



EAST CENTRAL PLANNING AND DEVELOPMENT DISTRICT:  
PARTNERING TO SUPPORT  
ADVANCED MANUFACTURING IN  
EASTERN MISSISSIPPI

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## EAST CENTRAL PLANNING AND DEVELOPMENT DISTRICT: PARTNERING TO SUPPORT ADVANCED MANUFACTURING IN EASTERN MISSISSIPPI

### Introduction

When you picture the production facility for a cutting-edge startup that transforms aquaculture waste into sustainable consumer products, you probably don't think of a 90-year-old commercial bakery in the middle of a rural southern town. And yet that's exactly the type of location that Meridian, MS-based Schloop chose to set up the production space for its innovative shoe manufacturing business.

But like any bold bet, this effort did not come together flawlessly. Midway through the building's ongoing buildout, a collapsed roof suddenly burdened the project with tens to hundreds of thousands of dollars in possible damages, tying up the company's capital and threatening the viability of the project that would have brought dozens of good-paying jobs to this economically disadvantaged community.

Enter the East Central Planning and Development District (ECPDD). When the company reached out for help, ECPDD quickly moved to find and secure a critical state grant to replace the roof and keep the project on track. The money, and the speed at which it was delivered, allowed the roof to be replaced fast enough to prevent further damage or major disruptions to the company's schedule. ECPDD's story highlights the critical role Economic Development Districts (EDDs) can play in



responding to sudden, unexpected economic development challenges by providing grant writing and administrative expertise to local communities and businesses.

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## Background

Meridian, MS is perhaps not the most likely community to attract advanced fashion industry startups. Once a booming railroad hub and the largest city in the state, its population has fallen by 14% since 2010 to 34,000 residents after decades of economic struggles. The median household income in the city is just \$33,000, less than half the national average and one third less than Mississippi overall.

Meridian is the largest city in the region represented by the ECPDD, an EDD serving nine counties and 31 localities. The ECPDD region shares many of Meridian's challenges, including a shrinking population and low household incomes. Just 15% of residents hold a bachelor's degree or higher and 22% live below the poverty line.

However, the region has made significant progress towards building a diversified economy in recent years. Its four major industry clusters—manufacturing, healthcare, retail sales, and professional services—have all seen growth, particularly manufacturing. Regional planning and development cooperation has helped to build out infrastructure and market the region to industrial firms, and the region's strategic location and high-quality transportation assets have attracted growth. In the last year for which data was available, the region's per capita income rose faster than the nation overall. ECPDD has played a key role in this success through partnership formation, workforce initiatives, quality of life programs, and infrastructure development.

Those factors provided the motivation for the 2010 establishment of Algix, Inc. in Meridian. The innovative biotechnology company takes algae skimmed from the surface of the region's commercial catfish ponds and converts it into composite resin pellets called BLOOM. BLOOM pellets are sold to injection molders and foam factories for conversion into flexible foams, which are then incorporated into consumer products like shoes. Created from a waste product that can otherwise become toxic for the catfish in the ponds it grows on, BLOOM is sold as a more sustainable alternative to petroleum-based foams. Transportation access, proximity to its suppliers, and a ready workforce all made East Central Mississippi appealing to the company.

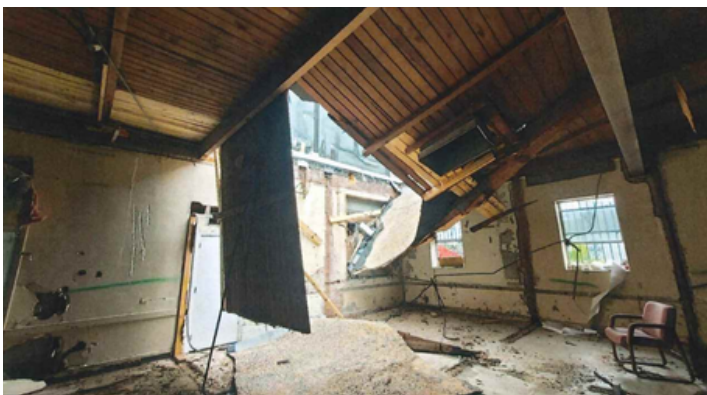
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## Building A Local Value Chain

Algix's decision to launch Schloop and open a shoe manufacturing factory near its existing facility has its roots in global economic changes accelerated by the COVID-19 pandemic. Supply chain disruptions and cost increases, a growing need for skilled labor to manage sophisticated production equipment, and shifts in consumer expectations have all driven a rise in the reshoring of consumer product manufacturing over the past half decade. Algix's owners, frustrated by those supply chain challenges and struggling to get their product to large shoe manufacturers at costs they could afford, saw an opportunity to build their own manufacturer. Building a smaller company, they reasoned, would allow them to be nimble and bring small orders to retailers more quickly than the industry giants could. Moreover, locating in Meridian would cut out much of the supply chain complexity that was driving up their costs and would put them closer to customers in the United States. Finally, it would allow them to exert high levels of control over product quality and customer service.

