



# insight

ISSUES AND IDEAS FOR GREATER PHILADELPHIA'S LEADERS

VOLUME 1



2009



**Growth and Consequences in Metro Atlanta:  
Inside Stories from One of America's  
Fastest Developing Regions**



# insight

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VOLUME 1 2009

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CENTENNIAL OLYMPIC PARK – ATLANTA



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## Envy and Relief

Let's start with the bad news: we can't have their airport.

The single best business decision Atlanta ever made was to lay a runway on an abandoned racetrack in the hopes of grabbing a few government mail contracts. Who knew in 1926 that the jet age was just around the corner? Today, Hartsfield-Jackson Atlanta International Airport is the engine room of the sprawling powerhouse that metro Atlanta has become. Philadelphia International would have to triple its customers and quadruple its flights to match it. That would be great, but we just don't have the space, either on the ground or in the air. And we're unlikely to get Atlanta's population growth, either. Metro Atlanta has added 100,000 people a year for twenty years. A city can do that when it's surrounded by acres and acres of developable greenfield. We have room to grow, but not at that rate.

But there's another way to think about these things: it's not that Philadelphia will never have them; it's that we already got them. Our regional population doubled once - between 1850 and 1860. We were a global transportation hub once - when railroads were king. We captured the world's attention as a can-do economic power once - with our 1876 Centennial.

So we've been through Atlanta's growth, and we've been through its growing pains too. Obsolete, overused infrastructure creating new costs? Check. Congested roads and insufficient public transit choking growth? Check. Booming new immigrant populations forcing new political calculations? Check. Fragmented regional governance, shortage of regional planning, and competition between city, suburbs, and state? Check, check, and check.

In fact, over the three days of the Greater Philadelphia Leadership Exchange visit to Atlanta, it was easy for a listener to whipsaw between two very different reactions: envy and relief. Envy that we cannot match Atlanta's astonishing growth or replicate the conditions that created it. Relief that when dealing with the problems growth creates, we have the resources and experience they're still developing.

This is not to say that Greater Philadelphia has nothing to learn from metro Atlanta. The capital of the New South pairs an infectious optimism with an admirable culture of civic inclusion. Its faith in low taxes and limited government is matched by a commitment to personal service and charitable giving (the head of the local United Way told us that Atlantans give twice as much per capita as do Bostonians). Civic responsibility is deeply ingrained in their private sector leadership and is expressed in any number of successful projects and partnerships. And, the Atlanta Housing Authority pioneered the master-planned, mixed-finance, mixed-income residential development model now used by the U. S. Department of Housing and Urban Development.

But more than anything, a visit to Atlanta is a reminder of what it's like to aspire. Its leaders go for world class. They are into permanent problem-solving. They understand their strengths and build on them.

In this region, we would do well to remember ours. Our renowned cluster of universities, research centers, and healthcare institutions. Our irreplaceable web of roads and rails. Our variety of communities, from small towns to suburbs to downtowns. Our access to 24-hour cities to beaches to mountains. Our abundance of water. Our food. Our history. Our people. These are what make us world class.

We hope this issue of Insight lives up to its name. Metro Atlanta has much to teach us, not only about what we could be, but about what we are. We'll never have their airport, we've already had their growth, and we have more than enough to build a world class future of our own.

Sincerely,

Daniel Fitzpatrick  
2008 Co-Chair  
President and CEO  
PA DE & NJ  
Citizens Bank

William Marrazzo  
2008 Co-Chair  
President and CEO  
WHYY

Sharmain Matlock-Turner  
2008 Co-Chair  
Executive Director  
Greater Philadelphia  
Urban Affairs Coalition

Steven Wray  
Executive Director  
Economy League of  
Greater Philadelphia

# UP FRONT

**GREATER PHILADELPHIA LEADERSHIP EXCHANGE**

Atlanta, Georgia September 2008

An Initiative of the Economy League of Greater Philadelphia

# Atlanta and Philadelphia by the numbers



Photo by B. Krist for GPTMC

	ATLANTA CITY	PHILADELPHIA CITY	METRO ATLANTA	GREATER PHILADELPHIA
SIZE (SQ. MILES)	131.8	129.7	8,376	3,855
<b>DEMOGRAPHICS</b>				
POPULATION	519,145	1,449,634	5,134,871	5,826,742
WHITE	35%	39%	54%	68%
BLACK/AFRICAN-AMERICAN	55%	44%	31%	20%
ASIAN	2%	5%	4%	4%
HISPANIC/LATINO	6%	10%	9%	6%
FOREIGN BORN	8%	11%	13%	9%
MEDIAN AGE	35	35	35	38
MEDIAN HOUSEHOLD INCOME	\$41,612	\$33,229	\$55,552	\$55,593
<b>EDUCATION</b>				
HIGH SCHOOL DIPLOMA	23%	38%	27%	32%
SOME COLLEGE	15%	15%	19%	16%
BACHELOR'S DEGREE	24%	12%	22%	19%
GRADUATE DEGREE	16%	9%	11%	12%
<b>EMPLOYMENT BY SECTOR</b>				
MANUFACTURING	-	-	9%	10%
RETAIL	-	-	12%	11%
PROFESSIONAL/SCIENTIFIC/TECHNICAL SERVICES	-	-	8%	8%
EDUCATIONAL SERVICES	-	-	8%	9%
HEALTH CARE SERVICES	-	-	9%	14%
GOVERNMENT	-	-	4%	5%
<b>INNOVATION (% OF US AVERAGE)</b>				
PATENTS/100,000 PERSONS	-	-	78%	92%
NSF/NIH FUNDING/CAPITA	-	-	114%	166%
VENTURE CAPITAL FUNDING/CAPITA	-	-	79%	120%
RESEARCH UNIVERSITY ENROLLMENT	-	-	88%	121%
<b>INFRASTRUCTURE</b>				
AIR PASSENGER BOARDINGS/CAPITA	-	-	8.5	2.6
PUBLIC TRANSIT PASSENGER MILES/CAPITA	-	-	181	323
POPULATION IN HIGH-BROADBAND AREAS	-	-	91%	68%
<b>HOUSING (2000 U.S. CENSUS)</b>				
OWNER OCCUPIED	39%	53%	-	-
VACANT	10%	11%	-	-
<b>REAL ESTATE</b>				
COMMERCIAL VACANCY RATE	21.1%	10%	17.6%	13.6%
<b>QUALITY OF LIFE</b>				
AVERAGE COMMUTE (MINUTES)	24.2	29.4	31.2	28.7
PARKLAND ACRES	3,400	9,200	-	-
<b>ECONOMIC CONTRIBUTION</b>				
METRO ATLANTA: GDP 2% OF U.S. TOTAL; 67.6% OF GEORGIA TOTAL				
GREATER PHILADELPHIA: GDP 2.4% OF U.S. TOTAL; 42.7% OF PENNSYLVANIA TOTAL				

Sources: Brookings analysis of data from U.S. Census Bureau; Bureau of Economic Analysis; Institute for Strategy and Competitiveness, Harvard University; Fortune Magazine; U.S. Patent and Trademark Office; National Science Foundation; National Institutes of Health; Thompson Financial; Ned Hill calculations of Economy.com data; Carnegie Foundation; National Center for Education Statistics; Federal Aviation Administration; Federal Transit Administration; Federal Communications Commission; Internal Revenue Service; ESRI; American Community Survey of the U.S. Census; Free Library of Philadelphia; FBI; and, Grubb & Ellis. Data are most recent available.

# WHICH WAY, ATLANTA?

## The Atlanta Way: Past, Present, and Future

by Bill Hangle, Jr.



L-R: Ed Baker, *Atlanta Business Chronicle*; Milton James Little, Jr., *United Way of Metropolitan Atlanta*; A. J. Robinson, *Central Atlanta Progress*

The phrase has a history. After race riots wracked Atlanta a century ago, the “Atlanta Way” came to describe a peacekeeping tradition in which the city’s blacks won limited autonomy and a small share of civic improvements in exchange for providing political support for white leadership. One historian called it a kind of “racial détente” designed to keep calm in everyone’s streets and business in everyone’s shops. It was a strategy that helped Atlanta avoid the worst of the violence that plagued other southern cities during the Civil Rights era.

