



Strategies for Rural Growth



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Today's Topics

- Project Background (5 Minutes)
- Study County Selection Process (5 Minutes)
- Research Components (5 Minutes)
- Key Issues and Findings (15 Minutes)
- Best Practices and Conclusions (15 Minutes)
- Questions (15 Minutes)



Project Background

- ARC study conducted 2010-2012
- Conducted by UT researchers
- Why do some counties emerge from economic distress while others do not?



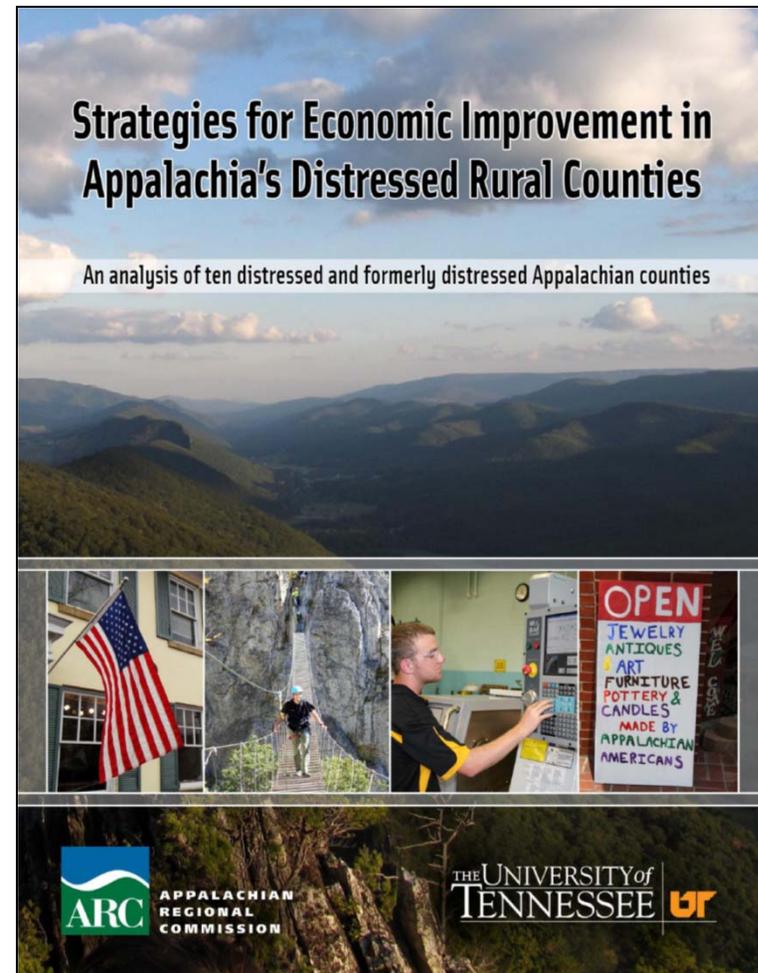


Economic Distress

- “Economic Distress” is a status ARC assigns to counties experiencing economic hardship
- Status allows ARC to prioritize these areas
- ARC has special distressed county funding programs
- Status determined by index system based on:
 - Unemployment rates
 - Income
 - Poverty rates

Project Report

Report is available
at the ARC website:
www.arc.gov





Key Project Questions

- What factors impact development efforts?
- How do distressed counties differ?
- What significant obstacles exist?
- What best practices are being used?

