



Tennessee Department of Economic and Community Development

BERO | Business Enterprise Resource Office
Annual Report, Fiscal Year 2022



STATE OF TENNESSEE
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
RURAL AND COMMUNITY DEVELOPMENT
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TN.GOV/ECD/BERO

November 22, 2022

Greetings:

Pursuant to Tennessee Annotated Code Section 4-26-105, the Department of Economic and Community Development, Business Enterprise Resource Office (BERO), “shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the commerce and labor committee of the senate, the chair of the commerce committee of the house of representatives, and any governor’s advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.”

Herein, please find the BERO annual report for FY2021. In an effort to conserve resources and to access resources within more easily online, this report is distributed in a digital version. If you have any questions regarding this report, please do not hesitate to contact Wisty Pender, state director, at 615.741.1888 or wisty.pender@tn.gov.

Respectfully submitted,

Wisty Pender
State Director, BERO

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BERO Annual Report | Index

Support and expand an inclusive continuum of access to DBEs, small businesses and entrepreneurs

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The report herein addresses a range of topics specifically regarding disadvantaged businesses (DBE), small businesses and entrepreneurs in Tennessee.

Greater access to resources, education and tools, including capital, are crucial to the success our State's DBEs, small businesses and entrepreneurs. Further, the persistent gaps in those areas, can be addressed through appropriate support to expand an inclusive continuum of access. Throughout this report, there are references to relevant outside sources as well as the section titled, BERO Recommends, a list readings, videos, tools, etc.

There are 555K+ businesses with no employees (nonemployers) and almost 83K businesses that have 1 to 19 employees. Of the businesses in Tennessee, there are

- Hispanic/Latinx
- Minority-owned businesses: 7.8%
- Veteran-owned businesses: 6.4%
- Women-owned businesses: 42.9%, and nationally, 50% of all women-owned businesses are also minority-owned

Note: Ownership shares include equal and majority ownership

Sources of data: American Community Survey, 2018 (Census and IPUMS); Annual Business Survey, 2018 (Census); Nonemployer Statistics by Demographics, 2018 (Census); The Acsent, Women in Small Business Statistics in the U.S., May 2022.

As 2021 to 2022 progressed, our ESOs (entrepreneur support organizations) confirmed that we are still “in a need environment,” and our businesses and those that work with them continue to negotiate those needs. There is great work being done across Tennessee, from the most rural to the most urban areas. We are in a unique position with our networks, relationships, perspective, and expertise as we develop and support an inclusive continuum of access for our aspiring and existing DBEs, small businesses and entrepreneurs and the communities in which they live and work. Here are two initiatives that are building capacity and one program that will provide capital:

▪ **TN Placemakers Entrepreneurship Fund | Opportunity and Access**

Communities are able to increase success and stabilization of local DBEs, small businesses and entrepreneurs, especially those impacted by COVID-19 and other disasters, through a variety activities such as feasibility and planning for a cowork space, technical business assistance, technology or microgrant programs. TN Placemakers is open for application statewide and is available from rural to urban areas now.

▪ **TN SmartStart™ Community Initiative | Smart Businesses Start Here**

Helps a community support a thriving entrepreneurial environment through training Community Partners on the utilization of available tools and resources for local DBEs, small businesses, and entrepreneurs. Community Partners are the key to support a successful SmartStart™ Community by providing a “no wrong door” approach to their future and existing businesses.

▪ **FundTN | An inclusive continuum of access to capital**

With funding from the U.S. Dept. of Treasury's [SSBCI 2.0](#) allocation, FundTN will launch in early-2023. The dollars will provide capital for small businesses and entrepreneurs, and technical assistance to help small and diverse businesses become capital ready. FundTN strives to support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee.



Snapshot | Projects, Initiatives, Programs (continued)

advocate, assist, convene, develop, design, discover, diversify, expand, implement, outreach, organize, support

	Projects • Initiatives • Programs	Metric	Who/What	Description
Access to Capital	FundTN	\$117M+ state allocation	 	Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee; debt and equity programs, and technical assistance to become capital ready <i>See SSBCI 2.0; TN launch est.: early 2023</i>
	Rural Opportunity Fund	177 loans \$30M+ in loans	 	Provides access to \$18.75M for loans and lines of credit ranging from \$5,000 to \$5M for rural small businesses. <i>Loan information as of 9/30/2022.</i>
Convene	Stakeholder/Resource Partner Activities	**	 	Partnered to present/host related to disaster recovery, procurement, placemaking, economic development education

Find more information and details within the BERO annual report on the projects, initiatives, and programs highlighted in the snapshot.

. . . Snapshot Key

Symbol <small>Direct/Indirect</small>	Category <small>Who/What</small>	Description
	DBE, Small Business, Entrepreneur	A small business owner or a part of the executive leadership of a small business or an entrepreneur; may also be considered a minority-owned, woman-owned and/or veteran-owned business, a business owner with disabilities and/or am underserved and underrepresented.
	ESO (Entrepreneur Support Organization)	This means they are hands-on, directly working with DBEs, small businesses and/or entrepreneurs through a nonprofit, education-connected, and/or government connected organization that supports businesses to start, grow and expand.
	Lender/Funder	They represent a bank, CFDI, credit union and/or other financial institution, development district, (angel or venture) equity investor, private funder, etc..
	Elected Officials and staff	They are an elected official at any level of government, including their staff.
	Stakeholder/Resource Partner	They do not provide direct hands-on support to DBEs, small businesses or entrepreneurs but are interested in their development and success such as an economic development agency, a chamber of commerce; a local, state or federal agency, etc.
	Access to Resources, Education and Tools	Resources, tools and educations, including technical business assistance for the existing and potential DBEs, small business and entrepreneurs .
	Access to Capital	Includes grants, debt and equity
	Convening	Bringing together groups to increase capacity and reach among groups
	Placemaking	A way to leverage local assets (human and natural) in a way that impacts the cultural, economic and social aspects of their community to intentionally create a good sense of place and enhance a strong sense of community and wellbeing.
	Policy • Regulatory • Compliance	Policy, regulatory, and/or compliance issues, topics
	Information available on dashboard.	tn.gov/transparenttn/state-financial-overview/open-ecd/openecd/tnecd-performance-metrics/entrepreneurship.html



About BERO | Business Enterprise Resource Office



BERO is housed within the State of Tennessee Department of Economic and Community Development (TNECD).

BERO | Business Enterprise Resource Office

- serves as a voice for and advocate of economic inclusion*;
- analyzes, disseminates and promotes best practices and access to capital to service providers; and
- reports on the status of DBEs statewide (disadvantaged businesses or **DBEs).

*Economic inclusion describes the efforts made to bring DBEs into the economic mainstream.

**For the purposes of BERO, DBE refers to businesses owned by women, minorities, veterans and persons with disabilities; as well as those in areas of chronic high unemployment and low income.

BERO was legislatively established within the department of economic and community development in 1977 by Title 4, Chapter 26 as the office of business enterprise.

Inquires

BERO addresses direct information requests received for business information and assistance made through telephone, email, postal service and referrals from communities, elected officials, resource partners, other businesses, etc. Individuals and companies can submit requests for business information through TNECD's website at tnecd.com/about/contact. BERO also serves as a go-to resource on DBE topics to TNECD's business development staff statewide. The most requested topics are related to elements involved in steps to startup or move a business, access to capital, certification and procurement.

