Whitfield County’s ‘Team Turnaround’

Visionary public and private sector leaders in this Northwest Georgia community have a heritage of industrial growth and innovation. After a dramatic shakeout, a silver lining has emerged in a partnership-driven economic turnaround initiative that could help close the door on recession.

By Deborah Dewberry, Editor

The Northwest Georgia Trade and Convention Center is the only trade and convention center in Northwest Georgia. It features 143,000 sq. ft. of convention space, ballrooms, breakout meeting rooms and exhibit areas. Photo courtesy of the Northwest Georgia Trade and Convention Center.
Whitfield County’s rise to the top of the world carpet industry is a vibrant legend in Georgia’s annals of economic development. Advances in industrial machinery combined with new, durable materials like nylon and post-World War II entrepreneurial innovation created a fountainhead of commercial success in the carpet industry’s heyday. Whitfield County and Dalton were the epicenter of this economic “gold rush.”

As the industry took off, thanks to waves of production improvements and growing markets, Whitfield County spent the better part of three decades welcoming a host of carpet industry players and their suppliers. Industry poured into the jurisdiction unbidden, and carpet industry growth was, in fact, likened to the previous century’s stampede for gold.

There were so many jobs that people came not just from all over the state, but from surrounding states, the Midwest and Northeast, to work here.

At their height, Northwest Georgia’s carpet companies had created an empire with global reach that few thought would ever let up. The presence of CSX and Norfolk Southern railroads, and the all-important I-75 corridor, combined with affordable electric rates and growing demand for specialized textiles fueled carpet as the floor covering industry’s all-time winner.

Hindsight prompts industry observers now to see that fallout was inevitable. An industry shakeout gathered steam through 2005 and has come full circle now in the midst of the nation’s economic downturn. This recession has dramatically impacted housing, and — and by virtue of that, the carpet industry — resulting in steep declines in local employment for the past several years.

Today, out of some 400 companies, only four carpet and floor covering “giants” remain — those that were large enough and managed with enough acumen to have expanded into areas they’d once relied on suppliers for, like finishing and dyeing. But even the big companies didn’t escape being jolted. Some of Georgia’s most serious job losses have been in this community, and Whitfield County’s unemployment figures last year ranked among highest in the state.

Overwhelming change, officials say, has followed textiles’ growth into a global enterprise.

“Our textile industry has become a very highly mechanized, less people-dependent industry,” notes Elyse Cochran, executive director of the Dalton-Whitfield County Joint Development Authority. “The number of jobs lost here — down from around 65,000 to 59,000 — seems dire. But these were scattered all over Northwest Georgia.”

To coin Shakespeare’s most famous soliloquy, however, rumors of the local economy’s “death” may have been greatly exaggerated. Perhaps surprisingly since this has long been a seat of economic and industrial innovation, a silver lining has emerged. Today, phoenix-like, Whitfield County and Dalton are rising from the economic ashes.

Open for Business

The Whitfield County Board of Commissioners is avidly business-minded, and has much in common with their community counterparts in local private industry. Led by Chairman Mike Babb, a longtime local businessman who served as chairman previously from 1998 through 2004, and returned in 2008, the BOC also includes ACCG Board of Managers member and 14-year veteran Commissioner Mike Cowan representing District 1; Harold Brooker, a businessman and farmer representing District 2; Randy Waskul, a former vice president and environmental engineer with Mohawk Industries representing

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District 3; and farmer and real estate developer Greg Jones, representing District 4. County Administrator Robert S. McLeod, who relocated from Maryland, is responsible for day-to-day operation of all departments.

“The remarkable events in the carpet industry have totally changed how our county does business,” says Chairman Babb. “Because the county did not have to recruit industries for many decades, learning how to compete — regionally and globally — became fundamental to our survival the past few years.”

