



Project Profile: Lima/Allen County, Ohio

Impact Statement

The Lima/Allen County project succeeded in generating a catalytic effect in the surrounding region, galvanizing community engagement and leading to the development of a unified vision and infrastructure for future economic development.

Key Project Takeaways

The Industry Resilience grant provided by the Office of Economic Adjustment allowed Allen County to perform planning and organization activities, developing the infrastructure to provide direct services to workers and businesses in Lima, Allen County, and the surrounding region. Extensive research, including a network mapping analysis, and several years of community engagement and outreach (with more than 600 participants), enabled community leaders to coalesce around a new regional vision for economic development.

Along the way, Allen County achieved other important results from this project:

- An understanding of the nature of and depth of the impact on Allen County and the regional's workforce considering previous reductions at the JSMC and as the facility prepares for the new Abrams product line in 2018 and beyond.
- An understanding of the federal, state, regional, and local response capacity and how it may be best employed in Allen County.
- A regional workforce strategic plan based on the optimal way to prepare and maintain the workforce for the JSMC and other related industries with specific skill sets to be prepared for new production capabilities and future needs of the United States Armed Forces.
- Enhanced awareness across the region and the state of the importance of the defense sector and its vulnerability in the case of inaction.
- An enhanced capacity to assist Allen County communities and increase cooperation among state, local and regional economic development initiatives.
- A fully integrated plan to assist workers at JSMC and within the regional supply chain to achieve skill levels necessary to support the investment in product and equipment.

In addition to this strengthened economic development and workforce development capacities, the region is aggressively implementing the Collaborative Growth Plan via a variety of efforts. In addition to creating the new Greater Lima Region organization and brand identity, community leaders are aggressively promoting workforce innovation via Lima Link, the region's workforce development initiative. Among Lima Link's current programs are an annual MakerFest, theUpLift STEM tutoring program for area high schoolers, and Engineering Executive Lunch Session designed to spur networking and to attract engineering students to the region.

Another ongoing initiative is examining housing options in the area. The Collaborative Growth Plan identifies the creation of 22,000 new jobs as a primary goal, yet the Lima region's current housing stock



could not accommodate this number of new workers. Thus, a major effort to spur the development of new—and affordable housing—is underway.

Finally, the OEAMC has enjoyed initial success with its work. It has leveraged OEA-IR support to attract significant new funding that will help to purchase new equipment and laboratory materials for its Innovation Center.

Project Description

Rationale

Since 1942, the Lima Army Tank Plant, also known as the Joint Systems Manufacturing Center (JSMC), is the US Army's only domestic facility for production and maintenance of the Abrams Main Battle Tanks, the Stryker and many other DoD weapons systems. The JSMC is a Government-Owned Contractor-Operated (GOCO) facility, operated by General Dynamics Land Systems (GDLS) since the early 1980s. The JSMC facility is located on 369 acres and has 1.6 Million square feet of infrastructure where fabrication, assembly, and testing of heavy combat vehicles occurs.

Current production activities, which are in the midst of a major expansion phase, focus on upgrades to the M1A2 Abrams tank, referred to as the M1A2 SEPV3 (System Enhancement Package). The M1A2 SEPV3 Abrams is in the design phase, with the first expected deployments to occur in late 2018 or 2019. As production is ramping up, the JSMC is expanding rapidly and intends to hire many new workers over the next several years.¹ The JSMC is among the top 10 industrial employers in Allen County with 600 workers in mid-2017, representing a little over one percent of the total county workforce

While JSMC levels are currently growing, the facility and the Allen County economy more generally has suffered through a boom and bust cycle in recent years. Facility employment levels peaked in the late 1980s with 3,800 workers at the plant. However, total job levels have declined steadily ever since, affecting JSMC and other suppliers located in the region. Since 2009, JSMC employment levels have averaged 775 workers on site but during that same time, peaked at a high of 1,200 and low of just over 400.

