City ReAssembly Studio:
Ford Assembly Plant: Hapeville, Georgia

Georgia Institute of Technology
City and Regional Planning Program
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Executive Summary

In 1947, Ford Motor Company built its first post-war modern assembly plant in the City of Hapeville. Just down the street, Truett Cathy's Dwarf Grill had opened a year earlier and would later be touted as the very first location of the Chik-fil-A quick-service restaurant chain. Bordering and beyond Hapeville city limits, metropolitan Atlanta was experiencing a similar upsurge in economic activity, particularly in industries that revolved around the region's expansive transportation network. In 1941, Delta Air Services moved its corporate headquarters from Monroe, Louisiana to Atlanta. Seven years later, General Motors opened the Doraville Assembly plant approximately 20 miles away from the Hapeville Ford plant. That same year, the Atlanta Municipal Airport, now known as the Hartsfield-Jackson Atlanta International Airport, had more than one million passengers come through its doors.

Now, more than 50 years later, the City of Hapeville finds itself constrained by the same elements that spurred economic growth in the past. In January of 2006, Ford announced that it would be closing the Hapeville plant and in October, the last Ford Taurus rolled off the assembly line at the site. However, of the nearly 2,000 workers whose jobs were impacted by the plant closing, a disproportionately small number actually lived in Hapeville. The railroad running through the city, along Central Avenue and terminating on the auto plant, created excellent rail connections to the site. However, it split Hapeville's downtown into two distinct north-south sections and is responsible for traffic and visual disconnects when in use. The airport has since expanded and a runway borders both the city and the Ford plant to the south. Interstate 75, one of the main thoroughfares in the state, runs along the eastern edge of the city. These transportation hubs and arteries located in and around the city have isolated Hapeville both economically and physically.

The closing of the Ford plant will be a great opportunity for the City of Hapeville. It is a chance to reverse the trend and reinvent itself as a unique destination location by leveraging its transportation connections for optimum economic benefit. To that end, the Graduate City and Regional Planning Program at the Georgia Institute of Technology has conducted a master's level Brownfield studio to investigate and recommend redevelopment strategies for the 128-acre Ford site. The studio is a capstone course where graduate students in their final year apply skills obtained in the program to real situations under the guidance of professors and practitioners in the planning profession.

The approach used in this analysis was designed to address both the physical attributes of the site and the opportunities within that context that can be leveraged for economic growth and development. Sources that informed the site and market analyses include: site visits, interviews with local and regional stakeholders, statistical data and relevant studies. The Livable Centers Initiative (LCI) study conducted for the City of Hapeville by Tunnell-Spangler-Walsh & Associates (TSW), among other documents, is a constant point of reference in this report. The Atlanta Regional Commission's (ARC) LCI program funds strategic plans geared towards linking transportation improvements to land development and requires considerable community engagement in the planning process. The vision for the City of Hapeville projected by the LCI study was used as a constant point of reference in this report to ensure that the redevelopment recommendations complemented the economic activity and physical development projected.

This report begins by taking an inventory of the physical attributes of the site through an urban design framework. It then delves into an analysis of the market conditions that influence economic development options and strategies for redevelopment. The redevelopment proposals that follow reconcile all the variables in the initial findings and lay out proposed uses for three distinct sections identified on the site. Finally, the discussion on implementation identifies opportunities for redevelopment, taking into account Hapeville's economic future and long term sustainability. The recommendations in this report are intended to set a flexible framework for future planning efforts and lay the groundwork for continued stakeholder dialogue.

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1.0 Introduction

1.1 History of Hapeville and the Ford Assembly Plant

On January 8, 1821, the Creek Nation Indians ceded a large tract of land that included the present Hapeville area. In 1853, that land was incorporated into Fulton County. Hapeville grew out of individual farm settlements owned by the Thrailkill, Cash, Mangum, Sims, and Hape families. The history of Hapeville is tied to the history of transportation in the Atlanta region. The same railroad, the Central of Georgia, that helped found Atlanta also determined the site of Hapeville. In 1871, Dr. Samuel Hape and other investors purchased 500 acres of wooded land on the Macon and Western Central Georgia Railroad, eight miles south of Atlanta. The Village of Hapeville was chartered on September 16, 1891, by Dr. Samuel Hape, Hapeville's first Mayor.

In 1915, water mains were laid and two main streets, Stewart (now Dogwood Drive) and Central Avenues, were paved as horseless carriages began to replace wagons and buggies. The next most significant transportation impact on Hapeville's future occurred when Asa G. Candler, Jr. allowed the center of his oval race track to be used as a landing field for aircraft.[1] The City of Atlanta purchased this area in 1929 and founded its municipal airport. This airport eventually became Hartsfield-Jackson International Airport, the world's busiest airport.

The Ford Motor Company vehicle assembly plant was the first big business in Hapeville and marked another major impact on Hapeville's economy.[2] When the Ford plant was built in Hapeville, most of the businesses in the city were small, family-owned stores, banks, drug stores, and furniture stores. After the opening of the Ford plant, the city became home to the original Chick-fil-A restaurant in 1956, the Airport Hilton Inn in 1960, which linked Hapeville to the international chain of hotels, and Delta Air Lines Corporate Headquarters in 1990.

In May 1945, Ford purchased 83 acres of land on South Central Avenue in the city for a new Atlanta Assembly Plant. Construction costs surpassed six million dollars and the first automobile rolled off the assembly line in December 1947. The original building measured 1,042 feet by 407 feet, and contained 621,253 square feet of floor space.[3] The building had office and assembly space, a plant hospital, and two cafeterias. Ford employed over 1,000 workers at the site.

Almost immediately, the plant experienced its first of a long series of major expansions. In 1956, a multimillion dollar expansion created a 407,000 square foot addition that gave the plant more than 1,000,000 square feet of floor space and increased production to 540 units. In 1971, a new front end assembly building was constructed for the new Torino model. A new warehouse was constructed in 1974 for the production of the Mercury/Cougar. In 1977, a 149,400 square foot building was erected for the Fairmont assembly. A 28,000 square foot addition for the E-COAT, an electro-plate process to undercoat the body of the vehicles, was erected in 1979. In 1984, a 240,000 square foot paint building was erected. A 149,700 square foot building was constructed in 1985 to facilitate assembling the new 1986 Taurus/Sable line.

The expansion projects to the Ford plant increased the acreage of the property from its original 83 acres purchased in 1945, to 128 acres today. Fifty-two acres house the assembly operations with 2.3 million square feet of space. The building is presently 1,760 feet long and 1,120 feet wide and accommodates two railroad tracks that utilize 36 railcars. The Hapeville plant reached peak production in 1950, with 352 units daily that were assembled by 1,400 workers. By 1960, over one million vehicles had been produced at the plant, and by 1968, the plant had produced the second million units, at which time plant employment peaked at 4,200 workers.

[1] *Milton, Edwin, et al. A History of Hapeville. WH Wolfe Associates: Alpharetta, 1991.*

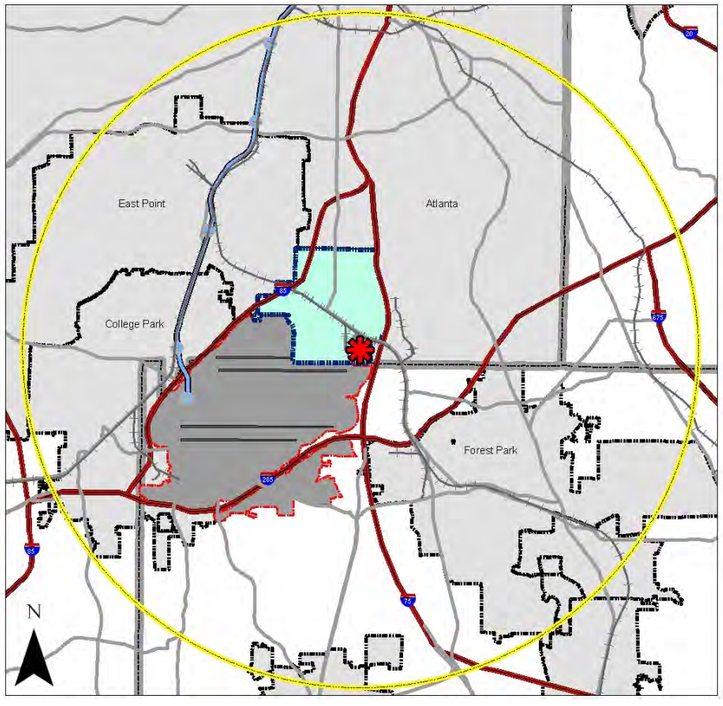
[2] *Ibid.*

[3] *Ibid.*

1.2 Current State of Hapeville

The City of Hapeville has grown tremendously since its incorporation, from 500 acres of wooded land to over 1,500 acres. Figure 1.2.1 below outlines the city limits in blue and the Ford Assembly plant is shown with a red asterisk. The city is bordered by Interstate 85 and the City of East Point to the west-northwest, Interstate 75 to the east, Hartsfield-Jackson International Airport to the south-southwest, and the City of Atlanta to the north and east.

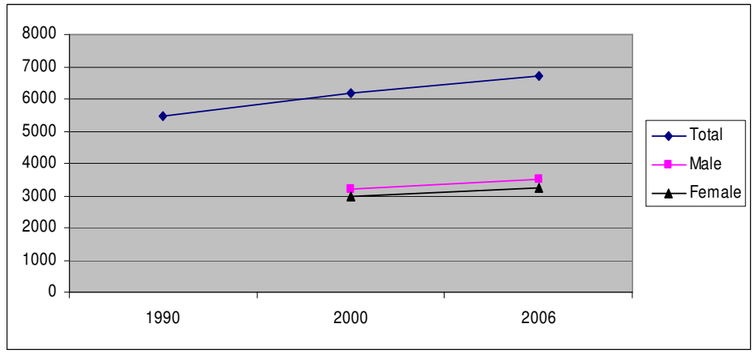
Figure 1.2.1 – Hapeville City Limits



Population

Hapeville's total population is currently estimated at 6,719. Hapeville experienced a steady growth rate in population from 1990 to 2006. As depicted in Figure 1.2.2, the city's growth rate was 12.7% from 1990 to 2000, but lessened to an 8.7% growth rate over the past six years. This growth is modest compared to metropolitan Atlanta's (MSA) growth rate of 49.9% over the same time period. Hapeville's growth rate is projected to return to 12.2% between 2006 and 2011.

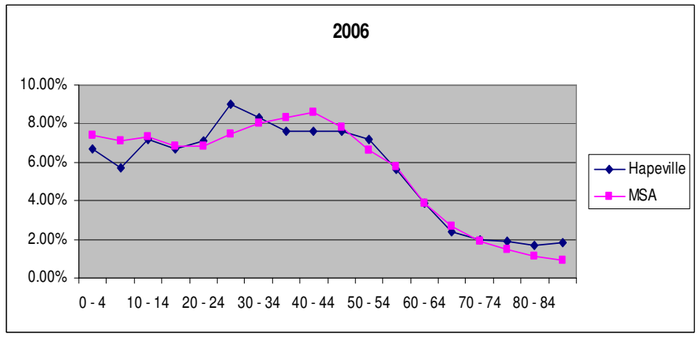
Figure 1.2.2 – 1990-2006 Population Growth, Hapeville, GA



Age

Hapeville's age reveals almost no significant differences compared to the Atlanta MSA. In 2000, Hapeville had a larger percentage of individuals between the ages of 20 and 29 than the metropolitan region. In 2006, this difference diminished; only individuals between the ages of 25 and 29 were more numerous. Additionally, in 2000, Hapeville had fewer residents between the ages of 0 to 5 and 10 to 19 than the metropolitan area. The median age in Hapeville is 33 with nearly 33% of its population in the 25-44 age group. Figure 1.2.3 shows the age breakdown in the city in 2006.

Figure 1.2.3 – 2006 Age Distribution, Hapeville, GA

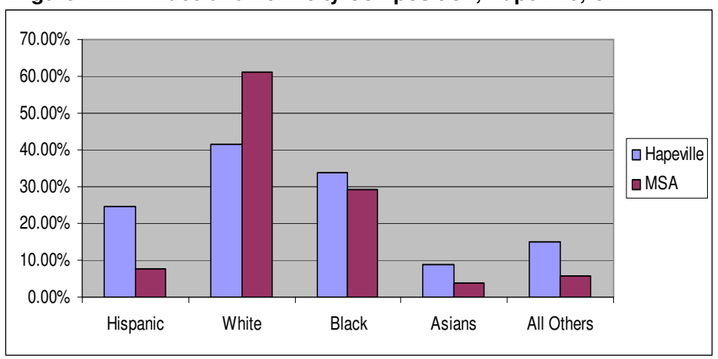


Source: U.S. Census and ESRI

Race, Ethnicity, and Gender

Hapeville has a much more diverse population than the metropolitan region as a whole. The majority of the city's population is Caucasian, but Hapeville is more diverse than the Atlanta MSA as a whole. Hapeville has a rapidly growing Hispanic population and over 20% of the city's population is Hispanic. The racial and ethnic composition of the city is shown in Figure 1.2.4.

Figure 1.2.4 – Race and Ethnicity Composition, Hapeville, GA



Source: U.S. Census and ESRI

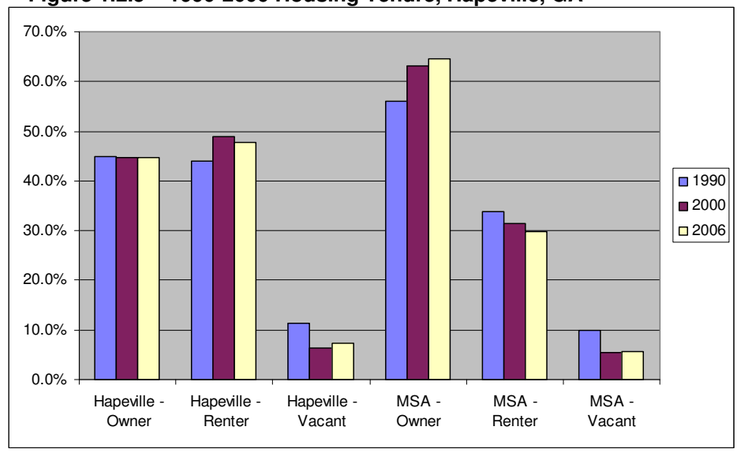
The Hispanic population grew from 217 people in 1990 to 1,348 in 2000, a five-fold increase in this community. This rapid growth rate has flattened since 2000, as the population grew at a 23% growth rate. Currently, there is an estimated Hispanic population of 1,660.

The gender breakdown for metropolitan Atlanta is nearly equal between males and females (49.5% to 50.5%, respectively) and did not change significantly from 2000 to 2006. Hapeville's gender breakdown reveals that males outnumber females 52% to 48%, respectively, in 2006. The disparity between genders has not changed since 2000, nor is it projected to change between 2006 and 2011.

Households

Hapeville has an average household size of 2.6 persons per households, which matches the Atlanta MSA's average of 2.68. Hapeville's rate of owner occupied housing units has stayed constant since 2000 with an approximate 44.8% of residents owning their own home. The rate of renter occupied units has increased to 47.8% from 43.9% in 1990. The percentage of renter occupied units declined slightly since 2000, while the vacant unit rate has increased slightly. Currently, an estimated 7.4% of the dwelling units in Hapeville are vacant. Figure 1.2.5 shows the percentage change in renter, owner, and occupied units in Hapeville compared to the MSA since 1990.

Figure 1.2.5 – 1990-2006 Housing Tenure, Hapeville, GA

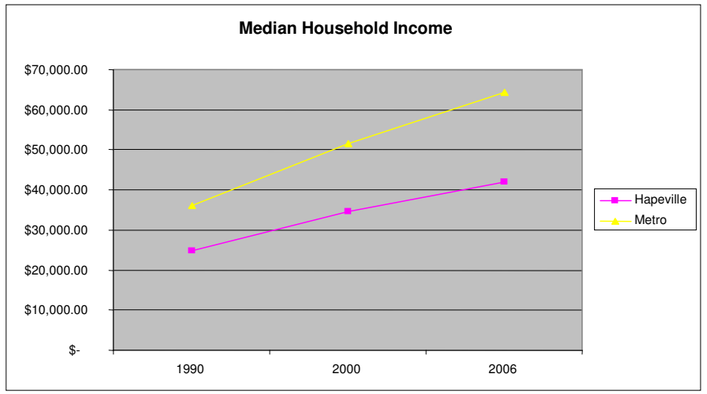


Source: U.S. Census and ESRI

Employment and Income

The majority of all personal income comes from employment. Median household income in 1990 was $24,865, just about $11,000 less than the Atlanta MSA's median income of $36,051. However, in 2000 and 2006 the difference between Hapeville's median household income and the region's grew. As shown in Figure 1.2.6, Hapeville's median household income was $34,510 in 2000 and $42,046 in 2006. In 2000, the difference between the median household income in Hapeville and the median household income in the state was about $17,000. In 2006, though, the difference increased to about $22,000.

Figure 1.2.6 – 1990-2006 Median Household Income, Hapeville, GA

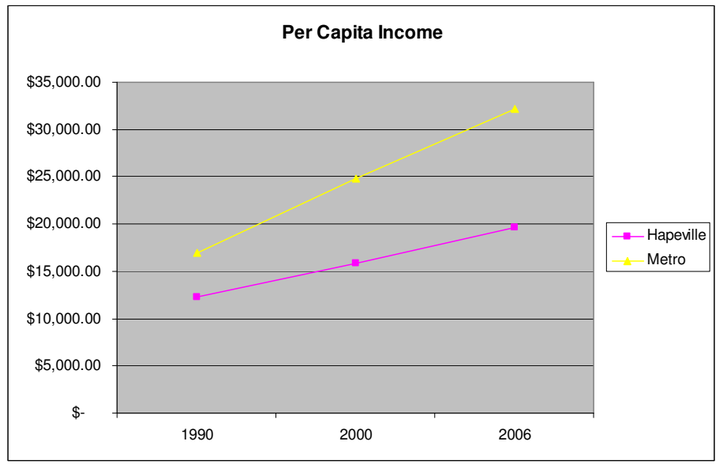


Source: U.S. Census and EsriBis

As Figure 1.2.6 suggests, the range of Hapeville's household income still lags behind the rest of the region. Hapeville has a higher percentage of families that fall into the lower income bracket. Similarly, in all the higher brackets, the region as a whole has higher percentages than Hapeville. The third-highest income bracket for Hapeville is the $50,000 - $74,999 income bracket, though, which is where the Atlanta MSA's household median income lies.

Per capita income trends for Hapeville have followed a similar pattern. In 1990, per capita income was $12,280, or 28.4% below the region's per capita income of $16,897, as shown in Figure 1.2.7. Between 1990 and 2000, though, Hapeville's per capita income increased by $3,500. The difference between Hapeville and the region's per capita income, which grew more than $9,000 in the same period, became more pronounced. While estimates suggest the 2006 per capita income of Hapeville rose to $19,668, this lags behind the region's per capita income by almost $12,000 annually.

Figure 1.2.7 – 1990-2006 Per Capita Income, Hapeville, GA



Source: U.S. Census and EsriBis

Currently, Hapeville's employment base is dominated by the transportation sector, with over 250 businesses employing 18,849 workers, of which almost 60% work in the transportation sector. Hapeville has an occupational advantage in the construction/extraction/maintenance sector and the production/transportation/material moving sector, but a relative weakness in the highly-skilled, white collar management/professional category. An analysis of Hapeville's labor force indicates that most reside out of the city, while the majority of Hapeville residents are employed outside of the city. Out-migration is not due to a lack of jobs since the daytime population of the city grows almost 162% per day.

