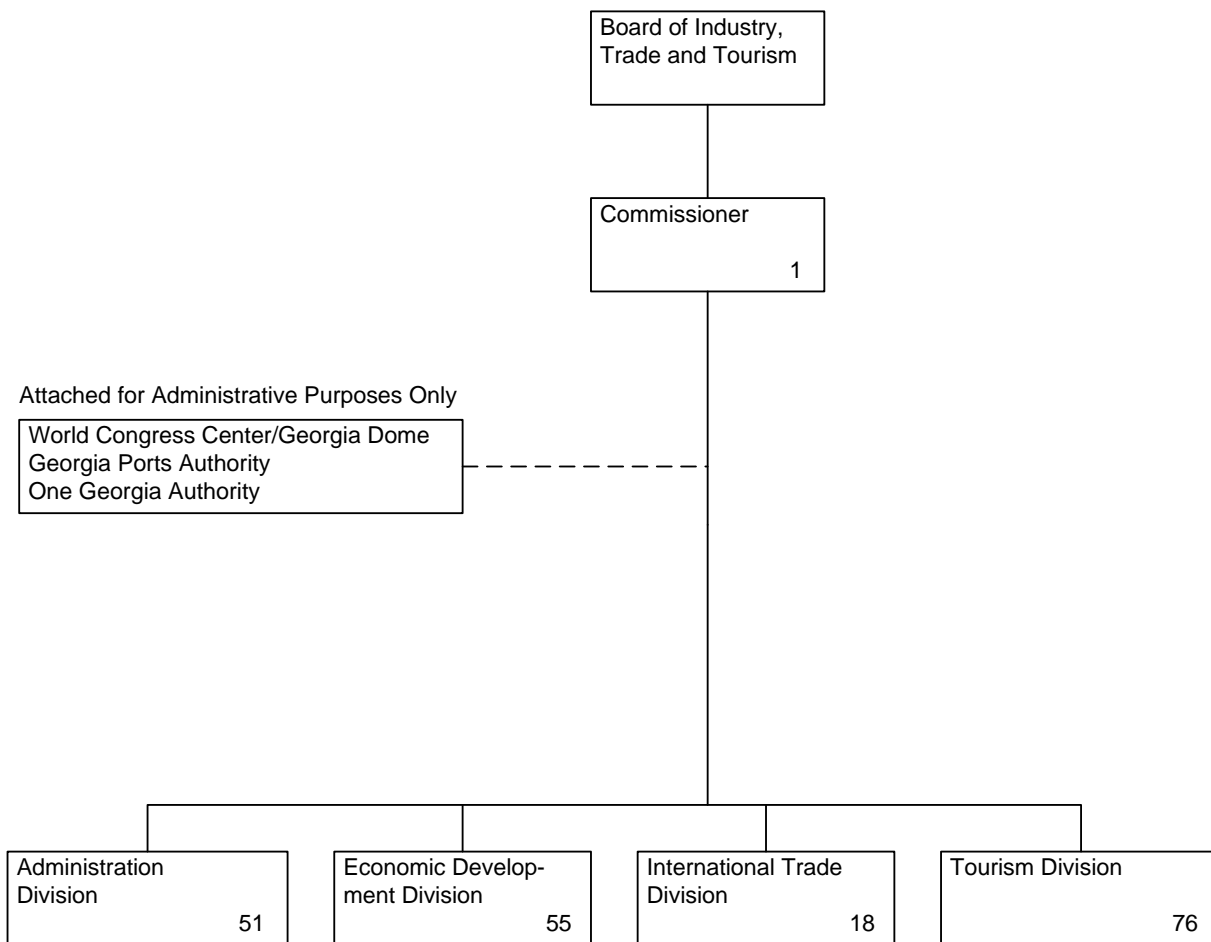


DEPARTMENT OF INDUSTRY, TRADE AND TOURISM

Total Budgeted Positions -- 201



DEPARTMENT OF INDUSTRY, TRADE AND TOURISM
Financial Summary

Expenditures, Current Budget, and Agency Requests

Budget Classes / Fund Sources	FY 2000 Expenditures	FY 2001 Expenditures	FY 2002 Current Budget	FY 2003 Agency Requests		
				Adjusted Base	Enhancements	Totals
Personal Services	\$11,963,524	\$12,443,392	\$12,999,063	\$13,112,432		\$13,112,432
Regular Operating Expenses	1,591,652	1,241,317	1,265,191	1,268,395		1,268,395
Travel	510,445	547,375	593,806	593,806		593,806
Motor Vehicle Purchases	30,426	59,166	20,000	20,000		20,000
Equipment	66,713	60,500	77,597	62,597		62,597
Computer Charges	405,768	388,116	391,336	391,336		391,336
Real Estate Rentals	826,297	798,135	825,323	852,119		852,119
Telecommunications	419,716	437,133	442,215	442,215		442,215
Per Diem and Fees	1,295,033	1,329,014	162,700	162,700		162,700
Contracts	444,387	219,486	1,344,276	1,154,286	\$150,000	1,304,286
Authority Lease Rentals	2,955,000					
G.O. Bonds		1,413,983				
Marketing	8,503,291	11,720,971	11,549,553	11,549,553	441,589	11,991,142
OneGeorgia Authority		79,823,774	34,131,677	34,131,677		34,131,677
Waterway Development in Georgia	50,000	50,000	50,000	50,000		50,000
Local Welcome Centers	245,600	245,600	250,600	250,600		250,600
Total Funds	\$29,307,852	\$110,777,962	\$64,103,337	\$64,041,716	\$591,589	\$64,633,305
Less Federal & Other Funds:						
Federal Funds	\$288					
Other Funds	1,142	\$1,415,189				
Governor's Emergency Funds	36,027					
Total Federal & Other Funds	\$37,457	\$1,415,189				
State General Funds	\$29,270,395	\$29,538,999	\$29,971,660	\$29,910,039	\$591,589	\$30,501,628
Tobacco Funds		79,823,774	34,131,677	34,131,677		34,131,677
