

Partners for a Prosperous Athens
Economy Committee Meeting
October 10, 2006

Meeting called to discuss Regional Recommendation:

Athens-Clarke County should partner with other area counties (beginning with Oconee County) to create a regional economic development entity responsible for proactively marketing the region to prospects interested in establishing new operations in the region.

Speakers included Jim Dove, Executive Director with the Northeast Georgia Regional Development Center and Joe Whorton with the PPA and Fanning Institute. Pat Allen, Chair of Economy Committee, ran meeting.

Jim Dove talked about RDC's resources. The Northeast RDC serves 12 counties in 4 service areas: Planning, Economic Development, Workforce Investment, and Area Agency on Aging.

- The Planning Division provides assistance with development of local and regional comprehensive plans, preparation of land management ordinances, grant writing and administration, mapping, and Developments of Regional Impact.
- The Economic Development Division assists local governments in securing funding for water and sewer infrastructure related to industrial development-supports Development Authorities.
- The Workforce Investment Division provides day to day management for the Workforce Investment Act and Welfare to Work funds.
- The Area Agency on Aging works on local planning and program development and coordination to address the needs of older adults.
- The RDC provides technical support to Chambers of Commerce, Governments, and Regional Development Authorities.

Jim emphasized that regional boundaries have to be fluid- that some counties will find it beneficial to work with different partners depending on the issue at hand like solid waste disposal, Big Bear Creek Reservoir, or attracting industry.

It is key to identify the people who need to be at the table and let them brain storm where they can work together. There must be a mutual benefit that each county can see, in dollar amount, how it is advantageous to them to work together. One issue to look at as a region is developable land- Madison and Oglethorpe. Need to work out who will share in the expense of building the needed infrastructure.

In the case of attracting industry- if multiple counties invest dollars in creating the infrastructure, they can get their money plus interest back. Existing tax digest based on percentages that were invested and then they can get the same percentage back when it is time to sell to an industry.

It is Key to identify people early to be involved- if you want to create a regional approach to economic development- don't wait until the Recommendation is written- engage other counties now.

- Jim has extended the invitation for Pat Allen and Jim Youngquist to talk about PPA and its Regional Recommendation to the RDC's Board Meeting on November 16th. This meeting will have representatives from each of RDC's 12 counties.

Define what you want the outcome of a regional approach to be and refine tactics- bring in stake holders.

Athens is at a competitive disadvantage for attracting and retaining businesses by not having a regional approach.

Need a pro-active retention and expansion program.

Invite delegations from businesses to visit Athens and send delegations from Athens to visit businesses head quarters.

Find a good model- look into Gainesville FL, Clemson TN, Auburn TN, Virginia Tech, Charleston/Dorchester/Berkly- medical school.

Jim said that the RDC would help draft legislation, work on grants, profile region, and do whatever it could to help Athens take a regional approach to Economic Development.

Committee reviewed Community Change Paper on Regional Approach for possible ideas for Recommendation. (See Below)

Taking a Regional Approach to Community Economic Development Partners for a Prosperous Athens Community Change Paper

Through the Partners for a Prosperous Athens process, residents of Athens are coming together to discuss the underlying causes of poverty and identify strategies to address these causes. One of the Learnings identified that “Athens’ economy is not diverse enough, and this limits jobs and drives down wage rates.” This lack of economic diversification was partly attributed to the fact that “regional economic development efforts are inconsistent” or do not exist. The following Community Change Paper explores using a regional approach to Community Economic Development to address some of the underlying causes of poverty in Athens.

Whether you measure the health of Athens’ economy by its poverty rate; the number, size, and type of its employers; the skills of its workforce; the commuting patterns of people working in Athens; the social services provided to area residents; or the quality of air and availability of water, it is clear that Athens’ economy does not end at the county line. Athens-Clarke County is the heart of a Metropolitan Statistical Area (MSA) which includes Oconee County, Madison County, and Oglethorpe County. The State of Georgia recognizes these four counties as an MSA because its urban core (Athens) and its surrounding metropolitan region (Oconee, Madison, and Oglethorpe) are interdependent upon one another. In other words, the health of Athens is the health of Oconee, Madison, and Oglethorpe and visa versa. Many of the Partners for a Prosperous Athens Learnings reflect this interdependence:

- 41% of people who work in Athens-Clarke County do not live in A-CC, and 60% of people who work at UGA do not live in A-CC. Much of the wealth earned in Clarke County is paid as property taxes in the counties where Athens commuters live.
- Athens is considered a regional urban and retail center and it draws shoppers and gains sales tax revenues from the surrounding counties in the following retail store environments: Food and Beverage Stores, Grocery Stores, Food Services and Drinking Places, General Merchandise Stores, Department Stores, Clothing and Clothing Accessories Stores, Furniture, Home Furnishings, Electronics, and Appliance Stores, Motor Vehicle and Parts Dealers, Gasoline Service Stations, Health and Personal Care Stores (SBDC 2006 Outshopping Report).
- Oconee County draws shoppers and gains sales tax revenues from the surrounding counties for Building Material, Garden Equipment and Supplies Dealers (SBDC, 2006).
- Athens is considered the regional hub for medical services which brings revenues and jobs, but in 2005, Athens Regional Medical Center spent \$79 million and St. Mary’s spent \$18.5 million on uncompensated (indigent) care to the greater Athens area. Uncompensated care helps drive up the cost of healthcare in the community because some party has to pay for services rendered and it usually falls on the taxpayer.

