

PART 2: STRATEGIC RECOMMENDATIONS

# **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)**

For the Memphis Area Association of Governments (MAAG)



Prepared April 4, 2017  
for MAAG

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## **INTRODUCTION**

This report represents Part 2 of a two-part Comprehensive Economic Development Strategy (CEDS) for the Memphis Region. This Part 2 Report provides the strategic recommendations (“direction”), action plan, and evaluation framework for regional economic development based on the findings from a background economic base assessment as well as a targeted industry analysis contained in the Part 1 Report submitted separately. The Memphis Region CEDS was prepared for the Memphis Area Association of Governments (MAAG) through a grant from the U.S. Economic Development Administration (EDA).

Various inputs helped to inform this Part 2 Report, including a review of existing documentation relating to economic development and planning within the region. Interviews, surveys, and focus groups were conducted as part of a stakeholder engagement process with representatives of business, government, and institutions throughout the area. Field reconnaissance was conducted and information collected on existing programs in the region.

Section 1 of this Part 2 Report provides input on the Strategic Direction for regional economic development, expressed in terms of an overall vision, goals and objectives. Input for this section was generated from a visioning session with members of the project steering committee and from individual focus groups and existing documentation. Section 2 provides recommendations for target business and industry recruitment, business retention, workforce development, corridor/business district revitalization, entrepreneurial development, and other aspects as appropriate.

An implementation Action Plan is provided in Section 3 as a guide for specific actions to be undertaken, along with a timetable, assignment of responsibility, indicative costs, and proposed funding sources for each action as appropriate. Ultimately, the strategy attempts to provide actions that are “implementable,” with buy-in from the implementing agencies and various stakeholders.

Finally, Section 4 provides an Evaluation Framework for efforts to enhance regional coordination and economic development. This framework also touches on issues of economic resilience and preparedness.

### **Acknowledgements**

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of the Project Steering Committee established for this CEDS. Steering Committee members included the following individuals, representing key organizations and institutions, and providing their time and attention.

**The CEDS Steering Committee**

William C. Adair, President	Piperton Hills Phase I LLC
Scott Brockman, President and CEO	Memphis-Shelby County Airport Authority
Eddie Brawley, Study Director	West Memphis Metropolitan Planning Organization
Ordis D. Copeland, Business Dev. Consultant	State of TN Dept. of Econ. & Comm. Dev.
Mike Demster, President	Marion Arkansas Chamber of Commerce
Reid Dulberger, President	Economic Dev. Growth Engine (EDGE)
Maleia Evans, Executive Director	Covington Tipton County Chamber of Commerce
Jim Flanagan, President	DeSoto Co. Economic Dev. Council
Honorable Maurice Gaines, Jr., Mayor	Lauderdale County
Alfred Green, President	Lewis Mechanical Contractors
Honorable Jeff Huffman, County Executive	Tipton County
Kevin Kane, President	Memphis Convention and Visitor Bureau
Honorable Mark H. Luttrell, Jr., County Mayor	Shelby County
Vanessa Lynchard, County Administrator	DeSoto County
Pragati Srivastava, Program Administrator	Memphis MPO
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Honorable Rhea "Skip" Taylor, County Mayor	Fayette County
Robert D. Turner, City Administrator	City of Somerville
Cristie Upshaw Travis, Chief Executive Officer	Memphis Business Group on Health
Honorable Woody Wheelless, County Judge	Crittenden County
Luke Yancy, III, President	Mid-South Minority Business Council Continuum

Steering committee members, along with representatives of various chambers of commerce and other organizations in the region helped provide input and assistance where possible.

## **Section 1. STRATEGIC DIRECTION**

A stakeholder engagement process including a strategic visioning session with the project steering committee provided input on the goals and objectives for regional economic development. This section provides a summary of outcomes generated by the visioning session, industry focus groups, target industry analysis, and interviews with individual business leaders and economic development service providers. This information provides a basis for strategic recommendations on regional economic development and more specifically on the role of the Memphis Area Association of Governments (MAAG) in addressing certain issues and objectives.

### **Key Themes**

Strategic visioning identified several key issues and themes that relate to regional economic development. The themes provide important input for identifying overall goals and objectives.

- 1. Our Labor Force Issues are holding back Economic Growth.** The steering committee, focus groups, and interviews all identified several serious gaps in labor force competitiveness (relating to both skills and job readiness) that many claim are holding back the region's economic growth. For example, while there is agreement that the area has a strategic cluster and competitive advantage for medical equipment and instrument manufacturing, the dearth of available skills in the region hampers development of the cluster. For tourism, there was an issue of basic customer service skills to serve the growing industry. Some suggested that more jobs are needed that match the skills of the region's labor force. These concerns resonated across industries and occupational sectors.

While the labor force issues are paramount, several observations can be made to provide context to these concerns. First, as the nation's labor market tightens and unemployment falls below 5.0%, many of the issues identified in Memphis are consistent with findings in other regions. The dearth of available, skilled workforce is beginning to constrain economic growth in large portions of the country. And second, the region has only recently formed an organization, the Greater Memphis Alliance for a Competitive Workforce (GMACW), which is collaborating with employers and training resources to address some of the region's prime issues. Individual industry councils, non-profit organizations, vocational training entities, and others are working to identify and address these problems. That being said, there remain some gaps including a focus on several target industry sectors (like tourism, administrative support services, etc)

and geographic areas (rural counties) where the need does not appear to be fully addressed.

- 2. The Memphis Region Suffers from Negative Imaging.** Negative perceptions associated with a high crime rate, high poverty rate, and other issues continue to impact negatively on economic growth not only in the city of Memphis but throughout the entire region. Forbes Magazine notoriously ranked Memphis as the 3<sup>rd</sup> “Most Miserable City in the Nation” in 2010, not far behind Cleveland and Stockton (CA) but worse even than Detroit. While the rather arbitrary ranking was released seven years ago, many in the region still feel the sting. Overall, there is a need for positive press and positive self-image. Once again, there are strong efforts to overcome the image issues. Tourism agencies, among others, are working aggressively to promote a very strong Memphis brand.
- 3. The Region Lacks Mass Transit.** Tourism and other industry representatives identified public transportation as a serious issue affecting not only visitors but also the workforce. The Memphis & Shelby County Regional Economic Development Plan included a survey of workers which identified public transportation as a top issue among unemployed prospective workers, with more than 60% professing a reliance on public transportation. The 2040 *Regional Transportation Plan* has been released as a vision for how that region (Shelby County, DeSoto County, and a small portion of Fayette County) can address issues of transportation accessibility. *The Plan* focused on improving bus routes and transportation access to link people with jobs.
- 4. Research Base Not Translating into Business Development.** Memphis has an exceptional concentration of basic research, especially in its biomedical and other core sectors. However, there was the observation that this basic research strength is not leading to commercialization at a rate that creates significant jobs in the regional economy. A lack of skills and entrepreneurship were both blamed for some of the region’s failure to launch the “D” portion (product development) of R&D and commercialize products through technology transfer.

Again, while there are constraints to the skills base, the Memphis region is making progress on the broader issue of product development. Development of the UT Baptist Research Park (“Where Biosciences Come to Life”) can help translate biomedical and life science research into patented products for further development. Normally, R&D parks offer a technology transfer function, coupled with venture capital, that can help move new ideas into phased product development. The strategy for how products would move into the production phase in Memphis is not clear, but Memphis Bioworks, the Bioworks Business Incubator, and others are working towards this end.

- 5. Rural Areas Not Sharing in Economic Growth.** Less-developed counties like Fayette, Tipton, and especially Lauderdale, remain less robust in terms of economic and income growth than the economic engine of Shelby County. A focus in these counties has been on attracting medium and large-scale manufacturing “drop-in” uses. In reality, there are only a handful of large manufacturing facilities opened each year nationwide, yet there are more than 3,100 counties and almost 20,000 incorporated places vying for new facilities. More importantly, the manufacturing sector has shed jobs and is more productive today because of automation. “Advanced” manufacturing jobs pay well, but there are fewer of these jobs and they require a higher level of skills and education than they did 30 years ago. Growth industries today relate to information technologies and rural communities provide certain competitive advantages for businesses and administrative functions that do not require direct access and exposure. But how the region’s communities are marketing for those jobs is a key question.
- 6. Our Logistics Cluster is Becoming More Automated.** The Memphis region has certainly developed a competitive strength as a global hub for transportation and logistics, with the headquarters and major operations of FedEx. Many jobs in the cluster (e.g., truck drivers, material handlers, etc) do not require a college education. But as the cluster integrates more technology, such as through autonomous vehicles, picking machines, and other innovations, the employment yield from logistics will grow more slowly. While logistics will remain an important core target for the region’s business development efforts, there is the need to look at sister industries and diversification to enhance job and income growth.
- 7. The Region’s ED Efforts are Not Fully Coordinated.** There is a plethora of planning, economic development, and labor force development entities in the region. Certainly Memphis and Shelby County have tried to bring many groups and objectives under one or two umbrellas, through the Greater Memphis Chamber and GMACW. But there is still little coordination with surrounding counties and municipalities on regional economic development. Further, there is competition for limited resources among groups that are targeting similar business investments. Part of the problem is that various “regional” groups have differing definitions of their service areas, and these often differ from the statistical definitions that form the basis for federal and state funding.
- Memphis-Forrest City Consolidated MSA is defined by the U.S. Bureau of the Census as Shelby, Fayette, and Tipton counties in Tennessee; Benton, Desoto, Marshall, Tate, and Tunica in Mississippi; and Crittenden in Arkansas.

