**Texas Forest Country Partnership**



**Strengthening Economies Together (SET)**

**Session Three – Target Industry Clusters**

**Tuesday, July 19th / Stephen F. Austin University - Nacogdoches / 9am – 2pm**

**TARGET INDUSTRY CLUSTERS**

65 individuals, representing nine of the twelve counties in the Texas Forest Country region, participated in the third session of the SET economic strategic planning process.

The following represents a synopsis of the Session III, representing input from all participants:

**General Discussion:**

**Positives for New Industry**

* Transportation – Interstate 69, US 59, US 69, US 190
* Pipeline locations
* Rail transportation
* Education – Angelina College and Stephen F. Austin University

**Needs to Assist New Industry**

* Broadband challenges
* Foreign Trade Zone
* Expansion capital
* Economic Gardening

**Cluster**: Forest and Wood Products

**Strong sub-sectors (Regional Competitive Effect):**

* Softwood veneer & plywood manufacturing
* Reconstituted wood product manufacturing
* OSB, Particleboard, Pellets
* Based on economic growth, not necessarily on job growth.
* Technology has improved in mill production
* Mills produce more product more effectively with less employees
* What industries support this cluster? (Long Bars)
* Logging
* Timber tract operations

**Where do leakages occur? (Large out of region expenditures)**

* Corporate, subsidiary and regional managing offices.
* Crop productions

**Where does the region already have capacity to respond? (Large in-region expenditures)**

* Managing offices
* Crop Productions
* Farm labor contractors and crew leaders

**What Industries have the highest exports?**

* N/a

**Workforce Needs (skills):**

* Driving stick shift (13 speed), CDL

**Potential Strategies for Building the Region’s Cluster**: Forest and Wood Products

**Create**

* SBDC training at SFA and AC or potential for training

**Attract**

* Strong local companies that support timber resources and services

**Retain**

* Legislation
* Use EDC resources
* Advocacy for land owners

**Expand**

* Manufacturing innovation
* Western Gulf Tree improvement program
* Research and Development at SFA and A&M
* Utilize EDC incentives
* Future availability of resources

**Foundation (Workforce, infrastructure, Connections, etc.)**

* Texas Forestry Service Association
* Texas A&M Forestry Service
* Sufficient Healthcare
* Workforce is here
* Need to get corporate back to get loggers to have access to health insurance. Need to address new insurance issues.
* Vocational Training/Apprenticeship

**Cluster**: Arts and Entertainment, Recreation and Visitor Industries

**Strong sub-sectors (Regional Competitive Effect):**

* Recreational and Vacation Camps
* Golf Courses and Country Clubs
* RV Parks and Campgrounds

**What industries support this cluster? (Long bars)**

* Sport teams and clubs
* Motion picture and video production (Feasible) (Look at SFA and program to develop and bring in)

**Where do leakages occur? (Large out of region expenditures)**

* Managing offices
* Motion Picture (lack of airport)

**Where does the region already have capacity to respond? (Large in-region expenditures)**

* Motion picture and video production
* Sports (High School)

**What industries have the highest exports?**

* Recreational and vacation camp
* RV Parks and campgrounds
* Radio Stations
* Golf Courses and Country Clubs

**Workforce needs (skills):**

* College/University to provide skills
* Need those people in the room from AC and SFA
* **Potential Strategies for Building the Region’s Cluster**: Arts and Entertainment, Recreation & Visitor Industries

**Create**

* Networking/Partnership
* Plenty who are interested in area
* Access to small business at AC Center and can get grants and plan – need better marketing

**Attract**

* Some social media
* Website local agencies

**Retain**

* Encourage/support them
* Shop local 1st
* Lower tax breaks to local businesses
* Financial grants
* Partner with other business/organizations with same interest to build one another

**Expand**

* Share/Tell others individually
* Revenue
* People don’t like change
* Finding quality workers
* Not growing – lacking people to grab from
* Urban vs. Rural

**Foundation** **(Workforce, Infrastructure, Connections, etc.)**

* Good infrastructure through colleges
* Art alliances throughout counties
* Chambers (Visitor and Convention Bureaus)
* Texas Forest Trails Association Closet
* “Hospitality” Programs college level in Houston and leave
* High School vocational training (Nac. ISD, Lufkin ISD, Hudson ISD, Diboll ISD)

**Cluster**: Advanced Materials

**Strong sub-sectors (Regional Competitive Effect):**

* Machine Shops
* Gasket, Packing, etc.
* Electroplating, etc.
* Aluminum sheet, etc.
* Basic organic chem.
* Adhesive manufacturing

**What industries support this cluster? (Long Bars)**

* Crop Production (forestry included)
* Rail Trans.
* Machine shops

**Where do leakages occur? (Large out of region expenditures)**

* Petrochemical
* Metal, Iron, Aluminum

**Where does the region already have capacity to respond? (Large in-region expenditures)**

* Basic organic chemical
* Crop
* Rail
* Plastics/Resin

**What Industries have the highest exports?**

Basic organic chemical (Hexion Diboll)

Aluminum Sheet, etc.

Adhesive Manufacturing

**Workforce Needs (skills):**

* Machinists, CNC, Lathe (grouped) (trained similar)

**Potential Strategies for Building the Region’s Cluster**: Advance Materials

**Create**

* Interested in business – yes
* Entrepreneur programs – yes, being started in AC, Crockett, Nacogdoches
* High Risk Start ups
* Econ. Dev. Help to subsidize.
* Need small business investments
* Grants to start business

**Attract**

* Raw materials do not exist in our area (petroch, metal)
* Leakages
* No strategies in place
* Bring in raw materials and produce

**Retain**

* GP, Roy Omartin Loggers, small mills
* Cheap imports
* Market demand paper ↓
* Flexibility as demand changes
* Labor costs
* Funding

**Expand**

* Yes, they are willing, just need funding
* Economic Gardening
* Training in development Business Plans
* Existing businesses

**Foundation (Workforce, infrastructure, Connections, etc.)**

* Workforce Development
* Machine shops supervisor/management
* SFA – Forestry Program
* Focus/Issue
* Math in High School (STEM)
* Building college programs
* Transportation
* Rail road, Jasper – Short rail hub
* Focus/Issue
* Rail proximity to Houston
* Short rails - expanded
* Broadband
* Internet in small communities extremely slow
* Focus/Issue
* Needs upgrading
* Water & Energy
* Expand biomass plant usage
* , use of lakes