

strength in numbers

By Kyle Talente and Sean Pink

DEFINING THE ISSUES

a confluence of changes to its two primary employers – the petroleum industry and the military – has provided the greater Corpus Christi, Texas region, known as the Coastal Bend region, with the opportunity to redefine its employment bases through targeted training of its workforce and recruitment of new industries. The Coastal Bend is defined as the Counties of Aransas, Bee, Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, and San Patricio. With Naval Station Ingleside (NSI) scheduled to shut down operations by the end of 2010, additional realignments at Naval Air Station Corpus Christi and the Corpus Christi Army Depot, and significant consolidations and changes to the petroleum sector over a number of years, the Coastal Bend is facing the very real need to diversify its economy and create jobs in industries that offer competitive wages and benefits in a coordinated and deliberate manner.

Historically, the Coastal Bend found economic development success as a petroleum production area. At the core were the corporate operations in downtown Corpus Christi and the oil refining operations located along Corpus Christi Bay. Between these two operations, the Coastal Bend has a reasonable mix of white-collar and blue-collar jobs in the petroleum sector. In addition, the steady expansion of military presence assisted in creating stability for the local economy, providing a consistent economic



Downtown Corpus Christi has experienced substantial vacancy since the oil industry consolidation.

engine, albeit a smaller one, that did not ebb and flow with local, national or global economic cycles. Corpus Christi Army Depot (CCAD), the Naval Air Station Corpus Christi (NASCC), and Naval Station Ingleside (NSI) combined to account for more than 8,000 direct military and civilian jobs in the local economy.

Up through the 1980s, the Coastal Bend region experienced substantial economic growth but did not benefit from a truly diversified economy. This situation was exacerbated by the sweeping consolidation efforts that occurred within the petroleum manufacturing market sector during the mid-1980s. Where the region had once held a mix of white-collar and blue-collar jobs, corporate operations were relocated to the Houston area. The production component and those services that directly and indirectly supported these jobs remained in

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THE COASTAL BEND REGION'S EFFORTS TO PREPARE ITS WORKFORCE FOR TOMORROW

The Base Realignment and Closure (BRAC) process has impacted dozens of communities that depend heavily, and even solely, on their military bases as their economic engine, forcing them to redefine their economy and reinvent the local workforce. The Coastal Bend region of Texas recently experienced a similar event, with the closing of Naval Station Ingleside and the personnel reductions at Corpus Christi Army Depot and Naval Air Station. The following case study provides insight into the steps required to make the regional workforce more competitive in business recruitment and retention. The lessons learned from this example have a global application for any community that is overly dependent on a single employer or industry for its economic sustainability.

the Coastal Bend. This impact substantially reduced the overall market activity and depleted the region of much of its white collar, primary workforce.

Now, changes are coming to the military presence in the region which has been the other base of primary employment. The 2005 Defense Base Realignment and Closure (BRAC) Act downsized the military operations in the Corpus Christi region. The closure of Naval Station Ingleside and realignment of activities at Naval Air Station Corpus Christi and the Corpus Christi Army Depot will impact both military and civilian jobs. A recent study estimates that 2,900 military and 3,700 indirect civilian jobs will be lost in the region as a result of this BRAC action with a total loss of nearly \$346 million in annual wages.

COMMUNITY RESPONSE

In response, the Coastal Bend community formed the multi-jurisdictional Ingleside Local Redevelopment Authority (LRA) to undertake a regional economic diversification strategy. The specific powers of the original Local Redevelopment Authority were to plan for the reuse of part of NSI and to sponsor the Economic Diversification Strategy for the Coastal Bend. Through the LRA, the community



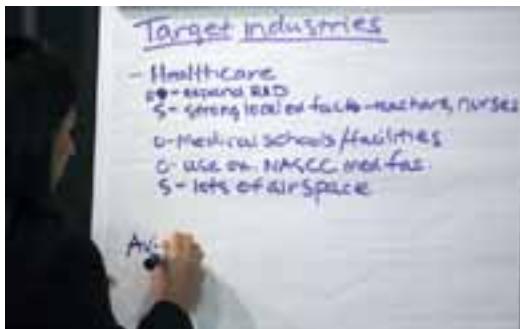
The Port of Corpus Christi (oil storage field) is an integral part in the petrochemical industry within the Coastal Bend region.

sought to help mitigate the loss of military and civilian jobs in the region by identifying new opportunities for business recruitment in market sectors not dependent on the petrochemical manufacturing industry.

