

**GEORGIA DEPARTMENT OF ECONOMIC DEVELOPMENT
BOARD OF DIRECTORS MEETING MINUTES**

**University of Georgia | Stelling Study in Moore-Rooker Hall – Business Learning
Community**

Thursday, August 29, 2019

2:00 pm – 5:00 pm

**Compiled by:
Commissioner's Office
Georgia Department of Economic Development
75 Fifth Street N.W., Suite 1200
Atlanta, Georgia 30308
Phone: 404 962.4003 Fax: 404.962.4009**

Pursuant to notice duly given, the Board of Directors of the Georgia Department of Economic Development met on August 29, 2018, 2:30 pm, University of Georgia | Stelling Study in Moore-Rooker Hall – Business Learning Community

Attending Board Members

Attending Board Members

1. Dennis Chastain
2. Jake Carter
3. Randy Hatcher
4. Marisa Simpson
5. David Belle Isle
6. June Wood
7. Mark Bassford
8. T. Dallas Smith
9. Jay Neely
10. Mitch Malcom
11. Amy Kelley
12. Jaclyn Dixon Ford
13. Steve Syfan
14. Wayne Christian
15. Eric Johnson
16. Larry Hanson
17. Scott Blackstock

Attending Advisors

1. Sean McMillan
2. Matt Sawhill
3. Kevin Shea

Chairman Jay Neely called the GDEcD Board Meeting to order at 2:00 pm and welcomed new members Mitch Malcom, T. Dallas Smith, Steve Syfan, and David Belle Isle.

He then called for a motion to approve the minutes from the previous meeting.

Motion: To approve the minutes for the May 29, 2019 meeting

Vote: Motion carried

Resolved: Minutes from the meeting on May 29, 2019 approved without modification

Chairman Neely then called on Tom Griffith and Monty Osteen, former members of the GDEcD Board of Directors, to wish them farewell and present commendations from Governor Kemp.

Chairman Neely then called on **Andrew Capezzuto, General Counsel – GDEcD**, to speak about the Georgia Department of Economic Development Proposed revisions to the bylaws. Each member was given a printed copy of the bylaws and notice was given that the changes will be voted on at our next board meeting.

Chairman Neely called on **Toby Carr, Vice President for Government Relations – The University of Georgia**, to welcome the Board to UGA and Athens and to introduce the members of the panel to speak on Supporting our State: The Building Blocks for Economic Development (Workforce Development and Small Business Development).

Members of the panel included the following from the University of Georgia
Jennifer Frum, Vice President – Public Service & Outreach
Laura Meadows, Director – Carl Vinson Institute of Government
Allan Adams, Director – Small Business Development Center

Jennifer Frum explained that the University of Georgia is a land grant institution that provides outreach to every community in the state of Georgia. Every area of Georgia has a UGA resource within 38 miles. UGA has 600 undergraduate students with an economic impact of \$6.3 billion. The Public Service and Outreach programs have an economic impact of \$722 million. Their foundation for economic success includes:

- Leadership development
- Revitalizing downtowns
- Workforce development
- Small business development

Laura Meadows spoke about workforce development. It is the top site selection factor when a company is looking at a state to call home. Georgia's unemployment rate is 3.6% now, with full employment being 4.1% - 4.7%. There have been 1 million+ unique online jobs posted between January 2019 and July 2019.

Some of the many core workforce development offerings since beginning the High Demand Career Initiative are:

- Labor market and economic analysis
- Strategy development
- Partnerships development/partnership tool kits
- Local and regional planning
- College and career academies
- Sector partnerships such as the Regents

Recently, the Carl Vinson Institute partnered with Cherokee County to form a collaborative strategic implementation plan called Workforce Cherokee.

- Data collection
- Assess needs
- Vision and priority planning
- Implementation

Laura introduced **Misti Martin, President – Cherokee Office of Economic Development**, to speak about the partnership.

Misti stated that Cherokee County is now the fastest growing county in Georgia.

- The county has excellent schools that score number 1 in SAT scores across the state
- 72% of their students continue to a 4-year college, 40% of those students graduate in a six-year period
- 28% enter a skilled profession

After completing an industry study, the County was told that they need to work on soft skills, work ethic, and experience. The community told the county that 83% of the companies asked would hire high school interns.

The take away from the meetings:

- They needed to take down the silos
- They hired a workforce development manager
- They have a career center
- They started a high school intern program that just celebrated its second year (there are risk management issues with hiring younger students to work which the County has had to resolve. They make sure that the interns do real work – they are not there to do tasks which do not help them learn the business.)

