

Working Together for a Stronger Local Economy:

How to reach potential in purpose for local
JECDB Organizations

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I. Introduction

When you look across the communities in Tennessee, they reflect varying levels of economic success. Of course, the definition of success can be described very differently from one individual to another, one city to another, and from one county to another. However, one measure of success translates across county lines and that measure is the local economy. Local Joint Economic and Community Development Board (JECDB) were originated to facilitate economic growth and community development by engaging in effective communication among municipal and county government leaders and community leaders to develop strategic action plans.

Another group that is vital to economic development at the local level is the Industrial Development Board (IDB). The mission and scope of these two local economic and community development groups are different yet often have seemingly very blurred lines of division. The Tennessee Code Annotated (TCA) refers to the Industrial Development Board (IDB) in 7-53 and provides authority for the IDB to finance and own properties that will encourage economic growth and enhance housing opportunities. The mission of the JECDB is concentrated on planning and development of community growth to foster economic development and collaboration between local governments and key community stakeholders.

These committees, even though both are set by state statute, vary greatly from one county to the next. An IDB may be created, managed, and operated by counties, or cities within those counties, or both, offering the possibility of multiple IDBs within the county boundaries. The JECDB is a countywide organization and must include membership of officials from the county and all cities within the county, as well as the approval of an interlocal agreement (TCA 5-1-113).

II. Definitions and history of local economic development organizations – JECDB and IDB

In order to evaluate these committees, we need to look at the history and development of the JECDB in Tennessee.

The design of the JECDB in Tennessee can be traced directly to Wilson County. The Wilson County JECDB was created in 1989 by “a group of local community and business leaders” with the intended goal to “lay a foundation for economic and community development for Mt. Juliet, Lebanon, Watertown and Wilson County within one organization” to “broaden and increase the tax base of Wilson County.”

The Wilson County JECDB designed a focused purpose and mission for the group to guide their direction and subsequent actions. Their mission statement: ‘To attract new investment into Wilson County in order to keep pace with our rapid growth while providing a quality lifestyle for our communities.’ How did they set out to accomplish this? Here are the listed goals of the Wilson County JECDB:

- To develop, recommend and direct a strategic plan of policies and actions that improve the economic well-being of the community and those activities and services which support economic growth and improve the quality of life of the community’s members
- To encourage an entrepreneurial spirit among present businesses and citizens
- To help spawn expansions of local industry and businesses
- To seek out those enterprises which support the development of the future as outlined in the strategic plan for the purpose of enticing them to locate in Wilson County

- To foster an open communication among all groups in the County concerned with economic development including, but not limited to, residents, present industry and businesses, government, education, public and private developers and other public organizations.

Wilson County JECDB fosters “working together as a community builds consensus and positive results in economic and community development for all of Wilson County, Tennessee” [doingbiz.org].

While the members of these two boards have connecting mission, they also have distinctly different duties and responsibilities. To put it in very simplistic terms the JECDB is charged with planning and policy of economic growth, and the IDB serves as a vehicle for financing, purchase and distribution of properties that will enhance and encourage economic and community growth.

Membership of these boards is also defined in the designated state statutes. The IDB allows a minimum of seven members; all must be ‘duly qualified electors of and taxpayers.’ Members cannot be employees or officers of the local government.

For the JECDB, there are required members and recommended members, and membership is set by an interlocal agreement. At a minimum, the county mayor and the city mayor or city manager of each city within the county boundaries. While these minimum requirements provide a base for the boards there are several other community development areas that many of Tennessee’s JECDBs would be enhanced if they included, such as representatives from education, health, safety, tourism, business, housing and transportation. Except for the elected officials, whose terms will mirror their official terms of office, the members have a maximum term of four years and as defined by the interlocal agreement, should be staggered. In

27 Tennessee counties, it has been determined that an existing organization will fill the role of the JECDB as a sufficiently similar group. These groups should be re-examined using the same guidelines outlined here to see if they will be able to fulfill the updated mission of the JECDB or not.

