



Press Release

Contact Information

Tennessee Industrial Development Council

Kyle Spurgeon

TIDC President

731-422-7592

kspurgeon@jaxenergy.com

www.tidc-ecdev.org

For Immediate Release

February 21, 2006

TENNESSEE INDUSTRIAL DEVELOPMENT COUNCIL TO STUDY STATE BUSINESS RECRUITMENT INCENTIVES

(NASHVILLE, Tenn.) – The Tennessee Industrial Development Council (TIDC) has announced the group will commission a study comparing the incentive packages offered by states for business recruitment. TIDC, the statewide professional organization for economic developers, supports the recruitment efforts by the Tennessee Economic Development Commission (ECD) and wants to further support EDC by helping to make sure the state has the necessary tools for continued success.

TIDC will engage a corporate location consultant to examine what Tennessee has to offer companies as compared to neighboring states and other major competitors. They are seeking an objective analysis of Tennessee business recruitment incentives by professionals who evaluate the state on behalf of companies looking for a place to locate.

“State business incentives are important in economic development efforts and they can often be the deciding factor in whether or not a company expands or relocates here,” said Kyle Spurgeon, TIDC President. “We applaud Tennessee’s successful recruitment efforts and we want to make sure that our state has the recruitment tools it needs to remain competitive in the years ahead.”

State incentives helped land three recent projects across Tennessee. Nissan North America's decision in November 2005 to relocate their corporate headquarters with 1,300 jobs to Williamson County was based on a state incentive package worth more than \$200 million. An analysis by the University of Tennessee estimates the relocation will generate an impact of nearly \$500 million each year for the state's economy.

In East Tennessee, a \$10 million incentive package developed by the Department of Economic and Community Development played an important role in a Denso Corporation expansion that will create at least 500 new jobs in Blount County.

"Tennessee was in competition with other states and countries for this expansion, and state incentives were critical to the decision," said Doug Lawyer, Director of Economic Development for the Knoxville Area Chamber Partnership.

While the state's business package also played a key role in the relocation of International Paper's headquarters to Memphis, some economic developers say more attractive incentives may be needed in the future to lure projects away from Tennessee's business neighbors.

"When it comes down to numbers, we don't always have the incentives at the state level to compete with states like Mississippi and Arkansas," said Mark Herbison, Senior Vice President of Economic Development for the Memphis Regional Chamber. "Enhancing the overall financial benefits in the future could bring more projects over the state line."

TIDC will launch the incentives study in the spring of 2006, and will present its findings to both the state ECD and the Tennessee General Assembly when completed.

"Recent successes prove that ECD is doing a great job of creating jobs and attracting investment to our state. Our goal is to help look ahead and make sure we keep current with the tools our state gives ECD and our local economic developers to use." said Spurgeon.

###