As the next generation Abrams line is installed, employment will increase to accommodate the additional work allowing JSMC to recruit a new, qualified workforce. As the local economy has grown, worker recruitment and retention is becoming a growing challenge. This workforce development challenge is worsened by the region's aging population. As the pace of worker retirements quickens, the region's ability to develop, recruit, and retain new workers becomes even more important. Efforts to support JSMC in its recruitment work must be accompanied by a wider regional effort to develop the next generation of workers.

Allen County approached the OEA-IR program with the goal of developing sustainable solutions to the region's workforce and economic development challenges: how to effectively respond to the boom and

¹ <http://www.limaohio.com/news/252124/joint-systems-manufacturing-center-seeks-new-employees-as-tank-production-increases>



bust cycles often found in the work of JSMC and other local manufacturers and how to prepare the wider region to deal with the new reality of pressing workforce shortages. This latter task was particularly important since Lima is home to the JSMC. If JSMC and its associated suppliers cannot obtain a skilled and ready workforce, both the Allen County economy and the overall readiness of our military forces will be affected.

Program Activities

With this situation in mind, in 2014, Allen County sought assistance from the Office of Economic Adjustment to support a wide-ranging effort aimed to prepare, retain, and diversify current and displaced workers at the JSMC in preparation of the M1A2SEPV3 product line and future production of both military and nonmilitary structures at this facility, and generally strengthen the economic base of Lima and Allen County.

Allen County's project design approach closely tracked OEA's model of "Organize, Plan, and Implement." Phase 1 of its project, which took place in 2014 and 2015, was fully focused on the "Organize" part of this model. Thanks to IR funds totaling \$218,734, Allen County built local capacity to support the project and hired outside consultants (Future iQ Partners) to assist in the development of work plans to address pressing community needs. This effort entailed a series of regional outreach efforts, including surveys, community meetings, and other engagements that generated inputs and ideas from more than 200 local stakeholders. These inputs and additional research culminated in the production of three reports²:

1. Allen County Asset Inventory and Readiness Analysis
2. Allen County Network Mapping Platform and Analysis
3. Allen County Strategic Planning Think Tank Scenario Planning Report.

Allen County's network mapping efforts were particularly innovative and instructive regarding the structure of the region's economic and workforce development decision-making.³ More than 150 people completed surveys that helped populate a series of network maps that highlighted connections (or the lack thereof) among key community leaders and stakeholders. This work suggested that the community would benefit from more focused and active efforts to encourage collaboration across communities, across disciplines, and between business, education, and economic development partners.

These research efforts ultimately generated a series of recommendations for regional action in four target areas:

- Local and Regional Collaboration and Private Sector Engagement
- Workforce Development Systems Alignment
- Economic Development Systems Alignment

² All project reports referenced in this study can be accessed at: <http://www.aedg.org/strategic-plan/reports/>

³ Network mapping materials can be accessed at <http://allencountynetwork.com/index.php>



- Industry Innovation and Entrepreneurship

Each of these four target areas included a work plan and timeline for action, which served as the primary focus for Phase 2 of project work. In September 2015, the Phase 2 project work was approved and awarded to Allen County, totaling \$3.1 million in IR funds.

Allen County opted to continue partnering with Future iQ Partners in the development of several analytical reports that mapped the regional supply chain and assessed the state of local manufacturing and talent gaps in the local workforce pool. This work culminated in the comprehensive plan referred to as the *Greater Lima Region Collaborative Growth Plan*. The plan was built around 3 core goals that are intended to drive regional economic development efforts in coming years. They are:

- 1) Grow employment in the Greater Lima Region by 22,000 jobs and provide the qualified regional workforce to fill those jobs.
- 2) Be recognized and viewed as an ideal location for new businesses to locate and existing businesses to expand.
- 3) Be recognized nationally as one of the most livable communities in the Midwest.

These core goals build on the region's significant assets which include a good quality of life, a strong manufacturing base, and significant infrastructure, such as extensive water and sewer systems and good road/rail access, to support further business expansion. They also seek to address the region's most pressing challenge, a shortage of adequate talent to fill local workforce demands.

