



**MEMPHIS AREA  
ASSOCIATION *of*  
GOVERNMENTS**

# **Comprehensive Economic Development Strategy (CEDS)**

PART 2: Strategy Report



Prepared July 11, 2022  
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## INTRODUCTION

This report provides Part 2 of the Comprehensive Economic Development Strategy (CEDS) for the Memphis Area Association of Governments (MAAG) region. The report updates work completed for MAAG in 2016 on the CEDS. A baseline economic analysis and target industry analysis update were completed as input to the Part 1 Report. A review of policies and programs, and identification of key challenges, opportunities, and priorities was also included in the Part 1 Report. This Part 2 Report presents strategic recommendations and implementation actions based on the findings from Part 1 and the engagement process. The strategic recommendations relate to key priorities in the region, as follows:

- Prioritize Regional Industrial Targets
- Address the Lack of Industrial Product
- Create a Support Network for Workforce Development
- Enable the Development of Well-Located Workforce Housing
- Enhance Infrastructure & Access to Workforce Transportation
- Disseminate Information on Dedicated Funding and Financial Leveraging
- Support Growth in the Technology Business Pipeline
- Ensure Resiliency for Economic Development

A brief summary **Action Plan** follows at the end of this report to summarize key recommended actions, assigned to a responsible implementing agency according to a possible timetable, cost and prospective funding source as appropriate.

The consultant wishes to acknowledge the assistance of MAAG staff, the CEDS Steering Committee, as well as the various stakeholders throughout the region who were interviewed for input to this CEDS document.

## 1. PRIORITIZE REGIONAL INDUSTRIAL TARGETING

The Baseline Report and target industry analysis confirmed the region's competitive advantages and aggregation within several industry clusters, including **Agriculture** (Agribusiness, Ag-Tech, and Food Manufacturing); **Transport & Logistics**; and **Healthcare & Medical Equipment Manufacturing**. In addition, **Tourism** is another industry cluster of regional significance. Several industries like Packaging were also identified that cross-fertilize these clusters. More importantly, structures have been organized around these clusters for marketing, business networking, lobbying, infrastructure, technology, and workforce development. Building on these existing structures and expanding their reach geographically throughout the MAAG region should be a high priority.

### **Agribusiness, Ag-Tech, & Food Manufacturing**

As noted previously, the agribusiness cluster is large and diverse in the Memphis region, comprising of farming activities, meat processing, food manufacturing, packaging and labeling, trucking, farm equipment, and other industries outlined in the Part 1 Report.

The cluster is supported through several *regional* economic development efforts including the **Mid-South Delta AG Innovation Cluster** (and its AgLaunch Initiative). This Small Business Administration (SBA)-sponsored initiative promotes networking and collaboration through partners including the Memphis BioWorks Foundation and Tennessee Department of Agriculture, the USDA Rural Development Agency, the Delta Regional Authority, and the Tennessee Department of Economic and Community Development (ECD). Meanwhile, the University of Memphis helps manage and promote the **Agriculture & Food Technologies Research Cluster**, centered at the FedEx Institute of Technology. Opportunities to strengthen and broaden these industry cluster efforts should be promoted as follows:

- **Identify Local Competitive Advantages Within the Cluster.** MAAG should encourage the agribusiness cluster organizations (SBA Mid-South Delta Agriculture Innovation (AgLaunch Initiative) and the University of Memphis Agriculture & Food Technologies Research initiative) to work with communities to identify or confirm competitive advantages at the local level within the Agribusiness cluster. Examples of agribusiness industries for which MAAG area counties have a concentration and possibly, competitive advantages, include the following:
  - **Memphis/Shelby County**
    - Packaging & labelling
    - Air & river transportation, cold storage, & logistics

- Financial Services
- **Tipton County**
  - Food manufacturing
  - Cold storage & equipment manufacturing
  - Oilseed & grain production
- **Fayette County**
  - Soybean & cotton production
  - Chemicals and Plastics production
- **Lauderdale County**
  - Cotton and oilseed production
  - Printing & publishing
  - Plastics production
- **Communicate Local Strategies.** MAAG should work with the cluster organizations to identify and communicate agribusiness development strategies for individual communities and counties that build on local competitive advantages and differentiate local business development efforts accordingly. Ultimately, local economic development agencies would collaborate, rather than compete, for agribusiness activity. Communication is also key to avoid or reduce conflict between farming interests and incoming industrial development, which is sometimes perceived as altering the rural lifestyle or displacing multi-generational family farms. Having strategies and plans in place that identify appropriate locations for agro- and other industrial development, and that are informed by a robust community engagement process, will help reduce push-back on industrialization in rural areas.
- **Develop Agribusiness Infrastructure.** The agribusiness organizations should work with communities and cluster organizations to invest in infrastructure and the business environment in support of agribusiness and, in particular, downstream processing and service industries that generate high-wage jobs that match local skills.
- **Link to Regional Business Site Initiative.** Link the cluster's participants to the Industrial Building and Site initiatives identified elsewhere in this report, to ensure that there is a seamless network for attracting cluster activities to the most competitive locations in accordance with local strengths.
- **Work with area school districts** to integrate vocational training, additional mentoring, and marketing of agribusiness employment opportunities to high school age students. Help match agribusiness employers with schools to integrate entrepreneurship curricula and workforce development but also to assist with support programs relating to transportation, housing, healthcare, childcare, or other workforce needs.

