

Northwest Georgia's Economic Recovery Plan

RECOVERY FROM COVID-19

Contents

- Executive Summary 2
 - Purpose and Scope of the Plan..... 2
 - Process to Develop the Plan..... 2
 - Key Takeaways 2
- Economic Situation..... 3
 - Findings of Economic Impact Analysis 3
 - Updates to Economic Situation..... 5
- Stakeholders 6
 - Survey 6
 - Stakeholder Meetings..... 7
- Key Goals..... 8
- Strategies..... 9
 - Human Capital 9
 - Community Assets 10
 - Essential Infrastructure 11
 - Business Climate..... 12
- Implementation 13

Executive Summary

Purpose and Scope of the Plan

The purpose of the plan is to help the region recover from the COVID-19 Pandemic and to give direction to the cities and counties within the region. The plan was funded by an EDA Cares Act Grant awarded to the Northwest Georgia Regional Commission. The plan is intended to last 1-3 years and is intended for the fifteen counties that are part of the fifteen-county area that the Northwest Georgia Regional Commission assists.

Process to Develop the Plan

The plan was developed based on feedback from a survey sent out to the various local economic departments, development authorities, and chambers of commerce and with stakeholder meetings held with representatives from the various counties and with regional economic development partners.

Key Takeaways

- The Economic Impact Analysis found that the region, particularly its manufacturing and food services sectors, were badly harmed by the COVID-19 pandemic
- Updated data indicates that the region has largely recovered, with unemployment back to pre-pandemic levels or lower, with Manufacturing and Accommodations and Food Services remaining the sectors with the most unemployment claims.
- The survey conducted found that workforce development and economic assistance (in particular information about existing economic assistance) were the key ways to help the region recover
- The stakeholder meetings found that getting workers back to work and addressing affordable housing were the key ways to help the region recover
- The plan emphasizes increasing the number of skilled workers, tourism, quality of life, affordable housing, infrastructure, supply chain, small businesses, regional competitiveness, and business advice

