



State Economic Development Executives Network (SEDE)

Helping State Economic Development Leaders Thrive

The State Economic Development Executives (SEDE) Network held its Winter Networking Meeting on February 27-28, 2023, in New Orleans, LA. Sandra Watson (SEDE Chair and President/CEO, Arizona Commerce Authority) noted that, despite state competitions for individual investment projects, there are many areas in which states can learn from each other. SEDE meetings provide an opportunity for state executives to network and share ideas in a confidential setting.

Hot Topics and Takeaways

The first session provided opportunities for the leaders to share the hot topics in their state along with takeaways that they hope to bring home. Issues raised included:

- Industry
 - Manufacturing industry transition
 - Automation in manufacturing
 - Companies expressing preferences for type of energy (e.g., renewable)
 - Rural job creation
- Incentives
 - Metrics to measure performance
 - Remote work influences on incentive packages/compliance
 - Job creation in tight markets
- Workforce development
 - Global challenges
 - Outmigration & brain drain
 - Partnering with education
 - Training center partnerships
 - Employing unattached labor
- Site development
 - Accommodating more mega projects
 - Placemaking as a priority
- Housing
 - Affordability
 - Conversion of C/I space
- Regulations
 - Simplification
 - Water supply limitations
 - Air quality/non-attainment
- Managing plethora of federal funds
- Childcare
- Org challenges
 - Finding talent vs “perfect” hire
 - Remote work for agencies
 - Legislative initiatives.

Extended Hot Topic Discussion

Following the introductory session, attendees asserted that the metrics used for measuring incentive performance as job creation is no longer the best success metric especially in a labor shortage environment. Other metrics mentioned included economic diversity, economic impact, capital investment, wage levels, who is being hired (i.e., upskilling or workers currently not in labor force), worker retraining in response to economic transition, and customized metrics for local conditions.

Making Room for Business: Industrial Site Development

Lead: David Rosenberg (IN)

The first topic discussed was industrial site development and how to attract high-wage, high-demand jobs to a region or area. David Rosenberg, COO and Chief of Staff, Indiana Economic Development



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Corporation, led this session with a brief presentation of some site development initiatives in Indiana. He covered the following:

- Like many states, Indiana has lost projects due to a lack of sites
- The state has begun acquiring land for future site development - [LEAP program](#)
- Placemaking is becoming an important element with housing and transportation issues becoming integral to site development
- Indiana works closely with local economic development organizations who don't have the resources to acquire land.

Other attendees discussed their best practices for site selection and infrastructure financing. They also discussed the issue of brownfield development and how some regions have limited liability deals to protect developers. Comments included:

- Many states control land for development; if state doesn't, regional entities often participate
- States noted that state-owned sites must be one of many that are showcased to avoid the perception that the state is steering companies to state-owned land
- Market-driven vs. state-led industrial state development is always part of the discussion
- Some states using noncompetitive federal funds to invest in site development
- States detailed various approaches to brownfield redevelopment:
 - Use of more flexible general state funds rather than federal funds
 - Liability considerations for previous brownfield owners
 - Solar is a good option to place on brownfields
 - Liability continues to be an issue for future development with some states limiting liability of future owners.

Talent Strategies: How States/Territories Are Addressing Workforce Challenges **Lead: Iris E. Santos (PR)**

Iris Santos Diaz, Deputy Secretary, Puerto Rico Economic Development and Commerce, led the second session and she focused on talent strategies to address workforce challenges. Her presentation included:

- Impact of COVID-19 on the national workforce has accelerated three trends:
 - Remote work
 - Growth in e-commerce
 - Automation
- Companies are reimagining how work is done
 - Culture of employers changing
 - Generational shifts
- Puerto Rico is experiencing an industrial resurgence in key industries, despite economic headwinds
 - Pharma
 - Med Tech
 - Aerospace
 - R&D



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- PR produces a huge number of engineers, but they often go to the mainland
- PR is developing a program focused on retention and an apprenticeship program for upskilling workers.

Mike Graney (WV) offered thoughts on West Virginia's initiative to address workforce development challenges with a focus on increasing the state's labor force participation rate. The initiatives included the [Jobs and Hope](#) program which is focused on helping individuals in recovery obtain career training and secure meaningful employment.

Discussion among leaders followed addressing the following topics:

- Various programs to jump-start employment and reskill workers
- [National Guard Challenge Academy](#) – a 98% success rate
- Childcare initiatives
- Tax credits for childcare
- Fast-track programs
- Workforce programs for individuals with disabilities
- Improving broadband to accommodate remote workers
- Employer-driven programs
- Individuals not working due to fear of losing benefits.

Ken Poole concluded the session with a brief presentation of a tour opportunity with the American Council on Germany. The 6-day trip would focus on apprenticeship programs in Germany and provide SEDE leaders with ideas to potentially present or implement in their state. More information will be forthcoming on this tour opportunity.

