



Douglas, Georgia

Douglas cultivates economic development from three angles – by intensifying entrepreneurship and small business efforts, diversifying industrial recruitment and employers, and preparing a cadre of new leaders to move the community’s vision forward.

	Douglas
Population (2000)	10,640
Municipal budget (2006)	\$11 million ¹⁰⁰
Per capita income (2000)	\$15,700
Median household income (2000)	\$27,900
Poverty rate (2000)	24%
Minority population (2000)	52%
Proximity to urban center	120 miles to Jacksonville, Fla.
Proximity to interstate highway	45 miles
Strategic approach	Industrial development Entrepreneurship Leadership development
Time frame	2000-2007

Douglas is a self-proclaimed “progressive community where you can find an exceptional quality of life and a progressive business climate.” In 2005, Douglas was the first rural community in Georgia to meet the state’s rigorous standards as an Entrepreneur Friendly Community. Through a balanced economic development strategy – which includes supporting entrepreneurs and small businesses, industrial development and leadership training – Douglas enjoys a 20 percent growth rate and has become a regional hub for jobs, retail, entertainment and medical services. In the last 10 years, at least 800 jobs have been created and more than 345,000 square feet of previously vacant space has been occupied by small business expansions and start-ups. Several major employers also have been recruited into town.

The community and its history

Douglas is a small community, deep in south Georgia, tucked between the Okefenokee Swamp to the south and open farm plains to the north. The county seat of Coffee County, Douglas is about a three-hour drive from Atlanta and two hours from Jacksonville, Fla. With its busy downtown, thriving economy and strong industrial presence, Douglas bustles with activity comparable to that in a city 10 times its size. Small business and retail outlets attract shoppers and clients from across the region. As a regional employment hub, about 20 percent of the workforce in Coffee County commutes into the county. The General Coffee State

¹⁰⁰ Interview with Charlie Davis, Douglas assistant city manager, April 6, 2007.

Park, just outside of Douglas, attracts more than 250,000 visitors annually. The racetrack at Douglas Motor Sports, the Great Southern Bike Rally and the National BBQ Festival bring visitors from across the region into town. This is no sleepy Southern town.

Coffee County, once occupied by Creek Indians, was named after General John Coffee, a hero in the War of 1812. The Town of Douglas was chartered in 1899. It took its name from Stephen A. Douglas, a presidential candidate running against Abraham Lincoln. It was born as a railroad stop among the rich agricultural fields of south Georgia. Agriculture and crop-related commerce ruled the day for much of the town's early history; then the boll weevil arrived, destroying much of the cotton industry, followed by further mechanization of agriculture.

As early as 50 years ago, the challenges in agriculture made economic diversification a town priority. An article published in 1957 explained the economic development strategy of that day: "The objectives of Douglas' program are to seek the new-type industries with special emphasis on year round employment; to concentrate on those industries in which Douglas has an absolute or comparative advantage; and to undertake a program to upgrade existing retail, wholesale and service facilities necessary to maximize their continued use by residents of the Douglas trade areas."¹⁰¹ The following year, residents of Coffee County voted to allocate up to \$1 million annually in county tax revenues to support economic development. Resulting funds have been used for planning, design and development of industrial and business parks and in support of job retention and business recruitment activity. In 2006, this revenue stream generated more than \$400,000 for economic development.

Even so, after 50 years of effort, agriculture – particularly soybeans, cotton and corn – continues to be a mainstay for this region's economy. The poultry industry generates \$75 million in payroll and provides more than 2,000 jobs in Coffee County. Warehousing and distribution form another major employment sector, led by the Wal-Mart Distribution Center in Douglas with 1,200 employees. The Coffee Regional Medical Center, also a major employer, has a staff of more than 600.

Although Douglas is 45 miles from the nearest interstate highway, the town markets itself as being "centrally located between four interstate highways, I-75, I-95, I-16 and I-10, with access to the entire Southeast." The town also advertises its proximity to the growing seaports at Savannah, Brunswick and Jacksonville. Douglas is home to two regional colleges, East Central Technical College and South Georgia College.

Over the last 20 years, Douglas has been blessed with foresighted, proactive and well-connected leadership. Max Lockwood, the long-time chamber executive and mayor, worked for years to bring four-lane highway access to Douglas. Willis understood the impact that highway access would have on the town's prospects for economic development, and he worked until

¹⁰¹ Willimon, Bob. "Little Douglas has a Big Plan." *Municipal South Magazine*, July 1957.

his death in 2006 to ensure the completion of U.S. 441. Garland Thompson, a local banker, is credited with bringing thousands of jobs to Coffee County in the 1980s during his tenure at the industrial authority. Francis Lott, a private real estate developer and community volunteer, has stridently worked his connections at the state level for the benefit of his community. Unfortunately, many of the community's long-time leaders have retired or died, and the town faces a leadership gap.

