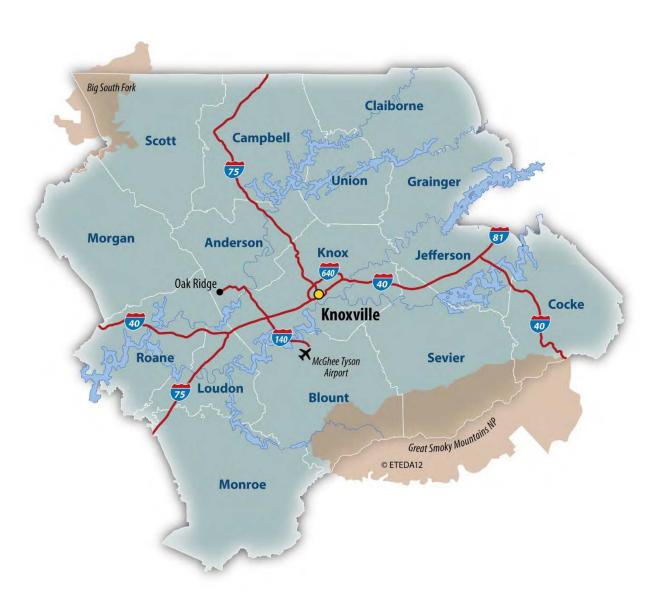
Annual Review 2017

15-County Region



Regional Approach to Promoting Business

ETEDA works to assure a comprehensive marketing program that aggressively promotes our region and provides our investors with an excellent ROI. Working with State ECD, TVA, and the local communities, ETEDA provides the marketing component in the overall economic development process. For more than twenty-five years, ETEDA has successfully marketed the 15-county area as a cohesive region with a wealth of exceptional assets that differentiates us from many other areas of the country.

Our region's uniquely abundant technology assets provide a significant opportunity to see growth in several industry sectors. One of our region's strengths is the diversity of our business clusters, such as advanced manufacturing which utilizes cutting-edge technology processes. The significant growth in industry's reliance on advanced materials such plastics and composites has placed our region in the forefront of this sector.

In addition to marketing the region, ETEDA provides economic development assistance to the local communities throughout the 15-county area. With a shortage of suitable buildings in the region, ETEDA worked with TVA to promote the virtual building concept to local communities as a means to offer product to prospects, a concept that in the near future will be a standard in marketing industrial sites. Virtual reality allows the prospect to visualize in detail the facility they wish to construct on a site.

With a nationwide labor shortage, an adequate, trained and sustainable workforce is the compelling factor in a company's decision to relocate or expand. The quality and timeliness of our data in assisting communities with RFIs can assure a prospect that our region can meet their workforce needs.

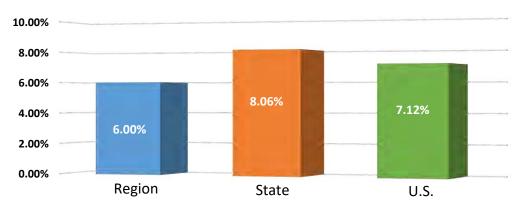
Our region's central location in the Eastern U.S., our competitive business costs, talented workforce, reliable and competitive electric and natural gas rates and an outstanding quality of life combine to make our area one of the most attractive in the Southeast. It is a particularly desirable location for many business sectors, including technology-based companies, advanced manufacturing, regional headquarter/customer service centers and distribution/logistics facilities.

This annual review shows the results of ETEDA's 2017 marketing program working in conjunction with our partners, as well as overall activity experienced through industrial relocation or expansion and demographic trends on issues that affect our region's economic growth.

Regional Demographic Trends

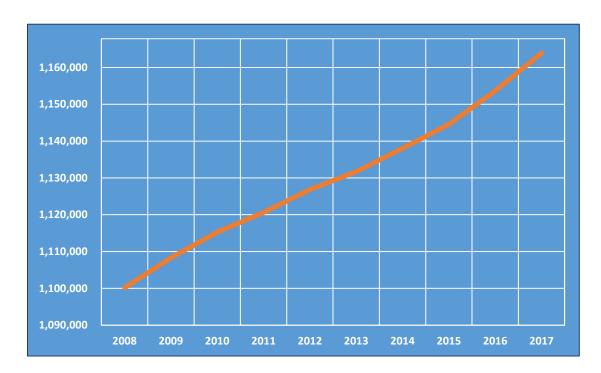
Demographic trends for the 15-county region in population, unemployment rate, employment by industry, educational attainment and average weekly wages are useful both in responding to inquiries and in assisting our local communities in the site selection process.

