

Georgia and Metro Atlanta Recent Scorecards

Georgia's economic outlook No. 1 in the U.S. Georgia's economic outlook is rosier than any other state in the nation, according to the Laffer Report by renowned economist Arthur Laffer. Laffer put Georgia at the top of his annual comparative ranking of state's economies, a seven-category analysis that primarily focused on tax and fiscal policy. Georgia moved up from fifth place in 2005.

According to a June news release from the U.S. Department of Commerce, Georgia's Gross State Product, GSP, grew 4.6% in 2005 over 2004. Only 10 states surpassed that percentage, and most states experienced slowed growth. Overall growth for the nation slowed as well. Growth in real U.S. GSP slowed from 4.2% to 3.5% in the same time period as Georgia's growth.

According to the January 2006 CEO Confidence Index in *Chief Executive Magazine*, Georgia ranked 5th in its ranking for Best States for Business.

EWeek Magazine, picked Atlanta as number 2 in its "Beyond the Valley: 10 Blooming U.S. Cities for Tech" in its June 15, 2006 issue.

When Expansion Management polled 80 site consultants, Atlanta was number 3 of its "America's Hottest Cities for Business Expansion and Relocation." Data was released January 2006. Companies must agree. The Georgia Department of Economic Development (GDEcD) reported a 21% jump in the number of businesses it helped move to or expand within locations throughout the state in 2005 over 2004.

Among Fortune Magazine's listing of U.S. cities with the most Fortune 500 headquarters, Atlanta comes in 3rd, as of April 2006. In the magazine's latest Global 500 List of the biggest industrial companies, Atlanta is 9th place as a world headquarters city. Atlanta shares 9th place with Houston, Tx; Munich, Germany and Osaka, Japan with 6 of the world's largest corporations calling the Georgia capital home. Tokyo tops the list with 52 corporations.



Great Find

Check out website www.gov.state.ga.us
for a copy of the full Laffer Report.

Least Expensive U.S. City
(1.5 million population & up)
Atlanta, GA 1st

According to the KPMG's Competitive Alternative Study's cost index figures that measure 27 cost components in a given location.

an Intelligence Report



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Great Finds

Arrowhead Pointe Golf Course in Elberton and the Georgia Aquarium in Atlanta.

Tourism

The annual economic report of the Travel Industry Association of America reports the total economic impact of visitors to Georgia increased to \$28.2 billion, \$2 billion more than in 2004. No surprise tourism is key to Georgia's economic development strategy.

In 2005, Governor Perdue signed a bill into law creating the Georgia Tourism Foundation, a public-private non-profit organization that leverages investments and forges partnerships to market state tourism.

The Georgia Aquarium ups the ante in the prestige stakes. The four whale sharks at the Aquarium are the only ones on exhibit in the Americas. The attraction drew 2 million visitors in the first 6 months, an initial goal slated for the first year.

Following the *Golf Digest's* 2003 ranking of Augusta National as the 5th best golf course in the world and the 4th best in the U.S., Arrowhead Pointe in Elberton was named 2nd best New Affordable Public Golf Course in the U.S. for 2005. The course is within Richard B. Russell State Park with stunning views of the lake.

Manufacturing
Tourism 95% of all golf cart manufacturing is in Georgia.

Manufacturing

Manufacturing and tourism intersect in Georgia when it comes to golf. The synergy of industry leader Club Car, of Augusta, with its suppliers has resulted in capital investment for Georgia. Thomson Plastics and Trojan Batteries made facility decisions in Sandersville in 2006.

After nine months of negotiations, American Insulated Wire (AIW), based in Massachusetts, is opening its first Southeast plant in Douglas. AIW will occupy a 342,000 square-foot facility, invest \$26 million, run a 24/7 operation, and add 250 jobs.

To serve its coastal markets, Traco, a manufacturer of hurricane-resistant doors and windows, announced in May it will construct a \$10 million facility in Bainbridge. Traco's technology is designed for impact and blast resistance. TRACO memorable landmark projects include handcrafting the windows for the crown of the Statue of Liberty and manufacturing more than 6,000 windows for the Empire State Building.

The Center for Innovation for Manufacturing Excellence opened February 2006, the newest of the 6 innovation centers. The Center underscores the reality that Georgia manufacturers boost productivity through information technology and an environment that embraces innovation.

The technologies available at the center include programmable logic control electronics and robotic operations, among others. One goal is to ensure the future workforce is prepared for the 21st century manufacturing environment. Recent trends provide evidence that manufacturing jobs in virtually all industries and regions will increasingly demand higher skills.

