Georgia®
USA

GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT

November 2, 2016

We SPEAK Business

Georgia Department of Economic Development

GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT:

- **WHO WE ARE:** The Georgia Department of Economic Development (GDEcD) is the marketing and sales arm of the State of Georgia

- **WHAT WE DO:** Strategically deliver economic development throughout the state by:
  - Attracting new business investment
  - Supporting the expansion of existing industry and small businesses
  - Locating new markets for Georgia products
  - Attracting tourists from within and outside the state
  - Promoting Georgia as a desirable location for entertainment businesses and projects

GDECD:
GLOBAL COMMERCE DIVISION

- The Global Commerce division assists businesses by coordinating:
  - Site Location Services
  - Market Research
  - Business Incentives Analysis
  - Employee Training
  - Innovation and R&D Services
  - Export Assistance
  - International Office Assistance

GLOBAL COMMERCE:
INDUSTRY FOCUSED, GROWING GEORGIA

- New Investment – Industry Focused
  - Aerospace, Defense & Advanced Manufacturing
  - Logistics, Energy, Agribusiness, & Food Processing
  - Health Sciences & Corporate Solutions
  - International Investment

- Existing Industry – Regional and Relationship Focused
  - Work with existing companies on expansion projects
  - Recruit new companies targeted for their region
  - Provide regional expertise and local connections

GLOBAL COMMERCE: STATEWIDE CONNECTIONS

Regional Project Managers

- Work with existing companies on expansion projects
  - Recruit new companies targeted for their region
    - Provide regional expertise and local connections

RECRUITMENT, EXPANSION & RETENTION

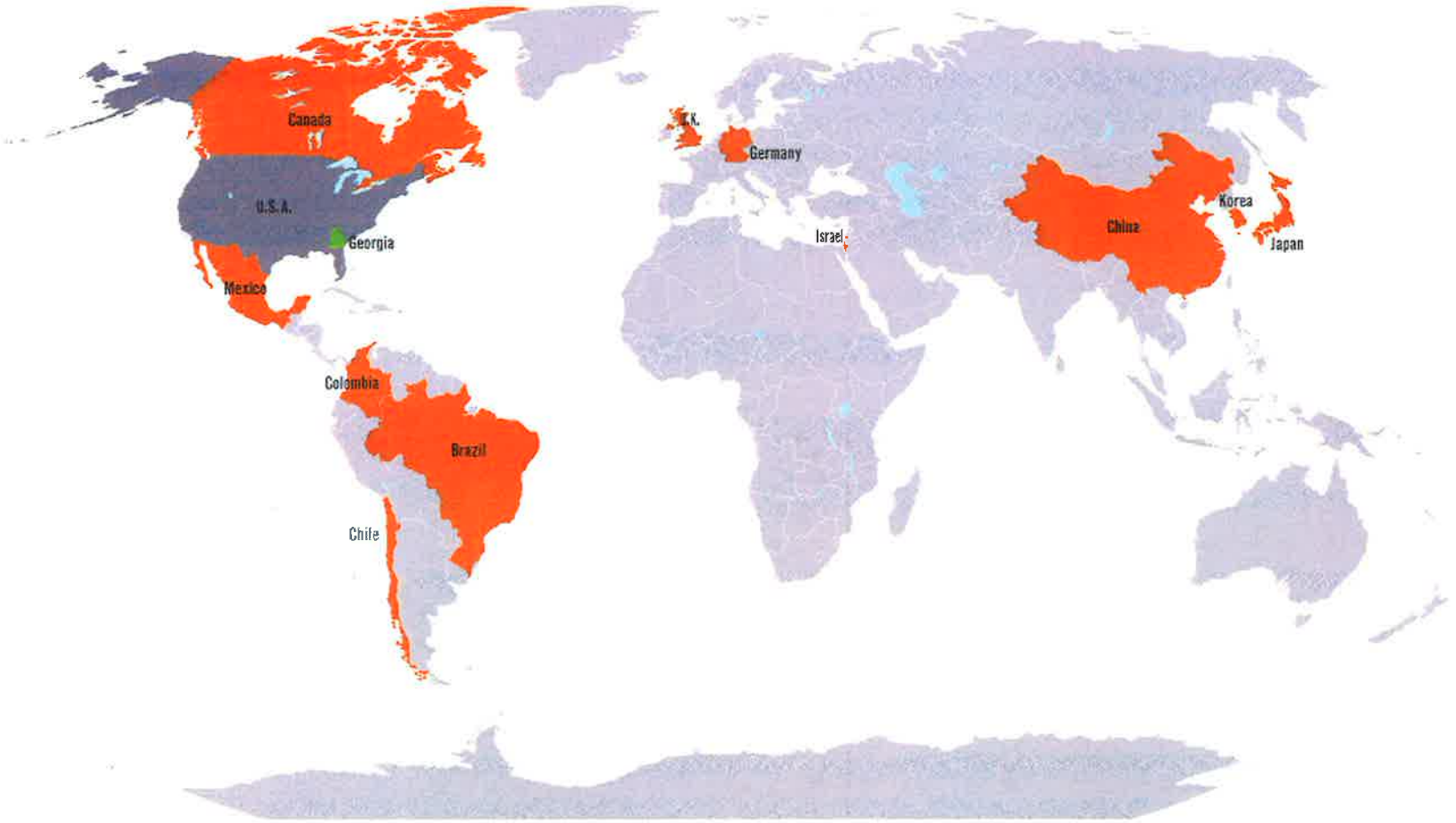
- Prospective AND Existing companies
  - 70% of New Job Growth comes from existing industries
- Information on incentives and assistance opportunities
- Logistical support with partners
- Site selection process for the new location of the business

