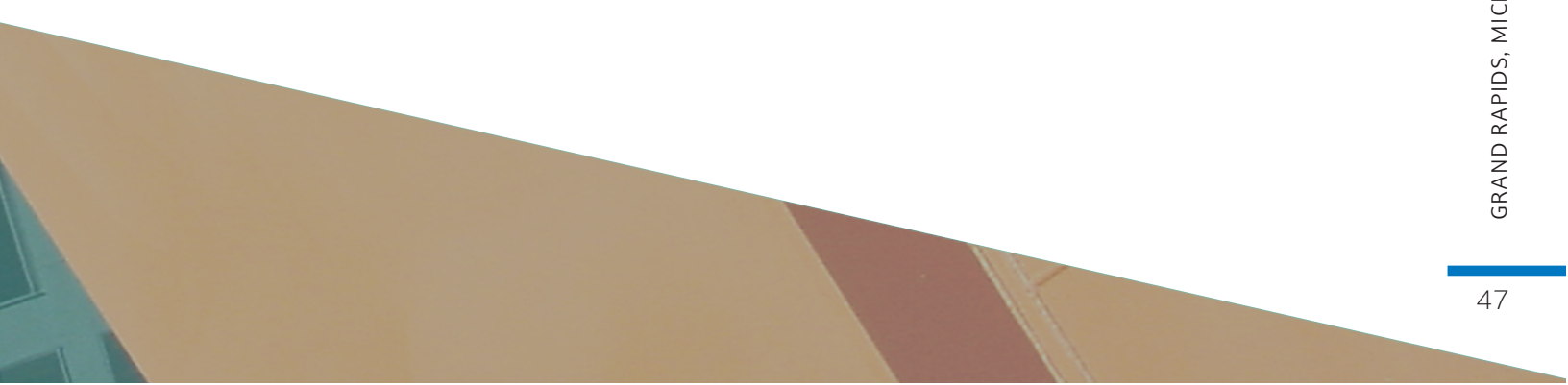
3. A STRONG ECONOMY

Grand Rapids is the economic hub of West Michigan and manufacturing remains the heart of the local economy. Grand Rapids (or the Grand Rapids region) is home to some of the nation's largest industry concentrations in metals, plastics, biopharmaceuticals, medical devices, production technology, automotive manufacturing, office furniture production, and food processing. Grand Rapids also boasts one of the fastest-growing medical device and life sciences clusters in the U.S. along the Medical Mile. With more than 20 colleges and universities in the region, there is a wealth of local talent to grow and diversify the economic base of the city.

However, according to the Grand Rapids Equitable Economic Development and Mobility Strategic Plan, BIPOC workers are under-represented in sectors that provide higher-wage, entry-level positions with opportunities for advancement. Successful economic development, that both attracts new talent and supports development of the workforce that is already in Grand Rapids, will need to build on the strategic direction for equitable growth set in that plan.

As Grand Rapids continues to experience growth, the recommendations in this chapter support a strong and resilient economy with diverse opportunities to find or create a job that is appealing to the lifestyle needs and desires of the workforce.



A STRONG ECONOMY

GOAL

An economy that offers a prosperous quality of life.

Grand Rapids' economy will offer a range of employers and job choices so that everyone can access and earn a living wage.

KEY TAKEAWAYS

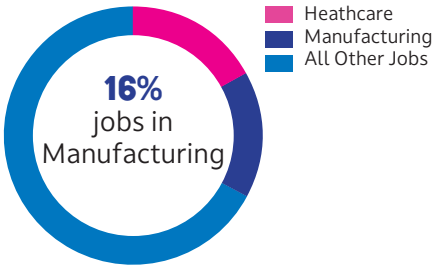
PUBLIC INPUT

- **Residents in Grand Rapids often look outside the city for employment opportunities.** Many people make employment decisions based on the perceived availability of job opportunities. Residents noted a desire for more career advancement opportunities and professional growth. Notably, nearly 60,000 Grand Rapids residents leave the city for work, while approximately 30,000 people both live and work in the city. Given that over 93,000 people commute to the city for work, this indicates that there is a misalignment between where people live and work, in all directions.
- **Manufacturing requires a balanced approach.** Many residents emphasized the importance of manufacturing for job creation, economic diversity, and noted the historical significance of industry in Grand Rapids. However, important concerns were raised about environmental impacts, noise, and potential interference with residential areas. There was general support for cleaner industries and accessible public transportation options to employment centers.

