

SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) 2011

Introduction

The Southeast Tennessee Development District/Chattanooga Regional Council of Governments (SETDD/CARCOG) is a special unit of local government located within the Southeast Tennessee/Northwest Georgia region. SETDD provides planning and development services and houses the Southeast Tennessee Area Agency on Aging and Disability, Southeast Tennessee Tourism Association, and Workforce Investment Board. SETDD continues to be a vital force in helping local governments plan for the future by coordinating the establishment of regional and local priorities.

The coordination of the Comprehensive Economic Development Strategy (CEDS), the region's vision for economic development and growth, is a principal responsibility of Economic Development Districts. The CEDS provides information on the region's demographic and socio-economic conditions and is developed in compliance with the Economic Development Administration's *Interim Final Rule, Section 303 (a)*. The comprehensive planning process that goes into development of the CEDS has widespread support among local elected officials, business and industry officials and community leaders. It is a crucial step in remaining a designated Economic Development District, and the final document, once approved, serves to enhance opportunities for the region's communities to benefit from public works and business loans and grants from the Department of Commerce's Economic Development Administration.

Since the fall of 2008, economic conditions have changed drastically. On the positive side, Volkswagen initiated construction activities on a new automotive assembly plant in Chattanooga, and Wacker announced that it will locate a new photovoltaic manufacturing plant near Cleveland. The combined workforce needed to support these developments is probably in excess of what is available locally. Increased growth will occur as these two companies complete construction of new facilities and begin production.

On the negative side, large numbers of jobs have been lost as the downturn in the economy has taken its toll on the building products market. The carpet industry, a mainstay of the local economy, was hit hard and many factories have closed. Although growth is expected, the housing market remains in the doldrums, and there are many foreclosed houses that have a depressing effect on the market.

The Development District in conjunction with the Northwest Georgia Regional Development Center submitted an application to the Department of Housing and Urban Development for funding under the Community Sustainability grant program. Although the application was not funded, the region received enough points to be placed on the “preferred” list, which could mean that funds will be available in the future. Should this occur, the CEDS will be integrated into that planning process as will other planning programs in order to provide a fully functional planning tool.

In preparing the CEDS, every attempt was made to integrate existing plans. These include the Chattanooga/Hamilton County/North Georgia Long Range Transportation Plan 2035 and the Bradley County/Cleveland/Charleston Joint Strategic Plan 2035, which was partially funded by a grant from EDA.

The Southeast Tennessee Development District’s CEDS Committee has a wealth of knowledge and expertise to lead the process and will be able to more fully integrate the important role workforce development has in the region’s overall economic well being. Community leaders serving on the CEDS Committee include:

SETDD CEDS COMMITTEE

Last Name	First Name	Board Representation	Company/Agency
Bible	Andrea	Career Center Partner/VR	TDHS, Division of Rehab.
Bott	Margaret	Career Center Partner/AE	Adult Education
Brown	Rusty	Private Sector	Citizens State Bank
Bruce-Simpson	Sheila	Other	Job Corps/CHP International
Catanzaro	James, Dr.	Educational Agencies	Chattanooga State
Cates	Tony	Private Sector	Gestamp Chattanooga, LLC
Childers	Ray	Private Sector	
Cochran	Donel	Private Sector	McKee Foods Corporation
Crutchfield	Cindi	Community Based Organization	Alexian Brothers (Senior Aides)
Duke	Buddy	Private Sector	Five Star Food Services Cleveland Chamber of Commerce
Farlow	Gary	Economic Development Community Based Organization	
Gingrich	Marjean	Private Sector	Goodwill Industries
Grant	Harley, A	Private Sector	Energy Solutions Group
Grant	Michael, A.	Private Sector	Grant/Neil Electric Company
Hardaway	Janice	Private Sector	Manufacturer's Industrial Group
Henry	Dean	Private Sector	Suburban Propane
Hite	Carl, Dr.	Educational Agencies	Cleveland State
Hopkins	David	Private Sector	Angiosystems
Johnson	Avery	Other	City of Cleveland
Kirk	Susan	Career Center	TN. Dept. of Human Service

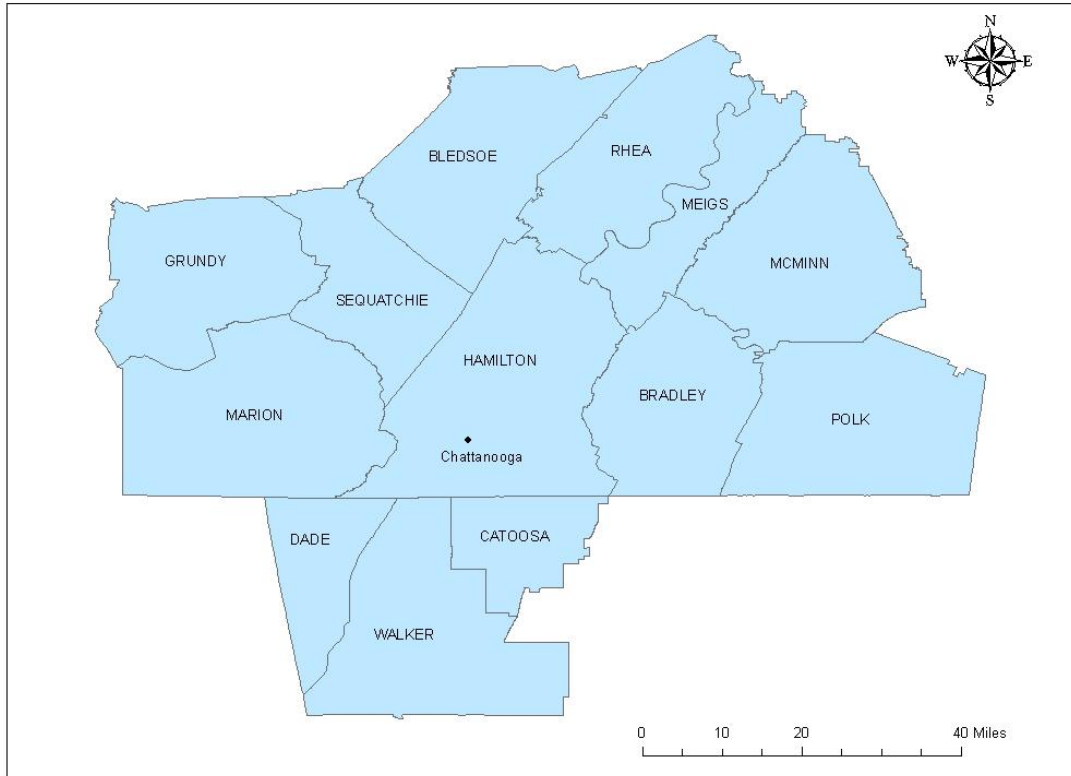
		Partner/TDHS	
Landrum	Connie	Economic Development	Volunteer Energy Cooperative
Lawson	Debra	Private Sector	ADF Management
Layne	Roger	Private Sector	East Tech Company, Inc.
Lewis	Mary Stewart	Private Sector	AT&T
Lockhart	James	Organized Labor	Chattanooga Area Labor Council/Iron Workers
Mann	Melanie	Private Sector	Rock Tenn Company
Petty	Ben	Private Sector	IBI Power
Proffitt	John	Private Sector	Advanced Energy Sources
Rico	Manuel	Private Sector	Rico Monuments
Russell	Emerson	Private Sector	ERMC
Saieed	Dan	Other	Hamilton County Government
Sample	Jack B.	Private Sector	Applied Thermal Coatings, Inc.
Seaton	Ray P.	Private Sector	Seaton Enterprises
Sentell	Rob	Private Sector	Alstom Power
Shouse	Dave	Private Sector	Lodge Manufacturing Co.
Smith	Briggs, H	Educational Agencies	HCDE (Voc. & Tech. ED)
Smith	Kenneth (Kenny)	Organized Labor	IBEW Local 175
Smith	Stewart	Educational Agencies	Tennessee Tech. Center
Spires	Tim	Economic Development	Chattanooga Manufacturer's Association
Stinnett	Glenn	Private Sector	Astec Industries
Tuder	Roger	Other	Associated General Contractors
Wade	Tiffany Jean	Private Sector	Wade's Food Center, Inc.
Walker	Raymond	Economic Development	Rhea Economic & Tourism Council
White	Jerry	Private Sector	W.R. Grace & Company
Willett	Sara Lynne	Private Sector	Abitibi Bowater
Wilson	Tom Edd	Economic Development	Chattanooga Arera Chamber
Witt	Andrea	Career Center	Career Center

Elected Officials

- Bobby Collier, Bledsoe Co.
- D. Gary Davis, Bradley Co.
- Lonnie Cleek, Grundy Co.
- Jim Coppinger, Hamilton Co.
- John Graham, Marion Co.
- John Gentry, McMinn Co.
- Garland Lankford, Meigs Co.
- Hoyt Firestone, Polk Co.
- George Thacker, Rhea Co.
- Claude Lewis, Sequatchie Co.
- Keith Greene, Catoosa Co.

- Ben Brandon, Dade Co.
- BeBe Heiskel, Walker Co.

SETDD/CARCOG Service Area



Over the past several months, Development District staff prepared an analysis of primary factors that influence the economic wellbeing of the Southeast Tennessee/Northwest Georgia region. Where possible, the analysis was performed on a county-by-county basis. However, comparable data was not always available and some limited estimates were necessary. Some of the following information has appeared in previous CEDS documents, but this year, staff members have expanded the scope of the document to include a broader range of data.

The basic assumption in the following analysis is that the economy will return to a state of “business as usual.” However, as with all assumptions, there is a degree of uncertainty in the current national and world economic model that could easily undermine this assumption. Over the past year, natural disasters had a wide impact on economic conditions. Failed harvests in Argentina, Australia, and Russia resulted in a world food deficit that was exacerbated by the increased use of corn in the U.S. as a feedstock for ethanol production. The earthquake in Japan and subsequent nuclear accidents at the Fukushima reactor complex is

currently an ongoing, slow motion catastrophe that will continue to have economic consequences far into the future. Meanwhile, the American economy is trying to shake off the effects of the last recession. The future is not assured, and a return to normalcy is not a foregone conclusion. However, at the local level, we must assume continued growth, including the utility infrastructure, housing, transportation facilities that will be necessary to accommodate that growth.

Each variable listed below is followed by a strategic finding, which summarizes the data analysis. These findings are used to develop a set of solutions to findings that are having a negative impact on the region. With the help of the CEDS committee and input from a broad range of public and private interest groups, the findings become the basis for a list of vital projects designed to meet identified needs. Once the list has been identified, an action plan was developed to include goals and objectives for implementing the plan.

In the future, the CEDS document will be the blueprint for implementing the vital projects necessary for maintaining the region's economic health. The document is updated annually and performance measures will be continuously monitored to assess progress toward meeting the economic needs of everyone living in the Tennessee Valley region.

LAND USE

The State of Georgia has a well-defined comprehensive planning process that requires a land use component. This process has been in place since the early 1990s.

In 1999, the Tennessee legislature passed a law requiring growth planning in all counties. These plans required the formation of a committee composed of the county mayor, all city mayors, and other officials to prepare a map showing all urban areas in the county; the future urban growth assumptions; growth areas in the county; and rural/recreation/conservation areas. Analyses were prepared to provide a basis for determining residential and industrial expansion capacities. These analyses took into account existing land use, prime farmland, conservation areas, and steep slopes. All land uses were mapped and submitted to the State for approval.

In addition to growth planning documents, land use plans developed for the Bradley/Cleveland and Hamilton/Chattanooga areas were consulted to determine growth areas, which are primarily concentrated along the I-75 corridor

Currently, there are approximately 1,775 acres of industrial property available in the region.

Land use ordinances vary from stringent in Metropolitan Statistical Areas to nonexistent in the rural part of the region. However, most of the counties have subdivision regulations.

All of the major industries that have located in the region chosen to build on Greenfield sites.

Finding 1:

A thorough analysis of regional land use capacities has occurred under different but parallel planning processes. These analyses provide sufficient indicators of economic development capacities available throughout the region.

POPULATION

The following table provides an overview of current 2010 decennial census data as compared to the 2000 Census.

County Population				
	2010	2000	Difference	Percent Change
Georgia	9,687,653	8,186,453	1,501,200	15.5%
Catoosa County	63,942	53,282	10,660	16.7%
Dade County	16,633	15,154	1,479	8.9%
Walker County	68,756	61,053	7,703	11.2%
Subtotal GA:	149,331	129,489	19,842	13.3%
Tennessee	6,346,105	5,689,283	656,822	10.4%
Bledsoe County	12,876	12,367	509	4.0%
Bradley County	98,963	87,965	10,998	11.1%
Grundy County	13,703	14,332	(629)	-4.6%
Hamilton County	336,463	307,896	28,567	8.5%
McMinn County	52,266	49,015	3,251	6.2%
Marion County	28,237	27,776	461	1.6%
Meigs County	11,753	11,086	667	5.7%
Polk County	16,825	16,050	775	4.6%
Rhea County	31,809	28,400	3,409	10.7%
Sequatchie County	14,112	11,370	2,742	19.4%
Subtotal TN:	617,007	566,257	50,750	8.2%
Region Total:	766,338	695,746	70,592	9.2%

Source: U. S. Census Bureau *American Factfinder*, May 2011.

