

# City of Madison Heights Economic Development Plan

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Prepared by:  
Giles Tucker Jr.  
Community & Economic Development Department (CED)  
City of Madison Heights  
300 W 13 Mile Rd  
Madison Heights, MI 48071  
(248) 837-2659  
[www.madison-heights.org](http://www.madison-heights.org)



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# Special Acknowledgements

## Thank You

This Economic Development Plan would not be possible without the support of all of those that participated in the development of the City of Madison Heights Master Plan, City Council, leaders in our business community, city staff and the residents and volunteers who serve on our Boards & Commissions.

### Madison Heights City Council

Roslyn Grafstein (Mayor)  
Mark Bliss (Mayor Pro-Tem)  
Sean Fleming  
William Mier  
Quinn Wright  
Emily Rohrbach  
David Soltis

### Planning Commission Members

Eric Graettinger  
Grant Sylvester  
Josh Champagne  
Melissa Kalnasy  
Clifford Oglesby

### MHDDA/BRA Members

Mike Van Buren  
Yousif Jarbo  
Rickey Busler  
Gordon Davignon  
Joe Keys  
Giuseppe Marando  
Lenea Renshaw  
Michael Sheppard  
Marija Ujkic

### City Staff

City Manager- Melissa Marsh  
City Planner- Matthew Lonnerstater  
GIS Technician- Madhu Rakshit  
CED Administrative Secretary- Ashley Etchison  
CDBG Office Assistant- Shari Peacock-Nash  
Communications Specialist- Anna Pereny

# Executive Summary

Businesses of all sizes are an integral part of any thriving community. They are places of employment, innovation, and opportunity that directly contribute to the character and quality of life shared by the residents of Madison Heights.

The purpose of this Economic Development Plan is to ensure that Madison Heights remains a great place to do business. To do so, local government must strive to provide high-quality city services, streamlined permitting & review processes, and access to State and local resources.

We acknowledge that this plan is a living document, and that our priorities, strategies, and activities will evolve over time. However, our commitment to support a diverse and dynamic business community, and to ensure quality development for our residents remains constant.

This Economic Development Plan is meant to address the intent and goals of our Master Plan, to maximize opportunity for new development and spur continuous business growth. We believe that to do so we must:

- *Ensure that our strategies and actions are aligned with partners and provide access to grants, programs and technical assistance.*
- *Develop business districts that are connected and engaged with our neighborhoods and become places where a wide variety of businesses can succeed.*
- *Listen to the needs of our business community and effectively communicate our values, needs and successes.*

This Economic Development Plan has four Main Focus Areas:



# COMMUNITY CONTEXT



# Southeast Michigan

The State of Michigan is known for its ingenuity and industrial might. Southeast Michigan is home to 4.75 million people, 48% of total State population, and over 100,000 businesses that employ 1.9 million workers. In addition to a large workforce, Southeast Michigan is a significant region for international trade for the US. The Ambassador Bridge is the busiest international crossing in the US accounting for \$137 billion in trade each year.

As the home of the Motor City and the US automotive industry, auto parts manufacturing and suppliers remain the core industry in Southeast Michigan. The nature of this industry continuously evolves. With the prevalence of electric vehicles and emerging mobility technology, the industry will continue to demand a workforce skilled in technology, mobility, advanced manufacturing, and engineering and design.

While Michigan has the most working engineers per capita in the US, 48% of the region's adult population has not received more than a high school level education. Labor shortages still exist in all industry sectors and reskilling existing workers and preparing students for the careers of the future is important to the growth of the region.

In addition to workforce development and education, Michigan is focused on attracting talent by leveraging the State's natural beauty and working with communities to develop attractive places to live, visit and play.

## Michigan's Targeting Industries & Focus Areas

### Statewide Impact



**Mobility and Automotive Manufacturing**



**Advanced Manufacturing**



**Engineering, Design and Development**



**Life Sciences and Medical Devices**



**Tech**



**Professional and Corporate Services**

### Strategic Focus Areas



**Attract, retain and grow businesses**

Attract, keep and grow businesses in industries that support maximum growth in jobs, wages and investments



**Support and grow our talent**

Cultivate the skills and talent needed for in-demand and high-growth occupations statewide



**Develop attractive places**

Collaborate with local communities and partners to create places in which people and talent want to live, work, visit and play



**Accelerate high-tech innovation**

Support entrepreneurial growth to enable commercialization and new high-tech business creation



**Market the state**

Promote Michigan's image as a world-class business location and travel destination



