



*ICMA Program Excellence Award Nomination
Cartersville-Bartow County, Georgia Community Partnership: Highland 75
Nominated by Sam Grove, City Manager, Cartersville, Georgia
March 16, 2012*

Just 45 minutes northwest of Atlanta, is HIGHLAND 75 in Cartersville-Bartow County, Georgia. This 707-acre master planned, corporate/industrial mega-site is just one-mile east of I-75 on Exit 296. This up-and-coming employment center is the result of an extraordinary partnership, motivated to overcome the loss of several key industries, as well as lost opportunities for new ones. Highland 75 exemplifies this community's unified commitment to put its citizens back to work. Risk will be rewarded through not only job creation, direct and indirect economic impact, but also through a unique revenue sharing agreement that is blind to jurisdictional boundaries.

PROBLEM ASSESSMENT / CHALLENGE / NEED

- Industry layoffs and closures in the early 2000's totaled over 2,133 quality manufacturing jobs. Although only a few companies, these were significant employers, utility users and contributors to the economic vitality of Cartersville and Bartow County.
- Economic Development recruitment efforts at that time were professional, but apparently created confusion among customers leading projects, regarding who should be contacted among the Chamber, the City (Cartersville), the County (Bartow), the Electric utilities, and/or several Development Authorities.

- In spite of attributes and efforts, several significant desirable manufacturing projects eliminated Cartersville-Bartow sites from consideration. Reasons included lack of sites that were large enough, prepared enough, and/or publically-owned.

PROGRAM IMPLEMENTATION AND COSTS

- Community and Government stakeholders came together and restructured economic development efforts, creating a single point of contact for clients. That entity is the "Bartow-Cartersville Joint Development Authority" (the Authority), D.B.A. the "Cartersville-Bartow County Department of Economic Development." Staff of the Authority supports both existing industry retention and expansion, and also leads new industry recruitment and the development of industrial/corporate parks such as Highland 75. The Authority's operating budget of approximately \$311,000 annually (sourced equally from City and County), supports marketing, personnel, and contract services.
- Semradek & Butler was hired to evaluate potential sites for a community-owned park. One of the potential sites became the focus of a prospect today known as Toyo Tire North America, Inc. The Authority took the risk to option, then later purchased the property and extended rail with \$8.74M in borrowed funds following certain assurances from the company and the state. Most of the funds were reimbursed.
- Property now branded as "Highland 75" was recommended by the consultants at the conclusion of the study. Acquisition of five parcels began in February 2004.

- Utility bonds were issued to extend/upscale certain utility infrastructure to Toyo and to Highland 75 (water, water tank, sewer and gas). The projects are approximately four miles apart and share some looping infrastructure.
- Between land and utility financing, \$29.36M in bonded indebtedness was secured by the Authority with the City and County for Toyo and Highland 75. Debt service will be repaid over time from PILOT payments (Payments In Lieu Of Taxes) from the companies beginning with Toyo, that directly benefit from the infrastructure, as described in a Revenue Sharing Agreement.
- The Revenue Sharing Agreement (developed and agreed to by all key stakeholders), calls for any PILOT payments received by Authority projects to not be distributed in a traditional manner as set by millage rate, but rather:
 1. Pay Tax Continuation Payments to the School System previously receiving benefit.
 2. Pay principal and interest for bonded indebtedness.
 3. Pay any other costs of the projects.
 4. Repay the City and County for any investment made by them for debt service.
 5. Contribute to a PILOT Continuation Fund of an amount sufficient to sustain the revenue stream to the School District in which the Projects are not located, and
 6. Distribute payment to the Taxing Authorities based on an agreed upon percentage to both school systems (33% each), the City (9%) and County (25%).

TANGIBLE RESULTS OR MEASURABLE OUTCOMES OF THE PROGRAM

Collaborative economic development efforts have reduced customer frustration, saved operating funds by way of eliminating duplication of efforts and improved business retention. Industry expansions and recruitment 2004-2011 resulted in:

Projects (Expansions & New)	81
New Jobs Announced:	5,730
New Capital Investment:	\$2,889,695,590

Of this, the Toyo project represents nearly \$1.5 billion in investment, and 1,370 jobs.

The last expansion was Georgia's 2012 "Deal of the Year" as recognized by the Georgia Economic Developers Association (GEDA).

- Highland 75 has achieved GRAD Certification and special marketing assistance by the Georgia Allies. Neighboring properties have benefited by way of infrastructure improvements and activity in the area. Community/consumer confidence has been enhanced.
- Rewards of Highland 75 are estimated to include:
 - Property sales if sold at cost \$29.36M
 - Jobs $(3.27 \text{ jobs/acre} \times 707 \text{ acres}) = 2,312$
 - Annual Payroll (2012 Avg Bartow wage \$36,452 x 2,312 jobs) = \$84,273,014
 - Capital Investment $(\$2.5\text{M/acre} \times 707) = \$1,767,500,000$
 - Benefits of Revenue Sharing Agreement during PILOT timeframes.
 - Annual Real & Personal Property Taxes (using current millage rates, after potential abatement period, not accounting for depreciation) = \$19,746,510

- As well as utilities revenue for enterprise funds (i.e. City Electricity, City Natural Gas, City Fiber, County/City Water, County/City Sewer).

*Note: Based on community-specific research.

LESSONS LEARNED DURING PLANNING, IMPLEMENTATION, AND ANALYSIS OF THE PROGRAM

- Priority economic development goals should be to, “nurture and protect” existing industries and attract new ones that are a respectful fit among existing.
- Site “selection” is actually an “elimination” process. Communities must be proactive to overcome excuses that stand in the way of quality jobs and investment.
- Expect the unexpected requiring “potentials and hazards planning.”
- Lack of resources from state and federal governments apply increased pressure on local governments to close deals.
- Shared risk through collaboration yields rewards including possible Revenue Sharing Agreement, even across jurisdictional boundaries.

