

Medical Expansion Zone

Asset Based Community Development

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Introduction:

Leadership is always looking for ways to improve the wellbeing of their community and the topic of Recession Proofing is top of mind in the current financial climate. Looking to Asset Based Community Development (ABCD) is a natural approach that dynamically fits both of these boxes.

ABCD is a pathway to continuous community driven development. Beyond the mobilization of a specific asset, the goal is to link the micro asset, specifically Vanderbilt Wilson County Hospital, to the macro environment of Wilson County and surrounding areas. *Asset Based Community Development premise is that the communities can drive the development process themselves by identifying and mobilizing existing, but often unrecognized assets. Thereby responding to challenges and creating local social improvement and economic development.*ⁱ

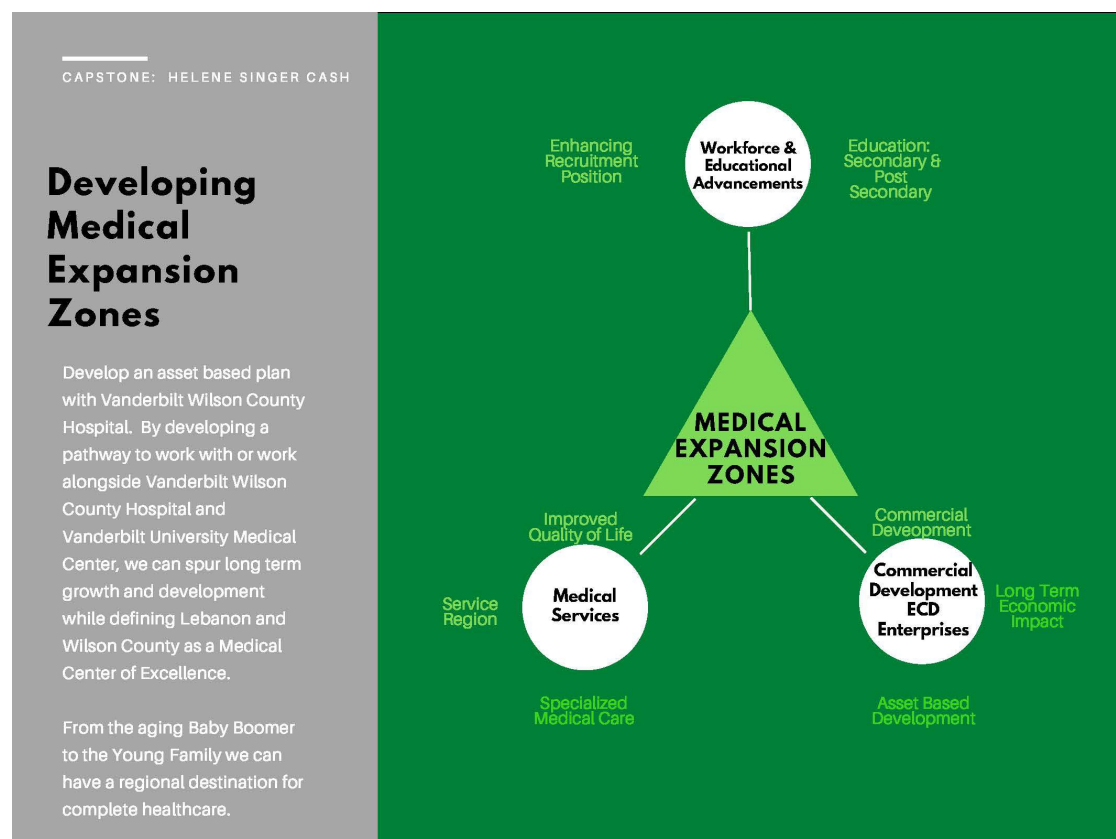
The medical services industry today and of the future offers a community two important components in its development strategy. The first component allows a community to improve its quality of life through the expansion of medical services. These can not only include emergency and basic medical services but also specialized clinics and service providers. The second component allows for the expansion of employment opportunities. Wilson County has in recent years experienced growth not only in its existing medical industries but also added internationally known manufacturing and service industries to its industrial base.

Wilson County's location is positioned to benefit from Nashville Tennessee international/national medical center reputation. Its major cities are within a twenty-thirty commute to the Nashville International Airport as well as downtown Nashville, TN. Its green field opportunity to build the office/retail/residential developments of tomorrow is driving current purchases and initial plannings of the physical locations and projects of the future. John Boyd, an internationally acclaimed location consultant recently named Mount Juliet as the number one location for tomorrows office developments throughout the United States. Physical location, existing corporate developments and recent announcements and expansions are setting the stage for the development of Wilson County's medical cluster.

