

ENTERPRISE DEVELOPMENT PROJECT
OF TECHNICAL ASSISTANCE AND TRAINING

Final Report

Prepared By

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GEORGIA INSTITUTE OF TECHNOLOGY

ENGINEERING EXPERIMENT STATION
Technology & Development Laboratory
Economic Development Division
Atlanta, Georgia 30332

EXECUTIVE SUMMARY

Final Report to Appalachian Regional Commission

Grant #GA-4794-76-I-302-0315

This grant was authorized "to fund an Enterprise Development Project to provide technical assistance and training in enterprise development to growth centers and other cities in Appalachia Georgia". It enabled the Economic Development Division (Technology and Development Laboratory, Engineering Experiment Station, Georgia Institute of Technology) to work with other agencies in examining the capabilities, resources and needs of cities in the specified area.

The Georgia Certified City Program was selected as the vehicle for data collection and analysis. Fifteen (15) cities in Appalachia Georgia were involved in this program. In the process of self analysis and comparison with impartial standards, programs for sound corrective action were formulated.

Deficiencies identified in the participating communities consist of lack of viable on-going, comprehensive economic development programs, or weaknesses in community infrastructure, or defects in community appearance.

In order to attract industry, a community must first be attractive in itself. Utilizing the Georgia Certified City Program, communities can make an impartial evaluation of their economic development potential.

Community leadership training programs, under this grant and related projects, were conducted in Rockmart, Canton, Lavonia, Lula and Summerville in the Appalachia area. In each case, a list of proposed actions was provided for the respective community to follow in expanding its economic potential.

Considerable positive results have been realized from these efforts. A number of cities have been certified and others have been given positive direction for overcoming weaknesses. It becomes abundantly clear that a systematic process for making technical expertise available on a continuing basis which would integrate the technical resources of the Economic Development Division and those of the Local Development Districts must be achieved.

Appendices provide (1) the analyses of correctable deficiencies in eight communities and (2) a report on the Leadership Training Program in Rockmart.

FINAL REPORT

APPALACHIAN REGIONAL COMMISSION

Grant # GA-4794-76-I-302-0315

June 1976-December 1977

This report covers the work performed under the subject grant made by the Appalachian Regional Commission to the Georgia Tech Engineering Experiment Station through the Economic Development Laboratory, and its successor the Technology and Development Laboratory.

The grant was authorized "to fund an Enterprise Development Project to provide technical assistance and training in enterprise development to growth centers and other cities in Appalachia Georgia." The grant was intended to enable the Economic Development Division to work in conjunction with public and private agencies in Georgia and the respective Local Development Districts (LDD) in order to examine the capabilities, resources and needs of cities in Appalachia Georgia. In undertaking this effort, it was anticipated that direction would be offered for future programs which need to be undertaken either to improve organizational action or strengthen public facilities. This effort, furthermore, would assist the subject communities to sharpen the focus of their needs where assistance from the LDDs might be required.

As indicated in preceding quarterly progress reports, under the specific review by the Georgia coordinator for the Appalachian Regional program and the Director of the Enterprise Development Division of ARC, we have provided special insight into the identification of obstacles to economic growth in specific communities in Appalachia Georgia. Further, we undertook the development of programs to correct or to ameliorate those defects in cooperation with staff support from the respective Local Development Districts.

Accomplishments

A total of fifteen (15) cities in the Appalachia region were enrolled between 1976 and the end of 1977 in the Georgia Certified City Program as conducted

by the Economic Development Division. The target group of cities was believed to possess the essential ingredients which would make them eligible for certification. Those communities which were involved in the program under the grant provisions include:

<u>1976-77 Program</u>		<u>1977-78 Program</u>
Bowdon	Dahlonega	Bremen
Calhoun	Dalton	Cedartown
Canton	Ellijay	Gainesville
Carrollton	Lawrenceville	Rome
Cartersville	Trion	Snellville

Those communities recruited for the current program, concluding in June 1978, will benefit from the work accomplished.

While it would be desirable to have more communities enrolled in the Certified City Program, it must be emphasized that the cities which can qualify must have adequate support throughout their infrastructure. In certain instances, recognition of defects in this context automatically prevented some communities from entering. This condition, coupled with the voluntary nature of the program, has a natural tendency to restrict participation. However, this has a positive effect, since in most instances it leads to achievable results in communities which can make adjustments.