Later, with the election in 1974 of Atlanta’s first black mayor, the “Atlanta Way” came to describe a careful division of power: the political sphere to blacks, the business sphere to whites. *Fortune* described it as an alliance of “folks who understand and accept why and how the spoils of any venture must be divided between blacks and whites.”

But when asked today to describe the Atlanta Way, Ed Baker, publisher of the *Atlanta Business Chronicle*, offers something much less political. “To characterize the Atlanta Way,” he said, “at the top of my list, I believe our biggest point of difference is southern hospitality.”

Baker told the Leadership Exchange that Atlanta was “a city of dreamers and entrepreneurs.” Among its count-

less companies are mainstays of the global economy: Coca-Cola. Delta Airlines. CNN. The key to the city’s success, Baker said, is its way of welcoming and supporting the kind of dreamers who create those companies, no matter who they are or where they come from. “This is a hospitable marketplace,” he said. “People are very good, very caring, very giving, and we don’t throw snowballs at Santa Claus on Christmas.”

A political balancing act; a welcoming civic culture; a business-driven philosophy of governance: based on three days of panels at the 2008 Leadership Exchange, these are the threads of the Atlanta Way. Together they’ve helped make metro Atlanta an international hub for business and travel. It’s the fastest-growing American metropolis of the last generation.

But if Atlanta’s particular ways get credit for its successes, they also get blamed for its failures. Critics point to persistent poverty and the region’s failure to invest in its infrastructure or manage its growth. They describe ways that remain uncomfortably close to those of the old company town. And if those are the yin and yang of the Atlanta Way – on one hand inclusive and cooperative, on the other driven by elite business interests – there’s yet another way to consider: the next way.

Explosive growth has created new problems that will challenge the city's old habits.

**"PEOPLE ARE PLACES THEY NEVER DREAMED THEY'D BE."**

Milton James Little's last job was in Boston, where at first nobody would listen to him. "Your family had to be in the ground for 400 years before you were a native," he recalled, and one was expected to serve a long apprenticeship before being given a voice in civic affairs.

Now Little is the head of the United Way of Metropolitan Atlanta. Before he'd even moved into his office, he was on the cover of Ed Baker's paper, named one of the region's most influential people. "I hadn't even sat



Alicia Philipp, Community Foundation of Greater Atlanta

in the chair yet," Little said with a laugh. "But I was in the center [of the cover photograph], surrounded by all these longtime, important people."

With the warm welcome came a very clear message. "It's a reminder of the expectation. If you're in a position of responsibility in this community, somebody asks you to sit down at a table and bring a fresh idea. For newcomers, the expectation is that you find a place in civic life and become engaged."

Little was astonished by the region's abundant and well-attended Rotary Club luncheons, which to him epitomize a culture of openness and inclusion. "You've got the great opportunity to see anybody that you need to see. To talk about the things that phone calls don't allow." Everywhere he got more than lip service – people who told him "call me if you need help," he said, called later to find out why he hadn't called.

Little calls it the "y'all come" culture, and he says it works. By welcoming anyone who'll join the effort to boost the region, he said, the city has transformed itself into a beacon of possibility. Middle class blacks now live in the shadow of Stone Mountain, once the symbolic home of the Ku Klux Klan. "People are places where they never dreamed they'd be," Little said. William Jelani Cobb, a professor at Atlanta's Spelman College, wrote recently that the city has become "what Harlem was in the 1920s: the destination for a critical mass of highly educated and talented blacks in search of a better life."

Ed Baker says it's a mistake to read too much into Atlanta's racial successes. "Black business and white business don't integrate in any meaningful way," he said. "And the belief that Atlanta is the place for minority business opportunity is more conversation than reality...in some ways, we get more credit than we deserve."

But nonetheless, Baker said, power in Atlanta is no longer nearly as concentrated as it once was. "In the sixties, it was basically six to eight white men in a room," he said. "Most of them were bankers." Then came the city's first black mayor, Maynard Jackson, who in the 1970s secured for blacks control of the political sphere (including the city-owned airport) and with it a prominent and powerful seat at the regional table. Suddenly, dividing the civic pie became a much more complex exercise. As Baker put it: "The world changed," and Atlanta found ways to change with it.

**"THE FIVE WHITE GUYS ARE STILL MEETING."**

"Things have changed," said Alicia Philipp, "but perhaps not as much as they should." Philipp has run the Community Foundation of Greater Atlanta for three decades. "Like many cities, thirty-one years ago, it was five white guys at the Commerce Club. And [the people] making the decisions and the perspectives they represent have changed somewhat, but I would still challenge that Atlanta isn't anywhere near where it could be."

Journalist Maria Saporta put it more bluntly: "The five white guys are still meeting. They meet on the board of the Woodruff Foundation," she said, naming the region's dominant philanthropy. "I don't know how old the youngest

white gentleman is – I would guess close to seventy." P. Russell Hardin, the foundation's president, was sitting next to her when she spoke.

*"We have more government than we know what to do with, but it doesn't have a whole lot of power."*

Philipp and Saporta were touching on one of the consistent themes of the Leadership Exchange: metro Atlanta may be increasingly diverse and its civic life increasingly open, but the real Atlanta Way still gives the final say to the region's business leaders. At best, government and civic institutions are expected to play a supporting role. "The state is historically extremely conservative," said A.J. Robinson, head of a regional business association, Central Atlanta Progress. "We have more government than we know what to do with, but it doesn't have a whole lot of power."

By design, it's the private sector that makes Atlanta go. The signature example is the city's successful staging of the 1996 Olympics. The project started, in Hardin's words, with "brash, audacious, private sector leadership" led by one man and funded entirely by corporate sponsorships, not public money. Of much deeper and more lasting import is the airport, a project whose development has always been private sector driven and on whose success the region depends. The very pattern of the region's growth – tract after tract of single-family homes, largely untroubled by government zoning or open space requirements – reflects the priorities of private developers and the customers they seek to serve.

Meanwhile, the region has not excelled at providing the kind of services that rely on government or nonprofit sector leadership. Public education depends on some of the lowest levels of public funding in the nation, and test scores and graduation rates rank among the nation's worst. Infrastructure for transportation and water are woefully outdated. The region ranks number one in child poverty and number two in income inequality.

Robinson says the region's businesses are more than willing to team up with local governments to push an agenda. But he left no question about who wears



the pants. "When we [the business community] feel threatened," he said, "we create something and sell it into our political system in a way that gives them just enough say in it that we can call it a public/private partnership."

And when the business community does push for increased public investment – as it is currently doing around transportation issues – it is often undercut by a state government which sees itself as the guardian of a low-tax, limited government ideology. "I was at a program where the chief operating officer for the state was boasting that Georgia's a 'great state' because we rank second in terms of the lowest amounts of public investment," recalled Saporta. "He would call it public taxation. What he thought was a great barometer, I interpreted another way, which is that the state is not investing in who we are and what we are."

To Ed Baker, if the Olympics were a victory for the Atlanta Way, their aftermath was something else. "We woke up after the Olympics, and we had gridlock," he said. "It had been coming. We knew it. Leadership ignored it, and it still remains our albatross." Baker was speaking literally about the crippling traffic jams that now threaten the region's growth. But the region's leaders get stuck on other issues too, he said, unable to adjust a hands-off governing philosophy even as demand grows for someone to fix the problems growth has created. "Leadership has not taken us down the road to the promised land," Baker said, "with regards to transportation, environment, air quality, and water."

#### “THE PROFILE HAS CHANGED”

Whatever its shortcomings, the Atlanta Way of attracting business and residents has helped the region grow at a dizzying rate. Metro Atlanta has doubled in size since 1980. It accounts for 60 percent of the state’s revenue. Its leaders hope to add another two million residents by 2015, and this growth is itself an integral part of the region’s economic plan. Grow is what Atlanta does.

But as it has grown, Atlanta has changed. The region is no longer a fifty-fifty split of southern-born blacks and southern-born whites. It’s rapidly adding Latinos, Asians, Indians, and other immigrants, along with Americans from every state – what one local mayor half-jokingly called “foreigners from the Northeast and the West Coast.”

