

Research and Development for a Marketing Plan of PowerCom Industrial Center's North Campus In Hartsville, TN

Capstone Project
Tennessee Certified Economic Developer
Certification

Dan Tidcomb August 2021

Introduction

The purpose of researching and publishing the attributes of the PowerCom Industrial Center in Hartsville, TN is to develop more differentiating assets in its North Campus, which will help the property become more competitive for attracting new advanced manufacturing facilities. Once the assets are investigated and identified, a comprehensive marketing plan can then be developed.

In this report, the history of PowerCom will be researched and iterated, as well as, the property's Economic Development Organization, and the industrial park's liabilities and assets. The goal is to convert challenging liabilities into differentiating assets from utilizing the knowledge gained within Tennessee Certified Economic Developer course work.

Background

In 1974 Tennessee Valley Authority (TVA) announced the construction of "the world's largest nuclear power plant" to take place in Hartsville, TN. Within three years, the project employed over 7,000 people, and Hartsville's economy was booming. Downtown was full of busy retail stores, local car dealers were selling out of inventory, and restaurants were packed for three meals a day. But in 1982, due to power capacity forecasts, pressure to cut spending and utility rates, and public protest, TVA mothballed the Hartsville project and pivoted to using coal for power generation in the region.¹ Additionally, the worst nuclear disaster in American history was still fresh in everyone's mind, Three Mile Island, which cost over two billion dollars² to clean up. Subsequently, America's appetite to invest in nuclear power had waned. Therefore, eight years, and over four hundred million dollars later, after the completion of one 400-foot cooling tower and its reactor buildings, construction of the Hartsville Nuclear facility completely halted. Employment was virtually eliminated, which resulted in significant economic dislocations in the regional economy.

Nine years after TVA's announcement of the nuclear power plant project, in 1983, a Farmers Home Administration (FmHA) sponsored analysis was released. "The Hartsville Project Impact Study" called for the establishment of an industrial development authority to specifically focus on the work of attracting jobs to the area. The decree which created the Four Lake Regional Industrial Development Authority was passed by public act of the State Legislature on April 15, 1986. Its by-laws were executed on May 15, 1986.³

The enabling legislation stated that the Four Lake Regional Industrial Development Authority was "created and established for the purpose of developing the resources of the region embracing the counties of Macon, Smith, Sumner, Trousdale and Wilson." More specifically, the Authority "is directed to focus its activity toward economic development and improving

¹ Unknown, (1982, March 11) "TVA Mothballs Plant." Hartsville Vidette

² Benjamin K. Sovacool. The costs of failure: A preliminary assessment of major energy accidents, 1907–2007, Energy Policy 36 (2008), p. 1807.

³ Sunset Public Hearing Questions for Four Lake Regional Industrial Development Authority, Section 65-5-201, 2014, <https://bit.ly/3myf6hY>

employment opportunities in the region" In 1988 the Authority contracted staff and initiated a work program.⁴

In June 2002, after years of negotiations with the TVA Board of Directors, approximately 554 acres of the mothballed TVA nuclear site were sold to the Four Lake Authority for regional economic development purposes. The property was purchased for the appraised value of \$1.7 million. There was a stipulation with the sale that the Four Lake Authority make a minimum of \$1.5 million in infrastructure improvements during the first five years of ownership. These initial infrastructure improvements (water, sewer, and natural gas lines), as well as a 750,000-gallon water storage tank, were completed in 2005.⁵

The Four Lake Regional Industrial Development Authority received Impact Funds (Payment In Lieu of Tax) from TVA for several years. The funds are still used by the re-branded agency, the Tennessee Central Economic Authority, to fund a grant program which provides \$20,000 a year to each of the five counties the Authority serves. Granting funds are eligible for use to support industrial economic development projects.

Tennessee Central Economic Authority

The Tennessee Central Economic Authority (TCEA), formerly Four Lake Authority, is now a 35-year-old quasi-government agency that, for nearly 20 years, has owned the PowerCom Industrial Center in Hartsville, Tennessee. The 554-acre industrial park currently has 14 manufacturers and the privately owned Turner-Trousdale Correctional Facility.

