

ONE MACON! OUR VISION, OUR FUTURE.

TARGET BUSINESS ANALYSIS & MARKETING REVIEW

Submitted by *Market Street Services Inc.*
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INTRODUCTION

The economic development strategy of targeting certain clusters of economic activity has become increasingly widespread as local and regional economies attempt to capitalize on their competitive advantages. With ever-increasing competition for jobs, investment, and talent, local and regional economic development organizations are finding it increasingly sensible and necessary to focus limited resources – a process commonly referred to as “targeting” – on developing those business sectors that possess the greatest potential to create new jobs, raise incomes, and generate wealth. The most successful communities are those that recognize both their strengths and their limitations, and, in turn, strategically target those economic activities that can provide the greatest return on investment. The historical growth of clustered economic activity in areas such as the Silicon Valley, Route 128 in Massachusetts, and the Research Triangle Park (RTP) in North Carolina are oft-cited and well developed case studies for other regions across the nation as they strive to develop similar agglomerations of related businesses.

These agglomerations – or “**clusters**” – represent groups of interrelated businesses that choose to co-locate for one reason or another. Clustering can occur among competing or cooperative firms with a variety of different catalysts supporting these agglomerations. A group of suppliers may choose to locate in proximity to a major manufacturer for research and development efficiencies and reduced transportation costs. Other firms may co-locate in a specific area in order to take advantage of a specialized labor pool or to be in close proximity to specific infrastructure. The competitive advantages derived by these firms often result in comparatively high potential for employment growth and wealth creation. Due to limited economic development resources, it is sensible for regions to strategically target those sectors with the greatest potential to create new jobs and raise incomes.

Even so, many communities and economic regions choose to strategically target sectors of economic activity that may not currently be characterized by a cluster of related businesses. A targeted sector – or simply a “**target**” – is any type of business activity that is strategically pursued by an economic development organization and its partners for growth and development. That is to say, a “target” is an area where financial and staff resources, and the programs and policies they support, are specifically focused. “Targets” are ideally those segments of an economy where competitive advantages exist, prospects for future growth are greatest, and return on investment is likely highest. A “target” can be a single business sector with high growth potential or a cluster of businesses in related sectors.

This Target Business Analysis will identify those sectors of economic activity within Macon-Bibb County that should be strategically targeted by proactive economic development programs and policies in the years to come. This analysis is complemented by a review of existing marketing activities (Appendix A), a review of available economic development incentives (Appendix B), and an assessment of available sites and industrial parks (Appendix C).

PROJECT OVERVIEW

The nine-month *One Macon!* strategic planning process includes stakeholder input, quantitative research, the development of strategic recommendations, the creation of an implementation plan, and the establishment of performance metrics to measure implementation success.

COMPETITIVE ASSESSMENT

The Competitive Assessment evaluated Macon-Bibb's competitiveness as a place to live, work, visit, and do business. The community's performance was measured by a variety of demographic, socioeconomic, economic, and quality of life indicators, and was benchmarked against four peer counties with which Macon-Bibb competes for jobs and workers. This quantitative data was complemented by qualitative stakeholder input gathered through focus groups, one-on-one interviews, and an online community survey. This research was synthesized to communicate the key stories that impact Macon-Bibb's competitiveness, which inform the initiatives to be outlined in the Community and Economic Development Strategy.

TARGET BUSINESS ANALYSIS AND MARKETING REVIEW

This Target Business Analysis identifies those sectors of economic activity within Macon-Bibb County that should be strategically targeted by proactive economic development programs and policies in the years to come. The analysis of each target sector includes a discussion of national trends, business sector composition, occupational composition, workforce demographics, export potential, and inter-industry linkages. The strategic implications of key findings are discussed for each target. This analysis is complemented by three other pieces of research that inform the Community and Economic Development Strategy. First, a Marketing Review examines the effectiveness of Macon-Bibb's current targeted marketing efforts. Second, an Incentives Review evaluates the range of local, regional, and state-level incentives that affect the community's ability to develop and market existing target business sectors. And third, a Site Assessment, performed by nationally renowned site selector J. Michael Mullis, examines the suitability of Macon-Bibb's existing industrial parks and sites.

ONE MACON! COMMUNITY & ECONOMIC DEVELOPMENT STRATEGY

The culmination of the first two phases of this process is an action-oriented, measurable Community and Economic Development Strategy for Macon-Bibb County's leaders. The strategy should unify the community's various organizations and institutions in the public, private, and non-profit sectors around a consensus blueprint to move the community forward. Its goals and action steps are grounded in reality as determined through the research gathered in the first two phases of the process, but also shaped by the vision of what Macon-Bibb "wants to be," as articulated by the Steering Committee and stakeholder input participants.

ONE MACON! IMPLEMENTATION GUIDELINES

If the Strategy represents **what** Macon-Bibb needs to do, the Implementation Guidelines helps identify **how** that will be done. The Implementation Guidelines will prioritize actions, examine funding capacity and sources, and identify the lead and supporting entities that will be charged with implementing individual recommendations. It will present detailed action plans for establishing early momentum and catalyzing support, and will include a set of performance metrics against which progress can be measured.

STEERING COMMITTEE

The strategic planning process is guided by a diverse Steering Committee of leaders from the public, private, and non-profit sectors. These individuals will oversee the entire planning effort, help identify Macon-Bibb's strategic priorities, build consensus, and serve as public advocates for the betterment of the community and its economic development.

Committee Member

Kathryn Dennis (tri-chair)
 Robbo Hatcher (tri-chair)
 Clifford Whitby (tri-chair)
 Stephen Adams
 Virgil Adams
 Jonathan Alderman
 Ivan Allen
 Donald Bailey
 Leonard Bevill
 John Black
 Charles Briscoe
 Larry Brumley
 Isaac Culver
 Jason Delves
 Mike Dyer
 Roy Fickling
 Michael Ford
 Kirby Godsey
 Chairman Samuel Hart, Sr.
 Heather Holder
 David Lanier
 George McCanless
 Major General Robert McMahon (Ret.)
 Walter Miller
 Alex Morrison
 June Parker
 Billy Pitts
 Starr Purdue
 Mayor Robert Reichert
 Rudell Richardson
 Steve Rickman
 Josh Rogers
 Tony Rojas
 Ninfa Saunders
 Chris Sheridan
 Monica Smith
 Steve Smith
 Dan Speight
 David Thompson
 Pearlle Toliver
 Patrick Topping
 Stewart Vernon
 Thomas Wicker

Representing Organization

Community Foundation of Central Georgia
 H2 Capital; Macon Economic Development Commission
 Whitby Inc.; Macon-Bibb County Industrial Authority
 Macon-Bibb County Industrial Authority
 Adams & Jordan, P. C.
 Anderson, Walker, & Reichert, LLP
 Middle Georgia Technical College
 The Telegraph
 Macon Occupational Medicine, LLC
 Middle Georgia State College
 Coliseum Health System
 Mercer University
 Progressive Consulting Technologies
 BLC Hardwood Flooring, LLC
 Greater Macon Chamber of Commerce
 Fickling & Company, Inc.
 NewTown Macon
 Mercer University
 Bibb County Board of Commissioners
 College Hill Alliance
 BB&T Bank
 United Way of Central Georgia
 Twenty First Century Partnership
 GIGA Inc.
 Macon-Bibb County Urban Development Authority
 Macon Housing Authority
 The Mutual Financial Group
 Hutchings Funeral Home, Inc.
 City of Macon
 Richardson Tax & Accounting
 Macon Water Authority Board
 Historic Macon Properties, LLC
 Macon Water Authority
 Medical Center of Central Georgia
 Chris R. Sheridan & Company
 Macon-Bibb County Convention & Visitors Bureau, Inc.
 Bibb County Schools
 State Bank and Trust Company
 Piedmont Construction Group, LLC
 Macon Housing Authority
 Macon Economic Development Commission
 ASP Franchising, Inc.
 Georgia Power

COMPETITIVE ASSESSMENT: SUMMARY

The Competitive Assessment evaluated the competitiveness of Macon-Bibb as a place to live, work, and do business, with strengths, weaknesses, assets, and challenges highlighted and framed by nine “stories” that summarize the issues facing the community in 2013 and beyond. These nine stories and a selection of their key findings are as follows:

Race, Leadership, and Trust: Community input participants frequently cited long-standing racial tension among residents and community leadership, tension that has permeated many aspects of community life, particularly efforts to improve public education, revitalize neighborhoods, and enhance economic opportunity. An environment of distrust has resulted, stifling progress despite attempts at productive dialogue. Residents expressed hope that consolidation would bring a new era of collaborative, trustworthy, and harmonized leadership.

Growth Patterns, Fiscal Sustainability, and Workforce Sustainability: Macon-Bibb and the larger metropolitan area possess disadvantageous age dynamics relative to their southern peers. Absent a reversal of the persistent trend of net outmigration, Macon-Bibb’s workforce will necessarily shrink in the years and decades to come. Furthermore, out-migration is driving population stagnation, a trend that threatens the community’s tax base at a time when some its most pressing challenges, such as public education and crime, require significant public investment. Consolidation is expected to bring greater efficiency, while Macon-Bibb has demonstrated that it can still attract sales tax revenue from outside the county as a regional center for health care and retail. However, a tremendous focus on talent development, retention, and attraction is critical if the region’s workforce is going to emerge as a strength that is capable of propelling growth and economic development.

K-12 Education: A Divided and Troubled System: Public education was unquestionably the most frequently cited challenge facing Macon-Bibb by residents who participated in the various phases of community input. Residents reported a divided education system along racial and socioeconomic, with a large and deeply entrenched set of private options pulling students from a public system with poor student outcomes. Graduation rates from Bibb County Schools are among the lowest in the state. As a result, one out of every five adult residents of Macon-Bibb has no high school diploma.

Higher Education: Immense Production, Limited Retention: Without question, the quantity, quality, and diversity of higher education options in Macon-Bibb are among its greatest strengths. More than 20,000 students are enrolled in Macon-Bibb institutions of higher education, yet the community’s limited employment opportunities, troubled school system, and limited appeal to some recent graduates has inhibited its ability to retain graduates and create a highly educated workforce.

Income and Poverty: Since the start of the new millennium, Macon-Bibb has experienced a period characterized by no real (inflation-adjusted) income growth, a surge in poverty rates, and a hollowing out of the middle class. At present, more than one-quarter of all adults and one-third of all children in Macon-Bibb live in poverty. Pervasive and generational poverty is intrinsically linked to other community challenges, including but not limited to public education, neighborhood vitality, and crime. Improvements in adult educational attainment levels through dropout prevention and adult re-education will have the greatest long-term effects on the community’s ability to reduce poverty and elevate the standards of living of its residents.

Recession and Recovery: Although Macon’s economy actually weathered the Great Recession relatively well compared to its peers and the rest of the country, it experienced a more troublesome run leading up to the

recession (from 2000 – 2007) and more sluggish and prolonged recovery since the official end of the recession in 2009. Since the turn of the millennium, Macon-Bibb's manufacturing has lost more than half of its jobs. However, other sectors, most notably finance and insurance, retail, and health care services have expanded, indicative of the community's strength as a regional center capable of attracting expenditures from surrounding counties.

Location, Location, Location: Macon-Bibb's strategic location was by far the community's most frequently cited strength by survey respondents. The community is centrally located in the state of Georgia, between the major markets of Atlanta and Savannah, and their corresponding infrastructure assets, Hartsfield-Jackson Atlanta International Airport (the world's busiest passenger airport) and the Port of Savannah (the fourth largest and fastest-growing container port in the country). The community has strong interstate and rail connectivity, and abundant, high-quality water. Collectively, these assets should support a diverse and robust set of manufacturing, distribution, and logistics activities. However, despite many recent success stories, these assets have not been leveraged to their full economic development potential as other community challenges highlighted in this report have weakened Macon-Bibb's competitive as a place to live, work, and do business.

Health in Macon-Bibb: Strong Assets, Poor Outcomes: Very simply, the community is home to a strong and growing set of health care assets, but abundant health care services have not necessarily translated into a healthy community. Again, other community challenges – particularly pervasive adult and child poverty – have contributed to poor health outcomes and a heavy reliance on social services and other supportive community institutions such as schools, religious institutions, and providers of after-school programs to provide meals and recreational outlets for children.

Quality of Life and Community Attachment: Many residents praised the community's musical and cultural heritage, available amenities including festivals, limited traffic congestion, low cost of living, and notable recent improvements in areas such as downtown loft-living and College Hill when discussing quality of life in Macon-Bibb. However, others expressed continued concerns about crime while young professionals were less likely to be satisfied with the community's social, entertainment, and recreational offerings. According to a study by the Knight Foundation that examined community attachment in a variety of communities nationwide, social offerings, aesthetics, and openness are the three most critical components of a community that lead to resident attachment. Knight found that just 19.2 percent of residents in Macon are "attached" to the community, the lowest among peer communities of similar size and density. This is one of many contributing factors to the aforementioned trends of outmigration that threaten the community's future competitiveness and sustainability.

It is clear from this assessment that Macon-Bibb has a number of valuable assets – assets that are envied by many communities large and small – but the ability of these assets to support community vitality and economic development is inhibited by a set of very serious challenges. That being said, it is important to emphasize that Macon-Bibb is not alone; numerous communities across the South have encountered similar challenges of racial tension, troubled schools, and pervasive poverty, and they have succeeded in addressing these challenges and have emerged as stronger, more vibrant and highly competitive communities. While some have confronted discord and distrust head on, others have found harmony through collaborative efforts to combat other issues of common interest and importance. Macon-Bibb can join these communities by studying best practices and creating innovative solutions of its own. That is precisely what this process is intended to support, and the collaborative leadership embodied in the Steering Committee can and should propel Macon-Bibb toward this end.

TARGET BUSINESS ANALYSIS

As mentioned in the Introduction, communities across the country are pursuing differentiated economic development strategies that seek to support the development of agglomerations of related business and institutions that can benefit from co-location and leverage the unique assets and advantages that the communities have to offer. This Target Business Analysis identifies those sectors of economic activity within Macon-Bibb County that can drive future growth and wealth creation given the presence of existing assets that make the community a desirable location for such activities. Accordingly, these sectors should be strategically targeted by proactive economic development programs and policies in the years to come.

TARGET IDENTIFICATION: *MARKET STREET'S* APPROACH AND KEY CONCEPTS

In the field of economic development, there are many methods used to identify economic development targets; however, many are based on incomplete or strictly industry-focused (business-sector-focused) methodologies. Such approaches ignore a variety of important issues from workforce attributes to educational assets to geographic advantages, all of which are vital to businesses. *Market Street's* approach to target identification is rooted in an examination of the region's workforce – the occupations and types of knowledge that support the region's business activities – as opposed to strictly focusing on business sector composition and growth. This "bottom up" approach stands in contrast to the traditional "top down" approach long utilized in cluster identification and analysis; it recognizes the ever-increasing importance of talent and workforce sustainability to the business community. It is complemented by an evaluation of the region's business climate, infrastructure, research assets, educational programs, and many other items that factor into site location decisions for specific types of business activity.

CLASSIFICATION: Our approach does not strictly define targets based on North American Industry Classification System (NAICS) codes or Standard Occupational Classification (SOC) codes. Though these codes are used to help quantify important trends and activity within each target, they should not be interpreted as rigid definitions of the composition of economic activity within a given target. Classification codes are helpful in understanding target composition and growth, but they cannot adequately capture certain niche technologies and opportunities that may deserve strategic attention in certain communities.

GEOGRAPHIES: The research related to business sector and occupational composition within this report is based on analysis of trends observed in Bibb County, Georgia. However, consideration has also been given to regional assets located outside of Bibb County (such as Robins Air Force Base or the Port of Savannah) in evaluating the competitiveness of identified strategic economic development targets.

LOCATION QUOTIENTS: Location quotients (LQs) are used to measure the relative concentration of local employment in a given business sector or occupation. When applied to business sector employment, they measure the ratio of a business sector's share of total local employment to that business sector's share of total national employment. A business sector with an LQ equal to 1.0 possesses exactly the same share of total local employment as that business sector's share of national employment. When regional local business sector possesses a location quotient greater than 1.0, this signals that the business sector is more

heavily concentrated in the community than it is nationwide. Those business sectors with relatively large LQs are often assumed to benefit from one or more sources of competitive advantage derived from locating in the community being studied. Location quotients can also be applied to occupational employment in the same manner that they are applied to business sector employment, helping to determine which occupations and corresponding skill sets – irrespective of the business sectors that employ them – are highly concentrated in the local workforce.

INTER-INDUSTRY LINKAGES: Data covering inter-industry purchases provides tremendous insight into the degree to which firms benefit from co-location and the ability to purchase products and services from local suppliers. By examining the percentage of a sector's requirements (expenditures) that are satisfied within the community (Macon-Bibb County), it is possible to determine areas of expenditure leakage. When firms purchase goods from suppliers outside the region, money is leaving the region. When leakage is reduced, employment and income multipliers rise. That is to say, when leakage is reduced and clustered firms are sourcing locally, the economic impact of each new job created is maximized.

DATA SOURCES: The Target Business Analysis presents a variety of data points covering concepts such as business sector employment composition, wages, establishments, occupational composition, workforce demographics, exports, inter-industry expenditures, job openings, and degree completions. All of the aforementioned quantitative data is sourced from Economic Modeling Specialists, Inc. (EMSI), an industry-leading provider of proprietary data, aggregated from public sources such as the Census Bureau, the Bureau of Labor Statistics, the Bureau of Economic Analysis, the National Center for Education Statistics, CareerBuilder, and many others. EMSI was acquired by CareerBuilder in 2012.

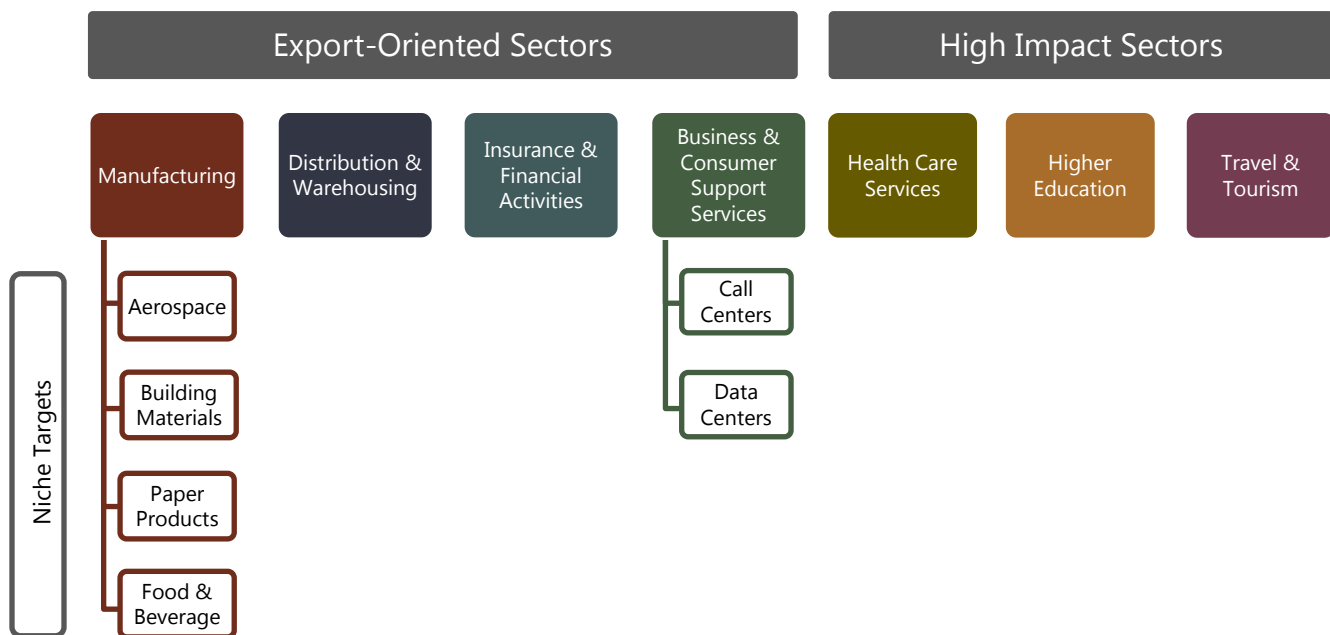
MACON-BIBB'S STRATEGIC ECONOMIC DEVELOPMENT TARGETS

Market Street Services has identified four **export-oriented sectors** and three **high impact sectors** that merit strategic targeting of resources in Macon-Bibb County.

"Export-oriented sectors" represent those sectors that bring significant new income into the region by exporting products and services to businesses and consumers around the country and the world. These four sectors – Manufacturing, Distribution & Warehousing, Business & Consumer Support Services, and Insurance & Financial Activities – either currently exhibit clustered economic activity or have the potential to cluster in the region based on Macon-Bibb's and Middle Georgia's distinct attributes. The Manufacturing and Business and Consumer Support Services targets contain multiple **niche targets** within them, representing the highest-value opportunities that align with the region's key strengths and assets.

The "high impact sectors" – Health Care Services, Higher Education, and Travel & Tourism – are not traditional economic development targets in the sense that they are not nationally or globally export-oriented sectors in Macon-Bibb, and/or they do not lend themselves to geographic clustering. However, they represent a tremendous portion of the local economy. Health Care Services alone represents roughly 18 percent of private employment in Macon-Bibb. Higher Education supports all other clusters through its production of talent and research; it also has a tremendous economic impact on its own, irrespective of its impact on other business sectors. Like Health Care Services, Travel & Tourism is a *regionally* export-oriented sector, as Macon-Bibb primarily draws travelers from across the Southeast. In 2012, more than \$300 million in traveler expenditures supported nearly 3,300 jobs in Macon-Bibb. Accordingly, these three sectors deserve strategic attention from economic and workforce development professionals.

Strategic Economic Development Targets



Manufacturing

TARGET PROFILE

CORE SECTORS: Macon-Bibb is home to a variety of different manufacturing activities; this report has identified four niche manufacturing sectors that align closely with Macon-Bibb's existing strengths and assets and, accordingly, merit strategic attention as an economic development target. These four niche manufacturing sectors are: Aerospace, Building and Construction Materials, Food and Beverage Products, and Paper Products. Macon-Bibb may also be an attractive locale for firms that operate outside of these niche areas; thus, MEDC and its partners should continue to pursue any such opportunities that present themselves. But while this section examines some general characteristics of Macon-Bibb's manufacturing sector as a whole, it is primarily focused on the four niche areas identified above that deserve specific and proactive attention from economic development practitioners.

LOCAL COMPANIES: The following is a partial but representative list of local companies by niche sector:

- **Aerospace:** Boeing, Bombardier, Dowty Propellers, Make Manufacturing, TIMCO Aviation Services
- **Building and Construction Materials:** Armstrong World Industries, Cherokee Brick, Freudenberg Texbond, Nichiha USA, The Trane Company, YKK AP
- **Food and Beverage:** Sara Lee Foods, California Cereal Company, Crown Candy Corporation
- **Paper Products:** Graphic Packaging International; Pactiv Corporation

NATIONAL TRENDS: The decline of manufacturing activity (and employment) in the United States in recent decades is well documented. Increasing global competition, labor cost differentials, new regulations, automation, and cyclical fluctuations in demand are among many factors that have contributed to this domestic manufacturing decline. Between 2002 and 2012, the United States lost 22 percent of its manufacturing jobs. But other trends suggest that manufacturing will still play an important role in the country's future. The business case for making products in the U.S. is buoyed by innovation that may be undermining the traditional notion of "design it here – make it there." However, growth in research and development capacity in competing countries such as India, China, and Japan make such propositions increasingly viable in those countries. Increased transportation costs have forced many firms to consider shortening their supply chains. A recent poll of more than 900 predominantly US-based executives and managers found that 39 percent believe their company is likely to deploy its next manufacturing operation in the United States, compared with 16 percent citing China as the likely destination.ⁱ

KEY SITE CONSIDERATIONS: Manufacturers' site considerations vary by subsector but include: available sites and buildings, abundant water, competitive labor costs, access to skilled talent, proximity to inputs, suppliers, markets, and transportation networks, and a strong, redundant and cost-effective power grid.

NEARBY COMPETING REGIONS: Albany, GA (building and construction materials, food and beverage); Metro Atlanta (aerospace, building and construction materials); Augusta, GA (building and construction materials, paper products) Charleston, SC (aerospace); Columbus, GA (food and beverage); Gainesville, GA (food and beverage); Greenville, SC (paper products); Savannah, GA (aerospace); Valdosta, GA (paper products, food and beverage)

BUSINESS ACTIVITY AND SECTOR COMPOSITION

Macon-Bibb's manufacturing sector employs 5,258 individuals, 3,899 of whom are in one of the four niches identified in this report. However, total employment in all manufacturing subsectors, including those in the four niches, has declined considerably since the turn of the century. Between 2002 and 2012, Macon-Bibb lost nearly half of its total manufacturing jobs, while employment within the four niches fell by 30 percent. A substantial portion of this decrease can be directly attributed to the departure of Brown & Williamson in the mid-2000s, but this was hardly the only source of decline. When tobacco product manufacturing is removed from consideration entirely, Macon-Bibb's manufacturing sector still declined by 34 percent (as compared to 22 percent nationwide).