- Mid-South Region is more of a regional trade area and marketing identity and includes portions of west Tennessee, north Mississippi, northeast Arkansas, the “Bootheal” of Missouri, western Kentucky, and even portions of southern Illinois.
- MAAG region consists of Shelby, Crittenden, DeSoto, Fayette, Tipton, and Lauderdale counties.
- Greater Memphis Chamber and Memphis CVB promote Memphis and Shelby County (including small communities in Shelby County).
- Tennessee Development District #1. Only the four Tennessee counties in MAAG form the TDD#1, the area covered by this Comprehensive Economic Development Strategy (CEDS).
- Memphis Regional Megasite, designated by the Tennessee Department of Economic and Community Development, is primarily located in Haywood County, not in TDD#1.
- Memphis Metropolitan Planning Organization (MPO) covers Memphis and Shelby County, plus DeSoto County and small portions of Fayette and Marshall counties.
- HTL Advantage organization represents Tipton, Haywood, and Lauderdale counties in economic development.
- TN 385 / I-269 Economic Development Corridor winds through portions of Shelby and Fayette counties. And there are even more super-jurisdictional economic development and planning efforts within this region.
- North Mississippi Industrial Development Association (NMIDA) covers the 29 counties in north Mississippi that correspond to TVA territory in Mississippi. This area includes portions of DeSoto, Tate, Benton, and Marshall counties that are also part of the Memphis CMSA.
- Workforce Investment Networks (WIN) is a community resource for job seekers and connects them with employment in Memphis, Shelby County, and Fayette County.
- East Arkansas Planning & Development District (EAPDD) includes Crittenden County (part of MAAG and the Memphis CMSA) as well as other portions of eastern Arkansas that form part of the Mid-South region.
- North Delta Planning & Development District (NDPPD) includes DeSoto County (part of MAAG) as well as Tate and Tunica counties (part of the Memphis CMSA).

## **Goal and Objectives**

Based on these and other inputs, a goal and associated objectives for this CEDS have been defined as a threshold for the development of strategies and implementation plans provided later in this report.

## **Goals**

Goals were defined both for regional economic development and specifically, for this Comprehensive Economic Development Strategy (CEDS).

***Regional Economic Development.*** *The goal for regional economic development is to target resources to address shared concerns (e.g., regional transportation, marketing image, labor markets), define specialized niches that build on local competitive strengths, and ensure economic prosperity reaches all geographic sectors.*

***CEDS.*** *The Goal for this CEDS is to define those areas where value can be added to strengthen existing programs or create new mechanisms for meeting regional economic development goals and objectives.*

## **Objectives**

Certain objectives were defined as steps that respond to the overall goals identified above. These key objectives are listed below.

1. Define and develop those industries, sectors, or clusters for which the region and sub-areas have a competitive advantage but where there is a gap in marketing, business recruitment, and labor force development efforts in the region.
2. Identify and develop target niches for areas within the region to help reduce competition and build on competitive advantages, with a specific focus on rural versus urban communities.
3. Add value (such as information), where possible, to the workforce development efforts already underway from various entities in the region.
4. Identify and further analyze infrastructure that could help support regional economic development and/or fill significant gaps in sub-regional development.
5. Identify and implement new opportunities for coordination and collaboration in economic development region-wide or on a sector or sub-regional basis.
6. Identify opportunities for enhancing regional and sub-regional image or identity marketing.
7. Identify roles for MAAG in the regional and sub-regional economic development strategies identified as part of this plan.

## **Section 2. KEY STRATEGIES**

This section provides strategies for regional collaboration, target industry marketing & business recruitment, workforce development, infrastructure development, and other key elements of regional economic development. The strategies form the basis for an Implementation Action Plan provided in Section 3, and evaluation framework in Section 4 of this plan.

### **Target Industry Marketing & Business Recruitment**

Various entities throughout the region have established target industry sectors and clusters for marketing and business recruitment. The target industry analysis summarized in the Part 1 Report also identified key regional and local targets for industry recruitment and business development. These findings were compared with existing marketing efforts in the region to refine and strengthen the broader concepts for how the region and its component parts can be marketed. Marketing objectives and strategies are provided below to inform and influence site selection decision markers in the targeted industries.

#### **Existing Targets**

First it is important to review how the region is currently being marketed and the specific target industries, sectors, and clusters that have been identified by the various economic development and industry promotion entities. These existing targets provide a springboard for defining the regional marketing strengths and identifying gaps and opportunities for specialization.

- **Transportation & Logistics Cluster.** The distribution cluster is promoted most intensively by the broadest regional coalition and by individual local governments in the region. Among those promoting this cluster are:
  - Greater Memphis Chamber
  - Memphis & Shelby County Regional Logistics Council
  - Tipton, Lauderdale, Haywood counties (HTL Advantage)
  - Memphis Association of Equipment Distributors
  - Memphis & Shelby County Aerotropolis Initiative
  - City of West Memphis
  - DeSoto County

Key industries in this cluster that have been identified through the Greater Memphis Chamber's Regional Economic Development Plan (GMC Plan) or are being marketed or promoted by various entities in the region include:

- Couriers & Express Delivery Services (GMC Plan)
- Other Farm Product Raw Material Merchants (GMC Plan)
- Warehousing & Storage (DeSoto County)
- Merchant Wholesalers (GMC Plan)
- Transportation Services -water, truck, air, rail, & support (GMC Plan)

- **Manufacturing Sector.** Manufacturing is a very large sector that includes a multitude of individual and unique industries. In some form or fashion, nearly all of the region's economic development entities are promoting their area for manufacturing, but the level of specificity varies between them. The entities emphasizing manufacturing include the following:

- Greater Memphis Chamber (no specific target, but strengths identified in GMC Plan)
- Memphis & Shelby County Manufacturing Council
- Made in the Mid-South Manufacturing Alliance (MMMA)
- City of Bartlett
- Agricenter International (AI), National Cotton Council (NCC), etc
- HTL Advantage (Tipton, Lauderdale, Haywood counties)
- City of West Memphis
- Memphis & Shelby County Aerotropolis Initiative

Specific manufacturing targets identified through the *Regional Economic Development Plan* and by various economic development entities include the following:

- "Tradable Commodities" (GMC Plan)
    - Paper, pulp, converted paper products
    - Grain and oilseed milling
    - Wood products
    - Primary metals forging
  - Agribusiness (Bartlett, AI) & "Materials Processing" (GMC Plan)
    - Food & beverages (HTL Advantage, Bartlett)
    - Cotton (NCC)
    - "Green" Industries (Bartlett)
  - Electronics
    - Assembly, repair, and manufacturing (Shelby County)
  - "Advanced Manufacturing" (Memphis & Shelby County Aerotropolis)
  - Medical Equipment & Supplies (GMC, GMMDC, et al)
  - Automotive Parts & Equipment (HTL Advantage)
  - "Green" Industries (HTL Advantage, Bartlett, West Memphis)
    - Solar Energy Products (HTL Advantage)
- **Healthcare, Bioscience, Life Sciences, & Medical Technologies.** This cluster is referenced in different ways by various entities, depending on the context. In general, there is a basic understanding of the region's apparent strengths in life science research and a more specific focus on medical instrument manufacturing (for which the region has a high concentration). Entities somehow engaged in marketing and promoting this cluster include the following:

- Greater Memphis Chamber
- City of Memphis and Shelby County
- Memphis Medical District
- Memphis Research Consortium (MRC)
- Greater Memphis Medical Devices Council (GMMDC)
- Greater Memphis Information Technology Council (GMITC)
- Memphis Bioworks Foundation (MBF) & Bioworks Incubator
- City of Bartlett
- City of West Memphis
- Memphis & Shelby County Aerotropolis

Again, the specific industries being marketed or promoted vary, depending on the entity. Below are industries or research areas where individual entities have identified strengths and/or marketing and recruitment opportunities:

- Medical Equipment & Supplies Manufacturing (see Manufacturing)
- Bioscience, Biotechnology, & Medical R&D
  - Genomics and Infomatics, population science; and bio-devices, bio-materials, and bio-logics (MRC)
  - Biomedical research & manufacturing (Shelby County, Bartlett)
  - Specialized Medicine (St. Jude, SCO, UTHSC)
  - Bio-agriculture (Bartlett, see Agribusiness)
- Information Technology (Shelby County, MBF)
  - Bioscience & healthcare
- **Management Services.** The Greater Memphis Chamber has identified “Corporate Offices” as a target for business recruitment. This function forms part of the Management Services sector. Memphis is not alone in targeting corporate offices. So are Nashville, Richmond, and other comparable cities.

--Greater Memphis Chamber

The components of this sector or similar activities which the Chamber has targeted including the following:

- Corporate Offices, Home Offices
- Call Centers (Technically part of Administrative Services)
- **Tourism Cluster.** Tourism is already an important part of the region’s economy. Many of the area’s economic development entities recognize this strength and are helping to build on it. Key entities that have identified tourism as an important economic target are:

--Memphis Convention & Visitors Bureau  
--Shelby County Government  
--Memphis & Shelby County Film & Television Commission  
--City of Bartlett / Northeast Corridor  
--DeSoto County / Delta Region  
--Memphis & Shelby County Aerotropolis

Specific components of this cluster marketed by area economic development entities include the following:

- Convention & Tourism-Related Industries (transportation services)
- “Logistics, Music, Film, and Tourism” (Shelby County Government)
- “Music, Media & Tourism” (Memphis & Shelby County Aerotropolis)
- Retail and Hospitality - NE Corridor (City of Bartlett)
- **Other.** Several entities are also promoting other targets for business recruitment that do not necessarily fall into a specific industry category or cluster definition. For example, the Greater Memphis Chamber (through its International Business Council) is promoting the region for “Exports and International Business,” based in part on the findings of the Regional Economic Development Plan. The City of Bartlett is promoting “Growth Companies” that trace their origins to the city. These categories are cross-sectoral in nature.

