



Annual Report

FISCAL YEAR 2015

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To Our Stakeholders

Dear Stakeholders:

Thank you for your investment in the McMinn County Economic Development Authority. Your investment helps us to achieve our mission to facilitate the creation and retention of quality jobs for the citizens of McMinn County, and increase capital investment through a targeted marketing plan and program with regional partnerships.

I'm pleased to report that fiscal year 2015 was a successful year for economic development in McMinn County. We announced 559 new jobs and \$389.2 million in new capital investment. Job creation was up 38.0% and capital investment was up 95.3% from fiscal year 2014. In April 2015, unemployment was 6.0%, the lowest since September 2007.

The Board of Directors began the year with a strategic planning retreat where we developed three-year strategic priorities and identified target industrial markets. The priorities and markets are outlined in the annual report.

In fiscal year 2015, we increased our membership base to 75 members from the private sector, a 13.2% increase from fiscal year 2014. Membership retention rate was 94.2%. We continued our partnership with our public contributors: McMinn County, the City of Athens, the City of Etowah, Athens Utilities Board, and Etowah Utilities Board. Public entities contributed 73.5 percent of our annual operating budget, with the private sector contributing 18.8%, and grants revenue 7.8%.

We had a fiscally sound year thanks to your contribution and commitment to helping us grow McMinn County's economy.

Sincerely,

Stuart Sullins
President (FY 2015)

Financial Statements

Financial

An audit of the financial records by Ingram, Overholt, and Bean, P.C. for fiscal year 2015 has been completed and filed with the State of Tennessee Comptroller's Office. There were no findings in the financial audit. Copies of the complete financial statements and auditors' report and notes are available on our website at <http://makeitinnmcminn.org/about-us/reports-presentations>.

Statement of Net Position Fiscal Year Ending June 30, 2015

Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and Cash Equivalents	\$ 179,821	
Prepaid Insurance	3,089	
Total Current Assets		\$ 182,910
Capital Assets, net		18,694
Non-depreciable Property Held for Resale:		
Mt. Verd Industrial Park	1,335,533	
Athens I-75 Industrial Park	1,821,669	
North Etowah Industrial Park	457,154	
Total Non-Depreciable Property Held for Resale		3,614,356
Deferred Outflows of Resources – Pension Deferrals		6,574
Total Assets		3,822,534
Liabilities, Deferred Inflows of Resources and Net Position:		
Current Liabilities:		
Accounts Payable	275	
Due to Employees	7,833	
Note Payable – Current Position	5,411	
Total Current Liabilities		13,519
Deferred Inflows of Resources:		
Funding Received in Advance		1,750
Net Position:		
Net Investment in Capital Assets		13,283
Unrestricted		113,070
Restricted		3,680,912
Total Net Position		\$ 3,807,265

**Statement of Support, Revenue Expenses, and Change in Net Position – All Accounts
Fiscal Year Ending June 30, 2015**

	Fiscal Year Actual	Annual Operating Budget
Support and Revenue:		
Athens Utilities Board	\$ 61,000	\$ 61,000
City of Athens	35,000	35,000
Etowah Utilities Board	20,000	20,000
City of Etowah	5,000	5,000
McMinn County	65,000	65,000
General Membership	20,733	19,000
Partners for Progress	26,000	27,500
Industrial Development Bond Board	20,000	10,000
Grants	9,814	10,500
Total Operating Support and Revenues	\$ 262,547	\$ 253,000
Operating Expenses:		
Salaries	\$ 110,894	\$ 110,520
Payroll taxes/fringe benefits	22,123	38,431
Business & Industrial Property Insurance	5,067	4,980
Office Supplies and Printing	5,698	7,000
Marketing	1,854	3,500
Website Development/Hosting	2,298	3,000
Dues and Subscriptions	3,842	5,000
Telephone and Internet	2,734	3,000
Professional Fees	9,268	15,000
Salute to Industry	1,681	8,000
Meetings	2,374	2,500
Three Star	9,814	10,000
Travel and Business Development	12,274	12,000
Auto and Local Travel	3,176	10,000
Depreciation	3,292	
Miscellaneous	328	1,000
Total Operating Expenses	\$ 196,717	\$ 233,931
Non-Operating Revenue (Expense)		
Interest Earned	\$ 106	\$ 150
Miscellaneous	1,102	1,000
Total Non-Operating Revenue (Expense)	\$ 1,118	\$ 1,150
Change in Net Position	\$ 66,948	

Achievements & Activities

Business Recruitment, Expansion, & Retention

Fiscal year 2015 saw an increase in economic activity in McMinn County. New prospect activity improved throughout the year with the McMinn County Development Authority (hereinafter referred to as "Development Authority") submitting 37 proposals to companies exploring new industrial locations. This was a 27.6% increase from fiscal year 2014. The Development Authority announced 559 new jobs and \$389.2 million in capital investment. Existing industries continue to lead in new job creation and investment in the county.