**Support small business**

Help existing small and microbusinesses grow and thrive and improve economic prosperity for all through small business ownership

Madison Heights

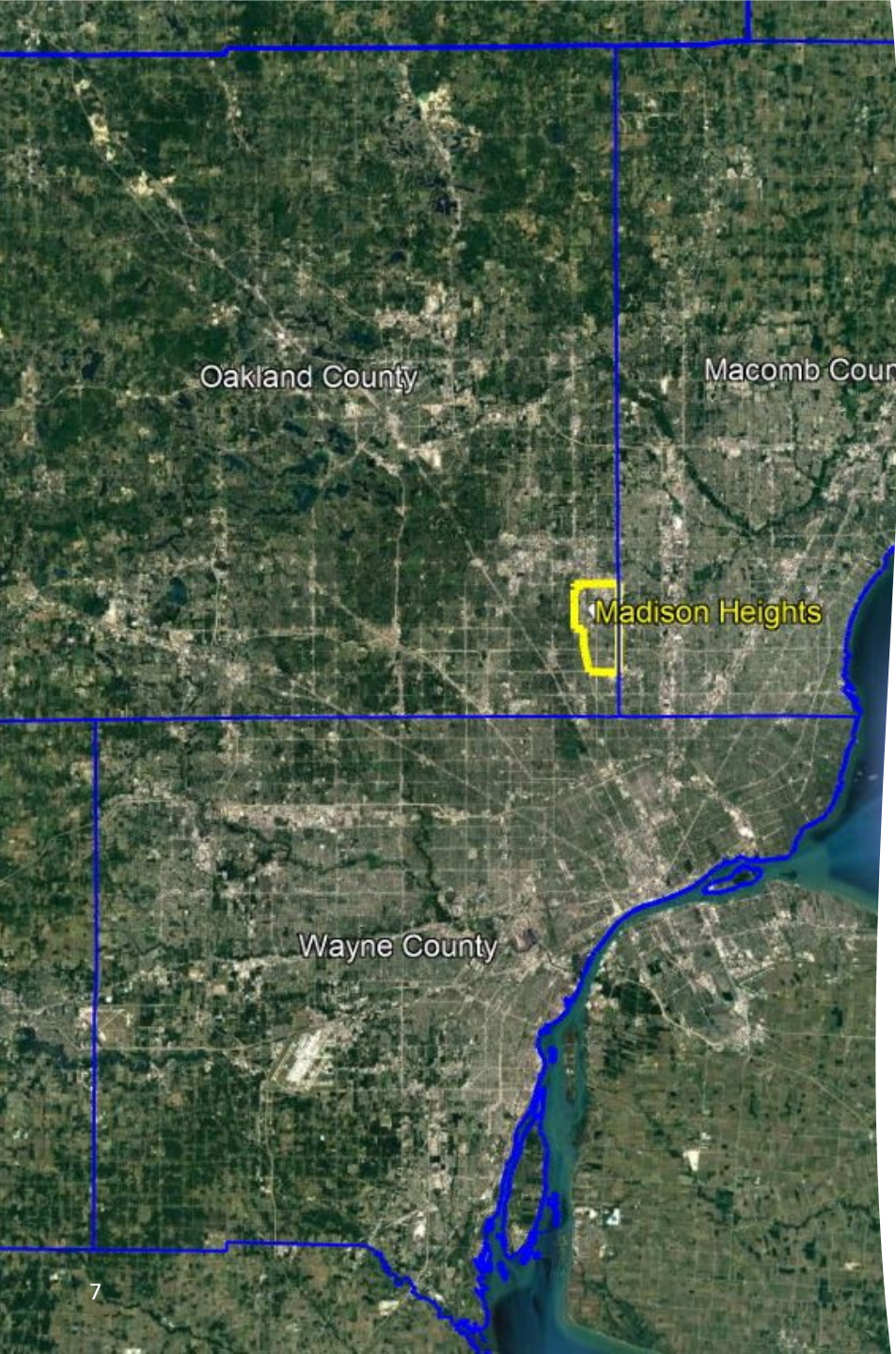


# Oakland County, MI

Oakland County is home to approximately 1.28 million residents within an area of 907 square miles. The county has the second highest educational attainment in Michigan, with 44% of its residents with at least a bachelor's degree and is among the highest per capita income Counties in the nation. Oakland County is home to over 1,000 firms from thirty-nine foreign companies and enjoys a diverse economy comprising of Business Services, Trade, Transportation, and Utilities and Private Education and Health Services.