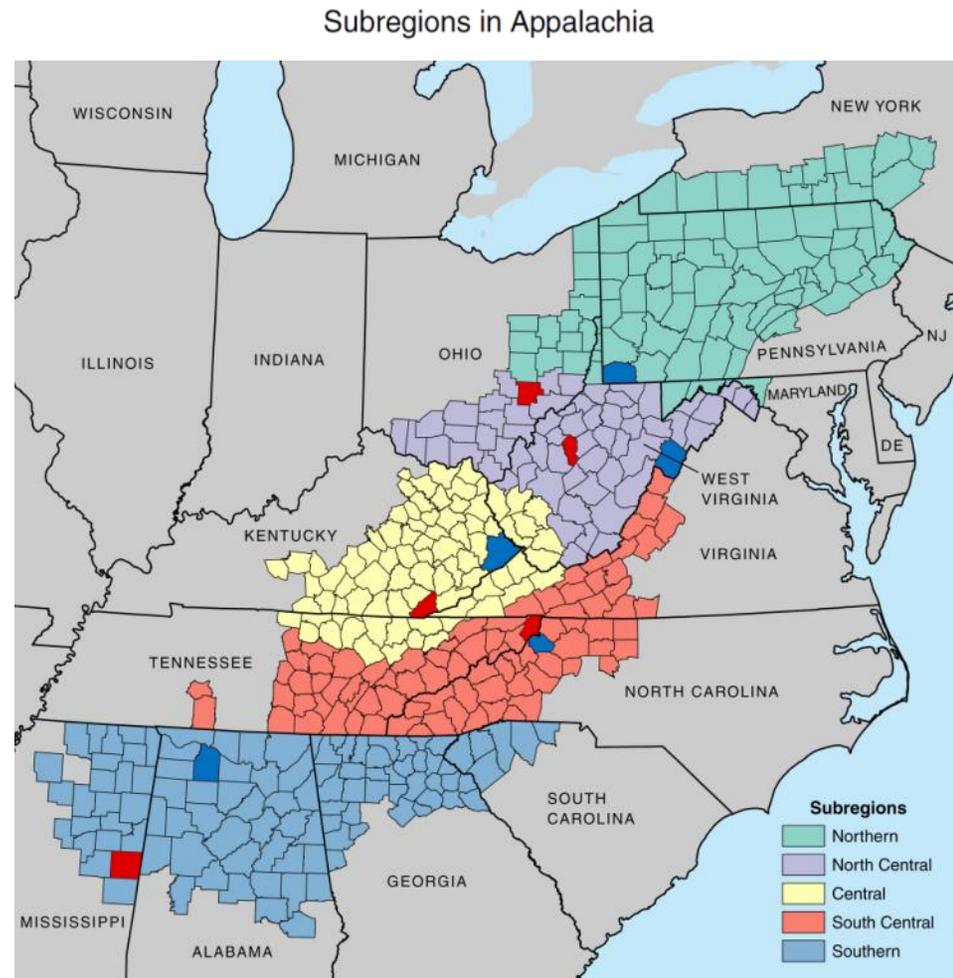


Project Design

- Project was different in three ways:
 1. A cohort study to compare distressed and non-distressed counties
 2. Used both quantitative and qualitative research approaches
 3. Included significant local stakeholder participation

