Introduction

Indiana is not homogeneous and different parts of the state have different strengths and opportunities. Recognizing this, the Indiana Department of Commerce (IDOC) announced a regional approach to the delivery of economic development services late in 2002, following a study by Market Street Services on the best practices for economic development in today's changing economy. The twelve multi-county regional offices were established in 2003 to place representatives from the Indiana Department of Commerce closer to their constituents and to begin to build the regional partnerships that are needed to grow the local economy and strengthen the state. In the first year, there was already evidence that this approach increased the awareness of and utilization of state programs by local businesses, while providing state officials with a clearer understanding of the needs of each region.

Advisory Councils were formed in each region to serve as steering committees for planning and to provide feedback and recommend suggestions to the Regional staff. To ensure coordination in their planning efforts statewide, the Indiana Department of Commerce engaged the Indiana Economic Development Council (IEDC) to direct and manage a regional planning process in conjunction with efforts also underway to update the Statewide Plan for Economic Development. This partnership will result in plans that are inter-related at the state and regional levels and help to ensure that the tools and engagement necessary for implementation are in place.

Indiana is standing at a critical juncture in its history with choices that can guarantee Hoosiers a strong economy and a good quality of life. In the state and regional plans, known collectively as A New Path to Progress, decision makers at all levels will find the policy recommendations that lead to that better future. The Indiana Economic Development Council is proud to be a partner in this effort, along with our team member Policy Analytics, LLC. We want to express our gratitude to the many individuals in Region 1 who have contributed so extensively to this planning process and to the many other economic development efforts across the region that were examined to insure that the Commerce Region 1 staff is positioned to provide the most needed services and leadership to the businesses and residents of this region.

In 2005, the IDOC elected to reduce the number of regions from twelve to five. We believe that the work presented in these regional reports will be more critical than ever in assisting the Commerce staff and policy makers in these larger regions as they seek to strengthen their local economy.
Greetings!

Building on the strengths of our communities to create more economic opportunities and prosperity throughout the Region is the daily goal of the Indiana Department of Commerce’s Region One office. As the lead economic and community development agency for the State of Indiana, we seek to provide and cultivate the regional leadership required to ensure the ongoing economic viability of the Region.

In April 2004, the Region One office embarked upon a bold new strategic planning process designed to identify the Region’s strengths, explore opportunities, and strengthen our weaknesses. Through the unprecedented partnership of over 25 key economic and community development leaders from every county of Region One (Lake, Porter, Newton, & Jasper), a strategic plan was developed.

While the steel industry remains the economic engine of the region, the need for diversification and more effective leveraging of the region’s strengths is clear. Region One’s designation as the “Crossroads of America” has been bestowed upon us because most major markets are within a day’s travel. Additionally the following strengths were identified:

- Our geographic proximity to Chicago.
- A highly developed transportation infrastructure including a deep-water port, rail access, an interstate roadway network expansion that is currently underway, and the Gary/Chicago International Airport.
- Home of several major universities, a state vocational college, Certified Technology Parks, and the Purdue University Research Center.
- Opportunities for Lakeshore Development

The region also faces many challenges. If the region is to thrive, change must be nurtured and embraced. The business and educational communities will have to join together in a broad new effort to retain our college graduates and to cultivate innovative entrepreneurship. We must learn to harness the power of partnership.

The following pages represent a strategic planning document that was developed by many thoughtful, hardworking and capable stakeholders in our region. By participating in this process, these individuals have demonstrated their commitment to the future growth, development and prosperity of Region One. To these individuals we offer our sincere gratitude for their contributions to this process and look forward to continued partnership as we move this plan forward.

Sincerely,

Cynthia Pruitt
Director, Region 1, 2004
Indiana Department of Commerce
Region 1
Economic Development Strategy

Executive Summary

The Indiana Department of Commerce and the Indiana Economic Development Council have partnered to create a new state economic development strategy and a set of strategies for IDOC Region 1. At the regional level the planning process has been overseen by the region's Advisory Council. The Advisory Council consists of community leaders representing small and large employers, economic development organizations, educational institutions K through 16, and local government.

The Indiana Economic Council has identified seven key drivers of the state economy, which have served as the basis for the planning process.

- Globalization
- Smart Government
- Thinking Regionally
- Infrastructure
- Business Innovation
- Quality of Life
- Workforce/Education

The Region 1 Advisory Council (RAC) held three planning sessions in 2004. Purdue University and the Indiana University Business Research Center provided statistical information on the state and regional economy for these sessions. In addition to these sessions, a public meeting and a focus group were conducted. The focus group gathered in depth responses on the regional economy from economic developers and major employers. Guided by this information, the Advisory Council has adopted a goal under each driver and a set of objectives defining the activities to achieve each goal.

