

Economic Development

In McMinn County, Tennessee



Presented at:
Museum Town Hall Meeting
Living Heritage Museum, Athens, Tennessee
April 4, 2014

✓ What is Economic Development?

Textbook Definition:

A program, group of policies, or activity that seeks to improve the economic wellbeing and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base.

My Definition:

Building community prosperity through creating an environment where jobs can be created

Textbook Economic Principal:

It Takes 3 Elements to Balance the
Economic Development Stool

Leg 1: Community Development

Leg 2: Business Attraction/Recruitment

Leg 3: Business Retention/Expansion



My Economic Principal:

It Takes 5 Elements to Balance an Economic Development Stool

Base: Community Development

Leg 1: Workforce Development

Leg 2: Business Attraction/Recruitment

Leg 3: Business Retention/Expansion

Leg 4: Entrepreneurship





Community Development Putting Together the Pieces

- Infrastructure to Support Growth
Maintained Roads, utilities, etc.
- Livability
Housing, Schools, Recreation, crime, etc.
- Community Ambassadors
How do we appear to others?

You do not build a house without a support foundation and you cannot build a successful economic development program without a community foundation

Building Our Economy....One Leg At a Time!





Manufacturing Has Evolved from
Doing a Task to Managing a Task

Workforce Development

- Build Human Capital
- Identify jobs you have and jobs you want
- Develop training programs to meet those demands
- Promote Manufacturing as a Viable Option for Employment

*Industry Managers Continually Say They Have Jobs Available,
But Have Difficulty Finding
Individuals With the Right Skills to Fill The Jobs.*

Workforce Development Activity

Preparing Our Workforce for Jobs of Today and Future

- Ready to Work Initiative
- Job Fair
- Career Expo
- Center for Advanced Manufacturing
- Steering Committee Focuses on Workforce Development

Building Our Economy....One Leg At a Time!



Business Recruitment

- Be Prepared and Patient
- Know Your Competitive Advantage...Your Strengths
- Know Your Challenges and How You Can Overcome
- Build Relationships....Tell Your Successes
- Define Your Target Market... Don't Throw Darts Blindfolded
- Diversify Your Business Mix
- Accept Rejection
- Celebrate Your Wins



*Sometimes You Feel Like
Only the Cows Like You*



*Bringing Out the Gold Shovels
is Glam!*



Business Recruitment

Site Selection Process



Process of Elimination....NOT Inclusion

Business Recruitment

Top 10 Site Selection Factors

How We Rank



Poor

Fair

Good

1. Availability of Skilled Labor
2. Highway Accessibility
3. Labor Costs
4. Occupancy or Construction Costs
5. Availability of advanced IT Services
6. Available Buildings
7. Corporate Tax Rate (TN Ranks #14)
8. State and Local Incentives
9. Low Union Profile
10. Energy Availability and Costs



Source: 28th Annual Survey of Corporate Executives, Area Development Magazine

Business Recruitment

How We Rank



Poor

Fair

Good

Top Quality of Life Factors

1. **Low Crime Rate**
2. **Healthcare Facilities**
3. **Housing Costs**
4. **Ratings of Public Schools**
5. **Housing Availability**
6. **Recreational Opportunities**
7. **Colleges and Universities**
8. **Climate**
9. **Cultural Opportunities**



Source: 28th Annual Survey of Corporate Executives, Area Development Magazine

Business Recruitment Activity

Activity up in FY 2014... Double the Requests for Information in First Half of Year Compared to All of Last Year

H.P. Pelzer completed construction. They are now in production and bringing on new lines

We have 7 active prospects at this time (those we haven't been eliminated from)

Continue work on Industrial Park Readiness and Identifying New Sites for Industry Growth

Diversification in our industrial mix is needed in McMinn County. We have become an automotive supply cluster and most new industrial activity we are seeing is in the automotive sector

Developed a new brand...Make It In McMinn and developing new website and marketing materials

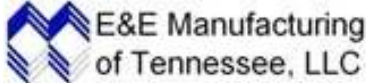


Building Our Economy....One Leg At a Time!



Business Retention and Expansion

You Landed Them....Now How Do You Keep Them?



Not an inclusive list of McMinn County Industries

Business Retention and Expansion

- 85-90% of a community's growth comes from our existing businesses
- Be a resource, not a hindrance
- Listen to their needs and issues and find solutions
- Show them they are a valued partner in our community
- Be aware of the market and signs a company may be struggling
- Connect with corporate management
- Help them find ways to be more competitive
- Provide assistance in to help them expand

Business Retention and Expansion Activity

Industry Visitation

Industry expansion activity has increased

So far, Existing Industries have committed to adding 540 jobs and investing \$244 million in their local plants between now and 2017.

