

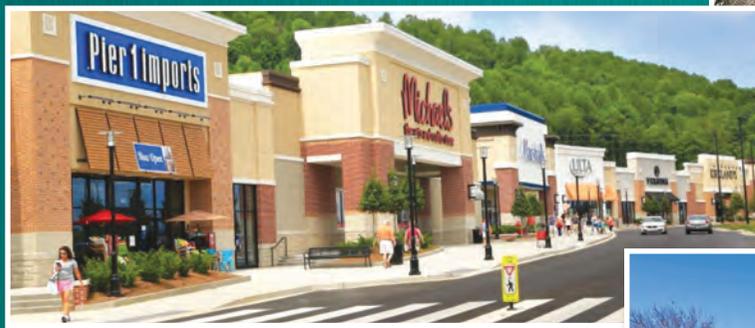
The Business Journal

of Tri-Cities Tennessee / Virginia

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Market Facts

Regional demographics, wage data, consumer spending and more



Plus:
General Assembly bills on Tri-Cities Airport and Ballad face opposition
and
The region addresses the opioid crisis

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COVER STORY

13 Market Facts

Information that defines the region, from demographics and population data to retail spending figures.

Cover Photo collage by Judd Shaw, file photos.



FEATURES

10 TRI readies Aerospace Park bond resolutions

The Tri-Cities Airport begins moving dollars in preparation for moving dirt.

33 KIRES goes inside the numbers

King University economists show retail's positive economic effect on the local economy

34 Ballard's opening note not pitch perfect

An "imperfectly written" bill in the Tennessee General Assembly dominates the headlines in the first weeks of Ballard Health's existence

36 Addressing the opioid crisis

A complex, multi-faceted problem is being met with a wide array of potential solutions in Northeast Tennessee and Southwest Virginia.

38 Costa makes clear call for regional economic development

The 2018 Eastman Leaders Breakfast gave the company's chairman a forum to make the most forceful statements yet regarding what the company expects from economic developers.

39 CareerQuest: It's All About Business

More than 300 Northeast Tennessee high school juniors and seniors learned about careers in marketing, human resources, financial planning, and accounting and finance.

DEPARTMENTS

From the Editor..... 7 Departments 42
Trends.....9 The Last Word 46
News Briefs40

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Aerospace Park to receive \$4.1 million TDOT grant

Tri-Cities Airport's Aerospace Park project will receive a \$4.1 million grant from the Tennessee Department of Transportation's (TDOT) Aeronautics Economic Development Fund. [Read More]



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AGC Glass North America to expand operations in Church Hill

Tennessee Department of Economic and Community Development Commissioner Bob Rolfe and AGC Glass North America officials announced today that the company will expand its operations Church Hill. The glass manufacturer [Read More]



Bloomberg: Wal-Mart raising U.S. hourly wage to \$11 in wake of tax overhaul

The largest private sector employer in the United States is raising the hourly wage it pays employees and is giving bonuses of up to \$1,000 in the wake of the recently passed tax overhaul. [Read More]



Roan Scholars' first steps toward Pulitzer Prizes



A few weeks ago, I was fortunate enough to sit with a group of ETSU Roan Scholars at a speaking engagement by *New York Times* columnist Thomas Friedman.

Friedman defies traditional political labels. He is certainly not a conservative. Liberals loved his recent excoriation of the President of the United States' unwillingness or inability to stand

up to Russia. But conservatives can appreciate his stance on corporate taxes. He wants that rate cut to zero.

Friedman, like me, is a self-proclaimed optimist who understands he can choose to shed light on a topic, can choose to raise the heat around that topic, or can do both. Friedman, unlike me, has three Pulitzer Prizes to his credit. Whereas I can honestly say my mother generally likes my columns.

The invitation from the Roan Scholars, I believed, offered two opportunities. I wanted to hear anything Friedman had to say that might help me write better columns. Moreso, I wanted to find out what these young East Tennesseans, who all earned their scholarships based on their potential as future community leaders, would take away from his presentation.

Columnists write with the direct intent to influence or provoke, as Friedman said in his book *Thank You for Being Late*, "to argue for a certain perspective so compellingly that you persuade your readers to think or feel differently or more strongly or afresh about an issue."

Columnists do so, Friedman said, by writing honestly. "What comes from the heart, enters the heart," Friedman said, quoting the Talmud. More specifically, columnists draw from three understandings.

First, they are true to their own values. The Roan Scholars are all familiar with the Biblical quote from 1 Corinthians (pronounced "First Corinthians"), 14:8 regarding the sound of an uncertain trumpet. Second, Friedman said, a columnist must understand what he referred to as, "the Machine." It's the way things work in the world. "Your goal is to take your values and push the Machine in their direction," Friedman explained. "If you don't understand how the machine works, you'll push in the wrong direction, or you won't move it at all." The third understanding is of how people react to events and ideas around them.

A couple of weeks after Friedman's talk, I asked a group of Roan Scholars what they would feel both passionate and confident enough to write a column about. I reminded them

of Friedman's secret sauce: honesty, heat and light, their own values, their understanding of the way the world works and their knowledge of people.

Zachary Warren, a Health Sciences major, went immediately to leadership. "It's not enough that one person is able to think fast enough to keep up with the changes today," he said. "What matters is that I am able to bring other people with me and push other people up ahead of me. We see many successful, innovative people today but they don't really transform the world if everyone else is left behind in their rush to gain ground."

Logan Carmody, a Math Education major, said she would write, appropriately, about math and education. "The way we teach math today is not necessarily the best way. A lot of kids get penalized for just knowing that $7 \times 8 = 56$. If they just write that down, they get more points deducted in testing than the kid who shows that he did the 14 steps or whatever they teach now, and get it wrong."

Braden Trent, a Communications Studies major who didn't even attend the Friedman speech (Trent was at an ethics conference at West Point at the time – are these Roan Scholars getting great opportunities or what?), said, "I would address these (holds up a smartphone). Because the news we get today, we get so quick, often the information is not the whole story. As a result, as you mentioned, the emotional reactions to news – light vs heat – it's almost always heat. There's very little fact until after the event has happened, but by then we're already on to the next story. So as a culture, we're losing both a valuable safety net and the ability to have an unbiased, informed view on news events."

Sydney Ross, an Anthropology and International Affairs major, said, "I think a lot of our communication today is charged against something, rather than for something. It would be a good change in the news today to see more inspiring stories. To see something that makes us want to get up and do something for a good cause, not because we hate someone or something."

Seth Jarrett, a double major in Health Sciences and Bluegrass, said, "It's too easy today for people to believe their decisions don't matter, in their own lives and in the grand scheme of things. That really doesn't take ethics into account, though. You can do right or wrong. It's your decision. You have the choice to do something or not do it, but that choice is on you, and it's always there."

Those are all columns I'd love to read. Friedman and I are right to be optimists. The Machine will be in good hands soon.





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Regional Housing market makes strong start in 2018

Northeast Tennessee's housing market began 2018 with a double-digit increase in average resale prices and an 8.5 percent sales increase.

Northeast Tennessee Association of Realtors (NETAR) President Aaron Taylor credited January's market increases to higher interest rates on the horizon and continued strong demand in the 11-county region monitored by NETAR. "Changing interest rates always move the market and the end of last week marked the fifth straight week the 30-year fixed-rate mortgage rate increased." Rates have reached their highest level since December 2016, and all indicators point to more increases, he added. "Buyers who had been holding back are now more motivated than they were during the fourth quarter of last year."

We have seen new inventory coming onto the market since December, but overall things are still tight. "In January the active inventory was 16 percent below what it was this time last year, and we had five months of inventory," he added. That's the number of months it would take to exhaust active listings at January's sales rate. The area market had had less than six months of inventory since April last year. Six months is considered normal real estate market conditions.

According to NETAR's January Trends Report, there were 394 closings on single-family resales, 31 more than January last year. The average sales price was \$170,245. "That's a \$17,551 improvement over January last year," Taylor said.

Closings on condominium and townhomes were down from their accelerated pace during the last quarter, but still an improvement over last year. The Trends Report listed 27 closings, up three from last year, and the average sales price was \$124,907, down \$2,535 from January last year.

Taylor said rising mortgage rates and strong demand are setting the stage for busy peak buying and selling season. "The market will probably be more competitive than last year." The average single-family home sale that closed in January was on the market for 133 days. The average for a condo or townhome was 153 days. "Those are the averages, but competitively priced homes are selling much faster," Taylor said.

Here's a capsule look at how the January city and county single-family resales and average prices looked compared to January 2016.

City Markets:

Johnson City: Sales, 48, up 11. Avg. price - \$176,069, down \$16,149.
 Kingsport: Sales 43, down 4. Avg. price - \$164,870, down \$2,896.
 Bristol, TN: Sales 24, up 10. Avg. price - \$197,567, up \$79,067.
 Erwin/Unicoi: Sales 14, down 5. Avg. price - \$120,500, up \$25,732.
 Greeneville: Sales 10, down 3. Avg. price \$130,690, up \$3,212.
 Bristol, VA: Sales 9, up 5. Avg. price - \$90,000, down \$22,230.

County Markets:

Sullivan: Sales 124, up 12. Avg. price - \$177,771, up \$20,284.
 Washington, TN: Sales 108, up 26. Avg. price \$192,903, up \$12,451.
 Carter: Sales 32, up 3. Avg. price \$151,262, up \$8,772.
 Greene: Sales 31, down 15. Avg. price \$128,694, down \$9,303.
 Washington, VA: Sales 27, down 5. Avg. price \$159,966, down \$7,223.
 Hawkins: Sales 27, same as last year. Avg. price \$151,785, up \$36,738.
 Wise: Sales 16, up 5. Avg. price \$133,422, up \$1,710.
 Johnson: Sales 10, up 9. Avg. price \$284,930, up \$184,930.
 Scott: Sales 8, up 2. Avg. price \$91,255, down \$80,025.
 Lee: Sales 2, down 1. Avg. price \$77,000, up \$25,988.



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The hole and the hill. Dirt from the hill that rises above the runway must be moved into the hundred-foot valley next to it.

PHOTO BY SCOTT ROBERTSON

Tri-Cities Airport Authority moves forward on Aerospace Park

Sends letter asking state legislator to stop pushing controversial bill

By Scott Robertson

The Tri-Cities Airport Authority moved forward in February with plans to spend the money necessary to begin site work for the next phase of Aerospace Park, even as a state legislator sought to take over the process.

At its Feb. 22 meeting, the authority approved several resolutions allowing it to spend existing dollars and to issue bonds that will allow grading work to begin on two portions of Aerospace Park along the far side of the main runway from the terminal.

“We now have a number in hand as far as the city and county partnership of \$8.5 million, the TVA grant of \$350,000, and then in January we were given notice of award of \$4.1 million of state Aeronautical Economic Development Funds,” Airport Director Patrick Wilson told the authority. “All that together is approximately \$13 million. Our goal for the complete site was \$17 million, so we’re still \$4 million short, but \$13 million is a significant amount, a significant achievement and is going to move the site forward in a significant way.”

The Plan

Knowing the full \$17 million is not available, the authority asked its contractor, Atkins, to come up with an approach that would maximize the available developable land. That approach (see rendering on page 11) breaks down the next phase of development into two separate lots. “We will be working on the north end and the south end, taking some dirt from the south end and filling in the north,” explained David Jones, director

of operations. “We have a fairly substantial, 100-foot hole in the middle of the project. The whole intent of the project is to knock off the top of the hill and put that into the bottom of that hole along Hamilton Road, filling the hole and having everything ready to go. Since we are \$4 million short, we have that section in the middle we can’t get to, but we will have the maximum amount of acreage.” The work on those two segments of the project will run into 2020.

The Bonds

The authority then set about the process of moving the dollars that would allow it to move the dirt. The first step was the creation of a debt management policy. Rick Dulaney, managing director with Raymond James & Associates, the municipal advisor to the authority, explained to authority members, “It is a requirement of the state of Tennessee that has been imposed upon all jurisdictions that issue debt as of 2010. A lot of what is in the policy is driven to transparency to make sure that you’re fully disclosed and fully transparent.”

The second of three steps was adoption of an initial authorizing resolution (also required by statute). “This is a notice, if you will, that based upon the authority within the master resolution, the board has authorized the sale and issuance of bonds. This is published in the newspaper of local jurisdiction,” Dulaney said.

Once the debt management policy resolution and the initial resolution were passed, the authority moved on to the bond

resolution itself, with the money from Bristol, Johnson City, Kingsport, Sullivan County and Washington County. “This authorizes the sale and issuance of not-to-exceed \$8.5 million for purposes of the development of Aerospace Park and all associated activities that are included in that process,” Dulaney said.

The plan is to sell the bonds at competitive public sale in mid-March with revenues delivered to the airport around March 29. “We should be able to get a credit rating,” Dulaney told the authority. “That would be a first for the airport authority. It would be predicated, based off the ratings of the guarantors. In this area of Northeast Tennessee you are very fortunate because each of the five sponsors have a rating of AA2 from Moody’s Investor Service, which is stellar. So we think we should be able to pull that through and secure that whole transaction with that AA2 credit. Anytime you can sell AA bonds, you do that all day long.”

Next, the authority moved to accept the \$4 million in TDOT Aeronautical Development Grant funds when they become available. “In January we received a letter of notice of award with the grant amount,” Wilson said. “We have not received the grant documents yet. TDOT has cleared the path to issue this grant. They have made a request from us because the \$4.1 million is short of the \$8.1 that we requested, they have asked us to rework our numbers in the application and get that back to them next week. So we’ll be doing that. They indicated they should be able to get a grant document to us by April. So this will authorize us to formally execute those grant documents when they come to us.”

