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Atlanta Has More Going for It Than Any US Metropolis.

While municipal finances deteriorated across the country during the pandemic, the city was able to achieve the strongest measure of credit quality based on 10 economic criteria.

Atlanta is emerging from Covid-19 with impeccable credit, the world's busiest airport and an economy delivering two-thirds of Georgia's gross domestic product. It's home to 13 companies in the S&P 500 Index, including Delta Airlines Inc. and Home Depot Inc., whose sales and market valuations make them No. 1 in the world in their respective industries. At 2.4%, Atlanta's unemployment rate is at a record low and below the 3.6% national average, according to data compiled by Bloomberg.

"Wakanda" and "Silicon Peach" are the city's newest nicknames because so much of the blockbuster movie hit Black Panther was made where so many "techstars" are rising. Diversity underlines every business in the second-largest majority black metro area with one of the highest LGBTQ populations per capita anywhere in the US. Unlike its economic peers, Atlanta has been managed by a black Democrat since 1974 and is the main reason why the state in 2020 backed the first Democrat in almost 30 years for president.

When Maynard Jackson became the first Black mayor of any major city in the South in 1974, garnering 60% of the vote, his two biggest initiatives would stand the test of time: Making Atlanta's Black citizens essential participants in the economy, which required massive changes in corporate culture and public works, including the upgrade of what was then called the William B. Hartsfield Atlanta International Airport and the expansion of the Metropolitan Atlanta Rapid Transit Authority (MARTA) rail-line system. Jackson was so effective at transforming Atlanta into a global transportation hub that as the longest serving mayor of the city after William B. Hartsfield, his legacy is the renamed Hartsfield-Jackson Atlanta International Airport.

Andre Dickens, the 47-year-old former city council member who was elected Atlanta's 61st mayor by winning 64% of the vote in November, inherits all the problems of big city mayors, especially a paucity of affordable housing and rising homicides. He's familiar with Jackson's agenda and is determined to see bank lending increase to marginalized borrowers and persuade companies to ensure that at least 30% of their workforces are made up of local residents.

When Microsoft Corp. recently opened new Midtown offices for 2,500 employees and purchased land for an additional 10,000, Dickens said he told the software company's president, Brad Smith, that "if you import all this talent from Redmond (Washington) or San Francisco or the coast because they can live off \$150,000 and you plop them down in Atlanta, where you got people making less than \$15 an hour, you're going to upset our ecosystem."

Housing is his biggest challenge. "We put together \$65 million in this year's budget just for affordable housing," Dickens said in an interview with reporters and editors at Bloomberg News's Atlanta bureau earlier this month. "Some of that is rent stabilization, to help people that raise their hand and say, 'My rent went up by \$250 and I just don't have it.' So we're going to be helping those folks just directly staying in their house." The federal Community Reinvestment Act "was there to

protect the existing homeowners,” Dickens said, “by making sure that we get reinvestment.” “This could be some 2.0 or some next level version” of the CRA “just to allow for communities to not be overrun by bank investors,” he said.

Fortunately for Dickens, the city of 510,000 residents outperforms larger cities with bigger urban populations, such as Los Angeles, Houston and New York, as well as similar-sized Miami, Milwaukee and Sacramento, with a coveted superlative: exceptional creditworthiness. While municipal finances deteriorated across the country during the pandemic, data compiled by Bloomberg show Atlanta achieved the strongest measure of credit quality based on 10 economic criteria: total assets, building permits, total liabilities, house price index, excess revenue over expenditures, other funds, property tax revenue, median income, non-farm employment and unemployment.

The combination of falling liabilities, rising tax revenue and median income are proving unbeatable, giving Atlanta Bloomberg’s highest investment-grade rating of IGI 1, superior to distressed Chicago (DS1), Philadelphia (IG4), New York, Milwaukee, Miami (IG3), Houston, Kansas City, Los Angeles and Sacramento (IG2). Only Phoenix, with a population almost three-and-a-half times Atlanta’s, can match its credit quality, according to data compiled by Bloomberg.

No American city comes close to matching the success of the Hartsfield-Jackson Atlanta International Airport, the world’s perennial No. 1 and whose passenger traffic increased 76.4% from the depths of the pandemic in 2020 to 75.7 million in 2021, according to Airports Council International. In the US, Dallas/Fort Worth, Texas is an also-ran at No. 2, with 62.5 million. “Our airport is immensely helpful” because people want to have the ability to fly anywhere in the US, which Atlanta makes easier than its competitors, said Dickens.

The other ingredient of Atlanta exceptionalism is the diversity of the city’s business community, said Dickens, pointing to the Women Entrepreneurship Initiative, which bills itself as the only city-funded program of its kind in the nation. “No place in the nation do you have this depth and breadth of black talent, let alone black women talent,” he said. “If you support black women business owners, you’re basically supporting the family in the community, and I love that logic model.”

That’s another reason why Atlanta has more going for it than any American metropolis.

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