



LEVELING UP: COFFEE COUNTY'S
ECONOMIC DEVELOPMENT OPPORTUNITY
TCED CAPSTONE SPRING 2021
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Communities that approach economic development as a holistic effort are often held up as excellent or model communities in the field of economic development. “[A] holistic approach to economic development recognizes that there are participants that work together in a system and that interact with each other; these include businesses, workforce, and infrastructure. Each has interdependence to the rest, and they are all a requirement for development.”¹ These communities, and the organizations that serve them, have realized that not only do they need to promote their community to potential industries, but they need to strategically market to all stakeholders, including potential businesses or industries, current residents, and future residents.

Organizational Structures and History

Historically, Coffee County, Tennessee, has had a fragmented approach to economic development with multiple organizations serving the cities of Manchester and Tullahoma and what is referred to as rural Coffee County. In 2005, an effort was made to change this by combining the Tullahoma Industrial Board, the Manchester Industrial Board, and the Industrial Board of Coffee County, into one consolidated industrial board. However, this vision was not fulfilled and in 2021, there remain three economic development boards: the consolidated Industrial Board of Coffee County (IBCC), the Tullahoma Area Economic Development Corporation (TAEDC), and the Greater Manchester Economic Development Corporation (GMEDC). Furthermore, there are also separate Chambers of Commerce serving the cities of Manchester and Tullahoma that are engaged in economic development activity also. As VisionFirst Advisors pointed out in their 2019 report on Coffee County for the TVA Competitive

¹ Guzmán, A. G. (2017, June 6). *Bet for Development: A Holistic Approach to Economic Development*. LinkedIn. <https://www.linkedin.com/pulse/bet-development-holistic-approach-economic-alejandra-guzman/>

Communities program, this fragmented structure can lead to unnecessary confusion, duplication of efforts, and competition within the county.²

Although consolidation of the board took place in 2005, the IBCC was originally formed in 1967, with the Tullahoma Industrial Board also being formed around this time. The IBCC is a consolidated industrial board charged with what historically was termed “industrial development” for the entire county. This includes recruiting new companies to the five industrial parks within Coffee County: the Coffee County Interstate Industrial Park, the Manchester Industrial Park, the Coffee County Joint Industrial Park, the Tullahoma Industrial Park, and the Tullahoma Business Airpark. The IBCC also works with existing industries, engages with local schools for workforce development purposes, and pursues the development of new industrial property. Since 1988, the IBCC, in partnership with local builders, has constructed sixteen speculative buildings, which has provided momentum for the county’s strong industrial base. A recent project has been the development of the new Middle Tennessee I-24 Megasite, a 2,000-acre rail-served property located just outside the city limits of Manchester. The organization employs three full-time staff members: an executive director, assistant director, and executive assistant/bookkeeper. Coffee County fully funds the organization through an appropriation, and staff are considered Coffee County employees. The staff is also supervised by a nine-member board appointed by the Coffee County Commission. The board consists of three representatives that live in rural Coffee County, three that live in the City of Tullahoma, and three that live in the City of Manchester.

TAEDC is charged with recruiting aerospace/aviation, medical, and technology-related businesses to the city of Tullahoma. This broadly includes retail recruitment to the city of

² TVA Competitive Communities Report, Coffee County TN

Tullahoma and the development and marketing of the Tullahoma Business Airpark; a role also played by IBCC to some degree. This organization is staffed by a full-time employee of the City of Tullahoma and reports to a seven-member board that is appointed by the Tullahoma Board of Mayor and Aldermen.

The GMEDC, formed in 2019, is charged with recruiting new retail and commercial businesses to the city of Manchester. The GMEDC currently does not have any staff and consists of a ten-member board; three of the board positions are ex-officio and are to be held by the director of the Manchester Chamber of commerce, the executive director of the Industrial Board of Coffee County, and an individual representing education. Both Chambers of Commerce engage in business retention, small business development, and encourage entrepreneurship in their respective communities.

