

ELKHART'S ECONOMIC
DEVELOPMENT PLAN
2021-2022

ELKHART 2040
IMPLEMENTATION

WE THRIVE



2021 IMPLEMENTATION POINTS OF DISCUSSION

The Elkhart 2040 History & Vision

The Case for We Thrive

Framework

Micro ED Elements

- Neighborhood hub
- Career crosswalks
- CDC
- West cluster redevelopment

Macro ED Elements

- Complete neighborhoods
- Targeted downtown development
- Business diversification
- Logistics

History: Phases of Work Since 2017

**2017-18
Phase 1**

The Foundation of Facts

Completed in 2018, the Phase 1 Diversification Plan used primary and secondary data to identify the needs and initiatives required for Elkhart's economic stabilization.

- Workforce development
- Industry diversification
- Land use and infrastructure redevelopment
- Housing
- Placemaking

**2019-20
Phase 2**

Consensus for Priorities

Completed in 2020, The Phase 2 Diversification plan engaged over 60 stakeholders to set priorities for implementation:

- Talent: Develop career crosswalks and talent intermediary group
- Diversification: Selected diversification segments, priorities for incentive toolbox
- Land use and Infrastructure: identified and assessed properties and quantified challenges for redevelopment

**2021-22
Phase 3**

Structure for Implementation

Execute development infrastructure by creating the organizations and private-public master work plans required for specific projects to be implemented in 2022+

- Neighborhood Hubs
- Career crosswalks demonstration project
- Develop CDC and workforce housing project
- Begin downtown development projects for Complete Neighborhoods, industry diversification targets, and logistics work plan



INSTILLING PRIDE TO THRIVE. THE VISION

This administration is striving to adopt The City of Elkhart's first economic development plan that will pave the way for intentional economic growth and placemaking in Elkhart.

No more will Elkhart leave the future to chance. We aim to align public and private leadership to execute specific investments in our business, industry, neighborhoods and people.

We will give our youngsters the reason to stay and thrive in Elkhart. Our future starts with the choices and investments that we make today.

OUR PRIDE TO THRIVE

“To the extent that there is mobility for neighborhoods, it is often downward.”

Brookings: Tackling the legacy of persistent urban inequality and concentrated poverty.
Stuart Butler and Jonathan Grubinsky
November 2020 (b-1) Credit EIG May 2020 Study

THE CASE FOR WE THRIVE

Elkhart's Economic
Development Plan
for Sustaining Elkhart's Future

NEIGHBORHOODS OF POVERTY ECONOMIC TRENDS & IMPACT

Past 40 Years – urban poverty nationally has sharply increased:

- Metro neighborhoods w 30%+ resident poverty rate doubled 1980-2010.
- Two-thirds high poverty neighborhoods in 1980 remain 40 years later.
- Born and raised in poverty strongly influences future economic mobility.
 - Two-thirds Black Americans remain in poor neighborhoods.
- 1980-2018 only 14% of high poverty neighborhoods turned around.



OUR PRIDE TO THRIVE

“The neighborhood environment in which children grow up plays a large part in determining life opportunities.”

“Deliberate policy and investment choices disconnect low-income neighborhoods from economic, political and social networks of opportunity.”

Stanford Social Innovation Review, May 13, 2016
Gary Painter (paraphrased)

**RESEARCH &
COMMON
SENSE
TELL US**

CITY OF ELKHART STATS

ECONOMIC & DEMOGRAPHIC PROFILE

Estimated Median Household Income

City of Elkhart: \$38,971 (2019)

State of Indiana: \$57,603

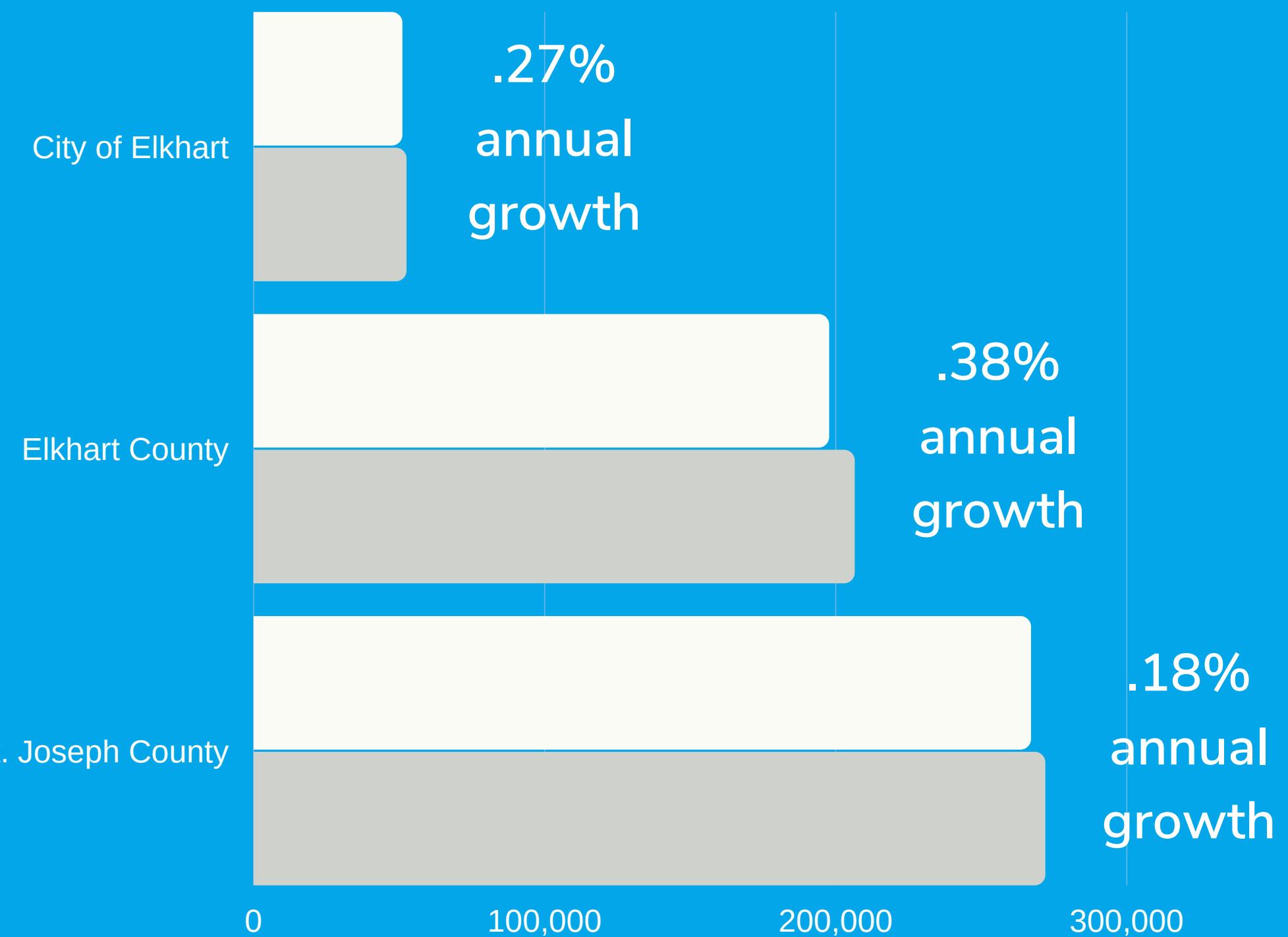
Estimated Median House/Condo Value

City of Elkhart: \$106,600 (2019)

State of Indiana: \$156,000

Source: City-Data.com

POPULATION 2010-2019



Note: 2000-2010, The City of Elkhart population decreased by 925.

CITY OF ELKHART STATS

POVERTY RATES

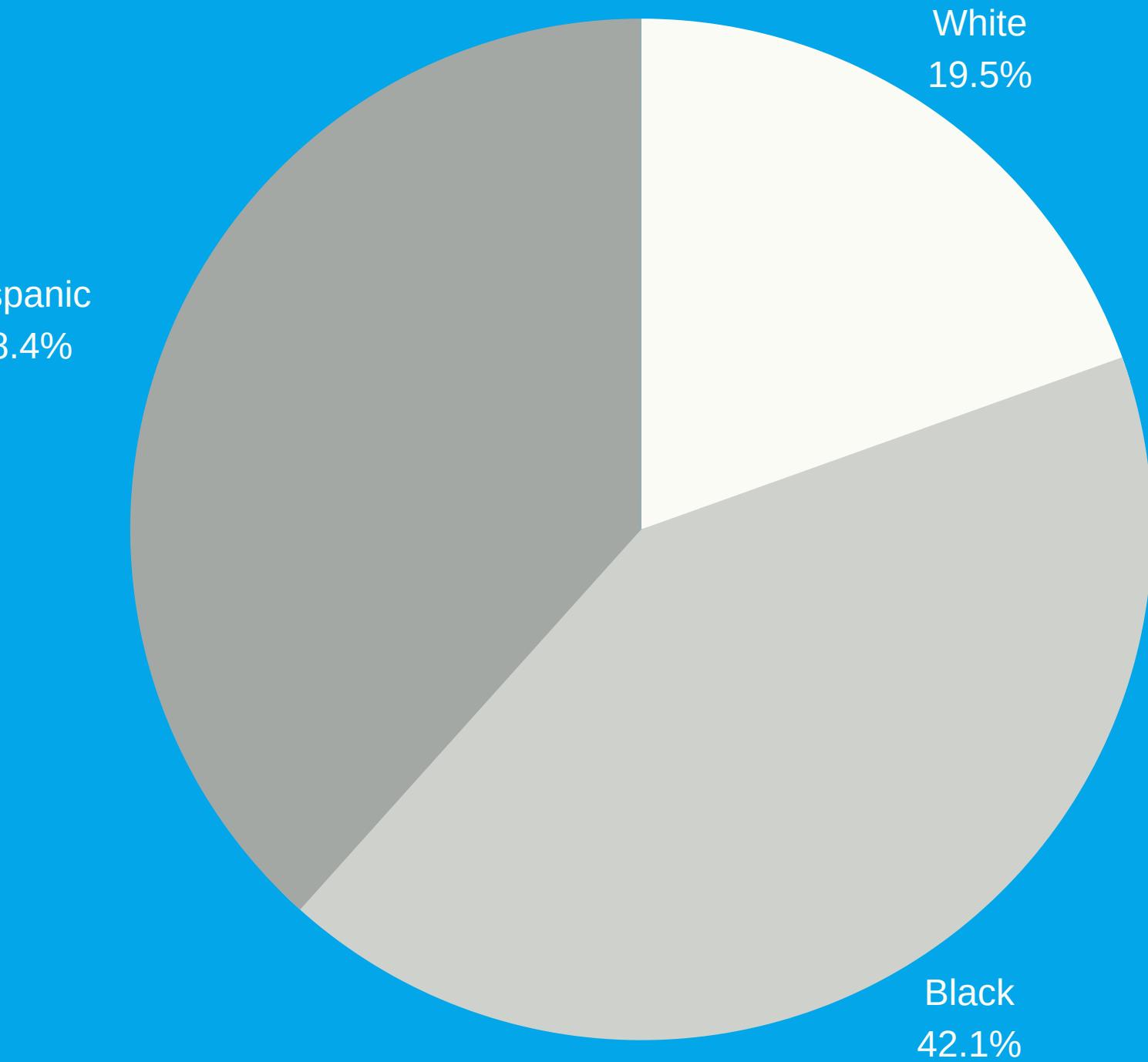
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Source: City-Data.com



Source: City-Data.com

OUR PRIDE TO THRIVE

Elkhart's unique strength in RV manufacturing is a benefit to not only the regional economy, and a significant factor in Indiana's economy as well.

The city is also challenged with economic volatility and aging infrastructure. Furthermore, technological advances, such as automation, threaten to make Elkhart's current manufacturing advantages obsolete.

As an older industrial center, it has become clear that the community must re-invent itself if it is to compete with newer more contemporary economic centers.

RECOGNIZED NATIONWIDE FOR MANUFACTURING PROWESS

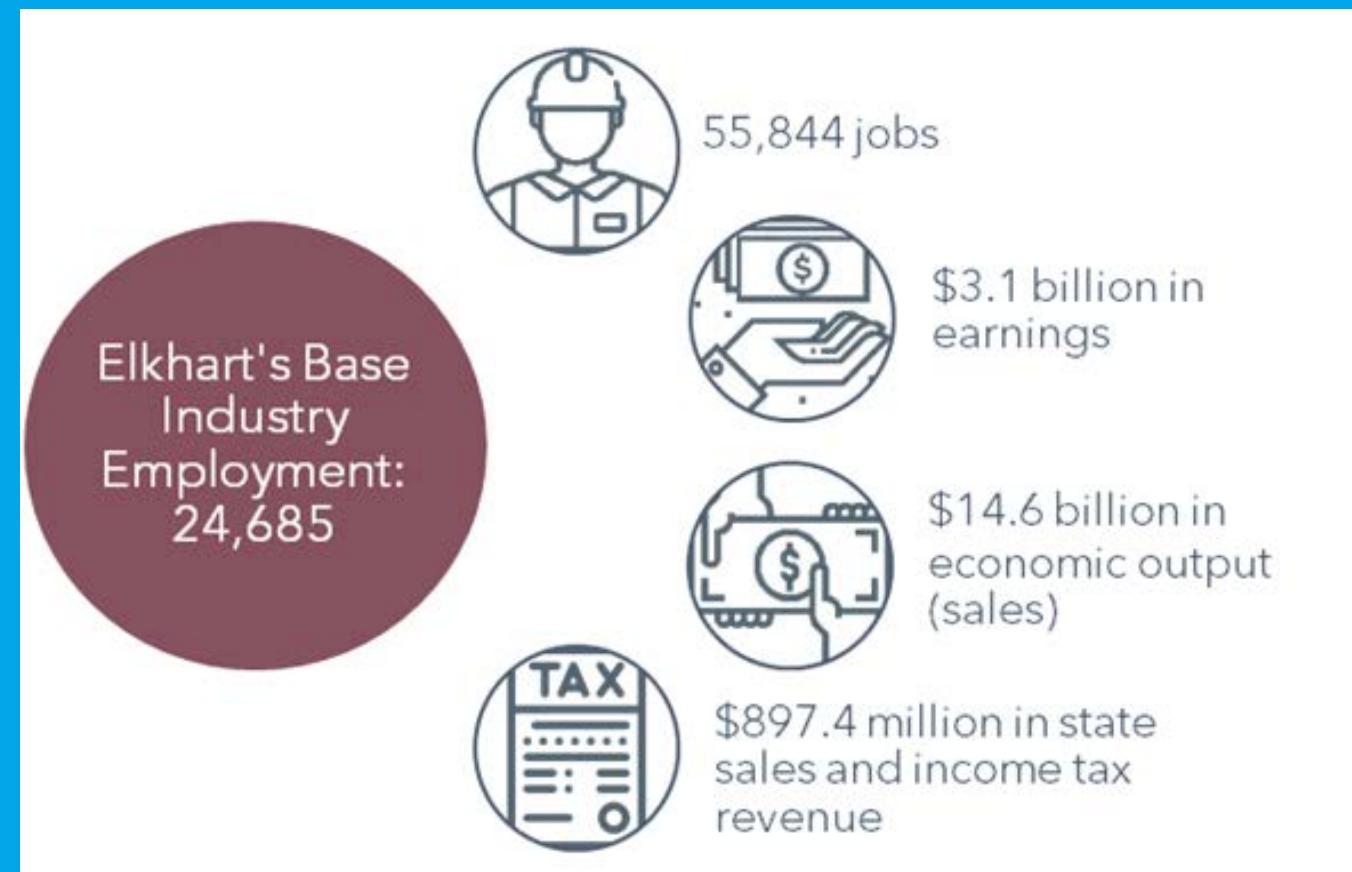
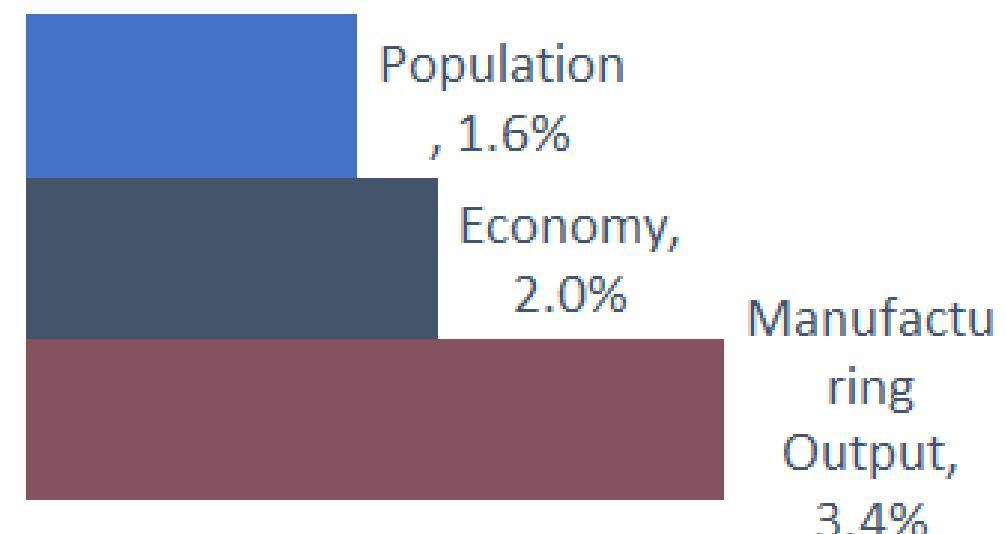
AN ECONOMIC CONTRIBUTOR

STATEWIDE IMPACT

Elkhart's economy has a large impact on the state economy.

Elkhart's Base Industries are a significant part of this impact.

Elkhart's Share of Indiana's Economy

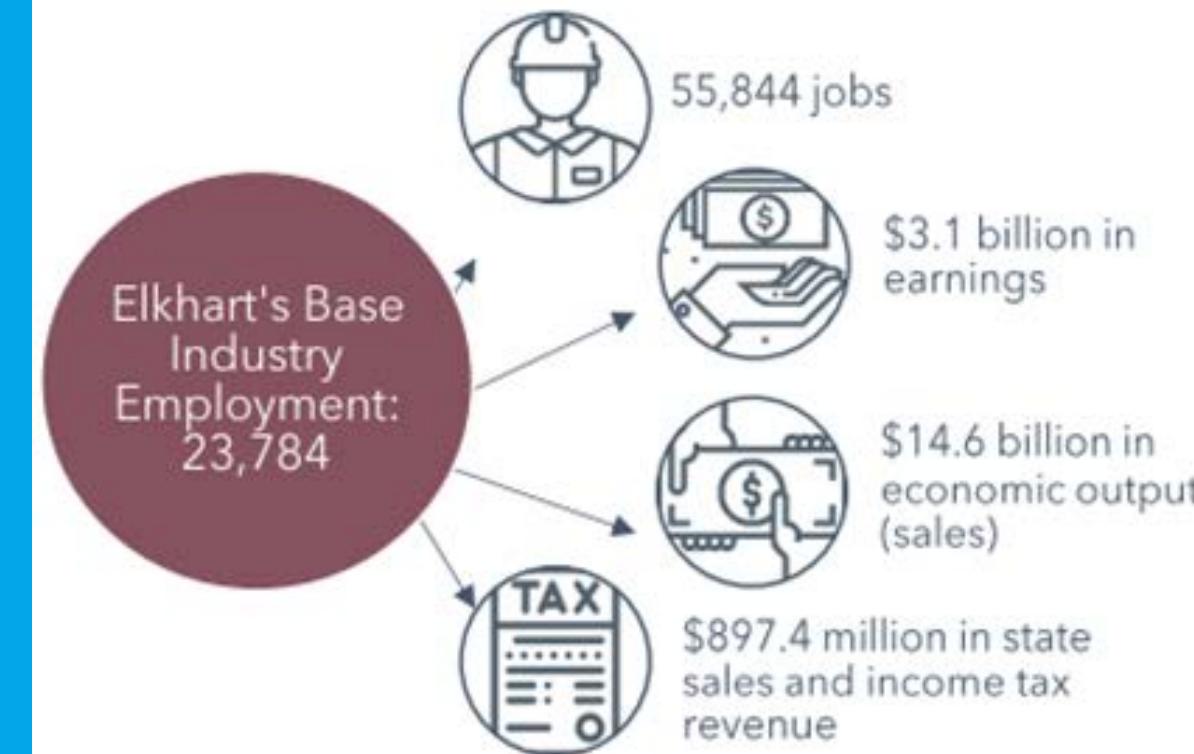


AN ECONOMIC CONTRIBUTOR

WORKFORCE TRENDS

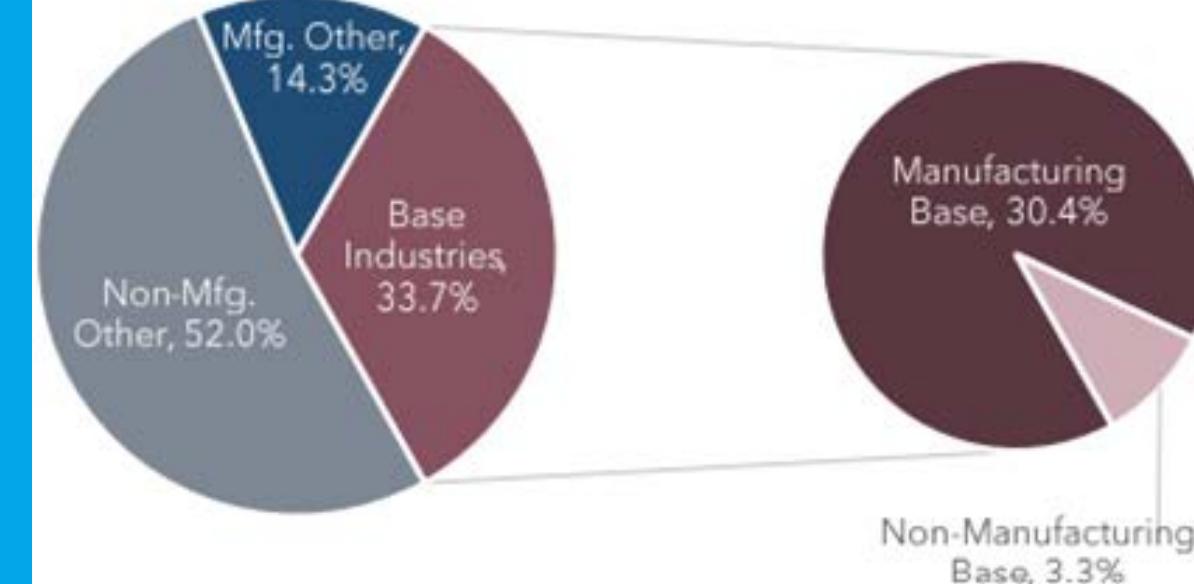
- Low-income households often employed in low-skilled jobs offering little growth in earnings and/or opportunity.
- RV jobs often do not require significant skills. They pay well – yet are volatile.
- According to Brookings Institute – Elkhart-Goshen has “high exposure” to manufacturing job losses due to automation (November 2019).
- Automation does create opportunities for better paying jobs and career advancement through focused training programs and earn and learn jobs.

Statewide Economic Impact of Elkhart's Base Industries (2017)



Overall, these 18 Base Industries make up 33.7% of Elkhart's employment, and 68.0% of its manufacturing employment. This level of employment concentration is much higher than most other cities.

Distribution of Employment in Elkhart Economy



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

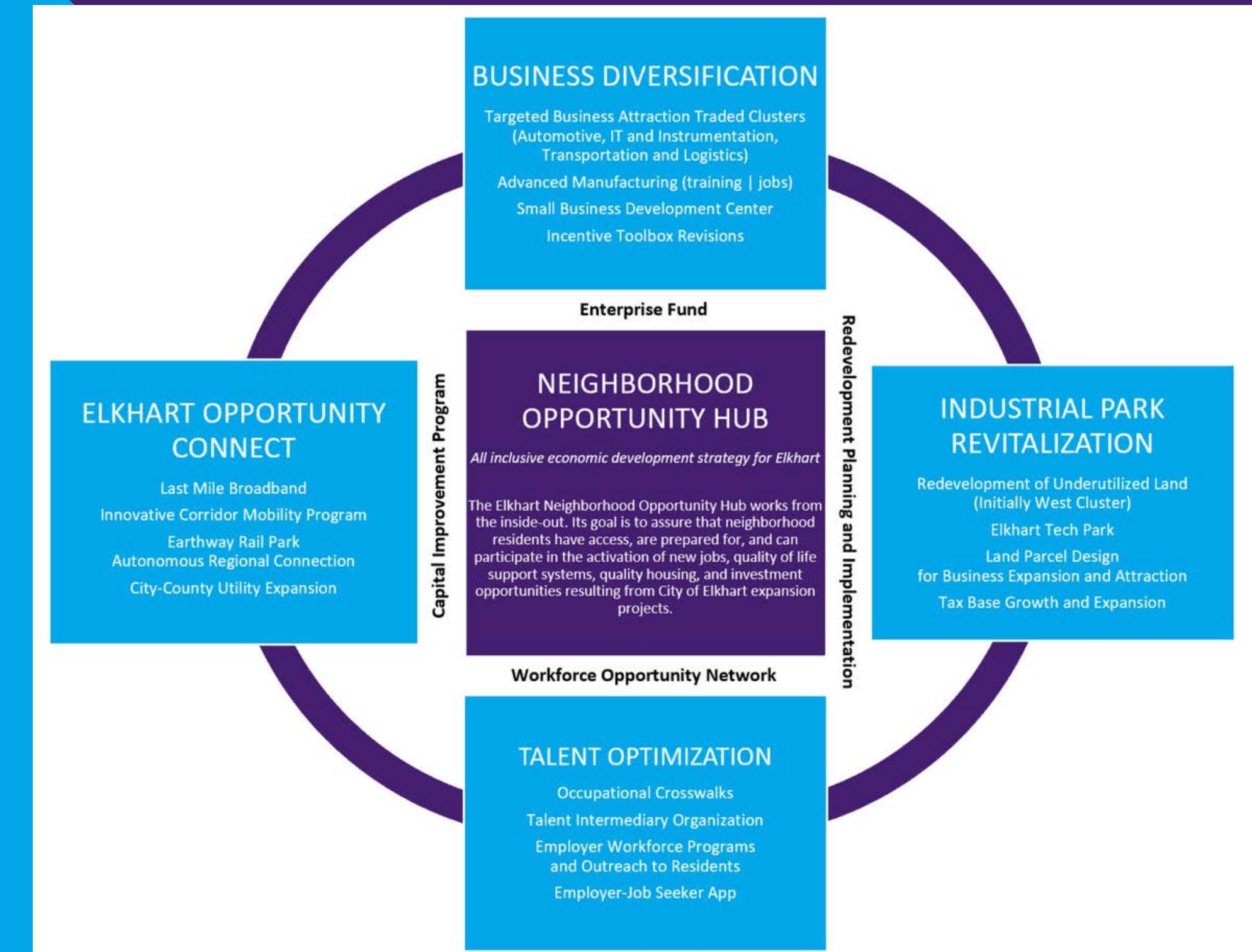
16 of these 18 Industries are related to the RV Manufacturing industry.

FRAMEWORK FOR GROWTH NEIGHBORHOOD OPPORTUNITY HUBS

The Elkhart 2040 Plan states that future economic growth and stabilization is dependent on:

- Industry diversification,
- Revitalization of 21st Century Industrial Parks,
- Talent optimization for developing a thriving workforce, and
- Connectivity and mobilization of transportation and utility infrastructure

These developments are proposed to be intentionally designed within Neighborhood Opportunity Hubs located throughout the City that provide residents access to quality housing, amenities and services that establish the desired unique character and qualities of each neighborhood .



COLLABORATIVE IMPLEMENTATION

AN INTEGRATED COMMUNITY MODEL FOR CHANGE IN LEGACY CITIES

Transformative community change in a legacy city is not for the weary. Few orchestrate to achieve significant and sustainable change.

Innovative, strategic thinking with practical execution using development best practices must be designed to heal the city's brokenness and inferiorities, while celebrating its heritage and desire for greater unity. These intricacies must be captured and executed within a focused, integrated, multi-faceted transformation process which no one entity alone can achieve.

This process requires three levels of structured engagement respectively designed to:

- build capacity for change,
- implement development projects, and
- program meaningful neighborhood amenities.

The Expeditors Growth Alliance

The holding organization that builds CAPACITY through providing master plans, funding sources, project prioritization, and the sense of urgency to achieve the collaborative community vision.

The Developers Community Development Corporation

The nonprofit organization that implements prioritized development PROJECTS within neighborhoods.

The Visionaries Neighborhood Opportunity Hubs

These hubs (multiple) exist to involve the members of each developing neighborhood, and their network of practitioners, who together act as the visionaries who will PROGRAM the unique project characteristics, services and amenities that will exist in each designated neighborhood.

The Potential Economic Growth



Housing

Add over 1,000 workforce housing units in specific neighborhood hubs.



Commercial

Redevelop over 9,200 acres of underutilized industrial and commercial land.



Investment

Achieve well over \$526 million in public-private investment.



MICRO ECONOMIC DEVELOPMENT

Neighborhood Opportunity Hub
Career Crosswalks
CDC
West Industrial Redevelopment

MACRO ECONOMIC DEVELOPMENT

Complete Neighborhoods
Downtown Development Plan
Business Diversification
Logistics



WE THRIVE

NEIGHBORHOOD OPPORTUNITY HUBS

The vision is to establish a community gathering place to socialize, engage, and conveniently access economic and social opportunities serving far Tolson/Pierre Moran residents and small businesses.

THE COMPLETE NEIGHBORHOOD



MacDougal St in Greenwich Village, New York. Chaotic and vibrant, with everything you need close by. This is a Complete Neighborhood.

A Complete Neighborhood is one where, perhaps outside of commuting to work or having a destination “night out,” you can get everything you need within walking distance.

In a livable, walkable, human-scale city, one of the most important elements to creating a livable city is that development is designed to fit the patterns of each local neighborhood.

NEIGHBORHOOD OPPORTUNITY HUB



A Neighborhood Opportunity Hub (often residing within a Complete Neighborhood model) is a customized front door establishment providing a broad range of services and opportunities while serving as an informal gathering place for residents and local stakeholders.

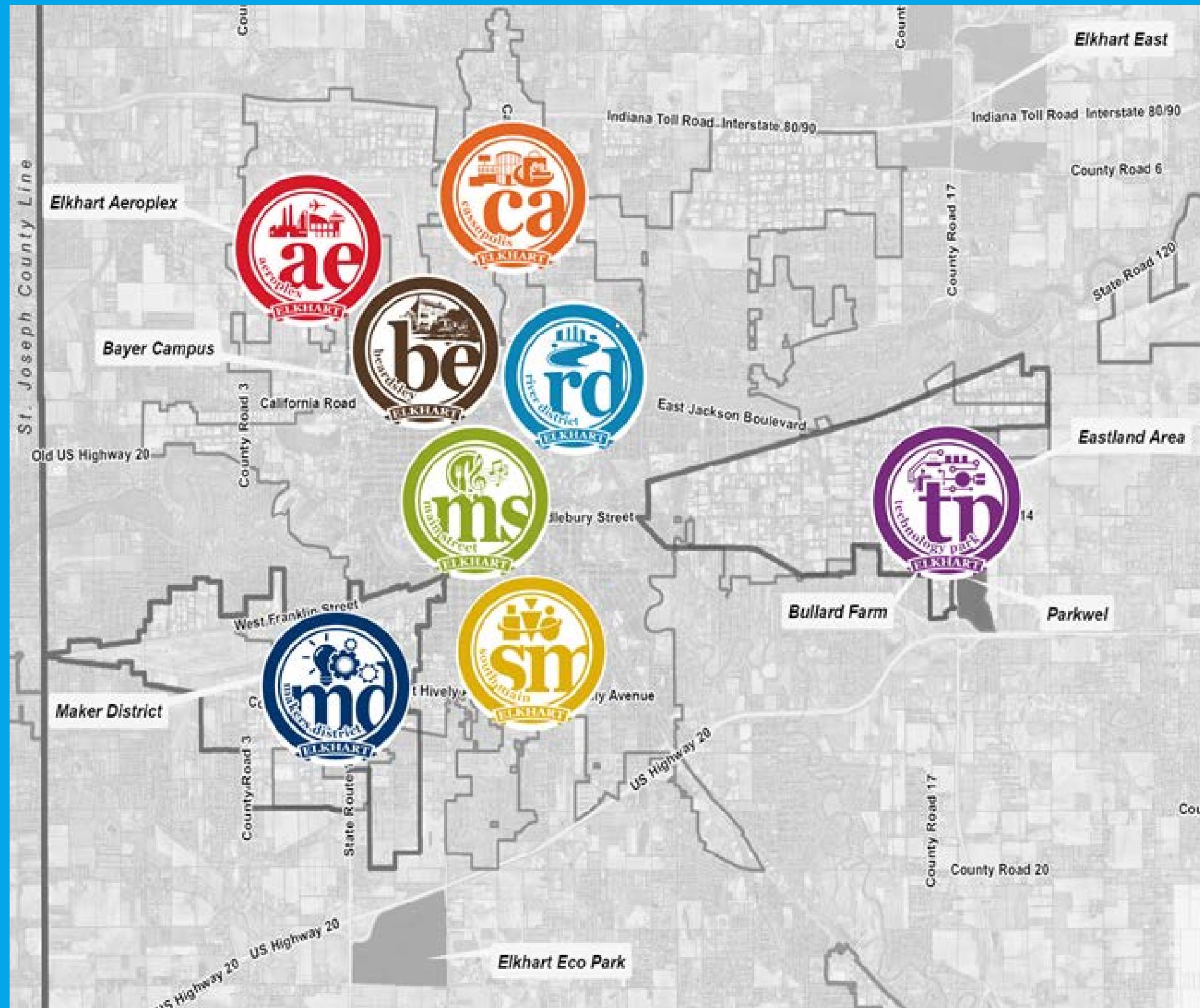
BAKER RIPLEY

Neighborhood Opportunity Hub
Case Study

Click images below to view videos



NEIGHBORHOOD OPPORTUNITY HUB ELKHART

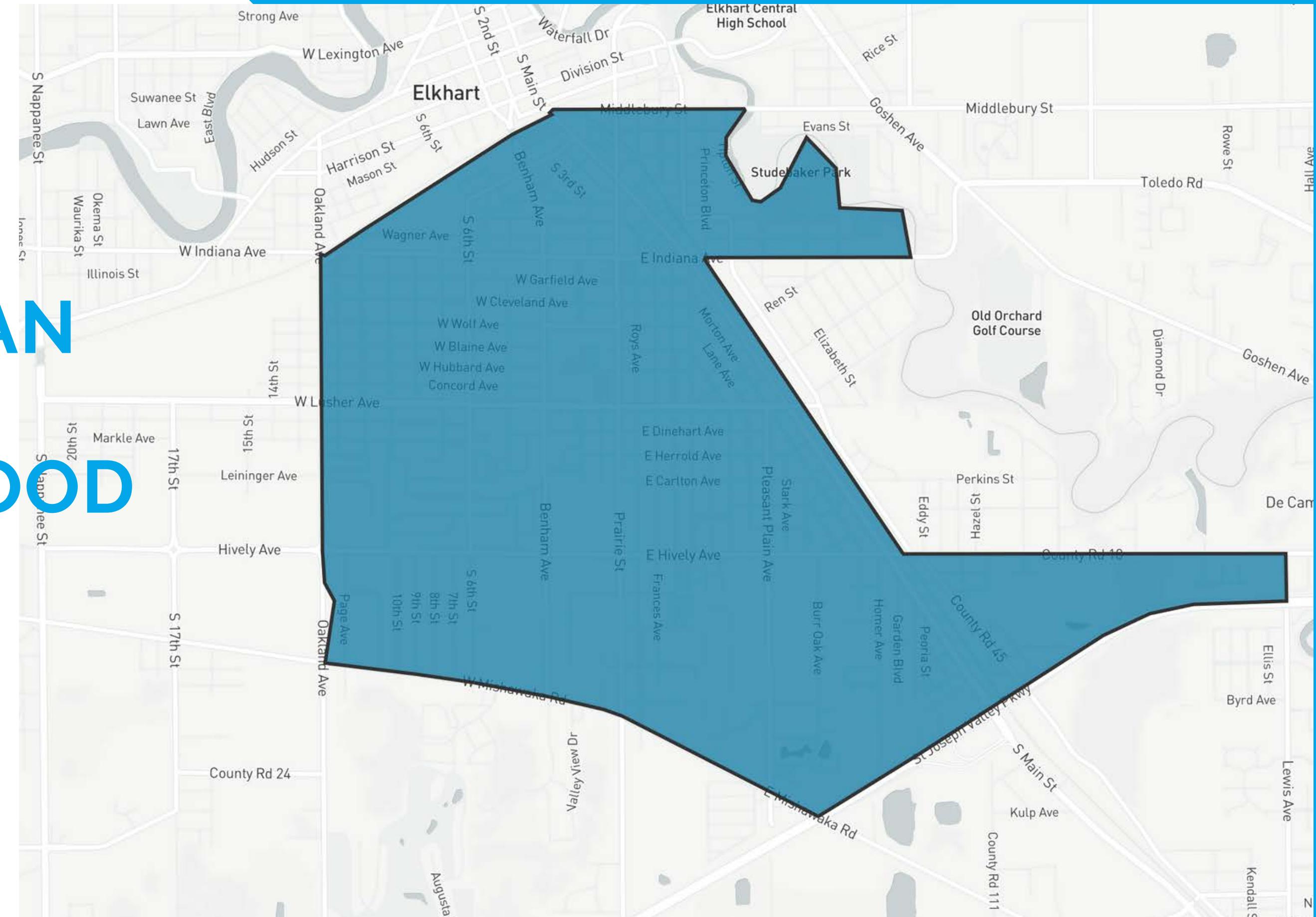


The Pierre Moran Tolson neighborhood area is selected to be the demonstration project for the Neighborhood Opportunity Hub model.

- Impact 25 Program – impact 10 families with proven occupational crosswalk development, transition 10 city-owned homes to prepared homeowners, support 5 entrepreneurs with new businesses.
- Create operating CDC to develop new housing projects.
- Identify Case Management resource and services
- Select employers to implement career crosswalks program

PIERRE MORAN TOLSON NEIGHBORHOOD FOCUS AREA

An Opportunity Hub



PIERRE MORAN TOLSON STATS

POPULATION

Median Age: 30

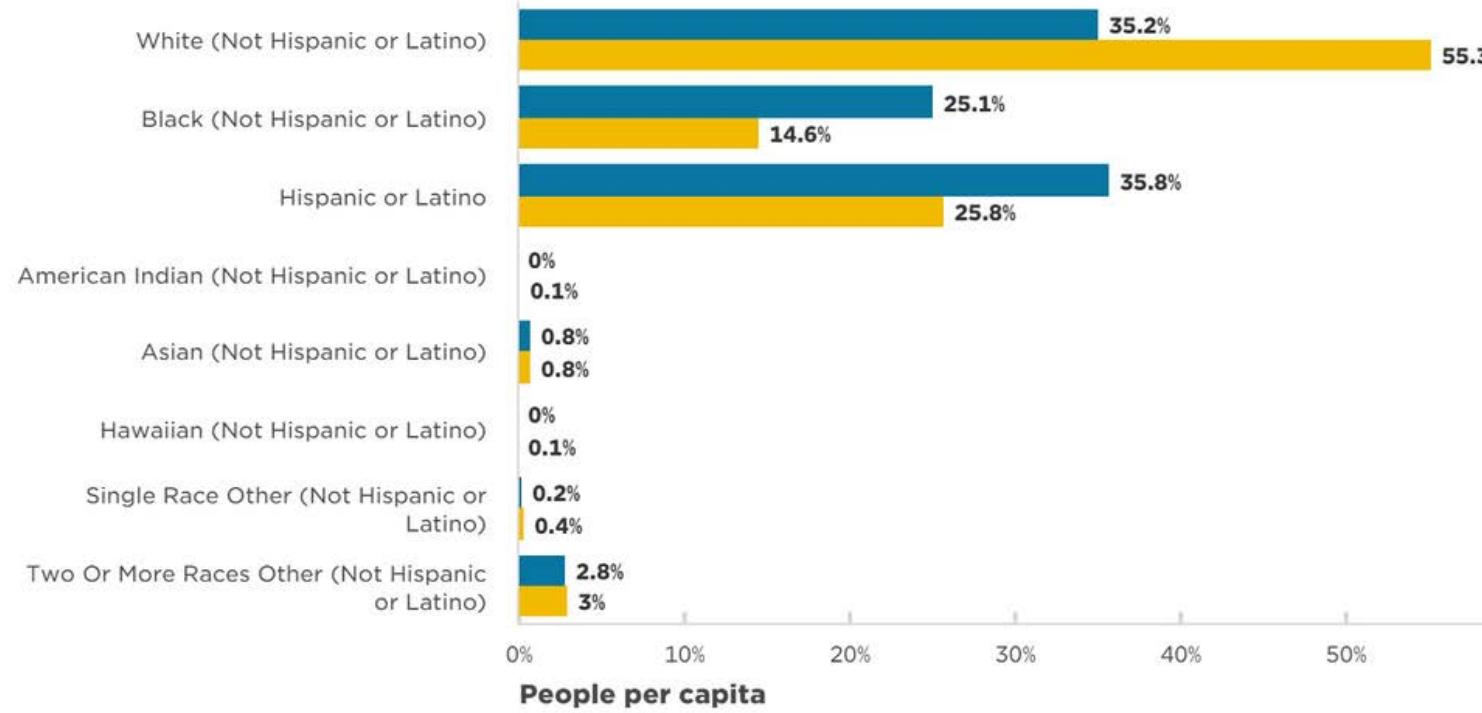
Single female with children:

South Side: 31.6%

Elkhart County: 11.2%

Indiana 10.4%

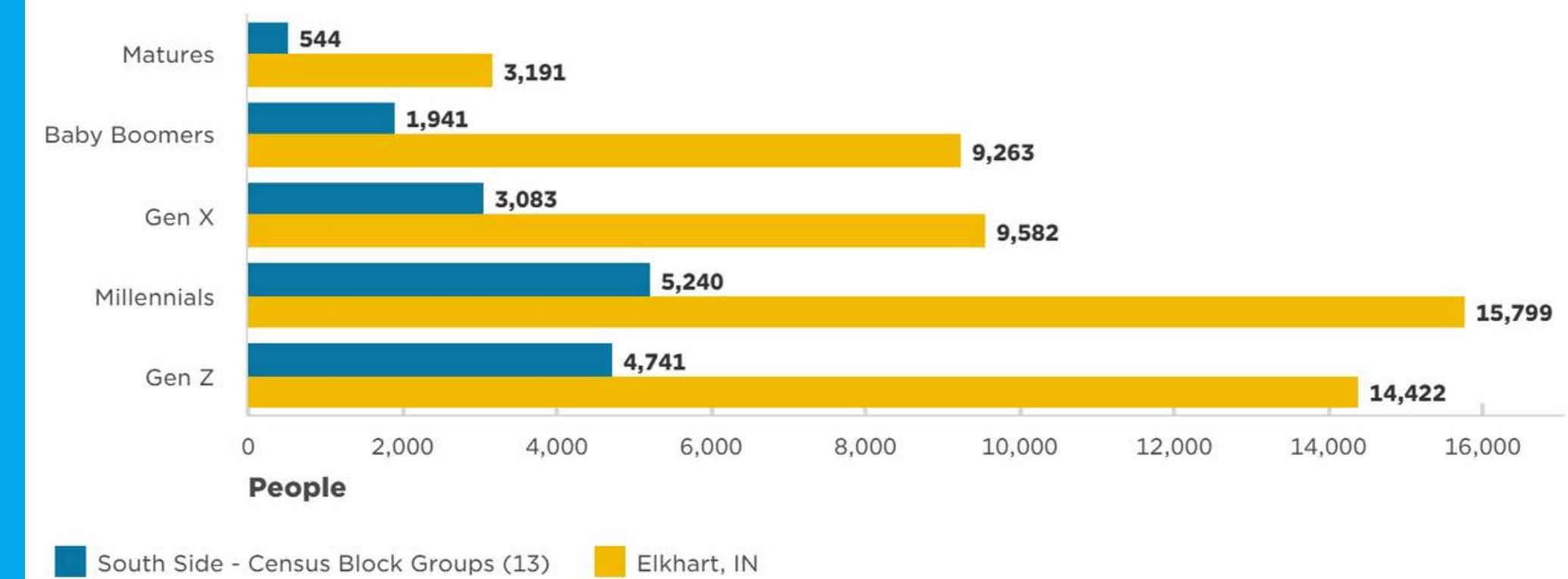
Race/Ethnicity Totals



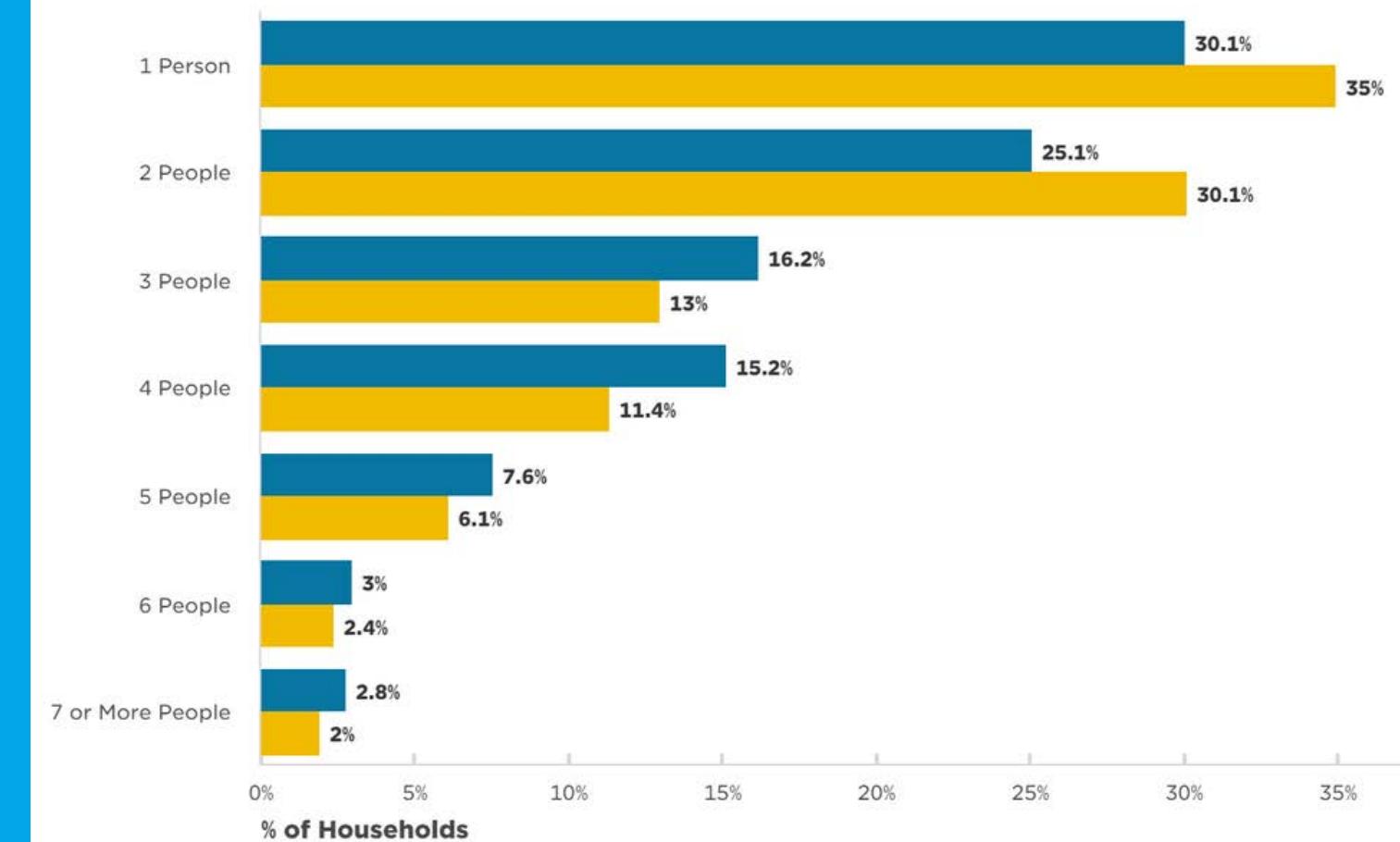
■ South Side - Census Block Groups (13)

