

Springfield Area Chamber of Commerce  
**Community Leadership Visit**  
to Knoxville, TN



**August 9 - 11, 2007**



# Report 2007

Springfield, MO to Knoxville, TN



## ■ List of Participants

### **Jim Anderson**

President  
Springfield Area Chamber of Commerce

### **Ann Marie Baker**

Community Bank President  
UMB Bank

### **Jim Baker, Ph.D.**

Vice President for Research and Economic  
Development  
Missouri State University

### **Tom Barr**

Board Member  
Springfield-Branson National Airport

### **Roseann Bentley**

Associate Commissioner  
Greene County Commission

### **Brad Bodenhausen**

Executive Vice President  
Springfield Area Chamber of Commerce

### **Greg Burris**

Vice President for Administrative &  
Information Services  
Missouri State University

### **Annie Busch**

Executive Director  
Springfield-Greene County Library District

### **Kris Callen**

President  
Springfield R-12 Board of Education

### **Tom Carlson**

Mayor  
City of Springfield

### **Dave Coonrod**

Presiding Commissioner  
Greene County Commission

### **Bob Cumley**

City Manager  
City of Springfield

### **Gary Deaver**

Council member  
City of Springfield

### **Tom Finnie**

Board of Public Utilities  
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### **Brian Fogle**

Vice President, Community Development  
Great Southern Bank

### **Michael Hoeman, MD**

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### **Sandy Howard**

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### **Andrew Lear, CPA**

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### **Ralph Manley**

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### **Kyle McClure**

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### **Doug Pitt**

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### **Barby Pohl**

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### **Pete Radecki**

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### **Norm Ridder, Ph.D**

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### **Ralph Rognstad, Jr.**

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### **David Roling**

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### **Tim Rosenbury**

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### **Marc Thornsberry**

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### **John Twitty**

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### **Rusty Worley**

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### **John Wylie**

Council member  
City of Springfield

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## ■ Introduction - Finding a Region's "Unique Assets"

Springfield and Knoxville have many things in common.

Both cities are the third largest in their respective states, with comparable population and demographic statistics. Both cities are experiencing steady population growth and economic development success. Both cities have received national recognition as great places to live, work and do business. Both cities are surrounded by a beautiful natural environment that contributes to the area's quality of life, with rivers, lakes and mountains nearby. Both cities are in close proximity to major tourist attractions - Branson in Missouri and the Gatlinburg/Pigeon Forge area in Tennessee. Both cities are home to more than 40,000 college and university students. Both cities are known for having a quality workforce and competitive cost of living.

So what is the difference between Springfield and Knoxville? According to the observations of participants in the Chamber's 14th annual community leadership visit, the biggest difference

is probably the long-time presence of Oak Ridge National Laboratory in the East Tennessee region. ORNL is a driving force in the region's economy, attracting billions of dollars of federal, state and private funds - placing the Knoxville region in the nation's upper echelon of high-technology centers.

Oak Ridge National Laboratory evolved from the Manhattan Project in the early 1940s and emerged as one of the great research labs of the 20th Century. Today, ORNL is one of seven national science laboratories. It is the U.S. Department of Energy's largest lab with a \$1 billion budget, nearly 12,000 employees and 3,000 research guests annually. ORNL houses the world's most powerful open scientific computing facility and it has just opened the \$1.4 billion Spallation Neutron Source that will allow the world's top researchers to study the properties of materials. The ORNL is jointly managed in a 50 - 50 partnership by the University of Tennessee and the Battelle Institute.





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Thirty-eight business, government and education leaders from the Springfield area studied the impact of ORNL and other economic development topics during a three-day visit to Knoxville in August. What emerged from seven program sessions and panel discussions was a picture of Knoxville as a community that dreams big and is willing to invest in making those dreams become reality. Such an approach is not without risk as city, county, state and university officials were frequently referred to as "entrepreneurial" by members of the Springfield delegation.

