

The Atlanta MSA & the Dallas CMSA



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PUBP 6602/CP 6422 – Economic Development Analysis & Practice

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Economic Development Profile

Project Deliverable P3: Assessment of Economic Development Strategies

November 25, 2002

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****NOTE:** For the purposes of this analysis, the geographic areas designated for study are the Atlanta Metropolitan Statistical Area (MSA) and the Dallas/Ft. Worth Consolidated Metropolitan Statistical Area (CMSA). All references to the Atlanta or Dallas regions reference these classifications.

Introduction

Acknowledged as two of the most dynamic economic growth metropolitan areas in the Southeast, Atlanta and Dallas share many similarities in terms of their economic development strategies, but there are also differences in the way each city leverages its perceived strengths for regional growth.

Drawing from strengths in research and development universities, dynamic transportation infrastructure such as airports and exhaustive federal interstate systems, readily available, mostly flat terrain to allow for physical expansion into the outskirts of suburban growth areas, and pro-business local and regional governments, Atlanta and Dallas have both grown dynamically in terms of population and business investment in the past two decades.

But it is also this growth that poses potential challenges for continued dynamism in both cities in the coming years. As traffic and commute times increase, housing costs rise and various sectors that both regions have depended on like high tech and transportation show signs of slowing, Atlanta and Dallas are forced perhaps for the first time in years with the prospects of slowing economies, rising unemployment, disinvestment and the need for new economic development strategies with redirected, or intensified foci.

For example, more and more emphasis is being placed in Atlanta and Dallas on developing high-tech and biotechnology clusters, and nurturing start-up companies through incubators, technology-transfer management, new transportation development, including light rail and commuter rail. But there are differences as well, especially in terms of Dallas' enthusiastic backing of a regional light rail network, and Atlanta seemingly still stuck in road-building mode, despite professions of wanting to introduce commuter rail in the region.

Based on an evaluation of both regions economic development strategies, it would seem that, while trying to recruit outside companies to locate in the region, and also nurturing high-tech start-up companies is a viable strategy, both cities would be better served to focus more economic development investment and policy on revitalizing their core cities and building the spending power, educational and commercial infrastructure in underperforming neighborhoods in the downtown and southern districts.

Key Economic Development Strengths, Weaknesses, Challenges and Opportunities

Strengths

A notable advantage in both the Atlanta and Dallas regions is a well developed, widely distributed innovation infrastructure, ranging from the institutional to the educational to the private, although the private innovation sector is less pronounced in both cities.

In Atlanta, technologically focused research institutions like Georgia Tech and Emory University have affiliated economic development agencies such as:

- *EmTech Bio (Emory/Georgia Tech)*

Services offered: Provide office space to resident biotech companies; wet-lab space; high-end equipment support; advisory services; and access to university core facilities at Emory University and Georgia Tech.

- *Advanced Technology Development Center (Georgia Tech)*

Services offered: Available assistance covers the continuum of new company formation and maturation including the fundamental aspects of strategic focus through facilitating vital connections with potential board members, management and sources of capital.

- *Industrial Educational Partners Program(Emory/Georgia Tech)*

Services offered: The Industrial Educational Partners Program involves industry in the Georgia Tech/Emory Center (GTEC) for the Engineering of Living Tissues by direct participation in the evaluation of research and educational programs, and provides opportunities to interact with faculty and students involved in biomedical and bioscience research.

- *Georgia Research Alliance*

A more overarching innovation development organization, the Alliance is a partnership of Georgia state universities, state government and businesses, committed to escalating technology-based research and industries.

As one national magazine noted: “Without a doubt, the primary driving forces in this market's prosperity have been the growth in new jobs and the growth of technology companies. Atlanta has become a ‘Silicon Southeast,’ with major firms like WebMD, EarthLink and S1 Corp. headquartered here and driving demand for more office space.”¹

In Dallas, innovation infrastructure includes:

- *Office of Research Administration and Technology Management (Southern Methodist University)*

The Office of Research Administration provides information on potential funding sources; administers the preparation, internal approval and submission of proposals; and negotiates, accepts and administers awards for research and other sponsored projects at Southern Methodist University.

- *Fort Worth MedTech – Medical and Technology Business Incubator*

The Center is an initiative to build Fort Worth's economic diversity based on its technological strength. A committee of volunteer business people, scientists and

¹ http://www.nreionline.com/ar/real_estate_atlanta_keeps_chugging/

educators created a strategic plan for a business incubator to promote the growth of medical and technology based small businesses and technology transfer opportunities.²

- *ANGLE Technology Group*

A Dallas-based international management company, specializing in the development of technology businesses and the commercialization of research.³

- *Arlington Technology Incubator*

The Incubator is a collaboration between the University of Texas at Arlington and the Arlington Chamber of Commerce designed to accelerate the development of successful companies through business support services.⁴

- *Technology Transfer in the Office of Research (University of Texas, Arlington)*

The office was established to enhance and expand the research and intellectual property capacity and capabilities of the faculty, staff, and students at UT Arlington. The mission and objectives of the Technology Transfer are to increase the quality, quantity, and effectiveness of UT Arlington research in support of the economy and to properly steward the resources and properties allocated to the faculty, staff, and students of the university by the State of Texas.

Another major economic development strength for both regions is their transportation infrastructure. In Atlanta, Hartsfield International Airport is one of the nation's busiest in terms of not only passenger traffic, but also good shipped. "Hartsfield Atlanta International Airport is the most important economic engine for the City of Atlanta and the entire southeast region, as well as being the busiest passenger Airport in the world. As the southeastern region continues to grow, so will the Airport. In the year 2001 alone, Hartsfield handled over 75.8 million passengers and 739,927 metric tons of cargo and this is projected to increase to approximately 121 million passengers and 1,653,215 metric tons respectively by the year 2015."⁵

Likewise, Atlanta's regional network of interstates not only facilitates timely and effective shipment of goods arriving at Hartsfield all across the state and nation, but also allows ease of transport to other metro areas and activity centers across the Southeast.

In Dallas, the regional strengths are similar. The Dallas-Ft. Worth airport is also a major economic driver for the region. There are also ancillary economic benefits from the airport. "Aircraft manufacturing industry in Dallas/Fort Worth MSA houses the largest share of jobs among manufacturing sectors. This industry produces 18 thousand more jobs and employs about 22 thousand people. This number of employment per capita covers 5.8 times more share of national level jobs... Other aircraft part & auxiliary equipment manufacturing creates 6,600 extra jobs, guided missile & space vehicle manufacturing 2,700 extra jobs. Aircraft engine & engine parts manufacturing has 623 more jobs. Totally, this aircraft and its related industries contribute to this regional

² www.medtech.org

³ <http://www.angletechnology.com/frames.htm>

⁴ <http://ati.uta.edu>

⁵ <http://www.atlanta-airport.com/hdp.htm>

economy by creating around 22,000 more jobs than national level and by employing 44,000 people.”⁶

Table 1. Aircraft and its related mfg industries for Dallas/Fort Worth

Industry Name	Jobs	Establi- shment	Export Jobs	Location Quotient
Aircraft mfg	22,446	17	18,611	5.85
Aircraft engine & engine parts mfg	2,138	14	623	1.41
Other aircraft part & auxiliary equipment mfg	9,116	41	6,679	3.74
Guided missile & space vehicle mfg	3,750	1	2,766	3.81

Source: <http://www.ace.uiuc.edu/classes/up406/samples/3eunahDal.pdf>, as of 03/16/2001

Both Atlanta and Dallas are also home to more corporate headquarters than average U.S. metros. In Atlanta, over 1400 headquarters, including 25 “Fortune 1,000” companies, 12 “Fortune 500” companies, and two “Fortune e-50 Corporations” call the city home.⁷ In Dallas, the area has more than twice the national job share in corporate and regional headquarters, a fact that makes this sector one of the strongest economic bases for the area.