The Board of Directors began the fiscal year with a strategic planning retreat at Springbrook Golf and Country Club on July 27, 2014. TVA Community Development Senior Consultant Millie Calloway facilitated the session. The Board identified a list of opportunities and target industrial markets on which to focus. Following the planning retreat, staff surveyed Board members asking them to rank their top three priorities from the list of opportunities identified at the retreat. With results in hand, staff drafted a Three-Year Strategic Plan (FY 2015-2017) that the Board unanimously adopted. The strategic priorities include (listed in order by priority): workforce development, industry diversification, and annexation laws. The target industrial markets identified were (listed in order by priority): food and beverage manufacturing, medical device manufacturing and aerospace parts manufacturing (tied for second), and existing suppliers and customers of our existing industrial base. A marketing plan was developed that focuses on these targets, and is discussed more in the marketing section of this report.

Adler Pelzer Group, also known as H.P. Pelzer, hosted their grand opening ceremony for their new 185,000 square foot manufacturing plant on July 29, 2014. U.S, State and local officials helped them celebrate and cut the ribbon to the new facility. The plant, after their first year in operation, is close to meeting their five-year hiring projections. The company presented Development Authority Executive Director Kathy Price with an Achievement Award in

FY 2014 Recap

559

New Jobs

**WE'RE
HIRING!**

\$389.2 M

Capital Investment



**Unemployment
Hits 8-year Low**



Ribbon Cutting at Adler Pelzer. Photo Credit: The Daily Post-Athenian

Recognition of Exceptional Contributions during the construction and start-up of the facility. The Southeast Tennessee Development District presented McMinn County, and the City of Athens, the 2014 Project of the Year for the Adler Pelzer Project at their annual meeting.

On September 24, 2014, local and State officials helped **Midlab** break ground on a \$1.2 million expansion that will create 4 new jobs. Their expanded building will house a new commercial digital label press and finisher.



Groundbreaking at Midlab. Photo Credit: The Daily Post-Athenian

On January 28, 2015, Governor Haslam, newly appointed Commissioner Randy Boyd, Tennessee Department of Economic and Community Development (ECD), Commissioner Burns Phillips, Tennessee Department of Labor and Workforce Development, and Japanese Consul General Motohiko Kato joined local officials, and President Youichi "Ike" Yamashita of **DENSO Manufacturing Athens Tennessee (DENSO)** for a press conference to announce an expansion of 400 new jobs and \$93 million in capital investment. The expansion would include new technology for a newly designed high-pressure pump that will be produced as a result of the expansion. DENSO is currently under construction for their previously announced gasoline direct injection system technology, which is anticipated to be completed first quarter 2016.



Governor Haslam and DMAT President Ike Yamashita. Photo Credit: The Daily Post-Athenian



Governor Haslam on tour of DENSO



Consul General Kato on tour of DENSO

Prior to the DENSO announcement, Japanese Consul General Kato visited and toured Waupaca Foundry, which was purchased by Hitachi Metals during the fiscal year.



Waupaca General Manager, Sam Green, and locals welcome Consul General Kato and staff to the plant.



Waupaca General Manager, Sam Green, exchanging gifts with Consul General Kato



Waupaca General Manager, Sam Green, and Consul General Kato on plant tour.

Johns Manville announced on February 27, 2015 they would expand their Etowah facility adding 50 new jobs, and \$25 million investment. The expansion includes a new furnace to support the launch of the next generation of global products for reinforced thermoplastic composites.



CEO Richard Garneau and Calhoun Mill Manager Rob Martin announcing the tissue line expansion. Photo Compliments: The Daily Post-Athenian

Resolute Forest Products CEO

Richard Garneau announced at a press conference on June 1, 2015, at the Calhoun Mill, that they would be entering into the tissue industry by producing residential grade tissue paper at the Calhoun Mill. This expansion will create 105 new jobs, with an investment of \$270 million. On August 19, 2014, the company also broke ground on their Kraft Mill project, which was announced in March 2014. In attendance at the groundbreaking ceremony was the company's CEO and other corporate staff, U.S.

Congressman Chuck Fleischmann, staff of Senators Corker and Alexander, State Representative John Forgety, former Commissioner of the Tennessee Economic and Community Development, Bill Hagerty, TVA, and local officials. Resolute Forest Products Calhoun Mill is currently under construction for this project, which is expected to be completed by the end of 2015.



Federal, State, and Local Official join Resolute Forest Products on breaking ground for the Kraft Mill expansion project. Photo Compliments: The Daily Post-Athenian

Staff continued close relations with the Tennessee Department of Economic Development (ECD), TVA Economic Development, and regional economic development organizations. Staff met with site consultants, developers, and individual companies to promote McMinn County, and our available industrial properties. Staff attended the following conferences and events where industrial site location consultants and/or companies were present to network, strengthen relationships, and to further promote McMinn County. These events also offered professional development opportunities to help strengthen McMinn County's competitiveness.

- Southern Economic Development Council Meet the Consultants.
- Southern Economic Development Council Annual Meeting.
- Tennessee Economic Development Council Fall Conference.
- TVA Economic Development Forum.
- Bradley Arrant Boulton Cummings Economic Development Forum.
- Governor's Conference on Economic Development.
- Rural Development Conference.
- Co-exhibited with the Southeast Industrial Development Association at the 2015 NASCC Steel Conference.
- Participated in Tennessee Department of Economic and Community Development Rural Development Listening Tour with Assistant Commissioner Amy New.

Staff visited with existing industries throughout the year to strengthen relationships, and to understand the needs of our local industries. These visits are instrumental for our retention and expansion programs, and have proved valuable in being able to attract new investment in our local industries. Existing industries will continue to be the driving force for growth in our community.