It is TCEA's mission to serve its five-county region by retaining, expanding, and recruiting industry jobs. Primarily, it achieves this by investing in site development, marketing, and various economic development resources. It is the agency's vision that leaders from each of the five counties surrounding PowerCom, who govern TCEA, work collaboratively. This approach, termed "regionalism," has shown to attract significant investments, improvements, and sustainable resources to its service area, and beyond.

TCEA's work to increase the marketability of communities, and available industrial real estate, has contributed to significant results throughout the region. In the past year, Smith County received TVA's *Rural Certified Community* distinction award, two new industries announced 230 new jobs they're bringing to Macon County, and three new manufacturers landed in Hartsville/Trousdale Metro, outside of PowerCom.

Specific to PowerCom, millions of site development dollars⁶ have been focused on the North Campus. Within the past decade, investments in the North Campus include a new monument

⁴ Sunset Public Hearing Questions for Four Lake Regional Industrial Development Authority, Section 65-5-201, 2014, <https://bit.ly/3myf6hY>

⁵ Sunset Public Hearing Questions for Four Lake Regional Industrial Development Authority, Section 65-5-201, 2014, <https://bit.ly/3myf6hY>

⁶ Tennessee Central Economic Authority, 2017 "PowerCom Industrial Center Project Development Overview, Capital Improvements Through Aug. 2017"

sign, State Industrial Access Road, all utility services, grading of two sites, erosion control, and the refurbishment of seven metal buildings. These investments have resulted in 11 new manufacturers moving to the park.

Additionally, feasibility studies, conducted by Hanson Engineering, and dredging permits for developing barge access in the South Campus have been conducted.

Grant applications in the 2022 fiscal year include extending a sewer line, relocating power lines, and refurbishing an additional ten 4,000 to 16,000 square foot buildings in the South Campus. These buildings are an initiative of an incubator program that exists in both campuses and is a result of repurposing of metal storage buildings left behind by TVA after the sale of the property.

Research and Development for a New Marketing Plan of PowerCom's North Campus

The motivation for researching and developing differentiating content for a marketing plan is to increase the volume of site visits by prospective end-users to PowerCom's North Campus. Over the past three years, TCEA has responded to more than 20 project "Requests for Information," also known as RFIs, of which the park was very qualified. The RFI response packets were composed through collaborative efforts by the Middle Tennessee Industrial Development Association (MTIDA), and Tennessee Central Economic Authority (TCEA). Responses have also been audited by Tennessee Valley Authority (TVA). These response packets are continually updated with labor statistics, tax changes, incentives, etc., and are customized per project.

The inventory for relevant RFI responses includes three shovel-ready sites in PowerCom's North campus. The sites are level, graded, and served by all utilities, as well as a State Industrial Access Road; making them all cost effective and quick solutions for prospective end users.

Over the past eleven years all due diligence studies have been completed in the North Campus. Engineering Consulting Services Limited initiated the Phase 1 Environmental Site Assessment, Boundary, Topographical, Geologic, Hydrologic, and Endangered Species studies. The studies provided a clean bill of health for development on three shovel-ready pads. However, as requisite for obtaining site certification from the state of Tennessee, all studies are being redone and updated in the 2022 fiscal year.

PowerCom's master concept was designed by a highly reputable firm, Barge Design, in 2016. Since then, it has served as the strategic blueprint for continued site development in the park. The sites have been appraised, and comps throughout the region have been analyzed to determine acreage pricing. Conceptual drawings from TVA, Barge Design, and Warren Engineering, indicate facilities of varying sizes, up to 211,000 square feet, can be constructed on the three shovel-ready sites.

