

A horizontal row of six empty, rounded rectangular boxes with white outlines, positioned over a blurred image of a winding road. The road is paved and has white dashed lines, curving through a green, hilly landscape. The background is a soft-focus photograph of a road winding through a lush green area.

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY  
**Executive Summary**

**MARKET ST**



# Comprehensive Economic Development Strategy | Executive Summary

## *A blueprint for Indy's economic future*

As part of the Indy Chamber's ongoing efforts to make the metropolitan area as attractive and supportive as possible for small business growth, existing business expansions, and new business relocations, a Comprehensive Economic Development Strategy (CEDS) process was initiated in partnership with the City of Indianapolis, the Central Indiana Council of Elected Officials (CICEO) and other regional partners, including financial sponsor JP Morgan Chase.

Through honest and well-informed assessments of the region's competitive position and economic growth, this process has resulted in a new, holistic strategy aimed at helping the region focus economic development resources in a manner that maximizes efficiency and effectiveness, enhances prospects for quality growth, and increases prosperity for business and workers in the Greater Indy Region.

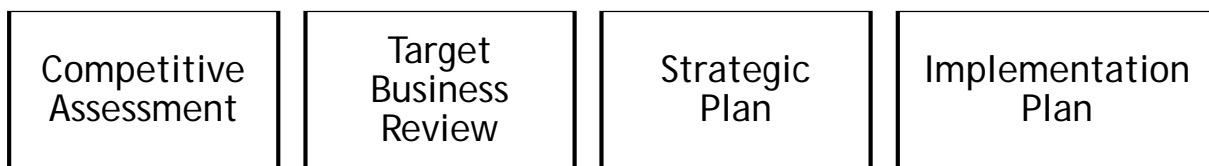
### A New Strategy for a New Economy

The CEDS planning process began in 2014, with a steering committee of 100+ corporate, civic and elected leaders. Led by national economic development consultants, Market Street Services, the group solicited input from thousands of employers, policymakers, and residents throughout the following year.

The findings confirmed that economic success wasn't dictated by the most generous tax breaks. Prosperous regions focused on the bigger picture: Appealing to talent, encouraging innovation and entrepreneurship, and making progressive investments in education, infrastructure and other business priorities.

True collaboration on the corporate, civic and philanthropic communities are vital to remaining competitive on these fronts. Peer metropolitan regions like Denver, Charlotte and Nashville are seeing the results of this collaboration; Indianapolis, in order to remain competitive, must follow suit. This means blurring county lines and political boundaries and fostering a collective environment of people working together - from C-Suite to Main Street – for the betterment of the Greater Indy Region's economic future.

The CEDS was completed in four phases:



### Competitive Assessment

The first phase of the CEDS process began with a comprehensive Competitive Assessment - a thorough review of the region's key strengths, weaknesses, opportunities, and challenges. This assessment examined the region's trends along three areas of distinction – People, Prosperity, and Place – benchmarking regional performance to peer metropolitan areas, the state, and the nation.

This critical first step was vital in understanding the Greater Indy Region’s position among the competition and the issues the Indy region faces in an increasingly competitive environment for new jobs, talent, and business investment. It examined a wide variety of demographic, socioeconomic, economic, and quality of life indicators to tell a story about the region and uncover the key strengths, weaknesses, assets, and challenges that must be leveraged and addressed in order to support a more vibrant future.

This quantitative analysis was complemented by a tremendous amount of community input received from interviews, focus groups, and a public survey. In total, more than 2,100 residents, workers, and businesses from the Greater Indy Region shared their input to inform the CEDS.

## Findings from the CEDS Competitive Assessment

**BRAND:** First and foremost, the assessment shed light on the lack of a unified Indy brand. Some residents and community leaders believe that a lack of common identity is a key impediment to the Greater Indy Region’s future economic growth and prosperity.