TOTAL STATE FUNDS	\$29,270,395	\$109,362,773	\$64,103,337	\$64,041,716	\$591,589	\$64,633,305
Positions	202	202	201	201		201
Motor Vehicles	14	14	14	14		14

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM
Financial Summary

Current Budget and Governor's Recommendations

Budget Classes / Fund Sources	FY 2002 Current Budget	FY 2003 Governor's Recommendations				Totals
		Annualizers and Adjustments	Budget Reductions	Adjusted Base	Enhancements	
Personal Services	\$12,999,063	(\$258,599)		\$12,740,464		\$12,740,464
Regular Operating Expenses	1,265,191		(\$150,000)	1,115,191		1,115,191
Travel	593,806			593,806		593,806
Motor Vehicle Purchases	20,000			20,000		20,000
Equipment	77,597	(15,000)		62,597		62,597
Computer Charges	391,336			391,336		391,336
Real Estate Rentals	825,323			825,323		825,323
Telecommunications	442,215			442,215		442,215
Per Diem and Fees	162,700		(109,500)	53,200		53,200
Contracts	1,344,276	(204,990)	(194,000)	945,286	\$125,000	1,070,286
Authority Lease Rentals						
G.O. Bonds						
Marketing	11,549,553		(1,750,000)	9,799,553		9,799,553
OneGeorgia Authority	34,131,677	(34,131,677)			65,430,712	65,430,712
Waterway Development in Georgia	50,000		(50,000)			
Local Welcome Centers	250,600			250,600		250,600
Total Funds	\$64,103,337	(\$34,610,266)	(\$2,253,500)	\$27,239,571	\$65,555,712	\$92,795,283
Less Federal & Other Funds:						
Federal Funds						
Other Funds						
Governor's Emergency Funds						
Total Federal & Other Funds						
State General Funds	\$29,971,660	(\$478,589)	(\$2,253,500)	\$27,239,571	\$125,000	\$27,364,571
Tobacco Funds	34,131,677	(34,131,677)			65,430,712	65,430,712
TOTAL STATE FUNDS	\$64,103,337	(\$34,610,266)	(\$2,253,500)	\$27,239,571	\$65,555,712	\$92,795,283
Positions	201			201		201
Motor Vehicles	14			14		14