Despite these positive demographics and business metrics Oakland County still faces similar challenges present throughout the region. Rapidly advancing technologies such as information technology, artificial intelligence, automation, and autonomous vehicles are changing the auto industry and many companies are still facing labor shortages and a misalignment of needed skills and workers. Further, the Michigan economy is still largely driven by the auto industry and the impacts of industry downturns are felt throughout the State.

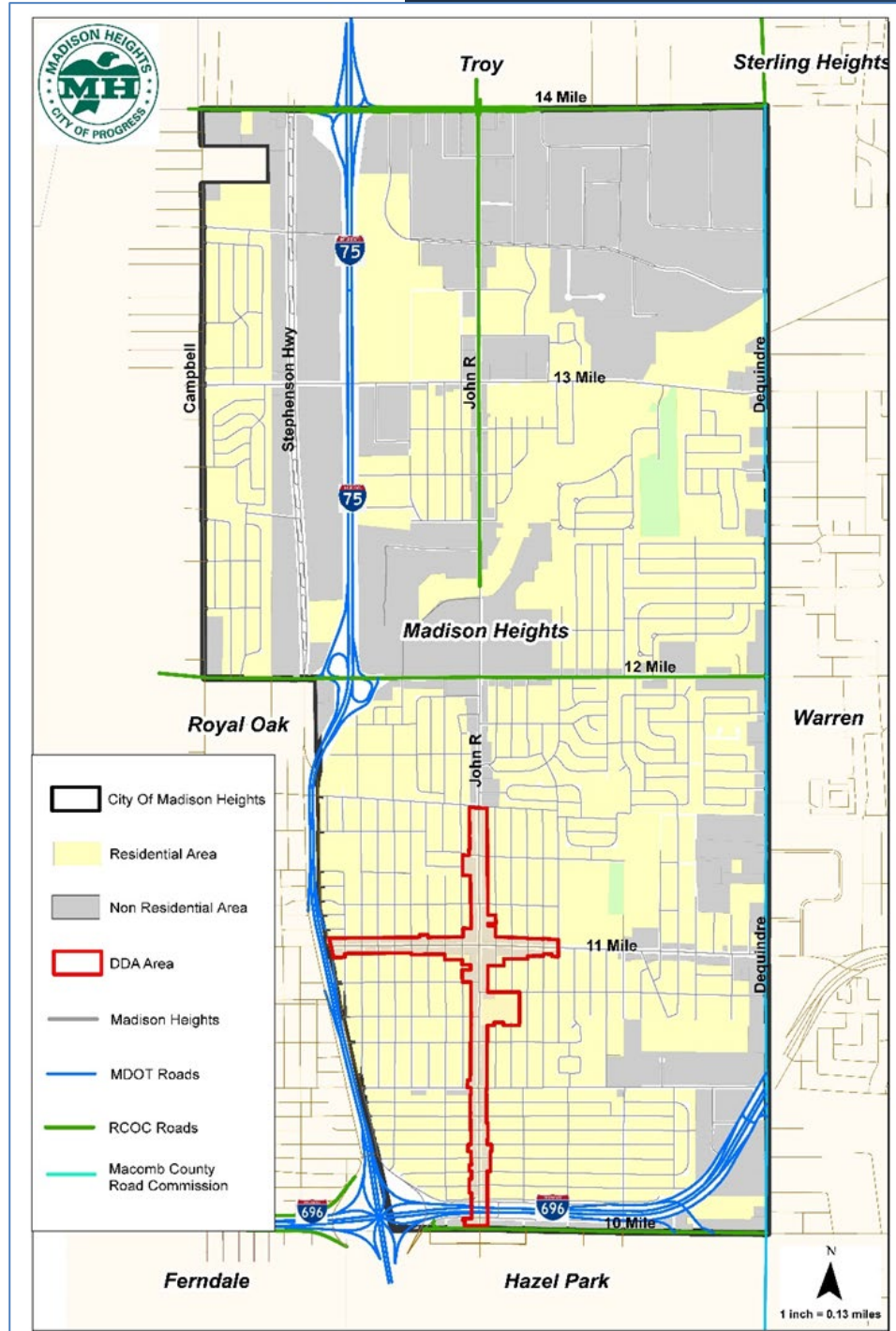
Oakland County recognizes that its long-term economic success is impacted by its ability to continue to diversify its economy, support emerging industries and attract and reskill workers. Oakland County seeks to broaden its economic base by focusing on retaining and attracting emerging companies in Research, Design and Engineering, and Information Technology. The lines between auto and tech are increasingly blurry and to compete for the best talent, communities need to offer businesses and their employees high quality places to live and work. For this reason, investments in enhancing and marketing natural and cultural resources remain a high priority for Oakland County.



