

NETWORKS

Sullivan Partnership



2016

**NEW
YEAR
ENDING
SEAS**

YEAR IN REVIEW • 2016

2016 was a record year for NETWORKS and its partners throughout Sullivan and Hawkins counties. All told, we saw **1,540 new jobs** in primary employment sectors announced and more than **\$70 million in new investment**; these numbers do not include the retail and service industry jobs that come, in part, as a result of the primary job creation. We also enjoyed many partnership opportunities within our role with Team Tennessee and cheered as other stakeholders in our community thrived. **Here are some of the highlights of a banner year.**



- Pure Foods Grand Opening
- NESCC Celebrates 50 years
- TEDC Day on the Hill
- SSG in Nashville
- Pal's BEI Wins Top Quality Award at TNCPE

JANUARY & FEBRUARY

- Agero Announcement
- Lt. Gov Announces Retirement
- Eastman Wins EPA Award
- Exhibit at MRO Americas Show
- Domtar's 100 Trees, 100 Years



MARCH & APRIL

- Microporous Open House and Expansion
- Kingsport Named Healthy Community
- NCATC Workshop at RCAM

MAY & JUNE

- Bell Helicopter Opens 150,000 Square Foot Customization Center
- Teleperformance Announcement
- NETN Red Carpet Tour
- Tri-Cities Airport Completion of Terminal Updates



JULY & AUGUST

- Battle at Bristol
- Commissioner Boyd Visits Eastman & RCAM for Manufacturing Day
- Governor's Conference

SEPTEMBER & OCTOBER

- NETWORKS Open House
- KPS Global Announcement
- Leclerc Announcement
- ECONOMIX Conference



NOVEMBER & DECEMBER

While much of the southeast experienced a drop in new business and industry locations, Northeast Tennessee recorded an increase from previous years, particularly in Sullivan and Hawkins counties. While growth in existing business usually leads the job creation race, five new locations in Sullivan County helped flip those numbers, accounting for 910 of the 1,540 total new jobs announced in the NETWORKS service area in 2016.

"In order for Tennessee to remain one of the best places to work and live, it takes a unified effort across the state, and NETWORKS Sullivan Partnership is known for always putting in a major effort to enhance the state," Tennessee Department of Economic and Community Development (TNECD) Commissioner Randy Boyd said. "NETWORKS has had a great year in terms of recruiting new business and creating jobs for the state of Tennessee and Sullivan County with announcements like Agero, which created over 580 new jobs. I want to thank NETWORKS for being a great partner and a valued part of Team Tennessee."

Agero, Inc.

In March, Agero, Inc., a leading provider of vehicle and driver safety, security and information services, announced that it would locate its sixth inbound call center in Bristol. Agero, headquartered in Medford, Massachusetts, has call centers located across the United States, including one in Clarksville, Tennessee. With more than 40 years of experience, the company focuses on helping drivers nationwide with emergency assistance on the roadways, responding to more than eight million requests annually.



"Agero's decision to create 600 jobs in Bristol is not just great news for our city but for our entire region," Bristol Mayor Lea Powers said. "For Agero and Bristol, it is a win-win relationship. Helping to create jobs is one of the most important things we can do for a family. We greatly appreciate Agero's investment in Bristol and the surrounding region."

Agero, which is investing \$3.5-4 million, originally forecast 585 jobs, but had increased the number to at least 600 within the first three years of operation and had more than 300 filled positions by October.

"I couldn't be more excited that Agero has decided to make Bristol home to its latest facility," Sullivan County Mayor Richard Venable said. "This industry sector has been a steady employer in our region and Agero is as coveted as any company within that sector."

Agero held a ribbon-cutting ceremony at its newest center in July, where company representatives touted the workforce's professionalism and dependability.

"Our associates play a critical role each and every day they come to work. They are the first point of contact for drivers in need, whether that person is stranded with a flat tire or it's a family in a serious car accident. They are, in fact, a hero in that instant and provide a calming presence during an otherwise high stress situation," CEO of Agero Dave Ferrick said. "It is because of this that we need people who demonstrate the highest level of professionalism to ensure that each driver's situation is resolved quickly and safely."