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM

Budget Summary

Governor's
Recommendations

ADJUSTMENTS TO CURRENT BUDGET - STATE GENERAL FUNDS

FY 2002 STATE APPROPRIATIONS	\$29,971,660
Annualizers:	
1. Annualize the cost of the FY 2002 salary adjustment.	119,198
Non-recurring Items:	
2. Remove one-time funding for equipment at the Byron local welcome center.	(15,000)
3. Delete funds for phase II of the shrimp project.	(189,990)
4. Remove additional funds for promotion of tourism along Peach Blossom Trail.	(15,000)
Other Adjustments:	
5. Reduce personal services to reflect the 4.09 percentage point reduction to the employer contribution rate for the Employees' Retirement System.	(371,968)
6. Adjust personal services for changes in DOAS rates.	(5,829)
Budget Reductions:	
7. Reduce regular operating expenses.	(150,000)
8. Delete funding for Tri-Rivers Waterway Development.	(50,000)
9. Reduce marketing funds for all divisions except Tourism.	(1,000,000)
10. Remove excess state match for Georgia Allies marketing, while maintaining a 1 to 1 match ratio with private sector partners.	(350,000)
11. Delete contract funds for the Georgia Council for International Visitors (\$25,000), the Georgia Peach Festival (\$10,000), and Historic Dramas (\$25,000).	(60,000)
12. Reduce contract funds for the Historic Chattahoochee Commission by 10%.	(9,000)
13. Remove unspent per diem funding for the E-commerce Initiative (\$90,000) and the Yamacraw consultant (\$19,500).	(109,500)
14. Delete funding for the Latin America contract, which has never been initiated.	(125,000)
15. Reduce marketing funds for the Yamacraw program.	(400,000)
	\$27,239,571
ADJUSTED BASE - STATE GENERAL FUNDS	\$27,239,571

ENHANCEMENT FUNDS - STATE GENERAL FUNDS

ENHANCEMENTS	
1. Add contract funds to assist with operations of the Bainbridge welcome center.	\$125,000
TOTAL ENHANCEMENTS - STATE GENERAL FUNDS	\$125,000
TOTAL STATE GENERAL FUNDS	\$27,364,571

ADJUSTMENTS TO CURRENT BUDGET - TOBACCO SETTLEMENT FUNDS

FY 2002 TOBACCO SETTLEMENT FUND APPROPRIATIONS	\$34,131,677
1. Delete OneGeorgia Authority projects with no continuation funding.	(34,131,677)
ADJUSTED BASE - TOBACCO SETTLEMENT FUNDS	\$0

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM - Budget Summary

Governor's
Recommendations

ENHANCEMENT FUNDS - TOBACCO SETTLEMENT FUNDS

ENHANCEMENTS

1. Add FY 2003 tobacco settlement receipts for the OneGeorgia Authority.	65,430,712
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TOTAL ENHANCEMENTS - TOBACCO SETTLEMENT FUNDS	\$65,430,712
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CAPITAL OUTLAY

CAPITAL OUTLAY

1. Reduce payback due to the state for the Georgia Ports Authority by \$7,972,000 in FY 2003 to allow for funding of the following projects: \$6.7 million for paving projects, \$1.5 million for additional truck processing gates, and \$1 million for a grain tank for the Colonel's Island Bulk Facility. This includes a plan to reduce internal capital projects and decrease the anticipated level of debt forgiveness to the state by \$1,228,000.	Yes
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TOTAL CAPITAL OUTLAY	\$0
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TOTAL FY 2003 STATE FUNDS	\$92,795,283
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DEPARTMENT OF INDUSTRY, TRADE AND TOURISM
Functional Budget Summary

