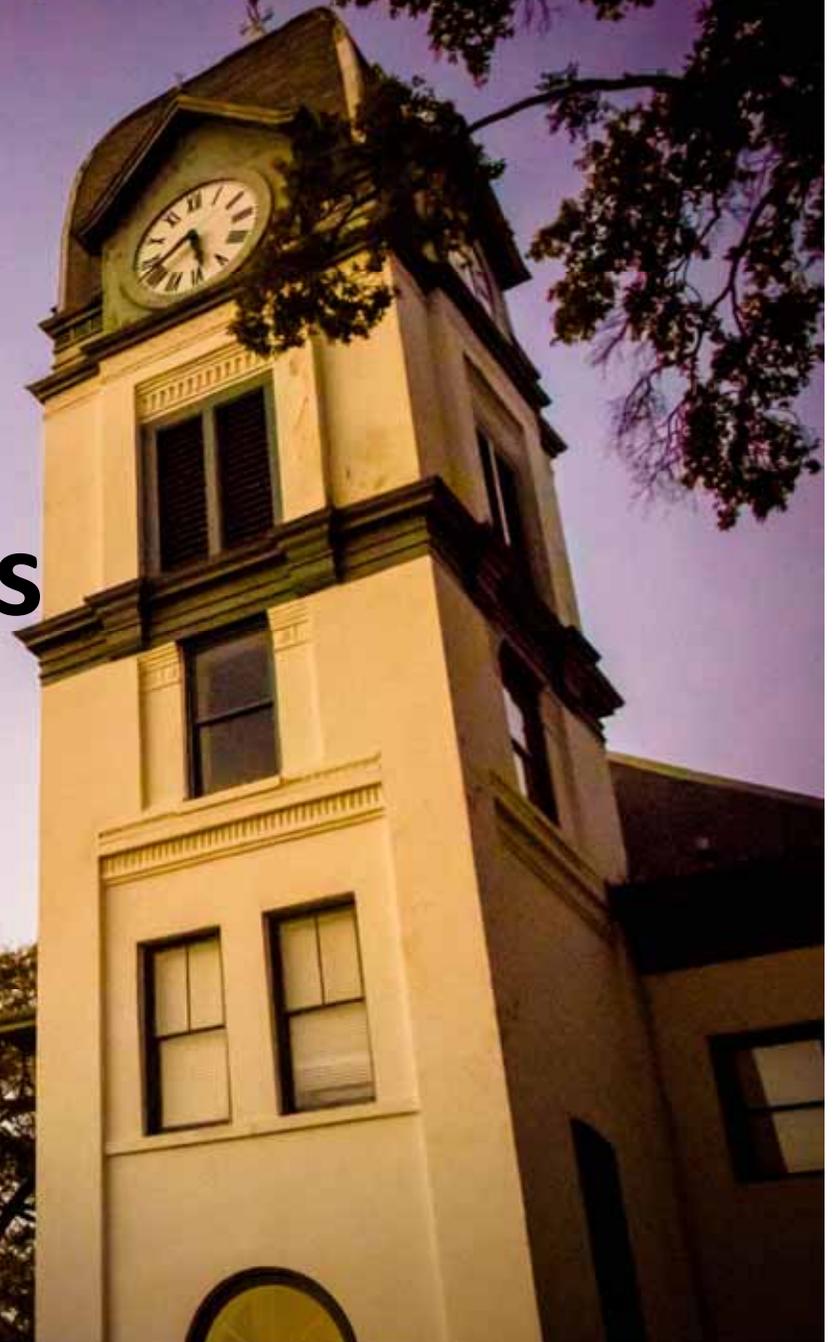




# Economic Development Basics

Fayette County, Georgia

Tuesday, March 1, 2016



# What is Economic Development?



The creation of jobs and wealth  
and the improvement of the  
quality of life.





<b>ECONOMIC GROWTH</b>	<b>ECONOMIC DEVELOPMENT</b>
Quantitative term	Qualitative term
Increase in wealth for limited number	Improves overall economy
No required planning	Product of planning
Possible negative consequences	Multi-leveled positive impact
Exclusive	Inclusive

# Who Do We Recruit...and Why

- Business and Industry
- Companies that are a good fit for the workforce, culture and economy of a community
- Good corporate citizens
  - Higher wages
  - Better jobs
  - Tax payers
  - World class companies
- Target Industries
  - Aviation/Aerospace
  - Advanced Manufacturing
  - Data Processing
  - Film/New Media
  - Corporate Headquarters
  - IT

# Fayette County

<b>○ Population 2015</b>	<b>107,826</b>
○ Fayetteville	15,945
○ Peachtree City	34,364
<b>○ Median household Income</b>	<b>\$84,434</b>
○ Fayetteville	\$58,438
○ Peachtree City	\$92,647
<b>○ Population by Race</b>	
○ White	71.1%
○ Black	21.8%
○ Hispanic	7.2%
○ Asian	4.3%

