

A blurred photograph of a modern office hallway with large glass panels and a reflective floor. Several people are walking through the hallway, their figures softened into motion-blurred shapes. The lighting is bright and even, creating a clean, professional atmosphere.

BUTLER | SNOW

LAW ELEVATED

# **ECONOMIC DEVELOPMENT PROJECTS, ROAD PROJECTS, AND GOVERNMENT RELATIONS— HOW DO THEY WORK TOGETHER?**

By Mandy Young

# When Advocacy Matters

- The Memphis Megasite and I-69 are two examples of projects that continue to make progress because of advocacy from the business community.
  - In Obion County, the Chamber has organized meeting with employers, legislators and TDOT, developed and shared compelling stories and talking points, and worked with the media to submit op-eds and letters to the editor.
  - The Memphis Megasite continues to receive investment from the State because small, rural economic development agencies and large, urban organizations like the Greater Memphis Chamber have worked together to influence both urban and rural policymakers.

## Interstate 69 Bypass, part of 'last great American highway,' kicks off paving in Obion County

[Angele Latham](#) Jackson Sun

Published 9:00 p.m. CT Jul. 15, 2021

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MEGASITE BRINGS MEGA-  
OPPORTUNITY TO WEST  
TENNESSEE



# Tennessee's Leaders

# Governor Bill Lee

- 2021 Governor's Priorities:
  - Supporting Tennessee Families
  - Supporting Quality Education
  - Serving Tennessee Heroes
  - Strengthening Tennessee Businesses and Workforce
  - Supporting rural economic development



# Governor Bill Lee's Administration

- Governor Bill Lee's Cabinet



**Lang Wiseman**  
Deputy to the Governor & Chief Counsel  
Office of the Governor



**Blake Harris**  
Chief of Staff  
Office of the Governor



**Brandon Gibson**  
Chief Operating Officer  
Office of the Governor



**Tony Niknejad**  
Policy Director  
Office of the Governor



**Laine Arnold**  
Communications Director  
Office of the Governor



**John DeBerry**  
Senior Advisor  
Office of the Governor

# Governor Bill Lee's Administration

- Notable Agency Heads for Economic Development



# Senate and House Structure

**132** voting members:

**Seats**

33 Senators

99 Representatives

**Current Senate political groups**



Republican (27)



Democratic (6)

**Current House political groups**



Republican (73)



Democratic (26)

# House and Senate Leadership

- Lt. Governor Randy McNally (R)
  - 50<sup>th</sup> Lt. Governor of the State
  - Oak Ridge
  - Retired Pharmacist
  - Formerly Senate Finance Chairman
  - House Member 91<sup>st</sup>-94<sup>th</sup> General Assembly – 8 years
  - Senator – 95<sup>th</sup>-112<sup>th</sup> General Assembly – since 1987
  
- Speaker Cameron Sexton (R)
  - Crossville
  - Was elected to his second term and first complete term
  - Replaced Glen Casada, who resigned
  - Was first elected to the House of Representatives in 2010
  - Previously House Republican Caucus Chair
  - Touring the state to visit



# 2022 Session: Redistricting

- In early 2022, the legislature will redraw state and congressional districts
  - This happens every 10 years and corresponds with the results of the Census
  - Middle Tennessee saw large increases in population with parts of West Tennessee and Upper East Tennessee seeing population losses
  - **This is likely to result in loss of representation in the state legislature from East and West Tennessee and an increase in representation for Middle Tennessee.**
- The House and Senate Speakers have announced committees to lead the redistricting process
- This work kicked off in Early September

# State Funding Update

# 2021 Tennessee State Budget

- Tennessee's economy was able to bounce back stronger than expected from the COVID-19 pandemic. The General Assembly passed a **\$42.6 billion** budget, which put the state back at pre-pandemic levels.
- The budget does not add any new debt and contains the highest reserves in history to prepare for uncertainty, bringing the Rainy-Day Fund to \$1.55 billion.
- **Major One-Time Investments**
  - **\$100 million to provide high-speed broadband to every Tennessean**
  - **\$100 million for local infrastructure grants**
  - \$250 million to Mental Health Trust Fund
  - **\$145 million for air and rail transportation infrastructure**
  - \$79 million to eliminate the 11,400 person TCAT waiting list

