

# NWGRC

NORTHWEST GEORGIA REGIONAL COMMISSION

*A Region With A Bright Future*

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April 14, 2014

Mr. Ryan Hedgepeth  
Selecting Official: Proposals for designation as a Manufacturing Community  
Docket No. 131121981-3981  
Economic Development Administration  
U.S. Department of Commerce  
1401 Constitution Ave. NW Suite 71030  
Washington, DC 20230

Dear Mr. Hedgepeth,

The Northwest Georgia Regional Commission is pleased to submit this *Investing in Manufacturing Communities Partnership (IMCP), Manufacturing Communities* proposal on behalf of the Northwest Georgia Regional Manufacturing Project Team. The project team includes the fifteen counties of Northwest Georgia represented by the Northwest Georgia Regional Commission, the Georgia Institute of Technology, Georgia Northwestern Technical College and the Technical College System of Georgia, local Chambers of Commerce and Development Authorities, advanced manufacturing firms and suppliers, industry associations, the Northwest Georgia Workforce Investment Board, and other regional and state partners and agencies.

The Northwest Georgia Regional Commission is authorized to submit this proposal for the *Investing in Manufacturing Communities Partnership (IMCP), Manufacturing Communities* proposal to designate the Northwest Georgia Regional Commission (NWGRC) region as a manufacturing community. The Northwest Georgia Regional Commission, which serves as the EDA Economic Development District Organization for Northwest Georgia, is an eligible organization under EDA IMCP guidelines.

Dalton, Georgia is known as the "Carpet Capital of the World" and ranks in the top third in the nation for floor-covering, with a strong regional ecosystem of suppliers, manufacturers, logistics and workforce. During the recession, the floor-covering industry invested heavily in advanced manufacturing to reduce costs, improve quality and increase competitiveness. This resurgent industry, focused on environmental sustainability, now demands a diverse and technically skilled workforce, product innovation, efficient supply chain management and development of logistics and trade resources.

With the assistance of federal and state partners through the Manufacturing Communities Designation, the Northwest Georgia Regional Manufacturing Project Team will undertake the formation of a formal Manufacturing Consortium to implement the strategy described in this proposal to meet the current and future needs of the resurgent floor-covering industry.

Thank you for your thoughtful consideration in awarding the *Manufacturing Communities* designation to the Northwest Georgia Regional Manufacturing Project Team. Please contact me at (706) 295-6485, or [lfrasier@nwgrc.org](mailto:lfrasier@nwgrc.org), if I may provide additional information.

Respectfully,



Lloyd Frasier

Executive Director

# Northwest Georgia Center for Sustainable Floor Covering Innovation and Advanced Workforce Readiness (S-FLOR)

## Proposal for Designation of the Northwest Georgia Region as an EDA Manufacturing Community

### 1.0 Executive Summary

The Northwest Georgia Regional Commission (NWGRC) and Georgia Tech were recipients of a 2013 Investing in Manufacturing Communities Partnership (IMCP) Phase 1 award to develop a strategic plan for the 15-county Northwest Georgia region and its major employer, the floor covering industry. During this award, our team embarked on an assessment of the industrial ecosystem in the region, gathering secondary data, conducting numerous personal interviews, and reviewing three best practices pertinent to sector specific industry clusters. From this assessment, the team uncovered two IMCP investment elements which “need improvement”: workforce and training, and research and innovation. Two other investment elements: supplier networks and operational improvement/capital access were rated as needing “some improvement”.

The insights gained during the Phase 1 award provided the team with ideas for developing specific, synergistic initiatives to address the areas for improvement. As a result, the team developed a concept for the **Northwest Georgia Center for Sustainable Floor Covering Innovation and Advanced Workforce Readiness (S-FLOR)**. The center will be a locus for the initiative, attracting resources from around the state to support this key cluster. To anchor the center, Georgia Northwestern Technical College (GNTC), will construct a \$10 million addition to its regional campus in Dalton, the industry’s nucleus.

Once formed, the center will begin implementation of four key programs to spur growth in investment and job creation for the floor covering industry. These programs each provide multiple impacts across the four weaker IMCP investment elements identified in the assessment.

- P1***: Environmental Sustainability and Lifecycle Management
- P2***: Fiber, Polymer and Materials Research
- P3***: Specialized Degree Programs and Workforce Training
- P4***: Commercialization Assistance and Technology Matching

Within the region, the following efforts will be undertaken. As the local technical college, GNTC will provide workforce training and professional education to fill the over 500 vacant jobs in the region (***P3***). The Georgia Manufacturers Extension Partnership (GaMEP) and the Georgia Tech Manufacturing Institute (GTMI) will offer operational improvement and supplier network support (***P1***). The satellite office for the Georgia Center of Innovation for Manufacturing (COI-M) will deliver support to the supply chain and local entrepreneurs to infuse innovation into the industry (***P4***). Partnerships with industry/trade associations, and the region’s four college and career academies and secondary education network will also be leveraged as part of the new center.

Outside the region, The Georgia Tech Institute for Materials (IMat) will conduct leading edge materials research in concert with industry to develop new and innovative products for the marketplace (***P2***). The Georgia Tech Enterprise Innovation Institute (EI<sup>2</sup>) will supply technology scouting and co-development partnerships for the industry to infuse needed open innovation (***P4***).

To coordinate these players and their contributions, S-FLOR will be directed by a board of directors comprised of members from the floor covering industry, NWGRC, GNTC, and Georgia Tech. As resources allow, the board will select a director and staff to coordinate and operate the center.

The team anticipates that the coordinated, quality implementation of the four S-FLOR programs will yield significant impacts over the IMCP 10-year time horizon. In total, the impacts calculated are **\$27 million in investment** (\$10 million investment in the GNTC facility, \$15 million in collaborative research contracts, \$2 million in intellectual property licenses), **2,623 new jobs** (263 from GNTC, 920 from programs such as Fast Track, and 1,440 from VET2) and will generate a net present value of **\$16 million from the project over 10 years** (\$76 million from the project over 20 years).

In conclusion, the EDA Manufacturing Community designation will cultivate the environment for highly skilled, well-paying jobs in the region's already solid manufacturing base. The benefits of the EDA Manufacturing Community designation in the Northwest Georgia region will allow the region to leverage future EDA funding to assist in the launch of a sustainable advanced manufacturing center, access cross-disciplinary resources with other EDA partner agencies, and use the designation to attract additional business investment in the region.