Another strength for both metro regions is their governance structures and economic development organizations. Being Atlanta and Dallas two metropolitan areas that comprise a large number of cities and counties, their governance structures are rather complex as well as is their economic development coordination. These metro areas have different levels of authorities working in the same the field. There are government related authorities at the local level as well as government agencies and departments with related functions at county level, city level and even across 2 or more municipalities. In a metropolitan area like Atlanta that currently is covering 20 counties there are a great diversity of economic development units only within the public sector. The same situation occurs in Dallas with a metro area slightly bigger than Atlanta’s. These local economic development authorities normally work in issues like brownfields, human resource development and the promotion of public service advantages. As it is logic, these institutions only work within their territorial demarcations and have little or even no coordination between each other

On the other hand, we have private, non-profit organizations, and educational institutions, which also develop their activities within the city or county boundaries. Each county commonly has a chamber of commerce and some counties have non-profit organizations that perform activities related to regional economic development. While the local chambers of commerce are in the task of attracting business to their communities, the

⁶ <http://www.ace.uiuc.edu/classes/up406/samples/3eunahDal.pdf>

⁷ http://www.infocus-mag.com/fullstory.phtml?A_ID=49

non-profit organizations (funded by public and private moneies) work in broader issues. These non-profit organizations shaped as foundations and small institutes work with the mission of generating economic development in a more regional spectrum. Most of them work in partnership with chambers of commerce and economic development departments of counties like the Hurst Eules Bedford Economic Development Foundation and the Garland Economic Development Partnership in Dallas. In addition, there are public and private colleges and universities that also work on projects or planning projects related to the topic. These educational institutions also work in occasions in coordination with public and private agencies interested in the issue.

Therefore, there are complex net public authorities and private institutions involved in activities related to regional economic development. Most commonly we can observe overlapping of activities, tasks, and even functions. In Atlanta metro area for example, within the public sector, this city has the great variety of institutions working on the same field “literally”. The city of Atlanta has also an economic development department with similar functions and activities to the ones of the economic development units in Fulton, DeKalb, Cobb, Gwinnett, and Forsyth counties, besides others. At the same time, the city Marietta has also an economic development department with some of its activities intrinsically related to the ones of the unit at the Cobb country, and so on. These relations and overlapping repeat across the metro area. Dallas does not escape from this situation and they present the same structure of public government. On top of that we have to add for both cities the overlapping of activities that the private and non-profit institutions develop in the area. In most cases, these private institutions funded by private business moneys and in some cases even by public resources develop activities and spend lots of economic resources trying to enhance the regions economic development.

This situation makes us think about efficiency issues. That is, we may expect that this complex network of public and private organizations with overlapping functions and activities may be spending money on the same things with little coordination and thus lowering the efficiency of the resources spent. The problem has been recognized in both cities at private and public spheres. As a consequence, actions towards it have been approached by both sectors (including non-profit) in these metro areas. In Atlanta for example, the “Atlanta Regional Commission” (ARC), a public institution, has been created. ARC acts as a regional planning and intergovernmental coordination agency dedicated to unify the region's collective resources, to plan regional initiatives toward development, to provide information and to generate collaborative partnerships within the region and between the region and others nationally and internationally. Despite the work of this institution, the political differences and the private interest seem to be more important at the time of coordination. Hence, Atlanta as a metro area does not really show unified actions towards regional economic development.

Dallas has the “Dallas Economic Development Department” (DEDD) also a public regional effort for coordinating actions of county and city levels offices. The DEDD is similar to ARC, its peer in Atlanta, but with a more targeted plan on economic development. Besides the activities that an agency like ARC develops, the DEDD has more involvement and relationship with the private sector and its institutions. Its

activities go beyond information provision and coordination of actions, entering in the identification of clusters and targeting desired industries for the region in partnership with private and non-profit institutions like the “Greater Dallas Chamber of Commerce”. Thus, it seems that Dallas show a more unified strategy towards regional economic developed when compared to Atlanta. Close relationships and full public-private coordination are key words in this game and Dallas has apparently recognized this.

On the private side, both cities have also taken initiatives to create a coordinating institution at the metro level in order to tackle more effectively the economic development task. In Atlanta, the “Metro Atlanta Chamber of Commerce”(MACC) has taken initiatives attracting companies to Atlanta metro area by assisting in their relocation and promoting their expansion. Similar activities develop the “Greater Dallas Chamber of Commerce” (GDCC). Both institutions also coordinate activities and initiatives of local chambers of commerce within their areas. Both institutions also have identified targeted industries according to their perspective of the future of their communities. The GDCC has an advantage compared to the MACC, and that is, the coordination that it has with government agencies in setting strategies and common objectives. The coordination and close relationship that we can observe in Dallas is more likely to generate efficiency and better results on the long run.

Not only have both Atlanta and Dallas demonstrated dynamic growth in the last decade, but regional income levels in the two metros are also higher than national averages. Compared to the rest of the country, particularly to the south, Atlanta and Dallas are two cities that have shown a faster and constant growth during the last two decades. The Census 2000 reports that, taking into account income plus benefits Metro Atlanta households had a median income of \$ 50,309 dollars and mean income of \$ 63,995. For the same year, Dallas Metro area households had a median income of \$ 46,985 dollars and mean income of \$ 62,885. Both Dallas and Atlanta are above the national average in income per household. Now, comparing Atlanta against Dallas in terms of mean or average income per household, we can observe that in general terms Atlanta households had a slightly higher income in average than the ones in Dallas. On the other hand, talking about median income, the difference grows in favor to Atlanta.

Turning our attention to specific segments of income level, we can see that the number of households as a percentage of the total households of each city is very similar for both cities across all the income levels. In fact, comparing the same level of income for both cities we would not find a bigger difference than 1% for most income groups. The only income segment that presents a bigger difference between both metro areas is the group of households with income between \$15,000 and \$24,999. Within this category Dallas has 13% of its total households, whereas Atlanta has only 10%.

Being the demographic figures somewhat different in both cities not only at the present time but also in its trend during the last ten years, it is striking to see how in general terms both cities present very akin income levels. This similarity not only in the averages but also when comparing similar income groups might tell us that probably the structure of their economies is very alike. Now, both cities have also experimented a growth in

income that has been accompanied by a growth in population. The growth in population has been more dramatic in Atlanta than in Dallas but also has been its economic growth. Within a bigger time span, we have seen Atlanta grow at faster rates than Dallas during the last 20 years and catching up during this period to Dallas' income level, which was higher in 1980 and for good part of the 1980s.

In any case, both cities have grown at very fast rates compared to other cities in the country and today they look very similar in their numbers. The explanation for this growth comes from different facts. Both cities in the south of the country have become hubs of economic activities for their regions. Atlanta in the South East and Dallas in the Central part of the country. As the wages and the taxes become increasingly higher in the big northerner cities, many companies started to move their operation to the south being both metro areas, Atlanta and Dallas, particularly attractive for their infrastructure (i.e. big airports, good roads etc), geographic location, lower state taxes and other advantages. Eventually, many big corporations established their headquarters in these cities and they brought with them much high skilled labor to the region. At its time this high skilled people in many different industries attracted more and more business to these cities. Also, as the population were growing due internal and external immigration the service industry also started to grow in response to the demand of a bigger population.

Income distributions are also more or less similar between Atlanta and Dallas. Talking about income distribution across the different income levels we can see a very similar distribution of income in both metro areas. For example, both Dallas and Atlanta metropolitan areas have exactly 37% of their households among the segments that range from \$ 35,000 to \$ 75,000 dollars of income. Another example of the close similarity in these cities, are the segments above \$100,000. In the case of Atlanta these segments account for 16% of the households, while in Dallas they represent 15%. As commented before, the existing likeness is interesting because it takes place despite differences in demographic characteristics.

Nevertheless, something noteworthy is how Atlanta has a higher percent of households in lowest income level compared to Dallas. That is households with income lower than \$10,000 dollars. Atlanta has also a higher percent of households within income level than ranges from \$75,000 to \$150,000 dollars under the same comparison. This suggests a slightly better, more equitable, distribution of income in Dallas compared to Atlanta metro area. (for more detail please see Table 1 in the appendix). This distribution of income slightly more concentrated on the extremes of the income levels might be attributed to the faster growth of Atlanta's economy. An intuitive criterion in economics is that fast growth in some regions may lead to some inequities in income distribution. This could be an explanation for the distribution observed in that metro area.

Strong markets for labor are another strength for both regions. For the year 2000, Dallas and Atlanta metropolitan areas share common features regarding their labor markets. Both markets have been characterized by growing demand for employees, growing levels of education in the workforce and in general by very dynamic environments. Currently, if we see the size of the population of sixteen years old and over, both cities have more or

less a similar size, being Dallas' somewhat bigger. Dallas has 3,819,918 people in this segment whereas Atlanta has 3,049,846. The degree in which Dallas is bigger than Atlanta in that segment of population repeats in a similar way for the size of the economic active population. (see Table 2 in the appendix)

Now, within the civilian labor force, Atlanta has 2,093,722 employed people meanwhile Dallas has 2,612,646. Out of this total Atlanta has 86,048 unemployed people representing 3.9% of the civilian work force. In the same aspect, Dallas has 132,700 unemployed people, representing 4.8% of its civilian work force. As we can observe this figures place both cities not that far from each other. Both present figures and percentages comparable better in terms of employment to the national averages.