## **Regional Marketing Opportunities**

The target industry analysis described in Part 1 of this CEDS identified gaps and opportunities for regional marketing and business recruitment. These opportunities focus on diversifying and refining existing strengths. In some cases, more specific definition is given to what is already being marketed in a general way. The potential opportunities include the following, as described in Part 1:

- **Manufacturing: Air Freight Products**. The Aerotropolis Initiative focuses attention on opportunities for logistics & distribution, advanced manufacturing, bio-life sciences; and music, media and tourism, through its plan for “Economic Development Districts” in sub-areas surrounding Memphis International Airport. Complementing this framework, the CEDS Target Industry Analysis provides some detail on the following specific industry opportunities:
  - **High-value goods**
    - Prototyping, samples
    - Product patterns, designs, technical drawings
    - JIT business-to-consumer (B2C) deliveries. Amazon is becoming a major player in this market, how will FedEx and UPS capture their “fair” share?
    - Electronics
    - Apparel (i.e., seasonal lines)
    - Pharmaceuticals
  - **Perishables**
    - Cut flowers
    - Vegetables
    - Electronics
    - Fresh Fish (e.g., Catfish or farmed fish, in the Memphis region)
- **Medical/Bioscience/R&D**. Key opportunities identified in the Target Industry Analysis to build on the existing regional base include:
  - Pharmaceuticals and botanicals
  - R&D anchor institutions
  - Emerging information technologies
  - Software applications
  - Entrepreneurial cluster
  - Dental laboratories
- **Transportation & Logistics**. To help strengthen and diversify this cluster, there are approaches identified in the Target Industry Analysis to engage with emerging technologies and new markets:
  - 3-D printing and associated applications
  - Autonomous vehicles
  - Transportation corporate offices
  - Transportation R&D
  - Smart roads/infrastructure

- **Electrical Equipment.** Again, the specific opportunities identified within this industry including the following:
  - Electro-medical and electro-therapeutic apparatus (334510)
  - Automatic environmental control manufacturing (334512)
  - Irradiation apparatus manufacturing (334517)
  - Electrical equipment, devices and components (335)
  
- **Food and Agricultural Products.** Opportunities to build on Memphis' "home-grown" strengths, as explained in the Part 1 Report, include:
  - Seafood (Catfish) preparation and packaging (3117)
  - Dairy product manufacturing (3115)
  - Confectionary manufacturing (311352)
  - Soybean product manufacturing (311224)
  - Animal food manufacturing (3111)
  
- **Tourism.** Again associated with the Aerotropolis Initiative is the need for super-regional marketing (e.g., Memphis – Nashville - New Orleans Music Triangle, Delta initiatives) and further international market development. Pursuit of film and television production, while a logical course given Memphis' appeal and its past success, does not maximize long-term economic benefits because of the short-term nature of most production outside of the major centers. However, it can raise the regional profile and expose the Memphis brand to new markets.

## **Local & Corridor Specializations**

Beyond marketing efforts built on regional strengths, there are opportunities for communities to focus their efforts on their own competitive strengths within the region. In some cases, local specialization relates to niches within the broader regional marketing effort. But in other cases, there are opportunities to capture different markets for products and services. Several opportunities for specialization are identified below.

- **Memphis International Airport Area** (Aerotropolis – I-55/69 & I-240). As indicated above, there are specific industries for which there is an opportunity for air freight product development. These industries could be targeted to areas within close proximity to the airport such as in the development zones indicated in the Aerotropolis Master Plan.
  - **High-value goods (manufacturing, packing, wholesale, warehousing)**
    - Prototyping, samples
    - Product patterns, designs, technical drawings
    - JIT business-to-consumer (B2C) deliveries. Amazon is becoming a major player in this market, how will FedEx and UPS capture their "fair" share?
    - Electronics
    - Apparel (i.e., seasonal lines)
    - Pharmaceuticals

- Perishables (packing, wholesale, warehousing)
  - Cut flowers
  - Vegetables
  - Electronics
  - Fresh Fish (e.g., Catfish or farmed fish, in the Memphis region)
  
- **Memphis and West Memphis Port Areas.** Manufacturing related to the region's competitive advantage for bulk products, including metals and agribusiness / food production, can be further concentrated around the port areas due to the strong relationship to rail and water transport.
  - Paper, pulp, converted paper products
  - Grain and oilseed milling
  - Wood products
  - Primary metals forging
  - Dairy product manufacturing (3115)
  - Confectionary manufacturing (311352)
  - Soybean product manufacturing (311224)
  - Animal food manufacturing (3111)
  
- **Midtown & Medical District.** Medical/bioscience, research & development, and medical instrument manufacturing are logically concentrated with access to the region's research institutions but also in the southeast corridor near Memphis International Airport. That being said, the outlying counties have competitive cost advantages for medical and surgical instrument manufacturing.
  - Pharmaceuticals and botanicals
  - R&D anchor institutions
  - Emerging information technologies
  - Software applications
  - Entrepreneurial cluster
  - Dental laboratories
  - Investigation and Security Services
  - Electro-medical and electro-therapeutic apparatus (334510)
  - Automatic environmental control manufacturing (334512)
  - Irradiation apparatus manufacturing (334517)
  - Electrical equipment, devices and components (335)
    - Relays & Industrial Controls
  - Bioscience, Biotechnology, & Medical R&D
    - Genomics and Infomatics, population science; and bio-devices, bio-materials, and bio-logics
    - Biomedical research
    - Specialized Medicine (St. Jude, SCO, UTHSC)
    - Bio-agriculture
  - Information Technology
    - Bioscience & healthcare

- **Southeast-Northwest Axis.** The transportation and logistics cluster is already focused in a southeast-northwest axis through Memphis International Airport, the Port of Memphis, and West Memphis. There are clear advantages to focusing transportation and logistics resources, infrastructure and support industries in this corridor.
  - Couriers & Express Delivery Services
  - Other Farm Product Raw Material Merchants
  - Warehousing & Storage
  - Merchant Wholesalers
  - Transportation Services -water, truck, air, rail, & support
  - 3-D printing and associated applications
  - Autonomous vehicles
  - Transportation corporate offices
  - Transportation R&D
  - Smart roads/infrastructure
  
- **Outlying Counties / Rural Communities (Tipton, Lauderdale, Fayette).** Tourism activity is highly-concentrated in or near Downtown Memphis. But there are opportunities to expand the tourism product and strengthen marketing of rural areas surrounding Memphis that help to tell the region's story, especially music, agriculture, and Civil Rights heritage. The agribusiness cluster indeed remains an important component of the economy in the outlying counties, including food production, wholesale of agricultural products, wood, cotton, farm machinery repair, agricultural support activities, and farm product warehousing & distribution. Manufacturing in the outlying counties relate to existing strengths in transportation equipment, medical instruments, metals, and plastic & paper packaging in support of the region's logistics cluster. There are also opportunities to attract back office administrative services and web-based businesses to rural areas in the region. Key opportunities in Tipton, Lauderdale, and Fayette counties are summarized below..
  - **Tourism Cluster** (Relies on Asset Development)
    - Music, Civil Rights, Agricultural Heritage
    - Recreation and Vacation Camps & Campgrounds
    - Transport Services (e.g., charter bus companies)
    - Accommodation & foodservices
  - **Agribusiness Cluster** (Static Growth)
    - Cotton
    - Wood & Paper Products, Windows/Doors, Pallets, Pre-Fab Building
    - Wholesale of Agricultural Products
    - Wholesale of Farm Equipment & Machinery
    - Petroleum Bulk Wholesalers
    - Farm Machinery & Equipment Rental
    - Support Activities or Animal Production
    - Farm Product Warehousing & Distribution
    - Surveying & Mapping
    - Food Production: Sugar Confectionary, Dairy Products, Ice Cream, Frozen Specialty Food Manufacturing

- **Packaging Cluster** (Opportunities for Diversification)
  - Packing & Crating Services
  - Resins
  - Synthetic Dye & Pigments
  - Plastic Packaging & Sheet Manufacturing
  - Packaging & Labeling Services
  - Currogated & Solid Paper Box Manufacturing
- **Construction Cluster** (Cyclical)
  - Asphalt Manufacturing
  - Ceramics, Plumbing Fixture Manufacturing
  - Metal Valves, Pipe Fitting
  - HVAC Equipment Manufacturing
  - Plastic Pipes
  - Cement, Concrete, Stone
  - Steel Products: Iron & Steel Pipe
  - Construction Contractors
  - Wholesale Construction Equipment & Machinery
  - Power Boilers & Heat Exchangers
- **Transportation Equipment-Automotive Cluster** (OEM-Dependent)
  - Wholesale Used Auto Parts
  - Motor Vehicle Parts Manufacturing
  - Rubber Hoses
  - Tool & Die
  - Electroplating
  - Sheet Metal
  - Electrical Relay & Industrial Control Manufacturing
- **Electrical & Medical Equipment Cluster** (Regional Growth Cluster)
  - Electrical Equipment/Switchgear
  - Surgical/Medical Instruments, Ophthalmic Goods (Tipton, Fayette)
  - Electronic equipment repair, maintenance
- **Misc Manufacturing** (Occasional “Drop-In” Uses)
  - Jewelry & Silverware
  - Small Arms Manufacturing
  - Sawmills, Woodworking & Paper Machinery Manufacturing
  - Industrial & Commercial Fans & Blowers
- **Administrative & Management Support Services** (Untapped Potential)
  - Customer Support
  - IT & Technical Support Services
  - Billing & Recordkeeping, Payroll/HR Support, and Processing
  - Internal Distribution and Logistics
  - Web-Based Administrative Support Contractors & Services
  - Web-Based Management Support and Business Services

The clusters identified above for outlying counties offer opportunities for diversification and growth, but they also face constraints. Tourism is a growth industry and the region offers significant assets and a strong brand, but there is a need for heritage asset identification and further development. The three counties are all strong in agribusiness, but many of the industries that comprise this cluster are static, with only limited growth potential.