According to Knoxville Mayor Bill Haslam, the key to community success is focusing on those things that make your community stand out. "No matter where you are

from, you have some unique asset. You need to find what that is and emphasize it, figuring out how best to take advantage of it," said Haslam. In Knoxville, they have identified their unique assets as the University of Tennessee, the Oak Ridge Lab, the nearby Smoky Mountains and the region's favorable quality of life.

Identifying Knoxville's unique assets, however, was only the first step in the community's success. Just as Knoxville is known as a region that is innovative from a scientific standpoint, it also is a region that is innovative strategically in its approach to creating partnerships and making financial investments in its core strengths.

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- Knoxville Mayor  
Bill Haslam



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## ■ Knoxville - Oak Ridge Innovation Valley

The Knoxville region has identified one of its primary strengths as the Oak Ridge National Laboratory and incorporated it into the branding of the region. The "Knoxville Oak Ridge Innovation Valley" is the common terminology used by several different organizations to market the region and position the area for economic growth. With maps that emphasize Knoxville's central location within the eastern United States, they promote a partnership that offers a "one stop shop" for economic development prospects seeking "resources, opportunities and imagination."

Business attraction and retention resources are plentiful with the Knoxville area's Jobs Now! initiative having received commitments of \$12 million for its five-year economic development program. As a point of comparison, the Springfield Business and Development Corporation's five-year economic

development capital campaign during the same period raised \$1.8 million - although Chamber membership is virtually the same in both communities.

Knoxville's Jobs Now! campaign has a goal to facilitate the creation of 35,000 new jobs, encourage \$2.5 billion in new capital investment and increase the region's per capita income by \$5,000. Over the past three years, the Knoxville region has created 20,500 jobs and attracted \$1.8 billion in investment. Knoxville's business attraction program is proactive and aggressive in the way it targets specific industries and regions of the country for outreach to corporations and site selection consultants. The Knoxville Chamber is funded to a level whereby they send staff "on the road" to other communities to recruit businesses.

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It is difficult to overstate the impact ORNL has on the Knoxville area economy. The highly-paid positions at the lab attract talented workers and boost the area's income rates. ORNL draws huge amounts of federal funds, opens new business opportunities and positions the Knoxville region for a stronger foothold in a knowledge-based economy. One significant challenge, though, confronting ORNL is the impending workforce crunch that will be felt in ten years when 60 percent of the employees (from the baby boomer generation) will retire.

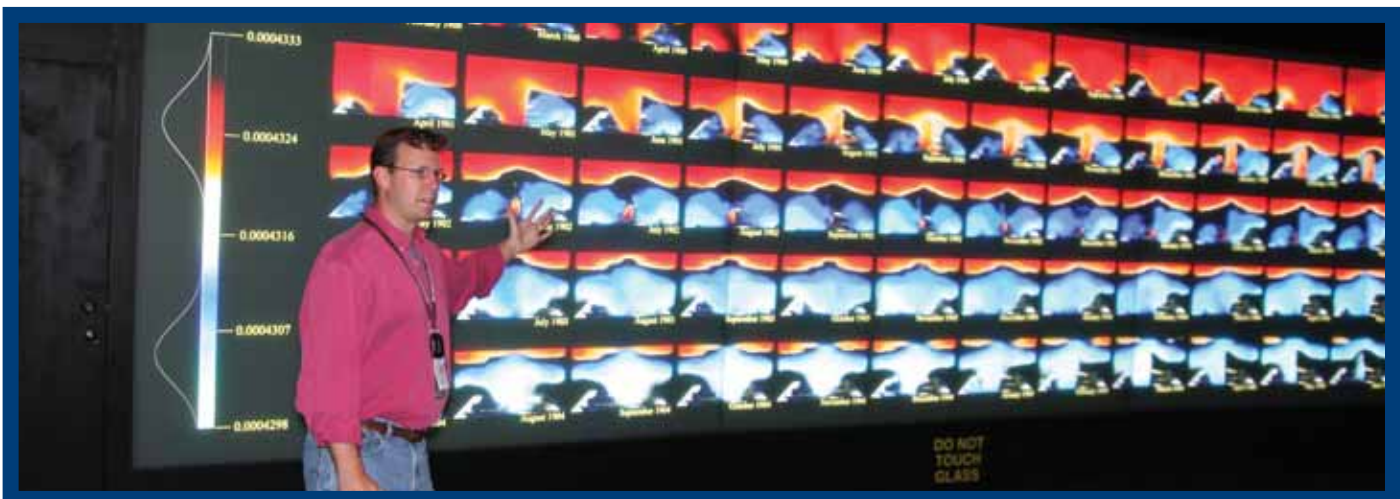
In order to attract the next generation of talented workers, ORNL has established a very aggressive internship program to expose students from all academic disciplines to future job opportunities at the national lab.