In relation to unemployment rates, Atlanta has shown smaller rates compared to Dallas during the last 10 years (U.S census 2000). Atlanta has also shown smaller rates compared to the national average for all these years, whereas Dallas has had years with unemployment rates above and below the national averages (nevertheless, Dallas has show lower unemployment rates for most years compared to the national averages). A rough average shows a difference between one and two percent among both cities. These figures that show a slightly better labor market in Atlanta when compared to s Dallas are not a surprise. Atlanta has been one of leading cities in the nation during the last decade in creating new jobs, 684,300 new jobs between 1991 and 2001 (Bureau of Labor Statistics 1991-2001). This represents a 45.4% growth in the in the job market. This has been the consequence creation, expansion and relocation of companies within and to the region. Even during the present year, in the middle of an economic downturn, the Metro Atlanta rates of unemployment are lower than Dallas' (Bureau of Labor Statistics 2002) and the national average.

Weaknesses

Atlanta

- "Atlanta's weaknesses were listed as a growth rate that's putting strain on infrastructure, an educational system that needs improvement, suburban sprawl problems, and anti-growth measures that could stifle growth and raise costs."⁸
- An auto-based transportation network, among other reasons, has caused the Atlanta Metro to have a very poor air quality, so poor, in fact, that the region was deemed in non-compliance with federal clean air standards and lost federal funding for transportation projects.

Dallas

- The region underperforms in the art, entertainment & recreation, health care, and educational services sectors.⁹
- Like Atlanta, Dallas experiences the effects of relatively unchecked suburbanization: traffic, poor air quality, sprawl, income and crime disparities between city and suburb, downtown disinvestment, increasing cost of living and lack of affordable

⁸ <http://www.thecitizennews.com/main/archive-000412/real%20estate/re-07.html>

⁹ <http://www.ace.uiuc.edu/classes/up406/samples/3eunahDal.pdf>

housing, and higher land costs, wages, etc., that raise the cost of doing business in an area and potentially direct relocating companies elsewhere.

Despite the economic growth both regions shared in the past decade, Atlanta and Dallas are now seeing weaknesses in certain sectors. Now, following the strong activity of Atlanta during the 1990's the economic recession has apparently softened the economic structure of this city. The economic downturn has evidently affected all major cities in the country but apparently Atlanta has suffered in a bigger proportion than Dallas. Recent non-official figures cited by the Dallas/Fort Worth Chambers of Commerce show this situation. For the period of time between December 2000 to December 2001 Dallas gained 50,900 net new jobs, while Atlanta had net job losses of 60,000 in the same 12-month period. This may indicate that indeed, the economic downturn has affected more severely to Atlanta. Consequently, would be interesting to see what drives this situation. Most probably we will find this answer when analyzing the structure of the industry in both metro areas.

Challenges/Opportunities

In a way, challenges and opportunities are inexorably linked, as today's challenges effectively managed become tomorrow's opportunities. As such, the following section details certain pressing challenges in the two metros, and how these challenges are being managed to function as possible regional growth facilitators.

Atlanta

- Hartsfield Airport: "As the regional economy continues to grow, one of the major challenges has been to expand and modernize Hartsfield to meet the increasing demand for air travel. Therefore, to keep pace with this phenomenal and incredible growth, Hartsfield is in the second year of a 10-Year Capital improvement project. It is the largest public works project in the history of the state of Georgia, the \$5.4 billion expansion program."¹⁰
- Traffic and transportation congestion: "Georgia's extraordinary rate of growth, traffic congestion and air quality problems make it imperative to develop safe and affordable transportation alternatives to the single-occupancy automobile. We must complete the task of building a truly multi modal system of transportation for Georgia citizens and the millions of people who visit our state each year."¹¹ This is according to GARAIL, the mega-agency formed from representatives of the Georgia Department of Transportation (GDOT), the Georgia Rail Passenger Authority (GRPA) and the Georgia Regional Transportation Authority (GRTA).
- Inner-city revitalization: The revival of low-income Atlanta neighborhoods is an ongoing struggle. From the failure of Atlanta's vaunted Empowerment Zone to the still unfulfilled promise of the city's numerous community development corporations (CDCs), much of poor, largely African-American south Atlanta still struggles to make socio-economic gains that the rest of the region have taken for granted for years. With a newly elected Republican administration in the Capitol, the struggle for

¹⁰ <http://www.atlanta-airport.com/hdp.htm>

¹¹ <http://www.garail.com/Pages/Home.html>

equity in low-income Atlanta will be more difficult than ever. It remains to be seen if the coming years will ameliorate the long-time inequities between rich and poor Atlanta. But, as an opportunity, the revitalization of underperforming inner-city neighborhoods stands as a key factor in creating new and viable markets for goods and services, and augmenting a labor force that often has to look outside the region to fill vacant positions.

Dallas

- Dallas-Ft. Worth Airport: “Dallas/Fort Worth International Airport (DFW) has developed a comprehensive capital development plan. This plan involves investing \$2.6 billion into the airport's infrastructure over the next six years... Dallas/Fort Worth Airport has planned its expansion in order to capitalize on the projected growth in domestic U.S. air travel, which is expected to grow from its current level of 650 million embarkations per year to almost one billion by 2009. This projected growth is equal to ten new DFW airports.”¹²
- Traffic and transportation congestion: Dallas Area Rapid Transit (DART) expansion attempts to tackle the challenge of regional transportation head on. “It’s important to keep our transit expansion program on track. By doing so, DART is fulfilling its promise as a modern-day public works project - creating new business opportunities and more jobs, generating economic activity, and fighting the traffic congestion and air pollution that can choke progress and diminish our quality of life. The North Central Texas Council of Governments forecasts a population of 6.86 million in the Dallas-Fort Worth area by 2025, an increase of almost 60 percent over 1996.”¹³
- Inner-city revitalization: Similar to Atlanta, the Dallas-Ft. Worth region features neighborhoods south of the CBD that have struggled for years to overcome patterns of poverty and disinvestment. While there has been some revitalization in the historic Oak Cliff neighborhood, and other micro-area south Dallas districts, the effects of this renewal are similar to gentrifying neighborhoods nationwide: low-income residents are usually displaced as property values and property taxes rise and price existing homeowners and renters out of the market. The challenge and the opportunity of south Dallas is to create economic dynamism that benefits current residents as well as in-migrants to the area.

¹² <http://www.airport-technology.com/projects/dallas/>

¹³ <http://www.dart.org/newsroom/metroplexmayors3nov01.pdf>

Economic Development Strategies in Atlanta and Dallas

Atlanta

- *The Yamacraw project*

Founded in 1999, Yamacraw is Georgia's strategic initiative to foster growth in the broadband telecommunications industry by leveraging Georgia's existing high-tech base against resources from private sector companies, major universities, the research community and more than \$100 million in state funds.

Initial results look promising, although some would argue that these results are as yet not worth the hundreds of millions of state dollars invested in the initiative. Three years into the program, Yamacraw has attracted 27 member companies, has commitments for more than 3,000 jobs, and more than doubled the number of Yamacraw ready graduates in the areas of electrical and computer engineering, computer science and software engineering.¹⁴ Targeting "stakeholders," potential high-tech employees in the region and state, through training coordinated by Georgia's high-tech universities, specifically Georgia Tech where Yamacraw is located, has already educated over 1,000 Yamacraw-ready graduates in electrical and computer engineering, computer science and software engineering per year. Seventy-one faculty have been hired to date to teach and mentor students in the Yamacraw research areas. The addition of these new faculty members is helping grow the number of technology graduates in Georgia.¹⁵

Through Yamacraw, member companies participate in broadband communications research and share in the resulting opportunities. The Yamacraw Commercialization Program has funding available for commercialization of research. The objectives of the program are to stimulate the commercialization of Yamacraw-developed technology, improve the time to market for research ideas, create jobs in Georgia, further distinguish Georgia within the telecommunications industry and encourage researchers to think and act in regards to commercialization. The State of Georgia also created the \$5 million Yamacraw Seed Capital Fund (YSCF) to support the overall Yamacraw initiative and catalyze the development of broadband infrastructure companies. The Yamacraw Seed Capital Fund is managed by the Advanced Technology Development Center (ATDC) at Georgia Tech.¹⁶

