



Enhanced parks are a quality of life focus in Marion.



Sister Act comes to Ball State's Emens Auditorium.

BOUNCING BACK

Auto Communities Require Reboot

By Rebecca Patrick



Anderson's Nestlé plant began production in 2009.

The highest highs and the lowest lows. Just as people inevitably have to experience those circumstances in life, communities often do as well.

From the 1950s to 1980s, the U.S. automotive industry and traditional manufacturing were booming, with factories all across Indiana offering good-paying middle class jobs. So when the auto market was turned on its ear a few decades ago and manufacturing went global and became more technologically advanced, the impact was severe – even catastrophic – for some Hoosier locales.

Anderson and Madison County alone saw 25,000 automotive jobs vanish. But the cuts communities felt went even deeper.

"It wasn't just losing that (major) employer ... but also the tool and die shop that works off that, all the suppliers," explains Dan Canan, Muncie mayor from 1996-2007 and current Fishers Chamber of Commerce president and CEO.

And the impact went beyond economic.

"We had probably 3,000 to 4,000 in various ranks at General Motors (GM) who were the leaders in the Boy Scouts, civic and charitable organizations, churches. The backbone of the community really came from this leadership team at GM," recalls Chuck Staley, president and CEO of the Flagship Enterprise Center in Anderson. "The core of the leadership in our city changed fundamentally."

Though Marion managed to retain its GM stamping plant through a mix of good fortune and aggressive effort, in the last 11 years it lost two major longtime employers: automotive supplier Dana Holding Corp. and electronics giant Thomson.

As Marion Mayor Wayne Seybold reflects, "We only had one place to go and that was up."

Over the last 20-plus years, it indeed has been a sink or swim time for Marion, Anderson and Muncie. But survival instincts kicked in as realities were accepted; eventually, new paths started forming.

"Some of that willingness comes from having years of pretty much being at the bottom," Staley admits. "You go hungry long enough, it's amazing how much cooperation people (city and community leaders) are willing to put into it."

Seybold agrees, saying losing Thomson in 2004 is what helped galvanize efforts in Grant County.

"Before that, you could talk to five different organizations in Marion that said they were working on economic development, but then we got everybody on the same page, pulling in the same direction and started to look at our strengths and what do we want to be when we grow up."

Drew Klacik, senior policy analyst at the Indiana University Public Policy Institute, says all three areas are making progress, though it could be faster.

"These communities are still reinventing themselves. At one time they were identical-looking communities but because of how the world changed, the communities now have much different futures."

Anderson: embracing Indy and asserting itself

Not having history repeat itself was top of mind, Staley describes, when Anderson started plotting its new course.

"Let's create a diversified economic base and not, in a sense, commit the same sins as our fathers of having one industry in town. Let's be sure whatever we build is diversified, technology based and grows this community."

A major catalyst was Anderson University partnering with the city on the Flagship Enterprise Center, which opened in May 2005. Staley

says the Flagship has “somewhere north of 100 companies” that it has assisted or started while creating or helping create around 2,500 jobs.

“A Japanese parts company today is headquartered at Flagship, which is something you never would have thought of in a traditional automotive town like Anderson,” remarks Ivy Tech Community College President Tom Snyder, who spent over 30 years working in the city for GM and at the helm of its spinoff, Delco Remy.

In fact, it’s a bit like the United Nations both at Flagship and elsewhere in Anderson with companies hailing from Canada, China, Germany, Israel, Italy and Switzerland, among others.

Nestlé, the largest food company in the world, opened its plant in 2009 and expanded operations last year; it employs more than 700.

Obviously a great lure for Anderson is being a short 10-minute drive to northern Indianapolis and part of the state’s largest metro area.

“It’s hard to see Anderson not succeeding wildly over time as long as they’re not upset by the fact that they become part of another city’s metropolitan area instead of their own,” Klacik declares.

According to both Snyder and Staley, the Indianapolis connection is now being embraced.

“There is not a great fear here, I don’t think, of being considered a bedroom community. That’s a part of what we do. But we are also driving a very strong high-tech manufacturing base that is re-emerging. That’s a big part of this too. Lot of workers from Indianapolis are going to start looking our way,” Staley predicts.

“We’re already seeing that more often – people driving from Indy and choosing to work here.”

The Asian and European companies coming in, he says, expect a workforce that is reasonably well prepared to step in and take over technically-involved jobs.

“We were able to accommodate that for a great many of our businesses to date, but right now we are running far short (of those employees),” Staley admits.

“That’s our limiting factor now. And it would probably be the same in Indianapolis or Muncie or Kokomo. It’s having a skilled workforce that is prepared for the technology that the manufacturing positions require. And that’s a real challenge.”

To that end, in East Central Indiana, Anderson – along with Muncie and New Castle – have come together with the Investing in Manufacturing Communities Partnership (IMCP). The goal is to pool resources, share ideas and align goals to have a much greater impact on the 300,000 people in that region.

