

## FY 2009-2010 Annual Report

### Agency Profile

The Loudon County Economic Development Agency (LCEDA) is an independent government unit functioning under an intergovernmental agreement between Loudon County, Lenoir City, and the City of Loudon. Originally organized as the Loudon County Industrial Committee of 100 in the mid 1960's, in 2000 the organization became known as the Loudon County Economic Development Agency and expanded their mission, which now includes serving as the Joint Economic and Community Development Board under Public Act 1101. These changes reflect a broadened perspective of economic development and the interrelationship with community development programs. The Agency's Board of Directors is composed of representatives of both the private and public sector. Representatives from the County and Cities of Loudon and Lenoir City make up a majority of the Board's membership based principally on Agency contributions from the public sector. Despite both public funding and representation, the Agency and Board of Directors maintain a non-political and non-jurisdictional atmosphere. Our accomplishments both during this past year and previous years are attributed to a strong spirit of cooperation and coordination of the Agency with our funding partners. The Agency and Board is greatly indebted to the County of Loudon, City of Loudon, City of Lenoir City, and Lenoir City Committee of 100 for their commitment to our mission and confidence in the program.

The Loudon County Economic Development Agency (LCEDA) is a partner with the Knoxville Oak Ridge Innovation Valley, Inc. (Innovation Valley). The Innovation Valley is an investor-directed program designed to recruit, retain, and expand business growth in our region. The program consists of six program areas: education and workforce development, technology and entrepreneurship, global marketing, business retention and expansion, public policy, and resources for living. The community partners in the Innovation Valley Technology Corridor region include: Blount Chamber, Knox Chamber, Loudon County Economic Development Agency, Oak Ridge Economic Partnership, Roane Alliance, and the Tellico Reservoir Development Agency. The LCEDA serves as the fiscal agent for the Tellico Reservoir Development Agency's partnership with the Innovation Valley.



The Innovation Valley partnership has given the LCEDA the opportunity to increase marketing efforts by developing new marketing materials with an enhanced website presence and participation in additional marketing trade shows. The Innovation Valley has also allowed the Agency to partner with the Loudon County Education Foundation through a Memorandum of Understanding to focus workforce development and education programs on students at risk of dropping out of high school, and promoting a public awareness on the importance of education. Through the partnership with Innovation Valley, the Agency was able to provide \$25,000 to the Loudon County Education Foundation for the funding related to these programs.

**FY 2009-2010 Board of Directors**

Mayor Doyle Arp, Chair  
 Mayor Bernie R. Swiney, Vice-Chair (Rep. Loudon City)  
 Charlie Bettis, Treasurer (Greenbelt Property Owner)

Eddie Simpson (Representing Lenoir City)  
 Chris Park (Representing Loudon County)  
 Rodney Grugin (Representing Chamber of Commerce)  
 Harvey Sproul (Representing LC Committee 100)  
 Bruce Giles (Member at Large)

**FY 2010-2011 Board of Directors**

Eddie Simpson, Chair (Representing Lenoir City)  
 Mayor Estelle Herron (Representing Loudon County)  
 Mayor Judy McGill-Keller, Vice-Chair (Representing Loudon City)  
 Charlie Bettis, Treasurer (Greenbelt Property Owner)  
 Don Miller (Representing Loudon County)  
 Ron Jordan (Representing Chamber of Commerce)  
 Harvey Sproul (Representing LC Committee 100)  
 Bruce Giles (Member at Large)

**Staff**

Patrick Phillips, President  
 Kathy Knight, Assistant Director  
 Stephanie Myers, Office Manager