SO…WHERE DO PROSPECTS COME FROM?

- Regional Project Managers work with Existing Industries and Communities to identify:
  - Expansion Opportunities
  - New Locations for Targeted Suppliers and Customers
- Industry Team Members attend Trade Shows throughout the US developing contacts and leads
- Georgia's 11 International Offices work with companies located in their region to encourage new locations in Georgia
- Site Selectors/Consultants
- And some just "walk in the door"

GLOBAL COMMERCE: INTERNATIONAL OFFICES

11 International Offices



HOW HAS THE RECRUITMENT PROCESS CHANGED?

HOW HAS THE RECRUITMENT PROCESS CHANGED?

- **Industries:** 20 years ago, 80-90% of projects were manufacturing-based. Today, that number is approximately 50-60%
- **Location searches:** 20 years ago, companies sought locations within targeted regions. Today, sites within states can be competing with sites in neighboring states…or with sites in countries halfway around the world.
  - There are more players (states, countries) and they are more aggressive.
  - Partially because of this, it's more difficult to capture jobs. Due to increased competition, states and communities have become more proactive and have escalated their marketing efforts.
- **Technology:** 20 years ago, most site selection searches began with a phone call, letter or fax. Today, most are begun on the Internet.

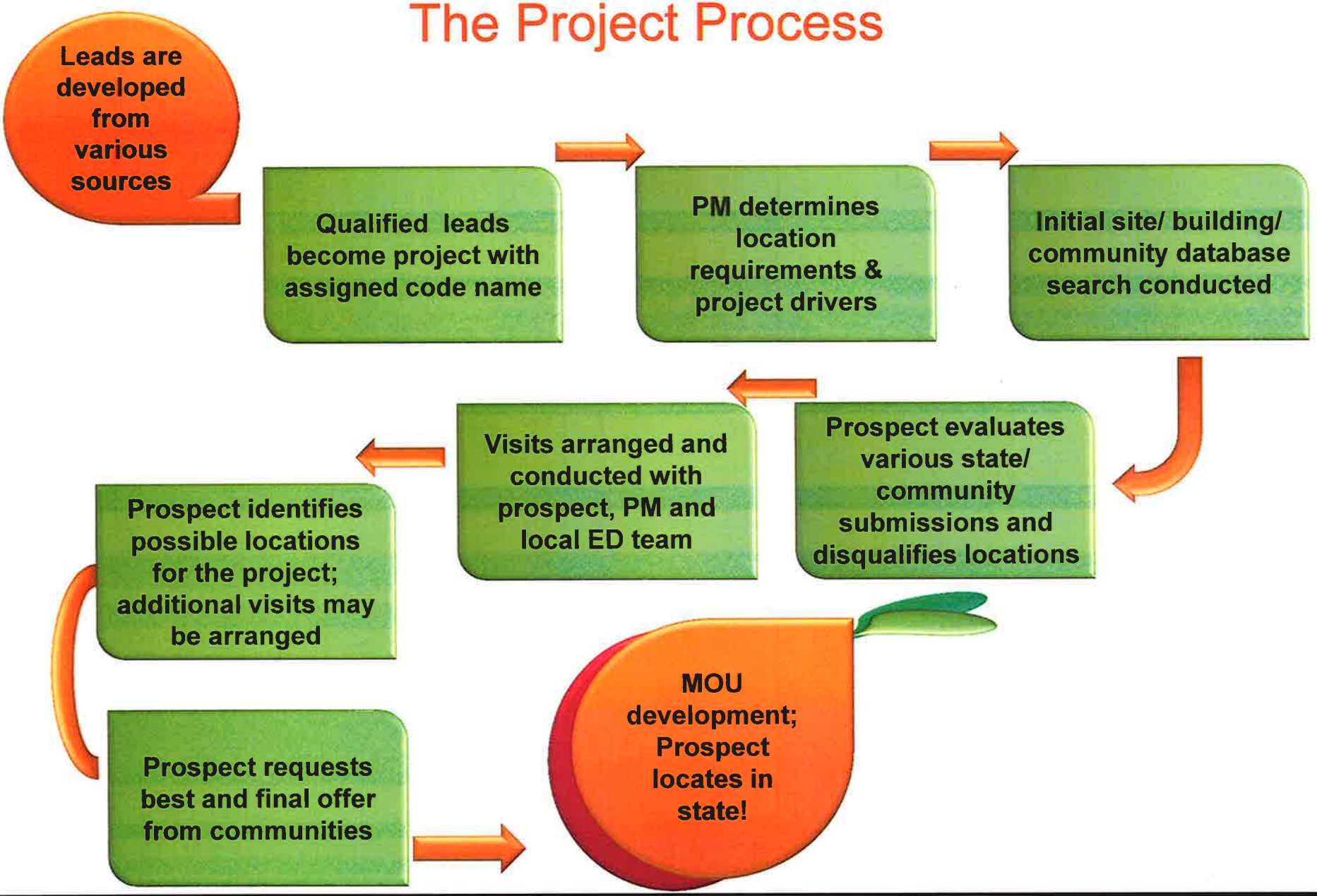
HOW HAS THE RECRUITMENT PROCESS CHANGED?

