

CHATTANOOGA **CAN DO**



CANDO

Mayor's Transition Process
Economic Development Report
January 26, 2005

Overview

- Introduction: The Role of the City
- Economic Trends
- Focus on job Growth
- The Future

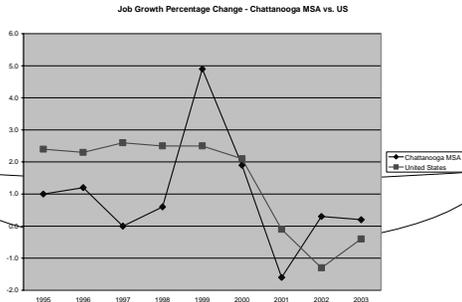


Introduction:
The Role of the City

- City services and policies are foundation for business environment
- City tax policies are key
- Encourage job growth through funding and partnership with economic development organizations



Economic Trends: *Job Growth*

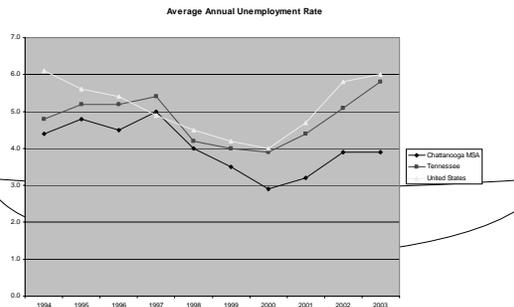


Economic Trends: *Jobs by sector*

Chattanooga MSA Jobs by Sector

- Mirrored national trends
 - Decline in manufacturing jobs
 - Increases in Information, Financial Activities, and Professional and Business Services
- Local Trend
 - Transportation, Warehousing, and Utilities grew 214%

Economic Trends: *Unemployment*



Economic Trends:

Per Capita Income

Per capita income below national average:

Chattanooga MSA (1999)

\$19,944

USA (1999)

\$21,587

% increase higher than national avg. 1989 to 1999

Chattanooga MSA ('89 to '99)

58.82%

USA ('89 to '99)

49.7%

Economic Trends:

Workforce Preparation

Chattanooga MSA educational attainment

- Bachelor's or higher below national average
- Increasing at faster rate than national average
- Employers still rate qualified workforce as top priority

Economic Trends:

Summary

Local economy 1990s to early 2000s

- Slower than average job growth
- Unemployment remained low
- Gained but still below national average:
 - Per Capita Income
 - Educational Attainment

Focus on Job Growth

- Mayor Corker and City Council prioritized economic development
- Aggressive job growth efforts
 - Enterprise South Industrial Park (Recruit)
 - Tell the World! (Start-up, Expand, Recruit)
 - Air Service Enhancement
 - Access to Capital
 - Connect the Valley (Tech Vision)
 - Partnership w/UTC (SimCenter)



Focus on Job Growth

enterprise south
INDUSTRIAL PARK • CHATTANOOGA TN

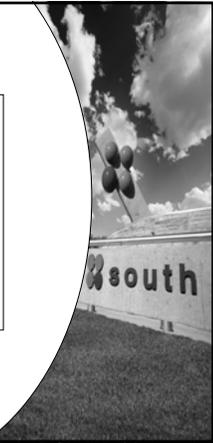
- Compete for industrial projects
- Infrastructure – Premiere Site
- Small and large projects (dual strategy)



Focus on Job Growth

Enterprise South Industrial Park

- Phase I infrastructure completed Dec. 2003
- 2 companies located there
- \$23 Million I-75 Interchange under construction
- Chamber working 51 active recruitment projects



Focus on
Job Growth




- Encourage Start-ups
- Business Retention & Expansion
- Business Recruitment



Focus on
Job Growth




Encourage Start-ups

- Business Development Center
 - ❖ Largest Incubator in U.S.
 - ❖ 86% Success Rate



Focus on
Job Growth




Business Retention & Expansion

- Existing Business Team
 - ❖ 150 Company Visits
 - ❖ Technical Support



Focus on Job Growth




Business Recruitment

- Market Enterprise South
- Face to face recruiting
- “Chattanooga Can-Do” branding
- Front-line deal-maker



Focus on Job Growth




Business Recruitment Highlights

On-going Direct Mail Campaign




Focus on Job Growth




Business Recruitment Highlights

Recruitment trips to:

- Japan
- Korea
- New York
- Detroit
- Chicago
- Atlanta



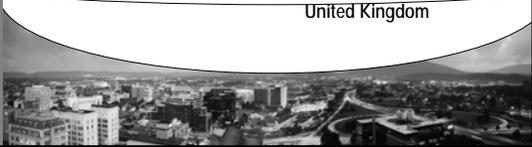
Focus on
Job Growth

CHATTANOOGA **Tell the WORLD!**
CHATTANOOGA'S
Fast Economic Development
Program to Market the Region

Business Recruitment Highlights

Receive Delegations from:

