

Summary / Steering Committee Meeting #2

LaGrange County Economic Development Plan

LaGrange County REMC, 1995 E US 20, LaGrange IN • Tuesday, March 1, 2011 • 2:00 P.M.

I. Attendees/Introductions

Steering Committee members:

- Bill Connelly, LaGrange Publishing Co.
- Keith Gillenwater, LaGrange County EDC
- Chris Godlewski, LaGrange County Plan Commission
- Risa Herber, Lakeland School Corp.
- Sheryl Kelly, Town of Shipshewana
- John Larimer, Lord's Seed
- Mark Leu, LaGrange County REMC
- Rob Myers, Parkview Hospital
- Jed Oakley, Century Link Communications
- Joe Pierce, Farmer's State Bank
- Mike Sutter, Michiana Laminated Products; LaGrange Regional Utility District
- Beth Thornburg, LaGrange County CVB

Consultants: Brian O'Neill (SDG), David Miller (Business Resources Company)

II. Review of project activities and timelines

Brian O'Neill opened the meeting. He noted that a sign-in sheet was being passed around and that project binders had been distributed. Brian explained that he discussed with Keith Gillenwater the possibility of extending the project timeline out a few more weeks. The grant administrator, Christine Christlieb of Region III-A, had explained that the final plan was due to the Office of Community and Rural Affairs (OCRA) no later than August 31, 2011. Brian said that the project will likely not take that long to complete, but he noted that the additional two focus groups will increase the amount of time needed to conduct Phase III input research.

In the next six to eight weeks, the consultants will hold a public meeting to discuss research conducted to-date. The consultants will also be conducting 25 key informant interviews. The list of participants for interviews and focus groups will need to be supplied by steering committee members. Brian explained that public input is greatly aided by steering committee members contacting participants in advance to let them know to expect a call from SDG. This greatly increases the participation rate of key informants, who are decision-makers and people with important information and expertise. There are two main

goals of the interviews: 1) to get good information for the planning process and 2) to make key stakeholders engaged and invested in the plan.

The consulting team will also be conducting five focus groups:

- Education and Workforce Development
- Small to Medium Size Business
- Local Woodworking Industry including Amish small businesses
- Tourism-related Entrepreneurship and Downtown Businesses
- Major Employers

Brian explained that focus groups are a great way to find out what the community's key service and delivery providers (educators and workforce development professionals) have to say. Customers of those services (businesses and employers) will also be able to comment on available programs but also infrastructure and the general business environment. The consulting team will ask a broad array of questions and will look for opportunities to improve the business environment both in terms of attracting new businesses retaining and expanding existing ones.

The economic summit is a half-day planning event that includes a broad group of stakeholders with different perspectives on economic development in the community. Stakeholders invited to the event will include professionals from commercial and residential realty, banking, planning and zoning, highway departments, utilities, and education. The economic summit will be a robust discussion about the community's strengths, weaknesses, opportunities and threats.

Brian noted that Dave Miller will be conducting a focus group with the woodworking industry with a focus on local Amish entrepreneurs in the community. Dave will also conduct some independent research on this issue as well. Brian said that the Amish entrepreneurs are a dynamic asset in the community.

Brian asked for questions. Since the group was discussing Phase III research, Brian jumped to the item on the agenda about the role of the steering committee and executive committee during the input phase.

III. Role of Executive Committee and Steering Committee in Phase III

Brian explained that the executive committee will be primarily responsible for selecting the participants for the key informant interviews, focus groups, and economic summit. The consulting team will meet several times with the executive committee via conference call to work out details for Phase III input activities. Brian invited steering committee members to nominate candidates for the interviews, focus groups, and economic summit. Steering committee members can email the executive committee or the consultants their nominations for input participants. The consulting team relies on the knowledge and

expertise of the executive committee to provide guidance as to who would be good participants in the various input activities. Occasionally, participants will be involved in more than one input activity.