- *Atlanta Neighborhood Development Partnership, Inc. (ANDP)*

ANDP, a 501(c)3 a non-profit organization, was established in 1991 to develop and rehabilitate very low and low-to-moderate income housing, develop other neighborhood services, and empower community development corporations (CDCs). Their mission is to provide quality, innovative products and services to create economically viable, mixed-income communities by:

- Building the capacity of community-based organizations;
- Providing access to capital for lending and investment purposed in neighborhood revitalization activities;

¹⁴ http://www.yamacraw.org/what_is_yamacraw.html

¹⁵ <http://www.yamacraw.org/careers.html>

¹⁶ <http://www.yamacraw.org/funding.html>

- Developing mixed-income communities that include very low, low-to-moderate, and market rate housing;
- Establishing appropriate partnerships that are in alignment with the vision and;
- Advocating public policies that support the Community Economic Development Industry

Since its founding in 1991, ANDP has established a track record of facilitating neighborhood revitalization through partnering with private funders and neighborhood community development corporations (CDCs) to implement mutually agreed upon strategies. According to ANDP, “These strategies have at their core the basic assumption that mixed-income housing is fundamental to the process of unlocking a neighborhood's economic potential... As a housing development catalyst, ANDP was created to rebuild neighborhoods and create economically viable mixed-income communities throughout metro Atlanta. To date, ANDP has invested in more than 6,000 affordable housing units in Atlanta.”¹⁷

Current Programs include¹⁸:

- 1.Housing Development: The mission of this Department is to create mixed-income neighborhoods or developments by renovating and building safe, clean multi and single family housing for Atlanta's low to moderate-income residents.
- 2.Housing Finance: Community Redevelopment Loan and Investment Fund (CRLIF), the lending arm of ANDP, provides community development corporations (CDCs) with lines of credit, pre-development, construction, bridge and other loans in an effort to spur affordable and mixed-income housing developments and foster neighborhood revitalization.
- 3.External Affairs: It is the responsibility of this Department to manage ANDP's grant making activities, to assist the president and CEO in coordinating fund-raising activities and to oversee all marketing and public and governmental relations for the company.
- 4.Neighborhood Investment: Several program components comprise this department, including the Community Development Institute, the Professional Development Institute, the Home Buyers Education program and the Technical Assistance program to assist CDCs.

- *Biotech Taskforce*

Sponsored by the Metro Atlanta Chamber of Commerce, the initiative resulted from the Chamber culling experts from local and state organizations and the public and private sectors to be included in the Taskforce, whose goal is to complete a long-term strategy to develop and nurture a biotechnology industry cluster in the metro Atlanta region. The Biotech Taskforce was appointed by the Chamber's Board and is co-chaired by Dr. Michael Johns, executive vice president for health affairs & the health science center at Emory University, and Parker Petit, chairman/president & CEO of Matria Healthcare.

The Biotech Taskforce's mission complements legislation announced in 2001 by outgoing Governor Roy Barnes to form the Georgia Cancer Initiative, a \$400 million

¹⁷ www.andp.org

¹⁸ http://fdncenter.org/atlanta/spotlight/at_spotlight_120101.html

investment, focused on assembling researchers, universities, health-care facilities and organizations to advance cancer research & treatment in metro Atlanta and Georgia.

Already a locus for significant biotechnology research, the Metro Atlanta region saw its base grow even more in December 2001, as the U.S. Congress approved the largest appropriation of funds in the history of the Atlanta-based Centers for Disease Control and Prevention. The \$6.8 billion in funding will be used for major renovations and new laboratories, enhanced security and bioterrorism-related upgrades at the Centers. According to the Chamber, “This investment secures CDC’s standing as one of Atlanta’s 20 largest employers and will bolster the agency’s collaboration with local universities such as Emory University, Georgia State University, the Georgia Institute of Technology, Mercer University, the University of Georgia and the Morehouse College of Medicine, where strong relationships already exist in life sciences research, in areas including immunology, cancer, AIDS, vaccine development and the neurosciences. The funds for new state-of-the-art equipment and the notoriety that CDC received from recent bioterrorism activity have put the agency on the map in terms of vital importance and worldly expertise... The life science industry is one of the Metro Atlanta Chamber of Commerce’s key industry cluster focuses for long-term growth.”¹⁹

Dallas

- *Dallas Area Rapid Transit (DART)*

Years before the month in 1996 when the first miles of DART’s new light rail service opened, the regional government had pushed through successful funding referenda and requests for monies from the federal government to facilitate planning, development and construction of DART’s \$860-million, 20-mile Light Rail Starter System.

The intent was not only to foster better linkages between regional activity nodes, ease traffic on the region’s congested roadways and interstates, and improve air quality in Dallas-Ft. Worth, but also to spur economic development along light rail routes and help revitalize underperforming neighborhoods and districts.

Early indications are that construction of light rail in the Dallas region is creating millions of dollars worth of ancillary development. Through 2001, more than \$922 million in private funds has been invested in development along DART’s starter system, and even more investment is predicted along the 24 miles of new track extending north and northeast, as DART light rail reaches Garland, Richardson and Plano in December 2002.

A study by Dr. Bernard Weinstein of the University of North Texas Center for Economic Development and Research determined:

- Values of properties adjoining DART light rail stations grew 25 percent more than similar properties not served by the rail system.
- Proximity to DART light rail stations appears to be a plus for most classes of real estate, especially Class A and C office buildings and strip retail.

¹⁹ <http://www.metroatlantachamber.com/macoc/img/scn.pdf>

Average occupancies for Class-A buildings near rail increased from 80 percent in 1994 to 88.5 percent in 1998, while rents increased from an average \$15.60/sf to \$23. Strip retailers studied near the stations registered a 49.5 percent gain in occupancy and a 64.8 percent improvement in rental rates.²⁰

Near DART's soon-to-be-completed Galatyn light rail station in Dallas' Telecom Corridor, the City of Richardson, Nortel Networks, DART and developer Galatyn Park Corporation are in the process of creating a 27-acre Urban Center adjacent to the station. In the spring of 2002, a new \$34-million Renaissance Hotel opened east of the future station. In addition, the city of Richardson's \$40-million Eisemann Center for the Performing Arts, just across Plaza Drive from the hotel, will also open in 2002. The center contains a 1,500-seat performance hall, a 350-seat adaptable theater and a 3,000-square foot meeting and banquet hall. In May 2001, Nortel Networks completed all four new office buildings in the Nortel Galatyn Office Park on the southern edge of the Urban Center.²¹

The advantage of regional rail development is that the stakeholder base is essentially the whole Dallas-Ft. Worth metro. Not only does every resident – urban or suburban – now have the potential to take rail to work or for access to entertainment, but transit-oriented development of the type being financed and constructed near DART rail stations facilitates revitalization and economic dynamism for host neighborhoods and also rail-linked districts and cities will ready access to the rail-adjacent amenities.

- *Technology Business Council (TBC)*

The Greater Dallas Chamber of Commerce established the Technology Business Council in early 1991 to focus on the continued business-development needs of the regional technology business community, and to use the Chamber's resources and influence to assure that the high-tech industry in the Dallas Metro stays viable, continues to grow, and becomes recognized internationally as a dynamic technology center. The stated mission of the TBC is, "To establish and sustain the position of the Dallas and Fort Worth region as the broadest and deepest technology center in the world - the global leader in technology innovation, integration, manufacturing, and infrastructure."²²

Its goals/strategies include:

- Provide leadership in bringing together the region's resources (e.g., industry, chambers, academia, etc.) to assist in achieving the TBC's mission of regional high-tech dynamism, business development and growth.
- Coordinate internally within the Chamber those activities and initiatives with a connection to technology and technology business development (e.g., workforce development, economic development, legislative affairs).
- Conduct an annual State of Technology Luncheon and publish a State of Technology Report every other year

²⁰ <http://www.dart.org/economicimpact.asp>

²¹ <http://www.dart.org/newsroommain.asp?zeon=economicimpact>

²² <http://www.gdc.org/>

- Research and publish a technology report to establish a vision and road map for what is needed to sustain the technology business sector and to support the promotion of the region's resources and assets.
- Communicate and work with other regional organizations devoted to promoting the region's technology character and businesses, reaching consensus on a coordinated message that is aligned with the Dallas and Fort Worth regional branding campaign.
- Identify and secure additional high-tech members and leadership for the TBC.
- Establish a task force to consider identifying specific venture-capital-related initiatives that the TBC should sponsor.
- Continue to facilitate the activities of the Biotechnology and Life Sciences Initiative in support of the region becoming a significant contributor of innovation and commercialized products and services for healthcare nationwide.²³

Stakeholders include all technology company executives who are members of the Chamber and their affiliated company representatives and employees. Leadership status among the TBC membership is facilitated through organizations that give annual sponsorship dollars to the council at the following levels:

- ✓ Founder's Circle - Annual Sponsorship of \$10,000
- ✓ Supporters - Annual Sponsorship of \$5,000
- ✓ Advocates - Annual Sponsorship of \$3,000

This is a rather creative way of ensuring that the initiative is consistently funded by guaranteeing that those who pay up, in essence, get to speak up the loudest. A potential drawback of this strategy is that, often, the most cash-rich member companies are not necessarily the most progressive, inclusive or innovative concerns on the regional scene. A more reasoned strategy might be to allow start-up technology companies with a more intimate feel for the nature of the small-business-development landscape to have equal say at the TBC table, but restrict their access to certain research deliverables or council events predicated on their full financial participation in the TBC process.

