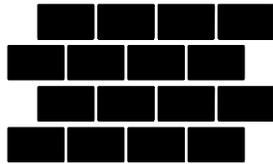


**The Tennessee
Industrial
Infrastructure
Program and the Industrial
Training
Service**



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Executive Summary

In 1988, the General Assembly passed an appropriations act (PC 1037) allocating \$50 million for the 95 County Jobs Program, a program created to provide financial assistance to new or expanding business in Tennessee. The Department of Economic and Community Development was charged with administering the two divisions of the 95 County Jobs Program: the Tennessee Industrial Infrastructure Program (TIIP) and the Industrial Training Service (ITS) to provide training assistance to new or expanding businesses. Chapter 1037, Section 40 states that appropriated funds are “. . . for the purpose of making grants and loans to local governments and businesses for job creation and/or job retention . . .” (See Appendix B, page 1.) Since 1988, TIIP and ITS have helped to fund 712 projects across the state.

As a result of concerns raised during the FY 96-97 appropriations process, the Office of Research has undertaken a study of the TIIP/ITS program. The intent of this report is to explain the procedures involved in the TIIP/ITS grant process and to make recommendations to improve the effectiveness of the program. In addition, this report also looks at the impact of the TIIP/ITS program and how the grants have been distributed among the counties. Finally, this report examines the role of incentives in economic development. The report presents the following conclusions:

The department lacks an overall strategic plan to guide the awarding of TIIP/ITS grants. The effectiveness of the programs might be improved if they were directed by a more comprehensive plan for statewide economic development. Currently, grants are awarded if businesses meet job creation and capital investment criteria without regard to the necessity of the grant. (See page 14).

The TIIP/ITS program was started as an incentive program but is currently being administered as an entitlement program. Since the criteria and guidelines are very flexible, almost every grant applicant is eligible for funding. Very few applications are rejected. Most projects receive some funding although it may be less than the original request. A small number of well-established companies benefit regularly from the TIIP/ITS program. More than one-fourth of the total TIIP/ITS funds have been granted to companies that receive more than four grants. Thirty-two companies (4.5 percent) have secured \$21,479,392 (27 percent) in TIIP/ITS funds. (See page 14.)

The current measures of project accountability and program evaluation are insufficient to judge the impact of the TIIP/ITS grants. The follow-up surveys distributed by TIIP and ITS and the agreement between the community, the company and the state are the only accountability and evaluation measures in place. Neither mechanism provides enough information to ensure accountability in individual projects or to evaluate the overall program. The surveys depend on self-reported numbers. The department does not analyze the surveys or refer to them when making grant decisions. Methods are available to make companies and communities accountable, but they are not used by the department. (See pages 14-15.)

Although the department has established policies, they are flexible and there are few steadfast rules. The legislation authorizing TIIP/ITS gives the commissioner broad discretion in developing and implementing these programs (see Appendix E). Policies can be and often are overridden at the discretion of the commissioner and the grant committee. The flexible policies of TIIP/ITS often create confusion for local officials, company officials, and program administrators. This flexibility could be a strength of the program, however, if it were utilized

within the framework of a well-articulated, statewide economic development strategy. (See page 16.)

The point at which the grant committee obligates funds is unclear. Funds should be committed (*subtracted from the annual appropriation*) after approval of a formal application. However, at the discretion of the commissioner, funds can be reserved or protected before a formal application is received. It is unclear whether or not a “proceed at risk” letter is a funding obligation. If a project commits to create many jobs and to generate a significant amount of private investment, it is possible for the company to receive a promise of funding without having made a commitment to locate in Tennessee. This practice makes it possible for the department to make commitments that exceed TIIP/ITS appropriations. (See pages 16-17.)

TIIP and ITS need to continue to improve communication. Efforts made by the department in 1995 to include ITS in the grant committee meetings improved communication between the two entities. However, when verifying expenditures and committed grant lists, TIIP and ITS maintain separate accounts. It appears that the two divisions are not always aware of each others’ funding commitments. (See page 17.)

Although the majority of counties in Tennessee have received grants, the dollar amount of grants varies significantly. Some counties have received over \$1 million in grants, while other counties have received as little as \$5,000. There is no maximum or minimum regarding the number of projects or the amount of grants. Counties such as Hamilton, Madison and Maury have received grants totalling \$3 million each. (See pages 16-17.)

Economically distressed areas have not received as many TIIP/ITS grants as mid-sized towns and outlying commuter areas. The 95 County Jobs Program was publicized as a program to assist all counties, but has not addressed some of the more special needs in distressed counties. TIIP/ITS does try to favor distressed areas with an ability-to-pay index, but its effect is negligible. Mid-sized towns and outlying commuter areas have benefited as much or more than rural areas or large urban areas. (See pages 19-20.)

Middle Tennessee has received more TIIP/ITS projects than either of the other two grand divisions. Middle Tennessee has received 281 grants; east Tennessee has received 273 grants; west Tennessee has received 157 grants. As of December 1995, 87 percent of the counties had received at least one TIIP/ITS grant. Furthermore, project distribution reflects the population distribution. (See pages 20-21.)

Middle Tennessee has also received more TIIP/ITS dollars than either of the other two grand divisions. Forty-nine percent of grant dollars were awarded to middle Tennessee with 35 percent of the state’s population, while 32 percent of grant dollars were given to east Tennessee with 36 percent of the population. The disproportion between middle Tennessee and the other two regions is largely due to the \$7.9 million awarded to the Saturn plant in Maury county and the \$4.5 million awarded for Nissan expansion projects in Rutherford county. (See pages 15-16).

Alternatives

The report contains several legislative and administrative alternatives including the following. (See pages 23-25.)

Legislative Alternatives

The General Assembly may wish to clarify the intent of the program. The General Assembly may wish to specify the intent of the program with regard to its administration as an entitlement or an incentive, its focus upon economically distressed areas, and its function within a statewide economic development strategy.

The General Assembly may wish to consider restructuring the TIIP/ITS program to ensure more accountability. Without well-defined accountability mechanisms in place, Tennessee puts itself in a position where companies could misuse the incentives offered. Other states employ such measures as forcing the company to pay back a portion of the grant for jobs promised but not created.

The General Assembly may wish to specify procedures for the obligation of TIIP/ITS funds. Such procedures might include: (1) the point at which funds are considered obligated; (2) the length of time for which funds may remain obligated but unused; (3) the amount by which the department may exceed appropriations; and (4) the need for decisions to be based upon a continuing analysis of TIIP/ITS projects.

Administrative Alternatives

The department should develop and articulate an overall strategic plan for economic development. The current guidelines for the administration of TIIP/ITS provide a general direction for economic development efforts, but lack a specific strategy. A comprehensive economic development strategy would provide a definite plan for the department to follow and would help to make decisions regarding grants.

The department should establish more rigorous systems of accountability and evaluation in TIIP/ITS projects. Currently, the only accountability measures in place for TIIP/ITS grants are voluntary surveys conducted by the department. Provisions making companies responsible for job creation should be included in any contractual agreement. Information used for individual project accountability should be utilized for overall program evaluation (see below).

The department should establish on-going procedures for evaluation of the TIIP/ITS program. Currently, TIIP/ITS projects are counted as successful if they result in the creation of new jobs. However, the mechanisms currently in place for evaluating job creation do not provide a sufficient analysis of the entire program.

The department should strengthen the relationship between its various divisions and local communities. The department should keep communities apprised of what businesses expect and require. Communities need to be explicitly informed of their role as the “watchdog” for grant recipients. To the greatest extent possible, ITS should involve the community in the grant process.

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Introduction

In 1988, the Department of Economic and Community Development (ECD) was charged with administering the 95 County Jobs Program. The Tennessee Industrial Infrastructure Program (TIIP), which provides infrastructure assistance to communities, was administered through ECD's Program Management Section (which also administered Community Development Block Grants and Appalachian Regional Commission grants). The Industrial Training Service (ITS), which provides training assistance to new and expanding businesses, had previously been administered by the Department of Education, but was moved to ECD as a separate division in the mid 1970s. (See Appendix B.) Since 1988, TIIP and ITS have helped to fund 712 projects across the state.

In 1994 the department made grant commitments that exceeded its annual appropriation. The General Assembly appropriated \$28 million to cover a \$13 million deficit and to fund continuation of the programs. Since 1994, the General Assembly has appropriated \$40 million to TIIP/ITS (see Figure 1). As of January 1997, the department has committed approximately \$11.5 million of the TIIP/ITS appropriation for FY 96-97. As a result of questions raised during the 1996 appropriations process, the Office of Research undertook a study of the TIIP and ITS programs. The goal of the study was to address the following questions:

- What are the processes and procedures of the TIIP/ITS program, and how does the program operate?
- How are the grants distributed and who receives them?
- What impact has the program had on Tennessee?
- How can funding problems for the program be avoided?

Methodology

In the course of the study of the 95 County Jobs Program, analysts researched current theories about business incentives and the history of state-sponsored incentive programs; interviewed TIIP and ITS staff, members of the Grant Committee, and Development Districts; evaluated the procedures and policies of the program; and analyzed the grant distribution in the three grand divisions of the state. (See Appendix A for a list of interviewees.) In addition, the staff reviewed state statutes, performance audits, reports, and memoranda pertaining to the 95 County Jobs Program. The National Conference of State Legislatures provided information about business incentive programs in other states. Analysts conducted an Internet search for documents relevant to the debate surrounding business incentives and corporate welfare.

Figure 1 TIIP/ITS Allocations, 1988-1997¹

Fiscal Year	Amount
1988-1989	\$ 55,000,000.00
1989-1994	\$ -
1994-1995	\$ 8,000,000.00
1995-1996	\$ 20,000,000.00
1996-1997	\$ 12,000,000.00
Total Allocation	\$ 95,000,000.00

¹ Figures provided by the Division of Fiscal Review, Department of Economic and Community Development.

Background

History of Incentives

Although business incentive programs have existed since the 1930s, only during the past 15 years have they become an important factor contributing to business decisions. Increasingly, states have been accused of “giving away the farm” to lure manufacturing plants or corporate headquarters. Businesses and companies expect a relocation or expansion to be complemented by incentives. Joining other states, Tennessee has created a variety of programs and tax breaks designed to encourage companies to relocate or expand within the state, as well as to assist existing industry with job retention and expansion within the state. TIIP and ITS are simply one part of Tennessee’s incentive package.

The purpose of incentives—which can take the form of tax breaks, job training, venture capital, or any other financial assistance or service offered by the government—is to attract and retain businesses. Government assumes that a company will create jobs and capital investment that will benefit the state and the local community. Often incentives are targeted toward businesses that locate in economically distressed areas.

Incentives can be divided into two broad categories. *Statutory incentives* are available to any new or expanding business that meets certain requirements.² Statutory incentives are entitlements: if a company meets the specified requirements then it is entitled to benefits. In contrast, *discretionary incentives* are special funds given on a case by case basis at the discretion of the government. Generally, fewer restrictions are placed on discretionary incentives, which allows for more flexibility. The distinction between these two types of incentives can easily be blurred by the policies of the agency that administers the program. For example, while statutory incentives are ostensibly available to all companies, rigid criteria and systems of accountability can ensure that incentives are funded only when they have a significant economic development impact. On the other hand, discretionary incentives can be *flexible* to the point that they become available to almost all companies that apply.

States have offered a variety of incentives in the past 50 years. Some states have offered venture capital or tax abatements to defray the cost of opening a business. However, those incentives have become less popular in the past 15 years because of their high costs.³ Incentives such as infrastructure or customized job training are preferred to venture capital or tax abatements because the investment may not be completely lost if the company or project does not succeed.⁴ These types of programs may continue to provide community benefits even if a company moves or closes. With job training, the laborers have benefited because they have learned skills that are useful in the job market. Infrastructure improvements may be available for future use. In these instances the state is funding an investment in the state’s physical or human capital.

² Mark Klender, “Circumspection Advised When Evaluating Incentives,” *Area Development*, August 1995, pp. 15-17.

³ Kurt Hahn, “When and When Not to Use Incentives to Attract Business or To Retain Existing Business,” *Government Finance Review*, June 1996, p. 32.

⁴ Mary Waits and Rick Heffernon, “Forging Good Policy on Business Incentives,” *Economic Development Review*, Fall 1994, p. 24.

Business Incentives in the 20th Century

Economic development strategies have followed three basic trends, called “waves.” Figure 2 displays the changes in economic development strategies. The first wave began in the 1930s when southern states aggressively pursued northern industry to open branch plants in the South, capitalizing on cheap labor markets. This practice was more commonly known as “smokestack chasing.” Rural, poor states were struggling to attract businesses to locate in their state and were willing to sacrifice revenues, land, and other assets in order to attract a company. Success was measured by how many prospects were landed. Tennessee has used “smokestack chasing” tactics by bidding for manufacturing plants like Mercedes, Nissan, Saturn, and Toyota. Smokestack chasing helped the predominantly rural South to modernize.

Figure 2 Three Waves of Economic Development⁵

	First Wave	Second Wave	Third Wave
Problem	lagging regions	structural change	declining competitiveness
Goal	attract plants	create jobs	improve competitiveness
Targets	relocating/new plants	new/exp business	groups of industries
Means	promote region; offer subsidies	separate programs	integrated services
Mode of Intervention	smokestack chasing	respond to firms	lead firms in new direction
Organization	state dept of econ development	multiple st organizations	local/industry operations
Measure of Success	# of firms	# of jobs	Increased competitiveness

During the late 1970s and 1980s the second wave, state entrepreneurialism, influenced economic development strategy. A new focus on medium-sized firms emerged and states changed their role to *foster* economic growth rather than *instigate* it. Using strategic plans, states identified and developed market opportunities for industries with high growth potential. State economic development agencies expanded, opening regional offices to help existing industry. Second wave theory fashioned incentives to lower the cost of doing business and generate a favorable business climate. Job creation replaced business relocation as the measure of success. The return on investment was measured by the number of jobs created. In Tennessee, ECD uses the number of jobs created as the measurement of success.

The controversial third wave provides a more inclusive perspective of economic development. The third wave emphasizes the need to look at the overall picture in order to articulate a specific economic development strategy. Economic development programs should ensure benefits to the local community as well as the company. Furthermore, incentives should benefit an entire industry rather than a specific company. Job creation must not only be

⁵ Robert D. Atkinson, “The Next Wave in Economic Development,” *Commentary*, Spring 1993, p. 14.

promised, but must be produced. Accountability measures would include *clawbacks*, provisions to ensure company responsibility and accountability, and economic strategic plans to target incentives toward a common goal. Finally, third wave principles suggest that the state should act as a catalyst that enables businesses to help themselves.

Economic development efforts can be inefficient if they do not follow a specific strategy. Without mechanisms for accountability, it is not certain whether goals are accomplished (e.g., job creation, economic stability, specific sector development). In the absence of an overall economic strategy, development efforts may often focus on the short term impact rather than on how a company affects a community in the long run. Piecemeal economic efforts usually benefit only a fraction of the business community. States generally combine these three theories in developing an overall economic development strategy. Very few states have altered their approach to adhere strictly to the principles of one specific “wave.”

Accountability and Evaluation

Accountability has always been the central difficulty in economic development policy. Establishing a direct causal link between incentives and job creation is rarely simple. Most programs lack an overall strategic plan tying the various incentive programs together, thus making it difficult to attribute success to one particular program. A Maryland development official said, “If it were not for the governor’s strong support of the state’s economic development department, we would be a vulnerable department because much of our performance cannot be accurately measured.”⁶ Accountability systems should be accompanied by an ongoing evaluation of incentive programs. After grants, loans, or tax breaks are awarded, few states have mechanisms in place to determine their effectiveness.

Systematic accountability in economic development is necessary to ensure that state funds are directed to programs that are effective and efficient. Accountability measures could help prevent companies from exploiting incentive programs. Tim Bartik, a senior economist with the Upjohn Institute, said that incentives should allow for some funds to be recovered if the project does not succeed.⁷ In 1991, the state of Minnesota awarded \$840 million in loans, grants, and tax breaks to the new Northwest Airlines repair facility.⁸ Northwest agreed to create 1,500 new jobs in an economically depressed area of the state. However, by 1993, the company had not started work on the plant and was asking for loans from Minnesota to prevent bankruptcy. Other companies have used incentives to benefit themselves and have disregarded the impact on the community. A frozen food manufacturer, who had received a large incentive package, moved 1,200 jobs to Ohio from Minnesota after Ohio offered a better deal. The company even moved a production line to Ohio that was partially financed by Minnesota.⁹

Although both administrators and legislators are bothered by the inability to monitor the effects of economic development programs, there is a reluctance to implement accountability measures for fear of generating a reputation for a bad business climate.

⁶ Peter Eisinger, “State Economic Development in the 1990s: Politics and Policy Learning,” *Economic Development Quarterly*, Vol. 9, No. 2, May 1995, p. 150.

⁷ Timothy J. Bartik, “Economic Development Incentive Wars,” *Employment Research*, W.E. Upjohn Institute, Spring 1995, p. 3.

⁸ Robert Guskind, “Dead Before Arrival,” *National Journal*, May 15, 1993, pp. 1171-1175.

⁹ Mike Zdechlik, “The Pizza King and the Perils of Bidding,” Marketplace, National Public Radio, May 16, 1996.

According to a survey of states conducted in 1995, few states have changed their accountability standards for state economic development programs since their last evaluation or audit.¹⁰ Fourteen states had not evaluated their economic development programs in the past three years and had no basis to recommend program modifications. Of the 34 states participating in the survey, approximately 50 percent made no recommendations for improvements. The other 50 percent made minor recommendations, but only eight of those cited major problems with their economic development programs.

Some states have instigated *clawbacks*, measures by which the company becomes liable for the state's investment if the company does not meet promised criteria. One option would be to hold companies responsible for jobs promised but not created. For example, if a company receives a grant contingent upon creating 3,000 new jobs, but only creates 2,000 jobs, the state has recourse to reclaim part of the grant from the company. The cost per job multiplied by the number of jobs not created could be determined as the amount to be paid to the state. "Forgivable Loans," offered by Minnesota, are examples of less stringent clawbacks.¹¹ As long as the company meets the capital investment and job creation criteria, the loan is forgiven or becomes a grant. If the criteria are not met, the company must repay a percentage of the loan.

Business Incentives or Corporate Welfare?

Although it is difficult to measure the impact of incentives on business decisions, they are an intricate part of doing business today. Companies are aware of incentives and expect to receive some type of incentive package when locating or expanding in a state. In many case studies, incentives have proven to be the key factor in business decisions. Site locators and professional recruiters advise companies about potential locations and the incentive packages for each state. One consultant from Moran, Stahl and Boyer, an industrial recruiting group, said, "Five years ago we would introduce the subject of incentives. Today, the companies introduce it."¹²

Incentives originated as enticements to lure businesses to a specific location. Initially, incentives were offered when a business was deciding where to locate a new or expanding operation. They were used to offset the advantages of certain locations over others. After criticism from existing industry, economic development agencies and states broadened their view by offering incentives to expanding businesses already present in the area. Most regard incentives as a tool to impact business decisions but some view incentives as the link to a positive relationship between government and business. Whatever the manifestations, the economic development agency and the state determine how incentives will be used.

Opponents of incentives believe that they are a form of *corporate welfare*, implying that government subsidizes business without causing real, independent economic growth. According to critics, incentives do not affect business decisions and merely act as a 'thank-you' to the company for doing business in the state. Furthermore, those not in favor of incentives believe their costs outweigh their benefits. Their opposition may stem from the inability of states to measure the success of the incentives. States such as Minnesota and Pennsylvania have had first-hand experience providing incentives that did not pay off.

¹⁰ Peter Eisinger, "State Economic Development in the 1990s: Politics and Policy Learning," *Economic Development Quarterly*, Vol. 9, No. 2, May 1995, pp. 158-159.

¹¹ Minnesota Office of the Legislative Auditor, Nobles, James and staff, "State Grant and Loan Programs for Businesses," February 14, 1996, pp. 59-60.

¹² Nancy Nachman-Hunt, "The Lure of Incentives," *Expansion Management*, Nov-Dec 1993, p. 16.

However, proponents of incentives claim that they can and do affect business decisions. While some might agree that the costs are high, they believe the benefits are great. Some economists have argued that even successful incentive programs can be an inappropriate use of state funds: “. . . a project could yield a good rate of return and still be perceived as inappropriate since all residents contribute to the investment, but only part of them receive the benefits.”¹³

Studies on the effectiveness of incentives continue to produce conflicting conclusions about the impact of incentives. Peat Marwick conducted a survey of Fortune 500 companies trying to determine the impact of incentive packages.¹⁴ One third of the respondents claimed they would not decide to relocate because of incentives only. Deloitte and Touche Realty Consulting Group surveyed realtors on business incentives.¹⁵ When asked to rate 17 different factors in the order of importance when considering a move, realtors ranked incentives 14th. The survey showed that infrastructure and job training were the most important location factors.

Despite some firms’ prudence about incentives, in practice incentives have been proven to make or break a business location (see Figure 3). Indianapolis landed the United Airlines hub, competing with Denver, Louisville, and Oklahoma City. In *Expansion Management*, Indianapolis Airport Authority deputy executive director Elaine Roberts stated that United said they would come to Indianapolis if the city could offer \$90 million in incentives.¹⁶ In 1993, Alabama won the southeast bidding war for the Mercedes plant, committing to spend approximately \$200,000 per job.¹⁷ These examples demonstrate that, if offered, businesses will take advantage of incentives provided by the state. Figure 3 lists some of the larger incentive packages awarded to companies.

Figure 3 Incentive Packages¹⁸

Company	Year	State	Incentives
Mercedes	1993	Alabama	\$ 300,000,000
United Airlines	1991	Indiana	\$ 294,000,000
Toyota	1985	Kentucky	\$ 373,000,000
Presbyterian Church	1992	Kentucky	\$ 30,000,000
Northwest Airlines	1993	Minnesota	\$ 700,000,000
Volkswagon	1978	Pennsylvania	\$ 71,000,000
BMW	1992	South Carolina	\$ 272,000,000
Saturn	1993	Tennessee	\$ 80,000,000
Nissan	1980	Tennessee	\$ 33,000,000

Source: Figures derived from a variety of sources including *The Wall Street Journal*, *Governing Magazine*, and *the National Tax Journal*.

