

The Business Journal

of Tri-Cities Tennessee / Virginia

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Realty's new realities

Residential and commercial realtors finding more common ground

Plus:
Kingsport 100's industrial origins
and
Southwest Virginia Economic Development Summit 2017

Eric Kistner and Jerry Petzoldt

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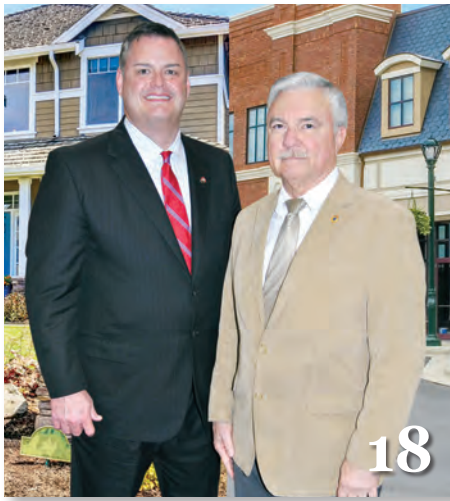


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cover story

Realty's new realities

Tri-Cities residential and commercial realtors are finding new common ground. Plus, crystal-balling the Tri-Cities regional healthcare real estate market.

Cover Photo of Eric Kistner and Jerry Petzoldt by Scott Robertson, photo illustration by Judd Shaw.

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Kingsport 100: Kingsport's industrial origins

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KINGSPORT 100

Celebrating the Kingsport Spirit ▶ 2017

BIRTH OF AN INDUSTRY

Today, the chemical industry is the largest single economic driver in Kingsport, through the actions of Eastman Chemical Co., and the local companies with which it contracts. Yet few are aware that the chemical industry in Kingsport predates the 1920 founding of Tennessee Eastman.

During World War I, importation from Europe of many chemicals dropped precipitously. At the same time, demand for high explosives rose. That combination opened a niche for new American chemical companies. The owners of the C.C.&O. Railway saw this as an opportunity for another industry to rise in Kingsport. So in 1915 they founded the Federal Dyestuff and Chemical Corp.

Between 1915 and 1918 the Federal Dyestuffs plant appeared to be on the way to becoming the dominant industrial player in the city. However, when the War to End All Wars ended, demand dried up and the plant soon closed. It had, however, shown that Kingsport could function well as the site for a chemical company. Federal Dyestuffs was not the only Kingsport industrial player to experience a crippling downturn when the war ended. American Wood Reduction had purchased land for a Kingsport wood distilling plant, and had begun construction of the facility before the post-war bust. When the company abandoned its Kingsport

facility, the partially-built-out site caught the eye of agents of Rochester, N.Y.-based Eastman Kodak.

Eastman Kodak had been one of the companies that lost a significant portion of its raw materials supply chain during the war. The company's founder, George Eastman, instituted a post-war effort to find American sources for those raw materials, preferably sources that Eastman Kodak would be able to own and operate.

In Kingsport, Eastman Kodak found a site on which construction of a wood distilling plant had already begun, and which was surrounded by thousands of acres of woodland. The company sought the wood for its uses in the production of methanol and acetates. In 1920, Perley Wilcox, a longtime Eastman Chemical employee, negotiated the sale of the site for a reported \$205,000. Wilcox would become the first director and general manager of the Tennessee Eastman Corp., which would later become Tennessee Eastman Co., and operate as a subsidiary of Eastman Kodak for decades.

For each of the next 12 issues, The Business Journal will partner with the city of Kingsport to publish in this space short historic articles chronicling the city's first century of business.



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Kingsport 100

Congratulations are due the city of Kingsport, particularly its business community, on the centennial of the city charter, signed by Governor Tom C. Rye on March 2, 1917. We specify the business community because Kingsport is a city created by businessmen with specific community aims and goals in mind.

Between 1910 and 1915, executives of the Carolina, Clinchfield and Ohio Railway had the foresight to commission studies of the natural resources in the area of “the long island of the Holston River” and found it could easily support manufacturing plants for several complementary industries, all of which would need rail service to deliver product to outside markets.

Those executives provided the vision upon which Kingsport was built. George L. Carter, John B. Dennis and J. Fred Johnson were all instrumental in creating an industry-based community.

This issue of *The Business Journal* includes an article reprinted from the special Kingsport 100 publication our company, Derby Publishing, produced to tell the story of Kingsport’s first century from a business perspective.

Our involvement in the centennial began a little over a year ago when former Alderman Ken Maness and I were having a friendly conversation at the 2016 Kingsport Chamber dinner. I mentioned a centennial publication our company had produced for the Johnson City Chamber of Commerce and Ken got a little gleam in his eye. “You know, Scott,” he said, “Kingsport’s centennial is in 2017. I don’t know if that might be an opportunity for you folks or not.”

If you know Ken, you know that means, “this is a darn fine opportunity for you folks, and if you don’t pick up the ball and run with it, you’re a dang fool.”

We may yet be proven to be dang fools, but it won’t be because we didn’t do all we could on the centennial effort.

It’s been a wonderful project on which to work. The research for this publication took a little less than a year. Along the way, we received invaluable assistance from Brianne Wright at the Archives of the City of Kingsport, the Archives of Appalachia, the Rotary Club of Kingsport, the Kingsport Chamber of Commerce and the PEAK Young Professionals organization, among others. As you can well imagine, editing a century’s worth of business activity in a place as dynamic as Kingsport could be a daunting task, so from the start, we set a few priorities.

We concentrated on telling the story of the birth of Kingsport as an industrial city – the intent of first George Carter, then John B. Dennis and J. Fred Johnson and the faithfulness with which that intent was carried out.

Second, we wanted to tell more recent stories that showed

Kingsport business leaders coming together with leaders in government, the chamber and the community to make the city better than it had been – stories like the creation of MeadowView Conference Resort and Convention Center, and of the downtown academic village – stories that showed that even though Carter, Dennis and Johnson had passed on, Kingsport still saw the pursuit of excellence through the lens of a community vision.

And third, we wanted to show businesses today, both the major employers still succeeding in the industries on which the city was founded – and the small businesses that were founded a century or more ago that have thrived in this community throughout its history, businesses like Armstrong Construction, Hamlett-Dobson Funeral Home and Hunter Smith & Davis.

Finally, we knew that with the imprimatur of the city and of the centennial commission on our work, the publication needed to stand alone, as a unique monument to those who have come before, and hopefully, in some small part, as an inspiration to those who will come after.

So we set out to chronicle what J.

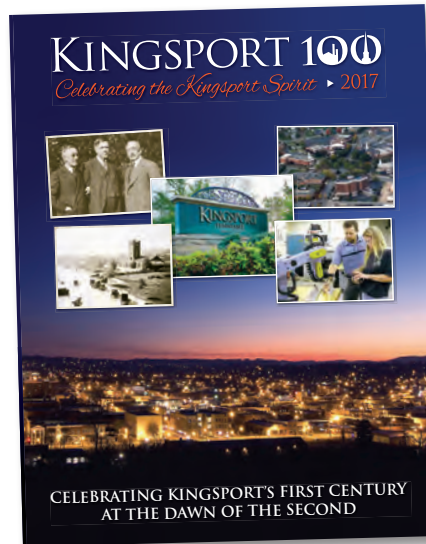
Fred Johnson talked about in the forward to a book published by the Rotary Club of which he was a member:

“Were I to undertake to define the spirit underlying every step in the growth and development of Kingsport, from the days of its humblest beginnings until now, I could not avoid the assertion that the spirit, if it be a spirit, is one of mutual helpfulness and a willingness to submerge selfish interests beneath the individual effort to assure the greater good for the greater number. Rotary has a slogan ‘Service above Self – he profits most who serves best.’ Without attempting to eulogize, it is my firm conviction that those words truly epitomize what may be said to be the spirit of Kingsport.”

