



# CHAPTER 4 ECONOMIC DEVELOPMENT



## **Chapter 4 - Economic Development**

### **INTRODUCTION**

Economic development is critical to the future of Augusta. The creation of jobs and investment in facilities and equipment generates the income needed to sustain the community and attract additional development. Economic initiatives, in combination with population projections, housing, land use, community facilities and services, and natural resources, form a strategy for the economic well being of the city.

This chapter includes an inventory and assessment of Augusta's economic base, labor force characteristics, and economic development opportunities and resources. This profile is used to identify economic strengths and weaknesses, and enables the city to pinpoint specific economic development needs. The economic development goals, in turn, help identify specific economic development goals and projects that will be part of the Community Agenda.

### **REGIONAL CONTEXT**

Augusta is at the heart of a metropolitan area spanning six counties and including over 523,000 residents (Census Estimate, 2006). Total nonfarm employment in the Augusta MSA is approximately 215,000 (Georgia Department of Labor, October 2007, unadjusted). In terms of employment in the private sector, major industries in the region include manufacturing, retail trade, professional and business services, educational and health services, and leisure and hospitality services. Government accounts for 19.5% of total employment, with state and local government employment averaging a total of 35,000.

Principal components of the manufacturing sector include textiles and apparel, paper and allied products, chemicals, transportation equipment, stone, clay and glass products, food products, and furniture, lumber and wood products. Most of the manufacturing facilities are located in modern industrial parks and / or in close proximity to needed resources (e.g. water, transportation network) and the surface transportation network (primarily highways and railroads).

Retail trade establishments employ 25,000 MSA residents and tend to be concentrated in strip commercial centers, shopping malls and downtown Augusta, Aiken, North Augusta, Grovetown, Evans, Martinez and Thomson. Examples of retail trade establishments include grocery stores, drug stores, department stores, furniture stores, and general merchandise stores. Combined sales of the 1,923 retail establishments in the region exceeded \$4.9 billion in 2002 (Census of Retail Trade, 2002).

Professional and business service companies employ approximately 29,400 residents and are concentrated in the urbanized parts of the metropolitan area. Educational and health services employ approximately 27,900 residents and include area hospitals, clinics, nursing homes, social service agencies, and the offices of doctors, dentists and other health care practitioners. Health care and related facilities are located in urban and suburban sites throughout the region, with the largest concentration in the medical complex near downtown Augusta. Other

## **Chapter 4 - Economic Development**

health care centers are located in west Augusta, the Evans area of Columbia County and the city of Aiken, South Carolina.

Leisure and hospitality establishments include such uses as restaurants, hotels, motels, nightclubs, movie theaters, and museums. Over 20,400 area residents are employed in such establishments, which tend to be concentrated in historic downtowns, suburban shopping centers, and along commercial strips. The high level of employment in this category reflects the strength of tourism and convention business, and the fact that the metropolitan area is home to many special events and cultural facilities.

Government is a final major employment sector in the metropolitan area. Major government employers in the area include Fort Gordon, the Savannah River Site, state universities and technical colleges, the Medical College of Georgia, local school systems, and federal, state and local government agencies. Fort Gordon and the Savannah River Site are located on large sites earmarked for their use many years ago. Local elementary and secondary schools are scattered throughout the metropolitan area. General government offices and courts tend to be located downtown or in new town centers such as Evans.

### **Fort Gordon and the Savannah River Site**

Fort Gordon, located in southwest Augusta, is the home of the U. S. Army Signal Center—the Armed Forces' largest training facility in communications and electronics. A fixture in the community since the 1940s, the population of the installation includes over 16,000 Active Duty, 3,800 civilian personnel (appropriated and non-appropriated), and 2,700 contract employees. Over 19,600 family members reside off the installation. Fort Gordon serves a total population of over 100,000. As the largest employer in the area, Fort Gordon's economic impact on the local community is approximately \$1.4 billion. This figure includes payroll, purchases, contracts, services and new construction.

In addition to the Signal School and Center, the installation is also home to the Southeast Regional Medical, Dental and Veterinary Commands as well as the Army's only Dental Laboratory. Also stationed on the installation are the National Security Agency—Georgia, and three deployable brigades: the 35<sup>th</sup> Signal Brigade, the 513<sup>th</sup> Military Intelligence Brigade and the 359<sup>th</sup> Signal Brigade. The mission of Fort Gordon will continue to grow over the coming years with increases among Active and Reserve Component elements.

Fort Gordon's presence is a primary reason that a significant number of retired personnel choose to live in our community. The 50,000-plus retirees and family members residing in the Central Savannah River Area maintain a close and supportive bond with the installation.

The ties between Fort Gordon and the surrounding communities continue to strengthen. In recent years, Fort Gordon took significant steps toward privatizing its utilities (gas, electricity, water and waste water) and has formed a unique municipal partnership with the City of Augusta for water and waste water services. In addition, the Richmond County School Board constructed a public school (K-7) on the installation to support the on-post

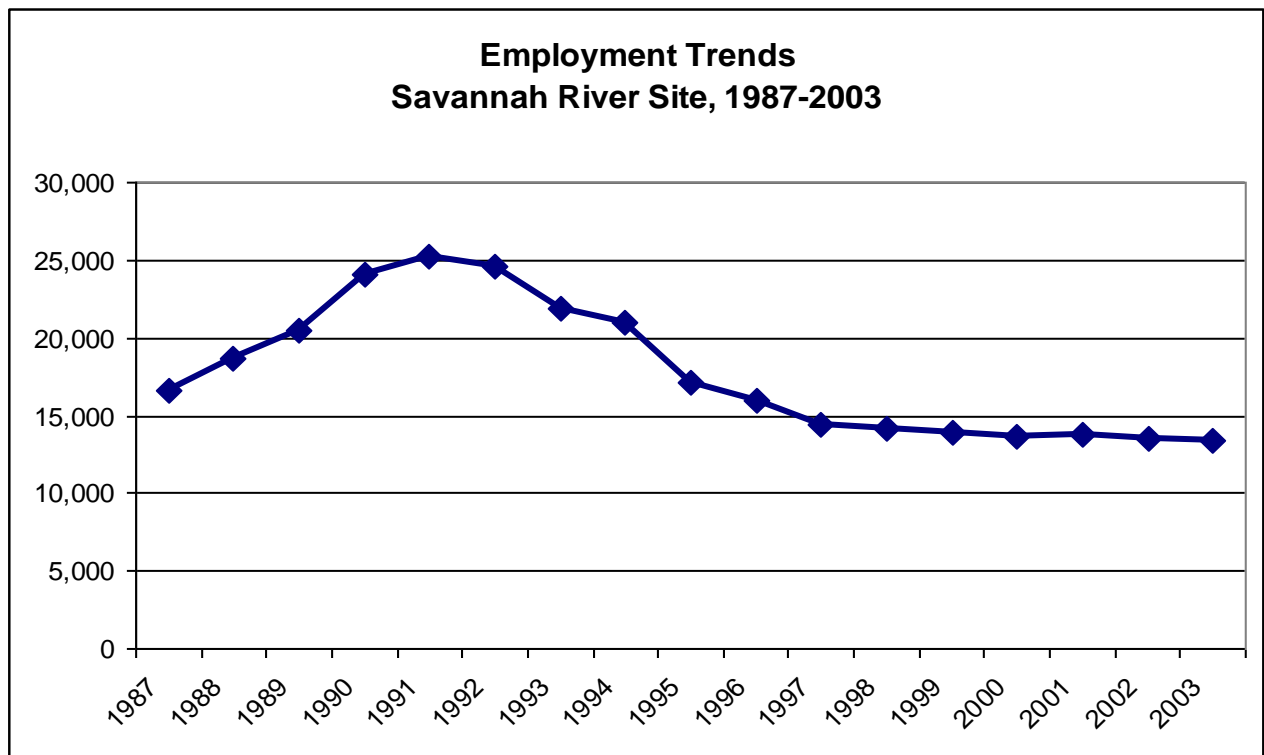
## Chapter 4 - Economic Development

residents. Fort Gordon continues to explore mutually-beneficial and cooperative efforts with its local communities, as well as, opportunities for public-private ventures.