The results have shaken up the region. Past formulas for dividing the civic spoils are no longer sufficient: former Governor Roy Barnes faced a revolt from black lawmakers when he tried to change the state’s definition of “disadvantaged business” to include other ethnic groups. With new residents come unfamiliar problems: Fayette County officials planned to open clinics to handle the uninsured Latino families who were using the local emergency room for routine care. Atlantans wanted a global city, and after adding 100,000 people a year for twenty years, they have one.

Likewise, Atlanta wanted to join the global economy, and now the corporate community is losing its deep regional roots. “You have very few home-grown CEOs, and their companies have gone international,” said Maria Saporta, the journalist. “There’s not as much sense that the health of the company depends on the health of the region. It’s becoming more and more of a struggle to get those leaders engaged. The profile has changed.”

And finally, as a region of more than a dozen separate counties has grown and thrived, new power centers now compete with each other. “I happen to believe that we’re becoming tomorrow’s Los Angeles, in many different ways,” said Baker. Wealthy Gwinett County is now “our Orange County,” he said, with “its own geography, with its own leadership, setting its own strategy.” That’s not the exception – “that’s how it’s going across the region.”

Thus the overarching sense at the Leadership Exchange was that whatever the past Atlanta Way has



been, the next Atlanta Way must accommodate an increasingly diverse population, living in an increasingly fragmented political landscape, depending on an unpredictable global economy whose interests are not synonymous with Atlanta’s own.

But if the tactics and conditions are changing, the overall strategy that guides the Atlanta Way appears unlikely to change: business leads, government follows. “The business community has worked with local government to get us out of every scrape we’ve been in over the last fifty years,” said Tad Leithead, a developer who’s deeply involved in traffic issues. Leithead was one of many Leadership Exchange panelists who said that with better regional cooperation and planning, and better support from state government, metro Atlanta can improve its public infrastructure and services without giving up its fundamentally pro-business attitude.

That would be the Atlanta Way: balance the politics so that business can thrive and make a bigger pie for everybody. And if Atlanta’s leaders have proved anything, it’s that they can spot a business opportunity virtually anywhere, including the Leadership Exchange. “You are all now part of the Atlanta Way,” said Hardin, the foundation president, as he sat in a sparkling midtown hotel, gazing across a room of 100-plus Greater Philadelphians. “I’m not sure what the Atlanta Way is – I missed that one. But one theme here since Reconstruction days is our earnest, nonstop attempts to attract Yankee money.”

## The “Philly Way”

After hearing about the Atlanta Way from a number of speakers, we asked Leadership Exchange participants to share their thoughts on what might be considered the Philly Way.

*“Too often, the ‘Philly Way’ involves people debating how to slice up the pie, instead of brainstorming about how to make the pie bigger. In Atlanta, for example, they spend lots of time trying to attract foreign businesses – growing the Atlanta business pie. In Philadelphia, the city’s current budget crisis gives us a chance to take a new approach – a new ‘Philly Way’ – which would bring everyone to the table with the goal of growing the pie. At the Redevelopment Authority for example, we are working on getting vacant parcels into the hands of the private sector more quickly – which will add to the city’s tax base and give us sales proceeds that we can use to fund development projects. Growing the pie should be the new ‘Philly Way.’”*

Terry Gillen, Executive Director  
Redevelopment Authority of Philadelphia



*“To apply a traffic analogy: civic groups and nonprofits are in one lane, and government is in the other lane; the good news being they are headed in the same direction – not always at the same speed, and certainly not in similar vehicles, but headed in the same direction.*

*“The business community, however, often lays back in the median strip, watching the movement of government, civics, and nonprofits. The business community is often crippled by indecision as to which lane to enter to join the traffic. Once they venture out into the progressive traffic, there is usually a small fender-bender, but repair and recovery are quick. And that is the Philly Way!”*

Ahmeenah Young, President and CEO  
Pennsylvania Convention Center



*“As I look out onto the tarmac, awaiting the departure of my flight to the Silicon Valley, I can’t help but think that the ‘Philadelphia Way’ should be: Always Happy; Never Satisfied. Philadelphians should take justifiable pride in a home which has no peer when it comes to that rare combination of authenticity, architecture, history, smarts, arts, recreational assets, and an abiding civic spirit. Greater Philadelphia is truly one of the most livable and enjoyable regions of the world, and we’re lucky to have so many people who are passionate about making it their home. But we must never be satisfied with where we are, lest we lose ground to some of our most ambitious sister regions, many of whom are plotting, on a daily basis, to eat our lunch. Whether it is the relentless planning of Chicagoland, the invention and entrepreneurship of the Bay Area, or the sheer force and size of the governmental engines fueling the growth of Washington, D.C., we’re up against some stiff competition. But if the region that is home to Comcast, Aramark, the University of Pennsylvania, an army of Philadelphia lawyers, and 60 percent of all pharma workers in the world can come together and share a sense of urgency about taking Philadelphia to the next level, surely we cannot fail. And somehow I think one of the projects that will get us there is right outside my window. Can we begin by working together to make the Philadelphia International Airport a world class gateway to our world class region?”*

Gregg Melinson, Chief Marketing Partner  
Drinker Biddle & Reath, LLP



# T I M E L I N E

H I G H L I G H T S F R O M M E T R O A T L A N T A H I S T O R Y

1837 - TERMINUS, GA FOUNDED AT THE TERMINATION POINT OF SEVERAL RAIL LINES

1847 - TERMINUS INCORPORATED AS ATLANTA

1864 - UNION GENERAL WILLIAM T. SHERMAN ORDERS ATLANTA BURNED TO THE GROUND

1886 - COCA-COLA INVENTED BY ATLANTA PHARMACIST

1926 - CANDLER FIELD OPENS AS CITY'S FIRST AIRPORT

1957 - DR. MARTIN LUTHER KING, JR. BECOMES 1ST PRESIDENT OF SOUTHERN CHRISTIAN LEADERSHIP CONFERENCE

1963 - ATLANTA MAYOR IVAN ALLEN, JR. IS THE ONLY WHITE SOUTHERN OFFICIAL TO TESTIFY BEFORE CONGRESS IN SUPPORT OF THE CIVIL RIGHTS ACT

1965 - ATLANTA LURES MILWAUKEE BRAVES BY BUILDING \$18 MILLION STADIUM

1974 - MAYNARD JACKSON TAKES OFFICE AS ATLANTA'S 1ST AFRICAN AMERICAN MAYOR

1976 - TURNER CENTER OPENS, LATER BECOMES CNN CENTER

1977 - JIMMY CARTER APPOINTS ANDREW YOUNG, FORMER GA CONGRESSMAN AND FUTURE ATLANTA MAYOR, US AMBASSADOR TO THE UN

1990 - GEORGIA RESEARCH ALLIANCE FOUNDED TO PROMOTE PUBLIC-PRIVATE PARTNERSHIPS AMONG BUSINESS, RESEARCH UNIVERSITIES, AND GOVERNMENT

1993 - STATE LOTTERY FUNDS HOPE SCHOLARSHIP, GUARANTEES FREE TUITION AT PUBLIC COLLEGES FOR MERITORIOUS STUDENTS

1996 - SUMMER OLYMPICS

1996 - ATLANTA HOUSING AUTHORITY CREATES NATIONALLY-RENOWNED MODEL FOR MIXED-INCOME, MIXED-FINANCE DEVELOPMENT

2002 - SHIRLEY FRANKLIN BECOMES 1ST AFRICAN AMERICAN WOMAN TO RUN A MAJOR SOUTHERN CITY

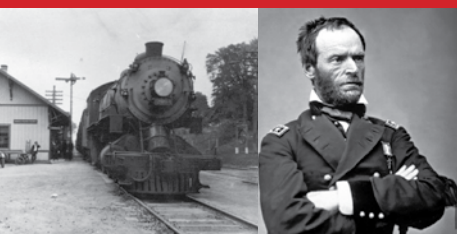
2006 - HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT OPENS 5TH RUNWAY

2007 - ATLANTA MAGAZINE PUBLISHES "THE GLOBAL CITY" ISSUE, PROFILING 55 MOST INFLUENTIAL FOREIGN BORN CITIZENS

2007 - GEORGIA GOVERNOR SUNNY PURDUE DECLARES A STATE OF EMERGENCY IN RESPONSE TO WATER CRISIS

2008 - GREATER PHILADELPHIA LEADERSHIP EXCHANGE TO ATLANTA

2010 - MAYOR SHIRLEY FRANKLIN WILL COMPLETE 2ND TERM



# FROM THE CLEAR BLUE SKY

How Atlanta  
made an airport –  
and how an airport  
made Atlanta

by Bill Hangley, Jr.

