



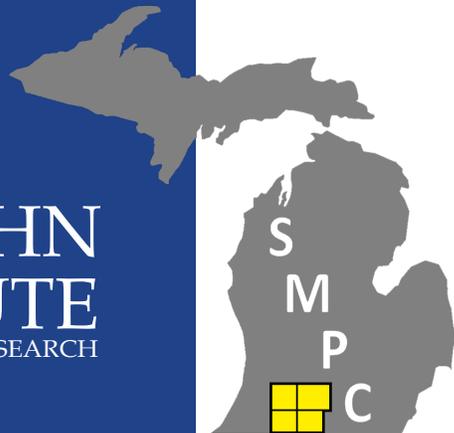
# 2021-2025 Comprehensive Economic Development Strategy for Southcentral Michigan

Michigan Planning Region 3:  
Branch, Calhoun, Kalamazoo,  
and St. Joseph Counties

Prepared by the Southcentral Michigan Planning Council  
and the W.E. Upjohn Institute for Employment Research

January 2021

W.E. UPJOHN  
INSTITUTE  
FOR EMPLOYMENT RESEARCH



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## Overview

The regional Comprehensive Economic Development Strategy (CEDS) is an opportunity to align regional economic development actors around shared goals and priorities. The aim of the Region 3 CEDS is to increase collaboration, to bring the region more resources for economic development, to uplift shared priorities, and to prepare the regional economy and workforce for the future. The CEDS is also a timely tool to help the region's businesses recover from the effects of COVID-19, compete in the global economy, and find the workers they need to succeed.

The CEDS goals are intended to guide regional collaboration among stakeholders, as well as leverage partnerships and funding to advance projects that benefit the entire region. From the goals, the CEDS Strategic Direction and Action Plan outlines the relationships, funding, and action steps needed to enable economic development across the region. The action steps leverage involvement of private-sector actors in local projects through the development of shared priorities, funding opportunities, potential projects, and stronger communication and support networks. The CEDS builds upon the existing work of the region's economic development actors while also incorporating new voices.

The CEDS process for Michigan Planning Region 3, representing Branch, Calhoun, Kalamazoo, and St. Joseph Counties, was convened by the Southcentral Michigan Planning Council (SMPC). SMPC is the regional planning organization that serves the four-county area. SMPC and the W.E. Upjohn Institute for Employment Research, as SMPC's administrator, were awarded funding by the Economic Development Administration (EDA) of the U.S. Department of Commerce to complete the CEDS in February 2020. In the future, SMPC will convene stakeholders around the CEDS goals, assist partners implementation of strategies, and measure progress toward the completion of the CEDS goals and strategies. SMPC will organize semiannual meetings of the CEDS committee, as well as production of annual reports on the data, goals, and priority action steps identified in this plan. SMPC will also continue its work serving and increasing the capacity of local units of government and other organizations across the region.

The CEDS is an opportunity not only to identify what is needed in Region 3, but also to highlight the important work around economic development that is already being done. The Region 3 CEDS will build upon the following ongoing efforts:

- EDA-supported projects: Western Michigan University Business and Technology Research Park Phase II in Kalamazoo; Southwest Michigan Accelerator Kitchen in Battle Creek; development of the Comprehensive Economic Development Strategy in 2014 and 2020; Regional Economic Development Strategy for Battle Creek
- Broadband planning in Calhoun County
- New housing millage in Kalamazoo County; Upjohn Institute landlord research project; housing plan in St. Joseph County; Plan 4 Housing website
- Upjohn research on identifying in-demand occupations and factors of resiliency

- Youth Village and Washington Heights Catalyzing Community Giving grant initiative in Battle Creek
- Regional philanthropy organizations getting more involved in equity and economic development: United Way of the Battle Creek and Kalamazoo Region, Kellogg Foundation, Sturgis Area Community Foundation, and Kalamazoo Community Foundation

Recovery from the socioeconomic effects of COVID-19 and building equitable systems of resiliency will be key focus areas of CEDS implementation work in the future as well. Regional employment and business output have been adversely affected by the economic shutdowns and health impacts of COVID-19, and recovery is projected to take several years. Local governments anticipate not only a few years of reduced budgets and staffing, but also increased demand for public services. Beyond recovery, this context makes it critical to strengthen regional partnerships and networks that create systemwide resiliency.

The CEDS planning process has helped catalyze regional collaboration around economic development, but implementation of the strategies featured in the Strategic Direction and Action Plan will help strengthen these relationships going forward. The action steps that were prioritized all reinforce the aim of more than one goal, and these steps use partnerships to accomplish tasks. For SMPC, these steps include creating an inventory of workforce training programs and using that to inform workforce training programs; building relationships with community organizations and businesses around equity; increasing access to, and affordability of, broadband internet; and improving affordable housing development and access. CEDS implementation will create platforms needed for welcoming new partners into regional economic development work, for improving access to data and expertise needed to make business decisions, and for supporting the ongoing work of regional organizations. The CEDS committee will look to form new partnerships and select projects that will work toward accomplishing the CEDS goals at its semiannual meetings. SMPC will share meeting information, updates, and reports on goal progress and metrics through their website, at [spmcregion3.org/ceds](http://spmcregion3.org/ceds), and will develop the CEDS site as an interactive tool for local governments, economic developers, and businesses to find data, track progress towards goals, and get engaged in implementation of CEDS strategies.

## The CEDS Steering Committee

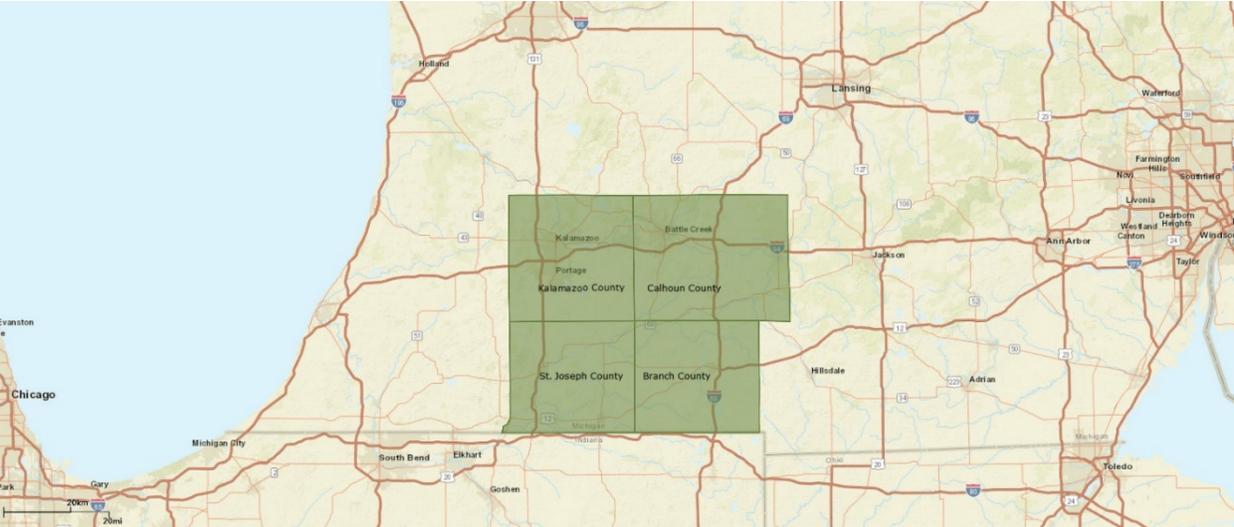
The CEDS Steering Committee was assembled to guide the creation of the CEDS. Steering committee members represent public, private, and nonprofit sectors, as well as a diversity of backgrounds, and all four counties of Region 3.

| <b>Name, Title</b>   | <b>Company/Organization</b>                         | <b>Role</b>   | <b>Geographic Area</b>              |
|--|---|---|-------------------------------------|
| Sara Bals, Environmental Engineer                                    | SME   | Private Sector; Private Individual  | Kalamazoo County                    |
| Nakia Baylis, Director of Data and Equitable Systems                 | United Way of the Battle Creek and Kalamazoo Region | Community Leader; Minority Group; Nonprofit or Community-Serving Organization; Philanthropy   | Calhoun County; Kalamazoo County    |
| Jill Bland, Managing Partner   | Southwest Michigan First                            | Private Sector; Community Leader; Workforce Development Board; Nonprofit or Community-Serving Organization; Philanthropy; Other: High school CTE programs | Kalamazoo County; St. Joseph County |
| Sandra Bliesener, Landscape Architect                                | O'Boyle, Cowell, Blalock & Associates, Inc          | Private Sector  | Kalamazoo County                    |
| Jennifer Bomba, Community Development Director                       | Calhoun County                                      | Government official   | Calhoun County                      |
| Vince Carahaly, Owner  | The Alcott Center, SMPC Board                       | Private Sector; SMPC; Government official   | Kalamazoo County                    |
| John Carmichael, CEO   | GT Independence, Sturgis                            | Private Sector; Community Leader; Philanthropy  | Regional                            |
| Ted Dearing, Assistant City Manager                                  | City of Battle Creek                                | Government official   | Calhoun County                      |
| Shabaka Gibson, Vice President of Retention                          | Battle Creek Unlimited                              | Private Sector; Community Leader; Private Individual; Workforce Development Board; Minority Group; Nonprofit or community serving organization            | Calhoun County                      |
| Bjorn Green, President and CEO of Architecture                       | Tower Pinkster                                      | Private Sector; Community Leader; Other: Urban planning and Design  | Kalamazoo County                    |
| Dan Green, Chief Planning Officer                                    | Nottawaseppi Huron Band of the Potawatomi           | Native American and American Indian Tribes; Government Official; Community leader   | Regional                            |
| Jonathon Hallberg, Real Estate Sales                                 | NAI Wiskinski of West Michigan                      | Private Sector  | Kalamazoo County                    |
| Rebekah Kik, Director of Community Planning and Economic Development | City of Kalamazoo                                   | Government official   | Kalamazoo County                    |
| Andrew Kuk, Assistant City Manager, Development Director             | City of Sturgis                                     | Government official; Private Individual   | St. Joseph County                   |

| <b>Name, Title</b>   | <b>Company/Organization</b>                           | <b>Role</b>  | <b>Geographic Area</b>   |
|--|---|--|--|
| Sholanna Lewis, Director, Truth Racial Healing and Transformation        | Kalamazoo Community Foundation                        | Community Leader; Higher Education; Minority Group; Nonprofit or Community-Serving Organization; Philanthropy; Housing | Kalamazoo County   |
| Amy Lipset, Southwest Region Planner                                     | MDOT  | State and public official  | Regional   |
| Lindsay Richardson, Executive Director                                   | Sturgis Area Community Foundation                     | Nonprofit or Community Serving Organization; Philanthropy  | St. Joseph County  |
| Eric Stewart, Assistant Superintendent for Career and Talent Development | Kalamazoo Regional Educational Service Agency (KRESA) | Education; Workforce Development   | Kalamazoo County   |
| Mike Tighe, Project Manager  | Early Childhood Investment Corp                       | Community Leader; Private Individual; Nonprofit or Community-Serving Organization; Philanthropy                        | Branch County  |
| Bill Weier, Owner and General Manager                                    | Rustica LLC   | Private Sector   | Kalamazoo County   |
| Tom Wheat, Municipal Engineer  | Prein & Newhof  | Private Sector; Private Individual; Other: Municipal engineer for many local jurisdictions                             | Kalamazoo County   |
| Ken Willcutt, Plumber-Pipefitter-HVAC Tech                               | Plumbers, Pipefitters and HVAC-R Local 357            | Private Sector; Workforce Development Board; Labor Organization  | Branch County; Calhoun County; Kalamazoo County; St. Joseph County |
| Kara Wood, Associate Vice President of Community Partnerships            | Western Michigan University                           | Higher Education   | Kalamazoo County   |
| Lee Adams, Director and Community Development Leader                     | SMPC and the W.E. Upjohn Institute                    | Coordinator of CEDS planning process; Author   | Regional   |
| Molly Trueblood, Community Development Coordinator                       | SMPC and the W.E. Upjohn Institute                    | Coordinator of CEDS planning process; Author   | Regional   |

# Summary Background: The Economic Development Ecosystem and Context in Michigan Planning Region 3

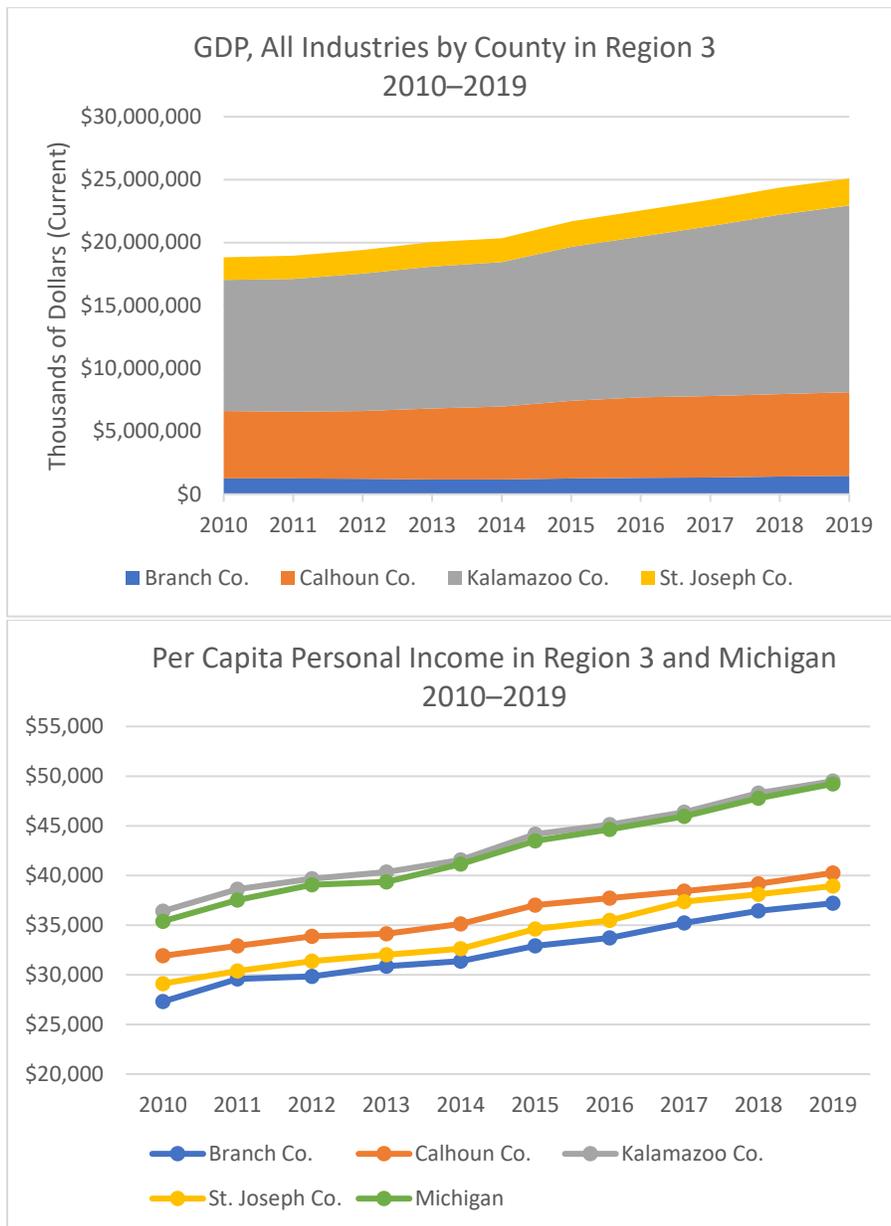
Michigan Planning Region 3 is comprised of four counties: Branch, Calhoun, Kalamazoo, and St. Joseph Counties. There are two metropolitan statistical areas (MSAs), Kalamazoo-Portage and Battle Creek, and two micropolitan statistical areas, Sturgis and Coldwater. Two counties are adjacent to the southern border of Michigan, and the region is approximately halfway between Detroit and Chicago.



## Regional Economic Output

Source: Bureau of Economic Analysis.

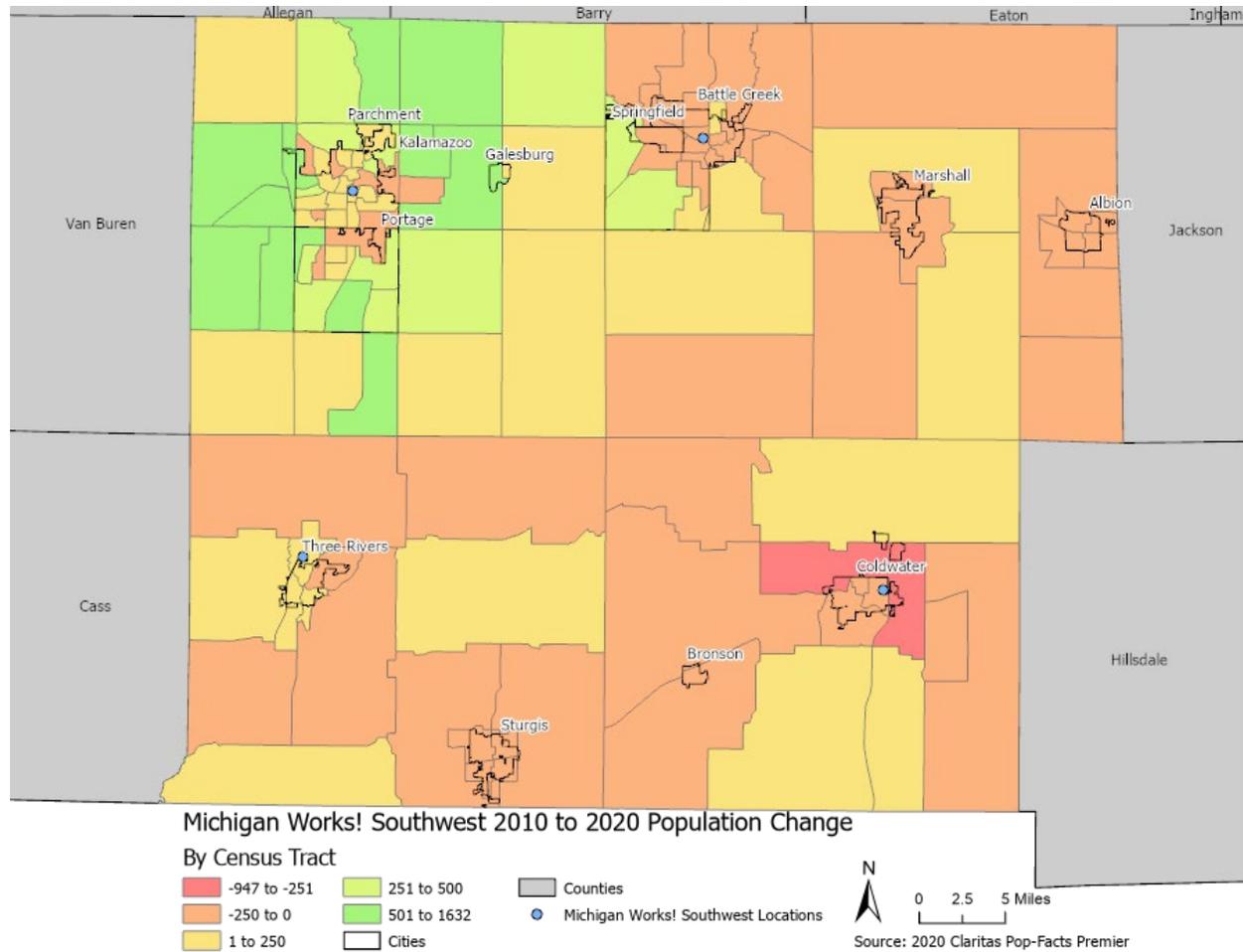
The regional economy has grown steadily over the past ten years, with a faster rate of growth after 2014, once the region’s industries and labor force had recovered more fully from the effects of the Great Recession. Of the four counties, Kalamazoo County has the largest economy and experienced the fastest rate of economic growth in the past ten years, followed in both categories by Calhoun County. Although the per capita personal income (PCPI) has increased consistently in all four counties over the past ten years, only Kalamazoo County’s PCPI has kept pace with the state’s; the other three counties report per capita personal incomes between 75 and 90 percent of Michigan’s PCPI.



## Population

Source: Claritas 2020.

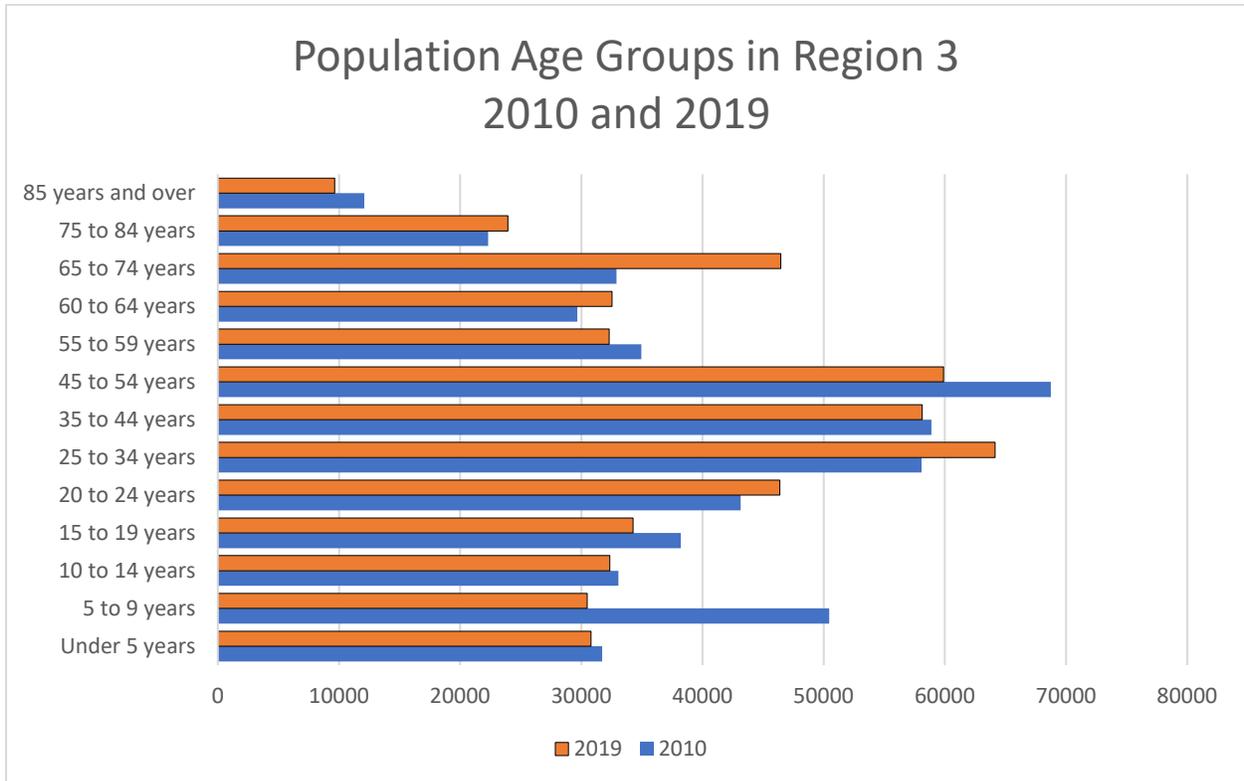
As of 2019, the region's total population was estimated at 501,306 people. The population has remained relatively stable over the past ten years, although the demographic makeup and geographic concentration of people has changed in that time. Notably, suburban townships in Kalamazoo County have gained population while rural townships, along with the cities of Coldwater and Battle Creek, have either maintained or lost population.



## Population Age Groups

Source: U.S. Census Bureau, American Community Survey.

In the past ten years, young and prime-age workers in the region have declined, while those in older age brackets have increased significantly. Although an aging population is a national trend, the region needs to contend with this shift to ensure that an adequately sized and skilled labor force is available for the region's employers in the future.



## Racial Demographics

While the regional population has traditionally been predominantly composed of white individuals, racial diversity has increased since 2010. This increased diversity can help grow the region's economy, but only if equitable development is maintained as a shared priority.

### Racial Identities as a Percentage of Total Regional Population, 2010–2019

Source: U.S. Census Bureau, American Community Survey.

| <b>Year</b> | <b>Asian</b> | <b>Black</b> | <b>Two or more races</b> | <b>Hispanic or Latino</b> | <b>White</b> | <b>All other races</b> | <b>Total Population</b> |
|-------------|--------------|--------------|--------------------------|---------------------------|--------------|------------------------|-------------------------|
| 2010        | 1.7%         | 9.0%         | 2.0%                     | 4.3%                      | 82.5%        | 0.6%                   | 492,289                 |
| 2011        | 1.7%         | 9.1%         | 2.2%                     | 4.4%                      | 82.1%        | 0.5%                   | 492,759                 |
| 2012        | 1.7%         | 9.1%         | 2.3%                     | 4.5%                      | 81.9%        | 0.5%                   | 493,001                 |
| 2013        | 1.8%         | 9.0%         | 2.5%                     | 4.6%                      | 81.6%        | 0.5%                   | 493,806                 |
| 2014        | 1.8%         | 9.1%         | 2.6%                     | 4.7%                      | 81.3%        | 0.5%                   | 494,983                 |
| 2015        | 1.8%         | 8.9%         | 2.9%                     | 4.9%                      | 81.0%        | 0.5%                   | 496,270                 |
| 2016        | 1.9%         | 8.9%         | 3.2%                     | 5.0%                      | 80.6%        | 0.5%                   | 497,822                 |
| 2017        | 1.9%         | 8.9%         | 3.4%                     | 5.1%                      | 80.3%        | 0.4%                   | 498,590                 |
| 2018        | 2.0%         | 8.8%         | 3.6%                     | 5.2%                      | 80.0%        | 0.5%                   | 500,527                 |
| 2019        | 2.0%         | 8.8%         | 3.7%                     | 5.4%                      | 79.7%        | 0.4%                   | 501,306                 |

## Residential Development Trends, 2015–2019

Source: U.S. Census Bureau, Building Permits Survey.

The region overall has experienced slower rates of new home construction during the 2010s than in previous periods. Labor shortages in the skilled trades and material cost increases have contributed to higher residential construction costs and a slowdown in construction output. Additionally, the average wage increases of workers in the region have not kept pace with increasing construction costs, thereby decreasing the affordability of newly constructed homes. This context has created a lack of high-quality, affordable housing, which is needed to retain and attract talent for regional employers. Currently, employers and local governments are not coordinated in their approach to solving the problem. The region needs additional actors that can address the need for the development of, and access to, new single-family homes, multifamily owner-occupied units, and rental housing products. The region also needs organizations that can foster smaller-scale, community-driven, affordable housing developments. Opportunity Zones, Low Income Housing and New Markets Tax Credits, and Main Street programs in rural communities are potential catalyzing tools for this work.

## New Construction Permits by County, 2015–2019

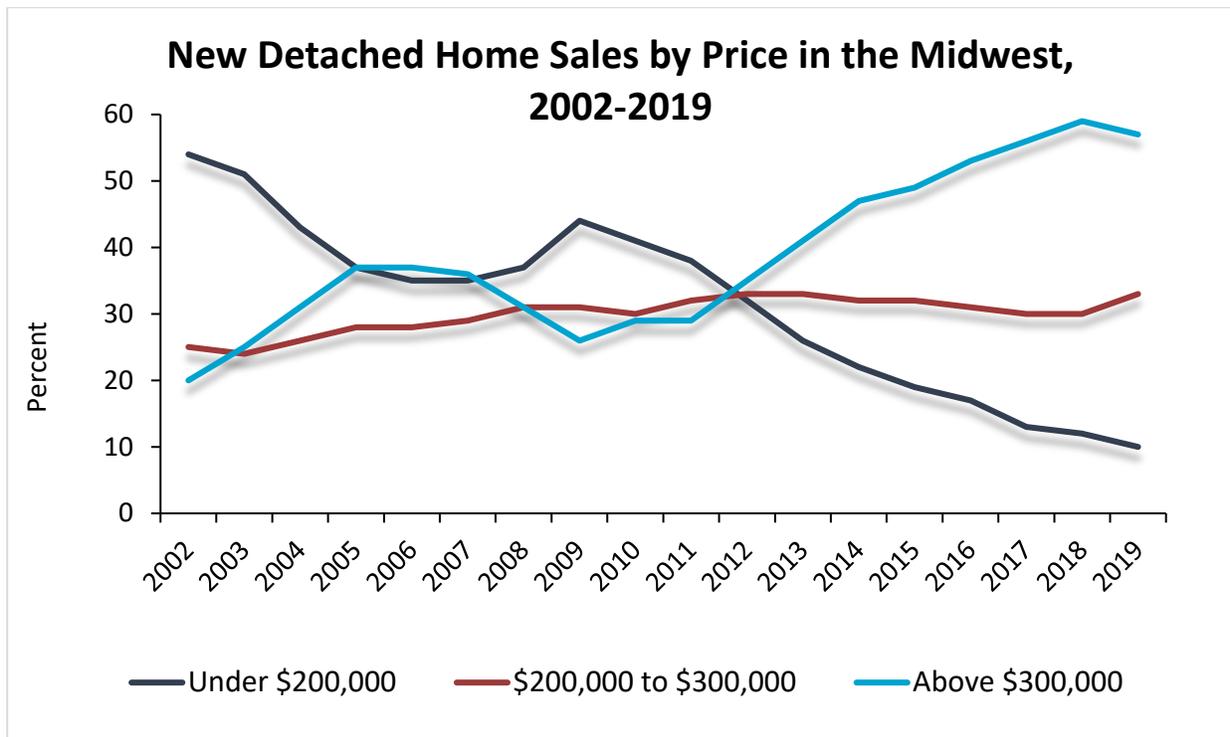
Source: U.S. Census, Building Permit Survey.

|                          | Size      | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------|-----------|------|------|------|------|------|
| <b>Branch County</b>     | 1-unit    | 30   | 41   | 82   | 78   | 77   |
|                          | 2-units   | 0    | 0    | 2    | 4    | 2    |
|                          | 3-4 units | 0    | 0    | 0    | 0    | 0    |
|                          | 5+ units  | 0    | 0    | 0    | 0    | 0    |
| <b>Calhoun County</b>    | 1-unit    | 59   | 44   | 78   | 54   | 54   |
|                          | 2-units   | 0    | 0    | 0    | 0    | 2    |
|                          | 3-4 units | 0    | 0    | 0    | 0    | 0    |
|                          | 5+ units  | 0    | 0    | 6    | 0    | 0    |
| <b>Kalamazoo County</b>  | 1-unit    | 369  | 461  | 431  | 352  | 460  |
|                          | 2-units   | 46   | 30   | 34   | 34   | 24   |
|                          | 3-4 units | 28   | 0    | 12   | 0    | 14   |
|                          | 5+ units  | 48   | 129  | 411  | 74   | 144  |
| <b>St. Joseph County</b> | 1-unit    | 60   | 64   | 64   | 67   | 85   |
|                          | 2-units   | 0    | 0    | 0    | 0    | 0    |
|                          | 3-4 units | 0    | 0    | 0    | 0    | 0    |
|                          | 5+ units  | 12   | 0    | 0    | 0    | 0    |

## Housing Prices, 2002–2019

Source: U.S. Census Bureau, Characteristics of New Housing Survey.

