



Michigan City

An Agenda for Economic Prosperity

Table of Contents

- Introduction 3
 - Target Sectors 5
 - Key Drivers of Economic Change 6
 - Overarching goals 6
- Why Economic Inclusion 7
- Workforce Development/ Talent Attraction 8
- Placemaking 9
- Aggressively Tell The Story 10
- Economic Modernization 11
- Conclusion 13

Introduction

The objectives, strategies, and tactics outlined in this agenda aim to fundamentally strengthen the health of Michigan City's economy, ensure economic opportunities for all residents, and enhance the local quality of life. This ambitious agenda is not achievable through the work of any one organization or individual, but is rather the desired outcome rendered through a collaborative effort between the public, private and nonprofit sectors. Political leadership will have to use the bully pulpit to tell the story and policy to create an enabling environment. Meanwhile, private enterprise must demonstrate their commitment through continued investments and by providing nuanced economic perspective. Finally, the Michigan City Economic Development Corporation along with its other economic development partners must serve as trusted broker and convener to promote the market, facilitate investment and strengthen market capacity. These efforts will serve as the foundational blocks of establishing this agenda for economic prosperity.

Michigan City sits at a critical juncture which mirrors the reality of numerous other older rust belt cities. Now, it is faced with the tremendous challenge of charting a future path that builds on its legacy while establishing new foundations which represent transformational opportunities to attract investment, create new jobs, and enhance an already strong quality of life. By leveraging its core assets, harnessing its human capital, and making strategic decisions about how to move its economy forward, Michigan City can reposition itself in the global marketplace.

Globalization, off-shoring of U.S. manufacturing, the emergence of artificial intelligence (A.I.), and more importantly A.I.'s replacement of automation is the common backstory that rust belt cities share and must solve. In this respect, Michigan City is no different from similar cities who are managing the challenges of a shifting economic landscape. That said, Michigan City holds a unique posture that should enable it to transition effectively given intelligent investments in placemaking and infrastructure, aggressive talent development and attraction, and strategic targeting of growing industry sectors.

One of the biggest lessons that came out of the recovery from the Great Recession of 2008 for rust belt cities was to diversify their economies. Michigan City heavily depends on manufacturing and related traditional sectors which are on the decline nationally. However, 60 percent of all Foreign Direct Investment jobs in Indiana are still manufacturing related. This reality suggest that Michigan City needs to refine its approach to manufacturing while identifying new opportunities. Small business growth is occurring in the retail and tourism sectors. However, those sectors produce economic dependent revenue contingent on the overall national economy. As such, when the economy is strong, people tend to shop and vacation. The alternative is also true, during an economic downturn people tend to cut luxury items and activities from the budget.

39% of Indiana households unable to afford basic needs

25% poverty
14% household
10% increase between
2010 and 2016

65% of jobs in Indiana pay less than \$20/hour and two-thirds of those pay less than \$15/hour

In LaPorte County, 37% unable to afford basic needs

In Michigan City, 53% of the population cannot afford basic needs

Incomes in Michigan City are challenged. Some 53 percent of Michigan City residents cannot afford to meet their basic needs. The outlook for the region and the state are not significantly better at 39 percent. In fact, 65 percent of jobs in the State of Indiana offer compensation less than \$20/hour, and of those jobs, two-thirds pay under \$15/hour. Economic development in Michigan City has to focus on more than just job creation, but quality jobs.

There are significant income disparities in Michigan City. As the aforementioned hourly wages reveal, buying a home becomes an unattainable goal for a significant number of Michigan City residents and building long-term assets is unrealistic. These challenges are further exacerbated by the lack of affordable housing stock. Quality housing – affordable housing – must be an integral part of Michigan City’s revitalization as it should attract young families and professionals.

The good news is that Michigan City has experienced corporate expansion to the tune of \$400 million over the last 7 years, much of which is tied to multinational corporations. Foreign direct investment supports 190,000 workers throughout Indiana that is a 40 percent increase since 2010. Experts say, the opportunity to increase FDI investment and trade opportunities is possible.

