

Northern Middle TENNESSEE

REGIONAL STRATEGIC PLAN

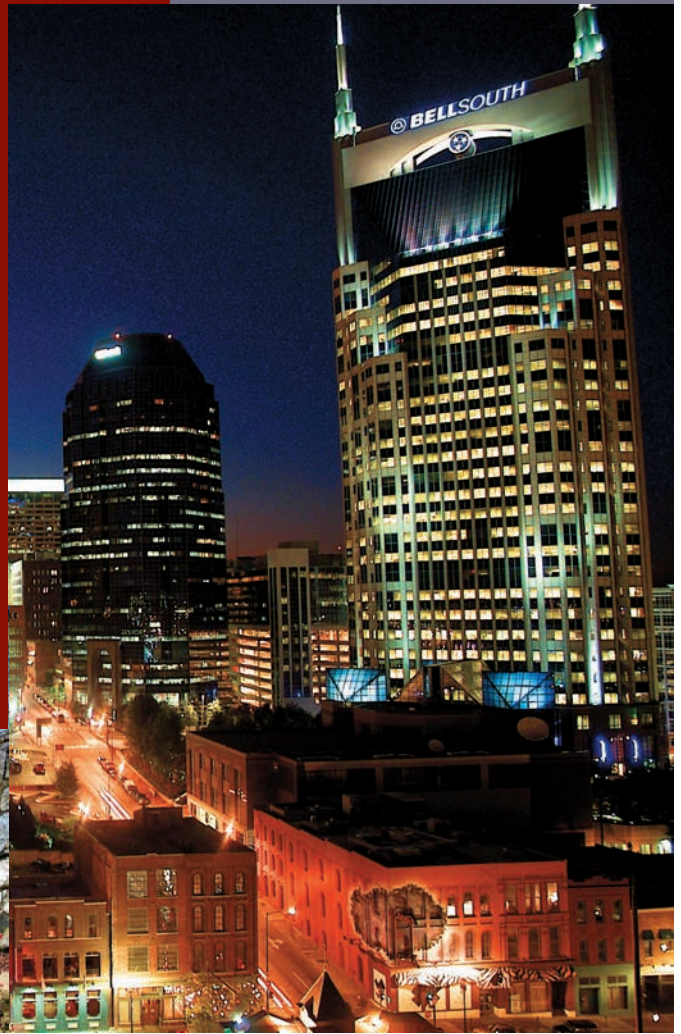
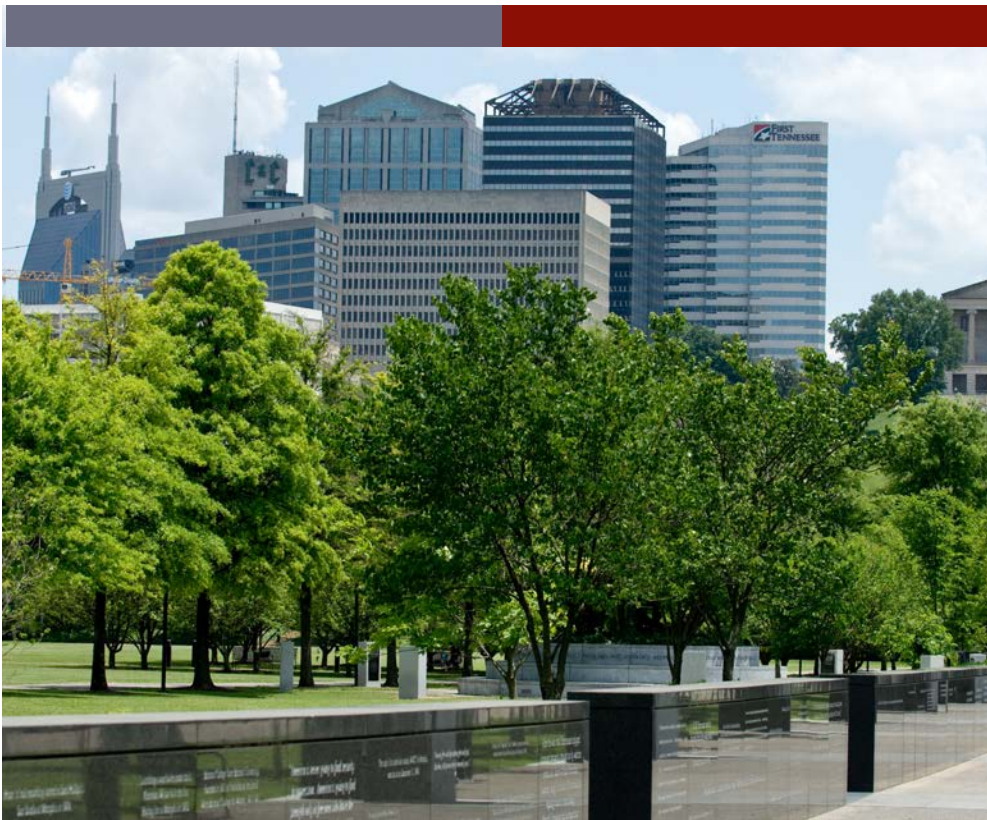