The Southeastern U.S. has become a hub for automobile manufacturing and 11 auto assembly plants are located within five hours of Knoxville. Suppliers to those plants are based in the Knoxville area due to its proximity to the plants. But Tom Ballard, the interim director of Technology Transfer and Economic Development at ORNL, is concerned the research and development side of the automotive industry hasn't established a presence in eastern Tennessee. "Auto assembly jobs are the textile jobs of the past in the South," he said. "We need to move

upstream and get a wedge in the door for higher-level research and development." To that end, Ballard has led the creation of the Automotive Research Alliance, a regional collaboration that is focused on attracting industry-sponsored R & D to the southern U.S.

Additionally, Ballard's office reaches beyond the Knoxville region to forge partnerships with universities and other economic development organizations in a 14-state region to promote ORNL as the "Lab of the South." In outlining his organization's philosophy on partnerships, Ballard distinguished between reactive and proactive collaboration. The reactive strategy involves understanding your partner's organizational mission and agenda first, and then responding by finding ways your organization can help meet those needs. Proactive collaboration depends on a clearly-defined understanding of your organization's mission and strategically seeking out those other groups that can complement your goals.

"Partnerships are what we do and economic development is the result of those partnerships," Ballard said. "It's all about connecting the dots - if you understand other people's agenda and understand your own."





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## ■ The University of Tennessee's Economic Impact

Another unique asset of the Knoxville region is the University of Tennessee. Although several speakers commented that in the past the University was disconnected from the local business community, much of that has changed in recent years. Now UT is seen as a key driver of the regional economy.

"Just by being a university, we have a significant economic impact," said David Millhorn, the University's executive vice president, who referenced UT's 27,000 students in Knoxville and 100,000-plus football attendance. Millhorn said UT has always focused on its traditional mission of education, research and service. But a new goal of economic development has become an important part of the University's mission as well. "We want to help drive economic development by the partnerships we form," Millhorn said.

One key partnership for the University, of course, is with the Battelle Institute in the management of ORNL. As one of the

few universities to manage a national laboratory, UT's role is prestigious for the University and good for the region. An example of this dual benefit is in terms of talent attraction. The potential for joint appointments as a professor at UT and a researcher at ORNL makes relocating to eastern Tennessee an attractive option for many top academics in the fields of science, technology, engineering and mathematics.

The resources UT has invested in ORNL contribute to the caliber of work being done at the national lab and make a strong statement about the University's commitment to economic development. The University built three buildings on the ORNL campus and contributed to a supercomputer facility, which is used for national interests such as studying climatology, as well as corporate needs as diverse as Boeing and DreamWorks.





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Millhorn said the most challenging part of the process is taking scientific research into the phase of commercialization and getting the companies started. Despite that challenge, the Knoxville region has been very successful with 61 companies created in the last five years from ORNL - UT collaboration. In some cases, however, this success has been achieved because government leaders were willing to accept an uncomfortable level of risk by investing in technology in its early, unproven stages of development.

One job creation effort currently underway represents a partnership between UT, the State of Tennessee, the federal government and private investors that began when the partners asked the question, "How can we work together?" The result has been the commitment of \$265 million in funds to develop

a biorefinery to produce alternative fuel from switch grass, which can be grown in abundance on underutilized land in Tennessee.