It’s a fine way for us all to do business, no matter where we live and work, and given 100 years, I don’t think any of us could have said it any better than Johnson did.

In these last 100 years, the business community of Kingsport has given us many examples of that spirit. It has been both a pleasure and an honor to chronicle just a few.

Copies of the special issue are available from the city and from the Kingsport Chamber of Commerce.



A handwritten signature in black ink, which appears to be "Scott L. Rye".



Quick Trump administration action on some fronts, wait and see on others

By Stephen M. Darden, Esq. Mr. Darden practices labor and employment law with Hunter, Smith & Davis, LLP. The firm observed its Centennial Year in 2016.

Big Labor

On January 23, 2017, Terry O’Sullivan, president of the Laborers’ International Union of North America, emerged from a meeting with President Donald J. Trump and pointed out that he had never been invited to such a meeting at the White House with former-President Barack Obama. Mr. O’Sullivan was pleased by the content of the meeting, declaring that “for thousands of hardworking men and women who have been shut out of our economy for too long, it is beginning to feel like a new day.” Labor leaders like O’Sullivan and AFL-CIO President Richard Trumka are encouraged by the President’s focus on returning manufacturing jobs to U.S. soil and by his green-lighting of the Keystone pipeline, which demonstrated to O’Sullivan “the President’s commitment to creating good middle-class jobs.”

President Trump’s meeting may not have been the signal that most of America’s employers and employer advocates were looking for. In fact, several weeks later, on Valentine’s Day, pro-employer and pro-union advocates appeared before Congress to weigh in on eight years of decision-making by the National Labor Relations Board during the Obama Administration. The Obama presidency was unquestionably friendly to big labor but did not translate into big gains in union membership. Simply put, the pro-employer advocates urge the rollback of Obama-era measures that were characterized as anti-employer while those on the union side of the spectrum argued that decisions by the NLRB during President Obama’s two terms in office were appropriate and should not be disturbed.

At about the same time that the union officials were being hosted by the President, it was announced that union representation of American workers had reached its lowest point since passage of the National Labor Relations Act during the Great Depression, with only 10.7 percent of workers being union members in 2016. While the economy added 236,000 manufacturing jobs last year, union membership among manufacturing employees declined by 74,000. To make matters worse for Big Labor, right to work laws are on the rise with Missouri becoming the 27th state to outlaw compulsory union membership earlier this year. New Hampshire’s lawmakers opted not to make the Granite State the Nation’s 28th right to work state, however, keeping the northeast union-friendly. And National Right to Work legislation — once unthinkable — has now been filed in Washington, D.C.

In a recent test of the appeal of union representation, on Feb. 15, workers at Boeing’s North Charleston, S.C., manufacturing plant resoundingly rejected union representation by a 2,097 to 731 vote margin. Two days after the union vote, President Trump visited the plant and received a warm reception from company executives and others in attendance. While the President’s message of withdrawal from or renegotiation of multi-national trade deals and emphasis on manufacturing has been encouraging to workers, it does not equate to excitement over union representation.

Meanwhile, the National Labor Relations Board remains at three

members with two vacant positions. Once those appointments are made, three of the five board positions will be held by Republicans.

So long Obamacare, Hello Trumpcare

The fate of Obamacare is of considerable importance to the nation’s employers. It appears that the tax treatment to employees of employer-provided healthcare plans is now in play, as elimination of the employer-sponsored insurance tax exclusion may be a feature of Trumpcare. During the past several years, employers have continued to be the source of health insurance coverage for most Americans. While it was widely predicted that Obamacare’s “play or pay” option would lead many employers to quit offering healthcare coverage as a benefit, instead dropping coverage and opting for the less-costly penalties, such predictions proved exaggerated.

While AFL-CIO President Richard Trumka voiced positive remarks following a 90 minute meeting with then-President-elect Trump on Jan. 13 in New York, he nonetheless has taken a tough stance regarding the potential repeal of Obamacare, putting him at odds with one of President Trump’s initial Executive Orders. It seems unlikely that President Obama and Big Labor will be singing Kumbaya with regularity.

If employer-provided healthcare coverage becomes taxable, and the tax code is revised to provide a tax credit instead, then a mass migration from employer-sponsored health insurance plans to the individual health insurance market would seem inevitable. Employers, who must figure out a new set of rules every time the political winds shift, long for two things: a reasonable outcome and stability for the long haul.

The Supreme Court

President Trump’s nomination of Judge Neil Gorsuch for the United States Supreme Court vacancy that resulted from the death of Justice Antonin Scalia seems to be a highly acceptable choice from the perspective of employers who face lawsuits that allege discrimination on the basis of age, religion, gender, disability status, and the like. As a strict constructionist of both the United States Constitution and of statutes passed by Congress, it is a safe bet that he would consider sex discrimination, for example, to mean discrimination stemming from a person’s gender rather than expanding the law by interpreting discrimination “because of [an] individual’s sex” to mean sexual orientation. Such an interpretation on Judge Gorsuch’s part would seem to require a change in the statutory language itself, which is a legislative rather than judicial responsibility.

The 27 men and women who practice law with Hunter, Smith & Davis, LLP (hsdlaw.com) serve businesses and other clients from the firm’s offices in Kingsport and Johnson City. Specialization in most areas of legal practice, including labor and employment law, is not available in the state of Tennessee.

Let Tennesseans choose their shopping days

By Steven C. Smith

The sale of wine in supermarkets was a long, hard-fought victory. One that received the overwhelming support of more than 70 percent of Tennesseans.

For years, Tennessee consumers expressed their desire to have the same opportunity afforded their Virginia friends and neighbors, to purchase wine from their local supermarket, as opposed to being forced to frequent retail package stores. For more than eight years, retailers across the state worked diligently to make their wishes a reality.

The real pivotal point in the campaign's success came as consumers themselves became more involved and voiced their frustration to local legislators. As a result, the referendum passed in ALL 78 localities, as voters overwhelmingly declared their approval of the measure, resulting in a long-awaited and much anticipated victory.

However, many of our loyal Food City customers have expressed extreme disappointment that it was somewhat of a hollow victory. As numerous shoppers learned shortly after the July 1st implementation date that, although they could now purchase wine along with their groceries, some very limiting and inconvenient restrictions have been placed upon the new legislation.

Supermarkets are currently only permitted to sell wine during the same times that package stores are permitted to operate. This eliminates two very choice days for consumers - holidays and one of the most popular grocery shopping days of the week, Sundays. The restriction came as a surprise to most consumers, who naturally assumed that wine sales would correspond with approved beer sale dates and times.

For the 2017 calendar year, this provision would restrict the sale of wine on a number of impactful occasions for our consumers, including 4th of July, Labor Day, Thanksgiving, Christmas Eve, Christmas, New Year's Eve and New Year's Day.

New legislation has been proposed that would keep the decision local by aligning the times that wine is available for sale with that of beer sales, which are decided by local municipalities. Senate Bill 947/House Bill 719 would also allow liquor stores to operate during these same hours, granting equal sales opportunities to both supermarkets and package stores alike.

The sale of wine in supermarkets has increased tax revenues for the state of Tennessee, boosted local economies, helped create a surplus of funds for our state and provided much needed revenue to many of our localities.

One of the things I learned early on in my supermarket career was that the first rule of thumb is that the customer is always right. Tennessee consumers are asking that our local legislators recognize that fact by granting them the benefit of choosing the most convenient shopping days for their busy lifestyles. Over 300,000 Tennesseans voiced their desire at the polls, demanding to purchase wine in supermarkets - unrestricted.

Steven C. Smith is president and chief executive officer for K-VA-T Food Stores, Inc., Food City's parent company.