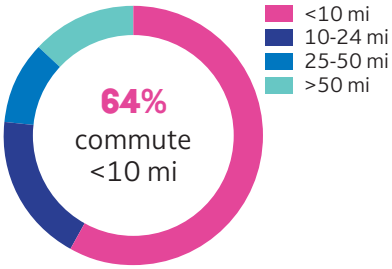
COMMUNITY PROFILE

- **Grand Rapids' workforce has become increasingly diverse.** Between 2009 and 2019, the percentage of the workforce comprised of Black, Asian, and Hispanic workers increased for each group. However, a racial income gap persists between white workers and most BIPOC groups, with Black workers earning approximately 33% less than the average median income across all groups.

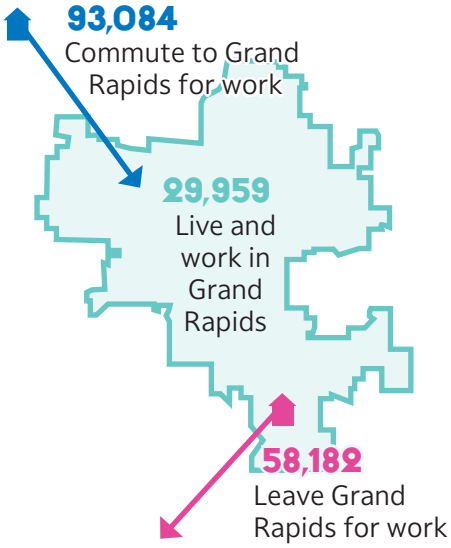
Major Employment Sectors



Average Commute Times

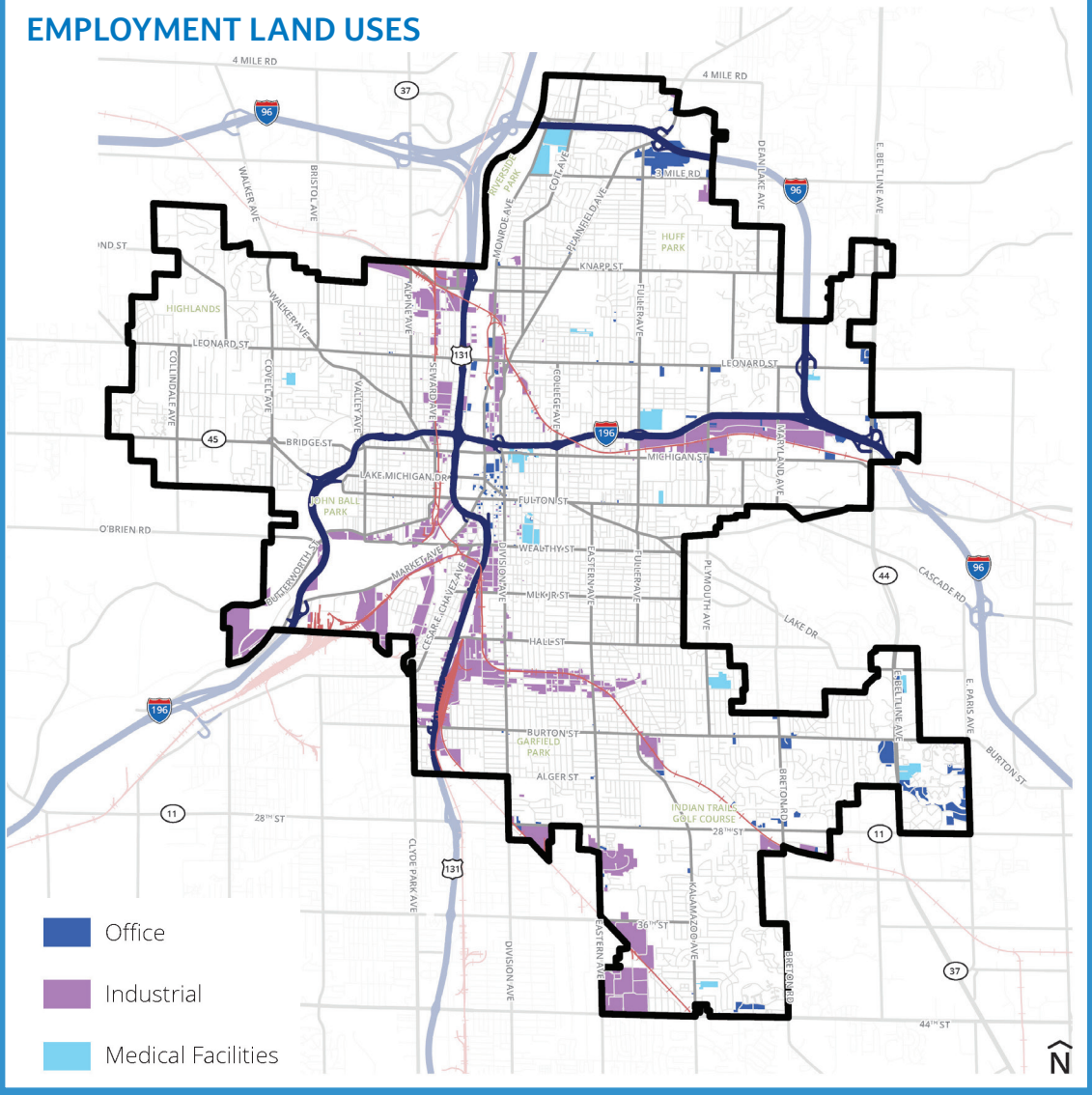


Employment Inflow/Outflow



- **Hourly wages have not kept pace with the cost of necessities.** Currently, 49% of households in Grand Rapids are below the ALICE (Asset Limited, Income Constrained, Employed) threshold, which includes households that have incomes above the federal poverty level but struggle to afford basic necessities (healthcare, food, housing, childcare, etc.). The 2024 ALICE threshold for a family of four with two school-age children in Grand Rapids is $58,440. This is due in part to the gap between the living wage and the minimum wage. Living wage is the hourly rate that an individual must earn to support themselves and their family (working full-time), a rate higher than the state-controlled minimum wage. Another factor is that Grand Rapids has a lot of lower-wage jobs. There is a need to grow industries that provide living wage jobs in alignment with the education and skills of the community while working to increase the education and skills of the community.
- **Traditional industrial land is limited.** Grand Rapids has approximately 6% of its total land zoned for industrial uses. Industrial areas tend to be job clusters and include sites that house manufacturing or other production, along with warehouses and logistics functions. The range of buildings can include everything from large-scale distribution centers with significant truck access to automotive suppliers to high-tech companies. Many traditional large-scale uses like this operate best near highways and rail lines, and where utilities are available or easily built. However, not all “industrial” uses have the same impact on the surrounding areas as heavy manufacturing or large distribution centers. Some businesses, like bakers, small-batch brewers, or other makers