¹³ William Fox, “Are Economic Development Incentives Too Large?,” 1994 Proceedings of the National Tax Association, 1995, p. 207.

¹⁴ Peat Marwick, “Business Incentives and Tax Credits: A Boon for Business or Corporate Welfare?,” Peat Marwick - Business Incentives Group, September 1995.

¹⁵ Deloitte and Touche, “Public Incentives - What Counts,” Deloitte and Touche Realty Consulting Group, 1993.

¹⁶ Nancy Nachman-Hunt, “The Lure of Incentives,” *Expansion Management*, Nov-Dec 1993, pp. 14-15.

¹⁷ Charles Mathtesian, “Romancing the Smokestack,” *Governing*, November 1994, p. 38.

¹⁸ Sources include: Peter Applebome “States Raise Stakes in Fight for Jobs,” *The Wall Street Journal*, October 3, 1995; Charles Mathtesian, “Romancing the Smokestack,” *Governing*, November 1994, p. 38. Figures regarding Nissan and Saturn exclude the value of property tax concessions from William F. Fox, “Are Economic Development Incentives Too Large?,” 1994 Proceedings of the National Tax Association, 1995, p. 207.

According to a 1994 Coopers and Lybrand comparative study of the southeastern states, every state in the southeast offers an incentive package.¹⁹ Monies to fund incentives were found to be available through one-time appropriations or through revolving funds that are continually renewed. When state money is appropriated for economic development, it is usually for a single company at a specific location. Training, tax breaks, and infrastructure are the most prevalent incentives. The report notes that while the value of incentives to business is uncertain, “tax incentives are important enough to businesses to sometimes be the determining factor in making a location decision.”²⁰

TIIP/ITS Guidelines for Administration

In the 1988 general appropriations act, the General Assembly set forth minimal guidelines for an industrial training and industrial infrastructure program (Public Acts of 1988, Chapter 1037, §40; See Appendix B for statutes and Appendices D and E for department guidelines). The most recent amendments to the guidelines were issued in July 1996. (See Appendix E.)

According to internal policy guidelines, each potential project must go through an approval process, consisting of a pre-application meeting and grant committee meeting. Current general guidelines for the grant programs are: (1) total project funding (including the ITS project budget) is limited to \$750,000; (2) site preparation funding is limited to the greater of \$1.50/sq. ft. or a maximum of \$100,000;²¹ (3) at least 25 new jobs should be created; (4) the minimum wage for the new jobs created should be at least \$5.25/hour; (5) the project company must make a substantial capital investment; (6) a preference is given to manufacturing businesses. As they are currently administered, the TIIP and ITS programs are within the guidelines initially established by the General Assembly.

Guidelines established in the two appropriations bills give the commissioner broad leeway in developing and administering the TIIP and ITS programs. The department uses these guidelines as base criteria for grants, but they are subject to change at the discretion of the commissioner and are under continual review by the department. They are flexible enough that they can in fact vary with each application.

TIIP/ITS Relationship

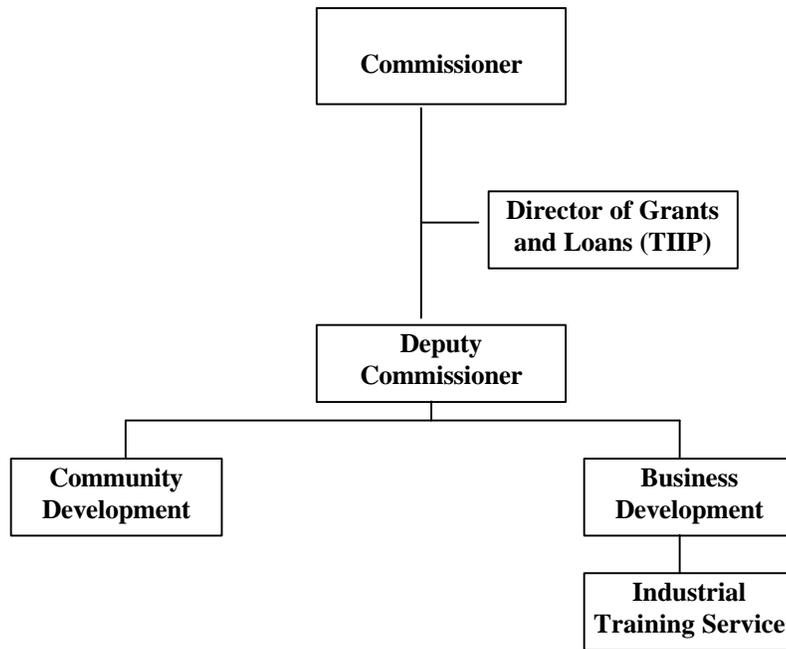
TIIP and ITS operate in conjunction with one another, but operate independently of one another. Each division offers a different service that has resulted in distinctly separate policies and procedures (see Figure 4). While TIIP has standards that can be easily measured, services provided by ITS are not easily quantifiable. The grants serve as incentives for specific businesses, although TIIP/ITS grants are designed to assist communities in improving general

¹⁹ Coopers and Lybrand, “Economic Development Incentives: A Comparative Survey of the Southeastern States,” Coopers and Lybrand, 1994, pp. i-iii, 1-4.

²⁰ Ibid, 1994, p. i.

²¹ According to the 1996 guidelines in Appendix E, site preparation is limited to \$75,000. However, a “kicker” of \$25,000 may be added to that amount at the discretion of the grant committee. The de facto site preparation limit is therefore \$100,000.

Figure 4 The Structure of the Department of Economic and Community Development
 Compiled from information provided by the Department of Economic and Community Development



infrastructure. TIIP acts directly (through site preparation) and indirectly (by providing a business with more possible locations) to benefit an individual company’s financial situation. ITS grants, because they provide job-specific training and in some instances subsidize business travel, directly defray costs from a company’s bottom line. In addition, TIIP is required to involve the community as well as the company in the grant process, while ITS may deal only with the company.

The Industrial Training Service was created in 1972 and administered through vocational education in the Department of Education. During the mid-1970s, ITS became a division of ECD, where it was funded by a separate line item appropriation. Since 1991, ITS and TIIP have been funded from a single appropriation. However, ITS continues to be administered separately (see Figure 4). The most significant distinction between TIIP and ITS is that TIIP grants, though they usually benefit a specific company, are awarded to communities, while ITS grants are awarded directly to businesses.

The TIIP/ITS Grant Process

As outlined in appendices F and G, the department has established guidelines for the administration of TIIP/ITS grants. The following is a roughly chronological outline of the grant process. It should also be noted that the department often follows informal procedures during the grant process.

Marketing

Although the TIIP grant process can and often does begin at the community level, the marketing division’s primary relationship is with businesses. Because businesses make the ultimate location decisions, the marketing division focuses on the needs of businesses rather

than on community development. The department does not attempt to “steer” businesses to any particular community.

The marketing division is the primary tool for disseminating incentive information and for making the guidelines for the TIIP and ITS programs known to prospective communities and businesses. In addition to marketing personnel, prospective applicants approach the department through regional offices, development district officials, private economic development consultants, and company officers or representatives. The marketing division maintains a database of available industrial sites throughout Tennessee and attempts to match a particular business with sites where existing infrastructure meets the needs of the business. If a business expresses interest in a particular community where infrastructure does not meet engineering standards, the department can assist the community with a TIIP grant.

In many cases communities actively recruit businesses to locate in their areas. Development districts often work closely with local officials in recruitment efforts. If a community succeeds in committing a business to a project, it can request assistance, through the TIIP grant process, to bring its infrastructure up to the standards required for the business. One development district official noted: “TIIP makes sites useful that are far away from the water line. It is a real good mechanism to pay for infrastructure. The local government does not have the money to do this.”

Marketing division personnel include full-time field workers and national and international contract consultants. The marketing strategy for these personnel consists for the most part of working within specific geographic and industry focus areas.²² International consultants recruit primarily in Canada, Europe, and Southeast Asia. Industry focus areas, both national and international, include automotive parts manufacturing, telecommunications, plastics, and printing and publishing. According to the Marketing Division these industries benefit from “cluster markets,” where groups of similar industries become established in close proximity.²³

The Pre-Application Meeting

The pre-application meeting is part of the on-going negotiation process between the department, the project community, and the project company. It is an informal gathering where the feasibility of the total business project is discussed. Representatives of the grant community, company officials, and grant officers from the department are included for a TIIP pre-application meeting. In most cases, ITS has a pre-application meeting only with the company. However, if the community is providing a specific service, such as the use of a public school for training, the community will be included in the meeting. In some instances company engineers, Department of Transportation officials, and/or local construction contractors are also present. The agenda usually includes discussion of the company’s financial profile, and discussion of the engineering requirements for the construction phase of the project. An application for a TIIP/ITS grant is formally submitted based on the outcome of the pre-application meeting.

²² ECD currently contracts with three national and two international consultants. (Interview with Cathryn Holland, Marketing Division Director, June 18, 1996).

²³ Ibid.

The Grant Committee Process ²⁴

The grant committee process is modeled on the loan committee process used by financial institutions. When the grant application is received, the project is assigned to a grant officer who analyzes the application and presents it to the grant committee. The grant officers make the presentation and the commissioner, deputy commissioner, and the two assistant commissioners vote on the project.²⁵ Although the four voting members usually take the recommendations made by the grant officers, they can override a recommendation. In the event of a tie vote, the director of grants and loans casts a deciding vote. Committee meetings are usually attended by the four voting members, grant officers, the Director of the Grants and Loans program (chair of the committee), the director of ITS, and representatives from Marketing and Existing Industry Services.

Application

The application is thorough in its request for all important financial information regarding the project. (See Appendix F.) Grant officers use the application, information provided at the pre-application meeting, and application attachments to conduct a financial analysis of the company and to prepare a presentation to the grant committee. The application itself is a simple two page document that generally requires several attachments. Attachments to the application include:

- company annual reports or prepared balance sheets for the most recent three years;
- for companies less than three years old, projected balance sheets for the two years following project completion;
- letter of intent detailing the number of new hires and proposed investment;
- certificate of good standing or existence in the State of Tennessee;
- company charter;
- detail of any pending litigation that would affect the project.

The application requires contact information from the community and the company, as well as for the top two customers of the company. The company is also required to project its capital investment for four years, the number of new employees hired for four years, the average hourly wage to be paid new employees, and the total annual company payroll.

Grant Committee Meeting: Project Budget and Ability-to-Pay Index

The department's "cost-benefit target," or project budget,²⁶ indicates the total grant amount that a business can expect to receive. The formula by which the department determines a project budget does not consider the actual cost of the infrastructure project. Because of this there is an incentive for companies to adjust their request for assistance up to the full amount of the project budget. (See Appendix G). The project budget is derived from the following

²⁴ The description of the process is based on interviews and observation of the grant committee from May-July 1996.

²⁵ Based on observations made by the Office of Research, TIIP has grant officers assigned to a project, but ITS does not have specific officers to present their projects. The director of ITS presents most of the ITS projects. Only if a TIIP project is in conjunction with ITS does the grant officer present the project.

²⁶ In October the term "cost benefit target" was changed to the term "project budget," but the formula is the same.

formula: $[(\# \text{ of jobs} \times \$1100) + (2\% \text{ of capital investment})] = \text{project budget}$. The \$1,100 figure is the target amount that the department wants to spend per job. In actuality, TIIP spends approximately \$1,800 per job and ITS spends between \$400-\$600 per job.²⁷

The ability-to-pay index value is computed by the Center for Business and Economic Research at the University of Tennessee–Knoxville. It is based upon a taxing jurisdiction’s potential (not actual) tax base, and indicates the percentage of the cost-benefit amount that a community is eligible to receive. This allows the committee to consider a community’s ability to fund infrastructure improvements from local sources, e.g., local tax increases, even if those sources are not available at the time of the project application. For example, a project in a distressed county, such as Campbell, would qualify for 100 percent of the cost-benefit amount, while more affluent Williamson county would qualify for only 60 percent of the cost-benefit amount. As the community’s ability to pay increases the application grant amount decreases. Until October 1, 1996, the ability-to-pay index range was 13-120 percent assistance. On October 1, the range was reduced to 60-100 percent.²⁸

The Funding Application Forms provide a summary of the application with some additional budget analysis. (See Appendix G.) They are distributed to the grant committee. These forms show the type of request, whether the project requires infrastructure and/or training assistance, and the amount of assistance requested. The funding forms assign values for several variables, which help the committee determine the amount of assistance available for the project. These variables include:

- three or four year projections for real and personal *capital investment*;
- three or four year projections for new job creation;
- whether or not the project is located in an *economically distressed county*;
- the *unemployment rate* of the project county;
- an *ability-to-pay* index value;
- a *grant rate* factor; and
- a *cost-benefit* target for the department budget.

During the presentation, the grant officer notes the number of jobs created, the cost per job, and characteristics of the community the grant will be benefiting. Using this information, the grant officers make a recommendation whether or not to fund the project.

Grant Committee Meeting Outcomes

There are several possible outcomes for a project in the grant committee meeting.

1. The project can be placed on the prospect list. This is simply a list of potential projects that are seeking TIIP/ITS assistance. A project can also be placed on this list if not enough information has been provided by the regional office or other state industrial agent about the company and the project. Usually the project has not filed a complete application. Projects placed on the prospect list can remain there for an undetermined length of time.

2. The project can have funds reserved. The grant committee can decide to reserve funds for a particular project without having received a formal and completed application from the community and the company. This reservation means that funds are protected for this

²⁷ Interview with Mike Ohlman, Grant Officer, and Bob Parsons, Director of ITS, Department of Economic and Community Development, June, 1996.

²⁸ Interview with Mike Ohlman, Grant Officer, Department of Economic and Community Development, June 11, 1996.

project but are not committed. However, the protected funds are actually subtracted from the total allocation.

3. The project can be approved for contract. In order to be approved for contract, ECD must have received a formal application. Projects can be placed on the prospect list and have funds reserved simultaneously with ITS projects. Reservation of funds and placement on the prospect list can occur either simultaneously or separately with TIIP projects. This category is often vague.

4. The project can “proceed at risk.” This is an indication that the project meets department guidelines and can expect to be funded contingent upon funds being available. The company can proceed at its own risk to begin construction on the project. The department considers “proceed at risk” projects to be obligations, but not necessarily legally binding.

5. The project can be committed. This signifies that funds will be allocated for this project. There is often significant lag time between the commitment and disbursement of funds. Projects must be let to bid, contracted, and work begun before progress payments can be made. According to current guidelines, grant communities have two years to claim committed funds. A one year extension will be granted upon request. Funds are disbursed according to contract agreements (which must comply with the General Conditions document of the Tennessee Industrial Infrastructure Program).

6. The project can be denied. Denials are usually accompanied by an explanatory letter from the commissioner or grant officer detailing the reasons for denial. In some instances the application can be modified and re-submitted.

7. Grant funds can be “recaptured.” When grant funds are recaptured, it is because previously funded projects have not been completed. Either the project has fallen through or the company has decided to locate elsewhere. Grant funds that were set aside for these projects are returned to the TIIP/ITS general fund and made available for other projects.

Obligation of Funds

According to Public Acts of 1996, Chapter 1083 §40 (amendments to the original TIIP/ITS legislation), no grant shall obligate funds for more than one year (Appendix B).²⁹ Department officials interpret this to mean that they cannot commit funds that exceed the annual appropriation. However, it is unclear whether ECD’s interpretation is correct or if funds that are committed must be disbursed that fiscal year. The TIIP/ITS funding form indicates that a grant could be spread over a three or four year period (Appendix I).

ECD states that a project may take up to three years to complete. Since grants are given only after the work is completed, often the grant recipients cannot be reimbursed for up to three years, depending on the project. They believe that a grant could obligate funds for up to three years without a problem.

Recently, the department approved a new policy designed to limit how long a project can obligate funds. The new policy, effective October of 1996, states that each project community has no more than three years to claim its grant. This includes a two-year initial period and a one year extension. If the grant recipient does not claim the grant within three years, the state will recapture the funds.

²⁹ See Appendix B. This rule went into effect June 15, 1995.

Project Evaluation and Accountability

TIIP and ITS distribute evaluative surveys to grant recipients regarding the quality of service they received. According to the tri-party agreement, signed by the commissioner or deputy commissioner, a company official, and a local official, the company must complete these surveys for five years after receiving the grant. (See Appendix H.) The department has emphasized that the tri-party agreement is a legal document that commits a project business to create a certain number of jobs. ITS does not use the tri-party agreement. The usefulness of the survey is questionable because it relies on self-reported numbers, which can be subjective. Moreover, the department rarely conducts on-site visits and does not verify employment levels with the Department of Employment Security.

TIIP and ITS distribute separate surveys to rate grant effectiveness. (See Appendix I.) The TIIP survey requests job creation information and number of minorities hired. The ITS survey is a “customer satisfaction” questionnaire. One of its objectives is to measure the economic impact of the company; however, the survey questions are designed to evaluate the impact of ITS. For example, companies are asked to rate the extent to which ITS “raised the basic education level of employees” or the extent to which the ITS grant “saved the company monies that will be spent for other area needs.” ITS surveys the company immediately after the training has been completed. No further evaluation is done to determine how many of those trained were retained.

According to ECD, the community is responsible for ensuring that the project business meets promised job creation or capital investment criteria. In interviews with both the Office of Research in 1996 and performance auditors in 1990, the department indicated that the responsibility for monitoring the progress of a project falls on the grant community. The community is responsible for overseeing infrastructure construction according to the TIIP Bidding Procedures document. “You can keep track of this information, but if you have no means of recourse, why bother? Who is responsible?,” said one development district official.

Conclusions and Analysis

Program Evaluation

Incentives in Tennessee

On the whole, economic development efforts in Tennessee are piecemeal, each program being developed on an ‘as needed’ basis, tailored to a specific industry or company. It appears that no overarching economic development strategy exists to unify the current incentive programs, or to coordinate them with other existing service delivery systems in the state. There are three recognized economic development strategies or ‘waves.’ Tennessee, like most states, does not appear to be following any one specific strategy.

Entitlement or Incentive?

The TIIP/ITS guidelines established in the 1988 appropriations bill and subsequent appropriations bills may not be restrictive enough to ensure effective administration of the program. Under the guidelines it is possible to administer the TIIP/ITS programs as either “entitlements” or “incentives.” If the programs are administered as entitlements, companies that meet the guidelines can expect to receive grants. The companies and communities are “entitled” to them. If the programs are administered as “incentives,” grants are reserved as bargaining tools in negotiations for projects that might reasonably locate elsewhere in the absence of the incentives. The number of applications and grants awarded indicate that the TIIP/ITS programs are currently being administered more as entitlements than as discretionary incentives. Moreover, the awarding of grants does not appear to follow any overall strategic plan for statewide economic development. Most businesses that apply for grants receive them. During the three month observation by the Office of Research, only three of 120 grant applications were not funded. The department places itself in a difficult administrative and fiscal position by attempting to fund all projects that meet the general guidelines, whether or not the project businesses are significant contributors to the economy.

Project Accountability and Program Evaluation

The Department of Economic and Community Development does not have sufficient methods of accountability and evaluation to ascertain the impact of the TIIP/ITS program on Tennessee. The department does maintain records on the number of jobs created, relying on self-reported numbers provided by the grant recipients. In addition, grant recipient companies complete surveys about grants. Although this information is recorded, it is not analyzed, and is used only anecdotally in subsequent grant decisions. The numbers are not verified by any state agency, although the Department of Employment Security possesses the capability to provide such verification.

The current instruments of evaluation and accountability, the follow-up surveys (Appendix I) and the tri-party agreement (Appendix H), are insufficient means to ascertain the impact of the TIIP/ITS program in Tennessee. Although a TIIP/ITS grant project involves the community, the project business, and the state, the role of the community as the ‘watchdog’ is not explicitly expressed. No agreement between the community and state specifically instructs the community about its responsibilities.

The department has not established any measures making companies accountable to the state if they do not meet their promised goals. The only action the department can take against a company is to note that the company did not create the number of jobs promised and

recommend to the grant committee not to fund any more projects involving the company. However, as with any policy, the four commissioners can override such a recommendation. The grant officer who administers the surveys stated that the department has little recourse against a grant recipient company that does not meet its promised employment levels: “Who do you punish if the company doesn’t create the jobs? TIIP grants are given to the community. To punish the company would contribute to the perception of an unfriendly business climate and to punish the community would only hurt the state. Who do you hold accountable—the community or the company?”

Although TIIP/ITS grant recipients promise to create a specified number of jobs, the promised jobs are not always created. The Office of Research, with the assistance of the Department of Employment Security, checked the employment levels of grant recipient companies in order to verify promised job creation. Figure 5 is a selected sample drawn from a complete list of TIIP/ITS recipients. The tri-party agreement (Appendix H) designates the number of jobs to be created. The Department of Employment Security has provided the employment level at the time each grant was committed and compared those figures with employment levels three years later. According to records maintained by the department, a total of 2,776 jobs was promised. Only 2,247 jobs were created. Job creation was 19 percent (529 positions) less than promised.

Figure 5 Project Job Creation and Verification³⁰

County	Business	Grant Amount	Year	Jobs Promised	Change in Employment Level
Decatur	Company A	\$461,318.00	1989	273	141
Lawrence	Company B	\$418,578.72	1991	100	-12
Jefferson	Company C	\$379,964.00	1988	180	-57
Bedford	Company D	\$323,114.00	1993	60	-199
Wilson	Company E	\$299,732.00	1992	80	-1
Claiborne	Company F	\$282,748.00	1989	320	70
Blount	Company G	\$239,000.00	1991	450	0
Davidson	Company H	\$238,771.00	1993	258	99
Carroll	Company I	\$230,361.00	1988	100	753
Lauderdale	Company J	\$221,250.00	1991	40	168
Bradley	Company K	\$127,000.00	1992	60	67
Dickson	Company L	\$102,174.00	1989	25	30

(continued)

³⁰This is a sample of TIIP/ITS recipients and not a complete list. The Office of Research requested this analysis, which was completed by Mike Ballard, Research and Statistics, Department of Employment Security, August 1996. Using cluster sampling, grant recipients were broken down into 13 categories based on the amount of the grant. Three companies were selected at random from the cluster. Companies for which employment information was not available were eliminated. In addition, no more than one company per county was included.

