ETDD BOARD HOLDS 53RD ANNUAL AWARDS BANQUET

The East Tennessee Development District held its 53rd Annual Awards Banquet on Thursday, July 11th, 2019 at The Venue at Lenoir City. The banquet was attended by ETDD staff and more than 120 local officials and guests.

ETDD Executive Director Terry Bobrowski speaking at the Annual Awards Banquet.

Chairman Ron Woody, presented Campbell County Mayor E.L. Morton with a plaque of appreciation for his service.

Each year ETDD recognizes local governments, other agencies and individuals for special contributions to regional development. At the 2019 banquet, sixteen awards were presented to recognize significant projects in the region. Each honoree received a plaque that commemorates their particular achievement. Projects recognized at the Awards Banquet were:

1. Rocky Top Water System Rehabilitation Project
2. Townsend City Hall and Recreation Center
3. Campbell County Solid Waste Program Upgrades
4. Claiborne County Little Sycamore Water Line Project
5. Claiborne County Powell River Access Improvements
6. Broadband Expansions in Newport Utilities Service Area
7. Town of Rutledge New City Hall & Community Center
8. Hamblen County Fire Protection Improvements Project
9. Jefferson County New Market Service Area Water Line Extension Project
10. City of Loudon Historic Lyric Theatre Renovations
11. City of Madisonville Water Storage Improvements Project
12. Roane County Fire Protection Improvements Project
13. New Hanger at Scott County Airport
14. New Sevierville Fire Station
15. Union County Oak Grove School National Register Listing

ETDD extends a special congratulation to all of these communities for their outstanding achievements.
ECONOMIC DEVELOPMENT

ETDD staff assisted the following communities with economic projects that will provide economic opportunities in the future:

- Campbell County Workforce Development; Grant amount = $84,925.00. Funds to be used for the acquisition of welding equipment to be housed at the Campbell County High School welding laboratory.
- Eastbridge Business Park Knox County; Grant amount = $500,000.00. Funds to be used for the construction of a centrally located pump station and the installation of approximately 4,500 lf of sewer line.
- Highland Communications; Grant amount = $1,892,584.00. Funds to be used for the construction of fiber into northwest Campbell County. Project = Place fiber to Northwest Campbell County.
- BMT Manufacturing Jacksboro; Grant amount = $161,328.00; Funds to be used to expand their current business.
- BMT Manufacturing Jellico; Grant amount = $453,000.00; Funds to be used to open up a new location for their business.
- Eagle Bend Manufacturing Clinton; Grant amount = $365,000.00; Funds to be used for some wastewater collection improvements.
- Niles Ferry Industrial Park Monroe County; Grant amount = $500,000.00 for site grading.

ETDD assisted the following industries in the close out of their grant. CIRRUS – Blount County and England Furniture in Claiborne County.

ETDD staff has also assisted the City of Friendsville in preparing initial environmental data for an application through EDA that will allow the City to place additional wastewater lines along the 321 corridor to assist in the recruitment of future industrial and commercial endeavors. The total cost of the project will be $865,000.00 with $432,500.00 of those funds coming from EDA.

PINI (TACIR) SURVEY

ETDD staff recently completed the collection of data (2018 Inventory Year) that details the infrastructure needs from all 16 counties, 56 cities, 25 school systems, and 94 utility districts. All new and existing TDOT and Bridge projects within the ETDD region have been updated as well. We thank all the participants for their help in supplying this information to ETDD staff. Infrastructure projects for the purpose of this survey included any needed public improvement need over $50,000 in these categories: transportation and utilities ($25.9 billion), education ($13.6 billion), health, safety, welfare ($7.4 billion) recreation and culture ($1.9 billion), economic development ($366 million), and general government ($698 million). The data has been entered and checked. TACIR will publish 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. The current report can be viewed online at: https://www.tn.gov/tacir/infrastructure/infrastructure-reports-/building-tennessee-s-tomorrow-2017-2022.html.

GRANT INFORMATION

Community Development Block Grant Program (CDBG)

Community Development Block Grant applications are still being reviewed by the State of Tennessee with application awards probably in early fall.