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*“A lack of common identity is a key impediment to the Indianapolis region’s future economic growth and prosperity.”*

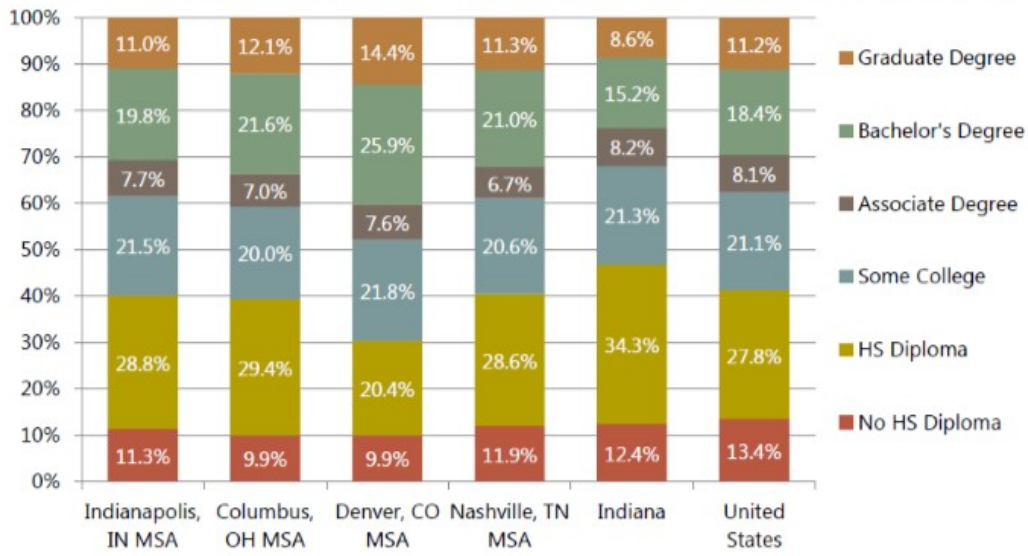
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Many metropolitan areas throughout the nation have embraced a single, common identity that projects their region into the national and global consciousness. Although community brands and perceptions are relatively trivial in the realm of community improvement and economic development, they often reflect deep associations with a place and can shape future perceptions. And in a world where the competition for talent is as fierce today as the competition for jobs, regions are increasingly mindful of the ways in which they are perceived – positively and negatively – by the outside world.

**PEOPLE:** Additionally, the Competitive Assessment evaluated an Indy region that continues to add new residents, with Marion County capturing an increasingly large share of regional growth over the course of the last decade. It is a region that has successfully attracted and retained residents, but migration patterns illustrate that most of these individuals are coming from other parts of the state of Indiana. In order to continue sustainable growth, the region must work to attract residents from outside the state.

**EDUCATION:** And while the region is preparing for investments in early childhood education and is home to considerable higher education assets, it’s adult population has not elevated educational attainment rates at a time when the competition is making considerable progress. These trends, coupled with job growth that is somewhat concentrated in sectors paying below average wages, has resulted in a decade of little to no real (inflation-adjusted) income growth.

FIGURE 9: EDUCATIONAL ATTAINMENT OF ADULTS AGED 25+, INDIANAPOLIS REGION (2013)



Source: U.S. Census Bureau

If the Greater Indy Region community is to elevate incomes by way of higher-wage job creation, and attract the kinds of individuals that can help build an emerging startup culture, it will need to continue to invest in the elevation of adult education and skills attainment, as well as quality of life attributes that are attractive to younger and more highly-educated workers.

## Target Business Review

The second phase of the CEDS launched a Target Business Review. This review was a critical step in understanding the Greater Indy Region’s potential to create new jobs and wealth for its residents through targeted economic development activities.

Manufacturing and logistics have been the backbone of the region’s economic playbook for decades. With a ready, trained workforce and centralized location, these industries saw major growth and expansion for decades in Central Indiana. Now, new industries are emerging and technologies are changing to meet these often fast-paced demands. As these industries adapt to change, so too must the strategy by which metros prepare, grow and recruit their target industries.