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Northern Middle Tennessee



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EXECUTIVE SUMMARY

Gov. Bill Haslam's top priority is making Tennessee the No. 1 location in the Southeast for high-quality jobs. In April 2011, Governor Haslam released his Jobs4TN plan, which laid out four key strategies for achieving this ambitious goal. The four strategies are (1) prioritizing business development efforts in six key clusters in which the state has a competitive advantage; (2) reducing business regulation; (3) investing in innovation; and (4) establishing regional "jobs base camps" in each of nine regions across the state. One of those regions is Northern Middle Tennessee.

This regional strategic plan was developed using input provided by various economic development organizations and other stakeholders located in the 13-county region, such as the Nashville Area Chamber of Commerce and the Rutherford County Chamber of Commerce. This plan seeks to identify the primary opportunities for ECD's

regional staff in Northern Middle Tennessee. ECD regional staff intend to amend this document as necessary during the coming months as additional opportunities are brought to its attention by stakeholders.

The region is composed of urban, suburban and rural counties, including Tennessee's capital city of Nashville. It is the most populous of the nine ECD regions and it contains six of the state's 10 fastest growing counties according to the 2010 Census. The region has a vibrant and diverse economy and it is a national leader in the healthcare services, automotive and music industries. Other key industries include business services, manufacturing, logistics/supply chain management and tourism.

This plan identifies business recruitment as a key job creation strategy. The region is home to three Fortune 500 companies and has had a great deal of

success in attracting headquarters relocations during the last decade, including Nissan North America and Asurion. ECD's regional staff intends to collaborate with the many strong local economic development organizations in the area to continue this success.

A second key strategy of this plan is helping existing businesses expand. Company visits serve a variety of purposes, ranging from educating existing businesses about available incentives to identifying recruitment opportunities. ECD research has demonstrated that the overwhelming majority of new jobs in Tennessee are created by existing companies and establishing a positive relationship between the state and the business community should result in more local companies choosing to expand in the region rather than out-of-state.

The third key strategy for the regional staff is ensuring that the state's efforts to

spur innovation extend to the region's rural counties. The area has an established entrepreneurial ecosystem but most high growth companies are located in Nashville and its adjacent counties rather than in the region's more rural counties as well as distressed urban areas.

The final key strategy identified in the plan is improving the region's workforce. Although one of the region's strengths is its educated population, the area's labor force lacks a sufficient number of technology workers to meet the demand of local companies. Also, additional partnerships with educational institutions to teach workers specialized skills required by specific employers would enable employers to fill more open positions with local hires.

REGIONAL OVERVIEW

The Northern Middle Tennessee region is characterized by its large population, rapid growth and dynamic economy. Health-care, automotive and music are the region's key industry clusters and the area is also home to the headquarters of companies representing numerous other industries. Key attributes of the region are its many universities and its high quality transportation network.

The Northern Middle Tennessee region is predominately made up of counties located in the Nashville-Davidson-Murfreesboro-Franklin, TN, Metropolitan Statistical Area (MSA) but two counties in the region form part of the Clarksville, TN-KY (MSA) and another two are not part of an MSA.

The region is a global leader in the healthcare services industry with 17 publicly traded healthcare companies and 110,000 employees working in the sector. Leading companies are Hospital Corporation of America and Community Health Systems, with revenues of \$30 billion and \$13 billion respectively. The Nashville Healthcare Council reports that 250 local companies operate on a multi-state, national or international level. Healthcare is a driver of both employment and innovation in the region and the *Wall Street Journal* recently identified Nashville as an "up-and-coming innovative center" in the healthcare field.