Thank the boll weevil. Thank the drought of 1925, too. As the Roaring '20s peaked, bad weather and pernicious pests were driving farmers off their land across the South. To the man serving as Atlanta's mayor, Walter Sims, the sound of regional economic collapse was the sound of opportunity. Displaced people need to go somewhere. Why not Atlanta?

The city was already on the rebound, using its rails and roads to bring itself back from the destruction of the Civil War. Atlanta doubled in size between 1910 and 1920, and Mayor Sims believed that even greater growth was possible if only the city had an airport. As it happens, he was right. In fact, it seems unlikely that he could have guessed how right he would prove to be.

Today, in a region of more than 5 million people, Atlanta's airport is responsible for about one job out of every eight. It moves 90 million passengers a year on more than 2,400 flights a day, an average of one takeoff every 36 seconds. It turned Atlanta into a hub of international business and travel, redefining the region and its economy.

Atlanta Olympic host? Made possible by the airport. Atlanta, home to more than a dozen Fortune 500 companies? Score another for the airport. Atlanta, adding 100,000 new residents a year? Couldn't have done it without the airport. The story of what's now known as Hartsfield-Jackson Atlanta International is the story of Atlanta's success.

But the tale of Hartsfield-Jackson is about more than laying tarmac at the right time and in the right place. It's about a region successfully adjusting – so far – to political and economic change.

*For 82 years, the Atlanta airport has done nothing but grow... can it keep growing?*

The airport was born at a time when Atlanta's business and political communities were virtually indistinguishable and entirely white. It was guided to maturity by a contentious but ultimately productive partnership between the business community and a newly empowered black political establishment. And today it finds itself at the economic heart of an increasingly diverse region that includes much more than whites and blacks, thoroughly enmeshed in an uncertain and global economy.

For 82 years, the Atlanta airport has done nothing but grow, and its story

now stands where so many Atlanta stories seem to wind up: can it keep growing? Optimistic Atlantans say yes, and airport officials hope that if the global economy doesn't cooperate right away, the new president will. The airport wants to add another 30 million customers by 2015. They're planning new routes to business destinations in China and Russia even as they look for short-term economic help from Washington, D.C. They believe in their vision of an "aerotropolis" – what one official called a "city within an airport" featuring hotels, convention space, and retail – but they also know that nothing is certain. What started with the boll weevil is now in the hands of the bond market.

On September 15, 1926, a Florida Airways mail plane out of Jacksonville landed on a dusty runway just outside the tiny town of Hapeville, Georgia. It was the first official arrival at a brand new airport then known as Candler Field. Asa Candler was a Coca-Cola tycoon and former Atlanta mayor whose failed venture into auto racing had left him with an empty racetrack seven miles south of downtown Atlanta. When Mayor Sims came looking for land, Candler let him use the track for free, and the airport was born.

Initially, Candler Field's best prospects for profit lay in lucrative government mail contracts. But within five years, Delta and Pitcairn (later Eastern) Airlines were offering regular passenger service. World War II brought the military, and by the end of the war, Candler was the nation's busiest airport.

Given Atlanta's civic DNA and the airport's early success, it's no surprise that the city fathers couldn't stop hatch-



Photo courtesy of Hartsfield – Jackson Atlanta International Airport

ing plans to expand their new property. Manufacturing had never been Atlanta's driving force. Moving goods and people was always its bread and butter. The town originally named "Terminus" – it was the last eastbound stop on the Western and Atlantic Railroad – had thrived and survived by linking roads, rails, and ports. Once the war was over, the city took full ownership of the property (which was and remains outside city limits), converted a surplus hangar into a terminal, and started looking for business.

By 1948, what was now known as Atlanta Municipal Airport moved a million passengers a year. Within a decade, that number had doubled. By the early '60s, six million passengers annually passed through a brand-new terminal. By 1970, Atlanta planners were working to expand the airport's capacity by a factor of ten – for the cool price of \$500 million. That last step would prove to be, as they say, a doozy.

The massive airport expansion completed in 1980 under Mayor Maynard

Jackson put Atlanta firmly on both the national and international map. The publisher of the *Atlanta Business Chronicle*, Ed Baker, calls the 1980s the "decade where Atlanta could do no wrong," and the region's signature successes all depended on its major air hub. In the '80s, Atlanta lured the headquarters of regional and international businesses; it grew new service industries to support its new corporate community; it established itself as a hotel and convention center. The airport helped Atlanta redefine itself as the capital of the New South: cheerful, accessible, modern, and open for business.

Getting there took Atlanta through uncharted territory. When the airport finished its 1961 major expansion, black Southerners were still living under Jim Crow and virtually all political decisions were made by what Baker describes as "six to eight white bankers in a room." But when the airport's next major expansion started in 1977, Atlanta was run for the first time by a black mayor, Maynard Jackson. It was a seismic shift in regional political power.



Photo courtesy of Hartsfield – Jackson Atlanta International Airport

Jackson knew how badly Atlanta's business leaders wanted a new airport. But he also knew they had no choice but to collaborate with him. The city owned the airport, he was running the city, and he refused to give the expansion the support it needed without a guaranteed role for minority businesses.

Atlanta's current mayor, Shirley Franklin, recalled that despite their hunger for a new airport, Atlanta's business leaders at first flatly refused to promise a share of jobs or contracts for blacks. Jackson dug in his heels for two full years to wait them out. "You can imagine the tension," Franklin said. "They were ready to throw him out. But he stood his ground."

*Today, as recession redraws the global economic landscape, airport officials say they know that as the airport goes, so goes the region.*

Ultimately, Jackson prevailed. Once started, the expansion was finished in just three years – "ahead of schedule and under budget" was how Jackson liked to put it. The airport deal set a precedent: under Jackson's leadership, the percentage of city contracts given to minority firms went from one to 35 percent. Not only did the 1980 expansion usher in the economy that made Atlanta what it is today – it set the template for the partnership that has run Atlanta since.

Today, as recession redraws the global economic landscape, airport officials say they know that as the airport goes, so goes the region. "We are very aware, very, very aware, of what our responsibility is as an airport," Hartsfield-Jackson official Arnaldo Ruiz told the Leadership Exchange. "When we were first created, we were to be the engine that would drive economic development for the city and the region. We're still going strong."

The numbers suggest that "strong" isn't too strong a word:

- In 2007, Hartsfield-Jackson ranked as the world's busiest airport, moving 90 million passengers on almost a million flights. It ranked 7th in international flights (Philadelphia is 16th, trailing Minneapolis, Detroit, and Guam).
- With 56,000 employees and a payroll of more than \$2 billion, Hartsfield-Jackson is the largest single employer in Georgia. Its overall economic impact is estimated at \$23 billion a year.



(Philadelphia International employs about 42,000 people, and provides an estimated economic impact of about \$14 billion.)

- Hartsfield-Jackson is indirectly responsible for almost 400,000 jobs, or about 15 percent of the region's workforce. By comparison, Tom Morr of Select Greater Philadelphia says a similar number of people work in this region's life sciences industry. "If you understand how important that is to our economy, then you get a sense of how important the airport is to Atlanta," says Morr.

- Overall, since Atlanta's last major airport expansion was completed in 1980, the population of the city itself has held fairly steady at around 450,000. But the population of the region has exploded from about 2.2 million to well over 5 million. That includes booming new communities of Asians, Indians, and Latinos who are redrawing the ethnic map of a region once divided evenly between whites and blacks.

And yet, as strong as its performance may be, Atlanta's airport is not invincible. As rising costs and slackening demand force carriers to cut back the number of flights, officials expect about a five percent drop in passengers in 2009 – approximately 12,000 fewer people each day. "As airlines start reducing capacity and people start worrying about the economy, peo-

ple stop flying," Ruiz said. "That's fewer people that park, fewer people that spend their hard earned dollars on food and beverages and retail, fewer people that rent cars."