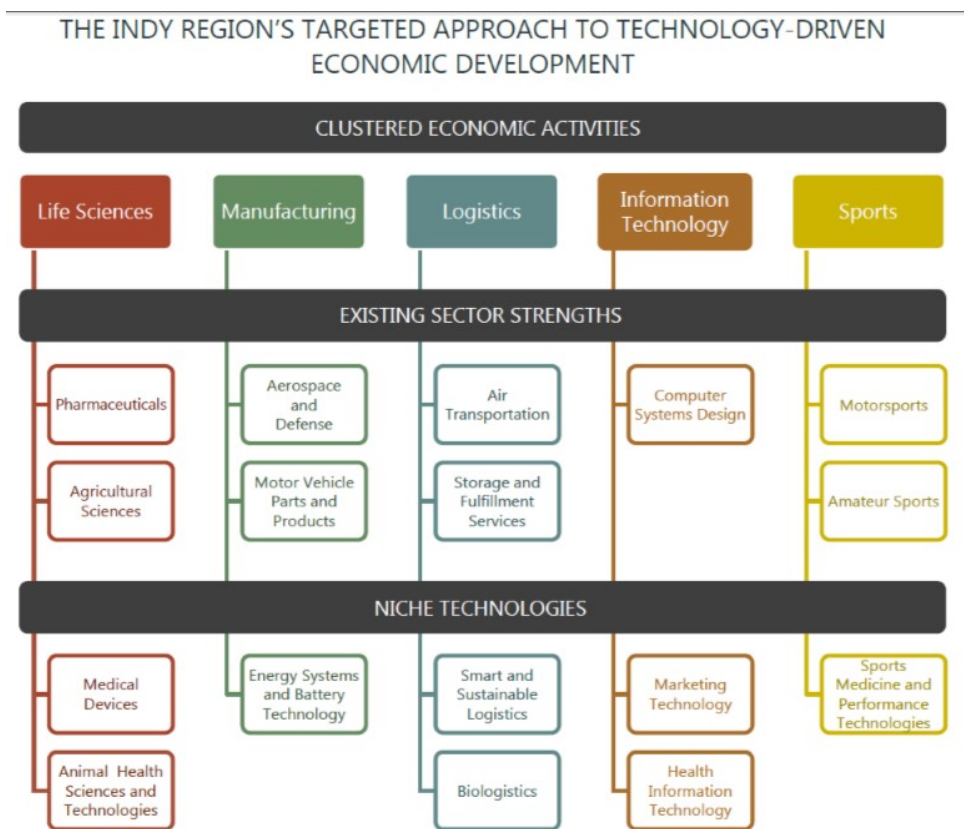
Communities across the country are pursuing differentiated economic development strategies that seek to support the development of targeted business sectors which may benefit from specific competitive advantages afforded by the community, its location, and its asset base. These targets are segments of the region’s economy where competitive advantages exist, prospects for future growth are greatest, and return on investment is likely highest.

For decades many communities and their economic development organizations have exclusively associated economic development with business recruitment. While the recruitment of new companies is an important component of any targeted economic development program, it is only one leg of the stool. The growth of regional economies and their target business sectors are overwhelmingly driven by existing businesses and entrepreneurs.

It is no surprise the study found tremendous overlap in the sectors of economic activity that are currently being targeted at the state, regional, and local level, with overwhelming support for and pursuit of life sciences, manufacturing, and logistics activities. While the region is home to certain concentrated manufacturing subsectors, there is value in continuing to pursue a diversified set of manufacturing activities that provide important middle-skill employment opportunities.

There also seems to be broad acknowledgement that information technology and services are rapidly-expanding, both nationally and regionally; it is a sector whose growth requires significant strategic attention if this growth, and associated economic impacts are to be maximized. It is also a sector whose growth could also support other regional objectives such as the retention of college graduates.

Through an intense analysis of the Greater Indy Region’s industries, assets and more, five areas - life sciences, manufacturing, logistics, information technology, and sports – reflect the region’s core, clustered economic activities. Each cluster is supported by a few existing sector strengths. These reflect the region’s areas of historical strength and concentrated employment which, in many cases, is supported by the presence of one or more major anchor employers.