1.3 Redevelopment Goals

The Ford Vehicle Assembly Plant has been the largest land use and parcel owner in Hapeville for over 60 years. Despite its economic benefit, the Ford plant and the changes it required of Hapeville's transportation system had negative impacts on the city's development pattern. The city has a lack of quality high density residential development and an imbalance in uses, particularly mixed uses, with a majority of the residential development occurring in the northern portion of the city. Train loading and unloading at the Ford plant caused significant disruptions to the circulation patterns in downtown by causing congestion and interrupting traffic flow. The railroad crossings pose connectivity and road alignment issues and geometric challenges to vehicles, particularly trucks. The city has a walkable street pattern, but due to poor sidewalk conditions or lack of sidewalks in some areas, and heavy truck and railroad traffic near the Ford plant, pedestrian mobility is limited.

With the Ford plant closure in October 2006, some of the traffic flow and congestion issues may no longer be relevant, but the plant has impacted the city beyond its transportation challenges and accessibility issues. The city has lost over 2,000 jobs and its largest utility generator. Now considered a brownfield site, the property is likely to have concentrated contamination. A few of the most obvious, potentially polluted areas are the paint shop facility, hazardous material, chemical storage, and tank farm, and the buried propane yard. Many of these uses exist on some of the most promising and developable parts of the site. The site is further restricted by the abundant rules and regulations that will be enforced on future development due to airplane noise levels and runway protection zones.

Despite any short-term concerns or potential long-range adverse impacts, when Ford vacates the property, it leaves Hapeville with an opportunity to capitalize on the site's great location and opportunity to pursue redevelopment that will be in the best interest of the city, its residents, and the entire community. Clearly, the city has been impacted by the operation of the Ford plant, both positively and negatively, and faces challenges in future redevelopment. However, the plant's closure offers a unique opportunity to reverse the negative impacts and address many of the socioeconomic and design problems of the city.

The Livable Centers Initiative

In addition to demographic data previously mentioned, an additional source of information for assessing the current context of Hapeville was the Livable Centers Initiative. Hapeville received funding from the Atlanta Regional Commission (ARC) to complete a study to plan and implement strategies that link transportation improvements with land use development strategies to create sustainable, livable communities. The City of Hapeville is currently in the process of implementing redevelopment goals identified as part of its Main Street Town Center Livable Centers Initiative (LCI) Study that was completed by Tunnell-Spangler Walsh & Associates (TSW) in December 2005. The purpose of the Town Center LCI was to assist Hapeville in developing a long-term vision for promoting the growth of its historic downtown and adjacent neighborhoods by promoting visual appeal, establishing a

compatible mix of land uses, preserving sense of place, ensuring multiple transportation options, and supporting economic development.[4] The LCI study was intended to assist the community in defining their vision and creating a master plan that outlines proposed land uses and development opportunities for an attractive and sustainable Town Center area.[5] The study area encompassed nearly 60% of the city, including the Ford site, however, the study primarily focused on redevelopment in Hapeville's downtown area since the Ford plant was active at the time the LCI study was completed.

The goals of the Hapeville Main Street Town Center LCI, as established by the LCI program, are to[6]:

1. Encourage a diversity of medium- to high-density, mixed income neighborhoods, employment, shopping, and recreation choices at the activity and town center level.
2. Provide access to a range of travel modes including mass transit, roadways, walking, and biking to enable access to all uses within the LCI study area.
3. Encourage integration of uses and land use policies/regulations with transportation investments to maximize the use of alternative modes.
4. Through transportation investments, increase the desirability of redevelopment of land served by existing infrastructure at activity and town centers.
5. Preserve the historic characteristics of activity and town centers and create a community identity.
6. Develop a community-based transportation investment program at the activity and town center level that will identify capital projects, which can be funded in the annual Transportation Improvement Program (TIP).
7. Provide transportation infrastructure incentives for jurisdictions to take local actions to implement the resulting activity or town center study goals.
8. Provide for the implementation of the Regional Development Plan (RDP) policies, quality growth initiatives and Best Development Practices in the LCI study area, both through local governments and at the regional level.
9. Develop a local planning outreach process that promotes the involvement of all stakeholders, particularly low income, minority, and traditionally under-served populations.
10. Provide planning funds for development activity and town centers that showcase the integration of land use policy and regulation and transportation investments with urban design tools.

TSW also worked with the community and stakeholders to develop additional goals and objectives for the study area that complement the goals established by the Atlanta Regional Commission (ARC) as the base for any LCI program. Transportation goals included improving pedestrian safety, improving connectivity, and providing well-balanced retail and residential parking. A land use and zoning goal was to provide a balanced mix of land uses. The community also indicated a desire to improve public safety; ensure adequate infrastructure to support future development; preserve and enhance the city's identity and historic character; provide high quality, well maintained parks, open space amenities, and recreational facilities; develop fiscally sound, community-supported revitalization strategies; and utilize Hapeville's sense of place as a marketing strategy.[7] Although a community involvement component was not incorporated into the studio redevelopment planning process due to time constraints, the goals of the LCI study were established through extensive public outreach efforts, and deemed an adequate substitution given the recent completion of the LCI report.

Redevelopment of the Ford plant provides an opportunity to meet some of the goals identified in the LCI study. Specifically, the redevelopment plan will complement the transportation objectives identified in the LCI by increasing vehicular and pedestrian connectivity through extension of the existing street pattern from the Olde Towne neighborhood into the site. The redevelopment plan also creates an urban framework that subdivides the site to encourage a healthy mix of uses that will build upon Hapeville's small town character and its strategic location, thereby reinforcing the marketing and urban design goals identified in the LCI.

Site Specific Goals

The LCI study established overall goals for development in Hapeville. Our analysis identified additional site-specific goals that were created in conjunction with the LCI goals when considering the redevelopment potential and opportunities for the Ford Plant that guide the urban design concepts, economic

[4] *Tunnell-Spangler-Walsh & Associates, Hapeville Main Street Town Center Livable Centers Initiative, December 19, 2005. pg. 1:2.*

[5] *Ibid.*

[6] *Ibid.*

[7] *Tunnell-Spangler-Walsh & Associates, Hapeville Main Street Town Center Livable Centers Initiative, December 19, 2005.* pg. 2:9-2:11.

analyses, and potential uses proposed for the site. These additional goals include:

Goal #1: Encourage more businesses and residents to move to Hapeville. As Hapeville now faces the largest redevelopment project in its history, the city has the opportunity to attract business that will increase daytime tax dollars spent in the city and permanent residents that will increase the nighttime population.

Goal #2: Increase job opportunities for Hapeville residents. Currently, Hapeville's commute patterns suggest that the majority of residents are leaving the city to work everyday while most of the workers at the Ford plant lived outside of the city. The closing of the Ford plant could provide an opportunity to create future jobs for the labor force currently residing in Hapeville.

Goal #3: Sustain or increase the tax base for the City of Hapeville. Redevelopment of the site with multiple uses, as opposed to one use or user, reduces economic vulnerability for the city and may increase the tax benefit to Hapeville.

Goal #4: Increase prestige and uniqueness of Hapeville. The proposed redevelopment design and uses enhance the historic character of the city by proposing the reuse of existing facilities, subject to feasibility, for cultural activities and for leveraging the city's strategic location to attract specific businesses, all while maintaining a small town feel and sense of place.

2.0 Tools for Redevelopment

Due to the existence of the vehicle assembly plant, the Ford site is considered a brownfield. Brownfields are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.[8] Many contaminated brownfield sites sit idle for decades because the cost of clean up to safe standards is more than the land would be worth after redevelopment. However, redevelopment of brownfield sites has become more common as developable land grows less available in highly populated areas, the method of studying contaminated land becomes precise, and techniques to clean up environmentally distressed properties becomes more sophisticated and established.

The barriers to redevelopment of brownfield sites, including clean up costs and liability insurance, among others, are being undertaken by federal and state entities that have developed programs to assist developers interested in cleaning up brownfield sites and restoring them to practical uses. Some states and localities have even spent considerable money assessing the contamination on local brownfield sites in order to quantify the clean up costs in an effort to move the brownfield redevelopment process forward. Despite these barriers, more government entities and developers are beginning to recognize the benefit of redeveloping brownfield sites. Redevelopment in existing neighborhoods is an approach to growth that can be cost-effective while providing residents with greater proximity to jobs, public services, and amenities. Clean-up and reinvestment in these properties helps to lower development pressures for undeveloped land and both improves and protects the environment. Many brownfield sites are located close to important thoroughfares such as highways and rivers; therefore, their reclamation can be a major asset to a city.

There are two tools typically employed in brownfield redevelopment: urban design and economic development. Brownfields represent a large untapped resource for land development in established communities. The redevelopment of these sites creates opportunities for both the public and private sectors. Brownfield remediation and reuse can provide numerous benefits for the public sector and community by promoting increased private-sector investment at the site itself and the immediate area of the site; higher tax revenues from the increased economic activity at the site and its immediate area; job creation in the firms that remediate the site, in the new businesses that are then established at the site, and in those organizations providing goods and services to the new companies; neighborhood revitalization from the activities of people and businesses at or near the site; and reduced urban sprawl at the edge of the built-up area because of more central city redevelopment.[9] For private sector, brownfields offer redevelopment opportunities due to the new business activity for the real estate community associated with redeveloping sites; new business potential for lending institutions; proximity to the downtown business district and its service, supply, and distribution; access to untapped consumer markets; and

[8] *"About Brownfields…" U.S. Environmental Protection Agency website available at http://www.epa.gov/brownfields/*

[9] *McCarty, Linda. Brownfield Redevelopment: A Resource Guide for Toledo and Other Ohio Governments, Developers, and Communities. August 2001.*

convenience to a large, moderately priced labor force in the immediate area and to a regional labor pool that depends on a well-developed public transportation system.[10]

While the extent of contamination on the Ford site is currently unknown and would require a complete environmental assessment to determine the levels and location of contamination, the site's physical characteristics and redevelopment prospects are important in assessing their redevelopment potential. The economic development goals in brownfield redevelopment should include[11]:

- Clean-up and re-use: Minimizing costs of meeting remediation standards is important because private and public resources are finite.
- Sustainability: Remediation on site to determine what can not be eliminated on site and what should be contained on site.
- Fiscal and social: Maximizing brownfield redevelopment impacts when using limited public funds requires looking beyond the immediate site to community revitalization as a whole.

Acquiring, cleaning, and redeveloping brownfield sites can be extremely expensive. However, there are federal and state incentive programs designed to encourage investors and developers to redevelop brownfields. Creatively crafted and targeted incentives and assistance can help advance cleanup and reuse activities and achieve significant economic, social, and aesthetic benefits for brownfields such as the Ford site. These brownfield financing options include tax incentives, capital attraction incentives, and initiatives to support financing.

Urban design strategies typically consider the existing framework, infrastructure, and sustainability of a place in both existing and proposed development. When the Ford plant located in Hapeville, it disrupted the historic grid pattern of the street network in the city. Good urban design in the redevelopment of the Ford site will subdivide the land in a physical context that will restore that street network and reconnect the site to the rest of the city. Urban design facilitates phased development that can accommodate multiple uses, promotes positive economic spillovers from site revitalization, and potentially maximizes fiscal benefits to the community.

The use of economic development and urban design is important for any redevelopment plan for the Ford site. Synthesizing these tools when formulating a redevelopment plan will maximize the potential of the Ford plant site by integrating the site back into the city's physical framework and providing opportunities for the community to participate in new activity on the site.

[10] *McCarty, Linda. Brownfield Redevelopment: A Resource Guide for Toledo and Other Ohio Governments, Developers, and Communities. August 2001.*
[11] *Presentation by Nancey Green Leigh, PhD, AICP, Professor of City and Regional Planning Georgia Institute of Technology, 2006.*

3.0 Economic and Market Analyses

This section provides both a basic analysis of Hapeville's economy, particularly in terms of employment and industry. In addition, it takes a more detailed look at specific real estate markets that will inform uses on the redeveloped Ford site. The economic analysis gives us a snapshot of the city's economic conditions, helping us to determine the basic need for economic development in Hapeville. Our market analyses explore the local market for four major types of real estate: 1) residential, 2) office, 3) retail, 4) hospitality, and 5) industrial. These analyses will direct us toward specific uses for the site that best cultivate economic growth and prosperity in the city.

3.1 Hapeville's Daytime Population

Hapeville's commute patterns suggest that much of its workforce is employed outside of the city limit, it is important to seek insight into those actually *working* in Hapeville as opposed to those *living* in Hapeville, but working elsewhere. A typical daytime population would include those working in the city limits, as well as those deemed not in the workforce. Ideally these numbers should be somewhat similar – meaning that everyone who lives in an area can also find work in the area.

The U.S. Census Bureau recently began estimating daytime population and is providing estimates based on the 2000 census year. (see Appendix for a detailed table showing the estimated daily population for both Hapeville and the 13-county Atlanta region). The daytime population of Hapeville far exceeds the city's resident population. The estimated daytime population of Hapeville is 12,779, while the resident population is just 6,180. Of Hapeville's resident population, 2,772 are considered employed, yet only 319 or 11.5% work in the same place they live. This estimate would tend to back up the commute patterns previously discussed. Almost ninety percent of those who are considered employed Hapeville residents work outside their place of residence, or outside the city of Hapeville.

Hapeville experiences an outstanding 162% change in their daytime population (as compared to the resident population) because of workers commuting into Hapeville. This could largely be due in part to Hapeville's proximity to Hartsfield Jackson Airport. Every county, except Fulton, experienced a loss in daytime population due to commuting. It is apparent that there are many job opportunities in Hapeville, evidenced by the high daytime population. What is not so apparent, however, is why so many of Hapeville's residents are leaving the city to work, while an even greater percentage is coming into Hapeville to fill those job opportunities.

An important aim for the city, then, is to try to keep its residents working in the city, and its workers living in the city. An occupational analysis of Hapeville residents can help to inform ways to achieve the first part of this aim. By determining the occupations that residents are working in, the city can refocus the types of jobs it provides to increase the amount of people who live and work in Hapeville, therefore strengthening the

city's economy and appeal. The next section explores the occupations of Hapeville residents.

3.2 Occupational Analysis

The particular mix of occupations, along with community resources, quality of life and amenities, combine to form of a picture of a locality's potential for generating and maintaining economic growth over the long-term. This section first gives an overview of Hapeville's occupational mix and growth in occupational categories in recent years in comparison to the region and the nation. It further analyzes the city's competitive advantages in terms of these occupational factors.

Occupational Mix and Growth

In 1990, 2000 and 2006, Hapeville exhibited the same top three occupational categories as the Atlanta metro area and the U.S (Figure 3.2.1). While *management, professional and related occupations* and *sales and office occupations* remained in the top three occupational categories through 2006, *production, transportation and material moving occupations* gave way to *service occupations* in 2000 and 2006. *Sales and office occupations* was the top category in 1990 and 2000, while *service occupations* slightly edged that category in 2006.

Figure 3.2.1. **Occupational Mix for Hapeville, Atlanta MSA and U.S.**

	Number	*% of Total*		*Number*	*% of Total*		*Number*	*% of Total*
HAPEVILLE								
Management, professional, and related occupations	420	16.1%		591	20.9%		593	21.9%
Service occupations	354	13.6%		584	20.7%		655	24.2%
Sales and office occupations	833	32.0%		702	24.8%		653	24.1%
Farming, fishing, and forestry occupations	-	-		-	-		-	-
Construction, extraction, and maintenance occupations	336	12.9%		477	16.9%		444	16.4%
Production, transportation, and material moving occupations	661	25.4%		474	16.8%		363	13.4%
TOTAL	**2,604**	**100.0%**		**2,828**	**100.0%**		**2,708**	**100.0%**
ATLANTA MSA								
Management, professional, and related occupations	483,048	32.2%		784,518	37.5%		911,434	38.4%
Service occupations	175,299	11.7%		253,204	12.1%		643,226	27.1%
Sales and office occupations	503,570	33.5%		600,954	28.7%		341,788	14.4%
Farming, fishing, and forestry occupations	6,053	0.4%		3,471	0.2%		4,747	0.2%
Construction, extraction, and maintenance occupations	128,097	8.5%		208,271	10.0%		244,473	10.3%
Production, transportation, and material moving occupations	205,025	13.7%		242,576	11.6%		227,859	9.6%
TOTAL	**1,501,092**	**100.0%**		**2,092,994**	**100.0%**		**2,373,527**	**100.0%**
U.S.								
Management, professional, and related occupations	34,569,412	29.9%		43,646,731	33.6%			
Service occupations	16,570,414	14.3%		19,276,947	14.9%			
Sales and office occupations	33,562,037	29.0%		34,621,390	26.7%			
Farming, fishing, and forestry occupations	1,045,052	0.9%		951,810	0.7%			
Construction, extraction, and maintenance occupations	10,888,335	9.4%		12,256,138	9.4%			
Production, transportation, and material moving occupations	19,045,953	16.5%		18,968,496	14.6%			

Although Hapeville's top three occupational groups were the same as the Atlanta region and U.S.' top three in 2000, the relative mix of employment amongst these groups was quite different than that displayed by both the metro region and nation. While the *management/professional* sector was clearly prominent in the Atlanta MSA and U.S., the relative percentages were much more evenly distributed among the three top categories in Hapeville.

Overall employment growth in Hapeville lagged slightly behind the nation and far behind the Atlanta region from 1990 to 2000 (Figure 2.3.2). During this period, the major occupational categories with the highest growth rate were the same among Hapeville, the Atlanta metro area and the U.S. – *management/professional*, *service* and *construction, extraction and maintenance* occupations were the fastest growing categories at all three levels. Service occupations showed the highest growth over this period in Hapeville, while construction/extraction/maintenance and management professional/occupations grew the fastest in the Atlanta area and the nation, respectively.

Employment in Hapeville from 2000-2006 declined slightly, while employment increased moderately in the Atlanta region over the same period (Figure 2.3.2). Service occupations showed the highest growth in both Hapeville and the Atlanta MSA during this period, however, the growth in the Atlanta MSA (35.0%) was almost three times the growth in Hapeville (12.2%). With the exception of *management/professional*

occupations, which basically remained flat, all other occupational groups in Hapeville declined. The *service* sector showed the most substantial decrease, declining 23.4% during this period. On the metro level, the decrease was only 6.1% – the greatest decline at this level was in the sales/office sector (-43.1%).

