# Collaboration credited with bringing Caterpillar to region

BY CARLOS GALARZA
THE JOURNAL

ATHENS, Ga. — It took the cooperation of three local government bodies, generous incentives, and the purchase of privately held property to lure Caterpillar Inc. to northeast Georgia.

These different pieces had to fit and come together like a puzzle for the Caterpillar deal — and the jobs it brings – to get done.

A crucial component in the negotiations proved to be the acquisition of a 265-acre site within the 860-acre Orkin property owned by the family with the pest control empire.

The local governments of Athens-Clarke and Oconee (Ga.) counties agreed to purchase the project site and transfer ownership to Caterpillar over a 20-year period.

"We joined forces to support this project because of its vast potential to create job opportunities and revitalize our local manufacturing industry," said Athens-Clarke Mayor Nancy Denson.

The return on the investment, besides tax revenue and the possible location of other industry, is jobs. The Caterpillar plant is expected to account for 1,400 jobs and another couple of thousand through spin-off industries in the area.

The Orkin property on the intersection of Atlanta Highway and State Road 316 straddles the Athens-Clarke and Oconee County line with a portion also resting within the City of Bogart.



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**Breaking ground for a new Caterpillar plant near Athens, Ga. are, from right: Athens Clarke County Mayor Nancy Denson; Oconee County Chairman Melvin Davis; Georgia Governor Nathan Deal; Caterpillar DCP Division President Mary Bell; Senator Johnny Isakson; and Georgia Department of Economic Development Commissioner Chris Chimenski. The plant is expected to bring hundreds of jobs and tax revenue to the area while possibly providing opportunities for other businesses to locate as far away as Seneca and Anderson.**

The local governments developed an intergovernmental agreement to provide the funding for the acquisition of the property, and share the costs and revenues associated with the Caterpillar project and future projects on the Orkin site.

Other local incentives at no cost to the company sweetened the deal, including adding transportation access to the site, extending water and sewer utilities to the plant grounds, and offering a graduated tax abatement schedule.

All told, the value of the local incentives over the next 20 years is estimated to be more than $30 million.

Caterpillar spokeswoman Bridget Young credited the cooperation shown by local officials in getting the deal done as key to the company's decision to move its small track-type tractor manufacturing operations from Japan to Georgia.

Young said the partnering communities "provided a very competitive package." She said the incentives offered "support to the complex nature of locating a project like this from Japan to the United States."

Alison Tyrer, an official with the Georgia Department of Economic Development, said the state's corporate income tax rate of 6 percent, along with the tax credits offered to Caterpillar, helped seal the deal. She said the area's strong industrial work force and its quality of life helped to win the company over.

Analysts point out that the economic impact to be generated by Caterpillar's new plant, which is already under construction, and scheduled to open late next year, will dwarf the cost of the incentives.

A study using a Georgia Tech local fiscal impact analysis model predicts an increase of $39 million in annual retail sales by local businesses, which would generate an additional $945,000 in sales taxes.

Sharon Younger of the Younger Associates research firm, and a faculty member of the Economic Development Institute, said she expects total economic impact to reach $2.4 billion annually "as key suppliers locate in the region and the regional supply chain matures."

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