# Strong Economic Outlook Going Forward

- The Tennessee General Assembly was very conservative with their revenue estimates for FY20-21 considering the uncertainty brought by COVID-19 and falling sales tax collections.
- Since the onset of the pandemic, Tennessee sales tax numbers have bounced back considerably, and we are now seeing massive overcollections every month.
- The state will finish the 2020-2021 fiscal year with a remarkable growth rate of 13.93 percent more than last year and exceeding the budgeted estimate by 20.85 percent before final accruals or adjustments.
- Total tax receipts for fiscal year 2020-21 are \$2.1 billion more than the budgeted estimate and general fund revenues are \$1.9 billion more than the budgeted estimate.

# Why this Matters

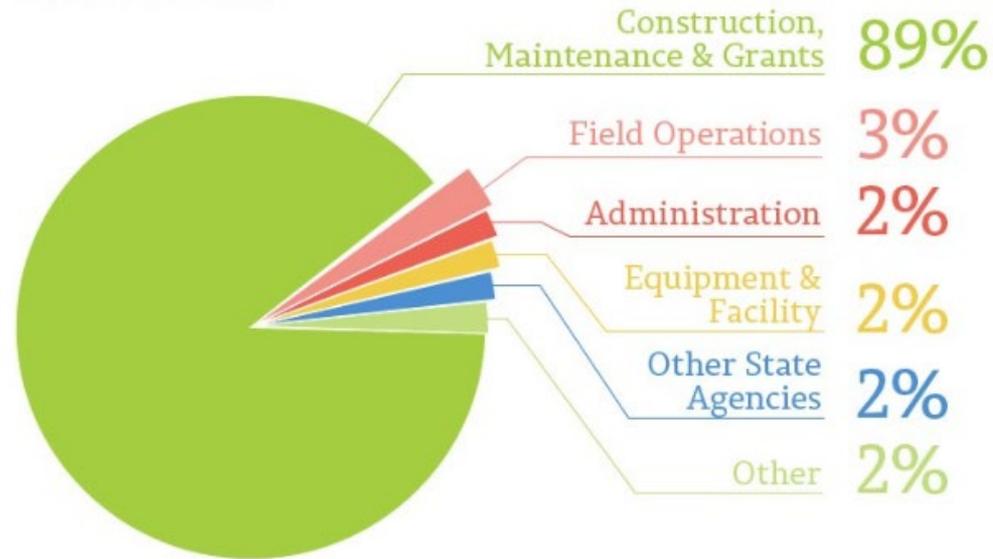
- Adequate infrastructure is as essential to economic growth as economic growth is to individual prosperity.
- Tennessee needs at least \$58.6 billion worth of public infrastructure improvements during the five-year period of July 2019 to June 2024—a \$3.8 billion (6.9%) increase from the year before— according to the Tennessee Advisory Commission on Intergovernmental Relations (TACIR).
  - Total estimated costs for current infrastructure needs fall into six general categories:
    - **Transportation and Utilities: \$32.8 billion**
    - Education: \$14.2 billion
    - Health, Safety, and Welfare: \$7.7 billion
    - Recreation and Culture: \$2.2 billion
    - General Government: \$1.5 billion
    - Economic Development: \$286 million

# Tennessee's Gas Tax

- Tennessee's gasoline tax is 27.4 cents per gallon (26-cent gasoline tax + 1.4-cent special petroleum fee)
  - The estimated gas tax revenue and special petroleum collection for FY 2021 was \$933,910,000.
  - Each penny is worth about \$34.08 million per year.
- How the tax is divided (2020-21 budget):
  - 10.2 cents, or \$345.9 million, goes to cities and counties.
  - 0.8 cents, or \$28.2 million, goes to the State General Fund.
  - 16.4 cents, or \$559.8 million, goes to TDOT.
- The \$559.8 million is included in TDOT's total state revenue of \$1,198,819,000 and is used in three basic ways to accomplish TDOT's mission:
  - Resurfacing, bridges, major reconstruction, new construction, consultant contracts, right-of-way purchases, and to match federal funds
  - Highway maintenance contracts
  - Basic operating costs

