Inside Laying the Groundwork: region-by-region economic reports

# BUSINESS GEORGIA

A Guide to Business Opportunities from GeorgiaTrend 2018/2019

# Tackling Transportation

# Expanded Reach

## Georgia's transportation initiatives are designed to move more people and products efficiently, contributing to a healthy business climate

***BY PATTY RASMUSSEN***

Momentum is energy gained by something in motion. Once it kicks in, it's tough to stop. And momentum is something Georgia's got right now – in spades. There are multiple reasons why companies are clamoring to do business here, but high on the list are the state's formidable transportation assets.

"Without question, our solid transportation network is supporting key industries in the state, enabling them to better reach their customers and improve their bottom line," says Pat Wilson, commissioner of the Georgia Department of Economic Development (GDEcD). "Based on our conversations with companies and site selectors, we know that our airports, ports, rail, interstates, transit and beyond have an impact in both recruiting new business and helping existing Georgia companies grow."

And check out Georgia's list of transportation positives:

• Hartsfield-Jackson Atlanta International Airport, perennially named the world's busiest, currently undergoing an extensive transformation.

• The Port of Savannah, one of the nation's fastest growing, is expanding its capability and deepening its harbor.

• A robust network of interstates, roads, bridges and railroads moving millions of carloads, trucks and vehicles of freight and goods across the state, region and country.

• A metropolitan rapid transit system that, thanks to the convergence of a generational shift, infusion of funds and innovative legislation, is about to experience a renaissance.

• Unique, alternative forms of mobility entering the conversation as everything from bus rapid transit (BRT), dockless scooters and autonomous vehicles are rolling onto Georgia highways and streets.

PHOTOS: HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT

**Economic Engine:** Hartsfield-Jackson Atlanta International Airport hits passenger milestone, left, and delivers the goods.

## Flying High

When it comes to business relocation, never underestimate the power of a great airport. "Hartsfield-Jackson's modern and expanding infrastructure and global connectivity puts Atlanta in an elite class of head office markets along with Chicago, Dallas and New York," says John Boyd, principal of The Boyd Co. Inc., a New Jersey-based corporate site selection firm that has major logistics operations in Georgia with businesses including UPS in Atlanta and Pratt & Whitney in Columbus.

"Mercedes, which relocated its North American headquarters to Sandy Springs from here in New Jersey, continues to cite Hartsfield-Jackson as a key factor in its decision," he says.

Hartsfield-Jackson isn't just Atlanta's airport. It is a major transportation hub for passenger and commercial traffic in the state and region. In 2017, the airport hosted nearly 104 million travelers. Of these, more than 12 million international passengers made their way through Hartsfield-Jackson, a 4.86 percent increase over the previous year; cargo operations also increased by 5.66 percent over 2016. To get ahead of demand, the airport has embarked on a $6-billion, 20-year capital improvement project, ATLNext, that will increase capacity, replace or restore existing facilities and make the airport look beautiful in the process.

The projects fall into six general categories:

- Refreshing the central passenger terminal complex;
- Replacing the existing parking decks and constructing a new parking deck and Park-Ride lot;
- Creating a mixed-use development, including office space and a 440-room, 4-star hotel in close proximity to the airport;
- Expanding air cargo facilities, including 1 million square feet of warehouse space;
- Replacing and building new support facilities; and
- Repaving and renewing taxiways and runways, including building a sixth runway.