ETDD staff helped our communities successfully close out the following awarded grants during the last quarter:

1. Monroe County – Waterline Extension
2. Campbell County – Fire Equipment
3. Jefferson County – Waterline Extension

ETDD staff is currently assisting the following communities with the administration of their CDBG projects:

1. New Tazewell – Housing
2. Morgan County – Waterline Extension
3. Roane County – Fire Equipment
4. Campbell County – Drive for 55 Dual Enrollment Program
5. Mossy Creek Foundation – Façade Improvements
6. City of Sweetwater – Façade Improvements
7. Madisonville – Fire Hall
8. Harrogate – Wastewater Improvements
9. Cocke County – Waterline Improvements
10. Jefferson City – Sewer Rehabilitation
11. Claiborne County – Waterline Improvements
12. Parrottsville – Fire Engine
13. Caryville – Fire Engine
14. New Market – Communication Equipment
Appalachian Regional Commission (ARC)

ETDD staff assisted the following communities with submitting full applications:

1. White Pine – Water connection with Morristown – Total cost = $591,000.00; ARC cost = $295,500.00.
2. Arthur-Sewanee – Water Tank in Powell Valley Area – Total cost = $2,965,000.00; ARC cost = $500,000.00.
3. Hamblen County – Workforce Development – Total cost = $130,000.00; ARC cost = $65,000.00.

ETDD staff assisted the Huntsville/Oneida TCAT with an ARC Power application for approximately $1.9 million. The project involves the initiation of new classes in the region that will assist previously incarcerated persons secure a trade certification that will help in job placement. The application is truly regional in that it will assist not only Scott, Fentress, Morgan and Campbell Counties in Tennessee, but also Wayne, Whitley, Clay and McCreary Counties in Kentucky.

ETTD staff is currently working with the following communities with the administration of their awarded ARC projects.

1. Claiborne County – Waterline Extension
2. Newport Utilities – Broadband
3. Dandridge – Water Tank
4. Union County – Sewage Treatment Plant Improvements
5. Morgan County, Plateau Utilities – Water System Improvements
6. Rockwood – Wastewater Project
7. Oneida TCAT – Equipment for Diesel Classroom
8. Scott County – Reservoir Water Level Study
9. City of Loudon – Marina Development.
10. City of Sweetwater - Broadband

FEMA

ETDD staff worked with Seymour Fire Department to submit a SAFER grant that can be used for hiring firefighters and help in retaining volunteers. The total request is for $573,496.00.

We are all anxiously awaiting the traditional FEMA application that allows fire departments to apply for equipment such as fire trucks, SCBA, protective gear, firefighting tools, training and other resources needed to protect the public and emergency personnel from fire and related hazards. Be thinking of your projects and if need be get cost estimates on your proposed equipment requests. NO application can be submitted for any FEMA application unless you are registered with the SAM.GOV Federal program.

If you need any help, please contact Mitch Loomis or Tammye Pirie at 865-273-6003.

Recreation

ETDD staff assisted the City of Caryville with a Dog Park Grant for $25,000.00 that will be an important component of a new recreation park development. The new park is expected to attract interest from visitors on I-75 due to the park’s close proximity to the interstate.

ETTD staff is currently working with City of Clinton for the development of an all-inclusive playground that will provide benefits to children in Clinton, Anderson County and the surrounding region.

Police Grants

ETDD staff assisted the following communities with Bullet Proof Vest Grant applications:

Plainview, Anderson County, Oliver Springs, Rocky Top, Norris, Jacksboro, Grainger County, Bean Station, Dandridge, Sweetwater, Tellico Plains and Harriman. 177 vests were requested to outfit our dedicated Police Officers.

If you are not registered with the Office of Justice and grants.gov, take the time to do this so that when grants become available we can more efficiently assist you with preparing applications.