Care should be used in drawing conclusions from this limited sample. It is possible that the promised jobs were actually created, but were also eliminated within the sample period. This would fulfill the obligation of the company, since there is no requirement that jobs remain in existence for any specific length of time. It is also possible that jobs were created and then shifted from one plant location to another.

County	Business	Grant Amount	Year	Jobs Promised	Change in Employment Level
Hamblen	Company M	\$97,980.00	1991	30	37
Decatur	Company N	\$88,580.00	1993	20	20
Hardeman	Company O	\$74,502.00	1990	100	-23
McNairy	Company P	\$48,869.00	1990	15	40
Hardin	Company Q	\$27,650.00	1992	50	0
Shelby	Company R	\$24,342.00	1993	130	171
Madison	Company S	\$17,373.00	1991	50	406
Obion	Company T	\$15,451.00	1992	120	82
Knox	Company U	\$9,120.00	1992	110	-1
Washington	Company V	\$9,075.00	1993	100	532
Loudon	Company W	\$7,262.55	1991	45	-1
Gibson	Company X	\$6,360.60	1991	60	-75
TOTAL				2,776	2,247

Source: Information provided by the Department of Economic and Community Development.

TIIP/ITS Grant Committee Process

An overall economic development strategy does not guide grant distribution. While the TIIP/ITS grant process is thorough, the department subjectively applies the rules governing grant criteria. It is possible for a business to circumvent the grant committee process and directly approach the governor, commissioner, or deputy commissioner in order to receive a grant or to reserve funds for a particular project. However, during the Office of Research observation, this occurred in only one case. In situations like this, the businesses still go through the grant committee process, but with an understanding that the grant will be awarded. The grant committee provides perfunctory approval of the grant.

The grant committee process is very thorough and ensures that every TIIP/ITS project is discussed by the department, yet it does not formally consider other incentives that might be offered to project businesses. The grant committee does not discuss if the project or company benefits from private activity bonds, the franchise tax job credit, the accelerated depreciation schedule, or the tax credit for hiring targeted groups. Furthermore, the grant committee does not note the kind of financial assistance, if any, the community is offering.

The formulas used on the funding application to determine the amount the project receives are reasonable, but often costs are inflated. If the actual cost of infrastructure improvements is less than the cost-benefit target, the grant process actually creates an incentive for the business to inflate infrastructure or training needs in order to meet the target.

Commitment of Funds

There are two issues regarding the commitment of grant funds. First, the point at which funds are committed (subtracted from the annual appropriation) is unclear. Funds are supposed to be subtracted from the appropriation when funds are listed as committed. However, funds are sometimes committed when a project is on the prospect list or has grant committee approval. Funds are even committed as part of the bargaining process with companies, well in

advance of completion of the grant application. The second issue is the over-commitment of funds by the department. The General Assembly has stated its intent that new TIIP/ITS commitments not exceed appropriations. (See Appendix B.) However, because some grants go unclaimed, the General Assembly has authorized the department, subject to the concurrence of the State Funding Board, to over-commit by up to 30 percent of “appropriations available for new grants.” It is unclear whether the department is thereby authorized to exceed its *annual appropriation* by 30 percent, or to exceed its *uncommitted fund balance* by 30 percent.

In July 1996, 62 companies had failed to utilize \$14 million in grants (18 percent of total TIIP/ITS funds). Funds had been committed to the majority of these companies for at least one year, though some had been outstanding since 1990.³¹ The commissioner has instituted a more restrictive “use it or lose it” policy in an attempt to reduce the confusion caused by unclaimed grants. The General Assembly, in order to assist the department in formulating policies for claiming grant funds and for over-committing grant funds, might choose to clarify legislative intent in these areas.

TIIP/ITS Relationship

Although TIIP and ITS coordinate their economic development efforts, continued improvement in communication between the two entities is needed. Efforts made by the department in 1995 to combine grant committee meetings with ITS and TIIP have helped. However, some minor communication problems still persist. According to ITS staff members, little coordination and communication existed between TIIP and ITS before the grant committee process began. When verifying expenditures and committed grant lists, ITS and TIIP still maintain separate project accounts. TIIP staff noted a lack of awareness of ITS funding. Since the commitment of funds has been a problem in the past, ITS and TIIP should be aware of each other’s financial status.

The Impact of the TIIP/ITS Program on Tennessee

Since its inception, the TIIP/ITS program has funded 712 infrastructure and training projects across the state (see Figure 6). TIIP and ITS grants have been awarded in 80 of the 95 counties in Tennessee (see Figure 7). The dollar amount of grants varies greatly. Since inception of the program in 1988, the median grant is approximately \$31,000. The average of all grants awarded is approximately \$100,000.³² From 1988 to 1995 the grant maximum was \$1 million. Beginning in FY 96 the grant maximum was lowered to \$750,000. For this period department data indicate that the median grant was approximately \$54,000 and the average grant \$87,300.³³ The average cost per job for TIIP is \$1,800.³⁴ ITS reports an average cost per job of between \$500 and \$700. To date, the maximum cost per job for a TIIP/ITS grant has been approximately \$16,000.³⁵ (See Appendix C for a listing of projects by county.)

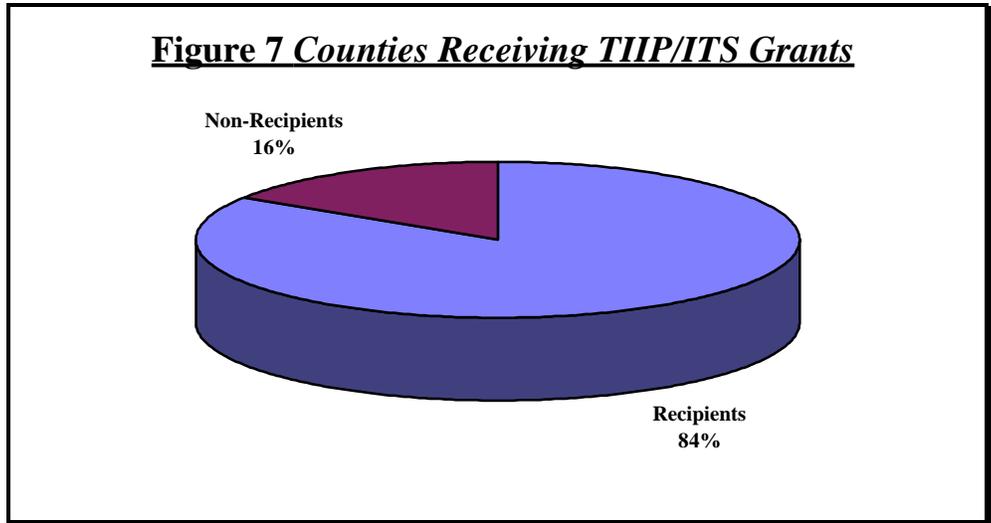
³¹These figures are according to the TIIP Projects Under Contract list, dated July 26, 1996.

³²See Appendix B, Public Acts of the 95th General Assembly, 1988 Session, Chapters 1037 and Public Acts of the 99th General Assembly, 1996 Session, Public Chapter 1083, Appropriations. From the inception of the program in 1988 until June, 1995, the grant maximum was \$1,000,000.

³³This figure was derived by information provided by the Department of Economic and Community Development.

³⁴TIIP funding breakdown by Philip Trauernicht, grant manager, Department of Economic and Community Development, 1988-1995.

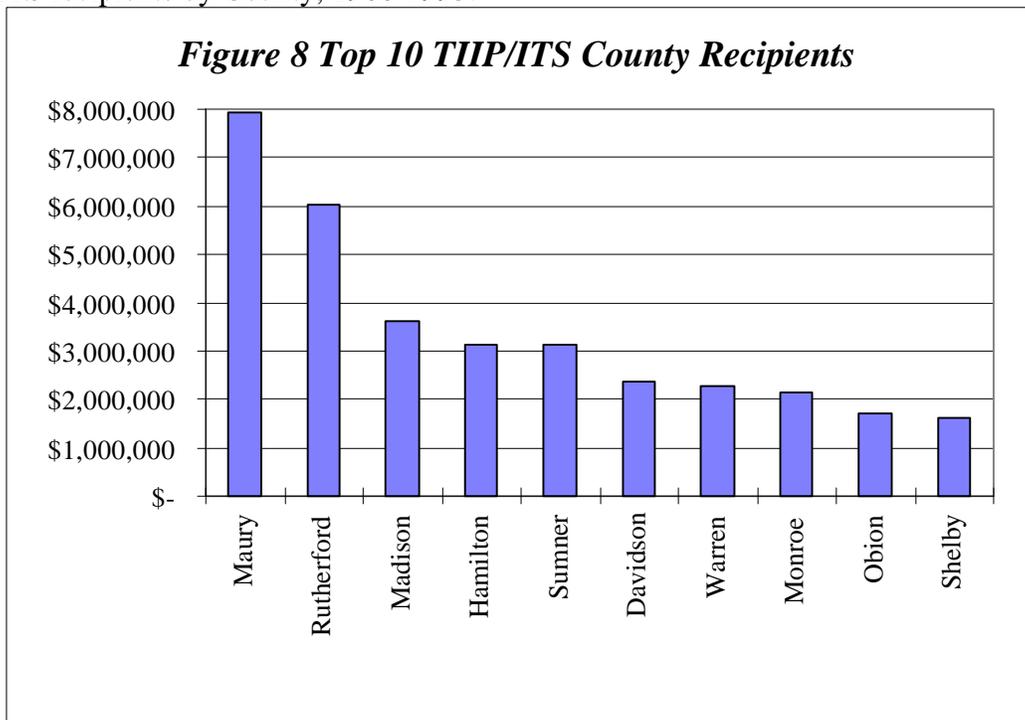
³⁵See Appendix C, Hamilton, NA Industries, p. 36.



Source: Information provided by the Department of Economic and Community Development.

Grant Distribution Among the Counties

While the majority of counties in Tennessee receive at least one grant, the grant dollar amounts vary. Counties such as Hamilton, Madison, and Maury have grants totaling \$3 million. Bledsoe, Crockett, and Grundy have received less than \$100,000 in grants since 1988. These three counties have been listed as distressed during the TIIP/ITS program. Figure 8 shows the 10 highest TIIP/ITS recipient counties. None of the counties are predominantly rural and only three out of the five major urban areas are in the top ten. Appendix J lists the remainder of the counties in comparison with their respective regions. Appendix C lists TIIP/ITS recipients by County, 1988-1995.



Source: Information provided by the Department of Economic and Community Development.

Grant Distribution Among Economically Distressed Counties

Discussion surrounding the passage of the 95 County Jobs program indicated that the purpose of the program was to provide infrastructure and job training assistance to communities. The legislation enabling the program makes no special provision for economically distressed counties. TIIP/ITS attempts to favor distressed counties by using the Ability-to Pay Index, created by the Center for Business and Economic Research at the University of Tennessee. The index adjusts the eligible grant amount according to a taxing jurisdiction's potential revenue, in effect allowing distressed counties to qualify for more assistance. As long as the grant amount is less than the maximum, a company would receive a larger grant for locating a project in a distressed county rather than in a county not on the distressed list. For large projects, however, where the grant amount equals the maximum (\$750,000), there is no incentive for distressed counties. The incentive does not appear to affect business location decisions. Only eight percent of TIIP/ITS grants have been awarded for projects in distressed counties.

Mid-sized towns and outlying commuter areas have received the bulk of TIIP/ITS grants. Since its inception in 1988, the TIIP/ITS program has funded 55 projects (eight percent of total projects) in distressed counties (see Figure 9). These projects account for 13 percent of total TIIP/ITS grant funds. While the number of economically distressed counties has fallen from 42 in 1988 to nine in 1995, in only one instance is there any indication of a possible causal relationship between project grants and a county's going off the distressed list.³⁶ Figure 9 shows grant distribution among distressed counties.

Figure 9 Distressed Counties Receiving TIIP/ITS Grants

Year	Distressed Counties	Distressed Counties Assisted by TIIP/ITS	Total Number of Projects in Distressed Counties
1988	42	5	6
1989	35	8	10
1990	33	2	2
1991	28	6	8
1992	24	6	7
1993	18	9	12
1994	11	4	11
1995	9	1	1

Source: Information provided by the Department of Economic and Community Development.

The top five highest grant recipient counties—Maury, Rutherford, Madison, Hamilton, and Sumner—are overall not the most populous counties in the state. For the most part, these ex-urban areas, which usually lie outside traditionally residential suburban areas, are where manufacturing companies have historically located (e.g., Rutherford, Sumner, and Maury

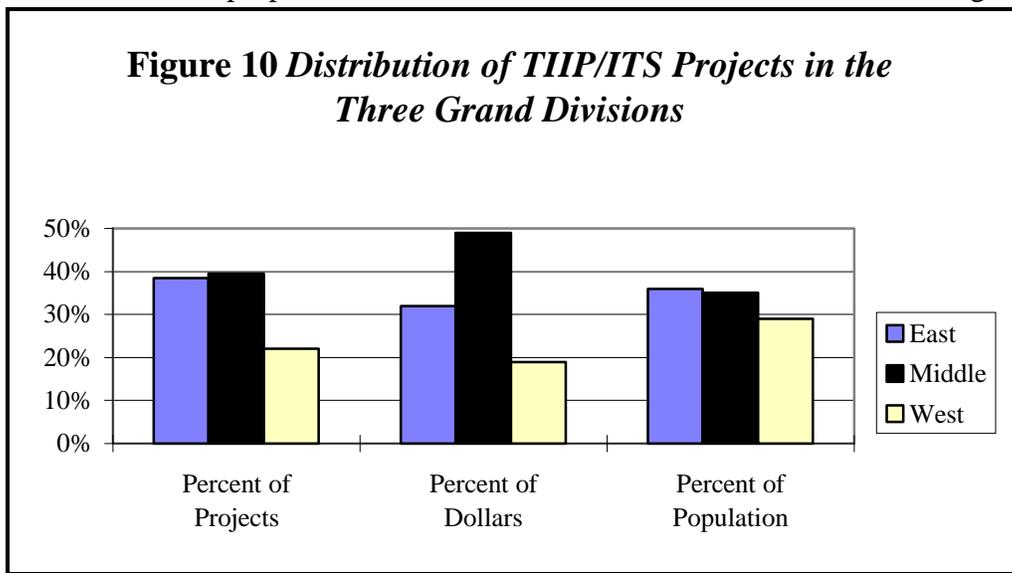
³⁶ Warren County presents the only case where there may be some correlation between TIIP/ITS grants and a county's going off the distressed list. In this case, almost \$2 million in grants were awarded in Warren County during a two year period (see Appendix K).

Counties). The fact that TIIP/ITS targets manufacturing industries may explain why the majority of grants are for projects that locate in this type of area. (See Appendix L for grant dollar amounts per capita.)

According to department figures, TIIP/ITS grants helped fund projects that created approximately 21,197 jobs from 1988 to 1993.³⁷ However, it is difficult to determine whether TIIP/ITS grants were crucial factors in the business location decisions that lead to the creation of these jobs. In most cases an incentive package, even of the maximum \$750,000, defrays only a small fraction of total relocation or expansion costs. It is reasonable to expect that smaller grants probably have even less effect on business location decisions. Half of the total number of grants from 1988-1995 were less than \$31,000.

Grant Distribution Among the Three Grand Divisions

The TIIP/ITS dollar distribution favors middle Tennessee over the other two regions. Figure 10 better explains the range in dollar distribution versus the population. Projects in middle Tennessee (35 percent of the state’s population) received 49 percent of grant dollars. Projects in east Tennessee (36 percent of the state’s population) received 32 percent of grant dollars. Projects in west Tennessee (29 percent of the state’s population) received 19 percent of grant dollars. The disproportion between middle Tennessee and the other two regions is



Source: Information provided by the Department of Economic and Community Development.

largely due to approximately \$7.9 million awarded for the Saturn project in Maury County and approximately \$4.5 million awarded for Nissan expansion projects in Rutherford County.³⁸ Madison and Hamilton counties have received the third and fourth largest grant dollar amounts, respectively.

Similar to the dollar distribution, project distribution favors middle Tennessee over the other two regions.³⁹ This can perhaps be explained by the number of parts suppliers that have located near the Nissan and Saturn plants. Figure 11 shows the project distribution and dollar

³⁷Report to Fiscal Review Committee, The Department of Economic and Community Development, August 22, 1996.

³⁸See Appendix C for list of TIIP/ITS recipients by county.

³⁹For a complete listing of the 95 counties in comparison with their grand division, see Appendix J.

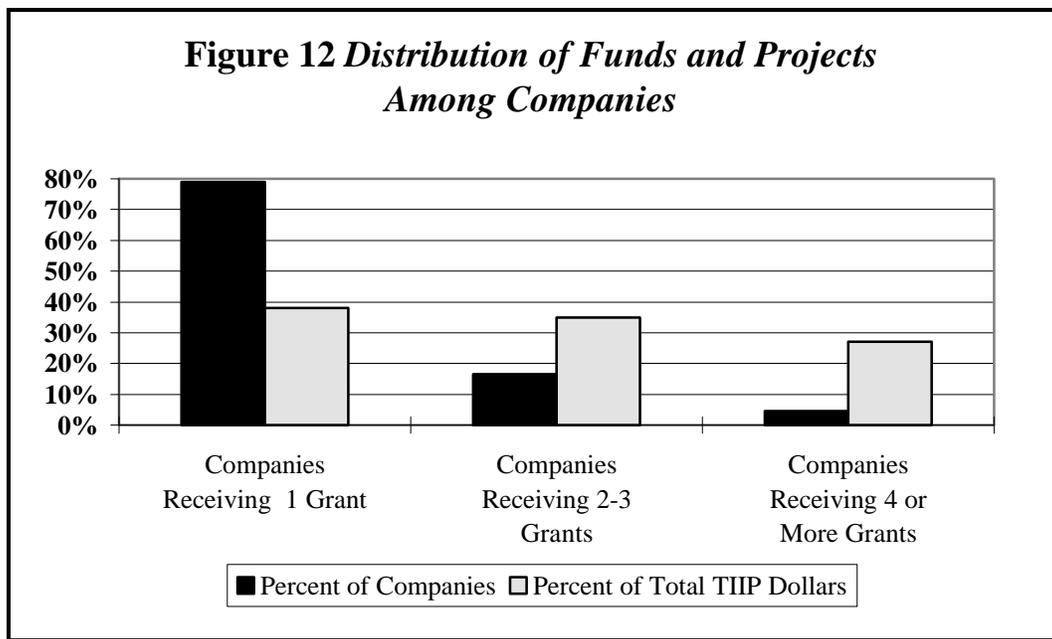
distribution compared to the population in the three regions. West Tennessee has the fewest projects, the least amount of dollars, (\$14,879,781.91), and also has the smallest population. Middle Tennessee and east Tennessee have similar populations but middle Tennessee has slightly more projects than east Tennessee. West Tennessee has considerably fewer projects (157) than the other two regions.

Figure 11 TIIP/ITS Variable Distribution in the Three Grand Divisions

Division	Number of Projects	Dollars per Region	Population	Dollars per Person
East	273	\$ 25,549,110.91	1,886,009	\$ 13.54
Middle	281	\$ 39,112,912.71	1,754,160	\$ 22.30
West	157	\$ 14,879,781.91	1,385,092	\$ 10.74
Total	711⁴⁰	\$ 79,541,805.53	5,025,261	\$ 15.83

Source: Information provided by the Department of Economic and Community Development

Some companies benefit more than others from the TIIP/ITS grant process (see Figure 12). It appears that the more a company applies and receives grants, the greater the likelihood that company will receive more money per grant. As Figure 12 indicates, companies receiving more than four grants have been awarded approximately one-fourth of the total TIIP/ITS funds. Thirty-two companies (4.5 percent) have secured \$21,479,392 (27 percent) of TIIP/ITS funds.



Source: Information provided by the Department of Economic and Community Development.

⁴⁰The actual number of projects committed or contracted is 712, one grant for a statewide project.

Legislative Alternatives

The members of the General Assembly may wish to consider some or all of the following alternatives with respect to the TIIP and ITS programs.

The General Assembly may wish to consider requiring the department to develop a long-term strategic plan for economic development in Tennessee. Because economic development can have far-ranging, and long-lasting, effects on the quality of life in the communities in which it occurs, the department should continually analyze the type of business enterprises recruited to the state. The General Assembly may wish to consider methods to promote a diverse, stable, balanced economy.

The General Assembly may wish to clarify the intent of the program. Current legislation governing the TIIP/ITS program does not provide explicit direction for administration of the program. The General Assembly may wish to specify the program's intent as an entitlement or an incentive, its focus on economically distressed areas, and its function within a statewide economic development strategy.

The General Assembly may wish to consider restructuring the TIIP/ITS program to ensure more accountability. Without well-defined accountability mechanisms in place, Tennessee puts itself in a position where companies could misuse the incentives offered. Other states have attempted to guarantee a reasonable return on their investments. Minnesota, for example, has developed a forgivable loan program in which a loan becomes a grant if the promised jobs are created. Other states employ such measures as forcing the company to pay back a portion of the loan for jobs promised but not created.

The General Assembly may wish to specify procedures for the obligation of TIIP/ITS funds. Such procedures might include: (1) the point at which funds are considered obligated; (2) the length of time for which funds may remain obligated but unused; (3) the amount by which the department may exceed appropriations; and (4) the need for decisions to be based upon a continuing analysis of TIIP/ITS projects.

Administrative Alternatives

The Department of Economic and Community Development should consider the following alternatives to improve the implementation of the TIIP and ITS programs.