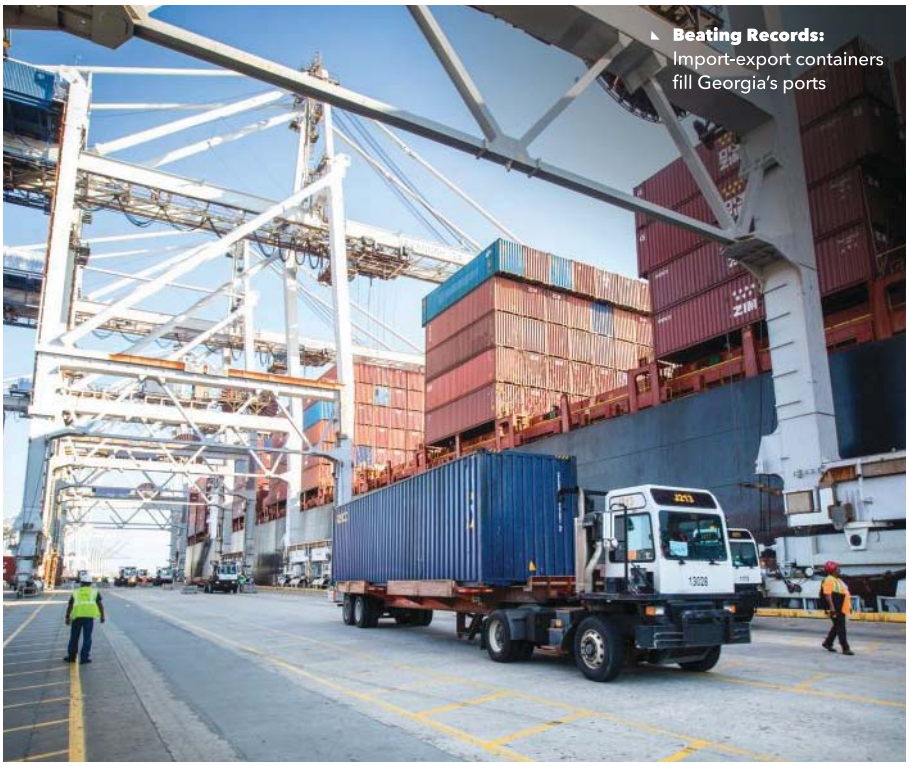
GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT

**Keeping it Moving:** Pat Wilson, commissioner of the Georgia Department of Economic Development

## Planes, Ships and Trains

There's no doubt Hartsfield-Jackson is a mighty economic engine, pouring more than $70 billion in direct economic impact into the state and providing more than 63,000 jobs. But drive south on Interstates 75 and 16 for about 243 miles, and you'll run into its coastal counterpart: the Port of Savannah's Garden City and Ocean Terminals.

Ranked 4th in the nation in traffic, the Port of Savannah handled a record 4.2 million 20-foot equivalent container units (TEUs), in fiscal year 2018, which ran from July 2017 to June 2018. According to the Georgia Ports Authority (GPA), this was an increase of 325,000 TEUs, or 8.4 percent, over the previous year. And there's no sign of a slowdown. The port



**Beating Records:** Import-export containers fill Georgia's ports

GEORGIA PORTS AUTHORITY

kicked off fiscal year 2019 by moving more than 378,000 TEUs in July, the second busiest month on record.

"Our goal is to almost double the capacity of the Garden City Terminal over the next 10 years," says Griff Lynch, GPA executive director. "The terminal will have 8 million TEUs of capacity, which will be far and above larger than any facility in the area. Customers will know they can grow with us without experiencing congestion issues down the line."

Post-Panamax vessels laden with containers headed for rail are driving much of the traffic. The Port of Savannah is expanding to meet demand by doubling rail capacity, building a $127-million rail depot – the Mason Mega Rail Terminal – which is being constructed, in part, using a U.S. Department of Transportation Infrastructure for Rebuilding America (INFRA) grant.

When it's completed, the new terminal will include 180,000 feet of rail, 18 working tracks and the ability to build 10,000-foot unit trains on terminal, while reducing

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▲ **Connecting Customers:** Griff Lynch, executive director of the Georgia Ports Authority

truck traffic in communities around the port. By tightening efficiency at the terminal, rail transit time will be cut by 24 hours. The terminal is expected to come online by fall 2019, with the entire project complete by late 2020. The Mason Mega Rail Terminal is a game changer at a time when Georgia needs it most. With increased rail capacity, it's estimated 200,000 trucks could be taken off the road annually.

"The Mason Mega Rail Terminal is one component of last-mile connectivity being built to support our inland ports," says Lynch. "The cost of trucking is escalating, and the locations that can provide cheaper, more effective transportation solutions will bode well for nailing down new customers."