Manufacturing Realities Defy Perceptions

1. Despite an offshore exodus of some manufacturers, the U.S. manufacturing sector is producing more goods today than any time in the past and remains the largest manufacturer in the world, maintaining more than its 20% share of total world production.
2. New York Federal Reserve Bank experts expect a productivity boost of 2.6% annually over the next decade.

Georgia Innovation Centers

- Manufacturing Excellence
- Life Sciences
- Agriculture
- Aerospace
- Information Technology
- Maritime Logistics



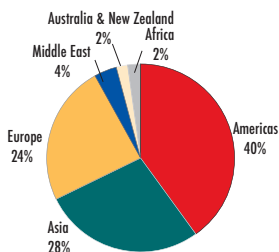
Manufacturing, continued from page 2

Global Perspective

South Korea's automaker, KIA, is bringing its first U.S. operations to the West Point/LaGrange area. The \$1.2 billion plant will begin production in 2009 and employ 2,500 workers. The business deal includes commitments from 5 suppliers to locate in Georgia, which supports KIA's just-in-time inventory that streamlines production time and costs.

Georgia won its first Chinese investor, Ningbo, China-based manufacturer Lehui, Inc, to the city of Newnan. A \$15 million joint venture called Kingwasong will use a 225,750 square-foot facility to manufacture condiments and food packaging. The China Business Alliance, a group of World Trade Center Atlanta members fostered the project. Trade to and from China flowing to Georgia through Atlanta, Brunswick and Savannah ports totaled \$12.1 billion in 2005. In a reciprocal move, GDEcD will open its first office in Beijing, its 11th international location, in 2007.

An innovative private-public partnership assists Georgia farmers to compete globally in the peanut market. 106 peanut growers/owners in 11 south central Georgia counties are building a state-of-the-art shelling and storage facility in Tift County.

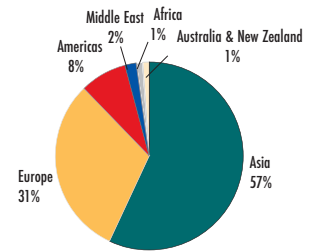


2005 Exports From GA By Region
Source: GDEcD

Innovation At Work

Farmers embracing the knowledge economy are leveraging energy sector innovation by seeking alternatives to petroleum products. Two South Georgia initiatives, Advanced Biotechnologies, LLC and First United Ethanol, LLC are constructing a biodiesel and an ethanol plant, respectively. Georgia farmers are also embracing aquaculture technology to raise shrimp, catfish and tilapia.

LaGrange won a 2006 Innovator Award from the Southern Growth Policies Board for capturing methane in its landfill to generate electricity. The initiative came at the request of manufacturers, Interface Flooring and Milliken, for renewable energy.



2005 Imports To GA By Region
Source: GDEcD

Transportation/Logistics

The Governor's Road Improvement Program (GRIP) includes 3,314 miles of economic development corridors and truck access routes of which 58% is complete. The program ensures 95% of cities (population of 2,500 & up) will be connected to the Interstate System and 98% of all areas will be within 20 miles of a four-lane road.

The recent addition of the \$1.25 billion 5th runway at Hartsfield-Jackson Atlanta International Airport enhances Atlanta's capability as a global logistics gateway. Third party logistics (3PL) service providers choose Atlanta to take advantage of the airport, rail, highways and ports of Georgia. Since 2004, 9 3PL companies have located operations to Atlanta.

Georgia ports are bustling. During the 1st 10 months of fiscal year 2006, the Georgia Ports Authority (GPA) handled a 15.4% growth over the same time last year. In June, the GPA approved an ambitious \$82.6 million capital improvement plan.



Great Find

www.dot.state.ga.us for a map of GRIP construction. Look under plans and programs in the menu bar.