Despite the challenges that Michigan City faces, significant strides have been made in recent years. Property values and household incomes continue to rise, both of which are strong trends that suggest that economic conditions are getting better. It is certain that these advancements are the byproduct of continued economic attraction efforts worth more than \$1B in the region. Significant placemaking efforts will increase quality of life, and a high level of engagement by diverse members of the public, private, and civic sectors will help continue the trend. Additional engagement by the diverse players of the ecosystem and increasing targeted industry efforts will be essential to closing the economic gap and propelling economic growth.

Median Household Income		Estimated Per Capita Income		House or Condo Value	
2016	\$41,928	2016	\$21,349	2016	\$90,565
2010	\$38,631	2010	\$20,279	2010	\$75,600
2000	\$33,732	2000	\$16,995		



Michigan City's economic outlook has steadily improved over the last decade!

Advanced manufacturing, logistics, and professional services are the targeted sectors for Michigan City. The targeted sectors for the region are as follows: Logistics, tourism, agricultural value chain, intermodal activities, and business services are the sectors that are targeted by the region.

Targeted Sectors

Region's Sectors

Agricultural Value Chain
Logistics
Tourism
Intermodal Activities
Business Services

City's Sectors

Advanced Manufacturing

- Food Processing
- Metal Fabrication
- Machining
- Air Compressor Equipment
- Auto Accessories

Logistics

- Freight Management
- Warehousing
- Distribution

Professional Services

- Healthcare Services
- Business Services
- Information Technology

Tourism

To strengthen its local economy, Michigan City will have to diversify its job base, upskill its workforce and provide a pathway with specific programs that will spur entrepreneurship. As Michigan City reimagines its economy it is essential that it keeps a keen focus on mixing its traditional sectors with emerging opportunities, expands its commercial reach, and grows in a fashion that ensures opportunities for all of its residents.



Key Drivers of Economic Change

As Michigan City pivots to create a brighter future for its residents, it is essential that it keeps in mind global economic shifts which are constantly impacting its ability to drive jobs and investments. The world is changing. Global and local economies are in flux. Key drivers of this uncertainty include:

- Technological disruption
- Slow population growth and considerable aging in Western economies
- Increased access to global markets, technology, and education in developing countries
- New business models that threaten traditional hegemony by large corporations (the sharing economy, social media, etc.)
- More fluid capital and policies that impact trade and Foreign Direct Investment

The following goals are core objectives that Michigan City should adapt to move its economy forward in a fashion that is inclusive and sustainable.

Overarching goals

- Bring levels of unemployment and wages in line with national and state averages, respectively
- Increase startup activity
- Curb population outmigration
- Strengthening of traditional industries while diversifying overall sectoral mix
- Increase access to jobs, entrepreneurship, and opportunities for all residents of Michigan City

Why Economic Inclusion

Cities with strong economies understand that economic inclusion is not just a social agenda, rather it is a long-term solution that improves quality of life for everyone. Michigan City is dealing with significant income inequality issues that mirror other communities around the country. The combination of relatively low educational attainment, returning citizen population, and a growing immigrant community represents latent opportunity and hampered innovation, if not harnessed as assets that can drive workforce productivity, launch small businesses, and help stabilize the population base. These communities have incredible talent, creativity, and business savvy. However, they need tools, capacity building, and opportunity to transform their moxie into revenue, profitability, and ultimately wealth. An eye on inclusion, will ensure the long-term economic health and growth of Michigan City. Inclusive economic development where all segments of society can participate in an economy's growth provides that path. An inclusive economic approach, where all segments can participate in Michigan City's economic rebound, which is market-driven versus patronage or social service oriented offers a proven path to economic revitalization.

Economic inclusion is a strategy that should run through all the strands of Michigan City's development. This inclusion will bring different communities together, provide hope for diverse residents, and ultimately result in a better quality of life for all residents. Key elements of Michigan's City economic inclusion strategy must include:

- Targeted workforce training in concert with private industry;
- Access to clients and capital to help local small business scale;
- Affordable housing to make living in the city accessible for low and moderate income residents;
- Thoughtful transportation solutions to ensure that workers can get to jobs; and
- A long-term commitment to ensuring access to economic participation for all residents.