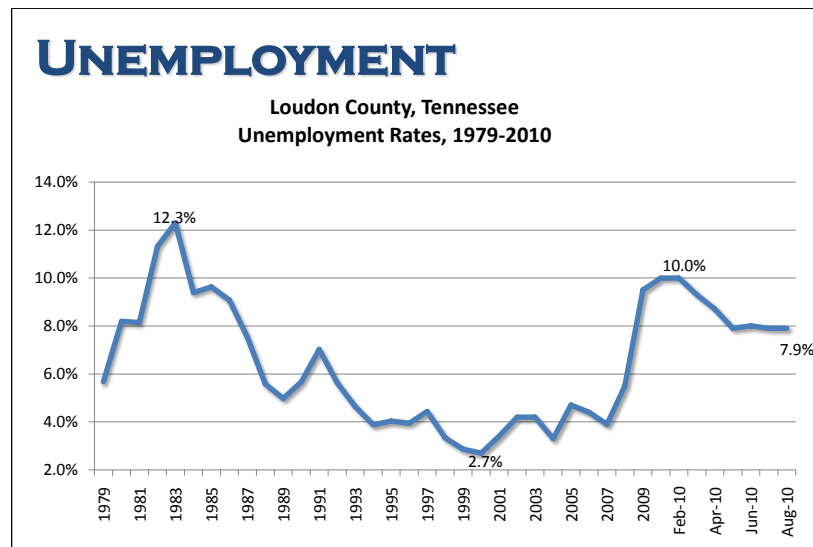
**Financial Highlights**

Fiscal Year Ending June 30, 2010				
Expense Category	Budget	Expended	Carryover	% Spent
Auto/Travel	\$3,500.00	\$1,854.03	\$1,645.97	53%
Communications	\$6,500.00	\$5,844.65	\$655.35	89.9%
Conference/Training/Education	\$2,500.00	\$481.07	\$2,018.93	19.2%
Dues/Subscriptions	\$900.00	\$851.00	\$49.00	94.6%
Business Insurance	\$6,000.00	\$5,714.00	\$286.00	95.2%
Legal Fees	\$1,000.00	\$0.00	\$1,000.00	0%
Meetings	\$2,500.00	\$1,170.11	\$1,329.89	46.8%
Misc./Contingencies	\$1,000.00	\$0.00	\$1,000.00	0%
Office Equipment	\$4,700.00	\$4,202.43	\$497.57	89.4%
Office Supplies	\$3,400.00	\$2,298.79	\$1,101.21	67.6%
<b>Payroll:</b>				
Salaries	\$156,958.00	\$156,553.92	\$404.08	99.7%
Taxes	\$17,500.00	\$13,723.12	\$3,776.88	78.4%
Insurance	\$6,525.00	\$6,317.08	\$207.92	96.8%
TCRS	\$5,108.00	\$4,652.16	\$455.84	91.1%
Direct Deposit Fees/Payroll Expenses/Other	\$0.00	\$145.61	-\$145.61	
Postage	\$750.00	\$303.76	\$446.24	40.5%
Prospects/Marketing	\$10,000.00	\$2,103.57	\$7,896.43	21%
Utilities/Maintenance	\$6,400.00	\$5,607.05	\$792.95	87.6%
Web Site Development	\$3,500.00	\$867.24	\$2,632.76	24.8%
<b>TOTALS</b>	<b>\$238,741.00</b>	<b>\$212,689.59</b>	<b>\$26,051.41</b>	<b>89%</b>