# Madison Heights

The City of Madison Heights is a Southeastern Michigan community with a population of 28,468 (2020 Census) located in Oakland County. The population within a 10-minute drive time area of Madison Heights city center is 217,253 and includes parts of Clawson, Royal Oak, Troy, Hazel Park, Ferndale and Macomb County. The city is well connected to the greater region with direct access to two major interstate highways with I-696 at its southern border and I-75 running through a portion of the city.

Madison Heights has a wide array of businesses that includes a significant amount of big box retail and supermarkets, mid-size industrial uses as well as unique restaurants and independent retail businesses. Madison Heights' two major retail areas are on 12 Mile and 14 Mile Rd and in between along John R Rd. Its main industrial areas are along Stephenson Hwy and in the northeast corner of the city between Whitcomb and 14 Mile Rd. Madison Heights has one Downtown Development Authority (DDA) district along John R Rd and 11 Mile Rd and a smaller, older industrial area along 10 Mile Rd that borders the DDA area and Hazel Park.





# People & Households

The American Community Survey (ACS) for 2020 estimated that the population Madison Heights 28,468. SEMCOG forecasts that Madison Heights population will increase modestly to 29,770 by 2050. SEMCOG also suggests that while this population and its households have increased in educational attainment, they are trending older and having less children. In fact, from 2010 to 2021, households with 2+ children decreased by 18.9%.

Most of the housing in Madison Heights are single family homes. Currently, there are not many options for seniors who want lower maintenance and affordable housing alternatives such as townhomes or condos. Further, the limited supply of available housing has made homeownership increasingly difficult. The City's 2020 Master Plan and the market analysis provided by The Chesapeake Group in 2019 both suggest that a greater diversity in housing options is needed to accommodate the preferences of seniors and to help attract families.

## Age/Household Types

Household Types	Census 2010	ACS 2021	Change 2010-2021	Pct Change 2010-2021	SEMCOG 2050
With Seniors 65+	3,187	3,477	290	9.1%	-
Without Seniors	9,525	10,010	485	5.1%	-
Live Alone, 65+	1,495	1,822	327	21.9%	-
Live Alone, <65	2,840	3,705	865	30.5%	-
2+ Persons, With children	3,500	2,837	-663	-18.9%	-
2+ Persons, Without children	4,877	5,123	246	5%	-
Total Households	12,712	13,487	775	6.1%	-

# City of Madison Heights- Local Economy

## Income

In 2021, the US Census estimated Madison Heights' median household income at \$54,668, compared to \$59,234 for State of Michigan households, and \$81,587 for Oakland County. Madison Heights had an estimated poverty rate of 11.1%.

## Employment/Top Industries

The industries providing the most jobs in Madison Heights include Retail Trade (13.14%), Manufacturing (13.07%), and Accommodation and Food Services (9.13%).

## Commuting

Of those workers (those that are in the top industry sectors) 96% of them live outside of the city. Over 11,900 residents are employed and 92.5% of them work outside the city. The largest share of commuters to jobs in the city are less than 10 miles away (54%). The average commute to work is about 24 minutes.

NA ICS	INDUSTRY DESCRIPTION	2018 JOBS	2019 JOBS	2020 JOBS	2021 JOBS	2022 JOBS
11	Agriculture, Forestry, Fishing and Hunting	<10	<10	11	12	12
21	Mining, Quarrying, and Oil and Gas Extraction	159	166	162	152	133
22	Utilities	16	48	36	41	43
23	Construction	1,348	1,150	1,217	1,255	1,285
31	Manufacturing	4,592	4,318	3,939	4,125	4,270
42	Wholesale Trade	2,221	2,248	2,152	2,159	2,192
44	Retail Trade	4,912	4,562	4,089	4,226	4,294
48	Transportation and Warehousing	1,368	1,311	1,613	1,806	2,045
51	Information	481	646	596	600	609
52	Finance and Insurance	578	520	565	556	561
53	Real Estate and Rental and Leasing	1,018	1,028	1,061	1,093	1,139
54	Professional, Scientific, and Technical Services	2,009	2,044	1,976	1,968	1,982
55	Management of Companies and Enterprises	865	865	901	916	919
	Administrative and Support and Waste Management and Remediation Services					
56	Administrative and Support and Waste Management and Remediation Services	2,530	2,380	2,038	2,137	2,180
61	Educational Services	1,312	1,273	1,108	1,139	1,223
62	Health Care and Social Assistance	3,114	2,142	2,012	2,036	2,067
71	Arts, Entertainment, and Recreation	510	576	509	531	559
72	Accommodation and Food Services	3,575	3,335	2,504	2,676	2,984
81	Other Services (except Public Administration)	1,253	2,057	1,990	2,010	1,968
90	Government	876	2,160	2,292	2,213	2,098
99	Unclassified Industry	<10	82	101	103	104

