

# STRONG ECONOMIES, RESILIENT COUNTIES

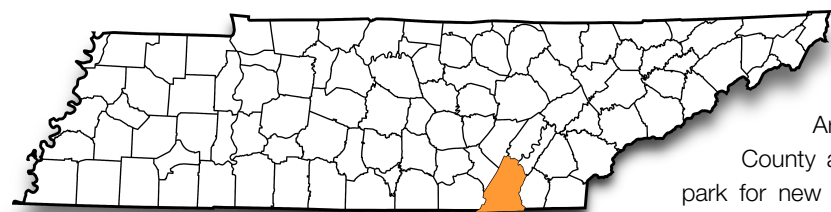
The Role of Counties in Economic Development



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## HAMILTON COUNTY, TENNESSEE

### From a Decommissioned Plant to a Vibrant Manufacturing Hub



Located in the Tennessee Valley at the juncture of Tennessee, Alabama and Georgia, Hamilton County, Tenn., has a growing manufacturing industry. When faced with a decommissioned U.S.

Army ammunitions plant in the late 1990s, Hamilton

County and the City of Chattanooga developed an industrial park for new manufacturing operations. Building on the existing manufacturing base, both local governments recognized the site as a resource to grow the local manufacturing industry and help the area's labor

market. With a long-term vision and through cross-jurisdictional collaboration, Hamilton County leveraged this asset for manufacturing production that has brought thousands of new jobs and increased annual local revenue.

Hamilton County's strongest partners in economic development are the City of Chattanooga and the Chattanooga Area Chamber of Commerce. The county has a nine-member County Commission and a County Mayor that oversees the budget and daily operation of the government. The county provides \$600,000 in annual appropriations to the Chamber in support of "Chattanooga Can Do," a public-private job growth partnership. This partnership supports Chamber-administered efforts to recruit new operations, retain and expand existing businesses, promote entrepreneurship and strengthen the local workforce.

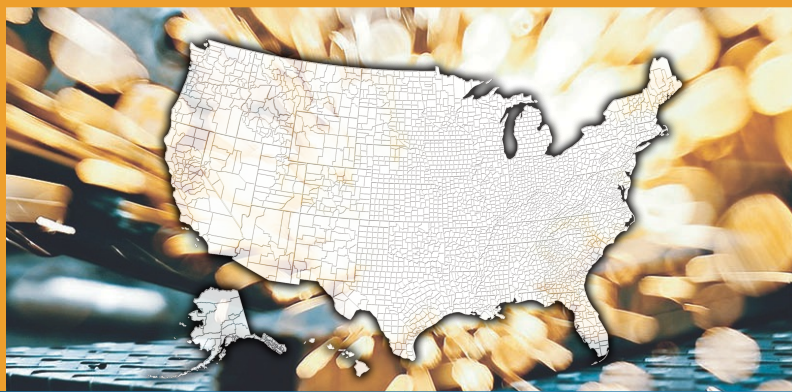
### Enterprise South Industrial Park

In the late 1990s, as the U.S. Army decommissioned the Volunteer Army Ammunition Plant, Hamilton County and Chattanooga took ownership of the site that became the Enterprise South Industrial Park. The two jurisdictions redeveloped the site through a Master Interlocal Agreement that committed the two governments to equally contribute for infrastructure improvements to the site and divide all costs associated with marketing and recruitment of new businesses. When Volkswagen decided in 2008 to consider opening a plant in the United States, the county and city worked together with the state to create an incentive package for the manufacturer to locate operations at the Enterprise South Industrial Park. The incentives package included a combination of property and business tax exemptions, credits and abatements, as well as site preparation investments (including rail improvements, highway access and utility connections), the land under the facility and extensive workforce training options.

- Population, 2013: 348,673
- County Board size: 9
- County Manager

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In 2008, Volkswagen announced that Chattanooga would be its first U.S. production site for the company in over two decades. In 2013, Volkswagen employed 2,107 people at its Chattanooga plant. A report by the University of Tennessee at Knoxville estimated the annual impact of the Volkswagen plant at \$643 million, including an increase of \$53.5 million in state and local revenue.

The focus for the county and its partners has shifted to attracting and supporting suppliers for the manufacturer. As of 2012, they attracted nearly 20 such companies to the area, allowing Volkswagen to make over 60 percent of its total supplier purchases for the plant from Tennessee. Suppliers utilize over 40 acres of the industrial plant adjacent to the Volkswagen plant, leaving 65 acres available for further growth. Hamilton County is well situated for these suppliers to serve auto manufacturers throughout the region.

A long-term vision for economic development allowed the two governments to work together and transform the decommissioned site. This effort required cross-jurisdictional collaboration and the commitment of time and money for a multi-decade cleanup and redevelopment project. The successful transformation of the site into a manufacturing hub would not have been possible without strategic planning and strong collaboration of Hamilton County with the city of Chattanooga and other local and state partners.



Volkswagen facility at the Enterprise South Industrial Park.