A few presentations, events, etc.:

- Presented to NGA/PEW on TN SwiftStart
 - Presented at CDFA/TCED, Basis of Financing, 6/23/2022
 - Convened potential partners for FundTN planning in lead-up to application submissions
 - Hosted events tied to contracting with the state and on infrastructure with federal government
 - Presented at IEDC on TN's placemaking successes
 - Posts to @tnplacemakers on Instagram
- △ Ongoing coordination of targeted outreach for DBEs, small businesses and entrepreneurs related to disasters and disaster recovery

Contact Information

Wisty Pender | State Director, BERO
Tennessee Department of Economic and Community Development

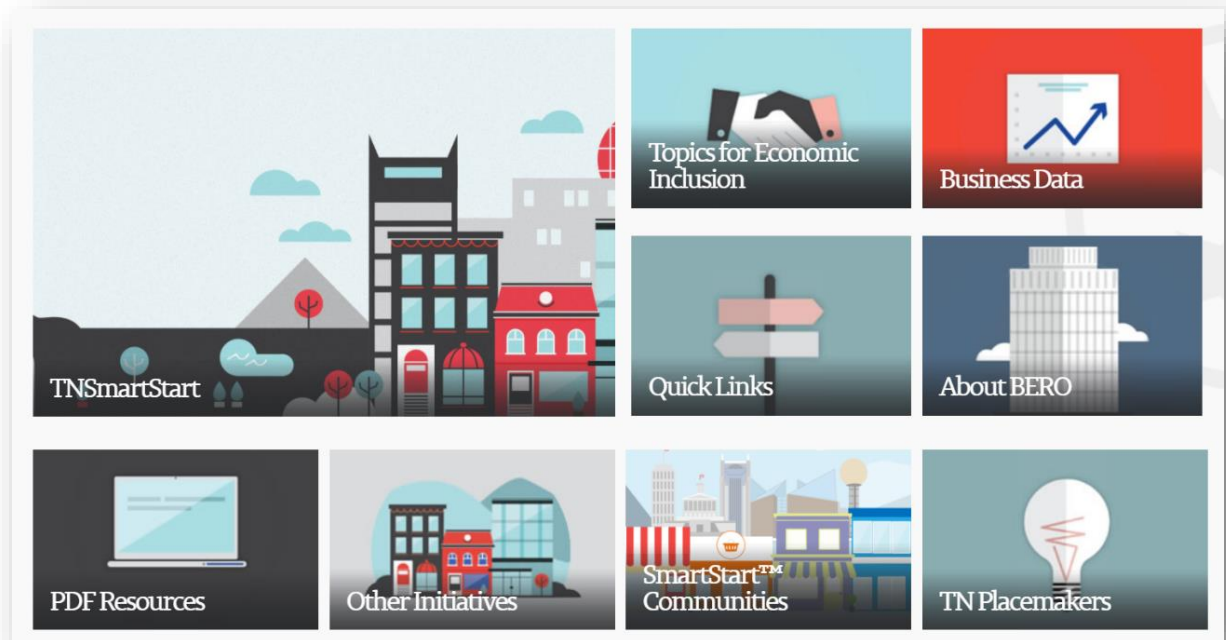
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TN.GOV/ECD/BERO



BERO | Website overview

one of the country's best business climates



Here's what you'll find...

- Interactive guide for starting a business, including how register, referrals to entrepreneur support organizations for assistance locally, and a dynamic business model canvas, all of which are tailored to the user's responses (*TN SmartStart*)
- Static, PDF/hardcopy resources: (1) TN SmartStart™ Guide, a guide for new and existing small businesses and entrepreneurs, (2) a visual flowchart "How to Start a Business," and (3) a blank Business Model Canvas (*PDF Resources*)
- Procurement, certification, policy information and resources for small and DBE business owners (*Topics in Economic Inclusion*)
- Access to current data for businesses that have employees or have no employees as well as data based on business ownership by race, ethnicity, gender and veteran status. (*Dashboards*)
- Resources to help businesses and communities deliver better, with topics from advocacy to data collection, art to agriculture to tech. (*Quick Links*)
- General information and annual reports (*About BERO*)
- Funding opportunities for rural and urban core small business and entrepreneurship development (*TN Placemakers* Entrepreneurship Fund*)
- *TN SmartStart™ Community* initiative trains and equips Community Partners with the resources and tools to address the needs of new and existing small businesses and entrepreneurs within their own communities.
- Public-Private Partnerships: Rural Opportunity Fund, TN Driving Innovation mobile platforms – theLab, the Venture and theAMP (*Other Initiatives*)

*Placemakers leverage local assets (human and natural) in a way that impacts the cultural, economic and social aspects of their community to intentionally create a good sense of place and enhance a strong sense of community and well-being.



Tennessee SmartStart™ | A key resource

Smart Businesses Start Here

“Smart Start is an underrated program. We have a lot of entrepreneurs walk into City Hall. In 2020, 21 new businesses were opened in a town of 6,000 people. All received a Smart Start guide. We have served 17 so far in 2021. TNECD has made Sweetwater what it is!”

~Jessica Morgan, City of Sweetwater, from a Rural and Community Development Listening Tour

As FY2021 progressed into FY2022, a shift back to people wanting and/or needing to start businesses increased as has businesses needing assistance and guidance, especially with pandemic and disaster related programs deadlines approaching, first payments due, and businesses taking stock. The **Tennessee SmartStart™ Guide** (SmartStart™) continues to be utilized throughout TNECD’s nine regions and among a wide array of resource partners and stakeholders including, but not limited to, elected officials, chambers of commerce, development districts, state agencies (such as the Office of the Small Business Advocate, Revenue, Secretary of State, Human Services and Labor and Workforce Development), UT-CIS, TN Small Business Development Centers, the US Small Business Administration, USDA Rural Development, SCORE, the Federal Reserve Banks of Atlanta and St. Louis, regional entrepreneur centers, coworking spaces, business incubators, among many others.

SmartStart™, the interactive online guide, enables a user to do three things: (1) get a step-by-step guide to register a business in Tennessee, (2) connect relevant resources, and (3) create a business model canvas. In FY2022, pageviews, organically generated (not through any advertising), 204K+ pageviews. It is noteworthy that users continue to spend comparatively longer time on some pages, especially the business model canvas, at 3.5 to 4 minutes, a comparatively long time for a webpage, and it also continues to have a very low bounce rate.

Tennessee SmartStart™

- STEP ONE: Choose a name**
- What is your business name?
- STEP TWO: Choose a Legal Structure**
- Recommendation: Consult an attorney, CPA, business counselor
- STEP THREE: Obtain Your Taxpayer ID Number**
- SSN or FEIN: Sole Proprietor/General Partnership (Social Security Administration or IRS)
- FEIN: Corporation, LLC, LLP, LP (IRS)
- STEP FOUR: Taxes**
Identify the basic tax obligations of operating your business in Tennessee.
- Register: TN Dept. of Revenue
- County Tax Assessor, possibly others...
- STEP FIVE: Register Your Business**
- Sole Proprietor/General Partnership (Municipal/County Clerk)
- Corporation, LLC, LLP, LP (TN Secretary of State and Municipal/ County Clerk)
- STEP SIX: Employees**
- Will your business employ additional staff?
- Yes/No: TN Dept. of Labor and Workforce Development
- STEP SEVEN: Regulations/Licensures**
Is your business required to register with other departments or agencies?
- Based on business: ABC, Ag, Commerce and Insurance, TDEC, Health, Labor WFD, ATF, USDA, etc

This information is a general guideline for registering your business. Aspects of your business may require additional steps, registrations and/or licenses. You may need to consult an attorney, CPA or business counselor.

Checklist

Registering a business is not an intuitive process and may require various registrations across multiple agencies at local, state and federal levels.

SmartStart™ provides a simplified step-by-step guide to registering a business in Tennessee.

TENNESSEE SMART START

- 1. CHOOSE A LEGAL STRUCTURE**
• Recommendation: Consult an attorney, CPA, business counselor
- 2. TAXPAYER ID NUMBER**
• SSN or FEIN: Sole Proprietor/General Partnership, Social Security Administration or IRS
• FEIN: Corporation, LLC, LLP, LP (IRS)
- 3. REGISTER THE BUSINESS**
• Sole Proprietor/General Partnership (Municipal/County Clerk)
• Corporation, LLC, LLP, LP (TN Secretary of State and Municipal/ County Clerk)
- 4. EMPLOYEES**
• Register: TN Dept. of Labor and Workforce Development
- 5. TAXES**
• Register: TN Dept. of Revenue
• County Tax Assessor, possibly others...
- 6. REGULATIONS/LICENSURES**
• Based on business: ABC, Commerce and Insurance, TDEC, Health, Labor WFD, ATF, etc.
- 7. OPEN FOR BUSINESS**
• There are resources available to help you!

This information is a general guideline for registering your business. Aspects of your business may require additional steps, registrations and/or licenses. You may need to consult an attorney, CPA or business counselor.

The simplified version from the hard copy/PDF version serves as a quick reference visual guide and is easy to access. This is a great resource for any size business.