Plant Manager's Meetings

Industry Appreciation Day Event Will Be Held in June

Building Our Economy....One Leg At a Time!



Entrepreneurship

All Businesses Start Somewhere

- Seek out innovators in community
- Provide resources on how to start a business
- Provide mentorship programs
- Training programs focused on entrepreneurship
- Community events focused on entrepreneurship and innovation
- Center for Advanced Manufacturing and **Business Incubation**



Entrepreneurship Activity

This is where we are the weakest

Considering a Maker Faire to Identify Talent and Entrepreneurs

Center for Advanced Manufacturing and Business Incubation

Provide resources through Tennessee Small Business Development Center

Exhibited at Vets Expo to teach Veterans about programs available for them to start their own business

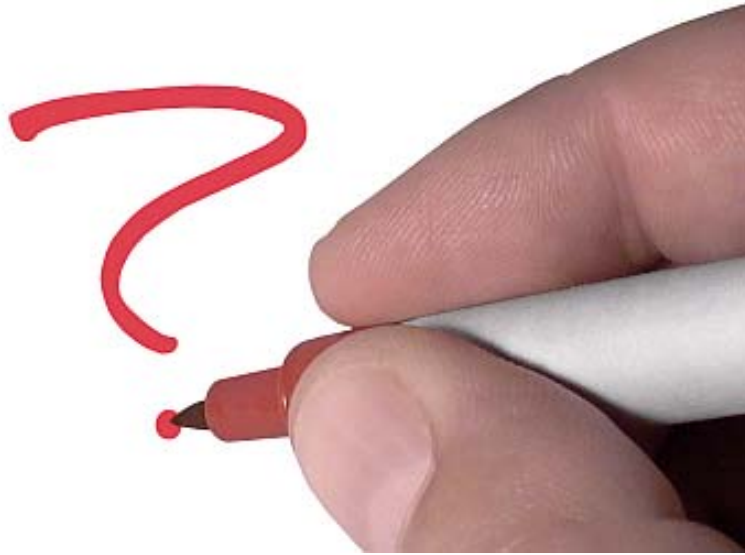
***“Entrepreneurs and their small enterprises are responsible for almost all the economic growth in the United States.”
Ronald Reagan***