# Fayette County Education

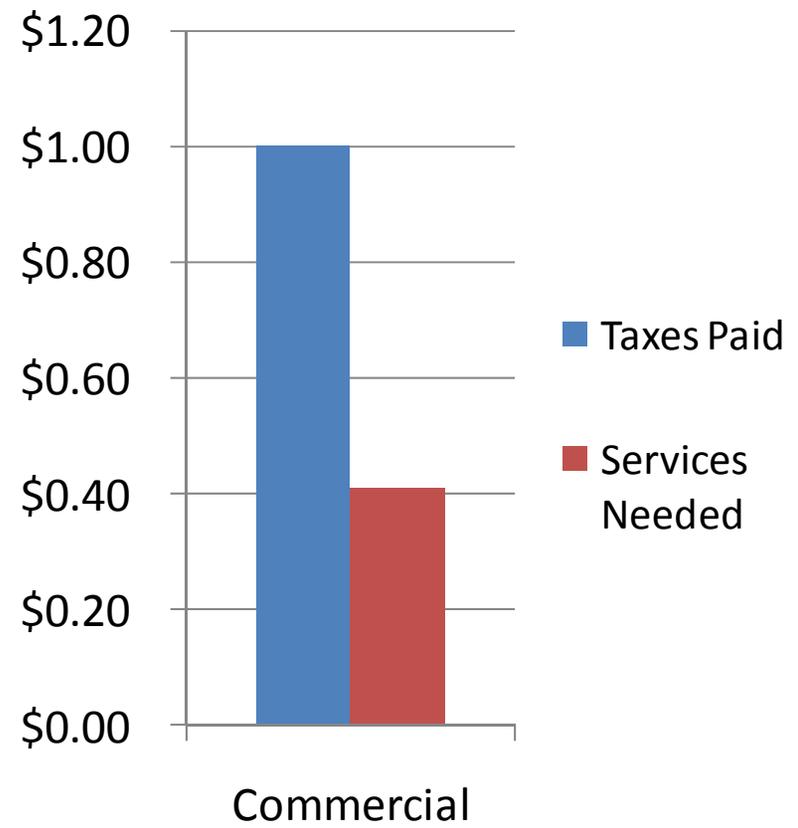
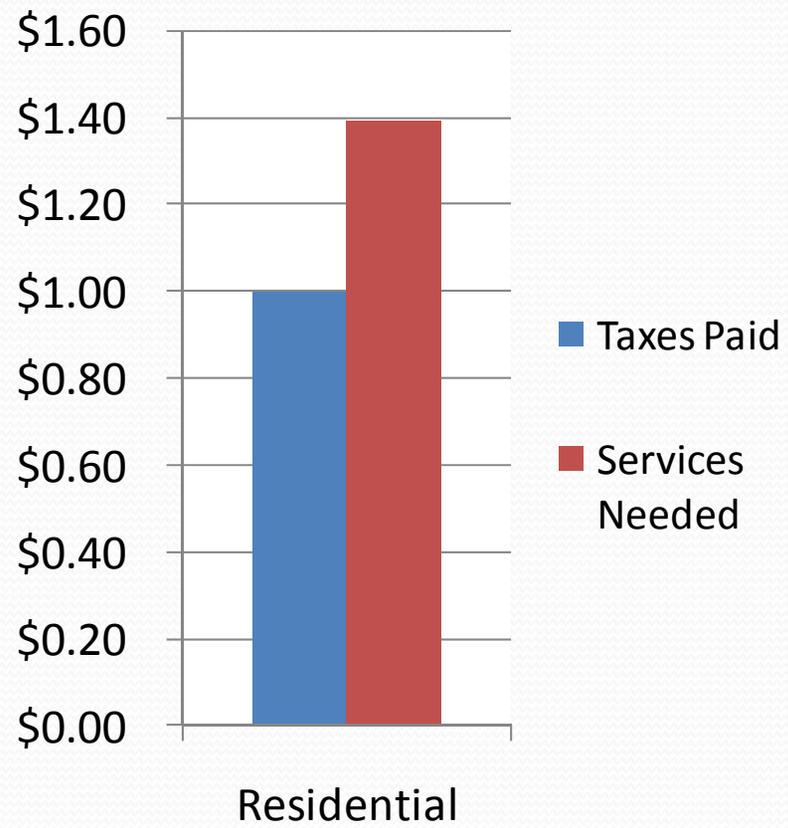
● Graduate degree	15.5%
● Bachelor's degree	27.6%
● Associate degree	8.9%
● Some college	22.0%
● GED	2.8%
● High School graduate	17.9%
● 2014 Total High School Graduates	1,641