Functional Budgets	FY 2002 Appropriations		FY 2003 Recommendations	
	Total	State	Total	State
1. Administration	\$48,474,730	\$48,474,730	\$78,515,860	\$78,515,860
2. Economic Development	8,521,868	8,521,868	7,382,014	7,382,014
3. International Trade	2,941,143	2,941,143	2,739,101	2,739,101
4. Tourism	4,165,596	4,165,596	4,158,308	4,158,308
TOTAL APPROPRIATIONS	\$64,103,337	\$64,103,337	\$92,795,283	\$92,795,283

RECOMMENDED APPROPRIATION: The Department of Industry, Trade and Tourism is the budget unit for which the following State Fund Appropriation is recommended for FY 2003: \$92,795,283.

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM

Roles and Responsibilities

The Department of Industry, Trade and Tourism administers programs through four divisions to promote and encourage the responsible development of tourism, business, and industry in the state.

ECONOMIC DEVELOPMENT

The Economic Development Division promotes Georgia as a location for domestic and international businesses by providing accurate information on such topics as wage data, labor availability, and taxes on potential sites, by accompanying industry officials on tours of communities for prospective industrial development, and by helping support local communities in their business development programs.

The Economic Development Division also provides staff support to the Georgia Allies, a public-private marketing partnership. The strategic focus of the Georgia Allies is to target industries that build on Georgia's competitive strengths and position the state well in the economy of the 21st century. Finally, the division's regional sales and marketing representatives serve to bring the staff in Atlanta closer to the needs and opportunities that exist in Georgia's communities.

INTERNATIONAL TRADE

The role of the International Trade Division is to promote the sale of Georgia products and services to customers abroad and to coordinate all facets of international trade and export in the state. Through the U.S. Export Assistance Center, the Trade Division assists small and medium-sized businesses involved in exporting with trade leads, market analysis, trade shows, and identification of financial assistance options. Coordination of international trade assistance is accomplished through international programs, instate programs and contracts with international representatives in key markets for Georgia businesses. The Trade Division also coordinates the support and operations of the department's overseas offices in Tokyo, Brussels and Munich, which are primarily responsible for business recruitment.

TOURISM

The Tourism Division's role is to increase the number of travelers to Georgia by providing information services and by developing a marketing strategy that leads travelers to choose Georgia as a vacation destination. Through regional tourism representatives, the division assists local and regional tourism associations in the development of effective tourism programs.

The Tourism Division is responsible for ensuring that the state's 11 visitor information centers are operated in a manner that encourages visitors to return to Georgia. These centers serve over 15 million visitors annually with travel information and assistance.

ADMINISTRATION

The Administration Division provides organizational support to the department, including budgetary, personnel, accounting, and procurement services. The division also administers the marketing funds for the department's economic development, trade, and tourism programs. The Planning, Research and Evaluation unit provides research and planning needed for all department functions, the Governor, and the General Assembly.

The Film and Videotape Office, an independent unit reporting directly to the Commissioner, functions to develop and promote the state's film, television, and commercial production industry. Film Office staff actively pursue film prospects through direct mail marketing, prospect visits, advertising, and trade show participation. The Film Office also provides on-location assistance to production companies and coordinates the filming needs of companies with other state agencies and local governments.

ATTACHED AGENCIES

The Georgia Ports Authority is responsible for the operation, administration and maintenance of Georgia's four ports -- 2 ocean ports located in Savannah and Brunswick, and 2 inland river ports located in Columbus and Bainbridge. The authority promotes the port facilities to shipping lines worldwide through its sales offices in Atlanta, New York, Tokyo, Oslo, and Athens. The Ports Authority receives no state operating funds.

The Georgia World Congress Center Authority owns and operates the Georgia World Congress Center (GWCC), the Georgia Dome, and Centennial Olympic Park. The GWCC is responsible for promoting and servicing regional, national and international events, conventions, and trade shows which generate economic benefits to the state. The Dome is the home of the Atlanta Falcons. The state provides no operating funds to the authority.

AUTHORITY

Title 50-7, Official Code of Georgia Annotated.