The Region 1 Advisory Council has chosen seven goals for its economic development strategy. These goals are:

1. Position all businesses in the region to compete in the global marketplace
2. Recognize needs of the region and promote collaborative solutions
3. Promote business innovation through region-wide cooperation, diversification, and enhanced venture capital opportunities
4. Collaborate with higher education organizations to provide leadership in workforce training and economic development
5. Promote cooperation among communities in order to capitalize on regional economic assets
6. Utilize and enhance regional infrastructure assets to progress regional economic development
7. Promote a high quality of life throughout the region
Region 1 consists of Lake, Porter, Newton, and Jasper Counties. The region is bounded by Lake Michigan on the north and the Illinois state line on the west. Direct access to Lake Michigan and the Port of Indiana at Burns Harbor provides Region 1 with excellent opportunities to reach the global marketplace. The region is bisected by several interstates. I-94 and I-80/90 traverse the region from east to west. I-65, which begins in Gary, provides Region 1 with a north-south interstate.

Region 1 includes the Gary Metropolitan Statistical Area. The cities of Gary, Hammond, and East Chicago in Lake County, are identified as the region’s primary economic hub. With a population of 99,961 in 2003, Gary is the state’s fifth largest city. The region's communities are diverse and are a mix between urban and rural settings. Lake County is the most urbanized and densely populated. Porter County has the second highest concentration of manufacturing in the region and tends to be suburban to rural in character. Jasper and Newton Counties are both rural with relatively small populations. In 2003, Region 1’s population was 685,490. Between 1990 and 2000, the region’s population grew at a rate of 5.1%, which was outpaced by Indiana’s growth rate of 9.7% for the same time period.
Profile of Region 1

Region 1 has many economic assets that can be utilized in building a modern economy. Region 1 is home to Burns Harbor, the Port of Indiana that sits on the south shore of Lake Michigan, and the Gary-Chicago Regional Airport. An excellent network of primary and secondary roads also serves the region. Along the Lake Michigan shore, Region 1 is home to some of the nation’s largest industrial operations. In fact, many of today’s leading companies, such as USX Corporation and Bethlehem Steel are based in the region. Region 1 also is part of the Greater Chicago Metropolitan Area, and has direct access to downtown Chicago through interstates and commuter rail lines.

The unemployment rate for Region 1 was 5.1% in November 2004. The rate is 0.2 percentage points higher than Indiana’s overall unemployment rate for the same period.

In 2003, the region’s largest industrial sector, in terms of numbers employed, was manufacturing with 15.8% of the workforce or 40,669 employees. The total manufacturing workforce for the state of Indiana was 20.3%, a number indicating that Region 1’s economy is more diverse and less reliant on manufacturing. The manufacturing operations in Region 1 are dominated by primary metal manufacturing operations¹ (especially steel), where Region 1 has a location quotient of 22.43. In 2003, 8.3% of the region’s workforce was employed in the primary metal manufacturing sector, earning an average annual wage of $64,555. This wage is $31,220 (92.6%) greater than the region's average wage and $19,103 (42.0%) greater than the state’s average wage.

Since 1998, primary metal manufacturing in Region 1 has lost almost 8,000 (27%) of its employment due to increases in automation and competition from foreign steel. This trend has contributed to the drop in total regional employment of almost 14,000 jobs (5.1%). In the Milken Institute’s 2004 Best Performing Cities, the Gary MSA ranked 194 out of 200 of the largest metropolitan areas for total job creation.

¹ NAICS 331
Region 1 Cluster Analysis

Over the last ten to fifteen years, cluster analysis has emerged as a new way of looking at economic development, integrating regional differences in development and economic specialization. An increasing number of states and regions in the US and overseas have modified their economic development strategies to focus and capitalize on the business and industry clusters where they have, or would like to have, a competitive advantage. In adopting a cluster strategy, states and regions hope to maximize their competitive advantage in existing industries and to build new strengths in the emerging industries that will replace older, declining sectors.

Fourteen potential clusters were studied during the current process of creating the State economic plan. The same fourteen clusters that were studied for the State of Indiana as a whole were also examined for Region 1 and each of the remaining 11 IDOC regions. Owing to issues of data suppression for confidentiality reasons at the regional and local level, and to issues regarding the switch from SIC to NAICS codes, the regional cluster analyses have been conducted using a slightly different data sequence from the State analysis. Regional clusters have been studied for the period 2001-2003 (third quarter data) giving a slightly different snapshot of the regional clusters. Subsequent analyses will be needed to expand this time series and improve knowledge about trend directions in the regional clusters. The analysis of Region 1’s cluster data nevertheless reveals some important points about the regional economy.

