



CITY OF  
**St. Joseph**  
MICHIGAN

# ECONOMIC DEVELOPMENT STRATEGY 2024







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# Redevelopment Ready Communities®

This Economic Development Strategy is aligned with the Michigan Economic Development Corporation's (MEDC) Redevelopment Ready Communities® (RRC) program. The RRC program was created to assist municipalities to create transparent, predictable, and efficient processes into their development efforts by utilizing the program's six [best practices](#) (below.) This involves planning for new investment and reinvestment, identifying assets and opportunities, and focusing limited resources. RRC empowers communities to shape their future by assisting in the creation of a solid planning, zoning and development foundation to retain and attract businesses, investment and talent.

The City of St. Joseph sees RRC as being key to the City's efforts and has committed to becoming a Certified RRC Community by creating this transparent, predictable, and efficient environment within the City's regulatory authority.

## Redevelopment Ready Communities® Best Practices

1. Plans and Engagement
2. Zoning
3. Development Review
4. Boards & Commissions
5. Economic Development & Marketing
6. Redevelopment Ready Sites®



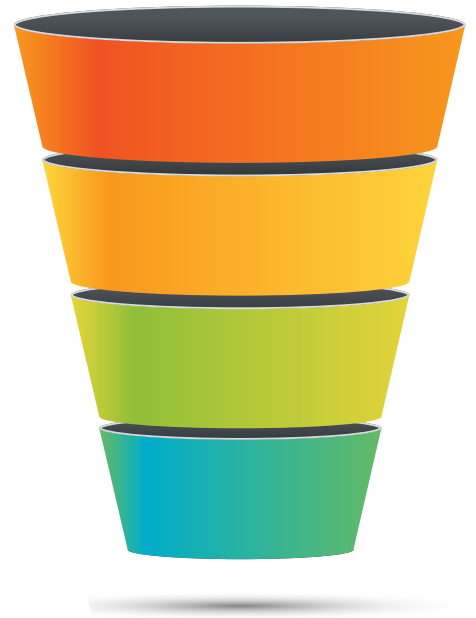
# HOW LOCAL ECONOMIES WORK

To understand the role of economic development, it is important to understand how local economies work. This section serves as a brief primer of local economy and wealth creation.

Every local economy acts like a funnel of water. But instead of water inside the funnel, it's money. The money moves around inside the funnel when goods or services are purchased from each other. When things are purchased outside the community, money leaves the funnel. Likewise, when money comes into the community from the outside, through selling goods and services somewhere else or by bringing in visitors to spend money locally, money comes into the funnel. If a community spends more than it brings in, the local economy shrinks. If it brings in more than it spends, then the local economy grows.

Money leaves the community most often through retail goods. Whether items are purchased online or in another community, money leaves the community. If the money is spent in a local business, a portion of the money still leaves (from the business having to buy the item it sold) but the local business retains a portion of the money. These local businesses often hire other local businesses and further circulates money in the community. In the end, with a locally owned business, the money that's left over (profit) stays within the community. For retail items bought elsewhere (online or another community) the profit goes somewhere else.

Money comes to a community in one of three primary ways: a good is made in a community and sold somewhere else, a service is provided by someone who lives within the community to someone outside the community, or money is brought to the community by people visiting and spending it locally for lodging, food, and entertainment.



*Money flows through communities like a funnel, circling in the community before it ultimately leaves.*

**The ultimate goal of a community is to bring in more money than what leaks out, thus growing its local economy.**



# ECONOMIC DEVELOPMENT SECTORS

Economic development has evolved over the last several decades to emerge as a more holistic discipline focused on creating prosperous local and state economies. Originally focused on the recruitment and retention of industry, primarily manufacturing, economic development has become a much broader effort recognizing the importance of additional factors, such as the roles played by talent, tourism, place, and entrepreneurship in the economic success of a community. These areas are defined below:

**Industry-** Best classified as “traditional economic development,” Industry focuses on manufacturing, mining, or other value-added industries where the end products or services are sold outside the immediate local economy.