■ Elkhart, IN

Generations



Household Size



■ South Side - Census Block Groups (13)

■ Elkhart, IN

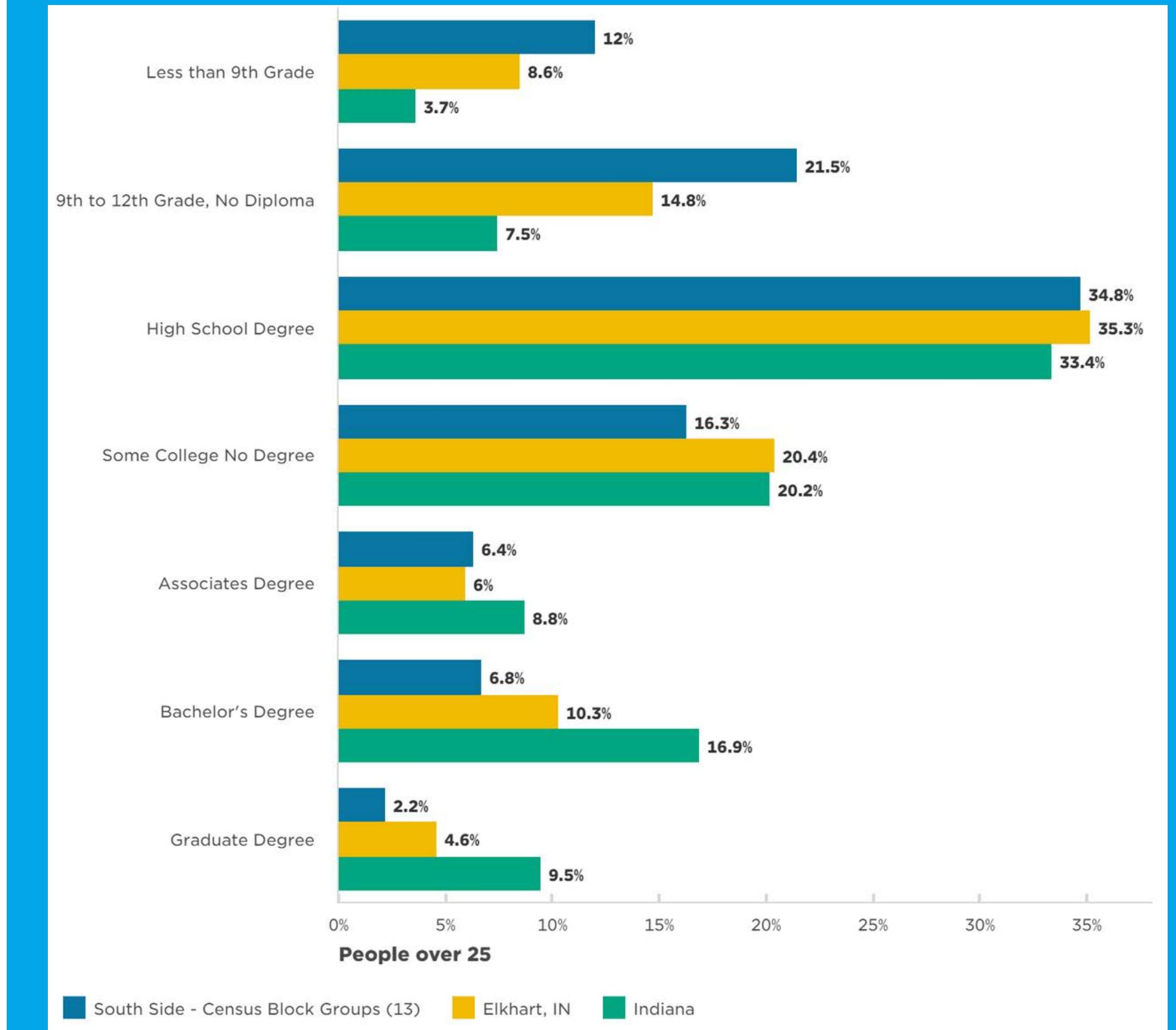
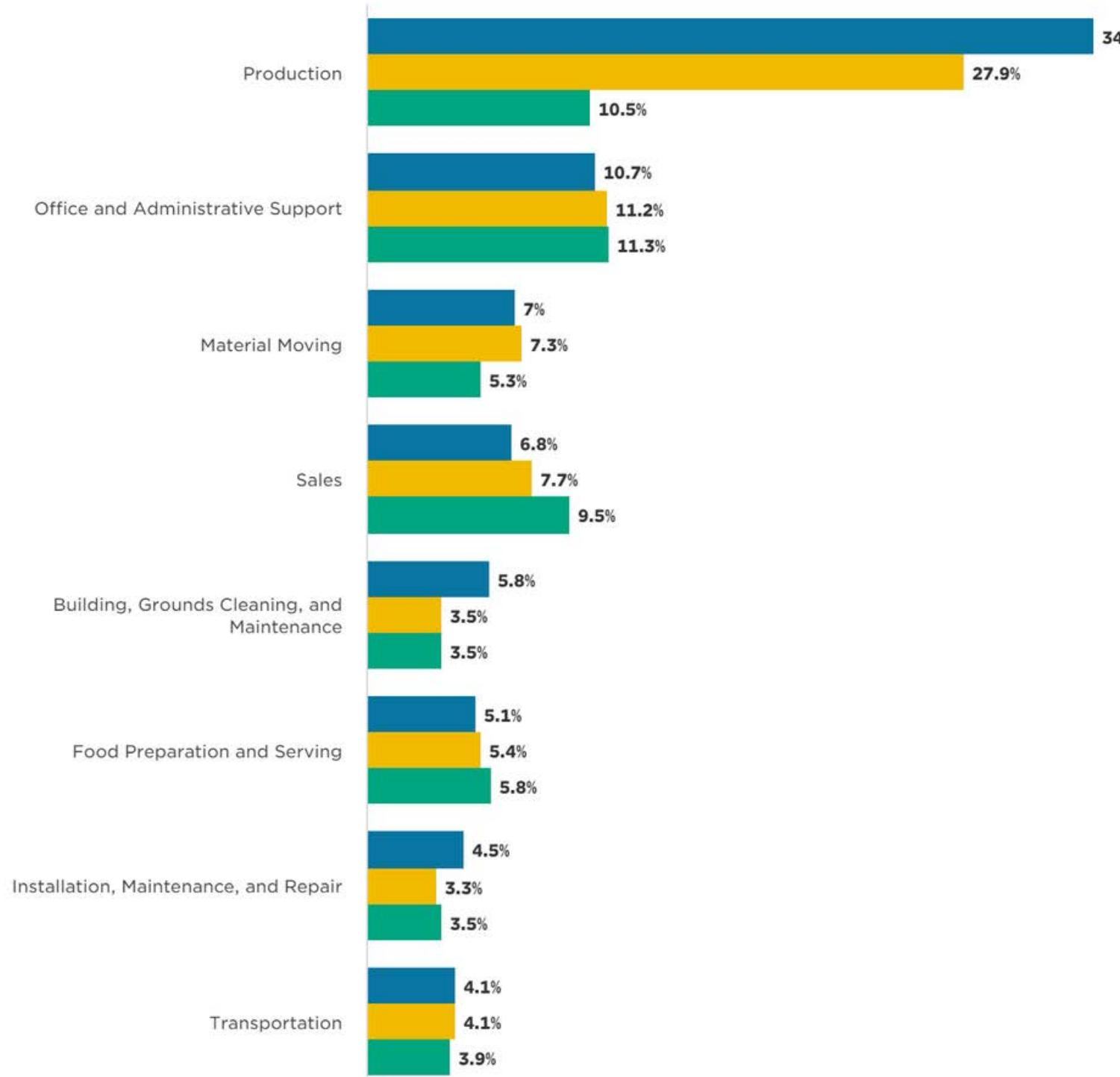
Source: US Census ACS 5-year

ELKHART 2040 • 2021+

PIERRE MORAN TOLSON STATS

EDUCATION ATTAINMENT

Employment by Occupation

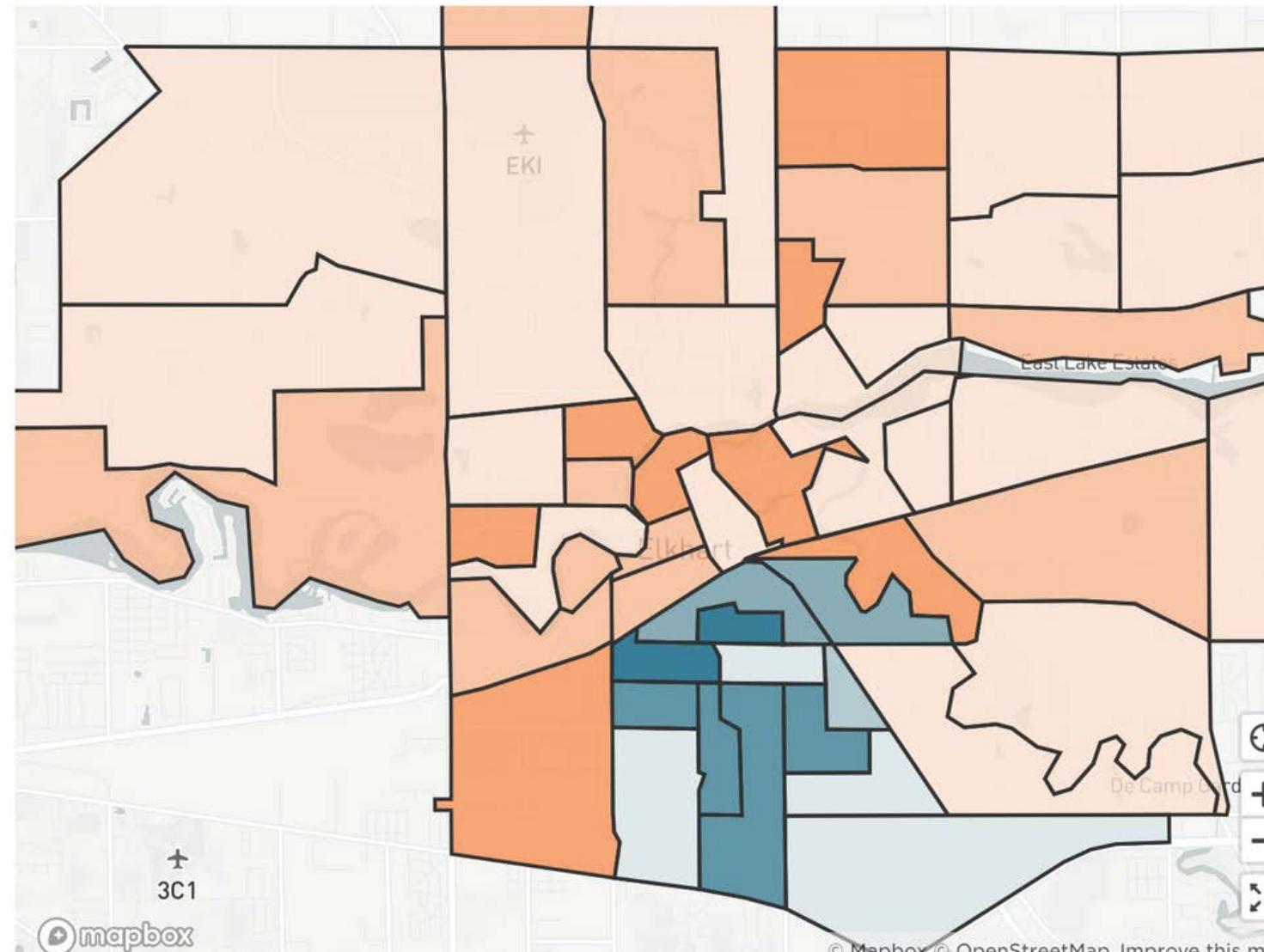


Source: US Census ACS 5-year

PIERRE MORAN TOLSON STATS

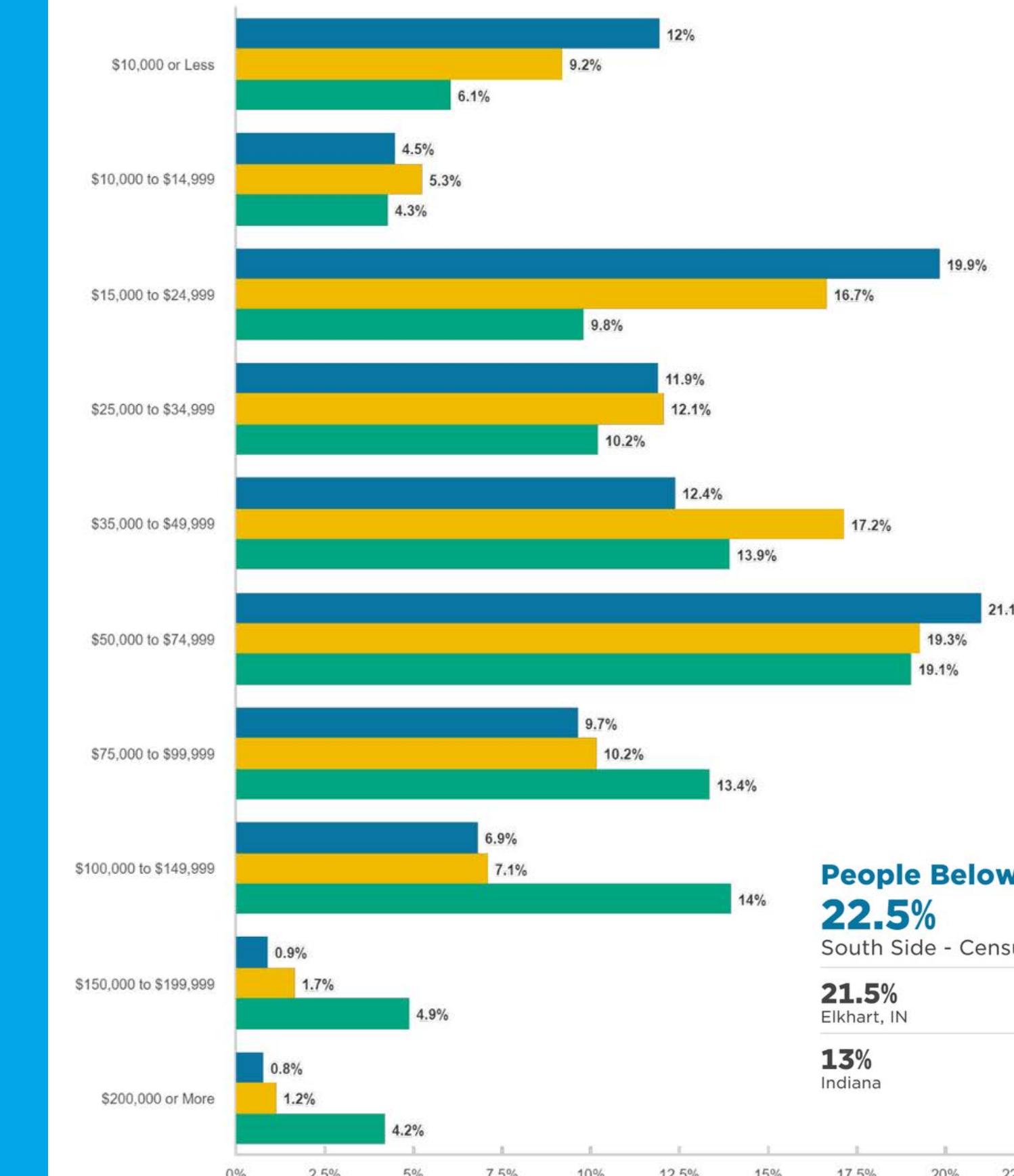
HOUSEHOLD INCOME

South Side vs. City Unemployment by Census Blocks



Household Income

Household Income



People Below Poverty Level per capita

22.5%

South Side - Census Block Groups (13)

21.5%

Elkhart, IN

13%

Indiana

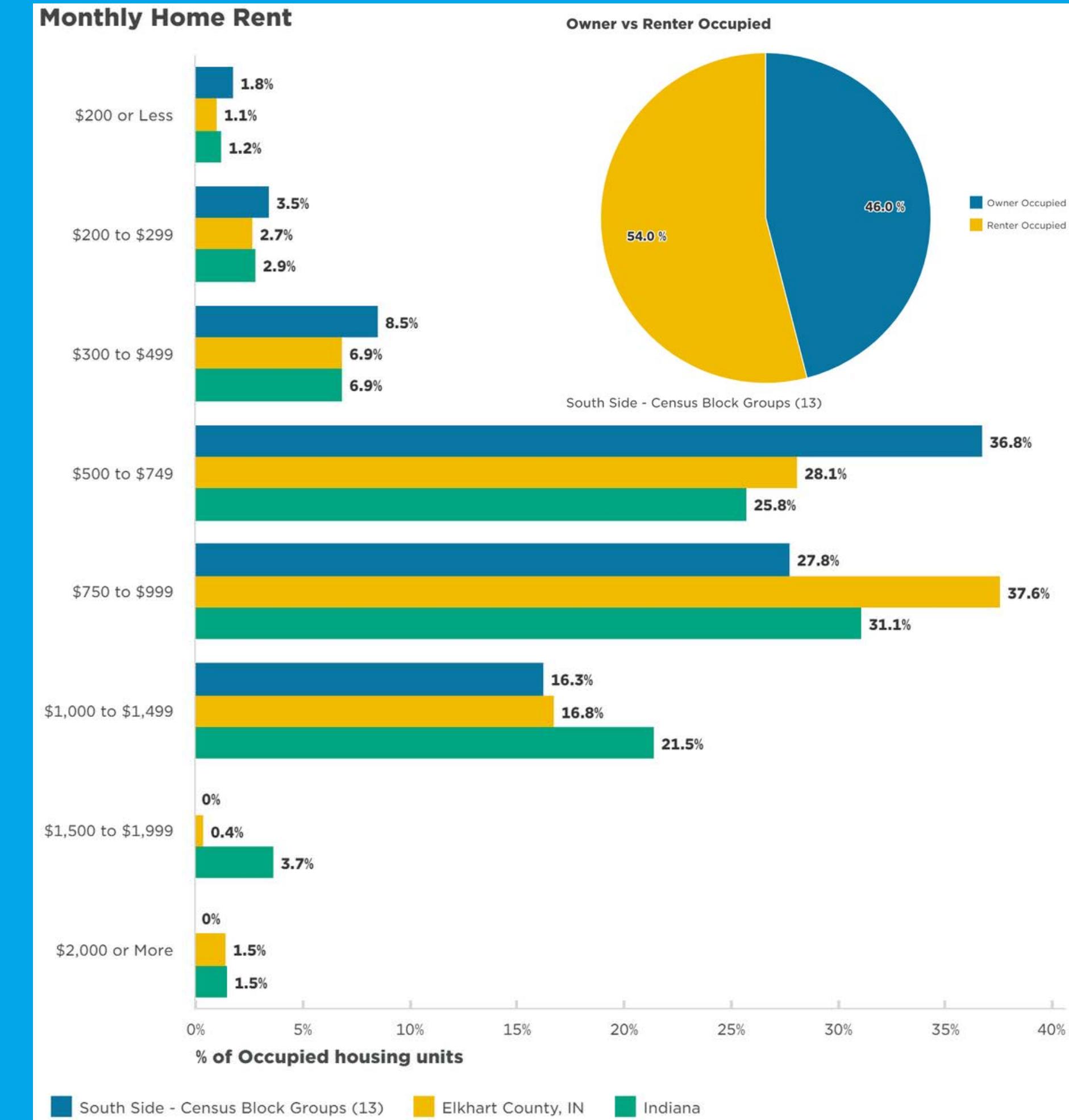
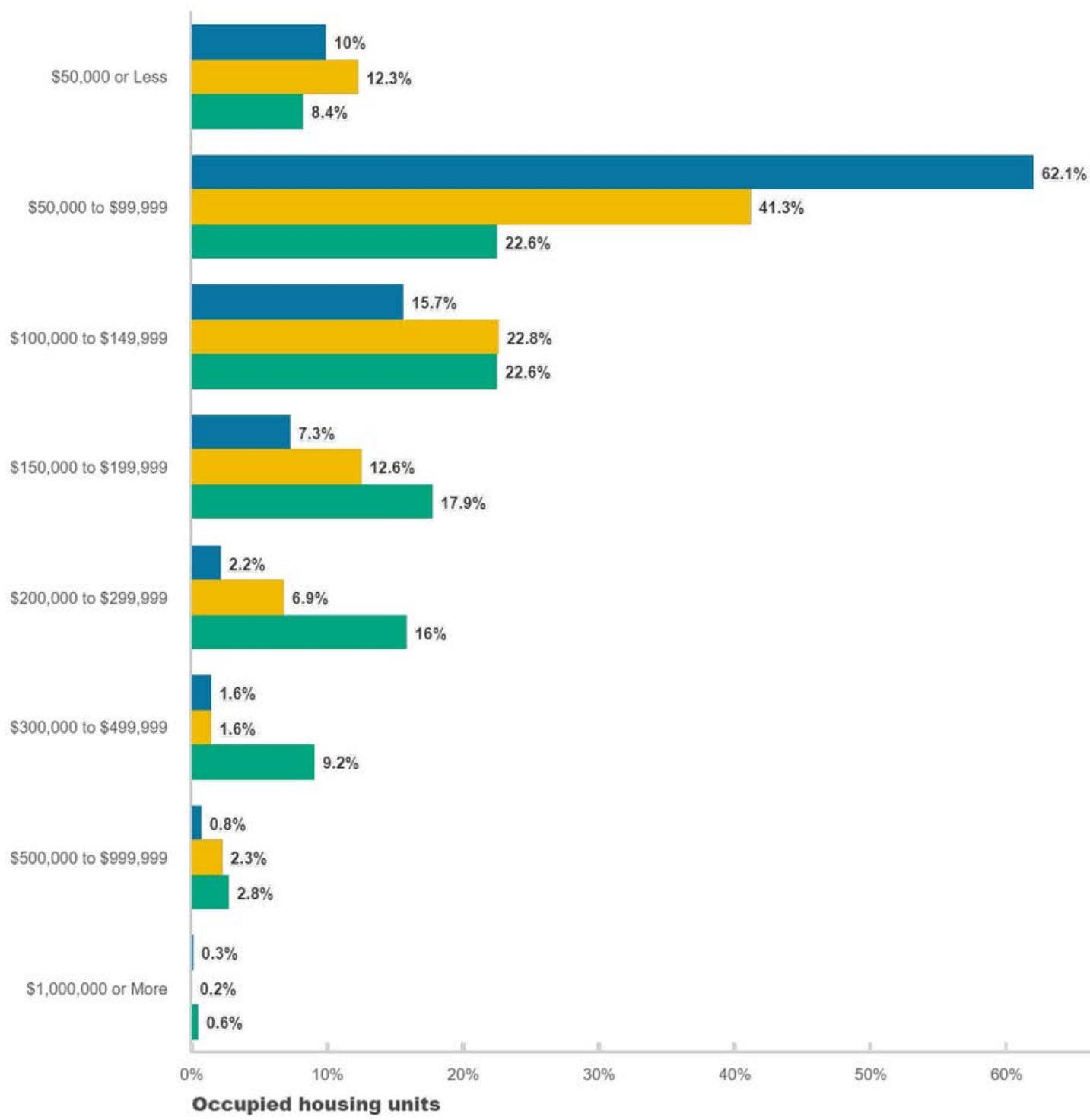
Source: US Census ACS 5-year

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PIERRE MORAN TOLSON STATS

HOUSING

Owner Occupied Home Value



Source: US Census ACS 5-year

ELKHART 2040 • 2021+

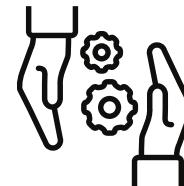
REFRAMING NEIGHBORHOODS

NEIGHBORHOOD OPPORTUNITY HUBS

Engaging residents to identify critical opportunity elements

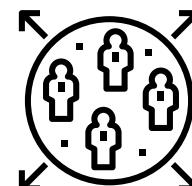


Neighborhood Opportunity Case Study JOHN MARSHALL - INDIANAPOLIS AREA



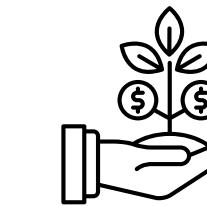
CAREER SUPPORT

Link residents to jobs and career pathways that provide household wealth building opportunities.



OPPORTUNITY HUB

Establish the Neighborhood Opportunity Hub as a high energy, dynamic neighborhood gathering place.



SMALL BUSINESS

Establish a small business and entrepreneurial culture on the site that leads to the establishment and growth of minority businesses.



OWNERSHIP

Establish Hub as a self-sustaining community asset – ultimately neighborhood owned and operated,

NEIGHBORHOOD HUB PROCESS

ENGAGING OPPORTUNITY



Define Opportunity

Engage neighborhood stakeholders & community leaders identifying needs, aspirations and opportunities



Establish Partnership

Identify and build partnerships to facilitate opportunity formation at neighborhood level



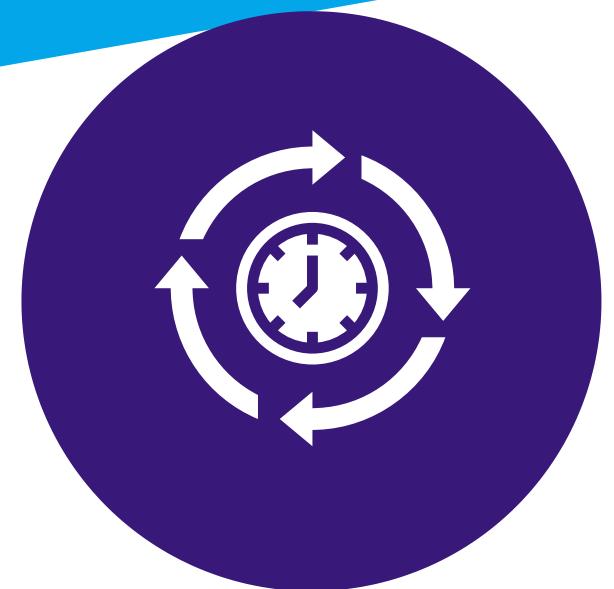
Programming & Locations

Finalize short-long term programming and where in neighborhood they will be accessed by residents and businesses



Finance

Establish sustainable financing strategy and schedule



Implementation

Timely action taken by assigned teams.

WE THRIVE

CAREER CROSSWALKS

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

CAREER CROSSWALKS

TALENT OPTIMIZATION

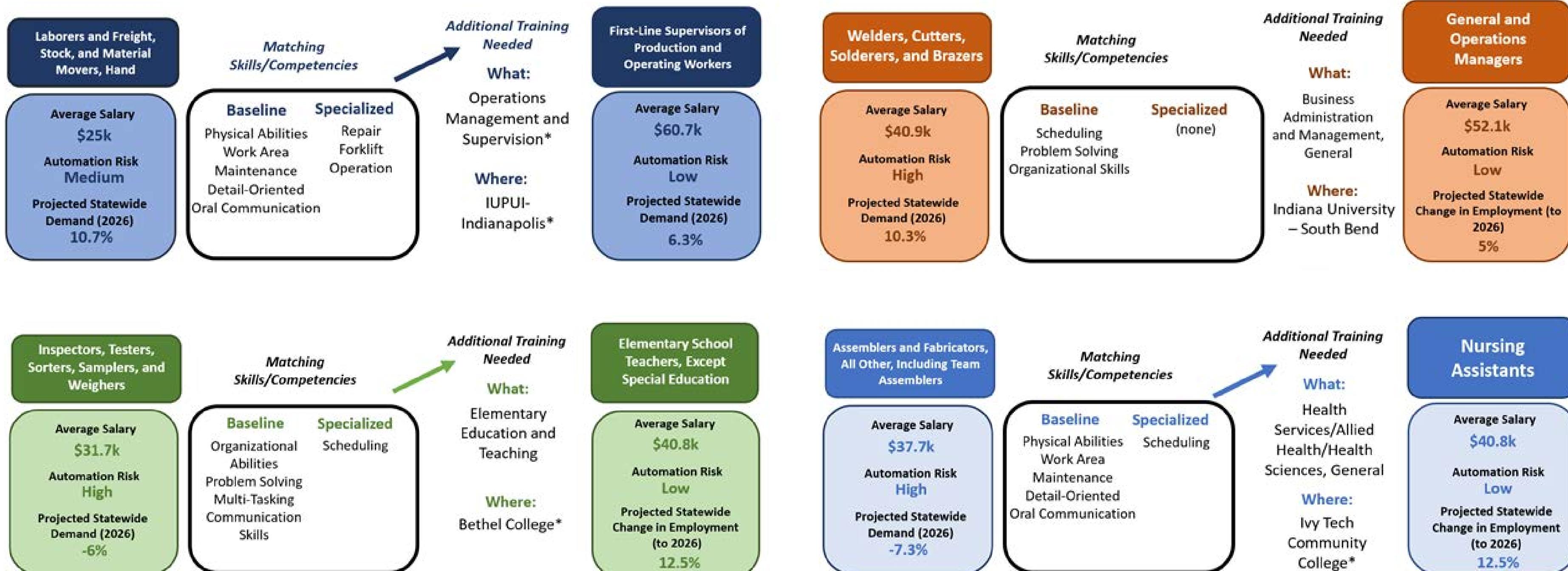


Career Crosswalks assist resident workers:

- to identify and build from acquired skillsets in past and current employment – (i.e. work habits, thought process, management, etc.)
- to avoid impact from job elimination and automation.
- to establish job/career pathways and schedule to skill-up and increase job pay and benefits.

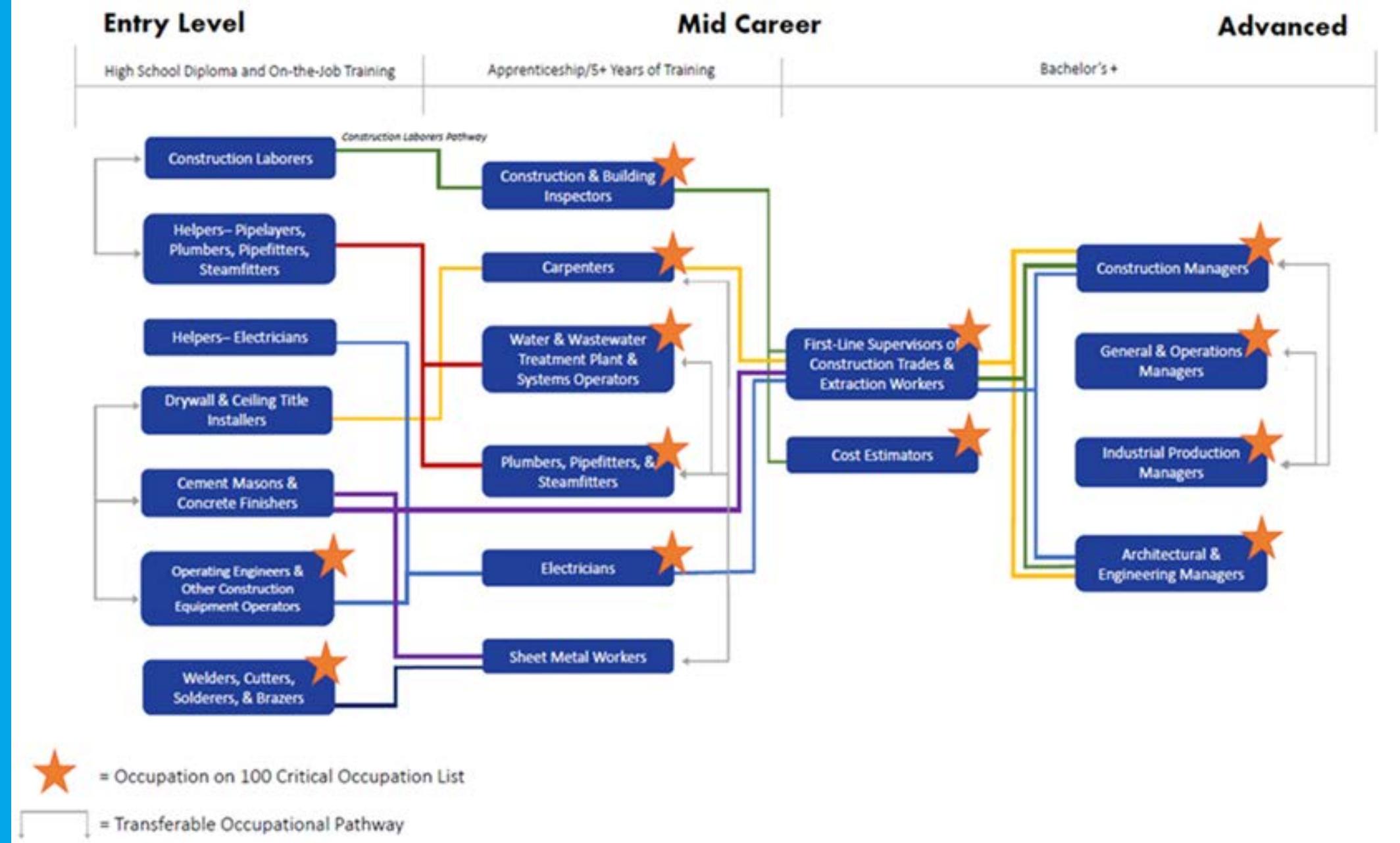
Examples

Career Crosswalks In Action



CAREER CROSSWALKS

TALENT OPTIMIZATION



Career Crosswalks intended outcomes in 2022:

- Implement Career Crosswalk Demonstration Program with select employers from in-demand industries.
- 2021 Identify 25 residents interested in advancing skills and job growth.
- Conduct existing skills assessment and match to “jobs of the future”.
- Work with employer (existing or new) to establish career pathway.
- Identify skills to be advanced and growth in compensation and benefits upon successful career pathway journey.

WE THRIVE

CDC: COMMUNITY DEVELOPMENT CORPORATION

The vision is to establish a a CDC, 501c3 that serves to progressively develop the Pierre Moran/Tolson residents and small businesses with quality affordable housing, commerce areas, and quality of place projects that are planned and funded for success.



WHAT IS A CDC?

A FOCUSED DEVELOPMENT CORPORATION

- Most often 501C3 not-for-profits.
- Many cases established to address development and/or service deficits at neighborhood level.
- Operate with focused expertise – size and number of staff subject to area served and resources.
- Board of Directors includes cross-section of neighborhood and broader community.
- Not-for-profit designation qualifies for philanthropic, and government funding.
- Often partners with private sector to tackle important but complex development projects.



CDC FACTS IMPACTING NEIGHBORHOODS

4,600

CDCs operating nationally

96,000

Annual housing production

75,000

Average # of jobs created annually

17%

CDCs with equity invested in projects

21%

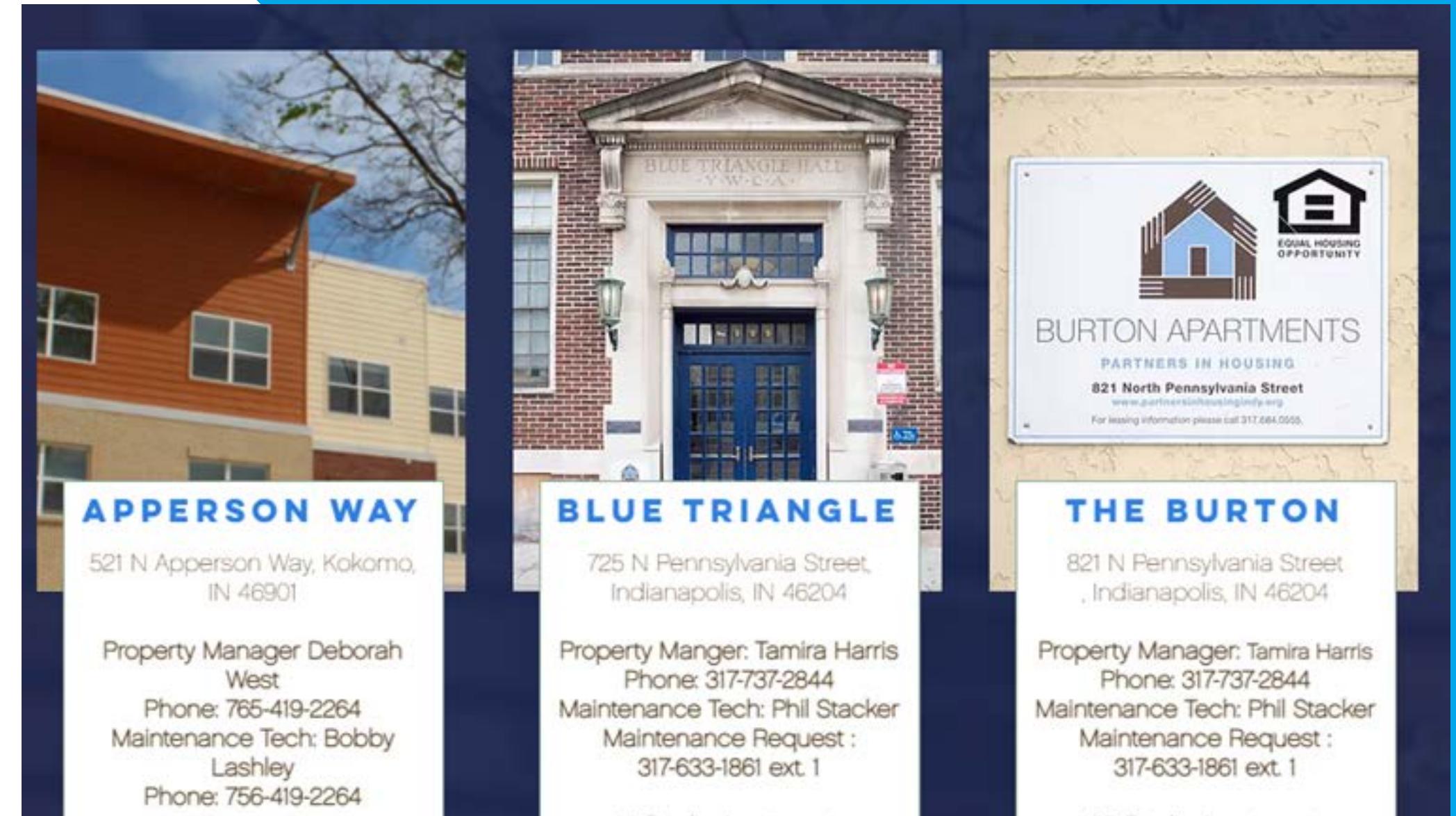
CDCs that operate 1 or more businesses

Source: Community-Wealth.org 2006, 2010

PARTNERS IN HOUSING

Indianapolis CDC Case Study

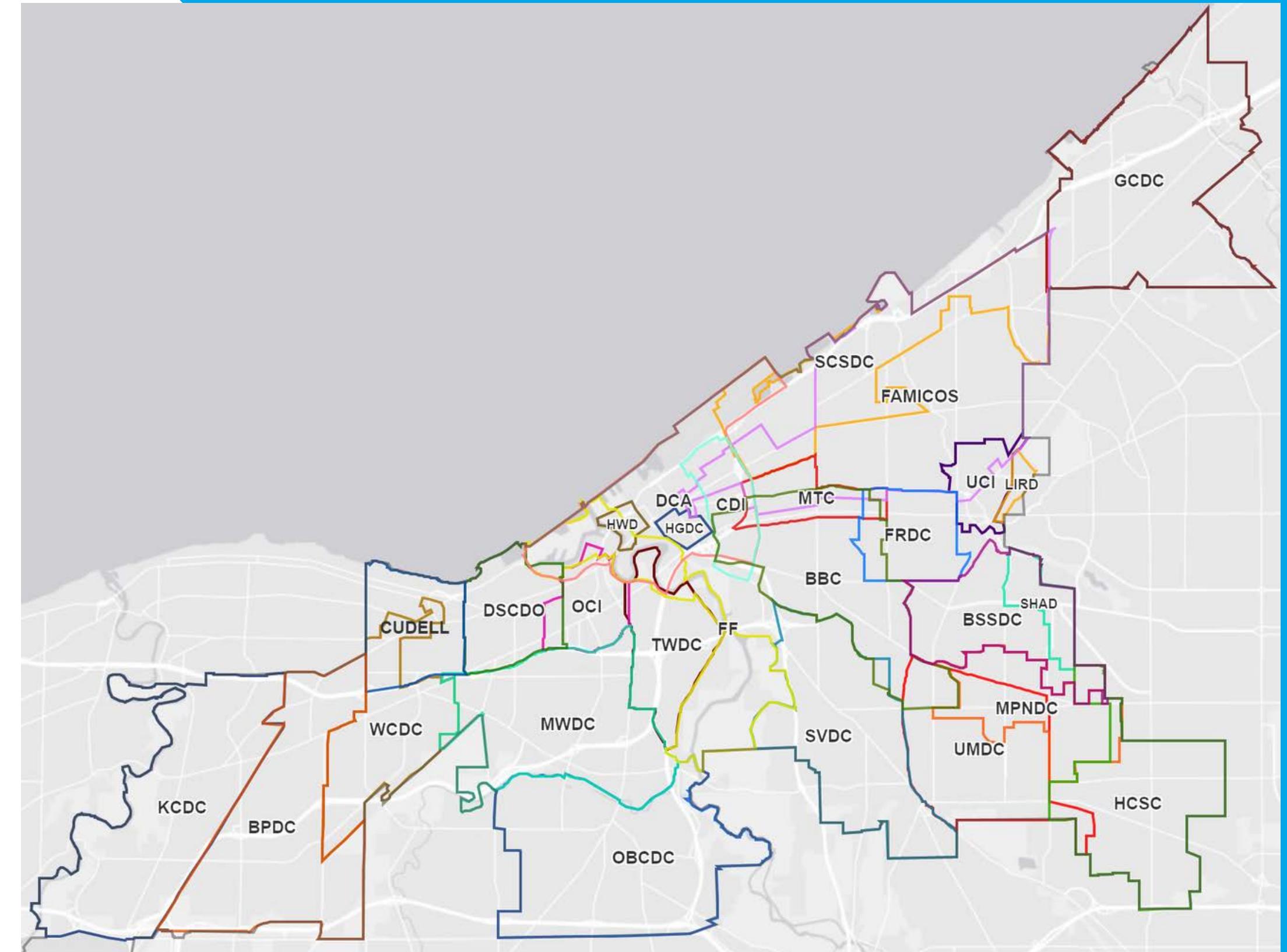
- Founded in 1993 in Indianapolis.
- Focused on homelessness and housing.
- Acquired 10 multi-family buildings - owns/operates/manages .
- Provides support services to low-income eastside community residents.



CLEVELAND NEIGHBORHOOD PROGRESS[®]

Cleveland CDC Advancement Case Study

- Supports and elevates the Cleveland's community development system through a strong support of CDCs.
- Neighborhoods are equipped to make change and become communities of choice and opportunity.
- One of the oldest and most mature CDC systems in the US.
- A results-driven community development model.