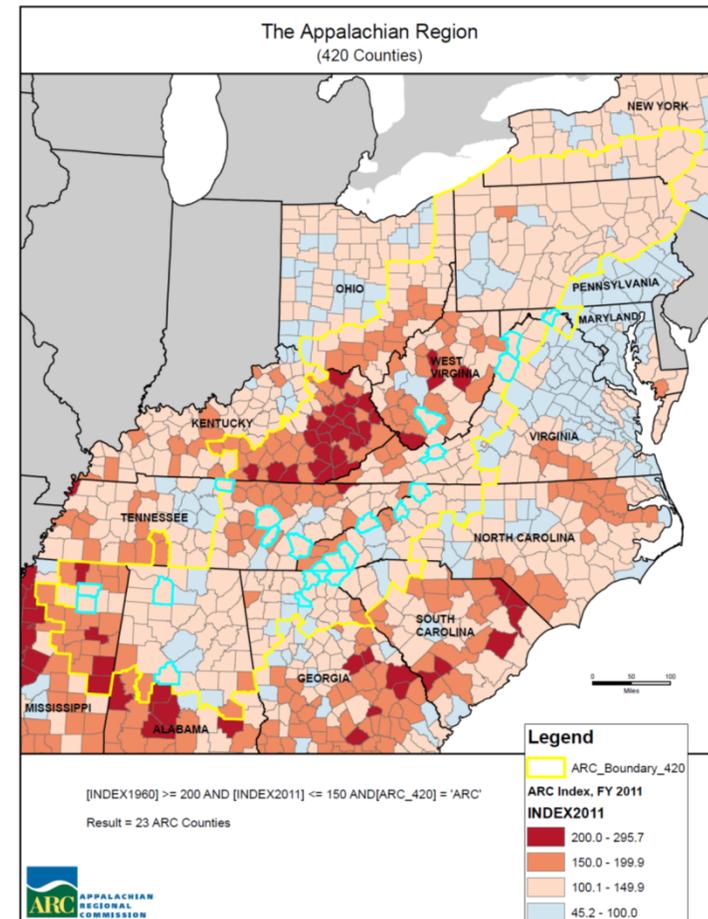
Case Study Communities

- Ten case study communities
- Five pairs of cohorts – two from each ARC subregion
- Each pair contains a distressed and formerly distressed county



Cohort Selection Process

- Identified most improved counties in the region
- Found statistical matches for these counties
- Narrowed list using important local characteristics
- Worked with ARC to select final case studies from these candidates