Economic Situation

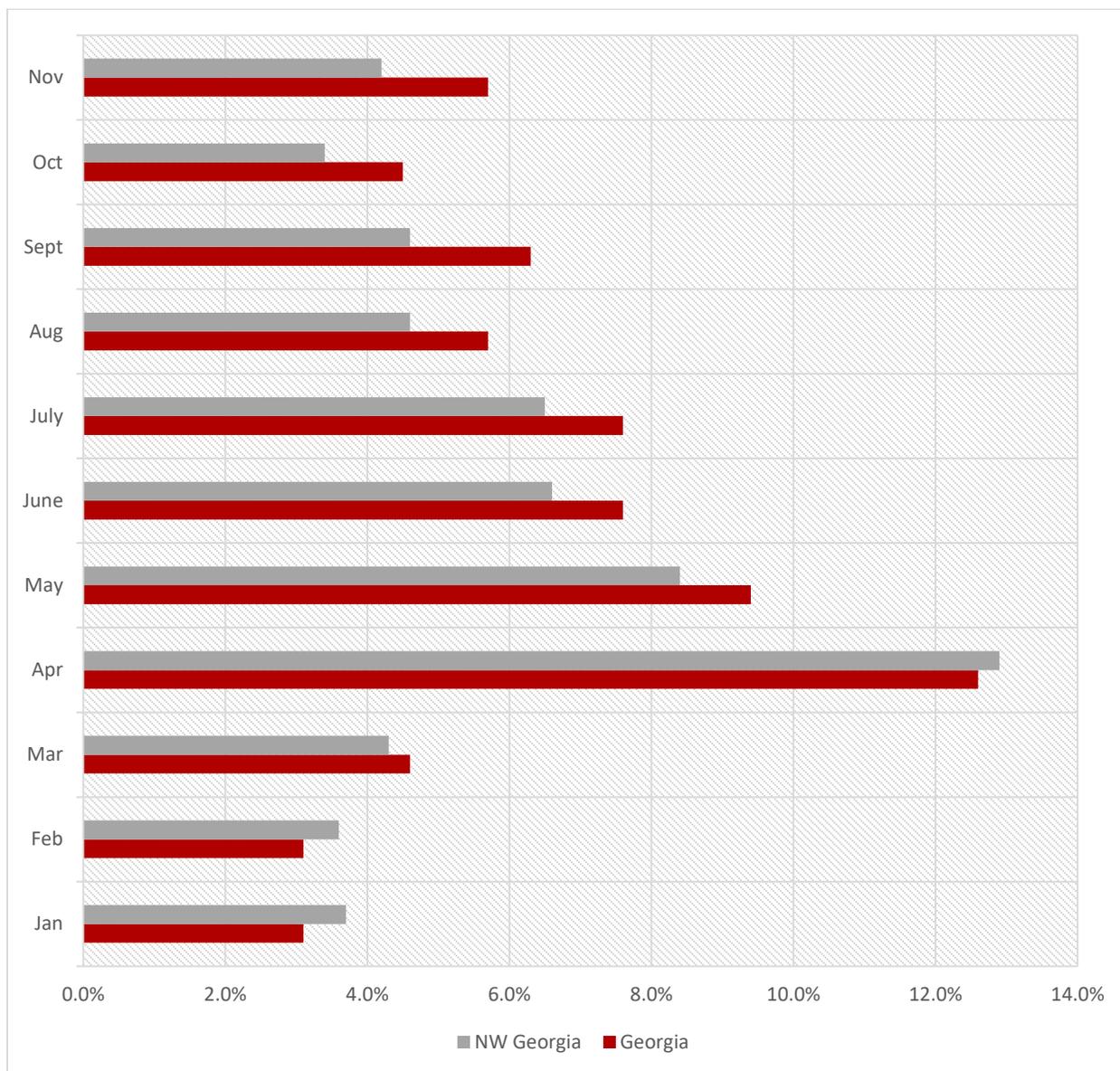
Findings of Economic Impact Analysis

The Economic Impact Analysis provided a snapshot of the economic impact felt in the northwest Georgia region and individual counties from March to November 2020. It can be located on the Northwest Georgia Regional Commission website at <https://www.nwgrc.org/publications/nwgrc-economic-impact-analysis-impact-of-covid-19-on-northwest-georgia/>.

- The Manufacturing Sector, which is the largest sector of the region’s economy according to the Georgia Department of Labor Area Labor Profile for Northwest Georgia Regional Commission, was hit hard by COVID-19.
 - According to the Demographic Atlas of the United States, all five of the counties with the highest weekly unemployment claims during the March 7 – June 13 period when the pandemic hit hardest have Manufacturing as their largest sector.
 - Manufacturing had significantly more weekly unemployment claims between March 1st and November 14th, 2020 than any other sector.
 - The 2-digit NAICS Code industry sector that lost the most jobs between March 1st and November 14th, 2020 in 9 of the 15 counties was Manufacturing.
- The Food Services industry subsector of the economy was also hit hard.
 - 12 of the region’s 15 counties had Accommodations and Food Services as the largest or second-largest 2-digit NAICS Code industry sector in terms of weekly job claims between March 1st and November 14th, 2020.
 - Food Services & Drinking Places was the 3-digit NAICS Code subsector that lost the most jobs between March 7 & June 13 for 10 of the region’s 15 counties.
 - Community leaders listed Food Services as the industry hit the hardest more commonly than any other industry in the Georgia Tech EDA University Center survey.
- As can be seen in Chart 1, the unemployment rate in the region peaked in April and had since gone down to a level slightly above what it was pre-pandemic. Seven of the 15 counties had at least 0.3% greater than pre-pandemic unemployment, all eight others were within $\pm 0.03\%$ of pre-pandemic unemployment.