- **MAAG Would Sponsor Technical Assistance Programs** and development of local collaborative networks such as cooperatives to share information, reduce unit costs, and improve overall marketing and efficiency.

## **Transport & Logistics**

The Memphis area's strength as a hub for transportation and logistics has been identified as key to the region's growth. As with agribusiness, the transport & logistics cluster is highly diversified and incorporates industries ranging from marine cargo handling to battery manufacturing. There is a long list of transport and logistics industries, along with associated manufacturing industries, that are highly concentrated in the region.

The region lacks a dedicated transport & logistics cluster organization, but there are several existing initiatives that have brought participants in these industries together for marketing or networking. Among the key efforts engaged in the transportation is **Memphis Moves**, an initiative of the Greater Memphis Chamber of Commerce. Memphis Moves focuses on marketing, transportation infrastructure, and promoting the region's global logistics network. Another important anchor is the **Southeast Transportation Workforce Center** at the University of Memphis. This center identifies regional transportation job needs and priorities, and catalogues training programs for professional development, identifies education and training gaps, and develops partnerships and initiatives to bridge those identified gaps. The center also works to engage regional stakeholders to showcase programs and best practices. Key strategies for strengthening and broadening this cluster include the following:

- **Establish a Regional Transport & Logistics Industry Cluster.** The Greater Memphis Chamber of Commerce should work with other chambers in the region as well as with transportation-centric anchors like The Southeast Transportation Workforce Center (SETWC) at the University of Memphis to establish an independent regional cluster organization or to broaden the capacities and partnerships of the Memphis Chamber's existing Memphis Moves initiative. A fully-fledged cluster organization would incorporate some of the functions of Memphis Moves but also add new functions and capacity, to include marketing, networking, and growing the region's transport and logistics industries; workforce development; lobbying and public relations; research & development; information dissemination; and other services for businesses and other stakeholders in the cluster.
- **Develop a Packaging Industry Sub-Cluster.** Packaging industries are inter-related with both transportation logistics and agribusiness/food industries in the region, where agricultural (and other products) are packaged and shipped worldwide. There are no dedicated cluster

organizations or significant labor force development efforts relating to packaging in the Memphis region. Yet, the region has a number of packaging-related industries that are highly concentrated in MAAG's component counties. There is a need to strengthen networking within the cluster and enhance growth in the supply chain, including plastics, cardboard, and paper manufacturing, among others in communities throughout the MAAG region. Some of these communities already have component businesses that could be better integrated into regional marketing efforts.

- **Identify Local Competitive Advantages within the Cluster.** As with the Agribusiness cluster, there is a need to identify local competitive advantages and opportunities for communities and counties in the MAAG region to participate in the Transport & Logistics Cluster. Examples of transport & logistics industries for which MAAG area counties have a concentration and possibly, a competitive advantage, are:
  - **Memphis/Shelby County**
    - Air, river, rail, & multi-modal hubs
    - Courier & delivery services
    - Process & logistics consulting
    - Transport equipment manufacturing/OEM
  - **Tipton County**
    - Transportation equipment manufacturing
    - Warehousing & logistics
    - Wholesale trade
  - **Fayette County**
    - Warehousing
    - Automotive equipment manufacturing/OEM
  - **Lauderdale County**
    - Automotive equipment
    - Warehousing
- **Local Transport & Logistics Strategies.** Once those local strengths are identified, local strategies should be developed for targeting specific niches to specific communities and locations in the region.
- **Link with Business Site Initiative.** As with the Agribusiness cluster, the prospective opportunities and overall cluster marketing should be linked with the business site initiative discussed elsewhere in this report.

## **Healthcare & Medical Equipment Manufacturing**

As noted before, the region also an industry-specific cluster relating to healthcare services, life sciences R&D, and medical device manufacturing. There are several initiatives relating to this cluster, including the **Greater Memphis**

**Medical Device Council (GMMDC)**, which represents about 50 medical device manufacturing companies and 16,800 employees. The council promotes Memphis as having the 2<sup>nd</sup> highest concentration of orthopedic medical device manufacturing firms and 400% times the national industrywide growth rate. The council is focused primarily on workforce development, where the greatest needs have been identified.

The **University of Memphis Research Foundation Research Park**, established in 2018, has been established around the FedEx Institute of Technology and the University of Memphis Division of Research and Innovation. While not technically a fully-fledged R&D “park,” the university does offer 10,000 square feet of flex and meeting space, access to UM research and laboratories, access to the university workforce (including graduate students); and networking, sponsorships, professional development, and some venture funding.

There is a need to increase, diversify, and broaden the healthcare and medical industry support base. For example, there needs to be a greater emphasis on research and technology development, an area in which the Memphis area could be a national leader due to its base of major anchor institutions. There are opportunities to grow this base and create new business opportunities outside of Memphis’ Midtown Medical District. Several strategies are outlined below.

- **Expand Supply Chain Opportunities.** Coordinate with Greater Memphis Medical Device Council (GMMDC) on efforts to expand geographically the supply chain industries that support the council. Such efforts might include research to identify existing and potential medical industries and entrepreneurial opportunities in the MAAG region outside of Memphis, identify gaps in the medical device cluster that could be filled in various parts of the region; and regional workforce and entrepreneurial development associated with the cluster.
  