Conversation with Key Federal Partners

Alejandra Castillo, Assistant Secretary of Commerce for Economic Development

Alejandra Castillo opened her comments by discussing the breadth of programs offered by the U.S. Department of Commerce – from NIST to NOAA. She highlighted the significant (and unprecedented) increase in EDA funding. Other key points from her presentation included:

- [Tech hubs](#)
 - Describe what would a tech hub look like in your state
- [ReCompete](#)
 - Areas with high prime-age employment gap
- She recognized the “grant and competition fatigue” many states are feeling
- EDA has established a Community of Practices initiative led by Brittany Sickler
 - Partnerships of stakeholders
- Economic development is a bipartisan space, and she is encouraged that the NGA agrees.



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A/S Castillo responded to questions from state leaders:

Question: How does EDA define “regions” in the proposed Regional Tech Hubs and Distressed Area Recompete Pilot Program?

Answer: A/S Castillo indicated that states should ensure you are anchoring people from all areas. As long as you are presenting all aspects of your state any region might be acceptable, but more to come on this as the programs are built out. She added that focusing on place-based economic development with emphasis on industrial policy is important. She also noted that a holistic strategy is necessary and mentioned that approach within broadband and the [NTIA](#).

SEDE attendees noted that states are in the best position to determine their regions for any given program or initiative. Each state is unique and it is critical that every state maintain the ability to identify the appropriate regional configurations for the issue being addressed.

Question: Is industrial policy here to stay?

Answer: She noted that the FY24 and FY25 Biden budget will indicate the admin’s commitment to industrial policy. She added that most ARPA dollars are for 5-7 years suggesting that EDA will have a high level of engagement for at least seven years.

Question: What is EDA doing to promote capacity and alignment? Success stories/case studies?

Answer: A/S Castillo noted several initiatives including:

- [Communities of Practice](#)
- [Economic Recovery Corps](#)
- [Coal Transition](#).

She asked state leaders to respond to EDA’s Tech Hub and Recompete RFIs noting that SEDE’s insights will help EDA implement these initiatives. SEDE attendees expressed interest in developing responses to the RFIs with several noting the importance of Congress passing reauthorization language for EDA given that it has been nearly two decades since the last reauthorization language was passed. SEDE attendees added that reauthorization language would help modernize EDA and help the agency better address key economic issues facing the nation.

Mojdeh Bahar, Associate Director for Innovation & Industry Services (NIST)

Mojdeh Bahar discussed the four programs in her NIST portfolio with an emphasis on the Manufacturing Extension Partnership:

- MEP is a public private partnership
- MEP Centers leverage experts and advisors to offer custom business solutions to manufacturers
- MEP is a lot like the agricultural extension program through the USDA
- “National program with a local flavor”



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- MEP received CARES act funding to use for several things including bolstering cyber security
 - Helped manufacturers pivot to produce PPE
 - Identified supply chain issues and matched suppliers
 - Expertise through testing and quality testing protocols
 - Created supply chain portals and shared best practices
- You can get involved with MEP
 - Room for further collaboration between state EDOs and MEP Centers
- Other programs mentioned:
 - [Baldrige performance excellence program](#) - Created a workforce job quality toolkit to help employers become ideal for workers and a Fellows Program
 - Manufacturing USA Program - 9 federal agencies and 16 institutes
- Finding talent for the semiconductor industry is difficult - MEP centers can help
- Some states have MEP Center integrated into the state agency and/or state strategy
- Having MEP at the table can help state ED agencies recruit companies to your state
- MEP can provide a list of suppliers for ED agencies and business partners
- SSBCI can provide funding for capital investment
- States can apply for Technical Assistance from subject matter experts through [MATTR](#).

Select USA Investment Advisory Council (IAC) Update

Sandra led an update of the IAC:

- Eight SEDE members participate in [IAC](#)
- SEDE can provide thoughts that can be included in the IAC conversations
- IAC is a mix of ED professionals and major commercial interests
- Three working groups/committees:
 - Global competition (better metrics)
 - Workforce (improved strategies)
 - Select USA (making it better – 2.0)
- Select USA 2.0: Creating the future Select USA
 - Making it a more valuable resource for the ED community
 - Improved matchmaking.

Network Business Meeting

The meeting concluded with a discussion of SEDE network business. Leaders proposed methods to integrate new members into the network including options for outreach and promotion. Sandra and CREC facilitated a discussion of potential options for the next SEDE network meeting. Other topics and action steps included:

- New and unengaged members
 - List of new members which will be enhanced by adding unengaged members
 - Sandra will send e-mail; attendees can send a note if they wish
- Leif Olson presented the curriculum video initiative
- Sandra mentioned that the Steering Committee will finalize the SEDE Charter
- Ken Poole noted that SEDE should explore funding sustainability
- Sandra noted that she would like the group to meet twice a year; meeting options will be explored.