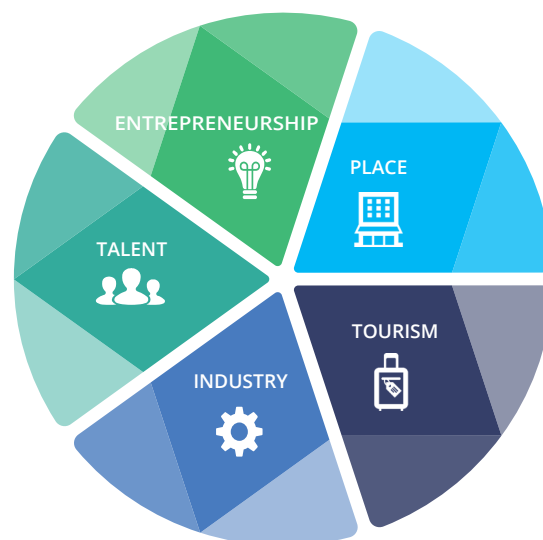
**Talent-** The available or needed people and skills enabling a community to be competitive in helping local businesses expand, attracting new business, or creating jobs themselves.

**Place** -This includes the physical areas that help define the character of a community. Downtowns, historic districts, neighborhoods and housing, and bike trails are all examples of Place. Place is a key factor in a community’s ability to attract and retain Talent.

**Entrepreneurship-** The development of entrepreneurs and small businesses is key to economic prosperity. In addition to their role as economic contributors, small businesses help retain money in the local economy. Nurturing these entrepreneurs can help grow them into larger businesses and contributors to the local economy.

**Tourism-** The attraction of visitors, and their related spending, from outside the local area. Tourism has several forms, from recreation and leisure to business-related to agri-tourism. For this strategy, it is defined as recreation and leisure-related visits and visitors.

This Economic Development Strategy for the City of St. Joseph touches these five areas. In addition, the City recognizes that economic development is a team sport and requires cooperation from multiple groups to reach its goals.



# TIES TO OTHER PLANS

In 2016, the City of St. Joseph underwent a Master Planning process. The resulting document outlined numerous goals in the areas of Transportation and Infrastructure, Community and Place, Economic Development, and Natural Areas and Resilience. This document will look to address the specific goals for Economic Development and several in the area of Community and Place.

In addition to the 2016 Master Plan, the City of St. Joseph also undertook a Downtown Vision Master Plan in 2020. This Economic Development Strategy also connects to many of the goals identified in this document as well. The goals this strategy ties to are listed below.

## MASTER PLAN

### Community and Place

Goal 2: Promote a vital multi-use traditional downtown district.

Goal 6: Maintain consistent, efficient, and transparent government processes.

Goal 8: Seek a balanced approach to tourism, recognizing its contribution to the local economy while minimizing impacts on residents' quality of life.

### Economic Development

Goal 1: Support workforce needs of local employers.

Goal 2: Attract and encourage new businesses and cultivate entrepreneurs.

Goal 3: Identify strategies to incentivize the development of diverse and desirable residential development within St. Joseph city limits.

Goal 4: Provide a transparent, supportive, welcoming environment for development or redevelopment of property when supported by the Master Plan and ordinances.

## DOWNTOWN VISION MASTER PLAN

Goal 1: Reinforce Downtown's distinct character and sense of place while accommodating desirable infill development.

Goal 2: Strengthen Downtown as a vibrant and active year-round mixed-use district.

Goal 4: Leverage proximity to Lake Michigan, the St. Joseph River, Silver Beach, and other nearby recreation and environmental assets.

Goal 5: Enhance the events, festivals, and outdoor community gathering opportunities in Downtown.

# KEY ISSUES

The purpose of an economic development strategy is to help focus a community on the actions that need to be taken to address key needs and build off of the community's strengths. Below are the key issues this strategy will address.



## LACK OF AVAILABLE HOUSING

The lack of available housing, of just about any type, is a huge barrier to this growing community. Employers need places for their current and prospective employees to live.



## CITY REPUTATION

The City of St. Joseph has a poor reputation as it pertains to businesses and developer friendliness. This came up numerous times in interviews and public meetings.



## LACK OF EXPERIENCE, COMMUNICATION, & RELATIONSHIPS

A lack of communication and clear development processes by the City, and a lack of trusting relationships between the City and developers has kept the city from reaching its full potential.



## MARKET OPPORTUNITY

There is significant opportunity for both retail and housing in St. Joseph. Lack of promotion of this opportunity likely contributes to an underdevelopment of the market.

