

DECEMBER 2018



# PITTSBURG COUNTY, OK

## ECONOMIC DEVELOPMENT STRATEGY

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## ABOUT US:

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**TIP STRATEGIES, INC.** is a privately held Austin and Seattle based economic development consulting firm committed to providing quality solutions for public and private sector clients. Established in 1995, the firm's primary focus is economic development strategic planning.

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# INTRODUCTION

The Choctaw Nation of Oklahoma (CNO) recognizes the interdependency of the Tribe and the regional economy of the 10 and a half counties that fall within the tribal boundaries. The regional economy directly affects the Tribe and tribal members and the economic impact of CNO extends across the region. The ties between the two are inextricable.

Investments in business, economic, and community development within the boundaries of the Choctaw Nation benefit the regional economy, CNO, and the State of Oklahoma as a whole. It is for this reason that Choctaw Business and Economic Development exists: to grow and diversify Tribal revenues and to accelerate investment into the region.

However, the Choctaw Nation recognizes that it, alone, cannot develop a vibrant, sustainable regional economy. Strong partnerships with communities across the region and the active participation of a broad base of community leaders is vital to achieving this ambitious vision. The combined efforts of the Tribe and the communities, together, can help address the region's biggest challenges - housing, workforce, infrastructure, business retention/recruitment/expansion – and position the region for an optimistic future.

With this in mind, the Choctaw Nation of Oklahoma contracted with TIP Strategies to assist in creating an economic development strategy both for the Choctaw Nation overall and for the counties that are within the Nation's boundaries.

The strategic plan aims to achieve these goals:

1. Enhance economic opportunities for tribal members and local residents;
2. Contribute to healthy and sustainable communities; and
3. Provide diversified revenue streams to support tribal activities and resilient local economies.

**FIGURE 1. COMPARISON OF 11-COUNTY AREA AND CHOCTAW NATION**


 Counties included in 11-County Study Area  

 Choctaw Nation of Oklahoma



## DEFINING ECONOMIC DEVELOPMENT

Establishing a common definition for economic development is an important step in fostering greater regional coordination and collaboration around economic development efforts.

According to the US Economic Development Administration:

**Economic development** creates the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms, and communities to maximize the use of their talents and skills to support innovation, lower transaction costs, and responsibly produce and trade valuable goods and services.

This is a broad definition that acknowledges the myriad of activities that contribute to a healthy regional economy.

As part of this project, TIP conducted an economic assessment for Pittsburg County. In addition, the project team toured key assets in the County and held a listening session with community members. Findings from this research and input informed the development of the strategic plan to guide the economic development activities of Pittsburg County.

## SWOT

An analysis of strengths, weaknesses, opportunities, and threats, commonly referred to as a SWOT analysis, summarizes the findings from input from community members and stakeholders in the county, county-specific data, as well as TIP's research and observations.

The results of the analysis are presented below:



### STRENGTHS

- Water (recreation and industrial) & Lake Eufala
- Oil/gas
- Recreational amenities
- Proximity to major cities (Oklahoma City, Tulsa, and Durant)
- Access to highways and railroads (mainline UP & shortline)
- McAlester has excess water capacity and low electric and natural gas rates
- Growth in local business culture (Prairie Brewing Co.)
- Kiamichi Technology Center
- Land (farming and recreational uses) & timber
- MCAAP
- KTC Seminar Center (meetings, trainings, etc.)



### WEAKNESSES

- No shovel ready sites in McAlester
- Reliance on oil & gas industry leads
- SBA loans hard to access
- Poor broadband access; many households have no internet access outside of McAlester
- Lack of housing (own and rent)
- Lack of highly skilled workers (retention and recruitment)



### OPPORTUNITIES

- Partner with McAlester Defense Support Association to expand defense-related missions and industries in Pittsburg County, particularly at MCAAP and Choctaw Defense
- Transition McAlester economic development program away from attraction and more towards expansion of local businesses
- Explore the feasibility of a specialty foods incubator, building off of the success of Lovera's and Prairie Brewing
- Expand tourism around baseball hall of fame statue & Russian orthodox church
- Continue the streetscape improvements in downtown McAlester and efforts to revitalize downtown overall



