

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***

**December 4<sup>th</sup> , 2015**

**Savannah, Georgia**

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

- **Client** - Tier 2 Aerospace Supplier
- **Project Type** – Metal stamping, light assembly and warehouse/distribution
- **Sector** - Manufacturing
- **Project Drivers** - Timeline, availability of labor, overall cost of operations, incentives
- **Jobs** – 125 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 250,000 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)
- **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 by COB December 9<sup>th</sup> , 2015
- Preliminary site visits to be conducted two months later
- Project commencement - Within six months
- Completion of project Q4 2019 – 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 December 9, 2015.

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 specific "types of assistance and incentives"

## State Partners

Brittany Holtzclaw, State Wide PM  
Georgia Department of Economic Development

Jennifer Fordham, Region 12  
Department of Community Affairs

# State Incentive Package

- Tier System
- Job Tax Credits
- Investment Tax Credits
- Sales & Use Tax Exemptions
- Quick Start Training

# State Incentive Package – cont.

- Discretionary Incentives:  
REBA & EDGE
- Competitive Grants/Loans for Economic Development  
Activities: Equity & EIP
- Opportunity Zones

# State Incentive Package – cont.

- Role of Community Affairs
- Grant applications
- Funding approvals

# Local Incentive Package

- 15-year, graduated property tax abatement, Bond
- 100% Freeport in-place
- Reduced land cost – Loss 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
- Claw backs

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Questions???