Hartsville/Trousdale's community leadership is: business friendly; their permitting process is quick, inexpensive, and efficient; their Industrial Development Board has established incentive programs; their utilities are affordable and reliable; and their schools have a talent pipeline to local post-secondary training institutions. In the past 12 months, six new manufacturers have made Hartsville/Trousdale home, and an additional four expansions have taken place. The

experience of working with new industries, providing them with necessary resources and incentives, and workforce training options, further cements their reputation as a "proven community."

Hartsville is home to the Tennessee College of Applied Technology (TCAT), a post-secondary training facility with dual enrollment throughout the regional high schools. TCAT's enrollment exceeds 850 students and boasts an 89% job placement rate.⁷

The most popular post-secondary educational institution with Trousdale County high school graduates is Vol State Community College. It's less than thirty minutes from Trousdale County and they offer free tuition for high school graduates.

Vol State is contributing to developing a marketing asset for the community, including PowerCom. Through their Communications program, they're producing a promotional video. It features leaders from the business community, Chamber of Commerce, county executive office, education and TCEA, The end result will be a series of videos for all leaders to retain and promote throughout their networks.

The lack of affordable housing that plagues other parts of the country is less of an issue in the Tennessee Central region because the region is projecting 6,000 new rooftops coming online in the next three years. Locally, near PowerCom, 300 new rooftops are projected in the upcoming year.⁸

Competitive prices for shovel-ready property, no income taxes, quick permitting, good education, incentives, large labor shed, reliable utilities, and affordable housing options in a proven community, provide confidence in landing prospective companies once they visit the available sites.

Tennessee Certified Economic Developer Coursework and Implementation

In developing a new marketing plan for PowerCom, considerable lessons from the Tennessee Certified Economic Developer's coursework have been implemented. The following **areas of study** were utilized, and examples of their implementation are summarized below:

Strategic Planning - a Strengths Weaknesses Opportunities and Threats analysis was conducted with local and regional communities, as well as stakeholders in Economic Development leadership. The meetings were focused on economic development for the manufacturing sector, and included members of TCEA, the local Industrial Development Board, Economic Development Committee, Chamber of Commerce, County Commission and mayor's office. After identifying the strengths, weaknesses, opportunities, and threats, a strategic road map for economic development was produced, encompassing workforce, real estate inventory, infrastructure, and incentives for recruiting new advanced manufacturing.

⁷ TCAT Hartsville Data Profile, www.tbr.org, https://www.tbr.edu/sites/default/files/college-profiles/tcatprofiles/TCAT_Profile_Hartsville.pdf

⁸ Gregory, C. (2021, June 24) "Trousdale County Benefiting from Construction Boom," Hartsville Vidette

Business Retention & Expansion (BR&E) - a Business Walk program was developed in PowerCom. The Project Manager and Mayor visited the manufacturers in the park to thank them for the jobs they provide to the region and address any of their needs. It also provided an opportunity to understand their expansion timelines, share resources to aid in their workforce development, and provide University of Tennessee Center for Industrial Service programs available to them.

Workforce Development - a workforce task force was established to understand and help Industry workforce issues. Members include TCAT, various Industry representatives, community leaders, the American Job Center, Department of Labor, Economic Community Development, a development district, TVA, local educators, Community College representatives, and the principal of Trousdale-Turner Correctional facility. A Work Based Learning Passport program has also been developed for the region.

Entrepreneurship - PowerCom has an abundance of repurposed 4,000 to 16,000 square foot buildings that are utilized for PowerCom's incubator program. TCEA's "build-to-suit" program works to update necessary infrastructure and provides resources necessary for young manufacturing businesses to grow.

Finance - TCEA and the Hartsville/Trousdale Industrial Development Board have employed resources for the development of incentive packages for prospective end-users.

Marketing & Business Attraction - the course illuminated the need for developing an updated marketing plan for PowerCom, and it inspired the auditing of its forward-facing brand designs, request for information packets, and digital assets.

Results from these programs contributed to researching the challenges, assets, components, costs and timeframe for developing PowerCom's marketing plan.

