



Southcentral Michigan Planning Council

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Southcentral Michigan Planning Council 2020-2021 Regional Economic Development Plan

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OVERVIEW

The Southcentral Michigan Planning Council (SMPC), a regional planning organization representing Branch, Calhoun, Kalamazoo, and St. Joseph counties, aims to improve the economic, environmental, and fiscal health of the region through transportation, land use and environmental planning, economic development, and efficient local staffing. SMPC was reorganized in the Fall of 2012, and achieving Economic Development District designation has been its top priority for the region since that time. In pursuit of this goal, the W.E Upjohn Institute and SMPC are currently working to update the Comprehensive Economic Development Strategy (CEDS) for the region. The 2020-2021 Regional Economic Development Plan (REDP) serves as a bridge between the 2014 CEDS, which expired in December 2019, and the CEDS update currently in progress.

The development of this plan was guided by members of the CEDS Committee and the SMPC Board, who represent key government, business, and communities from across the entire region.

The CEDS Committee and SMPC Board, with the assistance of SMPC staff, identified the following five goals as central to this plan:

1. Develop a skilled workforce to enable the region's base industries to better compete in the global marketplace;
2. Make downtown areas attractive to professional, high-skilled workers by turning them into places to live, work, and play;
3. Increase and improve housing assets in the region;
4. Improve infrastructure in the region to support business expansion; and
5. Improve broadband internet access, affordability, and adoption throughout the region.

APPROACH

The 2020-2021 Regional Economic Development Plan (REDP) is a synthesis of the 2014 CEDS with local economic development and community development plans. The synthesis of the plans was presented to the CEDS Committee for initial review. Their suggestions were incorporated and synthesized into a draft of the REDP. This draft was presented to the SMPC Board at its regular meeting on June 2, 2020. The Board reviewed and approved the plan at the meeting.

Existing Economic Development Plans

Successful economic development depends on the development of effective partnerships and networks between all levels of government. In preparing this plan, SMPC reviewed the existing economic development strategies of its partnering organizations in order to identify areas of opportunity to strengthen collaboration and deepen partnerships.

Michigan Economic Development Corporation

The Michigan Economic Development Corporation (MEDC) is the state's business assistance and attraction organization. MEDC's strategic plan focuses on four major activities: business investment, community vitality, talent enhancement, and state branding.¹ Under business investment, MEDC strives to create an entrepreneurial environment for high-growth, technology ventures by supporting technology commercialization, and by providing important services and infrastructure. Second, it promotes business growth by assisting second-stage companies by providing economic gardening services, encouraging exports, and through its attraction efforts. MEDC also works to ensure that appropriate financial capital is available for businesses.

MEDC's focus on community vitality is very salient to SMPC's planning approach. One primary aim of this REDP is to maintain community vitality for all cities and villages in the region, and to promote quality places to work, live, and play. It is especially important to foster systematic and regional thinking during the current phase of immense economic change and challenges related to the novel coronavirus and COVID-19.

The same is true with MEDC's talent enhancement focus. The SMPC planning approach is in line with MEDC's statewide effort to assist businesses in finding the talent they need.

The final component of MEDC's strategy is the development and promotion of a state brand that leverages the successful *Pure Michigan* program for business development. Importantly, MEDC is also working to create a seamless delivery system for their business services. The preparation of this plan has focused on identifying SMPC's role in this process of business service delivery.

Southwest Michigan First!

Southwest Michigan First! is a privately funded economic development organization focused on accelerating economic growth in Southwest Michigan. It is one of several economic

¹ http://www.michiganbusiness.org/cm/files/transparency_page_docs/2012-17_strategic_plan.pdf

development organizations in the SMPC four-county region. In their “Transformation Agenda,” Southwest Michigan First! identifies four “core areas” for economic development.² The four areas are business growth with a focus on retention, supporting vital urban cores, enhancing education and talent development, and facilitating government collaboration. With the sole addition of supporting rural areas as well, the goals and objectives of this plan are very compatible to these core activities.

Southwest Michigan First! also created a comprehensive set of benchmarks and performance measures that inform specific business development strategies, including the region’s unemployment rate, new jobs created, household incomes, and internships for college students.

