

Chattem to build \$2 million research facility here

By Mike Pare Staff Writer Chattanooga Times Free Press

Chattem Inc., the Chattanooga-based consumer products company, is investing \$2 million in building a new research and development lab.

"It will give us more room and the ability to develop new products," said Alec Taylor, Chattem's president.

The 10,000-square-foot facility will be constructed in the rear portion of the firm's South Broad Street property, the former Double Cola manufacturing location the company purchased in 1999.

The company said the new free-standing building will house a state-of-the-art laboratory and reflects Chattem's increased commitment to product development.

The R&D lab will employ about 20 people. Mr. Taylor said Chattem has boosted its work force in that division by six to eight people over the last 14 months. The site will have room for an added 10 workers, the company said.

Chattem said the project was enhanced by a federal tax incentive awarded by the city through the Renewal Community Tax Program. The company will be able to deduct eligible capital expenses for the project about 75 percent faster than the usual 39 years required by the Internal Revenue Service.

Chattanooga Mayor Bob Corker said the lab will create new, high-paying jobs.

"We are very excited that Chattem is expanding its operation in Chattanooga and that they were able to take advantage of the commercial revitalization deduction," said the mayor in a statement.

Work on the new lab is expected to start next month and be finished before the end of the year. Schaerer Construction Co. will be the project's general contractor.

Mr. Taylor said the existing R&D lab at the company's West 38th Street location is cramped. "We really were just out of space," he said. Mr. Taylor added the company looked at remodeling, but it made more long-term sense to build a new site.

In addition, the facility will permit Chattem to do more R&D work internally rather than rely on outside contract labs, he said.

Chattem, one of Chattanooga's oldest companies, employs about 375 workers, most of them in the city. It makes and markets such over-the-counter products as FlexAll, Sportscreme, Gold Bond powder and Dexatrim.

Last year, Chattem purchased medicated dandruff shampoo Selsun Blue in a \$75 million deal that not only grew domestic sales but gave it a platform to grow internationally, the company said.

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