



Tellico Reservoir Development Agency

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Annual Report 2017

Yamaha Jet Boats Begins Largest Expansion in Company History



Due to the increasing demand for Yamaha Jet Boats, Yamaha Jet Boat Manufacturing U.S.A. Inc. is undergoing the largest plant expansion in company history. This expansion includes just

under 90,000-square-feet of additional manufacturing space, including additional office space, two new breakrooms for employees, a new parking lot, and a new state-of-the-art robot

cutting booth. The completion of this \$12.3M project in the first half of 2018 will give Yamaha the ability to increase production by 35% creating 200 additional jobs over the next several years.

Sea Ray Expands Tellico Facility

Sea Ray has enjoyed a banner year thus far, with several major award wins and a significant expansion to its Tellico manufacturing facility, as well as the addition of 80 new full-time employees. With many job positions still open and several exciting new boat introductions on the horizon, the company is looking forward to continued growth.

Sea Ray's Tellico facility, located in Vonore, Tennessee, was recently named a Brunswick Distinguished Safety Award recipient. The program, organized by Sea Ray's parent company, Brunswick Corporation, was created to recognize and reward facilities that have achieved outstanding safety and health performance through promoting and practicing safety awareness, ultimately minimizing workplace incidents and injuries.

"I would like to congratulate our hard-working team for this accomplishment," said Brad Anderson, president and general manager of Sea Ray Sport Boats and Sport Cruisers. "Through a shared commitment to the safety and well-being of every employee, our facility has been able to maintain the highest standards. We're grateful for the recognition from Brunswick."

Earlier this month, Sea Ray celebrated another big win: The new Sea Ray SLX-W 230 wake sports boat was named one of *Boating Industry* magazine's Top Products for 2017. Editors of *Boating Industry* selected the Top

Products based on factors including innovation, impact on the industry, and how each product advanced its category. With its incredible wake-shaping capabilities, unique V-hull, patent-pending wake surf fins, and Mercury® Marine V-drive engine, the SLX-W 230 is a game-changer, as well as a remarkably versatile, family-friendly addition to the sport boat market.



The Sea Ray SLX 400 is produced at the Tellico Plant in Vonore.

Also produced at the Tellico facility, the new SLX 400, a.k.a. "The Entertainer," was selected by the National Marine Manufacturers Association (NMMA) for a prestigious 2017 Innovation Award. The SLX 400 was awarded in the Cuddy Cabin & Bowrider Boats category, as announced during February's Miami International Boat Show. Standout features of the sprawling luxury day boat include a new fold-down patio wing that provides a massive interaction area with the water, and a bow social zone with forward touring seats.

"The SLX 400 and SLX-W 230 both reflect Sea Ray's commitment to improving the boating experience," said Kevin Reilly, portfolio category director for Sea Ray Sport Boats and Sport Cruisers. "These awards affirm that we're continuing to raise the bar for all-day comfort, capability and performance. We're proud to offer boaters something truly fresh and exciting, and we're honored to see our efforts recognized."

To accommodate increased production of the SLX 400, Sea Ray has expanded its Tellico facility with a new ramp and dock, enabling the plant to test larger models more efficiently. To date, the facility has also added 80 new full-time employees and is still hiring, a reflection of the company's positive growth outlook for the year ahead.

"As we continue to grow our team and expand our award-winning product lineup, we do so with a clear focus on what matters most: the customer," said Anderson. "Each award, each milestone helps pave the way for us to better address the needs and preferences of our boating family."

Sea Ray expands Knoxville-area manufacturing facility. (2017, June 15). In *www.knoxfocus.com*. Retrieved December 4, 2017, from <http://knoxfocus.com/2017/06/sea-ray-expands-knoxville-area-manufacturing-facility/>

MasterCraft Acquires NauticStar, LLC

MasterCraft announced...it has acquired Amory, Mississippi-based fishing boat manufacturer NauticStar for approximately \$79.8 million.

The deal gives MasterCraft a new presence in the fishing and outboard propulsion markets, two of the fastest-growing segments in the boating industry

Founded in 2002, NauticStar builds a range of deck boats, bay boats and center consoles. The sale includes its 200,000-square-foot manufacturing facility and access to its established network of



approximately 70 dealers. In 2016, the company sold \$63.7 million worth of boats and is expected to approach \$80 million in net sales for 2017.

