

RESOLUTION 2015/09-48
A RESOLUTION APPROVING LAKELAND DEVELOPMENT CORPORATION'S
STRATEGIC PLAN

WHEREAS, the Lakeland Development Corporation (LDC) voted to adopt the attached Strategic Plan to guide future actions of the LDC.

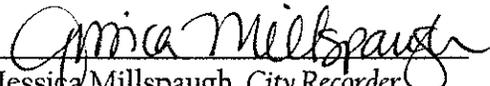
NOW THEREFORE, BE IT RESOLVED, by the Board of Commissioners that the attached Lakeland Development Corporation's Strategic Plan is hereby approved.

PASSED AND ADOPTED by the Board of Commissioners of Lakeland, Tennessee on this 10th day of September, 2015, public welfare requiring it.



Wyatt Bunker, Mayor

ATTEST:



Jessica Millspaugh, City Recorder



Lakeland Development Corporation

REPORT:

**THE CITY OF LAKE LAND:
ECONOMIC DEVELOPMENT STRATEGIC PLAN**

PRESENTED TO:

THE CITY OF LAKE LAND BOARD OF COMMISSIONERS

ADOPTION DATE:

JULY 23, 2015

Economic Development Strategic Plan for the City of Lakeland Lakeland Development Corporation (LDC) July 23, 2015

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SECTION 1. INTRODUCTION AND ACKNOWLEDGMENTS

Economic development considers influences and relationships in a region which impact the ability to maintain and grow businesses, jobs, the tax base, and wealth. The relationship that these factors have to fiscal health connotes a relationship between economic development and quality of life. This document, the City of Lakeland Economic Development Strategic Plan, considers Lakeland, its region, and initiatives to advance economic development in the City.

In 2002, Lakeland established an Lakeland Development Corporation (LDC), which has taken actions over the years to encourage economic development. But, a formal economic development strategy has not been developed. As a result, the assignment of resources to economic development has not been optimal. Particularly in light of conditions since the economic downturn that began in 2008, the need for a coordinated strategy has been recognized.

This plan is the first of its kind in Lakeland. It seeks to begin a process of regularly identifying issues and assigning resources, as we implement related programs.

The project began with research and pre-planning stages, followed by public meetings that examined strengths, weaknesses, opportunities, and threats (SWOT), a business roundtable, resident surveys, business surveys, and public visioning, ending with the identification of strategies.

This plan was created in-house. As a result, it was done on a modest budget, with part-time resources, and no outside professional help. Studies of plans by economic development professionals in other communities nationwide, and other professional literature, aided in determining the process, and with the veracity of this plan.

The LDC would like to acknowledge those who participated in the project's public meetings and surveys; including residents, business representatives, and members of several City Commissions. This plan could not have achieved its objective of including a community vision, without them!

SECTION 2. EXECUTIVE SUMMARY AND PROJECT DESCRIPTION

Project Objective and Organization

The objective of this project is to develop a plan including agreed community vision statements and strategies for economic development in Lakeland, leading to actions which will identify and achieve outcomes that are realistic, and desired.

The need for this plan was recognized for several reasons, including the current economic downturn, negative feedback from the business community, languishing sites and/or empty buildings, reduced and volatile City revenues, and difficulties reaching agreement when development proposals come forward.

Midway through the project, prior to visioning, the LDC created the 2012 Economic Development Assessment. Section 3 of this document excerpts and summarizes portions the assessment. The excerpted portions include a community profile, and summaries of survey and public meeting results that occurred from 2011 thru 2013. The full assessment and appendices, can be seen at the City's main webpage, www.lakelandtn.gov. Then go to "Site Tools", and search "ED Assessment".

The crux of this plan is Section 4, which provides visions, goals, and strategies. This remainder of this section summarizes some of the work of producing the plan, and suggested next steps, should we proceed to implement the plan.

Plan Design

Study Area. The first activity of this project was to design a process for strategic planning for economic development. Clearly, economic development does not respect hard boundaries, so we cannot focus on the Lakeland city limits alone. The nearby area can be expected to hold particular opportunities and circumstances that are relevant for strategy making. Therefore, a study area was determined. The LDC chose an approximate 20-minute drive-time area around Lakeland. An illustration of this area appears in Section 3, below. This area is a significant economic unit, spanning approximately from Shelby Farms and North Cordova, the Tipton

County line, and Oakland (Fayette County), to all of Bartlett. It comprises a current population in excess of 175,000, and over 190 square miles. The area has captured significant population growth in recent decades, as has Lakeland's 24 square miles.

Plan Horizon. Also considered in the plan design phase was the time horizon of the plan. Research showed that a 5-year horizon is common for strategic plans. This is the time at which we might consider doing major updates to the plan. A period much shorter than this may not provide enough contexts to identify direction, and we know that some strategies take a few years to achieve progress. However, the LDC is focused on implementation. So, a shorter-term action plan to implement strategies in the next two years is a logical next step, should the City adopt this Plan. This is discussed at the end of this section.

Focus Categories. Six economic development categories were developed to focus the plan, based on studies of other community's economic development efforts, and our current circumstances. These were Business Climate, Business Clusters, Quality of Life, Infrastructure, Facilities, and Sites, Business Leadership, and Economic Development Efforts. Descriptions of these categories are explained in the separate 2012 Economic Development Assessment, and also in Section 4 (Strategy Recommendations), below. Workforce Development was not addressed. It was felt that this category could be addressed in a future update of the plan.

2012 Economic Development Assessment

After the plan design stage, an assessment stage began. Public meetings were held, and surveys conducted, to gain an understanding of our circumstances and characteristics, and the views of residents and the business community regarding economic development. These venues included exploring each of the six economic development categories with participants.

Data gathering (e.g., Census and other data) supplemented the meeting and survey results with a community profile. This information was compiled into the 2012 Economic Development Assessment and Appendices, noted throughout this document.

Part of the community profile portion was excerpted and placed below, in Section 3. Some of the conclusions of the profile include that the immediate region has history of growth, strong growth potential, high income and educational demographics, opportunities due to highway access, and that we can draw from a workforce of a significant size. Initial indications include that we may be able to leverage concentrations of retail, food and accommodation, bioscience, agriscience, professional and technical services, and healthcare industries occurring in proximity to Lakeland, for business growth. However, a more detailed study and target industry analysis remains to be performed.

Results of the public meetings and surveys emphasized reinforcing the strong quality of life in Lakeland, while becoming more proactive in pursuing better business conditions, marketing our City, and strengthening the City's fiscal position. Further, the issue of strengthening the identity of Lakeland was a repeated theme. Participants expressed a desire to identify the most important priorities and to get going now.