A second federal government facility important to the Augusta area is the Savannah River Site (SRS). SRS is a key Department of Energy (DOE) nuclear installation. Owned by DOE's Savannah River Operations Office, and operated under contract by the Westinghouse Savannah River Company (WSRC), the site covers some 198,344 acres (310 square miles) encompassing parts of Aiken, Barnwell and Allendale counties in South Carolina.

SRS was constructed during the early 1950s to produce the basic materials used in the fabrication of nuclear weapons, primarily tritium and plutonium-239. The site originally consisted of five reactors to produce nuclear materials by irradiating target materials with neutrons. Support facilities included two chemical separation plants, a heavy water extraction plant, a nuclear fuel and target fabrication facility and waste management facilities.

The end of the Cold War in 1990 resulted in significant changes at SRS. All five of the aging nuclear reactors were mothballed and the site's primary mission shifted from production of nuclear materials to waste management and environmental monitoring. Budget reductions resulted in downsizing at SRS that has a ripple effect on the region's economy in recent years.



According to information in a study titled "Economic Impact of the Savannah River Site", July 2004, SRS downsizing has had a substantial effect on the region's employment and

## **Chapter 4 - Economic Development**

income levels. Total SRS employment declined from 25,180 in 1991 to 13,373 in 2003. Aiken, Barnwell and Richmond County residents accounted for 7,845 (83%) of the jobs lost through a combination of voluntary and involuntary separation during this period (Table 7, p 31). The estimated number of Richmond County (Augusta) residents working at SRS declined from 3,876 in 1991 to 1,560 in 2003.

In addition to job losses, the two states and the region lost income as a result of reduced expenditures at SRS. The economic impact study calculated that total expenses at SRS decreased by 26.4% during 1991-1999. The states of South Carolina and Georgia experienced a total direct and indirect income loss of as much as \$3.9 billion from 1992 – 2003 (p.39). People in the eight counties closest to the site accounted for approximately 75% of the lost income. Additional analysis revealed that the reduction in budget and workforce at SRS had an impact on the growth of total personal income in many counties, especially between 1993 and 1996.

In spite of the downsizing, SRS remains a significant employer and income generator. Annual expenditures by SRS remain in the range of \$1.4 billion to \$2.0 billion (1987 - 2003). SRS continues to contribute to total employment in the surrounding counties. This includes people employed on the site, as well as jobs created through suppliers. In the 2002-2003 fiscal year, SRS accounted for an estimated 32% of jobs in Aiken County, 31% of jobs in Barnwell County and 16% of jobs in Columbia County. SRS and its employees continue to have a positive impact on the quality of life in the region. Intangible benefits of include business development, community outreach, employee volunteerism and education (p. 15).

In the wake of the reductions in force, the Department of Energy appropriated \$34 million to SRS during 1993 - 1996 to assist local communities to plan and implement economic development projects. Strategies to spur job creation include the privatization of non-classified SRS operations, the transfer of technology for commercial use, technical assistance, networking with community organizations, and providing funds for building infrastructure.

New missions for the site, both large and small, provide some assurance that SRS will continue to be an important part of the region's economy and way of life. Among the new missions contemplated are facilities to convert surplus plutonium to other uses, the transfer of SRS technologies for use in a number of community projects (hydrogen laboratory, creation of an energy park, etc.) and smaller missions in the areas of homeland security and national energy development (pp. 47-49).

### **ECONOMIC BASE OF AUGUSTA**

Augusta has a diversified economy that mirrors the MSA economy in many respects. Employment is highest in the service, retail trade and manufacturing sectors. Manufacturing facilities in the city produce textiles, paper products, chemicals, transportation equipment, and food products. Retail trade establishments are located in the downtown, in shopping centers on major roads, and on individual sites, and provide for the daily needs of area

## Chapter 4 - Economic Development

residents. Large facilities such as Augusta Mall and Augusta Exchange draw customers from throughout region.

Major employers in the service sector include health care and related facilities, educational institutions and business service establishments. Nine hospitals are the most visible component of the city's health care industry. Additional health care jobs are provided at clinics, nursing homes, laboratories, and the offices of doctors, dentists and other health care practitioners. Major educational institutions providing employment include the Medical College of Georgia, Paine College, Augusta State University, Augusta Technical College, and the Richmond County Board of Education.

### Employment by Sector

Employment figures are a reflection of the economic base of Augusta. Table E-1 shows employment within Richmond County, between 2002 and 2006 for each major sector of the economy. The 2006 data indicate that services, manufacturing, and retail trade account for approximately 62% of total employment.

<b>Industry</b>	<b>2002</b>	<b>% of Total</b>	<b>2004</b>	<b>% of Total</b>	<b>2006</b>	<b>% of Total</b>
Agriculture	89	0%	100	0%	126	0%
Mining	127	0%	132	0%	126	0%
Construction	4,336	4%	4,354	4%	4,525	4%
Manufacturing	11,274	11%	10,271	10%	9,823	9%
Wholesale Trade	2,236	2%	2,998	3%	3,196	3%
Retail Trade	12,839	12%	12,575	12%	11,994	12%
Transportation/Warehousing	2,136	2%	2,054	2%	2,140	2%
Finance and Insurance	2,044	2%	2,052	2%	2,466	2%
Real Estate/Rental	1,407	1%	1,229	1%	1,186	1%
Service	42,446	41%	44,127	42%	42,822	41%
Total - Government	24,213	23%	24,409	23%	24,981	24%
Other	184	0%	68	0%	51	0%
<b>TOTAL</b>	<b>103,331</b>	<b>100%</b>	<b>104,369</b>	<b>100%</b>	<b>103,436</b>	<b>100%</b>

**Source:** Georgia Department of Labor, 2002 - 2006 data represents jobs in the county covered by unemployment insurance laws.

Employment in Richmond County is expected to increase by 20,069 (20%) over the next 29 years, from 104,578 to 124,647 (see Table E-2). Services, retail trade, government, and manufacturing continue to be the four largest sectors. In 2030, services account for 58,583 jobs, or 47% of total employment. Jobs in government total 30,107 (24%), retail trade total 14,451 (12%), and another 11,837 (10%) in manufacturing.

## Chapter 4 - Economic Development

**Table E-2**  
**Employment Projections, 2010-2030**  
**Richmond County**

Industry	2001	2006	2010	2015	2020	2025	2030
Construction	4,696	4,525	4,743	4,932	5,105	5,269	5,453
Manufacturing	11,894	9,823	10,296	10,708	11,082	11,437	11,837
Wholesale Trade	2,239	3,196	3,350	3,484	3,606	3,721	3,851
Retail Trade	13,092	11,994	12,569	13,072	13,530	13,962	14,451
Services	47,851	48,665	50,954	52,992	54,847	56,602	58,583
Government	24,282	24,981	26,187	27,234	28,187	29,089	30,107
Other*	524	252	318	330	342	353	365
<b>TOTAL</b>	<b>104,578</b>	<b>103,436</b>	<b>108,417</b>	<b>112,752</b>	<b>116,699</b>	<b>120,433</b>	<b>124,647</b>

\* Other includes Agriculture, Mining and unclassified jobs

**Sources:** Georgia Department of Labor, 2001 and 2006: 2010-2030 projections by the Augusta-Richmond County Planning Commission.

Table E-3 compares the percentage of jobs by sector in Richmond County with adjacent counties and the state of Georgia. The data show that regionally retail trade, government, and manufacturing are the leading employment sectors. The presence of several state facilities and Fort Gordon explains why government workers account for 24.2% of employment in Richmond County.