## Economic Overview

### Unemployment

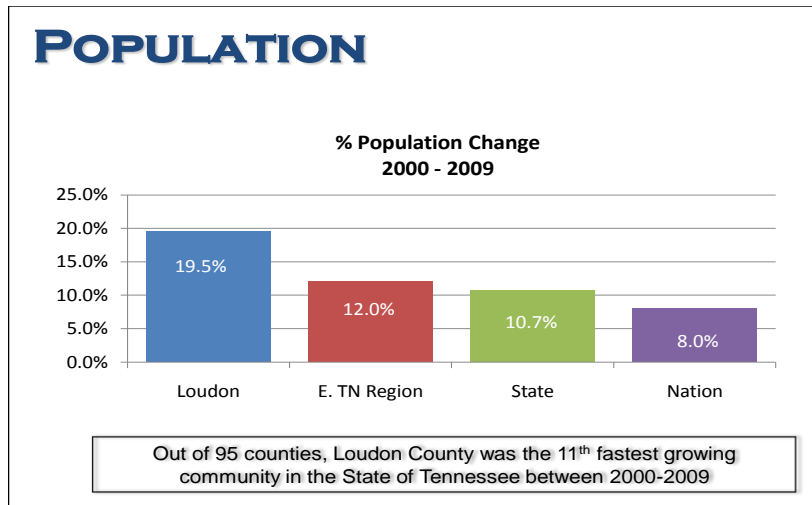
According to most economists and the U.S. National Bureau of Economic Research (NBER) the recession, which the NBER declared commenced in December 2007, ended in June 2009. Actually, it was not until the end of 2009 that the nation saw the prerequisite two consecutive quarters of growth in the GDP. While technically the recession is over it is difficult for many, especially those who are either unemployed or underemployed, to fully accept. Historically, Loudon County enjoys one of the lower unemployment rates in the State and Region and the current economic climate has not changed that. Beginning in July 2009, Loudon County's rate of 10.6% was just .3 percentage points below the State average. By the end of the fiscal year in June 2010, the rate had dropped to 8.0% compared to 10% for the State. As the bottom dropped out of the housing market, the construction sector reported the highest rate of unemployment at 18% in July 2009. Even with the end of the recession reportedly over in June 2009, job opportunities continued to decline for construction, but not before increasing to 20.1% in June 2010. Manufacturing also experienced double digit unemployment numbers in July 2009 at 12.4%. While still high historically, manufacturing made somewhat of a recovery as unemployment dropped to 9.9%.



### Population & Housing

From 2000-2009, Loudon County led both the state and region in population growth at 19.5% compared to 12% and 10.7% respectively for the region and state. Loudon County's rate is more than double the national rate of 8%. The growth continues to occur in the 65 and older population which increased 44.4% from 2000-2008. The lowest rate of growth was in the <5 years of age with 9.3%, and 11.3% for the 5-19 year age group. Currently Loudon County is rated as the 11<sup>th</sup> fastest growing county in Tennessee.

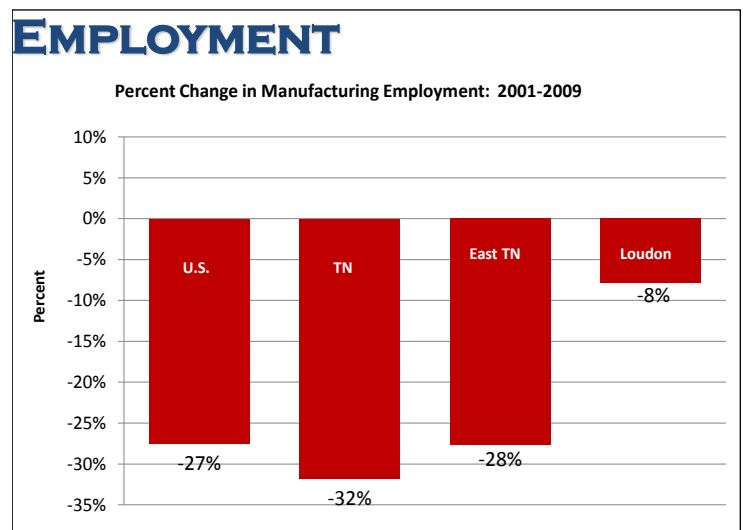
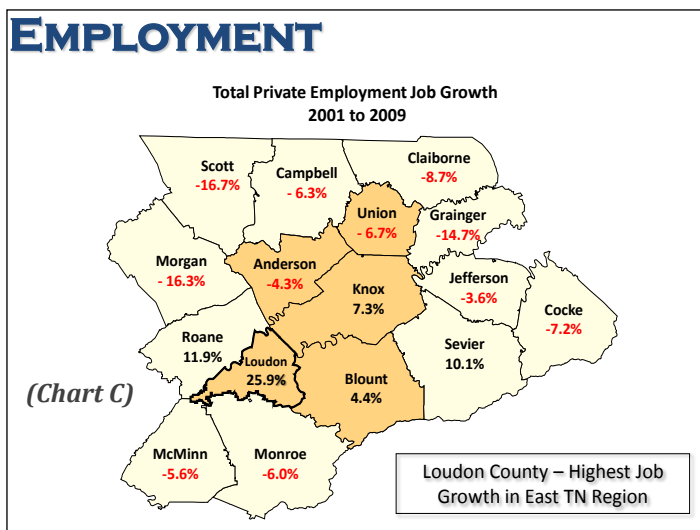
The economic recession affected housing demand the greatest. From 2000-2006, Loudon County experienced a 102% increase in new home sales volume before plummeting 64.9% between 2006 and 2008. Existing home sales volume declined 72% from 2005-2008. Until unemployment and underemployment figures improve, housing is not expected to make much of a recovery in the near future. While Loudon County does not have an excessive number of vacant homes on the market the same can't be said for residential lots. Currently there appears to be an oversupply of available lots compared to demand. The County's adoption of the adequate facilities tax for schools may well have reined in speculative residential construction during the boom from 2000-2007.



