

East Tennessee Development District

December 2016

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*Happy Holidays
May the Joys of the Season
Lead the way
To a bright and prosperous
New Year!*

ECONOMIC DEVELOPMENT

During the last quarter there were a number of economic development success stories in the East Tennessee Development District that will create high paying jobs and result in hundreds of millions of dollars in private investment. Local, county, and state economic development agencies were instrumental in these projects. The most recent company expansion announcements were LeMond Composites, HTS International Corporation, and BMT Manufacturing, LLC.

LeMond Composites was founded by three-time Tour de France winner Greg LeMond. The company has a licensing agreement with the Oak Ridge National Laboratory (ORNL) to manufacture industry-changing, high-volume, low-cost fiber. While LeMond was winning his three Tour de France races, he was constantly looking for a lighter weight bicycle. He heard about the revolutionary carbon fiber process during a visit to ORNL last year. The LeMond Composites carbon fiber has global applications in many markets, including transportation, renewable energy, and infrastructure construction. Mr. LeMond stated by 2020 there could be 10 production lines capable of producing 140 million pounds of carbon fiber. LeMond Composites will occupy a building in the Horizon Center Industrial Park in the Roane County portion of Oak Ridge. It is estimated that the company will create 125 jobs and result in a private investment of \$125 million over the next five years.

HTS International Corporation recently announced plans to build a 120,000 square-foot global headquarters and manufacturing in the Pellissippi Corporate Center. The company uses advanced manufacturing methods to make heat-control components for use in injection molding and die casting. It serves the packaging, engineered products, automotive and other industries.

HTS officials announced the advanced manufacturer will invest \$21.4 million to establish its global headquarters and new U.S. manufacturing facility in Knox County. The company plans to create 200 jobs during the next four years. The operations in Knox County's Pellissippi Corporate Center will be HTS International's first facility in the U.S. HTS is another company that was attracted by the proximity of ORNL.

There are other major economic development projects that have begun but that are still in their early phases. These are JTEKT Automotive Tennessee, BMT Manufacturing, and the Tellico Corporate Center Planning Study.

JTEKT Automotive Tennessee, operates as a subsidiary of JTEKT Corporation and plans to invest \$218.5 million to expand its manufacturing facility in the Tellico West Industrial Park in Monroe County, Tennessee. The company manufactures high quality hydraulic, manual and electric steering parts for both foreign and domestic automakers. The new facility will be producing the next generation steering for customers such as Toyota, BMW, Honda and Nissan. The expansion will create 50 jobs.

BMT Manufacturing is expanding into the manufacturing of equipment and trailers with a distribution center for concrete polishing chemicals. The company is expanding its business to a facility in Jacksboro. BMT estimates that the expansion will create 31 jobs and result in a capital investment of \$610,000.

The Tellico Reservoir Development Agency has received a planning grant for \$50,000 from the Economic Development Agency, with a \$50,000 match, to produce a master plan for the Tellico Corporate Center. The property consists of approximately 1,200 acres. Approximately 800 of the acres are steeply sloped and will likely be reserved for buffer or recreation. The master plan will be focused on a mixed use approach, possibly including uses such as a town center, a campus style research facility, residential, and recreation. Alternatives will be presented that will contain infrastructure costs, and there will be significant community input. TRDA is currently in the process of finalizing a contract with a consultant.

Del Conca USA is a ceramic tile facility that began operations in 2014. Del Conca USA, a subsidiary of Del Conca Group, is one of the most modern production plants of porcelain stoneware in the world. The initial facility construction was partially funded by a \$1.65 million Economic Development Agency Grant and a \$590,000 Tennessee FastTrack Infrastructure Development Grant. Due to their success, they are currently in the process of Phase II development. This phase will enable Del Conca to add two new production lines to better serve the North America market. The expansion will cost \$30 million and create 40 jobs.

PINI (TACIR)

We are continuing to collect infrastructure needs from all counties, cities, and utility districts within our sixteen county districts. We have met with schools officials and are concurrently entering the school updates. The General Inventory surveys have already begun and TDOT data collection will begin in early December.

