

STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



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LEE COUNTY, NORTH CAROLINA

An Example of Workforce Training for Manufacturing



Lee County is located in central North Carolina at the Southern tip of the famed North Carolina Research Triangle Region. Anchored by its manufacturing sector, the latest economic downturn affected the county economy. The manufacturing sector is responsible for 31 percent of local employment in the county, almost three times higher than the state average and three and a half times higher than the national average. In 2010, the

county government of Lee County collaborated with the Central Carolina Community College (CCCC) to develop the Innovation Center, a dual-purpose industrial incubator and workforce training facility. This collaboration resulted in a \$28.3 million Caterpillar expansion project, and gave rise to an award winning apprenticeship program through which the CCCC and Caterpillar recruit and train high school juniors. Following the success of the Caterpillar apprenticeship program, the CCCC developed the Central Carolina Works program, which aims to inspire local high school students to pursue career development training.

Faced with a deficit of educated and trained labor, Lee County prioritizes workforce development to improve their competitive advantage in attracting new businesses and diversifying their industries. Lee County's efforts to promote economic development date back to 1979, when the county established an Economic Development Corporation (EDC). Through a public-private task force, the EDC developed a public-private partnership with the Sanford Area Chamber of Commerce in 2010, establishing a unified mission focused on industry recruitment and business retention and expansion. The reorganized EDC is expected to derive 50 percent of its funding from the private sector, significantly reducing the county's financial burden. In FY 2014, the county's total budget was \$63.8 million with about \$400 thousands going towards economic development.

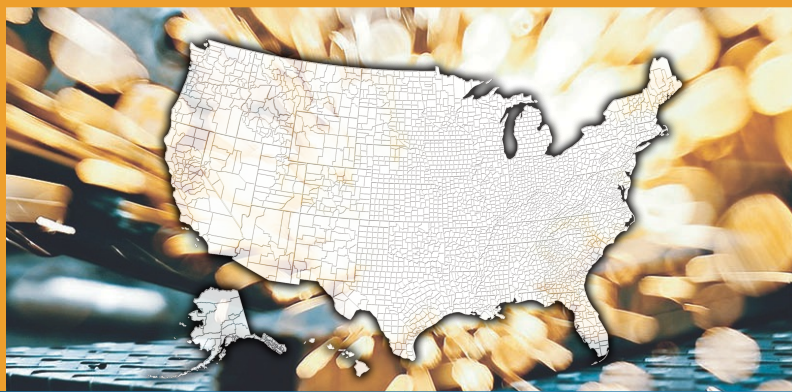
- Population, 2013: 60,266
- County Board size: 7
- County Manager

The Innovation Center of Lee County

The Innovation Center of Lee County began offering businesses and local start-ups an opportunity to launch their ideas in Spring 2011. The EDC in partnership with CCCC began leasing space to businesses in the Innovation Center housing a cutting edge industrial training facility and a manufacturing incubator located at the Lee

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County Industrial Park. The county purchased an existing site and committed to funding the utility costs and maintaining the facility for the Innovation Center. While the community college outfitted the facility with the equipment necessary to provide a simulated work environment, a welding lab and an instrumentation lab, using state funding and contributions from private companies, including Caterpillar. The community college operates the facility, offering immediate short cycle training designed to meet the specific needs of local companies.

While the initial impetus for the Innovation Center was a shortage of trained welders, the collaboration resulted in a \$28.3 million Caterpillar expansion project. Caterpillar has had a manufacturing facility in Lee County since the mid-nineties. In 2010, when Caterpillar began assessing sites for a \$28.3 million expansion project that would create 325 new jobs, their primary concern was availability of a trained labor force. Already having recognized this shortage in Lee County, the county secured the Caterpillar expansion project through the promise of training opportunities at the Innovation Center. The first Caterpillar training started in February 2012. While Caterpillar continues to be the primary client of the

Innovation Center, other manufacturers have taken advantage of the services provided over the past two years, holding multiple one-day training events. As of May 2014, the Innovation Center has served 23 organizations and provided 2,719 hours of customized industry training to 950 individual trainees, with many trainees attending multiple sessions.

Caterpillar Apprenticeship Program

The successful collaboration between Lee County, CCCC and Caterpillar gave rise to an award winning apprenticeship program through which CCCC and Caterpillar recruit and train high school students. Shortly after the idea for the Innovation Center was born, Caterpillar approached Lee County Public Schools with a proposal to create an apprenticeship program that would provide a guaranteed career pathway to 15 high school juniors each

year and simultaneously provide a pipeline for a trained workforce that meets Caterpillar's specific needs. The students selected for this program receive dual-enrollment credits and workplace training – graduating with a high school diploma, college credits and a welding certification. Additionally, Caterpillar guarantees the students an interview for full-



High School students participate in the Caterpillar Apprenticeship Program

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time employment after they graduate and successfully complete the program. Interest in the Caterpillar apprenticeship program, currently accepting applications for its third cohort, has exceeded the program's capacity every year since its creation in 2011. By the end of the 2013-2014 school year, the first cohort of Caterpillars apprenticeship program will have graduated with a high school diploma, college credits, a welding certification and received job offers at Caterpillar.

Central Carolina Works project

The success of the apprenticeship program inspired the Central Carolina Works program, which aims to inspire local high school students to pursue vocational training to build a solid foundation for the county's future workforce. Led by Central Carolina Community College, the program places a guidance counselor at nine local high schools to advise and mentor qualified students as they seek college-level, credit-bearing coursework in career development fields with high local demand such as advanced manufacturing and medical arts. The program, still in its infancy, will be launched during the 2014-2015 school year. The community college has received \$750,000 in public and private donations to fund the program.

Recognizing the need for workforce development early on, Lee County's collaboration with CCCC through the EDC allowed them to retain and expand existing business and train their workforce in order to attract future businesses and industries. Training the current workforce with the Innovation Center and building a pipeline for a future workforce with the Caterpillar apprenticeship program and the Central Carolina Works project, the county stands to gain a strategic advantage, both in the long run and short term.



Students gain hands-on experience through the CAT Welding Training.