with larger operations, may seek out similar physical spaces but could be located throughout the city. These small-scale manufacturers produce little to no vibration, noise, fumes, or other nuisances, meaning they can fit within a wide variety of industrial and commercial districts. With limited industrial land and an excess of commercially zoned land, there is a need to align land supply with the evolving market of industrial uses.

EMPLOYMENT LAND USES



INDUSTRIAL LAND

Industrial is integrated along key corridors and covers six percent (1,750 acres) of Grand Rapids, primarily located along the river and major roadways. The areas on this map are determined based on the use designation maintained by the City of Grand Rapids Assessor's Office. These areas offer unique opportunities for future redevelopment. With limited land availability, relocating industry within the city would require careful consideration. Once industrial land has been converted to other uses, it is nearly impossible to get back.

OBJECTIVES

3.A INCREASE THE DENSITY OF HIGH-WAGE JOBS AND DECREASE THE WAGE GAP IN GRAND RAPIDS.

A healthy economy supports the creation of living wage jobs for a growing and increasingly diverse population. Currently, hourly wages are not keeping pace with the cost of necessities. Therefore, citywide prosperity will depend on smart approaches to commercial growth, neighborhood development, and small business development. Land use strategies must address the increasing overlap between commercial, industrial, and professional or creative services sectors to provide broader employment opportunities citywide.

3.B ENSURE A WIDE RANGE OF RESIDENTS CAN ACCESS JOBS.

Grand Rapids has a significant number of jobs and employment centers that can only be accessed by car. Strategies to support mixed-use, walkable development at select transportation nodes and corridor intersections across Grand Rapids can support access to jobs for a wide range of residents. There is strong evidence of the rising importance of walkable, self-contained urban environments in supporting office-based employment uses, particularly for talent-driven firms. Additionally, coordinating land use with transportation system investments can help provide convenient access to existing jobs that are not currently or conveniently serviced by transit.