Alpha Natural Resources and Contura Energy

Like so many other coal companies, Alpha Natural Resources experienced lean times in recent years due to federal regulation and a declining market within its industry. However, the company emerged from a Chapter 11 restructuring, creating a second company, Contura Energy. In August, both companies decided to move their headquarters from Virginia to Sullivan County.

Alpha Natural Resources relocated to Kingsport while Contura Energy announced its new center of operations would be in Bristol. Combined the companies created 170 high paying jobs and invested about \$5 million in their new Tennessee home bases.

"It's a strong community for us to grow in, provides the needed space for our employees, and offers close proximity to Tri-Cities Airport," said Alpha spokesman Steve Hawkins.



NETWORKS CEO Clay Walker lauded the efforts of the companies' real estate broker Michael Green of Green Commercial Realty and the local economic development teams of both cities, especially Tom Anderson of the City of Bristol, April Eads of BTES, and Corey Shepherd and Lynn Tully of the City of Kingsport.

"This project moved very quickly and Michael showed a great deal of trust in us from the beginning, in terms of confidentiality, being able to meet ambitious deadlines, providing him with pertinent information about the state and cities, and in making certain we had exhausted all potential properties in the search," Walker said. "The cities did their usual outstanding job and we were able to get both companies to land 'where Tennessee begins its business day.' To have these types of white-collar jobs in our two major downtowns creates a tremendous economic impact. It also could cause other headquarter projects that might have dismissed our area as a potential home base to rethink that notion and consider us in the future."



Leclerc Foods

In December, Leclerc Foods announced it was adding a second facility in Kingsport by purchasing the former C&F plant on Airport Parkway. The facility will be the Quebec, Canada-based company's fourth facility in the United States, prompting the need for a US headquarters, which will also be housed at the new Northeast Tennessee facility.

"Leclerc Foods' decision to bring its US headquarters to Kingsport is a prime example of our economic development efforts hitting on all cylinders," Governor Bill Haslam said. "Since first establishing a new

manufacturing plant in Kingsport eight years ago, Leclerc Foods has expanded considerably. Now, Leclerc is doubling its Kingsport workforce and adding high quality office jobs that will have an even bigger impact on Sullivan County."

Leclerc Foods is investing approximately \$49 million and creating 105 new jobs. In addition to the headquarters, the building will include a new manufacturing line for granola bars and warehousing and distribution.

"We have chosen to operate a second plant in Kingsport because this acquisition fits our business vision and corporate development strategy," said Jean-Sebastien Leclerc, vice president of co-manufacturing and manufacturing infrastructure for Leclerc. "This plant will manufacture certified gluten-free products exclusively. It will allow us to position ourselves near our US clients and meet their specific needs."

Founded in 1905, Leclerc Foods is a leader in the cookie, snack bar, and cracker industry. It employs more than 650 people in its six facilities and distributes product to roughly 20 countries. Leclerc Foods employs about 100 people in its current Kingsport plant, which produces crackers and cookies. That plant, which has undergone two expansions since opening in 2008, will remain operational.

"Leclerc Foods' decision to locate its US headquarters and a second plant in Kingsport reinforces our position that we are a vibrant city that offers an outstanding workforce to support more than 100 new jobs as well as a very high quality of life to attract and retain professional talent," Kingsport Mayor John Clark said. "These corporate location decisions continue to support our desire to be where Tennessee begins its business day. We look forward to working with Leclerc Foods as it continues to thrive in Northeast Tennessee and across the globe."

Sara Lee/Bimbo Bakeries

In January, Bimbo Bakeries' Sara Lee division decided to locate a regional distribution hub in Kingsport. NETWORKS Executive Project Manager Michael Parker worked with the company's consultant and developer to locate the project just off Interstate 81 and within minutes of Interstate 26, purchasing six acres from the Kingsport Economic Development Board. The 14,000 square foot center will serve a broad region in Northeast Tennessee and Southwest Virginia. Sara Lee, which invested about \$2 million in the project, will employ about 35 workers.

"While this project wasn't large in terms of job totals and investment, it had some complexities that made it an interesting one to work," Parker said. "More than that, though, I enjoyed it in large part because it was a project that represented two of our main industry targets; food and distribution. We have the infrastructure in place for both of those sectors and each project we successfully recruit within those sectors serves as a testimonial for our assets."



Continuing its practice of leveraging partnerships and proving to be a valuable member of Team Tennessee, NETWORKS raised the profile of the organization, its partners, and the region over the past year.

