

METRO ECONOMY  
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# Tech firms shifting intown

Worldpay US move is part of migration to attract young talent.

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To get where Tony Catalano wants to take his financial technology company, the three-story office building in Sandy Springs where the firm is now based just isn't going to cut it.

Catalano said he needs young software programmers and engineers with the latest coding knowledge. These tech geeks don't want to work in a nondescript office next to a golf course in the suburbs. Many don't want a car.

Catalano's company, Worldpay US, confirmed plans this week to move its headquarters — and double its local headcount to more than 1,200 — south to an as-yet-undisclosed location in the city of Atlanta.

Alpharetta and North Fulton remain major hubs of the state's technology sector. And they still attract expansions by blue-chip firms such as Verizon Wireless.

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But Worldpay's planned move is the latest in a string of big companies bucking the decades' long pattern of planting tech workers in suburban office parks.

Ponce City Market, the mammoth redevelopment of the former City Hall East and Sears warehouse on Ponce de Leon Avenue, has loaded up with tech firms such as Athenahealth and MailChimp.

Coca-Cola moved about 2,000 IT staffers to a downtown building, and Duluth-based financial technology firm NCR has scouted many locations, including Midtown, for a big operations center.

Catalano said Worldpay wants to attract the worker who "looks a little younger, wants to be in a bigger city."

Millennials, young folks just entering adulthood up to their early 30s, will by 2020 make up about half of the nation's workforce, according to a 2012 workplace report by the Kenan-Flagler Business School at the University of North Carolina. They're tech savvy, highly educated and flocking to cities where they can walk to work or ride transit.

"The phenomenon is not just in Atlanta, it's happening across the country," said Kevin Green, president and CEO of the business coalition Midtown Alliance.

One recent survey found the Atlanta region has fallen out of favor among educated young professionals. But Green said within three miles of Atlanta's urban core, population growth among younger adults is surging, as reflected in the boom in new apartment construction.

That's helped cut metro office vacancy to 14.3 percent in third quarter from a peak of 17.4 percent in 2010, according to data from CoStar Group, and fueled a boom in apartment development.

"The employees (companies) want to hire are 24 to 35 (years old), and they're seeing a concentration of young folks coming to urban cores," said Eloisa Klementich, managing director of business development for Invest Atlanta, the city's economic



Technology Square is a mixed-use area at Fifth and Spring streets. Tech firms prefer Midtown in part because of the appeal of being close to Georgia Tech and MARTA. BRANT SANDERLIN PHOTOS / BSANDERLIN@AJC.COM



The 201 Building on 17th Street in Atlantic Station is home to many tech companies trying to attract millennial workers. Atlanta office vacancy has dropped to 14.3 percent from a peak of 17.4 percent in 2010.

development agency.

The agency has dangled \$1.5 million in local incentives in front of Worldpay, which would also likely qualify for state incentives, as well.

Metro Atlanta retains about half of Georgia Tech's graduates, and Atlanta Mayor Kasim Reed has made it a priority to keep more. Improving quality of life and infrastructure,

cultivating new and emerging companies, and encouraging growth among the region's existing corporations are part of a strategy to boost that figure to about 75 percent.

Retaining that brainpower in the metro area could fundamentally transform the city, Reed said in a speech during the recent Atlanta Regional Commission State of the Region

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breakfast. In September, the city of Atlanta's unemployment rate was 9.4 percent, significantly higher than the 7.3 percent rate for the metro area.

Earlier this year, Catalano said he had planned to put an important innovation arm of the company in Silicon Valley because of its mass of technology workers, some of whom bolted from Atlanta. But he said

Reed and others in the metro business community convinced him the city offered a robust tech community, too.

"We made a compelling case that the leading engineering talent is already here," Reed said in an interview Thursday.

Worldpay US is the American subsidiary of London-based Worldpay, one of the world's largest payments processors. Catalano said the company's focus is to innovate the way merchants handle payments.

Catalano declined to disclose where his firm is headed until after a vote by Atlanta City Council regarding the Invest Atlanta incentives.

Green, the Midtown Alliance chief, said companies such as Pandora and AT&T put significant operations in Midtown in large part because of the appeal of being close to Georgia Tech and the proximity to the MARTA spine.

The region's so-called "edge cities," including Cumberland in Cobb County and Perimeter Center near the junction of Ga. 400 and I-285, also have seen a surge in tech workers.

Earlier this week, health care IT firm Greenway Health announced plans to put 150 technology workers near the new Braves stadium. Cobb officials said the pull of the entertainment district planned around the ballpark had carried huge weight as a potential lure to a younger workforce.

Certainly, the suburbs remain a popular place to be, and many companies can't afford or don't want to pay higher in-town rents.

Roswell landed a General Motors innovation lab and more than 1,000 IT jobs. Fiserv, another payments processing firm, picked Alpharetta for its new regional hub and hundreds of new jobs. Verizon recently put a new call center and IT positions in North Fulton, too.

But traditional suburban communities also are looking to become more urban, or at least less car-centric. In Alpharetta, the first phase of the Avalon mixed-use project recently opened. A similar styled development was recently pitched in Roswell. In Sandy Springs, the city is moving forward with a town center development along Roswell Road.