10 Year Population Growth Rate (2008 - 2017)



Source: US Census - Estimates 2017

10 Year Population Growth Rate: 15 Counties



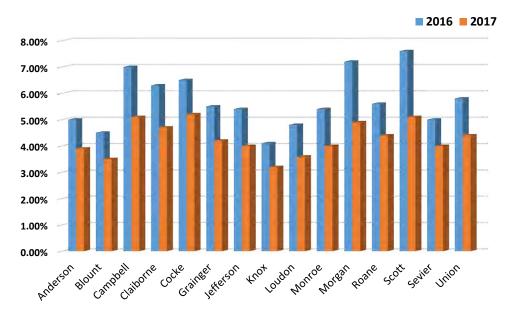
Source: US Census – Estimates 2017

5-Year Unemployment Rate Comparison

15-County			Unemployment	
Labor Force	Employed	Unemployed	Rate	
550,310	530,023	20,287	4.30%	2017
546,810	520,450	26,360	4.80%	2016
532,690	502,280	30,420	5.70%	2015
523,950	489,420	34,530	6.60%	2014
548,660	504,910	43,750	8.00%	2013
560,810	517,370	43,440	7.70%	2012

Source: BLS, Annual Employment Averages, States and Counties

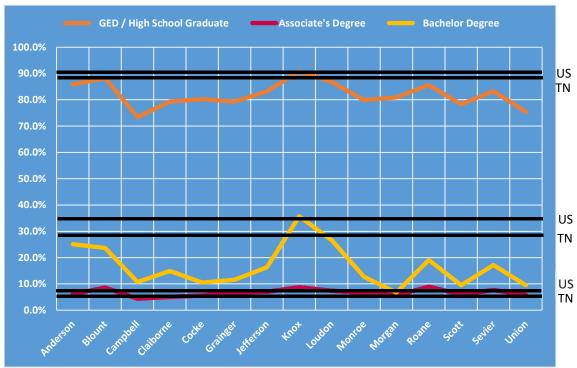
Unemployment Rate: Comparison by County



BLS, Annual Employment Averages, States and Counties

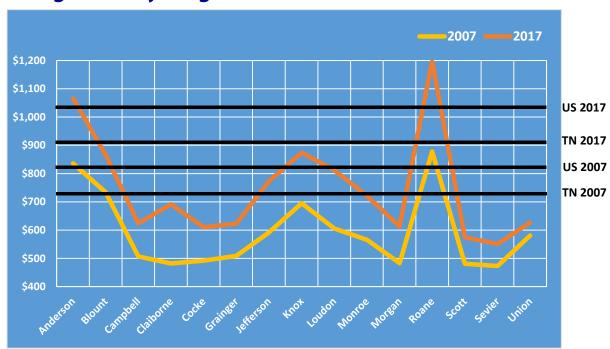
- The average unemployment rate for the region decreased from 4.8% in 2016 to 4.3% in 2017.
- The region's labor force increased by 3,500 in 2017 to 550,310
- The number of people employed in the region increased by 1.8% from 520,450 in 2016 to 530,023 in 2017.

Educational Attainment 2017



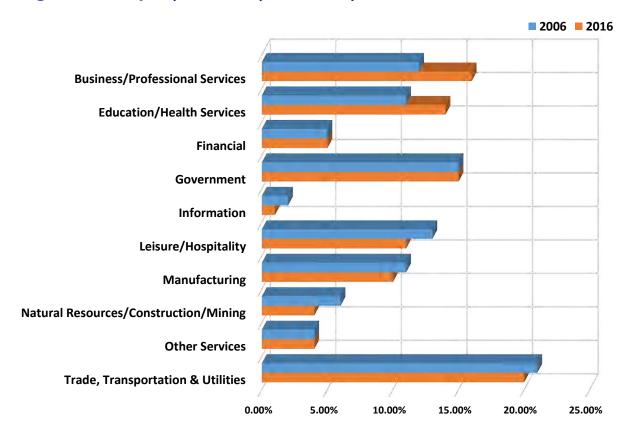
Source: TVA, ESRI ArcGIS Business Analyst Online Age 25+, 2017