- *Trinity River Corridor Project*

In 1998, the citizens of Dallas voted to approve the \$246 million bond program for the project. State, federal and other agencies are providing additional funds totaling approximately \$1 billion. The projected benefits of the project include:

- The to-be-constructed Dallas Floodway Extension will increase flood protection for about 12,500 structures in southern Dallas and near downtown.
- Citizens and visitors will be provided with additional recreational amenities, such as hiking, biking and equestrian trails, new parks and lakes.
- Transportation improvements are expected to provide relief from traffic congestion in the downtown area.
- Economic development and neighborhood revitalization is expected to flourish in the areas adjacent to the project.²⁴

²³ ibid

²⁴ <http://www.trinityrivercorridor.org/html/faqs.html#TRCP>

The economic development and neighborhood revitalization elements of the corridor project include:

- Fannie Mae committed funding totaling \$4 billion dollars for a comprehensive housing investment strategy to assist 11,710 low-, moderate-, and middle- income families in their efforts to purchase affordable housing in the corridor area.
- Freddie Mac, the City of Dallas Alliance and the Home Ownership Initiative together pledged \$1.4 billion dollars to finance single-family housing. The initiative has been reinforced with the introduction of Homeworks!, a program focusing on local home ownership.
- The Economic Development Administration approved \$1.5 million in November 1997 for the development of a research facility for the Texas A&M Engineering Extension Service at McCommas Bluff.
- In 1998, eight of the largest financial institutions in Dallas formed a partnership with the city, committing to lend over \$1 billion to businesses and homeowners in the Southern Sector over the next five years.
- The City Council endorsed a companion effort, Global Strategies for Expanding Development in Southern Dallas, in May 1998, outlining a strategic approach to marketing the area internationally. Workforce development, industrial and business development, support for small business, and legislative initiatives are key components of this effort.²⁵

Stakeholders are involved through the Trinity River Corridor Citizens Committee (TRCCC), made up of hundreds of volunteers. The committee provides a continuing outlet for stakeholder input on various elements of the Trinity River Corridor Project. TRCCC members were divided into four distinct subcommittees: Economic Development, Transportation, Flood Protection and Recreation. The city of Dallas has also hosted Stakeholder Meetings for the general public to share information and to receive community feedback.²⁶

²⁵ <http://www.trinityrivercorridor.org/html/projects.html>

²⁶ http://www.trinityrivercorridor.org/html/community_involvement.html

Similarities and Differences in Strategies

Research conducted and compiled by the Progressive Policy Institute presents a thorough existing picture of the economic dynamism in Atlanta and Dallas. The tables 10 and 11 in the Appendix are excellent summations of the economic-base strengths and weaknesses for the Atlanta and Dallas metros.

That said, having researched both these regions in great detail for this report, it is impossible to ignore the numerous similarities the regions possess in economic development strategies and targeted areas for growth. Indeed, in many ways, the two metros are strikingly similar in their development history, land-use patterns and primary growth sectors.

Similarities include:

High-tech and innovation development, and attempts to cluster technology-focused start-ups utilizing regional infrastructure such as research institutions, chambers of commerce and an existing corporate high-tech presence.

Less dynamic biotechnology sectors that have led both regions to design and fund *strategies for increasing dynamism in the biotech arena*. Both Atlanta and Dallas are concentrating these strategies around perceived existing strengths. The former is utilizing the presence of dynamic research institutions in the area, vital local hospital and health care complexes, as well as the Centers for Disease Control and Prevention to market the region as a viable potential location for business creation and clustering. The latter features similar emphases – research universities and large, successful health care facilities and networks – but does not have the visible draw of a CDC-type marquee attractor to lure companies to the metro for a potential biotech cluster.

Weak downtowns and disinvested central cities surrounded by much larger, more affluent, and racially less diverse suburbs. This leads to concomitant issues of traffic congestion, poor air quality and regional governmental preference seemingly given to suburban issues such as highway construction, regional business development instead of central city-focused strategies and economic development initiatives. While both metros pay lip-service to revitalizing their downtowns, such efforts are often lacking the collective regional backing and overwhelming monetary commitment that allows similar strategies to succeed in more urban-focused areas such as Chicago and New York City, and regions that effectively balance central city and suburban concerns such as Washington, D.C., Portland, Oregon, and the San Francisco Bay area.

Economic-base and location quotient strengths in the transportation sector. Atlanta has Hartsfield Airport and its spillover business development vitality, as well as an exhaustive and well-connected highway infrastructure. Dallas also has an international airport that generates hundreds of millions of dollars in related economic benefit for the region, both in terms of business – and job – creation. As a suburban dynamo like Atlanta, Dallas also has an extensive federal interstate system that allows for cargo shipments to and from the airport to proceed cost-effectively and in a timely manner.

Cluster strategies. Both Dallas and Atlanta are major metro areas that have developed a great variety of business around. Hence, we can see a great variety of types of industry developing their activities in both regions. Currently, there is not a particular cluster that could be identified as characteristic from each region. Instead, there are some small clusters that have been appearing spontaneously attracted by different factors. Public and private authorities have identified some areas where clusters have started to develop activities. Based on this spontaneous rise and the idea of producing products and services that could enhance the economic development of the region, these authorities have started to attract some targeted industries.

Both the “Dallas Economic Development Department”(public sector) and the “Greater Dallas Chamber of Commerce” (private sector) have a clear joint idea of the industries that they want to target. Atlanta, on the other hand does not have a very close relation or coordination between private organizations like chambers of commerce and the public agencies for economic development. Thus, there is not a united front regarding which industries they would like to target. Hence the cluster targeted for Atlanta shown in the following table only corresponds to the criteria of the Metro Atlanta Chamber of commerce, which is one of the leading institutions attracting business to the region.

Table 2. Cluster dynamics

Atlanta	Dallas
Logistics	Data and computer management : mainly software and consulting
Biotech	Global finance services
Software	Medical devices and biopharmaceutical products
Telecom	Semiconductor equipment and supplies

The idea of both cities is to take advantage of some of these clusters already growing and with some infrastructure related advantages. For example, Atlanta has the necessary physical space and many construction companies in the field of warehousing. In addition, it has plenty of office and warehouse space available. Thus, Atlanta wants to become a hub for logistics. This comes together with the fact that Atlanta has one of the busiest international airports in the country. In addition, it has all the railway facilities to transport merchandise to a major port (Savannah) in a short period of time. Atlanta is also the headquarters of Bellsouth, a major telecommunications company. This gave the incentive for other smaller business related to the field to come to Atlanta and the chambers of commerce of the city see this as an appealing field for further development. The same experiences has Dallas with their targeted clusters. They have some base of companies in those fields that attracted new smaller companies. Now the local authorities in that city perceive those sectors as a good opportunity for further specialization.

The four clusters mentioned for Dallas have already a solid base. Dallas has in these areas an important number of businesses in operation and some years of experience. In addition, they have research centers at universities with on-going research in those fields.

Atlanta on the other hand, despite its experience in the telecom industry and its growing experience on software it is still at very early stages in logistics and biotech. The rationales for the cluster in the logistics industry seem correct due the advantages of the city in this regard just commented above. However, the industry of biotechnology has not only small experience in the region but also few support from research centers. Currently, only University of Georgia is a very active research center in this field and it is located out of the metro area. Of course, spillovers effects can be expected but we believe that this cluster needs further analyses as a part of the development strategy of Atlanta. An analysis of key employers shows that a result of these relatively similar economic development strategies is equivalent key industrial sectors between the two metros. The analysis of key industries or sectors of employment shows that both Atlanta and Dallas metro areas are very similar. In both cases, the industries that hire the biggest percentages of employees are not only the same but also rank in the same order. The following industries are the first three key employers in Atlanta and Dallas metropolitan areas.