Figure 3.2.2. **Percentage Growth in Major Occupational Groups in Hapeville, Atlanta MSA and U.S.1990-2000 and 2000-2006**

PERCENTAGE GROWTH BY OCCUPATION (U.S. Census)	***1990-2000***		***2000-2006***
HAPEVILLE			
Management, professional, and related occupations	40.9%		0.3%
Service occupations	64.8%		12.2%
Sales and office occupations	-15.7%		-7.0%
Farming, fishing, and forestry occupations	NA		NA
Construction, extraction, and maintenance occupations	41.8%		-6.9%
Production, transportation, and material moving occupation	-28.3%		-23.4%
TOTAL	**8.6%**		**-4.2%**
ATLANTA MSA			
Management, professional, and related occupations	62.4%		16.2%
Service occupations	44.4%		35.0%
Sales and office occupations	19.3%		7.0%
Farming, fishing, and forestry occupations	-42.7%		36.8% *
Construction, extraction, and maintenance occupations	62.6%		17.4%
Production, transportation, and material moving occupation	18.3%		-6.1%
TOTAL	**39.4%**		**13.4%**
U.S.			
Management, professional, and related occupations	26.3%		
Service occupations	16.3%		
Sales and office occupations	3.2%		
Farming, fishing, and forestry occupations	-8.9%		
Construction, extraction, and maintenance occupations	12.6%		
Production, transportation, and material moving occupation	-0.4%		
TOTAL	**12.1%**		

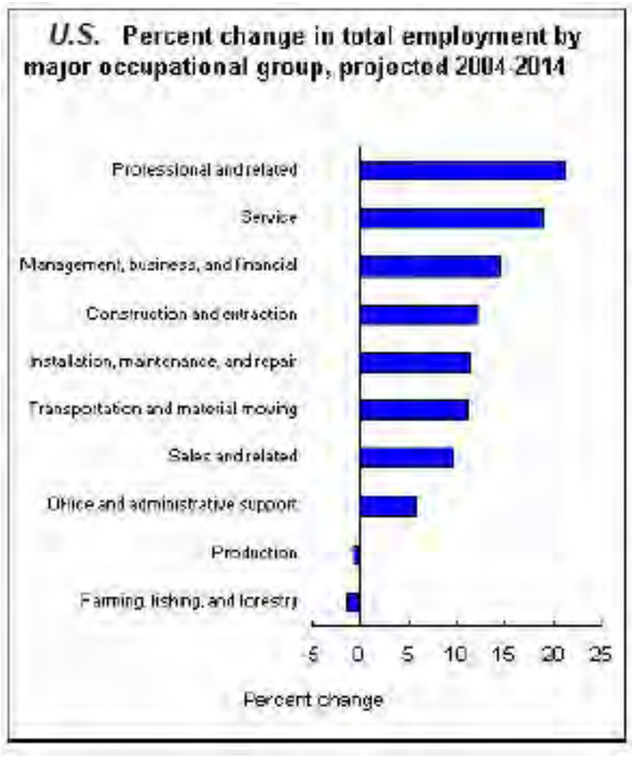
** Farming, fishing, and forestry occupations account for under 1% of the Atlanta MSA's occupations, an therefore the high percentage growth in this category is not significant*

Analysis of Current Trends and Future Occupational Outlook

Hapeville's residents are predominantly employed in the ubiquitous *service* sector and the two major occupational categories that are conventionally labeled "white collar" – the *management, business and related* and *sales and office* sector. Employment growth over the last 16 years has also been concentrated in these areas, particularly the *management/professional* and *service* sectors. In addition, the conventionally-labeled "blue collar" *construction, extraction and maintenance sector* has shown a substantial overall increase in employment from 1990-2006.

These trends have, in general, followed those of the Atlanta MSA and the U.S. However, when analyzing the specific mix of occupations in Hapeville in comparison to the Atlanta region through LQ analysis, it is clear that some occupations are substantially more concentrated in the city. In particular, Hapeville residents represent a greater concentration in the *construction/ extraction/maintenance* and *production/transportation/material moving* sectors in comparison to Metro Atlanta.

Figure 3.2.3



The *2006-2007 Occupational Outlook Handbook* produced by the U.S. Department of Labor's Bureau of Labor Statistics provides projections of what occupational groups are expected to show the most growth over roughly the next decade (2004-2014). These projections are displayed along with the 1990-2000 growth in Hapeville's corresponding occupations in Figure 3.2.3. The occupational categories in this figure (with the exception of the service category) are broken down into subcategories, and will be clarified in the following analysis. Hapeville's two main specializations, *construction/extraction/maintenance* and *production/transportation/material moving* are in fact represented among the fastest growing occupational categories. Both the construction and extraction and installation, maintenance and repair components of the *construction/extraction/maintenance* category showed strong growth over the 1990-2000 period. However, while the production component of the *production/transportation/material moving* showed decline similar to that projected in the U.S., the transportation and material moving component has gone against the projected U.S. trend, showing a decrease in opposition to the nation's expected increase.

It appears that Hapeville's available construction and maintenance workforce will remain strong and keep pace with the expected demand for the related occupations in the future. However, the transportation and material moving subsector is an area of concern for Hapeville in the future. The employment decline in this area may be grounds for a competitive disadvantage for the city in the future as other cities and other regions may provide a better stock of workers in this burgeoning occupational subsector. On the positive side, since Hapeville has a high concentration of these workers relative to the Atlanta MSA, it may still hold an advantage on the regional level in the future.

The transportation and material moving subsector is particularly important because this sector includes logistics industry employment. The logistics workforce is one the most important to focus on, given its growing prevalence in the U.S. Cultivating this workforce will give the Atlanta area (particularly Hapeville and other areas surrounding the airport) a competitive advantage on a national, and even international sacle. Because of its specific relevance to Hapeville's employment picture and its local economic development potential, we dedicate the next section of the report to this industry.

3.3 Logistics Industry

Transportation and logistics have played a large role in the origin and development of the City of Hapeville. The railroad, while a major impediment to connectivity in the city, has also served as a major economic artery by providing the means for revenue that the city needed to plan for the future. Ford selected this site for its plant because of its strategic location in relationship to the transportation network that Atlanta has to offer.

The logistics industry has been the driving force behind Atlanta's economic growth and development since the city's inception. Its role as a catalyst for economic activity has been a major force in shaping the landscape of cities and counties in the region. The City of Atlanta's original name, Terminus, came about due to its strategic location on the rail line. Most of the smaller cities within the metropolitan area are located along the railroad. They also happen to be in close proximity to major interstates, highways, and Hartsfield-Jackson Atlanta International Airport.

The logistics industry coordinates and manages the flow of freight, people, services and information between locations. According to the Atlanta Regional Commission (ARC), freight transportation is the fastest growing segment and can be described as the movement of goods via:

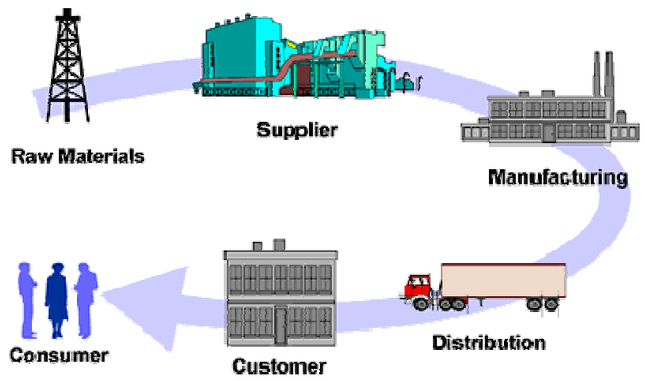
- Truck
- Water
- Air
- Rail
- Pipeline

The Metro Atlanta Chamber of Commerce identifies the following key elements in the supply chain process:

- Sourcing and procurement
- Manufacturing and assembly
- Distribution and warehousing
- Outbound transportation
- Support services

Figure 3.3.1

Supplier to Customer Supply Chain - traditional view



Source: www.theprogressgroup.com

The most visible of these supply chain components in the metropolitan area are distribution, warehousing, outbound transportation, and support services. The ARC, Metro Atlanta Chamber of Commerce and the Council on Competitiveness[12] summarize the economic impact of logistics activity in Atlanta as follows:

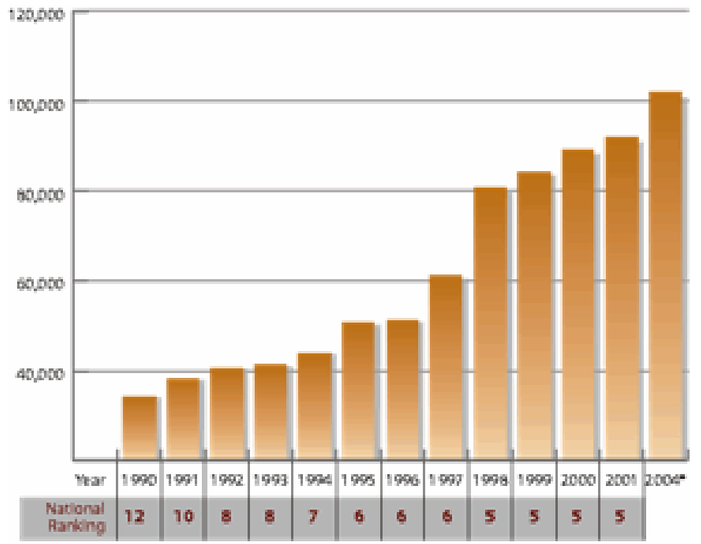
- Revenue to the region
  i. The industry generated more that $210 billion a year in commerce in 2004. The Atlanta metropolitan region has the 3rd largest concentration of fortune 500 logistics and transportation headquarters in the United States and Hartsfield-Jackson International Airport is the world's busiest passenger airport and ranks 10th nationally in air cargo transportation

- Industry activity and growth
  i. The logistics and transportation industry in the metropolitan Atlanta area is 6th in ground freight transportation in the U.S. with 9 million truckloads of commodities projected to move through the region between 2004 and 2010. Freight transportation comprises the fastest growing travel segment while the logistics industry in the region is the 2nd fastest in growth out of the largest 20 logistics clusters in the nation. The region is also home to the Austell inter-modal facility which is the largest of its kind east of the Mississippi River

- Wages

  The industry had the 7th highest average wage in the industry ($57,000 in 1999) and showed a 7% average annual growth in wage with approximately 50,000 new jobs added to the region from 1990 to 1999.

Figure 3.3.2 Employment Share by Industry Category



Source: Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School. www.logisticsatlanta.com

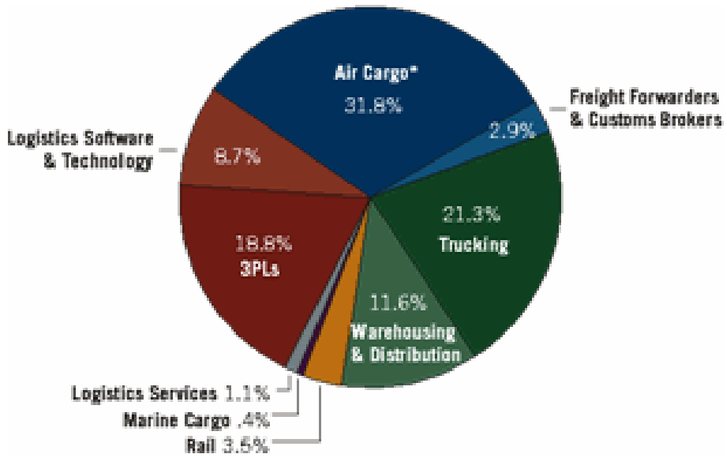
- Employment

  The Atlanta metropolitan area is the 5th largest logistics employer after Los Angeles-Long Beach, Chicago, New York and Boston and added approximately 50,000 new jobs were added to the region from 1990 to 1999. A 20% increase in logistics jobs is forecasted for 2010.

[12] *This information was based on the Clusters of Innovation Initiative study by Michael E. Porter, Harvard University*

Figure 3.3.3 Employment Share by Industry Category

Air Cargo includes Delta Air Lines' total company employment



Source: www.logisticsatlanta.com

Major activity and strategic advantages in the industry

- Foreign trade zones

The Olympic Games held in 1996 added significant benefit to the industry when the metropolitan area became the first Customs Inland Port in the U.S. This designation enabled the creation of general purpose Foreign Trade Zones in Atlanta. This meant that containers shipped in via the Savannah and Brunswick ports could immediately be transported into the metro area duty free. This led to further expansion in the cargo business and output in the sector is currently 10th in the country.

- Transportation and infrastructure

The transportation and infrastructure asset that the city has is not only the basis on which it was founded but also the force behind its rapid growth and expansion. Transportation and trade are the two elements present in the creation and continued existence of towns and cities. Most regional trade capitals like New York and Los Angeles-Long Beach are located in close proximity to ports. Those located inland such as Atlanta, Dallas, and Chicago, are more often located on land transportation crossroads that features significant rail and road inventory. According to the Metro Atlanta Chamber of Commerce, at least 80% of the markets in the country can be accessed within two days via the truck delivery system on interstate highways I-75, I-85 and I-20.

- Support services and facilities

One of the factors that has led to the continued growth and expansion of the logistics and transportation industry in Atlanta has been the availability of other support services which include:

i. Telecommunications
ii. Freight forwarding
iii. Warehouse and distribution
iv. Economic development and educational resources

The Metro Atlanta Chamber of Commerce has created a logistics task force within its economic development branch that coordinates and oversees the growth and expansion of the industry in the metropolitan region. It has been very successful over the years in pooling the resources that the city has and making a point for the continued success of the city as a logistics hub. One of those resources is The Logistics Institute located at the Georgia Institute of Technology. It has been a beneficial research and training tool for the industry over the years and continues to work in conjunction with the chamber and business community on innovative ways to propel the city and state forward as a top logistics center.

Targeting the Transportation and Logistics Industry

The City of Hapeville has the unique advantage of being located at the center of the transportation and logistics activity in the metropolitan Atlanta area and the south east region. Hapeville is at the heart of what has also become a global transportation center. As aforementioned, one of the advantages of the logistics industry in Atlanta is the relationship with The Logistics Institute at the Georgia Institute if Technology. The institute trains logistics professionals, stays informed of innovations in the field and maintain close ties with local, regional, national, and global stakeholders in order to maintain and advance Atlanta's position as a leading logistics center.

The Metro Atlanta Chamber of Commerce has a logistics directory that contains an inventory of all logistics and transportation related businesses in the area. It includes businesses such as Third Party Logistics (3PL), freight forwarding, custom brokers, trucking, marine and air cargo. By far the largest proportion of businesses located around the airport and by extension the City of Hapeville, is in the 3PL, freight forwarding and custom broker category. 3PLs provide

logistics solutions for other companies and take up part or even all of another company's logistics functions. Locally headquartered United Parcel Service (UPS) is an example of a 3PL.

Freight forwarders fill in gaps in the supply chain process by performing functions such as making shipment arrangements for other companies, processing cargo transportation documents and functioning in much the same way as travel agents except that they move cargo and not people around. As a result, freight forwarders do not necessarily need the large amounts of warehouse and distribution space that a 3PL may require. Scan-Am Transport and Fed Ex Trade Networks Transport and Brokerage, Inc., are both good examples of freight forwarding companies currently located within Hapeville's city limits.

Hapeville is an important node in the Atlanta region's logistics industry. The location on the rail system, road network and accessibility to transportation via air and proximity to ports has shaped the city and determined economic growth over the years. Taking inventory of and leveraging these strategic advantages that the city has in relation to the industry could very well continue to boost the local economy and provide the basis on which future growth and expansion occurs as it has in the past.

3.4 Global Trade

In today's economy, business has become global and the economic marketplace is broader and more diverse than ever. Companies in Georgia enjoy unique advantages that translate into greater opportunity and prosperity and these firms can quickly and efficiently shop their products to nearly any country on the globe. Foreign companies recognize Georgia's progressive business climate as the ideal environment for growth and expansion. Today, Georgia's business community includes more than 1,600 internationally owned facilities from 39 countries and foreign-based firms that employ more than 125,000 Georgians and generate an estimated $15.5 billion in capital investment.[13] Companies seeking a global presence discover that Georgia's integrated logistics network can accelerate success.

To efficiently move goods, the state has built a seamless transportation infrastructure including Hartsfield-Jackson Atlanta International Airport, the world's leading air cargo center, which handles more than 900,000 tons of cargo each year; state-of-the-art deepwater ports in Savannah and Brunswick that are the fifth largest in the country; more than 130,000 miles of public roads and interstates; and a 4,700-mile rail network.[14] This extensive transportation network is evident within the City of Hapeville, making it a prime location for international businesses. Along with consideration of augmenting the logistics industry within Hapeville, the city should consider directly or indirectly integrating two components of global trade – the Free Trade of the Americas coalition and Foreign Trade Zone Program.

Free Trade of the Americas

With the state's development programs and efforts to locate the headquarters of the Secretariat of the Free Trade Area of the Americas in Atlanta, Hapeville is poised to reap economic benefits generated from the global trade industry. The Free Trade Area of the Americas (FTAA), currently being negotiated by the 34 democratic countries in the Western Hemisphere, is intended to be the most far-reaching trade agreement in history. It is an effort to unite the economies of the Western Hemisphere into a single free trade area, which comprises the entire Americas and favors progressive elimination of trade investment barriers in the region.[15] The FTAA process began at the first Summit of the Americas held in December 1994 in Miami, Florida.

The Western Hemisphere comprises a market of more than 800 million consumers with a Gross Domestic Product (GDP) of more than $14 trillion. The economies of the Western Hemisphere have been growing increasingly interdependent, trading an increasing percentage of their goods and services with each other. The FTAA will aim to establish a common set of rules that govern all countries equally, thereby creating a favorable environment for investment and growth. Once the agreement is ratified and a Permanent Secretariat is chosen, the host city is expected to benefit economically, culturally, and politically.

[13] *Georgia Department of Economic Development website. Available at www.geogia.org. Last accessed November 30, 2006.*
[14] *Ibid..*
[15] *Hemisphere, Inc., website. Available at www.atlantagateway.org. Last accessed November 30, 2006.*

The FTAA Secretariat

The Secretariat of the FTAA is the administrative body that oversees all matters related to the FTAA. The Secretariat houses the business offices of member countries and plays an active role in all hemispheric negotiations. The Secretariat provides administrative and logistical support to the negotiations, including keeping official archives of the negotiations as well as translation and interpretation services. The Temporary Secretariat works on a rotational basis and has been assigned as follows:

- Miami, USA: May 1998 to February 2001
- Panama City, Panama: March 2001 to February 2003
- Puebla, Mexico: March 2003 to present

The Secretariat ultimately serves as headquarters and will be permanently located in one city. The final location of the Secretariat will be decided within the framework of the negotiations by the 34 participating countries. The permanent Secretariat is expected to commence operations once negotiations have been completed and a final decision has been made by all member FTAA countries on its permanent location.

Atlanta and the FTAA

The City of Atlanta is one of 10 candidate cities in the quest to be considered as the potential site for the Permanent Secretariat of the FTAA. Atlanta's unique business mix and diverse population makes it a prime gateway to the Americas. More than 2,200 foreign companies representing 45 countries are located in the state of Georgia and the metropolitan area's population of more than 4.5 million people includes people of all races and ethnic backgrounds.[16] Atlanta is the most strategic and effective location for the Secretariat given its geographic location and accessibility via air, land, and sea. Atlanta is a major hub for transportation and communication and continues to expand its international business community.

In its proposal to be the host city of the Permanent Secretariat, Atlanta selected five locations for the Secretariat, primarily in the Buckhead and Midtown areas, but focused attention on a site in Technology Square near the Georgia Tech campus in Midtown. Currently, the negotiations have stalled due to an impasse on agricultural study issues at the World Trade Organization (WTO) meeting this past year. Several multilateral and bilateral negotiations are taking place between many countries in the Western Hemisphere and Hemisphere, Inc., the organization initially created to bring the FTAA Secretariat to Atlanta, is focusing its attention as well on strengthening trade and business relations with the Western Hemisphere and Caribbean countries.

Hapeville and the FTAA

Although Hapeville is not competing with the other cities for the opportunity to host the FTAA Secretariat, there is potential for the City to benefit should Atlanta be selected as the location for the Secretariat. First, while the Secretariat would house the administrative offices of the FTAA, additional foreign companies could consider locating offices in the metropolitan Atlanta area and existing foreign firms could potentially expand their current operations. Hapeville is located approximately 10 miles south of the proposed Secretariat site in Midtown and could appeal to trade-based companies due to its proximity to Hartsfield Jackson Atlanta International Airport, its convenient and immediate access to Interstate 85 and Interstate 75, and its existing rail line. These infrastructure components are vital to the transport of goods and services and the location of additional firms to Hapeville would provide a great economic benefit to the city and its residents.

Foreign Trade Zones

The U.S. Foreign-Trade Zone Program was created by the federal government in the 1930s. FTZs are treated, for the purposes of the tariff laws and Customs entry procedures, as being outside the Customs Territory of the United States. Under FTZ procedures, foreign and domestic merchandise may be admitted into zones for operations such as storage, exhibition, assembly, manufacture, and processing, without being subject to formal Customs entry procedures, the payment of Customs duties or the payment of federal excise taxes. When merchandising is removed from a foreign-trade zone, Customs duties may be eliminated if the goods are then exported from the United States. If the merchandise is formally entered into U.S. commerce, Customs duties and excise taxes are due at the time of transfer from the foreign trade zone. For merchandise that is manufactured in a FTZ with permission of the Foreign-Trade Zones Board, the importer may elect to pay Customs duty at the lower rate of either the finished product or its foreign components. In this manner, use of a foreign-trade

[16] *Hemisphere, Inc., website. Available at www.atlantagateway.org. Last accessed November 30, 2006.*

zone can result in the reduction of Customs duty owed by companies that manufacture products in an FTZ.[17]

Designation as a FTZ is granted by the Foreign-Trade Zones Board, which is an independent agency housed within the U.S. Department of Commerce. The other important federal agency involved in the FTZ program is the Bureau of Customs and Border Protection, Department of Homeland Security. The responsibilities of the Bureau of Customs and Border Protection include controlling the dutiable merchandise moving to and from zones, collecting revenue owed to the U.S. government and ensuring that there is no evasion or violation of U.S. laws and regulations governing imported and exported merchandise.