Asset Based Planning

ETDD staff assisted the University of Tennessee staff with the 2019 Asset Based Grant Program meetings for Union, Morgan, Scott, Monroe, Campbell, Grainger, Cocke, and Claiborne County. The Asset Based meetings are now part of the Three Star activities that each county must perform in order to achieve their Three Star certification. Many thanks to Kathy Barber and Kim Denton with the University of Tennessee Center for Industrial Services for their guidance and work in organizing and facilitating the meetings, as well as Jody Sliger with ECD for her assistance and commitment to serve our communities. It is anticipated in the fall that competitive grants will be made available for communities to help in making their goals that have been identified a reality.
**Transportation**

ETDD recently assisted two local school systems with applications for bus replacement funds from the state’s allotment of Volkswagen settlement funds. Both applications were approved for funding. Congratulations to the Oneida Special School District – they will receive (3) new CNG buses for a total of $371,250 and the Scott County School District – they will receive (2) new CNG buses for a total of $247,500. This fleet replacement grant provides school districts and/or contracted fleet service businesses with funds to replace older buses with any new diesel or alternate fueled or all-electric Class 4-8, Type A-D vehicles.

**Housing**

ETDD recently assisted the Scott County Homeless Shelter with the acquisition of an Emergency Shelter Grant for $78,000.00.

**Project Diabetes**

ETDD also assisted Jefferson County Schools (JCS) in receiving a 3-year, State of Tennessee, Department of Health $322,000.00 grant to advance the statewide Project Diabetes efforts to make physical activity an integral and routine part of life through the enhancement of the physical and built environment. JCS will promote physical activities in the community by increasing the availability and utilization of the new tennis facility on school property with the: 1.) Addition of a six court lighting system, 2.) Enrichment to the PE/Health K-12 Curriculum, 3.) Introduction of Two-Bounce Club and numerous community tennis programs, as well as 4.) Collaborations on community health education outreach.

YOU MUST REGISTER WITH SAM.GOV and GRANTS.GOV in order to apply for all federal economic and community development grants!

**SOLID WASTE**

**Union County Plastic Recycling**

Union County received a Waste Reduction Grant from TDEC to assist with purchasing recycling trailers that will be used for plastics collection, allowing the county to begin collecting this material for the first time. Plastic collection trailers will be placed at the Wolfe Road, Sharps Chapel, and 61 West Convenience Centers, and one trailer will be utilized for mobile collection at events such as the Heritage Festival and Thunder in the Park. Residents can begin recycling their plastic at the above-mentioned locations when the program launches in Fall 2019. Congratulations to Union County on their effort at increasing the volume of recycled material collected through an enhanced material stream!

**District-wide Needs Assessment**

The Solid Waste Management Act of 1991 requires all Development Districts to coordinate, conduct, and maintain an assessment of the solid waste needs for each municipal solid waste planning region in the state. T.C.A. § 68-211-811 also requires that the assessment include demographic and economic information as well as a thorough evaluation of each region’s solid waste system. ETDD staff will begin work on the 2020 District-wide Needs Assessment in July. All 16 counties and 56 municipalities of ETDD should expect to be contacted by ETDD staff with questions regarding your solid waste systems. Your cooperation and timely response to any questionnaires will be greatly appreciated.

**TDEC Grant Update**

TDEC offers grants throughout each calendar year to assist communities with their recycling/waste reduction needs. However, in an effort to revamp the grant program and implement process improvements to streamline the grant application and administration processes, TDEC grant solicitations will be closed until approximately Spring 2020. The period before grant solicitations reopen is a great time to evaluate your solid waste systems and regional solid waste plans. If you need assistance with evaluation or planning, or if you have any other solid waste needs, please call Tim Hendrick at 865-273-6003.

**HOUSING**

In March, ETDD also submitted a HOME grant application to the Tennessee Housing Development Agency on behalf of the City of Morristown. This projects could assist 10-15 households in the city limits. The HOME program is a significant source of funding for housing rehabilitations projects in our region and continues to be a popular resource for this type of assistance.

ETDD expects to receive another allocation from the Tennessee Housing Development Agency (THDA) or the Emergency Repair Program in July 2019, and welcomes new projects from our service provider partners. This allocation will 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 or disabled, and who meets ownership and income requirements. ETDD works with local non-profits and organizations who coordinate construction activities and qualify the homeowners. These service providers are an integral part of the Emergency Repair Program’s activities in our 16-county region, and ETDD is seeking more partners to complete projects in several counties, including Monroe and Union counties. THDA has recently removed the match requirement for repair projects. 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.

