

THREE RIVERS PLANNING & DEVELOPMENT DISTRICT

FY 2018 CEDS ANNUAL PERFORMANCE REPORT



UNITED STATES DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION



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In carrying out its designated purpose, Three Rivers Planning and Development District (TRPDD) promotes, administers, and interprets a variety of programs that fall under the jurisdiction of several state and federal agencies. Throughout FY 2018, TRPDD has worked with its numerous partners to implement the Comprehensive Economic Development Strategy (CEDS) for the region.

Listed below are the vital projects from the current Comprehensive Economic Development Strategy (CEDS) for TRPDD:

1. Regional Infrastructure Enhancement Initiative
2. Regional Economic Growth & Diversification Initiative
3. Regional Capacity Development Initiative

There are no changes in the technical components of the CEDS as part of this year's performance review. The following narrative provides information related to CEDS implementation between October 1, 2017 and September 30, 2018.

REGIONAL INFRASTRUCTURE INITIATIVE

As stated in the CEDS, regional infrastructure is vital to economic development activities in TRPDD. The regional infrastructure initiative seeks to improve infrastructure within the eight-county region in an effort to facilitate job retention and creation as well as significant private investment. The initiative involves analyzing current and future infrastructure needs, securing funding for necessary projects, and implementing worthwhile measures and activities in order to promote further economic growth and development at the local and regional levels.

Since October 1, 2017, TRPDD's Economic & Community Development Division helped local governments and other entities in its eight-county region secure over \$9.34 million in grant funding for infrastructure-related projects. The aforementioned grant funding helped leverage over \$11.2 million in additional investment from the public and private sectors as well as retaining 3,393 jobs as well as creating 697 new jobs.

One of the aforementioned infrastructure projects is the EDA and ARC invested City of Baldwin natural gas line extension. The project will allow the City to expand their natural gas system and allow four businesses to retain more than 2,000 jobs and create 500 more for the community.

Furthermore, Three Rivers prepared and was awarded Community Development Block Grant (CDBG) Public Facilities grants for three municipalities. The Town of Ecu received \$450,000 to add unserved customers to their water system. The Town of Vardaman was awarded \$450,000 to improve their sewer system. Union County received more than \$360,000 to add 20 previously unserved customers to their water system. Along with the CDBG Public Facilities grants, Three Rivers was able to help secure two CDBG Economic Development grants. One was to create an access road for the Franklin Corporation's expansion. The project grant was for \$1.2 million with a local and company investment of more than \$2.53 million and will retain 947 jobs and create 60 new ones. The second was a \$1.4 million grant for Homestretch to do site work for their

expansion. The project included more than \$3.14 million in company and local investment and will retain 428 jobs and create 72 new jobs.

TRPDD also helped secure \$2.44 million in ARC funds for various infrastructure projects across the area. One project is the site prep for the newly developed Southern Industrial Parks in Lee County. ARC provided \$1.25 million to create access roads for the new industrial park.

Along with the previously awarded ARC grants, Three Rivers will be seeking funds through ARC in the coming year to enhance the water system in Pontotoc County. During 2018, two manufacturing plants were affected by fires that were ruled arson. Both of the facilities were able to use other buildings to retain employees until clean-up and restorations are complete. Pontotoc County has been working with Three Rivers to determine the best course to help these manufacturers, and other in the area, to have better fire protection.

A comprehensive list of grant/loan awards for FY 2018 is included as an addendum to this report. The aforementioned infrastructure projects are included within the spreadsheet along with any non-infrastructure projects awarded between 10/1/17 and 9/30/18.

REGIONAL ECONOMIC GROWTH & DIVERSIFICATION INITIATIVE

The regional economic growth and diversification initiative seeks to strengthen and diversify the regional economic base. The focus of this particular initiative is driven more on overall economic growth and diversification rather than infrastructure and capacity development. The initiative seeks to implement programs and activities aimed at strengthening and diversifying the local and regional economies, especially within new and emerging sectors focused on high-skill, high-tech occupations. Entrepreneurship, research, and innovation are hallmarks of this vital project as TRPDD and others seek to advance regional employment and income.