Chart 1: 2020 Monthly Unemployment Rate, NWGA and Georgia



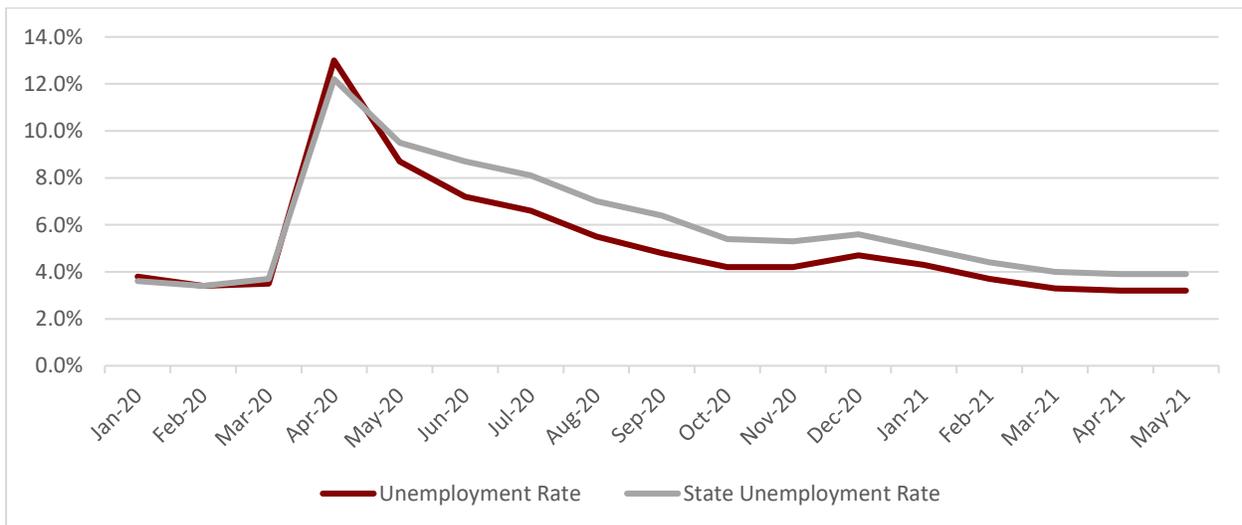
Source: Georgia Department of Labor, Monthly GA Unemployment Rates

- Most of the region experienced more sales tax revenue in 2020 than in 2019 despite the pandemic.
- A survey conducted by Georgia Tech’s EDA University Center found that businesses experienced significant revenue loss problems but that most unemployment due to the pandemic has already occurred. Community leaders and companies expressed that more assistance with finding ways to make revenue, more employee development, and more leadership development were needed for businesses. Community leaders indicated that business location, expansion, and relocation projects were either not affected or have resumed work.

Updates to Economic Situation

- Manufacturing experienced by far the most regionwide claims of any 2-digit NAICS Code industry sector between November 15th-June 26th at 28,711 (37.47%), followed by Unclassified at 12,889 (16.82%) and Accommodations and Food Services at 10,679 (13.94%). Manufacturing also experienced the largest number of losses during this period for 10 of the region’s 15 counties. Of the remaining five counties, three experienced the most unemployment claims in Unclassified and the remaining two counties experienced the most unemployment claims in Accommodations and Food Services.
- Textile Mills experienced by far the most unemployment claims of any 3-digit NAICS Code industry subsector between December 27th-April 17th at 11,843 (26.25%), followed by Food Services and Drinking Places at 5,754 (12.75%) and Unclassified at 5,151 (11.42%).
- As can be seen in Chart 2, unemployment has dropped further in the region to 0.3% below pre-pandemic levels and has remained below the levels experienced by Georgia. Nine of the fifteen counties have unemployment levels 0.3% or more below where they were pre-pandemic, all six others were within $\pm 0.03\%$ of pre-pandemic unemployment.

