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of Tri-Cities Tennessee / Virginia

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and


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COVER STORY

13 Outstanding Branding

A national branding expert answers the questions, "Who does the best job of 'renting out space in the minds of consumers' in the Tri-Cities and what lessons can they teach the rest of us?"



13



22



28

FEATURES

16 Baby boomers booming louder than ever

The Tri-Cities is a national leading indicator in the economic impact of the graying of the population.

22 Not your father's tool and die shop

New owners, new equipment, new branding, new ideas. How Master Tool & Die became Master Precision Machining and why the owners believe they can create dozens of new jobs.

24 Virginia Secretary of Education speaks, listens in first visit to Southwest

Atif Qarni met with educators and business leaders to learn best practices and share the new administration's priorities for workforce development.

26 Three Northeast Tennessee sites get ECD development grants

A total of \$2 million will be split among grading efforts Aerospace Park, Bristol's Partnership Park II, and Erwin's Second Street site.

28 HCA on a Mission

The ink was barely dry on the Ballad merger when Nashville for-profit HCA and Asheville, N.C.-based Mission Health announced their plans to pursue a merger to the south.

DEPARTMENTS

From the Editor..... 7 Departments 32
Trends.....9 The Last Word 38
News Briefs 21

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SUPPORT SERVICE AWARD: To a provider for outstanding assistance in the field of health care.

Nominations are judged based on the impact nominees make on the community, the difficulty of their accomplishment, innovation of their work, their leadership qualities and the quality of the nominee's documentation. The 2018 Healthcare Heroes Luncheon will be held on July 13 at the Carnegie Hotel in Johnson City, TN.

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Dang it, we *can* do this



US News & World Report (USN&WR) ran an article recently about Johnson City, Tennessee. The thrust of the piece was that even though the city has high availability of quality health care, it does not crack the list of top 500 healthiest cities in the nation. The same statement could be made in general terms for the entire region. Health care is available, but the population is less healthy than that of the U.S., on average.

The article included comments from ETSU College of Public Health Dean Dr. Randy Wykoff, whom we've often quoted regarding the interrelation of health, education and economic prosperity. Wykoff told *USN&WR*, "People talk about the independence and self-reliance of Appalachian folks and maybe they won't seek health care. But some of that is, if you've been poor a long time and have never had the ability to pay for or access to health care, you don't seek it."

I think Dr. Wykoff is onto something. The biggest deterrent to bridging the gap between health of the population and utilization of healthcare resources may also be the single biggest deterrent to prosperity in the region: mindset.

Too often in central Appalachian culture, ambition is considered the eighth deadly sin. Many of us can remember having been told by someone, "Don't try to go above your raising," or "It was good enough for your daddy, it's good enough for you."

Folks who fear their values are under attack, as many citizens of Appalachia do, often go into a defensive posture

against anything that's different than what they grew up with. In some cases, that something may be seeking help when facing a problem like addiction, depression, or even physical ailments. In some cases it may be seeking education or the opportunity to advance beyond one's previous standing.

But you can be more successful than your daddy was in providing for your family without in any way rejecting the values that your family rightfully holds dear. I fear many of our citizens never contemplate that possibility.

And when people like Hillary Clinton call regions like this one that supported her opponent in the last presidential election "backward," they're missing that point too. This notion that values like faith and family are anathema to ambition and growth has to be beaten back.

The Business Journal has, for 30 years now, supported a unified effort to grow the economy of the entire region. Over time we have come to understand that such an effort includes, as Wykoff says, improving education and population health. Without healthy people, our businesses would have neither employees nor customers. Without people educated enough to do the jobs, employers would have no reason to be here.

Today, I would add to that the necessity of addressing a sizable portion of the population's mindset toward ambition. The values our people cherish do not conflict with ambition in any way. Those values give our people strength. Imagine that strength, combined with improved health, with more pathways from the education system into the workforce and with a burning desire to live better lives than the generation that came before.

That's a population, a workforce, that can do everything that needs to be done to make this region great.

Mrs. Clinton's husband once said, "There is nothing wrong with America that cannot be cured by what is right with America." I believe there is no problem in this region too great to be successfully addressed by the people of this region, if only we summon the ambition and unity of purpose to do so.

That message needs to get out. It needs to get out to the next generation of employees and entrepreneurs who are growing up in our schools and churches today. It needs to get out to the political and business leaders who can get behind regional efforts. And it needs to get out to those outside the region who could bring jobs and investment here if only they would stop painting us as backward by definition.

Hillary Clinton believes it takes a village to raise a child. I believe if we raise our children to be healthy, educated, ambitious and faithful, they will raise up our villages.



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Regional housing market continues strong start to 2018

The Tri-Cities region's housing market performance didn't let up in February. Sales and prices were better than February last year, and both outperformed 2017 year-to-date totals.

"Unlike buyers in some other markets, locals haven't held back for the chance of a bigger spring inventory," said Aaron Taylor, president of the Northeast Tennessee Association of Realtors. "The slow, steady increase in mortgage rates is driving some of the increase. "Buyers want to lock in the best rate they can before the next increase." Single-family closings and the average price were the best performance of any February since 2008," he added.

Taylor said higher sales absorbed the increase in February's new listing, so the overall inventory picture has not appreciably improved. At the same time, pending sales increased, he added.

There were 370 closings on single-family

homes last month compared to 337 last year. The average sales price was \$168,502, up \$10,526 from last year. Both year-to-date sales and the average sales price is 9.1 percent higher than the first two months of last year.

Closings on townhomes and condos were not as strong, but the average price was higher. Last month's total of 26 was down from last year, and the year-to-date total is down 10.2 percent from the first two months of last year. The average sales price was \$125,208, up \$2,328 from last year.

The average single-family home sale that closed in February was on the market for 145 days. The average condo-townhome was on the market for 80 days.

Here's a capsule look at how the February city and county single-family resales and average prices looked compared to February 2017.

February 2018 single-family sales and average prices vs. February 2017

CITY MARKETS

Kingsport: Sales 46, up 12. Avg. price - \$17,697, up \$4,888.
Johnson City: Sales, 42, down 1. Avg. price - \$195,901, down \$25,347.
Bristol, TN: Sales 17, down 7. Avg. price - \$113,418, down \$24,558.
Erwin/Unicoi: Sales 10, up 3. Avg. price - \$178,330, up \$11,013.
Greeneville: Sales 10, up 1. Avg. price \$122,218, down \$33,838.
Bristol, VA: Sales 7, down 4. Avg. price - \$162,464, up \$76,594.
Elizabethton: Sales 6, down 11. Avg. price - \$83,367, down \$11,614.

COUNTY MARKETS

Sullivan: Sales 117, up 18. Avg. price - \$164,359, up \$5,967.
Washington, TN: Sales 93, up 5. Avg. price \$208,629, up \$13,090.
Greene: Sales 39, up 10. Avg. price \$149,350, up \$8,579.
Hawkins: Sales 35, down 9. Avg. price \$133,356, up \$2,513.
Carter: Sales 27, down 9. Avg. price \$116,717 up \$7,273.
Washington, VA: Sales 22, down 6. Avg. price \$222,191, up \$50,115.
Wise: Sales 13, up 4. Avg. price \$108,346, down \$9,212.
Johnson: Sales 7, up 3. Avg. price \$257,576, up \$178,256.
Scott: Sales 5, down 2. Avg. price \$71,869, down \$43,390.
Lee: Sales 2, up 1. Avg. price \$48,500, up \$15,500.

NETAR counts city sales as those in the high school zone. City sales and price data are included in the county totals.

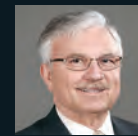


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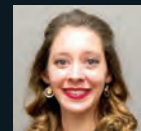
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Mark Leonard, Ballad Health vice president

United Way 2017 Impact Awards

The United Way of Southwest Virginia held its annual Impact Award presentations March 15 at the Southwest Virginia Higher Education Center. Those who have assisted the United Way in its mission to improve the health, education and financial stability of every person in Southwest Virginia were honored. Honorees included corporate partners Food City, Universal Fibers and Utility Trailer; top giver Mountain States Health Alliance (now Ballad Health); Community Partner of the Year Food City; Spirit of the Community Award winner Mohawk Industries; several Volunteer Service Award winners and Woman of Distinction Brenda Sutherland. Media partners included *Bristol Herald Courier*, WCYB-TV, 93.9 FM and *The Business Journal of Tri-Cities, TN/VA*. The event was sponsored by Appalachian Community Federal Credit Union.