County and city plans

SMPC also examined the existing economic development plans for its member counties, cities, and townships. These plans focus on the unique opportunities and challenges facing each of these governmental units. An effective plan provides the regional framework and perspective that is needed to encourage cooperation and collaboration between different governmental units. The existing plans and annual reports that were reviewed include:

Branch County

- City of Coldwater Master Plan 2002³
- Branch County Economic Growth Alliance 2012 Update

Calhoun County

- Calhoun County Strategic Plan and 2009–10 Action Plan, which called for the development of a CEDS⁴
- Battle Creek Comprehensive Master Plan 1996⁵ — The plan has the following key economic development goals: Maintain a sustainable, growing, and diversified economy that provides good wages, keeps a skilled workforce, prevents sprawl by encouraging reinvestment in older areas, builds on the city’s downtown strengths, and keeps it an activity center for the city, and ensures the availability of industrial sites.
- Battle Creek Unlimited 2012–13 Annual Report,⁶ which is focused on the following key areas: Direct Investment Fund, Supporting Battle Creek downtown development, Managing the region’s Foreign-Trade Zone–Port of Battle Creek, and the Fort Custer Industrial Park
- Marshall Economic Development Annual Report 2010–2011⁷
- The W.K. Kellogg Foundation is currently facilitating a Regional Economic Development Strategy for the Battle Creek metropolitan area with the U.S. Dept. of Commerce EDA.

²http://www.southwestmichiganfirst.com/userfiles/file/2014_Transformation%20Agenda_04152014%281%29.pdf

³ <http://www.coldwater.org/CommunityResources/documents/CityMasterPlan.pdf>

⁴ http://www.calhouncountymi.gov/assets/1/7/2009_10_Strategic_Plan_Action_Plan.pdf (page 20)

⁵ <http://www.ci.battle-creek.mi.us/acm/comprehensiveplan.htm>

⁶ <http://www.bcuknowledgenow.com/Upload/files1059/Annual%20Report%202012-13%20final.pdf>

⁷<http://www.marshalleconomicdevelopment.com/system/res/37/original/Marshall%20Economic%20Development2010-2011%20%282%29.pdf>

Kalamazoo County

- City of Kalamazoo 2010 Comprehensive Plan,⁸ which highlighted the following sustainable strategies: create incubator spaces in vacant buildings for new businesses or high-tech industries, promote “green” industries, and use sustainable building practices. The plan has two economic development strategies: to support the Kalamazoo Promise, a privately funded college scholarship program as an business attraction and retention tool; and to encourage the redevelopment of vacant retail sites with new mixed uses.
- City of Portage 2008 Comprehensive Plan,⁹ which has the economic development goal of encouraging high-quality commercial and industrial development that is compatible to surrounding land uses and the environment. Stated objectives in the economic development component of the plan include encouraging brownfield redevelopment, promoting “a dynamic economy that fully employs a skilled workforce,” nurturing “a small-town sense of community,” and fostering intergovernmental cooperation. Again, these are very compatible to the goals and objectives of this plan.
- Texas Charter Township, Five-Year Update of its Comprehensive Plan 2006
- Oshtemo Charter Township 2011 Master Plan,¹⁰ which stated as a goal to “Identify and promote areas where high technology, life science, and knowledge-based industries would be most appropriate;” and as a strategy, to “Promote the redevelopment, rehabilitation, and adaptive re-use of existing industrial sites and buildings”
- Other townships are working together to establish unified building and permit processes.

St. Joseph County

- County-wide economic development services are provided under contract by Southwest Michigan First!
- City of Sturgis, Cooperation, Collaboration and Consolidation Plan, 2013–2014¹¹ - In one of the more interesting government initiatives in the region, the City of Sturgis is exploring a partnership with the cities of Three Rivers and Coldwater to jointly purchase of equipment. It is pursuing building permit unification with its surrounding townships including Burr Oak, Fawn River, Sturgis, and Sherman townships. Finally, the city has formed the Sturgis Area Municipal Cooperative with neighboring townships to enhance communication between the local units of governments on mutually beneficial development projects.

Neighboring regions’ plans

In addition to keeping abreast of the economic development plans and activities within the SMPC region, it is important to remain aware of the economic development efforts in neighboring areas. To the west, the Southwest Michigan Regional Planning Commission (SWMRPC) serves Berrien, Cass, and Van Buren counties, and includes part of the Kalamazoo

⁸ City of Kalamazoo 2010 Master Plan.