# Fayette County Labor Force

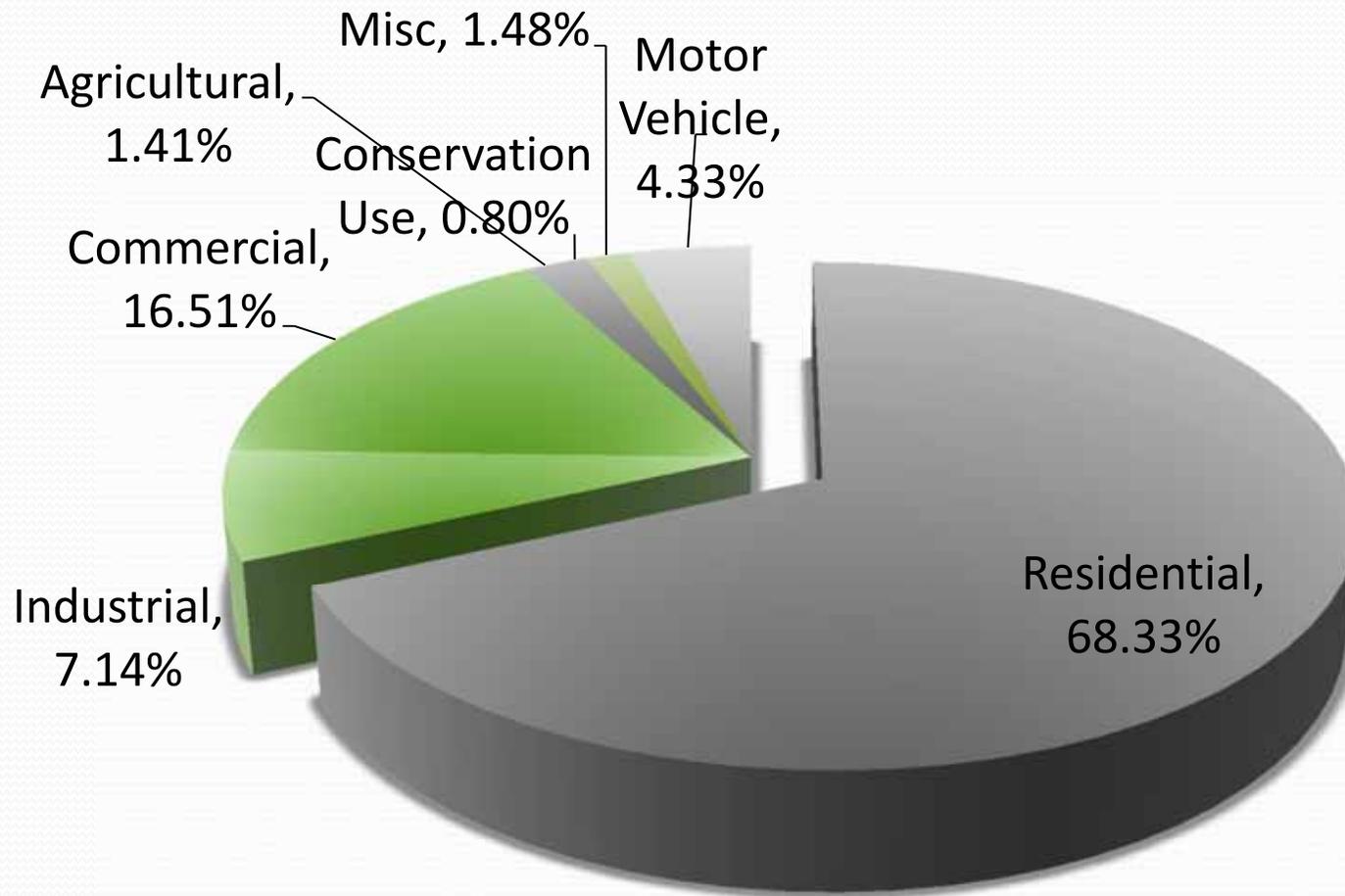
● Employed	93.6%
● Unemployed	6.4%
● Employed in Manufacturing	7.4%
● White Collar	69.4%
● Blue Collar	17.8%
● Average hourly wage	\$19.45
● Average weekly wage	\$778.00
● Average annual wage	\$40,456

# Why Do We Recruit Business?

## Balance of Services Needed/Taxes Paid



# Fayette County Tax Digest



*Tax Digest Consolidated Summary, 2015*

<https://apps.dor.ga.gov/digestconsolidation/DisplayDigest.aspx>



## So, Why Do We Recruit Business?

- To increase the quality of life for the citizens of the County
- To create an opportunity for people to live and work in the same community
- To balance the tax digest of the community (corporate services needs vs. residential services needs)



# Fayette County Development Authority

- A “Statutory Authority” under the Georgia Constitution
- Created on April 10, 1986 by the Fayette County Board of Commissioners to:
  - “develop and promote trade, commerce, industry and employment opportunities... for the public good... within Fayette County”
  - Nine member board representing Fayette County, Fayetteville, Peachtree City, Tyrone, Airport Authority



# FCDA Roles and Responsibilities

- Local economic development arm of the county
- Prepare Fayette Co. for economic development opportunities –business recruitment and retention
- Conduit for tax incentives on behalf of the taxing entities
- Identify target markets
- Develop a sales team and strategy
- Product identification and development
  - Land and buildings, infrastructure

