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Toledo's rookie consortium lacked track record in failed \$100M tech-hub bid

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The Toledo consortium of glass and solar companies that missed out on a \$100 million federal tech hub designation is staying together and planning projects to establish a track record of results that was a key deficiency in the last application, local leaders say.

The Northwest Ohio Innovation Consortium was hurt in the competition by only having less than a year together and no tangible projects to point to when the U.S. Department of Commerce asked it to list prior accomplishments, said Roger Smith, the Toledo group's regional innovation officer who is on loan to the consortium from global bottle maker O-I Glass of Perrysburg.

The department's Economic Development Administration instead picked 31 other cities to designate as tech hubs, including a consortium from Akron focusing on plastics.

"We were brand new to the process, and there was no way of hiding that," Mr. Smith lamented.

And with it was a missed chance to participate in \$500 million in near-term grant funding and up to \$10 billion over several years.

The local consortium, in turn, expected to parlay its \$100 million share of the funding into 9,000 additional jobs over several years and \$4 billion in economic impact by developing lighter, stronger glass that would aid Toledo's big four glass makers and solar-panel powerhouse First Solar.

Tempe, Ariz.-based First Solar has four manufacturing plants in the Toledo area and its global research and development operations here.

Today, the local consortium plans to put the loss in the rearview mirror and take what it's learned in debriefings about the process to pursue new opportunities, including a competition for state tech hub funding that totals \$125 million.

"We're still working on it," said Libbey Glass Chief Operating Officer Jim Burmeister, a consortium member. "There's still the state hub application out there."

Technically, consortium members felt the group's federal innovation-hub grant application was sound and the expertise to carry out the proposal in place.

Individually, the glassmaking members – Libbey, O-I, Owens Corning, and Pilkington North America – do tens of millions of dollars annually in applied research to make better glass products.

But for the first time, they pledged to work together under the grant to develop lighter-weight glass using power sources other than natural gas to help the individual members as a whole reduce their carbon footprints and gain a leg up on competitors.

The local glass companies do not compete directly. O-I makes bottles; Owens Corning fiberglass; Libbey plates and tableware; and Pilkington sheet glass used for windows and in solar panels.

Where they fell down against competing cities, including Akron, is that the local group had never worked together before and that was a key differentiating factor that the department was looking for, Mr. Smith said.

They learned that last week when the department did a webinar for the more than 300 consortiums that competed for a tech hub.

The EDA in one slide, Mr. Smith said, emphasized that the department wanted to see examples of previous work by each competing consortium as well as the tangible deliverables from those efforts.

That was an obvious deficiency on the part of the Northwest Ohio Innovation Consortium because the group is new, despite the companies involved proving out dozens of innovations on their own over the decades to capture their respective national and global leadership positions.

The Toledo group additionally has asked for a meeting with EDA officials in Washington, D.C. to debrief further and get to know some of the decision-makers involved. The EDA declined to comment Friday about individual applications.

Undaunted, the Toledo group now is planning to fix its track-record deficiency by organizing two near-term projects that will demonstrate the group's capabilities, Mr. Smith said.

The first is with consortium partner Owens Community College to create a uniform job-training curriculum for manufacturing that can be replicated across locations and educational institutions, he said.

The second is to put in place a plan to jointly experiment with alternative fuels to make glass other than natural gas, he said.

This plan is a bit more nebulous at this point. But O-I already is doing research with biofuels to replace natural gas in glassmaking, while Pilkington is experimenting with hydrogen in the United Kingdom.

Joint project development was a strength of the Akron consortium going into the competition, said Brian Anderson, regional innovation officer of Akron's tech hub consortium and vice president of the Polymer Industry Cluster of the Greater Akron Chamber of Commerce.

The cluster has been advocating for Akron's large plastics and tire-making industry for years and actively working on consortium projects for almost three years, Mr. Anderson said.

He said that track record of collaboration was one of the keys to Akron being awarded a tech hub designation and in line for millions of dollars to advance polymer sustainability and reduced carbon emissions from their manufacture.

The Akron consortium envisions that \$200 million in R&D funding over the next decade would land Akron as the “undisputed global leader” in advanced polymer technology, Mr. Anderson said.

The consortium wants to spend \$25 million for a shared pilot manufacturing plant that would serve as a magnet for testing new technology in a way that is now too expensive for any one of the 36 rubber, plastic, and plastic product-making companies in the consortium.

Many are small and medium-sized injection molders looking for an edge in developing materials and processes that will give them a leg up against global competitors, he said.

“Our goal is to leverage our assets and capabilities,” he said.

An earlier project that the consortium was able to promote in its tech hub application was a workforce training module for grooming technicians and staff to work in the injection-molding part of the industry, Mr. Anderson said.

Akron’s educational partners in the consortium are the University of Akron, Kent State University and Case Western Reserve University, he said.

The Toledo consortium’s educational partners are the University of Toledo, Bowling Green State University and Owens Community College.

Akron also noted in its application that consortium partners had been collaborating on the pilot manufacturing plant concept for months, including it in an unsuccessful federal grant application in March, 2022.

Mr. Anderson said the first-time rejection of the idea smarted but provided a track record that demonstrated the consortium was serious about and had honed the idea.

“That kind of project is incredibly expensive to build,” he said.

Toledo Mayor Wade Kapszukiewicz said the local consortium has progressed a long way in a short time and can learn from Akron’s example of cohesion.

“If Akron was rewarded for investing time in a collaboration, we ought to follow that lead,” Mr. Kapszukiewicz said.

He said Toledo stands a good chance of being a recipient of a share of the \$125 million that the state of Ohio has put aside to fund tech hubs in the mid-sized communities, including Toledo, Dayton, Akron and Youngstown. That request for proposal is due out before the end of the year.

“I’m bullish on our chances,” he said, adding that Toledo has come a long way in a short time.

Mr. Smith of O-I said Akron’s polymer cluster has spent nearly 15 years promoting the region as a polymer center and R&D hub.

To get in that game, Toledo needs to find a similarly consistent voice promoting its assets - a skilled and willing workforce and manufacturing excellence – to get over the hump the next time, he said.

“Our group is industry-led and used to getting things done,” Mr. Smith said.

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