Recognizing the need for the whole community to get on board with a turnaround plan for economic development, the Whitfield County Board of Commissioners formed strategic alliances with a consortium of leaders and citizens under the auspices of Grow Greater Dalton, a growth strategy involving participants from the county, the city of Dalton, the Dalton-Whitfield County Joint Development Authority, and the Dalton-Whitfield Chamber of Commerce. The aim is to compete for global investment while retaining industries established here; targeting compatible industries; and promoting quality-of-life, cultural and workforce prospects, with an eye for diversifying economic investment.

Success has been measurable. In fact, Whitfield County has a newly-minted reputation overseas for having exactly what foreign investment is looking for — and is now on a global “short list” of U.S. communities most recognized as desirable for U.S. headquarters operations.

“We’re now highly recognized in the state as being among the most competitive for new business,” asserts Chuck Dobbins, director of Corporate Assets for Shaw Industries and board chairman of the Dalton-Whitfield County Joint Development Authority.

“When companies seek new locations, they find some distinct advantages in Whitfield County. For example, we have some of the lowest property taxes in the state and a ready and experienced workforce. Plus, we’re a business-friendly community dedicated, as partners, to community prosperity.”

A credo the Board of Commissioners and the Development Authority like to use to sum it up, says Chairman Babb, is “Dalton and Whitfield County are open for business.”

It didn’t happen overnight. Whitfield County and the city of Dalton formed a Joint Development Authority four years ago to proactively pursue economic development comparable to regional jurisdictions competing well for incoming industry, including Chattanooga, Rome and Floyd County, and Cartersville and Bartow County. Working with the new Dalton-Whitfield County Joint Development Authority, the county made a $2.5 million investment in infrastructure and incentives for a commerce park. In 2008, to ensure a community economic “turn-around,” the Grow Greater Dalton initiative of the Dalton-Whitfield Chamber of Commerce and the Joint Development Authority was formed.

Conceived in 2008 to build the community’s economic base, Grow Greater Dalton was seen as needed by community leaders as the recession “drove home” a requirement for public and private sector leaders to join together in boosting the community’s ability to compete with others in the region.

“These other jurisdictions — Chattanooga, Bartow and Floyd County — had competed all along,” Babb points out. “They had aggressive economic development campaigns in place for years.

“Now,” notes Dobbins, “Grow Greater Dalton is making great progress toward its goal of implementing a world-class economic development marketing and recruitment program.”

Indeed, underpinning all success, the Grow Greater Dalton initiative is making strides among dynamic local strategies conceived by community leaders to turn things around. The initiative continues to log successes marketing the community as an ideal location for incoming business, and as a great environment for in-place industry. With strong support from the Whitfield County Board of Commissioners and the city of Dalton, the initiative is actively bringing together locations and infrastructure required by new or expanding businesses, and then marketing the greater Dalton area to targeted site selection consultants and corporate executives globally.

Payoff Arrives

With three years of groundwork laid, a payoff arrived when the community attracted IVC U.S., a worldwide vinyl

The Whitfield County Board of Commissioners include (from left): Harold Brooker, Randy Waskul, Chairman Mike Babb, Greg Jones, and Mike Cowan.

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flooring manufacturer in late summer 2009. The company announced its plans to invest $70 million over three years to build its first U.S. manufacturing facility here. Initially, 115 jobs would be created, to operate a 520,000 sq. ft. plant, slated to open in late 2011.

Landing IVC was a “game-maker” coup for the county and the region, according to Dobbins, putting the jurisdiction on the “map” as an attractive location for foreign investment. “Attracting IVC also signaled to economic developers across the globe that Greater Dalton is at a new place today — poised to attract new industry at a time when our primary industry continues to struggle in the current economy.”

The company, prior to making the investment, already operated a distribution warehouse near Dalton’s south bypass, adds County Administrator Bob McLeod.

The new IVC facility will operate the largest high-end vinyl manufacturing line in the world in Whitfield County and has expressed confidence in the future of the product.

At a celebration of the announcement, IVC officials announced that though the floor covering industry had “nosedived” in recent years, the vinyl market is likely to “grow fast” when recovery gets a foothold.