Ruiz remains optimistic – "it's a roller coaster, but we'll get through" – but sinking revenues are combining with the frozen bond market to cast a shadow on the airport's ongoing expansion projects. This fall, airport officials failed to sell \$600 million in municipal bonds needed to finance construction of a new international terminal. They say they may have to suspend the project, which broke ground last summer. "We're still hoping to get into the [bond] market," airport manager Ben Acosta told the *Atlanta Business Chronicle* in November. "But we don't have any sense that the markets are thawing yet."

*Altogether, airport officials want to increase traffic from 90 million passengers in 2007 to 121 million passengers in 2015.*

Officially, the plan is to keep growing. Airport leaders are counting on the new international terminal to increase the number of direct flights to what they believe are the business world's growth markets: Russia, India, South America, and China. They're also planning a num-

ber of development projects on land around the airport that they hope will attract hotels and office parks, and with them airline passengers.

Altogether, airport officials want to increase traffic from 90 million passengers in 2007 to 121 million passengers in 2015. Their belief in the unlimited potential of their region is probably no different from that of Mayor Walter Sims, who started the whole thing when he had the word "airport" painted on the roof of a barn in 1926.

But the global economy is slowing, and Atlantans are adjusting. City officials recently completed a "wish list" of infrastructure funding requests they'll send to President Barack Obama. On it: \$500 million for airport expansion. "There's no harm in asking," one city councilman told the *Atlanta Journal Constitution*. "That seems to be how we govern these days, ask the president-elect."

## ATL & PHL: Side by Side

**NUMBER OF PASSENGERS** (annual)  
ATL: 90 million - PHL: 32 million

**AVG FLIGHTS PER DAY**  
ATL: 2,400 - PHL: 600

**RANK AMONG WORLD'S BUSIEST AIRPORTS**  
ATL: #1 - PHL: #10

**RANK AMONG PROVIDERS OF INTERNATIONAL FLIGHTS**  
ATL: #7 (trailing New York, Los Angeles, Miami, and Chicago)  
PHL: #16 (trailing Minneapolis, Detroit, and Guam)

**INTERNATIONAL DESTINATIONS**  
ATL: nonstop flights to 85 cities including London, Moscow, Rio de Janeiro, Tel Aviv, Tokyo  
PHL: nonstop flights to 38 cities in Europe and the Caribbean, with a Beijing route slated for 2010

**NUMBER OF EMPLOYEES**  
ATL: 56,000 - PHL: 42,000

**ESTIMATED REGIONAL ECONOMIC IMPACT**  
ATL: \$23 billion - PHL: \$14 billion

## Why not us?

*It's enough to make a Philadelphian mad with jealousy. In the three days of the Greater Philadelphia Leadership Exchange, the words "Atlanta airport" and "regional growth" were mentioned together, by unofficial count, approximately a hundred thousand times. Philadelphia will consider itself lucky to meet Mayor Michael Nutter's goal of adding 75,000 new residents in the next five years. By comparison, metro Atlanta has added as many as 100,000 new residents a year over the last decade. The airport gets much of the credit, not only for creating jobs, but for serving as a bridge to global capitals and their immigrants to metro Atlanta. So, can Philadelphia replicate that success? Here are some of the issues:*

### ROOM ON THE GROUND.

*Atlanta's airport is sited on some of the region's most sparsely developed land. Highways offer the biggest physical obstacles to growth, and a recently added runway solved that problem with an overpass. Philadelphia International Airport, by comparison, is hemmed in by roads, water, and people. A recent draft plan to add a runway would require the airport to buy and tear down 72 houses and a mail sorting plant in the neighboring town of Tinicum. Residents aren't happy – the township claims that would cost them 3,000 jobs – and they've vowed to fight.*

### ROOM IN THE AIR.

*With heavy traffic coming from airports in New York, Washington, Newark, and Baltimore, the federally-controlled lanes for planes above the Northeast seaboard are every bit as congested as the region's interstates. The Federal Aviation Administration has a plan to add new flight paths out of Philadelphia, but the proposed "airspace redesign" would mean new flights and new noise over homes in Delaware County. Thus, an already-long process that includes extensive environmental reviews has been slowed further by strong community opposition.*

### INTERNATIONAL DESTINATIONS.

*Atlanta officials say their strategy is to get as many direct flights as possible to the globe's business capitals. They estimate that the Atlanta-to-Shanghai run generates \$400 million a year in economic development, in part by attracting businesses to Atlanta that want to ship to or from China. Atlanta officials are planning new runs to India, Russia, China, and Brazil. Meanwhile, Philadelphia's international runs are mostly to Europe, Mexico, and the Caribbean. But federal officials recently gave US Airways the green light to add direct flights from Philadelphia to Beijing starting in 2010.*

## Flagged for racism



*In the category of unintended consequences, the airport's success helped force Georgia to give up a treasured piece of its Confederate identity. Since 1956, the Georgia state flag had prominently featured the Confederate "Stars and Bars" – to some a symbol of regional pride; to others, an emblem of violent racism. The flag had long stirred controversy, but by the late 1990s, Georgia Governor Roy Barnes was hearing a steady stream of complaints from the national and international businesses he was trying to lure and keep.*

*Those were the sorts of complaints Barnes paid close attention to. "My theory is, you keep business happy, and they'll keep bringing in money, and you can do anything you want," Barnes told the Leadership Exchange. Executives from one major German firm told him, "We only see that flag when we see Nazi skinheads marching in Berlin." When the CEOs of all the city's Fortune 500 companies collectively asked Barnes to get rid of the Stars and Bars, the governor pushed a bill through the legislature creating a new flag with only a tiny confederate symbol at the bottom. The move probably cost him his job. Barnes, a Democrat, lost his 2002 bid for re-election, with the flag issue playing a major role. "I believe in full voter participation. But I made some*

*white guys come out that hadn't voted in fifty years," Barnes recalled. "They usually hunt that time of year. That year, the deer were safe."*

*Fellow Leadership Exchange panelist Jack Smith, an official in Fayette County, wryly*



Jack Smith, Chair, Fayette County Board of Commissioners

*confirmed the governor's analysis: "I get around Georgia. I have relatives all over the state," he said. "I can assure you, the flag did get him beat." Barnes was replaced by Republican Sonny Purdue. But even so, the 1956 flag was not to rise again. Purdue organized a statewide referendum that included several choices for a state flag, and despite protests he chose not to include the 1956 version. The flag that won, with three-quarters of the vote, doesn't include the Stars and Bars at all.*

Former GA Governor Roy Barnes



Photo courtesy of Hartsfield - Jackson Atlanta International Airport

# JAMMED UP

## Can Atlanta grow out of its traffic troubles?

Brandon Beach knows it isn't 1956 anymore. That's the year Dwight Eisenhower started building roads, and it took just 14 years to lay 44,000 miles of interstate. Beach knows that feat would be politically and financially impossible today. He knows that the only readily available solutions to Atlanta's notorious traffic problems lie in regional planning, public transportation, and a shift towards high-density development.

But a big part of Brandon Beach wishes someone would just give him and his roadbuilders some money and get the heck out of the way. "I get passionate about how long it takes to build roads," he said. "I think it's ridiculous."

by Bill Hangle, Jr.

Beach is the president of the North Fulton Chamber of Commerce, representing a county of almost a million people that sits four miles north of downtown Atlanta. On the day he spoke to the Greater Philadelphia Leadership Exchange, Fulton County was scheduled to break ground on a two-mile stretch of four-lane highway designed to reduce congestion on the local interstate. The West Side Highway was eight years in the making, and the process left Beach – an outwardly mild-mannered man who also sits on the board of the Georgia Regional Transportation Authority (GRTA) – disgusted. Federally mandated environmental studies took five years to prepare. In that time, Beach said, the price went from \$16 to \$25 million.