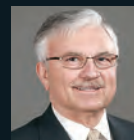


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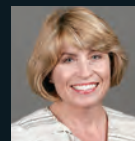
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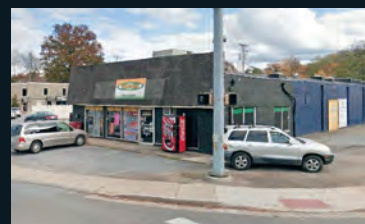


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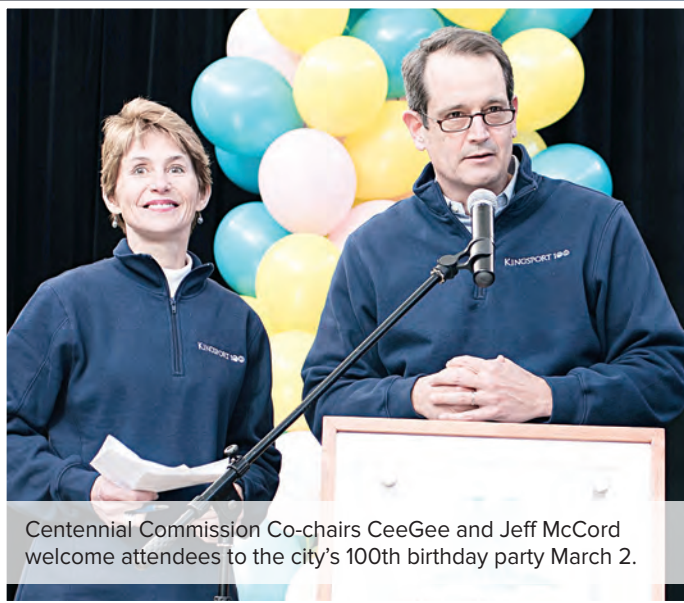
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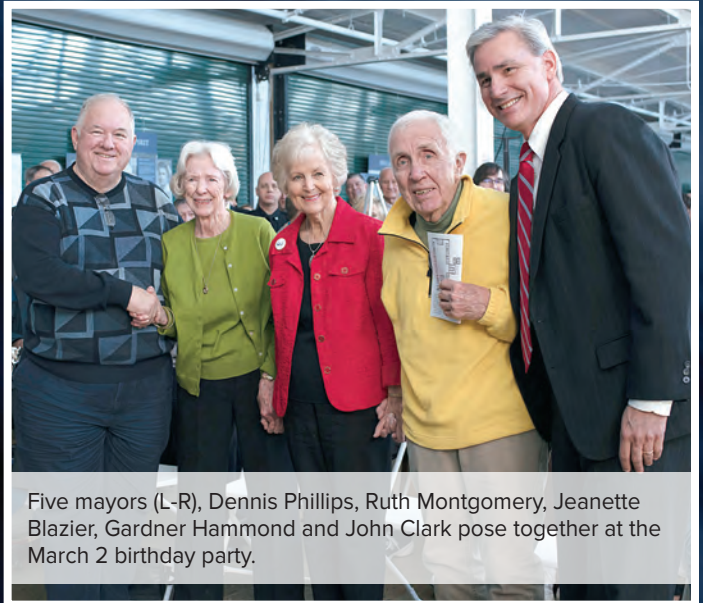
KINGSPORT 100

Celebrating the Kingsport Spirit ▶ 2017

Kingsport celebrated its centennial March 2, but the party started a month before at the Kingsport Chamber dinner, and continued through a preview of the *Business Journal's* special publication hosted by the MeadowView Conference Resort and Convention Center.



Centennial Commission Co-chairs CeeGee and Jeff McCord welcome attendees to the city's 100th birthday party March 2.



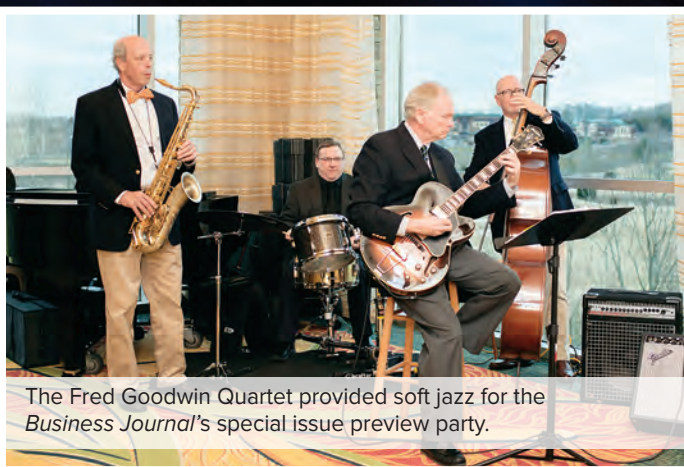
Five mayors (L-R), Dennis Phillips, Ruth Montgomery, Jeanette Blazier, Gardner Hammond and John Clark pose together at the March 2 birthday party.



State Senator Jon Lundberg presents a proclamation from Nashville honoring Kingsport.



Kingsport City Manager Jeff Fleming and wife Christi at the Kingsport Chamber Dinner.

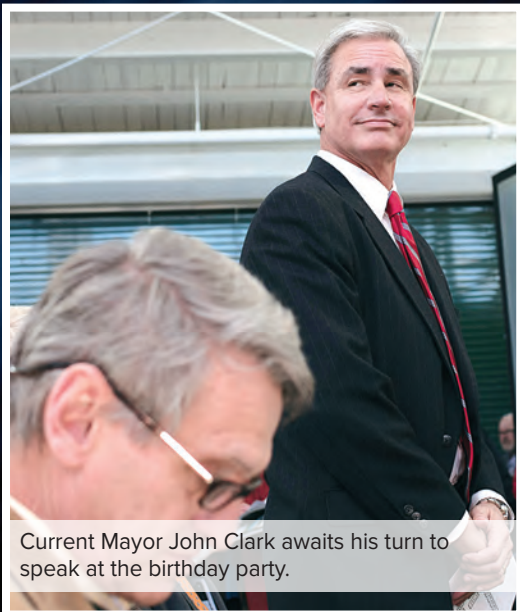


The Fred Goodwin Quartet provided soft jazz for the *Business Journal's* special issue preview party.





The Kingsport Chamber of Commerce staff paused for a portrait before hosting more than 1,800 partiers at the annual Chamber dinner.



Current Mayor John Clark awaits his turn to speak at the birthday party.



Former Lt. Gov. Ron Ramsey and wife Cindy at the Chamber dinner.



Alderman Darrell Duncan with Chamber CEO Miles Burdine.

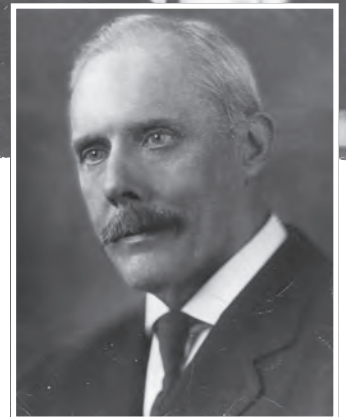


The *Business Journal's* Buddy Scheerer, Jeff Derby, Bill Derby and Jeff Williams listen as MeadowView Conference Resort & Convention Center General Manager John Rothkopf welcomes attendees at the special issue preview party.





Kingsport's founding fathers included (L-R) J. Fred Johnson, James S. Havens, George Eastman, Herbert Williamson, John B. Dennis, Perley S. Wilcox and Frank Lovejoy. The city was first envisioned by George L. Carter (inset).



Kingsport: Born of industry

By Scott Robertson

“Things do not just happen. No territory ordinarily grows of its own right in these days when all communities are striving for growth. A vast amount of effort must be made; great expenditures must be entailed. To build up a local industry a start is usually made from the zero lines.”

– O.K. Morgan, construction engineer, Carolina, Clinchfield and Ohio Railway

In the beginning, there were the rocks and the trees, the people and the railroad. All were critical to the birth and growth of Kingsport.