Northern Middle Tennessee is also a significant player in the automotive sector. Nissan North America is headquartered in Franklin and the company operates one of the largest auto plants in the United States in Smyrna, along with a \$1 billion lithium battery plant at the same site. The North and South American headquarters of another Japanese industry leader, Bridgestone Americas, is located in Nashville as well, and the presence of these and other Japanese companies in the region caused Japan to locate a consular office in Nashville in 2006. Numerous auto parts suppliers serving Nissan's Smyrna plant and the various other automotive OEMs located in the mid-south also exist throughout the region.

A third key sector in the region is the music industry. A 2006 study by Belmont University and the Nashville Area Chamber of Commerce estimated that almost 20,000 jobs are directly related to music production and the total economic impact of the industry exceeded \$6 billion annually. The density of songwriters and musicians in "Music City" and its surrounding

counties help give the region its unique character and add to the area's quality of life. Music-based tourism is also an important aspect of the region's economy.

The region also serves as the headquarters of numerous leading businesses that do not operate in the industries listed above, including Dollar General, Asurion and Servpro Industries. Some of the companies headquartered in the region began as local start-ups while others recently moved to the state due in part to the region's affordability, quality of life and competitive business climate. The region's attractiveness as a headquarters location is one of its key competitive advantages in recruiting headquarters as well as back office and other business services jobs.

A key strength of the Northern Middle Tennessee region is its many institutions of higher education. Nashville has been called the "Athens of the South" due to the high density of universities in the city and a total of 14 colleges and universities are located in the region. While these institutions certainly help ensure the availability of educated workers to area businesses, innovation also flourishes in university environments and, as a result, it is not surprising that a number of successful venture capital firms are located in Northern Middle Tennessee.

Another key strength of the region is its transportation infrastructure. Nashville International Airport handles 375 commercial flights per day to 47 destinations, including two daily international flights. Three interstates intersect in the region and the Cumberland River serves as an important waterway for barge traffic bound for the Gulf of Mexico as well. The region, like the rest of the state, also benefits from its central location, and the area is within 600 miles of 50 percent of the U.S. population. These infrastructure and geographic advantages have helped make the region attractive to manufacturers as well as logistics/supply chain management companies.

The Northern Middle Tennessee region includes the following 13 counties:

Cheatham County: Cheatham County is located between Interstates I-24 and I-40 and is easily accessible from both Nashville and Clarksville. The county is the headquarters for A.O. Smith Water Products Company, the largest water heater manufacturing facility in the U.S. The county boasts excellent transportation infrastructure, including interstate access,

navigable waterways and ports and railway access.

Davidson County: Home to Nashville, Davidson County is the state capital and a center for the healthcare, publishing, banking and transportation industries. The city is also home to a growing entrepreneurial community and a large number of colleges and universities, including Belmont, David Lipscomb and Vanderbilt Universities.

Dickson County: Located approximately 30 minutes from Nashville, Dickson County is developing a diverse industry base that includes automotive, advanced manufacturing, food production, and logistics services. With Dickson as its largest city, the county is focused on diversifying from its historical agricultural and regional retail base.

Houston County: Located along the Tennessee River, Houston County has a mixed industrial and tourism driven economy. The county has developed an industrial park in partnership with Stewart County and serves as a tourist destination for those interested in the Civil War, Irish heritage and recreation on the Tennessee River.

Humphreys County: Humphrey County lies on the Tennessee River and is home to strong manufacturing, retail and tourism sectors. Also known as "The Land of Three Rivers," the county offers the natural beauty of the Tennessee, Duck and Buffalo Rivers.

Montgomery County: Located approximately 45 miles northwest of Nashville, Montgomery County is home to Clarksville, the state's fifth largest city with a 28 percent growth rate since the 2000 census. The county is home to the Fort Campbell Army Base and over 32,000 enlisted men/women are stationed there, including the U.S. 101st Airborne Division. Clarksville also is home to Austin Peay State University, which will eclipse the 11,000-student mark in 2011. The county's major manufacturers include Bridgestone, Trane Corporation and Hemlock Semiconductor, which recently located a \$1.2 billion polycrystalline silicon production facility in Clarksville.

Robertson County: Robertson County has a growing and diverse manufacturing sector and a strong agricultural base. Electrolux operates a large plant in Springfield, the county seat. Robertson County has several shared industrial parks with

Sumner County and is working to establish a new mixed use park in partnership with Cheatham County.