A report, titled “Joint Economic and Community Development Boards: A Guide for Future Action” was created by the Tennessee Advisory Commission on Intergovernmental Relations (TACIR). The report was developed in collaboration with The University of Tennessee Institute for Public Service, County Technical Assistance Service, Municipal Technical Advisory Service, Center for Government Training, and The Tennessee Development District Association, outlines responsibilities and provides a guide for Public Chapter 1101. Used to create local boards or to determine if an existing board could be utilized to perform the set duties of the JECDB, the report also compares the ‘Purposes, Powers, and Funding of the Coordinating Committees, the Joint Economic and Community Development Boards, and the Industrial Development Corporations’ (TACIR).

III. Comparison of three Tennessee County JECDB’s; how they align with state statute

Minutes from several county JECDBs for a single year were reviewed and three were selected for general composite basic analysis. Personal contact was made to clarify certain structure, details and items referred to in the reviewed minutes.

a. County #01

Meets the basic minimum meeting requirements for grant eligibility. This board meets the minimum requirements of meetings, however does not follow the funding mechanism set in the statute. Meeting minutes are minimal, with few details and without defined action steps for the future.

b. County #02

Meeting minutes include members present, members absent, updates from community leaders covering multiple focus areas including updates from sectors including safety, health, education, transportation, economic development, local real estate market, and tourism.

No action steps are included in the minutes, only status updates to communicate sector progress. No apparent common goals, mission or purpose had been defined, and no funding mechanism or budget is described or reported.

c. County #03

Interlocal agreement is in place, with enhanced local membership and respective member terms of office defined and duties / responsibilities outlined. Meetings are scheduled in advance, with dates, time and location communicated to members in a timely manner to allow for the best attendance. The meeting structure is well organized, with agendas received by members ahead of the meeting and deliverables clearly stated. This allows members to be prepared and focus on the agenda and mission of the organization.

IV. Are Tennessee JECDB's effective? And how is that effectiveness measured?

As described in section III, the effectiveness of Tennessee JECDBs vary, and often do not reflect their full potential. Alignment of JECDB membership / community leadership with TNECD program framework can create coordinated structure for local development strategy, program, and leadership development and implementation.

If local JECDBs considered the intent of the legislation and developed improved processes based on their individual county needs, their effectiveness could provide measurable impact for community growth.

V. Analysis of statute and common application

Based on data collected and interviews conducted, in many counties the state statute is not followed and in fact, is not well understood. This lack of understanding has led to dysfunctional JECDBs, without clear purpose and mission. Breakdown of TCA 6-58-114 by sections and the common application:

a. Stated intent is for long-term planning, regular communication and cooperation among local governments. The intent refers to the County Growth Plans and another designated community committee, the Growth Policy Act county coordinating committee (TACIR). Most counties do not include strategic planning in their JECDB mission, however they do use the JECDB as a communication venue.

b. The JECDB shall be established by interlocal agreement.

c. Membership of the board, requirements are very limited

d. Executive Committee

e. Terms of office are to be a maximum of four (4) years, except for those positions of elected officials, which follows the official's election cycle.

f. General Board meetings are to take place at least quarterly, and the Executive Committee will also meet four times a year, once each quarter.

g. Funding: There are four sections of (g) funding, as they set the formula (1) for each participating government to contribute based on their percentage of the population served,

according to the federal decennial census; (2) consider any special census status (3) also allows for the acceptance of grants, donations and payments that can be used to assist other public or nonprofit entities within the county for economic or industrial development purposes and (4) or if a funding mechanism was in place prior to the May 19, 1998, this may be used instead of the formula.

h. Budgets – an annual budget to fund the activities of the board shall be recommended by the executive committee to the board for approval prior to April 1 of each year.

i. A city of a county shall certify compliance with JECDB requirements to be eligible for any state grant.

j. If a sufficiently similar organization exists within the county on May 19, 1998, that organization may be used to satisfy the JECDB requirements.

k. Membership: Required are the County Mayor / Executive, and the Mayor, or City Manager of each city within the county boundaries or their authorized representative. It also allows for alternatives to serve that has experience or education in the fields of public administration, economic and community development or planning, and be able to speak for the entity represented.

