



CLARKSVILLE-MONTGOMERY COUNTY ECONOMIC DEVELOPMENT BLUEPRINT

SEPTEMBER 23, 2013



TIP
strategies



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About the Blueprint

This Economic Development Blueprint for Clarksville-Montgomery County is designed to provide focus and direction for improving the region's economy during the next five years.

An Economic Development Blueprint is designed to be a living document. It should be adopted by the Economic Development Council and incorporated into organizational and operational planning. All Chamber, CVB and IDB staff members should receive copies of the Blueprint and asked to identify ways that they can individually help advance the initiatives outlined within the plan. In addition, community stakeholders who hold some degree of responsibility for implementing the Blueprint should receive copies of the Blueprint and convene as a group on a regular basis to report on progress.

On an annual basis, the Blueprint should be updated as needed to reflect accomplishments and changes in the economy. The tables provided in the Action Plan section of this report make it easy to keep the Blueprint current. Metrics should also be tracked and reported on an annual basis. Below the components of the Blueprint are described.

Economic and Demographic Profile

The process of creating the Blueprint involved evaluating both quantitative and qualitative input. The consulting team thoroughly analyzed the region's economic, demographic and industry trends. In addition, to gain insight into those dynamics and better understand the community's vision, the team conducted stakeholder interviews, focus groups, and surveys. During the course of the three-month planning process, more than 50 individuals shared their opinions with the consultants through interviews and focus groups. To gain a better understanding of the perceptions of Clarksville-Montgomery County as a visitor destination, Young Strategies also conducted a series of surveys with event planners and area hotel managers.

A summary of topline findings is presented in the following section of this report. The complete economic evaluation and visitor industry surveys are provided in an Appendix to this Blueprint.

SWOT Analysis

The SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) summarizes Clarksville-Montgomery County's current competitive position. Strengths represent assets that differentiate the region and should be incorporated into communications efforts. Weaknesses include areas for improvement, while Threats are external factors that could impact the region's ability to accomplish its goals. Opportunities translate into potential changes that enhance the region's competitive position. Recommendations provided in the

Blueprint reflect the SWOT by offering tactics to remedy weaknesses and threats while suggesting ways to further leverage opportunities.

Blueprint

The Blueprint contains goals, strategies, and action items that will comprise the region's economic development initiative over the next five years. It addresses four core goals or priorities: improving central Clarksville-Montgomery County, aligning talent, marketing, and increasing tourism. Note that **the order of goals does not necessarily indicate order of importance.**

Action Plan

Following the Blueprint, this report contains an Action Plan that provides a timeline and organizational suggestions for implementing recommendations and moving the region closer to achieving its goals. The Action Plan also contains information about structuring the implementation effort from day one to ensure that the community stays engaged and energized.

Metrics

Finally, the report concludes with suggested performance metrics to help the Economic Development Council monitor progress toward its goals. Metrics include overall implementation accomplishments, marketing metrics, and economic improvement metrics.

Economic and Demographic Profile Summary

A complete Economic and Demographic Profile is provided in Appendix B of this report.

Located approximately 50 miles northwest of Nashville, Montgomery County represents the core of the larger Clarksville metropolitan area. The Clarksville metro consists of two counties in Tennessee (Montgomery and Stewart) and two counties in Kentucky (Christian and Trigg). The Clarksville metro area is also home to Fort Campbell, one of the largest Army installations in the US.

The sheer growth of Clarksville-Montgomery County's population is the dominant demographic story of the region. Since 2000, the County's population has increased 37%. Only two other counties in Tennessee have experienced greater levels of population growth in the past decade. Currently, Clarksville is the 5th largest city in Tennessee.

The growth of the Clarksville-Montgomery County metro area has been largely fueled by a rise in the number of young families with children. The median age of the metro is 30 – seven years below the US figure and five years below any other metropolitan area in Tennessee. Additionally, while the number of children in the US has remained essentially flat during the past five years, the Clarksville-Montgomery County metro's population of children under the age of 10 has surged 35% since 2006.

While the influx of such a larger number of relatively young adults with children represents an opportunity for Clarksville-Montgomery County, fully leveraging this advantage requires planning and investment.

Talent Attraction and Retention

The number of young people in Montgomery County and the larger Clarksville region has increased in recent years. Yet, there is no guarantee that these individuals will become lifelong residents.



Young people are the most geographically mobile demographic group in the US. This dynamic is even more pronounced among military personnel. One-third of residents in the Clarksville-Montgomery County metro between the ages of 25 and 34 moved out of the region last year. More than 40% of those who moved arrived in Clarksville-Montgomery County from a different state. If these individuals are to remain in the community, the region must provide ample economic opportunity and a compelling quality of place.

Economic Opportunity

During the past decade, Montgomery County has consistently outperformed the US in job creation. On a net basis, there was only 3% growth among US private employers between 2002 and 2012. Montgomery County’s private sector payroll grew by more than 14% during this same period. As impressive as Montgomery County’s employment gains have been on an absolute basis, however, the diversity of jobs created in the region is an opportunity for improvement in the upcoming years.

Only five industry sectors in Montgomery County posted employment gains between 2007 and 2012. Three of these sectors—Natural Resources & Mining; Trade, Transportation, & Utilities; and Financial Activities—accounted for a combined 440 jobs. During this same period in Montgomery County, the Education & Health Services sector expanded by 1,190 jobs, and the Leisure & Hospitality sector grew by 1,020.

With an average wage of less than \$14,000 annually, Leisure & Hospitality workers are among the lowest paid employees in Montgomery County. The disproportionate share of job creation fueled by the Leisure & Hospitality sector, combined with job losses in other sectors, has had profound consequences for Montgomery County. **Between 2007 and 2012, the average annual wage in Montgomery County sectors that experienced job growth was \$17,000 less than those sectors that experienced losses during this period.**

The lack of growth among higher-skill, higher-wage sectors of Montgomery County’s economy during the past five years has eliminated the wage advantage of area workers and forced a growing number of residents to rely on government assistance. In 2006, the median wage of Montgomery County workers was higher than the US as a whole; today it is \$1,000 lower. In 2006, transfers of receipts (government social assistance) represented 23% of personal income in Montgomery County. Today, the figure is 29%.



The absence of greater opportunity in sectors such as Business & Professional Services and Information comes at a time when Montgomery County may be on the cusp of a significant increase in college-educated workers. Currently, just 23% of Montgomery County residents possess a college degree – six percentage points lower than the US average. The proportion of Montgomery County residents currently enrolled in college, however, exceeds the US average by more than 11%.

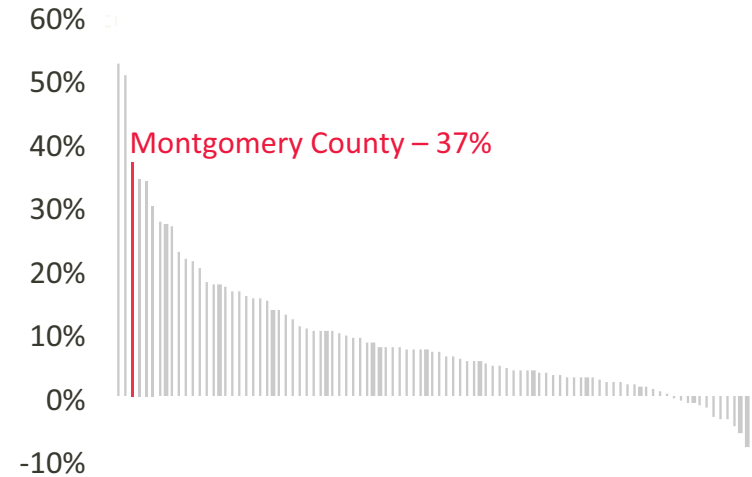
As past data suggests, however, the Clarksville-Montgomery County faces significant challenges in retaining locally produced talent. Between 2007 and 2011, Austin Peay State University (APSU) awarded more than 9,000 Bachelor's and graduate degrees. During this same period, the number of residents 25 years of age and older in the Clarksville-Montgomery County metro with a college degree increased by just 2,000.

Clarksville-Montgomery County can improve employment opportunities for college graduates and increase the competitiveness of local companies by ensuring that existing workforce pipelines, such as Austin Peay State University, are aligned with the needs of target industries. At the same time, encouraging a greater number of local college graduates to remain in the community goes beyond simple economies. In addition to increasing the quality of jobs available throughout the region, enticing college graduates to stay in and move to the region depends in large part on the lifestyle amenities available to them and their families.

Quality of Place

Clarksville's rapid population increase in recent years obscures the uneven nature of growth. Although the city of Clarksville is the 5th fastest growing city in the US, little development has occurred within the urban core. Among Tennessee's major metropolitan areas, Clarksville has one of the proportionally smallest populations living in urban areas (defined as places with a population density of at least 1,000 per square mile).

POPULATION CHANGE IN TENNESSEE COUNTIES
2000 - 2012



SOURCE: US Census Bureau

The absence of a vibrant downtown in Montgomery County limits the region’s ability to offer a distinctive quality of place. Healthy urban cores offer amenities such as specialty shopping and dining experiences that both retain talented residents and lure tourists from outside the area. In contrast, sprawling communities are often characterized by big box retailers and fast-food outlets. As a proportion of all restaurants, for example, Clarksville has the lowest number of full-service restaurants among Tennessee’s major metropolitan areas.

While retail and food chains can be crucial in delivering goods and services required by residents (and provide much needed sales tax revenues), they do not distinguish one community from another. By improving its downtown product offering and ensuring a high quality central city, Montgomery County can make the region more attractive to both existing and prospective residents.

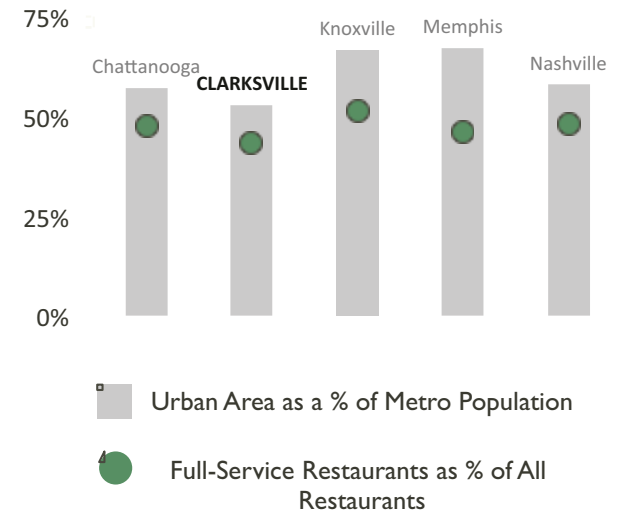
Looking Ahead

Between 2001 and 2010, the number of personnel stationed at Fort Campbell swelled by more than 8,000, an increase of more than 25%. The infusion of military personnel and associated civilian workers helped fuel the region’s significant growth. During the past year, however, the number of personnel at Fort Campbell has fallen by more than 2,500, and further cuts remain possible as combat operations in Afghanistan continue to wind down (although the 2013 BRAC decisions only cut 300 positions over the next five years). While Fort Campbell remains a vital asset, Montgomery County and the greater Clarksville region must look elsewhere for tomorrow’s driver of economic growth.

If Montgomery County’s employment trajectory mirrors that of the US during the next decade, more than 9,000 new jobs will be created through 2022. This would represent an increase of more than 14% above current employment levels. Given Montgomery County’s recent track record of exceeding the national growth rate, future growth may very well exceed these projections.

Future employment growth may be supported by targeted industries such as Back Office Services and Distribution & Warehousing. Other prospects include less concentrated but fast growing industries such as Software & IT, Professional & Business Services, and Financial Activities. Regardless of the specific industry, Montgomery County’s primary employment challenge during the next decade will be ensuring that as many jobs as possible are high-skill, high-wage positions.

METROPOLITAN MEASURES OF DEVELOPMENT



SOURCE: US Census Bureau

SWOT Analysis

The SWOT examines the project team's findings from research, focus groups, and interviews in five categories that reveal Clarksville-Montgomery County's overall competitive position. The five lenses for examining the community's competitive strengths are:

- **Infrastructure**
- **Business Climate**
- **Talent and Education**
- **Quality of Place**

The following pages break down each of these categories by Strengths, Weaknesses, Opportunities, and Threats.

Infrastructure

Strengths

- Clarksville-Montgomery County has one of the most competitive, fully served industrial parks in the south central US.
- CDE Lightband's fiber optic network offers up to 1-gigabyte Internet speeds to customers.
- Utility costs are highly competitive.
- There is presently an abundance of available land suited for industrial and commercial development.
- Location on the Cumberland River provides an all-season channel to the Gulf of Mexico. The U.S. Army Corps of Engineers maintains the river for tug-and-barge navigation.
- Clarksville Transit System provides weekday bus service to and from Nashville.
- The city is 45 minutes from Nashville International Airport.

Opportunities

- Expanded and improved road infrastructure will support growth.
- New industrial sites can be developed.
- Land should be designated (and potentially zoned) for commercial Class A office development as a long-term strategy.
- Develop a multi-modal river port.
- Clarksville should raise awareness and market the city's fiber optic network.
- Look for opportunities to invest in the east side of Montgomery County.

Challenges

- The city's road system has been increasingly congested by rapid population growth. Substantial expansions and upgrades are required.
- There is no class A office space and minimal class B.
- The region lacks an existing inventory of large shell buildings.
- The region lacks intermodal transportation facilities.

Threats

- Traffic congestion could begin constricting residential and commercial development in central Clarksville-Montgomery County.
- Not funding critical infrastructure would constrain long-term economic growth.
- Rapid expansion of residential sprawl may outpace the ability of local government to provide services and infrastructure.
- Residential development may also encroach on existing industrial sites and convert land well suited for commercial development.

Business Climate

Strengths

- Major employers report a high level of satisfaction being located in Montgomery County.
- Interstate access, central location in the US, and proximity to Nashville and its transportation assets are among the community's major business advantages.
- Regional businesses are well served by capable business support organizations.
- Employment is concentrated in retail, food & accommodations, manufacturing, healthcare, customer support, and government.
- Regional and state economic development organizations have a history of partnering to recruit major employers.
- Clarksville-Montgomery County is located in the highly competitive Nashville regional market.

Opportunities

- CMCEDC should continue pursuing employers that are a good fit for the industrial park and regional talent base.
- There is a longer-term need to diversify the county's economic base by attracting and developing professional services and technology employers in the community.
- The region should develop additional entrepreneurship support services and facilities.

Challenges

- Most large private employers are not headquartered locally. Therefore, corporate leaders do not live in Clarksville-Montgomery County and don't develop bonds to the community.

Threats

- The community will be challenged attracting and retaining skilled "white collar" professionals if it doesn't continue to develop the amenities those workers find attractive.
- Flooding and severe weather are an ongoing threat.

Talent and Education

Strengths

- Employers have a favorable view of the existing workforce – dependable, trainable, and plentiful.
- The region features dramatic population growth and an expansive regional labor shed.
- The population is relatively youthful, with a high share of residents age 25-44.
- A growing military retiree and veteran population enhance the talent pool. They offer a motivated, reliable, and sought after workforce.
- Military spouses offer a valuable source of educated talent.
- Fort Campbell brings a diversity of experiences, backgrounds, and perspectives to the population.
- APSU is Tennessee's fastest-growing public university.
- Tennessee Technology Center is a highly regarded workforce development center. It works closely with private employers.
- Nashville State Community College complements local postsecondary education options.
- Clarksville-Montgomery County School System is nearing its 100% graduation goal (95.2% in 2011-12). The System is expanding Career Academies & STEM integration into curriculum.
- Workforce Essentials effectively tracks industry needs.

Opportunities

- GI Bill education benefits could increase demand for post-secondary education programs.
- Continued expansion of technical and professional degree programs at APSU.
- Strengthening relationship with and active support for the mission of Fort Campbell.

Challenges

- The county is underrepresented in high-tech and professional services occupations (e.g., architecture & engineering, computer & math, physical & life sciences).
- Lack of local white collar employment opportunities makes it difficult to retain young people with those career aspirations.
- It is difficult to convince IT talent to live in the county.
- A large number of professionals residing in the Clarksville-Montgomery County commute to Nashville for work.
- The 2-3 year turnover of military families makes some employers cautious about hiring spouses.

Threats

- The community will continue losing potential high-earning and innovative young talent due to lack of economic opportunities.
- Army restructuring, BRAC, and sequestration could threaten force levels at Fort Campbell.

Quality of Place

Strengths

- The area's major recreational amenities include the RiverWalk, two rivers, Clarksville Greenways, Liberty Park, and Clarksville Marina to name a few.
- The downtown's buildings and architecture give the city a unique and attractive image.
- The housing market is relatively affordable and stable.
- APSU, the Customs House Museum, and the public library are cultural assets.
- Largely due to Fort Campbell, Clarksville benefits from cultural diversity.
- Residents have close access to Nashville cultural and sports amenities.
- There are ample water recreational amenities such as the Land Between the Lakes National Recreation Area.

Opportunities

- The City and County could establish a TIF district or other financial tools to fund community infrastructure and amenities in central Clarksville.
- Connecting APSU, downtown, and the river should be a priority.
- A multi-purpose event center could serve existing residents and visitors.
- Continued investments should be made to integrate the trail and parks system.
- The downtown would benefit from new cultural amenities such as a renovated Roxy Theater.

Challenges

- Clarksville-Montgomery County lacks true destinations that attract residents and visitors in substantial numbers.
- Local retail and dining options are dominated by large national chains. There are few high quality, locally-owned establishments.
- Riverside Drive suffers from congestion, the threat of flooding, and low quality of development.
- The proximity to Nashville is also challenge, as residents often go there for retail, dining, and entertainment options.

Threats

- As the commercial and residential center of gravity in Clarksville continues shifting to the Interstate, central Clarksville could be left in a permanent state of distress and underutilization.
- Low quality residential developments would undermine the long-term viability of the housing market.

Economic Development Blueprint

Goal: Clarksville-Montgomery County's brand identity and assets are globally recognized.

In today's ever more competitive world of economic development, a community's brand identity and marketing activities strongly affect its success in attracting business, talent, and visitors. Branding also impacts the capacity of a region to retain residents and companies. A positive energized sense of community among residents can on its own be enough to strengthen the bond between people and a city, reducing the chance that they relocate when given an opportunity elsewhere.

To develop this Blueprint, the consulting team interviewed and facilitated focus groups with a diversity of regional and state leaders. On the topic of branding and marketing, many stakeholders shared their desire to strengthen Clarksville and the region's image. While Fort Campbell and Austin Peay are well-known assets to many outsiders, many other community strengths are less known. The Clarksville-Montgomery County brand – or intuitive feeling about the community's value – and emotional connection between target audiences and the region is relatively weak.

Strong marketing and branding starts at home. Locally, there is some confusion about what the EDC, Chamber, IDB, and CVB individually do and how they relate to one another and The Partnership. Further investing in consistent logo use and shared marketing materials will help. In addition, a community pride campaign that builds buzz around the region's many assets and encourages residents to get involved will also be beneficial. Utilize new technologies and media platforms to optimize the success of Clarksville-Montgomery's marketing campaigns.



*Aspire Strategic Blueprint 2009-2014
Marketing and Communications Strategic Objective*

“Coordinate branding, public relations and marketing efforts, develop consistent branding strategy and messages, continue with public relations program and community pride campaigns.”

Externally, the IDB has solid relationships with industry prospects, has strong business development acumen, and is well-regarded in its field. This Blueprint calls on the EDC to build even greater awareness within the Nashville region of Clarksville as a visitor and resident destination as well as work with state and regional partners to position the Clarksville Industrial Park as one of the premier industrial sites in Tennessee.

The Aspire Strategic Blueprint in 2009 established the objective of coordinating branding, public relations, and marketing efforts across the community. That objective will continue to be important for the next five years.

Strategy: Market Clarksville-Montgomery County to targeted external audiences across the globe.

For many years, the Clarksville-Montgomery County IDB has built strong relationships with target industry executives through its business development activities and attendance at industry and real estate events. The IDB's business development initiative is well regarded as one of the best in the nation. Its activities should continue on course.

To further advance external marketing, it is recommended that the EDC invest in even more targeted marketing tools, making more visible its specific assets for each audience. In addition, reinforcing the Nashville Chamber, TVA, and State's awareness of Clarksville's assets, targets, and objectives so that it is top-of-mind when those organizations work with prospects. A focused public relations initiative will also help build interest and awareness among audiences located outside of the region.

Actions:

- Refer to the table on the following page for guidance on Clarksville-Montgomery County's economic development target audience and the timing and approach to each one. The consulting team agrees with the CMCEDC's current target audience list and suggests the addition of several mid- to long-term prospects including film, aerospace suppliers, and professional services. All targets labeled "immediate" and "recruit" represent current marketing opportunities.
- Enrich online information about Clarksville-Montgomery County's target audiences. Currently, targets are buried within the Expand/Relocate section of the Economic Development website. These targets could be brought forward to the homepage, featured in the rotating header image or other featured column. Information provided on each target industry should also be more robust, using graphics to express top sales messages. Currently, target industry pages are heavy with written copy and core messages (e.g., available properties, skilled talent, existing employers and suppliers) are difficult to tease out of the write up.
- In addition to bolstering target audience presence on the website, make sure the IDB has a complete portfolio of tailored marketing tools for each. For example, create presentations tailored to each specific audience, engaging in public relations focused on target audience publications, and boosting correlation between Clarksville and target audiences through social media (e.g., #ClarksvilleAutomotive, #ClarksvilleMedical).

- Craft news stories about Clarksville-Montgomery County to promote regionally as well as in national business and trade publications/websites.
- Expand media tours to include journalists from outside of the Nashville market. In particular, invite representatives from target audience trade publications.
- Actively participate in the Nashville Chamber’s marketing missions and site consultant tours.
- Continue to host your own site consultant and business influencer events in Clarksville-Montgomery County, building the itinerary around major cultural or sports events in the region (e.g., the Country Music Awards event in 2013).
- Retail recruitment is part of the EDC’s mission. Retail development is tied to Clarksville-Montgomery County’s population dynamics and demographics. Continue to promote Clarksville-Montgomery County at ICSC events to build awareness and hone in on retail segments to fill voids in the area marketplace.
- Take authorship of Clarksville’s Wikipedia page and ensure that its content reflects Clarksville’s brand identity and economic development assets.
- Leverage business retention and expansion activities to mine area businesses for leads and connections with their industry peers.

Clarksville-Montgomery County Economic Development Targets

Immediate Economic Development Targets	Approach
Automotive Suppliers	Recruit, Retain
Shared Service / Back Office	Recruit, Retain
Visitors	Recruit
Distribution / Warehousing	Recruit, Retain
Mid- to Long-Term Economic Development Targets	Approach
Aerospace Suppliers	Recruit
Professional Services	Startup, Recruit
Film	Recruit
Alternative Energy Manufacturing	Recruit, Retain



Strategy: Adopt consistent branding across all EDC partners and beyond.

A brand identity reaches far beyond the name of a community or its logo. A brand embodies the emotions and thoughts that are evoked when someone hears or sees the name of a community. A brand should represent what a community strives to be. Good examples are found across a spectrum of products. Nike’s brand, for example, is not an athletic shoe but rather individual performance. Apple’s brand is not a computer but rather creativity and innovation. Cities can have heart-felt brands as well. New York City’s brand conjures feelings of independence and boundless opportunity. Nashville’s brand evokes its musical heritage.

A logo and tagline does not make a brand nor are necessary for a brand to be successfully established. A logo and tagline are two of dozens of ways Clarksville-Montgomery County can reinforce its brand identity. Successful regions invest in their brands by reinforcing it throughout all marketing activities. Graphic design, photography, written copy, and choice of marketing tools should all reflect the brand that the EDC desires for Clarksville-Montgomery County.

Actions:

- Agree to a shared brand identity for Clarksville-Montgomery County. The brand should represent the essence of Clarksville as a young progressive community with a rich heritage. It is a vital part of the Nashville region’s economy but located just far enough away to have developed its own unique personality and complete offering of amenities.
- Review all current marketing tools, both print and online, for the EDC, IDB, CVB, and Chamber. A side-by-side comparison will show the variations across the board. Engage a professional designer to develop design guidelines that all EDC partners adopt and adhere to when creating new marketing materials. (Please note: We are not recommending the creation of a new logo, simply consistency of graphic design.)
- Share design guidelines on the EDC’s website along with links to logos, photography, crafted marketing messages, and other helpful files. Encourage the community to access the guidelines and utilize the marketing tools.
- Lead a public awareness campaign that informs residents of the roles of the EDC, IDB, Chamber and CVB, how each organization works for the community, and how together they form a complete family. Engage board members in spreading the word. Address local confusion



Example: Pure Michigan Brand Guidelines
www.MichiganAdvantage.org/Logo-Request/

The MEDC offers its brand guidelines, logos and other images on its website for use by the many organizations engaged in its campaign. Individuals and organizations must first apply to use the logo and must adhere to a set of rules regarding logo use. By making this available, other groups are not only encouraged to embrace the Michigan brand but also employ it in a way that meets the MEDC’s high standards.

about what each organization does as well as the difference between the EDC partners and the city and county governments. Have fun with the campaign, involving creative formats such as a game show or quiz to help educate stakeholders.

Strategy: Launch an internal education campaign highlighting success stories and importance of being a cheerleader for Clarksville.

Building a buzz at home about Clarksville-Montgomery County's assets and vision is an important first step. Create a community of cheerleaders who understand that they play a critical role in the region's economic success. Arm residents with ideas for ways that they can share the region's message with their family, friends and colleagues around the world. A positive local vibe will radiate beyond the region's borders.

Actions:

- Generate spark and excitement through a storytelling initiative. Continue the "I am Clarksville" campaign that showcases residents' personal stories about why they choose to live and work in Clarksville. The campaign can include a YouTube channel that features video vignettes of Clarksville-Montgomery County residents sharing their perspectives on the region. Pair the video campaign with a social media push (for example, use #iamclarksville in posts). Challenge CMCEDC investors and other area organizations to championing the campaign.
- Engage Clarksville-Montgomery County residents in suggesting ways to boost community pride and generate more brand awareness externally. Utilize an online tool such as IdeaShare (www.ideashare.com) to allow people to share, vote on, and discuss ideas.
- Seeing first-hand how other communities address issues and promote themselves is a valuable experience that can spark change at home. Continue to organize leadership tours of best practice communities. Make sure that these inner city visits are accessible to future leaders as well. Create scholarships for young professionals and others in the community to offset the cost of attending inner city visits.
- As discussed in previous sections of this Blueprint, the Cumberland River is an asset for both recreation and commerce. Generate communications tools that inform residents about the river as an amenity. Incorporate these messages into the EDC's social media outreach. In the campaign, communicate how barge traffic benefits the region's economy and relieves what would have been truck traffic elsewhere in the community.



Example: Downtown Racine Marketing

www.RacineDowntown.com

The Downtown Racine Corporation's marketing campaign is a good example of how a community can not only steadily invest in downtown improvements but also educate and excite residents.

Strategy: Correct and enlighten perceptions of Clarksville within the Nashville region.

One of Clarksville-Montgomery County's strengths is its location within the Nashville region. The region is regarded as one of the most competitive locations for business in the country. Being part of the region also means that Clarksville is in close proximity to corporate decision makers, business influencers, real estate professionals, and a robust talent pool. Yet, these individuals may not be fully aware that Clarksville-Montgomery County is a strong location for business and residents. In meeting with Clarksville-Montgomery County leaders regarding this Blueprint, many voiced a need to further increase awareness of Clarksville within the Nashville region.

Actions:

- Promote the “I am Clarksville” campaign to the larger Nashville marketplace. Utilize a “Nashville” hashtag in social media posts so that Clarksville appears on broader regional stories. Consider a supplement to the initiative that inspires talent to move to Clarksville. “I am Clarksville” and “Clarksville wants you!” Organize joint functions between Clarksville Young Professionals and Nashville Young Professionals groups. Invite Nashville YPs to Clarksville for, for example, outdoor recreation (e.g., kickball tournament, hiking, relay races) or a tasting at a local brewery.
- Host half-day property tours of Clarksville for commercial realtors and developers located in the Nashville region. (See San Marcos example to the right.) Continue also to host developer familiarization tours of the region through NAIOP and host Nashville-NAIOP meetings in Clarksville.
- Instigate discussions with developers in the region about the feasibility of building Class A office space in Montgomery County. Seek assistance in evaluating and identifying prospective sites for Class A development. Work with the City and County to package incentives that would encourage Class A office construction.
- Engage a blogger from the Nashville market to share news and interesting stories about Clarksville, its culture and its amenities. Host a tour of Clarksville-Montgomery County for journalists and bloggers living in the Nashville region.
- Continue to be an active member of the Nashville Chamber of Commerce.



Example: San Marcos Partnership's Annual Property Tour

Each year, San Marcos, Texas, a community located 30 minutes south of Austin, invites real estate developers and commercial realtors on a ½ day bus tour of available properties in their region. The tour is professionally conducted and comes complete with lunch at one of Texas' most famous BBQ restaurants. The property tour is so popular that it sold out in 2012.

- Involve the Chamber's ambassadors in sharing positive stories about Clarksville-Montgomery County with their peers across the Nashville region.
- Meet with commercial office developers and professional services firms in the region to position Clarksville-Montgomery County as a destination for professional services firms. Market the Leaf Chronicle building and other downtown buildings as unique spaces for professional services firms.

Goal: Central Clarksville-Montgomery County is transformed into a vibrant hub for commerce and talent.

Clarksville-Montgomery County enjoys a number of assets and advantages that make the community highly competitive for traditional industry recruitment. Indeed, the successful attractions of HSC and Agero demonstrate the community's ability to attract advanced manufacturing and customer service/back office employers. The area also has unique amenities and attributes that, given the proper investment and support, have the potential to make the Clarksville-Montgomery County more appealing to employers and professionals working in sectors such as IT, digital media, and professional services. Most of the existing assets this target audience normally finds attractive are located within the urban core of Clarksville-Montgomery County. They include a downtown populated by historic buildings and unique architecture, two rivers flowing through the city, and the presence of a rapidly expanding APSU.

Enriching the assets and connectivity of central Clarksville-Montgomery County will elevate the economic development potential of the entire county. A vibrant central city will draw talent, visitors and businesses into the region. *For the purposes of this Blueprint, "central Clarksville-Montgomery County" encompasses the Austin Peay campus, the historic downtown, and the riverfront around the marina.*

Years of commercial and residential development focused on the edges of the city have depleted central Clarksville-Montgomery County of much of its economic vitality. Avalanche and TIP strongly encourage leaders from the City, County, CMCEDC and other organizations to seize the opportunity to invest in Central Clarksville-Montgomery County. A revitalized urban core provides the region with its greatest opportunities for improving its regional image, especially among professional and technical services firms.

There is no shortage of plans for transforming central Clarksville-Montgomery County. Since 2012, three studies have been completed in relation to the downtown and riverfront areas. In 2013, Washington, DC-based The Eisen Group (TEG) completed a market analysis and redevelopment strategy for the Downtown and Waterfront areas of Clarksville on behalf of the Two Rivers Company, which is supported by both the City and the County. Also in 2013, RPM Transportation Consultants provided the city with a report

Why is the Health of the Central City Important to Suburban Areas?

- Outsiders' perceptions of a wider region can be influenced by conditions prevailing within the core. The region may look and feel hollow if the central city is rundown and neglected.
- Due to location, topography, or history, a central city may contain amenities that are valued throughout the region.
- Central cities may provide a quality of place valued not only by existing residents but by outsiders as well.
- Declining central cities may raise tax burdens for suburban areas and thereby retard economic development.
- Central cities may attract distinctive economic activities and businesses that give the central city an important and specialized role in the regional economy.

evaluating potential sites for a new parking garage in downtown Clarksville. In 2012, the University of Tennessee (UT) School of Architecture's Summer Urban Design Studio completed a 12-week urban design study for Clarksville's downtown and its adjacent riverfront. The UT analysis also focused on advancing the conceptual design potential of at least three strategic sites targeted for near-term development.

Montgomery County plays a critical planning and investment role in economic and community development. The County and City jointly appoint members to serve on the Clarksville-Montgomery County Regional Planning Commission (CMC-RPC). CMC-RPC staff members are responsible for overseeing rezoning, reviewing subdivision development, and coordinating transportation planning within the county. The organization is also responsible for implementing the Clarksville and Montgomery County Land Use Plan. In addition, Montgomery County directly invests in the community's parks, public safety, emergency management and medical services, and economic development initiatives and projects. One of Montgomery County's greatest successes is its ability to fund and establish high quality schools in order to keep up with rapid population growth.

It is not a lack of ideas that is hindering the revitalization of central Clarksville-Montgomery County. According to input provided for this planning effort, it is the absence of a community vision of the role central Clarksville-Montgomery County should play in the economic vitality of the county and an accompanying co-investment strategy for achieving that vision. This is not something an economic development plan for the CMCEDC can solve. However, it is the consulting team's opinion that the revitalization of central Clarksville-Montgomery County is the most important long-term economic development issue facing the community. Many stakeholders share this view as well. When asked if there was one economic development issue that most all their members would embrace, representatives of the Chamber of Commerce identified downtown revitalization as the most important.

The design studies and market analyses are in place. What needs to happen now is a commitment by leadership to implement them. As the county's umbrella economic development organization, CMCEDC and has a central part to play in this forging this commitment.

“A healthy and vibrant downtown boosts the economic health and quality of life in a community. Specifically, it creates jobs, incubates small businesses, reduces sprawl, protects property values, and increases the community's options for goods and services. A healthy downtown is a symbol of community pride and history.”

- The Pew Partnership for Civic Change

Tax Increment Financing

TIFs are tools that use future gains in taxes to finance the public improvements in targeted zones. When the public improvement is completed, there is an assumed increase in the value of surrounding real estate, and often new investment (new or rehabilitated buildings, for example). This increased site value and investment creates more taxable property, which increases tax revenues, which are the "tax increment". TIFs dedicate that increased revenue to finance debt issued to pay for the project. TIF are generally designed to channel funding toward improvements in distressed or underdeveloped areas where development would not otherwise occur.

Strategy: Promote the establishment of a shared public vision and commitment to the long-term growth and development of central Clarksville.

For the transformation of central Clarksville-Montgomery County to be successful, a broad consensus must be developed among leaders and citizens throughout Montgomery County acknowledging the importance of central Clarksville-Montgomery County to the region's long-term economic vitality. In its *Market Analysis for Clarksville Downtown & Riverfront District*, TEG researched five benchmark communities (Knoxville, TN; Chattanooga, TN; Greenville, SC; Columbus, GA; and Little Rock, AR) to identify lessons and useful models that could be applied in Clarksville. They found that in all cases downtown and waterfront renewal was a multi-decade process that required a sustained public commitment in terms of both policy and financing. Such a commitment will be crucial to Clarksville-Montgomery County as well. CMCEDC can play a central role in educating the public on the importance of central cities and bringing the public agencies together to establish a shared vision.

Actions:

- CMCEDC should partner with local groups and organizations, including the Two Rivers Company to organize and help fund a public awareness and education campaign designed to highlight the economic importance of central Clarksville to the entire county.
- Encourage city, county, and higher education officials to hold a meeting or retreat to discuss opportunities for mutual participation in central Clarksville revitalization.
- CMCEDC should publicly endorse the TEG Market Analysis for Downtown and Riverfront and the UT Urban Design Study.
- Consider the development and location of the Montgomery County Port Authority's River Port nearby central Clarksville-Montgomery County.