- **Communicate Opportunities in the Region.** Establish a forum that focuses on communicating findings and networking on opportunities within communities in the MAAG region. Healthcare and medical industry concentrations (along with some opportunities) are identified below by MAAG county. These concentrations are somewhat indicative of further opportunities for development in each of the counties, which could be explored further.
  - **Memphis/Shelby County**
    - Surgical appliances & medical equipment manufacturing
    - Health care services hub
    - Medical research & development
  - **Tipton County**
    - Testing, Sales, Back Office
  - **Fayette County**

- Chemicals and Plastics production
- Testing, Sales, Back Office
- **Lauderdale County**
  - Testing, Sales, Back Office

## **Tourism**

Tourism has been addressed in the previous CEDS document and opportunities identified for marketing the Memphis region. MAAG has sponsored successful forums that have attracted significant participation among tourism officials. Many of the region's tourism agencies are already collaborating on various initiatives but there may be a need for a **Regional Tourism Development Strategy** that identifies anchor development opportunities, regional marketing strategies, and an enhanced structure for regional tourism management.



## **2. ADDRESS THE LACK OF INDUSTRIAL PRODUCT**

As noted in the Part 1 Report, each individual economic development agency in the region is promoting its industrial sites and building product, but there is no overall database or marketing of the region's available industrial product as a whole or prioritizing of buildings and sites for particular industries in particular locations in the region. This situation has led to competition among jurisdictions in the region to secure economic development deals. It was recognized that more can be accomplished if communities work together to prioritize sites and buildings for certain types of businesses for which specific areas have a competitive advantage.

There is also just simply a lack of marketable, serviced industrial building space available in the region, which inhibits the local communities' and the region's effort to recruit business. The lack of targeted, available sites and buildings will also inhibit the MAAG region's efforts to capture spin-off from the Blue Oval project in neighboring Haywood County. Below are strategies for addressing the need for industrial product and ensuring that information is available region-wide to assist with marketing and differentiation.

- **Assist Communities in Identifying Prospective Sites and Buildings.** Efforts should be made to assist communities in identifying prospective sites and buildings for targeted economic development business expansion and recruitment.
  - **Match Targets to Prospective Sites and Buildings.** As discussed earlier in this report, individual communities should have an understanding of their relative competitive advantages as a location for targeted industries in the region so that competition can be minimized and collaboration strengthened. Matching those local industrial competitive advantages to specific sites and buildings is key to ensuring that there is a quick turnaround strategy for business expansion and recruitment.
  - **Meet Regulatory Requirements.** Zoning and other regulatory requirements should be met to ensure the marketability and rapid turnaround of prospective sites and buildings for targeted economic development. Ideally, prospective sites and buildings are identified as part of broader comprehensive planning and economic development strategic planning efforts at the local level. Sites could be part of master-planned industrial or business parks, or other business nodes that are targeted for economic development and/or mixed-use development as appropriate to the targeted industries.

The appropriate regulatory environment would then be encouraged for those sites and buildings to ensure that they are “development ready.”

- **Meet Infrastructure and Service Requirements.** As with zoning and regulation, the sites and buildings should be serviced and have sufficient infrastructure and capacity to accommodate the targeted industrial business uses. Again, as part of a thorough comprehensive planning process and/or business park master planning process, capital improvements and services would be extended as necessary to meet the requirements.
- **Leverage Industrial “Products” (Speculative Buildings or Land).** Also as part of a strategic economic development planning process, industrial product, speculative buildings and available serviced land might be developed, acquired, leveraged and/or promoted as part of the marketing of these business parks and areas. (More information on leveraging is provided elsewhere in this report).
- **Meet Transportation Requirements.** As part of regional transportation planning efforts, ensure that sites and buildings have access to the appropriate regional and local transportation networks, workforce housing, and supplier activities.
- **Create Regional Industrial Building and Site Database Resource.** Economic development officials and private companies have noted the lack of a centralized source of information on available industrial buildings and sites beyond commercial sources.
- **Create Regional Real Estate Lead Communication Process.** More coordination is needed between economic development professionals and real estate brokers to ensure that opportunities are maximized for landing prospective deals in the region. Data and information could be shared in two directions between real estate and economic development professionals.
- **Communicate Regional Targets and Relative Competitive Advantages.** The region has been established as a hub in particular for agribusiness and food manufacturing, transport & logistics, and medical industries (services and equipment manufacturing). Within these primary regional clusters, each community and county has unique competitive advantages and roles to play. These relative advantages and roles should be discussed and translated into economic development initiatives including business recruitment efforts. Examples of unique roles might be summarized as follows (as a starting point for discussion).

### **3. CREATE SUPPORT MECHANISMS FOR STRATEGIC WORKFORCE DEVELOPMENT**

Various educational institutions and organizations are engaged in workforce development in the region. But as noted in Part 1, there is also an apparent need to increase support for students and workers through upskilling and work readiness programs as well as through stipends and support services for daycare, transportation, housing, or to meet other needs that are otherwise a constraint on both educational attainment and labor force participation (regardless of training).

There is a need to enhance support for students and workers who are otherwise struggling with everyday living expenses. Partly because of such pressures, **education completion rates** and **labor force participation rates** remain relatively low in the region. Lower education achievement levels are correlated with lower incomes. Another issue is that technical and vocational schools are oriented to high school graduates, but because completion rates are low, there are many students that fall through the proverbial cracks. The following strategies are oriented to supplying a stronger support system as well as reinvigorating vocational education at the secondary school level.

