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Metro Knoxville joins elite list of nation's mid-sized regions

Expansion Management magazine has just named the Knoxville Metropolitan Statistical Area (MSA) — Knox, Anderson, Blount, Loudon and Union counties — third among all mid-sized cities in the nation in its annual “Best Metro for Business and Expansion” competition.

“The recognition is particularly significant because it is based on performance in seven major studies and rankings conducted by Expansion Management's award-winning research department over the past 12 months,” said Mike Hamilton, chairman of the Knoxville Chamber.

The studies look at the key factors that influence business location and expansion, including reputation among site consultants, education, quality of life, infrastructure, healthcare costs, taxes, government spending and infrastructure.

The Knoxville MSA performed especially well in the logistics infrastructure poll and in the magazine's “Hottest Cities” ranking — a poll of 80 nationally-recognized site consultants. Tennessee's strong statewide performance in healthcare costs and the ease of doing business were also important considerations.

“This recognition is not possible without the regional economic development efforts embodied in the Innovation Valley concept and through the Jobs Now! partnership,” Hamilton said. “It also takes the cooperation in economic development from our governments and the contributions of our intellectual and research institutions like the University of Tennessee and the Oak Ridge National Laboratory.”

Hottest cities poll

One of reasons the Knoxville MSA performed so well in the “Best Metros for Business & Expansion” competition is its “Five Star” ranking awarded in Expansion Management's earlier “Hottest Cities” poll. That performance places the Knoxville MSA is among the top 20 percent of all metros in the opinion of a key group of business advisers — site selection consultants.

Education Quotient

The region's workforce is another important factor in this recognition.

Preparing our workforce to stay competitive is vital,” said Oak Ridge Vice Mayor Jane Miller. “Throughout the Knoxville-Oak Ridge Innovation Valley we recognize the importance of education. Oak Ridge and other school systems continue to improve. ... We're especially proud that Oak Ridge High School was named the only Gold Star system in Tennessee.”

Statewide performance

It is also vital to have a strong statewide business climate and the support of state government.

“Tennessee did extremely well in two key areas in the magazine's rankings — healthcare costs and state government,” said Knox County Mayor Mike Ragsdale. “We've shown how important it is to work together within the Knoxville-Oak Ridge Innovation Valley, and we've shown how important it is to work with our partners at the state level. That cooperation makes a huge difference, as the wonderful ranking proves.”

Healthcare cost quotient

Tennessee performed especially well in cost and availability of medical facilities (sixth in nation) and in the cost of healthcare visits (seventh).

Legislative quotient

A statewide ranking about the ease of doing business and how well the state government managed its financial affairs also helped Knoxville's ranking. Tennessee ranked ninth overall, and was especially strong in the subcategories of debt management (first in the nation) and spending (5th).

Logistics quotient

The Knoxville MSA performed in the top 20 percent nationally in logistics, a category considered critical to enabling business expansions and attracting new industry.

“We hear a lot about the importance of location, but you also have to do something with the location,” said University of Tennessee-Knoxville Chancellor Loren Crabtree. “You must be able to move goods, warehouse them and then distribute them. ... We're proud that UT's highly-ranked logistics and supply chain curriculum supports the region's logistics capabilities.”

Hamilton called the news “an excellent general indication of our economic momentum and positive recognition by the national business community.”

“It shows that the Knoxville-Oak Ridge Innovation Valley is working together for a bright economic future,” he said.

In last year's “Best Metro for Business and Expansion” competition, the Innovation Valley ranked in the top 20 percent of all metros. This is the first year Expansion Management divided the top performing cities into large, mid-sized and smaller size categories. The mid-sized category includes metros with populations of 200,000 up to one million. The Knoxville MSA has a population of 651,000.

Knoxville was the only Tennessee city ranked in the top 15 of mid-sized cities. In the large city category, Nashville ranked 11th. No Tennessee cities appear in the top 15 list of smaller metro areas. Placing first and second, respectively, in the mid-sized cities list were Raleigh, N.C., and Omaha, Neb. Madison, Wis., finished in fourth place behind Knoxville.

The Innovation Valley earned numerous other honors in the past year:

- Fifth in national Best Places for Business and Career competition (Forbes magazine)
- First in Best Place for Recent College Graduates poll (Economic Research Institute)
- First — The top mid-sized city in nation in the Best Places for Relocating a Family poll (Worldwide ERC)
- One of top 100 places to retire (Where to Retire magazine)
- Best Places to Live and Boat (Boating Life magazine)
- “One of the fastest growing technology hot spots in the United States” (Expansion Management magazine)

For economic stories about the 16-county Knoxville-Oak Ridge Innovation Valley, and for the full Expansion Management article, go to the news section of www.knoxvilleoakridge.org.

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