Source: EMSI/Lightcast

# OUR STRATEGY



# Strategic Alignment

In March 2021, the Southeast Michigan Council of Governments (SEMCOG) released their Comprehensive Economic Development Strategy (CEDS) for Southeast Michigan. This CEDS document is significant not only in that it identifies challenges and establishes goals for County and local Economic Development Organizations (EDOs), but it is also a document used by the US Economic Development Administration to evaluate grant and resource requests for local governments in the region. It is important to consider the economic development goals of for the Southeast Michigan and Oakland County when developing priorities at the municipal level. Strategic alignment with regional goals is critical to Madison Heights ability to compete for resources and simply makes sense for the long-term prosperity of our community and its residents.

## Targeted/ Growth Industry Clusters Comparisons

State of Michigan (MEDC)	SE Michigan (SEMCOG)	Oakland County	Madison Heights
<b><u>Targeted Industry Clusters</u></b> <ul style="list-style-type: none"><li>• Engineering, Design &amp; Development</li><li>• Tech</li><li>• Mobility &amp; Auto Manufacturing</li><li>• Advanced Manufacturing</li><li>• Semiconductors</li><li>• Life Sciences</li></ul>	<b><u>Growing Industry Clusters</u></b> <ul style="list-style-type: none"><li>• Engineering Services</li><li>• Computer Services</li><li>• Auto Manufacturing</li><li>• Metalworking Technology</li><li>• Plastics</li><li>• Corporate Services</li><li>• Consulting services</li></ul>	<b><u>Targeted Industry Clusters</u></b> <ul style="list-style-type: none"><li>• Research, Design &amp; Engineering</li><li>• Information Technology</li><li>• Robotics Integration</li></ul> <b><u>Largest Employers</u></b> <ul style="list-style-type: none"><li>• Auto/Suppliers</li><li>• Healthcare/Ins</li><li>• Financial Institutions</li></ul>	<b><u>Targeted Industry Clusters</u></b> <ul style="list-style-type: none"><li>• Professional, Scientific, &amp; Technical Services 6.07%</li><li>• Information Technology 1.86%</li><li>• Financial &amp; Insurance 1.72%</li></ul> <b><u>Largest Employers</u></b> <ul style="list-style-type: none"><li>• Retail Trade 13.14%</li><li>• Manufacturing 13.07%</li><li>• Accom. &amp; Food Services 9.12%</li></ul>

# Focused Downtown Development

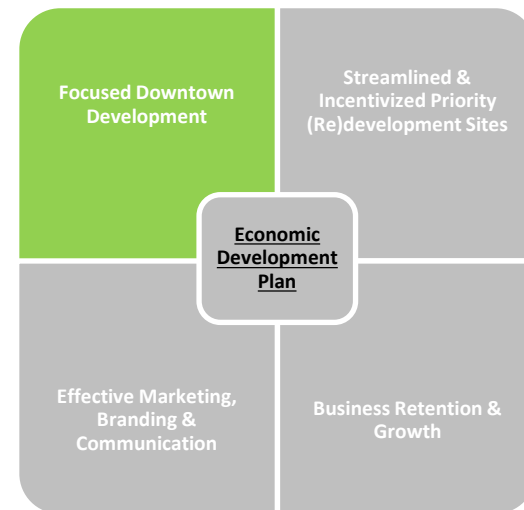
The City's Downtown Development Authority area has a legacy of small-scale light industrial, warehousing, manufacturing and auto related uses that cater to the vehicle over pedestrians. This poses challenges to the DDA's vision of connecting the downtown with the surrounding neighborhoods and encouraging a cluster of complementary downtown destinations. Further, the existing infrastructure and the lack of available public space has limited the effectiveness of events, marketing, and promotion efforts to encourage private investment downtown.