Rutherford County: One of the nation's fastest-growing counties, Rutherford County is home to the city of Murfreesboro, the sixth largest city in the state with approximately 108,755 residents. Murfreesboro is home to Middle Tennessee State University, the largest undergraduate university in the state with more than 22,000 students. The county has a broad manufacturing base, including Nissan North America, which operates a major automotive manufacturing plant in Smyrna.

Stewart County: Stewart County is a tourism driven county located in the northwest corner of the region. The county is home to Cross Creeks National Wildlife Refuge, Fort Donelson, Kentucky Lake, Lake Barkley and Land between the Lakes National Recreation Area. Stewart County has become a retirement community for many of the soldiers and families from Fort Campbell. The county is partnering with its southern neighbor, Houston County, to develop a joint industrial park.

Sumner County: Located 20 minutes north of Nashville, Sumner County has major business developments in Gallatin, abundant commercial and residential areas in Hendersonville and an extensive industrial base in Portland. Sumner County has several existing industry programs that help maintain great relationships between business and government.

Williamson County: Located 20 minutes south of Nashville, Williamson County is consistently one of the nation's fastest-growing and wealthiest counties. Brentwood and Cool Springs offer large retail and corporate office parks that are home to companies such as Franklin American Mortgage and Nissan North America.

Wilson County: Wilson County includes the cities of Lebanon, Mt. Juliet and Watertown, and is adjacent to Nashville/Davidson County to the east. It is the 3rd fastest growing county, has the 2nd highest median household income and 4th highest per capita income in the state. The county has recently experienced rapid growth in headquarters, industrial, logistical, retail and residential developments.

NORTHERN MIDDLE TENNESSEE *AT A GLANCE*

	Population 2010	Median Age 2005-2009	HS Graduate or Higher % Population aged 25+	Bachelor's or Higher % Population aged 25+	Labor Force (Oct. 2011)	Available Labor (Oct. 2011)	Unemployment Rate (Oct. 2011)	Average Private Sector Annual Income (2010)	Nearest Public Riverport (in miles from county seat)	Nearest Commercial Airport (in miles from county seat)	Nearest Interstate (in miles from county seat)
NORTHERN MIDDLE	1,722,648	35.1	86.4%	29.2%	898,660	77,680	7.8%	\$42,881	Nashville and New Johnsonville	Nashville International	I-24, I-40 and I-65
Cheatham	39,105	38.3	81.4%	16.7%	21,410	1,950	8.2%	\$36,040	Nashville - 24 miles	Nashville International - 31 miles	Direct access to I-24 and I-40
Davidson	626,681	34.3	85.1%	33.6%	339,720	29,590	7.8%	\$49,113	Nashville - 0 miles	Nashville International - 10 miles	Direct access to I-24, I-40, I-65 and I-440
Dickson	49,666	37.5	80.4%	15.5%	24,510	2,500	9.2%	\$33,044	New Johnsonville - 35 miles	Nashville International - 50 miles	Direct access to I-40
Houston	8,426	41.7	79.3%	7.1%	4,080	390	8.7%	\$26,696	New Johnsonville - 32 miles	Nashville International - 79 miles	33 miles to access I-40 and 34 miles to I-24
Humphreys	18,538	40.9	81.2%	12.6%	9,430	990	9.4%	\$41,498	New Johnsonville - 11 miles	Nashville International - 83 miles	Direct access to I-40
Montgomery	172,331	30.7	90.3%	22.8%	73,660	7,630	9.3%	\$31,390	Nashville - 49 miles	Nashville International - 58 miles	Direct access to I-24
Robertson	66,283	36.4	79.5%	14.0%	35,260	3,100	7.9%	\$32,019	Nashville - 29 miles	Nashville International - 35 miles	Direct access to I-24 and I-65
Rutherford	262,604	32.1	87.5%	26.4%	141,440	11,990	7.6%	\$41,452	Nashville - 34 miles	Nashville International - 33 miles	Direct access to I-24
Stewart	13,324	41.2	79.2%	10.7%	6,100	650	9.7%	\$35,985	New Johnsonville - 52 miles	Nashville International - 88 miles	37 miles to access I-24
Sumner	160,645	37.8	84.9%	22.8%	83,640	6,980	7.5%	\$35,448	Nashville - 28 miles	Nashville International - 35 miles	Direct access to I-65
Trousdale	7,870	39.3	71.9%	9.7%	3,830	400	9.3%	\$27,646	Nashville - 49 miles	Nashville International - 42 miles	19 miles to access I-40
Williamson	183,182	38.1	93.9%	50.2%	94,210	6,530	6.3%	\$52,935	Nashville - 19 miles	Nashville International - 23 miles	Direct access to I-65
Wilson	113,993	38.4	87.4%	23.3%	61,370	4,980	7.3%	\$39,836	Nashville - 32 miles	Nashville International - 24 miles	Direct access to I-40

