

maconNOW!

By Donna K. Fisher, Ph.D. and Brian Trapnell

INTRODUCTION

Since 1990, the Macon, Georgia Metropolitan Statistical Area (MSA) has seen a 32.9 percent increase in total employment.

During the same time period, national employment rose only 23.2 percent. Moreover, the MSA population increased by about 10.9 percent in the 1990s (to over 320,000).

Unfortunately, per-capita income still lags behind national and state averages (\$29,466 compared to the national metropolitan level of \$36,043 and the state level of \$30,914). This is due in part to a decrease of nearly 3,000 jobs in the manufacturing sector. That decrease is largely attributable to the loss of two manufacturing companies which had been staples of the Macon and middle Georgia economy for several decades: Brown & Williamson (approximately 2,100 employees in 2004) and Keebler Foods Company (approximately 480 employees that same year). Both of these companies had completely relocated away from the area by mid 2006. This article details the economic struggles Macon has faced over the last decade. Specifically, it highlights the flexibility and agility the community exhibited in the face of adversity.

Although faced with adversity, local leaders in the public, private, and non-profit sectors have remained optimistic. Macon has utilized numerous approaches to spur growth in the area. Jobs in edu-

Photo credit: Ken Krakow



A view into historic downtown Macon at the intersection of Second and Mulberry Streets.

cation, health services, as well as professional and business services continue to increase. The remainder of the article highlights Macon's successful economic growth strategies. Macon and Bibb County's overarching strategy for enhancing growth in the area is outlined in the MaconNOW! program, which has as its goal to grow 4,000 new direct jobs over a five-year period through business retention and expansion, new business development, and an awareness campaign. The program's total budget is over \$2.5 million, contributed by the private sector and non-profit organizations; program partners provided cash and in-kind contributions. To effectively carry out the program's three initiatives over five years, the public, private, and non-profit sectors in Macon and Bibb County had to come together.

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MIDDLE GEORGIA'S ANSWER TO ADVERSITY

The loss of over 2,500 manufacturing jobs since 2004 posed certain challenges to Macon, Georgia. However, leaders in all sectors remained optimistic. Jobs in education, health services, as well as professional and business services continue to increase. Macon has utilized numerous approaches to spur growth in the area. The community launched an intensive strategic planning process, followed by a capital campaign to implement its economic development strategy and established a more aggressive business retention/expansion and recruitment effort, combined with a community image campaign. One of the key results of the strategic planning process was the MaconNOW! program, which offered an aggressive approach to keep middle Georgia economically vibrant. This article offers a case study of the Macon MSA and describes how MaconNOW! is positioning the local economy to allow Macon to continue to be one of the "best places to live" (Sperling, 2005).



The Boeing-Macon facility is consistently ranked among the elite manufacturing facilities in the state and in the Boeing family.

In spite of these vibrant elements, the Macon MSA faced some significant challenges associated with the loss of major employers like Brown & Williamson (tobacco product manufacturing), Keebler (food manufacturing), and First Data (business-to-business financial transaction service provider). Together, these companies employed nearly 3,000 workers. All three closed their doors in 2006.

ADDRESSING THE CHALLENGE

This section describes how the community stakeholders came together to move forward through a series of economic development initiatives. More specifically we discuss the role of the community regionally and the 2001 executive community assessment. We then describe how the community employed the findings of that assessment and translated the implementation of that initial assessment into a comprehensive economic development and community growth program called MaconNOW!. This is leading to a more dynamic local economy to match the community's active way of life.

In fact, Macon and Bibb County are home to a vibrant arts and music culture. Moreover, the community serves as the commercial center of middle Georgia. Daytime population experiences a net increase of about 20,000 workers coming into the area (Georgia Department of Labor, 2007). Musical legends such as the Allman Brothers, Otis Redding, and Little Richard all called Macon home at some point. Local museums highlight statewide as well as local achievements in music, sports, and the arts and sciences. In addition, a wide variety of industrial, retail, and service operations draw employees, shoppers, and customers from across the region.

In spite of these vibrant elements, the Macon MSA faced some significant challenges associated with the loss of major employers like Brown & Williamson (tobacco product manufacturing), Keebler (food manufacturing), and First Data (business-to-business financial transaction service provider). Together, these companies employed nearly 3,000 workers. All three closed their doors in 2006.

The post 9/11 economic downturn spurred Georgia into reevaluating the strategic plan for sustainable growth. Partnering with Georgia Power to revitalize its economic development strategy, the community began crafting a new vision for economic development five years earlier

in anticipation of such challenges. Other challenges the Macon area wanted to address included increased unemployment, a reduced and less diversified tax base, and reduced revenue from fee-based services such as water and sewer and the impact those losses could have on the community at large.