FIGURE 1 – MANUFACTURING TARGET: BUSINESS SECTOR COMPOSITION

NAICS	Description	Emp.	Change, 2002-2012				LQ
			#	Chg.	% Chg.	% U.S.	
Food and Beverage							
3111	Animal Food Manufacturing	0	--	--	3%	●	0.0
3112	Grain and Oilseed Milling	53	20	61%	(4%)	●	1.4
3113	Sugar and Confectionery Product Manufacturing	59	(5)	(8%)	(21%)	●	1.4
3114	Fruit and Vegetable Preserving and Specialty Food Mfg.	24	(32)	(57%)	(10%)	●	0.2
3118	Bakeries and Tortilla Manufacturing	31	(668)	(96%)	(4%)	●	0.2
3119	Other Food Manufacturing	0	0	0%	15%	●	0.0
3121	Beverage Manufacturing	<10	--	--	1%		--
	Niche Subtotal	167	(711)	(81%)	(3%)	●	0.3
Building and Construction Materials							
313230	Nonwoven Fabric Mills	232	164	241%	(35%)	●	32.3
3219	Other Wood Product Manufacturing	235	64	37%	(40%)	●	2.0
3271	Clay Product and Refractory Manufacturing	233	(91)	(28%)	(44%)	●	9.5
3273	Cement and Concrete Product Manufacturing	97	(13)	(12%)	(29%)	●	1.0
3274	Lime and Gypsum Product Manufacturing	338	185	121%	(27%)	●	39.9
3279	Other Nonmetallic Mineral Product Manufacturing	102	(170)	(63%)	(6%)	●	2.5
3323	Architectural and Structural Metals Manufacturing	273	76	39%	(15%)	●	1.3
3327	Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg.	282	14	5%	13%	●	1.3
3334	Vent., Heating, Air-Conditioning, & Comm. Refrig. Equip. Mfg.	181	(458)	(72%)	(24%)	●	2.3
3261	Plastics Product Manufacturing	109	(338)	(76%)	(23%)	●	0.4
	Niche Subtotal	2081	(569)	(21%)	(20%)	●	1.9
Paper Products							
3221	Pulp, Paper, and Paperboard Mills	385	34	10%	(34%)	●	5.8
3222	Converted Paper Product Manufacturing	553	(544)	(50%)	(28%)	●	3.3
	Niche Subtotal	938	(509)	(35%)	(30%)	●	4.2
Aerospace and Support Activities							
3364	Aerospace Product and Parts Manufacturing	470	136	41%	6%	●	1.6
488190	Other Support Activities for Air Transportation	243	(16)	(6%)	33%	●	4.1
	Niche Subtotal	713	120	20%	10%	●	2.1
	Total, Niches	3,899	(1,670)	(30%)	(13%)	●	1.7
	Total, All Manufacturing Activities	5,258	(5,065)	(49%)	(22%)	●	0.7
	Total, All Sectors	88,607	(5,574)	(6%)	2%		

Source: EMSI

Some of the hardest-hit areas were in subsectors within the four niche areas. Macon-Bibb lost its largest Food and Beverage manufacturer, Keebler, when its bakery ceased operations in 2005. This eliminated much of the employment within the Food and Beverage sector. Within Paper Products, the converted paper product manufacturing subsector also lost nearly 50 percent of its employment, going from 1,097 to 553 employees, a loss of 544 jobs. The Building and Construction Materials niche also suffered significant losses owing to the downturn in the construction industry that followed the housing bubble burst. Within this niche, the plastic product manufacturing subsector lost 76 percent of its employment. The ventilation, heating, air-conditioning, and commercial refrigeration equipment subsector lost 72 percent of its employment.

Since the end of the Great Recession, Macon-Bibb's manufacturing sector has stabilized, but its flat rate of growth – just one percent between 2010 and 2012 – slightly lags the national recovery of two percent. As of 2012, Macon-Bibb's location quotient for all manufacturing sectors was just 0.7, down from just slightly over 1.0 in 2002. In other words, the local concentration of manufacturing jobs went from nearly average to below average in just ten years.

But these top-line declines and location quotients belie the fact that Macon-Bibb has numerous assets that make it an attractive location for many types of manufacturing operations. Many of the subsectors that comprise the four niches do in fact have high location quotients, indicating that certain manufacturers find Macon-Bibb to possess certain advantages that – whether in the form of labor, location, business costs, infrastructure or other considerations –make the community an attractive location for their operations. A brief examination of the composition of each of the four target niches follows.

Target Niche: Aerospace

Aerospace was the only niche to experience employment growth between 2002 and 2012 in Macon-Bibb. During this time period, employers in the Aerospace target added 120 jobs, an increase of 20 percent that was double the national rate of growth. The target now employs 713 individuals in two core sectors: aerospace products and parts manufacturing, and support activities for air transportation. Much of this growth can be attributed to significant successes on the part of MEDC, the Industrial Authority, and their partners in securing new business locations and supporting expansions from companies such as Boeing, Dowty Propellers, and TIMCO.

The aerospace product and parts manufacturing subsector employs 470 individuals, having added 136 new jobs between 2002 and 2012. This rate of growth (41 percent over the ten-year period) dwarfed the national rate of growth (six percent) during this time period. The support activities for air transportation subsector does not capture actual manufacturing of aircraft or aircraft parts, but instead includes firms engaged in maintenance activities. This subsector captures much of the private maintenance, repair, and operations (MRO) employment. TIMCO, one of the community's largest employers and one the nation's largest MRO's, operates a facility at Middle Georgia Regional Airport performing maintenance and repairs on commercial and cargo aircraft, including the Boeing 757. TIMCO's presence has resulted in a support activities sector with employment that is more than four times as highly concentrated in Macon-Bibb than the average community nationwide.

The subsectors within the Aerospace niche are projected to add more than 56,000 jobs nationwide, growing at 9.5 percent from 2013 to 2023. While many other manufacturing subsectors are projected to decline nationwide in the coming years (thereby necessitating a greater focus on existing business retention), Aerospace represents a growth area where more targeted recruitment efforts will have a greater return on investment than recruitment efforts focused on other manufacturing subsectors.

Target Niche: Building and Construction Materials

Building and Construction Materials is by far the largest component of Macon-Bibb's manufacturing sector. Companies within the niche are engaged in making a variety of products that are used in the construction business. These include ceiling tiles, bricks, nonwoven polyester roofing products, fiber cement panels, windows, and even air conditioners. Some of the firms are supported by local natural resources such as limestone and kaolin clay. Together, companies within the niche employ 2,081 people and account for nearly two out of every five manufacturing jobs in Macon-Bibb (39.6 percent). The employment is distributed fairly evenly throughout the 10 different subsectors – none has fewer than 97 or more than 338 employees. All of these subsectors also have location quotients of 1.0 or higher with the exception of plastics product manufacturing.

Overall, the niche declined between 2002 and 2012. At first, this would seem to be a natural consequence of the slowdown in construction that occurred during the latter half of this period, but this is not the case. Employment in the niche actually *increased* by two percent between 2007 and 2012 even as credit markets tightened and all types of construction projects ground to a halt. The fact that Macon-Bibb's related manufacturing subsectors grew during this time period is a testament to the area's competitiveness for these firms and the success of MEDC, the Industrial Authority, and their partners in working with them. Nonwoven fabric mills grew by 241 percent between 2002 and 2012 with the help of a new Freudenberg Texbond plant, while other wood product manufacturing grew due in part to several expansions at BLC Hardwoods. The declines within the Building Materials niche occurred primarily in subsectors related to the production of heating and cooling equipment (both air conditioning and refrigeration), as well as plastics products, which, combined, shed more than 700 jobs between 2002 and 2007.

As the building industry begins to regain momentum following the Great Recession and its stall on commercial and residential construction and the Southeast continues to add population at a rapid pace, the Building Materials niche represents a strong opportunity for Macon-Bibb.

Target Niche: Food and Beverage

Despite the area's many advantages related to Food and Beverage manufacturing – an excellent power grid, an abundance of water, proximity to agricultural production, and proximity to markets among them – Macon-Bibb's Food and Beverage niche employs just 167 jobs. The niche lost 81 percent of its employment between 2002 and 2012, mostly due to the loss of Keebler. Of the seven subsectors that make up the niche, three had little to no employment at any point within the past 11 years. These are animal food manufacturing, other food manufacturing (capturing foods like concentrates, condiments, and spices), and beverage manufacturing. The majority of the niche's employment exists in grain and oilseed milling and sugar and confectionery product manufacturing subsectors, both of which have location quotients of 1.4,

indicating above average local concentrations. The latter captures employment at the Crown Candy facility. The employment in grain and oilseed milling is driven almost entirely by soybean processing facilities.

Target Niche: Paper Products

The Paper Products niche consists of two primary subsectors – pulp, paper, and paperboard mills and converted paper product manufacturing – both of which have large numbers of employees and high location quotients. The niche also captures two of the community's largest employers, Graphic Packaging Corporation and Pactiv Corporation – both producers of paper packaging products primarily for the food and beverage subsectors. Pulp, paper, and paperboard mills employ 385 individuals, making the subsector nearly times six times more highly concentrated in Macon-Bibb than the average community nationwide; converted paper product manufacturing employs another 553 individuals and is more than three times as concentrated. But while the former has grown between 2002 and 2012, adding 10 percent while the nation declined by 34 percent, the latter lost nearly half of its jobs, almost double the national rate of decline. Though Worker Adjustment and Retraining Notifications (WARN) available from the Georgia Department of Labor reveal no closures in this sector and no layoffs that met reporting standards, the substantial portion of the decline came in sanitary paper product manufacturing, which lost 466 jobs, or 74 percent of its workforce, between 2002 and 2012.

Overall, Paper Products is an important niche in Macon-Bibb, accounting for 17.8 percent of all manufacturing jobs. Additionally, given its strong locational advantages, including abundant water and capacity to treat wastewater, the niche represents a strong opportunity for growth, despite the fact that the Bureau of Labor Statistics expects both of its key subsectors to lose employment nationally between 2010 and 2020.

Exports

Manufacturing is an especially attractive sector to target because the overwhelming majority of its production is exported, thereby bringing new income into the region. The resulting revenue that goes to employees and shareholders (in the case of locally owned companies) represents an infusion of money into the community from the outside. Firms within Macon-Bibb's four niche areas were responsible for a combined \$1.2 billion in exports in 2012 alone, representing nearly three quarters of all manufacturing exports from Macon-Bibb (\$1.68 billion). This represents exports of products to domestic and international locations outside of Macon-Bibb.

- Aerospace and Support Services: \$132.8 million
- Building and Construction Materials: \$485.8 million
- Food and Beverage: \$53.4 million
- Paper Products: \$531.8 million

To put these export figures (\$1.68 billion in Macon-Bibb) into context, manufacturers in Columbus-Muscogee exported \$569 million in products while manufacturers in Augusta-Richmond exported \$3.57 billion, placing Macon-Bibb in the middle of the pack among its in-state, medium-sized metropolitan competitors.

Inter-Industry Linkages

Macon-Bibb's manufacturing sector purchases \$466.5 million of goods each year from other manufacturing firms. These can be anything from components that will be a part of a good assembled in Macon-Bibb to equipment or resources necessary to run a manufacturing operation. More than 85 percent of these expenditures go to firms outside of Macon-Bibb. Supply chains are in many cases global, so this is to be expected. By comparison, 86 percent of expenditures by manufacturers in Columbus-Muscogee on other manufactured inputs go to firms outside Columbus-Muscogee while 77 percent goes outside the community in Augusta-Richmond.

A deeper examination of inter-industry linkages within some of the region's manufacturing niches reveals interesting economic development opportunities. Food and beverage manufacturers (one of the community's four manufacturing niches) in Macon-Bibb County purchased more than \$1.7 million worth of converted paper products (largely packaging materials, a primary sector within another of the community's niche targets, Paper Products) in 2012. However, just 10.4 percent of these expenditures stayed within the community, going to converted paper product manufacturers located in Macon-Bibb. ***This relatively high rate of expenditure leakage illustrates that there are tremendous opportunities to create better synergy between firms in two of the community's manufacturing niches.*** Specifically, opportunities exist to promote import substitution by working with existing Food and Beverage manufacturers in Macon-Bibb (and surrounding counties) to identify local alternatives to suppliers of food and beverage packaging. As previously mentioned, Pactiv and Graphic Packaging are large producers of packaging materials for the food and beverage industry. In addition, opportunities exist to better focus recruitment efforts on suppliers of packaging that are currently located outside the region but provide packaging products to existing food and beverage manufacturers in Macon-Bibb County.

Firms within the Aerospace niche purchase nearly \$30 million of goods from other manufacturing firms, but 81.9 percent of these expenditures go to firms outside Macon-Bibb. This is to be expected given the complex, global supply chains endemic to aerospace manufacturing; but there still may be similar opportunities to expand local sourcing within certain operations.

Notably, a relatively high proportion of expenditures by local manufacturers on professional and technical services (legal services, accounting, marketing and advertising, computer systems design, etc.), stays within the community. In 2012, 38 percent of manufacturers' expenditures on such services went to local providers (lawyers, accountants, etc.) as compared to 32 percent in Columbus-Muscogee and just 22 percent in Augusta-Richmond. This may in part be explained by the fact that the average manufacturing establishment in Macon-Bibb is considerably smaller (35 employees) than the average manufacturer in Columbus and Augusta (48 and 51 employees, respectively); smaller manufacturing establishments are more likely to be locally-owned and operated and less likely to have existing relationships via corporate headquarters to providers of professional services outside the region.

WORKFORCE ATTRIBUTES AND OCCUPATIONAL COMPOSITION

While sector-based employment data provides a useful overview of current trends in business activity, occupational data can provide deeper insights into the types of activities that occur within sectors relative

to the nation as a whole and the types of skill sets embedded within the community's workforce. For instance, high concentrations of employment in certain occupations may indicate the presence of a specialization within a line of business, while a deficiency of talent in an area could identify potential competitive shortcomings. Even a high-level examination of staffing patterns for manufacturing activities in Macon-Bibb reveals that the composition of the local sector is significantly different from that of the United States manufacturing sector as a whole.

FIGURE 2 – DIFFERENCES IN MANUFACTURING SECTOR STAFFING PATTERNS

SOC	Description	% of sector, Macon-Bibb	% of sector, United Staes	Deviation in Sector Share
11-0000	Management Occupations	4.9%	5.6%	(0.7%)
13-0000	Business and Financial Operations Occupations	2.4%	3.5%	(1.1%)
15-0000	Computer and Mathematical Occupations	1.0%	2.4%	(1.4%)
17-0000	Architecture and Engineering Occupations	3.6%	6.0%	(2.4%)
19-0000	Life, Physical, and Social Science Occupations	0.2%	1.0%	(0.8%)
41-0000	Sales and Related Occupations	3.6%	3.1%	0.5%
43-0000	Office and Administrative Support Occupations	12.8%	9.2%	3.6%
47-0000	Construction and Extraction Occupations	2.4%	1.3%	1.1%
49-0000	Installation, Maintenance, and Repair Occupations	7.2%	4.7%	2.5%
51-0000	Production Occupations	48.3%	51.0%	(2.7%)
53-0000	Transportation and Material Moving Occupations	10.6%	8.2%	2.4%

Source: EMSI

Note: Figures do not total to 100 percent

Perhaps the most interesting difference in the occupational composition between Macon-Bibb and the nation occurs in Production Occupations. This occupational group includes those jobs that are most commonly associated with manufacturing – the actual making of products through the operation of machinery, the assembly of parts into a whole, and so forth. In both Macon-Bibb and the United States, these positions account for roughly half of the total sector workforce; but the percentage is slightly smaller in Macon-Bibb: 51.0 to 48.3. This is not a large difference given the overall size of the occupational group, but it is noteworthy given the fundamental importance of production occupations to the sector. It is also likely a reflection of the fact that decline in Macon-Bibb's manufacturing sector has outpaced national decline, and also that actual goods-producing occupations are more susceptible to cyclical fluctuations in the demand for products as compared to management and administrative occupations. Between 2002 and 2012, Macon-Bibb lost 2,837 production jobs across all business sectors, a 43 percent decline that far exceeded the 17 percent drop experienced nationwide.

The Manufacturing target in Macon-Bibb is also comparatively more focused on logistics activities. Transportation and Material Moving Occupations comprise an additional 2.2 percentage points of the workforce locally relative to the nation. Office and Administrative Support Occupations and Sales and Related Occupations, which include many office-based jobs related to the distribution and wholesale trade of finished goods, are larger by 3.6 and 0.5 percentage points, respectively. The strength in these occupations indicates that manufacturing firms in Macon-Bibb have in-house sales, distribution, and

wholesaling operations that will not be reflected in the Distribution and Warehousing target business sector data. Given the geographic advantages afforded to manufacturers in Macon-Bibb – a central location within the state and the Southeast, proximity to major ports, access to rail, access to Hartsfield-Jackson, and strong interstate connectivity – it is not surprising that many of the manufacturing operations in the community are more heavily-oriented towards goods production *and* goods distribution, as opposed to simply goods production.

Many science, engineering, mathematics, and computer science-related occupations are also less prevalent within the local manufacturing workforce than the American manufacturing workforce as a whole. These occupations are more commonly associated with more advanced, technology- and robotics-intensive manufacturing activities or those that deal with the transformation of chemical and biological products. Advanced manufacturing processes often rely heavily on robotics and other forms of automation, while workers in computer-related occupations are needed to program, operate, and maintain precision equipment. Macon-Bibb's relative lack of these skill sets in the current workforce reflects its current sector composition, but also serves as a deterrent to prospective firms in sectors such as medical technology, pharmaceuticals, computer hardware and instruments, and other manufacturing activities.

Workforce Demographics

Nationwide, manufacturers are facing a rapidly-aging workforce at a time when they are struggling to entice students and younger workers to pursue manufacturing careers. Across all manufacturing subsectors in Macon-Bibb, 16.7 percent of all workers are aged 55-64 as compared to 13.8 percent across all other sectors. This age group represents the cohort of workers that will be approaching retirement in the coming decade. Clearly, manufacturers will face greater pressures than their non-manufacturing counterparts to find suitable replacements for retirees in the years ahead. It is incumbent upon economic and workforce development practitioners to ensure that manufacturers can find enough skilled workers to provide a sustainable workforce in the wake of Baby Boom retirements. That being said, these pressures on Macon-Bibb's manufacturing sector are no different than those being felt by manufacturers across the state and nationwide, where 16.4 percent and 18.4 percent of the manufacturing workforce is aged 55-64, respectively.

Target Niche: Aerospace

Unsurprisingly, the most common occupations within Macon-Bibb's Aerospace niche involve aircraft assembly and maintenance. These include Aircraft Structure, Surfaces, Rigging, and Systems Assemblers, Aircraft Mechanics and Service Technicians, and Avionics Technicians, which together make up more than 20 percent of the total niche's workforce, 6.9 percentage points higher than the national composition for those occupations. The strong presence of mechanics reflects the inclusion of the Other Support Activities for Air Transportation business subsector in the niche, which captures the presence of MRO activity in Macon-Bibb. Aircraft Mechanics and Service Technicians is not a production occupation, but it shares many knowledge and skills overlaps with the Aircraft Structure, Surfaces, Rigging, and Systems Assemblers occupation and skills and abilities overlaps with the Avionics Technicians occupations, according to Occupational Information Network (O*NET) data from the U.S. Department of Labor. So in addition to the business subsector justifications for including support activities in the target, the presence of TIMCO and other firms engaged in maintenance activities is also conducive to talent clustering related to Aerospace.

Less common are Aerospace Engineers, who comprise just 1.9 percent of the local workforce compared to 5.1 percent nationally, a reflection of the fact that the Aerospace niche within Macon-Bibb is primarily focused on production assembly and maintenance as opposed to design and development of new aerospace products and parts.

With few exceptions, most key occupations within the niche pay wages that are above the median wage for all occupations in Macon-Bibb, with many significantly higher. Even Aircraft Structure, Surfaces, Rigging, and Systems Assemblers, an occupation that requires only moderate-term on-the-job training, pays a median annual wage of \$66,602, making Aerospace among the most attractive niches for growing wealth within Macon-Bibb. And, while Aerospace manufacturing establishments are going to face a greater wave of retirements in the coming years than many other sectors, the age composition of Macon-Bibb's Aerospace workforce is relatively favorable when compared to the national average (18.6 percent aged 55-64 in Bibb County vs. 22.0 percent nationwide). The niche is also well supported by a talent pipeline producing hundreds of degree completions in related fields, including 238 Airframe Mechanics and Aircraft Maintenance Technology/Technician completions from Central Georgia Technical College (CGTC), many of which are supporting operations at Robins Air Force Base and off-base aviation and aerospace operations in neighboring Houston County.

Target Niche: Building and Construction Materials

Macon-Bibb's Building and Construction Materials niche is slightly more oriented toward administrative and distribution and warehousing activities than the national sector. Three occupational groupings – Sales and Related Occupations, Office and Administrative Support, and Transportation and Material Moving Occupations – make up 25.5 percent of local niche employment, 5.3 percentage points higher than the national composition. Production occupations make up the largest share of niche employment, at nearly 43 percent, similar to the national proportion. Within these occupations, however, Macon-Bibb has lower concentrations in several common occupations. Some of these, such as Machinists and Computer-Controlled Machine Tool Operators for Metals and Plastics are typically associated with precision manufacturing occupations. The fact that these occupations account for an additional 3.6 percentage points nationally indicate that Macon-Bibb may have more non-precision production activities than average.

While many occupations have wages comparable to state and national figures, the most common occupation in the field, Team Assemblers with 160 employees, pays a median annual wage of \$49,026, considerably higher than the state and national averages. Significant wage differentials typically reflect greater on-the-job experience and/or higher levels of productivity. With age dynamics for Team Assemblers comparable to the national average, differences in experience are unlikely to be the cause of wage differentials. Data covering output by subsector reveals that differentials in worker productivity are the much more likely explanations for differentials in wages; exports per Building and Construction Materials worker in Macon-Bibb exceeded \$233,000 in 2012, as compared to national output per worker of roughly \$163,000. The tremendous labor productivity of workers in the Building and Construction Materials niche is a marketable asset and critical information to be shared with prospective employers concerned about relatively high labor costs within the sector in Macon-Bibb.

Target Niche: Food and Beverage

Employment in Macon-Bibb's Food and Beverage niche is not currently large enough to conduct a meaningful analysis of staffing patterns at the local level, but an examination of the niche's nationwide occupational composition shows that local workforce dynamics are conducive to future success. Macon-Bibb had low location quotients in many of the most important niche occupations in 2012, but this was not always the case. Of the ten largest occupations within the field, Macon-Bibb had location quotients of at least 1.0 in eight as of 2002. The location quotients of all ten occupations decreased in the ten years that followed, due in part to decline in Macon-Bibb's manufacturing sector generally and food processing specifically. Despite these losses, the historical data shows that Macon-Bibb has supported niche-relevant occupations in the past, while the fact that most jobs within the Food and Beverage sector have low barriers to entry suggests that this could again be the case in the future. Of the 29 most common occupations within the niche nationally, 25 require moderate-term on-the-job training or less. These occupations account for nearly two thirds (63.2 percent) of all jobs within the national niche.

Because of the low-skill nature of much of the work within the niche, wages tend to be low. Of the common occupations that require only short- to moderate-term on-the-job training, all but one (Team Assemblers) pay median wages below the median for all of Macon-Bibb's business sectors, and most pay wages below the state and national occupational medians. Given Macon-Bibb's low overall educational attainment, and high levels of unemployment and poverty, an expansion of employment within the Food and Beverage niche can create jobs for individuals who otherwise have few options for entering the workforce. Contrary to the Building and Construction materials niche, which contains some occupations paying considerably higher wages than the national average for those occupations, there are some labor cost advantages to be marketed in occupations supporting Food and Beverage manufacturers.

Target Niche: Paper Products

Unlike some manufacturing subsectors which include a relatively large percentage of the workforce engaged in sales and distribution operations, those in the Paper Products niche in Macon-Bibb are heavily oriented toward production activities. This is not surprising considering the presence of a few major local employers; for example, Graphic Packaging production facility is located in Macon but its corporate operations are located in Sandy Springs (Metro Atlanta). Of the top ten occupations within the niche, nine are directly related to production of goods or the maintenance of production equipment. The tenth occupation, Industrial Truck and Tractor Operators, includes individuals who operate forklifts and other machinery that are critical to moving materials as they go throughout the manufacturing process. This would capture the many individuals that are assisting in the movement and processing of timber as a raw input in the paper product manufacturing process. Combined, these occupations comprise nearly half of all sector employment (49.8 percent).

The influence of Graphic Packaging is evident in other occupational figures. The occupation with the largest subsector share relative to the national subsector is Coating, Painting, and Spraying Machine Setters, Operators, and Tenders. Though the occupation employs just 26 individuals, it is nonetheless indicative of Graphic Packaging's specialization in advanced laminations and coating. Wages within the Paper Products niche tend to be closer to state and national averages than many other occupations in Macon-Bibb. For instance, Paper Goods Machine Setters, Operators, and Tenders has a median wage that is

95 percent of the state average and four percent higher than the national average. This occupation also pays a median wage that is slightly higher than the overall median for Macon-Bibb, despite requiring on-the-job training. Other similar positions are only slightly below the county median. Accordingly, expansion within this niche would create attractive jobs for individuals with limited educational backgrounds.

Unfortunately, a recent fire in May, 2013 caused significant damage to the facilities of another of Macon-Bibb's largest Paper Product employers, Pactiv Corporation. The Macon Economic Development Commission should continue to work with regional partners and the Georgia Department of Labor to assist the company and its displaced workers in every way possible with the hope that operations can resume in Macon-Bibb and hundreds of residents can keep their jobs. Pactiv announced in early July that it is expanding capacity in its North Carolina production facilities. If operations are not resumed partially or fully in Macon-Bibb, there will be a tremendous need to support re-employment.

SITE CONSIDERATIONS AND REGIONAL ASSETS

SITES AND BUILDINGS: Macon-Bibb has many sites and buildings that are appropriate for manufacturers, but the largest projects that create the most jobs and bring the most investment to communities require large and easily-accessible sites that can accommodate a manufacturing facility, parking areas, approach roads, retention ponds, and other necessary infrastructure. These sites are typically several hundred acres in size; most of Macon-Bibb's publicly-owned sites are far smaller. A Site Assessment (referenced in Appendix C) has been delivered to MEDC officials and recommendations from this assessment that can improve the community's product will be incorporated into the Community and Economic Development Strategy.

ABUNDANT WATER AND WASTEWATER TREATMENT CAPACITY: Water is an important consideration to many manufacturers. Some producers, such as paper product manufacturers, use processes that require large quantities of water and place tremendous demands on wastewater treatment facilities; beverage manufacturers make products in which water is the primary ingredient. For these firms, an abundant supply of water that will not be subject to future threats from prolonged droughts or inter-jurisdictional battles over water usage is essential. With its Javors Lucas Lake Reservoir and permits to withdraw water from the Ocmulgee River at a rate that currently exceeds local demand, the Macon Water Authority represents a tremendous competitive asset for Macon-Bibb.