The creation of the Ingleside LRA in itself is a case study in regional economic development practices. The LRA, created as a requirement of the federal Base Realignment and Closure (BRAC) process, is comprised of eight members, two from each affected jurisdiction. These four jurisdictions historically have not enjoyed a consistent, positive working relationship. As with most regions

throughout the U.S., jurisdictional boundaries and political aspirations had created intra-regional competitiveness. As a result, previous larger-scale regionalization efforts have provided limited, and inconsistent, success levels. However, the four lead jurisdictions (San Patricio County, Ingleside, Nueces County, and Corpus Christi) recognized the importance of developing a strategy to mitigate the potential losses that likely were to impact the region. The regional leadership acknowledged that the long-term success of the Coastal Bend required that economic development recruitment and retention efforts capitalize on the assets of the local economy.

The Ingleside LRA retained a consultant team led by RKG Associates to analyze the current economic climate and develop an implementation strategy geared towards the recruitment and retention of industries independent



The Ingleside LRA hosted a summit engaging the community in identifying needs and opportunities.

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of the petrochemical manufacturing market sector. The analysis was guided by three primary principles.

First, encourage the continued growth in primary job creation, particularly for industries that offer competitive wage rates and benefits. New jobs mean new or expanding business, new capital investment, and a more secure fiscal situation within the metropolitan statistical area (MSA). The Ingleside LRA's goal is to focus recruitment and retention efforts on attracting primary jobs that bring in revenue to the region from outside sources. While community serving jobs are important, they usually reflect a recirculation of existing wealth, rather than creating new wealth.

Second, establish a consistent, long-term strategy that will guide economic development efforts for the entire Corpus Christi MSA in a unified, clear way. To this point, economic development efforts among the different communities have been done in relative independence.

Finally, develop tools to effectively manage the various efforts related to business recruitment and retention. These include regular communication and interaction among all of the region's economic development stakeholders and existing industries.



The Electromagnetic Reduction (EMR) facility is a focal point for the redevelopment strategy of Naval Station Ingleside.

WORKFORCE AND DIVERSIFICATION

One of the many issues analyzed during this process was workforce preparedness. Simply put, availability and quality of a regional workforce is a primary influence on the type of industry and employer that will be most attracted to an area. The Ingleside LRA wanted a determination about how well the current workforce was prepared for the types of jobs being proposed through the target industry study as well as how well prepared the local workforce providers are to meet the potential needs of existing and new employers within the Coastal Bend.

For a region of its size, the Coastal Bend has a significant number of workforce training providers and institutions of higher learning. Most of the training programs in the region provide programs that teach skills related to occupations in the health care industry, an industry projected to grow substantially over the next six years. However, the remaining training programs are not necessarily focused on current needs of or geared towards local target industries.

For example, the Texas A&M University, Corpus Christi campus has a continuing education component focused on workforce development in addition to extensive undergraduate and graduate programs in business, education, liberal arts, nursing and health sciences, and science and technology. The workforce development center provides non-credit training programs that prepare students for highly-skilled and managerial positions within occupational fields that are believed to be in demand. However, "demand" is established by those classes that draw the most individual interest (and therefore attendance). While these training programs are comprehensive and effective in their mission, it was reported that very little interaction occurs with area businesses or the regional economic development corporation to tailor programs to current or projected needs.

Based on information provided during the assessment, current training programs are selected using projected employment demands of the region rather than local industry targets or addressing the current shortages. The local workforce development board, Workforce Solutions, utilizes a list of occupations that are projected to be in demand. This list is currently composed of 50 target occupations and training programs based on these projections and are eligible to receive funding through the Workforce Investment Act. These occupations are deemed in demand after examining occupational information obtained through the Bureau of Labor Statistics and regional surveys.

As a result, many of the region's training programs were enacted to meet the needs of a "top-down" approach to workforce training, rather than identifying actual local needs and augmenting those programs with efforts to bolster economic development efforts by providing customizable programs suited to prospect needs.

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FINDINGS

The large, low-skilled and semi-skilled workforce in the region combined with training programs that primarily position residents for entry-level jobs not necessarily in demand by existing and potential new employers, put the local population at greater risk of being uncompetitive for new job creation. While the local population receives a variety of training services, this training often does not correspond with regional needs. For example, the labor shortages in some specific trade skill occupations, such as pipefitters and welders, have contributed to regional wage levels in these occupations exceeding state levels, but awareness of this remains minimal due to local training providers and colleges focusing largely on education tailored for white collar employment. If stronger emphasis is placed on current employment demands, which happen to be associated with high wages, the region's tax base has the potential to grow substantially.