To address these challenges, the City has used RRC Technical Assistance funds to help pay for a zoning ordinance rewrite. Once completed the City will implement new zoning districts, easing parking requirements and design standards that will promote a more flexible environment for new business development. The DDA has also begun development of an 11 Mile Streetscape Plan. This plan includes addressing challenges to parking, pedestrian safety, sidewalk, and amenities. The City will pursue grant opportunities such as the Transportation Alternatives Program (TAP) grant to help fund these improvements.

The City will also promote local programs and grants including Façade and Sign grants, and the Redevelopment Liquor License. The City will also leverage existing relationships with its strategic partners such as the MHHPC, Oakland Thrive, and Oakland County Mainstreet that provide networking opportunities, free business services, marketing, and other grant opportunities to help small businesses flourish in downtown Madison Heights.

## Action Items

- Implement New Zoning, Parking, Designs Standards
- Complete 11 Mile Streetscape Plan
- Pursue Grant Opportunities to Improve Pedestrian Infrastructure.
- Promote Available DDA Programs & Grants.



# Incentivize Quality Redevelopment

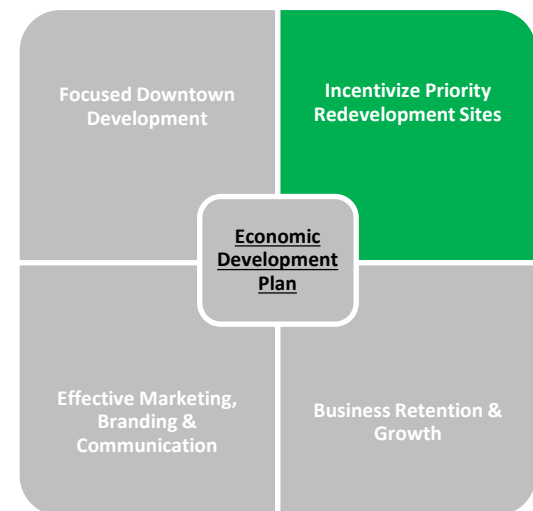
Madison Heights' proximity to both the I-696 and I-75 corridors, high quality and affordable neighborhoods and streamlined development review process, make it a great place to locate and conduct business. Over the last five years, Madison Heights has used economic development tools to incentivize significant redevelopments that have transformed commercial districts, supported business growth, and supported alternative housing developments.

The City's new zoning ordinance allows for a far greater variety of housing alternatives by establishing new zoning districts, allowing greater density and building heights in select areas of the City. These new zoning districts, when combined with new programs such as MSHDA's Housing Tax Increment Financing Program have great potential for new housing development and to spur complementary development activity.

To continue to attract quality development the City identify must its priority redevelopment sites and pair them with relevant incentives where appropriate. To be ready for redevelopment, staff should establish guidelines and standard for development to ensure quality redevelopment, receive ongoing training on economic development tools, and make concerted efforts to communicate these opportunities to developers and property owners.

## Action Items

- Establish Guidelines and Standards for City Offered Incentives.
- Encourage Redevelopment of Functionally Obsolete and/or Contaminated Sites.
- Encourage the Development of a Diversity of Housing.





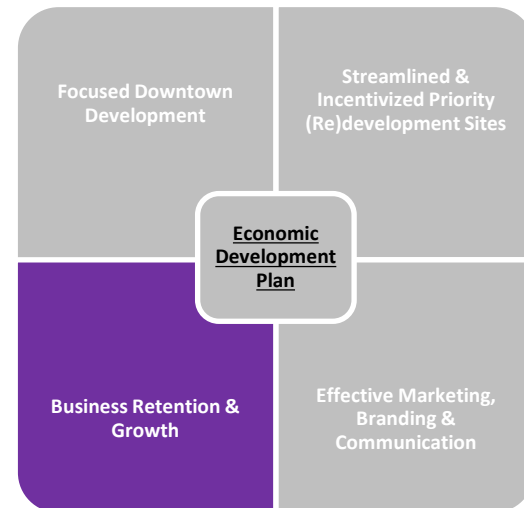
# Business Retention & Growth

With over 1500 business entities operating in Madison Heights at any given time, it is challenging to build relationships with all our local businesses and ensure that staff is identifying and assisting with challenges local businesses face to grow and succeed. The City currently supports local businesses by conducting site visits, offering predevelopment meetings and site walkthroughs for prospective businesses. Staff reports these activities to City Council quarterly.