While Douglas has been relatively successful at building an industrial manufacturing base, between 2001 and 2003, it lost more than 1,000 manufacturing jobs. A major challenge has been reorienting the approach to economic development so that it includes new economic drivers, including small businesses and entrepreneurs. "The biggest change in the past 10 years has been our shift in focus within economic development," said JoAnne Lewis, the chamber president and Economic Development Authority executive. "Big box recruitment was the primary focus in the 1980s and '90s, but today diversity in economic sectors has become more and more critical. Off-shoring has created a demand to broaden our vision and think globally."

The strategy

The Douglas-Coffee County Chamber of Commerce and the Economic Development Authority lead economic development efforts. The EDA board's seven members consist of three appointed members from the city, three from the county and the chamber executive. The town government supports and co-sponsors events, but is not the primary driver of the town's strategy. "The chamber and EDA share space and staff to get the job done," Lewis said. The job, in Douglas's case, is a three-pronged strategy for economic development – support and nurture small business entrepreneurs; recruit a diverse range of industrial employers; and develop a new generation of leaders who are versed in economic development.

Small business and entrepreneurship

Douglas' support for small businesses ranges from simple thank-you visits from chamber and EDA representatives to intensive financial and infrastructure supports. In 2002, the chamber hired a full-time staff person to manage the organization's small business and entrepreneurship program. The first task was to publish *How to Start and Grow a Business*, a guide to local resources for anybody interested in starting a business. "We wanted to get it (the guide) into as many hands as possible," said Lidell Greenway, the chamber's first small business program director. "Our goal was to demonstrate to the community that we were serious about stimulating entrepreneurship and small business."¹⁰²

The next step was to connect small business owners and entrepreneurs to resources and to recognize them for their contributions to the town's vitality. In this vein, the chamber devel-

¹⁰² "Report 4: Douglas-Coffee County – One of Georgia's Most Entrepreneur-Friendly Communities." Entrepreneurial Rural Communities National Case Studies Series, Iowa Community Vitality Center, 2005.

oped a program to connect new small business owners and entrepreneurs with experienced business owners. The town maintains a network of mentors who commit time and resources to helping new businesses survive. In addition, each year the chamber presents awards for Small Business of the Year and Entrepreneur of the Year. Awards are handed out and celebrated at a lavish banquet.

To support local retail development and diversification, Douglas developed a retail incubator where entrepreneurs can lease space, on a month-to-month basis, to test market their ideas. If they find their concept has a market, the town helps the entrepreneur move into a permanent space in town. The chamber also partnered with South Georgia College to create a small business incubator on campus, where student entrepreneurs are provided with space and clerical support.

Douglas offers tax abatement packages to small business entrepreneurs similar to those given traditional industry prospects.¹⁰³ To further stimulate local business activity, the town encourages any company that receives local incentives to use local contractors for construction projects.

In one of Douglas's boldest moves, the EDA re-engineered and redesigned one of the town's traditional industrial parks, Park West, into a small business and technology center. Recognizing the growing importance of small business entrepreneurs to the local economy, EDA subdivided the site into dozens of smaller parcels and invested in state-of-the-art technology infrastructure and underground utilities. The Park West business and technology center opened in 2007.

Industrial development

While Douglas focuses at least one-third of its energy and resources on supporting small business entrepreneurs, it has not forsaken more traditional industrial development assets. The industrial development strategy begins with the connections and networks that local leaders have been building for decades. Personal connections between leaders in Douglas and economic developers in Atlanta are a bridge to high-level business prospects. The chamber and EDA, along with the town administration, tap into these networks to bring business prospects into Douglas.

When it comes to recruiting specific industries, the town's goal is to attract a diverse range of companies that pay reasonable living wages. "We don't go out of our way to land minimum wage jobs," said Luke Morgan, EDA president. The town offers local incentives, with a heavy emphasis on non-cash incentives. During a typical negotiation with a business prospect, the local technical schools are at the table to outline training opportunities, local business leaders make themselves available to sell the supportive business culture in Douglas, and the chamber

¹⁰³ Tax abatement is a tool that local governments employ by granting a business the right to forgo payment of local property taxes for a period of time, based on the estimated increase in value brought to the property by allowing the business locate, hire employees, grow, expand, etc.

coordinates the “soft touch” support.