Table 3. Key industries

1) Educational, health care and social services
2) Retail
3) Professional, management, scientific and technical services

Between these categories both metro areas account for 40% of employment in the case of Atlanta, and 38% in the case of Dallas (taking into account civilian population only). It is again quite interesting that the structure of employment by industry is very similar between these metro areas. Before in this report when we analyzed the similarities in income we talked about the possibility of a similar economic structure. Well, this is our first hint to explain those similarities, the key employers are the same and with very similar proportions. Hence, it is not difficult to assume that similar industries have similar wages, especially for two cities in the south of the country.

The similarities continue in terms of the *size structure of establishments*. When analyzing the size and the structure of establishments the similarities between the two cities appear again. There is a big concentration on the mentioned above plus the industry of wholesale trade. The following are the categories with more percentages of establishments and its ranking for both cities:

Table 4. Industry comparisons

Industry	Atlanta	Dallas
Retail trade	(1)	(1)
Professional, management, scientific and technical services	(2)	(2)
Health care and social services	(4)	(3)
Wholesale trade	(3)	(4)

(See table 4 for more detail)

The similarities in this comparison between Atlanta and Dallas gives us almost a confirmation regarding how the structure of the economy is making two cities with different demographic characteristics (at least in terms of race) to have very similar levels of income and distribution. The category of professional scientific and technical services is bigger in Atlanta and Dallas in relative terms compared to the national figures. Wholesale trade also appears in both cities above the national percentage. The categories that are below national averages among the four mentioned above are “health care and social services” and “retail trade.”

More similarities emerge as a result of development strategies targeting other specific sectors. The quotient analysis of Dallas and Atlanta for the sectoral structure in relation to the national figures shows again how similar is the economic structure of these two cities when compared to the national structure. Wholesale and trade appears in importance above the national numbers. In the same way the following categories of industries appear with quotients above 1 for both cities:

- Professional, scientific and technical services.
- Real state, rental and leasing
- Administrative and support services
- Health care and social services

The quotients above 1 in these industries are clearly explained by the expansion and relocation of companies to this metro area in the last years. Headquarters of many companies have settled their operations in Dallas and Atlanta. This situation generates demand in administrative personal and of course generates a boost in the real state and rental industry. In relation to the health industry both cities are recognized as hubs of medical institutions in the south of the country.

In addition to those, only Dallas presents another category with a quotient above 1, this industry is transportation and warehousing. This can be explained by its proximity with Mexico, one of the most important commercial partners of the USA, whom which much of the trade is made through ground transportation. The rest of the categories show quotient below 1 for both cities. (See Table 5 in the appendix)

Differences between Atlanta and Dallas:

- *Rail transit*

As referenced in an earlier section, Dallas has specifically and emphatically endorsed, advocated, funded and developed a rail-transit network that stands as one of the most dynamic and successful in the nation in terms of ridership increases and corollary development generated along its line and near its stations.²⁷ In only six short years, the DART light rail system has linked the vast majority of the metro region, and provides a relatively inexpensive means (fares of under \$1.50 for most routes) to connect employment and housing centers, and has now spawned millions of dollars in transit-oriented, mixed-use development. Numerous new lines and extensions are planned for

²⁷ www.lightrail.com

the near-term future, and will only augment the considerable impact DART rail has had to this point.

In contrast, the Metro Atlanta Rapid Transit Authority (MARTA), though transporting hundreds of thousands of riders per day, has not significantly augmented its rail network since its inception. Aside from a northwest spur along Georgia highway 400, MARTA has not built an entirely new transit line for decades. Significantly hamstrung by the fact that only two of the region's 20 counties endorsed the initial MARTA referendum and subsequently funded the system, the authority and the governmental agencies in the region have never truly and convincingly lobbied the state of Georgia, or fought to expand the system, so that it is a truly exhaustive network of rail connections between the vast Metro Atlanta area. Perhaps Atlanta would not have sprawled to the extent it has if a more viable MARTA rail system allowed families to live closer to the CBD and their places of work. It is this relative disinvestments in MARTA compared to the billions pumped into DART expansion that serves as a major difference in economic development strategies between the two regions.

- *Manufacturing*

In the figures showing key employers (See Table 3 in the appendix) one difference between both cities is the existing in the manufacturing industry. Under this category or industry, Dallas has 14 percent of its civilian population employed whereas Atlanta has only has 10 percent. This difference of 4% is the biggest that we can find among all sectors that provide employment in these two cities. Evidently, Dallas has more history in the manufacturing sector than Atlanta. Many reasons, in our criteria, are related to this situation. First, historically Dallas has been considered to have a strategic geographic location. It is a mid point between the East and the West of the country and it has proximity to a major port (Houston-Galveston). In addition, its proximity to Mexico make it attractive for production of exporting goods to that country and for receiving raw production from Mexico to be finished in the United States for its commercialization. We know that in manufacturing products transportation costs, among others, is a key element and Dallas has geographic advantage in this sense.

- *Demographic focus*

Atlanta is still very much a black and white city in that its dominant cultural, sociological and demographic groups are Caucasian and African-American. Economic development strategies – especially in the inner city but increasingly region-wide – target the black population for many neighborhood revitalization initiatives as well as job training and education programs. In Dallas-Ft. Worth, because of its proximity to Mexico and its large and still increasing Hispanic population, is more international in its economic development strategy focus. For example, the Minority Business Development Center in Dallas provides management services to companies that are at least 51% controlled by the following ethnic minority groups: African Americans, Puerto Rican, Spanish-speaking Americans, Asian Pacific Americans, American Indians, Eskimos, Asian Indians, and Hasidic Jews.²⁸

²⁸ http://www.dallasfwmbdc.com/comp_over/

Evaluation and Recommendations

The bottom line is that the Dallas-Ft. Worth CMSA and the Atlanta MSA are extraordinarily similar in economic development foci and performance. There are minor differences between the metros, but on the whole, their economic growth and sectoral dynamism are tied to the same structural factors and development strategies. It is telling that their growth patterns across the board – whether it be population increases, rise in wages, sprawl indexes, air quality, new business creation, innovation infrastructure, etc. – hew between a few rankings of each other in national surveys.

In the case of Atlanta, the metro would be well served to follow the lead of its Texas cousin by investing heavily in rail transportation infrastructure and new light rail development. If Dallas will pull ahead in the race for Southeastern economic dominance in the coming years, it will be because they have laid the groundwork for a commutation alternative to the automobile that is already showing signs of grand success, both in ridership and ancillary transit-oriented development. Atlanta and its MARTA system has TODs at Lindbergh and Medical Center, but if it weren't for BellSouth and the hospitals, there would likely be massive vacancies at these office towers – both constructed and pending. As it stands, the Lindbergh MARTA TOD is having an extremely difficult time leasing its retail space at the station. Contrast this with DART in Dallas, where TODs like Mockingbird Station and Cityplace are almost fully leased and crowded day and night.

Because of the inveterate similarities between the Atlanta and Dallas metros, recommendations for new directions in economic development strategies will be for both regions.

- Renew the local governmental and regional focus on low-income inner city neighborhoods. As the economy continues to slow, a potentially large existing market lies dormant because of decades of neglect and disinvestments. Not only do lower-income Atlantans and Dallasans hold promise as labor forces, but as consumers as well. Both metros would be well served to develop and upgrade local stock of affordable housing and commence job-training and educational improvement strategies to best tap this wellspring of intown potential.
- Rather than focus on biotechnology development on the research and development end, both regions should consider bio-manufacturing development. While the R&D world is risky and fraught with potential for failed drugs and lost investments, biotech manufacturing comes in at the end of the process, when the drugs are ready for market and mass production. Not only is the sector more stable than biotech R&D, but also has the potential to employ low-income, low-skilled, and high-school educated residents with only a modicum of community college training.
- Understand that “quality of life” will be a key determinant in the coming decades in terms of corporate relocation and domestic immigration. It is said (and the Atlanta Chamber of Commerce worries) that corporations are choosing not to locate in the region because of Metro Atlanta's famous traffic problems. While Dallas has equally threatening traffic issues, at least the region is investing massively in DART rail infrastructure to ameliorate the problem. Above and beyond transportation issues,

however, both metros will have to acknowledge that old growth patterns and uncontrolled sprawl are not sustainable in the long term. Growth management strategies, encouraged infill development, mass transit, brownfield redevelopment, downtown revitalization, affordable housing construction, air quality management, entertainment options and outdoor recreation infrastructure will all be key determinants as to these regions future viability. The metro area that lags in quality of life maintenance will be the city that loses steam in the long-term race for continued regional dynamism, growth and economic development.

