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'BOOM TOWN'

Why Covington is rapidly growing and how the city plans to address it

By Savannah Sicurella – Reporter, Atlanta Business Chronicle – January 21, 2022

Dairy farms and mill towns are what attorney Phillip Johnson remembers about growing up in Covington in the 1960s. It was a quiet, quaint place where everyone knew their neighbors.

Years later in the 80s and 90s, Covington still provided the idyllic backdrop for “In the Heat of the Night,” a show about a small Southern town facing the economic and social changes of the New

South. Still today, Covington remains a popular filming location, with its highways lined with pink and yellow production signs.

Covington's small-town feel lured Kelley Johnston away from the bustle of Alpharetta around 13 years ago. She went on to open a bakery on the city's downtown square and co-founded one of its most recognizable restaurants. But even though she got away from the city, the city has crept back into Johnston's life.

Cars were never on the downtown square after 6 p.m., says Johnston, owner of Bread and Butter Bakery. Now, she says, "You look at the license plates [and] they're from all over the country."

Like other longtime Covington residents and small business owners, Johnston is experiencing a wave of growth unlike anything in this city's 200-year history. Over the next several years, at least 8,000 jobs are projected to pour into Covington and the surrounding area. For perspective, Covington, the largest city in Newton County, has just 14,000 residents.



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Newton County had almost 100,000 people by 2010, according to data from the U.S. Census Bureau. Over the past decade, the population increased by roughly 12%. The latest projections show it may increase by another 40% by 2040, according to a study from the consulting firm AECOM.

The projected growth has developers gearing up for more housing demand. Just down the road from Covington's commercial airport, a once vacant 160 acres on Alcovy Highway will be transformed into 350 apartments, stores, restaurants and offices. It's the first major mixed-use project in the city's history. Just last month, national developer Alliance Residential Co. also closed on 36 acres to build 318 apartments.

The influx of people and housing is connected to thousands of jobs coming to Newton and the surrounding counties of Morgan, Jasper and Walton. In December, electric vehicle startup Rivian announced it will build a \$5 billion plant in Morgan and Walton Counties, eventually growing to 7,500 jobs.

It was one of a flurry of economic development announcements for the area. South Korean semiconductor chip manufacturer SKC, lithium-ion battery recycling startup Battery Resources, and grocery chain Lidl all have new manufacturing and distribution operations planned or underway in the greater Covington area.

The projects are leaving city officials to grapple with the stress growth can put on land use, infrastructure and the tensions it creates among those who want to preserve a small-town charm, said Serra Hall, executive director of the Newton County Industrial Development Authority.

"How do we control the end product we want to see here?" Hall asks.

Atlanta's exurban cities like Covington aren't strangers to industry.

Johnson, the longtime Covington attorney, saw the first phase in the late 1960s when FiberVisions Corp. opened a plant on Alcovy Road to produce polypropylene fiber for Georgia's booming carpet industry. Still located in its original facility, the plant celebrated its 50th anniversary in 2017 and in 2020 announced a \$48 million expansion.

More industry followed: Japanese brake supplier Nisshinbo Automotive Manufacturing, sports equipment company Bridgestone Golf and consumer goods giant General Mills.

"We make most of the Cheerios in the United States in Covington, right down the road from making the golf balls," said the city's former mayor Kim Carter.

But this latest phase of industrial growth has taken things to another level. The spark might have first come 20 years ago when a concept for a new industrial park called Stanton Springs was introduced.

Today, if there is a center of gravity for economic development in the Covington area, it's Stanton Springs. Spanning over 1,600 acres across Newton, Jasper, Morgan and Walton counties, Stanton Springs is home to Tokyo-based pharmaceutical titan Takeda's \$1.2 billion plasma manufacturing plant, the state-owned Georgia BioScience Training Center and two Facebook data centers. Both data centers were built in 2018. By 2023, Facebook plans to build three more.

Johnson remembers people saying the investment in Stanton Springs was “foolish” and “never going to pay off.”

“Facebook really accelerated it,” he said “Not a lot of people outside of the pharmaceutical industry knew who Takeda was, but everybody knows who Facebook is.”

Even so, it’s not exactly clear why so much industry is moving to this area along Interstate 20, around 45-minutes east of downtown Atlanta. Maybe Atlanta and its outlying suburbs are just like other Sunbelt cities “winning the war” for corporate expansions and relocations, said John Boyd, principal with site selection firm The Boyd Co. Or maybe it's the heavy incentives the counties' joint development authority are able to provide to large-scale projects. The JDA offered Facebook tax breaks ranging from \$71 million to \$355 million over the next 20 years.

“At the end of the day, as much as we like to tout Miss. June’s diner in downtown and how quaint it is, it’s about business,” said Shane Short, the executive director of the Development Authority of Walton County.

Drawn by job prospects and lower costs of living outside of Atlanta, more young people with diverse income levels are moving to the area, said Covington Community Developer Trey Sanders. But, here emerges a concern: with the influx comes changes in traditional Covington housing demand.

The newer generation isn’t buying as many single-family homes in subdivisions, Sanders said. They want more options including apartments and townhomes built in walkable areas next to stores and restaurants.

“We have this struggle with keeping the small-town Southern charm, “ Sanders said. “A lot of residents feel like we’re going to lose that charm if we build a bunch of housing. What we try to stress is that it doesn’t matter if you want it to come or not. People are coming.”

Shamica Tucker, the executive director for the Covington Housing Authority, supports changes in zoning to allow for different types of mixed-income housing. But in some circles, the mention of “affordable” and “apartments” causes tension, Tucker said. As an example, a Covington Housing Authority proposal to renovate an empty, asbestos-ridden gymnasium into apartments was met with resistance.

For now, the approach is small steps, such as gradually increasing residential density on lots, said William Smith, Covington’s economic development manager. Current zoning limits developers to 16 apartment units per acre, but the city is pushing to increase it to at least 26 units and possibly 36 units.

“We have to be able to change the way that we look at our community and include more options,” Johnson, the longtime resident, said. “I talk to people every day who would like for

Covington to be like it was in the 1960s and 1970s. I just don't think that's an option. Where we are geographically indicates we're going to grow. It's just how we grow."

Brandon Scoggins is at the intersection of two different factions: new residents coming into Covington and those whose roots stretch back for decades.

"If you asked me two years ago if I would've ever moved to Covington, I would've told you absolutely not," the 32-year-old Scoggins said. "There's nothing out here."



Brandon Scoggins, 30, and his wife, Sloane, moved to Covington to be closer to his parents. The couple found a comfortable place to raise their daughter and put down roots.

Scoggins' memories of Covington were colored by childhood trips to his grandparents' home on a dirt road. After having his first child in May, Scoggins decided to move closer to his parents, who bought a house in Covington around three years ago.

The more he and his wife began visiting the city, they noticed Covington's transformation from Scoggins' childhood memory of the place. On Friday nights, they saw three-hour waits for some restaurants on the downtown square. Most personally, his grandparents' once rural home now sits within "five seconds" of two Subway restaurants.

But, the growth is exciting, he said.

"I feel like we've found a place where we can raise our daughter and put down roots," Scoggins said.

Coming from Atlanta, Scoggins is giddy when he hears about a project such as redeveloping the vacant gymnasium. He thinks the city could turn it into a food hall like Krog Street Market.

“Bringing in these cool, new developments, I think it can only be good,” Scoggins said. “To keep a city alive like Covington, you have to have young families coming in.”