## THREATS

- Population decline & workforce issues
- Housing shortage
- Aging infrastructure
- Access to resources in rural areas
- Reliance on sales tax for local budgets & surge in online retail sales
- Cuts to educational funding
- Reliance on volatile industries (oil & gas, mining, etc.)
- Retention of young, highly educated population to cities/major job centers

# STRATEGIC ACTION PLAN

The Strategic Action Plan is meant to guide economic development activities in Pittsburg County over the next three to five years. The strategic recommendations in this plan are shaped by the framework and factors laid out in the definition of economic development and informed by the SWOT analysis of the County.

The Strategic Action Plan is organized around three goals:

- 1. BUSINESS FORMATION, RETENTION, AND EXPANSION.** Assist and enable the businesses that are here and continue to grow new businesses.
- 2. BUSINESS ATTRACTION.** Attract new business investment and jobs.
- 3. COMMUNITY CAPACITY AND ASSETS.** Strengthen the County's capacity for economic development.

For each goal, we provide a set of strategies and actions. To act on this plan, a group of community leaders must come together with the intention of strengthening the County's economy, enhancing community assets in the County, and building strong partnerships with communities across the region and with the Choctaw Nation, itself. A team of five or more dedicated individuals should participate in TEAM PITTSBURG with the goal of growing meaningful participation over time. TEAM PITTSBURG will become active partners with Choctaw Business and Economic Development to ensure businesses located in the 11-County area have the resources they need to be successful and grow, both now and in the future. This team of visionary leaders will also mobilize Pittsburg County to work towards a better future by coming together around a common set of priorities and taking action.

This structure provides a mechanism for tapping into existing civic leadership and building up emerging civic leaders in an effort to affect positive economic development outcomes, whether or not the County or its communities have funding or staff for economic development. The team of leaders can launch task forces to implement different pieces of this strategic plan. By using a task force model, the group of community leaders can organize around specific topics and projects and work together. Each task force should be chaired by one or two "champions" who feel passionate about the subject matter and who will motivate others to dedicate their time towards the work of the task force.

TEAM PITTSBURG can join up with other teams across the 11-County area to support each other, share best practices, and learn from one another. Such a peer network can be a valuable resource in strengthening civic leadership and economic development capacity across the counties that form the Choctaw Nation.

## GOAL 1. BUSINESS FORMATION, RETENTION & EXPANSION

*Assist and enable the businesses that are here and continue to grow new businesses.*

The 11-County area is fortunate to have a strong base of existing employers. This network of companies includes major manufacturers across an enviable variety of industries, such as food processing, wood products, aerospace and metals/metal fabrication. Together with the portfolio of home-grown companies and international corporations, these employers are the backbone of the economy and must be at the center of business development efforts.

Unfortunately, local businesses are often overlooked in a community's enthusiasm to attract new, headline-generating companies. Despite the emphasis placed on recruitment initiatives, business retention and expansion (BRE) programs are often a more effective use of resources. Like any product or service, the cost of retaining a customer is far lower than acquiring new ones. With this idea in mind, the objective of a BRE program is clear:

dedicate time and energy to ensure that your current “customers” are satisfied. The focus of these programs is on forging relationships and building trust with existing employers, while identifying and responding to their needs.

In addition to helping retain existing business and ensure they expand locally, a solid BRE program can also pay off in new business development since existing companies can be your best ambassadors. Corporate location decisions are often heavily influenced by industry peers.

**1.1.** Forge strong relationships with the businesses in your community.

- 1.1.1.** Conduct visits with individual companies to identify and respond to their needs.
- 1.1.2.** Convene your community’s business leaders to provide a forum to identify common needs and explore possible solutions.
- 1.1.3.** Meet with other counties and community partners quarterly to discuss findings from business visits and collaborate on solutions to assist businesses.
- 1.1.4.** Leverage your relationships with existing businesses to generate leads for business recruitment.
- 1.1.5.** Partner with McAlester Defense Support Association to pursue additional defense-related missions and contracts with McAlester Army Ammunition Plant (MCAAP) and Choctaw Defense.

