

TIDC FALL CONFERENCE HIGHLIGHTED BY LIFETIME ACHIEVEMENT AND VOLUNTEER OF THE YEAR AWARDS

Members gathered at the Holiday Inn Holidome in Murfreesboro for networking and the fast paced information sessions that filled the agenda at the TIDC 2002 Fall Conference.

The fall conference, held October 9 - 11, presented a wide range of opportunities. About 150 members sat in on sessions ranging from learning about Community College-Economic Development Partnerships to EDA Services in Tennessee to the State of the Economy in Tennessee presented by David Penn, Director of MTSU Business Education Research Center.

Updates on numerous projects and industry groups, including TVA, Prosperity Project, SEDC, and ECD were attended by members. Gubernatorial candidates sent representatives to address the group on issues of concern for economic development. Socializing punctuated the productive business agenda. Cocktails and meals were enjoyed together and golfers teed off at Indian Hills in the Shotgun Tournament.

Congratulations to Richard Swift, named TIDC Volunteer of the Year, and Eldon Leslie, winner of the Fred H. Harris Award. Mr. Leslie received the Fred H. Harris Award for his

outstanding achievement in economic development in his community as well as state-wide. Mr. Swift was recognized for the gift of his time and talent to furthering the economic progress of Tennessee. The honorees were recognized at a special dinner Thursday evening. ECD also handed out the Manufacturing Excellence Awards for 2002.

As the TIDC continues to grow, our conferences have become bigger and better. Make plans and mark your 2003 calendars for the TIDC Spring Conference to be held in Destin, April 23 to 25. We're looking forward to seeing you there!



Top - TAB President Dave Goetz and TIDC President Roger Sigler applaud Eldon Leslie, winner of the Fred H. Harris Lifetime Achievement Award.

Left - TIDC Vice President Randy Brewer, President Roger Sigler and George Halford, President and CEO of the Clarksville/Montgomery County Economic Development Council congratulate Richard Swift for being named TIDC's Volunteer of the Year.

A Manufacturing Recession

By Dave Goetz

We all knew that manufacturing had taken it on the chin in the economic downturn. But we may not have known it was more of a body blow.

Twenty-eight thousand manufacturing jobs left our state in 2001. The national recession hit manufacturing first, and manufacturing is the last sector to enter the recovery. If you measure the recession from August 2000 to March 2002, Tennessee had the 13th highest loss of manufacturing jobs in the country, with 40,000 jobs being lost.

Looking back over the last twelve years, Tennessee has had a net loss of 46,000 manufacturing jobs. A 65,000 job loss in the 'non-durable' sector, i.e., apparel and textiles again, was offset by a 19,200 job gain in 'durable' jobs. These were primarily in the transportation and industrial machinery areas. The only years in which we had a net gain were 1992-94.

The surrounding states all also had manufacturing losses over the last ten years, with one exception. North Carolina lost 106,000 jobs, explained by its heavier reliance on textiles and apparel. Mississippi had the highest percentage loss at 16.5%. North Carolina went down 12.9%, Alabama lost 12.3% and South Carolina at 11%. We saw 7.8% leave our state.

The exception was Kentucky, which saw a net gain of 12,600 jobs, or 4.4%. One reason may be that Kentucky has had a consistent economic development incentive package in place for that entire period, one aimed not just at big projects but also at smaller expansions. But the exact reasons deserve further study. Kentucky had in 1992 and still has a smaller percentage of total employment in manufacturing, having 16.5% in 2001 compared to our 17.3%.

We know what manufacturing means for everyone's employment in Tennessee. According to an upcoming study from the National Association of Manufacturers, every \$1 million in final sales from manufacturing supports eight manufacturing jobs and an additional six jobs in services, construction and agriculture. No other sector can make that claim.

Manufacturing jobs also pay a higher level of wages and benefits. Again according to NAM, manufacturing pays over eight thousand more dollars annually in wages than do all other jobs, and nearly 14-hundred dollars more in benefits.

So what do we do to sustain manufacturing in Tennessee? We can't go completely against global economic trends, but we can sustain and improve strategies that grow our capacity for the kinds of manufacturing jobs that are likely to stay on our shores.