- **Initiate or Strengthen Stipends & Support Service Programs.** One of the primary issues identified through stakeholder engagement for this CEDS was the lack of support for students and workers, leading to lower school completion rates, lower labor force participation rates, and a lower overall skills base available for existing (and potential) employers. Technical training and education programs exist in the region, but without stipends and support programs, many struggling students and workers cannot afford to participate. Therefore, an emphasis should be given to developing programs that promote stipends and affordable support systems relating to one or more of the following:
  - **Transportation to School and Work**
  - **Childcare Services**
  - **Food Security for Students and Workers**
  - **Healthcare**
  - **Workforce Housing** (see below)

Funding for these programs might be generated through various sources including but not limited to community and corporate foundations, federal housing and transportation funds, cooperatives, etc. Ideally, such programs would be coordinated through a centralized agency or regional economic development organization, possibly including the cluster organizations discussed elsewhere in this report.

- **Support Work Readiness Programs.** There are existing resources for providing work readiness program services, but these services could be expanded with additional support. Work readiness is an important hindrance to economic development among both urban and rural populations where work experience is lacking in certain occupations. The Blue Oval project will have a direct employment impact on the MAAG region and demand for “ready” workers will increase dramatically. Those impacts have been estimated (in the Part 1 Report) as follows:
  - Shelby County                    586 – 809 jobs
  - Lauderdale County            488 – 673
  - Tipton County                    403 – 556
  - Fayette County                 305 – 421
- **Upskilling of Workers.** There is also a need for both upskilling and re-skilling of workers due to changes in technology and other developments. MAAG should work with the region’s training and workforce development organizations on building a greater number of partnerships between business, educational institutions, and funding organizations.
- **High School Vocational Programs.** While extensive resources exist for post-high school technical and vocational training, there is a need for vocational skills development in high schools, since demand for these skills can be met in some cases by high school graduates without post-graduate education. The U.S. Department of Education, Office of Career, Technical, and Adult Education (OCTAE) provides funding for a variety of high school-level vocational education programs, including
  - College and Career Transitions Initiative
  - School Dropout Prevention
  - Smaller Learning Communities Program
  - Tech-Prep Demonstration Program

Working with area school districts to direct access these federal grants as well as through the State’s access to federal funding for the Perkins V State Basic Grants and Tech Prep Grants. The Governor’s Investment in Vocation Education (GIVE) initiative provides \$25 million in community grants to fund regional partnerships between high schools, private businesses, and the Tennessee Colleges of Applied Technology (TCATS) for work-based apprenticeship programs, dual-credit programs, and “industry-informed” technical education programs.

Various private corporate and foundation grant mechanisms (e.g., Amgen, Dollar General, Home Builders Institute, Cigna, and others) also provide funding for local high school vocational education programs. MAAG should assist the regional training and workforce development organizations with

forums and communication for local school districts to expand their existing programs, build new curricula, and diversify funding for high school vocational education programming.

#### **4. ENABLE DEVELOPMENT OF WELL-LOCATED WORKFORCE HOUSING**

The availability of affordable workforce housing is an increasingly important factor in accommodating and promoting economic development. The analysis of Blue Oval impacts on the MAAG region also emphasized the need for affordable workforce housing in the right locations to support the existing labor force as well as potential new workers in the region. The possible impact of Blue Oval on demand for housing within the four MAAG counties is disaggregated as follows:

- Shelby County                      380 – 524 units
- Lauderdale County                446 – 615 units
- Tipton County                        317 – 438 units
- Fayette County                      243 – 335 units

**TOTAL MAAG                      1,386 – 1,912 housing units**

The supply of attractive and affordable workforce housing will remain paramount. Having the local environment (regulatory, planning, infrastructure, financing) to support workforce housing development within commutation routes is critical. Key strategies for local communities, county governments, MAAG and its partners are summarized below.

- **Create Supportive Environment for Housing Development.** Local communities and counties should establish an environment that supports the creation of workforce housing. This includes review and refinement of policies associated with land use and zoning, for example. Infrastructure development should be encouraged that can leverage the development of workforce housing proximate to jobs, schools, and services. Many of these issues can be addressed through communities' comprehensive planning efforts as well as through housing strategies that focus on addressing the needs for workforce housing associated with job creation.
- **Encourage Regional Transportation Planning and Collaboration.** Linking employment to an efficient transportation network is critical to ensure an available labor force to support Blue Oval and other economic development initiatives in the MAAG region or nearby. Public-private partnerships (PPP) with employers can help boost the transportation network. MAAG and regional transportation agencies can collaborate to encourage business and industry participation in transportation infrastructure financing, planning, and development.
- **Consider Approaches for Financing and Leveraging.** Communities should also consider implementing tools and mechanisms to leverage help

workforce housing development. Such mechanisms might include the use of PILOT (payment in-lieu of taxes) and TIF (tax increment financing) to help induce housing development that meets critical objectives in terms of pricing, volume, and target markets. MAAG can have an important role in convening local and county authorities to provide technical assistance on the use of these tools and mechanisms for leveraging workforce housing (and other aspects of economic development).

- **Expand the Menu of Incentives.** There are various other types of incentives that could be offered to help leverage workforce housing development, such as the use of employee housing programs that promote companies (or government agencies) to guarantee a certain percentage of pre-sales or pre-leases to help developers obtain financing.
- **Promote Developer Recruitment.** Communities can recruit workforce housing developers not only through the use of incentives but also through a facilitation process that can include any or all of the following:
  - **Land Banking and Assembly**, including facilitation of equity investment mechanisms for private property owners.
  - **Master Planning or Site Planning** to assist in establishing development concepts that can be fast-tracked for approval.
  - **Identification Workforce Housing Developers** (both for-profit and not-for-profit).
  - **Request for Proposals (RFP) for Developer Recruitment** for public land or on behalf of private property owners who collaborate as equity investors to attract private development.
  - **Fast Track** regulatory approvals for workforce housing projects that meet key metrics.