North

Greene County, PA
Morgan County, OH

North Central

Pendleton County, WV
Calhoun County, WV

Central

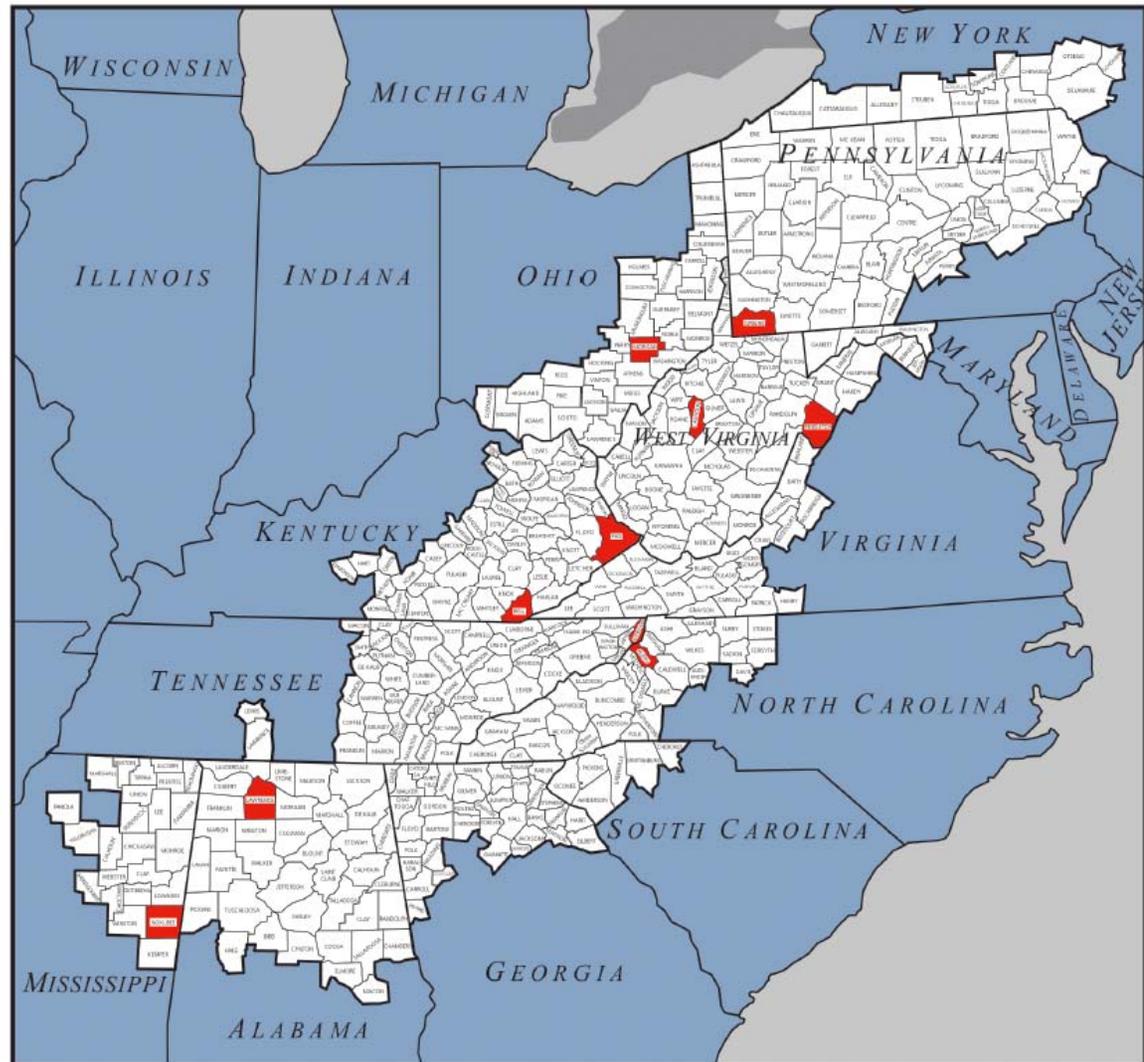
Pike County, KY
Bell County, KY

South Central

Avery County, NC
Johnson County, TN

South

Lawrence County, AL
Noxubee County, MS





Research Activities

- Demographic Analysis
- Economic Analysis
- Community Survey
- Site visits



Demographic Analysis

- Helped understand local conditions
- Looked at historical data and statistics
- Topics included unemployment, education, public health, and population trends
- Revealed population exodus
- Relationship between good schools and economic performance



Economic Analysis

- Location plays an important role in economic performance
- Communities located near urban areas or major transportation networks perform better
- Potential economic growth areas:
 - computers and electronic components
 - aerospace
 - fertilizer and chemical products
 - medical and optical instruments



Community Survey

- Surveyed 100 from each county
- Used mail survey
- Included community leaders and key stakeholders
- Asked about public services, infrastructure, local perceptions, and social capital




3. What is your county best known for? _____

4. How many minutes is the drive from your home to...	Less than 15 minutes	15 to 30 minutes	30 to 60 minutes	More than 60 minutes
...the nearest hospital or full-service emergency medical facility?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...the nearest shopping center with grocery and non-grocery items?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...the county seat for your county?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...the nearest downtown retail area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...the nearest metropolitan area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
...the capital city for your state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. If a decision about a development project needed to be made in your county, would elected leaders make the decision themselves, or would they call upon the community?
 Elected leaders would decide Members of the community would be called upon

6. How would you classify the nearest downtown area, the local town center or county seat?
 Excellent - the downtown area is thriving, with lots of businesses and activities
 Adequate - the downtown area is mostly doing well, but some vacant storefronts
 Fair - downtown is struggling, with fewer small businesses and many vacancies
 Poor - the downtown area is virtually dead, with little commercial activity

7. What is the availability and quality of telecommunications in your county?
 Excellent - most have access to high-speed Internet and cell phone coverage is complete.
 Adequate - high-speed Internet in populated areas with cellular in most of the county
 Fair - high-speed Internet access and cellular coverage is limited to a few areas.
 Poor - no high-speed Internet and cellular coverage is spotty, at best

8. How would you describe the overall condition of local roads and bridges?
 Excellent - meets local needs; well maintained lighting, signage, and shoulders
 Adequate - occasional signs of wear, repaired in reasonable time, regularly maintained
 Fair - frequent signs of wear or abuse, slow to repair and infrequently maintained
 Poor - sections of roads or bridges neglected, hazardous, in urgent need of attention

9. How would you describe access to health care in your county?
 Excellent - most residents have access to local health care providers and services
 Adequate - a range of local providers and services, most residents have health insurance
 Fair - some residents insured, choices limited for low-income families, some specialized services available locally
 Poor - few residents insured, access for low-income families difficult, few local physicians offer more than essential services



Top Growth Opportunities

- Tourism and Retail Services
- Leadership Development
- Water and Sewer Extensions
- Redevelopment of Existing Assets
- Technology and IT seen as poorest growth area



Top Growth Obstacles

- Lack of local capital
- Location
- Local leadership
- Lack of job training
- Road capacity
- Lack of entrepreneurship



Services Needing Improvement

- Job training services
- Substance abuse services
- Homeless services
- Child care services
- Internet services



Public Services

Best Performing

- Libraries
- Utilities
- Fire and Police

Worst Performing

- Planning and Zoning
- Public Transportation
- Recycling Services



Significant Differences

Distressed Counties were significantly less satisfied with the performance of these services:

- Local government
- County government
- Sherriff's department
- Planning and zoning



Open Ended Questions

- Survey included open ended questions
- Responses translated into word cloud charts
- “List 3 words that describe your county”
- “What is your county best known for?”
- “What are three problems that you think must be addressed or resolved?”
- Became graphical elements in report

Site Visits

- Conducted visits to all ten counties
- Observed local efforts first hand
- Conducted interviews and focus groups with local stakeholders
- Residents commented about local issues
- Identified local best practices





Issues and Obstacles

- Drug and welfare abuse
- Vacant industrial sites
- Transportation costs
- Transportation infrastructure
- Planning issues and land constraints
- Tourism infrastructure
- Behavioral and cultural barriers

Drug Abuse and Welfare Dependency

- Major concern in all ten counties
- Drug costs are a major drain on local coffers
- Some success with alternative sentencing and treatment programs
- Transitional programs needed for people on Welfare
- Problems rooted in hopelessness and poverty



Vacant Industrial Sites

- Old industrial sites a problem in some areas
- Some sites built for jobs that no longer exist
- Site costs drain resources from other development efforts
- Few funds for adaptive reuse
- May need to “let sites go”

SALE OR LEASE

50,000 square foot building in the
JOHNSON COUNTY INDUSTRIAL PARK
Mountain City, TN

BUILDING SPECIFICATIONS

Construction type:	Metal and Masonry
Dimensions:	200' x 250'
Bay Spacing:	50'
Ceiling:	22' Eaves
Docks:	Designed to accommodate loading docks on 3 sides.
Floors:	Gravel, to be finished.
Acreage:	8 acres (more available)

CURRENT PARK TENANTS

NS BALL & ROLLER, INC. — precision bearings
KODAK PFC, INC. — film processing

PARK DESCRIPTION

Acreage:	65 acres
Location:	3 miles west of Mountain City, TN
On Hwy:	67
Nearest Interstate:	I-81
Electric:	13.8KV, 3 phase
Water:	On site
Sewer:	On site
Rail:	None
Gas:	Propane

“AVAILABLE IMMEDIATELY” — 50,000 SF
located in the
Johnson County Industrial Park • Mountain City, Tennessee



This quality new speculative building is designed for maximum flexibility and expandability.
Can be finished to your requirements in a short period of time.

Contact:
TREVIS SUTTER
County Executive
Johnson County Government
217 W. Main Street
Mountain City, TN 37563
Phone 423-727-0808 • Fax 423-727-2847

**JOHNSON COUNTY
TENNESSEE**

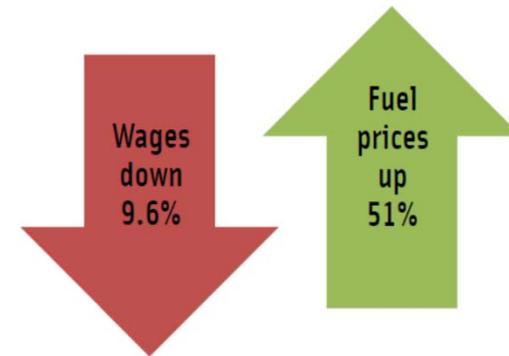
TVA POWER REGION





Transportation Costs

- Rising transportation costs undermine regional strategies
- Some workers barely break even after long commutes
- Lack of transportation options compounds issue
- Communities should explore ride-sharing, car pooling, and other transportation programs



	2006	2011
Average gas price	\$2.25	\$3.40
Average weekly commute cost	\$30.68	\$46.36
Average weekly wage	\$625	\$565
Commute fuel cost as percent of wages	4.90%	8.20%

³⁸ Hypothetical West Virginia commuting costs, assumes five day work week, daily commute of 60 miles, and 22mpg fuel economy. Historical average state fuel costs from gasbuddy.com; Weekly wages from Bureau of Labor and Statistics, www.bls.gov.