There are disparate components of a packaging cluster already present in the region (supported by a large freight and logistics hub), but no apparent collaborative effort as yet to market this strength and diversify. There are a number of activities within the three counties oriented to the construction cluster, but the sector overall is cyclical in nature and therefore prone to over-investment. The region also has strengths for automotive equipment and parts supply, but contract activity is highly dependent on the OEM agreements and shifting dynamics of the primary producers so marketing efforts must be highly targeted. The three counties, as noted previously, offer cost advantages for further concentration of medical equipment manufacturing as part of the broader regional cluster.

Perhaps the largest untapped opportunity would be for back office and administrative or management support services, which are increasingly located in either central cities or small towns. Again, the three counties offer cost advantages for recruiting such businesses. The drawback will be in meeting the companies' requirements for education and labor force recruitment.

### **Marketing & Business Recruitment Approaches**

The various economic development entities are engaged in marketing and business recruitment to varying degrees and depending on the specific targets. In general, most have identified their targets in marketing materials and online sites. The Greater Memphis Chamber, in coordination with other agencies in Memphis and Shelby County, has organized industry cluster groups to work on the various workforce and marketing issues within their respective clusters. These include Manufacturing (general), Biosciences, Logistics & Distribution, Corporate Office, and "International Business." As noted previously several industries and clusters are self-organized into similar collaboration and promotion entities including medical instruments, agribusiness, and a few others. The following recommendations focus on opportunities to fill gaps and target specific industries and regions.

- **Packaging Cluster Collaborative.** The packaging-related manufacturing and service industries in the region, along with source material producers should be organized into a marketing and collaborative entity. Such industries include the following and others:
  - Packing & Crating Services
  - Plastic Packaging & Sheet Manufacturing
  - Packaging & Labeling Services
  - Curroigated & Solid Paper Box Manufacturing
  - Postal Services
  - Wood Crate and Pallet Manufacturing
  - Source Material Producers:
    - Paper, plastic, wood, wire, dye/pigments, resins & adhesives

- Transportation Services:
  - Courier and express delivery services; trucking services; rail transportation services; etc.

A process should be established to engage with the leadership of the Greater Memphis Chamber and other chambers and economic development agencies in the region to discuss the concept of this cluster and to conduct more detailed research and analysis of the region's existing base, competitive advantages, and opportunities for growth in the cluster. Representatives of the various cluster industries would be directly involved in the process of establishing such a vehicle for promoting their industries, establishing regional priorities, and marketing the region for business recruitment and growth.

- **Rural Tourism Initiative.** The Memphis Convention and Visitors Bureau (CVB) has been highly successful in growing the tourism flow to Memphis, despite a significant dip in air service. The CVB includes attractions and venues outside of Memphis in surrounding counties on its web site and listings. All of the area counties and chambers promote visitor attractions and lifestyle in the region. However, there is a need to provide more specific focus to rural tourism because of its potential economic benefits to small towns and rural areas outside of Memphis and Shelby County. These smaller communities have the opportunity to capture spin-off from Memphis tourism, and Memphis can benefit from broader regional marketing efforts. Some of those efforts, such as Mississippi Delta marketing, clearly bear fruit in both directions. Similar marketing and tourism development efforts can be focused in West Tennessee. Key opportunities include:

- Stronger recognition and development of music and other heritage attractions
- Development of new destination attractions that strengthen overall tourism marketing themes and tour itineraries.
- Extension of tour and transportation services through regional networks
- Establishment of destination recreation lodging, services and associated activities.
- Stronger coordination of regional event calendars and tour itineraries
- Establishment of heritage and other corridors in the region that tie disparate attractions together thematically through transportation and visitor experience enhancements, interpretation and signage programs, mobile applications, grant funding mechanisms, permanent collections, special exhibitions, events, and individual tour operations

These and other enhances could be generated through coordination with the Memphis CVB, along with chambers and local governments in the region. MAAG can play an important role in coordinating with tourism entities on detailed research an analysis of tourism development potentials (above and beyond marketing) and transportation enhancements as part of a strategic plan to support such potential. MAAG could also play a pivotal role in coordinating on heritage and other corridor development initiatives that cross jurisdictional boundaries. Coordination would be established through a working group in discussions with the CVB and chambers as noted above.

- **Small Town Administrative & Management Support Services Initiatives.** Memphis and surrounding rural communities have a collective comparative cost advantage for supporting IT, administrative and management support service industries. The Greater Memphis Chamber has included “call centers” among its corporate office targets. Technically, call centers are a part of the administrative services sector. Memphis can attract a larger and broader share of administrative and management support services beyond call centers to include other types of technical support, back office processing, logistics, sales and customer support. On a regional basis, Fayette, Tipton, and Lauderdale counties share a competitive advantage for attracting back office, administrative and management support services associated with a regional client base. Administrative & management support services can include the following industries among others:

- Financial planning, billing and recordkeeping
- Payroll and human resources
- Internal travel, logistics and distribution services
- Employment services
- Office cleaning services
- Document preparation services
- Call centers
- Business service centers
- Collections
- Customer sales and services
- Internal IT/maintenance services
- Web design and Internet services
- Technical support

Many of these activities are often drawn to downtown or small town locations, in part because of the demographics of the typical administrative service worker. Aside from professional and management-level positions, such workers tend to be younger, better educated and more mobile than those in other sectors. Because of the combination of youth and higher education, these workers tend to deliver higher

productivity levels for the cost. A collaborative effort among area chambers to examine this sector as a whole, rather than focusing solely on call centers, could benefit regional marketing and business recruitment efforts. MAAG can help facilitate this discussion.

**West Tennessee Small-Town Downtown Collaborative.** There are unique opportunities for IT and back office/administrative support business recruitment in rural counties that focuses on the smaller downtowns (e.g., Somerville, Covington, Ripley, Rossville, Arlington, Henning, etc) and creates a supportive environment there. Efforts at place-making and business development in these smaller towns can be blended effectively with rural tourism efforts described elsewhere. Back office and IT uses, coupled with rural heritage tourism and higher education functions also help strengthen rural communities' appeal as retirement hubs.

It is recommended that a Small Town Collaborative be established in West Tennessee and/or MAAG counties that focus on strengthening small town downtowns in these locations. Elements of such a collaborative could be captured through a downtown planning process and/or centered on the following:

- Community heritage and historic preservation
- Aesthetics and sense of place
- Transportation enhancements
- Targeted business development and housing
- Higher education and similar anchor recruitment or development
- Heritage and recreation tourism
- Community pride and identity branding
- Information technology, related infrastructure and capacity
- Administrative Services workforce readiness & development
- Retirement housing and services

MAAG can play an important role in initiating this Small Town Collaborative as a sub-set of the broader Administrative Services Initiative or as a separate concept. Certainly, the downtowns play an important role in establishing or strengthening economic hubs within the rural counties, above and beyond traditional industrial park development. It is in the downtowns that decisions are sealed by manufacturing and other companies about whether the location suits the needs of a company and its senior management. The amenity value of a downtown cannot be underestimated in today's economic development efforts. But even beyond that, certain business sectors like administrative services, IT, and web-based services are drawn to small town downtowns because of the competitive costs, quality of life, and a business format that supports design, processing, and administration from remote locations. Often, small

IT and web-based business operators (e.g., Millennials) are seeking smaller towns for their lower costs and less-stressful lifestyles.

- **Electronics/IT and Bioscience.** Economic development agencies in Memphis and throughout the region Memphis offers strengths in the biosciences, which includes a significant amount of university-related and clinical research. Medical and surgical instruments are also a key manufacturing industry in the region. These components helped support the establishment of UT-Baptist Research Park, a research facility oriented to the biosciences within the Midtown R&D cluster. While there is plenty of coordination on developing this cluster, there may be a need to ensure that rural counties are participating to the full extent possible in the region's initiatives. It is in the counties surrounding Shelby where many of the region's medical instrument manufacturers are located. So, ensuring that the surrounding counties and smaller communities are incorporated into cluster initiatives is important. MAAG, working to support the efforts of the Memphis Bioworks Foundation, can help ensure there is outreach and communication with the region's local governments to help maximize regional economic benefits.
  
- **Agribusiness Product Development Initiative.** The Memphis area has a tremendous resource in Agricenter International (AI). This non-profit organization provides a center for research, education, and agribusiness on its 1,000-acre farm. Crop research and trials are important components of their operations. There are opportunities to work in coordination with Agricenter International on marketing and product development, beyond the research and associated activities conducted on-site. While several of the area's chambers and economic development agencies have a focus on agribusiness, it is not clear who is driving regional efforts to pro-actively attract, recruit, and grow industries associated with the region's agricultural output. Such industries include but are not limited to the following:
  - Wood & Paper Products, Windows/Doors, Pallets, Pre-Fab Building
  - Wholesale of Agricultural Products
  - Wholesale of Farm Equipment & Machinery
  - Petroleum Bulk Wholesalers
  - Farm Machinery & Equipment
  - Support Activities or Animal Production
  - Farm Product Warehousing & Distribution
  - Surveying & Mapping
  - Food Production: Sugar Confectionary, Dairy Products, Ice Cream, Frozen Specialty Food Manufacturing, Specialty Meats, etc.