Resiliency Impacts

Increasing Awareness of the Defense Industrial Base

In addition to the workforce analysis and community planning support, Allen County also sought support to create a new marketing/social meIR plan to help promote regional workforce and economic development efforts. Ultimately, this plan was developed in cooperation with outside consulting support from kglobal, a division of Zenetex, LLC, based in Washington D.C.

The Collaborative Growth Plan planning effort helped Allen County develop a list of 600+ key stakeholders by broadening the vision to include the entire 8-county Greater Lima Region. With this foundation in place, Allen County first convened partners quarterly, then began facilitating 6-month community update meetings, which consistently draws nearly 150 regional stakeholders representing education, local government, businesses/industry, nonprofit agencies, economic development, and local chambers of commerce to each meeting. Ultimately, this effort has led to a rebranding of the region's entire economic development infrastructure, and the creation of a new organization and regional brand known as Greater Lima Region Inc.⁴

⁴ <http://greaterlimaregion.com/>



Lethality Impacts

Innovation through the Development of New Intellectual Property or New Technologies

The OEA-IR Phase 2 grant provided support to OEAMC for the purpose of promoting research and technology commercialization in the region. The first efforts were targeted to the field of High Strain Rate Metal Forming (HSRMF) and to support a Laboratory Feasibility Study for the OEAMC.

Other Community Benefits

Industries Impacted and Communities served

In September 2016, Allen County hosted regional focus groups to validate the findings from the Collaborative Growth Plan and the Regional Workforce, Supply Chain, and Innovation Gap Analysis reports. The focus groups included representatives from business and industry, economic development, local government, K-16 education, nonprofit community groups, and young professionals. The focus groups helped ensure that the IR project will indeed help to build a more resilient region that boasts a defense supply chain able to handle changes in DoD spending patterns, and a workforce that is ready to produce the next generation of the Abrams tanks but all other businesses and industry that are effected by the changes.

The County, which also serves as a regional anchor to several other small communities, used OEA support to disseminate information encouraging the expansion of worker skills to promote regional economic diversification and growth within specific industry clusters.

Alignment with State Programs

A number of core recommendations emerged out of this work. For example, the first round of research suggested the need for better economic regional alignment among various county governments including Allen County and the City of Lima, a new series of workforce development initiatives, and development of a new regional innovation center housed at the Lima-based Ohio Energy and Advanced Manufacturing Center (OEAMC).

Lessons Learned

Most Important Lessons Learned

Do Your Homework: Allen County's leaders understood recent economic trends, but did not have a strong capacity to understand how future trends would affect the region's economic capacities. Thanks to the extensive research efforts supported by OEA-IR, they have developed the capacity, and new organizational structures, that can help grow the regional economy. This extensive research and analysis have helped to create a comprehensive effort to fill the more than 2,000 new jobs expected in the region by 2025. This effort is engaging multiple stakeholders beyond traditional economic development organization, including partners with expertise in housing, workforce, education, and the like.

Engage Many Voices: Allen County's network mapping and other research clearly identified a need to broaden and deepen local networks, and to engage new partners in community decision making. Over this process, more than 600 local people have participated in various planning efforts and community



events. Along the way, this outreach has created a common vision and work plan. More concretely, it has led to development of new organizations and new partnerships to capture and capitalize upon the region's revived energy.

Focus on Talent: Early on, Allen County's research efforts identified talent as the region's number one issue. This is a common challenge for all manufacturing intensive regions, which face a combination of an age wave of retiring manufacturing workers along with a shortage of talented younger workers to fill their places. This talent gap is more acute in defense manufacturing where the workforce is often older, and the ability to attract younger workers is constrained.

As the Allen County experience suggests, economic developers must prioritize efforts to address this talent gap. This work is especially important in areas like Lima, where the workforce gap can have adverse effects on national security. If we seek to maintain a robust and innovative defense industrial base, local projects like those underway in Allen County, will be a core part of the solution.