Higher labor, land, and material costs have slowed new residential construction and increased the prices of new homes, especially since the Great Recession. Developers have chosen to use their limited capacity to build high-priced homes, since these are the most profitable products they can produce. While this allows them to maintain profitability, it limits the market's ability to provide housing that is affordable to folks with average median incomes. As a result, across the entire region but especially in rural areas, there is a need for both "Missing Middle" housing such as duplexes, triplexes, and other small multi-family buildings, and affordable homes priced under \$200,000.



## Housing Security, 2010 and 2019

Source: U.S. Census Bureau, American Community Survey.

Households experience varying levels of security, depending on their incomes and housing costs. The U.S. Department of Housing and Urban Development considers housing costs affordable if they are no more than 30 percent of annual household income. A household that spends greater than 30 percent of its income on housing expenses is considered cost burdened. The chart below outlines how many, and to what degree, households in Region 3 were housing cost burdened in 2010 and 2019. While the number of those burdened has decreased since 2010, there are still more than 52,000 households that are cost burdened. High housing costs make households more vulnerable to economic shocks, which can lead to housing instability and negative consequences for employment, education, and health. Regional stakeholders can work to increase housing stability by enabling construction of different housing types in their communities and supporting growth in wages.

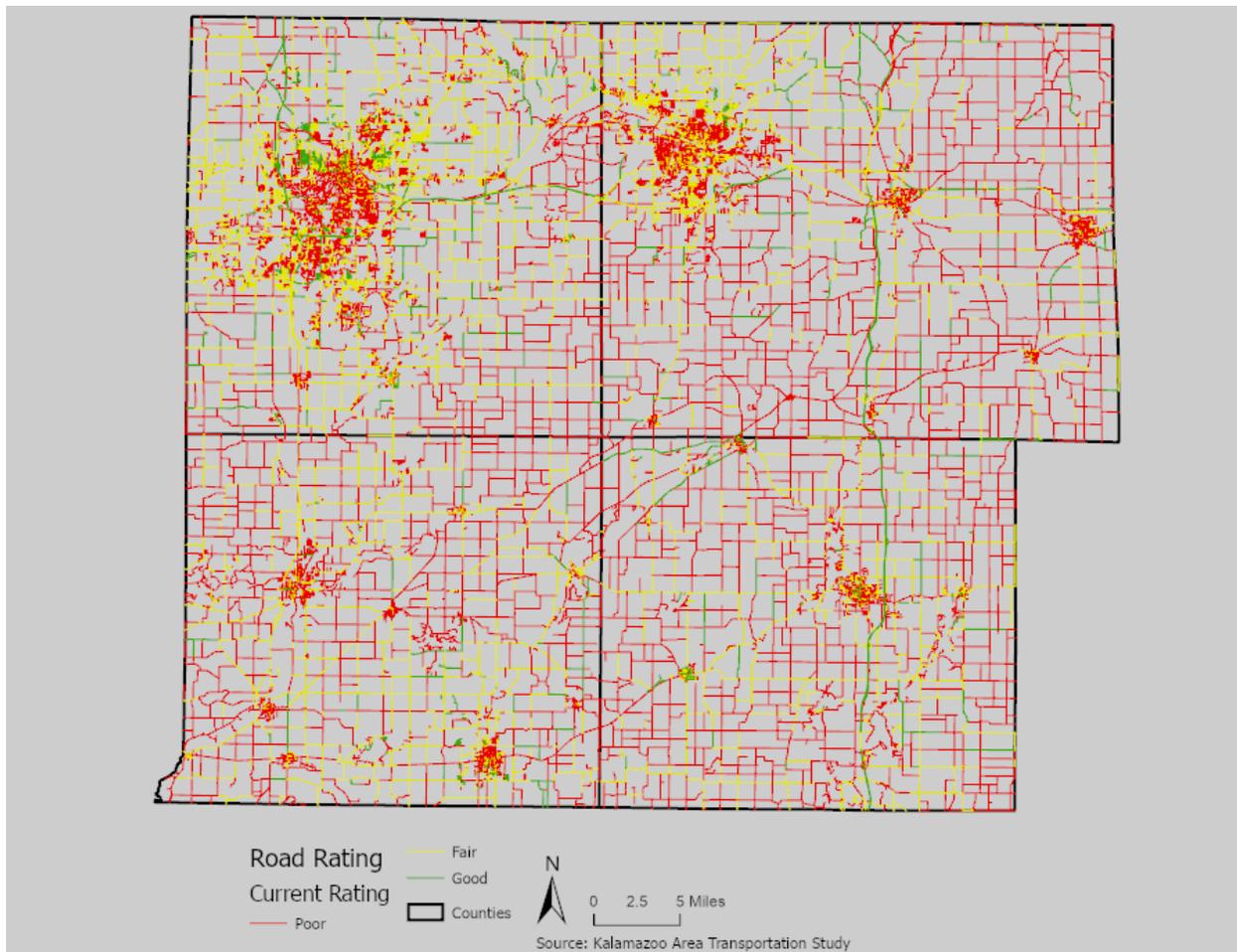
| <b>Levels of Housing Security in Region 3, All Counties Combined</b> |                            |                             |
|--|----------------------------|-----------------------------|
|  | <b>2010</b>                | <b>2019</b>                 |
| Severely burdened, >50% income towards rent                          | 15,669 households<br>8.4%  | 13,424 households<br>6.9%   |
| Burdened, more than 35% income towards mortgage or rent              | 34,891 households<br>18.6% | 27,025 households<br>13.9%  |
| Somewhat burdened, 30 – 34.9% income towards mortgage or rent        | 14,269 households<br>7.6%  | 11,890 households<br>6.1%   |
| Comfortable, 20-29.9% income towards mortgage or rent                | 44,655 households<br>23.8% | 41,387 households<br>21.3%  |
| Very secure, <20% income towards mortgage or rent                    | 77,794 households<br>41.5% | 100,346 households<br>51.7% |

## Transportation Infrastructure

Built infrastructure is both an asset and a challenge in the region. While most major roads are in good or fair condition, several need investments to remain economic assets and not negatively impact the flow of goods. Improvements are needed to divert truck traffic from downtowns and ensure a more seamless transition of freight to highway systems. The region also suffers from a lack of comprehensive public transit for residents who do not drive a personal car but who still need to access job opportunities and services. Unfortunately, nearly every jurisdiction across the region struggles with finding adequate funding to support these needed projects.

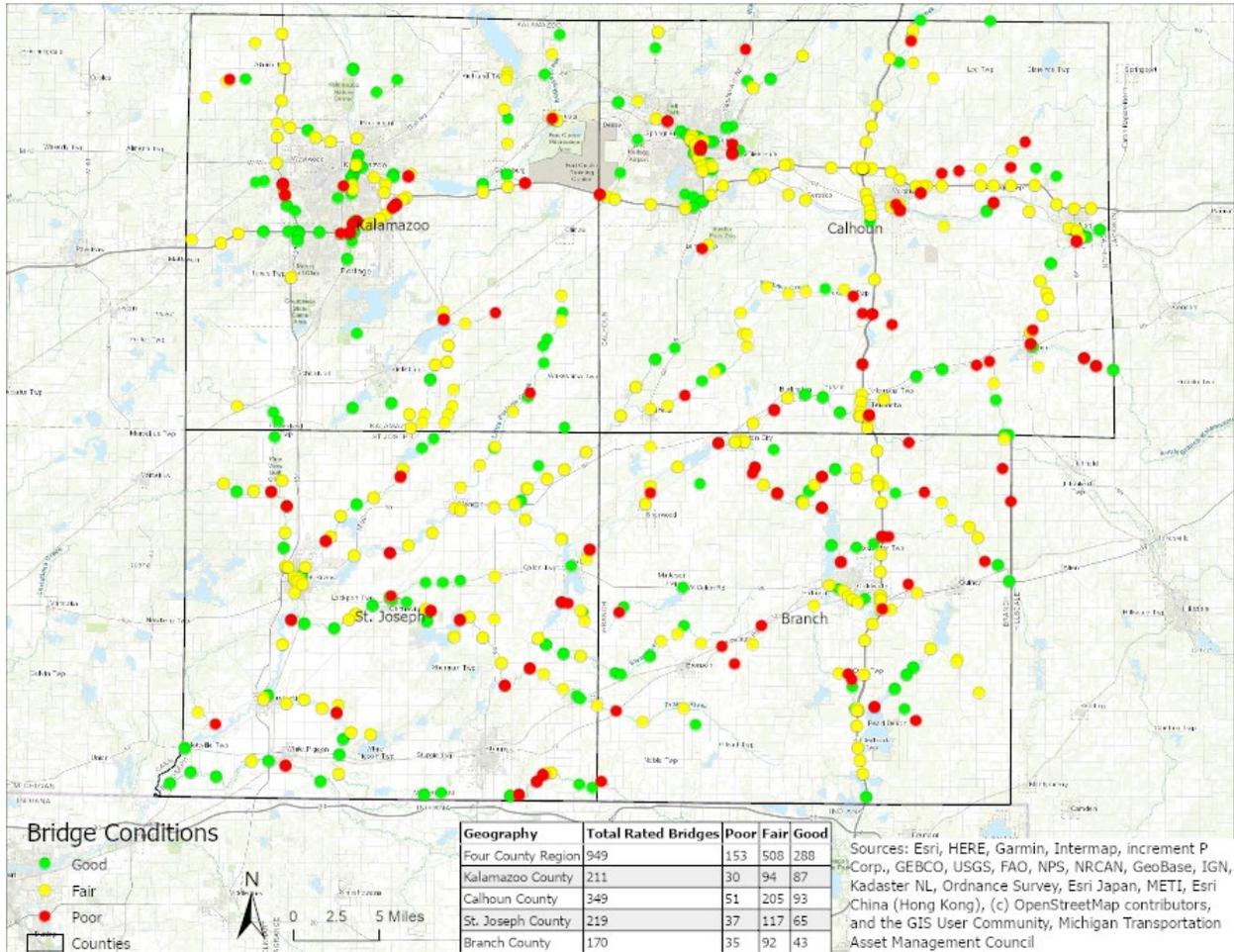
### Road Condition Ratings, 2019 and 2020

Source: Michigan Department of Transportation, Transportation Asset Management Council, and Kalamazoo Area Transportation Study



# Bridge Condition Ratings, 2019

Source: Michigan Department of Transportation, Transportation Asset Management Council



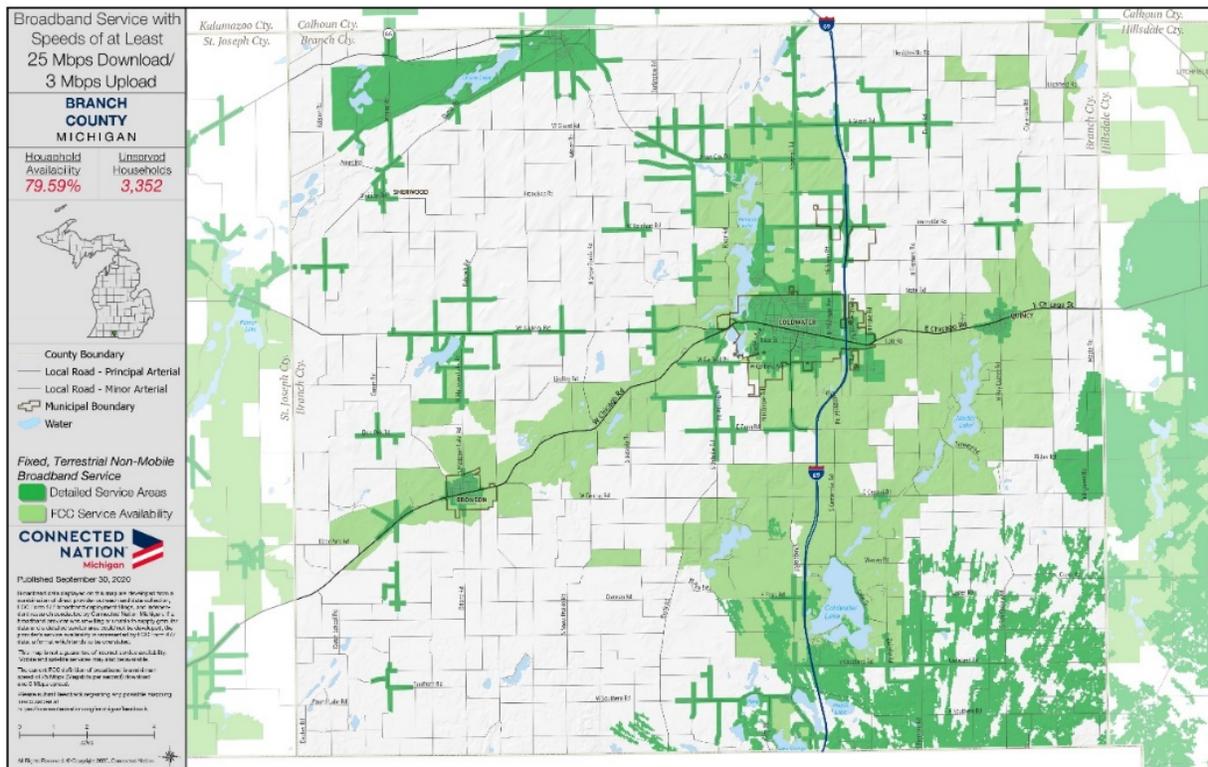
## Broadband and Other Infrastructure

The region is served by several energy companies that supply electricity and natural gas for residential and business customers. While energy supply is adequate for residential and business needs, other types of utilities are often inadequate. Sewer and water utilities are provided by local governments, but several jurisdictions are unable to expand or have reached the capacity of their current systems and are fiscally unable to invest in the upgrades needed to support economic development. Similarly, broadband internet access and adoption is limited in several jurisdictions across the region. Local governments, businesses, school districts, and residents have all recognized the need for expanding affordable internet access, but these stakeholders need assistance to overcome the technical and financial hurdles that prohibit telecommunication companies from investing in their communities. Regional and statewide collaborative platforms are also needed to help organize stakeholders around setting priorities for broadband investment.

### Internet Coverage Maps, 25Mbps download/3Mbps upload

Source: Connect Michigan.

(In the maps below, dark green indicates internet service areas verified by Connect Michigan, while light green indicates service availability as reported by the FCC.)



Broadband Service with Speeds of at Least 25 Mbps Download/ 3 Mbps Upload

**CALHOON COUNTY MICHIGAN**

Household Availability **87.79%**    Unserved Households **6,593**



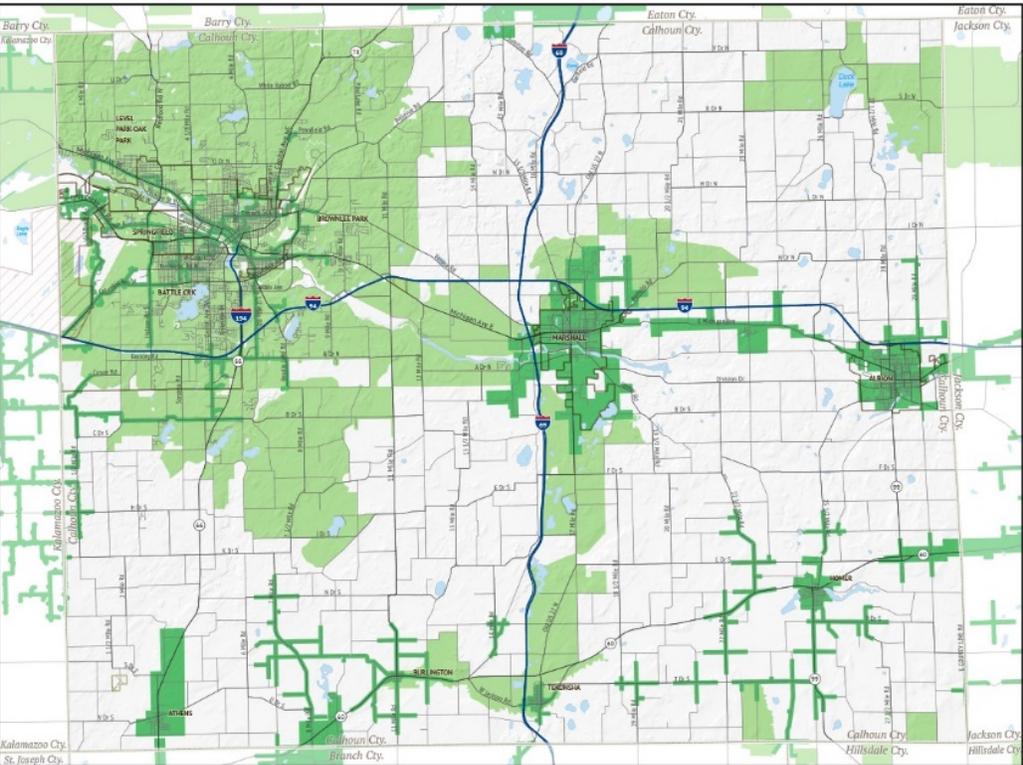
- County Boundary
- Local Road - Principal Arterial
- Local Road - Minor Arterial
- Municipal Boundary
- Federal Land
- Tribal Land
- Water
- Fixed, Terrestrial Non-Mobile Broadband Service
- Detailed Service Areas
- FCC Service Availability



Published September 30, 2020

Broadband data developed in this map was derived from a combination of federal, state, and local data collected by the FCC, Michigan Department of Technology, Management, and Enterprise Services, and other sources. The data is not a guarantee of service availability. The current FCC definition of broadband is a minimum speed of 25 Mbps download and 3 Mbps upload. Please submit feedback regarding any possible mapping inaccuracies at <https://connectednation.org/feedback>.

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Broadband Service with Speeds of at Least 25 Mbps Download/ 3 Mbps Upload

**KALAMAZOO COUNTY MICHIGAN**

Household Availability **97.45%**    Unserved Households **2,566**



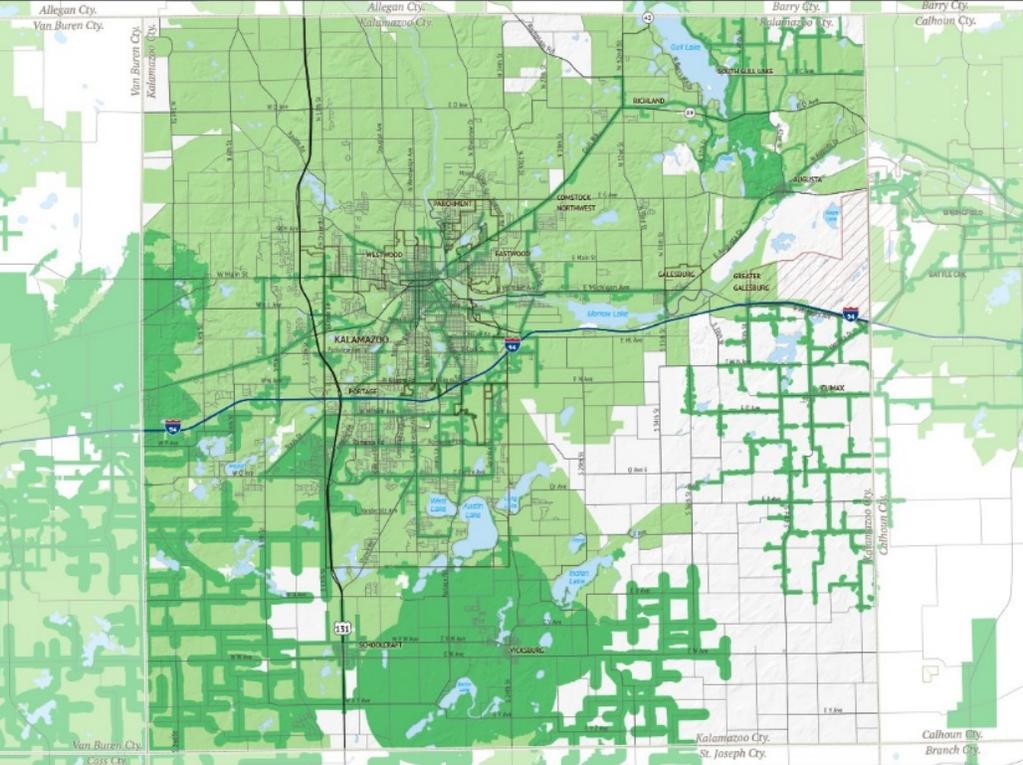
- County Boundary
- Local Road - Principal Arterial
- Local Road - Minor Arterial
- Municipal Boundary
- Federal Land
- Tribal Land
- Water
- Fixed, Terrestrial Non-Mobile Broadband Service
- Detailed Service Areas
- FCC Service Availability

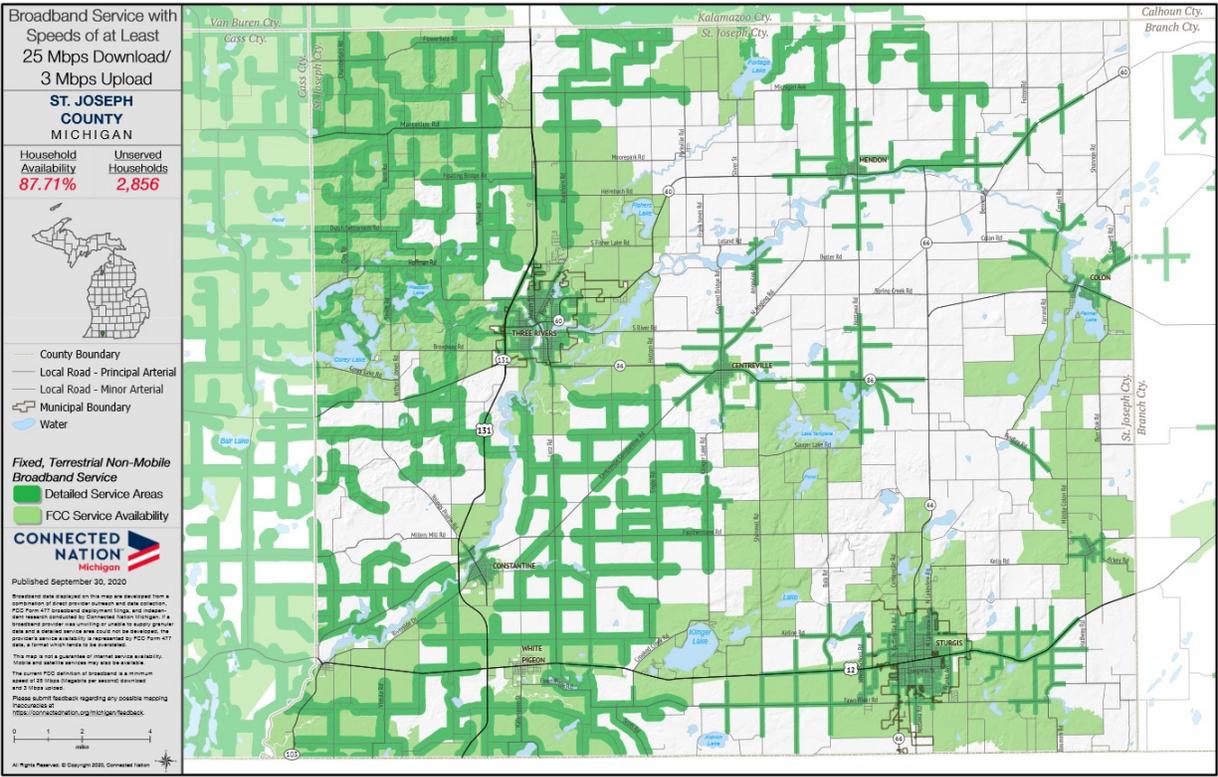


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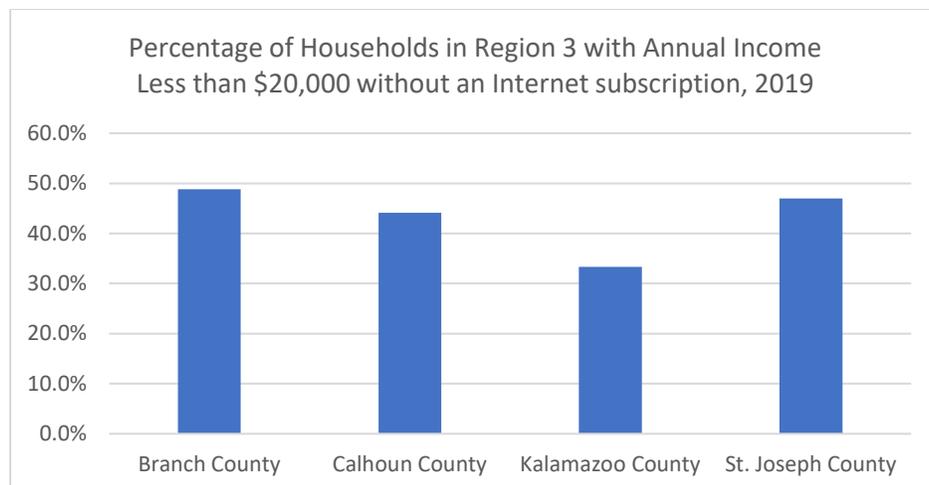
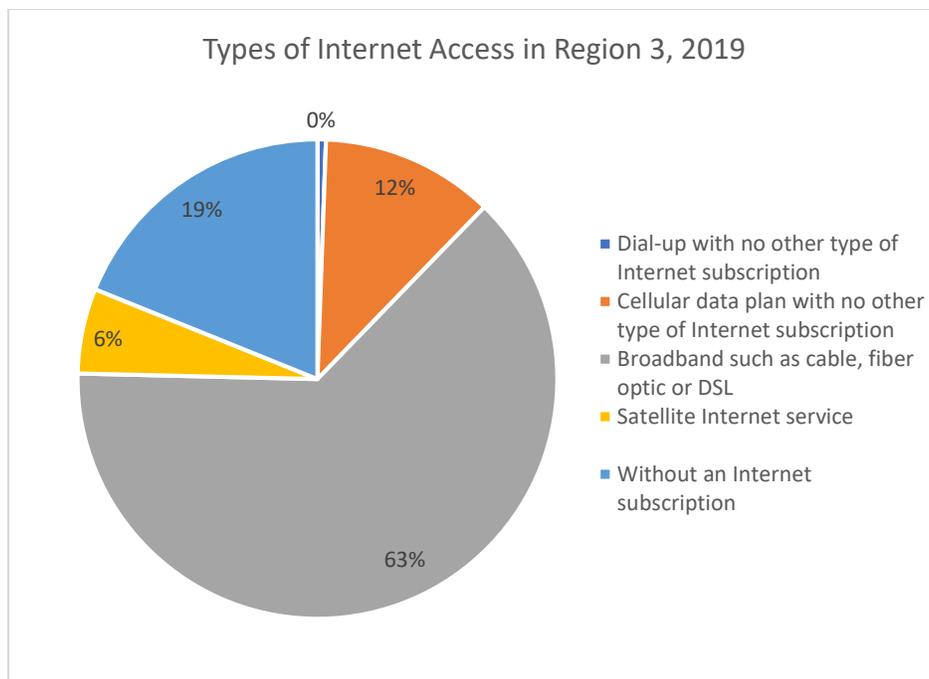




## Broadband Access

According to the U.S. Census, 19 percent of households in Region 3 have no internet subscription, and another 12 percent only use cellular service. This is a large segment of the population who may be unable to access education, employment, and other web-based opportunities. Furthermore, when internet access is examined by income, the Census indicates a significant percentage of lower-income households in each county do not have internet access. These data indicate broadband access and affordability challenges in the region.