The department should develop and articulate an overall strategic plan for economic development. The current guidelines for the administration of TIIP/ITS provide a general direction for economic development efforts, but lack a specific strategy. A comprehensive economic development strategy would provide a definite plan for the department to follow and would help to make decisions regarding grants. It should be designed to allow communities fuller participation in economic development efforts.

The department should establish more rigorous systems of accountability in TIIP/ITS projects. Currently, the only accountability measures in place for TIIP/ITS grants are voluntary surveys conducted by the department. The department should adopt more accountability standards to judge project performance. The department should verify job levels

with the Department of Employment Security and should include provisions making companies responsible for job creation in any contractual agreement.

The department should use information on individual projects to evaluate the effectiveness of TIIP/ITS grants. A selected sample of TIIP/ITS recipients (Figure 5) provides an example that could be used to make businesses accountable. For the businesses in this sample, 2,776 jobs were promised and 2,247 jobs were created. By requiring the federal identification number as a part of the grant application or tri-party agreement, the department could easily check employment levels. Tennessee currently employs an accountability system for those businesses that take advantage of the franchise tax incentive. The Department of Employment Security furnishes job data to the Department of Revenue, which verifies job creation for those companies that apply for franchise tax incentives.

The department should adopt measures of accountability used by other business incentive programs. Federal programs like the Community Development Block Grants (CDBG) require on-site visits to assess performance. Other incentives, such as the franchise tax credit administered by the Department of Revenue, use employment data from the Department of Employment Security to verify employment levels. Similar measures should be implemented in regard to TIIP/ITS grant recipients.

The department should evaluate grant recipients to determine their contribution to the state's economy. Currently, TIIP/ITS projects are counted as successful if they result in the creation of new jobs. However, the mechanisms currently in place for evaluating performance do not provide a sufficient analysis of the entire program. Job creation, cost per job and other factors should be reviewed. More thorough evaluations of projects' effects upon local and state economies, particularly in light of an overall economic development strategy, should help the department develop more efficient and effective incentive programs. If indeed TIIP/ITS grants are not significantly affecting business location and expansion decisions, then the department should consider redesigning TIIP/ITS from incentive-type programs to programs that more generally enhance the state's business climate.

ITS should involve the community in the grant process. Although the community may be involved in the awarding of an ITS grant, department policies do not mandate that the community be a part of the tri-party agreement. According to department policies, TIIP is required to involve the community as well as the company in the grant process, while ITS deals only with the company. ITS should make every effort to utilize community facilities and the capabilities of community residents in the training process.

The department should increase its efforts to communicate with communities. The relationship between the state and the local communities needs to be strengthened. The department needs to keep communities apprised of what businesses expect and require, and to inform communities of their infrastructure and training needs. Communities need to be explicitly informed of their role as the 'watchdog' for grant recipients. Formal, regular meetings between development groups (public and private) and representatives of the department would improve the flow of information to and from the department. The newly-created department regional offices should serve as information liaisons between communities and the department. The department should communicate regularly with economic research

centers throughout the state for assistance in articulating a marketing strategy that is based upon a more precise analysis of the state and national economies.⁴¹ Communities should also be made aware of any overall economic development strategy so that they can market themselves according to that strategy.

The department should consider the impact of its marketing strategy upon the stability of the state's economy. When making location decisions, businesses usually complete a comprehensive analysis of various regions. They study many elements including the geographic location, the proximity to interstates, the skills and wage demands of the workforce, educational systems, and cultural amenities. States need to apply the same type of analysis of their own economies to produce a precise plan of action, yet still be flexible enough to respond to businesses outside the scope of the plan if necessary.

⁴¹There are such centers at the University of Tennessee–Knoxville, the University of Memphis, and Middle Tennessee State University.

Appendix A

Persons Interviewed

Steve Adams
State Treasurer
Department of Treasury

Mike Magill
Director of Business/Industry & Federal
Government Relations
Tennessee Board of Regents

Allan Barron
Analyst for the Finance, Ways, and
Means Committee
Comptroller of the Treasury

Mike McGuire
Director of Grants and Loans
Economic and Community Development

Tim Bartik
Economist
Upjohn Institute

Amy Mitchell
Loan Officer
Economic and Community Development

Donna Bruce
Accounting Manager of ITS
Economic and Community Development

Mike Ohlman
Loan Officer
Economic and Community Development

William Dunavant
Commissioner
Economic and Community Development

Bob Parsons
Director of Industrial Training Service
Economic and Community Development

Carolyn Hirschi
Accounting Manager for TIIP
Economic and Community Development

Philip Trauernicht
Loan Program Manager
Economic and Community Development

Cathy Holland
Director of Marketing
Economic and Community Development

Doug Williams
Economic Development Director
South Central Tennessee Development
District

Representative Matthew Kisber
Chair
Business Tax Study Committee

Joe Max Williams
Executive Director
South Central Tennessee Development
District

Paula Lovett
Grants Program Manager
Economic and Community Development

Wayne Williams
Director of Local Finance
Comptroller of the Treasury

Appendix B

Legislation Governing the TIIP/ITS Program

The Public Acts of 95th General Assembly, 1988 Session, Chapter 1037, Appropriations

Section 40. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. In Sections 1 and 38 of this act, there is appropriated to the Department of Economic and Community Development (ECD) a sum of fifty-five million dollars (\$55,000,000) for the purpose of making grants and loans to local governments and businesses for job creation and /or retention, the “95 County Jobs Program.” Five million dollars (\$5,000,000) shall become available upon enactment of this bill. The remaining fifty million dollars (\$50,000,000) shall become available July 1, 1988. Neither sum shall revert to the General Fund at the expiration of any fiscal year, but shall remain available until expended.

These funds shall be use for industrial training and industrial infrastructure under the following provisions:

1. A grant or loan will be made only where there is a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs.
2. Eligible businesses shall be limited to a) manufacturing and other types of economic activities which export more than half of their product or service outside of Tennessee, b) businesses where more than half of their product or services enters into the production of exported products, c) uses which primarily result in import substitution or the replacement of imported products or services with those produced in Tennessee, d) other types of economic activity determined by the Commissioner of ECD to have a beneficial impact on the economy of Tennessee.
3. Grants or loans may be made to local governments, other political subdivisions of the state, or eligible businesses for industrial infrastructure (water service, wastewater service, rail service, etc.) and for industrial site preparation (grading, leveling, drainage improvements, etc.) where such expenditures are required to secure the locations, expansion, or retention of an eligible business. In determining the form of the assistance the department shall consider whether the improvement will be of general community benefit (in which case the assistance shall be a loan).
4. Grants may be made to eligible businesses for industrial training under the following conditions: a) to support the training of new employees for locating or expanding industries, b) to support the retraining of existing employees where retraining is required by the installation of new machinery or production processes.
5. In determining the level of grant assistance for infrastructure and site preparation consideration shall be given to local ability to pay with areas of lesser ability

being eligible for higher grant rates. In no case shall the maximum infrastructure grant exceed one million dollars (\$1,000,000).

The department shall report periodically to the General Assembly on the status of the program funds.ⁱ

**Public Acts of 99th General Assembly, 1996 Session,
Public Chapter 1083, Appropriationsⁱⁱ**

Section 32. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it. *The unexpended appropriations made to the Department of Economic and Community Development (ECD) for the purpose of making grants and loans to local governments and businesses for job creation and/or retention are subject to reversion to the general fund balance at June 30, 1996. Subject to the availability of revenue, the Commissioner of Finance and Administration is authorized to carry forward any unexpended balance or transfer any part of the unexpended balance to the Revenue Fluctuation Reserve at June 30, 1996. The Commissioner shall report to the Chairmen of the Finance, Ways, and Means Committees of the Senate and House of Representatives the disposition of the unexpended appropriations.*

In the 1996-97 fiscal year it is the legislative intent that new commitments made by the Commissioner of Economic and Community Development for grants in the TIIP program and industrial training service program shall not exceed the appropriations made for those purposes in Section 1 of this act.ⁱⁱⁱ The commissioner is authorized, subject to the concurrence of the State Funding Board, to determine that amount of new commitments unlikely to be accepted based on the historical program trends and may over-commit to the extent of such determination. In no event may such over-commitments exceed thirty percent (30%) of the appropriations available for new grants. It is further the legislative intent that in the 1996-97 fiscal year the TIIP program and the industrial training program be managed so that actual expenditures and obligations to be recognized at June 30, 1997 shall not exceed any available reserves and appropriations of the programs.

No less frequently than quarterly, the Commissioner of Economic and Community Development shall report to the Commissioner of Finance and Administration the status of the TIIP and industrial training service appropriation, such report to include at least the following information: the amount of each commitment accepted since the previous report and the name of the company receiving the benefit of such commitment, the total outstanding commitments and the total unobligated appropriation. A copy of each such report shall be transmitted to the chairmen of the Finance, Ways, and Means committees upon receipt by the Commissioner of Finance and Administration.

At least three (3) days prior to the disbursement of funds in connection with a TIIP or industrial training service grant, the Commissioner of Economic and Community Development shall notify the House and Senate member of the district in which such grant will be used.

No single grant shall be made for more than seven hundred fifty thousand thousand dollars (\$750,000) nor shall any grant obligate funds for more than one year. This provision shall apply appropriations received after June 15, 1995.

These funds shall be used for industrial training and industrial infrastructure under the following provisions:

1. A grant or loan will be made only where there is a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs.

2. Eligible businesses shall be limited to a) manufacturing and other types of economic activities which export more than half of their product or service outside of Tennessee, b) businesses where more than half of their product or services enters into the production of exported products, c) uses which primarily result in import substitution or the replacement of imported products or services with those produced in Tennessee, d) other types of economic activity determined by the Commissioner of ECD to have a beneficial impact on the economy of Tennessee.

3. Grants or loans may be made to local governments, other political subdivisions of the state, or eligible businesses for industrial infrastructure (water service, wastewater service, rail service, etc.) and for industrial site preparation (grading, leveling, drainage improvements, etc.) where such expenditures are required to secure the locations, expansion, or retention of an eligible business. In determining the form of the assistance the department shall consider whether the improvement will be of general community benefit (in which case the assistance shall be a loan).

4. Grants may be made to eligible businesses for industrial training under the following conditions: a) to support the training of new employees for locating or expanding industries, b) to support the retraining of existing employees where retraining is required by the installation of new machinery or production processes.

5. In determining the level of grant assistance for infrastructure and site preparation consideration shall be given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates. In no case shall the maximum infrastructure grant exceed seven hundred fifty thousand dollars (\$750,000) nor shall any grant obligate funds for more than one (1) year. This provision shall apply to applications received after June 15, 1995.

The Commissioner of Finance and Administration is authorized to transfer a sum sufficient to the Division of Community Development and to the Industrial Training Service to provide for grants made under those programs.

ⁱ This excerpt, section 40 of the 1988 Appropriations bill enacts the Tennessee Industrial Infrastructure Program. The program is administered and regulated according to this legislation.

ⁱⁱ Changes to the 1988 Appropriations bill will be noted in *italics*.

ⁱⁱⁱ Section 1 states that \$10,000,000 dollars is allocated for the 95 County Jobs Program, currently known as the Tennessee Industrial Training Program, for the 1996-1997 fiscal year.

Appendix C

TIIP/ITS Recipients Listed by County, 1988-1995

County	Company	Amount	Year
Anderson	Appalachia Homes	\$ 48,425.00	1995
Anderson	Benton Plastics	\$ 12,000.00	1994
Anderson	Carton Service Inc	\$ 4,482.92	1995
Anderson	Carton Service Inc	\$ 100,000.00	1994
Anderson	Clayton Homes	\$ 537,461.00	1993
Anderson	Coors Technical Ceramics	\$ 4,119.72	1991
Anderson	Coors Technical Ceramics	\$ 3,856.71	1992
Anderson	DH Compounding	\$ 12,836.25	1991
Anderson	DH Compounding	\$ 9,259.25	1993
Anderson	DH Compounding	\$ 9,766.00	1992
Anderson	DH Compounding	\$ 430,732.00	1990
Anderson	Food Lion	\$ 15,575.00	1991
Anderson	Hertel Cutting Technologies	\$ 33,640.70	1991
Anderson	Modine Mfg Co	\$ 13,500.00	1991
Anderson	Modine Mfg Co Expansion	\$ 5,400.00	1991
Anderson	Modine Mfg Co Expansion	\$ 14,400.00	1992
Anderson	Tri-Cty Tube Corp	\$ 2,280.00	1994
Anderson	Tri-Cty Tube Corp	\$ 25,614.53	1995
	TOTAL	\$ 1,283,349.08	
Bedford	National Pen Corp	\$ 9,070.49	1992
Bedford	Paramount Packaging Exp	\$ 3,706.82	1992
Bedford	Paramount Packaging	\$ 323,114.00	1993
Bedford	Shelbyville Alloys/Alacn Recycling	\$ 6,584.30	1991
	TOTAL	\$ 342,475.61	
Benton	Jones Plastic & Eng	\$ 371,840.00	1994
	TOTAL	\$ 371,840.00	
Bledsoe	Excel Systems Inc	\$ 11,274.00	1995
Bledsoe	Hubbard Co	\$ 75,000.00	1995
	TOTAL	\$ 86,274.00	
Blount	Allied Signal Inc	\$ 24,014.00	1994
Blount	Burruss Co	\$ 9,512.00	1993
Blount	Fawn Industries, Inc	\$ 6,580.50	1995
Blount	Nippondenso "Project A"	\$ 239,000.00	1991
Blount	Nippondenso "Project C"	\$ 18,800.00	1993
Blount	Nippondenso "Project C"	\$ 71,626.00	1994
Blount	Nippondenso "Project E"	\$ 204,000.00	1991
Blount	Nippondenso Co.	\$ 500,000.00	1989

County	Company	Amount	Year
Blount	Pellissippi State Tech/Nippondenso	\$ 118,216.20	1991
Blount	Polymore Circuit Tech	\$ 13,264.90	1994
Blount	Rubbermaid Office Exp	\$ 675.00	1994
Blount	Rubbermaid Office Exp	\$ 17,640.00	1992
Blount	Rubbermaid Office Exp	\$ 900.00	1993
Blount	Schlegel Corporation	\$ 52,318.69	1991
Blount	Schlegel Corporation	\$ 20,130.00	1991
Blount	Schlegel Corporation	\$ 9,240.00	1994
Blount	Schlegel Corporation	\$ 16,740.00	1995
Blount	Schlegel Corporation Expansion #2	\$ 22,230.00	1992
Blount	Schlegel Corporation Expansion #2	\$ 42,500.00	1993
Blount	Schlegel Corporation Expansion #2	\$ 16,200.00	1995
Blount	Technical Rubber Products	\$ 3,739.90	1994
Blount	Technical Rubber Products	\$ 2,160.00	1995
	TOTAL	\$ 1,409,487.19	
Bradley	Amimex Corp	\$ 4,850.00	1992
Bradley	Associated Family Photo	\$ 16,087.90	1994
Bradley	Matlock Trailer	\$ 8,706.50	1991
Bradley	Newly Weds Food	\$ 26,104.82	1993
Bradley	Newly Weds Food	\$ 127,000.00	1992
Bradley	Permna Color	\$ 254,175.00	1994
Bradley	Peyton Warehouse (Kroger)	\$ 397,824.00	1994
	TOTAL	\$ 834,748.22	
Campbell	A & S Building Systems	\$ 100,000.00	1994
Campbell	Bushtec Mfg	\$ 2,205.84	1993
Campbell	Lincoln Brass Works	\$ 24,375.93	1991
Campbell	Pierre Frozen Foods	\$ 36,142.41	1993
Campbell	Pierre Frozen Foods	\$ 7,295.75	1994
	TOTAL	\$ 170,019.93	
Carroll	American Lantern	\$ 62,941.00	1989
Carroll	Associated Rubber	\$ 98,927.00	1989
Carroll	Chic by HIS Inc	\$ 170,000.00	1993
Carroll	H.I.S.	\$ 230,361.00	1988
Carroll	Noma	\$ 233,135.00	1988
	TOTAL	\$ 795,364.00	
Carter	JW Window Components Inc	\$ 225,500.00	1994
	TOTAL	\$ 225,500.00	
Chester	Premier Mfg	\$ 214,800.00	1995
	TOTAL	\$ 214,800.00	
Claiborne	England Corsair, Inc	\$ 282,748.00	1989

County	Company	Amount	Year
	TOTAL	\$ 282,748.00	
Clay	Salem Visor Interiors	\$ 117,000.00	1994
	TOTAL	\$ 117,000.00	
Cocke	GLI Inc.	\$ 750,000.00	1988
Cocke	Spring Arbor Distributors	\$ 15,500.00	1992
Cocke	Spring Arbor Distributors	\$ 32,500.00	1993
Cocke	Spring Arbor Distributors	\$ 493,950.00	1994
	TOTAL	\$ 1,291,950.00	
Coffee	Abbott and Co.	\$ 13,592.16	1992
Coffee	Cubic Precision	\$ 195,140.00	1993
Coffee	RC City	\$ 23,934.00	1992
Coffee	Volunteer Engineering, Inc	\$ 127,946.00	1995
	TOTAL	\$ 360,612.16	
Crockett	ABB Power T&D Co	\$ 2,305.00	1993
Crockett	ABB Power T&D Co	\$ 2,240.50	1994
Crockett	ABB Power T&D Co	\$ 15,976.72	1995
	TOTAL	\$ 20,522.22	
Cumberland	AristoKraft	\$ 11,480.00	1991
Cumberland	AristoKraft, Indian Summer	\$ 1,000,000.00	1988
Cumberland	Dana Corporation	\$ 14,229.24	1991
Cumberland	Dana Corporation	\$ 23,012.00	1992
	TOTAL	\$ 1,048,721.24	
Davidson	Aqua Bath Co	\$ 9,000.00	1994
Davidson	Bankers Trust Co	\$ 25,708.80	1992
Davidson	Bankers Trust Co	\$ 25,680.00	1993
Davidson	BMI-Sony Tree	\$ 238,771.00	1993
Davidson	Brandau Craig Dickerson	\$ 134,925.00	1993
Davidson	Caterpillar Financial Services	\$ 12,607.10	1992
Davidson	CNI	\$ 120,000.00	1995
Davidson	Equicor Inc	\$ 16,479.00	1991
Davidson	FFV Aerotech	\$ 90,513.41	1991
Davidson	FFV Aerotech	\$ 115,126.00	1992
Davidson	FFV Aerotech	\$ 39,007.00	1993
Davidson	FFV Aerotech	\$ 30,000.00	1994
Davidson	FFV Aerotech	\$ 91,447.00	1990
Davidson	Ford Motor Co	\$ 50,000.00	1993
Davidson	Ford Motor Co	\$ 50,000.00	1994
Davidson	Impact Telemarketing	\$ 6,029.50	1994
Davidson	Ingram Industries	\$ 92,832.56	1994
Davidson	Lockheed Support Systems	\$ 48,896.92	1993

County	Company	Amount	Year
Davidson	MacMillan Bloedel	\$ 210,000.00	1994
Davidson	Mid South Press Corp	\$ 225,000.00	1994
Davidson	Nashville State Tech (ITS trainers)	\$ 55,413.75	1991
Davidson	Nashville State Tech (ITS trainers)	\$ 50,730.00	1992
Davidson	Nashville State Tech (ITS trainers)	\$ 59,970.77	1993
Davidson	Nashville State Tech (ITS trainers)	\$ 23,469.66	1994
Davidson	Oscar Mayer Foods Corp	\$ 10,793.23	1991
Davidson	Peterbilt Motors Co	\$ 50,464.92	1994
Davidson	Porcelain Ind	\$ 20,062.50	1992
Davidson	Primus Auto Service	\$ 18,172.00	1992
Davidson	Roadway Package Service	\$ 250,000.00	1995
Davidson	Sparrow	\$ 7,059.65	1991
Davidson	Teijin-Dupont Films	\$ 28,011.18	1994
Davidson	West Rents	\$ 125,056.00	1994
Davidson	Wright Industries Inc	\$ 24,480.00	1994
	TOTAL	\$ 2,355,706.95	
Decatur	Eaton, Monroe Co, DM III	\$ 461,318.00	1989
Decatur	Raney & Raney Construction	\$ 88,580.00	1993
Decatur	Riverside Packaging	\$ 2,097.12	1991
	TOTAL	\$ 551,995.12	
DeKalb	James River Corp	\$ 7,399.92	1994
DeKalb	James River Corp	\$ 3,547.06	1995
DeKalb	Regal Marine	\$ 177,200.00	1988
DeKalb	SW Manufacturing	\$ 172,579.00	1991
DeKalb	Star Mfg International	\$ 143,645.00	1995
DeKalb	Star Mfg International	\$ 5,956.00	1991
DeKalb	SW Manufacturing	\$ 16,935.36	1991
DeKalb	SW Manufacturing	\$ 7,000.00	1992
DeKalb	Walker Mfg	\$ 13,861.99	1994
DeKalb	Walker Mfg	\$ 35,421.00	1995
	TOTAL	\$ 583,545.33	
Dickson	AG Simpson Co	\$ 38,740.50	1994
Dickson	AG Simpson Co	\$ 26,473.00	1995
Dickson	AG Simpson Co	\$ 300,000.00	1993
Dickson	Amhil Enterprises LTD	\$ 241,202.00	1995
Dickson	CECO Entry Systems	\$ 33,756.00	1992
Dickson	CECO Entry Systems	\$ 4,975.00	1995
Dickson	CECO Entry Systems	\$ 131,400.00	1991
Dickson	Fiesta Barbeques	\$ 7,067.48	1994
Dickson	Fiesta Barbeques	\$ 210,000.00	1993