UNION MILES NEIGHBORHOOD

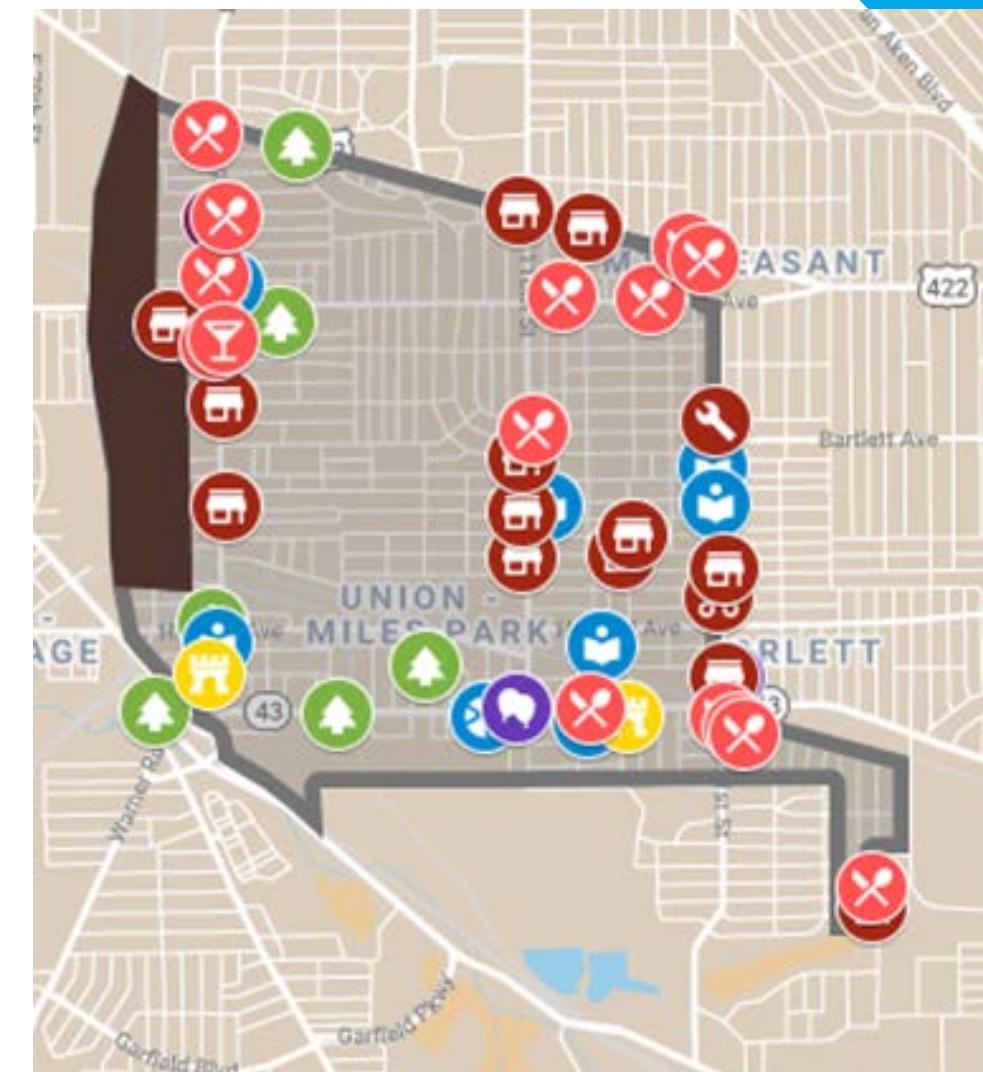
Cleveland CDC Case Study

- Conveniently located in the city of Cleveland southeast side.
- The advantage to living in the Union Miles neighborhood is easy access to downtown, without the hustle and bustle.
- A ten-minute drive or twenty-minute bike ride will take residents to places of education, culture and employment in the heart of Cleveland's downtown.
- This residential district boasts quiet streets, historic housing, parks, bikeways and a great sense of community. Several community assets offer a great place to live, work and play.



Union Miles Neighborhood Master Plan Priorities

June 2018



[Help Fund the Deskins Outdoor Learning Garden](#)

The Bob Deskins Outdoor Learning Garden will be established on the corner of 93rd and Harvard Avenue of Cleveland, Ohio's southeast side. Its primary goal will be to serve the immediate residents, schools, and local organizations within that community.

Our Sponsors and Partners

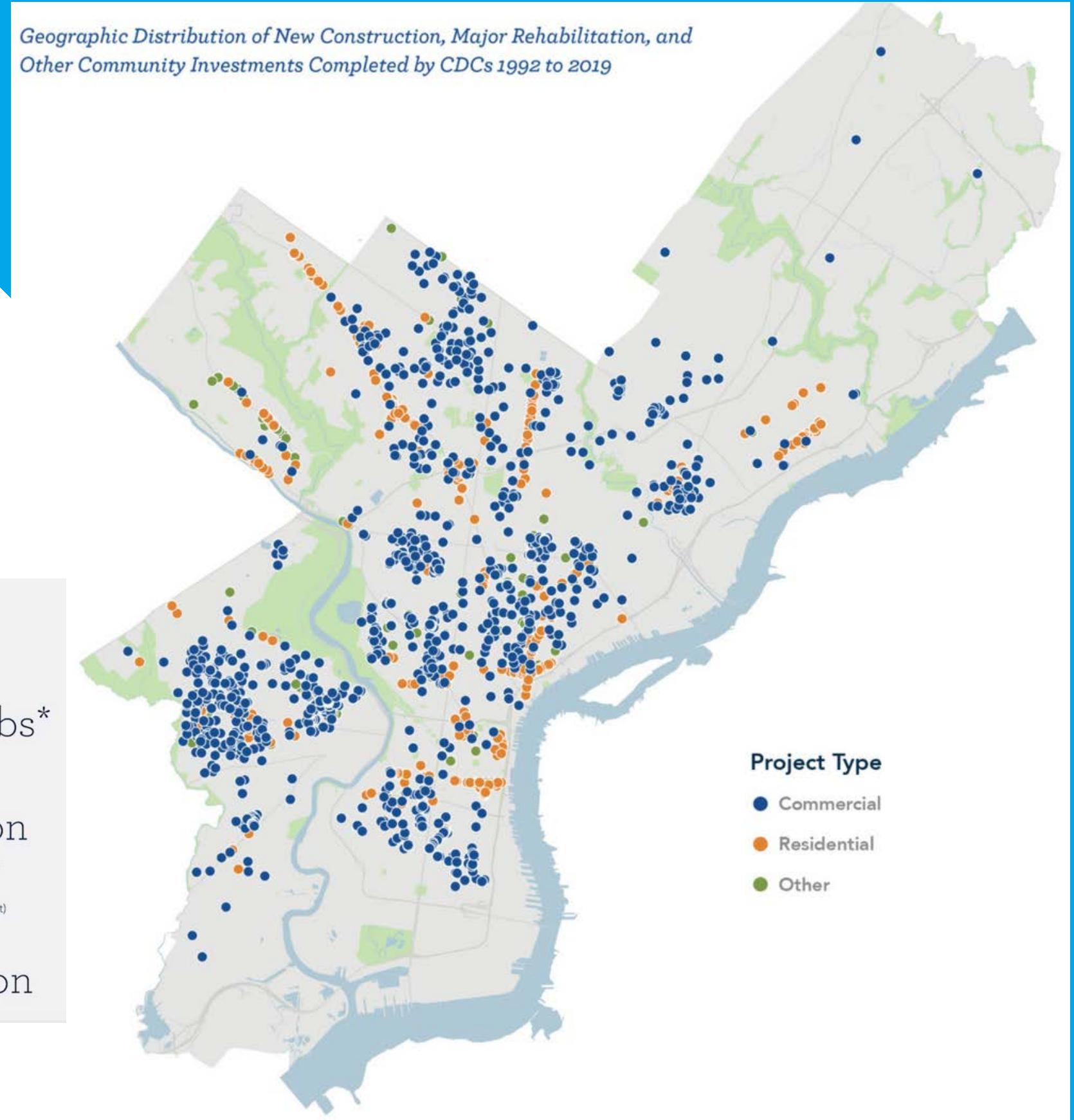
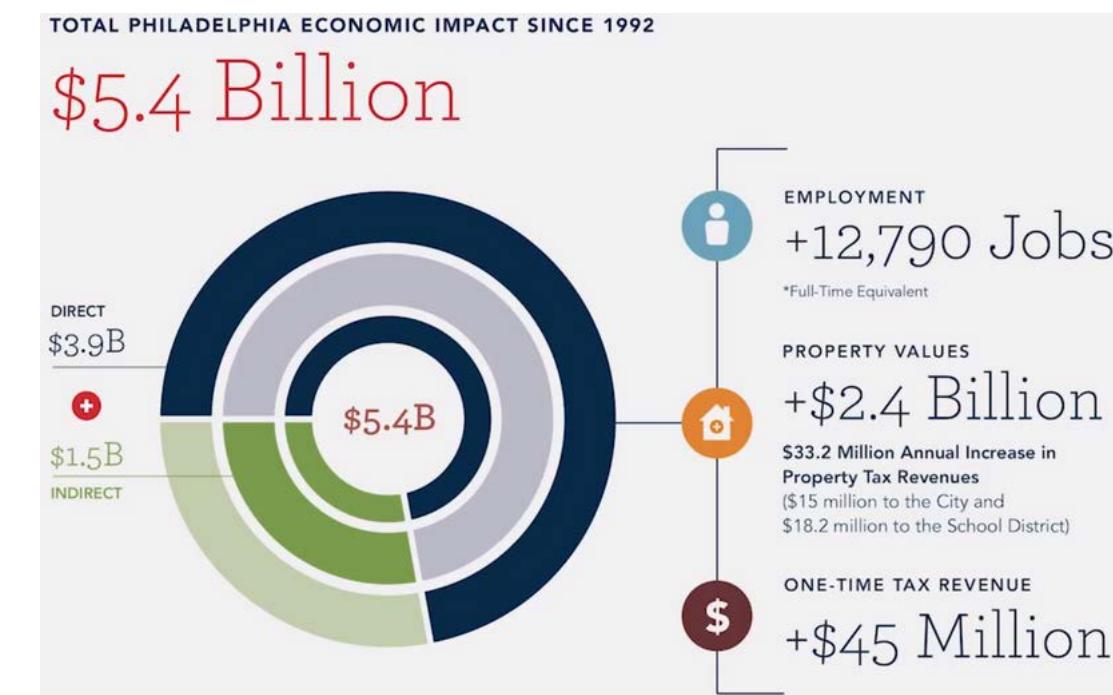
SPECIAL THANKS



AAA Plumbing
Buckeye Area Development Corporation
CAAO
Catholic Cemeteries Association
Chocolate Girls
Cleveland Action to Support Housing
Cleveland City Council
Cleveland Housing Network, Inc
Cleveland Neighborhood Progress
Cleveland State University
Cleveland State University Law Clinic
CHASE Bank
Congresswoman Marcia Fudge
District Community Shares
Court Community Services
Cuyahoga Arts and Culture
Cuyahoga County
Cuyahoga County Land Reutilization
Cuyahoga Metropolitan Housing Authority
Department of Job and Family Services
Diamond Construction
Earle B. Turner, Clerk of Courts
Enterprise Community Partners
Environmental Design Group
Equity Title Company
Fairfax Renaissance Development Corporation
Faith Credit Union
Fourth District Police Department
Fifth Third Bank
Geis Companies
Harvard Community Services Center
Harvard Title Agency, LLC
Home Depot
Huntington Bank
Hylant Group
Kevin L. Penn, CPA
Key Bank
KNOWLEDGE Youth Organization
Krum and Associates
Live Cleveland
Miles Supermarket
Lightning Demolition
Neighborhood Connections
Neighborhood Leadership Institute
NEORSD
NHS of Greater Cleveland
NOACAOHIO Housing Finance Agency
Progressive Insurance
PNC Bank
Sherwin Williams
State Senator Nina Turner
Third Federal Savings and Loan
The City of Cleveland
The Cleveland Foundation
The McGregor Foundation
Vocational Guidance Services

THE COLLECTIVE STRENGTH

Philly CDCs Network Case Study



Click image below to view video

PIERRE MORAN TOLSON CDC

DEVELOPMENT PROCESS



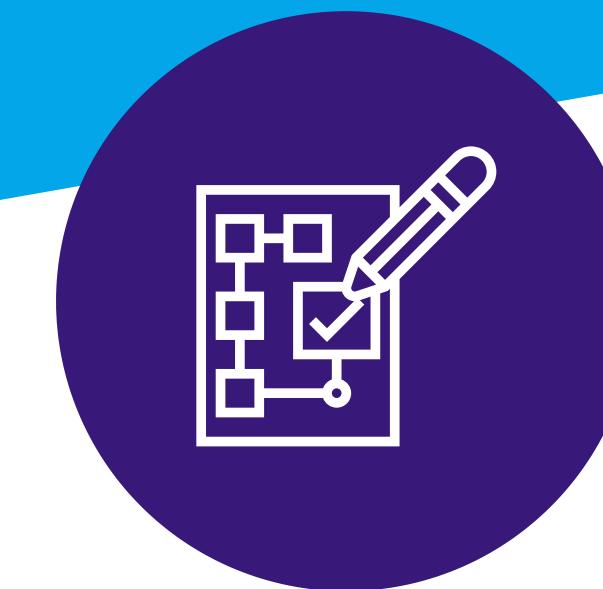
Organize Stakeholders
Engage neighborhood stakeholders & community leaders identifying needs, aspirations and opportunities.



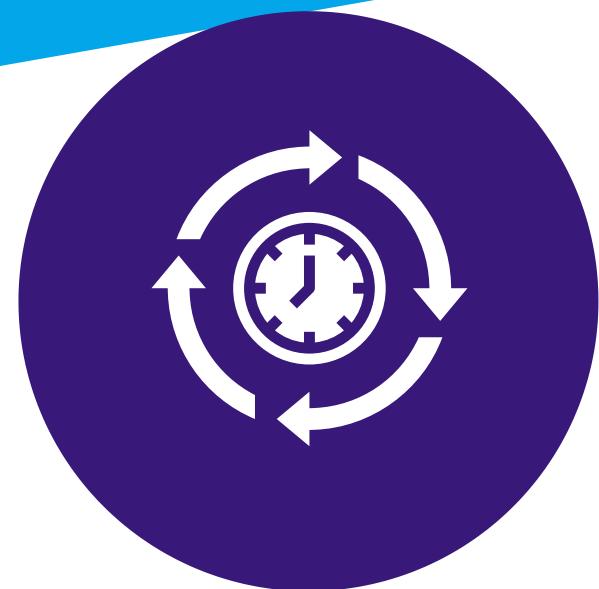
Establish Mission
Facilitate CDC information sessions and mission development.



CDC Formation
If decide to proceed, submit application for 501c3 designation. Develop organizational structure and board of directors.



Work Program
Establish work program and CDC business plan. Develop essential partnerships and short-term projects.



Implementation
Timely action taken by assigned teams.

DOWNTOWN DEVELOPMENT PRIVATE SECTOR CDC

Modeled after the 3CDC 501c3 organization in Cincinnati, we will be working to form a private-sector led real estate development corporation that will develop and activate downtown properties within a defined area.

- Downtown master plan development and activation
- Downtown property acquisition and development and leasing
- Event programming and staffing
- Parks and streetscape maintenance
- Parking availability and maintenance
- Retail and business activation



Click logo to explore

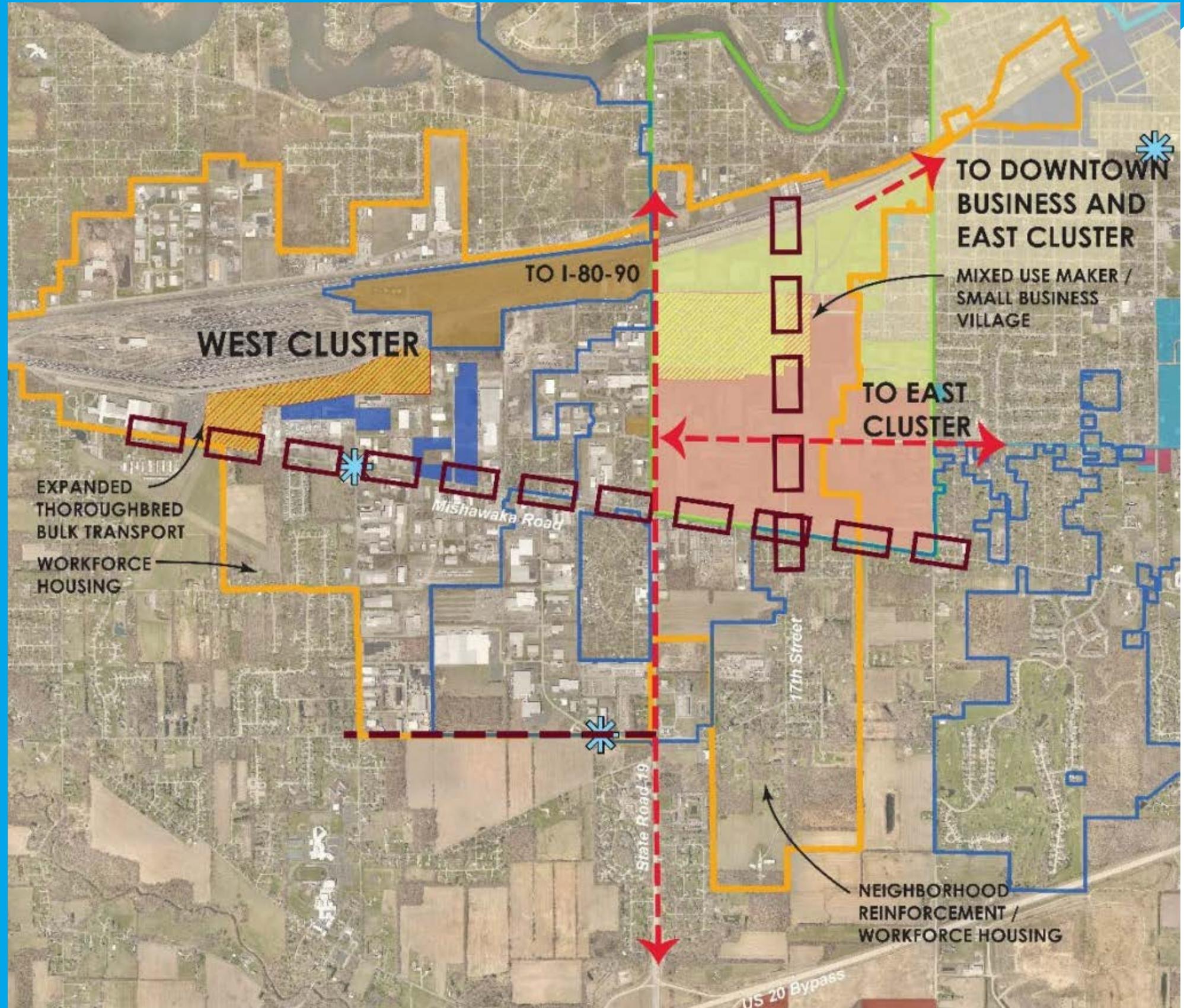


WE THRIVE

ELKHART WEST INDUSTRIAL REVITALIZATION

The vision is to identify specific industrial revitalization projects for underutilized properties in the southwest corner of the City and target advanced industries and logistical support that activate better jobs for Elkhart residents.

ELKHART WEST JOB & BUSINESS CLUSTER



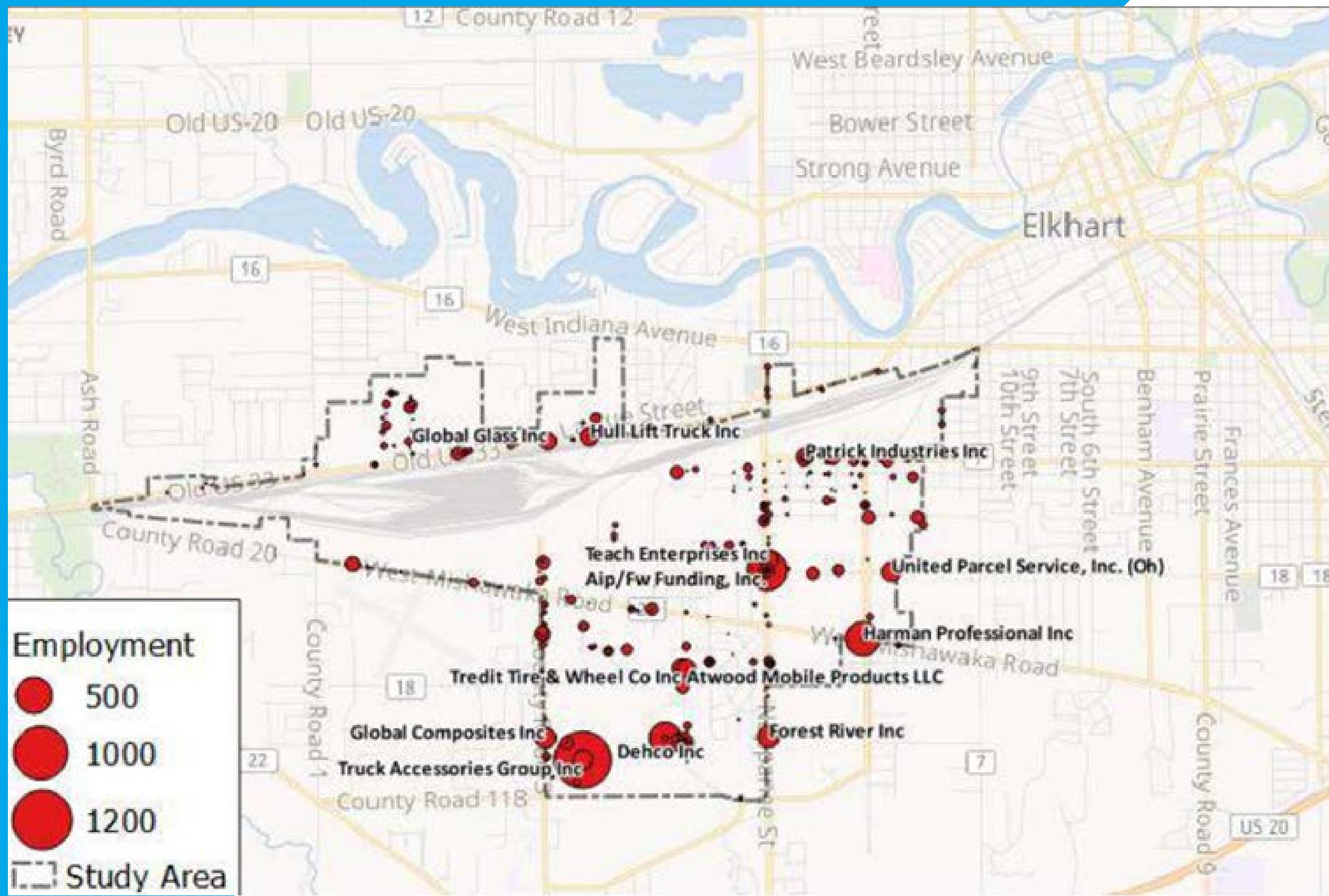
**Base industry employment
(Average number of employees per business)**

16 employees per business (1990)
66 (2017)

This area has become less diversified

From 2007-2017 there is a higher concentration of Base Industry (RV) vs Other Industry employment

ELKHART WEST JOB & BUSINESS CLUSTER



- Strong mix of RV OEMs and suppliers
- Land-use and buildings updates needed
- Job and business diversification future opportunity for Elkhart residents



AUTOMOTIVE



INFORMATION TECHNOLOGY
& ANALYTICAL INSTRUMENTS



BUSINESS SERVICES



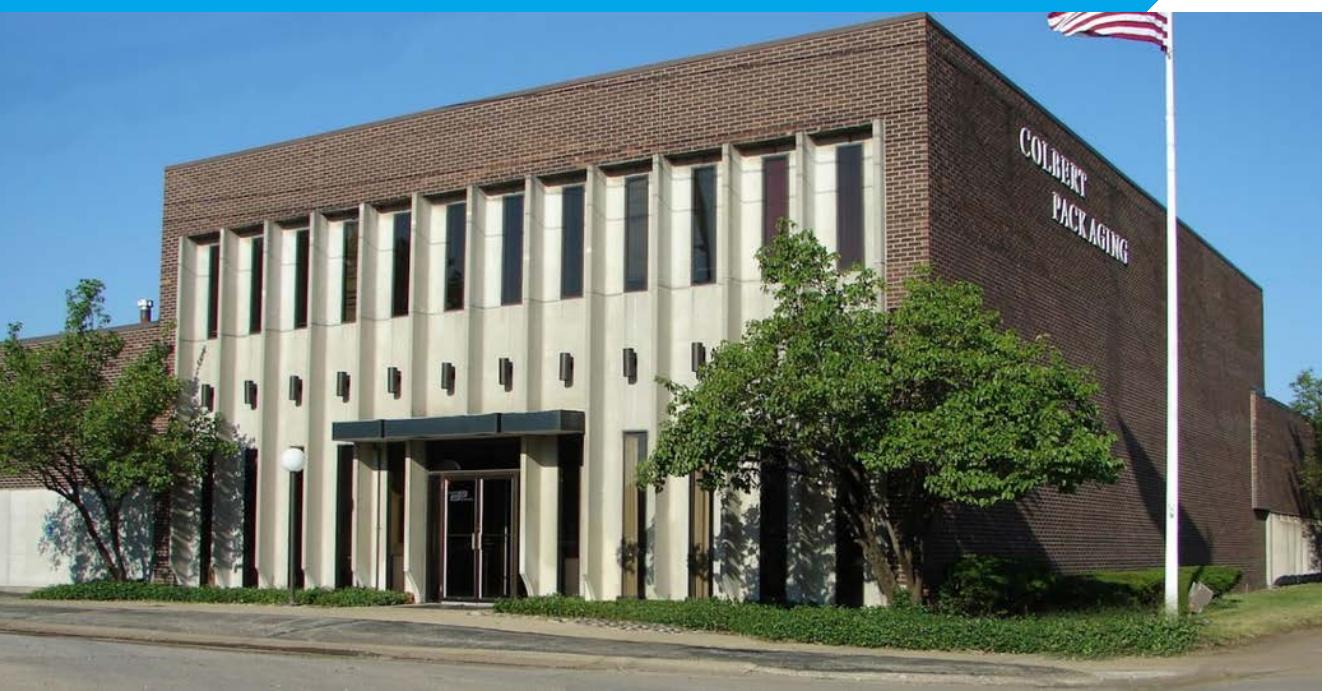
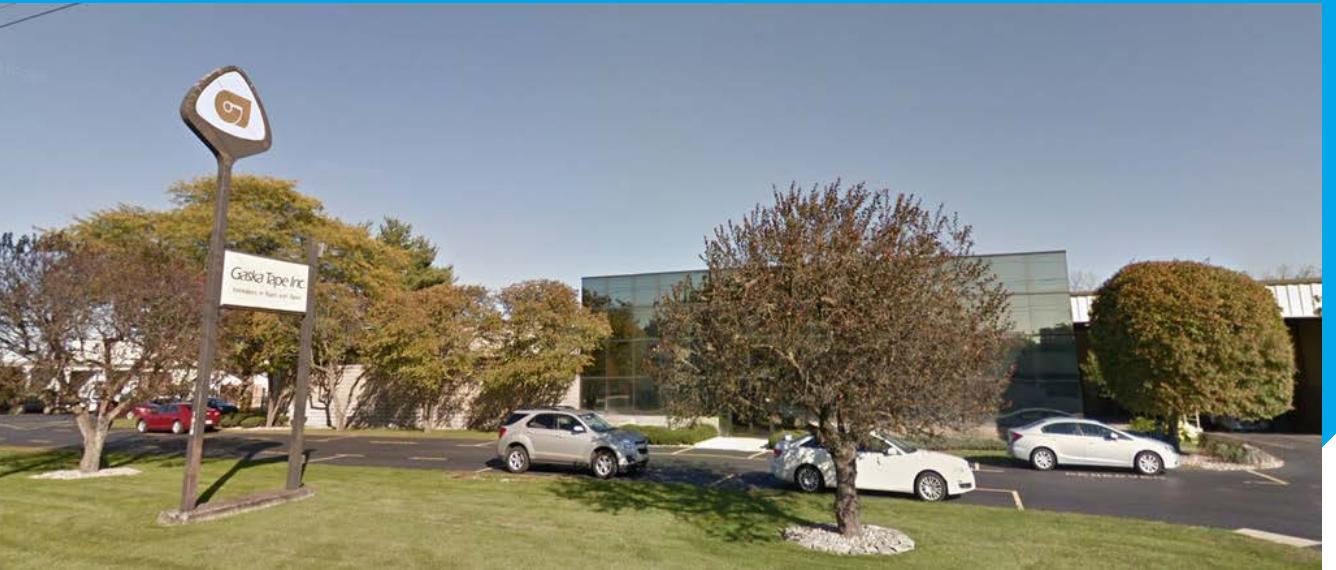
PLASTICS



DISTRIBUTION &
E-COMMERCE



TRANSPORTATION &
LOGISTICS



ELKHART WEST JOB & BUSINESS CLUSTER

- 2,500+ acres land and buildings with business zoning
- Mix of vibrant and obsolete properties Well positioned to utilize region's transportation & market assets
- Existing conditions impede ability to attract targeted economic development opportunities

Elkhart West Industrial Revitalization Multimodal Active Transportation

ACTIVE TRANSPORTATION (Trails, Paths, Bike Lanes)

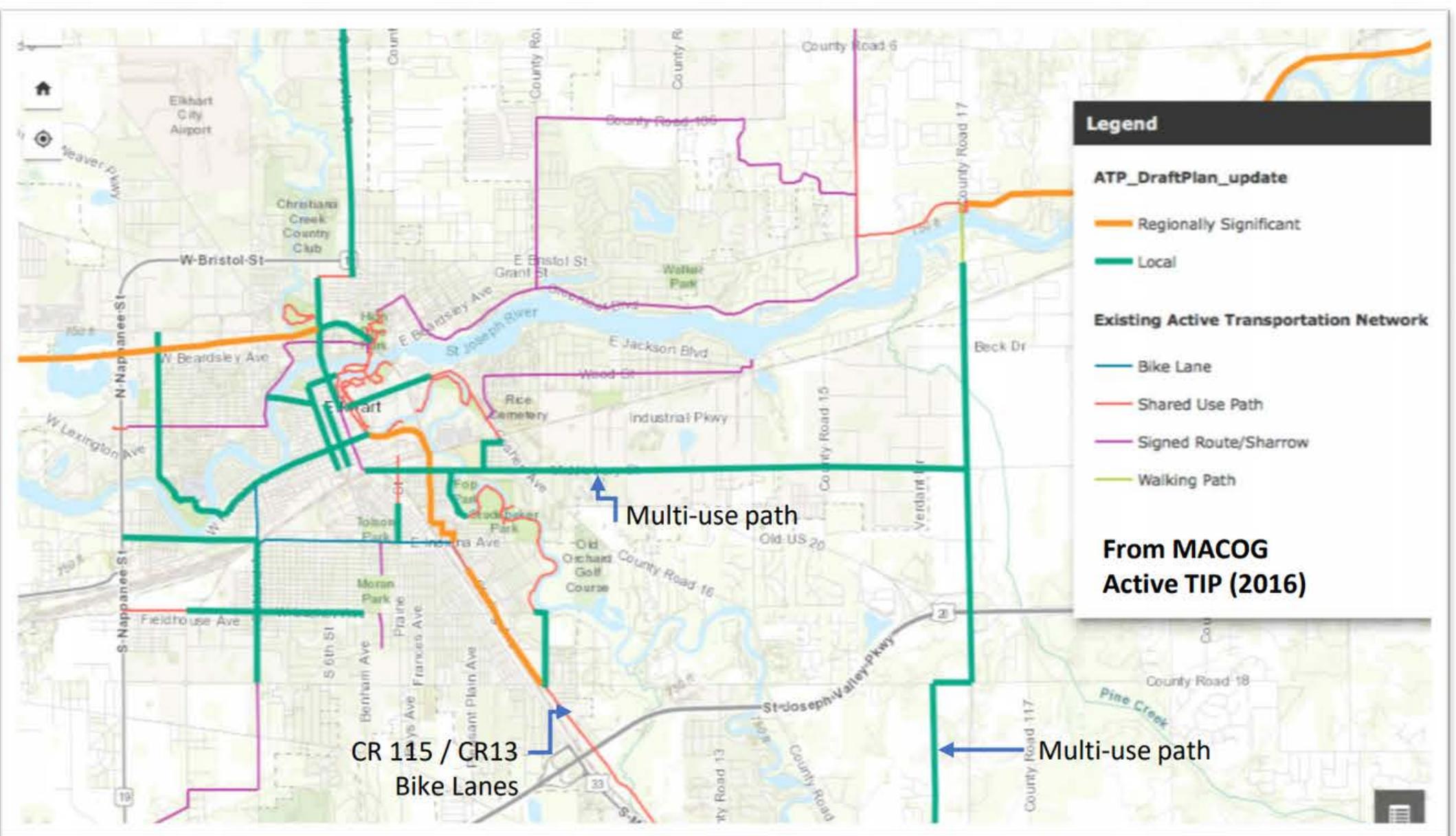
As part of the Activation Plan, recreational amenities that impact quality of place are highly recommended. This is even more critical in revitalization areas. Three Projects have been placed on the MACOG Tip for the east cluster these include:

- Middlebury Street 2.1-mile shared use path
- CR 17 1.9-mile shared use path
- CR 115/CR 13 bike lanes from Middlebury Street to Old CR 17

Additional local and intermediate recreational trails and pathways should be considered where appropriate and as demand dictates.

Funding Sources:

- Indiana Next Level Trails (IDNR)
- Federal Aid Grant (INDOT/ MACOG)
- STBG (MACOG/ INDOT)
- CMAQ (MACOG/ INDOT)
- Indiana Heritage Trust Program (INDOT/ MACOG)



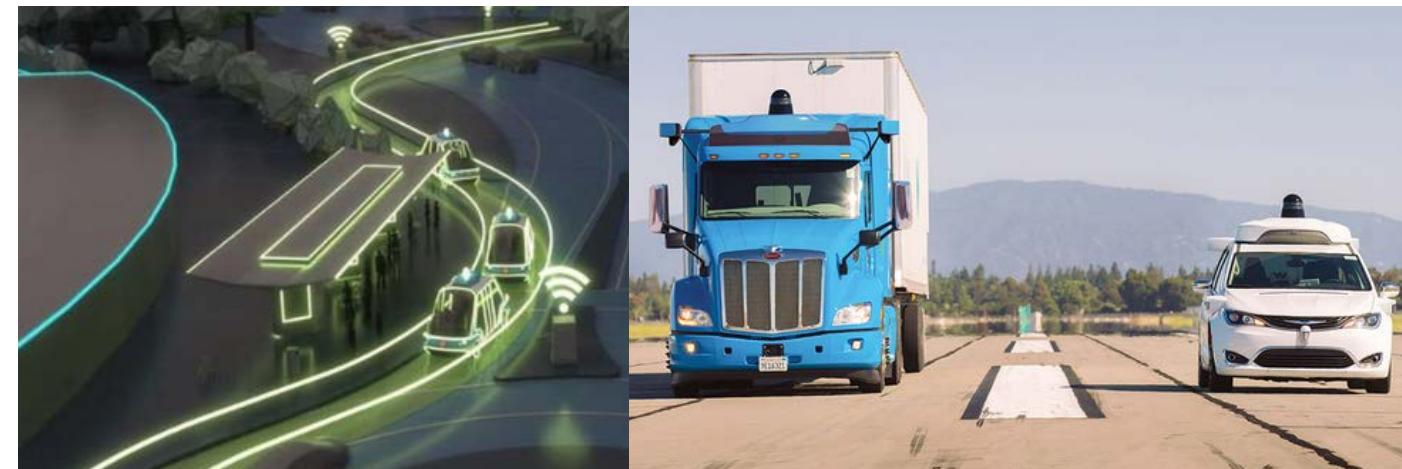
- Place based investment funds
- Recreational trails program
- EDIT, TIF, Mvha, CR&S (local)

Elkhart West Industrial Revitalization Crosstown Connector

As the city charts a course towards this 2040 Vision, it must find a way to leverage its current manufacturing strengths while also encouraging innovation that will drive it into new economic sectors.

The Elkhart 2040 diversification initiative is designed to fully leverage its logistical assets and legacy as manufacturing hub. Modern infrastructure that takes advantage of technology innovations, enhances the physical business environment and serves both growing manufacturers as well as their workforce will establish Elkhart's business climate as one of the future—not the past.

- Enhanced materials and product mobility for Elkhart businesses
- Improved access to employment and workforce
- Real estate redevelopment
- Improved leveraging of Norfolk Southern rail assets
- Enhanced economic development opportunities for the Elkhart-South Bend region

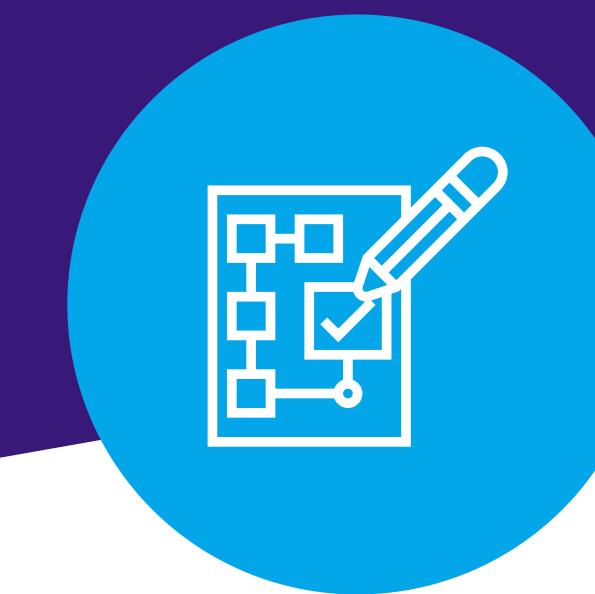


Elkhart West Activation Process



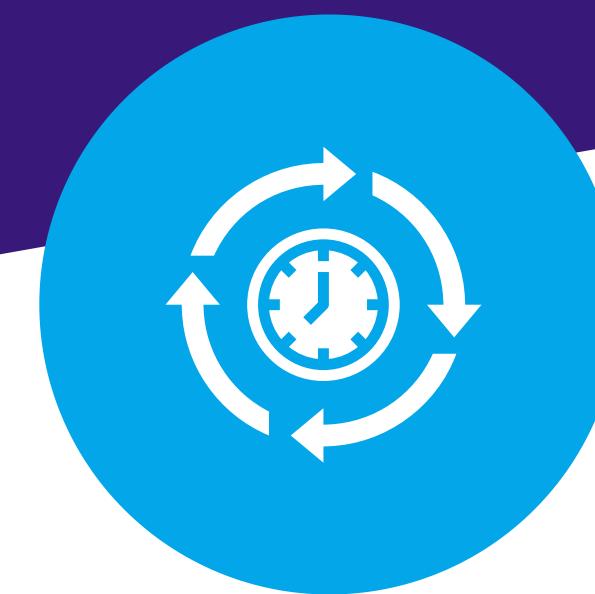
Identify Redevelopment Opportunities

Identify abandoned, underutilized property. Develop work program and implementation strategy. Activate initial investment/development opportunities.



Initiate Long-term Master Plan & Work Program

Design 21st Century "Elkhart West" business park. Link job, business opportunities to neighborhood hub and complete neighborhood objectives.



Connect Opportunities for Implementation

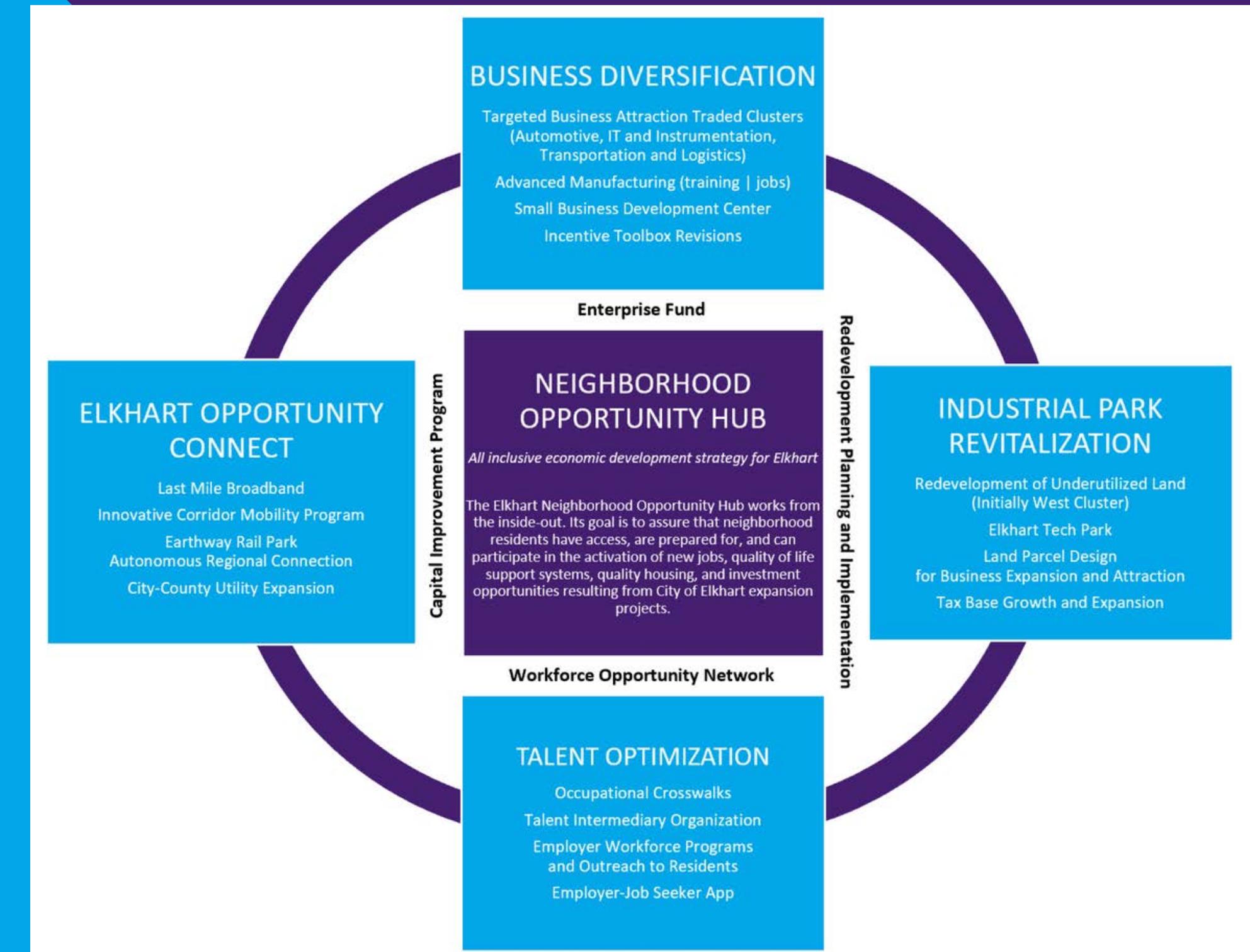
Establish entrepreneurial opportunities for local residents encouraging local business development serving Elkhart West and adjacent neighborhoods.

FRAMEWORK FOR GROWTH NEIGHBORHOOD OPPORTUNITY HUBS

The Elkhart 2040 Plan states that future economic growth and stabilization is dependent on:

- Industry diversification,
- Revitalization of 21st Century Industrial Parks,
- Talent optimization for developing a thriving workforce, and
- Connectivity and mobilization of transportation and utility infrastructure

These developments are proposed to be intentionally designed within Neighborhood Opportunity Hubs located throughout the City that provide residents access to quality housing, amenities and services that establish the desired unique character and qualities of each neighborhood .





Collaboration, Equity & Transparency

The **We Thrive 2040 Implementation Plan** for the City of Elkhart is a city-wide growth plan. Equitable planning and investments will engage the continuation of the private-public partnerships required for Elkhart to become the most progressive legacy city in the Midwest.