The authority then voted to allow its chair, Jon Smith to

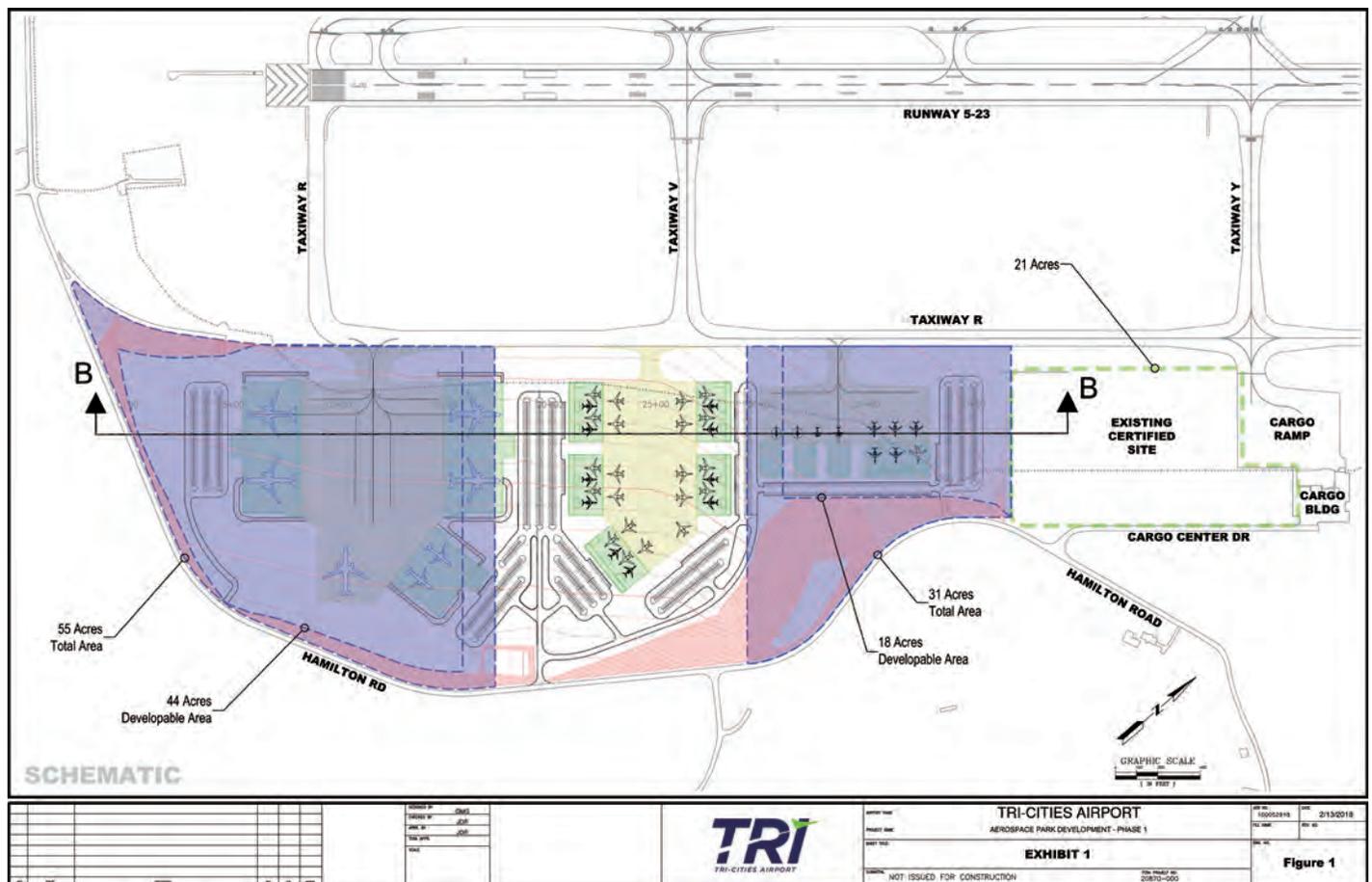
accept any other grant funds, as it does every year. This year, that vote had a special emphasis, Wilson said, because, “We’re going to go after any other grants we can get our hands on relative to Aerospace Park.”

The Bill

The authority has sent a letter to Tennessee District 7 State Representative Matthew Hill asking that he cease pushing a bill to give himself and a handful of his colleagues in Nashville ultimate power over all airport authority activities, taking that power from the local representatives who make up the authority. House Bill 2602, which Hill sponsored, would create an “executive board” to oversee all actions of the airport authority. That board – quoting the bill – “is composed of the general assembly members that represent the municipalities and counties participating in the regional airport commission.” The bill states the airport authority could “not take any action without first obtaining the approval for such action from the executive board.”

The authority’s letter to Hill stated its appreciation for the legislative delegation’s efforts in attaining the TDOT grant, but added, “This regional partnership has successfully operated the airport since 1934. The airport authority has a long history of safely operating the airport, providing modern facilities and maintaining a sound financial position.”

The letter, sent under Chairman Smith’s signature, then states the authority’s opposition to Hill’s bill and asks him to not move it forward. [BJ](#)



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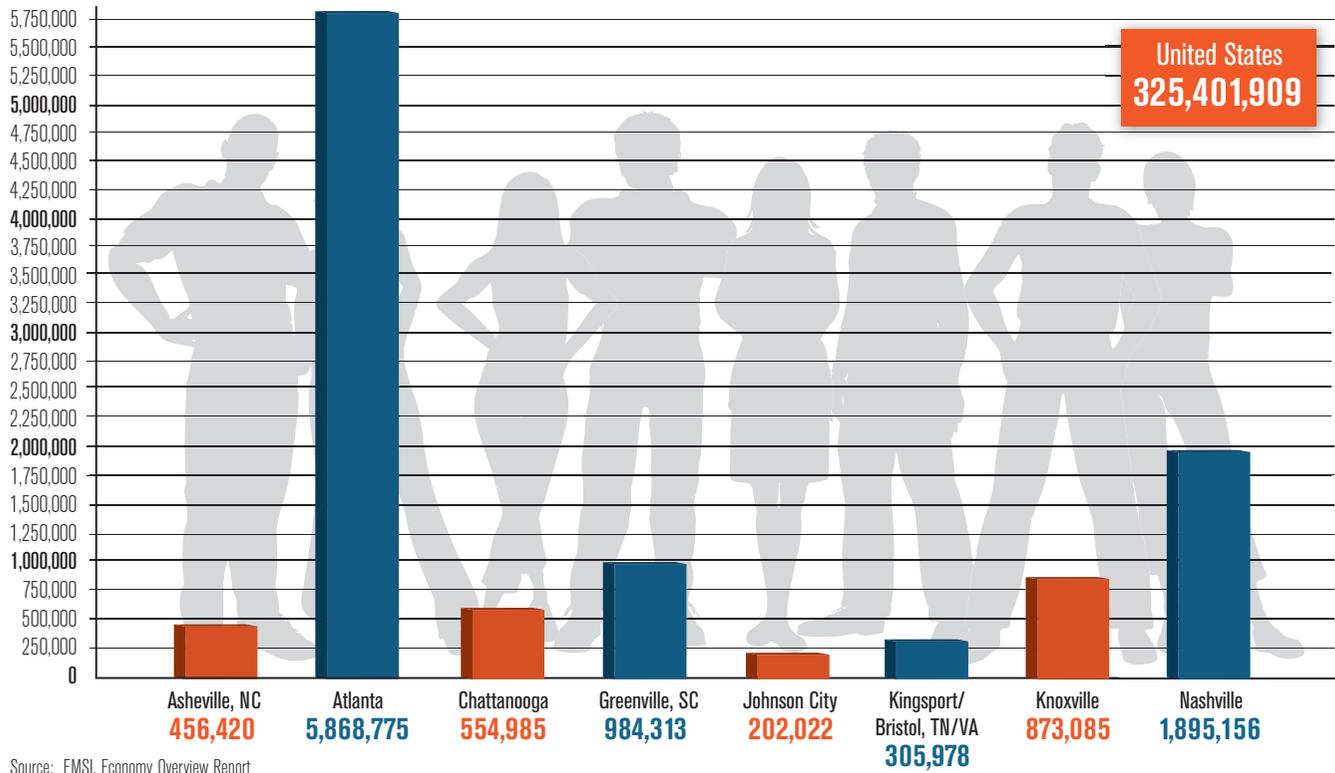
The background of the page features a series of interlocking teal gears of various sizes, set against a dark blue background with a glowing grid pattern that recedes into the distance, creating a sense of depth and motion.

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MARKET FACTS

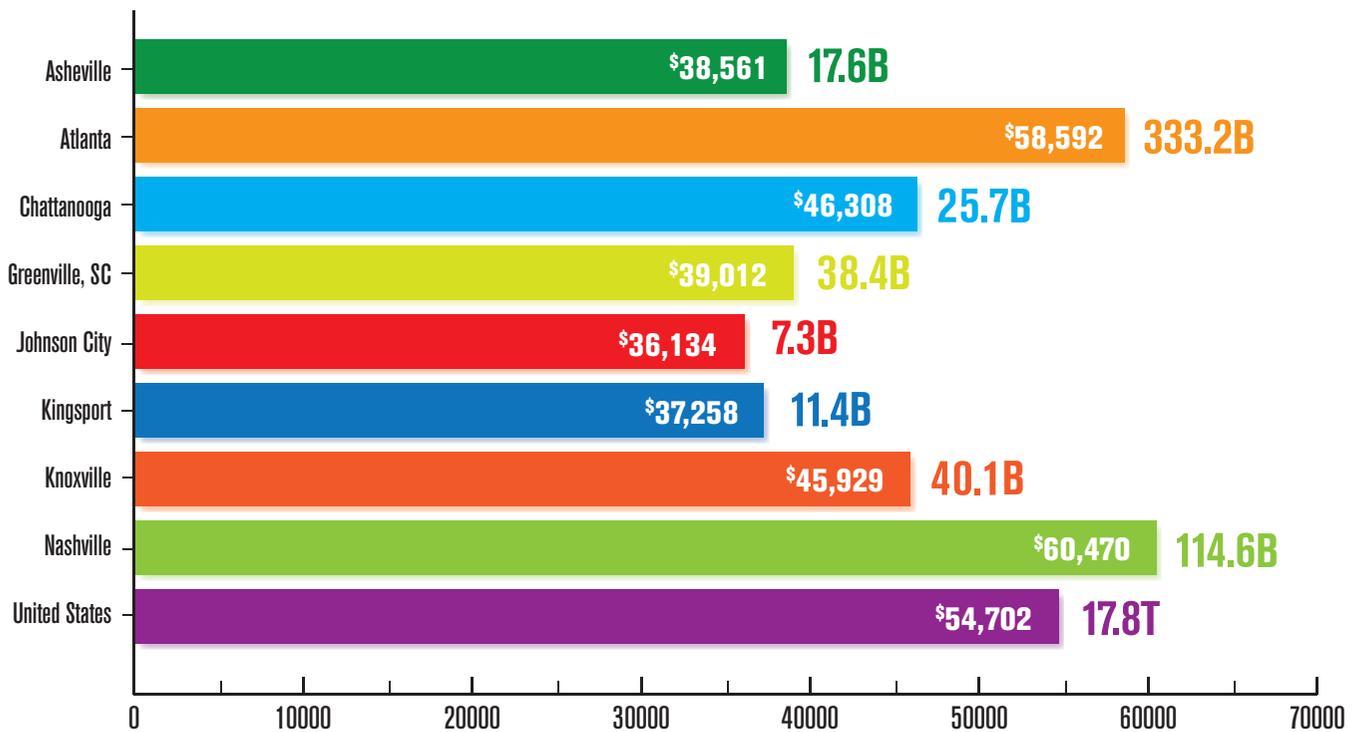
Welcome to the second edition of Market Facts, the younger sibling of *The Business Journal's Book of Lists*. In the following pages, you'll find facts that define our region, from demographics to wage data to housing and retail information. New this year is a section on data gathered from a 50-mile radius of Tri-Cities Airport, the center of the Tri-Cities region. We often preach that economic developers don't care much about city, county or state lines. This data eliminates those considerations completely. Our thanks go out to the organizations who helped us bring this data together: East Tennessee State University, the First Tennessee Development District, NetWORKS Sullivan Partnership, the Northeast Tennessee Regional Economic Partnership, and our own staff. Special thanks in particular go to Ken Rea at FTDD and Michelle Black at NeTREP, who researched the 50-mile radius data.