Strategy: Establish a City-County working group to develop a co-investment strategy for community development.

Establishing a unified vision is only meaningful if a plan exists to carry-out that vision. The community has already commissioned the studies and recommendations that detail how to transform Clarksville-Montgomery County and what it could potentially look like. Now an investment strategy is needed that identifies sustainable sources and levels of public funds to make the recommendations a reality. The TEG analysis laid out specific options for funding/management/operating downtown and riverfront development. These options include expanded direct public funding, a Business Improvement District (BID), and Tax Increment Financing (TIF). For some of these options to be realistic and impactful over the long term, it will require more than just the financial participation of City of Clarksville.

Actions:

- CMCEDC should offer to form and facilitate the establishment of a City-County working group focused on a co-investment strategy for central Clarksville. The end product of the working group would be a commitment to establishing an inter-local agreement(s) to fund public projects, amenities, and infrastructure.
- Among the financing tools available to fund catalytic projects in the city, the consulting team recommends the consideration of establishing a TIF in central Clarksville. Due to the tax structure in the county, however, this will require the participation of Montgomery County in the TIF district.

Strategy: Support improved physical and thematic connectivity between APSU, the Downtown District, the Riverfront, and the trails.

One of the weaknesses identified in both the UT and TEG plans was the poor physical and visual connectivity between APSU, the Downtown District, and the Riverfront. This shortcoming was echoed by a number of focus group and interview participants. CMCEDC should actively promote efforts to create a more connected central Clarksville District.

Actions:

- Urge the Tennessee Department of Transportation, the City of Clarksville, and Montgomery County to invest in new and expanded roadway infrastructure in order to promote mobility within the city and access to central Clarksville. The two projects most often cited to the consulting team are a new east-west artery and the completion of SH 374. The latter project would allow for the revitalization and redevelopment of Riverside Drive.
- Work with APSU to consider options for establishing academic and student programs and facilities within the Downtown District. Greenville, SC, is an example of a city economic development program that has succeeded in attracting higher education programs and facilities to the downtown area.



- Urge the City of Clarksville to explore establishing a downtown design overlay district and funding a façade improvement program. A possible funding source for the façade program is the existing Downtown Development Revolving Fund.
- Consider utilizing Aspire Foundation funds to strategically invest in specific catalyst projects and properties identified with the existing TEG and UT plans.

Strategy: Create a new destination(s) to attract residents and visitors.

To stimulate downtown revitalization, many cities have invested heavily in destination projects. The range of such projects includes sports, recreation, cultural, entertainment, and convention facilities. Oklahoma City's Metropolitan Area Projects (MAPS) is one of the nation's most ambitious urban capital improvement programs and includes all types facilities mentioned above. While the scale of MAPS isn't practicable in Clarksville-Montgomery County, it does demonstrate the level of commitment one city has made to transforming itself. A closer and more familiar example is Chattanooga, which invested in the world's largest freshwater aquarium to anchor future downtown and riverfront development.

The TEG and UT plans each identified potential catalyst projects and presented land uses and site plan concepts. Some of the potential sites include the Riverview Inn, the Transit Center, the Roxy Theater, Public Square, and Courthouse Square.

Actions:

- Develop a Core Entertainment District as the Heart of Clarksville.
- Expand business retention and attraction efforts focused on central Clarksville-Montgomery County. Bringing higher intensity private employment to the area, especially in professional services, corporate and regional headquarter, healthcare services, digital media, and information technology, can make a critical impact on revitalization efforts.
- Continue supporting public sector partners in identifying, prioritizing, and developing catalyst projects.

▫ Redefining PLACE

Much has been written about the importance of quality of life to the site selection process. Communities throughout the nation have positioned themselves by touting their advantages in this regard—good schools, safe streets, pleasant weather. We agree these factors are important. We take issue only with the narrowness of the focus. Quality of life assumes that everyone thrives in the same environment and is attracted to the same amenities. It assumes that current residents' view of what makes a community would be shared by all.

By contrast, quality of place considers what is attractive to a range of residents, both old and new. The idea of quality of place accommodates growth and recognizes the benefits of change. It recognizes that one person's "good place to raise a family" might translate into another's "there's nothing to do in this town." Quality of place is about providing options, not just for current residents, but for those who will be residents in the future.

Strategy: Continue investing in quality of place amenities.

The underlying theme of Goal 1 is the need for Clarksville-Montgomery County to enhance its quality of place. From a traditional economic development perspective, an investment in public amenities bolsters efforts to attract and retain innovative employers and talented individuals. Companies rely on the skills and talent of their workforce to gain a competitive advantage. Employers have discovered that one way to attract skilled workers is by locating in communities with a strong sense of place. This is because communities offering amenities are natural draws for young talent. Clarksville-Montgomery County understands this. The Clarksville Greenway, Liberty Park, and the Marina are the most high profile examples of the public sector investments in popular civic amenities. Montgomery County has also invested heavily in the area's recreational amenities. The County's 2010 5-Year Capital Spending Plan lays out the five county parks that have been developed or acquired between 1967 and 2010 and the \$12 million it plans to invest to upgrade them. These projects and others should be extended and expanded upon wherever possible. It's these types of investments and amenities that will distinguish Clarksville-Montgomery County from other communities when competing for high quality employers and talent.

Actions:

- Initiate a long-term fundraising campaign to support beautification initiatives at key gateways to Clarksville. Focal points for these efforts should include major arterials and gateways, primarily Wilma Rudolph Boulevard and Riverside Drive. Their appearance is inextricably linked with perceptions of Clarksville itself, because gateways and transportation corridors form the primary visual medium through which the community's image is presented to both residents and visitors alike. In addition to their impact on perceptions, gateways and arterials also offer some of the best opportunities for newer developments.
- Consider investing in the expansion of recreational sports facilities in the county that would serve existing residents and tourists visiting to attend tournaments and events.
- Actively promote and, where appropriate, recruit new residential, office, entertainment, recreation, and hospitality development in central Clarksville-Montgomery County.

Goal: Clarksville-Montgomery County has an abundance of talent with skillsets that match industry needs.

The ability to find and retain workers is among the most fundamental issues affecting corporate expansion and relocation decisions. As such, a focus on talent should remain at the forefront of the region's economic development strategy. The following recommendations are grouped around four key areas: leveraging **Fort Campbell**, targeting **professional workers**, supporting **entrepreneurship**, and continuing to refine the region's **education and training** offerings.

Strategy: Maximize the talent base represented by Fort Campbell.

With as many as 500 Soldiers separating from service through Fort Campbell each month, documenting the skills of this workforce and their post-service intentions could provide a unique resource for local community and economic development organizations. In light of the large number of personnel expected to out-process at Fort Campbell in the coming months, it is in the interest of the CMCEDC and its partners to play an active role in connecting Veterans with employers and supporting their transition to civilian life. In addition to its active duty force, the Post supports more than 50,000 family members and roughly 150,000 retirees and their families who provide an important source of workers for local employers.

The Army Career and Alumni Program (ACAP) Center at Fort Campbell continues to effectively provide critical services and counseling to Soldiers and their families preparing to transition to civilian careers and life. As the number of Soldiers separating from services climbs, it will be critical for CMCEDC and its community partners to support the ACAP Center's ongoing activities. Enhanced partnership efforts will strengthen the region's talent pool and economic base, as well as support the mission at Fort Campbell.

About the Veterans' Inventory

To better understand the impact of military installations on the regional civilian labor pool, TIP Strategies developed the Veterans' Inventory. This two-part data collection tool has been introduced at a number of facilities, including Fort Hood; Fort Knox, and Fort Campbell:

The **Survey of Post-Military Service Intent** consists of a one-page questionnaire administered to Soldiers separating from service as part of the Transition Assistance Program (TAP), a series of workshops designed to assist military personnel in transitioning to civilian careers. All service members attending TAP workshops are scheduled to leave the active duty service within six months. The purpose of the inventory is to document the characteristics of active duty military personnel separating from service through Fort Campbell and to assess their willingness to remain in the region.

The second part of the Inventory is the **Survey of Military Spousal Employment Preferences**. This one-page questionnaire is distributed through Fort Campbell's Family Employment Readiness Program (FERP), which provides employment services to family members of active duty military, DOD civilians, and retirees. The survey provides information on such topics as current employment status, educational attainment, professional and technical skills, career aspirations, intent to remain in the region permanently, and views on quality of place issues in the area.

Actions:

- Work with Fort Campbell to formalize the use of the Veterans' Inventory on an ongoing basis. This survey was previously utilized by CMCEDC as part of regional workforce studies conducted in 2006 and 2011. The Heart of Texas Defense Alliance (www.hotda.org), a community-funded, nonprofit organization serving the Fort Hood area, could serve as a model for how this system can best be leveraged by the community on a permanent basis.
 - Consider conducting a fact-finding trip to Killeen, Texas, to see the approach to community advocacy taken by the Heart of Texas Defense Alliance (HOTDA). As part of this visit, local leaders could get a firsthand look at their use of the Veterans Inventory as an economic development tool.
 - Work with Fort Campbell's Retiree Services Officer to identify strategies for connecting with military retirees residing in Montgomery County.
 - Promote existing Veterans' employment programs, such as the Returning Heroes Tax Credit or the Wounded Warrior Tax Credit, to area employers by including features in CMCEDC communications, making presentations to local business and civic organizations, and providing links on the CMCEDC site to available resources. The consulting team will provide a database of federal, non-profit, and private employment resources designed to assist transitioning services members.
 - Communicate with spouses of service members and separating service members about jobs or industry developments that may be of interest through e-newsletters, networking events, and word-of-mouth marketing.
 - A more aggressive approach to connecting Veterans and their families with employment could include helping to fund a CMCEDC staff position dedicated to this task or creating a "one-stop" that combines resources for all relevant organizations in a single location.
 - Work with employers and area non-profits to create the civilian equivalent of the resources provided to Fort Campbell families through the Family and Morale, Welfare & Recreation office.
 - Strengthen regional ties to Fort Campbell and efforts to advocate on its behalf. With the Department of Defense having to absorb potentially one trillion dollars in budget cuts over the next 10 years along with the planned downsizing of the US Army, existing groups such
- **Preparing for potential future BRAC rounds**

Experts who have fought for their military installations in previous Base Realignment and Closure (BRAC) rounds recommend the following strategies to defense communities in order to demonstrate the military value of their installations:

 - Establish a formal and ongoing mechanism for communication with the commanding officers (COs) at the installation.
 - Schedule "commander's briefings" for the congressional delegation on a regular basis.
 - Build a grass-roots relationship with the command structure at the base. This should extend beyond local public officials: business, community, veteran, and retiree groups should all build relationships with local commanders.
 - Utilize the online BRAC library to learn what has been said and written about the base and similar operations in the past (www.brac.gov/LibraryComm.aspx).

as Citizen for Fort Campbell and the Chamber’s military affairs specialist remain an essential part of any military community’s strategy. Speculation that a new BRAC round will occur in future years further highlights the importance of local and state advocacy for the Post.

- Establish a comprehensive initiative to demonstrate the “military value” of Fort Campbell to US defense needs. Community efforts to demonstrate the military value of an installation has proven a critical key to survival in prior rounds. The economic impact of an installation has not been considered by BRAC commissions in previous rounds. Community-based advocacy groups can play a key role in showing military value (see box). In addition to those actions, based on information provided by senior personnel at Fort Campbell, the consulting team recommends CMCEDC work with regional groups to begin regularly tracking and improving on the following indicators:
 - Number of military retirees living in the region
 - Number of veterans living in the region
 - Transition opportunities (education and jobs)
 - Regional educational attainment levels
 - Regional civilian agencies supporting the Exceptional Family Member Program (EFMP)
 - Healthcare quality and access
 - Utility costs
 - Regional training assets (e.g., vocational, professional, and personal)
- Work with the Tennessee Department of Labor, Workforce Essentials, and other relevant organizations to ensure that military training requirements match state licensing requirements.

Strategy: Emphasize the development, retention, and recruitment of professional & technical workers.

If Clarksville-Montgomery County is to succeed in diversifying its economic base, the attraction and retention of professional occupations – “white collar” jobs – must be part of the talent strategy. Relocation decisions for this workforce are often driven by different factors than those that drive Clarksville’s traditional, family-oriented base. Furthermore, the region’s dramatic growth threatens to outpace the city’s ability to create quality neighborhoods, provide adequate levels of service, and create the recreational and cultural amenities that a larger population requires. Proximity to Nashville is likely to make the recruitment of this workforce more challenging. Having a range of cultural and recreational amenities, along with a

variety of housing options, good schools, and a strong healthcare network, will be a key to the region's economic vitality. Quality of place is also critical for military-dependent communities. Along with military value, the 2005 Base Realignment and Closure (BRAC) criteria included a consideration of the ability of community infrastructure to "support forces, missions, and personnel."¹

Actions:

- Actively recruit individuals and small professional services firms by marketing to relevant state and regional associations. Regular communications with these associations should emphasize the benefits of Montgomery County as a location from which to serve local businesses as well as those in the Greater Nashville area and beyond. If possible, join the organization to receive periodic updates on their activities.
- Invest in quality of life amenities. The presence of a vibrant downtown, a range of housing options, and the availability of cultural and recreational amenities are typically key considerations for these workers. Creating consensus around investments in central Clarksville and identifying a source of funding should be a high priority (see Goal 1).
- Market CDE Lightband aggressively. The presence of a 100% fiber optic network in Clarksville with 1 gigabit symmetrical bandwidth – roughly 1000 times faster than the average US Internet speed of 7.2 mbps² – could be a huge selling point for IT workers, as well as professionals in a variety of industries.
- Consider creative approaches for providing office space, such as the development of co-working locations or the provision of lease concessions (e.g., free or below-market rent for a specified period, build-out allowances, paid parking, or other perks). Making space available to Nashville-area professionals to hold office hours on a trial basis could provide a first step in helping them see Montgomery County as a viable business location.
- Continue working with the Army to facilitate the transition of Soldiers with IT skills to civilian jobs. Explore potential to provide incentives – e.g., job matching assistance, financial compensation, lease concessions – to those willing to establish a business in the region or accept employment in the region. Nashville's recruiting program, Work IT, is currently working with the Army to connect retiring Soldiers with IT jobs.
- As part of the outreach to Fort Campbell's Retiree Services Officer recommended above, explore tools for identifying retirees with relevant experience that may consider establishing a business in the region.

¹ Defense Base Closure and Realignment Commission, *2005 Defense Base Closure and Realignment Commission Report*, September 8, 2005, page v. Accessed at www.brac.gov/finalreport.html.

² Akamai, *The State of the Internet (4th Quarter, 2012)* as reported in the *San Francisco Chronicle*, "U.S. Internet speed better but still lags," published January 26, 2013 and at ClarksvilleNow.com, "CDE Hopes Higher Speed Internet will Attract New Business to Clarksville," posted May 23, 2013. Accessed at: <http://clarksvillenow.com/local/cde-hopes-higher-speed-internet-will-attract-new-business-to-clarksville/>.

- Target graduates of relevant programs at APSU, TTC-Dickson, and NSCC's Clarksville campus. Consider providing incentives for those who remain in the region and establish a business. This strategy could also extend to working with alumni organizations to identify graduates who may have left the area.
- Perceptions of cultural diversity can play a role in the recruitment of professional workers. Highlighting the region's international connections (such as local companies that are foreign-owned or export-oriented), encouraging media coverage of international trade and investment issues that directly affect the region, and working with APSU to increase the number of international students or visiting scholars are examples of strategies for creating a more diverse image.
- Continue to participate in WorkIT Nashville.

Strategy: Foster innovation and entrepreneurship in the region.

Entrepreneurship remains an important strategy for both workforce and economic development professionals. Communities are recognizing that, in some cases, a “grow your own” strategy can have a higher probability of success than recruiting a major employer. In addition, entrepreneurship strategies are often more cost effective than incentives paid to recruit businesses to a community. The creation of the Center for Entrepreneurship at APSU represents an exciting opportunity. Accreditation and expansion of this initiative should be supported. In addition, the potential to leverage state and regional initiatives, such as the Nashville Entrepreneurship Center and “Launch Tennessee,” a statewide innovation initiative, should be explored.

Actions:

- Help connect Veterans and military spouses with entrepreneurship resources. Fostering entrepreneurship represents a particular opportunity for military communities whose labor pool often has valuable skills and knowledge, yet lack business start-up experience. The region's Women in Entrepreneurship program, aimed at military spouses, is an example of this approach.
- Explore the feasibility of creating a mechanism to connect local entrepreneurs with procurement opportunities. The American Manufacturer Network (<http://www.amn-usa.org/>), an online matching system created in 2010 by the Northwest Intermountain Manufacturers Association, is an example of this approach.
- Support APSU in their efforts to seek accreditation of the College of Business from the Association to Advance Collegiate Schools of Business. Support of the recently created entrepreneurship program is part of this strategy.
- Continue to foster an entrepreneurial culture in the region. Profiling successful business owners in local media sources, holding entrepreneurship expos, hosting business plan competitions, and encouraging citizens to support local businesses are all examples.

- Continue to explore strategies for investing in the physical space and mentoring programs needed to support entrepreneurship in the region. A long-term strategy may include partnering with APSU to establish an incubator or accelerator focused on high-growth entrepreneurs.
- Explore options for increasing access to capital. Strategies that focus on raising funds locally are becoming more widespread, as is the use of crowdfunding sites like Kickstarter and more narrowly defined sites like Lending Club and SoMoLend.
- Help prepare local entrepreneurs to meet with potential funders. Actions would include hosting financial literacy trainings, organizing capital workshops, and facilitating introductory meetings between entrepreneurs and potential funders. The City of Austin’s Small Business Development Program’s annual “Meet the Lender” event could be a model.
- Support initiatives to promote youth entrepreneurship. Programs such as Junior Achievement (www.ja.org) and Lemonade Day (www.lemonadeday.org) teach kids entrepreneurial skills from an early age. Such initiatives can be instrumental in building a strong entrepreneurial spirit in a region.
- Continue to explore ways to link local entrepreneurship efforts with regional and state initiatives, including the statewide “Launch Tennessee” innovation initiative administered through the Tennessee Technology Development Corporation (TTDC) and the Nashville Entrepreneurship Center.

Strategy: Continue to help local institutions align education and training with industry needs.

The opening of Nashville State Community College’s (NSCC) Clarksville campus represents an important milestone for the community. With growing attention being paid to the “mismatch” between the needs of employers and the skills of available workers, the presence of a new community college creates a unique opportunity to tailor curriculum to local needs. While skilled labor is at a premium, the most commonly cited challenge is a lack of soft skills or employability skills. The State of Tennessee’s adoption of the National Career Readiness Certificate (NCRC), administered through its 27 technology centers, is cited as a model approach to this issue. In addition, Clarksville is fortunate to be home to the state’s fastest-growing public university, Austin Peay State University, with an enrollment of nearly 11,000 students.

Actions:

- Work with Nashville State Community College to refine offerings at Clarksville Campus and ensure local offerings are aligned with the needs of employers and residents. Identifying best practices for engaging the private-sector should be the focus of this strategy.
- Continue to highlight the importance of soft skills. Ensuring the continuation of the National Career Readiness Certificate (NCRC), which is currently administered through the state’s 27 technology centers, program should be a priority.

- Support ongoing expansion and integration of STEM education. The Clarksville- Montgomery County School System's creation of a STEM Academy and the provision of STEM teacher training opportunities at all levels is an example of this approach.
- Continue to work closely with Workforce Essentials to ensure that training options are aligned with industry needs. This program is perceived as being responsive to employers.
- Work with the Army's Continuing Education System to raise awareness of the benefits available through the G.I. Bill. Provisions which became effective Oct. 1, 2011, (commonly called the G.I. Bill 2.0) includes coverage of non-degree institutions, such as vocational and technical schools, flight schools, and apprenticeship programs. The bill also expands tuition, books, and housing allowances for those studying at colleges and universities. In addition unused educational benefits can be transferred to spouses and children (up to the age of 26).

Goal: Clarksville-Montgomery County is a thriving visitor destination.

With this strategy in place, Clarksville, Montgomery County has the potential to increase its market share of the Tennessee travel industry to be ranked 10th in the state by 2016. Clarksville is currently ranked 11th in the most recent statewide economic impact data (2011) with \$201.34 million in total visitor spending and 1,600 travel industry jobs. Washington County, TN (Jonesboro) is currently ranked 10th with \$209.37 million in visitor spending and 1,760 travel industry jobs. Aggressively driving increased visitor spending and overtaking Washington County's number 10 ranking will provide additional jobs in Montgomery County. However, increased investment in advertising, sales, and infrastructure will be required to achieve this goal.

Tourism is but one segment of the travel industry in Clarksville/Montgomery County that also includes business travel, conferences and meetings, team sports, university related travel, military, and group tours. The Clarksville – Montgomery County CVB leads the community-wide effort to promote increased inbound travel and increased visitor spending. Promoting travel to Clarksville and Montgomery County is a critical strategic component of the overall economic development plan.

The Clarksville – Montgomery County CVB is well-managed and has a dedicated staff of professionals who have earned respect within the state and regional travel industry. The agency is adequately funded to maintain market share but will require additional funds to increase outreach resulting in increased market share in Tennessee. The marketing materials produced by the CMCCVB reflect high standards and demonstrate many of the latest trends in destination marketing. However, the current marketing program must be accelerated in the coming years to drive increased room demand with an ever expanding supply of rooms in the market. A research based marketing program with an enhanced brand advertising strategy will attract new audiences and drive longer lengths of stay. Continual enhancement of the website and all digital marketing as well as aggressive social media and traditional advertising is critical to drive new visitors and longer stays in Clarksville-Montgomery County.

The following strategies are recommended for the CMCCVB to drive increased visitation to Clarksville and Montgomery County.

Strategy: Conduct visitor research to expand the marketing brand image for the destination.

Visitor profile research should be conducted in 2014/15 to identify the core attractors by travel segment. Ad campaigns should be developed using those research identified attractors and themes to motivate increased visitation. The brand utilized by the CMCCVB to drive increased leisure and group visitation should fit with the overall destination brand but set the destination apart as a unique experience. Further, the best brand and advertising design is ineffective without an ample budget to be competitive and move into the top ten destinations in Tennessee.

Actions:

- Conduct visitor profile survey with segmented data for leisure, business, meeting, sports, and military travelers to identify core experience elements as a basis for advertising.
- Design the advertising plan based on target markets, target audiences, and core visitor segments.
- Unify the imagery used in ads, website, and all promotions for greater visual impact.

Strategy: Increase advertising outreach coordinating traditional and digital approaches for maximum impact.

Lodging tax revenue has declined due to the loss of construction workers in the market which has forced budget reductions at the CMCCVB at the very time that advertising increases are needed to drive increased room occupancy. To reverse this trend, the CMCCVB should obtain increased funding for expanded advertising; at minimum, maintain FY13 advertising expenditure.

Actions:

- The overall CMCCVB FY14 budget has been cut by 14% (\$215,579) compared to the prior year, with advertising decreased by \$36,000. At minimum, these funds need to be replaced with grant funds from outside sources.
- Continue traditional print media with tried and true publications (Southern Living, AAA Guides, State Travel Guide, USA Today) and run ads to test the response in new publications whose reader profile is a good match (e.g., Garden & Gun).
- Continue digital/online advertising focusing on Trip Advisor, state websites, Middle TN sites, military, and country music/Nashville sites to garner pass-through visitation.
- Increase social media impact through the coordination of local bloggers and travel bloggers to increase buzz about the destination.

Strategy: Group sales to fill rooms during peak “need periods.”

CMCCVB uses direct sales efforts to attract groups to Clarksville-Montgomery County at periods when large blocks of rooms are available. Summer months typically run the highest lodging occupancy while winter is the slowest season. Weeknights are now slower than weekends since the decrease in construction labor occurred. The top desired groups identified by the lodging survey are team sports, SMERF (social, military, educational, religious, and fraternal), and events. These are excellent market segments to target for growth.

Actions:

- Retain FY13 level of funding for group bid fees - The grant contributions/bid fees line item in the FY14 budget has been cut by 63% from \$212K in FY 13 to \$78K in FY14. Half of this decrease was due to a one-time expense for special projects. Bid fees are critical when attracting large groups that have the ability to spend millions in Clarksville-Montgomery County.
- Trade shows are critical events whereby the CVB promotes the destination to potential group planners. Again, this line item is reduced in the FY14 budget by \$16K from FY13. Investing that \$16K in trade show attendance could deliver over a million dollars in spending from potential new groups that could be brought to the destination.
- Target team sports based on existing facilities and available lodging during desired event periods. New indoor multi-purpose facilities will allow growth during the slow winter months of January – March.
- Coordinate group tour sales and promotions with state and Middle TN partners for cost-effectiveness to drive room sales during need periods. Sunday night groups are rare and most desired to fill the slowest night of the week in local lodging.

Destination Development Strategies

The following new product development strategies are to be considered by economic development entities in Clarksville-Montgomery County while the CMCCVB focuses on marketing the destination. The research conducted in this study revealed the need to increase the appeal of the destination with new event facility(s) in order to attract additional group visitation. The following strategies are recommended to be accomplished over the decade 2014 – 2023 to drive increased visitation to Clarksville and Montgomery County by revitalizing the destination and providing expanded visitor experiences.

Strategy: Develop a Multi-Purpose Event Center and Conference/Convention Center (2014 - 2015).

The lodging inventory for Clarksville is 1,670 rooms at Exit 4 and the downtown area has 281 lodging rooms. Clarksville is ready for a conference or convention center. If the location is determined to be downtown additional lodging will be needed. Additionally the appeal of Clarksville should be broadened as a destination by developing a multi-purpose event facility that works for meetings, exhibits, shows, and events in close proximity to as many lodging rooms as possible. Close proximity to lodging, dining, and shopping will maximize the appeal of the facility.

Strategy: Develop a Core Entertainment District as the Heart of Clarksville (2024).

A master plan should guide the development and redevelopment of existing and new experiences for visitors that will be attractors to drive increased overnight and day-trip visitation. The primary effort should be focused on the downtown core that connects the riverfront to APSU in a dynamic district including shopping, dining, lodging, entertainment, and activities. The CMCCVB is a promotion agency and should focus its efforts

on marketing and selling the destination that will drive increased interest and revenue into the destination. Other economic development agencies must focus on the actual product development with the CMCCVB providing visitor research to guide the planning effort.



Performance Metrics

Metrics provide a way to measure success. By setting goals and regularly measuring specific metrics, Clarksville leaders can observe trends and quantify the effects of local programs. The following suggested metrics provide guidance for monitoring the success of Clarksville's Economic Development Blueprint.

Economic Metrics

- Number of private establishments
- Private non-farm employment
- Employment growth in (private) professional & business services sectors
- Average annual pay
- Median household income
- Median wages of new jobs created
- Annual population estimates
- Growth rate of 25-44 age cohort
- Population over age 25 with a bachelor's degree or higher
- Total taxable assessed value of property
- Sales tax revenue
- Assessed value of developed land
- Amount of new business investment
- Office square footage added to the local market

Marketing Metrics

- Frequency of social media postings by Clarksville Chamber
- Number of social media followers
- Frequency of hashtag (#) mentions (such as #IamClarksville, #ClarksvilleMedical, etc.)
- The ratio of engagement activities (such as retweets, forwards, and likes) to the number of followers in each social media platform (Facebook, Twitter, etc.)
- Number of visitors to Clarksville Chamber website
- Average length of stay by visitors on the website
- Number of media mentions (television, radio, newspaper, news sites)
- Percentage of qualified leads that are generated through respective marketing campaigns

Tourism Metrics

Room Demand – Number of room nights sold (monthly/annually) according to Smith Travel Research (STR) Reports

Average Daily Rate (ADR) – The average rate for rooms sold according to STR

RevPAR – Revenue per available room according to STR reports

Number of groups booked and number of group room nights booked

Average length of stay should increase (tracked through visitor profile surveys)

Average spending per travel party (Tracked through visitor profile surveys)



Action Plan

Goal: Clarksville-Montgomery County's brand identity and assets are globally recognized.

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Adopt consistent branding across all EDC partners and beyond.				
	Agree to a shared brand for Clarksville-Montgomery County. The brand should represent Clarksville as a young progressive community with a rich heritage. It is a vital part of the Nashville region's economy but located just far enough away to have developed its own unique personality and complete offering of amenities.	FY14	FY14	EDC Marketing	
	Review all current marketing tools, both print and online, for the EDC, IDB, CVB, and Chamber. A side-by-side comparison will show the variations across the board.	FY14	FY14	EDC Marketing	
	Engage a professional designer to develop design guidelines that all EDC partners adopt and adhere to when creating new marketing materials.	FY14	FY14	EDC Marketing	
	Share design guidelines on the EDC's website along with links to logos, photography, crafted marketing messages, and other helpful files. Encourage the community to access the guidelines and utilize the marketing tools.	FY14	FY14	EDC Marketing	
	Lead a public awareness campaign that informs residents of the roles of the EDC, IDB, Chamber and CVB, how each organization works for the community, and how together they form a complete family.	FY14	FY15	EDC Marketing	
	Engage board members in spreading the word.			EDC Marketing	
	Address local confusion about what each organization does as well as the difference between the EDC partners and the city and county governments.			EDC Marketing	
	Have fun with the campaign, involving creative formats such as a game show or quiz to help educate stakeholders.			EDC Marketing	

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Launch an internal education campaign highlighting success stories and importance of being a cheerleader for Clarksville.	FY14	2016	EDC Marketing	
	Generate spark and excitement through a storytelling initiative.				
	Continue an "I am Clarksville" campaign that showcases residents' personal stories about why they choose to live and work in Clarksville.				
	Part of getting residents involved in and excited about Clarksville-Montgomery County is informing them of the many amenities and events taking place in the region.			EDC Marketing	
	Continue a single point for a community calendar that builds on the CVB's new NowPlaying Montgomery (www.nowplayingmontgomery.com).	FY15	FY15	EDC Marketing	
	Work with local radio stations to promote the calendar.	FY15	ongoing	EDC Marketing	
	Engage Clarksville-Montgomery County residents in suggesting ways to boost community pride and generate more brand awareness externally. Utilize an online tool such as IdeaShare (www.ideashare.com) to allow people to share, vote on, and discuss ideas.	FY15	ongoing	EDC Marketing	
	Seeing first-hand how other communities address issues and promote themselves is a valuable experience that can spark change at home.				
	Continue to organize leadership tours of best practice communities.	annually	annually	Chamber of Commerce	
	Make sure that these inner city visits are accessible to future leaders.				
	Create scholarships for young professionals and others in the community to offset the cost of attending inner city visits.	FY14	annually	Chamber of Commerce	
	Generate communications tools that inform residents about the Cumberland River as an amenity. Incorporate these messages into the EDC's social media outreach. In the campaign, communicate how barge traffic benefits the region's economy and relieves what would have been truck traffic elsewhere in the community.	FY15	FY16	EDC Marketing	

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Correct and enlighten perceptions of Clarksville within the Nashville region.				
	Promote the “I am Clarksville” campaign to the larger Nashville marketplace.	FY14	ongoing	EDC Marketing	
	Utilize a “Nashville” hashtag in social media posts so that Clarksville appears on broader regional stories.			EDC Marketing	
	Consider a supplement to the initiative that inspires talent to move to Clarksville. “I am Clarksville” and “Clarksville wants you!”			EDC Marketing	
	Organize joint functions between Clarksville Young Professionals and Nashville Young Professionals groups. Invite Nashville YPs to Clarksville for, for example, outdoor recreation (e.g., kickball tournament, hiking, relay races) or a tasting at a local brewery.	FY14	ongoing	Chamber of Commerce	
	Host half-day property tours of Clarksville for commercial realtors and developers located in the Nashville region.	FY14	annually	Industrial Development Board	
	Continue also to host developer familiarization tours of the region through NAIOP and host Nashville-NAIOP meetings in Clarksville.	FY14	ongoing	Industrial Development Board	NAIOP
	Instigate discussions with developers in the region about the feasibility of building Class A office space in Montgomery County.	FY18	ongoing	Industrial Development Board	
	Seek assistance in evaluating and identifying prospective sites for Class A development.			Industrial Development Board	
	Work with the City and County to package incentives that would encourage Class A office construction.	FY15	FY16	Industrial Development Board	City, County
	Engage a blogger from the Nashville market to share news and interesting stories about Clarksville, its culture and its amenities.	FY15	ongoing	EDC Marketing	
	Host a tour of Clarksville-Montgomery County for journalists and bloggers living in the region.			EDC Marketing	
	Continue to be an active member of the Nashville Chamber of Commerce.	ongoing	ongoing	Chamber of Commerce and Industrial Development Board	
	Involve the Chamber’s ambassadors in sharing positive stories about Clarksville-Montgomery County with their peers across the Nashville region.	ongoing	ongoing	Chamber of Commerce	

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Market Clarksville-Montgomery County to targeted external audiences.				
	Enrich online information about Clarksville-Montgomery County's target audiences.	FY14	FY14	EDC Marketing and Industrial Development Board	
	Currently, targets are buried within the Expand/Relocate section of the Economic Development website. These targets could be brought forward to the homepage, featured in the rotating header image or other featured column.			EDC Marketing and Industrial Development Board	
	Information provided on each target industry should also be more robust, using graphics to express top sales messages. Currently, target industry pages are heavy with written copy and core messages (e.g., available properties, skilled talent, existing employers and suppliers) are difficult to tease out of the write up.			EDC Marketing and Industrial Development Board	
	In addition to bolstering target audience presence on the website, make sure the IDB has a complete portfolio of tailored marketing tools for each. For example, create presentations tailored to each specific audience, engaging in public relations focused on target audience publications, and boosting correlation between Clarksville and target audiences through social media (e.g., #ClarkvilleAutomotive, #ClarkvilleMedical).	FY14	ongoing	EDC Marketing and Industrial Development Board	
	Craft news stories about Clarksville-Montgomery County to promote regionally as well as in national business and trade publications/websites.			EDC Marketing and Industrial Development Board	
	Expand media tours to include journalists from outside of the Nashville market. In particular, invite representatives from target audience trade publications.	FY14	annually	EDC Marketing and Industrial Development Board	
	Actively participate in the Nashville Chamber's marketing missions and site consultant tours.	FY14	annually	EDC Marketing and Industrial Development Board	Nashville Chamber
	Continue to host your own site consultant and business influencer events in Clarksville-Montgomery County, building the itinerary around major cultural or sports events in the region (e.g., the Country Music Awards event in 2013).	FY14	ongoing	EDC Marketing and Industrial Development Board	
	Take authorship of Clarksville's Wikipedia page and ensure that its content reflects Clarksville's brand identity and economic development assets.	FY14	ongoing	EDC Marketing	
	Leverage business retention and expansion activities to mine area businesses for leads and connections with their industry peers.	FY14	ongoing	Chamber of Commerce and Industrial Development Board	

Goal: Central Clarksville-Montgomery County is transformed into a vibrant hub for commerce and talent.

