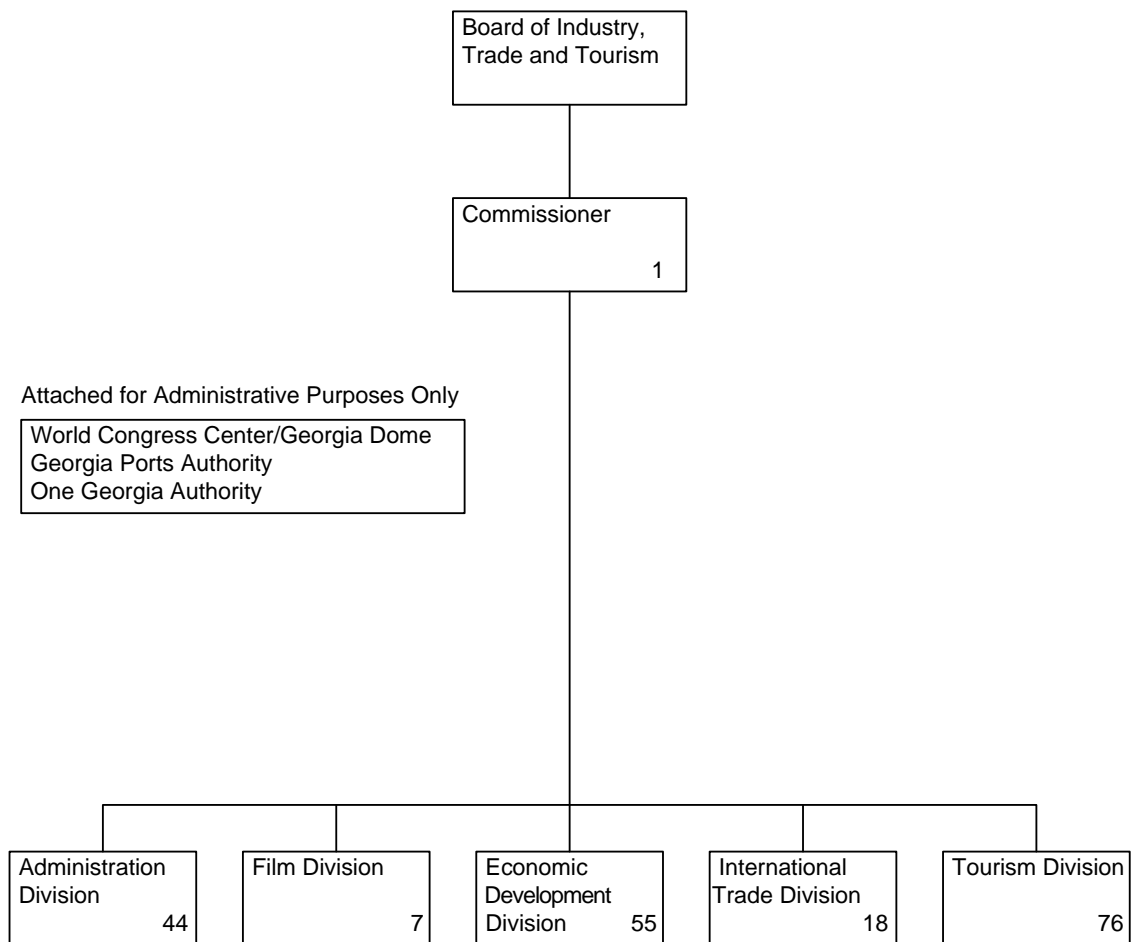


DEPARTMENT OF INDUSTRY, TRADE AND TOURISM

Total Budgeted Positions -- 201



DEPARTMENT OF INDUSTRY, TRADE AND TOURISM
Financial Summary

Expenditures, Current Budget, and Agency Requests

Budget Classes / Fund Sources	FY 2001 Expenditures	FY 2002 Expenditures	FY 2003 Current Budget	FY 2004 Agency Requests		
				Adjusted Base	Enhancements	Totals
Personal Services	\$12,443,392	\$12,222,319	\$12,930,506	\$12,997,722		\$12,997,722
Regular Operating Expenses	1,241,317	1,211,134	1,218,395	1,216,202		1,216,202
Travel	547,375	594,450	593,806	609,806		609,806
Motor Vehicle Purchases	59,166	19,722	20,000	20,000		20,000
Equipment	60,500	61,296	62,597	62,597		62,597
Computer Charges	388,116	390,466	391,336	391,336		391,336
Real Estate Rentals	798,135	816,045	852,119	852,119		852,119
Telecommunications	437,133	429,598	442,215	442,215		442,215
Per Diem and Fees	1,329,014	124,268	53,200	44,200		44,200
Contracts	219,486	930,130	1,360,286	1,346,286		1,346,286
General Obligation Bonds	1,413,983					
Authority Lease Rentals		425,000				
Marketing	11,720,971	11,297,839	10,199,553	9,355,932		9,355,932
Tri-Rivers Waterway Development	50,000	50,000	50,000	50,000		50,000
Payments to OneGeorgia	79,823,774	34,131,677	65,430,712	65,430,712		65,430,712
Intergovernmental Contracts			2,200,000			
Local Welcome Center Contracts	245,600	244,600	253,100	253,100		253,100
Payments to Ports Authority						
Austerity Adjustments						
Total Funds	\$110,777,962	\$62,948,544	\$96,057,825	\$93,072,227		\$93,072,227
Less Federal & Other Funds:						
Other Funds	\$1,415,189	\$425,000				
Total Federal & Other Funds	\$1,415,189	\$425,000				
State General Funds	\$29,538,999	\$28,391,867	\$30,627,113	\$27,641,515		\$27,641,515
Tobacco Funds	79,823,774	34,131,677	65,430,712	65,430,712		65,430,712