CEO Clay Walker served as Secretary-Treasurer of the Tennessee Economic Partnership (TEP) and will chair the organization, which serves as the marketing arm for the state of Tennessee, in 2017. In his leadership role, Walker and NETWORKS staff members were able to participate not only in the many outbound marketing events organized by TEP, but also other regions' inbound events, bringing more exposure to our counties among site location consultants. Walker also served as an instructor for the Tennessee Certified Economic Developer (TNECD) program and NETWORKS staff and many of its partners attended several Tennessee Economic Development Council (TEDC) functions, including the TEDC Day on the Hill, at which project managers Michael Parker and Brian Ritz and other local officials met privately with a client and Governor Bill Haslam and Department of Economic and Community Development Commissioner Randy Boyd.

NETWORKS held a TNECD appreciation gathering on the eve of the Governor's Conference for Economic Development, in Nashville, (where Walker was a panelist during a breakout session on the topic of regional initiatives) for the third consecutive year. This year, however, it did so jointly with the Greene County Partnership and Morristown Chamber of Commerce.

"We continue to see the benefits of partnerships, year in and year out," Walker said. "There are nearly 100 counties in our state and we don't feel that we are competing with any of them. Tennessee has always enjoyed a reputation as a state of cooperation and teamwork. We have certainly led the way in our region becoming a bigger part of that in recent years and we are seeing more leads and more opportunities and, of course, more wins as a result."

Red Carpet Tour

For the third straight year, NETWORKS Sullivan Partnership hosted a TEP inbound event, the Northeast Tennessee Red Carpet Tour. As in years past, some of the nation's top site location consultants spent two and a half days in our region, seeing the many assets businesses enjoy. The itinerary included a visit to Eastman's new Corporate Business Center, a tour of the Regional Center for Advanced Manufacturing (RCAM), panel discussions with existing industry leaders and higher education representatives, a tour of Tri-Cities Airport and Aerospace Park, a presentation on industrial properties and infrastructure, and, of course, VIP treatment at the Bass Pro Shops NRA Night Race at Bristol Motor Speedway.



In addition to a grant from TEP, the event was supported financially and with professional assistance by partners at TVA, AEP, and NETVRIDA. This year's event had an even more regional flavor than in previous years, with the Knoxville Chamber's economic development team and Oak Ridge National Laboratory participating.

"Economic development first and foremost is a team sport. I was very excited to have the Knoxville Chamber partner with our peers at NETWORKS to participate in the Northeast Tennessee Red Carpet Tour," Knoxville Chamber Vice President of Economic Development Doug Lawyer said. "Site selection consultants and companies look at regions when making site location decisions, and that often involves entire portions of a state, such as East Tennessee. We all share many assets and can benefit by partnering to raise awareness on what makes this entire East Tennessee region special."

Walker said that the addition had an impact on many of the guests, especially pointing out Oak Ridge's work with some local companies which helped the consultants tie the assets and communities together.

"We received incredibly positive feedback on such a strong showing of regional cooperation," he said. "You guys get it' is a phrase we heard often."

Walker and Lawyer also agreed that the quality of consultants who attended this year's event was exceptional as well, with representatives from some of the most prestigious firms making the trip, including: CBRE, Cushman & Wakefield, Global Location Strategies, Jones Lang LaSalle, KPMG, MCS Strategies, and Next Move Group.

Site Selectors Guild/Consultant Outreach

In February of 2015, when Nashville Area Chamber's Chief Economic Development Officer Courtney Ross asked Walker if his organization would be a title sponsor at the 2016 Site Selectors Guild Annual Meeting to be held in Nashville, he didn't hesitate in saying yes. Although no formal announcement had been made, it had been widely rumored that Nashville had won the highly competitive recruitment of the conference and the chamber wanted to make the event a statewide showcase.

So, when the event's host city was formally announced in the fall of last year, NETWORKS Sullivan Partnership joined Chattanooga Area Chamber of Commerce, Clarksville-Montgomery County Economic Development Council, Knoxville Chamber, Metropolitan Government of Nashville, and Williamson, Inc., as "acoustic" level sponsors. The Nashville Chamber, Greater Memphis Chamber, Tennessee Department of Economic and Community and Economic Development, Tennessee Valley

Authority, and Tennessee Economic Partnership were at the only higher level of "electric." A handful of smaller community economic development organizations and private investors rounded out the partners at the final tier, the "steel" level.



