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City top pick for growth

By Mike Pare

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Chattanooga is ranked No. 1 in the country for metro economic growth potential by a national business magazine, outpacing such go-go cities as Charlotte and San Antonio.

Citing the auto and polycrystalline silicon industries the region has attracted by landing Volkswagen and Wacker Chemical, Business Facilities magazine made the area its top pick.

"We felt that Chattanooga is definitely positioned for significant growth," said Jack Rogers, the New Jersey-based magazine's editor in chief.

He said Volkswagen's new plant and related auto suppliers will be a big driver of the region's economy. VW's \$1 billion assembly plant will employ more than 2,000 workers when fully ramped up. An adjoining supplier park is to create another 500 jobs.

Wacker is expected to start work by early next year on a \$1 billion polycrystalline silicon factory in nearby Bradley County, Tenn. The company's product is used in the solar industry.

J.Ed. Marston, the Chattanooga Area Chamber of Commerce's vice president of marketing, said the magazine's ranking shows that the area has an effective growth strategy.

"Not too long ago, Chattanooga was nowhere near being on these lists," he said. Last year, the city failed to make the magazine's Top 10.

Still, the region has its economic challenges. Hamilton County's jobless rate in June was 9.1 percent, up from 8.6 percent in May. Tennessee's unemployment rate was 10.1 percent in the month.

Rogers said Business Facilities' Top 10 list isn't just a purely statistical ranking. He said the magazine used economic development criteria to try to zero in on locations that have laid the groundwork for growth.

"Overall, we think Tennessee has positioned itself very well," he said. "It has got a real strategy for growth sectors in emerging and traditional manufacturing."

Rogers also said the state has "the right kind of tax structure and incentives and business climate" to support its strategy.

Mark Drury, the state Department of Economic and Community Development's assistant commissioner, said Chattanooga's strategy is no secret.

"The key to success is effective partnerships between state and local economic developers," he said.

Business Facilities also lists Chattanooga in its Top 10 rankings of metro areas for best cost of living in its July-August issue.

The city is No. 9 on that list. Tulsa, Okla., is No. 1; Memphis is second; Nashville is No. 5; and Knoxville is No. 10.

Business Facilities is aimed at site selectors and other economic development professionals.

Online: Hear Jack

Rogers talk about

[the magazine's rankings. Read previous stories.](#)

TOP 10

Top metros for economic growth potential:

1. Chattanooga
2. Albuquerque, N.M.
3. San Antonio
4. Charleston, S.C.
5. Charlotte, N.C.
6. Tucson, Ariz.
7. Indianapolis
8. Kansas City, Mo.
9. Oklahoma City
10. Louisville, Ky.

Source: Business Facilities