Participants indicated that the lack of a collective development vision to date has left some feeling that our local business climate is negative. At the same time, our small commercial footprint has not achieved critical mass within Lakeland. However, participants recognized that significant strengths include our location, demographics, the beauty of the area, and good schools, and most businesses indicated that Lakeland is a good place to do business.

The state of the economy and regional political issues are influencing the business climate, causing uncertainty.

Participants recognized that several existing major roads, or imminent road improvements, may hold promise for Lakeland's economic future. These include the new I-40 & Canada Road Interchange, Beverle Rivera Road improvements, New Canada Road, existing Highways 64 & 70, and the future I-269. Adequate utilities in portions of the City, and ample land, are also strengths. Yet, Lakeland has not yet examined specific roads from the viewpoint of their economic development potential or limitations. In some areas, road maintenance has been deferred, although the overall condition is usually good. A key near-term priority is completing the I-40 & Canada Interchange, slated to be built between 2014 and 2016. Major roads and intersections could be analyzed for their potential, and considered for future capital improvements.

The meetings and surveys, like the Community Profile, concluded that we have a diversity of business types in the study area, and that Lakeland may be in a position to attract a share of growth in some industries. There was agreement that a diverse economy should be pursued.

Participants agreed that to encourage our business community to take a leadership role, we must find those who can and are willing to participate in developing the local response to economic development needs. Work on both private and public-private relations, and agreeing on what constitutes success, will be important in improving this in Lakeland.

Vision, Goals, and Strategies

Economic Development Visioning - After the assessment stage, a visioning stage began, to develop broad, but realistic, statements of what Lakeland desires to be (*not necessarily what we are today*) as pertains to economic development. This resulted in thirteen visions, within the six economic development categories noted above. A public visioning survey was done concurrently with a public visioning meeting. The visioning meeting was held at the Lakeland Elementary School, in March, 2013. The resulting visions are included in Section 4, below.

Subsequently, LDC developed goals and strategies to complement the visions, also shown in Section 4. The goals and strategies portion of the plan are being made public for the first time via this document.

Executive Summary Conclusion (Plan Implementation)

Upon the passage of the Economic Development Strategic Plan, the City should undertake identification of which goals and strategies to implement initially, versus those expected to happen later within the 5-year plan horizon.

To do this, LDC proposes the development of a two-year action plan to identify needed resources, and to prioritize actions in the near term. A period of two years was chosen to provide focus. A shorter term may not be enough time to achieve significant results for many of the goals and strategies, or to effect measures of success.

An action plan would continue to refine the strategies noted in this document. When possible, performance measures should be included for the chosen strategies, within the action plan. The action plan should identify each responsible party to implement strategies, should also indicate secondary actors, and should include which strategies include shared responsibilities. An action plan may also include schedules, tasks, funding, etc. It may suggest the creation of subcommittees for selected issues.

Prioritizing goals and strategies for inclusion in the action plan may consider several issues:

- The most pressing immediate needs
- Items already in process or primed for action
- Which issues we have the most control over, to effectuate results within two years
- The scarcity of human and capital resources, which may constrain which strategies can begin implementation first (e.g., budgeting)
- Other barriers to accomplishing strategies during the term of the plan
- The probability of successful implementation during the term of the plan

The first iteration of the action plan may consider new projects, as well as projects which have been budgeted for fiscal 2013-2014. They may include (but not limited to):

- Industrial Development Corporation (IDC). Set-up, analytical, and legal support are partially budgeted. Incentive seed funds, if any, are not budgeted.
- Retail & Services Target and Recruiting Plan, partially budgeted (multi-year project).
- Lakeland Chamber support budgeted.
- Capital Improvements for Infrastructure (see the City Capital Improvements Plan).

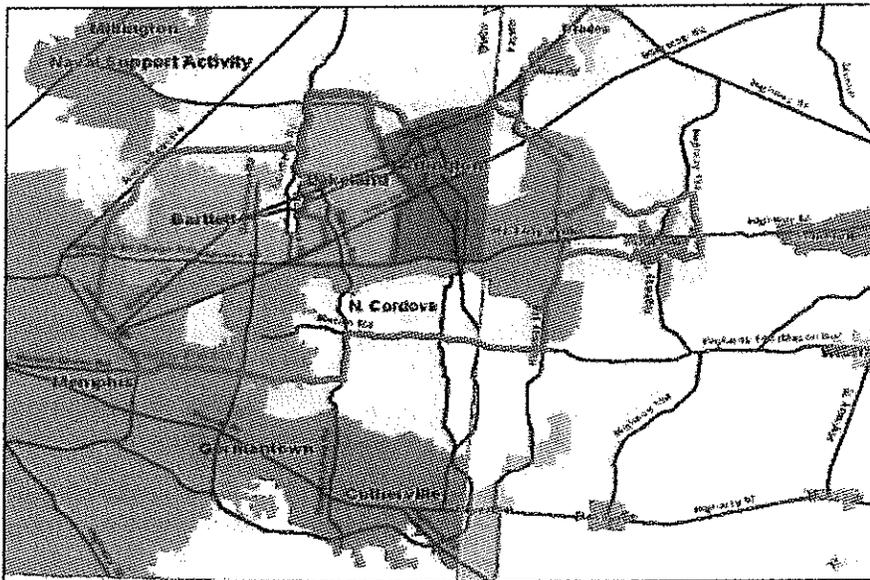
The first iteration of the action plan may also contain preparatory actions needed for the next action plan.

SECTION 3: COMMUNITY PROFILE

This section of the report contains a community profile which was used to prepare for public meetings and surveys to gain feedback for visions, goals and objectives. It considers demographic and business characteristics and conditions, and the need for further information that may aid economic development in Lakeland.

Study Area Map

The Study Area Map depicts an approximate 20-minute drive time from selected areas of Lakeland, and is what the LDC felt was a logical boundary to consider in efforts to focus discussions about opportunities and needs. As noted early in this report, this area is quite large, likely has a population of more than 175,000 today, and comprises a large number of and a diversity of types of businesses.



Business Climate

In Forbes "2011 Best Places for Business and Careers", Memphis rated 25th out of 200 cities for a low cost of doing business. However, it rated only 147th when considering other factors, including education, growth, and quality of life. While Lakeland has not to date developed a process to benchmark against others, the statistics given here indicate that education and quality of life indicators would result in favorable comparisons to Memphis, and many cities in Tennessee and the Nation. We have benefited from reasonable business costs, combined with

a good school system, and high quality of life. Further examination of variables to maintain locally and benchmark against others is advisable, to assess our competitive position.