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM

Strategies and Services

The Department of Industry, Trade and Tourism (DITT) is Georgia's lead agency for attracting new business investment, encouraging the expansion of existing industry, locating new markets for Georgia products, attracting tourists to Georgia, and promoting the state as a location for film and video projects. The department offers services through 3 major programmatic divisions - Economic Development, International Trade, and Tourism.

TOURISM RECRUITMENT

In FY 2003, the Governor continues the enhanced level of funding for tourism marketing begun in FY 2001. The FY 2003 budget includes \$4,771,175 in marketing funds for tourism. This funding will be used to market Georgia tourism to visitors in the Southeast, in other parts of the United States, and abroad.

In addition, the Governor's Amended FY 2002 Budget includes \$1,000,000 for a special tourism marketing initiative aimed at attracting visitors to the state. This initiative is designed to offset any potential decreases in travel in the state associated with the slowing economy and allow the tourism industry to remain a significant economic engine for the state.

These investments build on the strength of Georgia's existing tourism marketing programs. In FY 1999, the Tourism Division released the results of the 1998 Tourism Marketing Study. The study's findings reflected very favorably on the state's marketing efforts. The study shows that Georgia ranks #2 in the Southeast as a travel destination. Moreover, particular efforts of the department received high ratings for effectiveness. The *Georgia on My Mind Travel Guide* was cited as an excellent publication, and the Visitors Centers received very favorable reviews from citizens.

GEORGIA ALLIES TARGETED MARKETING

The Georgia Allies program is a public/private marketing partnership in which state funds for economic development marketing are matched 1:1 by funds from private organizations with an interest in statewide development. This program aims to build focus, communication, and collaboration among economic development actors. The Georgia Allies partnership seeks to leverage the state's resources, branding Georgia's efforts under a singular voice and look.

The state's partners in this effort currently include 13 businesses with a statewide presence and a stake in the Georgia's growth. These partners each contribute \$50,000 for a total of \$650,000 in private funding. The

Governor's FY 2003 Budget includes \$650,000 in state funds to match these private dollars.

One key aspect of the efforts of the Georgia Allies is the targeting of industry sectors that hold the most promise for Georgia. Georgia Allies' projects and events are aimed at increasing the awareness of key decision-makers in targeted industries of the value of doing business in Georgia, strengthening existing relationships between top business and government leaders in Georgia, and fostering new relationships with decision-makers in targeted industries. This is achieved through planned events designed to build relationships, focused research projects aimed at building Georgia's capacity in targeted areas, and high level advertising campaigns.

FILM AND VIDEOTAPE PROJECT RECRUITMENT

In FY 2000, the Governor reinstated the Georgia Film and Videotape Advisory Commission, which had been inactive for a number of years. The commission is a group of 38 professionals from a variety of fields that will advise the film division on matters of marketing, community relations, and private sector incentives.

The department has intensified its film recruitment efforts over the last two years. The budget includes funding for a film location scout who will work outside the state to recruit film business for Georgia. The department is also working to identify service expansion opportunities in the recorded music industry.

ONEGEORGIA AUTHORITY

The Governor's FY 2003 Budget includes \$65,430,712 for rural development through the OneGeorgia Authority. The authority, created in FY 2001, is the latest tool in Georgia's effort to support local and regional economic development efforts. OneGeorgia, created by Governor Barnes and the General Assembly, utilizes one third of the state's tobacco settlement to assist the state's most economically challenged areas. An estimated \$1.6 billion in funding for rural development is anticipated over the 25-year term of the settlement. OneGeorgia tobacco-funded investments are targeted towards tier 1 and 2 counties, based on the new four-tier job tax credit map, which became effective January 1, 2001. Tier ranking is based on unemployment and poverty rates in addition to per capita income.

The two major types of assistance that the OneGeorgia Authority provides to rural communities are in the following areas: business development and infrastructure projects. Two funds have been set up to

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM - Strategies and Services

provide this aid: the EDGE (Economic Development, Growth and Expansion) Fund and the Equity Fund.