**1.2.** Support and strengthen small businesses through partnerships with regional resource providers.

- 1.2.1.** Explore the feasibility of a specialty foods incubator, virtual or physical, in partnership with local specialty foods producers including Lovera’s and Prairie Brewing.
- 1.2.2.** Assemble a network of small business resource providers including the Small Business Development Center, the LiftFund, REI Oklahoma, Choctaw Small Business Development, Kiamichi Technology Center, and Eastern Oklahoma State University.
- 1.2.3.** Ensure a team of community leaders, including local bankers and chamber of commerce members, are aware of these resources and can refer small business owners that need help to the appropriate resources.

**BUSINESS VISITATION GUIDE**

A business visitation guide establishes standard operating procedures for all community partners to use when conducting business visits. The guide should contain the following elements:

- Sample text for emails or phone calls to set up business visits
- Checklist for preparing for visit
  - Tips for research the business and identify relevant industry trends
  - Reviewing information from last visit or interaction
- Topics for the interview
  - Must-asks
    - Headcount
    - Hiring/expansion plans
    - Needs or barriers to successful operations
    - Headquarters – any new initiatives or growth plans that might affect the region?
  - Other topics to explore
    - Suppliers – who are they & where are they located
    - Customers – who are they & where are they located
    - Industry trends and their implications on the business
- Resources to respond to business needs
  - Referral directory
  - Regular regional BRE roundtable
- Procedure for documenting and sharing visitation information

- 1.2.4.** Establish a peer network of small business owners (through the chamber of commerce) so that the small business owners can support one another. Organize speakers, workshops, and “learning luncheons” to provide learning opportunities for your local small business network.
- 1.2.5.** Identify small business owners who are nearing retirement and work with them to ensure they have a succession plan in place.

**1.3.** Develop the local value chain to retain more local dollars in Pittsburg County.

- 1.3.1.** Use a model such as WealthWorks to identify ways to connect businesses or individuals to meet specific demand for goods or services in the region.
- 1.3.2.** Work with local anchor institutions, such as local government, hospitals, and school districts, to identify the goods and services currently purchased outside of the County that could be provided locally.
- 1.3.3.** Work with natural resource-based sectors in the County to map vendors and customers and identify opportunities for value-added processing or local purchasing that could be provided in the County.
- 1.3.4.** Identify local businesses or individuals that have the expertise or ability to provide the goods or services that are currently being purchased, produced, or processed outside of the region.
- 1.3.5.** Hold local matchmaking events that bring anchor institutions and local businesses together to network and discuss potential contracting opportunities. This could be done at a regional level in partnership with surrounding counties and Choctaw Business and Economic Development.

#### **WEALTHWORKS.ORG**

WealthWorks is a coalition of partners led by the Aspen Institute that is working to connect community assets with market-driven opportunities. In addition to financial resources, the WealthWorks model takes note of seven other types of capital, including natural resources, cultural knowledge, and built infrastructure. Using this more expansive view, the approach aims to create “wealth that sticks” by building networks of partners and interests that can help businesses and individuals position themselves to meet a specific demand for goods or services. The resulting “value chains” help to improve the livelihoods of local residents while building up the local economy.

To learn more, visit:  
[wealthworks.org](http://wealthworks.org).

## GOAL 2. BUSINESS ATTRACTION

*Attract new business investment and jobs to your community.*

Recruiting new businesses to Pittsburg County can provide an important source of capital investment and job creation. However, attracting new businesses to a community is increasingly competitive in today's economic development landscape. Given the limited economic development resources and incentives in Pittsburg County, this is no easy task. Indeed, the County should partner with the Choctaw Business and Economic Development, Oklahoma Southeast, and the State of Oklahoma Department of Commerce to enhance local business attraction efforts. This includes developing a local inventory of industrial sites and supporting the creation of a regional site database that Pittsburg County leaders and the Choctaw Nation can use to market to specific investment prospects. Coordinating responses to leads and visits from prospects will also be vital to regional economic success.