**Table E-3**  
**Comparison of Sector Employment, 2006**  
**Richmond, Columbia and McDuffie Counties, the State of Georgia**

Industry	Richmond	Columbia	McDuffie	Georgia
Agriculture	0.1%	0.2%	2.7%	0.6%
Mining	0.1%	*	*	0.2%
Construction	4.4%	10.9%	5.3%	5.4%
Manufacturing	9.5%	10.8%	25.0%	11.1%
Services (total)	61.7%	62.7%	45.4%	66.4%
Utilities	0.2%	*	*	0.5%
Wholesale Trade	3.1%	1.6%	1.3%	5.4%
Retail Trade	11.6%	13.5%	13.0%	11.7%
Transportation/Warehousing	2.1%	1.0%	3.3%	3.9%
Finance and Insurance	2.4%	3.0%	2.0%	4.0%
Real Estate/Rental/Leasing	1.1%	1.2%	0.6%	1.6%
All Other Services	41.2%	42.4%	25.2%	39.3%
<b>Total - Government</b>	<b>24.2%</b>	<b>15.3%</b>	<b>21.1%</b>	<b>16.3%</b>

**Source:** Georgia Department of Labor, Area Labor Profiles and Georgia Nonagricultural Employment

**NOTE:** The data reflect the conversion from the 1987 Standard Industrial Classification (SIC) basis to the 2002 North American Industry Classification System (NAICS) basis.

\* Denotes confidential data relating to individual employers and cannot be released.



## Chapter 4 - Economic Development

### Wage Levels

Table E-4 shows current and historic average weekly wages paid within each employment sector, and compares the most recent Richmond County averages with state level totals. The figures indicate that average weekly wages are rising in all employment sectors. Between 2002 and 2006, gains were significant in the Agriculture sector (52.0%) and the Construction sector (18.0%). However, average weekly wages are below the state averages in all of the sectors except Manufacturing, Agriculture, and Government. The 2006 average weekly wage in Richmond County was \$680. This is \$96 less than the average weekly wage statewide. One possible explanation for the lower wage rates is that lower paying sectors, such as Services and Retail Trade, account for a large share of total employment in Richmond County. Another contributing factor is that Augusta and Richmond County experienced relatively low growth during the 1990s, thus making it possible for employers to attract or retain employees at relatively low wages when compared to other fast-growing markets.

<b>Table E-4 Wage Levels by Industry Richmond County, 2002 – 2006</b>				
	<b>Average Weekly Wage</b>			
	<b>Richmond County</b>			<b>Georgia</b>
<b>Industry</b>	<b>2002</b>	<b>2004</b>	<b>2006</b>	<b>2006</b>
All Sectors	\$588	\$636	\$680	\$776
Agriculture	\$637	\$738	\$969	\$491
Mining	\$816	\$888	\$944	\$1,048
Construction	\$587	\$637	\$692	\$804
Manufacturing	\$834	\$938	\$939	\$849
Utilities	\$1,192	\$1,253	\$1,309	\$1,404
Wholesale Trade	\$767	\$859	\$901	\$1,183
Retail Trade	\$389	\$398	\$418	\$486
Transportation/Warehousing	\$569	\$593	\$664	\$805
Finance and Insurance	\$818	\$851	\$889	\$1,268
Real Estate/Rental/Leasing	\$544	\$591	\$633	\$883
Total - Private Sector	\$555	\$604	\$638	\$785
Total - Government	\$696	\$743	\$811	\$732
<b>Source:</b> Georgia Department of Labor, Area Labor Profiles and Georgia Employment and Wages, 2002-2006.				

## Chapter 4 - Economic Development

### Income and Earnings

Income is another important component of Augusta's economic base. Tables E-5 and E-6 compare median household income and per capita income figures for Richmond County, the Augusta MSA, Georgia, and the United States. Table E-5 shows that while both median household and per capita income figures increased in Richmond County between 1999 and 2006, they remain well below comparable levels for the metropolitan area, the state, and the nation. Table E-6 reveals that Richmond County's median household income is only 75% of the state's median household income and 72% of the comparable national figure in 2006. These percentages are lower than they were in 1999, indicating that local income levels are not increasing as fast as the state and national income levels.

<b>Table E-5</b>				
<b>Household and Per Capital Income Trend, Richmond County, Augusta MSA, Georgia and United States, 1999 – 2006</b>				
	<b>Median Household Income</b>		<b>Per Capita Income</b>	
	<b>1999</b>	<b>2006</b>	<b>1999</b>	<b>2006</b>
<b>Richmond County</b>	\$33,086	\$35,062	\$17,088	\$19,410
<b>Augusta MSA</b>	\$38,103	\$41,722	\$18,744	\$21,524
<b>Georgia</b>	\$42,433	\$46,832	\$21,154	\$23,716
<b>United States</b>	\$41,994	\$48,451	\$21,587	\$25,267
<b>Source:</b> Census 2000 (SF3), 2006 American Community Survey				

<b>Table E-6</b>				
<b>Richmond County Income as a Percentage of Georgia and United States Richmond County, Augusta MSA, Georgia and United States, 1999 – 2006</b>				
	<b>Median Household Income</b>		<b>Per Capita Income</b>	
	<b>1999</b>	<b>2006</b>	<b>1999</b>	<b>2006</b>
<b>Percent of Georgia</b>				
Richmond County	77.9%	74.9%	80.8%	81.8%
Augusta MSA	89.8%	89.1%	88.6%	90.8%
<b>Percent of United States</b>				
Richmond County	78.8%	72.4%	79.2%	76.8%
Augusta MSA	90.7%	86.1%	86.8%	85.2%
<b>Source:</b> Census 2000 (SF3), 2006 American Community Survey				

Source of personal income is another indicator of the economic health of a community. The Georgia Department of Community Affairs, with the assistance of Woods and Poole Economics, Inc., has developed estimates and projections of the sources of personal income

## Chapter 4 - Economic Development

for all Georgia counties. In developing this information, personal income is divided into the following five categories:

1. Wage and Salary – Total income earned as compensation for working or rendering services;
2. Other Labor Income – Total employer contributions to private pension or worker's compensation funds;
3. Proprietor's Income – Proprietor's income measures total profits earned from partnerships and sole proprietorships;
4. Dividends – Investment – Rent and Interest Payments, and Interest Income – Total income from investments and rental property; and
5. Transfer Payments – Total income from payments by the government under many different programs, such as Social Security, unemployment insurance, SSI, food stamps, and veterans benefits.

Table E-7 shows the source of personal income by type for Richmond County and the state of Georgia between 1990 and 2000. The data indicate that wage and salary income accounts for nearly three-fourths of personal income in Richmond County. This is well above the state average for Wage and Salary income. Locally, Proprietors' Income and Dividends – Interest – Rent Income are below state averages, indicating that Richmond County has a lower percentage of self-employed people and people with long-term investments.

**Table E-7**

**Sources of Personal Income by Type – 1990 – 2000  
Richmond County and Georgia**

	1990		1995		2000	
	Richmond County	Georgia	Richmond County	Georgia	Richmond County	Georgia
Wage and Salary	73.8%	60.4%	72.9%	59.0%	77.7%	61.2%
Other Labor	13.6%	8.7%	13.2%	8.6%	11.4%	6.8%
Proprietor's Income	5.3%	7.1%	3.2%	7.9%	4.2%	8.6%
Dividends, Interest & Rent	15.7%	17.3%	15.5%	16.3%	17.9%	16.8%
Transfer Payments	13.8%	10.9%	17.9%	12.6%	17.6%	11.1%
Residence Adjustment	-17.5%	-0.10%	-18.2%	-0.2%	-24.3%	-0.1%

**Source:** Georgia Department of Community Affairs, Data for Planning, Woods and Poole Economics, Inc., 2002.

## Chapter 4 - Economic Development

Included with the Source of Personal Income figures is a Residence Adjustment factor, which measures the net amount of personal income of residents of the county that is earned outside the county. A positive number means that the amount of income earned outside the county by residents is greater than the amount of income earned in the county by nonresidents. Richmond County's negative Residence Adjustment factor indicates that the amount of income earned in the county by nonresidents exceeds the amount of income earned outside the county by residents. This is indicative of the fact that Augusta-Richmond County is home to a majority of the jobs in the metropolitan area and that a relatively small percentage of residents work outside the county. According to the projections in Table E-8, the profile of personal income sources in Richmond County is expected to remain about the same over the next 20 years.