Good to know

Resources continue to be added and updated as well as become more localized.



Tennessee SmartStart™ | Locating resources

As of late June 2021, there were 40% fewer small businesses in Tennessee than before the pandemic – even after an historic surge of new filings earlier this year. *Source: The Sycamore Institute*



Customer

Identify your customers so you can pinpoint goals and challenges to marketing your business. You will likely have several customers. Do you know who your most valuable customers are yet? Use the following template to create up to three customer profiles. Keep in mind that, "everyone is our (potential) customer" isn't narrow enough to help you market your business. Get started with help from our example statement:

Canvas Starter

Our target customer is primarily between the ages of with an average income of and they work in the business/industry.

Details

Business Model Canvas

Users complete a business canvas by answering the mad lib questions. The user's answers populate the canvas, and that helps users better understand what they still need to know, and it gives them a way to talk about their business with one of the resources on their referral list. To use it now, visit tnsmartstart.com

Tennessee SmartStart™

Smart Businesses
Start Here

tnsmartstart.com

The guide is the basis for the TN SmartStart™ Community Initiative. The initiative is designed to train and equip Community Partners within each community with the resources and tools to address the needs of new and existing small businesses and entrepreneurs within their own communities. This is a "no wrong door approach" to a community making itself more welcoming, accessible and business friendly.

* NOTE: Access to Resources, Education and Tools

Many small businesses need financing but are not well positioned to take out loans. Other funding options like equity, grants, and alternative structures like crowdfunding and revenue-based financing can help fill gaps in capital access.

Source: The Color of the Capital Gap, Boston Indicators and the Boston Foundation in partnership with the Coalition for an Equitable Economy, May 2021.



SmartStart™ Community | Smart Businesses Start Here

a “no wrong door” approach

The initiative fully launched in FY2021. Although it was initially slated to begin in the first quarter of 2020 with in-person sessions, due to COVID-19 the program was reworked to take place fully virtually. For FY2023, a hybrid approach will be used. AS of June 30, 2022, there are 63 SmartStart™ Communities, with 14 communities that have taken part in a session and/or are adding Community Partners to meet the minimum requirement .

How does a community participate?

Communities self-select, and ...

1. Have a minimum of three unique Community Partners who all
2. Attend an initial training, and
3. Agree to regular communication with BERO.

Onboarding is rolling, and multiple communities may attend trainings.

Who can be a Community Partner?

An organization within the community that is willing to provide resources for their aspiring and existing small businesses and entrepreneurs. Partners can be

any combination of elected officials, chambers of commerce, ESOs (Entrepreneurial Support Organizations), power or broadband providers, business leaders and entrepreneurs, educational institutions, artists, maker’s, inventors, etc. There is a lot of flexibility because each “community” is different.

The SmartStart™ Community Initiative is part of making Tennessee the easiest place in the nation to open and run a business, and a way to make our communities a welcoming place for it to happen.

For more information visit tn.gov/eecd/bero.

Welcome
Tennessee SmartStart™
Community Partner



Smart Businesses Start Here



TN SmartStart™ Community Partner Training | Scenario 1

Business Planning

A sample discussion scenario:

These scenarios help to familiarize Community Partners on topics, so they are better equipped to connect businesses to the right resource at the right time

Scenario

- Chelsea walks through your door. She has an exciting idea to open a new breakfast restaurant.
- She wants to capture the early morning crowd... healthy breakfast options and maybe lunches, too.
- She goes into some detail about the coffee, maybe roasting it down the road, baked goods she wants to sell, among other food offerings and who the restaurant will appeal to, etc.
- She explains that she has worked in restaurants but does not have any prior business experience. She knows she needs startup money to purchase equipment, etc., and has found a building that could work.

Challenge

She clearly has lots of ideas! She says she is looking for help on where to start and specifically mentions the areas of funding, business planning, and possibly franchising.

You are a Community Partner so she saw your “Smart Businesses Start Here” decal. As a Community Partner, you can direct her to several resources.

Where do you start?



TN Placemakers Entrepreneurship Fund | Features

Talent is everywhere, opportunity is not. Availability does not equate to accessibility.

#TNPlacemaker Spotlight

Shora Foundation

"When you're talking about placemaking, and sometimes you're doing things for the first time, you have to know that it might be a slow, steady process, so don't get discouraged if you don't see results overnight."
- Tanika Harper, Founder and CEO

#TNPlacemaker Spotlight

Nashville's Big Backyard

"We knew that as we told the world about our place, people would want to come and play or come and stay —part tourism and part relocation."
- Debbie Landers, Executive Director
Nashville's Big Backyard

#TNPlacemaker Spotlight

The Mill Workspace

"Do your homework, ask the questions, and reach out to other people who've done it. There are so many people like me that would love to share about their project."
- Chris Donaldson, Founder of The Mill Workspace

#TNPlacemaker Spotlight

Historic Lebanon

"That is what Historic Lebanon tries to do. We try to look at the historic aspect of things, but we also want to improve the economy of places and help the entrepreneurs."
- Kim Parks, Executive Director

#TNPlacemaker Spotlight

Start Co. Ventures Development Group

"...build-up as much social capital and social currency as you can—build the right connections."
- Andre Fowlkes, President

#TNPlacemaker Spotlight

Rural Interconnect Outpost

It wouldn't have been possible without the dedication of the [chamber's] RIO committee and Roberta's vision for the design, and what this service could mean for our community."
- Matthew Boynton, RIO Committee Chairman and BTC Fiber Engineering Manager
(Other #TNPlacemaker: Roberta Smith, BTC Fiber Administrative Manager)

#TNPlacemaker Spotlight

The Runway

at the REED Center and TSBDC, UT Martin

"Do your research. I visited eight other coworking spaces before we began."
- Landy Fuqua, Director

#TNPlacemaker Spotlight

The Biz Foundry

"We look at [placemaking] as creating places that entrepreneurs, coworkers, and innovators can have collisions."
- Jeff Brown, President of The Biz Foundry
(Other #TNPlacemakers: Tiffany Anzon, Vice President and Jess Lewis, Marketing Director & Program Coordinator)

#TNPlacemaker Spotlight

LAUNCH Chattanooga

"I've been so encouraged and inspired by so many of the entrepreneurs that we get to work with along the way. They have amazing ideas for businesses and they work harder than most to make them succeed."
- Hal Bowling, Co-Founder and Executive Director

Meet some #TNPlacemakers ...

TN Placemakers strives to help communities provide opportunity through true access for the DBEs, small businesses and entrepreneurs that are and will be a part of their community. Placemakers leverage local assets (human and natural) in a way that impacts the cultural, economic and social aspects of their community to intentionally create a good sense of place and enhance a strong sense of community and well-being.

"I am a #TNPlacemaker!" was launched in October 2021 at the IEDC Annual Conference at the session, "Is Your Regional Innovation Hub Focused On Building a Culture of Opportunity?"



Follow on IG at [@tnplacemakers](https://www.instagram.com/tmplacemakers) to learn more about the amazing projects happening from rural to urban areas of Tennessee.





TN Placemakers | Applications open

Be a Placemaker!

General Placemakers update:

As of October 1, 2022, there are 28 active, open grants, totaling \$1.46M+ from rural to urban core areas of Tennessee with a focus on underserved and underrepresented existing and future microenterprises

The TN Placemakers Entrepreneurship Fund is dedicated to assisting communities to develop and train small businesses and entrepreneurs by allowing them to obtain funds for broad and diverse activities from rural to urban. Find more about funding group one, eligible applicants, use of dollars, etc. on the [website](#).

- **Good to know** There are two groups of funding are (1) Assess & Plan, Build & Sustain, and Support & Train, and (2) Pivot & Recover – tied to recovery from the impacts of the pandemic.
- **Application Period:** Open; Applications are accepted and reviewed on a rolling basis until funding program dollars are fully awarded.
- **Type of funding:** Reimbursement grant

- **Who can apply?** Nonprofits, Educational institutions, Government entities

This includes ED organizations, chambers of commerce, development districts, public-private partnerships, etc. Nonprofit applicants must be established for at least three years. This grant is not intended to support an individual business; it is for the benefit and support of multiple small businesses and entrepreneurs.