About 80 percent of growth in the region is concentrated in counties along the I-75 corridor from north Georgia through Hamilton, Bradley and McMinn Counties. This growth is continuing as large manufacturers locate immediately adjacent to this primary transportation artery.

In addition to the natural growth rate, a large wave of immigration is expected in the 2011-2015 time period as new industrial capacity begins to come on line. A new Volkswagen assembly plant will provide 2,000 direct jobs and as many as 12,000 indirect jobs associated with parts supplies. Wacker, a photovoltaics manufacturer, will bring at least 500 jobs to the Bradley County area. Although the region has lost nearly 5,000 jobs between 2008 and 2009, these new jobs will mean that the region is likely to see some 12,000 positions available (assuming a reasonable economic recovery). At 2.5 persons per household, that translates to some 30,000 additional people moving into the area. This will obviously result in a considerable impact on local housing, transportation, schools, and all public infrastructure throughout the north Georgia/southeast Tennessee region.

Finding 2: The Region’s population is on a stable, upward growth path that is likely to be interrupted by a major spike in the population in the 2011-2015 period. In addition, in-migration by older retired people is anticipated but difficult to predict. That increase will require an expansion of the service sector throughout the region.

DEMOGRAPHIC CHANGES

As is apparent from the following chart, there are more elderly people in the population mix, and this proportion is likely to increase over the next ten to fifteen years.

Median Age

COUNTY	2010	2000	1990
BLED SOE	42.3	37.4	34.1
BRADLEY	38.2	35.5	33.1
GRUNDY	41.4	36.6	33.8
HAMILTON	39.3	37.4	34.7
MARION	42.3	38.2	34.2
MCMINN	41.6	37.9	35.3
MEIGS	42.9	36.7	35.0
POLK	42.5	38.6	36.2
SEQUATCHIE	40.6	36.7	33.9
RHEA	39.8	37.2	34.7
CATOOSA	38.3	35.8	34.0
DADE	39.0	36.1	32.5
WALKER	39.7	37.1	34.5

Source: U.S. Census Bureau, 1990, 2000, & 2010 Decennial Census.

The median age for six of the thirteen counties in the region has increased from the mid-30s to more than 40. If this trend continues, Hamilton County—the most populous county in the region—will have a median age of about 44 in the next

twenty years. This middle aged population would present different challenges in the provision of services and infrastructure.

An increase in the elderly population will require additional health care and assistance services over the next ten years as the so-called “baby boom” population retires. Most of these services will be provided by independent companies and non-profit organizations. This will result in an increase in the number of service-related jobs available throughout the region. In addition, there will be an increased need for transportation services currently unavailable on the scale necessary to accommodate this group. However, the Southeast Tennessee Human Resources Agency (SETHRA) is fully capable of increasing its transportation services in rural areas and other agencies, such as the Chattanooga Area Regional Transportation Agency (CARTA), can accommodate urban populations.

Since there is a significant younger population following this wave of elderly people, there is little likelihood of a gap in the future workforce. The population is relatively stable, which is consistent with attempts to maintain the region’s scenic beauty, an asset that would be endangered by rampant development and large increases in the population. However, a large wave of in-migration is likely to alter this scenario to an (as yet) unknown degree.

Finding 3: Additional medical facilities and specialized housing systems will be needed within the next ten years to meet the needs of a larger group of elderly persons. In addition, public transportation enhancements will be required. These systems and facilities will be provided primarily by existing organizations.

EDUCATION

Southeast Tennessee/Northwest Georgia Population Educational Attainment

	Population 25 and Over	High School Grad.	Percent	Bachelor's Degree +	Percent
Georgia	5,185,968	4,074,616	78.6%	1,260,178	24.3%
Catoosa	35,231	26,786	76.0%	4,857	13.8%
Dade	9,728	6,521	67.0%	1,059	10.9%
Walker	40,837	27,297	66.8%	4,152	10.2%
Subtotal:	85,796	60,604	70.6%	10,068	11.7%
Tennessee	3,744,928	2,843,244	75.9%	732,688	19.6%
Bledsoe	8,455	5,583	66.0%	604	7.1%
Bradley	57,163	41,908	73.3%	9,097	15.9%
Grundy	9,441	5,207	55.2%	668	7.1%
Hamilton	207,180	167,216	80.7%	49,488	23.9%
Marion	18,815	12,147	64.6%	1,785	9.5%

McMinn	33,110	22,940	69.3%	3,578	10.8%
Meigs	7,405	4,705	63.5%	515	7.0%
Polk	11,113	6,917	62.2%	834	7.5%
Rhea	18,894	12,333	65.3%	1,714	9.1%
Sequatchie	7,610	5,075	66.7%	776	10.2%
Subtotal:	379,186	284,031	74.9%	69,059	18.2 %

Region	464,982	344,635	74.1%	80,397	17.3%
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Source: U. S. Census Bureau, 2000 Census

Given that new employment opportunities will require an educated workforce, how does the Region compare to the State and Nation in educational attainment? Nationwide, about 80.4% of the population have a high school degree and 24.4% have a Bachelor's degree or higher. As an aggregate, the Region is near State averages and somewhat below the Nation as a whole. The Georgia counties are near national averages.

Outside of the urban area of Hamilton County and Chattanooga, however, the educational levels fall well below what is necessary to maintain a viable work force if technological capability will be a prerequisite for success in the emerging economy. Neither the Region as a whole nor any particular county reaches the national level for Bachelor's degrees.

Finding 4: Low education levels in some parts of the region are likely to hinder economic development. Programs should be developed to address this problem.

UNEMPLOYMENT

Almost 5,000 jobs have been lost in the region since 2007 from major employment centers. Additional losses occurred when small businesses that supplied larger companies were in turn affected by larger companies' market share losses. In the 2010-2011 period, a tepid economic recovery underway with some replacement of major job losses, but more growth is required to replace all of those who were separated from their jobs.

April 2011 Employment & Unemployment

County	Civilian Labor Force	Employment	Unemployment	Unemployment Rate
Bledsoe	4,982	4,382	600	12.0%
Bradley	49,425	44,921	4,504	9.1%
Catoosa	34,896	32,089	2,807	8.0%
Dade	8,049	7,386	663	8.2%
Grundy	6,109	5,274	835	13.7%
Hamilton	169,558	155,640	13,918	8.2%
Marion	12,849	11,608	1,241	9.7%
McMinn	23,792	21,025	2,767	11.6%
Meigs	5,228	4,607	621	11.9%
Polk	7,296	6,441	855	11.7%
Rhea	13,502	11,858	1,644	12.2%
Sequatchie	6,317	5,760	557	8.8%
Walker	32,153	29,046	3,107	9.7%
Region	374,156	340,037	34,119	9.1%

Source: U. S. Bureau of Labor Statistics, June 2011.

Employment Rate Alternatives

	U-1	U-2	U-3	U-4	U-5	U-6
United States	5.6	5.8	9.4	10.1	10.9	16.5
Georgia	7.0	6.4	10.4	11.1	11.9	17.0
Tennessee	5.4	5.8	9.3	9.8	10.5	16.2

Source: U.S. Bureau of Labor Statistics, May 2011

U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;

U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force;

U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);

U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force;

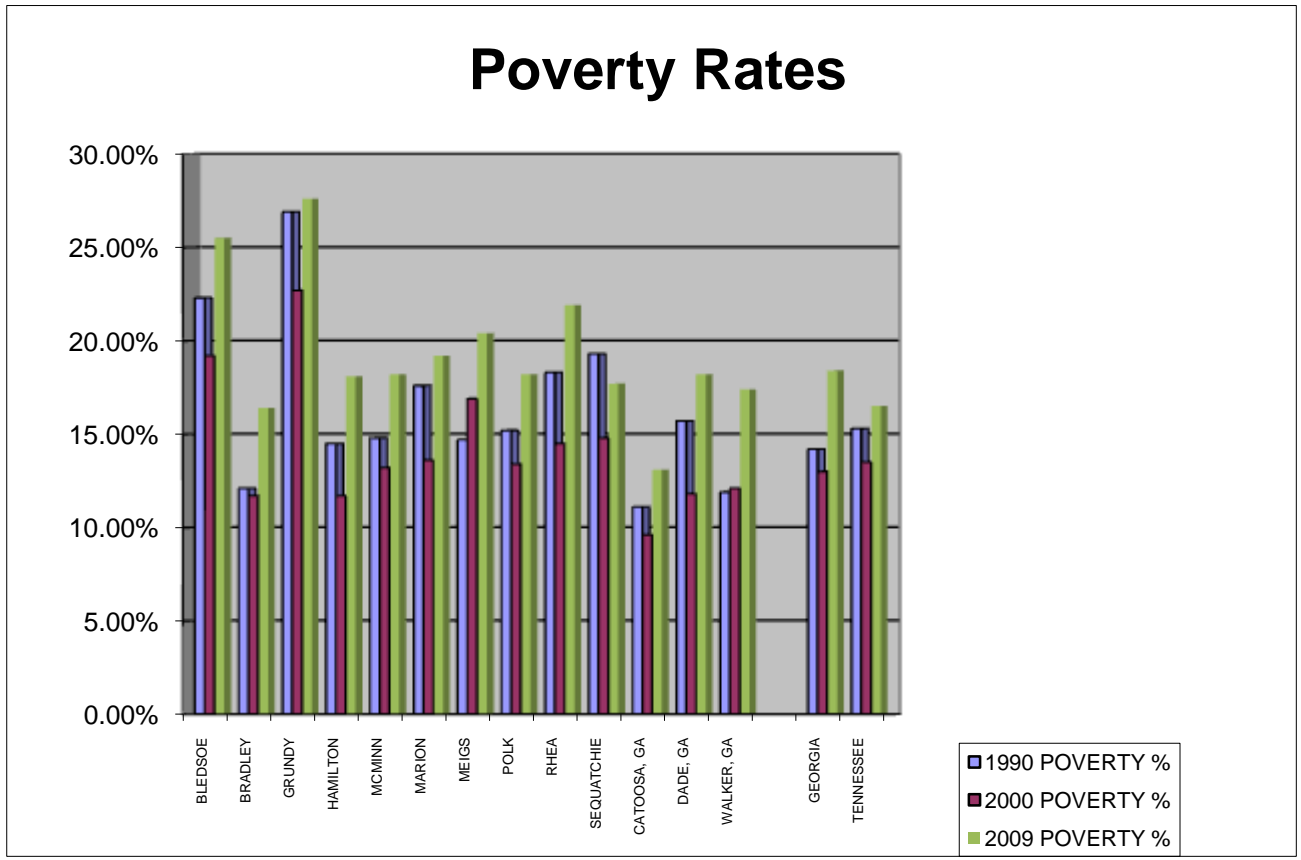
U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force; and

U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, plus discouraged workers as a percent of the civilian labor force.

The impact of the current economic downturn is evident when viewing the recent unemployment tables. Although the national rate is currently given at around 9.0%, the Bureau of Labor Statistics “U6” rate, which includes people who have given up looking for work, is more than 16 percent in Tennessee and 17 percent in Georgia. All of the regions rural counties are now above 10% unemployment and that does not include the discouraged portion of the workforce and those under-employed.

Finding 5: Additional employment opportunities are needed, especially for rural counties in the region. Under-employment is a significant problem.

