

Georgia and Metro Atlanta Recent Scorecards

Atlanta - Number 2 in 2007 America's 50 Hottest Cities

Expansion Management, since 1999, has named the hottest cities based on perceptions of site location experts. 80 site consultants were asked their perceptions of locations. Atlanta/Sandy Springs/Marietta was second only to Albuquerque. Perception can be a critical "tipping point" once all the tangibles line up.

Winning Projects - Metros and State

Atlanta was named number 3 in *Site Selection Magazine's* 2006 Top Metros by Number of Projects. Specifically it was Atlanta/Sandy Springs/Marietta (populations over 1 million) coming in with 107 projects behind the Chicago and Washington areas with 165 and 110 projects, respectively. For metros with population less than 200,000 Valdosta tied the third position spot with Sioux City metro with 11 projects.

Corporate site selectors' experiences says Georgia among the best...

According to *Site Selection Magazine's* survey measured 50% on professional site selectors opinion and 50% on a state's track record in four categories, Georgia ranked numbered 4 in the 2006 Top State Business Climate Rankings. Solely on the input and experience of site selectors of the ten states thought to have the best business climate, Georgia is 3rd.

Top Ten For Women

Georgia ranked in the top ten states with the most growth in women-owned businesses according to the *Small Business Administration*. Georgia grew more than the national average of 20%.

Economist.com - "Georgia is America's 7th biotech cluster."



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Check out website
www.locationgeorgia.com
for site location assistance.

an Intelligence Report



georgia,usa

Issue IV

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A Market Opportunity in Georgia
Continuing care retirement communities

With 10% share of the market in continuing care retirement communities, Georgia could realize 2,700 jobs. With active adult retirement communities new jobs could total 28,000 statewide.

Source: Georgia Tech's Enterprise Innovation Institute

Technology in Georgia

Science and Technology in the Economy: 2006

Of all business establishments in Georgia 6.88% are high-technology, compared to 6.30% nationally.

There were 61 high tech merger deals in Georgia in 2006, up from 59 in 2005. This was the largest number of high tech merger deals in the state since 2001, and represented \$4.19 billion in value verses \$1.48 billion in 2005.

GRA/Tag Business Launch is a cash award contest supported by The Georgia Research Alliance (GRA) and the Technology Association of Georgia (TAG) to help a local start up technology-based company launch its business. In 2007, the technology industry segments include Financial Technologies and Supply Chain Management Technologies.

Jim Clinton, Director of The Southern Growth Policies Board, a think tank, applauds Georgia's practice to give technology firms vouchers to spend at local universities.

The prospects for long-term growth of the life sciences industry are solid. First, the aging population creates the demand for new medical treatments. Second, rising fuel prices generate an unprecedented interest in bio fuels. Third, the climate changes and natural and man-made disasters call for new ways to raise crops and clean up the environment. Finally, emerging diseases and the continued threat of epidemics and bio-terrorism call for more research in and manufacturing of remedies and vaccines.

Selig Center for Economic Growth, the University of Georgia

Life Sciences Growth 2001-2005

	Life Sciences	Other Sectors
Number/establishments	38.4% increase	10.5% average
Employment	11.2% increase	1.6% average
Total wages	30% increase	13% increase

Life Sciences, though a small part of the economy in Georgia, expanded faster than other Georgia sectors.

Research and Development

Georgia Tech, Emory and the University of Georgia rank among the top 50 U.S. universities for research and development spending, with combined R&D spending of \$1.076 billion, up 40% over fiscal year 2000.

1,346 patents were issued in Georgia from 2001-2005. A few of the top patent holders in the state include Kimberly-Clark Worldwide, BellSouth, NCR, Georgia Tech Research Corp., Scientific-Atlanta, Motorola, Fitel, Emory University, and Lucent Technologies.

Telephonic communications leads the way for most patents by type of technology in 2006. Other technologies with large numbers of patents include optical waveguides, electrical communications, medical devices, synthetic resins, molecular biology, and organic compounds.

Innovation - Maritime Logistics

Dolan Falconer, president and chief executive officer of Atlanta-based ScanTech Holdings, a research and development firm, is trying to revolutionize not only how baggage is screened at airports, but how the nearly 11 million cargo containers that come through 361 commercial U.S. ports every year are checked for possible hazardous materials.

"We can tell the difference between Scotch and ice tea and water and nitroglycerine," said James Blackwell, ScanTech's chairman of the board and retired Lockheed-Martin president.

Using sophisticated high-speed X-ray machines that check containers from two angles, and a specially written computer program that determines the density and effective atomic weight of items, screeners at airports and other ports of entry will be able to tell within seconds whether materials are hazardous or benign.

Georgia Innovation Centers

Manufacturing Excellence
Life Sciences
Agriculture
Aerospace
Maritime Logistics

The centers of innovations marry resources of research, academics and the private sector.