It is clear that the region’s leadership is committed to a collaborative approach to regional economic development that emphasizes the role of technology development and innovation in promoting the region’s long-term prosperity. Accordingly, the conceptual framework of this CEDS also incorporates a set of niche technologies for which the Indy region is currently, or is poised to become, a market leader in terms of research, development, and commercialization.

Collectively, these existing sector strengths and niche technologies are supported by an immense amount of existing assets and initiatives. It is clear that the region has supported, and intends to continue supporting a targeted approach to technology-driven economic development.

## **A Strategic Plan Forward**

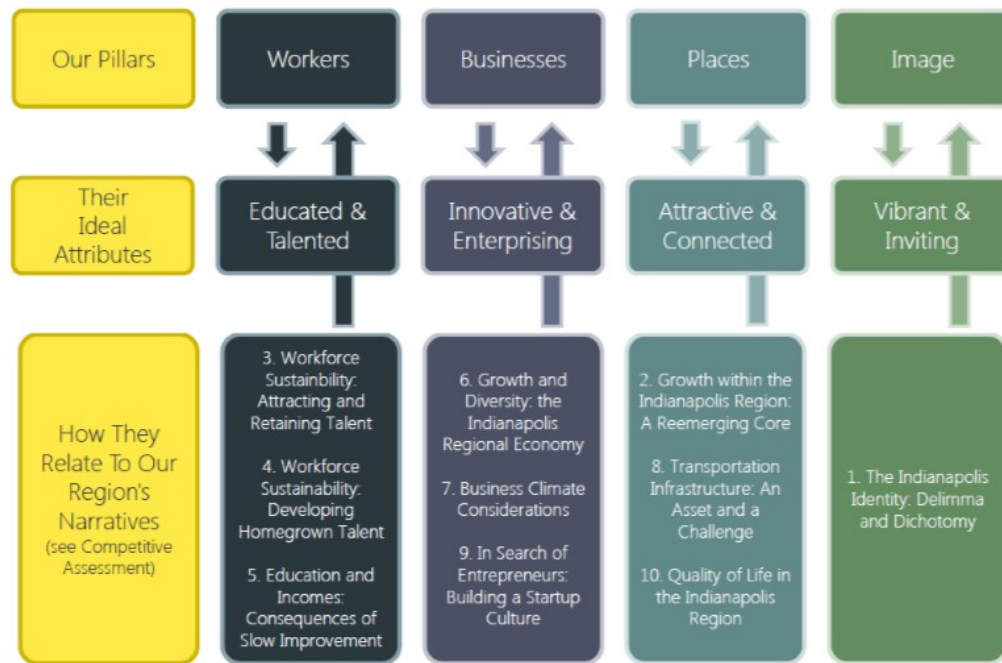
The Greater Indy Region has much of which to be proud, particularly our strong economic growth at a time when many of our neighboring and nearby Midwestern metropolitan areas face economic stagnation and decline. But there are many challenges the region must overcome if we seek to become the well-educated, innovative, and highly livable region that so many have described in their vision for the future of the region.

The Competitive Assessment drew attention to issues such as the region's struggles to carve out a positive image and identity that reflects what the region has to offer and is differentiated from historical connotations associated with the state of Indiana. It illustrated the struggles the region has endured in recent years in elevating educational attainment levels and attracting and retaining top talent from outside the state. It provided evidence of the lack of a widespread entrepreneurial culture and support system, despite some well-known entrepreneurial success stories. And it acknowledged the influence of specific transportation assets and deficiencies that shape the region's livability and competitiveness for corporate investment and young talent.

These themes – issues related to image and identity, education and workforce, innovation and entrepreneurship, and livability and connectivity – were also pervasive in the review of challenges facing the region's target business sectors. While all target sectors are impacted by these issues in some manner, some sectors are more keenly sensitive to and focused on certain issues, such as innovation within the context of Life Sciences, workforce in the context of Manufacturing and Information Technology, transportation connectivity in the context of Logistics, and image and identity within the context of Sports. The Target Business Review also revealed the immense capacity that currently exists in sector-focused initiatives throughout the region and state.

