



***PROJECT ASSESSMENT AND  
ALIGNMENT REPORT  
for  
TexAmericas Center  
and  
Workforce Solutions of Northeast Texas***

*Submitted August 14, 2017, by:*



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## **INTRODUCTION**

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In the spring of 2017, The McCarthy/Blansett Group was engaged by the TexAmericas Center and Workforce Solutions Northeast Texas under a grant funded by the U.S. Office of Economic Adjustment (OEA), to position and assess the capacity of the bi-state Texarkana region to accomplish two primary goals – namely the simultaneous establishment of:

[a] an economic incentive fund (a “war chest”) to begin leveling the incentive playing field between Texarkana and competing regions on job-creation projects; and

[b] a new, regional economic development organization that will strengthen the bi-state region’s ability to compete for job creation, capital investment and infrastructure, entrepreneurial and workforce talent, and that will promote regional collaboration and a more competitive image for this part of Texas and Arkansas.

This work follows on work we performed for TAC and Workforce Solutions in the fall of 2016, when we facilitated an Alignment Session of regional leaders (also funded by OEA) that resulted in a strong expression of support for the two goals identified above, the need for bi-state collaboration and a stronger economic development presence for the greater Texarkana region.

The McCarthy/Blansett Group, based in Colorado, is a consulting firm dedicated to strengthening the economic development industry through strategy, analysis, fundraising and organizational development. Our partners have consulted on more than 100 projects together since 1989, enhancing strategy, leadership structure and financial support for economic development organizations and chambers of commerce around the U.S., including considerable experience with start-up organizations. All three of our principals – R. Michael McCarthy, Susan Blansett and Colleen Nelson – were engaged in this analysis, bringing the full complement of a diverse set of skills, knowledge and experience to bear on the project.

## **METHODOLOGY**

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We launched the project with in-depth meetings with staff and selected community leaders to update our familiarity with the region and recent events since our work of 2016. We then delved into a scan of online and other resources for secondary research, to

deepen our knowledge of the economic base of the Texarkana region as well as its recent history, culture, prior economic development efforts, its competitive position relative to other markets and its strengths, challenges and opportunities from an economic development perspective. We toured the region and familiarized ourselves with its locational advantages and marketable assets. We read the reports of Foote Consulting Group and others who had recently been engaged on behalf of the region and studied various economic rankings and indicators to better understand this region's performance and perceptions about Texarkana.

We developed a preliminary case for investment in an effort as described above, with supporting documentation and structural options. We then engaged 46 individuals in candid, confidential interviews lasting up to an hour each. The interviews included 26 private-sector business leaders, 15 leaders from the public sector, four higher education executives and one leader of a philanthropic nonprofit. In the interviews, we invited our subjects to share their vision for the future of the Texarkana region, their experience with economic and/or community development, opportunities to make this region more competitive, and their reaction to various structural and leadership options for a regional economic/jobs initiative. We took pains to encourage a free expression of opinions and ideas and to answer questions.

We gratefully acknowledge the staffs of the TexAmericas Center and Workforce Solutions Northeast Texas for their guidance, their professionalism and especially their support. We are also grateful to the business and civic leaders and elected officials who granted us their time, their advice and their candor during this process.

We respectfully submit the following findings and recommendations.

## **FINDINGS**

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**Finding #1:** The time is *now* to launch an aggressive new program that can win the fight for Texarkana's economic future. This must be a strategic effort that will make the region more competitive for job creation, capital investment and talent retention/attraction by simultaneously going down two highways: the First is national marketing, promotion and deal flow to get you noticed and in the hunt; the Second is making your product (infrastructure, sites, workforce and livability) more competitive.