As the state government considered its \$70 million support of the project, Millhorn said Governor Phil Bredesen looked at it as a "venture capital" investment. The project is designed to boost the state's rural economy by creating a market for the production of switch grass and by locating the biorefineries in rural areas. From a national perspective, the project is addressing the pressing challenge of energy security. "What started as a science project allowed us to find an economic opportunity that truly benefits the state and will influence the future of the state," Millhorn said.



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## ■ A Small County Thinks Big

One member of the Springfield delegation called Blount County, Tennessee "Christian County on steroids." Considering the economic and population growth the suburban Knoxville county has experienced, the comparison with Missouri's fastest-growing county seems accurate.

Bryan Daniels, executive vice president of the Blount County Economic Development Board, pointed to Knoxville McGhee Tyson Airport, the Aluminum Company of America (Alcoa) and the nearby Oak Ridge Lab as the key assets of Blount County. But if those institutions are the economic core of the county, a quality education system is the driving force of Blount County's surging growth.

The school districts in the cities of Maryville, Oak Ridge and Alcoa are among the very top schools in the state and this is a major

reason why people want to live there, according to Daniels. The City of Knoxville has grown to its corporate limits and much of Knoxville's population growth is now occurring in Blount County. The Pellissippi Research Center is a bold project in Blount County to help accommodate this spillover growth from Knoxville. Designed as a self-contained community, where residents can "live, work and play," the project is unique because two counties have joined together with two cities to fund the start-up of the technology park. Knox County, Blount County and the cities of Alcoa and Maryville each provided \$5 million in capital support. The long-term vision is to build a 750-acre area of retail, residential and commercial development over the course of 30 to 50 years. The anticipated total capital investment is \$280 million. Tax revenues generated in the tech park will be redistributed on an equal basis to the four jurisdictions that originally supported the development.





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Daniels said an important motivator driving Blount County's movement toward technology development is the need to transition beyond being an automotive economy and to stem the "brain drain" that is occurring in the region. "This is about creating jobs to keep kids here," he said.

Part of Blount County's economic development strategy includes having a visible and proactive international presence. The Economic Development Board maintains

offices with paid staff in the United Kingdom, Japan and South Korea. Daniels identified this time as a moment of opportunity for local and regional economic developers to commit to international involvement as states are increasingly withdrawing their international trade and investment offices. "We want their researchers (in the U.K., Japan and Korea) to visit ORNL and then we will have a lead on getting them to locate their eventual commercial production here," Daniels said.

**"An important motivator driving Blount County's movement toward technology development is the need to transition beyond being an automotive economy and to stem the 'brain drain' that is occurring in the region."**

Bryan Daniels,  
executive vice president,  
Blount County Economic  
Development Board



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## ■ Downtown as the "Heart of the Region"

"Our downtown had gotten tired," said Knoxville Mayor Bill Haslam. Believing a city's downtown should be the "heart of the region," Knoxville leaders began trying to revive the center city in the early 1990s.

A central theme of Knoxville's downtown revitalization strategy was to maintain the unique flavor of the area. An important tactic in that regard was the restoration of existing buildings in downtown. According to downtown developer and property owner John Craig, the first step was "preserving the buildings we already have and we have a good stock of historic buildings in Knoxville."

Now Knoxville has more people living, working, shopping and finding entertainment downtown. Downtown Knoxville is home to 24,000 employees and more than 2,000 residents, according to Michele Hummel, executive director of Knoxville's

Central Business Improvement District. Of those living downtown, about 60 percent are renters and 40 percent are owners - but the trend is moving toward condo ownership, Hummel said. The Springfield delegation toured a refurbished downtown building that houses loft apartments and the office of an architectural firm.

Another tip offered by Knoxville leaders is to pay careful attention to land use decisions in the areas surrounding downtown. Several Knoxville speakers lamented the fact that previous planning (or lack of planning) resulted in a number of less desirable facilities being located near the Tennessee River, preventing other uses for that riverfront property. This lack of long-range focus on land use has been an obstacle to the community in achieving the best use of one of Knoxville's strategic assets - a downtown that is located adjacent to a major river.