# Project Management

## Site Selection

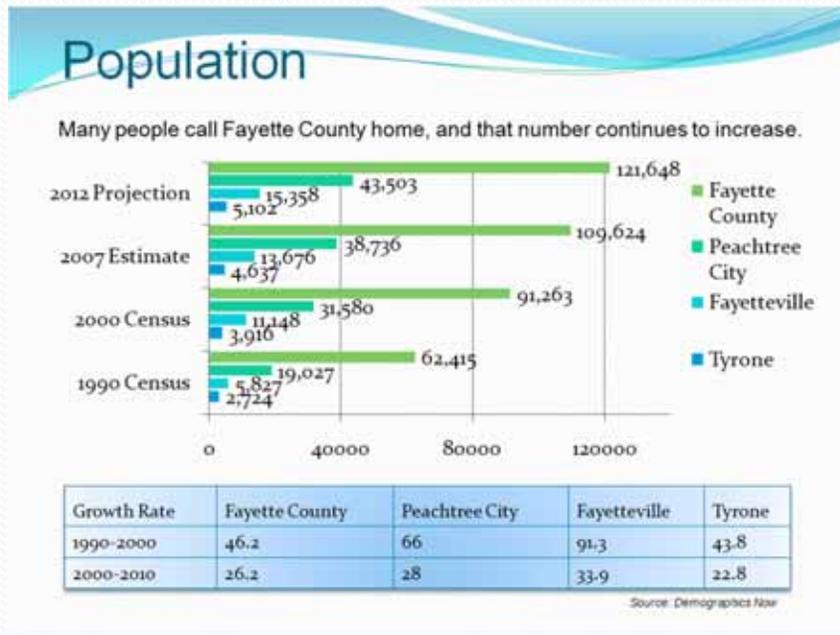


## Building Selection



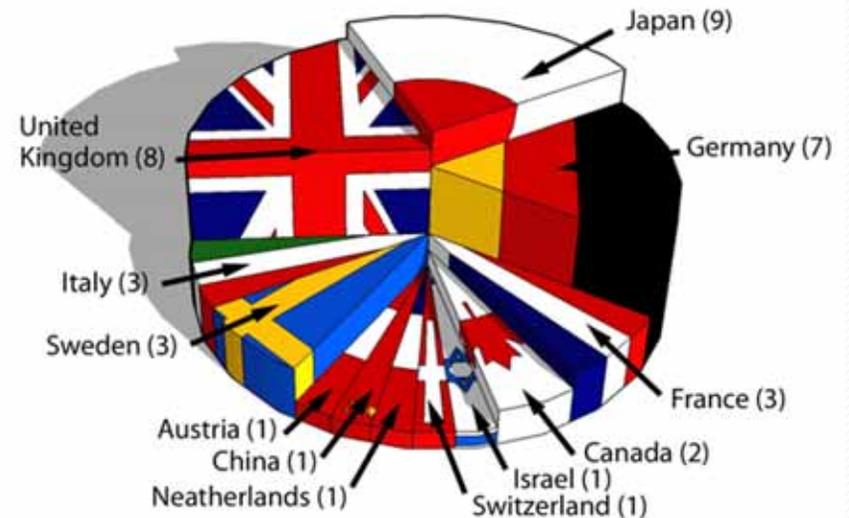
# Research

## Demographics



## Existing Industry Data

### International Countries of Origin for Foreign Owned Companies in Fayette County





# Location

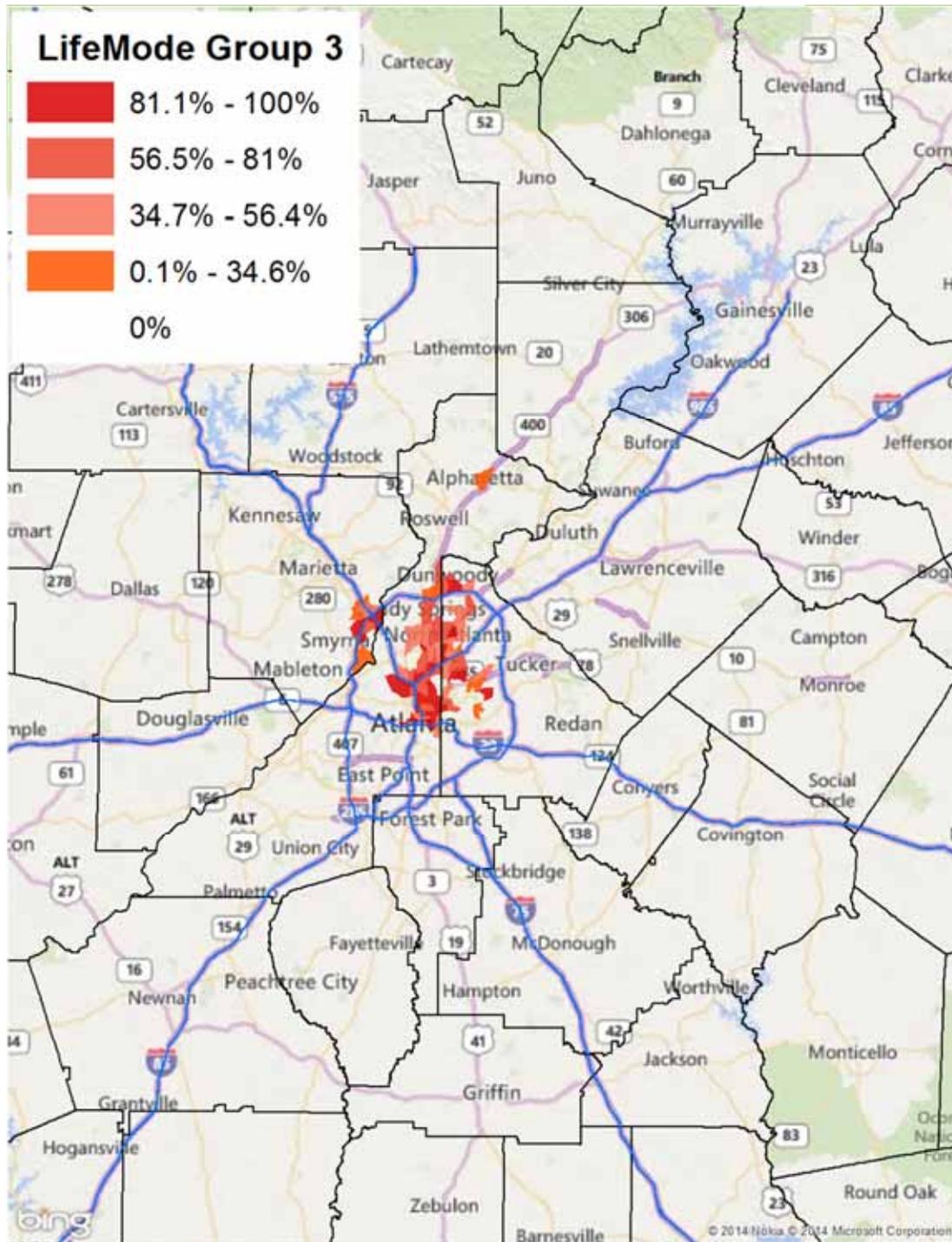


- Stone Mountain
- Approximately 20-30 minutes south of Atlanta.
- Accessed via Interstates 85 and 75
- Approximately 15-20 minutes to Hartsfield-Jackson Atlanta Intl Airport
- Fayetteville is county seat, Peachtree City is largest city

# Global Competition



# Labor - Mapping the Millennials

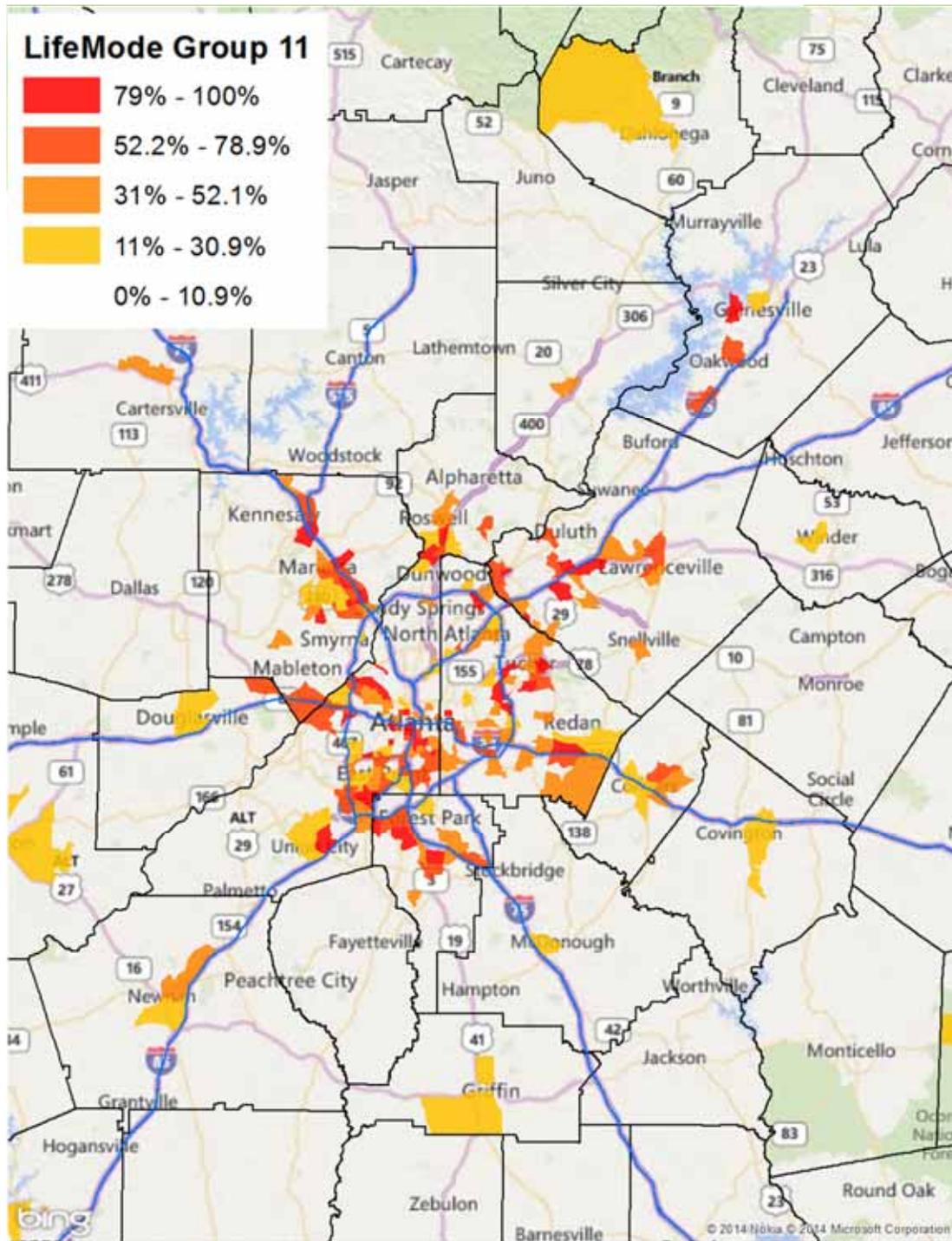


## LifeMode 3 Uptown Individuals

- Young, successful singles in the city
- Intelligent (best educated market), hard-working (highest rate of labor force participation) and averse to traditional commitments of marriage and home ownership
- Urban denizens, partial to city life, high-rise apartments and uptown neighborhoods
- Prefer debit cards to credit cards, while paying down student loans
- Green and generous to environmental, cultural and political organizations
- Internet dependent, from social connections to shopping for groceries (although partial to showrooming)
- Adventurous and open to new experiences and places