Challenges for Marketing the PowerCom Industrial Center

Even after all the assertive programs and site development investments TCEA has made into PowerCom, it does not leave the property without its challenges when it comes to attracting new manufacturers. Neither shovel-ready pad in PowerCom's North Campus is certified by the state of Tennessee; there is a medium security prison a mile into the industrial park, remnants of the mothballed nuclear power plant are highly visible, and the county is the smallest in the state. It's imperative that these weaknesses be converted into opportunistic marketable assets to achieve the goal of receiving more frequent site visits from RFI responses.

1. Site Certification

The state of Tennessee has a site evaluation and development program that identifies marketable sites, provides grants to aid in their development, as well as marketing materials and outlets to aid in their promotion around the world. The Site Development Grants from this program require that properties receiving investment apply to state of Tennessee's Site Certification program.

PowerCom has three shovel-ready sites in its North Campus, and two of them, totaling 25 acres, were approved for grant dollars for new due diligence studies to be conducted on it. Twenty acres have been engineered and graded, a State Industrial Access Road has been constructed, and the sites have had due diligence studies completed on them in the past, so it's a safe assumption that the new studies will provide positive reports for continued development. Before the year is up, an application will be submitted for site certification approval.

If certified, that means the site is ready for a deal so new advertising materials will be produced by Tennessee, which include a professional video, graphically highlighted specifications, and inclusion on an exclusive certified site website. The web listing will then be distributed to site selectors and Tennessee's business developers located throughout the world.

2. Turner-Trousdale Correctional Facility

Before conceptualizing creative solutions to PowerCom's liabilities of the most active American site selectors currently working today were surveyed. They were surveyed to ensure that solutions to the challenges increase PowerCom's marketability and recruitment efforts.

The "elephant" in the Industrial Park, so to speak, is a privately owned medium security prison, with 2,500-person capacity.

The site selectors were asked about one impression companies might have when considering the property for their new facilities:

"Would PowerCom be eliminated from competition immediately due to a state prison residing in the park?"

A minority percentage of those surveyed answered "yes." To this minority consensus, the prison presented three immediate concerns⁹ to their clients:

1. **Security** - the concern is that there are 2,500 criminals requiring medium security precautions in the prison, so there must be a possibility of more crime being perpetrated in the park. In actuality, 40% of the prison population are in facilities because they are rewarded for their good behavior. Regardless, the park is extremely secure because of the high level of security required to operate a facility of this magnitude. The entire park is patrolled 24/7 by a security team, and there are active surveillance cameras everywhere throughout the park. TCEA publishes and displays this information on a giant monument sign, very visible to everyone entering the park. Additionally, emergency services are never more than a couple minutes away.
2. **Traffic** - the concern is the amount of visitation that happens at the prison because cars line-up at its entrance. Before Covid-19, visitation did not require an appointment, so the volume of traffic was unpredictable. But the extent of the volume of cars was mostly visible from the

⁹ Anonymous and Dan Tidcomb, July 2021, Telephone

air because the prison is virtually invisible to passers-by on the ground. This is due to the way it was constructed. It was constructed in a bowl and its outer "rim" is 1-3 stories high concealing it from any vehicle driving past it. Since Covid-19, leadership at the prison has changed. They moved visitation primarily to weekends, required it be conducted by appointment only, and limited the amount of visitors with a reduced social distanced capacity. This has eliminated lines of cars waiting for their turn to visit and is a new permanent order of operations. Additionally, the prison has added *Visitation-2.0* which is a virtual visitation option that utilizes programs like Zoom.

3. **Location** - the concern is that the single entrance to the park is shared by the prison and all tenets of the park. There is only one other Industrial Park in the country near an incarceration facility and it has its own entrance. This facility is also separated from the Industrial Park by a forest so with its own entrance it is "out of site and out of mind." PowerCom does not have an option to develop another entrance for the prison, nor would it be a prudent investment because, for one, it's a mile deep into the park and the second-to-last facility on the State Industrial Access Road. Secondly, the prison has industry neighbors who have no complaints about its location. In fact, the prison's location near them is considered an asset because it has improved the speed in which Emergency Services is able to serve their facility.

