

# DAILY REPORT BUSINESS MATTERS

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## Viewpoint

## Haircuts, shined shoes matter most in business

STUDY FINDS that spending more time on grooming can mean a boost in the paycheck



MATTHEW LYNN

THERE HAS LONG BEEN an adage that it isn't what you know that's important for getting ahead in the business world, it's who you know. Now it appears that what really counts is what you look like.

According to research by U.S. economists, the more time you spend combing your hair and polishing your shoes in the morning, the more money you are likely to earn once you finally make it into the office. And, perhaps surprisingly, the effect is more pronounced for men than it is for women.

That backs up a growing body of economic literature that tells us that the better looking you are, the more likely you are to do well in life.

And yet, what that says about the way modern business works is rather worrying: People are shallow in their judgments, they value showmanship over ability, and they are creating a culture of narcissism, in which the vain triumph over the worthy.

"There is a general understanding that people are judged on their appearance," said Fiona Line, diversity adviser to the U.K.'s Chartered Institute of Personnel and Development. "What is important is that companies should be recruiting based on talent, not on what people look like, however strong an instinct that might be."

Leaving aside the rather obvious counter-example of Bill Gates, who didn't exactly forsake a career in Hollywood to get into the computer industry, there is no disputing the basic data.

Jayoti Das and Stephen DeLoach of the Martha and

See Lynn, page 7



COURTESY OF GCI GROUP

Atlantic Station was built with TAD funding; TAD projects have seen an annual average 14.7 percent increase in property values.

## Study: TADs boost property value, accelerate growth

OF THE NINE TAD BONDS totaling \$445.7M that have been issued to date in Georgia, more than \$409M, or about 92 percent, were to the city of Atlanta, according to a study

AISHA I. JEFFERSON | ajefferson@alm.com

FORMERLY UNDERUTILIZED LAND sites such as Atlantic Station that were funded through government Tax Allocation Districts have experienced accelerated growth and dramatic property value increases, according to a study released Thursday.

The area around the former Atlantic Steel site that now boasts the mixed-use Atlantic Station is one of 27 Tax Allocation Districts, or TADs, created in Georgia since 1999 that have seen an average annual property value increase of 14.7 percent, according to the study.

"The track record shows communities that jumped on [creating TADs] garnered very positive results," said Ken Bleakly, president of Bleakly Advisory Group, an Atlanta-based real estate consulting firm. "Based on the information in the report, TADs are working."

Bleakly's Web site says that from 1996 to 2001, he headed a business group that helped establish Georgia's first TAD and attracted more than \$600 million in new development into the area around Centennial Olympic Park.

The Livable Communities Coalition, a nonprofit land use advocacy group, commissioned the study and retained Bleakly to perform it early this year. The coalition also tapped public policy analyst David Sjoquist, director of the Fiscal Research Center at Georgia State University, to review the findings Bleakly Advisory Group gathered.

Local governments establish TADs for the purpose of publicly financing certain redevelopment activities in underdeveloped areas such as vacant commercial and residential properties and blighted communities, according to the Atlanta Development Authority Web site. Through TADs, developers can

get bonds based on future increases in property taxes generated by their projects.

Redevelopment costs are financed through the pledge of future increase in property taxes generated by the resulting new development, the ADA Web site continues. TAD creation usually requires the approval of all affected local governments that will give up taxes, such as the county commission, the local school district and the municipality.

The Georgia Redevelopment Powers Law was enacted in 1985 to give additional powers to local municipalities in order to facilitate the redevelopment of blighted or economically depressed areas with TAD bonds. But it wasn't used until 1998 that the first district—the Westside Redevelopment Area and Tax Allocation District—was created, said Steven J. Labovitz, a former top city official and now a partner with McKenna Long & Aldridge who has worked on many of the TADs created. In 1999, the Atlantic Steel TAD, for what is now Atlantic Station, became the second one issued.

Only six TADs existed statewide before 2003 and since then, an additional 21 districts have been created, according to the study. Ten of the 27 TADs are in the city of Atlanta, including those for the Northwest Atlanta Redevelopment Area and TAD-Perry/Bolton; the Princeton Lakes Redevelopment Area and Tax Allocation District No. 4; the Eastside Redevelopment Area and Tax Allocation District; and the Tax Allocation District No. 6/ BeltLine TAD.

The BeltLine TAD last week was the subject of a state Supreme Court argument in which Atlanta attorney John F. Woodham argued that the state constitution does not allow for the city's plan to sell about \$1.7 billion in public school bonds over 25 years. The plan violates the state constitution, said Woodham,

See TADs, page 7

## 60 seconds

### Acuity Brands 4Q profit climbs 24 percent

Acuity Brands Inc. said Thursday its fiscal fourth-quarter profit climbed 24 percent on increased revenue across its business segments.

The lighting equipment company reported fourth-quarter earnings increased to \$51.5 million, or \$1.16 per share, compared with \$41.4 million, or 93 cents per share, in the same period a year ago.

Analysts predicted a profit of \$1.18 per share for the quarter ended Aug. 31, according to a Thomson Financial survey.

In recent period, the company recorded \$800,000, or 2 cents per share, in costs related to the planned spinoff of the company's specialty products business. The spinoff is on schedule to occur later in the fall, Acuity said.

Revenue for the quarter rose 3 percent, to \$693 million from \$674.5 million.