The need for a collaborative, cooperative approach to strategic economic development planning and implementation was abundantly evident in the CEDS Competitive Assessment and Target Business Review. After assessment of these findings, four primary pillars emerged as the foundation to the region's collaborative, cooperative approach to regional economic development: talented and well-educated workers, innovative and entrepreneurial businesses, well-connected and attractive places, and a vibrant and inviting image.

## OUR STRATEGIC FRAMEWORK



The CEDS Strategic Plan offers specific regional objectives that partnering organizations, communities and others should work toward in efforts to boost the metro’s economic competitiveness. Specific tactics outlined throughout provide a framework by which the Greater Indy Region can realize opportunities and utilize existing assets in order to meet the needs of current residents and companies, while boosting the region’s image through a unified brand and quality and connected places.

### Educated & Talented Workers

- Invest in the next generation through early childhood education (pre-K).
- Promote youth interest in growing careers in target business sectors.
- Improve high school graduation rates and college readiness.
- Ensure target sectors are supported by necessary training and degree programs.
- Retain our best and brightest college graduates.
- Attract top talent from around the world.

The region can and must work to implement strategies aimed at keeping, attracting and developing talent. Specific tactics outlined in this strategy show investment in multiple stages of talent development. Investment in long term funding solutions for early childhood education, 21<sup>st</sup> Century technology and production training for high school students, and increasing opportunities for college students to engage and invest in community are all definite avenues by which the Greater Indy Region can reinforce a talented, stable workforce for future investment.

### Innovative & Enterprising Business

- Develop a culture that encourages and celebrates entrepreneurship.
- Provide necessary support services and an environment for businesses to thrive.
- Increase access to capital to support startup growth.
- Encourage technology transfer and applied research partnerships.



- Help existing businesses expand in the Indy region.
- Attract new business in targeted sectors.

The entrepreneurial environment in Indy has seen significant growth over the past decade. From the evolution of the Business Ownership Initiative to Launch Fishers, The Speak Easy and more, innovators and small business owners of all shapes and sizes are finding opportunities to utilize this growing support network to launch and expand their businesses.

The idea behind the Innovative and Enterprising business pillar was born from this momentum and outlines ways the Indy Chamber and others can add to the existing resources available, while providing opportunity for increased access to capital for small-to-medium-sized enterprises (SMEs).

From establishing a physical and virtual front door for entrepreneurial support to advancing the Indiana Biosciences Research Institute and the development of 16 Tech and other innovation districts throughout the region, the opportunities to shed light on Greater Indy's innovative class are numerous.

One such tactic includes opening the doors for local supply businesses to tap into large corporate contracting. Coined the "Billion Dollar Challenge," this program aims to recapture \$1 billion of the roughly \$94 billion in business expenditures that leaves the Greater Indy Region each year by helping existing companies identify local alternatives to non-local suppliers of goods and services.

This, in addition to launching the region's first Export Strategy – currently underway by the Indy Chamber, in partnership with The Brookings Institution and JPMorgan Chase – opens the door for SMEs to tap into business growth opportunities on a larger, even global scale.

Another consistent tactical theme throughout the strategic plan is growing access to capital. Recommendations include expanding the Indy Chamber's current microlending program and forming a Capital Alliance of stakeholders to expand opportunities for angel, venture, and other forms of investment for Greater Indy firms.

### Attractive & Connected Places

- Improve the efficiency and effectiveness of existing public transportation networks and plan for future expansion.
- Invest in alternate transportation modes and personal mobility options for commuters, students, and visitors.
- Promote and leverage our advantages in air cargo capacity and road connectivity.
- Support necessary investments in roadway and intermodal infrastructure.
- Support the development of corridors of commerce, community, and culture.
- Redevelop brownfields and industrial sites, and prepare new shovel-ready sites.

To be truly successful in attracting and retaining top talent, Greater Indy must create places where educated workers want to live, and their employers want to do business. This means embracing quality of life initiatives, encouraging neighborhood revitalization and the walkable urban preferences of millennial workers.

With a major focus on transportation options, this strategy understands the transition of a new generation of workers who prefer to be less car-dependent. Recommendations include a collaborative and proactive approach to future transportation planning so people can more easily get from place to place.