Types of Foreign-Trade Zones

There are two types of foreign-trade zones. A general-purpose zone (GPZ) is established for multiple activities by multiple uses and must be operated as a public utility and be located within 60 miles or 90 minutes driving time from the outer limits of a U.S. Customs port of entry. FTZ projects may consist of one or multiple sites (a single building, an industrial park, a deep water port, or an international airport). While activities including storage, inspection, and distribution are permitted at all FTZs, other activities including processing or manufacturing required special permission from the Foreign-Trade Zones Board.

In instances where a firm wants foreign-trade zone status for its own plant or facility, and when the existing general-purpose zone cannot accommodate the firm's proposed activity, the designation of the second type of trade zone – a "subzone" – may be granted. There is no legal difference in the types of activity that may be undertaken in GPZs or subzones, though typically subzones are designated for an individual company's manufacturing operations. Subzones must be located so that the Bureau of Customs and Border Protection can fulfill its proper oversight functions at the proposed location of the subzone.

Benefits of Foreign-Trade Zone Program

The intent of the U.S. FTZ program is to stimulate economic growth and development in the United States. In an expanding global marketplace, there is increased competition among nations for jobs, industry, and capital. The FTZ program was designed to promote American competitiveness by encouraging companies to maintain and expand their operations in the United States. The FTZ program encourages U.S.-based operations by removing certain disincentives associated with manufacturing in the United States. The duty on a product manufactured abroad and imported into the U.S. is paid at the rate of the finished product rather than that of the individual parts, materials, or components of the product. The U.S.-based company finds itself at a disadvantage with regard to its foreign competitor when it must pay the higher rate on parts, materials, or components imported for use in the manufacturing process. To correct this imbalance, the program treats a product made in a U.S. FTZ, for purposes of tariff assessment, as if it were produced abroad.

Benefits for the Community

When companies are persuaded that they can increase their cash flow, save taxes, and improve their bottom line, by locating their operations in U.S. foreign-trade zones, communities benefit in several important ways. Economic growth and development are stimulated because jobs are retained and created in the community. The FTZ program impacts indirect employment as well because a business location not only creates jobs specific to itself, but also creates opportunities for suppliers and service providers in the community. A FTZ project can also be a valuable asset when a community is trying to attract new business investment to its area. Finally a community with a FTZ may experience an improved infrastructure and expanded tax-base as a result of higher employment and the influx of new businesses. For all of these reasons, more communities throughout the United States support and rely on the benefits that the FTZ program offers public as wells private entities. [18]

[17] *National Association of Foreign-Trade Zones, A Positive Force in Trade and Economic Development: The U.S. Foreign-Trade Zone Program, 2003.*

[18] *National Association of Foreign-Trade Zones, A Positive Force in Trade and Economic Development: The U.S. Foreign-Trade Zone Program, 2003.*

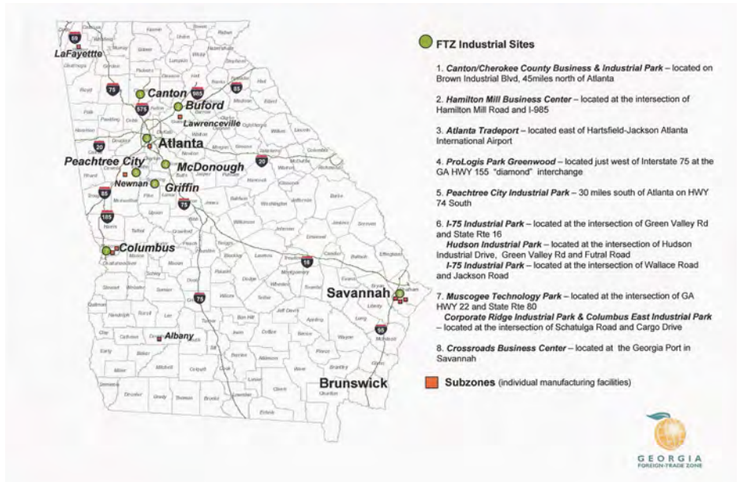
Benefits for Business

For U.S.-based companies involved in international trade, the FTZ program provides a means of improving their competitive position in relation to their counterparts abroad. The fundamental benefit offered by the FTZ program is the ability to defer, reduce, or even eliminate Customs duties on products admitted to the zone. Other potential savings for businesses include the elimination of drawback; labor, overhead, and profit attributed to production in a FTZ; and taxes. Some companies that use foreign-trade zones include ATOFINA Petrochemicals, Inc., Eastman Kodak, JVC America, Inc., and Northrop Grumman.

Foreign-Trade Zones in Georgia

The Georgia Foreign-Trade Zone (GFTZ) establishes and maintains federally approved FTZs in Georgia, enabling companies to save money on imported merchandise by diminishing import duties, as well as streamlining formal customs entry procedures. GFTZ provides foreign-trade zone incentives to companies, facilitates the application process, and offers technical assistance and support with federal authorities. In addition to the many benefits to the business and community, GFTZ participants enjoy advantages inherent to the metropolitan Atlanta market, including: 80% of the U.S. population is within a two-hour flight of Hartsfield-Jackson Atlanta International Airport, excellent interstate access; lower labor costs; and the significant size of the U.S. Customs Service in Atlanta streamlines activities once a company establishes FTZ operations. Georgia has three federally approved FTZ projects based out of the international ports of entry in Atlanta (FTZ #26), Savannah (FTZ #104), and Brunswick (FTZ #144). Since 1977, these FTZ projects have sponsored the designation of eight (8) FTZ industrial park sites and fourteen (14) subzone sites, as shown in Figure 3.4.1.

Figure 3.4.1: Georgia Foreign Trade Zones and Subzones



Source: Georgia Foreign Trade Zone, Inc.

Businesses operating in Georgia FTZs include The Hipage Company (Atlanta), Delta Airlines, and Kawasaki. Figure 3.4.2 shows the operational status of the three Georgia FTZs.

Figure 3.4.2: Activity in Georgia Foreign Trade Zones and Subzones

	Location	Employment	Annual Volume ($ millions)	Exports ($ millions)	Active Firms	Active Subzones
FTZ No. 26	Atlanta	3,820	1,935.30	345.16	36	5
FTZ No. 104	Savannah	502	293.02	76.33	12	2
FTZ No. 144	Brunswick	0	0	0	0	0
Total	3	4,322	2,228.32	421.49	48	7

Source: 2004 Annual Report state FTZs submitted to the Foreign-Trade Zones Board, U.S. Department of Commerce, and FTZ websites

Trade Opportunities in Hapeville

Foreign-Trade Zones are fairly common in Hapeville. The Ford Vehicle Assembly Plant operated as a subzone until the late 1990s when the company decided to deactivate its status due to decreasing benefits in fees and savings. However, Ford's status as a subzone does not imply that another company can use that site as a subzone since foreign-trade zone status is non-transferable and company-specific. A new company would be required to apply for subzone status, if foreign-trade zone activation is desired. Since the site is most likely to have multiple uses following the plant closure, establishing a subzone site is unlikely. However, firms would have the option to apply for general-purpose zone status or seek expansion of Foreign-Trade Zone #26 from the Atlanta Tradeport. While there will be no FTZ-related tax benefit to Hapeville on any FTZ-designated site in the city, it could receive indirect benefits as each FTZ must demonstrate a need for FTZ status, as well as economic and community benefits that having FTZ status will provide. These benefits are varying for each community.

3.5 Office Market Analysis

In order to gauge the viability and potential for including office properties on the redeveloped site, the studio researched available data on the greater residential market area (within a 15-mile radius of Hapeville) for a more general view, and conducted a basic analysis of the office market in the general vicinity of the Ford plant for a more specific view.

The greater office market had an overall vacancy of 26.5% in 2005.[19] Office submarkets including Hapeville and its surroundings— Airport/South Atlanta (which includes Hapeville), I-20 West, Downtown, and East Atlanta/Decatur— all have vacancy rates well over 20%, except East Atlanta with

[19] Marketek, Market Analysis. *Hapeville Livable Centers Initiative Study (2005).*

15.4%. The I-20 West submarket is comprised of mostly Class B office space, and the vacancy rate has decreased since the previous quarter (second quarter 2005), when it was approximately 37%. The Airport/South Atlanta submarket vacancy rate has increased since the previous quarter (~26.1%) and demand activity is slow. The East Atlanta submarket demand activity is slow, but vacancy rates have decreased from the last quarter and absorption has increased.[20]

This analysis included a survey of nine properties, all within five miles of the site (see Figure 3.4.1), but was limited to buildings that were less than 20 years old comprised of 10,000 square feet of space or more. Buildings in the analysis ranged in size from 10,000 to 183,699 square feet, with an average of 84,397 square feet. The rents for these properties ranged on average from $13 to $14.50 per square foot. Vacancy rates for the subject properties ranged from 0% to 30%, with an average vacancy rate of 12.3%.

In addition to gathering objective data, the studio conducted qualitative interviews with office real estate brokers familiar with the Airport/South Atlanta submarket in order to get a more informed perspective on the potential for further office development in the vicinity of the site. One of the sources described this market as being particularly "tight," with little pent-up demand given the current conditions of the Hartsfield-Jackson Airport area.[21] The majority of businesses in the area are linked to airport functions (freight, shipping, transport) or to check processing for large banks (requiring proximity to the airport and the main U.S. Postal Service distribution center). Most office demand in the area seems to be directed toward shipping and freight-forwarding operations. Additionally, there appears to be demand for approximately 100,000 square feet of office space for other industries.

3.6 Retail Market Analysis

Hapeville is currently underserved by local retail, containing only a limited number of restaurants and retail shops in the downtown area. There is only one sizable strip shopping center in the city – Central Plaza – located just southeast of downtown at the corner of North Central Avenue and King Arnold Street, directly across from the Ford site. Central Plaza is a fairly outdated strip center whose only functioning tenants include a small grocery market and a package store.

Many of Hapeville's residents have been drawn to larger shopping centers outside of the city since the 1970s. The nearest major shopping center is Camp Creek Marketplace, a $125 million, 1.2 million square foot center located at Interstate 285 and Camp Creek Parkway. It contains such anchor stores as Target, Lowe's, Home Depot, Barnes & Noble and Marshall's. The nearest major grocery store is a Kroger located in the Citi-Center shopping complex on Cleveland Avenue in south Atlanta. Although this shopping center is in good condition, incidents of crime have hindered business. Overall, the South Atlanta submarket (which contains Hapeville) has a 11.7% vacancy with just over 456,000 square feet of available space with rents between about $8 and $11.50 per square foot.[22]

Major population growth in the south metro area, which includes Hapeville and its surroundings (this area south of I-20, which includes Hapeville, saw 41% of the region's growth from 2000 to 2003) has driven an increase in overall retail demand. Despite the presence of Camp Creek Marketplace and other smaller shopping centers, the Hapeville area appears to be underserved by major national retailers, as they are located beyond a 5-mile radius from downtown. This can be seen in Figure 3.4.1, a retail context map showing the location of shopping malls and national retailers within a 1-, 3-, 5-mile radius of the Ford site. The national retailers that are noted on the map, by category, and their corresponding category are:

- Homegoods: Bed, Bath & Beyond, Target, IKEA
- Hybrid Grocery-Homegoods: Supercenter Walmart, SuperTarget
- Electronics: BrandsMart, Best Buy, Circuit City
- Grocery: Kroger, Publix, Ingles, Wayfield Foods
- Home Improvement: Lowe's, Home Depot

However, by exploring the population requirements of major retailers, it appears that location within Hapeville may not be viable. Large supermarkets and homegoods stores require a substantial population within the target trade area;[23] specifically, Target requires 100,000 people within a 5-mile radius. Although there are no Target stores within five miles of

[20] Lyann Leonard, *Atlanta Makes Progress*. Southeast Real Estate Business. May 2004
[21] *Telephone interview with Frank Farrell, Ackerman & Company. November 1, 2006.*
[22] Marketek, Market Analysis. *Hapeville Livable Centers Initiative Study (2005).*
[23] A 3- to 5-mile radius for most retailers. Gibbs Planning Group Inc, Avondale LCI 2002, & Randall Gross, Sidney Retail Market and Recruitment Strategy

Hapeville, there are three within about a 10-mile radius – an area comprising approximately 270,000 people. An additional store within the area may be feasible, but the market for a major homegoods store like Target is relatively tight.

Major supermarkets, like Kroger or Whole Foods, require about 100,000 people within a 3-mile radius. There are two Kroger stores within five miles of Hapeville, serving an area with a population somewhere between 100,000 to 200,000. In general, this area may seem sufficiently served by grocers, but qualitative data reveals these proximate grocers are not truly serving area residents' needs. Specifically, the Kroger located just 1.5 miles from the center of Hapeville has been notorious for crime and security issues. Additionally, its fresh food selection is lacking, relying mainly on overstock items. This makes this specific store less than ideal to serve the basic shopping needs of Hapeville residents.[24]

Despite the proximity of other retail choices and the shortfall in trade area population, the limited amount of new retail being constructed there may allow for a moderate amount of new retail development. The only new retail space planned is 40,000 square feet for the Princeton Village residential development in College Park approximately the size of a small strip mall – about four to six small- to mid-size stores). Current unmet retail demand in the area is estimated to be around 78,000 square feet, which is expected to increase to almost 112,000 square feet of unmet demand by 2015.[25] Therefore, there may be a market opportunity for a few small- or mid-size retail clusters in Hapeville.

Both the market analysis and qualitative interviews[26] point out that the greatest new retail demand in Hapeville is for a grocery store. As the 2005 LCI study proposes a mid-size, urban-type grocery store in the downtown area, this precludes consideration of a grocery store on the Ford site. However, there exists the opportunity for small and midsize retail stores in the vicinity, such as drug stores, restaurants and specialty stores.

[24] Telephone interview with Dave Burt. November 5, 2006.
[25] Marketek, Market Analysis. *Hapeville Livable Centers Initiative Study (2005)*.
[26] Telephone interview with Dave Burt. November 5, 2006.

3.7 Hospitality Market Analysis

Due to its proximity to Hartsfield-Jackson Atlanta International Airport (ATL), there is a multitude of hotels and convention space located in Hapeville and its surrounding areas. Over 30 hotels within a five-mile radius of the city make it one of the most concentrated hospitality submarkets in the Atlanta metro region. Atlanta is also one of the top five metropolitan areas for both conventions/conferences/seminars and general business travel. Therefore, there is a relatively high demand for the hotel/hospitality industry in the Atlanta area. The analysis focused on the hospitality market in the vicinity of Hapeville and ATL; the studio gathered information both from industry reports and interviews with industry experts.

A specific characteristic of the hotels in the immediately around ATL is relatively high amount of function/convention space. Many national and international companies, industry organizations and other groups plan their conventions, seminars and other functions near ATL, as it is more convenient than having participants travel into central Atlanta or other parts of the metro region. In addition, many hotels in the area have agreements with airlines to accommodate short-term stays for crew members and stranded passengers. As ATL is one of the busiest airports in the world, this presents a significant supply of clients to the hotels in this submarket.[27]

Smith Travel Research conducted a study of eight hotels in the immediate ATL area in July of 2006; the study provides basic market statistics from these hotels from 2000 to 2006.[28] This represents a sample that comprised 1,828 total rooms in 2000, which increased to 1,933 rooms starting in 2002. On average, each hotel contained 238 rooms. Occupancy rates ranged from a low of 65.5% in 2001 to a high of 75.4% in 2005,*[29] with an average of 69.6% over the six-year period (Figure 3.4.1). The average daily rate (ADR) charged at these subject properties was on average $72.61, ranging from $68.29 in 2003 to $76.38 in 2000.

The average supply of rooms (which is equal to the number of rooms in the sample each year multiplied by the 365 days of a year) over the six-year period was 695,990 (Figure 3.5.1). The average demand for these rooms (calculated by multiplying the supply of rooms in a given year by the overall occupancy rate for that year) was 484,492. This corresponds with the average occupancy rate for the time period, 69.6% (484,492/695,990). Annual revenues for the sample ranged from $32.1 million in 2003 to $39.7 million in 2005, making the average revenue per room (total rooms, not rooms occupied) $50.55 for the six-year period (see the Appendix for more detailed hotel market data).

Figure 3.7.1

AVERAGE STATISTICS BY MEASURE (2000 – 2006)	
Occupancy (%)	**69.6**
Average Daily Rate ($)	**72.61**
RevPAR ($)[a]	**50.55**
Number of Rooms	**238****
Supply	**695,990**
Demand	**484,492**
Total Rev ($)	**35,179,825**
[a] *RevPAR = Revenue/Supply*	** July YTD*
*** Per Hotel*	

The scheduled opening of the airport's international terminal in 2010 will have major implications for the hotel industry, particularly in the vicinity of eastern Hapeville. With Interstate 75 becoming the major means of access to the new terminal, the section of this corridor near Hapeville and the airport should see an increased demand and opportunities for more hotel development. Currently, the greatest concentration of hotels is on the Interstate 85 corridor leading northwest of the airport's main entrance, leaving much room for increased hotel development northeast of the airport near Interstate 75 (see Figure 3.5.1), particularly after the international terminal opens.

[27] Telephone Interview with Keith Manning, PKF Consulting. November 13, 2006

[28] Smith Travel Research, *Atlanta Airport North*. September, 2006. *(Courtesy of PKF Consulting)*

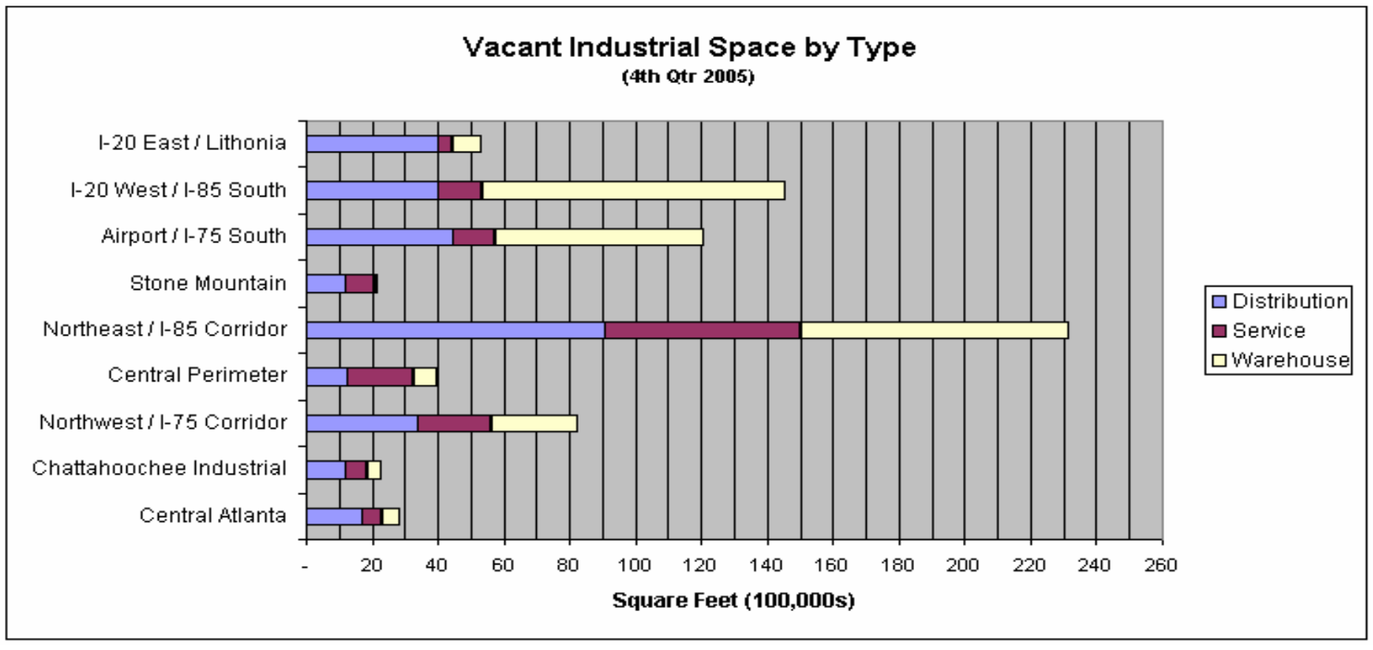
[29] 2006 statistics are July year-to-date, and so were not comparable to other years.