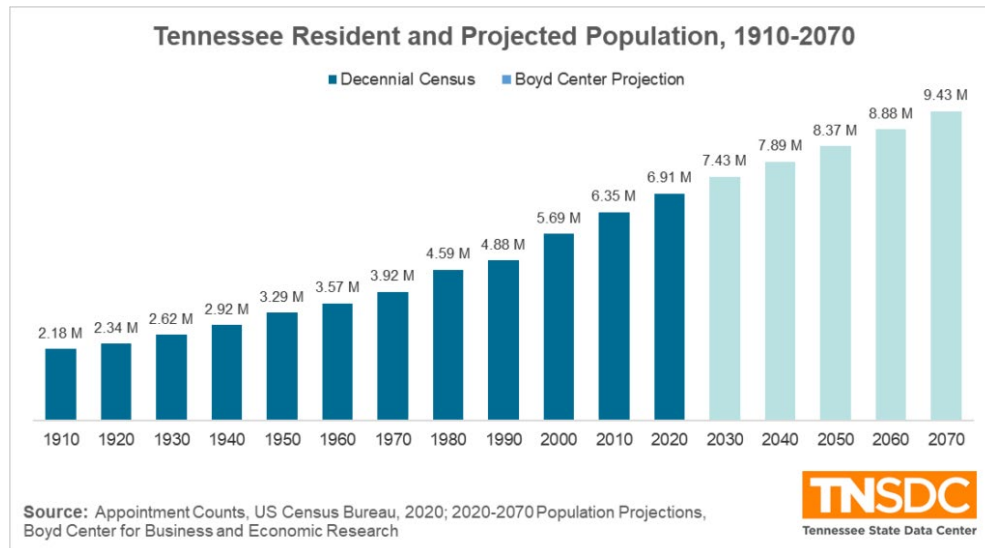
Wilson County has the first Vanderbilt Community Hospital as Vanderbilt continues to grow their regional community hospitals there is a unique opportunity to maximize this asset by developing Medical Expansion Zones with a world class medical facility. By developing a pathway to work with or work alongside VUMC, the partnership can spur long term growth and development while defining Lebanon and Wilson County as a Medical Center of Excellence.

Vanderbilt University Medical Center's mission is to be a leader in health and wellness through preeminent programs in patient care, professional training and research. ⁱⁱ Since August of 2019, Vanderbilt University Medical Center has invested over \$42m improving and expanding their offerings and improving services, continuing their commitment to patient care.

The Medical Center of Excellence will take the naturally occurring medical growth and give it a strategic plan with structure that will benefit the community during a time of unprecedented growth. Using the ABCD concept to the strategic plan, a holistic approach will be taken when mapping assets by going further and looking at resources that help strengthen our community. ⁱⁱⁱ*One of the most important factors of the entire ABCD approach is the connections among individuals, associations, and institutions.* The ABCD framework will help recognize the unconventional assets and resources unrecognized by conventional narratives.

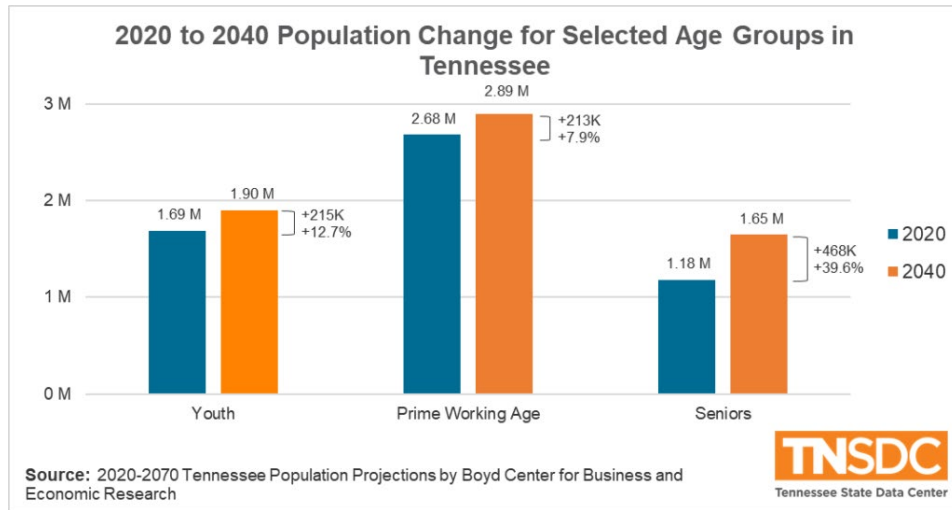


Tennessee is expected to grow One Million new residents by 2040 with 57 percent (563,000 residents) settling in the Nashville Metropolitan Statistical Area – a 13 county area surrounding Davidson County^{iv}.