There is also the reality of the growing hybrid/remote work economy. It is becoming increasingly critical to ensure that the city has the infrastructure necessary for people to participate in this sector of the economy. Equitable distribution of high-speed internet and its supporting infrastructure needs to evolve over time for Grand Rapids to stay competitive. This would allow existing residents to fully participate in the global economy no matter where they live and make Grand Rapids even more attractive to remote workers.

3.C BALANCE ECONOMIC GROWTH WITH PRIORITIES FOR THE ENVIRONMENT.

A healthy environment is vital to protect a quality of life that attracts and retains businesses and the work-force. New strategies are needed to expand capacity for employment growth while also meeting environmental objectives. Truck intensity and access, proximity to housing and workforce, and environmental considerations must be considered in choices about the location of employment uses. Industrial sites should not pose health and safety risks to occupants or surrounding neighborhoods, and efforts to maintain and improve the capacity, affordability, and viability of industrial uses need to ensure that environmental resources and public health are also protected.

VALUE THREADS

CULTURE EQUITY SAFETY SUSTAINABILITY VIBRANCY

RECOMMENDATIONS

3.A INCREASE THE DENSITY OF HIGH-WAGE JOBS AND DECREASE THE WAGE GAP IN GRAND RAPIDS.

3.A.1 Consider a hybrid business use category within Innovation Districts identified on the Future Character and Land Use map. Hybrid business models are commonly found in the craft brewery industry in Grand Rapids where production, retail, and food service are co-located on a single site. Similar examples exist for a range of consumer product businesses, particularly entrepreneurial businesses, where a single integrated business model may exist but does not fit within existing use categories. Clear and simple regulation of these uses can encourage innovative entrepreneurial activity. Consider restructuring and refining use categories within the zoning ordinance to focus on impact to ensure industrial areas are preserved for business that makes things and employs people.

3.A.2 Support efforts to grow the greater Grand Rapids region into a major tech hub of the Midwest. Capitalize on the momentum of the growing technology sector and support City efforts to align training of the local workforce with the labor market. Specifically, facilitate efforts to create redevelopment-ready sites for new renewable energy industries to locate or relocate to Grand Rapids. Review the Zoning Ordinance regularly for regulatory barriers to and needs of emerging industries.

3.A.3 Encourage the growth of the life sciences industries in and near the Medical Mile. The growth of life science and medical research in Grand Rapids and western Michigan overall is reaching a level of critical mass where commercial lab development may become feasible. Evidence from several key life science clusters suggests that proximity is an important location determinant as it facilitates movement between clinical, academic, and research roles of many staff. Supporting this growth can take the following forms:

- Ensure life science research and development is a by-right use in zoning districts near the Medical Mile.
- Set minimum lot sizes to prioritize life science uses on parcels conducive to large building footprints.

Recommendation 3.A.1

INNOVATION DISTRICT

Over the past several decades, urban economies have evolved at a rapid pace. Manufacturers have shifted their operations, and the model of economic development that relies on recruiting one big company or single industry has often proven to be inequitable and unsustainable. Cities are now seeing a new generation of small, local makers and manufacturers develop sustainable ways to make a middle-class living. These producers are the bakers, small-batch brewers, woodworkers, and artists that make cities unique, support the creation of new sustainable jobs, and increase the city's tax revenue. These hybrid/small-scale businesses help create thriving places, with local business ownership opportunities and well-paying jobs that other business types can't fulfill, to create more inclusive economic opportunities. "Artisan zoning" is an approach to land use and development that provides space for small-scale manufacturers that produce little to no vibration, noise, fumes, or other nuisances, meaning they can fit within a wide variety of industrial, commercial, and even residential districts. This versatility allows a range of commercial, industrial, and office activities within one building and could allow for a growing business to centralize their operations. Examples include design and print facilities, wholesale supply businesses, restaurants and sidewalk cafés, a microbrewery or winery, or veterinary clinic. This flexibility may lead to more vacant buildings being occupied and more tax revenue to support city services.