The City also works with partners in business retention including the MEDC, Oakland County Economic Development, MHHPC, and Oakland Thrive. Each of these organizations has their own priorities, target industries and resources. To maximize effectiveness, staff should better organize retention visit efforts including increasing joint retention visits with partner organizations and to better coordinate outreach efforts to reduce overlap. Staff should also seek ways to leverage our relationships with local partners to encourage entrepreneurship and small business growth.

## Action Items

- Continue Reporting of Key Performance Indicators
- Organize Retention Efforts & Coordinate with Partner Organizations
- Encourage Entrepreneurship & Small Business Growth



# Effective Marketing & Communication

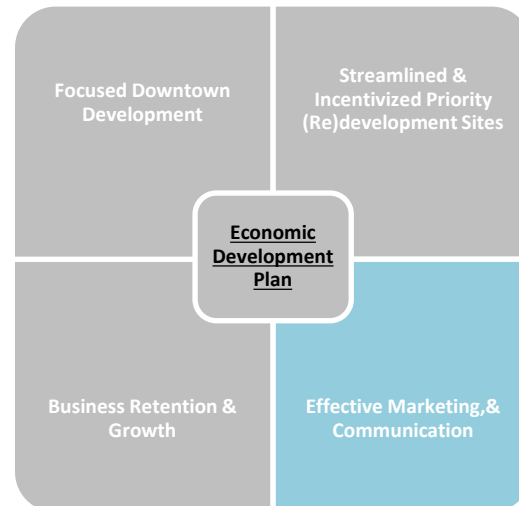
## Action Items

1. Develop a City-Wide Marketing & Branding Plan
2. Develop Marketing Materials for Priority Redevelopment Sites
3. Explore Memberships & Networking Opportunities

The City has begun to make changes to how it has approached its communication to residents, businesses and potential investors. The City has included a communications specialist role responsible for increasing awareness of local government activities and program including communicating accomplishments and updates on major developments underway throughout the City. The City has also begun a city-wide branding update intended to provide a consistent community image including taglines, simple logo(s), primary color palate, fonts, and collections of community photos.

With this new focus on communication efforts, it is paramount that the city develop a Marketing Plan. This plan will meet all certified level Redevelopment Ready Communities expectations and will detail our strategy for developing our key messaging and reaching our target audiences to communicate our successes and attract interest in new development in our community.

Staff will also explore opportunities to join trade organizations, international chambers of commerce, networking events and other organizations that support international and minority-owned businesses to encourage investment in our community.



# PLAN IMPLEMENTATION MATRIX



# Implementation- Focused Downtown Development

**ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION MATRIX**

Economic Development Plan Implementation Matrix									
Action Item	Lead Body	Time Frame	Potential Funding Source	Supporting Partners	Project Status				Notes
					Ongoing	Pending	Underway	Complete	
Focused Downtown Development									
Implement New Zoning, Parking & Design Standards	PC	Summer 2024 & Ongoing	MEDC				X		New Zoning Ordinance has been adopted and will be in effect May 30th 2024. New Zoning Districts including City Center & Mixed-Use Innovation District will be included in the DDA area. Property owner outreach, marketing & promotion efforts need to be made to communicate the benefits and new uses allow for with these changes.
11 Mile Streetscape Plan Completion and Public Engagement	DDA & CED	Spring 2023-Fall 2024	MSOC, MEDC	MSOC			X		11 Mile Streetscape Plan is anticipated to be anticipated completed in June 3, 2024. Public engagement events to gather and incorporate feedback will be conducted Summer-Fall 2024.
Pursue Funding for 11 Mile Streetscape Plan	DDA & CED	October 2024 & Summer 2025	MEDC, TAP & MSOC	MSOC					The DDA budget includes funds set aside to meet matching requirements of pedestrian infrastructure grants to support the 11 Mile Streetscape Plan implementation. The DDA has identified potential grant opportunities including the Transportation Alternatives Program grant.
11 Mile Streetscape Plan Implementation	DDA & CED	Summer 2026	DDA, MSOC & MEDC	MSOC, Oakland Thrive					Develop final plans and communication plan for affected businesses and begin construction.
Develop Downtown Business Inventory	DDA & CED	Ongoing/Quarterly		DDA, MHHP, GIS & MSOC					Create and maintain a business inventory for the DDA District. Track and report retention activity and program usage.
Promote Local Programs & Grants	DDA & CED	Annual/ Quarterly	DDA, MSOC & MEDC	MSOC, Oakland Thrive	X				Send out annual mailer of all local programs and grants included Façade & Sign Grants.

