

**MAY 2020**



# **ECONOMIC DIVERSIFICATION PLAN**

**PREPARED BY**



THOMAS P. MILLER & ASSOCIATES



*The Premise*

# THE ELKHART 2040 PURPOSE

Elkhart 2040 is a community vision for shared prosperity in the City of Elkhart that builds upon existing economic momentum.

In recent years, the City's economy has been driven by RV manufacturing and related supply chain industries. This formed has formed another economic cycle lacking in economic diversification creating a 'boom or bust' economy that is susceptible to fluctuations. During periods of economic growth, the City has done exceedingly well. Then, the City has experienced deeper and more prolonged recessions during economic hardships, compared to national trends.

In addition to the Elkhart's lack of economic diversification, industrially zoned land and workforce skills no longer meet demands of newer industries and businesses. This makes it difficult to attract industries unrelated to RV manufacturing.

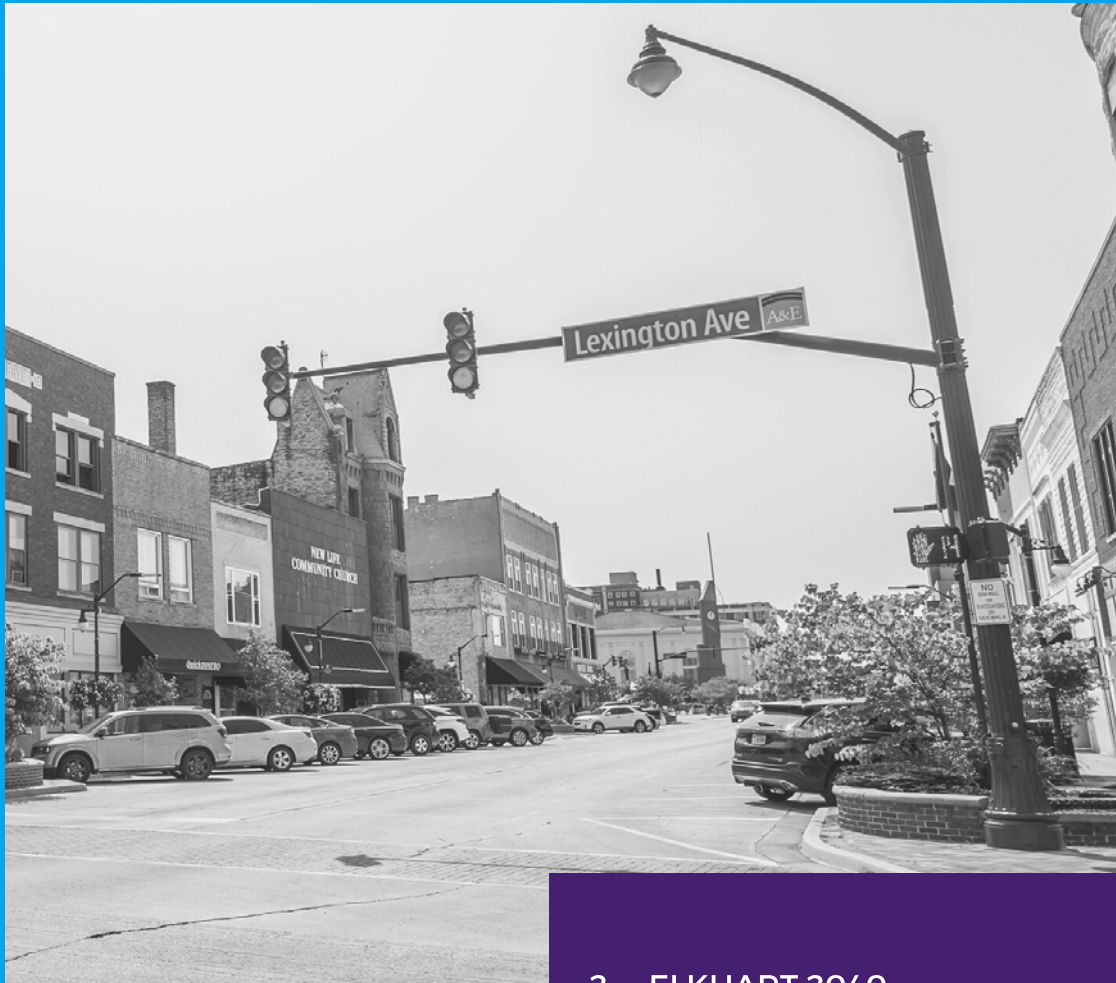
The City recognized these challenges and has responded with Elkhart 2040, a comprehensive strategy that focuses on economic diversification and recommends specific projects and steps to build upon and accomplish quality of life improvements throughout the City.

The 2040 Plan acknowledges the building blocks which has set the foundation for recent investments being realized in the City's River District. These public-private partnership investments include market-rate housing, streetscape improvements, downtown revitalization, and a new community-centric health and aquatics center. These investments are moving Elkhart toward its vision as a community of the future - one that aligns economic growth with job opportunities and quality of place for its residents.

In addition to development, this plan also incorporates the "Making Motion | Moving People" theme prioritizing a model for creating community resiliency via a variety of economic, community development and wellbeing factors and strategies that will ensure Elkhart a more balanced position that is poised for diversified growth.

Elkhart 2040's focus on long-range, resilient economic growth led to an implementation work program that initially melds industry diversification, land use and infrastructure, and talent optimization. The results of this work program and associated action steps are described in the remainder of this document.

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# ELKHART 2040

## Making Motion | Moving People



## STRENGTHENING THE FOUNDATION

The following Economic Diversification is a key component of the Elkhart 2040 Plan. In order to thrive, the City of Elkhart needs to build on a strong existing economic base to promote future growth.

Much has been written and documented about the City of Elkhart's rich manufacturing legacy, its unique concentration of RV production, and

the entrepreneurial culture that has made the City the "RV Capital of the World." This industry has shaped the City's growth, provided for residents, and played a key role in the economy of the entire state and nation. This heavy reliance on the RV industry has caused significant boom-bust cycles more pronounced than national economic trends.

These cycles have contributed to deeper local recessions evident by the effects of the Great Recession in 2008 when Elkhart lost 15% of its jobs and unemployment hit 20%.

Mitigating the risk of the RV-centric, boom-bust volatility is a major motivation for this diversification plan, which involves comprehensive economic development solutions for attracting new and diverse industries. This plan is based on a holistic approach that addresses challenges related to land use planning, infrastructure upgrades, and workforce optimization which have inhibited economic diversification.

Any plan that looks to address the challenges inherent in such unique economic concentration, must also fully appreciate the impact that the RV industry has had on Elkhart. A plan for economic diversification must support this legacy industry and ensure that it is able to flourish and establish important supply chain and workforce connections within a more diverse local- industry base.

Even though the Elkhart economy lacks healthy diversification, the RV industry has continued to innovate and adopt new technologies, and the City of Elkhart is positioned to innovate along with it. Technology and innovation have created new opportunities in RV manufacturing that are revolutionizing product design. Today, RV manufacturers are building a more

diverse range of products and serving a larger range of price points and recreational needs.

These innovations focus on enhancing the customer's RV experience by integrating new technologies such as solar panels, remote internet accessibility, USB charging ports, and other 21st century amenities. Engineers, assemblers, fabricators, and other RV company employers are driving product innovation by placing focus on increased quality and customer usability. These advances are allowing the industry to reach new and growing market segments - including millennials, experience seekers, and even COVID-19 related response markets. In fact, the RV industry has remained strong amidst the pandemic driven recession and is projecting future growth as more Americans are expected to travel domestically.

Reacting to the changing consumer trends of an important growing market will allow the RV industry to continue its growth while also evaluating where other important diverse sectors fit into and complement the future innovations of the industry. Ultimately, the RV industry in Elkhart will continue to deliver economic growth, only with less of the concentrated economic volatility, but as a major industrial group of a more technology-focused economy.



6

Prioritized target business clusters for diversified industry growth and long-term economic stabilization.

3

Critical talent optimization initiatives for sustainable workforce development.

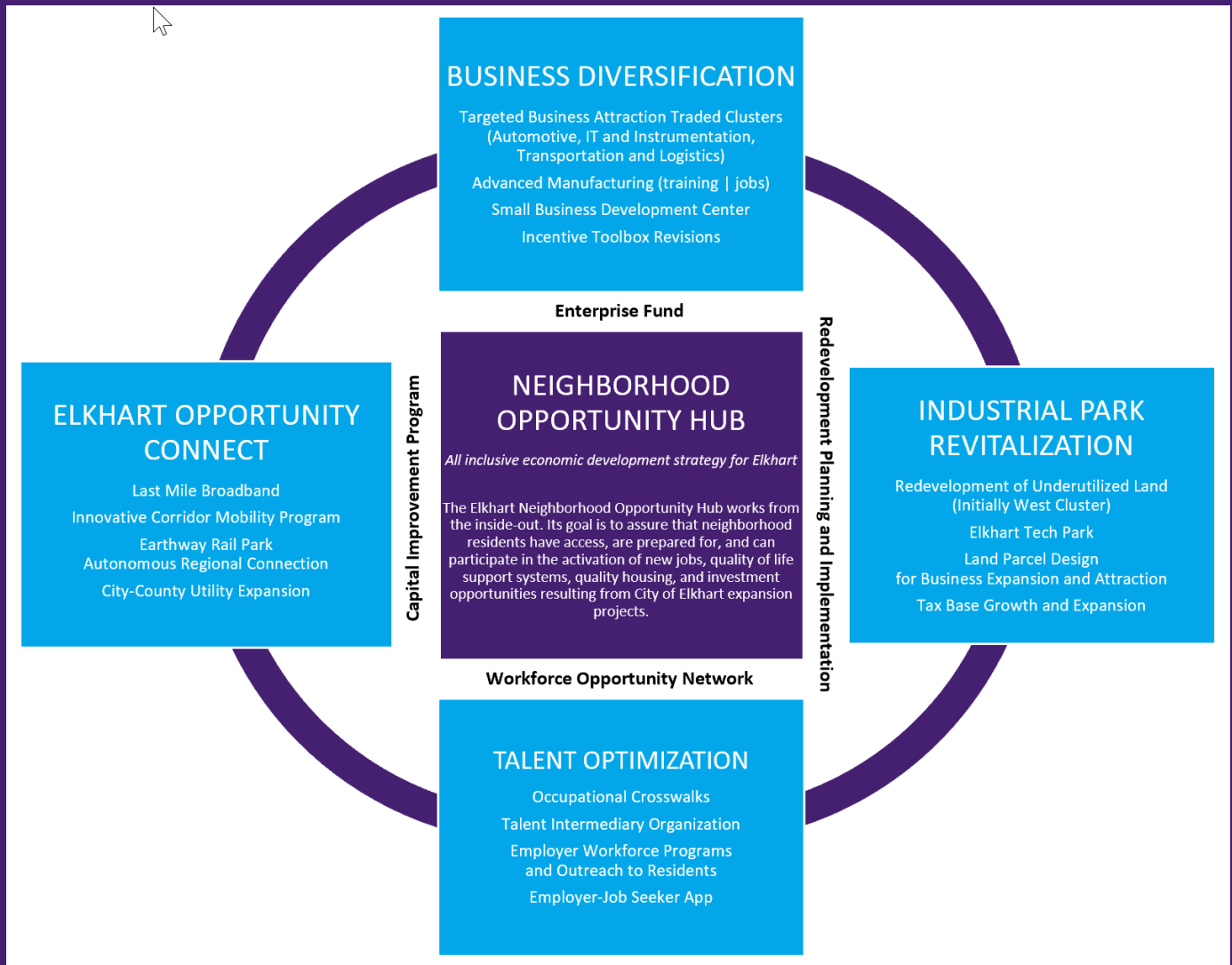
10

Specified land use reactivation projects.

\$360M

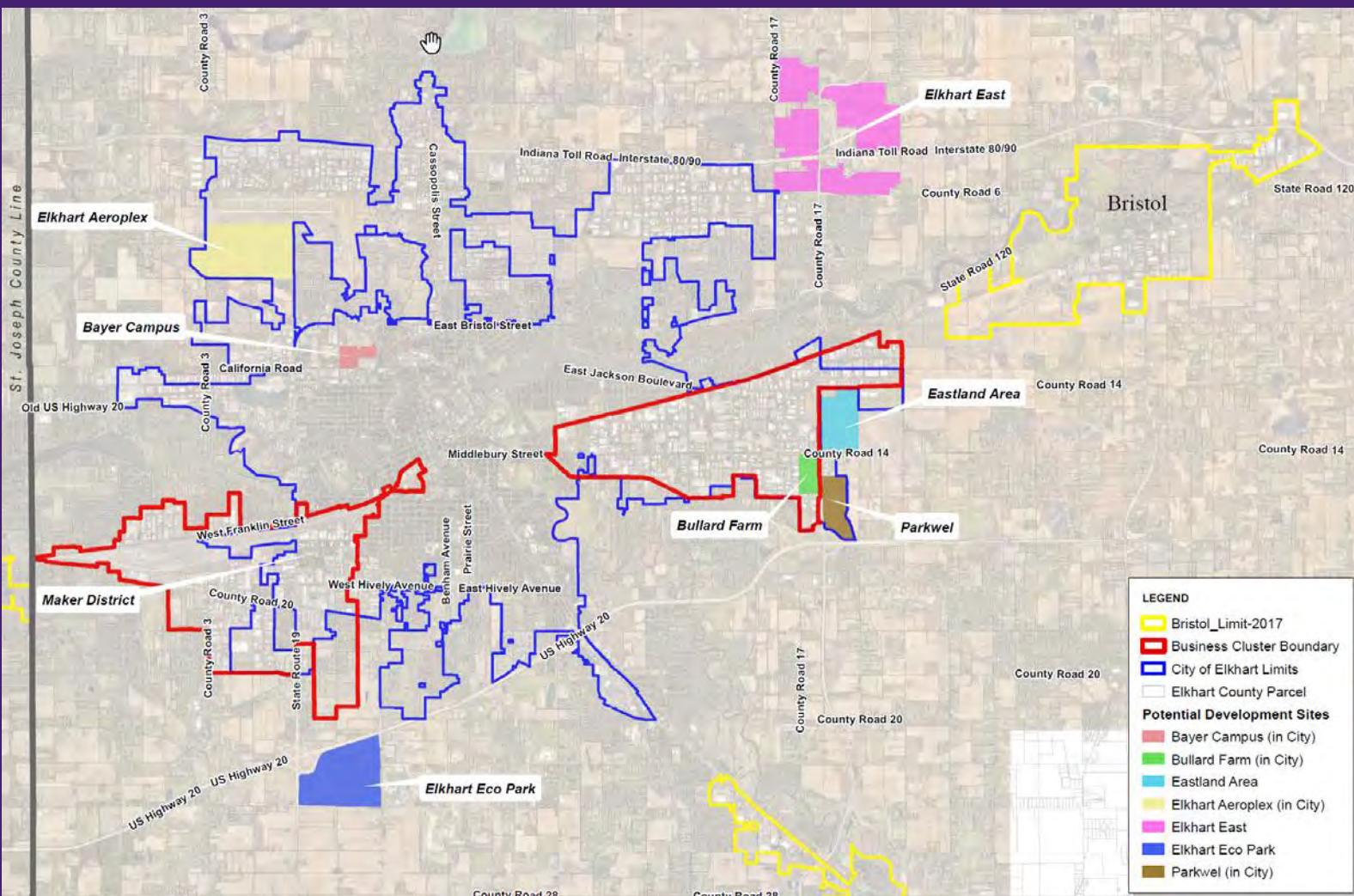
Potential public-private partnership investment opportunities for the 10 game-changing land use reactivations.