The soft touch brings the whole community into the job recruitment process. For example, last year when American Insulated Wire was searching for a new site, the chamber organized a welcoming event for visiting executives. With only a 24-hour notice, the town got 500 Douglas residents out to the local airport to welcome the executives as they walked off the airplane. The company decided to settle in Douglas and, according to a company executive, “what sold us on Douglas was the people.”

Leadership development

The third pillar of Douglas’s strategy is to grow new leaders with a comprehensive understanding of economic development in the 21st century. “Leadership development is all about building bench strength,” said Charlie Davis, assistant city manager. “Just like good sports teams have to have bench strength to win games, communities need bench strength to stay ahead in the 21st century.” In the mid-1990s, the chamber and EDA developed the New Century Leadership Program, which gives participants hands-on learning experience in government, education and the practice of economic development at the local, regional and state levels.

The program has grown in popularity. “Our leadership development program is limited to 20 participants every year, at a fee of \$650,” Lewis said. “Prior to 2004 we begged for participants to fill the class and offered scholarships to do so. In the past three years we exceeded capacity without begging, and scholarships are no longer necessary.” Graduates of the program become key leaders on local boards and commissions.

The outcomes

Outcomes that can be attributed to Douglas’s economic development strategy include:

- From 2003 to 2006, more than 500 jobs have been created through small business start-ups.
- From 1996 to 2006, more than 345,000 square feet of previously vacant space has been occupied by small business expansions and entrepreneurial start-ups.
- Douglas was the first rural community in Georgia to be designated *entrepreneur friendly* by the governor.¹⁰⁴
- Between 2003 to 2006, several companies completed major expansions: Diamond Builders (50 jobs), Elixir Industries (50 jobs) and Spectrum Distribution (20 jobs).
- In 2006, Douglas recruited American Insulated Wire (250 jobs and \$26 million investment) and Premium Waters (80 jobs and \$30 million investment).

¹⁰⁴ Criteria and details about Georgia’s Entrepreneur Friendly Community Program available at www.georgia.org/Business/SmallBusiness/Entrepreneur+Friendly+Communities.htm.

- Revenue from the local option sales tax has increased from \$4.7 million in 2001 to more than \$6 million in 2005.
- Participation in voluntary associations has increased. The average monthly chamber meeting attendance is up nearly 100 percent since 2001.
- In 2006, the local philanthropic fund for economic development was endowed with \$1 million donation and it is growing.

How and why the strategy is working

Douglas' apparent success with its three-pillared approach to small town economic development begs the question of how and why has this small town in South Georgia managed to thrive? First, the town balances its support and attention among entrepreneurs, small businesses, industrial prospects and next generation leaders – which has led to a diverse and sustainable economic foundation. Douglas also is quick to integrate newcomers into the community. At the same time, organizations collaborate and meet regularly to align their objectives for the ultimate benefit of the community. All the while, leaders in Douglas work hard to develop partnerships with regional and state agencies. Finally, Douglas is willing to deviate from the normal way of doing things and take risks.

Adequate attention to small businesses and entrepreneurs. Limited resources and great economic needs often lead communities to put all their eggs in the business recruitment basket. In a lot of ways, this makes sense. Working to recruit a significant industrial employer to a rural community, especially one with lots of jobs, can be a productive strategy with the possibility of short-term economic payoff. On the other hand, it can have negative consequences for building a diverse and sustainable economic foundation. Douglas balanced its approach to economic development with real and substantial support for the smaller fish and showed that doing so can create an environment where all businesses flourish, regardless of size and sector.

Welcome newcomers with new ideas. In Douglas, local leaders recognize that newcomers are valuable assets. “We integrate new people into our community quickly,” Earl Nichols said. “When new businesses come into town, we get them on the chamber board or in leadership positions immediately.” Nine of the 21 directors of the chamber are from outside the county. Ten of the 22 members of the 2007 New Century Leaders class are from outside the county. More than 70 percent of participants in the Manufacturer’s Council are from outside the county. Former mayor Max Lockwood stepped down after two terms. “I’m a believer in term limits,” he told a local business magazine. “Douglas has a lot going for it and we need to keep that going. I think it’s important that someone else who has different ideas come in and help us get there.”¹⁰⁵ Bringing new ideas into the development process is an important element of Douglas’s success.