2006 Georgia Announcements

January - June 2006

New Business

Name	City	County	Investment <small>in millions</small>	Facility Type
KIA Motors	West Point	Troup	\$1,200	Manufacturing
Tread Technologies: Michelin	Covington	Newton	\$6	Rubber
John Deere Commercial Products	Grovetown	Columbia	\$6	Manufacturing
FFE Inc.	Lithonia	DeKalb	\$6	Warehouse/Distribution
Neaton Rome	Rome	Floyd	\$6	Manufacturing
Hamilton Telecom	Albany	Dougherty	\$5	Data Center
Bertolini Corp	Atlanta	Fulton	\$5	Manufacturing/Distribution
Environmental Stoneworks	Atlanta	Cobb	\$5	Manufacturing
Vantage Industries	Atlanta	Fulton	\$5	Rubber
American Fibers and Yarn	Bainbridge	Decatur	\$5	Textiles
Kellogg's	Columbus	Muscogee	\$5	Food
Bell Plantation	Fitzgerald	Ben Hill	\$5	Food
Toyota Automotive Compressor Georgia, LLC	Jefferson	Jackson	\$5	Manufacturing
VYYO (Xtend Networks)	Norcross	Gwinnett	\$5	Information Technology
Benedetto Guitars	Savannah	Chatham	\$5	Manufacturing
Bonded Service Warehouse, Inc.	Springfield	Effingham	\$5	Warehouse/Distribution
Gem Industries, Inc.	Toccoa	Stephens	\$5	Manufacturing
JMS Metal Services	Trenton	Dade	\$5	Manufacturing
SE Toyota Distribution, Inc.	Commerce	Banks	\$4	Warehouse/Distribution
Stericycle, Inc.	Conyers	Rockdale	\$4	Warehouse/Distribution
The Timberman	Warrenton	Warren	\$4	Manufacturing

Technology

Name	City	County	Investment <small>in millions</small>	Facility Type
FIAMM	Waynesboro	Burke	\$4	Manufacturing
Fleelguard, Inc.	Waynesboro	Burke	\$3	Manufacturing
Sekisui	Atlanta	Fulton	\$2	Chemicals
Danger	Duluth	Gwinnett	\$2	Information Technology
C2 Biofuels	Marietta	Cobb	\$1	Manufacturing
Polystar	Peachtree City	Fayette	\$1	Manufacturing
HarVac	Sycamore	Turner	\$1	Research & Development

Expansions

Name	City	County	Investment <small>in millions</small>	Facility Type
Hewlett Packard (Fulton)	Alpharetta	Fulton	\$500	Data Center
Project Holly	Douglasville	Douglas	\$480	Data Center
Gulfstream	Savannah	Chatham	\$322	Manufacturing
Hewlett Packard (Gwinnett)	Suwanee	Gwinnett	\$300	Data Center
J. M. Huber Corporation	Swainsboro	Emanuel	\$232	Manufacturing
Owens Corning	Cordele	Crisp	\$80	Manufacturing
YKK	Dublin	Laurens	\$80	Manufacturing
Nichiha Corporation	Macon	Bibb	\$78	Manufacturing
Cabela's	Adairsville	Bartow	\$70	Warehouse/Distribution
Winpak Films, Inc.	Newnan	Coweta	\$40	Plastics
Xethanol Corporation	Augusta	Richmond	\$35	Chemicals
BOC Group	Cartersville	Bartow	\$35	Manufacturing
Northside Foods	Cumming	Forsyth	\$34	Food
J.M. Huber	Commerce	Jackson	\$25	Research & Development
Tyson Foods	Dawson	Terrell	\$24	Processing
Sara Lee	Macon	Bibb	\$22	Warehouse/Distribution
Timken	Cairo	Grady	\$21	Manufacturing
Kellogg's	Augusta	Richmond	\$18	Food
Trojan Battery	Sandersville	Washington	\$17	Manufacturing
Timken	Sylvania	Screven	\$17	Manufacturing
Leviton (American Insulated Wire Corp.)	Douglas	Coffee	\$16	Manufacturing
Foley Products	Adairsville	Bartow	\$15	Manufacturing
Keystone Automotive Operations Inc.	Austell	Cobb	\$15	Warehouse/Distribution
Traco	Bainbridge	Decatur	\$15	Manufacturing
Lehui Group / WY Industry	Newnan	Coweta	\$15	Manufacturing
Timken	Dahlonega	Lumpkin	\$14	Manufacturing
SW Manufacturing Inc.	Dalton	Whitfield	\$13	Manufacturing
Service First Logistics	Atlanta	Fulton	\$12	Transportation/Warehouse
Nourison	Calhoun	Gordon	\$12	Textiles
Steelcase Inc.	Atlanta	Fulton	\$10	Warehouse/Distribution
G&S Metals	Manchester	Meriwether	\$10	Manufacturing
Impulse Mfg. Inc.	Dawsonville	Dawson	\$8	Manufacturing
Thomson Plastics	Thomson	McDuffie	\$8	Manufacturing
Walter Industries	Atlanta	Fulton	\$6	Headquarters

Meltblown Technologies, LLC makes polypropylene fibers into a mat product to absorb oil. The company serves the industrial, environmental and oil services markets. The company chose Sandersville in 2006.