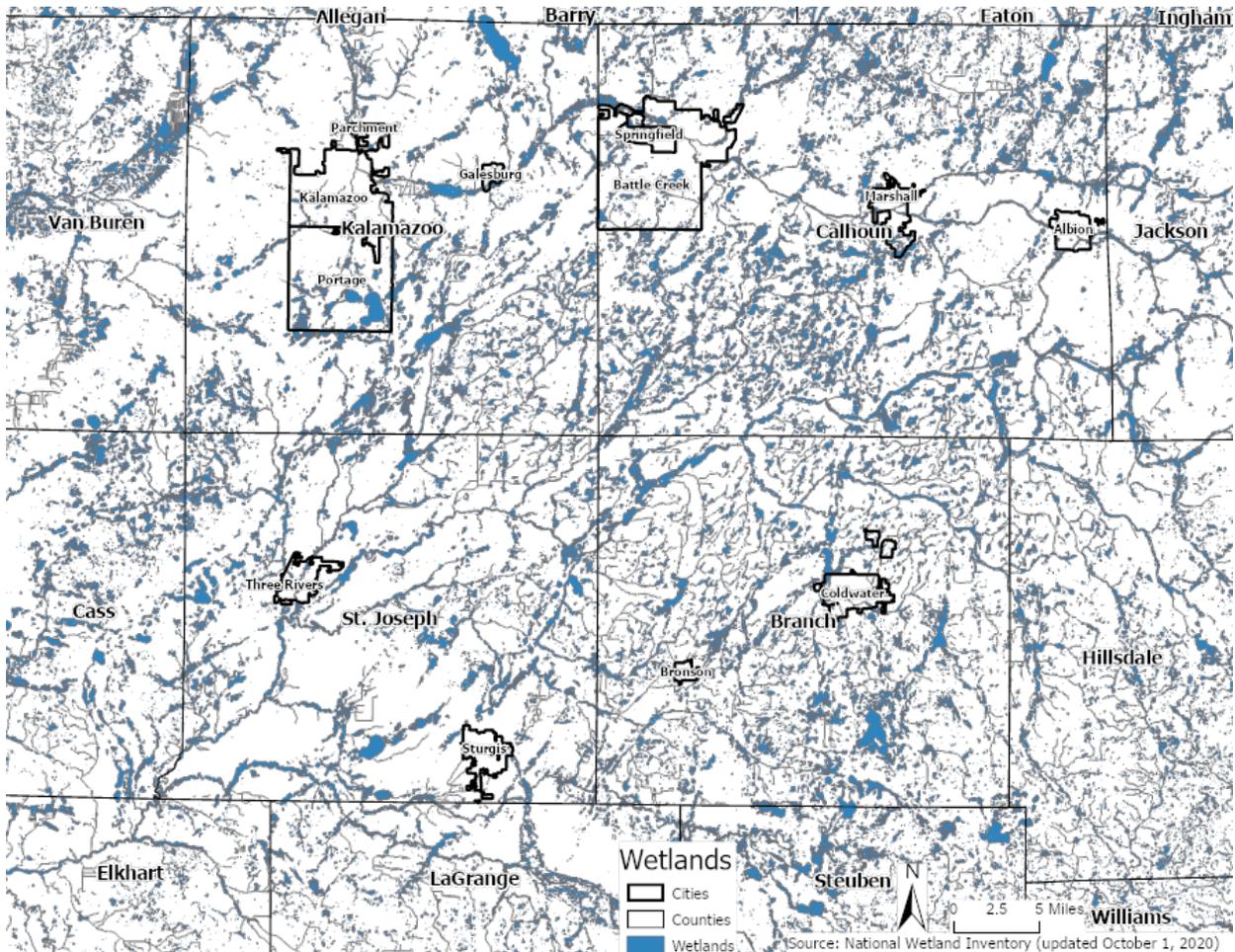
**Types of Internet Access in Region 3, 2019; and Percentage of Households with Annual Income <\$20,000 Without Internet Subscription, 2019**  
Source: U.S. Census Bureau, American Community Survey.



## Environment

Source: National Wetlands Inventory.

Geographic location is a strategic asset for the region, as the four counties are situated halfway between Chicago and Detroit and are traversed by major highways, including I-94, I-69, and US-131. The region contains many acres of prime farmland which are vital for current and future food production and should be preserved. The region is rich in water resources and is a low risk location for the occurrence of climate emergencies. However, the region's many rivers, lakes, and wetlands also constrict the development of certain types of infrastructure and buildings.



## Economic Development Resources

This section reviews the organizations that are supporting or practicing economic development across the region, and whose work overlaps with the CEDS goals.

### **Regional Economic Development and Business Service Organizations**

- Battle Creek Unlimited
- Branch County Economic Growth Alliance
- Foreign Trade Zone 43, serving 14 counties in southwest Michigan
- Intermediate School Districts and Regional Education Service Agencies
- Michigan Department of Agriculture and Rural Development, statewide
- Michigan Economic Development Corporation, statewide
- Small Business Development Center at Western Michigan University
- Southwest Michigan First!
- Southwest Michigan Procurement Technical Assistance Center
- St. Joseph County EDGE
- W.E. Upjohn Institute, Michigan Works!, and SMPC

### **Regional Universities and Community Colleges**

- Albion College
- Baker College – Coldwater
- Glen Oaks Community College
- Grand Valley State University – Battle Creek
- Kalamazoo College
- Kalamazoo Valley Community College: Food Innovation Center in Kalamazoo, Groves Campus M-TEC
- Kellogg Community College: Grahl Center in Coldwater
- Kellogg Community College: Regional Manufacturing Technology Center in Fort Custer Industrial Park, Eastern Academic Center in Albion
- Spring Arbor University
- Western Michigan School of Aviation in Battle Creek
- Western Michigan University: Southwest Michigan Small Business Development Center, Business and Technology Research Park, Biosciences Research and Commercialization Center, Center for Principled Leadership and Business Strategy, Homer Stryker M.D. School of Medicine, and WMed Innovation Center
  - WMU Center for Entrepreneurship and Innovation: Starting Gate, WMU student business accelerator; Bronco Pitch Competition; Entrepreneurship Forum; summer high school programs; Launchpad student entrepreneurship club; and Acquire, an eight-week business acquisition course

## Economic Development Organizations and Foundations

These organizations assist with economic development activities in specific jurisdictions. Their activities center on attracting businesses, working with existing companies to maintain their investments, and helping new and prospective companies navigate local government regulations and monetary incentives. Foundations have been included since their work also overlaps significantly with the CEDS goals and priorities.

|   |   |
|---|---|
| <p>Kalamazoo County:</p> <ul style="list-style-type: none"> <li>• Cities of Kalamazoo and Portage</li> <li>• Kalamazoo County</li> <li>• Kalamazoo Chamber of Commerce</li> <li>• Downtown Kalamazoo Partnership</li> <li>• Kalamazoo Community Foundation</li> <li>• United Way of Battle Creek and Kalamazoo Region</li> </ul>  | <p>Calhoun County:</p> <ul style="list-style-type: none"> <li>• Albion Economic Development Corporation</li> <li>• Albion Reinvestment Corporation</li> <li>• Cities of Albion, Battle Creek, and Marshall</li> <li>• Greater Albion Area Chamber of Commerce and Downtown Development Authority</li> <li>• Albion, Battle Creek, Homer, and Marshall Community Foundations</li> <li>• Battle Creek Unlimited</li> <li>• Choose Marshall Area Economic Development Alliance</li> <li>• W.K. Kellogg Foundation</li> </ul> |
| <p>St. Joseph County:</p> <ul style="list-style-type: none"> <li>• St. Joseph County EDGE</li> <li>• St. Joseph County, and Brownfield Redevelopment Authority</li> <li>• City of Sturgis</li> <li>• Sturgis Downtown Development Authority</li> <li>• Chambers of Commerce in Sturgis and Three Rivers</li> <li>• Sturgis Improvement Association</li> <li>• Sturgis and Three Rivers Areas Community Foundations</li> </ul> | <p>Branch County:</p> <ul style="list-style-type: none"> <li>• Branch County Community Foundation</li> <li>• Branch County Economic Growth Alliance</li> <li>• Coldwater Downtown Development Authority</li> <li>• Coldwater Area Chamber of Commerce</li> <li>• City of Coldwater</li> </ul>   |

# Economic Analysis

## Industry Analysis

This section analyzes the business and employment conditions of the most important industries in the regional economy. The analysis first reviews the percentages of regional employment and output that are generated in each two-digit NAICS sector. The analyses and charts then cover the concentrations of industries in the region relative to the United States, their job losses and gains, and their ability to create jobs and investment. Using an economic modeling software, the analysis also reviews employment and economic projections for these industries out to the year 2035.

Overall, the region's businesses with the greatest economic output are concentrated in export-based industries, which can lead to volatile economic cycles. A coordinated movement on the part of economic development stakeholders and businesses toward more stable industries would help even out those cycles, but that transition can be costly and may also limit the ability of the regional economy to grow through exports. To help determine the best course of action, the CEDS Committee and SMPC staff will track specific industrial metrics annually to ensure that the health of the regional economy improves as the markets for goods and services produced in the region evolve.

## Industries of Local Importance

Much of the region’s employment and economic output is concentrated in a few key industries. The chart below reviews the 19 industries that account for around 75 percent of the region’s jobs and output. Some industries, such as real estate, motor-vehicles parts manufacturing, and other manufacturing industries produce an outsized economic output relative to the number of jobs in that industry. Other industries such as retail, administrative and support services, food and drinking establishments, and state and local government produce more jobs than their share of economic output. These differences are important to keep in mind, since investments can produce jobs but not economic output, and vice versa. Regional impacts can take on multiple forms, and stakeholders must account for all of them when evaluating projects.

The charts below also demonstrate the outsized importance of just a few industries: motor-vehicles parts manufacturing, state and local government, retail trade, and real estate. While those industries employ many and produce large economic outputs, only industries such as manufacturing grow the economic wealth of the region by exporting the products they create. State and local government, retail trade, and real estate, while still critical industries, primarily serve the current residents and businesses of the region and thus do not bring as many new resources to the region as exporting industries do.

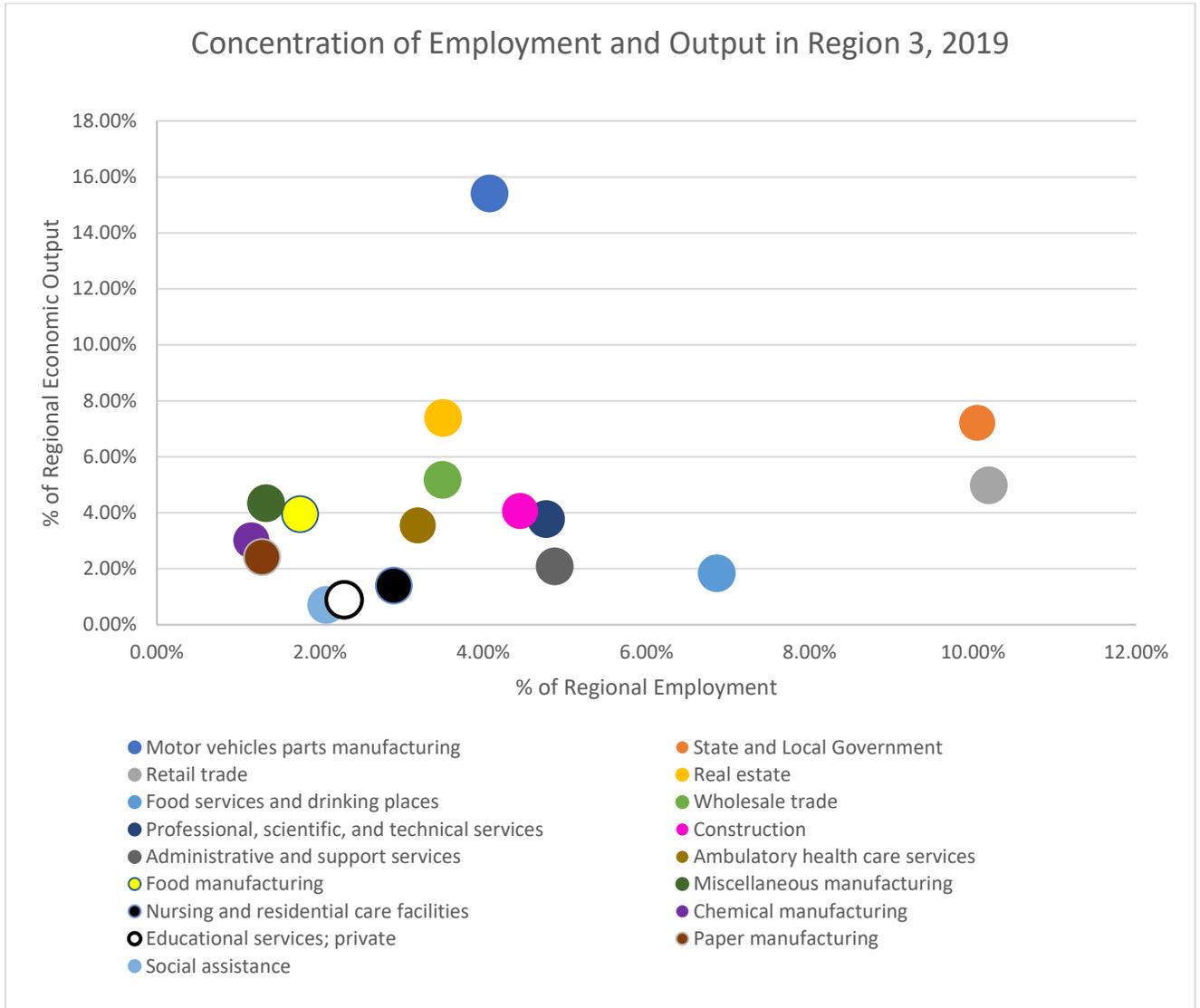
### Concentration of Regional Jobs and Economic Output by Industry, 2019

Source: Regional Economic Modeling Inc. and the Upjohn Institute.

| Industry   | Jobs   | Output |
|--|--------|--------|
| Construction                                     | 4.45%  | 4.07%  |
| Motor-vehicles parts manufacturing               | 4.08%  | 15.41% |
| Miscellaneous manufacturing                      | 1.34%  | 4.34%  |
| Food manufacturing                               | 1.76%  | 3.95%  |
| Paper manufacturing                              | 1.29%  | 2.41%  |
| Chemical manufacturing                           | 1.16%  | 3.01%  |
| Wholesale trade                                  | 3.50%  | 5.18%  |
| Retail trade                                     | 10.19% | 4.98%  |
| Real estate                                      | 3.51%  | 7.38%  |
| Professional, scientific, and technical services | 4.77%  | 3.77%  |
| Administrative and support services              | 4.88%  | 2.09%  |
| Educational services, private                    | 2.30%  | 0.88%  |
| Ambulatory health care services                  | 3.20%  | 3.54%  |
| Hospitals, private                               | 3.87%  | 3.50%  |
| Nursing and residential care facilities          | 2.91%  | 1.39%  |
| Social assistance                                | 2.08%  | 0.70%  |
| Food services and drinking places                | 6.86%  | 1.84%  |
| Personal and laundry services                    | 2.01%  | 0.57%  |
| State and local government                       | 10.05% | 7.22%  |

### Concentration of Regional Employment and Output by Industry, 2019

Source: Regional Economic Modeling Inc. and the Upjohn Institute.



## Location Quotients of Regional Employment, 2008–2019

Source: U.S. Census Bureau, Quarterly Workforce Indicators.

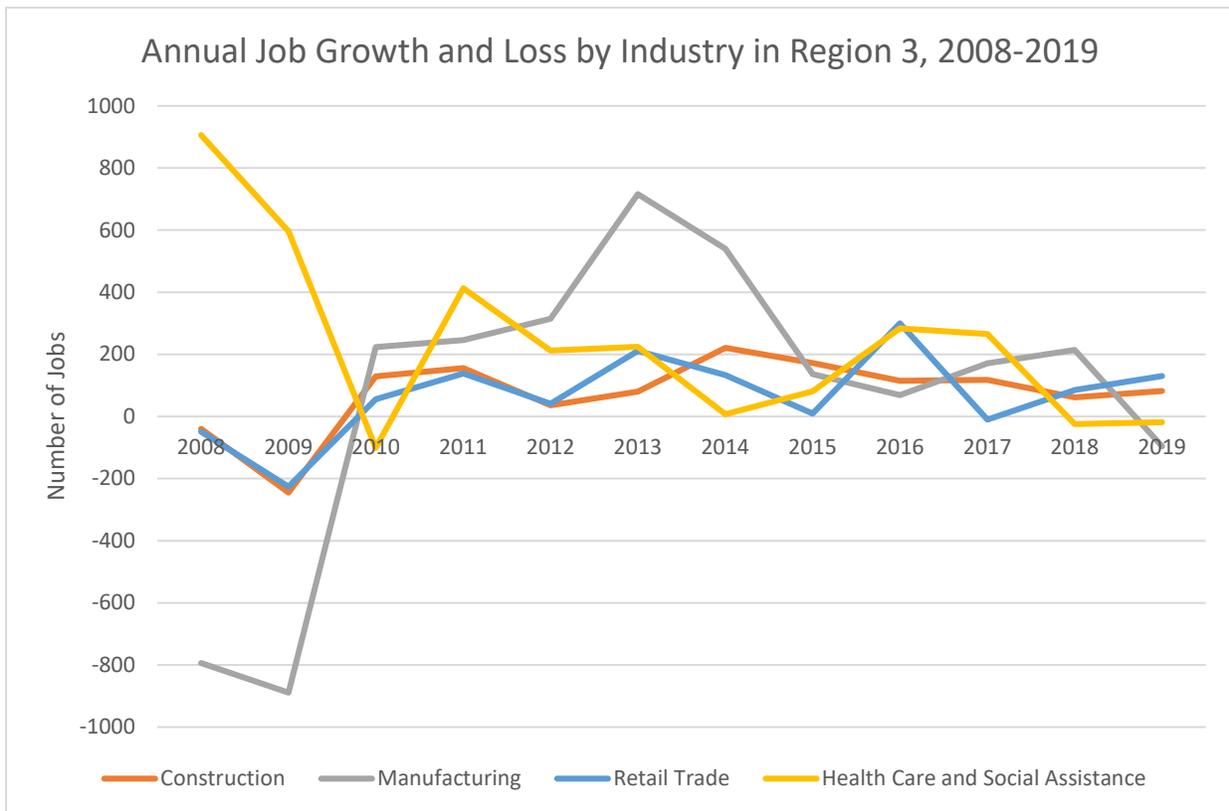
A location quotient (LQ) demonstrates the concentration of regional employment in an industry relative to the same industry throughout the United States. LQs higher than 1 demonstrate a higher concentration in the region than in the U.S., while LQs lower than 1 demonstrate a lower concentration in the region than in the U.S. High LQs demonstrate areas of competitive advantage and industries that export goods or services, and low LQs demonstrate areas of the economy that are likely to import services or products. Most of the major industries found in the region have similar concentrations to the U.S. Manufacturing is the highest concentrated industry relative to U.S. levels, followed by Agriculture, forestry, fishing and hunting. Industries with lower concentrations include Information and Professional services.

|   | 2008 | 2010 | 2012 | 2014 | 2016 | 2018 | 2019 |
|---|------|------|------|------|------|------|------|
| <b>Agriculture, forestry, fishing and hunting</b>       | 1.09 | 1.08 | 1.14 | 1.26 | 1.35 | 1.43 | 1.45 |
| <b>Construction</b>                                     | 0.72 | 0.72 | 0.74 | 0.73 | 0.77 | 0.79 | 0.77 |
| <b>Manufacturing</b>                                    | 2.06 | 2.01 | 2.07 | 2.16 | 2.31 | 2.28 | 2.28 |
| <b>Wholesale trade</b>                                  | 0.98 | 1.01 | 0.99 | 1.06 | 1.04 | 1.00 | 1.00 |
| <b>Retail trade</b>                                     | 1.02 | 0.92 | 0.92 | 0.87 | 0.86 | 0.90 | 0.92 |
| <b>Transportation and warehousing</b>                   | 0.84 | 0.82 | 0.83 | 0.81 | 0.77 | 0.76 | 0.73 |
| <b>Information services</b>                             | 0.41 | 0.39 | 0.33 | 0.35 | 0.33 | 0.29 | 0.26 |
| <b>Finance and insurance</b>                            | 0.98 | 0.72 | 0.94 | 0.85 | 0.84 | 0.85 | 0.82 |
| <b>Real estate and Rental and Leasing</b>               | 0.88 | 0.88 | 0.83 | 0.78 | 0.77 | 0.75 | 0.76 |
| <b>Professional, scientific, and technical services</b> | 0.46 | 0.85 | 0.55 | 0.54 | 0.56 | 0.62 | 0.61 |
| <b>Administrative and support and other services</b>    | 0.84 | 0.82 | 0.99 | 1.05 | 0.85 | 0.82 | 0.82 |
| <b>Educational services</b>                             | 0.83 | 0.85 | 0.81 | 0.75 | 0.74 | 0.72 | 0.72 |
| <b>Health care and social assistance</b>                | 1.00 | 1.11 | 1.12 | 1.10 | 1.08 | 1.09 | 1.10 |
| <b>Arts, entertainment, and recreation</b>              | 0.80 | 0.75 | 0.69 | 0.67 | 0.66 | 0.69 | 0.69 |
| <b>Accommodation and food services</b>                  | 0.98 | 0.93 | 0.94 | 0.92 | 0.95 | 0.93 | 0.92 |
| <b>Other services (except Public administration)</b>    | 0.99 | 1.04 | 0.96 | 1.11 | 1.17 | 1.12 | 1.11 |

## Job Growth and Loss by Industry, 2008–2019

Source: U.S. Census Bureau, Quarterly Workforce Indicators.

This chart demonstrates job growth and decline for the most prominent industries in the region. All industries maintained positive job growth coming out of the Great Recession until retail trade employment shrank in 2017, health care and social services employment declined in 2018, and manufacturing employment declined in 2019. These employment trends in the region’s major industries are concerning, and they demonstrate the need for additional diversity in the regional economy.



## Jobs Created and Capital Investments by Industry, 2015–2019

Source: Southwest Michigan First Annual Announcements.

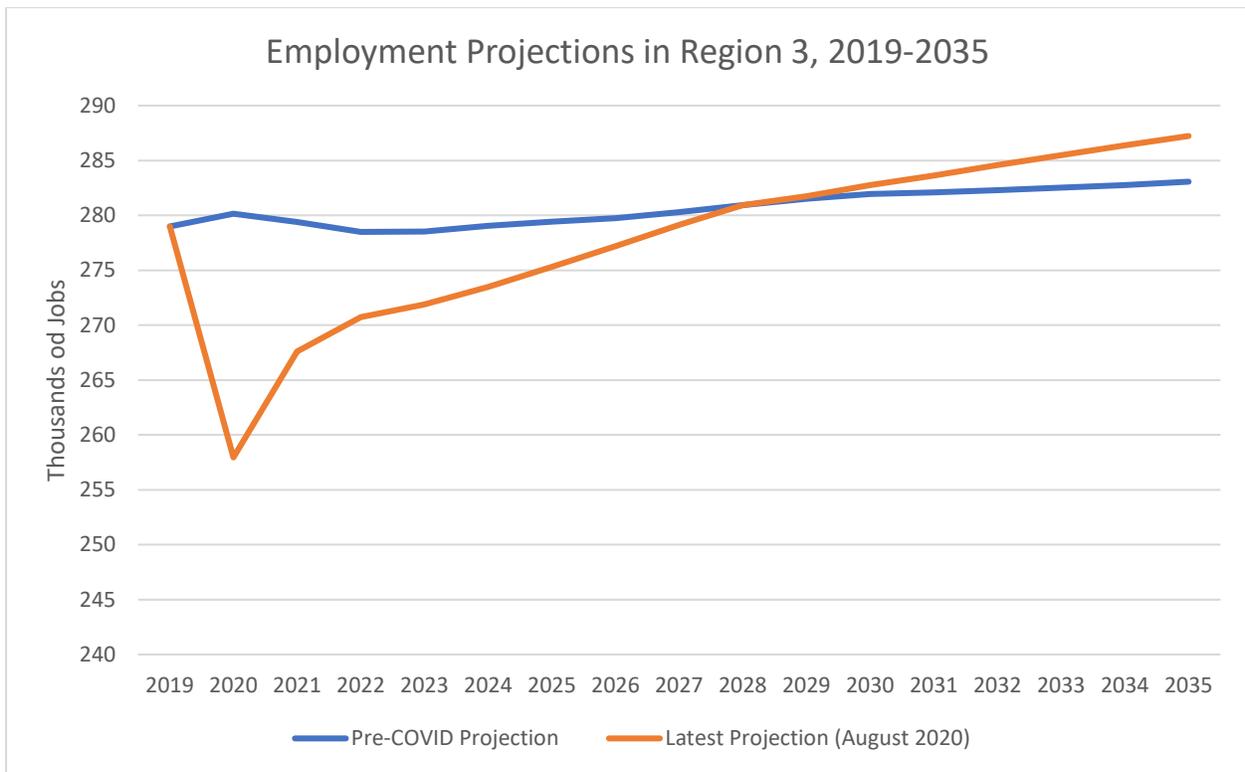
Southwest Michigan First and other economic development organizations in the region track the number of jobs created and dollars invested by industry each year. The chart below summarizes the jobs created and investments made by firms in Region 3’s major industries, again showing the large economic impact of manufacturing, health services, and food processing firms.

| Industry                   |                 | 2015       | 2016        | 2017        | 2018        | 2019        |
|----------------------------|-----------------|------------|-------------|-------------|-------------|-------------|
| Design-based Manufacturing | Jobs created    | 704        | 744         | 481         | 328         | 381         |
|                            | Investment (\$) | 76,505,442 | 261,093,882 | 110,777,185 | 29,456,253  | 653,365,545 |
| Food processing            | Jobs created    | 59         | 75          | 5           | 510         | 38          |
|                            | Investment (\$) | 534,246    | 1,570,000   | 8,630,000   | 63,900,000  | 3,900,000   |
| Logistics                  | Jobs created    | 19         | 8           | 5           | 20          | 925         |
|                            | Investment (\$) | 5,375,000  | 1,000,000   | 1,000,000   | 3,000,000   | 50,260,000  |
| Health services            | Jobs created    |            |             | 100         | 710         | 25          |
|                            | Investment (\$) |            |             | 9,400,000   | 575,000,000 |             |
| Life sciences              | Jobs created    | 79         | 92          |             |             |             |
|                            | Investment (\$) | 120,000    | 146,200,000 |             |             |             |
| Other                      | Jobs created    | 190        | 10          |             |             | 226         |
|                            | Investment (\$) | 4,420,000  | 816,000     |             |             | 80,100,000  |
| Automotive                 | Jobs created    |            | 123         |             |             |             |
|                            | Investment (\$) |            | 6,646,000   |             |             |             |
| Real Estate                | Jobs created    |            | 51          |             |             |             |
|                            | Investment (\$) |            | 1,415,500   |             |             |             |
| Retail                     | Jobs created    |            | 45          |             |             | 10          |
|                            | Investment (\$) |            |             |             |             | 3,735,000   |

## Employment Projections, 2019–2035

Source: Regional Economic Modeling Inc. and the Upjohn Institute, 2019.  
(Employment indexed to 2019 levels)

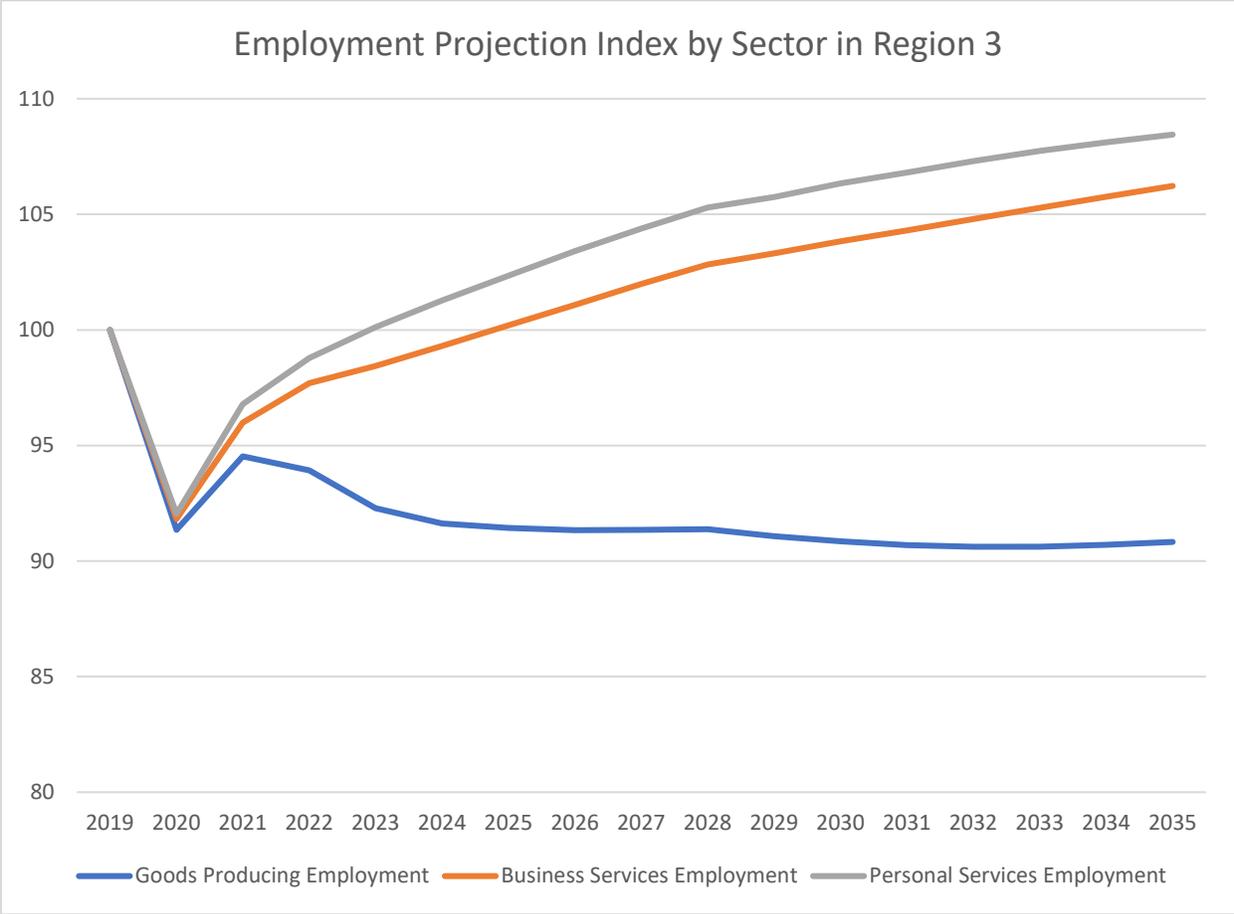
The Upjohn Institute produced employment and economic output projections using Regional Economic Modeling Inc. software. The Institute produced an employment projection at the start of the 2020 and another in August 2020. The chart below compares the two projections. The projection prior to the COVID-19 outbreak showed slow growth, while the August 2020 projection incorporated newer data, which showed a significant negative impact of COVID-19 for the next several years.



