

Strategic Plan to Focus on Local Economy (1/19/19)

How will Mississippi County's economy grow in the next five years?

County leaders hope a firm will show them a path to overcoming challenges such as boosting the workforce numbers.

On Wednesday, the Great River Economic Development Foundation (GREDF) unanimously approved a request for information, seeking bids on a strategic five-year plan.

Chairman Randy Scott, board members Lennore Trammel and Dr. James Shemwell and County Judge John Alan Nelson will narrow down the field of companies from which GREDF will choose.

In presenting the proposal, county economic developer Clif Chitwood told the board the advisory firm's plan would be similar to the Jonesboro Chamber of Commerce's strategic plan in that each year would have measurable milestones.

The bids for Jonesboro's plan ranged from \$90,000-150,000, but Chitwood expects Mississippi County's to be less than that.

It will have a tight focus on economic development, but branch out to issues like housing and companies buying into perhaps a new workforce, according to Chitwood.

Chitwood mentioned several times a need for more Hispanic workers here. He also said the United States' chief industrial competitors Germany, Japan and China have been successful with company compounds, with workers living near the facility.

"The thing I like about it is it's measurable," Scott said. "All these others we've been involved with, by the time you get it finished, it takes a couple of years to get it done and that politician is not elected anymore. The next mayor, the next county judge doesn't want somebody else's plan, but this is one that belongs to economic development and not some municipality and it has a measurable plan for five years. This is what we would like to accomplish in year 1, 2, 3, 4 and 5."

Chitwood said the advisory firm must have worked with counties of similar size and demographics.

Shemwell agreed.

"If we can find a good firm that has worked with rural areas, as you said similar in size, maybe similar in terms of our makeup, I think that would be beneficial for us because what our past efforts largely have focused on is community development and trying to work out of problems we have," Shemwell said. "You mentioned earlier, to illustrate what I'm trying to say, you talked about the fact that so many people now regardless of their race or ethnicity are place bound. Well, that's because we as a nation pay people to be place bound. We're not going to fix that. Now, we're trying to do things that we can to improve the situation, to get people who won't be place bound where they have a better quality of life. I like the idea of a tactical plan. Where do we go from here is what it's about. I don't want to spend any more time on what we wished we are. Where do we go from here that is a better place than where we are right now. I think having a group come in to help us do that, that has experience with that, I'm in complete agreement that's a good idea."

Chitwood said there is a finite number of people to fill jobs here.

“How would we get outside people to move in here when we know that both African Americans and white Americans are almost completely place bound now if they don’t have a college education,” Chitwood said. “They just won’t move. If they built the Hover Dam today..., they would all have to come from Mexico. If Hispanic people were going to come here without extra effort they would be here because they are everywhere else in Arkansas. There’s something here that for some reason they are not coming because there have been thousands of them cycle through here on the Big River project, on the Plum Point project, on Nucor’s expansion. Sixty percent of those crews are Hispanic. I’m sure they are mostly from Texas and maybe they just go home. But we’re not attracting them, so do we need to attract them? And then how, because I really don’t know?”

Board member Lisa John-Adams said the county needs a realistic vision, not a pie-in-the-sky plan.

Chitwood said likely the firm would interview key people. A team of three to five would stay here about a week, then go home and perform “a deep dive” on data.

He added previously local leaders have been part of a strategic plan, which ends up sitting on a shelf. But that won’t be the case with this plan, he said.

“We all just went through a big one with Southern Bancorp where Southern Bancorp was the center spoke,” Chitwood said. “At the end, they kind of said we can’t fulfill that mission if I understand it. Besides the one part of that plan they left out is economic development because their initial interviews, everybody was satisfied with the job that this board and its staff were doing in the cooperation with the county.”

Chitwood noted Jonesboro Chamber director Mark Young, who grew up in Blytheville, said his organization sought out a strategic plan three years ago.

“They didn’t just tell them what’s wrong,” Chitwood said. “We don’t need any help in knowing what’s wrong. We have all set around this table and other tables and discussed every weakness that we perceive that keeps this county from being everything that we might like it to be. We don’t need any help with that, and it won’t take a good firm very long to identify those things themselves. But the firm they hired, they made about 70-80 interviews with key local people— local industries, local leadership, banks, others. Theirs was much more comprehensive because it was being done by a Chamber of Commerce. Then they did a deep dive on data to figure out exactly where the county was, exactly what was happening.

“Which segments of the population were growing? Were any shrinking and other things like that. Then they came back with a five-year plan with goals that can be measured for each year. If you want to fulfill a goal by the end of year one, this is what you need to be doing. Year two, year three, year four. It gives Mark’s board a way to judge his work. It gives the stakeholders a way to judge the entire Chamber’s work.”