In the short term, there are unmet needs for existing regional employers that could be addressed through mi-

nor alterations in training program development methods. While the training programs focus on the target occupations for funding purposes, the Coastal Bend faces a consistent shortage of technical and skilled laborers. The shortage is such an issue that the local chapter of the Associated Builders and Contractors created its own facility, Craft Training Center, to train the labor force in these needed trades. Expansion of outreach to local employers to determine and identify workforce needs would be a substantial first step in meeting the needs of existing businesses.

On the positive side, much of the infrastructure already exists for the region to better position its workforce training needs for existing businesses and potential needs from target industries.

More strategically, the analysis revealed the need for the larger workforce training providers, such as the local workforce investment board and the institutions of higher learning, to become more proactive in combining the economic development efforts within the region to training program development. Increased communication and coordination between the regional economic development corporation and the workforce group is critical to ensure new prospects will be served by an appropriately well trained labor force.

For example, Del Mar Community College has a Center for Economic Development that works closely with local employers and industry associations to assemble programs that meet the most pertinent occupational needs in the region. Over the last five years, the College has worked with 150 companies representing almost all industry sectors to set up programs to address specific needs, according to a school representative. The school has a marketing group that often makes the initial contact with employers regarding their needs. Typically they target and work with larger companies that have bigger employment bases such as Sherwin Alumina, Corpus Christi Army Depot, and DuPont while smaller companies will usually contact the College themselves for any needs.

UNIFIED APPROACH

There are several workforce training providers within the Coastal Bend providing training programs in a variety of fields. The providers range from individual, industry-specific continuing education facilities to an established four-year accredited university. However, these providers appear to be focusing attention on expected growth in job needs, as defined by the Texas Workforce Commission, rather than on the current needs of existing residents and businesses. The training programs offer varying degrees of support for soft skills and job placement, but there is little or no evidence of coordination between programs. Furthermore, there are opportunities to improve communication and coordination of these training providers

through the established presence of the regional workforce board, Workforce Solutions.

There are opportunities to improve coordination between organizations involved in developing the workforce that will result in improved efficiency of programs and an increase in the broad reach and effectiveness of these programs. Without better cooperation among these entities, issues such as the duplication of training programs and inward reliance will persist. Most of the organizations interviewed stated that they have advisory boards consisting of local employers or persons working in a particular field providing guidance for the direction of their programs. Relying on these proprietary boards potentially serves to neglect other workforce development programs that are operating concurrently.

On the positive side, much of the infrastructure already exists for the region to better position its workforce training needs for existing businesses and potential needs from target industries. Most notably, many of the region's workforce training providers already have established relationships with each other, minimizing the need to cultivate new relationships.



Photo Credit: Todd Yates/Caller-Times

Dr. Ridge Hammons, project organizer for the Petrochemical Mentor Program. The program serves youths who are enrolled in the Workforce Solutions Youth Program, and will expose them to a variety of career options in the petrochemical industry.

and build trust and understanding within the industry. However, the full complement of tools and outreach has not been fully realized.

Based on the assessment performed, Workforce Solutions is best positioned to lead the transformation of the region's workforce development focus and serve as the coordinating body to ensure existing and potential future training needs are addressed. In addition to its state-recognized function in local workforce training, the organization already has two ongoing initiatives that are aimed at accomplishing this goal: [1] assemble educational programs geared toward training residents to fill voids in the workforce, and [2] provide services that focus on teaching the soft skills necessary for job seekers to

obtain employment. Furthermore, Workforce Solutions also has an existing network of training facilities and one-stop centers located throughout the Coastal Bend. These facilities already offer services including workshops focused on resume writing, mock interviews, and basic computer skills. At least one center is located in each county except McMullen, Duval, and Kenedy.

However, the effort will require a greater outreach to the various other non-workforce entities within the region to be successful. Communication with local industry leaders and with the region's economic development corporation is inconsistent. As noted earlier, some training providers have strong connections with certain industries, but not others. Others develop training programs based on state-level objectives or through enrollment performance. The internal coordination of workforce training through Workforce Solutions offers the opportunity to bridge these gaps and establish a cohesive approach.

TOOLS TO MOVE FORWARD

In order to effectively recruit and retain businesses, the regional economic development approach will need competitive financial and regulatory tools to entice investment in the region within industries where market forces are not strong enough to support that type of growth independently.

Create Industry Roundtables With All Industries in the MSA

Several of the larger industries within the Corpus Christi MSA have established open communication with various workforce training providers. Most notably, the Associated Builders and Contractors and the Coastal Bend Business Roundtable helped to create the Craft Training Center of the Coastal Bend to address shortages of qualified labor. The Training Center now partners with Del Mar Community College and Workforce Solutions to ensure all facets of training needs are met at the facility.