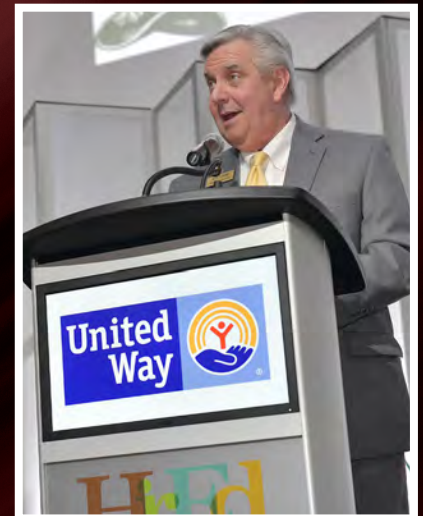
Mohawk Industries employees with the Spirit of the Community Award



Brenda Sutherland, Woman of Distinction Award winner



George Owens, Brady Sisk and Auston Copley, President's Volunteer Service Award Gold winners



Bill Derby, *Business Journal of Tri-Cities TN/VA* publisher

Ribbon cut at RCAM Academy

Northeast State Community College has enlarged both its technical training capabilities and dual enrollment opportunities for high school students around the region, with the opening of the RCAM Academy at Northeast State. The two-story, 15,000-square-foot facility stands behind the original RCAM building. The Academy's first floor includes a large Machine Tool/CNC laboratory with new machining technology foundational for world class instruction. The second floor includes six classrooms and additional staff offices. Since 2010-2011, cumulative completions for students taking at least 12 credit hours at RCAM have grown 25 times. For the programs offered at RCAM, student job placement averages approximately 200 placements across 40 different regional employers per year.



Jeff McCord, Northeast State vice president



Miles Burdine, Kingsport Chamber of Commerce president and CEO



John Clark, Kingsport mayor



Iliff McMahan, Tennessee ECD regional director



A demonstration of new equipment



McMahan expounds on the state's economic development policies

Outstanding Branding:

What several of the region's best brands do better than the rest

By Scott Robertson

Most people know great branding from merely good branding. And in our media-savvy culture, even kids can tell good branding from bad. The tough part – especially for a business owner trying to brand a product, service or company – is knowing how to create a great brand. For most of us, great branding is analogous to the late U.S. Supreme Court Justice Potter Stewart's description of pornography: "I can't define (it)," he said, "but I know it when I see it."

Wynne Tyree can define it. Tyree's Johnson City, Tenn.-based research and strategy firm, Smarty Pants, is one of the leading branding consultants in America today. The company's client list includes Coca-Cola, Disney, Frito-Lay, Google, Hershey's, Hilton, Lego, McDonald's, Microsoft, P&G, PepsiCo and Target, to name but a few.

A Kingsport native, Tyree graduated from Syracuse University before taking a position on Madison Avenue. "I started my career at an ad agency working in a division that had this product called the brand-asset-valuator," Tyree says. "It was a quantitative global study of brands. That's where I fell in love with branding and learned the importance of how to build brands. So now I'm both a research practitioner and a brand steward helping companies grow their brands."

Why brands matter

"This sounds cheesy," Tyree says, "but branding is so important because at the end of the day, products are products. Yes, they might have differences, but brands are what people are really buying. Brands comfort people. Brands guarantee things to people. Brands let people know what to expect."

Great branding allows people to give your company credit for doing certain things without making them go through the decision-making process time and time again, Tyree says. Customers know yours is a brand they can rely on and trust.

"The success formula in terms of branding begins with the awareness piece," Tyree explains. "You can't be a great brand if nobody knows you. So there's communications, marketing and awareness building. Then there has to be clarity. A lot of brands suffer from 'we want to be everything to all people.' Consumers often think of those brands as standing for nothing if they even know who they are. So having a clear identity and letting people know what I can come to you for is critical. Having some sort of differentiating proposition is critical too. And then the brand has to indicate desirability. Are all those things we just mentioned in service of something people actually want? It has to be something that has some meaning in people's lives, and creating that desire is a very different campaign than creating awareness, which is different than punctuating what makes you different."



Wynne Tyree, CEO Smarty Pants

Local brands' mindspace

With that established, and with Tyree holding the unique position of being both a consumer in the region and a national branding expert, *The Business Journal* asked about Tyree's brand perception regarding the best-known brands in the Tri-Cities, TN/VA. Those brands, Tyree says, "own a small space in my mind, and it's very clear what that space is." The end game, *The Journal* and Tyree agreed, was to examine what the best brands in the region do right in an informative and interesting way, not just to make a "best brands" list.

First, *The Journal* and Tyree shared our own lists of recognizable regional brands in no particular order. Below are several of Tyree's instantaneous responses on what space each brand occupies in her mind.

Pal's Sudden Service: "When I think of Pal's, I see something iconic. The branding is laser-focused. It's clear about what it does and doesn't do. You know it's about convenience, value, great taste and that whole idea of 'Sudden Service.' That brand is something I associate with this region, too. The marketing is

kitschy and quirky and unique. If I were a tourist, I would want to try out this thing they have here.”

ETSU: “In the branding world, we talk about tent poles. If you imagine your brand being a great white tent, then the tent-poles that support ETSU’s brand might be education, athletics, partnerships in the community, the med school, the pharmacy school – ETSU has a lot of tent poles. Outside of medicine, I don’t have a strong opinion of academics. It just feels like a random liberal arts commuter school. But while we’re on ETSU, an individual can be a brand. When I hear the name Niswonger, I think of this region. I think of the children’s hospital, the digital media center at ETSU, the foundation and the philanthropic and educational tie-ins Scott Niswonger has.”

Cootie Brown’s: “Cootie Brown’s is a regional brand that proves you can be quirky and unique, but still be reliable.”

Ballad Health: “Unknown, emerging, but like BrightRidge (until recently known as the Johnson City Power Board), it is going to have to get past that initial period of, ‘wait, now who runs it?’ Right now, the Ballad brand just doesn’t have a lot of innate meaning.

The equity there was in the Mountain States brand. Mountain States Health Alliance was very transparent. Those words take your mind to places like “this region” and “Appalachian” in positive ways. When I hear “Ballad Health” I can’t go anywhere with it. It could be a healthcare system in Missouri. That name just doesn’t have any brand equity yet.

Eastman Credit Union: “Customer-centric, unique and distinct from banks. Their communication talks about milestones in life like going to college or buying your first home, so they are doing a great job of portraying themselves as a good partner in doing something wise with your money while still being sort of an ‘unbank.’”

Dr. Enuf: “Oh, that is a great one. Like Pal’s, it goes back to being clear and simple. There are just a couple of core products and that’s it. They stay in their lane very well. It’s sort of under-marketed, but it feels like that’s intentional, like it’s part of the cachet. I think of it as like a pride point for our region. There’s still some sort of medicinal halo around it, and they talk about that, that the use of ‘Dr.’ is intentional. It’s got this feeling of being a relic, but in a good way, as something that has a lot of history and equity around connecting to an old school way of life. It never got co-opted in a Mountain Dew kind of way.”

Tri-Cities Airport: “Well, they live in a crappy category. People will go there if the price is right and the distance is right, just purely for functionality. So they’re playing in a very commoditized sandbox. They’ve done a good job redoing the façade outside, but they need to keep on going.”

Bristol Motor Speedway: “That’s one of the most iconic brands in the region. If you travel around the country and say Bristol, people

will say, ‘As in the Bristol Motor Speedway?’ Beyond just the physical presence, there’s an experience there that’s unique and compelling. It is a hallmark, pinnacle institution of the region.”

The Carnegie Hotel: “I think of it as the premiere hotel – not convention center, but hotel – in the region. It embraces its heritage. It has a nice, wedding-centric, small business meeting-centric aura.”

MeadowView Conference Resort & Convention Center: “The location for big things and big events. It just feels like, ‘we can accommodate you.’”