Important:

- Individual businesses are not eligible for TN Placemakers funding. For resources for individual business, visit [BERO](#).
- To verify that nonprofit is in good standing, first do a business information search [here](#).
- Email the [TN Placemakers team](#) with questions.
- **Contract periods:** Contracts are 24-months, with months 1-18 focusing on implementation and utilization and months 19-24 slated for observation, data reporting, and close-out of the grant. Contracts may finish earlier, especially when access and plan is utilized, so implementation can begin.

Highlight on Funding Group 2: Pivot & Recover

- ✓ Up to \$100,000 for technical assistance, operating expenses, technology; no match requirement
- ✓ Up to \$50,000 for microgrant program; requires a 50% or 1:1 cash match
- ✓ Targets microenterprise—businesses with 5 or fewer employees including the owners and low to moderate-income (per HUD).

Details and uses

Increase the success and stabilization of local small businesses and entrepreneurs impacted by COVID-19 through technical assistance, operating expenses, technology or microgrant programs. Find the webinar series presentations, recordings, materials, etc. [here](#).

• • •

✨ **NOTE: Access to Resources, Education and Tools**

55 percent of Tennessee business establishments have fewer than five employees.

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Wages and Employment



Build Capacity | Tools and partnerships

Tennessee's total inflation-adjusted venture capital investment exceeds the median investment for all states. *Source: National Science Board, 2018 Science and Engineering Indicators*

Opportunity Zones

“Opportunity Zones have the potential to be the largest economic development program in U.S. history.”

Steve Glickman, Co-Founder, Economic Innovation Group

Opportunity Zones (OZ) are an economic and community development tool established by the Tax Cuts and Jobs Act of 2017. This tool is designed to drive long-term capital to low-income communities. The law provides a [federal tax incentive for investors](#) to re-invest their capital gains into Opportunity Funds, which are specialized vehicles dedicated to investing in designated in specific communities.

Tennessee at a glance:

- 75 of the 95 Tennessee counties contain an OZ
- 38K+ businesses are located in OZs
- 701K Tennesseans live within an OZ

Websites: tn.gov/ecd/opportunity-zones.html and oz.tnecd.com

Opportunity Appalachia

Purpose: Bring investment to Central Appalachian coal-impacted communities, creating new jobs and businesses that support sustainable growth.

A \$3M+ program that will...

- Support 40+ downtown and rural development real estate **projects across** WV, OH, TN, NC, VA
- Provide \$2.25M to fund direct technical assistance at \$30K to \$75K/project to complete pre-develop work and prepare for investment over a 6-to-12-month period
- Raise \$400M+ of new investment for targeted communities and facilitate investors convening to connect with potential investors

To learn more **about the program, investments, partners, etc., visit**

appalachiancommunitycapitalcdfi.org/oa-program/opportunity-appalachia-2022-2024.

Spring 2022 Projects in Tennessee:

- Spark Innovation Center, Cherokee Farm Dev. Corp., Knoxville
- Roane Custom Beef & Pork, Zephyr Development Group, Oak Ridge
- Kefauver Hotel, Madisonville, TN
- Ashland Holdings, Morristown, TN

* NOTE: Access to Resources, Education and Tools

“There is an urgency, and opportunity, for local and regional leaders to embrace and advance place-led development that produces better economic outcomes for more people in more places.”

Source: *Brookings, Why we need to invest transformative placemaking, November 2018.*



Build Capacity | Through partnerships

a public-private partnership

Driving Innovation

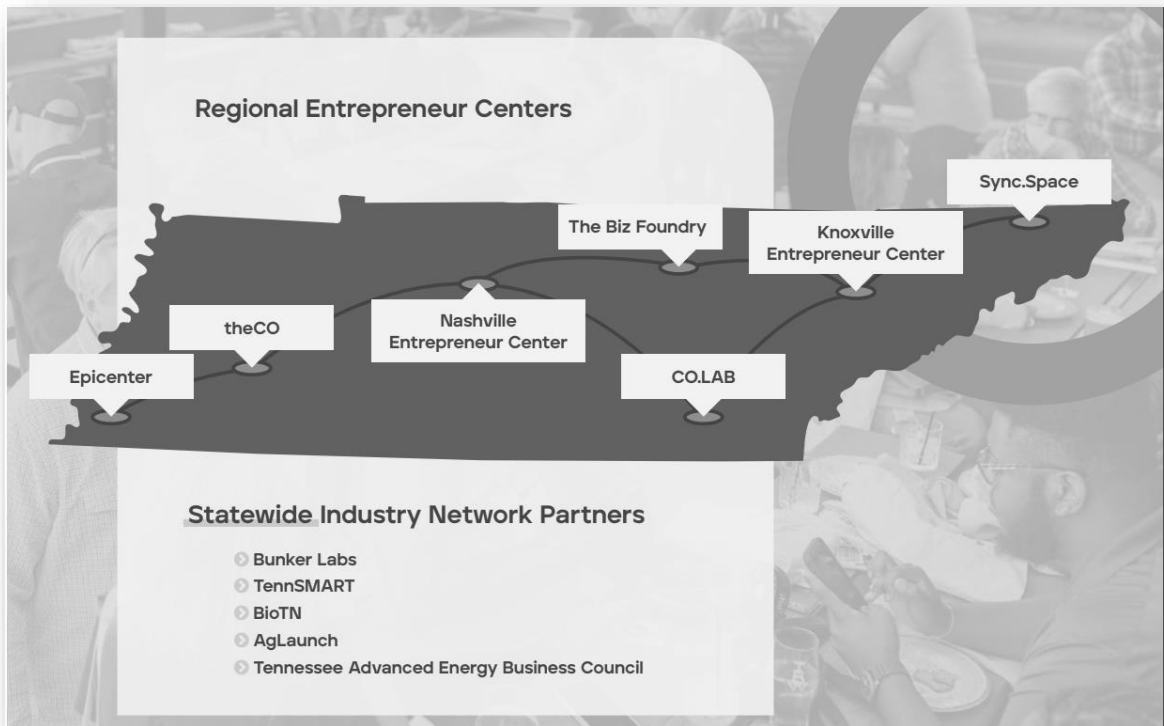
Driving Innovation is a mobile program that supports economic and workforce development in Tennessee’s rural communities. The three mobile innovation labs focus on STEAM education, entrepreneurship and small business support, and community placemaking that target at-risk and distressed counties. Need funding to continue programming—the mobile platforms are unfunded for FY2023.

attheco.com



Launch Tennessee

Formed by the State of Tennessee to function as the cornerstone of a public-private partnership, LaunchTN is a nonprofit organization uniquely positioned to cultivate and support collaboration among founders, investors, the private sector, institutions, and government.



Learn more on launchtn.org or check out the FY2022 annual report [here](#).

🌟 NOTE: Access to Resources, Education and Tools

Why are small businesses in general and entrepreneurs of color a target for predatory lenders?

Because currently small businesses are not afforded protections from predatory lending that consumers are now used to, such as transparency and reporting requirements that inform fair lending.

Source: *Why Small Businesses Are Susceptible to Predatory Lending*, Business Ownership Initiative, Aspen Institute, July 2022.



FundTN | Capital Access

Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee

The American Rescue Plan Act (ARPA) reauthorizes and amends the [Small Business Jobs Act of 2010](#) which established the State Small Business Credit Initiative ([SSBCI 1.0](#)).

For [SSBCI 2.0](#), the [U.S. Department of Treasury](#) (Treasury) was allocated \$10 billion to provide funding for small business financing, and technical assistance to help small and diverse businesses become capital ready.

