

## Economic development has held its own

Economic development in Jefferson County has held its own despite the worst recession since World War II – evidence that the [“Building a Better Future”](#) incentive program is working, consultant Henry Luke told public and private investors at meetings last week.

Over 1,100 new jobs created here in 2012 and 2013 have helped make up for over 1,500 jobs lost 2009 through 2011, and sales tax receipts have risen every year except 2013, helped along by a growing tourism industry. The last six years have also seen an unprecedented investment in local infrastructure totaling nearly \$120 million. “We have a lot to celebrate,” Luke said at an investors’ breakfast last Tuesday. “I congratulate you for persevering in the face of adversity.”

After a community “visioning” process in 2007, the “Building a Better Future” program was organized to develop strategies to enhance economic and business development, education, quality of life, infrastructure, environment, and public/private leadership. The economic and business development part of the plan included a \$1 million fund-raising campaign and the development of a series of benchmarks that were to be used to monitor the program. The benchmarks were revised downward after the recession hit and the fund-raising campaign fell short of its goal. Despite the economic headwinds, the county made progress on most of the goals and met or exceeded the benchmarks in sales tax receipts and earnings per job.

The fund-raising campaign allowed the creation of a public/private partnership called the Economic Development Oversight Committee, which hired a tourism director and director of economic development to work through the local Chamber of Commerce.

“In view of the national data, the Jefferson County data demonstrate exceptional implementation success we can celebrate,” said Luke. “The public sector, private sector, and public-private partnership are to be congratulated for persevering in the face of great difficulties.”

Nationally, the number of jobs has not returned to peak employment 75 months after the recession began. Locally, the figures show a net loss of 337 jobs between 2007 and the present. A slow-down in the number of new working age residents, coupled with creation of more than 1,000 new jobs, helped the county exceed its benchmark in jobs for 2012.

Luke said the county has a “real need” for property for industrial and office use that may have contributed to missing this key benchmark last year.

“If you don’t have something to sell,” he said, “you can’t sell it.”

The county’s industrial development board is working to change that. With almost all local industrial land occupied, they are working to find new industrial land for county commission to consider. They’ve optioned a 65-acre parcel in order to take a closer look at it, and have plans to consider options on two additional properties.

The county’s commercial/industrial/utility tax base has grown from \$255 million in 2007 to just under \$318 million last year. Average annualized earnings per worker have also grown, and sales tax receipts have increased by an average of just under five percent per year, meeting the benchmark every year

except 2013. The county has increased education spending per pupil each year since 2006, but still lags \$850 behind the state average.

The benchmarks call for reducing the gap in education funding to zero by 2028. The benchmark also calls for high school ACT scores to increase every year. The score increased over nine percent between 2012 and 2013, but the number taking the test decreased. A large increase in the number taking the test in 2011 (because the test was offered to juniors for the first time) may have resulted in a slight decline that year.

The first five years of the “Building a Better Future” program included recruitment of Overman USA, American Book Company, M. Block & Sons, and Custom Apparel. These companies created just over 1,000 new jobs and \$20 million in annual payroll.

Tourism also increased dramatically over the period, creating 370 jobs and bringing in a total of over \$50 million in revenue annually. Seven separate angling events on local lakes, including last week’s Bassmaster Northern Open, have made major contributions in this area. Over 4,100 anglers from 20 states have participated in the competitions.

In the past year, Footwear Industries of Tennessee invested \$5 million and provided 50 jobs in Jefferson City, while Z&L Machinery located in Dandridge and Matsuo Industries expanded in Jefferson City.

Over the next five years, EDOC plans to develop new programs that focus on existing industries, supporting small businesses, recruiting retailers, and meeting employers’ workforce needs. They also want to expand event recruitment targets, pursue bus tours, and recruit high-income retirees.

Low interest rates have helped local entities make big investments in infra- structure since 2007. The biggest is \$52.5 million in new and renovated public schools, followed by the \$27.8 million project to realign and expand Highway 411. Jefferson City has constructed a new city center and is ready to break ground on a new public library. Dandridge has built a community center and fire station. White Pine has a new water plant. Tennova completed a \$3.2 million expansion at the Jefferson Memorial Hospital emergency room.

By Steve Marion, [The Standard Banner](#) Staff Writer. Tuesday, June 3, 2014.

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