



**CITIES STRONG TOGETHER**

**STATEMENT OF**

**THE HONORABLE VINCE R. WILLIAMS  
MAYOR  
CITY OF UNION CITY, GEORGIA  
&  
FIRST VICE-PRESIDENT  
NATIONAL LEAGUE OF CITIES**

**BEFORE THE  
HOUSE SELECT COMMITTEE ON ECONOMIC DISPARITY  
AND FAIRNESS IN GROWTH**

**“THE INTERCONNECTED ECONOMY: THE EFFECTS OF  
GLOBALIZATION ON US ECONOMIC DISPARITY.”**

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Statement of  
The Honorable Vince R. Williams  
Mayor, City of Union City, Georgia  
&  
First Vice-President, National League of Cities

Before the House Select Committee on Economic Disparity and Fairness in Growth  
“The Interconnected Economy: The Effects of Globalization on US Economic Disparity”

September 28, 2021

Good morning, Chairman Himes and Members of the Committee. I am Vince Williams, Mayor of Union City, Georgia and First Vice-President of the National League of Cities. NLC is the nation’s foremost resource and non-partisan advocate for municipal governments and their leaders, representing all of America’s 19,000 cities, towns, and villages. Including my city of nearly 25,000 residents within the Metro Atlanta Region. The cities and towns in your districts are very likely members of NLC.

On behalf of NLC, I want to commend Speaker Pelosi for announcing the creation of this new bipartisan select committee, and to thank each of the Committee Members present today for your leadership in addressing the economic disparities that have surfaced and worsened as a result of harm related to Covid-19.

**Union City, Georgia**

I was elected Mayor in 2013, during a moment of crisis unlike any Union City had experienced in decades. My city was on the verge of financial ruin, with a stagnant economy and a community that lacked vision. For cities trapped in similar circumstances, operating on shoe-string budgets, even small setbacks can quickly spiral into full-blown crisis.

My top priority as Mayor was to create a strong economic base for Union City by attracting, professional and commercial business that would transform the city into a full-scale, financially sound livable community. Our revitalization became visible with the transformation of a dilapidated mall into a thriving multi-million dollar film studio (Atlanta Metro Studios). During my first term as Mayor, Union City reversed a multi-year financial deficit to an 81% increase in revenue and ushered in the greatest increase of job creation in the City’s history.

We could not have accomplished this alone. Since my first day in office, I have strived to increase consensus, cooperation, and partnership between our neighbor in each city in our county, Fulton County, Metro Atlanta, and Georgia’s many other governments, the business and civic community, and our residents. The result of this regional effort is a new era of collaboration that has paved the way for a string of remarkable, “NEXT LEVEL” accomplishments for a greater Union City in a very short period of time and has set the city on course for a more prosperous exciting future.

## **Regional coordination**

America's cities and towns are in a global competition to attract investment and foster talented entrepreneurs. But it's not a level playing field. The necessary pause in economic activity to stop the spread of COVID-19 forced many local leaders to press pause on efforts to improve economic mobility and racial equity while they addressed the most immediate crises. Many cities still had not fully recovered from the great recession a decade ago when the coronavirus emergency began. My city was able to weather the setback of COVID-19 in large part because of the strength of our region.

Regional cooperation in the state of Georgia has been effective for specific regions of our state, and it has been especially effective in the Metro Atlanta Region where Union City is located. My city is 15 minutes southwest of the busiest airport in the world – Hartsfield-Jackson International Airport (HJIA). Our regional cooperation is led and encouraged by two organizations designed for this purpose – one is the federally mandated Atlanta Regional Commission (ARC), and the other is our local Aerotropolis Atlanta Alliance, Inc.

Cities and towns must be competitive to thrive in today's economy. If local governments lack the capacity or know-how to compete globally, then they are going to compete at whatever level they can, which can result in race-to-the bottom attempts to lure employers and investments away from other localities in their state or region. This is why federal technical assistance, capacity building, and other "pre-development" type programs are so important – to help local leaders raise their game and improve outcomes.

We are clear in our region, just south of Atlanta, that new corporate investments anywhere in our region is a positive investment for all of our eight cities. Each city receives an economic boost in some fashion as a result of new investments. This is often referred to as "the halo effect", which might include an increase in the number of patrons to our restaurants, or an influx of workers purchasing homes in our respective cities. Again, overall regional cooperation for Union City is something that I, along with our City Council, greatly support. We all benefit when the region flourishes.

A step beyond regional collaboration is [regional economic connectivity](#). I've included in my submitted remarks a resource from the National League of Cities and the Rural Community Assistance Partnership on regional economic connectivity, which is when the economic specializations driving broader regional economies also have a strong presence locally, and when communities align with and leverage their region's economic strengths for local growth and development.

NLC's research has demonstrated that regional economic connectivity:

- promotes local growth, development and economic resilience in the face of global forces;
- has the potential to generate equitable regional economies in which all people can participate, prosper and reach their full potential; and

- is supported by local assets and factors, including business ecosystems, infrastructure, planning support and funding, and housing and quality of life, that vary for different types of urban and rural communities.