This section includes a review of several data sources which were scanned to obtain statistics describing Lakeland and the study area. Demographic and business data were gathered, including:

- Population
- Median Household Income
- Educational Attainment
- Business Establishments
- Local Employment
- Local Labor Force

The data sources utilized include U.S. Census actual data or estimates, ESRI data products, Buxton data products, and others. The statistics are for 2010, unless noted. Both City and zip code demographics were available for some of the data variables examined, while only City data was available for some variables when the U.S. Census was used. Seven nearby zip codes comprise an area which closely corresponds (but exceeds somewhat) the area indicated in the study area map above. The tables below will indicate when zip code level data was substituted.

Table 1: Lakeland Area Population and Labor Force

	Lakeland	Arlington	Bartlett	Oakland	North Cordova [^]	Study Area#
Population	12,430	11,517	54,813	6,623	43,079	176,826
Population Growth 2000-2010	81%	348%	34%	518%	49%	60%
% 25-44 Age Group	26.2%	30%	24.7%	31.4%	28%	28%
Median Household Income	\$78,248	\$87,951	\$73,194	\$69,988	\$77,004	N/A
% >= Bachelor's Degree	38%	39%	34%	26%	25.1 %	N/A
Labor Force	6,286	4,656	22,832	2,082	22,004	96,094

Source: U.S. Census, 2010 or recent census ACS estimates, unless noted

[^] Buxton Analytics, 38016 zip code; # Buxton Analytics zip code data

There was significant population growth in the study area in the early 2000's, which is confirmed in the 2010 Census population counts. With increased population comes an increase in the size of the labor force, a factor for expanding and new businesses. This is the number of people available to work. While the labor force increased by 60% in the area,

income and educational attainment remained at high levels compared with the County, State, and Nation.

The East and Southeast region in and near the study area, including the 38002, 38028, 38016, and 38060 zip codes, obtained the greatest increase in the labor force between 2000 and 2010. This area comprises Lakeland, Arlington, Eads, North Cordova, and Oakland, and has reached a labor force count of over 57,000. In the Western part of the study area, Bartlett has reached a labor force count of over 22,000. The three zip codes immediate to and outside of Bartlett appear to have grown the labor force at a slower rate, but probably contribute more than another 20,000 to the labor force. Pulling in the above cities and nearby zip code areas, the area constitutes about 23% of the Shelby County civilian labor force, and over 16% of the Memphis MSA civilian labor force.

An important age category is 25 to 44, the young professional labor force. Some companies may consider this group to be their primary workforce. For instance, high-tech companies may prefer communities that have a concentration higher than 33%¹. The local estimates indicate a high percentage of workers in this group, although not at the highest level that some companies may prefer. Nevertheless, the study area has a higher level of population in this age group than the Memphis MSA and the United States, with the highest percentages being around Arlington and Oakland. Our population, and the nation's, is aging. Further review of the age distribution and trends may be warranted as strategies are implemented in the future². Income is an indication of economic health and future opportunities in the area³.

The income estimates indicate that the study area has a quite high median household income, which some industries may see as a competitive strength for Lakeland. Study area incomes are higher than the U.S., State, County, and Memphis MSA incomes by a substantial margin. We appear to fall somewhere above the 70th percentile nationally. For comparison, it appears that Germantown and Collierville (not in our study area) fall somewhere above the 80th percentile nationally⁴. Staff suggests that the growth and distribution of income over time be studied more closely and tracked to better understand its meaning for economic development.

The educational attainment levels in the study area for a bachelor's degree or greater exceed those in the U.S., the Memphis MSA, and each of the MSA's eight counties, with only the City of Oakland lagging somewhat behind the U.S. national average of 29.6%⁵. Two cities in our County, but not in our study area, Germantown and Collierville, have even higher educational attainment than the study area.

Businesses and Labor

¹ Broken Arrow Situational Analysis, Angelou Economics, 2006

² Census estimates may have been revised since this data was produced. Full Census 2010 data has not been released for age variables as of Late 2013.

³ Census estimates may have been revised since this data was produced. Full Census has not been released for these variables as of Late 2013.

⁴ State of the USA, 2009; IBM Visualization website

⁵ In 2010, according to the National Center of Education Statistics

The zip codes closest to this area were used for some of this analysis, since the study area covers some area outside of the cities. There are seven zip codes that encompass Lakeland, Bartlett, North Cordova, Oakland, Arlington, and intervening areas. They are 38133, 38134, 38135, 38002, 38016, 38028, and 38060. These zip codes include over 300 businesses that employ fifty or more, with total employment at those firms estimated to exceed 20,000. This is about one-quarter of total employment by businesses within the study area. On the other end of the business-size spectrum, one can deduce that a large majority of those employed within the study area are at very small firms of 1 to 19 employees. These firms are over 85% of area firms.

The totals for those employed at businesses within the study area should not be confused with the labor force, which is a larger number including those who are employed and employable that commute outward. The labor force is discussed in another part of this report. Commuting data is also provided, which clearly indicates that a tiny minority of our area’s residents work within our area’s cities at this time. Our local businesses in Lakeland, Bartlett, Arlington, etc. obtain the vast majority of employees from outside of the city they are located.

Table 2: Smallest and Largest Establishments

	Lakeland	Arlington	Bartlett	Oakland	North Cordova [^]	Study Area [^]
Total Number of Establishments	145	265	1,508	51	1,044	6,052
# Establishments 1-9 employed	115	203	1,122	42	771	4,434
# Establishments 10-19 employed	13	23	190	6	144	771
# Establishments 50+ employed	5	16	71	1	53	323
# Employees	1,373	3,982	16,038	354	12,941	79,353

[^] Zip code(s) were used to estimate this number Source – Buxton Analytics

According to the National League of Cities, a Stage 1 business is one which typically has from 2 to 9 employees, which is in the process of developing a product or market. Firms which proceed and employ 10 or more employees typically have a proven product, pass the survival stage, and reach other stages of development as they grow. As can be seen in Table 2, the largest proportion of area businesses are in Stage 1, or even an earlier stage, with only a proprietor. This is also the case nationally. Policies specific to the stage of development of businesses could be examined during strategy implementation phase of this project.

