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ANNUAL REPORT

# 2004 Annual Report

*Three States One Source*

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## Southeast Industrial Development Association

*Three States One Source*



***This annual report is dedicated to our regional economic development partners: TVA, our local power distributors; Georgia, North Carolina & Tennessee State partners; regional & community economic development associations; chambers of commerce; existing industries; financial and educational institutions, county and city governments throughout the region that afford us the privilege of working with you side by side each and every day as part of an economic development team to create capital investment, jobs and electrical power load. We thank you for allowing us to play some small part in these your stories of success!***

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## TONIGHT'S MENU INTELLIGENT OVENS (TMIO) TO BEGIN MANUFACTURING IN CHATTANOOGA



Many of us grew up watching with fascination the futuristic cartoon set in outer space entitled, “*The Jetsons*.” Remember George Jetson, Jane his wife, daughter Judy and his boy, Elroy? Well a true visionary by the name of David Mansberry has made a piece of that fantasy come true as he has developed an intelligent oven that can be programmed from anywhere in the world.



The Chattanooga Chamber of Commerce, along with SEIDA and other economic development partners, has successfully attracted a new start-up manufacturer of a high-tech microwave/refrigerator that will become the leader in “intelligent” appliance innovation for consumer and institutional kitchens. Founded in 1994, TMIO is a privately held U.S. company headquartered in Cleveland, OH. The company’s appliance design and engineering operations are located in Chattanooga with an additional research and development center located in Cary, NC. TMIO Intelligent Ovens new facility will produce products that provide versatility in controlling and monitoring cooking while the consumer is away from home. By combining remote access technology with the capability to both cook and refrigerate food, TMIO has eliminated the ‘wait time’ of cooking. TMIO is dedicated to the development of new products that dramatically improve the convenience and accessibility of fresh meal preparation for modern lifestyles. The TMIO Intelligent Ovens will retail for \$7,500.



TMIO has signed a five-year agreement with the Southeast Local Development Corporation to lease the former 145,000 SF Cavalier Corporation manufacturing facility and will invest an estimated \$4 million in renovations to the facility before they begin operations sometimes in early 2005. During announcement ceremonies, Mr. Mansberry indicated that it is only fitting that the site of his new, high-tech manufacturing plant be on one of Chattanooga’s oldest manufacturing sites

which has been totally remediated and cleaned up for adaptive reuse. The renovation of the building will include purchase of additional equipment, manufacturing lines, a build-out for offices and a high-end showroom. The company expects to create 100 jobs within three years at the manufacturing plant

TMIO chose Chattanooga for this project because of its rich history in the manufacture of cooking appliances, specifically wall ovens, and because the region offers a well-trained workforce in this industry that is needed to bring their products to market. TMIO represents the kind of high-tech manufacturing company that is one of the region’s primary recruitment targets that plays to the strength of the region’s manufacturing heritage. TMIO is the type of company that embodies the entrepreneurial spirit that has made the region a success.

## **PRISON EXPANSION PROVIDES MAJOR ECONOMIC IMPACT FOR BLEDSOE COUNTY & SURROUNDING REGION**

The State of Tennessee was considering construction of a new prison facility in Bledsoe County that would house approximately 2200 inmates and provide 450 new jobs along with \$100,000,000 investment. Water supply was a primary issue because the current source was operating near capacity and there were questions about the ability to enlarge the current supply. Because of the perceived water shortage the State began looking at other possible locations for the new prison and began to walk away from our region.

At the request of our local governments, Southeast Development took on the initiative as part of an on-going regional water study and began to develop a plan to serve the proposed prison while taking into account future needs as a component of a long-term regional solution to water needs for the whole area. The ongoing long-term regional water initiative was funded by the Sequachee Valley Electric Cooperative and the U. S. Economic Development Administration and provided a foundation from which to successfully demonstrate that the prison's water needs could be met in both the short and long terms.

Funding strategies were outlined and staff made presentations to state legislative committees in Nashville to sell the solution and effectively convert a perceived liability into the very reason why the State of Tennessee should choose Bledsoe County for this expansion project and ultimately help to solve the water shortage problem. In conjunction with our utility partners, the City of Dayton, North Bledsoe County Utility District and Fall Creek Falls Utility District; and our local governments, the team successfully competed for and secured the state's commitment to locate the prison expansion in Bledsoe County while helping resolve a water supply issue not only to the proposed prison, but to several counties on the Cumberland Plateau as well.

