

U.S. Department of Defense Office of Economic Adjustment

Project Profile: Texarkana

Impact Statement

The Texarkana IR team has increased awareness of the defense industrial base's significance to the regional economy, convened a formalized group to better promote and see to the interests of the defense industry in the region, establish the Regional Economic Development Inc. (REDI) to facilitate collaborative economic development efforts, and enact the vision of a regional economic development partnership.

Key Project Takeaways

Through its Industry Resilience grant, the Texarkana IR team has helped area leaders and organizations become more aware of the significance of the defense industrial base to the regional economy. This led to the creation of a formalized group to better promote the assets of the region, diversify the economy through business expansion and attraction, and support the Red River Army Depot (RRAD) by maintaining a highly skilled area workforce. The establishment of Regional Economic Development Inc. (REDI) is a monumental step forward for collaborative economic development efforts, as this was the third time in twenty years this effort had been considered, yet twice before it had failed. The OEA grant provided the catalyst to move the idea of a regional economic development partnership from visioning to reality.

Project Description

Rationale

Texarkana is a twelve-county region spanning the states of Texas, Arkansas, and Oklahoma. The region's biggest metro area is the Texarkana, Texas/Arkansas MSA. The fact that the central city in the region crosses state lines poses added challenges for the coordination of activities (two governments, two police forces, two Workforce Investment Boards, etc.). The area's biggest employer is the Red River Army Depot (RRAD), which serves as the US Army's main center for the repair, overhaul, remanufacture, and conversion of Army tactical and combat vehicles. However, the depot has suffered job losses. This year alone, the facility's workload dropped by nearly 1.3 million direct labor hours from the previous year which has led to layoffs for 900 workers. The local economy cannot support the reemployment of all these dislocated workers leading depot workers, made up of highly-skilled heavy mobile equipment and diesel mechanics, to potentially relocate to find comparable work and wages. In response to this economic dependence on RRAD, the Texarkana region sought on OEA Industry Resilience (IR) grant to provide a catalyst for the region to work together to strengthen existing industries and attract new employers to the area.

Program Activities

To diversify its economy and support DoD's workforce needs, Workforce Solutions Northeast Texas, one of the state's 28 Workforce Investment Boards, and TexAmericas, a Texas redevelopment authority, focused their IR efforts on analyzing the economy and executing on outreach and planning activities to engage stakeholders and businesses in the region. This led to the development of a series of reports,



U.S. Department of Defense Office of Economic Adjustment

including the Texarkana Strategic Implementation Plan, Regional Economic Development Partnership Feasibility Study, Texarkana Business Retention & Expansion Report, Texas Regional Talent Pipeline Report, Regional Talent Retention & Economic Growth Strategy, Texarkana Region Workforce Target Analysis, and Project Assessment and Alignment Report.

The detailed industry and workforce reports, regional EDO feasibility study, and implementation plan can be found on the Four States Regional Partnership website, which was created to support the OEA grant efforts. See <u>http://www.fourstatesregionalpartnership.com/reports/</u>.

Resiliency Impacts

Increasing Awareness of the Defense Industrial Base

OEA funding has led to regional leaders and organizations working toward the common goal of growing the local industry base and retaining skilled workers, particularly from RRAD. Multiple counties covering multiple states are moving from informal and infrequent coordination efforts to an actively engaged and formalized regional economic development partnership for the advancement of regional diversification efforts and to implement strategies to reduce economic flux generated through defense contracts.

Specifically, 43 industry leaders were contacted on the feasibility of such a partnership, and they expressed great interest in seeing the development of a regional economic development organization. These companies employ more than 8,500 workers in the region. More than 50 regional leaders also attended a half-day alignment session related to the establishment of a regional economic development partnership. A separate presentation on the workforce needs assessment report garnered 55 attendees. More than 4,000 key contacts were identified through a stakeholder mapping process funded under the OEA grant. This contacts database includes individuals representing more than 2,000 area businesses, as well as civic, educational and government leadership throughout the region. TexAmericas and Workforce Solutions Northeast Texas keep these stakeholders informed of ongoing progress and events through a periodic newsletter.

The OEA work has now led to the establishment of Regional Economic Development Inc. (REDI), a public/private funded organization. Among the leading partners in REDI are Bowie County, TX and Miller County, AR. A Board of Directors has been formed and the group is looking to hire a director. Top priorities for the new REDI group were set forth in the strategic implementation plan and include:

- Align education and training needs with existing and targeted industries.
- Formalize a regional business attraction program led by TexAmericas Center.
- Establish a comprehensive Business Retention & Expansion program led by the Texarkana USA Chamber of Commerce.
- Initiate a new regional marketing campaign (internal and external) highlighting Texarkana's strength as a regional center for education, retail, and dining.
- Ensure long-term industrial water rights for TexAmericas Center, RRAD, and other industrial sites in the region.
- Retain RRAD workers affected by military downsizing.



U.S. Department of Defense Office of Economic Adjustment

- Raise awareness and perception of middle-skills career opportunities.
- Strengthen business and education partnerships.
- Promote entrepreneurship and small business development.
- Ensure the long-term development and expansion of I-69 and I-49.
- Develop redundant broadband infrastructure at TAC to improve high-speed Internet connectivity.
- Update the Texarkana (Texas and Arkansas) Comprehensive Plans to reflect current development patterns.

The implementation plan, along with REDI, will help the Texarkana region maximize it economic development efforts going forward in ways that can contribute to the reemployment of potentially dislocated workers from RRAD, or staff up RRAD should DoD needs change, while also building a strong and resilient economy.