Infrastructure projects for the purpose of this survey include any needed public improvement over \$50,000 in these categories: transportation, utilities, education (facilities), health, safety, welfare, culture, economic development, and various public facilities. In cooperation with the Tennessee Advisory Commission on Intergovernmental Relations (TACIR), development districts from across the state participate in the survey. The deadline for this year's survey is March 31, 2017.

If you have not yet been contacted, please be aware that I will contact you soon and ask you to provide infrastructure project information and updates. It is very important that all needs are reported and that information is accurate. After all the surveys have been collected, TACIR publishes a lengthy summary that details infrastructure needs for all of Tennessee. The report is presented to the governor and state legislators for use as a planning tool and a funding decision-making tool. To read the report online, use the link: <http://www.tn.gov/tacir/section/tacir-infrastructure>. For further information, call Mollie Childress by phone at (865)273-6003 or by e-mail at mechildress@etdd.org.

GRANT INFORMATION

Community Development Block Grant (CDBG)

The State of Tennessee held a statewide workshop on November 21, 2016 to provide training for the newly awarded CDBG projects and to provide information on the upcoming grant application process for 2017. ETDD staff is currently working with the following communities in order to submit a 2017 application: Baneberry, Caryville, Dandridge, Harrogate, Jefferson City, Madisonville, New Market, Parrottsville, Sweetwater, Campbell County, Cocke County, Jefferson County, Loudon County, Morgan County, Roane County, Scott County, and Union County.

The following dates require items to be accomplished in order to submit applications for 2017:

- Public Hearings – Complete by January 24, 2017.
- Final Change Order – submitted to State by January 27, 2017.
- Final Request for Payment – submitted to State by February 3, 2017.
- Closeout of previous CDBG project – February 10, 2017.
- TDEC Priority List Letters – due January 20, 2017.
- Application deadline – February 24, 2017.

There are five categories that you can make an application in and they are:

1. Water line extensions
2. Water plant improvements and water tank improvements
3. Wastewater line plant improvements and wastewater collection system improvements
4. Community livability that includes fire trucks, ambulances, drainage, etc.
5. Housing

There is a match for all of these categories except housing and ETDD staff can let you know what your match will be.

The level of funding is determined annually through congressional appropriations. Each state receives a projected allocation of CDBG funds, based on a federal formula and does not compete with other states for funding allocations. Tennessee typically receives about \$24M per year. 80-85% of the funds are used for water and sewer projects, approximately 10% is used for community livability projects, and about 5% for housing rehabilitation. Economic development projects are funded as eligible applications are received.

ETDD staff is currently working with the following ETDD communities to administer their funded projects:

1. Monroe County – Waterline
2. Sweetwater – Downtown Façade Improvements
3. New Tazewell – Housing
4. Tazewell Housing – Housing
5. Dandridge – Wastewater Rehab
6. Rockwood – Housing
7. Vonore – Fire Equipment
8. Scott County – Wastewater Rehab
9. Campbell County – Fire Equipment
10. Jefferson County – Waterline Extension
11. Clinton – Housing
12. Norris – Wastewater Rehab
13. Claiborne County – Road Improvements
14. Cocke County – Waterline Extension
15. Morgan County – Waterline Extension
16. Anderson County – Waterline Extension

Appalachian Regional Commission (ARC)

ETDD staff attended an ARC application workshop that described the pre-application process for the 2017 funding year. The ARC deadline for pre-applications is December 9. At the time of this writing, ETDD staff was helping the following applicants to submit a pre-application: Scott County, Claiborne County, LaFollette

Grants (Cont.) / Housing

Utility, Newport Utility, TASS, Rocky Top, Dandridge, and Union County.

FEMA Fire Fighters Grant Program

The Assistance to Firefighter Grant application process had a deadline of November 18, 2016. The primary goal of the Assistance to Firefighters Grants (AFG) is to enhance the safety of the public and firefighters with respect to fire-related hazards by providing direct financial assistance to eligible fire departments, nonaffiliated Emergency Medical Services (EMS) organizations, and State Fire Training Academies (SFTA). Funds are used for critically needed resources to equip and train emergency personnel to recognized standards, enhance operations efficiencies, foster interoperability, and support community resilience. ETDD staff assisted Clinton and Rocky Top with putting together their applications for the 2017 funding period.