### **Housing Affordability as a Marketing & Recruitment Tool**

As noted in the Part 1 Report, Memphis is an affordable housing market, relative to comparable regions on a national scale. As such, the MAAG region and its economic development agencies can use tools to enhance the availability of workforce housing while also marketing the region's relative affordability for recruitment and retention of the workforce. A workforce attracted for a lower cost of living can help support business attraction and growth in an economy with a scarcity of labor. As a result, MAAG should encourage economic development agencies to promote the region's relative housing affordability as a labor force recruitment and retention tool.

- **Utilize the Real Estate Community.** Create marketing packages for real estate professionals that promote the region's relative affordability.
- **Integrate Affordability into Economic Development Marketing.** Promote affordability as a theme among economic development professionals.
- **Programmatic Incentives.** Encourage the use of programmatic incentives to attract and retain young professionals and tech workers to the region. An example would be the use of housing assistance programs provided to those graduates who chose to stay in or relocate to the region for five years or more.



## **5. ENHANCE THE REGION'S INFRASTRUCTURE & ACCESS TO WORKFORCE TRANSPORTATION**

Stakeholders have prioritized infrastructure as key to the region's sustained economic development. **Transportation** infrastructure, in particular, rose to the top of the list for infrastructure priorities, including a focus on public transit. There were concerns expressed by stakeholders regarding the transportation infrastructure and its ability to handle traffic over time, especially in light of Blue Oval. As noted before, the costs associated with transportation have impacted on disposable incomes, on educational attainment, and on labor force participation in the MAAG region. Thus, finding solutions to moving people affordably to school and to work is a high priority.

- **Conduct a Regional Transportation Forum, Focused on Blue Oval Impacts.** MAAG, in concert with SETWC and Memphis Moves, should facilitate a regional transportation forum focused on the regional infrastructure impacts of Blue Oval. Transportation issues and impacts (such as congestion at area ports/airport, public transit, and workforce participation issues) on regional business should be discussed. This forum could set the stage for longer-term regional transportation planning and workforce development initiatives.
- **Initiate Regional Workforce Transportation Communication.** SETWC, MAAG, and Memphis Moves might also work together to establish a regular communication mechanism for disseminating information on workforce transportation initiatives, programs, and planning in the MAAG region.
- **Provide Information on Workforce Transportation Incentives.** Develop a guidebook or web link on workforce transportation incentives for local and county governments throughout the MAAG region. Such initiatives might provide information on transportation subsidies, rideshare programs, business incentives, and other efforts that can be used to expand workforce transportation access.
- **Address the Patchwork of Water & Sewer Services.** It has been noted that water and sewer services are provided on a "patchy" basis throughout the MAAG region and that there are overall capacity issues. Water & sewer moratoria have impacted on industrial development, and growth in capacity will help alleviate some of the constraints on business growth in the region.

The Industrial Site and Building Initiative mentioned previously would help match water & sewer capacity with prospective sites for industrial development and housing associated with Blue Oval and other projects. Financing mechanisms for water and sewer projects are discussed

elsewhere in this report. Ultimately, water and sewer capacity is addressed in county and municipal comprehensive plans, but the Site and Building Initiative could provide a broader, regional perspective and help identify gaps in service.

- **Support Regional Broadband Infrastructure Initiative.** Broadband is an important element for economic development marketing, particularly in the more isolated, rural areas of the MAAG region. Broadband services are helpful for rural communities in capturing opportunities for virtual/remote office and Agribusiness growth. MAAG should conduct research on broadband service coverage and quality in the region to identify gaps in service and help identify opportunities for closing those gaps on behalf of local communities and rural areas. Because of the importance of Agribusiness to the regional economy, efficient broadband network service is of paramount concern.
- **Coordinate Information Flow with Rural Electricity Providers.** Several membership cooperatives provide power throughout rural portions of the MAAG region. These essential services support economic development in the region while balancing the needs of family farmers to retain a rural lifestyle. The region's providers generally have sufficient capacity to extend and upgrade services to incoming manufacturing, commercial, and residential users near urbanized areas within an 18- to maximum, 24-month timeframe. However, in rural areas further away from towns and cities, substantial infrastructure upgrades can require up to three years. There is a need for cooperatives to be aware of any prospective large power user, whether manufacturing, commercial, or residential, so that they can plan ahead to upgrade or extend service. Therefore, it is recommended that area chambers, economic development, and planning agencies coordinate closely with cooperatives on business recruitment efforts and on prospective residential and commercial developments that appear in the planning pipeline. This effort might be as simple as sharing a project pipeline spreadsheet with cooperatives on a monthly basis.

## 6. DISSEMINATE INFORMATION ON SOURCES OF DEDICATED FUNDING AND FISCAL LEVERAGING

Memphis and Shelby County have often utilized PILOT programs to leverage business development. However, many communities in the region have been less experienced in using PILOTs and other fiscal tools used elsewhere in the state, such as tax increment financing (TIF), which may be especially useful in leveraging development in less-developed urban communities or small downtowns. Use of public-private partnerships (including municipal service partnerships or MSPs) could also be expanded to assist in the roll out of infrastructure capital and services to support growth and economic development. In addition to fiscal leveraging, there is also a need for disseminating information on funding through grants, dedicated funding, and earned income models. Strategies for increasing the use of available fiscal mechanisms and funding sources are recommended below.