% Complete	Recommendation	Start	End	Member Entity Responsible	Other Entity Responsibility
	Promote the establishment of a shared public vision and commitment to the long-term growth and development of central Clarksville.				
	CMCEDC should partner with local groups and organizations, including the Two Rivers Company and Clarksville's Young Professionals Organization, to organize and help fund a public awareness and education campaign designed to highlight the economic importance of central Clarksville to the entire county.	FY15	FY16	Chamber of Commerce	Two Rivers Company
	Encourage city, county, and higher education officials to hold a meeting or retreat to discuss opportunities for mutual participation in central Clarksville revitalization.	FY15	FY15	Chamber of Commerce	City of Clarksville, Montgomery County, APSU
	Chamber should review the TEG Market Analysis for Downtown and Riverfront and the UT Urban Design Study for areas of possible endorsement.	FY15	FY15	Chamber of Commerce	
	Establish a City-County working group to develop a co-investment strategy for community development.				
	CMCEDC should offer to form and facilitate the establishment of a City-County working group focused on a co-investment strategy for central Clarksville. The end-product of the working group would be a commitment to establishing an inter-local agreement(s) to fund public projects, amenities, and infrastructure.	FY15	FY15	Chamber of Commerce and Industrial Development Board	City of Clarksville, Montgomery County
	Among the financing tools available to fund catalytic projects in the city, the consulting team recommends the consideration of establishing a TIF in central Clarksville. Due to the tax structure in the county, however, this will require the participation of Montgomery County in the TIF district.	FY15	FY15	Chamber of Commerce and Industrial Development Board	City of Clarksville, Montgomery County

% Complete	Recommendation	Start	End	Member Entity Responsible	Other Entity Responsibility
	Support improved physical and thematic connectivity between APSU, the Downtown District, the Riverfront, and the trails.				
	Urge the Tennessee Department of Transportation, the City of Clarksville, and Montgomery County to invest in new and expanded roadway infrastructure in order to promote mobility within the city and access to central Clarksville. The two projects most often cited to the consulting team are a new east-west artery and the completion of SH 374. The latter project would allow for the revitalization and redevelopment of Riverside Drive.	Ongoing	Ongoing	Chamber of Commerce	City of Clarksville, Montgomery County, TDOT
	Work with APSU to consider options for establishing academic and student programs and facilities within the Downtown District. Greenville, SC, is an example of a city economic development program that has succeeded in attracting higher education programs and facilities to the downtown area.	Ongoing	Ongoing	Chamber of Commerce	APSU, City of Clarksville
	Urge the City of Clarksville to explore establishing a downtown design overlay district and funding a façade improvement program. A possible funding source for the façade program is the existing Downtown Development Revolving Fund.	FY15	Ongoing	Chamber of Commerce	City of Clarksville, Montgomery County, Clarksville-Montgomery County Regional Planning Commission
	Consider utilizing Aspire Foundation funds to strategically invest in specific, Chamber-endorsed*, catalyst projects and properties identified with the existing TEG and UT plans.	FY16	Ongoing	Aspire & Chamber of Commerce	
	Create a new destination(s) to attract residents and visitors.				
	Develop a Multi-Purpose Event Center at Exit 4.	FY15	Ongoing	Convention & Visitors Bureau	Montgomery County, City of Clarksville
	Develop a Core Entertainment District as the Heart of Clarksville.	FY14	FY24	Chamber of Commerce	City of Clarksville, Montgomery County, Clarksville-Montgomery County Regional Planning Commission
	Expand business retention and attraction efforts focused on central Clarksville. Bringing higher intensity private employment to the area, especially in professional services, corporate and regional headquarter, healthcare services, digital media, and information technology, can make a critical impact on revitalization efforts.	Ongoing	Ongoing	Industrial Development Board	Two Rivers Company
	Continue supporting public sector partners in identifying, prioritizing, and developing catalyst projects.	Ongoing	Ongoing	Industrial Development Board	City of Clarksville, Montgomery County

% Complete	Recommendation	Start	End	Member Entity Responsible	Other Entity Responsibility
	Continue investing in quality of place amenities.				
	Support beautification initiatives at key gateways to Clarksville. Focal points for these efforts should include major arterials and gateways, primarily Wilma Rudolph Boulevard and Riverside Drive.	Ongoing	Ongoing	Chamber of Commerce	City of Clarksville, Montgomery County
	Consider investing in the expansion of recreational sports facilities in the county that would serve existing residents and tourists visiting to attend tournaments and events.	Ongoing	Ongoing	Chamber of Commerce & Convention and Visitors Bureau	City of Clarksville, Montgomery County
	Actively promote and, where appropriate, recruit new residential, office, entertainment, recreation, and hospitality development in central Clarksville.	Ongoing	Ongoing	Industrial Development Board	Two Rivers Company

Goal: Clarksville-Montgomery County has an abundance of talent with skillsets that match industry needs.

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Maximize the talent base represented by Fort Campbell.				
	Work with Fort Campbell to formalize the use of the Veterans' Inventory on an ongoing basis. The Heart of Texas Defense Alliance (www.hotda.org), a community-funded, nonprofit organization serving the Fort Hood area, could serve as a model for how this system can best be leveraged by the community on a permanent basis.	FY15	Ongoing	Chamber of Commerce & Industrial Development Board	Workforce Essentials, Fort Campbell ACAP
	Consider conducting a fact-finding trip to Killeen, Texas, to see the approach to community advocacy taken by the Heart of Texas Defense Alliance (HOTDA). As part of this visit, local leaders could get a firsthand look at their use of the Veterans Inventory as an economic development tool.	FY15	FY15	Industrial Development Board	Workforce Essentials, Fort Campbell ACAP
	Work with Fort Campbell's Retiree Services Officer to identify strategies for connecting with military retirees residing in Montgomery County.	FY15	Ongoing	Chamber of Commerce	Fort Campbell
	Promote existing Veterans' employment programs, such as the Returning Heroes Tax Credit or the Wounded Warrior Tax Credit, to area employers by including features in CMCEDC communications, making presentations to local business and civic organizations, and providing links on the CMCEDC site to available resources.	FY15	Ongoing	Chamber of Commerce	Workforce Essentials, Fort Campbell ACAP
	Communicate with spouses of service members and separating service members about jobs or industry developments that may be of interest through e-newsletters, networking events, and word-of-mouth marketing.	FY13	Ongoing	Chamber of Commerce	Workforce Essentials, Fort Campbell ACAP
	Strengthen regional ties to Fort Campbell and efforts to advocate on its behalf.	FY13	Ongoing	Chamber of Commerce	City of Clarksville, Montgomery County

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Establish a comprehensive initiative to demonstrate the “military value” of Fort Campbell to US defense needs. The consulting team recommends CMCEDC work with regional groups to begin regularly tracking and improving on the following indicators: <ul style="list-style-type: none"> o Number of military retirees living in the region o Number of veterans living in the region o Transition opportunities (education and jobs) o Regional educational attainment levels o Regional civilian agencies supporting the Exceptional Family Member Program (EFMP) o Healthcare quality and access o Utility costs o Regional training assets (e.g., vocational, professional, and personal) 	FY13	Ongoing	Chamber of Commerce	
	Work with the Tennessee Department of Labor, Workforce Essentials, and other relevant organizations to ensure that military training requirements match state licensing requirements.	FY13	Ongoing	Chamber of Commerce & Industrial Development Board	Workforce Essentials, Fort Campbell, Tennessee Department of Labor
	Emphasize the development, retention, and recruitment of professional & technical workers.				
	Actively recruit individuals and small professional services firms by marketing to relevant state and regional associations. Regular communications with these associations should emphasize the benefits of Montgomery County as a location from which to serve local businesses as well as those in the Greater Nashville area and beyond. If possible, join the organization to receive periodic updates on their activities.	Ongoing	Ongoing	Chamber of Commerce, Convention & Visitors Bureau, and Industrial Development Board	
	Invest in quality of life amenities. The presence of a vibrant downtown, a range of housing options, and the availability of cultural and recreational amenities are typically key considerations for these workers. Creating consensus around investments in central Clarksville and identifying a source of funding should be a high priority.	FY15	Ongoing	Aspire Clarksville	City of Clarksville, Montgomery County, APSU
	Market CDE Lightband aggressively.	FY14	Annual	Industrial Development Board	City of Clarksville
	Consider creative approaches for providing office space, such as the development of co-working locations or the provision of lease concessions (e.g., free or below-market rent for a specified period, build-out allowances, paid parking, or other perks). Making space available to Nashville-area professionals to hold office hours on a trial basis could provide a first step in helping them see Montgomery County as a viable business location.	FY16	FY19	Industrial Development Board	Two Rivers Company, City of Clarksville

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Continue working with the Army to facilitate the transition of Soldiers with IT skills to civilian jobs. Explore potential to provide incentives – e.g., job matching assistance, financial compensation, lease concessions – to those willing to establish a business in the region or accept employment in the region.	Ongoing	Ongoing	Chamber of Commerce and Industrial Development Board	Workforce Essentials, Fort Campbell, Tennessee Department of Labor
	As part of the outreach to Fort Campbell’s Retiree Services Officer recommended above, explore tools for identifying retirees with relevant experience that may consider establishing a business in the region.	FY15	Ongoing	Chamber of Commerce	Tennessee Small Business Development Center
	Target graduates of relevant programs at APSU, TTC-Dickson, and NSCC’s Clarksville campus. Consider providing incentives for those who remain in the region and establish a business. This strategy could also extend to working with alumni organizations to identify graduates who may have left the area.	FY15	Ongoing	Chamber of Commerce and Industrial Development Board	Tennessee Small Business Development Center
	Perceptions of cultural diversity can play a role in the recruitment of professional workers. Highlighting the region’s international connections (such as local companies that are foreign-owned or export-oriented), encouraging media coverage of international trade and investment issues that directly affect the region, and working with APSU to increase the number of international students or visiting scholars are examples of strategies for creating a more diverse image.	FY15	FY19	EDC Marketing	APSU
	Continue to participate in WorkIT Nashville.	Ongoing	Ongoing	Industrial Development Board	

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Foster innovation and entrepreneurship in the region.				
	Help connect Veterans and military spouses with entrepreneurship resources. Fostering entrepreneurship represents a particular opportunity for military communities whose labor pool often has valuable skills and knowledge, yet lack business start-up experience. The region's Women in Entrepreneurship program, aimed at military spouses, is an example of this approach.	Ongoing	Ongoing	Chamber of Commerce	Tennessee Small Business Development Center
	Explore the feasibility of creating a mechanism to connect local entrepreneurs with procurement opportunities. The American Manufacturer Network (http://www.amn-usa.org/), an online matching system created in 2010 by the Northwest Intermountain Manufacturers Association, is an example of this approach.	FY15	FY16	Chamber of Commerce and Industrial Development Board	Tennessee Small Business Development Center
	Support APSU in their efforts to seek accreditation of the College of Business from the Association to Advance Collegiate Schools of Business. Support of the recently created entrepreneurship program is part of this strategy.	Ongoing	Ongoing	Chamber of Commerce	APSU
	Continue to foster an entrepreneurial culture in the region. Profiling successful business owners in local media sources, holding entrepreneurship expos, hosting business plan competitions, and encouraging citizens to support local businesses are all examples.	Ongoing	Ongoing	Chamber of Commerce	Tennessee Small Business Development Center, APSU
	Continue to explore strategies for investing in the physical space and mentoring programs needed to support entrepreneurship in the region. A long-term strategy may include partnering with APSU to establish an incubator or accelerator focused on high-growth entrepreneurs.	FY15	Ongoing	Chamber of Commerce	Tennessee Small Business Development Center, APSU
	Explore options for increasing access to capital. Strategies that focus on raising funds locally are becoming more widespread, as is the use of crowdfunding sites like Kickstarter and more narrowly defined sites like Lending Club and SoMoLend.	FY15	FY17	Chamber of Commerce	Tennessee Small Business Development Center, APSU

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Help prepare local entrepreneurs to meet with potential funders. Actions would include hosting financial literacy trainings, organizing capital workshops, and facilitating introductory meetings between entrepreneurs and potential funders. The City of Austin's Small Business Development Program's annual "Meet the Lender" event could be a model.	FY15	FY17	Chamber of Commerce	Tennessee Small Business Development Center, APSU
	Support initiatives to promote youth entrepreneurship. Programs such as Junior Achievement (www.ja.org) and Lemonade Day (www.lemonadeday.org) teach kids entrepreneurial skills from an early age. Such initiatives can be instrumental in building a strong entrepreneurial spirit in a region.	FY15	Ongoing	Chamber of Commerce	Tennessee Small Business Development Center, Clarksville-Montgomery County School System
	Continue to explore ways to link local entrepreneurship efforts with regional and state initiatives, including the statewide "Launch Tennessee" innovation initiative administered through the Tennessee Technology Development Corporation (TTDC) and the Nashville Entrepreneurship Center (NEC).	Ongoing	Ongoing	Chamber of Commerce	TTDC, NEC
	Continue to help local institutions align education and training with industry needs.				
	Work with Nashville State Community College to refine offerings at Clarksville Campus and ensure local offerings are aligned with the needs of employers and residents. Identifying best practices for engaging the private-sector should be the focus of this strategy.	FY14	Ongoing	Industrial Development Board	NSCC
	Continue to highlight the importance of soft skills. Ensuring the continuation of the National Career Readiness Certificate (NCRC), which is currently administered through the state's 27 technology centers, program should be a priority.	Ongoing	Ongoing	Industrial Development Board	Workforce Essentials
	Support ongoing expansion and integration of STEM education. The Clarksville-Montgomery County School System's creation of a STEM Academy and the provision of STEM teacher training opportunities at all levels is an example of this approach.	Ongoing	Ongoing	Chamber of Commerce	CMCSS, APSU
	Continue to work closely with Workforce Essentials to ensure that training options are aligned with industry needs. This program is perceived as being responsive to employers.	Ongoing	Ongoing	Industrial Development Board	Workforce Essentials, CMCEDC
	Work with the Army's Continuing Education System to raise awareness of the benefits available through the G.I. Bill.	2013	Ongoing	Chamber of Commerce	Workforce Essentials, Fort Campbell, Tennessee Department of Labor

Goal: Clarksville-Montgomery County is a thriving visitor destination.

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Conduct visitor research to expand the marketing brand image for the destination.	FY15	FY15	Convention and Visitors Bureau	Outsource to research firm
	Conduct visitor profile survey with segmented data for leisure, business, meeting, sports, and military travelers to identify core experience elements as a basis for advertising.	FY15	FY15	Convention and Visitors Bureau	Outsource to research firm
	Design the advertising plan based on target markets, target audiences, and core visitor segments.	FY15	FY15	Convention and Visitors Bureau	Research firm
	Unify the imagery used in ads, website, and all promotions for greater visual impact.	FY16	FY16	Convention and Visitors Bureau in partnership with other member entities	
	Increase advertising outreach coordinating traditional and digital approaches for maximum impact.	FY15	Ongoing	Convention and Visitors Bureau	
	The overall CMCCVB FY14 budget has been cut by 14% (\$215,579) compared to the prior year, with advertising decreased by \$36,000. At minimum, these funds need to be replaced with grant funds from outside sources.	FY14	Ongoing	Convention and Visitors Bureau	
	Continue traditional print media with tried and true publications (Southern Living, AAA Guides, State Travel Guide, USA Today) and run ads to test the response in new publications whose reader profile is a good match (e.g., Garden & Gun).	FY14	Ongoing	Convention and Visitors Bureau	
	Increase digital/online advertising focusing on Trip Advisor, state websites, Middle TN sites, military, and country music/Nashville sites to garner pass-through visitation.	FY14	Ongoing	Convention and Visitors Bureau	
	Increase social media impact through the coordination of local bloggers and travel bloggers to increase buzz about the destination.	FY14	Ongoing	Convention and Visitors Bureau	

% Complete	Recommendation	Start	End	Member Entity Responsibility	Other Entity Responsibility
	Group sales to fill rooms during peak “need periods.”			Convention and Visitors Bureau	
	Retain FY13 level of funding for group bid fees. Bid fees are critical when attracting large groups that have the ability to spend millions in Clarksville-Montgomery County.	FY15	Ongoing	Convention and Visitors Bureau	
	Trade shows are critical events whereby the CVB promotes the destination to potential group planners. This line item is reduced in the FY14 budget by \$16K from FY13. Investing that \$16K in trade show attendance could deliver over a million dollars in spending from potential new groups that could be brought to the destination.	FY15	Ongoing	Convention and Visitors Bureau	
	Target team sports based on existing facilities and available lodging during desired event periods. New indoor multi-purpose facilities will allow growth during the slow winter months of January – March.	FY15	Ongoing	Convention and Visitors Bureau	
	Coordinate group tour sales and promotions with state and Middle TN partners for cost-effectiveness to drive room sales during need periods. Sunday night groups are rare and most desired to fill the slowest night of the week in local lodging.	FY15	Ongoing	Convention and Visitors Bureau	
	Support the development of a Multi-Purpose Event Center at Exit 4 (2014 - 2015). Begin marketing as soon as construction is approved.	FY14	Ongoing	Convention and Visitors Bureau	
	Support the Development of a Core Entertainment District as the Heart of Clarksville (2024).	FY14	Ongoing	Convention and Visitors Bureau	

Appendix A: Tourism Research

Clarksville-Montgomery County, TN – Overview as a Destination

Clarksville, Tennessee is the county seat of Montgomery County in northwest Tennessee. Clarksville is located about 35 miles northwest of Nashville, south of the Kentucky border and is the fifth largest city in the state. Clarksville is the home of Austin Peay State University, one of the fastest growing four-year universities in the state with a student body of 11,000. Fort Campbell, United States Army base is site of the 101st Airborne Division (Air Assault). Fort Campbell is located approximately 10 miles from downtown Clarksville and 80 percent of active-duty soldiers and their families choose to live in Clarksville. Additionally, the second-highest numbers of military retirees in the nation live around the city. The U.S. Census Bureau estimates 2012 population for Clarksville at 142,519 and Montgomery County's population at 184,468.

Clarksville-Montgomery County has all the components of a year-round, small town, get-away destination. It is in the center of the Tennessee/Kentucky region, which has a combined population of eleven million residents.

Clarksville-Montgomery County CVB

In the 1970's and 1980's, cities of all sizes across America began implementing special sales taxes designed to promote the destination and build tourism related infrastructure. The City of Clarksville-Montgomery County officially entered into the competitive arena of destination marketing and development in June, 1979. The Clarksville-Montgomery County Tourist Commission is a founding member agency of the Clarksville-Montgomery County Economic Development Council and a county government agency. In 1992 the Tourist Commission joined the Chamber and Industrial Development Board in a unification effort that resulted in the Economic Development Council. In 2000, the Tourist Commission Board of Directors changed the organization's name to the Clarksville-Montgomery County Convention and Visitors Bureau (CMCCVB).

The mission statement of the CMCCVB is "to positively influence tourism in the Clarksville-Montgomery County area. In defining "tourism", a tourist is understood as an individual who is not a resident of the Clarksville-Montgomery County area and has chosen to travel within the limits of Montgomery County for either business, pleasure, or as a matter of consequence/necessity."

The CMCCVB offices are located at 25 Jefferson Street, Suite 300, Clarksville. The CMCCVB offices share the building with other Economic Development Council agencies. The office space includes visitor reception, conference rooms and bathrooms. Free parking is available at the side of

the building. In addition, the CMCCVB operates a free standing visitor center just off I-24 exit 4 on Holiday Drive. Volunteers assist in the visitor center when available. Hours of operation for the visitor center are 9:30am to 5:30pm seven days a week.

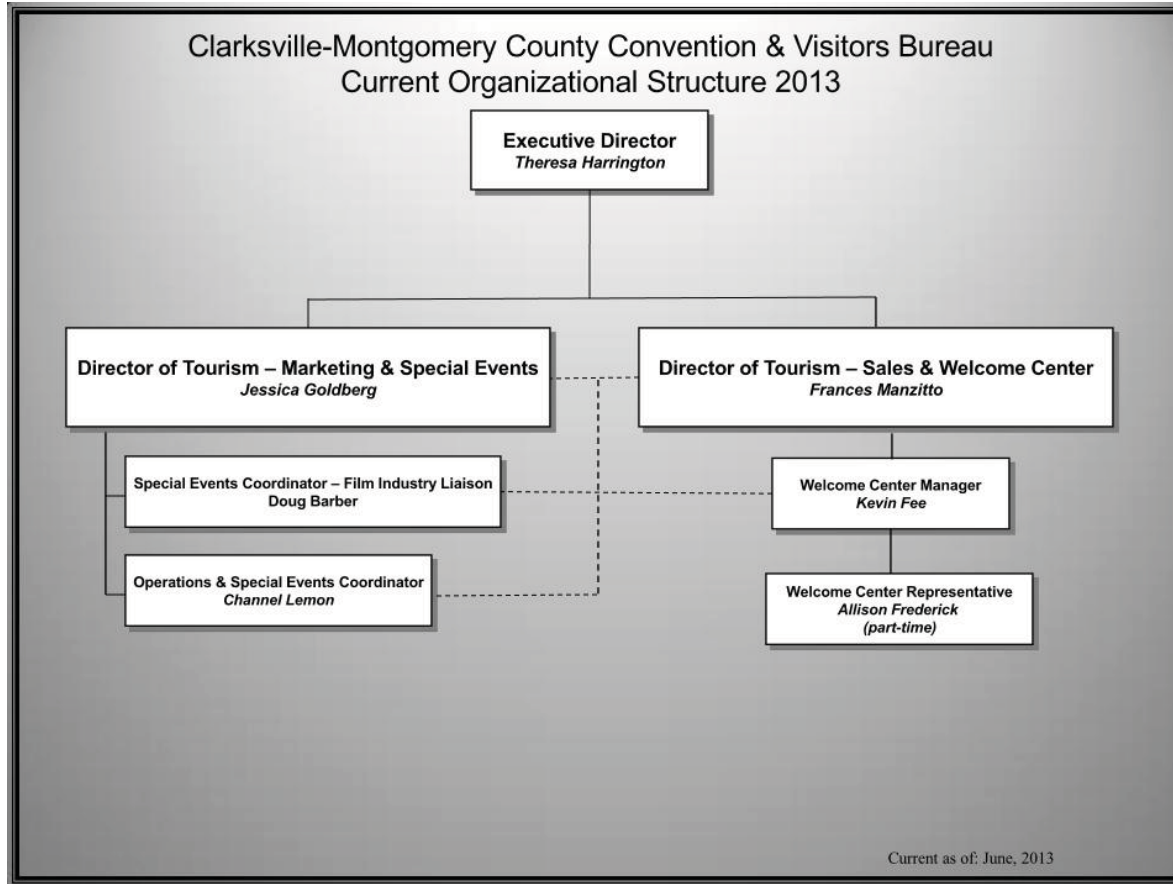
Clarksville-Montgomery County CVB Board of Directors

A Board of Directors governs the CMCCVB with nine voting members selected by joint approval of the Mayor of Clarksville and the Montgomery County Mayor. One member of the CMCCVB must be affiliated with the hotel-motel business. Current members of the Clarksville-Montgomery County Board of Directors are shown in the table below:

Name / Office	Occupation
Geno Grubbs / Chairman	Clarksville City Council member – Ward 7
Carolyn Pierce / Vice President	City President – Regions Bank
Steve Stroman / Immediate Past Chair	Legal Administrator – Batson Nolan PLC
Jan Roberts / EDC Board Member Representative	Sr. VP of Cashier/Operations – Legends Bank
Honorable Jerry Allbert / EDC Board Member Rep	Montgomery County Parks Director
Pennie Smith	GM – Courtyard Marriott/Fairfield by Marriott
Lee Persinger	Employee Relations Mgr - Jostens Publishing
Rev. Mickey Richaud	Rector – Trinity Episcopal Parish
Toni Johnson	Former GM – Wingate Inn

Clarksville-Montgomery County CVB & OCC Staffing Structure

The Clarksville-Montgomery County CVB has a workforce of six full-time employees and one part-time.



Clarksville-Montgomery County Attractions, Restaurants, Shopping

Montgomery County offers:

- Restaurants – Clarksville is the dining hub of the County. There is a diverse offering of unique local dining throughout the region and a large sampling of chain affiliated national chain establishments.
- Shopping has improved from the visitor’s perspective over the last decade. There are 225+ retail shops and outlets.
- Festivals and events throughout the year including: RiverFest, Fright on Franklin, Clarksville Rotary Annual Metric (CRAM), Eagle Challenge Fitness Tour, Clarksville Trees of Christmas, Freedom Fest, First Thursday Art Walk, Farmers Market, Rivers and Spires Festival, Frolic on Franklin, Clarksville Sunrise Century Labor Day Classic.
- Attractions include:
 - Fort Defiance Interpretive Center and Park
 - Public Square
 - Roxy Regional Theatre
 - Clarksville-Montgomery County Museum
 - L&N Train Station
 - Civil War Trail
 - Cumberland RiverWalk
 - Don F. Pratt Museum – Fort Campbell
 - Customs House Museum
 - Post House
 - Historic Downtown Walking Tours
 - Clarksville Speedway
 - Dunbar Cave State Natural Area
 - Beachaven Vineyards & Winery
 - Historic Collinsville
 - The Mill
 - Emerald Hill
 - Smith-Trahern Mansion
 - Greenwood Cemetery
 - Six Public Golf Courses
 - Multiple Parks and Recreation Areas

Clarksville-Montgomery County Travel Industry Taxes

The Clarksville-Montgomery County Convention and Visitors Bureau (CMCCVB) has been funded by the receipt of 2.5% lodging occupancy tax that is collected from motels and lodging properties in Clarksville-Montgomery County. The total occupancy tax collected throughout the county has been 5% with half going to the CMCCVB. The remainder of the lodging tax is distributed equally between the City of Clarksville and Montgomery County general funds. March, 2005 an Interlocal agreement went into effect allocating an additional 5% of the occupancy tax collections from both the city and county general funds to the CMCCVB. The Interlocal Agreement states, “the Tourist Commission shall utilize the funds allocated herein for the promotion of tourism in Montgomery County, and shall specifically expand its role in the event of public events management. Such activities should include, but are not limited to, (1) oversight of the Rivers and Spires Festival, Miss Tennessee and Miss Tennessee Teen USA, AAU National, State & Local, Basketball Championship, AAU Local, State, & National Baseball Championship, USSSA Baseball and Softball Championship, along with other events that will generate revenue for Clarksville-Montgomery County.” Thus a total of 3% of the occupancy tax now goes to fund the CMCCVB.

Clarksville-Montgomery County CVB Funding & Expenditures

The CMCCVB’s FY13 operating revenues include 3.0% lodging taxes of \$1,128,000, representing 73% of the total \$1,545,100 revenues collected in FY13. The following table breaks down the budgets and actual expenditures for the CMCCVB for the current budget into three basic categories: staff salaries/benefits; office overhead expenses and marketing/outreach (all advertising and promotional expenses).

FY 13 Revenues

	CMCCVB	% of total
3.0% Hotel/Motel Tax	\$1,128,000	73.0%
Grant income	\$221,500	14.3%
Recruitment / Special Events	\$90,000	5.8%
Group Tour income	\$45,000	3.0%
Co-op Advertising income	\$30,000	1.9%
Rental income	12,600	0.8%
Other income	\$12,000	0.8%
Interest income	\$5,000	0.3%
Vacation Guide sales	\$1,000	0.1%

Source: CMCCVB Budgets

FY 13 Expenditures

	CMCCVB	% of total
Marketing	\$813,448	52.7%
Personnel / Staffing	\$643,307	41.6%
Office Overhead	\$88,345	5.7%
Expenditure Total	\$1,545,100	100%

Source: CMCCVB Budgets

A review of the three basic budget categories for CMCCVB budgeted spending (Salaries & Benefits, Office Overhead & Marketing) reveals that the organization is spending the majority of its budget appropriately. According to DMAI, salaries and benefits for a CVB in the budget range of \$1 – 5 million typically fall within a 38-44% range of total budget range while marketing and outreach is typically in the range of 43% - 50%.



Economic Impact of Travel on Montgomery County & Region

The travel industry has a big economic impact in Clarksville and Montgomery County. The figures below are provided by the Research Department of the US Travel Association for the Tennessee Department of Tourist Development. The table below illustrates the economic impact of travel on Montgomery County as well as the contiguous counties surrounding Montgomery County. All figures provided in table below are shown in (millions).

ECONOMIC IMPACT OF TRAVEL BY COUNTY

County / Ranking in State	Expenditures	Payroll	Employment	State Tax	Local Tax
Montgomery County – 11	\$201.34	\$33.36	\$1.60	\$11.82	\$3.75
Dickson County – 25	\$51.01	\$9.18	\$0.48	\$2.88	\$1.22
Robertson County – 31	\$40.00	\$5.68	\$0.26	\$2.40	\$1.05
Cheatham County – 54	\$18.92	\$3.31	\$0.13	\$1.05	\$0.63
Stewart County – 77	\$7.38	\$0.98	\$0.03	\$0.40	\$1.07
Houston County – 87	\$5.76	\$0.90	\$0.04	\$0.32	\$0.61

MONTGOMERY COUNTY 2011 ECONOMIC IMPACT

2011	
Total Travel Spending	\$201,340,000
State and Local Taxes	\$15,570,000
Number of Households	61,902
Tax Relief per Household	\$251.53
Number of Residents	184,468
Tax Relief per Resident	\$84.40

Methodology and Summary of Findings

Young Strategies, Inc. (YSI) conducted a survey of the hotel/motel properties located in Clarksville-Montgomery County, Tennessee at the request of Clarksville-Montgomery County Convention & Visitors Bureau (CMCCVB). A one-page questionnaire was written by YSI, approved by CMCCVB, and sent to the lodging property database provided by the CMCCVB to estimate the following for the full calendar year 2012: percentage of occupancy driven by thirteen (13) market segments, top leisure feeder markets, percentage of walk-in guests without reservations, and percentage of families vs. adult-only travel parties. Hoteliers were also asked to provide annual occupancy percentages, average daily rates (ADR) and revenue-per-available-room (RevPAR) for calendar year 2012. The lodging survey was conducted during the months of May through June 2013.

Summary of Lodging Statistics

- Clarksville – Montgomery County has 35 hotel/motel properties with approximately 2,397 lodging rooms (this number fluctuates regularly as lodging properties add and delete rooms from their inventory).
- 40% of Clarksville – Montgomery County’s hotel/motel lodging inventory was built prior to 1990. During the 1990’s, 14 hotel/motel properties were added to lodging inventory (898 rooms) accounting for 37.5% of current inventory. Six additional hotel properties were built from 2001 - 2009 adding an additional 534 rooms (22.0%) to room inventory. There has been no new development in the lodging market since 2009. Two properties are currently under construction: Hampton Inn & Suites (85 rooms) and a Best Western Suites Plus (76 rooms). This will add a total of 161 rooms in Montgomery County, an increase of 6.3% to current lodging room inventory.
- Clarksville – Montgomery County properties out-performed the national occupancy average over the four-year period of 2009 – 2012. Clarksville – Montgomery County’s occupancy was up +15.4% in 2011 due to several business expansions, and while they experienced a decline in occupancy in 2012 (-11.3%), they still outperformed the national average.
- Clarksville – Montgomery County’s monthly lodging occupancy was consistently at or above the critical 60% mark during the months of March through October during the four-year period of 2009 - 2012. Highest monthly occupancy has typically fluctuated between the summer months of June through August depending on the given year. Winter months of December and January are slowest, which is typical of most destinations.
- Overall, leisure travelers (34.8%) account for the highest percentages of lodging occupancy in 2012. Individual business reported second highest overall at 26.7%. Conference/meeting was reported third highest at 24.2% and Group at a total of 14.3%.
- Top points-of-origin for the Clarksville – Montgomery County leisure market are primarily Nashville, TN, as well as Fort Campbell, Hopkinsville and Oak Grove, KY. Clarksville was reported in the top five responses.

- Day of the week occupancy statistics April 2012 – March 2013, show weekday and weekend occupancy percentages are very close in range 58.4% - 61.6%; with Friday and Saturday nights reporting just slightly higher than Tuesday and Wednesday nights. Sunday and Monday nights are typically the slowest nights of the week for Clarksville – Montgomery County lodging properties.

Clarksville-Montgomery County Lodging Inventory

CLARKSVILLE-MONTGOMERY COUNTY HOTEL/MOTEL INVENTORY – AGE / AREA

Lodging Property Name	Area	Open Date	Rooms
Unknown/prior to 1979 – 8 properties = 14.3%			342
Meadow Motel	Other	N/A	22
Midtown Inn	Downtown	N/A	31
A & W Motel	Other	Jun-52	27
Westgate Inn & Suites	Downtown	Jun-63	103
Travel Inn Motel	Other	Jun-68	24
Oak Haven Motel	Other	Jun-70	34
Skyway Motel	Other	Jun-77	34
Winners Circle Motel	Other	Jun-78	67
1980 – 1989 – 7 properties = 25.9%			623
Country Inn & Suites Clarksville	Exit 4	Jun-81	103
America's Best Inn Clarksville	Exit 4	Jun-83	49
Riverview Inn	Downtown	Jun-84	147
Quality Inn Exit 4 Clarksville	Exit 4	Aug-84	143
Quality Inn Clarksville South	Exit 11	Sep-84	60
Days Inn Clarksville Connector Road	Exit 11	Jun-85	80
Ramada Limited Clarksville	Exit 4	Jul-85	41
1990 – 1999 – 14 properties = 37.5%			898
Econo Lodge Inn & Suites Clarksville	Exit 4	Mar-90	65
Super 8 Clarksville Gov Sq Mall Area	Exit 4	Aug-90	42
Hampton Inn Clarksville	Exit 4	Apr-92	77
Rodeway Inn & Suites North Clarksville	Exit 4	Jun-94	56
Comfort Inn Clarksville	Exit 11	Jun-95	60
Days Inn Clarksville North	Exit 4	Dec-95	76
Fairfield Inn & Suites Clarksville	Exit 4	May-96	75
GuestHouse Inn Clarksville	Exit 4	May-96	55
Gateway Inn	Exit 4	Jul-96	60
La Quinta Inns & Suites Clarksville	Exit 4	Mar-98	82
Americas Best Value Inn Clarksville	Exit 4	Jun-98	60
Red Roof Inn Clarksville	Exit 4	Oct-98	61
Microtel Inn & Suites by Wyndham Clarksville	Exit 4	Nov-98	60
Home Towne Suites Clarksville	Exit 4	Mar-99	69
2000 – present – 6 properties = 22.3%			534
Super 8 Clarksville Highway 76	Exit 11	Jan-01	38
Candlewood Suites Clarksville	Exit 4	Dec-06	80
Hilton Garden Inn Clarksville	Exit 4	Aug-08	111
Mainstay Suites Fort Campbell Clarksville	Exit 4	Mar-09	93
Value Place Fort Campbell	Exit 4	Mar-09	121
Courtyard Clarksville	Exit 4	Jul-09	91
35 TOTAL PROPERTIES		TOTAL ROOMS =	2,397

CLARKSVILLE-MONTGOMERY COUNTY HOTEL/MOTEL INVENTORY – AREA / AGE

Lodging Property Name	Area	Open Date	Rooms
Exit 4 - 22 properties = 69.7%			1,670
Country Inn & Suites Clarksville	Exit 4	Jun-81	103
America's Best Inn Clarksville	Exit 4	Jun-83	49
Quality Inn Exit 4 Clarksville	Exit 4	Aug-84	143
Ramada Limited Clarksville	Exit 4	Jul-85	41
Econo Lodge Inn & Suites Clarksville	Exit 4	Mar-90	65
Super 8 Clarksville Gov Sq Mall Area	Exit 4	Aug-90	42
Hampton Inn Clarksville	Exit 4	Apr-92	77
Rodeway Inn & Suites North Clarksville	Exit 4	Jun-94	56
Days Inn Clarksville North	Exit 4	Dec-95	76
Fairfield Inn & Suites Clarksville	Exit 4	May-96	75
GuestHouse Inn Clarksville	Exit 4	May-96	55
Gateway Inn	Exit 4	Jul-96	60
La Quinta Inns & Suites Clarksville	Exit 4	Mar-98	82
Americas Best Value Inn Clarksville	Exit 4	Jun-98	60
Red Roof Inn Clarksville	Exit 4	Oct-98	61
Microtel Inn & Suites by Wyndham Clarksville	Exit 4	Nov-98	60
Home Towne Suites Clarksville	Exit 4	Mar-99	69
Candlewood Suites Clarksville	Exit 4	Dec-06	80
Hilton Garden Inn Clarksville	Exit 4	Aug-08	111
Mainstay Suites Fort Campbell Clarksville	Exit 4	Mar-09	93
Value Place Fort Campbell	Exit 4	Mar-09	121
Courtyard Clarksville	Exit 4	Jul-09	91
Downtown – 3 properties = 11.7%			281
Midtown Inn	Downtown	N/A	31
Westgate Inn & Suites	Downtown	Jun-63	103
Riverview Inn	Downtown	Jun-84	147
Exit 11 – 4 properties = 9.9%			238
Quality Inn Clarksville South	Exit 11	Sep-84	60
Days Inn Clarksville Connector Road	Exit 11	Jun-85	80
Comfort Inn Clarksville	Exit 11	Jun-95	60
Super 8 Clarksville Highway 76	Exit 11	Jan-01	38
Other – 6 properties = 8.7%			208
Meadow Motel	Other	N/A	22
A & W Motel	Other	Jun-52	27
Travel Inn Motel	Other	Jun-68	24
Oak Haven Motel	Other	Jun-70	34
Skyway Motel	Other	Jun-77	34
Winners Circle Motel	Other	Jun-78	67
35 TOTAL PROPERTIES		TOTAL ROOMS =	2,397

Clarksville-Montgomery County – Hotel/Motel Location by Area





Exit 4 hotels include a total of 22 properties: The majority are chain-affiliated properties which include: Candlewood Suites, Country Inn and Suites, Courtyard by Marriott, Days Inn, Fairfield Inn Marriott, Hampton Inn, Hilton Garden Inn, Home Towne Suites, Quality Inn, La Quinta, America's Best, Super 8, Ramada, Microtel and Red Roof Inn.