⁹<http://www.portagemi.gov/FilesCustom/HtmlEditor/Files/Boards%20and%20Commissions/Commissions/Planning/2008%20Comprehensive%20Plan/2008%20Comprehensive%20Plan.pdf>

¹⁰ <http://www.oshtemo.org/wp-content/uploads/2012/08/master-plan-10262012.pdf>

¹¹http://www.egovlink.com/public_documents300/sturgis/published_documents/City%20Manager%20Office/Current%20Collaboration%20Plan.pdf

Metropolitan Statistical Area. In its 2013 CEDS update, the SWMRPC listed the following goals, which are compatible with the goals for the SMPC region:

1. Support entrepreneurs and local businesses;
2. Assist talent development at the K–12, adult education, post-secondary, and vocational training levels;
3. Support and build upon existing and emerging industrial clusters; and
4. Create an environment that is welcoming to young and talented individuals.

The Right Place is the lead economic development organization for the greater Grand Rapids region, directly north of SMPC. The organization has based its activities on providing business support, talent development, and infrastructure services, and on generating and supporting a high quality of life. In its 2014–2016 Strategic Plan,¹² The Right Place listed the following five strategic growth areas:

1. Smart manufacturing
2. Agribusiness and food processing
3. Life sciences and biotech
4. Technology and communication, and
5. Commercial design.

¹² <http://www.rightplace.org/RightPlace/media/RightPlace/Files/2014-2016-Strategic-Plan.pdf>

ANALYSIS OF ECONOMIC DEVELOPMENT OPPORTUNITIES AND CHALLENGES

Strengths and Opportunities

A major strength of the region is its **manufacturing base and the diversity of manufacturing opportunities**. Michigan has long been an automobile manufacturing state, with numerous supply-chain manufacturers to support these types of operations. The region's companies that manufacture parts and products to support the auto industry currently offer hundreds of employment opportunities due to demand from both domestic and foreign companies. But Michigan, and particularly the SMPC region, isn't only about autos – the second largest water heater manufacturer in the nation is located in the region, as well as metal and plating fabricators for various types of equipment. The region is strong in health care and many firms meet the demand for parts and suppliers to this industry and the research and science supporting it. Southwest Michigan also enjoys a thriving brewing culture – and these are only a few examples of the diversity of its economic base. Many existing companies, as well as new companies, desire more opportunities to incubate new products, and to build partnerships with workforce and economic development agencies and education institutions that spur innovation.

Agriculture, food processing, and agribusiness are also part of this diverse manufacturing base and a strength for this region. Names like Post Foods, Kellogg Company, Minute Maid, ConAgra, Monsanto, and Frito Lay are well-known companies in this region and significantly contribute to the region's economy. Some of the produce grown in this region are blueberries, apples, cherries, cucumbers, squash, asparagus, and tomatoes. This region is also noted for its bedding and garden plants and is called the Bedding Plant Capital of the World.

The region's **education system**, particularly its post-secondary institutions, is viewed as a strong asset and as responsive to community and employer needs. The region's technical, two-, and four-year institutions partner with economic development and workforce development agencies to respond to employer needs, whether designing short-term training for specific occupations or longer-term solutions for growing talent to meet future industry needs. The regional pre-K through 12 systems are viewed as successful in providing students with the technical, academic, and social skills for today's workplace and community. Advisory committees within the education system partner with employers on a regular basis to develop curriculum content and resources that demonstrate a path to employment, and help educators and training staff to remain up-to-date on industry standards.

The **economic development organizations (EDOs)** within the region are considered a prominent strength and help to sustain its economic growth, potential, and resiliency. These organizations collaborate and partner to create and maintain an environment where the region's companies are able to grow and thrive, thus enabling them to help generate jobs and wealth for the region. The professionals who staff these organizations are heavily involved in regional initiatives and serve in leadership roles on boards, councils, commissions, and committees. Through their various efforts, these EDOs initiate and facilitate business and workforce development opportunities and lend their applied knowledge to public-sector enterprises.