The Site Selectors Guild is the only association of the world's foremost professional site selection consultants. Its annual conference gives economic developers the opportunity to interact with 42 consultants and hundreds of their peers. As an "acoustic" level sponsor, Walker and Executive Project Manager Michael Parker had access to exclusive off-site events with the consultants.

"NETWORKS was a key partner of the conference," Ross said. "Their sponsorship further demonstrates their aggressive marketing strategy for Northeast Tennessee."

Other Activities to Appeal to Site Location Consultants

The Red Carpet Tour and Site Selectors Guild are just two examples of NETWORKS's site location consultant outreach strategies. While NETWORKS and its partners have agreed on specific target industries and a great deal of marketing to companies within them is a key component of the recruitment efforts, site location consulting firms offer a great deal more projects and opportunities for long-term relationships with professionals who will continue to have projects years from now. Throughout the year, NETWORKS staff visits with consulting firms and attends conferences that offer the best learning and relationship-building opportunities, most notably the ECONOMIX forums hosted by Consultant Connect.

"It's just a matter of getting more bang for your buck by touching people who not only have multiple projects at any given time, but will also have projects tomorrow, next year, and five and 10 years from now," Walker said. "Most companies have an expansion project once, maybe twice in their entire lifespans, never mind a particular executive's career."

Target Industry Sectors

That's not to say that an EDO should abandon marketing directly to industries and NETWORKS certainly took a very strategic, focused approach to reaching companies within its targeted industry sectors. As part of a website redesign in 2015,

NETWORKS had a target industry analysis performed through the Next Move Group, a Louisiana-based economic development consulting firm. The study reinforced most of the organization's targets as viable, appropriate industry sectors to pursue, while eliminating a couple of others. While, like any EDO, NETWORKS welcomes inquiries from any suitable industry sector, its marketing efforts in 2016 were focused on those within its targets: aerospace, distribution and logistics, agriculture and food, advanced manufacturing (primarily automotive), metals, and plastics and chemicals.

Continuing its longstanding partnership with Tri-Cities Airport and Aerospace Park, NETWORKS and the airport partnered to exhibit at the MRO Americas show in Dallas and continued to participate as a member of NBAA. NETWORKS and the airport also worked on potential projects and coordinated marketing strategies together. These efforts were recognized internationally in November when Expansion Solutions magazine awarded NETWORKS and Northeast Tennessee with recognition as a Top 5 Award of Excellence winner in the aerospace sector.

NETWORKS also attended the International Food Technologies show in Chicago and JEC Composites show in Atlanta (with TEP). It also advertised in several site location publications in issues with focuses on pertinent sectors or a spotlight on Tennessee.



Editorial Content in Site Selection Magazines

In addition to the Expansion Solutions recognition for its work in aerospace and exposure through advertisements, NETWORKS strategically sought and gained invaluable third party testimonials across the site selection publication world throughout 2016.

The NETWORKS region was featured in several such magazine articles last year on topics such as quality of life, workforce development initiatives, business environment, and desirable advanced manufacturing project destinations. Walker was also quoted in a feature article about TEP and Tennessee's business advantages in Expansion Solutions.

Community Video Becomes an Overnight Hit

When you tout yourself as Where Tennessee Begins Its Business Day, you had better be able to demonstrate your innovation and bleeding edge creativity consistently, even when working with a traditional medium. Such was the case when NETWORKS unveiled its community video, produced by local firm Cumberland Marketing.



standing quality of life.

"This video is a nice addition to our marketing portfolio," said Dana Glenn, NETWORKS Administrative and Marketing Coordinator. "It's a beautiful vehicle to showcase our communities and business advantages to reinforce our identity as 'Where Tennessee Begins Its Business Day'!"



When the video was originally posted in April, it received more than 400,000 views within 48 hours and countless positive posts on social media, particularly Facebook and Twitter.

"It's been a great experience working with the team at NETWORKS to create this tool. So many people worked together to make this a success," said Chris Bowen, President of Cumberland Marketing. "The challenge of creating a video that captures the essence of our beautiful area to showcase to the rest of the world was exciting. Hopefully, it is very successful."