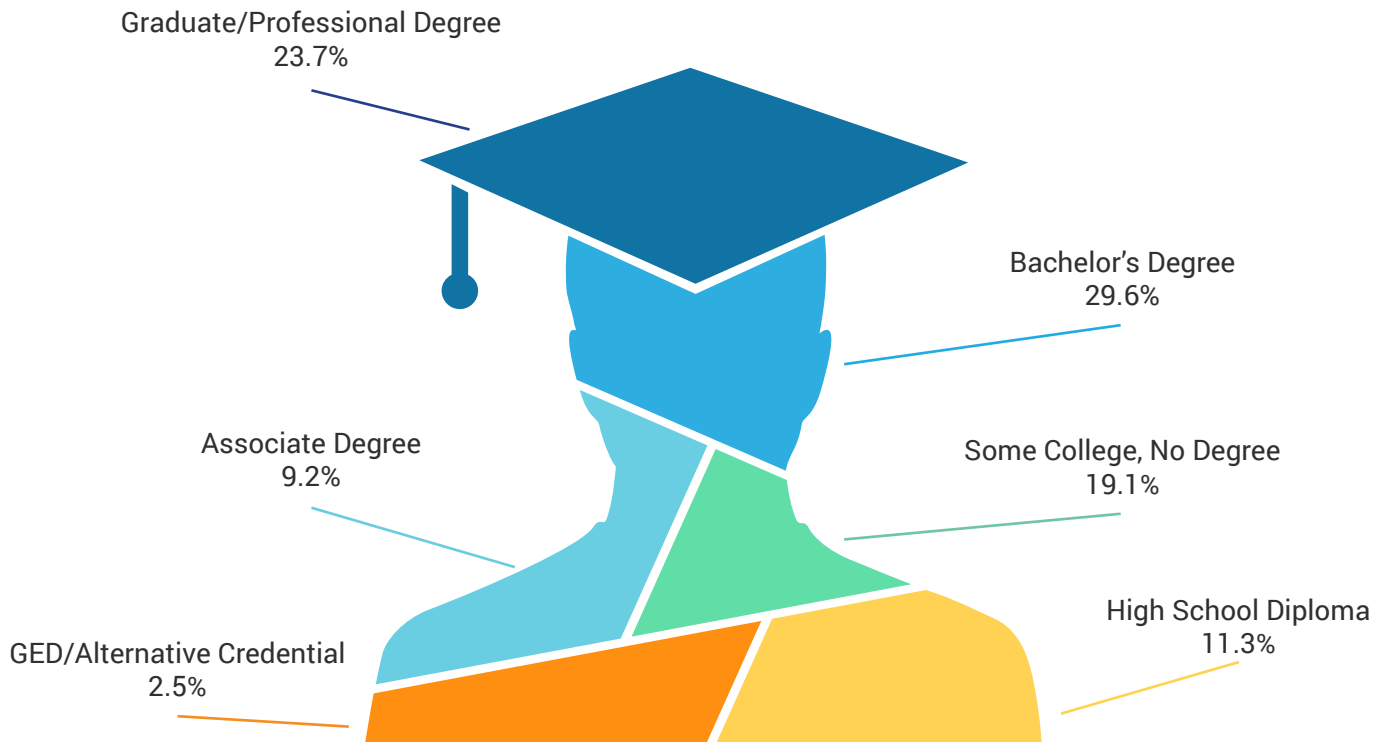


## EXISTING CONDITIONS

This section focuses on the key statistics prospective businesses are interested in to make a fair comparison of St. Joseph versus other areas. Primary statistical areas include population, educational attainment, household income, employment sectors, and retail leakage. A summary of the Key Takeways from this data can be found on page 21.

Statistics	St. Joseph	Berrien County	Michigan
Population - 2020 Census	7,856	154,316	10,077,331
Population - 2023 Estimated	7,878	153,212	10,098,040
Population - 2028 Projected	7,820	151,131	10,076,564
Average Household Income - 2023	\$76,666	\$59,645	\$65,287
Median Age - 2023	44.2	43.3	41.1
Average Home Value - 2023	\$253,721	\$225,809	\$222,633

## EDUCATIONAL ATTAINMENT



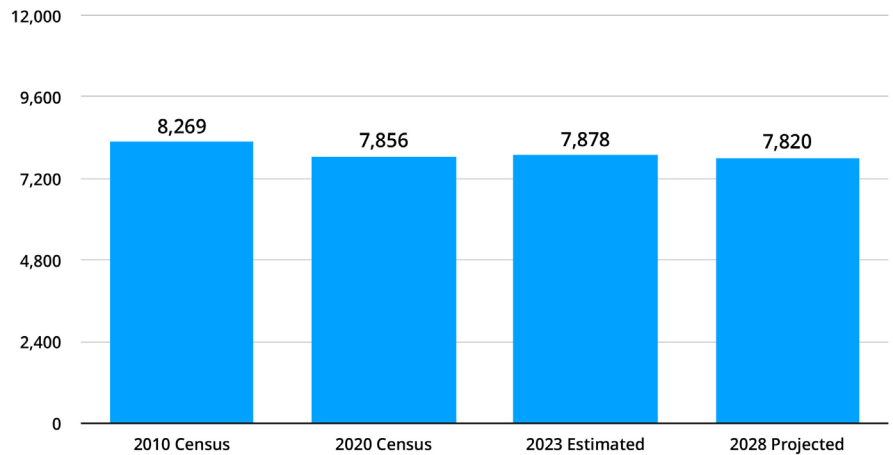
Source: U.S. Census Bureau, Census 2020 Summary File 1. Esri forecasts for 2023 and 2028