Lakeland Largest Employers

In Table 2 above, the distribution of small and large businesses is indicated. “Small employer”

means something different in Lakeland, due to the presence of no large companies here to date. It appears likely that the largest employers in Lakeland employ 50 to 75 people, including Cracker Barrel restaurant, A2H Architects and Engineers, The Lakeland Elementary School, and staff speculates that this may include some of our hotels (Super 8, Motel 6, and Relax Inn). A few fast-food restaurants likely employ 20 to 50 employees each. Walgreens averages 30 employees per store nationally.

Study Area Large Employers

As seen in Table 2 above, there are too many large employers in our study area to list below (over 450, with 50 or more employees). The few that have 500 or more employees are listed. For the purposes of studying business clusters as later discussed in this report, a more exhaustive listing of businesses, perhaps beginning with a lower number of employee thresholds, could be cross referenced with other criteria to develop targets for economic development. Staff found its data sources lacking in reliably developing this data at the time of this report, but believes that this is achievable with better data services.

Table 3: Largest private employers in the study area

Private Sector Major Employers	City	Zip	Number of Employees	Industry
Wright Medical Technology, Inc.	Arlington	38002	911	339113, Surgical Appliance & Supplies Manufacturing
Brothers Industries, Inc.	Bartlett	38133	1,200	333298, All Other Industrial Machinery Manufacturing
Verizon Business Network Services, Inc.	Bartlett	38134	1,100	517911, Telecommunications Resellers
Covenant Dove, LLC	Bartlett	38134	510	561110, Health / Office Administrative Services
Impact Logistics, Inc.	Memphis	38016	1,100	236118, General Warehouse Storage, Residential Remodelers
Wal-Mart Stores, Inc.	Memphis	38133	500	452111, Department Stores
Accredo Health, Inc.	Memphis	38134	1,300	621999 - All Other Miscellaneous Ambulatory Health Care Services
Mirabile Investment Corp.	Memphis	38133	1,400	722310, Food Svc Contractors
Youth Villages Co.	Memphis	38133	917	624110, Child & Youth Services
Dillards	Memphis	38133	550	452111, Department Stores
Catholic Diocese of Memphis	Memphis	38134	2,000	813110, Religious Organizations

Industry Employment

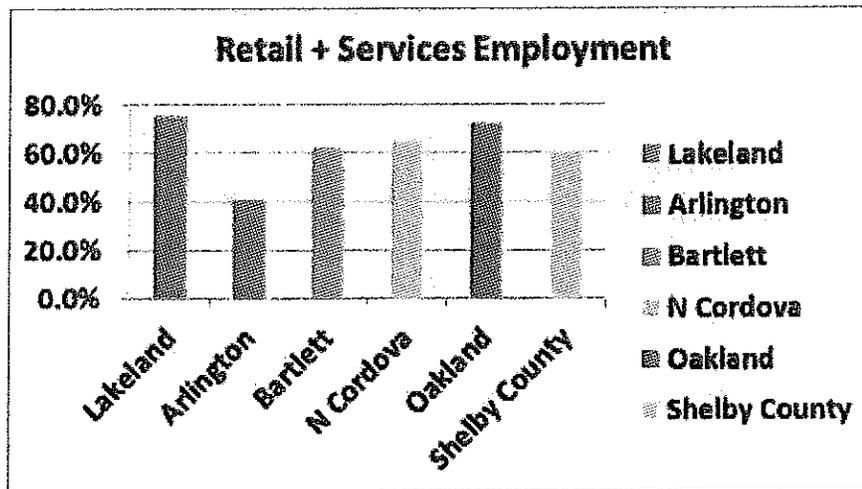
Table 4 below indicates how those employed and living within the study area are employed. The top three sectors are highlighted for each area. Lakeland has the highest proportion of retail and services employment, and a low proportion relative to others in several sectors.

Table 4: Percent Industry Employment, 2010

Industry Code Description	Lakeland	Arlington	Bartlett	North Cordova	Oakland	Study Area	Shelby County
Agricultural	1.5%	1.7%	1.3%	1.1%	0.6%	1.5%	1.1%
Construction	8.4%	6.2%	7.8%	4.1%	5.9%	7.8%	4.4%
Finance Insurance, and Real Estate	4.8%	2.0%	8.1%	7.3%	9.0%	5.3%	6.7%
Manufacturing	3.1%	23.9%	6.4%	7.6%	3.1%	6.1%	8.2%
Public Administration	2.1%	15.2%	4.0%	1.7%	5.1%	5.0%	5.2%
Transportation & Communications	0.8%	6.3%	3.0%	8.0%	1.1%	6.7%	7.2%
Unclassified	0.7%	0.1%	0.5%	0.6%	0.0%	0.5%	0.7%
Wholesale Trade	3.1%	3.5%	6.8%	4.3%	2.5%	7.7%	6.7%
Retail	33.2%	20.8%	21.9%	31.4%	45.8%	28.9%	19.7%
Services	42.2%	20.2%	40.1%	33.7%	26.6%	30.4%	40.1%
Total Labor Force	6,286	4,656	22,832	22,004	2,082	96,094	459,500

Source: 2010 Buxton Analytics

The chart below is derived from the table above. It indicates that Lakeland had the highest combined ratio of retail and services employment in the area, and the lowest incidence of employment in other sectors, in 2010. The Services sector includes many disparate business types. These types can be found in the appendices of the 2012 Economic Development Assessment, listed by Standard Industry Classification codes. Within services, Lakeland's highest employment areas in 2010 were Education, Hospitals, Business Services, and Entertainment and Recreation Services. Within retail trade, Lakeland's highest employment areas in 2010 were General Merchandise Stores, Restaurants, Auto Dealers, and Hardware.



Lakeland showed a relatively high incidence of construction employment as a percentage of total employment⁶.

Transportation

Lakeland and the nearby area have strong transportation access, including several roadways of regional importance. These include, but are not limited to, I-40, Highway 385, Highway 70, Highway 64, Germantown Parkway, Houston-Levee / Canada Road, Highway 196, and Macon Road.

Within Lakeland, traffic counts are quite high on I-40 and much of Highway 64, with medium or low traffic levels on other corridors, from a retail traffic perspective. Retail site selectors include minimum traffic counts as a key objective, and these can be tracked and made available for corridors with enough traffic.

Commuting

The following table illustrates that a high percentage of workers living here commute to areas that are outside of our study area. The City of Lakeland has the highest percentages of distant commutes in the County. Considering this, and comparing the number employed by businesses within the study area, it is apparent that there are a significant number of people commuting into the study area for employment as well.