2017 MSA Population



Per Capita GDP

Source: Emsi: Economy Overview Report, GRP/population



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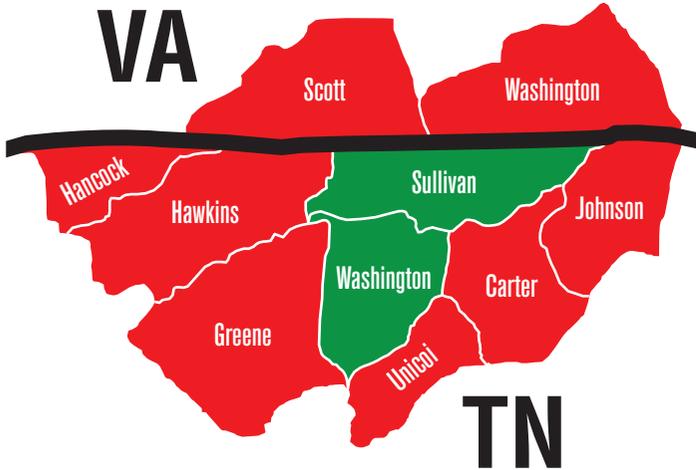


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County Population Growth



AREA	2000 POPULATION	2010 POPULATION	2016 POPULATION	% CHANGE 2010-2016
Carter	56,742	57,424	56,502	-1.6
Greene	62,909	68,831	68,615	-0.3
Hancock	6,786	6,819	6,577	-3.5
Hawkins	53,563	56,833	56,563	-0.5
Johnson	17,499	18,244	17,754	-2.7
Sullivan	153,048	156,823	156,667	0.1
Unicoi	17,667	18,313	17,719	-3.2
Washington	107,198	122,979	127,440	3.6
FTDD	475,412	506,266	507,837	0.3
Bristol, VA	17367	17835	16960	-4.9
Scott, VA	23,403	23,177	21,930	-5.4
Washington, VA	51,103	54,876	54,214	-1.2
Tri-Cities CSA	480,091	508,260	507,995	-0.1
TN	5,689,283	6,346,105	6,651,194	4.8
VA	7,078,515	8,001,024	8,411,808	5.1
US	281,421,906	308,745,538	323,127,513	4.7

Source: U.S. Census Bureau, 2000 & 2010 Census & 2016 Population Estimates.

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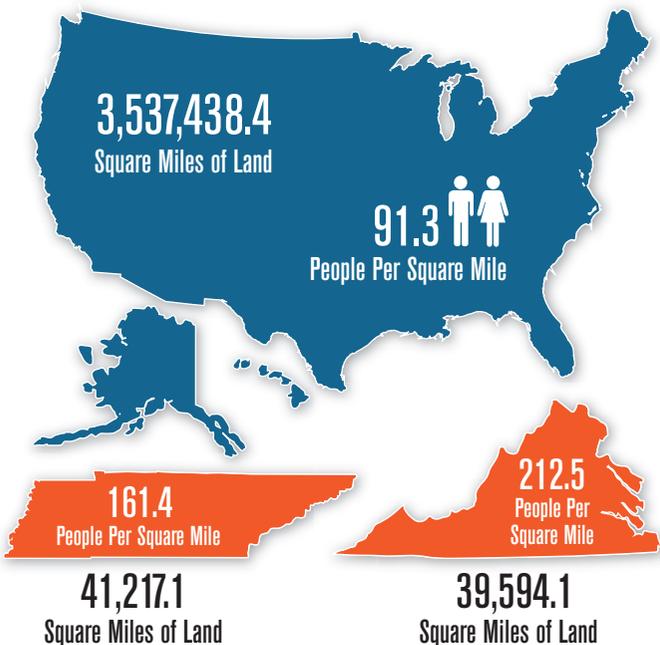
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Population Density



Carter 341.1 Square Miles of Land 165.6 People Per Sq. Mile	Greene 621.7 Square Miles of Land 110.4 People Per Sq. Mile	Hancock 222.3 Square Miles of Land 29.6 People Per Sq. Mile	Hawkins 486.7 Square Miles of Land 116.2 People Per Sq. Mile
Johnson 298.5 Square Miles of Land 59.5 People Per Sq. Mile	Sullivan 413 Square Miles of Land 379.3 People Per Sq. Mile	Unicoi 186.1 Square Miles of Land 95.2 People Per Sq. Mile	Washington 326.3 Square Miles of Land 390.6 People Per Sq. Mile
FTDD 2,895.7 Square Miles of Land 175.4 People Per Sq. Mile	Scott, VA 536.6 Square Miles of Land 40.9 People Per Sq. Mile	Washington, VA 562.9 Square Miles of Land 96.3 People Per Sq. Mile	Tri-Cities CSA 2,865.6 Square Miles of Land 177.3 People Per Sq. Mile



Source: U.S. Census Bureau, Population Estimates



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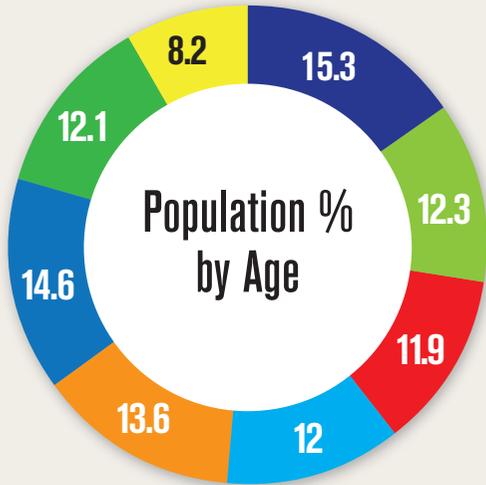
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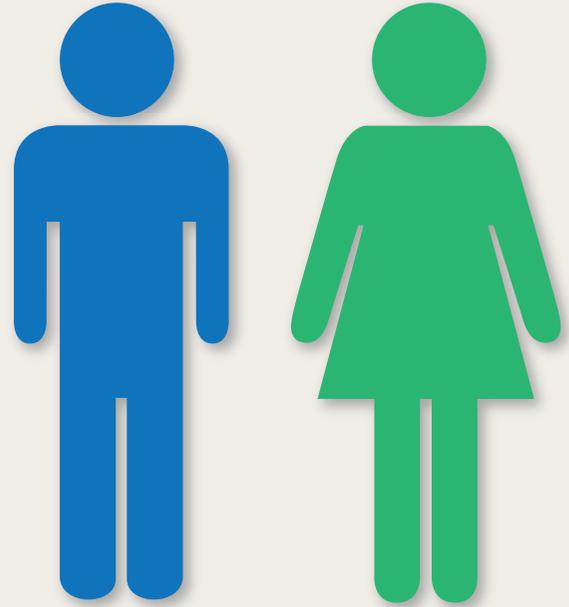
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2017 Demographics by Age, Race and Sex

50-mile radius from Tri-Cities Airport



- Age 0-14
- Age 15-24
- Age 25-34
- Age 35-44
- Age 45-54
- Age 55-64
- Age 65-74
- Age 75+



448,790

456,427



Population by Race/Ethnicity

- White
- Black
- Hispanic
- Other/Mixed

Source: Northeast Tennessee Regional Economic Partnership

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No. 56

Top 100 Best Places to Live

Johnson City ranked # 56 in 2018 Top 100 Best Places to Live by livability.com

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Increase in Property Value

Growth rate in Downtown Johnson City Redevelopment District increased 37% over the past 10 years

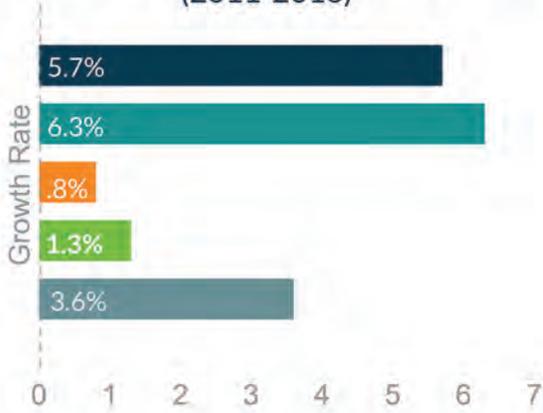
7%

Increase in Median Hourly Wage

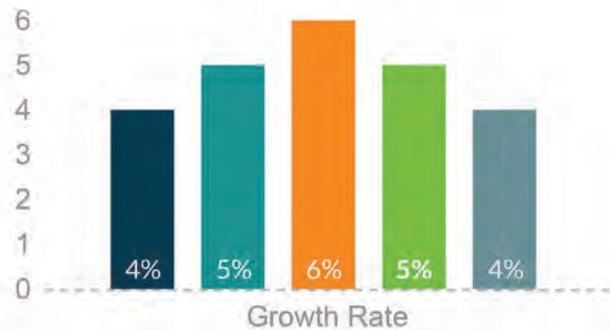
Median hourly wage in Johnson City MSA increased 7% over the past 5 years

Asheville, NC Metro Greenville, SC Metro Johnson City, TN Metro Roanoke, VA Metro United States

Population Growth Rate (2011-2016)



Median Household Income Growth Rate (2011-2016)



GDP Growth Rate (2011-2016)



Job Growth Rate (2011-2016)



PARTNERS IN PROGRESS

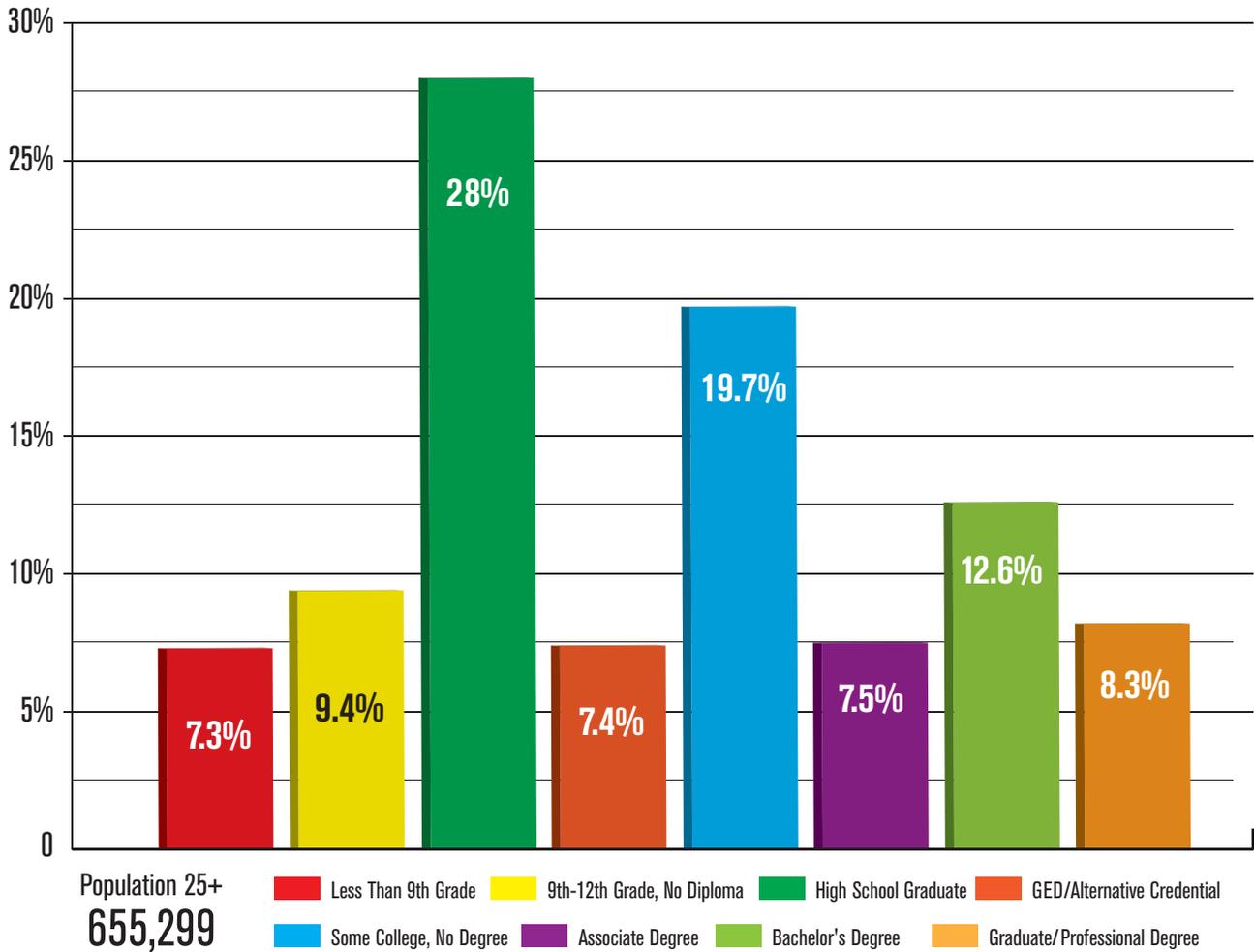
Northeast Tennessee faces a competitive environment in attracting jobs and investment so its people can prosper. Regional partnerships are positioning the area for collective success. NeTREP embraces positive change that empowers the region through further collaborative efforts designed to benefit all Northeast Tennesseans.



NORTHEAST TENNESSEE
Regional Economic Partnership

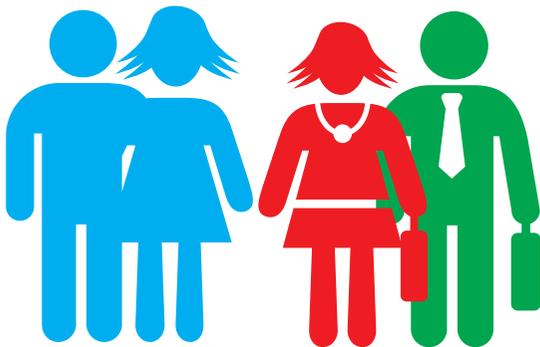
Educational Attainment

Persons 25 years and older within a 50-mile radius of Tri-Cities Airport, 2017

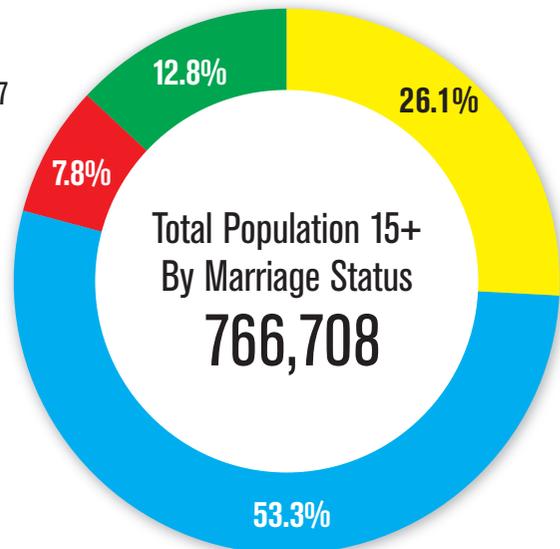


Marital Status

Persons 25 years and older within a 50-mile radius of Tri-Cities Airport, 2017



■ Never Married
 ■ Currently Married
 ■ Widowed
 ■ Divorced



Source: Northeast Tennessee Regional Economic Partnership

WHERE TENNESSEE BEGINS ITS BUSINESS DAY



Folks in our two counties in Northeast Tennessee are the first to see the sun come up each morning, but that's not where our advantages end. Our region has a rich history of innovative, pro-business initiatives that have inspired many communities across the Volunteer State to follow our lead.