By 2040, the state’s median age is projected to climb from 38.8 to 40.7 years of age. This increase is reflective upon the fastest growing age group – 65 years of age and older.

There has been a trend increase in retirement age population vs population growth in people under the age of 20. A 40% increase in retirement age population from 1.18 million in 2020 to 1.65 million in 2040 while only a 13% increase in people under the age of 20. The number of people ages 65 and older is likely to increase by 1.9 percent annually, or 2.67 times faster than the state’s growth rate. The senior population will rise 46.7 percent by 2040, making one in five Tennesseans at least 65 years old. An analysis of 2021 Census Bureau Population Estimate data showed that the largest population increases were among individuals over age 65. This group grew by almost 31,000 new residents last year; a level that was on pace with last decade’s annual average increase of about 32,000 people in this group.



As the number of seniors continue to grow in Tennessee, so will the number of individuals will require care. Families provide a large portion of the care, particularly in areas where there are not options for formal care – either in home or residential. There is a large body of research that indicates the informal care provided to older relatives reduces the labor force.

In Wilson County, the Current Median Age is 40.1 - currently 3.35% higher than the state average median age; with a projected median age of 42.5 by 2040^v.

When VUMC is dissected and the individual assets are investigated, it becomes obvious that there is a unique product that is not available anywhere else –

- **Provisional Level III Trauma Center:** 1 of only 7 Level III Trauma Centers in Tennessee^{vi}
- **Chest Pain Center:** 1 of only 39 Accredited Centers in Tennessee^{vii}
- **Inpatient Rehabilitation:** Inpatient Rehabilitation Services on the McFarland named top 10% in the US^{viii}
- **Primary Stroke Center:** 1 of 19 Primary Stroke Centers in Tennessee^{ix}
- **Robotic-Assisted Joint Replacement:** One of the first hospitals in Tennessee to offer robotic-assisted total and partial knee and total hip replacement surgery
- **Weight Loss Center:** The Vanderbilt Surgical Weight Loss program – bariatric program

- **Women's Services:** The Women's Pavilion offers pregnancy and childbirth care along with educational resources. Advanced minimally invasive gynecologic surgery, digital mammography, stereotactic breast biopsies and breast reconstruction surgery.
- **Vanderbilt LifeFlight:** 24/7 staff of 5 pilots, 2 mechanics & 10 medical crew are a part of the fixed wing air ambulance Pilatus PC-12 based out of the Lebanon Municipal Airport, Critical Care Ground Transport based in Lebanon with specialized ambulances
- **Vanderbilt-Ingram Cancer Center:** Comprehensive cancer therapies close to home – 1 of 51 Comprehensive Cancer Centers in the designated by the National Cancer Institute (NCI)
- **Vanderbilt Investments:** \$42m infrastructure, improvements and upgrades Vanderbilt has invested back into VUWC

Vanderbilt Health's expanded presence in Wilson County also includes a surgery center, a primary care clinic, a walk-in clinic, a sleep disorders clinic and a gastroenterology practice. These services join 11 other existing Vanderbilt Health outpatient clinics across five locations in Wilson County that include: Vanderbilt Eye Institute, Vanderbilt Heart, Vanderbilt Sports Medicine, Vanderbilt Orthopedics, Vanderbilt Neurosurgery, Vanderbilt Health Clinic at Walgreens, Vanderbilt Center for Women's Health, Vanderbilt Neurology, Vanderbilt Bill Wilkerson Center, Vanderbilt Ear, Nose & Throat, and Vanderbilt Children's After-Hours Clinic. From the delivery of more than 600 babies to more than 6,000 surgical procedures each year with an estimated economic impact of over \$60million, including \$14million in charity and uncompensated care, VUMC community commitment has their payroll topping \$38million annually with over 600 employees and 200 physicians^x

Wilson County is within 650 miles of 50% of the United States population. Its central location is also within one day trucking distance to 75% of the United States markets. It sits at the heart of Nashville / Middle TN transportation service area. As a result, Wilson County's highway network has attracted the attention of many logistics and manufacturing companies to the ever-growing community.