Martha Washington Inn: “A hidden gem that’s not too hidden. An upscale getaway. You would go there for a two-night weekend anniversary getaway.”

“A great brand owns a small space in your mind, and it’s very clear what that space is.”

Barter Theatre: “It is to live theatre what Bristol Motor Speedway is to NASCAR. It’s a premiere destination venue. Like the Martha Washington Inn, it feels very dated, but in a positive way, and intentionally. It’s important that they haven’t changed the name because of the history

relating to bartering. That’s smart.”

International Storytelling Center/National Storytelling Festival: “Again, nationally and internationally, people know this brand. Locally, people don’t seem to have the same appreciation. People I work with elsewhere in the country know Jonesborough, Tennessee because of this brand. It’s All-American. The physical structure is up-to-date and feels inviting. It’s focused on its mission of keeping something important alive. It’s another brand that does a good job of staying in its lane.”

Rhythm and Roots: “Has a stronger brand right now than the National Storytelling Festival. It is an interesting bridge between local and not local. It heralds and trumpets the fact that this is the place something popular, not just country music, but the Americana music scene, kind of came from. It’s well done and it is well marketed. Hearing its name takes you right to a stage, a guitar, a physical event.”

Bank of Tennessee: “I associate it with Mr. (Bill) Greene (founder). It’s small-business-centric. It has a strong brand as a local or regional bank as opposed to a bank headquartered elsewhere. They’ve built a brand that makes them feel approachable.”

Summers-Taylor: “Home-grown success. When it comes to knowing your category, and your exact wheelhouse, I think of Summers-Taylor and paving.”

Eastman: “As far as our region goes, it is the lifeblood of thousands of families. I grew up about a minute from Eastman,

SEE **BRANDING, 14**

BRANDING, CONTINUED

so my first thoughts are of Eastman as community steward. It's not business-to-consumer, so most people probably have no idea what products it makes now – Cigarette filters? Glass? But those same people know how important it is as an ally to the region."

How'd they do that?

So what are the branding lessons one learns from looking at how the best brands in the region accomplish their goals? What do they have in common besides success?

"Well," Tyree says, "The best regional brands have been clear about their vision and mission. They have been clear about their areas of expertise, and they have stuck with it. They know their lane and they are just driving down it. In addition, they have marketed and messaged in a way to stay top of mind and to remind people not only why they are here, but what makes them different. Their messaging and communication connects and emotes."

That last word – emotes – is key, Tyree says. "The way to consumers' wallets is through their hearts. People at the end of the day don't make decisions based on logic. They make deci-

sions based on feelings. So just sharing the facts of what you offer is never effective. All effective branding and marketing needs an emotional hook."

So what's the emotional end-game? "At Bristol Motor Speedway it might be 'being a part of something you can never experience anywhere else.' Or 'being well taken care of in a way that I'm going to feel like the caregivers are family' could be a direction that Ballard Health might go," Tyree says. "People don't want health care. They want to be taken care of. From an emotional standpoint, those are very different things."

"In order for me as a consumer to let you into my mind, your message has to touch me in some way. If you look at the best advertisers – Eastman Credit Union, the Bristol Motor Speedway – there is some emotional piece that makes you think, 'I want to be a part of that.'"

"Those brands that give me something to emotionally connect to in exchange for letting them in have a more effective call to action that as a consumer, I'm listening to," Tyree says. "Those who are winning locally are inviting people in like that." That's the payoff for branding, why businesses spend so much time and energy mastering their brand. "Branding keeps customers loyal." **BJ**

The way to consumers' wallets is through their hearts.

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The increasingly senior-centric economy

What today's demographics mean for business in the region

First in a two-part series by Don Fenley and Scott Robertson



This is not your father's economy. Well, actually, if your father is a Baby Boomer, it is. It is the economy his generation is about to dominate. And few places in America is that more true than Northeast Tennessee and Southwest Virginia.

In examining demographics and economics, it first must be stated that the population is growing worldwide. The simple fact is that worldwide, more people are being born than are dying. In the U.S., the expanding population is reaching old age in greater percentages than in most of the rest of the world right now because the baby boom produced a spike in population, and the first of the Boomers reached age 65 around 2010. Between 1900 and 2010, the proportion of the population age 65 and older increased at an average rate of around three quarters of a percent per decade, but between now and 2030, the rate of increase in the elderly population will be over 3 percent per year. By that point, the rate of population growth related to the baby boom will level off, and by then, about 20 percent of the U.S. population, 72 million people, will be over the age of 65 years.

In Northeast Tennessee and Southwest Virginia, the graying of the population began happening sooner and is happening faster and in greater proportions than in the rest of the country. We are, in effect, a leading economic indicator.

Regionally, beginning last year about 29 local residents began turning 65 every day. That pace continues until 2020. Then it picks up to about 30 a day for the next five years. Depending on whose population data and projections you use, by 2028 one in every four residents of the region will be over 65. That's two years before the projections for the rest of America.

It can safely be said the first wave of local Baby Boomers

has stepped into what used to be euphemistically called their golden years. And if there's one thing for sure, it's that they will reinvent what it means to be elderly, and their sheer numbers will reshape the economy.

This isn't a here-today, gone-tomorrow situation. The status quo has already begun to shift rapidly. And it's a demographic change of tectonic proportions. The changes are massive and long-term.

Generation X is going to have to "step up" in ways heretofore unimagined, but the Gen X generation is 35 percent smaller than the Boomer Generation. There are simply not enough Gen Xers to sustain consumption levels set by the Boomers or to pay the government debts Boomers made. The strain is beginning to show up in the economy and will increase.

Eventually the Millennials who dominate current media attention will become the economically dominant generation. They already outnumber the Boomers because Boomers have a higher death rate. But that's not how the numbers break down here. Since our region is older than the state or national medians, Boomers still have the largest share of the total population.

Over the next two months, *The Business Journal* will be looking at what the demographic shift toward a much more senior-centric economy will mean for the region, and with the region as a leading indicator, for the nation.

The region by the numbers

Each generation's population share for the *Business Journal* study is what you would expect in some cases, but there are

SEE **DEMOGRAPHICS, 18**



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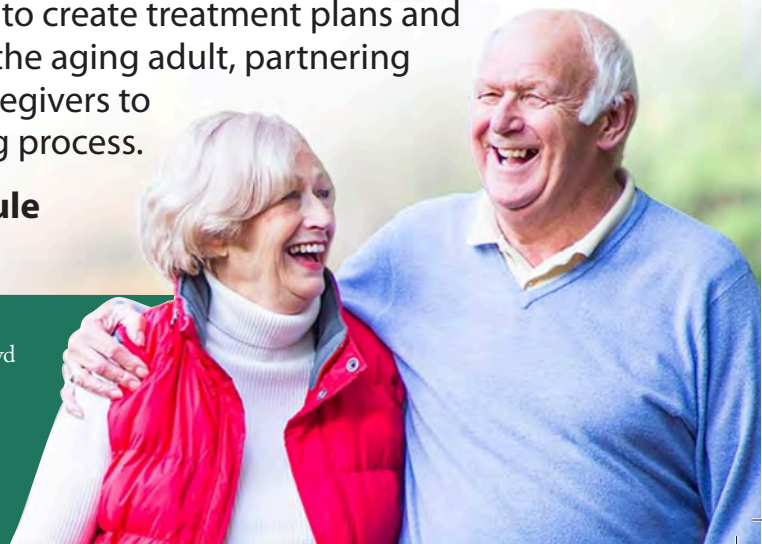


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County	Under 5	5-17	18-24	25-44	45-64	65 & Up	Median Age	Total Population
Carter	2,613	8,188	4,066	13,465	16,413	11,757	44.9	56,502
Greene	3,274	10,224	5,584	15,425	19,764	14,344	44.8	68,615
Hancock	342	1,022	481	1,522	1,905	1,305	44.0	6,577
Hawkins	2,833	8,841	4,135	12,747	16,609	11,398	44.7	56,563
Johnson	761	2,302	1,286	4,396	5,178	3,831	45.5	17,754
Sullivan	7,898	22,887	11,889	35,724	45,282	32,987	45.0	156,667
Unicoi	768	2,542	1,245	3,858	5,281	4,025	46.9	17,719
Washington	6,544	18,144	15,682	30,920	33,669	22,481	40.3	127,440
FTDD	25,033	74,150	44,368	118,057	144,101	102,128	43.8	507,837
Tri-Cities CSA	24,851	74,023	43,923	118,096	144,429	102,673	43.9	507,995
TN	407,599	1,094,196	617,867	1,723,338	1,761,142	1,047,052	38.7	6,651,194
US	19,927,037	53,715,248	30,843,811	85,147,399	84,249,823	49,244,195	37.9	323,127,513

Source: U.S. Census Bureau, Population Estimates.