Source: ESRI Demographics

# Mapping the Millennials



## LifeMode 11 Midtown Singles

- Millennials on the move—single, diverse, urban
- Millennials seeking affordable rents in apartment buildings
- Work in service and unskilled positions, usually close to home or public transportation
- Single parents depend on their paycheck to buy supplies for their very young children
- Midtown Singles embrace the Internet, for social networking and downloading content
- From music and movies to soaps and sports, radio and television fill their lives
- Brand savvy shoppers select budget friendly stores

Source: ESRI Demographics





# The New York Times

*In Sweden's 1st unstaffed food shop, all you need is a phone*

By [IAN. M. OLSEN](#)

Feb. 29, 2016 11:58 AM EST

# Top 10 Largest Employers 2015

- Fayette County Board of Education
- Piedmont Fayette Hospital
- ***NCR***
- ***Eaton Cooper Lighting***
- ***Panasonic***
- Walmart SuperCenter
- Walmart
- ***Ply Gem Industries, Inc.***
- ***Hoshizaki America, Inc.***
- Kindred Transitional Care & Rehabilitation



# Lifestyle Culture & Rec

- 2 Amphitheaters with nationally touring acts
- More than 100 holes of championship caliber golf
- Recreation fields for soccer, football, baseball, lacrosse. 18 courts Peachtree City Tennis Center.
- Full BMX course
- Legacy Theater – professional stage company
- Three lakes for recreation activities
- Numerous open parks & playgrounds



How Do You Know  
When We've Done Our  
Job?



**Panasonic**  
Automotive

PASA Expansion

- 150 new jobs
- Software Engineers
- Now US HQ for PASA, US Design and R&D
- Japanese Company



*Southern*  
**GROUND**  
ARTISTS

Southern Ground Location

- \$25mm Investment
- 125 new jobs
- HQ for Zac Brown family of companies

The CALPIS logo is displayed in a white box at the top left of the image. It features the word "CALPIS" in a bold, black, sans-serif font, followed by a blue circular icon containing a white molecular structure with several dots and connecting lines.

### Calpis Location

- \$25m in new construction/equipment
- Manufacturer of enzymes for animal feed
- Japanese company