Recognizing the importance of recruiting companies to provide jobs in rural Georgia, Governor Barnes set up the EDGE Fund within the OneGeorgia Authority to facilitate the location and expansion of firms in rural Georgia. Eligible uses of EDGE funds are the development of public infrastructure, land acquisition and site development. Financial assistance is provided only in instances where a project would not come about in the absence of the assistance.

The Equity Fund, which is the infrastructure and capacity building portion of the OneGeorgia Authority, is centered on the principle that Georgia's communities must be empowered to help themselves. Locally initiated projects compete for assistance from the fund in one of three funding rounds per year. The Equity Fund regulations were written to be very broad and flexible and can be used for a variety of activities to assist in preparation for economic development. Eligible projects include traditional economic development projects such as water and sewer projects, road, rail and airport improvements and industrial parks as well as workforce development projects, technology development or tourism development proposals. The Authority funds strategically sound projects with substantial local leveraged investment and an important impact on local and regional economies. Projects that involve regional cooperation and/or significant impacts on regional economies are particularly encouraged.

THE YAMACRAW MISSION

The Yamacraw Mission, launched in FY 2000, has brought together the Department of Industry, Trade and Tourism, the Georgia Research Alliance, and the University System with the express goal of making Georgia the preeminent leader in the design of electronic components for the communications and computer industries.

The goals originally set for the Yamacraw Mission were substantial. By 2005, the Yamacraw staff was charged with adding 2,000 high paying engineering jobs in Georgia, locating or seeing established 10 key companies within the state, and increasing fourfold the supply of venture capital available to fledgling Georgia businesses in this industry sector.

Today, all of these goals have been attained or surpassed. As of December, 2001, Yamacraw had received commitments of 3,100 jobs. Yamacraw faculty have produced 725 graduates. Sixteen major companies and 8 emerging companies are part of the initiative. Finally, venture capital is on the rise. The seed fund has

participated in funding 5 start-up companies, with every state dollar matched by at least 3 private dollars.

The Yamacraw Mission is currently prepared to move to the next phase. This involves expanding previously targeted funding to assist in the commercialization and marketing of the information technology and telecommunications industries in Georgia. One of the goals of the Yamacraw mission is to create recognition of Georgia as a global center in the broadband field. A second goal is to attract IT jobs to Georgia. As the initiative moves forward, the Governor recommends that funds appropriated to the Department of Industry, Trade and Tourism for marketing Yamacraw be expanded to market Georgia more broadly as a center for technological innovation and growth.

GEORGIA PORTS AUTHORITY

The Georgia Port Authority (GPA) operates modern and efficient deepwater facilities in Savannah and Brunswick, Georgia, and provides value added services to facilitate international trade. Inland barge terminals operated under the auspices of the GPA are located in Bainbridge and Columbus, Georgia.

The Port of Savannah is one of the premier container ports in the U.S., offering service to more than 100 countries by more than 50 major steamship lines. During the first six months of calendar year 2001, the Port of Savannah ranked as the fastest growing containerport in the United States. Additionally, the GPA marked another milestone during FY 2001 when it handled over one million twenty-foot equivalent units (TEU's), a standard measurement used in containerized shipping. The GPA is among approximately 50 ports worldwide that report annual container throughput levels exceeding 1 million TEU's.

In FY 2001, the GPA handled a statewide total of 12,666,974 tons of cargo. This represents a 4.7% increase in tonnage over the previous fiscal year. The FY 2001 record growth represents the 14th consecutive year that the GPA handled record levels of cargo.

Significant growth in containerized cargo and automobile throughput highlighted the productive year. Container business via the Garden City Terminal represented 76% of all freight handled through GPA facilities in Savannah and accounted for 60.8% of the total commerce handled by the GPA statewide. Automobiles shipped via Savannah and Brunswick facilities increased 12.7% during FY 2001. General cargo represented 19.6% of the statewide total, and liquid/dry bulk cargo also represented 19.6% of the grand total.