### ***Income & Employment***

An accurate reflection of the economy is the median household income. How does Loudon County compare with our peers? In 2008, Loudon County ranked the highest at \$47,977 which is 30% higher than for the Region at \$36,876. Compared to the State at \$42,501 Loudon County is 12.8% higher. In 2009, average weekly wages for all industries Loudon County was the 6<sup>th</sup> lowest at \$666. The disparity between average weekly wage and household income is likely the result of the strong influence of retirees and commuting patterns especially to Oak Ridge and Knoxville.

As noted earlier, manufacturing and construction both were hit with double digit job losses since the recession, but between the years 2001-2009 Loudon County had the highest gain in private employment at 25.9% compared to 2.8% for the State and -9% for the nation (See Chart C). Since 2001 Tennessee experienced a 32% decline in manufacturing employment in contrast to Loudon County's rate of 8%.









**Expectations for FY 2010-2011**







With the recession technically over and both employment opportunities and business profits improving, the economy during the next fiscal year should show a small improvement with declining unemployment rates. Construction employment will continue to trail other sectors and we may not see much of an improvement for a couple of years. Psychologically families are still nervous over the decline in household net worth which declined approximately 28% from 2007 thru 2009. Personal savings rates that were as high as 12% as a percentage of disposable income in the early 1980's witnessed a steady decline before bottoming out in 2005 at less than 2% and climbing to almost 7% in 2009. The insatiable consumer spending and lenient loaning by the commercial banking sector were probably the two most important factors that caused the recession. It will be interesting to see if this brief increase in savings rates will prevail or if the country will return to the excessive personal spending and debt that contributed to the economic decline.




While Loudon County enjoys a stable economy, ranking in the top 10% in most categories, the community should not believe that the growth in population will continue at the rates previously experienced. The County will continue to see movement of retirees into the community but at much lower rate. Our ability to compete nationally for investment in the declining manufacturing sector will require continued investment locally in education and job training. While it is not necessary that every student attend college, continuing education beyond high school will be necessary in order to compete for employment in manufacturing.

## Manufacturing Investments and Expansions

-  Tennessee Packaging location (\$9 million investment, 40 new jobs, and 44 jobs retained).
-  Kimberly Clark expansion (\$25 million investment).
-  Dupont Tate & Lyle Bioproducts expansion (\$20 million investment, 5 new jobs).
-  Facilitated meeting with Monterey Mushroom and USDA Farm Service Agency regarding assistance with utility infrastructure expansion needs.
-  Submitted 17 proposals to companies looking at new operations.
-  Submitted five sites to Deloitte Consultant for consideration in TVA's Data Center Recruitment Program. Out of the five sites, Creekwood Business Park was considered a primary data center site with sites at Highlands Business Park, and Huntington Business Park considered secondary data center sites. Creekwood Park and one site in Blount County are the only two primary sites in the East Tennessee region.