- a) There is strong **support** for a unified vision and strategic, regional effort to begin promoting the Texarkana region’s assets and coalescing leaders around transformational product development. This was in evidence at the November 2016 Alignment Session hosted by TAC and Workforce Solutions, and the support continues to grow.
- b) There is a sense of **urgency** created in part by the economic performance indicators on the Policom scale and others, by the region’s the labor shortage, the loss of major projects to competitors, and continuing parochialism. People feel they have TALKED enough and they want to DO SOMETHING BIG to change the arc of Texarkana’s competitive position. Your people want to WIN and they now see a path for making it happen.
- c) The **pride** that area residents feel in this region is also strong, and justifiably so. There is an abundance of assets around which a compelling story of Texarkana *may be told*, but it is not and has not been. No one is really out there selling Texarkana and the bi-state region’s assets. In fact, the very absence of a vigorous promotional effort on the region’s behalf must surely be affecting Texarkana’s deal flow, considering how aggressively many of this region’s competitors are out there selling.
- d) A number of the bi-state region’s longtime leaders are concerned about their **legacy** as they prepare to pass the torch to a new generation. An impressive corps of younger leaders is ready to step up and shoulder responsibility, and there are younger people who have chosen to return to Texarkana and are determined to help their community change and advance.
- e) There is “**study fatigue**” here. We have heard a number of times about multiple studies that have been conducted in the last 10 years or so that have provided useful information but that have languished on a shelf gathering dust. Texarkana needs a designated entity to shape that knowledge into an actionable agenda, to focus resources and leadership on driving change. This is what a good economic development program with strong leadership does for a region, by sounding the call to arms and recruiting allies to act in unison.
- a) All of this converges to stimulate a **demand for action**. The people with whom we spoke overwhelmingly expressed their readiness to take a new path, to grab this opportunity to chart a new course for the Texarkana region. The components of your vision already exist, in the work of the November 2016 Alignment Session; they have been augmented in our interviews and are ready to be crafted into a compelling message.

**Finding #2:** There is no need to create a new, independent organization when Texarkana has a Chamber of Commerce with capacity, a 100-year history of performance and credible leadership.

- a) The Chamber is already widely recognized among business leaders as a credible advocacy and service organization that recognizes Texarkana’s bi-state geography is an asset, not a liability, and is committed to both sides of State Line.

Furthermore, while perceived lapses in executive leadership over a 10-15 year period may have temporarily dulled its luster, this Chamber has a long history of successful business development. Those 10-15 years cannot be allowed to eclipse the organization's storied history of service to Texarkana and the surrounding communities.

- b) Over the last 75 years, the Chamber played a role in landing many companies and hundreds if not thousands of jobs, on both sides of State Line Avenue. It is time to recognize and reclaim that strength. Under the capable leadership of Mike Malone, the Chamber has made significant headway toward re-establishing credibility and is well prepared to resume its status as the leading business organization representing the greater Texarkana region.
- c) The presence of an aggressive promotional and development effort with engaged private-sector leaders driving it, will (over time) also serve to enhance your Chamber's status and voice in the advocacy arena, both in Austin and Little Rock.

**Finding #3:** Greater Texarkana's persistent parochialism is its biggest threat to progress, at a time when regionalism and collaboration are already longtime, acknowledged hallmarks of successful economic development and considered critical to success. Texarkana leaders, in public service and private business, have a serious choice to make – adhere to old hurts and battles, or recognize what your competition knows, that regionalism is here to stay and the surest path to your region's future sustainability.

- a) Divisiveness and distrust in some circles is still practiced here, even though the majority of leaders with whom we spoke are past it and ready to embrace a "we're all in this together" attitude. They know that this region is interdependent; that a win within the region, whether in Miller County, Bowie County, Hope or New Boston, is a win for the whole region.
- b) The leaders who are already on board with driving change are committed to neutrality and working on both sides of State Line Avenue. In fact, the project that many leaders agree could be most impactful in transforming Texarkana's competitiveness and unifying the region is expanding and upgrading Texarkana Regional Airport.

**Finding #4:** The capacity to lead and fund a strong development effort exists here. A program budget in the range of \$500,000-700,000 annually is doable with the right vision and plan, the right structure, leadership and the right executive to run it. Up to \$200,000 of that amount should be set aside as a seed fund to leverage job creation and transformational projects, utilizing public-sector dollars where they can have significant impact.