"Where there is no vision, the people perish....." Proverbs 29:18

Economic Development...Building Prosperity Takes Vision



Q & A



Thank YOU

Kathy Knight, Executive Director

McMinn County Economic Development Authority

5 S Hill Street, Suite C

Athens, TN 37303

(423) 745-1506

(423) 745-1507 fax

Kathy@MakeItInMcMinn.org

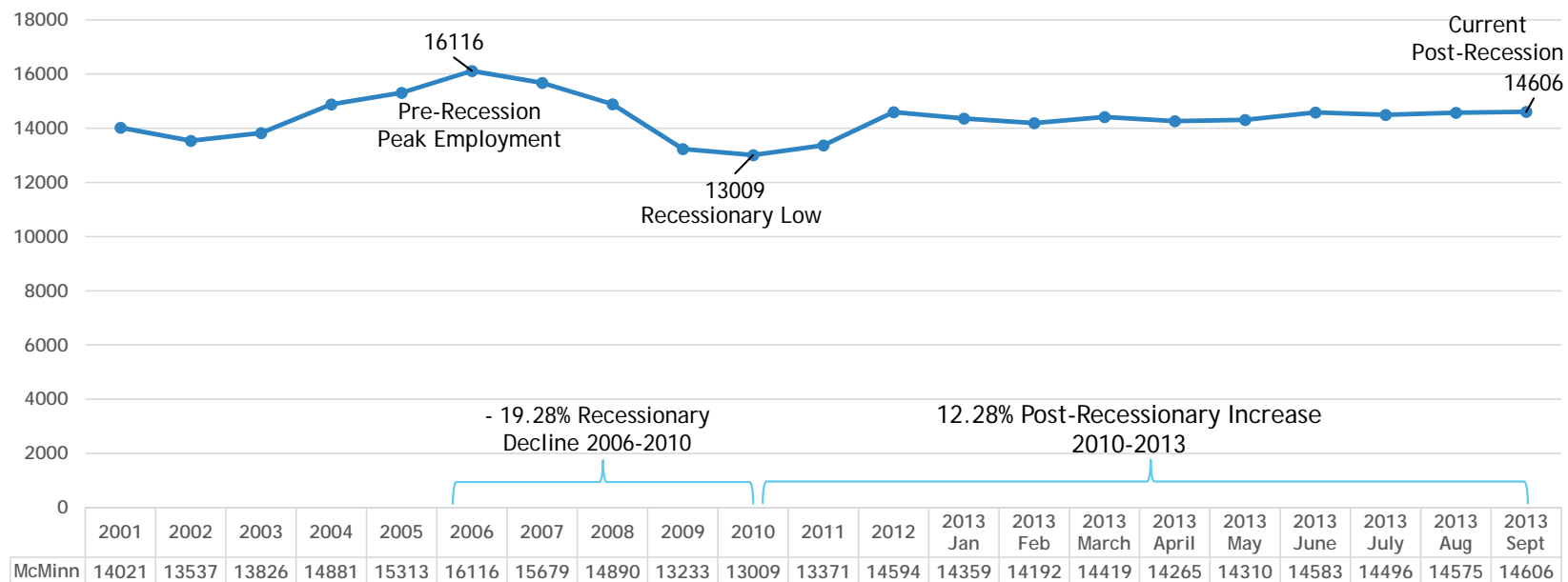




Our Employment At A Glance

Employment

2001-2013 McMinn County Employment
All Establishments, Private



- 19.28% Recessionary Decline 2006-2010

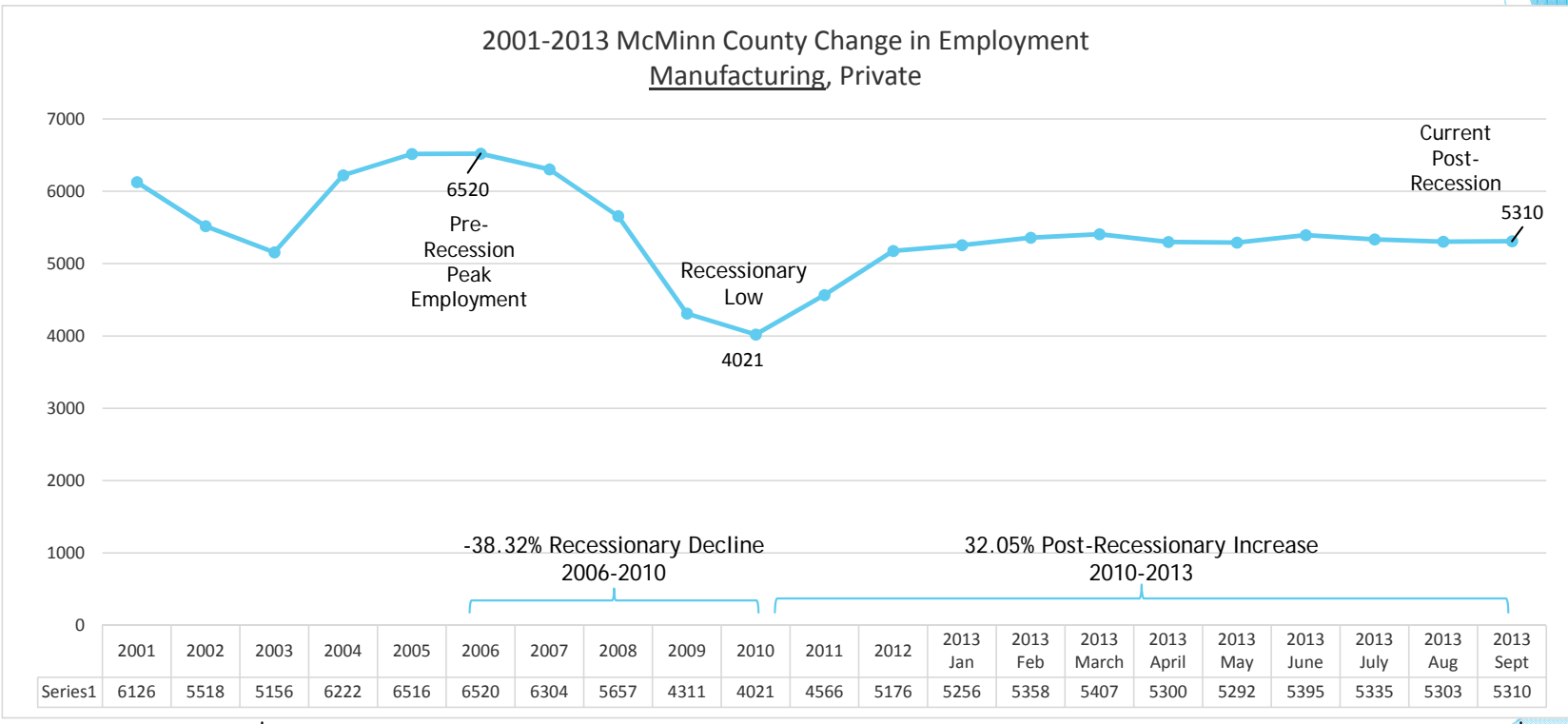
12.28% Post-Recessionary Increase 2010-2013

