

A photograph of an industrial facility, likely a quarry or processing plant. A tall, dark grey cylindrical silo stands on the right, topped with a metal walkway and an American flag. A long, inclined conveyor belt structure extends from the silo towards the left. In the foreground, there are several white storage containers, a yellow forklift, and a pile of grey material. The background shows green trees under a blue sky with light clouds.

DeKalb County Industrial Land & Economy Study

EXECUTIVE SUMMARY

Prepared for:
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Decide DeKalb Development Authority

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Section 1: Introduction — Industrial Land and the Economy in the 21st Century

The industrial economy is undergoing a renaissance. Production technologies are changing rapidly, as are the skills that are needed to work with these technologies. New products, firm structures, and industries are emerging; the “Maker” movement is finding a niche in offering small-batch, custom products, while scientists and engineers are developing ways to manufacture structures and materials at the nano-scale. These innovations generate outsized contributions to the national and local economies (Helper, Krueger, & Wial, 2012a, 2012b). E-commerce, same-day shipping, and port/canal expansions are restructuring distribution networks. U.S. manufacturing and logistics employment have seen sustained increases since low points in 2010. And researchers, policy makers, and the general public are taking notice.

DeKalb County has the potential to be an industrial leader, with a competitive real estate market and advantageous access to international transportation networks and the major population center of the Atlanta metropolitan area. However, this report has identified several factors that are preventing it from realizing its potential. These include outdated industrial real estate, inadequate infrastructure, and insufficient education and training options for residents and workers.

The conceptual framework this report uses to characterize the industrial economy is that of “PDR,” which stands for Production, Distribution, and Repair. This perspective, developed by San Francisco’s planning department (2002), recasts industrial activity in two important ways. The first is that it recognizes that manufacturing—the cornerstone of the industrial economy—is not an isolated activity, but rather, part of an economic ecosystem that requires healthy local distribution and repair networks to thrive. Second, the PDR framework is a move away from the negative imagery associated with “industry” (Dempwolf, 2010). It suggests that traditional heavy industry is a much smaller portion of the PDR economy, replaced by a wide-ranging set of productive activities that communities and economies need to thrive.

This report finds that the most important steps for strengthening DeKalb County’s PDR economy have to do with creating more modern and attractive industrial spaces, updating transportation and utility infrastructure, fostering a local, highly-skilled workforce, and encouraging a robust dialogue both within the PDR community, and between the PDR community and the governments and residents of DeKalb County.

The central recommendation—and the main pathway through which the strategic actions will be achieved—is the creation of the DeKalb Industrial Council. The Council is to function as an intermediary, representing and assisting the PDR community in the County. Organizations like the proposed Industrial Council have existed for decades in some places, and are just emerging in others. These existing models have had success in strengthening local industrial ecosystems, and all offer lessons and examples from which the DeKalb Industrial Council can draw.

The creation of the Industrial Council and the related recommended actions in this report are guided by and correspond with the three main strategic objectives of the 2014 Comprehensive Economic Development Strategic Plan: to improve DeKalb’s business climate, to revitalize its commercial (in this case, industrial) corridors, and to enhance the quality of place throughout the County.

Section 2: DeKalb County Industrial Land Inventory

Fostering a healthy PDR ecosystem depends significantly on the availability of quality industrial land and building space. PDR businesses have specific infrastructure needs and zoning requirements, meaning that their location choices are often limited.

In the rapidly urbanizing northern parts of DeKalb County, industrial land is scarce and experiencing more pressure to be rezoned for other uses. In this part of the County, regulations and zoning controls are necessary to preserve existing industry.

The southern parts of the County remain more exurban (and even rural), and a significant amount of industrial land remains vacant. This vacancy, however, does not necessarily indicate a surplus. In this region of the County, industrial development and redevelopment is constrained by aging industrial sites and inadequate infrastructure. Small building footprints, low ceilings, and awkward and landlocked site configurations render some sites obsolete. Sites that have a history of industrial use (sometimes known as “brownfields”) may also have contamination that must be remediated. Further, many industrial sites in DeKalb are served by aging roads that, in addition to not having been consistently maintained, were never expanded to accommodate standard truck lengths. Some potential industrial sites are not yet connected to public water and sewer, the expense of which is a significant development barrier.

The significant financial, administrative, and political costs associated with remediation, site assembly, modernization, and infrastructure improvements may not justify the redevelopment of these parcels. While land and real estate are not the only factors affecting DeKalb’s lack of industrial expansion, investing resources to more aggressively mitigate these prohibitive factors could make the County a more attractive place for industrial development. With DeKalb’s relatively low real estate costs, and in some sections, ample available land, the County must encourage new industrial development to take advantage of global production and distribution trends that are in its favor.