Glenn said that video, which can be found at the organization's website, has consistently been well-received by audiences to whom it's been presented, has prompted invitations to her and CEO Clay Walker to speak at various economic development groups' meetings and has been lauded as a best practice example by the Tennessee Department of Economic and Community Development.



"A key component to the success of NETWORKS Sullivan Partnership is their ability to execute meaningful marketing initiatives," said Justin Lane, TNECD Marketing Director. "As a native of Sullivan County, I take tremendous pride that their recent community video captures the essence of the region. Living and working in Northeast Tennessee is an unparalleled experience and their video authentically embodies 'Where Tennessee Begins Its Business Day'. EDOs across the US take note. This is how you leave a lasting impression with site selectors and corporate executives."

The foundation of any community's economic well-being is its existing industry base. Much of an economic development organization's work is focused on retention and expansion projects, most of which will not warrant a headline or a ribbon cutting; yet it is within the existing industry base that one can judge the current and likely future health of an economy.

"Existing industry projects kept me busy the past year," said NETWORKS Project Manager Brian Ritz, who oversees FIRST, the county's existing industry program. "We worked through some tough issues with a few companies and we enjoyed working with some of our preferred employers on expansion projects which generated more career opportunities and investment."

In 2016, many industry sectors struggled with a sluggish market and our region was not immune with the closures of the Sprint call center and Aurora Casket Company. However, most companies in Sullivan and Hawkins counties reported job growth.

Teleperformance

The year's top existing industry story was arguably the expansion of the Teleperformance contact center in Bristol. In July, Governor Bill Haslam joined company officials and local leaders to announce the addition of 500 jobs over the next five years.

"It speaks volumes to the business climate we've been able to create in Tennessee when existing companies flourish and expand their operations," Haslam said. "We welcome Teleperformance's commitment to create more than 500 new jobs for Sullivan County as we strive to make Tennessee the number one location in the Southeast for high quality jobs."

The company's Bristol operation provides inbound and outbound customer service for clients in a variety of businesses throughout the world.



"We are fortunate to be a part of the wonderful community of Bristol and to grow our presence in Tennessee," said Miranda Collard, Teleperformance's president of Enterprise Delivery. "Our employees from across the Bristol area are incredibly passionate and hardworking, and we are grateful for their dedication over the years. We would also like to thank the governor's office for its continued support of our growth in the state and we look forward to being here for years to come."

Homeland Vinyl

In the first quarter of the year, Homeland Vinyl officials advised the Hawkins County Industrial Development Board that it would expand its facility in Phipps Bend Industrial Park. By the end of the year, site prep was under way to add 50,000 square feet to its plant, where it will add four lines and eventually add another 25-35 employees. The Birmingham, Alabama-based makers of fence, deck, and railing systems, came to Northeast Tennessee last year, retaining 40 jobs from outgoing EPC while adding 25 new full-time positions.

"The IDB and Joint Venture Board are pleased that this company has seen such success in the short time they've been in Hawkins County," said Larry Elkins, who chairs both boards. "We are hopeful that this is just the first of many expansions and many years of growth here in Northeast Tennessee."

Bell Helicopter

In July, Bell Helicopter announced the opening of a new customization building at its Piney Flats campus, expanding its capabilities and increasing efficiencies to better service global customers. The new facility is a conversion of a 150,000-square foot warehouse and increases Bell's capacity to customize more than 200 aircraft a year.

In addition to customization, the Piney Flats facility provides maintenance, repair, and overhaul capabilities in structural repairs, engine maintenance, window replacement, custom interiors and upgrades, avionics upgrades, customizing, and refurbishment. With comprehensive services ranging from basic hourly inspections to major aircraft rebuilds, the facility leverages OEM data and engineering to ensure consistent, top quality results. Bell Helicopter parts are installed by certified OEM trained professionals.

KPS Global

The year closed with the announcement of a project that was a year in the making as KPS Global released plans to expand its Piney Flats facility in December. Working with local management, Sullivan County won the project over Georgia, North Carolina, and Virginia. The \$1.5 million investment will create 64 new jobs.

"Over 344,000 Tennesseans work in manufacturing and that number will continue to rise exponentially with the help of companies like KPS Global choosing to grow in our state," TNECD Commissioner Randy Boyd said.