The 44-acre site of the new manufacturing facility is proximal to the bypass. For their part, Whitfield County had not only purchased the land for the site, but also funded the infrastructure to develop the site. In addition, Dalton Utilities is funding a new electrical substation to service the project. IVC U.S. will not pay property taxes on the project investment for its first five years. Beginning in year six, IVC will pay partial property taxes increasing each year until year 11 when the project will be fully taxed. The company’s payroll will exceed $2.4 million in the first year.

If anyone claims these are steep concessions, officials are quick to clarify the benefits. McLeod adds that Georgia jurisdictions have to go the extra mile providing incentives to compete with surrounding states, which do not tax energy usage, as Georgia does. As Cochran points out, “All our incentive offers are met with jobs created in the community, long-term investment and wages. The criteria an incoming industry must meet to get these incentives are also substantial, and we hold them to these criteria. They essentially have an agreement with the Development Authority, which undertakes a bond transaction to benefit the company.”

Currently, the Development Authority has some 12 active projects to locate major industry in the county. Grow Greater Dalton entails a four-year strategy begun in 2009, including public and private pledges of $6.1 million for community and economic development purposes. “Through Grow Greater Dalton, the Development Authority has collaborated on a strategic plan targeting certain industries — automotive suppliers to leverage German automaker Volkswagen’s landmark $1 billion investment in Chattanooga; Wacker Chemical, a global chemical company specializing in solar panels, in neighboring Cleveland, Tenn.; plastics and chemical makers; and...”
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The Dalton Whitfield County Joint Development Authority and Dalton Whitfield Chamber salutes the Whitfield County Board of Commissioners’ commitment to economic development!

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advanced manufacturing operations of all types,” says Dobbins, chairman of the initiative.

Other commercial and economic development plans will support the vision of “the big picture” for the community’s future, the branding of Dalton-Whitfield County as the place “Where Inspiration Lives.”

“The Development Authority’s primary goal is to encourage investment that boosts our tax digest and the per capita income here,” Dobbins points out. “In keeping is Grow Greater Dalton’s strategic plan in five business sectors, mostly compatible with our current infrastructure and available labor force.”

The Board of Commissioners continues to demonstrate its commitment to investment and growth. Recently, Whitfield County decided to buy land for a major new business park, located between Chattanooga and Atlanta, and envisioned as the only site with visibility off I-75. The first phase of this key initiative calls for 270 acres, with phase two to add an additional 200 acres.

An expansion of Dalton State College now under way is expected to add more advantages for incoming business, and is now being utilized by IVC to train workers for the substantial floor covering operation planned. In recognition of the importance of demonstrating to potential companies that the community has a readily available trained workforce, the community anticipates being Georgia WorkReady designated in the near term.

Growth and the Economy

The population in Dalton and Whitfield County, currently estimated at some 95,000, has remained relatively stable in the past 10 years. Officials attribute the modest growth to economic impacts to the carpet and floor covering industries. Babb and Dobbins express the impetus of the whole community to “work as partners” toward making a successful transition, on all fronts, out of the economic recession that has affected all facets of life here.

“We have this heritage as an importer of jobs, but now businesses are much more consolidated. We are more focused on growing white collar jobs here now than ever in previous history. We still have a huge industrial base—over 60,000 jobs are still available here—and we need people to live here, and commute here, to work. This way, we can keep our tax base strong,” Dobbins adds.

Retaining professionals to live and work in the community, and attracting them, is among the priorities, notes McLeod. Dobbins elaborates, “We are also an international community. Our school systems have made incredible strides and are an asset to the community. We believe we offer the best to people who want to live and work here.”

Tourism, Related Plans

Dobbins and Babb say leaders here view tourism as having significant untapped potential, which makes this a major focus for ongoing economic development plans. Dalton and Whitfield County’s most recent tourism development, notes Dobbins, builds on the region’s colorful railroad history, its rich Confederate and Civil War heritage, and the importance of the Cherokee Indian nation which inhabited the region prior to European settlements.

“War Comes to Dalton” is a new driving tour of Dalton and Whitfield County developed to introduce tourists to the jurisdiction’s Civil War heritage. As the location of a primary north-south rail line, the Western & Atlantic Railroad, Dalton and Whitfield County quickly became a center of activity serving the Confederacy, until Union occupation.