While all these organizations communicate, to a certain extent, and attend the other's functions, there is no strategic partnership in place which considers the strengths of each organization or where duplication or gaps exists. One must consider how Coffee County as a whole would benefit through increased collaboration and formal partnership. This is not to say that economic development efforts in Coffee County have been unsuccessful. Due largely to the long-standing efforts of the IBCC to build spec buildings and develop industrial land, the county is home to 56 manufacturing, processing and distribution companies employing 5,567 individuals.³ Additionally, over a period of five years, Tullahoma successfully recruited retail and restaurant brands such as Publix, Jimmy Johns, Planet Fitness, Kay Jewelers, Jersey Mike's, Badcock Furniture, Aldi, Shoe Sensation, and Starbucks which resulted in the creation of 140

³ 2021 Coffee County Industry Directory

jobs and an increase in sales tax revenue of \$366,000.⁴ However, there is always room for improvement.

Applicable TCED Course Work

Through the Tennessee Certified Economic Developer Program (TCED), economic developers in Tennessee are educated in the categories of Marketing and Attraction, Business Retention and Expansion, Entrepreneurship and Small Business Development, Economic Development Finance, Workforce Development, and Managing Economic Development Organizations. It would be a fallacy to think of the courses as anything other than interconnected; they are not so much pieces of a pie as they are ingredients in a pie. If you leave out one ingredient, you might luck out, but it's much more likely that the pie won't taste quite right.

Take for example Marketing and Attraction; to successfully market your community to prospective businesses, whether they be industrial or commercial, you must know your available sites, buildings and infrastructure, transportation access, education and training opportunities, your workforce size, cost and capabilities, your existing industries, and your community demographics.⁵ Prospective industries increasingly are not only concerned with the current labor force but demand attention to preparing future generations for the workforce. What is being done in third grade, fifth grade, and eighth grade to ensure that if an industry locates in a community today that they will have a workforce in five, ten, or twenty years? A new industry relocating members of their team will ask what you can show them in your community to convince them that will be a good move. What is your quality of life story? Will their employees be able to access amenities in your community, or will they have to travel elsewhere to shop, enjoy recreational activities, or see a play? Regional partnership can play a key role in ensuring that

⁴ <https://www.retailstrategies.com/success/tullahoma-tn/>

⁵ TCED Marketing and Attraction Course

these activities are available in your backyard and that you are aware of them. Increasingly, businesses are not concerned with political boundaries. They want to know about the labor shed for your community and the assets that it provides. To successfully address such concerns, economic developers need to engage in workforce development, business retention and expansion, and more or at least be well connected to the subject matter experts on these topics in your region. Collaboration across agencies can limit the amount of effort that is required by each individual agency to accomplish economic development goals.

State and National Trends

The State of Tennessee recognizes that collaboration across agencies is key to economic development. To this end, Public Chapter 1101 encouraged collaboration by requiring that non-metropolitan counties form Joint Economic and Community Development Boards (JECDBs). Membership of each JECDB is established by interlocal agreement and, at a minimum, must include the county mayor or executive, the city mayor or city manager of each city in the county, and one person who owns land classified under the greenbelt law, as well as representatives of citizens, current industry, and businesses.⁶ The Tennessee Department of Economic and Community Development encourages JECDBs by incorporating them into the ThreeStar program, which is a strategic community development program designed to assist communities in planning for their future.⁷

On the national level, the U.S. Department of Labor's Employment and Training Administration launched Workforce investment in Regional Economic Development (WIRED)

⁶ <https://www.tn.gov/tacir/annexation/redirect---annexation-in-tennessee/comprehensive-growth-policies--public-chapter-1101-/joint-economic-community-development-boards--purpose-and-composition.html>

⁷ <https://www.tn.gov/content/tn/ecd/rural-development/threestar.html>

in 2006. This program was designed to foster innovations and competitiveness in regional economies by working from the following principles:

1. Define the regional economy by identifying the surrounding communities that share common characteristics, looking beyond traditional political boundaries;
2. Create a leadership group that represents the major assets of the region and provides a forum for regional economic decision making;
3. Conduct a regional assessment to fully map the area's assets and identify the strengths, weakness, opportunities, and risks based on those assets;
4. Develop a strategy and corresponding implementation plan that identifies specific goals and tasks and provides a blueprint for how to achieve the region's economic vision;
5. Identify resources- both to support the region's plan and to invest in the region's economy- from a wide range of sources including foundations, angel and venture capital networks, and federal, state, and local governments.