In 2001, Georgia Power commissioned a site selection firm to develop an executive community assessment for Georgia communities perceived to have significant growth potential. Macon and Bibb County were part of the study. The site selection firm's assessment included a site selection overview, site selection factors for target industries based on community feedback, an overview of strengths and weaknesses for the community, and target industries.

The assessment identified the following target industries for the Macon MSA: warehousing/logistics/distribution, aerospace (listed in the report as high-tech industries), back office/call centers, and manufacturing. The site selection firm determined these target industries by asking three questions:

1. Do the infrastructure and labor market resources in Macon provide a unique opportunity to support the industries?;
2. How does the community leverage those assets into a growth model for the community? (e.g., is the strategy realistic?); and
3. What is the "hook" in terms of positioning those industries for success within the community?

This series of questions helped refine the list of proposed target industries – initially the community desired information technology component manufacturing and assembly; during the site selection firm's community visit, they also explored warehousing/distribution, IT/software development, high-end back office/shared services and high-tech industries with a significant Atlanta presence as being a good fit for the community.

The assessment also noted that existing industry had expanded or maintained plants in the region while downsizing elsewhere. However, there appeared to be a lack of a unified strategy for economic development and community growth. The community marketing effort was not well communicated or executed. Moreover, there was a “pro-union” labor-management relations perception in the region.

Based on the report, the Greater Macon Chamber of Commerce (Chamber) and the Macon Economic Development Commission (MEDC) emerged as the leading organizations to address these issues. These two organizations were (and continue to be), by design, closely tied together: two-thirds of MEDC’s funding comes from the Chamber and the president of the Chamber also serves as president of MEDC.

MEDC, as the lead marketing agency for the community, renewed its focus on marketing the community to its target industries. Activities included partnering with the Macon-Bibb County Industrial Authority to launch an effective existing business and industry program, initiating an intensive strategic planning process (which resulted in the MaconNOW! initiatives to be discussed in detail later), and developing marketing plans for three of the target industries.

These practical efforts initiated by MEDC helped carry the community forward. In 2003, they landed one of the largest build-to-suit construction projects to announce or locate in Georgia for that year. The community took an aggressive approach to incentivize the project. State and local incentives were offered, including tax credits, site preparation and land purchase assistance, as well as the preparation of a special tax schedule for real and personal property taxes. This new distribution center created over 100 jobs and more than \$30 million in investment. By 2007, the facility had doubled its number of employees. It was the rallying point and catalyst the community needed; this particular project, coupled with the executive assessment, was the foundation for creating a cohesive economic development team.

Landing the distribution center showed the effectiveness of local leaders in cooperating with one another to strengthen the attractiveness of the community to outside companies. From incentivizing the company to identifying available land, from clearly defining planning/zoning requirements to meeting workforce needs, the community was able to work across artificial political and departmental barriers to make the project work. Between January 2001 and May 2004, a total of 13 existing businesses/industries located to or expanded in the community. This translated into 3,579 new jobs and over \$86 million in new and retained investment.

The ability to move beyond political and administrative barriers and a clear, effective community

vision, however, could only help the community meet success to a point. It became clear that more resources were needed for the community’s economic development efforts to continue moving forward. Community leaders realized through the 2003 location that Macon and Bibb County had what it took to be successful in the very competitive arena of economic development, in spite of having limited resources dedicated to its economic development efforts. This recognition begged the question: how much more successful could Macon and Bibb County be if there were enhanced resources available to fund those efforts? The answer to this question was the MaconNOW! program.

MaconNOW! is a program to create a more dynamic local economy between 2005 and 2009 in Macon and Bibb County. Research and experience showed the community several things. First, face-to-face contact with existing companies leads to retention and expansion. Moreover, by listening to existing businesses, the community can identify barriers to success while there is time to address them. Second, marketing materials designed for specific industry segments generate results. Third, the attitudes and perceptions of community citizens have a direct impact on business expansion and new business locations. Finally, with new resources properly deployed, the community can generate more jobs and investment.

TABLE 1. MaconNOW! Initiatives and Goals

Initiative	Goal
Existing Business Retention & Expansion	To strengthen a comprehensive business retention and expansion program for Macon and Bibb County
New Business Recruitment	Bring quality companies, jobs, and capital investment to the region
Awareness Campaign	Develop a comprehensive awareness campaign that positions Macon as a dynamic and vibrant community in the minds of the citizens of Macon, Bibb County and Middle Georgia

The program developed three clearly articulated initiatives: existing business retention and expansion, new business development, and an awareness campaign. Table 1 details the goals associated with each initiative. From the funds supporting these efforts, approximately \$360,000 of the total budget is dedicated to investor relations, administration, and building maintenance.