- As a county with little developable land, Athens has no business park- land controlled by an economic development arm of the consolidated government to locate prospective businesses. However, Athens is partnering with Oconee County to attract industry to the region. These efforts are good, but much of this land is not fully developed to attract businesses, so it is still easy for a site selector to eliminate the Athens region. A fully implemented partnership could improve the chances of attracting and expanding businesses by having all participating counties pool their resources to choose and prepare sites and, even though they would be located in one county, equity in tax revenue could come back to all of the participating counties through their investments. Joint Development Authority Laws make this a possibility (A model is located within an adjoining county – Walton), but partnering counties would have to decide on a mutually beneficial way of distributing the burden and the benefits of these investments.
- Athens and the surrounding counties recently missed an opportunity for approximately 1,800 potential new jobs due primarily to a lack of a skilled workforce according to Novartis who chose to locate in North Carolina’s “Research Triangle.”

An MSA is not solely defined by political boundaries; instead it is a reflection of where people travel to live, work, and shop. While an MSA develops organically, taking advantage of being an MSA requires a strategy starting with an assessment of why the region is not being successful in its attraction and expansion efforts. These assessment tools are designed to help cities and counties overcome the “deal breakers” that discourage appropriate expanded economic development. The assessment results allow the MSA to develop a regional strategy which involves all parties at some level.

The attractiveness of North Carolina’s “Research Triangle,” Novartis’s new location, provides a good example of what happens when a region works collectively to attract the type of economic growth it could not garner if it acted as stand alone counties. The Research Triangle Region includes the 13 counties between Raleigh, Durham, and Chapel Hill. By branding its identity as the Research Triangle, this region came together to aggressively market itself to the High-tech/Bioscience industry. Its selling points include a strategic transportation plan to get industry goods to market; a supportive business climate including tax incentives and targeted zoning; a well-educated population including training high school students for bioscience jobs and transitioning them into technical colleges; and a focus on quality of life amenities like culture and recreation.

The Athens, Oconee, Madison, and Oglethorpe region have many of the same resources that the Research Triangle Region does, but it has not established a commitment or strategy to work together. To take a regional approach to Community Economic Development and become successful in its business expansion and attraction efforts, the Athens MSA must plan to:

- 1) Assess itself on the factors critical to attracting and retaining development;
- 2) Come to a consensus on the type of industries it wants to attract by preparing a Target Industry Analysis;

- 3) Understand the available talent of its workforce by preparing a workforce analysis;
- 4) Designate the physical locations in which it wants industry to locate and expand;
- 5) Create a clear marketing strategy;
- 6) Determine how to collectively identify, coordinate and allocate resources to train and develop its workforce;
- 7) Distribute the responsibility for and build the capacity of the MSA to meet the educational, transportation, childcare, healthcare, housing, and social service needs of entire population; and
- 8) Agree upon an action and implementation plan designed in achievable phases.

As a Recommendation of the Partners for a Prosperous Athens, taking a regional approach to Community Economic Development should build upon the regional efforts of:

- 1) Athens' Economic Development Foundation which attracts new businesses and encourages expansion of existing industries;
- 2) The Athens Area Chamber of Commerce which works with existing businesses and coordinates workforce development;
- 3) Northeast Georgia Regional Development Center which serves the State Service Delivery Region 5 of Clarke, Oconee, Oglethorpe, Madison, Jackson, Barrow, Walton, Morgan, Newton, Greene, Jasper, Elbert;
- 4) Madison, Athens-Clarke, and Oconee Regional Transportation Study (MACORTS), the Athens Metropolitan Planning Organization (AMPO), which is responsible for planning, programming and coordinating federal highway and transit investments in urbanized areas;
- 5) Georgia Bioscience Joint Development Authority which includes Clarke, Barrow, Gwinnett, and Oconee;
- 6) Joint Development Authority of Northeast Georgia which includes Clarke, Elbert, Jackson, Madison, and Oglethorpe; and
- 7) Upper Oconee Basin Water Authority with Clarke, Oconee, Barrow, Jackson.

As a regional process of Community Economic and Leadership Development evolves, an incredible effort must be placed on coordination, planning and financing for there to be success. It is also important to understand that a merger of the region's economic development organizations may be necessary. Having a unified strategy and plan for implementation for tackling issues facing the Athens Region, as well as in strengthening relationships with statewide national & international decision makers, could impact the underlying causes of poverty through the expansion of jobs, enhanced quality of life and educational opportunities as well as the coordination of affordable housing and transportation efforts. Local models for this kind of collaboration are available and include the Valley Partnership in West GA, the Walton County Joint Development Authority, and the Eastern North Carolina Partnership in Charlotte, NC.