While the overall sector is relatively static in terms of its growth trajectory, there are opportunities to focus on growth niches such as specialty food

production and Memphis region branded products (BBQ, catfish, liquors, candies, etc). There may be opportunities to expand research beyond crop research to include more beneficiation and downstream product development, in concert with AI, Memphis Bioworks Foundation, and existing manufacturing businesses in farm areas around Memphis. It is recommended that MAAG, in collaboration with AI, sponsor a product development initiative to research and explore opportunities for further downstream production in the region.

## **Workforce Development**

Research conducted as part of the baseline conditions assessment for this CEDS determined that there are multiple efforts already underway to establish or strengthen targeted workforce development and training programs throughout the region. These programs guide skills development, retention, and recruitment of necessary talent to foster entrepreneurial activity and support the employment needs of targeted industries. And various existing programs go much further to develop lifelong skills through comprehensive elementary and secondary education.

There is also the Greater Memphis Alliance for a Competitive Workforce (GMACW), an employer partnership in a nine-county Memphis region to "build career pathways between the unemployed and the area's open high-skilled positions." As noted in the Part 1 Report, the recently-formed partnership is aimed at eliminating the skills gap in the region's workforce, and includes direct interaction with the region's educational and training institutions to help match workforce skills with the demand for labor. Based on the analysis and research conducted for this CEDS, there are several strategic recommendations on ways to enhance or complement these efforts moving forward.

### **GMACW-Lauderdale County Collaboration**

The 9-county region covered by the GMACW does not presently include Lauderdale County, yet there are significant workforce development issues in the county. As such, there is a need to examine how Lauderdale County can plug into programs and processes that are established as part of this broader regional workforce development model. MAAG should engage with the Lauderdale Chamber/E&CD and with the county's education and training resources (Lauderdale County Department of Education, Tennessee Technology Center, and UT-Martin's Ripley Center) to discuss the opportunities or benefits for collaborating as part of this regional partnership. MAAG would then proceed to facilitate a discussion with GMACW about inclusion of Lauderdale County or at least some sharing of information.

## **Targeted Industry Workforce Development Services**

The *2016 Strategic Sector Workforce Analysis Study* completed for GMACW (through a grant from the Tennessee Labor Education Alignment Program or LEAP) focused on labor force and training supply and demand in key occupational sectors (not to be confused with industry sectors). Those occupational sectors included Information Technology (IT), Architecture and Engineering (AE), Heavy Equipment Technology (HET), Logistics, Manufacturing; and Finance, Insurance, and Business Services (FIBS). The study also drew upon other research conducted for the Medical District Anchors, Transportation Sector, Association of Equipment Distributors, the Manufacturing Institute, Arkansas State University-Mid South campus, and others. Key outcomes from the study included:

- Top 25-30 Jobs in Demand by Sector
- Skills and Training Needs (Based on Employer Survey)
- MSA Top 20 Entry Level Jobs that Do Not Require a Degree
- Input on Labor Force for Business Recruitment Efforts
- Input to Sector Councils (which are focused on workforce development)

The study identified the top three occupations, in terms of demand across the Memphis region:

- Customer Service Representatives (IT, Logistics, Manufacturing, FIBS)
- Skilled, Entry-Level Information Technology Specialists (all sectors)
- Machinists (especially in medical device and advanced manufacturing)

**Administrative, Business, & Management Support Services.** The study's finding of a need for customer service and IT workers is consistent with the Target Industry Analysis conducted for this CEDS, which identified an unrealized opportunity for back office administrative & management support services, including IT and technical support, customer service, and back-office processing. While there are existing education and training programs (such as Shelby County Schools' Virtual STEM Academy and other computer coding programs, technical and vocational college training, etc), there is a need to expand workforce development efforts to include and focus on the wide variety of administrative service positions that are being, and could be, created in the Memphis region. Job readiness programs also go hand-in-hand with any job training.

Further, more specific labor market analysis is recommended for this economic sector, to identify specific targets for job growth and for examining how underutilized components of the labor force in inner-city and rural areas alike can be integrated into the growth of this sector. The types of occupations that could

be considered as part of a strategic analysis of administrative, business, and management support services include the following:

- Bill & account management & collections
- Data management
- Customer service & patient representatives
- Human resources specialists
- Purchasing & logistics specialists
- Credit analysts
- Financial analysts
- Controllers
- Wholesale and retail buyers
- Computer and information systems management
- IT maintenance and support (business support services)
- Document preparation
- Compensation, benefits, and job analysis specialists
- Web-based and other marketing specialists
- Private detectives and investigators
- Reservation and transportation ticket agents
- Sales representatives
- Demonstrators and product promoters
- Environmental engineering technicians
- Weighers, measurers, checkers, samplers, record keepers
- Packers and packagers, order fulfillment
- Designers
- Packaging and filling machine operators

**Packaging.** Attention is needed to preparing workers, especially those without a college education, for jobs in the packaging cluster. Several area colleges (i.e., Christian Brothers) offer courses in “packaging science” and related manufacturing and service industry fields, but there is a strong probability that most packaging skills can be learned on the job. There is the opportunity for establishing a packaging cluster program that focuses on the following component of labor force development within this set of industries:

- Job readiness and preparedness
- Certification in packaging sciences
- Inter-industry apprenticeship program
  - Plastics, paper, metal and wood
  - Adhesives, ink
  - Material handling
  - Trucking and other transportation services
  - Couriers and express delivery
  - Warehousing
  - Packaging
  - Order fulfillment
- Operator licensing, etc

**Agribusiness.** The core GMACW program could also be extended to incorporate more of an emphasis on agribusiness, including both agricultural production as well as manufacturing and downstream beneficiation. Doing so would help support economic development efforts in the broader agricultural region beyond Shelby County. Agribusiness includes a broad range of occupations relating to various industries. There are niches recommended herein that focus on regional specialty food production, for example. In general, workforce development could focus on the following occupations:

- Machinery mechanics and service technicians
- Sales representatives and marketing managers
- Equipment foreman, engineering managers
- Millwrights
- Precision agricultural specialists
- Shop mechanics
- Food production workers
- Account managers
- Credit managers
- Purchasing managers
- Design engineers
- Feed/grain merchandisers
- Nutritionists
- Truck drivers
- Feed mill managers
- Business consultants
- Inventory
- Warehouse management
- Dairy herdsman
- Applicators/Custom applicators
- Agronomists
- Crop specialists
- Site/location managers, etc

## **Use of Incentives and Leveraging**

Local incentives and other leveraging approaches are recommended that can help retain and attract job growth in the targeted industries.

### **Existing Financial & Fiscal Incentives**

Many of the communities in the region, large and small, promote the use of Tennessee's statewide incentives for economic, business, and real estate development. In addition, local communities in the region offer several standard incentives allowed under State enabling legislation.

**State of Tennessee.** Tennessee has no corporate income tax. Otherwise, the State's incentives are comparatively limited in scope, but they are highly-targeted. In general, the State does not provide any loan programs for leveraging investment or job growth. Rather, the State's policy is to provide direct grants or

tax credits where applicable and where there is a measured economic return. A policy favoring grants is well-intentioned based on past practices, but may also constrain business development where grant funding is limited. Aside from direct assistance, the State also provides enabling legislation for local governments to provide certain specific fiscal incentives, so long as they meet certain State requirements. Among the incentives allowed or promoted in the state are the following:

- **Tax Increment Financing (TIF).** State enabling legislation allows local authorities to establish redevelopment districts (which must be approved by the State). TIF, which is often used as a leveraging tool rather than as a direct incentive, can be offered within these redevelopment districts. TIF, the incremental increase in taxes attributed to public investment, helps pay for public infrastructure and leverages private investments where there is a clear fiscal (property or sales tax) and economic (employment generation, blight reduction, poverty alleviation) benefit. Nashville has utilized TIF to generate substantial fiscal returns in places like The Gulch and SoBro, although the economic returns with respect to poverty alleviation are less apparent. Other Middle Tennessee communities like Clarksville and Murfreesboro are also now pursuing the use of TIF.
- **Payment In-Lieu-Of Taxes (PILOT).** West Tennessee, and Memphis in particular, is more attuned to the use of PILOT programs, which provide a direct incentive to those investing and developing real estate that creates jobs and long-term fiscal benefits. PILOTs allow for a negotiated (reduced) tax payment over a specified period. It can be argued that PILOTs have more of an up-front economic benefit because fiscal revenues are forgone temporarily in order to gain employment and income benefits to the community.
- **Tennessee FastTrack Program.** The State offers a variety of grant programs geared toward infrastructure improvements, job training assistance, and broader economic development efforts (e.g., relocation and retrofitting costs, reimbursable IDB funding, etc).
- **Tennessee Tax Credits.** The State offers a variety of tax credits including a standard \$4,500 job tax credit (against franchise and excise tax liabilities), plus variations of that credit based on whether a company is relocating, the size of the investment, or whether the investment is in an economically-distressed or high-poverty area. There is also a 1-10% industrial machinery tax credit (for purchase, installation, or repair). These tax credits generally favor larger, capital-intensive business investments in headquarters, manufacturing, data centers, warehousing & distribution, and call centers. Clearly, incentives for warehouses are geared more for large investments than for job creation.

- **Tennessee Sales and Use Tax Exemptions.** The State also offers exemptions or reduced tax liabilities for industrial machinery, utilities, headquarters personal property, warehouse equipment, call center communications, and data center hard/software.

The State offers various programs to assist small businesses, but little in the way of direct incentives geared specifically to small businesses. The State does enable local governments to offer small business incentives (on a grant basis), as discussed later in this section.

