

CHAPTER SEVEN STRATEGIC PROJECTS, PROGRAM, AND ACTIVITIES

In identifying strategic findings, the District reviewed documents of the State of Tennessee, Northeast Tennessee Valley Regional Industrial Development Association, the Economic Development Administration and the Appalachian Regional Commission.

TENNESSEE STRATEGIES

Tennessee Department of Economic and Community Development (TECD) has strategic objectives that focus on four main areas:

- Rural & Community Development
- Business Development
- Entrepreneurship
- Workforce

The resources and programs of ECD are targeted to these four areas and support goals related to jobs and investment. FastTrack and Economic Development funds are used for these purposes. ECD has a rural task force to assist in implementing Project 95 investment dollars in the most needed communities. The first Project 95 investment is in the grading and building of a call center facility in Hancock County.

The workforce element includes a component regarding Tennessee's "Drive to 55", which has a goal of 55 percent of Tennesseans equipped with a college degree or certificate by the year 2025. The goal is supported by providing two years of college tuition to attend a community college or college of applied technology.

NORTHEAST TENNESSEE VALLEY REGIONAL INDUSTRIAL DEVELOPMENT ASSOCIATION

The Northeast Tennessee Valley Regional Industrial Development Association (NETVRIDA) is a multi-county economic development organization. Economic development professionals work with the twelve regional power distributors and TVA to market the region. Identified in the NETVRIDA 2017 Regional Marketing Plan are targeted industrial groups (clusters) for recruitment. Targeted companies should pay wages appropriate to the labor market and should be in industries experiencing growth in the world market place. Regional attributes such as the availability of raw materials, power, and transportation should also match industry requirements. The following list was developed through a review

of those industries targeted by area communities and established State and TVA marketing clusters:

- Automotive
- Food & Beverage Products
- Rubber & Plastic Products
- Chemicals & Allied Products
- Data Centers & Information Technology
- Medical Related Manufacturing & Biotech
- Non-Electrical & Electrical Machinery
- Distribution & Logistics
- Aviation Related Industries
- Metal & Metal Fabrication

ECONOMIC DEVELOPMENT ADMINISTRATION

The Economic Development Administration has National strategic priorities that are as follows:

- encourage job growth and business expansion in manufacturing, including advanced manufacturing, sustainable manufacturing, and manufacturing supply chains;
- assist communities severely impacted by the declining use of coal;
- increase economic resiliency, including resilience to the effects of natural disasters and climate change;
- assist with natural disaster mitigation and recovery;
- are aimed at restoring or improving urban waters and the communities that surround them; and
- assist and/or support:
 - information technology infrastructure (for example, broadband or smart grid);
 - communities severely impacted by industry restructuring;
 - job-driven skills development;
 - access to capital for small- and medium-sized and ethnically diverse enterprises;
 - innovations in science and health care; and
 - advancement of science and research parks, other

technology transfer, or technology commercialization efforts.

APPALACHIAN REGIONAL COMMISSION STRATEGIES

The District also reviewed the Appalachian Regional Commission's "Investing in Appalachia's Future" Strategic Plan, 2016-2020". Five goals identified are as follows.

Goal 1: Economic Opportunities

Invest in entrepreneurial and business development strategies that strengthen Appalachia's economy.

Goal 2: Ready Workforce

Increase the education, knowledge, skills, and health of residents to work and succeed in Appalachia.

Goal 3: Critical Infrastructure

Invest in critical infrastructure—especially broadband; transportation, including the Appalachian Development Highway System; and water/wastewater systems.

Goal 4: Natural and Cultural Assets

Strengthen Appalachia's community and economic development potential by leveraging the Region's natural and cultural heritage assets.

Goal 5: Leadership and Community Capacity

Build the capacity and skills of current and next-generation leaders and organizations to innovate, collaborate, and advance community and economic development.