3.8 Industrial Market Analysis

Industrial space makes up a large portion of the real estate portfolio in the region. *Dorey's Atlanta Industrial Guide* (1st Quarter 2006) has compiled the entire industrial market inventory to better assess the different submarkets.

Figure 3.8.1 illustrates industrial vacancies in each of the three types of space—Distribution, Service, and Warehouse—in Figure 3.8.1. The Northeast/I-85 Corridor holds the largest amount of vacant space in all three categories—over 23 million square feet. Continued development in this submarket despite vacancies can be attributed to available land, road improvements, good infrastructure, and a pro-growth mindset from the local governments. In *Dorey's Industrial Guide*, one real estate professional noted that large bulk users are typically distributing a majority percentage of the inventory stored out of state and do not need to be 25 minutes from Atlanta's CBD; but other users value reasonable access (i.e., within 1 hour or so) to Atlanta.

Figure 3.8.1. Vacant Industrial Space



Source: Dorey's Industrial Guide - 1st Qtr 2006

Hapeville is within the Airport/I-75 South submarket, and the I-20 East/Lithonia, I-20 West/Fulton Industrial, and Central Atlanta submarkets surround it. The following is a summary of the activity within each market:

- *Airport/I-75 South:* Very good supply of existing and new available space; demand is good; most activity is in Henry County but some speculative products closer to the airport; lack of developable land will push bulk development further south
- *I-20 West:* Existing and new space is very good; demand activity is good; this area is attractive due to its proximity to downtown Atlanta and the airport
- *Central Atlanta:* Shortage of existing and new available space; demand activity is very good; new industrial development is limited due to shortage of viable land sites and increasing land values, which allow for higher and better uses (i.e., loft conversions or other non-industrial uses)
- *I-20 East*: Existing space and demand activity are both good; this area has had several quarters with negative absorption so it will take significant decreases in vacancy before this market can support new developments

Although vacancies for distribution and warehouse space are relatively high, demand for the Airport/I-75 submarket is believed to be strong. Because of the growing demand for these types of industrial space in conjunction with the growth of the logistics industry in metro region, small- to mid-size industrial development in Hapeville may be particularly feasible and beneficial.

3.9 Residential Market Analysis

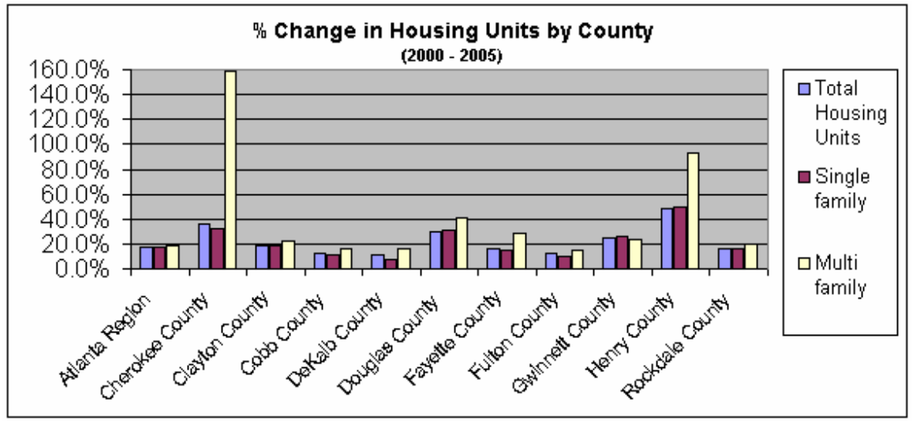
As land prices continue to increase inside and around I-285, multi-family housing is becoming more prevalent; however, new single-family units are still being developed at a good rate due in part to the steady population growth in the metro area. Figure 3.9.1 compares the percentage increase in housing units between 2000 and 2005 in the region's counties. Cherokee and Henry counties are the two anomalies in the multi-family category as their residential base was mostly single family with only 2,733 and 3,148 multi-family units, respectively, in 2000. But both counties significantly increased their multi-family base in 2005 with a 158.3% change (4,326 new units) in Cherokee County and a 92.8% increase in Henry County with 2,922 units.

The three counties with the highest number of total housing units in 2005 were Fulton (392,122), DeKalb (289,485), and Cobb (265,715). In 2005, all three counties multi-family units percentage increase surpassed single-family units (Figure 3.9.1), which is attributed to a lower base in 2000. In the Atlanta region, it is evident that the multi-family supply is increasing at a rate that equals or surpasses single-family units.[30]

Change in Housing Units by City

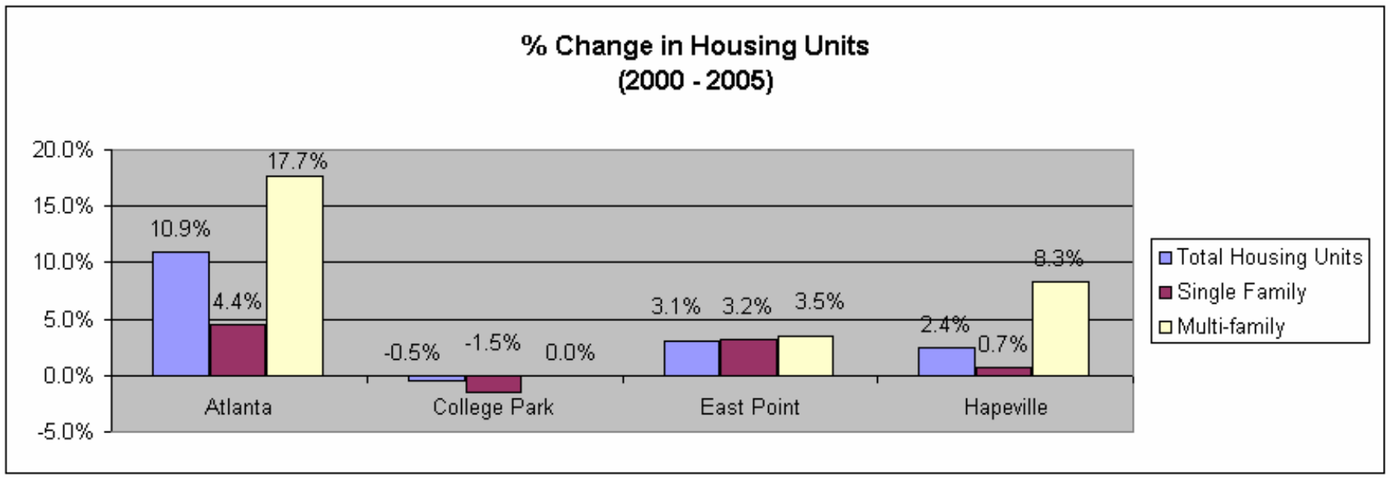
To better understand the trend around Hapeville, Figure 3.9.2 summarizes the increase in housing units in College Park, East Point, and Atlanta. Hapeville has increased their multi-family

Figure 3.9.1. Change in Housing Units by County



Source: Atlanta Regional Commission, 2005

Figure 3.9.2 Percent Change in Housing Units by City



Source: Dorey's Office Guide - 1st Qtr 2006

[30] All residential statistics from the Atlanta Regional Commission

housing units by 8.3%, which is more than College Park and East Point because their base number in 2000 was the lowest with only 580 units—multi-family units increased to 628 in 2005. East Point reported a 3.5% increase (5,848 units in 2000 to 6,051 in 2005). Conversely, College Park had no change in multi-family units holding steady at 5,692; in addition, there was a decrease in total units (8,449 in 2000 to 8,408 in 2005) and single-family units (2,711 in 2000 to 2,670 in 2005). Total housing units in 2005 amounted to 207,312 in Atlanta, 15,978 in East Point, and 2,599 in Hapeville; this is an increase from 2000 figures: 186,998 in Atlanta, 15,505 in East Point, and 2,538 in Hapeville. (Please note that mobile home units are included in the total but not displayed as an individual category in the Figure 3.8.2).[31]

3.10 General Industry Profile

The makeup of the Hapeville economy can be considered diverse; many different industries have a local presence. In terms of the number of establishments, the economy reflects the prominence of smaller businesses. Financially, however, there is a significant and troubling over-reliance on manufacturing. This problem can be directly traced to the Hapeville Ford Assembly Plant, which occupies a major role in the local economy. Because of this condition, too much emphasis has been placed historically, and still currently, in one industry, and on one facility.

Looking at a profile of the local economy by NAICS codes (Fig. 3.10.1) and analyzing basic economic data leads to this conclusion. As will be discussed in more detail in later sections of this analysis, the role of manufacturing in the local economy is greatly overstated due to the presence of the Hapeville Ford Assembly Plant. The economic impact of this one facility skews the manufacturing industry data for Hapeville so significantly that this data cannot be considered reflective of the future economic contribution of the manufacturing industry locally, especially considering the imminent closure of this facility. Therefore, manufacturing will not, for the purpose of this analysis, be considered a major local economic player.

Retail Trade and Other Services are the largest local industries by number of establishments, with 30 and 43 respectively. These types of business include auto parts stores, camera shops, small food markets, and electrical repair facilities. Those businesses in the "Other Services" industry have average annual revenues of just over $500,000, while retail establishments fare better, at just over $2.6 million dollars. At this monetary level, these businesses play an important and significant role in the local economy, but none of them can be considered to be major sources of economic activity.

The Wholesale Trade industry has the largest annual per establishment sales by a wide margin. With an average of over $7 million dollars in annual revenue each, they are also not small businesses. Local establishments in this industry include those that deal in restaurant equipment sales, automobile sales, and logistics. Unfortunate, however, is the fact that this is an industry that is not especially predominant in Hapeville, with only eight establishments. In spite of this low number, Wholesale Trade is an important industry locally because of its aforementioned high average annual revenues.

Many other industries in Hapeville also have a mix of low numbers locally and/or low annual revenues. For example, the Educational Services industry has only nine local establishments, mostly small trade schools. These facilities average less than $900,000 in revenue annually. The finance industry is similar, with ten establishments, averaging just over $700,000 a year. Pawn shops and credit unions make up this industry.

Accommodation and Food Services is a much more locally prevalent industry, with 29 businesses. However, these average less than $1 million in sales annually. Though there are a few hotels in Hapeville, which fall into in this category, the high number mostly consists of fast food restaurants.

Local Employment Quotients

Location quotients (LQ's) are a useful way to critically compare the economy of a smaller area to the economy of the United States as a whole. A number greater than one means that the local economy is more reliant on that industry than the national economy. A number less than one means that the local economy is less reliant on that industry than the national economy. LQ's show the importance of a given industry in a local economy.

[31] Ibid.

The numbers for Hapeville are telling. The employment LQ's show how skewed the data for the manufacturing industry is due locally to the Hapeville Ford Assembly Plant. As it currently stands, the LQ for the manufacturing industry is 4.01, and it represents 48.7% of the local employment share. Nationally, manufacturing is only 11.93% of the employment share (Fig. 3.10.2). One concludes that manufacturing is four times as significant locally, in Hapeville, than it is nationally.

Removing the Ford plant from the local employment data further emphasizes its importance. With the Ford plant's estimated 3,000 employees taken out of the local employment spectrum,

- the estimated local manufacturing employment drops to 330,
- the local manufacturing employment share drops to 4.74%,
- the manufacturing employment LQ drops to .40,
- the total estimated local employment drops 43%, to 3,967.

Collectively, the LQ's and these additional statistics show that the Hapeville economy is substantially over-reliant on the Ford plant.

However, the LQ's for other industries reveal more facts about the Hapeville economy. All industry LQ's except Accommodation, Public Administration, and Transportation and Warehousing are well below one, suggesting significant substandard economic presence of many industries. Those industries that have LQ's in the desired range are all likely in that range due to the proximity to Hapeville or Hartsfield-Jackson International Airport; they are all industries that are directly related to activities that occur at the airport.

Investment in those industries that do not have a significant presence in Hapeville may have been lacking due to the long term reliance on the Ford plant. With no real reason to encourage other types of investment in the city, Hapeville has essentially ridden the coattails of the Ford plant for the past 50 years. This reliance on the plant will soon become a significant problem for the city upon its closing.

Local Business Picture

Summarizing the detailed NAICS data paints a clear picture of the local economic structure. As stated, aside from the Ford plant, Hapeville relies primary on small business to make up its economy (Figs. 3.10.3, 3.10.4 and 3.10.5). Of the majority of businesses in Hapeville, 66% have less than 10 employees, and 84% are single location businesses.

From a financial standpoint, 52% of local businesses have revenues of under $1 million dollars annually. These businesses will not be significant generators of tax revenue for the city in the future; they are not basic industry establishments, and will not be able to support any non-basic industry by themselves.

This analysis shows that there is much room for the expansion of many industrial sectors in Hapeville. With one of its largest employer closing its doors, the city must look to fill this gap, but not necessarily with another major manufacturer. The redevelopment opportunity provided by the Ford plant allows Hapeville to step back and reassess where it can diversify its economy by building on the strengths of its location, available workforce and market strengths.

Fig.3.10.1

2006 Hapeville Industries by NAICS Code*

NAICS Code	Industry	Number of Establishments	Average Employee Size**	Average Annual Sales***
23	Construction	9	17	$2,666,666.67
31-32-33	Manufacturing	10	333	$107,300,000.00
42	Wholesale Trade	8	11	$7,035,714.29
44-45	Retail Trade	30	12	$2,645,161.29
48-49	Transportation and Warehousing	26	21	$3,701,923.08
51	Information	4	3	$1,333,333.33
52	Finance and Insurance	10	4	$718,750.00
53	Real Estate and Rental and Leasing	10	4	$1,150,000.00
54	Professional, Scientific, and Technical Services	19	15	$2,539,473.68
56	Administration and Support and Waste Management and Remidiation Services	9	12	$1,194,444.44
61	Educational Services	9	31	$875,000.00
62	Healthcare and Social Assistance	25	9	$2,770,833.33
71	Arts, Entertainment, and Recreation	4	17	$1,333,333.33
72	Accomodation and Food Services	29	22	$966,666.67
81	Other Services (except Public Administration)	43	7	$537,037.04
92	Public Administration	13	34	N/A

* source: Reference USA, City of Hapeville
** based on averages from employee ranges
*** based on averages form sales ranges

Fig.3.10.2

2006 Hapeville Employment Share*

NAICS Code	Industry	Est. Number of Total Emp.**	Local Emp. Share***	National Emp. Share****	Employment LQ
23	Construction	153	2.20%	7.72%	0.28
31-32-33	Manufacturing	3330	47.80%	11.93%	4.01
42	Wholesale Trade	88	1.26%	3.54%	0.36
44-45	Retail Trade	360	5.17%	11.63%	0.44
48-49	Transportation and Warehousing	546	7.84%	5.04%	1.55
51	Information	12	0.17%	2.48%	0.07
52-53	Finance and Insurance, and Real Estate and Rental and Leasing	80	1.15%	7.26%	0.16
54-56	Professional, Scientific, and Technical Services, and Administration and Support and Waste Management and Remidiation Services	393	5.64%	9.86%	0.57
61-62	Educational Services and Healthcare and Social Assistance	534	7.66%	20.68%	0.37
71-72	Arts, Entertainment, and Recreation, and Accomodation and Food Services	706	10.13%	8.47%	1.20
81	Other Services (except Public Administration)	301	4.32%	4.83%	0.89
92	Public Administration	442	6.34%	4.81%	1.32

* source: Reference USA, City of Hapeville
** based on averages from employee ranges and number of establishments
*** based on an estimated Hapeville total employment of 6,697; calculated from the total number of estimated employment
**** based on an estimated national total employment of 136,456,810; data from the 2005 American Community Survey

Fig.3.10.3

Hapeville Business Ownership Status*

Number of Businesses	Ownership Status
41	Branch
0	Headquarter
222	Single Location
1	Subsidiary
5	N/A

* source: Reference USA, City of Hapeville

Fig.3.10.4

Hapeville Business Sizes*

Number of Businesses	Number of Employees
126	1 to 4
50	5 to 9
34	10 to 19
34	20 to 49
12	50 to 99
4	100 to 249
1	1,000 to 4,999
1	N/A

* source: Reference USA, City of Hapeville

Fig.3.10.5

Hapeville Business Sales*

Number of Businesses	Sales Size
88	Under $500K
51	$500K to $1 Million
47	$1 to $2.5 Million
26	$2.5 to $5 Million
11	$5 to $10 Million
4	$10 to $20 Million
1	Over $1 Billion
43	N/A

* source: Reference USA, City of Hapeville

3.11 Conclusion

Hapeville's employment growth in the major occupational categories has basically kept pace with the national growth rates. One area for concern is the *transportation and material moving* sector, which saw a moderate decline in employment from 1990 to 2000. Given that Hapeville has a predominant share of logistics-related businesses and employees in the Atlanta area, promoting occupational growth in this sector should be a major focus for the city.

The competitive advantage that the Atlanta region, and more specifically Hapeville, has in the logistics industry should be a major consideration for new business development in Hapeville. By focusing on capturing more logistics businesses and employees, the city will very likely accelerate its economic development efforts. The expansion of a Foreign Trade Zone, particularly onto the current Ford site, will provide a greater incentive for logistics-related businesses to locate within Hapeville.

Hapeville's overall real estate market has seen moderate growth in recent years. Growth in industrial development and demand for industrial space has been greatest mainly due to the surge in trucking and air cargo businesses. Likewise, transportation- and logistics-related office space has been in relatively high demand in the Hapeville/airport area. However, demand for more general use office space is relatively low. Retail demand is limited in the city, but there is potential for small- to mid-size convenience and specialty retailers to thrive.

Residential real estate demand is moderate for the city, but the recent development of mid-range condo and loft complexes shows promise and a potential new market to compliment Hapeville's solid, single-family market. The hospitality market also shows much promise, given the generally high demand for hotels in the area and the future opening of the Hartsfield-Jackson's International Terminal. This new terminal should create a catalyst for new development along the Interstate 75 corridor, and provide significant development potential for the Ford site.

Industry analysis exhibits that the closing of the Ford site will leave a gap in Hapeville's basic industries. The city primarily depends on small businesses to support its economy. In this regard, the redevelopment of the Ford site offers a prime opportunity for the city to bolster its basic industry segment and diversify its economy. The studio's overall economic and analyses reveal that redevelopment should be focused on commercial development, and should draw logistics-related businesses to the site. In order to maintain and further enhance Hapeville's vibrant community, these commercial uses should also be mixed with a moderate amount of residential, retail and hospitality development. These ideas are explored in the following section.

