



Revitalizing Urban Industrial Sectors: A Roadmap for Diversifying the Economic Base



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Moderator: Welcome to the Federal Reserve Bank of Atlanta's Economic Development podcast series. I'm Todd Greene with the Federal Reserve Bank of Atlanta. Today we're talking with Dr. Nancey Green Leigh, professor of city and regional planning at the Georgia Institute of Technology. In her position with Georgia Tech, Dr. Leigh focuses on economic, urban, and regional development, and she is the co-author of the recently updated textbook, *Planning Local Economic Development*, which is now in its fourth edition.

Dr. Leigh was a faculty adviser to a recent applied studio course, which produced a report entitled "A Plan for Industrial Land and Sustainable Industry in the City of Atlanta." Working with the leadership of the Atlanta Development Authority, the city's economic development arm, the studio re-envisioned existing and former industrial sites as a means of diversifying Atlanta's employment base, among other things.

Dr. Leigh, thank you for joining me today.

Dr. Nancey Green Leigh: Thank you for having me. I'm glad to be here.

Moderator: Before we get into the report, please tell us what a "studio course" is. How does it work? What are the benefits for the client and for the community and for students?

Leigh: The studio course is the capstone course in the School of City and Regional Planning's two-year master's program. It's intended for the students to be able to apply their skills and knowledge that they have gained in their coursework in resolving or addressing a problem for the community. Essentially, it's a service-learning project, and we look for real problems. We work with many different kinds of communities, whether it's something like the Atlanta Development Authority or a neighborhood group or an environmental problem. But the work that I do always focuses on economic development issues.

Moderator: The report's title, "A Plan for Industrial Land and Sustainable Industry in the City of Atlanta," combines words, which we don't often think about together—industrial land and sustainability—nor do we think of cities like Atlanta as pursuing industrial strategies. How did this report come about, and what is its premise?

Leigh: The focus on the studio came about in conversations with the Atlanta Development Authority, who had approached me about doing some economic development projects with them. My long-term observations about Atlanta are just as you said, that we don't think of Atlanta really as an industrial city or pursuing manufacturing strategies and having a manufacturing base. But the problem or the fallacy with that has really become evident in this recession that we've been experiencing. We've seen that the city's primary focus on development and building has left the city with an oversupply of the building product and an industry that has really suffered in what has been a financial crisis for the development community. We have very high unemployment rates, higher than the national average. So, there was this opportunity to make this point and to raise the awareness of the city to focus on a more diversified economic base, and to pay attention to our manufacturing base, and to look at this as a way to reuse obsolete manufacturing and industrial lands and to do a course correction.

The premise, as we started in on the studio work, is that in just the five years between 2004 and 2009, we had a loss of 9 percent of our industrial acreage in the city that had been rezoned residential or commercial or mixed-use. And accompanying that, in the previous ten years, we'd had a loss of 20 percent of our industrial-based jobs. And, our premise there is that we don't think we can afford to lose those and we definitely need to pay attention to that base.

Moderator: What were the report's key findings and recommendations?

Leigh: Well, the report's key findings and recommendations were based off of an inventorying of the industrial land in the city and targeting three areas, and those three areas we would designate as plan-manufacturing employment districts. And they would have amended zoning and specialized urban design guidelines to protect their activities, and to make them good neighbors with the surrounding areas. That was the first recommendation.

The second is that we created an Atlanta Industrial Council that would have representatives from the community and from the public and private sectors that could represent the interests of the industrial sector in the city, and work to strengthen everyone's appreciation of the value of industry in the city.

We also identified three sectors that, based on the current strengths and future potential growth, that we thought the city should particularly target, and those include food manufacturing, life sciences, and building materials.

And then we want the city to benefit from the presence of the institutions here that are doing cutting-edge research in development and innovation. So, having a stronger relationship with Georgia Tech and Georgia State University and Emory University in making sure that the new products that are being invented in these areas also can be made in the city of Atlanta.

Moderator: The economies of many cities have evolved to include a preponderance of service-sector jobs. Some of these jobs pay high wages but many of them pay lower wages, including many of the jobs in the tourism and retail sectors. How might an urban industrial strategy enhance a city's economic vitality?

Leigh: Well, an important thing to understand about industrial jobs and manufacturing jobs, specifically, is they pay higher wages than the national average. The weekly pay for manufacturing jobs in Atlanta is 20 percent greater than the weekly pay for all jobs in the city. So, that's an important component because it helps to create greater income and better standards of living for those employed in those jobs. But it also is a way to help reuse our brown fields, our contaminated land in our cities that need to be cleaned up. It's a way for us to combat the problems of urban sprawl because by reusing the existing obsolete industrial lands for new manufacturing activity, we're combating the trend of manufacturing going to suburban areas. By having products that we actually make within the city and that we sell to those outside the city, we bring income into the city rather than sending income outside the city to meet our consumption needs. That's a key way, a very important way, that in economic development that we can grow our economy.

And the other thing that it can do is help Atlanta—and all cities that take this approach and the country in general—transition to a green production economy. Hopefully, we also want to be able to produce green products here in our own country rather than transition to a green economy in which we're buying green products, but they're coming from abroad. That doesn't serve our own national-growth and city-growth pattern very well.

Moderator: *Like most other cities across the country, Atlanta is experiencing higher levels of unemployment, especially among men and some minority groups. How can an urban industrial strategy respond to these challenges?*

Leigh: I think an urban industrial strategy is probably one of the very best ways to respond to this challenge. Males are more than 70 percent of the manufacturing workforce, so increasing manufacturing jobs will be of greater benefit to them. And we do know that the unemployment rate for males in this recession is higher than that for females.

Additionally, this recession has led to a shedding of a lot of manufacturing jobs. We need to have a serious focus on retaining those jobs and helping manufacturers survive out of this recession. The unemployment rate was over 12 percent at the end of last year, which was over a 100 percent increase from the year prior. So, paying attention to our industrial base and making it possible for the manufacturers to stay in our cities will help lower that rate as well.

Moderator: *Many cities across the country have underutilized industrial areas within or near the central core. Can an urban industrial strategy be an effective employment diversification tool in cities which have declining populations, unlike Atlanta, where the population is growing?*

Leigh: Yes, it can. We did case studies of ten cities in the U.S., some of which have declining populations in their core, that were focusing on maintaining and strengthening their industrial base as a way to create stronger economic activity, as a way to provide jobs that would give the population reasons to stay in the city rather than following the jobs to the suburbs. It also, in cases where we have core cities that are losing population around the country, we often have metropolitan areas where the population seems rather stable. It's simply that there's a transition of that population from the city to the suburb. It's a way to make sure you have the most efficient use of infrastructure, to clean up brown fields. And, we found that 90 percent of these cities that we were surveying had zoning policies to protect or encourage industrial land, and 80 percent are providing tax breaks and other forms of economic development incentives to maintain the industrial base, and are having success in doing so.

Moderator: *Thank you for speaking with us today.*

Leigh: Thank you for having me. I appreciate having the opportunity to share the results of our studio report. And for those that are interested in learning more about our project, the detail of the report can be found at the Web site that's included with this podcast.

[To read the report, please visit <http://www.planning.gatech.edu/PDFs/AtlIndlFinalReport.pdf>. For background information, visit <http://www.planning.gatech.edu/PDFs/AtlIndlBackgroundReport.pdf>.]

Moderator: *This concludes our podcast. We've been speaking to Dr. Nancey Green Leigh, professor of city and regional planning at the Georgia Institute of Technology.*

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