Chitwood added, “We’re at a point now where I think we still have the opportunity to continue creating significant job growth. There’s still new support companies that are wanting to come in to support both Nucor and Big River Steel. Some of our older industries still expand from time to

time, but as far as getting a new large employer. And I think we'll have that chance because we've always had that chance."

Chitwood said every three to five years a company appears on the radar that would potentially employ 500 or more.

"Right now, so where are we going to get 500 people if somebody comes here tomorrow?" he asked. "The college is working hard with internal recruitment. (Arkansas Northeastern College president) Dr. Shemwell and I have talked about this, very soon we are going to have a meeting with the temp agencies and encourage them. They say they have thousands of people on their rolls but we're not getting thousands of people to enroll in the WORK program (at ANC), so why not? Either they are people that the temp agency doesn't think will ever actually get employed or something else. The people that they have on their rolls that they think can be employed, they need to be at the college. The county will pay for that training and the college will provide it. Then they actually have a chance of getting a job."

Chitwood also questioned where would they live, saying there is a lack of affordable housing in the county.

"If we had 500 people move into Mississippi County tomorrow, they would have to stay in tent cities," Chitwood said.

He noted in Japan, companies provide housing near the site in a gated community, which includes a country club, swimming pool, athletic facility, daycare, doctors, etc.

"There's no reason not to go to work," Chitwood said. "That's the reason a lot of people lose their jobs. Their car breaks down, they can't get to work for two days and they get fired. They didn't get fired because they were a bad worker, they got fired because they didn't have a good car. But they may not make enough to buy a good car. It always has struck me as a mystery why that in Japan and Germany and China, which are our three major industrial competitors, companies inherently understand that if they will take care of these principal reasons for absenteeism and people not showing up they would have much lower absenteeism and they address it. So in Germany there is worker housing, in Japan there is worker housing. In China there is worker housing, but in the big, bright USA companies just assume they will get there."

He said perhaps the county could offer an incentive for the company to build houses or a "company compound."

Chitwood said various companies have said they could hire 300 people if they had the workforce.

"Once, about seven years ago, I worked with a young man, he was from Mexico," Chitwood said. "He was going to help us see if he could find some Hispanic people that had their welding certificates. We found two guys and we sent them to a local metal fabricator and they both probably got run off the first day, not because they couldn't weld, but because they were Hispanic. Because the management and the workers looked at them and say, 'if we let these guys stay, we're all going to be looking for jobs.' So they essentially ran them both off after one day."

Adams said before attracting them leaders need to make sure companies buy into the idea.

Chitwood noted Branson businesses are traveling to Puerto Rico to recruit workers because they are legal and help maintain a workforce for the big tourism industry.

Meanwhile, Chitwood said he wished commuters would meet the people of Mississippi County before making the decision to live elsewhere. He said schools like Armorel can compete with those in northwest Arkansas.

“There’s crime in Mississippi County but not in every sector of Mississippi County,” Shemwell added. “There’s issues with schools and performance in Mississippi County, but not every school system in Mississippi County. We are going to have to start thinking as a county and not this town versus that town. We’re going to have to think as a county because if a county wins, all the towns in the county win.”

Chitwood did tout successes from the Economic Development tax, which he says has helped facilitate the creation of approximately 4,400 jobs in the last 15 years; 3,800 still exist.

“That is an enormous success in empirical terms — in absolute numbers — for a county our size whose total workforce is only 20,000 people,” Chitwood said. “Has it made everybody happy? No, but we can’t make everybody happy. We just have to make more people happy than are unhappy, realizing that at the end of the day being happy or unhappy is kind of a personal choice. But in spite of that success, there is always room to do better.”

Also, Chitwood spoke about his recent trip to Santa Rosa, Florida for a colloquium.

“They pointed out that the US birth rate is falling dramatically,” Chitwood said. “Millennials aren’t having children, which means that we are either going to have to start subsidizing the birth rate, which is probably not that great of an idea. We’re going to have to loosen up immigration to about four times. Right now the United States can legally, there’s about a million people per year that can come into the United States legally. But it’s a long process and it’s very expensive. To maintain a growth rate, we would probably have to move that up to about four million and lower the expenses greatly, so that people could come in. I don’t see a real problem with that. There’s no reason a background check has to take three years. If it’s important to bring working people in, and that’s really what you want to check. People from a working family, that’s really all you need to know.”

He also addressed automation.

“Steel mills the size that we have in Mississippi County, if they had been built in the 1940s, they would have employed 3,000-5,000 people each, Chitwood said. “If they had been built in 1900 and achieved a level of production, they would have employed 20,000 people in each of those mills. Automation has been a part of our lives since the Industrial Revolution...It always creates more jobs in the end than it uses.”

In other news, the GREDF recommended that the Quorum Court fund an environmental assessment on the Regal-Beloit building.

Nibco is interested in the building.