Elkhart 2040 Implementation - Intended Outcomes and Quarterly Goals

Deliverables	Intended Outcomes 2022	Q1	Q2	Q3	Q4
Neighborhood Development (Micro)					
Neighborhood Hub	Neighborhood hub infrastructure in place and first hub activated.	Select initial hub programming development	Facilitate neighborhood leadership	Engage neighborhood leadership	Soliciting and securing initial funds
Career Crosswalks	Demonstration program established and participants identified	Organize local talent intermediary group	Engage employer	Develop crosswalks	Begin implementation
Operating CDC	Establish CDC organization and three year program	Define mission and area to be served	Engage Board of Directors	Three year business plan and programming	Set metrics for success
		File initial 501c3 docs	Operations and program training		Launch and promote opportunities to public
Workforce Housing Project	Identify priority locations for workforce housing projects	Survey potential sites and identify top market areas to be served	Select priority site and preliminary development schedule	Formalize the development team and CDC	Launch initial workforce housing project
				Initiate pre-development program	Engage needed seed funding
West Cluster Redevelopment Initiative	Implement initial project within the SW cluster and demonstrate implementation for engaging industry diversification		Identify potential redevelopment areas and related projects	Develop work program for initial project	Promote development program
					Find seed funding to activate development within approximately 18 months
					Identify redevelopment team
					Develop initial development sources and uses budget

Deliverables	Intended Outcomes 2022	Q1	Q2	Q3	Q4
Growth Alliance Forum (Macro)					
10-minute Neighborhood Concept	Complete neighborhood master plan template around a 10-minute neighborhood planning framework	Formalize inventory, geography and uses of targeted neighborhoods	Complete sample survey for each neighborhood's potential services and investment opportunities	Organize neighborhood RFP for competition to select initial implementation of demonstration 10-minute neighborhood	Select neighborhoods, their teams and three to five year work programs
Targeted Downtown Development Program	Develop SW Corridor program for investment and activation			Identify private-public development advisory group for creating district vision of SW Corridor	Complete work program, implementation team and identify initial funding sources for SW Corridor
Business Diversification	Identify and target specific business types to diversify Elkhart economy over next five years	Complete invitation-only, one-day roundtable discussion with EDC, 912 Solutions and stakeholders regarding Indiana and the Identify Elkhart's best opportunities	Identify business groups and businesses that are potential targets for Elkhart	Launch 3-5 year business attraction strategy for targeted industries	Engage and align with EDC, regional, state initiatives that will assist with attraction and funding for expansion
Logistics Programming	Develop strategic plan that enhances Elkhart's role in regional and national innovation for logistics systems	Meet with key local, regional and state logistics officials to identify potential opportunities and strategies	Engage stakeholders and 912 Solutions to develop strategy, understand technology requirements and potential partnerships for implementation	Continue strategic and partnership development	Identify work plans for selected and primed priority projects to be implemented in 2022+
Rail To be determined in logistics work plans Autonomous Vehicles To be determined in logistics work plans Local To be determined in logistics work plans Regional To be determined in logistics work plans 5G Lab To be determined in logistics work plans					

Elkhart 2040 Implementation - Key Deliverables and Players

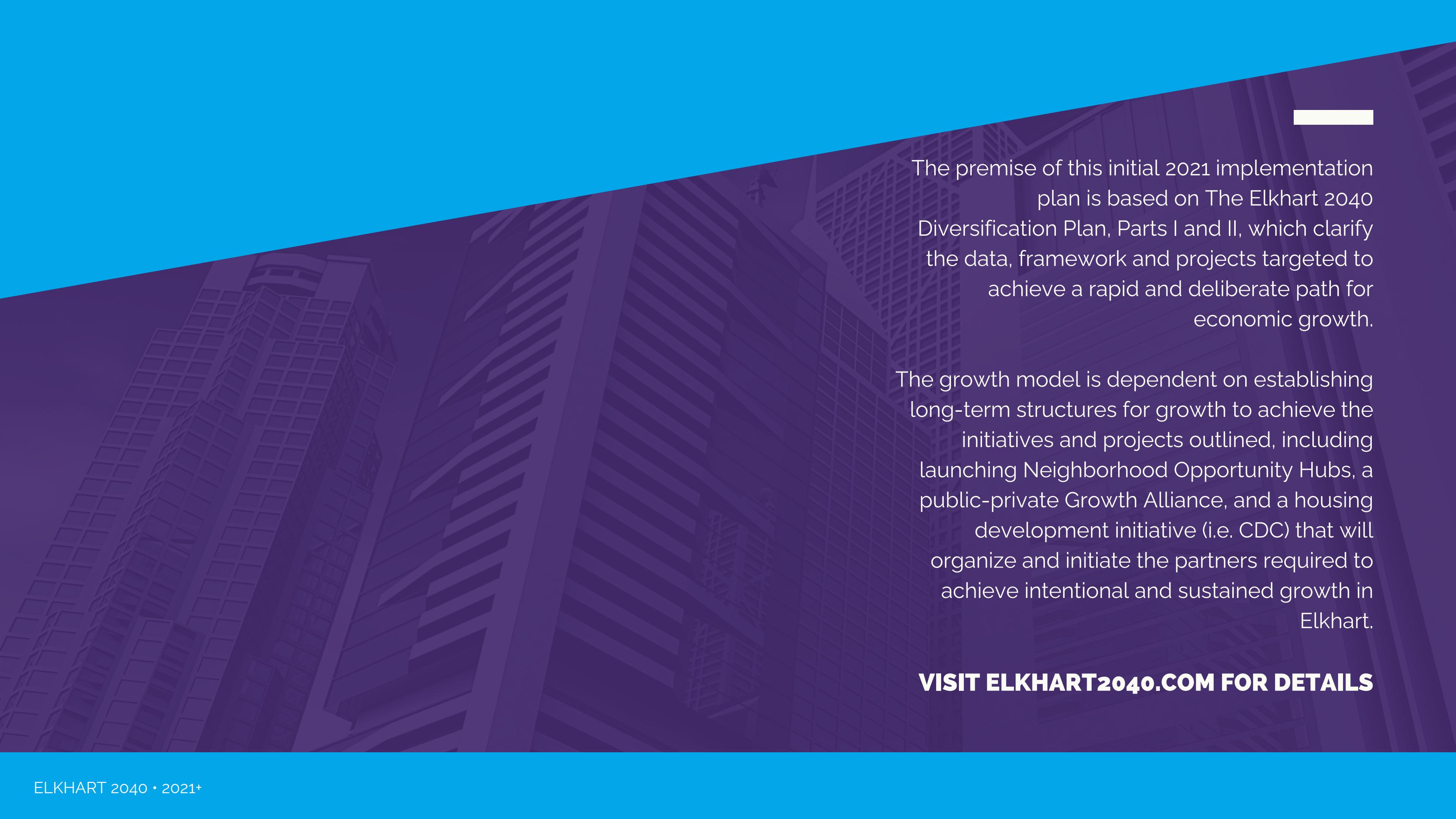
P - Principal Lead

F - Facilitator

X - Team Member

Deliverables	ISC/OBE	Accountability Resources						Third Parties				Nine Solutions
		CITY			TECHNICAL ED LEADERSHIP		THIRD PARTIES					
		PRIME	Exec	Planning	Comm Dev	Eng	EDC	Chamber	JPR	D.West	Twelve	TPMA
Neighborhood Development (Micro)												
Neighborhood Hub	P		X			X			X			
Career Crosswalks	F					X			X			P
Operating CDC	F					X						P
Workforce Housing Project	P					X			F			
West Cluster Redevelopment Initiative	P			X		X		X			F	
Growth Alliance Forum (Macro)												
10-minute Neighborhood Concept	P	F		X	X							
Targeted Downtown Development Program	P	F		X			X					
Business Diversification	F		X					P				X
Logistics Programming	P		X		X							P
Rail	F			X			X					P
Autonomous Vehicles	X			X			X					P
Local	F			X			X					P
Regional	X			X			X					P
5G Lab	F		X	X			X					P

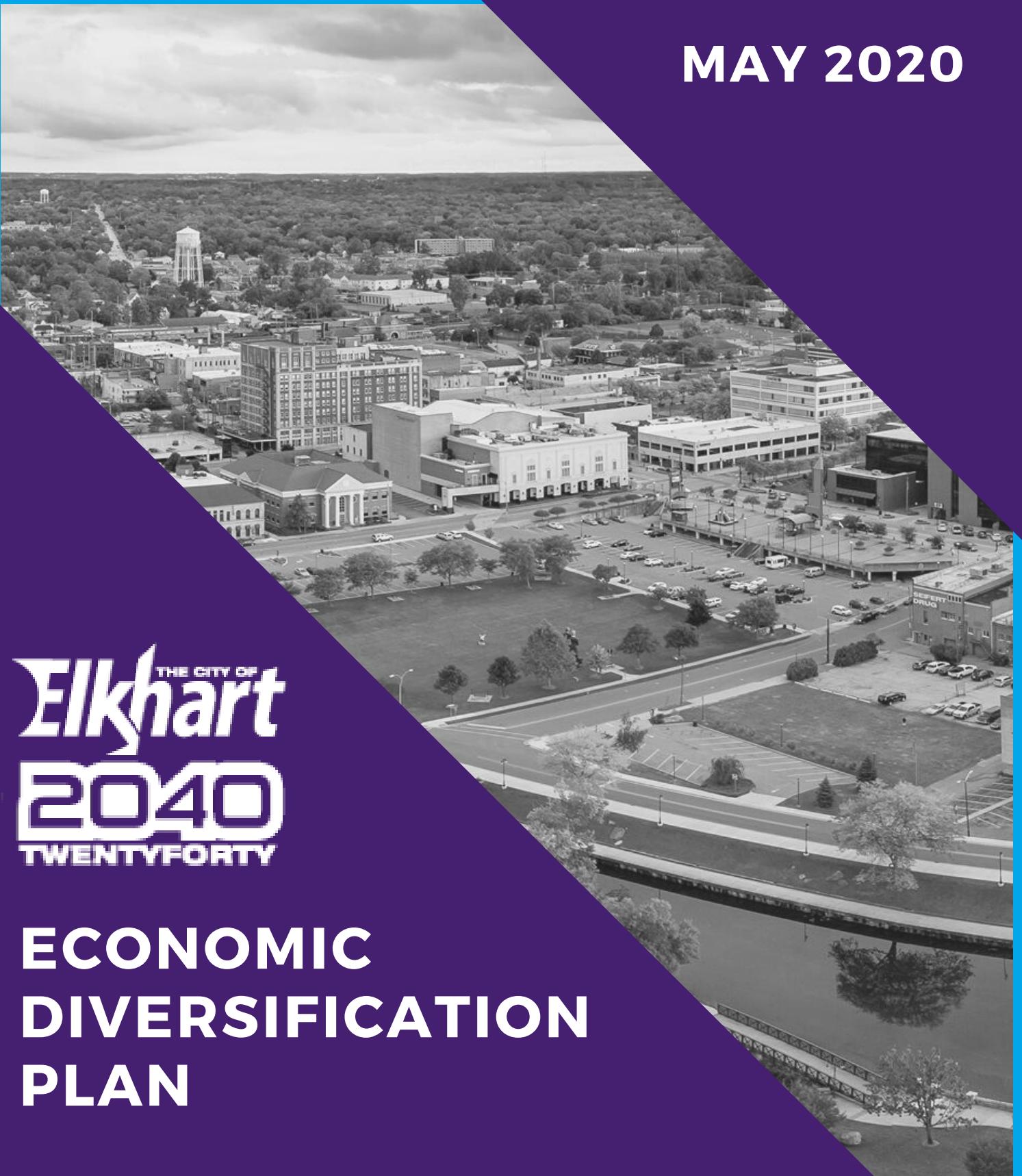
TEAM CAPACITY BUILDING | ADMIN



The premise of this initial 2021 implementation plan is based on The Elkhart 2040 Diversification Plan, Parts I and II, which clarify the data, framework and projects targeted to achieve a rapid and deliberate path for economic growth.

The growth model is dependent on establishing long-term structures for growth to achieve the initiatives and projects outlined, including launching Neighborhood Opportunity Hubs, a public-private Growth Alliance, and a housing development initiative (i.e. CDC) that will organize and initiate the partners required to achieve intentional and sustained growth in Elkhart.

[VISIT ELKHART2040.COM FOR DETAILS](http://ELKHART2040.COM)



MAY 2020



ECONOMIC DIVERSIFICATION PLAN

PREPARED BY



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.

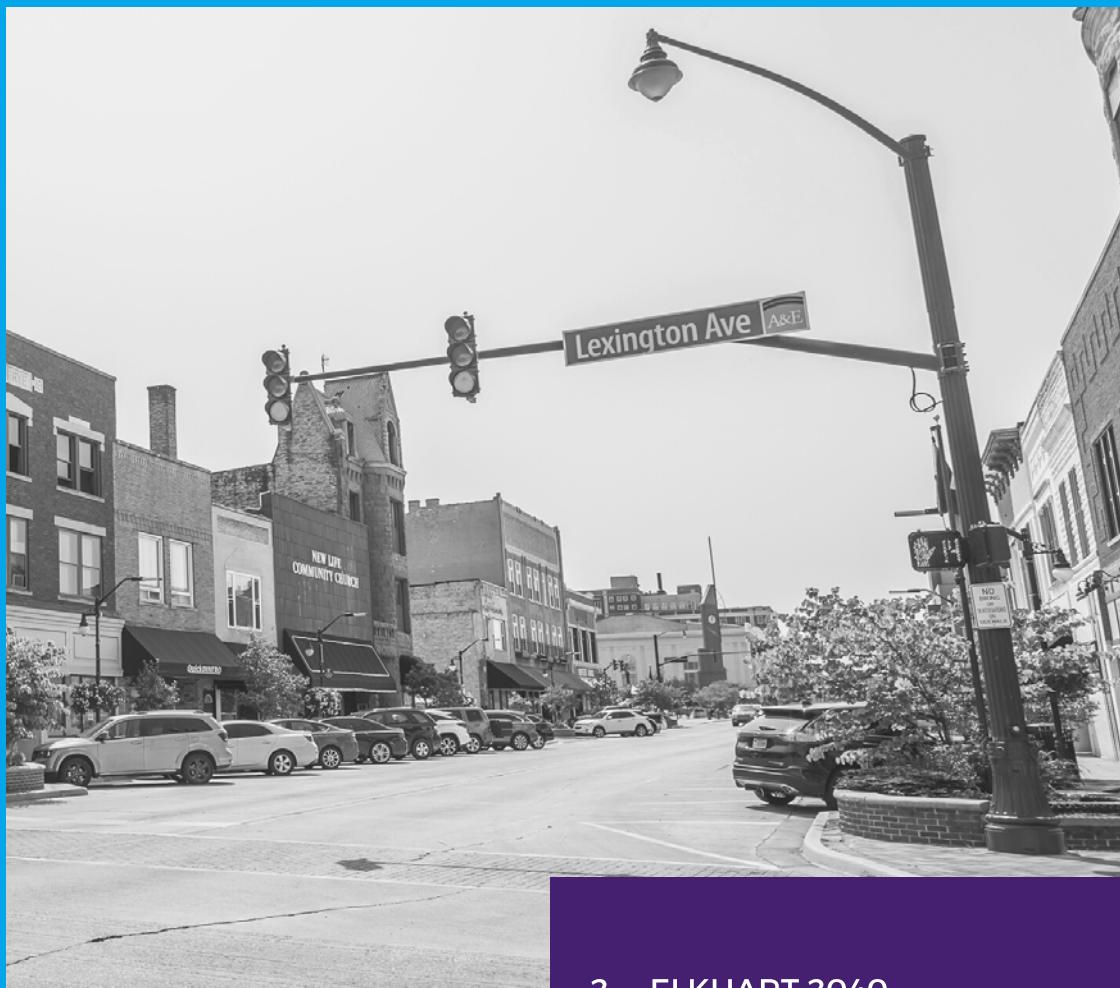
The 2040 Plan acknowledges the building blocks which has set the foundation for recent investments being realized in the City's River District. These public-private partnership investments include market-rate housing, streetscape improvements, downtown revitalization, and a new community-centric health 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.

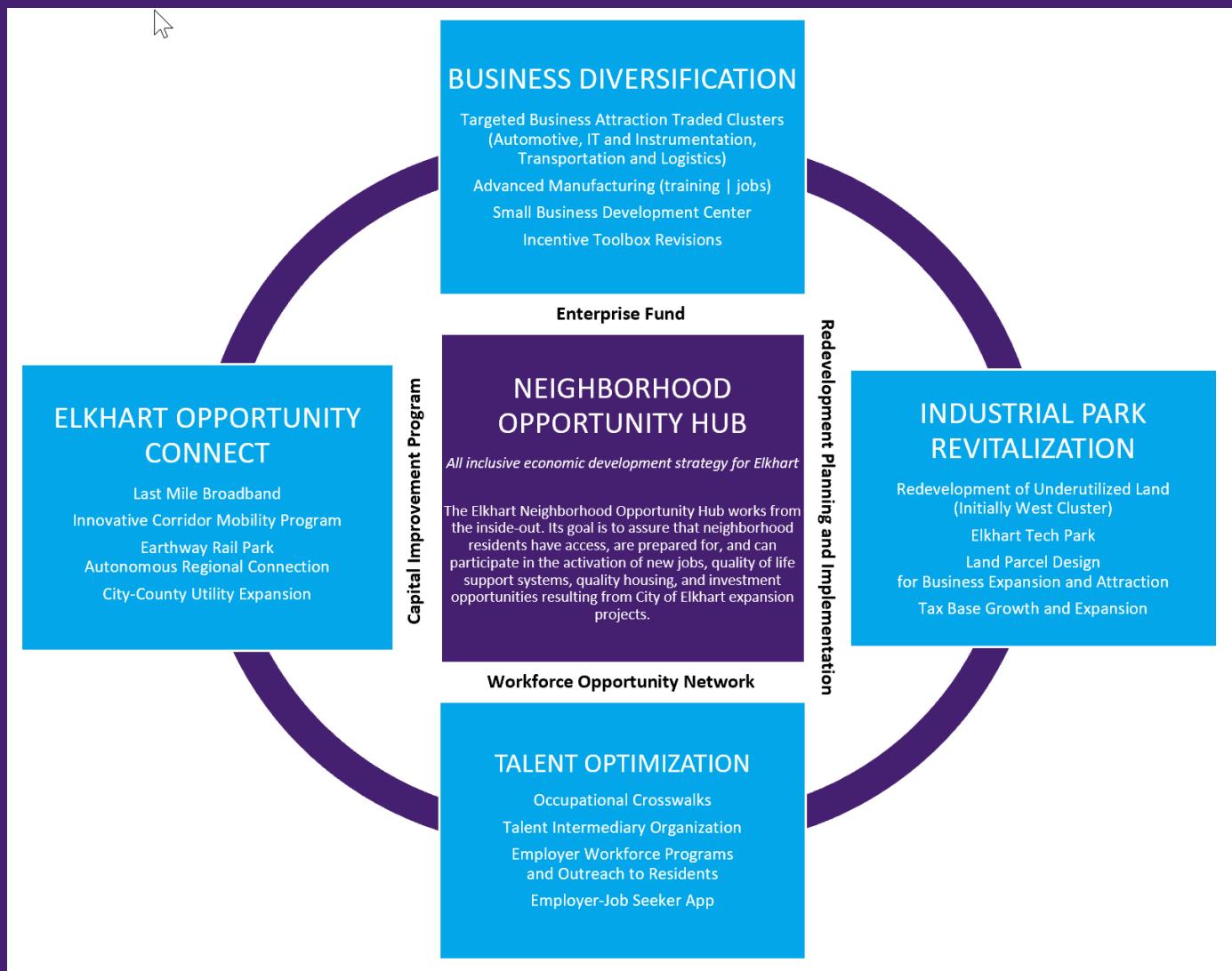
10

Specified land use reactivation projects.

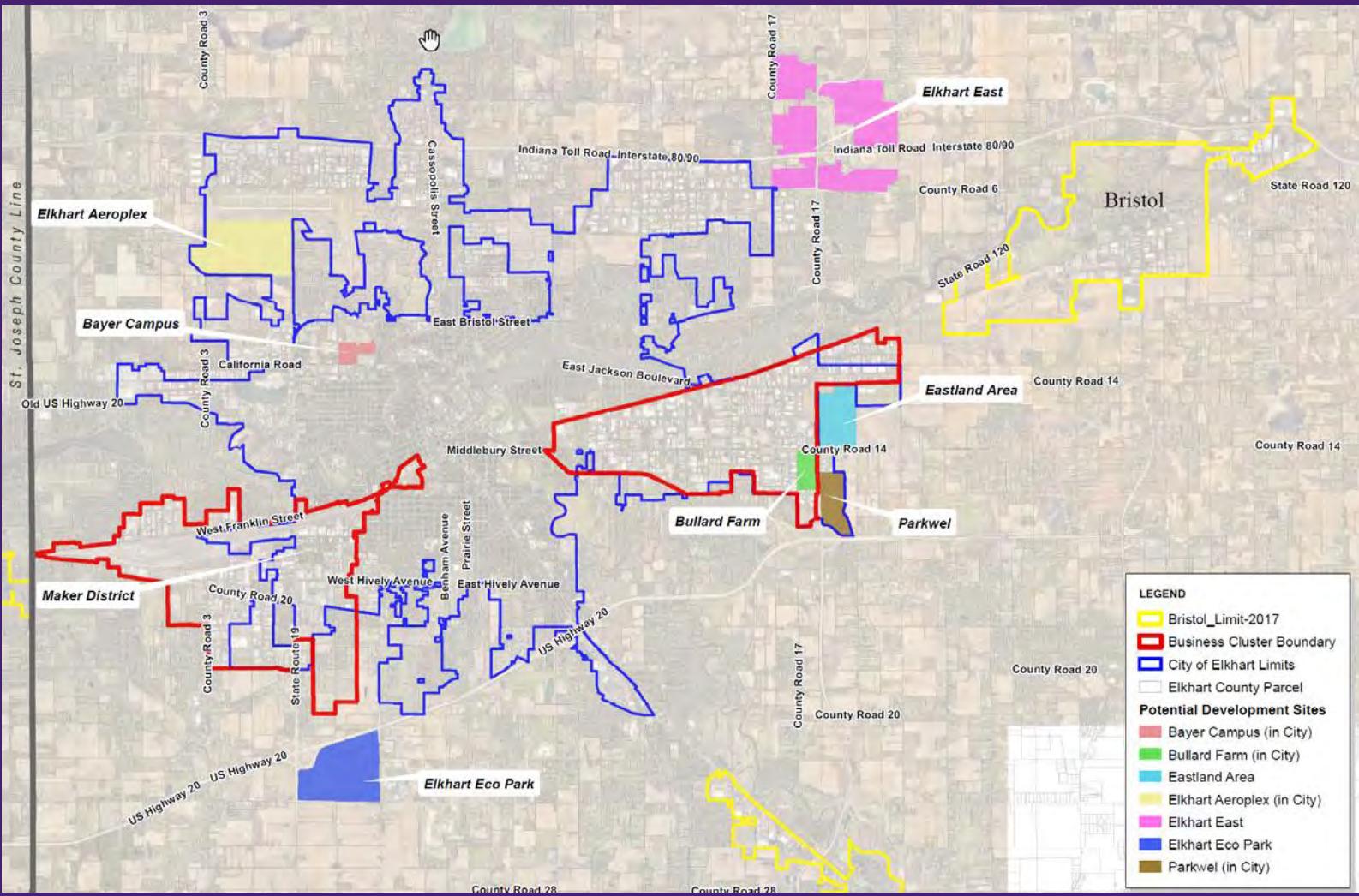
\$360M

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.

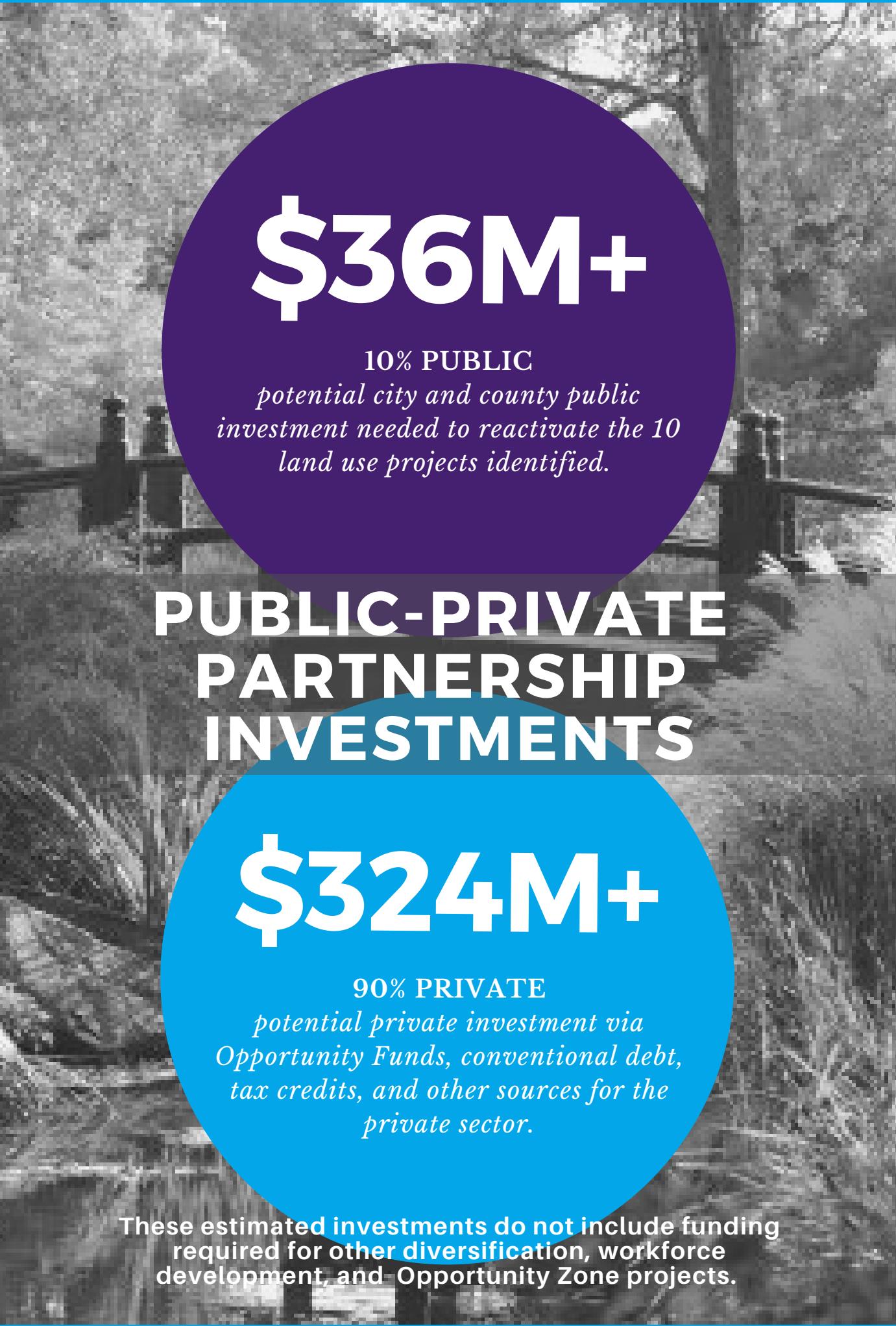


A CITY WIDE VIEW

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.

Elkhart's Base
Industry
Employment:
23,784



55,844 jobs



\$3.1 billion in
earnings



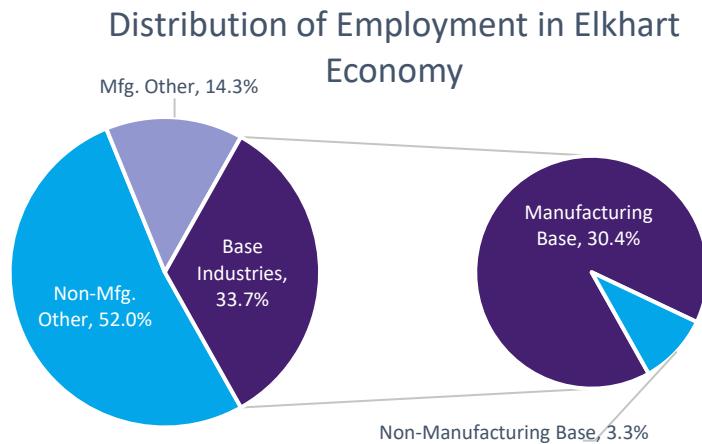
\$14.6 billion in
economic output (sales)



\$897.4 million in state sales
and income tax revenue

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.¹ 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

¹ 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:

- a. Assessing constraints on Elkhart's current specialized clusters,
- b. Identifying emerging traded clusters for economic growth that are scalable, growing, and sustainable.
- c. 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.

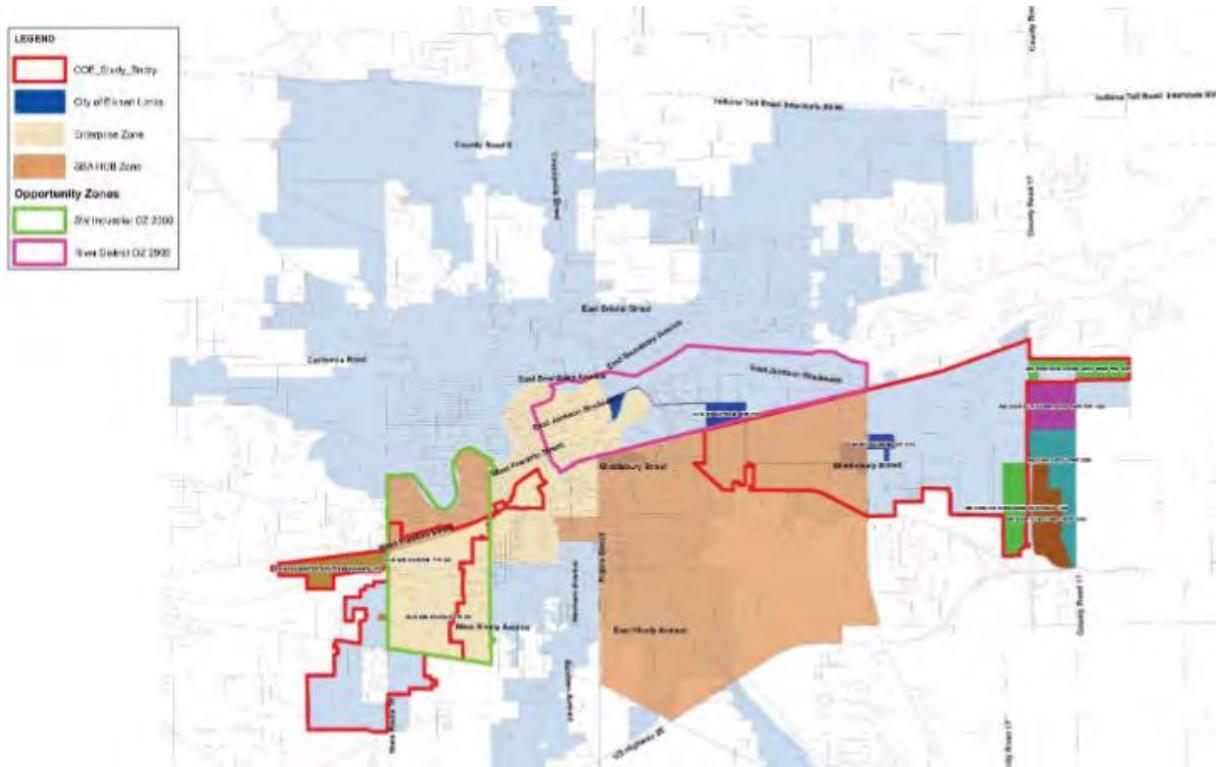


Figure 1 – Incentive Overlay Zones – East-West Clusters

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
- Curtis Hemmeler
- Denise Hoke
- Amanda Jamison
- Leighton Johnson
- Ken Julian
- John Katalinich
- 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.

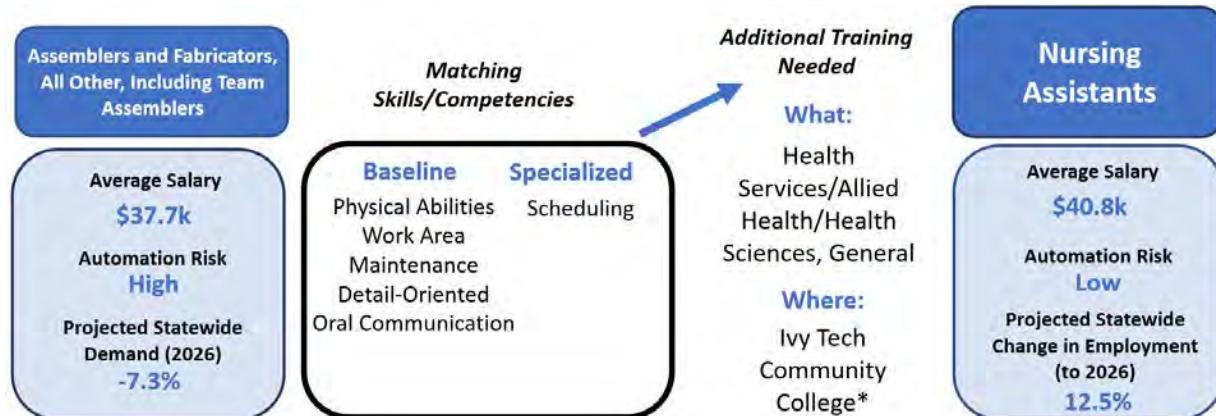
Entry-Level Recreational Vehicle Manufacturing Occupations
Welders, Cutters, Solderers, and Brazers
Laborers and Freight, Stock, and Material Movers, Hand
Assemblers and Fabricators, All Other, Including Team Assemblers
Inspectors, Testers, Sorters, Samplers, and Weighers

In-Demand Industry: Advanced Manufacturing



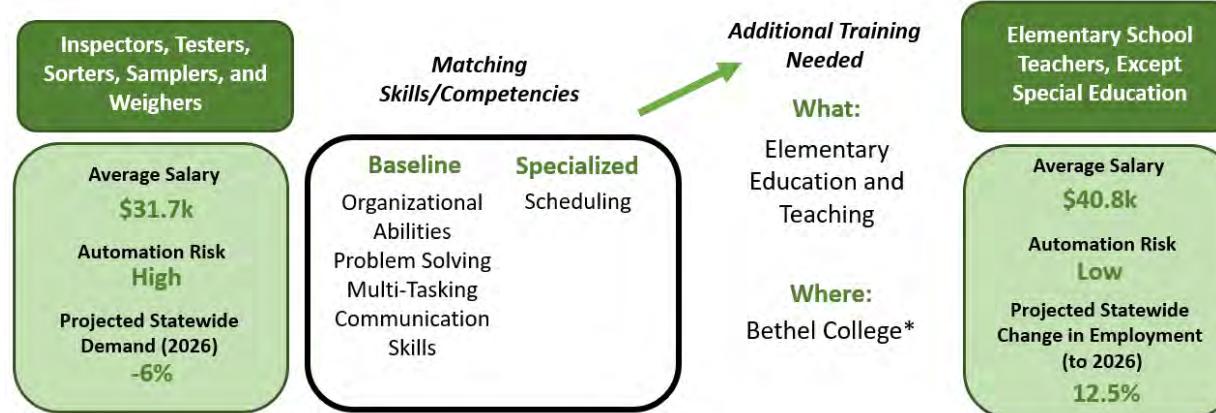
The above crosswalk outlines a transition from Laborers and Freight, Stock, and Material Movers, Hand occupation to the higher-earning, lower automation risk occupation of First-Line Supervisors of Production and Operating workers within the same industry. This crosswalk is further built out and includes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

In-Demand Industry: Healthcare



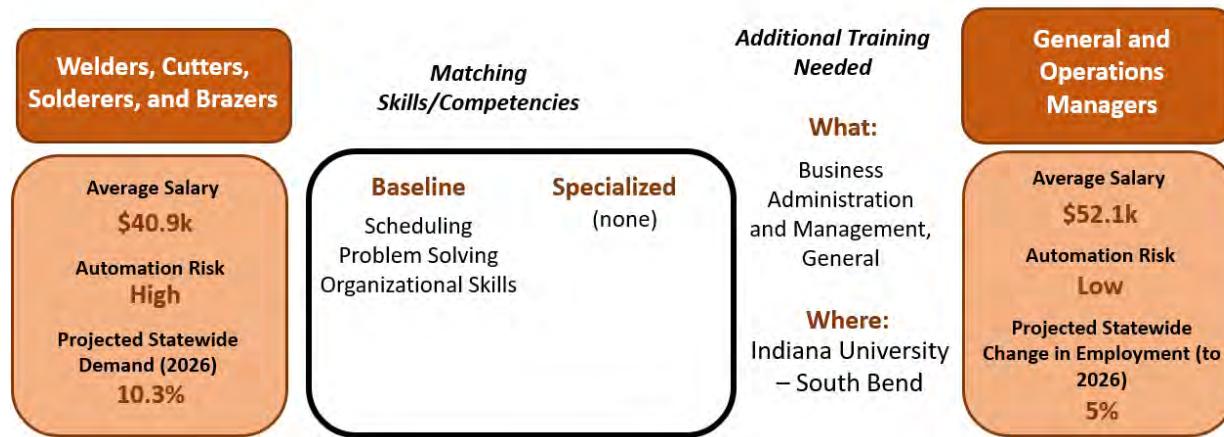
The above crosswalk outlines a transition from Assemblers and Fabricators, All Other, Including Team Assemblers occupation to the higher-earning, lower automation risk occupation of Nursing Assistants within the in-demand Healthcare Industry.

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.

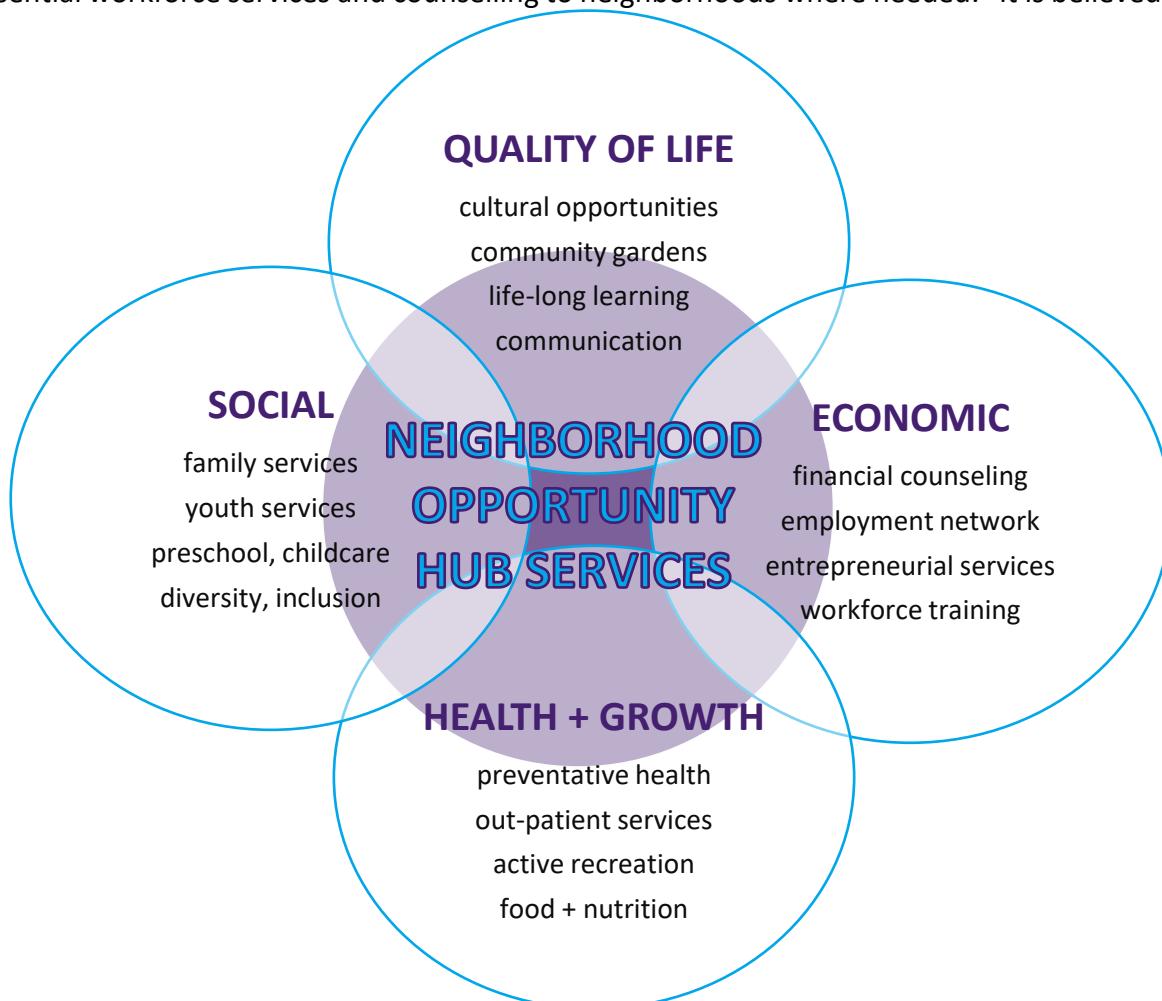
Such an organization could be charged to facilitate the setting of common goals and provide a platform for long-term talent strategies. As the City of Elkhart works to attract new diversification industries and train the workforce to accommodate jobs requiring a more complex set of skills, a clearinghouse 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 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.

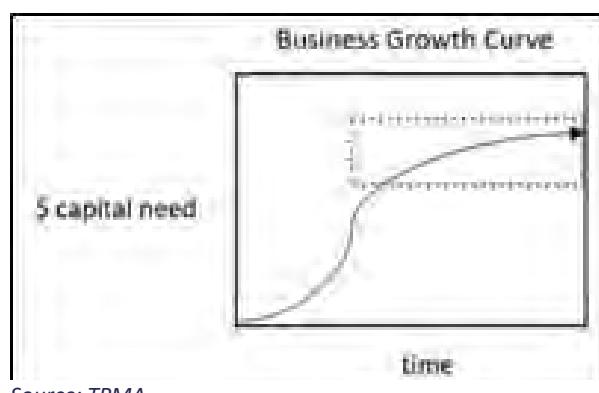
Certified Technology Park

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.



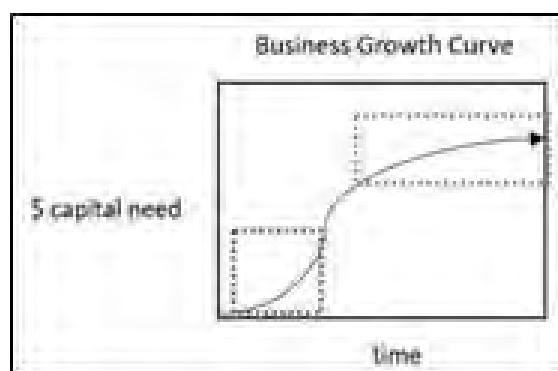
Traditional lending terms tend to be more conservative, and the borrower will have to bring several years of business history to illustrate a sound financial track-record. This is where all businesses should strive to be, but traditional lenders are risk adverse. Therefore, few traditional lenders can 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



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.

Source: TPMA

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

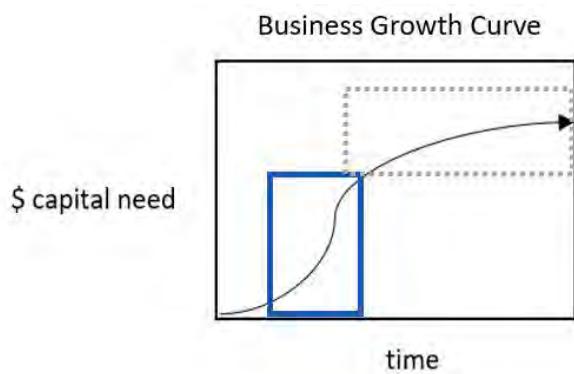
The microenterprise funds would provide “micro” loans for home/garage businesses start-ups or expansions for service-oriented, manufacturing or craft artisan businesses. Many manufacturing components for larger businesses could be underwritten with microenterprise lending. These funds could act like 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

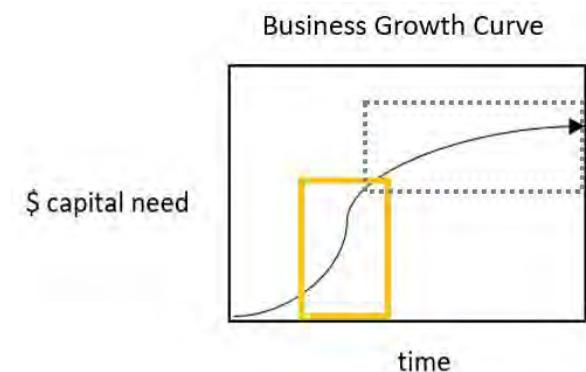
The goal is to use funds to support neighborhood reinvestment efforts in residential and commercial real estate that create new jobs and investment. CDFI funding tends to have more flexibility than other more traditional lending sources, and it focuses on neighborhoods that have experienced higher disinvestment 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

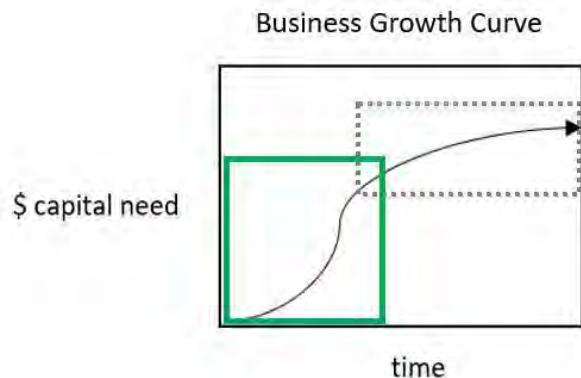
The Small Business Development Loan fund would connect local Elkhart businesses to federal and state loan sources through existing banks that would supply working capital. Focus could be on small businesses within the Elkhart Opportunity Zones and its Maker District. The SBA loans and loan guarantees 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

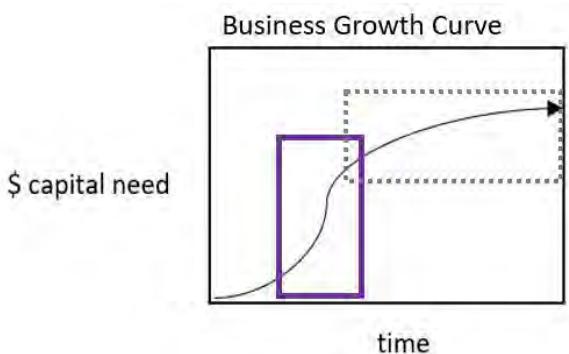
Angel capital investors focus on earlier stage business development while venture capitalists generally require a longer track record before committing venture capital. Angel investor capital supports small and microenterprise businesses who may often be non-traditional entrepreneurs. This may allow 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



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.

Source: Indiana Economic Development Organization

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.

CReED / Opportunity Zone District

Strategy	Strategy Business Focus	Lead Entity	Partners Entities	LOCAL Funds	STATE Funds	NATIONAL Funds
CReED / Opportunity District	Targeted Industries, Opp Zone, Neighborhoods	City	City of Elkhart, EDC, IEDC, St. Legislature, Governor	CReED / 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 CReED 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 CReED 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 advance 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 & 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; IHCAA 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

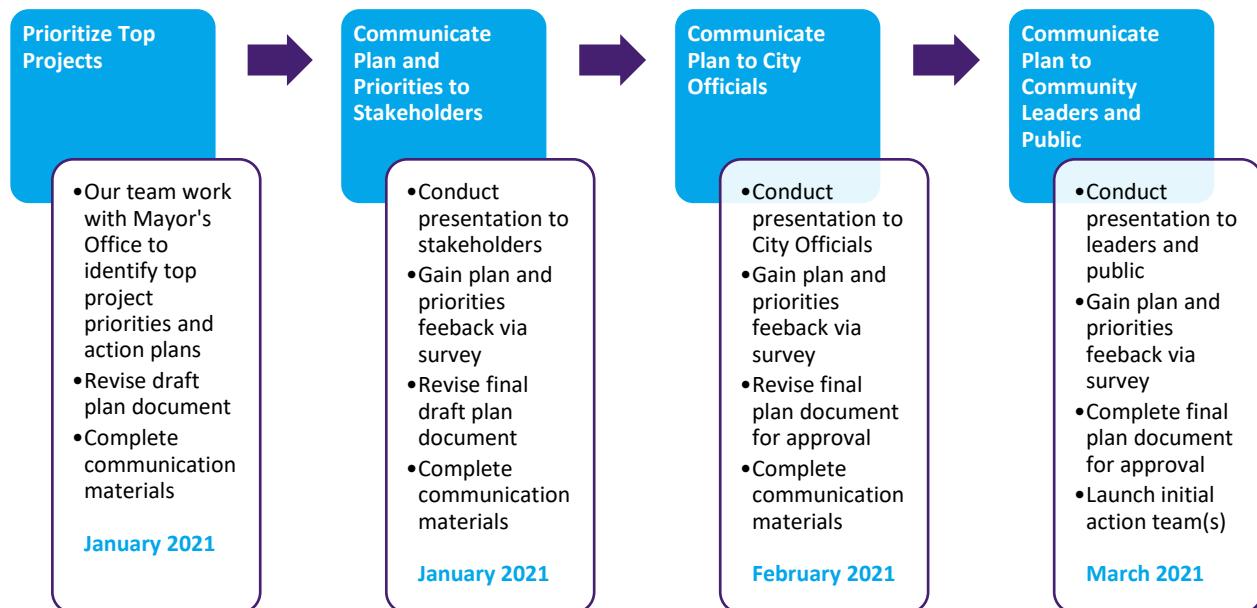
The following table is a graphic representation of the workplan required to initiate strategies identified in this report. The workplan spans five years from July 2020 through the final quarter of 2024. The table identifies the Action Team responsible for each strategy, the types of businesses the strategy 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.



