

The Age of the Aerotropolis

by Donnie Snow

One business professor foresees a new municipal order, and Memphis fits the bill.

Ambitious labels play well with politicians. That's not cynicism—just basic marketing. But that's not to say ambitious titles can't be accurate. Such is the case with "aerotropolis," a concept coined about a decade ago by John Kasarda, a University of North Carolina business professor. The fanciful term describes Kasarda's grand vision of a new municipal order, one built in concentric rings encircling the city airport, as opposed to being removed from it as far as conventional convenience allows.

"It is the union of urban planning, airport planning and business strategy, and the whole will be something altogether different than the sum of its parts," Kasarda says.

What may sound like some theoretical model for budding MBAs to ponder is already in practice, according to Kasarda, in Memphis, where the Memphis International Airport stands as the closest nascent example of an aerotropolis in North America. Simply put, the airport is the driving fuel cell for the city, not the other way around. Business forms around the airport, and more importantly, because of the airport.

"This whole term phenomenon has really only been around a short while," explains Scott Brockman, executive vice president at Memphis International. "It's only been in the last year or so that John Kasarda started looking at these worldwide. He identified Memphis as the closest thing to one, if not actually one, in the United States."

The statistics, Kasarda argues, bear this out. Based on a University of Memphis study, MIA showed in its 2005 report that the airport's annual economic impact on the region is almost \$22 billion. One in four jobs in Memphis, population about one million, is linked to the airport. And, MIA, Brock points out, has a larger dollar impact on Memphis than Hartsfield-Jackson International Airport has on Atlanta.

"Even in the faintest way, everything and everyone is touched by the airport, even though they may not know it," he says.

The FedEx Factor

In the midnight sky over midtown Memphis, you see them—stacks of lights in formation relentlessly drawing down on the sleeping city. Alighting nightly, 200 FedEx planes make their way to the primary matrix at Memphis International, where an ever-vigilant workforce unloads, processes, sorts, reloads and ships out more than a million packages and overnight letters.

There is no mystery to how Memphis International Airport has become "America's Aerotropolis," as airport executives point out.

"The power of the FedEx complex here is unprecedented," declares Arnold Perl, chairman of Memphis-Shelby County Airport Authority.

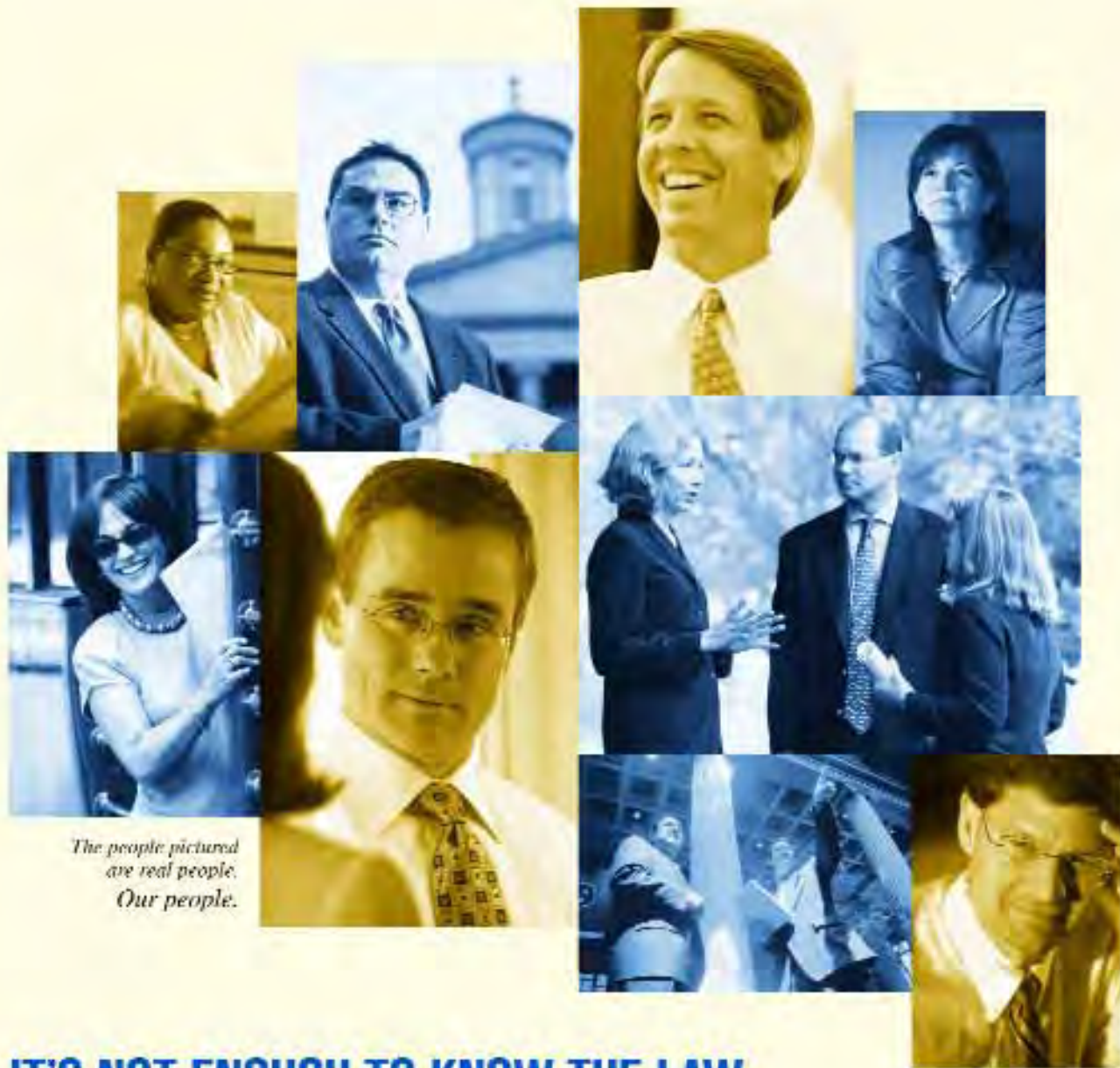
FedEx's role in the success of MIA (and Memphis), can not be overstated. It has been the busiest cargo airport in