## **TVA: AN IMPORTANT ECONOMIC DEVELOPMENT PARTNER**

TVA continues to be an active and committed partner in the region's economic development initiatives. As a result of the work of TVA's Target Market Specialists, nine current projects are considering locating in the TVA service area. These projects include Bluebird, Boomer Sooner, Crocus, Leap Frog, MAM, Sierra and TK & Viking. In addition, three communities (Murphy, North Carolina; Chatsworth, Georgia; and Crossville, Tennessee) have successfully completed the Consumer Connection Program. This program trains communities in the recruitment of large commercial/retail projects such as WalMart and Kohl's. The Mega Site Certification Program has certified two sites in the Tennessee Valley and is reviewing Enterprise South in Chattanooga. Fluro Global Logistics is conducting a new Life Sciences Study Initiative in cooperation with our local, state and regional partners to determine the region's strengths and weaknesses for recruitment in the biomedical field. And, as always, the TVA helicopter continues to be a valuable resource to keep the sites and facilities data-base current with up to date aerial photography.



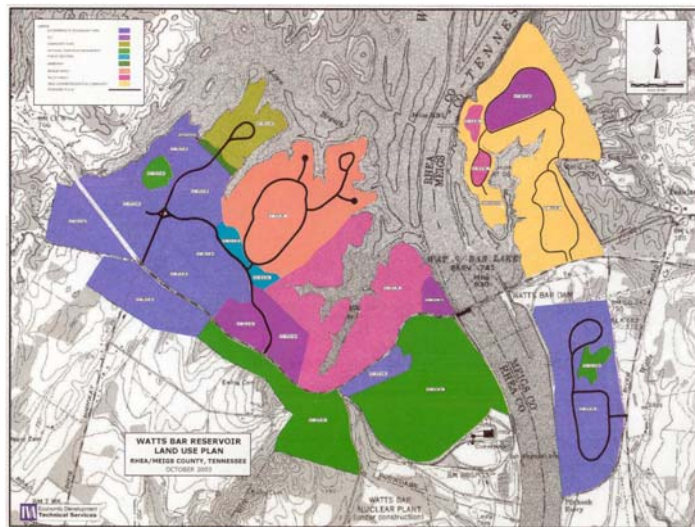
## **PROPOSED MIXED USE DEVELOPMENT OF TVA LANDS & LAKE-FRONTS COULD PROVIDE TREMENDOUS ECONOMIC BENEFITS: Blue Ridge Lake Resort; Little Cedar Mountain; Watts Bar Reservoir; Chatuge Woods Park & Chatuge Shores Golf Course Expansion**

The SEIDA Board members at their annual planning retreat supported the expanded use and development of TVA –owned lands and lakefronts on several of the TVA reservoirs within the Southeast Region that would increase economic development opportunities. Several communities have already proposed mixed use, low impact, sustainable growth developments around the Blue Ridge Lake, Nick-A-Jack and Watts Bar Reservoirs and Lake Chatuge.

Transfer of ownership of approximately 63 acres of property on the northern end of Blue Ridge Reservoir, just above the dam, from TVA to a public/private consortium for multi-use development that includes residential, commercial (resort/lodge, marina, upscale office park), ecotourism (cabins, campsites, greenway/trails, open space, etc.) would provide tremendous economic benefits to the region and facilitate Fannin County’s number one industry which is tourism. In Georgia, the tourism industry ranks second only to agribusiness; and in 2003, 50 million visitors spent in excess of \$20 billion, generating \$1.7 billion in revenue.

The proposed Watts Bar Reservoir Land Plan in Meigs and Rhea counties would include the development of 1,700 acres of prime TVA land for use in development of a golf course, marinas, residential development, natural areas and industrial parks.

According to TVA representatives this property is currently worth \$28 million, but with the proposed developments the value could be pushed to over \$400 million over time. At full build out, this project is anticipated to create approximately 500-750 full-time jobs. This job projection excludes the construction and support jobs, which also could average 300-500 over the build out period of 7-10 years.