TOTAL STATE FUNDS	\$109,362,773	\$62,523,544	\$96,057,825	\$93,072,227		\$93,072,227
Positions	202	201	201			201
Motor Vehicles	14	14	14			14

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM
Financial Summary

Current Budget and Governor's Recommendations

Budget Classes / Fund Sources	FY 2003 Current Budget	FY 2004 Governor's Recommendations				Totals
		Budget Reductions	Annualizers and Adjustments	Adjusted Base	Enhancements	
Personal Services	\$12,930,506		(\$20,111)	\$12,910,395		\$12,910,395
Regular Operating Expenses	1,218,395	(\$7,193)		1,211,202		1,211,202
Travel	593,806	(3,000)		590,806		590,806
Motor Vehicle Purchases	20,000			20,000		20,000
Equipment	62,597			62,597		62,597
Computer Charges	391,336			391,336		391,336
Real Estate Rentals	852,119	(15,000)		837,119		837,119
Telecommunications	442,215			442,215		442,215
Per Diem and Fees	53,200			53,200		53,200
Contracts	1,360,286	(153,000)	(242,500)	964,786		964,786
General Obligation Bonds						
Authority Lease Rentals						
Marketing	10,199,553	(634,658)		9,564,895		9,564,895
Tri-Rivers Waterway Development	50,000	(50,000)		0		0
Payments to OneGeorgia	65,430,712		(65,430,712)	0		0
Intergovernmental Contracts	2,200,000		(2,200,000)	0		0
Local Welcome Center Contracts	253,100			253,100		253,100
Payments to Ports Authority					\$20,000,000	20,000,000
Austerity Adjustments		(1,056,360)		(1,056,360)		(1,056,360)
Total Funds	\$96,057,825	(\$1,919,211)	(\$67,893,323)	\$26,245,291	\$20,000,000	\$46,245,291
Less Federal & Other Funds:						
Other Funds						
Total Federal & Other Funds						
State General Funds	\$30,627,113	(\$2,075,711)	(\$2,556,111)	\$25,995,291	\$20,000,000	\$45,995,291
Tobacco Funds	65,430,712		(65,430,712)			
TOTAL STATE FUNDS	\$96,057,825	(\$2,075,711)	(\$67,986,823)	\$25,995,291	\$20,000,000	\$45,995,291
Positions	201		(6)	195		195
Motor Vehicles	14			14		14