Alignment of city, county and nonprofit organizations. In Coffee County, at least every quarter, the Douglas Town Council and Coffee County Commission hold a joint meeting to discuss programs and projects that relate to economic development. The chamber and EDA also are represented at these meetings. Every year or two, the chamber organizes a two-day retreat at which the city, county, local colleges and relevant nonprofits present their plans for the year and develop a collaborative vision for economic development. “This local practice has made a huge difference in our town’s ability to get things done,” Lewis said.

Strong partnerships with regional and state agencies. Leaders in Douglas have worked hard to form partnerships with institutions at the state level and beyond. The chamber executive has been aggressive about seeking support from the state’s leading agencies in economic development – the Georgia Department of Economic Development and the Department of Community Affairs. The town also has close ties to the development offices at Georgia Power and the Georgia Electric Membership Corp. Lewis regularly meets with state legislators and, last year, was asked to present rural strategies for economic development to the state legislature. Furthermore, the town put together a delegation – including representatives from the chamber, EDA, Town of Douglas and business leaders – to visit members of Congress in Washington.

Business leaders support economic development with time and dollars. Douglas is fortunate to have an active network of supporters – mainly through membership in the chamber – who commit time and resources to the town’s efforts to remain competitive in the 21st century. One young entrepreneur expressed gratitude for the mentoring of local leaders before opening a franchise business. “Local business leaders are our town’s best salespeople” when it come to business recruitment, Lewis said. The most dramatic example of a business leader’s commitment to this community is Frances Lott, a local developer and philanthropist whose \$1 million gift endowed an economic development fund for the local Community Foundation. This fund is the first of its kind in the country. “I wanted to do something for this community, which has supported my business throughout the years,” Lott said, “something that would keep giving beyond my days and toward causes that I care about.” Local business leaders support the town’s efforts with time, dollars and wisdom.

Willingness to take risks. “What sets Douglas apart from other rural communities in Georgia is the community’s willingness to deviate from the norm,” said Sherman Dudley, local businessman and former director for Georgia Tech’s Business and Industry Services Division. For example, during the recent construction of a shell building for industrial development, Frances Lott (the developer for the project) insisted on creating an architecturally interesting structure with high-quality materials. Normally, according to Lott, these buildings are cheap corrugated metal structures. The result was that Douglas attracted a high-quality business into the space, one that would not have chosen the site but for the unique structural design. Lott’s willingness to take a risk paid off for the community.

¹⁰⁵ *South Georgia Business Magazine*, December 1, 2003.

What are the lessons from this story?

Celebrate success. “Success comes from talking about it,” JoAnne Lewis said. “If you don’t tell your community what you are doing, then they won’t know what you are doing. When an article comes out that mentions your town, you give that to everyone.”¹⁰⁶ Douglas works hard to keep local papers informed about various economic development projects and publicizes even the most modest success, including stories of local entrepreneurial successes. “If we announced a new industry was coming to town creating 240 new jobs, it would be very exciting,” said Lidell Greenway. “Our small entrepreneurial businesses in Douglas-Coffee Georgia also created that number of jobs in one year, and they are more often than not locally owned and less likely to relocate. So we need to celebrate those successes, too.”

Respond quickly to local industry. Douglas is quick to respond when local businesses ask for assistance. Several years ago, the EDA started hearing complaints from local industry regarding the lack of trained commercial truck drivers. In response, EDA partnered with the local technical college to develop a facility to train new commercial drivers. “Students, instructors and 18-wheelers hit the pavement in 2006, and we couldn’t be more excited,” Lewis said. This sector of workforce development responds to specific needs from local employers, and it fits well in terms of Douglas’ growing importance in distribution and warehousing and proximity to regional seaports.

Grow young leaders with a passion for economic development. One of Douglas’s biggest challenges relates to the generational void of young leaders to take over key public positions as the baby boomers retire. In response, the town created the New Century Leadership program and is working to implement a new program – the Young Professionals Network – to bring a greater number of young people into the fold. Douglas working to fill the leadership void before it becomes a major problem.

Cultivate relationships with state-level developers, bankers and power companies. Last year, the Town of Douglas hosted 17 state-level economic development partners. “Getting these folks from Atlanta to plant their feet on local soil allows for a better understanding of our regional assets and amenities,” Lewis said. Frances Lott, the real estate developer and local philanthropist, likewise insisted that “cultivating these relationships is the most important thing that small communities can do to lure new industries to their towns.”

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¹⁰⁶ Report 4. Iowa Community Vitality Center.

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