



Tennessee Town Pins Hopes on Being Transportation Hub

Article and photos by Susan C. Thomson

Union City, Tenn., has waited years for Interstate 69. Finally, a 19-mile stretch of the Canada-Mexico superhighway is under construction at the town's edge. It's just one part of an all-modal transportation system in the making. Other parts are:

- the local general-aviation airport, where the single runway is being lengthened to 6,500 feet from 5,000;
- a port in the very early stages of development 25 miles west of town on the Mississippi River; and
- railroads that have crossed here since the 19th century and gave the town its name.

The all-modal system is the economic future of Union City, surrounding Obion County and several counties beyond, says Jim Cooper, executive director of the Obion County Joint

Economic Development Council. It can make this corner of northwestern Tennessee an unbeatably attractive location for businesses that make and ship goods, he says.

The key players are cooperating to make this vision a reality. Obion County and Weakley County, next door to the east, have paired to operate and improve the airport. Together, they secured \$12 million in state and federal grants, which are paying for the runway extension and have been used to renovate old hangars and to build new ones, along with a new access road and new fuel tanks. Pending further government approvals and financing, plans call for extending the runway another 500 feet.

Lake County to the west and Dyer County to the south have joined Obion in a three-way



Union City/Obion County, Tenn. by the numbers

Union City Population	10,569*
Obion County Population	31,431**
County Labor Force	15,102***
County Unemployment Rate	9.9 percent***
County Per Capita Personal Income	\$31,824****

* U.S. Bureau of the Census, estimate July 1, 2008
 ** U.S. Bureau of the Census, estimate July 1, 2009
 *** HAVER (BLS), April 2010
 **** BEA/HAVER, 2008

TOP EMPLOYERS

Goodyear Tire and Rubber Co.	2,000
Tyson Foods Inc.	1,100
Kohler Co.	540
Baptist Memorial Hospital	450
Lennox Hearth Products	350

SOURCE: Obion County Joint Economic Development Council

partnership to develop the port. Earlier this year, the federal government denied their application for a \$35 million grant that would have sped completion of the \$40 million project. Dredging, grading and cleanup continue at the site as the partners seek smaller federal and state grants.

Obion, Weakley and Lake counties have even gone on to enlist Fulton and Hickman counties just over the Kentucky line in an alliance to market all five counties together as one region.

“We’ve already got more going on than anybody in western Tennessee, any community,” Cooper says. And the borderless approach to economic development “will pay monstrous dividends down the road.”

Union City, the rural region’s shopping and employment hub, isn’t waiting. On its own, the city has built a \$3 million, 550-acre industrial park. Plans call for putting up one spec building at a time, using the sale money to build the next. As many as two dozen could fit. Greenfield Products, a newcomer to town that makes cranes and other equipment for loading and unloading trains, barges and ships, bought the first building three years ago. It paid \$2.1 million for 72,500 square feet. The second building, with 100,000 square feet, is now on the market.

The city will sell all of the park’s buildings at cost and is prepared to offer owners real estate tax abatement. (Greenfield, for instance, was forgiven half its bill for 15 years.) Otherwise, would-be buyers find enough incentive in Tennessee’s being a right-to-work state with no income tax, Cooper believes.

Planners look to the park to diversify the area’s jobs base, decreasing the risks inherent in its current dependence on a few, big brand-name employers.

The goal takes on urgency in light of uncertainty surrounding Goodyear, by far the region’s biggest employer. The plant’s payroll has shrunk by half from its peak in 2002. The plant is the only one of Goodyear’s seven U.S. factories that is not protected from closing under a four-year contract signed last year with the United Steelworkers. The company has neither explained why nor signaled its plans.

“We’re worried about Goodyear,” admits Obion County Mayor Benny McGuire.



The plant’s closing would cost the county 6 percent of property tax receipts and 10 percent of its sales taxes receipts, he says.

The other three big industries raise no such alarms. McGuire calls Tyson, the chicken processor, and Kohler Co., which makes shower doors in Union City, “real solid” employers. He notes that the Lennox Hearth Products plant, which manufactures indoor and outdoor fireplaces, has been calling employees back after layoffs.

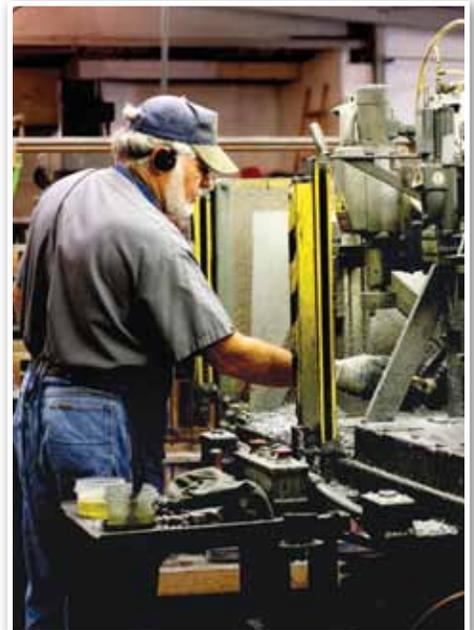
“I think all three are going to be around here for a long time,” he says.