# THE STRATEGIC FRAMEWORK



The strategic framework presented is in this economic diversification plan is centralized around the development of Neighborhood Opportunity Hubs (NOH) for each or any project selected to be implemented. While not all projects will support all aspects of the model, the purpose is to reinforce the consideration of the balance and development required around each quality place initiative. Otherwise, the investment in a single project can be compromised by not considering the initiation of potential planning around it that could be required for its optimal and successful development.








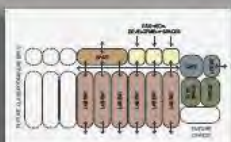






# A CITY WIDE VIEW

The strategic framework in this plan takes a step further to identify 10 specific projects within the City that will activate underutilized properties and provide opportunities for the City and County to collaborate and expand growth that has otherwise remained stagnant. These projects couple with the initiatives included within the Neighborhood Opportunity Hub framework, and Opportunity Zones Prospectus to provide a complete portfolio of opportunity for the City of Elkhart in addition to the already established downtown Elkhart initiatives.



# PUBLIC INVESTMENTS AND PARTNERSHIPS

PROJECTS	PUBLIC INVESTMENTS (Description Overview)	CITY POTENTIAL INVESTMENT	COUNTY POTENTIAL INVESTMENT	
Project 1 Name	Develop Growth Zone Master Plan / Interlocal Partnership	\$10,000 for Legal & Planning Fees (From TIF)	\$10,000 for Legal & Planning Fees (From TIF)	
Project 2 Name	Develop Plan for New Economic Development Areas Within East & West Clusters and Establish Joint TIFs	Legal, Fiscal and Planning Fees = \$15,000	Legal, Fiscal and Planning Fees = \$15,000	
Project 3 Name	Roadway Capacity Upgrades	Assume \$20M Over Next 15 Years / FHWA / LPA Grant \$4M in Match Funds	Assume \$20M Over Next 15 Years / FHWA / LPA Grant \$4M in Match Funds	
Project 4 Name	Utility Extensions to Serve Growth Zones	Assume \$10M Over Next 10 Years / TIF Funds / EDIT Funds / SRF Loan / Grant	Assume \$5M Over Next 10 Years TIF Funds & Developer Funds	
Project 5 Name	Development of Bulk Transfer Terminal Sites	\$2.5M - \$5M EDA Grant / TIF Funds / EDIT Funds / Railroad Contribution / Private Operator Funds	Elkhart Co. Support from TIF Revenue Sharing \$300K - \$400K	
Project 6 Name	Maker District Incubator	\$2.5M - \$5M Over 10 Years Elkhart Co. Foundation / Private Funding Support / Educational Partnerships	\$2.5M from TIF as Gap Closer (Reimbursed from East or West Cluster TIF)	
Project 7 Name	Multi-Modal Connections to Work Force Housing (Planning) Autonomous Vehicles / Pedestrian Trails / Transit	Request Planning Activity from MACOG (No Added Cost)	Request Planning Activity from MACOG (No Added Cost)	
Project 8 Name	Business Park Attraction Features Bikeways Connections, Food Truck Plaza, Recreational Features, Pocket Parks, & Employee Amenities	Partnerships with Private Industry, Planning Grants, Zoning Assistance, Business Incentives to Service Providers \$10,000 Annually from EDIT	Partnerships with Private Industry, Planning Grants, Zoning Assistance, Business Incentives to Service Providers \$10,000 Annually from EDIT	
Project 9 Name	Online Interactive Resource Guide and Incentive Menu (Includes all programs including those specific to Elkhart and Elkhart County)	Development Cost = \$12,500 Annual Operating Budget TBD	Development Cost = \$12,500	
Project 10 Name	Technology Park Development at Elkhart Aeroplex (John Weaver Parkway)	\$5M - \$8M EDA Grant, TIF Fund, Grant from EDIT (\$100,000), & Support for SBA Approval	\$5M - \$8M EDA Grant, TIF Fund, Grant from EDIT (\$100,000), & Support for SBA Approval	



**\$36M+**

**10% PUBLIC**

*potential city and county public investment needed to reactivate the 10 land use projects identified.*

## **PUBLIC-PRIVATE PARTNERSHIP INVESTMENTS**

**\$324M+**

**90% PRIVATE**

*potential private investment via Opportunity Funds, conventional debt, tax credits, and other sources for the private sector.*

**These estimated investments do not include funding required for other diversification, workforce development, and Opportunity Zone projects.**

# THE ELKHART 2040 ECONOMIC DIVERSIFICATION PLAN

## Elkhart's Base Industries

Motor Home Manufacturing
Travel Trailer & Camper Manufacturing
Motor Vehicle Seating & Interior Trim Manufacturing
Metal Window & Door Manufacturing
Urethane & Other Foam Product Manufacturing
All Other Misc. Fabricated Metal Product Manufacturing
All Other Plastics Product Manufacturing
Toilet Preparation Manufacturing
Boat Building
Motor Vehicle Body Manufacturing
Lumber, Plywood, Millwork, & Wood Panel Merchant Wholesalers
Motor Vehicle Supplies & New Parts Merchant Wholesalers
Other Motor Vehicle Parts Manufacturing
Automotive Body, Paint, & Interior Repair and Maintenance
Industrial Machinery & Equipment Merchant Wholesalers
Machine Shops
Aluminum Foundries (except Die-Casting)
Meat Processed from Carcasses

16 of these 18 Industries are related to the RV Manufacturing industry.

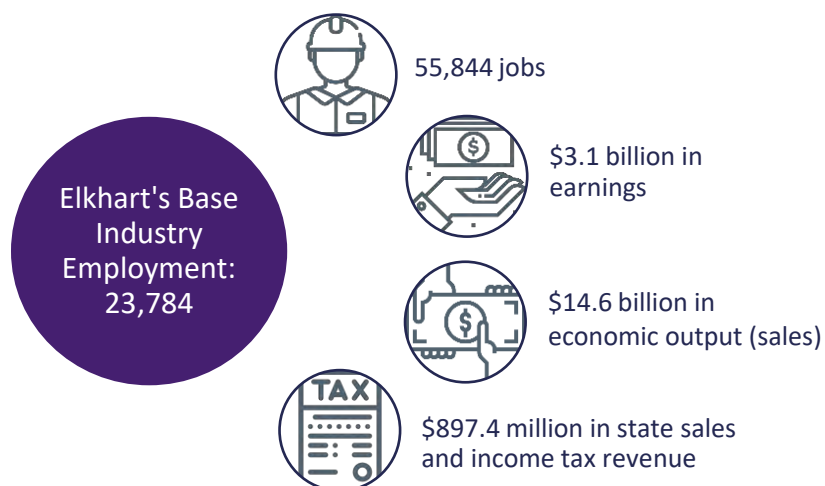


Source: TPMA; City of Elkhart Diversification Study

In 2018, Thomas P. Miller & Associates (TPMA) partnered with the City of Elkhart, Insight Strategic Concepts (ISC), and Jones Petrie Rafinski (JPR) to document the concentration of Elkhart's economy. The 2018 diversification study also examined implications of Elkhart's limited economic diversity and identified constraints on future economic development in the city.

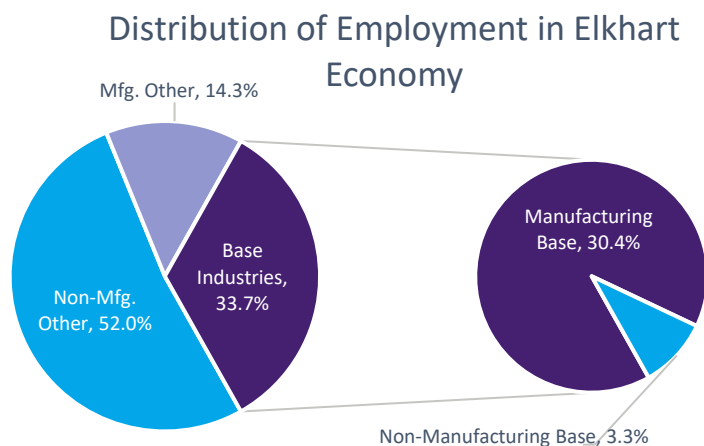
The Phase I study identified 18 base industries 16 of which were directly related to RV manufacturing. This research also identified that Elkhart's Base Industries contribute over \$14 billion in statewide economic activity but are more susceptible to economic volatility than the rest of the state's economy. This volatility causes periods of extremely high and extremely low unemployment rates, making it a challenge for businesses to grow over time.

Furthermore, factors such as industrial infrastructure, housing availability, automation, and talent development pose challenges for Elkhart's long-term stability.



Source: TPMA; City of Elkhart Diversification Study

The Phase I Economic Diversification Study also determined that there was insufficient collaboration and/or community organization around three locally based economic elements that are viewed as critical to Elkhart's future ability to prosper, grow and build its overall resiliency; Industry Diversification, Land Use & Infrastructure and Talent Optimization.



In 2019, the City of Elkhart partnered with TPMA, JPR, and ISC (the Consultant Team) to develop a strategy for economic diversification and address challenges related to concentrations of base industries within the city.

*Source: TPMA; City of Elkhart Diversification Study*

The outcome of this process is a multi-faceted redevelopment and economic diversification initiative with short and long-term outcomes. Rather than conducting studies and plans that produce individual silos, this process connected economic, workforce, and community development opportunities through action teams organized around three major factors of economic diversification in order to align these efforts moving forward into the future.

## Process

Action teams were composed of local private and public leaders to study, design, and create programs that will produce results for each of the economic development initiatives including:

- Industry Diversification
- Land Use & Infrastructure
- Talent Optimization



These action teams participated in a three-part work program that led to the completion of a comprehensive economic diversification work program. Key steps included:



## Step 1: Action Team Formation

A key component of ensuring the successful development and implementation of this strategy is bringing the right mix of stakeholders to the table. The Consultant Team with input from city public and private leadership, created Action Teams for each of the three focus areas to provide feedback and guidance on research and strategies throughout the process.

The teams included regional and local experts on the given topic areas who could provide guidance on the planning process and play roles in implementation. Team members included public sector individuals from both the City of Elkhart and Elkhart County, non-profit leaders, educators, developers, and the business community.

Action Teams met monthly between August 2019 and February 2020 to set team goals, provide guidance on research objectives, and give feedback on key components of the plan.<sup>1</sup> Meetings in August, December, and January were combined to allow cross-team discussion and presentations.



## Step 2: Opportunity Assessment

The Opportunity Assessment phase was conducted at the Action Team level. Each group completed a comprehensive Opportunity Assessment Report that identified collective findings from the Action Team Opportunity Assessments and compiled initial strategy recommendations. Opportunity Assessments included in-depth research and analysis that identified key objectives

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<sup>1</sup> The March 2020 Action Team meeting was canceled due to social distancing recommendations as a result of COVID-19. The January 2020 Talent Optimization Action Team meeting took place as a webinar rather than an in-person meeting in order to incorporate an external partner.

for implementation of the final work program. Complete Opportunity Assessment findings can be found in the Diversification Appendix of this report.

### Step 3: Work Program Development

The Work Program phase focused on the development of economic diversification strategies that align with findings from the Opportunity Assessments.

The Consultant Team facilitated development of Work Programs for each Action Team. Work Programs determined implementation plans to transform identified opportunities into action steps aimed at achieving real results. The implementation plans are designed to generate both short-term (1-36 months) and long-term (3-10 years) outcomes. The Consultant Team drafted work program templates for each Action Team. These templates are designed to create symmetry and assist with the alignment of each team's final work program. Each template was structured to help guide the overall process of developing the final Work Programs.

The final work plan outlines action items and strategies to promote economic diversification, describes funding requirements for each action item, and identifies required organizational responses. This comprehensive report is a guide for Action Teams to perform required work program elements and facilitate economic diversification for the City of Elkhart.

## How to Use this Document

This document provides an overview of the key outcomes for each Action Team, identifying the opportunities for diversification and highlighting the path forward for implementation through various action items.

There is a section devoted to each Action Team that outlines the three key outcomes from each team's work and highlights key discussions and processes that went into identifying those outcomes.

The last section of this plan outlines strategies and a work program for the implementation of this plan. The strategies are categorized into three groups:

- Industry Diversification
- Land Use & Infrastructure
- Talent Optimization

Strategies in each group crosscut the different Action Team areas in order to reinforce the intersection of these focus areas. Without activating underutilized real estate, attracting diverse industries to Elkhart will be difficult. Without aligning training resources for workforce, it will be difficult for diverse businesses to grow. All these components will be necessary to achieve the Elkhart 2040 vision, a more economically diverse and resilient community that aligns talent, land use, new business opportunity, and growth.



# INDUSTRY DIVERSIFICATION

## Purpose

The diversification team's original goal and purpose was to identify specific opportunities for diversifying Elkhart's economy and outline steps to activate those opportunities through collaborative efforts.

## Team Members

- Russ Golden
- Scott Ford
- Jared Huss
- Tom Jellison
- Andy Jones
- Natasha Kaufman
- Jeff Kruis
- Pete McCown
- Bea Phillips
- Jill Scicchitano
- Chris Stager
- Scott Welch
- Brian Wiebe
- Abby Wiles
- Rudy Yakym
- Max Yeakey
- Brett Yoder
- Jay Brockman
- Tracie Davis
- Merritt Dilts
- Jim Finan
- Jason Fink

## Discussion Synopsis

The diversification team highlighted strengths, weaknesses, opportunities, and threats (SWOT) of Elkhart's economy. Strengths include the city's entrepreneurial eco-system, manufacturing base, cost of living, and work ethic. Weaknesses identified by the diversification team include Elkhart's heavy reliance on the RV industry, lack of education attainment, aging infrastructure, and lack of employee loyalty.

Opportunities were noted for significant manufacturing upgrades with new technologies and automation of certain key manufacturing processes. There are opportunities to advance employee training and skillsets to increase productivity across sectors. New sectors to target through business attraction efforts include medical device manufacturing and automotive components.

The diversification team identified several threats including challenges related to a less-skilled workforce, businesses not adapting new technologies, and not expanding industry sectors to diversify the local economy. The city's lack of economic diversification has impacts on the local workforce which tends have a heavy concentration of manual laborers possessing less technical skills. This is a threat to diversification as business in high-tech or professional services industries may be challenged to find employees with necessary skillsets.

To effectively diversify and build a more resilient local economy, the diversification team identified strategies around specialized traded clusters, integrated supply-chains, innovation and automation in manufacturing, and increase employee skill sets. These strategies can be supported through a well-rounded toolbox addressing multiple incentive issues for new and expanding businesses while distributing inclusive economic benefits across the community.

## Meetings

August 2019 – Kick-off

September 2019 – Review of Data Collected on Targeted Traded Clusters

October 2019 – Review Key Traded Clusters regarding wage rates and employment growth

November 2019 – Identify key Cluster Needs: talent, land, capital, etc.

December 2019 – Target Business Clusters & High-Speed Communications

January 2020 – Identify key incentives and policy

February 2020 – Key Land Use challenges and incentives for Targeted Industries

## Outcomes

1. Strengthening and Diversifying Traded Clusters
2. Innovation and Anticipation of Future Threats
3. Well-rounded Toolbox



## PROJECT OUTCOME 1: Strengthening and Diversifying Traded Clusters

Strengthening & Diversifying Traded Clusters: Develop programs, projects, and initiatives for sustaining Elkhart's current specialized clusters & for diversifying the economy through growth of new traded clusters. Please see Diversification Appendix pages 15-28 for a detailed description of the Targeted Industry Analysis that established the below six targeted industry clusters. Programs could include:

- Assessing constraints on Elkhart's current specialized clusters,
- Identifying emerging traded clusters for economic growth that are scalable, growing, and sustainable.
- Developing city-led growth strategies for both groups of industries, to be implemented in collaboration with ECEDC, SBERP, and other local leaders.