- **Searchers:** 20 years ago, there were just a handful of site location consultants throughout the country. Now, about 5 times as many projects are handled by site location consultants, so a state is at least as likely to work with a consultant as directly with a company.
- **Community Involvement:** 20 years ago, at the local level, most development work was done by Chambers of Commerce and was mostly privately funded. Local governments were not involved in funding or structure of economic development.
  - Publicly-financed local economic development authorities are the norm.
  - Local economic development is sometimes totally funded by public dollars.
- **Incentives:** Giving land or tax abatements at the local level was unheard of 20 years ago. Now it's usually a part of the total local package, and can exceed the amount of state incentives.

HOW HAS THE RECRUITMENT PROCESS STAYED THE SAME?

- Companies still need to make a profit and locates in or near their product market.
- Companies are risk-averse; they need to reduce exposure to risk.
- It is important to position a Georgia site as a place that meets both these needs.
- So, how does a company make their location decision? Let's look at an example.

The Project Process



CONFIDENTIALITY

- Vitally important to the company and the community
- Code names
- Non-disclosure agreements
- Local media, politics
- Dangers of social media and networking sites

What happens if your community has difficulties with confidentiality?

PARTNERSHIPS ARE KEY

- Existing industries
- Communities
- State agencies
- Utilities and railroads
- Education community
- Business community
- Federal agencies

COMMUNITY & BUILDING INFORMATION

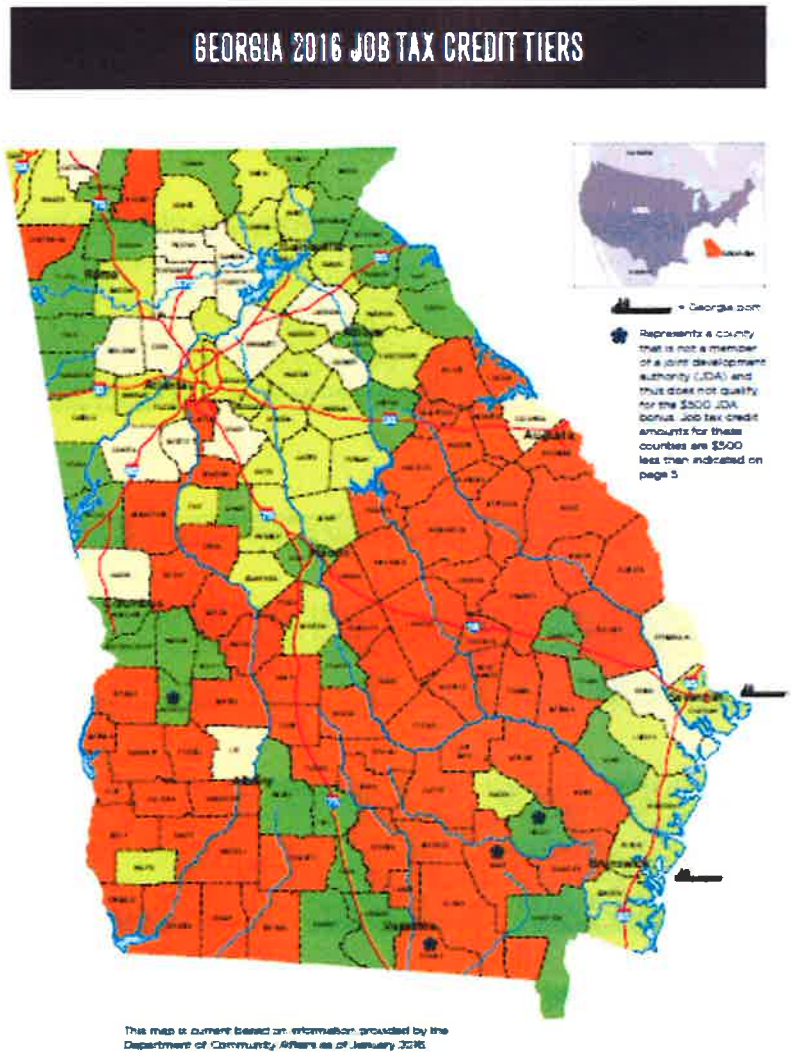
- www.ga-sites.com
- www.georgiafacts.net
- www.locationgeorgia.com
- www.selectgeorgia.net

