Tackling Tennessee’s Childcare Crises: Clarksville’s Solution to a Growing Challenge

Josh Ward

VP of Industrial Development

Clarksville, Montgomery County Industrial Development Board

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Introduction

Between 2021 and 2024, Montgomery County experienced an unprecedented wave of manufacturing investment and expansion. Major projects announced thousands of new jobs, and the Industrial Development Board (IDB) leveraged over 2,000 acres of publicly owned land to attract and accommodate new employers. While these investments strengthened the region's economic base, childcare capacity did not grow commensurately. This mismatch created a bottleneck that constrained workforce participation, complicated employee recruitment and retention, and posed a material risk to the long-term success of manufacturing operations in the county. Accessible, reliable childcare, therefore, quickly emerged as a strategic economic development priority.

At the same time, Executive Director Shea Hopkins experienced firsthand the difficulty of securing quality childcare while leading major industrial recruitment projects. Her personal challenge underscored the connection between workforce readiness and childcare availability, and it helped shape the IDB's recognition that addressing this issue was essential for sustaining economic growth.

Childcare Crises

The IDB's research confirmed that the waiting list for childcare in Clarksville and Montgomery County was nearly two years long. In addition to limited capacity, 15.7% of children lived at or below the poverty line. While the team had made strides to increase local wages, the average hourly wage at the time was $20.27, still 25% below the national average. Surveying about five local childcare providers, the IDB found the average monthly cost for childcare was $800. To put this in perspective, childcare costs equate to 23.1% of a person's monthly income, equivalent to an additional mortgage payment for just one child.

Before acting, the first step was to consult the county mayor. The IDB's primary mission is to recruit, retain, and expand industry, with job creation historically at the forefront. Before shifting into a socio-economic initiative like childcare, the IDB sought the mayor's support. Unsurprisingly, he fully endorsed the project and pledged his help. The staff then informed the nine board members of the decision to pursue childcare as an economic development priority. They unanimously supported the effort, and the plan moved forward.

Formulating An Action Plan

Drawing from Shea's personal experience pursuing childcare for her newborn, the IDB knew its top priorities: creating capacity and ensuring affordability. Next, they identified the board's assets and what resources they could leverage. Many communities aim to increase childcare capacity but fail to understand the complexities involved. High demand for childcare and low supply of providers stem largely from significant barriers to opening new facilities. The IDB's goal was to eliminate those barriers and create meaningful capacity in the community. *It's one thing to say childcare is important; it's another to radically reduce costs for providers so they can offer quality, affordable care.* It was decided early on to offer something valuable, land and tax incentives, in exchange for quality childcare at affordable rates.

Next, the IDB needed to define what success looked like. Given the two-year waiting list, a small facility would not suffice. After consulting with local providers, they set a minimum target of 500 new childcare spots. The staff surveyed employers in the industrial park to ask whether they preferred childcare closer to home or closer to work. The majority favored proximity to work, so they could reach their children quickly in emergencies. Based on that feedback, the IDB decided to locate the facility within the industrial park. As the team discussed the project with community members, they encountered some perception issues about placing a childcare center in an industrial area, concerns about environmental exposure, and the inherent dangers of industrial operations. However, they decided to offer a little more land than might be required (for a 500-spot facility) so the facilities could be completely buffered from all manufacturing activities.

With the minimum goals defined, the IDB assessed the barriers and began to identify the right site. In FY 24, the community received 57 company requests that were looking for greenfield sites. 90% of the companies were seeking sites that were greater than 20 acres. Given this reality, the publicly owned 18-acre irregular property located in the South Industrial Park was the perfect fit; it was too small for industry but could work for childcare. Though the IDB owned the 18 acres of industrial land, the site was not zoned for childcare. They submitted a rezoning application, and after explaining the project's importance, the regional Planning Commission approved rezoning from M2 industrial to C5 commercial. With zoning secured, they reached out to local companies to gauge their willingness to support the facility. The companies unanimously agreed to promote it, though no direct financial commitments were made to subsidize tuition. With zoning, elected official support, and industry buy-in, it was time to build the Request for Proposal (RFP).

Strategic Co-Location: More Than Just Convenient

From the beginning, the IDB set out to do something bold that hadn't been done before. By integrating a childcare center directly into the industrial park, it signaled that Clarksville was not only open for business but also deeply committed to supporting the modern workforce. This innovative approach caught the attention of site selectors and corporate decision-makers alike. In fact, LG Chem specifically cited the childcare center as one of the reasons they chose to invest in Clarksville. It was clear: the community's willingness to lead with people-centered infrastructure made the Clarksville Industrial Park stand out in a competitive landscape.