With employment at Japanese-owned companies at over 1,900 in McMinn County, it is important for the community, and the Development Authority, to understand the culture of our Japanese residents, and to also build upon and maintain relationships with the Japanese business community. Staff partnered with the Japanese Consul General's office, and the Japanese American Society of Tennessee, to offer a regional workshop to improve Japan and local community relations. The workshop, "Walk in U.S., Talk on Japan," was held at the Reid House Downtown Chattanooga, and led by Yasuo Saito, former Ambassador of Japan

to Saudi Arabia, Russia, and France. Speakers included Hiroshi Tsukamoto, former Deputy Director General for the Ministry of Economy, Trade and Industry, Tetsuo Mamada, former president of Mitsui Bussan Steel Trade Co., Ltd., Michiko Iwanami, a think-tank researcher; and Mio Iwai, a Japanese university student. Topics of the workshop included: revival of the Japanese economy, Japan's energy strategy since the Fukushima tsunami in 2011, Japanese trading companies and investment in North, Central, and South America, rediscovering the value of Japan women in technology and culture, and information on the university life in Japan and studying abroad. The second part of the one-half day workshop included lessons on Japanese culture, etiquette and conversation conducted by the Japanese-America Society of Tennessee. The event was attended by several Development Authority members. In addition, staff was invited to, and attended an exclusive reception at the Japanese Consul General's residence. Staff and County Mayor John Gentry were also part of the Governor's delegation to the Southeast U.S.-Japan (SEUS-Japan) annual meeting. Staff also attended the Japanese American Society of Tennessee Women's Leadership Forum.



Other international focused events that staff attended include:

- Staff was invited, and attended, an exclusive luncheon hosted by the Nashville Chamber of Commerce. There were approximately 40 in attendance, and Canadian Ambassador Gary Doer was the guest speaker.
- Part of the Governor's delegation to the 37th Annual Southeast U.S.-Canada (SEUS-Canada) Joint Meeting.

Existing industries were surveyed quarterly for employment numbers. By surveying industries quarterly, we are able to identify trends in employment that may otherwise go unnoticed. An employment and wage survey was conducted with existing industries and published. The survey gained information on employee demographics, fringe benefits, and wages for common job titles. This type of survey assists our existing industries with pay-setting, and also assists staff in the recruitment process. Forty-nine (49) industries responded to the survey.

Plant manager's meetings were held twice during the fiscal year in coordination with the Tennessee College of Applied Technology – Athens (TCAT). The plant manager's meetings allows opportunities for collective sharing by the managers and community leaders. The Ready to Work Program, Career Expo, Job Fair, and Center for Advanced Manufacturing and Business Innovation are all programs that have evolved from the Plant Manager's meeting. The meetings were well attended, and included local, regional, and national leaders and local educators/trainers.

For 25 years, the Development Authority has hosted an industry appreciation event in June annually. This year, the Board decided to move the event to coincide with National Manufacturing Day (www.mfgday.com), which is held annually on the first Friday in October. The move includes a coordinated effort to celebrate our industries throughout the week to

include more widespread community involvement. The APEX Awards celebrating the successes of those in industry will be presented during that week.

In fiscal year 2015, the Development Authority launched its first Industry Week Celebration in coordination with national Manufacturing Day. A video was prepared by Austin Fessmire, City of Athens, and Scott Packet, TCAT, that highlighted several individuals and businesses thanking our industries for "Making it in McMinn." The video may be seen at www.youtube.com/makeitnmcminn.

State Representative John Forgety, and the General Assembly, passed a proclamation showing State appreciation for McMinn County industries, and the impact they have on our community. County Commission also passed a proclamation declaring the first week of October be set aside annually for Industry Weekly. Several businesses offered discounts to manufacturing employees. Students from Niota Elementary School presented gifts to our local manufacturers.



The Development Authority partnered with Tech 20/20 to host a regional Small Business Boot Camp. The Boot Camp was available to manufacturers, entrepreneurs and service providers in McMinn, Meigs, Monroe, and Rhea counties. The boot camp was free to participants, and the half-day sessions were held once weekly, for six weeks, beginning on October 9, 2014. The boot camp was funded by a grant received from the U.S. Small Business Administration as part of the AMP! (Advanced Manufacturing Prototype Center of East Tennessee). Tech 20/20 provided companies mentoring and coaching sessions, and the opportunity to work

directly with the Oak Ridge National Laboratories' Manufacturing Demonstration Facility to develop a prototype of a new product line. Companies were also invited to participate in the Pellissippi State Community College Innovation Challenge Program competing for the best prototype design.

Product Development

The Development Authority is focused on building an inventory of developable properties for present and future economic growth. Throughout the Southeast Tennessee region, McMinn County has the most industrial Greenfield sites available for development, which strengthens our ability to attract new business locations. The Development Authority's Land Committee is charged with exploring and evaluating new product opportunities to expand our industrial base for future opportunities.

When companies are considering new locations, they are typically on a fast-track to get from construction to production. A trend that has emerged is that companies want low cost, or

free, land that has due diligence and infrastructure completed to expedite the process. Another trend is the desire for prepared sites to lessen any unknown risks, and accelerate the construction process. Sites that have gone through the Select TN Sites certification process are getting attention from site consultants and companies. We submitted The North Etowah Industrial Park site, which is certified under the program and CSX Select site program, on 16 requests for information from site consultants and companies. This site was submitted more than any other industrial site in McMinn County during fiscal year 2015. This was the result of companies requesting information on certified sites, or large industrial sites with rail access. The remaining 27 responses to request for information included sites in the Mt. Verd Industrial Park, the City of Athens Redfern site, the Interstate Industrial Park, or existing buildings.

