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CHAMBER OF COMMERCE

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Final Report to IMPACT 2012 Shareholders

# IMPACT 2012 Final Report to Shareholders

**IMPACT**  
2012

## A BUSINESS ACTION PLAN

Led By The Valdosta-Lowndes County Chamber of Commerce

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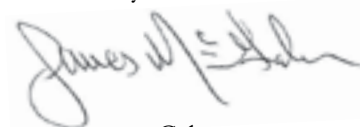
### Dear IMPACT 2012 Investors:

In 2007 I was asked to chair the Chamber's IMPACT 2012 Leadership Council. I agreed to do so because I believed in the Chamber's vision that Valdosta-Lowndes County could and should be an attractive place for more businesses utilizing talented, skilled, higher educated people resulting in a higher economic standard of living for our community. Many members of the Chamber and a large number of community businesses and individuals agreed also. They pledged over \$2.3 million of financial support for the IMPACT 2012 initiative. Through the end of 2012 and after five years of economically challenging times, our 133 investors have fulfilled over 91 % of their pledged support.

Our community can take pride in the accomplishments of IMPACT 2012. The programs of workforce development and education, expansion of targeted businesses, entrepreneurial and small business development, enhancement of pro-business environment, and attraction of amenity-seeking retirees are accomplishments that have benefitted our community during the past five years and as the economy improves going forward, these programs will be the foundation of a strong, growing community with a higher economic standard of living.

Quality of life combined with economic opportunity will be the driving forces for the next generations of young people seeking a place to live, work and play. I am pleased the community supports the Chamber's vision and I am confident the Chamber will continue to support and partner with the community.

Sincerely,



James McGahee  
Chairman  
IMPACT 2012 Leadership Council



James McGahee

416 North Ashley Street  
Valdosta, GA 31601  
Phone: 227-247-8100  
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## 2008-2012 Economic Overview

**IMPACT 2012** is a five year business action plan aimed at expanding and creating new businesses, and attracting amenity-seeking retirees to the Valdosta-Lowndes County area. Implementation of the plan began in 2008 and spanned a five year period in which economic conditions declined to the lowest levels since the Great Depression. An evaluation of IMPACT 2012 should begin with an understanding of the economic environment during the five year period.

During 2008, the economy moved deeper into the recession that began in December 2007. Although production slowed throughout 2008, the market declined dramatically during the third quarter when large investment banks began to fail and the credit markets seized. While the U.S. Treasury, the Federal Reserve, Congress and the President took unprecedented steps to inject funds into the market, the economy entered a recession so severe that it has been called the Great Recession. Although the Valdosta MSA began to feel the effects of the economic slowdown by the beginning of 2008, recessionary pressures did not fully impact the MSA until August 2008. By the end of 2008 employment fell to 2006 levels, reversing job gains made over the previous two years. Although average residential home prices had declined nationally since 2007, the real estate and construction markets in the Valdosta MSA did not begin to significantly decline until 2008.

The economic recession continued through the first half of 2009. On March 5, 2009, stock market values had declined by 50% from the peak 18 months earlier. Although business investment and consumer confidence began to improve during the second half of 2009, the labor and housing markets remained weak. Many businesses were reluctant to expand and hire new workers given the tight credit markets and regulatory uncertainty. Small and medium size bank failures began to rise nationally with Georgia leading the nation with the largest number of banks failures during 2009. Although the economic slowdown in the Valdosta MSA moderated during 2009, the job outlook for unemployed workers was dismal with full-time employment opportunities remaining relatively scarce. By the end of 2009, local employment declined an additional 5% for the year. Employment losses occurred in all industries, private and public.

By 2010, business investment began to increase and consumer wealth improved as stock prices rose from the trough. Despite these improvements, businesses were reluctant to expand production and hire new workers as consumer spending remained low. Uncertainty about government regulation continued to threaten the economic recovery and additional

threats emerged as oil prices and other commodity prices began to rise. Bank failures reached a peak during 2010 with 157 banks failing nationwide. By the end of 2010, the Valdosta MSA had entered a recovery phase of the business cycle despite the negative events influencing the nation and state. Private sector employment improved throughout 2010 although employment levels remained below 2009 levels. Health Care Services and Professional Services industries reported net job gains while Construction, Construction-related industries and Manufacturing contracted.