## Existing Industry Program

-  Hosted annual industry appreciation luncheon in partnership with TVA. Matt Murray, Economist with the University of Tennessee, presented the state of the economy address.
-  Awarded P.E.A.K. (Performance, Excellence, Achievement, Knowledge/Innovation) awards for Corporate Social Responsibility to Seco Tools, Technology and Innovation to Wampler's Farm Sausage, and Performance to Maremont.
-  Surveyed industries quarterly on employment numbers to identify any changes or trends in employment.
-  Preparation of PILOT resolutions for Dupont Tate & Lyle Bioproducts expansion and Kimberly Clark expansion projects.
-  Hosted existing industry meeting with Pellissippi State Community College to introduce their new Industrial Maintenance program.
-  Hosted regional Manufacturers Leadership Council meeting at Wampler's Farm Sausage.





-  In partnership with the Innovation Valley, conducted a regional survey of existing industries on how the economic downturn affected their business.
-  Served on Innovation Valley, Inc. Workforce Development/Education and Existing Industry Committees
-  Hosted regional Innovated Valley *Educators in the Workplace Lunch and Learn Series* at Astec Underground and Kimberly Clark.

## Marketing







-  International Council of Shopping Centers (ICSC) Tennessee/Kentucky Idea Exchange marketing and attendance.
-  Attended and exhibited at International Boat Exhibition in Louisville, KY with TRDA and Innovation Valley.
-  Updated boating marketing materials.
-  New branding for [www.loudoncountyeda.org](http://www.loudoncountyeda.org) website and marketing material.
-  Implemented Location One sites database into website for marketing available industrial sites and buildings.
-  Met with international economic development representatives from Canada, Europe, and China to market Loudon County and regional assets.
-  Visited with Tate & Lyle Corporate Management in Decatur, IL.



## Commercial Development


































-  International Council of Shopping Centers TN/KY Idea Exchange – Louisville, KY.
-  Provided information on demographics and community to commercial property developers and realtors to assist in marketing properties in Loudon County for growth in the retail and service sectors.
-  Met with retailers and restaurateurs on potential site locations
-  Applied to become a pilot community for the University of Tennessee’s Entrepreneurship CREST program (not awarded)










## Downtown Revitalization

-  Submitted TDOT Transportation Enhancement Grant Application for Streetscapes improvement in downtown Lenoir City. Grant awarded at \$80,242.
-  Facilitated City of Loudon Courthouse Square Revitalization Program.
-  City of Loudon Historic Downtown Branding and Marketing Strategy Request for Proposals
-  Conducted training on social media and marketing to downtown Loudon merchants
-  Wharf Street Greenway and Fountain Triangle project management
-  Loudon Memorial Bridge Lighting project management