- **Training and Technical Assistance.** MAAG should play a more central role in sponsoring training and technical assistance to local communities and counties relating to fiscal leveraging, public-private partnerships (PPP), and grant funding mechanisms in support of economic development.
- **Convene and Communicate.** Provide articles and helpful information on funding mechanisms, PPP, and fiscal leveraging, including examples of where those mechanisms have been used in the MAAG region or beyond. An annual or biennial forum to present updated information on grants and leveraging mechanisms could also help ensure wider use in the region.
- **Identification of Prospective TIF or PILOT Districts.** Provide technical assistance to communities to identify prospective TIF Districts or PILOT areas, based on demographic, economic, and other analysis to isolate the factors required to define such districts by State law while also identifying prime locations to leverage economic development.
- **Planning and Infrastructure.** Encourage the use of technical assistance as part of comprehensive or infrastructure planning to identify opportunities for use of fiscal leveraging mechanisms or to identify grant funding sources and opportunities for public-private partnerships.

## **7. SUPPORT GROWTH IN THE TECH BUSINESS PIPELINE**

As noted in the Part 1 Report, the region's emphasis on growing the tech workforce hasn't been matched by a commitment to establishing a physical and legal environment to support tech business development. Recommendations are made here for shoring up such efforts by identifying locations and spaces for technology businesses to thrive and grow.

### **Tech Entrepreneurship**

There are initiatives in Memphis and beyond to encourage entrepreneurship in the tech sector. For example, there is the #Black Tech Futures Research Institute, launched in Memphis, Nashville, Birmingham, and Houston. This organization has a goal of building a thriving, sustainable technology ecosystem for black entrepreneurs. There is also Epicenter Memphis and several other organizations oriented to leveraging entrepreneurship in Memphis. However, there are few such organizations (outside of local chambers) in surrounding portions of the MAAG region. Part of the purpose of the cluster organizations discussed elsewhere in this report is to encourage entrepreneurship and new business development within targeted industries throughout the region.

### **Creating Supportive Environments**

Office use, particularly for tech-based companies, is evolving rapidly as a result of the COVID Pandemic and shifts in space utilization and employee expectations. Just recently, Amazon placed construction of their major tech operations office developments in Seattle and Nashville "on pause" as they determined how best to reconfigure the interiors of these spaces for an emerging "hybrid" work approach. Pure office is being reconfigured and reformatted for a blend of conference, social, and work environments with a higher proportion of virtual communication. Tellingly, Amazon is still expecting to hire the same number of workers for these offices, but the work format is changing to accommodate hybrid approaches.

Information tech companies in the Memphis region will no doubt follow suit, with a shift in the amount, location, and use of space for business operations. Local communities and economic development agencies should be working with tech companies and real estate professionals to identify opportunities and specific spaces for growth and recruitment, especially affordable spaces in smaller downtowns in the region with the appropriate amenity mix. MAAG can act as a conduit for information in the changing office environment including tech companies, such as through research and feature articles or by convening expertise on information tech office location factors.

## **Consider Med-Tech R&D Park Development**

The Memphis region has a higher proportion of life sciences tech, and Memphis has marketed its strengths as a life sciences hub. Unlike information technology companies, med-tech and life science businesses are less likely to re-format workspaces since the emphasis is on laboratories with specialized equipment that support in-house experimentation. While there is a medical incubator in Memphis, there is no fully-fledged research and development (R&D) park or hub with space and sites to leverage marketing and growth of the medical industries cluster.

It is recommended that MAAG, in partnership with the University of Memphis and the Memphis Medical District Collaborative (MMDC), convene stakeholder organizations and agencies for a discussion on the concept of a medical R&D park in the region that can act as an anchor for med-tech development. An R&D park could provide a place for aggregation of activities in the cluster relating to intellectual transfer and commercialization of basic and applied research. Those commercial applications can then be industrialized through production in the region.

An R&D Park or hub can act as a hook for attracting life sciences companies that need to access the intellectual capital produced by area institutions like University of Memphis, St. Jude Children's Research Hospital, the University of Tennessee Health Sciences Center, and their partners. Should collaborative discussions identify an opportunity, then a first-stage, high-level feasibility study could determine whether the concept (including a consortia of institutions) has market support and could capture synergies at an appropriate location. Questions to consider might include:

- University and institutional research capacity
- R&D funding (federal, state, corporate, foundation)
- Technology transfer assets
- Tenant recruitment potential
- Marketing
- Working within (or outside of) the existing MMDC framework
- Municipal, County, State and corporate support (beyond R&D)
- Sites and locations
- Regional Collaboration

R&D parks are often seen as important anchors for regional economic development. Perhaps the best-known example of R&D-driven regional economic development is the Research Triangle in North Carolina, which has helped make the region a global leader in life sciences research, product development, and pharmaceuticals manufacturing.

## 8. ENSURE RESILIENCY FOR ECONOMIC DEVELOPMENT

Ensuring the region's resiliency has become paramount in the face of rising environmental hazards posed by global warming and other concerns such as business survival during a pandemic like COVID-19. Many of these issues are regional in nature since flooding, disease, earthquakes, and commuter bridge collapse have impacts that are not confined to any one jurisdiction. There are also issues of overall economic resiliency, above and beyond disaster planning. Several observations on and strategies for resiliency in the MAAG region are discussed below.