Chart 2: Monthly Unemployment Rates January 2020 to May 2021, NWGA and Georgia



Source: Georgia Department of Labor, Monthly GA Unemployment Rates

- All fifteen counties have experienced more sales tax revenue in the first six months of 2021 than in the first six months of 2020 and the first five months of 2019. Whitfield County had by far the largest percentage increase compared to the first six months of 2020 at 74.68% due to the more than \$10,000,000 increase in SPLOST between the first six months of 2020 and the first six months of 2021.

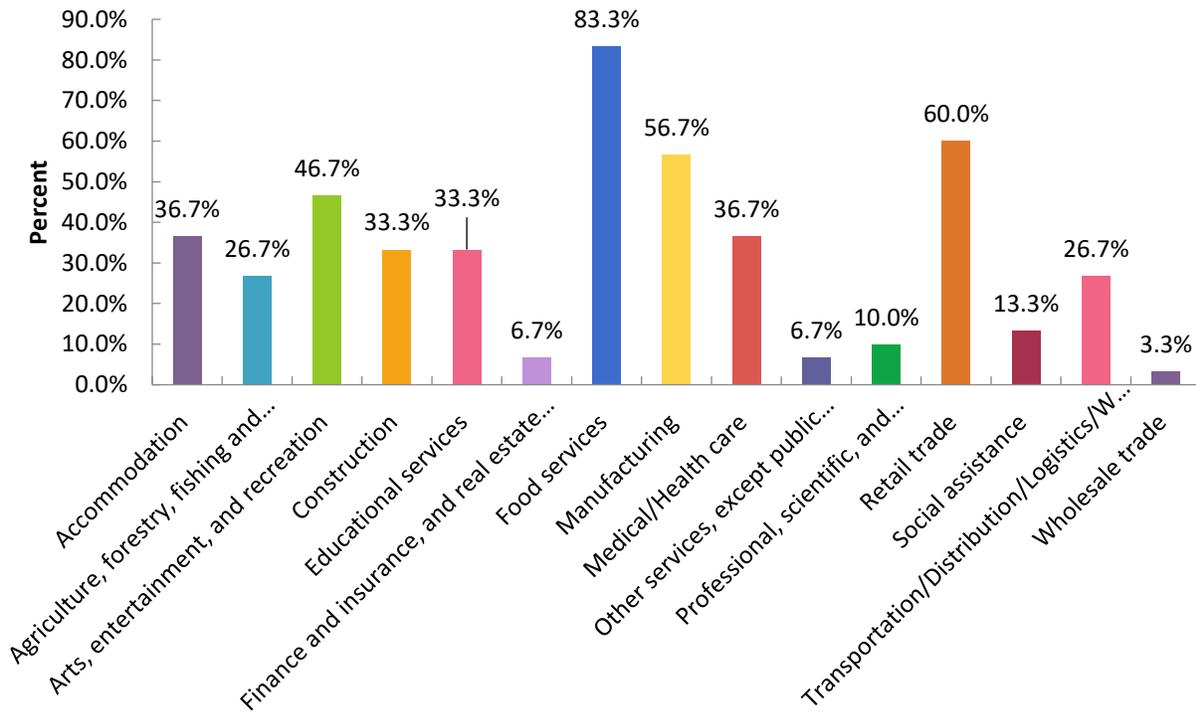
Stakeholders

Survey

A survey was conducted from April 29, 2021 to June 30, 2021. The purpose of this survey was to better understand what forms of aid are needed by the region’s businesses, chambers of commerce, development authorities, and local governments for the recovery plan, and was sent out to members of chambers of commerce, development authorities, and local governments throughout the region.

One question in the survey asked respondents about the types of businesses that needed help, and allowed for multiple responses. The results of this question can be found in Chart 3. The types of businesses that received a majority of respondents stating that they needed help were Services at 83.3%, Retail at 60.0%, and Manufacturing at 56.7%.

Chart 3: What types of businesses need help in your community? Check all that apply.



Two more questions asked about the types of assistance that would be helpful, one allowed for multiple responses and a second that only allowed one response. For both questions, skill development and workforce training was the most common response, with 69.0% of respondents for the first question and 34.5% of the second question.