Toyota Motor Manufacturing Mississippi, Inc. (TMMMI) and its suppliers as well as other non-automotive companies have helped offset job losses that occurred due to globalization and the various economic troubles that have plagued the U.S. in recent years. The region stands ready for potential re-shoring opportunities and other positive economic impacts as companies seek to expand their existing operations or locate within the region. TMMMI as well as other companies requiring higher skills and paying increased wages have helped diversify the regional economic base and have fostered positive impacts that will be felt for years to come.

Expansion and retention projects involving companies such as the Franklin Corporation (60 new jobs and 947 retain jobs) and Homestretch (72 new jobs and 428 retained jobs) illustrate regional economic development achievements that have occurred in FY 2018. TRPDD hopes to build on the referenced success stories and further strengthen and diversify the regional economic base in the coming years.

In addition to providing grant writing and administration services on numerous economic and community development projects throughout the region, TRPDD also serves as the controlling

entity for Three Rivers CDE, Inc. (TRCDE), which is a certified community development entity (CDE) that received a New Markets Tax Credit (NMTC) Program allocation of \$25 million in 2015. TRCDE has applied for a new round of funding through the U.S Department of Treasury. Awards for the next round of funding are expected in early 2019.

The EDA-funded business incubators within the region continue to promote small business and entrepreneurial growth. The Oxford Enterprise Center and the Renasant Center for IDEAs offer quality business incubation programs and the Community Development Foundation continues to market available space constructed as part of Phase II of the Center for IDEAs project. The new Phase II facility in Tupelo's Fairpark District serves as a key regional resource and has provided much-needed office and conference space as well as the added incubator space noted above.

TRPDD's loan division provides a selection of small business loan programs available to start-up and expanding businesses in an effort to promote economic development. Between 10/1/17 and 9/30/18, TRPDD approved a total of 12 loans through its loan programs. The 12 loans totaled \$4,420,000 and will create/save an estimated 109 jobs.

REGIONAL CAPACITY DEVELOPMENT INITIATIVE

The regional capacity development initiative focuses on education, workforce training, and quality of life measures such as health care, housing, public transit, culture, and recreation. The initiative seeks to improve regional capacities by advancing high-quality educational measures and training programs, especially within emerging economic sectors, as well as improving the availability of quality health care, housing, public transportation, and cultural opportunities. Innovation is a primary component of this initiative as stakeholders strive to enhance the regional knowledge and talent bases by implementing new techniques and programs aimed at improving regional education and training capabilities.

TRPDD, the Create Foundation, and several other organizations in northeast Mississippi have been spearheading efforts to improve the region's educational attainment. Positive steps have been made and it is hoped this initiative's success will be evident via increased educational attainment throughout the region in the coming years.

TRPDD is particularly proud of its tuition assistance program (TAP) that allows graduating high school seniors to receive tuition assistance for four regular semesters at a community college. TAP is a ten-year program with a \$25,000 maximum grant per year from TRPDD that requires a public/private match equal to the lesser of 4:1 or the equivalent of what one mill would produce in the participating county. TAP is administered by TRPDD at no cost to the participating counties. Each county located within TRPDD either participates in TRPDD's TAP or has a locally-established tuition assistance program.

During the reporting period, TRPDD continued in its role as the fiscal/administrative agent of The Mississippi Partnership, a 27-county workforce area designated to carry out the Workforce Innovation & Opportunity Act (WIOA) of 2014. One-stop centers have been established

throughout the referenced workforce area to provide services to adults and dislocated workers. At the centers, eligible individuals receive appropriate services such as case management, counseling, and training to assist them in obtaining employment and local employers benefit because the facilities help them find suitable workers.

In addition to the aforementioned adult services, various program providers in The Mississippi Partnership's 27 counties serve economically disadvantaged youth with one or more additional barriers. Youth activities include tutoring, summer employment opportunities, adult mentoring, occupational skills training, and follow-up services.

As noted in previous CEDS Annual Performance Reports, EDA's investment in Itawamba Community College's WIN Manufacturing Solutions Center has helped northeast Mississippi become a prime location for industrial growth and development. EDA's financial participation has enabled Itawamba Community College to provide enhanced workforce development training and assistance within a preeminent one-stop workforce development center. The WIN Manufacturing Solutions Center will play a vital role as TRPDD and its multitude of partners promote regional growth and development initiatives moving forward.