One of the region's strongest assets is the **stewardship and philanthropy** of its companies, foundations, and individuals, and their willingness to invest in the region. A nationally recognized example is the Kalamazoo Promise, an opportunity funded by anonymous donors where Kalamazoo public high school graduates can attend any Michigan college or university tuition-free. The Promise has been modeled and adopted by other Michigan communities, as well as other states and countries. Not only has the region's philanthropy enhanced its education system and the development of its workforce, but the generosity within this region also provides free access to museums, supports arts and cultural activities, nourishes nonprofit efforts, aids in refurbishing downtowns, establishes endowments to colleges and universities, and infuses scientific, technological, and medical research.

The region's **natural amenities** are attractive to not only its residents, but also to retirees, visitors, and businesses. Rivers, lakes, parks, and trails in serene settings offer recreational options that attract thousands of visitors each year to the region and to the state. These natural amenities contribute to the **satisfying quality of life** also considered to be a strength for the region. The region's cities, villages, and townships offer a variety of walkable downtowns with cultural and entertainment activities such as concerts, fairs, art walks, food tastings, and family-oriented events. Many consider this region an affordable place to live and work, with reasonably-priced real estate and land, and a low cost of living. Overall, the region is considered a "great place to live and raise a family."

The **highway transportation network** within the region that connects the region to national and international opportunities is additionally viewed as one of the region's strengths. Interstate 94 and Interstate 69 provide access to the Canadian market, as well as to major cities such as Detroit and Chicago, within less than one day's drive time. U.S. 131 also offers access to large commercial markets to the north and south, and provides many goods-moving opportunities.

Challenges for the Region

Several of the region's challenges surround satisfying employers' needs and developing and preparing its workforce. Although employers need skilled workers who are "job ready" on multiple levels, Michigan graduates tend to seek careers beyond the region and the state. The region also needs to improve opportunities to retrain mid-career workers to fill positions being vacated by retirees. Skilled trades career pathways are randomly promoted and are not introduced before high school. Fragmented training programs and inefficient information flows contribute to regional labor shortages in an environment of growing employer needs.

Although manufacturing is diversified, and many employment opportunities are available in the region, **employers are frequently unable to find workers to fill open positions for the wages they are offering**. This situation exists for both private- and public-sector employers across the region. Employers cite various reasons for their inability to find workers. Employers are frustrated that those interviewing are either not able to successfully pass a drug screen, or do not have the basic skills for employment – they say that many job seekers in the region are not "job ready." Many individuals who are hired also do not remain on the job, for a variety of reasons – trouble showing up on time, not showing up at all or calling in. The transition to work can also be disruptive to households; they often face transportation and childcare issues due to shift work

and/or overtime schedules. They are frequently not trained to work in team environments or with others. Employers seek individuals with a sustained work ethic, whose “soft skills” don’t deteriorate over time. Within the region, there are programs that exist to help prepare workers for employment; however, many job candidates are unfamiliar with them, or simply do not have access to these programs. In Battle Creek, several employers, particularly manufacturers, are hiring workers through the Essential Skills Demanded by Great Employers (EDGE) program, which is designed to prepare and train low-income, out-of-work individuals and facilitate their return to the workforce. Employers who engage with EDGE say they’ve experienced success in retaining workers, so this program could likely be expanded.

Graduates from the region’s education system **look elsewhere for career opportunities**. Many graduates seek and find job opportunities outside of the region and the state, or choose to relocate and compete for opportunities beyond the region. Some elect to relocate for a more urban experience, and find cities such as Detroit, Chicago, and Toronto more attractive than the Kalamazoo or Battle Creek. The exodus of the region’s younger skilled workforce contributes to the shortage of skilled workers that employers face, and to the diminishment of the region’s competitive advantage. One of the goals of this plan is to promote more place-based design and development, which is intended to attract and retain graduates from the region.

While the region’s education system is considered a strength, one element of that system is considered a challenge and a threat to the region’s talent pipeline – the **lack of secondary-school curriculum (grades 6 through 12) that educates and trains students for careers and opportunities for skilled-trade occupations**. Education systems promote and encourage graduation to technical institutes, and two- and four-year colleges and universities, but employers argue that awareness of, knowledge, and training for these types of occupations should occur well before students reach high school. Employers want students to be made aware that there are many occupations that do not require a college degree, and that these can be lucrative career options. Most companies offer competitive wages, and employment incentives such as paid internships and apprenticeships, and paid tuition and/or reimbursement for skills training and toward two- and four-year degrees. There is a need to educate and market to parents in SMPC’s communities that manufacturing and skilled trades are viable and acceptable careers for students.