During 2011, the U.S. economy grew modestly despite the uncertainties surrounding U.S. fiscal policies, the rising default risks within the European Union, and Middle East unrest. Concern about the long-run sustainability of U.S. fiscal policies led to a credit downgrade for United States government debt in August 2011. While bank failures declined nationwide, the number of bank failures remained elevated. According to a GOA study, Georgia led the nation in the number of bank failures with 74 during the 2008-2011 period. In the Valdosta MSA, private-sector job growth continued to improve led by growth in Agriculture, Health-care and Health-care related industries, and Retail and Hospitality industries. The Valdosta MSA posted net job gains for the year for the first time since 2007.

The United States economic recovery improved slightly during 2012 despite the uncertainties surrounding U.S. fiscal policies, the expectation of higher tax rates beginning January 2013, the default risks within the European Union, and slower worldwide economic growth. U.S. economic growth supported net jobs gains however the economic growth was insufficient to support the vibrant job growth needed to significantly reduce the U.S. unemployment rate. Economic conditions also improved within the Valdosta MSA during 2012. Agriculture, Healthcare and Retail trade were the leading industries in the recovery. In addition, construction of residential single-family and multi-unit homes improved and the local real estate market stabilized. Despite the improving economic conditions and increasing employment levels, the Valdosta MSA unemployment rate remained higher than the pre-recessionary period.

The cooperative relationships between businesses and governments within the Valdosta MSA have been an asset during the recession and economic recovery. Although it has been modest, the Valdosta MSA economic recovery is more robust than most of the other MSAs in the state. The IMPACT 2012 business action plan and the THINK BIG campaign championed by the Valdosta-Lowndes County Chamber of Commerce contributed to Valdosta MSA recovery.



The Economic Overview was prepared by Cynthia Royal Tori, Ph.D., Professor of Economics, Center for Business and Economic Research at Valdosta State University.



## A Business Action Plan

By the year 2012, Valdosta-Lowndes County will enhance its position as the business, educational, social and cultural center of excellence for South Georgia. Recognized nationally as a “Smart Community” that uses technology effectively and provides career opportunities for its technical college and university graduates, Valdosta-Lowndes County will be a forward thinking place to live, learn, work and play. Boasting a business-ready environment with a progressive school system, excellent health care, affordable housing and a quality of life second to none, Valdosta-Lowndes County will attract entrepreneurs and a diversity of new business and industry. Young professionals will come to Valdosta-Lowndes County to start a career, raise a family and then join a growing retirement community. With the support of its corporate and elected officials working together, Valdosta-Lowndes County will enhance its standard of living and continue to be a model for progressive communities throughout Georgia and the Southeastern United States.



### Dear IMPACT 2012 Investors:

Throughout the five-year IMPACT 2012 program, an independent Oversight Committee regularly reviewed the financial transactions and reported to the Chamber Board

of Directors on the financial status of the program. Our mission was to ensure that the funds invested in IMPACT 2012 were utilized as the investors intended. In addition, the IMPACT 2012 funds were audited by an independent CPA for 2008 and 2011, and were reviewed for 2009 and 2010 and are being reviewed for 2012. Our investors can feel confident that IMPACT 2012 funds were utilized as the investors intended.

*Curtis A. Fowler*

Curtis Fowler  
IMPACT 2012  
Oversight Committee

### Valdosta-Lowndes County Chamber of Commerce IMPACT 2012 Statement of Activities For the Six Years Ended December 31, 2012

Receipts		\$1,155,262
<b>Disbursements</b>		
Workforce Development & Education	\$274,561	
Expansion of Target Business	54,709	
Entrepreneurial & Small Business Development	39,372	
Enhancement of Professional Environment	71,519	
Attraction of American-Sourcing Policies	54,562	
Operating Expenses	1,627,068	\$2,267,133
Other Expense		\$ 132
<b>Net Deficit</b>		<b>\$ 1,111,871</b>



## Workforce Development/Education

**MISSION:** Establish a “Boot Camp” to develop better managers and supervisors.  
**GOAL:** To improve the management skills of 500 employees.