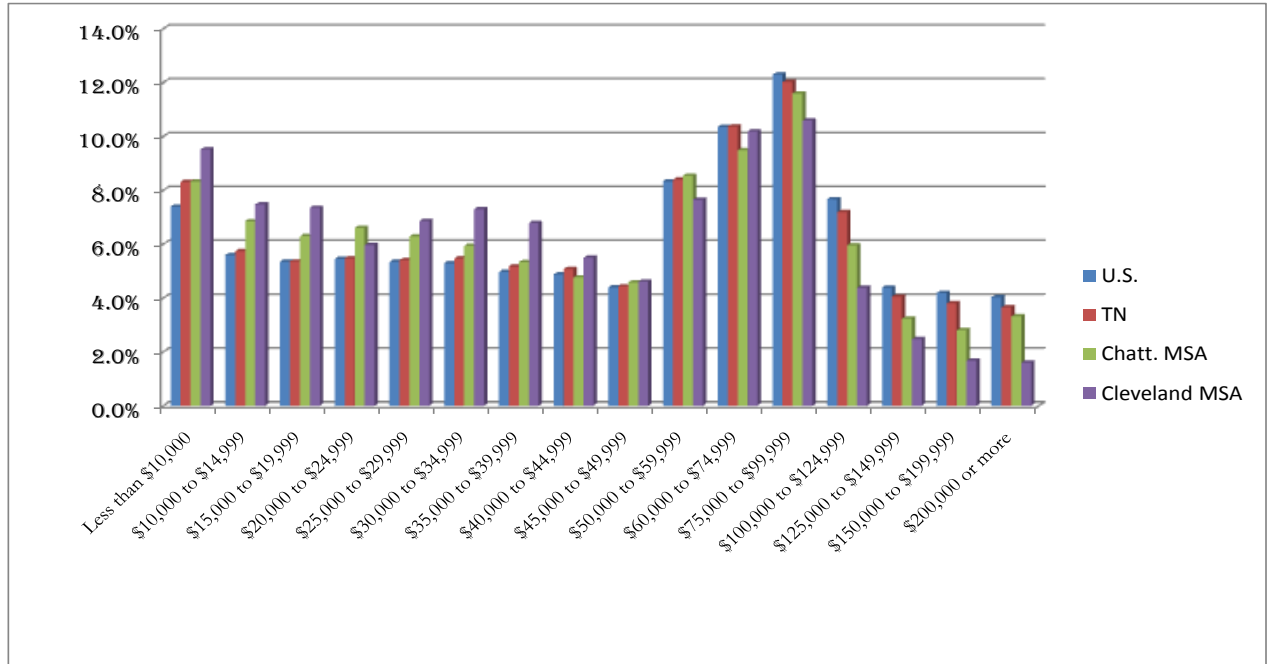
POVERTY/INCOME



Source: 1990 and 2000 Decennial Census; 2009 American Community Survey, U.S. Census Bureau

As is apparent from the preceding chart, poverty levels decreased in the 10-year period between 1990 and 2000 but increased sharply by 2009. These increases were across the board, occurring even in the MSA counties where jobs are more available. Bledsoe and Grundy Counties have the highest poverty rates that exceed 25%. These numbers are consistent with unemployment figures and provide graphic indicators of how severely recessionary forces have impacted the local economy.

Household Income Comparison

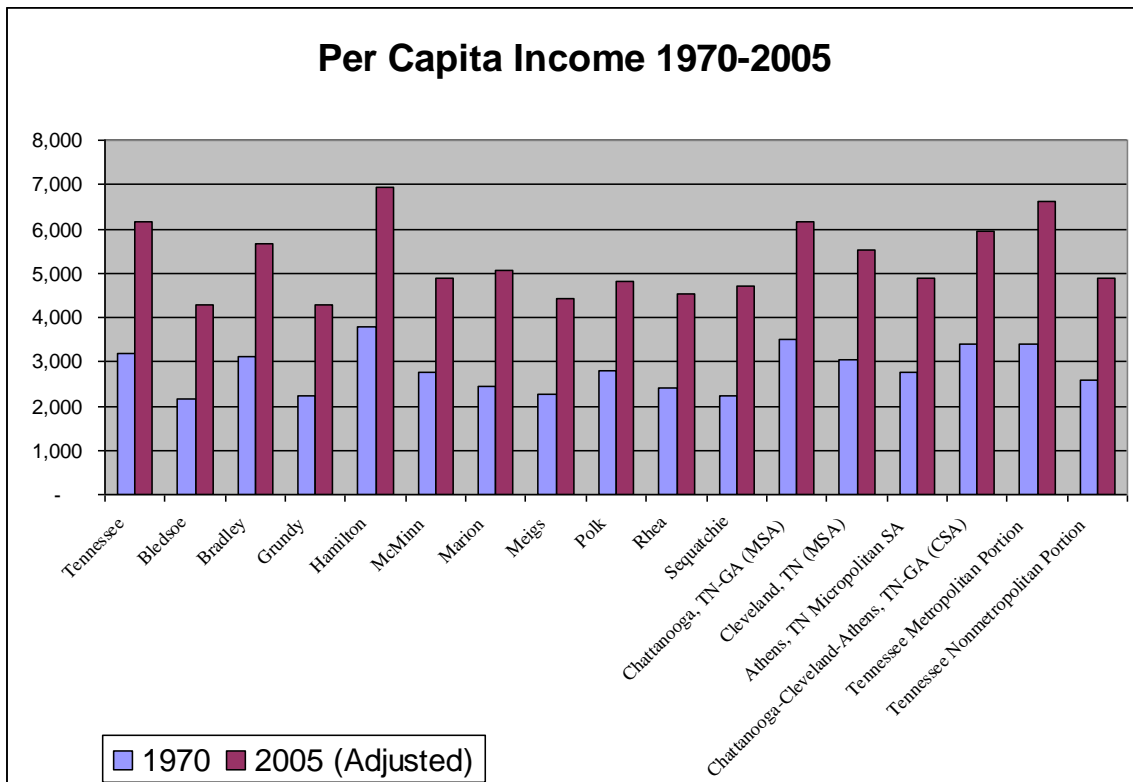


Source: U. S. Bureau of the Census, American Community Survey, 2005-2009.

The preceding graph compares the region's two Metropolitan Statistical Areas to state and national statistics. It is apparent that the green and purple columns (Chattanooga and Cleveland MSAs) exceed the state and nation on the left side and are generally below the state and nation on the right side. In other words, the region has a larger percentage of households that have lower incomes than either the state or the nation. Mid-range incomes are more consistent with national levels, but there are significantly more regional households in the lower income brackets.

Using income limits established by the Tennessee Department of Economic and Community Development (ECD), more than 36 percent of these households would be considered low income. This is based on the assumption that a one-person household must receive \$29,400 or less to be considered low income. Two, three, and four household income limits are \$33,600, \$37,800, and \$42,000 respectively. This would push the 36 percent figure higher, but current data are not available to accurately portray this situation; there is only enough information to make an informed estimate.

For Bradley County, a little more than 40 percent of the households would meet ECD's definition of low income. This is about 4 percentage points above the Chattanooga MSA numbers. About 36 percent of households have incomes above \$50,000 compared to 41 percent for the Chattanooga area. About 12.4 percent of Bradley County *households* were below the Census Bureau's poverty level, and 16.6 percent of *residents* fell in that category.



The previous chart provides a synopsis of income levels over an extended period of time adjusted to account for inflation. Even though the region's households are not on par with national averages, the per capita income for the MSA and the region's counties increased considerably over the past 35 years. Continued economic growth is the underlying factor that fueled this increase and additional growth will be necessary to maintain these incomes.

Finding 6: Programs should be developed to address high poverty rates in rural areas of the region, especially the rural counties where very little industry is located. Poverty rates established by the Census Bureau may mask higher levels of low-income households even in high employment areas such as the Chattanooga MSA.

OCCUPATION

Number of Employees in Non-Agricultural Establishments by Sector Chattanooga Metropolitan Statistical Area

*Hamilton and Marion Counties in Tennessee
Catoosa, Dade, and Walker Counties in Georgia*
(Thousands of Jobs)

Chattanooga/Hamilton MSA Employment	(1,000s)		Percent Change	
	2000	2009	MSA	State
Mining/Logging/Construction	10.3	8.7	-15.5%	0.0%
Manufacturing	44.6	28.3	-36.5%	-35.6%
Trade, Trans. & Utilities	56.0	48.1	-14.1%	-8.3%
Information	3.0	3.7	23.3%	0.0%
Financial/Real Estate	17.3	18.0	4.0%	0.0%
Professional & Business Services	22.9	21.7	-5.2%	3.0%
Education & Health Services	20.5	30.4	48.3%	41.3%
Leisure & Hospitality	19.3	22.7	17.6%	33.3%
Other Services	11.1	10.8	-2.7%	3.0%
Government	33.5	34.8	3.9%	-1.8%

Source: U. S. Bureau of Labor Statistics, June 2011

Occupational Employment: Cleveland/Bradley MSA

Bradley and Polk Counties in Tennessee
(Thousands of Jobs)

Cleveland/Bradley MSA Employment	(1,000s)		Percent Change	
	2000	2009	MSA	State
Mining/Logging/Construction	1.4	1.4	0.0%	0.0%
Manufacturing	13.2	8.5	-35.6%	-35.6%
Trade, Trans. & Utilities	7.2	6.6	-8.3%	-8.3%
Information	0.3	0.3	0.0%	0.0%
Financial/Real Estate	1.6	1.6	0.0%	0.0%
Professional & Business Services	2.9	3.0	3.4%	3.0%
Education & Health Services	3.4	5.8	70.6%	41.3%
Leisure & Hospitality	2.8	4.2	50.0%	33.3%
Other Services	2.6	2.5	-3.8%	3.0%
Government	5.6	5.5	-1.8%	-1.8%

Source: U. S. Bureau of Labor Statistics, June 2011.

As the foregoing tables illustrate, manufacturing job losses over the last decade were staggering. This alone would account for a majority of negative social impacts associated with higher poverty rates, lower incomes, and high,

intransigent unemployment rates. Although service sector jobs have increased, they typically do not pay as well as manufacturing positions, and contribute to an under-employed workforce.

Regional Employment by Sector in Tennessee
Bledsoe, Grundy, McMinn, Meigs, and Rhea Counties.

	2006	2009	Difference
Natural Resources & Mining	315	47	(268)
Construction	1,410	1,275	(135)
Manufacturing	11,875	8,554	(3,321)
Trade, Trans. & Utilities	6,403	5,452	(951)
Information	331	202	(129)
Financial/Real Estate	1,076	1,024	(52)
Professional & Business Services	2,269	700	(1,569)
Education & Health Services	6,231	1,679	N/A
Leisure & Hospitality	2,637	1,946	(691)
Other Services	384	400	16
Public Administration	1,334	1,144	(190)

N/A = Partial data; complete statistics for 2009 not available.

Source: U. S. Bureau of Labor Statistics, June 2011.

As is apparent from the preceding tables, manufacturing is still a significant source of employment in non-MSA counties. Manufacturing in McMinn and Meigs Counties is heavily weighted toward the automotive supply industry. However, the “Service Providing” sector is by far the dominant source of employment.

At one time, there were predictions that the information industry – computer software, telecommunications, etc. – would be the growth area in the American economy. Growth did occur in that industry, but it happened in India, not the United States. Consequently, the number of jobs in that field has virtually stagnated over the last ten years, and there are few indications that the process will somehow reverse itself. This sector of the economy moved offshore along with a large contingent of our manufacturing capacity.

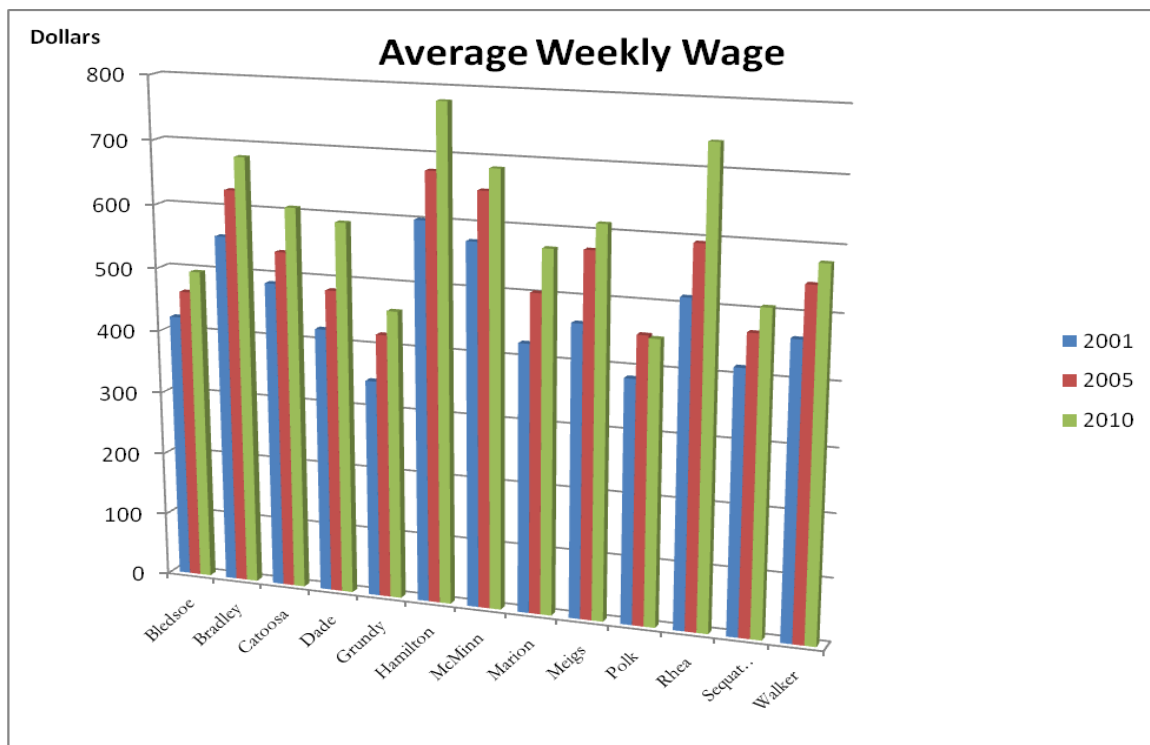
Globalization is obviously one of the most important trends affecting the national and regional economy. The challenge is to work out a method to take advantage of opportunities that will occur if that trend continues while maintaining the flexibility to change should the trend collapse. Primary market forces that help to propagate the trend include:

