

# DEVELOPING COLLABORATIVE RELATIONSHIPS WITH TENNESSEE ECONOMIC DEVELOPMENT DISTRICTS

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## What are economic development districts?

Economic development districts (EDD) are the basic regional units of economic development planning (Fang, 2022). EDDs encourage economic development planning and project implementation in distressed urban, suburban and rural regions by opening the door for local communities to access grant and loan funding opportunities, administrative and technical assistance, data and technology resources, and other resources and support (National Association of Development Organizations, 2023). According to Plusquellic (2002), EDDs are a mechanism that allows community leaders to work locally while thinking regionally.

## The formation of EDDs in Tennessee

In 1965, the General Assembly enacted the Tennessee Development District Act. The purpose of the Act was to provide an effective manner for city and county governments to conduct general planning and economic development (Tennessee Historical Society, 2021). As a result of the Act, nine EDDs were organized in Tennessee. Recognized as having a strong local presence (Majee, Maltsberger, Johnson & Adams, 2014), by emphasizing its community and economic development (CED) programming capabilities, Extension can provide educational programs and technical assistance for small businesses, entrepreneurs, public and private organizations, and industries. By providing these services, Extension can build a complimentary/collaborative relationship with EDDs.

## Counties changing

The conversion of mass amounts of rural farmland to residential subdivisions and businesses located at the outskirts of towns is created suburbs in many Tennessee counties (suburbia = farmland converted to advance sprawl). Majee et al. (2014) posits Extension has breadth, programming depth and strong ties to local communities. However, Extension being a long-standing community presence is finding itself increasingly marginalized as its agricultural roots diminish (Franklin, Humphrey, Roth & Jackson, 2010). As counties continue to transform from rural to suburban and urban, Extension CED staff must assist the organization with navigating these waters of change.

To assist the organization with developing programs related to economic development programming efforts, Extension CED staff assessed EDD directors across the state to identify opportunities for potential collaborative efforts.

Results from the survey revealed:

- Five of the 11 directors who responded were aware Extension provided economic development education programs. This suggests emphasis must be placed on getting Extension viewed as an economic development resource.
- Of 22 EDD staff members surveyed concerning familiarity of Extension programs, agriculture ranked the highest, followed by 4-H, FCS and CED in order. This suggest Extension is viewed as an agriculture organization.
- Nine (32 percent) EDD professionals felt Extension CED's greatest need was to provide educational assistance to non-profit organizations, while seven (25 percent) felt it was assisting small businesses. Providing services to industrial and government agencies was identified by six EDD professionals as an area where CED programming efforts could be utilized.
- Workforce development and retention was identified out of 19 options as the area needing the most addressing, receiving eight (16 percent) of the options. Other areas identified needing addressing were housing initiatives with seven (14 percent) and repurposing vacant commercial buildings with five (10 percent).
- Six of the EDDs were headquartered in suburban areas (population 50,000-300,000), four in rural areas (population < 50,000) and one in an urban area (population > 300,000).
- All 10 directors perceived that local businesses faced major issues in hiring from the local workforces. Reasons reported included the amount of compensation and benefit cliff; drug abuse; resignations due to COVID pandemic; lack of skilled applicants; aging workforce; transportation issues; and younger workers moving to larger cities. One director perceived advanced degree programs were not preparing people for the workforce.
- Industries and professional services (accountants, banks, lawyers, doctors, etc.) were identified seven times each as

businesses that utilize chambers of commerce, followed by small businesses (six selections) with national chains receiving four selections. However, when queried what businesses are looking to seek assistance from the chambers of commerce, family-owned small shops and mid-scale manufacturers (50-200 employees) ranked first and second, respectively.

- Conducting small business seminars (taxes, starting a business, etc.) and serving as liaisons to agricultural businesses and government entities tied with nine selections apiece as the way Extension can assist EDDs. Serving on EDD boards and committees were identified seven times as a way Extension could assist EDDs. Taking part in EDD initiatives, assisting with youth leadership and helping with work experience programs were identified as ways Extension could assist EDDs.
- Eight of 10 respondents indicated they perceived family-owned businesses in their region had no succession plans.
- Six of 10 respondents were either somewhat or slightly confident regional businesses have access to capital and loans.
- Five of 10 EDD directors were somewhat confident, while three others were confident that regional businesses are staying competitive with readily available online goods and services.
- Five of 10 EDD directors were either not confident or only fairly confident their regional workforce is competent for industrial development. Only three of the 10 EDD directors/assistant directors were confident the workforce in their region was competent for industrial development.
- Eight of 10 EDD directors were either somewhat, fairly or not at all confident existing industries perceive the regional workforce as competent.
- Six of 10 EDD directors were confident their regional local governments were receptive of large scale (1,000+ jobs) industrial development. However, only four of the group were confident local governments were receptive to working regionally for large-scale major (5,000+ jobs) industrial development and recruitment.
- Business opportunities identified throughout the state were tourism (including agritourism); outdoor recreation; retirees with disposable incomes; post-pandemic migration to the region; and the perception of Tennessee being a friendly state.
- Threats identified to running a business in the state were lack of diversity; unwillingness of residents to try new things or fund something they aren't used to; big box retailers; cultures which prohibits "thinking outside the box"; attitude of competition instead of collaboration within the region; poor land use and conservation planning; and standard pay being insufficient to live on.

