIB area**—deteriorated retail and hotel establishments, vacancies, prostitution, adult businesses, and crime are most evident in the area around the intersection with I-20. An effort to clean up and redevelop this area of the FIB corridor will create a better environment for businesses along the corridor and create a better first impression for prospects considering the area for investment and employment.
- **Get FIB back on the radar screen of regional and state economic developers**—in our research and discussions with economic developers in the region and state, it was clear that FIB is not a location that comes to mind when they have a major prospect. Establishing a program of regular contact with regional and state economic developers to share the good things occurring at FIB could pay dividends down the road when major projects of statewide impact are being considered. Planning process participants and leaders agree that agrees this is one of the best located industrial concentrations in the state, but its potential needs to be continually refreshed in their minds.
- **Create a career academy to provide a path to employment**—involving Fulton County Schools, a local community college and three to five major employers to create a pathway for skilled workers needed for existing jobs in the area and a pathway to employment. This can be a very productive model for the 30% of local high schoolers who are not graduating and looking for help finding the first step on the ladder to economic independence.
- **Using a tax allocation district (TAD) and the programs of the Development Authority of Fulton County to develop workable templates for the redevelopment of outmoded industrial properties**—Using TAD as an incentive to help bridge the additional costs of redevelopment in a low rent environment it should be possible to make redevelopment as cost effective as greenfield development, thereby enhancing the competitive advantages of locating at FIB.
- **Upgrade the telecom services in FIB**—if the area is going to attract Big Data users as well as maintain its current large data users, efforts should be made to invest in the telecommunications and fiber optic capacity serving the area. This is considered a “must have” when competing for the industries of the future and Fulton Industrial Boulevard right of way can provide the channel for re-wiring the area in a very efficient manner.

OPPORTUNITIES

- **Focus on capturing a higher percentage of regional industrial growth**—ARC estimates, the Atlanta region will add 1.1 million jobs over the twenty years from 2010 to 2030. An estimated 25% to 33% of those jobs are in industries with the potential to locate in the study area. As a goal the CID should seek to attract more of its fair share of regional growth than it has in the past decade. An achievable rate of 3 to 5% would represent a net addition of 150,000 to 300,000 SF of industrial space absorbed annually from the vacant inventory, new construction or redevelopment/renovation.
- **Capturing more of the opportunities from Georgia's two global portals**—Hartsfield-Jackson Atlanta International Airport and Port of Savannah—With the renewed focus at H-JAIA on expanding cargo and air freight operations and the continued growth of the Port of Savannah, which will be positively impacted by the deepening of the Savannah River to handle the much larger Panamax freighters, Georgia is poised for a steady growth in global trade and commerce. Given FIB's location in the heart of the largest regional market in the Southeast, this should result in a number of new opportunities for the area. Cordele is gaining traction as an inland port serving shippers from Mississippi and Alabama seeking alternatives to trucking goods to the Port of Savannah. Might FIB's location in the hub of the Southeast automotive cluster provide a similar opportunity for FIB leaders to explore?
- **Invest in education and special training in key industries to attract higher value firms to the area**—the ability to provide a high-skilled manufacturing labor force could be a major competitive advantage in competing for higher skill/higher wage industries in the future in advanced manufacturing, big data and logistics.
- **Explore creation of an Applied Research/Technology Transfer Campus near I-20 Interchange focused on innovation in key industries with an FIB presence**—this could include a small institute focusing on food manufacturing, local food production and distribution affiliated with UGA/Griffin campus, an advanced logistics center involving Georgia Tech and key regional leaders in logistics, or advanced manufacturing tied to FIB's industrial base. The presence of one or more of these facilities would be very attractive to European companies seeking U.S. production facility locations.
- **The entertainment industry is booming in Georgia and would be a logical fit with FIB**—the entertainment industry generated \$3.1 billion in the Georgia economy in 2012 which was a 29% increase over the previous year and is showing no signs of slowing down in the near future due to a combination of the state tax credit, easy air access, our skilled labor pool and moderate costs relative to other production areas. The central location of FIB in the Atlanta region, close to many potential filming locations, the availability of low cost existing facilities for production purposes and its proximity to the region's skilled entertainment production labor force would seem to make it a strong candidate for attracting aspects of the expanding entertainment industry in Georgia. The growth of this industry is based solely on the tax credits afforded it by the Georgia General Assembly. This situation must be monitored as the legislature has made no guarantees to the permanence of the tax credits or to their continuation of the current levels that make them popular in the industry.

THREATS

- **FIB faces intense competition**—the competitive playing field for industrial prospects is vast and getting more so every day. FIB is facing strong competition regionally from Douglas County, the Airport and I-85 South and North Submarkets. In addition, the South I-75 corridor with its positioning between H-JAIA and Port of Savannah is increasingly challenging. Over the coming decade the level of competition will only likely intensify, regionally, statewide and globally. This means FIB will have to create a more effective brand, more seamless marketing of its building and sites and other assets and aggressive in the use of incentives and training efforts to attract the companies it seeks.
- **Approximately 2-3% of the FIB's Industrial inventory will become outmoded annually**—as industry requirements evolve over time a portion of FIB's industrial inventory will become outmoded by new technologies and new requirements annually. This requires that current owners working in partnership with the CID and local officials use all of the tools available to provide the updated infrastructure and incentive policies needed to continually refresh the industrial inventory for the needs of future businesses seeking to locate and expand in the area.
- **Creating the skilled job ready workforce is critical to future success**—FIB benefits from being in the heart of the Atlanta region, which provides ready access for a large potential workforce to companies located at FIB; however, more than 30% of area high school students in the city of Atlanta and south Fulton County are not graduating. In addition, employers indicate many higher-skill positions are hard to fill. Developing a process for creating a future labor force that is work ready and has the training that higher skill jobs require would be a major competitive edge for FIB going forward and should be a long term objective of the owners and businesses who make up the FIB community. It should also receive the highest level of attention and commitment from local leadership in Fulton County government and education.
- **The accelerating pace of global competition will mean higher turnover of FIB businesses**—with the pace of change accelerating across industries as a result of the telecommunications revolution and other factors of globalization, business is engaged in an unprecedented level of competition. As a result companies are continuing to merge, downsize, reorganize and realign their operations. (See an excellent discussion of these issues in Thomas Friedman's *The World is Flat and Hot, Flat and Crowded*.) This means that the mix of companies located in FIB will be constantly evolving. The key to future success is having more prospects moving into the area than companies moving out. This will require an aggressive market effort engaging all of the county's economic development resources, the CID and the owners of the industrial facilities and the brokerage community in a well-coordinated effort to position and sell FIB continually to the outside world. This has not occurred in the FIB area to date, but the creation of the CID was a catalytic decision that provides the organizational platform for this to occur in the future.

This page was left blank for two-sided printing.