Average Weekly Wages 2007 - 2017



Source: BLS, Quarterly Census of Employment & Wages, 3rd Q 2007; 3rd Q 2017

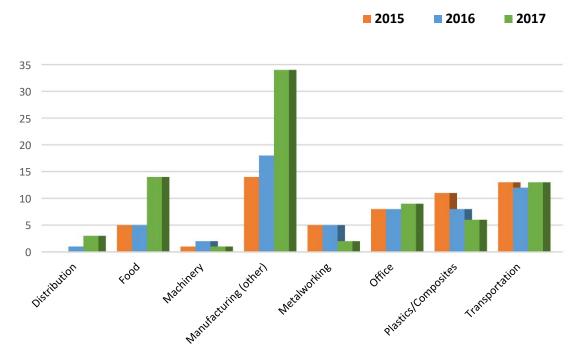
Regional Employment by Industry



Source: BLS, Quarterly Census of Employment and Wages, 2016 Estimates (latest data available)

- Manufacturing employment has decreased from 11% to 10% over the past ten years.
 Although we have seen a decrease in employees, productivity has increased due to automation. General trend is larger capital expenditures with fewer employees.
- Business & Professional Services (16%) and Education & Health Services (14%) continue to be the region's fastest growing sectors.
- Trade, Transportation & Utilities continues to employ 20% of the workforce.

Business Sectors - Active Projects



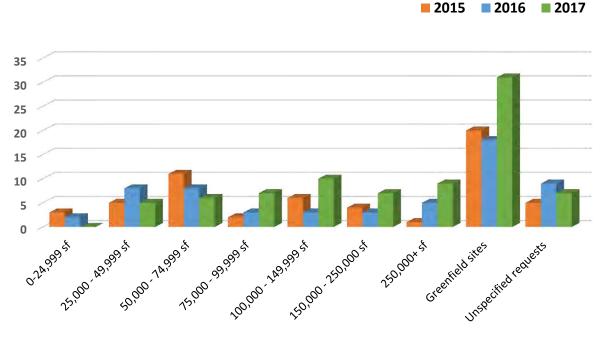
Source: ETEDA, ECD, TVA, local economic developers

Note: Active projects are companies considering the region for a new location.

2017: 82 Active Projects, 75 new and 7 carryover 2016: 59 Active Projects, 47 new and 12 carryover 2015: 57 Active Projects, 42 new and 15 carryover

- Manufacturing includes transportation, plastics/composites, metalworking and food.
- 85% of the new projects were in manufacturing.
- The total number of projects increased approximately 39% from last year.
- The number of office projects increased from 8 in 2016 to 9 this year.

Building and Site Requests - Active Projects



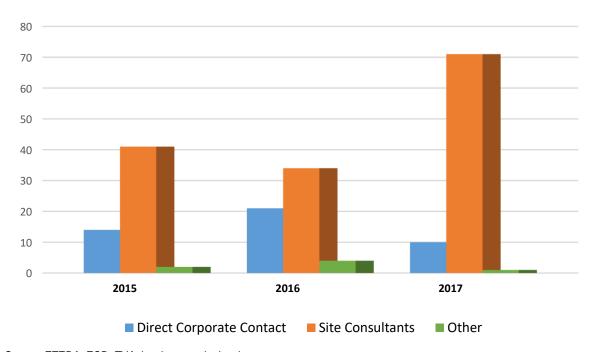
Source: ETEDA, ECD, TVA, local economic developers

Note: Active projects are companies considering the region for a new location.

2017: 82 Active Projects, 75 new and 7 carryover 2016: 59 Active Projects, 47 new and 12 carryover 2015: 57 Active Projects, 42 new and 15 carryover

- 36% of industrial projects specifying a building requested 100,000 sq. ft. or larger.
- 8% of industrial projects specifying a building requested 50,000 75,000 sq. ft.
- 18% of companies that specified ceiling height requested 28' or higher.
- 38% of all projects requested greenfield sites, an increase from 31% in 2016.
- 56% of office projects requested buildings of less than 50,000 sq. ft.
- 23% of projects required rail.

Project Source - Active Projects



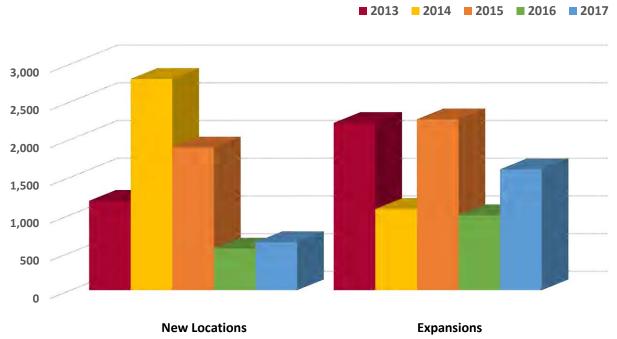
Source: ETEDA, ECD, TVA, local economic developers

Note: Active projects are companies considering the region for a new location.