- China
- Russia
- Vietnam
- Korea
- United Kingdom



Focus on
Job Growth

CHATTANOOGA **Tell the WORLD!**
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Business Recruitment Highlights

Court Site Selectors

- Trade Shows
- In home offices
- Red Carpet Tours



Focus on
Job Growth

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Business Recruitment Highlights

Advertising

Print



Focus on Job Growth

Tell the World!
CHATTANOOGA
CHATTANOOGA
A High Economic Growth Region
Program to Market the Region

Focus on Job Growth

Recruitment Targets

- Insurance Operations
- Headquarters
- Back Office (Data Centers)
- Automotive
- Food and Beverage Manufacturing
- Medical Device and Pharmaceutical Mfg.
- Plastics Manufacturing
- Mobile Entrepreneurs
- Alternative Energy Manufacturing
- Nano-tech manufacturing

Tell the World!
CHATTANOOGA
CHATTANOOGA
A High Economic Growth Region
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Focus on Job Growth

Tell the World! - Year 1 Results

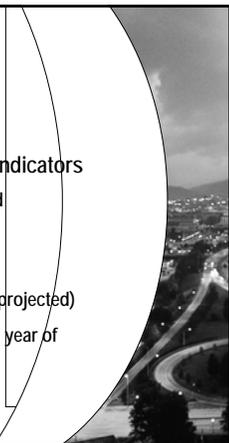
- 1,900 new jobs (July 03 to July 04)
- Fastest job growth since 1998
- Wages rose 4.2% (2.7% nationally), x2 gain local wages of the previous year

Tell the World!
CHATTANOOGA
CHATTANOOGA
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Focus on
Job Growth

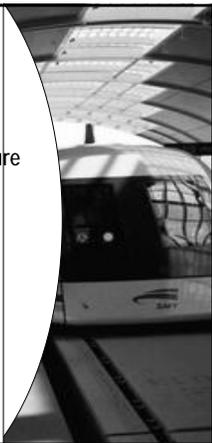
Tell the World! – Year 2 early indicators

- 32 new projects announced July 2003 to July 2004
- 1,900 jobs (projected)
- \$126.2 million investment (projected)
- On track for another strong year of announced projects



Focus on
Job Growth

Positioning the region for the future

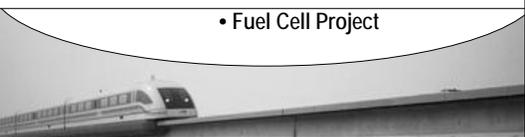


Focus on
Job Growth



Initial Projects

- Renewal Community
- Access to Capital
- Transportation Initiatives
- Connect the Valley
- Fuel Cell Project



Focus on Job Growth



Renewal Community

- Federal designation
- \$12 million each year



Focus on Job Growth



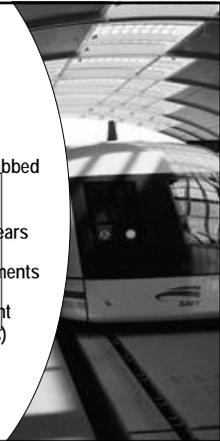
Renewal Community



Focus on Job Growth

Renewal Community - Results

- 30 newly constructed or rehabbed commercial buildings
- 754.5 new jobs over next 5 years
- \$60.2 million building investments
- \$156.4 million total investment (building + wage investments)



Focus on Job Growth

Chattanooga Opportunity Fund - Results

- 20 companies received \$3.3 million in loans (focus on small and minority owned companies)
- 3 of those companies received an additional \$3 million in venture capital in support of growth

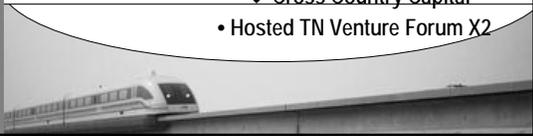


Focus on Job Growth

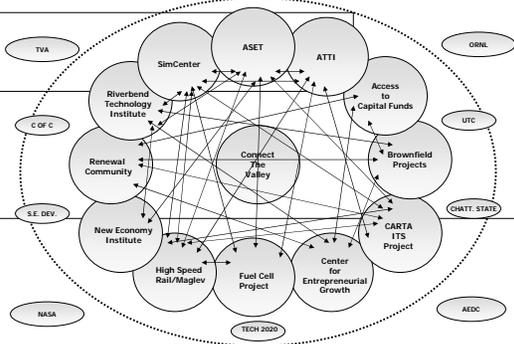


Access to Capital

- Chattanooga Opportunity Fund
- Southeast Community Capital
- Southern Appalachian Fund
- Venture Capital Funds
 - ❖ Delta Capital
 - ❖ Cross Country Capital
- Hosted TN Venture Forum X2



Focus on Job Growth



Focus on Job Growth



- Connect the Valley
- Relationships with Oak Ridge & Huntsville (local contracts grew from \$6M to \$20M in 1 yr)
 - Direct connection to Oak Ridge supercomputing
 - ❖ UT SimCenter at Chattanooga
 - Technology Transfer