## Community Development

-  Submitted TIGER grant application for removal of Highway 321 Bridge on Fort Loudoun Dam and construction of new bridge downstream (not awarded).
-  Connected Tennessee Loudon County eCommunity Leadership Team and development of strategic plan.
-  Participation in the Tennessee Economic Development Council.
-  Creekwood Park ARRA project management.
-  TVA Valley Investment Initiative training session.
-  Participation in the Governor's Conference on Economic Development.
-  Participated in S.C.O.R.E. luncheon and referred start-up businesses to S.C.O.R.E. for business counseling.
-  Participated in regional Highway 321/Smoky Mountain Byway Task Force; hosted regional meeting in Lenoir City.
-  Partnered with Loudon County Education Foundation on Education Public Awareness Campaign. Activities included:
  -  Sophomore Leadership Day attended by 45 at-risk sophomores from Loudon and Lenoir City high schools. Motivational speaker Keni Thomas, Army Ranger involved in Black Hawk Down Mission, spoke to the students about the importance of an education. The students also attended educational workshop sessions teaching them how education impacts all areas of life. Staff members of the LCEDA taught two of the sessions.
  -  Motivational speaker Melvin Adams, a former Harlem Globetrotter, was invited to speak to students at Loudon High School, Lenoir City High School, and Lenoir City Middle School.
  -  Over the course of two days, 120 at risk fifth graders from Loudon County schools attended a REACH Conference. The students were divided into groups and had sessions on the importance of staying in school, leadership and team building, internet safety, and child abuse.
-  Loudon Monroe Human Resource Association Membership.
-  Participated in Oak Ridge Associated Universities Community Outreach Event.
-  Attended American Association of Retirement Communities annual meeting.
-  Exhibited with Innovation Valley at University of Tennessee Career Fair.
-  Participated in Tennessee Valley Authority Economic Development Forum.
-  Participated in USDA Rural Development Conference.
-  Attended Proton Hydrogen Generator demonstration in Roane County.
-  Represent Loudon County on the Knoxville Regional Transportation Planning Organization Technical Committee.
-  Participated in Knoxville Regional Transportation Planning Organization's Transit Corridor Study Consultant Selection Committee.
-  Participated in Loudon County P-16 Making Education #1 Priority Council.
-  Planned and participated in Innovation Valley Technology Resource Showcase.
-  Participated in UT/TSU Extension Canola/Sunflower Field Day at Bailey Farms.
-  Town Creek (Tetra) commercial properties and LIC road extension.
-  Innovation Valley, Inc. partner meetings
-  East Tennessee Economic Development Agency Advisory Board.
-  Dixie Lee Junction (Hwy. 70 at Hwy. 11) intersection improvement project.
-  UT College of Engineering senior design projects.
-  State and federal legislative coordination including coordination of local legislative trip to Washington, D.C.
-  National Brownsfield Conference.
-  Spoke at various civic and community groups including Lenoir City Rotary, Loudon Rotary, Tellico Rotary, Loudon County Education Foundation leadership class, and regional leadership class.
-  Highway 321 at Highway 11 at-grade intersection improvements project management with TDOT.

-  Serve on Loudon County GIS Board.
-  Received training on TDOT local programs for managing locally funded projects.
-  Applied to become a Retire Tennessee community.
-  Attended International Economic Development Council webinar on Building Educational Alliances to Overcome Workforce Challenges
-  Chair Roane State Community College Business Advisory Committee
-  Attended demonstration on Knox County's Education Management Information System (data warehouse).
-  Participated in regional Quality Growth Toolbox workshop.
-  Submitted Congestion Mitigation and Air Quality Project grant application for intersection improvements at Highway 321 and Highway 11.
-  Assisted Chamber of Commerce with Governor's Three-Star certification process.

### Office Administration:

-  Developed internal personnel policy and drug policy manuals
-  Partnered with State of Tennessee on employee health insurance coverage
-  Oklahoma University Economic Development Institute Session I (Kathy Knight Professional Development)
-  Annual financial audit (no findings)
-  Office Improvements





### Grants/Earmarks

FY 2009-2010 Grants/Earmarks			
Granting Agency	Recipient	Project	Funding Amt.
TDOT	Lenoir City	Downtown Streetscape Transportation Enhancement Project	\$80,242
TDOT	Loudon County/ Lenoir City	Fort Loudoun Bridge Replacement	\$58,000,000
TN Dept. of Economic & Community Dev.	City of Loudon	FastTrack Infrastructure Development Program and Training Assistance	\$546,000
TPO Transportation Improvement Plan	Loudon County	Highway 11/Highway 70 Dixie Lee Junction Preliminary Engineering and Environmental	\$200,000
<b>Total Grants Received</b>			<b>\$58,826,242</b>

## FY 2010-2011 Program of Work

**Core Mission Statement** – *To participate and encourage the creation of quality and lasting community and economic development programs which promote an exceptional pro-business climate that encourages capital investment business locations which contribute significantly to the local economy benefiting local government programs/services, and that offer challenging and rewarding employment opportunities to the citizens of Loudon County.*
