- First to have multiple (4) "Select Tennessee Certified Sites" as well as other shovel-ready sites including Aerospace Park
- First "Select Tennessee" site with direct access to a runway – Aerospace Park
- First county to be designated a "Connected Certified Community" through Connected Nation & Connected Tennessee
- First city to become a One Gigabit Community through Bristol Tennessee Essential Services - which recently became the first utility to win the Malcolm Baldrige National Quality Award
- First to provide 2 years of free college tuition through Sullivan County's "Educate and Grow" program; a precursor to the highly touted, statewide program, Tennessee Promise
- First to develop a "Regional Center for Advanced Manufacturing" (RCAM), offering 3D printing, robotics, electromechanical, apprenticeship opportunities, and many other customized training programs

Consider our other assets – Interstates 81 and 26, Foreign Trade Zone #204, Tri-Cities Airport with an adjacent industrial park and on-site US Customs Port of Entry, state-of-the-art educational and training facilities, publicly owned spec buildings and business parks – and Sullivan and Hawkins counties are the first place expanding companies should consider. **LET US BE THE FIRST TO WORK FOR YOU.**

NETWORKS



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2017 Housing Demographics

50-mile radius from Tri-Cities Airport



\$39,606
Median Household Income

\$55,278
Average Household Income

\$23,389
Per Capita Income



244,446
Total Families

2.86
Average Family Size

43.8
Median Age

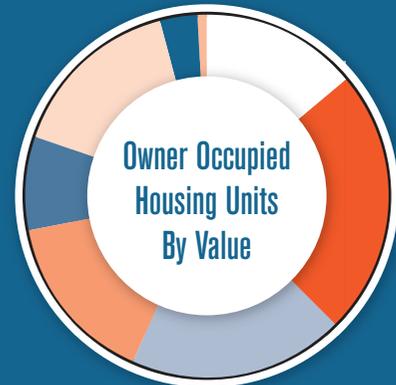
Household Income Base

<\$15,000	\$15,000-24,999	\$25,000-34,999	\$35,000-49,999	\$50,000-74,999
17.3%	14.3%	12.5%	15.4%	18%
\$75,000-99,999	\$100,000-149,999	\$150,000-199,999	\$200,000+	
9.9%	8%	2.3%	2.2%	



Owner Occupied **57.3%** Renter Occupied **25.3%** Vacant **17.4%**

Median Value **\$132,181** Average Value **\$176,121**



\$<50,000	\$50,000-99,999
\$100,000-149,999	\$150,000-199,999
\$200,000-249,999	\$250,000-499,999
\$500,000-999,999	\$1,000,000+

Source: Northeast Tennessee Regional Economic Partnership

2017 Consumer Spending

50-mile radius from Tri-Cities Airport



Shelter

\$10,298

Average Spent

Spending Potential Index: 63*



Healthcare

\$4,404

Average Spent

Spending Potential Index: 79*



Food at Home

\$3,769

Average Spent

Spending Potential Index: 75*



Dining Out

\$2,289

Average Spent

Spending Potential Index: 69*



Entertainment/Recreation

\$2,269

Average Spent

Spending Potential Index: 73*



Support Payments/Gifts

\$1,693

Average Spent

Spending Potential Index: 72*

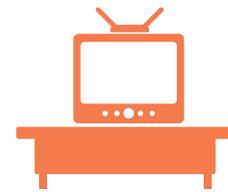


Apparel & Services

\$1,422

Average Spent

Spending Potential Index: 66*



Home Furnishings/Equipment

\$1,378

Average Spent

Spending Potential Index: 71*



Travel

\$1,316

Average Spent

Spending Potential Index: 64*



Vehicle Maintenance/Repair

\$805

Average Spent

Spending Potential Index: 75*



Education

\$800

Average Spent

Spending Potential Index: 55*



Personal Care Products/Services

\$538

Average Spent

Spending Potential Index: 68*

*Amount spent in comparison to a national average of 100. Source: Northeast Tennessee Regional Economic Partnership

Why the best people thrive here

Opportunities in this region are outstanding for highly qualified job candidates who can negotiate higher pay than the regional average. The cost of living in this region is low. If you make \$50,000 a year here, you would need to make this amount to live an equivalent lifestyle in these larger Southeastern markets.



You would likely need to make more in the same job to live elsewhere. Here's what those markets pay for the same work, on average.

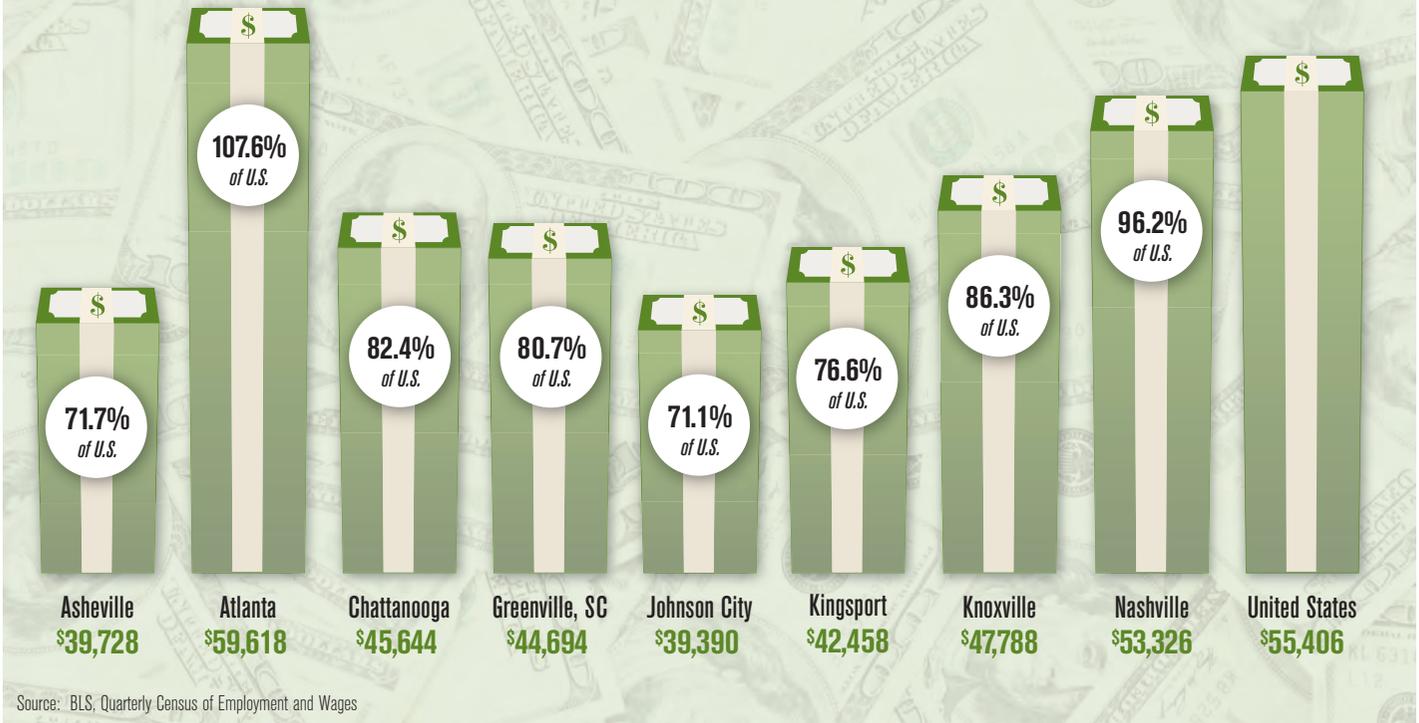


So the odds are very good you would make more elsewhere. The big question is, what's the net gain or loss?



So again, the job candidate who can negotiate a higher-than-average compensation package in this market can take advantage of the low cost of living to net a significantly greater amount of disposable income. The data for this region is shown for the Kingsport MSA only, with data for the Johnson City MSA and outlying regions currently unavailable, but believed to be very similar. The data is sourced from the website salary.com as of February 2018.

2017 Average Wage Comparison



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* According to Courthouse Retrieval Systems (CRS). NMLS #34391, TN #109111

Available Industrial Sites

County	Name	Address	Site Size	Available	For Sale	For Lease	Notes
Greene County, TN	Andrew Johnson Highway site	13348 W Andrew Johnson Hwy Mosheim, TN 37711	25 acres	25 acres	Yes	No	N/A
	Baileyton Site	11085 Baileyton Road Baileyton, TN 37745	267.49 acres	267.49 acres	Yes	No	N/A
	Elk Creek Industrial Park	50 Marley Road Greeneville, TN 37743	50 acres	60 acres	Yes	No	N/A
	Fortner Site	550 N Mohawk Rd Greeneville, TN 37810	73.24 acres	73.24 acres	Yes	Yes	N/A
	GCS Rail Property	1590 Industrial Road Greeneville, TN 37745	16.23 acres	16.23 acres	Yes	Yes	N/A
	Hardin Industrial Park Site II	115 Terry Leonard Drive Greeneville, TN 37745	140.2 acres	140.2 acres	Yes	Yes	N/A
	Jim Kirk Road	Jim Kirk Road Midway, TN 37809	403 acres	403 acres	Yes	No	N/A
	Midway Property	675 Jim Kirk Road Midway, TN 37809	66.6 acres	66.6 acres	Yes	No	N/A
	Shepherd Property	100 Midway Rd Mosheim, TN 37818	18.5 acres	18.5 acres	Yes	No	N/A
	Tweed Property	Blue Springs Parkway Mosheim, TN 37818	29.75 acres	29.75 acres	Yes	No	N/A
	West Andrew Johnson Highway	11780 W. Andrew Johnson Highway Greeneville, TN 37818	10.86 acres	10.86 acres	Yes	No	N/A
West Greene Site	624 Midway Road Mosheim, TN 37818	340 Acres	340 acres	Yes	No	N/A	
Hawkins County, TN	Technology Park II at Holston Army Ammunition Plant	4509 West Stone Dr Kingsport, TN 37660	159 acres	159 acres	No	Yes	Technology Park II at Holston Army Ammunition Plant, is located in Kingsport, Tennessee, three miles from Interstate 26 and is adjacent to the entrance of the Holston Army Ammunition Plant. This 159-acre site is available for long-term lease and is ideally suited for defense industries complimentary to the Ammunition Plant's operations or those desiring close proximity to Eastman Chemical Company's corporate headquarters and operations.
	Lots 11/17/18	100 Phipps Bend Road Surgoinsville, TN 37873	90 acres	90 acres	Yes	No	Tract #11, 17, 18 comprised of 90 acres located within the Phipps Bend Industrial Park
	Phipps Bend Industrial District	386 Phipps Bend Road Surgoinsville, TN 37873	180 acres	180 acres	Yes	No	500 Acre Industrial Park located along the Holston River in Hawkins County. Home to numerous existing industrial companies.
	Tract #15/16	100 Phipps Bend Road Surgoinsville, TN 37873	12.4 acres	12.4 acres	Yes	No	Tract #15/16 is a 12.4 acre tract located within the Phipps Bend Industrial Park.
Sullivan County, TN	Aerospace Park	100 Cargo Center Dr Blountville, TN 37617	27 acres	27 acres	No	Yes	The Select Tennessee Certified Site designation applies to the developable portion of Aviation Park I, located along the northwest side of Cargo Center Drive within the Tri-Cities Regional Airport in Blountville, Tennessee. The available site is approximately 27.89 acres and is located in an area planned for aviation related development.
	Bristol Business Park	2120 Tech Lane Bristol, TN 37618	82.9 acres	82.9 acres	Yes	No	The Certified Site designation applies to 82.9 remaining acres within the Bristol Business Park, located along Highway 394 in Bristol, Tennessee.
	Partnership Park II	2504 Weaver Pike Bristol, TN 37618	204 acres	204 acres	Yes	No	The Certified Site designation applies to 204 acres within Partnership Park II, located along Highway 394 in Bristol, Tennessee.