KPS Global, which has been in Sullivan County since 1996, is a leader in the manufacturing and installation of walk-in cooler products and environmental chambers. The company serves the supermarket, convenience store, scientific, and industrial markets.

"KPS Global had some other compelling options in the Southeast and East Coast to make this move, not to mention buildings and sites in Northeast Tennessee, but because of the productivity of its Piney Flats workforce, its leadership made the decision to expand the current facility and that speaks volumes," said Sullivan County Mayor Richard Venable.

Pure Foods Ribbon Cutting

The year began with a grand opening celebration at Pure Foods's US headquarters and premier operations facility in Kingsport. The company – which produces a wide variety of healthful snack foods, moved into its new facility in Gateway Commerce Park in 2015 – hosted dozens of guests, including Governor Haslam, Tennessee Department of Economic and Community Development Commissioner Boyd, Lt. Governor Ron Ramsey, and several local elected officials.

In November, unfortunately, the company announced a reduction in workforce due to the loss of a key investor. Although production had slowed, company leaders were in talks with other potential investors with the hopes of ramping back up to full production before the end of the first quarter of 2017.

Companies in the News

During the year in which **Eastman** officially opened and moved into its new Corporate Business Center, the centerpiece of the King-sport-based company's Project Inspire, the chemical company had a busy year. During 2016, Eastman:

- Was named as one of the World's Most Ethical Companies by the Ethisphere Institute
- For the third straight year, earned a spot as US EPA ENERGY STAR Partner
- Won a Championship Award for Leadership in value chain outreach and development of sustainable chemicals from the Green Chemistry & Commerce Council (G3C)
- Announced a collaboration with the American Institute of Chemical Engineering and its Center for Chemical Process Safety to transform safety training
- Was recognized as America's Most JUST Company in the chemical industry, according to JUST Capital and Forbes magazine's "JUST 100 List," which for the first time ranked publicly traded companies in a variety of industry sectors
- TNECD Commissioner Boyd joined Eastman and the RCAM for Manufacturing Day activities
- Partnered with ETSU to host the IDEAcademy, a two-day series of unique talks from people representing various disciplines and industries

Domtar celebrated 100 years of operations of the Kingsport Mill in 2016. The company held many events throughout the year to commemorate its centennial, including the donation and planting of 100 Cherokee Princess Dogwood and Paperbark Maple trees to the City. Domtar also expanded its PaperPal program to two Kingsport schools and three area senior facilities. Selected students in grades two through five embarked on a letter writing campaign with senior citizens. Domtar provided stationery, pencils, crayons, glue, and stamps.

"Research suggests there are multiple benefits to letter writing for people of all generations," mill manager Bill MacPherson said. "As a company, we have seen firsthand the educational and cognitive benefits for students and seniors provided by this program at some of Domtar's other locations. Equally important has been the personal connection made between the kids and their senior pen pals."

Bristol Motor Speedway had a monumental 2016. In addition to the track's regular NASCAR and NHRA dates, BMS hosted a weekend of football and music that put a national spotlight on the region. The Last Great Colosseum also added Colossus, the world's largest outdoor, center-hung, four-sided video screen. The year resulted in historical honors in December as BMS was named Speedway Motorsports Inc.'s "Track of the Year" and Executive Vice President and General Manager Jerry Caldwell was named "Promoter of the Year." It was the second consecutive year that Caldwell was so honored and the first time that an SMI facility swept the two awards.

Years in the making, BMS hosted the Battle at Bristol, a football game featuring Virginia Tech and the University of Tennessee. The game, won by the Volunteers, set an attendance record with 156,990 fans. The night prior to the contest, Kenny Chesney headlined a concert that also featured Old Dominion and The Band Perry. The next weekend, BMS hosted the Food City Bucs at Bristol as the largest crowd ever to witness an ETSU football game enjoyed a win over Western Carolina.

"While we look back fondly at 2016, we are ready to go for 2017 and beyond," Caldwell said. "With all that we have accomplished, the possibilities are endless. The future is very bright at Bristol Motor Speedway."

TRW, in Rogersville, offered four Hawkins County high school students an opportunity for hands-on experience in manufacturing

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Several clichés exist concerning product, also known as community development: Companies want to invest in communities that invest in themselves... You can't sell out of an empty wagon...