Major accomplishments from the program are cumulative in their effect. Many community leaders are motivated through the process to examine their own situations in the light of an impartial set of standards. Often, they discover obvious as well as some obscure weaknesses. Considerable data is collected in the process, for further attacks on the defects which are revealed.

The standards upon which the certification of Georgia municipalities is based have the objective of providing guidance for community improvement and economic growth. They consist of a comprehensive and detailed series of evaluations which may reveal the weaknesses and/or deficiencies that may be limiting a community's economic progress. Every municipality can profit from this kind

of thorough self-evaluation prior to launching any program of civic improvement or of industrial development. From the findings involved in this procedure, a program of sound corrective action is formulated in a progressive and systematic manner.

Also significant in this process, the technical resources of the Engineering Experiment Station, in conjunction with the respective Local Development District staffs and other external technical sources, can be involved in attempts to generate corrective programs.

Much remains to be accomplished. No overnight miracles can be expected.

Problems Identified

One of the major hurdles to more extensive participation and greater involvement by community leadership in positive programs for economic and social progress is misdirected efforts by local citizens, and sometimes apathy. The plain truth is that some community leadership is simply not concerned with areas for improvement, but seeks the awards and recognition deriving from this program.

Thus the actual certification, the attendant publicity and the classification of "certified," in some cases, seems to be the only objective. The real value of a program such as the Georgia Certified City has to be sold and reiterated: it offers insight into deficiencies and problems, and, more importantly, the opportunity to work out solutions because of the availability of technical assistance which can be focused on the problems.

Specific problems have been identified in a number of towns and cities in Appalachia Georgia. Details of these from the Certified City Program are cited in Appendix I to this report. The more significant of these deficiencies fall into three categories.

The lack of a viable on-going economic development program comprehensive enough to include provisions for industrial land development and practical industrial financing plans (for both new and expanding facilities) constitutes one phase. In a number of cases, the local leadership has not defined program

objectives clearly so that the techniques for implementing these desired goals are obvious.

A second group of deficiencies is highlighted by weaknesses in the infrastructure. Inadequate water systems, sewer systems unable to accommodate additional loads, or inadequate protective services, either in fire or police functions, surface quite frequently.

The third major class of defects comes within the community appearance category. It is often very difficult to persuade local leaders to back off and to look at their community with the perspective of an investor from beyond the community. However, if this point of view can be accommodated, the physical defects in business and residential areas become apparent. Then the leadership may be receptive to instigating improvement programs.

Certified City Program

A portion of the ARC grant was committed to support activities in the conduct of the Certified City Program in Appalachia Georgia. This program has three sponsors: the Economic Development Division of Georgia Tech's Engineering Experiment Station, the Community Development Department of the Georgia Power Company and the Georgia Municipal Association.

Development and revision of the Certified City standards, and evaluation of the candidate city's information, appearance, and qualifications is primarily the responsibility of the Georgia Tech Economic Development Division. Recruitment of cities into the program, assistance in compiling certain aspects of information, and physical arrangements for recognition of the qualifying communities have been the prime responsibility of the other sponsors.

Georgia communities have long needed a system to measure their potential for attracting and nourishing new enterprises. Most individuals are too close to the scene to recognize those unsightly aspects or other deficiencies that are apparent to the outsider. On the other hand, the prospective enterprise may find deficiencies in water supply, sewage disposal facilities, or other

municipal services that are sufficient to rule out the city for support of the new facility.

In order to attract industry, a community must first be attractive in itself. However, more than physical appearance is involved. Among other prerequisites are modern transportation and communication facilities, adequate and economical municipal services reflecting an equitable and efficient city government, convenient and up-to-date shopping areas, a variety of residential subdivisions, recreational opportunities, and other desirable amenities for good living.