VI. How to change the JECDB state statute to improve sustainability and effectiveness

Better clarity to purpose, additions to membership alignment for community growth along additional industry sectors, and removal of the funding requirements would assist in creating focus for the local JECDB.

In the statute, the first two sections set the stage for the JECDB and provide a good base. Section 'c' deals with membership and should be expanded to include at least other suggested community representatives in focus areas. 'D' and 'e' focus on the executive committee, and terms of office. The responsibilities of this executive committee and better guidelines for the terms of office would be a good addition.

Meeting a minimum of quarterly is appropriate, once the purpose is better defined and action steps are created for the individual community to best serve the residents and businesses.

Without clear mission or purpose, the funding mechanism and budget requirements should be removed from the statute. As the Board clarifies their mission, it should be left up to each individual county on their best process for developing their funding structure and resource management.

Compliance with the requirements of the JECDB should continue to be prerequisite for receiving state grant funds.

While there may be other groups within the county with similar missions, unless their purpose can be aligned with a clear vision and mission for strategic planning, community-wide cooperation, and collaboration for economic and community development there should not be a substitute for the JECDB. Expanding the membership of this group would help align sectors of community development and enhance the effectiveness of the local JECDB.

VII. A Model for an Effective JECDB for Tennessee counties

Following any action taken by the legislators to clarify the state statute, local community JECDB’s can be strengthened by taking a three-step approach to increase their effectiveness. First, the interlocal agreement must be reviewed and clarified for purpose and structure. Second, membership must be determined and include stakeholders from additional focus areas of community leadership. Third, a clear vision statement and mission must be developed, with SMART (Specific, Measurable, Attainable, Realistic, Timely) goals and action steps, with defined responsibilities and timelines assigned to members. This should include a set number of both short term and long-term goals.

This should be done strategically with a minimum requirement of an annual review and update, which should be included in the Tennessee ThreeStar program report. Each board should also have a process in place for facilitated board training. This training should be conducted no less than once every 18 months and within the first six months of office for newly elected local officials.

1. The interlocal agreement: must follow the guidelines set in TCA 5-1-113 and should be reviewed and/or updated at least once every four years. Each local governing body will approve a resolution at a full government body meeting prior to the interlocal agreement takes effect.

2. Membership: Should include representatives from each of the main sections listed in the chart below. Developing the vision and mission

| Category | Representative |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Elected Officials | 1. County Mayor / Executive 2. City and Town Mayor(s) 3. City Manager or designated representative |
| Economic Development | 1. Economic Development Representative(s) 2. Chamber of Commerce representative(s) 3. Industrial Board / Manufacturing Representative(s) |

| | |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | 4. Regional Economic Development Representative(s) [Development Districts, TNECD, TVA, etc.] |
| Community / Tourism Development | 1. Main Street or Downtown Committee Representative(s) 2. Tourism Representative(s) 3. Retail Representative (development / owner) 4. Entrepreneurship / Small Business Development 5. Community Development Organization Executive / Board Member 6. Parks and Recreation representative(s) |
| Education – Workforce Development | 1. K-12 Education Executive and/or Board Member 2. WIOA Executive and/or Board Member 3. TCAT Representative 4. Community College / University Executive or Representative 5. Private School(s) or other education organization 6. Local Business / Staffing / Human Resource Representative |
| Agriculture / Real Estate | 1. Property Owner / large tract / farm producer 2. Local Housing Authority Representative 3. Real Estate professional 4. Agriculture / Forestry Organization Executive, Board Member / Producer |
| Health / Safety | 1. Law Enforcement (City/County/State) representative(s) 2. Hospital / Medical industry representative(s) 3. Health Council / Health Department Representative(s) 4. Social Services representative(s) 5. Emergency Management representative(s) |
| Utilities / Transportation | 1. Highway and Street Supervisors, Directors 2. Utility provide representative(s) [electrical, gas, water, sewer, broadband, telephone, other] 3. Public Works |
| Civic / Non-Profit | 1. Senior Citizen representative(s) 2. Youth leadership representative(s) 3. Civic Club representative(s) 4. Ministerial Association leader(s) 5. Volunteer / Community leader(s) |