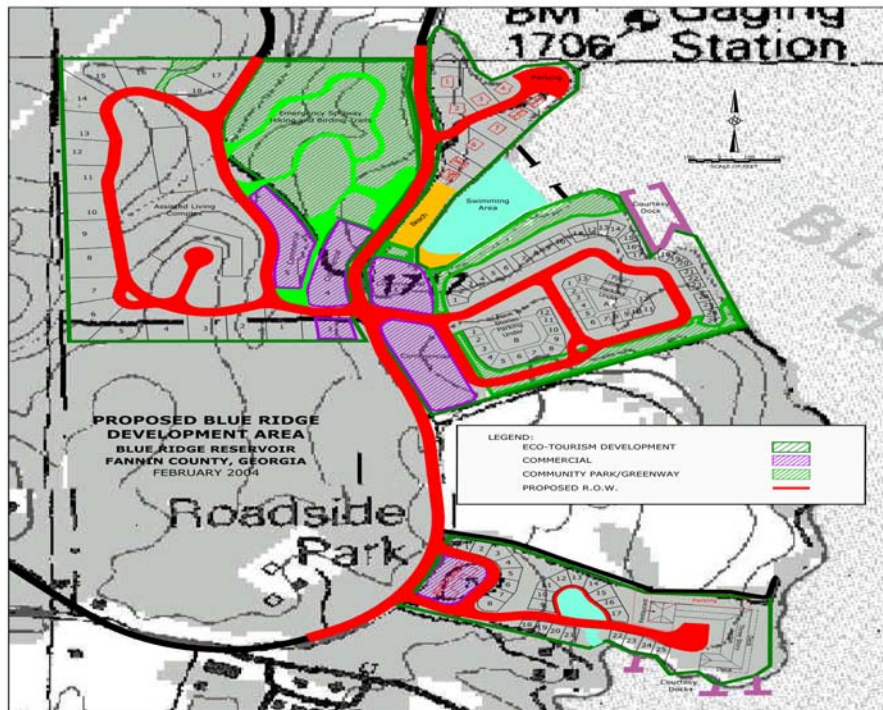


WATTS BAR RESERVOIR LAND USE PLAN  
Rhea & Meigs County, Tennessee

A similar development was unsuccessfully proposed five years ago for the Nick-A-Jack Reservoir in Marion County for the Little Cedar Mountain site. However, this proposed development has gained new strength as proposed by John Thornton of Thunder Enterprises who is proposing to swap two tracts of land, 600 acres of Cedar Mountain, located along the western shoreline of the Tennessee River between Highway 41 and the old Hales Bar Dam site, and 200 acres on the

Tennessee River just north of the Alabama border known as Burns Island for 637 acres of Little Cedar Mountain to facilitate multi-use development. Thornton's plan includes 300 acres of Little Cedar Mountain property for public access complete with hiking trails, expanded public use with RV and camping areas, a public marina south of the Shellmound Recreational Area, upgraded boat-ramp facilities, golf course 615 residential units and a private marina.

Two other economic development projects supported by the SEIDA Board of Directors include Chatuge Woods Park and the expansion of the Chatuge Shores Golf Course. Chatuge Woods Park project will create new recreation areas for the residents of Towns County, Georgia incorporating new baseball and soccer fields, walking trails, a beach/swimming area, gymnasium and numerous other attractive and useful public venues. The proposed expansion of Chatuge Shores Golf Course, proposed by the Clay County Rural Development Authority, would allow for a 9 – 18 hole expansion of the existing 18-hole course, the potential development of a marina and a small conference center. Certainly, this project could result in increased tourism dollars flowing into rural Clay County, North Carolina and could lead to increased business development opportunities as well.



Proposed  
Blue Ridge Development Area

## *2004 Highlights*

Working in partnership with TVA, local power distributors, and state and local community economic development partners, SEIDA assisted with the location of 12 new companies and the expansion 21 existing companies throughout the region. This growth represents \$300,536,000 in new capital investment, the creation of 2,669 new jobs and the retention of 1,123 jobs.

SEIDA staff actively participated with local and state economic development partners in the coordination of 45 industrial prospect site visits and responded to 80 requests for information.

Staff completed work on the development of a new SEIDA website at [www.seida.info](http://www.seida.info) and cooperated with TVA and local communities in collecting and maintaining data and aerial photography for over 200 listings of sites and facilities in the region and entering in the new TVA sites and facilities database at [www.tvasites.com](http://www.tvasites.com).