For example, following Hurricane Katrina, the New Orleans region set out to diversify and globalize its economy to include new industries in technology, wind energy and logistics. A key challenge to the success of these emerging industries was workforce development, not only in terms of *developing* a comprehensive system that included high schools, community colleges, technical programs, but *ensuring* that all parts of the region were connected to workforce development opportunities, particularly rural parts of the region that lack transportation. Their regional economic development organization worked with workforce partners, community leaders and the state to provide curriculum development and training near where workers lived in these rural communities to ensure that benefits of new economic activity resulting from stronger global connections reached far into the region.

### **Small towns can play big roles**

A persistent misconception among some is that being a small town precludes any type of global economic activity. Small towns like Union City *can* bring home the benefits of globalization. For example, because we have the advantage of being located so close to the busiest airport in the world, and Delta Airlines has a large number of global flights in and out of Atlanta, companies are attracted to our region. We have had new global investments in Union City thanks to this proximity to a hub for international travel.

One example of our success is ASOS, the fashion and cosmetic retailer. Not only have they opened a fulfillment center in Union City, but they have recently announced an additional \$100 million investment for expansion in Union City, which means more employment opportunities. This London based company ships goods to almost 200 countries all around the world. This is a prime example of us being a small city, but we can have a big role for our region and state based on our ideal location and proximity to the airport.

Further, our ability to utilize the internet as a marketing tool allows us, as a small city, to advertise to the world that we are open and ready for business. Our global reach is increased by our efforts to educate foreign investors regarding our city, and market directly to them. We are able to let them know about our assets – education system, workforce, and business-friendly zoning ordinances.

### **Globalization has not been a cure for inequality.**

For all the benefits of globalization, in many places it has also accelerated rising inequality and exacerbated longstanding racial inequities. Even in cities and towns that have developed ways to take advantage of globalization, the benefits of globalization do not reach low-income workers or historically disadvantaged communities without proactive efforts by local leaders to advance racial equity.

In order to address these inequities, it is incumbent on the federal government to be intentional about how communities are supported. We have had successful industrial development in Union City, but we have to have funds to pay for the infrastructure costs needed for these developments. When we have an increase in traffic as a result of our success— cars, trucks, and buses – we have to plan for improvements to our roads and transit systems. While we all benefit throughout the region, a local community has to have the attention to planning and the funds needed in order to thrive.

The City of Chattanooga, Tennessee is another great example. Chattanooga is one of the cities profiled in another NLC report, [“Strategies for Globally Competitive Cities: Local Roles in Foreign Direct Investment and International Trade”](#). A copy of that report is also included in my submitted remarks. Once a fading manufacturing town plagued by air pollution, Chattanooga transformed itself into a place that is frequently ranked among the best places to live in the United States. Cleaning up the environment was a defining community experience. Air quality improved, and the city and county together jointly purchased and developed a remediated Brownfield that had once been used to manufacture ammunition by the U.S. Army. They re-branded the acreage as Enterprise South and tapped the Chattanooga Area Chamber of Commerce to market the 1,300 acre site for a major job creation project. Although a remediated brown field within a mid-sized city did not fit the standard automotive assembly profile, Volkswagen chose the site for a new U.S. auto assembly facility in part because the environmental stewardship prioritized by the city aligned with the auto manufacturers corporate values and brand.

As these examples show, job security depends on more than skills training alone. To arrive reliably to work, employees need stable housing, access to healthcare, and affordable, decent options for childcare and schooling. Most local governments, even the largest cities, are not in a position to provide for these alone. The benefits of globalization doesn’t mean much to residents living paycheck to paycheck, or who are on the verge of eviction or already homeless. If we want or expect international companies to invest in our cities, Congress and the federal government must demonstrate a willingness to increase investment in our cities and towns too. As former Chattanooga Mayor Ron Littlefield put it, “People invest in places that inspire a passion for living.”

For better or worse, local governments across this country have been forced to become more creative as a result of globalization. Persistent uncertainty over annual federal and state funding can, and has, harmed the competitiveness of U.S cities. Government shutdowns have harmed the competitiveness of U.S. Cities. And those places that lag behind and become less competitive will find it extremely difficult to regain a sound, vibrant local economy. This is where the federal government must intervene and provide increased investment directly in local governments - to meet basic human and household needs.

It is also the case that people of color are over-represented in industries like manufacturing that are most affected by globalization. According to the Center for American Progress:

*[“Black people comprise a significant portion of U.S. manufacturing workers, including in certain geographic areas that are most exposed to trade flows. In certain industries, including automobile manufacturing, Black people are overrepresented compared with their share of manufacturing workers overall. For example, though Black people represent 12.3 percent of manufacturing workers overall, they comprise 16.7 percent of motor vehicle and motor vehicle equipment manufacturers and 17.4 percent of tire manufacturers—both industries that have been vulnerable to the accelerated growth of auto component production alternatives in other countries.”](#)*

Although data such as this are available, it's not obvious what local governments can or should be doing about it. When we talk about the need for federal technical assistance and capacity building, this is what we are talking about: how to understand what the data is telling us, and how to enact sophisticated, data-driven interventions that directly address disparate impacts and fiscal decline.

