

LaGrange County Economic Development Plan

Economic Summit

Twenty-one representatives from LaGrange County and the northeast Indiana region attended a meeting on Wednesday, May 4, 2011 at 1:00 P.M. A sign in sheet is appended to the end of this summary.

The focus group was facilitated by Brian O'Neill, Senior Project Manager at Strategic Development Group, Inc. (SDG). Keith Gillenwater and Lora Tormanen both of the LaGrange County Economic Development Corporation (EDC) attended the session. Catie Kosinski, Project Manager at SDG, took notes of the meeting.

The following people attended the focus group:

Name	Business
Jerry Ankney	Town of Shipshewana, Town Council
Don Babcock	NIPSCO, Director of Economic Development
DeWayne Bontrager	Town of Topeka, Town Council
Jim Bugg	LaGrange County Board of Zoning Appeals
Dale Buuck	NIRP, Vice President Business Development
Stan Clark	Farmers State Bank, Vice President Agriculture Loans
Chris Godlewski	LaGrange County Plan Commission, Director
Greg Johnson	LaGrange County Redevelopment Commission
Phil Malone	Retired Citizen
Alan Middleton	Prairie Heights Schools, Superintendent
Freeman Miller	F & N Woodworking, Owner
Jerrilee Mosier	Ivy Tech Northeast, Chancellor
Rob Myers	Parkview Hospital, Vice President
Rex Pranger	LaGrange County Surveyor
Jac Price	CEO, Price's Laundry; LaGrange County Council
John Quake	Forest River, General Manager
Joy Sharp	Real Living, Realtor
Wes Shie	Small Business Development Center, Business Advisor
Greg Todd	Farmers State Bank, Vice President
Gary Wheeler	Glen Oaks, President
Randy Zimmerly	Westview Schools, Superintendent

Planning Process

Brian reviewed the planning process that includes five phases:

- Phase I: Project Startup
- Phase II: Research on the Economy and Site Review
- Phase III: Research through Public Input
- Phase IV: Goals, Objectives, and Action Plans
- Phase V: Final Report

Brian explained that all project reports and meeting summaries are available online on the LaGrange County EDC's website (www.lagrangecountyedc.com) and SDG's project webpage (www.sdg.us/lagrangecountyed.php).

Review of Findings

LaGrange County's demographic and economic trends show a community with mixed indicators. An influencing demographic is the high concentration of Amish residents, which comprises an estimated 17% of the county's population (although the actual percentage is likely much higher). LaGrange County has the highest concentration of Amish residents of any county in the United States. This population has a measurable impact on the community's key indices including: population, education, income, and employment trends.

Selected findings from Phase II include:

- The county's population growth has surpassed the state and peers since 1970.
- The county has a lower median age than the state.
- The county ranked last in per capita income among Indiana's counties in 2008. This is likely attributable to the larger average household size.
- Unemployment rates have been consistently lower than the state and peer average.
- The county's educational attainment levels have not been competitive with the state and peers. The Amish community does not attend school past the 8th grade level.
- LaGrange County's biggest employment sector is manufacturing, which accounted for 32.4% of all employment in 2008.
- The county had a net loss of 2,725 jobs in its covered employment between 2004 and 2009.
- A majority of those losses – 2,350 – came from the manufacturing sector.

A participant asked how many people are employed total in LaGrange County. The county's total employment by place of work in 2009 was 15,185.

An attendee of the summit asked how many of the 22,000 jobs lost have been recovered. Brian explained that those losses were throughout the LaGrange County Region, which includes the counties contiguous to Lagrange. Brian explained that communities are part of multiple regions. For instance, LaGrange County is an outlier of the Ft. Wayne MSA, but it is the center of its own region in north central Indiana.

According to the Bureau of Labor Statistics, LaGrange County's annual average manufacturing employment was 6,201 in 2006 and 3,490 in 2009. Preliminary data from 2010 indicates that manufacturing jobs are slowly recovering in the county but are nowhere near the high levels in 2006. The number of manufacturing establishments has remained relatively stable despite the recession.