The fourteen statewide clusters are:

1. Advanced Business Services
2. Advanced Logistics
3. Advanced Manufacturing
4. Advanced Materials
5. Agribusiness, Food Processing and Technology
6. Arts, Entertainment, Recreation, and Visitor Industries
7. Biomedical/Biotechnical (Life Sciences)
8. Chemicals
9. Earth Products
10. Educational Services
11. Environmental Technology
12. Forest and Wood Products
13. Information, Communications, and Media Industries
14. Information Technology

Because of the short, two-year time period (2001-2003), the analysis of these clusters should be seen as a snapshot of the regional economy and might not necessarily indicate long-term trends. These clusters were analyzed from several perspectives, including total employment, employment growth, wages and the growth in specialization in each cluster relative to that same cluster nationally. Chart 1 shows the size of employment in each of Region 1’s clusters, the degree to which employment in each cluster is concentrated in the area (compared to the nation) by the size of its location quotient, and the percent change in the size of the location quotients over the period.

A cluster can be categorized by the growth of its employment specialization. A “Star” cluster is one that is already specialized and is becoming even more concentrated. A “Mature” cluster refers to those that are specialized but are currently becoming less concentrated.
The “Emerging” clusters are defined as those that are currently not specialized, but are becoming more concentrated in their particular grouping. The “Transforming” clusters are not specialized, and appear to be decreasing in concentration. In using these categorizations, however, it is important to note that the relative position of clusters can be changeable in the short term.
Between 2001 and 2003, Region 1 was home to five clusters that were defined as “Stars.” These clusters were Advanced Manufacturing, Biomedical/Biotechnical, Earth Products, Chemicals, and Advanced Logistics. These five clusters employed 78,070, or approximately 30.3% of Region 1’s total workforce.

- In 2003, the Advanced Manufacturing cluster had the highest cluster location quotient, for the region, at 2.17. Additionally, Advanced Manufacturing had the highest average payroll per capita wage for 2003 at $60,127 or 181% of the region’s average per capita wage. Advanced Manufacturing was the second largest cluster in terms of employment for 2003 with 29,099. On the flip side, Region 1’s Advanced Manufacturing cluster experienced a 12% reduction of its workforce between 2001 and 2003. Given the presence of large manufacturing operations in the region, especially in primary metal manufacturing, employment in the Advanced Manufacturing cluster is roughly two times more concentrated in Region 1 than in the nation as a whole.

- The Biomedical/Biotechnical cluster has a strong presence in Region 1. This cluster provided the most jobs for 2003. The cluster employed 34,293 or 13.3% of the region’s total workforce. The Biomedical/Biotechnical Cluster experienced wages that were 102.8% of the region’s average per capita wages at $34,565. Between 2001 and 2003, this sector experienced a 6.7% increase in employment. The cluster’s degree of concentration increased slightly between 2001 and 2003, and that level remains slightly above the national average.

### Table 1 – Region 1 Changes in Employment and Concentration

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, all industries</td>
<td>257,732</td>
<td>-1.4%</td>
<td>1.00</td>
<td>0.0%</td>
<td>33,268</td>
</tr>
<tr>
<td><strong>Specialized, Increasing Concentration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced Manufacturing</td>
<td>29,099</td>
<td>-12.0%</td>
<td>2.17</td>
<td>2.7%</td>
<td>60,127</td>
</tr>
<tr>
<td>Biomedical/Biotechnical (Life Sciences)</td>
<td>34,293</td>
<td>6.7%</td>
<td>1.08</td>
<td>2.3%</td>
<td>34,655</td>
</tr>
<tr>
<td>Earth Products</td>
<td>1,847</td>
<td>-3.6%</td>
<td>1.03</td>
<td>5.5%</td>
<td>46,369</td>
</tr>
<tr>
<td>Chemicals</td>
<td>5,026</td>
<td>-2.2%</td>
<td>1.01</td>
<td>5.0%</td>
<td>45,942</td>
</tr>
<tr>
<td>Advanced Logistics</td>
<td>7,805</td>
<td>-4.1%</td>
<td>1.01</td>
<td>1.0%</td>
<td>36,166</td>
</tr>
<tr>
<td><strong>Specialized, Decreasing Concentration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts, Entertainment, Recreation and Visitor Industries</td>
<td>11,460</td>
<td>-4.0%</td>
<td>1.23</td>
<td>-3.4%</td>
<td>22,717</td>
</tr>
<tr>
<td><strong>Not Specialized, Increasing Concentration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forest and Wood Products</td>
<td>4,598</td>
<td>12.8%</td>
<td>0.82</td>
<td>16.4%</td>
<td>29,981</td>
</tr>
<tr>
<td>Advanced Materials</td>
<td>2,699</td>
<td>-5.5%</td>
<td>0.80</td>
<td>10.2%</td>
<td>53,046</td>
</tr>
<tr>
<td>Advanced Business Services</td>
<td>10,008</td>
<td>2.6%</td>
<td>0.49</td>
<td>4.0%</td>
<td>39,657</td>
</tr>
<tr>
<td>Information Technology</td>
<td>2,665</td>
<td>-13.6%</td>
<td>0.22</td>
<td>0.3%</td>
<td>45,757</td>
</tr>
<tr>
<td><strong>Not Specialized, Decreasing Concentration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Technology</td>
<td>2,283</td>
<td>-1.8%</td>
<td>0.71</td>
<td>-0.6%</td>
<td>40,636</td>
</tr>
<tr>
<td>Educational Services</td>
<td>4,376</td>
<td>2.1%</td>
<td>0.62</td>
<td>-2.7%</td>
<td>28,323</td>
</tr>
<tr>
<td>Information, Communications and Media</td>
<td>3,289</td>
<td>-15.2%</td>
<td>0.46</td>
<td>-3.5%</td>
<td>31,992</td>
</tr>
<tr>
<td>Agribusiness, Food Processing and Technology</td>
<td>3,414</td>
<td>-7.5%</td>
<td>0.56</td>
<td>-4.4%</td>
<td>36,380</td>
</tr>
</tbody>
</table>