COMPETITIVE LABOR COSTS AND ACCESS TO SKILLED TALENT: Labor costs are an important consideration for many manufacturers, particularly those who engage in low value-added processes. For firms that are engaged in "advanced" manufacturing processes that involve high-tech production, cost is a secondary concern to being able to draw from a large pool of workers with the necessary skills and abilities. Macon-Bibb certainly has competitive labor costs in most occupations relative to the state and nation, but its low levels of educational attainment and struggling public school system serve as significant barriers to growth in advanced manufacturing. Until the community's underlying workforce conditions improve, Macon-Bibb is unlikely to be competitive for manufacturing operations with the highest talent requirements. Instead, the short- to medium-term focus should be on manufacturers who demand low labor costs, proximity to markets and transportation infrastructure, access to abundant water, and can provide on-the-job training or utilize programs such as Georgia Quick Start.

PROXIMITY TO INPUTS, MARKETS, AND TRANSPORTATION NETWORKS: Manufacturing is a sector that inherently involves the movement of materials. Raw materials and other inputs must first be brought to a factory, and finished products need to be delivered to customers, whether they are end-users or other manufacturers. Because high transportation costs eat into a manufacturer's profits, firms are constantly seeking ways to optimize their supply chain. While there are other sources of efficiencies, this can be achieved by focusing on shortening the distance and travel times to "upstream" suppliers of raw materials and goods or "downstream" consumers and customers – or preferably both. Exact supply chain needs vary widely between firms, but Macon-Bibb is generally in a highly competitive geographic location. It is located at the confluence of two Interstate Highways and contains a large rail switching yard. It is strategically located between one of the largest and fastest-growing seaports in the United States (Savannah) and an airport with significant air cargo operations (Hartsfield-Jackson). Meanwhile, the Southeast continues to exhibit relatively rapid population growth as compared to other parts of the country. These factors work together to make Macon-Bibb a highly attractive environment for manufacturing firms. The importance of location is especially evident within the Building and Construction Materials niche. Firms in this niche benefit from being located close to key inputs such as forest products and kaolin clay. This is in addition to accessing a large customer base within a heavily populated and growing state and region.

POWER GRID: Most manufacturers require large amounts of power delivered by a dependable grid. According to experts within the economic development field, Macon-Bibb's utility network is excellent in this regard. This alone cannot drive growth within the manufacturing sector, but communities without excellent infrastructure may be eliminated from consideration early in site selection processes. This is fortunately not a concern in Macon-Bibb.

ROBINS AIR FORCE BASE: Given the interconnectedness of the Aerospace target and the United States Armed Forces, aerospace and defense contracting firms tend to cluster around military installations. This is certainly the case with Robins Air Force base, which is an important attractor of aerospace firms that have located in Macon-Bibb and Houston County. Simply put, without the base, Aerospace would not be a feasible target niche for Macon-Bibb.

STRATEGIC IMPLICATIONS

Support regional and state partners in preparing for BRAC

Robins Air Force base is among the most important assets within Middle Georgia, and serves as an immense "pull factor" for businesses within Aerospace target. But the future of all military bases in the United States will soon be up for evaluation when Congress calls for a further round of Base Realignment and Closure (BRAC) proceedings. Because the military's needs are constantly evolving while federal budgets are becoming ever tighter, BRAC could pose a significant threat to Robins' future. Independent of BRAC, sequestration or ongoing budget woes could place certain operations at risk of downsizing. To address these challenges, the full spectrum of economic development entities and their partners in Macon-Bibb should contribute and assist in every way possible with collaborative efforts to preserve and enhance Robins' place in the Air Force's future. This should include supporting the efforts of 21st Century Partnership as well as engaging state leaders and members of Georgia's Congressional delegation who can help represent the base's interests.

Work to assemble and prepare appropriate sites for larger projects

While Macon-Bibb has numerous sites and buildings that are appropriate for a wide variety of manufacturers, it has few if any sites that could support the largest manufacturing projects. MEDC, the Industrial Authority, and their partners in economic development will need to constantly evaluate options to assemble and prepare larger sites in close proximity to I-75 – potentially in collaboration with partners in neighboring counties – to ensure that Macon-Bibb remains “in the conversation” for the largest manufacturing projects.

Expand efforts to market water resources

Many communities in the Southeast face enormous challenges related to fresh water, but fortunately, Macon-Bibb has an abundant, secure water supply. This is a major competitive asset capable of supporting expansions within the manufacturing sector among firms with water-intensive production processes. This asset should be featured prominently in proactive and coordinated marketing efforts.

Business retention and expansion (BRE) outreach

With the community losing more than half of its manufacturing base in the last decade (representing more than 5,000 jobs), there is a clear need for aggressive outreach to existing businesses in the community’s manufacturing sector to ensure that economic development partners are doing everything possible to mitigate barriers to expansion and prevent reductions in employment.

Import substitution opportunities

Data covering inter-industry purchases revealed that Food and Beverage manufacturers are fulfilling a very small amount of their needs for packaging locally. As a result, potential exists to work with local Food and Beverage manufacturers to determine if a local supplier could meet their needs, thereby increasing the amount of expenditure that stays within the region, and, in turn, increasing the inter-industry linkages that elevate employment and income multipliers.

Targeted recruitment opportunities

Along the same lines, if local alternatives to external suppliers of Food and Beverage packaging do not exist or are not viable alternatives, potential may exist to identify current suppliers located outside the region that may benefit from relocation to Macon-Bibb to be in closer proximity to their customers and to leverage the immense assets (water, labor, etc.) that exist within the region.

Retraining and re-employment of displaced workers

Unfortunately, the community is all too familiar with the challenges associated with mass layoffs, as the closure of Brown and Williamson’s production facilities demonstrated. As smaller manufacturers are threatened with potential closures and others face unfortunate events (such as the recent fire at Pactiv’s facility), there is going to be a need to not only focus on the needs of existing businesses, but also the needs of employees. Plans to connect displaced workers to programs that can lead to new full-time employment in related manufacturing activities is critical to the well-being of the region’s populace, the reduction of poverty, and the retention of skilled labor.

Distribution and Warehousing

TARGET PROFILE

CORE SECTORS: Companies within the Distribution and Warehousing target are engaged in the storage and management of the flow of materials and goods within the economy. Products begin their life as a series of raw materials that must first be transported to a manufacturer. When the production process is complete, the resulting goods must then be conveyed to the next user – a consumer, business, or other manufacturer. Any activity along the way that involves the movement or storage of goods is captured in the Distribution and Warehousing target. Core subsectors include: Wholesale Trade, Transportation, Support Activities for Transportation, and Warehousing and Storage

LOCAL COMPANIES: The following is a partial but representative list of local companies operating within Distribution and Warehousing, reflecting a variety of different operations:

- **Vertically integrated distribution centers** owned by a manufacturer or retailer, including Bass Pro Shops, Kohl's, and Tractor Supply Company
- **Third-party logistics (3PL) providers** such as North Coast Logistics and Saddle Creek Logistics
- **Wholesalers** including Lintech International (chemicals) and MBM Foodservices
- **Warehousing firms** such as Lineage Logistics, which offers public cold storage for food products

NATIONAL TRENDS: While projections vary, freight traffic in the United States and international trade are expected to grow rapidly in the coming years. Where this growth occurs will be influenced heavily by location – transportation accounts for more than 50 percent of supply chain costs, dwarfing the next-most expensive component (labor, 17 percent).ⁱⁱ Accordingly, firms are seeking to shorten the distance that goods must travel to control costs. Companies have also reduced in-stock inventories and instead are relying on “just-in time” shipping from 3PL providers. The rise of online retail has also altered supply chains; many distributions now support direct-to-consumer transactions in addition to traditional retail fulfillment.ⁱⁱⁱ Other innovations such as GPS, radio frequency identification (RFID), and increasingly sophisticated materials-handling systems have improved the efficiency of operations and increased the importance of technology within the sector. These technological innovations are improving efficiencies but, as the aggregate flow of goods continues to increase, labor demands to support the sale, storage, and transportation of these goods will follow. Between 2013 and 2023, national employment in the wholesale trade subsector is anticipated to grow by nine percent. Employment in the air and rail transportation subsectors are both anticipated to grow by six percent, while employment in the truck transportation subsector is anticipated to grow by more than 16 percent. Warehousing and storage employment is projected to grow by 19 percent nationwide.

KEY SITE CONSIDERATIONS: Large available sites; appropriate existing buildings (clear height, truck doors, etc.); access to transportation networks; proximity to manufacturers, markets, and ports

COMPETING REGIONS: Numerous communities throughout the Southeast, including large, inland metropolitan areas such as Memphis, Atlanta, and Birmingham, as well as coastal port communities such as Savannah, Charleston, and Mobile.

BUSINESS ACTIVITY AND SECTOR COMPOSITION

Due to its excellent location, connectivity via rail and interstate networks, and proximity to major air cargo and ports operations, Macon-Bibb is unquestionably well-positioned to capture projected growth in the subsectors that comprise the Distribution and Warehousing target. Despite these advantages, employment in the target is not highly concentrated in Macon-Bibb, with a location quotient of just 0.74. It is comprised primarily of businesses engaged in wholesale trade, which accounts for nearly three-quarters of the employment within the target (2,716 jobs as of 2012). While employment in the target overall is down, wholesale trade grew at a rate of 5.3 percent between 2002 and 2012. This expansion was primarily driven by Motor Vehicle Supplies and New Parts (150 new jobs), Wholesale Trade Agents and Brokers (139), Stationery and Office Supplies (95), and Other Grocery and Related Products (81).

FIGURE 4 – DISTRIBUTION AND WAREHOUSING BUSINESS SECTOR COMPOSITION

NAICS	Description	Emp.	Change, 2002-2012				LQ
			# Chg.	% Chg.	% U.S.		
4231	Motor Vehicle (MV), MV Parts/Supplies Merchant Wholesalers	286	173	153%	(7%)	●	1.5
4232	Furniture and Home Furnishing Merchant Wholesalers	0	(14)	(100%)	(12%)	●	0.0
4233	Lumber and Other Const. Materials Merchant Wholesalers	126	(75)	(37%)	(18%)	●	1.1
4234	Prof. and Comm. Equip. and Supplies Merchant Wholesalers	74	(94)	(56%)	(6%)	●	0.2
4235	Metal and Mineral (except Petroleum) Merchant Wholesalers	94	34	57%	(4%)	●	1.3
4236	Electrical and Electronic Goods Merchant Wholesalers	173	7	4%	(13%)	●	0.9
4237	Hardware, Plumbing, Heating Equip. Merchant Wholesalers	140	3	2%	(5%)	●	1.0
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	353	(102)	(22%)	(4%)	●	0.9
4239	Miscellaneous Durable Goods Merchant Wholesalers	148	62	72%	13%	●	0.8
4241	Paper and Paper Product Merchant Wholesalers	197	142	258%	(24%)	●	2.7
4242	Drugs and Druggists' Sundries Merchant Wholesalers	<10	--	--	(11%)		--
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers	24	(22)	(48%)	(7%)	●	0.3
4244	Grocery and Related Product Merchant Wholesalers	364	4	1%	6%	●	0.8
4245	Farm Product Raw Material Merchant Wholesalers	10	10	--	(2%)	●	0.2
4246	Chemical and Allied Products Merchant Wholesalers	91	(5)	(5%)	(5%)	●	1.2
4247	Petroleum and Petroleum Products Merchant Wholesalers	<10	--	--	(14%)		--
4248	Beer, Wine, and Distilled Alcoholic Bvg. Merchant Wholesalers	173	(27)	(14%)	30%	●	1.7
4249	Miscellaneous Nondurable Goods Merchant Wholesalers	52	(38)	(42%)	(12%)	●	0.3
4251	Wholesale Electronic Markets and Agents and Brokers	401	113	39%	38%	●	0.8
482110	Rail Transportation	290	42	17%	5%	●	2.0
484110	General Freight Trucking, Local	30	(169)	(85%)	(6%)	●	0.2
484121	General Freight Trucking, Long-Distance, Truckload	165	21	15%	(4%)	●	0.6
484122	General Freight Trucking, Long-Distance, Less Than Truckload	113	(32)	(22%)	3%	●	0.9
484220	Specialized Freight Trucking, Local	29	(32)	(52%)	13%	●	0.2
484230	Specialized Freight Trucking, Long-Distance	<10	--	--	14%		--
488210	Support Activities for Rail Transportation	44	44	--	35%	●	2.8
488490	Other Support Activities for Road Transportation	<10	--	--	23%		--
488510	Freight Transportation Arrangement	<10	--	--	9%		--
488991	Packing & Crating	<10	--	--	(5%)		--
488999	All Other Support Activities for Transportation	0	--	--	(5%)	●	0.0
4931	Warehousing & Storage	282	(428)	(60%)	31%	●	0.7
541614	Process, Physical Distribution, & Logistics Consulting Services	<10	--	--	46%		--
Target Sector Total		3,681	(459)	(11%)	3%	●	0.8
Total, All Sectors		88,607	(5,574)	(6%)	2%		

Source: EMSI

Despite its local prominence within the sector, wholesale trade in Macon-Bibb is also not highly concentrated relative to the nation. Merchant Wholesalers, Durable Goods, Merchant Wholesalers, Nondurable Goods, and Wholesale Electronic Markets and Agents and Brokers each have a location quotient of 0.8 or lower. Nested within these sectors, however, are numerous highly concentrated wholesale subsectors. Of the 17 wholesale subsectors that employ at least 50 individuals, 16 have location quotients of 1.0 or higher, and six are at least twice as concentrated relative to the United States as a whole. Many of these high-performing wholesale subsectors are directly tied to Macon-Bibb's manufacturing niches. These include wholesalers related to:

- **Paper products:** Stationery and Office Supplies (4.4 location quotient); Industrial and Personal Service Paper (1.7)
- **Building and construction materials:** Brick, Stone, and Related Construction Material (2.2); Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment (1.6); Hardware (1.8); Construction and Mining Machinery and Equipment (1.6);
- **Food and beverage:** Other Grocery and Related Products (2.2); Beer and Ale (2.9)

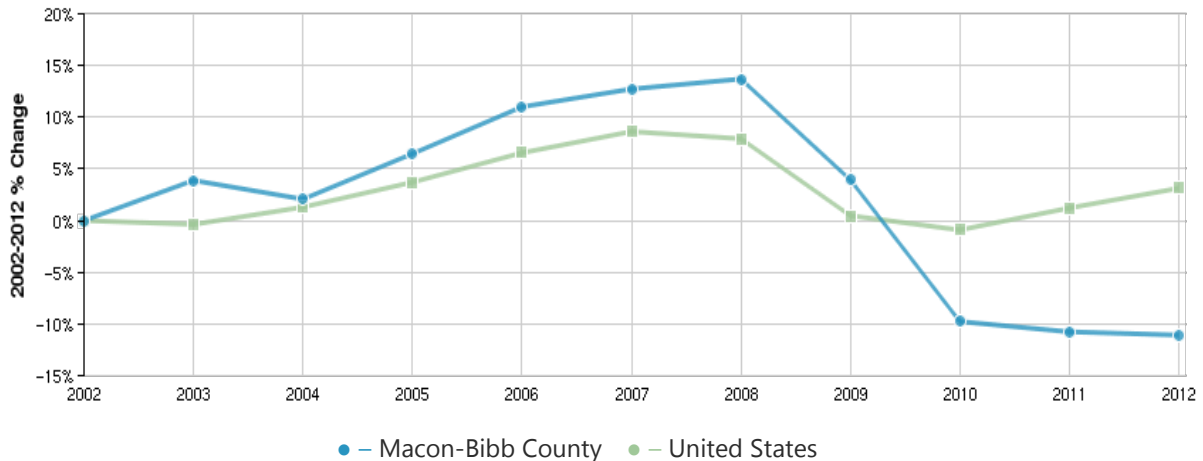
Outside of Wholesale Trade, the vast majority of employment in the target sector is related to Rail Transportation, Long-Haul Truck Transportation, and General Warehousing. The Rail Transportation and Support Activities for Rail Transportation subsectors have location quotients of 2.0 and 2.8, respectively – a direct reflection of the importance of Brosnan Yard to the local economy. Together, they account for 334 jobs, an increase of nearly 35 percent over 2002.

Of the four truck transportation subsectors for which data is available, all have location quotients below 1.0, and three experienced sharp declines in employment of at least 22 percent during the past decade. General Freight Trucking, Local was the hardest hit, losing 169 jobs, an 85 percent decline in employment. Warehousing and Storage also experienced major losses over the course of the past decade, when firms in the subsector shed 427 jobs – an amount nearly equal to the 459 net jobs lost in the entire Distribution and Warehousing target. General Warehousing and Storage accounted for more than half of the lost jobs (245). Refrigerated Warehousing, which is a critical component in food product supply chains, still remains relatively concentrated in Macon-Bibb, with a location of 1.2, but between 2002 and 2012, the subsector contracted by 76 percent, losing 117 jobs.

Overall employment in the Distribution and Warehousing target decreased by 11 percent between 2002 and 2012, compared to a national increase of three percent. Despite this bad news, there is strong evidence to suggest that the sector has growth potential in Macon-Bibb. First, as Figure 3 shows, nearly all of the decline in the target over the past decade can be attributed to the first two years immediately following the Great Recession. Between 2002 and 2008, the sector had grown by 14 percent and increased its location quotient from 0.79 to 0.89, demonstrating that Macon-Bibb was an increasingly competitive location. But between 2008 and 2010, these gains were completely wiped out and then some, as the sector shed 972 jobs, a 21 percent decline. Large portions of both the growth between 2002 and 2008 and the decline between 2008 and 2010 were driven by Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers. This subsector added 330 jobs prior to 2008 but eliminated 186 in the two years that followed. Other subsectors that heavily influenced pre-Recession growth were Paper and Paper Product

Merchant Wholesalers and Business to Business Electronic Markets. The post-Recession declines were generally felt across the board, with many subsectors experiencing declines between three and 30 percent.

FIGURE 3 – INDEX OF EMPLOYMENT IN DISTRIBUTION AND WAREHOUSING, 2002-2012



Source: EMSI

Wholesale trade has also demonstrated improving competitiveness. Between 2002 and 2012, location quotients increased by at least 0.08 in each of the three major categories of Wholesale – Durable Goods, Nondurable Goods, and Wholesale Electronic Markets and Agents and Brokers. This was almost certainly influenced by a series of relocations and expansions that MEDC and its partner organizations worked to secure. These projects included distribution centers for well-known companies such as Kohl's and Anheuser Busch, among others.

Finally, it is important to note that some underreporting or inappropriately categorized employment may be deflating the employment figures for the Distribution and Warehousing target. First, much of the employment associated with the opening and subsequent staffing of the Tractor Supply Company distribution facility is not currently reflected in the employment figures presented in this report. Additionally, there is evidence to suggest that the jobs related to the Bass Pro Shops distribution center completed in 2006 (and adjacent to the retail facility) are actually being counted as sporting goods retail employment.

Bass Pro Shops and Tractor Supply, in particular, have been tremendous additions to the Macon-Bibb economy; ensuring their continued satisfaction with and presence in the community will require strong business retention and expansion (BRE) efforts. But, according to 2011 county business patterns data, the Distribution and Warehousing target has just five business establishments with more than 100 employees compared to hundreds of establishments with fewer than 50 workers. This underscores the importance of focusing on the needs of smaller establishments operating within the target.

WORKFORCE ATTRIBUTES AND OCCUPATIONAL COMPOSITION

The occupational data reveals that, compared to the nation as a whole, Macon-Bibb's Distribution and Warehousing sector is more focused on sales and administrative activities, with jobs that involve the actual handling or moving of goods relatively less common.

This point is most clearly illustrated by examining two occupations – Sales Representatives, Wholesale and Manufacturing and Heavy and Tractor-Trailer Truck Drivers. In both the United States and Macon-Bibb, these are the two largest occupations within the target. Nationally, tractor-trailer drivers account for 12.3 percent of employment, while wholesale sales representatives represent 11.7 percent of jobs. But in Macon-Bibb, these positions are reversed. Wholesale sales representatives make up 15.8 percent of target employment, while tractor-trailer drivers account for just 8.9 percent of the workforce.

Overall, Sales and Related Occupations account for 21.9 percent of sector employment in Macon-Bibb. Office and Administrative Occupations such as Stock Clerks and Order Fillers, Order Clerks, and Production, Planning, and Expediting Clerks constitute another 21.4 percent. Combined, these occupations make up 43.3 percent of jobs within the target – 2.9 percentage points higher than the national sector composition.

However, not all office-based jobs are comparatively strong within Macon-Bibb. Occupations that require higher levels of education or experience have relatively lower concentrations. As a group, Management Occupations, Business and Financial Operations Occupations, and Computer and Mathematical Occupations represent 7.5 percent of local target jobs, 4.5 percentage points lower than the national average. Additionally, there are relatively few Wholesale and Retail Buyers in Macon-Bibb, indicating that its strength in wholesale is driven by merchant wholesalers selling goods on behalf of a parent company – sales divisions of manufacturers, for example.

At first glance, Macon-Bibb would seem to have an identical proportion of Transportation and Material Moving Occupations as the nation; these jobs account for 33.1 percent of sector employment locally and 32.9 percent nationally. But 3.5 percent of Macon-Bibb's jobs in this occupational grouping are related to rail transportation, owing to the presence of Brosnan Yard. When these occupations are removed from consideration, the proportion of Transportation and Material Moving Occupations in Macon-Bibb falls 1.2 percentage points below the national figure. In short, a comparatively large portion of the activity in Macon-Bibb's Distribution and Warehousing sector takes place in an office cubicle, not on a warehouse floor or in an 18-wheeler.

The gap between office-based and material moving and handling jobs has also been widening in many instances. Between 2002 and 2012 across all sectors of Macon-Bibb's economy, many occupations that are important to the Distribution and Wholesale target experienced significant declines in employment. Some of the hardest-hit occupations, however, tended to be related to handling and moving goods. Over the course of the ten-year period, 30 percent of Laborers and Freight, Stock, and Material Movers, Hand were eliminated, a reduction of 460 jobs. Packers and Packagers, Hand (189 jobs lost, 43 percent decrease) and Industrial Truck and Tractor (forklift) Operators (170 jobs lost, 39 percent decrease) also experienced major declines. In 2012, there were 275 fewer Heavy and Tractor-Trailer Truck Drivers in Macon-Bibb following a

30 percent decline in employment over the preceding decade. Meanwhile, the number of Wholesale and Manufacturing, Except Technical and Scientific Products fell by just 104, a ten-percent loss.

Among the potential threats to Macon-Bibb's Distribution and Warehousing target, workforce sustainability stands out. While many occupations within the target have favorable age dynamics, meaning that there are plenty of younger workers to replace those individuals who are nearing retirement age, there is cause for concern in three of the four largest occupations within the sector. Among Sales Representatives for Wholesale and Manufacturing, there are just 0.86 workers between the ages of 25 and 34 for every one worker aged 55 or older (1.24 nationwide). For Heavy and Tractor-Trailer Truck Drivers, this ratio is 0.82 (0.84 nationwide), while for Light Truck or Delivery Services Drivers it is 0.86 (1.13 nationwide). All together, these occupations account for nearly one in three jobs within the Distribution and Warehousing target. As such, firms within the target could be facing talent shortages in crucial occupations in the near future. Fortunately, these positions typically require only short- to moderate-term on-the-job training, so talent pools can be replenished more quickly than occupations requiring elevated levels of education. Nevertheless, it is important to recognize these age dynamics as an emerging competitive threat to the sector.

In contrast, relatively low wages in the Distribution and Warehousing target inhibit the target's ability to significantly increase incomes in Macon-Bibb. However, they do provide an attractive labor cost advantage that is marketable to prospective companies. Wages for nearly all occupations within the sector are at or below both state and national averages, in some cases by fairly wide margins. For instance, Laborers and Freight, Stock, and Material Movers, as well as Sales Representatives for Wholesale and Manufacturing both have median wages that are 80 percent of the statewide average for those occupations.

However, as previously mentioned, the downside to this labor cost advantage is that the target's ability to elevate per capita incomes in Macon-Bibb is limited. A total of 30 occupations accounting for 51.3 percent of all employment in the target pay a median annual wage below the \$35,984 median wage for all business sectors within Macon-Bibb. Warehouse-related occupations such as Laborers and Freight, Stock, and Material Movers, Hand and Stock Clerks and Order Fillers earn less than \$10 an hour. While they may not elevate average incomes, jobs in this target are an important match for many of the community's residents given Macon-Bibb's relatively low levels of adult educational attainment; most occupations within the Distribution and Warehousing target require only on-the-job training, providing economic opportunities to individuals who otherwise have few options for entry into the workforce.

SITE CONSIDERATIONS AND REGIONAL ASSETS

LARGE AVAILABLE SITES: Over the years, distribution centers have been growing in size as the nature of supply chains changes. In 1998, less than five percent of new warehouses were over 500,000 square feet; by 2006, warehouses larger than 500,000 square feet comprised nearly 25 percent of all construction starts.^{iv} Today, major projects are commonly 500,000 square feet or bigger, with many exceeding the one-million square foot mark. In Macon-Bibb, the Kohl's distribution center is 520,000 square feet, while the Bass Pro Shops hybrid retail/distribution facility is 560,000 square feet on 60 acres of land. The Tractor Supply Company facility will eventually be expanded to 960,000 square feet. Projects of this magnitude require

large, regularly shaped sites that can easily accommodate the facility, parking areas, approach roads, retention ponds, and other necessary infrastructure. While MEDC has thousands of acres of land available for industrial development, there are only a few sites remaining that can accommodate the largest of distribution centers or other “mega projects.”