- a) Evidence indicates that Texarkana, Arkansas can benefit from funding from the state of Arkansas; it can be readily available on a project-by-project basis to support job-creation deals on the east side of State Line. Texarkana, Texas initially missed an

opportunity to leverage 4A/4B legislation for job-creating deals, but may still have the opportunity to do so. Creation of a competitive jobs incentive fund will likely fall to local and county government, which may require several years and/or enabling legislation. The region needs jobs and workers *now*, so cannot afford to wait to begin selling and generating deal flow. Therefore, a private, CEO-led body as described above must be the first step. That body may then lend its ideas and support to help achieve regional competitiveness on the incentive front.

- b) Other sources of funding, at federal and state levels and from foundations, may also be leveraged for specific projects with regional impact, and this region has access points through skilled professionals at the Council of Governments, Workforce Solutions and the TexAmericas Center, as well as through both state economic development offices.

## RECOMMENDATIONS

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**Recommendation #1:** Establish your new regional entity as the Greater Texarkana Corporation (GTC), a d.b.a. under the auspices of the Texarkana Chamber of Commerce. The GTC must have a separate budget and board of directors comprised of 25 to 30 C-suite executives from private companies in the region. The budget should be set at \$700,000 annually, of which \$200,000 will be placed in a dedicated fund to seed transformational projects for the region. The GTC will have a CEO who is also an Executive Vice President of the Chamber. In this way, you continue to strengthen the Chamber of Commerce, build regional unity, and not bifurcate your corporate leadership. Public participation may be included as *ex-officio*, with either a fee-based or per-capita based investment to be determined for municipal and county governments.

- a) Take advantage of the Texarkana Chamber's existing capacity, history and positioning as a regional organization for which job creation is a traditional activity and a natural fit.
- b) Bring to the table C-suite executives from within the region who will invest and help drive transformative change and promote the paradigm shift toward regional collaboration, fairness and selling the region aggressively to primary employers, site selectors and influencers.
- c) Craft your compelling vision and message, your BHAGS (big, hairy, audacious goals), strategy, and budget for the first 3-5 years, allowing sufficient flexibility to accommodate your new Executive Vice President and give her/him the latitude to put her/his stamp on it.
- d) Begin the search for your new sales professional within 60 days, with a target start date in the first quarter of 2018.

- e) Launch your new effort at the bi-state level first, and with a solid foundation as outlined above, so that it can demonstrate impact in just a few years. With time, its positive impact will begin to draw new voluntary partners in the wider Texarkana region. This wisdom of this approach has been proven in the experience of other regional organizations before you.

**Recommendation #2:** Hold as your vision for the region to create 10,000 primary jobs in 10 years and to put the Texarkana MSA back in the top half of MSAs nationally on the Policom index of economic strength (a move from today's rank of #326 to #191 or above, which is the halfway mark and nearer #152, where Texarkana ranked in 2012).

- a) Once your new Executive VP is on board, work with her/him to establish a more comprehensive dashboard for performance, as that person will need to weigh in on key operational strategies and performance metrics.
- b) Acquire an economic impact model to demonstrate the Gross Metro Product (GMP or wealth) lost in recent years, and to project GMP increases from the first five years after the new E.D. effort is up and running.
- c) Convene your new Board to prioritize its list of BHAGS, the big, hairy, audacious goals that they will work to turn into opportunities and assets for the bi-state region, simultaneous with the marketing and promotional effort. Based on our own assessment and what we heard in our interviews during this project, we would recommend the following priorities:
  - i. Texarkana Regional Airport facility upgrades, expansion and development of adjacent land for primary employment
  - ii. Begin closing the incentive gap – fairly and equitably – between this region and your competitors
  - iii. Addressing Texarkana's worker shortage through education and talent retention/recruitment
  - iv. Building on regional surface transportation and logistics assets
  - v. Improvement of downtown Texarkana and major corridors leading to it

**Recommendation #3:** Embrace regional unity and fight parochialism on all fronts and at all levels, from the Board of the new Greater Texarkana Corporation to staff and all affiliate partners. In addition to the GTC, bring together your municipal, county and regional economic and workforce development professionals as a working team to strengthen collaborative regional working relationships and collaborate with leadership.

- a) Create a role for this network of professionals to have input to the marketing and selling strategies and expenditures for the new entity, and to enlist them as critical members of the sales team.



