

Economic development experts talk about local workforce

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Tricia Spaulding

From left, Ed Graham, project manager for Innovation Crescent Regional Partnership; Tal DuVall, chairman of the Athens-Clarke County Industrial Development Authority; Steve Hollis, a partner at Power Partners; and Flora Tydings, president of Athens Technical College, have a discussion about the industry in the area.

From left, Ed Graham, Tal DuVall, Steve Hollis and Flora Tydings talk about industry in Athens-Clarke County at a recent panel discussion.

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AUDIO: Listen to the entire panel discussion with Duvall, Graham, Hollis and Tydings:

Despite thousands of job losses in the manufacturing sector during the last economic downturn in 2000 and 2001, the Athens area and Northeast Georgia have managed to maintain a strong industrial base.

As technology has advanced, the nature of industry has evolved, and most recently business leaders and economic development officials have concentrated on recruiting and cultivating Athens area industries grounded in the life sciences - pharmaceuticals, biotech and health-related firms involved in research, development and manufacturing.

At least two major pharmaceutical companies have looked at a site in Athens for building manufacturing facilities, but have chosen locations in other states. Still, local representatives think Athens is getting closer to establishing the elements, including regional cooperation, necessary to landing the large corporations and building a life science industry here.

Athens Banner-Herald Associate Editor Don Nelson sat down with Ed Graham, retired from Johnson & Johnson and project leader for the Work Ready Initiative under the flagship of the Innovation Crescent; Tal DuVall, retired from University of Georgia and chairman of the Athens-Clarke Industrial Development Authority; Steve Hollis, partner in Power Partners manufacturing and Change Partners consulting services, a member of the Oconee County Economic Development Authority and leader of Clarke County's Georgia Work Ready team; and Flora Tydings, president of Athens Technical College and chairwoman of the Athens-Clarke Economic Development Foundation, to talk about industry in Athens and Northeast Georgia. This is an edited and condensed version of that panel discussion.

Athens Banner-Herald: We've had some biotech companies such as Novartis and Solvay look at Athens in recent years for possibly locating a plant here. Solvay is reportedly going to Alabama and Novartis went to North Carolina. One of the concerns with Novartis was the workforce here and its being trained properly to fill these jobs. Is that something that is a great concern for our area?

Tydings: Since workforce development is my primary focus and that's the area that I work with the most, I don't think it's the (level of) concern that (Novartis) expressed. We have a trained workforce in biotech and pharmaceutical companies, and it is growing everyday. One of the things that we are able to do when there is a manufacturing company or any type of large company that goes out of business, is we take those individuals and try to retrain them for the current market and for the updated skill sets that they need to be employed in our field. Our community, our service area, has a very viable workforce. We could man just about any type of industry that would come to this community. So whereas that was once listed as a concern by a company, I don't share their concern.

ABH: How do you get the word out there that Athens and Northeast Georgia has the workforce that companies need?

Tydings: I do think that's one of the things we've been trying to do with the Innovation Crescent with the workforce development that we're doing with Work Ready certification to show companies - not just local companies - but companies that are looking at us from a national and international scale we do have a trained workforce here. In the biotech industry, we have been training in that area for 40 years. To call it biomanufacturing or biotech is a newer term, but we've been training research lab techs for a very long time at Athens Technical College. And those individuals are here to be employed. What we've been doing is trying to make sure that any company that looks at Athens and the vicinity knows that. I think we've been able to get that word out more so than what we have done in the past.

Graham: I think Flora, you're absolutely right. I think the technical college system in Georgia is one of our secret weapons. It is incredible, insomuch that it's agile. It can morph to our needs overnight.

I think the other thing that we lack and are working on is actually a critical mass of life science industry. One of the things we're working on is to attract life science industry to this region. To do that, we have to overcome the appearance of the outsiders looking in and saying our workforce is deficient. Certainly it's going to be improved, but I think you're right. We have adequate numbers, it's just that we have some things I think we have to overcome.

ABH: Can you give us a brief summary of the Innovation Crescent?

Graham: It's a multi-faceted program. Basically, it's centered (on) Work Ready, a certification process for the emerging and existing workforce to demonstrate their skill levels so that when they go to an employer, they have a certificate that explains very clearly what level skills they have. It just makes our workforce mobile and yet very professional. Secondly, we're trying to build the articulated pathway from grade seven through the technical schools into the university system so that our emerging workforce has a pathway for STEM (science, technology, engineering and math) studies. It's an effort to improve what we're going to have as a future workforce as well as allow people to re-enter the education process along the way.

DuVall: One of the things invariably is people look at our workforce as if it's Athens-Clarke County. We've got major industries that are employing people 100 miles away. So if you look at the workforce you need to be looking at the total area, not just Athens-Clarke County.

Hollis: And in fact, to Tal's point, some of the surrounding counties have been hit the hardest with industry leaving and freeing up workforce that wants to gravitate toward our area. We have probably only 60 percent of our folks at most who are from Athens-Clarke County.

Tydings: When you talk about the loss of manufacturing in our region, it is primarily in the weaving and looming industry. Those are skills sets that have to be retrained. But we are having growth in industry in this area. We've had new companies open up in our region. We have FabriTex up in Hart County that just opened a plant and is increasing their production.