Section 3: Economic Trends and Prospects

While several non-PDR sectors are performing well in DeKalb County, its PDR economy is struggling. Total PDR employment shrank from almost 62,000 in 2009 to slightly over 53,000 in 2014 (a 14% decline) during a period when industrial employment grew across the nation. Only a few PDR sectors, such as trucking, passenger transit, and building construction simultaneously satisfy the three conditions of 1)

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being significant employers in the County, 2) being concentrated at a level higher than the regional average, and 3) having recently expanded. While these sectors are important to the PDR ecosystem, their local economic ripple effects are not as significant as those of production activities, which are generally declining or growing more slowly than comparable sectors in the region or the nation. Furthermore, the reliance of DeKalb’s PDR sector on transport occupations may leave it vulnerable to the

prospect of driverless vehicles replacing these jobs in the decades to come.

Several local manufacturing subsectors, such as nonmetallic mineral manufacturing, printing, and chemical manufacturing have significant presences in DeKalb and some recent momentum. Encouraging the continued competitiveness of these industries in the future should be a priority for the County. Others, such as chemical manufacturing, transportation equipment manufacturing, and pipeline transportation, currently employ a small percentage of DeKalb’s PDR workers but show recent signs of growth.

Chemicals and transportation equipment usually fall under the category of “advanced” manufacturing, meaning that they employ sophisticated technology, require highly-skilled workers, and pay higher than average wages. Encouraging the growth of these industries will advance economic development, but sufficient local training capacity must be part of this plan to ensure that the County has a skill-base that matches these human resources demands.

It is important to note that this report’s economic analysis is only the first step in the development of an industrial strategy for DeKalb County. It provides a “1,000-foot” view by illustrating broad trends. The study cannot, for example, indicate whether some industries may be competitive but shrinking (in terms of employment) because they are implementing more productive automated systems, reducing the need for human capital. The proposed DeKalb Industrial Council will need to reach out to individual businesses to obtain a more nuanced understanding of the health (or lack thereof) of the local industrial economy.

Section 4: Stakeholder Input

On June 29, 2016, faculty and students from Georgia Tech, along with staff from the Decide DeKalb Development Authority, convened a meeting of stakeholders from around the County whose work regularly involves industrial land, real estate, and economic development. The meeting included representatives from the Georgia Department of Economic Development, DeKalb County, local utilities, Georgia Piedmont Technical College, local Chambers of Commerce, industrial real estate brokerages and property managers, and several local units of government and community improvement districts within the County (a complete list of attendees is available in *Appendix C*). During the meeting, Georgia Tech City and Regional Planning Professor Nancey Green Leigh gave a presentation on industrial land and economic activity to the entire group, and then attendees split up into two focus groups, led by Georgia Tech faculty and students, to discuss issues related to industrial land and economy.



In discussing the issues confronting DeKalb’s industrial land and economy, Focus group participants identified eight key themes:

Safety and Crime

Crime is a problem in many of DeKalb’s industrial sites and parks, and a deterrent to growth. Better lighting, more foot traffic, and cameras have helped, but more needs to be done to reduce crime, which will require more funding.

Infrastructure

DeKalb’s roads are ill-equipped to handle modern truck traffic, mostly because of insufficient turning radii and road widths. These insufficiencies are discouraging industrial redevelopment on sites that otherwise have advantageous interstate access. Some industrial areas are also difficult to find because of inadequate signage. Finally, the expense of connecting to public water and sewer services deters development on sites that are not yet connected.

Aesthetics

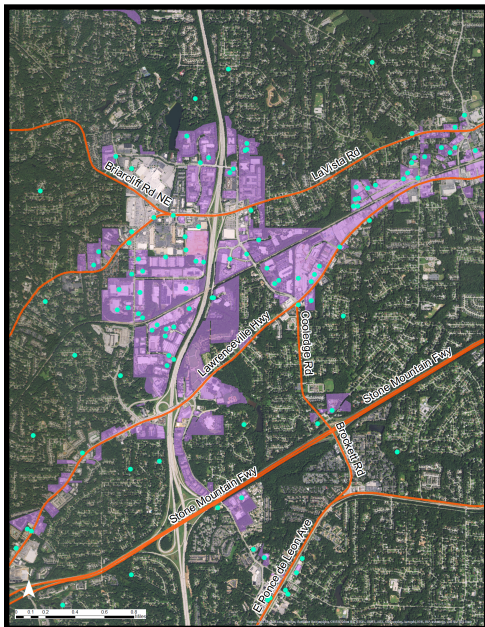
Some industrial land in DeKalb County is poorly maintained and unattractive. In some cases, the unattractiveness stems from neglect of simple maintenance like lawn care and the accumulation of trash. However, industrial business owners may lack the capital to perform façade and landscaping improvements. Unattractive sites reinforce the negative perception of industrial activity.