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM

Budget Summary

Governor's
Recommendations

ADJUSTMENTS TO CURRENT BUDGET

FY 2003 STATE APPROPRIATIONS	\$30,627,113
BUDGET REDUCTIONS	
1. Modify operating expenses in publications and printing.	(\$7,193)
2. Decrease agency travel expenses.	(3,000)
3. Reduce office rents to accommodate renegotiated leases.	(15,000)
4. Adjust funding for a location scout in the Film, Music and Videotape Division.	(12,000)
5. Cancel miscellaneous marketing agreements.	(634,658)
6. Eliminate the following pass-thru funding:	(131,000)
a. Grant for the Historic Chattahoochee Commission (\$81,000)	
b. Grant for the Peach Blossom Trail Initiative (\$15,000)	
c. Grant for the Georgia Peach Festival (\$10,000)	
d. Grant for the Historic Dramas (\$25,000)	
7. Decrease contract funds to assist with the operations of the Bainbridge Welcome Center (Total funds: \$115,000).	(10,000)
8. Delete funding for the Tri-Rivers Waterway Development.	(50,000)
9. Allow for an austerity adjustment.	(1,056,360)
Subtotal	(\$1,919,211)
ANNUALIZERS AND OTHER ADJUSTMENTS	
10. Reduce funding for DOAS insurance cost.	(\$20,111)
11. Reduce the authorized position count by 6, from 201 to 195.	Yes
12. Transfer board members per diem and contracts expenditures to the travel object class.	Yes
13. Remove one-time funding for an economic development contract.	(2,200,000)
14. Eliminate one-time funding for the Jesup Welcome Center (\$2,500), the museum and visitor center in Clinch county (\$187,000), and the development of a series of landings on Altamaha River to foster eco-tourism (\$53,000).	(242,500)
15. Reduce the debt payment due to the state from the Georgia Ports Authority to provide \$12,700,000 to support the development of a "megasite" in Pooler. Additional appropriations for this site include \$15,100,000 in bonds and \$10,808,212 in cash to construct for a training and visitor center in the Department of Technical and Adult Education. In the Department of Transportation's budget \$1,000,000 in state appropriations and \$3,000,000 in bonds for railroad construction as well as \$30,750,000 in Local Assistance Grants to the Savannah Economic Development Association.	Yes
Subtotal	(\$2,462,611)
ADJUSTED BASE - STATE GENERAL FUNDS	\$26,245,291

ENHANCEMENT FUNDS

ENHANCEMENT FUNDS - STATE GENERAL FUNDS

ENHANCEMENTS	
1. Payments to the Georgia Ports Authority for site preparation of the "megasite" in Pooler.	\$20,000,000
Subtotal	\$20,000,000

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM - Budget Summary

	<u>Governor's Recommendations</u>
CAPITAL OUTLAY	
2. Reduce payback due to the state for the Georgia Ports Authority by \$11,874,000 in FY 2004 to allow for funding of the following projects: \$5.1 million for the upgrade and overlay of storage areas and Tomochichi road straightening, \$4.2 million rubber tire gantry cranes, \$2.4 million for container storage at Belcher site, and \$500,000 automated container and chassis location system.	Yes
3. Bond funded Capital Outlay projects are included in the General Obligation Debt Sinking Fund section.	Yes
TOTAL ENHANCEMENT FUNDS - STATE GENERAL FUNDS	<hr/> \$20,000,000
TOTAL STATE GENERAL FUNDS	<hr/> \$46,245,291
ADJUSTMENTS TO CURRENT BUDGET - TOBACCO SETTLEMENT FUNDS	
FY 2003 TOBACCO SETTLEMENT FUND APPROPRIATIONS	\$65,430,712
1. Delete OneGeorgia Authority projects with no continuation funding.	(65,430,712)
2. Transfer the OneGeorgia Authority to the Department of Community Affairs in compliance with HB 1393.	Yes
ADJUSTED BASE - TOBACCO SETTLEMENT FUNDS	<hr/> \$0
TOTAL FY 2004 STATE FUNDS	<hr/> \$46,245,291

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM
Functional Budget Summary

Functional Budgets	FY 2003 Appropriations		FY 2004 Recommendations	
	Total	State	Total	State
1. Administration	\$77,812,919	\$77,812,919	\$31,720,731	\$31,720,731
2. Economic Development	9,761,095	9,761,095	7,323,977	7,323,977
3. International Trade	2,850,492	2,850,492	3,040,783	3,040,783
4. Tourism	4,984,997	4,984,997	4,590,668	4,590,668
5. Film, Video and Music	648,322	648,322	625,492	625,492
AUSTERITY ADJUSTMENTS			(1,056,360)	(1,056,360)
TOTAL APPROPRIATIONS	\$96,057,825	\$96,057,825	\$46,245,291	\$46,245,291

RECOMMENDED APPROPRIATION: The Department of Industry, Trade and Tourism is the budget unit for which the following State Fund Appropriation is recommended for FY 2004: \$46,245,291

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 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 Europe and Asia, 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.