Solid Waste

The Recycling Equipment grant is funded from revenues derived from a fee for Class I waste disposal. The grant involves a match from the community that ranges from 10% to 50% depending on economic factors. The grant can be used to purchase any recycling equipment that is deemed needed by the community and is shown in the annual progress report as a need. The total amount of the grant application can be \$50,000. During the past quarter, ETDD assisted the following communities with their application: Loudon County, Morristown, Scott County, Jacksboro and Union County with over \$55,000 in grant monies being requested.

Used oil grants are authorized under the Used Oil Collection Act of 1993 and are funded by the Used Oil Collection Fund, which receives its revenues from a two cent (\$0.02) fee collected against every quart of oil sold. The grant is a 100% grant and can be used for used oil burners, tanks, pads, canopies or any other items that are needed to operate the used oil collection system. This past quarter, ETDD assisted both Hamblen and Campbell County with their grant applications with over \$144,450 being requested.

Energy Grant

Another round of energy grants has been announced. Eligible project categories are:

1. Cleaner Alternative Energy: biomass, geothermal, solar, wind

2. Energy Conservation: Lighting, HVAC improvements, improved fuel efficiency, insulation, idling minimization
3. Air Quality Improvement, including Sulfur Dioxide (SO₂), Volatile Organic Compounds (VOCs), Oxides of Nitrogen (NO_x), Hazardous Air Pollutants (HAPs), Greenhouse Gases

The deadline for pre-proposals is February 28, 2017 with an estimated total program funding of \$2,640,000. Grants can be anywhere from \$5,000 to \$250,000.

HOUSING

ETDD received an allocation from the Tennessee Housing Development Agency (THDA) for the Emergency Repair Program on July 1, 2016, and continues to work with THDA and local service providers to implement this program. This allocation can be used to address repairs for houses across the 16-county region. The program provides grants for home repairs in households where the applicant is at least 60 years of age and who meets ownership and income requirements. One new detail of the 2016 program is that the age requirement will be waived for disabled residents so that additional clients in need of repairs can be assisted. ETDD works with local non-profits and organizations who coordinate construction activities and qualify the homeowners. THDA expects a 50% match for the grant funds used for emergency repairs. The program has provided a great deal of assistance in our area, but there is an ongoing need to locate funding that will assist low-income homeowners with housing repairs. ETDD maintains a list of local housing partners and assistance programs that can be accessed through the Housing page of our website, or by contacting us directly with specific needs. ETDD is also seeking local service providers to assist in the implementation of the Emergency Repair Program, especially in Claiborne, Union, Sevier, and Monroe Counties. Please contact the ETDD office for more information on how we may collaborate to further assist low-income homeowners in these counties.

ETDD housing staff is available to discuss housing needs and community housing grant applications. We can also provide information on local and regional housing service providers, agencies and alternate programs that can assist individuals in need of housing repair. For more information on these programs, contact Lindsay Crockett at (865) 273-6003.

HISTORIC PRESERVATION

Federal Preservation Grant applications are now being accepted by the Tennessee Historical Commission. Applications are due **January 31, 2017**, with contracts typically executed the following October. Funds are available due to provisions made in the National Historic Preservation Act of 1966 which grants the Secretary of the Interior the authority to provide grants which promote a wide range of preservation initiatives. Grants are 60% of the project cost and require a 40% local match; they are administered on a reimbursable basis.

The federal grants can be used for a variety of preservation activities, and projects typically fall into one of two categories: Survey and Planning or Acquisition and Development. Survey projects which aim to document local historic resources are a priority for the State. These projects should identify and record historic districts, sites, buildings, structures, and objects significant to Tennessee's history and built before 1965, with the intent to nominate resources to the National Register of Historic Places (NRHP) where possible. Development of design guidelines is also an eligible expense when planning for a local historic district. Planning projects can also encompass activities ranging from public education and outreach to local preservation studies. Pre-development planning, such as an architectural or engineering study as part of a planned historic building restoration, can also qualify for grants under this program. There are several instances where a phased, multi-year approach can allow grant funds to assist with the completion of a large project.