Source: US Census Bureau, US Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development

REGIONAL STRATEGIES

Recruitment

Recruiting businesses to relocate is a cornerstone of the region's economic development strategy. High-profile relocations, such as Nissan North America in 2006, not only add jobs, but they send a message to the business community that Middle Tennessee is an attractive place to do businesses. Because companies tend to form 'clusters' with peers in their industry, the region holds a competitive advantage in the healthcare, automotive and music sectors. The region is also well suited to compete for headquarters/business services projects, and its location and quality infrastructure make the area appealing to manufacturing and logistics/supply chain management companies as well.

ECD regional staff will offer assistance to city and county economic development organizations that are interested in enhancing business development processes based on national best practices. While comprehensive business development plans are in place for each of the 13 counties in the region, variation in resources among the organizations charged with executing these plans could result in some counties having more effective economic development processes than others. In an effort to insure that all partners are aware of best practices in business recruitment, ECD's regional staff will conduct meetings to share best practices in the development of marketing materials, responding to RFI/RFPs and engaging in other aspects of business recruitment. It is anticipated that these meetings will appeal most to economic development professionals located in rural areas of the region.

Regional staff will conduct scheduled meetings with local economic development officials in each of the region's 13 counties to review the project pipeline. Business recruitment is most effective when the various interested stakeholders become involved in the process at an early stage and a primary goal of these meetings is to spur communication about the pipeline of prospects being courted by local officials. While it is likely that ECD regional staff will communicate with their local counterparts periodically throughout the year as various issues arise, these formal meetings will ensure that discussions about the deal pipeline occur on a regular basis.

Existing Business Outreach

Existing businesses are responsible for more than 86 percent of

all new jobs created in Tennessee and, as a result, conducting meetings with existing employers is a key aspect of the ECD's regional staff activity. ECD's regional staff will work with chambers of commerce and local and regional community development organizations throughout the region to cooperatively arrange meetings with large employers that have not been contacted by the Governor or Commissioner in 2011. These meetings will accomplish the following objectives: show appreciation to companies that do business in Tennessee; open up a line of communication so that companies are comfortable reaching out to ECD with questions regarding state government (i.e. underscore ECD's position as a "one-stop-shop"); educate companies about state incentives and other forms of assistance that may be available; obtain feedback on state programs and initiatives; identify potential relocation/expansion opportunities; and provide ECD regional staff with deeper industry knowledge and understanding of future challenges and opportunities facing companies in the region.

In addition, ECD regional staff will also accompany the Film, Entertainment and Music Commission staff and the FEMC's local partners as appropriate on several of its initial meetings with entertainment industry companies in the region. The Commissioner will be working with its local partners in reaching out to gather information about the entertainment industry and identify possible expansion and relocation opportunities. The involvement of ECD's regional staff will facilitate a concerted effort to expand and relocate industry participants to the area at an accelerated pace.

A disciplined effort to call on existing businesses should boost the rate of expansion in the region by area businesses. Companies that understand available incentives and see the state as a partner in growth are more likely to invest in the region. Moreover, these businesses are key partners in the recruitment of their suppliers and customers to the region. Numerous business leaders have noted that the seemingly simple act of the State calling on companies and maintaining an open dialogue also goes a long way in influencing corporate decisions about expansion.

Innovation

Because much of the support for entrepreneurs in the region is centered in the urban and suburban areas, ECD's regional staff

will market the services available at the Entrepreneur Center, the Nashville-based accelerator that received a \$250,000 grant as part of ECD's INCITE program, to contacts in both inner city and rural areas of the region. Northern Middle Tennessee is a leader in entrepreneurial activity among the nine regions due to its higher education assets, established industry clusters and concentration of venture capital firms, but the rural counties in the region have not traditionally enjoyed the same access to entrepreneurial support as their urban and suburban counterparts. Similarly, we see an opportunity for expanded outreach in some of our more distressed urban areas. To remedy this problem, ECD regional staff will make efforts to make economic development professionals as well as community and business leaders located in the region's inner city and rural areas aware of the Entrepreneur Center and its services. The regional staff's goal is to have entrepreneurs from each of the region's rural counties participate in an Entrepreneur Center program in 2012.