IV. Review of Demographic and Peer Communities Profile

Brian explained that he would review highlights from the Demographic and Peer Communities Profile. He invited steering committee members to share comments or feedback on the profile. Brian said that the findings may already be familiar, but that there are striking demographic characteristics about LaGrange County most of which are due to the large Amish population. According to a recent article by the Indiana Business Research Center (IBRC), LaGrange County has the highest concentration of Amish in the nation at 17%. However, IBRC noted that the Amish population is in all probability undercounted. Brian said that anecdotally it represents as much as 40% of the county's population. The Amish are a big part of the community's life and are major contributors to the local economy.

The Amish present some challenges in terms of a statistical profile. The county has a solid median household income but ranks last in the state in per capita income. A likely reason for this is the typically large family sizes among the Amish community. Businesses looking at community's the per capita income would draw an undesirable conclusion without taking the Amish into account.

Educational attainment is another key statistic impacted by the large Amish concentration in LaGrange County. Attainment levels are extraordinarily low in LaGrange County due to the fact that Amish students traditionally end formal education at the 8th grade. As a consequence, the county has a low percentage of high school graduates and adults with post-secondary degrees. This can be a disadvantage when trying to recruit advanced manufacturing, high tech, or knowledge based businesses. This statistic may also present challenges in attempts to diversify the economy. A stable, educated workforce is the key to economic development success, and it is a more important consideration to many businesses than having a low tax rate.

Citing Karen Johnson-Weiner (quote is included in the *Demographic and Peer Community Analysis*), Brian noted that Amish communities of Elkhart and LaGrange counties are considered among the most progressive in educating its children. These children leave school with a different set of tools than those in traditional Amish educations and are more likely to pursue work outside of agriculture. Brian explained that this more progressive education may be related to the high degree of entrepreneurship, which serves as a huge economic asset for the entire community. Amish business activity in LaGrange County is at the vanguard of a new entrepreneurship among the Amish generally as they look for opportunities in niche markets.

One member of the steering committee commented that the Amish population is actually closer to 5,900 in LaGrange County. Brian agreed that the Amish population may certainly be grossly undercounted. Brian continued to note that the Amish community has always had an economic impact,

but that now they're making an even bigger one by venturing into new markets. The Amish in LaGrange County are expanding the frontiers of what their community has ever done.

A steering committee member commented that high schools can track the percent of students who enter 9th grade and eventually graduate. She added that the lowest graduation rate among the county high schools is around 84%. There are a large numbers of students getting high school diplomas but far fewer who graduate from a two- or four-year college five years later. This presents a challenge for attracting the types of businesses needed to diversity the county's employment. Developing and maintaining an educated work force requires communities to: 1) to get people engaged in the process of lifelong learning and 2) to recruit former residents with Bachelor's degrees to return to the community.

In further discussion of income statistics, one steering committee member noted that a low per capita income mostly impacts what retail businesses will open in a given area. Having a low per capita income actually can sometimes help communities that apply for federal and state funding.

Another key issue includes a need to diversify the economy. Nearly all of the county's major employers are in RV manufacturing. This makes the community vulnerable to a cyclic market and the relocation of a major employer. The woodworking sector is also vulnerable to cyclic forces. In the region, there was a loss of 40% of the jobs in the woodworking and forest products cluster during the recent recession. Having a diverse base of employers will protect the county to a greater degree from the impacts of cyclic markets and recession. Brian noted that SDG will provide further analysis of the opportunities for economic diversification in a Location Quotient (LQ) analysis report that will compare the LaGrange County region with other nearby metro areas.

A final statistic of note was the chart that showed spikes in the county's unemployment rate over a ten year period. Brian said that these spikes and rapid declines suggest that the Amish quickly seek out and find new employment after layoffs. Brian attributed this to the entrepreneurial opportunities here. A steering committee member commented that the county's unemployment rate may be impacted by increasing numbers of Amish workers applying for unemployment benefits.

A steering committee member commented that the Spanish-speaking community did not receive a lot of attention in the demographic and peer community profile. Brian responded that the percent of Hispanic people in LaGrange County is lower than the state average. The county's Hispanic population does not impact the overall statistical profile to the same degree as the Amish community.