The Request for Proposal

The RFP was a modest document. Looking back, it contained a few spelling and formatting errors, but it conveyed the intent clearly. The three-page document outlined the project objective: to provide affordable, reliable childcare to the industrial park and the surrounding region. It included proposal deadlines and minimum definitions of success. The RFP was essential to generating interest and legitimizing the search. Most importantly, it was made clear that the board had valuable incentives. With county mayor support, the community had the authority to donate land and offer a 10-year Payment In Lieu of Taxes (PILOT) in exchange for at least 500 new childcare spots, with half reserved for industry employees at a 15% tuition discount.

With the RFP finalized and hope high, it was distributed widely. The first step was direct emails to all major childcare providers in the area. In economic development, most professionals know it's easier to expand existing industries than attract new ones, so the initial outreach focused locally. After contacting providers, the search went national by publishing the RFP through Gannett, part-owner of USA TODAY. Gannett posted the full RFP on its digital platforms and in print. The staff also shared it extensively via personal social media accounts, the local Economic Development Council's website, and all available channels. Broad national exposure promised better submissions. Once published, they awaited responses and prepared for final selection.

The Selection Process

The RFP circulated for about six months. During that time, the IDB received 10 inquiries, each requesting clarification and more details. After answering questions, they received two formal submissions: one from a national provider based in Chicago (who will remain anonymous) and one from a local provider, the Youth Academy of Clarksville. They knew little about the national company but wanted to give both bidders equal consideration. Hope Patonis, owner-operator of the Youth Academy, started her business by caring for military children out of her basement and was well-known locally. If selected, this would be her third facility.

The selection committee, a collection of childcare experts, convened via virtual meeting, where both providers presented their proposals. The national provider's tone was businesslike, focused on project finances, curriculum, and meeting minimum RFP requirements. Hope's presentation was heartfelt and personal. She shared her story, community ties, and passion for childcare as a calling, not just a job. The deciding factor was Hope’s offer to build an 800-student center with half the spots discounted by 15%. The national provider proposed approximately 500 spots with a 10% discount. Between the stronger numbers and Hope’s deep community commitment, the committee’s choice was clear.

The Industrial Park Youth Academy

After an 18-month construction period, $14 million in capital investment by the Youth Academy, a land donation, and a PILOT formalized by the Industrial Development Board, Tennessee’s first-ever industrial park childcare center opened on August 2, 2024. The grand opening was well attended by industrial park executives, local and state officials, and notably the Commissioner of Economic and Community Development, Steward McWhorter. On a hot August day, the childcare center officially began serving families. The four-building, bright campus featured an activity center, two inground pools, and whimsical touches any child would enjoy. Unexpectedly, the IDB gained not only affordability, proximity, and capacity with 800 spots but also the nicest childcare center in Clarksville and Montgomery County. To date, it remains the community's favorite industrial park development to showcase.

As of 2025, the facility serves 641 students of the 800 available spots. Over 100 children receive discounted tuition, while the remaining spots serve the broader community at market rates. This facility was built for future growth, knowing the 4,000 announced jobs ahead meant it had to be oversized, and the IDB is pleased to still have open spots.

UT-CIS BRE Course

On November 19-20, 2024, the Executive Director of the Industrial Board participated in the Tennessee Business Retention & Expansion (BRE) Course at the University of Tennessee conference center. The standout speaker was Laith Wardi, CEcD, of ExecutivePulse, Inc., who emphasized childcare's importance in BRE efforts. On day two, he also described childcare as a key business attraction tool. In that moment, it became clear the IDB had been thinking too small. The IDB aimed to support existing companies and job growth, but had not considered using the childcare center as a recruitment advantage. Two months after the course, the industrial leadership submitted an offer letter to a company seeking a Clarksville Industrial Park site, "Project Blue Wing". Using new insights, the Executive Director added a childcare incentive: if the company chose Clarksville over competitors, the IDB would offer 40 discounted childcare spots at a 15% discount on tuition. To date, no other Tennessee community offers discounted childcare as a recruitment tool.

Alternative Childcare Solutions

Throughout this journey, the local team studied what other communities were doing to expand childcare. At GOVCON in Chattanooga, they learned that Tyson Chicken operates an on-site childcare center with 20 employees who serve 100 children. Before the IDB decided to use publicly owned property, they explored a company-centric model but found most employers are unwilling to assume the risks of onsite childcare. In Clarksville, companies prefer their industrial sites to operate purely as manufacturing space, so replicating Tyson's model was a challenge. Additionally, on-site childcare is exclusive to Tyson employees, whereas the IDB wanted a facility open to all industrial park partners regardless of company size.