County	Name	Address	Site Size	Available	For Sale	For Lease	Notes
Sullivan County, TN	Gateway Commerce Park	2200 Tri-Cities Crossing Colonial Heights, TN 37663	9.8 acres	14 acres	Yes	No	Industrial park located at intersection of I-81 and I-26 in the heart of the Tri-Cities Region
	Northeast Tennessee Business Park	Wallace Alley Street Kingsport, TN 37617	150 acres	150 acres	Yes	No	7 available adjacent to COFAP building. Excellent interstate access
	Partnership Park One	2076 Muddy Creek Road Blountville, TN 37617	50 acres	50 acres	Yes	No	This industrial park is home to FedEx Freight and overlooks the Tri Cities Airport.
	William Bailey Property	Eastern Star and Fordtown Road	85 acres	85 acres	Yes	Yes	Available property
Unicoi County, TN	Morgan Property	101 Jonesborough Road Erwin, TN 37650	16 acres	16 acres	Yes	No	Certified Invest Prep Site, owned by Town of Erwin. GB Fiber available. CSX rail frontage. 0.25 mi from Interstate 26. All infrastructure on site.
	Unicoi County Dry Creek Site	Zane Whitson Drive Erwin, TN 37650	19.09 acres	19.09 acres	Yes	No	N/A
Washington County, TN	Washington County Industrial Park	Precision Boulevard Jonesborough, TN 37690	67 acres	67 acres	Yes	Yes	67 acre publicly owned site. Site grading to accommodate up to 500,000 SF manufacturing facility is currently underway. TVA/Johnson City Power Board 20MW Substation located within 1/2 mile of the Washington County Industrial Park.
	Washington County Industrial Park	Precision Boulevard Jonesborough, TN 37690	25 acres	25 acres	Yes	No	25-acre pad ready publicly owned site. Site grading to accommodate up to 150,000 SF facility is currently underway. TVA/Johnson City Power Board 20 MW substation located within 1/2 mile of the Washington County Industrial Park.

SEE INDUSTRIAL SITES, 28

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Available Industrial Sites

County	Name	Address	Site Size	Available	For Sale	For Lease	Notes
Lee County, VA	Constitutional Oaks Industrial Park	VA 667 at US 58 Pennington Gap, VA 24281	289 acres	289 acres	Yes	Yes	Publicly-owned industrial park. Proximity to Kentucky and Tennessee and can provide Tri-State employment. Within a 35 mile radius, approximately 317,000 potential skilled workers.
Washington County, VA	Oak Park - Lot 13	18177 Oak Park Drive Abingdon, VA 24210	38.8 acres	38.8 acres	Yes	No	38 acre industrial site in publicly-owned industrial park
	Oak Park - Lot 10	18177 Oak Park Drive Abingdon, VA 24210	48.5 acres	48.5 acres	Yes	No	48.5 acre site in publicly-owned industrial park
	Oak Park - Lot 5	18177 Oak Park Drive Abingdon, VA 24210	43.9 acres	43.9 acres	Yes	No	44 acre industrial site in publicly-owned industrial park
	Oak Park - Lot 7	18177 Oak Park Drive Abingdon, VA 24210	42.1 acres	42.1 acres	Yes	No	42 acre site in publicly-owned industrial park
	Oak Park - Lot 8	18177 Oak Park Drive Abingdon, VA 24210	70.7 acres	70.7 acres	Yes	No	70 acre site in publicly-owned industrial park
	White Site	Old Airport Road and Bonham Road - White Site Bristol, VA 24201	11 acres	11 acres	Yes	Yes	Bristol Virginia Utilities installed a \$30M broadband fiber optic network that has the capability of providing data voice and video

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Available Industrial Buildings

County	Name	Address	Building Size	Available	For Sale	For Lease	Notes
Carter County, TN	Matheson Building	1999 State Line Road Elizabethton, TN 37643	197,000 sft	197,000 sft	Yes	No	Available 197,000 SF manufacturing building with multiple bridge cranes and reinforced 8" floors.
	Ritescreen Building	193 Judge Don Lewis Blvd. Elizabethton, TN 37643	200,000 sft	83,000 sft	No	Yes	Industrial Building located on 25-acre site with completed Phase I and II ESA environmental reports completed. T5 Compact Fluorescent Lighting.
Greene County, TN	4765 Andrew Johnson Highway	4765 Andrew Johnson Hwy. Greeneville, TN 37745	22,215 sft	N/A	Yes	No	
	Bewley Warehouse #2	407 Bohannon Avenue Greeneville, TN 37745	61,000 sft	61,000 sft	No	Yes	
	Bossard Building	1550 Industrial Road Greeneville, TN 37745	96,000 sft	96,000 sft	Yes	No	
	CHASAN Industrial Complex	1915 Snapps Ferry Road Greeneville, TN 37745	1,100,000 sft	10,000 sft	No	Yes	
	Elk Street	411 Elk Street 1 Greeneville, TN 37743	18,000 sft	N/A	Yes	No	
	GCS Office Building	406 N Irish St Greeneville, TN 37745	167,197 sft	155,000 sft	Yes	Yes	
	Rufe Taylor Building & Property	500 N. Rufe Taylor Road Greeneville, TN 37743	28,000 sft	28,000 sft	Yes	No	
	SoPakCo Warehouse #4	1002 West Irish Street Greeneville, TN 37743	51,300 sft	51,300 sft	No	Yes	
	SoPakCo Warehouse #9	128 Hankins Street Greeneville, TN 37745	137,236 sft	137,236 sft	No	Yes	
Hawkins County, TN	402 Phipps Bend	402 Phipps Bend Industrial Park Surgoinsville, TN 37873	15,000 sft	15,000 sft	Yes	Yes	Suitable for distribution, manufacturing, storage, etc. Situated on 2.38 level acres.
	Cain Building	E. Main Street Church Hill, TN 37645	19,000 sft	19,000 sft	Yes	No	Owner will finance. Owner will pay insurance and taxes on a lease. Construction Material: Masonry/Metal Internet Connection: Dial up/ISDN/Cable/DSL
	Phipps Bend Spec Building	386 Phipps Bend Rd Surgoinsville, TN 37873	70,870 sft	70,870 sft	Yes	No	70,870 SF shell building on 8.3 acres. Square footage and acreage are both expandable. Building can be rail served by Norfolk Southern rail.
Johnson County, TN	Cold Springs Industrial Complex	370 Cold Springs Rd Mountain City, TN 37683	20,000 sft	20,000 sft	No	Yes	Call Center facility renovated in 2008. DSL & T-1 service available.
	Spec Building	377 Industrial Park Road Mountain City, TN 37683	50,000 sft	50,000 sft	Yes	Yes	Speculative "shell" industrial building
	Johnson County Industrial Park	378 Industrial Park Road Mountain City, TN 37683	40 acres	40 acres	Yes	No	Publicly-owned industrial park with 40 acres available.
Sullivan County, TN	302 Rosedale Ln	302 Rosedale Lane Bristol, TN 37620	23,750 sft	N/A	Yes	Yes	23,750 Sq. Ft. Building on 3.54 Acres in Bristol, TN. 18,750 Sq. Ft. of Warehouse Space and 5,000 Sq. Ft. of Office Space. Approx. 20,000 sq. ft. expansion pad, sprinkled, 3000 lb per sq. in. weight load, plumbed for air, alarm system, 24-26' ceiling hgt, air conditioned, networked, electric and gas heat, break room & restroom in warehouse, thermocycler heating system, natural light panels, Ample parking (two lots). Office area has 12 offices, reception, large conference room, kitchen, file room, lab/storage and 3 restrooms.
	5501 Fort Henry Drive	5501 Fort Henry Drive Kingsport, TN 37663	13,422 sft		Yes	No	Two buildings consisting of a 10,386 SF single-story office building and a 3,036 SF warehouse space.
	686 Industrial Park Rd.	686 Industrial Park Rd. Bluff City, TN 37686	56,180 sft	56,180 sft	Yes	Yes	Industrial warehouse that is free standing metal building with 56,160 square feet.
	7 Sheridan Square Professional Building	7 Sheridan Square Kingsport, TN 37660	10,800 sft	10,800 sft	No	Yes	Superior professional office space available in 7 Sheridan Square office building. Floor 2 has 10,800 sq ft available with private executive suites surrounding the exterior area of the building providing panoramic views of Bays Mountain and Kingsport ball fields. Partial availability on Floors 1 and 3 also for a total of 38,855 sq ft for lease on 3 floors. Additional suites also available at 8 Sheridan Square. Contact listing agent for specific space needs.

SEE INDUSTRIAL BUILDINGS, 30

Available Industrial Buildings

County	Name	Address	Building Size	Available	For Sale	For Lease	Notes
Sullivan County, TN	DLH Building	2233 Weaver Pike Bristol, TN 37620	64,400 sft	64,400 sft	Yes	Yes	This property is easily accessible as it is only a mile from TN-394 and ten miles from Interstate 81. The building was originally built in 1980 for Bristol Jeans. There is plenty of space inside for an assembly line or other manufacturing use and plenty of parking for employees. There is a backup diesel generator that stays with the building.
	Downtown Kingsport Warehouse	122 Wexler Street Kingsport, TN 37660	22,856 sft		No	Yes	Strategically located 15,900 SF warehouse, 7500 SF MOL showroom, and office space in the downtown Kingsport area. Easy access to Eastman and other industries. Warehouse has a clear eave height of 14 feet rising to 19 FT at the center. There are 2- 8 foot raised dock doors and 1- 12 foot drive in door. Property has plenty of parking as well as a secure fenced in laydown yard. Entire building has a fire suppression system in place
	Sherwood Road Warehouse	2453 Sherwood Road Kingsport, TN 37664	22,500 sft	22,500 sft	Yes	No	22,500 square foot warehouse setting on 2.4 acres. Located close to Eastman Chemical Company on Sherwood Road. This is an excellent warehouse featuring block exterior, 4 dock level doors, 2 14ft Drive in doors, 25ft ceilings, 1200 sf of office space, warehouse is Sprinkled, 2 bathrooms, Gas Space heaters in the warehouse, high intensity lights and fluorescent lights. Property has easy access from major highways. Great property for Distribution, Manufacturing, Warehousing, Inside Storage Facility.
	Sprint Building	140 Sprint Drive Blountville, TN 37617	42,232 sft	42,232 sft	No	Yes	Plug and Play operation with 8" Raised access flooring, fiber optic infrastructure.
	Stone East	2550 E Stone Drive Kingsport, TN 37660	71,850 sft	53,000 sft	No	Yes	A professional business complex, Stone East includes this 2-story 53,000 sf office/business facility fronting East Stone Drive. Multiple offices available including recently renovated 15,000 sf space. Attractive spacious lobby. Large level parking area. An additional 4,000 sf former credit union building and 66,000 sf warehouse space are also for lease at this location. Located between Lowe's and new Kingsport Pavilion retail center. Easy access from all areas of Kingsport and Southwest Virginia, near the John B. Dennis Hwy Interchange. Excellent lease rates available, contact listing brokers for details on available suites and adjacent buildings.
	The Press Building	444 Clinchfield Street Kingsport, TN 37660	15,000 sft	15,000 sft	No	Yes	Professional office space for sale in the new Press building. Great space for medical, financial, or retail surrounded by synergy. You can build out to suit your needs. Borderd by three streets with great neighboring businesses.
	West Park Professional Building	105 W Park Drive Kingsport, TN 37660	41,343 sft	12,500 sft	No	Yes	Located on the campus of Holston Valley Hospital Abundant Glass Doors & Windows for Natural Lighting. Newly renovated common areas
Unicoi County, TN	1090 South Industrial Drive	1090 South Industrial Drive Erwin, TN 37650	33,440 sft	33,440 sft	Yes	Yes	Interstate visibility. 33,000+ sf building on 16.9 ac in South Erwin; approx. 32,000 sf warehouse/plant, approx. 1,000 sf office
	Rock Creek Building	1311 N Main Avenue Erwin, TN 37650	23,364 sft	23,364 sft	Yes	Yes	Immediately off I-26 at Exit 36; on 3.4 acres.
Washington County, TN	Boones Creek Technology Building	4721 Lake Park Dr Johnson City, TN 37615	49,000 sft	49,000 sft	Yes	Yes	49,000 SF multi-tenant office building/call center in a centralized location to the Tri Cities MSA. Building and signage are visible from I-26. Situated on a 10 acre site which allows for expansion of the building up-to 80,000 SF. Property has 600 paved and well-lit parking spaces.
	Buffalo Road Building	2212 Buffalo Road Johnson City, TN 37604	72,700 sft	72,700 sft	Yes	Yes	Large 72,700 SF building for lease in established industrial area in south Johnson City, TN. Building consists of 69,000 SF of warehouse space and 3,600 SF of office area. Rail FEASIBLE
	Eddie Williams Rd	2219 Eddie Williams Road Johnson City, TN 37601	68,388 sft	68,388 sft	No	Yes	3 Buildings totalling 68,388 SF on 9 acres of land. Building can be expanded by double.
	General Shale Building	102 S Broadway Street Johnson City, TN 37601	110,000 sft	158,000 sft	Yes	Yes	Internet: DSL & Wireless Total building site acreage is 16 . Largest building is 110,000 SF. Additional 52 available (approx 20 developable). Rail siding and rail dock are still in place along with 6-8 acre paved yard.
	Gray Station Industrial Plaza	149 Old Gray Station Gray, TN 37615	97,000 sft	97,000 sft	Yes	Yes	This approximately 97,000 SF former Food Distribution type facility sits on 16.6 acres and consists of 86,047 SF of warehousing and 7,506 SF of office space. Zoned M-1 & B-3. Ceiling heights 18' minimum to 27' maximum. 6" concrete floors. Has 3 coolers, 12,000 SF freezer, 2,400 SF refrigerated dock, and 6,400 SF cooler.
	Princeton Road Building	410 Princeton Road Johnson City, TN 37601	79,840 sft	79,840 sft	Yes	Yes	79480 Sq Ft Warehouse Space Available. Can Sub Divide. Recently updated with exterior painting, new awnings, lower parking lot striped. Covered side entrance. Two Diesel powered generators.Fenced in security area.