AUTOMOTIVE



INFORMATION TECHNOLOGY  
& ANALYTICAL INSTRUMENTS



BUSINESS SERVICES



PLASTICS



DISTRIBUTION &  
ECOMMERCE



TRANSPORTATION &  
LOGISTICS

Traded clusters to target for growth and diversification are:

**Automotive** sector's largest need for the automotive cluster is skilled scientists and engineers. Those scientists and engineers are needed in the development of automotive manufacturing, design, and performance.

**Business Services** needs highly skilled employees, office space, and connectivity and internet. Business service firms require specialized and highly educated employees for their firms to compete in their landscape.

**Distribution & eCommerce** – Connectivity to suppliers is a determining factor for success in the distribution and eCommerce cluster. Most of the cluster businesses in this sector are midway down the supply chain making supplier relationships essential for businesses to remain competitive.

**Information Technology and Analytical Instruments** – Businesses in this sector rely on skilled programmers and tech workers. For this reason, IT and Analytical Instruments businesses must be able to attract and retain skilled employees. Common methods to address this need are through workforce attraction strategies that incentivize higher wages. Strategies that build local talent pipelines are also common and rely building workforce skills through formal and nonformal education pathways.

**Plastics** – A large capital investment is needed to start a business in the Plastics sector. This initial capital is used to obtain the machinery and equipment used in manufacturing processes. Inputs for the machinery are often customized for specific plastic manufactures due to the unique nature of individual plastics products. This creates additional costs as customized machinery requires significant research and development.

**Transportation & Logistics** – This sector is often labor intensive as handlers and drivers are needed to pack and ship products. The largest occupation by employment in this sector is semi-truck operators which could present a challenge as there is a national shortage of these drivers. Workforce attraction programs that provide wage incentives may create local advantages for attracting operators to transportation and logistics businesses in Elkhart.

## **PROJECT OUTCOME 2:**

### **Innovation and Anticipation of Future Threats**

Innovation & Anticipation of Future Threats: Elkhart's economy has historically relied on manufacturing. Current trends suggest automation, AI and other technological advances will displace large numbers of employees in manufacturing businesses. To mitigate job disruption, a set of proactive programs or benchmarks could be developed to prepare Elkhart for digital and technological transformation. Three programs that could be implemented include:

- a. Identifying and quantifying top opportunities and challenges for the future of Elkhart's economy.
- b. Determining the city's ideal role to encouraging innovation to address these threats.
- c. Identifying opportunities for collaboration around innovation.

These programs will enhance local businesses' ability to leverage advances in technology/automation to promote innovation, especially within the targeted sectors.

The following action items are recommended to build on Elkhart's entrepreneurial ecosystem and foster innovation while ensuring success of the programs described above:

- **Develop a Certified Technology Park on Elkhart's Northwest Side** to take advantage of proximity to University of Notre Dame, IU-South Bend, and other research-oriented services, see page 51 of Diversification Appendix for more detailed discussion.
- **Develop a Center for Advanced Manufacturing** that would act as an innovation hub for pioneering new manufacturing process. Innovative processes could allow existing businesses and start-ups to develop prototypes see page 52 of Diversification Appendix for more detailed discussion.
- **Expand Small Business Development Center** in Elkhart to fully service existing and new start-up small businesses, please see page 47 of Diversification Appendix for more detailed discussion.
- **Implement Tax Phase-in Revisions** that would incentivize business projects in targeted trade sectors within the City of Elkhart, please see page 34 of Diversification Appendix for more detailed discussion.

#### Talent and Skill development:

- **Employer/Employee Information Network** – this organization would stream-line employment searches by creating a one-stop operator where employers could post open positions and prospective workers could go for employment assistance. Employers would share information about skilled labor needs and one-stop operators would identify prospective employees with matching skills. Ideally, this would create a pipeline of skilled workers capable of adapting to new technological advances.
- **Opportunity Hub** – This Center would act as a point for resident skill development, job placement, and job coaching for individual resident career pathway development.

Businesses often require additional capital to promote technological advances. Potential sources of capital for capable of catering to a diverse set of business needs and sizes include:

- Local Opportunity Fund
- Microenterprise Development Fund
- Community Development Finance Institution (CDFI) Friendly City Program
- Small Business Loan Focus on Targeted Industries
- Venture Capital and Angel Capital Funds

## PROJECT OUTCOME 3: Well-rounded Toolbox

The City of Elkhart currently offers a handful of development incentives. These incentives include tax phase-ins (or abatements), tax increment financing (TIF), Enterprise Zones, loan funds, and facade renovation programs. These local tools are often used to complement Indiana's economic development incentives for job training, hiring, and infrastructure improvements.

Tax phase-ins and TIF are the two largest and most used tools. Tax phase-ins offer tax credits for companies investing at least \$500,000 in new real or personal property investment. Funding from Elkhart's TIF districts can be used to finance infrastructure for new projects. Elkhart's other incentive tools offer grants and loans for small businesses or businesses in defined areas of the city.

The existing toolkit should be modified to address Elkhart's strategic economic development priorities looking forward. Three of the key objectives call for improving the climate for a more diverse business base, available land and improvements to serve the targeted businesses in a timely manner, and an accessible workforce trained and ready for job advancement. A general description of tools that could help to realize these objectives is provided below:

### Improved Climate for Diversifying Business Base

- One stop-shop for targeted businesses – permits, incentives, zoning, etc.
- Enhanced tax phase-in schedule
- Pre-packaged fully serviced land w favorable terms
- Job Credits for skilled jobs and agreement to certify career pathways
- Access to low cost financing with partial loan deferment w accomplishment of pre-determined job and growth objectives. (i.e. Texas Enterprise Fund – scale to Elkhart)

### Available Land and Improvements

- Target Business District formation via Redevelopment Plans
- Establish Land Bank Policy – Incentivize Friendly Transactions
- Establish Infrastructure Transaction Fund – Priority Projects
- Establish Business District Amenity Investment Program
- Investigate Modified CReED Legislation

### Easily Accessed Well-Trained Workforce

- Tie Incentives Analysis and Recommendations to Employer Career Pathway Program
- Establish an Emerging Talent Pool to Market to Newly Created Advance Pay and Skill-set Job Opportunities.
- Incentivize Entry Level Workforce with Training and Housing Voucher Program Designed to Encourage 3-year Career Pathway Building





## LAND USE & INFRASTRUCTURE

### Purpose

The Land Use & Infrastructure action team examined short and long-term redevelopment programs for two identified aging industrial clusters considering local economic variables that include: land use economics and planning, business diversification, RV retention & expansion, business support services, housing, and green business amenities. This action team also identified infrastructure upgrades including broadband that could create a competitive and attractive environment for Elkhart businesses if implemented.

### Action Team Members

- Dallas Bergl
- Ed Bradley
- Dan Brekke
- Justin Butler
- Jeff Chupp
- Kay Clark
- Dan Cripe
- Sara Drake
- Brent Miller
- Doug Miller
- Andy Myers
- Matt Nelson
- Katie Niblock
- Lonnie Norris
- Paul Phais
- John Place
- Jim Skillen
- Rick Slagle
- Lori Snyder
- Chris Stager
- Wes Stephen
- Megann Sullivan-Redding
- Jeff Taylor
- Leah Thill

- Rehtt Fisher
- Chris Hooley
- Tory Irwin
- Shelley Klug
- Mike Machlan
- Sophie Metzger
- Brian Prince
- Clarence Rutherford
- Todd Samuelson
- Jeff Schaffer
- Matt Schrock
- Dave Sieradski
- Eric Trotter
- Crystal Welch

## Meetings Held

August 2019 – Kick-off

September 2019 – Review of Data Collected

October 2019 – Site Analysis and Opportunities

November 2019 – Site Opportunities and Case Study Discussion

December 2019 – Target Business Clusters & High-Speed Communications

January 2020 – Target Business Locations and Methods for Activating

February 2020 – Key Land Use challenges and incentives for Targeted Industries

## Discussion Synopsis

The Land Use and Infrastructure Action Team was led by Ken Jones from JPR. Each of the meetings were initiated by a formal presentation. While significant focus was placed on the West and East Business Clusters which comprise 6,000 acres of industrial area, all of the industrial parks were considered. The East and West Clusters represent major job and business hubs that are just 1.38 miles apart. In between the two clusters lie a series of neighborhoods as well as downtown Elkhart. The clusters are linked together by the Norfolk Southern rail line and its generous right of way. These two clusters have for decades been the industrial beating heart of Elkhart's economy.

The Action Team discussed municipal utility services at length. In general, water, sewer, gas, and electric utilities are easily accessed and are not seen as impediments to current and future business operations. There are pockets within Elkhart's industrial areas where adequate storm water systems are not in place creating a potential constraint for large scale business development. There is a need to upgrade high-speed communications (broadband) in several industrial spots.

There is a clear need to redevelop and reconfigure older industrial areas within the City's boundaries. Such redevelopment is likely necessary to realize a robust diversification strategy given the lack of premium industrial sites within the City. Opportunities for the City and County to establish a mutually beneficial land development and annexation strategy became apparent given the need to expand the industrial land inventory that is fully serviced by utilities.

The following Key Outcomes were reported by the Action Team to improve existing land use and infrastructure:

1. Active Redevelopment Planning and Implementation (see Appendix LU6)
2. High Speed Communication
3. City-County Land-use and Utility Expansion Collaboration
4. Earthway Rail Park
5. Active Transportation Links

## PROJECT OUTCOME 1:

### Active Redevelopment Planning and Implementation

It is a well-known fact that there are no quality industrial sites in the City of Elkhart available for significant new industrial investment. The Action Team identified numerous existing underutilized industrial sites within the City of Elkhart that were not configured to satisfy the needs of a more diverse business base, even though they were well served with utilities and infrastructure. There are three primary reasons for this:

1. There are many sites that originally served RV businesses and were developed with lower floor to ceiling heights and limited finished product storage areas. However, continued rapid expansion of the RV industry has resulted in a limited inventory of underutilized or vacant properties as buildings are adaptively reused, and finished products are stored off-site in supply yards.
2. The age of the investments in many industrial properties has created a growing number of functionally obsolete properties which challenges the goal of business and economic diversification. There is a need to reconfigure and/or redevelop the properties if they are to address more contemporary business needs.
3. Business support services and business park amenities were never a part of the older industrial areas. A diversified modern business park requires both in order to be competitive in the regional and national marketplace.

#### Examples of Potential Redevelopment Properties



Figure: Existing Business in the West Cluster



Figure: Vacant Parcel in the East Cluster

The LU&I Action Team performed an in-depth analysis of how expanding- or new-businesses and the public sector could approach redevelopment of underperforming and/or obsolete industrial properties (see Appendix LU10). Redevelopment strategies have been identified for several property types. Redevelopment of the larger fully built out industrial parks will occur over time – estimated up to 20 years.

The Action Team concluded that it is important to realize immediate momentum to ensure both long- and short-term results. Following the initial analysis, it was determined that a focused effort to target, finance and redevelop properties is a feasible and important strategy in achieving a more diversified economy in Elkhart. Key steps include:

- Identifying priority properties for redevelopment and future investment
- Updating and establishing new TIF Plans in targeted areas
- Preparing financial plans that encourage property acquisition and public improvements
- Financing and implementing a land development program which supports diversified business attraction and expansion objectives

More detail can be found on these steps and the three outcomes can be found beginning with LU6 in the Appendix.

## **PROJECT OUTCOME 2:**

### **West Cluster Industrial Area**

The west cluster is the older of the two clusters (East and West). Many of its buildings and land parcels suffer from long-term deferred maintenance. Over time pockets of incompatible land uses have emerged mixing single-family homes, mobile home units, industrial and commercial uses. There are notable examples of large underutilized land parcels and buildings – partially the result of a more consolidated RV industry.

While the west cluster is showing clear signs of aging and in some cases obsolescence, it continues to host a formidable business base. Most of the businesses are RV suppliers or producers. There are also signs of a more diversified business base including plastics production, chemical packaging and commercial printing scattered throughout the area. Infrastructure and utilities are generally in good condition although there is a need to upgrade high-speed communications. Storm-water infrastructure is a mixed bag with some areas without a formal storm water system. The Norfolk Southern switching yard represents a major but possibly overlooked economic asset positioned in the heart of the west cluster.

The West Cluster, representing nearly 2,500 acres, in its current condition and configuration is unlikely to attract significant diversified business investment. There is evidence that it is finding it difficult to retain some of its existing businesses. As with all older developments, there comes



a time in which the investment needs to be renovated or replaced. The time has come for the Elkhart community to plan and implement a major renovation and modernization of this important economic asset.

The LU&I Action Team conducted an economic analysis of several land parcels in the West Cluster. The analysis tested the viability of a redevelopment and re-investment program for the West Cluster. This analysis can be found in LU10 of the Appendix. This exercise demonstrated that planning, assembling and reconfiguring property in a manner that revitalizes currently obsolete properties, and addresses over time incompatible land uses makes economic sense assuming a well-structured public-private partnership. In the case of the West Cluster, it is likely that the public sector will have to lead the way, creating a redevelopment plan and implementation strategy. It is recommended that the strategy assumes a 10-20-year period for full implementation. The redevelopment plan should consider some initial property assembly in order to demonstrate that a business investment plan is in place and it is being acted on. Once this first step is achieved (plan and initial land assembly) the private sector has shown it will invest and take advantage of what the business park has to offer. It is important to realize, once a viable and updated redevelopment plan is in place, with clear signals that the public sector will be a partner with the private sector in implementing it, there will be renewed interest both by existing West Cluster businesses and well as business prospects in investing in the area.

Figure 1 below shows the portions of the West Cluster that are included within four (4) designated economic incentive overlay zones. While all are beneficial to individual business growth, only one (tax increment) will apply to the overall economic redevelopment of the West Cluster. The tax increment district is important in assisting the public sector with its initial land-use planning and property assembly. The Opportunity Zone designation also provides an additional incentive to investors to strongly consider bringing new business to the Zone and/or existing properties in need of upgrade. The TIF and Opportunity Zone designations can be powerful economic development incentives given a viable redevelopment context.

Several key steps should be considered in order to activate and execute on this opportunity. they include:

1. City and County establish clear objectives since both have jurisdiction of property in and adjacent to the West Cluster
2. Establish a group of West Cluster business stakeholders to advise both the City and County redevelopment commissions on needs and opportunities.
3. City and County review land-use and zoning policies and devise a plan for voluntary annexation into City allowing for extended City services
4. Update Infrastructure programming with timetable – especially storm water, water utilities, and high-speed communications
5. Update Redevelopment and TIF Plans – Final Product a 20 Year Strategy
6. Identify 5-year priorities – public and private
7. Finalize 5-year work program – assign accountabilities for carrying-out

More information regarding the redevelopment of the West Cluster can be found in LU6, LU7 and LU10 of the Appendix.