### Employment Projections by Major Sector, 2019–2035

Source: Regional Economic Modeling Inc. and the Upjohn Institute, 2019.  
(Employment indexed to 2019 levels)

The Upjohn Institute produced employment and economic output projections using Regional Economic Modeling Inc. software. These projections demonstrate significant employment losses in all major sectors in the short term, but job gains over the long term for personal and business services sectors. Unfortunately, the goods-producing sector is only projected to experience one or two years of growth after 2020, before settling into a long-term pattern of lower employment.



## Industry Employment Projections, 2019–2035

Source: Regional Economic Modeling Inc. and the Upjohn Institute, 2019.  
(Employment Indexed to 2019 levels)

COVID-19 has had a negative impact on most of the region’s key industries. Many are projected to recover in the coming years, but some will likely see long term stunted growth or never fully recover. The chart below projects employment growth relative to 2019 levels by industry, to help stakeholders identify industries that might face headwinds moving forward. Although relatively small, two industries – 1) computer and electronic manufacturing, and 2) electrical equipment and appliance manufacturing – are included due to their lofty future projections. These industries could have major regional employment impacts if investment is encouraged.

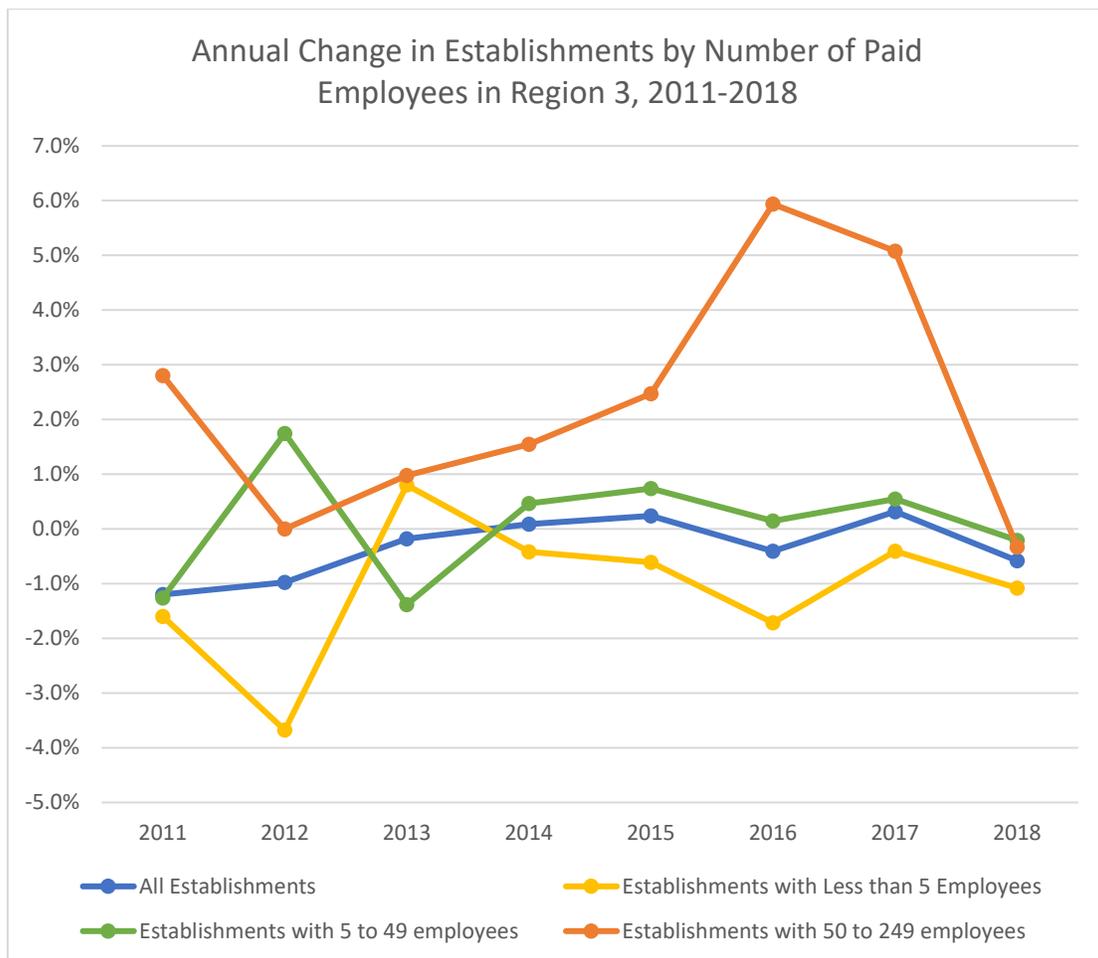
| Industry                                 | 2019 | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2027  | 2029  | 2031  | 2033  | 2035  |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Construction                             | 100  | 93.8  | 90.5  | 91.9  | 91.3  | 90.6  | 90.9  | 91.7  | 91.6  | 91.5  | 91.8  | 92.1  |
| Computer & electronic mfg.               | 100  | 102.5 | 106.9 | 110.7 | 112.2 | 114.9 | 120.2 | 134.3 | 151.3 | 146.8 | 131.6 | 125.3 |
| Electrical equip. & appliance mfg.       | 100  | 96.6  | 101.1 | 100.0 | 98.9  | 100.0 | 101.2 | 103.6 | 107.3 | 114.1 | 119.7 | 125.7 |
| Motor vehicles parts mfg.                | 100  | 86.1  | 96.1  | 98.0  | 97.7  | 98.1  | 98.9  | 100.0 | 100.4 | 101.1 | 102.0 | 102.5 |
| Miscellaneous mfg.                       | 100  | 93.1  | 100.3 | 100.9 | 100.2 | 100.5 | 101.5 | 104.3 | 107.6 | 111.9 | 116.6 | 121.0 |
| Food mfg.                                | 100  | 100.5 | 101.4 | 101.4 | 100.7 | 100.0 | 99.5  | 98.9  | 98.8  | 98.7  | 98.7  | 98.5  |
| Paper mfg.                               | 100  | 96.4  | 99.1  | 99.3  | 98.7  | 98.6  | 99.0  | 100.0 | 101.1 | 102.7 | 104.6 | 106.2 |
| Chemical mfg.                            | 100  | 101.2 | 100.1 | 99.5  | 98.4  | 97.6  | 97.4  | 97.6  | 98.2  | 99.4  | 100.7 | 101.8 |
| Wholesale trade                          | 100  | 91.1  | 97.2  | 98.1  | 97.8  | 97.9  | 98.3  | 99.2  | 99.9  | 100.7 | 101.6 | 102.3 |
| Retail trade                             | 100  | 96.8  | 99.4  | 99.7  | 99.2  | 98.8  | 98.8  | 99.7  | 100.8 | 101.8 | 102.8 | 103.9 |
| Real estate                              | 100  | 90.2  | 94.2  | 96.3  | 97.3  | 98.1  | 99.0  | 100.9 | 102.5 | 103.8 | 105.1 | 106.3 |
| Prof., scientific, & tech. services      | 100  | 92.2  | 95.6  | 98.2  | 99.3  | 99.9  | 100.6 | 101.8 | 102.0 | 102.0 | 102.1 | 102.1 |
| Administrative & support services        | 100  | 91.6  | 95.9  | 97.9  | 98.7  | 99.4  | 100.1 | 101.3 | 101.9 | 102.3 | 102.8 | 103.2 |
| Educational services; private            | 100  | 89.4  | 93.8  | 96.6  | 98.1  | 99.3  | 100.2 | 101.8 | 102.2 | 102.2 | 102.1 | 102.0 |
| Ambulatory health care services          | 100  | 89.4  | 95.7  | 98.2  | 99.7  | 101.0 | 102.1 | 104.0 | 105.1 | 106.2 | 107.2 | 108.1 |
| Hospitals, private                       | 100  | 89.3  | 95.0  | 98.3  | 100.2 | 101.6 | 102.6 | 104.0 | 104.5 | 104.6 | 104.7 | 104.7 |
| Nursing and res. care facilities         | 100  | 88.9  | 94.4  | 97.5  | 99.4  | 100.7 | 101.7 | 103.2 | 103.4 | 103.4 | 103.2 | 103.1 |
| Social assistance                        | 100  | 86.4  | 89.6  | 90.3  | 90.4  | 90.6  | 91.1  | 92.6  | 93.4  | 94.1  | 94.7  | 95.3  |
| Food services & drinking establishments. | 100  | 88.8  | 93.8  | 95.9  | 97.0  | 97.7  | 98.3  | 98.9  | 98.5  | 97.8  | 97.2  | 96.5  |
| Personal & laundry services              | 100  | 90.6  | 97.6  | 100.8 | 102.9 | 104.3 | 105.3 | 105.7 | 103.9 | 102.1 | 100.2 | 98.2  |
| State & local gov't.                     | 100  | 94.9  | 94.7  | 95.0  | 95.4  | 95.7  | 96.1  | 97.1  | 97.9  | 98.7  | 99.5  | 100.2 |

## Small Business Growth

Establishment growth has been slow across the region in the past ten years, but growth has been volatile for small businesses. The chart below shows the annual change in number of establishments with paid employees from 2011 to 2018. Nonemployer (or 1099) businesses are not included in this chart but demonstrate the same growth volatility. These trends, supported by stakeholder interviews, suggest that the region's small business development ecosystem needs additional resources, investment, and support. In particular, stakeholders described entrepreneurs' need additional business resources and startup capital, a regional need for a central hub of entrepreneurial resources, and a social need to address inequitable access to information and financing according to one's socioeconomic or racial background.

### Annual Rate of Growth in Establishments by Number of Paid Employees, 2011–2018

Source: U.S. Census Bureau Economic Surveys.



## Small Business and Entrepreneurship Ecosystem

Entrepreneurship and small business development are critical to the region's economic success and resiliency because they provide job opportunities and foster innovation. Business development services and resources are available for entrepreneurs across the four counties, but local service providers report ongoing challenges related to small business owners' access to information and financial resources. These barriers to growth must be addressed.

The following organizations serve small businesses and entrepreneurs in Region 3:

- 1 Million Cups, Kalamazoo
- Chambers of Commerce
- Greater Kalamazoo Business Resources Group
- Northern Initiatives, Battle Creek
- SCORE Mentorship Programs
- Second Muse and Morning Light, Battle Creek
- Small Business Association of Michigan
- Small Business Development Center at Western Michigan University
- Southwest Michigan First: First Path Program
- Startup Zoo and Pitch Zoo, Kalamazoo

The effects of the COVID-19 pandemic and related economic shutdowns have put additional pressure on small businesses, entrepreneurs, and the organizations that assist them. According to stakeholder interviews, COVID-19 has also exacerbated existing socioeconomic inequities in the small business ecosystem, especially for those affected by discrimination. Pre-existing inequitable access to capital and resources has made it even harder for small business owners of color to use the recovery resources that have been made available at the federal level. Although some community foundations and the Michigan Economic Development Corporation have created recovery funds for restaurants, and small and minority-owned businesses, there is still a shortage of financial and educational resources to help address long-term inequalities in the region's entrepreneurship ecosystem.

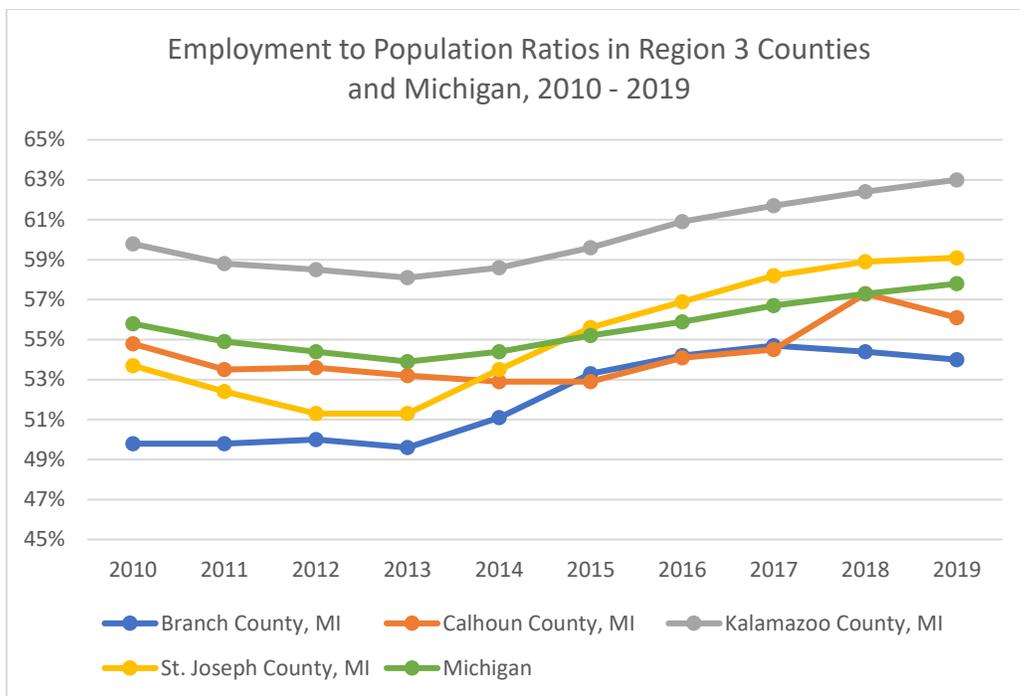
The U.S. Census's Small Business Pulse Survey reports that most small businesses in Michigan have been struggling with significant negative effects from the COVID-19 pandemic for months, and most anticipate that it will take at least six months to return to normal operations. The Research Seminar in Quantitative Economics at the University of Michigan predicts that economic recovery in Michigan will be distinct according to industry – specifically, that government, leisure and hospitality, other services, and retail trade will recover more slowly than other industries. Lower-wage industries are also predicted to have longer-lasting declines in employment than higher-wage industries, which will exacerbate existing inequalities. These reports are worrisome, since a significant number of regional establishments and jobs are concentrated in these sectors. To combat the effects of COVID-19, the region will need investments in the workforce development system, and more resources for entrepreneurs.

## Employment and The Labor Force

According to the BLS Local Area Unemployment Statistics, in 2019, Region 3 had an annual average labor force of 243,552 people, and the region's labor force participation rate (LFPR) was 63.5 percent. The employment-to-population (EPOP) ratio, which measures the percentage of the employed civilian labor force in the total working age population, was 59.9 percent. LFPRs of each county have been flat in the past ten years, while EPOP rates have risen, reflecting growing job opportunities, but also an aging population with declining labor force participation.

### Employment to Population Rate, 2010–2019

Source: U.S. Census Bureau, American Community Survey.

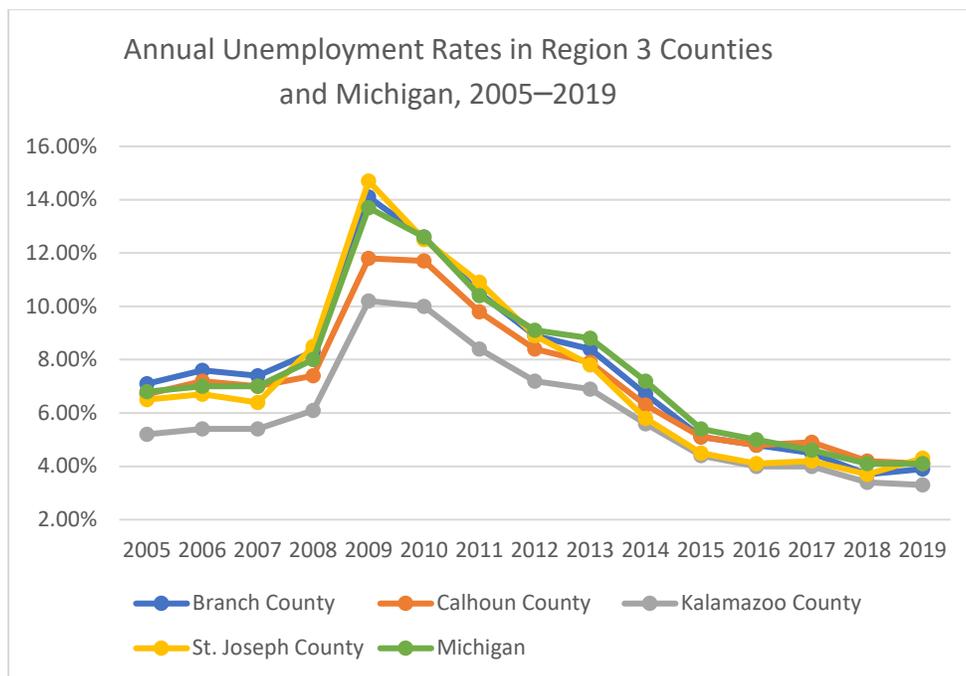


## Unemployment

Regionally, unemployment rates have improved since the Great Recession. Each county in the region follows a pattern similar to that of the state. While unemployment has trended down over the past ten years, the region's counties reached more than 30 percent unemployment during the height of the COVID-19 outbreak, in the spring of 2020. While the situation has improved since the beginning of the pandemic, unemployment currently remains high. Projections point to a return to lower unemployment rates in 2021 and 2022.

### Annual Unemployment Rates in Region 3 Counties and Michigan, 2005–2019

Source: Bureau of Labor Statistics.

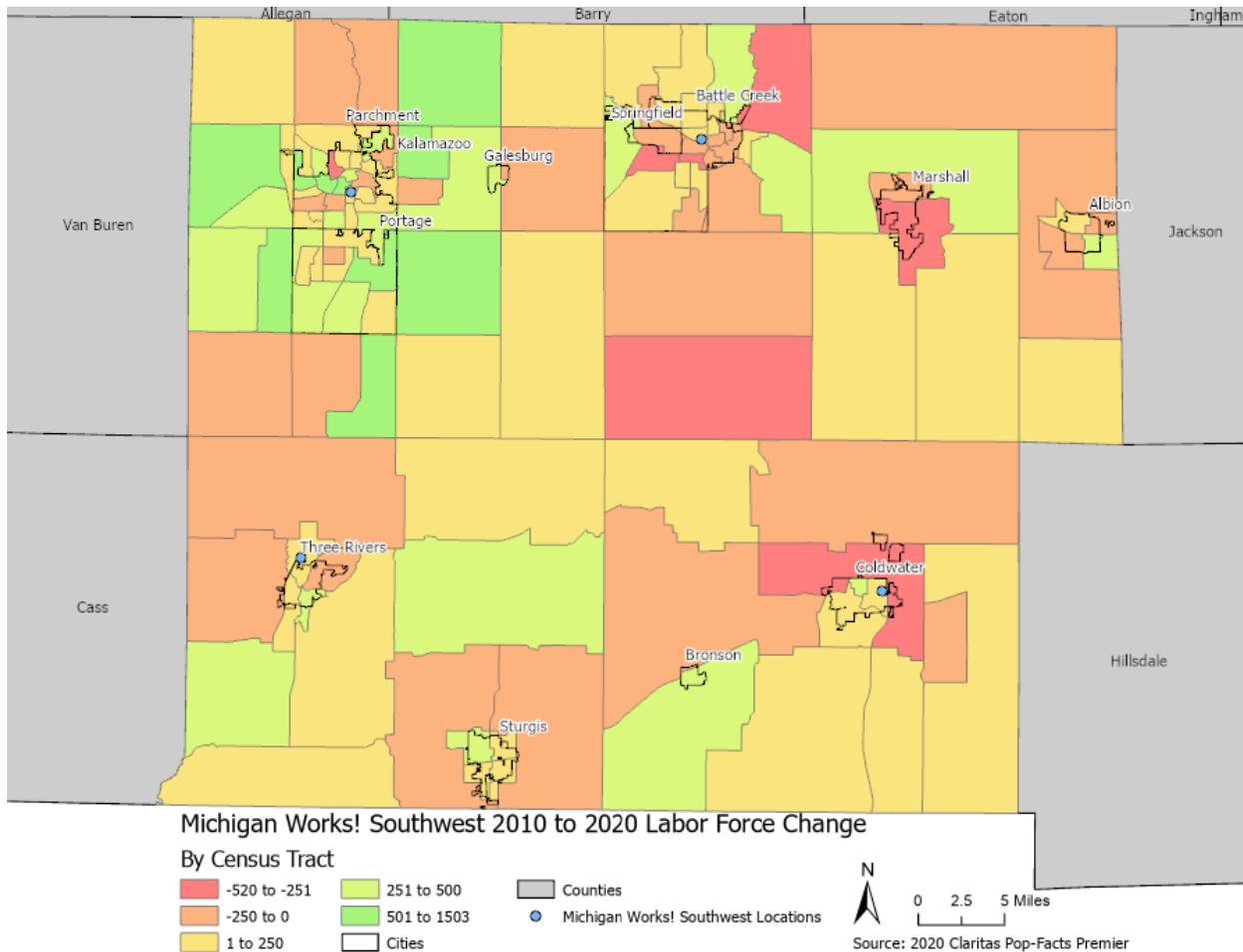


## Labor Force Change, 2010–2020

Certain areas of the region have experienced labor force gains while others have experienced losses. Generally, the more rural areas have experienced losses or slower gains than the urban and suburban areas. However, this trend could change as work becomes more virtual in the future because of the effects of COVID-19.

### Labor Force Change by Census Tract, 2010–2020

Source: Claritas 2020.

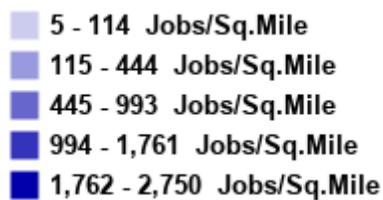
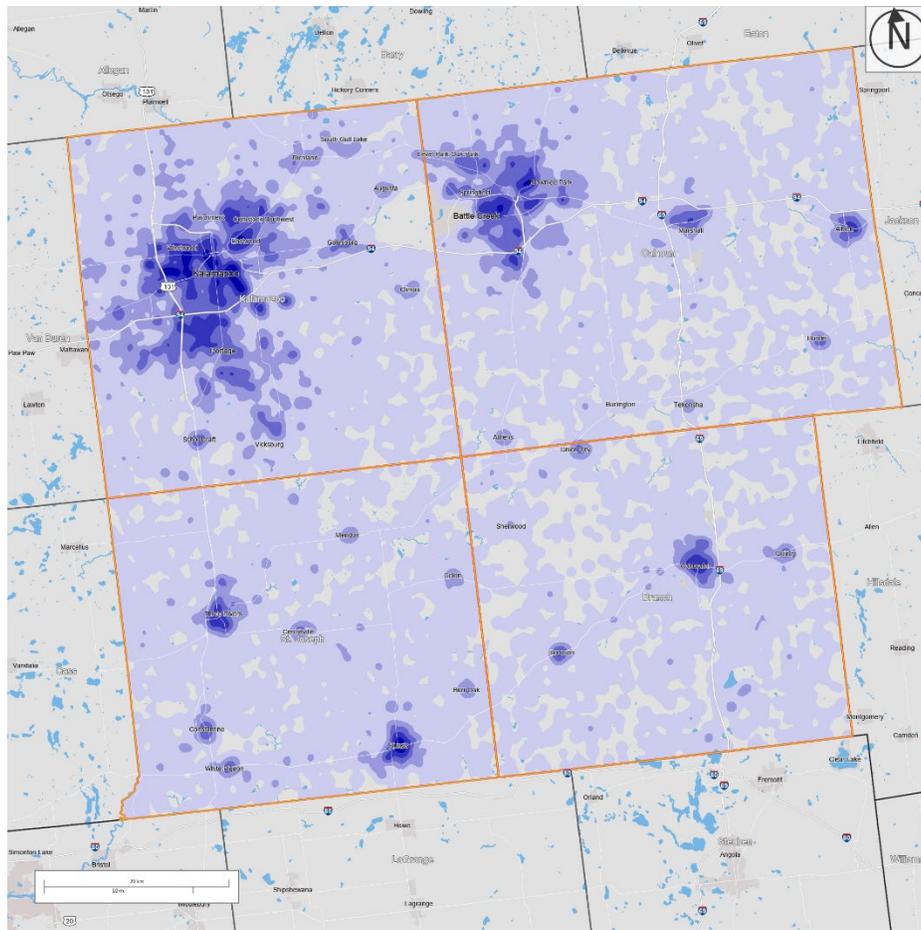


## Location of Workers in the Region

Workers live dispersed throughout the region but are concentrated in urban, near-urban, suburban, and small-town settings. Another 2,036,094 workers live within 60 miles of Region 3.

### Concentration of Workers in Region 3, 2018

Source: U.S. Census Bureau, OnTheMap.

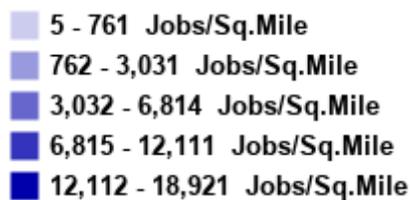
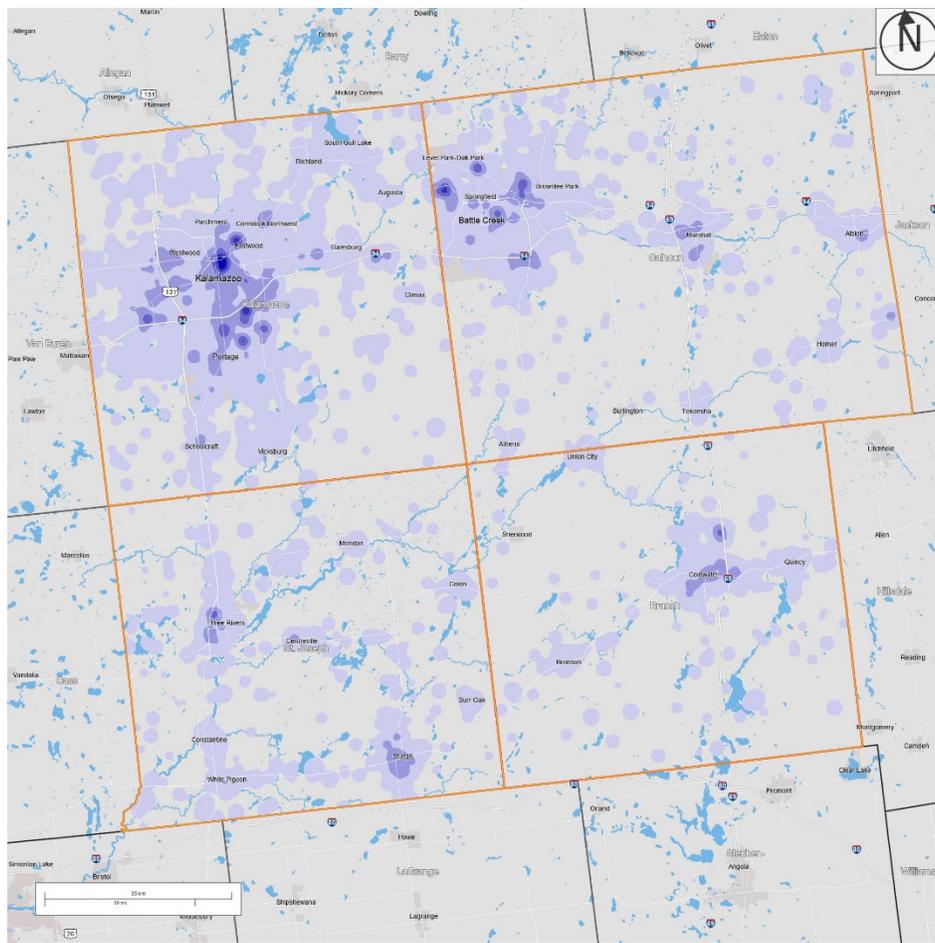


## Location of Employers in the Region

Employers are found in many parts of the region but not all. Like the location of employees, employers are most heavily concentrated in urban, suburban, and small-town areas. Unlike the dispersion of workers, however, employers tend to be concentrated along highways. This slight spatial mismatch has led to transportation issues for workers. Investment in transportation networks that ease employees' access to work and in broadband internet to increase employees' ability to work from home can relieve some of the pressures caused by employee-employer spatial mismatch.