Exit 11 hotels include: Days Inn, Comfort Inn, and Quality Inn South

Clarksville-Montgomery County Lodging Survey Participation

Clarksville – Montgomery County Convention & Visitors Bureau provided YSI with a list of 27 primarily chain-affiliated hotel lodging properties in Montgomery County, Tennessee. According to Smith Travel Research there are an additional seven motel lodging properties also located in Clarksville – Montgomery County. **Thus, there were 27 hotel properties (2,158 rooms) and seven motel properties (239 rooms) actively collecting the local lodging tax when the YSI lodging study began in May 2013. Twelve hotel/motel properties representing 1,072 rooms participated in the survey representing an overall 49.7% response rate.** This response rate is slightly lower than YSI typically sees in similar studies, however based on the mix of properties that responded, the data is considered to be a highly predictive sample representation of the overall market based on the geographic distribution. The charts and tables on the following pages outline the overall findings from the lodging properties that responded to the YSI survey. YSI estimates a margin of error (+/- 3-5%).

2012 Annual Overall Hotel/Motel Lodging Market Segmentation

When marketing tourism for a destination, it is critical to understand the different market segments that drive occupancy in local lodging properties. These segments help provide an understanding of the visitor categories that drive the greatest economic impact for the area. The segments are presented in rank order. Most lodging properties track their guest segmentation through their reservation system. Corporate and group business is tracked closely by rate codes while leisure segment data is often estimated by the management team at the individual properties.

ALL	2012 Category
34.8%	Leisure
13.5%	Transient – passing through as part of a longer trip
9.4%	Military – VFR of military
5.1%	Visiting local friends & relatives
3.8%	University related
3.0%	Tourists visiting the area (local attractions/historic sites, etc.)
26.7%	Individual Business (non-group)
14.9%	Skilled workers (commercial, construction laborers, etc.)
11.8%	Business travelers (white collar)
24.2%	Conference / Meetings
13.1%	Military / Government
7.3%	Corporate
3.8%	University related
14.3%	Group
7.3%	Team sports/events/tournaments
4.6%	Weddings/Reunions/Family events
2.4%	Group tour/Motorcoach

- Overall, combined leisure segments (transients passing through – 13.5%, military/VFR of military – 9.4%, visiting friends and relatives – 5.1%, university related – 3.8%, and tourists visiting the area – 3.0% account for the highest percentages of lodging occupancy in 2012 at 34.8%.
- Individual business combined (skilled workers – 14.9% and white collar – 11.8%) reported second highest overall at 26.7%.
- Conference/meeting was reported third highest at 24.2%; the majority in the military/government segment (13.1%).
- Lastly, group travel reported at a total of 14.3% (team sports/events/tournaments – 7.3%, weddings/reunions/family events - 4.6%, and group tour/motorcoach – 2.4%).

Future Market Segments to Target for CMCCVB Sales Priority

Having established the current market segmentation for those staying in Clarksville – Montgomery County lodging, YSI asked the lodging properties to indicate in rank order what markets should be targeted for future growth. The prioritized ranking for future direct sales efforts by the CMCCVB is shown in the table below as provided by the 11 lodging properties that responded to this question.

Overall, the segments that ranked highest as priorities for future sales and marketing efforts included sports and government sales. SMERF and Group tour tied for third/fourth place, while Corporate and Association came in fifth and sixth respectively.

<u>Segment</u>	<u>Rank</u>
Sports	1
Government	2
SMERF	3/4
Group Tour	3/4
Corporate	5
Association	6

Walk-In Lodging

YSI asked the lodging properties to report the percentage of their overall occupancy that walks in the door without a prior reservation. **12 properties reported an overall average walk-in percentage of 32%.** Responses varied from a low of 6% to a high of 85%. This is fairly typical of a destination located on a major highway exchange.

Travel Parties Composition

Ten Clarksville – Montgomery County lodging properties reported travel party composition. **Overall the hotel/motel properties reported 75% of travel parties contain adults only while 25% of travel parties contain children; directly correlating with national trends reported by US Travel Association that one in five (22%) trips in the United States include children.**

Leisure Feeder Markets

Lodging properties in Clarksville – Montgomery County, Tennessee were asked to report the top leisure markets for their properties. The top responses are listed in the table below.

10 hotel/motel properties responded to this question. The response data revealed that the top points-of-origin for the Clarksville – Montgomery County leisure market are primarily Nashville, TN, as well as Fort Campbell, Hopkinsville and Oak Grove, KY. Clarksville was reported in the top five responses. **Most of the markets cited were within a four to six hour drive radius.**

Top Feeder Market Hotel/Motel Market	2012
Nashville, TN	7
Fort Campbell, KY	5
Hopkinsville, KY	5
Clarksville, TN	3
Oak Grove, KY	3
Paris, TN	2
St. Louis, MO	2
Atlanta, GA	1
Pudicah, KY	1

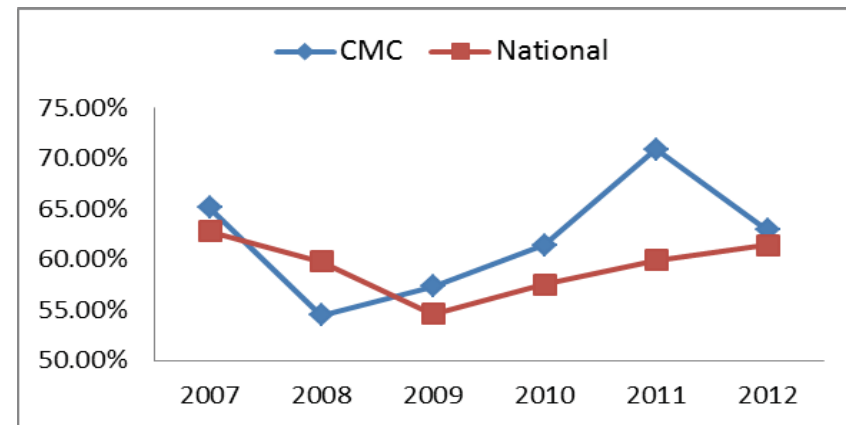
Smith Travel Research Data

Young Strategies, Inc. obtained Clarksville – Montgomery County, Tennessee (CMC) data from Smith Travel Research (STR) in the form of a six-year trend report for all hotel/motel properties. The STR data reflects primarily chain-affiliated hotel/motels with a monthly response rate ranging from 64.7% – 82.3% participation. All tables and charts shown on the following pages 8-13, have been created from the data provided in the STR Six-Year Trend Analysis Annual Occupancy Data for Clarksville - Montgomery County, Tennessee.

The table and chart below show the comparative analysis of the annual occupancy percentages of the lodging properties located in Clarksville-Montgomery County, Tennessee to the STR national annual occupancy percentages.

SIX-YEAR ANNUAL OCCUPANCY TRENDS

Year	CMC STR	% of Change	National STR	% of Change
2007	65.1%	~	62.8%	~
2008	54.5%	-16.3%	59.8%	-4.8%
2009	57.3%	+5.1%	54.6%	-8.7%
2010	61.4%	+7.2%	57.5%	+5.3%
2011	70.9%	+15.5%	59.9%	+4.2%
2012	62.9%	-11.3%	61.4%	+2.5%



Clarksville – Montgomery County lodging occupancy outpaced national averages for the prior four-year period 2009 – 2012. While CMC’s occupancy experienced a very sharp decrease in 2008, both before and during the national economic crisis, the CMC lodging market recovered at a much faster pace than the nation as a whole in the following three-year time period 2009 - 2011. **2011 lodging occupancy was up an impressive +15.5% due to several CMC businesses expanding their facilities and bringing in an influx of skilled workers into the CMC area.** While the CMC occupancy percentage declined to 62.9% in 2012 (-11.3%), it was still 2.4% higher than the national average of 61.4%.

Monthly Occupancy

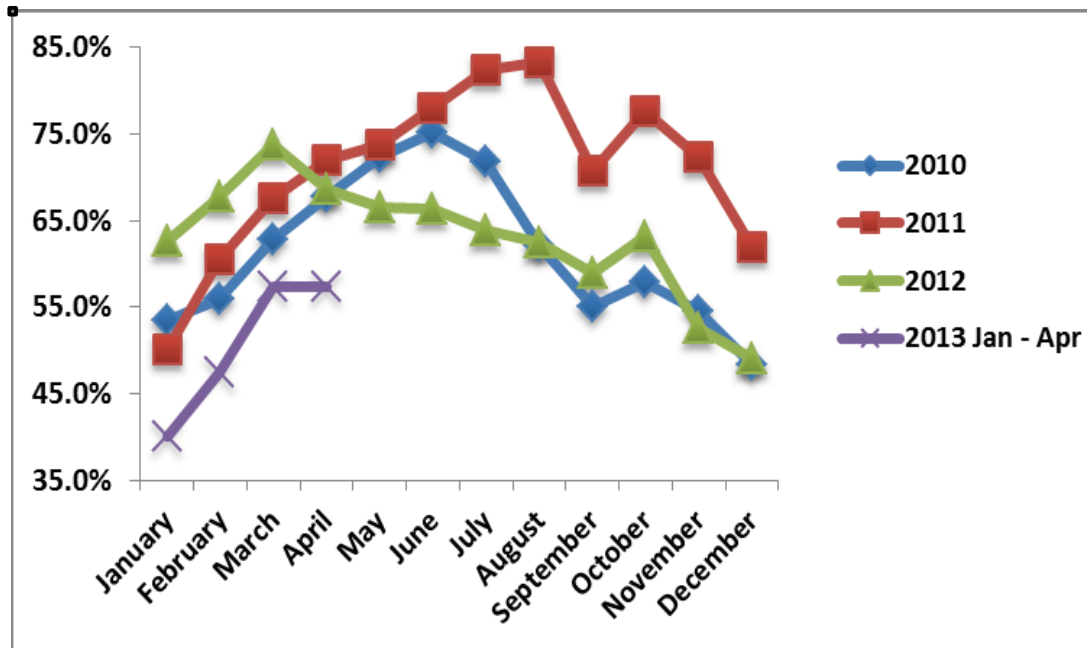
The table and chart below reveal the annual and monthly average occupancy rates for the Clarksville – Montgomery County hotel/motel lodging market. The red numbers indicate the lowest occupancy each year while the blue numbers indicate the highest.

MONTHLY LODGING OCCUPANCY PERCENTAGES

	2009	2010	2011	2012	2013
January	47.0%	53.5%	50.2%	62.6%	40.0%
February	59.2%	55.9%	60.5%	67.8%	47.4%
March	61.2%	62.9%	67.5%	73.7%	57.3%
April	59.4%	67.8%	72.0%	68.6%	57.3%
May	64.6%	72.4%	73.8%	66.5%	
June	64.7%	75.1%	78.0%	66.3%	
July	65.2%	71.9%	82.4%	63.8%	
August	54.0%	62.2%	83.3%	62.4%	
September	53.0%	55.0%	70.7%	59.0%	
October	54.8%	57.8%	77.6%	63.2%	
November	56.4%	54.5%	72.4%	52.6%	
December	48.7%	48.3%	61.9%	49.0%	

The data reveals that January and December are reported as the slowest months of the year. **Highest occupancy has typically fluctuated between the summer months of June through August depending on the given year.** It is important to note that occupancy percentages in 2011 and first quarter 2012 were significantly higher than previous years, more than likely due to construction projects taking place with several local business expansions. 2013 levels are slightly lower than previous year trends and must be closely monitored. The chart below provides a graphic illustration of the data in this table.

FOUR-YEAR MONTHLY LODGING OCCUPANCY TREND



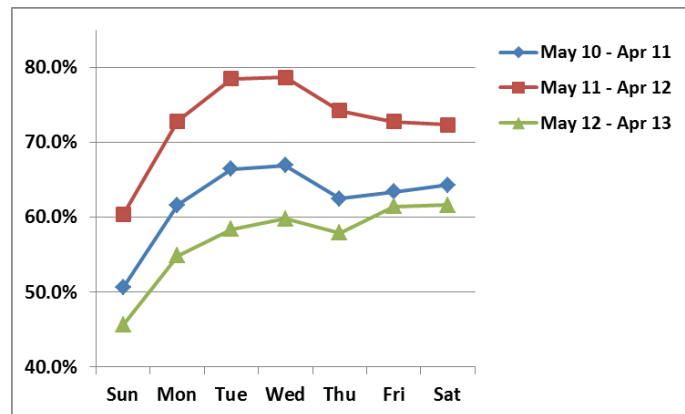
Occupancy by Day of the Week

Smith Travel Research (STR) records the average occupancy by day of the week from the Clarksville-Montgomery County properties that report to STR.

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Apr 10 - Mar 11	50.6%	61.7%	66.4%	66.9%	62.5%	63.4%	64.3%	62.3%
Apr 11 - Mar 12	60.3%	72.9%	78.5%	78.7%	74.2%	72.8%	72.3%	72.8%
Apr 12 - Mar 13	45.6%	54.9%	58.4%	59.8%	57.9%	61.4%	61.6%	57.1%
Total 3 Yr	52.2%	63.2%	67.7%	68.5%	64.9%	65.9%	66.1%	64.1%

The chart below graphically illustrates that **during the time period April 2010 – March 2012, Tuesday and Wednesday nights were the busiest nights for Clarksville – Montgomery County lodging.** Again, this was most likely due to several business expansions taking place in Montgomery County during that time period as previously referenced in this report. However, **when reviewing April 2012 – March 2013 data, one can see that the weekday and weekend occupancy are very close in percentage; with Friday and Saturday nights reporting just slightly higher than Tuesday and Wednesday nights.** Sunday and Monday nights are typically the slowest nights of the week in Clarksville – Montgomery County lodging properties. This data confirms the CMCCVB has an opportunity to benefit the CMC lodging by developing strategies to extend the stay and sell the nights of the week with the lowest occupancy.

THREE-YEAR ANNUAL OCCUPANCY BY DAY OF THE WEEK

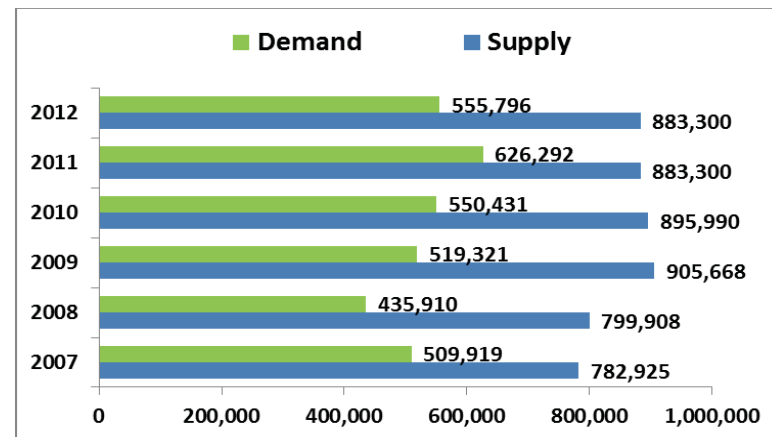


Lodging Supply and Demand

40% of Clarksville – Montgomery County’s hotel/motel lodging inventory was built prior to 1990. During the 1990’s, 14 hotel/motel properties were added to lodging inventory (898 rooms) accounting for 37.5% of current inventory. Explosive development occurred in the CMC hotel/motel lodging industry with the opening of five new properties from 2006 – 2009; adding an additional 496 rooms (21%) to inventory. This new development was timely as demand for rooms increased consistently throughout the three-year period of 2009 through 2011. This statistic is quite impressive, when comparing CMC to most other lodging markets throughout the United States that were experiencing significant decreases in demand due to the economic downturn in 2009 and 2010. The following chart illustrates the room supply in CMC lodging inventory and the overall increase in demand during the same time period. **Clarksville – Montgomery County’s lodging industry did not experience any downturn during the economic crisis of 2009 that effected most of the nation and had an impressive overall increase in room demand of +38.9% from 2009 to 2011.**

SIX-YEAR HOTEL/MOTEL ANNUAL SUPPLY & DEMAND TREND

Year	Supply	% of change	Demand	% of change
2007	782,925	~	509,919	~
2008	799,908	+2.2%	435,910	-14.5%
2009	905,668	+13.2%	519,321	+19.1%
2010	895,990	-1.1%	550,431	+6.0%
2011	883,300	-1.4%	626,292	+13.8%
2012	883,300	0.0%	555,796	-11.3%

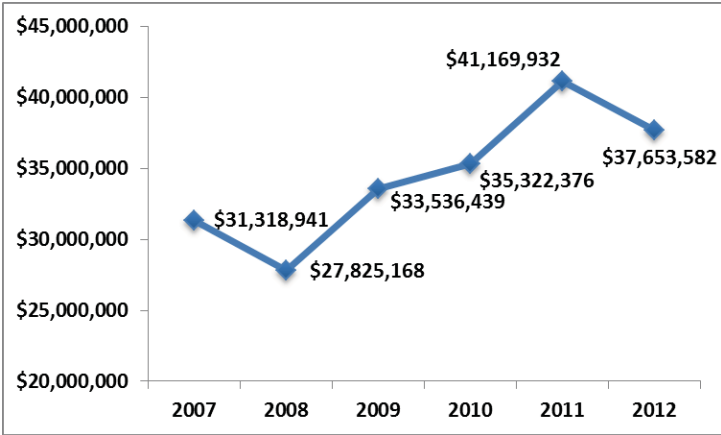


Lodging Room Revenue

Smith Travel Research reports the total annual lodging revenue for Clarksville-Montgomery County, Tennessee lodging since 2007 as follows in the table below.

CLARKSVILLE-MONTGOMERY COUNTY OVERALL ANNUAL LODGING REVENUE

Year	Lodging Revenue	% of change
2007	\$31,318,941	~
2008	\$27,825,168	-11.2%
2009	\$33,536,439	+20.5%
2010	\$35,322,376	+5.3%
2011	\$41,169,932	+16.6%
2012	\$37,653,582	-8.5%



Clarksville-Montgomery County lodging revenue experienced explosive growth during the three-year period 2009 – 2012 with an overall increase of 42.2%. As shown in the table below, while there was a slight adjustment in 2012 reported revenue over 2011, CMC’s 2012 revenue was still second highest in the last six years.

Appendix B: Economic and Demographic Assessment

The following pages contain a complete economic and demographic profile of Clarksville-Montgomery County, including projected growth. This analysis was conducted as a first step of the strategic planning process and informed our evaluation of the community and the resulting recommendations.



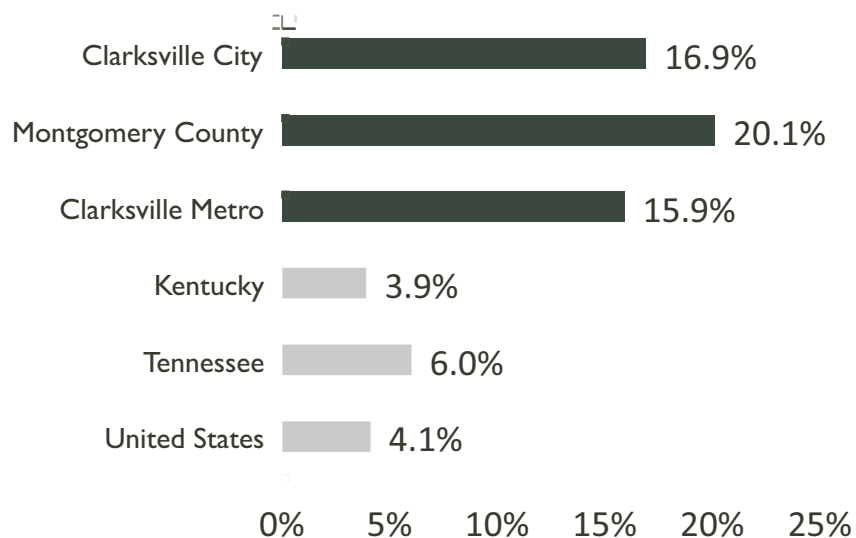
DEMOGRAPHICS

Population Dynamics

The Clarksville region is growing significantly faster than the US as a whole, as well as both Kentucky and Tennessee. Between 2006 and 2011, the population of the Clarksville MSA increased by nearly 16%. Several jurisdictions within the metropolitan statistical area experienced even greater levels of population growth during this period: the population of the city of Clarksville increased 17% and Montgomery County's population grew 20%. Over the same period, the US population only increased 4% while the populations of Kentucky and Tennessee grew 4% and 6% respectively.

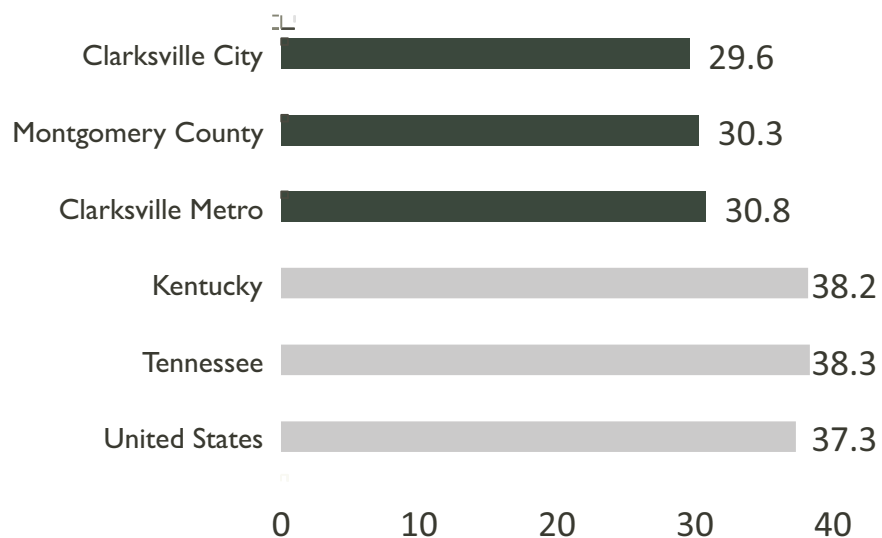
The Clarksville region is also relatively young; the median age of the metropolitan region is less than 30 years old. Both the city of Clarksville and Montgomery County have similar median ages. The national median age is 37 years. Kentucky and Tennessee's median age is 38 years.

TOTAL POPULATION GROWTH 2006 - 2011



SOURCE: US Census Bureau

MEDIAN AGE 2011



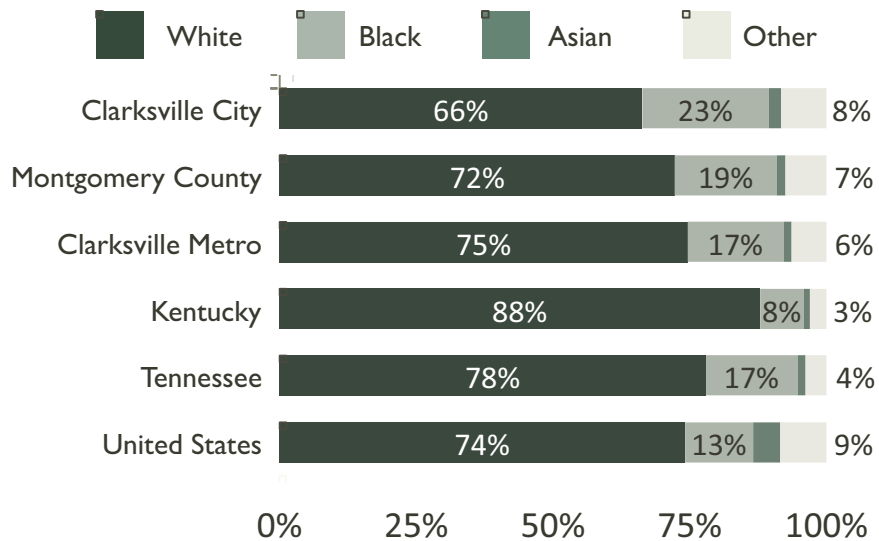
SOURCE: US Census Bureau

Ethnicity & Race

In many respects, the racial composition of the Clarksville region mirrors the US. Within the metropolitan region, 72% of residents are White, compared to 74% in the US. Black residents represent 19% of the Clarksville MSA’s population, compared to 13% nationally. Fewer than 2% of the Clarksville MSA’s population is Asian, compared to nearly 5% in the US. The Clarksville MSA is more racially diverse than either Kentucky or Tennessee. Within the region, both the city of Clarksville and Montgomery County are more racially diverse than the metropolitan area.

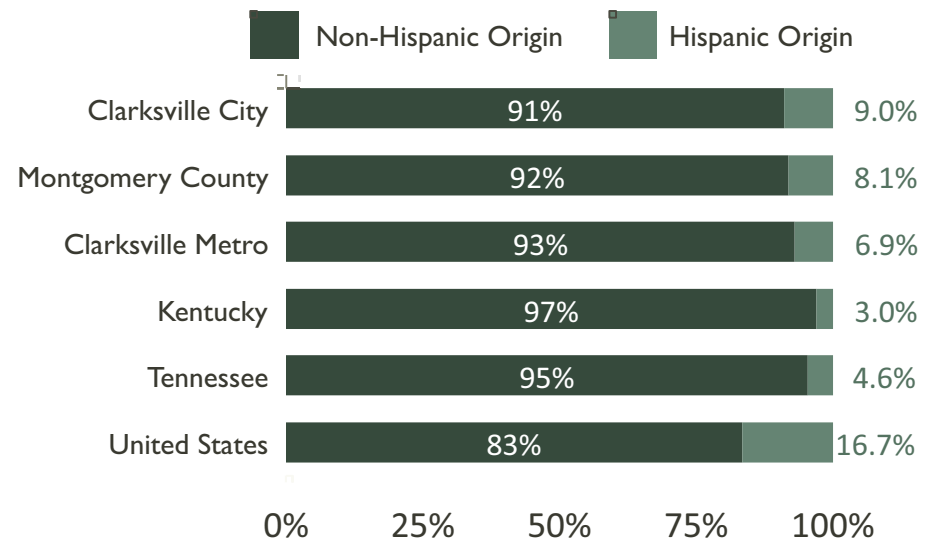
Hispanics constitute approximately 7% of the Clarksville MSA’s population; nationally the figure is nearly 17%. While the region is less ethnically diverse than the US, the Clarksville MSA is more ethnically diverse than either Kentucky or Tennessee; Hispanics represent less than 5 percent of the total population in both states. Within the region, both the city of Clarksville and Montgomery County have higher proportions of Hispanics than the region at large.

**RACIAL COMPOSITION
2011**



SOURCE: US Census Bureau

**ETHNICITY
2011**



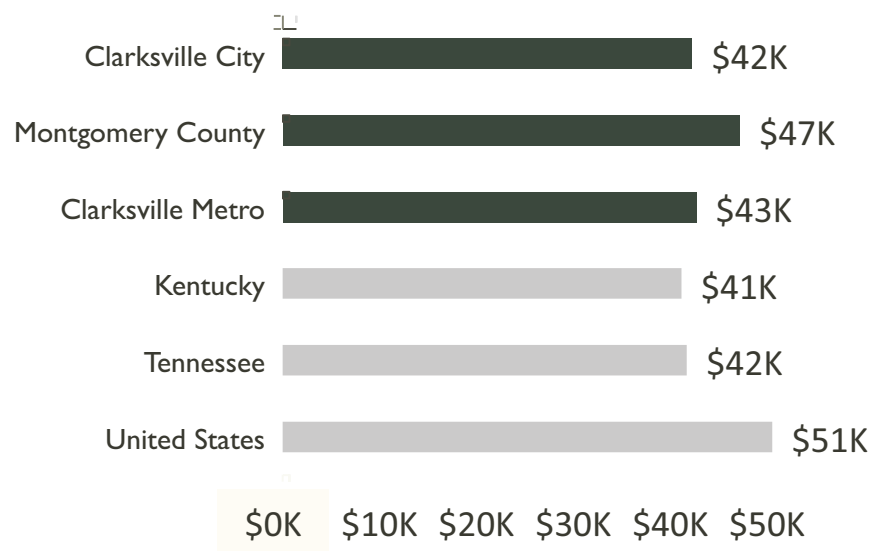
SOURCE: US Census Bureau

Income & Poverty

In 2011, median household income in the Clarksville MSA was approximately \$43,000. This figure is more than 16% lower than US median household income, which was \$51,000 in 2011. Median household income in the Clarksville MSA is slightly higher than in either Kentucky or Tennessee. Median household income diverges within the metropolitan region; median household income is \$42,000 in the city of Clarksville and \$47,000 in Montgomery County.

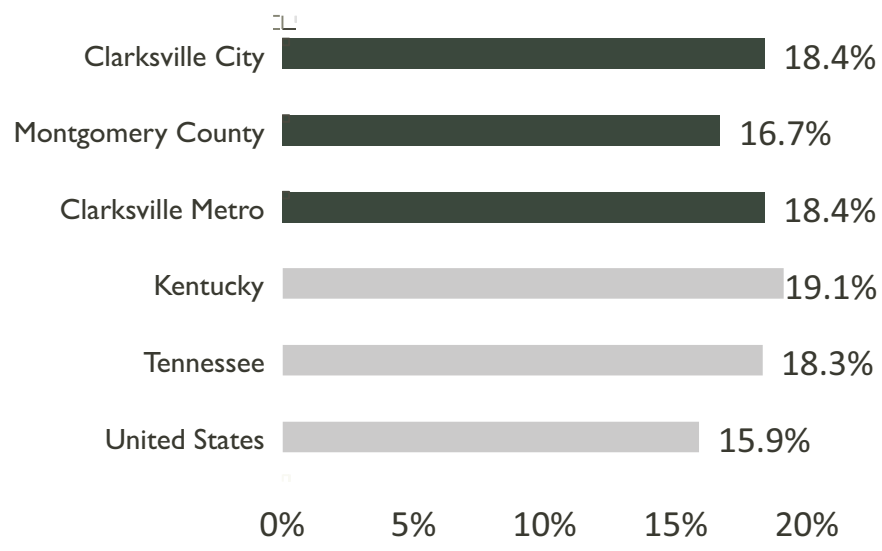
More than 18% of residents in the Clarksville MSA live in poverty. Nationally, the figure is less than 16%. The poverty rate of the MSA is lower than in either Kentucky or Tennessee. At less than 17%, the poverty rate of Montgomery County is slightly lower than the MSA as a whole.

MEDIAN HOUSEHOLD INCOME 2011



SOURCE: US Census Bureau

PERCENTAGE OF PEOPLE LIVING IN POVERTY 2011



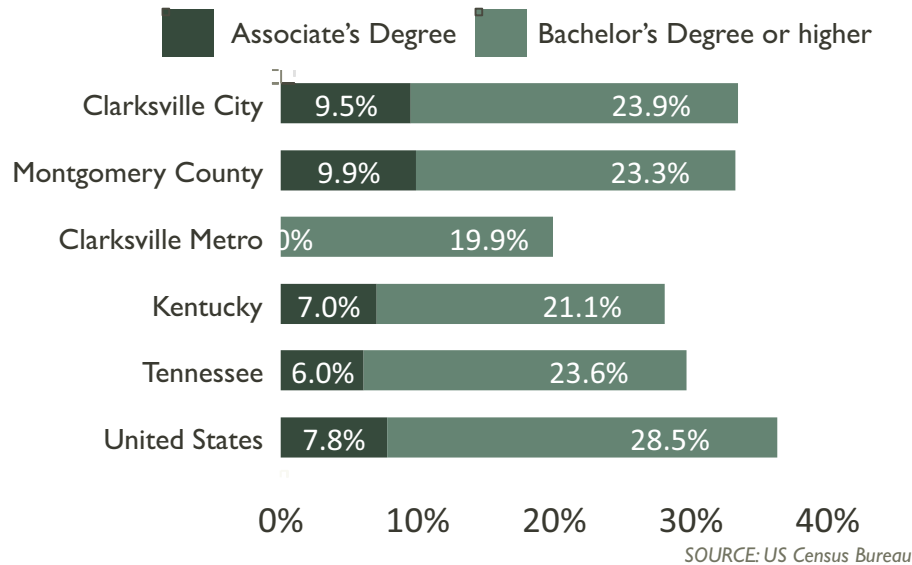
SOURCE: US Census Bureau

Education

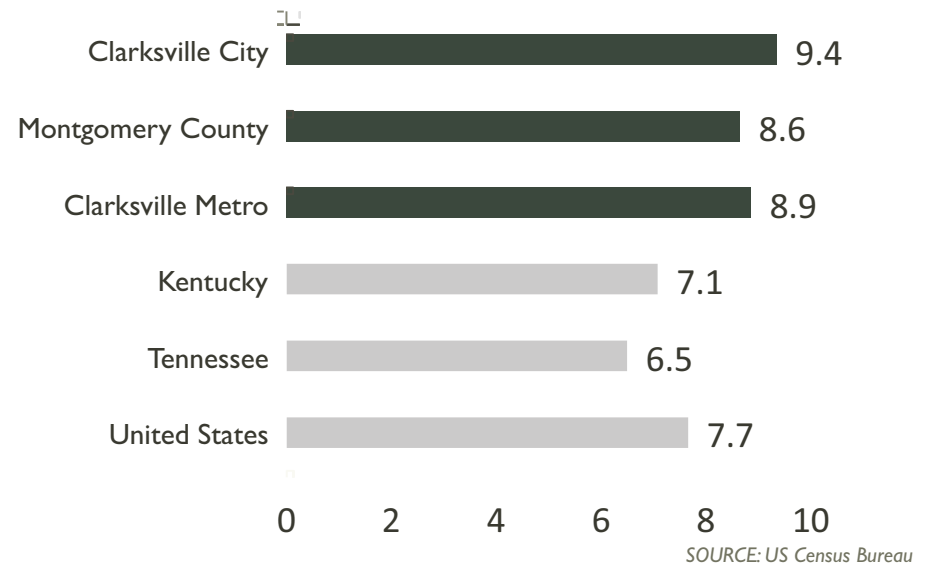
Approximately 20% percent of residents in the Clarksville MSA have a bachelor's degree, approximately eight percentage points lower than the US average. Additionally 9.4% of MSA residents have an associate's degree, nearly two percentage points higher than the US average. The proportion of residents with a bachelor's degree is slightly lower than the averages for both Kentucky and Tennessee. At the associate's degree level, however, the MSA has higher educational attainment levels than those found in either state. Within the region, both the city of Clarksville and Montgomery County have higher rates of educational attainment than the broader region.