The demographic data for St. Joseph reveals a nuanced picture of the community's changing population and household dynamics. From 2010 to 2020, the population saw a decline, dropping from 8,269 to 7,856. Although there was a slight estimated increase to 7,878 by 2023, the projection for 2028 anticipates a decrease to 7,820, indicating a fluctuating yet overall downward trend over the 18-year period. In contrast, the number of households has been on the rise, from 3,907 in 2010 to a projected 4,204 by 2028. This increase occurs despite the population decline, suggesting a transformation in household composition towards smaller units. Additional housing options could help meet existing demand and potentially reverse the projected slight decline in population.

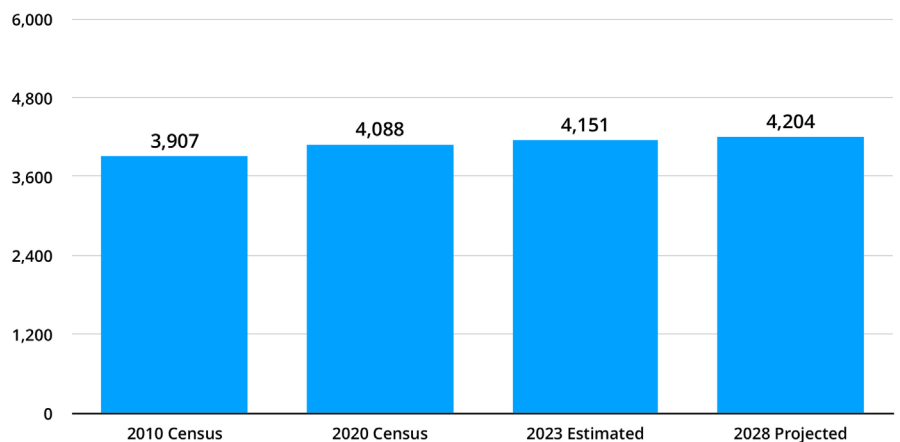
The average household size in St. Joseph has correspondingly decreased, moving from 1.96 individuals per household in 2010 to a projected 1.86 by 2028. The data implies that while fewer people are residing in St. Joseph, those who remain or are moving in are more likely to live in smaller household units. This could reflect broader social changes, such as an aging population, shifts in cultural norms around living arrangements, or economic factors influencing family size.

The implications of these demographic shifts are significant. With a growing number of households that have fewer individuals, there is likely a need for more small housing units, such as one-bedroom or studio apartments. Community services might also need to adapt, potentially requiring a greater focus on individual-oriented amenities.