One of the inland ports he refers to is the recently opened Appalachian Regional Port (ARP) near Chatsworth, which offers logistics alternatives to a four-state region by providing 388 miles of rail leading directly to the Garden City Terminal. The facility has the potential to remove 50,000 trucks from local highways annually. The ARP is a Tier 1 area, offering special incentives to companies creating jobs there.

"Its location – only 40 miles south of Chattanooga – and its expanding industrial base led by Volkswagen and one of the nation's biggest concentrations of food processors puts the new inland port in a real sweet spot for new distribution warehousing operations," says Boyd.

"That [the ARP] essentially moves our terminal gates 355 miles inland and puts them at the back door of our customer,"

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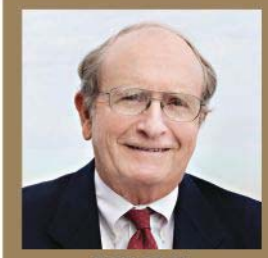
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**Working Together:** Russell McMurry, commissioner of the Georgia Department of Transportation

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says Lynch. "It makes the connectivity for our customers much easier." He says the ARP is part of GPA's Network Georgia program, which includes the Cordele Inland Port and plans for additional facilities in northeast and west central Georgia.

## Creative Collaborations

Looking for creative ways to handle freight traffic, like a 40-mile, truck-only highway from Atlanta to Macon, is on a lot of people's minds these days, including Seth Millican, executive director of the Georgia Transportation Alliance (GTA), a state organization committed to long-term transportation solutions benefiting economic development and job creation.

GTA GRTA

**Investment Imperative:** Seth Millican, executive director of the Georgia Transportation Alliance, left, and Chris Tomlinson, executive director of the State Road and Tollway Authority and the Georgia Regional Transportation Authority and interim director of the Atlanta-region Transit Link Authority (the ATL)

While heartened by moves by the state to fund major transportation projects and improvements, Millican says aggressively and strategically addressing the state's growing need for freight and logistics-focused infrastructure is something that can't be tossed aside because of changes in political leadership.

"The unique challenge to transportation infrastructure is that the immediate infusion of cash doesn't produce immediate results," he says. "It takes time to acquire right of way, get permitting, do environmental studies and then build a project. It makes the foresight of the equation that much more important to be able to look ahead and say 'what are our needs going to be in 2030?' because that gives us 12 years. What are we going to do in these intervening years to make sure we're preparing for and addressing the challenges?"

Fortunately, it appears that Georgia is in a golden age of collegiality among transportation entities at almost every level. Leaders of the Atlanta Regional Commission (ARC), MARTA, Georgia Regional Transportation Authority (GRTA) and Georgia's Department of Transportation (GDOT) regularly meet to talk about what's going on and how best to address issues.

"It started in 2012 during the T-SPLOST campaign," says GDOT Commissioner Russell McMurry. "We knew that GDOT, MARTA and GRTA needed to get ready to work together should it pass. After the defeat, we hung our heads for a few

weeks but decided that it was still valuable for us to meet regularly, and we still do. Everybody's trying to do the best for Georgia, and it's pretty awesome."

It's a new way of thinking, says McMurry, "We can't say, 'this is a road project,' or 'this is a transit project.' It's got to be integrated."

Nowhere was that more apparent than in the Atlanta-region Transit Link Authority – the ATL – state-level legislation signed by Gov. Nathan Deal in May 2018 that creates a transit governance and funding system for the 13-county Metro Atlanta region. The ATL will set up a Regional Transit Plan to identify and prioritize projects and initiatives needed for region-wide transit. Chris Tomlinson, executive director of the State Road & Tollway Authority (SRTA) and GRTA, also serves as interim director of the ATL. The legislation sends two key messages, Tomlinson says.

"It's the state's recognition that transit is of such critical importance that we're going to create a new entity that is solely focused on that element and the infrastructure investments we need to make in this area," he says. "The second is that it is going to give a centralized [contact] point for companies that want to move here as well as companies who think they have solutions that can help Atlantans move better."