The rocks and trees gave the raw material necessary for industry. Their rich chemistry yielded compounds sought by the construction, chemical and paper industries, the very industries that form the basis of the city's economy today, 100 years after the city's founding.

The people were the engine that drove production. Inoculated against organized labor by the region's relative isolation and possessed of a strong work ethic, they were ready to be the backbone of a quick-growing economy.

The railroad was the delivery method, bringing wood and stone

from the mountains of southwest Virginia, western North Carolina and Tennessee – then carrying manufactured products to markets around the country.

The railroad, however, was more than that just a medium of transport. Its executives provided the vision to build a city on the foundation of industry.

George L. Carter, John B. Dennis and J. Fred Johnson all played key roles in the founding of Kingsport. On August 17, 1905, the *Johnson City Comet* newspaper published a story that the Unaka Corporation, a Carter holding, planned “to boom a town at Kingsport.” In addition to Unaka, Carter also owned the South and Western Railway Co., and had long planned to strike a rail line



This Kingsport map, circa 1920, shows locations of the Holston Corp., Clinchfield Portland Cement Co., Kingsport Brick Corp., Federal Dye Stuff and Chemical Co., and Kingsport Pulp Co. The commercial and residential zones are virtually identical today.

through southern Appalachia, which had been isolated by other railways' decisions to build circuitous lines around southwest Virginia and northeast Tennessee to the north or south.

Just as that notice appeared in *The Comet*, however, Carter found himself involved in costly court battles. He was forced to travel to New York to seek funding from outside financiers. A group including Dennis, Thomas Fortune Ryan and James Blair traveled to northeast Tennessee and southwest Virginia to explore the region by horseback and determine for themselves if a rail line were a potentially viable venture. On March 7, 1908, the South and Western Railway was rechartered as the Carolina, Clinchfield and Ohio Railway. Carter would remain associated with the railway until 1911, when he would resign as chief executive to be replaced by Mark Potter.

The CC&O's financial interests were, according to a history of the line's role in the formation of Kingsport written by CC&O Vice President Edward Bailly, "principally directed by the then-well-known and leading private banking firm of Blair and Co., and the partner in that firm who was in charge of the matter was John B. Dennis, who was without doubt the leading spirit in the

development of the present City of Kingsport, and who afterwards became President and Chairman of the Board of Directors of the Carolina, Clinchfield and Ohio Railway."

It was Dennis, according to Bailly, who foresaw the possibility of not just a town, but an industrial city at Kingsport. Dennis and his partners formed other corporations to capitalize on that potential. Some of those corporations were owned by the CC&O, others by the individuals who comprised the ownership of the CC&O, but under separate charter.

The Holston Corporation owned industrial sites. It in turn was owned by the railway. Kingsport Farms, the Kingsport Improvement Co., and the Kingsport Corporation were owned by the railway's interested parties.

Under Carter, the railway had hired chemist and geologist Charles Catlett to investigate the potential output of raw materials in the Kingsport area. Catlett filed positive reports on the possibilities for cement, brick, tannic acid and wood pulp.

With Catlett's reports in hand, the railway then authorized

SEE **KINGSPORT, 14**



Top: This photo from the archives of Eastman Chemical Co., shows early loggers. Both Eastman and Mead (below) would harvest immense quantities of trees for use as raw materials. Locals called wood bound for Tennessee Eastman, “chemical wood.”

KINGSPORT, CONTINUED

many more specific studies and began to plan a city with several industrial plants, each complementary to the others, and all with external customers who would need the railway to ship product from Kingsport to their locations.

C.K. Morgan, a construction engineer for CC&O recalled the meticulous research and reporting methodology employed by the railway’s agents and the recruiting effort their discoveries drove. “The resources of the Clinchfield were virtually card indexed by engineers, geologists, chemists and experts of all lines, working at the behest and under the direction of the industrial department of the railroad. With data in hand, then began the dissemination of this information and quest for prospects that might be interested and available. Some were interested in mining coal, ores, kaolin, and feldspar; others in the manufacture of timber, brick, cement, tile, etc.”

Of all Catlett’s reports, the cement and brick report of August, 1909 showed the most immediate promise, and samples were sent from the area around the Long Island on the Holston River to laboratories



in Pittsburgh. The labs confirmed that, “both from practical and theoretical evidence, the raw materials at Kingsport are well suited for making Portland Cement of the best grade.”

The effort to bring a cement company to Kingsport met with success despite the fact that there was no actual city yet. The quality of the raw materials convinced John Miller of the Dexter Portland Cement Co., of Nazareth, Pa., to build a plant in Kingsport in 1910, with the railroad providing shipments of coal to power the plant at 50 cents per ton. By 1915 the plant was producing 5,000 barrels a day and in 1917 Miller purchased an additional 35 acres from the railroad near Gate City.

Catlett himself had brought two Georgia-based investors to the railway in 1910 with the idea of building a brick manufacturing plant. A contract between Holston Corporation and those two men, identified in court papers as J. Whitaker of Atlanta and F. Mahan of Rome was signed and the Kingsport Brick Corporation was formed, mainly owned by officials and representatives of the CC&O. The plant would begin operating eight kilns, but quickly double its capacity to manufacture 100,000 bricks per day.

Kingsport was just a village, but it was already showing the kind of success that would attract the other industries Dennis had envisioned.

In 1915, the railway’s industrial recruitment efforts brought Robert T. Grant to the table to make use of the wood so easily accessible to a Kingsport site. A 20-acre site north of the brick and cement plants was made available through the railway’s subsidiaries for the purpose of building a tannic extraction plant. The Kingsport Extraction Corporation was born, quickly followed by the Kingsport Tannery, Inc., which had the same officers. Those firms would eventually become the Slip-Not Belting Corp.

Around the same time, the owners of the Columbia Paper Mill in Bristol decided to expand their operations in the area. Being familiar with the raw material supply in the region, they entered into an agreement with the railway that led to the 1916 creation of the Kingsport Pulp Corporation. Its plant started out with an output of around 40 tons of pulp per day.

The Mead Paper Co., of Dayton, Ohio, was an early partner in Kingsport Pulp. A 1913 letter about Catlett’s timber report sent from J. Fred Johnson, who was still involved in optioning land for the railway, to L.H. Phetteplace of Erwin said, “I think the plans now under consideration by Mr. Mead, in whose interest Mr. Allen is visiting our line, contemplate a very much larger installation than was thought of at the time Mr. Catlett and Mr. Embree had the proposition under consideration.”

Indeed, Mead was interested in more, buying out its



John B. Dennis

partners in the pulp operation in 1920. The Kingsport mill produced only soda pulp until 1923. At that time, Mead built a full paper mill adjacent to the pulp mill. Mead eliminated its cost of having pulp shipped from the city, while the railway replaced its pulp shipments out of Kingsport with paper shipments.

Not all potential industries panned out, of course. A March 1917 article in a Washington, D.C. journal states that Decamp Glass Casket Co., with a capital stock of \$1 million, planned to locate a plant in Kingsport, offering employment to nearly 500 people. By Feb. 19, 1918, Decamp Glass Casket was defending itself in front of the Tennessee Supreme Court.

But for the most part, Dennis’ vision of an industrial city came together nicely. Alongside all the industrial development,

SEE **KINGSPORT**, 16

KINGSPORT, CONTINUED

the people who manned the plants needed essential services. In 1915, Dennis tabbed Johnson, a brother-in-law of George Carter, to run point in building the city itself.

Johnson, who had originally come to the railway when Blair & Co bought the commissaries he had operated along the line, did so under the auspices of the Kingsport Improvement Corp. Perhaps the most accurate explanation of Johnson's role for the next 30 years in Kingsport, if not the most pleasing to the ear, is "one-man chamber of commerce," a title given Johnson posthumously by historian Margaret Ripley Wolfe in her seminal work, "Kingsport Tennessee: A Planned American City."