### Concentration of Employers in Region 3, 2018

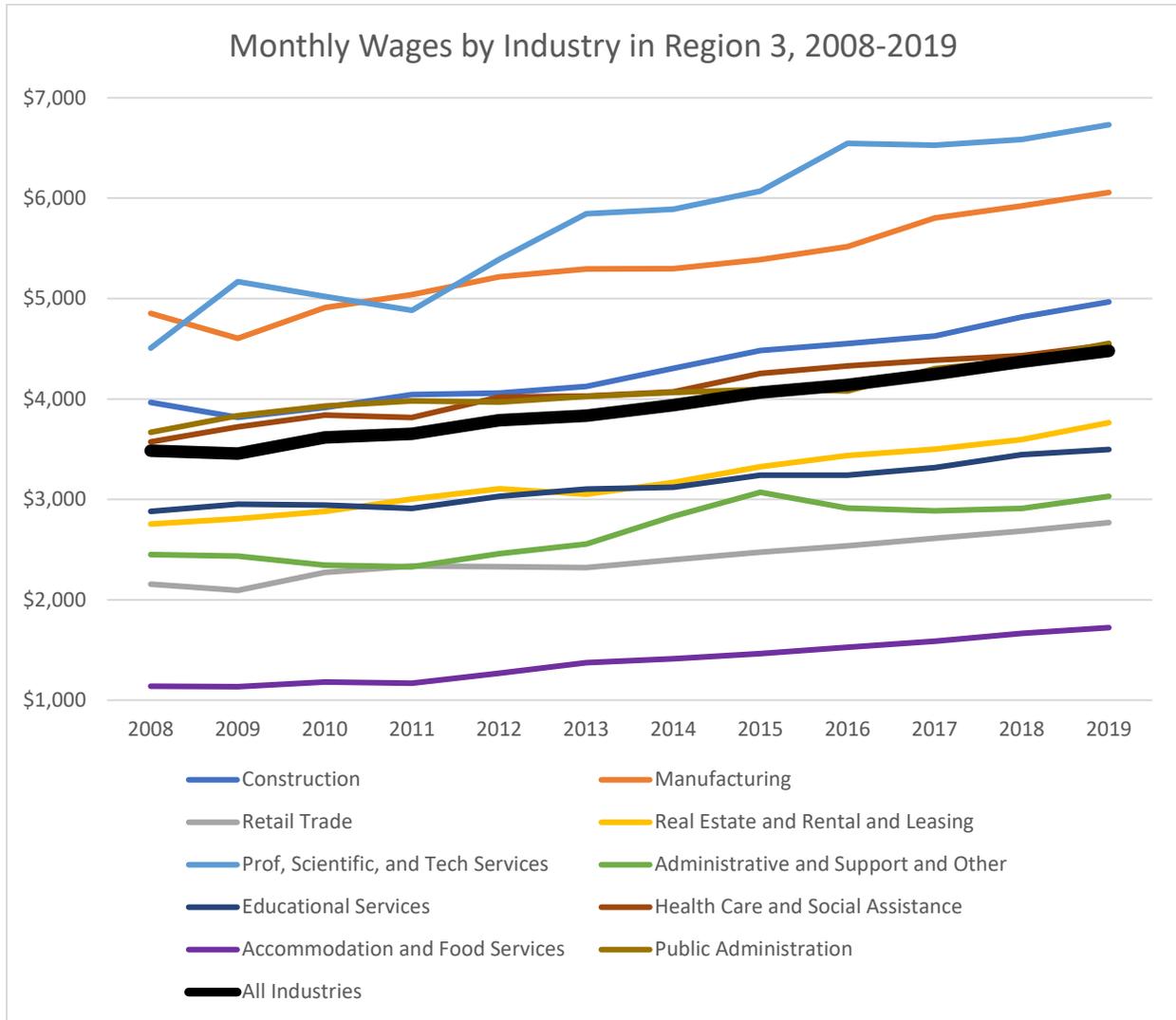
Source: U.S. Census Bureau, OnTheMap.



## Monthly Wages by Industry, 2008–2019

Source: U.S. Census Bureau, Quarterly Workforce Indicators.

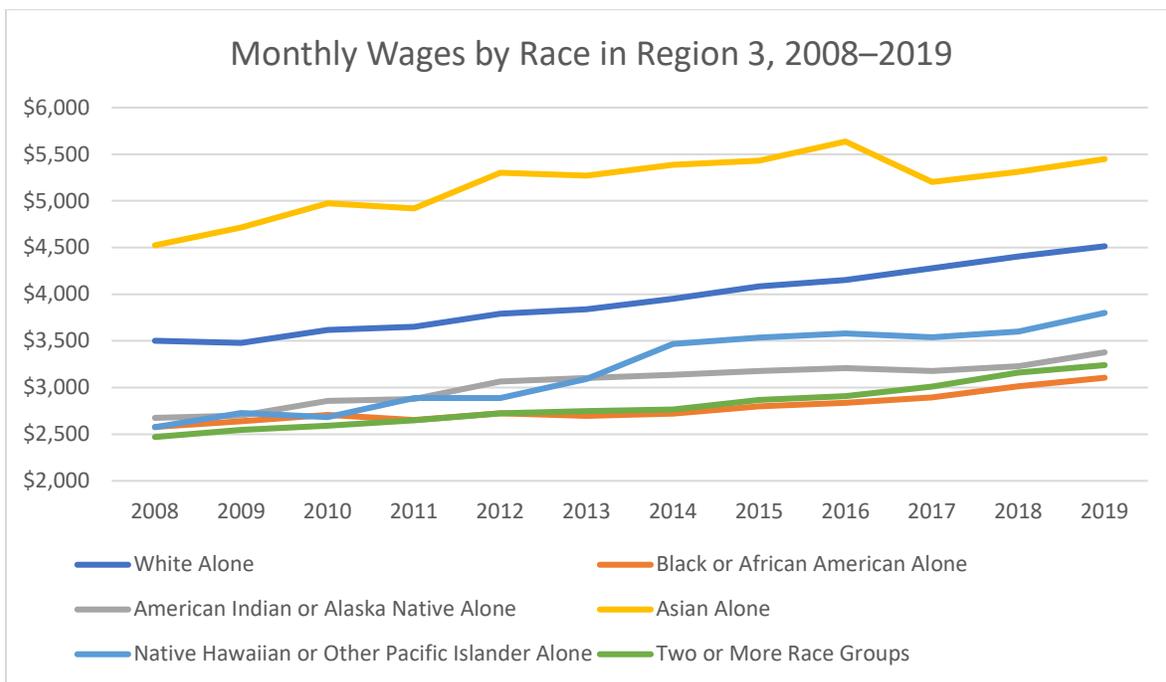
The monthly wages for Professional, Scientific, and Technical Services and for Manufacturing are higher than other industries in the region. Those industries are also experiencing faster-than-average wage growth. Conversely, Accommodation and Food Services have the lowest earnings in the region. Although wages have been increasing for Accommodation and Food Services since 2013, it is unclear what long-term effects COVID-19 will have on this industry.



## Monthly Wages by Race, 2008–2019

Source: U.S. Census Bureau, Quarterly Workforce Indicators.

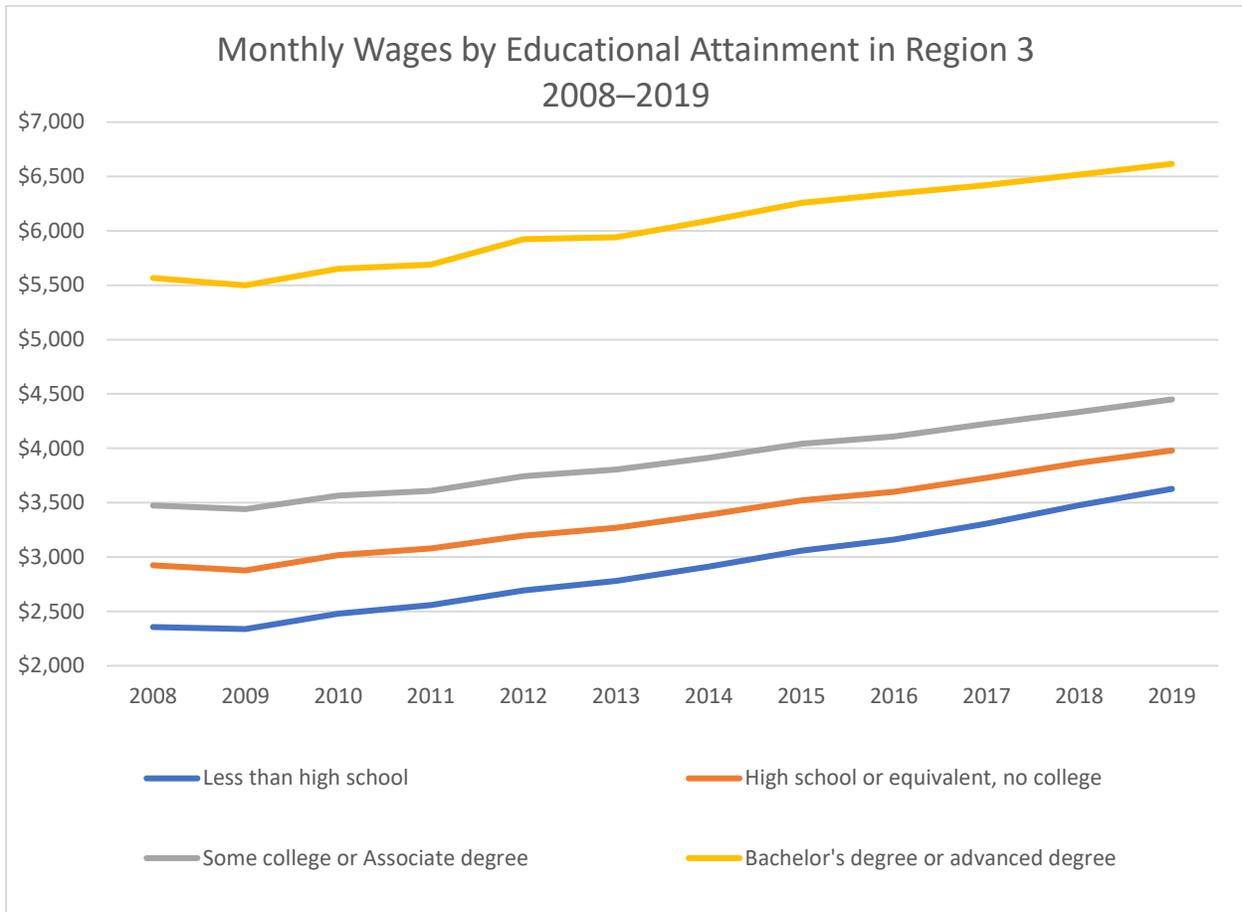
Wages in the region are somewhat stratified by race. While most people of color typically earn less than whites, Asians are the exception. The wage growth for whites is also faster than that of most other racial groups. Wages in Region 3 could be collectively increased through the retention and attraction of jobs that pay a living wage. These efforts need to be coupled with an intentional focus on addressing historical and systematic barriers to employment and skill attainment by people of color in the region. More culturally relevant workforce training and employer engagement on the value of diverse talent could also help communities of color access more living wage jobs in the region.



## Monthly Wages by Educational Attainment, 2008–2019

Source: U.S. Census Bureau, Quarterly Workforce Indicators.

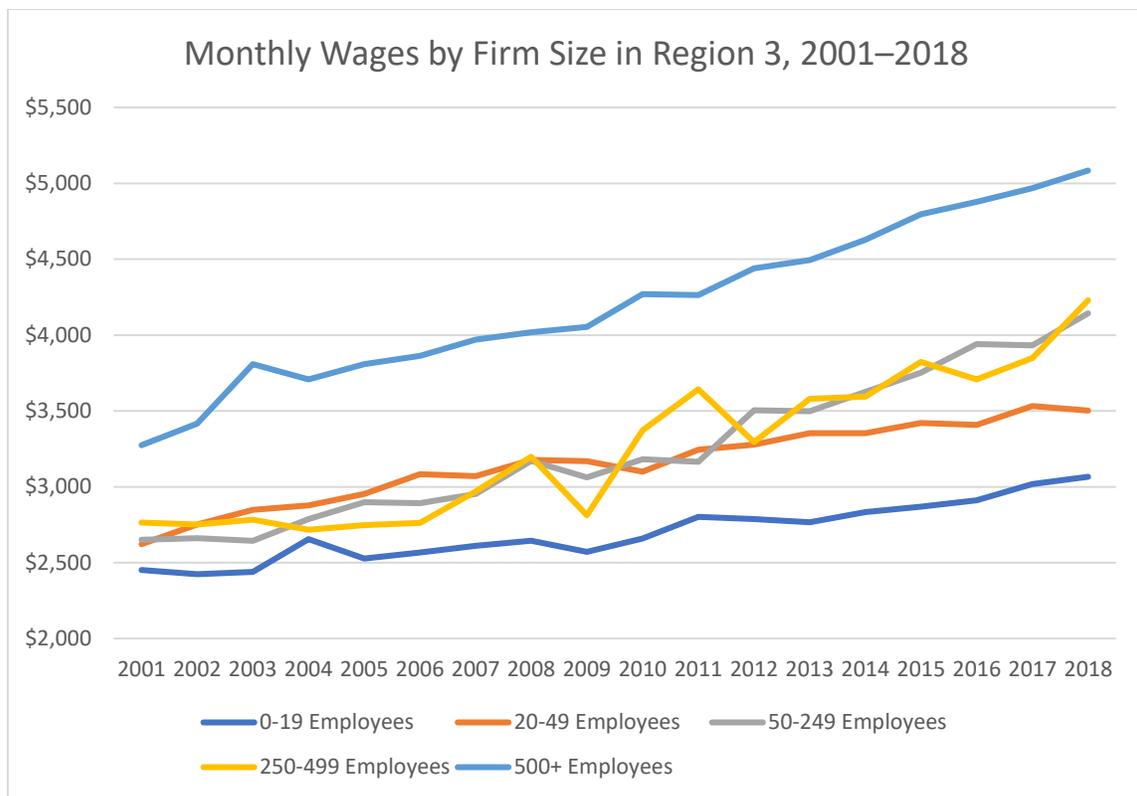
The following chart shows monthly earnings by workers' educational attainment. The chart demonstrates that higher levels of education typically can demand higher wages. In Region 3, those with a bachelor's or advanced degree have significant wage advantages over those with lower levels of education.



## Monthly Wages by Firm Size, 2001–2018

Source: U.S. Census Bureau, Quarterly Workforce Indicators.

The following chart displays average monthly wages by firm size. Typically, the larger the firm, the higher the monthly pay. Larger firms often have a more mature organizational structure with more highly paid personnel, leading to higher monthly wages. Their greater maturity also leads to stronger supply networks and customer bases, which can allow them to offer higher wages. This wage differential is often a challenge for small businesses to counter, as demonstrated in the chart below. However, in some sectors such as tool and die, small firms can pay higher wages than larger firms in the same industry, due to their specialized nature. Because larger firms compete by keeping costs of production to a minimum, they sometimes offer lower wages than smaller firms.



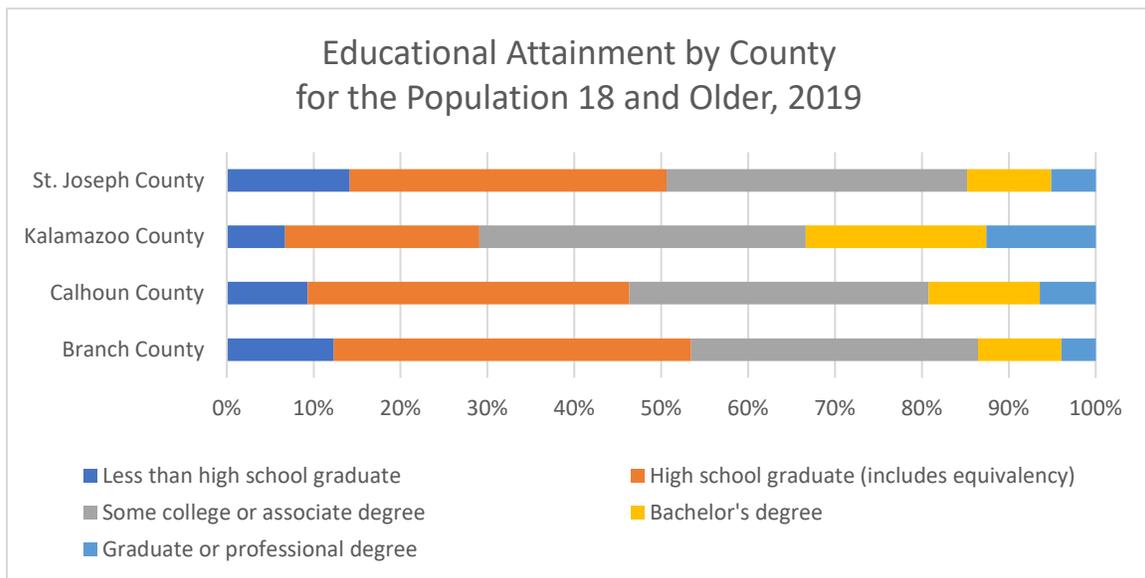
## Education, Workforce Development, and Training

Workforce development is a key focus of the CEDS because the success of businesses and the health of the labor force reinforce each other. Firms need workers with skills that help the business keep pace with changing economic and technological conditions. Firms' success is thus partially dependent upon the regional labor force having access to education and training that provides needed skillsets. In Region 3, educational institutions such as community colleges and intermediate school districts, as well as nonprofit community organizations, offer the bulk of workforce training and instruction. Trade unions, Michigan Works! Southwest, Goodwill Industries, Urban Alliance, the Hispanic Chamber of Commerce, and several other organizations provide workforce and employer services regionally.

The workforce development system of Region 3 offers innovative programs that meet critical needs of employers, but it also grapples with some complex economic development issues. Training organizations are tasked with not only consistently aligning with businesses' needs, but also helping students overcome barriers to education, including poverty and historic discrimination. Some occupations such as welders and machinists are in such high demand that employers hire students before they complete their program. According to stakeholder interviews, stigmas and criminal records also exclude individuals who might otherwise benefit from workforce training. Furthermore, the region needs a coordinated strategy between anchor institutions and local governments for how to uplift communities of color, retail and restaurant workers. This strategy would apply to both COVID-19 recovery efforts and to future workforce development initiatives. The CEDS Priority Strategies in the Strategic Direction and Action Plan will help economic development organizations support workforce development and government partners in addressing these challenges.

### Educational Attainment by County, 2019

Source: U.S. Census Bureau, American Community Survey.



## Talent Development by Occupation, 2010–2020

In addition to excellent primary education institutions, Region 3 benefits from a strong network of post-secondary workforce and training providers. Community colleges offer credit and non-credit bearing courses, as well as support services whenever possible. Michigan Works! Southwest provides workforce development support and resources to employers, job seekers, and educators in Region 3, and like SMPC, Michigan Works! Southwest is administered by the W.E. Upjohn Institute. The private sector provides a significant amount of training to its employees as well, although the state-reported data indicate that this training happens less frequently than through other providers.

### Provision and Completion of Workforce and Training Programs in Region 3, 2010–2020

Source: State of Michigan Department of Labor and Michigan Works! Southwest.

| Training provider and Courses received, 2010–2020 | Participant completed course        | Participant did not complete course        | Uncertain completion record        | Grand total        |
|---|-------------------------------------|--|------------------------------------|--------------------|
| <b>Community College or University</b>            | <b>1,832</b>                        | <b>2,092</b>                               | <b>58</b>                          | <b>3,982</b>       |
| Basic skills                                      | 4                                   | 9  | 1                                  | 14                 |
| Business  | 426                                 | 328  | 9                                  | 763                |
| Computer (includes IT)                            | 52                                  | 39   | 4                                  | 95                 |
| Construction                                      | 8                                   | 5  |                                    | 13                 |
| Education   | 85                                  | 591  | 9                                  | 685                |
| Energy  | 27                                  | 6  |                                    | 33                 |
| Finance and insurance                             | 58                                  | 20   | 1                                  | 79                 |
| GED   |                                     | 3  |                                    | 3                  |
| Healthcare  | 482                                 | 645  | 19                                 | 1,146              |
| Hospitality and food service                      | 32                                  | 11   | 2                                  | 45                 |
| Law/Criminal Justice                              | 6                                   | 52   | 1                                  | 59                 |
| Manufacturing                                     | 485                                 | 58   | 2                                  | 545                |
| Mechanics, installers, and repair workers         | 104                                 | 86   | 8                                  | 198                |
| Media and graphic design                          | 6                                   | 28   |                                    | 34                 |
| On the job training                               | 3                                   |  |                                    | 3                  |
| Other   | 16                                  | 54   | 1                                  | 71                 |
| Social services                                   | 24                                  | 116  |                                    | 140                |
| Soft skills                                       | 9                                   | 38   | 1                                  | 48                 |
|   | <b>Participant completed course</b> | <b>Participant did not complete course</b> | <b>Uncertain Completion Record</b> | <b>Grand Total</b> |
| <b>Michigan Works! Southwest</b>                  | <b>3,677</b>                        | <b>321</b>                                 | <b>239</b>                         | <b>4,237</b>       |
| Business  | 144                                 | 9  |                                    | 153                |
| GED   | 8                                   | 158  | 60                                 | 226                |

|  |                                     |  |                                    |                    |
|--|-------------------------------------|--|------------------------------------|--------------------|
| Healthcare                                     | 44                                  | 47   | 5                                  | 96                 |
| Hospitality and food service                   | 1,040                               | 46   | 2                                  | 1,088              |
| Manufacturing                                  | 7                                   | 2  |                                    | 9                  |
| Mechanics, installers, and repair workers      | 17                                  |  |                                    | 17                 |
| Other  | 18                                  | 2  |                                    | 20                 |
| Soft skills                                    | 2,393                               | 55   | 172                                | 2,620              |
| Truck Driving-Transportation-Warehouse         | 3                                   |  |                                    | 3                  |
|  | <b>Participant completed course</b> | <b>Participant did not complete course</b> | <b>Uncertain completion record</b> | <b>Grand total</b> |
| <b>Other training providers, including CTE</b> | <b>1,580</b>                        | <b>705</b>                                 | <b>126</b>                         | <b>2,411</b>       |
| Basic skills                                   | 5                                   | 21   | 4                                  | 30                 |
| Business                                       | 57                                  | 17   |                                    | 74                 |
| Computer (includes IT)                         | 7                                   | 6  |                                    | 13                 |
| Construction                                   | 31                                  | 18   |                                    | 49                 |
| Cosmetology                                    | 9                                   | 47   | 4                                  | 60                 |
| Cosmetology                                    | 17                                  | 113  | 9                                  | 139                |
| Education                                      | 11                                  | 8  |                                    | 19                 |
| Finance and insurance                          | 14                                  | 8  |                                    | 22                 |
| GED  | 22                                  | 247  | 87                                 | 356                |
| Healthcare                                     | 1,159                               | 161  | 18                                 | 1,338              |
| Hospitality and food service                   | 12                                  | 4  |                                    | 16                 |
| Manufacturing                                  | 8                                   | 5  | 2                                  | 15                 |
| Mechanics, installers, and repair workers      | 15                                  | 9  |                                    | 24                 |
| On the Job Training                            | 126                                 |  |                                    | 126                |
| Other  | 16                                  | 12   | 1                                  | 29                 |
| Social Services                                | 17                                  | 8  |                                    | 25                 |
| Soft skills                                    | 26                                  | 12   |                                    | 38                 |
| Truck Driving-Transportation-Warehouse         | 25                                  |  |                                    | 25                 |
|  | <b>Participant completed course</b> | <b>Participant did not complete course</b> | <b>Uncertain completion record</b> | <b>Grand total</b> |
| <b>Private Sector</b>                          | <b>416</b>                          | <b>42</b>                                  | <b>4</b>                           | <b>462</b>         |
| Business                                       | 43                                  | 1  |                                    | 44                 |
| Computer (includes IT)                         | 5                                   |  |                                    | 5                  |
| Construction                                   | 1                                   | 2  |                                    | 3                  |
| Finance and insurance                          | 8                                   | 3  |                                    | 11                 |
| Healthcare                                     | 7                                   | 3  |                                    | 10                 |
| Manufacturing                                  | 263                                 | 23   | 2                                  | 288                |
| Mechanics, installers, and repair workers      | 25                                  | 1  |                                    | 26                 |
| Media and graphic design                       | 9                                   |  |                                    | 9                  |
| On the job training                            | 48                                  | 5  | 1                                  | 54                 |

|   |                                     |  |                                    |                    |
|---|-------------------------------------|--|------------------------------------|--------------------|
| Truck Driving-Transportation-Warehouse                | 3                                   | 1  |                                    | 4                  |
|   | <b>Participant completed course</b> | <b>Participant did not complete course</b> | <b>Uncertain completion record</b> | <b>Grand total</b> |
| <b>Grand total trained by all providers 2010–2020</b> | <b>7,505</b>                        | <b>3,160</b>                               | <b>427</b>                         | <b>11,092</b>      |

The data above show that the region’s workforce system trains people most often in healthcare and hospitality and food service occupations. Community colleges and the private sector also train many people in manufacturing occupations, since firms frequently need people with basic electrical and mechanical skills, machinists, telecommunication specialists, and knowledge of other skilled trades. Workforce development organizations also provide a significant amount of soft skill instruction in addition to occupational training. However, the occupational training does not neatly align to the labor force needs of the region economy, as indicated in the industry analysis. While the region does have a slightly higher concentration of health sciences and food service jobs, these two industries are projected to decline in the near term from the impacts of COVID-19. Conversely, employment in the computer, electronic equipment, and appliance manufacturing sectors show the most potential for growth.

A priority CEDS strategy is to use ongoing Upjohn Institute occupational research to evaluate the impacts of the region’s talent development pipelines. Workforce development partners and local governments need this type of training and industrial analysis on a regular basis to align their education programming with employers’ talent needs, as well as to show the value of training programs to employers and funders. Because the region has a high concentration of manufacturing businesses, these analyses will be especially critical to address the anticipated effects of automation.

The regional workforce development system also needs investments in equity. According to stakeholder interviews, training programs, job fairs, and other learning opportunities need to be more culturally relevant because people of color attend these kinds of events at lower rates than their white counterparts. Students of all backgrounds also tend to need financial and social support to finish their education without onerous debt, but these resources are typically in short supply. In addition to more culturally-relevant workforce development resources, educators, economic development organizations, and local governments need to work with businesses to develop strategies that provide them with new, consistent pipelines of diverse talent. The priority strategies for workforce development, equity, and government capacity building goals start the work of addressing these challenges in the Strategic Direction and Action Plan.