In addition to this marketing initiative aimed at undeserved markets, ECD regional staff also intends to work with the Entrepreneur Center to link all of the area's entrepreneurial support services. This will be accomplished by bringing all of the organizations together that support start up and high growth businesses. Through this effort, a framework for cooperation between the various organizations will be established.

Workforce Development

The region's primary workforce-related challenge is a lack of qualified technology workers. The Nashville Technology Council estimates that approximately 1,000 technology-related jobs are currently unfilled in the Nashville area because qualified candidates are not available. ECD regional staff will assist the Council in its efforts to recruit qualified technology workers from out-of-state by gathering information from existing businesses on technology-related workforce needs and supporting other research initiatives of the Council. It is anticipated that ECD's assistance will help enable the Nashville Technology Council to conduct targeted technology worker recruitment activities in at least two out-of-state markets in 2012.

In addition to supporting the efforts of the Nashville Technology Council, ECD regional staff will also cooperate with employers, educational institutions and workforce development boards to strengthen existing training programs and establish new training programs. Programs run by the Tennessee Technology Centers in Dickson, Hartsville and Murfreesboro have been particularly effective at crafting programs that provide workers with skills required by specific employers. ECD will work with the various stakeholders involved in workforce development to ensure the continued success of these and other programs.

ACTION ITEMS

Action Item #1: Conduct training sessions for county-wide economic development organizations that seek assistance in enhancing business recruitment processes.

ECD staff will offer every countywide economic development organization that is interested training to enhance business recruitment processes based on national best practices. The economic development landscape is constantly changing and ECD is well positioned to work with economic development professionals to make sure that marketing materials, RFP/RFI responses and other aspects of their business recruitment efforts meet the standards of leading peer organizations elsewhere in the country. Organizations that seek ECD's assistance in enhancing their business development processes will attend customized training sessions put on by Northern Middle Tennessee regional staff.

Action Item #2: Engage as needed with the Film, Entertainment and Music Commission (“FEMC”) in its existing business outreach efforts to help industry employers expand or relocate to the region.

Regional staff will accompany Film, Entertainment and Music Commission staff in meetings with existing entertainment companies as appropriate as well as share best practices in business outreach efforts with the Commission on an as needed basis. Regional staff will aim at supporting the FEMC efforts to gather information about the entertainment industry and identify possible expansion and relocation opportunities.

Action Item #3: Promote innovation in the Northern Middle Tennessee region's rural counties and distressed inner-city areas by leveraging relationships in these counties to promote programs offered by the Entrepreneur Center.

Regional staff will ensure that ECD's efforts to boost innovation benefit start-ups across Northern Middle Tennessee by leveraging contacts in the region's rural counties and in distressed inner-city areas to market programs offered by the Entrepreneur Center. The staff's efforts will result in at least one entrepreneur from each of the region's rural counties and targeted inner-city areas participating in an Entrepreneur Center program.

Action Item #4: Assist the Nashville Technology Council's efforts to recruit technology workers .

By gathering information from existing businesses on technology-related workforce needs and supporting other related initiatives focused on technology workers, ECD regional staff will help enable the Nashville Technology Council to conduct targeted technology worker recruitment activities. The Nashville Technology Council intends to make targeted recruitment efforts in at least two out-of-state markets in 2012.

NORTHERN MIDDLE REGIONAL PARTNERS

- Connected Tennessee
- Austin Peay State University
- Belmont University
- Four Lakes Regional Industrial Development Authority
- Greater Nashville Regional Council
- Local Chambers of Commerce
- Local Utility Districts
- Middle Tennessee Industrial Development Association
- Middle Tennessee State University
- Partnership 2020
- Startup Tennessee
- Tennessee Career Centers
- Tennessee Department of Agriculture
- Tennessee Department of Economic and Community Development
- Tennessee Department of Environment and Conservation
- Tennessee Department of Labor and Workforce Development
- Tennessee Department of Tourist Development
- Tennessee Department of Transportation
- Tennessee River Communities
- Tennessee Small Business Development Center
- Tennessee Technology Centers
- Tennessee Valley Authority
- University of Tennessee Center of Industrial Services
- University of Tennessee County Technical Assistance Service
- University of Tennessee Municipal Technical Advisory Service
- U.S. Department of Agriculture Rural Development
- U.S. Economic Development Administration
- U.S. Small Business Administration
- Vanderbilt University

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