Equality Is giving everyone a shoe

Equity Is giving everyone a shoe that fits





Workforce Development/ Talent Attraction

Talent continues to be the most important driver of location decisions according to Site Selector Magazine. The markets that will be most competitive over the long-term will be those that invest in cultivation of their local workforce from kindergarten through graduate school and offers a quality of life to attract new workers to fuel productivity and innovation. Michigan City should pursue the following strategies to increase its attractiveness to expanding firms:

- 1** Build sector specific partnerships with industry to develop talent in alignment with industry forecasts. These partnerships should focus on more than merely providing an opening into a career, but should be supported with robust career maps with appropriate on-ramps, transition opportunities, and scaffolded and stackable training credentials.
- 2** Collaborate with a young professional's organization to create unique opportunities for networking, career development, and social activities.
- 3** Launch a targeted campaign to attract young professionals with certain skills to Michigan city highlighting our quality of life, low cost of living, and the abundant professional opportunities.
- 4** Explore ways to deepen exposure to diverse professional opportunities to Michigan City students at the K-12 level including mentoring programs, work study opportunities, and TEDtalk style events in local schools.
- 5** Maintain investment in the Michigan City Promise program to be able to support more students and at higher levels.
- 6** Create targeted internships to provide opportunities to students from Michigan City to gain career experience and opportunities at home with the goal of stemming the brain drain.
- 7** Identify ways to ensure smooth reentry into society for ex-offenders . Programs should provide skill development, mentorship, ongoing monitoring, and wraparound social services. This reentry support should also include training opportunities, job access, and entrepreneurial avenues.
- 8** Partner with industry to create a world class robotics lab that can serve as a training ground for students and industry.



Placemaking

So much of the attractiveness of a community is tied to how easy it is to navigate, the amenities that residents can enjoy, and how clean, safe, and beautiful it is. These elements not only encourage spending and tourism and provide social outlets for residents, but are essential elements to attracting the needed talent to curve outmigration trends and stabilize the local population. Key initiatives that Michigan City should consider include:

- 1** Develop a local housing strategy to increase diverse housing options across income levels and housing types.
- 2** Create specific homebuyer programs and targeted incentives focused on first responders, teachers, and young professionals.
- 3** Promote and increase public transportation options within and amongst communities across the region. The double-tracked trains that are in the planning phase will dramatically increase access to Michigan City for people throughout the region, connect more residents to jobs, and increase the attractiveness of Michigan City as a place to live.
- 4** Make strategic investments in public amenities that showcase Michigan City's quality of life and creates spaces to bring different segments of the population together.
- 5** Couple philanthropic, public, and private funds to engage the developer community and induce strategic commercial, industrial, and mixed-used developments to spark greater entrepreneurship, corporate expansion, and live-work-play options.

A photograph of a lighthouse situated on a long pier extending into the ocean at dusk. The sky is a deep purple and blue, and the lighthouse is illuminated from within, casting a warm glow. The pier is supported by numerous wooden posts and has a railing along its length.

Aggressively Tell The Story

Michigan City must craft a story that honors its past, but establishes a solid foundation for the future of the community. The story of Michigan City must resonate with families that have been in the community for generations as well as spark possibilities for a brighter future for newcomers to the city. The story of Michigan City must be one of economic opportunity, business growth, and quality of life – the kind of community where one can prosper, socially, financially, and personally.

- 1** Design and implement a storytelling campaign across the region to capture stories of business success and highlight key assets.
- 2** Coordinate with other partners across the region to launch a branding initiative to optimally position Michigan City for targeted companies, investors, and talent.
- 3** Leverage diverse channels including social media, events in other markets, and paid and earned media to share the Michigan City opportunity in specific geographies and amongst distinct demographics.
- 4** Create a tour that encompasses Michigan City's history and future. This tour should be used to educate residents, tourists, visiting executives and part-time summer residents about the opportunities that Michigan City offers.



Economic Modernization

Michigan City must reinvent itself to be viable in the coming economic age. Michigan City must pivot from an older industrial city to a next generation community, fusing its traditional efforts in manufacturing and tourism with emerging opportunities in sectors such as robotics and software development. Additionally, there should be a focus on encouraging entrepreneurship to balance attraction efforts with the potential for more organic growth. Lastly, these efforts need to be carried out in a way that creates more opportunities for all residents of Michigan City regardless of income level, race, or age. These quintessential elements of economic transformation are not in conflict but do require a nuanced yet focused approach to achieve.