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"Now it's hard to find a night when there is not something going on downtown," Hummel said. It is common for up to 15,000 people to attend downtown concerts and new retail establishments, galleries and theaters line the downtown streets. With a goal to target "unique and destination" retail stores, the opening of Mast General Store was a recent coup for downtown Knoxville. Knoxville leaders noted the downtown community's willingness to close streets on a regular basis in order to host special events.

The resurgence of Knoxville's downtown is credited in part as contributing to the city's recognition as an attractive place for young professionals to live and work. A group called Young Professionals Knoxville (YPK) recently organized to help Knoxville's young professionals between the ages of 23 and 35 become more engaged in the community.

YPK member Chyna Brackeen told the Springfield delegation that a vibrant downtown is critical to the community's appeal to young professionals. Defining the characteristics that young professionals are looking for in a city, Brackeen noted a strong entertainment scene, with plenty of music, arts and culture; great restaurants and unique shopping options that are different from national chains; unique housing; and lots of activity.

Many young professionals once looked at Knoxville as "the world's best suburb," according to one YPK panelist. "But now downtown is really the young professionals' home. It's becoming more of a neighborhood."

In an area where people often identify themselves as being from North Knoxville or West Knoxville or South Knoxville, downtown is just Knoxville, Haslam said.



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## ■ Conclusion - "Whoever figures out the workforce issue will win"

The Knoxville visit exposed Springfield leaders to a region that is scientifically innovative, strategically focused and willing to invest in its future. The Knoxville - Oak Ridge region has identified its unique assets and created partnerships to capitalize on those strengths. They believe the future is all about workforce development, so they have placed a priority on attracting and retaining talented people.

"Technology, innovation, research and knowledge will drive future job growth, if we have the workforce," said Knoxville Chamber President Mike Edwards. "Whoever figures out the workforce issue will win." In this regard, the 2007 community leadership visit should serve as a timely wake-up call for the Springfield area and the State of Missouri.

Knoxville's financial commitment to economic development is more than six times greater than that of Springfield. As a result, they have a more assertive and proactive program for business and industry attraction and retention. The State of Tennessee's approach to higher education funding is more about "investing in economic opportunities" than tightening the belt. Missouri could benefit by adopting a similar entrepreneurial attitude toward education, technology and economic development.

As with previous community leadership visits, the delegation hopes the lessons learned in Knoxville will contribute to the economic progress of the Springfield area. But these annual visits are helpful for affirmation as well as inspiration. The Knoxville visit reinforced many of the good things already happening in the Springfield area. In particular, it highlighted the spirit of collaboration among community leaders; the community involvement of Springfield's colleges and universities; and the quality of Springfield Public Schools.

As we consider how to best position the Springfield region to compete in a knowledge-based economy, two current initiatives appear to be on the right track. The Roy Blunt Jordan Valley

Innovation Center represents a promising step into the high-technology field with the materials and health science research being done at the newly-opened facility. Keeping in perspective the dramatic difference in the scope of ORNL, it is not too early to begin dreaming about the development of a national laboratory in Springfield.

Missouri State University's leadership and strategic vision for the possibilities of JVIC have helped fill an important economic development niche. As a community, we must be prepared to fully realize the job-creation potential of JVIC by attracting the funding necessary to keep production in Springfield as innovative ideas are transformed into commercial products.

Another workforce initiative that has been successfully launched this year is The Network for Springfield's young professionals. The organizational structure and inclusiveness of The Network is stronger than Knoxville's YPK program. However, it will be important for Springfield's current and future leaders to be connected so we create a unified vision for the future of the community. The disengaged young professionals in Knoxville spoke in an "us vs. them" terminology that we cannot allow to develop here.

Coming full circle, the 2007 community leadership visit to Knoxville began a discussion among 38 Springfield area leaders about what are the "unique assets" of our region. What gives us an edge over the competition in a knowledge-based economy? We hope that discussion will continue and include many more voices in the coming months.

**"Technology, innovation, research and knowledge will drive future job growth, if we have the workforce."**

- Mike Edwards  
Knoxville Chamber President





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