The existing business and industry initiative, with a resource allocation of almost \$800,000, strives to significantly increase community understanding of the needs of existing business and industry partners. In addition, the initiative will enhance the level of support provided to these partners. Within the existing business and industry ini-

tiative, there are a total of 13 components intended to address various issues related to workforce development, permitting process improvement, and assessment of industry needs. (See Table 2.)

The new business recruitment initiative, which has a combined resource allocation of more than \$850,000, attempts to increase the level of community visibility within target industries and use that knowledge to develop a more competitive product. The new business recruitment initiative includes a total of six components intended to address various issues related to conducting a competitive analysis, enhancing the local tax base, and establishing a project assistance fund. (See Table 3.)

The community image enhancement initiative, with its resource allocation of almost \$500,000, will develop a comprehensive image campaign that positions Macon as a dynamic and vibrant community. The awareness campaign initiative has two components: 1) developing a branding campaign to focus community attention and energy on its positive aspects and 2) implementing that campaign with program partners. (See Table 4.)



The combined Bass Pro Shops and Distribution Center is the first such facility outside of Missouri, where Bass Pro Shops is headquartered.

PERFORMANCE METRICS AND SUCCESSES

Between 2005 and 2009, the MaconNOW! program plans to invest \$2.5 million in its three program initiatives. The economic impact of MaconNOW!, by the end of the program, is expected to be 8,400 total jobs (4,000 direct and 4,400 indirect), with an estimated total payroll of \$242.6 million (from both direct and indirect jobs).

Progress can also be measured by the number of projects opened during the MaconNOW! program

TABLE 2

Goals and Programs for Initiative 1

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| <ul style="list-style-type: none"> ■ Conduct 200 existing business/industry visits. Annually conduct an existing business industry needs assessment; use the information generated from the survey to develop a support program. ■ Work in concert with other interested organizations to conduct an assessment of how to improve flow and efficiency of the permitting, inspection, and engineering approval processes in Macon and Bibb County. ■ Work in concert with other interested organizations to lobby for the restructuring of the permitting, inspection, and engineering programs as indicated by the findings of the assessment. | <ul style="list-style-type: none"> ■ Create a public awareness campaign for the business community, which shares the successes and positive impacts that business has on the region. ■ Identify and resolve issues that inhibit growth and expansion of existing industry. ■ Upgrade the labor market survey to include business, industry, and professional organizations in the Macon trade area. ■ Integrate the findings of the labor market survey with information from the target market analysis to develop a skill set matrix for emerging jobs. ■ Share information on emerging employment opportunities and the skill sets required for these jobs with secondary and post secondary educational institutions in Bibb County and Middle Georgia. | <ul style="list-style-type: none"> ■ Work with business, industry, and professional organizations to identify intern and apprentice opportunities. ■ Use information from existing business/industry visits to match internship and apprenticeship opportunities with students. ■ Develop information/education programs for occupations for which internships and apprenticeships are not practical. ■ Work with existing service providers to identify those services that are available to small businesses and entrepreneurs. ■ Establish an outreach program to proactively work with the small business and entrepreneurial communities to address their needs. |
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performance period and the amount of investment made. As previously noted, between January 2001 and September 2004, 13 existing businesses/industries located to or expanded in the community, 3,579 jobs were created or retained, and there was \$86 million in new and retained investment. Between January 2005 (year one of the MaconNOW! program) and September 2007, 25 businesses and industries located to or expanded in Macon and Bibb County, creating 1,559 jobs with a total investment of \$254.8 million. Early in 2008, an automotive supplier announced it would construct a plant in the community, investing more than \$200 million and bringing with it over 400 jobs.

Another measure for gauging the community's economic development efforts is the number of projects opened by MEDC each year. The average number of projects per year opened by MEDC between 2001 and 2004 was 53. By comparison, the average number of projects opened by MEDC between 2005 and mid-August 2007 was 57. The corresponding increase in projects opened between 2005 and mid-August 2007 suggests that enhanced marketing efforts, combined with attention given to the community through press coverage of recent economic development successes, are paying off.

Investment made has become another key measure in the community for determining the success of its economic development efforts. The average investment per location/expansion between 2001 and 2004 was \$6.6 million. The average investment per location/expansion in the community between 2005 and 2007 was \$10.1 million. The increase in per project investment of more than \$3.5 million between 2005 and 2007 indicates that not only is the number of projects increasing but so is the dollar value.

While an increased number of projects are bringing with them more investment, they are also bringing fewer average employees. The average number

TABLE 4

Goals and Programs for Initiative 3

- Develop a branding campaign that focuses the community's attention and energy on the positive aspects of our community, including economic activity, cultural offerings, healthcare services, shopping opportunities, and education.
- Implement the campaign in partnership with print, broadcast, and electronic media outlets in Bibb County.