Available Industrial Buildings

County	Name	Address	Building Size	Available	For Sale	For Lease	Notes
Lee County, VA	Constitutional Oaks Shell Building	221 Constitutional Oaks Drive Pennington Gap, VA 24281	60,000 sft	60,000 sft	Yes	Yes	60,000 SF "shell" industrial building in publicly-owned industrial park.
Washington County, VA	64 Commonwealth	64 Commonwealth Bristol, VA 24201	50,000 sft	50,000 sft	No	Yes	50,000 SF industrial building
	DSI Underground System	200 Bob Morrison Blvd Bristol, VA 24201	57,800 sft		Yes	No	Available industrial property
	Fuller Building	1209 Moore St Bristol, VA 24202	10,500 sft	10,500 sft	Yes	Yes	Available commercial property
	Gordon Garment	1001 Rhode Island Ave Bristol, VA 24201	90,000 sft	N/A	Yes	Yes	Available industrial property
	Holston Steel Services	300 Piedmont Avenue Bristol, VA 24201	100,000 sft	100,000 sft	Yes	Yes	Available industrial building
	Interstate Snack	100 Thomas Rd Bristol, VA 24201	71,850 sft	71,850 sft	Yes	No	Available industrial property
	Johnson Building	601 State St Bristol, VA 24201	25,000 sft	N/A	Yes	Yes	Available office building
	RAD Engineering Complex	351 Old Airport Road Bristol, VA 24201	19,483 sft	N/A	Yes	Yes	Available industrial property

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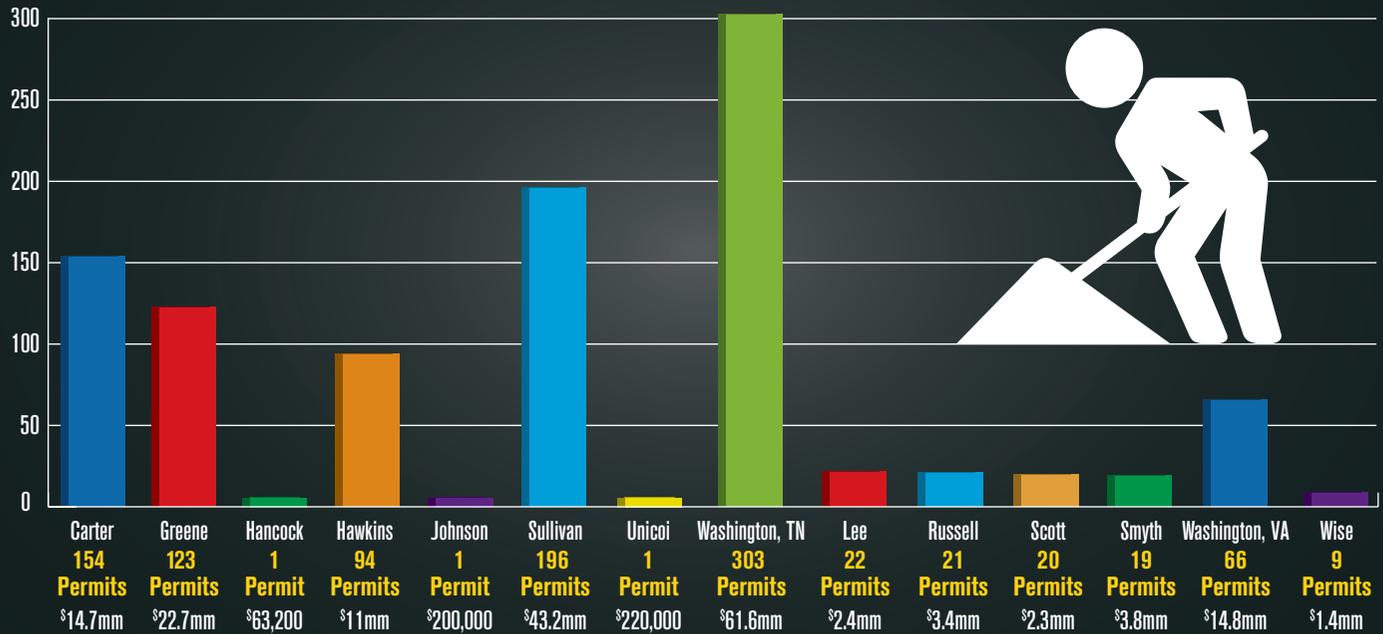
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2016 COUNTY BUILDING PERMITS AND COSTS



Source: U.S. Census Bureau



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KIRES Professors Alexander Brumlik and Sam Evans. PHOTO BY SCOTT ROBERTSON

King University issues retail, employment report analyses

By Scott Robertson

A pair of reports issued last month by the King Institute for Regional Economic Studies (KIRES) show the interconnectedness of the two topics in the regional economy. The reports, released around the 10th anniversary of the Great Recession, give room for guarded optimism.

Immediately following the recession, there were 12,917 fewer jobs in Northeast Tennessee, according to the Post-Recession Job Outlook Report prepared by Dr. Alexander Brumlik and Dr. Sam Evans. At that time, larger cities in Northeast Tennessee had fared much better than their rural counterparts. For example, Kingsport-Bristol saw a 5.3 percent decline, below the state average, while Greene County experienced a decline twice that of the state average.

Brumlik and Evans say the employment news since that time has been good, but not great. “Each region within Northeast Tennessee saw employment gains over the past seven years, and, as a whole, there were 8,797 more jobs. Every region in our study saw large upticks in hiring, pushing 15 percent,” the report states. “However, if we go back and compare the employment situation in mid-2016 to levels prior to the recession, we see a much less favorable situation. Northeast Tennessee still had a net loss of 4,120 jobs (-2.2%).

“If we narrow the analysis to industry growth after the recession; that is, 2009-2016, we see that Retail Trade and Accommodation &

Food Services were the two industries that had the most jobs added.

“However,” the report continues, “the establishment of new businesses in these sectors often provides little economic impact. When the primary customers are local residents, then competition among retailers tends to operate like a zero-sum-game, with the gains of one retailer often coming at the expense of another business. Thus, new businesses add little to the region’s economic base.”

The second KIRES report, regarding retail spending, points out the areas where that truism fails. “Our analysis indicates that 17.15 percent of retail sales were to nonresidents in 2016,” says KIRES’ Drew McCrary, who joined Brumlik and Evans as a co-author of the retail report. “That portion of retail trade can be considered a basic industry, bringing new dollars to the region and yielding a positive economic impact.” The retail study also found that dollar sales to nonresidents have risen over time, from an estimated \$729 million in 2013 to \$1,356 million in 2016. Evans notes that “this is good news for the Tri-Cities given the substantial investment in new retail development in recent years.”

The authors report that the main economic impacts of sales to nonresidents are the creation of 6,993 new full-time and part-time jobs in all sectors of the regional economy and an increase of \$218 million in earnings received by households employed in all industries in the Tri-Cities. ■

Immediate distraction:

Proprietary information bill mars Ballad Health rollout

By Scott Robertson

When Ballad Health Chairman and CEO Alan Levine met with *The Business Journal* in late February, he probably would rather the conversation had centered on plans for a new pediatric trauma center, or a residential addiction treatment facility, or pediatric emergency departments in Kingsport and Bristol. Instead, he opened the conversation with, “So I guess you want to talk about this bill, huh?”

“This bill” is Tennessee Senate Bill 2048, currently under consideration by the Tennessee General Assembly in Nashville, and its State House counterpart. The bill, which has raised eyebrows and ire, limits what information is immediately put into the public record as it is reported to the state’s COPA monitor, in essence removing it from public view before it ever gets there.

The bill does not – as currently written – accurately reflect the system’s goals, Levine said. However, Levine added, there is no ill intent on the part of Ballad or of the legislators who are carrying the bills in the state house and senate.

“Is it possible that the language that was originally submitted was too broad? Yeah. I would say it is possible it was too broad,”

Levine told *The Business Journal*. “And that’s why the (legislative) process is designed the way it is. You have a chance to refine it during the process.”

Senate Bill 2048, which is sponsored by District 3 State Senator Rusty Crowe, removes from the public eye documents the Department of Health had planned to publish regarding Ballad’s compliance with the recently signed Certificate of Public Advantage (COPA). That COPA allowed the merger of Mountain States Health Alliance and Wellmont Health System. Under the COPA, the state is charged with ensuring Ballad meet several commitments to offset potential negative effects of loss of competition between the two former systems.

Under that bill, as written, “Records made or received by an independent firm or individual retained by the state to monitor, review, supervise, or otherwise provide oversight with respect to a cooperative agreement governed by a certificate of public advantage, including, but not limited to, monitoring compliance and evaluating performance,” will be removed from the public record.



Alan Levine, Ballad chairman and CEO PHOTO BY SCOTT ROBERTSON

For his part, Crowe said he was taken by surprise at the negative reactions to the bill. “I didn’t realize what a firestorm would be set off by this bill that’s really only about keeping the hospital system’s proprietary information out of the hands of competing systems,” Crowe said. “I have been hearing from constituents. I have been hearing from the attorney general. I have been hearing from the Department of Health. I have been hearing from Ballard. As such, I want to make sure that all these entities are working together.”

The Tennessee Department of Health has offered an amendment to the bill, and Ballard, the DoH and the Tennessee Attorney General’s office are in talks now. “That’s the process of legislation,” Levine said. “Everybody has a chance to weigh in on it, and then the legislature can do what it thinks is proper.”

When Mountain States and Wellmont were working with the state to write the COPA, Levine said, legal provisions of investigation kept proprietary information out of the public eye. However, since the state has moved from investigation into regulation, that information is no longer protected. Ballard’s competitors do not have to make public all the information that would be made public by law the moment the COPA monitor receives it from Ballard, Levine said, putting Ballard at a competitive disadvantage.

“There’s some real potential for damage if certain elements of our routine operations were in the hands of our competitors,” Levine said. “Without this bill, if the COPA monitor has access to information, which they do, then by virtue of the fact they have possession of it, it immediately becomes public, that means every one of our competitors can access all of that. You wouldn’t even need to collude to have price fixing.”

Said Crowe, “No other system would have to make public its negotiations with an NCO, or with one doctors’ group or another, or with a payor. If you go into a hospital system office and ask, ‘What’s your physician recruitment plan for the Children’s Hospital?’ they’re not going to tell you.”

But among the items listed to be removed from the public record are documents relating to facility closures or repurposing and deletions of service lines. Both were hot button topics during the COPA process. Regarding those items, Levine said, the question the bill was designed to address is more a matter of timing of the release of information, than completely removing

that information from the public record.

“The public does have a right to know what the decision factors were in the state approving us closing a service or repurposing,” Levine said. “The issue for us is a practical one. If we had made a decision that it’s in the interests of our hospital to close or repurpose a service and we have to go to the state and request it, and that becomes public before the state has had an opportunity to consider it and before we have had the opportunity to execute a plan once it’s approved, you can actually undermine that service before the decision has even been made to move forward.” The bill as written, however, does not address any point at which the information should be released to the public.

When the state investigates a complaint alleging Ballard has failed to live up to the terms of the COPA, Levine said, Ballard is asking not that the facts be completely withheld from the public, only that the investigation be allowed to run its course before the results are made public. Again, Levine acknowledged that point is not made in the original bill’s text.

“That’s why this is such a great process,” Levine said. “Because you learn about certain imperfections. Sometimes your intent doesn’t get articulated and that’s the benefit of our democratic process. It’s in the sunshine. Everybody sees the language. People have had the opportunity to say, ‘well, what about that?’ And we have a chance to say, ‘Well, we didn’t intend – if we violate the

COPA, and it’s proven that we have violated the COPA and we have exercised our due process and the state has taken action to enforce compliance, we don’t disagree that that should be public. The only thing we say is that if there is information in there that is competitively sensitive, that should be redacted.

“The process is working, and we just have to let the process work,” Levine said. “I think there are really good, level-headed people for the state and amongst our team that are working on that, who are going to try to come up with the right solution that balances the public’s right to know with our need to make sure we can operate these institutions, frankly in the public’s interest.”

Said Crowe, “What I want, and what I have wanted all along, is to make sure that all information that is normally, customarily and appropriately held proprietary continues to be held proprietary, and that what should be in open records will be.

“I would like to have been able to simply write a bill that says, ‘I want what was proprietary before to be now,’ but it’s not that simple,” Crowe said. 



Tennessee State Senator Rusty Crowe FILE PHOTO

Opioids: a multi-tiered approach to a multi-faceted problem

By Scott Robertson

At some point in the last five to ten years, workforce became the most important factor in business site selection, outpacing location, available infrastructure and incentives. At some point in the last two to three years, opioid-related issues became the most important factor in workforce disqualification, outdistancing education. The effort to stem the opioid crisis, until recently only a crusade to save lives in extreme rural areas, is now a nationwide effort to stop what already threatens to drive a dramatic slide in workforce participation.

“A lot of the reason there is a difference in workforce participation vs past years has to do with disability,” said Dr. Robert Pack, associate dean for Academic Affairs & professor of Community & Behavioral Health at East Tennessee State University. “It’s unknown exactly what proportion of it, but a lot of that disability is secondary to the overuse of opioid pain relievers.”