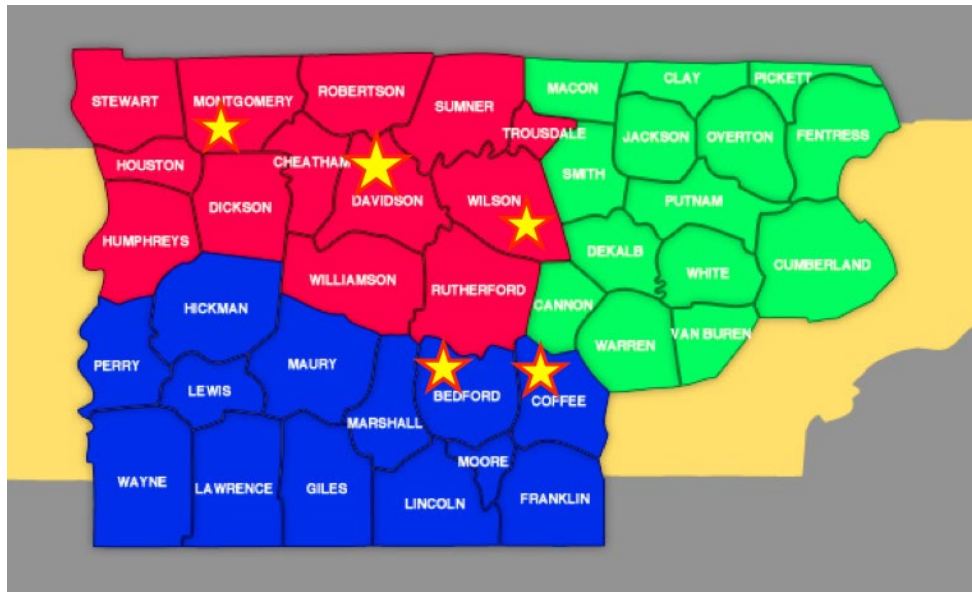
The current asset of existing medical manufacturing / logistic businesses which enhance the talent pool –

- **Moldex:** manufacturer of N95 masks and medical sanitizing products
- **Thermo Fisher:** manufacture therapeutics and vaccines
- **Permobil:** manufacturer mobility chairs
- **Sunrise Medical:** manufacturer of mobility chairs / NA Headquarters
- **Medline:** distributor of medical products
- **Diasol:** medical device manufacturer
- **Haemonetics:** distribution of plasma, plasma products, etc.
- **Hollister Inc:** distributor of healthcare products

The goal of the **Medical Expansion Zone** is to uniquely leverage the Medical Assets in the community to develop a medical corridor to successfully service the counties east of Nashville in Middle TN while. With the growth of Vanderbilt University and the Community Hospitals, there is additional opportunity for synergistic relationships.

- Vanderbilt Wilson County
- Vanderbilt Medical Center • Nashville
- Vanderbilt Bedford County • Shelbyville
- Vanderbilt Tullahoma • Tullahoma
- Ownership in Community Health Systems

Vanderbilt Medical Center Health Centers

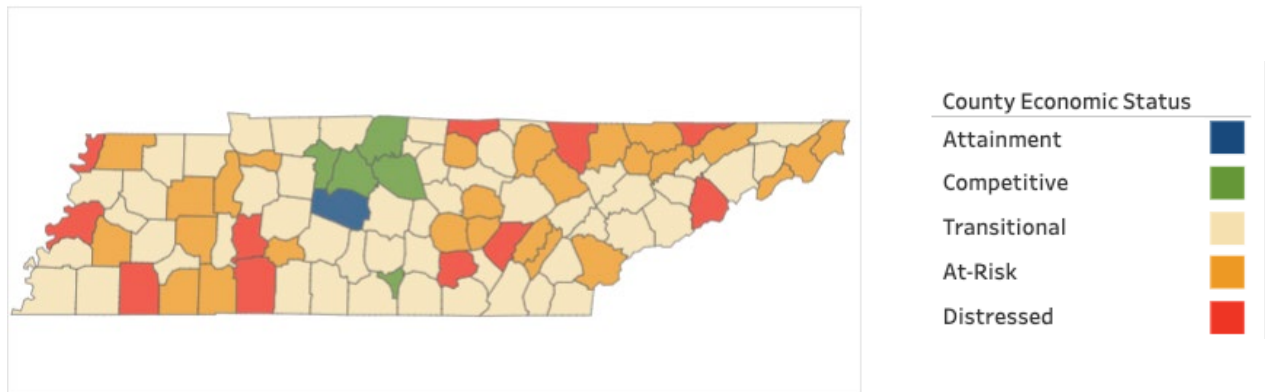


Having the knowledge base and understanding to recognize the asset and skill to direct a program is directly attributed to the TCED Program and the Influence it had on this project –

- **Strategic Planning:** having the multi-step action plan
- **Advanced Finance:** financial approach to capitol, bonds, federal funding
- **Workforce Development:** understanding the challenges and creatively coming up with an opportunity for change
- **Retention & Expansion:** existing business drive your success
- **State of TN Asset Based Planning Initiative:** program to help economically distressed rural counties taking into consideration economic status.^{xi}

HealthCare Needs & Rural Health

Map of County Economic Status



By the end of 2020 there were 4 rural hospitals to close in TN bringing the total to 16 in 8 years. Rural communities are in crisis. When a hospital closes, the elderly, chronically ill, and just about everyone lose access to the specialized care they need. Ambulance services are extraordinarily stressed as they try to respond to emergencies and as a result often become the emergency room.