TABLE 3

Goals and Programs for Initiative 2

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| <ul style="list-style-type: none"> ■ Identify and resolve issues that inhibit growth and expansion of existing industry. ■ Upgrade the labor market survey to include business, industry, and professional organizations in the Macon trade area. ■ Integrate the findings of the labor market survey with information from the target market analysis to develop a skill set matrix for emerging jobs. ■ Share information on emerging employment opportunities and the skill sets required for these jobs with secondary and post secondary educational institutions in Bibb County and Middle Georgia. | <ul style="list-style-type: none"> ■ Work with business, industry, and professional organizations to identify intern and apprentice opportunities. ■ Use information from existing business/industry visits to match internship and apprenticeship opportunities with students. ■ Develop information/education programs for occupations for which internships and apprenticeships are not practical. ■ Work with existing service providers to identify those services that are available to small businesses and entrepreneurs. ■ Establish an outreach program to proactively work with the small business and entrepreneurial communities to address their needs. | <ul style="list-style-type: none"> ■ Implement the competitive enhancement and marketing strategies. ■ Conduct a competitive analysis of each of the three target markets: high end back office operations, aerospace parts, and sub assembly manufacturing – to include maintenance, repair, and overhaul operations; and warehouse, distribution, and logistics. ■ Establish an "Economic Development Fund" to be used by the Economic Development Team to close deals. |
|---|--|--|

of employees per project between 2001 and 2004 was 275, but between 2005 and mid-August 2007 that number was 62. These employment numbers reflect the employees related to projects with which MEDC is involved. These numbers do not include organic, market-related job growth within the community, such as with the retail and service sectors.

Increased prospect activity and average investment show the MaconNOW! program initiatives have succeeded in diversifying the local economy to reduce its exposure to the potentially negative impact of any one major industry closing its doors. As the community moves forward, it may consider searching out projects with larger numbers of employees; however, this may prove to be difficult. A recent high technology manufacturer made a \$100 million investment in its Macon plant but hired 100 workers. This could be indicative of a trend in economic development: more projects will bring more investment with fewer employees.

One component of the new business recruitment initiative within MaconNOW! was to carry out a competitive analysis to research the community's competitive position in each target industry, then to modify the community marketing strategy for each as appropriate. The analysis, completed in early 2006, confirmed that the community was still competitive for its original target industries.

Photo credit: Ken Krakow



With aggressive incentivizing by the community, the location in 2004 of the Kohl's Distribution Center provided the forward motion for the community's economic development successes.

Photo credit: Ken Krakow



The Sara Lee Distribution Center is located in the I-75 Business Park, considered a site of regional significance--there are 241 remaining acres in the park.

WHERE IS THE COMMUNITY HEADED?


One component of the new business recruitment initiative within MaconNOW! was to carry out a competitive analysis to research the community's competitive position in each target industry, then to modify the community marketing strategy for each as appropriate. The analysis, completed in early 2006, confirmed that the community was still competitive for its original target industries. In particular, the warehousing/logistics/distribution market remained strong because of the Macon MSA geographic location and road system. The analysis recommended two new target industries: automotive suppliers due to the Kia automotive plant location in west central Georgia and food processing manufacturers because of excess water and sewer capacity (a considerable need within the sector).

But the competitive analysis alluded to one potential challenge in the near future: dwindling industrial site inventory within Bibb County. The community has had considerable success in marketing available industrial sites but with that success there has been a corresponding reduction in the inventory. As follow up to that analysis, the Chamber/MEDC initiated a second phase of the competitive analysis to consider a regional approach to addressing the Macon and Bibb County industrial site inventory challenges. Partnerships are being developed among regional economic development professionals, organizations, and elected leadership to expand the industrial site inventory. Those partnerships are also exploring the viability of a regional economic development program.

The loss of over 2,500 manufacturing jobs in the last three years posed certain challenges to the community. However, leaders in all sectors were driven to move the community forward. The MaconNOW! program offered an aggressive

approach to keep middle Georgia economically vibrant. Community leaders are confident that this approach will position the local economy to allow Macon to continue to be one of the “best places to live” (Sperling).

The program has helped Macon and Bibb County diversify its economy by bringing in new industry and expanding existing business and industry. An enhanced tax and job base will reduce the impact of any potential future loss of any one of those successes, which was not the case in 2006 with the closure of three major industries. However, it also provided an opportunity for the

community to develop a new community economic development strategy. Due to those significant losses in 2006, many thought the community was effectively “dead in the water” when it came to bringing in new business and expanding existing industry. Nonetheless, since 2005 there has been more than \$254 million (excluding the 2008 automotive supplier announcement) in new investment and more than 1,500 new jobs brought to or grown in the community. This shows that because of the MaconNOW! program the community is indeed alive and well. 

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