Educators view skilled trades as important to student development, but **find it challenging to develop and integrate curriculum due to changing employer demand**. Technical and two-year institutions are best suited to address skilled trades training needs to meet immediate market demand, as they can customize curriculum and conduct training programs within a short period of time. As employers’ demand for different occupations changes, these institutions can also quickly alter and create curriculum that serves these changing needs. Because it is difficult to forecast the need for future occupations due to changing market demand, K-12 educators find it difficult to develop courses that would meet employer needs. Still, many believe that curriculum for soft skills training could more easily be integrated at earlier educational levels.

Additional regional challenges center on remediating **brownfields, infrastructure and transportation issues**, and the **uncertainty of government revenues**.

Efforts are and have been underway in the region's communities to clean blighted properties and remediate brownfields. Many of these brownfields and blighted sites are not vacant land, but are buildings and structures in need of development for productive reuse. The Kalamazoo County Brownfield Redevelopment Authority assists with funding for brownfield remediation in Kalamazoo County, yet resources other than the U.S. Environmental Protection Agency (EPA) are needed to help manage the number of brownfield redevelopment sites within the region.

There are infrastructure, transportation, and transit issues that are viewed as a challenge to the region. The Business Route 131 (BR 131) interchange located in Oshtemo Township, Kalamazoo County, currently only allows access to the north, forcing heavy traffic (including trucks) through downtown Kalamazoo. The Michigan Department of Transportation has removed this project from its Transportation Improvement Plan; however, the region views this lack of access as challenging to economic development efforts.

The SMPC four-county region is home to 13 cities, 82 townships, and 22 villages, and their infrastructure issues vary across jurisdictions. Some of the townships and villages struggle with securing access to sewer and water, while others struggle with gaining access to high-speed Internet. Those townships and villages challenged by sewer and water issues that encourage business development find it difficult to attract companies. The townships and villages lacking high-speed Internet connectivity view this as a challenge to its existing businesses and its residents, as well as to marketing new business opportunities.

Public transit is not available in all areas within the region. A cross-county transit network doesn't exist, yet those jurisdictions without access to public transit would like to see some connectivity across the region.

A constant challenge for these jurisdictions is the uncertainty of government resources at all levels, whether reductions in federal and state programs or reduced or abated property taxes. Low property assessments and economic incentives to large businesses and industries erode the tax base, and a reliance on property taxes leaves jurisdictional budgets vulnerable. These jurisdictions find it difficult to fund infrastructure construction, repairs, and maintenance (roads, water, sewer) that could improve residential, commercial, and industrial areas. Alternative funding streams and scalable, efficient government services will be crucial to the effective functioning of local jurisdictions in the coming years.

All jurisdictions in the region are currently experiencing significant and specific challenges related to the novel coronavirus. While the jurisdictions are dealing with the impacts of the health crisis, their existing socioeconomic challenges are also being exacerbated. Both workers and businesses have suffered since early in March 2020, as regional economic activity has been shut down to protect and preserve the healthcare system. In order to ensure a resilient recovery from these events, the region will need resources to help make urgent economic adjustments, build local capacity to respond to economic development needs, and implement projects that increase resources that help businesses and communities thrive. The ongoing planning process around the regional Comprehensive Economic Development Strategy will help address these urgent needs, but additional resources will also be necessary.

PLAN OF ACTION

Based on the synthesis of existing economic development plans in and around the region, the Plan of Action defines the goals, objectives, and strategies of the REDP. In this Plan of Action, the goal identifies the broad focus or aim of the planning effort, while the objectives provide specific and measurable milestones for achieving the region's goals. The strategies were devised as action steps to reach each of the plan's objectives.

A. Goal: Develop a skilled workforce in the region. The focus of this goal is to expand the economic opportunities for the region's residents and develop a framework for working with state and local workforce investment agencies on their ongoing strategies. In addition, it is focused on promoting the use of technology in the development of job skills required for individuals to work in advanced manufacturing environments.