- b) Invite them to develop a code of ethics, selling and prospect-handling protocols that will guide interactions with site selectors, prospects and existing employers. Other regions have successful models that have helped build trust and collaboration across jurisdictional boundaries, thus enhancing their region's image.
- c) Once this professional network is functioning, it will be a source of creative problem-solving that can amplify the region's lead-generation success and result in a higher rate of consideration and deal closure for job retention and recruitment.

## CONCLUSION

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A wise person once said, *"There is the risk you can't afford to take, and there is the risk you can't afford NOT to take."*

Tradition runs deep in Texarkana and the mid-south. That is part of this region's strength and its charm. Stepping out, breaking with tradition, takes courage. It is the existence or lack of courage that will ultimately define the bi-state Texarkana region's future. Ask yourself: "Do we have the courage to carve out a new path to opportunity for the next generation, and the next, even while holding our traditions dear?" *From what we have heard from you all, you have it in abundance.*

Standing side by side, supporting one another with State Line Avenue as the glue that binds the Arkansan and the Texan, will make you invincible. It will not be perfect in Year 1 or even in Year 3. It will take time to form the habit of true regional collaboration. Texarkana is already significantly behind the curve, but *it is within your collective power as business and civic leaders to change that.* Now it is time to act. Now is the time for Texarkana and the bi-state region to work together and get your economy humming – for your children, your grandchildren, and future generations.

We at The McCarthy/Blansett Group stand with you.

## **APPENDIX A: SAMPLE OF LEADERSHIP COMMENTS**

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"Hello... we have an airport! We have 2- and 4-year colleges, we have incredible medical facilities, water and land! Who is marketing us? No one!"

"History is good as long as you stop reliving it!"

"I like the aggressive vision."

"You know this is nothing new for us, but this time we have to do it."

"I grew up here, and my family has been here for four generations. We have never fully been able to fix that darn State Line, it divides us."

"For this to work the CEO leaders need to get themselves involved."

"We have several good people who love and live in our region, and those are the people who you need to get out in front of this."

"So what if we have two states, and two cities? No one is selling our location, period."

"It's time this gets done now, it's simple to me. This is all about my kids and my grandkids."

"It's time to put aside our divisions and see the strength we have when we come together."

"I know we have made some bad decisions with our Chamber over the past 10-15 years, but we have new leadership now and a renewed commitment to driving a jobs agenda for our region."

"Whether we get a deal-makers fund or not, it's certainly a worthy idea if it helps us compete."

"We have to hit the ground running and start selling and marketing this region. We have to start here, and let the private sector lead."

"It's all about jobs and adding wealth to our region."

"I like the Policom metric, it's a strong wake-up call. No one has been leading here in our region."

"We have greater alignment today in government than we have had for years. They're talking to one another again, and that's good for everyone. Now private-sector leadership needs to do the same."

"We have a lot of good things going on in Texarkana, and this region has pulled together when we had to. These economic numbers tell me it's time we pull together once again."

"We are missing a marketing arm and have lost our voice. No one is selling Texarkana!"

"I could double my business with the right workforce, we are losing and it's the 4<sup>th</sup> quarter."

"Your phrase of the 'coalition of the willing' is perfect for our region!"

"We do not need a new organization to head this. I would support Mike Malone and the Chamber taking ownership of this jobs effort and hosting the new coalition. And if they can't pull it together, then we get Scott Norton and TAC to do it."

"We have several younger leaders who are emerging in Texarkana, get them involved too. This is going to be their challenge soon enough."

"I too like the vision and the goals, but what's the plan of attack? How will the board be structured? What's the budget? And who's going to lead it? Answer these questions first."

"I'm in completely, count me in as one of your leaders, but others had better be willing to stand up with me."

“Texarkana has so much untapped potential. We are not selling ourselves and our assets!”

“We need a clear, definite plan! We have the willing. The Chamber is the best organization to support us going forward. Now we need a leader!”

“We need to do something NOW! We need qualified workers NOW!”

“Texarkana is a jewel that needs to get glossy again.”

“Breaking down county lines is doable – we can start there, and then attack State Line.”