Before the industrial park project, the Greater Nashville Regional Council (GNRC) informed the team of a state-funded childcare grant of approximately $500,000. Such grants are excellent tools for communities with shorter waiting lists or in rural areas. In 2022, the IDB helped Montgomery County apply for one such grant by contacting local providers. Otter Learning near Ft Campbell Blvd. (near the Army Base in Montgomery County) used the grant, requiring zero matching funds, to renovate a building and add a few dozen spots to their existing operation. While the project is not as glamorous as the Industrial Park Childcare Center, Clarksville officials are persuaded that every new spot helps a family reenter the workforce. When employees can return to work because childcare is available, companies benefit, survive, and thrive. Childcare is thus critical to business attraction, retention, and expansion.

Over the past year, the Clarksville Team has spoken with several communities eager to replicate Montgomery County's childcare model, but face a few challenges. One neighboring community toured the childcare facility, attended by their mayor, YMCA members, economic development officials, another childcare provider, and a few board members. Their discussion revealed competing priorities: the EDO focused on pay for the employees who watch kids, while the mayor wanted proximity to a specific manufacturer. Public-sector involvement in childcare taught me that Economic Development Organizations cannot solve *everything*. The IDB had to let market forces set childcare worker wages. It's plausible that trying to dictate wages would have killed the Clarksville Project. The staff encouraged the visiting community to keep the process simple: get buy-in from elected officials and industry, but let the EDO lead. Let the childcare committee make final decisions, but empower staff to present options and make recommendations. Creating childcare capacity is already difficult—too many voices complicate success.

Conclusion & Reflections

Takeaway 1: Treat building childcare capacity the same as recruiting a new company. When attracting a business, there are RFIs, negotiations, site selection, and clearly defined agreements outlining the community's return on investment. There are claw-back provisions, formal board approvals, and a shared understanding that both parties are protecting their interests.

Too often, economic development organizations treat childcare like a charitable cause. But it's not a charity, it's a business. It's not personal, it's a financial decision. In the case of the Clarksville Childcare Project, the operator was protecting a $14 million investment, while the community wants to secure new and discounted spots in exchange for land and tax incentives. The deal nearly fell apart several times, but with strong legal counsel, they worked through the issues.

Bonus tip: Make sure to select a legal team that is not only dependable but also solution-oriented. Legal counsel who will stick with the community through every challenge is necessary.

Takeaway 2: Publicly funded Economic Development Organizations are not in the childcare business. The IDB doesn't own or run the facility. If the operator provides 400 discounted spots to industrial park partners and extends hours as agreed, the business operates independently. The IDB retains land ownership for 10 years under the PILOT, conveying it upon compliance. The model allowed the Youth Academy's $14 million investment to be profitable while expanding community capacity. Childcare has high insurance costs and staffing challenges; by reducing barriers like land costs and taxes, the community helped the project "pencil" like a manufacturing business.

Takeaway 3: There's a risk in selecting a local provider. While benefits exist, the Youth Academy reevaluated its three locations, putting one property up for lease, possibly to a special needs provider. If that site becomes a special needs center, it will serve the public good. An outside provider might have spurred competition and improved quality. Still, if all three sites serve varied childcare needs, the county's land and tax investment was worthwhile. In other words, if a community goes through this process and chooses a local provider, be sure they commit to keeping all existing facilities open. The goal isn't to relocate childcare, it's to create new capacity.

Takeaway 4: *The model is simple; the process is hard.* High demand and low supply persist because childcare is a risky business. The county-owned land donation and PILOT saved the operator money, ultimately passing savings to families in the form of discounted tuition. Someone must make sacrifices to create unavailable services, and local economic development teams can provide solutions. Though imperfect, this public-private partnership delivers 800 spots, half of which are discounted by 15%.

In closing, the woman who made this project possible shared:

“For me, childcare is a personal reminder that true economic development is not just about projects; it’s about people. It’s about lifting families, strengthening communities, and making sure that growth includes everyone.” -Shea Hopkins.

Resources

Tennessee Commission on Children & Youth County Profiles 2025, Montgomery County,

Tennessee Business Retention & Expansion Course November 19-20, 2024, Knoxville, TN

The Governor's Conference, Chattanooga Convention Center, Hamilton County 2023

Child Care Creation Grant, Greater Nashville Regional Council (GNRC) May 03, 2022

Shea Hopkins, Director of Economic Development, City of Granbury, TX 116 W. Bridge St., Granbury, TX 76048