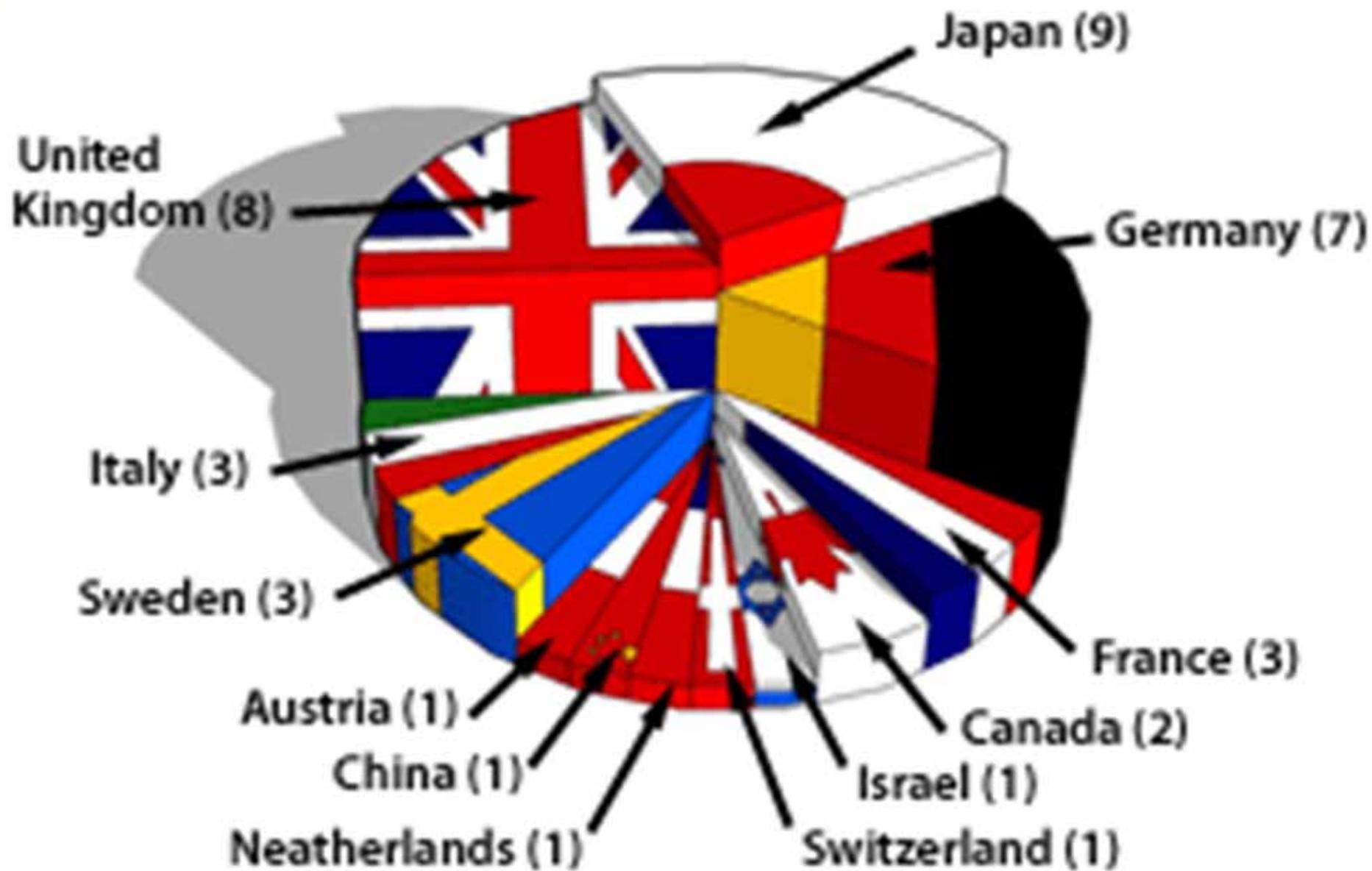
**PINWOOD**  
**ATLANTA STUDIOS**



# Int'l Companies

- 40+ companies from 12 different foreign countries
- Europe
  - Gerresheimer Plastics (Germany)
  - Hella (Germany)
  - IPN Plastics (Holland)
  - Sigvarus (Switzerland)
  - Megadoor (Sweden)
  - BAE (The UK)
  - St. Gobain/Certainteed (France)
  - Imeas (Italy)
- Asia
  - Panasonic Automotive (Japan)
  - TDK Components (Japan)
  - Rinnai (Japan)
  - Sany America (China)

# International Countries of Origin for Foreign Owned Companies in Fayette County





# Aviation

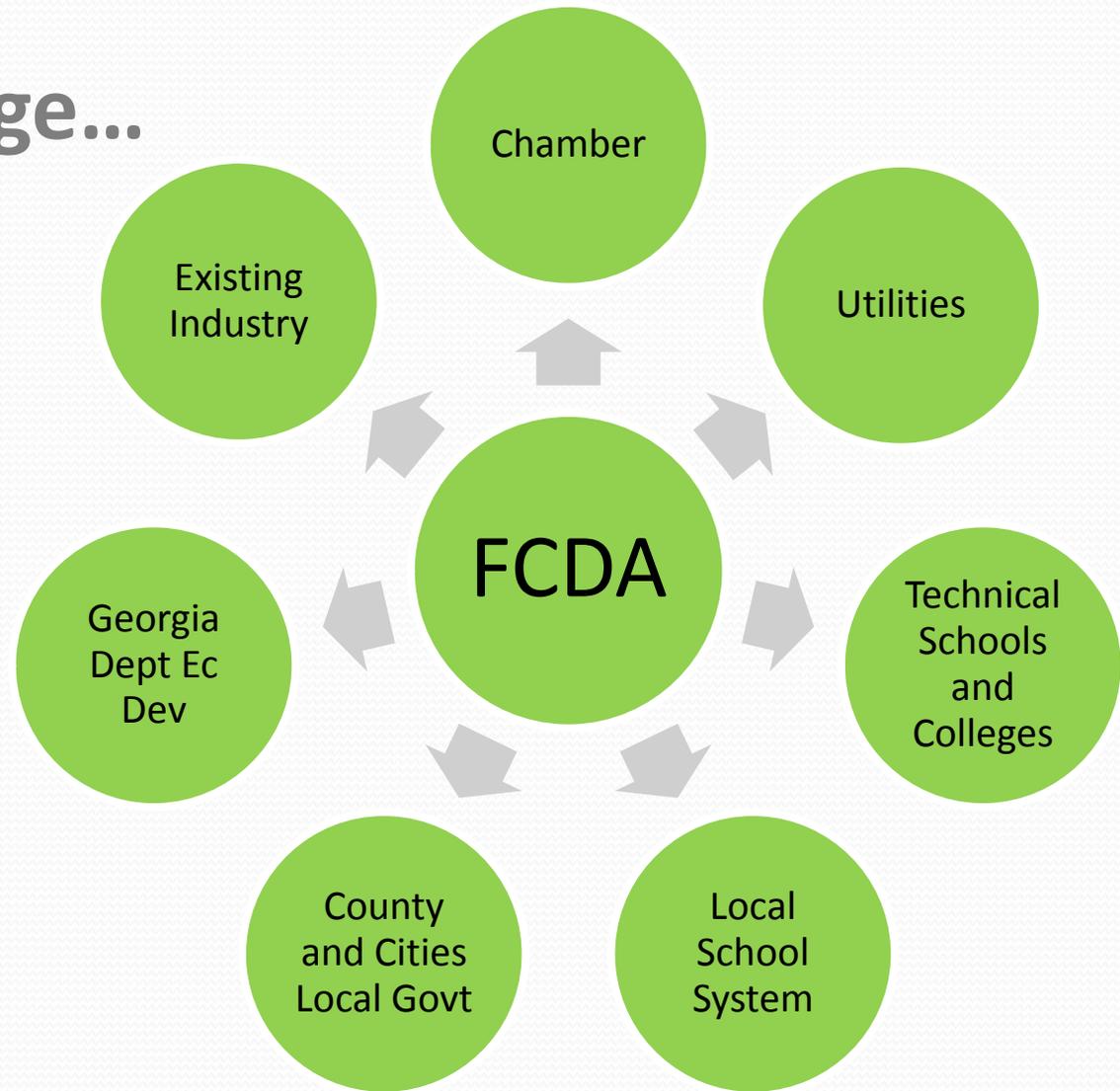
- Atlanta Regional Airport – Peachtree City Falcon Field
- Over 20 aviation related companies in Fayette County
  - AIM Aircraft Spares (OEM Mfg)
  - Aircraft Spruce & Specialty (Parts)
  - Aventure Aviation (Parts Supplier)
  - Clayton International (Helicopter Refurbishing)
  - Priority Jet (Aviation Services)
  - Wencor (OEM Mfg)
  - Gardner Aviation (Aviation Maintenance)
  - MegaDoor (Air Hanger Doors)
  - NAECO (Aviation Parts Mfg)
  - Plastikos (Fiberglass Mfg)
  - RAS (Metal Forming for Parts)