Table 5 – Percent Commuting to Work

	Lakeland	Bartlett	Arlington	Oakland	North Cordova	Shelby County
20 minutes or more #	75	64	70	65	NA	58
To a place in Shelby Co.	91	88	92	84	90	86
Works and lives locally	1	9	5	2	3	NA
To Lakeland	1	0.4	1	0.4	0.4	0.2

U. S. Census Local Employment Dynamics; # 2010 ACS U.S. Census Estimate

Comparatively, Germantown and Collierville have a lower percentage of workers commuting 20 minutes or more than any of the cities in our study area. Germantown and Collierville have 7%, and 14% of their residents living and working in their cities.

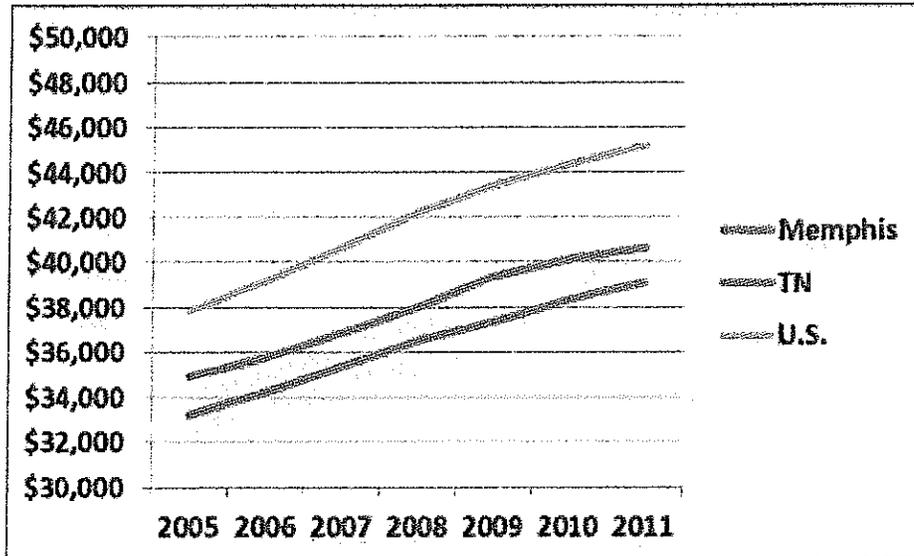
Wages

A wage comparison for the Memphis region is provided. Wage factors are important to site selectors both as cost factors and indicators of economic stability. High wages raise concerns of high labor costs and decreased profitability, while depressed wages raise red flags about

⁶ Buxton Analytics, 2010

instability⁷.

Average Wages in the Memphis Metro Area



Source: Bureau of Labor Statistics

The Memphis region shows a wage level above Tennessee's, and below the national average, with a growth rate that parallels the State's. To make conclusions about whether wage trends are positive and competitive, further comparisons to other regions that we may wish to benchmark against, or by industry, may be needed.

The high educational attainment and income levels in the study area mean that, locally, average wages are higher than those in the chart above. Strategies may include looking at what influence we can have on local wages, developing local wage data and tracking, and considering which industries generate high wages, which may be a partial criteria in choosing industries to support.

Cost of Living

Census data and housing literature over the years have usually ranked Memphis as having affordable housing compared to the U.S. and most metro areas, and a low overall cost of living. The study area, however, shows home prices significantly higher than that of the Metro area average.

Chandler Reports provided the following data on area home prices in 2011. Buxton Analytics provided the estimated household counts.

⁷ Broken Arrow Situational Analysis, Angelou Economics, 2006

Table 6: Study Area Average Home Prices, Total Households (Condo and Single-Family)

Zip Code	2011 Avg. Sale Price		Number Sold		Units Existing
	Existing	New	Existing	New	
38133	\$108,145	\$201,217	247	38	8,081
38134	\$77,479	\$92,632	399	1	16,412
38135	\$125,005	\$175,685	370	20	10,906
38016	\$132,282	\$144,175	639	102	17,934
38002	\$205,201	\$241,430	479	175	8,854
38028	\$414,476	\$193,950	42	2	3,061
38060	All \$157,055		All 246		3,347

Source:

This data could be compared to the Memphis MSA, State, and other MSA's to assess our competitiveness. It could be further evaluated in term of the necessary wage needed to make housing attainable by the prospective workforce under projected growth scenarios. Future action plans could identify how and when to develop this data.

Taxes

Site selectors and existing businesses rank the local tax climate as an important factor in their expansion and location decisions. The study area includes all or portions of four Shelby County cities, one Fayette County city (Oakland), and some of unincorporated Shelby County. Some tax information is provided for these places.

In 2011, the current Shelby County tax was 4.06 per \$100 of assessed value. The tax rates (per\$100) of the study area municipalities in 2011 follow – Lakeland / 0, Bartlett / 1.49, Arlington /1.00, N. Cordova (Memphis) / 3.18, Oakland / 1.63 (combined City & County) . Lakeland passed a property tax in 2012. Its rate became 0.85 per \$100 of assessed value. Other City's rates have likely also changed since 2011.

In Tennessee, residential property is assessed at 25% of its appraised value and 40% for commercial. Using an example of a residential property appraised at \$150,000 (25% of \$150,000 is \$37,500). The tax is levied per \$100, so in this example 375 is assessed. The total tax bill will be (Total City rate + County tax rate * (375).

Some other local (Lakeland) taxes follow:

- Sales Tax 9.75%, of which Lakeland imposes 2.75% (increased in 2012 by 0.5).
- Room Occupancy Tax, 19.25%, of which Lakeland imposes 5%.
- Other taxes noted: Wholesale Beer Tax, TN Liquor by the Drink Tax, Business Tax

Leakage

Leakage refers to resources not entering a community, or leaving a community when they otherwise may have been kept or taken into the community. This concept can be used quantitatively and qualitatively to identify instances where there is unwanted leakage occurring. One common application is for retail sales, where a community could potentially capture a higher percentage of sales in a retail sector. For example, at this time, Lakeland has negligible sales in groceries, since Kroger (at Highway 64) closed in late 2011. All of our grocery dollars are leaking to competing communities. There are likely other retail and service sectors that have gaps, as indicated in the 2007 Lakeland Retail Trade Area Study. Leakage could be applied to more than just retail sectors. It could be considered in terms of any good and service which has to be obtained from outside of the region, because it is not locally produced. To the extent that we meet internal needs with locally produced goods, and capture sales, we keep capital in the community.