Despite lower levels of educational attainment in the Clarksville MSA compared to state and US averages, the region has a higher concentration of enrolled college students. There are 8.9 college students for every 100 residents in the MSA; this figure is more than 20% higher than the national average and 30% higher than the average in either Kentucky or Tennessee. With 9.4 college students for every 100 residents, the city has an even higher proportion of college students than the metropolitan region.

EDUCATIONAL ATTAINMENT
2011



COLLEGE STUDENTS PER 100 RESIDENTS
2011

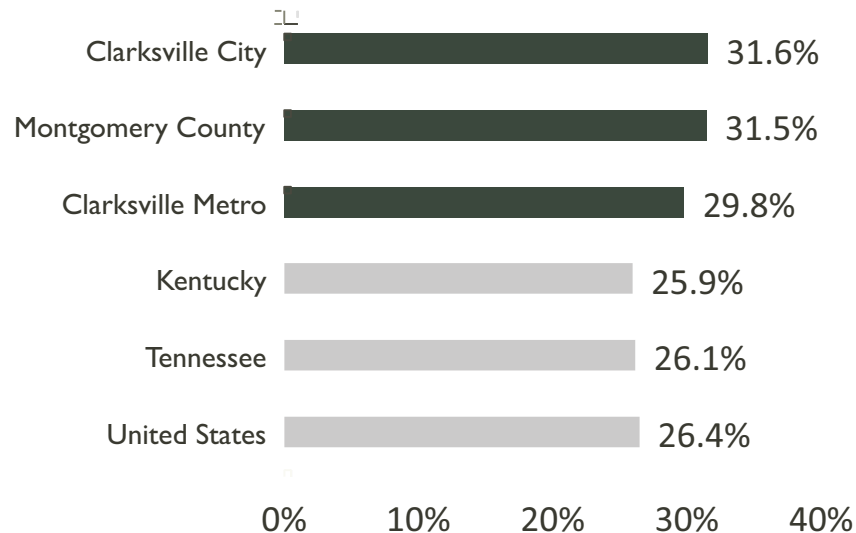


Young Professionals

Approximately 30% of Clarksville MSA residents are young professionals (residents between the ages of 25 and 44). The proportion of young professionals in the MSA is higher than the US, Kentucky, and Tennessee averages. The proportion of residents classified as young professionals is slightly higher in both the city of Clarksville and Montgomery County than in the overall metropolitan area.

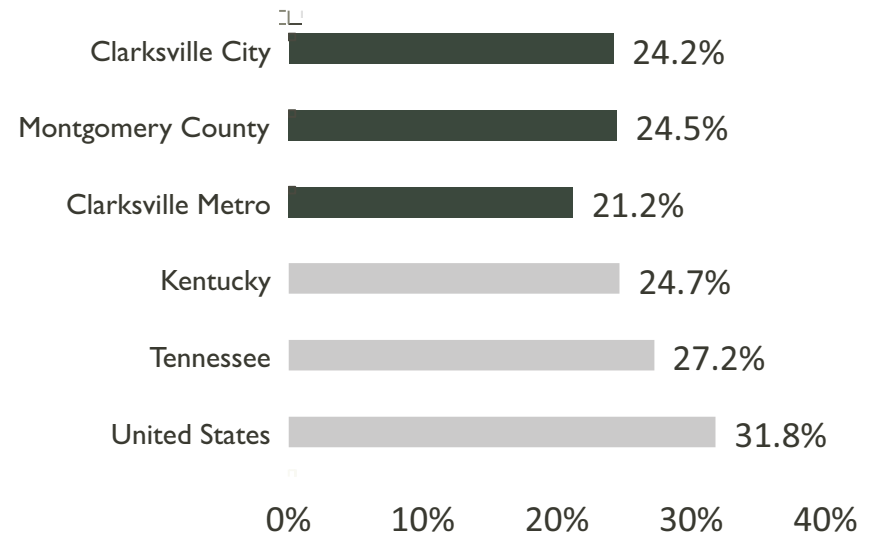
Although the Clarksville MSA has a relatively high proportion of young professionals, this population has lower levels of educational attainment than their US counterparts. Slightly more than 21% of young professionals in the MSA have a bachelor’s degree, compared to 32% nationally. In Kentucky and Tennessee, the figure is 25% and 27% respectively. Educational attainment among young professionals in the city of Clarksville and Montgomery County is approximately 3 percentage points higher than the regional average.

**PROPORTION OF YOUNG PROFESSIONALS
(RESIDENTS AGE 25 – 44) - 2011**



SOURCE: US Census Bureau

**YOUNG PROFESSIONALS WITH BACHELOR’S DEGREE
2011**



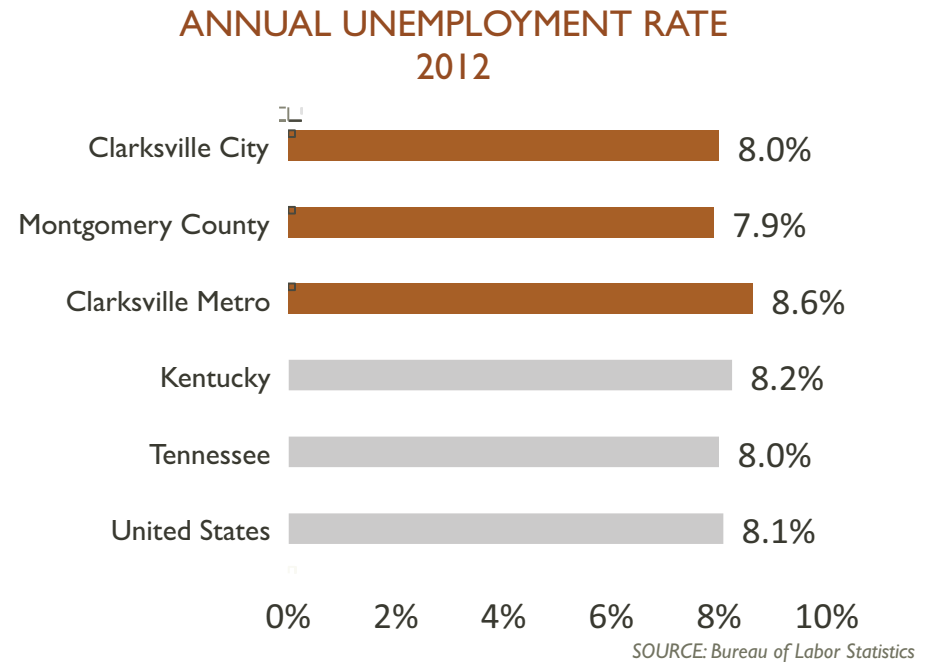
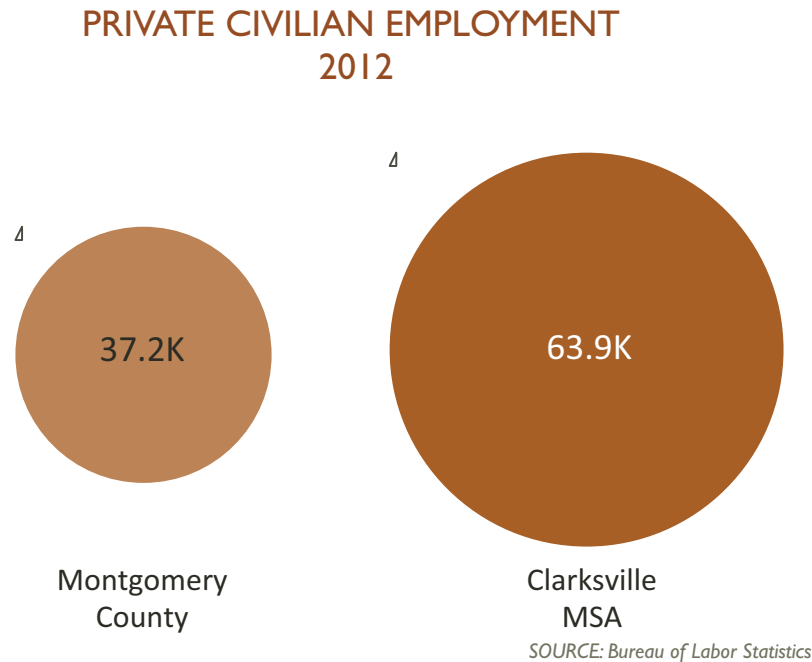
SOURCE: US Census Bureau

ECONOMIC INDICATORS

Private Employment

Of approximately 63,900 private jobs in the Clarksville metropolitan region, nearly 60% (37,200) are located in Montgomery County.

The annual unemployment rate for the Clarksville metro was 8.6% in 2012, slightly higher than the unemployment rate in Kentucky, Tennessee, and the US. Within the region, both the city of Clarksville (8.0%) and Montgomery County (7.9%) had lower unemployment rates than the overall metro, as well as the state and US averages.



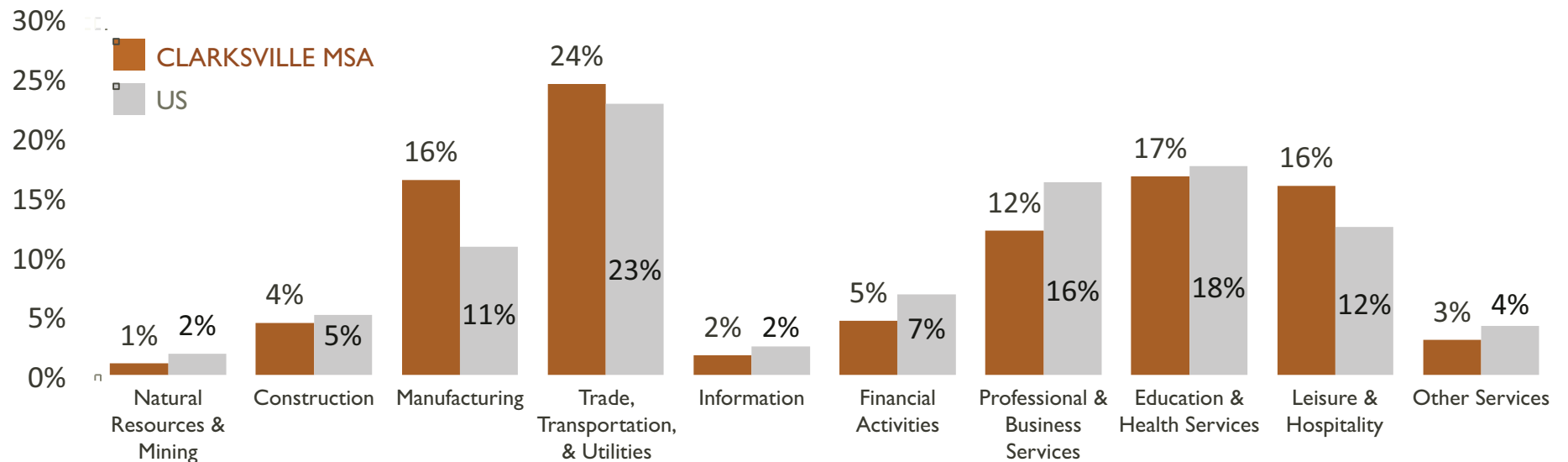
Employment by Industry

Employment by industry in the Clarksville MSA mirrors the US in all but a few significant ways; the region has a larger than average Manufacturing, Trade, Transportation & Utilities, and Leisure & Hospitality employment base.

Trade, Transportation, and Utilities is the single largest industry in the Clarksville region, accounting for approximately one in four workers (this figure is slightly higher than the US average). Education & Health Services is the second largest industry in the Clarksville region, representing 17% of all workers. Manufacturing employs 16% of workers in the Clarksville metropolitan area, above the US average of 11%. With 16% of Clarksville workers employed in Leisure & Hospitality, the industry employs 30% more workers than the US average.

Industries employing a below average share of workers in the Clarksville region include Professional & Business Services and Financial Activities.

**PRIVATE CIVILIAN EMPLOYMENT BY INDUSTRY
2012**

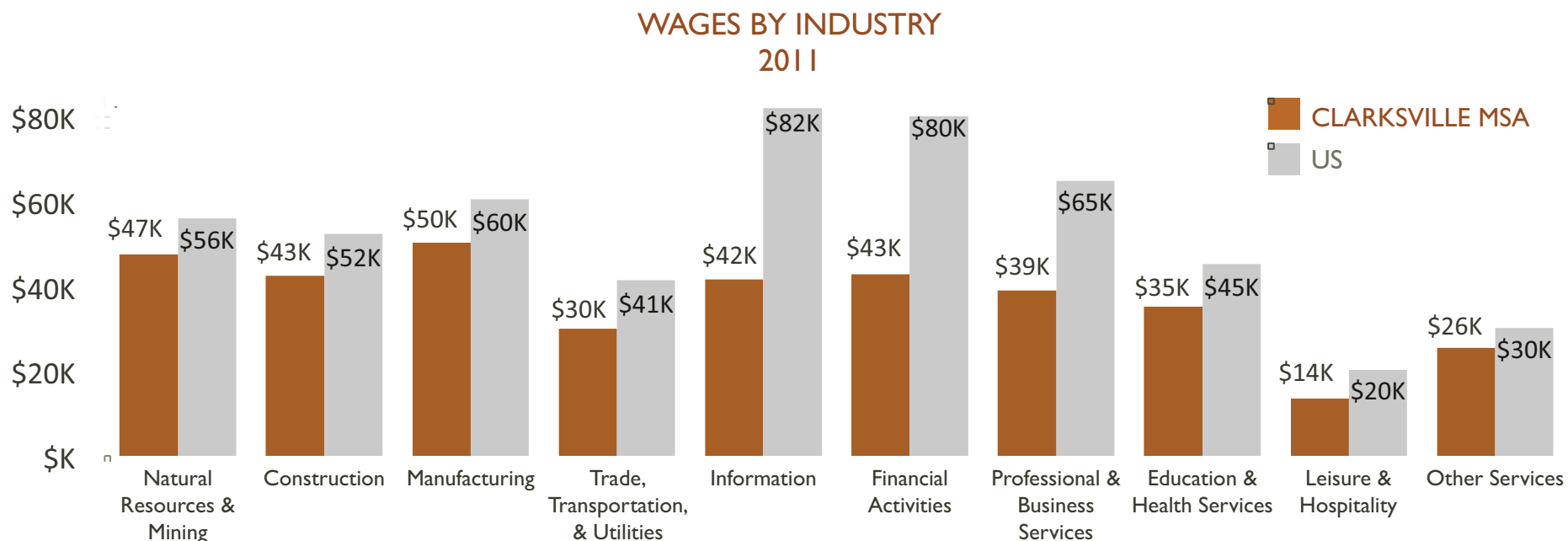


SOURCE: Bureau of Labor Statistics

Wages by Industry

Manufacturing is the highest paying industry in the Clarksville metro, with workers earning an average of \$50,000 annually. Natural Resources & Mining, with an average salary of \$47,000, is the second highest-paying industry in Clarksville. At \$43,000, Construction is tied for the third-highest paying industry in the Clarksville region with Financial Activities. Leisure & Hospitality, with an average annual wage of \$14,000, is the lowest paying industry in the Clarksville region.

The average wages for all industries in the Clarksville metropolitan area are lower than the US average, with the biggest gaps in Information, Financial Activities, and Professional & Business Services. On average, Clarksville workers in these industries earn \$35,000 less than their US counterparts. In other industries, including Natural Resources & Mining and Construction, the difference between average wages in Clarksville and the US is less pronounced.



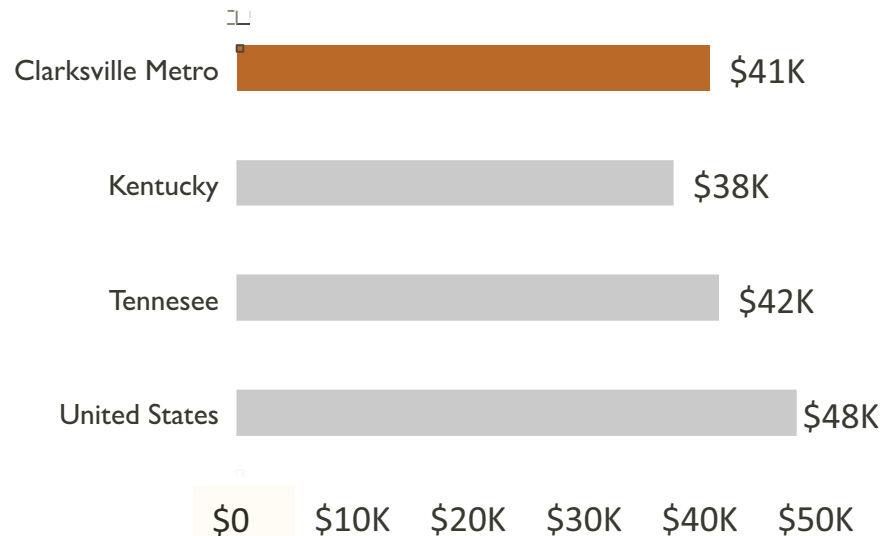
SOURCE: Bureau of Labor Statistics

Gross Regional Product and Exports

Per capita GDP in the Clarksville region at \$41,000 is approximately \$7,000 lower than US average. Per capita GDP in the Clarksville metropolitan area is higher than the state of Kentucky (\$38,000) but lower than Tennessee (\$42,000).

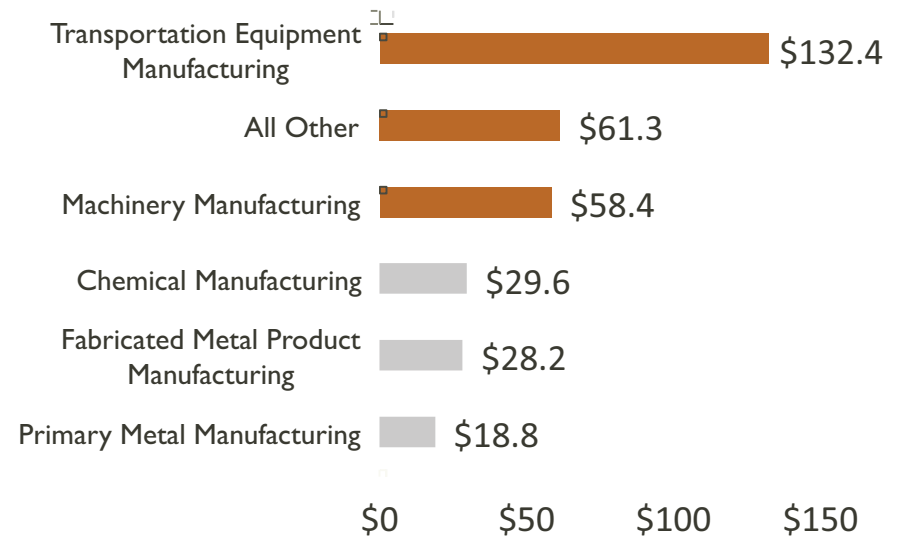
In 2011, exports from the Clarksville region totaled \$328 million, with Transportation Equipment Manufacturing making up the largest share. At more than \$132 million, the value of Clarksville’s manufactured Transportation Equipment was more than double all other export categories. Machinery Manufacturing was the second leading export for the Clarksville region, at more than \$58 million. Other significant Clarksville exports include Chemical Manufacturing (\$29.6 million); Fabricated Metal Product Manufacturing (\$28.2 million); and Primary Metal Manufacturing (\$18.8).

**PER CAPITA GDP
2011**



SOURCE: Bureau of Economic Analysis

**LEADING EXPORTS (in millions)
2011**



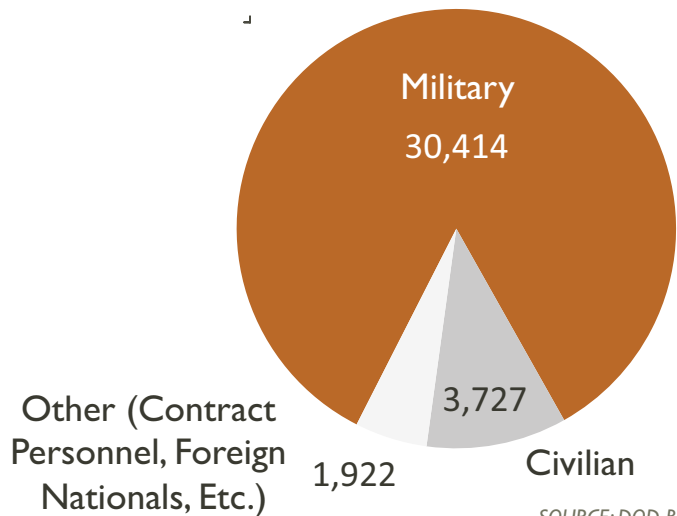
SOURCE: International Trade Administration

Military Operations

The Clarksville-Montgomery County region is home to Fort Campbell, one of the largest Army Installations in the US. Fort Campbell directly employs more than 36,000 individuals. This includes more than 30,000 active military personnel and an additional 3,700 civilian workers and nearly 2,000 'other' workers (including contract personnel and foreign nationals).

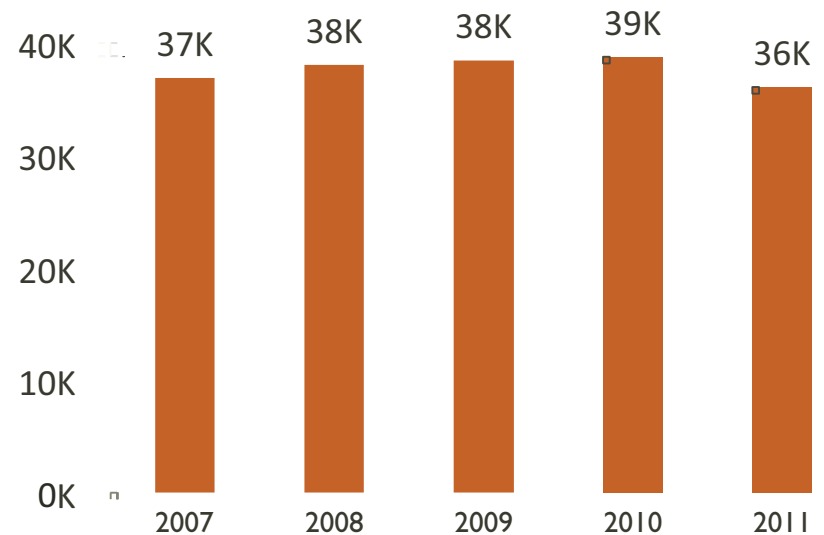
During the past 5 years, the total number of personnel stationed at Fort Campbell has remained relatively constant. After rising slightly from approximately 37,000 to 39,000 between 2007 and 2010, the number of personnel at Fort Campbell dipped in 2011. As the US military continues to wind down their overseas engagements in the years ahead, further reductions at Fort Campbell remain possible. The most recent BRAC announcement in 2013 cuts only 300 positions at Fort Campbell over the next five years.

FORT CAMPBELL PERSONNEL FY 2011



SOURCE: DOD Base Structure Report, FY 2012

FORT CAMPBELL PERSONNEL FY 2007 - 2011



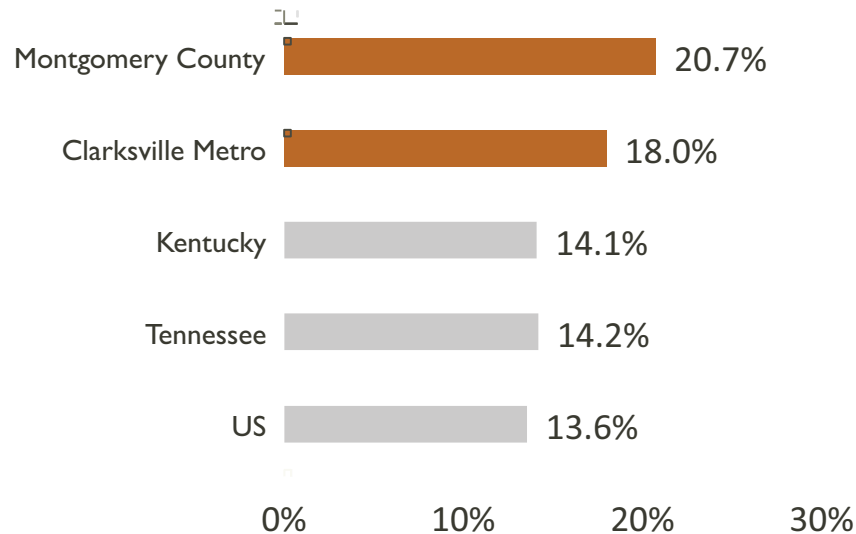
Retail Activity

Nearly 21% of private sector workers in the Clarksville region is employed in the Retail Industry. This proportion is higher than the Kentucky and Tennessee averages. Nationally, fewer than 14% of private sectors workers are employed in the Retail industry.

Despite the region's higher proportion of retail industry workers, per capita retail sales in Clarksville are relatively low. Within the region, Montgomery County serves as a regional retail hub. With per capita taxable retail sales of \$13,000, Montgomery's retail activity is approximately 30% higher than the metropolitan area.

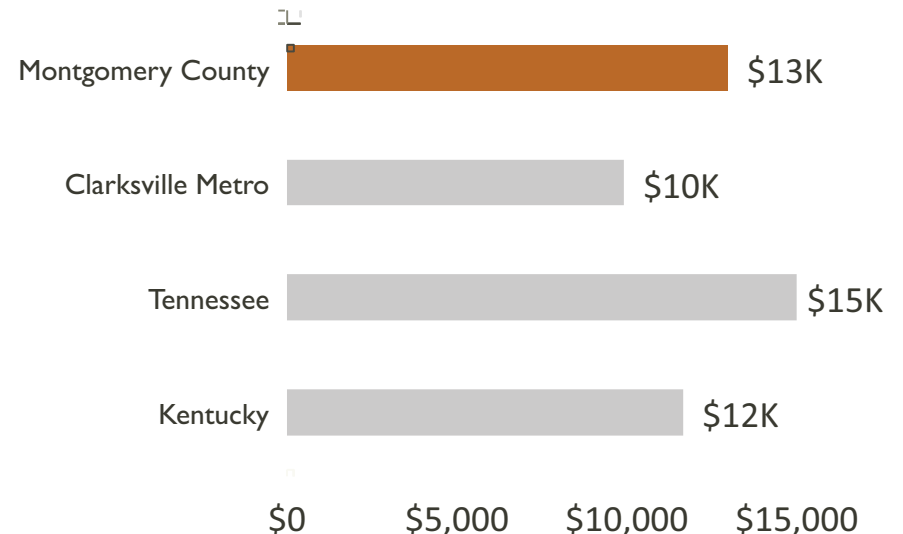
Taxable retail sales in the Clarksville metro appear slightly higher than those in Kentucky, but lower than in Tennessee. It should be noted, however, that the state figures are not entirely comparable due to slight differences in their collection. In 2011, for example, grocery items in Kentucky were largely exempt from sales tax. In Tennessee, however, grocery items were subject to sales tax (though this was changed in 2012).

RETAIL AS A PERCENTAGE OF PRIVATE EMPLOYMENT 2011



SOURCE: Bureau of Labor Statistics

TAXABLE RETAIL SALES PER CAPITA 2011



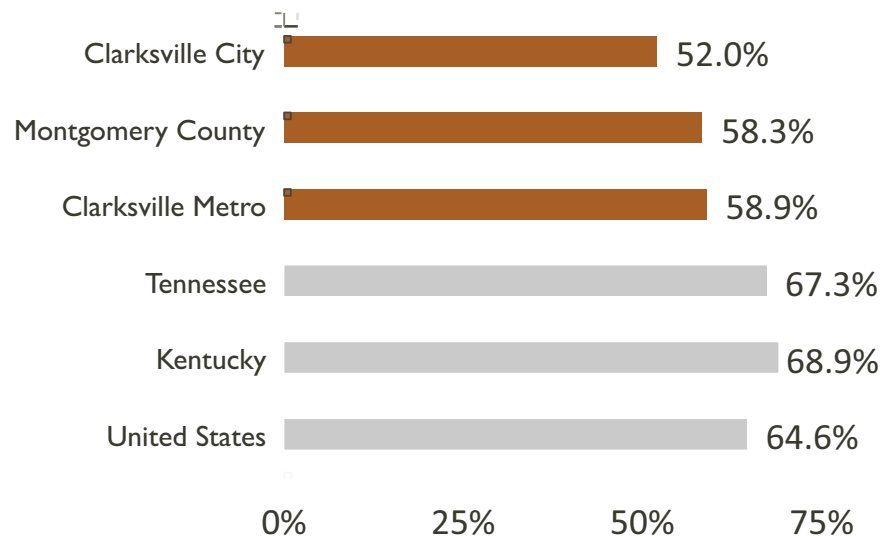
SOURCE: Kentucky Department of Revenue / Tennessee Department of Revenue

Home Ownership & Affordability

Home ownership in the Clarksville metro is below the national average, with approximately 59% of housing units owner-occupied. Homeownership rates in the Clarksville MSA also trail the Kentucky and Tennessee average. At 52% and 58% respectively, homeownership rates are even lower in the city of Clarksville and Montgomery County. Low local home ownership is likely due to the large military population, which generates higher demand for rental units.

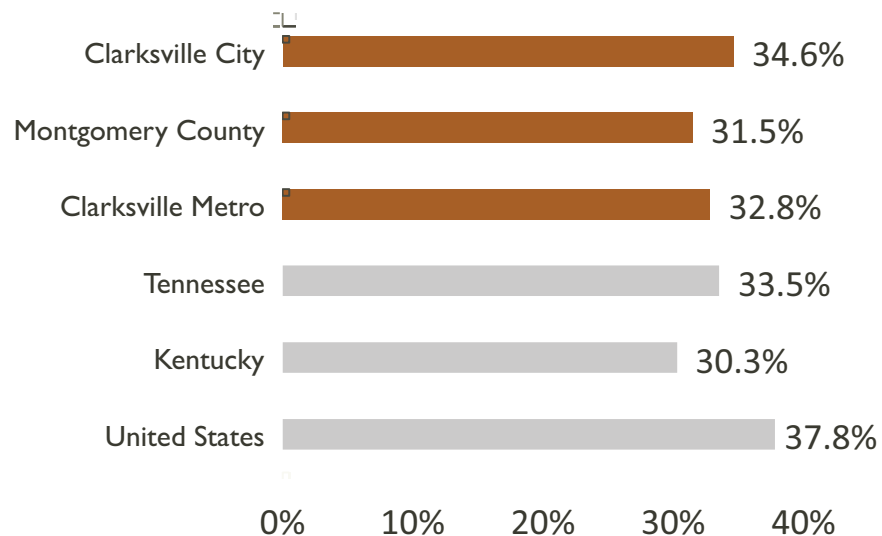
Despite low rates of home ownership, housing remains relatively affordable throughout the Clarksville region. Less than one third of homeowners and renters are “cost burdened,” defined as households that spent 30% or more of their income on housing. Nationally, nearly 38% of homeowners and renters are cost burdened. The proportion of cost burdened homeowners and rents in Tennessee and Kentucky is 34% and 30% respectively. The city of Clarksville has a slightly higher share of cost burdened homeowners and renters than the broader region, while Montgomery County has slightly fewer cost burdened homeowners and renters.