As is the case of most every other cliché, they have become clichés for a reason: they are based on hard truth. The very foundation of NETWORKS is based on a commitment to product development. The organization in large part was formed to provide a vehicle for the communities within Sullivan County to jointly own and develop land. When the organization began its partnership with Hawkins County in mid-2015, the primary motivation was to add a unique product – Phipps Bend Industrial Park – to the NETWORKS portfolio of offerings.

However, while owning property might be the most obvious aspect of product development, a holistic view of product and infrastructure goes beyond developing sites.

Work Ready Certification Update

This year saw tremendous strides in Sullivan County's pursuit of an ACT Work Ready Community certification. The effort, initiated by The United Way of Kingsport and currently being led by Jeff McCord of Northeast State Community College, demonstrates a community or region's workforce aptitude based on the participation levels and scores on the ACT Keys Exam and is widely recognized by site selectors as a legitimate tool to gauge workforce's skill sets.

The program took on a regional flavor in October when the First Tennessee Development District took the lead on certification in the other seven counties it serves.

"Workforces aren't bound by county lines, so having the other counties in Northeast Tennessee obtain this designation is necessary to paint a complete picture of the availability and skill levels of our workforce," NETWORKS CEO Clay Walker said. "I applaud the First Tennessee Development District and the region's leadership – Sullivan County Mayor Richard Venable and Washington County Mayor Dan Eldridge in particular – for recognizing the value of this program to existing industry and clients we are recruiting."

Certification is gained on a county-by-county basis when an assigned number of employers support the program and numbers of students just entering the workforce and transitioning workers take the test in hopes of earning their National Career Readiness Certificate (NCRC).

"Each and every county in Northeast Tennessee will benefit from their participation in this program," Venable said. "Citizens here commute between counties every day as a normal part of business. Having all of our citizens have the opportunity to attain NCRC certification elevates the entire region."

PPII Infrastructure/SIA Grant

Engineering began on an extension of Partnership Park Road in order to serve the expansion of Bristol Metals in Partnership Park II in Bristol. The approximate quarter of a mile of new road does even more than meet a growing company's needs, however. The extension also allows easier, more appealing access to the back half of the park to show prospective industries, particularly the 35-acre rail site being marketed to plastics projects and other rail dependent industry sectors.

The cost of the road is estimated to be just over \$1 million. Officials hope that it can be completed by the third quarter of 2017.

Tri-Cities Airport

With aerospace being a primary target industry sector of NETWORKS (see Marketing section), the organization continued its partnership with the Tri-Cities Airport staff, particularly focusing on Aerospace Park. Other stakeholders in this key regional asset stepped up, and TRI Executive Director Patrick Wilson was invited to speak at several city and county commission meetings. Many elected officials have openly supported funding further grading of the park, which is the only Select Tennessee certified site with runway accessibility.

The airport "sharpened its edges" with a new logo and changing its name from Tri-Cities Regional Airport to Tri-Cities Airport. Most noticeably, the \$6.24 million terminal frontage project was complete and christened with a celebration in August. The



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Along with job growth, retail sales and development continued to grow in Sullivan County. Bristol saw the addition of 25 new retailers and six new restaurants at The Pinnacle alone, along with the announcement of plans to build 150,000 square feet of retail outlets to further diversify the retail experience. The Pinnacle wasn't the only area of Bristol experiencing growth. New businesses and restaurants continue to set up shop in Downtown Bristol.



Kingsport enjoyed an investment of almost \$13 million in new retail development and redevelopment. Downtown Kingsport saw two significant commercial investments in the form of Blue Ridge Properties and Bank of Tennessee Headquarters; both projects will have a significant impact on the daytime population of the downtown area. These projects, combined with several others, represent over 81,000 square feet of new commercial space in Kingsport. Kingsport has continued to see both franchise and non-franchise restaurant growth.



Product Development :: Tri-Cities Airport Continued from Page 10

project was implemented to improve passenger convenience and safety in front of the terminal building, widening sidewalks, increasing the drop-off/pick-up areas, providing more curb footage, improving pedestrian access to parking lots, and providing landscaping that presents a better front door image to visitors to the region.