Three Fast Track Infrastructure Development Program grant applications were packaged and approved totaling \$1,304,093 for infrastructure development and site improvements in conjunction with the following industrial expansions: Aakron Rule (Hamilton County); Regis Corporation (Chattanooga) and U. S. Xpress.

Staff continues to provide technical assistance to the tri-state regional economic development and marketing initiative in Fannin County, Georgia; Cherokee County, North Carolina and Polk County, Tennessee. U. S. Rural Development funded a \$150,000 Rural Business Opportunity Grant enabling the organization of the Three Corners Economic Development Partnership that will assist in the development and promotion of a vibrant shared economy based on the individual strengths and challenges of the communities within the region. An executive steering committee has been formed, working committees have been established and efforts are underway to develop both a 90-day and long-range strategic plan.

SEIDA staff participated with TVIDA in the following trade shows and marketing events; MD & M West Plastics, Electronics & Packaging, Automotive Aftermarket in Las Vegas, SAE Automotive Congress in Detroit. In addition, they participated in the SEDC Automotive Conference in Nashville, the SEUS/Japan Conference in Atlanta, and the luncheon for Atlanta site selection consultants.

Staff continues to provide technical assistance to the Old Line Coalition and the Tennessee Overhill Heritage Association on business opportunities for the railroad from Etowah to Copperhill. After a successful Hiwassee River Rail Excursion in May, a fall excursion was undertaken during seven weekends in October and early November. About 5,000 tourists rode the fall excursion provided or about the same number which rode during the spring.

Staff facilitated strategic planning, economic development presentations and information sessions for the Southern Region Workforce Development Strategic Planning Retreat, Meigs County Joint Economic and Development Committee, the Catoosa County Development Authority, and IOI Industries. USDA Rural Development Small Business Financing Seminars were held in Sequatchie and Rhea Counties, as well as, an information session for Hamilton County and Chattanooga elected officials. Other sessions included; a Corridor K Information Session, a Regional Planning Session at Falls Creek for Lincoln Davis, the City of Etowah Planning Retreat, and Meigs County Leadership Class Economic Development session. A luncheon was also held for local leaders and banks in the Upper Cumberland Region on economic development funding.

Through the Appalachian Regional Commission (ARC) Start Smart Initiative, seventeen small businesses located throughout the region were financially assisted enabling them to create 252 new jobs, retain 124 jobs and invest \$11,639,000 of new capital.

Economic Development staff went to work on negotiating a lease of the Old Line Railroad to a business entity, which would totally restore the railroad in order to excavate and ship the 10 million tons of iron oxide in Copperhill to China where the by-product could be used as a raw material in the production of steel. Business proceedings are still underway and could potentially result in a capital investment of close to \$4 MM and the creation of 25 new jobs.

In conjunction with the University of Georgia, staff hosted and participated in the Tennessee/Georgia Bi-State Forum, bringing together 95 local elected and economic development officials and agencies in an effort to address regional development issues important to medium-sized metropolitan regions regardless of county and state boundaries.

Staff continued to coordinate a regional marketing effort in the Blue Ridge Mountain Region (BRMR). During the past year the marketing team identified 250 target industries, developed marketing materials and a BRMR web site ([www.blueridgemtnregion.org](http://www.blueridgemtnregion.org)). The team is currently contacting companies and planning a Red Carpet Tour of the region for May 2005.

Staff organized a tour of the North Georgia EMC service area in Catoosa, Dade, and Walker Counties to introduce the Georgia EMC Economic Development staff to regional economic development partners and local leaders and visit available sites and buildings in the area. Staff also organized a tour of the SEIDA region for the DCI International Press Tour.

Staff provided regional economic development presentations to the Tennessee Chamber of Executives and the Etowah Chamber of Commerce promoting SEIDA's approach to economic development. Presentations reached approximately 50 individuals.

Staff packaged and submitted, on behalf of Marion County, a \$50,000 Rural Business Enterprise Grant for the improvement of an existing gravel road to the Marion County Industrial Site..

Staff packaged and submitted a successful ARC grant application for the Cleveland/Bradley County Chamber of Commerce for the improvement of the Cleveland/Bradley County Chamber of Commerce Conference Facility telecommunications infrastructure to improve its educational outreach, industrial recruitment, general programming and service functions.