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.





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

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

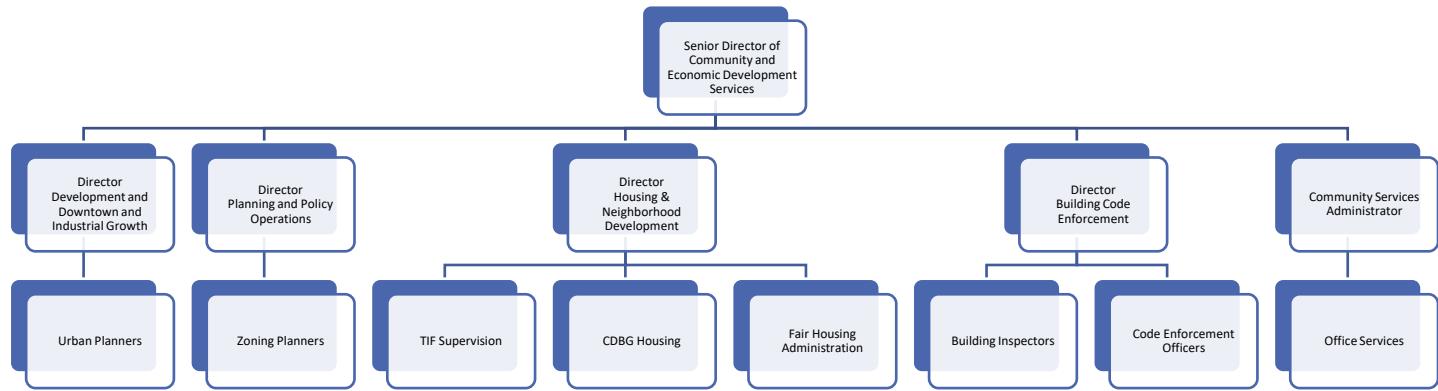
As part of the plan, the potential structure for the City of Elkhart's economic development team was explored. Per the administration change, modifications are needed. Following is an overview of the structure and key roles that were identified.

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.

ADDITIONAL RESOURCES

Links to Appendices | Additional Plan Resources

[Industry Diversification Appendices](#)

[Land Use and Infrastructure Appendices](#)

[Talent Optimization Appendices](#)

CONTACTS:

Mike Higbee

mhigbee@tpma-inc.com

Shelley Moore

shelley@insightsc.com

Ken Jones

kenjones@jpr1source.com



LAND USE APPENDIX – LU 0.0

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Conditions Assessment – LU 1

Business Clusters – LU 1.1

During Phase One of the 2040 Plan, two key areas were identified within the City's Industrial Complex. These were described as the East Business Cluster and the West Business Cluster. Geopolitically separated by the city core and residential neighborhoods, the clusters are 1.38 miles apart. The clusters are connected by the city's transportation network, but there is no direct link that does not depend on city streets or peripheral road systems.

To assemble the framework of redevelopment plan for the combined 6,000 acres within the clusters, a conditions assessment was performed by the planning team. To manage the complexity of the assessment, the Business Clusters were divided into Sub-Areas. The assessment was then performed based on characteristics that mostly focused on sustaining the use of business properties and the potential for adaptive re-use. In nearly all cases, buildings were occupied regardless of age, design, and use compatibility. With this Understanding, the following assessment was developed.

East Cluster – LU 1.2

Sub-Area No. 1

Sites / Buildings

Site developments date to the 1950s and include business uses primarily within the Industrial Class Codes. Depending on age, buildings have been renovated and adapted over time. Conditions vary, with only a few buildings or sites reaching the blighted level.

Development occurred first on the interior then city limits then at county road intersections. As municipal utilities were extended, the area was annexed by the city. Sub-Area No. 1 within the East Cluster is completely within the City of Elkhart.

Municipal Utilities

The sub area is served by City Utilities and are well supported and maintained in good working order. The existing water and sewer users are nearly all "dry uses," with some scattered sites where water consumption exceeds the domestic needs of employees. The City reports no system deficiencies that will require upgrades or unplanned Capital Level Improvements.

Existing storm sewers serve city streets and provide relief to private storm water systems. Very few sites include storm water retention systems. Redevelopment of sites within Sub-Area No. 1 could trigger a requirement for these features.

Power, Gas, Communications

Providers for power and gas advise that there is limitless available capacity to existing users. Additionally, providers state that no significant capital projects are planned within the Sub-Area. Consumers within the Sub-Area include high demand processes such as chemical

packaging and plastics production. Both power and gas utilities are supported with redundant feeds from the transmission network.

High speed communications are available on a limited basis within the Sub-Area. Providers report that response to capacity needs of significant business prospects are addressed in a case by case basis. Additionally, dark fiber is available along CR 17.

[West Cluster – LU 1.3](#)

Sub-Area No. 1

Sites / Buildings

Existing businesses within this Sub-Area are primarily within the Industrial Class Codes and are located on the south side of the Norfolk Southern switching yard. The industrial buildings are relatively new in construction or have recently received new building additions.

A few tracts of land are vacant and consist of green space providing opportunities for new development or facility expansions.

This Sub-Area includes a large steel supply business and a Bulk Transfer Terminal, and is the only such facility in the county.



Image 2 – Existing Bulk Transfer Terminal in the West Cluster Sub-Area 1

Municipal Utilities

The Sub-Area is not fully served by City Utilities. The existing businesses are nearly all “dry uses,” with some scattered sites where water consumption exceeds the domestic needs of employees.

Existing stormwater management, which may include retention basins and subsurface facilities, are developed on site and do not connect to the city storm system.

Power, Gas, Communications

Providers advise that there is limitless available capacity to the existing users and that no significant capital projects are planned within the Sub-Area. Both power and gas utilities are supported with redundant feeds from the transmission network.

High speed communications are available on a limited basis within the Sub-Area. Providers report that response to capacity needs of significant business prospects are addressed in a case by case basis. Dark fiber is available along Mishawaka Road and is connected to a high capacity data center in South Bend, Indiana.

Sub-Area No. 2

Sites / Buildings

Sub-Area 2 consists of a variety of land uses including residential developments, commercial and industrial sites. The ages and condition of the structures and properties within this area vary. There are very few vacant properties and most of the sites are being fully utilized.

This development area is outside of the city limits.



Image 3 - Existing Business Located in the West Cluster Sub-Area 2

Municipal Utilities

The Sub-Area is not currently served by City Utilities.

Very few sites were developed with on-site storm water management facilities.

Power, Gas, Communications

No deficiencies are identified by utility providers.

High speed communications availability is limited within the Sub-Area.

Sub-Area No. 3

Sites / Buildings

Existing buildings within this Sub-Area vary in age, size and condition. Development of the industrial uses started at the north end of the area and continued over time to the south.

The extension of Charlotte Avenue to State Road 19 provided opportunities for new industrial development through the 1990s.

This area is completely within the City of Elkhart Corporate limits, except for a residential neighborhood that adjoins State Road 19 (Bon Air Vista). The neighborhood homes are in modest to poor condition. A salvage yard is also located within this neighborhood.



Image 4 – Existing Business Located in the West Cluster Sub-Area 3

Municipal Utilities

The Sub-Area is partially served by City Utilities. The reference residential neighborhood is not serviced by sewer or water.

Development sites include on-site stormwater management systems that meet city requirements. No City storm sewer exists in this Sub-Area.

Power, Gas, Communications

No deficiencies were reported by providers.

Access to high speed communications is limited within the Sub-Area.

Sub-Area No. 4

Sites / Buildings

Sub-Area 4 consists of a variety of land uses including residential, commercial and industrial sites. The residential neighborhood is a mix of single-family homes and mobile homes. Industrial uses range from manufacturing to an asphalt recycling and aggregate storage yard. The age and condition of the residential land uses within this area are modest to poor. Industrial facilities are of older design and are in modest condition.

This development area is outside of the City limits.

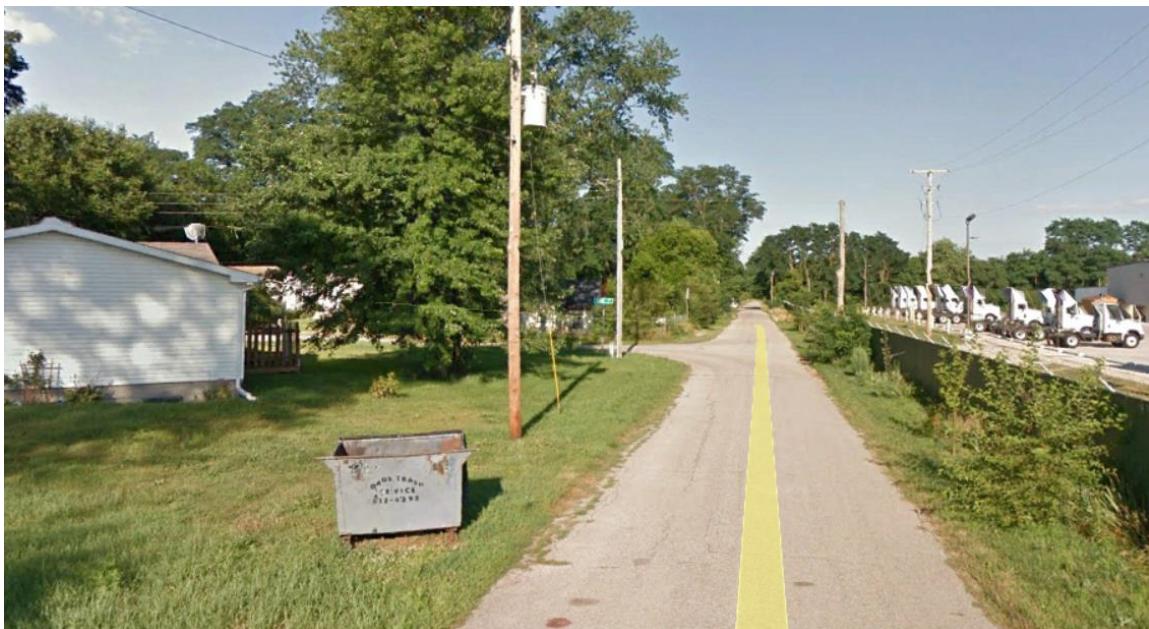


Image 5 – Example of Existing Street Conditions Located in the West Cluster Sub-Area 4

Municipal Utilities

The Sub-Area is not currently served by City Utilities. The residential uses are not connected to city services.

Storm water management features are nearly non-existent.

Power, Gas, Communications

No deficiencies were reported by providers.

High speed communications within the Sub-Area are limited. Dark fiber is available along Mishawaka Road.

Sub-Area No. 5

Sites / Buildings

This Sub-Area, which is within the City limits, consists of a variety of land uses including residential, commercial and industrial sites. The residential neighborhood is a mix of single-family homes and mobile homes and is interspersed between industrial and commercial land uses. The age and condition of the existing buildings and structures within this area vary from poor to more recent construction.



Image 6 – Existing Business Located in the West Cluster Sub-Area 5

Municipal Utilities

The Sub-Area is served by City Utilities.

No city owned storm sewers are present except for that which exists along State Road 19. Very few sites include on-site storm sewer retention systems. Redevelopment of sites within Sub-Area No. 5 could trigger a requirement for these features.

Power, Gas, Communications

No deficiencies were reported in power and gas utilities.

High speed communication is limited within the Sub-Area.

Sub-Area No. 6

Sites / Buildings

This Sub-Area consists a varying mix of land use types ranging from residential, commercial, and larger industrial complexes. There are a few small vacant lots that could be positioned for

redevelopment. A significant portion of this area consists of mixed-use small businesses and single-family residential units.



Image 7 – Example of an Existing Business Located in the West Cluster Sub-Area 6

[Municipal Utilities](#)

The Sub-Area is completely served by City Utilities that are well supported and maintained in good working order.

Curbs and sidewalks exist only along Lusher Street and State Road 19. Storm sewers exist only within Hively Avenue, Lusher Street, and State Road 19. These facilities are limited in capacity to what is contributed by the streets. Very few sites include storm water management systems. Redevelopment of sites within Sub-Area No. 6 could trigger a requirement for these features.

[Power, Gas, Communications](#)

No deficiencies were reported in power and gas utilities.

Very limited high-speed communication facilities exist within the Sub-Area.

[Sub-Area No. 7](#)

[Sites / Buildings](#)

The north portion of this Sub-Area is within the city limits while the south portion is in the county. Land uses within the city limits consist of industrial and commercial uses while a majority of the land use within the county is residential, farmland and open space. The industrial building conditions vary in condition from good to poor.



Image 8 – Example of an Existing Business Located in the West Cluster Sub-Area 7

Municipal Utilities

Only those areas within the city that reside in this Sub-Area are served by City Utilities. The residential neighborhoods are unserved.

There is very little existing storm sewer existing within Sub-Area 7 except for that which exists in State Road 19.

Power, Gas, Communications

No deficiencies were reported in power and gas utilities.

High-speed communication access is limited. Dark fiber is available along Mishawaka Road (CR 20).

Sub-Area No. 8

Sites / Buildings

Site developments and buildings in this area vary in condition from good to poor. The primary uses are industrial and manufacturing. This area is outside the city limits.



Image 9 - Example of an Existing Business Located in the West Cluster Sub-Area 8

Municipal Utilities

The Sub-Area is served by city water but not sewer. No sanitary sewer exists in this area.

No storm sewer facilities exist in this area. Developed site do not include storm water retention areas.

Power, Gas, Communications

No deficiencies were reported in power and gas utilities.

High-speed communication access is available on a limited basis.

Sub-Area No. 9

Sites / Buildings

Sub-Area 9 consists entirely of residential development, dating to the 1960s and 1970s. Housing is in good quality and modest in size and value.

Municipal Utilities

No services exist in this Sub-Area.

Power, Gas, Communications

No deficiencies were reported in power and gas utilities.

Internet service is provided by local providers.

Land Use – LU 2

Existing Land Use – LU 2.1

Much of the city's industrial areas exist in the periphery of the city core, including the two primary industrial areas - the East Business Cluster and the West Business Cluster. In recent decades, the east industrial area has proven to be more attractive to new development. This is evident as the industrial parks are completely built. Most recent construction consists new buildings in developing industrial sites or additions to existing buildings.

The West Business Cluster does not have any direct connection to the Indiana toll road. Although the area is mostly zoned as manufacturing, there is a co-mingling of residential land use. The Existing Land Use Map as provided in the city's most recent Comprehensive Plan and is included the Appendix as Figure 1.

Future Land Use – LU 2.2

The Future Land Use map as provided in the city's most recent Comprehensive Plan is included in the Appendix as Figure 2.

Identified Brownfield Sites – LU 2.3

There is a total of 61 brownfield sites located within the city, including 7 located within the east and west development clusters. Rehabilitating these sites will be beneficial to the community through the mitigation of confirmed and perceived environmental constraints. The identified brownfield locations within the clusters include:

1. Fieldhouse Ave & S 17 th St SE	4. 311 W Madison St.
2. 701 Middleton Run Rd	5. 1840 Borneman Ave
3. 1445 W Lusher Dr (EPA Superfund Site)	6. 1806 Conant St
	7. 701 Collins Rd

The brownfield site locations are noted on Figure 3 in the Appendix.

Municipal Infrastructure – LU 3

Water System – LU 3.1

According to the city, there are no insufficiencies in the water service system that will necessitate upgrades or unforeseen Capital Level Improvements. Many of the capital improvements recommended in the 2011 City of Elkhart Water Master Plan are completed. As a result, current storage capacity is adequate for the existing system demands. The greatest potential for growth within either cluster will be through the redevelopment of properties. The

city has developed the system for redundancy and reliability and for the support of future growth. The water system network plan is presented on Figure 4 in the Appendix.

[Sanitary System – LU 3.2](#)

Currently, there are no known constraints or capacity issues for any city service areas. The City's asset management program for the wastewater system is ongoing and well managed. The existing system can support the growth within the city and its immediate peripheral areas. However, some land uses that include wet industry (food processing, paper products, etc.) may require a project specific impact analysis. The existing sewer system plan is shown on Figure 5 in the Appendix.

[Transportation – LU 4](#)

[Roadways – LU 4.1](#)

The existing transportation network is well established and allows for a high level of service overall. The city is supported by a very complete peripheral roadway system that includes the Indiana Toll Road, the U.S. 20 Bypass, County Road 17 on the east, and State Highway 19 on the west. The roadways can be classified into five categories: Industrial, Commercial, Commuter, Neighborhood, and Scenic. These are presented in Figure 6 in the Appendix.

The City of Elkhart maintains a very active Asset Management Plan that provides for annual and ongoing resurfacing. However, aging infrastructure and projected increased congestion highlight the need for modernizing and strengthening transportation strategies. Several street improvements are proposed as part of MACOG 2045 Plan. None are planned within the Business Clusters. However, all improvements will provide benefit by improving connectivity between the city Business Clusters. Key projects that will provide direct benefit to the clusters are highlighted below (*).

Table 1. Roadway Improvements Listed in the MACOG 2045 Transportation Plan.

Sponsor	Open to Traffic By	Project Route	Beginning Termini	Ending Termini	Type of Work	Length (Miles)	
Elkhart	2025	Hively Ave	Norfolk Southern Railroad (#510012C)		Grade Separation	1.17	*
Elkhart	2035	Toledo Rd	Goshen Ave	Indiana Ave	Intersection Improvement		*
Elkhart	2035	Goshen Ave	Jackson Blvd	Middlebury St	Road Reconstruction	0.89	
Elkhart	2045	Middlebury St	Prairie St	Goshen Ave	Added Travel Lanes	0.89	
Elkhart	2045	Prairie St	Mishawaka Rd	Lusher Ave	Auxiliary Lanes	1.04	
Elkhart County	2025	Sunnyside Ave	US 33/Norfolk Southern Railroad (#533510B)	CR 13	Grade Separation	0.35	
Elkhart	2025	Jackson Blvd	Johnson St		Intersection Improvement		
Elkhart County	2035	CR 20	CR 111		Intersection Improvement		
Elkhart County	2035	CR 20 (Mishawaka Rd)	SR 19 (Nappanee S)	US 33	Auxiliary Lanes	4.35	*

Active Transportation – LU 4.2

In addition to roadways and freight, pedestrian and bike paths comprise an essential component to creating a strong and diverse transportation network. Providing pedestrian alternatives to vehicular modes of transportation can have a very positive influence on the quality of place within the community and should be aggressively supported. Numerous active transportation improvements are planned in the City of Elkhart, per the MACOG 2045 Active Transportation Plan, although funding is not yet in place.

Table 2. Active Transportation Improvement Plans in the 2045 MACOG Transportation Plan.

ID	Sponsor	Project Name	Beginning Termini	Ending Termini	Type	Priority
9	Elkhart	Mapleheart Connector (Richmond St)	Middlebury St	McDonald St	Bike Lane	High
11	Elkhart	Middlebury St	Goshen Ave	Main St	Signed Route	High
13	Elkhart	Franklin St	Waterfall Dr	Arcade Ave	Signed Route	High
19	Elkhart	Greenway Trail (Tipton St)	Existing Greenway Trail	Middlebury St	Shared Use Path	Medium
20	Elkhart	Greenway Trail (Cemetery/Church St)	Middlebury St	Goshen Ave	Shared Use Path	Medium
22	Elkhart	Lusher Ave	17th St	Benham Ave	Shared Use Path	Medium
23	Elkhart	Middlebury St	Goshen Ave	CR 15	Shared Use Path	Medium
30	Elkhart	Indiana Ave	Oakland Ave	Nappanee St	Bike Lane	Medium
32	Elkhart	Middlebury St	CR 15	CR 17	Shared Use Path	Low
57	Elkhart County	CR 18	CR 17	Old CR 17	Shared Use Path	Low
58	Elkhart County	CR 16	River Park Dr	Elkhart County/LaGrange County Line	Shared Use Path	Low

Development and Business Incentive Overlay Areas – LU 5

The city has taken steps to work with the county, state, and federal government to identify areas of the city and adjoining areas where growth opportunities can be enhanced by providing specific programmatic benefits in tax and business incentives. These include Tax Increment Finance Districts, Opportunity Zones, an SBA approved HUBZone and an Urban Enterprise Zone. The following figures provide the location for these incentive overlay areas.

Tax Increment Finance Districts – LU 5.1

Figure 7 denotes all the existing TIF districts within and adjacent to the city. Some of these districts were initiated by Elkhart County prior to annexation. In those cases, some revenue sharing continues.

Elkhart Opportunity Zones – LU 5.2

Figure 8, found in the Appendix, denotes the City's designated opportunity zones. Investments into certified Opportunity Zones can receive three key federal tax incentives to encourage investment in low-income communities, including:

- Temporary tax deferral for capital gains reinvested
- Step-up in basis for capital gains reinvested

- Permanent exclusion from taxable income of long-term capital gains

SBA HUBZones – LU 5.3

Figure 9, located in the Appendix, provides the locations for the City's HUB Zones. These zones allow special status to qualifying business' that locate within those designated areas.

Benefits Include:

- Federal government tries to award at least three percent of all federal prime contracting dollars to HUBZone-certified small businesses
- Government contracts to businesses in historically underutilized business zones
- Gives preferential consideration businesses
- Contracts are called “small business set-asides”

Qualifications:

- Must be a small business
- 51% owned by US Citizen
- Principal office located in the HUBZone
- At least 35% of employees live in HUBZone

Elkhart Urban Enterprise Zone – LU 5.4

These areas of the community are targeted for physical revitalization, job creation and improvements in social and economic conditions. Figure 10 indicates the location of the Elkhart Urban Enterprise Zone.

Business Tax Incentives:

- Increased value of an Enterprise Zone business property due to investment may be deducted from state property taxes for up to 10 years.
- Purchasers of ownership interest in an Enterprise Zone business may be eligible for up to 30% credit against state tax liability.
- Enterprise Zone employers can earn tax credits for employing Zone residents.

Lender Tax Incentives:

- Lenders associated with Enterprise Zone may be eligible for loan interest credit.



Residents Tax Incentives:

- Qualifying residents who live and work in Enterprise Zone may be eligible to deduct up to \$7,500.

The Land Use and Infrastructure team originally focused its efforts on two major business clusters in the East and West areas of the City of Elkhart. An initial assessment of these clusters was performed, including available sites and buildings, municipal utilities, and power, gas, and communications.

The team also took a broad approach by examining existing and future land us across the city and identifying brownfields. An assessment of municipal infrastructure looked at the water and sanitary system and identified no existing gaps or constraints in the systems.

A review of the transportation infrastructure identified street improvements proposed as part of the MACOG 2045 Plan. Projects aimed at increasing alternative transportation methods as part of the MACOG 2045 Active Transportation Plan were also identified. Lastly, the Land Use and Infrastructure Team assessed the local incentives offered in different areas of the city.

This analysis was used to outline the following redevelopment strategies.

Redevelopment/Development Strategies – LU 6

The city is positioned well for continued growth of its existing industrial base and for a successful attraction effort in diversification. Within the Business Clusters (West and East) redevelopment has occurred through adaptive re-use of existing structures and through scattered site new construction. The areas within the clusters can be positioned to encourage a continued effort through the enhancement of incentives and partnering with the local jurisdictions.

Several sites that will support new development were also identified. Four of those are within the city and three are adjacent and within county jurisdiction. All are capable of supporting diversification target industries. The business cluster business base mostly supports the R.V. Industry. However, the diversification target industries could be located within the clusters, assuming a redevelopment strategy that includes a plan for active site acquisition can be assembled.

Redevelopment/Revitalization of the Elkhart Business Clusters – LU 6.1

The following information provides implementation strategies for the redevelopment of existing manufacturing areas and the development of new sites in support of the recommended diversification efforts as depicted in the preceding inventory. Seven (7) development sites were identified, along with the areas of the city described as the east and west business clusters.

As a part of the 2040 Plan study scope, redevelopment and continuing support of the existing business clusters is and should be a priority for the city.

Accordingly, the land use infrastructure team has developed activation plans for redevelopment of these areas and to aid in attraction of the targeted diversifying industries.



*Image 10 - Existing Business Located in the West Cluster
Located in the East Cluster*



Image 11 – Existing Business Located in the East Cluster

Existing Business Clusters Revitalization and the Challenge – LU 6.2

The identified areas include land and buildings within and just outside of the city. Based on the teams' review these neighborhoods are extremely active business centers with very little vacancy even in the most aged buildings. A very low percentage of buildings or property are available for acquisition. This imparts a very challenging task for planners and local leaders who are interested in activating a redevelopment effort. To promote success, the following tasks should be made part of a successful strategy.

Develop a Demand Driven Revitalization Plan

As in any revitalization plan, creating demand is the key to early success and sustained progress. Demand can develop using a menu of techniques depending on the business segments targeted. For the business clusters recreational vehicle manufacturing and support business is the primary segment. Understanding this, the following recommendations are offered:

- *Structure the plan to provide a sustainable setting for the existing business' while providing attraction tools for diversification.*
- *Provide easy access to a fully developed resource guide (Local, State, Federal)*



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- *Develop an incentive menu for scattered site adaptive re-use, revitalization, and renovation. (This information should be fully developed and made accessible through the EDC or City Development Director.)*
- *Encourage cluster area business owner organizations*
- *Incentive labor force support businesses within business clusters, including convenience uses, child-care, health care, health clubs, etc.*
- *Strengthen and implement multi-modal connections to nearby housing areas. (A logic guided master plan should be developed to prioritize key routes.)*
- *Identify and support opportunities for common use enhancements – Rail, bulk transfer sites, public transit access, and recreational amenities.*

Redevelopment Support Plan – West Cluster Revitalization – LU 7

Municipal Infrastructure/Transportation – LU 7.1

- Sub Areas 1, 3, 4, 5, 6 and 7 are well served by city utilities (see Figure 6 for sub-areas).
- Sub Areas 2, 8 and 9 are partially served by city water.
- Utilities are capable of growth and are well positioned for extension to unserved areas.
- The transportation network is supported by State Highway 19 (bisecting the west cluster) and is well served by local primary arterials including Mishawaka Road and Lusher Avenue.

- The U.S. 20 limited access highway is 1-mile south and I-80-90 is 6.9 miles north via SR 19.
- Some limited sites are served by rail through sidings and spurs. A railway bulk transfer terminal (NFS) is located on Mishawaka Road.
- The South Bend Regional Airport is 25-miles west via U.S. 20.
- High speed communications infrastructure is available along Mishawaka Road with a direct connection to a high capacity data center in South Bend.
- Power and gas utility capacity is significant, higher capacity users may require pre-planning.



Image 12 -Existing RV Storage Lot along W. Mishawaka Rd.



Image 13 – Existing Bulk Transfer Terminal Located in the West Cluster



Image 14 – Existing Bulk Transfer Terminal Located in the West Cluster

Enhancements and Recommendations – LU 7.2

Phase One – Within City

- Existing local street rehabilitation (resurfacing, sidewalk replacement, improved lighting)
- Pedestrian facility improvements (sidewalks, multi-use trails)

- Sanitary sewer and water extensions (as needed)
- Capacity improvements on Mishawaka Road (a project to improve capacity is planned and funded for 2035 for a portion of the roadway east of SR 19).
- Intersection improvements
 - 17th Street/Mishawaka Road
 - 17th Street/Lusher Avenue
- Encourage or conduct High-Speed communication build out
- Develop a “business incubator” either within a renovated building or a new facility



Image 15 - Existing Property Within the Maker District

Figure 25, located in the Appendix, provides highlights of support recommendations.

Phase Two – Outside of the City

- Continue local street rehabilitation
- Upgrade or develop new pedestrian facilities
- Initiate sewer and water extensions (as needed)
- Complete water system network improvement (COE water system Master Plan recommends a 16-inch network closure on Ash and Mishawaka Roads)
- Added travel lanes – Mishawaka Road
- Intersection Improvements
 - C.R. 3 and Mishawaka Road
- Strengthen connections to nearby workforce housing (including multi-use paths)



Image 16 – Existing Business located in the Maker District of the West Cluster area

- Develop and implement a strategy for annexation
- Expand the bulk transfer terminal on Mishawaka Road

Redevelopment Support Plan – East Cluster Revitalization – LU 8

Municipal Infrastructure/Transportation – LU 8.1

- All the sub areas are well served by power and natural gas utilities (see Figure 1 for sub-areas.)
- Some high-speed communication assets exist with limited capacity. Dark fiber is available along County Road 17. This trunk line has capacity to support high speed communications to the entire east business cluster. The trunk line is connected to a high capacity data center in South Bend.
- Municipal utilities of adequate capacity exist within the sub areas. However, a portion of Sub Area 4, east of CR 17 is not served by city sewer.
- The roadway transportation network is well developed.
- Direct rail access is limited to individual rail spurs or sidings on a limited basis. The rail provider is Grand Elk Railroad (GER). Rail officials encourage dialogue on the expansion of services.
- County Road 17 is the primary route through the east cluster with local primary arterials including SR 120, Middlebury Street, and Toledo Road. The U.S. 20 limited access highway is immediately south. The Indiana Toll Road is 2-miles north at Interchange 96 using County Road 17.

Enhancement Recommendations – LU 8.2

- Develop a new bulk transfer terminal at Earthway Rail Park to serve and support East Cluster business' and diversification efforts. Refer to Figure 27 in the Appendix for the Earthway Park Bulk Transfer Terminal Conceptual Plan.

- Consider development of a second Business Incubator or locate a single facility in the East Cluster at Parkwel
- Continue local street rehabilitation
- Strengthen connections to nearby workforce housing (include multi-use pathways)
- Sanitary sewer and water extensions (when needed)
- High speed communication build-out
- Provide Capacity improvements at key intersections
 - Indiana Avenue/Toledo Road
 - SR 120 @ CR 15 and CR 13
 - Toledo Road @ CR 15 and CR 13
 - CR 17 @ Hoffman Drive
 - Capacity improvements to Toledo Road
 - Construct roadway connection to new Bulk Transfer Terminal
 - Develop and implement an annexation strategy



Image 17 - Intersection at Hoffman Drive and CR 17

Suggested East Cluster enhancement recommendations are shown on Figure 26 in the Appendix.

Redevelopment Support Funding Strategies/Resources – LU 9

Future Utility Extensions – LU 9.1

All future extensions of city utilities either by developers or by interlocal agreement will be subject to established protocol. Funding options include:

- Private funds (development)
- Indiana Finance Authority State Revolving Fund Program (up to 35 year term w/interest rates as low as 2%)
- City Utility Capital Improvement Funds

In some cases, the need for flexibility in incentivizing a high value prospect is critical. Conduct a review of EDIT supported spending plans and if possible, consider committing new revenue from TIF to free up EDIT funds for more flexible support.

- Partnership with the Elkhart County Regional Sewer and Water District
- Tax Increment Funds (TIF) (Direct funding, reimbursement for developer upfront funding, support for industrial development bond)
- Economic Development Income Tax Funds (EDIT)
- U.S. Dept. of Commerce, Economic Development Administration Infrastructure Grant Program
- Indiana Economic Development Corporation Industrial Development Grant

Note: All utility expansion projects must include a strategy for annexation to the City of Elkhart that implements concurrent to or prior to completion of the utility expansion.

Transportation Improvements – 9.2

- For roadway and intersection capacity improvements, preliminary study, budgeting and funding procurement require careful implementation and qualification, regardless of funding source. Advanced planning is recommended for projects targeted for Federal Aid

Programs (FHWA, INDOT, MACOG) and can take between 5 and 7 years to complete.



Image 18 - Intersection at CR 18 and CR 13

- One proposed transportation project is included in the current MPO's (MACOG) transportation short-term improvement plan for 2020-2024. (CR 18 @ CR 13 intersection improvement 2021) (**East Cluster**).

- A second project that includes added lanes on Mishawaka Road is programmed for 2035

(West Cluster).

- Another recommended project is included in the MPO's long-term (2045). The intersection at Indiana Avenue, Toledo Road and Goshen Avenue is planned for 2035 **(East Cluster)**.
- The above projects are located on surface street connections between the business clusters and therefore should be prioritized as a part of the Business Cluster Redevelopment Activation Plan.

Funding sources for transportation include:

- Motor vehicle highway account funds (MVHA)
- Local Road & Street Funds (LR&S)
- Economic Development Income Tax (EDIT)
- Tax Increment Finance Funds (TIF) (Direct funding, reimbursement for developer upfront funding, support for industrial development bond)
- Federal Aid Grant Program (INDOT/MACOG)
- Indiana Economic Development Corporation, Industrial Development Grant
- U.S. Department of Commerce, Economic Development Administration Infrastructure Grant Program

Active Transportation (Trails, Paths, Bike Lanes) – LU 9.3

As part of the Activation Plan, recreational amenities that impact quality of place are highly recommended. This is even more critical in revitalization areas. Three projects have been placed on the MACOG TIP for the east cluster. These include:

- Middlebury Street 2.1-mile shared use path
- CR 17 1.9-mile shared use path
- CR 115/CR 13 bike lanes from Middlebury Street to Old CR 17



Image 19 - Intersection at Indiana Avenue, Toledo Road, and Goshen Avenue

Note: These projects are not funded at this time. Efforts to advance these projects should be activated concurrent to redevelopment within the east cluster. No active transportation projects are being considered for the west cluster.

Additional local and intermediate recreational trails and pathways should be considered where appropriate and as demand dictates.

Funding Sources:

- Indiana Next Level trails (IDNR)
- Federal Aid Grant (INDOT/MACOG)
- STBG (MACOG/INDOT)
- CMAQ (MACOG/INDOT)
- Indiana Heritage Trust Program (INDOT/MACOG)
- Place Based Investment Funds (IOTD)
- Recreational Trails Program (IDNR)
- EDIT, TIF



Image 20 – An Indiana Bike Trail. Image Source: Indiana DNR

High Speed Communications – LU 9.4

100% of the target business segments regardless of location (East or West Clusters) will require high-speed communications as a basic prerequisite for successful attraction efforts. To fully support existing business this key tool is no less critical. Refer to Figure 28 to see the proposed commercial and residential high-speed communication system.

This utility is supported by rates and charges and is typically constructed and funded by the providers.

- Advanced planning is ongoing
- Timelines will be demand driven
- Dialogue as to how build-out can be advanced, pre-demand is recommended
- Elkhart County is advancing a public owned network initiative that provides dark fiber access on CR 17, and Mishawaka Road.
- Elkhart County recently adopted a plan for access rates to this asset. Implementation is underway.

Land Use – LU 10

During the process of stakeholder engagement and team work sessions the existing business and manufacturing neighborhoods were considered carefully as to the need for sustainability and support for these key areas of the city and the immediately adjacent county developed tracts.

West Cluster Redevelopment Framework – LU 10.1

As discussed previously, redevelopment of these areas will require careful programming in the offering and implementation of incentives required to fully develop demand for acquisition, renovation, adaptive re-use, or ground-up redevelopment.

The following offers a framework for this important work.

As demonstrated, portions of the West Cluster 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 an overall economic redevelopment of the west cluster. The incentive overlay zones are shown on Figures 21, 22 ,23, and 24.

Incentive Overlay Zone Benefits

A brief description of the business growth support programs available within the west cluster are provided in Section 5 herein. The West Cluster is partially influenced by four of those areas, they include:

- a) *Tax Increment Finance District*
- b) *Opportunity Zone Benefits*
- c) *USSBA HUBZone*
- d) *Elkhart Urban Enterprise Zone (UEZ)*

West Cluster Redevelopment Support Model

Based on review of the assessed values of developed sites within the west cluster (except for those along Charlotte Drive), assessed values average \$116,000 per acre. For sites developed along Charlotte Drive (believed to be the most recent) values average \$194,000 per acre. Based on this we can use a multiplier of 167% for a modest prediction for incremental increase of assessed values within the west cluster as revitalization occurs. This demonstrates an incentive for the community to support revitalization in this key area. This also demonstrates that an expanded Tax Increment Finance District could provide support for infrastructure, business growth, attraction, and sustainability.

Assuming this approach then the following example applied to a modest advanced manufacturing site within the west cluster (in the city) could frame up as follows:

West Cluster Revenue Model from TIF (Demonstration)		
Category	Values	Notes
Existing Developed Site Av. (10 acres)	\$1,160,000	\$116,000/acre
Site Acquisition Cost	\$2,320,000	Assumed Min of 2 x Av.
Site Costs	\$750,000	Demolition, Infrastructure, etc.
Total Site Costs	\$2,670,000	
\$10.5 M Building Improvement	\$7,875,000	Est, AV. @75% Dev. Cost
Site Development	\$1,335,000	Est. AV. @50% Dev. Cost
Developed AV.	\$9,210,000	
Base AV.	(\$1,160,000)	
Incremental AV.	\$8,050,000	
Returned Revenue from increment	\$241,500	Assumes 3/100 Capture Rate
Total Benefit	\$3,079,125	Assumes 85% Allocated Over 15 Years

Using the above model then the prospect could garner project support using an Industrial Development Bond supported by project increment to offset the cost of acquisition or to support other development costs. See Figure 29 in the Appendix for a graphic flow chart of this incentive structure. Assuming a 15-year term within the project specific allocation area this model could result in a complete offset of land or site costs to the development, assuming 85% of the returned revenue is allocated to the developer. If the prospect under this scenario requests a tax phase, then support could still be provided at a lower level. The phase-in garners \$1,380,000 to the prospect in savings and returned revenue from capture (see below table). If the prospects development agreement includes both the phase-in and the IDB structure, then the following model would be applicable.

West Cluster Revenue Model from TIF (Demonstration)

Category	Values	Notes
Total Av.	\$9,450,000	\$10.5M Investment
Annual Returned Revenue	\$241,500	Assumes 3/100
Phase-in Year		
2	\$30,700	Assumes a 15-year term within development agreement and a 10-year phase
3	\$61,400	
4	\$92,100	
5	\$122,800	
6	\$153,500	
7	\$184,200	
8	\$214,900	
9	\$245,600	
10	\$276,300	
Total phase-in benefit	\$1,380,900	
Returned from TIF (5 years) (85% of increment)	\$1,026,375	Balance of Development Agreement term beyond phase-in
Total Benefit	\$2,407,275	Assumes balance of increment is not obligated
Increment to RDC	\$1,207,725	Dependent upon agreement

Note: In both scenarios, taking care to plan site demolition concurrent to assessment cycles will allow for a lower base assessment, therefore, a higher margin of capture.

The development of new TIF's or an expansion of an existing TIF should be established under a Cooperative Interlocal Agreement where investment within extraterritorial tracts that are targeted for redevelopment or new development can be captured and then used anywhere within either jurisdiction for acquisition, or improvements to essential business supporting infrastructure. Figure 30 (in Appendix) shows the recommended expansion or establishment of the tax increment development areas for both the west and east business clusters.

West Cluster Case Studies

Business Park Development/Redevelopment

The selected site is an example of underutilized land within the city. About 50% of the site is greenfield with the balance of the site being place holder type land uses like gravel storage, transport yards and mini storage. Site details and the development model are shown below.

West Cluster Business Park Case Study Phase I - Refer to Figure 31 in the Appendix for Phase I enhancements.

- Assemblage of 2 parcels (Phase 1) at 32 acres
- Estimated acquisition expense = \$1,300,000
- Estimated infrastructure = \$2 million (Phase 1)
- Estimated finish land sales = \$1,521,000
- Developed assessed value = \$9,432,000 (Assumes 240,000 SFT @ \$52.40 SFT @ 75%)

Recommended Amenities:

- Pedestrian Bikeway
- Lighting (Architectural)
- Landscaping
- Pocket Park
- Residential Access
- Employee Convenience Center (In Phase Two)

West Cluster Revenue Model from TIF (Business Park Phase One)

Category	Values	Notes
Existing Undeveloped Site Av.	\$89,400	From Elkhart Co. GIS
Site Acquisition Cost	\$1,300,000	32 Ac. @ \$40k/Ac.
Site Dev. Costs	\$2,000,000	Demolition, Infrastructure, etc.
Total Site Costs	\$3,300,000	

\$12.6M Building Improvements	\$9,432,000	Est, AV. @75% Dev. Cost
Base AV.	(\$89,400)	
Incremental AV.	\$9,342,600	
Returned Revenue from increment	\$280,278	Assumes 3/100 Capture Rate
Total Benefit	\$3,335,304	Assumes 85% allocated over 15 years & 2 sites/yr. are developed in first 3 years after allocation period begins

Dev. Costs	(\$3,300,000)	Acquisition & Infrastructure
Residual	\$35,304	Benefit Less Costs
Land Sales	\$1,521,000	Assumes 25.35 Acres @ \$60K/Acre
Total Est. ROI	\$1,556,304	Depending on Developers Cost of Money

Using the above model then the Phase One project could garner project support using an Industrial Development Bond supported by project increment to offset the cost of acquisition and to support other development costs. Assuming a 15-year term within the project specific allocation area this model could result in a complete offset of land and development costs to the developer. This assumes that 85% of the returned revenue is allocated to the developer and that the build-out of all six lots in Phase One occurs over the first three years. Based on this then, the ROI seems acceptable.

West Cluster Business Park Case Study Phase 2 - Figure 32, in the Appendix, provides details for Phase 2.

- Assemblage of 5 parcels (Phase 2) at 31 acres
- Estimated acquisition expense = \$4,630,600
- Estimated infrastructure = \$2.0 million (Phase 2)
- Estimated finish land sales = \$1.98 million
- Assessed value = \$12,780,000 (assumes \$175 SFT/retail) and (\$52.40 SFT/manufacturing @ 75%)

Recommended Amenities:

- Pedestrian Bikeway
- Lighting (Architectural)
- Landscaping
- Pocket Park (From Phase One)
- Residential Connection
- Employee Conference Center

West Cluster Revenue Model from TIF (Case Study Area B Phase Two)

Category	Values	Notes
Existing Undeveloped Site Av. (32acres)	\$2,315,300	From Elkhart Co. GIS
Site Dev. Costs	\$2,000,000	Demolition, Infrastructure, etc.
Total Site Costs	\$6,630,600	

\$17M Building Improvements	\$12,780,000	Est, AV. @75% Dev. Cost
Base AV.	(\$2,315,300)	
Incremental AV.	\$10,465,000	

Returned Revenue from increment	\$313,941	Assumes 3/100 Capture Rate
Total Benefit	\$5,336,997	Assumes 85% allocated over 20 years
Dev. Costs	\$6,630, 600	Acquisition & Infrastructure
Residual	(NA)	Benefit Less Costs
Land Sales	\$1,980,000	Assumes 5.5/Acres @ \$100K/Acre & 24/Acre @ 60K/Acre
Total ROI	\$686,397	Depending on Developers Cost of Money

Using the previous Revenue Model for Area B, the Phase Two project could also seek support using an Industrial Development Bond supported by project increment to offset the cost of acquisition and to support other development costs. However, to achieve the above results, a 20-year term within the project specific allocation area is needed.

The ROI on this Phase is dependent upon land sales (as in Phase One) and also a similar timeline for build-out. However, one advanced manufacturing building investment that includes a higher level of investment could have a significantly positive impact on the outcome.

Case Study West Cluster Building Renovation, Adaptive Reuse Case Study – Details.

- Properly address 1700 W. Lusher Ave.
- Properly acquisition 3.49 acres
- Status – vacant
- See Figure 33 for the location of this building



Building Details:

- Steel frame and masonry
- 38,780 SFT production/warehouse
- 1,285 SFT offices
- Hard surface parking and loading
- Loading dock
- Possible expansion to north

Image 21 – Existing Building Located at 1700 W Lusher Ave.

Expenses

- Estimated acquisition expense - \$410,000-\$650,000
- Renovation expense - \$1,500,000
- Current assessed value - \$631,000
- Suggested uses – plastics, technology, automotive, analytical instruments
- Government contracting (DOD)



Image 32 – View of an Overhead Door at Existing Building Located at 1700 W Lusher Ave.



Image 23 – View of Existing Building Located at 1700 W Lusher Ave.

West Cluster Revenue Model from TIF (Case Study Building Adaptive Reuse)

Category	Values	Notes
Existing AV	\$631,000	From Elkhart Co. GIS
Acquisition Cost	\$650,000	\$16.25 SFT (Est.)
Renovation Cost	\$1,500,000	
Total Property Costs	\$2,150,000	

Estimated New AV.	\$1,612,500	(75% of cost)
Base AV.	\$631,000	
Incremental AV.	\$981,500	
Returned Revenue from Increment	\$29,430	
Returned Total Benefit from TIF	\$353,800	Assumes 85% allocated over 15 years (IDB, TIF supported)

West Cluster Benefit Model Opportunity Zone (Case Study Building Adaptive Reuse)

Category	Values	Notes
Real Property Investment	\$2,150,000	Acquisition and Renovation
Personal Property Investment	\$1,500,000	Equipment Technology
Total Business Investment	\$3,650,000	
Benefit from OZ Fund Partnership	\$506,640	Assumes an opportunity fund 80% loan comparing 6% (market rate) to 3% terms/10 yrs.