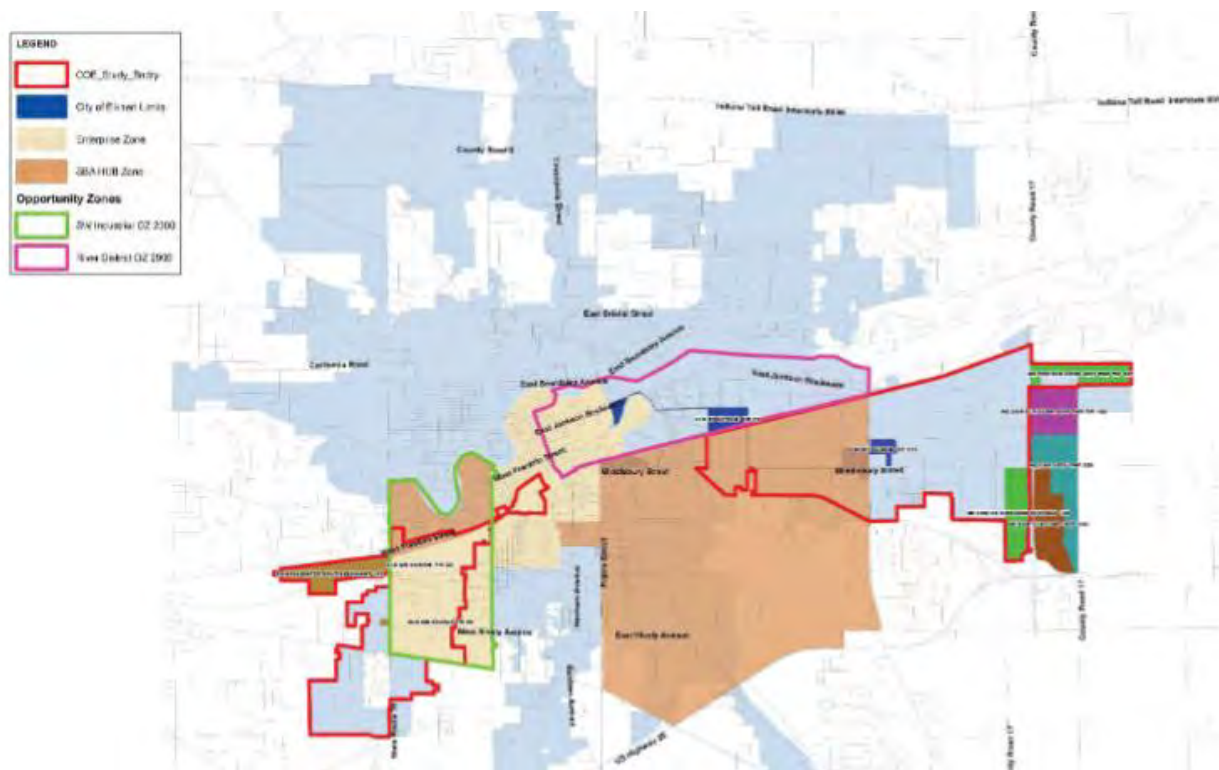


Figure 1 – Incentive Overlay Zones – East-West Clusters

## PROJECT OUTCOME 3:

### East Cluster Industrial Area

The East Cluster, approximately 3,000 acres in size, is not as encumbered by underutilized properties and buildings as the West Cluster. Many of the properties were developed in the late 1950s and early 1960s. Property maintenance and updates are more evident in this cluster. The property platting is more organized than in the West Cluster giving an impression of a more formalized business park. Accordingly, land values are notably higher in the East Cluster compared to the West Cluster.

Like the West Cluster, the East Cluster does host a number of RV producers and suppliers. There are also clearly several other business types including chemical, plastics, specialty contractors

and professional services companies. The area is well served by a full complement of utilities. The road network is good and markedly better than the West Cluster. The storm water system utilizes city streets with little planned or private storm water management occurring. The East Cluster has convenient access to the Indiana Toll Road using County Rd 17.

The East Cluster is a better candidate for attracting a major business investment given its ability to utilize existing sites both in and adjacent to the business park. Its issue is the cost of land. The cost per acre (approximately \$100,000+/acre) encourages most business prospects to consider other options. The cost of land may be the most significant impediment to future investment in the East Cluster. There are several significant redevelopment sites within the East Cluster, but not nearly to the extent found in the West Cluster.

The East Cluster does not require the public sector to lead the way. Instead, the public sector and private sector should determine where business park “reinforcement” opportunities are present. Such opportunities could include redevelopment of older, obsolete properties, retention-expansion initiatives, land-use and rezoning initiatives, city-county annexation strategy, and activities that establish shovel-ready development sites. These activities, proactively pursued via a public-private partnership will “set the table” for significant and diverse private investment.

The East Cluster does not have the luxury of the incentive district overlays enjoyed by the West Cluster. This should be corrected. An Economic Development Plan and TIF Allocation Plan should be considered for the existing and expanded East Cluster. TIF proceeds can assist with infrastructure extensions, and business incentives to attract targeted investments.

Several key steps should be considered in order to activate and execute on this opportunity. they include:

1. City and County establish clear objectives since both have jurisdiction of property in and adjacent to the East Cluster
2. Establish a group of East Cluster business stakeholders to advise both the City and County redevelopment commissions on needs and opportunities.
3. City and County review land-use and zoning policies and devise a plan for voluntary annexation into City allowing for extended City services
4. Update Infrastructure programming with timetable – especially storm water, water utilities, and high-speed communications
5. Establish Economic Development Plan and expand TIF Allocation Area
6. Finalize 10-year Business Attraction/Retention-Expansion Strategy
7. Finalize 10-year work program – assign accountabilities for carrying-out

More information regarding the East Cluster redevelopment strategies can be found in LU6, LU8 and LU10 of the Appendix.



# TALENT OPTIMIZATION

## Purpose

The Talent Optimization Action Team was charged with identifying opportunities to customize the local workforce system to accomplish two key objectives. First, to explore ways to expand the size and availability of the workforce and talent inventory to meet local industry needs. Second, to diversify the skillsets of the workforce in order to attract a more diverse industry base and to address the increasing automation in the workplace.

## Team Members

- Jacqueline Barton
- Kathy Cardwell
- José Chiquito Galvan
- Gene Cruise
- Gail Draper
- Brandon Eakins
- Aaron Fidler
- Guy Fisher
- Bart Fore
- Jeremy Gillespie
- Dina Harris
- Jason Harrison
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- Denise Hoke
- Amanda Jamison
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- Samantha Lambert
- Jacqueline Letherman
- Mona Livingston
- Jeff Makries
- Amy Martin
- Mark Melnick
- Jeff Rowe
- Rob Staley
- Greg Stover
- John Taylor
- Jason Fink
- Doug Thorne
- Andrew Wiand
- Danielle Wood
- Scott Welch

## Discussion

The Talent Optimization team focused on assessing the existing workforce services ecosystem utilizing a SWOT analysis. Early discussions focused on the identification of current programs and initiatives. The SWOT analysis and team's deliberations led to the establishment of a research and analysis program designed to guide future discussions.

Based on the initial assessment of the workforce ecosystem, it was determined a focus on the skill-sets of the existing workforce should be used as a baseline for 1) identifying skill deficits leading to workforce shortages for existing jobs and 2) better understanding how to build from and advance existing skills to advance careers and opportunities for Elkhart's workforce. The Consultant Team focused on finding best practice models for organizations that examine the skills and competencies of existing workforces and available jobs and then define how to transition workers into in-demand and diverse occupations.

The Action Team then partnered with the Council for Adult and Experiential Learning (CAEL) to accomplish the following:

1. identify skills crosswalks that utilize existing workforce skillsets and establish linkages to opportunities with job and wage growth
2. Utilize the crosswalk concept to attract workforce for existing jobs and creating new more diverse job opportunities
3. Link the crosswalk opportunities to the identified industry sectors that demonstrate the most potential for expansion and attraction while diversifying the Elkhart economy.

## Meetings

August 2019 – Kick-off

September 2019 – Review of Data Collected on Targeted Traded Clusters

October 2019 – Review Key Traded Clusters regarding wage rates and employment growth

November 2019 – Identify key Cluster Needs: talent, land, capital, etc.

December 2019 – Target Business Clusters & High-Speed Communications

January 2020 – Identify key incentives and policy

February 2020 – Key Land Use challenges and incentives for Targeted Industries/Job Skills Crosswalks

## Outcomes

1. Implement Occupational Crosswalks
2. Form Talent Intermediary Organization
3. Extend Employer Workforce Programs and Outreach to Residents



## PROJECT OUTCOME 1:

### Skills Crosswalk Development

Occupational crosswalks provide a critical structure for individuals shifting from declining occupations within the Recreational Vehicle/Advanced Manufacturing industries to In-Demand Industries. The analysis throughout this report relies on data from a variety of sources including Burning Glass Labor Insights, EMSI, BLS, and O\*Net. This section covers the Elkhart and South Bend MSA exclusively.

The crosswalks developed will serve as resources for case managers and career counselors as they assist job seekers transitioning from the RV industry to in-demand occupations. These crosswalks will highlight skill deficiencies, education requirements, and expected wage changes at some of the most common and realistic transition points.

Additionally, these crosswalks will serve as a key element of the Talent Optimization section of the Neighborhood Opportunity Hub. Specifically, recommendations on implementing a pilot program to utilize these crosswalks will be provided in the following section. This report can also be used by workforce development directors and administrators to make important decisions regarding how and where their funding is allocated.

The information gathered for this report was validated with representatives from the Elkhart community including industry and higher education leaders as well as an in-person presentation and webinar. Feedback was gathered during each of these interactions and incorporated into the final product. These crosswalks should be visualized as a living resource that is being consistently updated and altered based upon the constant changes in the labor market.

As automation and changing economic factors continue to impact American workers in traditionally stable industries, it is important for regions to better understand and plan for these changes. Declining industries and occupations will continue to have a significant impact on workers in the future, but planning ahead and creating road maps for these individuals to transfer their skills and experiences to high-growth industries is one of the best ways to counteract the negative effects of a changing economy.

By outlining some key commonly dislocated occupations in the RV industry and mapping how the skills gained can transfer to high-growth occupations, individuals will have a greater awareness of the training they need, where they can find that training, and the employers with job openings in their new field.

Identifying commonly dislocated occupations in the RV industry and mapping how the skills demonstrated in these occupations can transfer to high-growth occupations yields three outputs:

1. Employees will better understand the skills they possess and how they apply to a broader set of job opportunities. In addition, with workforce system support, the worker will be able to focus on the most productive path for upskilling and career advancement.

2. Businesses will have documentation of the competencies that candidates need to be successful in their jobs and more efficient screening tools, so candidates are screened 'in' based on skills versus 'out', based upon education or years of experience.
3. Workforce service providers have better insight into what skills individuals bring and businesses need, can more efficiently prepare people for new opportunities, and can more effectively target training programs to specific needs.

Collectively, these outputs will make it easier for Elkhart's workforce, the workforce system and employers to more efficiently align existing employee skillsets, gaps in skillsets given available jobs, training and career pathways.

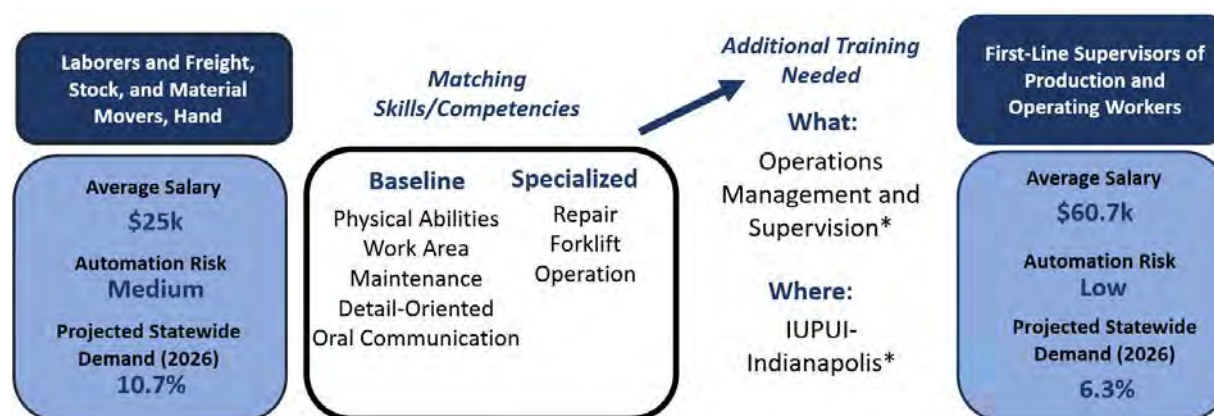
### Occupational Crosswalks

Several examples of crosswalks that are relevant to entry level positions prominent in the Elkhart jobs market are presented below. More examples can be found in TO10 of the Appendix.

Collectively, these outputs lead to better alignment of community and system stakeholders and resources.

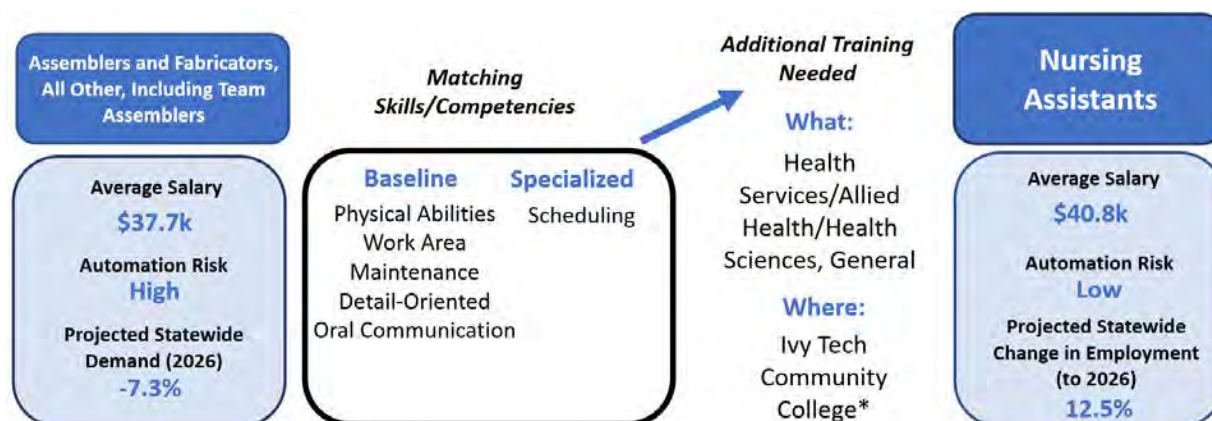
Entry-Level Recreational Vehicle Manufacturing Occupations
Welders, Cutters, Solderers, and Brazers
Laborers and Freight, Stock, and Material Movers, Hand
Assemblers and Fabricators, All Other, Including Team Assemblers
Inspectors, Testers, Sorters, Samplers, and Weighers

### In-Demand Industry: Advanced Manufacturing



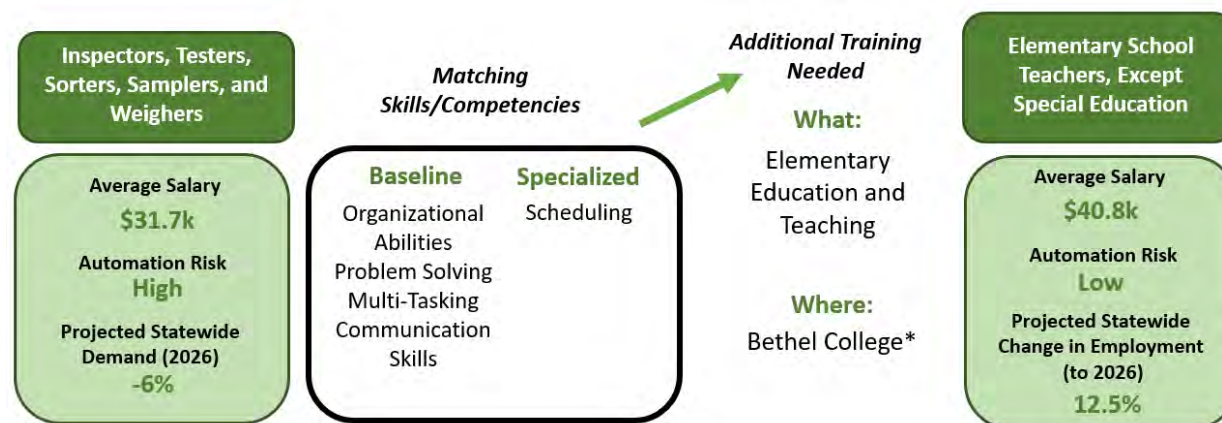
The above crosswalk outlines a transition from Laborers and Freight, Stock, and Material Movers, Hand occupation to the higher-earning, lower automation risk occupation of First-Line Supervisors of Production and Operating workers within the same industry. This crosswalk is further built out and includes additional pathways in the accompanying section of this report.