The Development Authority was awarded a \$100,000 TVA InvestPrep grant for site clearing at the Interstate Industrial Park site. The site, which has wetland and streams that require mitigation prior to site certification, is heavily wooded, and difficult for a prospect to visualize its value as an interstate frontage site with flat topography. The clearing will begin in fiscal year 2016.

Trends have proven that most companies begin their initial search looking for an existing building. Our inventory of existing buildings in McMinn County has been drastically reduced, so this frequently eliminates us from an initial search. Instead of requesting our public entities to allocate funds to build a speculative building, staff has been exploring ideas of developing a virtual speculative building.

Private developer, Nick Cazana, Commercial & Investment Properties, purchased 150 acres in the northern end of McMinn County along Highway 68 to be developed into an industrial park. Staff is assisting the developer in going through the Select TN Sites certification program as he completes due diligence, and masterplans the property. Site consultants from Austin Consulting attended a site visit to the park, and community, as part of the certification evaluation. The park is being named the 75 Regional Commerce Park. Staff and the developer are working with the City of Sweetwater and Monroe County on developing this as a regional industrial park. The park offers commercial sites on additional acreage that lies within Monroe County, City of Sweetwater. The site has interstate visibility and accessibility.

As stated above, available and reliable infrastructure is critical to our recruitment efforts. The ability to communicate through fast and reliable technology is imperative for companies. In fiscal year 2014, the extension of fiber to all of our industrial parks was completed. This project was made possible through a federal Economic Development Administration grant. In May 2015, Athens Utilities Board announced that they would offer 1 GBPS (gigabyte per second) fiber-optic broadband to area businesses and industries through an agreement with EPB Chattanooga. This offering differentiates us from many of our competitors.

Eric Newberry, Athens Utilities Board Manager and Development Authority Board Member, said in reference to the 1 GBPS fiber offering, "from an economic development standpoint, it's a great day to offer an alternative to supply broadband internet through EPB. We can go on up to 10 gigabytes, if necessary."

The Development Authority submitted a Tennessee Department of Transportation (TDOT) State Industrial Access (SIA) grant application for improvements to Highway 163 in Calhoun. McMinn County and the Town of Calhoun were co-applicants on the application, and were awarded the grant. The improvements to Highway 163 are a result of the expansions at Resolute Forest Products. Staff participated in the TDOT design and right-of-way review process. It is anticipated that bids will let in the fourth quarter of 2015.

Another TDOT SIA application was submitted, on behalf of the City of Athens, for the extension of George Price Boulevard to County Road 170 in the back of the Interstate Industrial Park. This extension would offer an alternative ingress/egress point and help ease traffic congestion at the intersection of Decatur Pike and Congress Parkway. TDOT already had begun a study to evaluate the intersection and interstate interchange, so we knew that improvements at the intersection were a possibility. After the SIA grant application was submitted, TDOT announced they would move forward on the intersection improvements at Decatur Pike/Denso Drive, and they recommended we wait on the extension of George Price Boulevard, because they felt the intersection improvements would improve the traffic flow issue.



In fiscal year 2014, the City of Athens was recognized as a TVA Sustainable Community with a Silver designation. The Development Authority, in coordination with the City of Athens, Athens Utilities Board and McMinn County, decided to reach for gold, and implement additional sustainable practices to help reach that goal. In fiscal year 2015, TVA raised the City's certification to the Gold standard, making the City one of an elite group of communities throughout the Valley

to be recognized for their sustainable practices as a Gold community. A "Green for Gold" event was held at the YMCA on November 21, 2014 to celebrate the newly earned gold status. This was coordinated effort between many organizations including governmental entities, the utilities, Keep McMinn Beautiful, the YMCA and many others. Sustainability has become increasingly important to companies, especially global companies. This designation gives our communities the ability to further differentiate ourselves from the competition.



The Development Authority dedicated 11.5 acres in the Interstate Industrial Park to be developed as an Eco Park. The site was not a buildable site and included wetlands, utilities easements and utility facilities. DENSO announced their partnership with the City of Athens to develop the Eco Park. They granted the City \$240,000 over a three-year period. Midlab, also a park tenant, is also making donations to the park. The park, located on George Price Boulevard, will include: ½ mile walking trail, natural swimming pool, solar and wind energy, wetlands preservation, outdoor classroom, picnic areas, a fruit orchard, and more.



Annexation laws and how they affect business recruitment and expansions was identified as a strategic priority for the Development Authority. The Board passed a resolution in support of annexation for industrial uses noting that the reliance on wastewater and other infrastructure by manufacturing require them to be located within cities. Resolutions were solicited from the Athens Area Chamber of Commerce, Etowah Area Chamber of Commerce and other regional and state entities. Staff and local officials met with State legislators expressing the desire for the General Assembly to pass legislation in support of annexation for industrial and business uses. Expansion of our industrial properties in Athens and Etowah will require annexation. This initiative will continue to be a priority through fiscal year 2016.