Quarterly Census of Employment and Wages: Manufacturing Employment (All Employees)													
LaGrange County, Indiana													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2001	5416	5820	5339	5788	5636	5781	5660	5609	5469	5308	5221	5227	5523
2002	5299	5439	5500	5564	5723	5789	5842	5830	5758	5814	5720	5714	5666
2003	5536	5578	5595	5525	5633	5697	5625	5744	5737	5854	5857	5883	5689
2004	5773	5808	5755	5805	5845	5945	5883	5934	5895	5850	5777	5806	5840
2005	5803	5967	6049	6175	6134	6118	5967	6053	6072	6264	6222	6222	6087
2006	6040	6227	6381	6477	6510	6533	6141	6236	6122	5947	5917	5878	6201

Quarterly Census of Employment and Wages: Manufacturing Employment (All Employees) LaGrange County, Indiana													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2007	5892	5909	5827	5851	5726	5916	5812	6077	6023	5958	5913	5865	5897
2008	5705	5696	5620	5484	5485	5331	4945	5128	4926	4735	4434	4170	5138
2009	3899	3441	3429	3402	3363	3456	3477	3437	3533	3405	3491	3545	3490
2010*	3401	3619	3689	3802	3987	4106	4110	4105	4084				

Source: U.S. Bureau of Labor Statistics

* Preliminary data

Brian pointed out that the county's economy is heavily dependent on manufacturing. The county's percent of employment in manufacturing increased since 1980 with a slight decline between 2000 and 2009. This makes the county vulnerable to cyclic economic trends and vulnerable to manufacturers relocating to other locations.

The losses in manufacturing were even greater for the LaGrange County Region, which includes the counties contiguous to LaGrange. According to data from the Bureau of Labor Statistics, the manufacturing supercluster lost an estimated 22,000 jobs in the region between 2003 and 2009. Only five regional business clusters had growing employment during that time period:

- Agribusiness, Food Processing & Technology
- Biomedical/Biotechnical (Life Sciences)
- Education & Knowledge Creation
- Machinery manufacturing (subcluster)
- Transportation & Logistics

With the exception of Machinery manufacturing, these growing clusters coincide with clusters that indicate opportunities for job creation in the South Bend, Ft. Wayne, and Grand Rapids MSAs. There are opportunities for LaGrange County to diversify the local economy by addressing shared supply chain, workforce and infrastructure needs within each identified growth cluster.

Brian reviewed the activities in Phase III that have been completed so far. He reported that 23 key informant interviews have been completed. In addition, there were 27 people who attended a public meeting in April and nearly 140 public questionnaires have been submitted. Preliminary findings from the public questionnaire and key interviews suggest that the general perception of the public is much more negative about LaGrange County's overall business climate.

Preliminary findings from the five focus groups included:

- There is an interest in promoting hands-on exchange of local business information among tourism-related business owners.
- The changing economy has motivated parents and students to reevaluate post-secondary training opportunities.
- The county's workforce looks entirely different for those employers who hire the Amish and those that do not.
- Small business owners need assistance with accessing resource for business development. They also want guidance on navigating building and zoning permits and business incentives.
- The Amish woodworking industry has specific needs such as shipping solutions for their products. Many want to protect their culture and values but be competitive in the global economy.

Education and Workforce Development

- English employers that do not require high school diplomas are very satisfied with Amish workforce. The companies headquartered here that are familiar with the circumstances of the workforce can hire Amish.
- English employers that do require high school diplomas are not satisfied with English workforce. Some of these companies have headquarters outside of LaGrange County and has less local control of these hiring policies.
- One of the challenges for educators is to reverse the brain drain trend. Another challenge is to engage the county's workforce in continuing education programs that are available.
- It's a catch-22. Businesses want a stable, educated workforce before they will locate in a community. The educated workforce wants the jobs there before they will stay. The way out is to work on both ends. Keep recruiting those businesses and developing a culture of lifelong learning.
- The potential workforce is regional. Those people are an asset when recruiting knowledge-based jobs.
- The county's captive workforce is largely Amish. How do we provide training to the Amish for high-skilled jobs in order to attract those types of employers while allowing them to maintain their way of life? Ask the Amish what kind of training such as technical skills they might like to learn?
- Schools in LaGrange County have made a shift in the last five years to emphasize "real world" experiences for students so that they have ideas about different career paths.
- The Amish population has some limitations and also some potential assets. The question is how do we provide services to the Amish community that they want that integrates in with their cultural norms that will provide them with the skills they need to succeed in their businesses? This topic came up in the focus groups with Amish entrepreneurs and with education and workforce development professionals. There were discussions about how to deliver services to Amish workers that are consistent with their cultural values. The Amish present some limitations with their educational attainment levels but many assets in terms of their work ethic and sense of innovation and entrepreneurship.
- The Amish sense of work has changed over the years. It used to be that they were farmers. Then some began to work in the RV industry. It seems like the majority of Amish workers are happy with that style of life. The wholesale Amish market arose in LaGrange County in the 1990s. Many continued to work in the RV industry and start businesses on the side. The recession created a surge in Amish entrepreneurship. The growth of the Amish population in the area has led many to continue their education, because there are so few farms available. I think we'll see more of that coming as the population continues to grow.
- The English population can go on to postsecondary education. That is how you can connect with knowledge-based jobs in the life sciences field.
- One of the frustrations I have as an educator is talking with professionals who come in wanting quality of life amenities such as marching band, swimming, etc. These people want to go to spas and recreation facilities. We struggle with drawing professionals in to live here. We also have a population that does not want subdivisions in their "backyard." No one here wants to pay the tax rate that they have in Carmel. But Carmel attracts those highly educated professionals who are willing to pay for the amenities they cannot find in rural communities.
- For many companies going through the site selection process, 37% of the decision rest with education, workforce and housing. They want golf courses and postsecondary training opportunities. The main issue now is housing.