**HOME OWNERSHIP RATE
2011**



SOURCE: Bureau of Labor Statistics

**COST BURDENED HOMEOWNERS AND RENTERS
2012**



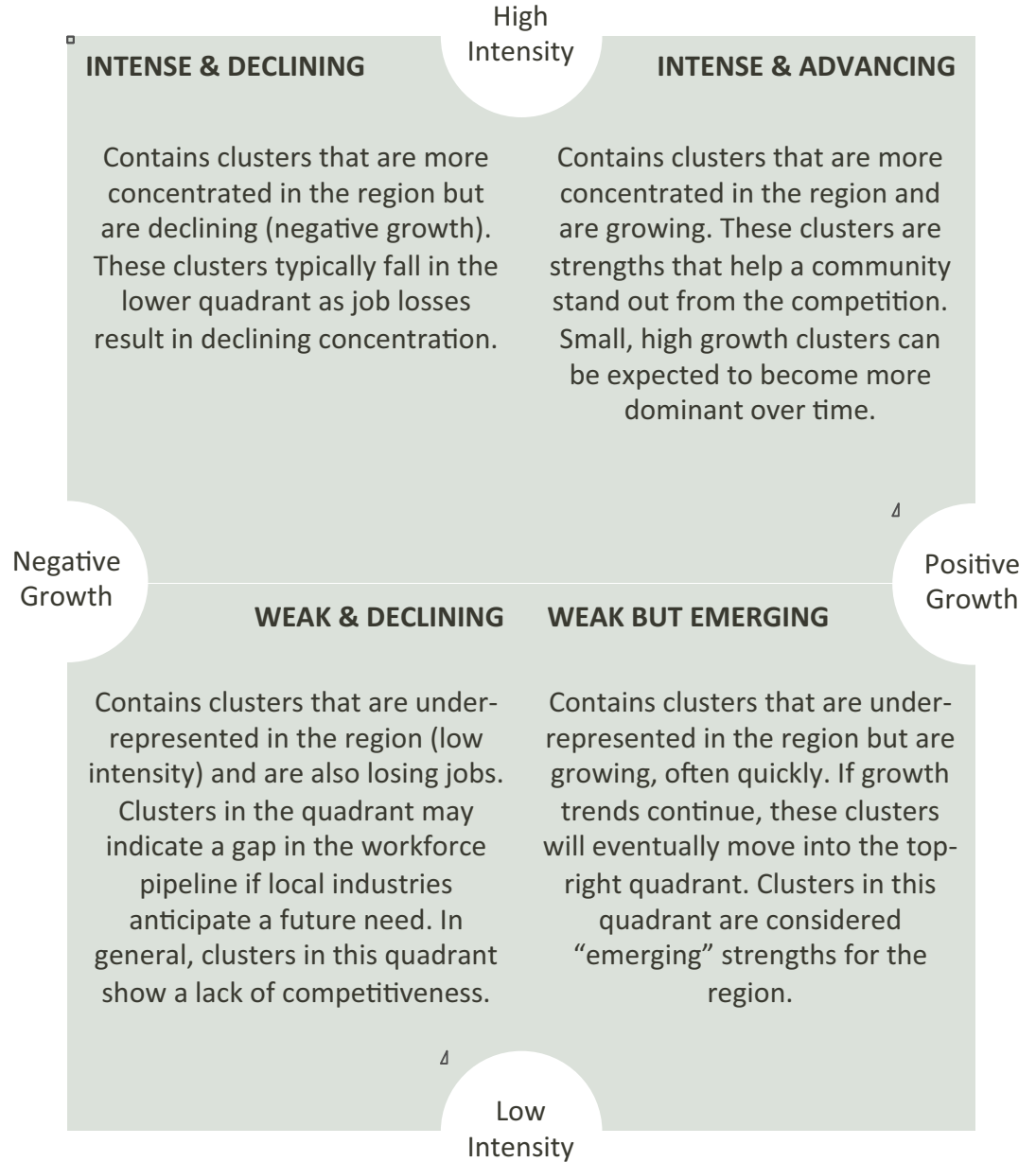
SOURCE: Bureau of Labor Statistics

Cluster Analysis

Location Quotients (LQs) compare the relative concentration of an industry in a local economy with the average concentration seen at the national level. An LQ of 1.5 indicates that the local economy has 50% more jobs per capita in that industry than witnessed at the national level. An LQ of 1.0 indicates parity, and an LQ below 1 indicates a below-average concentration. The “bubble chart” in the following section shows LQ by industry on the vertical axis. The horizontal axis shows the 5-year % growth for the industry, and the size of the bubble indicates the relative number of jobs in the industry.

The graph’s four quadrants each tell a different story for the industry sector. While sectors in the top-right quadrant are viewed as competitive and should be priorities for talent development, sectors to the bottom-right (which are growing, but have below-average concentrations) are emerging sectors for the region. These sectors typically require special attention such as entrepreneurial assistance or new workforce training programs.

The following cluster analyses for Montgomery County exclude Military employment, which, because of the relatively large employment centered on Fort Campbell, unfairly distort the proportional representation of other industry clusters in the County. As a result, both Industry Cluster and Occupational Cluster bubble charts on the following pages show a more honest depiction of actual industry concentration in the county.



Industry Cluster Analysis – Montgomery County, TN

As seen in the bubble chart on the following page, the largest industry clusters in Montgomery County are Retail (12,000 jobs), Government (10,100 jobs excluding Military), Culture & Entertainment (8,000 jobs), Healthcare (7,500 jobs), and Building & Construction (5,400 jobs). All of these clusters have performed relatively well over the past five years. With the exception of Building & Construction, all of these clusters created jobs between 2007 and 2012. Building & Construction employment dipped 6% , mirroring national trends related to the collapse of the housing market.

The most concentrated industry clusters in Montgomery County are Logging & Mining (LQ of 2.9), Apparel & Textiles (LQ of 2.6), Automotive (LQ of 2.0), Industrial Machinery (LQ of 1.5), and Retail (LQ of 1.3).

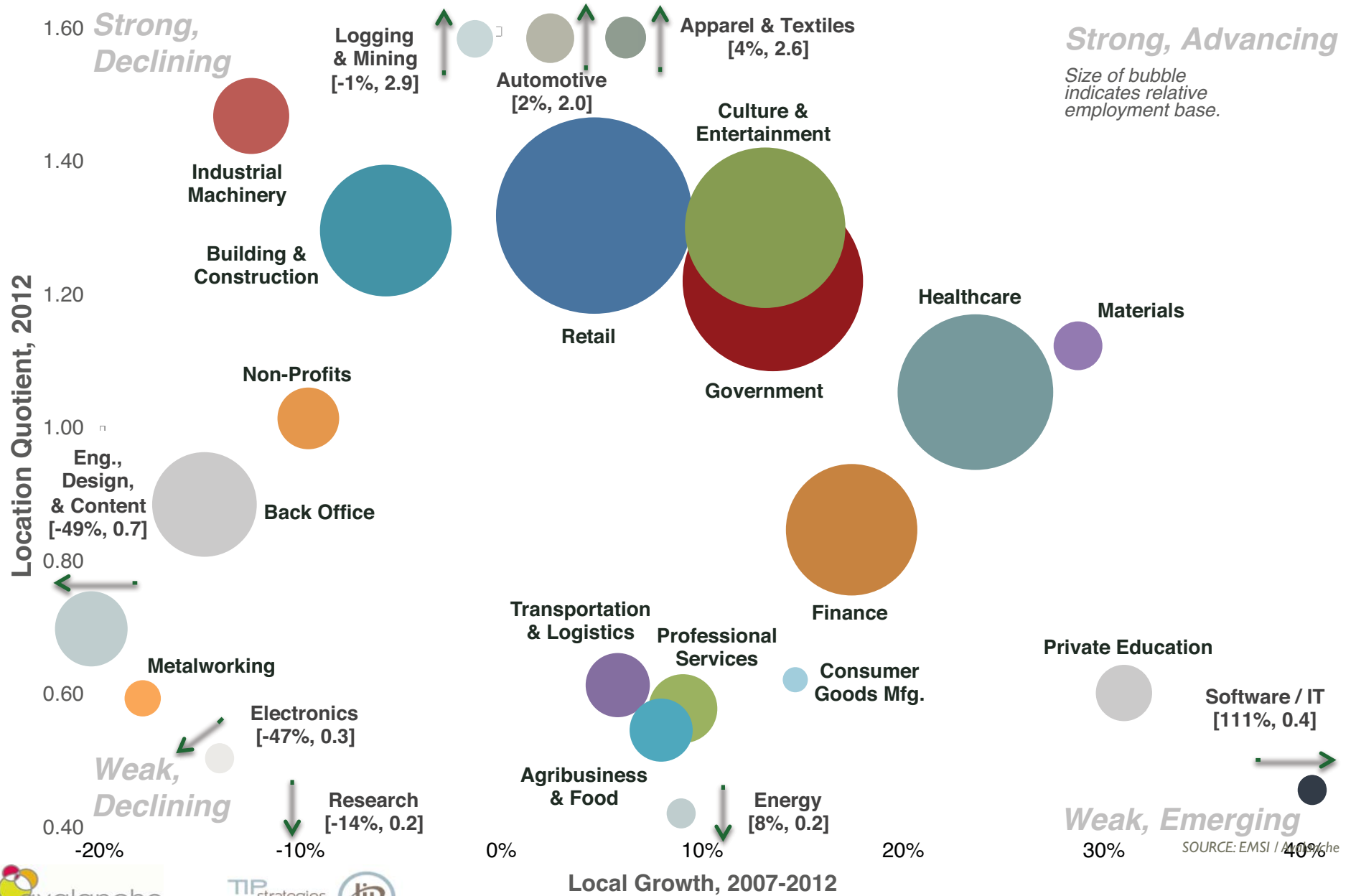
The fastest growing industry clusters from 2007 to 2012 were Software / IT (111% growth), Private Education (31% growth), Materials (29%), Healthcare (24%), and Finance (17%).

While the subsequent industry cluster analysis is limited to the civilian workforce, the military presence in Montgomery County does impact the data. A large proportion of individuals in Montgomery County’s large Finance sector, for example, appears to be comprised of real estate professionals managing properties for military personnel.

Industry Cluster	2012		2012 LQ	2007 to 2012		
	Employment			% Growth	Net New	
Aerospace	0	0.0	●	-	-	0
Agribusiness & Food	1,237	0.5	●	7.9%		91
Apparel & Textiles	639	2.6	●	3.7%		23
Automotive	872	2.0	●	1.8%		15
Back Office	3,403	0.9	●	-14.8%		-591
Biomedical Supplies & Labs	76	0.2	●	4.1%		3
Building & Construction	5,391	1.3	●	-5.8%		-330
Consumer Goods Mftg	196	0.6	●	14.6%		25
Culture & Entertainment	8,001	1.3	●	13.1%		928
Education	985	0.6	●	31.0%		233
Electronics	242	0.2	●	-46.8%		-213
Energy	190	0.2	●	8.0%		14
Eng., Design, & Content	1,182	0.7	●	-48.6%		-1,117
Finance	5,371	0.8	●	17.4%		797
Furniture	10	0.1	●	-78.3%		-36
Government	10,121	1.2	●	13.5%		1,204
Healthcare	7,529	1.1	●	23.6%		1,437
Industrial Machinery	1,797	1.5	●	-12.5%		-256
Logging & Mining	338	2.9	●	-0.9%		-3
Materials	740	1.1	●	28.7%		165
Metalworking	409	0.6	●	-17.9%		-89
Non-Profits	1,183	1.0	●	-9.6%		-126
Professional Services	1,474	0.6	●	9.0%		122
Research	256	0.2	●	-13.5%		-40
Retail	11,988	1.3	●	4.6%		528
Shipbuilding	0	0.0	●	-		0
Software / Info. Tech.	402	0.4	●	110.5%		211
Telecom Services	175	0.5	●	-30.3%		-76
Transportation & Logistics	1,281	0.6	●	5.8%		70
Total	65,439			4.8%		2,974

SOURCE: EMSI / Avalanche

Industry Clusters - Montgomery County, TN



Occupation Clusters – Montgomery County, TN

The largest major occupation clusters in Montgomery County are Hospitality (11,300 jobs), Personal Services (9,800 jobs), Back Office (7,600 jobs), Medical (5,500 jobs), and Production (4,700 jobs).

The most concentrated occupation clusters in Montgomery County are Personal Services (LQ of 1.4), Hospitality (LQ of 1.4), Production (LQ of 1.4), Manufacturing Operations (LQ of 1.3), and Education (LQ of 1.2).

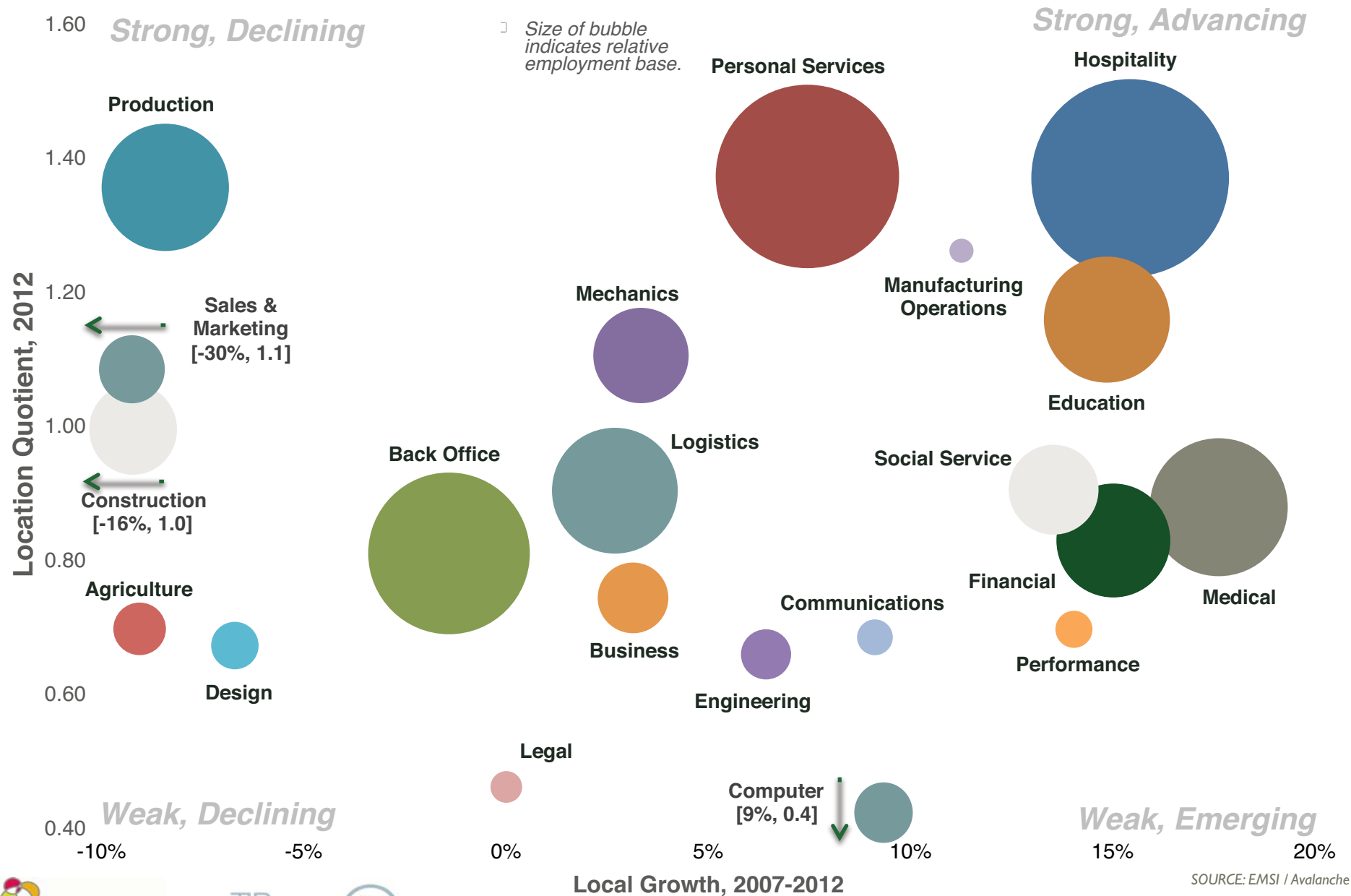
The fastest growing occupation clusters in Montgomery County from 2007 to 2012 were Medical (18% growth), Hospitality (15%), Education (15%), Financial (15%), and Performance (14%).

Larger occupation clusters that declined during this period were Production (-8% growth), Back Office (-1% growth), Construction (-16%), and Sales & Marketing (-30%).

Occupation Cluster	2012		2012 LQ	2007 to 2012	
	Employment			% Growth	Net New
Agriculture	802	0.7	●	-9.1%	-80
Architecture	197	2.1	●	-3.0%	-6
Back Office	7,580	0.8	●	-1.4%	-109
Business	1,448	0.7	●	3.1%	44
Communications	371	0.7	●	9.1%	31
Computer	775	0.4	●	9.3%	66
Construction	3,016	1.0	●	-16.2%	-584
Design	653	0.7	●	-6.7%	-47
Education	4,608	1.2	●	14.9%	596
Engineering	729	0.7	●	6.4%	44
Financial	3,761	0.8	●	15.0%	491
Geology	48	0.4	●	9.1%	4
Hospitality	11,326	1.4	●	15.4%	1,514
Legal	291	0.5	●	0.0%	0
Logistics	4,589	0.9	●	2.7%	120
Math	23	0.5	●	0.0%	0
Mechanics	2,637	1.1	●	3.3%	85
Medical	5,520	0.9	●	17.6%	827
Manufacturing	168	1.3	●	11.3%	17
Sales & Marketing	1,077	1.1	●	-30.4%	-471
Performance	398	0.7	●	14.0%	49
Political	69	1.3	●	21.1%	12
Production	4,700	1.4	●	-8.4%	-433
Personal Services	9,753	1.4	●	7.4%	676
Social Service	2,340	0.9	●	13.5%	279
Total	65,439			4.8%	2,974

SOURCE: EMSI / Avalanche

Occupation Clusters— Montgomery County, TN



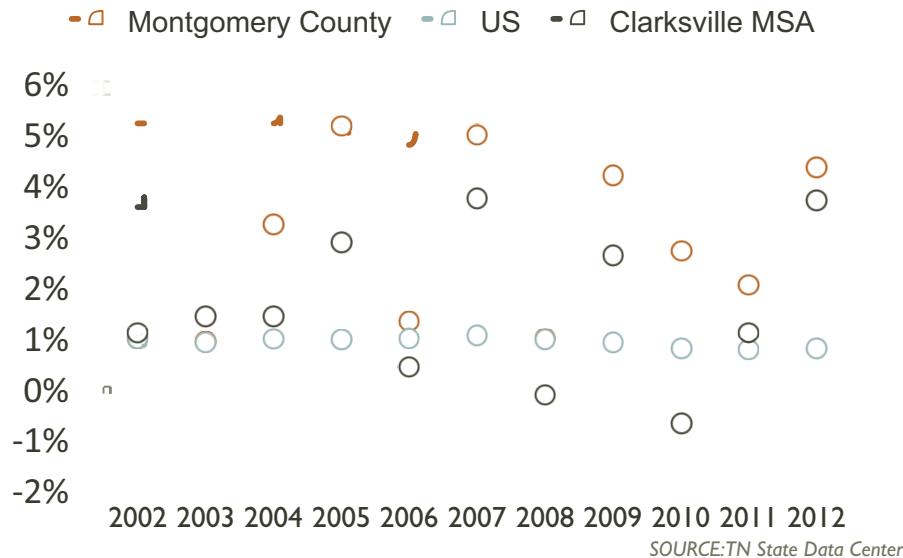
DEMOGRAPHIC TRENDS

Population Growth

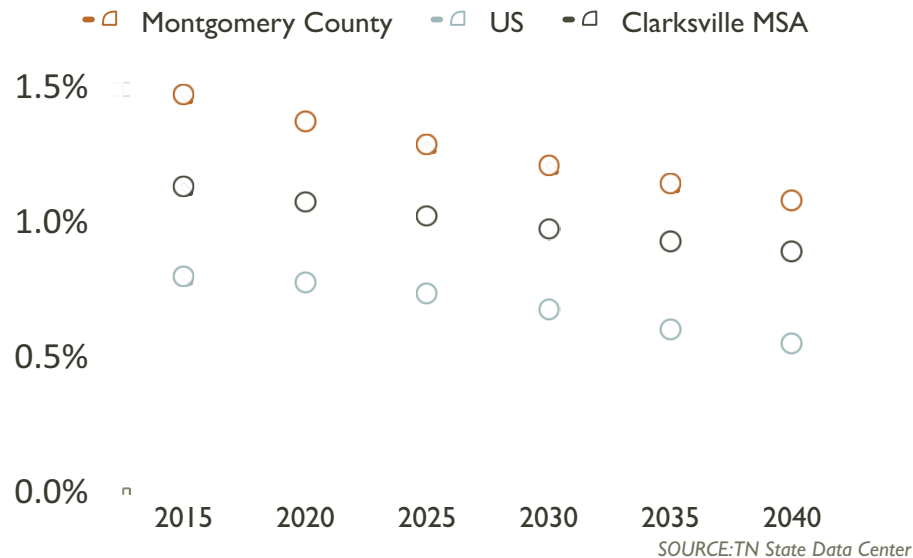
Due to the constant deployment and return of military personnel at Fort Campbell, population growth in both Montgomery County and the greater Clarksville region has fluctuated wildly during the past decade. In years when US troops have returned to Fort Campbell, annual population growth has topped 5%. In other years, Montgomery County’s population growth has hovered around 1%. Annual population growth within the Clarksville MSA has demonstrated similar, if less pronounced, dynamics. All told, Montgomery County’s population increased nearly 34% between 2002 and 2012. During this period, population of the Clarksville region increased a more modest 15%. The growth of both areas easily exceeded the national average; between 2002 and 2012 the US population increased just 9%.

Over the next 25 years, the population of Montgomery County and the Clarksville MSA are both projected to grow more quickly than the US. Still, the annual growth rates of Montgomery County and Clarksville County are expected to slow over the next two and a half decades. Average annual growth in Montgomery County is expected to fall from approximately 1.4% in 2015 to 1% in 2040. During this period, average annual growth in the Clarksville MSA is projected to drop from 1.1% to 0.9%.

**POPULATION GROWTH
2002 - 2012**



**FORECAST POPULATION GROWTH
2015 - 2040**

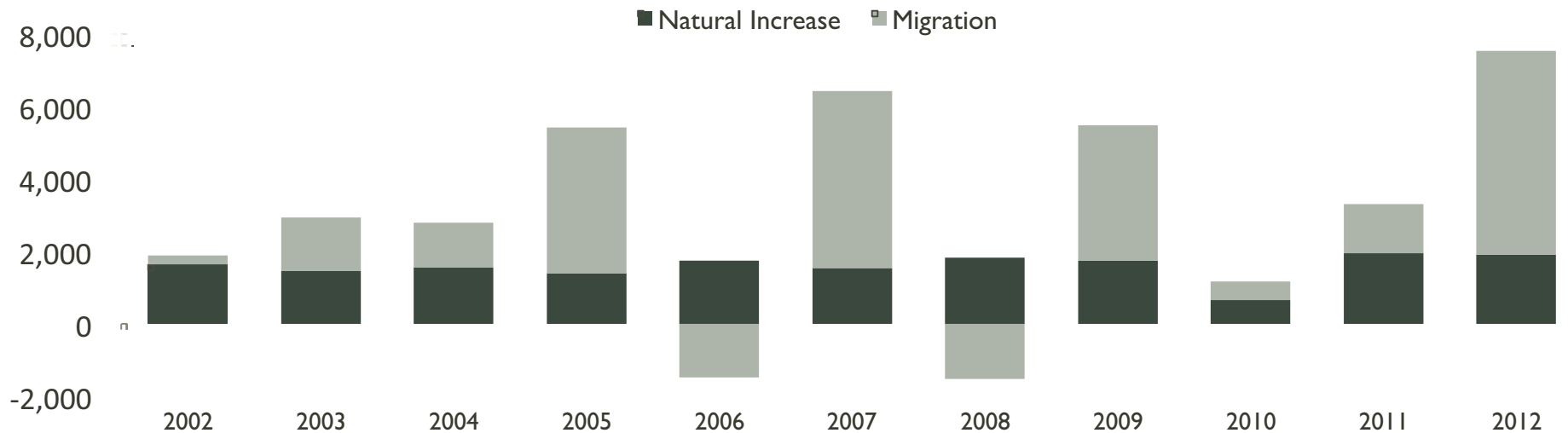


Migration

Population growth in Montgomery is largely driven by changes in troop assignments to Fort Campbell. Over the past decade, natural increases in Montgomery County's population (the number of births minus the number of deaths) have held relatively constant. In 2012, Montgomery County's natural increase in population was approximately 1,900. This same year, net in-migration to Montgomery County totaled 5,600.

In contrast, migration fluctuates significantly from year to year. When US troops return from deployment (2005, 2007, 2009, and 2012), in-migration accounts for approximately 75% of Montgomery County's population growth. When troops at Fort Campbell are deployed outside the region, Montgomery County sometimes actually experiences a net loss of migrants (though this has not occurred since 2008).

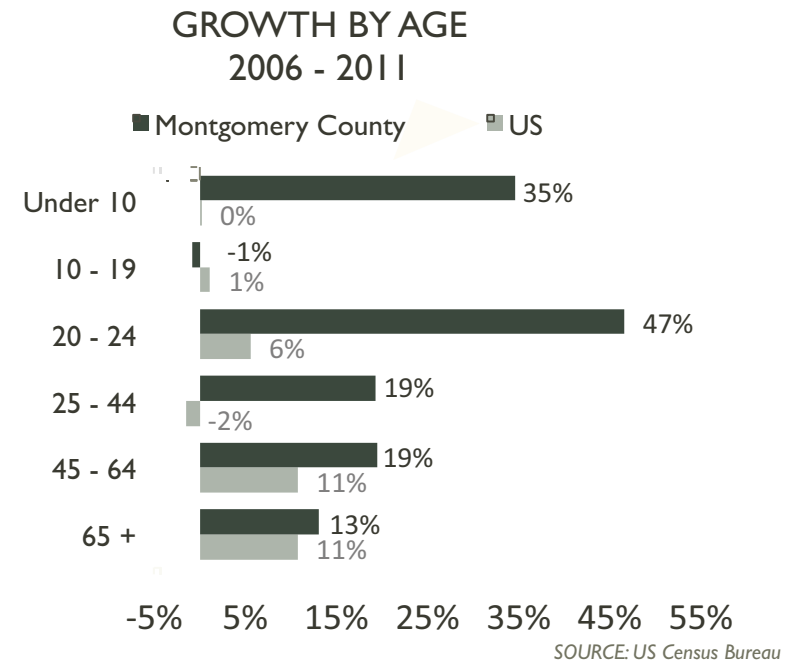
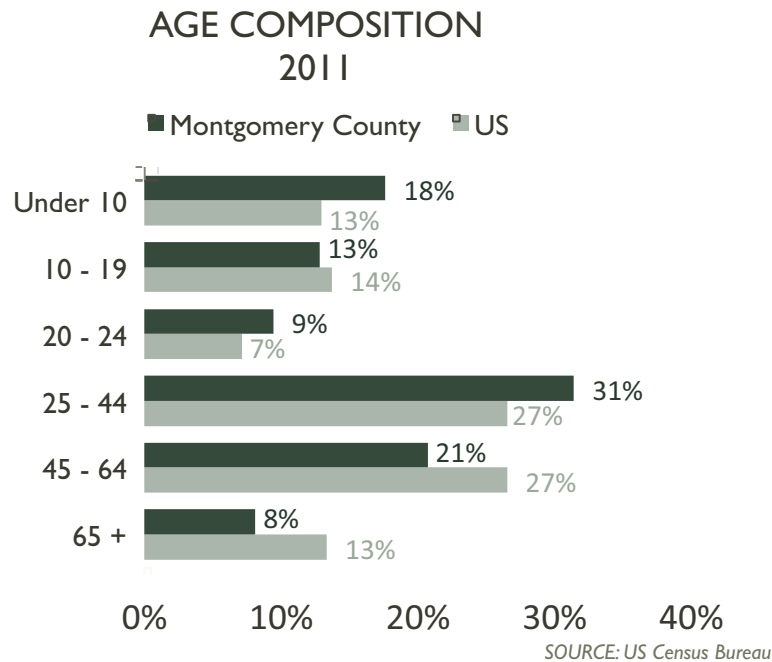
MONTGOMERY COUNTY COMPONENTS OF POPULATION CHANGE 2002 - 2012



SOURCE: US Census Bureau

Montgomery County appears to have a high concentration of young families with children. Children under the age of 10 make up 18% of Montgomery County, five percentage points higher than the US average. Similarly, residents age 25 to 44 comprise 31% of the population, four percentage points above the US average. Conversely, Montgomery County has a far smaller share of older residents than the US average. Individuals age 45 and older represent only 29% of Montgomery County's population, compared to the US average of 40%.

Fueled by college students, military personnel, and their families, the number of Montgomery County residents between the ages of 20 and 24 increased 47% between 2006 and 2011. During this same period, the number of children 10 years and younger in Montgomery County jumped 35%. All other age groups in Montgomery County grew by double digits (with the exception of individuals age 10 through 19).

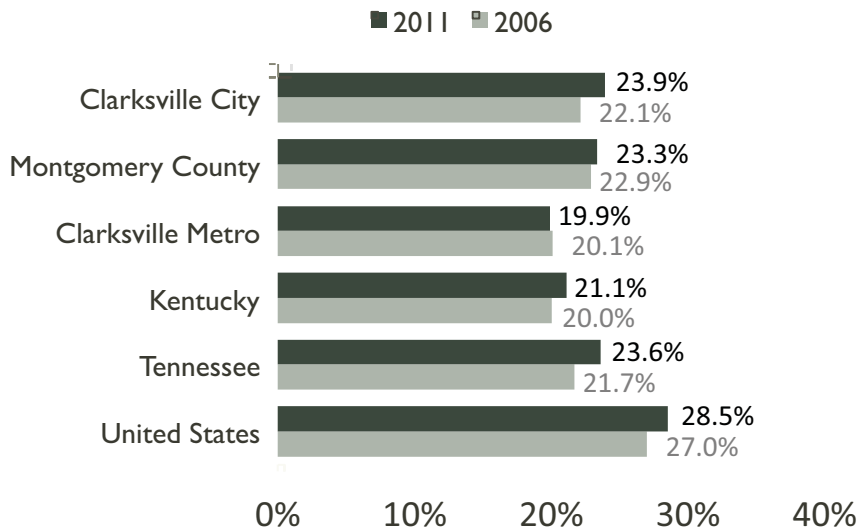


Education

Approximately 23% of Montgomery County residents age 25 and older possess a 4-year college degree. This figure is approximately 5 percentage points below the US average, nearly identical to the Tennessee average, and slightly higher than the Kentucky average. From 2006 to 2011, the number of Montgomery County residents with a college degree increased 2%. Though positive, this increase trailed the national average of nearly 6% growth during this period. The number of residents with a college degree also increased faster in Tennessee and Kentucky than in Montgomery County.

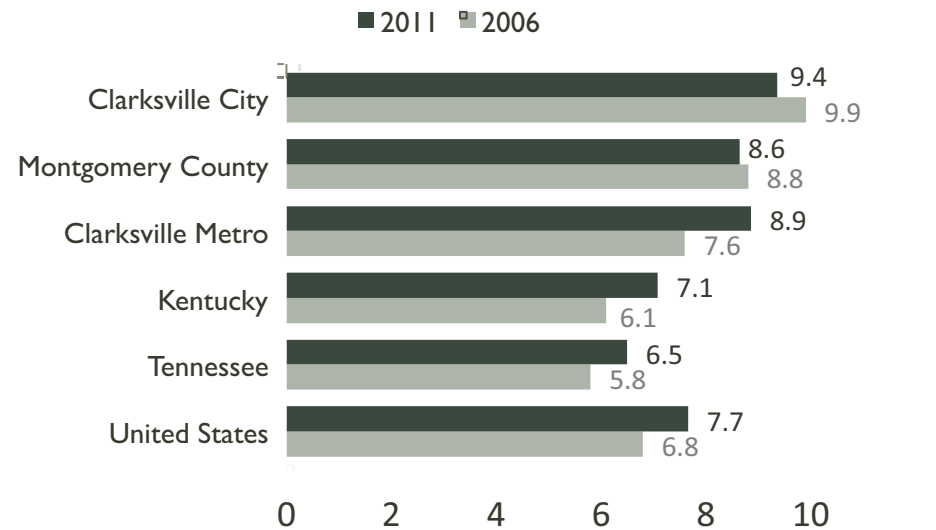
Despite the sluggish growth of college-educated residents in Montgomery County, the region has a higher than average number of college students. Nearly 9% of Montgomery County residents age 25 and older are currently enrolled in college. This proportion is 12% higher than the national average. As a result, Montgomery County may experience an increase in college educational attainment in the future if these students remain county residents after graduation.

COLLEGE EDUCATIONAL ATTAINMENT
2006 vs. 2011



SOURCE: US Census Bureau

COLLEGE STUDENTS PER 100 RESIDENTS
2006 vs. 2011



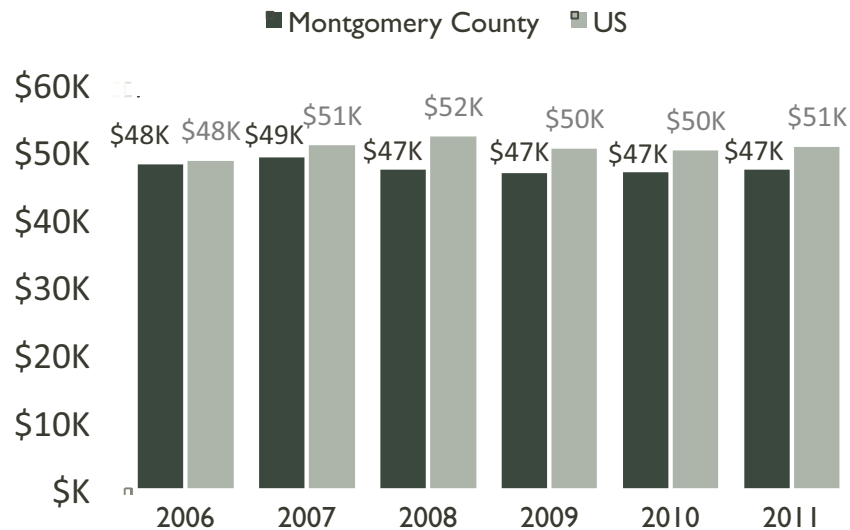
SOURCE: US Census Bureau

Income

Income and wages in Montgomery County used to be nearly identical to the US average. In recent years, however, they have both fallen slightly below the nation. From 2006 to 2011, US median household income grew 4%, while median household income in Montgomery County fell by over 1%. In 2006, Montgomery County's median household income was only \$600 below the US median household income. In contrast, by 2011 median household income in Montgomery County, at approximately \$47,000, was \$3,000 less than US median household income.

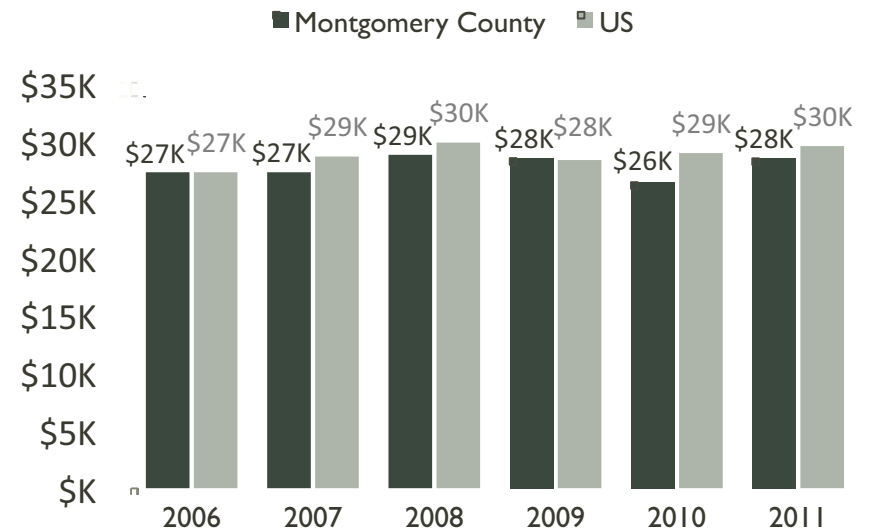
Median earnings for workers in Montgomery County reveal a similar dynamic. In 2006, median earnings for Montgomery County and US workers were virtually identical. Over the next five years, however, median earnings for US workers increased more than 8%. In Montgomery County, the increase was less than 5%. At \$28,000, median earnings for Montgomery County workers are approximately \$1,000 lower than those of US workers.