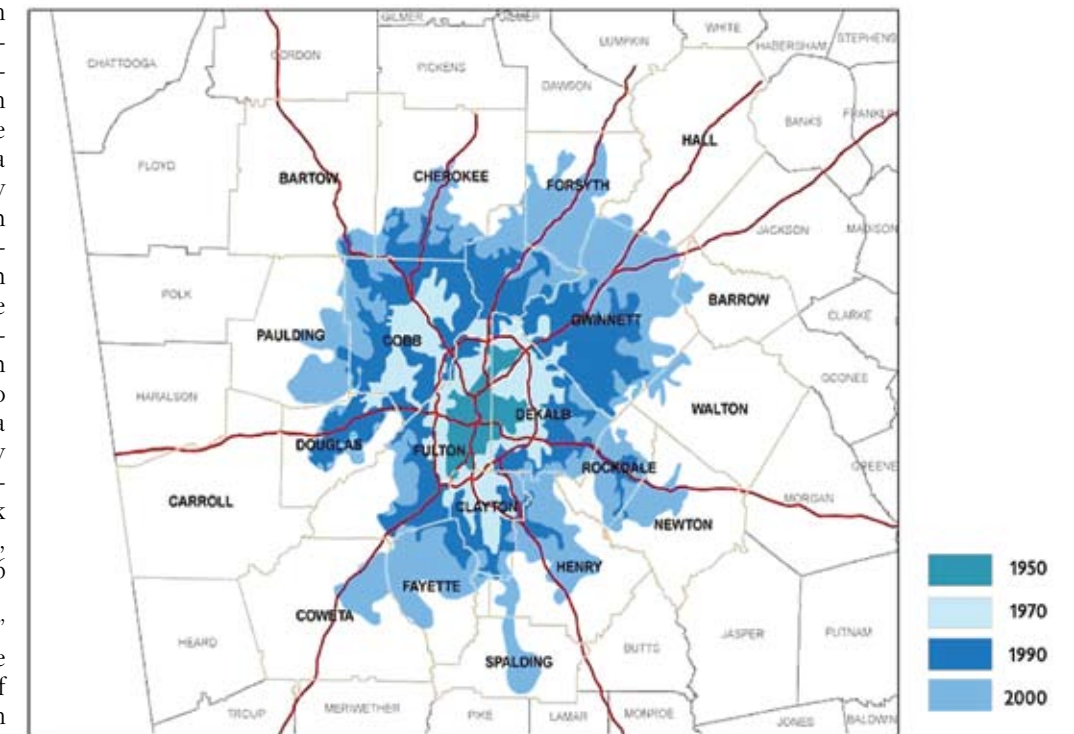
"Now I'm all for the environment," Beach said. "I love trees. But we've got to have a little common sense. If we had to build an interstate system today we couldn't do it. It's mind-boggling. I'm tired of hearing 'it's federal money' – it's our money, and we've got to fight like hell to get it back. So it's not fair," he went on. "We're mired in congestion, and we can't build our way out of it because of the time and the bureaucracy that it takes to build the roads."

Beach paused. Then he talked some more about the improving state of collaboration among metro Atlanta's many transit agencies. He talked about the need to overcome the region's reflexive opposition to high-density developments. He talked about the chronic and worsening shortage of transportation funding at every level: local, state, and national.

*"The good news is, Atlanta is the fastest growing city and will continue to be. The bad news is, Atlanta is the fastest growing city and will continue to be."*

But as he spoke, he stopped to recall a time when he was in charge of a road. "I didn't know what I was doing," he said. As a new town official, he'd approved a developer's plans to build hundreds of homes in clusters of cul-de-sacs connected to the main two-lane road by only a single entrance. "There's only one way in and one way out," he said. "Now these people are cussing me because they can't even get out of their subdivisions, and

Metro Atlanta growth trajectory, 1950-2000 (Source: Atlanta Regional Commission)



when they do there's a mile of traffic to get to the stoplight."

What happened to Brandon Beach is what happened to Atlanta. The city and its leaders know how to grow. But they struggle to solve the problems growth creates. Another Leadership Exchange panelist, Tad Leithead, Senior Vice President of Cousins Properties, put it this way: "The good news is, Atlanta is the fastest growing city and will continue to be. The bad news is, Atlanta is the fastest growing city and will continue to be."

### "WE'RE NUMBER ONE."

Leithead knows both sides of the story. As a private developer, he's seen metro Atlanta thrive on a steady diet of affordable, suburban, single family homes built on former farmland – what some call "greenfield development" and others call "sprawl." But as a transportation committee chairman for the regional planning board (the Atlanta Regional Commission, or ARC), Leithead suspects the strategy has reached its limit. He says Atlanta's one transportation option is no longer enough.

"I have a brother-in-law who lives in Jersey and works in New York City," he said. "When he wakes up in the morning, he has five choices for how to get to work. He can drive his car, he can car-pool with his next door neighbor, he can take a ferry, a taxi, or he can ride the train. When I wake up in the morning, I also have five choices," Leithead continued. "I can drive my car down Riverside

Drive, I can drive it across Lower Roswell Road, I can take I-85, I can take 75, or I can take Georgia 400. But either way I'm gonna get stuck in traffic, and I'll be in my car by myself." Leithead is an optimist who calls Atlanta a "can do" place that will solve its problems. But the problems are undeniable. This year, *Forbes* rated metro Atlanta's traffic as the nation's worst. Atlanta drivers spend an average of sixty hours a year in traffic, trailing only Los Angeles. Every day, 300,000 of its 2.3 million workers drive more than an hour to get to work.

One could call this the price of success. "How big is the economy?" asks Mike Alexander. "I like to say it's bigger than Argentina." Alexander is a planning specialist with ARC. He arrived at the Leadership Exchange with a laptop full of charts, graphs, and slides that add up to a simple story: Atlanta has been growing like crazy for thirty years.

"We're number one," Alexander said. "Atlanta has outgrown every other metropolitan statistical area in the U.S. since 2000. We've added over a million people. You made the slide, though" he told his audience, pointing at Greater Philadelphia's spot at the low end of his chart. "You added 144,000 people. We added a million," and that's just in this decade.

In 1980, metro Atlanta was home to just more than two million people. Today, the region's workforce alone is more numerous than that, and the total population has climbed to more than five million. The

long, steady pattern – less a boom than a swell – has been driven by Atlanta’s unique combination of climate, space, affordable housing, and above all, jobs.

Atlanta’s airport, low taxes, and famously business-friendly state and local governments have helped it attract and retain the headquarters of dozens of national and international companies, from Coca-Cola and CNN to Rubbermaid and Waffle House. It trails only New York and Houston in its number of Fortune 500 companies (13). With corporations come support services, and, to take one example, Atlanta now employs more data-hosting workers than any other city in the nation. Still more jobs come from government and military bases. The federal Centers for Disease Control and Prevention alone employs 15,000 people.

Last but far from least, metro Atlanta makes money by growing: adding developments, building houses, filling them with carpets and furniture. “I fundamen-

tally believe, as Alan Greenspan said, economies are resilient, and ours to a large degree will be driven by population growth,” said Alexander. The U.S. Census predicts that Georgia, Florida, and the Carolinas will add tens of millions of residents in the coming decades. Atlanta’s planners believe they can add another two million people by 2030.

“Which is an opportunity to sell a lot of houses,” Alexander said, “but a challenge to provide infrastructure.”

**“DENSITY WAS A BAD WORD.”**

Over the last forty years, metro Atlanta’s most visible transportation-related failure has been its inability to create a truly regional public transit system. The city of Atlanta boasts a clean, comfortable subway called MARTA that serves just two of more than a dozen counties in the region; voters in the other counties wouldn’t approve a one percent sales tax to bring the system their way. Some

counties run their own bus services, for the most part with their own schedules, routes, and fare structures.

But Alexander and Leithead said Atlanta’s transit problem goes beyond its shortage of bus stops. Planners in metro Atlanta are discovering what their counterparts in Los Angeles and Long Island learned long ago: it’s virtually impossible to retrofit a transit system to efficiently serve an established region of sprawling, single-home developments intermingled with countless clusters of business and retail centers. Alexander says ARC has spent “millions” investigating options for the region without anything close to a solution. “Fifty percent of the people who commute do not go from the suburbs to the center,” said Leithead. “They go from suburb to suburb. And there is no transit solution to that.”