4.0 Redevelopment Considerations

4.1 Site Subdivision

When subdividing a site, it is important to understand that how the site is divided, or not divided, directly affects what can be developed on it. Leaving a large block as one unbroken plain leaves room for creativity on the part of the developer, but it also risks that the city's wishes for the site will not be realized. This risk exists because there is no framework to reflect those wishes. Without the framework of subdivision, the property might be developed into one large shopping center, it might be developed into a sprawling suburban neighborhood, or it might be developed in a way that fits with the current surrounding street network. There is no guarantee, though zoning can assist in this matter. If, instead, the site is divided up into blocks similar to those around it, then development has a greater chance of looking and feeling like the surrounding area. For the Ford site, the block structure and size should be determined early in order to establish the scale of the redevelopment.

When redeveloping this site, there are several major considerations to be identified.

- The effects of the airport,
- The recommendations of the Hapeville Town Center Livable Centers Initiative (LCI) study.
- Zoning and architectural standards
- Current adjacent developments,
- Site access and connections,
- The creation of an internal street network. Looking at these six subdivision contributors, the site can be conceptually subdivided and various land use schemes can then be applied to show potential future development patterns.

4.1.1 Airport Impacts

Hartsfield Jackson International Airport is arguably the most important piece of the Atlanta regional economy. It brings more people and more money into the Southeast than any other economic activity. The expansion of Atlanta's airport from the 1930's to the 2000's saw Hapeville lose most of its population and most of its land area. But since the late 1990's, Hapeville has started to reclaim itself and reestablish itself as a significant regional center. The closing of the Ford plant can lead to many opportunities for the city, but the limitations the airport places on the site will determine what uses are allowed and on what parts of the property.

The Ford site sits at the end of the airport's northern-most runway. Because of this proximity, there are Federal Aviation Administration (FAA) regulations that restrict development on the site. Figures 4.1.1, 4.1.2, 4.1.3, and 4.1.4 explain theses regulations. Figure 4.1 is the FAA Surfaces map. It shows, in green, which part of the site can be redeveloped and which part cannot. The redeveloped area is approximately 76.5 acres of the total 128 acres, or about 60% of the site. The remaining acres are in the Runway Object Free Area and the Controlled Activity Area. Figure 4.1.2 explains prohibited uses in each zone. The first zone, the Runway Object Free area, prohibits all development. The second, the Controlled Activity Area, prohibits most uses. It is from this basis that the redevelopment of the site must begin.

The FAA also has regulations on what land uses may exist on the site and divides this site into 6 areas based on these uses. Figures 4.1.3 and 4.1.4 explain the regulations and list the allowable land uses. The northern half of the site has the most development opportunities due to the land uses allowed, with the northernmost area having the fewest restrictions and most development potential. The next section to the south, shaded light blue, is the more restricted but is still developable. Combining Figures 4.1.1 and 4.1.4, as shown in Figure 4.1.5, creates a clear picture of what land uses are allowed on the developable land.

These restrictions essentially divide the site into three distinct sections shown in figure 4.1.6 shows these three sections. The east-west divides correspond directly with the noise contour lines.

Figure 4.1.1 FAA Surfaces map from an Airport presentation showing the developable land.

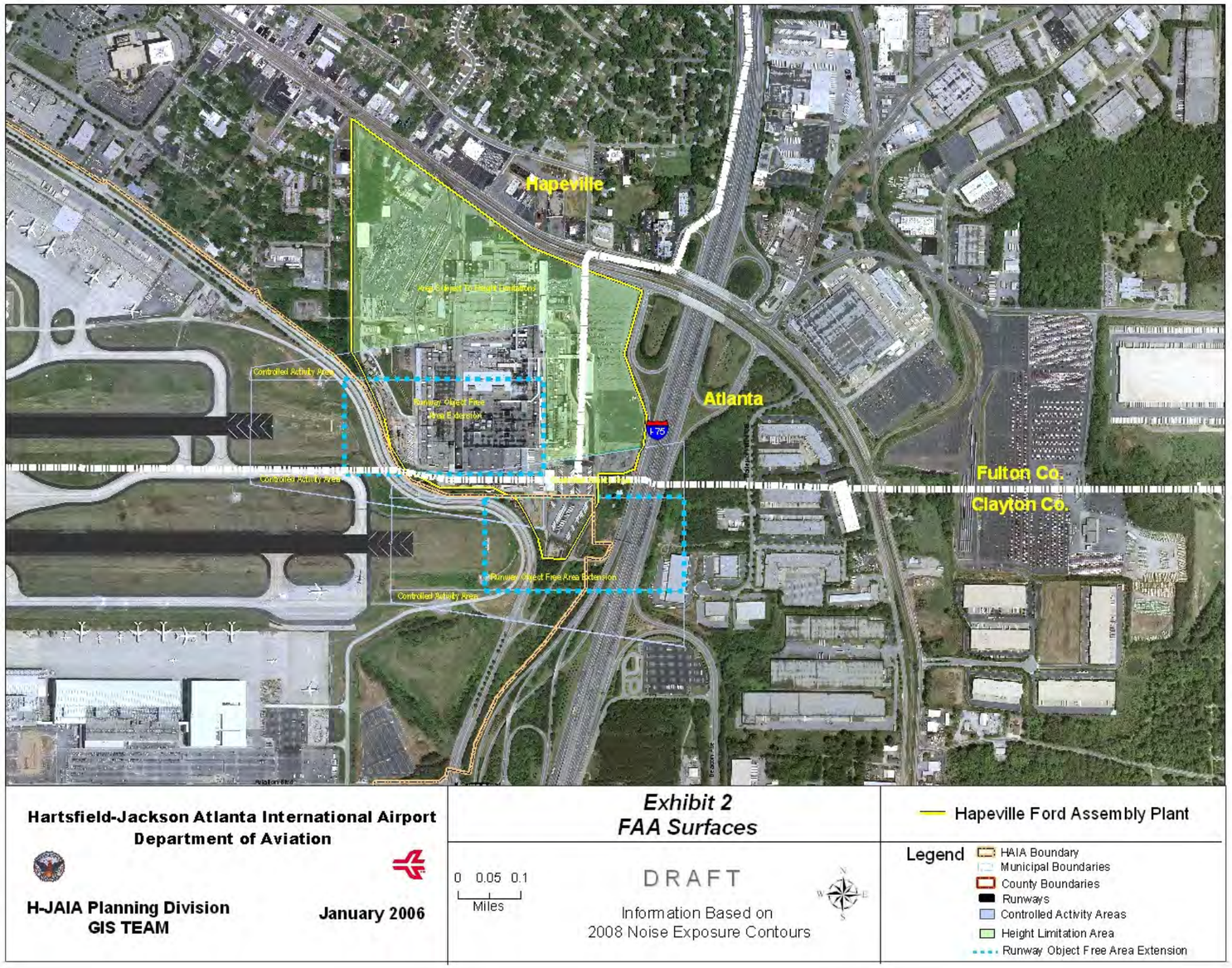


Figure 4.1.2 FAA identified restriction zones on the Ford site

LAND USE COMPATIBILITY (FAA Surfaces)

FAA Surface	Specifically **Prohibited** Land Uses
Runway OFA (Object Free Area)	All development is prohibited
Controlled Activity Area (CAA)	Residences and places of public assembly (including churches, schools, hospitals, office buildings shopping centers, and any other uses with similar concentrations of persons) are prohibited Fuel storage facilities are prohibited (Automobile parking facilities are discouraged but may be permitted)
Height limitations	All developable areas are subject to height limitations

Source: Hartsfield-Jackson Atlanta International Airport presentation

Figure 4.1.3 FAA identified restrictions on the Ford site due to intense noise levels and the five land use zones created showing allowable uses

Table 2
Combined Land Use Compatibilities

Area	Noise Contour Ranges			FAA Surfaces		Height Limitation	# Acres (Approx.)
	65-70 DNL	70-75 DNL	75-80 DNL	OFA	CAA		
A	✓					✓	20.0
B-1		✓				✓	42.1
B-2		✓			✓	✓	5.4
C-1			✓			✓	14.4
C-2			✓		✓	✓	16.6
C-3			✓	✓			29.6

NOTES
DNL - yearly day-night average sound levels, in decibels
OFA - Runway Object Free Area. All development is prohibited.
CAA - Controlled Activity Area. Residences, places of public assembly, and fuel storage facilities are prohibited. (However, automobile parking facilities are discouraged but may be permitted).
Height Limitation - heights of structures are limited per FAA clearance requirements.

Area	Compatible Land Uses	Height Limitation	RESTRICTIONS
A	Public; commercial; manufacturing	Yes	No residential **; no schools **; no outdoor amphitheaters
B-1	Transportation *; parking *; commercial *; manufacturing *	Yes	No residential **; no schools **; no outdoor amphitheaters
B-2	Transportation *; parking *	Yes	No residential or places of public assembly; no fuel storage
C-1	Transportation *; parking *; commercial *; manufacturing *	Yes	No residential; no public use; no outdoor facilities
C-2	Transportation *; parking *	Yes	No residential or places of public assembly; no fuel storage
C-3	Nothing allowed	--	Nothing allowed

NOTES
* = allowed, but Noise Level Reduction is required
** = where community determines that residences or schools must be allowed, measures to achieve Noise Level Reductions of at least 25 and 30 decibels should be incorporated into building codes.

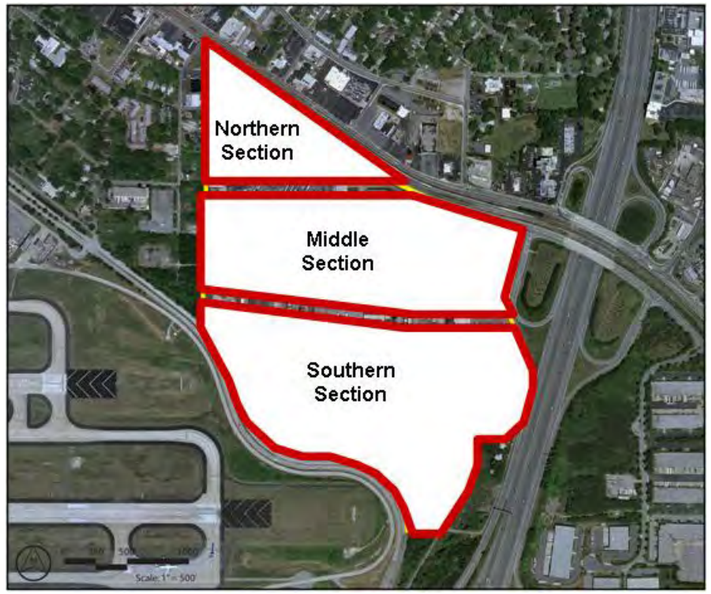
Source: Hartsfield-Jackson Atlanta International Airport presentation

Figure 4.1.4 Combined Land Use Capabilities Map

Source: Hartsfield-Jackson Atlanta International Airport presentation

Figure 4.1.5 Variation of Map from Airport presentation showing the land use zones on only the developable portions of the Ford site

Figure 4.1.6 The Ford site with three section overlay



4.1.2 Current Plans, Ordinances, and Standards

Main Street LCI Study

In 2005, Hapeville, with the assistance of TSW, applied for the LCI grant from the Atlanta Regional Commission (ARC). Under the LCI Program, the city would receive federal funds to assist in infrastructure development and improvement. Hapeville was selected and the area in the study received LCI status. This study was also then approved by the city as the downtown comprehensive plan. The plan calls for North and South Central Avenue to be enhanced. The intersection of these streets with Dogwood Drive is where the city's government offices would be enhanced and expanded and the Dearborn Plaza area, just to the east, would become a new shopping district. The plan also calls for a grocery store to be located somewhere in the vicinity of this town center. The city is still moving forward with this plan and has already improved several streets in the downtown core. The Ford site was in use at the time of the LCI study and therefore was not considered a candidate for redevelopment. It was shown as a large industrial site and as such was not included in the new downtown. The LCI plan calls for a mixed use development pattern along North and South Central Avenue extending to the boundary line of the Ford site. With the Ford plant closure, the abrupt stop to the pattern should now be reconsidered. Figures 4.1.7, 4.1.8, and 4.1.9 are excerpts from the LCI study and explain the conceptual layout of the plan that will be extended into the site.

Zoning

Because the Ford plant falls entirely in an area Hapeville has zoned Urban Village understanding the intent and objectives of this designation is an important first step in the redevelopment of this site. The Urban Village zoning was established in Hapeville in 2005 to spur redevelopment in a guided manner. The goal of Hapeville's Urban Village zoning is to:

1. Accommodate a mixed-use, urban fabric that preserves neighborhood scale;
2. Accommodate residents in the district with pedestrian access to services and employment typical of a live/work community;
3. Promote neighborhoods established near shopping and employment centers;
4. Encourage pedestrian and neighborhood uses in the commercial area;
5. Discourage land uses that are automobile or transportation related;
6. Exclude industrial uses such as manufacturing, processing and warehousing;
7. Promote retail and related commercial uses such as business offices, florists, card shops, antique shops, new apparel shops and banks; and
8. Encourage intensified mixed-use with commercial uses on the ground floor and dwellings above.[32]

This zoning type should be sufficient and suggestive of potential uses for the Ford site. But because of the site's proximity to the airport, certain airport related uses would not be allowed. In this case, rezoning or the use of an overlay may be required. Additionally, long term planning in Hapeville does not accommodate such uses for this area, and because of the recent enthusiasm placed on guided redevelopment within the Urban Village parameters, obtaining rezoning for high impact uses may be difficult.

The comprehensive zoning map for the City of Hapeville shows all of the Zoning areas, including the Ford plant site and the proximity of the Urban Village zoning to purely residential areas (Figure 4.1.10).

The uses permitted within the Urban Village zoning include the broad categories of: business and professional offices/agencies, institutional uses, retail uses up to 30,000 square feet, personal services, bed and breakfast inns, restaurants, theaters, customary accessory buildings and uses, schools, single-family attached and detached dwellings, apartments, condominiums, and mixed-use structures. See appendix for greater detail.

Architectural Standards

Hapeville's architectural standards were recently established and are still under review and consideration by the Hapeville Departments of Economic Development and Planning, in consultation with Turner-Spangler-Walsh and Associates (as of November 30, 2006). The goals of setting new architectural standards for Hapeville are to:

1. Encourage and provide a safe environment for pedestrian movements throughout the city;
2. Address new and infill development that maintains and enhances the existing characteristics of the community;

[32] *From the Hapeville city zoning ordinance, article 11.2.*

3. Allow for increased density and intensity of development in underdeveloped portions of the city;
4. Improve open space areas throughout the community; and
5. Improve the visual quality of the built environment.[33]

These guidelines have lower height limitations, materials guidelines, setback requirements, allowances for sidewalks, and parking and streetscape limitations geared to encourage foot traffic over automobile traffic. There are also specifications for mixed use development, covering both single- and multi-family developments in cohesion with commercial. Since these guidelines will be applicable on a city-wide basis they should be considered when recommending any new development in Hapeville.

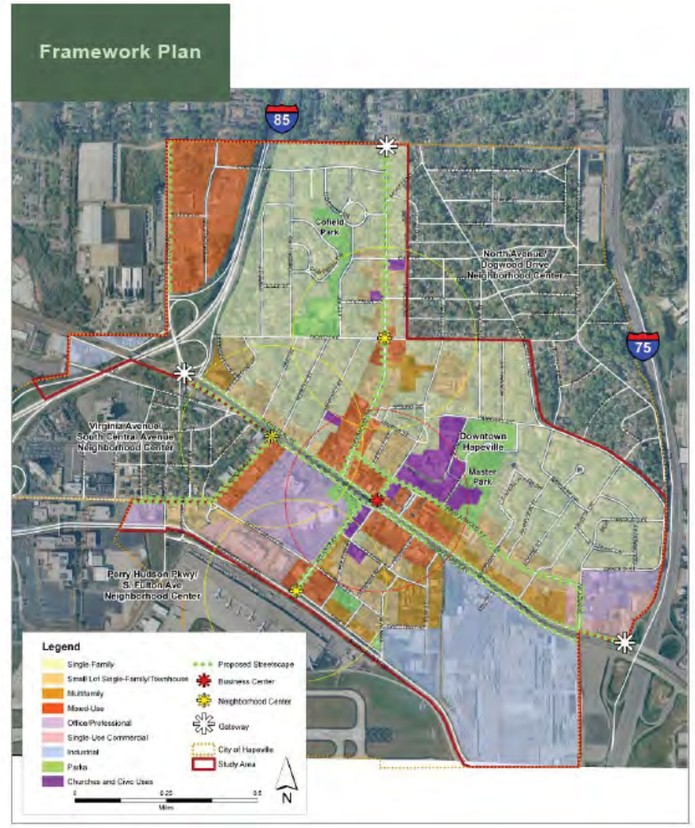
Figure 4.1.7 Conceptual Rendering of Downtown Hapeville. The Ford site to the bottom left just out of the picture.

Source: Tunnell-Spangler-Walsh & Associates Hapeville Town Center LCI Study

Figure 4.1.8 Excerpt from the Hapeville Town Center LCI Study. The Ford site is at the far bottom left corner of the picture to the left of the north arrow.

Source: Tunnell-Spangler-Walsh & Associates Hapeville Town Center LCI Study

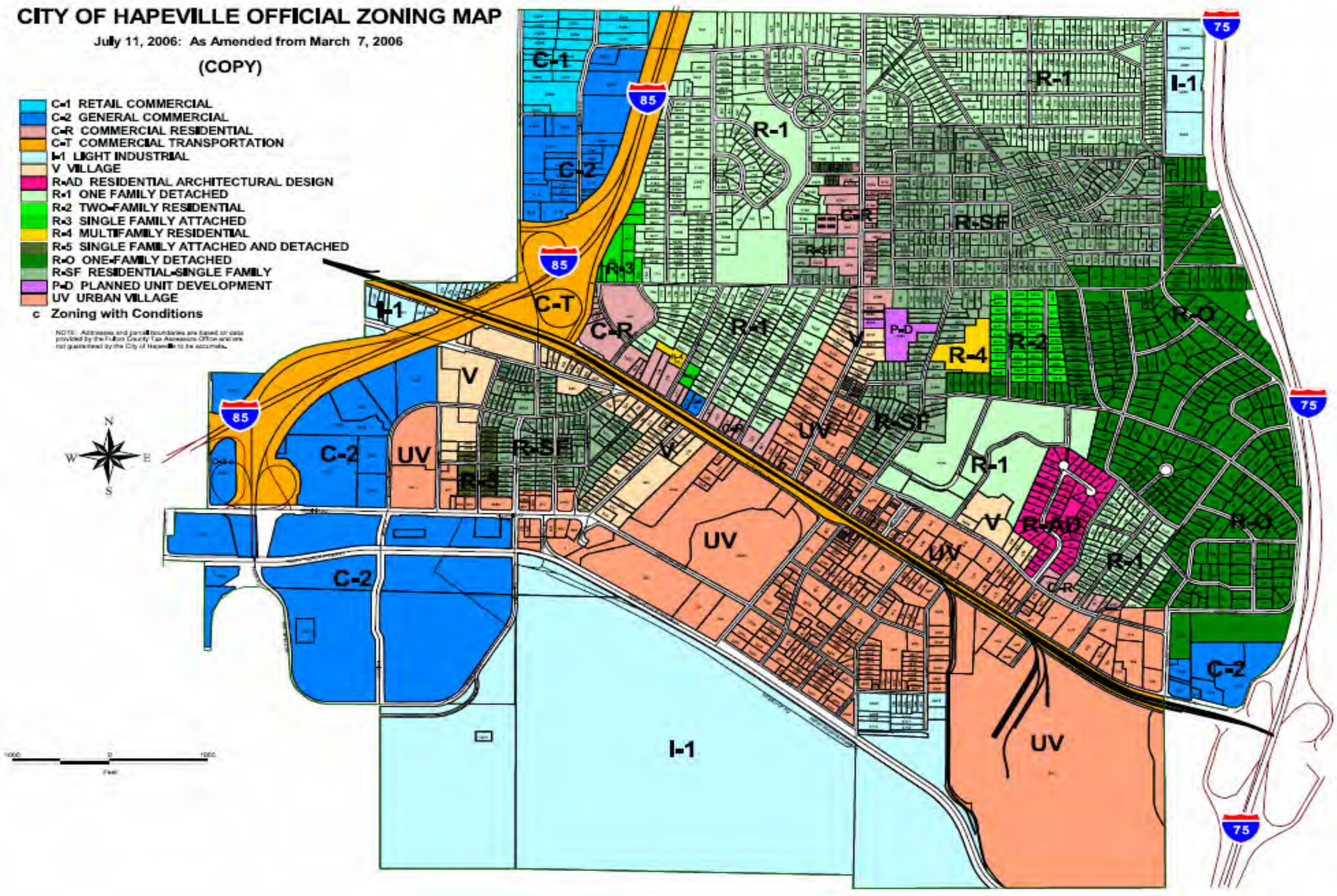
Figure 4.1.9 Conceptual Land Use Map. The Ford site is the large blue area in the bottom left section of the map.