Over the past 12 years, the Georgia Certified City Program has functioned to provide communities with an impartial evaluation of their economic development potential. By utilizing this program, communities have been able to accelerate development of their growth potential so that they are in a position to be more attractive to investment sources of all types much sooner than they might otherwise have been. In particular, it can provide to designated growth centers a mechanism for measuring their own assets and those of supporting communities in their orbit and the identification of those weaknesses which are subject to correction or neutralizing through new investment activities. This provides direct linkages to the total Appalachian Regional Commission program.

Meeting with LDD Representatives

Pursuant to suggestions made by the EDD at the time the grant was received, a conference session was held with the Georgia coordinator for the Appalachian Regional program and staff representatives from the North Georgia and Georgia Mountains Area Planning and Development Commissions.

At that time, plans were reviewed for selection of communities to enter the Certified City Program, and the general conduct of the program was explained. Emphasis was placed on evaluation of growth centers and secondary centers, and procedures for follow-up programs conducted on certain of these communities.

Leadership Training

As part of the grant program, the Economic Development Division undertook to conduct leadership training programs in certain communities which received certification or were close to that accomplishment. By identifying motivated community leadership and then encouraging its participation in a simulation exercise, it was believed that community assets would be more readily recognized and described by the leadership group. At the same time, the more obvious weaknesses and some obstacles to sound economic growth could be identified.

The learning process was the result of encouraging participation in a simulated industrial plant location process. A consultant searching for a location as commissioned by a metalworking firm, unidentified to the local group, was brought into the community for a meeting with those leaders and inspection of the locale. The pre-meeting response, the performance during the investigative session, and follow-up were all critiqued.

A full report containing an analysis prepared by the EDD staff, an Industry and Trade Department official, and the consultant himself was reviewed with the leadership which had participated in the training program. A list of recommended actions which the community could undertake was also presented. At the community review, in Rockmart, Messrs. Haisten and Whitlow, representing the Georgia Office of Planning and Budget, participated. Copy of the report to the Rockmart development group is attached as Appendix II to this report.

At that review session, the program was publicly cited by one of the ARC coordinators as "the best expenditure of Appalachian money yet."

In addition to Rockmart, similar programs were conducted using documentation developed through the Certified City self-examination process. These were presented in Appalachian communities of Canton, Lavonia and Summerville. In addition, the program was conducted on an experimental basis in Lula (under a related program) which had never participated in the Certified City Program. Although considerable local interest was expressed here, this community still lacks the basic ingredients and the wide range of community assets which would justify the extensive attention Certified Cities should command.

Summary

As can be determined from this analysis, considerable positive results have been realized through conduct of the Georgia Certified City Program with the financial support from the Appalachian Regional Commission. A number of cities have been certified, and others have been given specific direction as to weaknesses which must be overcome.

However, candor requires that some limitations also be mentioned. In the absence of continued and intensive professional guidance and counseling, some of the official public and informal private leaders of the subject community are unable to mount effective programs to overcome the obstacles. In certain cases, this results from lack of information as to sources of financial and technical help; in others, there are no individuals in the community able to assume responsibility for following through, either because of time restrictions or absence of local financial support.

It would appear that a systematic process for making available technical expertise on a continuing basis would enable more communities to make consistent progress. Some process for harnessing the talents and resources available in the staffs of the EDDs together with the field office extension service of EDD appears to be one avenue for a procedure whereby the results of the Certified City self-examination together with external evaluations can be applied for maximum benefit in Appalachia Georgia.

APPENDIX I

APPALACHIAN REGIONAL COMMISSION CITIES

IN CERTIFIED CITY PROGRAM 1976-77

AND PREVIOUS YEARS

- I. These first-year cities failed to achieve certification due to deficiencies listed below.

Bowdon

1. Economic Development
 - a. Lack of information about alternative financing plans to provide industrial plant space.
2. Water
 - a. Lack of system certification by the Environmental Protection Division, Georgia Department of Natural Resources.
3. Police Protection
 - a. No police department procedures manual.
4. Fire Protection
 - a. City's fire insurance classification is 8 (needs to be improved to 7).
5. City Planning
 - a. City should complete and adopt land-use and major thoroughfare plans, to provide for orderly growth.

Calhoun

1. Community Appearance
 - a. Operating an open dump within city limits in violation of regulations of the Environmental Protection Division, Georgia Department of Natural Resources.
 - b. Streets throughout the city, but especially in the downtown, show a lack of cleaning. A regular street-cleaning program should be established.
 - c. There is a litter problem throughout the city which can be diminished by positive community action programs.