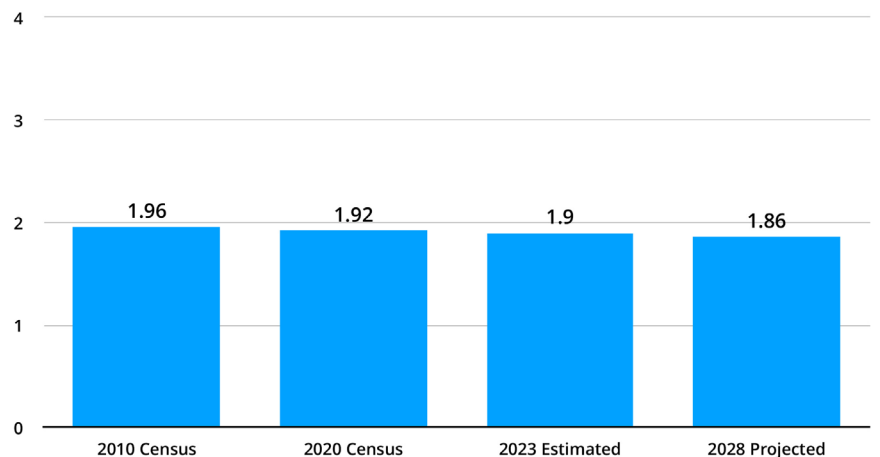
## POPULATION TREND



## HOUSEHOLD TREND



## HOUSEHOLD DENSITY



## EMPLOYMENT BY INDUSTRY + OCCUPATION

St. Joseph's economy, characterized by its diversity across manufacturing, healthcare, education, and professional services, is well-poised for resilience against sector-specific downturns and primed for further development. The city's mix offers a stable foundation and highlights growth opportunities in high-tech industries and support for burgeoning small businesses and startups, particularly those in emerging fields like green energy and digital services. Enhancing workforce development in high-demand areas such as technology and healthcare, coupled with fostering a vibrant startup ecosystem (including assistance in startup, operations support, and customer development) could leverage St. Joseph's strong professional and technical workforce, propelling economic growth and diversification. This solid economic base provides St. Joseph with a significant opportunity to strengthen existing sectors while branching out into new technological and professional service areas.

### 2023 estimated employment of St. Joseph residents by industry and occupation

Industry	Jobs	%
Agriculture/Forestry/Fishing	0	0.0%
Mining/Quarrying/Oil & Gas	0	0.0%
Construction	80	1.9%
Manufacturing	1,163	26.9%
Wholesale Trade	34	0.8%
Retail Trade	496	11.5%
Transportation/Warehousing	34	0.8%
Utilities	132	3.1%
Information	95	2.2%
Finance/Insurance	271	6.3%
Real Estate/Rental/Leasing	105	2.4%
Professional/Scientific/Tech	300	6.9%
Management of Companies	26	0.6%
Admin/Support/Waste Management	29	0.7%
Educational Services	352	8.2%
Health Care/Social Assistance	506	11.7%
Arts/Entertainment/Recreation	103	2.4%
Accommodation/Food Services	291	6.7%
Other Services (Excluding Public)	187	4.3%
Public Administration	115	2.7%
TOTAL	4,319	100%

Occupation	Jobs	%
Management	694	16.1%
Business/Financial	223	5.2%
Computer/Mathematical	364	8.4%
Architecture/Engineering	427	9.9%
Life/Physical/Social Sciences	18	0.4%
Community/Social Service	86	2.0%
Legal	45	1.0%
Education/Training/Library	237	5.5%
Arts/Design/Entertainment	172	4.0%
Healthcare Practitioner	312	7.2%
Sales and Sales Related	505	11.7%
Office/Administrative Support	279	6.5%
Farming/Fishing/Forestry	0	0.0%
Construction/Extraction	89	2.1%
Installation/Maintenance/Repair	62	1.4%
Production	229	5.3%
Transportation/Material Moving	109	2.5%
Healthcare Support	67	1.6%
Protective Service	14	0.3%
Food Preparation/Serving	221	5.1%
Building Maintenance	68	1.6%
Personal Care/Service	98	2.3%
TOTAL	4,319	100%