#### In-Demand Industry: Healthcare



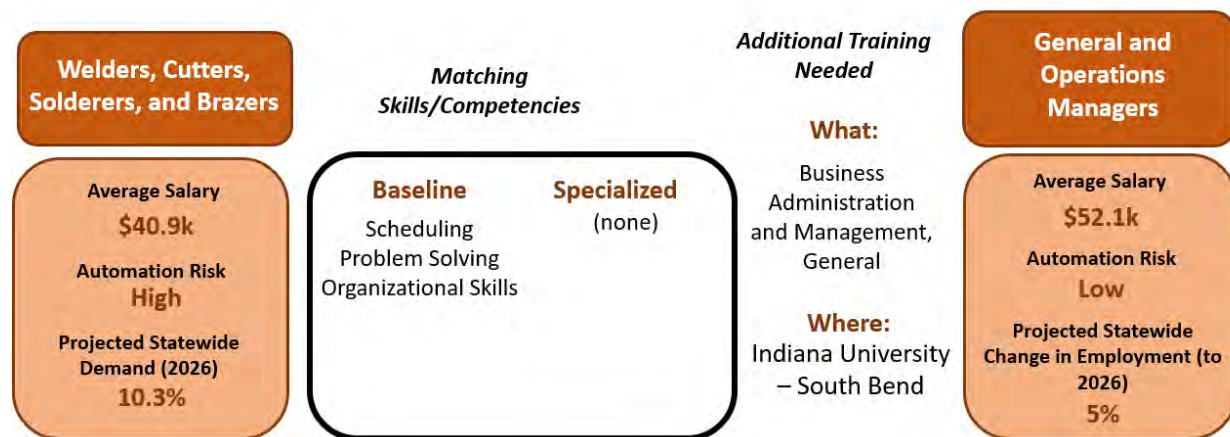
The above crosswalk outlines a transition from Assemblers and Fabricators, All Other, Including Team Assemblers occupation to the higher-earning, lower automation risk occupation of Nursing Assistants within the in-demand Healthcare Industry.

#### In-Demand Industry: Government



The above crosswalk outlines a transition from Inspectors, Testers, Sorters, Samplers, and Weighers occupation to the higher-earning, lower automation risk occupation of Elementary School Teachers, Except Special Education within the in-demand Government Industry.

## In-Demand Industry: Business Services



The above crosswalk outlines a transition from Welders, Cutters, Solderers, and Brazers occupation to the higher-earning, lower automation risk occupation of General and Operations Manager within the in-demand Business Services Industry.

## PROJECT OUTCOME 2:

### Talent Intermediary

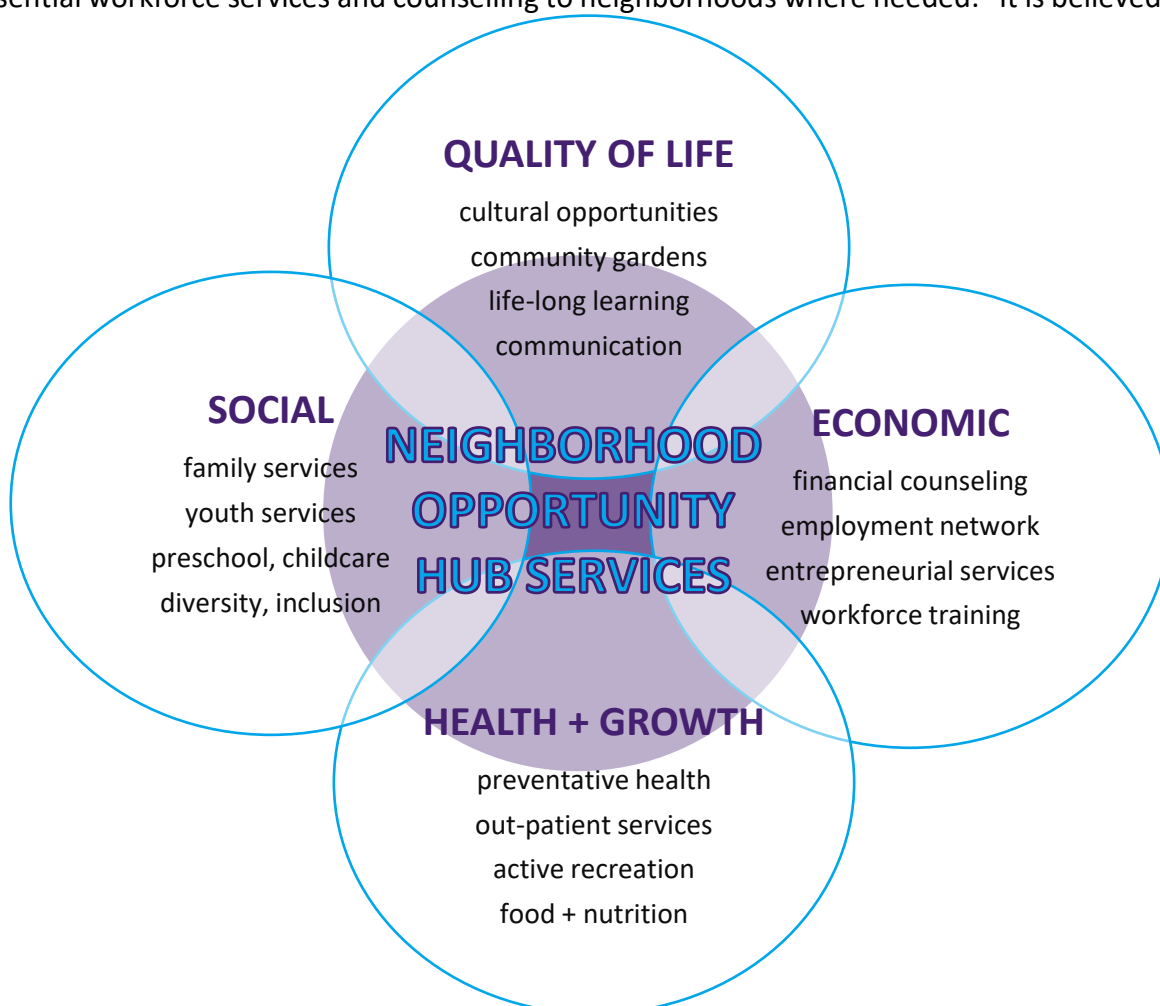
The teams SWOT analysis identified the need for more collaborative partnerships and improved communication as a current weakness in the workforce services provider system (see TO2 in Appendix). The sense is too often that workforce service providers are designing and implementing programming in silos. While collaboration does exist in the workforce services system, there is a need to expand it and create more formal channels of communication. The workforce organizations (not-for-profits, educators, governments, and employers) have no one repository for information and efficient use of local/regional resources. There is a need for a convener in the workforce eco-system. Not only a convener, but a facilitator to bring workforce services providers together with the goal of finding ways to develop complementary programming that can be delivered more efficiently and effectively.

Such an organization could be charged to facilitate the setting of common goals and provide a platform for long-term talent strategies. As the City of Elkhart works to attract new diversification industries and train the workforce to accommodate jobs requiring a more complex set of skills, a clearinghouse like organization can help build and connect resources across broad groups of stakeholders in order align talent needs with training and job opportunities. To be clear, the local and regional knowledge to accomplish this objective is already present. What is not is a formalized structure of coordination of programming and resources. It is likely that one of the existing workforce service providers or economic development organizations can play address this need.

## PROJECT OUTCOME 3: Neighborhood Opportunity Hubs

The Talent Action Team confirmed a well-known problem, there are numerous barriers for many Elkhart households in entering let alone thriving in the local workforce system. Common issues include adequate transportation, access to consistent-affordable childcare, affordable housing close to available jobs, and technology to improve communication and training opportunities. As a result, there is a sizable portion of the local and regional residents that either does not enter the workforce or are inconsistent participants. There is a need to overcome the barriers previously mentioned. Entry points into the workforce system, that are closer to the barrier challenged households is seen as a logical response.

The concept of a Neighborhood Opportunity Hub (NOH) is proposed. An NOH likely would be a co-located office comprised of existing workforce service providers operating in barrier challenged parts of Elkhart. The NOHs would ideally locate in a centrally located existing neighborhood gathering place. While the NOH might not operate in the same location five days a week, eight hours a day, each hub should have consistent business hours. The goal is to bring essential workforce services and counselling to neighborhoods where needed. It is believed this





improved accessibility in a familiar neighborhood setting will improve the ability of workforce service providers to engage and ultimately place residents onto a training and job pathway. Examples of the strategies that could be implemented here include:

- **Establish an Elkhart NOH site** on the southside to connect the most densely area of the City,
- **Partner with employers** in near-by job clusters to create a direct link for under and unemployed residents to jobs that increase household wealth and opportunity,
- **Establish a customized career pathway program** that provides personal and economic growth potential for every resident of the south, west and east sides,
- **Serve as a catalyst for complementary investment** on and within proximity of the established Elkhart site,
- **Measure and make sustained progress on customized MySidewalk dashboards** for the defined initiatives regarding the economic and well-being indicators for the focus geographic areas.

A variety of key demographic indicators provided in the first phase of this process and on the Elkhart Economic Insights dashboard (see [www.elkhart2040.com](http://www.elkhart2040.com) dashboard link to MySidewalk platform), support the need and justification for Neighborhood Opportunity Hub(s).

The key outcome generated by this proactive outreach to local Elkhart residents will be to help guide individuals that find the workforce system complex and/or difficult to navigate an accessible front door to services, training and job opportunity. Providing career coaching and resident training opportunities in neighborhoods with high dysconnectivity is critical to matching local employers with a broader universe of residents within the City who may not be finding opportunities through traditional pathways such as WorkOne, or other local providers.

# THE PATH FORWARD: 2040 WORK PROGRAM

As the City of Elkhart looks to implement this comprehensive economic diversification strategy, there are several strategies and action items to focus on related to the three focus areas outlined above. While each team outlined their own specific recommendations and plan strategies, there are intersections between these elements. This section groups strategies into the three action team areas. The individual strategies correspond to their Action Team area but address key economic development components including strategy name; strategic business focus, lead entity for the strategy implementation, other key partners, and potential local, state, and national sources of funding.



## Diversification Action Team

The Diversification Action Team focused on developing strategies that would serve the targeted industries identified in the Diversification Industry Study. The strategies focused on creating a growing eco-system to nurture innovation around existing and targeted industries of the future. The strategies also emphasize the needs to expand the potential financial incentives that would support expansion of existing and future targeted industry needs with an emphasis on small business growth and innovation.

### Targeted Industry Marketing

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Targeted Industry Marketing	Targeted Industries	EDC	City	TIF and/or Tax Phase-In, Elkhart Venture Capital	Elevate Venture Capital	DOD, EDA, NDC, National Venture Capital Funds

In order to attract businesses in the identified target clusters, the City of Elkhart and its economic development partners, particularly the Economic Development Corporation of Elkhart County (EDC) should develop a comprehensive campaign targeting businesses in Automotive, Information Technology, Business Services, Plastics, Distribution & Ecommerce, Plastics, Transportation & Logistics industries.

Targeted industry attraction should include traditional business attraction methods and nontraditional business attraction methods. A key component of attracting new businesses will be about marketing the ways that Elkhart can support businesses in diverse industry sectors. Key steps in this process include developing marketing materials that emphasize advantages Elkhart provides businesses in each industry; incorporating new business identification and lead generation tools; and traditional site selector engagement methods. The City of Elkhart could work with the Economic Development Corporation for Elkhart County to help lead these efforts.

### Tax Phase-In Changes

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Tax Phase In Changes	Targeted Industries	City	EDC, Elkhart County, City of Goshen	Targeted Industries Tax Phase-In	N/A	N/A

In order to expand the types of companies that qualify for tax phase-ins, including smaller size firms and companies investing in new technology, some changes to the tax phase-in point system are recommended. These include restructuring the points awarded for number of new and

existing jobs to incentivize smaller businesses and those investing in new technology. It is also recommended that targeted industries are updated to reflect priority industry expansion and diversification targets, allowing incentive points for investment that upskills existing workers, updating the infrastructure benefits awarded to encourage redevelopment (where existing infrastructure is currently in place), creating separate scoring systems for existing versus new businesses, lowering required jobs for existing businesses, and providing bonus points for workforce training and internship programs.

### Certified Technology Park

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Certified Technology Park	City-wide	Private 501 c 4	City, EDC, Chamber, NI-RDA, Notre Dame	EDC, Chamber, City, Private Investors	IEDC	NMTC, EDA, DOD; Lilly Endowment, Ford, Knight

A certified technology park will create a focused area within the City of Elkhart for advanced manufacturing with research and development. Certified technology parks can play a key role in attraction efforts for targeted technology clusters and related supply-chain industries as they become a hub for innovation. The park should have an affiliation with a research university for research and development efforts, a campus-style physical environment that defines the area by its research and development focus, relatively low density industry and research buildings that can be linked together, and a specific criteria for eligibility of prospective occupants to align research and development towards targeted technology sectors.

### Traditional Lending

*Purpose: Traditional lending programs through banks and other commercial lenders provide the bulk of debt financing for businesses.*



Source: TPMA

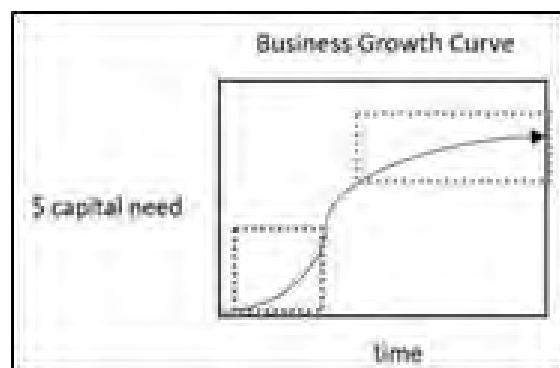
Traditional lending terms tend to be more conservative, and the borrower will have to bring several years of business history to illustrate a sound financial track-record. This is where all businesses should strive to be, but traditional lenders are risk adverse. Therefore, few traditional lenders can provide key underwriting for new and early-stage business financing. Additional financial tools should be explored to provide the expansion capacity for

new targeted industries and ventures that would likely not be attractive for banks and other traditional commercial lenders.

The business growth curve depicted in the chart above illustrates that banks and other traditional lenders tend to fund businesses that have grown and have sustained growth over time. It also illustrates that traditional lenders will likely not underwrite new business start-ups or early stage growth without significant personal guarantees of the businesses. Therefore, many more non-traditional small and microenterprise borrowers will not receive underwriting from banks and other traditional commercial lenders.