West Cluster Benefit Model Urban Enterprise (Case Study Building Adaptive Reuse)

Category	Values	Notes
Incremental Increase in Business Value or Personal Property	\$294,300	Property tax increase over 10 years (\$29,430/yr). This benefit is not available if prospect uses TIF Model
Investment Cost Credit	\$387,600	Assumes 20% state tax liability assuming a Sub-S Corp. w/taxable income of \$2M/yr. over a 3-year term (qualified on a case-by-case basis)

Based on the combination of incentives applied, an adaptive re-use seems plausible in this example with a reasonable ROI.

Key Kick Starters – West Cluster

The planning team believes very strongly that early success will create the demand for more partnerships leading to an ongoing process of development and redevelopment. Implementation of the case studies presented in the west cluster should be targeted for this goal.

A few of the recommendations for the west cluster could be considered key kick starters to redevelopment.

High-Speed Communications Build-Out

- Provide conduit within every utility or street reconstruction project
- Partner with local providers by providing access to city owned conduit system where applicable
- Partner with providers to incentive build-out including funding assistance or Public Works project specific to system network build-out
- Outside of the city consider application to the Indiana Office of Community and Rural Affairs (OCRA) for “Next Level Connection” funding for build-out

Business “Maker Incubator”

- This key asset should be located within the maker district. Developed as a startup technology facility and supported by industry, university partners and user memberships. The incubator will serve as a sustainable attraction and job growth tool.

Funding for this project will require careful planning. Typically, a not-for-profit organization is formed to advance this effort. Pre-programming diagrams are included in the Appendix as Figures 34 & 35 for a facility sized at approximately 40,000 SFT. Expect a budget for this to be between \$5M and \$10M.

Expansion of Bulk Transfer Terminal

- Consider an Interlocal Agreement between Elkhart City and Elkhart County
- Develop a partnership with Norfolk and Southern Railway and current site operator
- Provide long-term lease for expanded BTT (20-year term)
- Seek funding from U.S. Department of Commerce, Economic Development Administration for an Infrastructure Development Grant for construction of site improvements and improvements to approach at Mishawaka Road
- Lease expense and site maintenance cost to be included in user fees and operators sub-lease

Partnering Framework for Implementation West Business Cluster

Partner	Activity	Collateral Activity	Outcomes
City of Elkhart RDC Elkhart County RDC	Expands or combines tax increment areas to cover entire west cluster.	Prepare TIF Plan to include acquisition inventory of 100% of properties within west cluster.	Allows COE to react to every opportunity that is compatible with the 2040 strategy, or TIF management plan.
City of Elkhart RDC Elkhart County RDC	Develops Interlocal Agreement that includes joint adoption of west cluster Redevelopment Activation Plan, or TIF Management Plan.	Agreement to include roles, triggering conditions. Revenue use priorities.	Predetermined structure allows for expedient response to opportunities that are outside of the city limits within the west cluster.
City of Elkhart	Updates city annexation strategy for 100% of west cluster area.	Annexation strategy includes identified sites, sequence and conditions.	This strategy allows for County, City officials, developer and business prospects to have a complete understanding of development requirements.

City of Elkhart Elkhart County (administration, departments, fiscal bodies)	Develops and adopts utility expansion plan with funding model to build-out infrastructure to unincorporated areas included in annexation strategy.	The Plan should include 100% of the un-serviced areas in the cluster including potential green field development sites.	Assures that new development or redevelopment does not occur without activating utility plan and annexation concurrently.
City of Elkhart Elkhart County (administration departments, fiscal bodies)	Jointly establishes transportation improvement plan that includes in-city streets as the priority but includes County roads within the west business cluster.	The plan should include an understanding that shared jurisdiction of some routes may lead to jointly funded projects. The plan should include a prioritizing matrix.	Capacity improvements are conducted within the scope of single projects in support of the redevelopment strategy. Even when it is likely that redevelopment may occur in either jurisdiction.
City of Elkhart RDC and Development Director Elkhart County RDC & Development Director	Reviews current project scoring methodology and contemplates any changes that may specifically assist in activation within the west cluster.	Conduct a case study scoring using existing criteria to gauge needed changes (if any)	Determination that no changes are needed or that some conditions may need to be adjusted to specifically aid the business cluster redevelopment.
City of Elkhart RDC and Elkhart County RDC	Compiles the above activities to an implementation strategy.	The strategy includes a timeline and an adoption plan.	Completion of a joint strategy for redevelopment and a growth plan for the City's West Cluster.

Implementation Support: After completion of the partnering tasks and adoption of the implementation strategy the following supporting activities are suggested.

- a) Evaluation of staffing needs; or
- b) Determine if implementation should be managed by a third party
- c) Develop and activate an outreach plan
- d) Develop and activate a marketing plan

East Cluster Redevelopment Framework – LU 11

Unlike the West Cluster, only one incentive overlay exists within the east cluster. The City's Downtown TIF extends to a single site within the East Cluster. Existing Elkhart County TIF's overlay areas that were developed in the county and then were annexed. Understanding this and to provide a similar approach to tax increment advantages in the East Cluster we would again recommend the establishment of a new or expanded TIF of the entire East Cluster, this would be for all areas not already within a pre-existing allocation area.

East Cluster Redevelopment Support Model

Based on review of the assessed values of develop sites within the East Cluster, assessed values average \$205,500 per acre. For similar sites developed recently along Beck Drive and within Elkhart East Area D values average \$300,400 per acre. Based on this we can use a multiplier of 146% for a modest prediction for incremental increase of assessed values within the east cluster as revitalization occurs. As in the west cluster, this demonstrates an incentive for the community to support revitalization in this key area as well. This also demonstrates that an expanded Tax Increment Finance District could provide support for infrastructure business growth, attraction and sustainability as redevelopment occurs.

Assuming this approach then the following example applied to a modest advanced manufacturing site within the east cluster (in the city) could be as follows:

East Cluster Revenue Model from TIF (Demonstration)		
Category	Values	Notes
Existing Developed Site Av. (10 acres)	\$2,055,000	\$205,500/acre
Site Acquisition Cost	\$4,110,000	Assumed Min of 2 x Av.
Site Improvement	\$750,000	Demolition, Infrastructure
Total Site Costs	\$4,860,000	
\$10.5 M Building Improvement	\$7,875,000	Est, AV. @75% Dev. Cost
Site Development	\$2,430,000	Est. AV. @50% Dev. Cost
Developed AV.	\$10,305,000	
Base AV.	(\$2,055,000)	

Incremental AV.	\$8,250,000	
Returned Revenue from increment	\$247,500	Assumes 3/100 Capture Rate

As in the west cluster, using the above model then the prospect could garner project support using an Industrial Development Bond supported by project increment to reduce the cost of acquisition or to support other development costs. Assuming a 15-year term within the project specific allocation area this model could result in an offset of 65% of land or site costs to the development, assuming 85% of the returned revenue is allocated to the developer. If the prospect under this scenario requests a tax phase, then support could still be provided at a lower level. The phase in garners \$1,545,700 to the prospect in savings and \$1,051,875 returned revenue from capture (see below table). If the prospects development agreement includes both the phase in and the IDB structure, then the following model would be applicable. In the east cluster, planning to take advantage of the assessment is advised.

East Cluster Redevelopment Support Model

The model below demonstrates that redevelopment within the east cluster is possible even when very costly acquisition is expected.

East Cluster Revenue Model from TIF (Demonstration)		
Category	Values	Notes
Total Av.	\$10,305,000	\$10.5M Investment
Est. Returned Revenue	\$309,150	Assumes 3/100
Phase-in Year		
2	\$34,350	
3	\$68,700	
4	\$103,050	
5	\$137,400	Assumes a 15-year term within development agreement and a 10-year phase in
6	\$171,750	
7	\$206,100	
8	\$240,450	
9	\$274,800	

10	\$309,150	
Total phase-in benefit	\$1,545,750	
Returned from TIF (5 years) (85% of increment)	\$1,051,875	Balance of Development Agreement term beyond phase-in
Total Benefit	\$2,597,625	Assumes balance of increment is not obligated
Increment to RDC	\$2,039,625	Dependent upon agreement

As in the west cluster, the development of a new Tax Increment Finance District over the entire east cluster or an expansion of an existing TIF should be established under a Cooperative Interlocal Agreement where increment investment within extraterritorial tracts that are targeted for redevelopment or new development can be captured and then used anywhere within either jurisdiction for acquisition, or improvements to essential business supporting infrastructure. See Figure 30 for the recommended limits for expansion or establishment of a TIF for the East Business Cluster.

East Cluster Case Studies

East Cluster Case Study Business Park Details

- See Figure 36
- City owned 16 acres
- Assemblage with 1.66-acre site privately owned
- Total 17.66
- Estimated acquisition expense \$115,500 (AV. Of city parcel plus \$33,000 for ADP land)
- Estimated infrastructure (none)
- Estimated finished land sites \$529,800 (\$30k/acre)
- Incremental assessed value \$3,053,250
- Incremental returned revenue \$91,597 (3/100)

Recommended Amenities:

- Recreational trail
- Lighting (architectural)

- Landscaping
- Pocket park
- Employee convenience centers

East Cluster Revenue Model from TIF (Case Study for Vacant City Owned Land)

Category	Values	Notes
Existing Undeveloped Site AV	\$91,060	From Elkhart Co. GIS
Site Acquisition Cost	\$115,508	AV of city parcel plus \$33k for 1.67 acre ad joiner
Site Dev. Cost	\$200,000	Demolition, Infrastructure, Grading, etc.
Total Site Costs	\$315,500	

4.19M Building Improvements	\$3,144,000	Est. AV. @ 75% of Dev. Cost
Base AV.	\$90,750	
Incremental AV.	\$3,053,250	
Returned Revenue from Increment	\$91,597	Assumes 3/100 Capture Rate
Returned Total Benefit from TIF	\$1,167,861	Assumes 85% allocated over 15 years & 2 sites/yr. are developed in first 3 years after allocation period begins

Dev. Costs	\$315,500	Acquisition & Infrastructure
Residual	\$852,361	Benefit Less Costs
Land Sales	\$704,000	Assumes 17.6 Acres @ 40/Acre
Total Est. ROI	\$1,556,362	Depending on Developers Cost of Money

Using the above model then project could garner project support using an Industrial Development Bond supported by project increment to offset the cost of acquisition and to support other development costs. Assuming a 15-year term within the project specific allocation area this model could result in a complete offset of land and development costs to the development, assuming 85% of the returned revenue is allocated to the developer and that the build-out of both lots occurs over the first three years. Based on this then, the ROI seems acceptable.

Case Study East Cluster Building Renovation, Adaptive Reuse Case Study – Details.

- See Figure 37
- Property address 2020 Industrial Parkway
- Property Acquisition 3.49 Acres
- Status – vacant

Building Details:

- Brick, Masonry
- 30,000 SFT, production, offices
- Loading dock
- Possible expansion
- Estimated Acquisition Expense \$500-\$780,000
- Estimated Renovation Expense \$1,125,000
- Current Assessed Value \$721,000
- Suggested Used – Plastics, technology, analytical instruments, business services



Image 44 – View of Existing Building Located at 2020 Industrial Parkway

East Cluster Model from TIF (Case Study for Adaptive Re-Use)

East Cluster Benefit Model from TIF (Case Study for Adaptive Re-Use)

Category	Values	Notes
Existing AV	\$721,000	From Elkhart Co. GIS
Acquisition Cost	\$780,000	\$26 SFT (Est.)

Renovation Cost	\$1,125,000	
Total Property Cost	\$1,905,000	
Est. New AV.	\$1,428,750	75% of cost
Base AV.	\$721,000	
Incremental AV.	\$707,750	
Returned Revenue from Increment	\$21,232	($^3/10$) (real property only)
Benefit from TIF	\$270,714	Assumes 85% allocated over 15 years (IDB, TIF supported)

East Cluster Benefit Model – Tax Phase-In Case Study for Adaptive Re-Use

East Cluster Revenue Model from Tax Phase-In

Category	Values	Notes
Total AV	\$1,428,750	\$1.9 M Investment
Annual Returned Revenue	\$21,232	Assumes 3/100
Phase-In Year	\$2,359	
2	\$2,359	
3	\$4,718	
4	\$7,077	
5	\$9,436	Assumes a 15-year term within development agreement and a 10-year phase
6	\$11,795	
7	\$14,154	(3/100) (real property only)
8	\$16,513	Assumes 85% allocated over 15 years (IDB, TIF supported)
9	\$18,872	
10	\$21,231	
Total Phase-In Benefit	\$106,155	
Returned from TIF (5 years) (85% of Increment)	\$90,236 ⁽¹⁾	Balance of Development Agreement term beyond phase-in
Total Benefit	\$196,391	Assumes balance of increment is not obligated
Increment to RDC	\$122,089	Dependent upon agreement

⁽¹⁾ Assumes RDC identifies a qualified expense claimed by prospect.

Based on the above, either approach provides an attractive incentive for adaptive re-use. However, the level of support from TIF seems marginal relative to the issuance of an industrial development bond. If the prospect considers a building expansion of at least 50% of the building gross area then, that incentive may be more attractive.



East Cluster Redevelopment Framework

As in the West Cluster, the following activities should be initiated early in the process as attraction activities to the targeted business segments.

High Speed Communications Build-Out

- Partner with Elkhart County and local providers to incentive build-out including funding assistance
- Consider public works projects specific to high-speed network proliferation
- Incentive new developments to provide network improvements as a part of the utility features included in project plans

Development of a New Bulk Transfer Terminal

- Consider an Interlocal Agreement between Elkhart City, Elkhart County and Bristol
- Develop a partnership with Grand Elk Railway
- Procure through purchase or long-term lease for a new site for BTT (Earthway Railpark)
- Partner with developers to build-out additional roadway connections
- Seek funding from U.S. Department of Commerce, Economic Development Administration for an Infrastructure Development Grant for construction of site improvements and improvements to roadways
- Lease expense and site maintenance cost to be included in user fees and operators sublease subsidization may be required as usership matures

Develop Workforce Transportation System

- Partner with MACOG to expand system to serve residential clusters within and adjacent to the city with new routes to and through the East Cluster mid-day scheduled shuttles to the city core is a strong recommendation
- Consider annual subscription after initial activation, subsidization may be needed as usership matures
- Electric, CNG, NGV and autonomous vehicles on fixed routes will encourage use and public support

Develop Business Park Attraction Features

- Dedicated pedestrian bikeway connections to residential areas adjacent to the East Cluster
- Start within the Right-of-Way of CR 17, Middlebury Street and Toledo Rd.
- Partner with business to develop recreational features on individual sites
- Provide planning assistance, matching grants and low interest loans from EDIT or TIF (for TIF features will need to be



Image 55 – View of Food Truck Plaza

located on public property or within a city owned easement

- Consider incentives to labor force service businesses. Childcare, healthcare clubs, food, truck plaza, bike share, EV (Electric Vehicle) Rental Center, etc.

Partnering Framework for Implementation – LU 12

Partner	Activity	Collateral Activity	Outcomes
City of Elkhart RDC Elkhart County RDC	Expands or combines tax increment areas to cover entire east cluster.	Prepare TIF Plan to include acquisition inventory of 100% of properties within east cluster.	Allows COE to react to every opportunity that is compatible with the 2040 strategy, or TIF management plan.
City of Elkhart RDC Elkhart County RDC	Develops Interlocal Agreement that includes joint adoption of east cluster Redevelopment Activation Plan, or TIF Management Plan.	Agreement to include roles, triggering conditions. Revenue use priorities.	Predetermined structure allows for expedient response to opportunities that are outside of the city limits within the west cluster.
City of Elkhart	Updates city annexation strategy for 100% of east cluster area.	Annexation strategy includes identified sites, sequence and conditions.	This strategy allows for County, City officials, developer and business prospects to have a complete understanding of development requirements.
City of Elkhart Elkhart County (administration, departments, fiscal bodies)	Develops and adopts utility expansion plan with funding model to build-out infrastructure to unincorporated areas included in annexation strategy.	The Plan should include 100% of the un-serviced areas in the cluster including potential green field development sites.	Assures that new development or redevelopment does not occur without activating utility plan and annexation concurrently.
City of Elkhart Elkhart County	Jointly establishes transportation improvement plan that includes in-city streets	The plan should include an understanding that shared jurisdiction	Capacity improvements are conducted within the scope of single projects in support of the redevelopment

(administration departments, fiscal bodies)	as the priority but includes County roads within the east business cluster.	of some routes may lead to jointly funded projects. The plan should include a prioritizing matrix.	strategy. Even when it is likely that redevelopment may occur in either jurisdiction.
City of Elkhart RDC and Development Director Elkhart County RDC & Development Director	Reviews current project scoring methodology and contemplates any changes that may specifically assist in activation within the east cluster.	Conduct a case study scoring using existing criteria to gauge needed changes (if any)	Determination that no changes are needed or that some conditions may need to be adjusted to specifically aid the business cluster redevelopment.
City of Elkhart RDC and Elkhart County RDC	Compiles the above activities to an implementation strategy.	The strategy includes a timeline and an adoption plan.	Completion of a joint strategy for redevelopment and a growth plan for the City's east cluster.

As in the West Clusters implementation support will need to include the following basic tasks (a. b., c., & d) from page 23.

DIVERSIFICATION APPENDIX

Action Team Survey

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.

2040 Vision

To refine and clarify this purpose, the diversification team began its work by surveying Action Team members regarding their overall vision of Elkhart in 2040. The question asked was, "in an ideal world, what do you want Elkhart's economy to be like in 2040". Key terms from that survey question are shown in the word cloud below.

Some of the most common comments and phrases for the visions can be summarized by the following:

- High-skill and high-wage job growth
- A movement toward embracing and excelling in automation, innovation, & technologically advanced manufacturing
- An economy with more diversity and resiliency
- Opportunities, support, and growth in entrepreneurship & small businesses
- Be on the leading edge of transportation and distribution
- Improvement in quality of life and being an attractive place for residents and visitors



Existing Gaps

Naturally, shifting or changing an economy comes with significant challenges and requires planning and deliberate action steps. Knowing the gaps between the current landscape, and future goals is essential so that leadership can implement action items (incentives, programs, marketing, etc.) to reduce the gaps. To help identify some of the gaps between current conditions and where Elkhart wants to go, team members were asked what the biggest differences are, if any, between the vision described in the previous question and Elkhart's economy today.

Most responses can be grouped into a few major categories including:

- High Skill Jobs & Opportunities for Career Advancement
- Manufacturing Concentration & Lack of Diversity
- Educational Attainment
- The volatility of the Economy
- Innovation
- Incentives
- Adaptable Real Estate

schools/education boom work/career/advancement
primarily highly
somewhat scientists improving
products slower dependent specifically
structure steady wage citizens
provide industry employment components
assembly educational still incentive face other
within variety basis single way
developments high stagnation rigid software companies
large cycles move skills missing workers
except except successful
opportunities
force service skill work higher
bust Low data RV space skill rather breadth limited
making allows More industries use
Today jobs concentrated growth
flexible experiencing industrial opportunity designed/built
collaborative well rewards
parental well
low-skilled need manufacturing
professional career little skilled
sectors

When compared with responses to the previous question, there are significant gaps between where Elkhart is now and where team members want it to go. The only response not mentioned in this question that was mentioned in the previous question is entrepreneurship and small business. This could indicate that there is already an existing presence and possible attempt at growth already happening in this area.

Additionally, educational attainment was a common response to this question indicating that upskilling the existing workforce is key to attract and retain higher wage jobs in the long-term.

Strengths

The survey also asked team members to complete a SWOT analysis for Elkhart. A SWOT analysis is a powerful, yet simple tool that outlines an area's strengths, weaknesses, opportunities, and threats. The following word cloud shows key terms used to describe the biggest strengths of Elkhart's economy.

Specific responses included:

- Entrepreneurial Culture
- Manufacturing Strength
- Cost of Living
- Resources & Investment
- Work Ethic
- Business Climate



An entrepreneurial culture was the one of the top responses building on answers to previous questions as this being a key component of the Elkhart economy. This is a significant strength as high levels of entrepreneurship can help accelerate economic diversification through the creation of businesses in new and emerging markets. The low cost of living and a positive business climate also helps to support entrepreneurship as a low cost of doing business means a smaller entry barrier than other locations.

Elkhart's legacy manufacturing sector has a huge economic impact on the city, region, and state. Retaining this core industry and strengthening it is a key component of bringing about economic stability to the city while still implementing a comprehensive diversification strategy.

Weaknesses

In response to a question regarding Elkhart's weaknesses, key terms from Action Team members answers emphasized the reliance on the RV industry and skills gaps.

Some specific responses included the following:

- Skills Gaps
- Lack of Worker/Employee Loyalty
- Reliance on the RV Industry
- Educational Attainment
- Lack of Regionalism Constraining Growth
- Aging Infrastructure

opportunities
industries/businesses
mechanisms boundaries
people way
climb
workforce Regionalism
transient Weak knows buildings
sometimes
becoming
few working gap workplace
abuse
places/rungs across educational provide
only thinking needs concise system
goal RV Reliance old mediocre
removes bring disrupt attainment employers
typically level tends plan region
reputations partly
forward because
ladders
Lack Poor political
Real Estate prohibit
expanding
manufacturing infrastructure Tired
Skills
growth

Many of the responses relate to the city's concentration in the RV industry and the associated workforce implications. Respondents indicated that skill and education gaps result in a lack of advancement for employees, and manufacturers struggling to fill higher skilled and managerial roles. Additional responses indicated aging infrastructure as a weakness.

Opportunities

The below word cloud shows key terms from responses regarding potential opportunities for Elkhart.

Some specific categories of responses included:

- Improved Technology Integrated with Manufacturing
 - Automation
- Increasing Workforce Skills/Training
- New Sectors:
 - Green Infrastructure
 - Medical Devices
 - Automotive
- Fiber



The most common response to this question was manufacturing. Many respondents focused on the diversification of manufacturing, expanding into new technologies, and implementing automation as a way of mitigating workforce challenges. Specific sectors identified as opportunities include green infrastructure, medical devices, and automotive.

Threats

When asked about future threats to Elkhart, many responses from Action Team members were related to workforce. The below word cloud shows key terms from the responses.



The word cloud is centered around the word 'Automation'. Other prominent terms include 'community', 'orders', 'consumer', 'seekers', 'usual', 'competitive', and 'orders' (repeated).

Term	Frequency
Automation	10
community	8
usual	6
competitive	5
orders	4
consumer	4
seekers	4

Some common answers include:

- Competition with Other Communities
- Low-Skilled Workforce
- Businesses & Workers Not Adapting to New Technology
- Lack of Education
- Not Expanding into New Sectors/Areas

Responses indicated a concern that the lack of a skilled workforce would limit the City's ability to attract and retain high wage jobs and implement new technology.

Components of a Diverse, Resilient Economy

The above survey responses helped define the existing landscape and provided some potential outcomes for this planning effort. Using the responses, the team outlined eight components of a diverse and resilient economy.

- Specialized, Traded Clusters
- Integrated Local Supply Chains
- Innovation & Anticipation of Future Threats
- High Wage Jobs & Career Opportunities
- Well-Rounded ED Toolbox
- Entrepreneurship & Small Business Growth
- Vibrant Commercial & Retail (Resident-Serving) Sectors
- Inclusive Economic Benefits



While all of these components are important, many organizations may prioritize or focus on one or more of these at a time. Below is a list of each component and what local area organizations are currently doing related to that component. This is not meant to be a comprehensive list of local programs but was used to provide some foundation for where current regional and local efforts are being concentrated.

- Specialized, Traded Clusters
 - South Bend - Elkhart Regional Partnership (SBERP): The TEconomy report highlights innovation to produce smart mobility products.
 - University of Notre Dame (ND): The LIFT Network helps to advance the use of technology and improve skills in industry, particularly mobility and data/IT sectors
 - Economic Development Corporation of Elkhart County: The EDC focuses on business attraction and retention of existing and diverse industry clusters.
- Integrated Local Supply Chains
 - SBERP: The Regional Economic Development Strategy (REDS) guides the increased use of local supply sources by regional manufacturers through Conexus Icon.
- Innovation & Anticipation of Future Threats
 - SBERP: The TEconomy Report and the REDS Plan have strategies related to innovative manufacturing and establishing startups through commercialized research.
 - Ivy Tech Community College: The iFlex Lab for Advanced Manufacturing offers advanced manufacturing training
 - Notre Dame: The LIFT Network is advancing the use of technology and improving skills in industry, particularly mobility and data/IT sectors
- High Wage Jobs & Career Opportunities
 - SBERP: The REDS Plan implements regional “Pathways System Framework” focused on growing jobs in higher-pay clusters
 - Horizon Education Alliance: The HEA has a College and Adult Career Pathways System.
 - Community Foundation of Elkhart County: The Community Foundation provides funding for Career Pathways and Training programs

- Well-Rounded ED Toolbox
 - City of Elkhart Economic Development Department: The City of Elkhart primarily provides Tax Phase-In, Tax Increment Financing, and Capital Loan Funds.
 - Vibrant Communities Plan: The Vibrant Communities Plan has an action agenda that includes providing an incentive program and creating an Elkhart Land Bank to revitalize dilapidated properties in Elkhart.
 - EDC of Elkhart County: The EDC provides site availability, local and state incentive support, company networking, and connection to workforce/training programs.
- Entrepreneurship & Small Business Growth
 - Elkhart Chamber of Commerce: The Chamber helps with business marketing, networking, and startup resources.
 - enFocus: enFocus provides entrepreneurial placements/opportunities for graduate students
 - North Central ISBDC: The ISBDC helps with business counseling, access to capital, and other services
- Vibrant Commercial & Retail (Resident-Serving) Sectors
 - Elkhart Chamber of Commerce: The Chamber business marketing, networking, and additional resources
 - City of Elkhart: The City has invested in the River investments, provided Opportunity Zone marketing, and planning and zoning activities
- Inclusive Economic Benefits
 - SBERP: The REDS Plan increases opportunities for MWBEs and has developed a database of minority professionals
 - Elkhart County Community Foundation: The Foundation provides funding for social services, youth programs, and neighborhood programs

Final Diversification Team Goals

Based on the above examples, Action Team members were asked to prioritize the above components to focus the Diversification team's work on a few goals. Based on rankings, TPMA chose to focus on the following team goals. Key research tasks related to each goal are also outlined.

- 1) Well-Rounded ED Toolbox: Ensure that city leaders have the necessary tools and flexibility to achieve attraction, retention, startup, and expansion goals—and to support risk-takers
 - a. Assess Elkhart's current ED Toolbox, catalogue current obstacles and strengths
 - b. Identify realistic initiatives & programs that could complement current toolbox
 - c. Identify practical steps to create an environment of collaboration in economic development
- 2) Innovation & Anticipation of Future Threats: Develop a set of programs or benchmarks to proactively prepare Elkhart for digital and technological transformation and to overcome disruptions.
 - a. Identify & quantify the top opportunities and challenges for the future of Elkhart's economy
 - b. Determine the city's ideal role in encouraging innovation to address these threats.
 - c. Identify opportunities for collaboration around innovation.
- 3) 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
 - a. Assess constraints on Elkhart's current specialized clusters,
 - b. Identify emerging traded clusters for economic growth that are scalable, growing, and sustainable.
 - c. Develop city-led growth strategies for both groups of industries, to be implemented in collaboration with ECEDC, SBERP, and other local leaders.

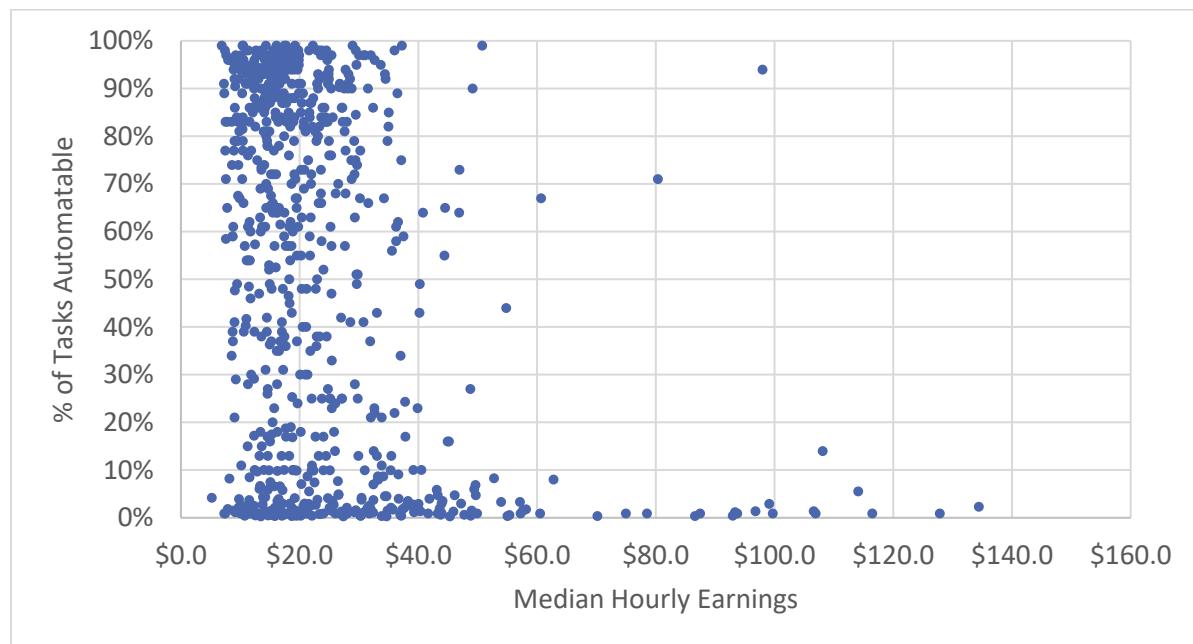
Automation Analysis

A key discussion point with the Action Team members revolved around the impact automation currently has on the RV industry and Elkhart and how that impact may change moving forward. While automation could displace workers in certain industries, it could also be an opportunity to transition workers to higher-skilled, better paid jobs.

To address this topic, TPMA prepared an automation analysis of local industry and occupations to identify what sectors may be most susceptible to automation. This analysis was based on the 2013 study by Carl Benedikt Frey and Michael A. Osborne that identified what occupations are most susceptible to automation by 2033.¹

This study looked at the technical feasibility of occupations and did not factor in actual cost investments or timelines for that investment. An additional study by the McKinsey Institute projected that 23% of working hours would be displaced by automation by 2030. This does not mean that 23% of jobs would be displaced, but certain tasks and responsibilities would be. In total, that study estimated that less than 50% of tasks that could be replaced would be.² Using those assumptions, TPMA used data from Economic Modeling Specialists International and the number of workers in each occupation within Elkhart's industries to estimate industries that were most susceptible to automation.³ The below chart shows the relationship between the percent of tasks that are automatable in a given occupation and the median hourly earnings for those occupations. The average earnings for occupations that are at a high risk (70% of tasks feasible or above) is \$18.90. This is compared with the average earnings for occupations with low or medium risk which is \$26.38.

Occupational Susceptibility to Automation and Earnings



¹ Frey, Carl Benedict and Michael A. Osborne. "The Future of Employment: How Susceptible are Jobs to Computerization?" September 17, 2013; https://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf.

² McKinsey Global Institute, "Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation," December 2017.

³ Emsi data for Elkhart is represented by four zip codes: 46514, 46515, 46516, and 46517.

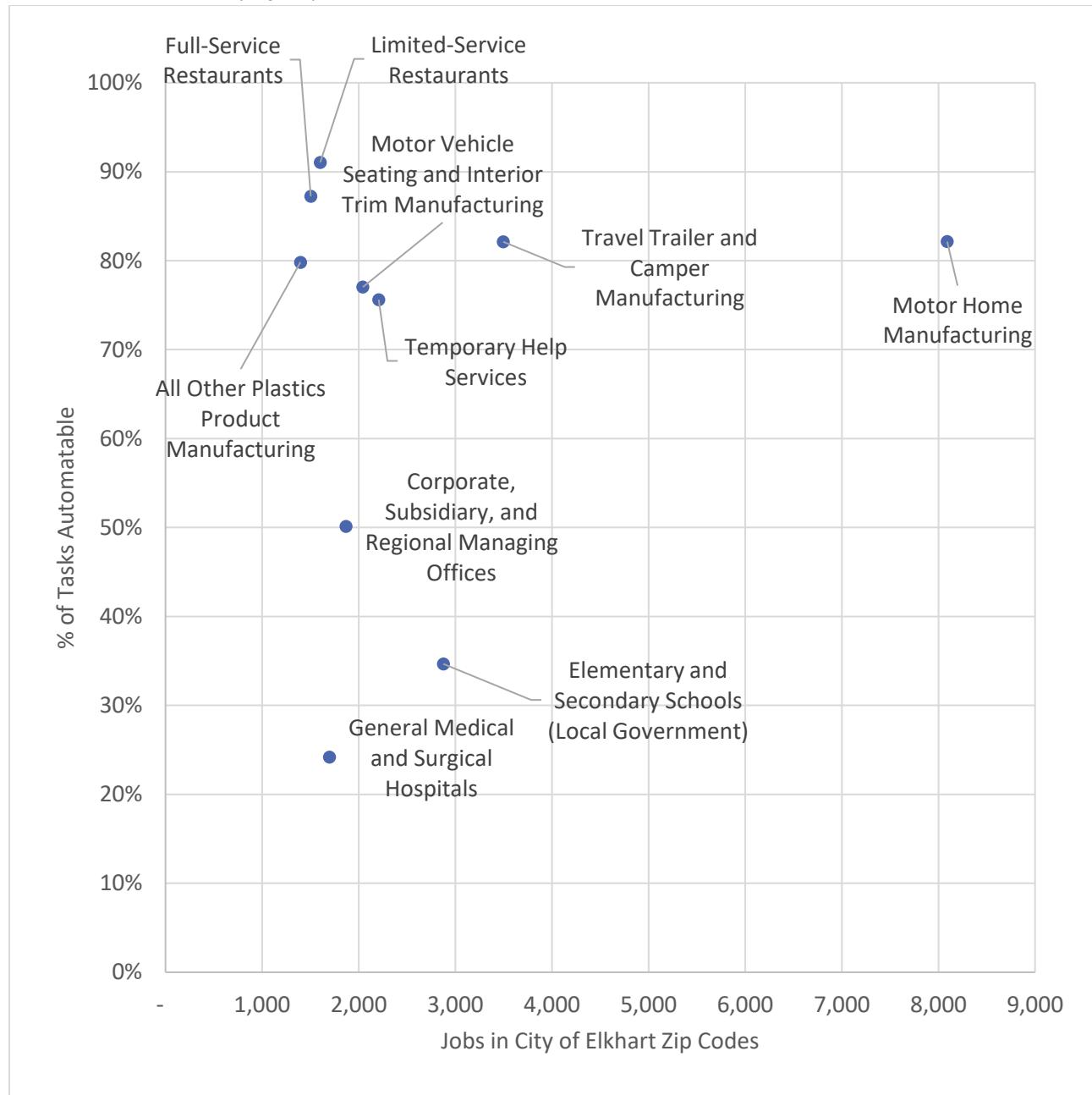
The table below shows the occupations that are most feasible to automate and the number of jobs in Elkhart in those occupations. As shown, many of the highest employment occupations in the City are also highly susceptible to automation.

Top Occupations and Technical Feasibility of Automation

Occupation	Number of Jobs	% of Tasks Feasible to Automate	Median Hourly Earnings
Assemblers and Fabricators, All Other, Including Team Assemblers	10,240	96.4%	\$18.4
Laborers and Freight, Stock, and Material Movers, Hand	2,003	93.0%	\$13.6
Combined Food Preparation and Serving Workers, Including Fast Food	1,559	96.0%	\$9.3
Office Clerks, General	1,524	92.0%	\$15.8
First-Line Supervisors of Production and Operating Workers	1,451	79.0%	\$29.2
Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic	1,324	91.0%	\$14.9
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	1,191	51.0%	\$29.8
Fiberglass Laminators and Fabricators	1,174	97.0%	\$17.1
Shipping, Receiving, and Traffic Clerks	1,164	64.0%	\$16.3
General and Operations Managers	1,133	16.0%	\$45.2

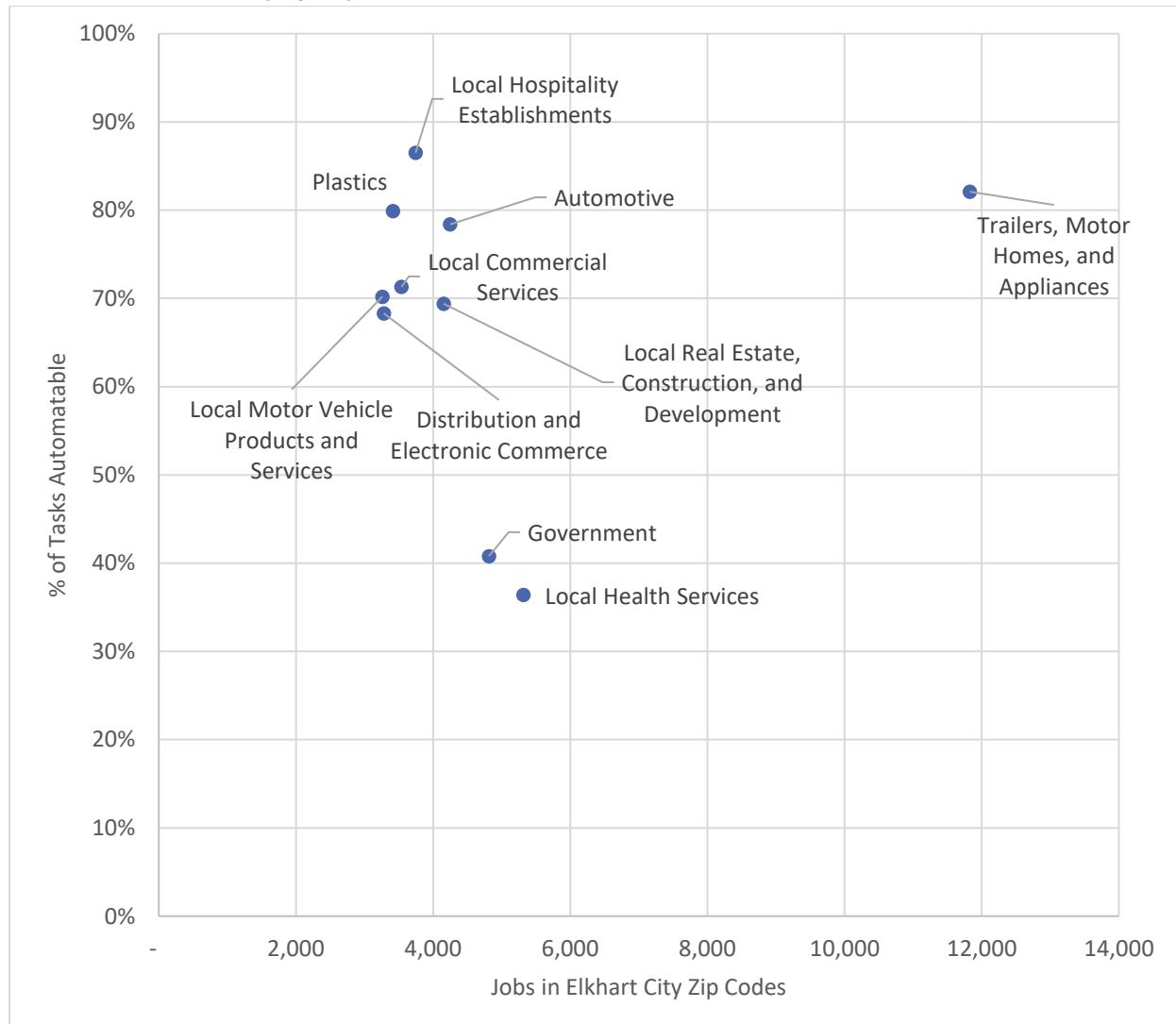
Translating occupations to industries based on local staffing patterns, the chart below shows the highest employment industries in Elkhart and the average automation feasibility of occupations in those industries. Only three of the ten industries in the industry have an average automatability of jobs of less than 70%.

Automation Feasibility of Top Industries



When looking at clusters or groupings of like industries that are heavily present in Elkhart, Government and Local Health Services stand out as having a lower level of automatability. Additionally, Local Real Estate, Construction, and Development and Distribution and Electronic Commerce are below 70%.

Automation Feasibility of Top Clusters



This research was used to inform the initial stages of a targeted industry analysis that looked at what industry clusters to attract and retain in the City of Elkhart.

Targeted Industry Analysis

In order to connect the local targeted industry analysis to the larger regional economic ecosystem, TPMA started with an analysis of the regional clusters as defined by the South Bend-Elkhart Regional Partnership (SBERP). SBERP defined clusters into two different groups

“Scaleup” clusters are existing clusters in the region that are already strong components of the economy and have high pay.

- Paper & Packaging & Related
- Downstream Chemical Products
- Distribution & eCommerce
- Metalworking Technology

“Entrepreneurial” clusters are existing clusters, but not yet strong and still growing. They also have high pay.

- Information Technology & Analytical Instruments
- Business Services
- Biopharmaceuticals
- Communications Equipment and Services

The table below shows the number of jobs in Elkhart in each of these clusters and how relevant they are to the Elkhart economy. Strong clusters in Elkhart include Metalworking Technology, Downstream Chemical Products, Paper & Packaging & Related Products, Information Technology & Analytical Instruments, and Biopharmaceuticals.

Analysis of Regional Target Clusters in Elkhart

Job Group/Cluster	Group	Sum of 2019 Jobs	Percent of Reg. Jobs in Elkhart	Weighted Average Earnings	2019-2024 Growth	LQ	Relevance to Elkhart
Distribution & eCommerce	Scaleup	3,282	34.8%	\$63,594	11.4%	3.31	Moderate
Business Services	Entrepreneurial	2,806	31.3%	\$155,753	10.1%	1.47	Moderate
Metalworking Technology	Scaleup	1,174	37.4%	\$58,778	-1.99%	8.15	Strong
Downstream Chemical Products	Scaleup	1,068	72.9%	\$54,675	18.2%	29.31	Strong
Paper & Packaging & Related	Scaleup	580	34.3%	\$62,178	15.1%	7.34	Strong

Information Technology & Analytical Instruments	Entrepreneurial	428	36.6%	\$72,458	10.5%	13.8 6	Strong
Biopharmaceuticals	Entrepreneurial	138	32.9%	\$82,659	32.1%	10.8 7	Strong
Communications Equipment and Services	Entrepreneurial	51	13.9%	\$159,844	-54.6%	1.27	Weak
Elkhart – All Jobs		75,575	24.7%	\$58,540	5.26%	--	

TPMA then supplemented the list of regional target clusters with additional clusters that are already strong in the City of Elkhart. The below table shows the top clusters in the City based on an index of total jobs, earnings, national growth, and location quotient (LQ).⁴

Current Strengths

Job Group/Cluster	Sum of 2019 Jobs	Average Earnings	2019-2024 U.S. Growth	Weighted LQ
Trailers, Motor Homes, and Appliances	11,825	\$ 74,435	4.4%	672.9
Water Transportation (Boat Building)	1,173	\$ 82,889	3.6%	56.5
Recreational and Small Electric Goods	655	\$ 60,941	1.7%	43.4
Automotive	4,249	\$ 53,324	4.3%	34.9
Plastics	3,414	\$ 53,782	1.6%	32.2

Lastly, TPMA narrowed the regional target clusters based on local significance and added two additional clusters: Transportation and Logistics, and Insurance Services. These additional industries were recommended based on a high location quotient in the City of Elkhart.

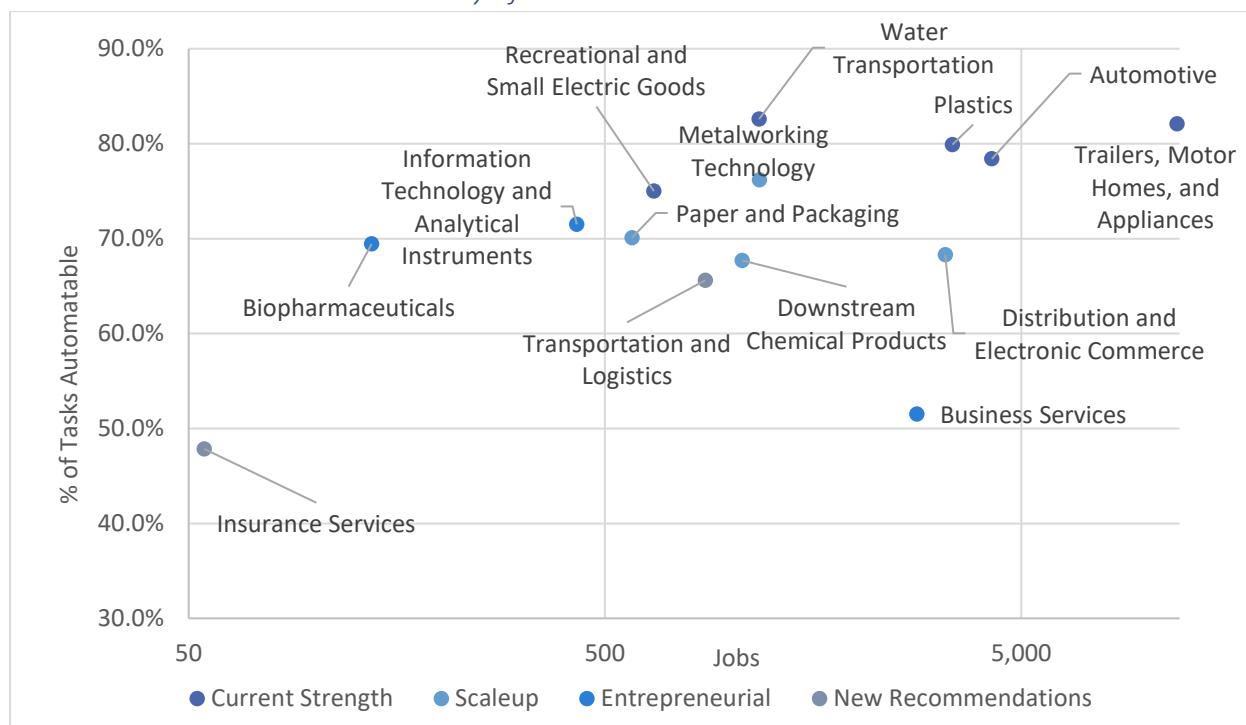
⁴The location quotient (LQ) is a measure of industry concentration. It is a ratio of the proportion of a region's employment in a given industry to the nation's proportion of employment in that industry. An LQ greater than one indicates that the industry is more concentrated in the region than the nation.