Market data are obtainable to consider capture and leakage in area communities. Data shows above average consumer spending ratios for Lakeland, which, combined with growth, creates an opportunity to attract or expand business. Further exploration of leakage should be pursued, as indicated in strategies recommended by this plan.

Leakage is also a term sometimes used to consider flows of workforce talent out of a community. Workforce development was not a focus of the LDC for this project, but likely is a necessary economic development strategy at some point in the future.

Sites for economic development

Available land is rated by the business community as an important factor in economic development, and is strength within the study area. While our land resource is large, Lakeland does not yet have a fully developed procedure for identifying ready commercial buildings and sites. Lakeland has a Geographic Information System that could be enhanced for sites within the Lakeland City limits. A comprehensive GIS analysis of site selection factors for all land in the City should be developed, and seems feasible. From this, and considering expectations for infrastructure development, key sites could be targeted for strategizing. In the meantime, it is obvious to City staff that sites in the following locations could be included in a key sites listing in the near term, while other sites cannot be considered key sites until we have policies and plans for how infrastructure will be extended to those areas.

Developing and maintaining a database of commercial buildings and tenant spaces would be more challenging, but could be pursued. This information could be utilized for local initiatives to work with prospects and area economic development partners.

Key Land Sites for the near future – I-40 & Canada Road within an approximate 1/2 mile radius, Canada Road between I-40 and Highway 64, Highway 64 from Cobb Road to Canada Road to I-40, and selected lots along Highway 70.

Key Built Sites – A few small shopping centers along Highway 64, the closed Kroger location, the closed Outlet Mall, the Huff & Puff Road area, and the Davies Plantation & Village Circle area. A system to track the buildings and tenant spaces here, and for any new commercial

buildings in Lakeland, would aid in identifying spaces for prospects.

Key Land Sites that lack infrastructure at this time, but that may be prospects very long term includes Highway 385, I-40 & Chambers Chapel Road and Highway 64 East of Cobb Road.

Development Approvals – Opportunities may exist where approved plans are on the books, but are not known to prospects. These can be published and disseminated.

Functional capacity - partnering with others

This discussion does not list all potential partners, but indicates some of the kinds of support that may be available to form partnerships to leverage resources for economic development. The upcoming visioning and strategy steps of this project may seek these and other resources to build our system to respond to economic development needs and initiate programs.

Lakeland Chamber

In 2012, the Lakeland Chamber hired regular part-time support for the first time in its existence. They have been planning their future and formulating new initiatives already. They are a participating stakeholder on this project (The Economic Development Strategic Plan), and are working with the City on other issues.

Memphis / Shelby County EDGE

The new Economic Development Growth Engine of Memphis and Shelby County has had its President in place and begun regular meetings of its board only very recently. However, before this, EDGE coordinated economic development grants which resulted in the Lakeland Chamber receiving some operating money in late 2011. EDGE is an evolving new organization, with which the City should develop a relationship to assess economic development opportunities that they may be able to help facilitate.

Tennessee's Department of Economic and Community Development

The Tennessee Department of Economic and Community Development have established "Jobs Base Camps" across the state, including one in Memphis. They recently reached out to Lakeland. We plan to monitor opportunities for businesses looking for locations that may be filtered through them, and to seek assistance as needed to facilitate opportunities.

The City of Lakeland

The Lakeland Development Corporation and the Board of Commissioners (BOC) share a common desire about the need to develop economic development programs in Lakeland. BOC has participated in the economic development strategic plan process.

In 2011, the City Planning Department began increasing the time allocated to support of the Lakeland Development Corporation. Mr. Higbee and staff have been assisting the ECD (Economic Development Commission), the LDC predecessor, in coordinating the creation of the Economic Development Strategic Plan, and other matters. Staff also assists the Lakeland Chamber from time to time. The roles of the City are evolving, and the intent is for this new plan to begin to better define them. Working with the groups mentioned, and others, the City plans to do its part in putting together a coordinated program to pursue economic development opportunities with existing and new businesses.

Other groups which we know of that may figure into economic development policy and practice in Lakeland include the Greater Memphis Chamber of Commerce, Chambers in our neighboring cities, the Shelby County Chamber Alliance, the Memphis Area Association of Governments, the Memphis Shelby Growth Alliance, the USDA and perhaps some others.

SECTION 4: STRATEGY RECOMMENDATIONS

This section of the Plan contains the LDC's recommended visions, goals, and strategies for the next five years in Lakeland. This is the crux of the plan. It is intended to be used to generate bi-annual action plans to implement economic development in the City. The Executive Summary (Section 2), above, indicates how the process that resulted in these recommended strategies occurred.

Economic Development Strategic Plan, Category 1: Business Climate

Business climate indicates how State, County, and local policies and relationships support business development. Ultimately, a good business climate allows businesses to conduct their affairs with minimal interference while accessing high quality inputs and customers at low costs⁸.

Some key factors used in the measure of business climate may include⁹ tax levels, workforce availability, energy costs, market size, quality of services, cost of living, quality of life, regulations, real estate costs and availability, infrastructure, access to financing and capital, and incentives.

Vision Statement 1: The cost of living in Lakeland is attractive to economic development prospects, and to Lakeland's residents.

Goal 1: To maintain our status as having low property taxes in Shelby County.

Strategy 1: The Lakeland Development Corporation or the Industrial Development Corp. will prioritize attracting new business to grow revenues, and will communicate and sponsor this by working with other City boards, agencies, and entities.

Strategy 2: Actively monitor the City budget in the context of Economic Development priorities to control spending and grow revenues.

Strategy 3: City leaders shall plan for measured growth, years in advance in order to balance revenues, which will help to fund Economic Development initiatives.

⁸ International Economic Development Council

⁹ International Economic Development Council

Vision Statement 2: Lakeland maintains regulations with high standards for amenities, aesthetics, and environmental protection, but which allow expedient development approvals for complying projects.

Goal 1: To have navigable and efficient regulations, while maintaining high standards, to accommodate economic development.

Strategy 1: The Lakeland Development Corporation or the Industrial Development Corp. shall advise other City Boards to develop and maintain high standards regarding the development process and associated standards, while adding weight to Economic Development priorities and goals.

Strategy 2: Encourage developers and development professionals to get City staff involved early in their design and decision processes, to minimize process delays.

Strategy 3: The Lakeland Development Corporation or the Industrial Development Corp. shall champion high priority projects as they arise.

Economic Development Strategic Plan, Category 2: Business Clusters

Current best practices in Economic Development include identifying and pursuing cluster development.