Maintenance of our industrial properties is also a function of the Development Authority. The cities of both Athens and Etowah assisted in mowing and ROW clearing of the parks. The Board of Directors voted to demolish the residential structure at the Interstate Industrial Park, because of the liability issue that it presented to the organization. Staff oversaw the demolition. The North Etowah Industrial Park entrance sign panel marketing site availability was replaced to include our new brand and website.

Tennessee Wesleyan College hosted a small business seminar that was broadcasted on the local cable community channel. Executive Director Price participated in a panel discussion along with Sam Wills, Regional Tennessee ECD Director, and Carla Wade, Tennessee Career Center.

Workforce Development

Human capital is key for sustained success in industrial recruitment, expansion and retention in McMinn County. Economic development has evolved into facilitating workforce needs, in addition to the traditional economic development practices. In order for us, as a community, to successfully build a prepared workforce we must first understand where the jobs are in our community, and the types of careers we need to be training for now and the future. We must also look at our training programs, both the secondary and post-secondary, to see if they are meeting the needs of employers.

As a community, workforce development has been a top priority for the last several years, and continues as a priority for the Development Authority. Meetings with existing industries and prospective businesses continued throughout the year with manufacturers highlighting their concern for skilled labor. The U.S. Manufacturing Institute released a report estimating that nearly 3.5 million manufacturing jobs will likely need to be filled over the next decade. Retirement of an aging workforce will result in 2.7 million of these jobs between 2015-2025. The report also estimated that 2 million of those jobs will go unfilled because of lack of workers with skills needed for the available jobs.

A concerted effort was started to promote manufacturing as a career option to students. A focus group of six McMinn County High School Students were brought together to gain insight into the perceptions students have about manufacturing jobs. Students were asked a series of questions while being videoed. The perceptions gained from the focus group were of no surprise. Students perceived manufacturing to be dirty, low paying, and assembly line work. None of the student expressed a desire to consider manufacturing as a career. To combat these negative perceptions about manufacturing, we went into the workplace at DENSO and Heil Trailer International. Workers from a variety of different job positions at these two industries, not knowing about the focus group of students, were interviewed and asked a series of questions pertaining to their jobs. The workers were videoed during the interview. All revealed that their jobs were challenging, high-tech, well paying, and enjoyable. The video was brought together to help change the perceptions students have about manufacturing careers, and to also inform students of the training opportunities available to help them gain credentials needed for a manufacturing career. Cleveland State Community College, TCAT Athens, Tennessee Wesleyan College, and McMinn County Schools Career Technical Education (CTE) also participated in the video. The video can be viewed at www.youtube.com/makeitinmcminn. The video was made possible from contributions from DENSO, TVA, Southeast Industrial Development Association, State of Tennessee LEAP Grant for the Southeast Tennessee region, and the Development Authority.

The State of Tennessee offered funding through a new program, the Tennessee LEAP (Labor Education Alignment Program), to help communities address the skills gap issue. The objective of the LEAP program is to eliminate skills gaps across the state in a proactive, data-drive, and coordinated manner by encouraging collaboration across education and industry, and by utilizing regional workforce data to identify and fill skills gaps across the state. The Southeast Tennessee Development District worked with Cleveland State Community College, Tennessee College of Applied Technology Athens, Southeast Tennessee Pathways to Prosperity, and seven high schools within the Bradley, McMinn, Meigs, and Polk counties school districts on the grant application. Development Authority staff participated on the Steering Committee. The goal for the grant was to launch a mechatronics dual enrollment and dual credit program at all seven high schools. The region was successful in receiving \$946,280 in funding through the LEAP program. Staff sits as a member of the LEAP marketing committee to bring awareness to the program. The marketing classes at the seven high schools participated in a classroom challenge to name the social media marketing campaign, and to offer suggestions of what would engage students to learn more about mechatronics and manufacturing careers. The winner of the challenge was Mrs. Bischof's Marketing 1 Class at Bradley Central High School. The social media handle was named #MechaRAPP. Marketing will be implemented in fiscal year 2016.



Staff, along with Don Kahler from DENSO, remained a member of the Tennessee Chamber of Commerce and Industry Education and Workforce Committee, assisting with a state-wide promotion of manufacturing as a career option.

The committee, with the Tennessee Chamber of Commerce and Industry, rolled out the Dream It. Do It. Tennessee (DiDiTN) initiative. DiDiTN's mission is to promote manufacturing as a career option to students across the State of Tennessee. More information on Dream it. Do It. Tennessee is available at dreamitdoitn.com.

The third annual McMinn County Career Expo was held on November 6, 2014. The Expo introduces local high school seniors to careers offered by our local industries, and to training opportunities. The Development Authority was a co-sponsor for the event, served on the planning committee, and assisted students at the event.

The third annual McMinn County job fair was held at the Southeast Trade & Conference Center at Athens Regional Park on July 31, 2014. The Development Authority was a co-sponsor of this event, served on the planning committee, and assisted job seekers at the event. Over 300 job seekers attended the Job Fair with 39 companies represented.