Acquisition and Development projects typically address historic restoration activities. Repairs and restoration activities must follow *the Secretary of the Interior's Standards for the Treatment of Historic Properties*, a document published by the National Park Service that offers guidance on technical preservation issues. The Tennessee Historical Commission must review and approve all proposed work under this category, and property owners are required to execute a preservation agreement or covenant that helps to ensure maintenance and limited public access. The term of the covenant is proportional to the grant amount. While all NRHP-listed buildings are eligible to receive these grants, projects sponsored by local government, public interest groups or non-profit organizations and/or for properties of public use are generally considered more competitive than projects proposed for private residential or commercial property.

Certified Local Governments (CLGs) have access to federal preservation grant money set aside for projects in

communities who are part of this program. CLGs can use grants to address several individual action items as part of a more comprehensive approach in their community, including projects like: design guideline development/updates, survey of historic properties, "bricks and mortar" activities, preservation education projects (i.e. brochures), or training for Historic Zoning Commissioners. The CLG program is a federal and state partnership that allows local communities to take decisive steps towards protecting their unique historic resources. Local governments can apply to be "certified" upon the passing of a local historic preservation ordinance and enacting design review in historic districts with the appointment of a historic zoning commission. ETDD and THC staff partner to assist these communities in our region and provide ongoing technical assistance and training opportunities.

The Tennessee Historical Commission maintains a website with extensive information about state and federal historic preservation programs, along with the State's comprehensive historic preservation plan, *A Future for the Past: a Comprehensive Plan for Historic Preservation in Tennessee (2013-2018)*. This document can be very useful with preservation planning, accessing grant funds, or participating in state and federal preservation initiatives. Grant applicants are encouraged to consult with this document. The federal preservation grant page of the THC website also contains a FAQs document, which provides further details about how the priority for each grant application is determined. ETDD's preservation planner can assist with writing grant applications and preservation planning for historic and cultural heritage resources in our region. Please contact Lindsay Crockett at (865) 273-6003 for more details.

RURAL PLANNING ORGANIZATION (RPO)

On November 15, 2016, a transportation workshop was held for members of the Technical Committees of the East Tennessee South Rural Planning Organization and the East Tennessee North Rural Planning Organization. The Tennessee Department of Transportation staff made presentations on the new "Manual for Constructing Driveways on State Highways" and on Corridor Management. Don Brown discussed Data available on TDOT's E-TRIMS program and local government's responsibilities to become ADA compliant.

The Tennessee Department of Transportation has recently sent letters to our county and municipal governments regarding ADA compliance. This letter outlines information to be submitted to the Tennessee Department of Transportation and the time frames for submitting this

information. We urge our local governments to provide the requested information.

The East Tennessee Development District staff serves as Coordinator for the East Tennessee South Rural Planning Organization, and the East Tennessee North Rural Planning Organization. We work closely with the Tennessee Department of Transportation on transportation planning issues. One of the roles of the RPO Coordinator is to communicate with and coordinate with organizations in the region involved in transportation planning. We are available to consult with local agencies on transportation planning issues and to participate in local government meetings when major transportation issues are on the agenda.

The East Tennessee Development District website contains the most up-to-date information on the two RPO's. The web site includes the most up to date TDOT Project Status Reports that provide a description and status of all TDOT projects in each county within the RPO. The link to this website is <http://www.etdd.org/services/community-development/transportation/>.

PLANNING ADVISORY SERVICE

Training Sessions

The Planning Advisory Service is working on several potential regional planning commissioner training seminars for the coming calendar year. One proposed seminar will be on Firewise. This topic will illustrate how communities can protect business and homes from the wild fires that recently have been so devastating. Other potential topics include private property rights and state laws/court cases that have an impact on local planning decisions. No dates have been set but early spring is a possibility for two seminars. Each seminar is usually held in two different locations on two different nights. Many thanks are due to the Farragut Town Hall and the Jefferson City new library facility for hosting these seminars in the past. If you have any questions or comments, please call the planning advisory service at 865-233-7202.