DEMOGRAPHICS, CONTINUED

surprises. If population by age is the deciding factor, Northeast Tennessee dominates the board because it has the larger population. But when population share is benchmarked a different picture comes into view. Even though Northeast Tennessee has the larger population the population share for each generation isn't much different from Southwest Virginia with the exception of Baby Boomers. Southwest Virginia has slightly higher population share. Unicoi County has the largest county population share of Boomers – 35.9 percent – in Northeast Tennessee. Close behind with 34.4 percent shares are Carter, Hawkins, and Johnson counties. Buchanan County has the largest county population share of Boomers in Southwest Virginia – and the region – 36.1 percent. Russell, Scott, and Washington counties in Virginia each have 35.7 percent shares.

In addition, the graying of the region includes more than just Boomers. Combined with the rapidly diminishing numbers of the Greatest Generation (now in their 90s) the so-called Silent Generation accounts for a little more than 8 percent of today's regional population. The youngest are 73. They're called the Silent Generation because they lived in the shadow of the larger Greatest Generation but came before the more celebrated Boomers.

A concern and an opportunity

The changing economic realities that go with a tectonic shift in demographics were not unforeseen. On December 29, 2010, reporters across the nation quoted the Pew Research Center's declaration of the aging of American. In part, it said, "As the year 2011 begins on Jan. 1, the oldest members of the Baby Boom generation celebrated their 65th birthday. In fact, on that day and for every day for the next 19 years, 10,000 baby boomers will reach age 65." Yet at the time, most business owners had more pressing concerns, mainly dealing with responding to the Great Recession. Now, however, those realities are driving reaction by businesses.

Health care is already the largest industry in the region. As the popu-

lation ages, both the opportunities and challenges of that demographic shift will only increase the economic impact of health care.

Older patients create more complex cases. They have more chronic conditions. The importance of preventive health care and managing patient risk rises dramatically.

In January, Holston Medical Group in Kingsport, Tenn., hired the region's first board certified geriatrician, Dr. Ronna New. "Most of my patients want to remain active and independent, living in their own homes as long as they can," New says. "So, I help to coordinate their care, because a lot of my patients are seeing multiple specialists who are all doing a very good job treating one particular organ system. A cardiologist is doing a great job with the heart. The nephrologist is doing a great job with the kidneys. But many of my patients do not have one physician who is really looking at the big picture and helping to coordinate that care, helping them to navigate the system of healthcare, and helping to make sure that all the great providers that are caring for them know what's going on and are communicating. That coordination very much decreases the overall risk to the patient."

What does that mean to the economy? Decreasing risk decreases costs. Yet this region isn't the only one where geriatricians are rare. "We have about 7,000 nationwide," New says, "and we need closer to 20,000. I have big dreams and visions for this region. Being from this area, I would absolutely love to see us with time to be able to have truly a center of excellence on aging in our community."

The aging population also creates a remarkable opportunity for researchers seeking to anticipate trends in care. Again, because the region's population hits older ages sooner than the national average, Northeast Tennessee and Southwest Virginia can serve as predictors.

The Ballad Health merger specifically stated that millions of dollars will be spent on research in the region over the next decade. That will create direct economic benefit to the region, in addition to any benefits generated from the outcomes of the research itself.

SEE DEMOGRAPHICS, 20



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SENIORS, CONTINUED

So why recruit more seniors?

While much is made of the burden the healthcare needs of aging citizens can place on the regional economy, many communities in Northeast Tennessee and Southwest Virginia see seniors as a reliable part of the tax base, with lifetimes' worth of savings already in hand. In Northeast Tennessee, Carter, Sullivan, Unicoi and Washington counties are all participants in the Retire Tennessee initiative. Those communities actively recruit seniors to move here.

Unicoi County's Retire Tennessee promotional materials, for instance, tell seniors, "Living here means you keep exploring and getting involved in a place where people are genuinely friendly. You'll find a reasonable cost of living without income tax. Housing costs are lower, and travel destinations are a day's drive or quick flight away. From the Cherokee National Forest to performing arts or adventures for families of all sizes and ages—it's here— 'where the mountains meet the metro.'"

And Unicoi County Mayor Greg Lynch has sold the county as, "the perfect place for retirees to slow down, relax, and experience the outdoors, all right off I-26." Carter County is even more direct in its age-based appeal, telling seniors that relocating to Carter County "brings out the inner child."

Part of the region's desire to attract retirees is an offshoot of its desire to attract anyone and everyone who might help sustain the economy. The region has a population replenishment issue.

For every 10 live births per 1,000 people, there are 13 deaths.

People are living longer, but having fewer children. In addition, young people are moving out of the region in greater numbers than in previous years. This creates what demographers call negative natural population growth. It means, until the younger generation starts staying and procreating at a greater pace, the only way communities can sustain their population is to attract new residents from outside.

One bit of good news on that front emerged just this month. Every county except Johnson in Northeast Tennessee had a 2017 population increase, reversing the recent trend. Sullivan County, which has varied from losses to a small bump in 2016, saw the largest area increase. Estimates for one year aren't enough to signal a reversal of the population stagnation that much of the region has seen, but do represent a welcome shift from the past years. The Northeast Tennessee portion of the Tri-Cities region has a population of 502,169 based on the latest estimate. That's an increase of 1,789 resident from 2016. The Southwest Virginia portion totaled 159,322, a decline of 943 residents. The region's 2017 total population is 661,491, an increase of 846.



Ronna D. New

Next month: How the region's businesses outside of health care are reacting to the shift toward a more senior-centric economy.

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Tennessee furniture company expanding to Southwest Virginia

England Furniture, a New Tazewell, Tenn.-based manufacturer of upholstered furniture, will establish a manufacturing operation, at the 32,000-square-foot Lee County Industrial Building, in Lee County, Va. The project of the La-Z-Boy affiliated company is expected to create 79 new jobs. “We are delighted to expand our operations into the great state of Virginia,” said Terry England, president, England, Inc. “We would like to thank the state and its various agencies for their support, cooperation, and partnership in this endeavor, and we look forward to operating in Lee County and becoming involved in the community.”

The Virginia Economic Development Partnership worked with Lee County, the Lee County Industrial Development Authority (IDA), and the Virginia Coalfield Economic Development Authority (VCEDA) to secure the project for Virginia. The VCEDA Board of Directors approved a \$350,000 loan to the Lee County IDA to assist with the project. In addition, The Virginia Tobacco Region Revitalization Commission approved \$135,000 in Tobacco Region Opportunity Funds. Funding and services to support the company’s employee training activities will also be provided through the Virginia Jobs Investment Program.

Governor Ralph Northam thanked England for investing in the region, saying “Manufacturing continues to be a pillar in communities across the Commonwealth because companies recognize the benefits of our strategic location, cost-competitive business climate, and sustainable talent pipeline. This is an important win for Lee County and Southwest Virginia as the region rebounds economically, and we look forward to building a long-lasting corporate partnership with England Furniture.”

Green Applications, LLC to establish facility in Mountain City

An LED lighting manufacturer, distributor and wholesaler plans to establish operations in Johnson County, Tenn. Green Applications, LLC, doing business as Star LED, will invest roughly \$1 million and create 50 new jobs in Mountain City over the next five years.

Star LED specializes in LED lighting products for commercial, residential, marine and automotive applications.

