

Georgia Power  
**Community  
& Economic  
Development**



**World-Class Business Center \ Abundant Talent \ Gateway to the World \ Pro-Business Climate \ Quality of Life**

**Sidebar Conference: Local Authorities:  
Partners in Economic Development**

***Role of Incentives, the Local, State and Regional  
Project Managers***

**10 October 2014**

**Calhoun, Georgia**

# Example – “Project X” – Southeastern U.S. Search Consultant-Driven

- **Client** - Tier 2 Automotive Supplier
- **Project Type** – Metal stamping, light assembly and warehouse/distribution
- **Sector** - Manufacturing
- **Project Drivers** - Timeline, availability of labor, overall cost of operations, incentives
- **Jobs** – 350 estimated
- **Capital Investment** – Initial Estimate \$20M
- **Project Timeline:** Eight months from RFI publication to announcement

# Project Drivers/Site Selection Criteria

**Consultant Y** - *“Our client seeks a quality location where the required quality skills can be obtained in a low cost domestic market”*

## ***Company’s Key Considerations:***

- Reduce costs
- Speed to Market
- Improve quality of product
- Bring innovative solutions to its customers
- Recently experienced tremendous growth in their direct to customer segment of their business



# Project Drivers/Search Criteria

- **Real Estate** – Build-to-suit 350,000 sq. ft. building – 40 acres (rail preferred); free site or price per acre reduction; GRAD site preferred (rule of thumb – 1,000 sq. ft. bldg. per employee)
- **Workforce** – Availability of current and future: welders, experienced technicians with mechatronics training, assemblers
- **Geography** – Southeastern US for proximity to large customers
- **Access** - Direct flights from the company's HQ's city (Germany) within one-hour from site
- **Local tax and economic factors, wage rates**
- **Availability of governmental incentives (state and local)**



# Workforce/Talent Issues

- New location will initially provide for three (3) corporate executive relocations from Germany
- Corporate positions - Over five (5) years anticipate the need for additional of sales/marketing (15) and Research and Development Department engineers (15)
- Compensation for all will be at competitive wages - Initial estimates of average salaries are: 1. Executive positions: \$200K plus benefits per year; 2. Corporate positions - \$80K per year; 3. welders and mechatronic technicians - \$20-30.00/hour minimum hourly wage
- Training - A big part of this project's success will rely on the ability to effectively train new hires. Anticipated training budget of \$5M per year (years 1-5). *"Your support in helping to mitigate these costs is very helpful."*



# Project Timeline

- During diligence phase, more than 50 Southeast U.S. sites to be identified
- RFI sent to 20 communities
- RFI provided April 2014; **Due in one week**
- Preliminary site visits to be conducted two months later
- Project commencement - Within six months
- Completion of project Q4 2015 – Will ramp up over four year period

# *Project “X”: RFI Have To Do’s*

## **Proposal Submission**

Respondents are requested to respond via email to this RFI, by close of business on Thursday, April 10, 2014.

In addition, hard copy may be also sent to the address below if so desired (not required). Late proposals will not be accepted.

Please submit information, and questions to: (Site Location Consultant).....

## **Available Site and Miscellaneous Information**

- Complete information on GRAD sites (preferred)
- Incentives; timelines, performance requirements
- Built to Suit/Lease to purchase options (if applicable)

*GRAD Requirements Are: “Basically shovel-ready”*

*Minimum acreage 50 acres; ownership security, zoning designation, road and rail accessibility, utilities service, and completed Wetland/stream delineations, all topo, geotechnical and Phase I environmental studies complete, completed investigations For cultural and endangered species*

Project X wants these specific "types of assistance and incentives"

## State and Local Incentives

Carl Campbell, Sr. Project Manager, NW Georgia Region,  
Georgia Department of Economic Development

John VanBrunt, Georgia Department of Community Affairs

# Project X wants these specific "types of assistance and incentives"

- Job and Investment Credits
- Enterprise Zones
- Free Land / Buildings
- Sales/Property Tax Exemptions
- Cash Grants
- Government Funded Infrastructure
- Utilities Discounts
- Local Incentives and Grants
- Employee Training Grants
- Withholding Tax Rebates

• Source: Dan McRae, Seyfarth and Shaw, June 30, 2014 presentation

# Local Incentive Package

- 15-year, graduated property tax abatement – 1<sup>st</sup> five years, “0”
- 100% Freeport in-place
- Free site – Lost leader in their new industrial park
- Free office space to project team while project under construction
- \$100,000 in cash – to assist with grading/site prep
- Free country club memberships

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Questions???