REGIONAL CEDS STRATEGIC FINDINGS

The strategic findings identified in chapters 2-5 of the CEDS are summarized as follows:

- **Strategic Finding 1. Workforce Development.** Workforce development challenges are common throughout the region as well as the State and nation. These include a lack of qualified workers in certain fields, need for a better educated overall workforce, needs for better soft skills from recent graduates, and passing drug screens. The challenges can be turned into opportunities as programs that target these areas result in job placement.
- **Strategic Finding 2. Entrepreneurial Development.** The region has developed business infrastructure that encourages the development of

entrepreneurs and needs to continue supporting this effort. The Small Business Development Center, Business incubators, and the Business Accelerator Program are examples of this infrastructure. A better capital network is needed to support this effort.

- **Strategic Finding 3. Higher Paying Jobs to Address Per Capita Income Gap.** The region's affordable cost of living addresses some of the income gap, but issues remain, including pay levels and education attainment, which are below the state and nation. Targeting business clusters that meet this need is important.
- **Strategic Finding 4. Development of Health Services.** Opportunities to further develop health services include a continued emphasis on providing an environment for the health services sector to succeed in the region. A threat to the health services sector is the cost containment difficulty being experienced in the health insurance industry. While improving the health of area residents is the main emphasis, a benefit of the health services sector is that it creates jobs that are above the current average wage for the region. Efforts to develop a healthy lifestyle to prevent health issues are gaining momentum in companies, schools, and government.
- **Strategic Finding 5. Upgrade Water & Sewer Infrastructure.** Water and wastewater infrastructure provides the opportunity for economic development through having the right kind of infrastructure at the right place. The natural environment is kept cleaner when wastewater is properly disposed of and not allowed to continue in a situation where failing septic systems are affecting ground and surface water. Improving health care is tied to having healthy drinking water and not being exposed to improperly treated wastewater.
- **Strategic Finding 6. Public Land for Economic Development.** A threat to the region's manufacturing base is the lack of available land in some counties to meet the long-term needs of the region in developing businesses in faster growing industries.
- **Strategic Finding 7. Better Utilize Transportation Network for Economic and Community Development.** Potential threats include an increase of traffic resulting in more accidents and congestion. In addition, more traffic increases pollution and ozone levels, already concerns for the region.
- **Strategic Finding 8. Expand and Upgrade Broadband and Telecommunications Network.** The manner in which the region addresses opportunities in the telecommunications sector will impact the region's ability to create jobs. The region can fall behind other areas or it can close the gap. Public sector and education efforts can impact this trend.
- **Strategic Finding 9. Enhance Environmental Assets.** Finding a way to maintain views and waterways for future generations while accommodating development will be a challenge. **Eco-tourism** is becoming a developing tourism market for the region.

- **Strategic Finding 10. Downtown Revitalization.** Economic development is returning to several downtown areas in the region and bringing jobs and residents to these areas. While infrastructure is present, it is often several decades old and not suited to support development.
- **Strategic Finding 11. Response to Natural Disasters & Economic Adjustments.** The region has traditionally responded very well to unexpected events including natural disasters and economic adjustments with excellent emergency management services and community response to help families and businesses in need. An area that needs improvement is the response from one week to one year.

REGIONAL SOLUTIONS

This section identifies regional solutions which address the aspects of strategic findings in the previous section. The section is divided into two lists:

- Suggested Projects
- Vital Projects

SUGGESTED PROJECTS LISTING

1. **Economic Development Infrastructure Projects.** A common barrier to economic development in the region is inadequate infrastructure. These needs can be classified into the following areas:
 - a. **Water and Wastewater Facilities.** The region has a continual need to upgrade water and wastewater treatment plants to accommodate business expansion as well as meet new EPA and State regulations. Five examples of current projects include the water line extension to Rocky Fork State Park in Unicoi County, the Greeneville Water Commission Water Intake project, the Mosheim Wastewater Treatment Plant improvements, the upgrades at the Mountain City Wastewater Treatment Plant, and the Kingsport Raw Water Conveyance project.
 - b. **Infrastructure Upgrades.** Many economic development projects are at locations that have greater infrastructure requirements than available or have no service at all. These upgrade and extension projects include water, sewer, gas, electrical, broadband/telecommunications, road, rail and air infrastructure.
2. **Regional Business Parks.** The region has a major need for public sector land for future economic development. Areas in major need are

Carter, Unicoi, and Washington counties. In most cases, infrastructure will need to be provided to these sites. Greene and Johnson County have land to meet short-term needs, but not enough land to address long-term needs.