- Objective: Promote increase in high school graduation, GED, and skilled trades training completion
 - Strategy: Provide support to ongoing education and workforce initiatives
- Objective: Work to promote apprenticeship and internship opportunities at area businesses
 - Strategy: Develop a guide to assist businesses in operating apprenticeship and internship programs
- Objective: Promote employment opportunities for young adults
 - Strategy: Post job openings for professional positions on social media
 - Strategy: Develop entrepreneurship programs for high school students and young adults
 - Strategy: Increase awareness and benefits of entering a career in manufacturing trades
- Objective: Promote employment opportunities of mid-career workers
 - Strategy: Post job openings for professional skilled trade positions at technical and career centers, colleges and universities, and in the media

B. Goal: Make downtown areas attractive places to live, work, and play. The focus of this goal is to foster improved transportation access and to balance the usage of existing resources by better managing urban and rural physical assets.

- Objective: Promote the development of lofts, upper-floor apartments / condos in the region's downtowns
 - Strategy: Provide resources to bring old/historical buildings up to code
 - Strategy: Provide assistance/a toolbox for navigating resources for these types of opportunities
- Objective: Highlight the region's quality-of-life resources and assets
 - Strategy: Create a website that highlights the region's quality-of-life resources such as bicycle paths, canoeing and kayaking streams, and cultural activities
 - Strategy: Promote/market safety of downtown environments
- Objective: Promote business development in the region's downtowns
 - Strategy: Organize special events in downtowns
 - Strategy: Prepare an inventory of potential residential units in downtown region

- Strategy: Prepare market studies that identify the unique assets and role of downtowns in the regional economy
- Strategy: Establish Downtown Development Authorities where appropriate
- Objective: Improve public transit transportation accessibility
 - Strategy: Work with and support the Kalamazoo Area Transportation Study (KATS) and the Battle Creek Area Transportation Study (BCATS) activities surrounding transit
 - Strategy: Explore programs that would provide vehicles for individuals seeking or retaining employment in rural areas

C. Goal: Improve broadband internet access throughout the region. This goal

- Objective: Help to make funding available to local governments and internet service providers wishing to create or expand broadband internet access.
 - Strategy: Provide information on funding opportunities to relevant stakeholders
 - Strategy: Assist stakeholders with grant applications
 - Strategy: Raise funds locally to incentivize coverage
- Objective: Assess the current coverage and identify areas without appropriate access
 - Strategy: Work with experts to build accurate maps of broadband access
 - Strategy: Generate primary data through surveys and interactive tools
- Objective: Inform local units of government of all options to create or enhance coverage within their jurisdiction
 - Strategy: Host educational workshops in which experts share best practices for municipalities
 - Strategy: Create an information sharing forum between internet service providers and municipalities

D. Goal: Improve infrastructure in the region. This goal is focused on both providing access to high-speed telecommunications to all of the region's residents and businesses, and to enhance and protect the environment through the construction of water and wastewater facilities.

- Objective: Help to make funding/resources available to jurisdictions to bolster their capacity for water, sewer, air, roads, transit, and rail
 - Strategy: Seek EDA and other funding through grants and private resources
- Objective: Develop high-speed Internet coverage for the entire region
 - Strategy: Work with private service providers to expand Internet access to the region's rural areas

E. Goal: Increase and improve housing assets in the region. This goal is intended to both enhance and protect the region's housing ecosystems and to promote balanced use of resources through the sound management of maintenance and development.

- Objective: Encourage development across a spectrum of housing options and needs
 - Strategy: Assess the feasibility of develop of various housing products
 - Strategy: Use housing demand models to promote needed housing products
 - Strategy: Encourage local units of government to amend their zoning code to allow for needed housing products

- Objective: Encourage development that promotes housing stability for residents and workers
 - Strategy: Create monetary and non-monetary incentives that encourage landlords to offer leases to riskier tenants
 - Strategy: Incentivize the development of housing products that are affordable for any worker employed full time in the region
- Objective: Encourage the maintenance of the existing housing stock
 - Strategy: Create an asset management template for local units of government and nonprofits
 - Strategy: Find, and make available, resources for the maintenance of existing homes