The famous 1862 Great Locomotive Chase took place in the region, and Whitfield County became a “hospital zone” for the Confederate wounded, with nine hospitals and numerous local churches and private residences serving as medical and convalescent centers.

Finally, the community found itself hosting the Confederate Army of Tennessee, then as the first site assailed in the Atlanta Campaign of General W. T. Sherman. The driving tour chronicles each experience and is organized to highlight the opening of the 1864 Atlanta Campaign, following Sherman’s route from Chattanooga to Atlanta. The tour dovetails with others in the area revisiting the campaign, roughly over the path that I-75 follows. An elaborate, illustrated guide and CD narrate six key stops and many others, from Tunnel Hill and Buzzard’s Roost Gap to the Confederate Cemetery and the Western & Atlantic Train Depot.

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Authority are also excited about revitalization of the Northwest Georgia Trade Center, management for which has been assigned to a national firm, Global Spectrum. “Global Spectrum is No. 2 nationally in the operation of stadiums, arenas and trade centers,” Dobbins says. “We expect this to be a tremendous community resource.”

Broader Growth Initiative Goals

Grow Greater Dalton’s long-term mission is ambitious—to “transform” the community’s economic future, creating over 3,200 jobs and $190 million in new capital investment. These jobs are anticipated to generate $128 million annually in increased wages and over $1 billion yearly for the local gross domestic product.

Leadership is under the auspices of an Investors Council governing the initiative, headed by Grow Greater Dalton General Chairman John P. Neal, III and Brian Anderson, president and CEO of the Dalton-Whitfield Chamber of Commerce. The campaign’s cabinet co-chairs, including Chairman Babb and Shaw’s Dobbins, are community leaders who express a common stake in improving prosperity and the quality of life in the community.

Expansion of the “Inspiration Lives Here” marketing campaign to promote the community brand awareness is also being pursued. Under a Retain and Expand Jobs initiative, an existing industry coordinator will be hired by the Development Authority and will be responsible for pursuing new jobs among the largest existing businesses, and many other objectives to meet the needs of existing businesses.

North Hamilton, one of the many streets commercially revitalized through the Dalton Main Street Program.

Archway Partnership

One initiative Grow Greater Dalton officials are especially excited about involves participating as Georgia’s eighth Archway Partnership Community with the University System of Georgia, including a full-time position for an Archway Partnership Manager funded by the University System and Grow Greater Dalton.

Under the Archway program, leaders anticipate creating a new vision for the community that includes attracting young professionals, boosting entrepreneurial leadership, creating a competitive range of health care options, elevating educational achievement in the community, expanding housing, fostering a competitive business climate and enhancing cultural elements.

The community’s investment will be $60,000 annually, while the University System will fund $200,000 annually. “Archway is one of the work efforts of the Grow Greater Dalton initiative. It’s a great opportunity to do the kind of community visioning that contributes to long-term quality of life,” McLeod notes.

The Dalton-Whitfield Chamber of Commerce also has a public component in the Leadership Dalton-Whitfield Program. “This is the ‘community version’ of Leadership Georgia, and 800 local citizens have gone through the program,” notes Dobbins. “We take the leadership group through all facets of what makes the community work. It’s had outstanding participation.” The program only accepts 30 candidates per year and there currently is a waiting list to participate.

SPLOST and Other Improvements

Though formal consolidation between the city and the county isn’t on the table, a move has been on for the past couple of years to consolidate many services between Whitfield County and the city of Dalton.

A $47 million special-purpose local-option sales tax (SPLOST) is funding transportation projects, such as intersection and road improvements, as well as an all-new road off the Dalton bypass, a “loop” project considered critical. In addition, 138 roads have been resurfaced since 2008.

The county continues to work with the city for other service consolidation. So far, they have combined building inspections and code enforcement.