**Table E-8**  
**Sources of Personal Income by Type - 2005 – 2025**  
**Richmond County and Georgia**

	2005		2015		2025	
	Richmond	Georgia	Richmond	Georgia	Richmond	Georgia
Wage & Salary Income	78.10%	61.10%	78.60%	60.90%	78.70%	60.90%
Other Labor Income	11.30%	6.70%	11.10%	6.50%	10.80%	6.30%
Proprietor's Income	4.10%	8.50%	4.10%	8.30%	4.00%	8.20%
Dividends, Interest & Rent	18.10%	16.80%	18.00%	16.60%	17.70%	16.30%
Transfer Payments	18.10%	11.20%	19.40%	11.70%	20.80%	12.20%
Resident Adjustment	-24.90%	0.33%	-25.90%	1.00%	-26.60%	1.35%

**Source:** Georgia Department of Community Affairs, Data for Planning, Woods and Poole Economics, Inc., 2002.

Earnings figures also reflect the growing importance of the service sector to the local economy. Table E-9 shows the trend in earnings by employment sector for Richmond County between 1980 and 2006. The numbers indicate that aggregate earnings in several sectors increased during the period. Notably increases were recorded in the following sectors: service, manufacturing, state and local government, and retail trade. Earnings are projected to increase over the next 20 years in all but the mining sector (see Table E-10). Total earnings are projected to increase by approximately 34% to \$6.70 billion.

## Chapter 4 - Economic Development

**Table E-9**

**Earnings by Sector, 1980-2006**

**Richmond County**

<b>Employment Sector</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2006</b>
Farm	\$1,060,000	\$810,000	\$1,040,000	\$910,000
Agricultural Services, Other	\$14,590,000	\$6,040,000	\$8,370,000	\$8,070,000
Mining	\$4,330,000	\$5,490,000	\$4,810,000	\$7,200,000
Construction	\$126,380,000	\$303,650,000	\$212,700,000	\$175,890,000
Manufacturing	\$471,990,000	\$642,350,000	\$645,470,000	\$661,430,000
TCPU *	\$121,510,000	\$127,260,000	\$191,430,000	\$203,060,000
Wholesale Trade	\$114,040,000	\$158,440,000	\$143,190,000	\$122,830,000
Retail Trade	\$240,530,000	\$332,870,000	\$380,350,000	\$387,930,000
FIRE *	\$100,450,000	\$115,240,000	\$146,580,000	\$144,610,000
Services	\$326,690,000	\$790,570,000	\$1,010,560,000	\$1,199,880,000
Government				
Federal Civilian	\$276,570,000	\$331,900,000	\$326,730,000	\$378,410,000
Federal Military	\$544,470,000	\$414,550,000	\$479,500,000	\$558,950,000
State & Local	\$448,070,000	\$585,540,000	\$786,610,000	\$865,840,000
<b>Total</b>	<b>\$2,790,680,000</b>	<b>\$3,814,710,000</b>	<b>\$4,337,340,000</b>	<b>\$4,715,010,000</b>

**Source:** Woods & Poole Economics, Inc. 2005 (All figures in 1996 dollars)

\*TCPU - Transportation, Communications, & Public Utilities, FIRE - Finance, Insurance, & Real Estate

**Table E-10**

**Projected Earnings by Sector, 2010-2030**

**Richmond County**

<b>Employment Sector</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>
Farm	\$1,000,000	\$1,210,000	\$1,440,000
Agricultural Services, Other	\$8,510,000	\$9,890,000	\$11,660,000
Mining	\$7,140,000	\$7,020,000	\$6,930,000
Construction	\$178,660,000	\$188,280,000	\$201,430,000
Manufacturing	\$687,620,000	\$742,440,000	\$778,680,000
TCPU	\$205,280,000	\$214,720,000	\$228,710,000
Wholesale Trade	\$127,220,000	\$139,550,000	\$153,880,000
Retail Trade	\$401,320,000	\$438,590,000	\$481,650,000
F.I.R.E.	\$149,890,000	\$163,750,000	\$178,380,000
Services	\$1,332,280,000	\$1,737,600,000	\$2,271,760,000
Federal Civilian Government	\$387,760,000	\$412,140,000	\$437,990,000
Federal Military Government	\$584,540,000	\$647,910,000	\$709,000,000
State & Local Government	\$921,070,000	\$1,075,890,000	\$1,256,570,000
<b>Total</b>	<b>\$4,992,290,000</b>	<b>\$5,778,990,000</b>	<b>\$6,718,080,000</b>

**Source:** Woods & Poole Economics, Inc. 2005 (All figures in 1996 dollars)

## Chapter 4 - Economic Development

Table E-11 illustrates the percent earnings by sector for Richmond County. The figures indicate that the services, manufacturing and state and local government sectors are projected to account for the majority of earnings in Richmond County in 2030.

<b>Table E-11 Percent Earnings by Sector, 2006-2030 Richmond County</b>			
<b>Employment Sector</b>	<b>2006</b>	<b>2020</b>	<b>2030</b>
Farm	0.02%	0.02%	0.02%
Agricultural Services, Other	0.17%	0.17%	0.17%
Mining	0.15%	0.12%	0.10%
Construction	3.73%	3.26%	3.00%
Manufacturing	14.03%	12.85%	11.59%
TCPU	4.31%	3.72%	3.40%
Wholesale Trade	2.61%	2.41%	7.17%
Retail Trade	8.23%	7.59%	7.17%
F.I.R.E	3.07%	2.83%	2.66%
Services	25.45%	30.07%	33.82%
Federal Civilian Government	8.03%	7.13%	6.52%
Federal Military Government	11.85%	11.21%	10.55%
State & Local Government	18.36%	18.62%	18.70%

**Source:** Woods & Poole Economics, Inc. 2005

### LABOR FORCE CHARACTERISTICS

The labor force characteristics of a community provide potential investors and private companies with insights into the availability of workers, skill levels, occupations, and employment levels. This section includes an inventory and assessment of Richmond County's labor force. Information is provided on employment, unemployment, labor force participation, occupations, and commuting patterns. Local data are compared to state and national figures as appropriate.

#### Labor Force and Employment

Table E-12 indicates that Richmond County residents comprise 37% of the civilian labor force, and 36% of the employed residents, in the Augusta metropolitan area. This is not surprising because Richmond County is the most populous of the metro area counties and home to the greatest number of businesses. The unemployment rate in Richmond County is currently higher than the comparable rate for the metropolitan area and the state of Georgia. Such factors as education levels, job skill levels, poverty rates, and variations in overall economic conditions contribute to the unemployment rate.

## Chapter 4 - Economic Development

**Table E-12**  
**Resident Labor Force, Annual Average, 2006**  
**Augusta MSA and State of Georgia**

	<b>Civilian Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Percent Unemployed</b>
<b>Georgia</b>	4,741,860	4,522,025	219,835	4.6%
<b>Augusta MSA</b>	256,030	240,907	15,123	5.9%
Richmond Co.	90,641	85,004	5,637	6.2%
Columbia Co.	57,433	55,075	2,358	4.1%
McDuffie Co.	10,722	10,054	668	6.2%
Burke Co.	10,141	9,465	676	6.7%
Aiken Co.	75,715	70,809	4,906	6.5%
Edgefield Co.	11,378	10,500	878	7.7%

**Source:** Georgia Department of Labor, Area Labor Profiles, 2006

Recent trends show that labor force and employment levels for Richmond County residents have been variable over the last 10-12 years. The data in Table E-13 indicates that labor force and employment levels were comparatively high in 1990, dropped by approximately 7%-8% by 1995, recovered to some extent by the year 2000 and increased by approximately 10%-12% by 2006.

The downturn in the mid-1990s is partly explained by the layoffs at the Savannah River Site and the ripple effect it had on the metro area economy. During the ten-year period, Richmond County's unemployment rate remained at or significantly above the state of Georgia unemployment rate. Recent data indicate that Richmond county labor force and employment levels continue to trend upward, but have yet to reach the levels recorded in 1990.