MARTA

▲ **Big Deals Ahead:** MARTA General Manager and CEO Jeffrey Parker

Tomlinson is intent on expanding transit not just because it's the cool thing to do or because millennials don't want to drive, but because it's an economic imperative. "We are growing, and projected to continue growing, at 100,000 residents in this region every year," he says. "We can either invest in additional transit options now, or in the next five to 10 years we're going to be looking back on 2018 when we could speed around I-285, because that's what it's going to feel like in comparison if we don't make these investments."

Look for more express lanes, says Tomlinson, like the 30-mile stretch that just opened going north into Cobb and Cherokee counties on I-75 from I-285. Ten addi-


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**Making Connections:** A MARTA train at Hartsfield-Jackson Atlanta International Airport

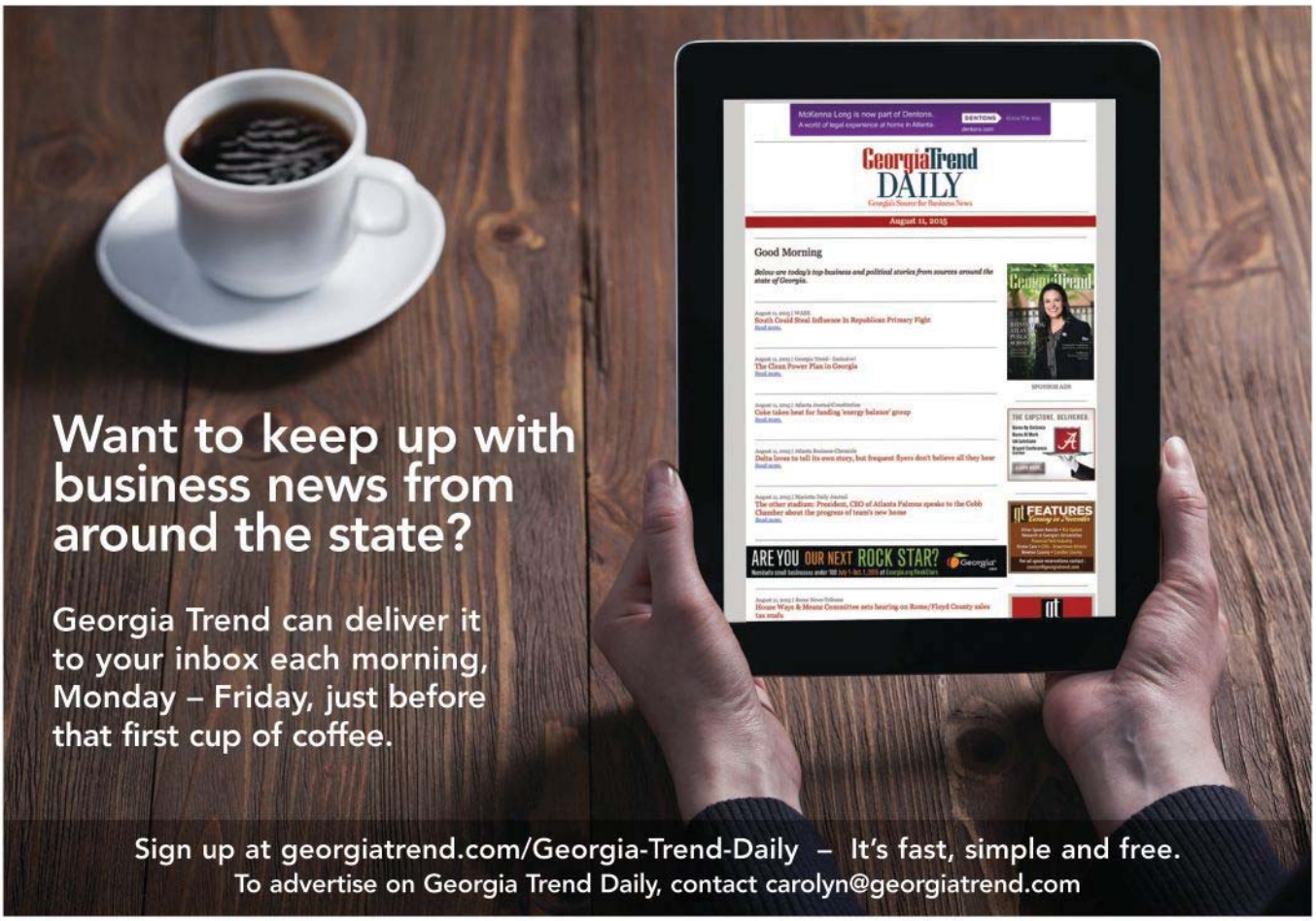
MARTA

tional miles of express lanes will soon open on I-85 from Old Peachtree Road north to Hamilton Mill Road, loosening up that corridor, with part of I-85 toward Braselton undergoing a widening project for better freight mobility.

And construction is underway on clearing up the bottleneck at the I-95 and I-16 interchange west of Savannah. "All freight coming out of Savannah going to Atlanta and beyond passes through there," says GDOT's McMurry. "We're joined at the hip with the Georgia Ports Authority to know what's going on at the ports and how that translates to the economic vitality of Atlanta."

One of GDOTs most ambitious projects involves reconstruction of the I-285 and Ga. 400 interchange. "I call that a 'make ready' work, a center puzzle piece," says McMurry. "It has to be improved to make room for the express lanes on 285 and 400."

The Transform 285/400 project will



add flyover ramps, new collector-distributor lanes and other infrastructure in preparation for the SR 400 Express Lane project, which will add two new optional express lanes from the North Springs MARTA Station to McFarland Parkway, just inside Forsyth County. The project is expected to cost $1.8 billion. The state set aside $100 million, and in June the SR 400 Express Lane Project was awarded a $184-million INFRA grant from the federal government.

But this is far from just a road project. The SR 400 Express Lane project is being developed in partnership with SRTA and MARTA and will incorporate BRT and Xpress buses, offering reliable mobility for those willing to take advantage of transit.