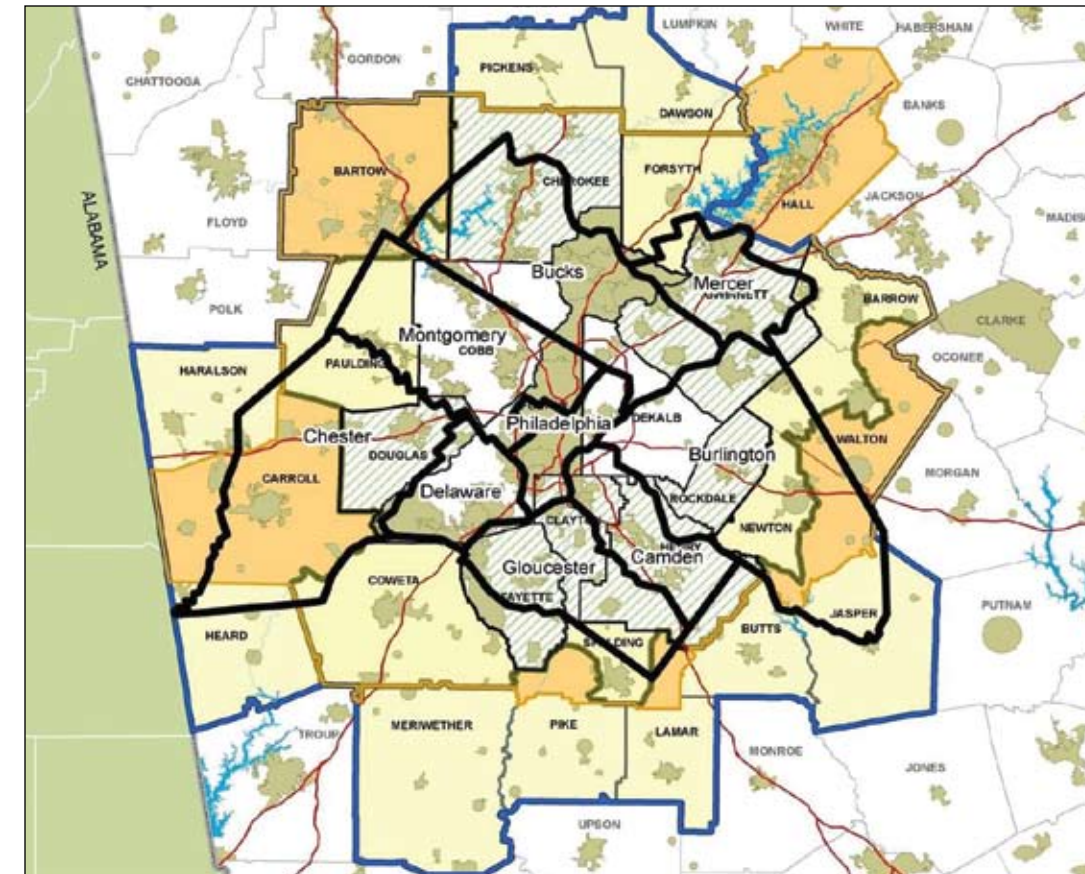
Ideally transit systems link neighborhoods with high concentrations of people to neighborhoods with high concentrations of jobs. So the best option, said Leithead and Alexander, is to steer future developers to create pockets of density wherever possible.

And that’s where government steps in – or doesn’t, as the case may be. When density doesn’t happen naturally – as it did in cities that predate the car – it can be encouraged with zoning, planning, incentives, and regulations. In a place like Atlanta, where developers always have the option of building yet another batch of single-family homes on the empty field beyond the last cul-de-sac, density is virtually synonymous with government intervention in private development.

That may be one reason density has long been spelled with four letters in metro Atlanta. Another is the belief that apartment complexes and high-density developments drive down the value of adjacent homes. “Density was a bad word,” recalled would-be roadbuilder Brandon Beach of his time in local government. “The neighbors came out and fought you, and if anything was over eight units per acre they’d come out in force.” The result: sprawl. “We have been sprawling in Atlanta for 30 years,” said Alexander. “Every time it gets crowded, we go north.”

It is only now that the region’s business and political leaders are

Greater Philadelphia – Metro Atlanta comparison (Source: Atlanta Regional Commission)



starting to recognize that they’re paying a price for sprawl. Tad Leithead once again is on the front line. He says that one of the region’s selling points is its large workforce (“we brag about that a lot”), but employers are starting to tell him that the region’s traffic is cutting them off from its workers.

**“All this prosperity could come to an end because of one thing – transportation.”**

“What our customers are telling us is that we really don’t have 2.3 million potential employees,” he said. “We have people that are willing to drive only about 30 minutes maximum. So what we have are about ten employment centers that each has access to about 500,000 potential employees.”

Thus, the region’s business community sees its growth threatened by – well, by growth. “All this prosperity could come to an end because of one thing – transportation,” wrote the Georgia Chamber of Commerce in a recent op-ed. “Even though we are one of the fastest-growing states, we invest in transportation infrastructure at the lowest rate in the entire country. The result is gridlock – families

disconnected because they can’t get to ball games and dinner on time, companies losing millions of dollars in productivity.”

**“WE’RE IN A FOXHOLE.”**

When it comes to the power of the private sector, it’s fair to say that Atlanta has developed a civic culture of true believers. At the heart of the so-called “Atlanta Way” is a conviction that business and industry should lead, and government should follow. And while Georgia loves to tout its business-friendly labor laws and low taxes, the Chamber’s op-ed is a reminder that government isn’t necessarily inclined to follow when business leaders cry, “Spend!”

On the last day of its 2008 session, the Georgia state legislature was presented with a bill that would have allowed local counties to raise their own taxes in order to fund transportation. It wasn’t a tax increase. It was a bill to allow voters to choose to tax themselves. Despite strong support from business interests, one minute before midnight, the bill failed by three votes.

The op-ed was the Chamber’s response. “We face another year of increasing traffic congestion, less time with families, worsening air quality, continued unsafe roads, and lessened economic development across Georgia,” the authors wrote. “The shame

is, all it would have taken to pass this landmark legislation was leadership.”

Ken Steele is the mayor of Fayetteville, a small city 22 miles south of Atlanta. He told the Leadership Exchange that any increase in state support for transportation will require legislators to embrace a fundamental shift in their responsibilities. “Eighty percent of the budget of the state of Georgia is tied up in education and health care,” he said. “We need leadership to go before the people and make the argument that we have to spend more and dedicate more to transportation.” Steele believes there’s a good chance the reluctant legislature will come around in 2009.

“I hope that’s right,” replied Leithead. “I’m afraid it’s not. We’re a red state. We have a Republican governor, a Republican lieutenant governor, a Republican Senate, a Republican House. All these folks ran on low taxes, no new taxes. We’re in a strange

situation where the business community at a 60 to 65 percent level is demanding a state funding mechanism for transportation. Polling is off the charts, but for some reason we came three votes short.”

The absence of funding hasn’t stopped a surge of planning. Atlanta’s burgeoning traffic problems helped convince all the region’s alphabet soup agencies to sit down at the proverbial table with county officials and hash out a 30-year investment plan. It was a group that included such regional planning agencies as ARC and GRITA, Atlanta’s public transit system, and the state’s department of transportation.

Mike Alexander, the ARC planner, was thrilled with the plan they produced. “I can tell you, having 20 counties at the table talking about transportation resources is a challenge,” he said. “But they’ve come together. The politicians have really stepped up to engage a different level of planning.”

Known as “IT3,” the plan calls for improved inter-county bus and rail options, among other things – an unprecedented achievement. Doug Tollett, a real estate entrepreneur who helped steer the process, said the transportation crisis has forced many of the region’s players to shed their parochial interests and think regionally for the first time. “Some of the people at these



organizations are great people with bright ideas," he said. "And leadership gets in the way. They have finally decided that they have to work together."

Leithhead put it another way. "We're in a foxhole," he said. "We panicked, and it's brought us together and that's the good news."

**"IF WE DON'T GIVE 'EM GAS, THEY CAN'T GET ON THE ROADS."**

The bad news is that no one can say how much of the multi-billion dollar IT3 plan will get the support it needs. The state recently announced plans to expand some bus services and introduce toll lanes to reduce congestion. But in the wake of the legislature's failure to pass the transit-funding referendum, the governor, lieutenant governor, and the speaker all unveiled their own transportation plans. "It's strange," Leithhead said. "They bear very little resemblance to each other." One plan calls for 4,000 miles of new highway lanes. We have some serious disagreement not only on how we raise money, but on what we do with it."