Johnson fostered what he referred to as the Kingsport Spirit. He maintained that Kingsport had a unique opportunity to be something more than just another American town. He defined that spirit as "a willingness to submerge selfish interests beneath the individual effort to assure the greater good for the greater number." He would encourage other businessmen to take up that philosophy in their dealings in the city, and discourage those who chose not to abide by it. There is one anecdote, perhaps apocryphal, for we could



Without the Carolina, Clinchfield & Ohio Railway, there would be no Kingsport.

not find confirmation, that Johnson turned down a Christmas dinner invitation from the owners of a business that planned to build housing for their employees, but without running water.

Dennis also hired Dr. John Nolen of Cambridge, Mass., to plan the layout of the city. Nolen's charge was to create a blueprint for a city of up to 50,000 people. A street grid and



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general zoning grid were required of Nolen, and as time went on, he and Johnson would work together, although not always in perfect harmony, to create a model city.

One key to the development of the city was the inclusion of open spaces for not just industry and service businesses, but also for civic buildings that would later prove necessary such as schools, churches and a hospital. The first hospital would not be built until 1935, but it went precisely where Nolen had envisioned it 20 years prior.

Dennis also wanted residential areas to be built on higher ground, both to provide for “a more attractive outlook” but also to provide for better drainage. Utilities including water, sewer and electricity were part of the plan. Originally power had been supplied to the town by the same plant used to power the cement plant. However in 1917 Kingsport Utilities, Inc. was formed by railroad-interested parties to create its own plant. Kingsport Utilities operated that plant until American Gas and Electric was recruited to take possession of it and run it under the auspices of Appalachian Electric Power.

The first draft of the charter for the city itself was written by CC&O general counsel Hugh Morison in cooperation with assistance from H. Ray Dennis. The document that would eventually be sent to the state for approval was prepared by Morison and F.M. Kelly. Dennis, Johnson and Nolen vetted it. It was then sent to the Bureau of Municipal Research at the Rockefeller Foundation in New York for further advice. Among the ideas included was the council-manager form of city government. Kingsport would become the first city in Tennessee to adopt that form of governance.

Finally, the proposed charter was submitted to the Tennessee General Assembly, where it would become Senate Bill No. 450, and be passed on Feb. 28, 1917. Governor Tom C. Rye signed it on March 2, 1917.

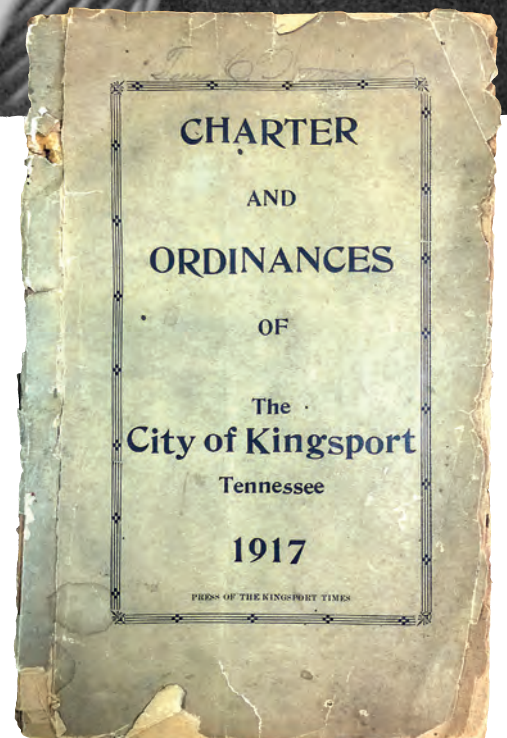
Before we leave the discussion of Kingsport’s origins as an industry-based city to examine more recent developments, one other industrial recruitment should be acknowledged. The first company to invest in a Kingsport plant after the end of World War I was Eastman Kodak Co. The company purchased 50 acres from the Holston Corporation for a wood distillation plant with the goal of producing methanol, or wood alcohol for use in the manufacture of camera film.

The newly formed Tennessee Eastman Corp. (later Tennessee Eastman Co.) acquired 40,000 acres of timber land in Tennessee and three neighboring states and began to produce not only methanol, but wood oil, charcoal and acetic acid. Today, Eastman Chemical Co., is the single largest employer in Kingsport. [B](#)



J. Fred Johnson

A copy of the charter and original ordinances of the City of Kingsport housed at the Archives of the City of Kingsport in the J. Fred Johnson Memorial Library.





The Commercial and Industrial Committee of the Northeast Tennessee Association of Realtors. Photos by Scott Robertson

Residential, Commercial realty boundaries fading

By Scott Robertson

In an increasingly competitive business landscape, nobody can leave money on the table. Realizing that, the Commercial Multiple Listing Service realtors in the Northeast Tennessee Association of Realtors are hoping to break down the walls that have long separated them from their residential counterparts. The hope, says Jerry Petzoldt, chair of the NETAR Commercial and International Committee and CEO of TCI Group, Jerry Petzoldt, Inc., in Kingsport, is to create a new relationship model that will benefit both commercial and residential realtors.

“Commercial real estate is a mystery to most people, including many residential realtors. We need more people, both in the general public and in residential real estate, aware of the commercial opportunities when they see them. Right now the question is, if someone has knowledge about an opportunity, do they know what to do with it other than talk about it with their friends? Most transactions that occur come from a seed of two people.

“In our CMLS committee meetings, we have been talking about ways to reach out to the 1,200 residential agents in NETAR,”

Petzoldt says. “They represent a huge army. They have a lot of leads that they may not know exactly what to do with. They may not know the right questions to ask to find out that they have a real prospect. We know what to do and can work with them in a mutually beneficial manner.”

Petzoldt has a willing partner in NETAR President Eric Kistner, managing broker of Bridgepoint Real Estate and Auction. Kistner’s firm is relatively new to the market, and Kistner himself is open to new ways of doing things. “Of our 10 agents at Bridgepoint, nine are under 40 years old,” Kistner says. The average age of a residential realtor in the United States is 56. Many realtors have entered the field after successful first careers elsewhere.

“I don’t do a thing in commercial,” Kistner says, but, he adds, that doesn’t keep him from seeing NETAR has an opportunity to create more revenue for realtors on both sides of the residential/commercial divide.

“(Commercial realtors) have always been on their own little island over here, just kind of doing their own thing. That’s a shame. So we’re working together to see how we can meld those



Eric Kistner and Jerry Petzoldt

NETAR CMLS Commercial Property Leases and Sales

Feb. 29, 2016 – March 1, 2017*

10.6 million

Total Square Feet

103

Sales

117

Leases

10.0 million

Sold Square Feet

608,111

Leased Square Feet

\$59.8 million

Sale Proceeds

Sales

Ranked in \$

Company	Sales	Sold square footage	Sale proceeds
TCI Group - Kingsport	31	6,890,055	\$21,981,999
Mitch Cox Realtor, Inc. - Johnson City	21	346,084	\$13,029,987
Green Commercial Realty, Inc. - Johnson City	12	817,934	\$ 8,729,500
Corridor Properties, LLC - Johnson City	9	422,657	\$5,803,250
The Brokers Realty & Auction - Johnson City	7	5,326,343	\$5,341,000

Leases

Ranked by number of leases signed

Company	Leases	Square footage leased
TCI Group - Kingsport	57	243,155
Mitch Cox Realtor, Inc. - Johnson City	27	90,350
Green Commercial Realty, Inc. - Johnson City	26	134,255
Corridor Properties, LLC - Johnson City	13	105,956
The Brokers Realty & Auction - Johnson City	5	81,268

* These figures reflect those commercial real estate transactions reported through the Commercial Multiple Listing Service of the Northeast Tennessee Association of Realtors. Pocket transactions not occurring through the CMLS are not taken into consideration in the rankings.