the world every year since Bill Clinton moved into the White House, and cargo delivery accounts for \$19.5 billion of the nearly \$21.7 billion total economic impact the airport has on the region.

"Of the 19-plus billion dollars that cargo delivery generates, FedEx is 94% of that," Brock says.

As FedEx grew into the dominant means to ship cargo, so too did MIA's economic impact on the region. In conjunction grew local logistical expertise and a germinating expansion of an economic ecosystem of warehouses, trucking companies, business complexes and industrial plants that have in recent years begun to reach across state borders into Mississippi and Arkansas. In December, Kasarda urged members of the Memphis Regional Chamber of Commerce to coordinate interstate planning in order to

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The Memphis-FedEx factor is essentially about drop-off availability. Simply, you can mail your overnight package hours later here than you can in other cities. That induces companies with logistical concerns, especially among the myriad medial

industries, to relocate to Memphis, Perl says. Along with them come companies, like Nike, which want to take advantage of the opportunity to ship goods as late as midnight for overnight delivery.

The need for speed is the primary motivation for developing an aero-

tropolis, Kasarda argues, as speed will become the primary building block to competitive global agility. "Airports will shape business location and urban development in the 21st century as much as highways did in the 20th century, railroads in the 19th and seaports in the 18th," he says. (Kasarda also advises city leaders to improve unfavorable neighborhoods next to the airport so people flying in to Memphis who, for example, decide to visit Graceland, won't have to pass blocks of city blight on their way to the Jungle Room.)

Perl points out similar enterprises exist in places like Detroit and especially Dallas/Fort Worth, where the vast complex at DFW International seems larger than some of the surrounding suburbs nestled between the airport and the cities for which it's named.

But still, Kasarda maintains that no other city airport comes as close to being an airport city as Memphis. Not New York, Los Angeles, Chicago, Washington, D.C., Boston or Atlanta.

"Aerotropolis is not for everyone," Perl explains. "There are a couple of situations where it did not work. Out in Los Angeles, it would not work." Why? Because congested community infrastructure is at best problematic for industrial growth.

Such development has its critics. Growing around a centralized airport complex is not viewed as holistic expansion (not that sprawl and strip malls are considered any better).

Perl is already trying to address such criticisms.

"The challenge is to make sure that we plan the future properly," he says, "and that the necessary growth outside the airport fence is planned in an environmentally and business friendly configuration to insure total effectiveness." **tn**

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