“We are very excited to welcome NauticStar to the

MasterCraft Family. NauticStar is a well-respected, expertly built and uniquely

positioned brand,” said Terry McNew, MasterCraft’s president and CEO. “NauticStar’s year-over-year unit growth is among the strongest in the 18-28 foot category and demand

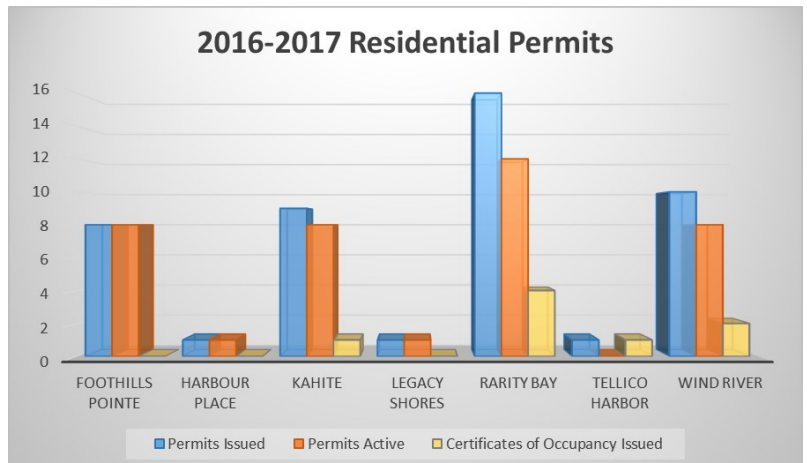
domestically currently exceeds supply. We look forward to leveraging our industry-leading strengths in operational excellence and financial management to further improve NauticStar’s output, quality and margin as we continue their rapid growth.”

Ritchie, C. (2017, October 11). MasterCraft Acquires NauticStar. In *www.boat.com*. Retrieved December 4, 2017, from <http://www.boat.com/news/mastercraft-acquires-nauticstar>

Residential Developments Continue to Grow



According to the U.S. Census Bureau and the U.S. Department of Housing and Urban Development, new privately-owned housing units in permit-issuing places were up 5.8 percent this past year nationwide. TRDA has surpassed this growth with a 7 percent increase of permits issued over last year. A total of 46 residential building permits were issued during the 2016-17 fiscal year. Currently there are 30 active permits, with the majority of those being in Rarity Bay. Thirteen homes were completed during the fiscal year.





Cleveland State Community College Launches Electrical Maintenance and Mechatronics Programs

In the fall of 2017, Cleveland State launched the Electrical Maintenance Certificate program at its Monroe County Center in the Tellico West Industrial Park in Vonore. In the fall of 2016, Cleveland State received \$483,858.00 from the LEAP 2.0 Grant (Labor Education Alignment Program) and purchased equipment which will provide the training for the skills needed in advanced



Technical Calculations.

In addition to credit programs, the Monroe County Center also provides customized training for businesses and industries in the area. Customized trainings have been developed in the areas of Leadership, Industrial Maintenance, and Computer Skills (specifically

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manufacturing. Beginning in the fall of 2018, the college will launch the Mechatronics program, which will allow students to earn a Level 1 Siemens certification as well as a certificate in Mechatronics.

The initial cohort for the fall 2017 program consisted of a cohort of students from Sequoyah High School and a cohort of adult students. These students took classes in Manufacturing Processes, DC Circuits, and

Excel). If you are interested in customized or non-credit training, please contact:



Campgrounds Update

2017 was another good year for TRDA's three campgrounds, Lotterdale Cove, Toqua, and Notchy Creek. As has been true in recent years, all seasonal campsites were leased at all three campgrounds with waiting lists at each campground. TRDA's goal has been to provide family friendly, enjoyable lakefront camping experiences to those living in our general area. The campgrounds are filled basically through word-of-mouth, requiring little advertising.

opportunities along Hwy 72 east of Vonore and across the lake from Toqua campground. Construction of a new marina near Notchy Creek campground is also still in the very early planning stages.

During the 2017 camping season, the new pavilion at the



Creek so that all bathhouses at the campgrounds are similarly equipped.



Toqua was completed, which was well received by the campers. There have been several parties and picnics (and even some live music) at the pavilion which is an exact duplicate of the pavilion built at



Due to this strong demand and the limited supply of campsites, TRDA may soon embark on some expansion plans that will include adding additional camping sites and rental cabins at Toqua campground as well as building a new recreation/vacation facility further up Tellico Lake on TRDA property near the Smoky Branch public boat ramp. While this is still very early in the planning stages, it would provide additional recreational

the Lotterdale Cove two years ago. Also completed is a new bathhouse with heat and air conditioning at Toqua which will go into full use in March of 2018. In early 2017 heat and air was added to two bathhouses at the Notchy



Residential



Industrial



Business Services Center



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