**GRADE:** A

*Boot Camp for Supervisors, DRUGS DON'T WORK Supervisor Training and “Supervisor Essentials Workshops” served 542 employees. Program evaluations were consistently high among participants.*

**MISSION:** Expand “World Class Employee Recognition” program to improve work ethics.

**GOAL:** To identify and reward 20 outstanding employees with demonstrated exemplary work ethics.

**GRADE:** A

*The World Class Employee Recognition Program successfully identified 20 exemplary employees and recognized and rewarded each with a check for \$1,500, or \$30,000 total.*



**MISSION:** Establish a Workforce Development Task Force in cooperation with the business community Valdosta State University, Wiregrass Georgia Technical College and local school systems to clearly define workforce needs and to identify and recruit new sources of qualified labor.  
**GOAL:** Create the Task Force.

**GRADE:** INCOMPLETE

*Very little progress was made on this important initiative. However, work is being accomplished with the leadership of WGTC, VSU and SGMC on efforts to expand employment opportunities in the healthcare industry.*

Rita Sanders, an employee of Fresh Beginnings for almost seven years, was honored to be nominated for the World Class Employee of the Year award in 2010. To her surprise Rita took home one of the four awards, along with \$1,500; but it was the recognition Rita received that meant the most. The award brought recognition to Rita and her employer Fresh Beginnings, bringing excitement to the whole team. Rita is a strong advocate for Fresh Beginnings, sharing her belief in her company wherever she goes, further demonstrating that a little recognition goes a long way.

**“IMPACT 2012 impacted my company and me! It meant the world to me to receive this recognition, it just reiterated my company’s belief in my work and motivated others around me to be World Class!”**

**MISSION:** An independent study will be conducted to determine the impact of school system consolidation on economic development and quality job growth with appropriate action taken once the study is completed.

**GOAL:** Create an independent task force to undertake and complete the study, followed by a recommendation for appropriate action.

**GRADE:** A

*The independent Task Force contracted with the Carl Vinson Institute and the Fanning Institute of the University of Georgia to conduct the study, which was completed at the end of 2008 with a recommendation to create another independent group to pursue a referendum on school system unification.*

**MISSION:** Partner with businesses, Valdosta State University, Wiregrass Georgia Technical College and local school systems to expand internship opportunities to improve and enhance workforce development.

**GOAL:** Create an online portal through which students and employers can connect.

**GRADE:** C+

*The online portal was created, but much work needs to be done to make it fully functional.*



Rita Sanders  
Fresh Beginnings

## Expansion of Targeted Businesses

**MISSION:** Create more jobs for college and university graduates in Information Technology, Environmental Technology and Medical Services & Support industries.

**GOAL:** Facilitate the creation of 1,000 new jobs in targeted businesses with \$30 million in additional annual payroll from these new jobs.

**GRADE:** A



Chris Miller of Illuminomics was contracted by the Chamber to provide economic analyses to track the growth of these targeted business sectors. Based on data available in January 2013, the growth of 2,903 jobs in the IT, ET and MS&S sectors can be linked to the programs of IMPACT 2012, such as IT Professionals Network, Sustainable Energy Network, and the

Business Plan Competition. These jobs provide an estimated \$106 million in annual payroll.

**MISSION:** Expand and enhance services to existing business and industry to assist them in developing their potential and in securing qualified employees.

**GOAL:** Work with 250 targeted businesses to identify their current and future labor skill needs and assist them in their recruiting efforts.

**GRADE:** N/A

It was quickly noted that many existing programs of the Chamber addressed this goal, including DRUGS DON'T WORK, 5-Star Employer Program, BREP, Make Education Work, World Class Employee Recognition Program and Manufacturers Council.

**MISSION:** Create a marketing outreach program to encourage young professionals to live and work in Valdosta-Lowndes County after completing their university or technical college education.

**GOAL:** To foster young professional leadership development, personal enrichment, networking and community involvement in order to strengthen the community's ability to attract and retain young professionals.