Focus on Job Growth



- Transportation Initiatives
- High Speed Rail/Maglev
 - CARTA Intelligent Trans.
 - ATTI

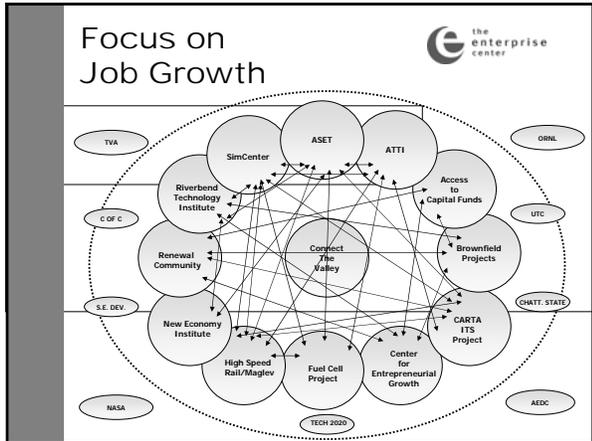


Focus on Job Growth



- Fuel Cell Project
- \$2.5 million DOE contract
 - UT SimCenter at Chattanooga
 - Positioned to manufacture





Focus on Job Growth

Enhancing Air Service

- Chattanooga Metropolitan Airport Authority
 - Direct to NYC
 - Direct to D.C.
 - More flights to existing
 - Working on flight west

Focus on Job Growth

Encouraging Business ownership by minorities and women

- Chattanooga Area African American Chamber of Commerce (CAACC)

Focus on Job Growth

Attracting Tourism & Conventions

- Chattanooga Convention and Visitor's Bureau
- Chattanooga Convention Center
- Greater Chattanooga Sports Committee
- Outdoor Chattanooga



Focus on Job Growth

21st Century Waterfront Plan

- \$120 million, 35 months (no city general funds)
- Sets new quality of life standard
- Focus of media attention
- Magnet for investment



The Future

Enterprise South Industrial Park

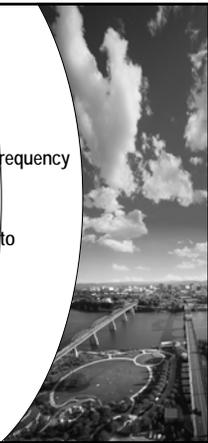
- Acquire additional 2,100 acres
- I-75 Interchange
- Connector Road



The Future

Air Service

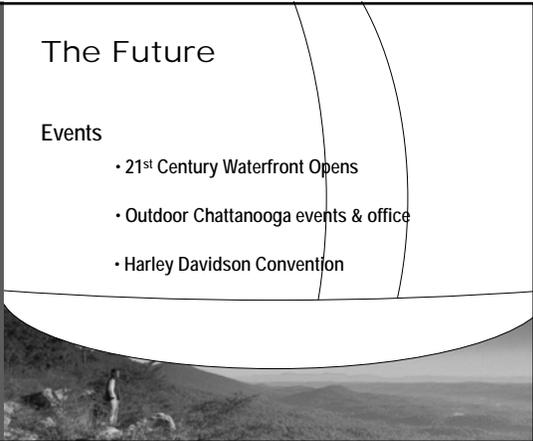
- More direct flights, greater frequency
- Airport expansion and jobs
- Long-term need for funding to attract air service



The Future

Events

- 21st Century Waterfront Opens
- Outdoor Chattanooga events & office
- Harley Davidson Convention



The Future

Brownfield Development

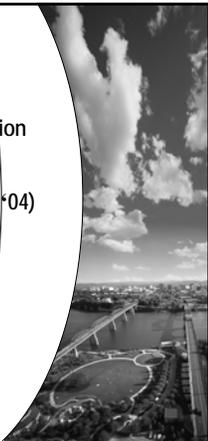
- City Office of Community Development working to develop broad-based program



Overall Results

Since the current city administration took office:

- 2,900 new jobs (July '01 to July '04)
- Continued low unemployment
- Over \$2 billion in new private investment announced or built



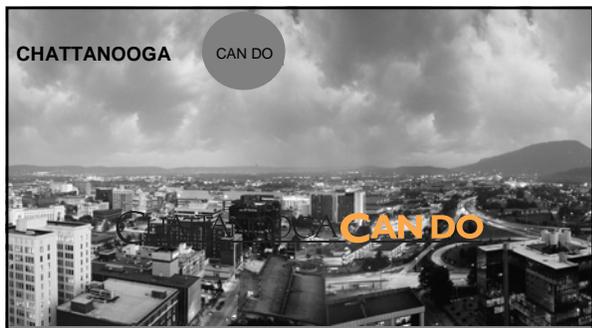
Conclusion

Focus on Economic Development

- Comprehensive action is being implemented
- Private sector engaged as never before
- Early indicators are very positive
- Tools in place to position Chattanooga for unprecedented growth



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