Conclusions

Their strategic location together with many other factors that we discussed in this report contributed to these metro areas to growth constantly during the last decades. Now, the interesting questions are around the future of these two major metropolitan areas. The United States has become a very competitive arena where local jurisdictions fight against each other pursuing economic growth. Hence, the ability to generate further and sustainable growth depends on the ability of their stakeholders to establish the necessary strategies to enhance that growth. Following there is a table that shows the strengths, weaknesses, opportunities and threats of these metro areas.

Strengths

Atlanta	Dallas
- High skilled labor force	- High skilled labor force
- Good transportation infrastructure	- Good transportation infrastructure
- Good research infrastructure	- Good research infrastructure
- Experience in some of the targeted clusters.	- Experience in all of the targeted clusters
- Large convention center and numerous tourist options	- Good coordination between economic development organizations (public-private)
- National draw for high-income African-Americans	- Proximity to Mexico and presence of vital immigrant population

Weaknesses

Atlanta	Dallas
- Low educational level at primary and secondary public schools.	- Lack of affordable housing
- Traffic and congestion problems.	- Traffic and congestion problems.
- Lack of research centers in some particular fields targeted as potential clusters.	- High crime rates and preponderance of low-income neighborhoods to the south
- Lack of experience in some targeted clusters like biotechnology	- Need to manage influx of immigrants potentially costly and taxing on services
- Poor coordination between economic development organizations (public-private)	- Poor air quality
- Poor air quality threatens federal transportation funds	- Long-time pro-business governmental bias has alienated many local populations and threatened neighborhoods

Opportunities

Atlanta	Dallas
-Further development of clusters that have a more solid experience in the region like telecom and software.	- Development of clusters in logistics. The proximity with Mexico and the active commerce with this country creates an interesting opportunity for further development in this field.
- Enhance the transportation system Particularly creating more linkages among them (airport-railway-warehousing areas)	- Enhance the transportation system Particularly creating more linkages among them (airport-railway-warehousing areas)
- Enhance research infrastructure	- Enhance research infrastructure
- Expansion of rail transit network and transit-oriented development possibilities	- Continued dynamism in light rail development and associated growth
- Improve quality of life, i.e., lower commute times, provide more commuting options and improve air quality	- Revitalize downtown to give region a true center and capitalize on intown development momentum

Threats

Atlanta	Dallas
- Low educational level at primary and secondary public schools might create serious disadvantages in the future.	- Competition from low-wage, low-cost “Maquiladora”-type Mexican plants.
- Traffic problems call for drastic measures. They discourage business from locating to Atlanta.	- Traffic problems call for drastic measures. They discourage business to relocate to Dallas.
- The poor coordination between economic development organizations (public-private) will lead to further inefficiency and may delay critical measures to enhance growth.	- Sprawl-related effects like poor air quality, non-affordable intown housing and dispersal of services infrastructure potentially costly in the long run
- Continuing crime and disinvestment problems in inner city neighborhoods threatens to choke off intown renaissance	- Continuing crime and disinvestment problems in inner city neighborhoods threatens to choke off intown renaissance

Data Appendix

Table 1: Income levels and income distribution

Table 2 : Employment

Employment status	Atlanta Metro Area (in dollars)	% of the total number of households	Dallas Metro Area (in dollars)	% of the total number of households
Median Income (in dollars)	50309		46985	
Population 16 and over	63995	3049846	62885	3819918
Number of Households		2184867		2749170
with income less \$ 10,000	124632	2179770	133472	2745346
from \$ 10,000 to \$ 14,999	67230	2093724	93671	2612646
Employed	157517	860483	247603	132700
from \$ 15,000 to \$ 24,999	199016	3,9945%	244425	4.8%
Unemployed	233752	5097	316397	16%
from \$ 25,000 to \$ 49,999	339606	12%	406501	21%
from \$ 50,000 to \$ 74,999	193515	864979	222277	14%
from \$ 75,000 to \$ 99,999	163802	182583	1070748	9%
from \$ 100,000 to \$ 149,999				
Source: U.S Census 2000				
\$ 200,000 or more	43353	3%	53779	3%
Total number of households	1575081		1961762	

Source : U.S census 2000

Table 3: Employment by industry

Industry	Atlanta Metro	% of the total number of civilian employed pop.	Dallas Metro	% of the total number of civilian employed pop.
Agriculture, fishing, mining, forestry	2502	0%	19324	1%
Construction	182363	9%	218130	8%
Manufacturing	215277	10%	353584	14%
Wholesale trade	105661	5%	129303	5%
Retail Trade	264240	13%	319079	12%
Transportation and utilities	142423	7%	171983	7%
Information	103503	5%	133735	5%
Finance	169496	8%	223351	9%
Professional, management, administrative scientific	261594	12%	279835	11%
Educational, health and social services	309028	15%	383387	15%
Arts, recreation and food services	147146	7%	172039	7%
Other services (except public administration)	100738	5%	131702	5%
Public administration	89751	4%	77194	3%
Total number of employed population (civilian)	2093722		2612646	

Source : Economic Census 1997

Note: Table 4 presents the number of establishments for each category of industry for the United States as a country (in order to make comparisons), Atlanta and Dallas metro areas. It also presents the percentage of establishments that each industry has a percentage of the total.

Table 4 : Size and structure of establishments

Industry	US- # of establishments	% of the total	Atlanta Metro # of establishments	% of the total	Dallas Metro # of establishments	% of the total
Utilities	25000	0.45%	177	0.21%	232	0.23%
Construction	15513	0.28%				
Manufacturing	363753	6.51%	4394	5.17%	6764	6.69%
Wholesale trade	453470	8.12%	9263	10.90%	10129	10.03%
Retail Trade	1118447	20.02%	14631	17.21%	17277	17.10%
Transportation and warehousing	178025	3.19%	2303	2.71%	2633	2.61%
Information (*)						
Finance and insurance	395203	7.08%	6635	7.81%	8086	8.00%
Real state, rental and leasing	288273	5.16%	4742	5.58%	5928	5.87%
Professional, scientific and technical serv.	621129	11.12%	12870	15.14%	13482	13.34%
Administrative and support	276393	4.95%	5221	6.14%	5951	5.89%
Educational	40936	0.73%	718	0.84%	859	0.85%
Health and social services	645853	11.56%	8281	9.74%	11343	11.23%
Arts, entertainment and recreation	99099	1.77%	1129	1.33%	1286	1.27%
Accommodation and food services	545068	9.76%	7296	8.58%	8336	8.25%
Other services (except public administration)	519715	9.30%	7338	8.63%	8729	8.64%
Total number of establishments	5585877		84998		101035	

Source : Economic Census 1997

(*) There is not data for this category for metro areas

Table 5 : Location quotients - Sales, receipts or shipments by industry (In millions of dollars)

Industry	USA -Sales, receipts or shipments	Portion the total	Atlanta Metro - sales receipts or shipments	Portion of the total	Location Quotient (*)	Dallas Metro - sales receipts or shipments	Portion of the total	Location Quotient (*)
Utilities	411713	0.027	6712	0.023	0.86	7049	0.022	0.81
Construction	3842061	0.249						
Manufacturing	4059657	0.263	49692	0.170	0.64	63617	0.196	0.75
Wholesale trade	2460886	0.160	138768	0.474	2.97	134407	0.415	2.60
Retail Trade	2460886	0.160	40479	0.138	0.87	49966	0.154	0.97
Transportation and warehousing	318245	0.021	5685	0.019	0.94	7714	0.024	1.15
Information (**)								
Finance and insurance (**)							0.000	
Real state, rental and leasing	240917	0.016	5452	0.019	1.19	6077	0.019	1.20
Professional, scientific and technical serv.	15708	0.001	13392	0.046	44.90	14630	0.045	44.31
Administrative and support	295936	0.019	8041	0.027	1.43	11469	0.035	1.84
Educational	40438	0.003	314	0.001	0.41	446	0.001	0.52
Health care and social services	551539	0.036	11964	0.041	1.14	14796	0.046	1.28
Arts, entertainment and recreation	104715	0.007	1420	0.005	0.71	1770	0.005	0.80
Accommodation and food services	350399	0.023	6002	0.020	0.90	6964	0.021	0.95
Other services (except public administration)	264897	0.017	4867	0.017	0.97	5196	0.016	0.93
Total amount of sales, receipts, shipments	15417997		292788			324101		

Source : Economic Census 1997

(*) Location quotient of the corresponding metro area against US average

(**) Not considered in the analysis due the lack of data in those categories at the MSA level.

