



Utility powers community development

by Stuart L. Rogel

Georgia Power Company recognized that its own profit picture was dependent on the vitality of the communities which it served. As a result, it initiated a downtown revitalization program in several Georgia cities by providing technical and professional assistance.

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When it came to development, it used to be that an electric power company had only to build power plants and electric transmission lines. In Georgia, that is changing. The Georgia Power Company, a privately held utility, is helping rebuild the downtowns of eight prosperous Georgia communities. The company believes its action makes good business sense: downtowns that are active, vital, and economically healthy are good customers who can pay their bills.

But helping communities revitalize their downtowns has not been easy, and Georgia Power is just starting. The problems that they and the communities they are working with face are complex, difficult to solve, and shared by many other smaller communities that are attempting to instill new commercial and business vitality into their downtowns.

Although numerous problems confront smaller communities, two major drawbacks loom largest when these cities attempt to revitalize their downtowns. First, many smaller communities lack an adequate understanding of the critical elements and steps involved in the development process. Second,

although some communities may recognize their shortcomings, most lack the resources for development and do not know the experts who can give them experienced assistance. Combined, these two problems can frustrate and stymie the best intentions of any community wishing to rebuild its downtown.

Georgia Power's role

Georgia Power Company's reasons for seeing that Georgia's smaller cities receive their share of new downtown development are simple to understand. Quinn Hudson of Georgia Power Company's Community Development Department summed it up by saying, "The economic health of Georgia's cities directly determines the health of Georgia Power. The company has already made significant capital investment in Georgia's cities in the form of power plants, transmission lines, and other equipment. We're in these communities for the long haul. We can't just pick up these assets and move to a new area that is growing."

In 1981, to support its involvement in Georgia's downtowns, Georgia Power reorganized its Community Development Department to consult with com-

munities and provide technical and professional assistance on downtown revitalization. Although the community development concept was new to the company when it was introduced, the department has been able to build upon the record and success of Georgia Power's Industrial Development Department, one of the oldest industrial development organizations in the United States. Most significantly, the company's existing network of local and district managers works closely with the company's Community Development specialists and serves as a liaison with the community.

The Community Development Department is staffed by an urban economist, public administrator, architect, planners, research staff, and urban designers. These professionals work directly with the cities' own development staffs and meet with bankers, businessmen, city officials, and outside investors and developers to encourage new downtown investment. In one community, Macon, Georgia Power is actually an investor, having acquired the city's historic train station. The company is in the process of identifying a joint venture development partner to undertake a \$4 million renovation of the station that will create new

office, dining, and entertainment uses for downtown Macon.

Another resource that Georgia Power can call upon for its revitalization efforts is its Commercial Marketing Department. This department is charged with promoting commercial growth in Georgia and providing technical expertise to designers and developers in all types of commercial development. With some 120 engineers and marketing specialists active in communities throughout Georgia, it is in a strong position to promote downtown development. Consequently, in 1982, staffs of the Community Development and Commercial Marketing Departments formed a partnership (referred to in the remainder of this article as the commercial development staff) to assist select cities with downtown redevelopment under a pilot program entitled "Downtown Georgia."

Target cities

The first task of the commercial development staff was to target communities

to receive Georgia Power's special kind of development assistance. In early 1982, the staff carefully evaluated more than 40 communities to determine their market and growth potential, the condition of their downtowns, the attitudes of city officials, businessmen, merchants, and citizens towards their downtowns, and other factors. Eight communities were selected as Georgia Power's target cities: Athens, Augusta, Columbus, Decatur, Macon, Rome, Tifton, and Valdosta. The communities range in size from Columbus, the largest, with a population of 169,000, to the smallest, Tifton, with a population of 14,000 in 1980. The cities are scattered throughout the state and represent a wide range of market potential and development opportunities. What they all share in common is a dedication to their downtowns. The citizens, elected officials, and businessmen of all eight communities strongly support their downtowns and are determined to work together to improve them and enliven their cities.