Traditional Business Development

- 1** Continue to leverage traditional channels of site selection consultants, C-Suite decision-makers and corporate real estate executives to share the value proposition of Michigan City in targeted sectors.
- 2** Promote and leverage opportunity zones to accelerate investment in catalytic projects and attract new capital to the city.
- 3** Host at least one familiarization tour annually to showcase unique assets, companies, and opportunities for companies to achieve higher productivity, profitability, and innovation in Michigan City.
- 4** Develop a “hot list” of 25-50 site selectors which you provide with information quarterly regarding specific investment opportunities, industry and market insights.
- 5** Strengthen the existing business retention and expansion program with drill down activities into the supply chain of mid-sized and large local firms to identify new recruitment opportunities.
- 6** Focus on identifying gazelles (companies growing at 20%/year or more for several years) in competitor markets and targeted sectors and offering a viable satellite option. Key benefits include quality of life, lower costs of living, and proximity to both customers and the regional headquarters. Markets which may make strong targets include Chicago, Indianapolis, and Detroit.



Economic Modernization Continued

Entrepreneurship and Small Business

- 1** Launch a small business program competition to highlight local small businesses and provide cash grants, technical assistance, and real estate support to accelerate expansion of these firms and raise the profile of Michigan City as an entrepreneurship hub.
- 2** Create co-working spaces that offers inexpensive options for burgeoning entrepreneurs to launch their businesses with low overhead and accessible technical assistance from partners such as local CDFI's and the University of Notre Dame, Purdue University Northwest, and Indiana University Northwest.
- 3** Develop a maker space that offers low cost access to 3-D printing, welding, CAD and other services to support emerging entrepreneurs.
- 4** Pull together a small business council comprised of diverse CDFI's, technical assistance providers, and other partners to create an ecosystem map clarifying roles, responsibilities, and capacity as well as coordinate around increasing startup activity and providing greater support for scaling up and business sustainability.

“We can't solve problems by using the same kind of thinking we used when we created them.”

-Albert Einstein

Conclusion

Michigan City is at a very exciting time in history. It has the ability to significantly improve its economic environment and ensure that the city is positioned for long-term success. The pathway to achieving economic prosperity, resilience, and sustainability is clear.

Michigan City must be part of driving economic change not merely responding to it. The time is now. By establishing solid foundations in terms of people, place, and assets, Michigan City will be optimally positioned to weather future economic downturns and manage unanticipated risks.

Michigan City must act now to address issues of talent attraction, workforce development, and quality housing. Without an aggressive posture on these issues, the long-term prospects for growth are radically stifled. Talent is the most important factor in the long-term economic health of Michigan City. As such, robust programs that address every phase of training from kindergarten through graduate school and beyond should be employed to solidify a world class workforce and attract new talent. Ensuring that talent has quality and diverse housing options is essential. Absent this provision, Michigan City economic development efforts will merely strengthen surrounding communities while its local tax base continues to erode.

The city's historic strength in manufacturing represents an amazing opportunity to capitalize on next generation opportunities in automation, software and A.I. Meanwhile, the unique mix of waterfront amenities, affordability, small town charm, and proximity to Chicago, represents one of the city's biggest selling points. Intensive reinvestment in placemaking and infrastructure, as well as marketing your unique quality of life, will bolster the city's indigenous market position.

The diversity of Michigan City, from immigrant populations to communities which have been there for generations, the mix of wealthy part-time residents and the returning citizen population point to the reality that everyone must be served by this agenda. Critical to this agenda's success is the intentional focus on economic opportunities for everyone, without it the opportunities for the most marginalized will never be realized. Furthermore, these populations present the opportunity for latent productivity, innovation, and profitability for business. By intentionally building their capacity, you are strengthening Michigan City's posture and capabilities in the global marketplace.

Michigan City is poised for growth. Cities that have embraced a collaborative and cohesive approach, have been successful with navigating a similar economic transformation. By engaging a cross-section of business, civic, and political leadership, Michigan City can be a bastion of opportunity and economic growth within its borders and beyond. Finally, Michigan City has an economic agenda that will create prosperity for all of its residents.