Industrial Site and Building Conditions

Echoing the discussion in Section 2 of this report, stakeholders confirmed that much of DeKalb's stock of industrial real estate is too old to accommodate modern industry. Low ceilings, inconvenient layouts, poor energy efficiency, and contamination were cited as problems.

Information Availability and Support Services

Industrial business owners who want to locate or expand in DeKalb have a difficult time finding available sites, and permitting can be cumbersome. Many are also not aware of or have trouble accessing grants and incentives for which they may be eligible.



Public Relations and Perception of Industrial Land and Business

Residents and non-PDR businesses may not always be welcoming to industrial development. Past environmental injustices stemming from the siting of industrial facilities has been a problem. The PDR community has to reach out to neighbors to ensure that their concerns are being addressed and to communicate the benefits of a robust PDR ecosystem.

Land Availability and Zoning

In the northern parts of the County, industrial land is threatened with conversion (rezoning) to other uses. Industrial land in the South and East is not suited for modern industry and has significant barriers to redevelopment.

Workforce and Education

Recruiting industry to DeKalb County is difficult because its workforce does not have the necessary skills for high-value production work. This problem is exacerbated by the poor reputation of the public school system. The County has several higher education assets, but they do not play much of a role in PDR. Emory and the Centers for Disease Control have minimal involvement in workforce development, and Georgia Piedmont Technical College needs more capacity to train for the skills that 21st century industry demands.

Section 5: Summary of Problems and Associated Actions

Recommended Actions to Strengthen DeKalb's PDR Economy:

After analyzing data from external sources and focus groups, we developed 13 specific recommended actions to optimize the use of DeKalb's industrial land and enhance the competitiveness of its PDR

businesses. These recommendations are divided into two categories: 1) Infrastructure, Land, and Buildings, and 2) Education and Workforce.

Infrastructure, Land, and Buildings Actions:

- Create an industrial land and building inventory
- Envision 21st-Century industrial spaces
- Prioritize industrial land for brownfield incentives
- Designate, acquire, assemble, and prepare appropriate sites for industrial reuse
- Build the capacity to redevelop industrial land through dedicated nonprofit or public-private partnerships
- Create an online industrial real estate portal
- Create an industrial improvement grant program and/or revolving loan fund
- Direct SPLOST or other public funds to improve infrastructure that serves industrial businesses
- Protect industrial land through zoning and regulation
- Become a good neighbor by beautifying industrial land and conducting outreach

Education and Workforce Actions:

- Work with local high schools to develop manufacturing and logistics career academies
- Partner with local PDR businesses to establish apprenticeship or co-op programs
- Create a post-secondary level advanced manufacturing training program

Section 6: Implementation Plan

The key element of this strategy is the creation of the DeKalb Industrial Council, which will serve as an organizational hub from which to carry out the recommended actions and to conduct industrial analysis and planning efforts in the future. The Council, which can be either a separate, private nonprofit agency or an affiliate of an existing agency such as the County itself or the Decide DeKalb Development Authority, will employ staff members who are dedicated to working with and advocating for the PDR community.

As industry continues to transform—in terms of its processes, education needs, and role in local and national economies—several models of this type of industrial assistance organization are emerging. WIRE-Net (<https://www.wire-net.org>) grew out of a traditional industrial retention and expansion organization serving legacy “rust-belt” industries in Cleveland, while SFMade (<http://www.sfmade.org>) emerged in 2010 as a platform for resource sharing and advocacy for the local, artisanal, and craft-based manufacturing community in the San Francisco area. Another model is the Philadelphia Industrial Development Corporation (<http://www.pidcphila.com>), which focuses mainly on industrial real estate development and finance in Philadelphia.

The industrial community of DeKalb County will need to structure its Industrial Council based on these (and other) models as well as the needs of DeKalb County’s PDR businesses. Through the DeKalb Industrial Council, its PDR businesses and workers will have a centralized point of contact through which to advocate for themselves, access resources, and communicate to officials and the larger County community.