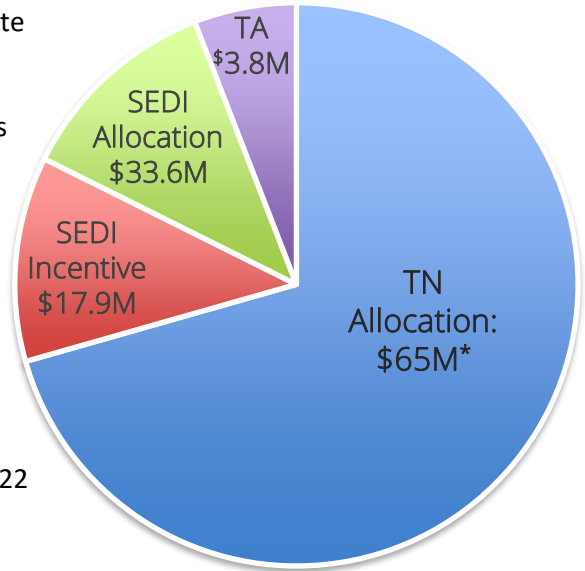
Tennessee: \$65,390,433*

- Employment-based allocation: \$60,573,813
- Very Small Business allocation: \$4,816,620

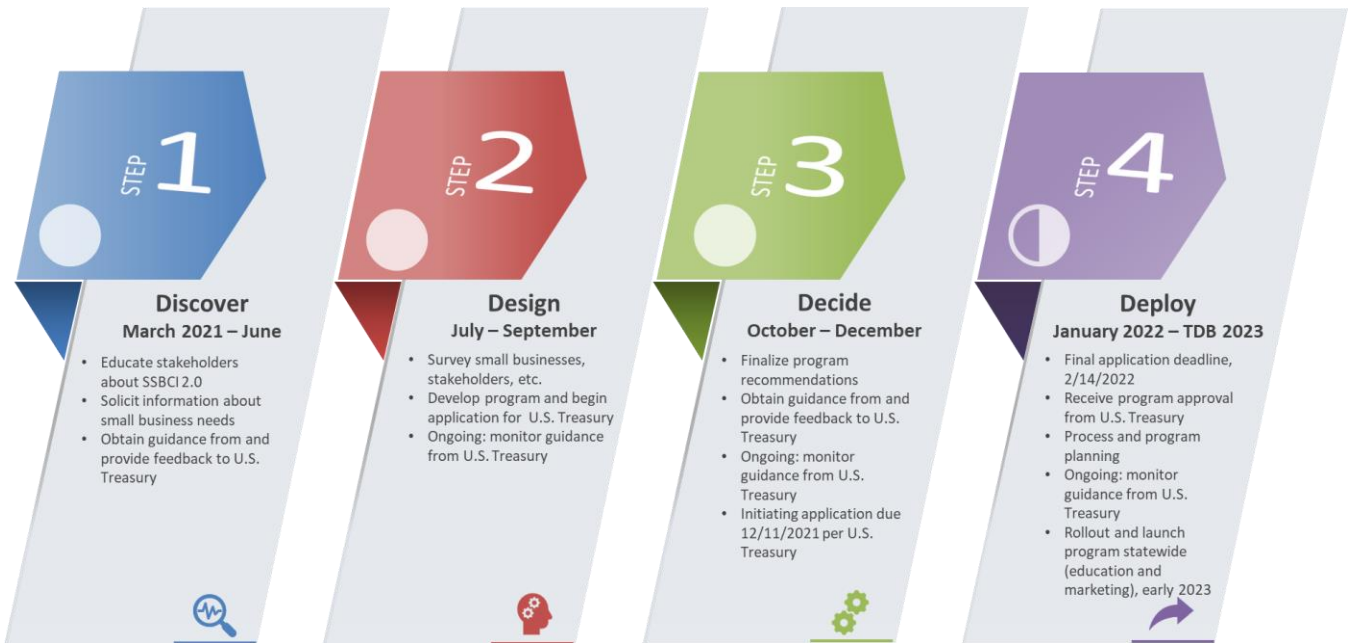
Additional Pending Allocations:

- Technical Assistance (TA): \$3.8M, application due 9/14/2022
- SEDI Business Allocation: \$33.6M
- SEDI Business Incentives: \$17.9M, performance-based

TN Allocations



Development timeline:



These funds are not available directly to individual businesses from TNECD. Information and updates will be shared on the website. As of October 31, 2022, Tennessee's application was under active review by US Treasury. The program is expected to officially launch in early 2023. For more information and updates visit tn.gov/ecd/small-business/ssbci.



Access to Capital | New and rural

Support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee

continued FundTN details...



Eligible activities:

- Debt capital: approx. \$47M
- Equity capital: approx. \$70M
- Technical assistance (i.e., legal, accounting, fiscal advisory services)



Programming must include:

- Pandemic response to include socially and economically disadvantaged individuals (SEDI)
- Minority depository institutions (MDI) and Community Development Financial Institutions (CDFI) encouraged to participate
- 10 to 1 Leverage ratio expected, 1:1 required

Distribution of dollars through two primary areas, debt and equity, over a 7 to 10-year program:
Debt program: Loan Participation Program—\$49M | Equity Program: BuildTN Fund—\$70M

Rural Opportunity Fund

In partnership with the State of Tennessee and member banks of the Tennessee Bankers Association, Pathway Lending provides loans to small businesses in rural and distressed areas of the state through the Tennessee [Rural Opportunity Fund \(ROF\)](#). Loans and lines for credit ranging from \$5,000 to \$5M for Tennessee's rural businesses. (pathwaylending.org)

Important to understand:

- Pathway Lending is a CDFI with an economic development mission; they are a non-traditional lender. That means is that if the ROF dollars were not available, the businesses that received an ROF loan would not have been able to secure funding. Not being able to secure funding can lead to many outcomes from businesses to closure to laying off employees. Pathway works with businesses considered un-bankable businesses to get them to a place where they can obtain funding through more traditional avenues.
- In addition to providing capital to rural businesses, Pathway Lending is also tasked with an education element to include assisting to de-risk the local lending environment and utilization of Community Reinvestment Act (CRA) dollars.

Update on loan fund:

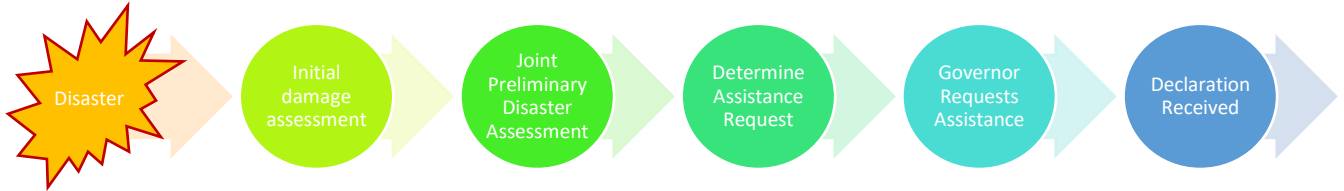
As of September 30, 2022, 177 loans were originated totaling over \$30.8 million, and of those 120 were unique loans; 25 loans totaling \$2.77 million were originated to businesses whose primary operations are in At-Risk (tier 3) or Distressed Counties (tier 4); 36 loans were originated to women-owned businesses, 26 to minority-owned business, and 17 to veteran-owned business. Additionally, the funding enabled those businesses to create and/or retain 1,517 jobs in rural communities.



Resources | Disaster recovery and preparedness

Encourage business to seek assistance sooner rather than later to find support

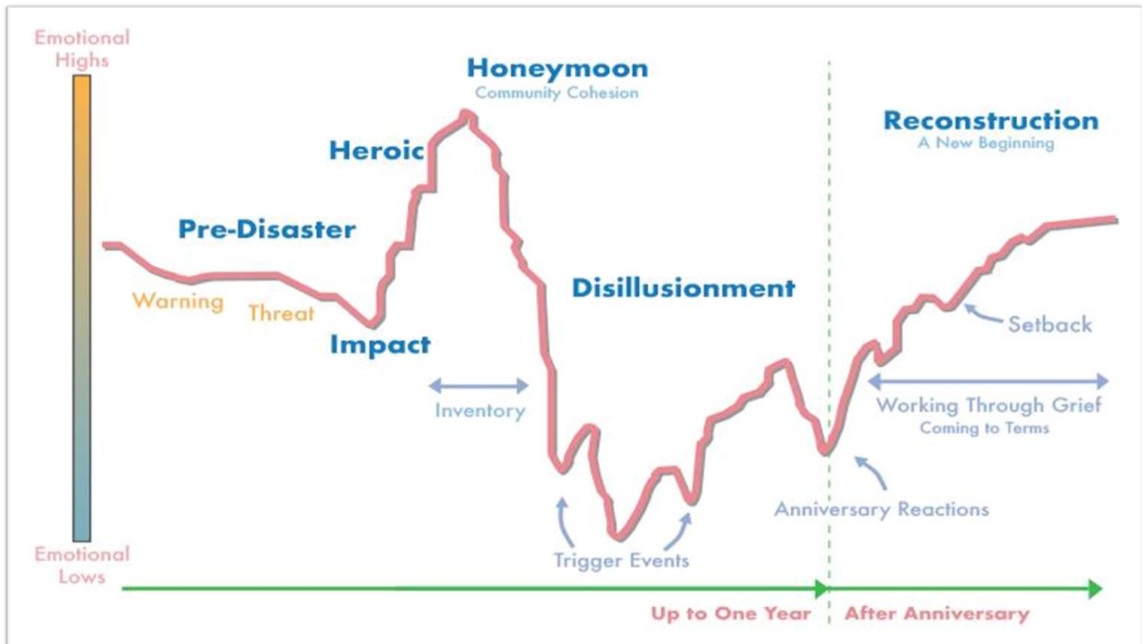
Tennessee has experienced multiple natural disasters on the heels of the pandemic—flood, tornados, shearline winds, drought, etc. It helps for communities and businesses to understand the disaster declaration process.