- Abundant overseas labor
- Low wages in Mexico, Latin America, and China result in greater corporate earnings
- Sophisticated transportation systems that allow the flow of raw materials and goods to and from producers and consumers on a “just in time” basis

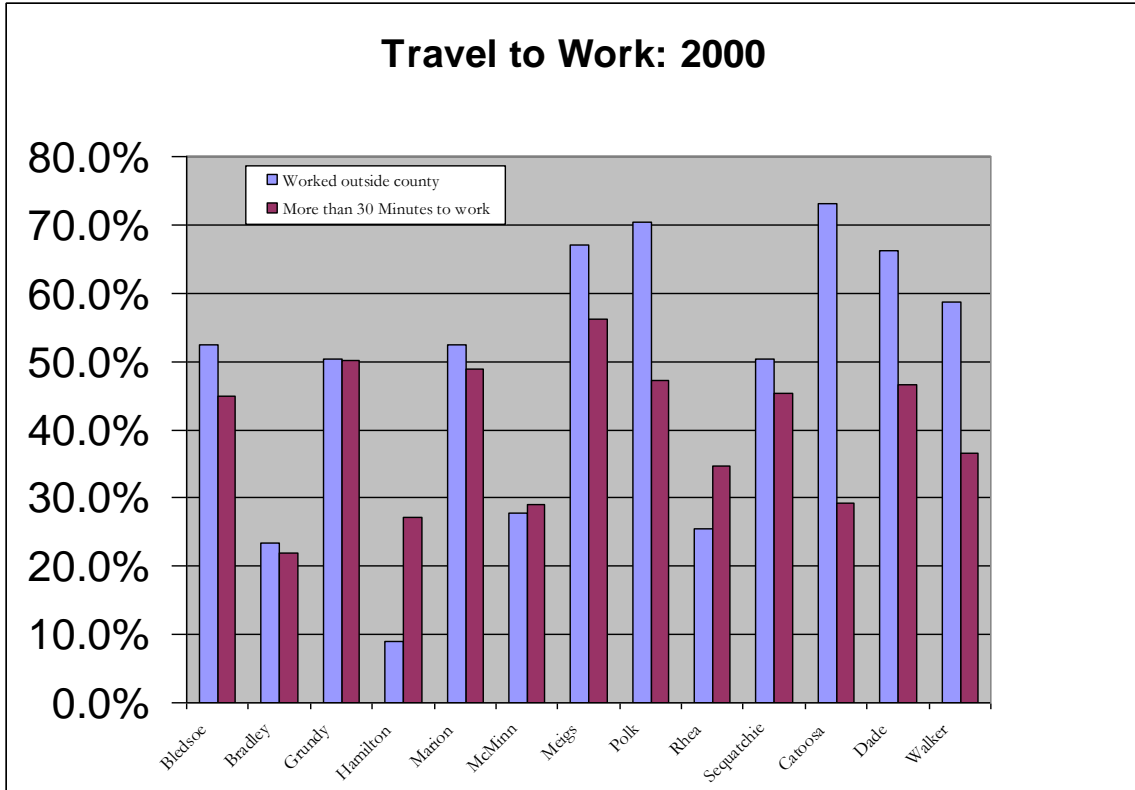
➤ Low cost of energy

The region cannot compete with overseas labor markets where low wages and relaxed environmental requirements are a heavy inducement for many companies to relocate. However, the region is endowed with excellent transportation systems and a central location in the mid-south. Barge, rail, and interstate highways converge to make the Chattanooga region one of the premiere natural transportation hubs in the south.

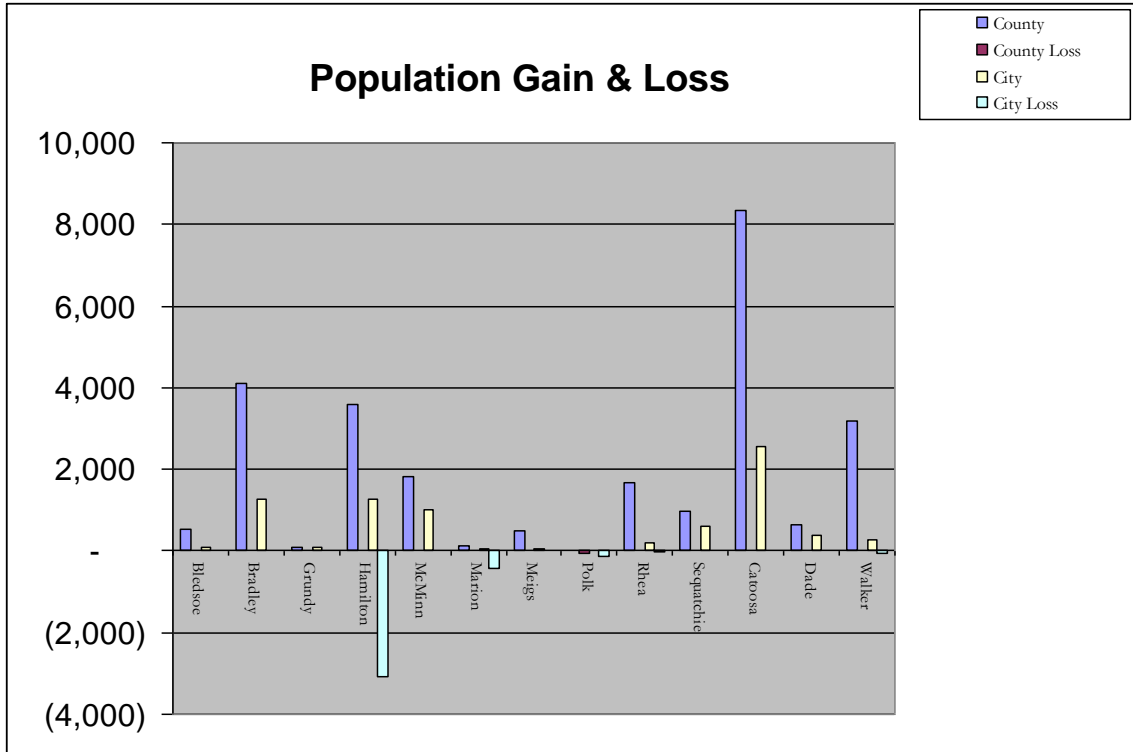
What happens if the forces of globalization falter? The trade deficit is seen by many to be unsustainable. We are purchasing huge volumes of goods – most of what we need or want – from overseas sources. At the same time we are producing fewer and fewer value-added goods, and that does nothing to improve the value of the dollar. In the mean time, oil prices are increasing the cost of transportation far beyond recent expectations. Although this is a simplistic rendering of economic facts, it is sufficient to support the need for alternative options to an economy that has the propensity, but not the capacity, to infinitely expand globally.



Wages in the region have increased consistently. There are no current indications that this trend will falter, but in a global economy, uncertainty is the constant.



As is obvious from the preceding table, large numbers of people work outside the county that they live in. This is not a significant problem in most of the MSA counties because the urban areas in Hamilton, Catoosa, and Walker are essentially contiguous and separated only by artificial political divisions, not topography. This is not the case for Marion County and non-MSA counties, such as Bledsoe and Grundy. Counties at risk for economic disruption are those with a high percentage of people working outside the county and a high percentage of people driving more than 30 minutes to work. For these groups, transportation is critical.



Source: Population Division, U.S. Census Bureau. Release Date: March 22, 2007.

As the foregoing chart indicates, the growth is occurring in non-urban areas. In the Hamilton County urban area, which includes Chattanooga, some cities gained while others lost residents. The majority of municipal losses occurred in Chattanooga, East Ridge and Red Bank. Other Hamilton County municipalities, such as Collegedale and Soddy-Daisy, had significant population increases. The net loss in municipal residents is likely the result of a long-term trend of population diffusion into rural areas, commonly referred to as urban sprawl. Consequently, the data on travel time to work will likely show an increase with the next decennial census.

High fuel prices will continue to have a detrimental impact on workers who must travel long distances. There is a risk that these workers will simply be unable to make the journey if fuel prices exceed their earning capabilities. Consequently, the challenge is to build employment capacity within these counties or provide alternative, lower-cost transportation options for those at high risk.

Speaking at the Bridge Forum Dialogue in Luxembourg on April 13, 2011, Nobuo Tanaka, Executive Director of the International Energy Agency, state “The age of cheap energy is over...The only question now is, will the extra rent from dearer energy go to an ever smaller circle of producers, or will it be directed back to the domestic economies of the consumers, with the added benefits of increased environmental sustainability?”

Finding 7:

- Continue to develop the transportation industry
- Maintain infrastructure capacity to re-integrate offshore companies back into the U.S. and regional economies
- Guarantee an educated, motivated workforce
- Develop local start-up business and expansion of existing companies
- Consider developing a transportation network, carpooling centers, etc. for workers outside the MSA

ECONOMIC CLUSTERS

The following economic clusters are the primary growth areas in the region:

- Chattanooga
- Cleveland-Athens
- Rossville-Fort Oglethorpe-Lafayette (Walker County Corridor)
- South Pittsburg-Jasper Dunlap Area
- Dayton-Graysville-Spring City Area

Cluster Employment

Name	Workforce	Percent of Region
Ringgold-Rossville-Ft. Oglethorpe-Lafayette	85,120	21.9
Chattanooga Area	166,600	42.9
Cleveland-Athens	92,050	23.7
Dayton-Graysville-Spring City	14,320	3.7
S. Pittsburg-Kimball-Jasper	13,620	3.5
Total:	279,660	72.0

Although there are five major clusters, 66.6 percent of the total employment occurs in the Chattanooga/Cleveland/Athens corridor

South Pittsburg-Jasper

The South Pittsburg-Jasper corridor is expanding almost to Dunlap where major infrastructure grants have been provided. Two additional tourism growth areas should be added: The Polk County/Ocoee River is part of the Tennessee Overhill region and the Sequatchie Valley scenic area between Dunlap, Pikeville and

Spencer along TN 111 and TN 127, including the Fall Creek Falls State Park. Both of these areas possess great natural beauty, abundant moving water and forested areas, which will attract Eco-Tourism.

Chattanooga Economic Development Center

Topography plays an important part in the direction of growth in this center. The area's main physical features are the valleys and ridges, which run in a northeast - southwest direction, and the Tennessee River and Chickamauga Lake that divides the county. Growth has occurred in the north and east direction of the City of Chattanooga due to these physical features. Growth is expected to continue to occur to the north, east, and northeast portion of Hamilton County, as well as south into Georgia.

The area has substantial industrial development. The Tennessee River in the Amnicola Industrial Park offers an opportunity for a major industrial development. The area also has prime industrial land available for development within existing industrial parks, especially the Enterprise South industrial park. Currently, a new interstate exchange is nearing completion to provide direct access to the park from I-75.

The following transportation improvements may enhance the area's economic development potential in the future:

- Further widening and improvements of I-75 north of Chattanooga.
- Improvements to Highway 27 over Olgati Bridge in Chattanooga.
- High-speed rail service between Chattanooga and Atlanta.
- Passenger rail service (e.g., Amtrak) through Chattanooga.

Other facilities, which make Chattanooga the major economic center in the region, include:

- Extensive Medical Facilities
- Extensive Education Facilities
- Cultural and Recreation Facilities

The urban services provided, including available infrastructure, area makes the area capable of supporting additional development: Sewer service is available in to most of the incorporated areas of Hamilton County; the Chattanooga Regional Wastewater Treatment facility offers opportunity to provide sewage treatment for a large portion of the region; and the Tennessee River offers an adequate supply of water.

Commercial development has been significant over the past 5 years. Hamilton Place Mall, the largest mall in Tennessee, has resulted in major commercial development in and around the primary facility. The Chattanooga downtown

area has also emerged as a major attraction for tourism. The Tennessee Aquarium, Imax Theater, and the Riverpark have been spurring commercial and retail development along the river area in the downtown area. With the transformation of the downtown area, efforts revitalize Chattanooga's Southside community are continuing apace.

Cleveland-Athens Economic Development Center

The Cleveland-Athens Growth Center corridor, as designated in 1971, extends south of Cleveland in Bradley County, to just north of Niota in McMinn County. It includes the cities of Athens, Charleston, Cleveland, Calhoun, and Niota. The area is easily accessible to U.S. Highway 11 and Interstate 75. East-West travel is hampered by ridges and poor quality primary roads.

Athens and Cleveland are the major economic sub-centers for the area. The cities serve as employment and service centers for Meigs and Polk Counties. Improvements to Highway 30 from Decatur to I-75 will enhance the opportunities for continued economic growth in the area.

Manufacturing is the backbone of the economy in this area, comprising 31% of the jobs in Bradley County and 43% in McMinn County. Automotive products contribute heavily to the McMinn County manufacturing base with companies like Denso and Waupaca. Bradley County's manufacturing sector is more diverse, but from a regional perspective, the combined economy of this part of the region has a healthy mixture of businesses.

Ringgold-Rossville-Fort Oglethorpe-Lafayette, Walker Co Economic Development Center

The Rossville-Fort Oglethorpe-Lafayette and Walker County Economic Development Center extends from Rossville and Chattanooga (Tennessee state line) along a corridor, which includes Fort Oglethorpe, Chickamauga, Linwood and Lafayette. These communities and the area along U.S. 27 are the economic hub of the Walker and Catoosa County area.