States with the most rural hospital closures since 2005^{xii}

- #1. Texas: 24 rural hospitals closed (880 beds)
- #2. Tennessee: 16 rural hospitals closed (630 beds)
- #3. North Carolina: 11 rural hospitals closed (361 beds)

Since 2010, more hospitals have closed in Tennessee than almost any other state, disproportionately impacting rural communities. According to a 2021 report by the Tennessee Health Care Campaign called *The Ambulance is Our Emergency Room*^{xiii}.

“Through the addition of this hospital into our health system, we are advancing the Medical Center’s mission to improve health throughout the region while meeting patients’ needs

wherever they are,” said Jeff Balser, MD, PhD, President and Chief Executive Officer for VUMC and Dean of the Vanderbilt University School of Medicine.

Project Description:

- **Project:** Developing **Medical Expansion Zones**

Tray Hairston, Mississippi College Law Review said it best – Health Care as an Economic Driver: The Health Care and Life Science Approach

Viewing the health care and life science industry through the lens of the rise of the auto manufacturing industry in the South during the early 90s could be tantamount for Mississippi just as it has been in other Southern states. In 2002, for example, then-Governor Jeb Bush approached British billionaire trader Joe Lewis, owner of the Tavistock Group, seeking his assistance in hopes of improving the economy of Central Florida. Bush’s goal was to create better-paying jobs. Thanks to Tavistock and developing the Lake Nona Medical City, Governor Bush’s appeal has elicited approximately \$3 billion in healthcare-based investment, 5,000 permanent higher-paying jobs (with 25,000 more expected by 2019), and an expected overall economic impact of \$7.6 billion over the next 10 years.^{xiv}

But is Healthcare Recession proof? Is it time to take a holistic approach to the community’s development and ascertain what is best for today, tomorrow, and the generations to come. How is this achieved in volatile markets, ever changing financial landscapes, and shifting population penetration and expectations?

A question never thought to ask was is the community, infrastructure, and emergency plan pandemic proof? While elected officials and public servants are required to address emergency plans of natural and unsuspected disasters recent events dealing with Covid Pandemic and related issues proved that all items can be adequately addressed. A medical industry structure which includes manufacturing, research, medical services and other components can assist in both planning, and implementation of both approved and new plans. A structured Wilson

County/middle medical cluster could provide the working structure for both preparation, coordination and plan implementation.

Now the question being asked is our Health System pandemic proof? The Bureau of Labor Statistics forecasted that healthcare related occupations would grow at a rate faster than previous between 2018 – 2028 than average occupations (14%). With the healthcare sector adding 1.9 million new jobs. Is adding new jobs enough?

Although Health Care is not entirely recession proof, it does not react the same to a recession as other industries in an economic downturn. Consumers may choose to delay procedures, delay regular checkups, may use the emergency more often than they would normally choose.^{xv}

Identify both Public – One of the major components of the program is the coordination of Public and Private Partnership opportunities that will enhance the program and drive further success. Equity stakes are different for each individual entity and should be recognized for their contribution vs risk. Early participants in the Partnership may be considered innovators or visionaries because of the unique approach to Medical Development.

Early participants in the development of this program include cities of Mt Juliet and Lebanon in their support of permitting and office/building developments. The Joint Economic and Community Development Board has administered development grants, loans, etc. Wilson County participation includes the passage of significant Payment in Lieu of Taxes (PILOTs) in both manufacturing research and service industries. The Tennessee Department of Economic Development has contributed significantly in development grants for infrastructure, facility buildouts and training of previous medical industries. The Tennessee Valley Authority and local power distributor Middle Tennessee electric have awarded and administered significant electric development grants. These and other partners will continue to play major partnership rolls in the future.