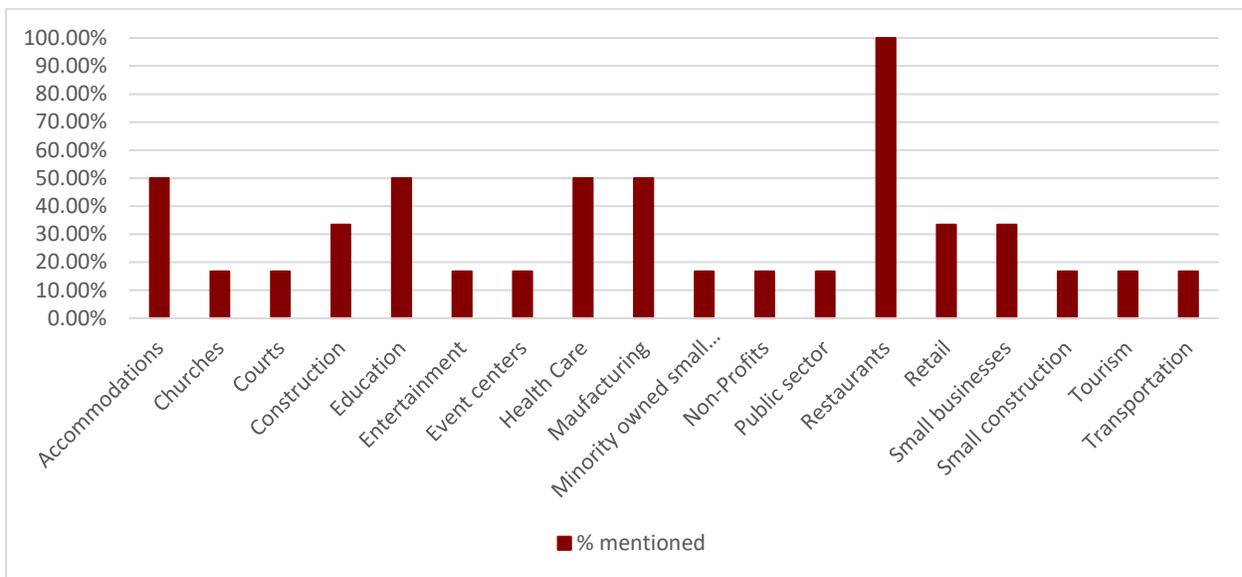
Three questions asked about what forms of assistance were needed, with the responses generally indicating that financial assistance (particularly information about what forms of financial assistance is out there), business assistance, and workforce development were the forms of assistance most needed.

Stakeholder Meetings

Stakeholder meetings were held with several of the region’s counties and an additional meeting was held with region-wide stakeholders to gain additional insight into what was needed to recover from the pandemic and what projects were planned or ongoing that could be included in this plan.

Chart 4 shows the percentage of meetings in which each sector brought up by at least one county as a sector among the most impacted by COVID-19. As can be seen, every county mentioned restaurants and half brought up Accommodations, Education, Health Care, and Manufacturing. This agrees with other results indicating that the Food Services and Manufacturing were hit hard by COVID-19.

Chart 4: Percentage of County Stakeholder Meetings that Brought up Topic



The stakeholder meetings with individual counties consistently found that the region needs to address the employee shortage and lack of affordable housing availability to recover. The meetings commonly found that restaurants and the supply chain were in need of aid, that the region also needs greater broadband availability, improved roads, and its supply chain issues fixed to recover.

The regional stakeholder meeting indicated that restaurants, lodging, attractions, manufactures (especially auto manufacturers) and retail (especially small retail) were the sectors of the region’s economy most effected by COVID-19. In terms of sectors and businesses in need of aid and where efforts should be geared, our regional economic development partners indicated that small communities need help with how to spend ARPA money effectively given the lack of contractors and with prequalification, that manufactures need help with the supply chain and worker absenteeism, that there is a shortage of affordable childcare, and that support for children and teenagers with autism or learning disabilities is needed. Broadband, free tutoring, better grant messaging, employees, affordable housing, and supply chains were the topics addressed as being necessary for the region to recover.