1,200 realtors we have on the residential side and the commercial realtors on the other together.”

“(Residential realtors) have a vast network of people – from the friend they know at church who needs to sell a warehouse to the relative who’s a car dealer – and in the past the residential agents would either try to list a commercial property themselves without really understanding the commercial side – if you don’t know what evite is, you probably shouldn’t be working the commercial side – or just let the opportunity pass entirely. It’s so easy to call someone like a Shannon Castillo at Mitch Cox or a Jerry Petzoldt at TCI Group and refer the business to them. They’ll teach you the commercial business as you go along and you get a check at the end.”

To fund the initiative, NETAR has applied for a National Association of Realtors Commercial Innovation Grant.

“This is the third year the NAR has offered a grant to associations to be creative and innovate commercial ideas to increase the level of visibility of our commercial members to elevate the market,” Petzoldt says.

“About 15 minutes after I learned about this grant opportunity from our NETAR executive Edith Ann Wadewitz, I got a real long email from Eric,” Petzoldt says. “All it said was, ‘Let’s do it.’”

“I sent him a long email back,” Petzoldt says. “I said, ‘OK.’”

In addition to educating the residential realtors about the commercial side of the business, the grant funds would also be used to train realtors to communicate more effectively the role

their profession plays in community development.

“This business is about being a servant leader,” Kistner says, “At some point in your career you have to realize that the search for wealth is great but you need to find some significance somewhere.” Most realtors know that and already add value to their communities, he says.

The grant application was overnighted to NAR Feb. 21, Petzoldt says, “We’re competing with all the associations around the country, and I don’t believe Tennessee has ever received one of these grants, but there’s only one accredited commercial organization in the state, and that’s in Memphis.”

Even if the grant funds don’t come through, Kistner says, the opportunity presented by lowering the wall between residential and commercial realtors is too great to pass up. “One of the things we’re going to do, and we’ll begin rolling this out next month, is at our orientation for all the realtors – commercial and residential – we’re going to bring in a commercial person each meeting to talk about exactly what a transaction looks like on the commercial side. Residential realtors will quickly realize it’s completely different than selling a house – some commercial realtors’ transactions last 12 to 24 months, the marketing costs are a lot higher on the commercial side where signs for a commercial building can be \$1,000 alone. But we’re going to teach our residential people to work with our commercial people as referral agents.”

SoFHA's Panek to commercial realtors:

If merger happens, inventory increases likely

By Scott Robertson

Richard Panek, CEO of State of Franklin Healthcare Associates (SoFHA), has been careful throughout the Mountain States/Wellmont merger process to stay neutral. SoFHA, a group of 80 physicians and 42 advanced practitioners, has good relations with Mountain States, but also with other groups in the region whom Panek describes as having a less favorable view of the merger. So when Panek agreed to speak to the Commercial Multiple Listing Service members of the Northeast Tennessee Association of Realtors Feb. 22, he began his remarks with disclaimers.

"I'm just speaking for myself, and I'm making a lot of assumptions," Panek said. "If you read the COPA and understand that the systems have competed against each other, have overbedded and oversupplied the market, you can assume there will

be consolidation of clinical services and there's the potential elimination of physical plant assets that are presently unoccupied or which will become vacant."

Panek continued, "I'm going to assume the new entity will evaluate Mountain States Medical Group and Wellmont Physician Services as a combined entity and may change the scope of services. They may divest of some of their specialists. They may change the geographic deployment of some of those physicians. I'm going to assume that our growth will be impacted by some of the concessions reached in the agreement, meaning the new system will work with us, the independents in the community, first, as opposed to us simply recruiting independently. If all that is true, then the need for outpatient space may shift to the independent community from what was typically a system-owned and operated space.

"On the independent side," Panek continued, "scale is everything. So if the merger happens, the independent groups may look to more closely affiliate in some manner to balance the scale of the new health system."

That's a lot of "ifs." The "then," however, is simpler.

"To me what that means is you could potentially have a glut of space," Panek said. "If I'm MSHA and Wellmont and I'm consolidating administrative services, I don't need corporate offices in both Sullivan and Washington counties. I don't need two central business offices. I need one. On the clinical side, it could be a similar scenario. And should the independents get together as a counter-measure to the larger health system, you could have the same thing happen on the independent side."

Those independents are already reorienting their own space to be more efficient. Large waiting rooms, for instance, are being phased out to make more room for treatment space. "That increased efficiency increases profitability because we're getting back to increasing profitable space versus dead space. We keep our square footage the same, but we're shifting it from non-revenue-producing space to revenue-producing space."

Getting back to the merger, Panek pointed out MSHA currently controls 103 outpatient facilities. Wellmont controls 84. "I have to believe, through simple logic, that if I were directing that merger, there is some opportunity in those 187 sites," Panek said.

Should Virginia and Tennessee approve the merger as currently written, Ballad, the merged entity, would have to keep all existing hospitals open for the next five years. After that, however, "they have some play there," Panek said. "Obviously if you're in Sullivan County, you think about Indian Path sitting where it's sitting...it seems like the systems have a tough time with their balance sheets right now, I would think they would try to run things as efficiently as possible, and that means looking at operations everywhere across the Tri-Cities region." ■



Richard Panek, State of Franklin Healthcare Associates CEO, addresses the NETAR CMLS Feb. 22. Photo by Scott Robertson

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Virginia Highlands Community College President Dr. Gene Couch, (left) hosted the summit, which included a panel discussion featuring Mike Quillen and Delegates Terry Kilgore and Israel O'Quinn. Photos by Scott Robertson

Southwest Virginia Economic Development Summit showcases GOVirginia

By Scott Robertson

Mike Quillen, the former chairman of Alpha Natural Resources, flashed a PowerPoint slide from a George Mason University economic development study on the screen at the Southwest Virginia Economic Development Summit March 1 and asked the audience, "What's the first thing you notice?" The slide showed economic data for Northern Virginia, Hampton Roads, Richmond, Roanoke, Lynchburg, Harrisonburg, Charlottesville, Winchester, Blacksburg and Staunton. "We're not even listed," came the reply from several in the crowd.

"We're not there," Quillen confirmed. "Southwest Virginia isn't even listed."

That "Virginia stops at Roanoke" mentality is something Quillen and his fellow GOVirginia proponents hope will change with the coming of the new economic development realities in the Commonwealth, both through sweeping changes in the Virginia Economic Development Partnership and through GOVirginia.

Delegate Terry Kilgore, a GOVirginia board member said that for too long, Richmond has penalized Southwest Virginia because the region has Virginia Coalfield Economic Development

funds and Tobacco Settlement money that's not available to other regions. "We hope this will help address that," Kilgore said.

GOVirginia (the GO stands for Growth and Opportunity) is a public-private partnership with state funding and a majority of its leadership coming from the private sector. Quillen and K-VA-T Food Stores CEO Steve Smith are heading up the effort in Southwest Virginia. The main goal of GOVirginia is to broaden and diversify the Virginia economy through development of new high-paying jobs in areas where the commonwealth is not currently a leader.

The need for that diversification became apparent under the Obama administration, when defense spending was being cut under the sequester-based austerity plan. The so-called Golden Crescent that has driven Virginia's economic growth was shown to be too dependent on defense industry dollars. Now that President Trump is budgeting new defense spending, it's important that the Commonwealth not be lulled into a false sense of economic security, said Dr. Bill Murray, corporate public relations director for Dominion Power. "The danger for Virginia



Chris Lloyd promoted GOVirginia's potential benefits to rural workforce development efforts.

is that if you get a one-administration increase in defense spending, you might slip back into the mindset of, 'We didn't really need to worry about that diversification stuff. Happy days are here again.'" Similarly, Southwest Virginia needs to diversify its economic base, not because of overdependence on defense spending, but because of overdependence on coal. "The temptation now will be to be overconfident, rest on our laurels and under-invest."