Source: Indiana Economic Development Council and Purdue University Cooperative Extension Service, from data supplied by the Indiana Business Research Center, January 2005
Earth Products was the smallest of all of the clusters, employing 1,847. Between 2001 and 2003 this cluster experienced a 3.6% decrease in its workforce. Earth Products average per capita wage for 2003 was $46,369 or 137.9% of the region’s average per capita wage. The Earth Products cluster includes such industries as mining, glass and refractory manufacturing.

In 2003 the Chemicals cluster employed 5,026, which was a 2.2% decrease from 2001 employment levels. The cluster’s average per capita wage was 136.6% of the region’s average per capita wage. Even though, the cluster has experienced a slight decrease in its workforce, its concentration within the region has increased by 5% between 2001 and 2003.

The Advanced Logistics cluster was the region’s 5th largest employer in 2003 with 7,805. This cluster has much potential in the region, due to its location relative to Chicago and the continued development of its multi-modal transportation network. The cluster did experience average per capita wages that were 107.5% of the region’s average per capita wage and also experienced a 4.1% decrease in its workforce between 2001 and 2003.

The Arts, Entertainment, Recreation and Visitor Industries cluster was the only cluster in Region 1 to fall into the “mature” category for the study period. This cluster was the 3rd largest in employment for the region. This cluster employed over 11,400 people in 2003. During the period 2001 to 2003 employment in this cluster declined, although the cluster remains slightly more concentrated in Region 1 than in the nation as a whole. While this might be the region’s 3rd largest employing cluster, it is also important to note that this is also the region’s lowest paying cluster with an average per capita wage of $22,717, or only 67.6% of the region’s average per capita wage.

Region 1 had four cluster defined as “emerging” in 2003. These clusters were Forest and Wood Products, Advanced Business Services, Advanced Materials, and Information Technology.

Of Region 12’s four “emerging” clusters, Forest and Wood Products showed the highest increase in both employment and concentration during the three years from 2001 to 2003. In Region 1, the Forest and Wood Products cluster increased its employment by 12.8% and its concentration by 16.4% from 2001 to 2003. The cluster employs 4,598, and although the cluster’s industries are declining nationally, the Forest and Wood Products cluster added more than 500 jobs in Region 1 during the study period.

The Advanced Materials cluster, in part a sub-cluster of the Advanced Manufacturing cluster, is weakly concentrated in the region, however this cluster brings many high pay jobs—the average wage in Advanced Materials is 160% of the region’s average wage.

Region 1’s level of specialized employment in Advanced Business Services and Information Technology is growing but remains far below the national average. At the
same time, these are the key support clusters needed to sustain the growth of the major driver clusters such as Chemicals, Advanced Manufacturing and Advanced Materials.

For 2003, four of the region’s clusters were defined as “transforming.” These clusters were Environmental Technology, Education Services, Information, Communications, and Media, and Agribusiness, Food Processing, and Technology. Of these four clusters, only Education Services experienced employment growth between 2001 and 2003.

The average payroll wage per capita for the region in the third quarter of 2003 was $33,268. The four clusters with the highest average payroll wage per capita in Region 1 were Advanced Manufacturing at $60,127, Advanced Materials at $53,046, Earth Products at $46,369, and Chemicals at $45,942. The four clusters with the lowest average payroll wage per capita in 2003 were Information, Communications and Media at $31,992, Forest and Wood Products at $29,981, Educational Services at $28,323 and Arts, Entertainment and Recreation at $22,717.

The second largest cluster by employment, Advanced Manufacturing, experienced the largest loss of jobs, and the third largest overall percent loss of its workforce between 2001 and 2003. Also, Advanced Manufacturing jobs had the highest average payroll wages per capita in Region 1 for 2003. Secondly, Arts, Entertainment, Recreation, and Visitor Industries (third largest in employment for 2003) experienced the lowest average payroll wages per capita in Region 1 for 2003. This trend indicates that Region 1 has lost a large number of high paying jobs. Additionally, its largest gains are in those jobs that pay considerably less than those that have been lost.