These include continuing to refine the focus of our technology centers, two and four year institutions in supporting increased productivity and 'lean' manufacturing. It means taking some of the unique technology and knowledge resources here and getting that expertise into the workplace.

And it also means sharpening the focus on the fundamentals: our workers' compensation costs, our health care costs, our elementary education system. For example, recent data from the National Council on Compensation Insurance shows that of the surrounding states, two have the highest medical and indemnity costs: Tennessee and Alabama. Not coincidentally, these are the two states that still settle their workers' compensation claims in the courts.

As we look to a new governor and legislature, these are the challenges we need to ask them to take up. We need them to understand the importance of manufacturing to Tennesseans and their families. As we make the transition to becoming the Tennessee Chamber of Commerce and Industry, this banner will be taken up by our Manufacturing Excellence Council. Look for more on the plans for that group as we roll out the reorganized Tennessee Chamber in our next newsletter.

Growing The Technology Industry



Commissioner
TONY GRANDE

As many of you know, over the last year in Tennessee we have focused much of our attention on developing the state's technology sector. Through our Tennessee Means Technology initiative, we've doubled our efforts to leverage and sell Tennessee's abundant science and technology resources to attract and grow the high-tech jobs of the future.

At the state level, we are working to serve as a catalyst to propel Tennessee to top tier status in the New Economy by aggressively looking for innovative ways to grow the state's technology industry.

Traditionally, Tennessee Industrial Infrastructure Program (TIIP) grants have been reserved for conventional manufacturing, but over the last several months, we've made a move to incentivize the jobs of tomorrow by offering these grants to technology-driven businesses.

Since we began taking this approach, we have awarded TIIP grants in support of the Cool Springs Life Sciences Center in Franklin, the UT/Baptist Research Park in Memphis and Cumberland Emerging Technologies in Nashville.

We are also currently announcing \$25,000 technology grants to the state's tech councils that will enable them to create a new Tennessee Technology Alliance to better coordinate and capitalize on the collective strength across the state.

If Tennessee is to successfully participate in the New Economy, then we must continue to move ideas, innovation and technologies out of our institutions into the private sector. By banding our regional tech councils together through the new Tennessee Technology Alliance, we can jump-start our progress across the state.

In the coming months and into the next administration, it will be important that we continue our technology development efforts. We cannot ignore the direction the economy is moving. If our state is to continue to grow and remain strong, we cannot afford to miss the economic opportunities offered by the technology industry.

As I've said before, nothing will be more important to future our great state over the next 20 years in the New Economy than our science and technology assets and the new higher-paying jobs and new business success stories they help create.

In the next decade, let's make them say of us that in Tennessee we understood the opportunities afforded by the technology sector and we capitalized on them.

Fall Conference Wrap Up



By Roger Sigler, TIDC President 2002-2003

It was great to see everyone in Murfreesboro at the Fall Conference. In addition to recognizing the Volunteer of the Year, Richard Swift, we were able to honor a Fred Harris Lifetime Achievement Award Recipient, Eldon Leslie. I would like to thank Randy Brewer, all the

presenters and our sponsors for making the conference a resounding success.

The board has received the responses from the survey that was administered before the conference and will analyze them thoroughly before posting the results on the TIDC website for you to review. We appreciate those who responded to the survey and would like to continue receiving input from you. Feel free to contact me at (901) 682-4100 or call any of the other board members to discuss issues that are pertinent to our organization.

TIDC would like to congratulate Phil Bredesen on his election as our new governor. We are looking forward to forging a partnership with his administration and working with him on important issues that we face in economic development. I will contact his organization

to set up a meeting in the near future.

We are committed to forging a partnership with the next administration and look forward to building on the relationships that we have already established. Make sure you exercise your privilege to vote.

Let me congratulate one of our board members, Heidi Smith, on her new endeavor with TVA. Since she is moving to Nashville, a vacancy was created for the West Tennessee Director that is being filled by Kyle Spurgeon with the Jackson Energy Authority. We welcome Kyle aboard and look forward to continuing to serve our members.

Let me finish by saying how much I appreciate the opportunity to serve as your president. I am fortunate to have an outstanding board in place and look forward to leading our organization into 2003.