Misti stated that the County would not have been able to get to the place they are today without UGA's data driven approach and assistance.

Allan Adams hit on the following points regarding small business in Georgia:

- There are 17 SBDC offices in the state that help business owners apply business concepts and principles to their unique circumstances
- There are 1 million small businesses in Georgia
- 98% of these businesses are established
- They offer 1.6 million jobs and are 43.7% of the private workforce
- They use the offices to train, consult, and assist in research
- They find people that come from private companies and turn them into teachers
- SBDC impact
 - 13,126 jobs created
 - \$9.9 million total sales
 - 1,741 businesses started
 - \$855 million raised in capital
 - Sales increase of 16.6%
 - Employment grown of 14.10%

Allan called on **Brad Hardy from Hardy Farms** Peanuts to tell their story:

Brad and his cousin run Hardy Farms Peanuts which is in Hawkinsville, Georgia. They sell boiled, green, and roasted peanuts. Early in 1991, they sold around 10,000 pounds of green peanuts to the public. Through UGA's extension service they now have increased their space from 3,000 square feet to 45,000 square feet with locations in Florida and Georgia. They consider their

business a “Southern thing” because they sell peanuts retail/wholesale to grocery stores and boiled peanuts on roadside stands.

UGA’s SBDC helped them with marketing and research as well as their financial and business plans. In 2014, they built a new roasting facility and now sell to candy customers all over the country. The first year they roasted 100,000 pounds of peanuts and project that they will roast 10 million pounds this year.

Next, Allan called on **Ryan and Stefanie, owners of Process Equipment and Controls**, out of Newton County. They offer welding and fabrication with 120+ employees. They are presently growing out of their facility and just purchased a \$6 million building. Their challenge is providing service and relationships to Covington (water, sewer, etc.) and to provide a place for skilled people to work - “small business supporting small business”.

Toby Carr introduced the members of the panel that spoke on Advancing the Innovation Economy:

- **Rhul Shrivastav**, Vice President for Instruction
- **Kyle Tschepikow**, Special Assistant to the President & Director for Strategy and Innovation
- **David Lee**, Vice President for Research

The panel shared the following:

- Research enterprise – total R&D expenditures from FY12-17 are up 30%, grew from \$351.4 million to \$455.4 million
- UGA’s \$6.3 billion economic impact has a broad scope – a large team with multidisciplinary initiatives
- New relationships, long term relationships, research, student interns, etc.
- Innovation gateway moves research to the market
- The #1 public university for new products
- \$531 million annual economic impact from UGA startups
- Encourages the innovative spirit of UGA’s students
- Entering Fall 2019
 - First year retention 95.3% - national average 61%
 - 30% graduate with STEM degree
 - 85.7% 6-year completion
 - 600+ students in honor program
 - 14% students seeking 2+ majors
 - 189 “Double Dawg” pathways
 - 130+ undergraduate degrees; 230 graduate/professional degrees
- 85% of the jobs in 2030 do not exist today
- Nearly 50% of current work activities can be automated with existing technology
- By 2030 – 375 million workers may need to change their occupation category

T-Shaped Skills

- Cross discipline
- Depth of learning
- Collaboration/teamwork
- Active learning
- Critical thinking
- Data literacy
- Writing & communication skills

Entrepreneurship

- 330+ students in 11 colleges
- Starting in Fall 2016, each student is required to have one experiential learning for graduation

Innovation District Initiative

- Campus of the future
- Facilities and services to unite the University and downtown
- Studio 225 center for entrepreneurship, student startups, collaborations, etc.
- Next phase (if approved) will begin in January 2021
- Early phase programming
- Idea accelerator
- Law clinic for cash-strapped entrepreneurs
- Dawg Camp for incoming students
- Launchpad
- Innovative Fellows Program
- Mentor and Resident Program

Next, Toby Carr introduced **President Jere Morehead** to speak to the board. President Morehead welcomed the group to the new space which is a 50/50 public/private (state/UGA private supporters) complex. He also shared the following information:

- UGA has a record number of students with 5,500 freshmen
 - 4.0 GPA average
 - 31 ACT average
 - 1359 SAT average
 - 9 AP/IP courses average per student
- Georgia Commitment Scholar Program – 450 endowed scholarship funds to eliminate financial responsibility
- Road Dawgs Program – student visits to high schools to share their experience
- President Morehead teaches a 1st year seminar class to 16 students each year
- Double Dawgs – 150 pathways to obtain a masters/bachelor in a complimentary field over 5 years
- Each student is required to have one experiential learning experience to graduate which can be internships, externships, study abroad, etc.