Canton

1. Economic Development
 - a. Lack of brochures to be used in support of the community's economic development programs -- a very significant need.
 - b. Lack of an industrial park or district as an integral feature of effective economic development programs.
 - c. Lack of alternative industrial financing plans to be used to assist prospective industry.
 - d. Insufficient labor supply data on the area to demonstrate availability.
2. Community Appearance
 - a. City has a litter problem, especially in the downtown area, which can be overcome by regular cleanup program.
3. Streets
 - a. Approximately 60% of the city streets lack easily identifiable street name signs.

II. These cities in follow-up program failed to achieve certification due to deficiencies listed below.

Carrollton (qualified for recertification, Fall of 1976)

1. Fire Protection
 - a. The city's fire department did not have a departmental operating procedures manual.
2. Charter, Codes and Ordinances
 - a. The city's charter had not been reviewed for more than five years.

Dalton

1. Water
 - a. Failure to meet rules and regulations of the Environmental Protection Division, Georgia Department of Natural Resources.

Ellijay

1. Water
 - a. The city water system failed to meet certification by the Environmental Protection Division, Georgia Department of Natural Resources.

Ellijay (continuation)

- b. Additionally, the city lacks a written policy on extension of water mains.
- 2. Community Appearance
 - a. Many of the city's streets need repaving.
 - b. The city has a high percentage of slum housing, although there is a public housing program.
 - c. The city lacks an ordinance regulating advertising signs in the downtown area -- excessive amount of signs detracting from an otherwise acceptable appearance.
 - d. Outdoor storage areas and/or junkyards need cleaning up throughout the city to offset detrimental initial impression.
- 3. Streets
 - a. Lack of street name signs. (Less than 60% of all street intersections are marked).
 - b. Lack of lighted streets (only 30% lighted).
- 4. Housing
 - a. Lack of available rental and sales housing.
 - b. High percentage of slum housing (probably resulting from inadequate code enforcement).
- 5. Charter, Codes, and Ordinances
 - a. Lack of housing code leads to deficiencies cited under Housing above.
- 6. City Planning
 - a. Lack of subdivision regulations -- this is reflected in appearance defects.

Lawrenceville

- 1. Water
 - a. Water system operators lack required certification from the Environmental Protection Division, Georgia Department of Natural Resources.
- 2. Sanitary Sewerage
 - a. Lack of system certification from the Environmental Protection Division, Georgia Department of Natural Resources.

Lawrenceville (continuation)

3. Fire Protection
 - a. Deficiencies in systems, mains and storage (low downtown capacity and inadequate spacing of hydrants in residential areas).
4. Community Appearance
 - a. Unscreened junkyards within the city limits along with auto hulks on individual lots in residential areas.
5. Municipal Administration
 - a. Failure to draw up an annual budget covering daily operations, capital expenditures and debt service.

Trion

1. Water
 - a. No metered service.
 - b. No policy for the extension of water mains.
 - c. No system or plant operator certification as required by the Environmental Protection Division, Georgia Department of Natural Resources.
2. Fire Protection
 - a. City fire department lacks an operating procedures manual.
 - b. City fire department is rated 8 (needs to improve to 7).
3. Health
 - a. The city lacked a dentist.
 - b. City hospital was not accredited by the Joint Commission on the Accreditation of Hospitals.

III. The following cities in the 1976-77 program failed to submit completed Certified City questionnaires, automatically disqualifying them from that program.