# Headquarters

- Major location in metro Atlanta for headquarter operations
- Highly educated workforce with college degrees
- 15-20 minute drive to Hartsfield-Jackson Atlanta International Airport (ATL)
- High quality of life elements (schools, recreation, shopping, entertainment)
- Sample of Existing HQ operations:
  - Osмосе (HQ)
  - Sany America (HQ, R&D, Mfg)
  - Panasonic Automotive (HQ, R&D)
  - Eaton (HQ, R&D, Logistics)
  - NCR (Division HQ)
  - Hoshizaki (HQ, Mfg)
  - MegaDoor (HQ, Mfg)
  - UES (HQ, Mfg)
  - Rinnai (HQ, R&D)
  - IPN USA (HQ, R&D, Mfg)
  - SMC3 (HQ, command center)

# It takes a village...



# Recruitment Partners





# Site Location Process for Companies

- Identify the business case
- Consider Options
- Contact States/Communities
- Collect/Analyze Information
- Conduct Site Visits
- Begin the Elimination Process

# How Do We Recruit?

- Consultants & Brokers



# Economic Development Process

- Process of elimination - not inclusion
- Most states and communities are eliminated before they even know there is a project - Websites are critical
- $\approx$  80 percent start off by looking for an existing building
- Uncertainty = NO!
- Incentives make a good deal better not a bad deal good

## Top Location Decision Factors Corporate Decision Makers (2014 Update)

	'14	'13	'12	'11	'10	'09	'08	'07
Highway Accessibility	1	2	2	1	1	2	1	1
Occupancy/Construction Costs	2	4	5	5	4	7	3	5
Available Land	3	●	●	●	●	●	●	●
Available Buildings	4	●	●	●	●	●	●	●
Availability of Skilled Labor	5	1	3	2T	7	6	6	4
Labor Costs	6	3	1	2T	2	1	2	2
Right to Work/State	7	●	●	●	●	●	●	●
Proximity to Markets	8	●	●	●	●	●	●	●
Energy Availability & Costs	9	9	6	7	9	4	5	3
Corporate Tax Rate	10	6	7	4	6	5	8	7

● Not in top ten factors for year shown

Source: Area Development Magazine, Corporate & Consultants Surveys, 2007 to 2014

# CoStar Forecast

## Existing Inventory

- 2015 Q1 600,397 sq. ft. vacant (8.0%)
- 2015 Q2 597,310 sq. ft. vacant (7.6%)
- 2015 Q3 492,718 sq. ft. vacant (6.6%)
- Current 433,324 sq. ft. vacant (5.8%)
- 2016 254,312 sq. ft. vacant (3.4%)
- 2017 75,300 sq. ft. vacant (1.0%)

**Current Need: Additional Building Inventory**

# State Finance Programs

## ❑ Job Tax Credits

- Awarded to qualified businesses based on county economic tiers
- Awarded to qualified businesses based on county participation in a Joint Development Authority

## ❑ OneGeorgia

- EDGE & Equity funding for rural Georgia economic development projects both in capacity building and job creation opportunities (Fayette does not qualify)

## ❑ Regional Economic Business Assistance (REBA)

- Funding for competitive economic development projects in any region of the state



# SUMMARY

- It's a process, not an event
- Long-term commitment of time and resources
- Sustainable community economic development requires leadership development, community development and economic development



# Roles of Local Leaders

- **Planning**
- **Community Development**
- **Development Authorities**
- **Sales Teams**
- **Funding**
- **Incentives**



# Current Challenges

- State Economic Development Partners
- “Perception is Reality”
- Existing Industry Perception
  - **Employment**
  - **Millennials** require a paradigm change – residential, retail, live/work/play
- FCDA Budget – Pro-rata share
- Lack of Product (Sites and Buildings)
- No Approved Tax Incentive/JDA Tax Credit in doubt
- Aging Population/Declining School Age Population



# Current Opportunities

- Industry Perception/Brand Recognition
- Partnership Opportunities for Infrastructure and Land for Future Economic Development
- Quality Education
- Sales and Marketing Team
- Local Economic Development Professionals
- Millennial Focus (Fayette Visioning)
- Redevelopment
- Entrepreneurship