Source: Tunnell-Spangler-Walsh & Associates Hapeville Town Center LCI Study

[33] *The goals of the architectural guidelines were taken from the June 20, 2006 draft of the Architectural Design Standards for the City of Hapeville. The document is available online at the City of Hapeville website.* http://www.hapeville.org/planning/documents/HvilleADS-062006-low.pdf

Figure 4.1.10


CITY OF HAPEVILLE OFFICIAL ZONING MAP
July 11, 2006: As Amended from March 7, 2006
(COPY)
C-1 RETAIL COMMERCIAL
C-2 GENERAL COMMERCIAL
C-R COMMERCIAL RESIDENTIAL
C-T COMMERCIAL TRANSPORTATION
I-1 LIGHT INDUSTRIAL
V VILLAGE
R-AD RESIDENTIAL ARCHITECTURAL DESIGN
R-1 ONE FAMILY DETACHED
R-2 TWO-FAMILY RESIDENTIAL
R-3 SINGLE FAMILY ATTACHED
R-4 MULTIFAMILY RESIDENTIAL
R-5 SINGLE FAMILY ATTACHED AND DETACHED
R-O ONE-FAMILY DETACHED
R-SF RESIDENTIAL-SINGLE FAMILY
P-D PLANNED UNIT DEVELOPMENT
UV URBAN VILLAGE
c Zoning with Conditions
NOTE: Addresses and parcel boundaries are based on data provided by the Fulton County Tax Assessors Office and are not guaranteed by the City of Hapeville to be accurate.
N
W
E
S
85
75
C-1
C-2
C-T
C-R
R-1
R-3
R-SF
R-4
R-2
R-O
R-AD
P-D
V
UV
I-1

4.1.3 Current Adjacent Developments

Development that is occurring or planned near the Ford site affects how the site will be redeveloped, and presents several opportunities and problems. The most significant developments are Olde Towne, the King Arnold Shopping District, Dearborn Plaza, older Downtown redevelopment and the new international terminal.

Olde Towne

Olde Towne borders the Ford site on the west. Currently being developed by Main Street Partner Group, LLC, Olde Towne is a 30-acre redevelopment project with townhomes, condominiums and retail. Designed by Tunnell-Spangler-Walsh and Associates, Olde Towne is meant to be a residential district with shops and restaurants. Hapeville's city council has agreed to a $6 million bond for infrastructure improvements, and much of the development is under construction. Phase One of the development will start in February 2007 with 69 single-family homes and townhomes. At about the same time, a 255-unit condominium development will start. With an increase in the residential population in the Downtown Hapeville area, and more specifically on the southern side of the downtown railroad tracks, the Ford site stands to benefit from increased residential traffic in the area and the accompanying increase in the demand for office, retail, and restaurants.[34]

The Olde Towne development is currently the most significant redevelopment in the history of Hapeville, and its success can be an important contributor to the economic and social revival of the city. As such, it is critical that any of the adjacent development on the site of the Ford plant take advantage of Olde Towne. Furthermore, it is critical that there be a synthesis of these two developments physically, economically, and socially. This means that the development on the Ford site must compliment and enhance the Olde Towne neighborhood, but it also means that there may be some changes made to the original Olde Towne plan to accommodate the Ford Redevelopment.

It should be mentioned that even after the FAA restrictions are considered, the Ford site is still twice the acreage of Olde Towne and thus should not be viewed as secondary, but rather as an equally significant redevelopment.

King Arnold District

This area is located to the north of the Ford site, across North and South Central Avenue. The owner of the parcels has preliminary redevelopment plans, which are subject to revision depending on what happens on the Ford site. There is a great opportunity here for the developers of both sites to coordinate to make these two areas work together and maximize their potential.

Dearborn Plaza/Downtown Redevelopment

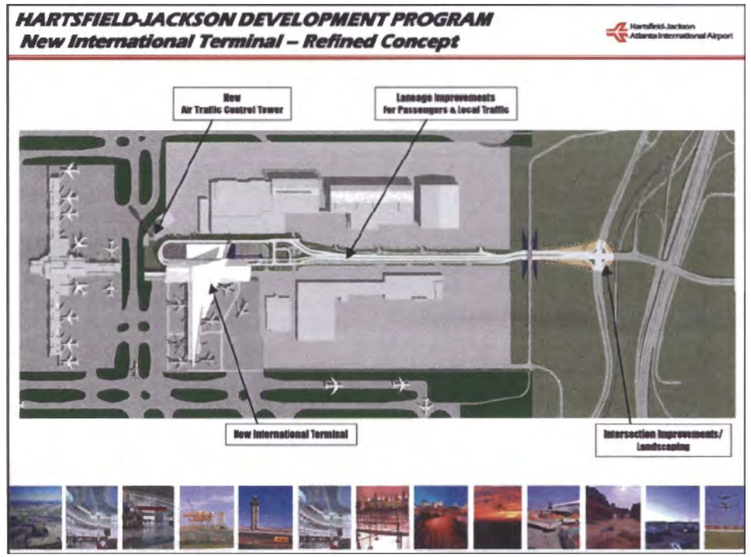
Downtown Hapeville has recently seen resurgence in investment and redevelopment. Many of the old buildings now have uses, and vacant lots are being turned into new businesses or residences. It is important that whatever is developed on the Ford site is complimentary to the downtown resurgence and not detract from the synergy that is occurring there. The site should also have a clear connection to the downtown core of Hapeville to benefit from the positive impacts of the redevelopment and investment.

New International Terminal

As of late 2006, the new international terminal at the airport is scheduled to be completed and operational by late 2010 or early 2011. With this new terminal and its eastern access, the Ford site and greater Hapeville become the closest area of dense development that the new terminal's patrons can access. This gives Hapeville the opportunity to develop the site as a receiving area for international as well as domestic business persons and travelers, and as an area that airport workers and airline employees can quickly access for restaurants and shopping. In short, it gives Hapeville potential residential, retail, and office demand at a level that it currently does not have. Figure 4.1.11 shows the new international terminal and its connection to Airport Loop Road, which creates the direct connection between the airport and the site. In addition to the new terminal, Hartsfield Area Transportation Management Agency (HATMA) is planning a shuttle service. This new shuttle could become a quick and inexpensive form of transportation between Hapeville and airport terminal buildings.

[34] *Information about the Olde Towne development obtained from the Hapeville City website and through an e-mail interview with Robin Howarth, Director of Economic Development for the City of Hapeville. Information obtained on November 27, 2006.* http://www.hapeville.org/econdev/projects/oldetowne.htm

Figure 4.1.11 Previous Conceptual Rendering of the New International Terminal



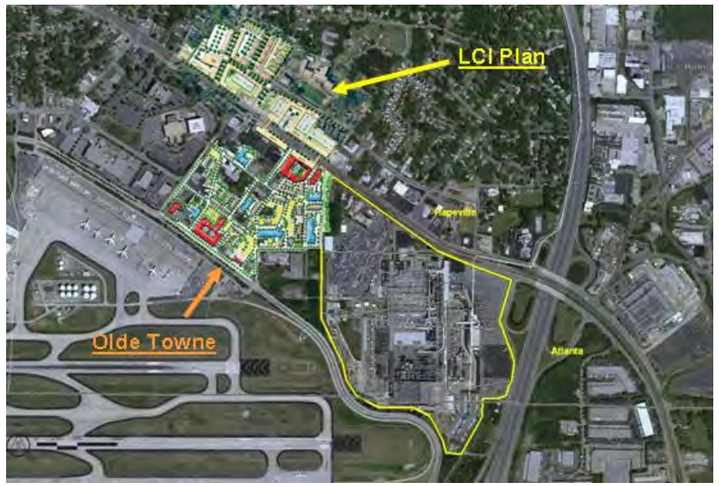
Source: Hartsfield-Jackson Atlanta International Airport presentation

4.1.4 Site Access and Current Connections

The Ford site is a single large parcel with limited access at the far southeastern corner of Hapeville. It is located in a part of town where much of the original gridded street network no longer exists. To the west and northwest, the original street grid remains. Figure 4.1.11 shows the Ford site with the LCI and the Olde Towne illustrative plans inserted for reference. In order for the site to be redeveloped in harmony with the LCI plan and the existing street network, multiple access points and an inner street network must be created. These access points and the street network help break up the site for a more varied development pattern and allow for more flexibility.

To help determine where major access points should be located and how the inner street network should function, railroad crossings, dead-end streets at the site boundary, and the site's relation to the surrounding area were analyzed. From this preliminary street system was created. Figure 4.1.12 shows the inventory of important access points and Figure 4.1.13 shows the preliminary street network. On the inventory map, the red line on the north end of the site represents the only rail crossing that allows traffic from North Central Avenue to access the Ford site. This is an important factor in developing the access points and street network as it represents the site's direct connection to Downtown Hapeville and the north side of the railroad tracks. This crossing is vital for vehicular as well as pedestrian and bicycle traffic. The green lines represent current access points to the site as well as streets that terminate at the property boundary. To the left, or east of the site, are potential connections to the Olde Towne development and the offices and residences that are on the south side of the tracks. On the north side of the site are existing access points that can be retained and enhanced for additional entry and exit points. The green line at the southern side of the site connects to an existing street that intersects the Airport Loop Road further to the south. This street could serve as an additional southern entrance and exit point or even as a potential service entrance for delivery, shipping, or service traffic. The map also shows the straightening of Airport Loop Road, one of the Georgia Department of Transportation's (GDOT) goals after removal of the plant.

Figure 4.1.12 Map showing the Ford with the LCI plan and Olde Towne site plan inserted



4.1.5 Creation of Internal Street Network

Figure 4.1.13 illustrates how the preliminary street network addresses the context, increasing connections to North and South Central Avenues to Olde Towne to the east, and to Airport Loop Road to the south. To achieve this, the site was divided into three sections: a northern section that relates to Central Avenue and Downtown Hapeville, a middle section that is left open for flexible block sizes, and a southern section that is non-buildable.

These three sections are directly related to the land use zones found in Figure 4.1.5. The thick red line represents the main access into and through the site. This street divides the northern and middle sections and is the back bone on which the site is developed. As the street network moves south and east from downtown, it begins to relate less to Central Avenue; the blocks become less defined allowing for the portion of the site that has more restrictions to be more flexible. This flexibility creates an urban framework in which larger, less attractive uses can occur in the middle section, while the northern section can fit into the pattern of development in downtown as well as the Olde Towne development. The historic Ford Assembly Plant offices, on the northern end of the site on South Central Avenue are preserved and reused; the street network reacts accordingly to the placement of this structure. The portions of the plant that are further south would be demolished in reference to the FAA regulations.

Figure 4.1.14 takes the preliminary subdivision concept and advances it to a proposed street concept. The smaller blocks at the northeastern corner of the site would be reserved for those uses that are more compatible with those fronting Central Avenue further to the northwest. The street at the southern end of the preserved portion of the Ford offices demarks limited development to the south per the FAA restrictions. This leaves two large blocks to the east and two to the west of the Ford offices for the larger less “attractive” uses. This concept also shows two north-south through streets. The street to the west is the main entrance to the site and the street to the east would function as a service or truck route. This second concept is the basis from which the use concept for the site was developed.

Figure 4.1.13 Map showing access points. Also shows straightening of Airport Loop Rd in black.

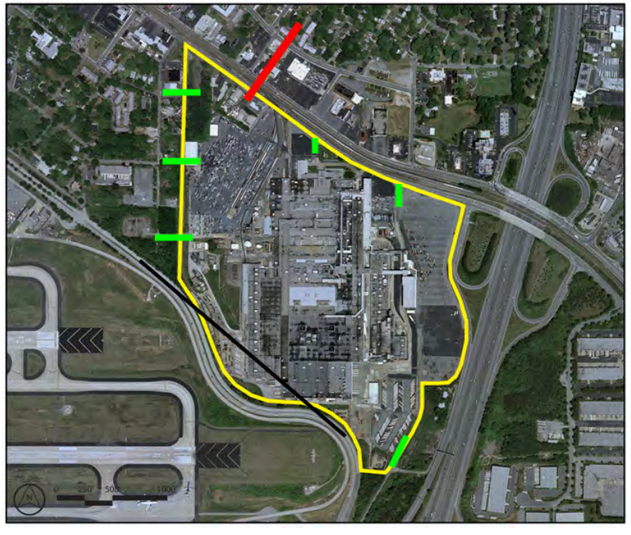


Figure 4.1.14 Map Showing preliminary street network concept

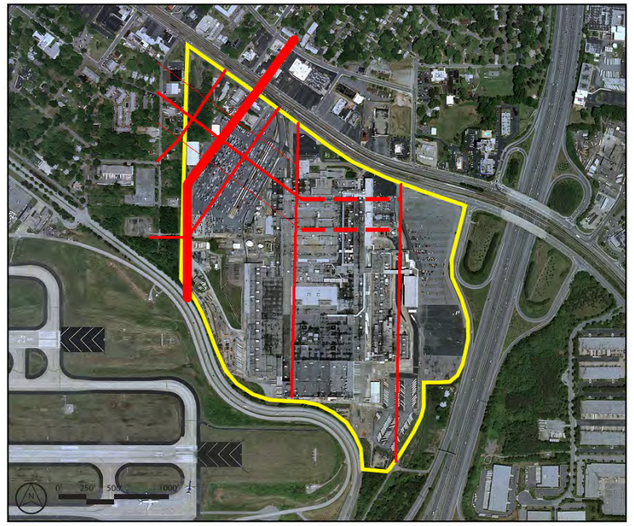
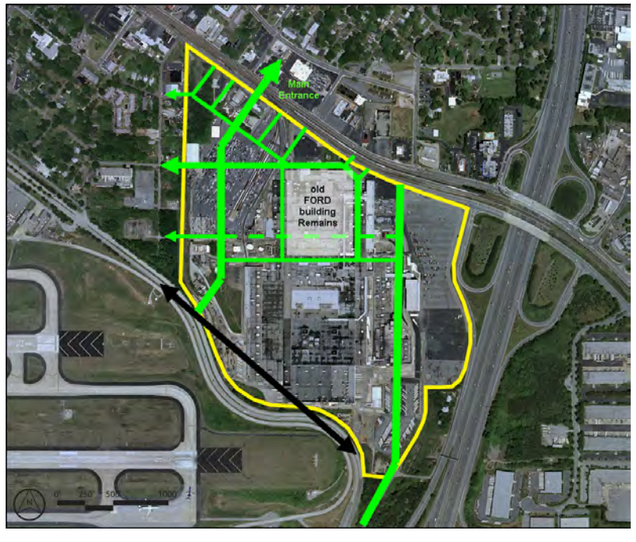


Figure 4.1.15 Map showing revised street network concept



With a conceptual street network dividing and organizing the site, it is possible to place potential land uses within that framework to illustrate what the site can become. The three sections of the site–the northern, middle and southern sections–will each have a unique land use concept based on both the site restrictions and the relation of that section the rest of the City. These three sections and their corresponding redevelopment scenarios can now be discussed in depth.

4.2 Redevelopment Scenarios

4.2.1 Northern Section

The northern triangular section of the site has the most development possibilities and also the most mix of uses. Following the Town Center LCI land use scheme, mixed-use development faces South Central Avenue and the interior streets. The mix of uses should be complimentary and would include office, commercial, retail, residential and possibly a hotel. Buildings in this section should be no more than five or six stories with retail or commercial on the ground floor and office, residential, or hotel above. The tallest structures should be located in northern portion of this section reflecting the height restrictions around the airport. Parking would be placed behind the buildings in either a surface lot or parking structure. Because of the lack of acreage available for development on the site, all buildings must take advantage of compact, vertical designs rather than conventional or suburban design which is not concerned with the amount of vertical space available. Figures 4.2.1, 4.2.2, and 4.2.3 are examples of urban buildings that exhibit architecture appropriate for this site. Figure 4.2.1 is an example of a hotel in Savannah that fits into the small block pattern of the city's core and can still offer all the parking and amenities of a marketable product. Notice how the hotel addresses the street on all sides and the parking area is under the building.

Figure 4.2.1 Hotel in Savannah, Georgia

Source: doubletree.hilton.com

Figure 4.2.2, is a hotel in Fisherman's Wharf in Downtown San Francisco, California. This building also shows how an urban hotel of desirable scale should function. The building addresses the street well and is seen here in close proximity with other buildings of various uses. The second photograph shows how the parking is easily placed underneath the building on the first floor and below grade.

Figure 4.2.2 Hotel in Fisherman's Wharf, San Francisco, California. The top photograph is the view of the street context and bottom photograph is a view of the parking area

Source: www.ichotelsgroup.com

Two photographs of Glenwood Park in Atlanta, Georgia are shown in figure 4.2.3. These photos show potential building scale and design that allow for dense, quality development aimed at encouraging a mix of uses at a very fine scale. Notice the park in the top picture that is placed amongst the residential, commercial, and office buildings. The bottom picture shows how the development appears to a pedestrian. Wider sidewalks with pedestrian lighting, storefronts with large windows, and trees planted along the sidewalk create an enjoyable walking environment.

Figure 4.2.3 Photographs of Glenwood Park in Atlanta, Georgia

Source: www.glenwoodpark.com

4.2.2 Middle Section

The middle section is the blue shaded region to the south of the northern triangle in figure 4.1.5. This section has more FAA restrictions and thus has less potential land uses and stricter height restrictions. The area shown will be reserved for office, commercial, and retail uses. Buildings in this section should be no more than three stories in height with ground floor commercial and retail, and parking located behind buildings or in a parking structure. As a transitional or flexible space, this area should still be pedestrian-friendly and urban in design, but it will be more important for the buildings that front the northern triangle to reflect the design in that section then it will for all buildings in this section to mirror that section as a whole. Figure 4.2.4 shows an office building from Glenwood Park that emulates the characteristics appropriate for an office building in this section. Figure 4.2.5 shows another office building at Glenwood Park. This building is two stories with no ground floor retail, yet it still contributes to the pedestrian environment. The parking for both of these buildings is located behind the block of buildings. The second of the two office buildings is an example of the design that can be used for those buildings that are not directly across the street from the northern triangle. The buildings in this section should still strive to address the street in an urban context to take advantage of as much acreage as possible, as well as attempting to prevent a “no man’s land” where it is not enjoyable or safe to walk or work.

Figure 4.2.4 Photograph of an office building in Glenwood Park

Source: www.meddin.com

Figure 4.2.5 Photograph of an office building in Glenwood Park

Source: www.brasfield.com

Reuse of Ford Plant Buildings

The Ford Assembly Plant is eligible for listing on the National Register for Historic Places; architecture from the late 1940's and the northern portion of the plant could be used for various activities. With the large open space within this structure, it is ideal to use the space for activities which require a certain flexibility of space size or configuration. A few options for potential reuse of the preserved structure included a farmer's market or trade expo center as well as convention or conference space. There are also less "exciting" options for this structure, including freight forwarding facilities or even warehousing.

