



NEWS RELEASE

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VOLKSWAGEN'S CHATTANOOGA PROJECT NAMED DEAL OF THE YEAR *Southern Business & Development Names Top Deals, States and Executives*

NASHVILLE, Tenn. – Volkswagen Group of America's decision to build an automotive production facility in Chattanooga, Tenn. was named Deal of the Year by *Southern Business & Development* magazine. Tennessee was also named Co-State of the Year and Governor Phil Bredesen, Economic and Community Development Commissioner Matt Kisber and Revenue Commissioner Reagan Farr made the publication's Ten People Who Made a Difference list.

"The partnership we have forged with Volkswagen is one that will last for generations to come and transform the economy of the Chattanooga area. We are honored *Southern Business & Development* has recognized our efforts to create higher skilled, better paying jobs for Tennesseans by naming this project Deal of the Year," said Governor Bredesen.

The Deal of the Year takes into account the scope of the project, its potential for growth and spinoff job possibilities. Volkswagen recently marked the one year anniversary of its decision to build the \$1 billion facility and create 2,000 direct jobs. To date nearly \$436 million in local contracts have been awarded, and it is estimated that the plant is expected to generate \$12 billion in income growth and an additional 9,500 jobs over the life of the project.

"Governor Bredesen has called the Volkswagen facility an anchor around which additional investment and jobs will be generated. The positive ripple effect on our economy is already beginning to manifest and shows no signs of slowing down," said Commissioner Kisber.

Volkswagen is on track to start production of 150,000 vehicles annually in early 2011. The paint shop facility is more than halfway complete and will use pioneering technology to minimize waste and reduce carbon emissions by 20 percent. Additionally, more than 100 local employees have been hired to date and applications for production positions will be available in late 2009 for an early 2010 start date.

As Co-State of the Year, sharing honors with Louisiana, Tennessee distinguished itself by landing three \$1 billion projects within eight months, including Volkswagen and the number one and two polycrystalline silicon producers in the world respectively with Hemlock Semiconductor in Clarksville and Wacker Chemie AG in Bradley County.

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For the second consecutive year Governor Bredesen and Commissioner Kisber made *Southern Business & Development's* Ten People Who Made a Difference list for their successful contributions to economic development in the South. This year Commissioner Farr was added to the list and noted for his efforts in designing the Volkswagen incentive package.

"The Revenue and Economic and Community Development departments have a unique partnership approach when it comes to job creation. Companies want certainty when it comes to tax treatment, and we are able to speak with one voice on incentives and tax issues, which has proven to be a key differentiator for our state," said Commissioner Farr.

For more information on the honorees, please visit *Southern Business & Development* at www.sb-d.com.

About the Tennessee Department of Economic and Community Development

The Tennessee Department of Economic and Community Development's mission is to create higher skilled, better paying jobs for all Tennesseans. The department seeks to attract new corporate investment in Tennessee and works with Tennessee companies to facilitate expansion and economic growth. To find out more, go to www.tn.gov/eed.

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