**GRADE:** A

MetroOne has grown over the years to include 520 young professionals. These young professionals meet regularly at networking events, professional development training and community activities.

When Baha Zeidan, Dan Henry and Douglas Swords entered the Guardian Bank Business Plan Competition in 2008, they were unaware of where the competition would take them. Ultimately they were given a year to plan their business and free assistance from the Chamber's SEEDS Center, professional consultants and a business plan coach. They received assistance from the Chamber on their target markets, financial projections and time lines. Upon winning the competition, AHI was able to take the \$15,000 prize money along with their winning business plan to a bank and leverage a \$100,000 line of credit, which is uncommon for a new business. AHI has grown to a regional business, employing more

than 30 with offices in Valdosta, Savannah and Macon. This knowledge-based business is able to hire local college and university graduates, creating high wage jobs for the area.



Dan Henry, CIO

Douglas Swords, CFO

Baha Zeidan, CEO

**“IMPACT 2012 impacted our business! The process put us ahead at least three years of where we would have been without the help of the Chamber and our community.”**

**Douglas Swords  
Azalea Health  
Innovations**

## Entrepreneurial and Small Business Development



**MISSION:** Determine the economic feasibility of creating a small business incubator.

**GOAL:** Implement a comprehensive study to determine the economic feasibility of a targeted business incubator.

**GRADE:** INCOMPLETE

Some progress was made with this initiative. A readiness assessment was completed by our Incubator Task Force, a trip was made to the Burson Center in Carrollton and a \$10,000 grant from Georgia Power was received for an incubator feasibility study.



**MISSION:** Enhance and strengthen the SEEDS Center for Entrepreneurial Development.

**GOAL:** Serve 2,500 entrepreneurial clients through the SEEDS Center and assist 200 new business start-ups.

**GRADE:** A

2,712 clients were served with resources provided by the SEEDS Center between 2008-2012. 87 SEEDS Center clients successfully started a new business with assistance from the SEEDS Center. Some of the 1,055 clients assisted over the past two years stated that they are planning to open their own businesses soon.



Patty McGuffin contacted the Chamber when she began thinking about starting her business. Unsure of logistics and required steps, the Chamber referred Patty to its SEEDS Business Resource Center to get more information about starting a business. The SEEDS Center put Patty in contact with an accountant and attorney who helped her with the initial set-up of her business. Sew and So Fabrics is now in its fifth year, bringing fabrics, sewing classes and equipment repair to the Valdosta area.

**“IMPACT 2012 impacted my business! Without the help from the SEEDS Center I don't know if I would have had the resources or known where to go to get started! I definitely recommend that anyone thinking about starting a business or who needs help growing a business contact the SEEDS Center and take advantage of everything they have to offer.”**

**Patty McGuffin  
Sew and So Fabrics**

## Enhancement of Pro-Business Environment



**MISSION:** Host a regular forum among elected officials, education leaders and other economic development partners regarding business issues and initiatives.  
**GOAL:** Host one regular forum per year.

**GRADE:** A

Our Chamber coordinated three South Georgia Partnership for Regional Development meetings and hosted two Lowndes County Economic Summits with elected officials, education leaders and other economic development partners.

**MISSION:** Advocate for pro-business permitting regulations and practices.

**GOAL:** Develop a better working relationship with local government leaders and the various department heads involved in the business permitting process.

**GRADE:** A

The Chamber's Director of Economic Development regularly attends Lowndes County Technical Review Committee meetings and the City of Valdosta's First Steps Meetings and has formalized the relationship between the business community and our local government offices.

**MISSION:** Formalize a Valdosta-Lowndes County Rapid Response Team to respond to business and industry needs.  
**GOAL:** Act as a liaison between local governments and the business community, propose regulation changes to local governments when deemed appropriate and respond to prioritized business issues and complaints in a timely manner with appropriate action.

**GRADE:** A

Special Ombudsman Response Team (SORT) was formed and has the support of local governments. Recommendations for changes to the City of Valdosta's Land Development Regulations have resulted in text amendments to LDR Chapter 210 for Overlay Districts and Chapter 230 for Sign Regulations. Overall communications between the business community and our local governments is much improved.