Great Find

Check out website
www.georgiainnovation.org

Business Snapshot

Boom Time for Atlanta Construction Companies

Atlanta's continued growth means big profits for construction companies. With more than 400 million square feet of warehouse/distribution space, Atlanta can expect demand to remain steady in 2007. Another 11-12 million square feet are expected with a vacancy rate below 10% by year-end.

Industrial park development is an area where the warehouse/distribution center market will see growth in 2007 with most significant development around GA's Interstate 85 North corridor. *see page 6 for specific parks.*

Suzukaku Co. Ltd., a Japanese steel manufacturer, will invest \$10 million and create 48 jobs in Haralson County producing parts for all terrain vehicles. This is its first U.S. plant.

Fenner Dunlop Americas Inc., a manufacturer of industrial products made with reinforced polymers, will replace and expand the Dekalb County facility. The new facility will provide a significant upgrade to the company's industrial weaving operation.

Colorado-based **Range Fuels Inc.** plans to build Georgia's first wood-based ethanol plant. The plant will produce over 1 billion gallons of ethanol annually. A number of firms are launching corn-fueled ethanol production facilities.

Premium Waters Inc., a private label bottled water supplier, opens an 8th U.S. production facility in Douglas. The company plans to begin shipments from the plant in January 2008.

ADP to create 1,000 jobs. Automatic Data Processing (ADP), worldwide leader in global business solutions announced in November 2006 it will locate a business solutions center creating 1000 new jobs in Augusta.

T-Mobile USA Inc., recently recognized as one of the top 25 service companies in the nation, plans to open a customer service center bringing 750 jobs.

Carolina Composites, manufacturers of Pioneer Boats, has relocated its entire operation to Claxton, Georgia, investing \$2 million and hiring 100 people over 3 years. The company will move into a 40,000 square-foot speculative building in the Evans County Industrial Park.

Office Space in Atlanta

The vacancy rate for class A office space was 15.4% at year-end 2006 compares with 20.1% in 2003. Buckhead was at 11.5% and Midtown at 11.9%. Downtown Atlanta lagged at 23%.

CoStar Group Inc.

"As vacancy rates fall toward 10% speculative construction picks up."

Tad Leithead, Cousins Properties

*About the Atlanta construction boom
More than 25% of the US population is within 500 miles of Atlanta. The cost of real estate is low, labor is readily available, and the transportation infrastructure is in place.*

Rodney Davidson
ProLogis

Macon, GA was the recipient of several larger investment in 2006

- \$23 million Sara Lee Food & Beverage distribution facility
- 420,000 square foot Bass Pro Shop distribution center
- \$78 million Nichiha USA, Inc manufacturing facility
- \$23 million Freudenberg Texbond LP expansion

The New Economy -What to Look For

Job Churn

Churn (the number of start-ups and business failures) in an economy is a major driver of economic innovation and growth. Churning has accelerated over the last three decades as the number of new start-ups and existing business failures per year has grown. While such turbulence increases the economic risk faced by workers, companies, and even regions, it is a driver of innovation. **Atlanta is second only to Denver, CO in job churn.** In part, this is because fast-growing economies produce more start-ups, especially in locally focused industries (such as restaurants, drycleaners, or accountants). Without job churn a region loses "creative destruction" that leads to faster restructuring for the New Economy.

Newly Publicly Traded Companies

Initial Public Offering (IPOs) are important because they indicate the degree to which an economy is producing companies that have long-term and substantial growth potential. The number of initial public offerings (first rounds of companies' stock sold when they make their debut in public markets) has risen by 50% between the 1960s and the 1990s. The further down the rankings a metro area goes, the less entrepreneurial it is. Rankings for IPOs:

San Francisco	Austin
Seattle	Denver
West Palm Beach	San Diego
Boston	Atlanta - 8th

Broadband Telecommunications Capacity (number of providers per zip code)

The ability to transfer large amounts of data over the Internet is largely determined by bandwidth - the carrying capacity of the connections, or the "size of the pipes" - between the sender and the receiver of the data. In a networked world, bandwidth is a core determinant of what is technologically feasible. Metros with most capacity:

San Francisco	Los Angeles
Denver	Chicago
San Diego	Atlanta - 7th
Phoenix	

Internet Backbone

Internet backbone is the physical network (usually relying on fiber optic cable) that carries Internet traffic between different networks and is measured in megabits per second. It can be an issue for companies, especially companies that are hosting and transmitting large amounts of data. As a result, having a high capacity of Internet backbone in a metropolitan area relative to demand is a competitive advantage.

Atlanta is third in backbone capacity behind Salt Lake City and Kansas City.

Academic Research and Development Funding

This is defined by a combined measure of industry investment in R&D at academic institutions and total academic R&D. Research and development yields new product innovations and adds to the knowledge base of industry and the marketplace as a whole. It is a key driver of economic growth.