PRO-BUSINESS ENVIRONMENT: LOW TAXES & TAX CREDITS & EXEMPTIONS

- Low Effective Tax Rate
  - 6% Corporate Income Tax Rate
  - Single Factor Apportionment

- Corporate Tax Credits
  - Job Tax Credit
  - Investment Tax Credit
  - Port Tax Credit Bonus
  - R&D Tax Credit
  - Retraining Tax Credit
  - Child Care Tax Credits

PRO-BUSINESS ENVIRONMENT: JOB TAX CREDITS



- Available to a business or its headquarters engaged in:
  - Manufacturing
  - Warehouse / Distribution
  - Research & Development
  - Telecommunications
  - Processing (data, information, software)
  - Tourism
  - Biomedical Manufacturing
  - Alternative Energy Products Manufacturing
- Available to any business creating jobs in Opportunity Zones, Military Zones, as well as Georgia's 40 least developed counties
- Job Tax Credits range from $1250 to $4000 per job, per year, for up to 5 years

PRO-BUSINESS ENVIRONMENT: TAX EXEMPTIONS

- **Sales & Use Tax Exemptions**

  [subject to specific regulations]

  - Manufacturing Machinery & Equipment
  - Repair to Industrial Machinery
  - Raw Materials & Packaging
  - Primary Material Handling Equipment
  - Energy Used in Manufacturing

- **Property Tax Incentives**
  - Business Inventory (Freeport)
  - Tax Abatements
    - Available in many communities throughout the state

GLOBAL COMMERCE FY16 HIGHLIGHTS

Locations

- 365 total
  - 97 New Locations (27%)
  - 268 Expansions

Jobs Created

- 25,341 total
  - 11,107 from New Locations (48%)
  - 14,243 from Expansions

Investment

- $4.4 billion total
  - $1.4 from New Locations (32%)
  - $3.0 from Expansions

REGION 10 EXPANSIONS 2015/16

County	Number of Projects	Investment	Jobs
Baker	0	0	0
Calhoun	1	$4,000,000.00	15
Colquitt	1	$900,000.00	6
Decatur	1	$2,225,000.00	20
Dougherty	2	$2,750,000.00	14
Grady	3	$1,787,000.00	132
Early	1	$285,000.00	7
Lee	1	$2,000,000.00	10
Miller	1	$3,575,000.00	15
Mitchell	2	$8,000,000.00	7
Seminole	0	0	0
Terrell	0	0	0
Thomas	10	$19,435,000.00	360
Worth	3	$2,280,000.00	1
14 Counties	26	$47,237,000.00	587

REGION 10 LOCATED PROJECTS TO DATE

County	Projects	Investment	Jobs
Colquitt	2		
Dawson	2	$33,400,000.	140
Thomas	3		

ACTIVE PROJECTS EXPECTED TO LOCATE 2016-2017

Region 10	10	$102,600,000.	337
Total	17	$136,000,000.	447

INDUSTRY SECTORS WITH STRONG JOB GROWTH

Aerospace – up 89%

BOEING

Logistics & Distribution – up 114%

amazon

Data Centers – up 883%

INCOMM

Back Office – up 1639%

ADP

Georgia USA

Georgia®
USA

Rhonda G. Geiger-Garriga
Sr. Project Manager, GDECD
Global Commerce Division
317 E. Clay St.
Thomasville, GA 31792
Phone: 678-640-4361
Email: rgeiger@Georgia.org
www.Georgia.org