**Local Incentives.** Nearly all of the communities in the CEDS region promote the State's incentives, but practically none offers any other locally-generated incentives. Again, State enabling legislation is very targeted and limits what local governments can offer, in terms of direct fiscal incentives.

That being said, there are a number of other types of financial incentives that local governments could offer that do not directly impact on their fiscal structure or are otherwise limited by State Government. Such incentives include grant programs and special tax levies for building rehabilitation or façade improvements, transportation, day care, purchase of machinery or equipment, and others. Nashville offers cash grants for businesses relocating or adding significant numbers of corporate office or technology jobs. Knoxville also has a façade improvement program providing grants for building improvements in targeted redevelopment areas.

Special Assessments. Special levies are another form of funding for financial improvements that can leverage economic development. Knoxville, Memphis, Nashville and other Tennessee cities have Central Business Improvement Districts (CBIDs) which, while not "incentives" per se, are self-levy mechanisms providing funding for various physical improvements, management, security, and marketing services. Communities outside of Tennessee tend to use special levies more frequently. For example, York County, South Carolina's residents approved a "Pennies for Progress" referendum that places a 1% increase on sales tax rates over a 7-year period to collect money for specific infrastructure projects. The referendum had 82% approval.

Small Business Incentives. Tennessee's local governments appear to be more active now in providing local incentives (beyond TIF and PILOTs) geared to small business development. Metro Nashville now offers several small business incentives, including a \$500-per-job incentive for fast-growing businesses and a 10% grant for the cost of construction or rehabilitation of buildings owned by small businesses in low-income census tracts. Chattanooga offers a Growing Small Business cash incentive of up to \$10,000 for qualified businesses. In addition, non-governmental agencies throughout Tennessee also provide financial assistance and funding for small business development. For example,

the Knoxville Area Urban League (KAUL) operates a Micro-Lending Program for small business development in coordination with the Tennessee Valley Authority.

Summary of Existing Fiscal & Financial Incentives. The following local programs or incentives are actively marketed by economic development and municipal agencies in the CEDS study area. Outside of Memphis and the Shelby County Industrial Development Boards' PILOTs, only Oakland appears to be pro-actively marketing local fiscal incentives.

- Shelby County IDB:
  - PILOT (Health, Education, Facility Board)
  - Industrial Revenue Bonds (IRBs): Tax-exempt revenue bonds for buildings, engineering, infrastructure, land, and new equipment on projects up to \$10 million.
  - Arlington IDB: PILOT
  - Bartlett IDB: PILOT
  - Collierville IDB: PILOT
  - Millington IDB: PILOT
  
- Memphis/EGDE:
  - 2 PILOTs (Downtown & Health, Education, Facility Board)
  - Foreign Trade Zone (property tax exemption, duty reductions)
  - Commercial Office Grant (of up to \$150,000 for tenants relocating to the central business district), administered by the non-profit Center City Development Corporation (CCDC)
  - Development Loan Program (for up to \$150,000 for building rehabilitation and improvements). Administered by CCDC.
  
- Fayette County IDB: City of Oakland PILOT

### **New Fiscal or Financial Incentives**

Certainly there is scope for additional financial and fiscal incentives in the region, beyond the standard State programs. While it is understandable that there is a desire not to compete with sister communities in Tennessee or the region, there are two reasons why some incentives are often necessary: first, investment is difficult to attract to certain communities, whether due to market dynamics or poor conditions that cause a higher financial risk to investors. Some pro-active public leveraging can help reduce the risk of private investment and attract job creation where it might not otherwise have occurred in the private market. Second, while it is important not to compete within the region, communities nationally are using incentives to their advantage.

The recommendation is to restrict incentives to those that are most useful in accomplishing job creation goals and leveraging investment in high-risk conditions. Most pertinent to the target industries and rural development

initiatives described elsewhere in this report are small business incentives. Some examples include:

- Small Business Development Grants: For targeted business development in the small downtowns in Fayette, Lauderdale, and Tipton counties. Such grants should be coupled with technical assistance programs.
- Façade Improvement and other Building Rehabilitation Grants: For businesses in distressed commercial districts, corridors, and downtowns. Some of these grants can be packaged with Historic Tax Credits and other mechanisms available at the federal tax level.
- Per-Job Cash Grants: Aimed at small businesses that relocate or open in the smaller downtown areas, coupled with a package of technical assistance.
- Micro-Loan Programs: Geared to small business investment and development in rural, underserved, or distressed urban communities, offered through community- or region-based non-profits like Knoxville's KAUL program and in concert with technical assistance. Such programs can be packaged with SBA loan programs in a way that enhances existing resources or reduces overhead through packaging.

MAAG could help lead an effort to engage with the region's economic development and non-profit organizations to explore small business grant and loan programs that reinforce some of the entrepreneurial development activities already underway.

### **Networking, Technical Assistance, and other "Soft" Incentives**

There are various types of program incentives that help companies financially by reducing the cost of marketing and workforce development, or provide otherwise unaffordable technical assistance and support. Examples of existing and potential new programs are provided below.

**Existing Small Business Development Soft Support.** The State operates Launch Tennessee, a collaborative network of entrepreneurial centers geared toward bringing small businesses and entrepreneurs together with researchers, investors, and mentors to grow small businesses and leverage entrepreneurial development. The State helps sponsor networking events, conferences and other efforts aimed at encouraging networking and collaboration. As part of this effort, StartUpTN.com has been established as an online resource network established to encourage collaboration.

Tennessee also offers other assistance for small businesses, including grant programs, the Business Enterprise Resource Office (BERO), Tennessee

Manufacturing Extension Program (TMEP), Tennessee Small Business Development Centers, Small Business Online Training Network, and assistance to various business incubators and accelerators.

Many local programs are often geared towards embracing SBA programs. Various non-profits throughout Memphis-Shelby County and the region offer soft economic development assistance, typically geared to workforce development.

**Existing Workforce Development Program Support.** There is an established network of education and training resources in the region, including public and private schools, universities, and technical and vocational training colleges and organizations. The State of Tennessee provides training grants including an Apprenticeship Training Grant, Incumbent Worker Training, and various On-the-Job Training Grants. The Tennessee Promise program provides 2 years of free community and technical college education to graduating high school seniors. The State's Drive to 55 Program aims to get post-secondary degrees or certifications to at least 55% of all adult Tennesseans by 2025. Such programs can help ensure a steadier stream of qualified applicants for growing businesses.

Memphis entities provide various workforce development and support programs including Workforce Investment Network (WIN) focuses on job training and readiness, Memphis Area Rideshare manages region-wide rideshare programs for businesses, and Mid-South Quality Productivity Center supports workforce development, among others. These groups provide direct management and funding assistance for workforce-related programs. The Greater Memphis Alliance for a Competitive Workforce (GMACW) is working to strengthen the ties between business and workforce development programs and initiatives to ensure that labor force needs are met.

Despite all of these resources, there appears to be a dearth of direct, local technical assistance for training and workforce development, especially in small and emerging businesses. There is also a disconnect between the targeted industries and the workforce development programs that are being developed.

**New Opportunities.** There may be opportunities for local governments, industry councils, and non-profit entities to provide more direct technical assistance geared especially to small business development and targeted sectors including administrative & support industries. MAAG might play an important role in helping to establish a framework for providing technical assistance for small business development, especially in rural counties (targeting Lauderdale County, for example) and distressed urban neighborhoods where poverty is endemic.

## **Infrastructure**

Infrastructure is an important incentive and tool for leveraging development. TVA, after all, was the federal government investment that led to economic development in the Tennessee valley. Today, TVA and power distributors offer the Valley Investment Initiative, which rewards end-use power customers in key business sectors who prove a long-term commitment to economic development in the region.

**Direct Investment.** While the CEDS does not constitute an infrastructure needs assessment, there are opportunities that have been identified for enhancing infrastructure investment to impact directly on the region's economic development. These direct investments are explored later in this section.

**Fast Track.** Several communities and utilities offer one-stop shop and fast track approval for building and codes permitting, taxes, utility services, and training. Shelby County offers a Fast Track Infrastructure Development Program, which include provision of, participation in, or extension of community infrastructure including site improvements, transportation systems, water, wastewater, and other improvements. Memphis Light, Gas and Power has a fast track program as well. More detailed research is recommended for MAAG to assess the relative positioning of jurisdictions within the region in terms of regulatory efficiency and economic development.

## **Small Town Downtown Place-Making & Economic Development**

There are several recommendations provided for strengthening the connection between quality of place and economic vitality. As noted earlier, the rural counties, especially Lauderdale, Fayette, and Tipton, have a competitive advantage for attracting heritage and recreation tourism, as well as back office, web-based businesses and administrative support services to their downtowns. But key to attracting these industries is the need to strengthen the physical environment, retail offering, identity and sense of place in the small towns, led by the counties' seats of government and historic towns and villages.

**Physical Environment.** Enhancements to the streetscape help to define place and improve the overall aesthetics of the environment. Urban design improvements (e.g., sidewalks, landscape, street improvements, lighting, façade enhancements, underground utilities, etc) are important physical enhancements that can improve opportunities for business attraction and tourism. MAAG can play a role in working with the counties and towns in its service area on grant applications and programs to access state and federal funding for streetscaping and other urban design improvements. MAAG can also assist with technical support for design and implementation of financing programs such as business improvement districts (BIDs), special levy districts, or other mechanisms. MAAG

can also provide technical assistance through direct staff support or contracting with expertise in design, planning, financing, and implementation of streetscape and other physical improvements. Broader downtown planning efforts can also be established to address multiple issues.