**S**ORT was developed to help streamline the business development process. The committee identified areas in the LDR and ULDC which could be more business friendly. After much time and effort, the Chamber, County and City worked together to make it easier for entrepreneurs and businesses to do business in our community. Bill Slaughter, 2012 SORT Chairman and the current Lowndes County Board of Commissioners Chairman can attest to the hard work, time and effort contributed by committee members, and leaders within the City and County.

“IMPACT 2012 impacted our community! From a businessman standpoint, we have benefitted tremendously as doing business in the County and City is much easier. That was our ultimate goal and that is what has been accomplished.”

*Bill Slaughter, Chairman  
Lowndes County Board of Commissioners*



## Attraction of Amenity-Seeking Retirees

**MISSION:** Develop and implement targeted national advertising for retiree recruitment and expand the marketing efforts of the Triple Crown Hometowns Program.

**GOAL:** Attract 400 amenity-seeking retiree households to our community.

**GRADE:** B

- Implemented new website on [www.GeorgiaRetire.com](http://www.GeorgiaRetire.com)
- Developed over 3,400 retiree prospect leads from 47 states and three countries
- Named “Top Four Retirement College Towns” by Georgia Trend magazine
- Named “Top Ten Small Towns to Operate a Business and Retire” by Southern Business and Retirement magazine
- National Advertising on the Golf Channel during the South Georgia Classic
- Named “Top 100 Towns in the U.S.A. to live” by Relocate-America.com
- Advertisement in Georgia Trend magazine



- Named “One of 11 Great Places to Retire in the South” by Retirement Lifestyles
- Profiled as “Top Undiscovered Retirement Haven” in the national publication, Where to Retire magazine
- Two billboards on I-75
- Relocated 353 retiree households
- The economic impact:
  - Annual income: \$14.7 million
  - Annual spending: \$12.6 million
  - Liquid Assets: \$150 million
  - Indirect jobs created: 700

**MISSION:** Advocate for the development of amenities sought by amenity-seeking retirees, including but not limited to active adult communities and public recreation facilities.

**GOAL:** Promote two active adult communities.

**GRADE:** INCOMPLETE

As a result of the severe downturn in the economy, many retirees who had planned to relocate to South Georgia have been forced to postpone their moves. Therefore, new active adult community projects are on hold. The Chamber continues to advocate for the new performing Arts Center and new Regional Public Library.

**A**fter much research, including timeshare visits in Florida, the Chamber's Triple Crown Hometowns website ([GeorgiaRetire.com](http://GeorgiaRetire.com)) caught the eyes of Bob and Beth Devan. The Devans sought more information about the Valdosta area. The TCH program connected the Devans with a local Realtor, mortgage lender and moving company. The program made it easy for the Devans to make their move to Valdosta and the Chamber's Silver Star program introduced the couple to other retirees in the area. The Devans used this network to learn the in's and out's of Valdosta and become more active in the community.

“IMPACT 2012 impacted our lives in a positive way in that when we moved here we were able to meet with people in our same situation and age group which made moving much easier for us!”

*Beth and Bob Devan  
Retirees*



# IMPACT Investors



We are grateful to these corporate and community leaders for making **IMPACT 2012** a success!

Aaron's Rental Purchase  
Ace Electric, Inc.  
Advance Hearing Solutions  
Alert-Tech Systems, Inc.  
Allan Dear Real Estate  
Ambling Companies  
American Classifieds  
American Drill Bushing  
Ameris Bank  
ASA Engineering & Surveying, Inc.  
Astro Exterminating Services, Inc.  
AT&T  
Atlantic Southern Bank  
Barnes Health Care Services  
BB&T Corporation  
Bemiss Citizens Bank  
Black Crow Media, LLC  
Blanton & Griffin Ins. Agency  
Brandon, Rackley & Dukes PC  
Bush Investment Group, LLC  
C. Byrd Simmons, CPA  
Carson McLane Funeral Home  
Cauthan Construction Co., Inc.  
Citizens Community Bank  
City of Hahira  
City of Lake Park  
City of Remerton  
City of Valdosta  
CJB Industries, Inc.  
Classic Art & Frame Company  
Coldwell Banker Premier Real Estate  
Coleman Talley, LLP  
Colony Bank of Valdosta  
Colquitt EMC  
Colson Printing Company  
Coombs Heating & Air Condition  
Covington's Dining & Catering/  
306 North  
Coward Electric & Industrial Contractors, Inc.  
Culbreth, Minick & Associates, PC