Map 2

Map 3
Region 1 Vision, Goals, and Measurements

Region 1 Vision 2016:
Region 1 will be a global leader with a highly diversified economy and a vibrant culture centered upon an outstanding quality of life. Region 1 will work collaboratively to employ dynamic leadership vested in fostering talent, harnessing partnerships, and attracting intellectual capital.

A vision reflects the values of its residents. To achieve the vision, an effective strategy requires one or more large goals – priorities that will lead to the future. The Region 1 Advisory Council has chosen seven goals for its economic development strategy.

Goal 1 - Position all businesses in the region to compete in the global marketplace.

Measurements: To measure this goal a comparison of job growth numbers with changes in unemployment is useful. If Goal 1 were obtained, one would see overall job growth and a decrease and leveling off of the unemployment rate.

Goal 2 - Recognize the needs of the region and to promote collaborative solutions.

Measurements: The number of new business establishments is a good indicator of regional collaboration. As the region is successful in collaborating its resources, the number of new business establishments should increase. As the number of business establishments increases, the region should experience increases in average wages and an increase in job growth.

Goal 3 - Promote business innovation through region-wide cooperation, diversification, and enhanced venture capital opportunities.

Measurements: To measure the success of this goal, it will be important to examine the amount of research and development dollars spent as a percentage of total business expenditures for the region. As the region becomes more innovative, research and development expenses should increase as a percentage of total business expenditures. Additionally, it can be assumed that as this number increases so should the number of patents per 100,000 people and overall investment in research and development, both also indicating an increasingly innovative business environment.
Goal 4 - Collaborate with higher education organizations to provide leadership in workforce training and economic development.

Measurements: The percentage of the population that graduates from high school, obtains post-secondary training, receives a bachelor's degree, and those who earn master's and professional degrees will increase. As institutions of higher education are better integrated with the concerns of local government and the needs of local businesses, the region should experience higher rates of education at all levels in its workforce.

Goal 5 - Promote cooperation among communities in order to capitalize on regional economic assets.

Measurements: Number of new business establishments is a good measurement for this goal.

Goal 6 - Utilize and enhance regional infrastructure assets to progress regional economic development.

Measurements: A good measure for this goal is job growth. As job growth is increased through modernization of Region 1’s infrastructure, the number of new business establishments should also increase.

Goal 7 - Promote a high quality of life throughout the region

Measurements: Increase in the numbers of skilled and educated workers is a good indication of successful promotion of the region's quality of life. Not only should a high quality of life attract skilled and educated workers new to the region, but also the region should experience a higher retention of locals who pursue advanced education.
Drivers, Goals and Objectives

**Driver 1: Globalization**

To succeed in the new economy, Region 1 must participate in the socio-economic forces that make up the global economy. The region’s businesses and communities must be adept at taking advantage of opportunities created by the global economy including emerging markets and increased foreign investments. Region 1 must focus on positioning businesses within the region in the global marketplace.

<table>
<thead>
<tr>
<th>Goal One: Position all businesses in the region to compete in the global marketplace.</th>
</tr>
</thead>
</table>

**2005 Action Items**

1. Provide information on best practices of global competitors so that local businesses can adopt these models into their own processes
2. Provide small businesses with information on how to effectively market, deliver, and sell their products in foreign markets
3. Pursue the development of an international business incubator
4. Strengthen and increase services provided by the World Trade Council and develop better means for global market knowledge to be shared between large corporations and small businesses
5. Ensure that all marketing materials for Region 1 present the region as a strategic location for international business expansion seeking to reach the American markets from a central location
6. Increase support in K-12 for student exchanges, global economy studies, and foreign languages

**Long-term Directions**

7. Position Region 1 as an international leader in advanced manufacturing
8. Create programs for college and graduate students to either stay in or return to the region
9. Better leverage and enhance multi-modal transportation infrastructure
10. Assist businesses in Region 1 in understanding the standards and expectations of foreign markets
11. Develop and strengthen collaborative relationships across business clusters and industries
12. Aggressively pursue opportunities for investment in Region 1
13. Pursue greater access to global information by networking with multi-national corporations based throughout the Chicago Metropolitan Area
**Driver 2: Regional Thinking**

In a global economy every community is dependent upon other communities in its multi-county region for labor and other resources. Economies are regional and communities can benefit greatly by thinking beyond political boundaries and building coalitions tailored to address specific development issues including transportation and workforce development.

Communities will succeed to the extent that they understand their regional economy and the economic development opportunities it offers to each locality.