The Center for Advanced Manufacturing and Business Innovation started becoming a reality during the fiscal year. The concept study, funded by the USDA Rural Development Agency, was finalized by J. Holmes Architecture. The Board of Directors voted to dedicate land in the Interstate Industrial Park for the Center. At completion of the study, County Mayor John Gentry, Stewart Smith, TCAT Athens, and Kathy Price, Executive Director, met with the county's top 10 industries in McMinn County by employment. They shared the study, and received feedback that the Center is needed to help facilitate training for their present and future employees. Executive Director Price, Hugh Cantrell, DENSO, Dan Scherle, E&E Manufacturing, and Stewart Smith, TCAT Athens, traveled to the State Capitol to present the concept and express McMinn County's need for the Center. Locals met with State Representative Forgety, Senator Mike Bell, Governor Haslam's staff, Commissioner Burns Phillips, Tennessee Department of Labor, and staff from the Tennessee ECD. A follow-up conference call with the Governor's Chief of Staff, and McMinn County Mayor, was organized shortly afterward. The meetings proved to be successful when Governor Haslam amended his Fiscal Year 2016 budget to include \$2 million for the Center. McMinn County selected Michael Brady Inc. to develop architectural/engineering designs for the building with funds secured by the Appalachian Regional Commission. More funding is needed to see the Center constructed, and a private capital campaign will be launched soon to help close the funding gap. Stewart Smith and Kathy Price also presented the concept study to the City of Athens Council Planning Retreat, so the Council could evaluate their participation in the project. The Development Authority will continue to see this project to fruition, and to see our offices located within the Center.

U.S. Congressman Chuck Fleischmann hosted the first in a series of Workforce Solutions Summits at TCAT. Staff participated on the planning committee. The Summit took place on June 8, 2015. This groundbreaking event brought together employers, education leaders, and government officials from across the region to collaborate on strategies and policies on how we can enhance the available workforce in East Tennessee. Congressman Fleischmann and Stewart Smith, Director of TCAT, facilitated a panel discussion on workforce issues. The industry panel consisted of Hugh Cantrell, DENSO, Jim Bringham, Resolute Forest Products, and Dan Scherle, E&E Manufacturing. Participants also attended break-out sessions on: public government involvement, future workforce, education/training solutions, employer collaboration, and marketing. Executive Director Kathy Price facilitated the session on marketing. After lunch, a Leadership Roundtable was held that included Congressman Fleischmann, Commissioner Randy Boyd, Tennessee ECD, Commissioner Burns Phillips, Tennessee Department of Labor and Workforce Development, James King, Vice-Chancellor for the Tennessee Board of Regents, Dr. William Seymour, President of the Cleveland State Community College, and Stewart Smith.



US Congressman, Chuck Fleischmann, and TN ECD Commissioner, Randy Boyd



TN Dept. of Labor Commissioner, Burns Phillips, and TN Colleges of Applied Technology Vice Chancellor, James King



E&E Manufacturing Plant Manager, Dan Scherle, and TCAT Athens Director, Stewart Smith



Resolute Forest Products HR Manager, Jim Bringham, and DENSO Plant Manager, Hugh Cantrell

Staff participated in the Pathways to Prosperity Planning Session at Cleveland State Community College, and continues to work with the Pathway's liaison to McMinn County Schools on programs to get students engaged in manufacturing careers. In 2011, the Harvard Graduate School of Education issued the Pathways to Prosperity report, which highlighted a

“skills gap” preventing many young adults from qualifying for work in our country’s critical labor markets. The national response to this report, and ensuing discussion among education and business leaders, led to the establishment of the Pathways to Prosperity Network, a collaboration between Harvard’s Pathways to Prosperity Project, Jobs for the Future, and a growing consortium of states across the nation. The goal is to support young people in entering an initial career, while leaving open the prospect of further education. The Southeast Tennessee Pathways was one of the first regions in the State of Tennessee to take on this initiative.

The McMinn County Economic Development Authority continues to support the Tennessee Downtowns Initiative in Etowah. Staff participated in the strategic downtown planning session.

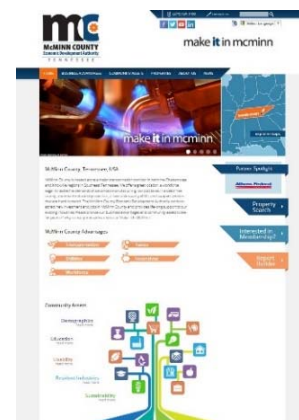
Executive Director Kathy Price was appointed to the Local Workforce Area 5 Workforce Investment Board, where she also served on the Oversight Committee.

Marketing

The Development Authority’s brand, Make It In McMinn, has become widely recognized throughout the community, State, Southeast region, and with site consultants. We have been referred to as a positive example of community branding. Other economic development organizations throughout the State of Tennessee have called upon staff for recommendations on branding. Local organizations have also begun using our brand to promote McMinn County. We are currently in the process of applying for a trademark for our logo and brand.



The Development Authority’s new website, www.makeitinthemcminn.org, was launched at the end of fiscal year 2014, with new features added in fiscal year 2015. In August 2014, the site received an Award of Merit from the Southern Economic Development Council (SEDC). SEDC is a 17-state regional economic development organization. It is the oldest, and largest, regional economic development organization in North America.



Social media sites were set up on Twitter, Facebook, LinkedIn, and YouTube to keep the community informed about the positive news coming out of the organization, and our local industries. We continue to see increased followers to our sites.