Ethics Forms

The ethics forms that planning commissioners have to complete will be due after December 31 and before January 31, 2017. The form must be filed with the Tennessee Ethics Commission. To file electronically for the first time, go to <https://apps.tn.gov/conflict/> and click on "Sign Up." If you have an account, go to

<https://apps.tn.gov/conflict> and log in to file your report. You may call 615-313-0300 and press 1 for technical support if you have any difficulty. Completed forms may also be mailed to the Tennessee Ethics Commission, 404 James Robertson Parkway, Suite 104, Nashville, TN 37243. Forms may be obtained from the Bureau of Ethics and Campaign Finance website. Most City and County governments have the forms as well as the Planning Advisory Service. Failure to file may result in a substantial monetary penalty.

GEOGRAPHIC INFORMATION SYSTEMS **(GIS)**

Two zoning map projects are at or near completion after finalization work this Fall. Over the last several months, a new zoning map was created for Huntsville that includes all corporate limits changes and associated zoning changes that have occurred since June, 2011. That map was adopted by the town in November. In another major zoning project, working with the ETDD planner and the city of Rocky Top, GIS staff is helping to finalize months of work by everyone involved to update and create a new zoning map that should hopefully soon to be adopted.

For grants this quarter, GIS staff created 21 maps for solid waste needs assessments in four counties. GIS also produced over 30 maps for CDBG environmental reviews, including topographic maps, airport radius maps, flood illustrations using FEMA FIRMettes, and explosives and flammables radius maps. A parcel boundary map and topographic map were created for use in the Morgan Co. National Register nomination. GIS staff also started collection and preparation of zoning maps at TDOT's request for future RPO planning.

AREAWIDE DEVELOPMENT **CORPORATION** **SBA 504 News**

On September 16, 2016, SBA announced that for fiscal year 2017 that the upfront guaranty fee that SBA is authorized to charge 504 borrowers would continue to be zero (0.00%). This means a savings of 0.50% on the gross debenture amount. For example, if the debenture amount was \$1,000,000 the borrower savings would be \$5,000. Furthermore, SBA has once again reduced the ongoing SBA Guarantee fee assessed on the outstanding loan balance per annum from 0.914% to 0.697% for fiscal year 2016. On the same \$1,000,000 debenture this represents a savings of \$180.00 a month during the first five years of the loan alone (the fee is recalculated every five years based upon the outstanding principal balance).

These changes are applicable only to loans approved on or after October 1, 2016.

As previously discussed, The 504 Debt Refinance Program was reauthorized in December 2015 and the Sacramento Loan Processing Center began accepting 504 Refinance applications on June 24, 2016. The refinance program requires that the borrower must be in business for at least two years prior to the date of application. The debt to be refinanced was incurred not less than two years prior to the date of application and was for the benefit of the small business seeking refinancing. The borrower must be current on all payments due on the existing debt for twelve months prior to the date of application. Eligible debt under this program includes long-term fixed assets, such as land, buildings, machinery, and equipment acquired, constructed or improved by a small business for use in its business operations. The borrower may also include other eligible business expenses in the refinance such as Other Secured Debt and Business Operating Expenses. The maximum loan to value of the refinance project is 90% and is reduced to 85% if the project includes "Business Operating Expenses". The borrower must occupy at least 51% of the project property to be refinanced as well. It should also be noted, debt that is already secured by a guarantee by a Federal agency or department (SBA, USDA, etc.) is not eligible for consideration under the refinance program. The fees associated with the 504 Refinance program for fiscal year 2017 are as follows; the upfront guaranty fee will be 0.00% and the ongoing SBA Guarantee fee is .731% of the outstanding balance of the loan.