APPROPRIATE EXISTING BUILDINGS: In addition to growing horizontally, distribution centers also have increasingly high ceilings. “Clear height” refers to the distance between a building’s floor and any overhead obstructions, such as girders or structural supports. In decades past, clear heights were commonly 24 feet or even lower. But in recent years, the standard has evolved, with 32 feet now being the popular standard.^v These changes have rendered many older facilities obsolete for larger Distribution and Warehousing operations. For firms seeking to locate in existing warehouse space, Macon-Bibb is fortunate to have multiple properties capable of accommodating modern uses. Examples include the former Brown & Williamson facility and the California Cereal warehouse. But like all communities, Macon-Bibb also has numerous smaller or “shorter” warehouse spaces that will not be able to accommodate large logistics operations. These facilities, examples of which include the former Wal-Mart distribution center and Trane industrial building, will likely be appropriate for smaller-scale manufacturing or warehousing operations.

ACCESS TO ROAD AND RAIL TRANSPORTATION NETWORKS: With its two interstates, a Class I Railroad, and other short-line railroads, Macon-Bibb has excellent transportation connectivity that is attractive to firms in the Distribution and Warehousing target. “Last-mile connectivity,” or the quality of local roads linking a main highway and a site or building, is also generally strong. MEDC and its partners have also shown a commitment to improving local infrastructure where needed on past projects.

PROXIMITY TO MANUFACTURERS, MARKETS, AND PORTS: Macon-Bibb has a strong locational pull for Distribution and Warehousing target companies. It is close to the Port of Savannah, one of the East Coast’s busiest and fastest growing sea ports, and major air cargo operations at Atlanta Hartsfield-Jackson International Airport. It is also within a day’s drive of many major population centers in the Southeast, with nearly 80 percent of U.S. markets accessible by truck within two days from Georgia. And while Macon-Bibb’s manufacturing sector is less concentrated than the national economy, there is strong evidence to suggest that the community’s strengths within wholesale trade are directly linked to the presence of local producers.

TRAINING CAPACITY: Macon-Bibb is home to a technical college, Central Georgia Technical College, which could be leveraged as an asset for workforce training in the Distribution and Warehousing target. One example of such a program within the Technical College System of Georgia is the commercial truck driving school at Georgia Northwestern Technical College’s Walker County campus.

STRATEGIC IMPLICATIONS

Marketing Macon-Bibb's strategic location and assets

Macon-Bibb has clear locational advantages in the Distribution and Warehousing target; the sector's growth prior to the onset of the Great Recession suggests that it has excellent potential going forward. MEDC and its partners in the economic development community should continue and expand efforts to market the community to site selectors and other key influencers.

Developing large sites

One of the principle barriers to growth within the target is the lack of sites suitable for large distribution center projects. As mentioned in the discussion of strategic implications for the Manufacturing target, MEDC and the Industrial Authority should evaluate opportunities work with their partners both in Macon-Bibb and in the region as a whole to assemble and prepare large sites for development.

Repurposing and improving existing, available facilities

With a number of existing distribution and warehousing facilities currently vacant, the community has product that can be attractive to prospective new firms, if those facilities meet their requirements. Identifying barriers to occupancy for specific properties, and developing plans to mitigate those barriers, can help increase the diversity and suitability of Macon's marketable product.

Consider training programs for occupations with impending shortages

Macon-Bibb faces impending talent shortages in the two largest occupations within the target – wholesale sales representatives and tractor-trailer drivers. Given the crucial nature of these positions, Macon-Bibb should consider working with partners at CGTC and other local educational institutions to create training programs that could serve as a talent pipeline into these important roles. Additionally, given the relative importance of sales and administrative functions to the sector, it may also be beneficial to investigate programs that support the skill sets needed for these positions.

Increase the BRE focus on smaller establishments

While Macon-Bibb has several large companies in the Distribution and Warehousing target and has had recent success in attracting major projects to the community, businesses with fewer than 50 employees make up a significant portion of the sector. Expanding the focus of current BRE efforts to work with smaller firms will be an important component of driving growth in the target.

Capturing a share of projected growth

With national growth in wholesale trade, truck transportation, warehousing and storage projected to reach between nine and 19 percent over the decade, coupled with continued and rapid employment growth in the Southeast relative to other markets, there will be many new projects in the Distribution and Warehousing target seeking locations that offer advantages that Macon-Bibb can offer.

Insurance and Financial Activities

TARGET PROFILE

CORE SECTORS: The Insurance and Financial Activities target is focused primarily on two types of financial transactions – insurance underwriting and credit intermediation. Insurance underwriting is a relatively simple concept with which most people are familiar. Underwriters collect fees or premiums in exchange for assuming a certain risk, while other companies facilitate this process by selling insurance policies or managing employee benefit programs. The other main type of financial transaction, credit intermediation, is essentially the business of lending money. A bank, for instance, is considered to be engaged in depository credit intermediation because it makes loans backed by the deposits it has received from other customers. This target, however, focuses on firms engaged in *non-depository* credit intermediation – such as a sales financing office – that lend money raised through credit market borrowing. Firms that perform related activities such as facilitating loans or bringing borrowers and lenders together are also included in the target.

LOCAL COMPANIES: The following is a representative but non-comprehensive list of companies operating within the Insurance and Financial Activities target: GEICO, Georgia Farm Bureau Federation, General Electric Capital Services (formerly IKON Financial Services), Ricoh Business Solutions (formerly IKON Office Solutions)

NATIONAL TRENDS: In general, Insurance and Financial Activities are heavily dependent on the overall health of the economy. In an economic downturn, asset purchases requiring insurance decline, there are fewer equipment leases and purchases to facilitate, and overall lending – consumer and business – declines. Given this reality, businesses such as property and casualty insurance can expect some challenges to short-term growth due to the uneven recovery.^{vi} A large portion of Insurance and Financial Activities (particularly GEICO's operations) in Macon-Bibb are call center operations, which insurers are increasingly relying on to improve the customer experience and drive sales growth through personal interactions. Many companies have also turned to a "financial shared services centers" to consolidate finance and accounting activities that had previously been spread out across multiple locations into one, centralized center that would be classified as a non-depository credit intermediation establishment. Prior to the economic downturn, between 2005 and 2007, the percentage of companies utilizing such centers increased from 14 percent to 50 percent.^{vii}

KEY SITE CONSIDERATIONS: Labor availability and cost; availability of office space; telecommunications infrastructure and utility costs; proximity to air service; quality of life

COMPETING REGIONS IN THE SOUTHEAST: Medium to large metropolitan areas that are centers of financial services and insurance, including but not limited to Atlanta, Birmingham, Charlotte, Columbus, and Tampa.

BUSINESS ACTIVITY AND SECTOR COMPOSITION

The vast majority of employment within Macon-Bibb's Insurance and Financial Activities target exists in just one subsector – Direct Property and Casualty Insurance Carriers. This sector employs more than 5,100 people, which accounts for 88.4 percent of employment within the target and 5.7 percent of all jobs within Macon-Bibb. The strength of this sector is clearly linked to the presence of GEICO, the auto insurance giant that operates its largest regional office in Macon-Bibb. With more than 5,200 employees, it is also the largest private employer in the region. Macon-Bibb is also home to the Georgia Farm Bureau Federation. The difference between reported employment levels from these two major employers (GEICO at roughly 5,000; Georgia Farm Bureau at roughly 500) and the reported total for the sector (5,133) is likely due to the fact that a portion of GEICO and Georgia Farm Bureau operations (and associated employment) is classified as Corporate, Subsidiary, and Regional Managing Offices, a subsector that employs more than 1,700 in Macon-Bibb.

As expected given the presence of the above companies, employment within the Direct Property and Casualty Insurance Carriers subsector is more than 17 times as concentrated in Macon-Bibb as the average community nationwide; and this number is growing. Between 2002 and 2012, Macon-Bibb's subsector grew by 56 percent while the national subsector shed five percent of its jobs. Accordingly Macon-Bibb's location quotient increased from 9.9 to 17.4. The 1,835 jobs created in Direct Property and Casualty Insurance helped blunt the impacts of the Great Recession. More than 1,300 of these jobs were created between 2007 and 2012 (the period covering the Great Recession and subsequent recovery), a time when Macon-Bibb shed 3.3 percent of its total employment. Absent the aforementioned job creation that occurred in the Insurance and Financial Activities target, the region would have shed nearly five percent of its total employment during the Greater Recession and subsequent recovery.

FIGURE 5 – INSURANCE AND FINANCIAL ACTIVITIES BUSINESS SECTOR COMPOSITION

NAICS	Description	Change, 2002-2012				LQ
		Emp.	# Chg.	% Chg.	% U.S.	
522220	Sales Financing	<10	--	--	(27%)	--
522291	Consumer Lending	61	(71)	(54%)	(9%)	1.1
522320	Fin. Transact. Processing, Reserve, & Clearinghouse Activities	275	--	--	40%	4.0
524113	Direct Life Insurance Carriers	170	(66)	(28%)	(15%)	1.0
524114	Direct Health and Medical Insurance Carriers	110	19	21%	5%	0.5
524126	Direct Property and Casualty Insurance Carriers	5,133	1,835	56%	(5%)	17.4
524127	Direct Title Insurance Carriers	0	--	--	(34%)	0.0
524291	Claims Adjusting	32	(17)	(35%)	10%	1.0
524292	Third Party Administration of Insurance and Pension Funds	22	(5)	(19%)	22%	0.3
Total		5,807	1,813	45%	(4%)	5.8
Total, All Sectors		88,607	(5,574)	(6%)	2%	

Source: EMSI

Other insurance subsectors are less concentrated. Direct Life Insurance Carriers has an identical concentration to the nation, with a location quotient of 1.0. Direct Health and Medical Insurance Carriers has a location quotient of 0.5. And there are no Direct Title Insurance Carriers offering real estate title insurance in Macon-Bibb. Nonetheless, these activities merit inclusion within the strategic target as they

share common location considerations and would be attracted to the labor pool that exists in and around Macon-Bibb.

Among subsectors related to credit intermediation activities, two are relatively concentrated in Macon-Bibb. They are Consumer Lending, with a location quotient of 1.1 and Financial Transactions Processing, Reserve, and Clearinghouse Activities with a location quotient of 4.0. While the former lost 71 jobs (54 percent of its employment) between 2002 and 2012, the latter grew, going from fewer than 10 jobs to 275 within the ten-year time period. This rate of growth exceeded the national rate, which was itself a robust 40 percent. The most important financial services companies within Macon-Bibb are Ricoh (formerly IKON Office Solutions) and GE Capital (formerly IKON Financial Solutions), which manage office equipment leases.

Expectedly, the subsector is highly export-oriented with nearly all of the insurance products sold by GEICO and other providers purchased by customers outside of Macon-Bibb. In 2012 alone, the subsector's exports were worth nearly one billion dollars (\$970.2 million). The portion of this revenue that remains in Macon-Bibb in the form of wages, benefits, and corporate investment serves as a true net increase in the community's wealth.

WORKFORCE ATTRIBUTES AND OCCUPATIONAL COMPOSITION

The majority of GEICO's employees work in the company's large call center operations as claims, customer service, or sales representatives. Evidence for this fact is readily apparent in the staffing patterns for Insurance and Financial Activities. More than half of all employment in the target – 52.9 percent – exists in just four occupations, which together account for nearly 3,200 jobs. These occupations all involve some form of direct interaction with customers:

- Insurance Claims and Policy Processing Clerks – 18.6 percent of sector employment
- Insurance Sales Agents – 12.7 percent
- Claims Adjusters, Examiners, and Investigators – 12.6 percent
- Customer Service Representatives – 9.0 percent

Nationally, these occupations account for just 35.4 percent of sector employment, 17.5 percentage points less than in Macon-Bibb. The biggest difference occurs in the Insurance Claims and Policy Processing Clerks, which accounts for just 7.1 percent of that national workforce, 11.5 percentage points lower than the local concentration. Customer Service Representatives is the only occupation that is less concentrated in Macon-Bibb's sector (-1.1 percentage points).

From the previous occupational data, two distinct strengths begin to emerge. One is that Macon-Bibb has a high capacity for call centers and other customer service activities. Many of the skills needed to work in some of these positions are not exclusive to Insurance and Financial but instead highly transferrable across a variety of industries. This illustrates the degree to which the current operations within the Insurance and Financial Activities target and the Business and Consumer Support Services target are interconnected. This is further discussed in following section analyzing the Business and Customer Support Services target.

The other key strength is a capacity for additional growth – call center or otherwise – within fields related to insurance and finance. Macon-Bibb has strong location quotients in various occupations that perform fundamental tasks within the target, including Insurance Appraisers, Auto Damage (9.78), Claims Adjusters, Examiners, and Investigators (4.7), and Insurance Underwriters (3.0). Combined, these occupations account for more than 1,000 jobs in Macon-Bibb, the majority of which (768) are Claims Adjusters, Examiners, and Investigators. These positions generally require a college degree or certificate, or long-term on the job training. This indicates that Macon-Bibb has a strong local talent pool familiar with the insurance business that could be leveraged and expanded to support additional insurance operations. Because of the various skills overlaps between the insurance and finance industries, this talent pool could also be supportive of additional activities related to finance.

Another potential barrier to growth in the insurance and finance industries is a lack of regional degree completions related to insurance. There are currently no Finance or Risk Management bachelor's degree programs available in the region, a potential barrier to the development of more management-oriented Insurance and Financial Activities in Macon-Bibb. In 2011 alone, there were 143 openings for occupations such as Claims Adjusters, Examiners, and Investigators and Insurance Underwriters. Fortunately, the age dynamics in these occupations – and most within the target for that matter – are favorable, with significantly more young workers than those nearing retirement. Local institutions produce numerous degree completions that are readily transferrable to the sector, including degrees in mathematics, business, and various computer-related fields. But there is no dedicated talent pipeline supporting insurance occupations through local institutions. The only exception is the 20 credit hour "Call Center Insurance Marketing Representative" certificate program at Central Georgia Technical College.

For nearly all occupations wages are at slightly below state and national averages, putting Macon-Bibb at a competitive edge in terms of labor costs. However, more than 50 percent of the jobs within the target fall in occupations that pay median wages above the median for all business sectors in Macon-Bibb, indicating that the target is capable of elevating per capita incomes in Macon-Bibb. And, while many of the remaining occupations that require on-the-job training (such as customer service positions) pay less than this county-wide median wage, most pay at least 80 percent of this figure – far more than positions in other business sectors that require little to no advanced education. As such, growth within the Insurance and Financial Activities target could boost the overall wealth of the county and provide relatively high-paying jobs for individuals with limited educational backgrounds, or both.

SITE CONSIDERATIONS AND REGIONAL ASSETS

ACCESS TO TALENT: As discussed above, Macon-Bibb has significant capacity for call centers and related customer service activities, as evidenced by the massive GEICO operations. But for occupations that require additional education, Macon-Bibb is at a significant disadvantage in many respects. For one, the sheer size of GEICO within the local economy may actually be a deterrent to smaller firms over fears that the insurance giant can have its pick of top local talent. Additionally, the proportion of Macon-Bibb's residents with a bachelor's degree or higher is relatively low. Increased efforts to retain graduates of local higher education institutions will be vital to stimulating growth in insurance and finance, in addition to any other professional, management, or administrative sector. Finally, while many certificates, two- and four-year

degrees, and graduate degrees may have some applicability to the target, there are few degree completions specifically related to insurance in the region.

AVAILABILITY OF OFFICE SPACE: Firms within the Insurance and Financial Activities target will generally require Class A office space, and Macon-Bibb has relatively little such available space. Most of the larger office spaces advertised through MEDC are in fact vacant retail spaces, though these could be appropriate for certain call centers or back-office facilities, which generally seek low occupancy costs. Overall, however, companies seeking to expand or locate other operations in Macon-Bibb may find a shortage of available modern office space.

TELECOMMUNICATIONS INFRASTRUCTURE: A variety of business functions within the target are heavily reliant on phone and internet connections. Macon-Bibb fares generally well in this area, with 22,500 miles of fiber optic network and a strong telecommunications network.

PROXIMITY TO AIR SERVICE: For many firms in the insurance and finance sectors – particularly those that are large, multi-state or multi-national corporations – it is important that operations be located close to a major airport. Macon-Bibb's location near the world's busiest commercial airport, Hartsfield-Jackson Atlanta International Airport, is a favorable asset.

STRATEGIC IMPLICATIONS

Emphasize existing business outreach

In no uncertain terms, the sheer size of the employers within this target (three are among the largest in the community: GEICO, Georgia Farm Bureau, and IKON/GE Capital) makes existing business retention and expansion (BRE) a critical focus for this target. This process should be coordinated through a best-practice, proactive BRE program that seeks to ensure that major employers within the target and Macon-Bibb's economic development practitioners continue to work together for their mutual benefit. Any closure or reduction in force among these employers would have potentially devastating effects on the community.

Retain graduates

Macon-Bibb's higher education institutions produce numerous highly skilled graduates each year, though research during the Competitive Assessment phase of this process revealed that much of the top talent is not remaining in the area after completing their education. Retaining more of these individuals will be important to the health of Macon-Bibb's overall economy, but it will be particularly important for sectors such as Insurance and Financial Activities, which rely on an educated workforce.

Support the development of a direct talent pipeline

There is currently a lack of finance and risk management degree programs in the community. The lack of such programs may be a deterrent for prospective new Insurance and Financial Services operations that contain more advanced underwriting, analytical, and management functions.

Evaluate the long-term need for additional office space, particularly Class A space

As Macon-Bibb's Insurance and Financial Activities target continues to expand, additional Class A office space may be needed to accommodate growth.

Business and Consumer Support Services

TARGET PROFILE

CORE SECTORS: Most companies are known for the goods they produce or the services they provide, but supporting these principal activities are numerous other business functions that are no less essential. These include things like accounting, billing, and payroll services, information management and data centers, and customer service operations, including call centers. While many of these functions are performed in-house at corporate and regional headquarters, many are standalone business units or outsourced. These functions are captured in the Business and Consumer Support Services target. Many of Macon-Bibb's most prominent examples of support services were previously discussed in the Insurance and Financial Activities target. These include GEICO's call center and the finance operations of Ricoh Office Solutions and GE Capital (formerly IKON). **Indeed, there is much overlap between the two targets (Insurance and Financial Activities; Business and Consumer Support Services) and at present, the majority of Macon-Bibb's support services are in some way related to insurance or finance. But the community unquestionably has the potential to broaden the Business and Consumer Support Services target to include operations for firms across a wider variety of business sectors.**

LOCAL COMPANIES: Companies in the Business and Consumer Support Services target include the aforementioned insurance and financial service firms (although employment is officially categorized in Insurance and Financial Activities subsectors) and E-filing.com Inc., which operates a sales, marketing, and customer support center. GE Capital (formerly IKON), Birch Communications, and multiple other public and private entities located at Robins Air Force Base operate data centers in the region.

NATIONAL TRENDS: For the past several decades, companies around the world and across a variety of industry sectors have sought to decrease operating costs by improving efficiencies in certain business functions such as information technology and payroll management. Some companies have outsourced these tasks to third-party firms, while others have consolidated them in-house in a "shared services" setup. In these instances, tasks that used to be spread out across a variety of departments are consolidated into a single internal unit, which then provides its services company-wide. According to KPMG, growth in shared services now outpaces that of traditional outsourcing.^{viii} Macon-Bibb can pursue both outsourced and shared services operations as part of its Business and Consumer Support Services target.

KEY SITE CONSIDERATIONS: Site considerations can vary in important ways within the Business and Consumer Support Services target:

- **Call centers:** Large pool of low-cost labor; low real estate costs; telecomm infrastructure
- **Data centers:** Low electricity costs; availability of water for cooling; telecomm infrastructure; low risk of natural disasters and other hazards; availability of specialized talent

COMPETING REGIONS IN THE SOUTHEAST: A number of small to medium sized metropolitan areas are competitive for business and consumer support functions such as call centers and data centers. However, many exurban and rural locations that offer cheaper land than nearby metropolitan areas are also highly-competitive.

BUSINESS ACTIVITY AND SECTOR COMPOSITION

When examining business sector employment data, Macon-Bibb's Business and Consumer Support Services target appears rather small. However, as previously mentioned, much of the relevant employment overlaps with – and is categorized as – Insurance and Financial Services employment. Specific sectors not included within the analysis of Insurance and Financial Activities include:

- Accounting (Other Accounting Services)
- Billing/Collections (Collection Agencies)
- Call Centers, Inbound (Customer Service) and Outbound (Sales and Telemarketing)
- Data Centers (Data Processing, Hosting, and Related Services)
- Payroll (Payroll Services)

An additional three – Sales Financing, Consumer Lending, and Financial Transactions Processing, Reserve, and Clearinghouse Activities – are shared with the Insurance and Financial Activities target. They are included here because many shared services operations are captured in these sectors. All told, the target has 684 jobs, but when the finance sectors are removed, this figure drops to 346 jobs, most of which (197) are in Other Accounting Services. This is also the only sector out of the five that is highly concentrated locally, with a location quotient of 1.4. Of all sectors in the target, only Financial Transactions Processing, Reserve, and Clearinghouse Activities grew between 2002 and 2012.

FIGURE 6 – BUSINESS AND CONSUMER SUPPORT SERVICES BUSINESS SECTOR COMPOSITION

NAICS	Description	Emp.	Change, 2002-2012				LQ
			# Chg.	% Chg.	% U.S.		
518210	Data Processing, Hosting, and Related Services	26	(37)	(59%)	(16%)		0.2
522220	Sales Financing	<10	--	--	(27%)		--
522291	Consumer Lending	61	(71)	(54%)	(9%)		1.1
522320	Fin. Transact. Processing, Reserve, & Clearinghouse Activities	275	--	--	40%		4.0
541214	Payroll Services	66	(52)	(44%)	30%		0.7
541219	Other Accounting Services	197	(4)	(2%)	0%		1.4
561422	Telemarketing Bureaus and Other Contact Centers	<10	--	--	28%		--
561440	Collection Agencies	50	(2)	(4%)	0%		0.6
Total		684	(62)	(8%)	(5%)		0.8
Total, All Sectors		88,607	(5,574)	(6%)	2%		

Source: EMSI

But while the business sector data contained in Figure 6 shows little existing strength or growth within the target, this picture is incomplete. As discussed in earlier portions of this Target Business Analysis, Macon-Bibb already has a massive support services operation – the GEICO call center. Because of the complicated nature of classifying business establishments, call centers and other shared services operations frequently take the NAICS code of their parent company. In GEICO's case, workers who have skillsets that are closely aligned with Business and Consumer Support Services are all classified as working within the Direct Property and Casualty Insurance Carriers business sector. Recall that this sector exhibited tremendous growth in Macon-Bibb in recent years. Due to the difficulties in adequately measuring the target using business sector data, it is necessary to examine occupational data.

WORKFORCE ATTRIBUTES AND OCCUPATIONAL COMPOSITION

Because Macon-Bibb's Business and Consumer Support Services target is relatively small in size, it is not possible to examine local staffing patterns and compare them to the national picture. Instead, it is necessary to begin with national staffing patterns data to identify key occupations that are important within the target, and then examine the dynamics of these occupations across all business sectors within Macon-Bibb. From this analysis, a mixed picture begins to emerge.

On the positive side, Macon-Bibb has high concentrations of certain occupations that are supportive of call centers and billing and collections operations. These occupations include Bill and Account Collectors (location quotient of 2.9), Billing and Posting Clerks (1.9), First-Line Supervisors of Office and Administrative Support Workers (1.4), and Customer Service Representatives (1.2). Bookkeeping, Accounting, and Auditing Clerks and Office Clerks, General also have location quotients just slightly above 1.0. The barriers to entry to these positions are generally not high – non-supervisory roles require only short- to medium-term on-the-job training. But the fact that Macon-Bibb already has high concentrations in these occupations is an advantage and an indication that the community is capable of supporting these types of operations.

In other areas, however, Macon-Bibb has relatively low concentrations of talent. As previously discussed in the Insurance and Financial Activities section, Macon-Bibb has low location quotients in important finance occupations, including Loan Officers (0.6) and Loan Interviewers and Clerks (0.4), but these positions again require only on-the-job training. A far bigger concern lies in Macon-Bibb's lack of strength in various occupations related to computers. These include: Computer Systems Analysts (0.8), Computer Support Specialists (0.8), Network and Computer Systems Administrators (0.7), and Computer and Information Systems Managers (0.5). A lack of concentration in these occupations, which are generally supportive of data centers and other information technology functions that are components of shared services operations, could detract from an otherwise attractive business environment for these types of positions.

Fortunately, Macon-Bibb's higher education institutions are producing numerous degree completions related to these fields. As of 2011, there were 141 related degree completions across nine different programs within the region. The most common of these were in Computer and Information Sciences and Computer Systems Networking and Telecommunications, which combined for 90 of the completions. These completions far outpaced annual openings in these positions, which as of 2013 are estimated at 26. This indicates that Macon-Bibb could have additional capacity to accommodate data center employment and again underscores the need to retain talent within the region. With little existing competition for such talent, this pipeline of new graduates could be a marketable attribute in building the case for Macon-Bibb as a data center location.

Like the Insurance and Financial Activities target, wages within many of the occupations important to Business and Consumer Support Services fall below the median wage for all occupations across Macon-Bibb, but they are much higher than many other entry-level positions available to individuals who are still in school, marginally attached to the workforce, or who have limited educational attainment. These wages also tend to be lower than state and national averages, which again provide Macon-Bibb with a competitive edge. Most of the occupations important to the target also have relatively favorable age dynamics, with very few workers approaching retirement in many positions.

SITE CONSIDERATIONS AND REGIONAL ASSETS

The Business and Consumer Support Services target covers establishments that perform a wide range of functions and often have divergent site selection criteria. Site considerations for the target's two niches are:

Niche target: Call centers

The most important consideration for call centers is labor availability. To function effectively, a call center must be able to draw from a large pool of individuals who are available to work for relatively low wages and non-wage labor costs (such as benefits and unemployment insurance). Call centers are often attractive to areas where there is relatively high unemployment, a large population of college students, or a significant military presence with spouses seeking second incomes. Macon-Bibb meets all of these conditions, and its labor costs are sufficiently low to be attractive to call centers. Rents are also an important issue for call centers, which do not have the same office requirements as do professional services firms or other organizations seeking Class A space. It is therefore likely that Macon-Bibb's existing supply of office space is suitable and cost-competitive for call center spaces. Additionally, the community has many vacant large retail spaces and former "big-box" stores – properties that have been successfully converted into call centers in other localities. Call centers also rely on strong broadband and telecommunications infrastructure, a category in which Macon-Bibb is strong.