MEDIAN HOUSEHOLD INCOME
2006 - 2011



SOURCE: US Census Bureau

MEDIAN EARNINGS FOR WORKERS
2006 - 2011



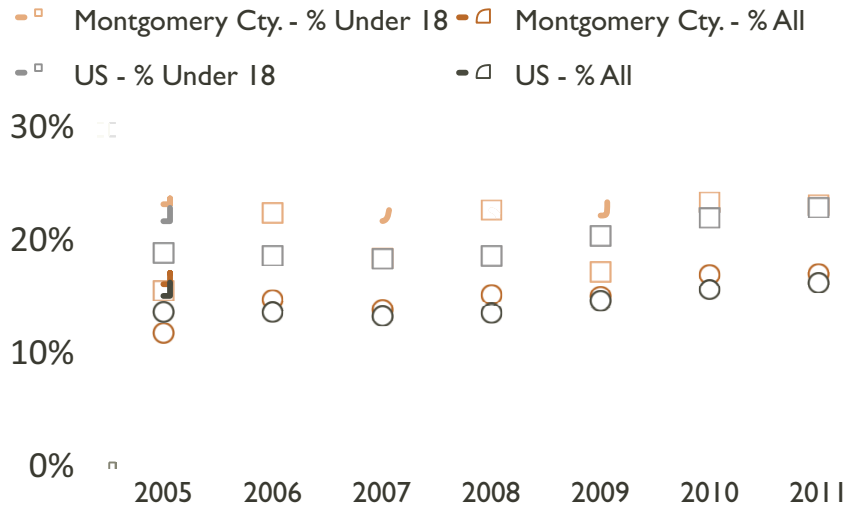
SOURCE: US Census Bureau

Poverty & Sources of Income

Nearly 16% of Montgomery County residents live in poverty, approximately 1 percentage point higher than the US average. Montgomery County’s poverty rate has steadily increased during the past five years, mirroring national trends. Nearly 23% of Montgomery County residents under 18 live in poverty, essentially identical to the national average. Notably, Montgomery County’s child poverty rate drops sharply when military personnel return home from deployment. In 2007 and 2009, for example, Montgomery County’s rate of child poverty dropped to 18% and 17% respectively. When these military service men and women (and their families) depart from the community, the rate of child poverty increases approximately 5 percentage points, which indicates that child poverty runs higher among non-military families in the community.

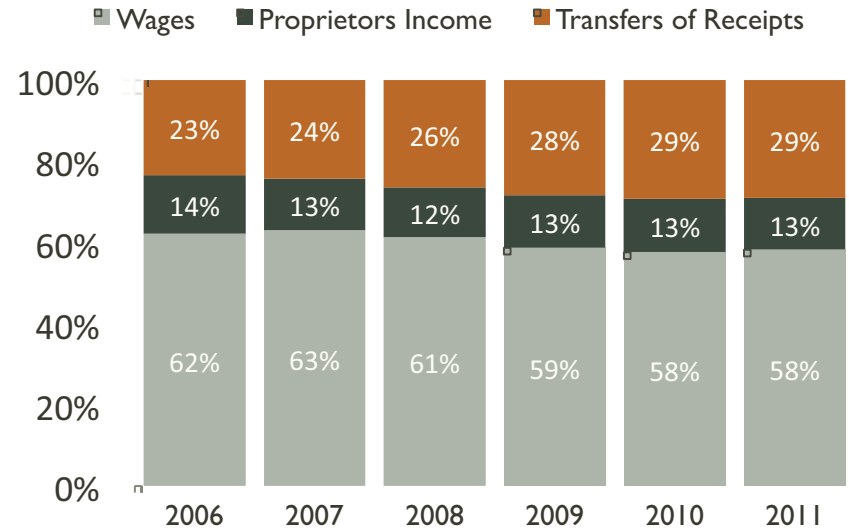
As the rate of poverty has increased, the share of Montgomery County’s personal income represented by wages has steadily declined. In 2006, wages comprised 62% of personal income in Montgomery County. In 2011, this figure had dropped to 58%. These change have coincided with a rise in unemployment associated with the national recession. As fewer people earn wages, a large share of Montgomery County residents receive income through transfers of receipts (government programs). In 2006, transfers of receipts represented 23% of personal income in Montgomery County. By 2011, this figure had jumped to 29%.

**POVERTY LEVELS
2005 - 2011**



SOURCE: US Census Bureau

**SHARE OF PERSONAL INCOME BY SOURCE
2006 - 2011**



SOURCE: US Census Bureau

ECONOMIC TRENDS

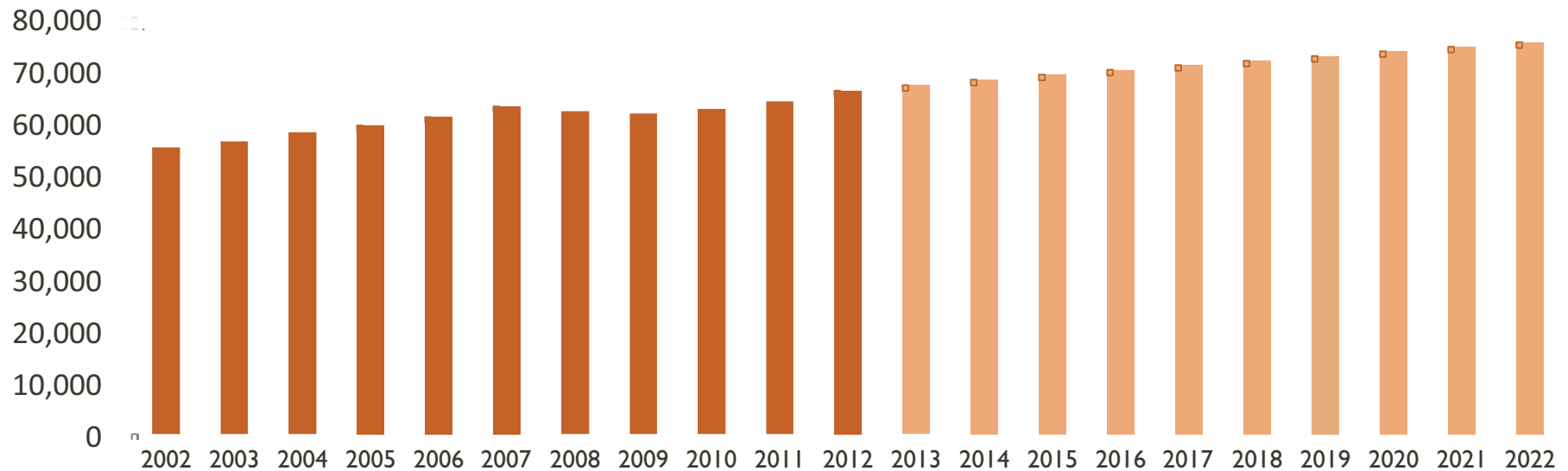


Employment Projection

Total employment in Montgomery County has experienced fluctuations over the past decade, but the region has consistently outperformed the US economy. Between 2003 and 2011, US employment growth outpaced employment growth in Montgomery County only in 2008. Montgomery County suffered job losses associated with the recession, but employment rebounded relatively strongly in recent years. From 2011 to 2012, employment in Montgomery County grew 3.2%, nearly double the national rate.

If Montgomery County continues to grow at a minimum of the US forecast growth rate, the future looks bright. If employment growth matches forecast US growth rates over the next decade, Montgomery County will create over 9,300 jobs from 2012 to 2022, an increase of 14.1% above current employment levels. Over this period, projected average annual growth would be 1.3%. Over the past decade, Montgomery County jobs grew at an average annual rate of 1.8%, so a future forecast at US levels may be low for the region, indicating a good possibility that future growth may exceed these projections.

MONTGOMERY COUNTY EMPLOYMENT 2002 - 2022



SOURCE: EMSI & Avalanche

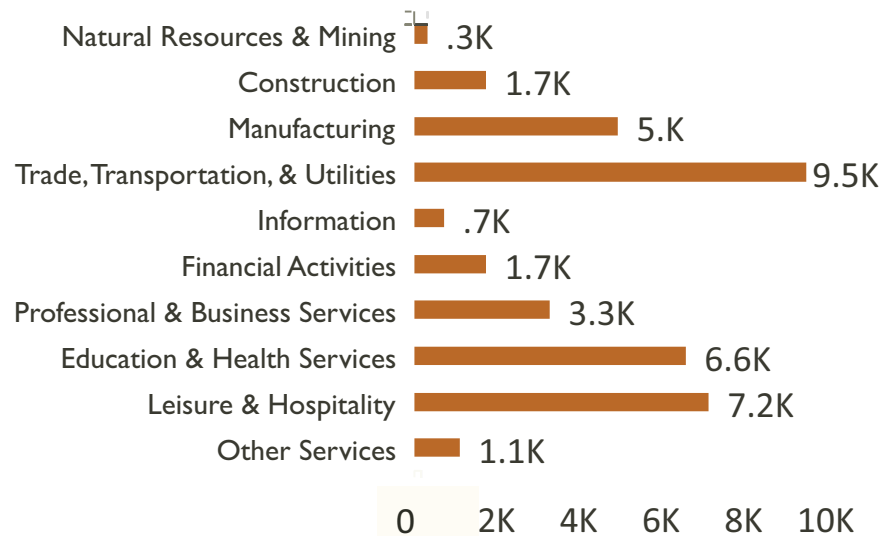
Employment by Industry

With approximately 9,500 workers, Trade, Transportation & Utilities is the largest industry by employment size in Montgomery County. Leisure & Hospitality and Education & Health Services are the second and third largest industries by employment size in Montgomery County, with 7,200 and 6,600 employees respectively. Other large industries in Montgomery County include Manufacturing (5,000 workers), Professional & Business Services (3,300 workers) and Construction (1,700 workers).

From 2007 to 2012, Education & Health Services was the fastest growing industry in Montgomery County, with 22% growth. The next fastest growing industries during this period were Leisure & Hospitality (17% growth), Financial Activities (15%), and Natural Resources & Mining (4%).

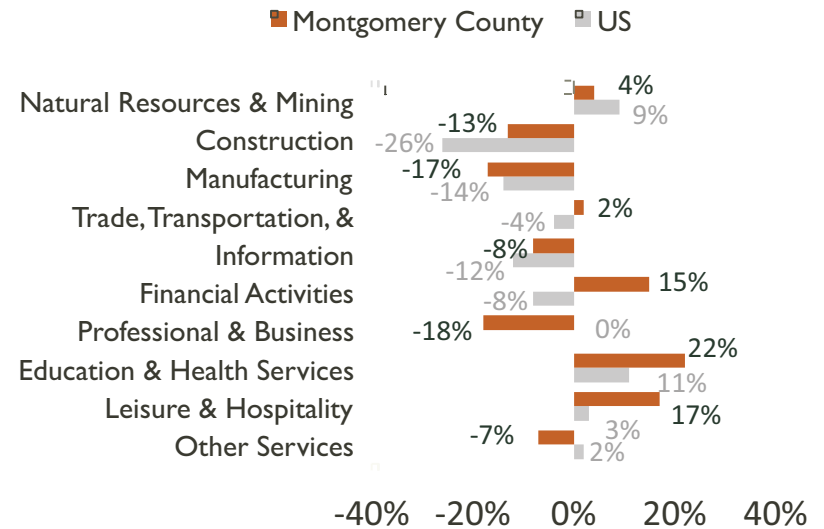
Many local industries that experienced more modest growth from 2007 to 2012 (or even employment losses) outperformed the US trends. The local Construction industry, for example, lost only 13% of jobs compared to 26% nationally. Trade, Transportation, & Utilities grew 2% in Montgomery County while declining 4% nationally. The only two industries that performed more poorly in Montgomery County during this period were Business & Professional Services (-18% growth vs. 0% US) and Manufacturing (-17% growth vs. -14% US)

CIVILIAN PRIVATE EMPLOYMENT BY INDUSTRY (in thousands) 2012



SOURCE: Bureau of Labor Statistics

CIVILIAN PRIVATE EMPLOYMENT GROWTH BY INDUSTRY, 2007 - 2012



SOURCE: Bureau of Labor Statistics

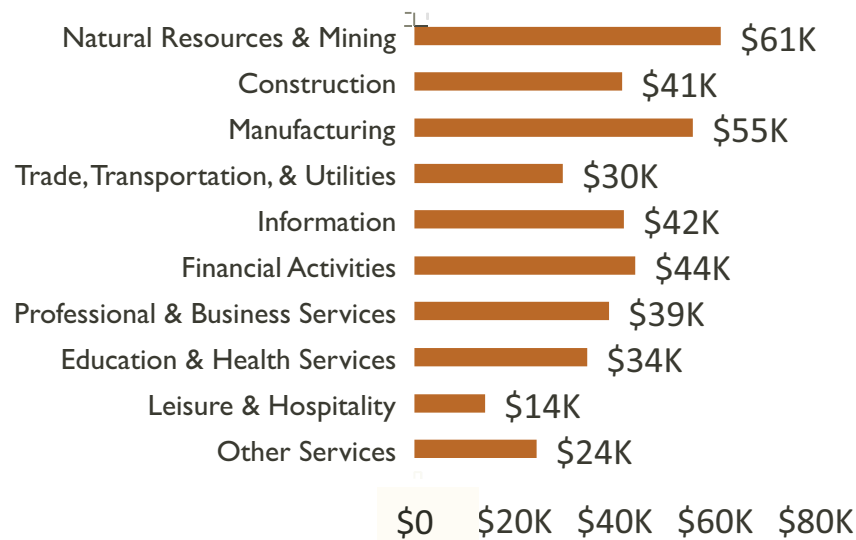
Wages by Industry

Natural Resources & Mining is the highest paying industry in Montgomery County, with wages averaging \$61,000 annually. Other relatively high wage industries in Montgomery County include Manufacturing (\$55,000) and Financial Activities (\$44,000). Industries with the lowest annual wages in Montgomery include Leisure & Hospitality (\$14,000) and Other Services (\$24,000).

Wages in Montgomery County typically trail the US average but grew more quickly than the US from 2007 to 2012. Overall average wages grew 13% in Montgomery County during this period, compared to 11% nationally. The local industries with the fastest growing wages relative to the US during this period included Business & Professional Services (48% growth vs. 18% US), Manufacturing (20% growth vs. 13% US), Leisure & Hospitality (17% growth vs. 9% US), and Financial Activities (14% growth vs. 8% US).

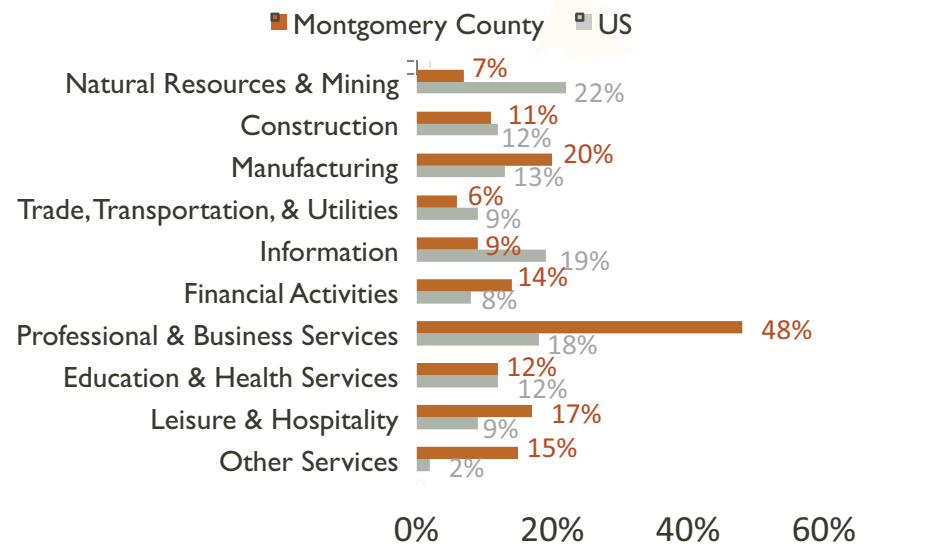
Construction; Trade, Transportation & Utilities; Information; and Other Services were the only industries in Montgomery County where wage growth trailed the US average between 2007 and 2012.

WAGES BY INDUSTRY
2012



SOURCE: Bureau of Labor Statistics

WAGE GROWTH BY INDUSTRY
2007 - 2012



SOURCE: Bureau of Labor Statistics

Shift-Share Analysis (Pre-Recession)

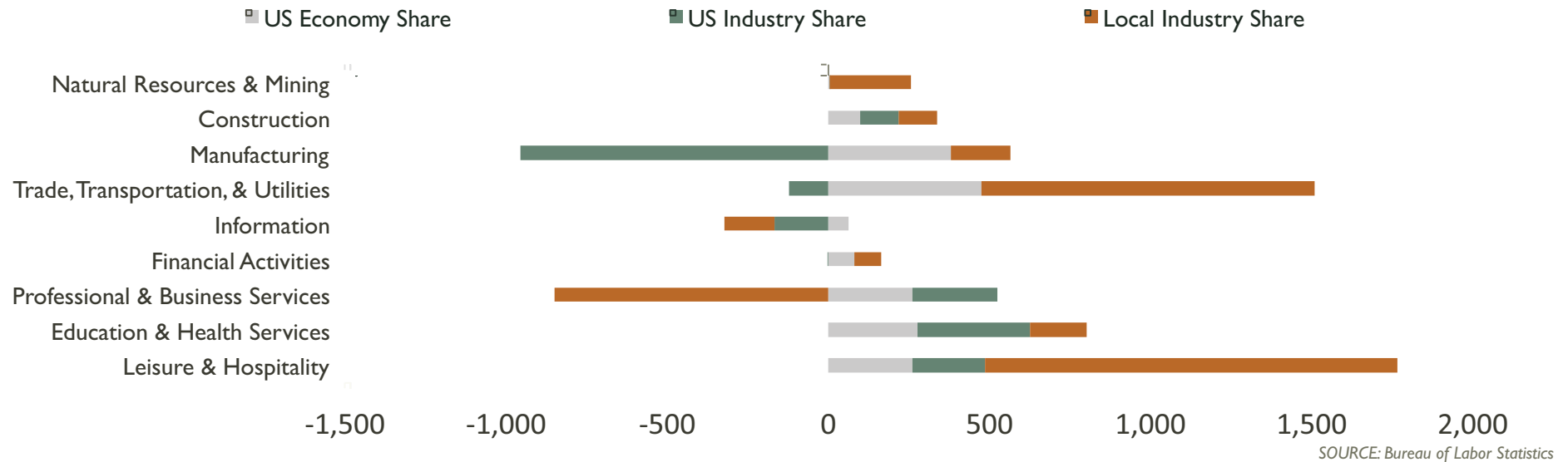
Shift-share analysis provides a unique measure of industry performance within a community by dividing growth into three component parts:

1. *US Economy Share*: Share of local growth resulting from overall growth in the US economy.
2. *US Industry Share*: Share of local growth resulting from industry growth at the national level above and beyond overall national growth.
3. *Local Industry Share*: Share of local growth above and beyond trends the US Economy Share and US Industry Share. This is most important portion for revealing local competitive strengths.

Due to significant economic changes related to the national recession, the Shift-Share Analysis was broken into two time periods: the five years of growth leading up to the US recession (2002-2007) and the recessionary period (2007-2012).

Prior to the recession, Montgomery County employment gains in Leisure & Hospitality and Trade, Transportation, & Utilities were largely fueled by competitive strengths in the Local Industry Share. Only two industries in Montgomery County suffered significant employment declines—Manufacturing (driven by trends in the US Industry) and Professional & Business Services (driven largely by Local Industry dynamics).

MONTGOMERY COUNTY COMPONENTS OF GROWTH 2002 - 2007

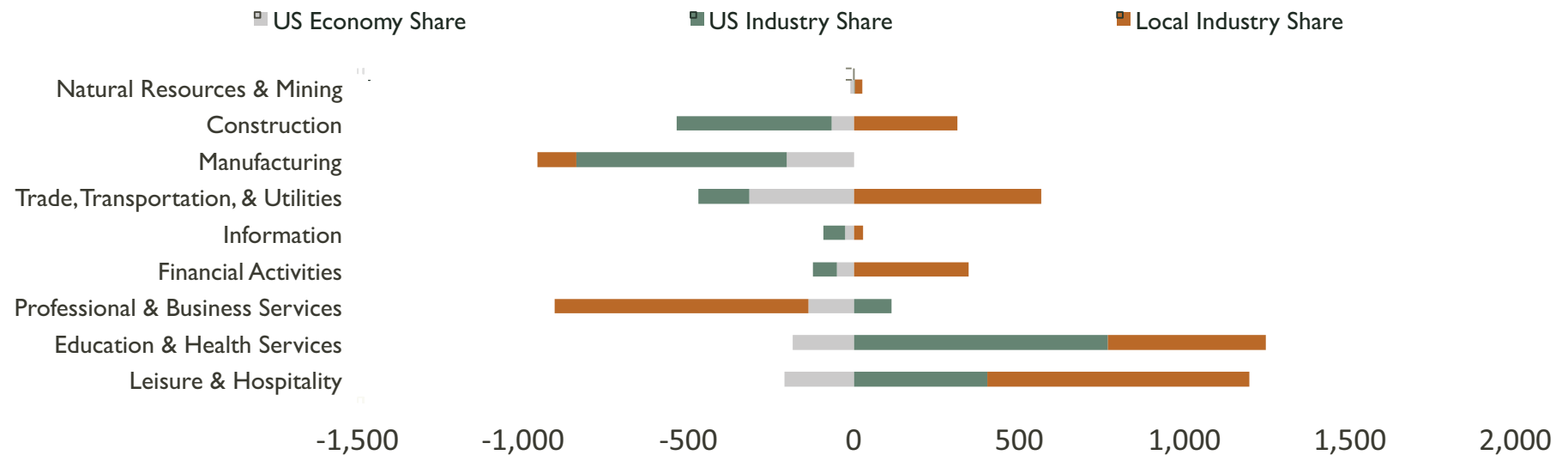


Shift-Share Analysis (Post-Recession)

From 2007 to 2012, employment changes in Montgomery County were largely driven by US Industry and Local Industry factors. Local Industry competitiveness was the primary contributor to growth in a range of industries, including: Trade, Transportation & Utilities, Information, and Financial Activities. Other industries saw a combination of US and Local Industry factors, including Education & Health Services and Leisure & Hospitality.

Conversely, Local Industry competitiveness contributed to job losses in two Montgomery County industries. Local industry Share contributed to job losses in Manufacturing, but these were dominated to trends in the US Economy and US Industry. Job losses in Professional & Business Services, however, were driven primarily by Local Industry factors.

MONTGOMERY COUNTY COMPONENTS OF GROWTH 2007 - 2012



SOURCE: Bureau of Labor Statistics

Industry Cluster Forecast – Montgomery County, TN

From 2012 to 2017, employment in the United State is forecast to grow 7.1%. If Montgomery County continues to perform as well the broader US economy, this will mean the creation of over 4,600 new jobs in the county over the next five years.

Industries with a high concentration in Montgomery County and high nationally forecast growth over the next five years include Culture & Entertainment (1.3 LQ, 7.8% forecast US growth), Healthcare (1.1 LQ, 13.0% forecast US growth), and Retail (1.3 LQ, 5.0% forecast US growth).

Many of Montgomery County’s most concentrated industries, particularly in manufacturing, are forecast to decline nationally, including Apparel & Textiles (2.6 LQ, -16.7% forecast US growth), Automotive (2.0 LQ, -5.7% forecast US growth), Logging & Mining (2.9 LQ, -1.1% forecast US growth), and Materials (1.1 LQ, -5.6% forecast US growth).

Less concentrated local industries with high forecast national growth include Education (0.6 LQ, 14.7% forecast US growth), Energy (0.2 LQ, 13.6% forecast US growth), Finance (0.8 LQ, 13.0% forecast US growth), Research (0.2 LQ, 17.5% forecast US growth), and Software / Information Technology (0.4 LQ, 14.2% forecast US growth).

Industry Cluster	Montgomery County			United States	
	2012 Employment	2012 LQ	2007 to 2012 % Growth	2012 to 2017 Forecast Growth	
Aerospace	0	0.0	●	-	3.1%
Agribusiness & Food	1,237	0.5	●	7.9%	2.0%
Apparel & Textiles	639	2.6	●	3.7%	-16.7%
Automotive	872	2.0	●	1.8%	-5.7%
Back Office	3,403	0.9	●	-14.8%	10.5%
Biomedical Supplies & Labs	76	0.2	●	4.1%	6.8%
Building & Construction	5,391	1.3	●	-5.8%	3.3%
Consumer Goods Mftg	196	0.6	●	14.6%	-1.8%
Culture & Entertainment	8,001	1.3	●	13.1%	7.8%
Education	985	0.6	●	31.0%	14.7%
Electronics	242	0.2	●	-46.8%	3.5%
Energy	190	0.2	●	8.0%	13.6%
Eng., Design, & Content	1,182	0.7	●	-48.6%	3.3%
Finance	5,371	0.8	●	17.4%	13.0%
Furniture	10	0.1	●	-78.3%	-7.3%
Government	10,121	1.2	●	13.5%	3.6%
Healthcare	7,529	1.1	●	23.6%	13.0%
Industrial Machinery	1,797	1.5	●	-12.5%	0.3%
Logging & Mining	338	2.9	●	-0.9%	-1.1%
Materials	740	1.1	●	28.7%	-5.6%
Metalworking	409	0.6	●	-17.9%	-1.8%
Non-Profits	1,183	1.0	●	-9.6%	6.4%
Professional Services	1,474	0.6	●	9.0%	6.5%
Research	256	0.2	●	-13.5%	17.5%
Retail	11,988	1.3	●	4.6%	5.0%
Shipbuilding	0	0.0	●	-	-5.3%
Software / Info. Tech.	402	0.4	●	110.5%	14.2%
Telecom Services	175	0.5	●	-30.3%	-2.5%
Transportation & Logistics	1,281	0.6	●	5.8%	6.7%
Total	65,439			4.8%	7.1%

Occupation Cluster Forecast – Montgomery County, TN

Almost all occupations are forecast to grow in the US from 2012 to 2017 with the exception of Agriculture and Production, which are forecast to be relatively stagnant.

Occupations with a high concentration in Montgomery County and nationally forecast growth over the next five years include Education (1.2 LQ, 8.4% forecast US growth), Hospitality (1.4 LQ, 8.8% forecast US growth), Political (1.3 LQ, 9.1% forecast US growth), Mechanics (1.1 LQ, 5.3% forecast US growth), and Personal Services (1.4 LQ, 6.6% forecast US growth).

Other more concentrated Montgomery County occupations have relatively low forecast national growth, including Architecture (2.1 LQ, 1.9% forecast US growth), Manufacturing Operations (1.3 LQ, 0.7% forecast US growth), and Sales & Marketing (1.1 LQ, 0.6% forecast US growth).

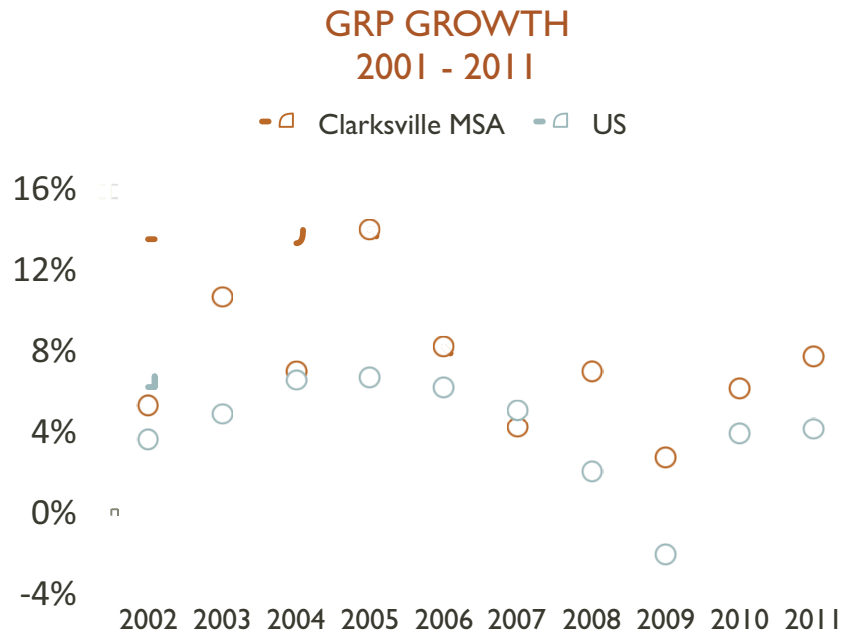
Less concentrated local occupations with high forecast national growth include Financial (0.8 LQ, 14.7% forecast US growth), Geology (0.4 LQ, 23.5% forecast US growth), Medical (0.9 LQ, 12.9% forecast US growth), and Performance (0.7 LQ, 11.0% forecast US growth).

Occupational Cluster	Montgomery County			United States
	2012 Employment	2012 LQ	2007 to 2012 % Growth	2012 to 2017 Forecast Growth
Agriculture	802	0.7	-9.1%	-0.1%
Architecture	197	2.1	-3.0%	1.9%
Back Office	7,580	0.8	-1.4%	6.1%
Business	1,448	0.7	3.1%	7.0%
Communications	371	0.7	9.1%	8.2%
Computer	775	0.4	9.3%	8.5%
Construction	3,016	1.0	-16.2%	2.8%
Design	653	0.7	-6.7%	5.7%
Education	4,608	1.2	14.9%	8.4%
Engineering	729	0.7	6.4%	4.9%
Financial	3,761	0.8	15.0%	14.7%
Geology	48	0.4	9.1%	23.5%
Hospitality	11,326	1.4	15.4%	8.8%
Legal	291	0.5	0.0%	6.1%
Logistics	4,589	0.9	2.7%	3.6%
Math	23	0.5	0.0%	9.1%
Mechanics	2,637	1.1	3.3%	5.3%
Medical	5,520	0.9	17.6%	12.9%
Manufacturing	168	1.3	11.3%	0.7%
Sales & Marketing	1,077	1.1	-30.4%	0.6%
Performance	398	0.7	14.0%	11.0%
Political	69	1.3	21.1%	9.1%
Production	4,700	1.4	-8.4%	-1.7%
Personal Services	9,753	1.4	7.4%	6.6%
Social Service	2,340	0.9	13.5%	6.1%
Total	65,439		4.8%	7.1%

Gross Regional Product and Exports

Between 2001 and 2011, the average annual growth of Clarksville’s gross domestic produce exceeded 7%, nearly double the US rate of 4%. This figure, however, obscures volatile growth in the Clarksville MSA’s gross domestic product during this period. During periods of heightened activity at Fort Campbell, annual growth of the Clarksville MSA’s gross regional product reached as high as 14%. In other years, gross regional product growth hovered between 3% and 5%.

The Clarksville MSA’s export growth between 2005 and 2011 reveals similar levels of volatility. While overall exports from the Clarksville MSA increased 9% between 2005 and 2011, within this period exports declined nearly 50% in 2009 and increased 50% the following year, likely an effect of the recession.



SOURCE: Bureau of Economic Analysis



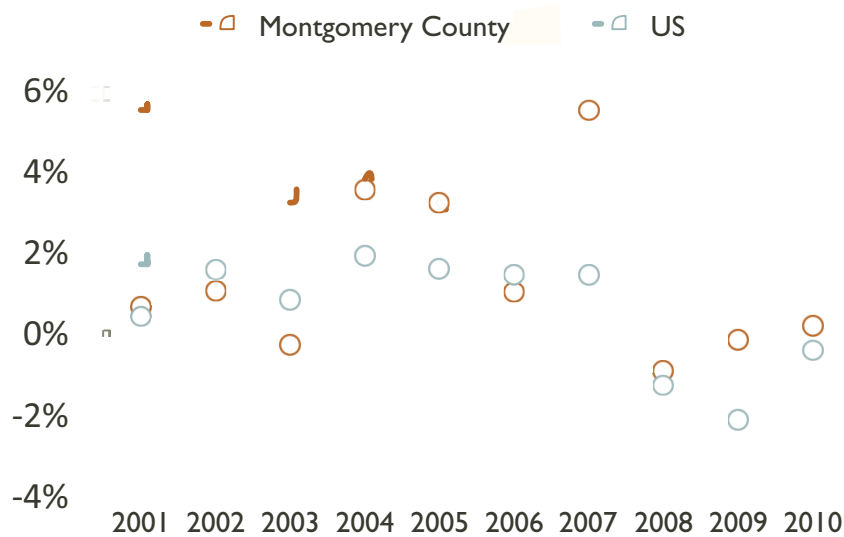
SOURCE: International Trade Administration

Startup Patterns

From 2000 to 2010, annual firm growth in Montgomery County fluctuated modestly. Although the total number of firms operating in Montgomery County increased by nearly 14% during this period, annual growth rates varied between -1% and 5%. In most years since 2000, annual firm growth in Montgomery County has outpaced the US average. Furthermore, despite negative to zero growth in the number of firms from 2008 to 2010, Montgomery County was less negatively impacted than the US during this period.

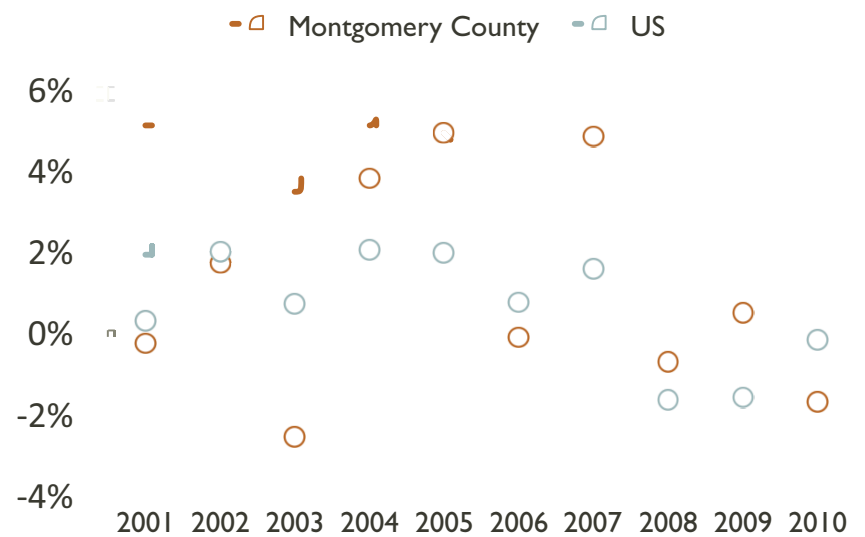
Activity among Montgomery County’s startups (firms with fewer than 10 employees) experienced greater volatility than the growth of all firms. Between 2000 and 2010, the number of startup firms in Montgomery County increased 10%. During this period, however, the number of startups actually declined in four years. In other years, startups in Montgomery County grew between 3% and 5% annually. Although Montgomery County startups proved more resilient than their US counterparts in 2008 and 2009, in 2010, the number of startups in Montgomery County declined nearly 2% (compared to flat US activity).