# Funding Transportation

## How Transportation Dollars are Spent Fiscal Year 2020



Last Updated: January 2021

Source: TN Dept. of Transportation, Finance Division

# Financial Stimulus Accountability Group

- Governor Bill Lee created the Financial Stimulus Accountability Group to ensure proper fiscal management of stimulus funds received by the state, first through the CARES Act Coronavirus Relief Fund, then through the subsequent American Rescue Plan.
  - Tennessee's state government is projected to receive \$3.85 billion in direct relief.
  - Another \$1.3 billion goes to Tennessee's 95 counties, while Tennessee's metropolitan cities are projected to receive \$513 million. The state's other non-metropolitan towns and cities will receive an estimated \$431 million.
- The Group is made up of State Legislators, the Comptroller of the Treasury, the Governor, and the Commissioner of Finance and Administration.

# Financial Stimulus Accountability Group

- During presentations in Early September, several State Agencies presented proposals to spend American Rescue Plan dollars.
  - The Department of Transportation proposed:
    - \$13.6 m in Failed Stormwater Drainage System Improvements
    - \$90 m Water & Wastewater Relocations in Highway Construction
    - \$10.5 m in Small Structures Program
    - \$8.8 m in Enhanced Beautification Projects
    - \$6.9 m for Bonnaroo Support Project
    - \$28.6 m in Tourism, Travel, and Hospitality Support Facilities
    - \$42 m for State Fair Support Project
    - \$6 m for Aspire Park Support Project
    - \$52.1 for Sevier County Tourism Support Project
- These Proposals will be vetted by the Financial Stimulus Accountability Group and approved as early as October.

# How Road Projects are Prioritized for Funding

- The Strategic Transportation Investments Division and Long Range Planning Division of TDOT provide analysis for potential projects that address safety, congestion, and economic development needs across the state. The studies also help determine the level of commitment to a project (i.e. investment) and prioritization of work by TDOT.

The screenshot displays a web interface for "Transportation Projects". On the left is a navigation menu with the following items: "Transportation Projects" (highlighted with a red underline), "Region 1", "Region 2", "Region 3", "Region 4", and "Transportation Studies". Each region item has a downward arrow. The main content area is titled "Transportation Projects" and includes a sub-header "Transportation Projects" and a descriptive paragraph: "Project information is divided by TDOT's four regions to make it easier for users to find. Select the region in the menu to view the projects in that region". Below the text is a map of Tennessee divided into four regions, labeled "Region 4", "Region 3", "Region 2", and "Region 1" from west to east. Region 4 is the westernmost, Region 3 is the second from the west, Region 2 is the third from the west, and Region 1 is the easternmost.

# Next Steps

# How to Get Your Project Funded

- Each community in Tennessee has a project that is important to them and the State has an ever-growing list of road projects.
- While TDOT has processes to determine and prioritize funding for road projects, **advocacy is essential to ensuring that your road project is funded.**
  - This means **telling your community's story** to the right audience of decisionmakers to gain support.
- Advocacy is not challenging, but it does take time, effort, and resources.

# Advocacy

- Advocacy Tips and Tricks:
  - Develop good working relationships with your state policymakers.
    - Contact decisionmakers throughout the year to share both positive and constructive feedback.
      - Don't *only* communicate with state officials when there is a problem.
    - Invite your state officials to coffee or lunch quarterly to update them on the project and other economic development news.
  - Develop your message and include compelling data to back it up.
    - Detailed economic impact studies AND elevator speeches / one pagers can be used to communicate with various decisionmakers.
    - Make sure you have both types of information and feel comfortable knowing when, and with which audience, to use each.

# Advocacy

- Advocacy Tips and Tricks:
  - Use various mediums and messengers to get your message across.
    - Creating a buzz to get the attention of state policymakers is a full time job.
      - Government Relations professionals work directly with policymakers.
      - Communications and/or Public Relations professionals use various types of media to get the word out.
      - **Both can be helpful resources.**
  - Use what you've got.
    - Incorporate policymakers into your annual events, your monthly newsletters, or your organization's social media.
    - If you're unsure about how to make a connection, ask your influential contacts, like your board members, to connect you.
    - Equip the people in your circle to advocate for you by incorporating calls to action in regularly scheduled meetings or action alerts into scheduled email communication.

# Questions

Thank you for your attention.

**Mandy Young**

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