Niche target: Data centers

Data centers are facilities that house computer systems that require enormous amounts of energy to operate. Accordingly, electricity costs are an important consideration for these operations. Georgia's electricity costs are not the cheapest in the nation or the Southeast, but they are not prohibitive and therefore competitive with its neighbors in the Southeast. As of April 2013, the cost of electricity for commercial uses in Georgia was \$9.69 per kilowatt-hour, tied for 31st nationally and below the average for the United States (\$9.96). Georgia's costs are higher than the average for its region, the South Atlantic (\$9.24), but they are lower than the costs in Alabama and Tennessee and close behind those in Florida and South Carolina.

Many data centers also use large amounts of water to cool their operations, which house equipment that generates significant amounts of heat. For operations using this method of cooling, communities that have water security issues are to be avoided, but Macon-Bibb's abundance of water makes it highly competitive in this category. Firms also prefer to locate their data centers in areas that are at a relatively low risk from natural disasters. These centers must be constantly online, and any natural phenomenon that could physically threaten a building or cause a long-term disruption (such as a flood, tornado, or earthquake) to the power grid is a significant threat. Though Middle Georgia incurs severe storms and occasional tornados, the area is overall at a relatively low risk for natural disasters relative to other parts of the country. Data centers typically do not create many jobs, but they do require educated workers who are skilled in various computer-related occupations. Macon-Bibb's higher education institutions produce some degree completions in these fields – Computer Science, Computer Systems Networking and Telecommunications, Computer and Information Sciences and Support Services, Other – but these completions are not keeping pace with annual openings in the region. Data centers are also fundamentally reliant on quality fiber connections, which are available in Macon-Bibb.

STRATEGIC IMPLICATIONS

Diversify call center operations

With its strong fiber infrastructure and large pool of available talent, Macon-Bibb is well-positioned to attract call centers and similar support activities. But currently, the vast majority of call center employment in the community is concentrated at GEICO. Growing the Business and Consumer Support Services target will help diversify these operations in Macon-Bibb, protecting the community from potential downturns in the property and casualty insurance business. These positions are also a strong match for a local workforce that needs an abundance of employment opportunities that require little or no formal higher education. Call center jobs have low barriers to entry and are often heavily reliant on part-time workers. Expanding employment in the target would also create more positions that would be likely to attract college students, young workers, and other individuals who are marginally attached to the workforce.

Develop and retain more specialized talent

Macon-Bibb has excellent higher education resources, but as previously stated, these assets have not yet been fully leveraged for the benefit of some of the region's targets and their future growth. While there are an abundance of aerospace and aviation-related programs and training opportunities, there are comparatively few programs supporting the Insurance and Financial Services and Business and Consumer Support Services targets.

Market the region as a location for data centers

The community unquestionably has an attractive combination of assets to support data center operations. The primary barrier – a relative lack of existing IT workers – can be mitigated by a relatively strong pipeline of new graduates.

Identify vacant properties that are a strong fit for support services

There are a number of vacant facilities that could potentially be repurposed as office space that is appealing to Business and Consumer Support Services operations seeking low-cost alternatives to office parks and Class A space. Plans to identify such properties, mitigate barriers to conversion and redevelopment, and market their attractiveness to targeted businesses could be beneficial for an area where speculative office development is not as prominent as other markets with more abundant professional and technical services.

Health Care Services

TARGET PROFILE

CORE SECTORS: The Health Care Services target is comprised of those entities that provide direct patient care. This encompasses the major medical centers in the region as well as independent or affiliated group practices, ambulatory service centers, nursing care facilities, dentist offices, outpatient care centers, and medical and diagnostic labs. Their primary function is to provide patients with the best care possible, with ever-increasing deployment of new medical devices and a rapidly-growing demand for health information technology – two of the region’s other strategic targets.

LOCAL COMPANIES: The Health Care Services target includes the region’s two hospital systems – Medical Center of Central Georgia and Coliseum Health Systems – in addition to numerous smaller providers.

NATIONAL TRENDS: Health care delivery was one of the few bright spots throughout the Great Recession. While many sectors shed jobs in the ten years leading up to 2012, health care remained resilient, growing by 23 percent. This robust growth is expected to continue as the Baby Boom generation ages. The U.S. Census Bureau estimates that between 2010 and 2030, the proportion of residents aged 65 and over will increase from 13 to 20 percent. Because people tend to require more health care as they get older, this will lead to increased demand for all manner of health care services, including hospitals, specialist offices, nursing care providers, and home health care providers, among others. The Patient Protection and Affordable Care Act, which requires most Americans to obtain health insurance or face a tax penalty, will also add millions of new subscribers to health insurance pools, increasing consumption of care. The law will also create new challenges, as its provisions and incentives will likely lead to a shift away from fee-for-service models toward a fixed-payment or “bundled” scheme.

HEALTH CARE AS AN ECONOMIC DEVELOPMENT TARGET: Health care delivery is not a strategic economic development target in a traditional sense; it is generally not conducive to business recruitment, for instance. The nature of health care service delivery and demand does not limit patients to utilizing health care providers within their place of residence. As with any other product or service, consumers of health care services have choices; some individuals travel outside their communities to seek high-quality and highly-specialized care for specific ailments. With this in mind, the strategies associated with developing the health care sector vary from targeting efforts associated with other business sectors. While most targeting strategies almost exclusively focus on the supply side (businesses), targeting within health care services also includes marketing to the demand side (consumers of health care services). In this sense, health care becomes a traded sector, in which health care services are “exported” as patients (and their expenditures) come to the community to receive specific services or treatments. However, not every community has the potential to export health care services on a national or global scale. Only those regions with incredibly high-quality and specialized services can successfully implement destination medical strategies. Although Macon-Bibb’s primary health systems attract non-residents from surrounding counties, the demand (as evidenced in this analysis) from outside the region is insufficient to warrant a destination medical strategy.

That being said, the health care sector is the single largest part of Macon-Bibb's economy, and its continued success will be a crucial component of the county's future prosperity. MEDC and the Chamber must continue to work with their partners in the health care community to ensure that its various needs (workforce, quality of life, etc.) are being met. Additionally, fostering collaborations between researchers at Mercer University and local health care service providers could lead to advancements in translational medicine that could help improve the overall health and well-being of the community's residents.

COMPETING REGIONS: Since Macon-Bibb is not considered a destination for highly-specialized health care services by patients from around the country and the world, its primary competition comes from health care providers in nearby metropolitan areas (particularly metro Atlanta) where local residents may seek second opinions and other highly-specialized treatments.

BUSINESS ACTIVITY AND SECTOR COMPOSITION

The importance of the Health Care Services target to Macon-Bibb is immediately apparent upon examination of the business sector data. The various subsectors that comprise the target employ 13,919 people and represent 15.7 percent of all jobs within Macon-Bibb. Between 2002 and 2012, the target added 2,637 jobs, growing by 23 percent, equivalent to the national rate of growth. During the same time period, all sectors across Macon-Bibb lost 5,574 jobs. Without the growth in Health Care Services, the impact of the Great Recession and Macon-Bibb's economic struggles earlier in the decade would have been far more crippling.

FIGURE 7 – HEALTH CARE SERVICES BUSINESS SECTOR COMPOSITION

NAICS	Description	Emp.	Change, 2002-2012				LQ
			# Chg.	% Chg.	% U.S.		
541711	Research and Development in Biotechnology	0	0	0%	19%	●	0.0
6211	Offices of Physicians	2,883	811	39%	20%	●	2.0
6212	Offices of Dentists	510	(6)	(1%)	17%	●	1.0
6213	Offices of Other Health Practitioners	260	73	39%	48%	●	0.6
6214	Outpatient Care Centers	729	546	298%	56%	●	1.9
6215	Medical and Diagnostic Laboratories	92	(56)	(38%)	34%	●	0.6
6216	Home Health Care Services	950	532	127%	74%	●	1.3
6219	Other Ambulatory Health Care Services	194	40	26%	41%	●	1.2
6221	General Medical and Surgical Hospitals (Private)	5,925	538	10%	13%	●	2.2
6222	Psychiatric and Substance Abuse Hospitals (Private)	117	64	121%	17%	●	1.9
6223	Specialty (except Psych. & Substance Abuse) Hospitals (Pvt.)	339	(2)	(1%)	58%	●	2.5
6231	Nursing Care Facilities	1,164	12	1%	6%	●	1.2
6232	Res. Mental Retardation, Mental Health & Sub. Abuse Fac.	119	--	--	21%	●	0.3
6233	Community Care Facilities for the Elderly	563	63	13%	48%	●	1.2
6239	Other Residential Care Facilities	74	(88)	(54%)	(4%)	●	0.8
Total		13,919	2,637	23%	23%		
Total, All Sectors		88,607	(5,574)	(6%)	2%		

Source: EMSI

Within the target, the largest subsector is General Medical and Surgical Hospitals (Private) with nearly 6,000 employees working for the community's two main hospitals – the Medical Center of Central Georgia and Coliseum Health Systems. Despite their already large employment base, Macon-Bibb's hospitals still managed to grow by double digits (ten percent) in the ten years leading up to 2012. Offices of Physicians account for another 2,883 employees and grew by 39 percent between 2002 and 2012, far outpacing the national growth rate of 20 percent. Both of these subsectors also have location quotients of 2.0 or higher, meaning that employment is more than twice as concentrated in Macon-Bibb as the average community.

The growing importance of care for the elderly is also evident in the business sector data. Nursing Care Facilities employ 1,164 individuals and Community Care Facilities for the Elderly accounts for another 563 jobs. Both have location quotients of 1.2 Home Health Care Services, with 950 employees and a location quotient of 1.3, also exhibited strong growth between 2002 and 2012, adding 532 jobs – a 127 percent increase that was far in excess of the national rate of growth (74 percent).

But the largest growth by far occurred in the Outpatient Care Centers subsector, which nearly quadrupled in size in the ten years leading up to 2012, adding 546 jobs. It now employs 729 individuals with a location quotient of 1.9. Most of this growth was driven by All Other Outpatient Care Centers, which added 400 jobs between 2002 and 2012. Establishments in this sector deliver medical care that does not require an overnight stay in a hospital. This can include minor surgeries, diagnostic screenings, and other procedures. These centers are becoming increasingly common around the country, with the sector growing by 76 percent in the 10 years leading up to 2012. In Macon-Bibb, this growth was far more pronounced; the sector grew by 541 percent, 465 percentage points above the national rate.

The relatively high rates of employment growth in Health Care Services subsectors occurred during a time when Macon-Bibb's population growth was essentially flat and many of the community's middle-class residents were moving elsewhere. This trend, combined with the relatively high concentration of employment (as evidenced by location quotients), is a strong indicator that Macon-Bibb's Health Care Services target has a strong regional pull within Middle Georgia. This is to be expected – the core counties within medium to large metropolitan areas are typically home to the largest medical centers and most highly-specialized physician practices within the region.

The ability of Health Care Services providers to serve patients from throughout Middle Georgia (and in some cases, beyond Middle Georgia) is confirmed by export data, measuring the degree to which Macon-Bibb's health care providers are attracting expenditures from outside the county. In 2012, three sectors with high export potential – private hospitals, offices of physicians, and outpatient care centers – exported \$910 million dollars of services to non-residents. That figure accounts for 68 percent of the total 2012 revenue for these sectors. By comparison, these three sectors exported \$419 million (44 percent of revenues) and \$999 million of services (66 percent of revenues) from Columbus-Muscogee and Augusta-Richmond, respectively. Clearly Macon-Bibb and Augusta-Richmond are very similar in terms of the scale and scope of their regional exports.

An examination of a similarly-sized community that successfully attracts patients from all over the world can help put these figures into context of destination medical strategies. The Mayo Clinic, located in Rochester, Minnesota, is widely regarded as one of the leading providers of specialized care in the world.

Olmsted County, home to Rochester, employs roughly the same number of individuals across all sectors as Macon-Bibb (93,000 vs. 88,000). However, the three Health Care Services sectors mentioned above employ more than four times as many individuals as those same sectors in Macon-Bibb. The county's health care providers also export more than four times that which is observed in Macon-Bibb (more than \$4.5 billion in 2012), with exports (services to non-residents) representing nearly 89 percent of all revenues.

While it comes as no surprise that Macon-Bibb's Health Care Services providers do not possess the same capacity to export as the world's leading centers of health care, the community's providers are clearly bringing significant amounts of new income into the community, with roughly two-thirds of all revenues coming from patients living outside of Macon-Bibb. This underscores the importance of the sector to Macon-Bibb – and Middle Georgia's – economy.

WORKFORCE ATTRIBUTES AND OCCUPATIONAL COMPOSITION

In general, the staffing patterns for Macon-Bibb's Health Care Services target are similar to the occupational composition of the nationwide sector. There are 115 occupations that have at least ten employees within the target in Macon-Bibb. Of these, 95 make up a nearly identical proportion of total target employment relative to the United States as a whole (+/- 0.3 percentage points). This reflects the fact that Macon-Bibb's Health Care Services target is comprised of operations that are largely serving the surroundings region, much like other regional centers of Health Care Services in metropolitan areas around the country. There are, however, a few key differences in occupational composition.

First, Registered Nurses (RNs) are significantly more common in Macon-Bibb than they are nationwide. RNs account for one out of every five target jobs in Macon-Bibb, 5.4 percentage points higher than the national composition. Meanwhile, Nursing Aides, Orderlies, and Attendants make up just 5.7 percent of local employment, 3.1 percentage points lower than the U.S. figure. This is largely a positive distinction. Nearly all RNs have at least an associate's degree, and, nationally, 56 percent have a bachelor's degree or higher. Conversely, more than half of Nursing Aides, Orderlies, and Attendants have a high school diploma or less, with just 15 percent having an associate's degree or above. The positions are compensated accordingly, with RNs in Macon-Bibb earning median wages that are nearly three times as high.

Macon-Bibb's Health Care Services target has a slightly greater emphasis on administrative functions. When combined, Administrative Services Managers and all Office and Administrative Support Occupations account for 19 percent of jobs within the target, 2.3 percentage points higher than the composition across the United States. This reflects two large health systems that receive a majority of their business from other jurisdictions within the region; administrative functions are, by necessity, concentrated in Macon-Bibb.

The range of workers employed in the Health Care Services field cover the full breadth of skill and training – from surgeons with decades of education and experience to aides who learn on the job. The wages they earn follow suit. Physicians can earn well above \$100 an hour, while the median earnings for numerous occupations are barely above the federal minimum wage. As such, growth in the Health Care Services target may put upward pressure on a community's *average* wages (thanks to physicians pulling up the mean), but a substantial portion of the jobs created will fall at the low end of the spectrum. Within Macon-Bibb, nearly half (47.3 percent) of occupations in the target pay median wages below the median annual

wage of \$35,984 for all occupations in Macon-Bibb. Some positions, such as Personal Care Aides and Home Health Aides, pay median annual wages that are less than half of this amount – \$17,576 and \$17,493, respectively. But as previously discussed throughout this deliverable, these occupations tend to have low barriers to entry, and given Macon-Bibb's high unemployment rates and low levels of educational attainment, they represent realistic employment opportunities for many area residents. Additionally, given the strong export nature of Macon-Bibb's Health Care Services target, an expansion of the sector would almost certainly provide a net boost to personal wealth within the community.

Overall, Macon-Bibb's workforce dynamics are strong. Research revealed few occupations with impending shortages due to an aging workforce, while Macon-Bibb also has a strong talent pipeline suited to replacing workers in many high-skill positions. As of 2012, just 14 percent of the community RNs are between the ages of 55 and 64 (approaching retirement in the coming decade), as compared to 17 percent nationwide. This bodes well for the sustainability of the region's nursing workforce as compared to the average American community. Nationwide, communities are struggling to produce enough qualified nurses to meet demand, with many communities competing for a limited pool of talent.

Notably, the local degree pipeline supporting nursing and other health care occupations is very strong. There are 38 occupations classified under Healthcare Practitioners and Technical Occupations with at least 10 employees in Macon-Bibb's Health Care Services target. Between 2002 and 2012, the average number of annual job openings in these occupations was 316. But as of 2011, the most recent year for which data is available, Macon-Bibb's higher education institutions produced 1,173 degree completions in 28 programs related to these fields. These largest of these programs are:

- Registered Nursing – 364 completions in 2011
- Medical Insurance Coding Specialist – 191
- Pharmacy – 146
- Licensed Practical/Vocational Nurse Training – 69
- Medicine – 64

For the four occupations with at least ten annual openings – Registered Nurses, Licensed Practical and Licensed Vocational Nurses, Pharmacists, and Radiologic Technologists and Technicians – the number of degree completions exceeds the level of openings. Furthermore, the pipeline is more than sufficient to meet the demands of existing employers. Again, taking the example of RNs, it was previously mentioned that 14 percent of the workforce is approaching retirement in the coming decade, equivalent to 446 registered nurses. Between 2012 and 2022, Macon-Bibb's demand for RNs is projected to rise by nearly 20 percent (625 RNs). Combined, the community will need to replace or hire a total of 1,071 RNs to meet the needs of local employers. As illustrated previously, the community is producing 364 new RNs each year, for a total of 3,640 over the decade. Clearly, the community is a net exporter of nursing talent. ***This is an incredible workforce advantage that very few communities possess. However, it is only an advantage if Macon-Bibb can successfully retain these graduates, providing them with the type of community that they desire.*** Addressing some of the challenges mentioned in the Competitive Assessment (openness and creating a welcoming environment, improving public schools, providing the amenities and physical environment that young professionals demand, etc.) will be critical to ensuring that the community can maintain this advantage and support its existing health care employers through successful talent retention.

COMPETITIVE ASSETS AND CHALLENGES

HOMEGROWN TALENT PIPELINE: As described in the previous section, Macon-Bibb's has numerous educational assets related to health care. Among non-profit institutions, these include the Mercer University School of Medicine, nursing programs at Mercer, Middle Georgia State College, Georgia College and State University, and Wesleyan College (beginning in Fall 2013) and a practical nursing program at Central Georgia Technical College.

ACADEMIC RESEARCH: Under the leadership of President William Underwood, the Mercer University School of Medicine has committed to expanding the school's role as a research institution. One area of Mercer's research that holds particular promise for Macon-Bibb's Health Care Services target is translational medicine, sometimes referred to interchangeably as translational research. This refers to the "bench-to-bedside" process in which research findings are translated from the researcher's bench to the patient's bedside through clinical trials and drug approval processes. The practice frequently incorporates research from other fields such as the social sciences in an effort to improve care.

GROWTH PATTERNS AND REGIONAL COMPETITION: In most cases, health care delivery tends to take place where people live. In recent years, Macon-Bibb's population growth has been relatively flat while nearby communities have grown rapidly. Macon-Bibb's Health Care Services providers continue to have a strong pull within Middle Georgia, attracting patients from around the region. But if some of the areas around Macon-Bibb continue to grow as they have been in recent years, competing health systems and practices may open or expand in these burgeoning markets. Should that occur, the future growth potential of Macon-Bibb's Health Care Services would be impacted.

STRATEGIC IMPLICATIONS

Support growth in translational medicine and collaborative health care research and delivery

The Mercer University School of Medicine's increased focus on research in translational medicine presents Macon-Bibb with an opportunity to forge partnerships between the school and local health care services providers to the benefit of all parties and the community as a whole. Translational medicine involves the movement of research from the laboratory into the real world, and entities within Macon-Bibb's health care delivery sector would seem to be ideal employers with which the school can partner to affect this process. MEDC and the Chamber can help facilitate these connections. Successful partnerships in translational medicine could lead to fulfilling research achievements for the School of Medicine and improved efficiency and delivery system for Macon-Bibb's health care providers. And, while the factors influencing the overall health of a community are myriad and complex, multi-disciplinary translational research can do no harm in efforts to improve local health outcomes.

Ensure that BRE efforts address the unique needs of health care providers

The Health Care Services target is the largest component of Macon-Bibb's economy. And, while most employers within the target do not relocate the way firms in other sectors frequently do, it is nonetheless important to expand BRE efforts to key players within the target to ensure that conditions within Macon-Bibb are conducive to the sector's continued success. This will allow local economic and workforce

development practitioners to remain informed about developments within the sector such as a planned expansion, a shortage in a key occupation, or threats from potential new competition. And, should a need arise, MEDC and the Chamber can help connect the appropriate parties to develop a solution.

Talent retention

Without question, the homegrown talent pipeline supporting Health Care Services is one of the target's greatest strengths. But, as previously mentioned, the relative abundance of new physicians, nurses, and other key occupations produced by local institutions of higher education is only an advantage if the community can successfully retain the graduates. As illustrated in the Competitive Assessment, overcoming a complex set of challenges facing the community – all of which impact quality of life and Macon-Bibb's attractiveness to young professionals – is critical to the community growth and particularly its providers of Health Care Services.

Higher Education

TARGET PROFILE

CORE SECTORS: The Higher Education target encompasses all public and private colleges, universities, professional schools. These entities are primarily engaged in furnishing academic instruction and granting degrees, though they also provide jobs across a wide range of administrative and support functions.

LOCAL INSTITUTIONS: The Higher Education target is comprised primarily of four local institutions – Central Georgia Technical College, Mercer University, Middle Georgia State College, and Wesleyan College. There are also a number of satellite campuses for public and private institutions in Bibb County.

NATIONAL TRENDS: In 1990, 45 percent of the adult population in the United States had attended at least some college, with 20 percent holding a bachelor's degree or higher. By 2011, these figures had increased to 57.5 percent and 28.5 percent, respectively. This increase in educational attainment has coincided with rising enrollments at colleges and universities. Between 2000 and 2010, enrollment at degree-granting institutions increased by 37 percent. Naturally, this has spurred significant employment growth at institutions of higher education. Between 2002 and 2012, employment at all colleges, universities, and professional schools grew by 17 percent. But many unresolved obstacles to future growth in higher education remain. The cost of attending college has risen faster than personal income, and in some states, tuition at a public, four-year college now exceeds 50 percent of the state's per capita income. The challenges for public schools have been exacerbated in recent years as 43 states have cut funding to higher education in the face of ever-tightening budgets. As costs rise and government support falls, students and families have become increasingly reliant on student loans to finance educations. As of July 2013, the value of student loan debt in the United States was \$1.2 trillion, according to the federal Consumer Financial Protection Bureau. Finally, while online instruction has the potential to revolutionize higher education and open up untapped global markets, the concept is in its infancy, and it remains unclear how it can be successfully scaled, monetized, and regulated.

HIGHER EDUCATION AS AN ECONOMIC DEVELOPMENT TARGET: As demonstrated in the following analysis, Macon-Bibb's higher education institutions do exhibit some potential for driving employment growth. Public institutions in the community have grown rapidly, and recent consolidations within the state university and college systems have the potential to drive further expansion. And while employment at Macon-Bibb's private institutions has decreased slightly since 2003, there are signs that future growth is possible. Mercer University has expanded its focus on research under the leadership of President William Underwood, and the school's most recent strategic plan calls for an increase in enrollment from 7,300 to 8,500 across all campuses between 2008 and 2018. With a current enrollment of 8,341, the University seems likely to meet and potentially surpass this goal.

But much like health care, Higher Education does not fit within the traditional framework of economic development targeting. With very few exceptions, colleges and universities are not pursued as relocation targets in the same manner as companies engaged in the site location process. And while services can be "exported" to students from outside a given region – particularly at private schools and prestigious public schools – the factors that influence growth at these institutions are largely outside the purview of the

traditional economic development activities that support relocation and small business growth. However, while they are by-and-large not-for-profit institutions, colleges and universities can and should be thought of as members of the existing business community. Accordingly, they deserve attention from economic development practitioners to determine how they can best support each institution's growth.

Even further, these institutions inherently support the growth and development of every other target, producing the future workforce that is necessary to ensure their ongoing competitiveness. Although academic research and development activity is relatively limited in Macon-Bibb as compared to many other metropolitan areas, these institutions are also capable of supporting the development of new technologies and startups in target business sectors.

BUSINESS ACTIVITY AND SECTOR COMPOSITION

Macon-Bibb has a strong set of higher education assets, but this fact is not immediately evident in the high-level business sector data. Together, public and private colleges, universities, and professional schools employ 2,541 individuals in Bibb County but they have a location quotient of just 0.96, meaning that employment in the sector is slightly less concentrated in Macon-Bibb than the United States as a whole. The local sector also contracted between 2002 and 2012, with employment falling by 15 percent in stark contrast to the national growth rate of 17 percent. A deeper look into the data, however, reveals a much stronger higher education sector.

For one, there are significant differences between the performance of public and private schools. Public institutions have been growing rapidly. Between 2002 and 2012, they added 403 jobs, an increase of 70 percent that far outpaced the national employment growth rate within public higher education (11 percent). Despite this growth, public higher education is still not highly concentrated in Macon-Bibb, with a location quotient of just 0.66. This is indicative of the fact that the public institutions in the community are not large, residential four-year colleges or research universities that generate large numbers of jobs in many non-instructional administrative and support functions. But the rapid growth in the sector is nonetheless a reflection of the significant progress that has occurred at the area's public institutions in recent years. Most of the employment growth occurred in two big jumps. The first occurred between 2007 and 2008, when the sector added 214 jobs, a 43 percent increase. The second fell between 2010 and 2011, when it added an additional 273 jobs, a 36 percent gain.

The private sector, on the other hand, lost 852 jobs between 2002 and 2012 – a 35 percent decline that caused its location quotient to drop from 2.52 to 1.40. Nearly all of these losses can be attributed to a singular event at the beginning of the time period. In 2001, private institutions in Macon-Bibb employed 2,233 individuals, rising to 2,410 in 2002. But by 2003, the sector had just 1,583 jobs – a 34 percent decline from the previous year. The most likely explanation for this large decline in employment is the merger of the Macon-based Georgia Baptist College of Nursing with Mercer University in 2001 and the subsequent relocation of the College to Mercer's Atlanta campus. This relocation coincided with the 2003 opening of the College of Continuing and Professional Studies, which may have seen some faculty and staff relocate as growth occurred at the University's Atlanta campus, and other regional academic centers, such as the Henry County center which also opened in 2003.