V. Review and Discussion of Phase III Formats and Questions

Brian began a review of the public input tools for Phase III. He explained that by going over the instruments today, we can ensure that we're asking the right questions to collect meaningful input from the community.

He explained that the public questionnaire would be available online and printed copies available during the public meeting. The same questions would be used as the foundation for the key informant interviews, which allow for greater discussion with the stakeholders. However, people will have an opportunity to share open comments on the public questionnaire. When asked how to get input from people who won't take the survey online, Brian said that printed copies would be made available to the general public.

Brian began reviewing the questions for the public questionnaire and key informant interviews.

One steering committee commented that questions 5 and 6 were more relevant to LaGrange County than question 4 about the availability of greenfield sites for development. He said that most business owners are probably not involved in developing greenfield sites. Another member said that people will probably have a wide variety of answers to question 6 about where development of office space should occur in the county. Brian answered that the survey and interviews help to determine both what people know and what they perceive about the community. Perceptions can have a huge impact both within the community and beyond it. In order to change perceptions, you have to know what they are. A few other members commented that they would like to know where people would prefer to see development of both industrial and non-industrial businesses. The group decided to add a question about the quality of available business space in LaGrange County.

A committee member commented that there are few post-secondary education training opportunities currently available in LaGrange County. However, there are several programs available within the region. Brian suggested the addition of the phrase "for residents" to question 15, and the committee approved. There was discussion about various programs in the past that did not have high enough enrollment to maintain operations. Adult education programs are offered at area high schools, but people may find transportation to and from these programs inconvenient. Brian commented that outreach efforts about opportunities for adult education and post-secondary education are important in establishing and maintaining a culture of lifelong learning. There was continued discussion about possible partnerships with IPFW and Ivy Tech to bring post-secondary training closer to LaGrange County.

The steering committee revised the questions about downtowns. Rather than limit responses to LaGrange and Shipshewana, the committee decided to seek input on the downtowns of all incorporated places in LaGrange County.

A steering committee member noted that there did not seem to be any questions about lakes and recreation opportunities. The group decided to include a separate section entitled "Visitors and Recreation" and added a question about recreation opportunities in the county.

Brian explained that the demographic questions at the end of the public questionnaire are voluntary. However, they can be of use when running cross tabulations between questions. The raw data of the

public questionnaire will be made available to the steering committee during the planning process and will be included in the appendix of the final plan.

The steering committee then began reviewing questions for the five focus groups. Brian explained that only a handful of questions are listed for each focus group because they are used to stimulate discussion that can lead to insightful comments that were not anticipated.

One steering committee member requested that questions 2 and 3 of the education and workforce development group be rephrased. Another member asked how the Amish would factor into this focus group. Brian responded that this focus group is geared toward education and workforce development professionals. A committee member expressed concern about the question focused on high school dropouts, saying that many jobs require some level of post-secondary education. She continued to explain that some graduates are unable to find employment with diplomas and even some college degrees.

There was a brief discussion about what constitutes a small to medium sized business. Brian explained that this focus group would include small to medium sized manufacturers and other employers. Although a separate focus group is planned to meet with representatives from the woodworking industry and Amish small businesses, Brian said that woodworking could also be included in the small to medium size business focus group.

Brian changed the phrase “tourism-based” to “tourism-related” in question 1 of the focus group for tourism-related entrepreneurship and downtown businesses. Brian noted that downtown businesses and tourism-related business owners will be invited to the tourism focus group.

A steering committee member asked where the line is drawn between small to medium sized employers and major employers. Brian explained that it varies from community to community, but he anticipated that major employers in LaGrange County would be those with more than 100 employees. Brian further explained that one of the primary purposes of the focus group with major employers is to determine what is needed to support recruitment efforts and retention and expansion.

VI. Next Steering Committee Meeting

The group set the third steering committee meeting for Tuesday, April 26, 2011 at 2:00 P.M. at the LaGrange County REMC.¹

¹ Brian O’Neill and Keith Gillenwater subsequently decided to reschedule the third steering committee meeting for *Tuesday, May 24, 2011 at 2:00 P.M. at the LaGrange County REMC. This was decided in order to allow more time to collect public input.*