“Our organization and brand is primed for growth and market penetration,” Star LED CEO Charlie Blanco said. “A facility

in Mountain City, Tennessee furthers Star LED’s strategy for expansion in the United States while supporting our strategic partners efficiently. Our presence here in Mountain City will enable Star LED to be ever more responsive to our partners’ and clients’ immediate needs by providing superior grade LED lights for any application and unparalleled service throughout our clients’ experience with us.”

Star LED plans to renovate and occupy a 55,500-square foot facility in the Johnson County Industrial Park. The company will manufacture and distribute LED lighting products from the facility, which is expected to be operational in the third quarter of 2018.

“Having the ability to assemble our product in the U.S., allows us to ensure that product quality is second to none against all of our competitors,” Star LED Chairman Garry Garoni added. **BJ**

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Tim Stanley and Adam Newsome PHOTOS BY GABRIEL LOGAN



The company has already spent \$350,000 on new equipment

From outdated to state-of-the-art

Master Precision Machining brings heritage Kingsport tool and die operation up to speed

By Gabriel Logan

Taking a look at Master Precision Machining (Master) today, it's hard to recognize the 30-year-old tool and die operation that was slogging along in Kingsport's Regional Park just a few months ago. "This place has been here since 1988" Tim Stanley, COO says. "We came in last year, bought it, closed in August and made a bunch of improvements to the shop. We put in a lot of processes that we never had before. So, we were able to schedule staff quicker and get better, faster lead times and get product out. We spent close to \$350,000 in the first couple months on new equipment and tooling.

"What we do here is machine work. We have vertical and horizontal capabilities for any kind of tooling work. Everybody we work with now is a huge manufacturer. So, we make and create the tooling they need to run their machines with and to check parts with" says Stanley, who worked in production manufacturing for 22 years before entering the partnership at Master.


The new owners, President Anthony Newsome, Vice President Michael Trout, Partners Robert and Donny Newsome, COO Tim Stanley and Managing Director Adam Newsome, might never have known of the opportunity the former Master Tool & Die represented if not for a sale call promoting another business.

"One of our partners (Trout), does health insurance and owns his own business. He was actually going to call on this place and see if they were interested in doing some employee benefits,"

Stanley says. "After he got to talking to them for about four or five minutes, the daughter said that her father would probably sell it. I am kin to her father so, when it presented itself the first thing (Trout) did was call me to come check it out. That is kind of where it ended up. We looked at the facility and observed the process and we just moved forward from there."

The business had "good bones." Many of the employees at Master Tool & Die have worked for the company 20-25 years. The current facility is around 17,000 square feet and should suffice as enough space even with the hopes of hiring 25 new employees and running two shifts over the next five years.

Right away the new owners saw opportunities to grow the business, but only if outdated, time-consuming practices were replaced with faster, more efficient ones. The new mindset for the company meant that state-of-the-art equipment must be bought to meet the demands of the customers. A new scheduling system had to be implemented and new customers must be located. In six months Master Tool & Die broadened its customer base almost 50 percent.

"We are branching out into other industries" Adam Newsome, managing director, says. "Before they mostly did just automotive. We are getting heavy into the aerospace industry, especially with this new potential aerospace park. We are trying to get in on that. Really just any industry." 



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Thank you to the Tennessee Department of Economic and Community Development for continuing to invest in Northeast Tennessee and all you do to make our state the number one destination for business in the Southeast.

- Tri-Cities Airport's **Aerospace Park**, recipient of a \$500,000 site development grant, will ultimately be a pad-ready, 167-acre industrial park, complete with runway access. And we'd be remiss if we didn't thank TDOT as well for the \$4.1M it has invested in this site.
- **Partnership Park II**, a NETWORKS industrial park, received a \$1M site development grant as part of a project that will allow us to offer a shovel-ready 30-acre rail site.

NETWORKS also congratulates the Northeast Tennessee Regional Economic Partnership for being awarded a grant for site work in Unicoi County.

These projects follow last year's award of \$500,000 to develop a site that can accommodate a 450,000 square foot building in **Bristol Business Park**.

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Qarni talks workforce development with education, business leaders

New Virginia secretary of education hears success stories, areas of need for greater focus

By Scott Robertson

Virginia Education Secretary Atif Qarni, a former civics teacher from Prince William County, made his first foray into Southwest Virginia in March, meeting with educators and business leaders. “We want to focus on literacy in general, but on financial literacy – a couple of years ago we made it mandatory for high schoolers to take personal finance – and digital literacy, because we live in a digital age,” Qarni said in a breakfast meeting at Food City corporate headquarters in Abingdon. “We don’t want to reinvent anything. We want to see what’s already happening and focus on what’s being done well.”

During the meeting, and later in a luncheon sandwiched around a tour of a child development center in Marion and a high school in Chilhowie, Qarni heard about successes including the IGNITE program, which appears likely to earn the first GO Virginia grant for Region 1, as well as areas where greater focus would be helpful.

Travis Staton, CEO of the United Way of Southwest Virginia, which hosted the secretary and coordinated the event, began by explaining the chief goals and action steps taken to date to bridge the worlds of education and work in the region. “Through collaborations with multiple sectors and jurisdictions, we are leading a cradle to career continuum to make sure we improve the workforce of tomorrow. Our most valuable asset is right in front of us – our youth. Every day we are forming new partnerships with school systems, employers, governmental entities to make sure we are holistically looking at those needs and working collaboratively to break down those silos and work together to improve outcomes in Southwest Virginia.”

Dr. Brian Ratliff, Washington County Schools superintendent then presented the Profile of a Virginia Graduate. “This idea of a profile of a Virginia graduate was born of local conversations about whether students were adequately prepared and about whether the skillsets have been developed, whether or not we have fostered college and career readiness, particularly career readiness,” Ratliff said.

“The profile of a Virginia graduate describes the knowledge, skills, experiences and attributes that students must obtain to be successful in college or the workplace and to be life-ready in an economy and a world characterized by rapid change. A Virginia graduate must achieve and apply appropriate academic and technical knowledge. They must demonstrate productive workplace skills, qualities and behaviors. They must build connections and value interactions with others as responsible and responsive citizens.

“Every person at this table has a connection with that,” Ratliff concluded. “Every student in Washington County must be prepared to do that.”

Dr. Keith Perrigan, Bristol Public Schools superintendent then promised business leaders the schools would do a better job of preparing students for whatever career best suits them. “We in K-12 have to stop telling every kid that college is a must,”



Virginia Education Secretary Atif Qarni (right) with Travis Staton
PHOTOS COURTESY UNITED WAY OF SOUTHWEST VIRGINIA



Dr. Brian Ratliff speaks during the roundtable discussion at Food City corporate headquarters.

Perrigan said. “We have to start telling them, ‘There is something out there for you.’ We have to direct them into community college where that’s appropriate and directly into the workforce when that’s appropriate.

“We have to find out what our employers need,” Perrigan continued. “We have provided college visit trips. We have even chartered busses to go on a circuit of all the colleges we have in Virginia, but we have not put them on busses and taken them to our local community businesses and industry. We need to do that.”