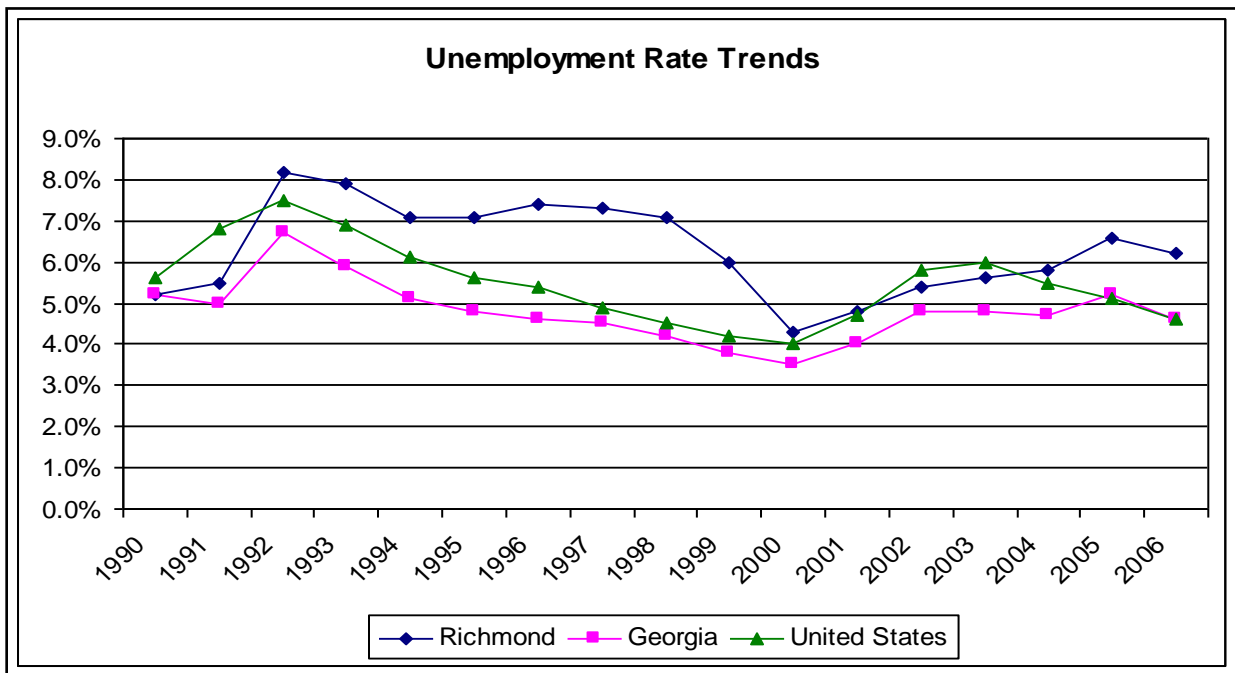
The chart on the next page compares unemployment rates for Richmond County, Georgia and the United States between 1990 and 2006. The data show that the local unemployment rate was consistently higher than the rates for the state and nation. This disparity is partly a reflection of the fact that Richmond County did not fully share in the nationwide economic expansion that took place during the 1990s.

**Table E-13**  
**Labor Force and Employment Trends, 1990 – 2006**  
**Richmond County Residents**

<b>Year</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>% Unemployed</b>	
				<b>Richmond Co.</b>	<b>Georgia</b>
<b>1990</b>	85,649	80,910	4,739	5.5%	5.5%
<b>1995</b>	79,857	74,048	5,809	7.3%	4.9%
<b>2000</b>	80,429	75,761	4,668	5.8%	3.7%
<b>2006</b>	90,641	85,004	5,637	6.2%	4.6%

**Source:** Georgia Department of Labor, Area Labor Profiles Employment by Place of Residence

## Chapter 4 - Economic Development



Source: U.S. Bureau of Labor Statistics

### Labor Force Participation

Table E-14 lists recent trends in labor force participation rates for Richmond County, Georgia and the United States. The labor force participation rate is the percentage of the resident population 16 years and over in the workforce. In 1990 the local labor force participation rate totaled 65.7% of persons 16 years and older. This was slightly higher than the United States (65.3%) and lower than the Georgia rate (67.9%). Similar trends were evident for both males and females in the labor force. Due to the presence of Fort Gordon, the military labor force participation rate was significantly higher than in the state and nation.

**Table E-14**  
**Labor Force Participation Rates, 1990 and 2000**  
**Richmond County, Georgia, and the United States**

	1990			2000		
	Richmond	Georgia	U.S.	Richmond	Georgia	U.S.
Total in Labor Force	65.70%	67.90%	65.30%	62.30%	66.10%	63.90%
Civilian Labor Force	59.20%	66.40%	64.40%	57.20%	65.00%	63.40%
Military Labor Force	6.50%	1.50%	0.90%	5.10%	1.10%	0.50%
Males in Labor Force	74.80%	76.60%	74.50%	68.20%	73.10%	70.70%
Females in Labor Force	57.30%	59.90%	56.80%	56.90%	59.40%	57.50%

**Source:** Census 1990, STF3, and Census 2000, SF3.



## Chapter 4 - Economic Development

Labor force participation rates declined across the board between 1990 and 2000. Significantly, Richmond County labor force participation rates dropped more dramatically than the state and national rates. Among the factors that contributed to the decline are the aging of the population, outmigration of the work-age population, higher unemployment rates, and higher rates of growth in other parts of Georgia.

### Occupations

Information on employment by occupation indicates the mix of skill levels in a community's workforce. This information is useful to companies interested in expanding or locating a new business in the community. Skill levels also indicate the relative need for vocational training programs.

Table E-15 shows the percentage of employment by occupation in Augusta, Richmond County, Georgia and the United States. Management, professional and related occupations account for the greatest percentage of jobs. This is followed by jobs in sales and office occupations and service occupations. The local occupation mix is similar to the combination in the metropolitan area, the state and the nation. The percentage of management and professional workers is slightly higher in the MSA, state and nation than in Augusta.

**Table E-15**

**Percent Employment by Occupation, 2006**

**Augusta, Richmond County, Augusta MSA, Georgia and the United States**

<b>Occupation</b>	<b>Augusta</b>	<b>Richmond Co.</b>	<b>Augusta MSA</b>	<b>Georgia</b>	<b>U.S.</b>
Management/Professional/Related occupations	30.6%	30.4%	32.9%	33.2%	34.0%
Service occupations	17.6%	17.9%	16.5%	14.9%	16.5%
Sales and office occupations	24.9%	24.5%	24.2%	26.2%	25.9%
Farming/Fishing/Forestry occupations	0.0%	0.0%	0.3%	0.6%	0.7%
Construction/Extraction/Maintenance occupations	10.0%	10.2%	10.9%	11.2%	10.0%
Production/Transportation/Material moving occupations	16.9%	16.9%	15.2%	14.0%	13.0%

**Source:** American Community Survey 2006

### Commuting Patterns

Data on commuting patterns reinforce the fact that a majority of employed Richmond County residents work within the county. Table E-16 shows that in 2000, eighty percent of employed residents worked within the county. This is down slightly from 83% in 1990. The data indicate that about 9% of employed residents commute to jobs in Columbia County and

## Chapter 4 - Economic Development

another 6% to workplaces in Aiken County, S.C. The number of residents commuting to Columbia County increased during the decade, while the number going to Aiken County declined. Some of the factors contributing to this trend included increasing retail and service jobs in Columbia County and the loss of jobs at the Savannah River Site.

**Table E-16**  
**Commuting Patterns, 1990 and 2000**  
**Employed Residents of Richmond County**

Place of Work	1990		2000	
	Number	Percent	Number	Percent
Richmond County	72,793	83%	67,645	80%
Columbia County	4,014	5%	7,637	9%
Aiken County, SC	7,118	8%	5,051	6%
Other Locations	3,359	4%	4,516	5%
Total Reporting	87,284		84,849	
Total Out Migration	14,491	16%	17,204	20%

**Source:** Census Bureau, Journey-to-Work Data, 1990 and 2000

**Table E-17**  
**Commuting Patterns, 2000**  
**Person Working in Richmond County**

County of Residence	Number	Percent
Richmond County, GA	67,645	61.9%
Columbia County, GA	22,363	20.5%
Aiken County, SC	10,262	9.4%
Other	8,937	8.2%
Total Reporting	109,207	
Total Inflow of Workers to Richmond County	41,562	38%

**Source:** U.S. Census Bureau – 2000 County-To-County Worker Flow Files.

### RECENT ECONOMIC DEVELOPMENT ACTIVITIES AND TRENDS

Augusta and Richmond County have experienced steady economic development and growth in recent years. The local economy went through a period of readjustment during the mid-1990s as downsizing took place at the Savannah River Site and managed care affected the health care industry. Being a border community, Augusta is sometimes at a competitive

## Chapter 4 - Economic Development

disadvantage in industrial recruitment, and lost out on more than one occasion to nearby communities in South Carolina.