County	Company	Amount	Year
Dickson	IMAC	\$ 133,398.00	1992
Dickson	Integrated Mosaic Ceramic	\$ 3,300.00	1992
Dickson	Integrated Mosaic Ceramic	\$ 65,562.10	1993
Dickson	Lexalite International	\$ 74,480.00	1993
Dickson	Sumiden Wire	\$ 102,174.00	1989
Dickson	Sumiden Wire	\$ 4,587.14	1991
	TOTAL	\$ 1,377,115.22	
Dyer	Boston-Dana Corp	\$ 147,549.00	1993
Dyer	Caterpillar	\$ 184,950.00	1995
Dyer	Colonial Rubber Works	\$ 350,000.00	1994
Dyer	Dana Corp Boston Weat Division	\$ 14,780.50	1994
Dyer	Dana Corp Boston Weat Division	\$ 12,490.00	1995
Dyer	Dyersburg Fabrics	\$ 184,088.00	1993
Dyer	G-III Mfg Apparel	\$ 4,000.00	1994
Dyer	Royal Plastics	\$ 175,000.00	1995
Dyer	RR Donnelly and Sons	\$ 14,070.96	1993
Dyer	RR Donnelly and Sons	\$ 8,865.00	1994
Dyer	World Color Press	\$ 279,511.00	1994
Dyer	World Color Press Exp	\$ 32,506.80	1993
Dyer	World Color Press Exp	\$ 84,856.90	1995
	TOTAL	\$ 1,492,668.16	
Fayette	Hurdle Machine	\$ 159,128.00	1995
Fayette	Mrs. Smith's Frozen Foods	\$ 34,647.00	1993
	TOTAL	\$ 193,775.00	
Franklin	CKR Industries	\$ 16,708.00	1992
Franklin	CKR Industries	\$ 1,000,000.00	1992
Franklin	Del-Met Winchester	\$ 15,152.26	1993
Franklin	Del-Met Winchester	\$ 11,610.00	1994
	TOTAL	\$ 1,043,470.26	
Gibson	All Steel Inc	\$ 44,251.88	1994
Gibson	All Steel Inc	\$ 104,104.00	1994
Gibson	Devilbiss Health Care	\$ 6,360.60	1991
Gibson	Dominion Controls Co. Exp	\$ 9,839.76	1994
Gibson	Emerson Motor	\$ 2,532.00	1993
Gibson	Emerson Motor	\$ 16,980.00	1994
Gibson	Emerson Motor	\$ 23,025.00	1995
Gibson	Emerson Motor	\$ 377,328.00	1994
Gibson	King Technologies	\$ 59,848.00	1993
Gibson	Maycor Appl. Parts & Service	\$ 528,196.00	1988
Gibson	Trenton Mills/Dyersburg Fabric	\$ 5,000.00	1991

County	Company	Amount	Year
	TOTAL	\$ 1,177,465.24	
Giles	Avex Electronics	\$ 32,900.00	1993
Giles	Avex Electronics	\$ 138,828.00	1993
Giles	Bardcor Corp	\$ 11,629.72	1993
Giles	Gabriel Ride Control	\$ 43,256.16	1994
Giles	Gabriel Ride Control	\$ 500,000.00	1993
Giles	Johnson Controls	\$ 484,237.00	1989
Giles	Johnson Controls/Pulsaki	\$ 13,890.00	1991
Giles	Keanall Products	\$ 3,610.00	1995
Giles	Oakwood Homes Corporation	\$ 23,906.93	1995
Giles	Oakwood Homes Corporation	\$ 223,866.00	1994
Giles	Square D Co	\$ 8,837.00	1993
	TOTAL	\$ 1,484,960.81	
Greene	BTL Industries	\$ 6,700.00	1993
Greene	BTL Industries	\$ 21,200.00	1994
Greene	DeJay Corp	\$ 4,320.00	1991
Greene	Doehler-Jarvis	\$ 9,132.00	1995
Greene	Greeneville City School System (Magnovox)	\$ 13,955.96	1991
Greene	Greeneville City School System (Magnovox)	\$ 44,241.00	1991
Greene	Greeneville City School System (Phillips)	\$ 23,399.58	1994
Greene	Greeneville City School System (Phillips)	\$ 24,369.49	1995
Greene	Greeneville Industries	\$ 62,444.00	1991
Greene	J & N Industries	\$ 1,046.10	1991
Greene	Orangeburg Industries	\$ 44,180.00	1994
Greene	Orangeburg Industries	\$ 5,704.00	1995
Greene	Packaging Services	\$ 367.92	1995
Greene	Philips Consumer Electric Corp	\$ 100,000.00	1990
Greene	SuperiorBus/Adv. Instruments	\$ 214,373.00	1991
Greene	Tonka Coolers South	\$ 20,513.80	1993
Greene	Wal-Mart Stores, Inc	\$ 1,000,000.00	1995
	TOTAL	\$ 1,595,946.85	
Grundy	Robinson Mfg Co	\$ 12,336.00	1993
	TOTAL	\$ 12,336.00	1993
Hamblen	Berkline	\$ 100,000.00	1993
Hamblen	Form Rite Corporation	\$ 952.00	1991
Hamblen	Form Rite Corporation	\$ 727.50	1992
Hamblen	Form Rite Corporation	\$ 9,360.00	1995
Hamblen	JW Allen Co	\$ 13,415.00	1993
Hamblen	JW Allen Co	\$ 7,676.47	1994
Hamblen	Kalitta Flying Service	\$ 97,980.00	1991

County	Company	Amount	Year
Hamblen	Lenzing Fibers Corp	\$ 6,179.73	1993
Hamblen	Lenzing Fibers Corp	\$ 20,518.92	1994
Hamblen	Lenzing Fibers Corp	\$ 24,000.00	1995
Hamblen	Morrill Press	\$ 35,692.30	1993
Hamblen	Morrill Press	\$ 9,300.00	1994
Hamblen	Morrill Press	\$ 190,000.00	1992
Hamblen	Timet	\$ 35,855.99	1991
Hamblen	Toyoda/TRW	\$ 57,883.50	1991
Hamblen	Toyoda/TRW	\$ 13,000.00	1992
Hamblen	Toyoda/TRW	\$ 100,000.00	1989
Hamblen	Toyoda/TRW	\$ 42,540.00	1994
Hamblen	Tuff Torq Corp	\$ 19,720.00	1991
Hamblen	Tuff Torq Corp	\$ 4,880.00	1994
Hamblen	Wallace Hardware	\$ 115,000.00	1995
Hamblen	Williamhouse Regency	\$ 155,000.00	1995
	TOTAL	\$ 1,059,681.41	
Hamilton	Advanced Vehicle Systems	\$ 8,169.00	1993
Hamilton	Dupont Fibers	\$ 14,400.00	1995
Hamilton	EI DuPont deNemours & Co	\$ 971,176.00	1995
Hamilton	Elcat, Inc	\$ 103,020.00	1995
Hamilton	Gibraltar Steel	\$ 6,253.00	1995
Hamilton	Gibraltar Steel	\$ 387,022.00	1993
Hamilton	Lora Lee Knitting, Inc	\$ 142,208.00	1994
Hamilton	McKee Foods	\$ 284,393.00	1995
Hamilton	McKee Foods	\$ 146,025.00	1995
Hamilton	NA Industries	\$ 500,000.00	1994
Hamilton	Norton Co	\$ 87,532.00	1995
Hamilton	Ooltewah Spec/Shoffner/Harris	\$ 130,515.00	1989
Hamilton	Siskin Steel	\$ 100,000.00	1994
Hamilton	Sofix Corporation	\$ 27,736.77	1992
Hamilton	Turnbull Bakeries	\$ 18,650.00	1995
Hamilton	Wheland Foundry	\$ 32,780.00	1993
Hamilton	Wheland Foundry	\$ 30,205.00	1994
Hamilton	Wheland Foundry	\$ 5,200.00	1995
Hamilton	Wheland Foundry	\$ 143,045.00	1994
	TOTAL	\$ 3,138,329.77	
Hancock	Special Building	\$ 500,000.00	1994
	TOTAL	\$ 500,000.00	
Hardeman	Harman Auto Inc	\$ 50,470.00	1993
Hardeman	Harman Auto Inc	\$ 49,722.00	1994

County	Company	Amount	Year
Hardeman	ICE Inc	\$ 4,600.00	1994
Hardeman	Kellogg & Associates	\$ 74,502.00	1990
	TOTAL	\$ 179,294.00	
Hardin	Bailey House	\$ 7,200.00	1993
Hardin	Bailey House	\$ 27,650.00	1992
Hardin	Clayton Homes	\$ 251,233.00	1995
Hardin	Industrial Development Corp	\$ 352,474.00	1990
Hardin	Pinnacle Corp	\$ 20,000.00	1993
	TOTAL	\$ 658,557.00	
Hawkins	Capisa-Form Rite	\$ 402,482.00	1990
Hawkins	Form Rite Corporation	\$ 268,000.00	1995
Hawkins	Form Rite Corporation	\$ 12,159.18	1991
Hawkins	Form Rite Corporation	\$ 4,061.49	1992
Hawkins	Form Rite Corporation	\$ 8,851.26	1993
Hawkins	Form Rite Corporation	\$ 6,001.29	1994
Hawkins	Form Rite Corporation	\$ 4,412.34	1995
Hawkins	Kingston-Warren, Contour & MIS	\$ 123,072.00	1989
Hawkins	O'Dell Industries	\$ 13,493.91	1993
Hawkins	O'Dell Industries	\$ 116,481.00	1992
Hawkins	Reliance Electric	\$ 1,457.00	1994
Hawkins	Reliance Electric	\$ 7,881.00	1995
	TOTAL	\$ 968,352.47	
Haywood	Cub Cadet	\$ 4,335.09	1994
Haywood	Dynamark	\$ 155,000.00	1995
	TOTAL	\$ 159,335.09	
Henderson	Harding Machine Exp	\$ 7,060.00	1995
Henderson	United Technologies Auto	\$ 9,328.00	1992
Henderson	United Technologies Auto	\$ 2,400.00	1993
Henderson	Young Radiator Co Exp	\$ 31,305.80	1992
	TOTAL	\$ 50,093.80	
Henry	American Colloid	\$ 102,045.00	1994
Henry	Atlantic Concord Homes	\$ 11,970.00	1995
Henry	Emerson Electric	\$ 400,000.00	1992
Henry	Emerson Electric	\$ 50,838.74	1993
Henry	Plumley-Marugo Ltd.	\$ 100,000.00	1989
Henry	Smithfield/West Ind	\$ 9,321.05	1993
	TOTAL	\$ 674,174.79	
Hickman	Accurate Arms Co, Inc	\$ 100,000.00	1994
Hickman	J & S Tool Co.	\$ 114,030.00	1995
Hickman	Signage, Inc	\$ 187,650.00	1993

County	Company	Amount	Year
Hickman	Univ.Fasteners, Weather Tamer	\$ 202,429.00	1989
	TOTAL	\$ 604,109.00	
Humphreys	Aqua Glass Corp	\$ 286,027.00	1994
Humphreys	Aqua Glass Corp	\$ 28,056.50	1994
Humphreys	Aqua Glass Corp	\$ 69,663.80	1995
Humphreys	DuPont Chemicals	\$ 256,000.00	1994
Humphreys	Nashville Wire	\$ 27,300.00	1995
Humphreys	Propper Int'l Sales	\$ 5,360.88	1994
	TOTAL	\$ 672,408.18	
Jefferson	Bayliner (Clayton Homes)	\$ 379,964.00	1988
Jefferson	Clayton Homes	\$ 12,149.76	1995
Jefferson	Clayton Homes	\$ 75,000.00	1995
Jefferson	Pinnacle Steel Processing	\$ 8,787.81	1995
Jefferson	Rittenhouse Label Co	\$ 52,670.00	1990
Jefferson	Rittenhouse Label Co	\$ 100,000.00	1995
Jefferson	The Steadley Company	\$ 47,452.00	1991
	TOTAL	\$ 676,023.57	
Johnson	Goode Furniture	\$ 6,300.00	1993
Johnson	Goode Furniture	\$ 6,000.00	1994
Johnson	N N Ball & Roller	\$ 75,000.00	1995
Johnson	Sara Lee Knit Products	\$ 14,507.78	1991
Johnson	Sara Lee Knit Products	\$ 13,310.00	1992
Johnson	Sara Lee Knit Products	\$ 20,728.51	1994
Johnson	Shelby Elastics of TN	\$ 26,491.00	1989
Johnson	Timberland Co	\$ 30,473.60	1994
	TOTAL	\$ 192,810.89	
Knox	Allied-Signal, Inc	\$ 100,000.00	1991
Knox	B & V Technology	\$ 84,105.66	1993
Knox	Bell and Howell Co	\$ 30,000.00	1993
Knox	Bonanza Produce Co.	\$ 113,500.00	1993
Knox	Carrier Corp/Allied Products	\$ 19,296.50	1991
Knox	Daikin	\$ 51,204.00	1995
Knox	Daikin Clutch	\$ 410,000.00	1994
Knox	HFS Brands Inc	\$ 1,400.00	1994
Knox	HFS Brands Inc	\$ 7,000.00	1995
Knox	Hospitality Franchise Systems	\$ 9,120.00	1992
Knox	Pellissippi State Tech	\$ 3,200.00	1994
Knox	The Travelers	\$ 7,816.96	1991
Knox	Thilmany Int'l Paper	\$ 33,866.29	1992
Knox	TRI-WENT Inc	\$ 500.00	1992

County	Company	Amount	Year
Knox	TRI-WENT Inc	\$ 600.00	1993
Knox	Whirlpool Corp	\$ 1,400.00	1992
Knox	Whirlpool Corp	\$ 4,900.00	1993
	TOTAL	\$ 877,909.41	
Lauderdale	C-Line and Tupperware	\$ 49,708.00	1988
Lauderdale	Duracraft Corp	\$ 18,791.80	1994
Lauderdale	Komatsu Dresser Co	\$ 17,643.00	1992
Lauderdale	Marvin Windows of TN	\$ 4,990.20	1993
Lauderdale	Todd Uniform	\$ 146,973.00	1989
Lauderdale	Todd Uniform	\$ 221,250.00	1991
	TOTAL	\$ 459,356.00	
Lawrence	Jones Apparel Group	\$ 159,232.00	1993
Lawrence	Jones Apparel Group	\$ 22,933.34	1994
Lawrence	Jones Apparel Group	\$ 4,280.00	1995
Lawrence	Murray Ohio Mfg Exp	\$ 20,457.50	1991
Lawrence	Murray Ohio Mfg Exp	\$ 65,470.00	1992
Lawrence	Murray Ohio Mfg Exp	\$ 53,254.46	1993
Lawrence	Murray Ohio Mfg Exp	\$ 57,015.67	1994
Lawrence	Southwestern Ohio Steel	\$ 195,125.00	1993
Lawrence	Tridon, Inc	\$ 306,442.00	1991
Lawrence	Tridon, Inc.	\$ 112,136.72	1991
Lawrence	Tridon, Inc.	\$ 16,320.00	1992
	TOTAL	\$ 1,012,666.69	
Lincoln	Amana Refrigeration, Inc	\$ 52,127.00	1994
	TOTAL	\$ 52,127.00	
Loudon	AE Staley Mfg Co	\$ 36,494.16	1992
Loudon	American Honda	\$ 259,000.00	1995
Loudon	Kimberly-Clark Corporation	\$ 276,006.00	1989
Loudon	Kimberly-Clark Corporation	\$ 37,000.00	1991
Loudon	Kimberly-Clark Corporation	\$ 85,274.00	1992
Loudon	WYKO Inc	\$ 7,262.55	1991
	TOTAL	\$ 701,036.71	
Macon	Carter Automotive	\$ 5,197.50	1991
Macon	Racoe, Inc	\$ 133,911.00	1995
Macon	Stitches, Inc	\$ 673,566.00	1990
	TOTAL	\$ 812,674.50	
Madison	All Steel Inc	\$ 17,373.00	1991
Madison	All Steel Inc	\$ 6,714.00	1992
Madison	All Steel Inc	\$ 29,537.00	1994
Madison	All Steel Inc	\$ 46,500.00	1994

County	Company	Amount	Year
Madison	Alumax	\$ 1,000,000.00	1994
Madison	Alumax	\$ 69,676.15	1995
Madison	Ameridyne	\$ 154,052.00	1994
Madison	Brand Rex Corporation	\$ 96,555.00	1991
Madison	Brand-Rex Corporation	\$ 12,960.50	1991
Madison	Brand-Rex Corporation	\$ 61,428.75	1992
Madison	Delta Faucet	\$ 88,125.00	1995
Madison	Delta Faucet	\$ 1,000,000.00	1994
Madison	Devilbiss Air Power	\$ 24,345.92	1992
Madison	Devilbiss Air Power	\$ 12,563.00	1995
Madison	Florida Steel Corporation	\$ 5,937.00	1991
Madison	Jackson Appliance Co	\$ 24,121.12	1992
Madison	Jackson Appliance Co	\$ 19,820.00	1993
Madison	Jackson Automotive	\$ 6,150.00	1994
Madison	James River Corp	\$ 7,236.73	1995
Madison	Kerr Glass MFG Corp	\$ 31,880.00	1991
Madison	Kerr Glass MFG Corp	\$ 13,215.00	1992
Madison	Kerr Glass MFG Corp	\$ 32,049.00	1995
Madison	Martha White Foods, Inc	\$ 48,936.00	1989
Madison	Maytag	\$ 369,286.00	1990
Madison	Maytag Dishwasher Production	\$ 2,820.00	1994
Madison	Noma Metals	\$ 5,200.00	1991
Madison	Owens-Corning	\$ 45,479.74	1994
Madison	Purodenso	\$ 76,429.37	1991
Madison	Purodenso	\$ 23,141.60	1992
Madison	Purodenso	\$ 33,043.50	1993
Madison	Purodenso	\$ 7,544.00	1994
Madison	Purodenso	\$ 9,665.00	1995
Madison	Purodenso	\$ 210,000.00	1993
Madison	Tool Products Exp	\$ 5,455.00	1993
Madison	Triangle Pacific Corp Exp	\$ 8,516.08	1993
	TOTAL	\$ 3,605,755.46	
Marion	Rock-Tenn Company	\$ 268,241.00	1993
Marion	Salem Carpet & Parker Cutlery	\$ 51,292.00	1989
Marion	US Stove Corp	\$ 80,000.00	1994
Marion	Variform Inc	\$ 35,297.38	1993
Marion	Variform Inc	\$ 8,490.00	1994
Marion	Variform Inc	\$ 100,000.00	1992
	TOTAL	\$ 543,320.38	
Marshall	Hyperion Seating Corp	\$ 23,243.00	1991

County	Company	Amount	Year
Marshall	Hyperion Seating Corp	\$ 21,240.00	1992
Marshall	Hyperion Seating Corp	\$ 4,620.00	1993
Marshall	Inter-City Products	\$ 48,800.00	1992
Marshall	Inter-City Products	\$ 511,810.00	1995
Marshall	Johnson Controls Inc	\$ 410,280.00	1989
	TOTAL	\$ 1,019,993.00	
Maury	Adv Integrated Technology	\$ 467,855.00	1988
Maury	AP Tenntech	\$ 5,250.00	1991
Maury	AP Tenntech	\$ 3,791.28	1992
Maury	AP Tenntech, D & A Technology	\$ 129,694.00	1989
Maury	Columbia Specialities Exp	\$ 268,447.00	1989
Maury	Columbia Specialities Exp	\$ 17,173.00	1994
Maury	D & A Technologies	\$ 16,792.04	1991
Maury	GE Appliances	\$ 13,596.50	1992
Maury	GE Appliances	\$ 37,743.91	1993
Maury	Hygrade Mfg Corp	\$ 4,630.00	1994
Maury	Industrial Door Contractors	\$ 65,546.00	1990
Maury	Kasbar National Industries	\$ 129,675.00	1995
Maury	Maury Cty Board of Education (Saturn)	\$ 2,056,368.13	1991
Maury	Maury Cty Board of Education (Saturn)	\$ 800,743.64	1992
Maury	Maury Cty Board of Education (Saturn)	\$ 1,267,122.65	1993
Maury	Maury Cty Board of Education (Saturn)	\$ 1,382,018.24	1994
Maury	Saturn Corp	\$ 462,482.00	1992
Maury	Saturn Corp	\$ 455,550.15	1993
Maury	Saturn Corp	\$ 277,327.00	1994
Maury	Saturn Corp	\$ 17,980.00	1995
Maury	Uni-Web Inc	\$ 45,360.00	1993
	TOTAL	\$ 7,925,145.54	
McMinn	American Rug Craftsman	\$ 500,000.00	1994
McMinn	Athens Furniture	\$ 6,300.00	1994
McMinn	Athens Products	\$ 4,672.50	1993
McMinn	Athens Products	\$ 26,705.00	1994
McMinn	Bowater - Southern Division	\$ 27,696.00	1991
McMinn	Bowater - Southern Division	\$ 31,377.00	1992
McMinn	Bowater - Southern Division	\$ 18,000.00	1994
McMinn	Davidson Interior Trim	\$ 23,479.50	1992
McMinn	Davidson Interior Trim	\$ 72,270.00	1990
McMinn	Heil Company	\$ 19,529.53	1995
McMinn	Heil Company	\$ 100,000.00	1994
McMinn	Nippondenso	\$ 100,000.00	1995