- New programs for jobs of the future
- 96% professional employed or professional school within six months with ½ of the students being hired in advance of earning their degree
- 69% of grads have jobs in Georgia which helps to expand the economy
- Annual economic impact of \$6.3 billion
- 17 SMBD offices within 40 miles of a UGA resource
- UGA cooperative extension program
- Faculty research into marketable products
- STEM research facility
- Innovation district university start ups

Chairman Neely then called on **Commissioner Pat Wilson** to give the Commissioner's Report. Commissioner Wilson urged the board members and advisors to take what they have learned back into their communities so that they can understand what is going on. Also, please keep our Department informed of what is going on in your area. Things are changing - jobs used to follow companies – now jobs follow talent. Understanding your workforce and assets is what helps bring jobs. He thanked the legislators that attended the meeting. He then said that he was going to touch on the highlights of each division but urged the members and advisors to check the Board Book for details.

Commissioner's Report

Georgia Council for the Arts (GCA)

- GCA is excited to announce that this fiscal year, in addition to maintaining support for the Vibrant Communities Grant which supports arts programs in small and rural communities throughout the state, they also were given support for a new grant program.
- This July the Georgia Council for the Arts launched the Cultural Facilities Grant. The Cultural Facilities Grant supports the construction, renovation or acquisition of a building, or the addition of equipment to support arts programs. Both grant programs application deadlines were this week.

Because of the timing of the board meeting coincides with the grant deadline for GCA's currently open grants, they were not included in the Board Book.

Rural Georgia Initiatives

- To date, the Rural Georgia Initiatives team has completed 94 county meetings which have engaged community leaders in conversation about strengthening their strategies in economic development.
- Facilitated a rural collaborative in Tifton presenting 15 state agencies and organizations charged with strengthening rural Georgia.

International Trade

- After celebrating a record year for exports in March, the trade team finished the fiscal year strong.
 - Trade worked with more than 2,000 companies last year, located in 91 percent of Georgia counties. Trade development truly has a statewide impact.
 - Overall, the team supported \$28.6 million in small business exports to 42 different countries.
 - Two thirds of export successes were achieved with the help of Georgia’s International Representatives.
- Speaking of our International Representatives, we are thrilled to welcome Tractus Asia to the Georgia team as our new trade contractor in China. Tractus has more than twenty years of experience supporting U.S. businesses and state trade offices in China and throughout the ASEAN region. The team will be responsible for identifying and vetting viable export opportunities in China for our Georgia SMEs.
- Finally, the Department will host the SEUS-Japan conference in Savannah this October. Georgia was a founder of the SEUS Japan Alliance, and the first host of the inaugural meeting in 1976. This conference is a unique opportunity to tout Georgia’s economic development assets and celebrate the importance of Japanese investment in our state. We expect a strong turnout of Georgia business leaders. If you’re interested in attending this event, please have a chat with Mary Waters.

Centers of Innovation

- **COI Regional Innovation Tours** – COI began a series of visits to communities across Georgia to learn more about the local innovation ecosystems, how to expand innovation programs using a combination of local and state-wide resources, and better connect COI programs to the communities.

The visits resulted in many new collaborations with local companies and opportunities for future partnerships to grow local innovation communities.

- **COI Information Technology** and the **GDEcD Corporate Solutions and Cyber Security Team** kicked off the development of a **Cyber Security Resource Catalog** to support recruitment, expansion and innovation efforts by GDEcD. This effort connects with the ongoing **DoD Office of Economic Adjustment grant program** led by COI Aerospace that assists Georgia defense contractors as new DoD cyber requirements come online in early 2020.

COI Information Technology also participates in the **Institute for Healthcare Information Technology (IHIT)** board which recently released a white paper titled, “The State of Cybersecurity Among Georgia Hospitals” to foster more collaboration between the cyber industry, government and hospitals.

- **COI Manufacturing** continues to support **Plethora Manufacturing** as they move out on an announced project to which will create 250 jobs and invest more than \$17 million in a new production facility in Marietta. COI Manufacturing supported the recruitment and is now connecting Plethora to resources to help ensure the success of the project as it moves forward.

This is a great example of how COI supports the recruitment process and then provides continuing support to companies once they locate in Georgia.