Consultants receive a complete Georgia Information Packet. Just contact us at www.LocationGeorgia.com

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Telecommunications/Broadband

Multi-national company Pirelli selected Georgia to develop new optical components and systems and broadband access technologies. The Georgia Electronic Design Center at the Georgia Institute of Technology solidified the partnership.

Savi Networks LLC, a provider of Radio Frequency Identification based information services, partnered with the Maritime Logistics Innovation Center (MLIC), to provide SaviTrak, an information service to monitor port shipments over a secure Internet connection. The full collaboration, including the MLIC, the Georgia Electronic Design Center and Savi Networks, will advance research and real world commercial applications.

Georgia is offering \$9 million in broadband access funding to its communities. With different qualifying criteria, OneGeorgia and the Georgia Technology Authority are offering \$5 million and \$4 million, respectively. Georgia sits at the intersection of the country's largest fiber optic pipelines.

With metro Atlanta's impressive telecommunications hub, HP, a technology company that is 11th on the Fortune 500 list, is making a \$600 million investment in two high-tech data centers, one in Alpharetta and one in Suwanee.

Georgia Electronic Design Center
Samsung Electro-Mechanics Company joined the industry roster of technology partners with this Georgia Tech research center in 2005. The center focuses on wireless/RF, wired/copper and fiber channel research with 40 companies and three government labs.

Workforce Development

Georgia's Quick Start customizes its training to the needs of the individual companies at the state's expense. Quick Start teams often travel to an existing site to begin the process of developing customized training before start-up. The 34 Georgia technical colleges take over for ongoing support and training.

When AirTran Airways committed to an additional 2,500 jobs over the next 5 years, Georgia stepped up with a workforce development plan in a partnership with the state Intellectual Capital Partnership Program (ICAPP) initiative. ICAPP and AirTran will work with colleges to explore college degree options, virtual classroom opportunities in the areas of leadership, management and career path development.

In February, Governor Perdue created the Office of Workforce Development designed to unify statewide efforts. Debra Lyons was appointed the manager to craft more public-private collaboration for a high caliber workforce.

The Center for Manufacturing Excellence ensures no Georgia manufacturer will have to go out of state for employee training. Caterpillar, heavy equipment manufacturer, now includes the center in its workforce programs.

In higher education, Georgia is in the top 4 states providing the greatest amount of grant aid on a per capita basis during the academic year 2004-2005, according to the National Association of State Student Grant and Aid Programs.

Georgia is tackling the under-representation of males in U.S. higher education with an initiative to boost enrollment among African-American males. 10 institutions were awarded grants to implement programs.

Top Ten States With Best Workforce Training Program

- 1 Georgia - Quick Start
- 2 Alabama
- 3 Kentucky
- 4 South Carolina
- 5 Indiana
- 6 Tennessee
- 7 Arizona
- 8 Colorado
- 9 Idaho
- 10 Maryland

Source: Expansion Management poll of site location consultants, August 2005.

The Law

The 2006 legislative session acted on legislation that benefits business. For example:

HB 1018 allows biomass materials to be used to produce energy enabling new industries.

HB 1120 eases tax burdens for small business. 4,000 small businesses receive a one time tax break.

SB 120 encourages additional investments and market-based competition in emerging technologies, such as wireless, broadband and voice over Internet protocol.

The defeat of **HB 1339** - Had it passed it would have required any business with 10,000 workers or more to spend at least 8% of payroll on employee health benefits or pay the difference to the state to help underwrite public health programs.

HB 1240 makes minor changes to Georgia's workers' compensation laws that are fair to the business community.

Companies will reap the full impact of **HB 191** from the 2005 session in 2008. The bill, which will be phased in, replaced the traditional 3-factor apportionment of corporate income with a single factor, the sales factor, which looks only at the percentage of the company's sales made to customers located within Georgia. The new formula rewards investment in Georgia. For example a company with:

Taxable income: \$100 million
 Percent of property in GA: 100%
 Percentage of payroll in GA: 100%
 Percentage of Gross Receipts in GA: 13%

Under the old method, \$56.5 million of the company's income would be subject to tax, after applying the 6% income tax rate that would be \$3,390,000 in income tax owed. Under the new method, only \$13 million of the company's income would be subject to tax and after applying the single gross receipts formula this tax would be: \$780,000—resulting in significant savings.

Georgia is cultivating a business friendly climate. *Site Selection Magazine* reported that among all states Georgia's business climate was ranked 12th in 2003, 7th in 2004 and 3rd in 2005.

MEAG Power is a public generation and transmission corporation providing wholesale electricity to Georgia's public power utilities. As Georgia's third largest power supplier, MEAG Power also provides statewide economic development services to new and existing industries.

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