3. **Business Incubators.** The region currently has four business incubators, the ETSU Innovation Lab in Johnson City, the Holston Business Development Center in Kingsport, the Valleybrook site and the Mountain Harvest Kitchen in Unicoi. The first two facilities have been active in successfully developing locally owned businesses and have long-term needs to expand and improve their facilities. The two other facilities are newer incubators. The Mountain Harvest Kitchen is a unique facility in that it will be a commercial kitchen that will assist businesses with using the kitchen on an hourly basis to make a product. There will be entrepreneurial support services to assist these businesses in reaching their potential.
4. **Downtown Revitalization.** Economic development is returning to several downtown areas in the region and bringing jobs and residents to these areas. While infrastructure is present, it is often several decades old and ill suited to support development.
5. **Financing Programs.** The District operates five business loan programs. These programs need capital injections so the loan programs can serve more businesses.
6. **Tourism efforts.** The region has a growing tourism industry that needs public and private sector support. The Northeast Tennessee Tourism Association maintains an excellent website that details the region's tourism assets. An emerging tourism sector is in motorcycle riding on winding road systems including "the Snake" in Johnson County and "the Spider" in Hancock County.
7. **Public Recreation Land.** The region has had three major public land acquisitions that are providing recreation and tourism opportunities: the Doe Mountain Recreation Area, Rocky Fork Recreation Area, and Tweetsie Trail. These lands combined with the Cherokee National Forest, the Appalachian Trail, and municipal parks such as Bays Mountain, Buffalo Mountain, and Steele Creek give the region an ecotourism base. Four State parks are in the region including Roan Mountain, Rocky Fork, Sycamore Shoals, and Warrior's Path.

GOALS/VITAL PROJECTS LIST

All of the suggested projects are needed projects in the region. While some of the suggested projects are vital, their timeline and outcomes are more difficult to determine. Of these suggested projects, the following projects are the most feasible to occur in the next five years and the most quantifiable:

<u>Project</u>	<u>Strategic Findings Addressed</u>	<u>5 Year Goal</u>
1. Economic Development Infrastructure Projects	#5 Upgrade Water & Sewer Infrastructure #7 Better Utilization of Transportation Network #8 Expand & Upgrade Broadband & Telecommunications Network	300 Jobs/Yr. \$100 Mil. Inv. In 5 Years 10 funded projects in 5 years
2. Community Development Infrastructure Projects	#5 Upgrade Water & Sewer Infrastructure	200 new customers In 5 years 15 funded Projects in 5 years
3. Regional Business Parks	#5 Upgrade Water & Sewer Infrastructure #6 Lack of Available Public Land for Economic Development #7 Better Utilization of Transportation Network	200+ Jobs in 5 years
4. Workforce Development	#1 Workforce Development #3 Higher Paying Jobs #4 Develop Health Services	
A. Work Ready Communities		All 8 counties will be Work Ready Communities by 2019
B. Work Ethic Diploma		15 high schools will be participating & 400 students

C. CareerQuest TN

will earn distinction
2018 event will include 5,500
Students, 6 post-secondary
institutions & 50 businesses

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| 5. Business Capital Network #2 Entrepreneur Development | | FTDD to
add \$100,000
to loan funds.
Loan
Programs
To make
10 loans
In 5 Yrs. |
| 6. Doe Mountain
Recreation Area | #9 Enhance Environmental
Assets | 3 miles of
trails
constructed |
| 7. Rocky Fork State Park | #9 Enhance Environmental
Assets | 3 miles of
water line,
road &
Visitor
Center
Constructed |