Lastly, on November 1, 2016 SBA published an Informational Notice announcing that it was rebranding the 504 and 7(a) loan programs. The 504 Loan Program has been renamed to the **SBA Grow Loan Program** and the 7(a) loan program will be called the **SBA Advantage Loan Program**. The rebranding of both programs will roll out over time and SOP's, forms, etc. will be updated during the transition period.

PEOPLE AND PLACES

In Remembrance of Glenn Cardwell

Mr. Glenn Cardwell, long time Mayor of Pittman Center, passed away on November 17, 2016 at the age of 85. Mayor Cardwell was an iconic leader in the Pittman Center area and was also a devoted supporter of the Great Smoky Mountains National Park (GSMNP). During his work career, Mr. Cardwell spent three years as a teacher at the Pittman Center School and then for the next 34 years he served as a Naturalist for the GSMNP and

eventually retired as the Supervisor for the Sugarlands Visitors Center. An avid historian, Mr. Cardwell is well known for the establishment of the heritage museum in the Pittman Center Elementary School, where many cultural resources related to mountain heritage are exhibited. Mr. Cardwell was a naval veteran, and was a tireless public servant for his entire life. He will be missed by all that knew him. Our condolences go out to his family and friends.

ETDD Remembers Tony Duncan

Tony A Duncan, 81, of Wartburg, formerly of Fentress County, passed away Saturday, Nov. 19, 2016, at his home. Tony graduated from York Institute. He was a former city recorder and judge in Jamestown. He later moved to Erwin, Tenn. to manage Unicoi County Gas System. After the death of his father he moved to Wartburg to run the family business, Duncan Department Store and Western Discount Store. He was appointed juvenile judge and county executive, then was elected Morgan County Executive in 1982. Mr. Duncan served as the Chair of ETDD during the 1985 to 1986 program year. After retirement from local government service, he opened a Save-A-Lot Store in Wartburg and served on the board at Plateau Utility. Mr. Duncan was a great friend of ETDD and we extend our sincere condolences to his family.

New Board Members for ETDD

ETDD welcomes the following new members to our Board of Directors: Fred Sykes is the new Mayor of Rutledge, Glenn E. Warren Jr. is the new Mayor of White Pine, Beau Tucker is the new Mayor of New Market, Bill Fannon is the new Mayor of Tazewell, Wayne Best is the new Mayor in Harriman, Dennis Jeffers is the new Mayor of Huntsville and Neal Pucciarelli is the new Mayor in Cumberland Gap. Congratulations to all of our new Mayors!



“Or current resident”

This newsletter was funded in part through grants from the State of Tennessee, the Appalachian Regional Commission, the Economic Development Administration, and other federal, state, and local sources. Materials from the ETDD Newsletter may be freely reprinted with proper crediting of the source.

Calendar of Events

December 2016

- 8 CROET Board of Director’s meeting, Heritage Center
- 13 ETDD Executive Committee & ETHRA Policy Council Meetings, ETHRA Offices
- 21 Areawide Development Corporation Board Meeting, Kodak
- 23&26 Christmas Holiday, ETDD Offices closed

January 2017

- 2 New Year’s Day Holiday, ETDD Offices closed
- 10 ETDD Executive Committee & ETHRA Policy Council Meeting, ETHRA Offices
- 10 TVA Public Meeting on reservoir use, TVA West Tower Auditorium, Knoxville
- 16 Martin Luther King Day Holiday, ETDD Offices closed
- 17 East Tennessee Regional Council of Fire Chiefs, Maryville FD
- 18 Association of Tennessee Valley Governments Meeting, Knoxville

February 2017

- 14 ETDD Executive Committee & ETHRA Policy Council Meetings, ETHRA Offices
- 20 President’s Day Holiday, ETDD offices closed

March 2017

- 14 ETDD & ETHRA Annual Board Meetings, Rothchilds, Knoxville
- 18-22 ARC & NADO Washington Policy Conference, Washington D.C.
- 20-21 TML Legislative Conference, Nashville
- 21-22 TDDA Annual Conference, Embassy Suites, Murfreesboro
- 22-23 USDA Rural Development Conference, Embassy Suites, Murfreesboro
- 29-31 Tennessee City Managers Association Conference, Franklin