The Board of Directors, at their planning retreat, identified three target markets for the organization to focus. The target industrial markets identified were (listed in order by priority): food and beverage manufacturing, medical device manufacturing and aerospace parts manufacturing (these tied for second), and existing suppliers and customers of our existing industrial base. A three-year marketing plan was developed around these target markets in an effort to diversify our industrial mix.

Staff hosted three new project managers with the Tennessee ECD on a tour of our industrial sites and community. These project managers all work advanced manufacturing projects outside the automotive supply sector. Our Executive Director also traveled to TVA

headquarters to present at their Target Market Showcase. All of TVA's target market specialists were in attendance. They were led through a presentation of all industrial properties in McMinn County. The discussion focused on industry diversification, and the target markets we are focused on in McMinn County.

The Development Authority assisted TVA in hosting a two-region (East and Southeast Tennessee) Request for Information training for economic development practitioners at TCAAT Athens. All staff attended the training.

As mentioned earlier in the report, product development is key to industrial recruitment. We must also market our properties in a professional and wide-spread manner. To help with this, the Tennessee ECD produced a video of the North Etowah Industrial Park certified site, and developed a marketing fact sheet for the site. The Southeast Tennessee Development District staff produced a video using drone technology of the Mt. Verd Industrial Park. Both videos are on our website and are included in prospect proposals. TVA also produced conceptual site plans for our industrial parks that illustrates parcel layouts, and building footprints.

Our main way to market our industrial properties is through the tvasites.com searchable database. This comprehensive database includes available sites, and buildings, throughout the Tennessee Valley. We subscribed to the LocalInsite tool for the database, and incorporated McMinn County's portion of the database onto our website. Staff participated in a tvasites.com LocalInsite Roundtable. The purpose of the roundtable was to discuss ways to make the database more robust, and user-friendly.

McMinn County was selected to be featured in the Business in Focus magazine, both online and print editions. The article was published in their June 2015 edition. To view the article online, please follow the link below.

<http://www.businessinfocusmagazine.com/2015/06/innovative-steps-toward-economic-development/>

The Development Authority continues to be McMinn County's administrator for the Governor's Three Star program. McMinn County was again presented with a Governor's Three-Star award in FY 2015. A \$10,000 grant was awarded to the Development Authority as part of the award. The organization partnered with the Athens Area Chamber of Commerce, and Etowah Chamber of Commerce, to use the grant to enhance the Shop Local and tourism campaigns. Both Chambers were given \$5,000 each from the grant to increase marketing efforts in their communities. The Athens Chamber used their funds to do a Shop Local holidays campaign that included television commercials and billboard placements. The Etowah Chamber produced a Dine and Shop local brochure, and purchased markers/signage that displays the history of buildings in downtown Etowah. The markers will be placed at buildings of significance for walking tours, and for shoppers wanting to know more about the history of downtown Etowah. Merchants were pleased with the results of the campaigns, and reporting seeing results at the cash register.

Partnerships were enhanced with the Athens Area Chamber of Commerce, and the Etowah Area Chamber of Commerce, throughout the year. In addition to the Development Authority partnering with the Chambers for the Shop Local and tourism campaigns, the three organizations began meeting quarterly to discuss opportunities to work together on projects that affect all of McMinn County.

Housing, both single- and multi-family, inventory and quality continue to be a topic of discussion in McMinn County. In order to better understand the multi-family housing market, and in order to market the community to apartment developers, the Development Authority conducted an apartment survey of all apartments in McMinn County. The survey results may be viewed or downloaded at <http://makeitintheminn.org/about-us/reports-presentations>.

Staff participated in the regional THRIVE 2055 Economic Development Committee. The goal of the committee is to build a stronger regional economy, and additional employment opportunities, by coordinating economic development on a regional scale. This is a tri-state regional initiative focused on Southeast Tennessee, north Georgia and north Alabama. The region will be centered on Chattanooga.

While most of the Development Authority's marketing is focused outside of McMinn County, it is still important to tell our story to our stakeholders and local citizens. Internal marketing efforts were included as part of our marketing plan. Staff wrote articles for inclusion in the Daily Post-Athenian FYI, and Foundations special editions. Press releases were also written and distributed to media outlets throughout the year highlighting accomplishments, special visits to the community, state of the economy, and co-sponsored events. Another focus for our internal marketing includes keeping civic groups abreast on the state of the economy, and activity of the Development Authority. Staff made presentations at local civic groups, and presented to the Leadership McMinn class on their industry day. Monthly activity reports were sent to public funding entities, and a quarterly partner's breakfast was held to keep our stakeholders informed of the activities of the organization.

Administrative & Professional Development

The full membership of the Development Authority meets annually to conduct business on behalf of the organization. The annual meeting was held on June 4, 2015, at the Springbrook Golf and Country Club in Niota, Tennessee. The meeting consisted of the members voting unanimously to changes to the By-Laws. The most significant change was adding an Etowah Utilities Board representative to the Executive Committee and Board of Directors. The members elected new Directors to serve on the Board for fiscal year 2016. The membership meeting also served as a networking event. A speed networking event was held after the business meeting. This event was an opportunity for members to get to know one another, and hopefully gain business to business opportunities.

The Development Authority was approved to become a part of the Tennessee Consolidated Retirement System in fiscal year 2014. In fiscal year 2015, the setup was completed, and staff was credited for service as of their employment date. With the organization now in the Tennessee Consolidated Retirement System, the Development Authority is able to also participate in the State health benefits program. The organization was set up in the State's EDISON program system during the fiscal year.