“Some of these prior studies were too big, so nothing was accomplished.”

“We need to sell the I-30 corridor from Arkadelphia all the way to Dallas.”

“We need to keep and attract young people. More young people raising families means more money for our schools.”

“We need to stop talking about what we should do, and start doing something about it. Now.”

“When you are hungry, you hustle. Well, we need to start hustling!”

“We are not telling our story!”

“Need to stop the bleeding, as we started it!”

“Time to develop a strategy, make the plan, fund it, and GO!”

“Everyone needs to come together and put skin into the game to make this happen.”

“I don’t understand the Policom numbers, but I understand if we don’t do something soon, we will have nothing to save.”

“I think we get back in the top Half first, and THEN shoot for the top Third!” (in reference to the Policom scale)

“There are some old-line families from Texarkana who don’t even live here any more, but they would want to know about a plan like this. I think they would want to help.”

“The Chamber represents both sides of State Line well, they would be the most palatable choice to run with this.”

“We tend to think small and short-term. We have to think BIGGER. We may fail before we ‘hit,’ and that’s OK. Baby steps.”

“Our elected officials will need political cover from the private sector, but they’ll want to do it.”

“We are fighting to SURVIVE when we should be fighting to THRIVE!”

“I can find the money for this, I *will* find the money for this.”

“We have to turn our negatives into positives. Having two states in our region is a PLUS! Let’s not make State Line go away, let’s use it as the GLUE that unites us!”

## APPENDIX B: LIST OF INTERVIEW SUBJECTS

<i>Last Name</i>	<i>First Name</i>	<i>Business/Organization</i>		<i>Last Name</i>	<i>First Name</i>	<i>Business/Organization</i>
Barry	Dean	Barry Insurance		Karam	Chris	Christus St. Michael
Basinger	Eric	AEP Swepco		Kelly	Mike	Texarkana Legacy Group
Bell	Ruth	City of Texarkana, AR		Ledwell	Leslie	Ledwell & Son Enterprises
Berry	Bryan	University of Arkansas CCH-T		Lewis	Jeffery	Atchley, Russell, Waldrop & Hlavinka LLP
Bowers	Doug	City of Nash, TX		Lindsey	Jeff	Lone Star Rail Car & Storage Co.
Brewer	Jerry	NAI American Realty		Malone	Mike	Texarkana USA Chamber of Commerce
Brian	Jackie	Expal USA		Martin	Joey	Express Employment Professionals & Chair, Texarkana Chamber ED Committee
Brown	Chris	Ark-Tex Council of Governments		Mayo	Steve	Mayo Manufacturing
Bruggeman	Bob	City of Texarkana, TX		Mears	Shane	Cherokee Red Wing Nation, LLC
Bunch	Robert	BWI Cos. Inc. & City of Nash, TX		Morriss	Don	Offenhauser & Co.
Coleman	Michael	Coleman Chevrolet		Nelsen	Bob	Cooper Tire (Retired)
Cranford	Mike	Little River County, AR		Norton	Scott	TexAmericas Center
Cutrer	Emily	Texas A&M University		Phillips	JD	Texarkana Water Utilities
Dycus	Renee	SW AR Planning & Development Dist.		Russell	James Henry	Texarkana College
Fazio-Hale	Liz	Riverbend Water Resource District		Schneekloth	Curt	Cooper Tire
Green	Curt	Curt Green & Co. LLC		Sparks	Jerry	City of Texarkana, TX
Hall	Roger	Collom & Carney		Thomason	Chris	University of Arkansas CCH-T
Harland	Jennifer	AEP Swepco		Thompson	Lisa	City of Texarkana, TX
Harrison	Bob	City of Texarkana, AR PD		Trammel	Ryan	Windstream
Haskins	Kenny	City of Texarkana, AR		Washington	Denis	Regions Bank
Henderson	Tammy	Domtar		Whitt	Ruth Ellen	Leadership Texarkana
Hubbard	Sonja	EZ Mart		Wilbanks	Becky	Cass County, AR
Irwin	Robert	Guaranty Bank & Trust		Williamson	Vickie	Ark-Tex Council of Governments