- There's an asset in the schools that are changing their curriculums to emphasize postsecondary education. They are emphasizing hands-on and technical learning.
- We know that the English population is not particularly well respected among employers. The attitudes and skills of those workers are not what employers are looking for. That is a problem.
- Adult education is offered in the community for GED certifications. Some employers offer courses through the job. Need will likely drive educational attainment even among the Amish.
- Many Amish woodworkers have adapted to the needs of their business. Some of them use CAD systems to design products.
- I suspect that a large percent of the county's population is unaware of the postsecondary training opportunities that are currently available. The WorkOne center in the county has capacity for more use. People don't understand the reasons for pursuing continuing education. Lifelong learning is not a driver in LaGrange County. Most people will not pursue training until it is imperative for them to do so.
- People are not aware of the resources that are available for postsecondary training opportunities. There is a lack of communication between the service providers and workers.
- There are many postsecondary education opportunities in counties close to LaGrange, but people are not taking advantage of these opportunities because there is not a culture of lifelong learning in the community.
- The delivery system of the postsecondary training opportunities may be part of the problem. One possible solution is offering them through employers. This could serve
- Ivy Tech does not have a strong presence in LaGrange County. To remedy that situation, Ivy Tech will be hiring an Outreach Coordinator to help us identify what the needs are for LaGrange County. Ivy Tech wants to be more responsive to the needs of all the counties in its service area. Ivy Tech is changing its delivery model and will be more aggressive in communicating its services.
- LaGrange County has always been a county that's been of the mindset that we have to stay the way we are because we have Amish here. The Amish are not holding the county back. The Amish are out working to be part of this community.
- The county needs to be more innovative in the delivery system of postsecondary training opportunities.
- The Amish population reduces the overall educational attainment level of the county. This is a challenge that needs to be addressed directly by communicating the unique circumstances in the county.
- LaGrange County is a participant in the Four-County Area Vocational Cooperative that operates a vocational school in Kendallville.
- Prairie Heights High School provides both adult education programs for people to earn GEDs and vocational training in the school that is tied with job placement.
- The Dekko Foundation offers adult education through the Freedom Academy, which provides training through the workplace.
- We cannot attract certain businesses to locate here because we don't have the population they want.
- The New Economy is what we're facing in the years to come.

Housing

- The average house in LaGrange County sells for just over \$100,000. It used to be \$94,000. We don't have housing to sell to people.
- The county does not have a broad range of housing types.

- The housing stock does not include adequate numbers of subdivisions and executive homes.
- There's a market for higher end single-family homes in greater Town of LaGrange area. The development community needs to perceive that.
- There is the Valley Hill development north of Shipshewana. Brickshire is another subdivision that was put up by a developer. Copper Ridge is another subdivision housing development in the county.
- Keith asked if there was a need for high end housing development along any of the lake communities. He also asked if there's a need for higher end retirement or senior housing.
- The realtor said that there may be a need for senior housing in LaGrange County. The county needs a senior housing development.
- There's a perceived need for high-end senior housing in the county. There are not many plots available along the lakes for new development.
- Covenants are made by the development. Subdivision ordinances are managed through the county plan commission. These control lot sizes, the kinds of roads, etc. These ordinances cannot control the type of community.
- Sometimes the cost of maintaining infrastructure is a burden for home owners.
- Municipal infrastructure costs may impede some development.
- Sanitary sewer is the key to development. These systems have to be maintained. They can be costly, but communities cannot have high density development without sanitary sewer infrastructure.
- Some subdivisions have succeeded in the county but others have failed.
- There are some low interest loans another tools to assist with the extension of sewer to the edge of town.