Pittsburg County should have a team in place of at least two individuals that have taken basic economic development training. These team members, which can be a sub-group of TEAM PITTSBURG, will represent Pittsburg County in economic development events, submit responses to Requests for Proposals, and host site visits from prospects.

- 2.1.** Assemble a local inventory of shovel-ready sites suitable for industrial and commercial development.
  - 2.1.1.** Research, evaluate, and identify preferred industrial/commercial sites. Determine factors such as ownership, zoning, legal disposition, infrastructure, size, location, pricing, applicable traffic counts, area demographics, potential uses, utilities, and available technical reports.
  - 2.1.2.** Coordinate infrastructure investments with preferred site inventory where possible to enhance the competitiveness of these sites.
  - 2.1.3.** Provide the inventory to the Choctaw Nation to feed into a regional database.
  - 2.1.4.** Work with land owners to ensure the information in this database stays relevant and up to date.

### TARGET INDUSTRIES

Six industry clusters were identified as having strong prospects for growth in the region and serve as the foundation for marketing and lead generation activities across the region. These industries include:

- Food processing
- Logistics and distribution
- Natural resources value chain
- Tourism
- Aerospace and defense
- Materials processing and remanufacturing

For each individual county, appropriate targets are indicated below:

	Food Processing	Logistics & Distr.	Natural Resources	Tourism	Aerospace/Defense	Remanufacturing
Atoka	●	●	●		●	●
Bryan	●	●	●	●	●	●
Choctaw	●		●	●		
Coal	●		●			
Haskell	●	●	●			●
Hughes	●		●			
Latimer	●		●	●		
Le Flore	●	●	●	●		●
McCurtain	●	●	●	●		●
Pushmataha	●		●	●		●
Pittsburg	●	●	●	●	●	●

- 2.2.** Leverage the network of existing businesses to generate leads for business recruitment. (See Strategy 1.1.)
  - 2.2.1.** Invite key business leaders to serve on TEAM PITTSBURG.
  - 2.2.2.** Convene a business roundtable at least annually to bring local business leaders together to identify potential prospects and enlist them as ambassadors to help reach out to these prospects.
- 2.3.** Work with Choctaw Business and Economic Development to formalize a partnership and process for responding to leads and managing prospects.
  - 2.3.1.** Create a team of community leaders who are trained in responding to leads and managing prospect visits.
  - 2.3.2.** Formalize an agreement with the Choctaw Business and Economic Development and other communities in the region that establishes expectations and responsibilities for lead response and prospect management.
  - 2.3.3.** Utilize the procedures and documentation developed by Choctaw Business and Economic Development for crafting and submitting regional prospect proposals.
  - 2.3.4.** Participate in a quarterly lead-response roundtable with the Choctaw Nation and other economic development officials in the region to discuss and refine the process and to provide a leads update.

## GOAL 3. COMMUNITY ASSETS & INFRASTRUCTURE

*Strengthen your community's capacity for economic development.*

Building economic and community development leadership capacity is critical to ensuring long-term economic vitality. Relying on one or two individuals to address critical assets such as workforce, housing, infrastructure, and community amenities is not enough. Successful economic and community development must be supported by teams of volunteers who are committed to improving the communities they live in and making them more economically competitive. Having a team of leaders who wake up each day thinking about how to improve their community and to mobilize their fellow citizens to act will affect positive change.

**3.1.** Organize a group (five or more) of civic leaders, TEAM PITTSBURG, to be trained on how to work collaboratively to build and enhance the social infrastructure of their communities.

- 3.1.1.** Conduct outreach across the County to document assets and prioritize transformational projects to build upon those assets.
- 3.1.2.** Choose one or two priority projects to move forward and create task forces around each project. These task forces will be responsible for developing a plan to reach project completion, identifying and securing resources needed, and volunteering time to support the implementation of the plan.
- 3.1.3.** Raise awareness of these efforts, report progress, and celebrate successes. Use this platform to recruit more volunteers to help.

