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## Consensus Points to Keeping Megasite Intact

*Some call for patience after latest pullout by DaimlerChrysler*

By CHRISTIAN LIVERMORE

TBR Staff

Despite DaimlerChrysler's announcement April 12 that it had once again scrapped plans to build a Sprinter van plant at the Pooler "megasite," sentiment appears to be overwhelmingly in favor of continuing to market the site for use by one company instead of breaking it up to sell to multiple users.

News that Georgia's relationship with erstwhile suitor DaimlerChrysler was off again prompted discussion of whether the 1,700-acre tract should indeed remain a megasite. Georgia spent \$59.8 million buying and preparing the land to attract a major user, and had been courting DaimlerChrysler for three years. Given Georgia's budgetary woes, speculation began after DaimlerChrysler's announcement that sentiment would build to break the site up into smaller pieces that could be sold to recoup the state's investment.

One sign of impatience came with a



*Georgia spent \$59.8 million buying and preparing the Pooler megasite to attract a major user. Will it stay whole or be broken up?*

recent Savannah Morning News editorial that suggested the time has come to consider subdividing the tract. "At some point," several smaller employers that put

people to work look better than a huge, empty field," the newspaper wrote.

But otherwise, consensus seems to remain strong for keeping the site whole. At least so far.

Rep. Ron Stephens, a west Chatham Republican, told the Business Report & Journal last week that active negotiations are still under way for the Pooler site with a "large manufacturer." While declining to give specifics, state Sen. Eric Johnson of Savannah confirmed that there was still active interest in the site. But whether the user turns out to be the one to which Stephens and Johnson are referring, or to another yet unidentified company, developers, legislators and economic development officials all seem to be speaking with one voice: "We've built it; sooner or later they will come."

Development consultant Dick Knowlton says that at its current size and with all its assets - its highly visible and strategic location at the interchange of I-95 and I-16, its proximity to the Port of Savannah -



*A spine road has been built through the megasite.*

the megasite is the best port-driven asset on the entire East Coast. It has everything a site selector looks for and it's what makes Georgia stand out, said Knowlton, owner of White Branch Consulting.

"It's designed as a megasite for a very specific reason: to attract those investments that require 1,000 acres or more. If you break it up it's no longer a megasite. It's just like any other site in any other community," Knowlton said. "In this type of market where you do everything you can to differentiate yourself from everybody else, why in the world would you do that?"

The wisdom of angling for the big fish that needs over 1,000 acres, Knowlton said, is the concomitant number of jobs a company of that size brings with it, and the high-end wages those jobs typically pay.

"There's probably only less than five projects in a given year that need a site that big. Those projects, however, are huge in terms of investment and jobs," Knowlton said. "If you look at expansions east of the Mississippi River on sites of this magnitude, employment is always in the thousands and typically at the higher end of the wage scale. We should try to target those businesses whose jobs are in the upper quartile in wages for our community."

Case in point: Alabama, where the economic impact of the Mercedes M-Class assembly plant has been enormous. The plant represents a \$1.3 billion industry for

the state, creating more than 10,000 jobs in a state of 4.5 million people, according to the online magazine SiteSelection.com. An estimated \$1 billion is spent on automotive supplies in Alabama each year. The success of Mercedes has also opened doors for Alabama to pursue other manufacturers.

This echoes the opinion of Rep. Stephens.

"We could [break the site up], and we could get all our money back, but it wouldn't have as much positive impact," Stephens said. "Once you start breaking it up you lose the positive impact on the spin-off companies that are suppliers to the big companies. Once we get a big company it can impact all the way up I-95 and all along I-16."

Sen. Johnson and Senate Appropriations Chairman Jack Hill (R-Reidsville) have said the same.

"That site is too good not to wait on the right project," Hill said.

A number of developers queried agreed. While they all seem to agree that the site would attract users if broken up into smaller parcels, they say those users would most likely be warehouse & distribution companies that bring with them lower-paying jobs with fewer benefits and residual economic benefit to supplier businesses.

"Sometimes it's tempting to say let's split it up and get something sooner rather than later, but I think it makes more sense to be patient and attract something on the scale

of DaimlerChrysler," Harvey Gilbert of Gilbert Realty said. "If the site is broken up the question becomes, is the economic impact of a number of smaller users going to have a greater positive impact than the sum of the single large user? I don't think it would."

Commercial real estate brokers such as Lynn Beam of Mouchet & Associates and Murray Marshall of Atlantic Investors also point out that there are enough smaller tracts of between 100 and 500 acres to satisfy smaller users for the foreseeable future. Commercial broker David Sink of Neely/Dales LLC points out that the Savannah Economic Development Authority's industrial tract at I-95 and Georgia Highway 21 as well as its Crossroads site will satisfy industrial demand for quite awhile. Sink pointed to the 491,000-square-foot warehouse and distribution building under way at the end of Lummis Drive as an example.

"One of the things Georgia has suffered from along the coast is not having a major site and now we have one," Marshall said. "Patience is a virtue, and \$60 million is nothing in the state's total budget. It's a matter of when and will."

"The hard part has been done," Sink said, referring to buying and preparing the site. "The timing has just got to be right for the right project at the right size." ■