Example: Indianapolis began overhauling its zoning ordinance in 2012, with special emphasis on increasing high-paying jobs, using the surplus of vacant properties, and decreasing the mileage traveled by residents. The Division of Planning created two new designations, Artisan Manufacturing and Artisan Food and Beverage, which allowed small manufacturers to start working in non-industrial areas. It also included a blight-fighting provision that allows artisan manufacturers to work in buildings in certain land use categories that have been vacant for five years, making artisan manufacturing the most easily permitted form of manufacturing throughout the city. Reactivating these spaces has increased the property value and in turn the tax revenue for the city, and they now provide affordable spaces for start-up companies with a uniqueness that reflects the city's history.

THE UNIQUE NEEDS OF LIFE SCIENCE DEVELOPMENT

Life science is one of the fastest-growing sectors of the economy. The life science industry can be a key driver in Grand Rapids' vibrant economy and employment opportunities. Although there are variations in the definition, the "life sciences" generally refers to organizations and firms dedicated to improving human, animal, and plant life. It includes private, non-profit, and public institutions specializing in a wide set of interdisciplinary fields, including biotechnology, medical devices, and other related disciplines. It is distinct, although closely tied, to the healthcare industry, where medical care is directly provided in clinical settings.

Many life science developments have arisen in proximity to academic medical centers and other academic research programs due to the growing collaboration between corporations and academia. The proximity to academic medical centers and other academic research also provides a pipeline of talent for companies and institutions that are focused on recruitment of young professionals.

However, there are design challenges unique to life science buildings, such as large floorplates, higher floor-to-floor heights, and mechanical and operational needs. Science buildings also require a much greater level of service than office buildings with frequent large vehicle deliveries. Co-locating these services decreases the impact on nearby infrastructure and creates efficiencies for institutions.

Example: The 1.48 million-square-foot buildings in the Schuylkill Yards Development are being developed adjacent to Drexel University, University of Pennsylvania, and Children's Hospital of Philadelphia, within walking distance to the city center and the city's landmark cultural institutions. This proximity to academic research and clinical care promises to attract gene therapy startups and other life science stalwarts. Key to the development and design was applying the appropriate base building criteria for these unknown tenants and creating flexibility for right-sized lab suites for different users.

LARGE, FLEXIBLE 39K RSF FLOORPLATES

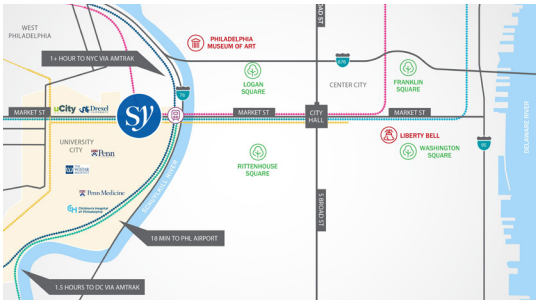
33' WIDE COLUMN BAY SPACING

15 FOOT FLOOR-TO-CEILING HEIGHTS

EMERGENCY POWER GENERATION

60/40 LAB TO OFFICE RATIO DAY ONE

EXTRA FLOOR LOADING CAPACITY



Photos: Schuylkill Yards

3.B ENSURE A WIDE RANGE OF RESIDENTS CAN ACCESS JOBS.

3.B.1 Identify key commercial corridors and neighborhood centers for reinvestment and future planning work. Analysis in the Community Profile determined that there are significant income density differences across the city, due in part to a history of disinvestment, such as the discriminatory practice of redlining. These differences have implications for the ability of certain areas to support robust commercial corridors. An assessment should be done to include the age of existing building stock; residential and commercial ownership patterns; rate of underutilization of parcels; determination of market area including key consumer demographics; and consumer desires, interests, and lifestyle choices to help guide equitable policy. This may include prioritizing updates to Area Specific Plans in areas experiencing significant growth and change or those with limited outside investment. Area Specific Plans should lead to focused efforts and dedicated resources to improve infrastructure and building conditions on a district scale, potentially leveraging the resources of the Corridor Improvement Authorities.

3.B.2 Grow more jobs within the city that are near the workforce. A balance is needed between environmental justice issues as well as economic equity issues, such as having jobs in the city that are accessible to people with a range of skill sets (education and training), neighborhoods (transit), and at different points in their careers. Coordinate with other City departments to maintain data on job production, sectors, and locations. Utilize this information in review of large-scale projects.