The local economy has adjusted to the changes in the market and continues to experience new investment and the creation of new jobs. The text box below highlights some of the capital investment in Augusta and Richmond County in recent years. The list includes major investments by businesses new to the Augusta market, as well as existing manufacturers, institutions and retailers. The list is only part of the story. Countless small businesses have been established or expanded, and new retail and office space continues to be added to the market. This investment is but one indicator of how the public and private sectors continue to work together to market the area, plan for future economic development and recognize the contribution of business and industry to the quality of life in Augusta.

### **Recent Business Investment Augusta-Richmond County**

#### New Companies / Institutions

- NSA Facility @ Fort Gordon (2005) \$286.0 million
- Automatic Data Processing (2006) \$30.0 million
  - T-Mobile (2007) \$30.0 million
  - Teleperformance (2008) \$1.5 million

#### Expansion of Existing Companies / Institutions

- University Hospital (2006) \$84.0 million
- Augusta Mall (2006) \$65.0 million (estimate based on similar projects)
  - Doctors Hospital (2007) \$55.0 million
- MCG Cancer Research Center (2005) \$54.0 million
  - Select Medical (2005) \$22.0 million
  - PCS Nitrogen (2005) \$20.0 million
  - Kellogg's (2005) \$18.0 million
  - Castleberry's (2005) \$9.0 million
  - Garrett Aviation (2005) \$4.0 million
    - Electrolux \$3.0 million
  - Acclaim Lighting (2005) \$1 million

**Sources:** Development Authority of Richmond County; *Augusta Chronicle*

## Chapter 4 - Economic Development

### TEN LARGEST EMPLOYERS IN RICHMOND COUNTY

1. Medical College of Georgia
2. University Hospital
3. MCG Health, Inc.
4. Gracewood State School and Hospital
5. Doctors Hospital of Augusta, LLC
6. Sitel Corporation
7. Wal-Mart Associates
8. International Paper Company
9. Shivers Trading and Operating Company
10. Trinity Hospital of Augusta

Source: Georgia Department of labor, *Area Labor Profile, Richmond County, 2006*

### ECONOMIC DEVELOPMENT RESOURCES

Economic development resources are vital to the expansion and retention of business in any community. Augusta is fortunate to have a wide variety of such resources to draw upon in maintaining a climate favorable to business and investment. This section summarizes the economic development agencies and financing mechanisms available in the community.

#### Economic Development Agencies

- **Development Authority of Richmond County** – The Development Authority of Richmond County is a nine-member board appointed by the Augusta Commission. The purpose of the Development Authority is to develop and promote trade, commerce, industry and employment opportunities in Richmond County. Pursuant to the Georgia Development Authorities Law (O.C.G.A. 36-62-1 - 36-62-14), the Development Authority has broad powers to finance and construct a wide variety of economic development projects throughout the county.
- **Downtown Development Authority** – The Downtown Development Authority of Augusta is a seven-member board appointed by the Augusta Commission. The purpose of the Downtown Development Authority is to help finance the cost of rehabilitation and redevelopment of the Augusta Central Business District (CBD). Pursuant to the Georgia Downtown Development Authorities Law (O.C.G.A. 36-42-1 - 36-42-16), the Downtown Development Authority has broad powers to finance and construct a wide variety of projects in the CBD. In March 2008 the DDA extended the boundaries of its target area to include neighborhoods and major institutions located near the CBD.
- **Augusta Metro Chamber of Commerce** - The Mission of the Augusta Metro Chamber of Commerce is to lead the business community by serving as its advocate, promoting

## Chapter 4 - Economic Development

our region, enhancing the business climate, and providing quality membership programs and services. The Chamber is a non-profit organization funded by the voluntary dues of the members. The Chamber offers opportunities for involvement by small and large businesses through committees, workshops and networking programs. The Chamber Business Academy, Women in Business, Business After Hours, and Military Affairs Committee are but a few of the ways in which members can be involved through the Chamber. Each spring during the Masters® Golf Tournament the Chamber hosts the Red Carpet Tour, a special event to market the Augusta area as a business location for new and existing companies.

- **Augusta Housing and Community Development Department** – The Housing and Neighborhood Development Department is the city agency that administers the Community Development Block Grant (CDBG), HOME Investment Partnership, Emergency Shelter Grant and American Dream Down payment Initiative (ADDI) programs. The department administers financing programs including the Economic Development Loan Program, Recaptured UDAG Loan Program, Façade Rehabilitation Grant Program, Housing Rehabilitation Program and Down payment Assistance Program
- **Augusta Technical College** – Augusta Technical College provides education and training in all types of businesses, ranging from certificate programs to associate degrees. It also has certificates in several specialist areas including manufacturing, customer service, construction, and distribution. Augusta Tech also coordinates the Georgia Quick-Start Program, a state initiative that trains employees free of charge for new and expanding businesses.
- **The Center for Advanced Technology (CADTEC)** – This program was established by Augusta Technical College to help CSRA manufacturers compete in the world market through technology transfer. CADTEC provides high quality, accessible and affordable workforce training, technology transfer and criterion-referenced assessments to area businesses, individuals and organizations. CADTEC helps its customers identify their needs and establish the specific training to meet those needs.
- **Augusta-Richmond County Small Business Incubator** – This facility is located at 3140 Augusta Tech Drive adjacent to the Augusta Technical College campus. The building has a total of 18,000 square feet and includes office space for nineteen clients, manufacturing space, administrative offices, conference room, work/copy room and break room. The mission of the Small Business Incubator is to foster regional economic development by supporting entrepreneurs, small/disadvantaged businesses, and businesses expanding to the CSRA area by providing managerial & technical assistance, low office rental rates, and shared access to basic office services and equipment. These services are designed to allow clients to minimize the initial high costs associated with setting up the necessary facilities, equipment and services for a business environment. A Small Business Advisory Board, consisting of area business leaders, monitors clients' performance, progress and continued need for incubator assistance.

## Chapter 4 - Economic Development

- **CSRA Business League** - The CSRA Business League is a non-profit advocacy organization that is governed by a Board of Directors comprised of local leaders from the business and corporate communities. The League represents a cross section of racial, social, economic, civic and professional groups networking and exchanging information and resources to improve the economic development of the entire community. The League assists with business plans, loan packaging, management assistance, technical assistance, grant writing, and marketing. League staff also helps with advertising, procurement, reference materials, and technical support (Internet, copying, faxing).
- **CSRA Regional Development Center** - The CSRA RDC is a public sector, non-profit planning and development agency serving a 13-county and 41-municipality region in the eastern portion of central Georgia. Augusta-Richmond County is a member of the CSRA RDC. The RDC's Department of Economic Development assists local governments and development organizations through grant writing and administration, strategic planning, and other technical assistance. In addition, the Economic Development Department acts as Secretary and Treasurer for the CSRA Unified Development Council (UDC), a council of Chambers of Commerce, and the Unified Development Authority (UDA), a joint development authority.

The CSRA Small Business Lending is a unit of the RDC that provide loans to small businesses for a variety of purposes. The Small Business Lending department has operating relationships with the Small Business Administration (SBA), the Economic Development Administration (EDA), and the Department of Agriculture (USDA).