In 2010, the U.S. Department of Agriculture signaled its support of regional planning activities by granting funds through the Rural Business Opportunity program. The grants were intended to support best practice projects in economic development and focused on strategies to support economic prosperity in rural areas.⁸ These two programs are examples of the federal government incentivizing regional cooperation among municipalities that may have traditionally been in competition with each other.

Outside of being incentivized by the state or federal government, regional efforts are gaining traction. Communities are realizing that to compete on a global scale, they need to focus

⁸ Perspectives on Regional Collaboration

less on political boundaries and more on functional labor markets.⁹ Several prominent regional efforts illustrate how unnecessary and unhelpful competition between neighboring communities can be improved. Unchecked neighboring competition can result in incentive battles that ultimately lead to no one winning.

The tale of two very different metropolitan areas tells this story. In Denver, Colorado, the Metro Denver Economic Development Corporation's Code of Ethics strives to put the region above individual cities. Fifty partners have signed the code of ethics and agree to certain guiding principles focused on working with neighboring communities to attract, expand and retain existing industries to the Denver region as opposed to focusing on a win for individual communities. The partners recognize that for the most part, what is good for the region, is good for the communities within the region.¹⁰ Conversely, the Kansas City, Kansas, and Kansas City, Missouri, famously waged war with each other by local and state governments incentivizing industry and business to relocate across state lines despite being part of the same metropolitan area and the poaching leading to almost zero new jobs being created. However, in 2019, the Governors of Kansas and Missouri finally signed an agreement pledging to end the use of tax incentives to lure companies across the state line that do not create new jobs for the region¹¹ signaling a recognition of the importance of cooperation in economic development.

While Denver and Kansas City are examples of regionalism working for or working against economic development, one can look a little closer to home for a specific example of an organizational type that encourages collaboration. Williamson Inc. is the umbrella organization for economic development in Williamson County, Tennessee. According to its website,

⁹ Rural Renaissance and Regional Strategies

¹⁰ Partners or Pirates

¹¹ <https://www.kansascity.com/news/business/article233725152.html>

Williamson Inc., aims to “be a force in the region, connect people, information and ideas, partner for an educated workforce, develop strong leaders in the community, be an influential business advocate, and provide top-tier economic development.” Formed in 2012 from three pre-existing chambers, this group is the single point of contact for economic development in Williamson County and its six municipalities. Williamson Inc., utilizes memberships, sponsorships, and partnerships to accomplish its goals.¹²

Proposal

Now that state and national trends have been examined, as well examples of economic development cooperation and competition, turn back to Coffee County, a prime example of how-to level-up economic competitiveness by leveraging existing resources and increasing interlocal cooperation. While the existing organizations make efforts to not directly compete by focusing on different areas and do not have a history of piracy, one must still ask if having four organizations is the best use of limited resources.

A consolidated economic development effort in Coffee County would take the five existing organizations: the consolidated industrial board, TAEDC, GMEDC, the Tullahoma Chamber of Commerce, and the Manchester Chamber of Commerce and combine them into one umbrella organization with the aim of pursuing greater economic prosperity countywide. By organizing as a public private partnership, the organization could be funded both by the public and private sectors. Dual funding is key as the existing organizations are funded by both sectors. As previously mentioned, the industrial board receives the entirety of its funding from the county government. TAEDC and GMEDC are funded by their respective cities, and the chambers are funded through partnerships, memberships, and events. According to the IEDC’s Introduction to

¹² Williamsonchamber.com

Economic Development, Public Private Partnerships also allow for greater flexibility than public sector economic development organizations.¹³ Furthermore, partnerships are typically non-profit and have a board comprised of representatives from both sectors.

The first step in forming an umbrella economic development agency for Coffee County should be a comprehensive strategic planning process. The organizations and the communities they serve should assess current efforts, planned efforts, and priorities for each community and come to a consensus on how to best serve the entire county and prepare for future growth; early alignment is key for the success of the organization.