New Opportunities can come from newly developed opportunities –

- **TN Department of Intellectual and Developmental Disabilities DIDD:** telemedicine physician practice offering around the clock medical to Tennessee residents no matter where they live in the state. Offered through **StationMD**
- **MTSU Fast Track Undergraduate Program:** Gov Lee MTSU & Meharry Medical College will help address the state's doctor shortage in rural areas with state subsidized fast track undergraduate to medical school partnership
- **TN Chamber of Commerce & Industry:** serves as the TN Manufacturers Association and is the state affiliate of the National Association of Manufacturers

Develop Medical Zone(s) to Encourage Growth in Specified Areas of the Community

Healthcare and strength of a community can often be linked. A prosperous community assists and upholds quality health and social services for its residents by attracting and preserving well trained and committed health care professionals. Communities with strong economies may be more likely to financially support their healthcare system through philanthropic giving and by investing infrastructure that can be leveraged by the healthcare system. In return, a high-quality healthcare system can support economic and community development initiatives. Together, strong rural healthcare systems can address these factors – economic stability, education, health and healthcare access.

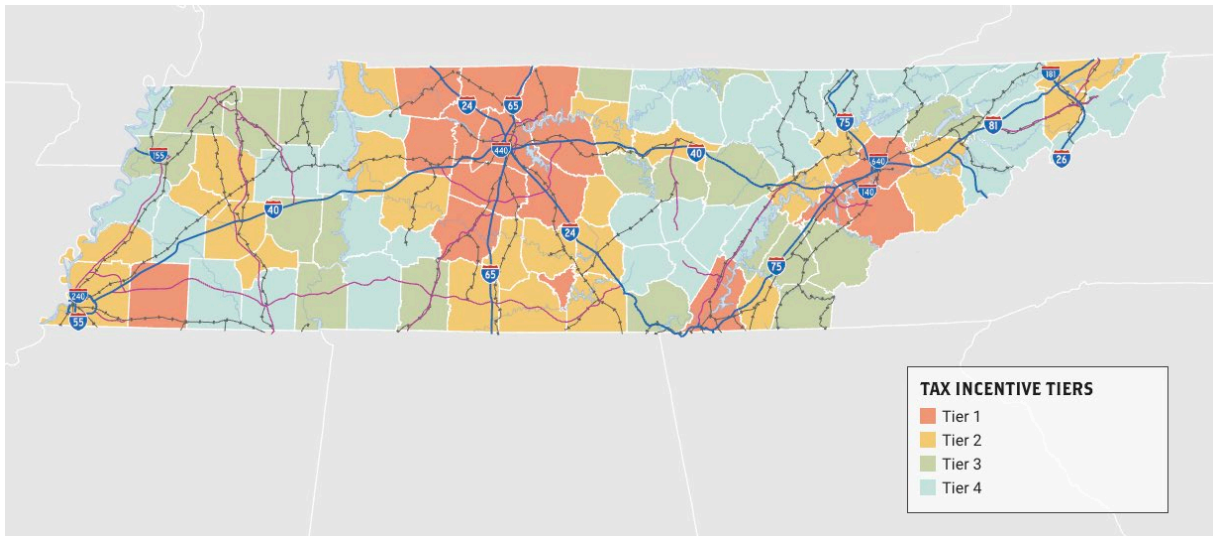
Public Funding Opportunities -

There are tremendous amounts of Public Funding opportunities available depending on the project. Utilizing Public Funding assist in building the infrastructure of the Medical Expansion Zone will contribute to the success of the project and the economic stability of the community.

- **Community Development Block Grant:** work with CDBG to improve blighted neighborhoods in an already tight housing market. Especially when discussing the Mixed-Use Development concept.

- **Enterprise Zone Opportunity:** is there an Enterprise Zone opportunity on Dr Bone (or similar) Property on Carver Lane – 41 vacant acres in City of Lebanon.
- **Job Tax Credit:** Wilson County is a Tier 1 County - \$4500 jobs tax credit with 15 year carry forward • Create 25 net new full-time position within a 36-month period
- **Job Tax Credit / Community Resurgence:** Credit \$2500 per each position • Create 10 net new full-time jobs each paying the average occupational wage and also be located in a census tract where the poverty rate exceeds 30% (census tract 307 @ 35.5%)
- **New Market Tax Credit:** work with an entity such as Pathway Lending who has an Economic and Community Development approach to their lending
- **Opportunity Zone:** no designated Opportunity Zone at the current time – adjacent in Smith County is closest OZ
- **Tax Increment Financing (TIF):** geographically target the TIF Zone and the debt service will fund any additional infrastructure
- **FastTrack Infrastructure Program (TN):** infrastructure improvements, local funding match with PILOT program 5 year on real property
- **FastTrack Job Training Assistance Program (TN):** grant assisting training of net new full-time employees
- **FastTrack Economic Development Fund (TN):** offset costs otherwise not eligible under FastTrack Infrastructure Program or Job Training Assistance Program – used in exceptional cases
- **Sales and Use Tax Exemption:**
 - Manufacturing: STE for industrial machinery
 - Headquarters: STE credit for qualified personal property