### Elkhart Existing Aurora Loan Fund

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Aurora Loan Fund	Downtown	City	EDC, Chamber	Aurora Loan Fund	N/A	N/A



Source: TPMA

*Purpose: Provides loans to commercial development in and around downtown Elkhart.*

The Aurora Loan Fund has been used primarily in downtown Elkhart for retail and commercial business development. The fund has a limited amount of assets and is not a viable fund for broad-based industrial and neighborhood commercial revitalization underwriting.

### Microenterprise Loan Program

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Microenterprise Development	Neighborhoods & Downtown	Private 501 c 4	City, EDC, SBDC	Microenterprise Development; Elkhart County Foundation	IEDC-Regional Cities Initiative-II	HUD, NDC, Ford Fd, Knight Fd. Lilly Endowment

*Purpose: Meet financial needs of start-up and non-traditional entrepreneurs who currently would not qualify for traditional bank underwriting.*





Source: TPMA

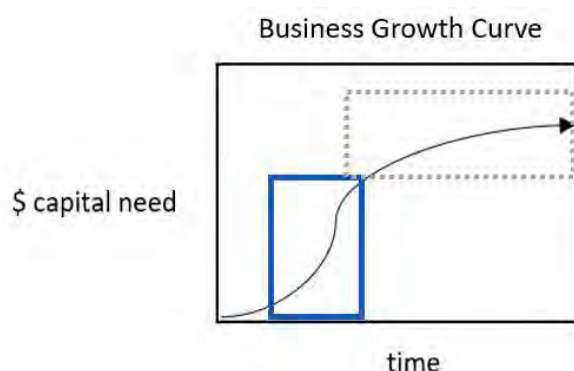
The microenterprise funds would provide “micro” loans for home/garage businesses start-ups or expansions for service-oriented, manufacturing or craft artisan businesses. Many manufacturing components for larger businesses could be underwritten with microenterprise lending. These funds could act like a bridge for micro-businesses to achieve traditional bank lending once they’ve had two to three years of growth. At that point, the microbusiness would refinance the

microenterprise loan with traditional bank underwriting which would replenish the microloan program going forward. The microenterprise loans would target redevelopment areas with the City’s industrial areas such as the Maker District on the southwest side and neighborhood commercial districts, such as South Main Street. This program is meant to assist microenterprises and move them toward traditional lines of long-term commercial lending.

### CDFI - Friendly City Program

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
CDFI - Friendly City	Neighborhoods, Downtown, Opp Zone	Private 501 c 3	City, EDC, RDA	CDFI - Friendly City; Elkhart County Foundation	IEDC-Regional Cities Initiative - II	National CDFI, IFF, LISC, NDC, Ford Fd, Knight Fd. Lilly Endowment

*Purpose: Designed to support small business from non-traditional backgrounds and/or support geographic areas of that have experienced significant disinvestment.*



Source: TPMA

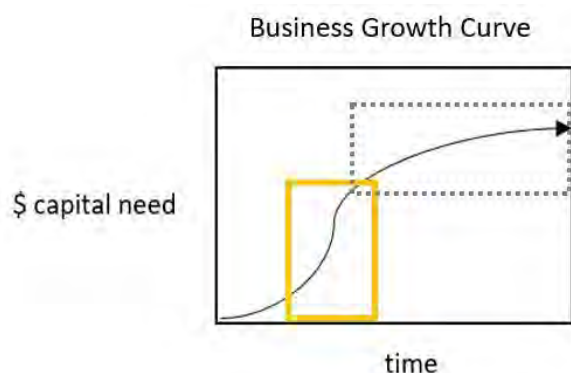
The goal is to use funds to support neighborhood reinvestment efforts in residential and commercial real estate that create new jobs and investment. CDFI funding tends to have more flexibility than other more traditional lending sources, and it focuses on neighborhoods that have experienced higher disinvestment than other areas. Furthermore, affordable housing and early stage start-up businesses can receive amendable loan terms. Besides workforce housing underwriting and start-up businesses,

CDFI funds can support non-traditional entrepreneurs who have yet to build relationships with traditional lenders. These funds can be matched well, especially with microenterprise loans. Finally, besides funding businesses, CDFI lenders often underwrite not for profit projects too.

### Small Business Development Loan focused Targeted Industries - Goal \$50M

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Small Business Loan Fund	Targeted Industries	Private 501 c 4	City, EDC, Chamber, RDA	Small Business Loan Fund	IEDC-Regional Cities Initiative - II	EDA, LISC, Ford Fd, Knight Fd. Lilly Endowment

*Purpose: Leverage the Small Business Administration loan and guarantee loans with additional traditional and non-traditional debt and equity to complete economic development projects in Elkhart.*



Source: TPMA

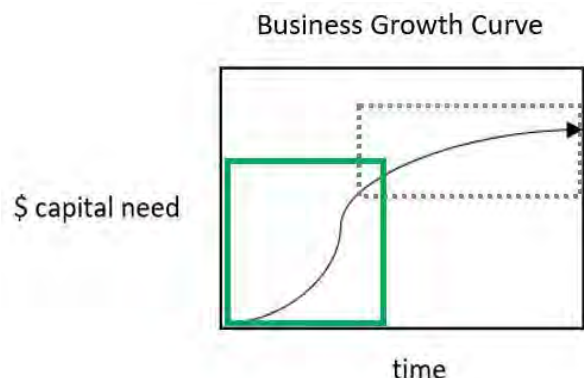
The Small Business Development Loan fund would connect local Elkhart businesses to federal and state loan sources through existing banks that would supply working capital. Focus could be on small businesses within the Elkhart Opportunity Zones and its Maker District. The SBA loans and loan guarantees should be linked to businesses looking to ramp up production, and it should incentivize targeted industry growth within Elkhart. It could be used to leverage additional Qualified Opportunity Fund

resources and other non-traditional funding sources as well.

### Angel Fund Investment Group - Goal \$10M

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Angel Investment Fund	Neighborhood, City-wide	Private 501 c 4	City, EDC, Chamber, RDA	Elkhart Angel Investment Fund	IEDC-Regional Cities Initiative - II	LISC, NDC, Ford Fd, Knight Fd. Lilly Endowment

*Purpose: Provide initial start-up capital or immediate expansion capital assistance to small businesses and microenterprises with focus on non-traditional borrowers and geographic submarkets within the City.*



Source: TPMA

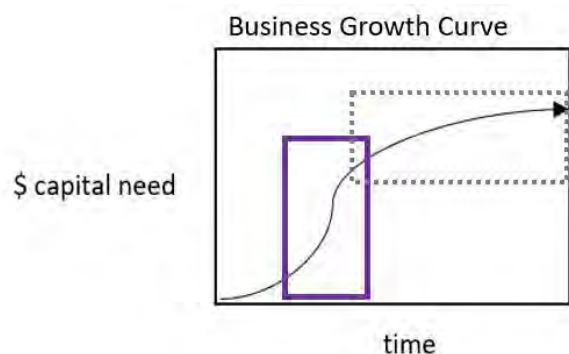
Angel capital investors focus on earlier stage business development while venture capitalists generally require a longer track record before committing venture capital. Angel investor capital supports small and microenterprise businesses who may often be non-traditional entrepreneurs. This may allow investment to be directed to portion of the City that have experienced more disinvestment than other areas. This is true for the older industrial areas and core neighborhoods of the City. These funds

could be targeted to special districts such as the Maker District on the City's near southwest side. The funds should also be targeted to redevelopment commercial corridors such as South Main St. Angel investment funds could be packaged with Opportunity Funds for small business working capital loans and smaller real estate development projects.

### Elkhart Venture Capital Fund

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Venture Capital Fund	Targeted Industries	Private 501 c 4	City, EDC, Chamber, RDA	Elkhart Venture Capital Fund	IEDC-Elevate Venture Capital	National Venture Capital Funds

*Purpose: Assist small businesses to grow with new innovative products and technologies that focus around the growth of targeted industries.*



Source: TPMA

The Elkhart Venture Capital Fund would manage funds of investors who want private equity in new venture start-ups and small to medium sized enterprises within target industry clusters that are growing new product lines and innovating production. Venture capital funds focus on early-stage investment, and high growth firms that are risky but have a high return on investment if successful. Venture capitalists have a slightly longer time horizon for their return than Angel investors as it may take a manufacturer a longer period to realize their return.

### Small Business Development Center @ IUSB Expand Services to IUSB Elkhart Campus

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Small Business Dev Ctr	City-wide	EDC	SBDC, City, RDC, Chamber	City, Chamber, IUSB	IN Small Business Development Center	EDA, SBA



Source: Indiana Economic Development Organization

*Purpose: Assist small businesses and entrepreneurs with no-cost business advising.*

The expansion of the Small Business Development Center to the IUSB Elkhart Campus is another recommended strategy. This expansion would put the small business center into downtown Elkhart and allow it to act as a hub of technical assistance for entrepreneurs. Support would focus on the following key small business needs: strategic planning, financial clarity, industry research reports and prospect lists, business valuation, exporting advising/fellowship program, and market research.

### Center for Advanced Manufacturing

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Ctr for Advanced Manufacturing	City-wide	Private 501 c 4	City, EDC, Chamber, NI-RDA, Notre Dame	EDC, Chamber, City, Private Investors	IEDC	NMTC, EDA, DOD; Lilly Endowment, Ford, Knight

*Purpose: Leverage existing resources of industry, academia, and government through collaboration, and co-investment to nurture manufacturing innovation and accelerate commercialization.*

The Center for Advanced Manufacturing could be affiliated with national manufacturing institutes across the nation through Manufacturing USA and its member institutes. The Center would be guided by principles to enhance industrial competitiveness, increase economic growth, reduce energy use, and strengthen US national security. The concept is to reach across industry sectors to overcome technological hurdles and enable innovative new products through affiliations with the institutes of Manufacturing USA, whose mission is to be:

*The key enabler for establishing new institutes and the collaboration and knowledge sharing of existing institutes. Our goal is to establish an innovation community that ushers in the next*

*generation of manufacturers, manufacturing supply chains, workforce development programs, and technological centers of excellence to the US economy.*

The University of Notre Dame could act as the lead academic university for the Center of Advanced Manufacturing, while Purdue University, Indiana University, and IVY Tech could play supportive roles as well.



## Land Use & Infrastructure Action Team

The Land Use & Infrastructure Action focused its strategies on redeveloping older industrial properties within the City of Elkhart. This team also prepared concepts for expanding real estate options for the west and east sides of the City that may better conform to modern industrial and logistics real estate needs. Furthermore, the Action Team developed several concepts for specific commercial corridors and residential neighborhoods.

### CRoED / Opportunity Zone District

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
CRoED / Opportunity District	Targeted Industries, Opp Zone, Neighborhoods	City	City of Elkhart, EDC, IEDC, St. Legislature, Governor	CRoED / OZ District Fund Elkhart Opportunity Fund	State Legislature & Governor	N/A

*Purpose: Provide Elkhart Opportunity Zone additional local resources to leverage public and private funds for business development and real estate redevelopment.*

The CRoED would capture locally generated sales and income taxes from within the Opportunity Zone that would otherwise not be available for local use. The City could use these resources for a variety of needs within its Opportunity Zones. Business expansion and new business growth would be a high priority. Other needs within the OZs include public infrastructure upgrades, such as storm water management, sidewalks, streets, and other utilities needed to support business growth. These funds could be used to clean up properties and assemble real estate parcels that are currently configured in ways that seriously constraint private development, investment and job creation.

Many states are supplementing their Opportunity Zones with new state legislation; Connecticut, Illinois, Ohio, and Utah. Indiana should do the same by expanding the existing CRoED legislation to incorporate Opportunity Zones. This should have broad appeal across much of the state as Indiana's Opportunity Zones are in urban as well as rural areas

### Local Elkhart Qualified Enterprise Fund

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Local Elkhart Opportunity Fund	Opp Zone - Maker District, Neighborhoods	Private 501 c 4	City	Local Elkhart Opportunity Fund	LISC Indiana Opportunity Fund	National Qualified Opportunity Funds

*Purpose: Generate local capital to funnel into Opportunity Zone projects for both real estate and business expansion.*

The local Elkhart Qualified Opportunity Fund (QOF) would only focus on Elkhart's OZs. The Elkhart QOF would support small business development projects within its Opportunity Zones. These would be locally controlled funds that provide a significant boost to investment and employment in most of the City's older manufacturing areas and neighborhoods. Key areas such as the Maker District on the City's near southwest side could be a focus. Other major needs such as affordable workforce housing could be a prime use of the funds. The local Elkhart QOF could leverage additional funds from national QOFs that target affordable housing and small business development. This would allow business deals to get a double dose of QOF injection as equity into their deals. Finally, this local Elkhart QOF would also be able to leverage other funds from Community Development Finance Institutions, drive Community Reinvestment Act goals for bank investment, supplement SBA financing, federal housing tax credits to support workforce affordable housing development, and potential venture and angel investment funds that otherwise may not engage without additional equity in a business development deal.

### Anchor Institution Program

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Anchor Institution Program	Neighborhood	Private 501 c 3	City, EDC, Chamber	City, Chamber, Elkhart Co. Fd	IEDC - Redevelopment Tax Credits	HUD, EDA, Ford Fd, Knight Fd. Lilly Endowment

*Purpose: To use large institutions such as hospitals or universities who are "anchored" in their respective locations to use their procurement powers to buy from local businesses, to hire local residents, and to improve residential housing for their employees to live near their institutional campuses.*

Large local institutions have significant purchasing power for food, supplies, and technical/professional services. These institutions are also looking to build an employment pipeline for future technical and professional hiring needs. They often can support adult training and youth mentoring for full-time jobs in health care fields and / or education. Focus should be on development employment of neighborhood adults. These training programs can often be linked to neighborhood employment hubs to support soft skill development and technical specific training needs of the institutions. Furthermore, finding affordable housing is often a challenge for institutional employees. Institutions could form partnerships with private developers and nonprofit entities to develop housing near institutions to make housing available for institutional employees. This serves the institution and it benefits the immediate neighborhood rental and or owner-occupied housing.



### Workforce Housing Initiatives

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Workforce Housing	Neighborhood	City, Private 501-c-3	City, Chamber, NI- RDA, EDC	TIF, CDBG, Elkhart Opportunity Fund	IHCDA	HUD- CDBG, HOME, Sec221; LIHTC 4%&9%; FHLB; National CDFIs

There is a lack of quality, well located, affordable workforce housing for the Elkhart employment force. A strategic and well running workforce housing initiative will not only serve local employees and businesses (current and future), but also help reinforce several struggling neighborhoods. The strategy should strive to add 50-100 new workforce housing units annually, within a 10-15-minute walk of major Elkhart employment clusters. This strategy includes the following elements:

1. Infill Housing Program
2. Expand Housing Rehab

3. Assemble buildable property sites for Workforce Housing for Single-family Residential and Multi-family Residential Development
4. Land Bank program that will support working families to buy their own home without a requirement of 20% down payment
5. Engage with Faith-based entities who have surplus real estate that could be used for workforce housing
6. Identify buildable sites to attract workforce housing developers

## Talent Optimization Action Team

The Talent Optimization Action Team focused on key skill crosswalks of employees that relate across various existing and targeted industrial occupations of today and the future. Also, the team focused on bringing employment training and opportunities directly into neighborhoods where the greatest residential employment needs are located. Finally, the team developed strategies on how to better organize employer needs with Elkhart residential skill development and pipeline development for business that match with residential skill development and career pathways.

