



Dedication to a Collaborative and Fast Start Combined with Wall-to-Wall Service Defines Engineered Floors' Mega Project in North Georgia

THE CHALLENGE

Bob Shaw, legendary Georgia businessman, employer and entrepreneur, was growing his latest company, Engineered Floors, with great speed and success. With existing facilities in place in Dalton and Calhoun, Georgia, Shaw was looking to expand his textile manufacturing capabilities with an innovative tufting process to keep up with the demand. As a north Georgia native committed to bolstering the development of the area, Shaw hoped to grow nearby, but only if it made economic sense. While his heart may have been set on Georgia, Tennessee would have been logistically possible, and potentially more incentive-laden.

Mr. Shaw and the Engineered Floors team had a number of criteria to consider when evaluating the scope and location of their next expansion: tax incentive packages from local and state governments, location with close proximity to their existing facilities, proximity to the rail system, and a qualified and extensive technical labor pool.

Timing for Engineered Floors was critical. As Mr. Shaw likes to say, "We don't buy green bananas." The new carpet manufacturing process was exceptionally eco-friendly, using substantially less water and energy than the traditional methods, and Engineered Floors was anxious to break ground as soon as possible to begin implementing the process.

SOLUTION

Based on the urging of Mr. Shaw and other Georgia business owners, Governor Deal had recently repealed the utilities sales tax, saving businesses considerable capital. For manufacturing facilities, electrical and gas taxes are a substantial expenditure, and any savings can be extremely attractive.

Engineered Floors had originally intended to cap its expansion to a \$300 million project with 1,600 new hires, but when the Georgia Department of Economic

Company:

Engineered Floors

Facility Type:

Manufacturing - Flooring

Key Requirement:

1.5M+ square feet on a rail line, preferably near their existing facilities in North Georgia

Number of Jobs Added:

2,400

Investment:

\$450 million

What Georgia Provides Engineered Floors:

- Training assistance at no cost through the Georgia Quick Start program - the nation's top-ranked workforce training program.
- A workforce pool of technically qualified candidates from the flooring industry in the area.

Incentives:

- Mega Tax Credit



Development got involved, it became clear that they were close to reaching the threshold for the Mega Project Tax Credit. The Mega Project Tax Credit is available for companies that employ at least 1,800 net new employees, and either invest a minimum of \$450 million or have a minimum annual payroll of \$150 million. These qualifying companies may claim a \$5,250 per job, per year tax credit for the first five years of each net new job position.

Representatives from GDEcD worked closely with Engineered Floors to ensure that redesigning the scope of the expansion to meet the Mega Project threshold would benefit not only the bottom line, but also would keep the company in the community that Mr. Shaw was so passionate about helping.

Alongside Georgia Quick Start – the nation’s top ranked and widely copied workforce training program – the state also boasts an expansive system of technical colleges. Most importantly for the company, however, was the existing pool of highly qualified textile workers in the area. Providing employment to this region and to the professionals who helped build the carpet and textile industry in north Georgia has long been a priority for Mr. Shaw. With the Mega Tax incentive, Engineered Floors saw the opportunity to grow even more than it had initially planned.

THE RESULTS

With the tireless help of the entire GDEcD organization, led by project manager Carl Campbell, Engineered Floors was able to determine a Mega Project Tax Credit could indeed be achieved with only a slight increase in initial expenditure, and also be a boon to future growth and savings. The successful and fast collaboration from the Georgia Department of Economic Development helped Engineered Floors break ground on what would eventually be the largest capacity single site carpet manufacturing facility in the world with a planned 2,400 jobs.

With a projected investment of \$450 million in the multi-phase project, the new facility began producing product in July of 2014. With the continued support and cooperation from the state, Engineered Floors will continue to flourish with the North Georgia communities it’s proud to call family.

“Due to our product’s success in the field, we had a need to rapidly expand our production capacity. This was a business opportunity that fit in with our corporate interests to support the north Georgia community. The speed, cooperation and efficiency that the Georgia Department of Economic Development brought to the process only confirmed what we were already determined to do.”

- James Lesslie, Assistant to the Chairman
Engineered Floors



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