This project speaks to one of the cores of the MARTA mission, says Jeffrey Parker, general manager and CEO of the agency. "Being mass transit, we are about connecting where people live and where people work and doing that really efficiently during rush hour," he says, citing statistics of traffic reductions of up to 18 percent projected by using the express lanes. "We can't continue to just build roads. The opportunity to build BRT down 400 is a great example of that."

For the first time in its history, MARTA may soon provide service to customers in Gwinnett County. The Gwinnett commission went through a multi-year planning process to determine the county's transit needs now and for decades to come, settling on a plan that includes partnering with MARTA. The deal goes before Gwinnett County voters in a special referendum in March 2019.

"To paraphrase Joe Biden, it's a big frickin' deal," says Robbie Ashe, chair of MARTA's board of commissioners. "This is a once-in-a-generation opportunity to transform Metro Atlanta."

But that's not all. MARTA will soon finalize the project list on how to spend the proceeds – $2.6 billion – from the city of Atlanta's More MARTA campaign, a half-penny sales tax that was approved in 2016.

"In all probability we'll be building dozens of miles of new light rail lines, probably incorporating some BRT, too," Ashe says. "One of the other things we've already implemented is enhanced bus service which, for a lot of the people that ride MARTA, is the most important thing we do. New routes, more frequent routes and new buses, too."

## Transportation Fusion

Meanwhile, cities and towns across the state are experimenting with alternative modes of transportation:

• The dockless revolution hit Atlanta with Bird electric scooters, Lime bikes and scooters and Muving mopeds spotted throughout the city. The where and how dockless mobility will be used moving forward remains to be seen. Motorized vehicles are banned on Atlanta's popular BeltLine for now, and their use

MUVING

▲ **Joyrides:** A Muving scooter in Atlanta

is being debated by the Atlanta City Council.

• Peachtree Corners officials announced plans to install a $2-million autonomous shuttle pilot program – a test track – on a 1.4-mile stretch of Technology Parkway and are working with business accelerator Tech Connect Hub to bring companies to the city to work with the project.

• The city of Augusta is looking at allowing personal transportation vehicles (PTVs) on limited downtown streets to shuttle workers and tourists around the narrow streets. Similarly, the City of Covington Parking Authority funded a two-month experiment this summer using golf cart shuttles to alleviate parking congestion on the popular city square.