ABH: Foreign companies have been bringing manufacturing plants, like car plants, to the Southeast, such as in Alabama and South Carolina or North Carolina. Is that something the Athens area or Northeast Georgia would be able to land? What would it take to bring a facility like that here?

DuVall: Keep in mind we already have some of those (foreign companies) here. Merial, to use it as an example, is a foreign-owned company, and we've got a number of others that are already here. I think the important thing to keep in mind when we say we are declining in manufacturing, we often associate that with textile manufacturing, which we are losing. But we have a number of industries that are manufacturing in the county - Invista, Noramco, Merial, Blue Ridge Paper, Power Partners, Terrapin Beer, Fiber Vision. We think of ourselves as an educational community and we are, but most people don't realize we've got a very, very outstanding industrial base here too.

ABH: Is there a figure we could state for the number of industries based in Clarke County?

DuVall: 15 or 20.

Tydings: (That) would be typical manufacturing. One of the things people don't realize is we have about 33 life sciences that operate here that are not large manufacturing but are in the life science industry. They're fairly quiet, but they're doing quite well.

DuVall: And one of the challenges we have with those companies is we need space for them in order to hold them in the community, because when they migrate off the university campus we'd like to keep them in Athens.

Graham: And that really is our low-hanging fruit for economic development. It's here. They want to stay here. We just need to find the financing and the building and we can keep them.

DuVall: And virtually all of them say they would rather stay here than go somewhere else because they want proximity to the University of Georgia and like industries.

ABH: What needs to happen in terms of building facilities that would help keep them here?

DuVall: Money. That's the main thing.

Tydings: Incentives and angel investors.

DuVall: One of the problems with the life sciences field right now is almost of them are in a transition stage from the university-based operation to their own private-sector base, and there's not a long track record on startup new industries yet, so the investment people are a little bit leery still of the life sciences.

Graham: I think the greatest opportunity for us in life sciences, and that crosses all three paths - human, plant and animal - is research and development. The incubator companies, the ones close to coming out of the university; they have new, exciting properties in their development that pharmaceutical companies and other companies are interested in. They will come and they will build if we can just get that transition that Tal was talking about. I think there is a plan right now in the works where that might happen fairly soon. Then we need to go after the capital and the incentives and I think we have ourselves a good basic industry again.

ABH: Can any of you predict what might be happening here on the industrial front in the next few years? Are we going to see some new corporations coming into town?

DuVall: Oh, I think we will. Maybe not here in Athens-Clarke County. We have to keep in mind we have some limitations on what we can do here. As an example, we have very little or no rail siting left. We don't have a great deal of land left for industrial purposes. We're limited on our water. We can't really afford another major water user at this particular time. Those lead everybody to think that regionalization is the answer to that, because we can't put everything physically on the ground in Athens-Clarke County and handle it.

We're very limited and actually can't afford to lose anymore of our industrially zoned land, because we'll be completely out. So if we don't go regionally in our thinking, we're going to be limited in our growth.

Graham: Tal, you are so right with the concept of regionalization. Everybody gains.

DuVall: And we've been talking about it for 15 years

Graham: Well, we're finally starting to do things about it.

Hollis: It's sort of a microcosm of the global change over the last 25 years. We've seen the globalization of the existing economies over the last 25 years and it just seems this concept about regionalization is a microcosm of that. If we can figure out how to adapt regionally as opposed to being centric only on a county or city base.

Graham: We did the study on Novartis, and (if Novartis had come) it would have been \$150 million annually distributed in these seven area counties. That's an incredible opportunity.

ABH: Sometimes people don't think beyond the immediate tax boost to the host county.

Tydings: You've got the auxiliary companies that come and the economic impact of those salaries. It's not just a tax-base issue.

ABH: Tal, you said regionalization has been discussed for 15 years. Why do you think it's taken that long and is it going to happen soon?

DuVall: When you think about regionalization, it becomes political, and politics is a slow thing to move in Georgia. But I think Ed is right. We have a number of initiatives going now between Clarke and Oconee, and we need that for all the contiguous counties. But it takes time and some political maneuvering to get it done.

Graham: The Innovation Crescent actually has brought together 13 counties. We have several things going on, but one of the groups is a regional partnership of chambers of commerce and economic development groups, including Clarke County and Oconee. Our initial effort was at the Bio-08 (conference) out in San Diego where we represented 13 counties.

ABH: How is the economy going to impact industrial growth?

Tydings: Well it is impacting Athens Technical College as a government agency in that we are looking at a 10 percent cut, which will impact the number of individuals I can train. The supply and demand could be impacted.

ABH: What about state funding for industrial development. Do we see a lot of those dollars here?

DuVall: We've gotten some limited amount of state funding. I think Georgia, quite frankly, is behind the curve in terms of state funding for industrial development or general economic development. That's my personal opinion, but we continue to be the bridesmaid on a lot of opportunities, and that would suggest to me that the other states that are getting them are coming up with more incentives than we are offering here in Georgia.

Hollis: Georgia's primary approach is tax credit-based where other states, literally - if you talk to other industries who go there - shove cash across the table. We have a major competitor in the state of Mississippi, and in the last 10 years (the competitor) has received \$35 million in grants for building new buildings and technology and capital investments and his return promise is new jobs. I think Georgia has a systemic issue in how we package the incentives.

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