All this leaves metro Atlanta where it started: dependent on the magic of the marketplace to shape its environment. Regional officials say they already see it happening: data show the city of Atlanta's population on the increase as residents eschew long commutes for downtown condos. Former Governor Roy Barnes believes density's best friend is the fact that commuting is getting more expensive as well as more unpleasant. "The price of gasoline is going to do more for transportation than all of the smart planning these whiz kids have been telling us about," he said.

In that, Barnes echoed a frequent refrain from this year's Leadership Exchange, which took place as Atlanta drivers were waiting in long lines to pay \$4 a gallon or more for gas. "We were trying to get a plan through, if we don't give 'em gas, they can't get on the roads, and it'll clear up the problem," joked Doug Tollet. "It helped out in our area. Nobody could get gas, and I didn't have a problem getting here this morning."

"So I think we ought to continue it for awhile," he went on. "It'll help transit too. Since July, transit's increased 15 percent just because of the high price of gas. If it doubles again we could probably have everybody on the train."

"That's a unique strategy for transportation issues," the panel moderator told him as the audience chuckled. "You've got to think ahead," said Tollet. 🌱

## ALL W.E.T.

*Atlanta's extraordinary growth has exacerbated what critics call the "WET" problems: water, education, and transportation. As with traffic issues, those who promote regional plans and funding increases for schools and water infrastructure struggle to gain traction in a state committed to low taxes and limited government. Here's a quick look at the other two-thirds of the WET problem:*

**Water.** *Metro Atlanta outgrew its plumbing decades ago, but no one wanted to pony up the cash to fix it. It took the threat of federal action – the system was in violation of the Clean Water Act – followed by a long political showdown with ratepayers, business interests, and state government for Mayor Shirley Franklin to win state approval for a massive, \$3 billion dollar repair plan.*

*Opposition to that kind of spending was not confined to the region's big businesses – some residents, too, were furious about the prospect of rising water bills. "If I didn't have a federal judge saying, 'you will,' I never would have done it," said Franklin. "It's too hard. I have people following me around the grocery store! An older gentleman was following me around, said, 'You think you're some kind of mayor!' I said, 'I'm just trying to buy groceries.' He said, 'Mayor Jackson never would have done this.' [Maynard Jackson was Atlanta's first black mayor, elected in 1974.] I said, 'If Mayor Jackson had done it, I wouldn't have to!'"*

**Education.** *Georgia ranks near the bottom in many educational achieve-*

*ment categories, from graduation rates to SAT scores. But state funding remains at one of the lowest per capita rates in the nation, and even Franklin – a Philadelphia native and Girls High graduate who betrays no fear of confrontation – learned quickly to keep her distance from what she called Atlanta's "very territorial" school board, one of more than thirty separate boards in the region.*

*Atlanta's City Council President, Lisa Borders, described a system in crisis. "Today, unfortunately, in the Atlanta area, we lose fifty percent of our ninth graders [before graduation], and the largest education system is the penal system. The number that we use to predict the number of prison beds we'll need in future years is the number of third graders who aren't reading at grade level."*

*Attempts at funding and accountability reforms launched in the 1990s have slowed under Republican Governor Sonny Purdue. Today, the legislature is principally interested in exploring vouchers, charter schools, and other alternatives to public schools. "It is our job to make sure [parents] have other options," said one local legislator.*

*Of course, the "choice" argument doesn't sit well with everyone. "The only coherent policy we've been seeing is... a plan to gradually disinvest in public education," wrote the head of the state educators' association in a recent op-ed. "When the current leadership gets done with their business experiment, we may well have set our public schools back by decades."*



*Atlanta Mayor Shirley Franklin addresses the Leadership Exchange*

## KEYNOTE SPEAKER

# RAY ANDERSON ROLLS OUT THE GREEN CARPET



by Bill Hangle, Jr.

For most of his career, Ray Anderson's only environmental mission was to stay out of trouble with the government. Then, at the age of 60, the self-described "recovering plunderer" had an epiphany: "Compliance," he said, "is not a vision."

Today, Anderson's Interface, Inc. is one the corporate world's green pioneers as well as its largest manufacturer of modular carpet. Based in the small city of LaGrange, Georgia, Interface has adopted what Anderson calls "Mission Zero," a strategic plan to completely eliminate the company's negative environmental impacts. "A competitor looked me in the eye and called me a dreamer," said Anderson. "I say, the entire industry can travel this road."

Interface was already a success when Anderson read the book that sparked his epiphany. Paul Hawken's *The Ecology of Commerce* is a comprehensive assessment of the global ecological impact of the modern industrial system. "In my whole life I'd never given one thought to what impact our company was having," Anderson told the Leadership Exchange. "In the first fifty pages I was convicted as a plunderer of the earth. It was a spearhead to the chest."

At the same time, Anderson was hearing a growing chorus of concern

from his customers. It turns out that they, too, wanted assurance that the products they were buying reflected an environmental awareness. So, what began as a personal mission to recycle textiles and eliminate smokestacks ended up as a boon to Ray Anderson's business.

*"What has it cost? It hasn't," said Anderson, who says sales are up by two-thirds since the project began.*

Since the launch of Mission Zero, Interface has cut its landfill and fossil fuel use by two-thirds, eliminated eight out of ten effluent pipes, salvaged thousands of tons of old carpet, and launched a successful line of "climate neutral" products. "What has it cost? It hasn't," said Anderson, who says sales are up by two-thirds since the project began. "Costs are down, not up, and our products are the best they've ever been."

Now 74, Anderson travels the globe spreading the story of his epiphany. The world's industries still aren't assessing their true environmental impact, he says. And just because a company's balance sheet doesn't reflect the cost of pollution doesn't mean those costs disappear – they just fall to someone else and eventually impact the economy.

In other words, Anderson says, it's not only immoral for companies to ignore the mess they make, it's bad business. "They say those kinds of things [environmental impacts] don't count – that they're 'externals,'" Anderson told the Leadership Exchange. "With this kind of thinking, no wonder the economic system is in a shambles." 🌱

*Learn more at [www.MissionZero.org](http://www.MissionZero.org) and [www.InterfaceGlobal.com](http://www.InterfaceGlobal.com).*





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# BRINGING IT BACK HOME

Against a backdrop of national financial crisis, last September 24 to 26, 100-plus Greater Philadelphia civic, business, and government leaders joined the Economy League in Atlanta for the Greater Philadelphia Leadership Exchange. From our base in midtown Atlanta, we learned about how the Atlanta region is tackling issues of environmental and economic sustainability, traffic gridlock, governing the nation's fastest growing region – and much more. While Blackberries and Treos were burning with the latest news, the participants remained focused on learning more from Atlanta and each other in a shared commitment to make Greater Philadelphia a world class region.

So, what did we learn about Atlanta that will resonate as we think about Philadelphia's future? Most striking is the combination of optimism, southern hospitality, and cross-sector collaboration that Atlantans refer to as the "Atlanta Way." While our speakers were very honest and forthright in pointing out how much work Atlanta still has remaining on tough issues dealing with race relations, integrating an exploding immigrant community, and handling growth, it is clear that there is a "cultural DNA" that is passed on from generation to generation.

The Atlanta Way also means forward movement. Mayor Shirley Franklin in her address to us emphasized the success that her administration – and prior administrations – has had in leveraging private sector assistance to tackle big problems, such as rebuilding a crumbling sewer system.

Sometimes it is easy to say that we can't do something because of others. But if recent economic events tell us anything, it is that we all are connected; no one individual, institution, or company will be able to solve problems by themselves. Such challenging times as these require new collaborations and alliances, new ways of looking at problems, and new resolve to seize opportunities. A Leadership Exchange is not merely a conference in another city – it is a way for leaders to develop true relationships with their peers who care deeply about the future of Greater Philadelphia and to challenge themselves to think, and then act, differently. We are on the way to building a new culture of collaboration and action in this region – and given the world we find ourselves in today, it is not a moment too late.

Executive Director

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