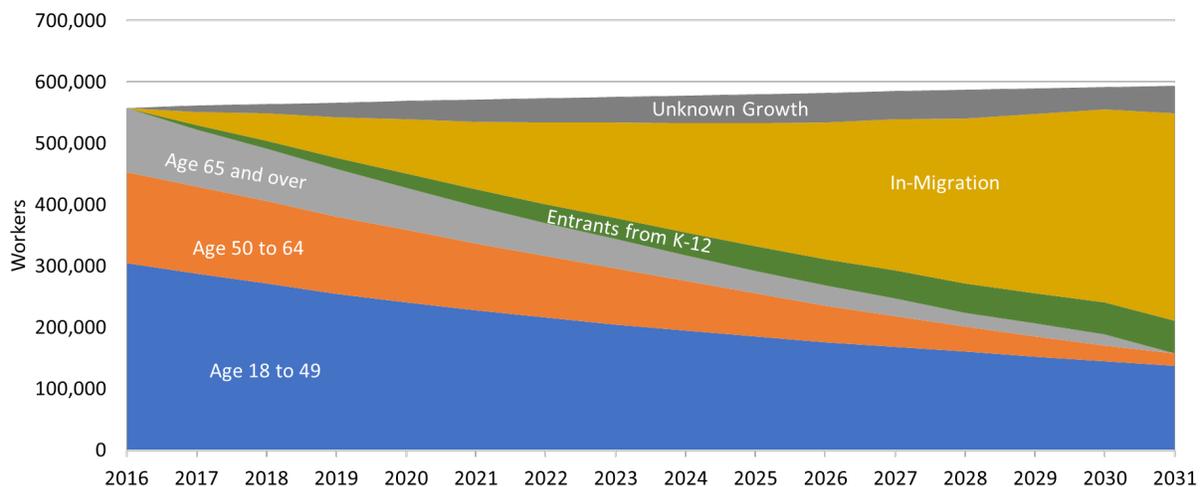
## Talent Retention and Attraction

The regional supply of labor is made up of three primary elements: 1) talent attraction, 2) talent retention, and 3) talent development. Talent attraction is important because new workers to the region will need to replace workers that will naturally exit the workforce because of retirement, moves out of the region, or other reasons. Likewise, talent retention is vital to maintain the workforce in the region, as it is easier for the region to keep workers who have established roots than it is to attract those who are not currently residing in the region. Talent development is also important to increase labor force participation of the region's current and potential workers, which alleviates the pressure on talent attraction and may provide economic opportunities to those who do not currently have them.

As the chart below demonstrates for Region 3 and the three counties to the west, by 2031 more than half of the needed workforce will have to come from outsiders who move into southwest Michigan. The chart projects that by 2031, only 35 percent of workers will be those currently working in southwest Michigan, and about 15 percent more are currently in the education system. To maintain and expand the talent pool in the regional, leaders and stakeholders need to address regional challenges that negatively impact talent retention, development, and attraction. Stakeholder interviews report challenges with retaining university graduates, a lack of accessible, affordable broadband internet service, and a shortage of quality housing, all of which prevent the region from retaining and attracting needed talent.

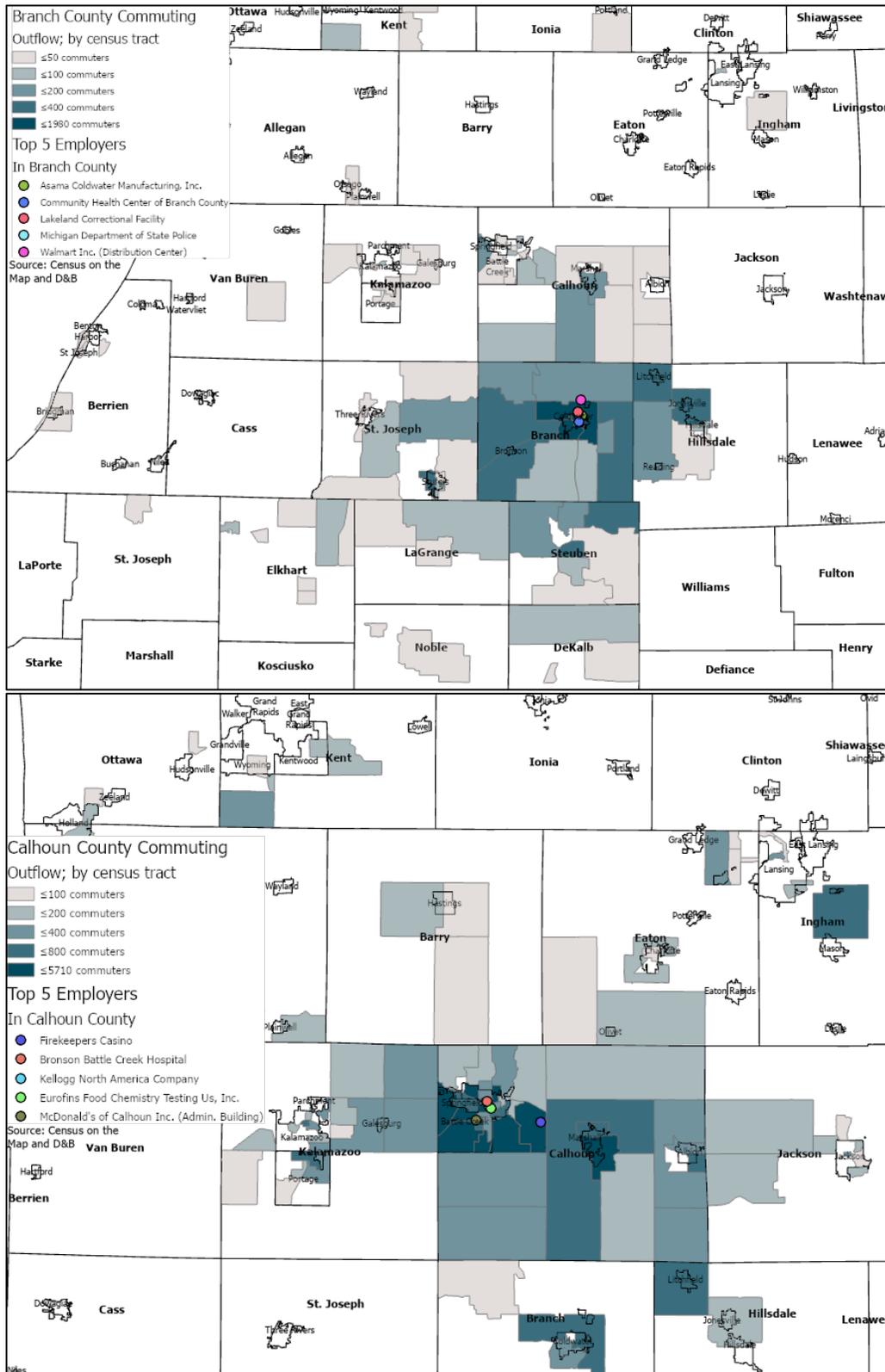
### Projected Labor Market Components and Change in Southwest Michigan, 2016–2031

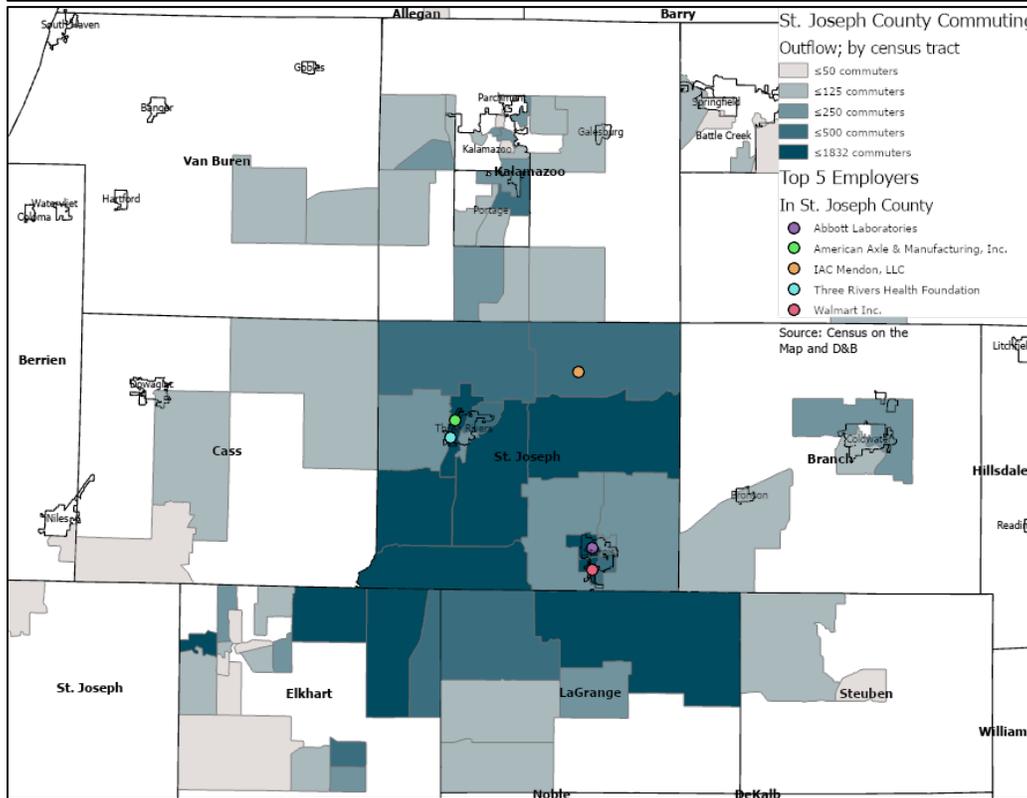
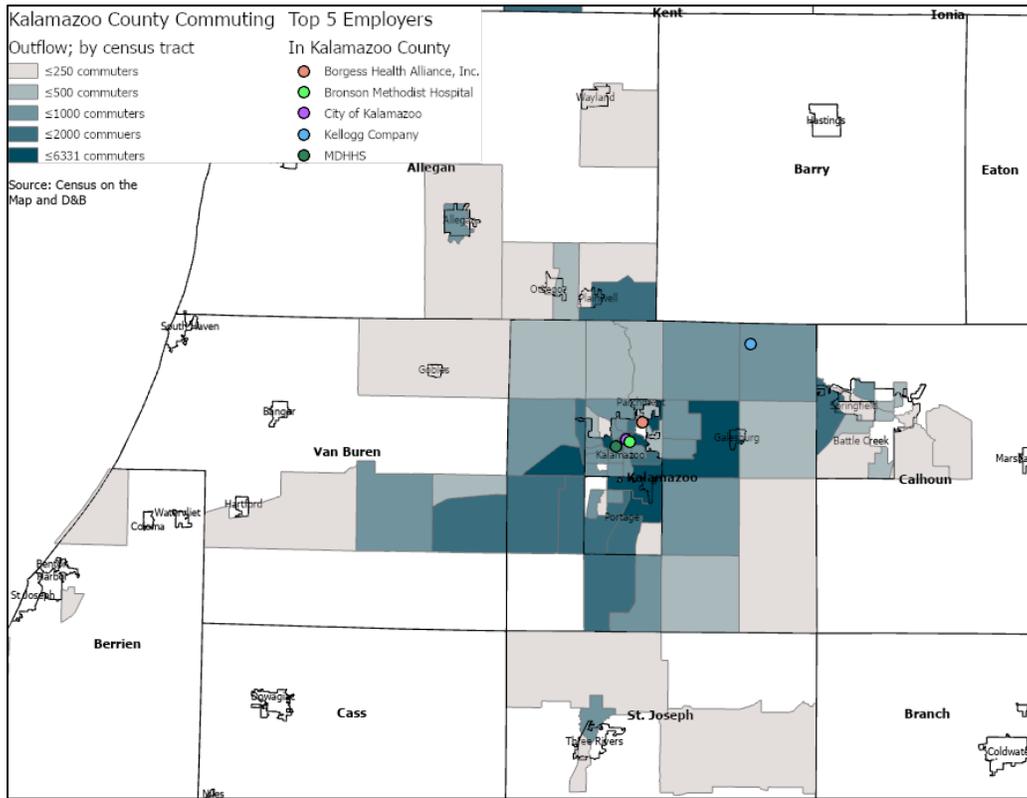
Source: Regional Economic Modeling Inc., U.S. Census Bureau, American Community Survey, and the Upjohn Institute.



# Out-Bound Commuting and Top 5 Employers by County, 2010–2020

Source: Census OnTheMap, Dun & Bradstreet.





## Equity in Regional Economic Development

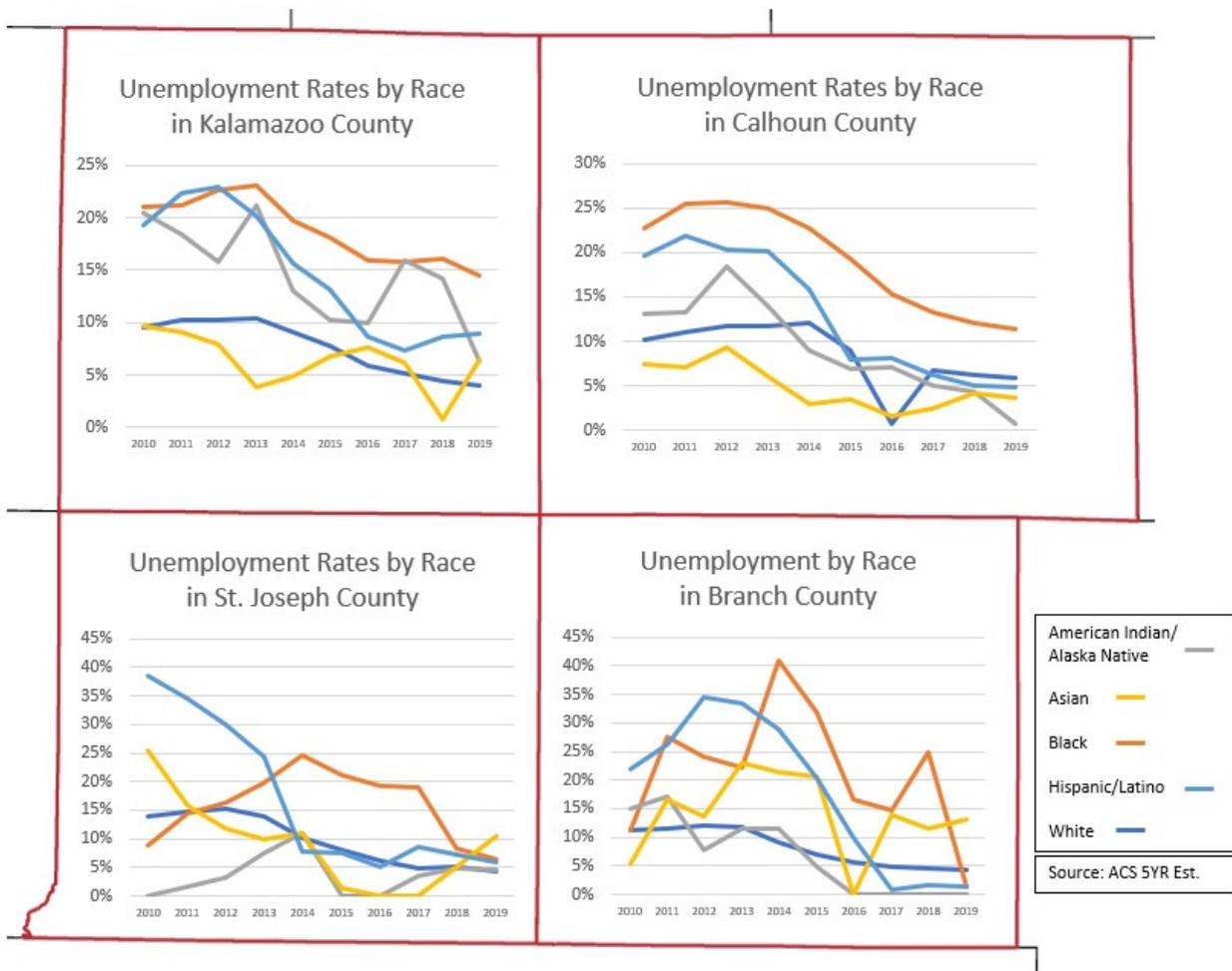
People of color are historically underserved by economic development not just in Region 3, but across the United States. This exclusion and other forms of discrimination have created unequal socioeconomic outcomes across racial identities. In order to prioritize addressing these disparities, the CEDS committee chose to make equity not only an explicit goal of this plan, but also a lens to evaluate every priority, recommendation, and action step. The committee and SMPC recognize that all stakeholders have an ongoing role in making the region more equitable and inclusive, and they wish for this plan to contribute to that aim.

To ensure that regional economic development is more equitable going forward, stakeholders need to strengthen partnerships with local groups focused on addressing racial disparities, such as Truth, Racial Healing, and Transformation (TRHT) in Kalamazoo and Battle Creek, the Society for History and Racial Equity (SHARE), Eliminating Racism and Creating/Celebrating Equity (ERRACE) of Michigan, Standing Up for Racial Justice (SURJ) of Battle Creek and Kalamazoo, and others. These partnerships will give economic development stakeholders the knowledge and tools they need to adopt strategies that enable equitable access to resources, ensure continued in-migration of skilled workers, and address cultural barriers to inclusion. CEDS implementation will also advance strategies that produce more equitable outcomes, such as strengthening relationships between economic development organizations and communities of color, and promoting diversity of backgrounds in leadership and decision-making roles. CEDS strategies around education and training will focus on empowering the existing workforce, particularly people of color and young people, to better access existing resources. CEDS strategies will also support ongoing projects that advance equity, such as the Catalyzing Community Giving grant initiative in the Washington Heights neighborhood of Battle Creek, and those that address rural socioeconomic disparities, such as the Sturgis Neighborhood Program. Several CEDS metrics are disaggregated by race to track and evaluate the impact of economic development activities on communities of color.

## Unemployment Rates by Race and County, 2010–2019

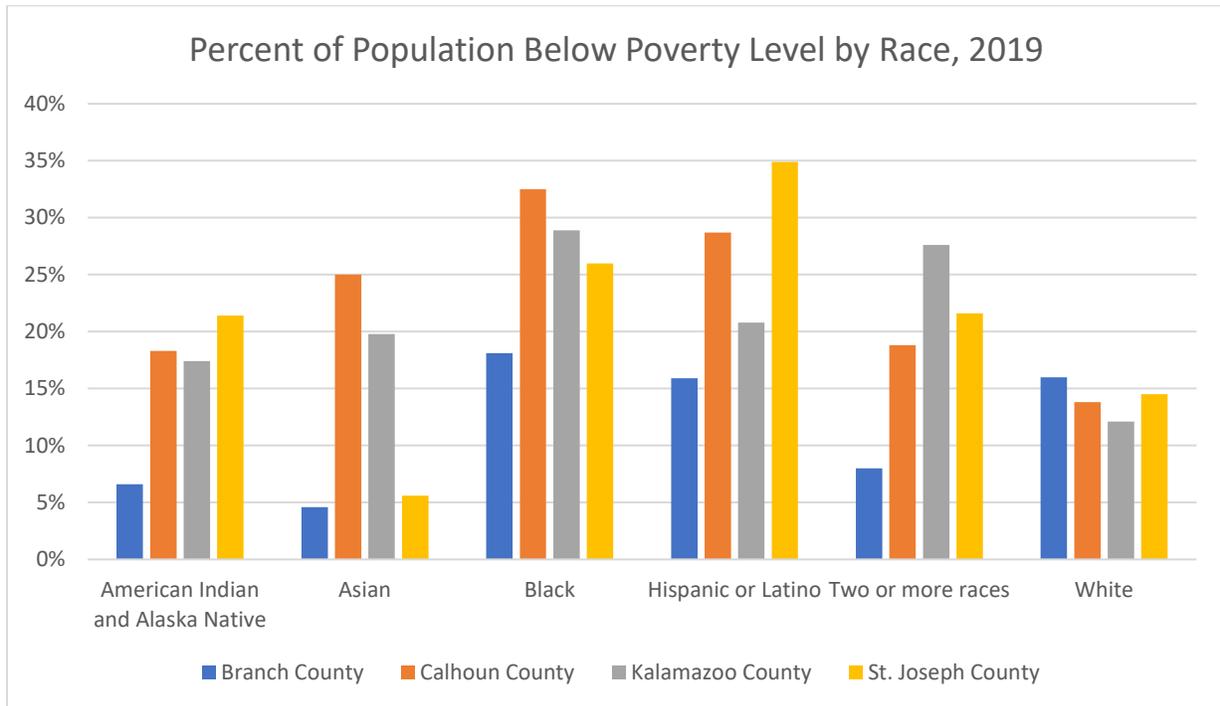
Source: U.S. Census Bureau, American Community Survey.

As shown by the unemployment rate charts below, people of color have struggled more than white people to find employment in the region over the past ten years. People of color in Region 3 are also more likely to experience poverty than their white counterparts. Furthermore, it is clear that in 2020, the effects of the COVID-19 pandemic on people’s health, employment, and economic security have fallen more heavily upon communities of color, which will create even more barriers to their success. In order to address these inequities and strengthen the long-term resilience of the region, additional support and resources for communities, workers, and businesses of color are needed. In terms of economic development, the most urgent needs are for resources to help residents, students, and businesses of color to overcome financial and cultural barriers to education, talent development, employment, and entrepreneurship.



### Poverty Rates by Racial Identity, 2019

Source: U.S. Census Bureau, American Community Survey.



Other systemic challenges stand in the way of equitable economic development in Region 3. Several communities in the region lack options for public transportation and affordable childcare, which would allow working parents to maintain steady employment or participate in training. Some local governments struggle to fund the foundational elements of economic growth equitably in all areas of their community, such as infrastructure improvements, schools, and health care. COVID-19 has highlighted the divides in broadband availability, access, and affordability that must be addressed to enable households to learn and work from home. Housing has become a challenge for workers as well, both in terms of a lack of affordable housing, and in overcoming barriers to homeownership like poor credit or eviction histories. Across the region, there are also barriers related to cultural differences and mistrust that must be mitigated in order to move forward. If left unaddressed, these and other challenges to equity will stymie the region’s future economic growth.

## Regional Economic Development Challenges

Branch, Calhoun, Kalamazoo, and St. Joseph Counties face challenges to economic development on the local, state, and federal levels. When organizations and jurisdictions focus only on local issues, it is often difficult to create strategies that have long-term positive impact and strengthen the resiliency of the entire region. The CEDS, however, offers economic development and community stakeholders the opportunity to address challenges that cross jurisdictional and organizational boundaries through collaborative strategies.

On the local level, economic development partners and local jurisdictions experience challenges related to the information, funding, regulations, and relationships that enable their work. Local jurisdictions and economic development organizations (EDOs) have imperfect access to knowledge, data, and often to the capital that they need to assist businesses. Because of these limitations, some local governments and community colleges struggle to justify to residents and businesses the costs of investing in economic and workforce development projects, which can prevent them from moving forward. The coordination of regulations and incentives across political jurisdictions is an information-related challenge for both EDOs and the private sector. Although some organizations share knowledge freely, relationships across sectors are not as strong as needed to help stakeholders overcome barriers to information. Building and supporting collaborative networks of relationships among economic development partners to share information and resources is thus a critical CEDS activity at the local level.

Regionally, other challenges such as broadband internet access and affordability are more systemic in nature. As the broadband infrastructure maps indicated, internet access is inconsistent throughout the region. Smaller jurisdictions recognize the need to increase the availability of highspeed internet in their communities, but they are often unable to overcome the complexity of financial barriers that currently prevent telecommunication companies from expanding access there. The COVID-19 pandemic has also increased local jurisdictions' prioritization of improving internet affordability and access. To address these issues, broadband planning is another critical CEDS activity to be implemented at the regional level.

State and federal government challenges also impact economic development and the business environment in Region 3. Michigan's concentration in export industries makes the region vulnerable to the impacts of tariffs recently applied at the federal level and to economic volatility on the global level. The state's income tax rate and unemployment insurance systems are not the most competitive among those of neighboring states. Moreover, the state's post-secondary educational institutions are not coordinated in their approaches to workforce development and training programs, which causes administration challenges for regional training providers and can put a strain on participants as well. Regional stakeholders must find innovative and collaborative ways of working through these limitations to economic development, including through the CEDS.

Finally, the impacts of the COVID-19 pandemic present the biggest challenge to the region in the next five years. Without additional federal aid, local jurisdictions will likely have reduced budgets in coming years as a result of decreased revenues, which could impact their ability to support economic development projects. Regional firms are finding it challenging to recruit workers who are concerned about workplace safety protocols for the pandemic, and many businesses are simply trying to survive and are thus unable to plan ahead. Although COVID-19 caused the CEDS development process to be completed in an unorthodox manner, it is still a timely and critical organizing tool for helping regional stakeholders prioritize the strategies their communities need in order to recover and build resiliency for the future.

## Regional Strengths, Weaknesses, Opportunities, and Threats

This table categorizes the region’s economic development strengths, weaknesses, opportunities, and threats (SWOT). Strengths and weaknesses are considered internal to the region, while opportunities and threats are considered external. The SWOT table was compiled from both committee input and community feedback.

| <b>Strengths:</b>   | <b>Weaknesses:</b>   |
|---|--|
| <ul style="list-style-type: none"> <li>- Automobile industry supply chains and manufacturing firms</li> <li>- Brownfield redevelopment authorities and firms</li> <li>- Economic development organizations (EDOs)</li> <li>- Engaged primary and higher educational institutions</li> <li>- Food innovation cluster: KVCC Food Innovation Center; W.K. Kellogg Institute for Food and Nutrition Research; and Southwest Michigan Accelerator Kitchen (forthcoming)</li> <li>- Food processing firms</li> <li>- Foreign Trade Zone 43</li> <li>- Growing residential demand in downtowns</li> <li>- Generous community and philanthropy</li> <li>- Lakes and natural features</li> <li>- Large military presence in Battle Creek</li> <li>- Leadership in food safety and innovation</li> <li>- Low cost of living</li> <li>- Medical-device manufacturing firms</li> <li>- Recreation amenities, trails, and parks</li> <li>- Small town and industrious cultural values</li> <li>- Strong arts community</li> <li>- Battle Creek, Coldwater, and Kalamazoo Promise programs</li> <li>- Tradition of skilled labor</li> <li>- Well-connected to U.S. and international markets via existing aviation and transportation infrastructure</li> <li>- Water resources for tourism and industry</li> </ul> | <ul style="list-style-type: none"> <li>- ‘College or bust’ culture</li> <li>- Costs and complexity associated with redevelopment of existing assets</li> <li>- Inability to retain university students after graduation</li> <li>- Infrastructure gaps (transportation, freight, broadband, sewer and water) in key areas</li> <li>- Lack of affordable housing</li> <li>- Lack of agreement on community-level and regional priorities</li> <li>- Lack of diverse participation in planning</li> <li>- Lack of diverse and inclusive economy and culture in some areas of the region</li> <li>- Limited use and awareness of financial literacy resources</li> <li>- Low labor force participation rates</li> <li>- Low wages hinder potential for workers’ economic mobility and limits the ability of firms to hire talented workers</li> <li>- Need for more corporate participation in and support of workforce development programs</li> <li>- Repetitive efforts instead of partnerships</li> <li>- Siloed communication channels and little cooperation among development partners</li> <li>- Stagnant population growth in several communities</li> <li>- Struggling downtowns in some rural communities</li> <li>- Truck congestion in downtown areas</li> <li>- Workforce development programs need additional social supports for participants</li> <li>- Youth homelessness and unemployment</li> </ul> |

| <b>Opportunities:</b>   | <b>Threats:</b>   |
|---|---|
| <ul style="list-style-type: none"> <li>- Additional education and resources to help local jurisdictions solve economic development and business problems</li> <li>- Collaborative partnerships</li> <li>- Downtown development to extend tourism through winter season</li> <li>- Localized production of food and growth of the regional food ecosystem</li> <li>- Networks and partnerships for pilot projects in workforce development</li> <li>- Pent up demand for additional housing</li> <li>- Reducing barriers to education and training</li> <li>- Reimagine philanthropy as an agent of change</li> <li>- Regional funding to support growth of small businesses and to provide startup capital for entrepreneurs</li> <li>- Strengthen connection of secondary schools to regional employers</li> <li>- Talent retention and attraction programs</li> <li>- Training programs that support both automation of firms' production and good paying jobs</li> </ul> | <ul style="list-style-type: none"> <li>- Continued under-investment in economic development-enabling infrastructure, such as broadband, housing, transportation, and childcare</li> <li>- COVID-19 effects on economy, workforce, health of the regional population</li> <li>- Disconnect between jobs available and skills of the regional workforce</li> <li>- Increased housing labor and materials costs</li> <li>- Inequitable access to capital</li> <li>- Lack of appropriately-sized commercial and industrial spaces for new and expanding firms</li> <li>- Siloed communication channels and little cooperation among development partners</li> <li>- Student loan debt</li> <li>- Uncertain political environment</li> <li>- Uncertainty of government revenues</li> </ul> |

# Strategic Direction and Action Plan

## Region 3 CEDS Vision Statement and Goals

The Region 3 CEDS creates the vision, goals, and strategies for regional economic development that are intended to bring stakeholders together. The vision statement is the first aspect of this strategic direction, and describes what the region will look like in ten years.

### **CEDS Vision Statement:**

We envision a region that is powered by an inclusive coalition of actors, united around shared priorities for investing in the region's economic resiliency, labor force, equity, housing, infrastructure, and quality of life.

The CEDS vision is brought to life by partners uniting around regional economic development goals and taking coordinated steps toward those goals. The CEDS has six core goals, which align with the priorities listed in the vision statement.

### **Goals for Regional Economic Development:**

**Goal 1:** Build on existing collaborative efforts to ensure that the regional economy is both resilient and inclusive.

**Goal 2:** Develop skills of the regional workforce to support workers' economic mobility and to meet the needs of employers in the region.