Chris Lloyd, senior vice president and director for McGuire Woods Consulting, a site selection firm in Richmond, told the summit attendees Southwest Virginia's

best bet to succeed is to focus on the workforce. That's why the summit was held at the Southwest Virginia Higher Education Center and hosted by Southwest Virginia Community College. "The beauty of the community college system," Lloyd said, "is that it is a workforce training system that works in Virginia at all levels to meet specific industry needs. I always said, 'there's not a cosmetology gap.' A lot of schools used to just push through students with no connection with what industry was saying it needed."

At one point, 67 Virginia high schools had medical CTE training, while more than 200 had programs for fashion design. "The last time Virginia was a fashion leader was the 1760s," Lloyd said. "We have been training people for jobs that didn't exist. GOVirginia can work with the community college system and a reinvigorated economic development effort to really focus on what industry says it needs now, and five years from now, and 15 years from now."

In many cases in Southwest Virginia, with former miners making up a large percentage of the available workforce, Quillen said, it's not even about the training. It's about providing the certification to confirm the workforce has the skills that are already present. "Miners have these skills, whether it be welding or whatever," Quillen said, "but they need the certifications that companies are looking for. We can get companies to come here when they get in the door. But we need to show those certifications to get them in the door."

Kilgore pointed out that the community college system is capable of taking the certification courses to the miners. "They can do that on demand," he said, noting that if a community 30 miles from a college has a public library or other meeting place, the college can provide off-campus education.

The next meeting of the regional GOVirginia board is March 14. The boards have had to wait to see what grant funding the state will be providing in this and next year's budgets (\$20 million, down from a proposed \$36 million) before beginning their work. 

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Oh, WOW!

KOSBE initiates effort to connect entrepreneurial women

By Lynn J. Richardson

Anna Davis wasn't sure what she would find when she showed up at a recent gathering of the Kingsport Office of Small Business Development & Entrepreneurship (KOSBE)'s newly created group, Women of Worth (WOW). Currently the general manager of her family's business, Seaver's Bakery in Kingsport, Davis was one of about two dozen women who attended the February 22 event at the Model City Event Center in downtown Kingsport.

The group, designed specifically for female business owners and those who hope to be, offers women from throughout the Tri Cities an opportunity to network, and a chance for mentors to connect with those who are just getting started.

"I was invited by friends and didn't know what to expect," Davis said. "But what better way to expand my career, to learn, than to meet new people and learn from their experiences. There is no better way to progress as a female professional and as a woman than to meet new people and share information."


Women of Worth was born of research conducted by KOSBE showing a lack of resources for women business-owners in the Tri-Cities. Nationally, statistics show the number of women-owned businesses growing at a much higher rate than business in general. Female-owned businesses appear to have increased by nearly 45 percent in the decade between 2007 and 2016, compared to a 9 percent increase among all businesses overall.

Such data locally, however, has been hard to come by. Using surveys and questionnaires, KOSBE Director Aundrea Wilcox confirmed the dearth of information about female-owned businesses, as well as a shared desire among businesswomen to find ways to network with one another. "We looked at all that and we knew we needed to get this done," Wilcox said. "We have a lot of bright and creative women who can benefit from this type of networking organization."

Said Davis, "I'm here this evening, representing my mother. She is a woman business owner, but at some point she hopes to retire and that's when I would take over. But for right now, as is usually the case with a small family-owned business, I wear a lot of hats."

Though every business is different, the commonalities of challenges for women business-owners create opportunities for sharing of lessons learned through experience. Chaiba Bloomer worked for 35 years in the banking industry, She is no stranger to those who are working hard to either start or expand a business. Today, Bloomer is 60 days away from launching her new business – CKB Business Consulting, a company that will work with start-ups and with existing companies trying to expand.

Bloomer says she would like to help her fellow businesswomen, as she has seen many fail because of lack of information, preparation and research. "We've been missing out on learning from each

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Laura Showers of SippaSanity Tea & Events at the February WOW meeting. Photo by Lynn Richardson

other and this new group (WOW) is going to be fantastic,” Bloomer added.

The cross-section of businesswomen at the February event, which featured a program on logo design by Chelsie Rae of RaeDesign,

included all ages and levels of experience. Wilcox also emphasized the group isn't just for brick-and-mortar businesses, but also for online and home-based businesses.

Since launching her new company, SippaSanity Tea & Events, in May, 2016, Laura Showers has made finding a brick-and-mortar location for her company a priority. Currently operating from Showers's home, SippaSanity does trade shows, corporate events, and special parties – all featuring Showers's special teas. “It's hard to get the word out without a storefront, so I'm very excited about networking through WOW,” Showers said. “There is such a commonality of the things we go through. It's ever changing. When you're building a business, you're fighting a lot of battles. With a support group, you're empowered.”

That empowerment is what can help any woman with an entrepreneurial spirit, Wilcox said. “The group is open to any female entrepreneurs or business owners who want to network and meet people,” Wilcox said. “They don't have to have a business today, but maybe have a desire to have one in the future. I think they will be inspired and can

connect with other women. We can share and learn from each other and do business with each other.”

WOW's “Women-Owned Wednesday” meetings will be on the move in the coming months, with a March 22 meeting scheduled at Storybrook Farm Weddings and Events in Jonesborough, Tenn.

“Our goal is identify the women-owned businesses,” she continued. “As our WOW events travel to different locations, we will learn more.” The group is also open to women who are in business with their husband,” Wilcox explained. “Maybe they are co-owners, but as a part-owner, she should be part of the group as well.

KOSBE has established a Facebook support group for participants: WOW Women of Worth Tri Cities Tennessee. Though KOSBE falls under the umbrella of the Kingsport Chamber of Commerce, the WOW initiative welcomes all entrepreneurial women in Northeast Tennessee and Southwest Virginia. “We are definitely a Tri-Cities program and we want to meet more people,” Wilcox said. “This group is open to all ladies in the region.” 

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Kristan Ginnings has joined First Citizens Bank as its Tri-Cities market executive. Her responsibilities include leading the company's banking initiatives in the market while specializing in business and commercial lending.

Ginnings has more than 13 years of banking experience in the Tri-Cities market. Prior to joining First Citizens Bank, she served as the consumer banking manager for the Tri-Cities market at Regions Bank.

Ginnings received a bachelor's degree from East Tennessee State University and an MBA from King College. She is a graduate of the Johnson City Chamber of Commerce Leadership 2020 Program and now serves as its chair. She is also an allocations committee member for the United Way of Washington County, a board member on the Workforce, Education, and Industrial Council for the Johnson City Chamber of Commerce and an adjunct professor for East Tennessee State University. She is a native of Jonesborough, Tenn., where she currently resides.

Mike Holt, long time CFO for Cha Technologies Group, has joined Kaplan CFO Solutions, bringing the firm's embedded CFO




Kristan Ginnings

model to the Tri-Cities. Holt started with Hoover Harrison Associates, PC in 1977 before moving to regional firm Cleston Daniels and Associates, as partner in charge of audit and business valuation engagements. Holt joined Cha Technologies, a global textile conglomerate, as CFO in 1996 and added CFO/President of Fiber Innovative Technologies, a Cha subsidiary, to his title in 2008.



Mike Holt

A financial strategist and business leader, Holt's skill set includes financial operations, budget development and management, business expansion, M&A negotiations, financial and strategic planning. "Mike offers a tremendous amount of professional depth. We're excited to have him be the face of the firm in the Tri-Cities," said Managing Partner Ken Kaplan.