Target Growth Clusters

Job Group/Cluster	Group	Sum of 2019 Elkhart Jobs	Average Earnings	2019-2024 U.S. Growth	Weighted LQ
Distribution & eCommerce	Scaleup	3,282	\$63,594	6.4%	3.31
Business Services	Entrepreneurial	2,806	\$155,753	9.5%	1.47
Metalworking Technology	Scaleup	1,174	\$58,778	1.2%	8.15
Downstream Chemical Products	Scaleup	1,068	\$54,675	1.4%	29.31
Paper & Packaging & Related	Scaleup	580	\$62,178	-2.4%	7.34
Transportation & Logistics	New Recommended	870	\$75,819	5.1%	2.54
Information Technology & Analytical Instruments	Entrepreneurial	428	\$72,458	4.1%	13.86
Biopharmaceuticals	Entrepreneurial	138	\$82,659	3.5%	10.87
Insurance Services	New Recommended	55	\$66,565	3.3%	1.06

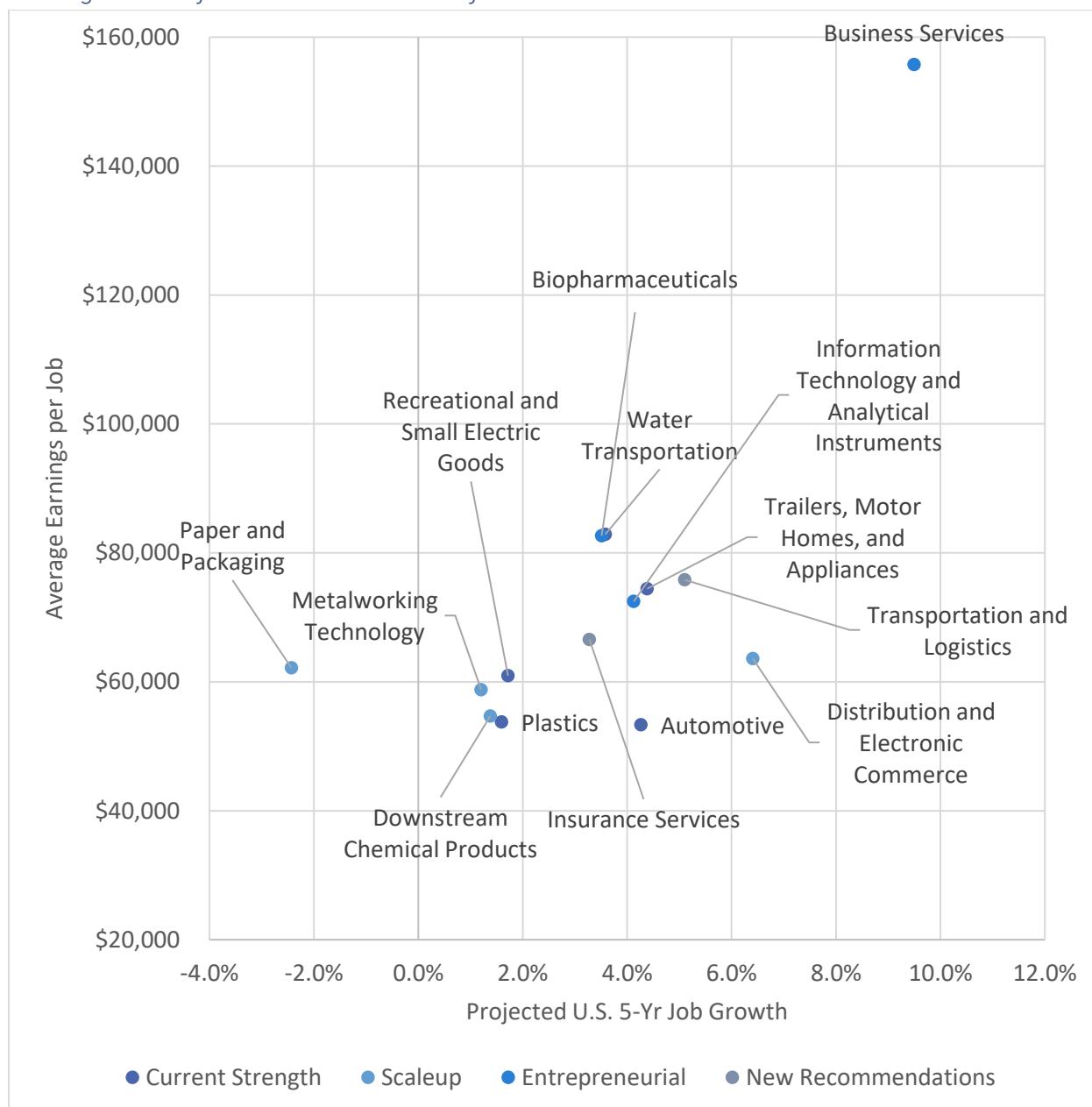
The below chart shows how the current strength and target growth clusters compare in terms of total jobs in the City of Elkhart and the percent of tasks automatable.

Total Jobs and Automation Feasibility of Clusters



The below chart shows how the target clusters compare in terms of average earnings per job and project national job growth.

Earnings and Projected U.S. Job Growth of Clusters



As part of the targeted industry analysis, TPMA looked at the location and decision factors of the current strength, and targeted growth clusters as shown in the table below. While some of these factors are not as controllable at a local level as others, this analysis provided some

guidance into what incentives or local programs could help better attract these potential industries.⁵

	Top Factor	Secondary	Tertiary
Automotive	Skilled Scientists & Engineers	Federal Environmental Reg.	Sourcing Metals as Inputs
Plastics	Federal, State, and Local Air Regulations	Capital investment	R&D Labor
Recreational and Small Electric Goods	Labor-intensive, not necessarily skilled		
Trailers, Motor Homes, and Appliances	Moderate Capital Intensity	Moderate Labor Intensity	
Water Transportation (Boat Building)	Labor Intensity	Medium Capital Intensity	
Biopharmaceuticals	Pharmaceutical Regulation	Skilled Chemists	Moderate Capital Intensity
Business Services	Highly Skilled Employees, High Wages	Office Space	Connectivity & Internet
Information Technology and Analytical Instruments	Skilled programmers & tech workers	Intellectual property	Electronic Components
Insurance Services	State and federal regulations	Capital investment	Skilled workforce
Transportation and Logistics	High Labor-Intensity	Fuel Prices	Capital Intensity varies by Industry
Distribution and Electronic Commerce	Connectivity to Suppliers	Cost of inputs	
Downstream Chemical Products	Environmental Regulations	Moderate Capital Intensity	Electricity

⁵ Information is from IbisWorld Industry Reports 2017.

Metalworking Technology	Machine operators - labor intensive	Sourcing Metals as Inputs	
Paper and Packaging	Energy and Water	Environmental Regulation	Moderate Capital Intensity

Ultimately, the top six diversification clusters to focus on were chosen by the Action Team members following the presentation of data and discussion. The top six are shown below.

Automotive



This cluster includes Automotive Parts, Gasoline and Engine Parts, and Motor Vehicles as sub clusters. The sub clusters incorporate Car and Automobile Manufacturing, SUV and Light Truck Manufacturing, Automobile Electronics Manufacturing, and Trailer, Truck, and Motorhome Manufacturing. Each category is predominantly involved with car component and raw material cluster supply chains.

Current employment in Elkhart for this cluster is 4,249. The region of Elkhart, St. Joseph, and Marshall counties has 8,440 currently employed in the Automotive Cluster. Jobs in this cluster are projected to increase nationally by 4.3% over the next five years. The Automotive cluster nationally has 1,051,396 jobs and 9,679 businesses bringing the average jobs to approximately 109 per business. Total national sales for the Automotive cluster top \$777 billion, and total sales for Indiana are around \$94 billion. Additionally, the region composed of Elkhart, St. Joseph, and Marshall counties accounts for about \$6 billion in cluster sales, or around 6% of Indiana's total Automotive cluster sales. The Automotive cluster's average earnings per job for the three-county region is \$60,311.⁶



Current employment in Elkhart
4,249



Average Size of Facility
109 Jobs



Current employment in the region
8,440



Total Sales
National: \$777 Billion
IN: \$94 Billion.
Region: \$6 Billion



Projected national growth
4.3%



Average Earnings
\$60,311

Cluster Needs

⁶ Add data from Economic Modeling Specialists International. Average earnings per job includes benefits and proprietors' earnings.

The 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. Additionally, when involved in the automotive cluster, the businesses have to be aware and address federal environmental regulations on automotive manufacturing pollution along with automotive performance such as mile per gallon standards. When looking specifically at the manufacturing piece of the automotive cluster, the sourcing of input metals is often a need. The metals market is competitive and is best navigated with established business supply chain relationship which may prove difficult for a new entrant.

Business Services



This cluster includes the sub clusters of Corporate Headquarters, Consulting Services, Business Support Services, Computer Services, Employment Placement Services, Engineering Services, and Architectural and Drafting Services. Some of the Business Services sub clusters incorporate Management and HR Consulting, Conveyance Services, and Telemarketing/Call Centers.

These industries leverage the supply chains of office related products, basic office equipment, data processing systems, and telephone services.

Current employment in Elkhart for the Business Services sector is 2,806. The region of Elkhart, St. Joseph, and Marshall counties has 8,956 occupations in the Business Services sector. The projected national growth for the cluster is 9.5% over the next five years with current jobs at 9.2 million. This cluster nationally has 824,832 businesses supporting an average of 11.23 jobs per business. National sales for the Business Services cluster is approximately \$2.5 trillion. Indiana's total cluster sales are about \$24.5 billion and the region of Elkhart, St. Joseph, and Marshall counties accounts for over \$2.9 billion in sales. The average annual earnings per job in the Business Services cluster in the three-county region is \$155,753.



Current employment in Elkhart
2,806



Average Size of Facility
11 Jobs



Current employment in the region
8,956



Total Sales
National: \$2.5 Trillion
IN: \$25 Billion,
Region: \$155,753



Projected national growth
9.5%



Average Earnings
\$155,753

Cluster Needs

The business services cluster encompasses a broad array of businesses, yet they do have a common set of needs. The top three common needs are 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



The Distribution & eCommerce cluster is derived from various sub clusters, some of which include Warehousing and Storage, Support Services, Wholesale of a multitude of consumer and business products, and Rental and Leasing. Some of the Distribution and eCommerce sub clusters fit are within the descriptions of public storage and warehousing in the US, medical supplies wholesaling, and plastics wholesaling. These categories are intermixed with the outsourcing of services such as IT and consulting, medical supply, and plastic material supply chains.

Current employment for the Distribution & eCommerce cluster in Elkhart is 3,282. The region of Elkhart, St. Joseph, and Marshall counties employs 9,424 people in the cluster. The cluster is projected to grow nationally over the next five years by 6.4%. Nationally the cluster holds just over 5.5 million jobs and 530,476 businesses, for an average of 10.41 jobs per cluster business.

Total national sales peak at \$1.7 trillion, with Indiana's cluster sales over \$31 billion. The region of Elkhart, St. Joseph, and Marshall counties accounts for \$2.2 billion or approximately 7% of Indiana's total cluster sales. Additionally, the average annual earnings per job for the three-county region is \$63,594.



Current employment in Elkhart
3,282



Current employment in the region
9,424



Projected national growth
6.4%



Average Size of Facility
10 Jobs



Total Sales
National: \$1.8 Trillion
IN: \$32 Billion.
Region: \$2 Billion



Average Earnings
\$63,594

Cluster Needs

The most influential need to compete in the distribution and eCommerce cluster is the connectivity to suppliers. Most of the cluster businesses are midway down the supply chain and therefore supplier relationships are essential. The cluster depends on a supply of inputs to allow them to sell/market the inputs electronically then distribute them.

Information Technology and Analytical Instruments



The Information Technology and Analytical Instruments cluster includes electronic component development and manufacturing, software publishing, software reproducing, and medical apparatus development and manufacturing.

This cluster saw extreme growth during the early 2000s as companies transitioned to using technology and is still seeing modest growth across the country. Current employment in Elkhart for the Information Technology and Analytical Instruments sector is 428. The region of Elkhart, St. Joseph, and Marshall counties has 1,169 occupations in the sector. The projected national growth for the cluster is 4.1% over the next five years with current jobs at 1.3 million.

This cluster nationally has 49,425 businesses supporting an average of 27 jobs per business. National sales for the Information Technology and Analytical Instruments cluster sit at approximately \$547 billion. Indiana's total cluster sales are about \$3 billion and the region of Elkhart, St. Joseph, and Marshall counties accounts for over \$216 million in sales. The average annual earnings per job in the Information Technology and Analytical Instruments cluster in the three-county region is \$62,856.



Current employment in Elkhart
428



Average Size of Facility
27 Jobs



Current employment in the region
1,169



Total Sales
National: \$547 Billion
IN: \$3 Billion.
Region: \$216 Million



Projected national growth
4.1%



Average Earnings
\$62,856

Cluster Needs

The information technology and analytical instruments cluster is naturally tech-heavy and due to that has specific needs. The top need for the cluster is obtaining skilled programmers and tech workers. The most common methods to address this need are workforce attraction through wages and other incentives, and workforce training through formal and nonformal education pathways. Skilled programmers and tech workers are essential to the businesses operating in this cluster as they are often developing, expanding, or supporting the intellectual property that the business creates value from. An additional need for the cluster is the electronic components including the hardware, software, and intranet of the business.

Plastics



The Plastics cluster revolves around the entire manufacturing of plastics including the design and development of the plastic products, materials, and resins. Plastics are in everyday life and can be found in everything from cars to eating utensils.

This cluster has seen steady growth as plastic continues to increase in usage and be used in close to every industry. Current employment in Elkhart for the Plastics sector is 3,414 and likely related in part to the RV industry. The region of Elkhart, St. Joseph, and Marshall counties has 8,719 occupations in the sector. The projected national growth for the cluster is 1.6% over the next five years with current jobs at 665 thousand.

This cluster nationally has 12,637 businesses supporting an average of 53 jobs per business. National sales for the plastics cluster sit at approximately \$296 billion. Indiana's total cluster sales are about \$13 billion and the region of Elkhart, St. Joseph, and Marshall counties accounts for over \$2 billion in sales. The average annual earnings per job in the Plastics cluster in the three-county region is \$53,898.



Current employment in Elkhart
3,414



Average Size of Facility
53 Jobs



Current employment in the region
8,719



Total Sales
National: \$296 Billion
IN: \$13 Billion,
Region: \$2 Billion



Projected national growth
1.6%



Average Earnings
\$53,898

Cluster Needs

The top three needs for the plastics cluster relate to federal, state, and local air regulations, capital investment, and R&D labor. The plastics cluster is manufacturing intensive and due to that, businesses need to understand how to navigate the regulations on air pollution and how they apply to their specific operations. Additionally, with manufacturing plastics, there is a large capital investment need to obtain the machinery to develop products. With this, the inputs for the machinery are often customized to fit the needs for specific plastic products and that requires significant research and development professionals.

Transportation & Logistics



The Transportation & Logistics cluster includes all activities surrounding transportation and logistics including air, ground, bus, and support. The primary opportunity in Elkhart is likely related to truck and rail transportation.

With the increase in ecommerce, the industry has seen significant growth.

Current employment in Elkhart for the Transportation & Logistics sector is 870. The region of Elkhart, St. Joseph, and Marshall counties has 2,831 occupations in the sector. The projected national growth for the cluster is 5.1% over the next five years with current jobs at 2.2 million.

This cluster nationally has 97,464 businesses supporting an average of 23 jobs per business. National sales for the cluster sit at approximately \$580 billion. Indiana's total cluster sales are about \$12 billion and the region of Elkhart, St. Joseph, and Marshall counties accounts for over \$812 million in sales. The average annual earnings per job in the Plastics cluster in the three-county region is \$66,270.



Current employment in Elkhart
870



Average Size of Facility
23 Jobs



Current employment in the region
2,831



Total Sales
National: \$580 Billion
IN: \$12 Billion.
Region: \$812 Million



Projected national growth
5.1%



Average Earnings
\$66,270

Cluster Needs

The Transportation and Logistics cluster is often labor intensive. At the heart of the cluster, and the largest occupation, is semi-truck operators. To support the operators are logistic strategists and organizers. With the large dependence on trucking, the fluctuation of fuel prices is an influencer of business costs, and businesses must have a plan to survive through the fluctuations both short term and long term.

Existing Incentives

The City of Elkhart currently offers development incentives that include tax phase ins (or abatements), tax increment financing (TIF), Enterprise Zones, loan funds, and façade renovation programs. Tax phase ins offer tax credits for companies investing at least \$500,000 in new real or personal property investment. These credits seek to attract commercial office or industrial businesses that will create new jobs of which 70% have wages above the county median wage. Other factors examined for credit eligibility include the number of new and existing jobs, percentage of total compensation through fringe benefits, the median employee salary, national or regional headquarters relocation or expansion, and the redevelopment of Brownfield sites or usage of obsolete facilities.

Points are also rewarded for companies that are part of the Economic Development Corporation of Elkhart County's targeted industries (Agribusiness, Advanced Recycling, Automotive Tier I/II Production, Electronics, Financial and Professional Services, Health Care, and Robotics) or the Indiana Economic Development Corporation targeted industries (Aerospace & Aviation, Advanced Manufacturing, Cybersecurity, Defense & National Security, Energy, IT, Life Sciences, Logistics, and Motorsports). The City of Elkhart, the City of Goshen, and Elkhart County currently have a mutual partnership to use the same criteria for evaluating tax phase in applications. Additionally, Elkhart has tax increment financing (TIF) districts that aim to fund infrastructure for new development.

Elkhart also has an Urban Enterprise Zone. These Zones were created by the Indiana General Assembly and are intended to promote investment and increased economic activity in some of the most distressed urban areas around the state. The incentives within the Zone that are offered are Property Tax Credits, Investment Cost Credits, and Employment Expense Credits. Additional details on Elkhart's Urban Enterprise Zone can be found in Land Use and Infrastructure section.

The Gateway Mile and Aurora Capital Loan Fund programs offer \$50,000 loans oriented for small businesses and in some cases firms in a given geographical area. Eligibility for the loans includes uses such as rehabilitation and/or new construction of commercial real estate, addressing business expansion needs, and the purchase of new equipment.

The Elkhart Façade Restoration Program offers a reimbursement of up to 50% of the restoration cost, with a maximum reimbursement of \$20,000. The restoration program's objective is to entice the buildings in the Downtown Commercial Historic District Area. The actions being incentivized are repair/replacement of windows and doors, masonry cleaning and tuck pointing, and new signage among other basic storefront improvements.

The below table provides a summary of the incentives currently available for Elkhart businesses. Key gaps in the City's tool box include incentives for smaller businesses with a small amount of capital investment and businesses that are looking to make technology and human capital investments.

Current Incentives Summary

Incentive	Type of Incentive	Type of Business	Minimum Jobs Requirement	Minimum Cap. Inv.	Additional notes
Tax Phase-In	Real or Personal Property Tax Credit	Commercial Office/Industrial	70% of jobs have wages above County median wage	\$500,000	Number of new and existing jobs, industry, and other factors can improve scoring
Tax Increment Financing	Infrastructure funding	Primarily new development	None	None	Location specific, primarily used for comm. dev. projects
Enterprise Zone	Property tax credits; investment cost credits; employment expense credits	Commercial Office/Industrial	None	None	Location specific
Small Business Loans and Grants	Façade Restoration; Loan Funds	Small businesses	None	None	Some are location specific

Best Practices

The following best practices provide insights into tools used in other communities that could be adapted or implemented in Elkhart to better attract new and diverse businesses.

South Bend, Indiana

In South Bend, Indiana an Industrial Revolving Loan Fund was established. This fund provides low-interest gap financing for companies to expand. The fund seeks to prioritize expansion of the Manufacturing, Transportation, Communication, Wholesale Trade, and Service Sector

industries. South Bend also offers Industrial Revenue Bonds to companies. These bonds are eligible for new construction, acquisition of real property, rehabilitation or renovation of existing facilities, and the purchase of equipment.

Washington, D.C.

In Washington, D.C. there are three initiatives to attract and retain high tech companies. First, is the “Thrive in DC” initiative. This initiative provides a 0% corporate income tax rate for five years and a reduction in the corporate income tax rate from 9.975% to 6% for the life of a company. Further, the initiative allows for an exemption from sales tax on the purchase of hardware and software.

There is also the “Grow in D.C.” initiative, which provides for wage reimbursement of up to \$10,000 for each new hire or up to \$30,000 for newly hired veterans. This initiative grants a ten-year exemption of qualified personal property taxes and training tax credits of up to \$20,000 for newly hired veterans, of which up to \$10,000 may be refunded. Third is the “Move to D.C.” initiative that allows for relocation reimbursements of up to \$5,000 for each employee relocated to the District or \$7,500 if the employee relocates her/his principle residence to the District. The third initiative also places a five-year property tax freeze on the assessed value of real property (no increase in real property tax.)⁷

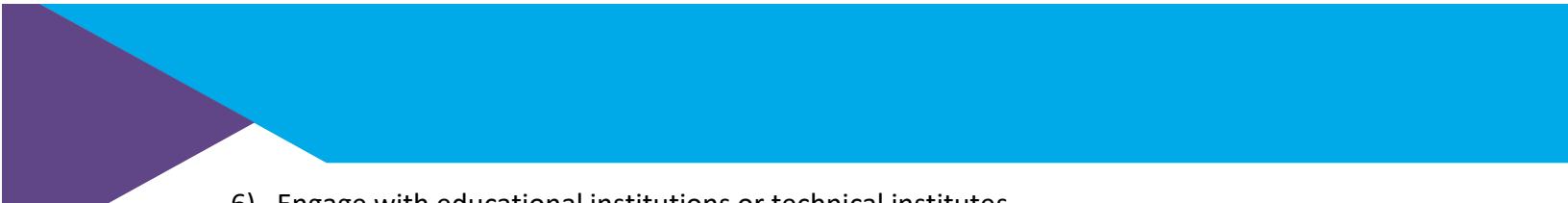
El Paso, Texas

In El Paso, Texas there are several qualification criteria for business incentives. If 80% of the jobs are above the prevailing median county wage, the business is eligible for a 40% grant. If a business is also a target industry cluster, enhances the El Paso supply chain, and has market for service of a product that is regional, national, or global, it is eligible for a 50% grant. If it also invests \$50 million or more in capital investment, it is eligible for up to a 70% grant. Lastly, if a proposed project is a Retail/Destination or Retail/Retail Distribution Center that fills an unmet need, then it can receive up to a 100% rebate on property and/or sales tax. El Paso offers various bonus incentives. Companies that qualify in one of the previous categories can increase their rebate if they:

- 1) Are located within Downtown Plan Area or a Tax Increment Reinvestment Zone
- 2) Are located within the Medical Center of the Americas Master Planned Campus
- 3) Are a corporate headquarters who establishes their operation within the City of El Paso with a minimum of 100 employees
- 4) Locate their Research and Development in El Paso
- 5) Employ 15% of veterans

⁷ DC Tech Incentives,

https://dslbd.dc.gov/sites/default/files/dc/sites/dslbd/publication/attachments/DC%20Tech%20Incentives%20One%20Pager_0.pdf



- 6) Engage with educational institutions or technical institutes
- 7) Offer mentoring, internships, or programs which provide some educational attainment
- 8) Have aggregate wages at a minimum of two times the prevailing median county wage.⁸

⁸ City of El Paso Incentives Policy,
<https://www.elpasotexas.gov/~/media/files/coep/economic%20development/coep%20incentives%20policy%20%20guidelines%20%20criteria%20%20201510071520%204677523w%20exhibits.ashx?la=en>

The Work Program elements related to the Diversification team involve overall strategies for attracting the targeted diverse industries identified in the Opportunity Assessment. These elements also include programs to grow existing businesses and encourage entrepreneurship in new and diverse areas of business.

Targeted Industry Attraction

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 these sectors.

This effort could involve traditional business attraction methods and nontraditional business attraction methods. However, a key component of attracting new businesses will be about marketing the ways in which Elkhart can support businesses in diverse industry sectors.

Key steps in this process should include:

- Develop marketing materials that message the key talking points for attracting the diverse industries. These documents should be targeted to each industry by emphasizing the cluster needs outlined in the Opportunity Assessment
- Evaluate new marketing and business identification tools that may identify potential leads for attraction, utilizing social media and other platforms for disseminating the Elkhart 2040 messaging
- Create a site selector engagement strategy to connect regularly with site selectors across the country
- Conduct sales missions and targeted travel, meeting directly with businesses individually and through industry trade shows and conferences.

Lead Entity - Economic Development Corporation of Elkhart County (EDC) should be the lead entity as this is part of their mission on behalf of the City of Elkhart and the County.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities along with Elkhart County where projects maybe located in areas under county jurisdiction but will be eventually transitioning to city jurisdiction.

Local Funds - The City and County in some cases should use the Tax Increment Finance program to underwrite the necessary infrastructure improvements to support economic development projects within the City or in the area currently under County jurisdiction, but will eventually transition to City jurisdiction.

State Funds - There are a variety of state funding sources to support economic development projects such as job training, infrastructure, and venture capital. The Indiana Economic

Development Corporation (IEDC) would be the state lead on targeted industry attraction and would also support expansion and retention efforts. The IEDC's Elevate Venture Capital Program may be used to support innovation investments to support the targeted industries efforts.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA) and its Small Business Administration (SBA). The Department of Defense can also be a lead agency especially for advanced manufacturing development and production. Other national funding sources may be venture capital funds and/or financial institutions that are targeted around a specific industry group such as technology.

Work Program Timeline

Pre-development and Planning - It may take to the 4th quarter of 2020 before EDC would begin to actively promote key targeted industries with appropriate marketing and information materials.

Implementation - The EDC should have a full targeted industry strategy moving forward by 2021, as an integral piece of their industry attraction and retention efforts.

Tax Phase in Changes

In order to expand the types of companies that qualify for tax phase-ins, including smaller size firms and companies investing in new technology, the following changes to the tax phase-in point system are recommended.

- Restructuring the points awarded for number of new and existing jobs to encourage smaller businesses and those only investing in new technology.
- Updating the targeted industries to reflect priority industry expansion as well as diversification targets.
- Allowing incentive points for investment that upskills existing workers.
- Updating the infrastructure benefits award to encourage redevelopment where existing infrastructure is currently in place.
- Create separate scoring systems for existing versus new businesses
- Lower required jobs for existing businesses
- Simplify benefits formula
- Incentives redevelopment through points for having existing sewer and water infrastructure

- Create one list for targeted industry points
- Provide bonus points for workforce training and internship programs

Lead Entity – The City of Elkhart should be the lead entity as this is part of their mission to manage property tax incentives within the City. If there is an occasion where a project may be in the County, but of significant interest to the City of Elkhart, then the City and County should cooperate to support appropriate tax phase-in incentives as may be necessary.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities along with Elkhart County where projects maybe located in areas under county jurisdiction but will be eventually transitioning to city jurisdiction. The City of Goshen should be coordinated with as well as the County to support tax phase-in measures that support the targeted industries incentives.

Local Funds - The City and County in some cases should use Tax Phase-in Incentives to support critical economic development projects following a common agreed upon assessment between the City of Elkhart, Elkhart County, and the City of Goshen.

State Funds – N/A

National Funds – N/A

Work Program Timeline

Pre-development and Planning - It may take to the 4th quarter of 2020 before the City of Elkhart, Elkhart County and the City of Goshen are able to agree in to a common revised set of tax phase-in incentives that support the targeted industry efforts and prioritize redevelopment within the City of Elkhart.

Implementation - The City should have reached agreement and Common Council approvals by the end of 2020, so the City of Elkhart could aggressively use the Tax Phase-in Incentives for its targeted industry efforts and to prioritize redevelopment areas within the City.

CReED & Opportunity Zone District

Rationale

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

The CReED would capture locally generate 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 could be for public infrastructure upgrades, such as storm water management, sidewalks, streets, and other utility needs 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, such as Connecticut, Illinois, Ohio, and Utah. Indiana should do the same by expanding the existing CReED legislation to incorporate Opportunity Zones. This should have broad appeal across much of the state as Indiana's Opportunity Zones are in urban and rural areas

Lead Entity - Economic Development Corporation of Elkhart County (EDC) should be the lead entity as this is part of their mission on behalf of the City of Elkhart and the County.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities along with Elkhart County where projects maybe located in areas under county jurisdiction but will be eventually transitioning to city jurisdiction.

Local Funds - The City and County in some cases should use Tax Increment Finance program to underwrite the necessary infrastructure improvements to support economic development projects within the City or in the area currently under County jurisdiction but that will eventually transition to City jurisdiction.

State Funds – City would work with other urban and rural communities with Opportunity Zones to expand the state CReED eligibility areas to Opportunity Zones

National Funds – N/A

Work Program Timeline

Pre-development and Planning – Build legislative support through the Accelerate Indiana Municipalities (AIM), Metropolitan Mayors Associations, and the Association of Indiana Counties (AIC). Receive legislative support in November for a bill to be introduced in the 2021 legislative session. Receive legislative and gubernatorial passage and support by June 2021. With the effective tax years beginning 2022.

Implementation – The full tax year 2022 is used as the basis for the CReED, and revenues may begin to be received in 2023 for use on Opportunity Zone projects.

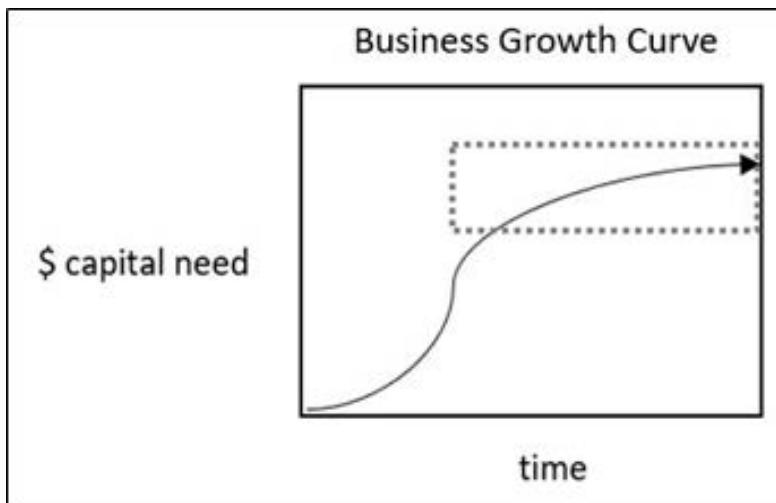
Traditional Lending

Rationale

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

The terms tend to be more conservative, and the borrower will have to bring several years of business history to illustrate they have established a sound financial track-record. This is where all businesses should strive to be eventually, but traditional lenders are risk adverse. Consequently, few traditional lenders can provide key underwriting for new and early-stage

business growth curve financing. Therefore, 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.



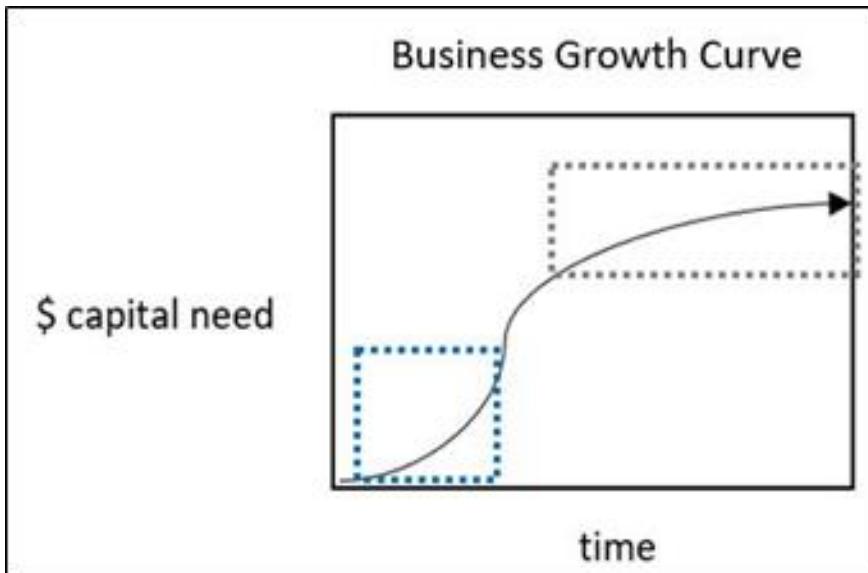
The above business growth curve illustrates that banks and other traditional lenders tend to be attracted to businesses that have grown and have sustained their growth over time. It also illustrates that these more traditional lenders will likely not be involved to underwrite new business start-ups or 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's Existing Aurora Loan Fund

Rationale

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 funds, and therefore, the Aurora Loan fund is not a viable fund for broad-based industrial and neighborhood commercial revitalization underwriting.



Lead Entity – The City of Elkhart is the lead entity, and the City should from time to time coordinate with banks and downtown stakeholders that may be interested in different downtown commercial development projects.

Partner Entities – Chamber of Commerce and other downtown associations

Local Funds - The City may package a loan with other tools such as tax phase-in incentives if the project fits the City's redevelopment and downtown goals.

State Funds – N/A

National Funds – N/A

Work Program Timeline - Existing City Loan Program

Local Elkhart Opportunity Fund --> GOAL \$50,000,000

Rationale

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

The local Elkhart Qualified Opportunity Fund would focus on Elkhart's OZs only. The Elkhart QOF would support small business development projects within its Opportunity Zones. These would be locally controlled funds that would 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 national QOFs that have targeted affordable housing and small business development. This would allow business deals to get a double dose of QOF monies 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.

Lead Entity – Create a new 501 (c) 4 nonprofit organization with its sole mission to make loans to business development interests within the Elkhart Opportunity Zone.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities.

Local Funds - The Elkhart Opportunity Fund would raise funds from individuals and other entities who have federal capital gains liabilities. These individuals could be from the Elkhart area or from outside of Elkhart. The intent is for the Elkhart Opportunity Fund to underwrite projects within Elkhart's Opportunity Zone.

State Funds – LISC Indiana Opportunity Fund could be leveraged by having a local Opportunity Fund.

National Funds – National Opportunity Funds could be drawn to assist a portion of Opportunity Zone project underwriting if Elkhart has a local Opportunity Fund.

Work Program Timeline

Pre-development and Planning – It may take six months to establish an Elkhart Opportunity Fund as a 501 (c) 4 under the IRS and Department of Treasury regulations, but the working board and funding raising could occur simultaneously.

Implementation – The Elkhart Opportunity Fund could be operational in 2021.

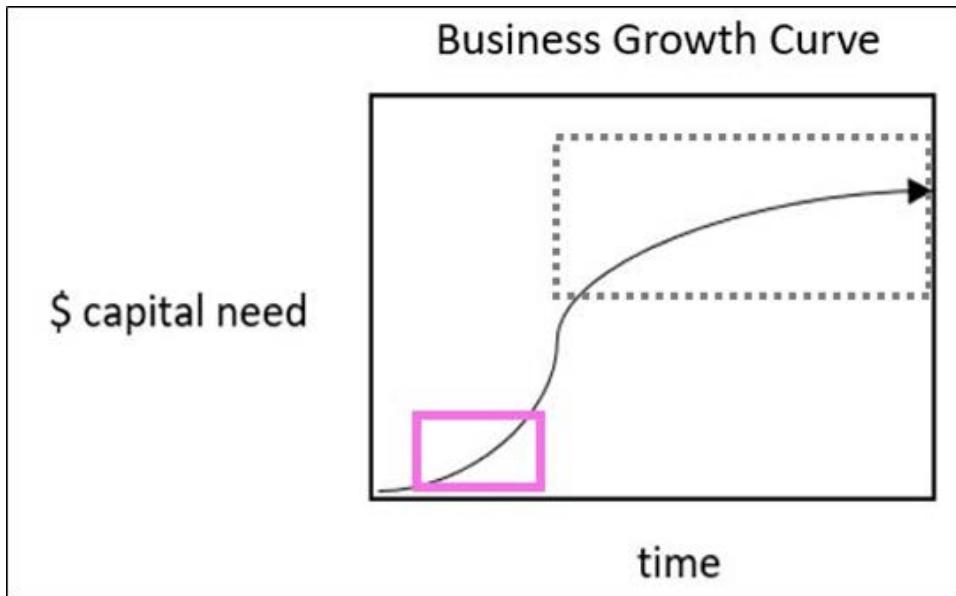
Micro Enterprise Development --> GOAL \$5,000,000

Rationale

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

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 component parts for larger manufacturers could be underwritten with microenterprise lending. These funds could act like a bridge for these micro-businesses to reach more traditional bank lending once they have had two – 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 to move toward and eventually into more traditional lines of commercial lending for the long-term.



Partner Entities - City, Chamber, EDC, and the Small Business Development Centers of Indiana would be supporting the efforts of the Micro-enterprise Loan Program. Elkhart Opportunity Fund may assist with loans where appropriate within the Opportunity Zone such as the Maker District on the City's southwest side.

Local Funds – The Elkhart Micro-enterprise Loan Program (MELP) could be underwriting with assistance from national banks under the Community Reinvestment Act and the Elkhart County Foundation.

State Funds – NI-RDA was supported by state Regional Cities Initiative monies, and the Microenterprise Loan Program could be supported by a second round of RCI funding if secured for Northern Indiana Cities.

National Funds – There are several national entities who could support the MELP. The US Department of Commerce EDA may support a local revolving loan program for local small/micro manufacturers as might be found in the Maker District of the Opportunity Zone.

There are a number of national foundations who would support MELP, such as the Ford Foundation, Knight Foundation, Lilly Endowment, Joyce Foundation and others.

Work Program Timeline

Pre-development and Planning – It is anticipated that MELP may need to the middle of 2021 to be organized as a 501 (c) 4 with a landing board and to raise enough capital to begin making microloans.

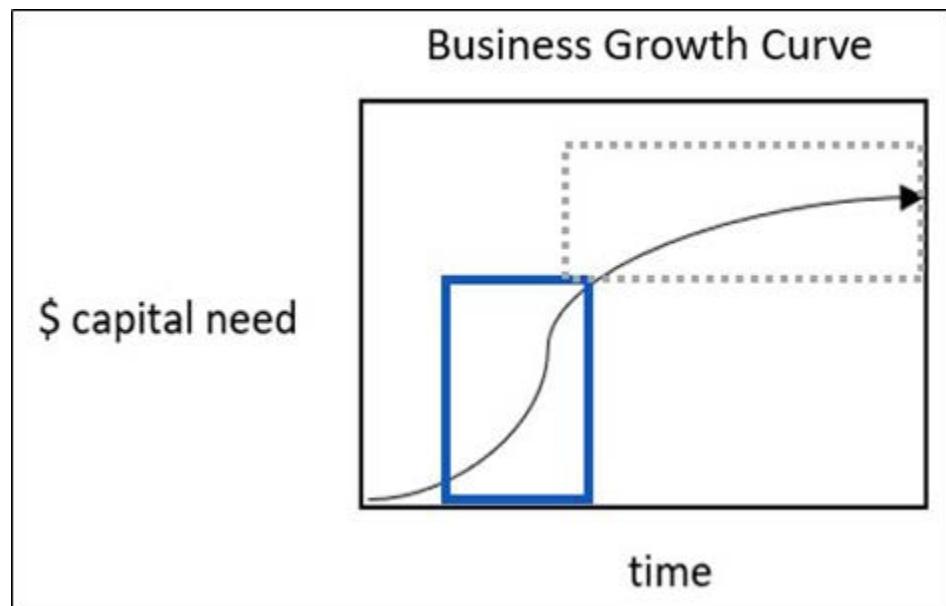
Implementation – MELP could be fully operational by mid-2021.

Community Development Finance institution- Friendly City --> \$25,000,000

Rationale

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

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 affordable housing underwriting and start-up small 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.



Lead Entity – Public 501 (c) 3 nonprofit organization should lead the CDFI Friendly City initiative.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities.

Local Funds – Elkhart County Community Foundation and local banks.

State Funds - NI-RDA was supported by state Regional Cities Initiative monies, and the CDFI Friendly City could be supported by a second round of RCI funding if secured for Northern Indiana Cities.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA), US Housing and Urban Development, and the Small Business Administration (SBA). Other national banks who may meet some of their Community Reinvestment Act (CRA) requirements by underwriting a new CDFI effort. National foundations such as Ford, Knight, Joyce and the Lilly Endowment may fund the CDFI Friendly Initiative due to its social good aspect of funding to areas of financial need.

Work Program Timeline

Pre-development and Planning - It may take to the middle of 2021 to organize and educate local community on the merits of this alternative funding source.

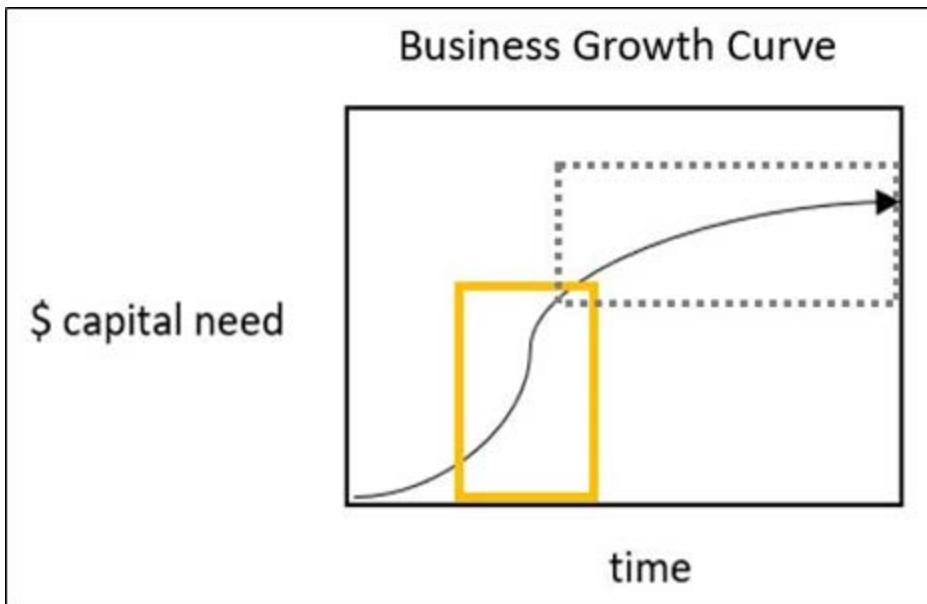
Implementation – The CDFI Friendly Initiative may be ready for full implementation by mid to late 2021.

Small Business Loan Fund focus on Targeted Industries --> GOAL \$50,000,000

Rationale

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.

The Small Business Development Loan fund would connect local Elkhart businesses to federal and state loan sources through their existing banks that would cover needed 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 also be used to leverage additional Qualified Opportunity Fund resources and other non-traditional funding sources.



Lead Entity – Establish a 501 (c) 4 to make loans to small businesses who may not be able to fully capitalize their business needs for growth and expansion.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities along with Elkhart County where projects maybe located in areas under county jurisdiction but will be eventually transitioning to city jurisdiction.

Local Funds – N/A -- Small Business Loan Fund

State Funds - NI-RDA was supported by state Regional Cities Initiative monies, and the CDFI Friendly City could be supported by a second round of RCI funding if secured for Northern Indiana Cities.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA), US Housing and Urban Development, and the Small Business Administration (SBA). Other national banks who may meet some of their Community Reinvestment Act (CRA) requirements by underwriting a new CDFI effort. National foundations such as LISC, Ford, Knight, Joyce and the Lilly Endowment may fund the Small Business Loan Fund due to its social good aspect of funding to areas of financial need.

Work Program Timeline

Pre-development and Planning – It is anticipated that to organize and align financial institutions may take till the middle of 2021.

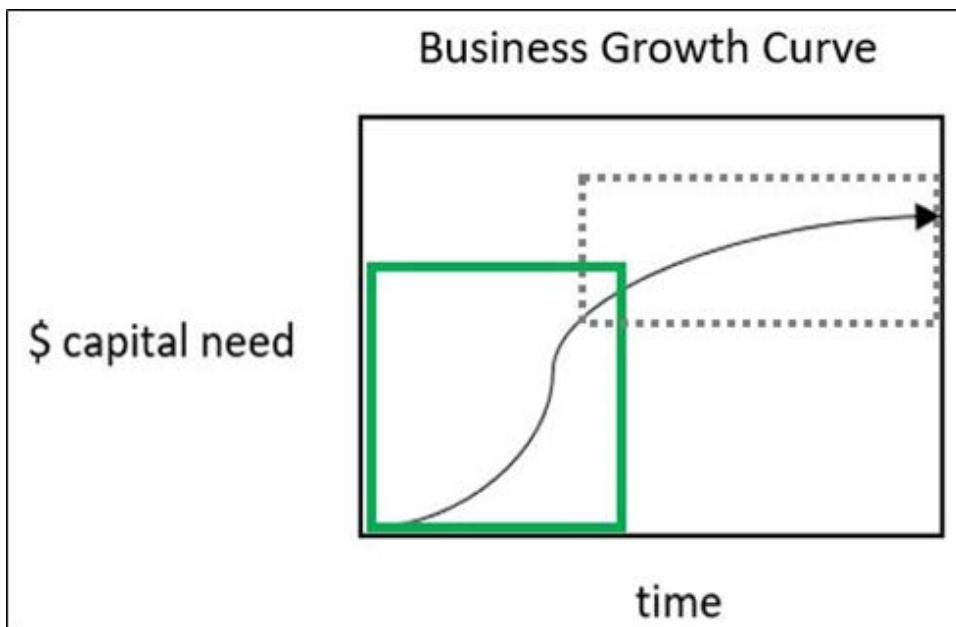
Implementation – The Small Business Loan Fund may be in position to make loans by middle to late 2021.