Table 6: Population growth and non-family households

	Total Population		Percent change	White (%)		Black (%)		Hispanic (%)		Non-family households (%)	
	1990	2000		1990	2000	1990	2000	1990	2000	1990	2000
	Atlanta	2,833,511	4,112,198	45.1%	71.3	63.0	26.0	28.9	2.0	6.5	29.7
Dallas	3,885,415	5,221,801	34.4%	75.3	69.5	14.3	13.8	13.4	21.5	31.0	30.8

Source: U.S. Census Bureau, Census 2000, 1990

Table 7: Residence, work location and commuting trends

	Total Population		Percent change	Lived outside MSA 5 yrs ago		Percent change	Worked in central city		Percent change
	1990	2000		1990	2000		1990	2000	
	Atlanta	2,833,511	4,112,198	45.1%	570,202	856,476	50.2%	438,412	420,010
Dallas	3,885,415	5,221,801	34.4%	772,196	1,045,899	35.4%	1,115,931	1,232,272	10.4%
	Worked outside central city		Percent change	Drove alone to work		Percent change	Public transit to work		Percent change
	1990	2000		1990	2000		1990	2000	
	Atlanta	1,043,369	1,640,622	57.2%	1,155,206	1,586,720	37.4%	69,822	75,272
Dallas	860,675	1,295,376	50.5%	1,555,604	1,990,617	28.0%	46,504	45,765	-1.6%

Source: US Census Bureau, Census 2000, 1990, 2002 SF3 Data, 1990 SF3 Data

Table 8: Educational and collegiate degree trends

AGES 25 AND OLDER

	Total enrolled, all educational levels		Percent change	White, college degree and above		Percent change	Black, college degree and above		Percent change
	1990	2000		1990	2000		1990	2000	
Atlanta	712,496	1,112,254	56.1%	476,060	731,317	53.6%	92,380	194,698	110.8%
Dallas	1,029,778	1,426,125	38.5%	658,720	892,121	35.4%	58,635	99,727	70.1%
	Total 25+ yr olds, college degrees or higher		Percent change	Hispanic, college degree and above		Percent change	Asian, college degree and above		Percent change
	1990	2000		1990	2000		1990	2000	
Atlanta	585,249	993,499	69.8%	9,441	27,295	189.1%	13,861	43,596	214.5%
Dallas	809,801	1,103,509	36.3%	30,433	64,018	110.4%	28,044	66,996	138.9%

Source: US Census Bureau, Census 2000, 1990, 2002 SF3 Data, 1990 SF3 Data

Table 9: Atlanta and Dallas key educational institutions

Atlanta Colleges and Universities	Dallas Colleges and Universities
Agnes Scott College	Southern Methodist University
Atlanta College of Art	Texas A&M University - Commerce
Clark Atlanta University	Texas A&M Research and Extension Center
Clayton College & State University	Texas Christian University
Emory University	University of Dallas
Georgia Institute of Technology	University of North Texas
Georgia State University	University of N. Texas Health Science Center
Institute of Paper Science and Technology	University of Texas at Arlington
Kennesaw State University	University of Texas at Dallas
Mercer University (Atlanta Operations)	University of Texas Southwestern Medical Center
Morehouse College	
Morris Brown College	
Oglethorpe University	
Southern Polytechnic State University	
Spelman College	

Source: Atlanta Consortium for Higher Education; Texas Higher Education Coordinating Board

Table 10. Atlanta economic development scorecard

Indicator	Rank	Score
Overall Score	11	48.6
Aggregated Knowledge Jobs	15	10.7
Managerial, Professional & Tech Jobs <i>Managers, professionals, and technicians as a share of the total workforce.</i>	12	40%
Workforce Education <i>A weighted measure of the educational attainment (advanced degrees, bachelor's degrees, or some college course work) of the workforce.</i>	24	0.60
Aggregated Globalism Scores	21	9.5
Export Focus Of Manufacturing <i>Manufacturing export sales per manufacturing worker.</i>	21	\$34,000
Aggregated Economic Dynamism Scores	10	11.5
"Gazelle" Jobs <i>Jobs in gazelle companies (companies with annual sales revenue growth 20 percent or more for four straight years) as a share of total employment.</i>	21	10.0%
Job Churning <i>A score based on the number of new start-ups and business failures within each metro.</i>	2	11.2
New Publicly Traded Companies <i>The number of companies' initial public stock offerings as a share of gross metropolitan product.</i>	8	5.5
Aggregated Digital Economy Scores	10	12.1
Online Population <i>The percentage of adults with Internet access at work or at home.</i>	17	45.1%
Broadband Telecommunications Capacity <i>The number of broadband competitors per zip code area.</i>	7	3.87
Computer Use In Schools <i>The percentage of children using computers in the classroom.</i>	21	69%
Commercial Internet Domain Names <i>The number of commercial Internet domain names (".com") per total number of businesses.</i>	14	1.04
Internet Backbone <i>Total capacity of all Internet backbone links to other metropolitan areas as share of employment.</i>	3	59
Aggregated Innovation Capacity	22	9.4
High-Tech Jobs <i>Jobs in electronics and high-tech electronics manufacturing, software and computer-related services, telecommunications, data processing and information services, biomedical and electromedical services as a share of total employment.</i>	13	4.1%
Degrees Granted In Science and Engineering <i>A weighted measure of the degrees granted in scientific and technical fields as a share of the workforce.</i>	32	9.7
Patents <i>The number of utility patents issued to companies or individuals per 1,000 workers.</i>	32	0.34

Academic R&D <i>A combined measure of industry investment in R&D at academic institutions and total academic R&D.</i>	10	10.2
Venture Capital <i>Venture capital invested as a share of gross metropolitan product.</i>	11	0.42%

Source: <http://www.neweconomyindex.org/metro/atlanta.html>

Table 11. Dallas economic development scorecard

Indicator	Rank	Score
Overall Score	12	46.0
Aggregated Knowledge Jobs	27	9.9
Managerial, Professional & Tech Jobs <i>Managers, professionals, and technicians as a share of the total workforce.</i>	18	38%
Workforce Education <i>A weighted measure of the educational attainment (advanced degrees, bachelor's degrees, or some college course work) of the workforce.</i>	31	0.57
Aggregated Globalism Scores	25	9.3
Export Focus Of Manufacturing <i>Manufacturing export sales per manufacturing worker.</i>	25	\$31,000
Aggregated Economic Dynamism Scores	13	11.2
"Gazelle" Jobs <i>Jobs in gazelle companies (companies with annual sales revenue growth 20 percent or more for four straight years) as a share of total employment.</i>	19	10.1%
Job Churning <i>A score based on the number of new start-ups and business failures within each metro.</i>	3	11.2
New Publicly Traded Companies <i>The number of companies' initial public stock offerings as a share of gross metropolitan product.</i>	19	3.3
Aggregated Digital Economy Scores	6	12.4
Online Population <i>The percentage of adults with Internet access at work or at home.</i>	6	49.6%
Broadband Telecommunications Capacity <i>The number of broadband competitors per zip code area.</i>	12	3.49
Computer Use In Schools <i>The percentage of children using computers in the classroom.</i>	13	74%
Commercial Internet Domain Names <i>The number of commercial Internet domain names (".com") per total number of businesses.</i>	17	0.96
Internet Backbone <i>Total capacity of all Internet backbone links to other metropolitan areas as share of employment.</i>	5	57

Aggregated Innovation Capacity	25	9.1
High-Tech Jobs <i>Jobs in electronics and high-tech electronics manufacturing, software and computer-related services, telecommunications, data processing and information services, biomedical and electromedical services as a share of total employment.</i>	6	5.0%
Degrees Granted In Science and Engineering <i>A weighted measure of the degrees granted in scientific and technical fields as a share of the workforce.</i>	44	9.3
Patents <i>The number of utility patents issued to companies or individuals per 1,000 workers.</i>	25	0.48
Academic R&D <i>A combined measure of industry investment in R&D at academic institutions and total academic R&D.</i>	39	9.6
Venture Capital <i>Venture capital invested as a share of gross metropolitan product.</i>	24	0.20%

Source: <http://www.neweconomyindex.org/metro/dallas.html>