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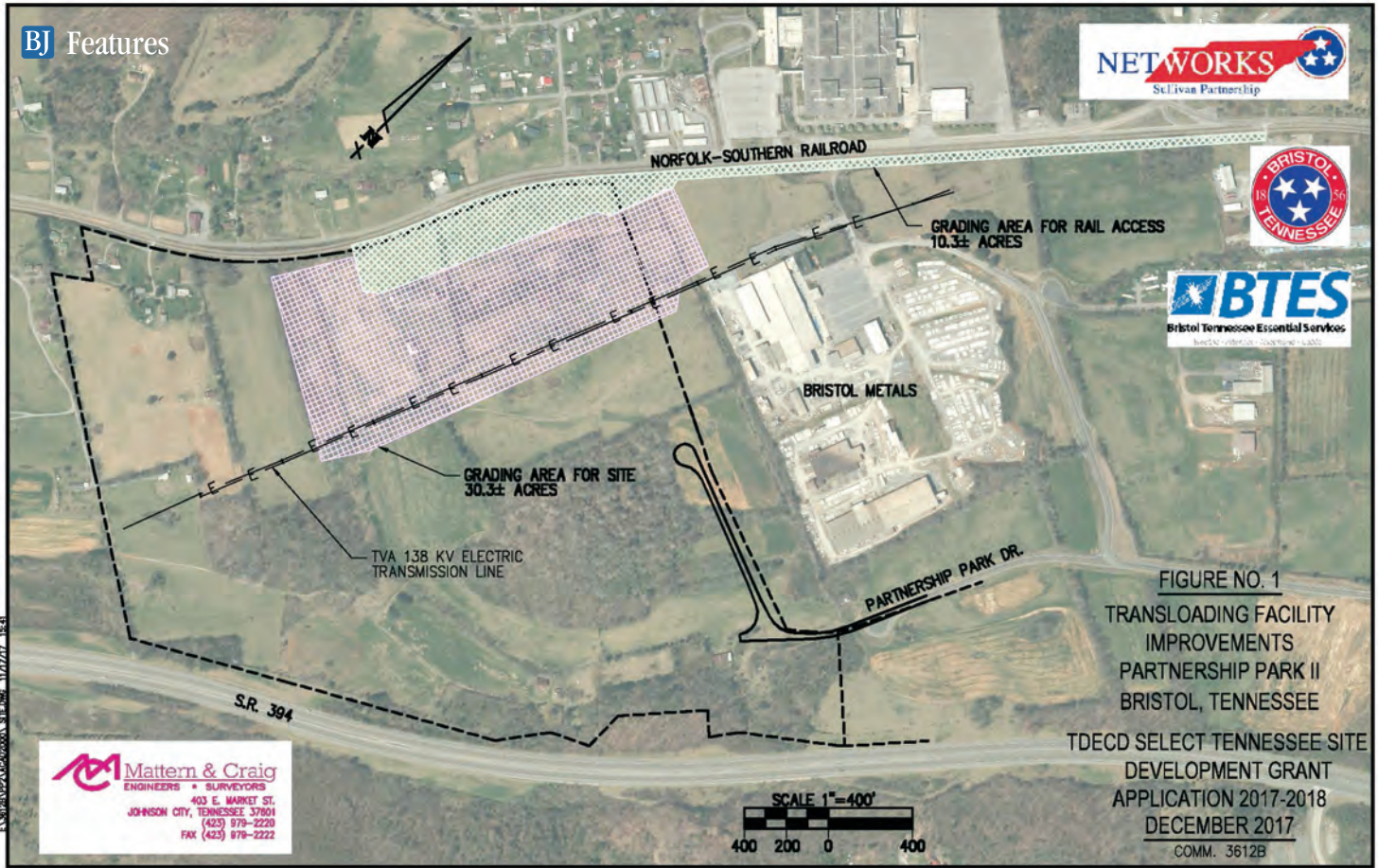


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The 30-acre portion of Partnership Park II in Bristol slated for grading work is highlighted in this rendering, courtesy NETWORKS Sullivan Partnership.

Northeast Tennessee projects receive major ECD grants

Bristol, Erwin and Blountville projects to receive a total of \$2 million

By Scott Robertson

After hosting presentations from NETWORKS Sullivan Partnership and the Northeast Tennessee Regional Economic Partnership (NeTREP), the Tennessee Department of Economic and Community Development announced in March it will award a total of \$2 million in Site Development Grants to three Northeast Tennessee projects.

Partnership Park II (PPII) on Highway 394 in Bristol will receive the largest grant, \$1 million, to pay for grading work to create rail access and a pad site for a transloading facility. The Tri-Cities Airport Aerospace Park project will receive \$500,000 to help prepare a pad-ready site for an aircraft maintenance hangar. NETWORKS lobbied for those grants. The town of Erwin will receive \$500,000 for grading and other work at the Second Street Industrial Site near Interstate 81.

NETWORKS has been discussing the possibility of grading the PPII site and building a facility for loading from rail to truck, or vice versa, on the site for some time. Clay Walker, NETWORKS CEO, said, "We do have companies who are always looking for warehouse space that they can take from one mode of transportation to another, whether it be incoming or outgoing. Having

said that, I still believe the most likely end-use of this site will be good old traditional economic development – recruit a company that needs rail and hopefully will employ a lot of folks."


The grant funds will be used to grade 30 acres of the 200+ acre site's terrain, which Walker describes as, "challenging and hilly." At its highest point, the ground is 30 feet higher than the level of the existing rail line. "The end product will be a flat site ready to put the rail infrastructure in," Walker said. The nature of that infrastructure will be determined by the needs of the eventual tenant.

The \$500,000 grant for Aerospace Park will help grade the land for a business park on land at the Tri-Cities Airport. The airport authority has now raised more than \$13.5 million of the \$17+ million needed to fully grade that site.

In Erwin, Tyler Engle, director of the Unicoi County Economic Development Board, said a good deal of work has already been done on the 15-acre Second Street site, formerly known as the Morgan Insulation site. "The city (which owns the site) has invested quite a lot and the TVA has also invested through InvestPrep," Engle said. "The Morgan plant was demolished last year. There was also a large silo that held silica that was demolished in February. What

we're hoping to do is to create a single pad-ready, 150,000-square-foot site ready to pour concrete on." The site, roughly a quarter mile from Interstate 26, also has rail service, Engle said. "The grant also will make it possible for us to do due diligence on another part of the site for a potential 60,000-square-foot expansion."

Engle credited a portion of the success to Erwin's work with NETREP. "We knew that Washington County had been successful in a Site Development Grant application a year or two ago, and we work really closely with Washington County through our partnership. Alicia Summers (NeTREP vice president, business development) actually accompanied me to Nashville when we made our presentation. We're working to build a regional economy instead of just focusing on one county or another." The grants are intended to help rural communities overcome barriers to site certification and prepare them to receive an economic development project that creates jobs. These funds assist communities in finalizing infrastructure and engineering improvements for project-ready certified sites. The Site Development Grant program is part of the larger Rural Economic Opportunity Act passed in 2016 and updated in 2017.

Almost \$10 million in Site Development Grants are being awarded to projects in 25 Tennessee communities. "By making our rural communities ready for investment and economic success, we help them attract jobs and more opportunities for citizens," Governor Bill Haslam said. "I congratulate the Site Development Grant program recipients and look forward to watching as they thrive and bring new businesses to our state." 

Aerospace Park bond sale nets "good result"

Six entities bid March 19 on an \$8.5 million bond issue to finance work at Tri-Cities Airport's Aerospace Park. The result, said Airport Director Patrick Wilson, was a true interest cost of 3.573 percent. "That came in lower than we had anticipated. We had been expecting a rate of around 3.83 percent."

The difference between the actual bid and the expected bid is around \$320,000 in lower overall interest costs to the airport authority. The better rate came in large part because the bond issue received a Aa2 rating from Moody's Investor Services, Wilson said. All five of the local governments that have backed the project have Aa2 ratings.

The sale was scheduled to close March 29. Bond counsel for the authority is Bass Berry & Sims.

The airport is also in the process of completing the paperwork to receive \$4 million from the Tennessee Department of Transportation in Economic Development Grant funding.

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HCA buying Asheville-based Mission Health

Levine predicts little impact on Ballad

By Scott Robertson

Mission Health, which operates six hospitals and health facilities in Western North Carolina and competes for medical professionals and patients with Northeast Tennessee-based Ballad Health, has signed a Letter of Intent (LOI) to merge with Nashville-based HCA.

Ballad Chairman and CEO Alan Levine said the day after the announcement he does not anticipate significant changes in the competition between Mission and Ballad. “Mission is a good system and I don’t expect that our posture toward Mission would change any with HCA there. I have always said our competition wasn’t just (Mountain States vs) Wellmont. It was Asheville and Knoxville and Nashville. That doesn’t change.”

In a letter to Asheville citizens on the newly created *missionhealthforward.org* website, the Mission Board wrote, “If regulatory requirements are met and we discover that joining HCA Healthcare holds the promise and potential we believe it does, Mission



Dr. Ronald Paulus

Health will become a member of the HCA Healthcare family later this year.”

“HCA Healthcare appreciates that Mission Health has the capacity to continue its work alone, and yet we both recognize that meeting our core missions could be achieved more effectively together,” Mission Health President and CEO Dr. Ronald Paulus said in a press release. “It is a tribute to the Mission Health board and team that we are in such a position of strength that we can make the best choice for our people, our patients and our communities.”

