

Economy & Place Committee

NIRPC Lake Michigan Room

YouTube Recording:

<https://www.youtube.com/live/ISCFdUfKqWM?si=Aq1t4kFepxUoNWT9>

January 8, 2025

Minutes

Chairman George Topoll called the meeting to order at 10:01 a.m. with the Pledge of Allegiance.

In attendance were members George Topoll (Union Township), Lois Whittaker (BCCNWI), Judith Cardenas (NWSBDC), Gary Johnson (Society of Innovators), John Yelkich (Town of Lowell), Susan Utterback (CWI), and Heather Ennis (Forum).

Also present were consultants from Purdue's Center for Regional Development (PCRD) - Annie Cruz-Porter and Hyewon Shin. The virtual presenter was Indraneel Kumar from (PCRD).

In addition Shaun Sahlhoff (Valparaiso University), Elizabeth Hibshman (Indiana University student), and David Phelps (Town of Beverly Shores) were at the meeting.

Staff present were Denarie Kane, Eman Ibrahim, Tom Vander Woude, Flor Baum, and Meredith Stilwell.

On motion by John Yelkich, second by George Topoll, the October 9, 2024, minutes were approved.

Eman Ibrahim presented the housing update. Eman defined the area median income (AMI). It is the midpoint of a region's income distribution, meaning half the households earn more and half earn less. The AMI was established for each community by HUD and used to determine eligibility for affordable housing programs. It has set income limits for housing assistance in a specific geographic area. "Low-income" housing is typically affordable to households earning between 60%- 80% AMI with mortgage assistance, and "Middle-income" refers to 80-120% AMI. The median family income for the Gary MSA in 2023 was \$75,625, and the median family income for the Michigan City-La Porte MSA in 2023 was \$62,868. In Indiana, The Fair Market Rent (FMR) for a two-bedroom apartment is \$1,148. The State housing wage average is \$22.07 per hour. However, the average wage for someone renting (30% of the state population) is \$17.92 per hour. A renter would have to work 122 hours per week at a minimum wage of \$7.25 to afford a 2-bedroom rental home. Housing costs were discussed. In Gary Metro, for FY 24, the wage necessary to afford a 2-bedroom home is \$24.12 per hour, and \$19.54 per hour in Michigan City/ LaPorte Metro. A 2-bedroom rental costs \$1,254/mo. In Gary Metro, and \$1,016/mo. In Michigan City/ LaPorte Metro.

The current density of housing units is 1.97 du/acre. The required density is about 5 du/acre, and the required housing units by 2050 are 50,000. In February 2024, there were 336 new construction homes, and the median list price was \$432,555. Older homes were sold at the median price of \$249,900. The current new construction listed for sale includes approximately 840 units. The vacancy rate was also discussed. In 2022, the NWI vacancy rate is about 10%, 32,920 units. Lake County's City of Gary has a vacancy rate of 28%. LaPorte County's Union Mills, Long Beach, and Michiana Shores have a vacancy rate of over 42%. Porter County's Boone Grove has a vacancy rate of 44%. Eman will present the Housing Snapshot and recommendations at the next regular meeting. For more information, contact Eman at eibrahim@nirpc.org.

Denarie Kane briefly recapped what has been accomplished thus far on the update to the Comprehensive Economic Development Strategy (CEDS). She reported on the industry clusters identified for closer examination by the working group at their two meetings. Annie Cruz-Porter presented an overview of the SWOT analysis, which revealed the region's strengths, weaknesses, opportunities, and threats. These have been categorized as local/regional, state, national, or global on the graphic summaries prepared. Annie made brief remarks about the industry clusters identified as star or mature due to the location quotient and the aspirational clusters recommended by the working group. Specific information on the activities related to the quantum (aspirational) cluster was shared based on PCRD's research into Indiana's efforts, and those of other states.

Indraneel Kumar from PCRD next presented information from the in-depth examinations prepared for the three star clusters (Chemicals, Glass and Ceramics, and Machinery Manufacturing). He also presented information about the mature cluster (Primary Metals Manufacturing) that included the following:

- 1) 11 key economic indicators,
- 2) description by 3-digit NAICS code and their respective 2023 job numbers,
- 3) a shift-share analysis that identified underperforming and overperforming industries,
- 4) a leakage analysis that showed estimated dollar input per million with percentage inside and economic leakage outside the region,
- 5) top occupations, which included educational requirements and median hourly earnings, and
- 6) worker demographics (2023) by age, race, and sex.

Indraneel explained the 2020-2024 job postings with the top industries and companies identified. Lastly, he summarized the key findings shown in the US industry Economic Outlooks prepared for the three star clusters and the mature cluster. (To view these presentations, visit the NIRPC website under the Economy & Place Committee.)

The committee discussed matters related to the current situation of the region's steel industry, the Indiana pharmaceutical industry, Indiana's Heartland BioWorks Hub, Illinois Bloch Tech Hub, and regional industries related to machinery manufacturing.

Gary Johnson motioned to ratify the cluster recommendations of the working group and include the four items in the CEDS, seconded by Lois Whitaker. The motion was approved.

- 1) CEDS is to incorporate aspirational clusters such as Fintech, Quantum Communications, Decarbonization, Energy, and Bio Tech.
- 2) CEDS is to be consistent with the decline in the Primary Metals Manufacturing cluster.
- 3) CEDS is to incorporate recommendations to strengthen the Machinery Manufacturing cluster.
- 4) Due to the overlap between the Chemicals cluster and the Glass & Ceramics cluster, the CEDS will consider this to be a single cluster focusing on industry sectors related to pharmaceutical research and pharmaceutical manufacturing.

Hearing no further business, the meeting adjourned at 12:15 p.m. The next Economy & Place meeting is slated for January 29, 2025, at 10:00 a.m.