2017: 82 Active Projects, 75 new and 7 carryover 2016: 59 Active Projects, 47 new and 12 carryover 2015: 57 Active Projects, 42 new and 15 carryover

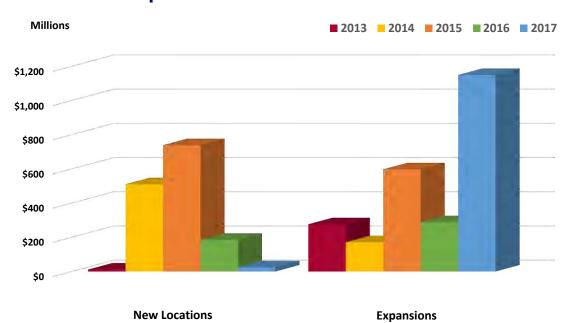
- 87% of the active projects came from site consultants.
- Approximately 12% of active projects originated from direct contact with corporate decision makers.
- The ETEDA website (www.eteda.org) is our primary marketing tool, serving as a portal to explore the many business advantages of the region.
- Numerous projects explore the website prior to making contact.

Announced Jobs 2013 - 2017



Source: State of TN, Department of ECD, Research Division

Announced Capital 2013 - 2017



Source: State of TN, Department of ECD, Research Division

Staff

ETEDA

Allen Neel, President and CEO aneel@eteda.org

Barbara Cope, Director of Operations bcope@eteda.org

Jennifer Karp, Marketing Assistant jkarp@eteda.org

Board of Directors

Greg Fay, Chair

General Manager Clinton Utilities Board

Harry Gross, Chair-Elect

Knoxville City President SunTrust Bank

Larry Waters, Immediate Past Chair

Mayor Sevier County

Kenny Baird, Jr.

General Manager LaFollette Utilities

Kendall Bear

General Manager Rockwood Electric Utility

Patrick Birmingham

Vice President, Philanthropy & Governmental Relations
Covenant Health

Jarrod Brackett

General Manager/CEO
Fort Loudoun Electric Cooperative

John Bradley

Senior Vice President of Economic Dev. Tennessee Valley Authority

Joe Carroll

General Manager Jellico Electric and Water System

Dave Cross

CEO

Plateau Electric Cooperative

Terry Frank

Mayor

Anderson County

Eric Hicks

General Manager Sweetwater Utilities Board

Alan Hill

Regional Director, External Affairs
AT&T

Dale Keasling

Chairman and CEO Home Federal Bank

Shannon Littleton

General Manager Lenoir City Utilities Board

William Marrison

President

Metropolitan Knoxville Airport Authority

Glenn Ray

General Manager Newport Utilities

Mintha Roach

President and CEO Knoxville Utilities Board

Allen Robbins

Manager

Sevier County Electric System

Ty Ross

Manager Loudon Utilities

Wes Stowers

President and CEO

Stowers Machinery Corporation

Jack Suggs

Director

Oak Ridge Electric

Baron Swafford

Electric Utility Manager Maryville Electric

Candace Vannasdale

General Manager Harriman Utility Board

William Wickman

Director Enbridge

Kenny Wiggins

Electric Utility Director Alcoa Electric

Ex-Officio Members

Bryan Daniels

President and CEO Blount Partnership

Parker Hardy

President and CEO
Oak Ridge Chamber of Commerce

Advisory Committee

Allen Newton, Chair

Executive Director Sevier County Economic Development Council

Rachel Buchanan

Director of Economic & Workforce Development Blount Partnership

Lisa Collett

Interim Executive Director

Morgan County Economic Development

Wade Creswell

President / CEO The Roane Alliance

Derrick Collins

Executive Director Economic Development Alliance Jefferson County

Roxann Fry

Regional Development Specialist Tennessee Valley Authority

Lucas Graham

President Cocke County Partnership

Bryan Hall

Director

Monroe County Economic Development

Bill Hammon

Assistant City Manager City of Alcoa

Tammy Hopper

Director of Economic Development Claiborne County

Gary Human

Regional Director
Department of Economic & Community
Development, State of Tennessee

Steve Jones

Oak Ridge Economic Development Consultant City of Oak Ridge

Doug Lawyer

Director of Economic Development Knoxville Chamber

Brooke O'Dell

CEO

Claiborne Economic Partnership

Jack Qualls

President

Loudon County Economic Development Agency

Michelle Scarbrough

Business Development Consultant Department of Economic & Community Development, State of Tennessee

Thomas Skibinski

President and CEO
Union County Chamber of Commerce

Stacey Swann

Executive Director
Scott County Chamber of Commerce

Tim Thompson

President

Anderson County Economic Development Association

Andy Wallace

Vice Mayor Campbell County