- **Pandemic-Related Impacts on Business.** We now have extensive experience with the impacts of a major, extended health crisis on the operation and survival of various types of businesses.
  - **Lessons Learned.** There are various lessons learned relating to the types of businesses most impacted during an air-borne disease pandemic, regulatory mechanisms that are put into place to control its spread, and how businesses can continue to operate or even thrive through crisis conditions. Such lessons learned include:
    - Restaurants, Audience Support, and Tourism-Related Business are among the most severely impacted due to a sudden halt to consumer activity.
    - Outdoor and well-ventilated spaces have become a safe and popular alternative for maintaining activity at these venues.
    - Online and delivery services have also become popular alternatives, particularly when indoor attendance is restricted.
    - Digital access is critical to support many types of businesses during periods of restrictive in-person access. **Web-based entrepreneurial opportunities** have increased, so ensuring that local communities accommodate and encourage such growth, especially in rural areas of the MAAG region, is paramount. As noted previously, expanding and strengthening broadband infrastructure in the region is a conduit to this growth.
    - Office formats are shifting to accommodate a “blend” of digital, conference, and in-office uses in well-ventilated spaces. But there is no “one size fits all” approach, with significant

variation in office culture among industries and specific businesses.

- Industrial formats have probably changed the least, with much of the manufacturing workforce returning to familiar operating models. However, there has been significant growth in warehousing and distribution thanks to greater reliance on home delivery during the Pandemic. Therefore, distribution and transportation networks have become even more important to business health.
  - Workers have greater expectations for more flexibility in terms of work-life balance and in-office time.
  - Home office use brought a boon not only to web-based services and consumer products but also to remodelling and design of home office space.
- **Collect Data.** There is a need, while the COVID-19 Pandemic is still impacting on business, to collect (or continue to collect) data and information on business health, impacts, and how businesses are changing their operating models. This data and information can be used for policy and business analysts to plan for the future.
  - **Provide Ongoing Communications.** Communicating best practices and lessons learned can help businesses plan for the near-term fluctuations in consumer behavior and longer-term adjustments to the business model. As more is learned and business operating models continue to change, it is important to continue to keep businesses in the region abreast of these changes. Therefore, MAAG can play a helpful role in coordinating with chambers in the region and communicating best practices and updated information (via newsletters, web sites, and convening services) that can help businesses plan.
- **Environmental & Geological Hazards.** Environmental hazards (flooding, tornadoes, earthquakes, etc.) have regional impacts and, as such, it is critical for regional organizations and agencies collaborate to ensure that mitigation of impacts from these hazards is integrated into local and regional emergency planning. Businesses should also be made aware of emergency plans and how they participate or engage with first responders. Strategies for resiliency in this arena should incorporate:
    - **Environmental Mitigation Planning**, with an emphasis on proactive measures such as the creation of a regional storm water management plan. Stormwater and flooding issues do not conform

to jurisdictional boundaries and are often best addressed through regional planning efforts that align more closely to watersheds. There are at least five watersheds in the MAAG region, including Nonconnah Creek, Wolf River, Loosahatchie, Lower Hatchie River, and Mississippi River. Regional stormwater planning should help inform local building regulations, infrastructure, and economic development in the MAAG region. Regional stormwater solutions can also assist in identifying appropriate locations for recreational amenities and other assets that can enhance the quality of life and marketability of rural areas.

- **Emergency Planning.** Emergency resources in the MAAG region are disaggregated by jurisdiction and there are issues with coordination and collaboration that need to be assessed and addressed. MAAG should have a role in leading research and discussions among emergency planners, transportation planning agencies, and first response agencies in the region to enhance coordination and pro-active regional emergency planning.
- **Business Planning,** to ensure that businesses incorporate mitigation costs and have the proper insurance.
- **Transportation/Emergency Network.** The need for cross-regional emergency services will grow over time, and a supportive transportation system will be essential for securing a resilient future. Comparatively speaking, the Memphis region is relatively compact, with a high percentage of the population base concentrated in Shelby County. But with Blue Oval and suburban sprawl, transportation infrastructure and capacity will be stretched. Some of these issues can be addressed through the forum recommended previously and ongoing collaboration relating to the tri-state region's transportation infrastructure.
- **Infrastructure Capacity & Conditions.** Aside from emergency use of the transportation network, there are also the day-to-day issues of maintenance that plague the region's infrastructure, as evidenced by the Hernando de Soto Bridge collapse. Infrastructure assessment is spotty, given that a plethora of local, state, and federal agencies have responsibility for different components. Regional collaboration is essential to ensure seamless service and consistent maintenance.
- **Overall Economic Resiliency.** Successful regional economies share several common features, not the least of which is a high level of economic diversification, coupled with a strong effort at regional collaboration across jurisdictional boundaries. Diversification helps buoy the regional economy when there are downturns on any one industry or group of industries.



As noted by Dr. Andrew Hussey, Associate Professor of Economics at the University of Memphis, *“Economically diverse cities provide residents some insurance against major economic downturns, globalization, changing legislation, and natural technological progress, each of which is likely to have a differential effect on various industries and occupations.”* In other words, diversification can provide some measure of resiliency.