- **CSRA Unified Development Council** - The Unified Development Council (UDC) is a council of the Chambers of Commerce and other economic development organizations throughout the CSRA. The primary purpose of the UDC is to offer a forum of discussion and problem-solving for economic development professionals throughout the CSRA, who jointly pursue economic marketing, professional training and enrichment, and other special projects. The UDC has been in existence since 1983, and currently has thirteen (13) dues-paying member counties: Burke, Columbia, Glascock, Hancock, Jefferson, Jenkins, Lincoln, McDuffie, Richmond, Taliaferro, Warren, Washington, and Wilkes.
- **CSRA Unified Development Authority** - The Unified Development Authority is a joint development authority encompassing 13 CSRA counties, including Augusta-Richmond County. The CSRA UDA serves to promote the economic development of the Central Savannah River Area, to encourage cooperation among economic development organizations within the member counties, and to exercise all the powers and privileges (including tax credits) granted to development authorities pursuant to Georgia law. The CSRA RDC acts as Secretary and Treasurer of the CSRA UDA.
- **SRS Community Reuse Organization** - The SRS Community Reuse Organization (SRSCRO) is a private non-profit organization charged with developing and implementing a comprehensive strategy to diversify the economy of a five-county region that includes Aiken, Allendale and Barnwell in South Carolina and Columbia and Richmond (Augusta) in Georgia. The overall objective of the organization is to create an

## Chapter 4 - Economic Development

environment conducive to technology-based startups, business expansions and to attract new ventures to the region. It is the organization's intent to help the region develop a diverse economic base by providing new emerging and existing companies with the financial opportunities and incentives to locate and expand within the region. The SRS Community Reuse Organization was formerly known as the Savannah River Regional Diversification Initiative.

- **Georgia Department of Industry, Trade and Tourism**-The Georgia Department of Industry, Trade, and Tourism (GDITT) recruits businesses, trade partners, and tourists to Georgia. Working in collaboration with other state and federal programs, GDITT maintains a worldwide marketing effort targeting more than 15,000 companies with the potential to expand or relocate in Georgia. GDITT also supports the efforts of Georgia companies to expand their international markets. These efforts include helping small businesses participate in trade shows, providing contacts and consultants in international markets, and supplying extensive training resources.
- **Georgia Medical Center Authority** – The Georgia Medical Center Authority is a state authority linked to state, regional and local economic development organizations. The Authority's sole mission is to develop the life sciences industry in the state of Georgia. The Authority is headquartered in Augusta and operates two incubators in the city for life sciences companies and start-ups.
- **Georgia Power Company, Community and Economic Development Division** - Georgia Power Company operates a full-service Community and Economic Development organization serving the entire state of Georgia. The division is a comprehensive, one-stop source for business and industrial location services. The Atlanta headquarters features the Georgia Resource Center, a state-of-the-art site selection facility that allows potential investors to see Georgia without traversing the entire state. The division also helps Georgia communities build their economic development attractiveness by offering leadership, strategy, infrastructure, and marketing consultation services.
- **Georgia Tech Economic Development Institute** - Augusta is home to one of 17 regional offices of Georgia Tech's Economic Development Institute (EDI). EDI offers an array of services with a common objective: to promote the growth of business in Georgia. Whether the goal is attracting new companies to Georgia, expanding existing enterprises, providing technical expertise for industrial projects or helping communities' plan for growth, EDI helps keep the state's economy moving forward. EDI assists company managers and business owners, city and county government officials and economic development professionals.

For Georgia business and industry, EDI provides technical assistance, management training and other assistance designed to improve productivity and help companies become more competitive in world markets. EDI supports Georgia's economic development efforts by conducting specialized professional development courses, performing economic development research, helping Georgia communities prepare for

## Chapter 4 - Economic Development

growth and connecting relocating or expanding companies with resources at Georgia Tech.

- **UGA Small Business Development Center** – Augusta is home to one of the University of Georgia’s Business Outreach Services/Small Business Development Center (SBDC). The mission of the BOS/SBDC is to enhance the economic well being of Georgia citizens by providing business and economic development assistance. Among the services provided by the organization are consulting and educational opportunities, economic research, identifying procurement opportunities and sources of capital for minority entrepreneurs, and helping existing businesses take advantage of state and local incentives for job creation.
- **Georgia Department of Community Affairs, Regional Office # 7** – Augusta is home to one of 12 Regional Service Delivery offices established by state law 1999. The regional office in Augusta is staffed by representatives from the Department of Community Affairs (DCA) and the Department of Industry, Trade, and Tourism (DITT), and is designed to bring state resources closer to the people and to foster regional collaboration in community and economic development. Personnel in the Augusta office work side-by-side with staff of Georgia Tech’s EDI and the University of Georgia. Together the regional staff works to better serve the needs of local governments established businesses, and other development partners. A 21-member Regional Advisory Councils provides regular guidance to regional and state staff on issues such as leadership, infrastructure, growth management, and workforce development. The Council also works with the CSRA Regional Development Centers to formulate a regional comprehensive plan and work program.

### Financing Mechanisms

- **U. S. Small Business Administration (SBA) Loan Programs** – Includes the following loan programs – SBA 504, SBA 7(a) and SBA Low-Doc. SBA 504 can be used for fixed assets, such as land, buildings, machinery and fixtures. SBA 7(a) and Low-Doc can be used for most purposes, including inventory, working capital, vehicles and business acquisitions. Regionally, the CSRA Development Companies administers the SBA 504 program. A bank is the lender on the 7(a) and Low-Doc programs, with the SBA guaranteeing the loans.
- **CSRA Revolving Loan Fund** – An internal revolving loan fund of the CSRA Development Companies. Loans up to \$150,000 available for most purposes. CSRA Development Companies prefers that revolving loan fund only part of project costs.
- **Industrial Revenue Bonds** - Industrial Revenue Bonds (IRBs) are financing instruments issued through the Development Authority of Richmond County, Georgia. Both taxable and tax-exempt industrial revenue bond financing is available at competitive, below-prime interest rates. IRBs provide financing for land, building and equipment acquisition for new and expanding manufacturing plants.



## Chapter 4 - Economic Development

- **Link Deposit Program** – The Link Deposit Program is designed to provide eligible small, minority and women-owned businesses additional sources of loan funds. The program administered by the city of Augusta in cooperation with two banks, First Bank and SunTrust
- **Economic Development and Recaptured UDAG Loan Fund Programs** - The Economic Development and Recaptured UDAG Loan Fund Programs were created to finance development projects, establish new businesses and/or expansion of existing businesses, and create employment opportunities and/or retain existing jobs for low and moderate-income persons. Economic Development Loans range between \$5,000 and \$25,000, with repayment periods of up to 7 years. Recaptured UDAG Loans - Loans are between \$25,000 and \$150,000, with repayment period of up to 10 years. Examples of eligible use of funds include business acquisition and construction, land acquisition, purchase of equipment and machinery, working capital, and pollution control and abatement. The Housing and Community Development Department administers the programs.
- **Enterprise Zone Program** – Two enterprise zones have been established in the city of Augusta under provisions of the Georgia Enterprise Zone Employment Act of 1997. The Act allows the city to offer tax and other incentives to eligible businesses that create jobs areas within the city suffering from underdevelopment and economic decline. Qualifying businesses and service enterprises are exempt from state, county, and municipal ad valorem taxes, except for the portion of taxes that are collected for the school district, in accordance with the following schedule:
  1. 100% of the property taxes shall be exempt for the first five years
  2. 80% of the property taxes shall be exempt for the next two years
  3. 60% of the property taxes shall be exempt for the next year
  4. 40% of the property taxes shall be exempt for the next year
  5. 20% of the property taxes shall be exempt for the last year

The two designated enterprise zones are the Laney-Walker Enterprise Zone near downtown, and the Rocky Creek Enterprise Zone centered on the area around the now-closed Regency Mall. The Housing and Community Development Department administers the program.

- **Georgia's Business Expansion and Support Act of 1994** (B.E.S.T.) allows statewide job tax credit and investment tax credits for businesses locating or expanding in Georgia.
  1. **Job Tax Credit:** Tax liability for any one-year may be reduced by a maximum of 100%. Eligible businesses include those involved in manufacturing, warehousing, distribution, processing, tourism and research and development. This credit may be carried forward up to ten years.