HISTORIC PRESERVATION

The National Register of Historic Places (NRHP) is a program through the National Park Service (NPS) that recognizes historically significant places and resources. NRHP listing provides many benefits, including access to preservation grants and tax incentives, and limited protection from federally-funded or licensed endeavors. Grant applications are due to the Tennessee Historical Commission each January. These are 60/40 matching grants that can be used for building restoration, architectural surveys, and educational activities with a preservation component. ETDD can assist in the identification of competitive preservation projects that may be eligible for these types of grants and can also provide grant writing services to communities in our region. ETDD staff can also assist in the preparation of nominations to the NRHP, which are highly technical and often take around a year to prepare and process. Beyond access to grants, NRHP listing allows for widespread recognition of the site’s historic significance and increased heritage tourism opportunities.

ETDD preservation staff recently prepared a nomination for the Tennessee Military Institute (TMI) Residential Historic District. This historic district recognizes three residences located just south of the 1902 TMI campus. Two houses were built by 1905 to serve as residences for the institute’s president and military quartermaster, and the third house in the district was built by 1925 to serve as a hospital building and nurse’s quarters. The three residences served an important role for the TMI community and retain a high degree of architectural integrity. While the future of the TMI campus itself is unclear, NRHP listing of the nearby residences will provide crucial recognition of the Institute’s significance in Sweetwater and East Tennessee’s history.

RURAL PLANNING ORGANIZATION (RPO)

The TDOT is preparing Interstate Corridor Studies for both I-75 and I-40 through our region. This 18 month study will evaluate congestion management, improving safety, maximizing the potential for freight diversion and preserving / enhancing each corridor’s economic benefits. Local government officials are invited to provide input on this study. Public meetings will be held in the near future.

The Tennessee Department of Transportation, TDOT, is requesting that local governments coordinate early with TDOT in the process of proposed new public or private facilities planning to locate on state highways. The type of facilities include schools, office buildings, industries, commercial, retail, subdivisions and other significant traffic generators. Please advise Don Brown, ETDD staff, regarding new facilities planning to locate on state highways.

The TDOT, in partnership with Rural Planning Organizations and Local Governments, is in the final phases of completing the Rural Regional Transportation Plans, RRTP, for both the East Tennessee South Rural Planning Organization and the East Tennessee North Rural Planning Organization. The plan will identify current and future transportation needs in each of the RPOs. The RRTP will identify roadway segments with traffic congestion issues, safety issues and other deficiencies. The plan will be beneficial to local governments by identifying needed transportation improvements in the community and providing a basis for future discussions regarding project prioritization and project implementation (engineering, right-of-way acquisition and construction). The plans will be presented at the next RPO meeting for review and adoption.

The East Tennessee Development District website contains the most up-to-date information on the two RPO’s. The website 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/.

Please contact Don Brown, ETDD staff, if you have transportation issues in your community or if you have questions or concerns that you would like to discuss with the TDOT.
PLANNING ADVISORY SERVICE

East Tennessee Municipalities Grapple with Short-Term Rental Regulation

Public Chapter 972, Acts of 2018, became effective May 17, 2018. This legislation, titled the “Short-Term Rental Unit Act” seeks to provide a framework by which municipalities can regulate short-term rental units. T.C.A. 13-7-602 defines a short-term rental (STR) unit as a residential dwelling unit that is rented wholly or partially for a fee for a period of less than 30 continuous days. This does not include hotels/motels or bed and breakfast operations. Airbnb is the most popular short-term rental marketplace but there are others in existence and will likely be others to emerge.

T.C.A. 13-7-603-606 establishes several different general guidelines for regulation of these units. First, it authorizes municipalities to adopt a permitting process for STRs but ensures that any property that was/is in operation prior to a local regulation being passed is ‘grandfathered in’ and cannot be prohibited by new regulations or requirements. However, in order to be ‘grandfathered,’ these existing STRs must establish that they’ve paid all applicable taxes going back 6 months. Second, the law authorizes a municipality to prohibit the continued use of an STR if it has been in violation of a general local law 3 or more separate times, provided that there is an appeal process that has been exhausted. This is intended to address any nuisance issues that may arise from STRs. Lastly, the new law authorizes a homeowners association, co-op or condominium, lessor (through a lease), or homeowner (through a restrictive covenant) to prohibit or restrict the use of property as an STR within the entity’s jurisdiction.