Bear in mind:

- Most emergencies must be borne by the victims of the disaster, but some are large enough to request government assistance. The federal government financially assists local and state governments and its citizens to recover when the emergency is a disaster.
- The SBA can step in for some resources even if there is not a presidential declaration.
- KEY: No matter what, all businesses impacted by disaster start at the personal, family level.

The Arch of disaster:



* NOTE: Access to Education, Resources and Tools

Traditional disaster response focuses on protection, repair, and preservation — protecting a community’s current infrastructure and resources and, following a disaster, repairing those resources to maintain the community’s pre-disaster status. But given the deep inequities around place, race, and class that affect rural communities, this “insurance approach” to disaster preparation, response, and recovery is inadequate.

Source: *Through Natural Disaster to Prosperity, A Call to Action*, Aspen Institute, [Thrive Rural](#), October 2022.



Resources | Disaster recovery-preparedness

Encourage business to seek assistance sooner rather than later to find support

As businesses manage their day-to-day operations, the following are some quick references for high-level information that can (and has been) shared:

For small, innovation, creative, main street, startups

These websites offer guidance from health officials, various updates and resources to support small businesses and startups, webinars and other virtual learning opportunities. Check them regularly as they are updating as applicable.

- [Center for Profitable Agriculture](#): COVID-19 resources for ag-related businesses
- [Co.Starters' Recovery Guide](#)*: resources to help small businesses regain their footing after disaster
- [HelloAlice](#)*: funding and guidance on how to support entrepreneurs and small business owners through the impacts of coronavirus
- [NFIB](#): A membership-based small business association; some things are for members only
- [Pathway Lending/Women's and Veteran's Business Outreach Centers](#): from lending to providing a wide-range of services, which include in-depth business counseling, classroom training, and peer-to-peer learning to help entrepreneurs start, expand, and successfully manage their businesses.
- [SBA](#) and [TSBDC](#): up-to-date resource providers to help with preparing and [submitting SBA loans](#)
- [State of Tennessee](#): a reliable point of entry for businesses seeking assistance

** especially robust breadth of resources including private grants*

For larger businesses

- [TN Chamber](#) updates: They are doing a good job of providing daily updates for the businesses and chambers
- [UT-CIS](#): List resources by Industry and Field (i.e. guidance for manufactures, OSHA guidance, industrial disinfectant use, etc.)

For communities

- [Aspen Institute](#): COVID-19 Resources Useful for Rural People and Communities
- [Co.Starters' Recovery Guide](#): resources to help small businesses regain their footing after disaster
- [National Main Street](#): they are compiling existing resources, opportunities, and community response examples to help Main Street districts during this crisis
- [Restore Your Economy](#): IEDC managed, resources for working on economic recovery efforts for a disaster-impacted community
- [Retail Strategies](#): a good guide for retailers and communities that addresses federal small business loans; laws and advocacy; local resources for marketing, getting creative.

. . .

*** NOTE: Access to Education, Resources and Tools

Post-Disaster Economic Recovery: Lessons Observed

- Paralysis by magnitude
- Perils of external assistance
 - Duplication of benefits
 - Eligibility questions
 - Audits
- Overwhelming resources—ask for help, take it step-by-step
- Risks of uncertainty, There is “no crystal ball for what the market or community will look like...”
- Recovery is a marathon, not a sprint (but it may feel like a marathon of sprints)

*Presented by Joshua Barnes, Acting Director
Office of Continuous Operations and Risk
Management, US Small Business Administration*

BERO | Program data and reports



Program Data

The department shall maintain complete and consistent program data. (TCA §4-26-104(C)(b)(2))

Data continues to be organized in a similar fashion as is presented here. BERO is housed within the rural and community development, previously strategy, division of TNECD.

Reports

The enabling statute for the Office of Business Enterprise, otherwise known and referred to as the Business Enterprise Resource Office (BERO) requires several written reports. The reports fall under the following:

- [TCA §4-26-105](#). Reports.
- [TCA §4-26-106](#). Disadvantaged business loan guarantee program.
- [TCA §4-26-107](#). Guidelines and reports to the government operations committees of the senate and house of representatives.
- [TCA §4-3-728](#). Community development block grants to disadvantaged businesses.

TCA §4-26-105 Reports.

(a) The department shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the commerce and labor committee of the senate, the chair of the business and utilities committee of the house of representatives, and any governor's advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.

(b) The report shall advise the officials and committees mentioned in subsection (a) on the administration and operation of this chapter.

The Office of Business Enterprise, otherwise known and referred to as the Business Enterprise Resource Office (BERO), was created in the Department of Economic and Community Development (TNECD) by Chapter 135 of the Public Acts of 1977, codified as TCA §4-26-101 et seq.

Comment

Given the era of BERO's establishment and the changes that have taken place in the 40 years since its original statute, suggested revisions for consideration were submitted to the department by BERO prior to the issuance of this report.

Staffing

The office is composed of a dedicated director charged with managing the statutory duties of the office.



BERO | Program data and reports

Reports – 2 (continued)

TCA §4-26-106. Disadvantaged business loan guarantee program.

(d) The commissioner shall annually submit to the governor and the speakers of the senate and house of representatives, within ninety (90) days after the end of the fiscal year, a complete and detailed report setting forth the operations, transactions and accomplishments of the disadvantaged business loan guarantee fund.

HISTORY: Acts 1990, ch.1071, § 1.

Comment

This loan program remains unfunded within TNECD.

✨ FundTN ([SSBCI 2.0](#)): The mission for those dollars is to support and expand an inclusive continuum of access to capital for small businesses and entrepreneurs throughout Tennessee.

TCA §4-26-107. Guidelines and reports to the government operations committees of the senate and house of representatives.

The office of business enterprise shall provide guidelines to address any impediments by other state agencies to the conduct of the office of business enterprise to the members of the government operations committees of the senate and the house of representatives. The office of business enterprise shall also provide periodic reports to the government operations committees of the senate and house of representatives relative to the audit findings of the office of the comptroller. [Acts 2006, ch. 935, § 3.]

Comment:

There is nothing to report relative to this section.

TCA §4-3-728. Community development block grants to disadvantaged businesses.

BERO shall annually report on advisements regarding disadvantaged businesses and the number of or amount of community block grants received by disadvantaged businesses.

Community Development Block Grants (CDBG)

TNECD awards CDBGs to rural municipalities and communities for infrastructure, health and safety projects, and downtown improvement. The communities in turn contract with a company for its CDBG project performance.

Per federal guidelines under Section 570.491 of the State Community Development Block Grant (CDBG) Rule requires states to submit to HUD data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in or beneficiaries of CDBG programs. The following shows what the participation report reflected for the applicants and *does not include* entitlement

BERO | Program data and reports



Reports – 3 (continued)

communities. Entitlement areas are Shelby County and Memphis, Jackson, Clarksville, Davidson County, Murfreesboro, Franklin, Oak Ridge, Knox County and Knoxville, Chattanooga, Cleveland, Morristown, Kingsport, Bristol and Johnson City.

As the following data does not include the entitlement communities' data, it is not an accurate representation of the total DBE participation in projects funded through HUD CDBG dollars statewide.