A tangible result will be the Purdue College of Technology Center with state-of-the-art technology and laboratories. It will be located in Anderson on Scatterfield Road at the site of the former Delco Plant 18 – one of the last relics of the city’s GM era. The building will be torn down and a 2016-17 campus opening is targeted.

“Ivy Tech is going to put in an advanced automation and robotics center there. It’s going to be a joint campus,” Snyder explains.

Staley believes this will help address the education pipeline issues.

“A lot of the students who graduate from these programs will stay here ... that’s the goal. They will be STEM proficient and

trained,” he declares.

“We are talking to all of the (high) schools that are close to this facility; we want students to come here for dual credit. We have to think out of the box and I think everybody sees that. Business is also interested in this because it impacts their bottom line. It will be a very unique setting.”

Muncie – focused on retention and Ball State

Like Marion, the recent past hasn’t been kind to Muncie when it comes to long-time employers.

In 2006, Muncie lost Borg Warner Automotive and its 3,000 jobs; other closings soon followed. In total, the city’s employed workforce shrunk by more than 17% in only a decade.

Ball State University, per Canan, has stepped in to help the community with economic development, working with Asian companies in particular.

“And we focused on trying to create a welcoming atmosphere in the community. ... We were able to bring (student loan leader) Sallie Mae – now Navient – into town. And now there are about 1,000 jobs in place from that.”

Progress Rail Services Corporation, a



The Flagship Enterprise Center’s 2005 opening included U.S. Sen. Richard Lugar. The impetus behind the Purdue College of Technology Center is to bolster the talent pipeline in Anderson and East Central Indiana.



subsidiary of Caterpillar Inc., is a locomotive assembly plant that Muncie officials lured to town in 2011.

"But with few exceptions, most of the manufacturing processes we see coming into East Central Indiana are smaller in size from an employment perspective than this part of the state has been used to in the past," reports Jay Julian, chief economic development officer and president/CEO at the Muncie-Delaware County Chamber of Commerce.

"Now with technology as it is and robotics as it is, the quantity of people needed is not as large anymore, but the skillset required is much, much higher than it used to be decades ago."

Besides focusing on better preparing the workforce through its IMCP partnership with Anderson and others, Muncie's main priority is "retention and expansion of the companies we have here already and shortening some supply lines," Julian asserts.

"We're also trying to capture some folks that work here but perhaps don't live here or live here and perhaps don't work here. That leads itself to quality of life initiatives and livability initiatives; we're putting more emphasis on those sorts of things."

Though Muncie's population rivals

Then-Lt. Gov. Becky Skillman helped welcome Progress Rail to Muncie in fall 2011 (*photo courtesy of state of Indiana*).



where it was two decades ago and is not that far off its peak in the 1980s, there is a challenge, or "opportunity" as Julian calls it, to capture more of the Ball State graduates and youth in general.

"Our housing costs are incredibly competitive with the rest of East Central Indiana. We have some really good economic

anchors: Ball State and IU Health Ball Memorial Hospital," he offers.

"Making Muncie, Delaware County, East Central Indiana just more appealing to young, entrepreneurially-spirited graduates is something that we are working on. We have all of the component parts here; it's a matter of putting it together."



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Canan agrees but acknowledges, "It's somewhat of a challenge that Muncie sits about eight miles off I-69. That's why when I was in office, I didn't look at economic development just as the city of Muncie; I looked at Delaware County. I felt jobs in the county were beneficial to the city."

Klacik says Muncie needs "to make really smart choices that support both their labor history as well as their academic and innovation future. Muncie is going to have to figure out how to balance that university life with labor to create a high enough quality of life that they can capture their fair share of the more movable population, which would be those with bachelor's degrees or greater."

"Muncie is likely to succeed because they've got Ball State in its pocket. And they have a reasonable scale (of size), but they have to work harder and be smarter to be as successful as Anderson will be given Anderson's location," he concludes.

Surmises Julian: "I don't want to be too Pollyanna here, but I think that all of this swath of East Central Indiana – New Castle, Marion, Anderson, Muncie and Portland – is becoming re-engaged and retrenched for pretty good economic development growth. It's been a real struggle here for quite some time. And I think we are just starting to

catch some pretty good traction as a region of the state."

Marion: leaving no stone unturned

Only a holistic approach would make a difference for Marion.

"It's not just about getting companies to locate to your community," Seybold emphasizes. "We didn't have the retail base that we needed to attract people. We didn't have the housing base that we needed to attract people."

"For nine years in a row I went to the international shopping center convention. We now have 40 to 50 new retailers in the area. We interviewed housing developers. Arbor Homes said yes after quite a few said no, and they are building houses in the area."

Seybold stresses persistence and recognition that starting over has to begin somewhere as vital to getting Marion up off the mat.

"It's a numbers game; we kept asking and some people said yes. We had to accept companies that came in at \$8 to \$9 an hour in wages. But most of those are now at higher wages, paying from \$12 to \$18 an hour," he states.