Communities and Region in the Spotlight

Community development infrastructure isn't always obvious. Sometimes it goes well beyond utilities, roads, and workforce development. Quality of life issues are often key determining factors in the recruitment of new industry and demonstrating your sense of place can be a difficult task. Third party validation is often the best objective tool in showcasing a region's livability and Northeast Tennessee had no shortage of that in 2016.

In addition to the invaluable exposure of events at BMS and celebrations such as the Rhythm and Roots Reunion in Bristol, Fun Fest in Kingsport, and Heritage Days in Rogersville, the region found itself in the spotlight throughout the year.

Bristol was ranked in the top 10 of the nation's most affordable places to live by the AARP and named the "Most Charming Town" in the country by ShoponMain, which included being featured on the TV series "Small Town, Big Deal." Believe in Bristol was one of six communities to earn a \$50,000 grant as part of the Tennessee Main Street Entrepreneur program.

Hawkins County Schools System was among seven systems to receive a Labor Education Alignment Program (LEAP) grant to promote workforce development among students. In just its first year of this unique program, 88 students earned a Work Ethics Diploma, guaranteeing them a job interview from a number of partnering companies in the region.

Kingsport was the host of a unique visit from Department of Education Commissioner Candice McQueen and Department of Economic Development Commissioner Randy Boyd. The two commissioners and a handful of their staff members spent the better part of a day discussing the OneKingsport initiative and workforce development with local leaders, including a tour of the Kingsport Higher Education Center. Kingsport was also recognized by Governor Haslam as a "Healthier Tennessee Community" as part of the Healthier Tennessee program for its varieties of services through the Healthy Kingsport initiative.

Existing Industry :: Eastman Continued from Page 9

when it launched an internship program this year. Human resources manager Deronda Patterson said that the program was keeping in line with the company's community involvement, particularly with the youth.

"Students will be working in either our quality department, our maintenance department, or manufacturing support areas," she said. "It does give them the opportunity to basically come into manufacturing, have some work experience in manufacturing, and try to get some idea if there are job opportunities within manufacturing that they might want to pursue."

Existing Business & Industry Initiatives/Services

NETWORKS and its partners continued to work closely with the county's existing industry, through Bristol and Kingsport's regular programs and services, supported by the county-wide FIRST program. NETWORKS staff also advised and supported the Hawkins County Industrial Development Board as it launched a formal existing industry services program.

"Existing industry programs represent one area where you can throw any type of competitiveness among communities out the window," NETWORKS CEO Clay Walker said. "It behooves everyone in our region that all of us do well in retention and expansion of our primary employers. We have a strong tradition of sharing best practices and coming together for initiatives that can benefit us all. Our best employers are other communities' best prospects, so it is paramount we work closely with them."

Hundreds of people turned out for a **Hiring Expo**, sponsored and organized by the **City of Bristol and the Bristol Industrial Development Board**, in the spring. The event, which utilized a building at the Bristol Motor Speedway, was such a success, the partners held another one in the fall, in part to fill the hundreds of seasonal retail jobs for the upcoming holiday shopping season.

Dozens of companies were represented at both the May and October events, with each expo offering more than 1,000 career opportunities. "To be able to bring such a large cross-section of Bristol's job market together under the same roof with members of our region's available workforce is a tremendous opportunity," said Mayor Chad Keen.

Tri-Cities Airport and NETWORKS partnered to host a **Foreign Trade Zone Seminar** for existing industries to learn of the potential benefits participating in the federal program might offer them. The airport is the administrator of the FTZ program which offers tax relief and/or deferment in many cases for companies doing business on an international level. The hosting agencies brought in FTZ expert Mike Michalski of MCS Strategies to give an overview of the program and answer questions of attending company representatives. About a dozen companies attended.



NETWORKS Sullivan Partnership is the economic development organization serving the Northeastern Tennessee communities in Sullivan – including charter partners Bluff City, Bristol, and Kingsport – and Hawkins counties. Our team of professionals is ready and able to assist you and your company reach your fullest potential here.

Where Tennessee Begins Its Business Day.

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PO Box 747, Blountville, TN 37617 • networkstn.com • 423.279.7681

Clay Walker, CEcD • CEO
cwalker@networkstn.com

Brian Ritz • Project Manager
britz@networkstn.com

Michael Parker • Executive Project Manager
mparker@networkstn.com

Dana Glenn • Administrative & Marketing Coordinator
dglenn@networkstn.com