Contract Awards for Federal FY2022

In the U.S. Department of Housing and Urban Development (HUD) report, Contract and Subcontractor Activity for non-entitlement communities, the CDBG awards were reported for the federal fiscal year, October 1, 2021 to September 30, 2022. There were 114 total contracts totaling \$23,429,673.99. Of the 114 contracts, four were awarded firms classified as women-owned totaling \$226,626.00 (1 percent of the total spend), one contract was awarded to a minority-owned firm totaling \$40,306.50 (0.17 percent of the total spend). Note: This amount is over half of prior years due to American Rescue Plan Act or ARPA that provided relief funds to state and local governments which were used in a similar capacity.

HUD uses the following racial and ethnic designations for its reporting: White Americans, Black Americans, Native Americans, Hispanic Americans, Asian/Pacific Americans and Hasidic Jews.

[\(CDBG\)](#)

Comment:

BERO continues to partner with the Governor's Office of Diversity Business Enterprise (Go-DBE) to make TNECD's procurement opportunities available to a larger numbers of DBEs by posting contracting opportunities in the Current Procurement Opportunities section of [Go-DBE's webpage](#).

Note: The data requested in this section does not include the entitlement communities' data, it is not an accurate representation of the total DBE participation in projects funded through HUD CDBG dollars statewide. See comment in [TCA §4-26-105 Reports](#).

**** NOTE: Access to Education, Resources and Tools**

“Building back better’ includes giving rural regions and tribal nations a fighting chance to thrive in a post-COVID economy. It includes addressing geographic disparities as well as racial disparities in life expectancy, educational attainment, household income, or health status. For more towns and communities across America to share in the benefits of recovery and take advantage of the opportunities offered by the modern economy to thrive, we must revamp federal rural policy.”

Source: *Redesign Required: Four Ideas for Reimagining Federal Rural Policy in the COVID-19 Era*, Aspen Institute, February 2021.



BERO Recommends | For further review 2022

- AEO Works. June 2020. “Resilient: Small Businesses Strengthening Local Economies.” Virtual Conference. aeoworks.org/2020virtualconference.
- Aspen Institute. Video, blogs, sessions.
 - [“Why Small Businesses Are Susceptible to Predatory Lending.”](#) and [“We Need Borrower Protections for Small Businesses, Too.”](#) July 13, 2022. Videos.
 - [“Summit Recommendations.”](#) and [“Strengthening Latino Business Ecosystems.”](#) October 2021
- Chen, Don and Shuaib Siddiqui. 2019. “Impact Investing: Building an Inclusive Economy by Supporting Entrepreneurs of Color.” Stanford Social Innovation Review. ssir.org/articles/entry/building_an_inclusive_economy_by_supporting_entrepreneurs_of_color.
- COVID Recession: Tracking Tennessee’s Economic Recovery to Date. July 29, 2021. The Sycamore Institute. Report. sycamoreinstitutetn.org/tennessee-covid-economic-recovery.
- Elliot, Jessica. May 2022, rev. August 2022. “Women in Small Business Statistics in the U.S.” fool.com/the-ascent/small-business/articles/women-in-small-business-statistics-in-the-us.
- Fairlie, Robert W. et. al. 2022. “‘The Impacts of COVID-19 on Racial Inequality in Business Earnings.’ ‘Were Small Businesses More Likely to Permanently Close in the Pandemic?’ ‘Racial Inequality in Capital Access for Innovative Firms’ and ‘The 2021 Paycheck Protection Program Reboot: Loan Disbursement to Employer and Nonemployer Businesses in Minority Communities.’” Working Papers. nber.org/people/robert_fairlie.
- Guidant Financial, [Black Entrepreneurs – 2021 Trends, 2022 Small Business Entrepreneurs of Color, 2022 Small Business Trends, and 2022 Women in Business Trends](#).
- National Center for Employee Ownership (NCEO), December 2021. “Measuring the Impact of Ownership Structure on Resiliency in Crisis.” esca.us/studies-and-surveys/study-by-nceo-finds-that-employee-ownership-provided-resiliency-and-financial-security-during-crisis.
- Racism and the Economy Series. 2021. The Federal Reserve Banks. atlantafed.org/news/conferences-and-events/conferences/racism-and-the-economy
 - Focus on Financial Services, November 16, 2021.
 - Focus on Entrepreneurship, June 2, 2021.
- Topolsky, Janet. “Turning Points: Doing Rural Development Differently.” Investing in Rural Prosperity. Federal Reserve Bank of St Louis and Federal Board of Governors. 2021. pp. 151—166. stlouisfed.org/community-development/publications/inve.st-in-rural.
- U.S. Census Bureau. 2020 – 2022. “Small Business Pulse Survey: Tracking Changes During The Coronavirus Pandemic.” census.gov/data/experimental-data-products/small-business-pulse-survey.html
- U.S. Small Business Administration, Office of Advocacy. August 2022. “Small Business Profiles for the States, Territories, and Nation 2022.” advocacy.sba.gov/2022/08/31/2022-small-business-profiles-for-the-states-territories-and-nation.
- Weaver, Eric, Joyce Klein, Tim Ogles. November 2021. “Scaling Lending to Entrepreneurs of Color: Part 1.” aspeninstitute.org/publications/scaling-lending-to-entrepreneurs-of-color-part-i-core-operational-challenges.



Questions? Visit tn.gov/e cd/bero or email ecd.bero@tn.gov





Tennessee Department of Economic & Community Development
Business Enterprise Resource Office (BERO)
Enabling Statute: Attachment A

Title 4 State Government
Chapter 26 Business Enterprise Office (2022)

4-26-101. Establishment.

There is established within the department of economic and community development an office of business enterprise.

HISTORY: Acts 1977, ch. 135, § 1; T.C.A., § 4-2601.

4-26-102. Chapter definitions.

As used in this chapter, unless the context otherwise requires:

- (1) "Bid bond" means a bond conditioned upon the entering into a contract by a bidder, if the bidder receives the award thereof, and furnishing the prescribed payment bond and performance bond;
- (2) "Commissioner" means the commissioner of economic and community development;
- (3) "Department" means the department of economic and community development;
- (4) "Director" means the director of the office of business enterprise;
- (5) "Disability" means a physical impairment that, in the written opinion of a person's licensed physician, substantially limits one (1) or more of the major life activities of such person and is expected to continue to exist for more than five (5) years. As used in this subdivision (5), "major life activities" means caring for oneself and performing manual tasks, which includes writing, walking, seeing, hearing, speaking, and breathing;
- (6) "Disadvantaged business" means a business that is solely owned, or at least fifty-one percent (51%) of the outstanding stock of which is owned, by a person who is either:
 - (A) By reason of social background unable to obtain technical, business or financial assistance of a quality or quantity similar to that available to the average business;
 - (B) Impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, religion, ethnic background, sex or service in the armed forces during the Vietnam war; provided, that it is not the policy of this state to encourage employment outside the home of mothers of minor children;
 - (C) Unable to compete effectively because of tendencies of regular financing and commercial organizations to restrict their services to established businesses;
 - (D) In a state of chronically low income because of long residence in an urban area with high unemployment and low income; or
 - (E) Impeded from normal entry into the economic mainstream because of a disability;
- (7) "Obligee" means:
 - (A) In the case of a bid bond, the person requesting bids for the performance of a contract; or

(B) In the case of a payment bond or performance bond, the person who has contracted with a principal for the completion of the contract and to whom the obligation of the surety runs in the event of a breach by the principal of the conditions of a payment bond or performance bond;

(8) "Payment bond" means a bond conditioned upon the payment by the principal of money to persons under contract with the principal;

(9) "Performance bond" means a bond conditioned upon the completion by the principal of a contract in accordance with its terms;

(10) "Prime contractor" means the person with whom the obligee has contracted to perform the contract;

(11) (A) "Principal" means:

(i) In the case of a bid bond, a person bidding for the award of a contract; or

(ii) The person primarily liable to complete a contract for the obligee, or to make payments to other persons in respect of such contract, and for whose performance of such person's obligation the surety is bound under the terms of a payment or performance bond.