### Implement Occupational Crosswalk Program for Entry Level Workforce

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Skills Crosswalks	City-wide	Talent Intermediary	Chamber, Workforce/Talent Service Providers, Employers		WorkOne	DOL

It has been well established by Elkhart's workers, employers, and workforce/talent service providers that too many entry level manufacturing jobs offer little opportunity or future. Turn-over is high and productivity low. Many in the Talent Action Team felt that if "future opportunity" was embedded with these jobs the results could be different. Instead of entry level jobs being viewed as dead ends jobs they are transformed into "springboard jobs".

A well-defined skills crosswalk's program could provide this sense of future opportunity. Often tedious lower paying entry level jobs connected to such a program become a pathway to learning, building skills, and more rewarding jobs. By making entry level jobs more attractive via well-defined skills development and future opportunities, it should be easier to attract and retain workers thus growing the size of the workforce. There are numerous initiatives underway to expand the skills crosswalk programming into Elkhart's workforce system. A more systemic approach is needed if this initiative is to fully benefit both employers and their employees. The following strategies are presented as potential first steps in realizing this outcome.

1. Assuming recommendation one is implemented, the establishment of a Talent Intermediary, it should include skills crosswalk programming as one of its early agenda items. Workforce/Talent service providers that are currently implementing such programming should be encouraged to share their experiences to date and identify best practices and outcomes. Employers that have benefitted from the skills crosswalk programming should also be included in the conversation. Discussion should focus on how to expand programming in partnership with local employers and workforce/talent service providers.



2. A manageable step towards expanding skills crosswalks programming could include executing one or more demonstration programs with local employers. Workforce/talent service providers would work with the employers to understand the requirements of their entry level jobs, the skills development involved and identify the opportunity to advance the newfound skills in the direction of more rewarding jobs, advanced certifications and/or learning. Prospective employees would be counseled about the job, its requirements and possible career opportunities. The demonstration program would establish a clear set of metrics to measure the benefits of such a program both to the employer as well as the employee. The establishment of demonstration programs will begin to elevate the discussion between Elkhart's employers and the workforce/talent service providers on how to better engage and upskill the local workforce. Measurable results will be documented and utilized to expand employer participation and refine programming.
3. As the skills crosswalk program is developed and hopefully integrated as a critical component of attracting and retaining manufacturing workforce, younger regional workers should be recruited in an effort to expand the workforce base. Linking future opportunity to entry level manufacturing jobs should create a win-win for employers and their employees. There will still be turn-over in these jobs with this new programming, but it should be easier to recruit new entry level workers ideally competing for these jobs and the opportunities they now make available. In addition, local employers will be better able to identify and take advantage of workers that are upskilling and learning on the job. Critical to a diversifying industrial base.

**Components** – Current Best Local Practices (Skills Crosswalks Programming), Program Metrics for future programming, Employer supported demonstration program

**Recommendation:** Occupational Crosswalks Action Plan

1. Develop Partnership with Employers, Training Providers, and Other Stakeholders:

To implement these crosswalks successfully, Elkhart leaders will have to engage a variety of community partners and generate buy-in for a customized training program pilot. The following steps that Elkhart leaders should take for successful implementation include:

- Identify an Employer Cohort: Identify the top employers within the identified industries that hire for the in-demand destination occupations. When determining the best employer cohort, make sure to consider their future hiring needs and their anticipated level of commitment and engagement in the program.
- *Meet Employers Where They Are:* Understanding both where employers are at with their talent challenges and opportunities as well as making the time to meet with them at already-scheduled events will go a long way to developing and maintaining

a strong employer partnership. One aspect of meeting employers where they are is asking the right questions. A few examples are provided below:

- How are you currently promoting your job opportunities?
  - What types of promotional opportunities are there in your company/the industry?
  - How does one advanced from entry-level positions and beyond?
  - Do you have any internal career pathway or crosswalk models already in place?
- *Validate Occupational Crosswalks:* An initial and important first step once the partnership structure has been developed is to thoroughly *validate* the following crosswalks with top employers to ensure they align with their needs and specifications.
- *Identify a Training Provider Partner:* Create a comprehensive inventory of all training programs by institution in their region for the identified high-growth, lower automation risk occupations. Ivy Tech Community college currently has several training programs in these areas, and has a specific office – the [Office of Workforce Alignment](#) that would be an ideal contact.
- *Arm Career Counselors with Information They Need:* At a basic level it is imperative that career counselors at training provider educational institutions have access to real-time labor market data regarding key occupations and skills required for these occupations. Additionally, arming them within information about specific crosswalks within regional top employers would bolster their knowledge and help to fill regional talent gaps. Ongoing training and communication with career counselors will help them be more prepared to link job seekers to the wide variety of regional in-demand opportunities available to them.
- *Leverage Relationships with Economic and Workforce Development Partners:* Utilize existing relationships that the City or other leaders currently have and build on these efforts to work toward common goals. Likely, these organizations are already engaging with employers in some way, so work to build on and collaborate with them instead of recreating this work.
- *Ensure Neighborhood Support Services:* Engage with these regional workforce development or community organizations to ensure that support services such as childcare, transportation, and other services will be provided to target participants in the training program.
- *Identify Goals and Objectives of Ongoing Partnership:* An important element of gaining buy-in from employers and other partners is to develop a shared understanding of the meaning and value of the partnership itself and how it will evolve. Below are a few key questions to aid in the discussion.
  - Why did we decide to partner?
  - What is the goal and objectives of this partnership?
  - What do we hope to get out of this partnership?

- How can we measure our progress?
- How do we define success as it relates to this partnership?

## 2. Create Customized Training Program Pilot:

A primary goal of the partnership will be to validate and develop a customized training program pilot aligned to the crosswalks provided in the next section. Below are a few key steps to take towards fully implementing the training program pilot:

- Determine your Target Neighborhood: Using a combination of labor market and census tract data, work with your partnership to identify the target neighborhoods for participation in the training program. Consider factors such as poverty rates, underemployment, and residential/employer locations that have the highest density of workers within the Recreational Vehicle Manufacturing industry.
- Build On and Promote Additional Crosswalks: In the messaging for these crosswalks and the initial training program pilot is that entry-level occupations don't have to be "dead-end" jobs and that there are many opportunities for individuals to transition either within their initial industry or to other occupations in high-growth industries.

## Assign the Role of Talent Intermediary

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Employer Resource Network	City-wide	Elkhart County EDC	Community Foundation, Local Governments, Employers, Horizon Education, IVTC, Elkhart Career Center, SBRI	Chamber, EDC, Private Memberships	WorkOne	DOL, Ford, Knight, Lilly

Elkhart and the region are rich in workforce and talent development resources. As was stated in the Action Team report out, if the level of coordination and engagement with employers is improved there will be measurable upside for growing and upskilling the workforce and diversifying the community's business base. In Elkhart, there is no one entity that is charged with ensuring that there is a well-designed process for accomplishing these important outcomes.

**Recommendation** - It is recommended that the responsibility for establishing a dynamic well-organized process for coordinating effective workforce and talent services to employers and employees be assigned on a local level and integrated with recent related regional initiatives.

One of the most likely candidates for taking on this formidable challenge is the Elkhart County Economic Development Corporation. The EDC is already connected to local employers. It currently is sponsoring several workforce related initiatives. The EDC also works closely with all the key workforce and talent providers. It is a respected economic development player in Elkhart's private, public, and institutional eco-systems. Just as importantly the EDC is an engaged party in the regional discussions occurring in the economic development and workforce arenas.

The EDC's new additional role could be labeled as a workforce-talent intermediary. It is not focused on delivering the services - it is to make sure the system for doing so has in a deliberate fashion determined:

1. What employers' needs are regarding employee skill-sets – when and how many
2. Who and how employees are prepared for job opportunities, and
3. That innovative and effective methods for growing workforce by building visible pathways to “springboard” or “advancement jobs” are established.

It has been argued that these objectives are already being addressed. This is true. In a piecemeal fashion as identified by the Action Team members. A fully scaled system that effectively and efficiently addresses the employers growing and ever-changing needs is not in place – nor is it getting consistent organized attention. Strategies for realizing such a system could include the following:

1. A request by the City of Elkhart and Elkhart County to the EDC to organize a group of key workforce/talent service providers and employers to define the role of a “Elkhart Talent Intermediary” (ETI). The focus of this discussion will be to establish a platform or process for a consistent and productive dialogue on growing and upskilling the workforce available to Elkhart's current and future employees.
2. Establish an advisory group consisting of key employers and workforce/talent service providers that will engage with the ETI as it partners to advance the critical objectives relating to workforce/talent development.
3. Identify a first set of “coordinated objectives” for the ETI to organize and prepare for discussion by Elkhart's leadership. Set an agenda, schedule and clear finish line for the group to cross. Potential agenda items could include but are not limited to; work-learn opportunities, effective outreach to disconnected underemployed neighborhoods/households, upskilling priorities, and building a skills crosswalk employee base.
4. Engage the existing South Bend/Elkhart regional network and resources to enhance these efforts.
5. Develop a local/industry web-based application that connects employee candidates to employer opportunities. This can be structured based on the crosswalks methodology for presenting current and aspirational job opportunities with available training and advancement classes and programs. Following is an example of information that can be shared in an interface connecting people to opportunities.

## Construction &amp; Building Inspectors Occupational Profile



**Components** – Establish/Assign Intermediary Responsibility, Document Process for Advancing Discussion, Set Initial Objectives, Accomplish

### Establish Neighborhood Opportunity Hubs

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
Neighborhood Employment Hubs	Neighborhood	Private 501-c-3	City, Chamber, EDC	CDBG, TIF, LOIT	WorkOne; IEDC Redevelopment Tax Credits; IHCD mixed with Workforce Housing	HUD-CDBG; LISC, NDC, Ford Fd, Knight Fd. Lilly Endowment, NMTC

During the Talent Optimization Action Team discussions one of the more frustrating challenges was finding effective ways to engage the most alienated and disconnected young adults and non-participating residents in Elkhart's labor force. It was understood that a certain percentage of the community was not ready to opt into jobs and career advancement. It was felt that there were significant numbers from this group that did wish to find meaningful work, but current barriers were too daunting to overcome. Furthermore, these barriers made it difficult for workforce/talent service providers to engage with those impacted in an effective manner.

Two major barriers to engaging the disconnected community members are limited transportation options and inconvenient access to needed services. There was a sense that if the services were closer to those in need there would be improved connections with those that are not consistently participating in Elkhart's workforce. It is for this reason that the Action Team recommended the establishment of Neighborhood Opportunity Hubs in areas where concentrated unemployment and low-income households are present. These Hubs would be conveniently located, ideally accessed by foot, bike or a short bus or car ride. The Hubs could be co-located with an existing neighborhood service center or business. The Hubs could be



established as satellite offices for existing workforce/talent service providers and social service agencies. The Neighborhood Opportunity Hub's mission would be to proactively engage disconnected adults and to assist in removing the barriers to securing a job and advancing household wealth and well-being. Towards this end the following strategies are recommended to realize this outcome.

1. The City of Elkhart as directed by the Mayor establish a working committee of workforce/talent service and social service providers to determine how a Neighborhood Opportunity Hub can be established in up to 3 of Elkhart's most challenged neighborhoods using low household income and low labor force participation rates as two key measures. The Hubs should be easily accessed by neighborhood households and serve as logical extensions of the work that the service providers are required to do. The Hubs should be low cost using existing active spaces that can accommodate co-located service operations. While the Hubs may not operate full time, they should have consistent operating hours.
2. Establish clear quantifiable objectives for each Neighborhood Opportunity Hub. For example:
  - the number of households engaged
  - households connected to support services
  - residents placed and retained in jobs
  - residents connected to skills crosswalk program
  - annual metrics on household wealth and well-being improvements
3. It is realized that two issues that often are persistent and often insurmountable barriers to securing and retaining meaningful employment are access to transportation and/or stable affordable housing. Each Neighborhood Opportunity Hub should have a representative that can assist in connecting households that are so challenged with viable resolutions to these barriers. The City, and in where possible employers might join forces to effectively address these endemic concerns.



### Case Study: Greater Houston Partnership

In 2013-14, the Houston Partnership determined that "middle skill" jobs were becoming increasingly difficult to fill. The Partnership surmised there were two primary reasons for this issue: 1) much of the region's workforce did not satisfy middle skill job requirements, and 2) there was a need to communicate employer needs with the workforce/talent service providers so they could prepare for this growing demand-supply deficit.

While Houston had a talented group of workforce/talent service providers, they operated independently with little communication. They dealt more on a micro level vs a macro level and did not forecast needs of local employers well. A "system integrator" was needed to coordinate all entities involved in the job readiness eco-system. The system integrator would bridge the growing gap between employer need and workforce preparation.

The Houston Partnership emphasized a work and learn environment where skills development is integrated into the job, encouraging development of a series of skills crosswalks. Crosswalks connect entry level jobs to the better paying middle skill positions. The system integrator was charged with ensuring the workforce/talent service providers organized accordingly to support this outcome.

## WORK PROGRAM ACTION PLAN: STRATEGIES

The following table is a graphic representation of the workplan required to initiate strategies identified in this report. The workplan spans five years from July 2020 through the final quarter of 2024. The table identifies the Action Team responsible for each strategy, the types of businesses the strategy focuses on, and the lead entity. The timeline portion of the work program is shaded with a lighter and a darker blue. The lighter blue identifies a ramp-up or planning period that will allow the lead entity and partners to complete additional work and planning necessary to activate each strategy. The darker blue section identifies strategy implementation.

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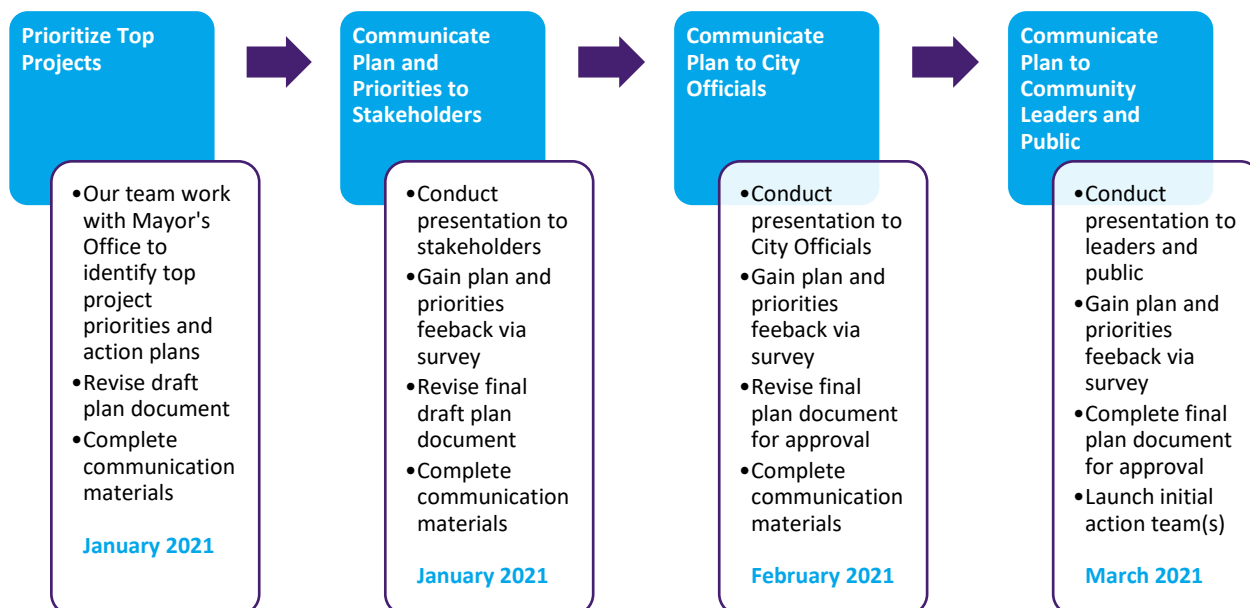
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# NEXT STEPS

## Immediate Next Steps

Following are proposed next step to identify the priorities for execution and to communicate the plan outcomes to the stakeholders and community leaders.