**Management.** Programs aimed at reducing downtown vacancy and improving downtown economic vibrancy are critical for the success of many small downtowns. Many communities take advantage of Main Street programs sponsored by the National Trust for Historic Preservation, but often in Tennessee and elsewhere, program effectiveness is highly dependent on community leadership and staff experience. Main Street can help bring downtown businesses and property owners together to help address management issues. Main Street is often most successful in planning and sponsoring annual festivals and events. Main Street is a less effective model for downtown business and property development, where expertise is necessary in market dynamics, financial feasibility, developer and tenant recruitment, and real estate. When the Main Street model is inoperable or less applicable, MAAG staff or consultants can assist by providing technical support to cities, counties, and downtown organizations to organize downtown merchants and property owners, investigate financing mechanisms (such as BIDs, identified above), and establish a workable downtown management and development structure.

**Retail/Business and Tourism Offering.** Often, where there is a county-wide chamber or economic development agency, there is not a focus specifically on downtown business development. Similarly, these agencies typically have limited focus on retail, entertainment and other marketing and business recruitment to establish downtown destinations. Similarly, county chambers and tourism agencies are typically focused on marketing and materials for tourism, rather than on the physical development of tourism assets, on downtown retail or services. Thus, there is often a gap in the pro-active marketing and development of downtown and its business offering. MAAG could play an important role in reducing this gap by providing technical assistance, grant writing and support for market analysis, merchandising strategies, feasibility studies, business and developer recruitment and strategic planning for downtown development. Ultimately, the objective would be to strengthen the smaller downtowns in the region as hubs for attracting entrepreneurial activity and administrative support services due to their competitive cost advantages and attractive, small town way of life.

**Community Identity and Sense of Place.** There are other types of programmatic responses that can help to strengthen the smaller towns in the region for attracting downtown economic development. Establishing or strengthening unique community identity and sense of place are also part of the branding and marketing of the communities. Historic buildings and community heritage, events and festivals, natural features and recreation amenities, streetscape, public art, artists and makers, unique local businesses, specialty

food, farms and the surrounding rural landscape, schools and colleges: all of these contribute to a small community's sense of place and unique identity. MAAG can help with technical assistance for visioning and otherwise assisting communities to identify and strengthen those elements that construct their unique identity as part of broader economic development and marketing efforts.

## **Infrastructure**

Improvements to infrastructure and/or changes in planning policies are recommended that could help facilitate the desired economic development objectives.

## **Regional Transportation**

There are several support mechanisms critical to workforce development in the region, beyond education, training, and workforce readiness. For example, the 2016 Study found that a high percentage (64.1%) of those seeking work in the region need public transportation to get to a job. Public transportation systems and resources for commuters are regional issues, and MAAG has a role to play in coordinating with the Memphis MPO and GMACW on strengthening the bond between targeted employment opportunities and transportation connectivity.

The Transportation Policy Board of the Memphis Metropolitan Planning Organization (MPO) released its *Livability 2040: Regional Transportation Plan* in early 2016. This multi-modal transportation plan addresses economic growth but is largely focused on livability. Key objectives are associated with maintenance, safety & security, environmental & health impacts, corridor & community redevelopment, logistics & freight movement, access to community & employment resources, reduced travel delays. The only explicit goal associated directly with the region's economic development is the desire to "ensure the region is well-positioned to remain a leader in global logistics and freight movement."

**Target Industry Integration.** There may be a need to examine additional economic development target opportunities, in terms of the competitive positioning of these industries in the region, and ensure that transportation accessibility is maximized between the sources of labor and emerging employment nodes. Here, MAAG can work with GMACW and the MPO to confirm that future industry growth targets have been taken into consideration for regional planning purposes.

**Geographic Integration.** The MPO planning area is limited primarily to Memphis-Shelby County, extreme western Fayette County, DeSoto County (MS), and the northwest-corner of Marshall County (MS). The plan therefore does not extend to the rest of the CEDS planning area (Fayette, Tipton, and Lauderdale

counties) nor to the remainder of the MAAG service area (including Crittenden County, AR). Therefore, MAAG has a responsibility to ensure that these other areas are integrated into the regional transportation planning efforts that are geared toward targeted employment growth. Some portions of Lauderdale and other counties are poorly integrated into the regional transportation network, which lowers their overall competitiveness for business retention and recruitment.

That being said, there is also an opportunity for MAAG to work concurrently with these counties on promoting alternative targets such as back office and home-based businesses that are less reliant on regional commuter transportation systems. Ultimately, more jobs created in the outlying counties can mean reduced pressure on (and lower costs associated with) the regional transportation system.

**Direct Investment.** Several examples of direct infrastructure investment opportunities are provided below. Clearly, these opportunities would require significantly more study, but they provide a launching pad for further discussion.

- Lauderdale County: Improved East-West Highway Accessibility. Lauderdale County suffers higher-than-average poverty levels and unemployment compared with the rest of the region. While there is potential for job growth, the lack of direct interstate highway access clearly hampers the county's ability to capture a fair share of the region's logistics capital. Mississippi River bridges (connecting west to I-55) are likely to be financially infeasible, so efforts to improve access southeast through Brownsville or Covington to I-40 should be considered. Certainly improved connections from Covington will help the broader catchment area including Lauderdale, Dyer, and Tipton counties.
- Regional Public Mass Transit. The Nashville area appears to be approaching a milestone in funding a massive, \$6.5 billion mass transit plan that includes light rail and BRT, with growing support from the State legislature. Memphis Area Transit Authority has developed a *Short-Range Transit Plan* in 2012 that recommended more efficient and effective bus hub-and-spoke routing. The Regional Transportation Plan (RTP) developed by the MPO provides a longer range (2040) vision for multi-modal transportation development in the region, but priorities are still focused on bus/road transit. Mass transit is not just a mode of transportation that reduces traffic congestion, it is also infrastructure tool for economic development because it can leverage and direct development to key locations (e.g., transit-oriented development), increase business operating efficiencies, improve access to the labor force, and enhance quality of life for workers.

## **Broadband Capacity and Expansion of Service**

The economic competitiveness of smaller and more rural communities, as well as urban neighborhoods, can be increased through high-speed fiber development. Very little information appears to be available on regional broadband access beyond Memphis and surrounding suburban areas (where AT&T has announced gigabyte service). As the nation has moved from an industrial to information-based economy, the speed at which information is delivered becomes a tool equal in importance to traditional infrastructure. The region's economic base developed based on river and rail access, and now relies as much on road and air. If Memphis is truly one of the nation's transportation crossroads, then fiber should be considered equal in importance to these other modes of transport, especially since the future is built on rapid communication and delivery infrastructure. More importantly, Fayette, Lauderdale, Tipton and other rural/suburban counties can grow their economic base by offering high-speed communication infrastructure in small-town / low-cost environments that support growing administrative support and technology businesses.

## **Streetscape Investment & Corridor Revitalization**

Economic development opportunities can also be linked to revitalization of corridors linking various communities within the MAAG area. The commercial corridors in the region are the "face" of adjoining residential neighborhoods and business districts, so the physical environment in those corridors can impact on perceptions of the area's business environment. Given that several corridors extend between municipalities and counties, there is a role for MAAG in working with communities regionally and collectively on corridor development and revitalization strategies and plans. State and national funding sources can be tapped, especially since many of the region's corridors are State or federal highways. The FHA Transportation Enhancements Program (TEP) is one example of funding available to assist with improvements to the physical conditions in highway corridors. Community Development Block Grants (CDBG) provide another source of funding for projects oriented to corridor and district revitalization in distressed or low-income communities.

## **Regional Collaboration**

Several recommendations have been made in this sector for areas where increased collaboration will result in economies of scale and benefit individual communities and community partners in achieving strategic economic development goals. Key areas for potential collaboration, with MAAG providing a pivotal role, include the following:

### **Small Downtowns Technical Support Program**

As noted previously, small town downtowns in the rural counties offer an important opportunity for building the economic development infrastructure of the 21<sup>st</sup> century. Back office, administrative and management support, information technology and web-based businesses, heritage tourism, and other growth industries can be drawn to Fayette, Tipton, Lauderdale and other less-urbanized counties in the region through a concerted effort to focus resources on downtown competitiveness. Technical support is necessary to facilitate this growth and MAAG can play an important role in leveraging that support. Such support can include:

- Downtown master planning
- Downtown market analysis and economic development strategies
- Regional tourism development and heritage corridor strategies
- Downtown infrastructure planning and development, including a focus on high-speed Internet
- Workforce development in targeted small town downtown industries
- Targeted financial, fiscal, regulatory, and economic incentives
- Education on the role of downtowns in rural community economic development, etc.
- Co-marketing and cost-saving collaborations between the various small downtowns in the region for common objectives, such as heritage tourism corridor development or small-city marketing.

### **Regional Tourism Development Partnerships**

The Memphis area has a very active and successful convention and visitors bureau, building on the tremendous asset value of the Memphis brand and its various components. The CVB is highly successful at marketing. As noted earlier, there is a need to strengthen linkages and further develop physical assets and resources in more rural areas of the region, in collaboration between the Memphis CVB and surrounding counties and cities. Tourism can have a much larger relative impact on the economic health of a small community or rural area, than it even does in Memphis. MAAG can play a role in facilitating the planning, technical assistance, and development component of such efforts. Elements can include:

- Tourism development strategy, building on an inventory and detailed assessment of existing visitor assets (beyond the Memphis cluster), analysis of economic potentials for visitor asset and services development; and strategic planning for development, marketing, management, financing, and operation of assets.