(B) A principal may be a prime contractor or a subcontractor;

(12) "Subcontractor" means a person who has contracted with a prime contractor or with another subcontractor to perform a contract; and

(13) "Surety" means the person who:

(A) Under the terms of a bid bond, undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the bond;

(B) Under the terms of a performance bond, undertakes to incur the cost of fulfilling the terms of a contract in the event the principal breaches the conditions of the contract; or

(C) Under the terms of a payment bond, undertakes to make payment to all persons supplying labor and material in the prosecution of the work provided for in the contract if the principal fails to make prompt payment.

HISTORY: Acts 1977, ch. 135, § 2; T.C.A., § 4-2602; Acts 1987, ch. 369, § 2; 1993, ch. 488, § 1; 1994, ch. 767, §§ 1, 2.

4-26-103. Powers and duties.

The department is authorized to:

(1) Provide assistance to disadvantaged businesses by advising and counseling on all phases of procurement policies, by obtaining information concerning prime contractors in letting subcontracts and by encouraging the letting of subcontracts by prime contractors to disadvantaged businesses;

(2) Receive funding from sources other than the state;

(3) Make studies and conduct workshops, conferences and seminars, with owners and employees of disadvantaged businesses to enhance their understandings of business management, bidding, licensing procedures, procurement procedures and any other activities incident to their positions in business;

- (4) Develop training and educational programs in cooperation with institutions, associations, and other state, local and federal agencies, and coordinate the training efforts of the various organizations presently providing technical assistance to disadvantaged businesses;
- (5) Encourage and provide the direction and coordination necessary to secure franchises and dealerships from private firms for disadvantaged businesses;
- (6) Review and evaluate legislation and determine its effect upon disadvantaged businesses and make appropriate recommendations to the governor and the general assembly;
- (7) Employ such personnel as may be required to implement and administer this chapter; and
- (8) (A) Develop sources of capital for minority entrepreneurs;
- (B) Assist in setting up new minority banks, small business investment companies, as defined in 15 U.S.C. § 681(a), and minority enterprise small business investment companies, being the companies authorized in 15 U.S.C. § 681(d) [repealed]; and
- (C) Develop loan packages to assist minority business persons in the start-up or expansion of businesses, or any other financial counseling necessary to enable minority business operations to operate on a sound financial basis.
- (b) (1) The department shall continually evaluate the progress of disadvantaged businesses through monitoring and techniques of evaluation, such as surveys and feasibility studies.
- (2) The department shall maintain complete and consistent program data.

HISTORY: Acts 1977, ch. 135, § 3; T.C.A., § 4-2603; Acts 1988, ch. 532, §§ 3, 4.

4-26-104. Purpose and construction.

This chapter shall be liberally construed to carry out the following purposes and objectives that:

- (1) Disadvantaged businesses share in the American economic system of private enterprise through free and vigorous competition;
- (2) Such competition be fostered through the encouragement and development of disadvantaged businesses; and
- (3) The state aid, counsel and assist in every practical manner disadvantaged businesses in order to preserve free competition on equal terms with those businesses constituting the major part of the business community.

HISTORY: Acts 1977, ch. 135, § 4; T.C.A., § 4-2604.

4-26-105. Reports.

- (a) The department shall make a written report to the governor, the speaker of the senate, the speaker of the house of representatives, the chair of the commerce and labor committee of the senate, the chair of the commerce committee of the house of representatives, and any governor's advisory committee on minority economic development, at least once each year, such report to be made no later than December 1.
- (b) The report shall advise the officials and committees mentioned in subsection (a) on the administration and operation of this chapter.

HISTORY: Acts 1977, ch. 135, § 5; T.C.A., § 4-2605; Acts 2013, ch. 236, § 14; 2019, ch. 345, § 10.

4-26-106. Disadvantaged business loan guarantee program.

- (a) (1) The general assembly finds that conventional funding sources for emerging and expanding disadvantaged businesses are limited or nonexistent.
- (2) The general assembly further finds that promoting and encouraging economic opportunity and development within the state's minority community is a worthy public purpose.
- (3) Such economic opportunity and development serve the health, safety and welfare of all citizens through creation of long-term employment opportunities, reduction of unemployment, diminished demand for costly social services and increased revenue collections.
- (b) (1) There is created within the state treasury a restricted account not to exceed fifty thousand dollars (\$50,000) to be known as the "disadvantaged business loan guarantee account."
- (2) Amounts in the account at the end of any fiscal year shall not revert to the general fund but shall remain available to the department for the purposes set forth in this section.
- (3) Amounts in the account shall be invested for the benefit of the account by the state treasurer pursuant to § 9-4-603. The account shall be administered by the commissioner.
- (c) (1) There is created within the department the disadvantaged business loan guarantee program.
- (2) The purpose of the loan guarantee program is to ensure the availability of conventional financial resources to emerging and expanding disadvantaged businesses by guaranteeing loans for disadvantaged businesses.
- (3) To qualify for a loan guarantee, a disadvantaged business must demonstrate to the satisfaction of the commissioner that the loan will be fully repaid and will produce economic benefit for the community and state.
- (4) The department is authorized to determine the total dollar amount of loans to be guaranteed, subject to a maximum of five (5) times the balance of appropriated funds within the loan guarantee account, plus income, less expenses associated with the program.
- (5) The department is authorized to charge a premium to the borrower to help defray the cost of administering the program.
- (6) The department may establish other terms and conditions for guarantees of loans.
- (7) The total aggregate amount of the loan guarantee may not exceed eighty percent (80%) of any loan.
- (8) All documentation evidencing a loan guarantee shall clearly state that such guarantee is an obligation of the disadvantaged business loan guarantee account and not of the general fund or the state of Tennessee, and that any amounts required to be paid pursuant to the loan guarantee are subject to the availability of sufficient funds within the guarantee account.
- (d) The commissioner shall annually submit to the governor and the speakers of the senate and house of representatives, within ninety (90) days after the end of the fiscal year, a complete and detailed report setting forth the operations, transactions and accomplishments of the disadvantaged business loan guarantee fund.

HISTORY: Acts 1990, ch. 1071, § 1.

4-26-107. Guidelines and reports to the government operations committees of the senate and house of representatives.

The office of business enterprise shall provide guidelines to address any impediments by other state agencies to the conduct of the office of business enterprise to the members of the government operations committees of the senate and the house of representatives. The office of business enterprise shall also provide periodic reports to the government operations committees of the senate and house of representatives relative to the audit findings of the office of the comptroller.

HISTORY: Acts 2006, ch. 935, § 3.

Additional TCA relative to BERO:**Title 4 State Government****Chapter 3 Creation, Organization and Powers of Administrative Departments and Divisions****Part 7 Department of Economic and Community Development****4-3-728. Community development block grants to disadvantaged businesses.**

(a) Notwithstanding any provision of the law to the contrary, in the allocation and use of community development block grants it is the policy of this state that a substantial portion of such grants shall be utilized whenever reasonably possible for the development of contracts with disadvantaged businesses as defined in § 4-26-102.

(b) The office of business enterprise in the department of economic and community development shall advise the commissioner, or any other official with authority to allocate or disperse community block grants, of disadvantaged businesses that should be considered as recipients of such block grants.

(c) The office of business enterprise shall annually report not later than December 1, to the general assembly, of all such advisements regarding disadvantaged businesses and the number of or amount of community block grants received by disadvantaged businesses.

HISTORY: Acts 1984, ch. 873, § 1.

4-3-732. Enhanced policymaking role for minority business.

Notwithstanding the provisions of any law to the contrary, the director of the office of business enterprise, created by § 4-26-101, may, in the discretion of the commissioner, serve as a full, voting member of each committee, board, task force, group or other entity that is formally or informally attached to or established within the department for the purpose of formulating, adopting or recommending state policies to enhance economic and community development. The general assembly urges the department of economic and community development to develop an enhanced policymaking role for minority business.

HISTORY: Acts 1996, ch. 976, § 1.

Title 7 Consolidated Governments and Local Governmental Functions and Entities Local Government Functions**Chapter 53 Industrial Development Corporations****Part 3 Operation and Powers****7-53-313. Purpose.**

(b) To assist industrial development corporations in achieving such purposes and objectives, the department of economic and community development and the office of business enterprise, established by § 4-26-101, shall be available to provide technical assistance and consultation.

HISTORY: Acts 1999, ch. 298, § 1.