County	Company	Amount	Year
McMinn	PFC Inc Expansion	\$ 5,850.00	1994
McMinn	Plastic Industries	\$ 122,935.00	1994
McMinn	Thomas & Betts	\$ 8,320.00	1994
	TOTAL	\$ 1,067,134.53	
McNairy	American Foodservice	\$ 1,600.00	1993
McNairy	Connector Castings	\$ 3,000.00	1994
McNairy	Spectrum	\$ 48,869.00	1990
McNairy	United Stainless	\$ 108,803.00	1994
	TOTAL	\$ 162,272.00	
Monroe	Carlex Glass Co	\$ 213,032.43	1991
Monroe	Carlex Glass Co	\$ 38,311.03	1992
Monroe	Carlex Glass Co	\$ 23,163.59	1993
Monroe	Carlex Glass Co	\$ 33,178.33	1994
Monroe	Carlex Glass Co	\$ 301,270.00	1990
Monroe	Lowe's Companies	\$ 100,000.00	1995
Monroe	Marubeni Steel Processing	\$ 300,000.00	1995
Monroe	Matshushita Refrig Corporation	\$ 208,497.61	1991
Monroe	Matshushita Refrig Corporation	\$ 53,628.54	1992
Monroe	Matshushita Refrig Corporation	\$ 21,395.00	1993
Monroe	Matshushita Refrig Corporation	\$ 100,000.00	1989
Monroe	Tellico Reservoir Agency	\$ 15,381.65	1994
Monroe	TRW/Koyo Steering Systems	\$ 486,363.00	1989
Monroe	TRW/Koyo Steering Systems	\$ 158,074.92	1991
Monroe	TRW/Koyo Steering Systems	\$ 96,744.00	1992
	TOTAL	\$ 2,149,040.10	
Montgomery	Allied Signal/Bendix Auto	\$ 22,640.50	1991
Montgomery	Allied Signal/Bendix Auto	\$ 7,209.50	1992
Montgomery	Allied Signal/Bendix Auto	\$ 1,725.00	1993
Montgomery	Allied-Signal	\$ 222,290.00	1989
Montgomery	Bridgestone Metalpha	\$ 350,000.00	1995
Montgomery	Industrial Tool and Machine Co	\$ 49,440.00	1994
Montgomery	Letica	\$ 4,530.00	1993
Montgomery	North American Oxide	\$ 114,448.00	1990
Montgomery	Precision Packaging	\$ 80,432.00	1994
Montgomery	Quebecor Printing Exp	\$ 18,069.85	1995
Montgomery	Tilecera Inc	\$ 28,070.00	1992
Montgomery	Tilecera Inc	\$ 33,262.50	1993
Montgomery	Tilecera Inc	\$ 17,549.95	1994
	TOTAL	\$ 949,667.30	
Obion	Gurien Finishing Co	\$ 92,156.00	1993

County	Company	Amount	Year
Obion	Superior Fireplace	\$ 15,451.00	1992
Obion	Superior Fireplace	\$ 17,544.00	1993
Obion	Tyson Foods	\$ 600,000.00	1995
Obion	Tyson Foods	\$ 1,000,000.00	1995
	TOTAL	\$ 1,725,151.00	
Overton	Elsinore Mfg	\$ 1,470.00	1991
	TOTAL	\$ 1,470.00	
Perry	Johnson Controls	\$ 100,000.00	1994
	TOTAL	\$ 100,000.00	
Polk	Benton Mfg	\$ 213,625.00	1995
Polk	Franco, Inc	\$ 150,000.00	1994
Polk	Remington Industries	\$ 69,570.00	1989
	TOTAL	\$ 433,195.00	
Putnam	Consolidated Forest Products	\$ 113,092.00	1995
Putnam	Shaffield Industries	\$ 250,000.00	1994
Putnam	TRW/Vehicle Safety (Airbags)	\$ 12,000.00	1991
Putnam	TRW/Vehicle Safety (Airbags)	\$ 3,473.00	1992
Putnam	TRW/Vehicle Safety (Airbags)	\$ 43,508.22	1993
Putnam	TRW/Vehicle Safety (Airbags)	\$ 27,041.00	1994
Putnam	TRW/Vehicle Safety (Airbags)	\$ 56,151.50	1995
Putnam	TRW/Vehicle Safety Systems	\$ 100,000.00	1989
	TOTAL	\$ 605,265.72	
Rhea	Appalachian Molding and Mfg	\$ 4,380.00	1995
Rhea	Goodman Roomair Mfg	\$ 100,000.00	1993
Rhea	United Technologies	\$ 27,563.23	1991
	TOTAL	\$ 131,943.23	
Roane	Advanced Compacting Tech	\$ 49,575.00	1995
Roane	Bayou Steel	\$ 250,000.00	1995
Roane	Berkline Corp	\$ 44,484.00	1990
Roane	Chase Instruments	\$ 73,575.00	1994
Roane	Chase Scientific Glass	\$ 5,290.00	1995
Roane	Roane State Comm College	\$ 9,000.00	1995
Roane	Rockwood Sportswear Exp	\$ 9,725.00	1991
Roane	Tennessee Valley Steel	\$ 31,047.00	1994
Roane	Universal Forest Products	\$ 302,840.00	1994
	TOTAL	\$ 775,536.00	
Robertson	All American Homes	\$ 9,184.00	1995
Robertson	CEI Company Limited	\$ 6,210.00	1993
Robertson	CEI Company Limited	\$ 3,855.00	1995
Robertson	Coachmen Industries	\$ 191,250.00	1994

County	Company	Amount	Year
Robertson	Datrek Professional Bags	\$ 222,146.00	1994
Robertson	Frigidaire Co	\$ 23,078.00	1993
Robertson	Frigidaire Co	\$ 37,285.00	1994
Robertson	Frigidaire Co	\$ 40,750.00	1995
Robertson	Hail and Cotton Inc	\$ 57,973.00	1993
Robertson	Perstorp Components	\$ 14,565.00	1995
Robertson	Tennessee Woodcrafters	\$ 7,000.00	1992
Robertson	Tobacco Supply Co	\$ 31,705.00	1993
Robertson	Tridon, Inc	\$ 241,743.00	1991
Robertson	Tridon, Inc	\$ 10,986.00	1991
	TOTAL	\$ 897,730.00	
Rutherford	Bridgestone	\$ 49,050.00	1991
Rutherford	Bridgestone	\$ 119,000.00	1994
Rutherford	Contour Electrods	\$ 21,002.00	1991
Rutherford	Edgcomb Metals	\$ 1,350.00	1992
Rutherford	Edgcomb Metals	\$ 10,692.28	1993
Rutherford	Field Container Co	\$ 23,117.00	1995
Rutherford	GE Motors	\$ 29,507.76	1991
Rutherford	GE Motors	\$ 21,388.00	1992
Rutherford	GE Motors	\$ 21,315.85	1993
Rutherford	GE Motors	\$ 46,564.34	1994
Rutherford	Heatcraft	\$ 500,000.00	1995
Rutherford	Hennessey Industries	\$ 22,644.00	1995
Rutherford	Ingram Industries	\$ 67,226.41	1993
Rutherford	ITW-Nifco	\$ 2,361.00	1992
Rutherford	ITW-Nifco	\$ 40,800.00	1995
Rutherford	Nissan Expansion	\$ 1,774,073.51	1991
Rutherford	Nissan Expansion	\$ 2,003,118.60	1992
Rutherford	Nissan Expansion	\$ 695,608.00	1993
Rutherford	Pillsbury Company	\$ 277,114.76	1991
Rutherford	Pillsbury Company	\$ 113,976.53	1992
Rutherford	Pillsbury Company	\$ 3,432.25	1993
Rutherford	Pillsbury Company	\$ 12,850.00	1995
Rutherford	Sonoco Products	\$ 4,344.75	1994
Rutherford	Tennex Industries	\$ 15,074.00	1991
Rutherford	Tennex Industries	\$ 13,707.00	1992
Rutherford	Tridon, Inc Mechanical	\$ 17,880.19	1991
Rutherford	Tridon, Inc Mechanical	\$ 7,036.48	1992
Rutherford	Vintec Exp	\$ 8,001.42	1992
Rutherford	Warner's	\$ 8,405.24	1992

County	Company	Amount	Year
Rutherford	Zimmerman Int'l Corp	\$ 100,000.00	1995
	TOTAL	\$ 6,030,641.37	
Scott	American Bag	\$ 330,000.00	1993
Scott	Fruehauf Corp	\$ 5,240.00	1991
Scott	Fruehauf Corp	\$ 19,560.00	1992
	TOTAL	\$ 354,800.00	
Sequatchie	C & D Charter Power	\$ 260,740.00	1994
Sequatchie	C & D Charter Power	\$ 3,078.53	1995
Sequatchie	Tecumseh	\$ 449,000.00	1988
Sequatchie	Tecumseh Products Co Exp	\$ 612.00	1992
Sequatchie	Tecumseh Products Co Exp	\$ 34,665.72	1993
	TOTAL	\$ 748,096.25	
Sevier	TRW Fuji Valve	\$ 38,370.00	1991
Sevier	TRW Fuji Valve	\$ 19,740.00	1992
Sevier	TRW Fuji Valve	\$ 16,098.00	1994
Sevier	TRW-Home Grown Woods	\$ 466,854.00	1989
	TOTAL	\$ 541,062.00	
Shelby	Advanced Services	\$ 5,656.40	1991
Shelby	Advertising Checking Bur	\$ 19,876.00	1994
Shelby	Advo Inc Exp	\$ 19,103.66	1995
Shelby	American Electric	\$ 10,000.00	1992
Shelby	Anderson-Tulley Co	\$ 9,600.00	1991
Shelby	Anixter	\$ 5,049.52	1995
Shelby	APL Land Transport Service	\$ 6,566.00	1993
Shelby	Aurora Electronics Inc	\$ 4,257.00	1995
Shelby	Carrier Corp/Collierville	\$ 19,007.51	1992
Shelby	Cleo, Inc	\$ 200,000.00	1991
Shelby	Complex Tooling and Molding	\$ 3,988.00	1995
Shelby	Constar International	\$ 8,528.00	1995
Shelby	Ingram Micro	\$ 400,000.00	1995
Shelby	Kellogg Expansion	\$ 14,000.00	1995
Shelby	Laclede Steel Co	\$ 6,389.20	1994
Shelby	Leaf, Inc	\$ 156,000.00	1990
Shelby	Message Corp of America	\$ 12,000.00	1991
Shelby	Message Corp of America	\$ 12,000.00	1992
Shelby	Nissin Foods	\$ 46,026.03	1995
Shelby	Protein Technologies International	\$ 178,020.00	1990
Shelby	Protein Technologies International	\$ 19,829.50	1992
Shelby	Protein Technologies International	\$ 3,772.25	1993
Shelby	QO Chemicals, Inc	\$ 80,000.00	1990

County	Company	Amount	Year
Shelby	RND Inc	\$ 9,688.00	1994
Shelby	RND Inc	\$ 7,800.00	1995
Shelby	RR Donnelly & Sons	\$ 27,731.10	1995
Shelby	Simmons Ind	\$ 600.00	1994
Shelby	Southern Fabricators	\$ 100,000.00	1992
Shelby	Southern Fabricators	\$ 62,733.00	1995
Shelby	Starter Corporation	\$ 13,512.48	1994
Shelby	Starter Corporation	\$ 15,288.00	1995
Shelby	Technology Service	\$ 36,037.99	1995
Shelby	Thomas & Betts Corporation Mfg	\$ 24,342.00	1993
Shelby	Troll	\$ 22,168.64	1992
Shelby	Williams-Sonoma	\$ 46,230.00	1990
	TOTAL	\$ 1,605,800.28	
Smith	Bentley-Harris Mfg	\$ 16,190.00	1991
Smith	Bentley-Harris Mfg	\$ 645,199.00	1989
Smith	James River Corp	\$ 75,000.00	1993
Smith	Magnetek, Inc	\$ 6,995.45	1994
Smith	Magnetek, Inc	\$ 33,793.85	1995
Smith	Smith County Coatings	\$ 45,710.00	1990
	TOTAL	\$ 822,888.30	
Statewide		\$ 11,500.00	1994
	TOTAL	\$ 11,500.00	
Sullivan	Electrolux Corp	\$ 10,747.00	1995
Sullivan	Exide Corp	\$ 244,970.00	1994
Sullivan	Exide Corp Expansion	\$ 9,020.00	1994
Sullivan	Exide Corp Expansion	\$ 41,780.88	1995
Sullivan	NE State Tech College ¹	\$ 72,975.16	1991
Sullivan	NE State Tech College	\$ 41,258.84	1992
Sullivan	NE State Tech College	\$ 37,958.05	1993
Sullivan	NE State Tech College	\$ 40,874.24	1994
Sullivan	NE State Tech College	\$ 29,799.96	1995
Sullivan	Peerless Woodworking Corp	\$ 5,737.00	1994
Sullivan	Primester Co	\$ 28,500.00	1992
Sullivan	Primester Co	\$ 32,700.00	1993
Sullivan	Tenn. Distribution	\$ 43,460.00	1992
Sullivan	Tenn. Distribution	\$ 70,037.50	1993
Sullivan	Tenn. Distribution	\$ 25,740.00	1994

¹ NE State Technical Community College provided training assistance for Alcan, Bristol Metal, Budd Co, Contour Ind., Del Fassco, NRF, Inc, PRC Speciality Coatings, IQ Paper, Energy Flow Inc, North American Rayon Corp, Precision Metal and Welding and others.

County	Company	Amount	Year
	TOTAL	\$ 735,558.63	
Sumner	Allied Signal Braking Systems	\$ 10,715.00	1993
Sumner	Allied Signal Braking Systems	\$ 11,405.00	1994
Sumner	Allied Signal Braking Systems	\$ 11,920.00	1995
Sumner	Alpha Took, FPS, BFS, Crowley	\$ 243,380.00	1994
Sumner	Bendix-Jidosha Kiki Corp	\$ 346,071.00	1988
Sumner	BG Automotive Motors	\$ 25,821.95	1991
Sumner	California Ind Products	\$ 2,962.50	1992
Sumner	California Ind Products	\$ 1,425.00	1993
Sumner	Caterpillar Logistics Services	\$ 526,733.00	1993
Sumner	Challenger Electrical Equipment	\$ 223,418.00	1990
Sumner	Challenger Electrical Equipment	\$ 102,236.04	1991
Sumner	Crown Coating of Tennessee	\$ 7,611.86	1991
Sumner	Crown Coating of Tennessee	\$ 14,250.00	1993
Sumner	Faultless Caster	\$ 99,615.00	1991
Sumner	Faultless Caster	\$ 330.00	1991
Sumner	Faultless Caster	\$ 24,934.50	1992
Sumner	Fleetwood Homes	\$ 79,580.00	1992
Sumner	Fleetwood Homes	\$ 17,725.00	1993
Sumner	Fleetwood Homes	\$ 8,827.00	1994
Sumner	GAP	\$ 450,000.00	1995
Sumner	Insteel Wire Products	\$ 756.00	1994
Sumner	Insteel Wire Products Strand	\$ 13,969.00	1994
Sumner	Intrl. Supply & MGM Industries	\$ 160,000.00	1992
Sumner	Kenco Plastics	\$ 16,784.50	1994
Sumner	Linatex Corp of America	\$ 68,845.00	1992
Sumner	Marubeni Steel Processing	\$ 10,992.48	1991
Sumner	Marubeni Steel Processing	\$ 205,984.00	1990
Sumner	Rappahannock Wire/JL Armitage	\$ 206,597.00	1993
Sumner	Rappanannock Wire Co	\$ 20,727.22	1993
Sumner	Red Stick Laminators, Inc	\$ 42,894.00	1993
Sumner	Sunbeam Outdoor products	\$ 5,419.98	1993
Sumner	Western Plastics	\$ 89,793.00	1989
Sumner	Yamakawa Mfg Corp of America	\$ 10,553.02	1992
Sumner	Yamakawa Mfg Corp of America	\$ 20,380.00	1993
Sumner	Yamakawa Mfg Corp of America	\$ 12,932.50	1994
Sumner	Yamakawa Mfg Corp of America	\$ 23,733.96	1991
	TOTAL	\$ 3,119,322.51	
Tipton	Charms Company	\$ 900.00	1992
Tipton	Charms Company	\$ 1,770.00	1993

County	Company	Amount	Year
Tipton	Cooper Industries/Kirsch	\$ 3,854.08	1994
Tipton	Cooper Industries/Kirsch	\$ 2,746.00	1992
Tipton	World Color Press Expansion	\$ 19,800.00	1994
	TOTAL	\$ 29,070.08	
Unicoi	Georgia Pacific, AB Plastics	\$ 263,000.00	1995
Unicoi	NN Ball & Roller	\$ 80,291.00	1993
Unicoi	NRF, Inc	\$ 105,161.00	1991
Unicoi	RAMM Styles	\$ 8,976.00	1993
Unicoi	Specialty Tire	\$ 658,800.00	1995
	TOTAL	\$ 1,116,228.00	
Van Buren	Townsend Engineered Products	\$ 504,000.00	1993
	TOTAL	\$ 504,000.00	
Warren	Bridgestone	\$ 999,914.00	1989
Warren	Bridgestone/Firestone	\$ 176,065.20	1991
Warren	Bridgestone/Firestone	\$ 65,118.08	1994
Warren	Bridgestone/Firestone	\$ 66,584.11	1995
Warren	Bridgestone/Firestone	\$ 230,388.86	1992
Warren	Bridgestone/Firestone	\$ 102,888.80	1993
Warren	Calsonic Yorozu Corporation	\$ 499,195.00	1989
Warren	Calsonic Yorozu Corporation	\$ 13,378.80	1993
Warren	Calsonic Yorozu Corporation	\$ 17,825.20	1991
Warren	Carrier Corp/ Morrison	\$ 17,503.00	1992
Warren	Carrier Corp/ Morrison	\$ 47,828.89	1993
Warren	Carrier Corp/ Morrison	\$ 12,504.95	1994
Warren	Magnetek Inc	\$ 25,344.95	1995
	TOTAL	\$ 2,274,539.84	
Washington	Budd Company	\$ 6,615.90	1992
Washington	Budd Company	\$ 2,445.62	1993
Washington	Budd Company	\$ 9,843.50	1994
Washington	Budd Company	\$ 19,005.00	1995
Washington	Flour City Arch Metals	\$ 87,243.45	1993
Washington	Flour City Arch Metals	\$ 25,217.00	1994
Washington	Harris-Tarkett, Inc	\$ 169,172.00	1989
Washington	Mazer Corp	\$ 7,931.60	1995
Washington	Sears Catalog Tele. Center	\$ 124,140.00	1988
Washington	Service Merchandise	\$ 11,275.00	1995
Washington	Service Merchandise	\$ 108,566.00	1994
Washington	Siemens Ind Automation	\$ 12,191.43	1995
Washington	SPS Payment Systems	\$ 155,000.00	1995
Washington	SPS Payment Systems	\$ 9,075.00	1993

County	Company	Amount	Year
Washington	SPS Payment Systems	\$ 11,100.00	1994
Washington	Superior Ind International	\$ 128,680.81	1992
Washington	Superior Ind International	\$ 17,484.75	1993
Washington	Superior Ind International	\$ 310,469.00	1991
Washington	Tarkett, Hardwood Div	\$ 103,694.50	1991
Washington	Tennessee Telemarketing	\$ 9,615.00	1994
Washington	Tennessee Telemarketing	\$ 13,697.54	1995
Washington	Vacation Break USA	\$ 15,941.20	1994
	TOTAL	\$ 1,358,404.30	
Wayne	El Rancho Furniture	\$ 261,379.00	1989
Wayne	Motolift	\$ 144,864.00	1995
	TOTAL	\$ 406,243.00	
Weakley	Institutional Distributors	\$ 175,491.00	1994
Weakley	MTD Products	\$ 4,166.00	1994
Weakley	MTD Products	\$ 13,115.15	1995
Weakley	Parker-Hannafin	\$ 550,329.00	1988
Weakley	Parker-Hannafin	\$ 1,388.00	1991
Weakley	Plastic Products	\$ 1,403.52	1995
Weakley	Superior Fireplace Co	\$ 6,600.00	1995
	TOTAL	\$ 752,492.67	
White	Moeller Manufacturing Co	\$ 406,700.00	1989
White	Performance Learning Co	\$ 29,717.26	1993
White	Wilson Sporting Goods	\$ 309,799.00	1995
	TOTAL	\$ 746,216.26	
Williamson	Black and Decker	\$ 6,216.40	1994
Williamson	Gabriel Ride Control	\$ 58,905.00	1993
Williamson	Imaging Supplies Internat'l	\$ 32,760.00	1993
Williamson	Numatics Actuator	\$ 41,060.00	1995
Williamson	Primus Automotive Financial	\$ 500,000.00	1994
Williamson	Worthington Prec Products	\$ 3,855.00	1992
Williamson	Worthington Prec Products	\$ 10,185.00	1993
Williamson	Worthington Prec Products	\$ 30,785.80	1991
	TOTAL	\$ 683,767.20	
Wilson	Briskin Mfg	\$ 166,759.00	1994
Wilson	Campbell Prop/ Famous Footwear	\$ 107,104.00	1995
Wilson	Campbell/Washburn	\$ 323,340.00	1994
Wilson	Georgia-Pacific Corp	\$ 9,076.96	1994
Wilson	Georgia-Pacific Corp	\$ 311,000.00	1993
Wilson	Kenneth O. Lester Co	\$ 180,000.00	1994
Wilson	Metokote Corp	\$ 1,230.00	1994

County	Company	Amount	Year
Wilson	Nutro Products	\$ 32,288.00	1993
Wilson	Nutro Products	\$ 16,188.75	1994
Wilson	Tonopah Properties/Nutro Products	\$ 299,732.00	1992
	TOTAL	\$ 1,446,718.71	
TOTAL TIIP/ITS DOLLARS		\$ 79,553,305.53	

Appendix D

TIIP/ITS Guidelines, 1996

PROGRAM GUIDELINES

TENNESSEE INDUSTRIAL INFRASTRUCTURE PROGRAM

The industrial infrastructure funds may be used for infrastructure improvements. Funds may not be used for "speculative" projects but are restricted to situations where there is a commitment by certain private sector businesses to locate or expand in the state and to create or retain jobs for Tennesseans.

ELIGIBLE ACTIVITIES

Activities funded under the program will be limited to those services normally provided by local governments and their implementing agencies to businesses which are locating, expanding, or operating in Tennessee. These activities shall include, but not be limited to, the following types of activities.

Water Systems - source development, intake structures, treatment plants, storage tanks, transmission lines, and other improvements normally associated with the provision of public water service.

Wastewater Systems - collector lines, treatment plants, and other improvements normally associated with the provision of public wastewater service.

Transportation Systems - access roads, rail sidings, port facilities, airport improvements, and other improvements normally associated with the provision of public transportation service.