The Coffee County Economic Development Partnership could be organized in a way that results in a single point of contact for: business retention and expansion efforts, small business and entrepreneurship development, new business recruitment including industrial and commercial businesses, education partners, and prospective and current citizens. It is an oft-quoted statistic that 87 percent of new jobs come from existing businesses¹⁴ meaning that business retention and expansion should be a key part of any successful effort. Currently in Coffee County, a business could hear from all five organizations at different times of the year for different reasons. Having a single organization, would alleviate confusion that is inevitable when multiple organizations reach out to the same company. Entrepreneurs and small business owners are usually the backbone of a community; their owners serve on boards, contribute funds, and provide goods and services that the community needs to thrive. Depending on what area of the county an entrepreneur is looking at starting a business in, they will receive varying levels of support and access to readily available guidance. Having a single resource guide or contact from those looking to start a business anywhere in the county would only encourage entrepreneurial

¹⁴ https://cdn.advocacy.sba.gov/wp-content/uploads/2019/06/10111825/Job_Creation_fact_sheet_FINAL_0.pdf

growth. The framework for a single point of contact for new industrial recruitment is already in place. The Industrial Board of Coffee County is the single point of contact for all industrial property currently and these duties would be transferred to the new umbrella organization. Educational partnerships are key to workforce development. From K-12 educational institutions to Tennessee Colleges of Applied Technology, to Community Colleges, and four-year universities, they all play a role in educating our current workforce, retaining them, and recruiting new labor. Currently in Coffee County, educational partners, much like existing businesses, may hear from one or all economic development organizations in our county on any given day. Reducing the number of economic development partners our educational institutions need to communicate with could ensure that program information and needs are quickly and accurately relayed to the appropriate person. The sharing of information and collaboration provided by the environment that an umbrella organization produces only benefits current and prospective citizens. For current citizens, it can mean more, higher-paying jobs, for prospective citizens it can mean quick access to information about the entire county allowing them to assess the benefits of moving to Coffee County as opposed to a similarly sized community.

The above framework for serving the community closely aligns with staffing needs for the proposed organization. A CEO would oversee all operations; a Director of Economic Development would oversee industrial and commercial business recruitment, business retention and expansion activities, small business development, and workforce development. Under the Director of Economic Development, the organization would need an Existing Businesses Coordinator, a Workforce Development Coordinator, and a Project Coordinator. A membership and events coordinator, a marketing and communications specialist, and an administrative coordinator would also be key players on the Coffee County Economic Partnership team.

As suggested by the public private partnership organizational structure, the board of directors should be made of elected officials and private citizens. Elected officials should be equally representative of each locality, meaning the City of Tullahoma, the City of Manchester, and Coffee County should have equal representation. Private individuals should also be representative of all communities involved. By striving for equal representation, but also an overlap of interests in the board members, you have a better chance of hearing representative voices of the citizens.

There are no shortages of challenges for an umbrella economic development organization. Not unlike many places, long-standing high school football rivalries and a history of hurt feelings and past failed partnerships must be addressed. As the population of the county grows and new citizens move into the community, the county should take the natural opening to level up. Growth in Coffee County is being driven by not only the rising popularity of Tennessee¹⁵, but also the exponential growth of the Metropolitan Nashville region (Nashville-Davidson–Murfreesboro–Franklin, TN Metropolitan Statistical Area) which encompasses Coffee County’s neighbor, Rutherford County¹⁶. The current growth that the county is seeing offers the chance for new players to get involved, and an increase in tax revenues, which could help fund the partnership. Although, due to the fact that five organizations are already funded, most of the funding for the organization is already in place. Another obstacle is the intrinsically competitive nature of locating new retail development especially given the relatively close population sizes of the two cities: 19,555 for Tullahoma and 11,038 for Manchester.¹⁷ However, this obstacle can also be overcome through careful strategic planning and conversation. The two cities have

¹⁵ <https://www.businessinsider.com/people-moved-to-tennessee-texas-florida-2020-u-haul-data-2021-1>

¹⁶ <https://outandabouthnashville.com/report-nashville-10th-fastest-growing-metro-in-the-united-states/>

¹⁷ <https://www.census.gov/quickfacts/fact/table/US/PST045219>

should focus on how they can jointly serve the entire county by recruiting different types of retail and other commercial businesses to both cities.

Conclusion

The multiple economic development agencies that serve Coffee County have seen success in their niche markets; however, consolidation could bring a higher level of economic success to the county. Combining resources would enable their more efficient use while filling gaps in the economic development services currently offered. Coffee County has the opportunity with an influx of new residents to move past the long-held rivalry mindset and level up to give its residents opportunities that do not currently exist and are being denied by historic legacy structures.

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