Maybe it was the sight of the collapsed bridge on I-85 and the havoc that wrought in April 2017, but it's clear that momentum has swung toward transit at the same time transportation infrastructure has gotten a substantial financial boost. It's a relief to leaders who've known for years that building more roads wasn't a sustainable solution.

"Our biggest challenge is striking the right balance of preservation, of keeping our present transportation infrastructure in great shape," says Commissioner McMurry. "The balance part is taking care of existing infrastructure – it's a huge investment that's already been made – but also providing for the growth the state is seeing and keeping Georgia poised for opportunity and development. There is no one solution to improve mobility. We can't just widen roads or build expressways. It's a transportation fusion. We have to work collaboratively with everybody to provide transportation as a service."

## TOP PROJECTS AROUND THE STATE

• **Starbucks** will invest $16 million and create up to 500 new jobs in a new East Coast satellite office in Atlanta that will operate as an extension of the Starbucks Support Center in Seattle.

• **Hanwha Q CELLS Korea** is building a $150-million solar module manufacturing facility in Whitfield County that will create 500 jobs.

• **Embraer** is opening a $1.6-million, 155,000-square-foot aircraft maintenance facility at the Middle Georgia Regional Airport in Macon. The project creates 100 jobs.

• **Facebook** is investing $750 million and creating 100 jobs in a new data center that will be powered by 100 percent clean and renewable energy. The data center is located in Stanton Springs, in Newton County.

• Dutch industrial and manufacturing company **VDL Groep** will invest $17 million into a new facility in Hall County creating 110 jobs.

• **GE Appliances** is investing $55 million in Jackson County to create a Southeast Region appliance distribution center that will create 100 jobs.

• Cobb County will be home to the new headquarters and innovation complex of **thyssenkrupp Elevator Americas**. The company is investing $200 million and will create more than 650 jobs.

• The grocery delivery market in Atlanta expanded further when San Francisco-based **Instacart** invested $40 million in a customer experience center, creating more than 400 jobs.

• Houston County's **Perdue Farms** is investing $42 million in a cooking operation expansion and adding 125 jobs.

• Business jet manufacturer **Gulfstream Aerospace Corp.** is investing $55 million to expand its service center operations in Savannah, creating 200 jobs

• **Taurus USA**, which manufactures firearms, is opening a 200,000-square-foot facility in Decatur County. The $22.5-million investment will create 300 jobs.

• **Top Polymer Enterprise**, which makes thermoplastic elastomer (TPE), is investing $15 million into a new facility in Social Circle, creating 70 jobs. The Walton County plant will be the Chinese manufacturer's first U.S. facility.

• **Southeast Georgia Health System** is renovating its Brunswick hospital. The $125-million project, which is scheduled to be completed in 2020, includes an overhaul of its emergency room and surgical suites and an update to some patient rooms.

• Wisconsin's **Modutek International LLC**, manufacturer of modular buildings and power systems, is investing $6 million in a manufacturing and distribution facility in Soperton that will create 70 jobs.

• Health insurer **Anthem** is building a $105-million, 21-story IT center in 352,000 square feet of space in Midtown Atlanta's Tech Square. When it opens in two years, it will house about 3,000 employees, including 1,800 new hires.

• Fitness equipment manufacturer **ICON Health & Fitness** will invest $17 million and bring 20 new jobs to Pooler.

• Global fashion and beauty retailer **ASOS** will open an East Coast e-commerce fulfillment center in Union City. The $40-million investment will bring 1,600 new jobs to Fulton County over the next five years.

• **Meggitt Polymers & Composites**, which manufactures environmental components, is expanding in Rockmart. The $30-million investment will add 211 jobs to its existing 1,000 employees in Polk County.

• **Advanced Digital Cable Inc.**, which manufactures electronic and communication cable and wire, is expanding in Union County. The $15-million expansion will add 100,000 square feet to the existing facility and create 65 jobs.

• **CallRail**, a call analytics company in downtown Atlanta, announced plans to add 300 new jobs over the next five years.