Having grown up on a farm and worked 36 years for Goodyear, McGuire has personally lived the most recent chapters of the Union City area’s economic history. As he says, “Everything started with agriculture in this county.” To this day, the county is one of the state’s top producers of corn and soybeans.

As farms got bigger and more efficient, manufacturers moved in, taking advantage of the leftover, hard-working labor. The availability of both labor and grain attracted Tyson, says John Clark, president of First State Bank, which has 28 branches and is headquartered in Union City. Tyson ranks as the area’s No. 2 employer.

Smaller companies have come and gone over the years, says J. Lee Fry, second-generation president of Dixie Gun Works. His 21-employee company is one of the constants, selling antique and reproduction firearms to hobbyists all over the world now, thanks to the Internet.

Another stalwart is 70-year-old Jiffy Steamer Co., which does a global business in garment steamers. “Our business is here today because of the people,” President Bill Simrell says of the 40 people he employs.



Opposite page: Work has finally begun on the 19-mile stretch of I-69 being built around Union City. The interstate will eventually connect Canada to Mexico, going through the heart of the U.S.

Top of this page: The single runway at the local general aviation airport, Everett-Stewart Regional Airport, has already been extended and another extension is in the plans.

Above: At the 70-year-old Jiffy Steamer Co., garment steamers are made for shipping around the world. Here, Mike Barnes machines aluminum castings. The 40-employee company is one of many small, successful operations that have kept the local economy afloat over the decades.



Top left: The E.W. James & Sons supermarket in Union City is one of 20 in a chain that spans four states. The chain keeps its headquarters in Union City because of low cost, says Lee Ann James, CEO.

Top right: Despite its small size, the Union City area is said to have more than its share of millionaires. Many have shared their wealth on such public projects as the Obion County Public Library, which opened in 2003 at a cost of \$5.5 million.

Above: Robert Kirkland (in cap) is a major benefactor to the area. A foundation that he and his wife, Jenny, established provides day care for low-income children and has promised more than \$50 million for the planned Discovery Park of America, a history museum with outdoor exhibits. With Kirkland is James Rippey, a childhood friend and insurance executive who is shepherding the construction of the museum.

Low cost is why E.W. James & Sons keeps its 130-person headquarters in town, says Lee Ann James, chief executive of the chain of supermarkets. Her grandfather founded the company, which now has 20 supermarkets in four states.

Overall, many of the small and medium-sized businesses had a surprisingly good year in 2009, despite the sluggish economy, says Art Sparks, a partner in Alexander Thompson Arnold, a regional CPA firm that is based in Union City. While professional ethics prevent him from naming names, he's privy to the tax returns of many of these local businesses and their owners.

Clark, the banker, reports that local farmers are also doing well, benefiting in part from historically high land prices. With weather good and commodities prices "generally favorable" for the past several years, farm profits have trickled down to implement dealers, veterinarians and sellers of seeds and chemicals, he says.

The rich land has been a major source of the area's storied amount of private wealth, which has also come from retailing, real estate and other ventures. It is often said, without benefit of data, that there must be more millionaires per capita in these parts than in any similar area.

Many have gone on to become social entrepreneurs, giving of their millions for the public betterment. Their money has built ball fields, renovated downtown buildings, endowed college scholarships and built the \$5.5 million Obion County Public Library, which opened in 2003.

As a former army officer, Derick Ziegler has moved many times. Relocating to Union City two years ago from Honolulu to be chief executive of Memorial Baptist Hospital, he

was astonished to discover "the most benevolent community" he has ever lived in.

Some old family money remains in the area, under the careful management of the second and third generations, says Jack R. Parker, president of Union City Commercial Bank and Trust. "I think the community will continue to reap the benefits of it."

Union City also has a history of "a variety of people who were movers and shakers and got things done," says Terry Hailey, a radio station owner and the city's mayor.

The leading example to date of these can-do and philanthropic spirits is Robert Kirkland, who built the Kirkland's chain of gift and home accessories shops. The Robert E. and Jenny D. Kirkland Foundation, established with his wife, provides day care for 300 low-income preschool children a year. The foundation has also provided \$54 million to develop the Discovery Park of America, a history museum with outdoor exhibits, and will set up an endowment to operate it and make acquisitions.

A dispute with the original architect over the museum's design set the work back. With a new architect and a new design now, it is set to resume later this year. Kirkland says he's doing this for the entertainment and education of local schoolchildren. James Rippey, a Union City insurance executive who chairs the project, adds that it could also draw thousands of tourists.

Interstate 69 will border the park's 50-acre site on one side. The first phase, including the museum, is projected to open in another 2½ years or so, about the same time the highway work is done. [Q](#)

Susan C. Thomson is a freelancer.