In recent months, several communities in East Tennessee have requested assistance in crafting local laws for regulation of short-term rentals like Airbnb. The issues which they seek to address include collection of all applicable taxes, nuisance mitigation, permitting, inspections, and zoning. The following is a summary of the status of state law and trends in short-term rental regulations that address these issues.

Taxes – Tennessee Attorney General Herbert Slatery III issued an opinion in December of 2015 that short-term rentals such as Airbnb are subject to sales and occupancy taxes, just as hotels/motels are. However, there are important differences to how these taxes are passed and collected.

Starting March 2018, Airbnb started collecting and remitting state and local sales taxes from hosts directly. Each jurisdiction where there is Airbnb activity should be receiving sales tax payments from Airbnb each month. A simple search on the Airbnb website should indicate whether there are currently Airbnb’s operating in your jurisdiction. Contact the TN Department of Revenue for further information on sales tax collection and remittance on short-term rentals.

Regarding occupancy taxes (also known as hotel/motel tax or bed tax), however, they are passed and collected locally and Airbnb does not currently collect and remit them for the majority of municipalities or counties in Tennessee. Thus, each county and city that levies an occupancy tax for hotels/motels and has short-term rental activity will need to notify each operator of a short-term rental unit of their tax obligation. The operator will then have to manually collect the tax from each patron and remit to the local government. Airbnb does give hosts the ability to manually enter the occupancy tax rate, and they then collect the tax at time of payment and remit to the host, who is then responsible to remit to their municipality and/or county.

Permitting and Zoning – Several different Tennessee communities have now adopted a permitting process for short-term rentals. This typically requires applicants to certify that they have proper fire safety equipment, obtain a business license, may impose a maximum limit on number of guests, and various other regulations that protect the public health, safety and welfare can be considered. These are achieved through passage of an ordinance regulating short-term rentals. Requiring a permit to operate a short-term rental also ensures that the local government will collect all applicable taxes, and can provide a process for adjudicating nuisance complaints against short-term rentals. Regarding zoning, short-term rentals are typically operated out of residential structures and are thus seen as being a residential use for zoning purposes. However, several different municipalities are exploring various land-use regulations that would impose additional restrictions to STRs in residential areas.

For more information or assistance in crafting local guidelines consult with your local planner.

GEOGRAPHIC INFORMATION SYSTEMS

GIS projects completed during the last quarter for ETDD grant programs included service area maps for ARC grants in White Pine and Claiborne County, a project area map and topographic map for a Friendsville EDA grant, and a project
area map for a tourism grant in Union County. A preliminary proposed greenway work map was created for Campbell County in preparation for potential grant applications. Staff also did preliminary research related to GIS needs for the RPO work program.

For ETDD’s planning contracts, official zoning maps were updated for Maynardville, Clinton, and Rocky Top based on recently adopted rezoning ordinances. A brand new zoning map for Dandridge was completed and adopted, finalizing a months-long project with the town and ETDD planner. GIS staff also completed two versions of a zoning study map for Grainger County and created several proposed rezoning illustrations for multiple ETDD communities. A proposed historic overlay zone map was created for a Jellico study.

GIS staff wrapped up ETDD’s involvement with the 2020 Census Participant Statistical Areas Program (PSAP) by submitting final data for the participating counties that chose to make changes. The remaining counties that responded chose to accept the 2020 tract and block group boundaries proposed by the Census Bureau.

**Participant Statistical Areas Program (PSAP) Summary**

The 2020 Census Participant Statistical Areas Program (PSAP) allows invited participants to review and update selected statistical area boundaries for 2020 Census data tabulation following U.S. Census Bureau guidelines and criteria. The Census Bureau also will use the statistical areas defined for the 2020 Census to tabulate data for the annual American Community Survey (ACS) estimates and the Economic Census. Standard statistical geographies include: Census Tracts, Block Groups, Census Designated Places and Census County Divisions.