# Implementation- Incentivize Redevelopment Sites

## ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION MATRIX

ACTION ITEM	LEAD BODY	TIME FRAME	POTENTIAL FUNDING SOURCE	SUPPORTING PARTNERS	PROJECT STATUS				NOTES
					Ongoing	Pending	Underway	Complete	
Incentivize Quality Redevelopment									
Establish Guidelines & Standards for Incentives.	CED,CC	Spring 2025		MEDC, Oakland County		X			To ensure quality development, staff should develop a guideline document that has standards for all projects seeking financial incentives.
Encourage Redevelopment of Functionally Obsolete and/or Contaminated Sites	CED,CC	Ongoing	CC,MEDC &OCBRA		X				Incentivize redevelopment using local Brownfield TIF plans, and funds made available to Madison Heights through the Oakland County Brownfield Consortium.
Encourage the Development of a Diversity of Housing	CED,CC	Ongoing	MEDC, Oakland County	MEDC, Oakland County	X				Identify potential housing development sites suitable for housing alternatives including townhouses, row houses and condos such as MSHDA’s Housing Tax Increment Financing Program.
Redevelop 901-959 E 10 Mile & 10 Mile Corridor	CED,CC	1-2 Years	MEDC, OC, HP	MEDC, OC, HP		X			The City has taken ownership of the parcels of the former Electro-Plating Services site at 901-959 E 10 Mile Rd. This site was remediated by EGLE, and is now cleared to be redeveloped. Staff must develop a strategy and incentives to encourage quality redevelopment.

# Plan Implementation Matrix

## ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION MATRIX

ACTION ITEM	LEAD BODY	TIME FRAME	POTENTIAL FUNDING SOURCE	SUPPORTING PARTNERS	PROJECT STATUS				NOTES
					Ongoing	Pending	Underway	Complete	
Business Retention & Growth									
Continue Reporting of Key Performance Measures	CED	Quarterly/Ongoing		MEDC, OCED, Thrive, MHHP Chamber	X				City staff will continue reporting key performance indicators including site visits, walkthrough, pre-development meetings and other retention, expansion and attraction activities. Staff will review all current KPI's and make recommendations to consolidate, revise or add additional measures that are meaningful to stakeholders.
Organize Retention Efforts & Coordinate with Partner Organizations	CED	January 2025/Annual			X				Develop and annually update a business retention plan that coordinates with partner organizations to increase retention visits and avoids duplicating efforts. The plan should also identify industry specific resources and information that the City wants to communicate to target industries that operate in Madison Heights.
Small Business Growth: Adapt to New Business Uses	CED	Biannual/Ongoing		Planning Commission		X			At least biannually staff will make recommendations to Planning Commission for potential revisions to zoning districts or other zoning requirements to accommodate innovative uses and reduce costs and barriers to locating new businesses.
Small Business Growth: Bolster International and Minority Owned Businesses	CED	Ongoing		Oakland County Thrive, MHHP		X			Work with Oakland Thrive, and community based organizations to offer forms, permits, grant and program information in languages other than in English. Explore opportunities to collaborate with organizations that work with international and minority owned businesses.



# Plan Implementation Matrix

## ECONOMIC DEVELOPMENT PLAN IMPLEMENTATION MATRIX

ACTION ITEM	LEAD BODY	TIME FRAME	POTENTIAL FUNDING SOURCE	SUPPORTING PARTNERS	PROJECT STATUS				NOTES
					Ongoing	Pending	Underway	Complete	
Enhance Existing Housing in our Neighborhoods & Promote									
Complete Branding Guide	CED	Fall/Winter 2024	MEDC	Resident s, Steering Committ ee	X				City Staff has begun to develop a new branding elements including taglines, simple logo(s), primary color palate, fonts, and collections of community photos. A steering committee has used surveys to gather preferences from residents and City employees. Once complete, it will serve as starting point for tackling a complete City-Wide Marking Plan.
Develop City-Wide Marketing Plan	CED	Fall/Winter 2025	MEDC		X				The Economic Development Plan helps identify the priorities, projects and significant tasks to complete to support and grow economic opportunity in our community. A marketing plan will identify the specific strategies and tactics to communicate our successes and opportunities to target audiences. Staff will be complete a City-Wide Marketing Plan that meets all expectations of MEDCs Redevelopment Ready Communities (RRC) Certified-Level Best Practices.
Explore Memberships & Networking Opportunities	CED								explore opportunities to join trade organizations, international chambers of commerce, networking events and other organizations that support international and minority-owned businesses to encourage investment in our community