Market or Expo Center

There are many examples of nationwide factories being converted into market, expo, or retail type uses. One example fairly close to Atlanta is the Factory at Franklin in Franklin, Tennessee. The Factory originally opened in 1929. From 1929 to 1991 it was home to Allen Manufacturing, Dutch Stove Works, Magic Chef, and Jamison Bedding. After closing it sat vacant until a local resident invested in the redevelopment of the property into a mixed-use complex accommodating concerts, dining, shopping, meetings, live theatre, art galleries, decorators' showcases, antiques and offices all occurring in the original structures. Figures 4.2.6 through 4.2.9 show the Factory before, during, and after renovation. Figure 4.2.7 shows the front elevation that is now the marquee building of the redeveloped property, similar to the offices at the Ford site. Figure 4.2.8 shows the expansive open floor plan of the factory. The Ford factory is assumed to have a similarly open floor plan. Figure 4.2.8 also shows the beginning stages of the stalls that would later be used to house local shops and artist's galleries, a concept that could be easily implemented in the Ford building. Finally figure 4.2.9 shows an indoor plaza at the Factory after being renovated. This plaza is central and has shops and restaurants that surround it. The factory has been extremely successful and has become an icon for the city of Franklin with people coming from other states to visit and study how the site was reused.

Figure 4.2.6 Historical rendering of the Factory

Source: www.factoryatfranklin.com

Figure 4.2.7 Photograph of the Factory during early renovation

Source: www.factoryatfranklin.com

Figure 4.2.8 Photograph showing the initial dividing of the inner space into smaller stalls

Source: www.factoryatfranklin.com

Figure 4.2.9 Photograph showing a plaza in the newly renovated Factory at Franklin

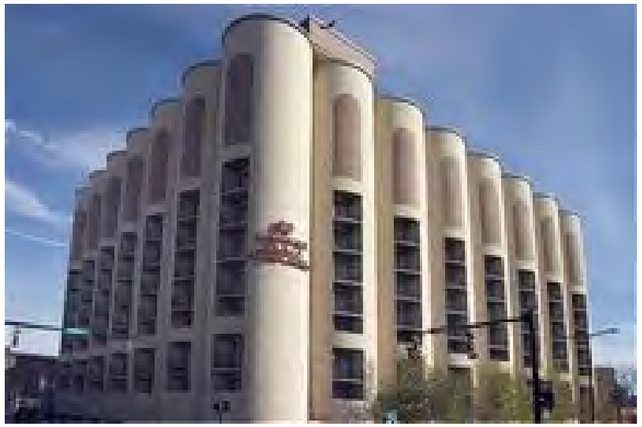
Source: www.factoryatfranklin.com

Convention or Conference Space

Similar to the market and expo center options, a convention or conference center would fit easily within the current structure and the open floor plan could be divided and programmed as needed. Quaker Square in Akron, Ohio is a good example of a factory being converted into convention space as well as hotel space. The original silos and mill have been preserved and are now part of a large hospitality and entertainment complex.

Figure 4.2.10 shows the hotel which occupies the former grain silos. Quaker Square has 11 meeting rooms, 31937 square feet of meeting space which can accommodate 1,300 sitting theater style; and 17,000 square feet of exhibit space in which 100 8'x10' booths can be accommodated. Quaker Square is a unique complex and the Ford building could similarly house meeting facilities and offer a different experience than other typical event spaces. Because of the site's proximity to the Airport, this would also be the closest meeting space to business travelers or groups traveling to and from Atlanta.

Figure 4.2.10 Crowne Plaza Hotel at in the historic Quaker Oats silos



Source: www.ichotelsgroup.com

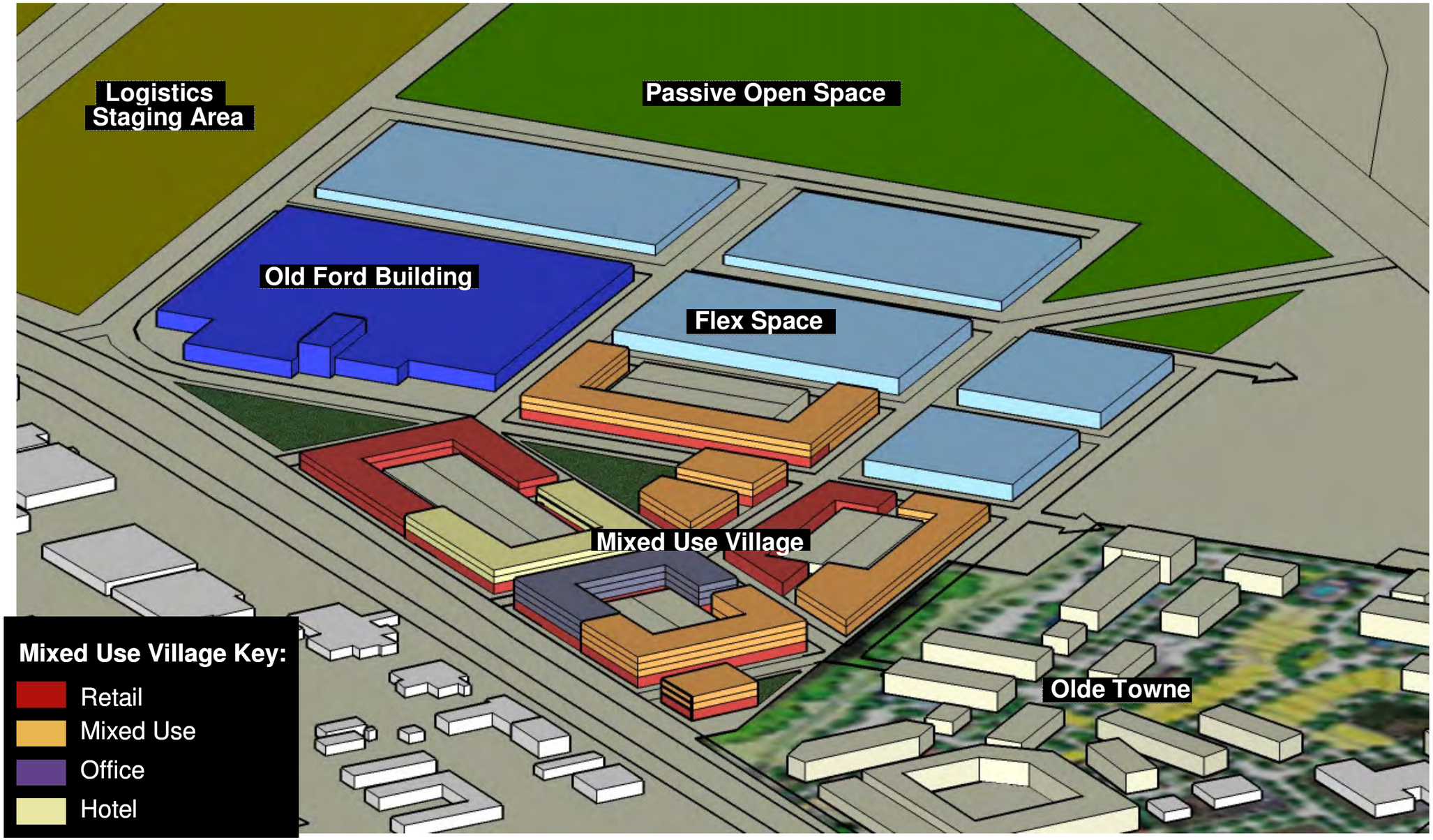
Both sets of uses could exist in the Ford building without much variation between what each would need, creating a more favorable environment in which the building could be preserved and reused. But the use that is decided on may affect the viability of uses on the remainder of the site.

4.2.3 Southern Section

This section is the most restricted and these restrictions do not allow for any uses or structures to be present here. This will most likely be a large passive open space.

All three sections of the site, though different in their uses and layouts, should relate to each other and compliment each other. Using the street network, uses can be blended well at each of the section boundaries. Figure 4.2.11 is a 3-D perspective of a model showing the redevelopment proposal. The building heights and use intensities are greatest at the front, northern end, of the sight. As the site moves back away from Central Ave, in the bottom of the picture, the heights and uses decrease until there are no buildings in the passive open space.

Figure 4.2.11 Perspective view of the redevelopment proposal for the Ford site



4.3 Note on Economic Impact

The studio worked with Robert Lann, an economic researcher at the Economic Innovation Institute at Georgia Tech, to determine the basic financial impact of our proposed development on the Ford site. Mr. Lann looked into the revenues and expenditures of Hapeville over the last few years and factored in our proposed ratio of the three major uses (residential, office and retail) on the developable segment of the site. Figure 4.3.1 shows the square footage of these three uses in the proposed development.

Figure 4.3.1

Ford Site ReAssembly		
	Acres	Sq. Ft.
Total Buildable Acres	62.1	2,705,076
Office	18.4	800,000
Retail	4.6	200,000
Residential	6.9	300,000

The particular profit or deficit could not be determined using Mr. Lann's model, however, we were able to determine that our proposed development would increase revenues for the city. The most important information we gathered from Mr. Lann and his analysis is that the growth rate of revenues in relation to expenditures is very sensitive to the ratio of the three basic uses on the site. One mix may give the city a surplus, while another may lead to a deficit. Therefore, before the city decides the specific mixture of uses on the site, it should perform a more comprehensive version of this analysis to determine the specific economic impact.

5.0 Implementation

5.1 Initial Actions

Hapeville must first show potential developers and interested parties that there is a reason to invest in this property. This step involves improving all potential access points identified in Figure 3.3-11 as well as improving the rail crossing for the main entrance. Adding or improving sidewalks, pedestrian signals, traffic lights, turning lanes, and certain aesthetic improvements are all examples of how Hapeville can begin the investment of this site.There may also need to be some sewer and water improvements that can aid in making the site more attractive. The City should also work with GDOT and the Airport on connections from North and South Central Avenue to Airport Loop road due to the potential traffic from the new international terminal. Despite who appears to be interested in the site, the city needs to pursue these actions early in the process to begin establishing the site's redevelopment.

5.2 Developer Purchase

Due to the intense use and height restrictions, the city of Hapeville should not assume that a developer would be willing to purchase the site and redevelop it. In this case, the developer would be responsible for demolishing the Ford plant. After that, half of the site would not be developable due to restrictions, and the rest of the site has height and use restrictions that would not allow enough density to make a good return on the initial investment. Besides these barriers to the developer, investors would be unlikely to support development on this site. Because of this, the city needs to consider other options.

5.3 Airport Purchase

One option that Hapeville could pursue involves working with the Airport, as the Airport has interests in the site. The Ford plant lies in the flight path of the Airport's northernmost runway. The location of this structure prevents the runway from attaining a category three status, the level of service for which it was constructed. Thus the Airport is not getting the return on the investment spent on this runway. The removal of the portion of the plant affecting the flight path would correct this problem. If the city of Hapeville and the Airport work together on redevelopment of the site, a solution may be created that benefits both parties. The Airport has shown interest in purchasing the entire site, demolishing the plant, and working with Hapeville to dispose of the developable land. In this scenario, the airport could cover the cost of purchasing the site and demolishing the plant by the resale of the land, and Hapeville could have a seat at the negotiating table. The Airport has shown precedence for this in its dealings with College Park and the Camp Creek Parkway area. Hapeville and the Airport could cooperate to master develop the site according to the recommendations in this document , as well as other City documents, and develop a site that is unified and integrated into the rest of the city.

The City should act fast and use the time it still has to begin improvements and forge the necessary partnerships to ensure that its wishes and desires for this site are heard and considered in any redevelopment proposal.

6.0 Conclusion

Urban Design Conclusions

The site has many FAA restrictions which dictate what uses are allowed on the site. These restrictions are the single most important piece of information to understand when redeveloping the site. Taking other neighboring developments into consideration, there may be some room to “squeeze” in a little more residential density and use intensity. But overall, it should be understood and assumed that the southern half of the sight is undevelopable. The northern half, which is divided into two sections, is still larger that the development of Olde Towne and therefore presents the city of Hapeville with a unique opportunity to add to its population and employment mix. This site will be the largest redevelopment in the history of Hapeville and should be treated with the correct level of respect and consideration.

The redevelopment of this site should compliment the Hapeville Main Street LCI plan developed for the City. This site should not detract from the synergy in downtown but rather enhance it. This site has the potential to be the capstone in the overall redevelopment of downtown Hapeville. There have been several other projects taking place, but none have had this much press and potential.

Site access and the street network are crucial to a successful redevelopment. In a city which has been isolated by all forms of transportation, reconnecting any part of the city back to the core is a step in the right direction.

The redevelopment concept allows for the site to respond to all factors affecting it, while still attempting to fit into the redevelopment pattern of downtown and attempting to divide the land in such a way as to bring in as many employment opportunities as possible on this site.

The second most important piece of knowledge to have when redeveloping this site, is the fact that the airport is interested in the site. This may seem obvious, but it is not just that the airport wants the site, but what it needs to change on the site. Using this, and the airport’s precedence to work well with communities in the recent past, presents an opportunity for the city to partner with the airport and create a solution that meets both stakeholders’ needs.

With proper planning and dialogue between stakeholders, this site can help Hapeville begin to move toward a more vibrant future.

Appendix

Urban Village Zoning

1. Business and professional offices/agencies, including:
   a. Architectural.
   b. Dental.
   c. Engineering.
   d. Graphic arts.
   e. Insurance.
   f. Legal.
   g. Manufacturers' representatives.
   h. Medical.
   i. Real estate.
   j. Banks and other financial institutions (not including pawnshops and check cashing businesses).

2. Institutional uses, including:
   a. Art studios.
   b. Business schools.
   c. Colleges and universities.
   d. Dance studios.
   e. Libraries and other public buildings.
   f. Professional schools (including music/dance studios).
   g. Technical schools.
   h. Playgrounds, parks, and buildings open on a noncommercial basis for recreation only. Uses of this nature are exempt from being within a completely enclosed building.

3. Retail; sales, with a maximum floor area of 6,000 square feet, including:
   a. Antique shops.
   b. Apparel shops (offering new merchandise).
   c. Appliance, radio and television sales outlets and services, including incidental repairing where all repair is conducted out of customers' view and is limited to 25 percent of the business's floor area (offering new merchandise).
   d. Baking shops.
   e. Book, card and stationary stores.
   f. Computer sales and repairs (offering new merchandise). These uses are subject to a finding by the city planning commission that the proposed method of establishment and operation would not adversely impact the use and enjoyment of surrounding properties nor negatively affect the character of the zone.
   g. Florist shops.
   h. Furniture stores (offering new merchandise).
   i. Hobby shops (offering new merchandise).
   i. Jewelry stores (offering new or used merchandise)
   j. Opticians and optical stores.
   k. Photography stores.
   l. Printing shops.

4. Retail; drugstores, pharmacies and soda shops with a maximum floor area of 15,000 square feet.

5. Retail; sales, with a maximum floor area of 20,000 square feet, including:
   a. Department stores (offering new merchandise).
   b. General merchandise stores (selling new merchandise).
   c. Hardware stores.
   d. Office supply stores.

6. Retail; grocery stores with a minimum floor area of 30,000 square feet.

7. Personal services, with a maximum floor area of 6,000 square feet, including:
   a. Barbershops and beauty shops.
   b. Data processing facilities.
   c. Laundry and dry cleaning shops.
   d. Tailor shops.
   e. Travel agencies.

8. Bed and breakfast inns without kitchens or cooking facilities in rooms used for guest occupancy.

9. Restaurants, grills, cafes, taverns and similar eating and drinking establishments with a maximum size of 6,000 square feet, but excluding drive-in restaurants, fast food restaurants, or restaurants in which patrons are not served exclusively seated or standing at a counter.

10. Theaters (with a maximum size of 8,000 square feet) which do not provide entertainment as defined in section 11-2-1 of this Code, including adult films, adult stage productions, adult videos or other adult entertainment performances.

11. Customary accessory buildings and uses.

12. Public, private and parochial schools operated for the purpose of instructing in elementary and high school general education subjects. In addition, other schools are allowed subject to a finding by the city planning commission that the proposed method of establishment and operation would not adversely impact the use and enjoyment of surrounding properties.

13. Churches and other places of worship.

14. Single-family detached dwellings, subject to the density restrictions in subsection

15. Single family attached dwellings with at least two units attached, but no more than 12 and subject to the density restrictions in subsection (19) of this section.

16. Apartment complexes, subject to the density restrictions in subsection (19) of this section.

17. Condominiums, subject to the density restrictions in subsection (19) of this section.

18. Combination of residential and business applications within a single structure, provided that each use must have a separate entrance directly accessible from the required sidewalk or within a jointly used lobby.

19. Residential density limitations shall be as follows:
   a. The maximum permitted residential density of a master planned development shall be 40 units per acre as calculated based on the sum of all residential uses and the total acreage of the project, including multiple parcels or city blocks,

but not rail lines, public streets, or other areas not owned by the applicant;
b. The built residential density of individual parcels or blocks within a master planned development may be greater or less than 40 units per acre, provided the project's combined average maximum permitted residential density is not exceeded; and
c. Any changes to an approved site plan shall require approval of the city planning commission and shall be reviewed based on the geographic extent of the original approved site plan, shall not exceed maximum density requirements of the original application, and shall indicate all built or planned improvements.

The following uses, while permitted in other areas in Hapeville and in other zoning areas, are not allowed in Urban Village zoning:

1. Pawnshops and check cashing businesses, excluding banks and credit unions;
2. Adult entertainment establishments, including, but not limited to, adult bookstores, video or DVD adult rental or purchase, adult movie or adult live theaters, adult gifts and novelties, and other venues for viewing other adult entertainment through any other electronic or other technological medium;
3. Automotive repair shops, dealerships and service stations, boat sales, auto parts stores;
4. Tattoo parlors;
5. Palm reading and fortunetelling, including psychic and crystal ball readings;
6. Billiard parlors and pool halls;
7. Carnivals;
8. Stables;
9. Shooting galleries, firearm, and archery ranges;
10. Firearms dealers;
11. Modeling agencies;
12. Massage parlors;
13. Bathhouses;
14. Hypnotists;
15. Handwriting analysis;
16. Escort services;
17. Bazaars;
18. Specialty shops;
19. Flea markets;
20. Junk stores;
21. Variety shops;
22. Labor pools;
23. Health clinics
24. Extended stay motels/hotels;

Specific uses may be permitted as conditional uses subject to approval. Such uses are:

1. Lawn and garden supplies with a maximum floor area of 20,000 square feet, provided:
   a. No outdoor storage of merchandise in the supplemental area.
   b. Outdoor storage in the rear yard, only, is permitted, provided storage areas are completely screened.
2. Grocery stores and food stores with a floor area less than 30,000 square feet;
3. Hotels and motels;
4. Reupholstery and furniture repair with a maximum floor area of 6,000 square feet;
5. Laundry and dry cleaning shops with a maximum floor area of 6,000 square feet;
6. Parking lots (except for municipal parking lots benefiting the U-V zone); and

7. Kindergarten schools and the following facilities as defined herein:
   a. "Day care center" or "center" means any place operated by a person, society, agency, corporation, institution or group wherein are received for pay for a group care, for fewer than 24 hours per day without transfer of legal custody, 19 or more children under 18 years of age.
   b. "Group day care home" means any place operated by any person, partnership, association or corporation wherein are received for pay for group care not less than seven or more than 18 children under 18 years of age for less than 24 hours without transfer of legal custody.
   c. "School-age group day care home" means a group daycare home, or part thereof with separate facilities and a separate license, which provides daytime care exclusively to school-age children before and/or after the normal school day. Such programs may operate a full-day program solely during the regular school year during those periods when school is not in session.

8. Spas. A spa shall be defined as a business location where massages by certified masseurs, makeovers, body wrapping, hair removal, saunas, manicures, pedicures and non-surgical cosmetic procedures are performed. Any combination of at least three or more of the above listed uses shall occur in the location.[35]

[35] *All of the uses allowed in the Urban Village zoning have been pulled directly from the Hapeville city ordinance, article 11.2.*