Transportation Infrastructure

- Roads and infrastructure improvements are vital
- Highway improvements drive economic growth
- Road benefits may be greatest near urban areas
- Best when accompanied by other reforms
- Need to prepare for unintended consequences





Planning Issues and Constraints

- Majority view planning as “inadequate” or poor”
- Pro-forma plans common
- Low implementation leads to “planning fatigue”
- Land constraints limit development
- Mountaintop removal seen as a land-use option
- Planning not optimized for land constraints
- Alternative development models may help
- Consider increased density, cluster development, and vertical development

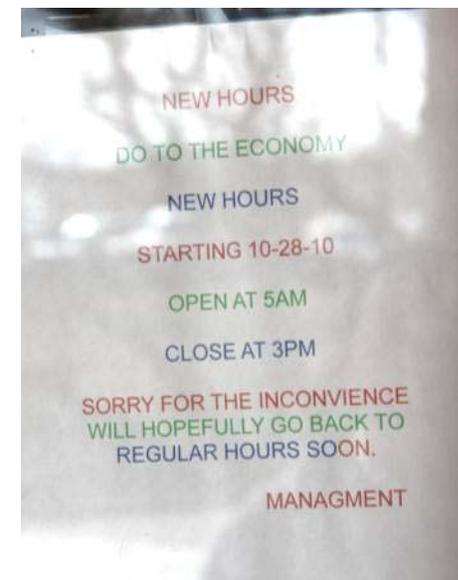
Tourism Infrastructure

- Hospitality training needed
- Existing programs underutilized
- Lack of training hurts industry
- Culinary arts training lacking
- “Dry” laws restrict tourism development and reduce tax revenues



Behavioral Barriers

- Behavioral problems an issue
- Contribute to substance abuse and deter entrepreneurship
- Include hopelessness, fear of change, and a lack of pride
- Racial attitudes deter progress
- Only 2.5% of survey participants strongly optimistic about future
- New residents sometimes more entrepreneurial





Best Practices

- Higher Education Partnerships
- Connect Kentucky
- Social Networking
- Morgan County Incubator
- Tourism Development
- Downtown Redevelopment
- Youth Retention
- Pike County Energy Research
- Health Care Access
- NC Business Development

Higher Education Partnerships

- Higher Ed partnerships contribute to local growth
- Small colleges can have a big impact
- Bring innovation, energy and expertise
- Extension offices can be vital ally
- Need funding and training in key areas





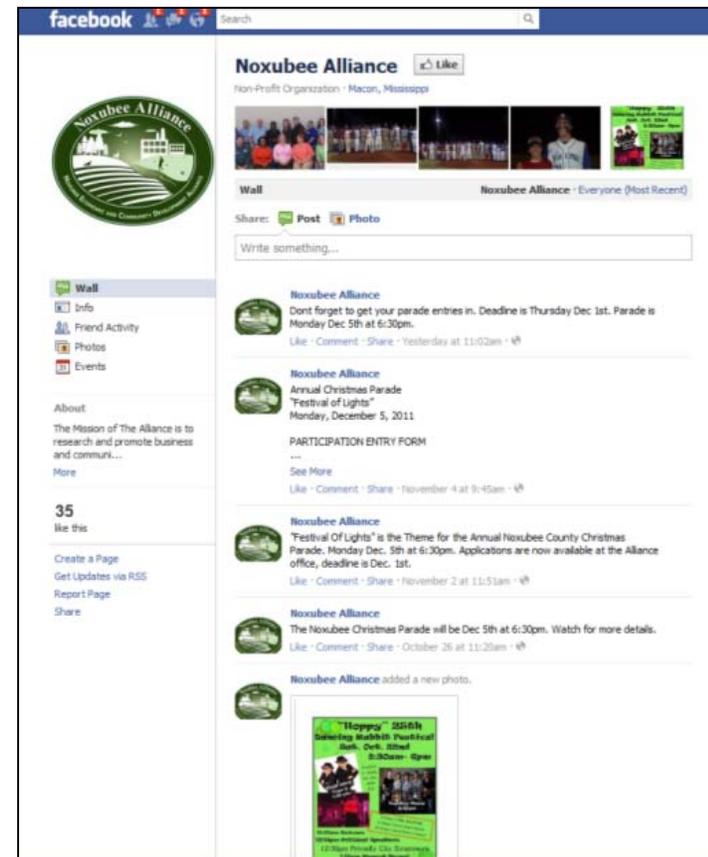
Connect Kentucky

- KY counties returned high telecom scores
- Local officials attribute success to Connect Kentucky
- Partnership between the state and private telecom firms
- Connect Kentucky viewed favorably by stakeholders in both counties