Rossville and Fort Oglethorpe are very closely tied to the Chattanooga area and are defined as part of the Chattanooga MSA. The Rossville-Fort Oglethorpe area has substantial residential and commercial development in the growth center area.

South Pittsburg-Jasper-Dunlap Growth Area

The South Pittsburg-Jasper Center in Marion County serves as a sub-center for the Sequatchie Valley, which includes Marion, Bledsoe, Grundy, and Sequatchie Counties. It now extends to Dunlap up the Sequatchie Valley. Natural barriers (Walden's Ridge, Raccoon Mountain, and the Cumberland Plateau) make

east/west transportation routes from the Sequatchie Valley difficult to transverse. It is much easier to travel south from Dunlap to South Pittsburg-Jasper area. The mountains prevent the communities from having a direct link with Chattanooga.

The area has ample vacant industrial land. During this decade, the Towns of South Pittsburg and New Hope have developed Nickajack Port, a multi-million dollar river port and industrial park located between the Tennessee River and the principal line of the Seaboard Railroad.

There has been significant industrial development within the area over this decade: Polymer Materials, Variform, Inc., Orion Foods, Valmont Industries, Inc. and Tennessee Galvanizing located in Marion County -- these industries accounted for 400+ jobs. Rock-Tenn also relocated to the Jasper Industrial Park, which resulted in the creation of 100 new jobs.

Access to the highway transportation system is excellent for the Jasper/Kimball/South Pittsburg area. I-24 provides immediate access to the Chattanooga metropolitan area where there are connections to I-59 (Birmingham) and I-75 (Knoxville/Atlanta).

Dayton-Spring City Growth Area

The Dayton-Spring City Growth Area extends from Graysville, along Highway 27 to Spring City. A railroad line runs parallel to the highway for the length of the area.

The Dayton Industrial Park, which was expanded with EDA financial assistance, has attracted several industries. Planned expansions and locations resulted in the creation of hundreds of jobs over the last several years. The area also has other potential industrial development sites, including the Spring City Industrial Park where there is the potential for significant industrial expansions in the near future.

Finding 8: The region has well-developed growth centers that are actually well integrated with each other. High quality transportation corridors between and among centers provide the ability to develop synergies that will benefit each jointly.

SEWER ANALYSIS:

Sewer service is provided almost exclusively by the region's municipalities. Several of the rural utility districts provide onsite service through the use of decentralized package systems and drip-irrigation. An analysis of each system shows that some form of sewer service is available at each industrial park within the region. However; in many of the parks the lines have become inadequate due

to line size and industry expansion. These lines must be replaced to continue recruiting business and industry to the region.

The plateau portion of the region which encompasses Grundy, Bledsoe, Marion, Sequatchie Counties as well as areas in Hamilton and Rhea County continues to struggle to provide sewer service due to the lack of blue-line streams suitable for wastewater discharge. Several of the sewer systems are at or near capacity making it difficult to service new industrial and commercial growth. These sewer providers must find new cost-effective methods to deliver service to their clients.

County	Utility	Design Capacity (Millions/Day)	Treated Effluent (Millions/Day)	Remaining Capacity	Percent (%) of Capacity
Bledsoe	Pikeville	0.57	0.12	0.46	21%
Bradley	Cleveland	37.00	9.10	27.90	25%
Grundy	WWTP	0.10	0.025	0.08	25%
Hamilton	Monteagle 1	0.25	0.14	0.11	56%
	Monteagle 2	0.25	0.06	0.19	24%
	Moccasin Bend	160.00	120.00	40.00	75%
McMinn	Signal Mountain	1.50	0.23	1.27	15%
	Athens	4.03	3.24	0.79	80%
Marion	Englewood	0.25	0.158	0.09	63%
	Etowah	2.00	0.73	1.27	37%
	Niota	0.40	0.15	0.25	38%
	Jasper	0.78	0.30	0.48	38%
Meigs	South Pittsburg	1.40	0.70	0.70	50%
	Decatur	0.34	0.307	0.033	90%
Polk	Benton	0.18	0.039	0.141	22%
Rhea	Copperhill	0.70	0.30	0.40	43%
	Ducktown	0.14	0.05	0.09	36%
	Dayton	2.69	1.30	1.39	48%
Sequatchie	Spring City	3.50	1.00	2.50	29%
	Dunlap	0.93	0.50	0.43	54%
Walker	Lafayette	3.50	1.90	1.60	54%
Dade	Trenton	1.00	0.25	0.75	25%
	TOTALS:	221.51	140.60	80.92	

- Monteagle Extreme I & I problems
- Monteagle 1 Operational problems
- Monteagle 2 Poor design, discharge stream inadequate
- Signal Mtn. Moratorium: I & I
- Jasper New development (Rarity Bay) will require additional capacity
- Athens Moratorium: I & I
- Englewood I & I; Commissioner's Order

Decatur Nearing capacity
Copperhill Plant needs upgrade

I & I = Infiltration & Inflow - storm water overwhelming the system
Commissioner's Order requires system upgrades
Moratorium means no new hookups allowed until the system has been repaired

Finding 9: Sewer plant and line improvements are needed to maintain the existing residential, commercial, and industrial base of the Region. These are primarily improvements associated with aging and/or outdated infrastructure.

WATER SYSTEM ANALYSIS

Water is one of the most important necessities for economic development. The Tennessee Valley is blessed with abundant water sources, such as the Tennessee and Hiwassee River. This does not mean that everyone has access to a water source: some parts of the region are cut off by mountainous terrain and other topographic factors.

Political constraints are also a problem with water supply. The State of Tennessee has adopted the Interbasin Water Transfer Act, which effectively prohibits water transfers out of the Tennessee River Valley watershed. This has an impact on the southern section of the Region where water flows toward the Chattahoochee River basin

Aging and inadequate infrastructure is another problem. Regulatory requirements for water plant operations are stringent, resulting in the need for frequent equipment and facility upgrades. As the population increases, additional capacity is also required, and regional treatment plants begin to make more sense as economies of scale come into play.

Currently, there is one regional system operated by the Hiwassee Utility Commission (HUC). This organization operates provides water to other utilities throughout the Hiwassee Region, including Cleveland, Riceville, Athens, and Niota. Water systems that can access HUC's main lines have a distinct advantage over systems that are isolated because they have an assured backup supply if their plant or water source fails. HUC has a virtual endless supply of water from the Hiwassee River, which is one of the least polluted streams in Tennessee. Currently, the Utility District needs to upgrade its plant to supply the increasing needs of the region.

Most of the utilities in the region have the ability to interconnect with other neighboring systems, a long-term goal of the Development District Board. This is very important because parts of the region have experienced water shortages due to drought conditions that have occurred with increasing frequency over the

past several years. These interconnections provide backup sources of water, especially for the utilities that are not directly connected to a large water resource like the Tennessee River.

In 2004, the Development District commissioned a study to determine the most appropriate method of supplying water to the west side of the region. Problems with water sources, failed wells, and aging infrastructure have plagued this part of the region for some time. The study recommended a 6 million gallon per day plant located on the Tennessee River, which would be capable of providing water to all of the utilities operating in the Valley as well as those located on the adjacent Cumberland Plateau in Bledsoe, Grundy, and Sequatchie Counties.

Some of the most likely methods of implementing study recommendations includes forming a utility (similar to the HUC) to build a new plant. Another option is to develop an agreement with South Pittsburg to upgrade their plant on the Tennessee River to accommodate all of the needs in this part of the region. Another option would be for an existing system, such as the Tennessee American Water Company, to provide water to the Sequatchie Valley region.

County	Utility	Design Capacity Gallons/Day	Avg. Daily Pump (Millions Gal.)	Avg. Max. Pump (Millions Gal.)
Bledsoe	Pikeville Water System	518,400	0.488	0.515
	Taft Youth Center	604,800	0.590	1.718
Bradley	Cleveland Utilities	2,330,000	7.827	8.247
	Hiwassee Utility District	7,499,520	3.620	5.700
Grundy	Big Creek Utility District	1,866,240	0.849	1.115
	Tracy City Water System	799,200	0.440	0.667
Hamilton	Eastside Utility District	-	8.156	11.694
	Hixson Utility District	-	6.747	8.308
	Mowbray Mtn Utility District	-	0.336	0.421
	Sale Creek Utility District	529,920	0.178	0.323
	Savannah Valley Utility District	2,880,000	1.837	2.026
	Signal Mountain Water System	3,369,600	0.936	2.010
	Soddy-Daisy-Falling Water Utility District	5,971,680	1.905	2.512
	Tenn-American Water Company	64,800,000	39,219.000	53,214.000
	Union Fork-Bakewell Utility District	604,800	0.371	0.561
	Walden's Ridge Utility District	-	0.883	1.707
Marion	Foster Falls Utility District		0.034	0.098

		-		
	Griffith Creek Utility District	-	0.073	0.110
	Jasper Water System	1,693,440	1.114	1.678
	Monteagle Public Utility Board	1,008,000	0.393	0.685
	Orme Water System	74,880	0.024	0.034
	South Pittsburg Water System	3,359,520	0.998	1.477
	Suck Creek Water System	108,000	0.026	0.058
	Whitwell Water System	1,209,600	0.838	1.088
McMinn	Athens Utility Board	4,147,200	2.142	2.979
	Calhoun-Charleston Utility District	-	0.202	0.740
	Englewood Water Department	576,000	0.239	0.429
	Etowah Utilities	5,499,360	2.771	3.545
	Niota Water System	-	0.297	0.541
	Riceville Utility District	-	0.226	0.460
Meigs	Decatur Water Department	1,008,000	0.618	0.726
Polk	Benton Water System	1,584,000	0.348	1.135
	Copper Basin Board Public Utilities	748,800	0.261	0.402
	Copperhill Water Department	-	0.080	0.108
	Hiwassee Water Co-op	-	0.126	0.284
	Ocoee Utility District	-	1.318	2.384
Rhea	Dayton Water Department	4,032,000	2.650	3.547
	Grandview Utility Department	-	0.089	0.157
	Graysville Water Department	432,000	0.158	0.245
	North UD of Rhea County	-	0.197	0.430
	Spring City Water System	1,658,880	0.485	0.910
	Watts Bar Utility District	1,152,000	0.702	0.990
Sequatchie	Cagle-Fredonia Utility District	-	0.137	0.211
	Dunlap Water System	2,016,000	0.703	1.048
	Lone Oak Utility District	233,280	0.034	0.169

Source: Tennessee Department of Environment & Conservation, Division of Water Supply, 2007.

In Marion, Grundy, and Sequatchie Counties there are several interrelated problems occurring that will require a solution in the near future. First, the Town of Jasper's plant on the Sequatchie River is not able to handle the additional demands that development is placing on it. Barring another solution, the Town is considering spending several million dollars on a new plant located on the Tennessee River. Upgrading the existing plant is possible, but flows in the Sequatchie River are not sufficient to feed long-term requirements. This is a relatively small stream that is used by Pikeville, near its headwaters, as well as Dunlap. Both cities also use the stream for wastewater discharges.

On Monteagle Mountain, there are problems with water supplies. This is a water poor area that is still suffering from coal mining operations that have long since shut down. The water table is heavily polluted with iron, and there are few reliable sources of surface water. A recent study performed by the Tennessee Department of Environment & Conservation, the *South Cumberland Water Resources Regional Planning Pilot*, recommends increasing the capacity of an existing water impoundment and connecting utilities throughout that part of the region to help mitigate any water shortage that occurs locally.

Further north in the Sequatchie Valley, the Town of Whitwell has water storage problems and will also need an upgrade in their water treatment system. Looking at the preceding chart, there seems to be enough capacity in this part of the region, but that assumes reliable water sources and usable infrastructure, two factors that are missing for several of the utility systems.

At the north end of the Sequatchie Valley, a water line was previously constructed from the Dayton system to Pikeville. However, new development, including a State prison, that will be dependent on water from Pikeville and the construction of a force main and pump station to the prison site.