A black and white photograph showing the silhouettes of six business professionals standing on a narrow bridge. Two people in the center are shaking hands. The bridge is supported by a single person hanging from a ledge on the right side. The background is a bright, hazy sky. The image is partially obscured by a large purple diagonal shape on the left and a blue triangle on the right.

# COLLABORATIVE PLANNING STRUCTURE

## Purpose

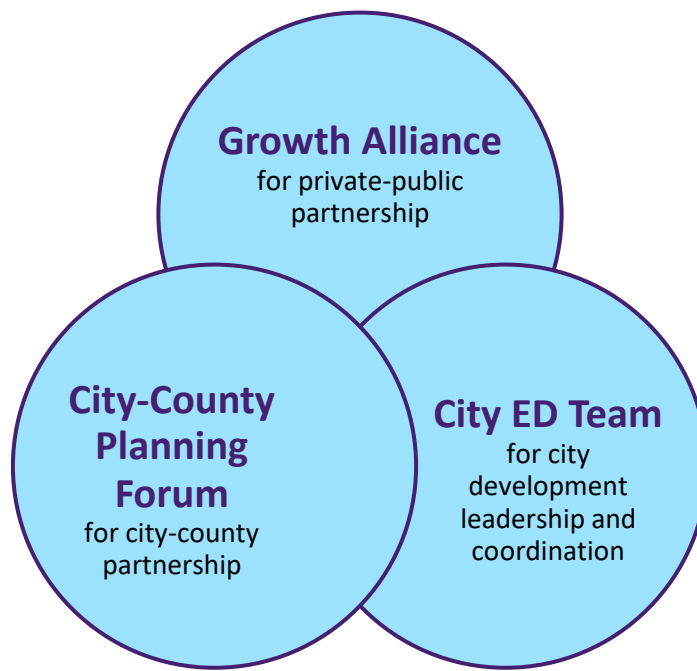
The result of the Elkhart 2040 work plan calls to question the resources that will be required to facilitate, lead and guide aspects of the various projects identified. This plan as it stands has been approached as a City of Elkhart economic development plan which details the initiatives that could be prioritized and executed through the City of Elkhart's leadership or otherwise designated resources during the next three years. Most of the work will require public-private collaboration of that various organizations that were engaged through this process as identified below.

Each project requires a different combination of resources ranging from city, county, local and state public and private resources. The critical component of success relies upon the leadership driving the expectations for planning and execution, and the formation of the appropriate team members to be a part of the stages of development and implementation required for each.

The City of Elkhart is in a position to lead the development of priorities and their required resources to tackle the projects identified. To be successful, there are three considerations for partnerships and internal team development outlined below.

## Outcomes

- **Develop a nonprofit Growth Alliance** planning and implementation entity to lead continued public-private partnership planning and investment functions for designated project.
- **Develop a City-County Planning Forum** that aligns with respective representatives to coordinate the planning, investment and implementation of designated projects.
- **Align City Economic Development Team Responsibilities** to serve in the capacity of planning and implementation of the City's assigned responsibilities for designated projects.



## PROJECT OUTCOME 1: Growth Alliance

In the quest to move economic development to the top of City leadership's agenda, many cities have supported the development of a nonprofit entity as part of an overall system to accelerate development activities in the city as recommended by an economic development task force (i.e. Elkhart 2040) often chaired by a Mayor or City Manager. The entity is charged with developing designated projects and has three primary responsibilities:

- Set overall strategic direction and priorities for development of designated projects through public-private collaboration with input from a broad range of stakeholders.
- Work in partnership with the City, County, Regional partners and private developers to facilitate economic development throughout the City.

- Oversee project implementation to ensure public and private accountability for the successful completion of City projects.

A local specific project example includes the Elkhart River District Implementation Team. This plan suggests creating an entity that manages various City projects - see the [Cincinnati Center City Development Corporation \(3CDC\)](#) as an example.

### Potential Action Plan

Measures for success would include formation of the Growth Alliance and by the second year of operation the private, non-profit development corporation would significantly strengthened its own infrastructure and passed important milestones in each of its focus areas designated by the private-public partnership.

- Establish the Board of Directors and hire staff required to operate the organization.
- Incorporated management of the Elkhart Enterprise Fund (EEF) into its operations.
- Secure City Council's approval to proceed with a plan to revitalize specifically designated projects.
- Begin implementation of a comprehensive redevelopment plan for designated projects.
- Secure approval from Local and State officials of a financing plan that permits the use of public funds required for projects.
- Raise private capital require to support designated projects.
- Oversee the plan development and implementation of designated projects.
- Measure and report the success indicators for designated projects.

It is estimated that an initial staff of three members (administrative, urban planning, real estate) would be required to complete land assemblage, project planning, funding and economic tools that make the City of Elkhart more attractive to companies and developers, including:

- Facilitate forums or teams to prioritize Elkhart 2040 project priorities on an annual basis;
- Coordination, management, planning and implementation oversight of City of Elkhart 2040 signature projects;
- City strategic planning, policy and scorecard tracking;
- Strategic city asset mapping and management;
- Real estate and infrastructure coordination supporting signature projects;
- Business and industry development, including partnering with organizations for workforce development and entrepreneurship and innovation to support Elkhart 2040 projects
- Transaction services for assembling deal financing and incentives (with city, county, state and federal funding opportunities)

## PROJECT OUTCOME 2:

### City-County Planning Forum

This outcome suggests providing a structure that allows the City and County project members to have a forum for collaboration to create alignment for setting reasonable expectations for designated projects.

As an example, this can include providing a forum for such dialog as the availability of city utilities within peripheral growth zones where development sites may not qualify for annexation (contiguity) upon initiation of planning or even development.

The model may allow for establishment of economic development allocation areas for tax capture in those same areas and then provide a means for revenue sharing with the County and City until annexation occurs. Understanding this, then the following topics, components, or conditions could be considered.

Projects or developments that would be considered under this model would need to be:

- Within the County and/or City's Area of Planning and Influence (2-mile periphery);
- Within area identified as key to City and County goals for growth and economic diversity;
- Areas that are within or adjacent to developments already served by city/county utilities;
- Representative of projects that enhance the City and County's infrastructure assets (utilities, streets, etc.);
- Provide for the location of high-value developments relative to employment, investment, and economic diversity;
- Provide for the development, redevelopment, or preservation of workforce housing.

## ROLES AND RESPONSIBILITIES

The following outlines the potential roles for the following entities within this forum:

City of Elkhart	Elkhart County	Developer/Development
<ol style="list-style-type: none"> <li>1. Assigns representatives for joint planning activities relative to growth zones, land use, and annexation plan (staff, RDC members, council, etc.);</li> <li>2. Assigns representative(s) to participate in joint planning activities with county staff as needed for development projects that will advance in growth zones;</li> <li>3. Participates, as needed, providing review of project studies, plans, and processing specific joint approvals;</li> <li>4. Provides city prototype annexation petition, specific to delayed activation of annexation process;</li> <li>5. Activates annexations, as needed, specific to agreement including property owner notices, preparation of fiscal plans, annexation ordinances, and the conducting of public hearings;</li> <li>6. Processes adoption/approval of Interlocal Agreement (Administration, BPW, RDC, Plan Commission, City Council);</li> <li>7. Jointly approves development support within growth zones (RDC).</li> </ol>	<ol style="list-style-type: none"> <li>1. Prepares draft Interlocal Agreement;</li> <li>2. Conducts needed County approval of Interlocal Agreement (RDC, Plan Commission, County Commissioners);</li> <li>3. Initiates and organizes joint planning efforts relative to growth zones, land use, etc.;</li> <li>4. RDC reviews and considers changes or updates to project incentive qualifications related to growth zones;</li> <li>5. RDC establishes and administers tax increment finance allocation areas as needed or required to assist development in growth zones;</li> <li>6. Develops and conducts joint planning activities for TIF management plans within growth zones, (i.e. priorities, supporting infrastructure needs, long-term strategy);</li> <li>7. Develops funding strategy for peripheral roadways already partially supported by TIF revenues, (i.e. CR 17, CR 6, etc.) This may include phased transfer of maintenance and care through the term of the delayed annexation period;</li> <li>8. Provides annual fund transfer from increment revenues or prepares and jointly approves development support within growth zones.</li> </ol>	<ul style="list-style-type: none"> <li>• Provide service area study that includes:</li> <li>• Graphic representation of proposed development and associated service area;</li> <li>• A system analysis that includes wastewater volume projections and water system demand, assuming full development of the service area;</li> <li>• Analysis of existing utility system impacts;</li> <li>• Description and implementation plan for impact mitigation if required;</li> <li>• Considers a 20-year design horizon.</li> </ul> <ol style="list-style-type: none"> <li>2. Provide project design and funding as determined by Development Agreement;</li> <li>3. Prepares and submits County RDC application and application fee;</li> <li>4. Conducts all planning, zoning, and approval/permit procurement for project development;</li> <li>5. Prepares and submits annexation request for development, or in the case of a multi-site development, requires each individual site owner to provide the required executed annexation petition for filing with the City.</li> </ol>

Within a project agreement potential key components of an action plan could be:

- City agrees to allow continued extension of municipal utilities in exchange for revenue sharing from developed increment;



- The Agreement stipulates the term for delayed annexation. This could be for as long as the statutory life of the TIF or for a lesser term, depending upon the goals included within the TIF Management Plan;
- The level of revenue sharing could be adjusted based on the development support required to activate specific key developments or could be pre-determined at the outset of the interlocal agreement; Elkhart – South Bend – Fort Wayne  
*Example: (McKinley/Ash Road) In the case of the Northwest Gateway, expenses may include acquisition of key properties and discounted sales to high value prospects. This reduces available funds for revenue sharing early in the redevelopment process, but may result in a more significant level of investment overall.*
- The Agreement should acknowledge that investment and economic diversification is the priority. Accordingly, high-value prospects may need support at a level that could impact the revenue stream to the extent that revenue sharing could be delayed or be completely offset by the needs of the project;
- The Agreement should stipulate that development standards within growth zones should be those required by City Ordinance;
- If this Agreement is meant to provide the structure for a long-term partnership in support of economic development, then the growth zones mentioned above should be identified by a graphic attached to the Agreement.

## PROJECT OUTCOME 3:

### City Economic Development Team Alignment

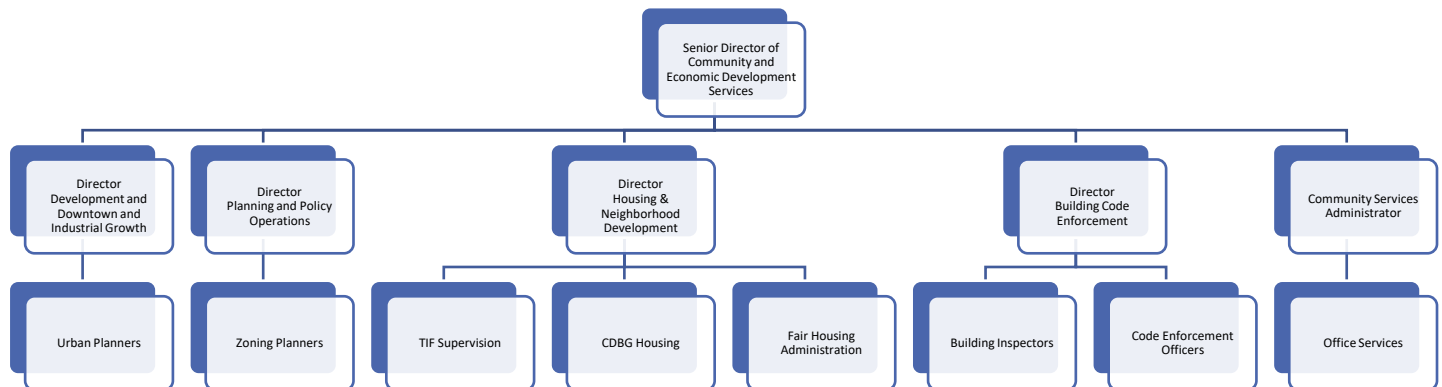
As part of the plan, the potential structure for the City of Elkhart's economic development team was explored. Per the administration change, modifications are needed. Following is an overview of the structure and key roles that were identified.

The purpose of the Economic Development function within the City is to develop and implement strategic plans and initiatives consistent with the City's mission. This is accomplished by directing the City's redevelopment and major projects for industrial diversification and workforce development, along with marketing efforts to assure business retention, expansion and attraction; and overseeing outreach programs for small business and federally funded job placements; working collaboratively with strategic partners at the local, state and national level to bring job growth to the City and managing the incentive portfolio offered by the City.

The department is also responsible for revitalizing distressed business corridors, target development in redevelopment areas, tax base expansion and job creation through public and private real estate partnerships; serving as the principal point of contact with external and internal constituencies on public-private partnership for economic development through commercial real estate activities; and negotiating, developing and monitoring city agreements and other forms of economic and business development incentives. Other duties include providing resolutions to inquiries, interpreting grant regulations, and administering and monitoring contracts.

With such functions in mind to support the breadth of the Elkhart 2030 projects, following is a potential structure as a discussion point to align Economic Development roles to the possible functional roles required. Project priorities are best to be determined before setting such structure.

### The Potential Structure



Overall, each Director's responsibilities would include the following in their designated areas:

- Responsible for economic and business development services and activities, including the development and implementation of annual action plans; recommends and administers policies and procedures; and overseeing the City's relevant committees and associated boards.
- Manage the development and implementation of divisional goals, objectives, policies, and procedures and ensures that they are aligned with the City's strategic initiatives.
- Establish appropriate service and staffing levels; monitors and evaluate the efficiency and effectiveness of service delivery methods and procedures; allocates resources accordingly.
- Plan, direct and coordinate directly or through subordinate level managers, the department's work plan; assigns projects in programmatic areas of responsibility; reviews and evaluates work methods and procedures.
- Responsible to oversee and participate in the development and administration of the division's budget.
- Analyze trends and conditions and determines necessary strategic initiatives to take advantage of those trends and conditions.
- Coordinates efforts with partner organizations and departments to develop programs to support prioritized initiatives (i.e. housing, economic development, community development)

- Develop and administer economic and business development programs for the City; contact and market the city to outside agencies and enterprises.
- Oversee and ensure that all local, state and federal statutory reporting requirements for department/division programs are administered.

The proposed structure would be vetted and driven by the City's Chief of Staff and the following action steps can be supported:

- Assess required City function to support prioritized projects;
- Finalize organization chart with roles to support the functions required;
- Develop role descriptions for each position;
- Align team members to best fit roles;
- Implement performance management best practices for goal setting, training and development;
- Complete internal departmental communication for staff changes;
- Complete communications to all stakeholders.

A black and white photograph showing the silhouettes of six business professionals standing on a narrow bridge or walkway. Two people in the center are shaking hands. The bridge is reflected in the water below. The image is framed by a large purple triangle on the left and a blue triangle on the right.

# ADDITIONAL RESOURCES

[Links to Appendices | Additional Plan Resources](#)

[Industry Diversification Appendices](#)

[Land Use and Infrastructure Appendices](#)

[Talent Optimization Appendices](#)

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