Key Goals

Based on the needs and issues identified in the stakeholder meetings and in the region survey, NWGRC has developed goals for the region's economic recovery from the Covid19 Pandemic. These goals are presented in the four broad categories identified in Northwest Georgia's Economic Development Strategy (CEDS). In particular, this plan aims to improve the human capital of the region, increase community assets, improve essential infrastructure, and improve the business climate.

Human Capital

1. Increase number of skilled workers in the Region
2. Increase number of students entering the manufacturing field

Community Assets

1. Ensure that the tourism sector is safe and attractive
2. Enhance quality of life amenities in region
3. Ensure affordable housing is available to meet the needs of the workforce
4. Ensure that there is plentiful outdoor recreation and events available
5. Support downtowns and help the small businesses within thrive

Essential Infrastructure

1. Ensure have sufficient industrial property to meet needs
2. Remove transportation barriers to recovery
3. Increase coverage and accessibility of internet
4. Ensure communities have adequate basic infrastructure

Business Climate

1. Improve financial situation of small businesses
2. Enhance regional competitiveness
3. Assist businesses with obtaining advice on how to overcome the challenges they are facing

Strategies

In consultation with economic development officials in our communities and our state partners, NWGRC has developed strategies to address the economic impacts associated with the Covid-19 pandemic. Not all strategies may be appropriate for each of the communities located in Northwest Georgia; however, each community in the region can find some strategies that are appropriate for their area. City and Counties are encouraged to target recovery funds and other resources to implement the following strategies to achieve their identified economic development goals. The following section provides the planned strategies to achieve the goals identified in the previous section.

Human Capital

I) Increase number of skilled workers in the Region.

1. Apply for grants and target funding to increase workforce skills in the region; especially those skills needed in high demand careers.
2. Work with local colleges or university to establish short-term training programs for students based on feedback from employers, work with the local chamber of commerce to match employers to employees.
3. Market tuition assistance for students pursuing degrees in high demand areas.
4. Continue to invest in College and Career Academies. Ensure area high schools have facilities to support training in advance manufacturing (*such as Mechatronics / Robotics programs and Fab Labs*).

II) Increase number of students entering the manufacturing field

1. Create or continue program to have industry representative glamorize manufacturing and provide information about opportunities in advanced manufacturing field.
2. Work with local chambers of commerce, development authorities, and employers to establish new apprenticeship opportunities for students wishing to enter the manufacturing and advanced manufacturing fields.

Community Assets

I) Ensure that the tourism sector is safe and attractive

1. Apply for grants to support tourism product development and encourage visitation to the region.
2. Promote tourist attractions in the region; especially those that synergizes well with one another (*ex. folk art attractions, outdoor activities, or agritourism*).

II) Enhance quality of life amenities in region

1. Apply for arts and cultural grants to support theaters, museums, events, and festivals.
2. Implement placemaking activities in each community

III) Ensure affordable housing is available to meet the needs of the workforce

1. Develop a community housing plan and participate in housing programs such as the Georgia Initiative for Community Housing (GICH).
2. Apply for grants and programs intended to increase affordable housing and/or improve substandard housing (*ex. CDBG, CHIP, and LIHTC*).
3. Market programs intended for individuals to improve existing housing or to become homeowners.

IV) Ensure that there is plentiful outdoor recreation and events available

1. Apply for grants to develop and renovate outdoor recreation facilities.
2. Apply for grants to support recreational trails and trail-related facilities.
3. Construct picnic benches and other facilities in parks to increase utilization.
4. Develop blue ways and natural trails to provide outdoor recreation opportunities and encourage tourism to the area.