**Goal 3:** Increase the assets and prosperity of communities that have experienced historical disinvestment by improving their access to education, employment, and entrepreneurship opportunities.

**Goal 4:** Support the maintenance of existing housing assets and increase the available housing options that meet the needs of the region's current and future residents.

**Goal 5:** Strengthen infrastructure that is critical to the success of the region, particularly for transportation and broadband.

**Goal 6:** Retain and attract talent in the region by expanding local government's ability to support small businesses and enhance quality of life.

## Priority Action Steps and Strategies

The Priority Action Steps are the key activities that will be taken to achieve the goals. Several ideas for strategies were created during the CEDS planning process. Of these, nine strategies were identified by the CEDS committee and members of the public as the most critical to implement over the next five years. The following tables that follow outline the components of each Priority Strategy:

1. Purpose: Alignment with CEDS Goals
2. Action Steps: Concrete tasks for the Committee and SMPC to complete
3. Potential Partners: Regional stakeholders who can assist in the completion of Action Steps
4. Timeframe: Annual goals for Action Steps to be completed
5. Alignment with SWOT: Elements of the Economic Analysis and SWOT that are addressed by the Priority Strategy
6. Estimated Costs: Anticipated investments of labor and capital
7. Potential Funding: Sources of funds that could support the Priority Strategy
8. Metrics: Data and other measurements of the Strategy's impacts
9. Expected Impacts and Outcomes: Anticipated results of the Priority Strategy

The tables also identify the party responsible for implementing each Priority Strategy and Action Step. While SMPC will lead the work of implementing the CEDS Priority Action Steps and Strategies, it will require regional collaboration among several economic development partners. The CEDS committee meetings going forward will serve as the platform for maintaining and expanding collaboration around implementation of these Action Steps and Strategies, as well as evaluating impacts, needs, and progress toward the CEDS Goals.

|  |   |
|--|---|
| <b>Goal 1: Build on existing collaborative efforts to ensure that the regional economy is both resilient and inclusive.</b>  |   |
| <b>Priority Strategy 1:</b> SMPC will translate Upjohn Institute research and best practices on the factors of resiliency into its economic development planning work and technical assistance to local jurisdictions.   |   |
| <b>Purpose:</b> The region has experienced several shocks during the past few decades, including the current COVID-19 pandemic. The region often is impacted by those shocks to a greater degree and for a longer period than other regions. Certain attributes of the regional economy can contribute to this outsized impact of economic shocks. The region’s stakeholders should identify and address those factors to lessen the impact of future shocks.  |   |
| <b>Action Steps:</b> <ol style="list-style-type: none"> <li>1. SMPC will identify existing Upjohn research on factors of resiliency and evaluate practical applications.</li> <li>2. SMPC will survey local jurisdiction partners to identify current efforts, information shortages, and resource gaps that prevent the implementation of resiliency strategies.</li> <li>3. Upjohn and SMPC will create a bulletin or clearinghouse of relevant research that stakeholders can use.</li> <li>4. Upjohn and SMPC will create forums for sharing best practices and gathering data from stakeholders.</li> </ol> | <b>Lead Partners:</b> <ul style="list-style-type: none"> <li>- SMPC</li> <li>- W.E. Upjohn economic researchers and Regional team</li> </ul><br><b>Potential Partners:</b> <ul style="list-style-type: none"> <li>- Universities and community colleges</li> <li>- Local community foundations</li> </ul> |
| <b>Time Frame:</b><br>Action steps 1 and 2 in 2021<br>Action steps 3 and 4 in 2022   | <b>Alignment with SWOT:</b> <ul style="list-style-type: none"> <li>- Strengths: Higher educational institutions</li> <li>- Opportunities: Need to share more data with partners to help solve problems</li> <li>- Threats: Siloed communication channels</li> </ul>                                       |
| <b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>- Staff time of SMPC and Upjohn researchers</li> <li>- Survey software and distribution costs</li> </ul>  | <b>Potential Funding:</b><br>Local: <ul style="list-style-type: none"> <li>- W.E. Upjohn Institute</li> <li>- Universities’ research funding</li> <li>- Local community foundations</li> </ul> State: <ul style="list-style-type: none"> <li>- Resilient Michigan Community Grant</li> </ul>              |

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|  | <p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>- HUD Community Development Block Grants</li> <li>- EPA Brownfield and Clean Water Grants</li> <li>- EDA Planning and Technical Assistance, Public Works Grants</li> </ul>  |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Number of local jurisdictions including resiliency strategies and metrics in their master plan updates</li> <li>- Number of local jurisdictions including inclusive strategies and metrics in their master plan updates</li> <li>- Number of local organizations involved COVID-19 recovery efforts</li> <li>- Number of users of platforms and participants in SMPC’s educational forums</li> <li>- Other new collaborative efforts such as consolidation of public services</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Local jurisdictions have greater access to data and research to inform their policymaking and decisions</li> <li>- Local jurisdictions increase the use of economic development strategies that promote inclusion and resiliency</li> <li>- Local jurisdictions are more financially and strategically resilient to future economic shocks</li> </ul> |

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| <p><b>Goal 1:</b> Build on existing collaborative efforts to ensure that the regional economy is both resilient and inclusive.</p>  |  |
| <p><b>Priority Strategy 2:</b> Increase economic development engagement amongst neighborhood groups, small businesses, and organizations led by people of color, women, immigrants, rural communities, people experiencing poverty, and other groups that have historically been excluded from economic development.</p>  |  |
| <p><b>Purpose:</b> The success of all residents is vital to the success of the region. While many organizations are working hard to ensure the success of businesses, they do not always have the capacity or knowledge needed to address the myriad challenges workers and communities face. The purpose of this strategy is to broaden partnerships to address historic barriers and strengthen opportunities for education, employment, entrepreneurship, and civic engagement and leadership for those with disadvantaged backgrounds.</p>  |  |
| <p><b>Action Steps:</b></p> <ol style="list-style-type: none"> <li>1. SMPC will promote greater collaboration among key stakeholder organizations to expand relationships and existing efforts with neighborhood groups, small business organizations, nonprofits and community foundations that serve those traditionally excluded from economic development.</li> <li>2. SMPC will regularly convene representatives from key stakeholder sectors on a regular basis to monitor progress and assist with targeted actions.</li> <li>3. SMPC will potentially engage graduate interns around facilitation of key stakeholders.</li> <li>4. SMPC will maintain ongoing dialogue and relationships with neighborhood groups, organizations, nonprofits, and foundations to inform future planning and convening work.</li> </ol> | <p><b>Lead Partners:</b></p> <ul style="list-style-type: none"> <li>- SMPC</li> <li>- EDOs</li> </ul> <p><b>Potential Partners:</b></p> <ul style="list-style-type: none"> <li>- Neighborhood associations</li> <li>- Downtown development authorities</li> <li>- United Way of the Battle Creek and Kalamazoo Region</li> <li>- Local community foundations</li> <li>- W.K. Kellogg Foundation</li> <li>- Michigan Small Business Development Center</li> <li>- Black Wall Street Kalamazoo</li> <li>- West Michigan Hispanic Chamber of Commerce</li> <li>- Colleagues International Kalamazoo</li> <li>- Urban Land Institute Michigan</li> </ul> |
| <p><b>Time Frame:</b></p> <p>Action Step 1 in 2021<br/> Action Step 2 in 2022<br/> Action Step 3 in 2023–2025</p>   | <p><b>Alignment with SWOT:</b></p> <ul style="list-style-type: none"> <li>- Strengths: Generous community and philanthropic organizations; Educational institutions; EDOs</li> <li>- Weaknesses: Lack of diverse participation in community planning; Lack of diverse participation in business development, financial literacy, education and training programs; Lack of economic diversity</li> </ul>  |

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|  | <ul style="list-style-type: none"> <li>- Opportunities: Collaborative partnerships; pilot projects; Reimagine philanthropy</li> <li>- Threats: Siloed communication and little cooperation</li> </ul>   |
| <p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>- Staff time of SMPC</li> <li>- Outreach material costs</li> <li>- Project or participant funding</li> </ul>   | <p><b>Potential Funding:</b></p> <p>Local:</p> <ul style="list-style-type: none"> <li>- W.E. Upjohn Institute</li> <li>- Small Business Development Center</li> <li>- Local community foundations</li> <li>- United Way of the Battle Creek and Kalamazoo Region</li> <li>- Universities and community colleges</li> <li>- W.K. Kellogg Foundation</li> <li>- Western Michigan University</li> </ul> <p>State:</p> <ul style="list-style-type: none"> <li>- University of Michigan</li> <li>- Michigan State University Extension</li> <li>- Michigan Municipal League Foundation</li> </ul> <p>Federal:</p> <ul style="list-style-type: none"> <li>- AmeriCorps</li> </ul> |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Number of new organizations and networks engaged in SMPC work</li> <li>- Number of local jurisdictions including inclusive strategies and metrics in their master plan updates</li> <li>- Number of participants in SMPC convening of stakeholders; diversity of participants</li> <li>- Number of new collaborative partnerships in economic development</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Increased frequency of collaborative economic and community development projects with local partners</li> <li>- Increased diversity of participants and leaders in regional community and economic development</li> <li>- SMPC facilitates more inclusive community economic development and planning solutions for local jurisdictions</li> </ul>  |

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| <b>Goal 2: Develop skills of the regional workforce to support workers’ economic mobility and to meet the needs of employers in the region.</b>  |   |
| <b>Priority Strategy 1:</b> SMPC will create an inventory of existing workforce development programs in the region and identify opportunities for SMPC, EDOs, and the private sector to assist with ongoing efforts.   |   |
| <b>Purpose:</b> Talent is the lifeblood of any regional economy. The ability to develop, retain, and attract talent allows businesses to operate and grow; supplies restaurants, retail, and entertainment companies with patrons; and keeps civic organizations thriving. The purpose of this strategy is to provide stakeholders with better information on how to evaluate talent programs’ success while keeping employers engaged.  |   |
| <b>Action Steps:</b> <ol style="list-style-type: none"> <li>1. SMPC, Michigan Works!, and the Upjohn Institute will identify all workforce development and training programs in the region, and create a system to evaluate their effectiveness and relevancy based on research on in-demand career pathways and occupations.</li> <li>2. SMPC will share its evaluation of the existing workforce programs and comparison to national best practices with regional EDOs, universities, business development centers, and the CEDS committee.</li> <li>3. SMPC, Michigan Works!, and EDOs will collaborate to share workforce best practices with regional training organizations, intermediate school districts, community colleges, and business associations.</li> <li>4. SMPC will assist Michigan Works! with grant funding applications for workforce training pilot programs, and Michigan Works will recruit businesses to participate.</li> </ol> | <b>Lead Partners:</b> <ul style="list-style-type: none"> <li>- SMPC</li> <li>- W.E. Upjohn Institute</li> <li>- Michigan Works Southwest</li> <li>- EDOs</li> </ul> <b>Potential Partners:</b> <ul style="list-style-type: none"> <li>- Community colleges</li> <li>- Western Michigan University</li> <li>- High schools, Kalamazoo RESA, intermediate school districts</li> <li>- Goodwill Industries</li> <li>- Urban Alliance</li> <li>- Skilled trades organizations</li> <li>- Unions</li> <li>- Michigan Manufacturing Technology Center</li> <li>- MiSTEM Network</li> <li>- YMCA</li> <li>- Business development centers</li> <li>- Employers and anchor institutions</li> </ul> |
| <b>Time Frame:</b><br>Action Step 1 in 2021–2022<br>Action Step 2 in 2023–2025<br>Action Step 3 in 2023–2025   | <b>Alignment with SWOT:</b> <ul style="list-style-type: none"> <li>- Strengths: Tradition of skilled labor; Small town and industrious cultural values</li> <li>- Weaknesses: ‘College or bust’ culture; Need for more corporate participation in workforce development programs;</li> </ul>  |

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|  | <p>Need social supports for workforce development programs; Repetitive programs instead of partnerships</p> <ul style="list-style-type: none"> <li>- Opportunities: Collaborative partnerships; Education and resources for local jurisdictions; Strengthen connection of secondary schools to employers; Talent retention and attraction programs</li> <li>- Threats: Siloed communication and little cooperation</li> </ul>  |
| <p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>- Staff time of SMPC, Upjohn, and Michigan Works!</li> </ul>   | <p><b>Potential Funding:</b></p> <p>Local:</p> <ul style="list-style-type: none"> <li>- Employers, anchor institutions</li> <li>- Local community foundations</li> <li>- Local jurisdictions</li> <li>- Community colleges</li> <li>- Western Michigan University</li> </ul> <p>State:</p> <ul style="list-style-type: none"> <li>- Going PRO Talent Fund</li> <li>- Michigan Workforce Development Board</li> <li>- Michigan Department of Labor and Economic Opportunity</li> <li>- Department of Education Marshall Plan for Talent</li> </ul> <p>Federal:</p> <ul style="list-style-type: none"> <li>- Department of Labor programs</li> </ul> |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Number of downloads and presentations of SMPC report on workforce development programs</li> <li>- Number of new workforce development pilot programs launched</li> <li>- Correlation of workforce development programs to identified in-demand occupations</li> <li>- Annual total participation in workforce training programs</li> <li>- Changes to racial, gender, and age gaps in education, employment, and incomes</li> <li>- LFPR and EPOP rates</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Increased overall participation in workforce development and training programs</li> <li>- Increased diversity of participants in workforce development and training programs</li> <li>- Improved partnerships and alignment between EDOs, the private sector, and the workforce development ecosystem</li> </ul>   |

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| <p><b>Goal 3: Increase the assets and prosperity of communities that have experienced historical disinvestment by improving their access to education, employment, and entrepreneurship opportunities.</b></p>   |  |
| <p><b>Priority Strategy 1:</b> SMPC will work with partners to help increase awareness and participation of currently marginalized groups in education, employment, and entrepreneurship opportunities.</p>  |  |
| <p><b>Purpose:</b> The success of all residents is vital to the region. Fully empowering the indigenous talent pool leads to many positive outcomes for the entire region. The purpose of this strategy is to address historical and systemic barriers to equity in Region 3, as well as to strengthen awareness and access to education, employment, entrepreneurship, and leadership for those currently marginalized.</p>   |  |
| <p><b>Action Steps:</b></p> <ol style="list-style-type: none"> <li>1. SMPC will convene representatives from community colleges, Western Michigan University, Urban Alliance, Michigan Works!, and community organizations to review inventory of workforce programs and marginalized groups’ access to those programs, to identify gaps and goals.</li> <li>2. SMPC, the Upjohn Institute, and Michigan Works will support educational and workforce partners with funding applications, pilot projects, research, evaluation, and technical assistance to implement innovative strategies for increasing marginalized populations’ participation in training programs.</li> <li>3. SMPC, educational and workforce partners will share successful models with the CEDS committee, local philanthropy organizations, potential funders, private sector partners, and EDOs, in order to solicit more sustainable funding streams and increased participation in these programs.</li> </ol> | <p><b>Lead Partner:</b></p> <ul style="list-style-type: none"> <li>- SMPC</li> </ul> <p><b>Potential Partners:</b></p> <ul style="list-style-type: none"> <li>- Community colleges</li> <li>- Community organizations and nonprofits</li> <li>- Western Michigan University</li> <li>- Urban Alliance</li> <li>- EDOs</li> <li>- W.E. Upjohn Institute</li> <li>- W.K. Kellogg Foundation</li> <li>- Local community foundations</li> <li>- Anchor institutions</li> <li>- Black Wall Street Kalamazoo</li> <li>- Shared Prosperity Kalamazoo</li> </ul> |
| <p><b>Time Frame:</b></p> <p>Action step 1 in 2021–2025<br/> Action step 2 in 2022–2024<br/> Action step 3 in 2023–2025</p>  | <p><b>Alignment with SWOT:</b></p> <ul style="list-style-type: none"> <li>- Strengths: Engaged primary and higher educational institutions; generous community and philanthropy</li> </ul>   |

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|  | <ul style="list-style-type: none"> <li>- Weaknesses: resources not widely used; lack of agreement on community priorities; lack of diverse participation in community planning; lack of diversity and inclusive culture in some areas of the region; lack of living wage jobs; need for more corporate participation in workforce development programs; repetitive programs instead of partnerships</li> <li>- Opportunities: Collaborative partnerships; Reducing barriers to education and training; Regional funding to support small businesses and provide startup capital for entrepreneurs; Strengthen connection of secondary schools to regional employers; Talent retention and attraction programs</li> <li>- Threats: Continued under-investment in economic development infrastructure; COVID-19 effects; Disconnect between jobs available and skills of the regional workforce; Inequitable access to capital; Siloed communication channels</li> </ul> |
| <p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>- SMPC and partner staff time</li> <li>- Funding for pilot projects</li> </ul>   | <p><b>Potential Funding:</b></p> <p>Local:</p> <ul style="list-style-type: none"> <li>- Community foundations</li> <li>- W.K. Kellogg Foundation</li> </ul> <p>State:</p> <ul style="list-style-type: none"> <li>- Michigan Department of Labor and Economic Opportunity</li> </ul> <p>Federal:</p> <ul style="list-style-type: none"> <li>- Department of Labor</li> </ul>  |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Annual total regional participation in workforce development and training programs</li> <li>- Change in annual participation of marginalized groups in regional workforce development and training programs</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Increased diversity of participants in workforce training and education programs</li> <li>- Anchor institutions have improved ability to recruit from diverse and local talent pools</li> </ul>  |

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| <ul style="list-style-type: none"><li>- Changes to racial and gender gaps in education, un/employment, incomes, and poverty rates</li></ul> | <ul style="list-style-type: none"><li>- Successful workforce development models are replicated in other partnerships</li><li>- Positive change in employment outcomes of marginalized groups</li></ul> |
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| <p><b>Goal 4: Support the maintenance of existing housing assets and increase the available housing options that meet the needs of the region’s current and future residents.</b></p>  |  |
| <p><b>Priority Strategy 1:</b> Regional partners and local jurisdictions will work with SMPC to identify and develop solutions for barriers to residential development and maintenance.</p>  |  |
| <p><b>Purpose:</b> Housing insecurity harms employment, education, and health outcomes, while housing scarcity hinders the ability of employers to attract and retain talent. Increasing the housing supply by reducing development barriers, including those caused by zoning and other policies, will help to alleviate current housing pressures and advance economic development initiatives in both urban and rural communities across the region.</p>  |  |
| <p><b>Action Steps:</b></p> <ol style="list-style-type: none"> <li>1. Regional partners work with SMPC to identify barriers to housing development at the regional, county, and local jurisdiction levels.</li> <li>2. Regional partners work with SMPC to identify housing solutions at the regional, county, and local jurisdiction levels.</li> <li>3. SMPC works with each county in the region to organize community stakeholders around a housing plan.</li> <li>4. SMPC works with county and local governments to implement zoning and policy improvements to reduce barriers to residential development.</li> </ol> | <p><b>Lead Partner:</b></p> <ul style="list-style-type: none"> <li>- SMPC</li> </ul> <p><b>Potential Partners:</b></p> <ul style="list-style-type: none"> <li>- County governments</li> <li>- Community organizations</li> <li>- Local community foundations</li> <li>- Local municipalities</li> <li>- Michigan Municipal League</li> <li>- Michigan Townships Association</li> <li>- Area Realtors Associations</li> <li>- Home Builders Association of West Michigan, housing developers</li> <li>- W.E. Upjohn Institute</li> <li>- Nonprofits and CDCs</li> <li>- Shared Prosperity Kalamazoo</li> </ul>                            |
| <p><b>Time Frame:</b></p> <p>Action step 1 in 2021–2023<br/> Action step 2 in 2022–2023<br/> Action step 3 in 2023–2025</p>  | <p><b>Alignment with SWOT:</b></p> <ul style="list-style-type: none"> <li>- Strengths: Growing residential demand in downtowns; Philanthropy; Low cost of living</li> <li>- Weaknesses: Lack of affordable housing; Struggling downtowns in small rural areas; Uncertainty of government revenues</li> <li>- Opportunities: Talent retention and attraction programs; Pent up demand for additional housing</li> <li>- Threats: Continued under-investment in economic development infrastructure; COVID-19 effects; Increased labor and materials costs; Uncertain political environment; Uncertainty of government revenues</li> </ul> |

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| <p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>- Housing Plans: \$10,000 to \$20,000 each</li> <li>- SMPC staff time</li> </ul>   | <p><b>Potential Funding:</b></p> <p>Local:</p> <ul style="list-style-type: none"> <li>- County governments</li> <li>- Community foundations</li> <li>- County land banks</li> </ul> <p>State:</p> <ul style="list-style-type: none"> <li>- Michigan State Housing Development Authority (MSHDA)</li> </ul> <p>Federal:</p> <ul style="list-style-type: none"> <li>- New Markets Tax Credit (NMTC), Low Income Housing Tax Credit (LIHTC)</li> <li>- HUD HOME Investment Partnerships Program and CDBG</li> <li>- Opportunity Zones</li> </ul> |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- New housing units created in each county annually</li> <li>- Severely cost and rent burdened households by census tract</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Increased number of housing units developed annually in each county</li> <li>- Reduced barriers for developers who wish to build homes in the region</li> </ul>   |

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| <p><b>Goal 4: Support the maintenance of existing housing assets and increase the available housing options that meet the needs of the region’s current and future residents.</b></p>   |   |
| <p><b>Priority Strategy 2:</b> SMPC will facilitate partnerships that include employers to address gaps in residential development.</p>   |   |
| <p><b>Purpose:</b> Housing shortages are widespread and complex problems for local governments to solve. Lack of housing prevents rural and small communities from attracting businesses and skilled workers. The purpose of this strategy is to partner with key stakeholders, including employers, to facilitate residential development, make homeownership more feasible, increase the number of units available, and maximize development resources in Region 3.</p>   |   |
| <p><b>Action Steps:</b></p> <ol style="list-style-type: none"> <li>1. SMPC will work with partners to identify issues that affect housing affordability, availability, and equity, as well as best practices for housing policies, developer incentives, and overcoming funding barriers.</li> <li>2. SMPC will use this research to provide support to local governments, EDOs, housing authorities, developers, and key stakeholders for housing development planning and implementation.</li> <li>3. SMPC will collect and disseminate information on best practices, challenges, and resources for housing development, homeowner financing, and related issues.</li> </ol> | <p><b>Lead Partner:</b></p> <ul style="list-style-type: none"> <li>- SMPC</li> <li>- EDOs</li> <li>- Local governments</li> </ul> <p><b>Potential Partners:</b></p> <ul style="list-style-type: none"> <li>- Anchor institutions and large employers</li> <li>- County governments</li> <li>- Tribal governments</li> <li>- Shared Prosperity Kalamazoo</li> <li>- Home Builders Association of West Michigan</li> <li>- Area Realtors Associations</li> <li>- Housing developers</li> <li>- Housing nonprofits</li> <li>- Housing finance organizations and banks</li> </ul> |
| <p><b>Time Frame:</b></p> <p>Action step 1 in 2021<br/> Action step 2 in 2022–2025<br/> Action steps 3 and 4 in 2023–2025</p>   | <p><b>Alignment with SWOT:</b></p> <ul style="list-style-type: none"> <li>- Strengths: EDOs; Food processing and medical device manufacturing firms; Growing residential demand in downtowns; Low cost of living</li> <li>- Weaknesses: Costs and complexity associated with redevelopment of existing assets; lack of affordable housing; need for social supports for workforce development programs</li> <li>- Opportunities: Pent up demand for additional housing</li> <li>- Threats: Increased housing labor and material costs</li> </ul>                              |

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| <p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>- SMPC staff time</li> </ul>   | <p><b>Potential Funding:</b></p> <p>Local:</p> <ul style="list-style-type: none"> <li>- Anchor institutions</li> <li>- EDOs</li> <li>- Local governments</li> </ul> <p>State:</p> <ul style="list-style-type: none"> <li>- MSHDA</li> </ul> <p>Federal:</p> <ul style="list-style-type: none"> <li>- Opportunity Zones</li> <li>- NMTC</li> </ul>   |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Housing units created in each county annually</li> <li>- Severely cost/rent burdened households by census tract</li> <li>- Change in ratio of renters to owners, overall and among disadvantaged groups</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- New housing policies at the local and county jurisdiction levels</li> <li>- New tools for increasing residential developments</li> <li>- Increase in number of owners and renters</li> <li>- Increased number of housing units developed in each county</li> <li>- Reduced barriers for developers who wish to build homes in the region</li> </ul> |

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| <b>Goal 5:</b> Strengthen infrastructure that is critical to the success of the region, particularly for transportation and broadband.   |  |
| <b>Priority Strategy 1:</b> SMPC and the Upjohn Institute will map transportation and other infrastructure needs across the region.  |  |
| <b>Purpose:</b> Local governments need better information on their communities' infrastructure needs. Stakeholders also need this information to align around shared investment priorities. The purpose of this strategy is to gain the information necessary to target limited investment dollars toward the most impactful projects.   |  |
| <b>Action Steps:</b> <ol style="list-style-type: none"> <li>1. SMPC and Upjohn will research existing methodologies of mapping infrastructure needs and identify key sources of information needed.</li> <li>2. SMPC and Upjohn will gather all data sources and create maps of existing infrastructure and gaps</li> <li>3. SMPC will share these maps and data with local and county partners for planning, modeling, and financing opportunities</li> <li>4. SMPC will use the maps and REMI forecasting to assist local and county governments with funding applications.</li> </ol> | <b>Lead Partners:</b> <ul style="list-style-type: none"> <li>- SMPC</li> <li>- W.E. Upjohn Institute</li> </ul> <b>Potential Partners:</b> <ul style="list-style-type: none"> <li>- Kalamazoo County Road Commission</li> <li>- Local governments</li> <li>- County governments</li> <li>- Kalamazoo Area Transportation Study (KATS)</li> <li>- Battle Creek Area Transportation Study (BCATS)</li> <li>- Michigan Infrastructure Council</li> <li>- EDA</li> </ul> |
| <b>Time Frame:</b><br>Action steps 1 through 3 in 2021–2022<br>Action step 2 (updates) in Years 2023–2025  | <b>Alignment with SWOT:</b> <ul style="list-style-type: none"> <li>- Strengths: Well-connected existing transportation infrastructure</li> <li>- Weaknesses: Infrastructure gaps (transportation, freight, broadband, sewer and water) in key areas</li> </ul>   |
| <b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>- SMPC staff time</li> <li>- Varied by project and infrastructure type</li> </ul>   | <b>Potential Funding:</b><br>Local: <ul style="list-style-type: none"> <li>- Kalamazoo Area Transportation Study</li> <li>- Battle Creek Area Transportation Study</li> </ul> State: <ul style="list-style-type: none"> <li>- Michigan Department of Transportation (MDOT)</li> </ul> Federal: <ul style="list-style-type: none"> <li>- Opportunity Zones</li> <li>- EDA Public Works program</li> </ul>   |

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| <b>Metrics:</b> <ul style="list-style-type: none"><li>- Number of identified infrastructure gaps closed or programmed into funding plans</li><li>- Dollars of investment in upgrading or maintaining infrastructure assets annually</li><li>- Number of jurisdictions successfully applying for infrastructure resources</li><li>- Jobs created or retained</li></ul> | <b>Expected Impacts and Outcomes:</b> <ul style="list-style-type: none"><li>- Improved targeting of funding applications for infrastructure investments</li><li>- Improved transportation and freight access for regional businesses</li><li>- Improved broadband access, speed, and reliability across the region</li></ul> |
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| <b>Goal 5: Strengthen infrastructure that is critical to the success of the region, particularly for transportation and broadband.</b>  |  |
| <b>Priority Strategy 2:</b> SMPC will collaborate with regional stakeholders to increase broadband access, availability, affordability, and adoption with planning, data, and pilot projects.   |  |
| <b>Purpose:</b> Broadband internet is vital to the success of the region, as it enables businesses, nonprofits, organizations, and residents to engage in commerce, education, and health care. Additionally, widespread internet access improves property values and the attractiveness of the region. Unfortunately, not all in the region have access to high-speed internet, and many of those who do have access cannot afford it. This strategy’s purpose is to assist partners with increasing access, speed, reliability, and affordability of broadband infrastructure.  |  |
| <b>Action Steps:</b> <ol style="list-style-type: none"> <li>1. SMPC will use the infrastructure gap analysis in Priority Strategy 1 and additional research to determine broadband needs across Region 3.</li> <li>2. SMPC will convene a regular meeting of broadband stakeholders to develop a comprehensive regional strategy.</li> <li>3. SMPC will work with local jurisdictions and institutions on identifying broadband development opportunities, funding sources, financing options, and other development strategies.</li> <li>4. SMPC will continue to convene the meeting of regional broadband stakeholders.</li> </ol> | <b>Lead Partner:</b> <ul style="list-style-type: none"> <li>- SMPC</li> </ul> <b>Potential Partners:</b> <ul style="list-style-type: none"> <li>- Internet service providers (ISPs)</li> <li>- Local jurisdictions</li> <li>- Schools and educational institutions</li> <li>- Merit Network</li> <li>- Connect Michigan</li> <li>- The Kalamazoo Promise</li> <li>- Shared Prosperity Kalamazoo</li> </ul> |
| <b>Time Frame:</b><br>Action steps 1 and 2 in 2021–2023<br>Action step 3 in Years 2023–2025   | <b>Alignment with SWOT:</b> <ul style="list-style-type: none"> <li>- Strengths: Philanthropy</li> <li>- Weaknesses: Infrastructure gaps in broadband</li> </ul>  |
| <b>Estimated Costs:</b> <ul style="list-style-type: none"> <li>- Regional broadband plan: \$50,000</li> <li>- SMPC staff time</li> </ul>  | <b>Potential Funding:</b><br>Local: <ul style="list-style-type: none"> <li>- Schools and educational institutions</li> <li>- Local jurisdictions</li> <li>- Local community foundations</li> <li>- W.K. Kellogg Foundation</li> <li>- Battle Creek, Coldwater, and Kalamazoo Promise programs</li> <li>- Shared Prosperity Kalamazoo</li> </ul>  |