**Goal Two:** Recognize needs of the region and to promote collaborative solutions.

**2005 Action Items**

1. Adopt a single definition of Region 1 boundaries for the delivery of services by economic development organizations
2. Give preferences to economic development funding to multi-jurisdictional proposals
3. Create and fully implement a Regional Development Authority\(^2\) which will work to promote growth and develop regional assets for the furtherance of the regional economy

**Long-term Directions**

4. Engage businesses and government leaders across geo-political lines to attract and retain jobs
5. Continue to educate public and private leaders on the interconnectedness of communities within the region
6. Ask central cities (Gary, Hammond, East Chicago, Valparaiso) to reestablish their role as the economic core and engines for Region 1
7. Support policy initiatives to stimulate multi-county business and industrial parks by funding regional infrastructure with shared tax revenues
8. Strengthen and support regionally sponsored workforce training programs

---

\(^{2}\) A Regional Development Authority is a multi-jurisdictional government unit focusing on developing large-scale and regionalized economic development projects (and in some cases transportation projects.) These units may be called “Port Authorities” in other states.
**Driver 3: Business Innovation**

Successful new economy businesses are characterized by continuous innovation and a critical mass of advanced business services to bring products to market. Region 1 must promote business innovation through region-wide cooperation, diversification, and enhanced venture capital opportunities. Region 1 will develop avenues for successful transfer of technologies from the research and design phase to the market place.

**Goal Three: Promote business innovation through region-wide cooperation, diversification, and enhanced venture capital opportunities.**

**2005 Action Items**

1. Create a technology task force to inventory current technology assets and deficiencies in the region and develop awareness of education programs
2. Create a technology and productivity committee to offer guidance in business start up and business diversification
3. Further explore cluster analysis to identify and develop business sectors that are of current and future importance to Region 1’s economy.
4. Create and re-energize networks of businesses seeking and supplying early stage and venture capital
5. Design marketing plan and marketing team to solicit early stage and venture capital into the region

**Long-term Directions**

6. Continue to support the Purdue Technology Center
7. Pursue research parks, technology parks, and business incubation
8. Develop collaborative relationships between business community and higher education institutions
9. Seek diverse economic opportunities so that the region does not rely on a single industry
10. Adopt policies that increase the availability of capital at all stages in the commercialization of new technologies
11. Facilitate the entrance of minority owned businesses into Region 1 communities
**Driver 4: Workforce Education**

In the new economy, education and skill attainment and access to continuing education and training will be among the most important factors for competitive success. Region 1 must collaborate with higher education organizations to provide leadership in workforce training and economic development.

**Goal Four: Collaborate with higher education organizations to provide leadership in workforce training and economic development.**

**2005 Action Items**

1. Continue to assess and to re-evaluate regional business needs in workforce
2. Further develop inventory of education programs that match regional business needs
3. Develop K-12 programs focusing on global economy and entrepreneurial education
4. Increase graduate and post-graduate services for continued workforce education and development
5. Expand use of the Work Keys measurement system to evaluate workforce readiness in meeting Region 1’s business needs

**Long-term Directions**

6. Strengthen regional awareness of workforce research and transition findings to program development
7. Support a mindset of life long learning within the workforce
8. Create and strengthen formal linkages between area school districts, universities, regional businesses, and workforce organizations
9. Direct highly competitive incentives to businesses creating high skill and high wage jobs
10. Produce a multi-lingual workforce proficient in science and technology
**Driver 5: Smart Government**

Government can either hinder or facilitate economic development. Smart and adaptable governments are invaluable economic assets. Region 1 will explore collaborative relationships between governments to create a welcoming regulatory environment for business development.

**Goal Five: Promote cooperation among communities in order to capitalize on regional economic assets.**

**2005 Action Items**

1. Develop leadership training to government officials
2. Encourage the consolidation of local government units to simplify service delivery and increase accountability
3. Encourage local governments to identify new sources of funding for Urban Enterprise Zones

**Long-term Directions**

4. Support leadership training to government officials
5. County and local services need restructuring to become efficient and effective
6. Identify and eliminate excessive bureaucracy and agency overlap
7. Regional partnerships can identify creative financing means for economic development
**Driver 6: Infrastructure**

Each community must have adequate infrastructure that will enable it to compete. Infrastructure includes: broadband services, water, sewer, power, and transportation. Region 1 must utilize and enhance regional infrastructure assets to progress regional economic development. Region 1 will continue to strengthen its transportation network and support regional adoption of broadband technologies.

**Goal Six: Utilize and enhance regional infrastructure assets to progress regional economic development.**

**2005 Action Items**

1. Accelerate the redevelopment of secondary road system to strengthen north-south corridors
2. Gain additional federal funds to continue Interstate highway improvements and modernization
3. Revitalize and better market the Commuter Rail Project
4. Identify water and sewer needs in rural areas
5. Continue to support the Marquette Greenway Plan
6. Continue to focus on development of Gary Chicago International Airport
7. Inventory areas that are not covered by broadband service

**Long-term Directions**

8. Continue and strengthen, with regular funding, Lake and Porter County Regional Transportation Authority
9. Continue with moving towards the Ports Commission with power to develop multi-modal facilities
10. Connect regional transportation assets into a world-class multi-modal transportation network
11. Continue the planned expansion of the Commuter Rail Project with commuter lines to Cedar Lake and Valparaiso
12. Provide local incentives to adopt broadband technologies
13. Develop public education program on the benefits of broadband technologies
**Driver 7: Quality of Life**

In the new economy people increasingly want to live in places that are safe and attractive and that have high levels of educational, cultural, recreational assets and economic opportunities.