An additional challenge, perceived by a minority of surveyed site selectors, is PowerCom's location for a prospective end user's logistical need. While it does have advantages for projects preferring seclusion, because it's well away from an urban corridor, residencies, schools, etc., its deficiency pertains to how far from a major interstate it actually is. PowerCom is less than 20 miles from the interstate. While this isn't an issue for the current tenets in the park, new searches conducted for advanced manufacturing projects favor properties that are closest to interstates.¹⁰

The majority of the commute to a major interstate is on state highways that connect county seats to one another. Even though 20 miles might be off-putting to site selectors' initial impressions, these routes have very little traffic because they're predominantly rural country-sides.

There are more considerable advantages regarding its location than disadvantages that will be outlined in its marketable assets. Additionally, a road project solution is coming in the future, that will actually create a shortcut to the interstate.

The state of Tennessee passed the IMPROVE (Improving Manufacturing Public Roads and Opportunities for a Vibrant Economy) Act in 2017. This act increased the gasoline tax at the pump to fund essential road projects throughout the state. The IMPROVE Act outlined a project near PowerCom which will shave nearly 40% travel time from PowerCom to I-40 because it will connect two state routes and bypass Hartsville's urban corridor. This project is "one of the most shovel-ready on the IMPROVE Act project list and the preliminary engineering and the right of way phase has been completed," says the Tennessee Department of Transportation.

3. Nuclear Power Plant Remnants

¹⁰ Anonymous and Dr. Kendrick Curtis, Familiarization Tour of Five Communities in Southern Middle Tennessee, Middle Tennessee Industrial Development Association, July 12, 2021, Conversation

When the construction of the nuclear power facility halted, a 400-foot-tall cooling tower, reactor facility, and storage buildings were left behind. The facility was never enriched with radioactive material, but a uranium mine project was proposed in the early 2000s in its place.¹¹ It was widely publicized, and a delegation of community members ventured to Europe to tour the prospective end user's facilities. The project never moved forward, and radioactive material has never been delivered or produced on the PowerCom Industrial Center's property.

The storage buildings have been repurposed and are acting as incubators for small manufacturers to grow their businesses. TCEA continues to make significant investments in these buildings, and their infrastructure, to meet the needs of their tenants. In addition to upgrading the infrastructure of the buildings, a range of services is also provided to the businesses because the employees at TCEA were former business owners and continue to develop professionally. They are able to draw on their experiences, continued education, networks, and resources to help increase PowerCom's tenants growth potential. To date, these include a wide range of financial resources, workforce training opportunities, business development services, as well as connections to Service Corps of Retired Executives, entrepreneur ecosystems, and Small Business Development Centers throughout the region.

The cooling tower presents a larger marketing challenge because TCEA does not own it. However, it provides a very identifiable marker for the industrial park which helps differentiate itself from others throughout the state and country. It presents an opportunity to be included in branding graphics and iconography, as well as, become the largest recognizable work of art in the Southeast.

In order for the cooling tower to act as an additional positive asset, it should be used to honor something significant from the community, representative of their history and culture. The region has an extensive history, pre-Civil War, and one thing that has been consistent is its agrarian culture. You see it on the regional community seals, and for years the high schools used to compete at an annual football game called the "Tobacco Bowl." The property itself was previously owned by multiple families who farmed corn, tobacco, and cattle.¹² A positive way for its culture to be honored would be with a grand mural on the cooling tower, illustrating people from its agrarian heritage. At 400-foot-tall, the tower dominates the view of the southern horizon as one travels along the State Route 25 corridor. This would not be a difficult task to accomplish because Tennessee has an Arts Commission who offers grants for such projects, and TCEA's Project Manager used to be the director for an arts-based community development organization.