Kaplan CFO is a team of independent CFOs working on-site with fast-growing small to mid-sized businesses and those in transition. Partner CFOs work a set number of days each week as part of the client's management team, helping to create the financial processes and stability needed to get to the next level. Holt officially began his new position March 1. 

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Forrester elected Bar Association Fellow

Michael L. Forrester has recently been elected a Fellow of the Tennessee Bar Foundation, an association of 841 attorneys across the state. Invitations to membership were extended to 31 attorneys this year by the Foundation's Board of Trustees.

The Bar Foundation's purpose is two-fold: to honor attorneys who have distinguished themselves in the profession and to administer a grant making program. That project, known by its acronym "IOLTA" (Interest On Lawyers' Trust Accounts), has awarded grants in excess of \$21,000,000 to law-related, public interest projects throughout Tennessee.

Forrester is a partner in the firm of Hunter, Smith & Davis, LLP and has been practicing law in the Tri-Cities for 33 years. He graduated from the University of Tennessee College of Law in 1984. His practice focuses on civil litigation, particularly employment practices and workers' compensation, contract disputes and ERISA litigation issues. Mr. Forrester has been certified by the Tennessee Supreme Court Alternative Dispute Resolution Commission as a Rule 31 Listed General Civil Mediator, and coordinates the Kingsport Free Legal Clinic with Legal Aid of East Tennessee and the Kingsport Bar Association.



Michael Forrester

Farris-Luke named to FAMIC board

Kim Farris-Luke, president and owner of Abingdon, Va.-based Farris Funeral Service & Crematory, has been appointed to a three-year term on the board of directors of the Funeral and Memorial Information Council (FAMIC). The council is committed to enhancing the understanding and experience of the funeral service and memorialization. Founded in 1991, the organization is comprised of representatives from the top 10 member associations in the funeral profession.

In her new role, Farris-Luke will serve as an ambassador for the Selected Independent Funeral Homes, a FAMIC membership association that provides resources, solutions and ongoing support to independently owned funeral homes.

"It is an honor to have the opportunity to serve within the associations that have impacted my development as a leader in our company and community," Farris-Luke says. "My new role on the Funeral and Memorial Information Council enables me to give back, network with professionals from across the world, and learn from others who are deeply committed to serving families who have lost loved ones. I look forward to continuing to learn and grow in my profession." **BJ**



Kim Farris-Luke



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Virginia joins Tennessee in granting more time for MSHA-Wellmont merger application process

Wellmont Health System and Mountain States Health Alliance have received approval from the Virginia commissioner of health to extend the review period for their cooperative agreement application. The new time frame set forth with Virginia will more closely align with the review process in Tennessee for the systems' Certificate of Public Advantage (COPA) application, and sets a decision no later than June 15, provided that certain milestones can be reached prior to that date.

The new deadline is contingent upon the applicants providing all information the Virginia commissioner considers necessary for her review of the cooperative agreement application, and is also contingent upon the deeming complete again of the COPA application in Tennessee by March 1. If the Tennessee COPA application is not deemed complete by March 1, the health systems will confer with the Virginia commissioner on extending the commonwealth's examination further to ensure the review period in Virginia aligns with that in Tennessee.

The Southwest Virginia Health Authority unanimously voted on Nov. 7 to recommend approval of the cooperative agreement, and the Virginia commissioner of health, in consultation with the Virginia attorney general, is now reviewing the application. Virginia law includes a provision by which the applicants can ask

the commissioner to delay her decision to allow for additional review of the record.

The new timeframe set forth with Virginia will also provide additional time for the commissioner to review the substantial record, which will include the responses of Mountain States and Wellmont to requests for additional information issued by the Virginia commissioner of health on Dec. 22 and Jan. 9.

"Our objective is to ensure our applications in both states fully reflect our vision for the improved health of our region and that the associated records strongly support a positive outcome," said Alan Levine, president and CEO of Mountain States. "We are pleased with the progress we've made to date in bringing our two organizations together, and we appreciate the Virginia commissioner's willingness to allow us extra time to be sure both states have the benefit of the full record as they review our applications."

The boards of both organizations believe the proposed merger is a once-in-a-generation opportunity to tackle the critical health issues our region is facing, sustain our rural hospitals, expand access, protect local jobs, ensure important decisions are made by people who live and work in our region and reinvest millions of dollars in our local communities.

"We are working with thoughtful leaders throughout our health systems, in our community and in both states on this important and deliberate process," said Bart Hove, president and CEO of Wellmont. ■



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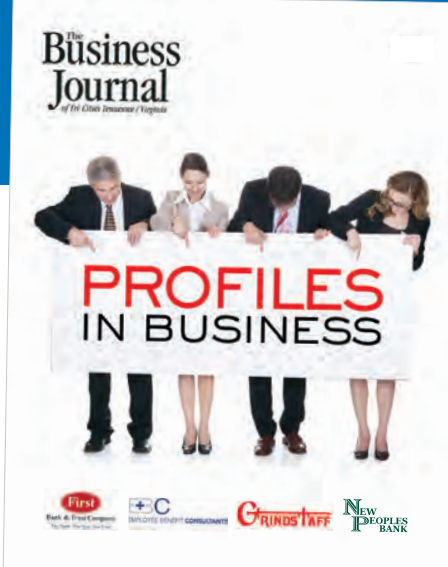



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Supporting Work Ready Communities is free, easy and beneficial to business

By Jeff McCord

In Northeast Tennessee, we have long understood that the prosperity of a region lies in the capability of its people. We have a history of innovative educational initiatives and have lived on the forefront of workforce development efforts that become models for others to follow. Still, it hasn't gotten any easier. In the face of a demographic bubble that finds baby-boomers retiring while needed job-related skillsets are increasing, there is a gap between what an employer needs and what an individual has to offer. We're not unique in this situation. Communities across the country report the exact same problem. In our region, we understand the issue better than most. We are doers, and there is a lot being done. Initiatives including pre-employment training programs, hiring fairs, career exploration events, and K-12 outreach are happening across the eight counties of the First Tennessee Development District on a weekly basis. One such initiative is the effort to become a Certified Work Ready Community through ACT, Inc.

The Work Ready Community Certification is a nationally recognized designation that provides evidence that there are strong community partnerships among education, industry, and economic development to strengthen the regional workforce. The initiative leverages the WorkKeys National Career Readiness Certificate (NCRC) to verify the quality and skill-sets of workers and to determine their levels of work readiness. This system provides measurable data to support the quality of the local labor pool. For employers, the NCRC demonstrates that job seekers have verifiable skills that are essential to the workplace. Many employers in our region already recognize the value of the credential in their hiring process and are actively engaged promoting its use.

The United Ways of Kingsport and Bristol first surfaced the idea of becoming a Work Ready Community, and it was soon taken up by Sullivan County. Sullivan County officially launched its program in May 2016, and since then Carter, Greene, Johnson, Hancock, Hawkins, Unicoi, and Washington have also engaged in the

process and will launch programs in July 2017. Employers are integral to the Work Ready Community initiative as well as to obtaining the Work Ready Community designation. If you are an employer, your show of support is needed to achieve the designation. Employers can show their support simply by completing an Employer Support Form at workreadycommunities.org/business/form and indicating that they either "recognize" or "recommend" the NCRC. Employers with 100 or more employees may support all neighboring counties within 25 miles of their location. The employer name will be listed as a supporting employer for each county selected and will help each selected county achieve its employer supporting goals. That's it. There is no other paperwork or obligation. This is simply an opportunity to continue to help close the skills gap at your company and along the way contribute to the prosperity of our region.

If there is an interest in finding out more about the Work Ready Community initiative in our region or across the country, please go to workreadycommunities.org. If there are specific questions about the initiative or the NCRC, please send inquiries to mboxendinewoodby@northeaststate.edu.

Jeff McCord is chair of the Work Ready Community Initiative in Sullivan County.





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