Angel Capital Fund --> GOAL \$10,000,000

Rationale

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.

Angle capital investors focus on earlier stage business development while venture capitalists generally require a longer track record before committing venture capital. Angel investors capital is focused to support small and microenterprise businesses who may often be non-traditional entrepreneurs. Secondly, their focus may also be to direct their investment to portion of the City that may 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 within Elkhart's Opportunity Zones for small business working capital loans and smaller real estate development projects.



Lead Entity – Establish a 501 (c) 4 to make loans to micro / small businesses who may not be able to fully capitalize their business needs for growth and expansion.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NIRDA) should be supporting entities along with Elkhart County where projects maybe located in areas under county jurisdiction but will be eventually transitioning to city jurisdiction.

Local Funds – N/A -- Angel Investment Fund

State Funds - NI-RDA was supported by state Regional Cities Initiative monies, and the CDFI Friendly City could be supported by a second round of RCI funding if secured for Northern Indiana Cities.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA), US Housing and Urban Development, and the Small Business Administration (SBA). Other national banks who may meet some of their Community Reinvestment Act (CRA) requirements by underwriting a new CDFI effort. National foundations such as LISC, Ford, Knight, Joyce and the Lilly Endowment may fund the Angel Investment Fund due to its social good aspect of funding to micro / small businesses who would otherwise not receive financial assistance.

Work Program Timeline

Pre-development and Planning – It is anticipated that to organize and align financial institutions may take till the middle of 2021.

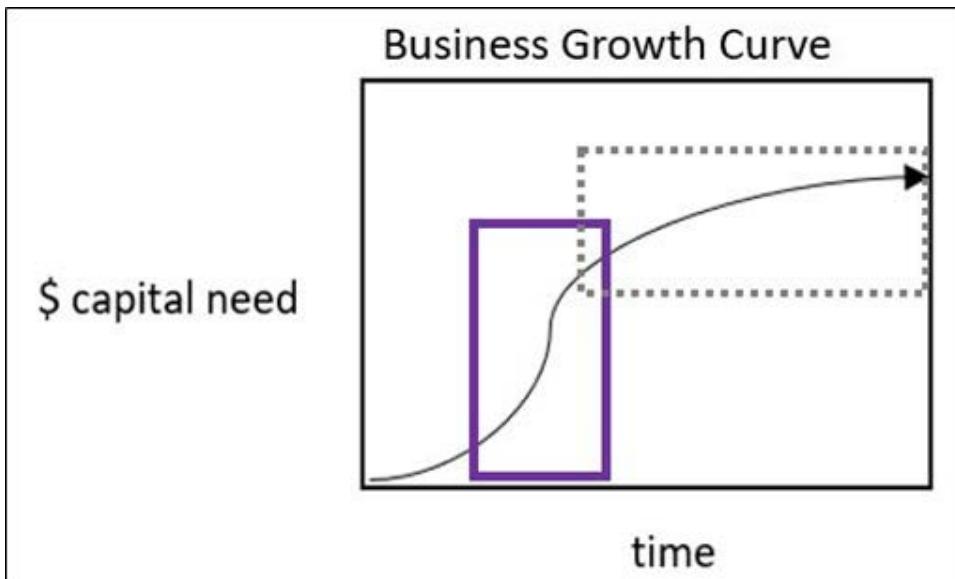
Implementation – The Small Business Loan Fund may be in position to make loans by middle to late 2021.

[**Elkhart Venture Capital Fund --> GOAL \\$100,000,000**](#)

Rationale

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

The Elkhart Venture Capital Fund would manage funds the money of investors who want private equity in new venture start-ups and small to medium sized enterprises that are growing new product lines and incorporating new innovations in production of the targeted industry sectors. 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 of time to realize their return.



Lead Entity – Private 501 (c) 4 entity should be created to manage the Elkhart Venture Capital Fund.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NIRDA) should be supporting entities.

Local Funds – Elkhart Venture Capital Fund

State Funds - There are a variety of state funding sources to support economic development projects such as job training, infrastructure, and venture capital. The Indiana Economic Development Corporation (IEDC) would be the state lead on targeted industry attraction and would also support expansion and retention efforts. The IEDC's Elevate Venture Capital Program may be used to support innovation investments to support the targeted industries efforts.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA) and its Small Business Administration (SBA). The Department of Defense can also be a lead agency especially for advanced manufacturing development and production. Other national funding sources may be venture capital funds and/or financial institutions that are targeted around a specific industry group such as technology.

Work Program Timeline

Pre-development and Planning - It may take two years to raise the venture capital funds.

Implementation - the EDC should have a full targeted industry strategy moving forward by mid-2022, as an integral piece of their industry attraction and retention efforts.

Small Business Development Center expand to IUSB Elkhart Campus

Rationale

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

The expansion of the Small Business Development Center to the IUSB Elkhart Campus. This expansion would put the small business center into downtown Elkhart. It could act as a hub of technical assistance to Elkhart City's entrepreneurs focusing on the following key small business needs:

- Strategic planning
- Financial clarity
- Industry research reports and prospect lists
- Business valuation
- Exporting advising and fellowship program
- Market research



Lead Entity - Economic Development Corporation of Elkhart County (EDC) should be the lead entity as this is part of their mission on behalf of the City of Elkhart and the County.

Partner Entities - City, Chamber, and South Bend Small Business Development Center should be supporting entities.

Local Funds – SBDC should be funded by memberships and supported by the Elkhart Chamber of Commerce and IUSB-Elkhart Campus.

State Funds – Indiana Small Business Development Center Program within IEDC.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA) and its Small Business Administration (SBA). The Department of Defense can also be a lead agency especially for advanced manufacturing development and production.

Work Program Timeline

Pre-development and Planning - It may take to the middle of 2021 before the program could be organized and up and running in Elkhart full-time.

Implementation - the Elkhart Small Business Development Center should be able to provide on-going small business technical assistance by mid-2021.

Anchor Institution Program

Rationale

Leverage 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.

The institutions have significant purchasing power for food, supplies, and technical / professional services. These institutions are also looking to build an employment pipeline for their future technical and professional hiring needs. They often can support adult training and youth mentoring for specific full-time jobs in health care fields and / or education. The 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, affordable housing is often a challenge to find for institutional employees. The institutions could form partnership with private developers and nonprofit entities to develop housing near their institutions and make the housing available for institutional employees. This serves the institution and it benefits the immediate neighborhood rental and or owner-occupied housing.

The graphic below illustrates the various community and economic development roles an anchor institution plays in neighborhood revitalization.



Lead Entity – Public 501 (c) 3 nonprofit organization should lead the Anchor Institution Program.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities.

Local Funds – City could use CDBG funding to assist projects along with the Elkhart County Community Foundation and local banks.

State Funds - NI-RDA was supported by state Regional Cities Initiative monies, and the CDFI Friendly City could be supported by a second round of RCI funding if secured for Northern Indiana Cities.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA), US Housing and Urban Development, and the Small Business Administration (SBA). Other national banks who may meet some of their Community Reinvestment Act (CRA) requirements by underwriting a new Anchor Institution effort. National foundations such as LISC, Ford, Knight, Joyce and the Lilly Endowment may fund the Anchor Institution Program due to its social good aspect of funding to areas of financial need.

Work Program Timeline

Pre-development and Planning - It may take to the end of 2021 to organize and educate local community on the merits of this alternative funding source.

Implementation – The Anchor Institution Program may be ready for full implementation to start in early 2022.

Certified Technology Park

Rationale

Create a focused area for advanced manufacturing with research and development combined in one focused area of the City. These certified technology parks play the role as attraction for targeted technology clusters and their related supply-chain industries. These commercial / business parks have the following key features:

- Affiliation with research university (ies) for research and development efforts
- Campus-style physical environment that defines the area by its research and development focus.
- Ownership interest may range from private sectors, to public/private partnerships to publicly owned real estate
- Relatively low density industrial and research buildings that may be linked together through roadways, trails, and other common features.
- Specific criteria for the eligibility of prospective occupants to ensure the activities within the park are compatible and aligned with research and development of advanced manufacturing targeted technology sectors.

Other key components of certification technology parks for its businesses are:

- Specific desired targeted industries and research
- Good overall management and entrepreneurial minded eco-system for businesses
- Access to venture capital
- Access to technological “know-how” and its applied research and development capabilities
- Meaningful community support
- Access to transportation linkages
- Skilled labor pool
- Potential major business or two that can help drive short and long-term development

The development timeline may be in the range of 10-20 years, but may vary on the availability of real estate, research universities engaged, and the surrounding economy. It is anticipated that the real estate near the south and west sides of the Elkhart Municipal Airport may be a prime location for the development of a future Certified Technology Park in terms of its

relationship to the University of Notre Dame and other regional affiliated campuses of Indiana and Purdue Universities.

Lead Entity – Create a new Private 501 (c)4 organization who would manage and raise funds for the Certified Tech Park focused to serve its member businesses.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities.

Local Funds - The City could use Tax Increment Finance program to underwrite the necessary infrastructure improvements to support economic development projects within the City's new Certified Technology Park.

State Funds - There are a variety of state funding sources to support economic development projects such as job training, infrastructure, and venture capital. The Indiana Economic Development Corporation (IEDC) would be the state lead on targeted industry attraction and would also support expansion and retention efforts. The state legislature would support the establishment of a Certified Technology Park for the Area in and around the Elkhart Airport.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA) and its Small Business Administration (SBA). The Department of Defense can also be a lead agency especially for advanced manufacturing development and production. Other national funding sources may be venture capital funds and/or financial institutions that are targeted around a specific industry group such as technology.

Work Program Timeline

Pre-development and Planning - It may take several years to organize the political and business support for the Certified Technology Park. Therefore, it is anticipated that pre-development and planning would be completed by the end of 2022.

Implementation – The Certified Technology Park would be open for business and real estate transactions by the beginning of 2023.

[Center for Advanced Manufacturing](#)

Rationale

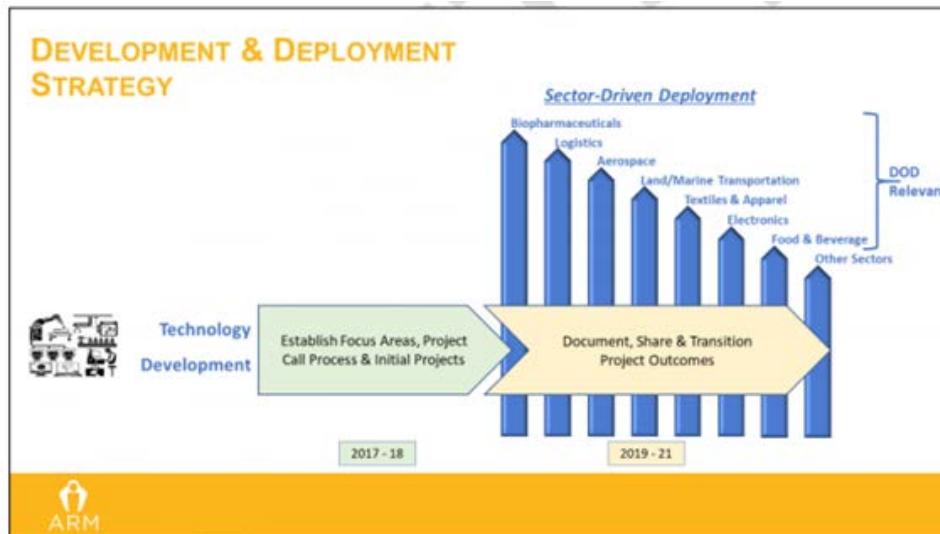
Leverage existing resources of industry, academia, and government through collaboration, and co-investment to nurture manufacturing innovation and accelerate commercialization.

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 the 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 to enable innovative new products through affiliations with the institutes of Manufacturing USA. Their 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.

It is anticipated that 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.

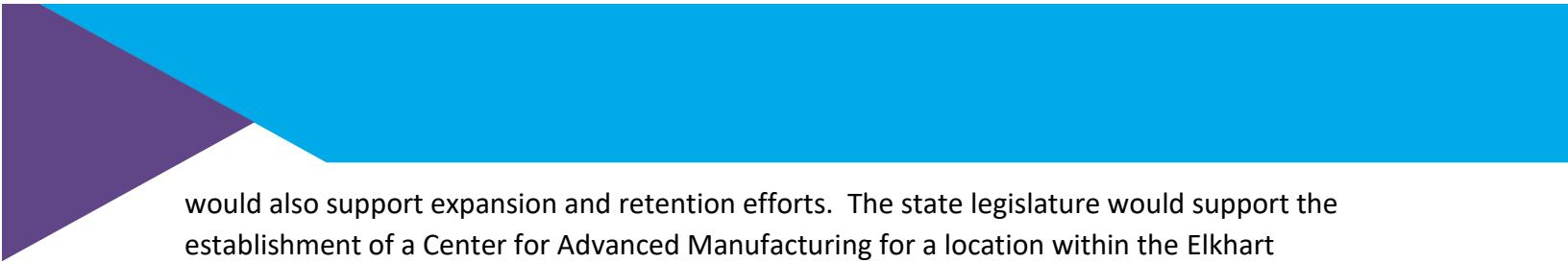


Lead Entity – Create a new Private 501 (c)4 organization who would manage and raise funds for the Center for Advanced Manufacturing focused to serve its member businesses.

Partner Entities - City, Chamber, and Northern Indiana Regional Development Authority (NI-RDA) should be supporting entities. The University of Notre Dame and possibly other research universities.

Local Funds - The City could use Tax Increment Finance program to underwrite the necessary infrastructure improvements to support economic development projects within the City's new Center for Advanced Manufacturing.

State Funds - There are a variety of state funding sources to support economic development projects such as job training, infrastructure, and venture capital. The Indiana Economic Development Corporation (IEDC) would be the state lead on targeted industry attraction and



would also support expansion and retention efforts. The state legislature would support the establishment of a Center for Advanced Manufacturing for a location within the Elkhart Certified Technology Park.

National Funds - Major national funds may be drawn from a variety of public and private sources. Federal agencies may include but not be limited to the Department of Commerce's Economic Development Administration (EDA) and its Small Business Administration (SBA). The Department of Defense can also be a lead agency especially for advanced manufacturing development and production. Other national funding sources may be venture capital funds and/or financial institutions that are targeted around a specific industry group such as technology.

Work Program Timeline

Pre-development and Planning - It may take several years to organize the political and business support for the Center for Advanced Manufacturing. Therefore, it is anticipated that pre-development and planning would be completed by the end of 2022.

Implementation – The Center for Advanced Manufacturing would be open for business and real estate transactions by the beginning of 2023.

TALENT OPTIMIZATION APPENDIX

The Talent Optimization (Talent) Action Team had its first meeting on August 27, 2019. During this kickoff meeting, the Talent Action Team worked in three groups representing education and training providers, employers, community, and government organizations. Each group addressed the following SWOT analysis questions, then reported out to the Talent Action Team:

- What are the talent needs of Elkhart?
- What is working? What are our strengths?
- What challenges exists?
- What gaps exist in the workforce development system?

Below is a summary of the SWOT analysis.

SWOT Analysis Findings

Talent Needs

Team members detailed a need for a skilled labor force, particularly related to mechanical, electrical, IT, and maintenance positions. There is also a need for front-line supervisors and leadership. Soft skills were also mentioned, including problem solving, conflict resolution, troubleshooting, and team building.

Strengths

Team members stressed strong educational programs and a collaborative model between K-12 schools, postsecondary institutions, and non-profits as a strength in Elkhart. The implementation of apprenticeships, internships, and work-based learning programs was also mentioned. Additionally, state leadership through Indiana Next Level jobs and a strong WorkOne Re-entry and Veteran service program were listed as strengths. Elkhart has strong adult education initiatives including certifications, HSE/High school diplomas, English as a Second Language, and alternative solutions. Team members felt that the career pathway programs are ahead of other communities. There are several training support providers, including Indiana University South Bend, Ivy Tech Community College, Horizon Education Alliance, WorkOne, and the Elkhart Chamber of Commerce.

Weaknesses

Weaknesses discussed by Action Team members included a need for industry buy-in on training programs and more industry-recognized and industry-valued certification programs. There is a

need to increase collaborative partnerships and introduce innovative practices through increased communication and coordination. Overall, increased awareness of the career opportunities in the City is needed. There is also an overall low availability of talent as in the total number of workers available. Some constraints when it comes to finding talent include affordable childcare and housing, technology access, and transportation problems. The overall low pay of jobs in the City of Elkhart was also mentioned as a weakness.

Opportunities

Opportunities discussed included building an education/talent ecosystem, developing graduation pathways with community support, and increasing apprenticeships.

Threats

Threats discussed included the lack of housing and affordability, the mobility of students, and the potential for economic downturns or recessions. Team members also discussed the need to tack a mindset of lower expectations in the City of Elkhart.

Goals and Initiatives of Action Team Members

In order to gather an understanding of the current landscape in the City of Elkhart, Action Team members were asked to provide an overview of their existing and future goals and initiatives related to talent.

Greater Elkhart Chamber of Commerce (Connecting Business to Education)

The Connecting Business to Education program from the Greater Elkhart Chamber of commerce focuses on teaching Lean Methodology, Six Sigma, Leadership, Team Building, Retention, Safety. The Chamber of Commerce coordinates the Michiana Lean Network that benchmarks local organizations efforts for continuous improvement.

The Chamber also offers a Traveling Career Day which brings speakers to middle schools to discuss careers, community job opportunities, and the PRIDE principles of the Governor's Work Ethic Certification program. The PRIDE principles include Persistence, Respectfulness, initiative, Dependability, and Efficiency.

Future initiatives of the Chamber involve addressing communities in helping with homeless challenges.

Community Foundation of Elkhart County

The Community Foundation of Elkhart County focuses on improving the quality of life in the County through support programs related to:

- Career Awareness & Exploration
- Talent Development, Attraction, & Retention
- Internships & Apprenticeships

- Post-Secondary Education Access

[Horizon Education Alliance](#)

The Horizon Education Alliance is focused on six strategic goals over the next 30 years.

1. Each child is socially, emotionally, cognitively, and physically ready for success in kindergarten by age 5 (2022).
2. All children are prepared with the academic and 21st-century skills needed for success in high school (and beyond) by the end of 8th grade (2025).
3. All students will graduate from high school and attain a post-secondary credential or degree within six years of high school graduation (2027).
4. Elkhart County has a creative, educated, and skilled workforce (2032).
5. Elkhart County has a culture of lifelong learning (2032).
6. Each child has a parent/caregiver engaged in their learning journey (2032).

Two specific metrics the organization is pursuing are:

- By 2025, 50% of all adults will hold a postsecondary credential
- By 2025, 50% of high school juniors and seniors will be employed in youth apprenticeships.

[Ethos Inc.](#)

Ethos, Inc. provides support for organizations that enhance STEM career skill development for K-12. Ethos provides Tech ISTEM support of pathways, supports K-12 teachers through professional development and resources, and hosts Junior Achievement, Biz-Town, and Financial Park programs.

[Goodwill Industries](#)

Goodwill offers an Excel Center adult high school as well as the TechStep hard skills training program and Growth with Google Digital Skills program.

Future initiatives include a Nurse Family Partnership to reduce infant mortality rate, NTMA Certifications, and a Group Violence Initiative to combat gang-related issues.

[WorkOne](#)

WorkOne of Elkhart County offers career training for unemployed workers and adult education referrals for the completion of high school degrees.

[Elkhart Community Schools](#)

Elkhart Community Schools are focused on increasing enrollment and retention of students as well as student career awareness and career exploration and industry certification attainment.

ECS currently has dual credit partnerships with Ivy Tech and Vincennes University. Other programs include trauma-informed care, English as a Second Language, School Counseling Initiative, and the Work Ethic Certification program.

Future initiatives include increased analysis and consideration of the changing needs in the workforce for possible program growth, a new facility to house Advanced Manufacturing programs, and career pathway solutions in different areas.

[Elkhart Area Career Center](#)

The Elkhart Area Career Center is currently focused on expanding facilities and adding additional education partnership and certificates.

[IU South Bend](#)

IU South Bend offers undergraduate, graduate, and continuing education credits and houses the North Central Indiana Small Business Development Center

[Ivy Tech Community College](#)

Ivy Tech Community College-Elkhart is focused on implementation of Ivy Tech's core Strategic Plan goals. These goals are:

1. Ensure every student persists toward their educational objective.
2. Recruit and enroll Hoosiers from every demographic into high-demand/high-wage career pathways.
3. Students earn 50,000 high-quality certificates, certifications, and degrees annually.
4. Students are placed into and succeed in high-demand, high-wage jobs.
5. Become known as a great place to work.
6. Ensure the institution has sufficient financial resources to achieve our mission.
7. Effectively engage with and serve our unique communities.¹

Future initiatives include construction of a technology manufacturing lab at Elkhart campus, increased career coaching and employer connections as well as career action planning and student support programs.

¹ Ivy Tech Community College, "Our Communities. Your College: Pathways for Student Success and a Stronger Indiana." January 2018. <https://strategicplan.ivytech.edu/wp-content/uploads/2018/02/Strategic-Plan-Final.pdf>

Metrics

In addition to detailing current and future initiative, Action Team members were also asked to list metrics they use, target industries, populations served and partnerships. The tables below show the number of responses for the most common answers. A full list of responses for each question is also provided.

Metric	Total
Efficiency	1
Certs/Degrees	6
Job/Education Retention	8
Attraction	3
Quality	3
Safety	1
Educational Attainment	6
Hope/Engagement	2
Postsecondary Enrollment	4
Living Wages	2
Work Based Learning and Dual Credit Participation	2
Business/Education Partner Feedback	1

- Retention (job retention)
- Improved efficiencies, processes, quality, and safety
- Hope & engagement (Gallup Index)
- Post-secondary enrollment & completion
- Education Attainment
- Living Wages
- Program completion
- Dual credits
- Early College

- Industry Certifications
- Technical Certifications
- 2-year degrees with embedded certifications
- Work-based learning placements
- Graduation rates
- Post-secondary placements
- Enrollments
- Community Engagement
- Community Dashboards

Targeted Industries

Local Target Industries/Groups	Total
Manufacturing, Logistics	6
Service	2
Construction	1
IT/Tech/STEM	5
Health	6
IMT Apprenticeships	1
Government	1
All Industries	2
Education	1
Business Operations	1

- Automotive
- Hospitality
- Food Service
- Education
- Manufacturing & Advanced Manufacturing

- Service Industries
- Business Services
- Healthcare
- Government
- Construction
- Information Technology (IT)-Coding, Robotics, STEM
- Logistics
- All Industries

Targeted Populations Served

Population	Total
K-12	9
Postsecondary	7
Workforce Adults	8
Unemployment	5
Veterans, Reentry, Disabled	1
Parents	1

- K-12 students
- Post-secondary students
- Adults
- Special Populations:
 - Minority Males
 - 21st Century Scholar
 - JAG
 - Unemployed
 - WIOA out-of-school youth
 - Disabled

- Veterans
- Re-entry
- Impoverished
- 8th-12th graders
- Graduate & Doctoral degree students in Speech, Language Pathology

Partner Organizations

Partner Organization	Total
Nonprofits	4
Businesses	5
Horizon Edu Alliance	4
enFocus	1
Chambers	5
Schools (EACC)	6
Junior Achievement	1
ETHOS	2
IUSB	4
Ivy Tech	4
Goshen College	3
Grace College	2
Notre Dame	2
WorkOne	2
The Crossing	1
EDC of Elkhart County	1
Goodwill	2
Community Foundation of Elkhart County	3
Local Government	2

Hospitals	1
SBERP, HASTI, NSTA, CILEAD	1

- Non-profits & profits in a 4- county region.
- Horizon Education Alliance
- Junior Achievement
- ETHOS
- IUSB, Ivy Tech, Goshen College
- WorkOne
- The Crossing
- School Districts
- Chambers of Commerce
- enFocus
- EDC of Elkhart Co.
- Goodwill
- City of Elkhart & City of Goshen
- Community Foundation of Elkhart Co.
- Adult Education
- K-12 School Districts
- Businesses
- Hospitals
- Employers
- Notre Dame
- Government
- South Bend ERP

- HASTI
- NSTA

Existing Landscape

This information was used to engage with the Action Team members in a conversation regarding what research and additional information was needed to develop a strategy for addressing the key needs based on the SWOT analysis and existing initiatives.

Although there were differing opinions amongst team members, discussions regarding the existing landscape focused on a few key points:

- 1) There is a need to reduce turnover in the production workforce in the City of Elkhart.
- 2) Transitioning people to higher skilled, higher paid positions is a key goal.
- 3) There are many programs, training providers, and service organizations in the City of Elkhart and the region related to talent and workforce that can provide support.

Based on these key points, TPMA focused on finding best practice models for organizations that examined the skills and competencies of the existing workforce and available jobs and defined how to transition workers into in-demand and diverse occupations that utilize similar skillsets. Implementing a skills-based model in the City of Elkhart could allow employers, training providers, job placement agencies, and educational institutions to align their efforts at connecting employees with the right job positions and training programs.

Promising Practices

TPMA examined the following case studies or promising practices in skills-based hiring efforts. These case studies were presented to the Action Team members to promote discussion around how the models could be applied in the City of Elkhart.

TalentNEO

TalentNEO is a skills-based hiring intervention in Northeast Ohio. The program, launched in 2015, aimed to provide a new tool that would help individuals better access career paths and increase the number of qualified candidates available for the business community. To do this, the program offered a skill score that could objectively measure the cognitive skill of candidates, helping better match them to potential jobs. It also could help job seekers understand the skills needed for jobs available, therefore providing a road map for increasing their qualifications. For community partners, the score provides a tool to better prepare job seekers and align with business needs.

The program provided skills assessments to 2,400 individuals between November 2015 and March 2017 in Cuyahoga County, Ohio. TalentNEO tracked 1,085 individuals and found that 940 or 87% of those individuals had secured employment within twelve months of the assessment. Additionally, outcomes were the same for White and Black/African American participants.

However, the Black/African American participants earned just 49% of the White participants despite having the same skills core.

Lastly, the analysis showed that there is not a significant education or skills gap for the available jobs in the community. For jobs paying between \$10-15/hr, there are 235,880 jobs that do not require a high school diploma and another 73,320 jobs that require no more than a high school diploma, highlighting a focus on increased specified skills rather than new certifications or degrees can result in productive employment.²

HireReach

HireReach is a three-year initiative in Western Michigan that aims to help employers better meet their talent needs. The program uses an evidence-based selection process utilizing data on job skills and helping eliminate bias. The program has been shown to reduce turnover and increase diversity.

The process involves an in-depth job analysis that identifies the valid selection requirements for an employer's open positions. This process uses Standard Occupational Classification Codes and O*NET data on skills and educational attainment needed to define each position's foundational competencies. Then an assessment of cognitive and character competencies and scored interview guides are developed to measure these skills in potential applicants. The tests and interviews are provided as a comprehensive assessment of a candidate's qualifications for the job.

The program evolved out of a strategy piloted at Mercy Health in 2010. Between 2010 and 2018, the health system hired over 10,000 candidates using the process and saw first-year turnover drop by 23% and workforce diversity double. Additionally, the amount of time it took to hire a candidate decreased by 16%. The program is expanding to around 30 employers in two cohorts over the next three years.³

Skillful Indiana

Skillful is an initiative led by the Markle Foundation and in partnership with several businesses including Microsoft, LinkedIn, Walmart, and the Lumina Foundation. The program has two major statewide initiatives in Skillful Colorado and Skillful Indiana and a Skillful State Network that connects 20 additional states.

² TalentNEO, "Connecting Employers and Jobseekers Through a Common Language-Skills." 10/15/18.

³ HireReach. "Executive Summary." August 2018.

https://static1.squarespace.com/static/5b86a6a35b409bf1be02158f/t/5b86befb70a6adf8ed01ad07/1535557371814/HireReach_Executive+Summary+August2018.pdf; Guest, James W. "Using Evidence to Drive Hiring and Investment: How Mercy Health, West Michigan is Making the Case for Investing in Frontline Workers' Skills and Careers." http://www.talent2025.org/uploads/files/Mercy-Case-Study_Final_2017-08-02_Print.pdf



Skillful Indiana is in partnership with Next Level Jobs, Purdue University, and Purdue Extension. The program looks to equip career coaches, educators, employers, and policy makers with a skills-based approach to jobs and hiring.⁴

⁴ Skillful A Markle Initiative, "Bringing a future of skills to the future of work." 2018.

The Talent Optimization team was a group of workforce and talent stakeholders charged with identifying the best next steps towards building a talent pipeline for Elkhart businesses and opportunities for Elkhart workers. Participants represented non-profits, WorkOne, post-secondary education and training, K-12 education, philanthropy, and the chamber. The Team met monthly through March of 2020 and many participants attended an extra virtual session.

Early in Talent Team conversations, providers reported that there is a great deal of capacity in Elkhart and generally speaking “we’re doing that” was a theme when TPMA asked participants about specific workforce approaches or best practices. This type of consensus around the ‘current state’ was also clear when stakeholders were asked about engagement with businesses. Participants reported strong individual relationships, some strong collective efforts (i.e. I.T. and manufacturing sector partnerships), and a strong understanding of the RV sector. Somewhat contradictory, there was a general sentiment that there is not sufficient business engagement and support to drive a community workforce and talent agenda. Finally, there was little consensus around who should lead in the workforce and talent space and there seemed to be a fair amount of competition for funding.

Given these discussions, TPMA’s engagement was split into two phases. Phase one included a SWOT analysis and the gathering and review of the programming, goals, targeted clients, and metrics of workforce and talent stakeholders in Elkhart. Phase two included the presentation of three emerging skills-based hiring initiatives and the development of skill crosswalks to help businesses and workers to navigate movement from ‘now’ jobs in the RV sector to ‘tomorrow’ jobs in other sectors. The change to the two-phase approach represented a shift in thinking for Talent Team participants. While there was a reasonable amount of hesitation, participants acknowledged a need to bring new ideas, new approaches, and new ways of doing business to the workforce and talent table, and they seemed optimistic about adopting a skills-based approach to talent.

To begin shifting the talent conversation in Elkhart to a skills-based model, TPMA engaged the Council for Adult and Experiential Learning (CAEL) to develop occupational crosswalks that could connect the skills of the workers in the dominant industries in the city to other in-demand and target diversification industries. Outlining 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. Individuals will have a greater awareness of the competencies they need for a given job, where they can find that additional upskilling opportunities if needed, and which employers have job openings for which they are qualified.
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.

Commented [GM1]: This section can be reviewed as similar language is earlier in the appendix



3. Workforce stakeholders 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 lead to better alignment of community and system stakeholders and resources. They also allow for nimble jobseekers who can navigate across sectors based on interconnected competencies rather than being confined to one pathway or set of occupations. Perhaps most impactfully, skills-based hiring encourages increases in diversity for businesses as they begin to hire based upon demonstrated skill rather than years of experience or educational credential—two areas where people of color have experienced disparate access.

Occupational Crosswalks

In order to begin shifting the talent conversation in Elkhart to a skills-based model, TPMA engaged the Council for Adult and Experiential Learning (CAEL) to develop occupational crosswalks that could connect the skills of the workers in the dominant industries in the City to other in-demand and target diversification industries.

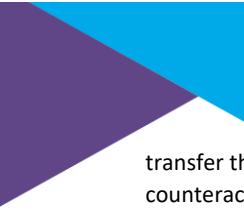
From the Recreational Vehicle Manufacturing Sector to In-Demand and Target Diversification Industries

The following section outlines occupational crosswalks for individuals shifting from declining occupations within the Recreational Vehicle/Advanced Manufacturing industries to In-Demand and Target Diversification 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 and pathways developed will serve as resources for case managers and career counselors as they assist job seekers transitioning from the RV industry to in-demand or diversification occupations. These crosswalks will highlight skill deficiencies, education requirements, and expected wage changes at some of the most common and realistic transition points.

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. Additionally, this report can be used by workforce development directors and administrators to make important decisions regarding how and where their funding is allocated.

Entry-Level Recreational Vehicle Manufacturing Occupations

Welders, Cutters, Solderers, and Brazers

Laborers and Freight, Stock, and Material Movers, Hand

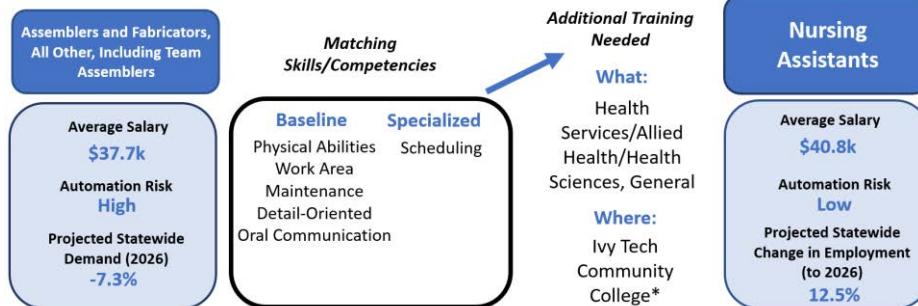
Assemblers and Fabricators, All Other, Including Team Assemblers

Inspectors, Testers, Sorters, Samplers, and Weighers

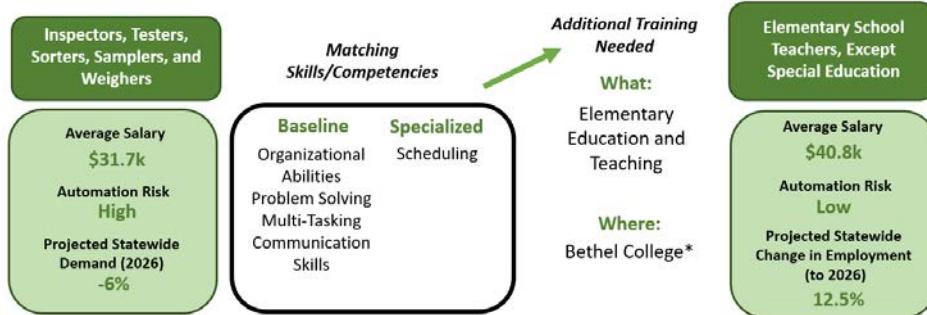
In-Demand Industry: Advanced Manufacturing



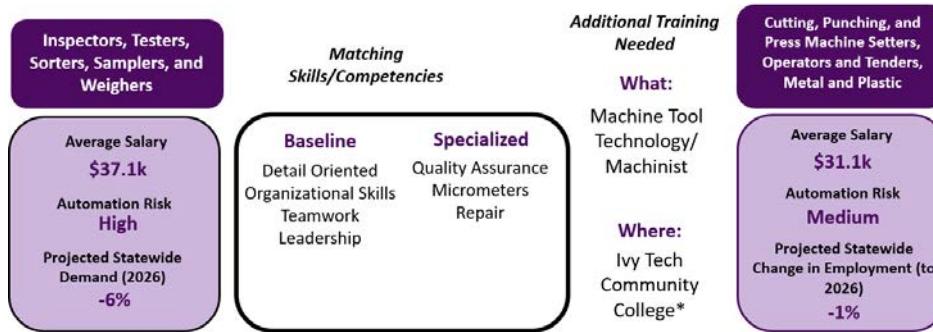
In-Demand Industry: Healthcare



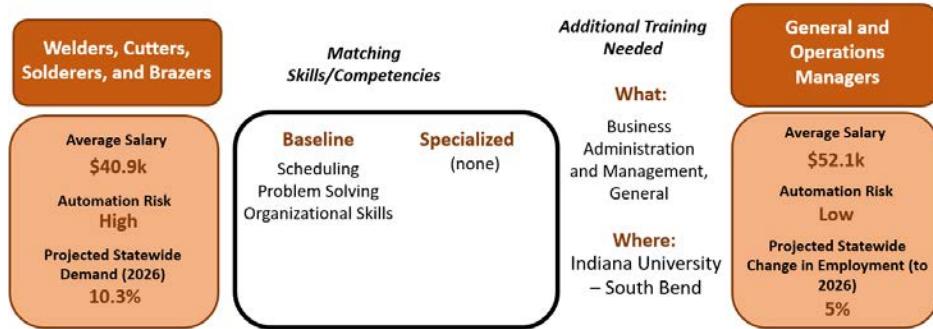
In-Demand Industry: Government



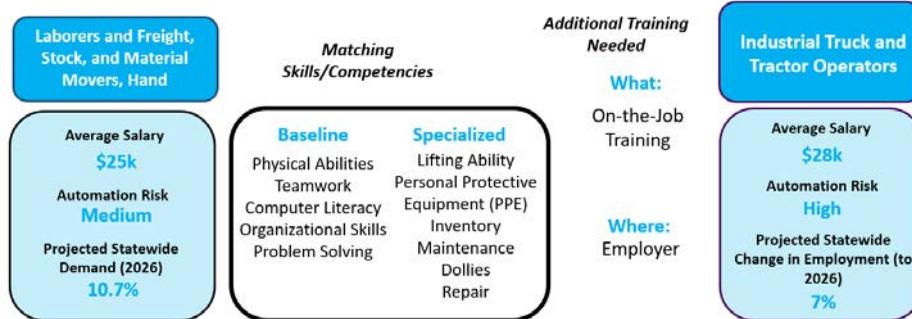
In-Demand Industry: Automotive



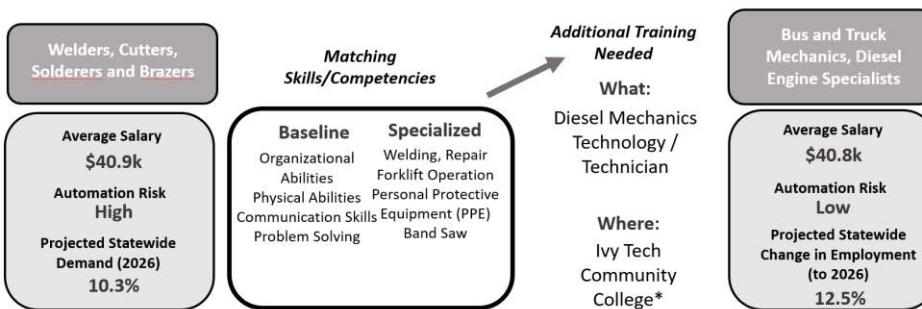
In-Demand Industry: Business Services



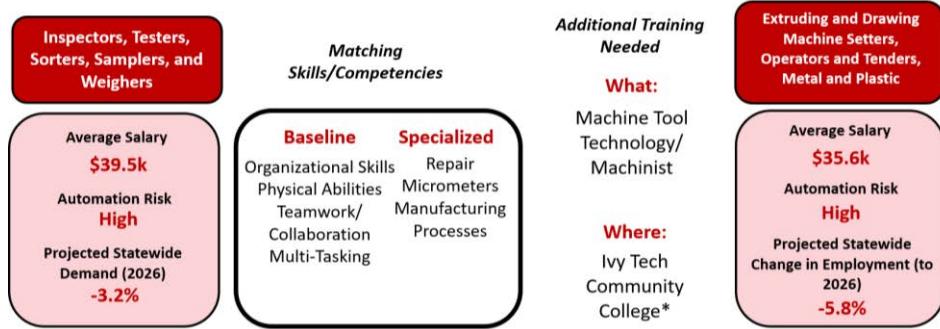
In-Demand Industry: Distribution and Electronics



In-Demand Industry: Transportation, Distribution & Logistics



In-Demand Industry: Plastics



Recommendations

Based upon input from the Talent Team, review of all materials, and our knowledge of promising practices and key themes in workforce development, TPMA has the following three recommendations to the City of Elkhart:

1. *Reframe the Conversation:* The City of Elkhart has a wealth of programs, initiatives, and providers but still experiences a shortage of talent and opportunity. A skills-based hiring approach focuses attention on the competencies required for a job, rather than years of experience or educational proxies. Changing the way Elkhart stakeholders think about skills and competencies is one way to leverage current work while embracing new ways of connecting business and talent.
2. *Identify a Neutral Lead:* The programs and providers noted in bullet one offer an impressive array of services and a variety of approaches to business, but it is challenging for any one organization or group of organizations to drive meaningful change across multiple sectors. Identifying or creating a neutral workforce intermediary can organize stakeholders, streamline communication, launch community vision, and foster accountability.
3. *Focus on Quality:* In nearly every Talent Team discussion, participants raised the nature of work in Elkhart—both relative to the quality of available jobs and the quality of available talent. Elkhart leadership should establish a shared vision of the quality of opportunities and workers that Elkhart wants to grow and support stakeholders and partners in working towards that vision.

Based on these recommendations, the strategies in the work program focus on establishing a talent intermediary, creating a resource network for small businesses, and neighborhood-based employment services

WORK PROGRAM

Based on the above outcomes of the Opportunity Assessment phase, each team outlined recommendations and strategies for how to implement programs that would move the needle on a comprehensive framework for economic development. The following outlines the work program elements for each team. A few elements of the work program represent multiple areas and are shown in the chart below.

Diversification	Land Use	Talent
Targeted Industry Attraction	Redevelopment Strategy	Skills Crosswalks
Tax Phase In Changes	Business Cluster Activation Plan: West Cluster	Expanded Apprenticeship Program
CReED District	Business Cluster Activation Plan: East Cluster	Expanded Job Shadowing and Mentoring for HS and MH students
Venture Capital & Angel Investment Fund	Other Site Development	On the Job Training integration with Business Job Skill Needs
Small Business & Micro-Enterprise Development	Logistics	

Workforce Housing
Strategic Partnerships
Growth Alliance Funding Source Land Banking Talent Program Intermediary

Talent Optimization

The Work Program recommendations related to talent optimization include the development of a talent intermediary organization, an employer resource network to support small businesses and their talent needs, and neighborhood employment hubs to reinforce communities.

Talent Intermediary

A talent intermediary organization in the City of Elkhart would serve as a neutral organizer for talent-related organizations and stakeholders in the community. This organization could serve as a convening group, helping to set common goals, implement new initiatives, and provide a landing place for long-term strategies related to talent. As the City of Elkhart looks to attract new diversification industries and train the workforce to fit those industries, a neutral party can help connect resources across broad groups of stakeholders in order align talent with training and job opportunities.

An example of a talent intermediary is ConexusNEO in Akron, Ohio. ConexusNEO leads the development of sector partnerships, compiles databases for training providers and in-demand occupations and creates unique collaborative partnerships for training. ConexusNEO has worked with Akron Public Schools to facilitate a master plan for career pathways in collaboration with industry leaders. They also work directly with employers to connect them with educational institutions that can provide suitable training options and a pipeline of workers.⁵

This type of organization in the City of Elkhart could help strategically direct the implementation of the Elkhart 2040 plan related to talent initiatives. Utilizing the Skills Crosswalks, the development of an implementation plan should focus on providing the existing workforce with a transition path to the targeted diversification industries. A talent intermediary can lead this effort by connecting stakeholders across the community.

⁵ ConexusNEO, <http://conexusneo.jobs/>.



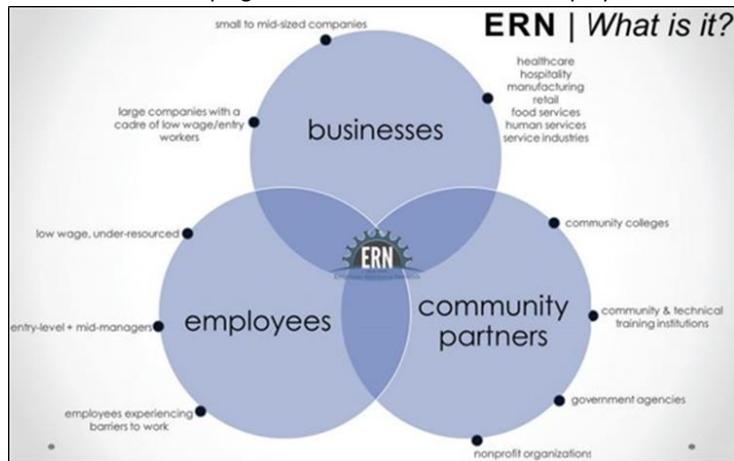
Employer Resource Network (ERN)

Rationale

Act as private-public consortia to improve workforce retention through employee support and training.

Employer Resource Networks (ERN) improve workforce retention by engaging with local businesses, human service and educators to provide real-time referrals to community resources and employment opportunities. ERN provide on-site skills development coaches who assist employees with critical skills development and social service needs for themselves and their families. These networks can provide a real key for small and medium size firms by partnering with private and nonprofit social service providers and local training facilities and local service providers. ERN's are a win-win solution for participating businesses at a fraction of the cost if the business tried to provide these services on their own, and it provide employees the opportunity to cross-skill train for advanced positions while knowing that their families social issues can be addressed as well.

The below graphic denotes the various business, employee, and community partnerships that are critical to developing an effective and sustainable Employer Resource Network.

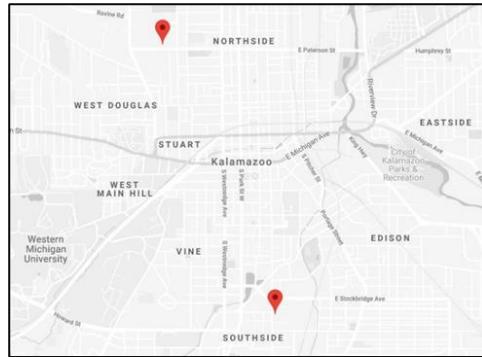


Neighborhood Employment Hubs

Rationale

Provide residents in core City neighborhoods easy access to skills development, skill coaching, and social support services for them and their families.

A HUB is located centrally within a neighborhood with employment specialists dedicated to providing the guidance and support residents may need to realize their individual professional goals. Customized employment services may include community services, job placement, employability skills building, or training opportunities



The map locates neighborhood employment hubs in the City of Kalamazoo, Michigan with one on the northside of the city and another on the southside of the City.