Despite operating without direct competition in western North Carolina under a COPA, Mission has faced increasing cost and reimbursement pressures. In 2015, the North Carolina General Assembly sunset the COPA limitations placed on Mission effective January 2018, making the Asheville-based system a much more attractive merger partner.

The deal is the latest in a cascade of hospital system mergers

in recent months. It follows the February merger of Carolinas Healthcare and Georgia-based Navicent Health, which created Atrium Health, the largest hospital group in the Carolinas. To the south, Palmetto Health and Greenville Health System merged in November 2017. Wellmont Health System and Mountain States Health Alliance merged to become Ballad Health in January, leaving Mission surrounded by larger, multi-state systems.

Those mergers were not the motivating factor in Mission's decision to move ahead with the HCA merger, though, Paulus said. "It isn't that other consolidation 'motivated Mission' but rather that the same external factors driving broader market consolidation – relentless pressure from payors, government and businesses to do more with less along with ever-increasing expectations for health systems to serve as a social safety net – also impact Mission Health. Until payors and the government are willing to accept their responsibility for demographic and other challenges unrelated to health system performance, consolidation will not only continue, but accelerate."

Levine was empathetic, having discussed those very challenges at length in the past, but did express surprise that Mission chose a for-profit partner. "It doesn't take me by surprise from the perspective that there is so much consolidation. I am somewhat surprised because I had not heard anything from Mission. They had not reached out to us at all, and I'm not aware of any other systems that they reached out to.

"In looking at their balance sheet, they've got almost \$1 billion in cash and only about \$500 million in long-term debt," Levine said. "It looks like they have a cash flow margin of roughly 15 percent, which is more than us. They have a market share somewhere north of 80 percent, compliments of the state, and they're in a growth market. Their population growth last year was around 1.1 percent, which is in excess of the U.S. average of 0.75 percent. So they have growth, they have cash flow, they have cash, and they have very little debt relative to their cash. It just surprises me that their board would want to give up control of their community-based not-for-profit assets to a for-profit system that will now take that cash flow and send it to Nashville."

The strength of Mission's position, Paulus said, is why the timing of the deal makes sense. "This really was exactly the right time to pursue such a transaction. We have worked tirelessly over many years to create a highly attractive, high performing organization – from the perspective of quality, efficiency and financial performance. The Board was very deliberate in its desire to make decisions about Mission's future from a position of strength, because they are the fiduciaries responsible for ensuring that our community is well served for many, many decades to come. It is only from a position of strength, that the strongest relationships can be created."

In appraising the deal from HCA's perspective, Levine, a former HCA executive himself, said the move creates good value. "They (HCA) know how to draw a profit out of a hospital better than anybody. They'll be very good at reducing the cost structure in Asheville. I would presume they will do what they normally do, which is eliminate the overhead that has been based in Asheville and will consolidate. They have their own revenue cycle company, Parallon, so I suspect there's no need for them to have a business office (in Asheville). I can't speculate as to what they'll do, but there are some obvious synergies for HCA in that market. A lot of

SEE MISSION, 30

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MISSION, CONTINUED

that would cost local jobs there, but they'll be able to turn that into profit. I read one of the Wall Street analysts estimating it would be, I think, about 2 to 3 percent accretive to HCA."

During the Ballad merger, Levine had warned that if Mountain States and Wellmont did not merge, it was likely that at least one system would end up merging into a larger for-profit system. He reiterated that point in reacting to the HCA-Mission deal. "It's almost 100 percent certain that if Mountain States didn't merge with Wellmont, this conversation would be about who we sold Mountain States to. This gives people a clear contrast in terms of a way forward. Mission and Mountain States were very similar. Mission has chosen to sell its assets to a for-profit system. Mountain States chose to keep governance local and merge with its local partner."

Paulus declined to discuss the differences between the mergers, saying only, "The process undertaken by the Mission Board of Directors was informed, thoughtful, painstaking and strategic, leading to the unanimous decision to sign the Letter of Intent with HCA Healthcare. Moreover, it was guided by a long-range view of the best interests of the people of western North Carolina and the surrounding region. The Mission Board was and is committed to preserving and expanding high quality, cost-effective care for everyone in western North Carolina for generations to come, not just with a world-class health system, but now with the potential of an extraordinary foundation to help fill in the gaps left by inadequate



social services. We have entered the due diligence process and will continue our effort to make sure this is the right, best course for Mission Health and our team members, patients and communities."

Assuming a successful closing, the Mission deal will give HCA, which employs around 240,000 people at 177 hospitals and 119 surgery centers in the U.S., its first presence in North Carolina. **BJ**

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ON THE MOVE

Management

Electro-Mechanical Corporation of Bristol, Virginia is pleased to announce that **Mike Price** has joined the executive team as vice president of Finance and chief financial officer (CFO). Price is a graduate of UNC Charlotte with a BS in Accounting and holds an MBA from the University of North Carolina at Chapel Hill. His most recent experience included more than 20 years with the W.S. Badcock Corporation, a family-owned company operating in eight states. At Badcock, he held both CFO and CEO positions. Prior to Badcock, He worked as Food Lion's Corporate Treasurer and earlier in his career as senior auditor for Arthur Anderson and Touche Ross.

When asked about his new position with Electro-Mechanical Corporation Price responded: "I am excited to be joining a strong family business like EMC."

EMC is a privately-held, global manufacturer founded in 1958 whose divisions design and build products used in the generation, transmission, distribution and control of electricity. These products along with repair and rebuild services are used in utility, commercial, industrial, mining and tunneling applications and are marketed under the brand names of Electric Motor Repair & Sales, Federal Pacific and Line Power.



Mike Price

Price assumes this role with EMC after the retirement of incumbent Neil Richards. "As we wish Neil all the best as he enters the next chapter of his life, we are also very excited to have Mike join our team here in Bristol," said Russell Leonard, president and CEO of EMC.

Josh McCroskey has accepted the position of custom products manager for Virginia Operations at Strongwell. In his new role, he will report directly to the vice president of Sales and Engineering, and will be responsible for cost development for all custom inquires for quote generation, and establishing custom sales goals and monitoring results. McCroskey began his career with Strongwell in 2006 as a process engineer with a Mechanical Engineering degree from Virginia Commonwealth University. From there he moved into the role of process engineering manager in Bristol.



Josh McCroskey

Banking & Finance

Larry R. Estep has been promoted to president of Citizens Bank, an \$825 million (assets) community bank headquartered in East Tennessee. Estep was previously executive vice president of commercial lending, and has been a business banking officer with Citizens Bank since 2011.

SEE DEPARTMENTS, 34

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Estep becomes the seventh president of Citizens Bank, and assumes his new position following Bill Dudney's retirement. Dudney was Citizen Bank's president for 23 years and will continue to serve on the bank's board of directors.

"Larry's extensive banking experience combined with his extraordinary record of community and civic leadership, has prepared him to become our bank's president," said Joe LaPorte III, chairman and CEO. "He is a boots-on-the-ground type of banker who has successfully blended banking with community leadership. He is an obvious choice to follow Bill Dudney, who has earned wide respect and admiration from his banking and community leadership peers."

Estep earned his bachelor's degree from Tusculum College, and later completed all requirements of the Graduate School of Banking at Louisiana State University. In addition, he pursued banking education opportunities at the University of Virginia, Rhodes College and Tennessee Banker's School. "I am fortunate to have been able to fulfill my banking aspirations, be involved in community service and, along with my wife Teresa, raise our family in East Tennessee," Estep said. "Also, I have had the opportunity to observe and learn from some of the best bankers to be found anywhere."

In addition to his banking background, Estep has held leadership positions in numerous civic, community, professional, busi-



Larry Estep

ness development and charitable organizations. For his efforts, Estep has received several recognitions, including Kingsport Chamber Distinguished Leadership Award, Gray Ruritan Man of the Year and Washington County Ruritan of the Year (Ruritan is a national service organization with individual clubs in small towns and rural areas).