Staff, along with the Appalachian Regional Commission, re-submitted an application to the U. S. Treasury Department in September 2004 in order to obtain \$35 million in tax credit allocations under the New Market Tax Credits Program. Additionally, the submission of an application to the USDA – Georgia Office is in process to obtain up to \$750,000 in EDA/RLF Loan Funds to be used as a gap-financing vehicle in rural North Georgia.

Staff participated in the following events and activities during the past year: McMinn County Existing Industry Day, Chattanooga Industrial Appreciation Day, Southern Highroads Annual Meeting and Expo, TVA Megasite Certification Program Briefing, ARC Washington Conference, ARC Strategic Planning Session in Dalton, Zach Wamp Conference on Federalism, TIDC Legislative Reception, GEDA Legislative Reception, Georgia Committee Listening Sessions on Economic Development and Tourism, TVIDA annual strategic planning meeting, and NADO Economic Development Deal Making Conference.

# SEIDA Board Report

BLUE RIDGE MOUNTAIN  
ELECTRIC MEMBERSHIP CORPORATION  
YOUNG HARRIS, GEORGIA  
*JOE SATTERFIELD*

CHICKAMAUGA ELECTRIC SYSTEM  
CHICKAMAUGA, GEORGIA  
*JOHN CULPEPPER*

CLEVELAND UTILITIES  
CLEVELAND, TENNESSEE  
*DENNIS DANIEL*

DAYTON ELECTRIC DEPARTMENT  
DAYTON, TENNESSEE  
*FRANK WELCH*

ELECTRIC POWER BOARD  
CHATTANOOGA, TENNESSEE  
*HAROLD DEPIEST*

ETOWAH UTILITIES  
ETOWAH, TENNESSEE  
*GENE FULBRIGHT*

MURPHY POWER BOARD  
MURPHY, NORTH CAROLINA  
*JOHN CARRINGER*

NORTH GEORGIA ELECTRIC  
MEMBERSHIP CORPORATION  
DALTON, GEORGIA  
*RON HUTCHINS*

SEQUATCHIE VALLEY  
ELECTRIC COOPERATIVE  
SOUTH PITTSBURG, TENNESSEE  
*BOB MATHENY*

TRI-STATE ELECTRIC  
MEMBERSHIP CORPORATION  
McCAYSVILLE, GEORGIA  
*DAVID FALLS*

VOLUNTEER ENERGY COOPERATIVE  
DECATUR, TENNESSEE  
*BILL BUCHANAN*

TENNESSEE VALLEY AUTHORITY  
ECONOMIC DEVELOPMENT  
*HEIDI SMITH*

The SEIDA Board met on November 14 & 15th at Brasstown Valley Resort in Young Harris, Georgia, to tackle significant economic and development issues throughout the region. Although the board members found time to host dinner for a number of its economic and community development partners, the retreat was focused on planning for the development of a more vital and prosperous region. In its initial session, distributors provided updates regarding economic development activity within their service regions. The Electric Power Board of Chattanooga noted the announcement made by Blue Cross Blue Shield of a \$200MM headquarters project which will redevelop Cameron Hill as well as 6 other industrial expansions and the opening of their own new headquarters slated for mid-summer of 2005.



Other activity noted included the opening of Lowe's and Home Depot retail stores in both Murphy Power Boards and Tri-State EMC service areas respectively. Blue Ridge Mountain E.M.C. announced the acquisition of Elan Bottled Water Company by Cott Industries who will bottle water for sales distributions at SAM's. Several distributors noted increased tourism business and major residential development projects, the most notable of which was a 4,800-lot subdivision in the North Georgia E.M.C. area.

Distributors identified the following initiatives and issues as priorities for inclusion in the work plan for the upcoming year: Cumberland Trail promotion (i.e. Scenic By-Ways Program), high speed rail development, Asheville to Chattanooga Highway (Corridor K) completion, continuation of regional efforts and collaboration (tourism & economic development), establishment of a Georgia IRP fund, utilization of the Tennessee River as a water source for North Georgia, training for ED Professionals on RFPs, development of a plan to work on regional weaknesses, continued development of a Bi-State/Tri-State Forum, increased telecommunications development, expanded use & development of TVA-owned lands and lakefronts, industrial/business recruitment, retention and expansion and further development of regional water initiatives.

## **HERE TO SERVE YOU**

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