- Warehouse/Distribution: STE for material handling and racking
- Call Centers: TE interstate telecommunications services
- Data Centers: STE for certain hardware and software
- Research and Development: STE on certain equipment for R&D



Public Private Partnerships encourage the private sector to look at the investment in infrastructure and development. PPP have the potential to reduce government debt, provide debt relief, have cost savings, speed to market, efficient allocation of resources, job creation and revenue sharing. Approaching the opportunities from a Win / Win point of view and being candid in the process is the avenue for success. These partnerships between Public and Private entities can accomplish what neither side can accomplish alone, expanding infrastructure when funds and resources are limited; ultimately, looking towards innovation and speed to market.

PPP traditionally were used primarily as a financing tool, increasingly, they are being used for innovation where limitations with operational capacity are prevalent, acting as an instrument to facilitate economic development.

Private Entities:

A major component of the medical cluster project will be to coordinate and work with private entities not only in the middle Tennessee medical industry but throughout Tennessee. Eventual growth will lead to additional interest of both national and international partners who have witnessed the success and results of Tennessee's medical manufacturing, research and service industries.

When working with the private sector, as part of the partnership, the vetting process will include the due diligence period prior to entering into a contract phase. This time is to determine if the partner has certain capacities –

- Does this partner have enough capital—financial, political, human—to afford the project?
- Are there other sources of capital available?
- Are the landowners, developers, medical provider groups or education facilities ready to spend the capital, both financial and human, necessary to bring the PPP to fruition?

Medical Expansion Zones encourage development of additional Medical Service Centers, Medical Education, Medical Administrative services

- Zone Triangle: ▲ Medical Services ▲ Workforce/Education ▲ Commercial Development/Economic Enterprises
- Targeted asset-based growth

HealthCare can be an economic driver when determined a **Medical Expansion Zone** should exist in the community. The next steps are to clearly define the objective and work towards the partnership for the investment. A key component of the zone will be the coordination of workforce development. Realizing the importance of this component, Wilson County undertook the creation of its WilsonWorks program in 2020. Initially funded by a Tennessee Department of Economic Development ThreeStar Award, the program has now transitioned into a public/private funded workforce program. The program works in the area of coordinating skill development in specific areas including the medical industry. Other major educational institutions in the community will include Cumberland University nationally recognized nursing

program, and classes of emphasis in medical industry offered by the Lebanon campus of the Tennessee College of Applied Technology, TCAT.

Working with the education patterns to ensure that there is an opportunity to continue to grow this cluster and to allow appropriated changes and growth as the program progresses.

Looking to Develop Medical Professionals and Companies connected to Industry Leaders, venture capitalists, diverse populations, nationally ranked universities and ground-breaking technologies, these professionals desire to have their business entity with an experienced pool of professionals. The resources become deeper, the assets become stronger and the community continues to become more and more recession proof.

Bringing these types of services into the **Medical Expansion Zone** will expand the medical base and continue to move forward in the economic shifts being experienced every day. A strong economic base builds a healthy community. Having education and a skilled workforce will grow the economic base and working with the education partners to ensure that there is an opportunity to education.

Recruitment of existing companies into the Zone for established industry leaders to relocate to the market will be asset development.

While developing the **Medical Expansion Zone**, with world class Service Centers, Education and Administrative – your Medical Services portion, the improved quality of life, look to the Enterprise Development – A Master Plan Mixed Use Community. Ranging from single family home to high density with affordability, walkability, workplaces and amenities. The goal is to have Health Care within the living space so as the resident ages or their care needs change they are already in place with in an existing residential environment.

- Residential – range in product from single family residence, townhome, and condo to for lease higher density products
- Retail / Commercial – store owners, offices and restaurants with a more specific commercial penetration where a Class A Office Building Site or Hotel can be developed

- Common Spaces – community space, green space for gathering and events, walking trails, parks
- Planned for Aging in Place – Walk-In Clinics, Assisted Living, Home Health Services, Nursing Home, Alzheimer’s & other specialty support, Hospice care
- Medical – Hospital Services, Medical Offices, Urgent Care, Physician Services, Physical Therapy, Adult Day Care

Town Brookhaven – 50+ acre Mixed Used Development • Brookhaven GA
Ideal Multi Use Development featuring -



- Residential
- Commercial
- Medical
- Grocery
- Entertainment
- Restaurant



Ultimately, your Economic Development program of a **Medical Expansion Zone** now becomes a destination – a tourism program, Medical Tourism Industry.