### Objectives:

-  Promote private sector investment that will stimulate public sector revenues
-  Focus on the recruitment of higher wage employment opportunities
-  Enhance community livability to make Loudon County a premier residential community consisting of vibrant and attractive town centers with quality infrastructure
-  Continue to promote infrastructure development to insure Loudon County maintains a competitive edge for business recruitment









### Existing Industry Program:

-  Host annual industry appreciation/recognition luncheon event
-  Identify and present PEAK (Performance, Excellence, Achievement Knowledge/innovation) award to existing industries that excel in corporate social responsibility, innovation and performance
-  Schedule 2-3 corporate outreach visits with area industries
-  Work with local companies to identify opportunities for State Incumbent Worker Program grants
-  Develop an industry recruitment and expansion incentive program
-  Work with Innovation Valley, Inc. on a regional existing industry program and workforce development program
-  Develop an education awareness campaign and grant to Loudon County Education Foundation
-  Prepare lease documents for DuPont Tate & Lyle Bio-products payment in lieu of tax payment
-  Work with IV Technology Director to assist Astec in identifying opportunities through ORNL
-  Assist Viskase with expansion project
-  Assist in hosting IV Technology Showcase event and identify opportunities for local businesses at Oak Ridge National Laboratories, Y-12, and the University of Tennessee research facilities







## Community Development/Downtown Redevelopment:

-  Construction administration for Loudon Memorial Bridge lighting project
-  Attend National Brownfields Conference
-  Continue assistance with Courthouse Square Revitalization program including the development of a residential rehabilitation grant program and branding for the community
-  Revitalization programming for Loudon and Lenoir City
-  Project management for lighting/sidewalk/landscaping improvements for Creekwood Park (ARRA funding)
-  Project management for Wharf Street Greenway lighting project (Transportation Enhancement)
-  Prepare TDOT Streetscapes Grant Application for Hwy. 11 (Broadway) for Enhancement Program for Lenoir City
-  Begin implementation of Lenoir City's downtown streetscape enhancement program
-  Assistance to Loudon Merchants Association on renovations to Lyric Theater properties
-  Promote conference center concept
-  Attend LiveSouth Real Estate Shows in Chicago, IL and McLean, VA as part of Retire TN
-  Serve as Loudon County's representative on Technical Committee of the Regional Transportation Organization.
-  Serve on Regional Sustainability Committee
-  Work with TRDA on aviation park concept and master planning for Tellico Regional Business Park site
-  Community Agricultural Pavilion Feasibility Committee








## Marketing:

-  Attendance at International Boat Exhibition with TRDA and Innovation Valley, Inc.
-  Continue partnership with East Tennessee Economic Development Agency and participate in regional site consultant visits
-  International Council of Shopping Centers marketing material and attendance at regional event
-  Demographic indicators update and presentations to area organizations
-  Update industrial marketing site brochures
-  Continue to work with Innovation Valley Inc and attend partners meetings
-  Prepare Retire Loudon County marketing brochure and website
-  Continue to maintain and enhance website presence

## Commercial/Industrial Development:

-  Preparation of agreement and administration of Town Creek Local Interstate Connector project
-  Respond to RFI's from TVA, ECD and ETEDA, site consultants
-  Update commercial marketing demographics publication/power point presentation
-  Update industrial sites data base and publications
-  Project management for Tennessee Packaging site development and grant administration
-  Work with TVA on data center projects

## Special Projects:

-  Dixie Lee Junction intersection improvement project
-  Highway 321/Highway 11 at grade intersection improvement project and CMAQ application
-  Governor's Three-Star Program
-  Coordinate Washington Congressional visit
-  Assist Lenoir City in Harrison Road improvement project
-  Tellico Lake Conference Center master planning and implementation
-  Retire Loudon County implementation

**Certified:**

---

**Patrick Phillips, President**

**Date:**

**October 31, 2010**