

# Investing in Georgia

## Economic Development Newsletter



Welcome to King & Spalding's economic development news bulletin, *Investing in Georgia*. In this edition, you will find

- a full report on the Georgia Competitiveness Initiative's Atlanta summit on July 18
- commentary on the potential impact of tax reform on municipal bonds
- a sneak peek at Atlanta's new international terminal and concourse

We hope you find this helpful, as we partner to keep Georgia a great place to live and work!

Bill Holby  
King & Spalding Economic Development Practice Group

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### Recent Developments

**Bonds in the spotlight:** While the battle over the debt ceiling may temporarily be over with the dramatic House and Senate votes on August 1 and 2, the next chapter will now open with a congressional committee being tasked with finding another \$1.5 trillion in deficit reduction. While some of the progress may be made through additional spending cuts, reform of the federal tax code will also draw attention. One area that may be in the cross-hairs is tax-exempt municipal bonds. Though the ability of state and local governments to issue tax-free debt has generally been considered a privilege protected by the principles of federalism and state sovereignty embodied in the 10th Amendment of the U.S. Constitution, a number of legislative proposals now being introduced include the termination of traditional tax exemption for new municipal bonds. Alternatives include the replacement of tax-exempt bonds with tax-credit bonds, which have an abysmal track record due to the absence of a market for such a structure. Stand by for future reports as new proposals unfold!

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### In The News

**Georgia Competitiveness Initiative:** The Georgia Competitiveness Initiative (GCI) (<http://www.georgiacompetitiveness.org>) is conducting summits in twelve regions of the State during the months of June, July and August in order to assist Governor Deal in the development of a long-term strategy for economic development. I attended the Region 3 (Atlanta) Summit on Monday, July 18, at the Georgia Tech Conference Center. Highlights of the day included vision-casting remarks by **Bud Peterson**, President of Georgia Tech, **Larry Callahan**,

### August 2011

#### By the numbers 12.5%

Facebook's share of total US online market. Consumption of content on sites other than Facebook decreased 9% year-over-year; Facebook consumption was up 69%. Facebook accounts for 1 out of every 8 minutes spent online by US Internet users.

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#### 9.2%

National unemployment rate as of June 30, 2011.

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#### 58,000

Number of jobs provided on site at Hartsfield-Jackson International Airport. There are some 434,000 airport-related jobs in the 28-county metro region.

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#### \$161 billion

U.S. budget deficit in fiscal year 2007

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#### \$1.645 trillion

Projected budget deficit for fiscal year 2011

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#### \$2,500

FDIC insurance amount (per depositor, per

CEO of Pattillo, and **Donna Hyland**, CEO of Children's Healthcare of Atlanta. Also addressing the audience were Atlanta Mayor **Kasim Reed**, Georgia Governor **Nathan Deal**, Georgia Economic Development Commissioner **Chris Cummiskey**, and Georgia Chamber of Commerce President **Chris Clark**. Other special guests included **Tad Leithead**, Chairman of the Atlanta Regional Commission, **Bob Drewel**, founder of Seattle's Prosperity Partnership, and **Jeff Humphries**, an economist with the University of Georgia. [More News »](#)

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### Looking Ahead

**Sneak Peek at Atlanta's New International Terminal:** Construction of the new Maynard H. Jackson Jr. International Terminal at the Hartsfield-Jackson Atlanta International Airport began in summer, 2008, and is scheduled for completion in April, 2012. The new 1.2 million square foot, 12 gate terminal and concourse facility will connect to the existing 28-gate Concourse E (the current international concourse) via an extension of the "Plane Train", Hartsfield-Jackson's underground automated people mover. I had the privilege of touring the new facility in late July, and can confirm that the terminal facility is as spacious, dramatic and attractive as advertised, featuring plentiful sunlight and open spaces. A special highlight is the elimination of the baggage recheck process for Atlanta-bound passengers! The international terminal will have its own entrance via I-75, as well as its own short- and long-term parking areas. Some 90 interstate signs will need to be replaced in order to provide clear directions to the domestic (I-85) and international (I-75) entrances to the airport. In 2010, over 80 million domestic passengers and over 9 million international passengers traveled through the Atlanta airport on a total of 950,119 flights.

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insured bank) in 1934. The amount is \$250,000 today.

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### 18.8 million

Barrels of oil per day used by Americans. 48% of our daily oil consumption is in the form of gasoline that we purchase at the pumps to drive our cars and light trucks.

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### \$790 billion

Outstanding credit card debt as of April 30, 2011, the lowest month end total in the U.S. since August 31, 2004.

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### 43

Number of U.S. States that do not collect sales tax for online retail sales.

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### \$12.5 billion

Construction budget for the 2012 Summer Olympic Games in London, which opens on July 27, 2012.

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### 20.8

Amount, in gallons, of milk consumed per capita in the U.S. in 2008. 24.8 gallons of coffee were consumed per capita during that same year!

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### Contact **Bill Holby**

+1 404 572 4663  
[bholby@kslaw.com](mailto:bholby@kslaw.com)