**3.2.** Continue to support McAlester Main Street and the revitalization of Downtown McAlester.

- 3.2.1.** Continue to pursue funding to support streetscape improvements along Choctaw Avenue.

### ASSET-BASED COMMUNITY DEVELOPMENT

Asset-based community development (ABCD) is place-based framework that views prioritizing and building on local assets as the most effective means to create a strong, sustainable economy.

Although specific approaches vary, most ABCD initiatives follow a similar process: map the assets that are unique to Pittsburg County and mobilize them to address local issues.

The definition of "asset" also varies across programs, but can be thought of as falling under the following categories:

- Individuals – local residents, community leaders
- Associations – nonprofits, community organizations
- Institutions – private businesses, public sector agencies

Unlike "needs-based" frameworks, which focus on directing resources to identified problems, such as homelessness, crime, unemployment, the ABCD model emphasizes relationship-building as the primary means to affect change.



Source: Diagram modeled after Community Innovation Network at Case Western Reserve University  
<http://msass.case.edu/wp-content/uploads/2016/12/Asset-Based-01-300x300.png>

- 3.2.2.** Attract new retailers and food services establishments downtown.
- 3.2.3.** Promote the development of housing units downtown.
- 3.2.4.** Leverage Downtown McAlester's location in an Opportunity Zone to attract new capital to support downtown revitalization and downtown business growth.
- 3.3.** Partner with employers to link up with school districts, the Kiamichi Technology Center, and Eastern Oklahoma State to establish stronger connections between employers and the local pool of talent.
  - 3.3.1.** Hold a county-wide career expo that provides students, recent graduates, and other residents with opportunities to explore different careers available in the region.
  - 3.3.2.** Organize tours of places of work to provide students with visibility into the workplace and the variety of different jobs available.
  - 3.3.3.** Encourage employers to offer internships to local students to provide them with meaningful work experience and income earning opportunities.
  - 3.3.4.** Promote the development of apprenticeship programs in partnership with employers who could benefit from such programs.
- 3.4.** Actively encourage the development of new housing and remodeling of infill housing.
  - 3.4.1.** Work with municipalities and Pittsburg County to strengthen the portfolio of housing policies and programs to encourage and incentivize housing development.
  - 3.4.2.** Use the Pittsburg County Housing Study (conducted in 2016) to encourage a local developer or home builder to invest in residential development or attract one from outside the region.
- 3.5.** Enhance the infrastructure of the County.
  - 3.5.1.** Inventory and prioritize infrastructure needs to create a long-term capital improvement plan.
  - 3.5.2.** Work with Choctaw Business and Economic Development to identify funding resources through state and federal programs to support priority infrastructure projects.
  - 3.5.3.** Implement the capital improvement plan as funding becomes available.

## PROGRAMS TO ENCOURAGE INFILL HOUSING DEVELOPMENT

Maintaining, improving, and expanding the existing housing stock in rural towns is an important component of place-making and vibrant communities. It enhances the physical core, retains the historic character, and strengthens the connectivity of the communities.

A variety of policies and programs have been utilized across the US. Below is a list of policies and programs that could be useful in communities in the Choctaw Nation.

- **POLICY REVIEW.** Review and revise municipal policies and land use code to ensure that they encourage rather than inhibit infill development.
- **LOTS & DESIGNS.** Offer infill lots at little to no cost and make design plans of houses that could be built on the lots available at no cost.
- **TRAINING & LABOR.** Partner with school districts, KTC, and Southern Workforce Board to establish a construction training program that provides hands-on training while making construction labor more readily available in the region.
- **EXTREME MAKEOVER.** Encourage redevelopment of existing structures by making foreclosed or vacant homes available at little or no cost, providing low-cost labor (see training program above) to renovate them, and assisting homeowners in accessing low cost loans and/or grants for repair and restoration.