FILM, MUSIC AND VIDEOTAPE

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. The department is also working to identify service expansion opportunities in the recorded music industry.

ATTACHED AGENCIES

The Georgia Ports Authority is responsible for the operation, administration and maintenance of Georgia's four ports - two ocean ports located in Savannah and Brunswick, and two 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 football team. 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.

ECONOMIC DEVELOPMENT

In July 2005, the DaimlerChrysler Corporation will open the first new automotive plant in Georgia for the past 56 years. This \$750 million Pooler, Georgia assembly plant will produce the Sprinter and Vito utility vans for commercial transportation.

The new facility, the largest industrial plant to ever locate in the state, will create an estimated 3,300 new jobs and will be built in two phases. Phase I will encompass a \$450 million investment and 1,800 jobs, while Phase II will represent a \$300 million investment and 1,500 jobs. It is estimated that an additional 700 jobs will be created by the location of automotive suppliers near the new plant. Economic impact studies indicate that as many as 10,000 additional jobs would be created as a result of the plant's location.

The Governor is committed to the state of Georgia obtaining this facility in South Georgia as a promise to this region to obtain economic parity with North Georgia. The standard hourly wage of \$19 per hour will be about 40 percent higher than the state average. This should provide a much needed fusion of cash and economic stability to the South Georgia economy.

Georgia's financial commitment of more than \$220 million to the project will be recouped in new revenues to the state in less than 10 years. The total incentive package, including local commitments, is considered within the range of incentive packages offered to other automakers that have located throughout the Southeast.

TECHNOLOGY DEVELOPMENT

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 is 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 2002, Yamacraw had received commitments of 3,100 jobs. Yamacraw faculty has produced 725 graduates. Fourteen major companies and 13 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 information technology 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 Ports Authority (GPA) was created in 1945 by an act of the Georgia state legislature, the Georgia Ports Authority is an instrumentality of the State of Georgia and a public corporation existing for the express purpose of developing, maintaining and operating ocean and inland river ports within the state. While fostering international trade for state and local communities, the Georgia Ports Authority promotes Georgia's agricultural, industrial and natural resources.

The Port of Savannah is one of the leading container ports in the United States, offering service to more than 100 countries by more than 50 major steamship lines. During the first six months of calendar year 2002, the Port of Savannah ranked as the fastest growing containerport in the United States. According to the most recent Journal of Commerce PIERS data, Savannah is the 7th largest container port in the nation and the second fastest growing port during the January through May 2002 period.

Additionally, the GPA marked another milestone during FY 2002 when it handled over one million twenty-

DEPARTMENT OF INDUSTRY, TRADE AND TOURISM - Strategies and Services

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.

The Georgia Ports Authority (GPA) operates deepwater terminals in Savannah and Brunswick and inland river terminals in Bainbridge and Columbus, Georgia. The GPA handles three basic types of cargoes:

- Containerized cargo – various types of products that can be placed inside an intermodal container
- Non-containerized general cargo and rolling stock – products such as steel beams, rolls and bales of various commodities, autos, tractors, and other heavy equipment
- Bulk Cargo – products such as agri-commodities and various liquid commodities

The GPA has enjoyed its best performance ever in FY 2002, posting significant gains in several important cargo categories. In FY 2002, the GPA handled a statewide total of 13,296,336 tons of cargo. This represents a 5.2% increase in tonnage over the previous fiscal year. The FY 2002 record growth represents the 15th 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 79% 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 14.9% during FY 2002. In the near future, the GPA will construct an eighth container berth, which will boost Garden City Terminal docking capacity by 1,700 feet and will feature 83 acres for the handling and marshaling of containerized cargo.

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, Fred's, Hugo Boss 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. To further

enhance and expand container cargo handling capabilities at the Port of Savannah, a \$6.1 million construction project is underway at Garden City Terminal.

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.

Georgia's public and private port sector activities directly or indirectly support 80,100 jobs, are responsible for \$1.8 billion in personal incomes, produce billions of dollars in sales revenue to benefit the state's economy and generate \$585 million in state and local tax receipts each year.

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 Georgia World Congress Center is in the final stages of the construction of the Phase IV expansion. This expansion will add 1.4 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.

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