Global Commerce

- We have publically announced 3,200 jobs in the last two months, which is more than double what we had announced in the first two months of FY19
- Recent announcements include: Arglass Yamamura (151 jobs, \$123 million investment – Valdosta), Stitch Fix (981 jobs, \$15.5 million investment – Douglas County) and Amazon (1,000 jobs, \$237 million investment – Stone Mountain
- Georgia Automotive & Emerging Technology Awards – nominations are open until September 13th in four categories: Automotive Innovation, Supplier of the Year, Community Impact, Leader of the Year. Companies of all sizes are eligible, and companies may nominate themselves. If you know anyone in your area doing great work in the auto industry, let them know about these awards!
- Small Business ROCK STARS – with the Governor’s focus on small business, these awards serve to honor those companies with fewer than 100 employees that are making an impact in their industries and communities. Nominations are open until September 30th

Film

- Georgia is currently hosting numerous projects -- there are currently 11 projects in preproduction and 26 projects in production around the state.
- The Georgia-lensed television series *“Stranger Things Season 3* broke Netflix records on its 4th of July release. 40.7 million households watched the show— more than any other film or series in its first four days, and 18.2 million had already finished the entire season in that four-day time period.
- The Georgia-lensed *“Avengers: End Game”* passed Avatar as the highest grossing feature of all time, grossing 2.8 billion worldwide.

Marketing & Communications

- The Marketing & Communications division continues to earn accolades for their video productions. The team recently won two Gold Telly Awards – one featuring cybersecurity and the new Cyber Center in Augusta, Georgia and the other for an animation project for the Film Office. The group also won a Hermes Award for the Japanese investment video produced for Global Commerce.
- The team just completed digital campaigns focused on cybersecurity, senior level decision-makers in Korea, and a Japanese campaign that promoted the new Japanese investment video to potential decision-makers. The cyber campaign concluded with almost 10,000 clicks to Georgia.org/cyber and more than 8M impressions in key markets like London, Tel Aviv, Boston and New York. The Korean campaign generated 1.7M views and 5500 clicks to Georgia.org/Korea.

International Relations

- This summer Governor Kemp traveled to Korea for four days of business meetings on his first international trip.
 - In just four business days, the Governor and our delegation attended an incredible 22 different meetings and events.
 - We spent time with prospects, companies already located in Georgia, trade organizations, and government leaders, and including a sit-down meeting with Korea's Prime Minister.
 - We made sure the Governor had time to get to know leadership at Kia/Hyundai, since Kia has become an essential player in Georgia's business community.
 - And he also spent some time with leadership at SK Innovation, which as you remember is the company building a \$2 billion facility in Jackson County and who we expect to be a major player in Georgia in the coming years.
- The International Relations team is now welcoming new members of the Consular Corps, as new diplomats arrive to their Atlanta posting from Israel, Peru, Japan, and Honduras.

Tourism

- Tourism recently received the preliminary statewide industry numbers for 2018 and they show our team did a great job in setting objectives in their 2019-2021 Strategic Plan. The Strategic Plan called for direct visitor spending to increase by \$1 billion annually for the next three years.
 - Last year, visitors to Georgia spent \$31.05 billion, a 4.8% increase over \$29.6 billion the previous year.
 - Likewise, the strategic plan called for annual growth of at least \$100 million in state and local tax revenue. In 2018, state and local tax revenue actually rose by \$159 million for a total of \$3.4 billion in state and local coffers.
- Our Tourism Product Development team celebrates its 10th anniversary and over the past decade, they've conducted 70 resource teams in communities across the state, primarily rural. One of the greatest wins of this program is the long-term relationships that are created within these communities.
- The Tourism team recently reached another milestone, surpassing 200,000 followers on the ExploreGeorgia.org Instagram account. That puts Georgia at #7 among state tourism Instagram accounts from around the country. Our Tourism team continues to see great success with user-generated content working well across all our platforms. Our current advertising campaign, "Invitation to Explore," has also exclusively featured user-generated content - photos and videos taken by visitors and/or residents.

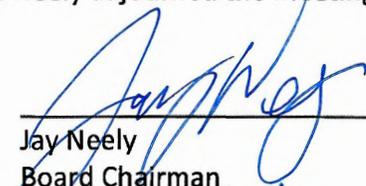
Georgia Department of Economic Development
Board Meeting – August 29, 2019

Chairman Neely concluded the meeting by telling the members that it is their responsibility to learn from the board meetings and take the information back to their communities. He mentioned the following take-backs from the University:

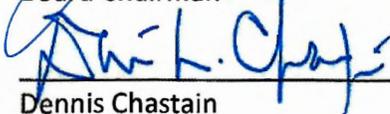
- It is a resource to businesses
- How different the learning experience is now
- It is the innovation engine of our state
- UGA today is a top tier worldwide

With no further business, Chairman Neely adjourned the meeting at 4:45 pm.

Respectfully Submitted:



Jay Neely
Board Chairman



Dennis Chastain
Board Member