5.64% 10-Year Increase



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Employment



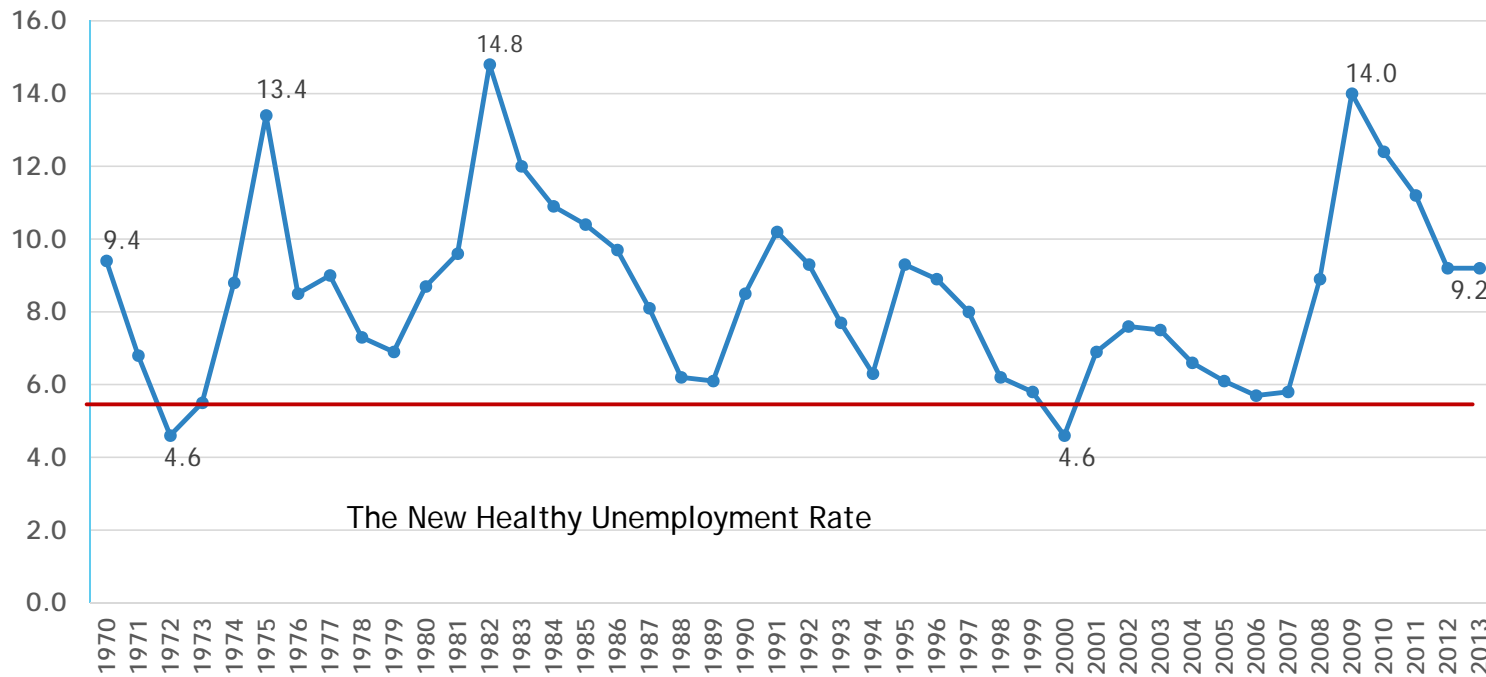
-38.32% Recessionary Decline 2006-2010 32.05% Post-Recessionary Increase 2010-2013

3.0% 10-Year Increase

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Employment

McMinn County Unemployment Rate Trend 1970-2013



The New Healthy Unemployment Rate

Current Rate 8.2% - Lowest Since Recession



Source: TN Dept. of Labor and Workforce Development

Employment

Unemployment Rate Trend Comparison 1970-2013