Since 2003, there has been little change in total employment at private institutions in Macon-Bibb, with 1,558 jobs as of 2012. While numbers fluctuated within the intervening years, employment growth within Macon-Bibb's private institutions was essentially flat. Nationally, the picture was much different, with the sector growing by 28 percent between 2002 and 2012.

STRATEGIC IMPLICATIONS

Focus on quality of life improvements that increase the attractiveness of Macon-Bibb to prospective students.

Macon-Bibb's community and economic development leadership cannot influence growth within higher education in the same way it can in other, more traditional export-oriented sectors. But community leaders can indirectly support higher education's growth by investing in quality of life improvements that increase the community's attractiveness to recent high school graduates and prospective graduate/professional students. This includes but is not limited to housing, amenities, walkability, beautification, public safety, and other aspects of quality of life.

Ensure that the economic development leadership is well-informed of higher education's plans with regards to expansion and potential contraction.

Similar to BRE activities for traditional target sectors, MEDC, the Chamber, and their partners should ensure that strong relationships are maintained with key leadership at all area institutions to stay informed of each institution's growth plans. Much of the fluctuation in higher education employment in Macon-Bibb in the last decade can be attributed to consolidation and mergers between institutions, as well as the location of new operations at regional academic centers or branch campuses outside of Macon-Bibb.

Advocate for increased state support of higher education.

Growth at public institutions is highly dependent on state-level policy-making and politics, and any future reductions in funding for higher education could jeopardize the long-term growth prospects for Macon-Bibb's institutions. Macon-Bibb's business and political leaders must continue to work at the state level to ensure that higher education has the support it needs to grow and adapt to meet the needs of area residents and businesses operating in target sectors.

Support the growth and transition of Middle Georgia State College.

As Middle Georgia State College begins to add new programs, including graduate degree programs, it will likely transition to "university" status, and potentially house a larger number of students in on- or near-campus residential living at the Macon campus.

Support the development research partnerships between industry and academia.

Mercer University has experienced strong growth in academic research and development expenditures in recent years, with much of its research activity in the areas of translational medicine and engineering. The Mercer Engineering Research Center located in Warner Robins provides many different opportunities for partnerships with local employers in target sectors, particularly aerospace.

Travel & Tourism

TARGET PROFILE

CORE SECTORS: The Travel & Tourism target is comprised of the establishments that encourage non-residents to visit Macon-Bibb and the businesses that support them during their stay. Specifically, the target includes attractions such as museums and historical sites and traveler accommodations such as hotels and motels. Tourism is also highly supportive of retail establishments and restaurants. But while these sectors are mentioned throughout this section when relevant, they are primarily supported by nearby residents and are thus not included in the formal target definition.

LOCAL INSTITUTIONS: Establishments in the Travel & Tourism target include Macon-Bibb's hotels and motels and its various attractions, including the Georgia Sports Hall of Fame, the Ocmulgee National Monument, and The Allman Brothers Band Museum at The Big House, among many others.

NATIONAL AND STATE TRENDS: The Great Recession caused profound damage to nearly every segment of the economy, which in turn negatively impacted the travel and tourism sector. Tighter budgets caused many firms to scale back or eliminate business travel plans. High rates of unemployment and stagnant wages forced many families to do the same when it came to vacation plans, cutting back on discretionary expenditures. The resulting decline was sudden and severe: between 2008 and 2009, travel expenditures in the State of Georgia declined by 7.7 percent, according to data compiled for the state by the U.S. Travel Association trade group. As the economy has improved, the tourism industry has bounced back – travel expenditures in Georgia rose 8.0 percent between 2010 and 2011. Much of this increase can be attributed to domestic spending –consumer preferences have shifted towards shorter, more frequent trips, which could benefit a community such as Macon-Bibb. International tourism from places like Western Europe, Brazil, Canada, and Asia have also contributed to the upswing.

TRAVEL & TOURISM AS AN ECONOMIC DEVELOPMENT TARGET: In the most traditional sense, tourism is not an economic development "target." This concept was discussed in the Health Care Services and Higher Education sections of this report, and the reasoning is similar here. Businesses within the Tourism sector choose their locations based almost entirely on consumer demand. Generally, the goal is to be within close proximity to something that people need or want to visit – typically an amenity, attraction, large population center, or business hub. With limited exceptions, economic development professionals generally do not have *direct* influence over these factors. Tourism also has relatively limited potential to create an abundance of new jobs absent a significant new investment in tourist attractions and has relatively limited potential to raise incomes, both relative to some other sectors such as Health Care Services. For instance, Macon-Bibb has a group of established and well-known museums and historical sites, but combined these businesses employ fewer than 50 people. Hotels and motels employ many times that number, but wages in this sector tend to be quite low, as is discussed later in this section.

However, supporting growth in Travel & Tourism is unquestionably a worthwhile goal for Macon-Bibb's leaders to pursue. As was discussed in this section and the Competitive Assessment, the community has tremendous assets that can be further leveraged to attract visitors to the region. Additionally, the activity generated by the Tourism sector is, by definition, coming from outside the local economy. Thus, an

increase in Tourism activities necessarily leads to more money circulating in the community and increased revenues for local governments. The critical factor to driving this type of growth is boosting the number of overnight stays. Individuals who visit Macon-Bibb on a day trip or while “just passing through” may spend a small amount of money in the community, but their impact pales in comparison to that of guests who spend one or more nights in the community. As such, efforts to drive economic growth through the Tourism sector should be designed and carried out with this goal in mind.

BUSINESS ACTIVITY AND SECTOR COMPOSITION

While Tourism plays an important role in Macon-Bibb’s economy, the sector accounts for a relatively small share of local employment. Business sectors that are directly linked to tourism employ 892 individuals – just slightly more than one percent of the county’s total workforce. Combined, these sectors have a location quotient of 0.6, meaning they are less concentrated in Macon-Bibb than they are in the United States as a whole. Most of the employment is captured in the Traveler Accommodation sector – which is comprised primarily of hotels and motels. These businesses employ 794 people, an increase of 101 individuals over 2002 levels. This growth rate of 15 percent is impressive considering that the national growth rate in Traveler Accommodation was just two percent during the same time period. This growth also occurred during a time in which the overall Macon-Bibb economy shed more than 5,500 jobs. Despite its gains in the past decade, however, the sector is still relatively less concentrated in Macon-Bibb, with a location quotient of 0.8. Among the other sectors in the target, only Museums, Historical Sites, and Similar Institutions employed more than 20 individuals as of 2012.

Of course, the impact that Tourism has on Macon-Bibb is not limited to these business sectors. Visitors to the community also support the food service sector and, to some extent, retailers. But pinpointing the extent of this impact through business sector data can be difficult. For instance, full-service restaurants in Macon-Bibb receive \$67.2 million in annual revenue from outside the county, but it is not possible to say what percentage of this is derived from true out-of-town guests as opposed to residents of nearby counties such as Houston or Monroe coming in to the center of the region to dine. Many are also “travelers” simply passing through the region along the interstate, as opposed to “tourists” that specifically chose Macon as a destination to visit.

A better assessment of the direct and indirect economic impact of tourism on Macon-Bibb is available through the Georgia Department of Economic Development, which for many years has contracted with the U.S. Travel Association (USTA) to estimate the impact of the sector on the state and its 159 counties. According to the most recent USTA figures from 2011, tourism supports nearly 3,300 jobs in Macon-Bibb and generates slightly more than \$300 million in direct tourist spending. Expenditures rose for the second consecutive year following a dip during the Great Recession, and the association estimates that this activity led to more than \$8.5 million in local tax revenues in 2011. Figures such as these underscore the importance of Travel & Tourism to Macon-Bibb. But an examination of figures from around the state shows that the impact of Travel & Tourism in Macon-Bibb is not as large as some of its in-state competitors. In Columbus-Muscogee, \$385 million in traveler expenditures supported 4,090 jobs while in Augusta-Richmond, nearly \$40 million in expenditures supported more than 4,300 jobs. While having much greater

tourism product to market, Chatham County (Savannah) and several counties in the Atlanta metro area attract more than \$1 billion in annual traveler expenditures.

Data from Smith Travel Research (STR) made available to the Macon-Bibb County Convention and Visitor's Bureau also shows that Macon-Bibb's lodging industry has been underperforming relative to other communities in the Southeast. Among the 16 geographies analyzed by STR – which included national and regional averages – Macon-Bibb had the second-lowest occupancy rate and the lowest revenue per available room (RevPAR), a key industry metric that generally tracks to how successful hotels are at filling their rooms.

WORKFORCE ATTRIBUTES AND OCCUPATIONAL COMPOSITION

As previously mentioned, most of the employment in Macon-Bibb's Travel & Tourism target is concentrated in Traveler Accommodations, and the staffing patterns for the sector reflect this fact. By far, the top two occupations are Maids and Housekeepers and Hotel, Motel, and Resort Desk Clerks, which together account for more than 400 employees and nearly 45 percent of the total workforce. These occupations were also responsible for much of the employment growth within the Traveler Accommodation sector, with 56 new positions added between 2002 and 2012.

A large majority of jobs within the Tourism target – 76.6 percent – require only short-term on-the-job training. Accordingly, wages in the industry tend to be low. Of the 14 occupations that each account for at least 10 jobs within the sector, just two – General and Operations Managers and First-Line Supervisors of Office and Administrative Support Workers – pay median annual wages above the Macon-Bibb average of \$35,984. Nine of the largest occupations, which account for nearly two thirds of total employment in the sector, pay a median annual wage below \$18,783. The Tourism sector does support some jobs that require more education and training and that pay higher wages. But these positions – such as Curators and Meeting, Convention, and Event Planners – are relatively rare, accounting for fewer than 10 total jobs each. However, as previous sections in this deliverable have noted, Macon-Bibb needs to create additional opportunities for residents with relatively limited skills and educational backgrounds. While many jobs within and supported by the Tourism target tend to be among the lowest paying of all occupations, they nevertheless represent a wage-earning employment opportunity for many residents lacking high school diplomas or higher education.

STRATEGIC IMPLICATIONS

Continue to support the efforts of the CVB

Without question, the CVB needs the support of the public, private, and nonprofit leaders in the community that can help develop collaborative approaches to tourism product development, place marketing, and event promotion.

Foster a regional approach to promoting tourism

Visitors to a community – whether they are business travelers or vacationers – are rarely cognizant of jurisdictional boundaries. Collaborating with other counties in Middle Georgia to promote tourism could represent an “easy win” for Macon-Bibb’s leaders in their efforts to promote greater regional cooperation in addition to its primary benefit of driving growth within the target.

Leverage proximity to population centers and major tourism destinations

Macon-Bibb’s location within the center of the state along I-75 and I-16 provide excellent opportunities to draw vacationers on short-term trips from major population centers in the Southeast and to “piggyback” on key national and international draws in the region, such as Savannah, the Atlantic seashore, and various attractions within metro Atlanta, particularly those in the “Southern Crescent” such as the Atlanta Motor Speedway. Leaders in Macon-Bibb should work in concert with tourism professionals to identify ways to leverage these nearby assets.

Support beautification efforts and gateway improvements

As discussed in the Competitive Assessment, one of the principal “quality of place” challenges in Macon-Bibb is the overgrown or unkempt appearance of many areas – particularly the highways and “gateways” that will provide an out of town visitor with his or her first impression of the community. Macon-Bibb’s leaders should work to beautify the community and identify ongoing funding sources that will ensure proper maintenance and upkeep in perpetuity.

Convene community partners and “package” tourism options

Macon-Bibb has many existing qualities that pull people to the region but many visitors may not be aware of all that the community has to offer. Working within the established framework of the CVB, community leaders should seek to develop more synergies between these attractions and events in an effort to benefit all parties and support longer stays – particularly overnight visits – which maximize economic impact.

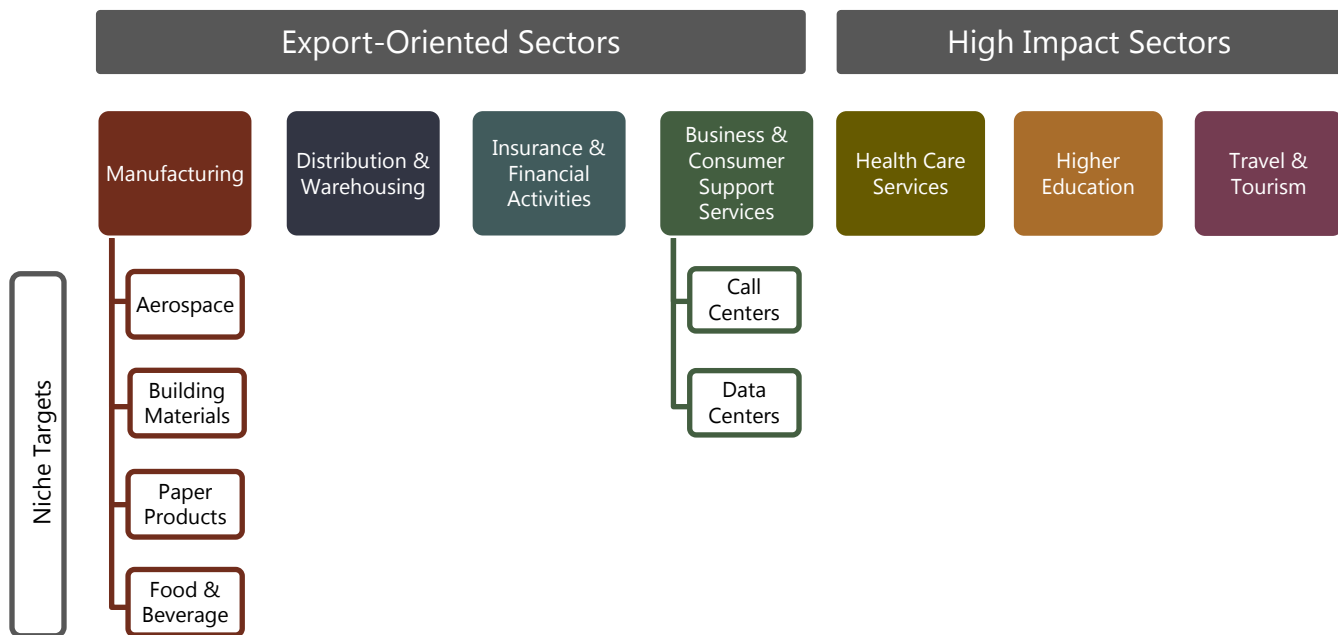
Embrace emerging opportunities such as Mercer University Football

In addition to established festivals and attractions, Macon-Bibb should work to develop new tourist draws that can bring money into the community. One such example is the newly re-launched Mercer University football program. Not counting the “inaugural” game on August 31, an average of 8,286 fans have attended five home Mercer football games this year, according to official box scores provided by Mercer University Athletics. Many of these individuals are current students and Macon-Bibb residents, but these crowds almost certainly include a substantial contingent of alumni, parents of players, and visiting team fans who have travelled from outside the region. Macon-Bibb’s tourism professionals should continue to work with Mercer University to identify ways to develop complementary events on game days and promotions that can help keep visitors in town overnight, thereby maximizing economic impact.

CONCLUSION

This Target Business Analysis has revealed that Macon-Bibb is an attractive location for a variety of different economic activities that merit strategic targeting of limited economic development resources. Its location, proximity to major shipping centers, its transportation networks, and access to critical infrastructure make it a leading location in the competition of various **Manufacturing** and **Distribution and Warehousing** operations across the Southeast. **Business and Consumer Support Services** operations, including those related to **Insurance and Financial Activities**, currently flourish among a few major employers, but potential exists for diversification within these targets. And while it may not possess destination medical potential, the region's **Health Care Services** sector draws patients from throughout Middle Georgia and deserves targeted support from economic and workforce development practitioners who seek to ensure that local systems remain competitive in the race for talent, patients, and market share. **Higher Education** and **Travel & Tourism** also merit strategic attention due to their high economic impact.

Strategic Economic Development Targets



The strengths that support these strategic economic development targets will need to be proactively marketed, while barriers to growth will need to be addressed in order to realize their full growth potential. In some cases, this will require focused strategies related to existing industrial sites or specific talent needs. But it will also require a holistic approach to community improvement, understanding that some aspects of quality of life, public schools, educational attainment, and other issues serve as barriers to growth. The strategic implications identified in this report will inform the development of recommendations in the forthcoming Community and Economic Development Strategy that support the community's overall growth and prosperity, driven by strategic targeting of limited resources towards those sectors of economic activity that can provide the greatest return on investment.

APPENDIX A: MARKETING REVIEW

One of the key tenets in economic development is that perception is reality. Every community, in some way, shape, or form, has an image that is directly and indirectly influenced by the convergence of geographical stereotypes, news stories, commonly held beliefs, and word of mouth, among other factors. Without a proactive approach to marketing, communities are beholden to these perceptions. Successful communities proactively and effectively “tell their stories,” projecting a positive impression of the opportunities to live, work, and do business in their communities. Furthermore, they do so in a comprehensive manner, utilizing a variety of methods to communicate to different audiences with different needs.

This Marketing Review takes a candid look at how the Macon Economic Development Commission (MEDC) – the organization that is primarily responsible for effectively marketing the community in economic development terms – is marketing Macon-Bibb County and the extent to which it is able to effectively and efficiently tell the community’s “story.” This Review will evaluate a variety of different components of the community’s economic development marketing platform, from web presence to print collateral and media coverage to event participation. When relevant and appropriate, the marketing and communications activities of other partners such as the Greater Macon Chamber of Commerce and the Macon-Bibb County Industrial Authority are also discussed.

This Review was supported by the fulfillment of a request for information submitted to MEDC by *Market Street Services*. Hard copies and electronic files of principal components of MEDC, Chamber, and Industrial Authority marketing efforts were provided. The requested information included but was not limited to:

- ✓ Annual reports
- ✓ Brand identity standards
- ✓ Brochures
- ✓ Direct mail collateral
- ✓ Event attendance
- ✓ Inventories of available buildings and sites
- ✓ Newsletters
- ✓ Print advertisements
- ✓ Press releases
- ✓ Social media accounts
- ✓ Target sector profiles
- ✓ Websites and microsites

Marketing and Community Branding 101

The idea of a brand was historically synonymous with corporations and their logos and projected “personalities” that identified the company and its products to consumers. However, the understanding of branding now goes beyond a designed symbol for a product and reflects a broader set of characteristics, including expertise, consistency, and innovation. Apple Inc.’s products are desired throughout the world, not because of a picture of an apple, but because they have the widely-held perception of being cutting-edge, usable, and accessible.

So too must a community work to establish its own brand, a concept that must be consistently and easily represented through its logo, messaging, marketing outreach, materials, and actions. According to CEOs for Cities (a network of urban leaders in the public, private, and non-profit sectors), a community brand “is a tool that can be used by cities to define themselves and attract positive attention in the midst of an international information glut.” The community brand should be understood as the umbrella under which marketing activities occur. Successful marketing and messaging will be reflective of the values, competitive advantages, and opportunities that are inherent in the brand.

Economic Development Organizations (EDOs) market their communities without being able to control or effectively manage how the community reflects the brand they promote – certainly not in the way a business can. They can create logos, tag lines and products – symbols, expressions and representations of a brand. But they don’t “own” the community’s brand and therefore must develop partners and advocates to help “protect” the brand. Among these partners and advocates could be elected officials, governmental staff, local media executives, representatives of utilities, business leaders, partner organizations and well-informed citizens. These individuals and entities can become brand champions or ambassadors for the community with “responsibility” for strengthening the brand.

This work can take on many forms. Traditionally, maintaining strong working relationships with local media – radio, television, and newspapers – was paramount for EDOs. While this continues to be of importance, community brands are increasingly shaped by social media tools such as LinkedIn, Twitter and Facebook. “Word of mouth” has always been important, but community brands now are heavily influenced by a “conversation” taking place among local businesses, community groups, and – most importantly – ordinary residents. As they converse with non-residents, these “internal” constituents are unquestionably shaping “external” impressions of the community. This conversation is occurring whether an economic development organization and its partners participate or not, so embracing social media is now an important consideration for understanding and strengthening a community brand.

All the efforts and messages focused at communicating with outside target audiences about the community’s competitive assets and advantages are considered external marketing. Internal marketing, on the other hand, develops and fosters brand awareness and favorable perceptions of the economic development organization and its strategic efforts within the community it serves. These activities seek to establish the chamber or economic development organization’s unique brand, engender understanding of its role in the community, and build trust among partners and stakeholders.

Best Practices in Economic Development Marketing

As competition for major economic development projects increases and those major projects decrease in number, economic development organizations – which include chambers of commerce involved in business recruitment, retention, and creation – must continually assess the characteristics and strategic components of their marketing programs. The EDOs that succeed in marketing their communities build comprehensive programs developed with a number of platforms, priorities, and clear focus areas.

The following graphic illustrates the inputs and tactics of a best practice economic development marketing program.



Best practice programs are informed by a holistic strategy targeted around key competitive assets and tailored to specific audiences. The variety of audiences – internal (existing businesses, entrepreneurs, elected officials, residents, etc.) and external (site selectors, prospective companies, future residents, etc.) – with whom MEDC must engage demands targeted content for each audience.

Through the support of public and private partners across the community or region, best practice programs have sufficient funding and professional staffing capacity to plan and implement strategic

economic development marketing and a unified community brand. The marketing programs utilize both internal and external marketing strategies that they constantly evaluate and update, utilizing performance metrics to track and report their outcomes to investors and partners.

MARKETING TOOLBOX

Quality marketing is not achieved through any one method. Instead, visionary communities strengthen their brands using a variety of tools, which are briefly summarized in this section. These tools are best used in a complimentary fashion to present a consistent message across multiple channels to defined target audiences. And in order to maximize the effectiveness of each one, it is essential to track their performance over time with objective metrics to gauge return on investment and help shape future marketing activities.

Web Presence

The importance of a professional, targeted, up-to-date, and content-driven website cannot be understated. An EDO's website is the front door to the community, creating the first impression that is made to site selectors, prospective companies, and future residents. The website also shapes relationships with internal constituents. Having a quality website that is easily navigable, appealing to the eye, and that contains up-to-date, sought-after information is critical to effective community marketing.

Social Media

The role of social media as a tool for business and economic development marketing is constantly changing. Organizations that are able to leverage new and dynamic tools with flexibility, discretion, and skill are reaching new markets and building trust among existing audiences. There are many reasons for economic development practitioners to utilize social media networks and tools. According to Anatalio Ubalde, co-founder and CEO of GIS Planning and ZoomProspector.com, and Andrew Krueger in their book *Economic Development Online*, perhaps the most compelling advantage for economic development practitioners is the fact that online conversations are shaping how communities are perceived. If economic development organizations are not listening and paying attention to these conversations, then there is no opportunity to lead, engage in, and be a part of the narrative.

Collateral Material

Though its use has greatly diminished with the rise of electronic media, the use of print collateral, including brochures, direct mail, print advertising, and handouts, still bears some importance to many economic development marketing campaigns. Much of this collateral is used to paint a picture of the competitive nature of a community's business climate and thus aimed at business prospects. The tangibility of print collateral and its ability to reach a specific audience increase its appeal; however, chambers are increasingly finding mail and print collateral to be less successful tools when compared to other marketing efforts. Drawbacks to these kinds of marketing techniques include cost and staff time, homogenous messaging, competition with other mail, ease of discard, inability to directly track metrics, and rapidly changing data that can be obsolete in the time between designing the collateral and printing and distributing it. Thus, the trend among economic development organizations has largely been moving away from making increased investments in print collateral. Site selection professionals view direct mail and print advertising as among

the least effective marketing techniques. A survey of economic development organizations' budgets found that 30 percent of EDOs cut budgets for direct mail and 52 percent of EDOs cut budgets for print advertising.¹ Organizations will need to think strategically about the role of print collateral in their marketing campaigns, especially if it is deemed ineffective by the target audience.

Public Relations / Earned Media

The move to an around-the-clock news cycle and constant online media coverage creates many opportunities for communities to gain publicity. However, not all coverage is created equal. Three types of media coverage—paid, owned, and earned—impact the authenticity and legitimacy of messaging. With so much information inundating consumers and clients, it is important that publicity be genuine and engaging.

- **Paid Media:** An organization pays for a story or advertisement. The credibility of this type of media is low as consumers are less inclined to take an organization's word for it. However, the organization has much more control over and closeness to the message, a level of influence that not replicated with other forms of coverage.
- **Owned Media:** The dissemination channel is part of the outputting organization. Examples include organization websites, blogs, promotions, and press releases. This type of coverage can be closely controlled, and defined audiences can be targeted with specific messages. Though drawbacks include the trustworthiness of the message, owned media can nevertheless stimulate earned coverage.
- **Earned Media:** Coverage is stimulated by an organization "winning" media placements by reaching out to and interacting with a third-party channel. This type of coverage carries the most legitimacy and authenticity as it is part of an ongoing information flow. Of course, this kind of coverage is harder to control and can, at times, be negative.²

Inbound / Outbound Events

Despite a migration to electronic and web-based marketing tools, face-to-face meetings are still highly effective and impactful for economic development success. The impersonal nature with which electronic communications can be transmitted can undercut the strength of marketing messages. Visiting and hosting both local and prospective executives, site selectors, and corporate decision-makers can establish trust and relationships in a manner that is hard to achieve online.

¹ Ubalde, Anatolio and Andrew Krueger. *Economic Development Online*. EconomicDevelopmentOnline.com. p. 114.

² Marketing Partners. "Paid, Owned and Earned Media (P.O.E.M.) Framework." Adapted from Forrester Research Inc. <http://conversations.marketing-partners.com/2011/01/paid-owned-and-earned-media-channels-are-you-in-the-right-place/>.

Marketing Macon-Bibb County

ECONOMIC DEVELOPMENT BRANDING

In the economic development world, Macon-Bibb is represented by the brand identity of MEDC. MEDC's logo consists of colorful stylized letters that incorporate important economic development themes (aerospace, transportation, etc.) arranged to spell out the word "Macon." The words "Macon Economic Development Commission" appear below the letters.