Clusters are geographic concentrations of interdependent, complementary and/or competing businesses in related industries that trade with each other.¹⁰ Clusters often evolve organically, but may be influenced by economic development activities. Clusters attract other businesses in their supply chains, and may result in the spinning off of new businesses.

Lakeland may have some advantages related to futures for the Highway 385, I-269 corridor, as regards clustering opportunities. The Shelby County Chamber Alliance identifies retail, hospitality, agribusiness, life sciences, and green technologies as target industries for the corridor. Other industries could be considered, such as, but not limited to, tourism. For example, Lakeland has a new winery that is in the development stage, which is expected to draw visitors. This could be complemented by other agricultural or tourism based businesses.

Lakeland's analysis to identify existing area business clusters has not occurred yet, nor have target industries been suggested. Upcoming action plans should include identifying these targets, as indicated by strategies recommended in this plan.

Vision Statement 1: The City has identified target industries to pursue, whether they are business expansion opportunities, or other diverse business types that should be attracted.

Goal 1: Increase sales tax revenues, property tax revenues, and well-paying jobs in target industries through business growth.

¹⁰ International Economic Development Council

Strategy 1: Business Target Assessment. Based upon the study area's business portfolio (e.g., clusters), industry criteria, identified City criteria (e.g., wages, growth, etc.), Lakeland's infrastructure, and compatibility with local policy and the environment, determine what businesses could be targeted.

Action: Commission a GAP analysis with results reported to the LDC by 12/31/2015

Strategy 2: Incent businesses to expand or locate through local government partnerships with marketing/advertising, financial incentives, etc.

Action: Attract ten new quality businesses to Lakeland during each year.

Economic Development Strategic Plan, Category 3: Quality of Life

Quality of Life includes the general well-being and living conditions of a community, which are an attractor for economic development, and for existing and future residents. It may encompass measures related to taxes, crime, schools, housing, public services, recreation, culture, and environment. Indicators may be developed to benchmark Quality of Life in a community.

Examples of indicators¹¹ may include well-paid jobs, quality education, life-long learning opportunities, available medical facilities, quality housing, low pollution and environmental damage, public amenities, low crime, recreation, entertainment, low cost of living, low taxation, and aesthetics.

Vision Statement 1: Lakeland will be a destination city.

Goal 1: Identify and support attractions that will draw new visitors, such retail, tourism, and mixed use destinations in Lakeland.

Strategy 1: Work with and for prospective attractors to get land use and development approvals by Lakeland boards and commissions.

Strategy 2: Provide, subject to establishing the need and feasibility, incentives to certain businesses that have the potential of making Lakeland a destination.

Strategy 3: Establish official signage at strategic locations identifying our attractions, e.g., golf course, winery, redeveloped outlet mall.

Goal 2: Zone a portion of the undeveloped lake front south of Garner Lake for commercial use.

Strategy 1: Attract upscale merchants and restaurants to develop the lake front to attract visitors (e.g. small scale downtown Disney atmosphere)

¹¹ International Economic Development Council

Goal 3: Create a community focal point in order to attract people and businesses.

Strategy 1: Create a district or town square similar to Arlington to attract visitors. E.g., include a Lakeland history mini-museum concept.

Goal 4: Promote Lakeland as a friendly community.

Strategy 1: Keep property taxes low.

Strategy 2: Encourage a variety of types of upscale residential development and commercial services.

Vision Statement 2: Lakeland possesses public schools that achieve the highest standards, along with parks and other public facilities that provide the city residents and visitors with the highest level of amenities and services in the region.

Goal 1: Enhance our public school system.

Strategy 1: The City shall promote public involvement in schools and school activities.

Goal 2: Create indoor and outdoor park and events facilities that can accommodate sports, large scale events, festivals, etc.

Strategy 1: Locate existing or new sites with the potential for such facilities, develop a concept plan and renderings for public display and promotion, and designate or acquire site(s) for the future development of such facilities.

Strategy 2: Identify funding sources for such facilities in the City budget, including, but not limited to, from grants and fund raising with citizens and businesses.

Economic Development Strategic Plan, Category 4: Infrastructure, Facilities, and Sites

Infrastructure includes roads, railways, transit, communications infrastructure, and utilities (sewer, water, electric, etc.). Other factors which may be pertinent to this category include emergency services, hospitals, public buildings, land availability, suitability, and price, parking, and zoning.

Vision Statement 1: Lakeland is conveniently accessible from the Memphis region by auto, truck, or public transit, utilizing Interstates 40 and 269, making it a desirable place to live, work and shop.

Goal 1: I-40 / Canada Road Interchange will be completed and in operation by 2016.

Strategy 1: The City of Lakeland administration will meet with TDOT on a regular basis in order to expedite the interchange project.

Strategy 2: The City of Lakeland will assist TDOT in facilitating the acquisition of the land needed for the interchange project, if needed.

Goal 2: The City will pursue opportunities for improving the aesthetics of the

Interchange area, including, but not limited to, utilizing gateway concepts.

Strategy 1: The City will evaluate strategies using capital improvement funds, grant funds, or other funds to implement improvements (such as signs, walls, landscaping, etc.), and to improve maintenance practices in the area.

Action: LDC will release an RFP for the design and build of one to three gateway projects to be completed by 12/31/2016

Goal 3: New Canada Road is completed by the end of 2020.

Strategy 1: Complete construction plans for New Canada Road and secure funding.

Strategy 2: Complete any right-of-way acquisitions required, and finalize right-of-way plans, and any other State, Local, or Federal requirements.

Goal 4: The Lakeland major road system is properly connected to I-269 and I-40 in order to facilitate movement within the City from the Interstate system.

Strategy 1: City Engineer evaluates the adequacy of roads that currently serve the interchanges with I-40 and I-269 in terms of safety and capacity.

Strategy 2: Planning Director and City Engineer evaluate the proposed road connections between Lakeland major roads and the Interstates in order to determine if roads are needed within the time horizon of this strategic plan, and if there are prospects for their construction within the time horizon.

Vision Statement 2: Lakeland has a satisfactory inventory of strategically located sites with adequate utilities and transportation systems for new commercial development.

Goal 1: There are at least two new sites (beyond those already approved for development today) with a minimum of 25 acres each, made available for major commercial development as of the end of 2016.

Strategy 1: The Lakeland Development Corporation or the Industrial Development Corp. and the Planning Director will meet with major property owners (e.g., more than 25 acres) in order to determine their plans for their property and encourage them to avail them.

Action: Meet with 20% of the owners by 06/30/2016

Strategy 2: The City of Lakeland will work with the major property owners who wish to make their sites available for commercial development in terms of zoning, planning, infrastructure development and pre-development activities.