Site improvements - leveling, grading, drainage of real property in order to make it suitable for the location or expansion of businesses.

Other improvements to physical infrastructure may be eligible if it can be demonstrated that the improvements are required to support economic growth.

ELIGIBLE BUSINESSES

Eligible businesses which may be assisted with the funds are limited to: a) manufacturing and other types of economic activities which export more than half of their product or services outside of Tennessee, b) businesses where more than half of their product or services enters into the production of exported products, c) uses which primarily result in import substitution or the replacement of imported products or services with those produced in Tennessee.

Other types of economic activities may be supported by these funds if it is determined by the Commissioner of ECD to have a beneficial impact on the economy of Tennessee. In

making this determination the Commissioner shall be guided by the export principle, and shall not invest funds in support of retail or local service businesses.

Industrial infrastructure funding may not be used to support the relocation of a business within the state. The only exception to this restriction will be those instances where the appropriate local legislative body in the municipality or county which would be losing the business voices no opposition, or where the Commissioner of ECD determines that the benefit to the state outweighs the loss to the community which is losing the business.

FUNDING LIMITATIONS

Certain funding limitations are placed on the State's investments to insure maximum effective use of the available funds. The funding limitations that apply are discussed below.

Grant rates for TIIP/ITS funding will be based on a consideration of ability to pay.. An ability-to-pay index has been developed by the Center for Business and Economic Research at the University of Tennessee. A formula using these indices and the local unemployment rates has been developed and will be used in conjunction with the job creation and company investment forecasts to arrive at a maximum cost-benefit target amount which will cover infrastructure and training funding. The local ECD offices and Program Management - Industrial Section staff will be able to compute these numbers for a project.

The maximum total TIIP/ITS grant for any project in any community is \$750,000. This means that the combination of training, site preparation, and all infrastructure together cannot exceed this amount. The site preparation portion of a TIIP grant, including all related soft (engineering) costs, is limited to \$75,000. TIIP/ITS grant maximums may also be limited by the cost-benefit analysis amount. All site preparation projects must demonstrate an extra ordinary need for the use of TIIP funds. The amount of the grant that may be used for administration and for architect and engineering services will vary depending on the type of project. ECD will review these costs for reasonableness and may decrease excessive requests,

APPLICATION PROCESS

Applications may be submitted by county governments, municipal governments or other political subdivisions of the state authorized to receive and expend funds. A current application form is maintained by ECD and distributed upon request. Application forms may be revised periodically, and the most recent dated form will be the effective form.

Applications are expected to be submitted complete. While minor elements may be submitted at a later date, applications with major components missing will be returned to the applicant with no action being taken on them.

A complete industrial infrastructure application will consist of the following elements:

1. community information
2. business information
3. preliminary engineering report
4. Evidence that non-industrial infrastructure funding is in place or has been applied for and a statement of its status at the time of the application.

Three copies of the application and three extra copies of the engineering report for each utility (water, sewer) being requested must be submitted. The three copies of the engineering report will be sent to the state agency most responsible for reviewing and approving the physical design of the project (Department of Environment and Conservation, Department of Transportation, etc.)

TIIP applications should be submitted in a three ring binder to the following address:

Program Management Section
Department of Economic and Community Development 6th Floor, Rachel
Jackson State Office Building 320 6th Avenue North
Nashville, Tennessee 37243-0405

IMPLEMENTATION PROCEDURES

A written project summary and staff recommendation will be prepared. The project will be submitted to the ECD Loan and Grant Committee for review and discussion.- The Loan and Grant Committee consists of the Commissioner, Deputy Commissioner, Assistant Commissioner for the Division of Community Development and Assistant Commissioner of Business Development. The ultimate responsibility for approving or disapproving the grant rests with the Loan and Grant Committee.

The following major provisions govern the implementation of the infrastructure project after it has formally been approved by the Loan and Grant Committee. Formal bidding procedures and financial management procedures have been prepared and will be provided to applicants *receiving an infrastructure grant*. These procedures must be followed by all grantees,

State Contract

An official state contract will be executed with the grantee and the industry. This contract will describe the activities to be carried out with the infrastructure grant, the method of payment, the industry's commitments, and state requirements which are imposed as a condition to the grant.

The contract will be executed by an authorized representative of the grantee (normally the mayor or county executive), an authorized representative of the business, and the Commissioner of ECD. This contract represents an understanding by the major participants in the project about their respective roles, responsibilities, and commitments.

Force Account

Force account means that construction of all or a portion of the project will be done by the county or municipal work force. Approval must be obtained from ECD before force account will be allowed. The grantee must demonstrate that it has the ability to complete the work in a satisfactory manner. ECD requires the following information to be provided to document competency if force account is requested:

1. Names and engineering qualifications of personnel performing the work and their capabilities for design, supervision, planning, inspection, testing, etc. as applicable.
2. Details of experience with projects of like or similar nature.
3. Information on workload as it may affect capacity to do the work within time frame or work schedule.
4. Justification for doing the work by force account rather than by contract.
5. A complete breakdown showing: (a) the number of work hours and cost per hour for each category of labor, and (b) a list of non-salary costs such as materials, supplies, equipment, etc.
6. Certification from the above mentioned personnel's supervisor confirming that they are full time City/County employees and have not been hired just for this project.
7. Certification confirming the equipment to be used is owned by the City/County and that it is not rental equipment.

In order to do force account work, the grant recipient must own the equipment, use city forces, and obtain State approval by submitting the above information.

Approval of Plans and Specifications

ECD must approve the plans and specifications for the project before the work is advertised for bids. In many cases the plans and specifications will also need to be reviewed and approved by another state agency. The applicant should send one copy of the plans and specifications to ECD and one copy to the appropriate state agency (water and sewer projects to the Department of Environment and Conservation, transportation projects to the Department of Transportation).

Bidding Procedures

All purchases for which the grantee expects to seek reimbursement from the infrastructure program must be procured under the applicable state regulations. For county governments this is the County Purchasing Law of 1983 (TCA 5-14-201). For municipal governments this is the Municipal Purchasing Law of 1983 (TCA 6-56-301). Infrastructure projects must include state determined wage rates in the bid documents under the provisions of TCA 12-4-401. State wage rates must be obtained through ECD. Purchases not made in accordance with these regulations will not be reimbursed. The Tennessee Department of Labor, as well as ECD, must be notified in writing at least five

to ten days in advance of all pre-construction conferences. These bidding requirements are presented in the document Tennessee Investment Program Bidding Procedures which is available from ECD.

Notice to Proceed

No costs may be incurred for which industrial infrastructure funding is expected until ECD has issued a formal Notice to Proceed.

Financial Management

ECD will make payment under an infrastructure grant based on invoices submitted in accordance with the Line Item Budget contained in the contract. Payment of actual incurred costs will be made upon receipt of a Request for Payment and detailed supporting documentation.

Industrial infrastructure projects are expected to be completed in accordance with the state contract. Any changes in the project scope or budget must be approved in advance by ECD.

In order to insure performance on the industrial infrastructure projects, 10 percent will be retained from the contractor's invoice until 75 percent of the contract amount has been requested. At that point it may be reduced to 5 percent. Final payment will be released when ECD is satisfied that the project has been completed satisfactorily and that there are no liens against the contractor. The financial management requirements are presented in the document Tennessee Investment Program Financial Management Procedures which are available from ECD.

Open Records

All transactions covered by the industrial infrastructure program will be governed by the provisions of TCA 10-7-504.

Audits and Reports

Industrial infrastructure grants will be monitored by ECD and audited by the Comptroller of the Treasury. Local governments receiving industrial infrastructure grants must provide access to appropriate records to insure this work can be accomplished.

ECD must submit periodic reports to the General Assembly on the accomplishments of the industrial infrastructure program. Employment and investment information for the companies being assisted is an important part of this reporting requirement. Assisted companies must agree in the State Contract to provide to ECD periodic reports on the total number of employees, the total number of minorities employed for five years after the date of the state contract, and document their investment at the assisted site.

Pre-Application Meeting

A pre-application meeting is required for all economic development projects. This is to provide advice and give companies and communities the opportunity to ask questions. **If** we can understand the project before the application is prepared, we can better advise you about the proper source of funding to request. Also, this meeting will give us the opportunity to explain the State regulations that will apply, discuss timetables, and address concerns that frequently come up during the application review. We recommend that the following individuals attend the pre-application meeting:

Mayor or County Executive
Industrial Recruiter or Industrial Board Representative
Company Officials
Application Preparer
Engineer

Other Funding Sources

In order that maximum effective use is made of the industrial infrastructure funds, each project must demonstrate that it is capable of being initiated (construction started) within six months of approval of the grant. If the project involves funding from other agencies, that funding must either be approved or the agency must certify that funding will be provided within this time frame. Industrial infrastructure funding may be withheld until all sources of funding can be documented. The business must demonstrate that financing for plant, equipment, and working capital is available.

Preliminary Engineering Report

If the application is for water and sewer work, the engineering report must follow the guidelines established in the design criteria for water or sewer projects as provided by the Department of Environment and Conservation. Copies of the design criteria for water projects may be obtained from the Division of Water Supply. Copies of the design criteria for sewer projects may be obtained from the Division of Water Pollution Control.

For water projects to improve fire protection, the preliminary engineering report should include a letter from the company fire insurance carrier outlining necessary flow and pressure.

If a project includes both water and sewer work, a preliminary engineering report must be submitted for both elements of the projects. If a project is submitted for work other than water and sewer, the preliminary engineering report should conform to commonly accepted engineering standards.

Be sure to include time tables for completion of construction, as well as breakdown of engineering cost for each portion of the project (i.e., water, sewer, site preparation, etc.). See the attached Budget which should be completed for infrastructure projects.

Appendix E

Proposed Amendment to the TIIP/ITS Guidelines, July 1996

A USER'S GUIDE FOR ESTIMATING LEVELS OF TIIP AND ITS ASSISTANCE APPROVED JULY 18, 1996

Introduction

The level of TIIP and ITS assistance which may be expected for any project is based on four related factors:

1. The value of the project to the state as determined by the level of capital investment and employment opportunities created.
2. The ability-to-pay of the applicant government.
3. The level of unemployment in the county in which the project is located.
4. The level of infrastructure, training, and site development costs associated with the project.

The first three factors contribute to the calculation of a Project Budget which is the maximum assistance which will be provided by the TIIP and ITS programs. The fourth factor is a combination of Project Expenses which are eligible for reimbursement under the TIIP/ITS program, not to exceed the Project Budget.

Project Budget

Calculation of Project Budget

The Project Budget is calculated in the following manner:

A summation of the following:

1. The number of full-time equivalent jobs, at \$1,000 per job.
2. The value of real property investment, at 2 percent of value.
3. Two-thirds of the value of personal property investment, at 2 percent of value.
4. The application of the most current ability-to-pay grant rate.
5. The inflation of the resulting figure by 5 percent for each 1 percent of unemployment above the state average.

Site Preparation

Eligible site preparation expenses include REMOVING BARRIERS FOR CONSTRUCTION AND the preparation of the industrial site for building construction.

The level of normal site preparation assistance will be based on the following considerations:

1. The maximum site preparation grant may not exceed \$1.50 per square foot of the industrial building to be constructed.

2. TIIP funds may not exceed 50 percent of the site preparation costs.
3. Notwithstanding the above, the maximum TIIP grant may not exceed \$75,000.

In very unusual situations, \$75,000 may not be an adequate amount of site preparation assistance. Therefore, where ELIGIBLE site preparation costs exceed \$3.00 per square foot, the maximum TIIP grant will be increased to \$100,000. TIIP assistance, however, will still be limited to \$1.50 per square foot, not to exceed 50 percent of the site preparation costs.

Following is a sample calculation of normal site preparation assistance for a 150,000 square foot building at \$1.50 per square foot:

Eligible Site Preparation Costs	TIIP Grant	Non-TIIP Share
\$ 80,000	\$ 40,000	\$ 40,000
\$150,000	\$ 75,000	\$ 75,000
\$350,000	\$ 75,000 cap	\$175,000
\$500,000	\$ 75,000 cap	\$425,000

Following is a sample calculation where site preparation costs exceed \$3.00 per square foot:

Eligible Site Preparation Costs	TIIP Grant	Non-TIIP Share
\$ 80,000	\$ 40,000	\$ 40,000
\$150,000	\$ 75,000	\$ 75,000
\$350,000	\$100,000 cap	\$250,000
\$500,000	\$100,000 cap	\$400,000

Transition Provisions

The department recognizes that negotiations regarding industrial development opportunities may be underway based on earlier TIIP/ITS regulations. Therefore, it is appropriate that a transition period be provided so as not to damage the credibility of these negotiations.

Project Expenses

While the ultimate decision must depend upon the requirements of the project, it is ECD's opinion that the Project Budget should be used, in priority order, for infrastructure, training, and site preparation. Following is a description of eligible and ineligible activities in each area, and the calculation of eligible Project Expenses.

Infrastructure

Only infrastructure related to the location, expansion, or retention of an eligible business is eligible for TIIP funding.

Eligible projects include, but are not necessarily limited to, water, sewer, gas, electricity, telecommunications, rail extensions.

Only off-site expenses will be funded. Infrastructure, regardless of ownership, on the business site will not be eligible.

Training

Eligible training activities include pre-employment training, job-specific training, and workforce development.

The minimum number of employees to be trained is 25.

Training will be provided for new employees OR FOR THE RETRAINING OF EXISTING EMPLOYEES WHERE RETRAINING IS REQUIRED BY THE INSTALLATION OF NEW MACHINERY OR PRODUCTION PROCESSES.

The level of training assistance provided will be based on the number of new employees and the average starting wage, not including benefits, as follows:

<u>Wage Level</u>	<u>Assistance Level</u>
Less than \$7.00 per hour	\$400 per job
\$7.00 to \$13.00 per hour	\$1 additional per each \$.01 above \$7.00
Over \$13.00 per hour	\$1,000 per job cap

Following is a sample calculation of estimated training assistance for 100 jobs at \$8.25 per hour:

100 jobs at \$7.00 base per hour	\$40,000
\$1.25 per hour above minimum	\$12,500
Total	\$52,500

Funds must be used for eligible and reasonable training expenses as defined by ITS. Consequently, the actual level of training assistance provided could be less than that estimated by the above calculations.

Following is a sample calculation of a Project Budget:

100 jobs x \$1,000	= \$1 00,000
Real property invest of \$10,000,000 x .02	= \$200,000
Personal property investment of \$5,000,000 x .67 x.02	= \$ 67,000
Total	= \$367,000
Times an ability to pay grant rate of 83 percent	= \$304,61 0
Plus an unemployment inflator of 10 percent (2 points above state)	= \$ 30,461
Project Budget	= \$335,071

Explanation of Factors in Calculation of Project Budget

The number of jobs may include new jobs created through industrial locations or expansions. Retained jobs will not be counted in the calculation of the Project Budget.

The number of jobs includes full time jobs, and part time jobs based on a 37.5 hours per week equivalency.

Contract employees which have a full benefit package will count as full or part time jobs.

Real property includes land and buildings.

Personal property includes machinery and equipment.

Leased property will be valued the same as company-owned property.

Ability-to-pay grant rates are calculated by the University of Tennessee's Center For Business And Economic Research. Grant rates will be updated every three years, and will be effective from July 1 through June 30.

Unemployment is the most current certified average annual unemployment rates available on July 1 of each year from the Tennessee Department of Employment Security. These will be effective through June 30 of the following year.

Utilization of Project Budget

The Project Budget provides the upper limit of TIIP/ITS grant assistance. It is not an entitlement, and the full utilization of the Project Budget will depend upon the occurrence of eligible Project Expenses as described in the following section.

The following transition provisions will apply to the implementation of the TIIP/ITS regulations approved on 7/18/96:

Amendments to current contracts will be based on the regulations in force on the date of the contract.

Applications received prior to 7/18/96 will fall under the TIIP/ITS regulations in force on the date the applications were received.

Applications received between 7/18/96 and 9/30/96 may utilize, at the applicant's discretion, regulations in force on 7/17/96 or those adopted on 7/18/96.

Applications received after 10/1/96 must follow the regulations approved on 7/18/96.

Length of Commitment

Following the submission of a complete application, and approval by the ECD Loans and Grants Committee, TIIP/ITS projects will be placed under contract. ITS contracts will be between the state and the company for which training assistance is being provided. TIIP contracts will be between the state and the local government which is applying for the grant.

In order that TIIP/ITS funds are used in a timely manner, funding commitments will be made for a specified period of time, as follows. ITS grants will be for 12 months. TIIP grants will be for 24 months, with the possibility of one 12 month extension upon request and the submission of an appropriate justification.

Functions of ECD Loans and Grants Committee

The ECD Loans and Grants Committee is authorized to waive, with sufficient justification, any of the above regulations. It is expected, however, that such waivers will be granted infrequently, and applicants are encouraged to proceed with negotiations and the preparation of applications on the assumption that the above regulations will apply.

The Loans and Grants Committee is not authorized to waive any of the statutory provisions of the TIIP/ITS programs which are the following:

Business supported with TIIP/ITS fund must be manufacturing, warehousing and distribution, corporate headquarters, and other businesses which sell more than 50 percent of their product or service outside of Tennessee.

Assistance for the exclusive use of one firm must be in the form of a loan. Assistance for public infrastructure may be in grant form.

The maximum grant for any one project is \$750,000, NOR SHALL ANY GRANT OBLIGATE FUNDS FOR MORE THAN ONE YEAR.

Appendix F

TIIP/ITS Application

COMMUNITY PROFILE

Community _____	Application Preparer _____
Elected Official _____	_____
Address _____	Address _____
_____	_____
Phone _____	Phone _____
Signature _____	Signature _____
Local Contact _____	Engineer _____
& Address _____	_____
Phone _____	Phone _____

I certify that our State Legislators have been notified of this TIIP/ITS request

COMPANY/PROJECT PROFILE

Company Name _____	New Location _____ Expansion _____
Address _____	Officers _____
_____	_____
Phone _____	_____
Contact Person _____	_____
Title _____	_____

Type of Facility: Office _____ Warehouse _____ Manufacturing _____ Other _____
 Estimated Construction Timetable Start Date _____ Completion Date _____

New Investment

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
Real Property (Land & Building)					
Personal Property (Equipment)					
Total					

Employees

	CURRENT	YEAR1	YEAR2	YEAR 3	YEAR 4	TOTAL
Full Time						
Part Time						
Total						

Average Hourly Wage \$ _____ **Total Annual Payroll \$** _____

Investment and employee information relates to the new Tennessee location.

Current Location _____
In Tennessee _____
(If any) _____

SIC Code _____ Description _____

Top Two Customers:

Company Name: _____ Contact: _____
Address: _____ Phone: _____

Company Name: _____ Contact: _____
Address: _____ Phone: _____
% of annual sales: _____

Company History and Major Products to be Manufactured or Services to be Provided:

Financial Information:

Level 1 - Provide a copy of the company's Annual Report covering the last three years. If the company is not publicly held they may substitute the following:

Company prepared balance sheets, income statements and cash flow statements for the last three years, signed by the CEO, CFO, or owner attesting as to their accuracy. Please detail any off-balance sheet leases.

Level 2 - If the company is less than three years old or had less than \$20 million in revenues for the last full fiscal year, the following projections will be required in **addition to** the Level 1 information:

Projected balance sheets, income statements and monthly cash flow statements for the first two years following the completion of the expansion/ location.

Additional information all companies: Please attach the following

1. Company Letter of Intent stating their commitment and reasons for locating or expanding in Tennessee, with details of their chosen site, the number of employees to be hired and a breakdown of their proposed investment in the state.
2. Certificate of Good Standing or Existence in the State of Tennessee.
3. Charter
4. A detail of any pending litigation that would impair or impede the fulfillment of this **CONTRACTUAL** grant, should it be approved.

ADDITIONAL INFORMATION MAY BE REQUESTED BY THE TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT.

Appendix G

TIIP/TTS Funding Application

TIIP/TTS FUNDING FORM

Date: _____

Company Name: _____

Product: _____

Location: _____

Type of Request:

- | | |
|-----------------------------|----------------------------------|
| _____ Proceed At Risk | _____ Delete From Prospect List |
| _____ Add To Prospect List | _____ Delete From Committed List |
| _____ Add to Committed List | _____ Increase Funding |
| _____ Committee Approval | _____ Decrease Funding |

Infrastructure

Training

Application on File: _____ Yes _____ No _____ Yes _____ No

Investment:

	Year 1	Year 2	Year 3	Year 4	Total
Real	\$	\$	\$	\$	\$
Personal	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$

	Year I	Year 2	Year 3	Year 4	Total
Jobs					

_____ Distressed County _____ Unemployment _____ ATP Index

_____ Grant Rate Factor \$ _____ Cost-Benefit Target

Amount Requested:

Infra \$ Site \$ Training \$ Total \$

Amount On Committed List:

Infra \$ Site \$ Training \$ Total \$

Appendix H

Tri-Party Agreement for TIIP

AGREEMENT BETWEEN THE STATE OF TENNESSEE
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
TENNESSEE INDUSTRIAL INFRASTRUCTURE PROGRAM,
AND

This document serves as a commitment between _____ and the State of Tennessee to provide certain infrastructure improvements that will assist in _____ .

The Company, _____, commits to employ approximately _____ persons within twenty-four (24) months of project completion. Company X will provide to the State of Tennessee periodic reports on the total number of employees at their facility for five (5) years after the date of the State contract. Company X will abide by all applicable Civil Rights Laws in the hiring process.

With the State of Tennessee's assistance, Community Y will assist company X with the provision of _____. Community Y will match the Tennessee Industrial Infrastructure Program Funds in the amount of dollars (\$). Company X agrees to abide by all applicable State laws in the administration of the Tennessee Industrial Infrastructure Program.

After proper documents are executed and required documentation presented, the State of Tennessee agrees to assist Community Y in the construction of the before mentioned improvements. The State will make payments to Community Y for actual incurred costs upon receipt of Requests for Payment and detailed supporting documentation. Financial assistance will not exceed dollars (\$), and will be spent as a percentage of the line item budget breakdown submitted as Attachment B of the contract between the State of Tennessee and _____. Any payments by the State to the Grantee shall be made only if and when the funds are available by appropriation of the General Assembly of the State of Tennessee to the Tennessee Industrial Infrastructure Program through the Department of Economic and Community Development.