Results, Lessons Learned and Next Steps:

- Identified Zones for Medical Development – physical locations to be determined with PPP
 - Dr Bone 41 acres adjacent to VWCH
 - Cornerstone 25 acres adjacent to VWCH
 - B&B 27 acres adjacent to VWCH
- Targeted recruitment to the area – medical based businesses
 - Medical Administrative Services
 - Biotechnology Services
 - Medical Supply Companies
 - Laboratory Testing Companies
 - Medical Service Providers
 - Medical Distribution
 - Diagnostic Imaging
 - Biologic Companies
 - Durable Medical Equipment
 - Medical / Medicine Production Companies
 - Other Medical Manufacture / Distribution Companies
 - Cancer Centers / Specialized Healthcare Centers
- Workforce development programs
 - Partner and establish relationships with Chamber(s) of Commerce WFD programs
 - TVA Workforce Implementation Partnership
 - ECD Partnerships w Workforce Development – Joint Economic & Community Development Board of Wilson County (JECDB), Tennessee Central Economic Authority (TCEA), TNECD
- Secondary and Higher Education expansion
 - Education Partners - County High Schools, TCAT Schools, Cumberland University, Volunteer State, Belmont University, Vanderbilt University
- Long term economic impact – complete economic study to determine long term economic impact of totality of project

- Asset based development – by utilizing asset-based management strategies, resources are already in place for the project to begin

If given the opportunity, communities would like to direct their growth but don't know how to facilitate the conversation. The **Medical Expansion Zone** will fulfill the directional challenge while building for the future. Without strategic, targeted growth, each community can potentially lose their identity or worse will not have economic sectors to stabilize their revenue base.

By developing **Medical Expansion Zones**, there is an opportunity to improve on the assets of the community from Work Force Development, Secondary & Higher Education, White Collar Jobs, and Blue-Collar jobs to start. This business sector continuously proves to be recession resilient creating a strong foundation for the financial stability of the community.

As the Medical Expansion Zone grows, the community becomes a regional healthcare center for the surrounding rural counties. As this growth takes place the needs shift and the growth changes.

- Phase 1: Growth of local market
- Phase 2: Growth of rural counties commuting into Wilson County

With the Implementation of Phase 2 a new phase of recruitment & development happens – more retail (hotel, restaurants, etc.) for the transient medical patient. Plus, a new partner will be Tourism. Partnering with TN Dept of Tourism, Wilson County Tourism, Chamber(s) of Commerce, etc. on how to accommodate & entertain these new visitors will be a great new challenge.

When considering the components of an economic platform and/or strategic plan, a community must consider the likely short- and long-term success. In Wilson County the program “return of investment” must be considered, tracked and reported to its funding entities. Based upon Wilson County's physical location, its present medical component, its contributions to Nashville Medical Cluster, population growth, per capital levels and its recent success in the medical manufacturing, research and service industry offers great opportunities. The Wilson County

Joint Economic and Community Development Board and the Industrial Board have provided one stop, central organizations for past project success. It is certainly a community that understands the importance of selected growth and has demonstrated the structure and funding to be successful. Because of these past successes and the opportunities that exist, the community should move forward in this arena.

ⁱ Nurture Development ABCD Approach

ⁱⁱ Vanderbilt University Medical Center Mission

ⁱⁱⁱ American Planning Association: The Silver Linings of Asset Based Community Development
bit.ly/AssetBasedPlanning

^{iv} Haslam School of Business: TN Add Nearly 1m New Residents by 2040

^v TNSDC: TN State Data Center

^{vi} TN Department of Health: Emergency Medical Services / Trauma Centers

^{vii} American College of Cardiology: Accredited Facilities

^{viii} UDSMR: Uniform Data System for Medical Rehabilitation, The University at Buffalo, The State University of NY

^{ix} TN Department of Health: Tennessee Stroke Centers

^x Vanderbilt Wilson County

^{xi} TN State Government: Supporting Rural Tennessee tn.gov/rural

^{xii} ClarksvilleNow.com: Tennessee is the #2 State with the Most Rural Hospital Closures since 2005

^{xiii} Rural Hospital Closures: The Ambulance is our Emergency Room – the voices of Rural Tennessee by TN Health Care Campaign bit.ly/EmergencyRuralHealth

^{xiv} Butler Snow: The Future of ECD: Using Healthcare as an Economic Driver bit.ly/BSHealthcareECD

^{xv} Health Capital Consultants: Is Healthcare Recession Proof? bit.ly/HealthCareRecessionProof