Action: Incent the development of a design for one of the identified properties.

Strategy 3: The Lakeland Development Corporation or the Industrial Development Corp., the Lakeland Chamber of Commerce and other appropriate entities will assist the property owners in marketing their sites.

Vision Statement 3: Lakeland's street, water, sewer, electric, gas, fiber and telecommunications systems are adequate for the long-term planned growth of the City providing for residential, employment center and commercial development based on the Comprehensive Plan.

Goal 1: Lakeland's infrastructure systems (noted above) are adequate to accommodate an additional minimum 25% growth in population, employment and retail space by the end of 2020.

Strategy 1: The Planning Department has calculated what a 25% in growth will require in terms of additional infrastructure, and determined whether additional infrastructure will be needed to accommodate that growth by 2017 based on the need for additional infrastructure that is indicated above.

Action: Present cost calculations to the LDC by 12/31/2016 for these improvements and, if acceptable, forward these estimates for BOC consideration in the 2016-2017 Budget.

Economic Development Strategic Plan, Category 5: Business Leadership

The business community is a vital part of the success of an economic development plan. Their leaders can be part of implementing strategies, and projecting an image that tells others that Lakeland is successful.

Vision Statement 1: Businesses will partner with the City to create a gateway and wayfinding system for commercial use.

Goal 1: A sign program will be in place for selected areas by the end of 2016 ~~2014~~, and implementation will have begun.

Strategy 1: Signs will create a navigable, legible area in and around I-40 and Canada Road. These signs will depict the appropriate information regarding the golf course, and other locations specific to Lakeland, and may include specific businesses.

Action: Inform all commercial properties of TDOT's Interstate advertising opportunities within 30 days of interchange grand opening.

Vision Statement 2: Lakeland business leaders will play a major role in projecting a positive attitude within the business community and in attracting new businesses to Lakeland.

Goal 1: A business advisory council will be formed to communicate about business relations, regulations, and economic development with Lakeland management

and staff.

Goal 2: Businesses will assist in creating the City of Lakeland's and the Lakeland Chamber's marketing and promotion programs, and will participate ongoing.

Economic Development Strategic Plan, Category 6: Economic Development Efforts

Economic Development Efforts refers to the efforts of the City leadership, including the Board of Commissioners, the Municipal Planning Commission, the Lakeland Development Corporation or the Industrial Development Corp., and staff, to work with other community and area leaders and agencies, to deal with economic development problems and opportunities. This includes, but is not limited to, the development of policies, programs, and the organizational capacity to successfully implement economic development in the City, such as:

1. Planning (economic development and other)
2. Business attraction & recruitment
3. Business retention & expansion
4. Marketing
5. Relationships with other agencies
6. Actions to improve items in other Economic Development categories, herein (i.e., Clusters, Infrastructure, Business Climate, Quality of Life, Business Leadership).

Vision Statement 1: Lakeland has an economic development incentive program and programs for commercial business retention, expansion, and attraction.

Goal 1: Set up an Industrial Development Corporation (IDC), create procedures, and begin implementation of IDC projects.

Strategy 1: Consider needs for 2014-2015 projects which may need and qualify for IDC incentives.

Strategy 2: Establish and prioritize non-incentive economic development projects, including, but not limited to, a retail and services strategic plan and recruiting project.

Goal 2: Develop a business retention and expansion program.

Strategy 1: Develop a branding, marketing, and website program.

Strategy 2: Reestablish the Friendly Faces business visitation program, and rename it to be more descriptive of its purpose by 12/31/2016.

Goal 3: Create a business attraction program.

Strategy 1: Develop a branding, marketing, and website program. Coordinate with business retention marketing.

Strategy 2: Develop a retail (and related services) strategic plan and recruiting project.

Goal 4: Further develop partnerships with the State of Tennessee, Counties, and other

entities to enhance economic development programs, and to identify businesses that could fit within the City of Lakeland.

Strategy 1: Strengthen relationships with EDGE and other entities that provide service or support for economic development programs.

Strategy 2: Develop a system for business prospect inquiries.

Vision Statement 2: Lakeland will develop or maintain plans, policies, regulations, and budgets so that there is not undue delay in responding to the needs of development prospects.

Goal 1: Make the land development process efficient. Streamline where possible.

Strategy 1: Encourage staff to provide an analysis and recommendations for potential efficiencies to simplify processes, and the use of customer service methods to improve responsiveness.

Strategy 2: Create a system that identifies problems reported by businesses, and that tracks resolution. This could supplement issues identified from the existing programs and/or expand the program accordingly.

Action: Partner with the Chamber to host a business development summit by 06/30/2016

Strategy 3: Provide volunteer advocate services to builders and developers throughout City development and permitting approval processes.

Goal 2: Review the annual budget for economic development.

Strategy 1: Continue to develop services needs and support funding annually for the local Chamber for selected services.

Strategy 2: Evaluate staffing and the capacity to implement programs.

Strategy 3: Set aside money for staffing needs, for IDC programs, and for other projects indicated in the two-year Economic Development Action Plan.

Vision Statement 3: Lakeland has the staff capacity to guide economic development policies and programs, and to work with other agencies to leverage resources.

Goal 1: Lakeland has the most resourceful Economic Development staff in Shelby County to get economic development efforts accomplished.

Strategy 1: Foster regular open lines of communication with Economic Development thought leaders.

Strategy 2: Pursue regular education for staff and The Lakeland Development Corporation or the Industrial Development Commission to advance ourselves in the discipline.

SECTION 5. CONCLUSION

This plan spans economic development activities which could impact multiple City commissions, boards, and departments.

The Community Profile (Section 3) indicates some of the area's challenges and opportunities, and is followed by strategy recommendations (Section 4) to get started. The Executive Summary Conclusion (at the end of Section 2) elaborates on our suggested next step, which is to do a two- year action plan based in the strategies, to focus immediate efforts. The goals and strategies portion of the plan (Section 4) are being made public for the first time via this document.

The plan could be adopted separately, or could be considered as an added element to the City's Comprehensive Plan. If adopted, the creation of the two-year action plan should proceed as soon as possible.

While the Municipal Planning Commission and the Board of Commissioners were often part of the assessment and visioning processes between 2011 and 2013, it is important to note that there has been significant commission turnover since the election of Fall, 2013. Thus, this plan may need vetting with Municipal Planning Commission and Board of Commissioners again. As the goals and strategies are new with this document, if desired, there could be further public review as well.