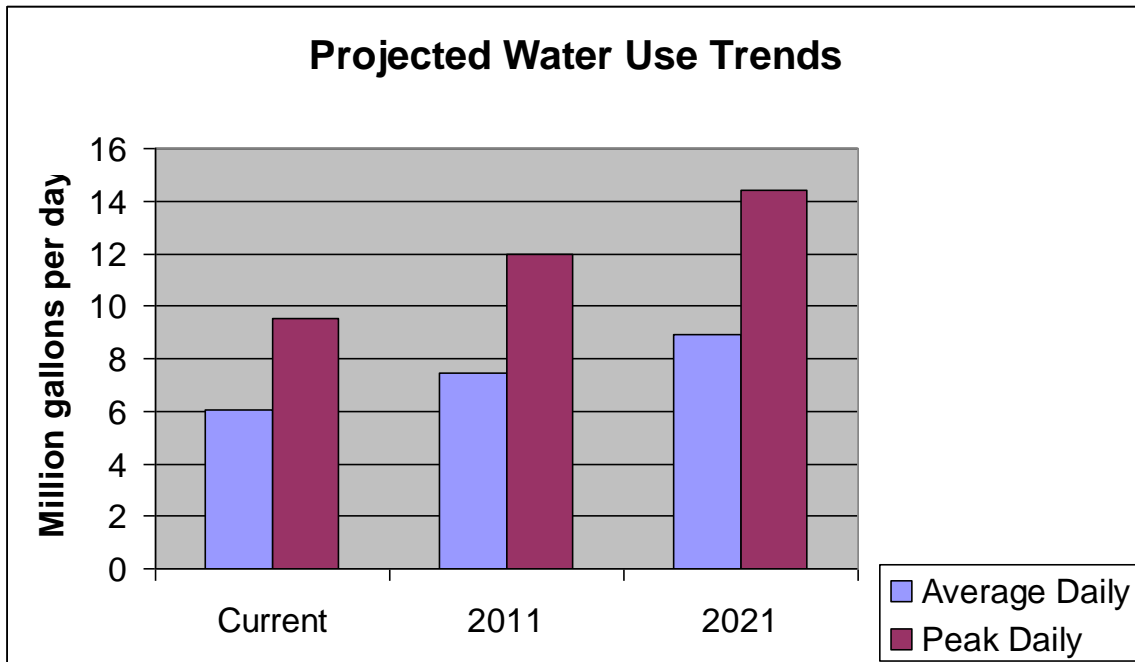
The following charts were taken from a study designed to develop a strategy to solve water availability problems in the Sequatchie Valley.

**Projected Water Demands Based on Water Usage Data
Sequatchie Valley Region**

Water System	Treatment Capacity	Pumping Capacity	Latest TDEC Water Survey Data		Projected Water Use Trends			
			Avg. Daily Pumpage	Max. Daily Pumpage	Year 2011		Year 2021	
					Average	Peak	Average	Peak
South Pittsburg	4.00	4.18	1.08	1.32	1.26	1.82	1.44	2.09
Jasper	1.69	3.31	0.98	1.30	1.16	1.59	1.36	1.88
Whitwell	1.31	2.59	0.68	0.99	0.94	1.45	1.17	1.80
Dunlap	2.00	2.02	0.62	0.93	0.71	1.09	0.80	1.24
Pikeville	0.58	1.71	0.43	0.86	0.46	0.80	0.53	0.93

Big Creek U.D.	1.87	3.46	0.91	1.42	1.21	1.88	1.49	2.31
Monteagle P.U.B.	0.70	1.73	0.33	0.57	0.41	0.73	0.47	0.84
Tracy City	0.80	1.94	0.40	0.90	0.39	0.70	0.48	0.86
Taft Youth Center	0.61	2.45	0.55	1.05	0.85	1.66	1.08	2.10
Suck Creek	0.11	0.29	0.05	0.19	0.08	0.28	0.11	0.39
Total:	13.67	23.68	6.03	9.53	7.47	12.00	8.93	14.44

Source: "Sequatchie Valley Water Supply Study," GRW Elrod Dunson, Inc., August 2004.



As the preceding data indicate, a large increase in water treatment capacity will be required within the next five (5) years.

Finding 10: An expansion of existing water impoundment(s) is needed to provide water to the South Cumberland section of the region. This will include the need to connect various water systems to each other so that water can be “wheeled” through one system to reach another. Additional water needs include residential and commercial water line extensions and water main construction to alleviate pressure problems. Additional upgrades may be needed to the Pikeville water system to serve the northern sections of this region.

SOLID WASTE

The Southeast Tennessee Municipal Solid Waste Planning Region was conceived in 1993 to provide long-term guidance to local governments in maintaining adequate waste collection, disposal, and recycling capacity. A solid waste plan was prepared and approved by the Tennessee Department of Environment & Conservation in 1996. The plan is updated annually in compliance with the Solid Waste Management Act of 1991 and submitted to TDEC for approval.

In Georgia, each county is required to prepare a comprehensive plan, which includes a solid waste component with similar requirements to that required of Tennessee counties. The Planning Region Board invites participation from all Georgia counties in the planning process.

Currently, the region has enough solid waste disposal capacity for at least the next ten years. Facilities include the following:

Sanitary Landfills	Projected Life (Years)
Bradley County	20
Chattanooga-Birchwood	8
Marion County	22
McMinn County	24
Meadow Branch	12
Rhea County	20
Collinsville, Alabama (Allied Waste)	Not Available
Construction & Demolition Landfills	
Bradley County C&D	24
Environmental Materials	10
McMinn County C&D	18

The Bradley County and Chattanooga Birchwood facilities serve north Georgia Counties. Allied Waste, a privately owned and operated company, provides collection and disposal service to Dade County and a large portion of Hamilton County.

Marion County’s landfill provides disposal for all of Grundy and Sequatchie County’s needs. Bledsoe County hauls to Rhea County’s facility, which also accepts some of Hamilton County’s waste. Meigs County’s waste goes to Meadow Branch landfill (McMinn County), which is privately owned and operated, and Polk County’s waste goes to the McMinn and/or Bradley County landfill.

All of the landfills are regional: They generally accept waste from any source because tipping fees for the waste are their only source of income. The costs associated with developing and operating a landfill are huge, and large volumes

of waste are needed for operations as well as closure and post-closure care, which continues for at least 30 years after the landfill is closed.

In addition to assured disposal capacity, States require counties to reduce waste disposed of in a Class I (sanitary) landfill by 25 percent. This is accomplished through recycling programs, bans on waste tires in landfills, wood waste diversion to chipping operations, and diversion of construction/demolition materials.

Finding 11: There is adequate solid waste collection, disposal, and recycling capacity in the region. A sophisticated planning program is in place to maintain and monitor waste activities through State agencies.

INDUSTRIAL PARKS

Each county in the region has at least one industrial park. Most of these parks will have some infrastructure needs because companies moving into the area often have specialized needs that may or may not conform to what is already available at any particular site.

Chattanooga and Hamilton County have 1,600 acres available at the Enterprise South industrial park, which has been primed for large industrial locations. Next in size is the Nickajack Port property in Marion County, which is in an excellent location to take advantage of barge, rail, and interstate highway access.

CARCOG INDUSTRIAL PROPERTIES

	<u>Address</u>	<u>City, State</u>	<u>Min Size (Acres)</u>	<u>Max Size (Acres)</u>	<u>Rail Access</u>
1	134 Waupaca Drive	ETOWAH, TN	5	1,717	yes
2	1494 Happy Valley Road - Happy Valley Road Property	ROSSVILLE, GA	5	50	no
3	17th Street - South Etowah Industrial Park	ETOWAH, TN	4	46	no
4	203 Tsati Terrace - Hixson Pike Property	SODDY-DAISY, TN	29	29	no
5	2400 Denso Drive - Athens McMinn Interstate Industrial Park	ATHENS, TN	5	350	no
6	2515 Benton Pike	CLEVELAND, TN	82		no
7	2800 Riverport Road - Centre South Riverport Industrial Park	CHATTANOOGA, TN	10	74	yes
8	300 Payne Lane - Hollin Property	DAYTON, TN	5	200	Feasible
9	310 Sequachee Industrial Drive - Sequachee Valley/Dunlap Industrial	DUNLAP, TN	5	110	no

	<u>Park</u>				
10	<u>3400 Cummings Road - Cummings Road Site</u>	CHATTANOOGA, TN	5	145	Feasible
11	<u>381 Hwy 127 - Pikeville Industrial Site</u>	PIKEVILLE, TN	5	50	no
12	<u>441 Allan P. Deakins Road - Bledsoe/Pikeville Industrial Park</u>	PIKEVILLE, TN	5	18	no
13	<u>443 Industrial Drive - Marion County Industrial Site</u>	JASPER, TN	5	30	no
14	<u>4829 Battlefield Parkway - Catoosa 2A Site</u>	RINGGOLD, GA	20	20	no
15	<u>6075 Bonny Oaks Drive - Enterprise South Industrial Park</u>	CHATTANOOGA, TN	5	1,600	yes
16	<u>620 Industrial SW</u>	CLEVELAND, TN	5	33	yes
17	<u>Barney Lane And 20th Street NE - Pinnacle Industrial Park</u>	CLEVELAND, TN	5	35	Feasible
18	<u>CBIP 33 Acre site</u>	CLEVELAND, TN	5	33	yes
19	<u>Highway 156 and Port Road - Nickajack Industrial Site & Port</u>	NEW HOPE, TN	5	1,217	yes
20	<u>Highway 238 and Burnett Road - Whitwell-Powell Crossroads Industrial Park</u>	WHITWELL, TN	10	10	no
21	<u>Highway 308 and Haney Road - Hiwassee River Industrial Park</u>	CHARLESTON, TN	18	18	no
22	<u>Highway 50 - Pelham Industrial Park</u>	MONTEAGLE, TN	5	50	no
23	<u>Highway 58 Near SR60 - Meigs South Industrial Site</u>	DECATUR, TN	5	52	no
24	<u>Industrial Drive - Dunlap Industrial Park</u>	DUNLAP, TN	5	12	no
25	<u>Industrial Drive - Tracy City/Monteagle Industrial Site</u>	TRACY CITY, TN	58	58	no
26	<u>Industrial Park Drive - Copper Basin Industrial Park</u>	DUCKTOWN, TN	5	60	no
27	<u>Manufacturers Road - Dayton Industrial Park</u>	DAYTON, TN	5	45	yes
28	<u>McCarter Road - McCarter Road Industrial Site</u>	LA FAYETTE, GA	14	14	no
29	<u>Athens/McMinn County Industrial Site</u>	ATHENS, TN	-	223	no
				6,299	

Finding 12: There is enough industrial park space to accommodate additional industry in much of the region. However, infrastructure needs are always an issue because capacities must fit the needs of prospective industries.

BROADBAND TELECOMMUNICATIONS AND ELECTRICITY

Most of the region has access to broadband service, even in the rural areas. According to the Report and Recommendations produced by the Tennessee Broadband Task Force for the Tennessee Regulatory Authority (January 2007), there are four areas that do not have adequate access to broadband in Tennessee. These include a small section of southwest Hamilton County, northwest Rhea County, northern McMinn County around Niota, and western Polk County north and south of Benton.

Areas that do not have broadband on the west side of the region are generally on Walden's Ridge where the topography is very mountainous. However, these areas are relatively small and lightly populated. In northern McMinn County, broadband is simply missing; it should be available because all other infrastructure is there to support it. This is also true for western Polk County outside of the Cherokee National Forest, which is the largest area without broadband in the region.

Currently, information is not available for the geographic distribution of broadband in Catoosa, Dade, and Walker Counties. The State of Georgia does, however, provide a grant program to assist rural counties in developing broadband coverage through the One Georgia Authority.

Energy

The region is blessed with abundant electrical energy resources provided by the Tennessee Valley Authority. There are six hydroelectric facilities in the region:

- Ocoee River 1, 2 and 3
- Watts Bar Dam
- Chickamauga Dam
- Nickajack Dam
- Raccoon Mountain Pumped Storage Facility

In addition to hydroelectric facilities, there are three nuclear plants:

- Sequoyah Unit 1: 1,147 MWe
- Sequoyah Unit 2: 1,125 MWe
- Watts Bar Unit 1: 1,138 MWe

Construction of a second unit at Watts Bar was halted after about 80 percent of the construction was complete. TVA is now in the process of completing construction to meet increased power demands in the future. This would provide and additional 1,275 megawatts.

Other generating capacity is just outside the region in Bridgeport, Alabama at the Widow's Creek coal-fired plant. This facility generated 1,629 MWe and much of that capacity is allocated to the region.

Finding 13: The region has an assured supply of electricity for the foreseeable future, and most residents have access to broadband telecommunications. However, support should be provided to those areas in the region that do not have access to broadband.

TRANSPORTATION

The regional Rural Planning Organization along with the Chattanooga MPO and the Cleveland MPO help define the transportation priorities of the region. The primary transportation needs are:

1. Highway 30 east/west connector: Historically, topographic barriers to east/west movement across the region have impeded development. The Cumberland Plateau and Walden's Ridge are oriented to a northeast/southwest direction across the region. Most of the roadways follow the valleys; few try to conquer the 1,200 foot inclines presented by the mountains. U.S. Highway 30 was designed to do this, but it is a narrow, winding road in most parts of the region and upgrades are needed to bring it up to the standards needed to make it a viable commercial transportation corridor.

The RPO has endorsed this project although no funds have been allocated for feasibility studies. In addition, local governments along the route have formed the Highway 30 Coalition to promote the project.

2. Corridor K: This is the Chattanooga to Asheville Highway that is partially funded through the Appalachian Regional Commission. A study is currently underway to determine the economic development impacts of the highway. This route will connect the region to the economies of the east coast along a more direct route than currently exists.

Currently, the RPO does not consider non-highway projects, and the Tennessee Department of Transportation does not provide support for non-highway planning through the RPO process. The Tennessee Rail System Plan (completed October 10, 2003) has essentially languished with no indication of movement toward an implementation strategy.