These steps in developing and nurturing the Joint Economic and Community Development Board, with membership to include key stakeholders and leaders across community sectors, will provide a solid framework for building and planning for local economic growth.

Local JECDBs have the potential to guide economic growth and vitality with engaging in effective communication among municipal and county government leaders and community leaders. Reaching that potential will take teamwork, strategy and focus. Developing strategies that fit the community is key to growth and prosperity. Something that works in one county may not work in another. It is extremely important that these JECDBs use their specific community data to develop their plans for strategic growth. Working together, with common goals, everyone achieves more.

TCA 6-58-114 – JECDB – Joint Economic and Community Development Board

6-58-114. Joint economic and community development board. — (a) It is the intent of the general assembly that local governments engage in long-term planning, and that such planning be accomplished through regular communication and cooperation among local governments, the agencies attached to them, and the agencies that serve them. It is also the intent of the general assembly that the growth plans required result from communication and cooperation among local governments. (b) There shall be established in each county a joint economic and community development board, which shall be established by interlocal agreement pursuant to § 5-1-113. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. (c) Each joint economic and community development board shall be composed of representatives of county and city governments, private citizens, and present industries and businesses. The final makeup of the board shall be determined by interlocal agreement but shall, at a minimum, include the county mayor and the city mayor or city manager, if appropriate, of each city lying within the county and one (1) person who owns land qualifying for classification and valuation under title 67, chapter 5, part 10; provided, that in cases where there are multiple cities, smaller cities may have representation on a rotating basis as determined by the interlocal agreement. (d) There shall be an executive committee of the board, which shall be composed of members of the joint economic and community development board selected by the entire board. The makeup of the executive committee shall be determined by the entire joint economic and community development board but shall, at a minimum, include the county mayor and the city mayors or city managers of the larger municipalities in the county. (e) The terms of office shall be determined by the interlocal agreement, but shall be staggered, except for those positions held by

elected officials whose terms shall coincide with the terms of office for their elected positions.

All terms of office shall be for a maximum of four (4) years. (f) The board shall meet, at a minimum, four (4) times annually, and the executive committee of the board shall meet at least four (4) times annually. An executive committee meeting shall be held once each calendar quarter. Minutes of all meetings of the board and the executive committee shall be documented by minutes kept and by certification of attendance. Meetings of the joint economic and community development board and its executive committee are subject to the open meetings law.

(g) (1) The activities of the board shall be jointly funded by the participating governments. The formula for determining the amount of funds due from each participating government shall be determined by adding the population of the entire county as established by the last federal decennial census to the populations of each city as determined by the last federal decennial census, or special census as provided for in § 6-51-114, and then determining the percentage that the population of each governmental entity bears to the total amount. (2) If a special census has been certified pursuant to § 6-51-114, during the five-year period after certification of the last federal decennial census, the formula shall be adjusted by the board to reflect the result of the special census; provided, that the board shall only make such an adjustment during the fifth year following the certification of a federal decennial census. (3) The board may accept and expend donations, grants and payments from persons and entities other than the participating governments. The board is authorized to transfer or to donate funds from participating governments or outside sources to other public or nonprofit entities within the county to be used for economic or industrial development purposes. (4) If, on May 19, 1998, a county and city government have a joint economic and community development council that has an established funding mechanism to carry out a unified economic and community development program for