In Northeast Tennessee and Southwest Virginia multiple organizations are working to address the issue. From academia to healthcare providers to not-for-profit institutions and the faith-based community, a wide range of approaches is being taken – with mixed results – to lessen the impact of this complex, multi-faceted problem.

The longtime experts

Frontier Health has been dealing with addiction-related issues since the organization’s inception. Today Frontier provides services along the entire continuum from in-school prevention programs for young children through residential and crisis services.

The prevention programs create the greatest cost savings by keeping individuals from ever developing costly addictions in the first place. “Those programs are better funded in Virginia, not so well in Tennessee,” said Dr. Teresa Kidd, CEO. “In Virginia we have professionals involved in helping communities develop their own drug coalitions to provide education, outreach and peer support.”

Between prevention and crisis on the continuum, are traditional outpatient and residential services. Chad Duncan is director of adult outpatient addiction services at Frontier. Part of that service is an assessment of a patient’s readiness for change. An individual referred by a family member or employer may not believe he or she actually has a problem, and must work through a process of realization.

“We have motivational groups for people who may not be ready for more intensive group work,” Duncan said. “Sometimes you have to meet people where they are. Often by their third session in, they’ll be like, ‘Oh, I do have a problem.’”

From there they can enter intensive outpatient services for a minimum of three days a week and three hours each day for 20-35 days.

Sherri Feathers, senior vice president of Specialty Services has oversight for Frontier Health’s addiction and depression residential program which performs medically monitored detox and residential treatment. Those services are offered for individuals

who are beyond intensive outpatient services. Frontier offers mobile crisis services to crisis stabilization to a walk-in center and a 23-hour observation program in addition to outpatient sites in all eight counties of Northeast Tennessee.

Many opioid dependent patients, Feathers said, are those who have reached a point where they are afraid for their own survival. “Those folks present in crisis, seeking service. And we have a 24-hour triage center, 365 days a year.”

Frontier does around 800 assessments every month, Feathers said. “Over the last two or three years the number of people presenting in crisis coupled with opioid addiction have really increased.”



Dr. Robert Pack



Dr. Teresa Kidd



Sherri Feathers



Chad Duncan

The young blood

Students at ETSU’s Gatton College of Pharmacy are taking an active role in saving lives by offering free naloxone training at events throughout the region. Students show seminar attendees how to administer the drug, also known as Narcan, to individuals overdosing on opioids.

Sarah Melton, professor of Pharmacy Practice, oversees those community training events, though the Gatton College students provide the instruction. “It doesn’t matter if it’s oxycodone, heroin – if these opioids overwhelm the receptors in the brain, they cause the body to respond by not breathing as much until the heart stops. But within 30-45 seconds of being administered, Naloxone reaches the brain’s receptors and bonds so tightly it kicks the heroin or oxycodone off the receptor. For 30-45 minutes, that allows the person to start to breathe again.” That generally gives first responders time to arrive and begin more robust treatment.

While community stigma generally associates Naloxone with individuals with substance abuse disorders, the training is beneficial to anyone with a family member who has been prescribed opioids and could accidentally overdose, Melton said. “It’s really for the community in general.”

Stepping up in Southwest Virginia

The United Way of Southwest Virginia made headlines with its IGNITE workforce education and training initiatives in 2017. This year that organization is turning its focus to addressing the opioid issue. “We hope this year to announce a

new phase of IGNITE to be deployed in high schools,” said Travis Staton, CEO. “Phase one is research, curriculum development and pilot project. Phase two is scale. The program and curriculum we will use is highly effective and evidence-based. It has a return right now averaging around \$22 for every dollar invested.” With those numbers, if the United Way could raise \$250,000 the return could be greater than \$4.5 million. “Mostly, it’s going into the high schools and doing prevention,” Staton said.

Ms. Hagamann goes to Nashville

Angela Hagamann, the Diversity-promoting Institutions Drug Abuse Research Program (DIDARP) director for ETSU’s College of Public Health, recently met with Bobby Rolfe, Commissioner of Economic and Community Development for the state of Tennessee. With Rolfe’s boss, Governor Bill Haslam, having just announced the state’s plan for addressing the opioid crisis (TNTogether) on Jan. 22, Feb. 19 seemed a good time for Hagamann to visit Nashville to pitch the Team Awareness concept already in use in Northeast Tennessee.

Back in 2014, the First Tennessee Development District (FTDD) had asked Hagamann to introduce Team Awareness and other opioid-related initiatives to the region’s city and county mayors. Since then, “We’ve spent the last three-and-a-half years trying to get folks to adopt that here,” Hagamann said. “To date, no business has really fully implemented it.”

Unfortunately, the meeting with Rolfe yielded no direct positive results. “We were told to go to the commissioner because they had

a pot of money,” Hagamann said. “The commissioner told us in a very short answer that they did not have money, but that they would try to help us get it from somewhere else.”

Mobilizing the faithful

Appealing to a higher power may produce better results. The Holy Friendship Summit, a gathering of clergy, clinicians and congregants is scheduled for May 18 and 19, and is hoped to be the jumping-off point for what organizers Lottie Ryans of the FTDD and Roger Leonard, former chairman of Wellmont Health System, say will be two years of “innovative, faithful and transformative practices to provide Christian support and encouragement to all who suffer within the church and community due to the opioid crisis.” The objective is to have 1,000 clergy and lay delegates representing 500 churches in Southwest Virginia and Northeast Tennessee.

Those numbers are attainable, based on the growing prevalence of opioid dependency. “If you look at workforce issues of those who have addictions, 70 percent are working,” Ryans said. “So every day, employers likely have someone who is walking through their doors who is dealing with this or has a family member who is dealing with this. It is prolific.”

The crisis has no easy solution because it includes many different problems, from legal to medical to ethical to practical. But the region is not lacking in individuals and organizations ready to address whatever facet of the problem they can. **BJ**



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Costa: Eastman will only support regional economic development effort

By Scott Robertson

Mark Costa speaks at the Eastman Leaders Breakfast Feb. 22. PHOTO BY GABRIEL LOGAN

Several months ago, Eastman Chairman and CEO Mark Costa quietly convened a meeting of the top executives of several of the region's major employers, including Alan Levine, (CEO of then-Mountain States Health Alliance, now Ballad Health), Scott Niswonger, executive chairman of Landair Transport, Dr. Brian Noland of East Tennessee State University and others. The focus of the meeting, according to Levine, was discussion of a regional approach to economic development.

Costa expressed optimism for a new regional economic development approach during his remarks at the annual Eastman Regional Leaders Breakfast Feb. 22 in Kingsport after Levine publicly thanked him for bringing the leaders together. "I do think there is actually a real opportunity because the environment is getting more supportive," Costa told an audience of more than 200 business and government leaders from Northeast Tennessee and Southwest Virginia.

While Costa has expressed support for regional economic development at the Leaders Breakfast in past years, his comments this year were more direct, pointed and action-oriented than ever before. "That is the only thing we at Eastman are going to support, just to be exceptionally clear – a regional approach where we all work together as one team, which I absolutely know we can do, to create more growth and investment."

"I've said this before and I'll say it again," Costa said, "the only way this region is going to survive is if it comes together as a region."

"If each city is out there trying to compete against each other, you'll get some retail shops to move from one city to the next

within the area and it's an utter waste of time," Costa continued. "We need more jobs in the region. We all will win in the end no matter where those first successes actually land. They will create momentum for investment not just for those specific plants, but in the lifestyle and infrastructure that goes with it."

Costa also addressed the need for improvements in education and training, not just in the Tri-Cities, but across the country. "We need more public-private partnerships on how we do training and development of workers," he said. "The public sector really isn't getting it done. The private sector probably can't do it by itself, so how can we collaborate better? I think there are a lot of programs like the Regional Center for Advanced Manufacturing here in Kingsport that are examples of how we should really move forward."

Costa decried the state of education in America, telling the audience innovation-based companies like Eastman are having a harder time finding employees with the mental acuity to stay ahead in a global economy. "I don't know if it's true," Costa said, "but I've been told the No.1 graduating major right now is psychology. Now if we keep going this way, we are going to need a lot of psychologists because we're not fixing the core issues of our country."

"I would prefer having more people innovating new products and figuring how to deliver them across the planet – that's how you close the trade deficit, by the way. The way Apple wins, the way we win, is through innovation. That's how you close the trade deficit. But to innovate, you have to have a lot more sophisticated people. We've lost our way in how we're educating our kids. It's embarrassing on a global stage." ■



Preston Conway pitches his business idea, @Home, to the shark tank panel. PHOTOS BY SCOTT ROBERTSON

“CareerQuest: It’s All About Business” is all about career readiness

By Scott Robertson

More than 300 students from school systems in eight Northeast Tennessee counties took part March 2 in CareerQuest USA Tennessee’s It’s All About Business event at Northeast State Community College. The event is an outgrowth of CareerQuest USA Tennessee, a career fair that last year drew thousands of students to the ETSU minidome. Students at the 2017 event learned about careers in medicine, technology, construction and manufacturing. The It’s All About Business event focused on career paths that translate less well to a traditional job fair environment, yet still offer high-paying opportunities for qualified applicants.

Each student had the opportunity to learn about careers in accounting and finance, financial planning, marketing and human resources. In addition, every student had an interview experience with a human resources professional from a Tri-Cities area business. Students were required to bring their own resumes to make the interview experience as real as possible. In addition, 17 teams of students had the opportunity to compete in a Shark Tank-style pitch competition in front of a panel of area business leaders. The winner of that competition received a \$1,000 prize, while the second-place finisher received \$500. The event was spearheaded by the Workforce Development office of the First Tennessee Development District.

Wynne Tyree, founder and president of Smarty Pants, a youth



Wynne Tyree gives the keynote address

and family research and strategic consulting firm based in Johnson City provided the keynote address. “There are those people who sit and talk about things, and those who actually go out and do them,” Tyree told the students, imploring them to be willing to take risks. “You’ll find that life is too short to keep doing the same thing over and over again,” she said. “Get uncomfortable for a while, because if you are always comfortable, you are not growing. The more risks you take, the less competition is around you. There are a million people applying at McDonald’s.”

Tyree also advised the students that if they wanted success in the fields being discussed at the event, they needed to do more than would be expected of them and be willing to discipline themselves to have patience early on. “Average people do what is expected to them,” she said. “Successful people consistently do more. It’s what

separates those people who just have a job from people who have really fulfilling careers...and remember that the chief cause of failure and unhappiness is trading what you want most for what you want right now.”

The event was sponsored by Bank of Tennessee; Blackburn, Childers & Steagall; Northwestern Mutual and Smarty Pants. Partners included Summit Marketing, Success Dynamics and Northeast State. *The Business Journal of Tri-Cities TN/VA* was media sponsor. [BJ](#)



Alpha Natural Resources CEO David Stetson cuts the ribbon at the company's new headquarters. PHOTO BY JEFF WILLIAMS

Alpha Natural Resources cuts ribbon at new Bristol, Tenn. HQ

Alpha Natural Resources executives believe the company has finally found a building the company can call home for the long term. Alpha held a ribbon cutting ceremony Feb. 27 in the E.W. King Building in the 600 block of Shelby Street in Bristol, Tenn. The company took possession of the space in mid-February and quickly occupied the third and fourth floors.

Alpha has occupied several spaces in recent years. The company was founded in Gate City, Va., but soon moved to Washington County. In fact, the Washington County, Va., government offices are now located in Alpha's former Abingdon space near the Southwest Virginia Higher Education Center. Alpha moved from that space to a custom-built five story, 130,000-square-foot facility at 1 Alpha Place in Bristol in 2011. The company then fell on hard times and when it emerged from Chapter 11 bankruptcy protection in 2016, Alpha moved its offices to Kingsport, from whence it moved to its current space.

The E.W. King Building is owned by Joe Gregory, the former King Pharmaceuticals executive who also renovated the nearby former post office building more than a decade ago. Gregory's representatives say a potential second-floor tenant has been identified, while the first floor remains available.

Former Bell Helicopter rebrands as Bell

Bell Helicopter, the Textron Inc. company and major global aircraft manufacturer operating a facility in Piney Flats, revealed last month it has rebranded to be known as simply "Bell." The new brand strategy and modernized logo are rooted in the company's focus on innovation and customer experience. Bell will roll out the rebrand over the coming year.

"Bell has always been about more than just helicopters.

Our team has spent the past 80 years pushing the boundaries of flight, and now we will accurately reflect that quest," said president and CEO Mitch Snyder. "the look captures our innovative spirit without detracting from our core mission of providing safe and unsurpassed experiences to our customers."

The most notable update, aside from its brand name change, is a new logo. Bell wanted to highlight the tenacious pursuit of flight with its depiction of a dragonfly, while grounding the logo with a shield to illustrate the company's stellar reputation in reliability and quality. "The dragonfly can take off and land wherever it wants, fly quickly and efficiently in any direction, and hover at will. It represents the mastery of flight, something Bell strives to achieve," added Snyder.

Bell teamed up with FutureBrand, a global strategic brand and design consultancy, to complete its first rebranding since Textron Inc. purchased the defense businesses of Bell Aircraft Corporation in 1960 some of which became Bell Helicopter. The process, which began in the summer of 2017, helped refocus the company's communications to more accurately reflect how employees go above and beyond to bring the experience of flight to customers.

"This rebrand is not just about a new logo," said Snyder. "We chose to do this because we see ourselves at the forefront of technology. We believe this refresh embodies the idea that we can make the vertical dimension more accessible."

Before being known as Bell Helicopter, the Piney Flats facility was branded "Edwards & Associates" despite there being no one named Edwards associated with the firm.