On a smaller scale collaborative note, the medical industry has been working closely with Del Mar and Texas A&M – Corpus Christi to increase the training programs within job types they have difficulty in finding qualified applicants. While these are excellent examples of the type of coordination required to allow local industries to continue to thrive, not all local industries have this level of access or coordination with local training providers.

One method to meet the goals of the region is to create roundtables for a wider variety of industries operating in the Coastal Bend to address the needs and concerns of these companies. For example, there may be a need for specific hospitality training, as tourism is among the region's biggest and fastest growing industry sectors. While not related to primary industries, meeting needs such as these improves the overall skill set of the local workforce, and improves the marketability of the region. This is particularly important within industries that are targets to improve the diversity of the local economy but currently do not have the presence of the petrochemical, metal fabrication or health services industries.

Improve Access to Vocational Programs for Middle School and High School Students

One of the most common and emphatic suggestions put forth at the BRAC Summit roundtable, organized by the LRA and the consulting team to give the community an opportunity to provide input on the needs within the community, was to increase the number of programs available to middle school and high school students that provide them credit towards earning a certification while also providing them with credit towards their diplomas. It was noted that students not interested or qualified for the traditional college track needed realistic alternatives to earning a good living at their schools to encourage them to finish their education. In coordination with this, there were suggestions to provide more information to these students about income levels of workers in the labor intensive fields, as there appears to be a relative disconnect among students between skilled labor jobs and income potential.

There are several options that could be made available to students in addition to simply more programs. These include job shadowing programs, on-site internships (for high school students) and classes at Del Mar college. Specifics for each program would need to be customized based on the program, the capacity of the Board of Education and the workforce providers, and participation from the industries themselves.



The Craft Training Center was started by local industry leaders to provide customized training programs for Coastal Bend industries seeking skilled labor.

Early Childhood Intervention

Furthermore, there have been efforts in other states to improve the education system as early as at the pre-school. Studies indicate that pre-school facilities that provide a learning component as well as the childcare services offer access to more supportive relationships and good learning experiences. This improved early developmental period resulted in children that typically were able to learn at a faster pace and achieve well scholastically. To this end, there is an opportunity to promote and develop childcare facilities that include a dedicated curriculum as well as babysitting services. These facilities could be made available to the general public, or as part of the benefits of participating in a certified workforce training program.

Cross-Industry Training Programs

Given the strong presence of certain industries, and therefore trained workers, some portion of the local labor force is well trained at certain tasks that may be transferable to other industries with little additional investment and training. For example, it was reported that persons who work as pipefitters in the petrochemical field, have many of the necessary skills to be trained for careers in marine-related manufacturing, production, and repair. These particular workers were reported to need comparatively minor training assistance to become more familiar with common marine-related job requirements.

In this instance, the Coastal Bend region has a substantial transient pipefitter employment base required by the petroleum industry and the attributes conducive to developing a marine-industry employment cluster. The development of a training program to offer pipefitters (and other heavily concentrated occupations with similar skill sets) the opportunity to cross-train for jobs in a potential growing industry in the region benefits both the local workers as well as target industry recruitment, as these programs can be marketed to prospects.

All communities heavily dependent on a single industry, or on a small concentration of industries, are vulnerable to unforeseen economic shifts and industrial change.

SUMMARY

As a result of its historical dependence on the petrochemical and military sectors, and systemic changes that are occurring in those industries as a result of base closures and commodity shifts, the Coastal Bend region of Texas saw the opportunity to begin to "fine tune" its employment training and economic development programs to meet the changing needs of the future. Based on the economic diversification strategy developed through a multi-jurisdictional planning authority created as a result of the BRAC process, the region is now moving ahead with enhancing and improving its job training and industry outreach efforts in a coordinated and comprehensive manner.

All communities heavily dependent on a single industry, or on a small concentration of industries, are vulnerable to unforeseen economic shifts and industrial change. This finding is not news. Areas such as Flint, Michigan (automotive industry) and Pittsburgh, Pennsylvania (steel industry), are lasting examples of the potential devastation that changing markets can have on a community. The Coastal Bend experience is a strong example of how a community can be impacted by shifts in government policy as well. Whether dependent on a major industry or a government entity to fuel the local job market, communities that have disproportionate employment concentrations should be actively seeking to diversify their economic base; and in doing so, providing training and educational programs to match the local labor force with identified economic opportunities. ☐



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