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM - Strategies and Services

The growth in containerized cargo may be partially attributed to the high-volume import distribution centers and manufacturing facilities that have located in close proximity to Savannah during the past decade. Distribution centers such as Wal-Mart, Kmart, The Home Depot, Lowes, Dollar Tree, Pier I Imports, Family Dollar, Dollar General, Michael's, Best Buy and The Bombay Company are located near Savannah's deepwater container operations. Recent decisions by manufacturing firms to locate near port facilities include J.C. Bamford and Lummus Corporation.

In June 2001, the GPA opened the James D. Mason Intermodal Container Transfer Facility (ICTF), a 150-acre container handling and marshaling intermodal complex that provides port users overnight service to Atlanta and expedited rail service to and from the U.S. Midwest and the Gulf of Mexico in three days or less. Container shippers will save considerable time and expense by avoiding local ramps and gaining the benefit of unit train pricing. By providing direct overnight train service from Savannah to Atlanta, the Mason ICTF will expedite containerized cargo to and from destinations like Chicago, St. Louis, Memphis, New Orleans and Houston.

In FY 2001, the Governor committed \$6 million in bonds to begin design and engineering for Container Berth 8 (CB 8). This year, the Governor continues funding of the project by \$1.2 million in G.O. Bonds to relocate power lines and to allow for future construction on the CB 8 property. Additionally, the Governor recommends \$4.1 million in G.O. Bonds to partially fund the purchase of 2 super post-panamax ship-to-shore container cranes. The Governor also approves the redirection of \$4 million of the \$6 million recommended in FY 2001 for CB 8 to be used toward the purchase of these cranes. Total state funding for container cranes for CB 8 is \$8.1 million. The new cranes will be 20 feet higher and the hoist speeds approximately 50% faster than the existing cranes servicing GPA's containerport facility.

Due to the recent economic slowdown, the Governor has asked the GPA to participate in statewide attempts to reduce expenditures. Although the GPA does not receive direct operating funds from the state, it does receive capital projects funded through the state, often on a payback basis. In FY 2002, the state forgave \$14,858,000 of the GPA's total payment due to the state of \$24,532,000. In the Amended FY 2002 Budget, the Governor decreases the amount of that debt forgiveness by \$242,000 for a revised payback amount of \$9,916,000.

The Governor will also allow \$7,972,000 in debt forgiveness for GPA in FY 2003. This number represents two recommendations. First, the debt forgiveness funds \$9.2 million of internal capital projects including the upgrade and overlay of Ports storage areas, the installation of additional truck processing gates, and the construction of a grain tank for the Colonel's Island Agri-Bulk facility. The recommendation also includes a \$1,228,000 decrease to the GPA's debt forgiveness in FY 2003 for the total of \$7,972,000.

GEORGIA WORLD CONGRESS CENTER

The Georgia World Congress Center Authority owns and operates the Georgia World Congress Center (GWCC), Georgia Dome and Centennial Olympic Park. The GWCC, which opened its doors in 1976, is an international trade show and convention facility legislatively created to encourage economic development and to enhance private enterprise.

The Governor's FY 2003 Budget includes \$3.8 million to construct a more pedestrian friendly plaza to fill the void over the railroad tracks that are adjacent to the facility. This proposal will extend from the existing plaza location to the new Omni Hotel. The plaza between the Georgia World Congress Center and the Omni Hotel will be a pedestrian friendly addition with landscaping and green space for conventioners, guests of the Omni Hotel, and the millions of visitors to the state of Georgia each year.

In addition to the new plaza, the Georgia World Congress Center is in the final stages of the construction of The Phase IV expansion. This expansion will add 1.3 million square feet to the building, increasing exhibit space by over 420,000 square feet and enabling the GWCC to maintain its position as one of the top 5 convention centers in the nation. This expansion will allow the facility to continue to attract and maintain larger trade shows and to accommodate more meetings and shows simultaneously.

The projected return on this investment is substantial. The expansion is expected to attract an estimated 500,000 additional out-of-state visitors, generating an extra \$1 billion annually in economic impact, \$53 million in new tax revenues and sustain up to 19,000 additional jobs annually in Georgia.