Available Vacant Space for Industrial or Business Use

- There are two kinds of industrial or business space: spec buildings and re-use of buildings.
- We have a couple of decent buildings available for industrial use. And then the county has a lot of older buildings with low ceilings. The county has some industrial spaces available and several buildings that are older with low ceilings. This is not a unique problem; it is common among manufacturing communities in the Midwest.
- This year the region has had 11 leads. 70% of those leads are looking for existing buildings. Many of these businesses are in the food processing (packaging or storage). They are looking for clean buildings with a minimum of 24' high ceilings, but they prefer 28' or 30'.
- Fawn River Crossing is a great building. The county needs to look at how to develop more space like Fawn River and possibly a spec building. Some of the buildings in LaGrange County do not work for the prospects that have looked recently.
- It may be worthwhile to take a field trip to look at the available space that is the county's competition such as AmeriPlex at the Port, which is a 385 acre mixed-use development by Holladay Properties in Portage, Indiana. Other industrial parks worth visiting include Northwind Crossing in Hobart and Ameriplex at the Crossroads in Merrillville.
- There's potential to attract distribution companies.
- The best industrial space has already been occupied in LaGrange County. Even the best that is available currently has some issues.
- Is a business incubator possible?

Small Business Development and Entrepreneurship

- Trine University has a presence near Whitehall. Additional partnerships between the county and Trine University are under discussion.
- The lack of a virtual or physical incubator is a disadvantage, but it is a disadvantage that many smaller, rural counties have.
- Virtual incubators are another opportunity for rural communities to consider.
- The EDC tried a virtual incubator through the SBDC. The EDC has some opportunity there. Both options are worth investigating.
- The Dekko Foundation may be a grantee for this concept. This source of funding is an advantage for the county.
- How do you promote innovation and entrepreneurship in the county?
- Highlight entrepreneurship in the region through Ivy Tech and other regional groups.
- There are programs like Ten9Eight that encourage entrepreneurship in the high schools. This could be linked with other initiatives that promote innovation.
- “Made In LaPorte County” is an initiative that has had success displaying the products made there. This program showcases opportunities to middle and high school students.
- SBDC representative comes to LaGrange County one day a month to meet with businesses
- Is it difficult for small business owners to access capital right now?
- Local banks are willing to look at loan applications. Farmers State Bank has a program for downtown businesses in LaGrange to assist with store front improvements. The opportunities are there locally and through the SBA.
- There are micro loan funds available through RDC.
- The Community Development Corporation of Northeast Indiana provides micro loans that are available through USDA funds.
- The LaGrange County Chamber of Commerce has done a good job of promoting small businesses. They have done a lot toward raising awareness of the county’s small businesses.

Infrastructure

- Sanitary sewer infrastructure is an issue in the county.
- The lack of rail infrastructure is a drawback. The county has two rail connections, one in South Milford and another in the northern part of the county.
- LaGrange County only has one interchange along the I-80/90 toll road. An additional interchange along the interstate would be a plus for development.
- Broadband access for industry is not perceived as adequate. There are still many homes in the county that cannot access broadband services. Indiana Metropolitan Network (iMAN) is planning to extend broadband access to South Milford this year.
- There are some places in the county that have sanitary sewer service but not water. Water infrastructure is still a challenge for many areas. The lack of municipal water supply is a disadvantage when trying to attract businesses such as food processors.
- Westview School Corporation is hindered by a lack of access to broadband.
- Steuben County has been working on expanding broadband through the county community foundation.
- It is difficult to map broadband access in the county. The information is proprietary. This is one of the reasons that planning for broadband access is difficult.

Tourism

- Shpshewana is a major tourism asset for the county.
- Lakes and parks are other tourism assets.
- There are several festivals such as May Fest that draw in visitors. Shpshewana's tourism is very event driven.
- The activities tend to be seasonal. As a result, there's a big lull in the winter.
- The county has several venues including the blue building.
- Shpshewana has a branding initiative, but the county as a whole does not.
- The condition of some of the housing in the county is embarrassing. Cleaning up dilapidated housing is a code enforcement issue.
- There are three junkyards along the county's industrial corridor.

New Employer Marketing

- The EDC invests into our website, which won an award last year. We keep the website updated, because the search starts online. There's a social media campaign with Twitter, Facebook, and LinkedIn as well.
- LaGrange County is open to incentives. The county has an investment fund and Major Moves dollars that are another potential source for funding.
- The state of Indiana is aggressive with incentives such as low tax rates compared with other states.
- The EDC is a member of several regional groups that also promote the region.
- The EDC hired another staff member recently and this additional staff will assist with NBR and R&E efforts.

Retention and Expansion of Existing Employers

- Other LEDOs coordinate their R&E visits with businesses along with local elected officials and other community members such as chamber of commerce members.
- The EDC is continuing to build relationships with businesses in the county.

Sign In Sheet: LAGRANGE COUNTY ECONOMIC SUMMIT
 (Meeting)

MAY 4, 2011
 (Date)

Please print clearly.

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Sign In Sheet: LARANGE COUNTY ECONOMIC Summit
 (Meeting)

MAY 4, 2011
 (Date)

Please print clearly.

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