Thank you to all of the corporate sponsors who once again made the conference a success.

Matteson-Hudson Construction Co.

Rentenbach Constructors, Inc.

Crye-Leike Relocation Services

Lawrence County Chamber of Commerce

Clarksville/ Montgomery County Economic Development Council

Gresham, Smith & Partners

Rutherford County Chamber of Commerce

Nashville Area Chamber of Commerce

Memphis Area Chamber of Commerce

Tennessee Valley Authority

Bell South

Tennessee Department of Economic and Community Development

Maury Alliance

Industrial Capital Management Services

East Tennessee Economic Development Agency

Doster Construction

Middle Tennessee Industrial Development Association

Jackson Area Chamber of Commerce

Jackson Energy Authority

The Access Group

West Tennessee Industrial Association

Centex Engineering and Construction

T.W. Frierson



New TIDC Members

Bill Nelms

BancorpSouth
Memphis Division President
6363 Poplar, Suite 125
Memphis, TN 38119
phone: 901/762-7613
fax: 901/762-7629

Philip Trauernicht

TN Dept of ECD
312 Eighth Ave. North, 10th Floor
Nashville, TN 37243
phone: 615/253-1903
fax: 615/253-1870

Rusty Longhurst

NAI Mathews Partners
300 Broadway
Nashville, TN 37201
phone: 615/850-2711
fax: 615/850-3214

Faye Rodgers

Rural Development
Rural Development Manager
P.O. Box 1046
Lawrenceburg, TN 38464
phone: 931/762-6913
fax: 931/762-4193

Mark Askew

Askew Hargraves Harcourt
President
5909 Shelby Oaks Dr., Suite 102
Memphis, TN 38134
phone: 901/372-0404
fax: 901/373-4003

Michael Atchison

TN Dept of ECD
Technical Assistant
312 Eighth Ave., 11th Floor
Nashville, TN 37243
phone: 615/532-9047
fax: 615/741-5829

Brandon Gengelbach

Nashville Chamber of Commerce
Marketing Manager
211 Commerce St., Suite 100,
Nashville, TN 37201
phone: 615/743-3034
fax: 615/256-0393

Ed Craft

The Nicks Group, Inc.
Senior Consultant
475 Metroplex Dr., Suite 209,
Nashville, TN 37211
phone: 615/781-1211
fax: 615/781-0959

Leticia Lanham

D.F. Chase, Inc.
Business Development
3001 Armory Dr., Suite 200
Nashville, TN 37204
phone: 615/777-5900
fax: 615/777-4544

Scott Sandman

Fentress County Chamber
Executive Director
P.O. Box 1294
Jamestown, TN 38556
phone: 931/879-9948
fax: 931/879-6767

James E. Allen

TVA
Sr. Manager, Technical Service
535 Marriott Dr.
Nashville, TN 37214-5033
phone: 615/232-6025
fax: 615/232-6091

Robert Price

Price & Price Mechanical
1111 Gateway Service Park Dr.
Morristown, TN 37814
phone: 423/587-2665
fax: 423/587-4226

Rusty Linkous

Linkous Construction Co., Inc.
Director of Business Development
1715 Aaron Brenner Dr., Suite 312
Memphis, TN 38120
phone: 901/754-0700
fax: 901/754-0302

Tammy Russell Carroll

Bob Parks Realty
Corporate & Consumer Services
201 S. Church, #300
Murfreesboro, TN 37130
phone: 615/896-4045
fax: 615/849-2217

Katie Rawls

Consultant
9512 O'Hara Dr.
Brentwood, TN 37027
phone: 615/776-347
fax: 615/776-3473

People On The Move

Mark Herbison

Nashville Chamber to
Rutherford County Chamber

Carlyle Carroll

MTIDA to
Nashville Chamber

John Bradley

Memphis Chamber to
TVA

Heidi Smith

Centex Engineering and Construction to
TVA

Randy Brewer

Rutherford County to
Lawrence County Chamber of Commerce

CALENDAR OF EVENTS

November 12-13 Venture Capital Conference - Nashville

February Legislative Reception - Nashville

April 23-25 TIDC Spring Conference - Destin, FL.