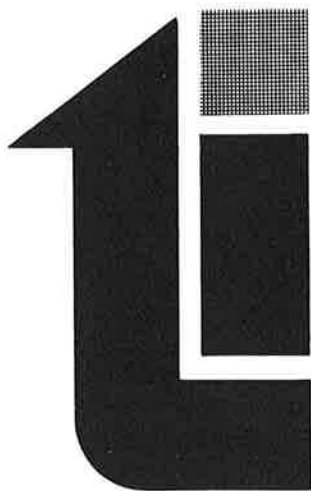
Having selected the target cities, the commercial development staff collected detailed data on each community in order to understand its current conditions, particular strengths and weaknesses, and development objectives, and to identify specific projects that Georgia Power could help develop. A marketing brochure was prepared to advertise the commercial development opportunities in the eight cities. This brochure was distributed nationally to private companies and to firms searching for sites.

At the same time, Georgia Power's professional staff was assisting the cities with their projects and downtown development problems. Staff members spoke to various business and city groups explaining how two special development tools could be used to bring investment back into downtown. These tools are Georgia's recently passed Downtown Development Authorities Law, which gives local development officials the authority to issue tax-exempt bonds for downtown improvements, and the real

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Downtown Georgia Development Day

In 1983, Georgia Power decided to identify and invite real estate developers, financiers, and other development professionals to Georgia to review the development opportunities available in the target cities and to provide assistance, advice, and criticism for each community's commercial development efforts and specific real estate projects. Georgia Power viewed this forum as both an educational opportunity for itself and its eight target cities and as a marketing tool to attract investors outside of Georgia. The Community Development Department worked with the Urban Land Institute to invite developers from throughout the country to serve on plan analysis workshop panels for the eight communities. The conference, entitled, "Downtown Georgia Development Day," was well received by the city officials, panelists, and registrants who attended. It generated ideas and enthusiasm that have given new momentum to Georgia Power's commercial development program. The conference also provided a much needed bridge between the planned development and its implementation stages, allowing the company and the communities to focus on the next steps that are needed to continue the development process in each community.

Guiding principles

The model that Georgia Power has developed for working with local communities is based on a number of principles that can be applied to other communities. First, the future strength and vitality of downtown is important to a community's pride and self image; it is also a direct indication of the overall economic health of the city and the region. This is both important to the community and to businesses that have invested heavily in the area.

Second, smaller communities and cities unfamiliar with the process of downtown revitalization need experienced assistance and guidance to ensure that they are developing the right capac-



*Macon, Georgia, Cherry Street, August 1982.
Macon Terminal visible at south end of street.*

ities and taking the necessary steps to prepare and deliver a proposed project that is attractive to developers and prospective tenants alike. The reason for the success of the conference was that the real estate development professionals assembled by Georgia Power and ULI were able to fill a significant void in the communities' understanding of the real estate development process.

Third, local businessmen, elected officials, merchants, and civic leaders must form a strong partnership and be in total agreement on the revitalization of their downtowns. The eight target communities participating in this program were selected partly because of their exemplary citywide commitment to downtown. The mayors from all eight communities played active roles in the marketing teams and presented their communities' proposed projects to the conference.

Finally, it is essential that downtown revitalization be approached as a business venture; its success depends on the ultimate economic and financial outcome of the project. The private profit-oriented motivation of Georgia Power casts a new light and perspective on each community's project. Good ideas were put through the test of financial

feasibility and profitability to see if they could stand on their own. Financially successful projects have staying power and assure the downtown's future well-being.

Increasingly, the revitalization of downtown areas is proving profitable — for businesses and cities. Many communities are forging new partnerships between private companies and the public sector in order to undertake innovative downtown development programs. Whether it be a utility company, manufacturing concern, or any one of the other industries rapidly evolving today — each depends for its livelihood on a healthy and stable economy in the area in which it does business. The costs of revitalizing downtowns are usually minimal compared to the costs of other previous investments that may well lie idle if nothing is done. Georgia Power represents one model of cooperation and participation. Its success will be measured in the future by how well the communities it is working with are revitalized.

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