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|--|--|
|  | <p><b>State:</b></p> <ul style="list-style-type: none"> <li>- Michigan Department of Technology, Management and Budget</li> </ul> <p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>- Opportunity Zones</li> <li>- U.S. Department of Agriculture ReConnect Program</li> <li>- Rural Digital Opportunity Fund</li> </ul> |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Number of organizations, companies, jurisdictions, and networks engaged in broadband planning</li> <li>- Dollars invested in broadband infrastructure projects</li> <li>- Number of digital education and training programs created in the region</li> <li>- Percentage of households with internet access by type</li> <li>- Change in percentage of households without internet by income</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Increased success of local jurisdictions at procuring grant funds and financing for broadband investments</li> <li>- Increased number of households served at 25/3 internet speeds</li> </ul>  |

|   |   |
|---|---|
| <b>Goal 6: Retain and attract talent by expanding local government’s ability to support small businesses and enhance quality of life.</b>   |   |
| <b>Priority Strategy:</b> SMPC will help build the capacity of local jurisdictions to identify and implement critical infrastructure and support services for small business growth, entrepreneurship, workforce development, and quality of life initiatives.  |   |
| <b>Purpose:</b> Local governments – cities, villages, townships, and counties – are essential economic development partners in communities across the region. The purpose of this strategy is to help local jurisdictions build capacity, access data, and find resources they need to best support growth in the private sector.   |   |
| <b>Action Steps:</b> <ol style="list-style-type: none"> <li>1. SMPC will work with Upjohn researchers to provide data to local governments on regional supply chains, anchor institution strategies, business-to-business (B2B) opportunities, and other best practices that support small business growth, entrepreneurship, and innovation.</li> <li>2. SMPC will work with local jurisdictions to identify their unique needs for developing communities that are supportive of entrepreneurs, workforce development, and local quality of life.</li> <li>3. SMPC will assist local jurisdictions in increasing capacity by providing free educational workshops on tax abatement, brownfield redevelopment, economic development strategies, workforce development, and incentives to units of local government across the region.</li> </ol> | <b>Lead Partners:</b> <ul style="list-style-type: none"> <li>- SMPC</li> <li>- W.E. Upjohn Institute</li> </ul> <b>Potential Partners:</b> <ul style="list-style-type: none"> <li>- Local governments</li> <li>- County governments</li> <li>- Local nonprofits</li> <li>- Local community foundations</li> <li>- EDOs</li> <li>- Educational institutions</li> </ul>                       |
| <b>Timeframe:</b><br>Action step 1 in 2021–2025<br>Action step 2 in 2022–2025   | <b>Alignment with SWOT:</b> <ul style="list-style-type: none"> <li>- Strengths: EDOs</li> <li>- Weaknesses: Costs and complexity associated with redevelopment of existing assets; Lack of economic diversity in some communities; Struggling downtowns in small communities</li> <li>- Threats: Siloed communication channels and little cooperation among development partners</li> </ul> |

|   |  |
|---|--|
| <p><b>Estimated Costs:</b></p> <ul style="list-style-type: none"> <li>- SMPC staff time</li> <li>- Approximately \$2,500 per educational workshop</li> </ul>  | <p><b>Potential Funding:</b></p> <p>Local:</p> <ul style="list-style-type: none"> <li>- Local community foundations</li> </ul> <p>State:</p> <ul style="list-style-type: none"> <li>- MEDC</li> </ul> <p>Federal:</p>  |
| <p><b>Metrics:</b></p> <ul style="list-style-type: none"> <li>- Number of participants from local governments in educational workshops</li> <li>- Number of successful applications for funding and financial resources to support economic development from each county</li> <li>- Survey data on entrepreneurial ecosystem climate from EDOs, businesses, local jurisdictions, and other organizations</li> </ul> | <p><b>Expected Impacts and Outcomes:</b></p> <ul style="list-style-type: none"> <li>- Local jurisdictions have greater access to data, research, and tools to inform their policymaking and decisions and support economic development</li> <li>- Local jurisdictions are more financially and strategically resilient to future economic shocks</li> <li>- Growth of small businesses and jobs</li> </ul> |

## Performance Measures

Each of the Priority Strategies above identified a key metric to evaluate progress toward the CEDS vision and goals. These metrics were chosen based on regional conditions, community feedback, and reliable data sources. Several of these metrics were covered in the Economic Analysis section and the following Performance Measures will be updated annually.

| <b>Performance Measures</b>  |   |
|--|---|
| <b>Metric</b>  | <b>Data Source</b>                            |
| Job creation and retention   | Southwest Michigan First Announcements        |
| Private investment   | Southwest Michigan First Announcements        |
| Number of organizations and networks engaged in supporting CEDS goals and strategies           | SMPC  |
| Participation in workforce development and training programs                                   | Michigan Works Southwest!, community colleges |
| Population growth and decline by race and age  | American Community Survey                     |
| Changes to racial, gender, and age gaps in education, unemployment, incomes, and poverty rates | American Community Survey                     |
| Number of severely cost or rent burdened households  | American Community Survey                     |
| New residential construction permits   | U.S. Census Building Permits Survey           |

SMPC will create reports on these performance measures annually and will shared them with the EDA and the CEDS committee. These annual reports will also include updates on the progress toward goals and strategies, data on new projects, and identification of action steps in need of implementation and funding support. These reports are an opportunity to engage partners by providing them with timely information they can use for grants and presentations, and by engaging them in qualitative evaluation. SMPC will make these reports public and share them with potential partners to strengthen regional collaborative networks and engagement around the CEDS goals and strategies.

## Organizational Approach to CEDS Development

SMPC and the Upjohn Institute created the CEDS through a committee-led planning process. The aim was for SMPC to engage local economic development stakeholders in the creation of CEDS goals and strategies that would support their work. SMPC recruited committee members from all four counties, people with diverse backgrounds, and representatives of the public, private, and nonprofit sectors. SMPC convened the CEDS committee six times over nine months. All meetings were held virtually because of the COVID-19 pandemic, which enabled the planning work to progress with only slight delays.

At each meeting, members worked together to help create and inform aspects of the CEDS:

| <b>Meeting Date</b>  | <b>CEDS Topic</b>  |
|----------------------|--|
| May 2020             | At the first meeting, members identified regional strengths, weaknesses, and major issues of focus. The committee also reviewed data and metrics from the 2014 CEDS. |
| June 2020            | Committee members discussed and finalized economic development goals for the region.   |
| July and August 2020 | Over six weeks, members worked in small subcommittee groups to identify strategies for each goal   |
| October 2020         | The committee prioritized key strategies for each goal and identified public engagement action steps.  |
| December 2020        | The committee reviewed drafts of the plan and gave feedback.   |
| February 2021        | The committee approved the long-term organization and structure of the CEDS committee.   |

Committee decisions were made based on consensus and informed by both qualitative and quantitative data. The committee prioritized equity as a lens for all CEDS work and advocated for its centrality in the plan. Over the course of the planning process, committee members communicated with SMPC staff to share their feedback and guidance on how to make the CEDS goals and strategies as effective and impactful as possible. Throughout the planning process, committee members also connected SMPC staff to residents, private sector stakeholders, anchor institutions, nonprofit organizations, and media to help share and promote the CEDS development process. The SMPC board and Upjohn Institute staff also contributed time and expertise to the planning process as needed. SMPC staff managed the organization of the committee and the administration of the entire planning process. SMPC staff led a CEDS public engagement process over three months to gather feedback and input from community stakeholders. SMPC combined research, data analysis tools, the recommendations of the committee, and public feedback to create the CEDS.

## Process for Moving the CEDS Forward

Upon CEDS approval by the EDA, SMPC will adjust the long-term structure of the CEDS committee. The purpose of the CEDS committee going forward will be to review the annual update for the EDA, to maintain a collaborative platform for economic development activities, and to guide investments in the Economic Development District. In addition to those activities, SMPC and the CEDS committee will work together to identify funding, projects, and resources to pursue for economic development.

SMPC will welcome continued support from existing committee members, but will also invite new participants to join. SMPC aims to have 15 to 20 committee members representing private, public, and nonprofit sectors in all four counties. CEDS Committee members will have two-to-three-year terms or commitments. The CEDS committee will meet twice a year, hosted by SMPC. Meetings will be open to the public through virtual meeting software, with meeting links, minutes, and reports shared on the SMPC website. SMPC will use one meeting to invite potential partners to discuss ideas for initiatives and projects, to provide a place for people to update themselves on projects, to ask for support with grant or funding applications, and to introduce the CEDS to potential new committee members. SMPC will use the other committee meeting to review the annual update to the EDA, and to discuss the data on performance measures and evaluation metrics, as well as progress toward CEDS goals.

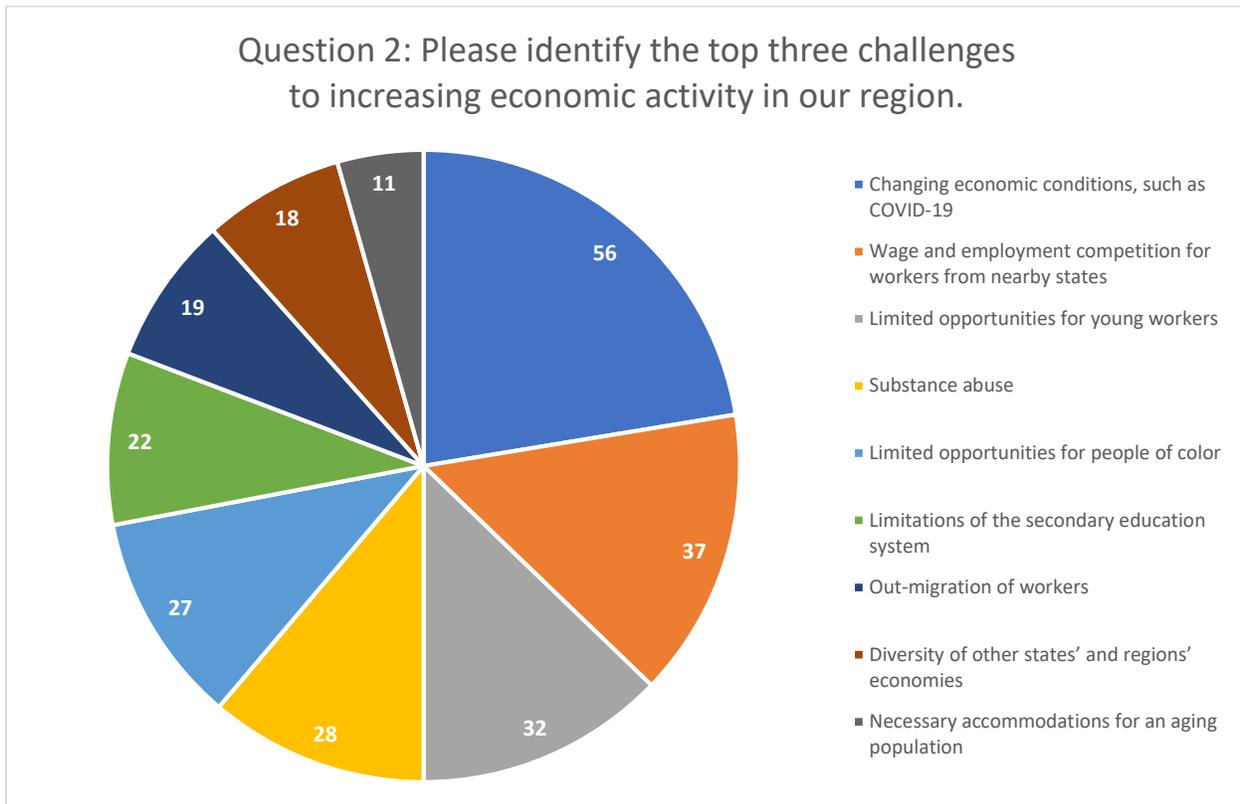
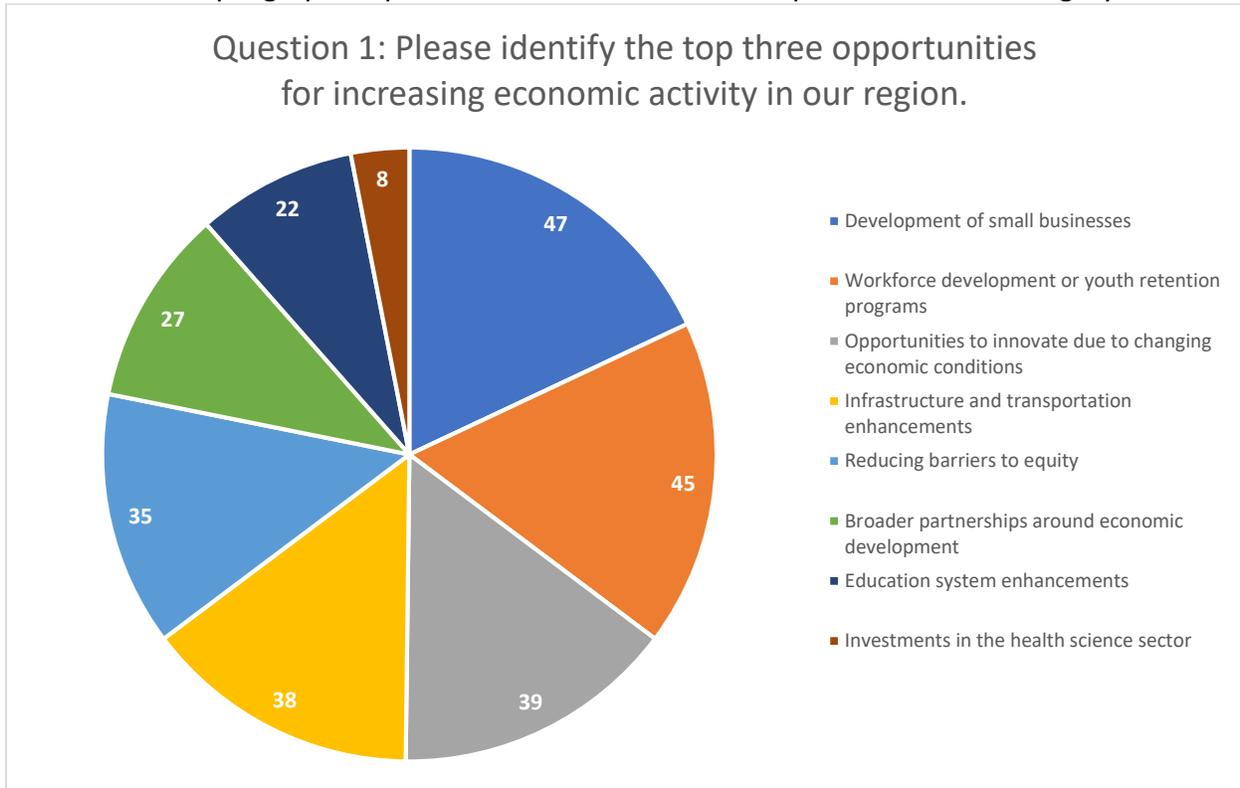
The CEDS and the continuing committee meetings create platforms for increased collaboration across sectors and communities that will strengthen the resiliency of Region 3. The region needs these channels for collaboration and communication to break down organizational and cultural silos that hamper growth and progress. Working together on the Strategic Direction and Action Plan will lead to a more robust recovery from the effects of the COVID-19 pandemic, and will establish the relationships needed to coordinate responses to future economic shocks. By implementing a coordinated response to COVID-19, the committee members will also gain experience in identifying and counteracting vulnerabilities that the region may face in other crises. Additional investments in infrastructure and the capacity of local governments will help the regional economy weather future shocks better, as will addressing barriers to equity and inclusion. The CEDS brings all these issues together to strengthen the regional economy and to chart the way forward.

## Community Engagement Process

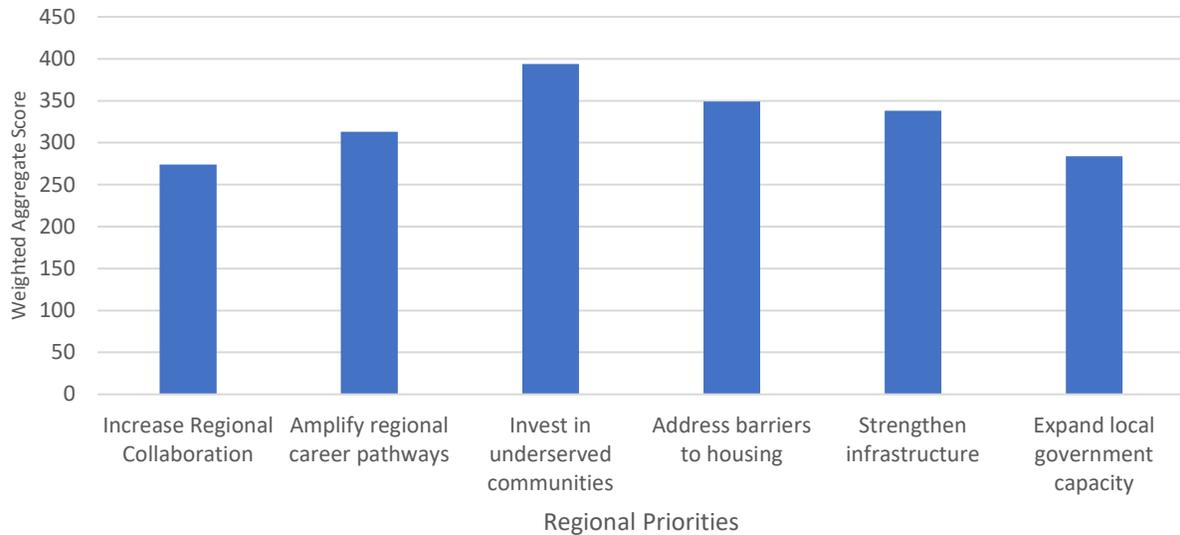
SMPC implemented a CEDS public engagement process from October to December 2020. This process was intended to accomplish three objectives: 1) to gather feedback on the CEDS goals and strategies; 2) to identify potential implementation partners; and 3), to build support for the CEDS throughout the region. The public engagement process consisted of an anonymous survey, 30 key informant interviews, and two public meetings. The survey was distributed by email, press release, and the SMPC website for two months, and it gathered 93 responses in that time. SMPC staff conducted interviews in November and December with representatives from large and small businesses, EDOs, universities and community colleges, nonprofit organizations, funders, and government officials. SMPC also held two public meetings virtually, given the COVID-19 pandemic, in October and December. At these meetings, staff presented an overview of the CEDS process, goals, and strategies, and they solicited feedback via voluntary polls and comment periods. Not only did the public engagement process accomplish the objectives, but it also provided creative ideas for strategies and partnerships to be included in the Strategic Direction and Action Plan. Please see more information on the CEDS survey results and interviews in Appendices A and B.

## Appendix A: Summary of Survey Responses

Numbers inside pie graphs represent the total number of responses for each category.

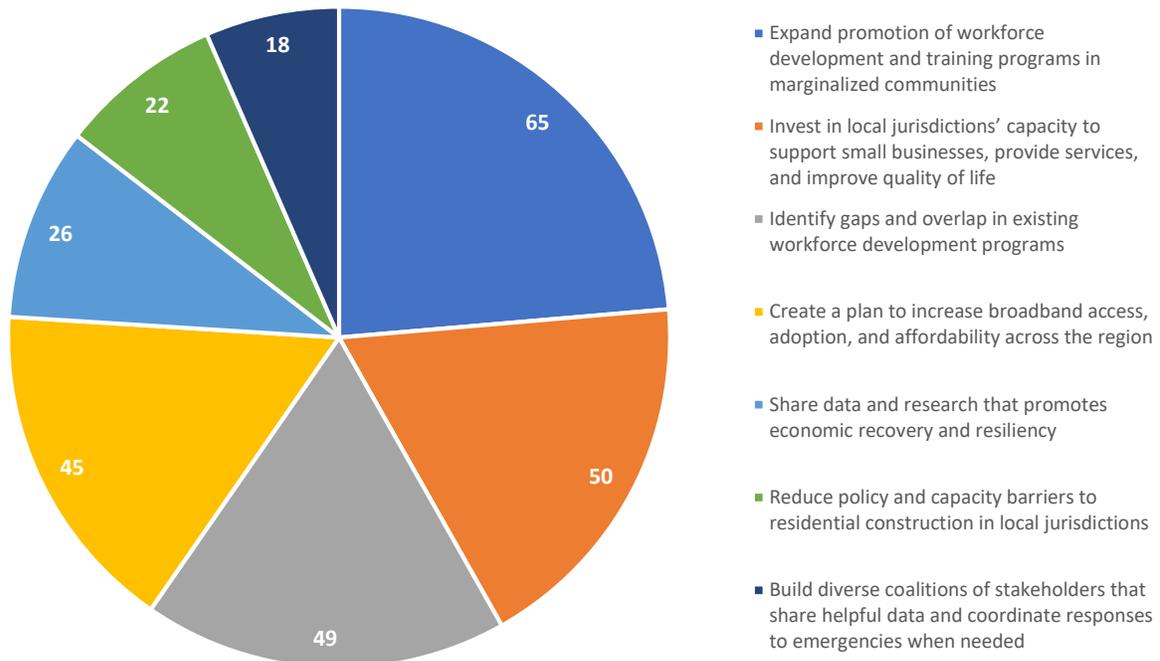


Question 3: Please rank the following priorities for our regional economy, with 1 being the most important to you, and 6 being the least important.



Methodology: Respondents' answers were weighted by rank, with first rank positions scoring 6 points, second rank positions scoring 5 points, and so on, to create a total score for each priority.

Question 4: Please choose the top three action steps that you feel would make the most positive impact on economic development in our region.



Appendix B: Summary of Organizations Interviewed, October through December 2020

| <b>Organization Represented</b>   | <b>Sector Represented</b>                                   | <b>Counties Represented</b> |
|---|---|-----------------------------|
| Abbott, Thomson, Mauldin, Parker, Beer & Rick, PLC                        | Private Sector;<br>Government                               | Calhoun County              |
| Battle Creek Unlimited  | Economic Development  | Calhoun County              |
| Branch County Board of Commissioners                                      | Government  | Branch County               |
| City of Battle Creek  | Government  | Calhoun County              |
| Coldwater City Council  | Government  | Branch County               |
| Corporate Training, Kalamazoo Valley Community College                    | Workforce Development; Higher Education                     | Kalamazoo County            |
| Downtown Kalamazoo Partnership  | Economic Development  | Kalamazoo County            |
| Employer Resource Network   | Workforce Development; Private Sector                       | Regional                    |
| Glen Oaks Community College   | Higher Education; Workforce Development                     | St. Joseph County           |
| GT Independence   | Private Sector; Housing                                     | St. Joseph County, Regional |
| Home Builders Association of Western Michigan                             | Private Sector; Housing                                     | Regional                    |
| Industrial Trades and Public Services, Kalamazoo Valley Community College | Workforce Development                                       | Kalamazoo County            |
| Kellogg Community College   | Workforce Development                                       | Calhoun County              |
| Michigan Works Southwest  | Workforce Development; Private Sector                       | Regional                    |
| MMK Consulting Group  | Economic Development; Government                            | Branch County               |
| New Level Sports Ministries   | Nonprofit or Community-Serving Organization; Minority Group | Calhoun County              |
| Office of Community Partnerships, Western Michigan University             | Higher Education  | Kalamazoo County, Regional  |
| One Million Cups Kalamazoo  | Entrepreneurship  | Kalamazoo County            |
| PNC Bank  | Economic Development; Private Sector                        | Kalamazoo County, Regional  |
| Rosler Metal Finishing USA  | Private Sector  | Calhoun County              |

| <b>Organization Represented</b>   | <b>Sector Represented</b>  | <b>Counties Represented</b>         |
|---|--|-------------------------------------|
| SCORE   | Entrepreneurship;<br>Private Sector; Economic<br>Development                       | Regional                            |
| Southwest Michigan First  | Economic Development   | St. Joseph County                   |
| Sturgis Area Community Foundation   | Philanthropy   | St. Joseph County                   |
| Truth, Racial Healing, and<br>Transformation in Kalamazoo<br>and Battle Creek | Nonprofit or<br>Community-Serving<br>Organization; Equity                          | Calhoun County,<br>Kalamazoo County |
| United Way of Battle Creek and<br>Kalamazoo Region                            | Nonprofit or<br>Community-Serving<br>Organization; Minority<br>Group; Philanthropy | Calhoun County,<br>Kalamazoo County |
| Urban Alliance  | Workforce<br>Development; Nonprofit<br>or Community-Serving<br>Organization        | Kalamazoo County                    |
| W. K. Kellogg Foundation  | Philanthropy   | Calhoun County,<br>Kalamazoo County |
| West Michigan Hispanic Chamber<br>of Commerce                                 | Workforce<br>Development; Economic<br>Development; Minority<br>Group               | Regional                            |
| Western Michigan University Starting<br>Gate                                  | Higher Education;<br>Entrepreneurship  | Kalamazoo County,<br>Regional       |
| Whirlpool   | Private Sector;<br>Entrepreneurship  | Regional                            |
| Wind Energy and Technical Services,<br>Kalamazoo Valley Community College     | Higher Education;<br>Workforce<br>Development; Private<br>Sector                   | Kalamazoo County,<br>Regional       |

## Appendix C: Additional Strategies for the Six CEDS Goals

### **Additional Strategies for Goal 1:**

- Build resiliency networks and leadership that can coordinate rapid workforce and educational system responses to future economic shocks
- Regularly share updated information on employers' needs with educators and workforce development professionals
- Collectively promote the culture and amenities of southwest Michigan that attract talented workers to the region

### **Additional Strategies for Goal 2:**

- Support digitization of training programs and adult learning modules
- Increase opportunities for regional youth to meet with and receive the mentorship of professionals from diverse backgrounds
- Help educational institutions find opportunities to increase employers' buy-in of and flexibility with workforce and training programs
- Build off of and create additional public-private partnerships for workforce training programs, like those in Battle Creek and the Michigan Works! employment hubs
- Apply for USDA funding to support growth of the regional food ecosystem and the workforce engaged in food production and processing
- Develop programs that provide supports for recent graduates to stay in the region, modeled after existing programs such as Battle Creek Unlimited's Talent Retention, Attraction, and Inclusion Incentive (TRAIN) program, or the Cornerstone Alliance Move to Michigan program
- Work with local philanthropy organizations to provide scholarships or textbook assistance funding for students in their final year of school, especially first generation and students of color
- Support development of the Small Business Incubator project in downtown Kalamazoo, as well as coworking and maker spaces across the region

### **Additional Strategies for Goal 3:**

- Develop pilot projects with research funded by Upjohn and local philanthropy
- Create additional financial support and resources, such as seed capital, for entrepreneurs of color
- Promote career-technical education and workforce training programs that are adaptable and consider every student's needs
- Help partners develop programs, apprenticeships, and opportunities for students to learn about career pathways, in-demand occupations, and skills needed in the job market
- Increase technical and financial resources available to regional partners to expand broadband access, affordability, and usage in their communities
- Identify sources of technical assistance for small businesses who need help moving their commerce online

- EDOs help businesses adopt inclusive procurement processes, similar to those who receive federal funding, to increase demand for minority- and women-owned businesses
- Create pathways for people to reenter the workforce, and to restart training programs
- Support trade programs and business training specifically for people of color
- Increase anti-racist training and policies across governments and organizations
- Bolster capacity building and funding opportunities for economic development in communities of color

**Additional Strategies for Goal 4:**

- Increase SMPC's community partnerships, especially those which promote homeownership and housing development opportunities
- Increase regional partners' capacity to help develop smaller, more affordable home ownership options for seniors and workers

**Additional Strategies for Goal 5:**

- Use implementation planning to focus limited resources on infrastructure improvements that have benefits for multiple users and networks
- Expand SMPC's capacity to facilitate coordination and collaboration around regional transportation infrastructure
- Support partners' and local governments' investments in cleaning up major brownfields and returning them to productive use
- Address lack of public transportation and funding in non-metro areas of the region

**Additional Strategies for Goal 6:**

- Help communities identify, plan for, and promote the amenities and business services they will need to keep workers in the region, especially as work becomes more remote
- Coordinate joint marketing efforts among regional entities that promote existing amenities with a unified vision, especially the small businesses, natural resources and recreation that define the region
- Provide data to local governments and businesses to help them understand the value of diverse talent, to increase demand for these workers