Finally, TRPDD's Community and Economic Development Division works hand-in-hand with local governments, non-profit organizations, and other entities to secure funding for worthwhile community development projects aimed at enhancing quality of life throughout the region. The Division coordinates federal, state, and local funds to implement initiatives that benefit local communities as well as the region as a whole.

ECONOMIC RESILIENCE

The concept of economic resilience is a common theme throughout TRPDD's CEDS as the organization and its economic development partners seek to enhance the region's ability to avoid, withstand, and recover from economic shifts and natural disasters. Sustainable growth and development practices are key components in planning initiatives throughout the region and the CEDS offers similar integration and plan consistency at the local, state, and federal levels. TRPDD's CEDS is consistent with planning mechanisms such as hazard mitigation plans and local comprehensive plans as well as local and state workforce investment strategies, which seek to increase the regional knowledge and skills bases to facilitate growth in new and emerging sectors.

As noted in the SWOT analysis, turbulent economic conditions at the national and international levels also play a significant role in the regional economy, which is evident by the increased unemployment that occurred during the most recent recession. Businesses throughout the region operate within a global marketplace and TRPDD is not immune to domestic and foreign issues well outside of northeast Mississippi. The region must seek to become more resilient to national and global economic issues in order to reduce the negative impacts said problems have on local and regional economies.

The three goals identified in TRPDD's CEDS go hand-in-hand with the concept of improving economic resilience as they seek to enhance development and enhance the regional infrastructure to increase economic competitiveness (Goal 1), increase regional job opportunities and income through economic diversification, increased competitiveness, enhanced entrepreneurship, etc. (Goal 2), and strengthen the capacity of the region to compete in the global economy through enhanced workforce skills, increased educational attainment, etc. (Goal 3). Economic resilience has been a critical component in TRPDD's CEDS for several years and will continue to be a key element in future CEDS cycles as TRPDD and the CEDS Committee seek to address the region's strengths, weaknesses, opportunities, and threats.

PUBLIC/PRIVATE SECTOR PARTICIPATION

The development of TRPDD's EDA-approved CEDS was a collaborative effort involving both the public and private sectors. Similarly, CEDS implementation involves coordination between TRPDD and other economic development stakeholders as they seek to implement the strategies identified to promote significant job creation and private investment throughout the region. Public and private sector representatives from throughout the region understand the importance of a collaborative economic development approach and have helped implement several successful strategies and initiatives over the years.

TRPDD communicates with its economic development partners on a continual basis in order to learn more about regional needs and projects. The communication yields immeasurable benefits and the interactions provide excellent forums for innovative ideas and strategies. TRPDD partners with local governments, economic development organizations, businesses, institutions of higher learning, and various other entities to promote positive regional outcomes and the organization's collaborative approach continued throughout FY 2018.

TRPDD's 11-member CEDS strategy committee provides a wealth of knowledge regarding the state of the region and their continuous participation is vital to CEDS implementation. The committee members work in the trenches to foster positive economic outcomes every single day and their collective knowledge and experience are vital in regards to measuring the region's strengths, weaknesses, opportunities, and threats. The committee interacts with the public and private sectors on a continual basis in order to address regional economic development issues and their vast networks enable them to provide firsthand knowledge of where the region stands as well as what direction it needs to go in order to remain competitive in the global marketplace.

TRPDD will continue to seek participation from the public and private sectors throughout the five-year CEDS cycle. TRPDD has been a proponent of collaborative economic development for years and partners with the public and private sectors in order to promote positive economic impacts within its eight-county region. Since the submission of the CEDS in 2017, TRPDD and the CEDS Committee have partnered with the public and private sectors to implement the strategies and initiatives identified within the document. The collaborative approach has been vital and continued participation will be vital in order to facilitate regional growth opportunities.

The CEDS Committee has determined changes to the technical components of the CEDS are not necessary at this time. However, TRPDD and the CEDS Committee will continue to facilitate participation from the public and private sectors throughout the remainder of the five-year implementation period in order to ensure the document remains viable. If technical changes are deemed necessary prior to the approval of a new CEDS in 2021, TRPDD and the CEDS Committee will make certain the applicable EDA rules and regulations are followed.