The 2020 Census PSAP is the only opportunity prior to the 2020 Census to review and update the selected statistical areas. The Census Bureau uses the statistical areas defined for the 2020 Census to tabulate data for the ACS throughout the decade. These data are frequently used to prepare grant applications to fund community and regional development, education, agriculture, energy, and environmental programs, as well as other needed community improvements and enhancements.

The next opportunity to review and delineate statistical areas is planned for the 2030 Census. The PSAP schedule is as follows:

ETDD staff is assisting rural counties that do not have GIS capabilities with the boundary review process. Assistance will be provided to Anderson, Campbell, Claiborne, Cocke, Grainger, Morgan, Scott and Union counties. The process will be completed by May 31, 2019.

**AREAWIDE DEVELOPMENT CORPORATION SBA 504 NEWS**

The SBA 504 loan program rates have decreased over the past several months and continues to be a very attractive financing option for small business owners. As of June 2019, the 504 loan rates are 4.442% for the 20 year debenture and 4.530% for the 25 year debenture. For fiscal year 2019, beginning October 1, 2018 through May 31, 2019 there have been $3,150,569,000 SBA 504 loans approved nationally representing an increase of 5% in loan volume as compared to the same period in 2018. Nationally the 504 loan dollar volume has increased, the number of loans has increased 6%, and the average loan size decreased 0.8%. Areawide Development Corporation has three loans that have been approved by SBA during this fiscal year totaling $5,720,000, this represents a 35% increase in loan volume as compared to the same period in 2018. The 25 year debenture is the financing vehicle of choice for the majority of small business owners! The borrower gains an additional 5 years of financing for a very small increase in rate, the prepayment premium timeframe is the same for the 20 year and 25 year debenture, and lastly the additional 5 years of financing improves the overall cash flow of the business owner.

Also on a positive note, on December 21, 2018 legislative changes were implemented which increased the statutory appraisal threshold for 504 loans secured by real estate to $500,000 which matches the federal regulators’ appraisal requirements. As a result of these changes, SBA requires an appraisal on real estate if the estimated value of the project property is greater than $500,000. If the project property values is $500,000 or less an appropriate evaluation is required that is consistent with the Interagency Appraisal and Evaluation Guidelines and the Interagency Advisory on the Use of Evaluations in Real Estate Related Financial Transactions, issued by the Federal Banking Regulators. There are some circumstances that require an appraisal to be completed even if the estimated value is below $500,000 including the equity in the land owned for 2 years or more is being contributed as part of the Borrower’s contribution, the real estate is Third Party Lender’s OREO, if the loan finances a transaction involving parties with a close relationship, the seller of the property is carrying back a loan that is part of the Borrower’s contribution, or if SBA or the CDC concludes that an appraisal is necessary to appropriately evaluate creditworthiness.
July 2019

4  Fourth of July holiday, ETDD offices closed
10-11  ATVG Summer Meeting, Young Harris, GA
11  ETDD Annual Awards Banquet, The Venue, Lenoir City, TN
18  TDDA monthly meeting, Nashville
23  ET Fire Chiefs Meeting, Rural Metro Emory Road Fire Station, Knoxville, TN
31  CROET Board Meeting, Oak Ridge, TN

August 2019

13  ETDD Executive Committee & ETHRA Policy Council Meetings, Cancelled
15  TDDA monthly meeting, Nashville, TN
28-30  Association of County Mayors Annual Conference, Murfreesboro, TN

September 2019

2  Labor Day Holiday, ETDD offices closed
5  ETDD Executive Committee & ETHRA Policy Council Meetings, ETHRA Offices
19  TDDA monthly meeting, Nashville, TN
25  CROET Board Meeting, Oak Ridge, TN

October 2019

8  ETDD Executive Committee & EHTRA Policy Council Meetings, EHTRA Offices
14  Columbus Day holiday, ETDD offices closed
15  ET Fire Chiefs Meeting, Loudon FD, Loudon, TN
20-22  NADO Annual Training Conference, Reno, NV
24-25  TN ECD Annual Conference, Nashville, TN
28-29  ATVG Fall Meeting, Gatlinburg, TN
29-31  TCSA Annual Fall Conference, Knoxville, TN