the entire county, such funding mechanism shall be utilized in lieu of the formula established in this subsection (g). (h) An annual budget to fund the activities of the board shall be recommended by the executive committee to the board, which shall adopt a budget before April 1 of each year. The funding formula established by this act shall then be applied to the total amount budgeted by the board as the participating governments' contributions for the ensuing fiscal year. The budget and a statement of the amount due from each participating government shall be immediately filed with the appropriate officer of each participating government. In the event a participating government does not fully fund its contribution, the board may establish and impose such sanctions or conditions as it deems proper. (i) When applying for any state grant a city or a county shall certify its compliance with the requirements of this section. (j) If there exists within a county a similar organization on May 19, 1998, that organization may satisfy the requirements of this section. The county mayor shall file a petition with the committee, which shall make a determination whether the existing organization is sufficiently similar to the requirements of this section. When the committee has made its determination, an affected municipality or county may rely upon that status of the existing organization to satisfy the certification requirements of subsection (i). (k) The county mayor and the mayor, or city manager, if appropriate, of each city lying within the county are authorized to designate an alternate representative, who shall have full authority to vote and participate in all activities of the joint economic and community development board and its executive committee. An alternate appointed to serve on the joint economic and community development board or its executive committee shall have experience or education in the fields of public administration, economic and community development or planning, and be able to speak for the entity represented. [Acts 1998, ch. 1101, § 15; 2003, ch. 90, § 2; 2005, ch. 245, §§ 2, 3; 2006, ch. 608, § 1.]

TCA 7-53-102 - IDB – Construction of local Industrial Development Board

7-53-102. Legislative intent and findings -- Purposes of chapter -- Construction.

(a) It is the intent of the general assembly by the passage of this chapter to authorize the incorporation in the several municipalities in this state of public corporations to finance, acquire, own, lease, or dispose of properties, to the end that such corporations may be able to maintain and increase employment opportunities, increase the production of agricultural commodities, and increase the quantity of housing available in affected municipalities by promoting industry, trade, commerce, tourism and recreation, agriculture and housing construction by inducing manufacturing, industrial, governmental, educational, financial, service, commercial, recreational and agricultural enterprises to locate in or remain in this state and further the use and production of its agricultural products and natural resources, and to vest such corporations with all powers that may be necessary to enable them to accomplish such purposes. It is further the intent of the general assembly to promote the control and elimination of all types of pollution that may result from the existence, development or expansion of commerce and industry within the state and that are essential to the economic growth of the state and to the full employment and prosperity of its citizens, but are accompanied by the increased use of processes and facilities and the increased production and discharge of noise, and gaseous, liquid and solid waste that threaten and endanger the health, welfare and safety of the citizens of the state by polluting the air, land and waters of the state. Therefore, the general assembly finds and determines that in order to reduce, control and prevent such environmental pollution, it is imperative that action be taken at various levels of government to require acquisition and installation of devices, equipment and facilities for the collection, reduction, treatment, and disposal of such wastes and pollutants, and that such actions heretofore or hereafter taken be effectively coordinated; that the cost of such acquisition and

installation, if required to be assumed and paid by private enterprises without public assistance, would be unduly burdensome and would discourage or prevent their location in the state and would jeopardize their continued operation in the state; and that the assistance provided in this chapter, especially with respect to financing, is therefore in the public interest and serves a public purpose of the state in promoting the health, welfare and safety of the citizens of the state, not only physically by reducing, controlling and preventing environmental pollution but also economically by the securing and retaining of private enterprises and the resulting maintenance of a higher level of employment and economic activity and stability, and to vest such corporations with all powers that may be necessary to accomplish such purposes. It is not intended by this chapter that any such corporation shall itself be authorized to operate any such manufacturing, industrial, governmental, educational, commercial or agricultural enterprise, hotel, motel or apartment building or pollution control facility [TCA 7-53-102].

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