**Goal Seven: To promote a high quality of life throughout the region.**

**2005 Action Items**

1. Continue work on Marquette Project Greenway Plan
2. Continue to develop a marketing team and a marketing plan to publicize positive perceptions of the region
3. Support the implementation plans to reduce high illiteracy rates
4. Focus on developing recreational, cultural, and tourist amenities beyond those centered upon Lake Michigan
5. Eliminate non-attainment designations by improving air quality throughout the region
6. Promote livable communities and community redevelopment as crucial to economic development

**Long-term Directions**

7. Identify means to gain increased positive exposure in media outlets throughout Indiana and the Chicago Markets
8. Utilize Indiana’s geographic location and proximity to Chicago as a low cost alternative to suburban Illinois
9. Attract a talented and creative workforce
10. Retain college graduates through linking businesses to educational institutions
11. Reduce pollution to meet environmental standards
12. Increase regional support for the arts
Appendix 1

Region 1 SWOT: Strengths, Weaknesses, Opportunities and Threats Analysis

Introduction

The Region 1 Advisory Council developed a set of issues based upon an extended discussion of the region’s economic strengths, weaknesses, opportunities and threats.

Strengths

1. Presence of the Port of Indiana
2. Commercial and passenger rail services including the South Shore commuter train
3. Gary-Chicago International Airport
4. Excellent interstate access via I-80/94, I-90, and I-65
5. Home to several colleges and universities, including Indiana University-Northwest, Purdue University-Calumet, Ivy Tech, Valparaiso University, Calumet College, and St. Joseph College
6. Close to downtown Chicago
7. Low cost of living
8. Affordable housing
9. Population that is culturally diverse
10. Home to many entertainment venues and recreation possibilities, including the Star Plaza Theater, numerous casinos, and miles of beaches
11. Outdoor recreation resources including National Lakeshore and Indiana Dunes State Park
12. Highly developed industrial infrastructure
13. Diverse and highly skilled labor force
14. Part of the Chicago regional market
15. Available land that is either under-developed or not developed
16. Local governments have numerous financial tools for economic development including bonding mechanisms, new market tax credits, and empowerment zones

Weaknesses

1. Too many government units, often leading to roadblocks for business development
2. Lack of leadership and the inability to collaborate as a region
3. Leaders are unwilling to groom new leaders and transition to modern ideas
4. Some areas in the region are burdened with high personal property tax rates
5. Some government officials within the region have a fundamental lack of economic development knowledge and understanding
6. Local governments, in some cases, have failed to engage the business community
7. Lack of a diversified economy creates serious challenges
8. Historic reliance on old economy manufacturing processes
9. Manufacturing mentality and reputation that inhibits capital investments in other sectors of the economy
10. Lack of unity between communities has created a “Balkanization” within the region
11. The leaders and citizens of Region 1 fail to see the interconnectedness of its economy
12. Perceived to have a strong labor/union environment
13. Lake County is perceived to have corrupt governments and officials
14. Seen as strongly divided and segregated along racial and ethnic lines
15. Gary Airport is under utilized and not meeting its potential
16. Interstate road system is in need of greater capacity and modernization
17. Lack of a high-speed telecommunications infrastructure
Opportunities

1. Increase collaboration and momentum in economic development strategies
2. Create and increase cooperative relationships between governments, businesses, and higher education systems to develop a competitive workforce
3. Governments within the region can work collaboratively in pursuing universal coverage and access to broadband services
4. Leverage congressional leadership
5. Create a modernized tax system through restructured property taxes and removal of the inventory tax
6. Gain state and federal dollars for workforce development
7. Take advantage of workforce development programs, such as Work Keys, to better inform youth and current workforce on advanced training and broader economic opportunities
8. Continues to pursue greater development with the Gary Chicago International Airport and can capitalize on overcrowding at O’Hare and Midway
9. Continue to upgrade and market the South Shore as a viable commuter option with expansion of lines to Cedar Lake and Valparaiso
10. Continue to upgrade Interstate highways and secondary road network
11. Leverage more effectively the Port of Indiana and other transportation assets to reach global markets
12. Continue work with lakeshore recovery through the Marquette plan
13. Focus on better advertising with a focus on the positive aspects of the region
14. Seek greater recognition in the media
15. Continue development of new leadership through the NIRPC/NWIF forums
16. Work to keep casino patrons in the region longer by focusing amenities on a destination basis
17. Assess the need for the development of a lake-front conference center
18. Support and strengthen the Discovery Center of Northwest Indiana
19. Continue to be the center for steel production in the United States
20. Leverage the flora and fauna in the region that are incredibly diverse and exist no where else on earth