3.B.3 Evaluate reuse of obsolete industrial for other purposes. Industrial buildings and land are a limited resource in Grand Rapids, and the suitability to reuse these large sites for research and development or medical uses may put pressure on their overall availability. Reuse should undergo a high level of scrutiny relative to property size, building age, supporting infrastructure investment, truck intensity and access, proximity to housing and workforce, and environmental considerations to ensure land remains available for employment uses. Ensure the criteria aligns with the intended future character of these areas. Include parcel size, utility infrastructure, major thoroughfare access, potential to buffer from conflicting uses, and proximity to transit among other factors in the evaluation and approval of non-industrial uses in industrial zones. Reuse of existing industrial buildings should not pose health and safety risks to occupants or surrounding neighborhoods. Industrial property along the riverfront may be best suited for other uses (e.g., housing and mixed-use).

Recommendation 3.B.3

THE POTENTIAL FOR REUSE

Grand Rapids has opportunities to convert some of its excess commercial land, such as sections of 28th Street SE, to flexible mixed-use industrial areas. While some of this land may be best suited for higher-density commercial or housing, it will be important to keep some of these employment areas in job-focused uses. Factors such as the use of vans versus trucks, frequency of deliveries, and the ability to use existing building footprints, should all be considered in the incremental development of these areas.

Example: In Raleigh, North Carolina, a shopping center that used to include a Kroger grocery store became the Midtown BioCenter, with 80,000 square feet of lab and manufacturing space and 20,000 square feet of office space. Midtown BioCenter created space for a lab or biomanufacturing user to locate and operate alongside retail, office, and residential, within one mile of a major interstate, and at a lower price than similar developments located much further in the region's suburbs. This type of use would have otherwise looked for space within a more industrial area, but with its low-impact operations, gave a new purpose to an empty big box store in an underutilized commercial area.

Photo: CBRE

- Clearly define industrial use to accurately represent the character of these places.
- Identify the differences between industrial manufacturing and warehousing or logistics uses and their implications for truck traffic when considering use changes.
- Consider the implications of the insertion of new uses into industrial areas and the inadvertent potential to constrain industrial uses in the future due to noise, smoke, truck traffic, and other impacts.

3.B.4 **Reposition underutilized commercial properties to support non-retail businesses.** There are potential commercial and retail sites that might be better suited to a broader employment land scenario, including research and development and light manufacturing that doesn't impact nearby residential uses (e.g., 28th Street). Large buildings offering lab space near the Medical Mile is an example depending upon lot size or the accumulation of available vacant or underutilized land.

3.B.5 **Evaluate, monitor, and enhance broadband access across the city.** Continue to support the provision of high-speed, reliable, and affordable fiber internet service to residents and businesses. Promote the advantages of "dig once" opportunities to coordinate the installation of underground fiber and/or conduit whenever the ground is open for building or improving roads, utility infrastructure, energy distribution channels, sidewalk repair, etc. Monitor and track progress of broadband infrastructure build-out, and work with the local broadband service provider to assess service area gaps.

C. BALANCE ECONOMIC GROWTH WITH PRIORITIES FOR THE ENVIRONMENT.

3.C.1 **Promote the green economy.** The City should consider ways to promote the green economy, including support for local innovators and low-impact industries that incorporate a special recognition program (e.g., Green Spot Program, City of Columbus, Ohio, recognizes local businesses and households that fulfill certain commitments that support the local green economy).

3.C.2 Amend the zoning ordinance to reduce the impact of industrial uses on surrounding areas. The City should consider code amendments that differentiate between light industrial and heavy industrial zoning districts. Implementing two industrial districts and directing heavy industrial uses to specific zones could reduce the impact on nearby residential areas and help to address long-term and historic environmental impacts while responding to the needs of a changing economy. Continue to require site improvements that buffer these uses from residential areas, including tree planting, planted screening, and landscape setbacks. Support efforts to restrict pollutants associated with industrial uses at the state level and review and update relevant City ordinances that address noise impacts. Consider requiring all developments containing industrial uses to provide an Environmental Impact Assessment with applications reviewed by the Planning Commission.

3.C.3 Continue brownfield remediation and redevelopment efforts. Brownfield sites include properties with environmental contamination or functionally obsolete buildings. They may require mitigation or environmental clean-up and should be reintroduced into the economic cycle to maximize development opportunities that benefit the surrounding community. City programs and policies should continue to provide such support, with an emphasis on projects in Neighborhoods of Focus.