MED BRIEFS

APP Acquires Northeast Tennessee Emergency Physicians Brentwood, Tenn.-based American Physician Partners, an emergency medicine and hospital medicine management services firm, has announced its acquisition of Northeast Tennessee Emergency Physicians (NETEP). NETEP provides emergency department management services to seven Ballad Health hospitals in Northeast Tennessee and Southwest Virginia. NETEP's 59 emergency physicians and 32 advanced practice providers care for approximately 192,000 patients annually. The existing emergency team will remain in place after the acquisition. Dr. Mark Woodard, NETEP's president, will serve as the regional medical director.

"We are excited about our new relationship with American Physician Partners, which shares our values of providing the highest quality of care to patients, unparalleled value to hospitals, and an excellent practice environment for our physicians and advanced practice providers," Woodard said in a press release.

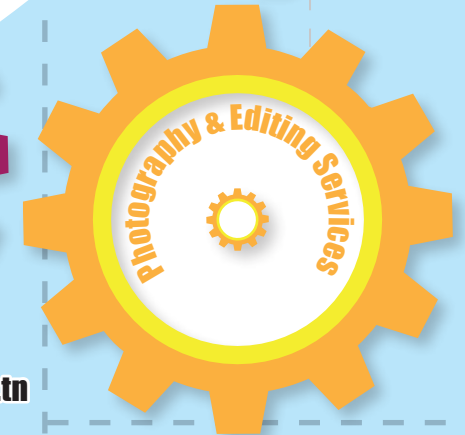
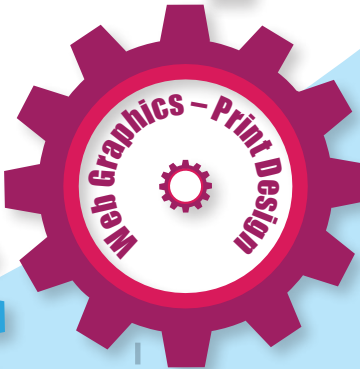


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“We are thrilled to add NETEP’s quality providers to our team and to have the opportunity to serve Ballad Health,” said John Rutledge, president and CEO of American Physician Partners. “Together we will continue to deliver high-quality, compassionate emergency care for patients and their families throughout the Tri-Cities community.”

NETEP’s relationship with Ballad began in 1977 with the provision of emergency services at Holston Valley Hospital and later throughout Wellmont Health System. American Physician Partners’ 855 providers now care for approximately 1.5 million patients annually through 78 contracts in 14 states.

AWARDS & ACHIEVEMENTS

Roe Honored by ABC

Rep. Phil Roe, M.D. recently received the 2017 Associated Builders and Contractors’ (ABC) National Eagle Award, which is given to legislators with an 80 percent or better voting record on construction industry related issues during the previous session of Congress. Roe received a score of 100.

“I’m honored to receive ABC’s National Eagle Award because the construction industry plays such a vital role in our economy,” said Roe. “Whether



Phil Roe

SEE DEPARTMENTS, 34



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DEPARTMENTS, CONTINUED

it means stopping the Obama administration’s misguided joint employer rule or creating a more job-friendly environment through tax reform, I will continue to vote for legislation to ensure a level playing field in this industry for generations to come.”

“We are very proud to present the 2017 ABC National Eagle Award to Congressman Roe,” said Clay Crownover, East Tennessee regional director for the Associated Builders and Contractors of Greater Tennessee. “Congressman Roe’s outstanding 100 percent voting record for basic principles of free and open competition, while creating a level playing field for the construction industry and its workers, should be celebrated and is integral to seeing our economy continue to move forward.”


Farris-Luke named first woman chair of international association

Kim Farris-Luke, president and owner of Abingdon, Va.-based Farris Funeral Service & Crematory, has been appointed president-elect of the Selected Independent Funeral Homes, an international association of independent and locally owned funeral homes. She will be officially installed as president during the organization’s annual meeting in October.

Established in 1917, Selected Independent Funeral Homes is the

world’s oldest association of independent funeral homes. Farris-Luke is a fourth-generation funeral professional with 27 years of experience. Her firm has been a member of Selected since 1961, and her father, David M. Farris, served as board president in 1999.

“It is an honor to be chosen to serve as president, and to serve as the first female board president,” Farris-Luke says. “As we shepherd in the next century of our association, I am excited about the potential for each of our members to grow and thrive in the changing world of funeral service. Though some may say the future of our profession looks uncertain, I view these times as an opportunity for us to redefine our profession and to develop creative, compassionate ways to meet the various needs of the families we serve.”

Farris-Luke obtained a B.S. in psychology from the University of Richmond, and a MBA from the University of South Carolina; she has also completed graduate-level education in social work and Christian counseling. She is a longtime, active member of Woodland Hills Christian Church, is a member of the Abingdon Rotary Club, and has served on the boards of several local non-profit organizations. Farris-Luke is also a frequent speaker about grief and end-of-life planning, and is a certified death and grief educator. 



Kim Farris-Luke

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Saying Goodbye to the Old Tax Code

By Morgan Griffith

Disclaimer: The Tax Cuts and Jobs Act took effect at the beginning of 2018, so for your 2017 income taxes due this month, you will still pay according to the old tax code and its higher rates. But most should see bigger paychecks this year because the Federal Government will withhold less for 2018 taxes.

In the months since President Trump signed the Tax Cuts and Jobs Act into law, many Americans have already enjoyed its benefits. They have noticed that Uncle Sam takes less out of their paychecks, companies are investing here in the United States rather than overseas, and bonuses are being awarded.

Still, some people are worried they have been left behind by tax reform. I think many of these concerns are the result of misconceptions about the tax law.

For example, in their first paychecks of the year, some Americans did not notice a difference in the amount the Federal Government withheld for income tax. But not all employers updated their withholding in time for these first paychecks. Later paychecks should reflect more accurately withholdings under the new tax code.

Reforming the tax code meant many deductions were reduced or eliminated to compensate for lower rates. It's fair for people who have long used some of these deductions to wonder if their tax bills would rise. But the standard deduction was roughly doubled, meaning many would still benefit overall from tax reform.

Although many deductions were reduced or eliminated in order to streamline the tax code, families can take advantage of an expanded Child Tax Credit, and both the Child and Dependent Care Tax Credit and the Adoption Tax Credit are preserved.

Even the deduction for state and local taxes is retained. This deduction continues for up to \$10,000 in taxes paid in state and local taxes in any given year, so few Southwest Virginians will be negatively affected by this change. There have been a lot of complaints about scaling down this deduction, but they come from high earners in high-tax states and high-tax areas like New York City and San Francisco.

Major, well-known companies have announced their plans to hire and invest thanks to tax reform, but tax reform also



has plenty to offer small businesses. For those organized as S corporations, partnerships, LLC, and sole proprietorships, 20% can be deducted from the first \$315,000 of joint income. For income above this level, these businesses generally can deduct up to 20% on business profits. These provisions are written specifically to apply to small businesses.

Further, buying equipment can be a major expense for small businesses, so tax reform will allow them to immediately write off the full cost of new equipment.

In part because of these improvements to the tax code, most small business owners feel good about their economic future. According to a February survey by the National Federation of Independent Business, optimism among small business owners is at record high numbers, and these owners are ready to express their confidence by spending more on wages and growing their operations.

One criticism that I think is fair concerns paying 2017 income taxes. The code went into effect this year, meaning last year's income will be taxed according to the old tax code; therefore, the improvements in the tax code won't be reflected in the return you file in April 2018. I believed it would have been better to apply some of the new tax code retroactively to 2017. This provision was not included in the final bill because many believed it would "cost" the government too much of your money.

Our aim in tax reform was creating a system that would benefit as many Americans as possible. Unfortunately, it's impossible to create a perfect code. Each person's unique circumstances will determine whether and to what extent he or she benefits from tax reform.

Nevertheless, I believe the overall effects of tax reform will benefit Americans across the board. More people will have money to spend or save as they see fit. More workers are receiving higher wages and bonuses. More companies are choosing to invest in America.

Tax reform is helping to bring prosperity to Main Street. That's good news for everyone in our country. To learn more about the Tax Cuts and Jobs Act, visit fairandsimple.gop.

Morgan Griffith represents Virginia's ninth district in the United States House of Representatives. His Abingdon office can be reached at 276.525.1405.



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