- Development of heritage corridors that link (for example) existing and potential music or civil rights resources and assets into coherent tourism itineraries for marketing and development.
- Resources for corridor revitalization and physical enhancements.
- Partnerships between Memphis-area attractions, venues, and events with those in the surrounding region (as part of corridors or in other ways).
- Partnerships between the various tourism marketing entities in the area for marketing joint resources including heritage corridors or natural and recreation assets.

### **Administrative & Business Support Services Cluster Organization**

A recommendation for more support to the administrative and management services cluster can include establishment of a cluster organization or council that can coordinate various business entities for support, lobbying, assistance, promotion, workforce development, and growth of the cluster for the purposes of economic development. MAAG might bring this question to the attention of the Greater Memphis Chamber, information technology organizations, and chambers or economic development organizations in the surrounding counties.

### **Packaging Cluster Organization**

A similar recommendation is made for organizing a packaging cluster organization or council that can coordinate and facilitate support as identified above.

### **Agribusiness Development Entity**

An agribusiness development entity or subsidiary might be organized under the auspices of Agricenter International. The opportunities for such an entity should be discussed with AI as a precursor to any proactive effort.

### **Corridor Development Partnership**

Since transportation corridors cross jurisdictional boundaries, there is the opportunity to establish regional corridor groups or partnerships oriented to key business and commercial corridors in the region. MAAG can play a role, in coordination with regional planning and transportation agencies to facilitate the creation of such entities, with key objectives of revitalization, redevelopment, and economic development.

### **Section 3. IMPLEMENTATION ACTION PLAN**

Based on the recommended strategies, an implementation Action Plan is provided that identifies specific, prioritized actions to be undertaken, a timetable for implementation, entity roles and responsibilities, indicative funding requirements, and potential partners and funding sources for each action. Recommendations would be tested through a “policy sieve” with members of the MAAG Board, steering committee, or other appropriate stakeholders. The action plan matrix is shown in the pages that follow.

**IMPLEMENTATION ACTION PLAN**

	<b>WHAT</b>	<b>WHEN</b>	<b>WHO</b>	<b>HOW MUCH</b>	<b>HOW</b>
	Facilitate MAAG Board agreement on action plan priorities	6/17	MAAG	\$0	N/A
	Facilitate discussions with smaller towns and rural counties on target industries, downtowns, and concept of a West Tennessee Small Town CBD Collaborative	7/17	MAAG	\$0	N/A
	Facilitate discussions on Rural Tourism Initiative and heritage corridors	9/17	MAAG, CVBs	\$0	N/A
	Facilitate discussions on Administrative & Management Support Collaborative and focus on small towns	9/17	MAAG, GMC, Industry representatives	\$0	N/A
	Facilitate discussions on rural outreach and participation in bioscience & IT councils/organizations	9/17	MAAG, GMMC, GMC IT Council	\$0	N/A
	Facilitate discussions on Agribusiness R&D, Manufacturing, and Product Development Initiative	9/17	MAAG, AgriCenter International	\$0	N/A
	Facilitate discussions on Packaging Cluster	10/17	MAAG, GMC, industry representatives	\$0	N/A
	Facilitate discussions with GMACW on incorporating	10/17	MAAG, GMACW	\$0	N/A

	Lauderdale County & rural areas; and on “triangulation” between existing resources, existing needs, and forecasted needs				
	Based on discussions with smaller communities and rural counties, establish technical assistance programs, economic development training, and guest speaker series events on: economic development incentives and financing: small business development grants, façade improvement and rehabilitation grants, TIF, PILOT, special assessment programs, micro-lending programs: etc.	11/17	MAAG, smaller communities, rural county chambers and economic development agencies	\$0	N/A
	Establish technical assistance programs for small business development in rural counties, small CBDs and distressed urban neighborhoods;	5/18	MAAG	\$0	N/A
	Research regulatory systems in the region and determine where there may be gaps and opportunities for Fast-Track programs; Provide technical assistance to local governments on fast-track.	6/18	MAAG	\$0	N/A
	Establish technical assistance and grant-writing programs for small town, distressed urban	8/18	MAAG	\$0	N/A

	neighborhood, commercial corridor, and rural placemaking: market analysis, tourism asset development, visioning, streetscaping and infrastructure.				
	Facilitate discussions on regional integration of infrastructure (including rural counties) to meet workforce development needs	10/18	MAAG, GMACW, Memphis MPO, planning agencies	\$0	N/A
	Research and facilitate discussions on East-West Corridor concepts in Lauderdale/Tipton counties	10/18	MAAG, TDOT, Lauderdale County, Tipton County, HTL Advantage	\$0	N/A
	Facilitate workshop and discussions on broadband access throughout region, with a focus on rural areas	10/18	MAAG, IT Council, entrepreneurs, internet service providers, County Governments, Memphis MPO, TVA	\$0	N/A
	Facilitate discussions and establishment of Regional Corridors Partnership	10/18	MAAG, Memphis MPO, local governments, TDOT	\$0	N/A

## **Section 4. EVALUATION FRAMEWORK**

This section provides an evaluation framework for implementation of the CEDS. Key metrics and benchmarks are provided for performance evaluation. In general, these metrics are tied to priority actions as identified in the Implementation Action Plan established in the previous section of this report.

### **Facilitation and Collaboration**

Much of the 3-Year Implementation Action Plan is geared to facilitation and collaboration efforts, which have little direct cost but significant potential for building a base for greater regional economic development. Metrics relate less to numerical outcomes and more to establishment of ongoing and productive collaborations. These efforts fall into several primary categories as follows:

#### **New/Refined Target Industry Sectors or Cluster Collaborations**

- Administrative & Management Support
- Packaging
- Rural Tourism
- Agribusiness

#### **Area-Specific Collaborations**

- Small Town Downtowns
- Corridors
- GMACW-Lauderdale County

#### **Infrastructure Collaborations**

- Broadband coverage and capacity
- Lauderdale-Tipton East-West Corridor

#### **Metrics**

Metrics for measuring progress on development of these collaborative models would be found in responses to the following questions;

1. Has MAAG conducted background research to further assess the need for this new collaborative entity?
2. Have discussions been facilitated with relevant stakeholders?
3. Was there agreement on necessity of a new structure?

4. Was there agreement on the format for a new structure, or for refinements to existing structures?
5. Was there agreement on a process to move forward with developing an entity for collaboration?
6. Was there agreement on parties to engage in the entity?
7. Was a strategic plan with explicit objectives and proposed actions put into place to guide organization of the entity?

## **Technical Support**

The Action Plan also recommended that MAAG, in collaboration with other entities as relevant, provide technical assistance and training to help bolster economic development efforts in the region. Technical assistance and training would be provided as a service to MAAG member counties, local jurisdictions, and economic & tourism development entities in the region as appropriate.

### **Types of Technical Support**

The following types of technical support were recommended as input to existing and proposed new entities in the region:

- Grant writing support and assistance
- Tourism development (including asset market analysis and planning)
- Tourism strategic planning
- Heritage tourism corridor development
- Economic development incentives training and technical support
- Economic development financing tools and mechanisms
- Downtown planning, market analysis, marketing and development
- Corridor revitalization and economic development
- Other

### **Metrics**

Metrics associated with the technical support components would include the following:

1. Were research and discussions conducted to ascertain the need and potential for technical assistance on each of these aforementioned categories? (Or were other areas of expertise requested?)
2. Was a technical assistance program established, including funding sources; planning, training, and analytical expertise engaged in-house or on contract; communication strategy and links generated; and client base developed?
3. Which technical assistance programs were established?
4. How many training sessions were held in Year 1 for each program?

5. What was attendance for each training session held in Year 1 for each program?
6. How many plans, strategies and studies were conducted in Years 1-3 for each program?
7. Did training sessions and plans, strategies, and studies address client needs?
8. How were each training session and plan, strategy and study received by the respective attendees or clients? (Rating system would be employed at conclusion of each activity)
9. Did each plan, strategy, and study include an implementation plan?
10. After 4-5 years, which components of the implementation plans have been achieved? And what roadblocks prevented implementation of other components?

### **Funding & Grant Assistance**

Very little of this CEDS is focused on funding and direct grant assistance, with the emphasis on technical assistance instead. However, there is an opportunity to establish grant programs and funding assistance for specific activities that meet key objectives, such as the following:

- Heritage tourism corridor grants to fund capital assessments, building rehabilitation, collections, corridor management planning, signage programs, marketing strategies, conservation, strategic planning, and capital planning.
- Commercial corridor grants to fund infrastructure and land use planning, market analysis, strategic planning, transportation planning, urban design, and streetscaping.
- Small Town Downtown grants to fund master planning, market analysis, design and capital infrastructure planning, economic development strategies, historic preservation assessments, marketing strategies, etc.
- Workforce development program strategic grants: funding inventory and assessment of existing program supply, and skills need forecasting, to help inform and guide GMACW and other workforce development entities on the intersection of supply and future demand.

### **Metrics**

Metrics on grant programs would need to be developed in accordance with funders' specifications and requirements as well as MAAG board requirements. Ultimately, metrics would be required to measure how the funds were spent and whether there are monitoring mechanisms in place to track results.

## **Communication**

There is a need for measuring the success of communication efforts in support of regional economic development. MAAG has not yet developed a strong network among the region's economic developers, workforce development entities, and corporate structures to ensure strong cooperation on regional economic development initiatives. That network is essential in order to achieve several of the basic goals and objectives of this CEDS, which relate to regional collaboration. Key metrics for measuring success on communication include the following:

1. Was a regional outreach and networking program established for economic development entities, County and municipal governments in the region?
2. Was a regional communication network and forum established for ideas, programs, policies, and economic development efforts in the region?
3. Was a communication network established among smaller downtowns and nodes in the region?
4. Was a communication network established for jurisdictions along major commercial corridors in the region?