Staying abreast of proposed legislation that can positively, or negatively, affect our economic development efforts, and maintaining positive relations with our state and federal legislators is an important role of the Development Authority. Staff participated in the Tennessee Economic Development Council's Legislative Day on the Hill, and met with state legislators in Nashville throughout their time in session. Staff helped the Tennessee Chamber coordinate a recognition ceremony at the McMinn County Courthouse, where

Representative John Forgety was presented the Legislator of the Year Award for his positive voting record on business friendly legislation. Staff also met with our federal legislative liaisons to keep them abreast of issues affecting local economic development.

Staff continued to be the administrative arm of the Industrial Development Bond Board of McMinn County, and for the Governor's Three Star Program.

Professional development is an important part of the growth of any organization. It is important to stay abreast of industry trends, and new programs to benefit our economic development efforts. Executive Director Kathy Price sat for the International Economic Development Council Certified Economic Development Exam in March 2015. She passed all three portions of the exam on the first sitting, and earned her national economic development certification. Staff participated in seminars, conferences, webinars, conference calls and trainings including the following:

- Governor's Conference on Economic Development.
- Governor's Three Star Regional Meeting (hosted in Athens).
- Tennessee Economic Development Authority Fall Conference.
- TVA Economic Development Forum.
- TVA Request for Information Regional Training (hosted in Athens and attended by all staff members).
- USDA Rural Development Conference.

The Development Authority, and staff, maintained professional memberships and affiliations in national, regional, state, and local organizations and civic groups. Following are a list of affiliations:

- Athens Kiwanis Club.
- Greater Athens Human Resource Association.
- International Economic Development Council.
- Keep McMinn Beautiful.
- Local Workforce Investment Area 5 Board of Directors.
- Southern Economic Development Council.
- Tennessee Chamber of Commerce & Industry.
- Tennessee College of Applied Technology-Athens General Advisory Committee.
- Tennessee College of Applied Technology-Athens Administrative Office Technology Advisory Committee.
- Tennessee Economic Development Council.
- Tennessee Wesleyan Business Advisory Committee.
- Tri-State Regional Workforce Alliance.
- Watts Bar Community Action Panel.
- Ex-Officio Director for Athens Area Chamber of Commerce
- Ex-Officio Director for Etowah Area Chamber of Commerce

Organization Information

Organization Leadership

OFFICERS

Stuart Sullins*, President

Thom Johnson*, Vice President

David Alley*, Treasurer

Durant Tullock*, Past President

BOARD OF DIRECTORS

John Gentry*

David Crews

Ann Davis

Bob Lambert

Eric Newberry*

Joe Holbrook

Rhonda Whaley

Will Estes*

Jason McConkey

Jim Wilson

Shane Sewell

Farah Reynolds

Porter Clark

Scott Moore

Jerry Smith

Rob Preston

Stewart Smith

Harley Knowles

Ex-officio (non-voting)

John Goins*

Matthew Gravley

Mitchell Moore*

Senator Mike Bell

Representative John Forgety

STAFF

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Organization Membership

Funding Agencies	Athens Utilities Board City of Athens City of Etowah	Etowah Utilities Board McMinn County
Partners for Progress	Athens Federal Community Bank BB&T Citizens National Bank The Daily Post Athenian Denso Manufacturing	First Volunteer Bank Metro Transport Group ★ Regions Bank SouthEast Bank Starr Regional Medical Center
Sustaining Members	Bargain Barn/ UGO Clayton Home ★ FSG Bank Hiwassee Builders Supply Holston Gases, Inc. J.M. Huber Johns Manville Mayfield Dairy Farms	Michael Brady, Inc. ★ Partners Development Resolute Forest Products Smith Funeral Home Studio Four Design ★ Thomas & Betts Waste Connections Waupaca Foundry
General Members	AT&T Athens Area Chamber of Commerce Athens City Board of Education Athens Housing Authority Athens Insurance Athens Mini Storage Blaine Construction Corporation Bordwine Funeral Home Carter, Harrod, & Willhite PPLC Choate Printing ★ City of Niota Consolidate Metco (ConMet) Creative Foam Corp. E&E Manufacturing East Tennessee Industrial Warehouse Edward Jones Etowah Area Chamber of Commerce Hacker Sign Company Heil Trailer International Jackson & Runyan, CPAs Johnson Controls Katanbaf Properties ★ Lay Realty Company The Lewis Group Architects, Inc. ★ Maxwell Industries	McKinney Excavating McMinn Co. Board of Education Merit Construction Miller & McPhail, CPA, PPLC Montvue Development Co., LLC Moore Discount, Inc. Riley Consultants Rouse Construction ★ S&ME Seaton Enterprises Selective Structures Southern Hydraulic Cylinder Springbrook Golf & Country Club The Strauss Company, Inc. ★ Sullins Family Eye Care Clinics Sweetwater Valley Oil Company TCAT - Athens Tennessee Wesleyan College Town of Englewood Valley Title Webb Plumbing, Heating & Electric Wholesale Supply Group, Inc. Wilson Construction ★ Ziegler Funeral Home

★ Denotes New Member for Fiscal Year 2015

A special thanks to all of our funding entities, partners and members for helping us to have a record breaking year!