BMS' new marketing strategy: small business networking

When one operates a 160,000-seat events venue, the term, "think small" is generally not top of mind. But Bristol Motor Speedway has launched a new suite sales initiative aimed at selling only eight seats at a time. The initiative, dubbed the Business Acceleration Club, proved successful at the track's sister facility in Texas last year, says Chipper Harvey, vice president of corporate sales at BMS. "In Texas, they have all 64-person suites. There in the middle of Dallas-Fort Worth, they felt like 20 was a really good number to shoot for, so they put together a package with their cup races and their Indy race, along with a driving experience."

Following that model, BMS designed its own package for 2018 targeted to groups of eight. "It gives smaller companies a chance to interact," Harvey says. The package works for larger suite clients who may be looking to downsize but stay on suite level, as well as for smaller companies looking to entertain clients in a suite for the first time. Harvey says BMS is setting an achievable measure for success in the initiative's first year. "I think if we can get eight for the year, with four for the April race, that would qualify as a success." **BJ**

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ON THE MOVE

Administration

With more than 20 years of healthcare experience combined, Rebecca Beck, Kenny Shafer and Clem “Bo” Wilkes III have been promoted to new roles within Ballad Health.

Rebecca Beck is now the chief operating officer of Holston Valley Medical Center. In this role, Beck is responsible for collaborating with physicians, hospital leadership, and other stakeholders to continually improve clinical quality outcomes, patient satisfaction and financial results at Holston Valley. Before being appointed to this position, Beck led Hawkins County Memorial Hospital and Hancock County Hospital as the hospitals’ president. She earned her bachelor’s degree in health administration from East Tennessee State University, and later received a Master of Public Health degree in administration from ETSU and a Master of Business Administration degree from King College.

Kenny Shafer has been appointed as the chief operating officer at Indian Path Medical Center. As the chief operating officer, Shafer is responsible for daily hospital operations and working collaboratively with the hospital executive team, physicians and



Rebecca Beck



Kenny Shafer

team members to ensure patients receive the safest, highest quality care possible. In addition to Shafer’s role at the hospital, he is responsible for the neurosciences service line under Ballad Health. Prior to this role, Shafer was the assistant vice president for hospital-based programs and service lines. He is a Johnson City Chamber Leadership graduate and has participated in many other charitable and civic organizations in Florida and Tennessee.

Bo Wilkes is Johnson City Medical Center’s associate administrator. In this position, Wilkes is responsible for providing administrative direction for the operations of all ancillary and support departments as assigned, and also aids in the development and implementation of the hospital’s long-term strategic and business development plans and capital purchases to ensure the organization’s growth, development and continuing viability. Additionally, Wilkes will be working with Niswonger Children’s Hospital on the hospital’s long-term strategic plan, pediatric plans, and other operational responsibilities. Before being promoted to this position, Wilkes served as the assistant vice president of corporate operations at Mountain States. Wilkes holds a Bachelor of Science degree from Clemson University and a master’s in public health from East Tennessee State University.



Bo Wilkes



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Following a nationwide search, King University has named **Brent E. Davison** vice president for Advancement. Davison assumed his new role in January.

Davison will lead a comprehensive advancement program consisting of fundraising, alumni relations, and marketing efforts to help strengthen King's relationships with key constituencies. He comes to King with more than two decades of leadership, strategic planning, and institutional advancement experience gained through work at both private and public organizations.

"We are delighted to welcome Brent Davison to the King community," said Alexander Whitaker, president. "He brings a successful track record in university philanthropy, along with experience and skills that are well suited to support our academic, capital, and alumni engagement initiatives. He will be a valuable member of our leadership team as we advance King's mission of preparing students to excel as thoughtful, resourceful, and responsible citizens with a passion for serving God, the Church, and the world."

Davison most recently served as chief foundation officer of the American Quarter Horse Foundation in Amarillo, Texas. He also served as vice president for Advancement at the University of North Texas, where he directed the execution of a \$203 million comprehensive capital campaign, secured more than \$120 million in planned gifts, and led the highest level of annual gift production in the school's history.

In addition, he served as vice president for Development at the University of Mary Hardin-Baylor, where he led a \$60 million

comprehensive campaign, produced an 88 percent increase in the President's Leadership Circle, and secured more than 500 multi-year giving commitments during his five-year tenure. Davison has also managed development operations for the West Virginia School of Osteopathic Medicine and the World Golf Foundation.



Brent Davison

"There is a rich history of philanthropy and servant leadership at King, and I am honored to join the University community," said Davison. "I am excited to work with President Whitaker as we engage alumni, donors and community leaders in moving King University toward our vision of becoming the preeminent small to medium-sized Christian university in the Upper South."

Davison graduated Magna Cum Laude with a bachelor's degree in business administration in 1984 from Southwest Baptist University in Bolivar, Missouri, where he was named outstanding graduate in the School of Business.

Banking & Finance

Leslie Ellis has been promoted to branch manager of Appalachian Community Federal Credit Union's newly opened Jonesborough, Tenn., branch. A Washington County, Tenn., native, Ellis joined ACFCU in September 2017 and worked in the

SEE **ON THE MOVE**, 43

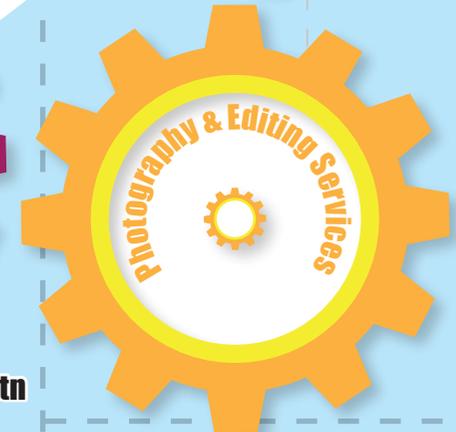
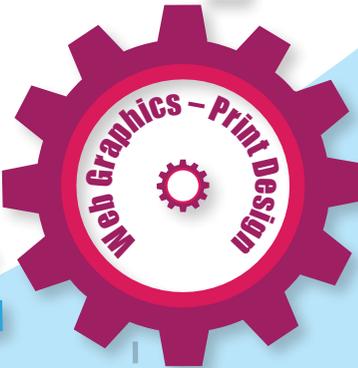
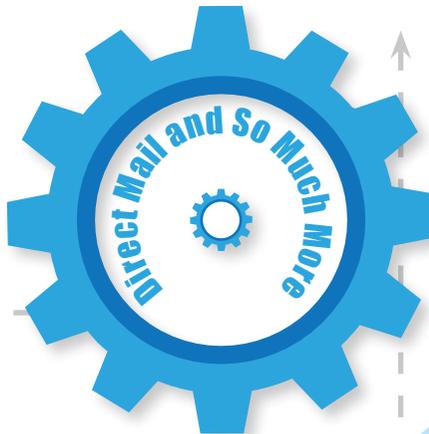


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ON THE MOVE, CONTINUED

Kingsport branch until the early February opening of the Jonesborough location. Prior to joining ACFCU, Ellis served in a wide variety of roles during 12 years with Eastman Credit Union, including most recently as manager of ECU's Boones Creek branch. "Leslie understands credit unions, she knows Washington County and she is committed to ACFCU's approach of serving the entire community, including unbanked and underbanked people who need economic opportunity and a caring financial institution," ACFCU CEO Ron Scott said.



Leslie Ellis



Teresa Kiser

Teresa Kiser recently joined Appalachian Community Federal Credit Union as manager of ACFCU's Norton, Va., branch. Kiser brings a broad array of financial sector experience spanning 20 years to her new role in ACFCU's only Virginia location. The Coeburn, Va., native spent nearly a decade working as a teller, a teller supervisor, an administrative assistant and a loan processor in banking prior to three years in lending with a finance company. From 2010 until joining ACFCU, Kiser, who has lived in Norton for many years, was a branch manager at Capital Bank in Bristol, Tenn. "The breadth of Teresa's experience and her

familiarity with the Norton community will be of great value both to ACFCU and to the people of the Norton area as we continue fulfilling our mission in Southwest Virginia," Scott said.

AWARDS & ACHIEVEMENTS

Eastman Named One of the World's Most Ethical Companies

Kingsport, Tenn.-based Eastman has been recognized by the Ethisphere Institute, a global leader in defining and advancing the standards of ethical business practices, as one of the World's Most Ethical Companies for the fifth consecutive year.

"We are honored to be recognized among the World's Most Ethical Companies again this year," said Chairman and CEO Mark Costa. "At Eastman, we understand that, to be successful and fulfill our purpose of enhancing the quality of life in a material way, we must build trust and confidence with all of our stakeholders – employees, customers, communities, investors, and suppliers. As we continuously look for innovative ways to create value for these stakeholders, our global team is committed to conducting business with honesty and integrity every day. This award is a testament to that commitment."

Ethisphere's CEO Timothy Erlich said, "I congratulate everyone at Eastman for being recognized as one of the World's Most Ethical Companies."

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Ballad Health: Considerations for physicians

By Ian P. Hennessey

On Feb. 1, the long-anticipated merger of Wellmont Health System and Mountain States Health Alliance became effective and Ballad Health was born. What are some of the immediate impacts on the physician community?

Over the last decade, there have been clear trends away from the traditional model of independent physicians and physician group practices and toward an employment model driven by health systems, large medical groups and venture capital firms. This movement is not surprising since physicians and groups are facing ever increasing administrative costs, diminished reimbursement, and a seemingly endless array of new regulations. According to a 2016 article in Becker's Hospital Review, only 33 percent of physicians are considered independent, versus 57 percent in 2000.

To obtain government approval for the merger, Wellmont, MSHA and Ballad were required to agree to certain terms and conditions governing Ballad's operations moving forward. Some of the terms and conditions contained in the Terms of Certification governing the Certificate of Public Advantage (COPA) entered into as part of the merger may have a very real impact on the survival and sustainability of independent physicians and physician groups in the region.

Is Ballad likely to absorb more independent physician groups?

It is unclear whether the new Ballad system's activities in the region will mirror the wider national trends. The reasons for this are two-fold. First, the COPA contemplates that there could be a net reduction in hospitals over time. Although most facilities will be required to remain operational for the first five years following the merger unless government approval is obtained, only three facilities – Johnson City Medical Center, Holston Valley Medical Center and Bristol Regional Medical Center – are required to remain operational indefinitely. In other areas, such as Greene Co., Tenn., and Wise Co., Va., Ballad is permitted to consolidate existing facilities without government approval so long as it maintains at least one rural hospital in the area along with meeting certain other requirements. Fewer overall hospitals will most likely translate to fewer employed physicians.

Second, no more than 35 percent of the physicians practicing in any specialty at a Ballad hospital may be Ballad employees unless the new system obtains a waiver from the appropriate governmental authorities. However, this limitation does not apply to rural hospitals or to hospital-based physicians. Hospital-based physicians include anesthesiologists, radiologists, pathologists, emergency department physicians, radiation oncologists, pediatric specialties (including neonatology and intensivists), behavioral health physicians, and hospitalists. In any event, anesthesiologists, emergency department physicians, pathologists, and radiologists in Tennessee may not be employed by a hospital under current law.

Can Ballad impose non-competes and other restrictive covenants?

One of the main concerns of any contract involving a hospital and a physician or physician group is the restrictive covenants.

Through employment agreements, practice acquisitions and exclusive arrangements, hospitals often require stringent non-compete covenants to protect their business and investment. For Ballad, this dynamic will likely change due to the governmental requirements for approval of the merger.

Effective as Feb. 1, Ballad was required to release any physician, non-physician employee, mid-level extender, or other affiliated healthcare provider from any covenant not to compete or similar restriction in favor of any Ballad entity, unless such provider is a Ballad employee. Going forward, Ballad cannot contract for and cannot enforce any non-competition agreements with non-employed physicians or affiliated healthcare providers. Furthermore, Ballad may not seek to obtain or enforce (as the case may be) any covenant not to compete from any such person or entity, except any physician or mid-level provider employed by Ballad, and then only during the term of his or her employment. These restrictions, however, do not prohibit restrictive covenants regarding solicitation of Ballad employees, use of trade secrets, or disclosure of confidential information.

May physicians and physician groups compete with Ballad?

Except for hospital-based physicians, Ballad cannot limit physicians or physician groups to practice solely at Ballad facilities. Ballad is also prohibited from entering into an exclusive arrangement with a sole healthcare provider of any service in the area (other than hospital-based physicians) without prior approval from the appropriate governmental authorities. Ballad may petition the governmental authorities to enter into exclusive contracts with any other physicians or specialists, but if approved, the duration of any such specialty contracts cannot exceed three years.

Ballad is required to maintain a list of at least three competitors for each ancillary and post-acute service that a Ballad hospital provides. If a discharged patient needs ancillary services, post-acute services or other follow-up medical services at the time of discharge, then the applicable Ballad hospital must comply with federal laws governing patient choice and may not engage in the practice of guiding or directing patients to providers in which any Ballad entity has a material financial or governance interest. In addition, Ballad is prohibited from opposing any award of a certificate of need in Ballad's service area to a competing provider.

Conclusion

The Ballad merger will undoubtedly drive the wider narrative of health care in the region for years to come. While the ultimate effect of the merger on the physician community remains to be seen, there are safeguards which may provide some relief against the adverse trends for independent physicians and physician groups.

Ian Hennessey is an attorney with London Amburn, a law firm providing legal services encompassing health law, including regulatory and compliance, mergers and acquisitions, corporate and business, and employment matters, as well as medical malpractice and nursing home defense.

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