In terms of overall economic diversity, the Memphis area is ranked in the top third of major cities (21 out of 63, the highest of major cities in Tennessee) and 150<sup>th</sup> overall (out of about 500 cities nationally). Memphis is ranked 94<sup>th</sup> in industry diversity, 116<sup>th</sup> in occupational diversity, but only 296<sup>th</sup> in worker class diversity (private wage, self-employed, government, etc.). There is scope to enhance the region’s entrepreneurial class and increase self-employed workers, especially coming out of the pandemic. Efforts to bolster organizations like **Epicenter Memphis** might help increase the region’s entrepreneurial activity.

## ACTION PLAN

Number	Action (Task)	Target Date	Responsible Party	Indicative Cost	Funding Source(s)
1	Assess & communicate local Agribusiness competitive advantages & strategies	11/22	MAAG; SBA/AL; UM AFTRI (Agribusiness Cluster Organizations)	\$3,500	Internal Funding
2	Identify & communicate Agribusiness infrastructure needs	11/22	Agribusiness Cluster Organizations	Included	Internal Funding
3	Work with school districts on Agribusiness training requirements	Ongoing	Agribusiness cluster organizations	\$0	N/A
4	Help develop Agribusiness technical assistance programs for local communities	Ongoing	Agribusiness cluster organizations	\$0	N/A
5	Establish Transport & Logistics Cluster organization	2023	SETWC and Greater Memphis Chamber of Commerce	\$10,000 (for facilitation)	Internal Funding

6	Develop Packaging sub-cluster	2023	Ibid	\$5,000 for facilitation	Internal Funding
7	ID and communicate local communities' competitive advantages & strategies for transport & logistics industries	6/2023	Ibid (with assistance from MAAG)	\$0	N/A
8	ID and communicate opportunities for health care and medical industry development; Work to expand supply chain industries throughout region	6/2023 and Ongoing	GMMDC (with assistance from MAAG)	\$0	N/A
9	Facilitate the creation of a regional tourism development strategic plan	10/2023-10/2024	MAAG, working with tourism development agencies	\$125,000 for consulting services and/or facilitation	Tourism agencies (internal funding) and local lodging tax funds
10	Assist communities identify	2024	MAAG, local economic development	\$0	N/A

	prospective sites and buildings for targeted industries		agencies / chambers and real estate brokers		
11	Create regional industrial building and site asset database; Establish access process	12/2024	Ibid	\$0	N/A
12	Develop strategic stipends & support service programs and networks	Ongoing, starting with 1/2025	Cluster organizations for Agribusiness, Transport & Logistics; and Medical Industries	Seed Funding: \$500,000 Year 1	Foundations, USDOT, USHUD, Cooperatives, Corporate Sponsors, etc.
13	Support work readiness and upskilling programs	Ongoing	Workforce Mid-South, Inc.; Area school districts; and partners	TBD	Corporate partners, USDOL (\$10 million in grants available)
14	High school vocational education & partnership programs	Ongoing	Area school districts	Varies by district	US OCTAE, TN GIVE, TCATS, private foundations
15	Provide technical assistance for creating supportive environments for workforce	Initiate outreach by 12/2022; completion by 12/2024	MAAG	\$2,500 per community	US HUD Community Compass Initiative

	housing development				
16	Enhance regional workforce transportation planning	2023-2025	Memphis Area Transit Authority (MATA); MAAG, and partners	\$250,000 - \$500,000 for services and facilitation	TDOT Long Range Planning Grants, USDOT Sustainable Transportation Grants, etc.
17	Technical assistance workshops in financing, leveraging and developer recruitment for workforce housing development	2023-2025	MAAG, in collaboration with area community & economic development agencies	\$15,000 to \$20,000 for workshop series	Sponsorships
18	Use housing affordability as a marketing tool	Ongoing	Area economic development agencies	\$0	N/A
19	Facilitate regional workforce transportation forum	3/2024	MAAG, SETWC, MATA, Memphis Chamber, and other Chambers	\$10,000	Chambers
20	Initiate regional workforce transportation communication	3/2024	Ibid	\$0	N/A
21	Initiate forum/discussions on	5/2025	MAAG, in collaboration with	\$0	N/A

	regional broadband initiatives		area economic development agencies		
22	Sponsor training and technical assistance program in development financing mechanisms	6/2025	IBID	\$4,500-\$8,500 professional services per training session	Chambers & local economic development agencies, US EDA, TN DECD
23	Help ID possible PILOT and TIF districts	From 6/2025	IBID	\$2,500 per community	Contracts for service
24	Develop tech entrepreneurship	Ongoing	Industry cluster organizations (through their sponsors and members)	\$0	N/A
25	Provide technical assistance for creating supportive environments for tech development	2025-2026	MAAG, in collaboration with Greater Memphis IT Council and partners	\$2,500 per community	Contract for services basis
26	Convene stakeholders to explore concept of R&D park in region	1/2026	MAAG, in collaboration with GMMDC, MMDC, UTHSC, UM and partners	\$10,000	Participating organizations
27	Facilitate a pre-feasibility study	2026	Ibid	\$125,000	Ibid

	for an R&D park as warranted				
28	Communicate data and impacts of COVID-19 on regional business	Ongoing communications in newsletter	MAAG, based on existing data, interviews, and secondary sources	\$0	Internal
29	Regional emergency planning	Ongoing	Mid-South Emergency Preparedness Coalition (MSEPC); TN Disaster Support Network (DSN)	\$0	Internal
30	Forum on regional emergency planning	Annual event	MAAG, in collaboration with MSEPC and TN DSN	\$10,000	TN DSN, US FEMA