There is a need identified through the planning process for an inland port facility somewhere in the region along the Tennessee River, either at the Port of Nickajack or at established ports in Chattanooga. There is significant support for such a facility, but additional infrastructure will be required to implement the project. This will include rail access and linkages to the Interstate system.

Another potential transportation project is a high speed rail under consideration that would link Chattanooga to the Atlanta area. This would obviously have a major impact on the regional economy. The Tennessee

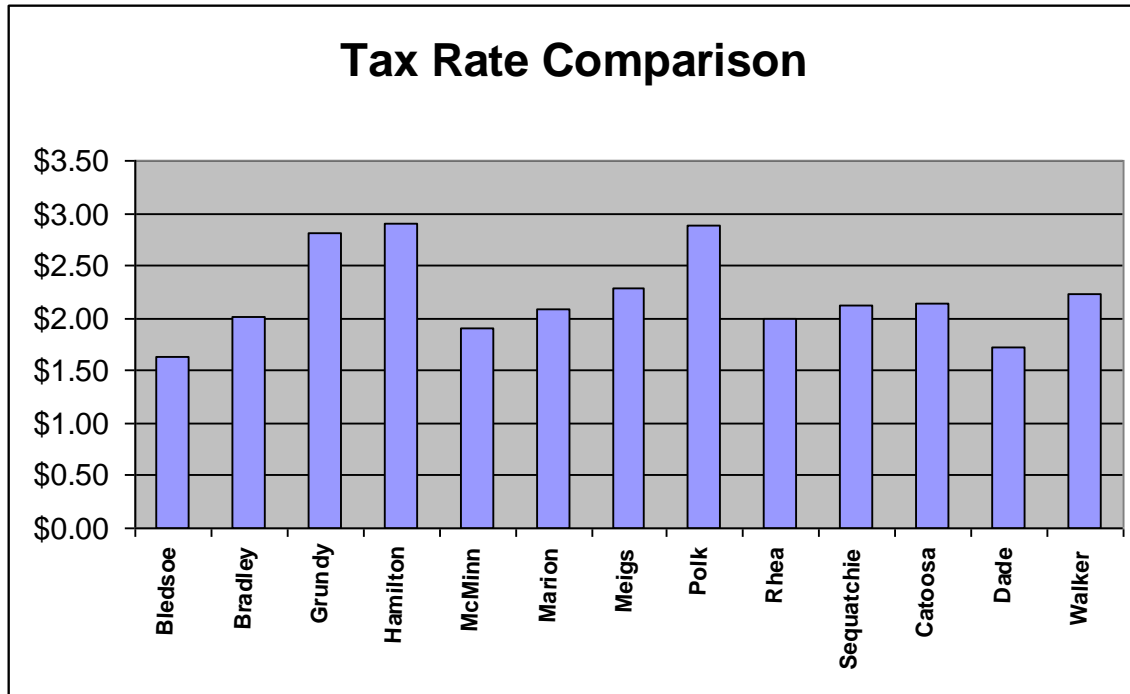
Finding 14: Significant funding will be required to complete necessary highway expansions. Part of the funds for Corridor K has been committed, and the Highway 30 corridor is only in the initial phases of conceptual development. Inland port development is a high-value project that needs further evaluation.

FINANCIAL RESOURCES

The following comparison of tax rates across the region is interesting because it shows the poorest and richest counties nearly equal in their tax rates. This is due to the fact that Grundy County, which is listed as “distressed” by the Appalachian Regional Commission, has large areas of state-owned property. Since this property is effectively off the tax rolls, the county’s citizens must pay a higher rate just to receive basic services.

Hamilton County is the center of the MSA and has a slightly higher tax rate than Grundy and Polk Counties. The difference is that Hamilton County provides considerably more services than either Grundy or Polk. This goes well beyond the basics of schools, roads, police, fire protection, ambulance service: it also includes parks and recreation, on-line county services, etc.

Polk County currently has the highest tax rate, primarily because one third of the county is within the Cherokee National Forest. Currently, the county is experiencing financial difficulties because there is simply not enough money to fund basic needs. As an example, the county jail was recently condemned because it does not meet basic state requirements.



FINANCIAL RESOURCES

COUNTY	FUND BALANCE	GEN. OBL. DEBT	PER CAP G.O. DEBT	REVENUE BOND DEBT
Bledsoe	\$1,200,000	\$1,195,000	\$96.63	\$542,403
Bradley	\$5,800,000	\$1,200,000	\$13.64	\$9,700,000
Grundy	\$1,039,000	\$1,700,000	\$118.62	\$605,000
Hamilton	\$55,363,000	\$125,510,000	\$404.00	\$861,340
Marion	\$1,170,000	\$24,000,000	\$1,117.28	\$1,356
McMinn	\$1,000,000	\$0	\$0	\$0
Meigs	\$897,000	\$1,400,000	\$126.30	\$40,000
Polk	\$165,856	\$18,218,282	\$1,135.10	\$4,691,953
Rhea	\$1,200,000	\$1,900,000	\$66.90	\$12,000
Sequatchie	\$724,000	\$6,300,000	\$554.09	\$53,473
Catoosa	\$4,100,000	\$2,900,000	\$52.29	\$225,000
Dade	\$2,100,000	\$4,700,000	\$297.66	\$52,000
Walker	\$4,500,000	\$8,100,000	\$124.00	\$398,041

Grundy's higher tax rate translates into lower debt ratios for its residents as compared to Polk. In general, most of the counties in the region have significant financial resources.

Finding 15: Per capita debt is very manageable in most of the counties. The highest, Polk County, is troubling because this is one of the counties with a relatively high tax rate, the third highest in the region. As previously stated, this is due to the fact that a large part of the county is comprised of a national forest and no tax revenue is acquired from this property. Polk County obviously needs additional resources.

CAREER CENTER SYSTEM

When the Congress passed the *Workforce Investment Act of 1998*, the legislation outlined the framework for a new workforce delivery system that would provide 'One Stop Career Centers' where job seekers and employers could access a host of workforce, education and human care services all at one location. The Southeast Tennessee Development District operates two comprehensive Career Centers located in Hamilton and McMinn Counties and four satellite facilities, located in Bradley, Marion, Rhea and Sequatchie Counties. In north Georgia, a Career Center in Catoosa County serves businesses and job seekers.

Career Centers have taken the forefront in the delivery of public workforce services. Business customers benefit from the following services:

- Customized recruitment, screening and assessment of job candidates
- Accurate and timely labor market information
- Specialized employee outreach and recruitment campaigns
- Assistance with business expansions and /or relocation
- Outplacement services designed exclusively for downsizing
- Rapid response assistance
- Development of On-the-Job Training supports
- Specialized employment-related supports
- Customer service feedback

Job Seeker Services include:

- Outreach / intake / orientation to the One Stop Career Center
- Basic skills testing / Occupational aptitude testing
- Career counseling / Individual employment plan development
- Resume development/ employability skills development / job search assistance
- Job vacancy listings
- Interviewing skill development / job readiness and retention training
- Short term pre-vocational training
- Referral to education and job training services
- Support services / financial aid information and assistance
- Customer service feedback

Training options for job seekers include

- Occupational skills training
- On-the-Job training / Skill upgrading
- Entrepreneurial training
- Adult education and literacy
- Customized training
- Work experience – paid and unpaid
- Follow-up services

Other sources of services and resources available through the One Stop system include:

- Local, regional and national labor market data / growth and demand areas
- Information on job skills necessary to obtain jobs or explore new careers
- Performance / program cost information on training providers
- Performance information on Career Centers as well as Training Providers
- Requisite earnings / skill requirements for jobs
- Unemployment compensation information
- Information on student assistance packages and coordination of education benefits
- Customer service feedback

The One Stop system is established to utilize a host of partners to create cost efficiencies and provide a higher level of customer convenience and satisfaction. Partner groups share in the operating expenses of the One Stop, helping to reduce costly duplication of independent operation and services. Many of the partner organizations are co-located within the Centers and all have established systems of referral in place. Key Partners to the One Stop include:

- WIA Adult, Youth and Dislocated Worker Programs
- Veterans Employment and Training Programs
- Job Corps
- Employment Service
- Adult Education
- Post Secondary Vocational Education
- Vocational Rehabilitation
- Title 5 of the Older Americans Act
- Native American Program
- Migrant and Seasonal Farm Workers

The strength of the Career Center system is in its capacity to deliver accessible services to customer groups all at one convenient location. Business and industry and the job seeking public as well have universal access to seamless,

quality services through the one Stop system. Weaknesses of the system include limited hours of operation; generally Centers are only open Monday through Friday during the normal working day. Technology is sometimes outdated prior to securing the coordination and identification of funding for replacement. One of the key Centers where rapid growth is occurring has surpassed its physical capacity to deliver services effectively. And, a final weakness involves the employer community: Many employers do not understand the function of the Career Center system and how they can utilize services to assist with the identification and referral of trainable workers.

There is great opportunity for the One Stop Career Center System to link more effectively with local and regional economic development entities. Opportunity also exists for the system to expand partnerships to other supporting entities, including faith-based and community organizations. Conversely, threats to the system include reduction in public funding for workforce services, as well as pending changes to legislation proposing the elimination of One Stops as the point of entry. Intrinsicly, the system has long been threatened with the inability to rid co-located partners of their connection and allegiance to their with their respective employers rather than to the greater good of the One Stop mission and the delivery of premier services that will enhance economic vitality of the region.

Finding 16: For the One Stop Career Center System to continue to function in a manner that encourages growth and a higher level of usage among job seekers and employers, it is incumbent upon the Southeast Tennessee Development District, as Administrative Entity, to maintain close oversight and enact vigilant intervention where system adjustments are warranted.

TRAINABILITY AND DOCUMENTATION OF SKILLS

The cost of hiring, training and retaining high-quality workers is one of the greatest costs incurred by business and industry and significantly impacts their bottom line. In an effort to address these issues, the Southeast Tennessee Development District joined forces with the Southeast Tennessee Workforce Investment Board, the Chattanooga Area Chamber of Commerce, and Chattanooga State Technical Community College to implement a proven job skills readiness model, the Career Readiness Certificate (CRC). The CRC model is designed to provide workers with a cross occupational portable skills credential. The credential, denotes 'readiness,' and is as sometimes referred as the 'the Fourth R', joining the standards of reading, 'riting, and 'rithmetic as the 21st century measure of capacity to enter and remain in the workforce as a contributing employee.

The strength of the Career Readiness Certificate is directly attributable to its utilization of the WorkKeys™ assessment test to measure a candidate's potential

to succeed in the business/working world. The assessment process has been developed by ACT, Inc., a nationally recognized leader in educational testing. Although ACT is best known for its college entrance exam which measures one's potential to succeed in the academic world, the WorkKeys assessment serves as an excellent indicator of probable success in the workplace. It evaluates functioning levels skills in three vital areas:

- Applied Mathematics
- Reading for Information
- Locating Information

Three levels of the CRC allow an individual to advance h/her skill level in order to qualify for more jobs. Individuals can attain a *Bronze Level*, documenting core employability for 30% of the jobs, a *Silver Level*, documenting core employability mastery for approximately 65 % of he profiled jobs, or a *Gold Level*, documenting core employability for approximately 90% of the profiled jobs.

An added strength to the system is a component designed for individuals who do not initially achieve the Career Readiness Certificate. Assessment results will indicate the targeted training needed to achieve the skill levels necessary to obtain the certificate. The Tennessee Career Centers as well as the companion Career Center serving the MSA's northwest Georgia counties offer assistance to individuals in increasing their skill levels through the use of computerized software that is prescriptive.

Although these three areas are standard areas that represent the skills that are the most utilized in 10,000 job profiles located in ACT's Occupational Profile Database, one weakness of the Career Readiness Certification System is that some employers have been in need of other skill assessments including skill development in the areas of Technical Writing and Teamwork..

One of the greatest opportunities the SETDD has is in growing the CRC system. The District collaborated closely with its partners forming the Tri-State Workforce Alliance to ensure that the initiative was approached on a regional level and that a mutually shared CRC database would be established and maintained. This led to the development of *CertificateKey*, a database that provides open access to WorkKeys certifying entities across the SETDD labor shed, including the contiguous states of Alabama and Georgia. The Twenty-four participating counties show high levels of commuting to-and-from jobs within the District's labor market area.

With thirty-seven states now in various stages of Career Readiness Certification deployment, the threat to the SETDD region is in lagging behind in efforts to sufficiently grow the database so that existing companies interested in expanding and new companies interested in locating in the region can be assured that the region offers an established pool of trainable workers with documented skill

levels required of any new jobs that may be coming on line. Many workers have 'test anxiety' and are hesitant to participate in a comprehensive assessment process that will determine their skill levels.

Finding 17: It is incumbent upon the Southeast Tennessee Development District to make a unified, concerted effort to continue the rapid expansion of the *CertificateKey* Database in order to document the proficiency of the region's workforce and to enhance the opportunity for maximum utilization of *CertificateKey* by the region's business and industry a

ENTREPRENEURIAL DEVELOPMENT

One of the primary sources of new jobs is the development of new, local business. Entrepreneurship development is an elusive concept for many community leaders who have traditionally relied upon recruitment as their primary economic development strategy. For some rural communities, the encouragement and support of entrepreneurship is the best and most realistic economic development strategy.