FIRM GROWTH (ALL SIZES)
2000 - 2010



SOURCE: US Census

STARTUP GROWTH (FIRMS WITH < 10 EMPLOYEES)
2000 - 2010



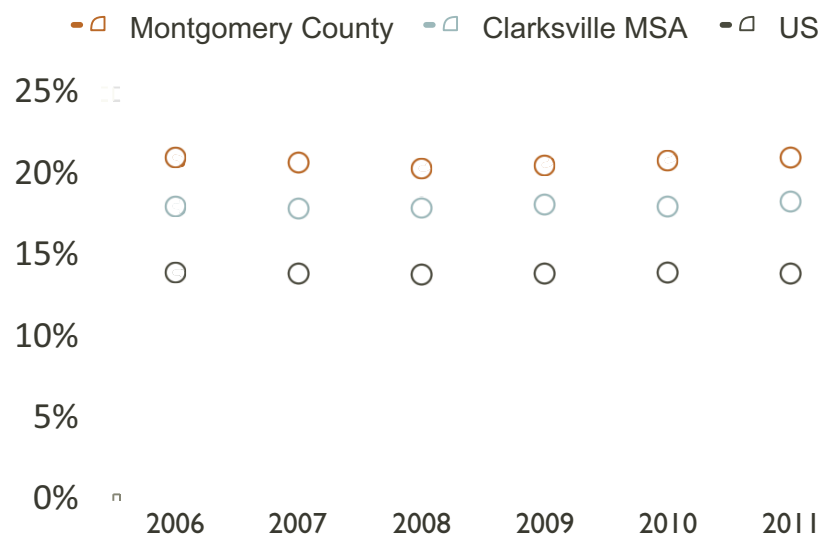
SOURCE: US Census

Retail & Commercial Employment

As a proportion of total private employment, Retail employment has remained virtually constant in Montgomery County, the Clarksville MSA, and the US between 2006 through 2011. As a regional hub for retail activity, Montgomery has a relatively high portion of retail employment—approximately 20% of private employees work in the Retail industry. Within the Clarksville MSA, this figure is less than 18%. Nationally, less than 14% of private sector workers are employed in the Retail industry.

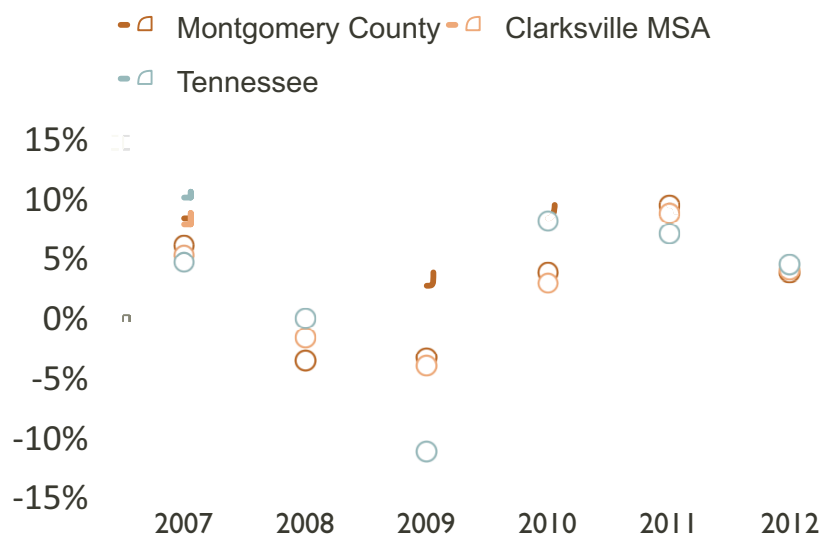
Retail sales activity in Montgomery County has also proven more resilient than in Tennessee over the past five years. Although retail sales in Montgomery County fell in 2008 and 2009, the declines were less than Tennessee’s drop in retail sales. Montgomery County retail sales rebounded in 2010 and 2011, but declined again in 2012 (a dynamic also observed in Tennessee).

RETAIL AS A PERCENTAGE OF PRIVATE EMPLOYMENT
2006 - 2011



SOURCE: Bureau of Labor Statistics

RETAIL TAX COLLECTIONS
2007 - 2012



SOURCE: Kentucky Department of Revenue / Tennessee Department of Revenue

Retail & Commercial Employment

Montgomery County's retail and commercial sector is more concentrated than both the national average and the overall region, indicating the county remains a major destination for retail within the MSA and the broader region.

Overall retail and commercial has an LQ of 1.5 in Montgomery County (compared to 1.0 in the Clarksville MSA), and the most concentrated sectors locally are Used Merchandise Stores (2.2 LQ); Limited-Service Eating Places (1.9 LQ); Motor Vehicle & Parts Dealers (1.8 LQ); Full-Service Restaurants (1.6 LQ); Beer, Wine, & Liquor Stores (1.6 LQ); Drinking Places (1.5 LQ); Pet & Pet Supplies Stores (1.5 LQ); and Building Material & Garden Equipment & Supplies Dealers (1.5 LQ).

The fastest growing sectors from 2007 to 2012 are Special Food Services (69% growth); Beer, Wine, & Liquor Stores (66%); Other Personal Services (43%); Personal Care Services (38%); and Full-Service Restaurants (25%).

Retail Sector	2007 to 2012		2012 LQ			
	2012 Employment	% Growth	Montgomery County, TN	Clarksville, TN-KY MSA		
Motor Vehicle & Parts Dealers	1,250	1%	1.8	1.1	●	●
Furniture & Home Furnishings Stores	261	5%	1.4	0.9	●	●
Electronics & Appliance Stores	261	-43%	1.3	0.7	●	●
Bldg. Material & Garden Equip. & Supplies Dealers	655	-5%	1.5	1.0	●	●
Grocery Stores	707	22%	0.7	0.5	●	●
Specialty Food Stores	36	-8%	0.3	0.4	●	●
Beer, Wine, & Liquor Stores	96	66%	1.6	1.3	●	●
Health & Personal Care Stores	457	5%	1.1	0.8	●	●
Gasoline Stations	479	7%	1.5	1.3	●	●
Clothing & Clothing Accessories Stores	647	-9%	1.1	0.7	●	●
Sporting Goods, Hobby, Book, & Music Stores	346	-8%	1.2	0.8	●	●
General Merchandise Stores	2,632	10%	2.3	1.5	●	●
Florists	40	-33%	0.8	0.7	●	●
Office Supplies, Stationery, & Gift Stores	112	-39%	0.7	0.8	●	●
Used Merchandise Stores	247	35%	2.2	1.4	●	●
Pet & Pet Supplies Stores	72	13%	1.5	0.7	●	●
Art Dealers	18	-10%	0.7	0.4	●	●
Manufactured (Mobile) Home Dealers	5	0%	0.8	0.8	●	●
All Other Miscellaneous Store Retailers	261	27%	1.5	1.0	●	●
Full-Service Restaurants	2,881	25%	1.6	0.9	●	●
Limited-Service Eating Places	3,057	1%	1.9	1.3	●	●
Special Food Services	326	69%	0.9	0.7	●	●
Drinking Places (Alcoholic Beverages)	235	4%	1.5	0.7	●	●
Automotive Repair & Maintenance	464	-16%	1.1	0.8	●	●
Electronic & Precision Equip. Repair & Maintenance	40	-30%	0.7	0.7	●	●
Com. & Ind. Mach. & Equip. Repair & Maintenance	48	-36%	0.5	0.9	●	●
Personal & Household Goods Repair & Maintenance	160	-15%	1.0	0.7	●	●
Personal Care Services	887	38%	1.3	0.8	●	●
Drycleaning & Laundry Services	117	17%	1.0	0.6	●	●
Other Personal Services	602	43%	1.1	0.7	●	●
Total	17,399	8%	1.5	1.0	●	●



TARGET INDUSTRY PERFORMANCE

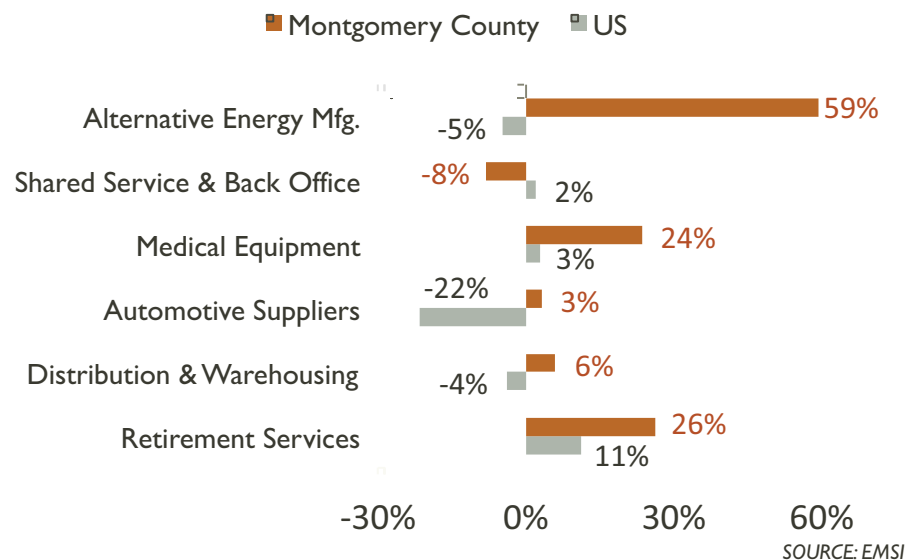
Target Industry Performance & Forecast

The Clarksville-Montgomery County Economic Development Council currently has six target industries—Alternative Energy Manufacturing; Shared Service & Back Office; Medical Equipment; Automotive Supplier; Distribution & Warehousing; and Retirement Services.

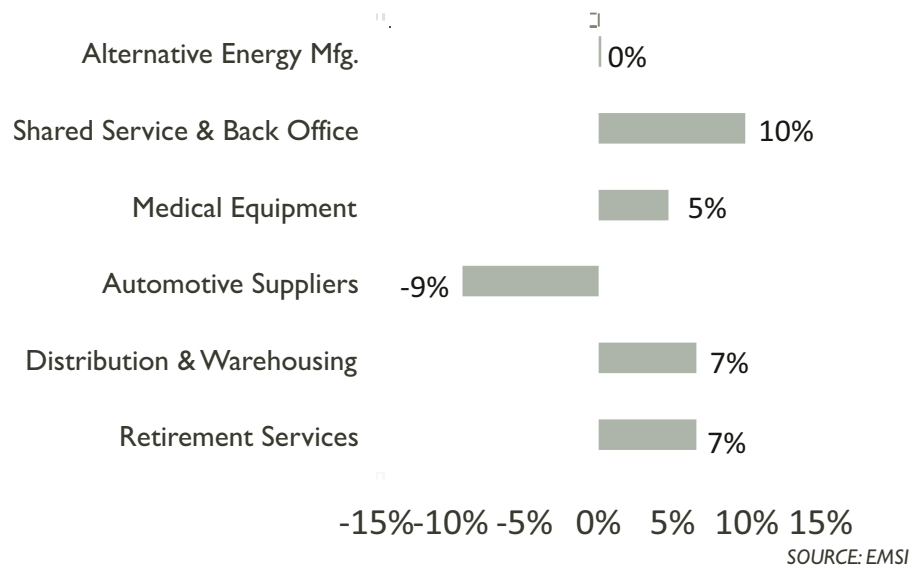
With one exception, all of the target industries outperformed the US in employment growth between 2007 and 2012. Among the target industries, Alternative Energy Manufacturing posted the fastest growth (59% in Montgomery versus -5% in the US). The next fastest growing over this period were Retirement Services (26% growth), Medical Equipment (24%), Distribution & Warehousing (6%), and Automotive Suppliers (3%). Growth in Distribution & Warehousing and Automotive Suppliers in Montgomery County contrasted with employment declines across the nation. Shared Service & Back Office was the only target industry in Montgomery County to lose jobs from 2007 to 2012, declining 8% while the national industry saw 2% growth.

Projections for national growth of local target industries are mixed. Shared Service & Back Office, Medical Equipment, Distribution & Warehousing, and Retirement Services are all projected to grow nationally, but Alternative Energy Manufacturing is projected to remain flat, while Automotive Suppliers is projected to continue to decline nationally.

TARGET INDUSTRY PERFORMANCE 2007 - 2012



US TARGET INDUSTRY FORECAST GROWTH 2012 - 2017

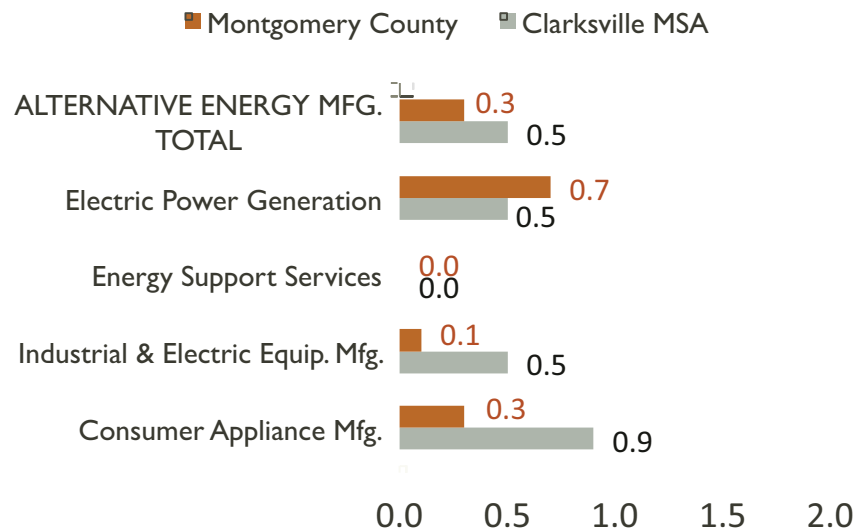


Alternative Energy Manufacturing

In recent years, Montgomery County and the greater Clarksville region have developed a budding Alternative Energy Manufacturing sector. Consumer Appliance Manufacturing is the most relatively concentrated industry cluster subsector in the Clarksville MSA, with an LQ of 0.9. Electric Power Generation is the most relatively concentrated industry cluster subsector in Montgomery County, with an LQ of 0.7. All other Alternative Energy Manufacturing subsectors have an LQ of 0.5 or less in Montgomery County and the Clarksville MSA.

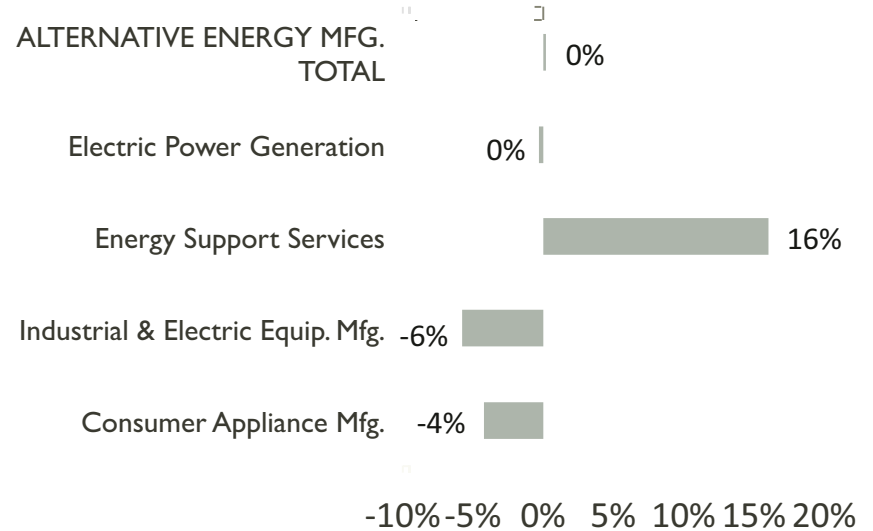
The overall Alternative Energy Manufacturing industry is forecast to remain flat over the next five year from 2012 to 2017. Within this industry, Energy Support Services, which is non-existent in Montgomery County and the Clarksville MSA is the only subsector forecast to grow nationally. Electric Power Generation is projected to remain flat at 0% growth, and Industrial & Electric Equipment Manufacturing and Consumer Appliance Manufacturing are both forecast to lose jobs.

ALTERNATIVE ENERGY SECTOR CONCENTRATION 2012



SOURCE: EMSI

US ALTERNATIVE ENERGY FORECAST GROWTH 2012 - 2017



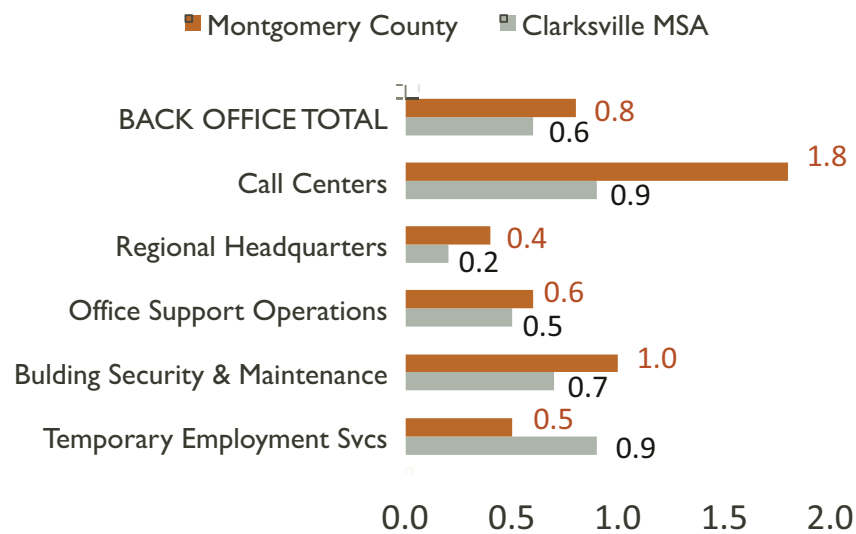
SOURCE: EMSI

Shared Service & Back Office

Shared Service and Back Office is more concentrated in Montgomery County than the Clarksville MSA but still relatively small compared to US averages. With an overall LQ of 0.8 in Montgomery County, Shared Service and Back Office still remains below US average concentrations. Within this industry, the most concentrated subsectors are Call Centers (1.8 LQ) and Building Security & Maintenance (1.0 LQ). Regional Headquarters (0.4 LQ) and Temporary Employment Services (0.5 LQ) are less concentrated.

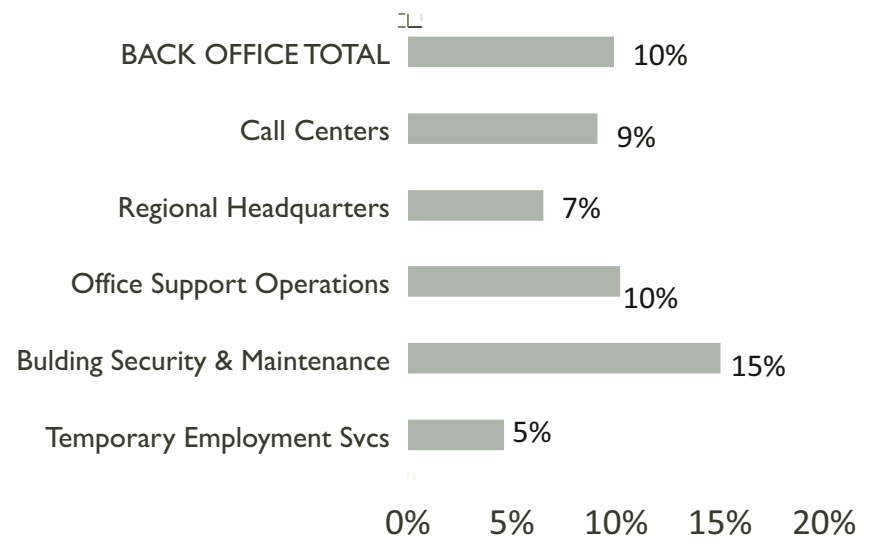
The overall Shared Service & Back Office industry is forecast to see strong growth across the US in the near future. The US Shared Service & Back Office industry is forecast to grow 10% from 2012 to 2017. Within this industry, Building Security & Maintenance, Office Support Operations, and Call Centers are forecast to grow the most quickly.

BACK OFFICE SECTOR CONCENTRATION 2012



SOURCE: EMSI

US BACK OFFICE FORECAST GROWTH 2012 - 2017

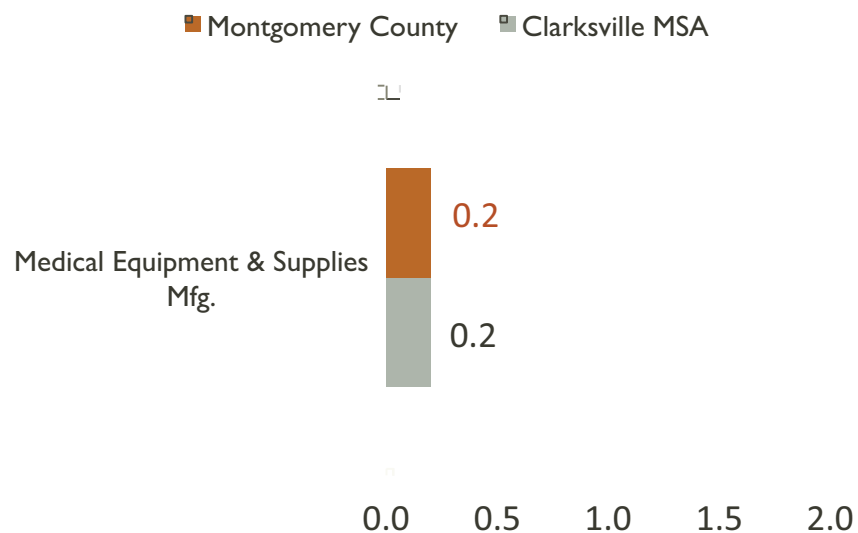


SOURCE: EMSI

Medical Equipment

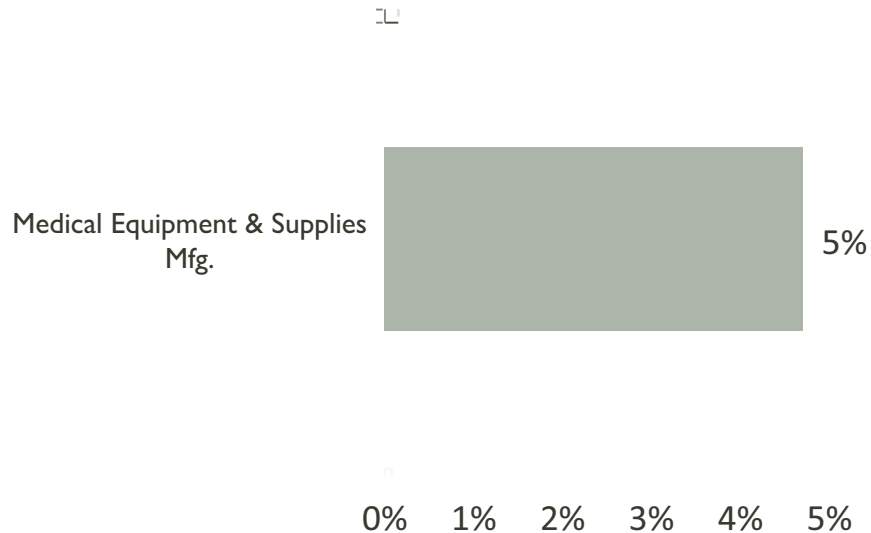
Medical Equipment Manufacturing remains a very small industry in Montgomery County and the greater Clarksville region. Medical Equipment Manufacturing LQ's for both areas are 0.2, indicating that they have 80% fewer jobs in the industry than the national average. Medical Equipment Manufacturing employment, however, has been growing locally in recent years. Between 2007 through 2012, Montgomery County's Medical Equipment Manufacturing industry increased employment by nearly 25%. Looking ahead, employment in the industry is projected to grow 5% nationally from 2012 to 2017, below total forecast job growth but still positive for a manufacturing sector.

MEDICAL EQUIPMENT SECTOR CONCENTRATION 2012



SOURCE: EMSI

US MEDICAL EQUIPMENT FORECAST GROWTH 2012 - 2017



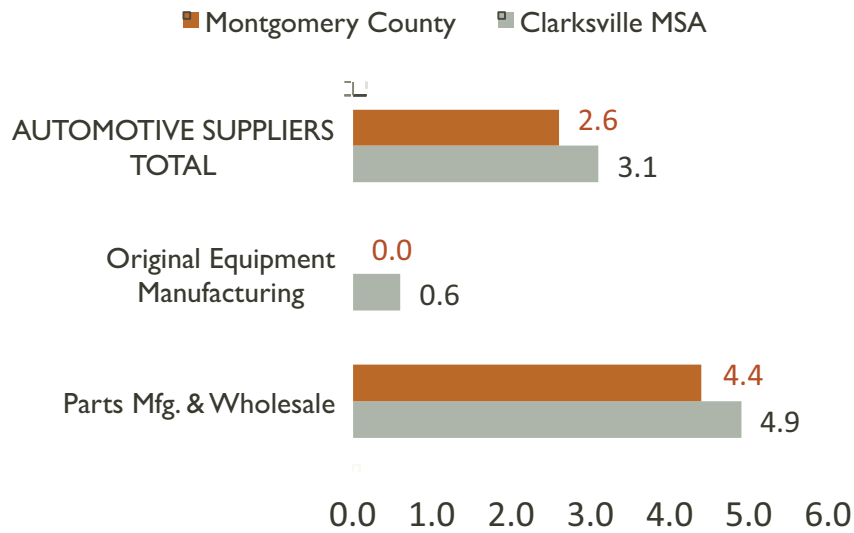
SOURCE: EMSI

Automotive Suppliers

Automotive Suppliers is one of the most concentrated industries in Montgomery County and the Clarksville MSA, with an LQ of 2.6 in Montgomery County and 3.1 in the Clarksville MSA. Parts Manufacturing and Wholesale is the most concentrated subsector locally, with an LQ of 4.4 in Montgomery County. Montgomery County has no Original Equipment Manufacturers, but the Clarksville region has an LQ of 0.6 in this subsector.

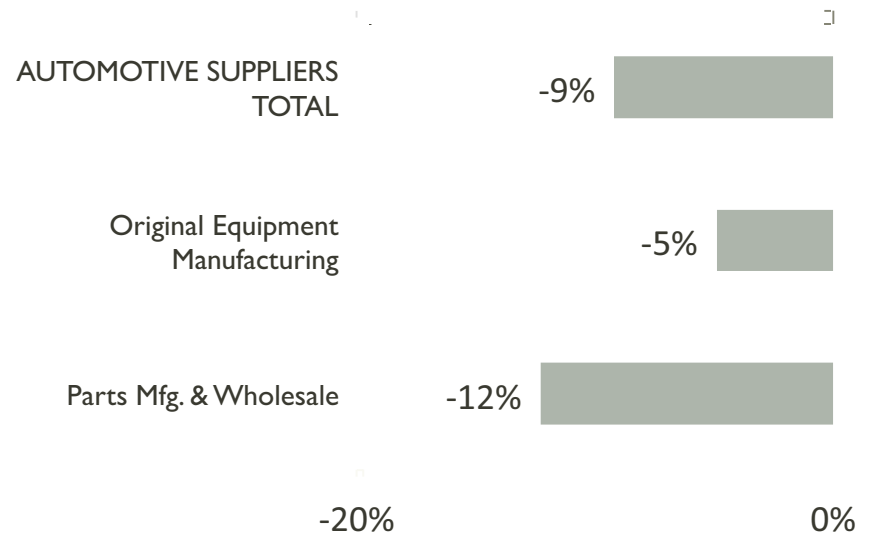
Nationally, the Automotive Supplier industry is forecast to lose jobs over the next five years. From 2012 to 2017, the overall Automotive Supplier industry is projected to decline by 9%, with Parts Manufacturing and Wholesale leading the way with -12% growth.

AUTOMOTIVE SUPPLIER SECTOR CONCENTRATION 2012



SOURCE: EMSI

US AUTOMOTIVE SUPPLIER FORECAST GROWTH 2012 - 2017



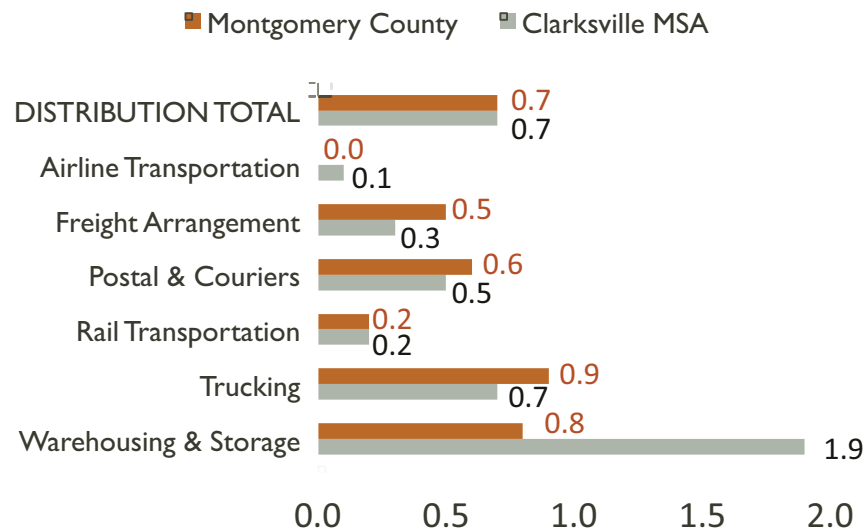
SOURCE: EMSI

Distribution & Warehousing

Distribution & Warehousing is less concentrated in Montgomery County and the Clarksville MSA than the US average but forecast to have strong growth over the next five years. Montgomery County's major subsector strengths lie in Trucking (0.9 LQ) and Warehousing & Storage (0.8 LQ). Warehousing & Storage is much more concentrated in the Clarksville MSA than Montgomery County, with the region having an LQ of 1.9.

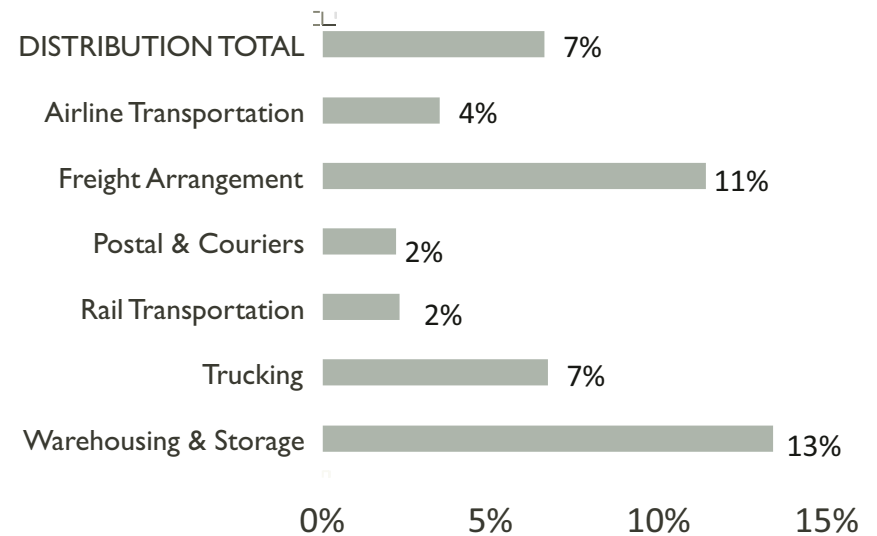
The national Distribution & Warehousing industry is forecast to grow 7% from 2012 to 2017, about on par with the overall economy. Growth in this industry will be lead by Warehousing & Storage, which is projected to grow 13%, and Freight Arrangement, 11% projected growth.

DISTRIBUTION SECTOR CONCENTRATION 2012



SOURCE: EMSI

US DISTRIBUTION FORECAST GROWTH 2012 - 2017



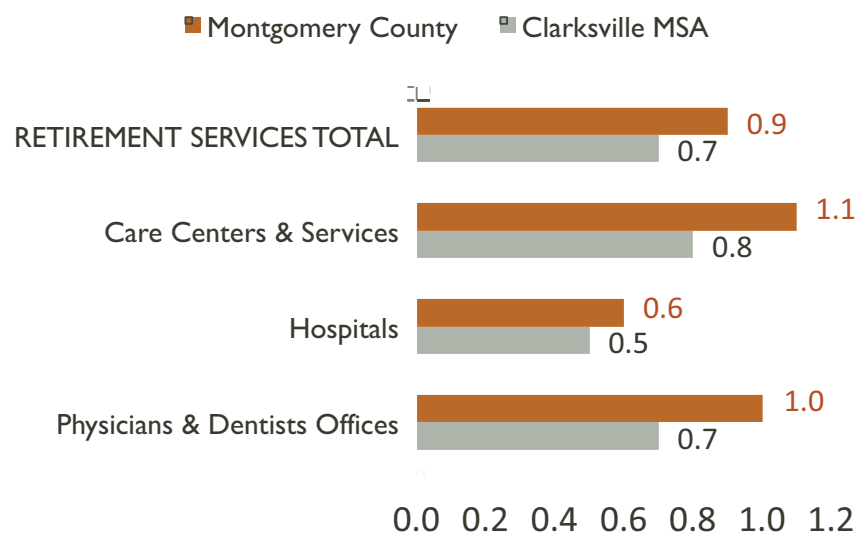
SOURCE: EMSI

Retirement Services

Retirement Services is almost as concentrated in Montgomery County as the US average, with an LQ of 0.9. Within the Retirement Services industry, Montgomery County has strengths in Care Centers & Services (1.1 LQ) and Physicians & Dentists Office (1.0 LQ). Hospitals are less concentrated in the region.

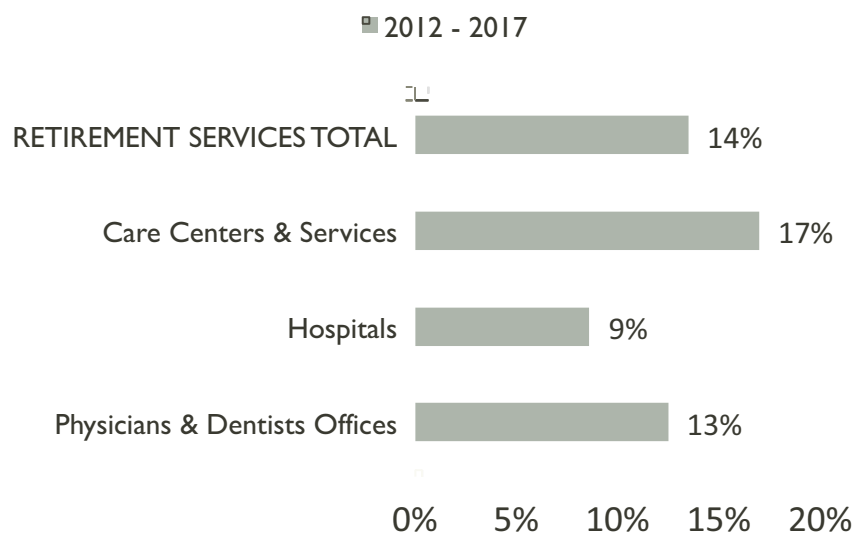
Among all US industries, Retirement Services is currently forecast to experience some of the greatest employment increases. The Retirement Services industry is forecast to grow 14% in the US from 2012 to 2017, which is nearly double the forecast growth for the overall economy. Care Centers & Services, Montgomery County's most concentrated subsector, has the highest projected growth, 17% over the next five years. Physicians & Dentists Offices are projected to grow 13% over this period.

RETIREMENT SERVICES SECTOR CONCENTRATION 2012



SOURCE: EMSI

US RETIREMENT SERVICES FORECAST GROWTH 2012 – 2017



SOURCE: EMSI