Cartersville (for Superior classification)

Dahlonega

Roswell

APPENDIX II

LEADERSHIP TRAINING FOR INDUSTRIAL DEVELOPMENT

FOR ROCKMART, GEORGIA

Conducted by

Economic Development Laboratory
ENGINEERING EXPERIMENT STATION
Georgia Institute of Technology

Under Grant of
Appalachian Regional Commission

(In cooperation with the Georgia Department of Industry & Trade,
and Coosa Valley Area Planning and Development Commission)

Purpose

*The intent of this program is to
provide training for contacting
and handling of industrial and
other entrepreneurial prospects
by Rockmart community leaders.*

February 1977

COMMUNITY RESPONSE TO INITIAL INQUIRY

Nature of Inquiry

The initial letter of inquiry provided the following details:

Metal manufacturing company -- consultant making survey

Plant site of 25 to 30 acres, ready for construction, with
adequate utilities

Initial employment: 125 people (needed -- machine operators,
welders, polishers/buffers; also large number of unskilled)

Eventual employment:

Most important criteria:

union situation

community attitude

attitude of existing industry

rail and truck transportation

electric power and natural gas

COMMUNITY RESPONSE

- o The community sales team responded to the initial letter of inquiry. However, that response, while including data, did not address itself to all of the specifics.
- o Telephone call from Rockmart contact stated:
 - Had the acreage.
 - Raised questions as manner in which investigation would be conducted.
- o Missed the fact that plant building size had not been specified.

COMMUNITY HANDLING OF PROSPECT'S VISIT

Strong Points

Although the community leadership needs considerable additional experience and practice, some good points were observed.

MEETING

- o The meeting place (for the group) was a suitable one.
- o The community attitude towards new industry appeared positive.

UTILITIES

- o Utilities were fairly well covered, but should have had a statement of availability from the natural gas distributor.
- o Asked what the company utility requirements were.

SITE

- o Took prospect to industrial site, with some information.
- o Also showed available building.

PROPER QUESTIONS ASKED

- o Need for plant financing.

TAX CONCESSIONS

- o Positive position presented on behalf of community.

Community Handling of Prospect's Visit-2

Weak Points

A number of weak points appeared in the community presentation.

INTRODUCTION

- o The introduction of the community team was sketchy; each member should have been identified as to his civic responsibility and occupation.
- o The initial orientation could be improved with the use of a map of both Rockmart and the region. This gives the prospect a better feel of the location, especially in regard to the highway network, physical location, etc.
- o The group did not appear to be prepared to discuss industrial locational factors. Data used was out of date.
- o No reference was made to Rockmart being a Certified City.
- o Did not inquire about time limitations.

COMMUNITY TOUR

- o The community tour was not organized -- used mostly to show the industrial site.

LABOR

- o Labor availability and rates were not well covered.
- o No convincing data presented that this plant could be staffed.
- o Technical training facilities were not specifically identified.
- o Mentioned two plants with unions, but didn't clarify company's position.

Community Handling of Prospect's Visit-3

EXISTING INDUSTRY

- o Did not offer the prospect the opportunity to have private personal interview with local industry without presence of community representatives.
- o Prospect had to ask for data on existing employers.

TRANSPORTATION

- o Data on the truck terminals should be at top of community priority.
- o No data supplied on rail service.
- o Did not mention service by two railroads.

PLANT SITE

- o Sketch of tract showing utilities should be prepared.
- o Map of general area keyed to sites should be prepared.
- o Documentation on rail spur installation should be available.
- o Need prepared statement on what land, and at what price, could be delivered.

BUILDINGS

- o More specifics on financing and construction should have been volunteered.
- o When prospect mentioned available space, more positive response should be made.

Community Handling of Prospect's Visit-4

UTILITIES

- o Prospect indicated he would need reassurance on natural gas availability; a statement from the gas supplier would be useful; used 1969 data.
- o Should have tried to find out if sewer would be critical to company and to community.

MISCELLANEOUS

- o Community economic profile was handed over, but not referred to.
- o Did any one keep a list of unanswered questions, so that the prospect could be furnished answers later?
- o Did not cover amenities: housing, schools, recreation, etc.

SUMMARY

- o No one asked whether any subjects or questions had not been covered.
- o No one asked what, in effect, it would take to make Rockmart the company's choice.

COMMENTS FROM THE CONSULTANT

Your wide experience confirms that minute attention to the essential details before and during the prospect's visit can pay rich dividends to new jobs and capital investments for the local economy. Answers to all the technical, governmental and civic questions can be found through the talents and abilities that are readily available locally, regionally or statewide.

Failure to maintain these contacts, and apply these assets with imagination and diligence usually means the difference between winning and losing valuable new payrolls and tax revenues for a community.