"We've had companies come in and last a year or two and then leave. That's just going to be the way it is. They are not going to come and spend 100 years in our community much anymore. A few will, but

you (as a community) have to be more nimble."

Marion has become a retail distribution hub, with Dollar General, Dunham's Sports and Walmart all having sizable distribution centers.

Food processing is another employment sector that's taken hold says Tim Eckerle, executive director of the Grant County Economic Growth Council for 30 years.

"Most recently, Café Valley, a Phoenix-based bakery, built a 350,000-square-foot building. They already have over 200 employees," he shares. "They make croissants, muffins and cakes for people like Kentucky Fried Chicken, Burger King and Jack-in-the-Box, and for Meijer and Marsh stores.

There are new businesses throughout Marion, Seybold points out.

"It didn't just happen in one or two areas of the city. That way you don't have many forgotten parts of your community. But then it's harder for people to pinpoint all the new things that have happened."

Seybold is direct and realistic about his hometown. "The biggest problem we have is perception. When you say Marion to people, they go, 'Aye, aye, aye,'" he chuckles. "Then I ask them, 'Have they checked us out lately?'"

"It took us three years to get Starbucks to come to Marion, but now that they are here

Leaders Speak: Most Bold Idea to Reshape Indiana by 2025



"It's absolutely vital that we have outstanding talent in Indiana. In Northeast Indiana, we've adopted The Big Goal, which is part of the outstanding talent driver in 2025 to increase the proportion of Indiana residents with high-quality postsecondary credentials to 60%. Currently, we're at 30%; we want to double that. It's vital for us as we look at being investment worthy for businesses within the state, but also

businesses outside the state. We have to have a talented workforce.

"The other area we're focused on is the STEM-related fields – making sure that we have talent and residents with credentials in the STEM-related fields. We know that starts early. Really it starts in elementary school and middle school and high school – making sure kids are ready to learn and that when they graduate they're ready to go to college or go into a program for career training.

"Our early childhood is extremely important to us in this part of the state, knowing that we have to deliver a four-year old to the schools to be ready to learn if we're going to have a chance to have 18-year-olds graduate ready to be productive citizens."

– Mike Packnett, President and CEO, Parkview Health, Fort Wayne



"Children come to us with all different types of developmental awareness and needs. I'm definitely an advocate for preschool and early education because we need to start them on the right foot. I'm also an advocate for mandatory full-day kindergarten. Those two factors are extremely important and as we go forward with things, the gift of literacy is one of the most vital things we can give a child.

"As we develop our children from preschool and kindergarten, (it's about) making sure we have plenty of people who can help with interventions with children who may be delayed, who need extra interventions with literacy. Once we get them going on the right path, I don't think there's any way to stop them.

"Another issue we face today is making sure we have enough counselors and social workers on hand. There's a lot of things students deal with emotionally. We can't forget it's not all academics; we have to also take care of that emotional side of our children.

"It's all about being well rounded. I think the most important things you've seen us do differently in Northwest Indiana is (the) partnership with employers and higher education. We're making great strides."

– Peggy Buffington, Ph.D., Superintendent, School City of Hobart



While Marion generally vies for business with out-of-state locations, the Café Valley competition included Anderson and Muncie. GM was convinced to bring three giant presses from Michigan to Marion and expand operations.



RESOURCES: Dan Canan at www.fisherschamber.com | Tim Eckerle at www.grantcounty.com | Jay Julian at www.muncie.com | Drew Klacik at www.policyinstitute.iu.edu | Mayor Wayne Seybold at www.marionindiana.us | Tom Snyder at www.ivytech.edu | Chuck Staley at www.flagshipenterprise.org



it's one of their top-performing stores," he notes.

"We will offer incentives for companies that hire 10 people. I wish I didn't have to give one incentive, but places like Marion are a hard sell. So you've got to get them something."

For its efforts in the last decade, Marion has been ranked ninth in the nation twice for economic development for micro cities – those which have an urban core of at least 10,000, but less than 50,000 in total population. Marion has approximately 30,000 residents.

Offers Klacik: "Marion has a little smaller population so their future may actually be more to be a great big small town as opposed to being a small metropolitan. Everything I've read suggests they are working hard to be that."

Eckerle sums up the Marion mentality.

"There is a constant need to inject new skills, new ways of doing things, new collaborations. It's an ongoing process. That goes to every level. Before it was, 'We achieved that goal so we are where we need to be.' There was contentment. Now there's not contentment with reaching a goal. We know we need to keep on ... it's never over."

Seybold also concedes that change isn't easy and sometimes a community can be its own worst enemy.

"When you lose youth on your (town or city) council – and that's happening in a lot of our smaller communities because young people are moving to the metropolitan areas and our population is getting older – you sometimes lose that spirit of growth and what can we be in the future. And if you aren't managing your community that way, then people aren't going to move there."

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