## Workforce preparation

A finding of this assessment consistent throughout the state was the concern for building a skilled workforce. An area where Extension may be able to contribute to economic development is workforce preparation. As a land-grant university entity, Extension has access to workforce development authorities.

These trained individuals can teach soft skills, conduct certification programs and provide updated information for training seminars.

## Extension role regarding urban spreading clashing with farming

There is a need for Extension as an organization to form relationships with EDDs to enhance CED programming efforts. Having EDDs recognize Extension educators as regional agricultural authorities is critical to building economic development relationships. Why? As Tennessee counties witness the clash between urban sprawl and farming creating mass suburbia continues, Extension agriculture experts can help EDDs and local governments mitigate these conflicts.

## Opportunity for Extension to expand estate planning programs to small businesses

The assessment also revealed a lack of estate planning by small business owners. According to Ip and Jacobs (2006), succession planning covers a large number of topics involving financial planning including various aspects of business and estate law. Succession planning is generally considered to be a unique case-by-case process, where a one-size-fits-all mentality is simply not appropriate, with wide variations of viewpoints (Ip & Jacobs, 2006). Extension, with its proven success of being willing to work with clients on a one-on-one basis, is an ideal organization to offer this service. In actuality, Extension's MANAGE program's farm estate planning model can be utilized with small business proprietors.

## The Tennessee Development Districts

To find the Development District for your county refer to the map below:

# TENNESSEE DEVELOPMENT DISTRICTS

NWTDD

Northwest TN Development District  
 P.O. Box 963  
 Martin, TN 38237-0963  
 PH: 731.587.4213  
 FX: 731.587.4587  
 www.nwtddhra.org

GNRC

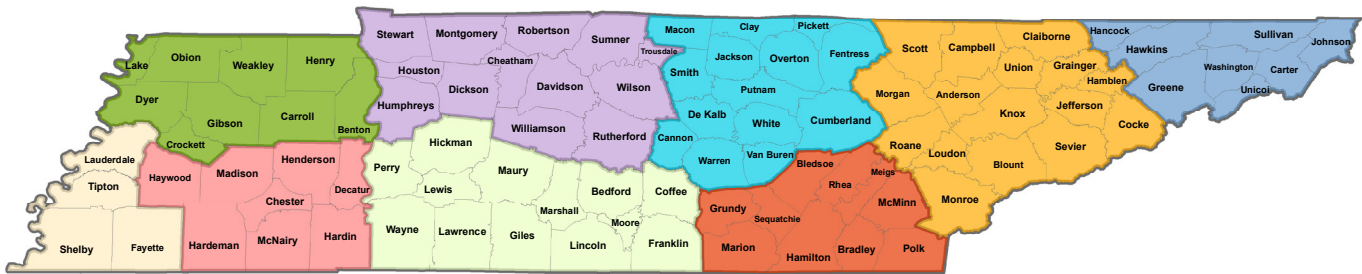
Greater Nashville Regional Council  
 220 Athens Way, Suite 200  
 Nashville, TN 37228  
 PH: 615.862.8828  
 FX: 615.862.8840  
 www.gnrc.org

UCDD

Upper Cumberland Development District  
 1104 England Drive  
 Cookeville, TN 38501  
 PH: 931.432.4111  
 FX: 931.432.4242  
 www.ucdd.org

FTDD

First Tennessee Development District  
 3211 North Roan Street  
 Johnson City, TN 37601-1213  
 PH: 423.928.0224  
 FX: 423.928.5209  
 www.ftdd.org



ETDD

MAAG

Memphis Area Association  
 of Governments  
 8289 Cordova Road, Suite 103  
 Cordova, TN 38016  
 PH: 901.729.2871  
 FX: 901.729.4107  
 www.maagov.org

SWTDD

Southwest Tennessee Development District  
 102 E. College Street  
 Jackson, TN 38301  
 PH: 731.668.7112  
 FX: 731.668.6421  
 www.swtdd.org

SCTDD

South Central Tennessee Development District  
 101 Sam Watkins Boulevard  
 Mt. Pleasant, TN 38474  
 PH: 931.379.2929  
 FX: 931.379.2640  
 www.sctdd.org

SETDD

Southeast Tennessee Development  
 1000 Riverfront Pkwy  
 P.O. Box 4757  
 Chattanooga, TN 37405-0757 PH:  
 423.266.5781  
 FX: 423.267.7705  
 www.sedev.org

East Tennessee Development District  
 P.O. Box 249  
 Alcoa, TN 37701-0249  
 PH: 865.273.6003  
 FX: 865.273.6010  
 www.etdd.org

## References

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