Threats

1. Future of the airlines and their continuing financial problems
2. Continued job loss through globalization of the economy
3. Lack of control over media and information channels
4. Development of the Peotone as the third major Chicago market airport
5. Foreign embracement of the Kyoto Accord
6. Embedded resistance to systematic planning
7. Lack of effective training for planning commissions
8. Reactive rather than proactive land use planning in the region
9. Local governments in the region often fail to work collaboratively
10. Region 1 officials fail to understand effective economic development plans and strategies
11. Certain communities in Region 1 have high drop out rates and high illiteracy rates
12. Aging workforce and unsuccessful in attracting young and creative professionals
13. Workforce has a manufacturing heritage that inhibits a transition to new technologies and new ways of working
14. Lack of corporate headquarters, which hinders business growth and entrepreneurial activities
## Region 1 Economic Development – Planning Meetings 2004

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Session 1</td>
<td>July 30, 2004</td>
<td>Region One Office, Portage, Indiana</td>
</tr>
<tr>
<td>Planning Session 2</td>
<td>September 17, 2004</td>
<td>Burns Harbor—Port of Indiana, Portage Indiana</td>
</tr>
<tr>
<td>Focus Group 1</td>
<td>October 11, 2004</td>
<td>Lake County Convention and Visitor's Center, Hammond, IN</td>
</tr>
<tr>
<td>Planning Session 3</td>
<td>November 5, 2004</td>
<td>Burns Harbor—Port of Indiana, Portage Indiana</td>
</tr>
<tr>
<td>Public Meeting 1</td>
<td>November 8, 2004</td>
<td>Radisson Star Plaza, Merrillville, IN</td>
</tr>
</tbody>
</table>
Appendix 3

Region 1 Economic Development - Council Members and Participants

Susan Anderson-Wasielewski, Regional Director  Small Business Development Center
Don Babcock, Director of Economic Development  NIPSCO
Jeff Ban, President  Development Visions Group
Scott Bening, President/CEO  MonoSol & MonoSol Rx, LLC
Bruce Bergland, Chancellor  Indiana University
Ed Buswell  K-IRPC
Deb Butterfield, President  Greater Valparaiso Chamber of Commerce
Ed Charbonneau, Executive Director  NW IN Local Government Academy, Indiana University Northwest
Denise Dillard, Executive Director  Workforce Development
Dan Gardner, Interim Director  NWI Regional Planning Committee
Tim Healy, Sr. Vice President  Holladay Properties
Tom Kielman, Director, Public Affairs  BP
Chris Larson, Executive Director  K-IRPC
Mark McLaughlin, Vice President  NWI Forum, Inc.
Stephen Mosher, Port Director  Port of Indiana
Dewey Pearman, Executive Director  Construction Advancement Fund
Patrick Reardon, Executive Director  Urban Enterprise Assoc. of Hammond
James Staton, President  Jasper Industrial Foundation
Diane Thalmann, Manager  Northern Indiana Public Svcs Co
James Tsismanakis, President/CEO  Lake County Convention & Visitors Bureau
Jennifer Whaley, Director  Newton County Economic Dev.
Bob Wichlinski, President/CEO  On-Site Computer
Linda Woloshansky, President/CEO  Center of Workforce Innovations
Partners in the Region 1 Planning Team

Region 1 Office
Cynthia Pruitt, Director

Purdue University Extension Services
Christine Nolan, Area Educator

Kathy Noland, Indiana Dept. of Commerce

Indiana Business Research Center
Jerry Conover, Executive Director
Carol Rogers, Associate Director

Policy Analytics, LLC
William Sheldrake, President
Kurt Gilmore

Insight Consulting, LLC
M. Jean Woods, Principal

Indiana Economic Development Council, Inc.
Jackie Nytes, President
Le Anh Long, Research Director

About William J. Sheldrake and Policy Analytics, LLC

William J. Sheldrake is President of Policy Analytics, LLC – an Indiana based company specializing in public finance, policy analysis and economic research. Bill was formerly President of the Indiana Fiscal Policy Institute where, under his leadership, the IFPI conducted research on human capital shortages in Indiana, examined public pension funds, and assisted in the development of Indiana tax restructuring legislation, among many other projects. Before serving with the IFPI, Bill worked for 10 years with the Indiana State Budget Agency, where he served as Indiana’s chief revenue forecaster, head of tax analysis, and Deputy Budget Director. He is also a former member of the National Board of Trustees of the Governmental Research Association and the Governmental Accounting Standards Board Advisory Council. Bill holds a master’s degree with a public finance concentration from Purdue University.