## Chapter 4 - Economic Development

2. **Job Tax Credit Joint Development Authorities:** Legislation provides for an additional \$500 job tax credit for counties that are members of a Joint Development Authority, which is the case for Columbia, Richmond and Burke counties.
3. **Investment Tax Credit:** Available to manufacturers or telecommunications companies having a presence in Georgia for at least 5 years. The company must spend at least \$50,000 on an expansion project.
4. **Optional Investment Credit:** Larger credits can, depending on location, offset up to 90% of a manufacturer's increased income tax liability following a major expansion. These larger investment tax credits can be carried forward for 10 years but may not be taken in conjunction with the job or investment tax credits.
5. **Retraining Tax Credit:** Firms providing retraining for employees may receive a tax credit of 25% of their costs, up to \$500 per participant, to a maximum of 50% of state income tax liability.
6. **Corporate Headquarters Tax Credit:** Companies establishing or relocating their headquarters to Georgia may be eligible for a tax credit if the headquarters is defined as the principal central administrative offices of a company. New jobs created at the new headquarters must be full-time and must pay above the average wage.
7. **Ports Job Tax Credit:** Companies that increase traffic shipped through Georgia ports by 10% or more in a year may be eligible for larger job tax credits. The amount of the bonus tax credit for qualifying firms is \$1,250 per job. Applicants must also be eligible for job tax credits under the B.E.S.T. legislation
8. **Research and Development Tax Credit:** A tax credit is allowed for expenses of research conducted within Georgia for any business or headquarters of any such business engaged in manufacturing, warehousing and distribution, processing, telecommunications, tourism and research and development industries.
9. **Child Care Credit:** Employers providing or sponsoring child care for employees are eligible for a tax credit of 75% of their costs, up to 50% of state income tax liability.
10. **Small Company Business Growth Tax Credit:** A tax credit is granted for any business or headquarters of any such business engaged in manufacturing, warehousing, and distribution, processing, telecommunications, tourism, and research and development industries having a state net taxable income which is 20% or more above that of the preceding year if its net taxable income in each of the two preceding years was also 20% or more.
11. **Sales Tax Exemptions:**
  - Manufacturing Machinery
  - Raw materials
  - Purchase for resale

## Chapter 4 - Economic Development

- Machinery purchased new and used directly in the manufacturing process
  - Pollution control equipment
  - Machinery components
  - Computer equipment
  - Cleanroom equipment
  - Primary material handling
  - Electricity
- **OneGeorgia Fund:** The One Georgia Authority, created by the Governor and the Legislature in the year 2000, utilizes one third of the state's tobacco settlement to assist the state's most economically-challenged areas. \$1.6 billion is anticipated to be available over the 25-year term of the settlement. OneGeorgia investments will be targeted towards rural communities.
    1. **Edge Fund** - Special financial assistance is provided to eligible rural applicants for locating economic development projects. Limited resources are available for communities when a project is considering one site in the State of Georgia and competing against another state. Response to applications is quick due to the sensitive nature of projects and their tight timeframes. Eligible applicants are city or county governments, development authorities or other public entities.
    2. **Equity Fund** - The purpose of this fund is to provide a program of financial assistance that includes grants or loans and any other form of financial assistance to provide for infrastructure, services, facilities and improvements. Eligible applicants are cities, counties, development authorities or other public entities. Resources are limited and are awarded several times each year. Companies must have a health care plan available for employees and meet state requirements for better pay.

### ASSESSMENT

#### REGIONAL ECONOMIC CONTEXT

Augusta is the economic hub of a market area that extends beyond the metropolitan area to include a number of the adjoining rural counties. Major employment sectors in the region include manufacturing, retail trade, professional and business services, educational and health services, and leisure and hospitality services. Government jobs account for about 20% of all jobs in the region. Employment growth in recent years has been highest in the retail trade and service sectors, reflecting the growing demand for goods and services as the population increases.

The challenge for the region is to continue diversification of the economic base and the mix of jobs. While the service and retail sectors continue to lead the way in employment growth, an over reliance on these two sectors may lead to slower growth in disposable income. High-

## **Chapter 4 - Economic Development**

paying manufacturing jobs are not projected to grow as fast as other sectors in the coming years, and the overall number of jobs in technology field is relatively small.

The city is projected to remain the regional center of employment and trade in the foreseeable future. Among the city's major assets are the following:

- Relatively low cost of living
- A wide variety of housing / neighborhood options
- Presence of high-quality medical care and institutions
- Presence of a good surface transportation network, railroads and commercial air facilities
- Presence of / access to a wide variety of entertainment and recreation facilities
- A wide range of educational resources and opportunities
- A revitalizing downtown that provides a unique environment for living, working, entertainment, shopping and recreation
- Many economic development resources to draw upon for training workers, technical assistance, financing and site selection
- Available sites for new and expanding industry and business

### **ECONOMIC BASE OF AUGUSTA**

#### **Employment, Wages and Income**

Augusta has a fairly diverse employment base. In 2006, services, retail trade and manufacturing collectively accounted for a majority of total employment in the city. Health care and social assistance (15, 868 jobs), and accommodation (e.g. hotels and motels) and food services (9,625 jobs) were the largest components of the service sector. Retail trade (11,996 jobs) and manufacturing (9,825 jobs) rounded out the top employment sectors. Significantly, government accounted for another 25,005 jobs, or 24 % of total employment.

Employment within the city has been variable in the last 5-6 years, but is projected to increase at a moderate rate over the next 20 years. Services, retail trade, government, and manufacturing are expected to continue to be the four largest sectors in the future. To increase the rate of employment growth and further diversify the mix of jobs in the community, consideration should be given to using the community's assets to create more jobs in high-growth technology fields and developing complementary education and training programs.

The marketing plan currently used by the Development Authority of Richmond County is one example of this strategy at work. The marketing plan targets four industries for growth in the community: life sciences, customer service, aviation and military. These industries match well with such assets as the large and diverse medical community, technically-trained personnel at Fort Gordon, the presence of several customer service businesses and available sites on and adjacent to Augusta Regional Airport.

## **Chapter 4 - Economic Development**

Average weekly wages are increasing in all employment sectors. However, average weekly wages are below the state averages in all of the sectors except manufacturing, agriculture, and government. The 2006 average weekly wage in Richmond County was \$680. This is \$96 less than the average weekly wage statewide. One possible strategy is to increase wage levels in all sectors currently below the state level.

Household and per capita income figures for Augusta residents are lower than comparable state and national averages. Strategies should be considered to reduce the gap between the averages. Wage and salary income is trending upward for residents and is an indicator of job availability both within and outside the city. Job growth in the service sector is projected to be a principal factor in personal income growth over the next two decades.

### **Labor Force Participation and Commuting**

Recent trends show that labor force and employment levels for Richmond County residents have been variable over the last 10-12 years. The data indicate that labor force and employment levels were comparatively high in 1990, dropped by approximately 7%-8% by 1995, recovered to some extent by the year 2000 and increased by approximately 10%-12% by 2006.

The downturn in the mid-1990s is partly explained by the layoffs at the Savannah River Site and the ripple effect it had on the metro area economy. During the ten-year period, Richmond County's unemployment rate remained at or significantly above the state of Georgia unemployment rate. Recent data indicate that Richmond county labor force and employment levels continue to trend upward, but have yet to reach the levels recorded in 1990. The unemployment rate in Richmond County is currently higher than the comparable rate for the metropolitan area and the state of Georgia. Strategies should be considered to reduce the unemployment rate in the city.

Augusta's occupation mix is fairly well balanced and similar to the mix in the metropolitan area, the state and the nation. The percentage of management and professional workers is slightly higher in the MSA, state and nation than in Augusta. Maintaining this balance should be possible if the city continues to stress its major assets (e.g. low cost of living, wide variety of housing, etc.) and works cooperatively with others to increase the diversity of jobs in the community.

The vast majority of Augusta-Richmond County residents continue to work within the city, though an increasing number are commuting to jobs elsewhere in the metropolitan area. The higher population growth rate in suburban areas and resulting increase in retail and service jobs are a couple of the factors contributing to this trend. To remain competitive with suburban communities, the city should consider designating preferred locations for new retail and service development, promote more mixed-use development that allows people to live in close proximity to their place of employment, and continue to market the major assets of Augusta.

## **Chapter 4 - Economic Development**

### **ECONOMIC RESOURCES**

Augusta is fortunate to have a wide variety of economic resources to draw upon in maintaining a climate favorable to business and investment. Over the years, the city has developed mutually-beneficial partnerships with many of the local and regional agencies and organizations involved in economic development. In addition, the city has established programs to stimulate private investment and generate more tax revenue. Maintaining these partnerships, and creating new ones, should be a key component of the city's strategy to stimulate additional investment and diversify the employment base.