The results missed Wall Street's revenue estimate of \$712.2 million.

Sales at Acuity Brands Lighting increased to \$540.4 million from \$524.3 million, while revenue at Acuity Specialty Products rose to \$152.6 million from \$150.1 million.

For the fiscal year, net income climbed 39 percent to \$148.1 million, or \$3.37 per share, from \$106.6 million, or \$2.34 per share, the year before.

Full-year sales grew 6 percent to \$2.53 billion from \$2.39 billion.

The company said it targets long-term earnings-per-share growth of more than 15 percent, excluding costs and activities associated with the spinoff and assuming Acuity Brands Lighting as its only operating subsidiary.

### Haverty same-store sales decline in September

Home-furnishings retailer Haverty Furniture Cos. said Thursday same-store sales fell 16.2 percent in September as the housing market remained weak.

Same-store sales, or sales at stores open at least a year, is a key indicator of retailer performance since it measures growth at existing stores rather than newly opened ones.

Total sales for the month ended Sept. 30 fell 14 percent to \$62.1 million. In the third quarter, same-store sales fell 11.6 percent. Total sales fell 10 percent to \$200.7 million.

For the first nine months of 2007, same-store sales fell 11.6 percent, while total sales fell 10 percent to \$578.8 million.

—Compiled from  
The Associated Press

## Study: TADs boost property value, accelerate growth

TADs, from page 6

because the majority of the proceeds will be used for the BeltLine and not for purposes not directly related to education.

Woodham brought the case on his own behalf, but he is a member of the Fulton County Taxpayers' Association, which opposes the TAD funding plan for the Belt-Line.

John Sherman at the association could not be reached to discuss the Bleakly study.

Other municipalities that have issued TAD bonds are the cities of East Point, Marietta and Acworth. Of the nine TAD bonds totaling \$445.7 million that have been issued to date in Georgia, more than \$409 million, or about 92 percent, were to the city of Atlanta, according to the study.

Bleakly said TAD critics either believe that the bonds are giveaways to developers, don't think private developments should be subsidized or believe the redevelopment would've occurred anyway.

He said incentives such as a TAD are needed to push many developments along.

"Atlantic Steel sat undeveloped for 20 years because of the environmental costs to clean up the site—developers thought what you get back as a return didn't justify the development. Then TAD came along and all of a sudden, you have a way to make the site work," Bleakly said. ☞



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Atlantic Station, which hosts numerous shops like Ann Taylor Loft, was the second TAD issued.

## Haircuts, shined shoes seem to matter most in business these days

Lynn, from page 6

Spencer Love School of Business at Elon University in North Carolina took the 2005 American Time Use Survey, which studied how 13,000 individuals filled up their day. They then compared that with earnings data.

### Importance of grooming

"Extra time spent grooming has a positive and significant effect on both men's and women's earnings, but the effect is considerably larger for men," they said in a paper called "Mirror, Mirror on the Wall: The Effect of Time Spent Grooming on Wages." "For men, every extra 10 minutes daily grooming increases their weekly wages by 6 percent. However, women would have to nearly quadruple their daily grooming time to receive that much in additional wages."

In countries from the U.S. to the U.K., Australia and China, research has shown that those of us who might be mistaken for the back end of a bus are likely to earn much less than people who regularly find themselves mistaken for George Clooney.

And yet, aside from pepping up our portfolios with some shares in the cosmetics maker L'Oreal SA, what does this obsession with how people look tell us about the business world?

### Sign of commitment

Of course, nobody wants staff turning up in the office if they look like they spent the night sleeping on the streets. Their co-workers won't appreciate it. Neither will the customers.

Likewise, putting some effort into your

appearance might well be taken as a sign of commitment to your work and organization. It's certainly reasonable for employers to reward the people who try hard over those who can't really be bothered about their appearance or their work.

More importantly, "don't judge a book by its cover" contains a healthy element of truth. By and large, people can't do very much about how they look. Shouldn't companies find a fairer way of assessing their workers?

Within most large corporations, showmanship is now rated more highly than ability or intrinsic worth. Presumably, businesses are assessing staff according to their looks because appearance rather than substance is what they are mostly about.

### Out of hand

While there may be some justification for that—salesmanship is an important part of the success of any organization—it can get out of hand. In reality, concentrating only on appearances was how we ended up with companies such as Enron Corp.—it looked great, but there was nothing inside.

Lastly, all those men spending extra time on their personal grooming every morning, and being rewarded with extra pay, are likely to be self-obsessed not just in getting ready for the office, but when they get there as well.

We all know the type. They spend the whole day boasting about their achievements (often non-existent), taking credit for other people's work, and schmoozing with the directors. They may be the ones who are getting the promotions. That doesn't mean they are the best people to be running the business.

In short, fakery rules. If you want a pay increase, invest in a better haircut. That's how things work in a business culture dom-

inated by vanity and pretense. ☞

Matthew Lynn is a Bloomberg News columnist. Contact him at [matthewlynn@bloomberg.net](mailto:matthewlynn@bloomberg.net).

**DAILY REPORT**  
ALM

190 Pryor St., SW.  
Atlanta GA 30303  
(404) 521-1227

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303 Peachtree Street N.E.  
SunTrust Plaza, 37<sup>th</sup> Floor  
Atlanta, GA 30308  
404-688-8800  
[www.afclaw.com](http://www.afclaw.com)