

**Agenda material for January 16, 2020 Commission meeting**

**RE: Strategic Directions: Strengthening the Manufacturing Eco-System in the Lynchburg/Central Virginia Region**



At the PDC meeting on November 21 we agreed to focus on Advanced Manufacturing as an area to move our region forward.

Three approaches to consider:

1. **Develop a Strategic Plan to strengthen the Manufacturing Eco-System:** Working with the Commission and local stakeholders, develop an implementation plan that compliments and expands our Comprehensive Economic Development Strategy (CEDS):
  - a. Identify the gaps in our ability to support the manufacturing sector
  - b. Recommend mechanisms to coordinate the existing resources that are available
  - c. Identify opportunities and program to increase the skills and readiness of workforce
  - d. Estimated Cost: \$50,000-\$70,000
  
2. **Focus our energies and resources working with the Central Virginia Community College to develop a regional Career and Technical Education (CTE) Academy** for dual-enrollment students, recent high school graduates, and unemployed or underemployed adults on the grounds of Central Virginia Community College.
  - a. Offer matching funds to hire a CTE Director to begin the planning and implementation
  - b. Estimated cost: \$100,000 over two years
  
3. **In Partnership with the Regional Business Alliance, focus our energies and financial resources on developing site ready facilities to attract more manufacturing to the region.**
  - a. Offer funds to assist a locality in bringing sites up to site ready status.
  - b. Would likely ask that locality to establish a revenue sharing or pay-back model.

### **Option 1: Create an Implementation Plan to strengthen our region's (Advanced) Manufacturing Sector**

Look before you leap...first assess the region's Manufacturing Sector and then **develop an implementation plan to support/strengthen** the region's manufacturing sector.

Objective: Identify the most effective steps to support and strengthen our manufacturing economy

Process: Very inclusive assessment of current resources, identification of gaps, and examination of opportunities. The process will include several meetings, focus groups and surveys with manufacturing community and stakeholders that support them. Complimentary process to the CEDS (Comprehensive Economic Development Strategy).

Outcome/Product:

1. Data Driven "To Do List" identifying resources and responsibilities
2. Target Priorities
3. Reality Based, solutions oriented
4. Likely workforce development heavy

### **Option 2: Use our resources to support the development of a Regional Career and Technical Education Academy on the Central Virginia Community College Campus**

One can argue that improving our workforce to better meet the employment needs of regional manufacturers can be the biggest return on our investment. An additional facility on the CVCC campus and/or in the surrounding community with enhanced classes might be a significant step in our efforts to respond to the needs of our manufacturing community.

Many pieces are falling into place that would indicate that the timing is good to invest time and resources on additional workforce opportunities that would benefit our manufacturing sector.

Recently the region's public school superintendents have collectively asked CVCC to work toward the establishment of a regional Career Technical Education Academy (CTE) on campus. This directly corresponds with the regional CEDS Key Initiative 7 of establishing a Regional Workforce Center on the CVCC Campus.

Governor Northam's 2020-2022 budget proposes funds for G3 (Get Skilled, Get a Job, Give Back) programs to increase technical education classes and make technical education more affordable. Recently the Community College completed a study of the additional classes that could be provided with additional G3 funding. These classes include:

- Level I: Industrial Maintenance CSC
- Level II: Industrial maintenance Technology CSC

- Level III: Industrial maintenance AAS
- Heavy Equipment Operator
- National Center for Construction Education and Research (NCCER) – Electrical I
- Level III Industrial Maintenance – Welding Specialization

**One approach would be to offer to be a partner with CVCC in the development of a regional Career and Technical Education Academy and offer matching cash resources to provide staff to implement the G3 curriculum and programs.**

Proposals have been made to the Community College about the hiring of a CTE Operations Director and a Business Development Director to begin building the foundation for a CTE Academy at CVCC and to begin the coordination with stakeholders.

We have a variety of education providers and sometimes these providers find themselves in competition with each other. There's a lot of coordination needed in our workforce education programs to build a regional approach and to identify the most appropriate facilities. There are already several committees in place for business, education and government stakeholders.

### **Option 3: Utilize our resources to create more site ready facilities**

Without ready to go sites, manufacturers have limited choices about relocating/expanding in this region. Manufacturers are looking for sites that are ready and our region has a limited supply of ready to go sites.

GO Virginia and the Regional Business Alliance are working to upgrade six existing commercial/industrial sites along the site readiness scale and clarify next steps for moving all sites to at least Tier III on the Virginia Business Site Readiness Scale. Once that grant is completed, there will be two sites in our region that qualify as site ready.

**We should seek opportunities to use our time and resources to make more sites ready.**

Prioritizing our efforts in developing sites for manufacturing may mean that localities will have to share resources and tax revenues.

## **More detail about Option 1...what a strategic plan might include:**

**Our strategic plan should aim to create a regional environment that enables existing manufacturers to grow and new manufacturers to emerge.**

- Development of a regional manufacturing strategy to strengthen our manufacturing ecosystems
  - 1) Inventory/picture of the region's manufacturing
  - 2) Goals
  - 3) Champions
  - 4) Examine whether to incorporate beyond our Central Virginia footprint
  - 5) What is our competitive reality?
  
- Technology Acceleration
  - 1) What are the resources to help our businesses with information, advice about technology and commercialization of technology?
  - 2) How can we build relationships with colleges/universities so that research doors are more accessible?
  
- Workforce Development – Enhancing workforce skills for the manufacturing sector
  - 1) Regional Assessment
  - 2) Aligning our relationships and resources
  - 3) Strengthen connection between education and jobs
  - 4) Re-engage adult learners and disconnected youth
  - 5) Are there specific things that the education community can do to create a larger pool of workers qualified for the manufacturing sector?
    - a. Better align education, workforce and economic development assets for lifelong learning
    - b. Apprenticeship programs
  
- Business Assistance - Firm Growth
  - 1) Do manufacturing firms, regardless of size, have adequate access to capital, investors?
  - 2) Is there adequate technical support, business advice, and entrepreneurial support
  - 3) Do manufacturers need help with how to achieve value-added processes, lower manufacturing costs and improved productivity
  
- Connector-Facilitator
  - 1) Especially to universities who may help with product commercialization
  - 2) Facilitation of supply chains and introductions
  
- Future trends analysis

This strategic analysis may include:

- Are we focused on the future needs of manufacturing companies?
- Can we take action that improve measurable competitiveness?
- How do we strengthen our manufacturing/economic clusters that support each other?
- Are there local actions we can do
  - 1) Competitive tax and regulatory environment
  - 2) Develop a culture of innovation and competitive business climate
  - 3) Support ecosystems

Can we strengthen our regional eco-system for manufacturing?

As part of a regional assessment, survey existing manufacturers:

- Corporate tax rate
- Ease of doing business
- Availability of capital
- Incentives for investment
- Quality of road infrastructure
- Quality of rail infrastructure
- Utility costs
- University-industry collaboration in R & D
- Availability of scientists and engineers
- Size of labor pool
- Ability to attract and retain talent
- Flexibility of labor market
- Cooperation in labor-employee relations
- Employee training
- Local supplier quality
- Local supplier availability
- Assistance with exporting

Identify the mechanisms to measure whatever we do