PRIMARY MEDC LOGO



For individuals who are already acquainted with Macon-Bibb, its message is fairly clear. But for external audiences, particularly those from outside Georgia and the Southeast who are unfamiliar with the community, the logo may not be as impactful. Nonetheless, the logo is well-designed and communicates to external audiences that Macon is characterized by infrastructure advantages (road and water) and a home to aviation and/or aerospace activity. Additionally, the logo is rectangular, making it difficult to use on platforms such as Facebook and Twitter that require square logos. In these instances, MEDC has utilized just the "M" from the primary logo, which communicates very little about the actual community or the purpose of the organization.

LOGO USED FOR SOCIAL MEDIA SITES



MEDC utilizes the tagline "Macon Works" fairly consistently throughout its marketing materials. This is the URL of its website, and the phrase is applied to target industry marketing in the manner of "Macon Works for Aerospace!"

WEB PRESENCE

The Macon Economic Development Commission's website at *maconworks.com* must ensure that visitors understand the competitive advantages of Macon-Bibb County as a place for business investments. Search engine optimization (SEO) is rule number one in web promotion strategy. MEDC's website must be easy to find using search terms that its key constituent groups would use. Using the nation's top three search engines – Google, Bing, and Yahoo – a search for "Macon economic development" was performed with the results summarized in the following table.

Google and Yahoo both list MEDC as the top result, which is important because Google holds the vast majority of the search engine market. There is clearly opportunity for search optimization across the board with Bing and for the MEDC LinkedIn page and local partner websites with all three search engines so that local results are more prominent. The Macon-Bibb Industrial Authority (MBIA), in particular, could benefit from SEO strategies to make its website and services more visible. Searching for "Macon economic development" returns MBIA's listing on the eighth and ninth pages and beyond, which are clearly not effective results. And, while the Chamber's website fares better, many search engines return ten listings per page. The Chamber's sub-pages appear, at best, as the 11th or 17th listing. Its home page fares worse.

TOP SEARCH RESULTS FOR "MACON ECONOMIC DEVELOPMENT"

	Google	Bing	Yahoo!
MEDC - homepage	1	2	1
MEDC - team page	2	100+	100+
Macon County, Missouri EDC	3	3	2
City of Macon Economic and Community Development	4	6	6
MEDC LinkedIn	5	13	14
Gateway Macon - about MEDC page	6	N/A	N/A
Gateway Macon - economic development page	7	N/A	N/A
Macon County, Alabama EDA	8	8	9
Macon County, North Carolina EDC	9	1	3
Clayton Luce - local freelance reporter	10	N/A	N/A
Editorial in Montgomery, AL <i>Advertiser</i>	N/A	4	4
Article in Middle Georgia <i>The Telegraph</i>	N/A	5	5
City of Macon ECD - EconDev in Macon page	N/A	6	7
Macon County, North Carolina EDC - BizWeek 2013 page	N/A	7	8
Article in Macon, Missouri <i>Macon Chronicle-Herald</i>	N/A	9	10
Decatur-Macon County, Illinois EDC	N/A	10	N/A
Macon-Bibb Industrial Authority (any page)	100+	86	96
Greater Macon Chamber of Commerce (any page)	11	17	17

The visual appeal and ease of use of a website are characteristics that instantly create an impression on the visitor and can dictate whether or not the user decides to delve further into the content or continue their searching elsewhere. MEDC's homepage gives users a positive first impression. The color scheme featured in MEDC's "Macon" logo is used throughout the website. Use of icons in the "Get to Know Macon" menu and the rotation of photos highlighting Macon's competitive advantages provide visual interest. Overall, the homepage is clean and uncluttered.

There are a few opportunities to improve the homepage, including: hyperlinking to contact information (e.g. "Call Patrick J. Topping, CECd, for all your site location needs"), addressing minor typos (e.g. Ports of Savannah), adding the organization's phone number, and including an "About" tab. Additionally, it is *Market Street's* experience analyzing Google Analytics user traffic that click rates on items "below the scroll" (e.g. located further at the bottom of a page) are far lower than those located "above the scroll." Condensing the home page could help the visibility of the total content on the MEDC home page.

While the MEDC site's visual appeal is good, navigability from the homepage is an issue. There are four menus from which a user can navigate his or her next steps: the top ribbon (e.g. "Home" thru "Contact"), the Get to Know Macon menu, the bottom ribbon (e.g. "Home" thru "Site Map"), and the Request Information bar. Many options are redundant or poorly organized, which can make an initial first step to finding information somewhat confusing.

MACON ECONOMIC DEVELOPMENT COMMISSION HOMEPAGE

MACON ECONOMIC DEVELOPMENT COMMISSION

Request Site Info | Refer this Site | Email Alerts | Request a Consultation

Enter Search Term(s) GO

HOME | WHY MACON WORKS! | TARGET INDUSTRIES | BUILDING/OFFICE SEARCH | INDUSTRIAL SITES | LABOR & WORKFORCE | CONTACT

Get to Know Macon:

- Industrial Park Locator
- Building/Office Search
- Media Library
- Testimonials
- Quick Facts
- Interactive Aerial Map

GEICO
GOVERNMENT EMPLOYEES INSURANCE COMPANIES

Macon Works for Shared Services providing excellent service with a southern flare.

Macon Works!

Macon is a unique city where culture, commerce and community flourish. Situated on the Fall Line where the Piedmont plateau meets the flat Coastal Plains, the area has been, since before written history, an ideal location for communities to thrive.

Strategically located in the heart of Georgia at the intersections of I-75, I-475 and I-16, Macon has much to offer new or relocating businesses. Macon is located just 75 minutes south of Atlanta's Hartsfield-Jackson International Airport and 2 1/2

Why Macon Works

The Macon Economic Development Commission (MEDC) is responsible for recruiting new industries to Macon, Bibb County as well as assisting existing companies with expansion projects. Serving as the **'single point of contact'** between companies looking for sites and buildings in Macon and Bibb County, MEDC will coordinate with the local and state agencies involved in the site location process.

The MEDC team can assist with your site location requirements: Available Sites, Available Buildings.

Recent News

May 23 Macon-Bibb County Economic Development Team took board members for a tour of Bibb County Industrial sites. [Read More...](#)

May 21 Industrial site tour planned for Boards of Directors from the Greater Macon Chamber of Commerce, Macon-Bibb County Industrial Authority, Macon-Bibb County Urban Development Authority & Macon Economic Development Commission. [Read More...](#)

(Scroll Break)

Source: <http://maconworks.com/>

The following scorecard analyzes MEDC's website on certain high-level design and uses characteristics commonly used to evaluate best practice economic development marketing sites.³ Key opportunities for enhancement of MEDC's site include: organization and navigability, eliminating redundancies, updating and enhancing workforce and business climate data, improving the look and content of many sub-pages, and creating a mobile enabled version of the site.

SCORECARD: WEBSITE UTILITY AND EASE OF USE

Design & Layout	<ul style="list-style-type: none"> • Attractive look with graphic interest, but website could benefit from enhanced organization. • Navigation is an overall weakness. It can be difficult to find information or relocate a past page. • Content of many sub-pages could be enhanced. • Web content loads quickly and there are no broken links. • The website is not mobile enabled.
Home Page	<ul style="list-style-type: none"> • Attractive overall look: professional, visually interesting, and up-to-date. • Photo carousel and recent news highlight competitive advantages and major employers. • Map is below the scroll, a less than ideal location. • Too many clickable options overwhelm users. • Minor typos.
Navigation	<ul style="list-style-type: none"> • The top navigation ribbon and its dropdown menus could be better organized. • "Get to Know Macon" buttons redundant with sub-menu options on the navigation ribbon. • Left-hand navigation map on website sub-pages is cluttered and confusing. • Pages accessible through the left-hand navigation map are easy to miss.
Contact Info	<ul style="list-style-type: none"> • Contact link is available on every page. • References to contacting a specific staff member provide opportunity to hyperlinks. • Contact page lacks linkage to MEDC LinkedIn profile. • "Request Site Info" and "Request a Consultation" – duplicate pages.
Interactivity	<ul style="list-style-type: none"> • Interactivity is good with opportunities to search, map, download, and sign up for email alerts. • Video content is available in consumable lengths.
Timeliness of Information	<ul style="list-style-type: none"> • Data from various sources from 2008, 2009, and 2010 could be refreshed with current releases. • News & Press content is current. • Data could be used to better highlight Macon-Bibb's competitive advantages.

Adapted from the American Chamber of Commerce Executives Awards for Communications Excellence (ACE) scorecard and Southern Economic Development Council Communications Awards score sheet

³ Score sheets used to determine annual communications awards for the Association of Chamber of Commerce Executives (ACCE) and Southern Economic Development Council (SEDC) were adapted for the analysis.

Despite certain shortcomings, there are many aspects of MEDC's website that are effective. To understand how the organization's current website offerings compare to national competition, the following scorecard presents the most used web pages by economic development organizations.

SCORECARD: TOP 10 PAGES USED ON ECONOMIC DEVELOPMENT WEBSITES

	Presence on maconworks.com	Key Notes
1. About Us	No	<ul style="list-style-type: none"> Lack of this feature is a missed opportunity to clearly delineate mission, vision, and expertise.
2. Programs	No	<ul style="list-style-type: none"> Target industries are prominent, but existing business services (or partner services) are not highlighted, explained, or linked. No Annual Report.
3. Data Center	No	<ul style="list-style-type: none"> Data on the website, for the most part, does not reflect most recent data available from state and federal sources, and are not customizable.
4. News	Yes	<ul style="list-style-type: none"> List of recent news articles are provided. Current and thorough.
5. Relocate and Expand	Yes	<ul style="list-style-type: none"> Living in Macon page has information for individuals and families and Target Industries page has information for businesses. More generalized business climate advantages are otherwise scattered.
6. Find Property	Yes	<ul style="list-style-type: none"> List of available sites and buildings is present and searchable and offers more information than SelectGeorgiaProspector.com.
7. Site Selection Services	Yes	<ul style="list-style-type: none"> Information to aid in site selection is available, including a request for consultation form.
8. Workforce Information	No	<ul style="list-style-type: none"> Technically, there is a Labor and Workforce page, but the data provided is out of date and not specific to targeted occupations. Workforce data shown highlights competitive disadvantages (e.g. declining labor force and major employer layoffs and closures).
9. Largest Employers	Yes	<ul style="list-style-type: none"> The is available but out of date (September 2010).
10. Maps	Yes	<ul style="list-style-type: none"> Interactive mapper is dynamic and informative.

MEDC's website's clear strength is its marketing of target industries. Interactive mapping and property search features, site selector services, and promoting Macon as a place to live and invest are all valuable details. The target industries are prominent and easy to identify. And, hyperlinks to other areas of the website that further promote target-specific competitive advantages help guide user traffic.

However, target industry marketing is also a key weakness because of how certain aspects are executed. Macon's workforce and existing businesses are promoted on the MEDC website in three areas: the Target Industry pages, Existing Industry Review pages, and the Labor and Workforce page. While infrastructure and site advantages are clearly delineated, the area's workforce and corporate community are not well understood by website users.

- **Target Industry pages:** Occupational data is from 2009 and does not note population of workers, no listing of major target employers, no connection to specific higher education and training programs, no "grab and go" downloadable PDF prospectus, links to available incentives are not target specific, no links to video testimonials.
- **Existing Industry Review page:** Details are from 2010, employers are not broken out by target sector (categories are Manufacturing & Assembly, Non-Manufacturing, and International Business), and a link to an Existing Industry Report sends users to a page for the 2012 Middle Georgia Business and Industry Summit.
- **Labor and Workforce page:** No details of the Georgia Work Ready certification are listed, and the only three data points provided – (1) the community's declining labor force size, (2) the doubling of unemployment rates, and (3) the number of layoffs and business closures – all paint a troubling picture of Macon-Bibb County. Sub-pages providing details on the labor shed, unionization, and educational resources are not immediately apparent.

One of the important takeaways from this analysis is that the Macon Economic Development Commission's current website already has many of the important pages needed to be a best-practice model, but challenges with functionality, ease of navigation, and content hamper its overall effectiveness. The lack of an "About Us" tab on the website represents an unexploited opportunity to concisely convey the mission, expertise, coverage area, and excellence of MEDC. Information about MEDC as an organization, its programs, and its progress (e.g. Annual Report) is noticeably absent. It is difficult for an outsider to assess MEDC's role in the community and how its services differ from the more than dozen partners highlighted on its website.

Enhancing and better organizing the current content, eliminating old data and redundancies, and adding pages that reflect the industry standard in economic development would help to improve the overall effectiveness of MEDC's website.

The Macon Economic Development Commission has many audiences and stakeholders to whom the website must convey important information. Thus, consistently integrating links and content pages that a range of audiences can appreciate is a balancing act. One prominent audience for whom the current website has content – site selectors – warrants additional analysis.

The increase in importance of a community's web presence in the site selection process is undeniable. According to a 2011 survey by Development Counselors International (DCI) of corporate executives with site selection responsibilities, internet and website marketing was ranked as the second most effective technique behind planned visits to corporate professionals. Since 2002, the importance of web marketing

has increased by 21 percentage points – the highest among all marketing techniques. Further, a 2011 site consultant survey from *Area Development* magazine found that 92 percent of those surveyed said they used the Internet as a site and facility planning resource. Of those, 84 percent are looking for contact information for economic development organizations and 65 percent are looking for specific sites and buildings. Communities that are not optimized for site selector traffic are hindering their appeal to prospective businesses.

Ensuring that site selectors are able to easily find the information they need is an important aspect of an effective economic development marketing program. The following scorecard identifies the aspects of websites that site selectors typically use and key points specific to MEDC's website.

SCORECARD: SITE SELECTOR INFORMATION

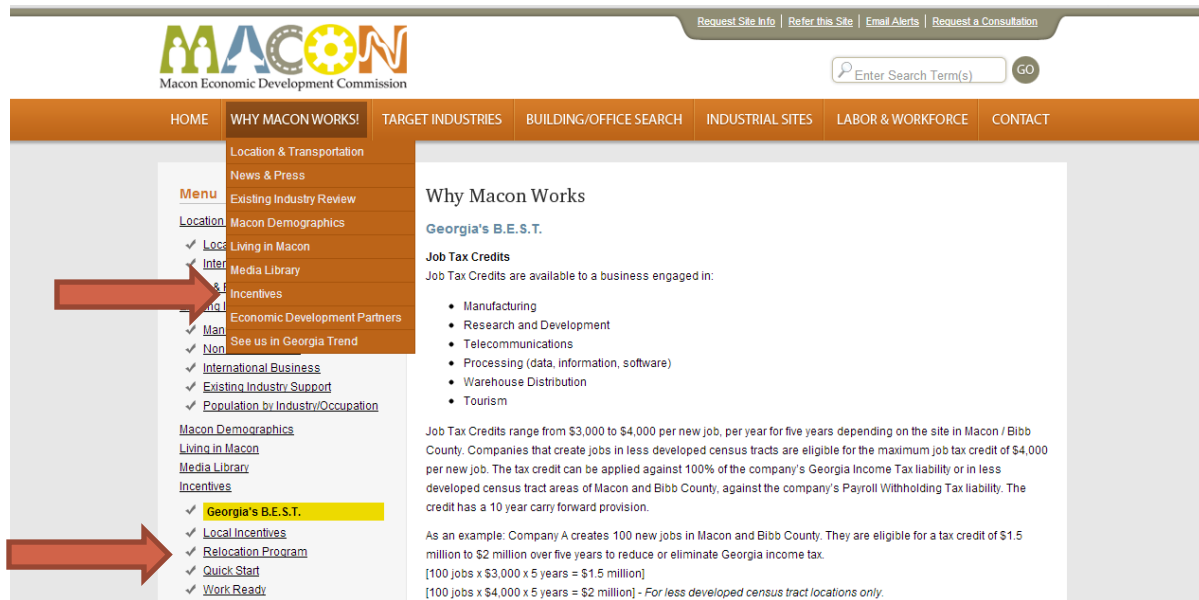
	<i>Presence on maconworks.com</i>	<i>Key Points</i>
Contact Information	Yes	<ul style="list-style-type: none"> • Contact information is listed on each page (except the home page), but is within the confusing left-hand navigational menu. • Links to the Contact Us page are also provided on each page via top and bottom navigation ribbons.
Incentives Programs	Yes	<ul style="list-style-type: none"> • The availability of incentives is a key concern for many prospects, and the current website contains good incentive-based information. • Links to sub-pages contained in the left-hand navigational menu are not apparent.
Tax Rates	No	<ul style="list-style-type: none"> • There is no information on tax rates on MEDC's website. • Positive Georgia business climate rankings could supplement discussion of taxes.
Recent Announcements	No	<ul style="list-style-type: none"> • Announcements are limited and buried in News sub-page.
Industry-Targeted Information	Yes	<ul style="list-style-type: none"> • Each target has a specific web presence, but information is limited and out-of-date.
Map of Territory	Yes	<ul style="list-style-type: none"> • The mapping feature is dynamic and informative.
Largest Employers	Yes	<ul style="list-style-type: none"> • The list of large employers is easy to find and available in a downloadable format. • However, the list is somewhat dated and is not target delineated.
Area Colleges and Universities	Yes	<ul style="list-style-type: none"> • Education assets main page is easy to located, but sub-pages contained in the left-hand navigation menu are easy to overlook. • Programs are not linked to specific target sectors.
Sites and Buildings	Yes	<ul style="list-style-type: none"> • Sites and buildings have presence on the website. • Information on the website about industrial sites is more comprehensive than what is available on SelectGeorgiaProspector.com. • Downloadable formats with a depth of information is a plus.

Adapted from "Winning strategies: A view from corporate America in economic development marketing." Development Counselors International.

The current *maconworks.com* website contains content that site selectors typically use, but some of it is out of date, hard to navigate, and not specific enough. The lack of additional target-specific data negates an opportunity to showcase the assets and advantages of Macon-Bibb County's targeted sectors and to promote the area's diversified economy. A key issue is the left-hand navigation menu that contains

additional sub-pages. These can be easy to miss, therefore leaving users with an incomplete picture of Macon-Bibb County's competitive landscape.

MEDC INCENTIVES PAGE AND SUB-PAGE NAVIGATION



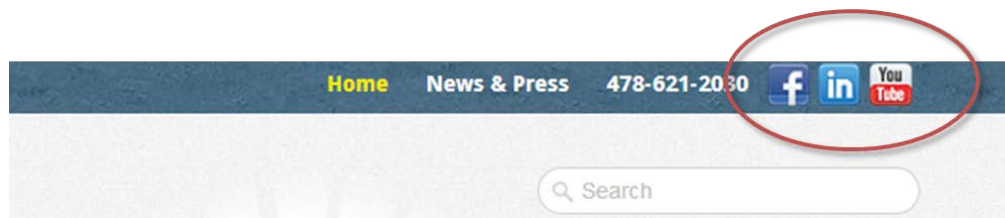
Finally, by working with partners to make basic, coordinated enhancements to their websites, MEDC will help to ensure that those looking for economic development information or assistance will be connected with what they need.

- **Macon-Bibb Industrial Authority:** SEO. Add content to the Mission page. On the Partners page add hyperlinks to regional organizations, their logos, and a brief description of services.
- **Greater Macon Chamber of Commerce:** SEO. Under the Relocating tab, add a hyperlink for businesses that connects to the MEDC website.

SOCIAL MEDIA

MEDC maintains a presence on various social media sites, including Facebook, LinkedIn, and YouTube. These activities are integrated into the newly-redesigned *maconworks.com*, with links to each in an easy-to-find position in the upper right-hand corner of the site:

MEDC SOCIAL MEDIA INTEGRATION ON MACONWORKS.COM



Of these tools, MEDC's Facebook page is the most effective. The page's design is attractive, with a photo of downtown Macon at night complemented by the "M" in MEDC's logo. The news feed is populated by dozens of items related to economic development in Macon-Bibb, including news, awards, and events. These stories occasionally are liked, commented on, or shared, and the page itself has received 151 likes. However, the company name on the page displays simply as "MEDC," and individuals who are not familiar with the inner-workings of economic development in Macon-Bibb may not immediately recognize the purpose of the account.

MEDC FACEBOOK PAGE



On LinkedIn, MEDC's presence is more clearly defined as the "Macon Economic Development Commission MEDC." The LinkedIn page includes a mix of posted news that is similar to that on its Facebook page and has 58 followers. This utilization of LinkedIn is consistent with standard practices in the economic development world.

MEDC's YouTube channel, however, is relatively underutilized. First created in August 2012, the channel features five videos that collectively have fewer than 100 views. Three videos include testimonials from local company executives, while two provide general overviews of Macon-Bibb. The videos are also embedded on MEDC's website in the "Media Library" and "Testimonials" sections. While there is nothing wrong with these videos being "passively" available on the website, the value of YouTube is maximized when videos are posted and promoted as part of a coordinated marketing plan.

MEDC's Twitter account @Macon_Works is not integrated into the website and is fairly new, having been launched on March 19, 2013. Since that time, the account has tweeted 24 times and received 18 followers. The Chamber maintains a fairly active account, @Macon_Chamber, with 344 followers. The account, however, is generally focused on Chamber news that is of interest to an internal audience, and while it frequently retweets the official accounts of other organizations within the community, it rarely engages in the type of back-and-forth conversations that can add significant value for followers.

Overall, the social media presences of MEDC and the Chamber appear to be used primarily to disseminate information to an internal audience within Macon-Bibb. People who follow these organizations on Twitter, Facebook, or LinkedIn will receive fairly regular news updates and information about events. These types of communications certainly have value, but social media can help economic development organizations and chambers of commerce achieve a broader external reach and engage various audiences such as relocating talent, young professionals, media members, and so forth. This potential is largely unrealized in Macon-Bibb. Further, the social media activity that engages internal audiences (partners, existing businesses, residents, etc.) could more actively and effectively engage individuals in discussion, building new methods of communication that can strengthen relationships and increase the visibility of MEDC and the Chamber of Commerce within the community.

PUBLIC RELATIONS AND EARNED MEDIA

Paid Media

According to documents provided during the research phase of this process, MEDC's paid media activity is primarily an annual half-page or full-page advertisement in *Georgia Trend* magazine. The most recent example is a joint advertisement that appeared in the March 2013 issue. The advertisement was a partnership involving MEDC, the Chamber, the Bibb County Board of Education, the City of Macon, Bibb County, and the Macon Convention and Visitors Bureau. Including all of these organizations in one advertisement was a strong showing of unity and delivered the desired message that the community is willing to work together. MEDC and its partners should continue to embrace this "one voice" theme. Whether this should be carried out through advertising, however, is less certain. Online content has overtaken traditional print media as the preferred way to reach influencers in the economic development world; *Market Street* typically recommends that economic development organizations scale back expenditures on paid media (especially print advertisements) in favor of other marketing activities. National media outlets that reach site selectors and corporate decision-makers (*Site Selection*, *Area Development*, etc.) are filled with advertisements from communities across the country, diluting the impact of each individual advertisement. Publications reaching a more regional or statewide audience (such as *Georgia Trend*) are less effective at reaching such decision-makers, given their very limited readership in other parts of the country and world.

Owned Media

Excluding the social media efforts described above, MEDC's owned media generally consists of press releases and e-mailed newsletters. Press releases reviewed during the course of this research process covered large events such as the Tractor Supply Company announcement and the partnership between

MEDC and the Macon Bibb County Industrial Authority (MBCIA). These examples were informative and well-written, and followed professional formatting and presentation conventions as they were initially distributed. However, some of the press releases did not appear to be available on MEDC's website, and those that were visible were blended in with "earned media" stories written by other organizations with no clear way to identify the source of the materials. Some economic development press releases are also available on the Chamber website in a section titled "MEDC News," but the page this links to is poorly formatted and is not frequently updated. Additionally, a PDF copy of the Tractor Supply Company release was posted with a filename that included the words "Project Circle" – the economic development "codename" for the project.

Overall, the "News & Press" section of MEDC's website functions like a curated series of earned media links highlighting content related to economic development in Macon-Bibb. Each piece of content displays as a headline and short passage of text, and clicking on each headline takes users to the full version of each item hosted on MEDC's site. Anywhere from two to upwards of ten of these news items are posted per month. Most are generated by the *Macon Telegraph* or other media outlets, though attribution or clarification is not provided within the post, and the source of the material only becomes clear by clicking on a link to the original copy at the bottom of each page.

Including links to earned media in this section is generally acceptable, but the source of the information should be made clear at the beginning of each news item. The relative lack of press releases also represents a missed opportunity to clearly communicate project wins, expansions, and other economic development successes in one location that will be visible to external audiences such as prospects and site selectors. Press releases are no longer limited to one-way communication between an organization and news outlets. Instead, they can be enhanced with links to the MEDC's website and social media accounts and disseminated widely in an effort to drive traffic and engage stakeholders.

Newsletters are already utilized in a similar fashion. Like the press releases, MEDC's newsletters focus on noteworthy events within the community and in some instances include links to *maconworks.com*. The formatting of these newsletters could be streamlined and modernized, however, and much of the content appears geared primarily toward internal stakeholders. MEDC should consider crafting e-newsletters that are more geared to high-value, external readers. Such a publication should focus on regional advantages, project wins, and relevant economic development data and content.

Earned Media

As evidenced by its News & Press page described in the previous section, Macon-Bibb's economic development achievements receive frequent earned media coverage. Most of this comes from local sources such as the *Macon Telegraph*, local television and radio stations, and trade publications such as *Area Development Online* and *Georgia Trend* magazine. MEDC and its partners should continue to support earned coverage as opposed to paid media as it produces greater impact on external audiences. As the following chart reveals, individuals with site selection responsibilities tend to get their news from a mix of sources. Some of these include trade publications and local newspapers, but large media sources such as *The Wall Street Journal*, Bloomberg.com, and major cable and television news networks are also important. While it is not reasonable to expect routine coverage of Macon-Bibb from these sources, this list should

serve to underscore the importance of earned media in shaping the perceptions of a community as a place to live, work, and do business. Particularly as Macon-Bibb enters a new, unified era of consolidated government, positive media coverage will be important to communicate momentum to the outside world, including prospective companies, talent, and “Macon expatriates” who may not be aware of changes underway back home. MEDC should consider working with the Chamber of Commerce and other local partners to evaluate the feasibility of engaging an outside public relations firm to assist in reaching key audiences through earned media. The community cannot control the content of earned media, both locally and nationwide, but it can influence the frequency of placement by proactively seeding stories.