Cypress Lakes Development/  
Teamtemps Personnel Staffing  
Dr. Chet Ballard (P)  
Elliott, Blackburn & Gooding, PC  
Ellis, Ricket & Associates  
ERCO Worldwide, Inc.  
Express Employment Professionals  
Eye Associates of South GA, LLC  
Family Health Care  
Farmers Home Furniture Co.  
First State Bank & Trust Co.  
FMB Bancshares Inc.  
Fowler, Holley, Rambo & Stalvey, PC  
Fred DeLoach, Jr. (P)  
Friendly Financial Services, Inc.  
Full Circle Marketing and Advertising Agency  
Fusion Creative Marketing  
Genesis Christian School  
Georgia Power Company  
Great Southern Yellow Pages  
Griffin Corporation  
Griner Automotive Group, Inc.  
Guardian Bank  
H & S Supply Company, Inc.  
Henderson & Godbee, LLP  
Heritage Bank of the South  
Holiday Inn Hotel & Conference Center  
Home Builders Association  
Home Instead Senior Care  
J. Glenn Gregory & Associates  
James Bridges (P)  
James McGahee (P)  
Jodi's Accessories  
Johnson Distributing Company  
Keeman Petroleum Company, Inc.  
Kentucky Fried Chicken  
Lamar Advertising  
Landis International, Inc.

Langdale Ford Company  
Larry Rodgers Investments, LLC  
Lovell Engineering Associates, PC  
Lowndes County  
Lowndes County Farm Bureau  
Magic Media, Inc.  
Mary & Tom Gooding (P)  
Mediacom  
Mike Hill Real Estate  
Miller Hardware Company  
Moore, Clarke, Duvall & Rodgers, PC  
Music Funeral Services  
Nexsttep Technology Services, Inc.  
Packaging Corporation of America, Inc.  
Pleats & Creases  
Prince Automotive of Valdosta, Inc.  
Prudential ACS Real Estate Services  
Quillian Powell Construction Company, Inc.  
Radiology Associates of Valdosta  
Regal Marine  
Regions Bank  
Regulatory Compliance Services, Inc.  
Richard Hill & Associates  
Riley Church Pew Company  
Ron Borders Real Living Realty Advisors  
S.C. Barker Construction Co.  
SAFT America Inc.  
Scruggs Concrete Company  
SMITH Northview Hospital  
Sodexo  
South Georgia Medical Center  
South Georgia Travel  
South Georgia Vein Centers  
Southeastern Capital Management Group, LLC

Southeastern Federal Credit Union  
Southeastern Freight Lines  
Southwest Georgia Bank  
Sunrise Bank  
Sunset Farm Foods, Inc.  
Talk 92.1  
The Herndon Company  
The Park Avenue Bank  
The Scruggs Company  
U.S. Press  
Valdosta Daily Times  
Valdosta Electric Company  
Valdosta Insurance Services, Inc.  
Valdosta Magazine  
Valenti, Rackley & Associates, LLC  
WAAC FM, WGOV AM, WLYX FM  
WALB TV  
Waller Heating & Air Conditioning  
Wetherington Farms  
Williams Investment Company  
Wiregrass Georgia Technical College  
WTLH-TV Fox 49/  
WTLF-TV(CW)  
WTXL TV

**IMPACT 2012** includes a number of initiatives designed to work together to enhance Valdosta-Lowndes County's position as the business, education, social and cultural center of excellence for South Georgia. Funded by 133 community-minded investors, **IMPACT 2012** is a five-year, \$2.3 million business action plan, led by the Valdosta-Lowndes County Chamber, with measurable goals and outcomes. Shareholders received regular progress reports from the Chamber throughout the five-year program.