Additionally, the need to quality public spaces has proven to be attractive to residents and visitors. Spaces like the Indianapolis Cultural Trail are proof that quality public spaces can spur private investment in surrounding neighborhoods. This strategic plan recommends an expansion of this model to include spaces that compliment regional arts, culture, entertainment and sports amenities to include regional trails, transit corridors and other development around regional anchor institutions.

### Vibrant & Inviting Image

- Build an internationally recognized brand.
- Build local pride and emphasize inclusivity so that our residents can be our best ambassadors.
- Garner national positive media attention.
- Effectively market the region to businesses, investors, residents, and visitors.

As mentioned, many metropolitan areas throughout the nation have embraced a single, common identity that projects their community into the national and global consciousness – ultimately helping attract visitors, businesses, and prospective residents. The assessment process of this CEDS made it apparent that Indy lacks a strong unified identity among residents. Specifically, entrepreneurs expressed a desire for a strong message that could resonate with those engaged in various aspects of startup culture, while young professionals wished for a strong brand so that their friends and family will stop asking them with a puzzled look: “why do you live in Indianapolis?”

Identifying and projecting a distinct, positive image is a crucial part of the region’s continued evolution as a globally competitive metropolitan area. One thing is for certain: a contrived brand is never a successful brand. Developing common themes will take time.

This pillar lays the groundwork for a strategic, collaborative regional marketing program that seeks to fulfill multiple objectives. There are many organizations actively engaged in marketing and promoting the region today to various audiences, from economic development organizations that market to companies and site selectors to convention and visitors bureaus that market to visitors. But what the region lacks is a coordinated effort that seeks to develop and promote a shared brand identity and common messaging to various audiences when relevant, and differentiated tactics to other audiences when appropriate. These audiences include potential residents, businesses and visitors.

### Support. Collaborate. Succeed.

As regional economic development has evolved with more proactive strategic planning and greater organizational capacity across the country, a few common attributes of successful implementation efforts have emerged. Chief among them is an acknowledgement that “collaboration” and “regionalism” are more than just words or platitudes. Successful regions and regional economic development organizations identify areas where collaboration can promote efficiency and effectiveness in service delivery, and create mechanisms to ensure that such collaboration is embodied by the individuals and organizations that are tasked with implementation of a regional strategy. They rely on both volunteers and professional staff, and understand that neither can effectively implement a strategy in isolation. And in building effective working partnerships across organizational boundaries and between professional staff and volunteers, clear roles and responsibilities are defined.

Two principal leadership structures that will help advance implementation of the CEDS have been identified:

- Volunteer Leadership: The CEDS Implementation Committee
- Organizational Leadership: The Indy Chamber and Implementation Partners

It is clear, this CEDS is a strategy for a region, not a strategy for a single organization. But any regional strategy needs an effective regional economic development structure – supported by volunteers *and* professional staff – to ensure that it is implemented and implemented well. It needs an activator: an organization that will set implementation in motion and ensure that adequate resources are devoted to implementation.

As the convener of this CEDS process, the Indy Chamber will serve as the principal lead implementer of the CEDS and its various recommendations. However, the Indy Chamber will not lead implementation for every recommendation. In many cases its staff will serve a supportive role to other organizations and institutions that are more appropriately the lead implementer for certain recommendations.

In other cases its staff may serve a more catalytic role, working with other organizations to get certain ideas and initiatives off the ground before handing the work off to another organization or set of volunteers - including members of the volunteer leadership CEDS Implementation Committee - to carry implementation forward.

## **A blueprint for the Greater Indy Region’s economic future**

This Comprehensive Economic Development Strategy has provided a strong blueprint by which our region can build upon past successes and create new opportunities for innovation. Success on these fronts won’t happen overnight - it will take strategic collaboration among regional organizations to move the plan forward. Utilizing the Greater Indy Region’s existing talent pool, highly engaged corporate community and with the strong support of our region’s civic leadership, the plan will serve as a vital tool in building up the region’s economic prosperity.