

# Economic Development in Georgia – Opportunities for communities and the engineers who serve them

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Developed XL Brands site and adjoining lot - photo courtesy of Dalton-Whitfield County Joint Development Authority

**D**uring the economic downturn, an increased emphasis was placed on attracting new jobs and growth to the state of Georgia. Over the past decade, the state has brought in new industry including Caterpillar to Athens-Clarke and Oconee Counties, Kia to West Point (Troup County), Porsche Headquarters to Hapeville, and Baxter International to a site outside Covington, Georgia, among others. Each of these projects was realized through the hard work of the state and local officials, as well as the local economic development authorities, community leaders, and the consultants who serve them. The projects are worth hundreds of millions of dollars and have brought thousands of jobs to the state of Georgia.

In many communities, these groups are still working today to bring additional investments and jobs to our state. Their efforts are significant not only for the communities they represent but also for the A/E/C Industry who will provide property due diligence, design, and construction services to both the communities and the developers.

At the heart of each of the large investments listed above has been a hard-working development authority. A development authority is a type of public corporation. The authority is often made up of community leaders and officials who operate with broader powers than local government. These powers allow them to promote incentive real estate and development deals to attract business and industry to their areas.

A development authority may be set up

to represent a single municipal entity, such as the Effingham County Industrial Development Authority, or it may be set up as a joint development authority and represent the combined interests of a city and county, such as Dalton-Whitfield County Joint Development Authority, or even the combined interests of several counties as in the case of Joint Development Authority of Jasper, Morgan, Newton, and Walton Counties—the entity that worked with Baxter International. Downtown development authorities are similar in structure, but have a more narrow focus than industrial development authorities. Downtown development authorities were created to promote revitalization and development within existing downtown areas within incorporated cities. Industrial development authorities and joint develop-

ment authorities operate with a broader scope in developing and promoting the greater community for the populations they represent.

All types of development authorities in the state of Georgia operate through the rules and regulations spelled out in the official code of Georgia annotated (OCGA). One of the most powerful tools development authorities have to attract development is tax incentives. Tax credits are available to companies based on the number and quality of jobs brought to an area compared to the need for jobs in that area, use of a Georgia port to import or export goods, performance of research and development within facilities in Georgia, overall investment, and more. Tax exemptions are also available to companies depending on the use and distribution of goods that they use and produce.

One of the programs that the state has implemented to help attract new development is the GRAD program. GRAD stands for Georgia Ready for Accelerated Development and is a certification process offered for sites through the Georgia Allies, a group comprised of the Georgia Department of Economic Development and the major utility companies with organized economic development departments. The program provides an assurance to potential developers that the sites are ready for construction. The sites must be submitted by a community or economic development organization and reviewed by a third party. The package includes information on zoning, transportation accessibility, utility services, environmental studies, and conceptual planning.

One of the best ways to understand how economic development works in Georgia is to examine an existing project.

The Dalton-Whitfield County Joint Development Authority put together a GRAD package for their Carbondale Business Park site, a 238-acre property at the intersection of Carbondale Road and I-75 just outside the city limits of Dalton in unincorporated Whitfield County. The area is known for its carpet manufacturing facilities but the community and development authority wanted to focus on diversifying their industrial base. Available lots within the park vary in size from three to 54 acres

servicing a wide range of end-users. So far, one 16-acre parcel has been sold to XL brands for the construction of a new 122,000 square foot facility, built during the time infrastructure was underway to open the new park.

Elyse Cochran-Davis served as the Executive Director of the Whitfield-Dalton Joint Development Authority from late 2009 until early 2013 and talked about the value of the project, "It is the only product of its kind between Atlanta and Chattanooga." She indicated that one intent of the project was to attract suppliers to the Volkswagen manufacturing facility located in nearby Chattanooga, Tennessee. The property was considered a prime development candidate due to its access to both the interstate system and rail lines.

The Whitfield County Board of Commissioners took a lot of risk in a down economy to do what they thought was right for their community in the long run. The development of Carbondale is expected to trigger additional residential and retail development in the area, spurring revitalization of the community. The board originally purchased the site then partnered with the Development Authority to develop it. The Development Authority recommended bringing in industrial real estate development experts to prepare conceptual plans that would maximize the property for development. Silvio Development Company partnered with Constructive Ingenuity to prepare studies that led to preliminary con-

ceptual drawings used for engineering and subsequent RFP. The group ordered geotechnical and environmental studies for the



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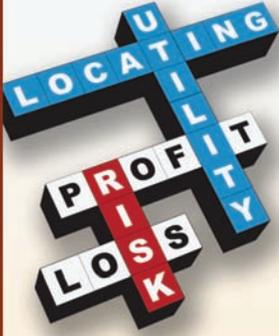



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Entrance to Carbondale Business Park - photo courtesy of Dalton-Whitfield County Joint Development Authority

property as well as surveys and conceptual engineering studies, all of which were submitted for the GRAD certification process.

Silvio Development Company is owned and managed by Jerry Silvio while Constructive Ingenuity is owned and managed by his daughter Sara Silvio. Carbondale was not the first project they had the opportunity to partner on within the industrial and economic development arenas. Jerry Silvio said their job is, “to assist communities and development authorities who wish to evaluate land for development or execute the development process for land they already own.”

The county and Development Authority thought that GRAD certification was vital to compete in today’s real estate arena. Companies and developers are looking for assurances that the properties they consider are buildable, and they want to close on deals quickly. GRAD certification offers a pre-prepared due diligence study to provide assurance to potential investors and lenders, reducing risk and the overall transaction timeline.

Studies conducted concerning the site and potential development also triggered transportation improvements to the I-75/Carbondale interchange. The improvements are expected to be complete in 2015. Easy access to transportation is key for most manufacturing and industrial clients and creates opportunities for transportation planners and engineers.

The precise tax incentives will vary for each company that decides to build a site within Carbondale Business Park, but Whit-

field County is a Tier 2 county for job tax credits, ensuring that any company creating more than ten jobs can claim a tax credit of \$3,000 for each employee per year for the first five years. As an example, a company creating 100 new jobs could claim  $100 \times \$3,000 = \$300,000/\text{year} \times 5 \text{ years} = \$1,500,000$  in tax credits against their Georgia income tax. Tax credits can be powerful motivators.

Today Cochran-Davis has her hands full managing her own consulting business called Bridge Concepts offering advice and support to other communities and development authorities. She has been actively working in economic development since 1987 in both

North Carolina and Georgia. The communities she is helping hope to attract new businesses to support their tax bases and to provide jobs to their residents by creating their own successful developments using economic incentives.

Cochran-Davis emphasized the importance of having design professionals active in the process both within the community and as consultants. She said, “Clients are more sophisticated now and development authorities need to be too by proactively allocating resources to their developments. Professional engineers should be a part of the ‘sales team’ for these developments.”

Engineers can be more active in the economic development process by volunteering their time to the local authorities, being active in the chamber of commerce, or by providing consulting services through the course of a project. Sara Silvio recommends, “First and foremost, be a champion for the state of Georgia and your local community. Earning the opportunity for business must be secondary to being a team player.”

More information can be found through your local development authority or through the Georgia Department of Economic Development or the Georgia Economic Developers Association (GEDA). ❖

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