Overall, small and medium sized businesses account for up to 95% of all businesses and up to 80% of all jobs. Creation and expansion of small and medium sized firms will be an important component in the region's continued recovery from the severe economic downturn and high unemployment rates experienced by all counties in the CARCOG/SETDD region in recent years.

ACCESS TO HEALTH CARE

Healthcare access and means to pay for it are difficult issues for the entire nation. The Southeast Tennessee/Northwest Georgia region is no exception. Community service providers and hospitals, in combination with State and Federal programs, struggle to meet the healthcare needs of the local citizens with limited resources.

The healthcare strengths of our area include that Rural Health Centers and urban clinics are available in all of our counties. These centers provide vaccination services, some routine testing and screening, some crisis management and even can act as Primary Care facilities for some qualified patients. Also, our area has many excellent hospitals, which are mostly not-for-profit and provide medical care to people in need. Rhea County even has a new facility called "Rhea Medical Center" that opened up the week of August 23rd 2007. This facility will create a new high level care facility within quick driving distance of many rural residents. In addition, Erlanger Hospital in Hamilton County is a non-profit, academic teaching center affiliated with the [University of Tennessee College of Medicine](#). It is also a Level-One Trauma Center for adults and the provides tertiary care services for the citizens of an entire four-state region, encompassing southeast Tennessee, north Georgia, north Alabama and western North

Carolina. Each year, more than a quarter of a million people are treated by the team of healthcare professionals who are part of Erlanger.

The region boasts a local, “Volunteers in Medicine” office which is a full service medical clinic that provides medical services to financially eligible individuals and families who otherwise have no access to health care. Project Access is coordinated by the Medical Society of Chattanooga & Hamilton County and the Medical Foundation. It brings together doctors, hospitals, medical schools, community clinics, the Hamilton County health department, and many other partners to improve the health and well-being of the people of Chattanooga and Hamilton County. Having local facilities that will treat anyone in need, regardless of their ability to pay, is a great boon to the region, though these facilities face a continuing struggle as funding for them is cut while the demand for service increases as people lose their health insurance.

The weaknesses of the regional healthcare system are varied. Access to preventative care is limited and causes health problems to progress to stages wherein treatment is very expensive. State and local funds are drained as people enter care without the resources to pay for it. Facilities often struggle to support themselves in an environment wherein insurance companies, pharmaceutical companies, doctors and health care facilities, are fighting over the same dollars. The uninsured often use hospitals’ emergency rooms as their only recourse, which puts an onerous financial burden on hospitals because this is the most expensive care for day-to-day ailments, it over-burdens emergency staff, and creates roadblocks for people who actually need emergency service.

Opportunities in our area include the Appalachian Regional Commission’s commitment to assist in the construction and expansion of health departments in rural areas. Expanded facilities allow the development of new services and new preventative programs that will result in cost savings across the board. Also, the location of several insurance companies and drug manufacturers in our area might lend itself to possible funding opportunities for various programs. The teaching nature of Erlanger Hospital could bring new and cutting edge treatments to our citizens. In addition, the state of Tennessee has several programs taking the place of the old TennCare system that might be able to fill some gaps in our region in health insurance coverage for children and the working poor.

Several looming threats overshadow healthcare systems in the United States, and the Southeast Tennessee/Northwest Georgia region is no exception. Many people in our region lack health insurance. Local employers are often small and do not provide health insurance. Many of the bigger employers that provide health insurance do it only if the employee pays an increasingly large portion that many cannot afford. The capacity of local Emergency Rooms is often stretched beyond safe limits because so many people can only seek health care there. The recent collapse of Tennessee’s TennCare system has left many poor and working people without insurance who had it just a few years ago and people with

“preexisting” conditions struggle to obtain health insurance even when they can afford it, furthermore the population of our area is aging and as the baby-boomers hit the system our healthcare systems will strain to accommodate the onslaught.

Finding 18: Access to healthcare is an ongoing problem in our region. Lack of health insurance poses the greatest threat to the integrity and stability of the healthcare system in our area.

DISCUSSION OF FINDINGS, GOALS AND OBJECTIVES

The preceding findings were presented to the CEDS committee, county Joint Economic & Community Development Boards, the Executive Committee of SETTD/CARCOG, and other community groups. A broad consensus subsequently emerged to address three primary problems summarized as:

1. **Finding 3:** Demographic changes occurring as a result of “baby boom” retirement
2. **Findings 7 and 14:** Significant changes in the type(s) of employment available within the region
3. **Findings 8 and 9:** Aging and/or inadequate infrastructure, especially related to sewer and water systems

Details of these findings are as follows.

1. Finding 3

Demographic changes in the population associated with an aging population will result in needs more common in the retirement areas of Florida. This is also an economic development opportunity since many of those in this demographic will be retirees with significant incomes, and they have a minimal impact on local government resources, such as police, fire, and educational facilities. In addition to this trend, recent developments in the industrial sector will likely result in thousands of new jobs in the region. This will translate to an increase in population that will have a wide impact on the entire region.

Goal 1: Prepare a plan to deal with the impacts of aging populations and heavy growth associated with a new industrial capacity that will heavily burden local capacities.

Objectives

- a. Develop comprehensive community sustainability plans to help local governments and communities cope with anticipated growth
 - b. Integrate existing plans, including RPO transportation, stormwater, solid waste, and other planning efforts along with the “GreenPrint” plan developed by the Chattanooga Office of Sustainability
-

2. Findings 7 and 14

It is apparent that the manufacturing sector has lost much of its dominance in the region. Low-paying service sector jobs have replaced many manufacturing jobs, resulting in under-employment for a significant segment of the local workforce.

Goal 2: Develop transportation resources, maintain existing manufacturing capacity, and support infrastructure to re-integrate goods-producing sectors back into the regional economy.

Objectives

- a. Support the development of Corridor K and Highway 30
 - b. Develop an inland port facility in Hamilton or Marion County
 - c. Improvements to industrial park sites
 - d. Develop adequate rail for freight and passenger service to connect with major economic centers in the country
 - e. Consider local alternative transportation modes
-

Goal 3: Support small business and startup operations that will grow locally and provide local jobs.

Objectives

- a) Support business development programs throughout the area
- b) Assist communities in understanding the impact and importance of small business development to the long term sustainable development of their local economies.
- c) Expand access to capital to new and existing businesses.

- d) Provide assistance to existing and hopeful entrepreneurs through educational programs and outreach that are timely and convenient.
- e) Provide linkages to networks of small business assistance programs.
- f) Support new and existing small business incubators through technical assistance and funding opportunities.

3. Findings 8 and 9

The analysis of water and sewer systems shows a pronounced need for infrastructure improvements and expansions. Some of these needs are urgent.

Goal 4: Provide water service to all parts of the region and develop sewage treatment capacity where feasible.

Objectives

- a. Develop a regional water source and treatment plant capacity for the Sequatchie Valley region
- b. Construct/augment impoundments in the region without assured water supplies
- c. Sewage system upgrades and extensions to areas with inadequate treatment capacity

PROJECTS LIST

	Geographic Area Benefited	Anticipated amount of request from EDA	Estimated Private Investment	Estimated Jobs (New & Saved)	Description
Project 1 Goal 4 Objective (c)	McMinn, Bradley, & Monroe Counties	\$1,500,000	\$130,000,000	700	Development in the Mount Verde industrial park and at the Niota I-75 exit is dependent on the extension of sewer service to these sites. Industrial and commercial development at these sites will help assure the economic vitality of the Athens region.

Project 2 Goals 2 Objective (d) Goal 4 Objective (c)	McMinn, Polk, Bradley, & Monroe Counties	\$1,000,000	\$160,000,000	250	The Waupaca Foundry was a major source of employment for this part of the region until the economic downturn resulted in an idled plant. However, the company intends to resume operations as soon as the economy recovers, and in order to continue development of employment opportunities, the company needs additional access to the rail system and an increase in sewage disposal capacity. This will require the construction of a rail spur and increasing the size of sewer lines in Etowah to accommodate larger flows to the wastewater treatment plant.
Project 4 Goal 4 Objective (c)	Grundy, Coffee, Franklin, & Marion Counties	\$1,650,000	\$15,000,000	45	A regional wastewater treatment plant is required for municipalities in the region, including Monteagle, Sewanee, Tracy City, and Pelham (unincorporated). Although Monteagle has wastewater treatment capacity, the two existing plants cannot adequately treat current flows. Planned commercial development cannot be implemented without a new wastewater plant. This development is currently the only option for additional local employment in an area where more than 50% of employable residents commute as much as 50 miles for a job. Approximately \$150,000 would be needed to assess treatment plant options prior to any construction.
Project 5 Goal 4 Objectives (a) and (b)	Marion, Hamilton, Grundy, Rhea & Sequatchie Counties	\$2,000,000	\$110,000,000	350	Water capacity is limited in the Sequatchie Valley/Cumberland Plateau area due to limited well capacities, inadequate reservoirs, and low-flow periods on the Sequatchie River. New or expanded water plants on the Tennessee River, which has an unlimited supply, would provide the necessary volumes of water to accommodate the new development occurring in the region and provide the means to maintain continued economic growth that this new development will engender. Other alternatives include new and/or expanded reservoirs and utility acquisition of existing lakes. Water needs in the region include supplies for a new State prison in Bledsoe County, large developments in Marion and Sequatchie Counties, and several municipal systems that could lose their water source if extended drought conditions persist.
Project 6 Goal 1 Objective (a) and (b)	Bledsoe, Bradley, Catoosa, Dade, Grundy, Hamilton, Marion, McMinn, Meigs, Polk, Rhea, Sequatchie, Walker Counties	\$300,000	\$50,000	N/A	Development of a comprehensive plan to deal with growth associated with the location of the Volkswagen assembly plant at Enterprise South and Wacker in the Hiwassee Industrial Park. The plan will also deal with changing demographics in the region that will impact the region's ability to grow. This would be a regional effort to determine the need for infrastructure, housing, schools, etc. throughout the region, including northwest Georgia and northeast Alabama.
Project 7 Goal 1 Objectives (a), (b), (d) and (c)	Dade, Grundy, Hamilton, Sequatchie Counties	\$1,500,000	\$35,000,000	200	As fuel prices increase, materials transport by barge becomes more cost-effective. The major increase in transportation-related jobs in the region indicates that large volumes of goods are handled in the area. An inland port facility located in Marion or Hamilton County would fit well with the transport-based economy that is already present. Barge transport via the Tombigbee Waterway would provide a direct link to Gulf Coast sea ports. In addition, rail access improvements to other major industrial parks will increase their viability.

Project 8 Goal 2 Objective (c)	Bledsoe, Bradley, Catoosa, Dade, Grundy, Hamilton, Marion, McMinn, Meigs, Polk, Rhea, Sequatchie, Walker Counties	\$1,500,000	30,000,000	2,000	Provide assistance to energy-related companies relocating the southeast Tennessee area (e.g. Wacker Chemical). This includes solar and wind as well as nuclear power related companies.
Project 9 Goal 2 Objective (d)	Catoosa Dade Walker Hamilton	N/A	N/A	500 (est.)	Planning and funding efforts to develop a high-speed or Mag-Lev rail system between Atlanta and Chattanooga.
Project 10 Goal 3 Objectives (a) through (f)	Hamilton	120,000	20,000	100	Renovation of the existing business incubator to become the new consolidated Business Development Center for Entrepreneurial Growth.
Project 11 Goal 2 Objective (c)	Bradley	1,000,000	120,000,000	500	Utilities and rail access are needed to a new industrial site in Cleveland where Whirlpool is relocating operations from old, dilapidated facilities in central Cleveland. The City is planning to revitalize the abandoned area through EPA Brownfields funding.

VITAL PROJECTS LIST

Vital projects as currently identified are as follows:

Project 5: Regional Water Treatment Plan

Project 6: Regional Planning

Project 7: Inland Port Facility and Industrial Park Improvements

ACTION PLAN

Project 5

Increase water treatment capacity at the South Pittsburg plant from two to six million gallons per day as determined in the *Sequatchie Valley Water Study*.

Time Frame: 2-5 years

Funding Sources:

1. Community Development Block Grant Program	\$1,000,000
2. U.S.D.A. Rural Development	2,500,000
3. EDA	<u>1,500,000</u>
	\$5,000,000

Performance Measures

2010 *Prepared Community Development Block Grant Application*

2011 *Prepare Additional Funding Applications (Rural Development, State Revolving Loan Fund, etc.)*

2011 *Begin Construction*

2013 *Complete Construction*

Project 6

Regional Plan

Time Frame: 1 year

Performance Measures

2011 Matching fund development and determine strategic objectives: Apply for HUD Community Sustainability Funds

2012 Plan development/Implementation

Project 7

Inland Port Facility/Industrial Park Improvements

Performance Measures

2011 *Infrastructure funding grant applications*: Need commitments from local governments and site owners.