V) Support downtowns and help the small businesses within thrive

1. Engage in placemaking and beautification projects in downtowns.
2. Conduct study of traffic flow/pedestrian safety/streetscaping/parking in downtown areas.
3. Construct and support downtown outdoor event centers and festivals.
4. Encourage local downtown development association(s) to collaborate with other DDA's in the region to recreate informal regional association to provide opportunity for advice.

Essential Infrastructure

I) Ensure have sufficient industrial property to meet needs

1. Market existing industrial properties and ensure an up-to-date inventory of available property is completed for each County.
2. Develop industrial parks and associated infrastructure where needed.

II) Remove transportation barriers to recovery

1. Consider expansion of public transit in urbanized areas to ensure workers are able to travel to jobs.
2. Apply for grants to improve transportation infrastructure, including bicycle and pedestrian facilities.

III) Increase coverage and accessibility of internet

1. Provide free Wi-Fi in public spaces; ensure complete coverage of downtown areas.
2. Achieve Broadband Ready Community status.
3. Apply for grants to improve high-speed internet access. Internet access projects should not only consider availability of internet access, but also affordability.

IV) Ensure communities have adequate basic infrastructure

1. Ensure availability and capacity of infrastructure is adequate to support anticipated economic growth.
2. Apply for grants and loans to improve all forms of traditional infrastructure as needed.
3. Prepare asset management and capital improvement plans for water and sewerage systems to ensure the long-term viability of these utilities.
4. Examine critical infrastructure to confirm redundancy and maintenance is adequate to ensure the resiliency of the system. Ensure water systems are interconnected to provide redundancy in the systems.
5. Construct reservoir to help address concerns about continuing droughts and irregular water needs of some companies where needed.

Business Climate

I) Improve financial situation of small businesses

1. Market small business grants/loans.
2. Support programs that provide access to capital for small businesses recovering from the pandemic and for entrepreneurs, start-up companies, and innovative expansions that focus on emerging markets. Advertise RLF programs, including the program offered by NWGRC.
3. Create or continue program to provide short-term parking spaces for online ordering.
4. Create or continue diversity programs to provide resources to minority owned businesses.

II) Enhance regional competitiveness

1. Develop Business Centers to act as incubators and accelerators providing business development services and space for entrepreneurs in the region to aid with entrepreneurship and innovation.
2. Apply for Rural Zone status to encourage new businesses and investments in the Region's downtown areas.
3. Update zoning regulations to facilitate reuse of vacant or underutilized commercial properties

III) Assist businesses with obtaining advice on how to overcome the challenges they are facing

1. Provide needed advice/support
 - a. Educate businesses about existing tax incentives and resources (Job Tax Credit, State Quality Job Tax Credit, CARES Act funding, etc.)
 - b. Host workshops to provide advice for small businesses
 - c. Provide advice on identifying new customer segments
 - d. Provide advice on identifying new revenue models
2. Develop a website advertising resources to help businesses recover from the pandemic (grants/loans, technical support, etc.)

Implementation

The Northwest Georgia Regional Commission, northwest Georgia cities and counties, and local/regional/state economic development organizations are all responsible for implementation of the goals and strategies in this recovery plan. NWGRC, utilizing Economic Development Administration Planning Investment funds, will assist and guide responsible parties in the implementation of the plan and with identifying possible funding sources.

In addition to EDA grant funds, responsible parties may employ the following tools in meeting the identified goals and strategies: Georgia Department of Community Affairs Business Development Funds, Appalachian Regional Commission Grant Funds, US Department of Agriculture-Rural Development Economic Development Programs, OneGeorgia Authority, Georgia Recreational Trails Program, U.S. Land and Water Conservation Fund, and local and statewide initiatives such as Freeport Exemption, Job Tax Credits, Enterprise Zones and job training programs.

Local governments and authorities, who may need assistance with implementing recovery strategies locally, are encouraged to contact NWGRC's community and economic development staff. The primary point of contact for assistance is Delmos Stone, Community and Economic Development Manager, at dstone@nwgrc.org or call (706) 295-6485.