NEWS SOURCES USED BY EXECUTIVES WITH SITE SELECTION RESPONSIBILITIES

Rank	Print	Online	Television
1	<i>The Wall Street Journal</i>	WSJ.com	Fox News
2	Daily local newspapers	EDO websites	Network news
3	<i>The New York Times</i>	Bloomberg.com	CNN
4	Industry/trade magazines	CNN.com	AM radio/talk radio
5	<i>The Economist</i>	Google.com	MSNBC

Source: “Winning strategies: A view from corporate America in economic development marketing.” DCI. September 2011. Accessed via <http://www.aboutdci.com/wp-content/themes/dci/docs/Winning-Strategies-2011.pdf>

PRINT COLLATERAL

Printed materials were once an integral part of economic development marketing, but they have gradually been supplanted by the Internet. The reasons for this shift are fairly simple: websites cost nothing to print and little to maintain and can easily be updated as information changes. The same is not true for printed materials, which are comparatively inflexible and can often become out-of-date by the time they reach their intended audience. In *Market Street’s* experience, economic development organizations with successful marketing programs have been moving expenditures away from printing elaborate brochures into other areas, particularly the enhancement and optimization of their web presence.

Nonetheless, printed collateral still has a niche role to fill within a broad-based marketing approach. One common approach is to use just-in-time or in-house printing to create targeted “one-pagers” and handouts that can be distributed to prospects or contacts in a variety of settings. These documents do not have to go to a professional printer, which reduces costs and lowers the risk of being left with large quantities of undistributed and outdated collateral. Additionally, it is important to maintain downloadable “profiles” of various types of information featured on the organization’s website, allowing users to easily extract information that they perceive to be valuable.

MEDC has produced numerous pieces of print collateral in-house, the majority of which are short brochures and fliers directed at external audiences such as site selectors and prospective businesses. This is the right approach, though the execution could be improved upon. While these documents generally are branded consistently with the “Macon Works” tagline and are based on the right type of information, they also contain outdated data and many are in need of an updated “look and feel” via a redesign that is consistent with the brand identity presented on the organization’s website. Further details related to each type of collateral are in the following scorecard:

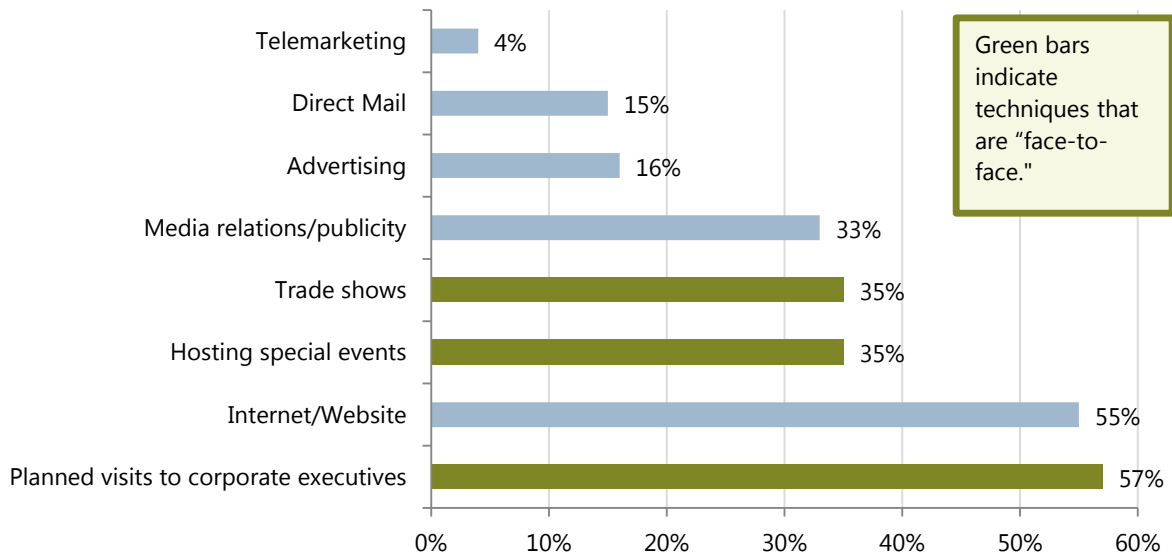
SCORECARD: PRINT COLLATERAL

2004-2013 Macon Works Scorecard	<ul style="list-style-type: none"> • Overall look appears outdated. • Extremely text heavy, some justification formatting issues. • Banner at the top of page is difficult to read. • Comprehensive, but there is perhaps too much information for even the most involved readers. • Includes some outdated and/or incorrect information (e.g. Kuhmo Tires).
2013 Marketing Brochure	<ul style="list-style-type: none"> • Attractive visual elements. • Good mix of information and data. • Text heavy and cluttered; would benefit from a streamlined design. • Some issues with formatting (distorted map, unnecessary QR code).
Available Sites and Buildings Handout	<ul style="list-style-type: none"> • High quality photos. • Information related to ownership, asking price, etc. not specified. • Specific available parcels need to be better identified in marketing documents. • Contact information is not featured prominently. • Would benefit from a cleaner, more consistent format.
MEDC Works for... Handouts	<ul style="list-style-type: none"> • Information is relevant to selected targets. • "Macon Works for..." branding is consistent across campaign. • Designs are outdated and formatting does not meet industry standards. • Contains outdated information (e.g. wage data from 2008). • Contact information is not featured prominently.
2010 Target Industries Handout	<ul style="list-style-type: none"> • Second-page text makes good case for targeted industries. • Branding is consistent and strong, but design is outdated. • First page "pushpin" design does not appear professional. • Second page is overly text heavy. • Contact information is not prominently featured.

INBOUND AND OUTBOUND EVENTS

When asked about their views on the most effective marketing techniques, executives with site selection responsibilities expressed strong support for face-to-face contact.

In a survey conducted by Development Counselors International (DCI), the number one vote getter – and three of the top four – all involve in-person contacts that can be considered either Inbound or Outbound marketing events. These activities provide economic development organizations with unprecedented opportunities to make lasting impressions on important influencers that cannot be "purchased" through advertisements, public relations, or online content. Inbound events generally seek to expose external audiences (non-residents) to the community, its assets, and its opportunities. Outbound events generally seek to develop relationships that can bring new investment to the community.

MOST EFFECTIVE MARKETING TECHNIQUES

Source: "Winning strategies: A view from corporate America in economic development marketing." DCI. September 2011. Accessed via <http://www.aboutdci.com/wp-content/themes/dci/docs/Winning-Strategies-2011.pdf>

MEDC participates primarily in outbound marketing events. In 2012, these included meetings, conferences, or summits involving the following organizations: International Economic Development Council, Industrial Asset Management Council; Southern Economic Development Council; CoreNet; The Korea SE US Chamber; State groups such as the Georgia Economic Developers Association and Georgia Chamber of Commerce.

In terms of inbound events, MEDC occasionally hosts groups of brokers and project managers with the Georgia Department of Economic Development (GDEcD) for community and site tours. All newly-hired GDEcD project managers are invited to visit the community. Opportunities may exist for the community to work with state and regional partners to host targeted groups during events that showcase the community's vibrancy, such as the Cherry Blossom Festival.

CONCLUSION: MARKETING REVIEW

Generally speaking, MEDC and its partners in the economic development community have developed some effective components of a comprehensive economic development marketing program. However, as discussed in this report, there is room for improvement. Many components of MEDC's marketing – such as social media and press releases – do not appear to be well-integrated into an overall brand strategy. A relatively attractive website has many opportunities for continued enhancement and optimization. Most print materials are outdated in terms of their information, presentation, or, in some cases, both. To address these issues and others, it will be necessary to develop a coordinated and proactive marketing strategy for economic development efforts in Macon-Bibb.

APPENDIX B: INCENTIVES REVIEW

AN OVERVIEW OF INCENTIVES

In broad terms, an “incentive” is a program at the state or local level that is intended to attract companies to create jobs and invest in a given jurisdiction. The most well-known of these are publicly funded programs providing tax benefits and financing directly to companies; but incentives can also include workforce training assistance, site preparation, and infrastructure upgrades, among others. They are most commonly administered through a public agency or authority under a state or local government, but private entities such as utilities also play a role.

In recent years, the importance of incentives in the economic development process has been increasing to the point that virtually every state and local government engaged in economic development offers some type of program. Incentives are just one of many considerations in the site selection process, but as a practical matter, they are viewed by most as necessary to “stay in the game” of attracting and retaining companies that are considering multiple jurisdictions in which to locate their business operations. Executed correctly, incentives also create a “win-win-win” outcome in which a company lowers its cost of doing business, an area’s residents benefit from increased job opportunities, and a local government realizes a positive fiscal impact – net growth in its tax base. Typically, incentives function as “deal-closers” after a prospect has narrowed down its target list to a set of equally ranked communities.

To ensure a positive outcome, it is necessary to be judicious in the use of incentives. Programs should:

- Be clearly defined by a statute or ordinance
- Enhance economic opportunities for an area’s residents, and, to the extent possible, promote quality jobs and wage growth
- Be targeted toward business sectors in which a community enjoys competitive strength
- Be based on fiscal impact analysis that demonstrates a likelihood that the economic benefit derived from issuing an incentive will exceed its cost
- Contain “clawbacks” or provisions to recover funds should a project fail to meet certain agreed upon conditions
- Include a set of measureable, transparent performance indicators that can be used to track the effectiveness of programs over time

This section focuses on the economic development incentives available to companies locating or expanding in Macon-Bibb County and four comparison communities – Augusta-Richmond and Columbus-Muscogee counties in Georgia; Lee County, Alabama; and Montgomery County, Tennessee (the same four comparisons utilized in the Competitive Assessment). Given the sensitive nature of many site selection processes, the vast differences between individual projects, and the discretionary nature of many incentives, a truly comprehensive analysis is difficult and well beyond the scope of this review. Instead, this review will examine whether Macon-Bibb’s incentives are competitive with those in comparison communities on a basic level. The findings from the review – including any issues or potential

improvements – will be used to inform the development of Macon-Bibb’s Community and Economic Development Strategy.

STATE INCENTIVES IN GEORGIA

Like all states, Georgia offers incentives to companies bringing jobs and investment to the state. The full range of offerings is too large to enumerate in this review, but the most impactful incentives can be grouped into three broad categories: corporate income tax credits, sales and use tax and property tax exemptions, and deal-closing incentives. A brief examination of each follows below:

Corporate Income Tax Credits

Companies that are increasing employment in Georgia may be eligible to reduce their state income tax liability through the use of one or more tax credits. While certain qualifying conditions apply for each type of credit, they are generally available to companies of all sizes and may be claimed by companies new to the state or Georgia-based businesses expanding their operations. Of these credits, the most well-known is the **Jobs Tax Credit**, which is available to companies engaged in certain lines of business, including but not limited to: manufacturing, warehousing and distribution, and processing (including telemarketing and certain types of insurance activities). To qualify for the credit, companies must pay average wages in excess of a minimum threshold (\$20,956 in 2013), make health care coverage available, and create a minimum number of jobs. This jobs threshold and the dollar amount of the credit available vary by location. Each county in Georgia is ranked in a tier system based on the unemployment rate, per capita income, and poverty rate of the jurisdiction. As a whole, Macon-Bibb is a “Tier 2” county with a Joint Development Authority, meaning companies creating at least 10 jobs may receive a jobs tax credit of \$3,000 for each job created. This credit may be applied to up to 100 percent of a company’s tax liability in a given year. However, certain areas within Macon-Bibb qualify for additional Jobs Tax Credit benefits as follows:

- **Less Developed Census Tracts:** Each Census Tract in Georgia is also ranked in a manner similar to the tier system described above. Tracts falling below a certain threshold are designated as “less developed.” Companies locating in these areas may claim the maximum allowable credit of \$4,000 per job with a minimum of five jobs created. These credits may be applied against 100 percent of state income tax, and excess credits may be applied to payroll tax withholding. Of Macon-Bibb’s 41 Census Tracts, 26 are considered “less developed.”
- **Military Zones:** A Military Zone is an area located adjacent to a military base that has a poverty rate of at least 15 percent. Within these zones, companies may claim the full credit of \$4,000 per job with just two or more jobs created. These credits may be applied against 100 percent of state income tax, and excess credits may be applied to withholding. Additionally restrictions related to industry type are lifted, meaning businesses such as retailers are eligible to receive the benefit. Macon-Bibb has one Military Zone in the southernmost portion of the county closest to Robins Air Force Base (note that this area is also a Less Developed Census Tract).
- **Opportunity Zones:** Local governments may undertake redevelopment efforts that designate land parcels within eligible areas as “Opportunity Zones.” Jobs Tax Credits within an Opportunity Zone

are identical to those in a Military Zone. Macon-Bibb has three such zones, encompassing a limited number of parcels along Gray Highway north of Coliseum Medical Center, along Eisenhower Parkway west of Interstate 75, and multiple blocks in Downtown Macon.

Additional jobs tax credits are available to companies creating at least 50 “quality” jobs or for “Mega Projects” entailing at least 1,800 jobs over a six-year period. A variety of other credits are also available, most notably an **Investment Tax Credit**. These incentives are geared toward manufacturing and telecommunications companies that have been in the state for at least three years. In a Tier 2 county, businesses that invest at least \$50,000 may receive a credit of three percent of the amount of the capital outlay up to 50 percent of the company’s state corporate tax liability. Companies making major investments of at least \$10 million may choose the **Optional Investment Tax Credit**, which is more beneficial to companies expecting significant revenue growth. Neither investment tax credit may be claimed in conjunction with the Jobs Tax Credit.

Finally, when discussing corporate income tax credits, it is important to note that Georgia uses a “**single factor apportionment**” formula to determine how much state income tax a company owes. While this is not an “incentive” in the traditional sense, it is an important factor in the overall conversation about competitive business costs. Most states use three factors to determine a corporation’s income – property, payroll, and sales.^{ix} Georgia, however, uses just one factor – sales. A full examination of what this means is beyond the scope of this review, but in practice this means that Georgia companies are often subject to lower state income taxes than those in states with three-factor apportionment. This is particularly true for companies that have a majority of their property and payroll within the state of Georgia and/or rely heavily on out-of-state sales. As of 2011, only two other Southern states – South Carolina and Texas – had single factor apportionment formulas for all businesses, according to the Tax Foundation.^x

Sales and Use Tax and Property Tax Exemptions

Georgia businesses also benefit from a variety of tax exemptions that can substantially reduce operating costs. These exemptions fall into two main categories:

- **Sales and Use Tax Exemptions:** Numerous products and services are exempt from sales taxes. Prominent examples include manufacturing equipment and machinery, raw materials and packaging, primary material handling equipment, and energy used in manufacturing, the latter of which is being phased in between 2013 and 2016.
- **Property Tax Exemptions:** Georgia does not level the state property tax of 0.25 mills on certain classes of property. It also gives local jurisdictions the option to exempt such property from local *ad valorem* taxes. Most jurisdictions, including Macon-Bibb, have exempted 100 percent of these taxes. These exemptions can provide significant savings to manufacturers and distribution and warehousing companies. Exempt personal property is as follows:
 - Manufacturer’s raw materials or goods in progress
 - Finished goods held by the original manufacturer
 - Finished goods held by distributors, wholesalers, and manufacturers that are destined for out-of-state shipment

Deal-Closing Incentives

As the name would suggest, deal-closing funds are “pools of discretionary cash grants and tax credits” that localities – typically states – may use to “close a deal.” According to *Site Selection* magazine, these funds are growing in popularity and are targeted “toward businesses that can demonstrate additional funding is needed to close a competitive cost gap relative to other states or localities that are also vying for the same economic development project.”^{xi} Georgia has two prominent pots of money available for closing deals: OneGeorgia’s EDGE and the Regional Economic Business Assistance (REBA) program. These funds may be used to fund “fixed-asset needs” such as infrastructure improvements, real estate acquisitions, and site preparations.

LOCAL INCENTIVES IN MACON-BIBB

As with most jurisdictions in Georgia, Macon-Bibb also offers a variety of local incentives to complement state-level programs. These include:

- **Payment in Lieu of Taxes (PILOT):** Also called a “Special Tax Schedule” in Macon-Bibb, PILOT is a mechanism that local governments use to reduce real and personal property taxes for companies that locate within their jurisdiction. In Macon-Bibb, “qualifying projects” may receive a 10-year property tax abatement developed by the Macon-Bibb County Industrial Authority (MBCIA). Once an agreement is reached, the MBCIA purchases all of the property that will receive the abatement. This is financed through an Industrial Revenue Bond (IRB) issued by the authority but secured through a letter of credit from the company receiving the incentive. The MBCIA then leases the property back to the company, which then makes special payments to the local government as opposed to actual property taxes, hence the name “payment in lieu of taxes.” These reduced rates can reduce a company’s local property taxes by up to 50 percent over the duration of the agreement, and the abatements are front-loaded so that the biggest savings come at the beginning of the agreement. According to the Macon Economic Development Commission website, projects “must satisfy certain financial requirements as well as new jobs and payroll levels and new capital investment requirements.”
- **100 Percent Freeport Exemption:** As stated above, Macon-Bibb has elected to exempt certain classes of personal property from *ad valorem* taxes, providing a significant benefit to manufacturers, distributors, and wholesalers.
- **Site and Infrastructure Assistance:** MBCIA manages more than 1,200 acres of property in its various industrial parks, all of which have infrastructure in place. At its discretion, the authority can make sites available at affordable prices to new or expanding companies. If additional infrastructure or site work is required, the county government or other local entities may also provide services at a reduced cost. A notable recent project that was made possible in part by infrastructure upgrades was the Tractor Supply Company distribution center project, announced in 2012. In that instance, the MBCIA and Macon Water Authority allocated \$3.2 million to expand water and sewer service and construct a 1-million-gallon water tank at the site.^{xii}

- **Financing Assistance:** MBCIA can also use low-interest Industrial Revenue Bonds to help finance projects at a significant savings. For qualifying manufacturing projects, these bonds are tax exempt, while bonds issues for other businesses are taxable.

Other incentives such as streamlined permitting, **Enterprise Zones** (offering property tax exemptions in areas suffering from disinvestment), and **Tax Allocation Districts** (tax increment financing) are available in Macon-Bibb and commonly found in most communities throughout the state of Georgia.

INCENTIVES IN COMPARISON COMMUNITIES

Augusta-Richmond

Like Macon-Bibb, Augusta-Richmond County is a Tier 2 county for the purposes of Georgia state incentives, and it has Less Developed Census Tracts, Opportunity Zones, and a Military Zone. So while incentives can vary widely within a county depending on where a business chooses to locate, at a high level, Macon-Bibb and Augusta-Richmond offer identical state incentives. Incentives offered through the Augusta Economic Development Authority of Richmond County are also similar to those available in Macon-Bibb. They include a 100 percent Freeport Exemption, available land, and infrastructure and grading assistance at the Augusta Corporate Park, a site of more than 1,800 acres managed by the authority. The authority also advertises “local tax assistance/abatements” on its website. Augusta-Richmond does, however, have a relevant statutory incentive. Under Augusta-Richmond’s “Amendment 74,” new or existing manufacturers that invest \$1 million or more in capital improvements may claim an exemption of approximately one-quarter of local property taxes for a period of five years.

Columbus-Muscogee

Columbus-Muscogee is eligible for many of the same state incentives as Macon-Bibb and Augusta-Richmond, but its status as a Tier 3 county means that these incentives are comparatively smaller. For instance, businesses adding at least 15 jobs in Columbus-Muscogee may receive a Jobs Tax Credit of \$1,750 per job, whereas the same business in Macon-Bibb would be eligible for \$3,000 per job with a minimum jobs threshold of 10 new jobs created. Additionally, while Columbus-Muscogee has Less Developed Census Tracts and Military Zones, they cover a smaller land area than similar zones in Macon-Bibb and Augusta-Richmond. Columbus-Muscogee does not have Opportunity Zones. At the local level, the Development Authority of Columbus, Georgia offers a mix of incentives similar to Macon-Bibb and Augusta-Richmond, including a 100 percent Freeport exemption, property tax abatements through PILOT programs, and discounted real property. The county also advertises an accelerated timeline for permitting and the availability of reduced permitting fees based on project scope.

Lee County, AL

According to the Economic Development Partnership of Alabama, a private, non-profit organization supported by corporations in the state, the following are major state incentives available in Alabama:

- **Capital Investment Tax Credit:** This program allows new or existing companies investing in Alabama to claim a tax credit that can effectively eliminate state income taxes for 20 years.

Companies may claim a credit of up to five percent of the initial capital costs of a project, providing they:

- Are within an eligible business sector, including but not limited to manufacturing, merchant wholesalers, warehousing, headquarters, and data processing centers, among others.
 - Make a minimum investment, which in Lee County must be \$2 million for most business sectors except warehousing, where the investment must be \$5 million.
 - Meet the minimum job threshold of 50 new employees
 - Pay a minimum average hourly wage, which in Lee County is \$15.85 for 2013 – this comes out to an annual wage of \$32,968.
- **Property Tax Exemptions:** Alabama exempts all property taxes on “goods, wares, and merchandise that is offered for sale” in addition to raw materials used in manufacturing.
- **Industrial Development Grant Programs:** Under Alabama law, the State Industrial Development Authority may sell bonds to local governments and industrial development authorities to pay for site preparation on publicly owned land. The size of these grants varies depending on the amount of capital investment.

Local economic development in Lee County is carried out by multiple entities, including the cities of Auburn and Opelika, both of which have their own industrial authorities or an equivalent agency. The primary local incentives available include Industrial Revenue Bonds, sales and use tax abatements, and property tax abatements for all non-educational taxes. The abatements are prescribed through state law. Companies must be in a qualifying sector as described above, while requirements related to jobs and investment vary by business sector.

Montgomery County, TN

According to the Tennessee Department of Economic and Community Development, the following state-level incentives are available to companies in Tennessee:

- **Jobs Tax Credit:** Qualified companies that create jobs in Tennessee receive a credit against their franchise and excise (F&E) taxes, the Tennessee equivalent of corporate taxes. The credits are \$4,500 per net new job in a 12-month period that may be applied of up to 50 percent of a company's F&E tax liability. Unused credits may be carried forward for up to 15 years. To be eligible for the credit, a company must create at least 25 jobs, invest at least \$500,000, and be engaged in a qualifying business sector, which could include manufacturing, warehousing and distribution, processing, call centers, data centers, etc. Large projects or those involving headquarters operations may also be eligible for enhanced credits
- **Industrial Machinery Tax Credit:** Tennessee manufacturers may offset up to 50 percent of their F&E liability with credits resulting from capital investments in industrial machinery.

- **Sales and Use Tax Exemptions:** No state sales tax is levied on industrial machinery, raw materials, packaging materials, and material handling and racking systems for warehouse and distribution facilities, among others.
- **Property Tax Exemptions:** Tennessee offers property tax exemptions on goods in progress, finished goods and inventories in the hands of manufacturers, inventories of merchandise for sale, and goods-in-transit.

Clarksville Economic Development, the local economic development entity for Montgomery County, advertises just one local incentive on its website: tax abatements through PILOT. These incentives are offered at the discretion of the Industrial Development Board of the County of Montgomery, which bases its decision on five criteria:

1. The company's business sector
2. The investment value
3. Projected employment positions
4. Projected employee wages
5. Other factors, at the discretion of the board

It is also important to note that each of the three comparison communities is a border county adjacent to another state. As a result, collaborative development projects across state lines may allow some companies to qualify for certain incentives available in neighboring South Carolina, Alabama, Georgia and Tennessee.

CONCLUSION: INCENTIVES REVIEW

The preceding sections offer a brief summary of the more prominent state and local economic development incentives available in Macon-Bibb and four comparison communities. While some minor differences exist, the mix of available incentives varies little from community to community. Each state – Georgia, Alabama, and Tennessee – offers a significant corporate income tax credit (based on jobs or investment), assistance with site preparation and infrastructure, and sales and property tax exemptions. Each of the five local communities advertises local property tax abatements – generally through PILOT programs – while four of the five specifically identify local infrastructure, real estate, and financing assistance. Macon-Bibb and Augusta-Richmond are able to offer Tier 2 status for state Jobs Tax Credits (a higher credit per job) as compared to Tier 3 status in Columbus-Muscogee. Alabama has recently passed legislation allowing tax increment financing as a development tool, joining Georgia, Tennessee, and many other states.

In short, the incentives available in Macon-Bibb appear to be at least on a par with those of its competitors. This will not necessarily be the case for every project; each prospective business is different, and many of these incentives are discretionary by nature, meaning one community may be willing to offer a more attractive package to a company that fills an important need. Most important, however, is that Macon-Bibb has the “tools” that it needs to navigate competitive site selection processes, where incentives are just one factor of many that go into a final location decision.

APPENDIX C: SITE ASSESSMENT

As a component of the Target Business Analysis, and as a critical piece of input into the strategic planning process, *Market Street Services* partnered with *J.M. Mullis, Inc.* to conduct an assessment of existing sites in Macon-Bibb County, and their suitability for new projects, particularly those within the community's target business sectors. This assessment was conducted on July 1st, 2013, with representatives from *Market Street Services* and *J.M. Mullis, Inc.* conducting a tour of the community, its industrial parks, and other sites. Meetings with representatives from the Macon Economic Development Commission, the Macon-Bibb County Industrial Authority, the Greater Macon Chamber of Commerce, the Macon Water Authority, Georgia Power, and AGL Resources, among other parties, ensured that the assessment of properties was well-informed.

The key findings of individual site assessments have been delivered to the relevant economic development partners engaged in marketing these sites and improving their infrastructure. These findings will be incorporated into tactical recommendations found in the forthcoming Community and Economic Development Strategy. This will include specific recommendations supporting necessary improvements at existing sites, as well as the identification of potential new development opportunities that can support the region's competitiveness for new projects in its target business sectors.

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