William A. Dunavant, Jr., CED,
Commissioner of ECD

Date

Date

Appendix I

ITS and TIIP Evaluation Surveys

EVALUATIVE QUESTIONNAIRE INDUSTRIAL TRAINING SERVICE ECD, State of Tennessee

OBJECTIVES: To evaluate the company's overall economic impact to the area.
To determine the most efficient and effective use of training assistance grants.

PURPOSE: To assess the effectiveness of Tennessee's Economic and Community Development, Industrial Training Service grant Programs.

INSTRUCTIONS: The company should appoint the person or persons most familiar with the Industrial Training Service to fill out this questionnaire.

I. COMPANY SATISFACTION WITH TENNESSEE ITS

In general, how satisfied have you been with each of the services.

Please circle a number to indicate your opinion		
1= Very satisfied	3=neutral,	5=Very dissatisfied
2=somewhat satisfied	4=somewhat dissatisfied,	6=Not requested or used

Financial Assistance:	1	2	3	4	5	6
Preemployment training:	1	2	3	4	5	6
Train the trainer:	1	2	3	4	5	6
Training consultation:	1	2	3	4	5	6
Systems support training:	1	2	3	4	5	6
On-the-Job training:	1	2	3	4	5	6
Supervisory/team building:	1	2	3	4	5	6
Training for Unique Equipment and Processes:	1	2	3	4	5	6
Training materials:	1	2	3	4	5	6
New Technology training for existing industries:	1	2	3	4	5	6
Terms of the contract:	1	2	3	4	5	6

Rate Industrial Training Service assistance in:

Determining the eligibility for the training grant:	1	2	3	4	5	6
Answering specific questions or problems about the program:	1	2	3	4	5	6
Processing reimbursement claims:	1	2	3	4	5	6

II. OVERALL ECONOMIC IMPACT

Select from the following items, and rank in order of importance the top six major benefits (1 through 6) to your area.

- _____ Reduced unemployment in the area.
- _____ An incentive for new expansions and new technology.
- _____ An incentive for recommending new supplier companies to the area
- _____ Allowed the company to increase employment more expediently.
- _____ Prevented layoffs.
- _____ Afforded new technology training for the company and area.
- _____ Raised the basic education level of employees.
- _____ Saved the company monies that will be spent for other area needs.
- _____ Prompted help from other state agencies such as job services and J.T.P.A.
- _____ Assisted in an increase in knowledge and skills of the area work force for better competition and security in the marketplace.
- _____ The Tennessee Industrial Training Service was an incentive for the company move to this area.
- _____ Had no impact.

How would you rate the value of the program to your business?

Check one: Extremely valuable _____ Somewhat valuable _____ Not valuable _____

Information as a reference base to the questionnaire.

- Type of contract with ITS:
New: _____ Expanding: _____ New Tech/TIIP: _____
- The number of persons that received training: _____
- The number of persons retained after training: _____
- The average hourly wage of the trainees after training: _____

Comments or Recommendations:

**TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY
DEVELOPMENT**
**Annual Industrial Development Employment Reporting Form For Projects
Funded with Tennessee Industrial Infrastructure Program Funds**

Our department is required and you have agreed to keep track of the number of beneficiaries (jobs) for Industrial Development projects funded with Tennessee Industrial Infrastructure Program Funds. The reports will be due on an annual basis for five years from the date your project was awarded.

Company Name: _____ Grantee: _____ (Comm)
 Address: _____ Award Date: (award) _____
 _____ Contract Number: _____
 _____ # of Jobs Projected: _____

1. How many persons did your company employ as of the date the Tennessee Industrial Infrastructure Program grant was awarded? _____
2. How many people are presently employed by your company? _____
3. Number of Jobs Created: Subtract line 1 from line 2 and enter the result on this line. _____
4. Number of Minorities Employed (Required under Title VI Requirements):
 _____ African Americans _____ Asian Americans _____ Hispanics
 _____ Asian/Pacific Islanders _____ American Indians _____ Alaskan Natives

Please contact Amy Mitchell at (615) 741-6201 if you have any questions or concerns relating to this matter.

The undersigned certifies that to the best of his/her knowledge the information contained in this form is true and correct.

Name

Date

Title

Phone Number

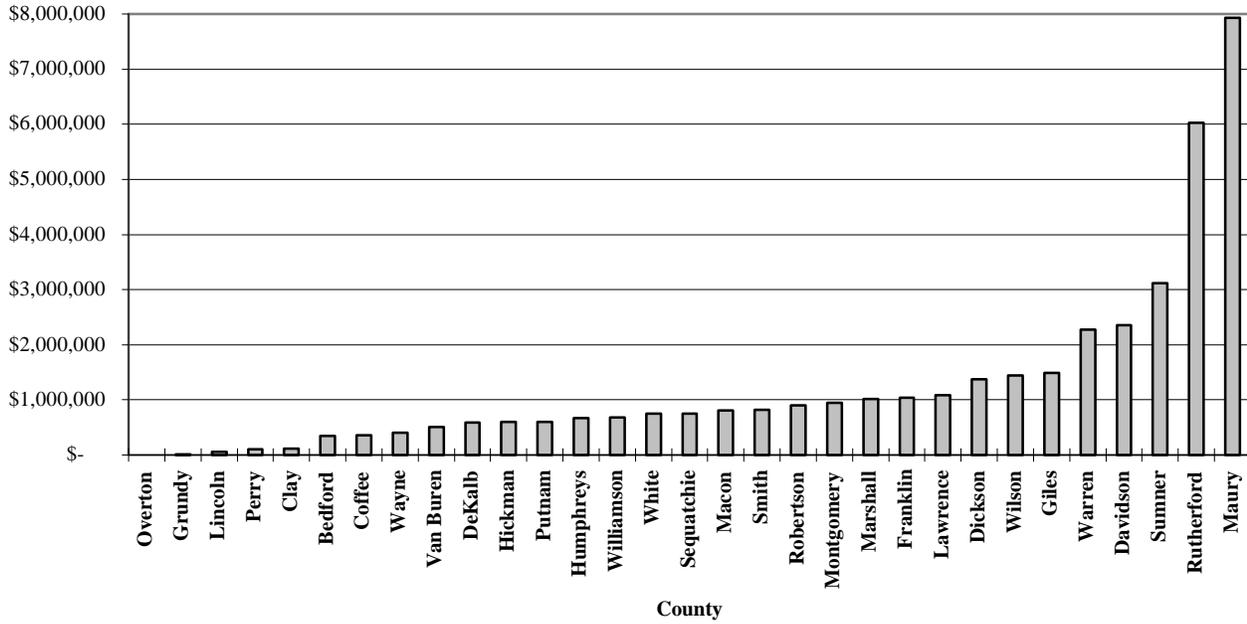
Signature

Appendix J

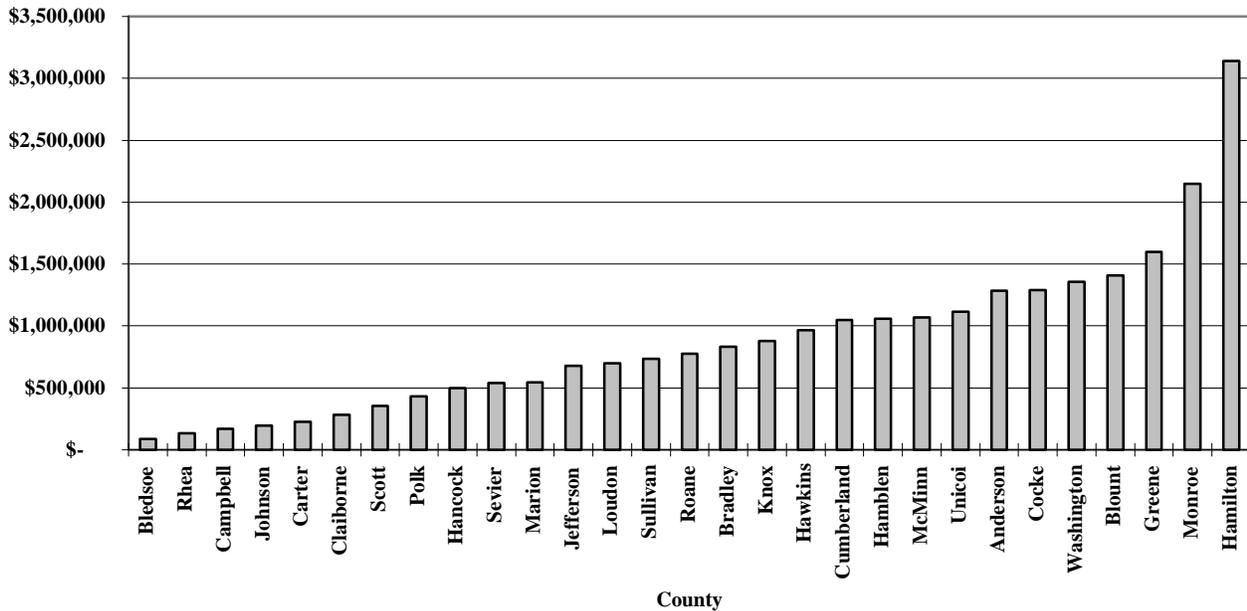
TIIP/ITS Dollar Distribution Among the Three Grand Divisions

1988-1995

Middle Tennessee TIIP Recipients

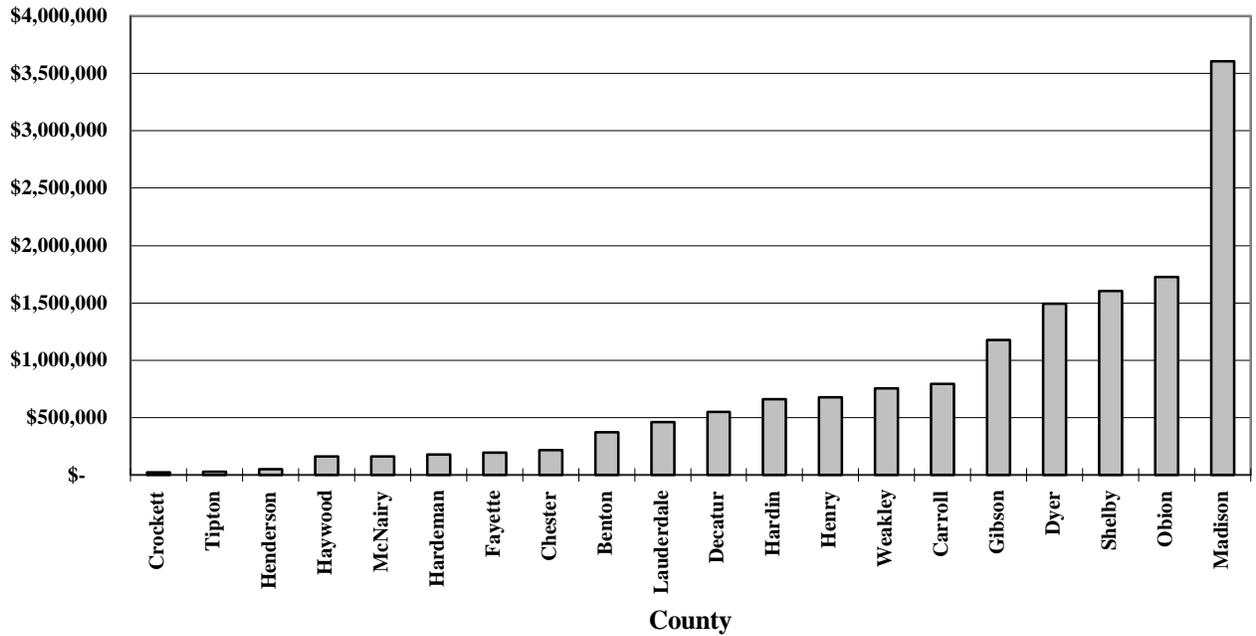


East Tennessee TIIP Recipients



Source: Compiled from information provided by the Department of Economic and Community Development

West Tennessee TIIP Recipients, 1988-1995



Source: Compiled from information provided by the Department of Economic and Community Development

Appendix K

Distressed Counties Receiving TIIP Grants

Year	County	Business	Amount
1988	Carroll	H.I.S.	\$ 230,361
1988	Carroll	Noma	\$ 233,135
1988	Cocke	GLI Inc.	\$ 750,000
1988	Cumberland	Aristocraft, Ind.Summer	\$ 1,000,000
1988	Gibson	Maycor Appl. Parts &Service	\$ 528,196
1988	Sequatchie	Tecumseh	\$ 449,000
1989	Carroll	American Lantern	\$ 62,941
1989	Carroll	Associated Rubber	\$ 98,927
1989	Decatur	Eaton, Monroe Co, DM III	\$ 461,318
1989	Henry	Plumley-Marugo Ltd.	\$ 100,000
1989	Johnson	Shelby Elastics of TN	\$ 26,491
1989	Polk	Remington Industries	\$ 69,570
1989	Sevier Cty	TRW-Home Grown Woods	\$ 466,854
1989	Warren	Bridgestone	\$ 999,914
1989	Warren	Calsonic	\$ 499,195
1989	Wayne	El Rancho Furniture	\$ 261,379
1990	Hardin	Industrial Development Corp	\$ 352,474
1990	McNairy	Spectrum	\$ 48,869
1991	Campbell	Lincoln Brass Works	\$ 24,375.93
1991	Johnson	Sara Lee Knit Products	\$ 14,507.78
1991	Lawrence	Tridon, Inc	\$ 306,442
1991	Lawrence	Murray Ohio Mfg Exp	\$ 20,457.50
1991	Lawrence	Tridon, Inc. Polymer	\$ 112,136.72
1991	Overton	Elsinore MFG	\$ 1,470.00
1991	Scott	Fruehauf Corp	\$ 5,240.00
1991	Sevier	TRW Fuji Valve	\$ 38,370.00
1992	Cocke	Spring Arbor Distributors	\$ 15,500.00
1992	Hardin	Bailey House	\$ 27,650
1992	Johnson	Sara Lee Knit Products	\$ 13,310.00
1992	Lawrence	Murray Ohio Mfg Exp	\$ 65,470.00
1992	Lawrence	Tridon, Inc. Polymer	\$ 16,320.00
1992	Scott	Fruehauf Corp	\$ 19,560.00
1992	Sevier	TRW Fuji Valve	\$ 19,740.00
1993	Campbell	Bushtec Mfg	\$ 2,205.84
1993	Campbell	Pierre Frozen Foods	\$ 36,142.41
1993	Cocke	Spring Arbor Distributors	\$ 32,500.00
1993	Decatur	Raney & Raney Construction	\$ 88,580

1993	Grundy	Robinson Mfg co	\$ 12,336.00
1993	Johnson	Goode Furniture	\$ 6,300.00
1993	Lawrence	Southwestern Ohio Steel	\$ 195,125
1993	Lawrence	Jones Apparel	\$ 159,232
1993	Lawrence	Murray Ohio Mfg Exp	\$ 53,254.46
1993	McNairy	American Foodservice	\$ 1,600.00
1993	Scott	American Bag	\$ 330,000
1993	Van Buren	Townsend Engineered Products	\$ 504,000
1994	Campbell	A & S Building Systems	\$ 100,000
1994	Campbell	Pierre Frozen Foods	\$ 7,295.75
1994	Cocke	Spring Arbor Distributors	\$ 493,950
1994	Hancock	Special Building	\$ 500,000
1994	Humphreys	Aqua Glass Corp	\$ 28,056.50
1994	Humphreys	Propper Int'l Sales	\$ 5,360.88
1994	Humphreys	Aqua Glass	\$ 286,027
1994	Humphreys	DuPont Chemicals	\$ 256,000
1994	Johnson	Goode Furniture	\$ 6,000.00
1994	Johnson	Sara Lee Knit Products	\$ 20,728.51
1994	Johnson	Timberland Co	\$ 30,473.60
1995	Johnson	NN Ball & Roller	\$ 75,000

TOTAL

\$10,569,342

Appendix L

Grants per Capita by County, 1988-1995

County	Population ⁱ	Amount	Per Capita
Anderson	70,525	\$ 1,283,349.08	\$ 18.20
Bedford	31,738	\$ 342,475.61	\$ 10.79
Benton	15,073	\$ 371,840.00	\$ 24.67
Bledsoe	9,779	\$ 86,274.00	\$ 8.82
Blount	90,403	\$ 1,409,487.19	\$ 15.59
Bradley	75,934	\$ 834,748.22	\$ 10.99
Campbell	35,656	\$ 170,019.93	\$ 4.77
Cannon		\$ -	\$ -
Carroll	10,756	\$ 795,364.00	\$ 73.95
Carter	52,029	\$ 225,500.00	\$ 4.33
Cheatham		\$ -	\$ -
Chester	12,961	\$ 214,800.00	\$ 16.57
Claiborne	27,079	\$ 282,748.00	\$ 10.44
Clay	7,226	\$ 117,000.00	\$ 16.19
Cocke	29,490	\$ 1,291,950.00	\$ 43.81
Coffee	41,641	\$ 360,612.16	\$ 8.66
Crockett	13,286	\$ 20,522.22	\$ 1.54
Cumberland	36,743	\$ 1,048,721.24	\$ 28.54
Davidson	517,798	\$ 2,355,706.95	\$ 4.55
Decatur	10,393	\$ 551,995.12	\$ 53.11
DeKalb	14,637	\$ 583,545.33	\$ 39.87
Dickson	36,509	\$ 1,377,115.22	\$ 37.72
Dyer	34,847	\$ 1,492,668.16	\$ 42.83
Fayette	25,995	\$ 193,775.00	\$ 7.45
Fentress		\$ -	\$ -
Franklin	35,301	\$ 1,043,470.26	\$ 29.56
Gibson	46,392	\$ 1,177,465.24	\$ 25.38
Giles	26,667	\$ 1,484,960.81	\$ 55.69
Grainger		\$ -	\$ -
Greene	57,243	\$ 1,595,946.85	\$ 27.88
Grundy	13,475	\$ 12,336.00	\$ 0.92
Hamblen	51,657	\$ 1,059,681.41	\$ 20.51
Hamilton	288,637	\$ 3,138,329.77	\$ 10.87
Hancock	6,725	\$ 500,000.00	\$ 74.35
Hardeman	23,770	\$ 179,294.00	\$ 7.54
Hardin	23,508	\$ 658,557.00	\$ 28.01
Hawkins	45,955	\$ 968,352.47	\$ 21.07

Haywood	19,474	\$	159,335.09	\$	8.18
Henderson	22,136	\$	50,093.80	\$	2.26
Henry	28,323	\$	674,174.79	\$	23.80
Hickman	17,579	\$	604,109.00	\$	34.37
Houston		\$	-	\$	-
Humphreys	15,864	\$	672,408.18	\$	42.39
Jackson		\$	-	\$	-
Jefferson	34,770	\$	676,023.57	\$	19.44
Johnson	15,209	\$	192,810.89	\$	12.68
Knox	347,583	\$	877,909.41	\$	2.53
Lake		\$	-	\$	-
Lauderdale	23,639	\$	459,356.00	\$	19.43
Lawrence	36,436	\$	1,012,666.69	\$	27.79
Lewis		\$	-	\$	-
Lincoln	28,451	\$	52,127.00	\$	1.83
Loudon	33,242	\$	701,036.71	\$	21.09
Macon	16,343	\$	812,674.50	\$	49.73
Madison	80,230	\$	3,605,755.46	\$	44.94
Marion	25,297	\$	543,320.38	\$	21.48
Marshall	22,974	\$	1,019,993.00	\$	44.40
Maury	59,740	\$	7,925,145.54	\$	132.66
McMinn	43,552	\$	1,067,134.53	\$	24.50
McNairy	22,563	\$	162,272.00	\$	7.19
Meigs		\$	-	\$	-
Monroe	31,376	\$	2,149,040.10	\$	68.49
Montgomery	109,992	\$	949,667.30	\$	8.63
Moore		\$	-	\$	-
Morgan		\$	-	\$	-
Obion	31,558	\$	1,725,151.00	\$	54.67
Overton	17,809	\$	1,470.00	\$	0.08
Perry	6,825	\$	100,000.00	\$	14.65
Pickett		\$	-	\$	-
Polk	13,903	\$	433,195.00	\$	31.16
Putnam	53,162	\$	605,265.72	\$	11.39
Rhea	25,270	\$	131,943.23	\$	5.22
Roane	48,094	\$	775,536.00	\$	16.13
Robertson	43,745	\$	897,730.00	\$	20.52
Rutherford	128,731	\$	6,030,641.37	\$	46.85
Scott	18,836	\$	354,800.00	\$	18.84
Sequatchie	9,186	\$	748,096.25	\$	81.44

Sevier	54,670	\$	541,062.00	\$	9.90
Shelby	844,847	\$	1,605,800.28	\$	1.90
Smith	14,407	\$	822,888.30	\$	57.12
Stewart		\$	-	\$	-
Sullivan	146,676	\$	735,558.63	\$	5.01
Sumner	107,937	\$	3,119,322.51	\$	28.90
Tipton	39,221	\$	29,070.08	\$	0.74
Trousdale		\$	-	\$	-
Unicoi	16,791	\$	1,116,228.00	\$	66.48
Union		\$	-	\$	-
Van Buren	4,891	\$	504,000.00	\$	103.05
Warren	33,479	\$	2,274,539.84	\$	67.94
Washington	94,934	\$	1,358,404.30	\$	14.31
Wayne	15,204	\$	406,243.00	\$	26.72
Weakley	31,931	\$	752,492.67	\$	23.57
White	20,490	\$	746,216.26	\$	36.42
Williamson	88,640	\$	683,767.20	\$	7.71
Wilson	71,160	\$	1,446,718.71	\$	20.33

ⁱ Each county's population is based on the Tennessee Statistical Abstract, 1993-1994.