Rockmart's general appearance and surroundings compare favorably with other North Georgia towns in its size range. If there were strong points which were not brought out during the meeting or shown during the tour, the visiting group was left with the impression a genuine industrial prospect would have little opportunity to learn about them.

Fairly attractive land totaling about 150 acres and ready for development presently appears to be Rockmart's main asset. Four plants already in the so-called industrial park lend an air of credibility.

The apparent reluctance to discuss details of the 30,000-sq. ft. plastics plant closed three years ago adds an element of mystery to Rockmart's efforts. Litigation caused by an SBA loan supposedly prevents its being offered to new tenants. There was no indication anything is being done to change the situation.

No economic data on Rockmart, either in the early exchange of letters or at the start of the meeting, were forthcoming for use by the prospect. It appeared that the mayor read from an outdated publication produced no later than 1969 when he attempted to enumerate the community's strong points. The cardinal sin was that a staff man of Georgia Department of Industry & Trade was present; no copy of that department's current Economic Development Profile on Rockmart was exhibited -- and there was no evidence on the part of the Rockmart delegation that they use it or know of its existence!

It would have helped for the spokesman to outline briefly a suggested agenda based on total time allocated. Options could include a slide

Comments from the Consultant-2

presentation or other visuals; a pre-determined formal statement by a local official or educator; an explanation of what would be covered during the tour.

On key points not readily explained by the local leaders, they failed to call on the professional developers and planners present.

Several unasked questions: financial rating of the firm; general type of building contemplated; whether sprinkler pressure is essential; whether plant would aim toward union or non-union shop; would management have corporate airplane(s) needing local landing facilities? The prospect asked several times if there were additional questions, so time was adequate. Also, he offered information during the latter stages on items which should have been asked about by the local people.

COMMUNITY FOLLOW-UP

If Rockmart is genuinely interested in obtaining the industry which this prospect represents, it is desirable that the consultant who is making the investigation be furnished all information which he requested as soon as possible prior to the prospect's visit.

Then, other specific details should be completed as developed from the prospect's visit. That information should be accompanied by a letter setting forth the community's interest and an offer of further material and other specifics on the town.

Do not assume when the prospect leaves that he is satisfied, and has all the facts he may need. Find out if that is the case, by asking.

As far as is known, no subsequent effort was made by the Rockmart group to follow-up on this project. The prospect could likely assume that Rockmart is really not interested in obtaining this plant.

An immediate follow-up is highly desirable since the state and area development agencies deal with many communities and many prospects. They should be kept current on local progress, particularly if there are any further contacts with the prospect.

RECOMMENDATIONS FOR FUTURE ACTION

Rockmart has already demonstrated that it can attract new industry (though this point was not developed in the meeting with the prospect). We are convinced that Rockmart could improve its attractiveness to new industry if the following steps are taken:

- o Develop an improved technique for responding to letters of inquiry.
- o Make Certified City an initial selling point.
- o Create specific task forces on subject areas (i.e., utilities, labor supply, taxes, sites, financing, community attitude).
- o Develop a "Briefing Book" which could be used by the team (no matter what the number of individuals) dealing with prospects.
- o Develop a detailed plan for handling industrial prospects. This plan should incorporate all matters pertaining to: (1) introductions, (2) local orientation, (3) community tour, (4) determining the precise needs of the prospect, and (5) furnishing the prospect with other needed information after his departure.
- o Emphasize more the team's business-like approach.
- o Become more conversant with data relating to building costs, labor availability and rates, truck transportation, pollution, fire protection/rating, natural gas situation.
- o Make color film slides to be used as either a substitute, or back-up, for the community tour.
- o Prepare regional orientation and community tour maps.

FINAL FINANCIAL REPORT

A-1868

Personal Services	\$ 16,120.65
Retirement	1,479.96
Materials and Supplies	530.37
Travel	306.98
Overhead	<u>10,962.04</u>
Total A-1868	\$ 29,400.00

Georgia Tech Cost-Sharing

Personal Services	\$ 4,045.08
Retirement	371.40
Overhead	<u>2,750.66</u>
Total Ga. Tech Cost-Sharing	\$ 7,167.14

Total A-1868 and Georgia Tech Cost-Sharing	\$ 36,567.14
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