Schloop committed \$500,000 to the factory renovation and more than \$4 million to its full build-out, targeting a \$3 million annual payroll and an average salary of \$47,500. At full capacity, it will be able to produce more than a million pairs of shoes annually and employ at least fifty skilled employees.

"We were very excited to welcome the new facility and this innovative process to our region when they proposed to locate here," comments Kawana McCary, ECPDD's executive director. "The Meridian location is valuable too because it's contributing to a neighborhood hub that is developing there. And considering Meridian's existing workforce, supporting innovative manufacturing was a perfect fit for our region."



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## Regional Solution

Like any bold venture, Schloop's build-out in Meridian did not go off flawlessly. Early in the factory's buildout in 2022, a 2,000 square foot section of roof unexpectedly collapsed, causing extensive damage to the building's subroof and exposing the newly renovated interior to the elements. Project managers feared that the time it would take to find financing for repairs would cause cascading delays to the project and risk further interior damage.

In response, Schloop's advisors reached out to ECPDD. Decades of experience managing grant writing for its forty-member region has helped ECPDD maintain a reputation for its broad connections, economic development expertise, and commitment to the region's economic success. ECPDD staff leaned on that knowledge, working with state partners to find and secure a \$60,000 [Mississippi Development Authority ACE grant](#) to pay for the repairs. Staff were able to move extremely fast, getting a verbal confirmation of eligibility before the grant was even submitted and dispersing the funds in time in the first quarter of 2023 to avoid the worst damage outcomes to the facility. Construction of the factory is now nearly complete and the first run of Schloop shoes is expected to ship in summer 2024.

The small, yet critical support ECPDD provided to Schloop to keep their project on track highlights the core strengths of EDDs as trusted facilitators and solution-oriented economic development partners. ECPDD's deep local, state, and regional connections smoothed the grant delivery process, and its willingness to step into a project and provide assistance in a short period of time demonstrates the flexibility and commitment that has led to trust and respect with local communities and businesses throughout the East Central Mississippi region. Though capital repair assistance is not a regular part of the organization's service portfolio, it was able to act flexibly in recognition of the important economic impact that Schloop would have in its region.



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## KEY TAKEAWAYS

**1. Dynamic projects come with unexpected challenges**

It may be difficult to understand how a simple roof repair could derail something as complex and innovative as building an advanced manufacturing business turning algae into shoes. But firms of all types and sizes face many of the same logistical challenges when investing in their future growth. ECPDD's willingness to provide its development expertise to solve that unexpected problem demonstrates the value of building deep ecosystems of regional partnership; it is only through strong networks that the right partner can be found in such moments.

**2. Leverage local assets**

Algix and Schloop are companies at the forefront of shaping East Central Mississippi's economic future. Beyond the \$9 million in startup investment or the 50 well-paid jobs Schloop is hiring for now, the two companies demonstrate the potential of regional opportunity matching and value chain development. Without quick access to catfish farm inputs, Algix would not be in Meridian, and without Algix there would be no Schloop. Behind it all, ECPDD and its regional partners' investments in logistics infrastructure and flexible business support —demonstrated here by their response to the roof collapse—created an impetus for these companies to locate and reinvest in the region.

**3. Cultivate a reputation for partnership**

ECPDD's contribution to this story may seem relatively minor in scale, considering that they brought just \$60,000 to the \$9 million project. The key though was the timing: it was able to step in when speed was of the essence. Two factors – extensive knowledge and a well-regarded reputation amongst various partners – let ECPDD work as quickly and effectively as they were able to do. Commenting on their presence in the region, Executive Director Kawana McCary notes, "Anytime you have a problem like this and are in an industry that creates jobs and makes private investment, there's almost always some assistance that economic development partners can provide. The key is just knowing who to reach out to."



## KEY STATISTICS

### **Largest Employment Sectors:**

Health Services, Education, Livestock Processing, Hospitality, Government

### **Region Counties:** 9

**Population (2020):** 227,427

**Population change (2000 - 2020):** -6.6%

**Average Per-Capita Income:** \$44,000