Social Networking

- Communities are using social networking
- Greene and Noxubee counties good examples
- Use Facebook to connect local officials, promote downtown redevelopment and tourism
- Also potential with YouTube, Trip Advisor and other sites
- Communities need training to manage virtual presence



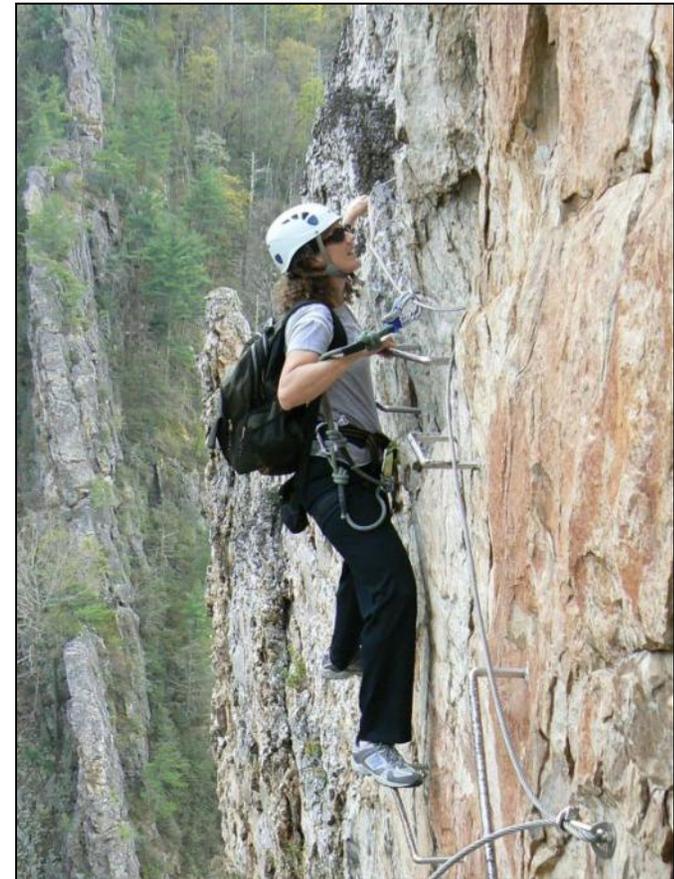
Morgan County, Ohio

- Great example of a community growing new jobs
- Established community foundation, local improvement nonprofit
- Concentrated on schools
- Developing incubator tied to school STEM and vocational education
- Incubator encourages interaction tech and vocational students



Tourism Development

- Adventure tourism growing market
- Helping attract new industries and small businesses
- Welcome Centers promote tourism
- Centers need effective training and funding



Downtown Redevelopment

- Only 2% of survey participants view downtown as excellent; 20% view it as adequate
- Transportation improvements can impact downtowns
- Use buy-local campaigns
- Reuse historic structures as community theaters



Youth Retention

- Different approaches used to develop and retain youth
- Youth leadership programs identify and mentor emerging leaders
- Morgan County encourages youth to create local businesses
- Alabama Agricultural Leadership program
- Local leadership plays important role



Alternative Energy

- Energy remains an important industry
- Costs and benefits of shale-gas unknown
- Pike County is a model for energy research
- Region needs to better prepare for the coal transition



Health Care

- Health care both a basic need a major industry
- Major employer and regional draw
- Rural areas maintain health care through determination or innovation
- Pendleton's sliding scale clinic good case study
- Helped the rural county maintain excellent health outcomes



Small Business Development

- Impressive small business support resources in NC
- Community colleges assist business development
- Higher Ed system offers assistance programs and entrepreneurship degrees
- MAY Coalition provides affordable loans





Summary

- Innovate and Create
- Complex problems defy simple solutions
- Find what works for your community
- Accept and embrace change
- Plan and partner
- Invest in people
- Strength of the region remains with its residents – improving their opportunities benefits overall local economy



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