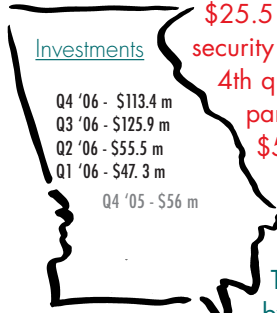
Raleigh-Durham	St. Louis
Boston	Columbus
Washington	Greensboro
Austin	Richmond
Salt Lake City	Atlanta - 10th

In the New Economy, the ticket to faster and broader income growth is innovation. The New Economy puts a premium on what the Nobel laureate in economics Douglas North calls "adaptive efficiency," which refers to the ability of institutions to innovate, continuously learn, and productively change.

Venture Capital

Georgia's 2006 Venture Capital Totals \$353 million

75 Georgia companies raised \$352.9 million compared to nationwide \$25.5 billion. Six early stage companies, ranging from network security providers to medical device makers, received a fair share of 4th quarter VC with \$29 million compared to one early stage company in 1st quarter. Yearlong, 17 early stage companies received \$58.5 million.



Source: PricewaterhouseCoopers LLP / Thomson Economics/National Venture Capital Association MoneyTree Report

The Atlanta area has three major and active earlier-stage venture firms, H.I.G. Ventures, Noro-Moseley Partners and Total Technology Ventures LLC. Although investors aren't hampered by geography in a global economy, they often look locally first. Of Atlanta-based Total Technology Ventures' 19 listed portfolio companies, for example, 8 are based in the Atlanta area.

4th Quarter 2006 -Come Back Kid

Georgia finished 9th in the top 10 among the states for total venture capital garnered. Its first time since 2004 to be in the top 10.

Workforce

Atlanta leads the nation in luring highly educated 25-34 year-olds, a group demographers call the "Young and the Restless." A study by Impresa Consulting says that from 1990 to 2000, the metro area increased its young adult population by 46 percent, which was faster than any of the top 25 most populous metro areas. Young adults in Atlanta are also better educated, on average, than those in other metro areas, 36% compared to 30% with four-year college degrees. "Cities want them...Companies want them... and Atlanta is leading the nation in attracting them," says Sam Williams President of the Metro Atlanta Chamber of Commerce.

Earnings of persons employed in Georgia increased from \$215,845,178* in 2004 to \$229,413,268* in 2005, an increase of 6.3 percent. The 2004-2005 national change was 5.6 percent.

*Note: income estimates are in thousands of dollars, not adjusted for inflation

Bureau of Economic Analysis
US Dept of Commerce

Economic Indicator

2006 4th Qtr.
manufacturing payroll
employment (in thousands)

Alabama	Florida	Georgia	Louisiana	Mississippi	Tennessee
299.6	398.6	444.5	155.9	174.8	394.9

International

With 10 foreign offices, and an 11th to open in China, Georgia is aggressive about international economic development. Governor Perdue's fiscal 2008 budget provides funding for a 12th in India, which could be open in late 2007 or early 2008.

10 Foreign Offices

Brazil	Japan
Canada	Korea
Chile	Mexico
Europe	Middle East
France	United Kingdom

Italy based System Ceramics, which manufactures and distributes equipment for the tile manufacturing industry, chose Forsyth County for its first 20,000 square-foot U.S. facility to house headquarters, sales and service center. Georgia is home to more than 60 Italian companies, including Alitalia Cargo, Pirelli, Sebach and Motovario. 1,600 facilities in Georgia are owned by companies from 43 different countries.

India's richest man, billionaire Azim Premji, is scouting Georgia for software development centers.



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Georgia - 4th Youngest State
The median age - the age at which half the residents are younger and half are older - for the 4 "youngest" states.

Georgia	34.3
Alaska	33.9
Texas	33.2
Utah	28.5

Source: U.S. Census Bureau, 2005 American Community Survey

Industrial Parks

Three Georgia industrial parks offer prime real estate for warehouse/distribution or manufacturing facilities.

Camp Creek Building M - East Point, GA
657,200 SF cross dock warehouse/distribution facility. Easy access to I-285 and I-85.
www.dukerealty.com

Coweta Industrial Park - Newnan, GA
13 120+ acre sites; rail sites available. Complete turnkey design/build services; a quarter mile from I-85.
www.patilloconstruction.com

Commerce/I-85 Business Park - Commerce, GA
460+ total acres, sites available from 25 acres-150 acres. 62 miles from downtown Atlanta; 1.5 miles from I-85.
www.johnrooker.com



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Check out website
www.tagonline.org for technology news in Georgia

Population

From 2005 to 2006, the 10-county region around Atlanta showed the largest single-year population increase this decade, adding 111,700 residents, according the Atlanta Regional Commission (ARC). ARC's latest estimates show the 10-county regional population reached 3,925,400 as of August 2006, a population larger than that of 24 states. The 10 counties are: Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry and Rockdale.

Census Bureau Says

Census Bureau numbers from July 1, 2005 and July 1, 2006 show Georgia is the 4th fastest growing state. The state gained 231,388 people leapfrogging Arizona and boosting it up a notch from last year's ranking. The state also ranked 4th in percentage of growth at 2.5%. Over 2/3's of the growth came from people moving to Georgia from other states and countries rather than births.



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Check out website
www.atlantaregional.com for forecasts and reports

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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