#### **Local governments and middle wage workers succeed or fail together.**

Where industries and major employers leave communities, it's a devastating blow for workers plunged into uncertainty. Another consequence is that local governments themselves will experience revenue declines, and that often translates to reductions of municipal capacity to carry out advanced operations and services. In other words, if middle and low wage workers are put into crisis, a municipal budget crisis is sure to follow.

Unemployment is probably *the* key indicator for local government revenues. Unlike state governments, which rely heavily on revenue from individual income taxes from capital gains, municipal revenue streams are more significantly tied to property taxes, sales taxes and fees for services.

For state governments, high wage earners and the performance on Wall Street drive state revenues. Whereas for local governments, main street businesses, local housing markets and low to middle wage workers and consumers drive local revenue streams.

As a result, the fiscal outlook for local governments hinges on having supports in place for economic mobility for low and middle income households.

NLC's paper, [“The Danger of Conflating State and Local Pandemic Relief”](#) references a report from Moody's Analytics that notes, “Most of the jobs still missing from the recovery are in low-wage industries, while most tax revenue is paid by folks at the higher end of the income distribution. What has been referred to as a “K-shaped” recovery has protected [state] tax revenues from thus far seeing the full magnitude of declines that would have been expected under a normal recession.”

While the loss of a major employer can spark compounding losses at the local level, local governments also have the potential to play a bigger role in driving the benefits of globalization to lower income households or helping residents harmed by globalization recover.

**Congress should focus on building the capacity of local, regional, and special units of government to bring home the benefits of globalization.**

Local leaders are deeply grateful to Congress for the emergency aid to local governments provided under the CARES Act and the American Rescue Plan Act. Although some have found fault with the uneven rollout of new programs like the State and Local Fiscal Recovery Fund grant program or the Emergency Rental Assistance Program, some of the unevenness should be more properly regarded as “growing pains”.

By making local governments part of the solution to economic recovery, ARPA grants are building capacity for more sophisticated interventions by local governments in real time. If there is a silver lining to the coronavirus emergency for local governments, this is surely it.

Congress should build on this opportunity. The federal government can assist greatly in this area by investing in wraparound training programs. Our state provides a robust number of training programs, but that isn't the case for every state. In fact, cuts in state aid to local governments are increasing. Cities and towns, and the country, would benefit from greater federal funding and financial assistance going directly to local governments, who are closest and most directly accountable to residents. The American Rescue Plan Act has proven that meaningful intervention in the form of federal grants can directly reach every city and town in America.

Even cities like mine that have been successful in adapting to the demands of globalization can become victims of our own success. Direct foreign investment and the economic growth that results can have negative consequences for families who have been longtime residents. If such residents do not personally benefit from local economic gains, they may no longer be able to afford to live in their neighborhood. When this gentrification happens, local governments should have access to funding, training, and other resources to prevent residents from being displaced, and ultimately connecting them to the larger economic benefits at work in their community.

Lastly, I'd to make it clear that in my view, and in the view from the National League of cities, the bipartisan infrastructure bill and the reconciliation package currently under debate are fundamentally important to local efforts to bring home the benefits of globalization. A specific example for us in Union City is the need to build our own water and sewer system to complement the rest of our infrastructure. Currently, we have to buy our water from the larger city – Atlanta. The fact that my city does not have direct authority to meet commercial or industrial needs for water is an obstacle. But if we were able to put in place our own water system, it would both increase our appeal to certain industries and be less expensive for our residents in the long term. Favorable policies

that allow for funding to be granted and used judiciously toward infrastructure will certainly help us promote more globalization.

**Conclusion**

Locally, in Union City, and around this country, we will continue to set the vision and strategy for our communities and execute well. We will ensure a robust as possible infrastructure, provide incentives, and make sure the permitting process is efficient. These items, however, are simply the beginning. We need your help federally as a team member in the globalization process. We will continue to be financially prudent with our budgets and look for opportunities to be creative and successful, but we cannot do it alone. The local, state, and federal team effort is the right approach, and we stand ready to do our part.

Thank you for the opportunity to address this distinguished committee.



## APPENDIX

- I. **Developing Regional Economic Connectivity: Strategies for Urban and Rural Communities**  
<https://www.nlc.org/resource/strategies-for-developing-regional-economic-connectivity/>
- II. **Strategies for Globally Competitive Cities: Local Roles in Foreign Direct Investment and International Trade**  
<https://www.usacompetes.com/wp-content/uploads/sites/7/2018/04/NLC-Strategies-for-globally-competitive-cities-National-League-of-Cities.pdf>
- III. **The Danger of Conflating State and Local Pandemic Relief**  
<https://www.nlc.org/article/2021/02/08/the-danger-of-conflating-state-and-local-pandemic-relief/>