Whitfield County has a newly-minted reputation overseas for having exactly what foreign investment is looking for.
Education Goals

Education SPLOSTs have been in effect here, consecutively, since the mid-1990s, and several new elementary schools have resulted. A new high school is slated for the northern end of the county, closer to Chattanooga, in anticipation of a wave of growth from the incoming Volkswagen plant; and the city of Dalton is undertaking expansions of all schools in the city’s system.

Besides the ongoing thrust to provide ideal schools, several of which have earned the prestigious International Baccalaureate curriculum designation, educational priorities here include a push with Dalton State College to pursue accreditation of the state four-year program as a full member of the University System of Georgia. A new residential campus is expanding course offerings in the college, which at 5,000-plus students has exceeded its target enrollment goals. Degree programs at the college may be earned in Education, Business, Social Studies, Nursing, Allied Medical, and Mathematics.

Environmental and Infrastructure Needs

Whitfield County’s water resources rely on the Conasauga River, primarily, and secondarily, the Tennessee River, the drainage basin of which encompasses the jurisdiction. Dalton Utilities is the primary water and sewerage system operator, and is tied in with the east side of Chattanooga Water System, which draws from the Tennessee River.

The county worked with Dalton Utilities between 1998 and 2004 to extend lines countywide, and is currently set to expand lines into the northern end. The Board of Commissioners gave the utility $1 million to extend sewer service to the area, seen as crucial to “opening up” the area that could see the brunt of growth when the Volkswagen plant is operational.

Outlook Positive

Officials here express an outlook that is remarkably bright for a jurisdiction having come through much economic upheaval with keystone industries. “We never did see ourselves at risk of losing our primary industry,” notes Elyse Cochran. “Carpet now is simply much more automated. The old technology died — we took those economic conditions into a transition of our own.”
“The carpet industry is really doing all it can, too, to be sustainable,” Babb and McLeod point out. “As the movement for recycled content of things like polyester carpet and nylon backing grows, these industries are forging ahead to dramatically reduce post-industrial waste. Currently, 50 percent of all polyester carpet comes from recycled bottles,” notes McLeod. “Energy-efficiency, closed loop water systems and incentives to provide LEEDS-appropriate building materials are being pursued by Shaw Industries, Mohawk, Beaulieu, and others. That consumers find such ‘green products’ appealing is an incentive, and an opportunity for growth.”

Dobbins adds that it’s a misperception, too, that the carpet industries want to “keep diversification out of Dalton-Whitfield County.” A good thing, indeed, as leaders brace for what could be a tidal wave of interest that will place new demands on roads, not to mention environmental infrastructure, schools and housing.

“There’s no more attractive lifestyle available than here,” asserts McLeod. “We still have a bona fide ‘country’ feel, fantastic scenery, low property taxes and an affordable cost of living.”

Leaders believe construction in the county’s northern end will pick up substantially in the near term, to meet the needs of a probable influx of people here to work at the Volkswagen plant, or in league with suppliers that follow the plant. Community leaders have joined a coalition with the Chattanooga Chamber of Commerce, with which they meet semi-monthly, in anticipation of meeting needs relative to an anticipated burst of suppliers expected to follow the automotive plant.

Finally, one can’t help but observe that in this jurisdiction with such a heritage of innovation, industrial might and economic growth, a strong sense of community character appears indelible. “We’re a philanthropic community,” says Dobbins. “We’ve got great community involvement by the private sector and a broad group of industrial and other leaders who care deeply about the community’s future. Our citizens are involved, too.”

All are community partners in turning the economic picture around, and the common stakeholders all acknowledge the importance of working together. “We’re pushing for progress despite our 12 percent unemployment rate. We still have some 60,000 people working in our community, and that’s a lot. In 2005 and 2006, we had jobs that couldn’t be filled — service jobs that needed people. Now it’s shifted, and it only seems worse for us because once, we had it so good.”

By all accounts, with such leadership and strategic planning in place to market the community, retain current investment and diversify businesses here, Dalton and Whitfield County still have it good. And it’s certain to get better.

Look for more extended coverage of this story in the March CountyLine e-newsletter.