Please note TRPDD has created a page on its website for the CEDS and provides visitors contact information in case anyone has any questions or comments related to the document. The page enables the CEDS to be viewed at any time and helps facilitate continued involvement by the public and private sectors.

ADDENDUM

Three Rivers Planning & Development District, Mississippi: FY 2018 CEDS Annual Performance Report
 Funding Award Approvals (10/1/2017 to 9/30/2018)

RECIPIENT	PROJECT NAME / DESC.	GRANT AMOUNT	FUNDING SOURCE(S)	LOAN AMOUNT	COMPANY INVESTMENT	LOCAL INVESTMENT	OTHER INVESTMENT	TOTAL PROJECT COST	JOBS CREATED	JOBS RETAINED
Baldwyn	Gas System upgrade	\$ 500,000.00	ARC			\$ 1,055,674.50	\$ 1,555,674.50	\$ 3,111,349.00		
Baldwyn	Gas System upgrade	\$ 1,055,674.50	EDA			*	*	\$ 1,055,674.50	520	2018
Three Rivers	S&A	\$ 80,000.00	ACE		*			\$ 80,000.00	*	
Lee County	Southern Industrial Parks -Hive	\$ 1,250,000.00	ARC			\$ 1,250,000.00		\$ 2,500,000.00		
Ole Miss	Graphene Study	\$ 83,391.00	EDA			\$ 83,391.00		\$ 166,782.00		
Three Rivers	S&A - Additional	\$ 56,000.00	ACE		*			\$ 56,000.00	*	
Three Rivers	MasterBilt Exp	\$ 50,000.00	ACE					\$ 50,000.00	30	
Union County	Martintown West	\$ 300,000.00	TVA			\$ 214,000.00		\$ 514,000.00		
Myrtle	Southwest Commercial Dev	\$ 192,278.00	ARC			\$ 82,405.20		\$ 274,684.00	15	
Houston	Franklin Corporation	\$ 1,200,000.00	CDBG ED		\$ 2,416,200.00	\$ 120,000.00		\$ 3,736,200.00	60	947
Union County	Southern Ind Parks /Mtown West	\$ 500,000.00	ARC			\$ 214,000.00	\$ 300,000.00	\$ 1,014,000.00		
Union County	Buncomb / 348 Unserved	\$ 362,736.00	CDBG PF			\$ 97,870.00		\$ 460,606.00		
Ecu	Unserved Water	\$ 450,000.00	CDBG PF					\$ 450,000.00		
Vardaman	Sewer Improvements	\$ 450,000.00	CDBG PF					\$ 450,000.00		
Monroe County	Homestretch Expansion	\$ 1,420,000.00	CDBG ED		\$ 3,000,000.00	\$ 142,000.00		\$ 4,420,000.00	72	428
Itawamba County	Fawn Grove	\$ 50,000.00	MDA			\$ 50,000.00		\$ 100,000.00		
Ecu			CAPLOAN	\$ 200,000.00				\$ 200,000.00		
Bruce	Haworth	\$ 144,080.00	ARC			\$ 44,500.00		\$ 188,500.00		
Itawamba Port Comm	Mooring	\$ 301,158.00	MDOT			\$ 3,042.00		\$ 304,200.00		
Itawamba Rail Auth	Track / Crossties	\$ 307,838.00	MDOT			\$ 3,110.00		\$ 310,948.00		
Calhoun City	Sewer	\$ 29,938.00	ARC			\$ 7,484.00		\$ 37,422.00		
Pontotoc	Seven Star ext	\$ 300,000.00	ARC			\$ 538,126.00		\$ 838,126.00		
Union County	Martintown West - Additional	\$ 200,000.00	TVA			*		\$ 200,000.00		
GM&O	Additional funds NA welcome cent.	\$ 40,000.00	ARC					\$ 40,000.00		
Tupelo	Faripark	\$ 21,127.00	ARC			\$ 21,127.00		\$ 42,254.00		
		\$ 9,344,220.50		\$ 200,000.00	\$ 5,416,200.00	\$ 3,926,729.70	\$ 1,855,674.50	\$ 20,600,745.50	697	3,393