Assets & Targets

The marketable assets and target industries for PowerCom have been extensively researched and conclusions have been derived from applicable programs and surveys. Site selectors have been called upon for their thoughts and comparisons, as have economic developers and community

¹¹ Marlow, T. "Group picks Hartsville as site for uranium facility" Macon County Times, Thursday, September 12, 2002

¹² John Oliver (Hartsville Historian) and Dan Tidcomb, August 16, 2021, Email

leaders throughout Middle Tennessee¹³; manufacturers in the region have participated in a Wage and Benefit Survey published by Middle Tennessee State University; a SWOT analysis of the community's economic development priorities was conducted with community leaders; due diligence studies have been completed on the property, partially paid for by grant awards; and business retention, entrepreneurship, and workforce development programs have been implemented throughout PowerCom.

Additionally, manufacturers in PowerCom and surrounding counties were surveyed in an effort to discover what businesses would be most beneficial to their growth potential, if nearby. The overwhelming consensus, from every manufacturer, was their raw material suppliers because if their suppliers were close-by, their costs would be reduced, product turn-around times would be quicker, and more contracts could be fulfilled. As it stands now, manufacturers in the Tennessee Central region are turning business away due to bottlenecks in their supply chains. It didn't matter if the discussion was with an injection molding company, or a manufacturer of powder metal products, or a pallet repurposing company, the answer was the same: bring our polypropylene, or our iron, or our nails and we will be able to continue to grow. This is due Covid-19 disrupting everyone's domestic and foreign supply chains and consequently increasing their costs.

PowerCom Industrial Park offers seclusion, privacy, and security for the advanced manufacturers it targets. These targets prefer to be close to raw material suppliers, as well as, vertically integrated buyers so PowerCom's central location in the United States would be appealing for them. Twenty miles from a cross national interstate would not be a deterrent for determined targets, which suggests that distribution, logistics, and additional industries producing high daily volumes of trucks are not be suitable targets. PowerCom's proximity within a significant labor shed, while in a rural environment and home to the main campus of a public post-secondary vocational institution, lends itself to advanced manufactures not requiring a large footprint. Thus, prospective-end-users could be domestic or Foreign Direct Investment expansion projects, as well as reshoring projects which bring supply chains back to America. Therefore, target markets for PowerCom's North Campus include Tier 1-3 manufacturers in the Automotive, Munitions, Metals, and Agricultural Technology sectors.

Lessons Learned and Results

Throughout the process of researching and developing components that go into a new marketing plan for PowerCom Industrial Park's North Campus, one learned that the development of a new marketing plan requires significant vision, time, a variety of programs, and patience in addressing challenges.

Addressing challenges head-on helps to find new differentiating marketable assets. Through a concerted strategy, programs can be implemented that lessen negative impacts, and once one has been educated to understand all the aspects of the challenges, small goals that work towards mitigating the challenge reveal themselves.

¹³ Anonymous and Dr. Kendrick Curtis, Familiarization Tour of Five Communities in Southern Middle Tennessee, Middle Tennessee Industrial Development Association, July 12, 2021, Conversation

The Turner-Trousdale Correctional Facility is a good example because it would seem insurmountable that a 100-acre-privately-owned prison would have any positive attributes that could differentiate an industrial park to attract new job providers. This challenge turned out to be an opportunity to call, connect, and obtain valuable feedback from regional economic developers, as well as site selectors throughout the country. Their concerns and eliminating factors from RFI responses thusly were clarified. TCEA learned the answers of how to reduce those concerns. The latter can then be integrated as positive differentiating components of RFI response packets and the new marketing plan moving forward.

The research conducted to develop a new marketing plan has reduced the time and cost of its production. It will be accomplished in-house and an outline, timeline, and budget for it has already been accomplished.

Fully executing the marketing plan, however, will be more expensive and time consuming than previously estimated. The budget to execute the marketing plan is projected at \$115,000, and the time it will take is up to three years. However, costs will be spread over multiple fiscal years, making them more manageable. Also, various components of the plan can be done concurrently, as well as turned around quickly for immediate and effective results.