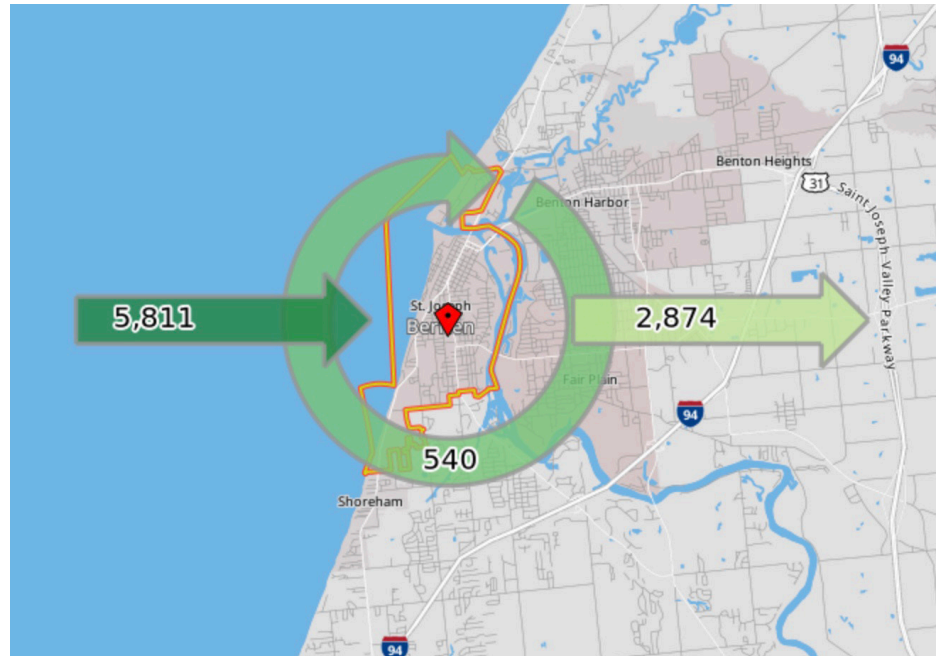
## WORKER INFLOW/OUTFLOW FOR ST. JOSEPH

The chart at right provides a clear visualization of the residential locations of workers in St. Joseph. The majority of these workers reside in St. Joseph itself, with 540 individuals choosing to live and work in the same city. This is indicative of a strong local economy where residents can find employment close to home.

Fair Plain is the second most common residential area for St. Joseph workers, with 322 residents living there, followed by Benton Harbor with 223 residents. This suggests that there is a significant interconnectivity within the local region, where workers choose to live in adjacent communities, possibly for reasons such as housing affordability.

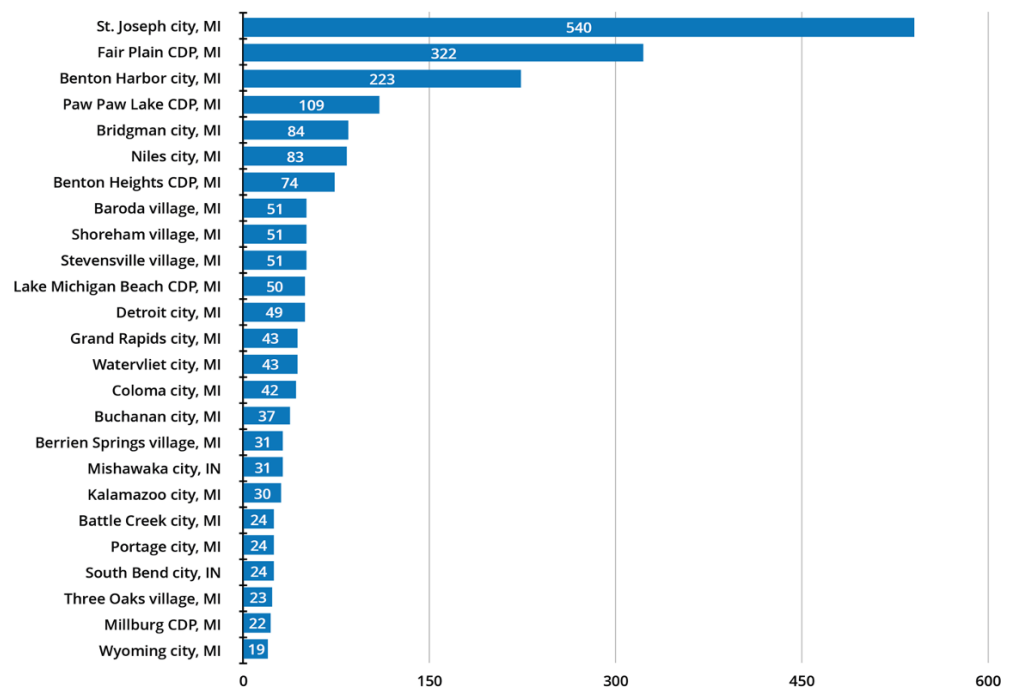
The chart also shows that a moderate number of workers commute from nearby cities such as Paw Paw, Bridgman, and Niles, which are relatively small but significant in number. Notably, there are workers living as far away as Detroit and Grand Rapids, though in smaller numbers, which might be indicative of the reach of St. Joseph's employment opportunities or the willingness of individuals to commute longer distances for work in St. Joseph.

Furthermore, the presence of workers from cities in Indiana, such as Mishawaka and South Bend, as well as from Chicago, suggests cross-state commuting patterns.



Source: US Census On the Map, 2021

### AREAS WITH THE HIGHEST CONCENTRATION OF EMPLOYEES IN ST. JOSEPH



## TAXABLE VALUE PER ACRE

Land is a community's greatest resource. How its land is developed has implications for decades, if not centuries. Assessing the economic productivity and land use efficiency of a city is crucial for strategic planning and development. By comparing taxable value per acre, urban planners and policymakers can gain a more nuanced understanding of how different parts of a city contribute to its overall economic health. This method offers a clearer picture of land use effectiveness, providing valuable insights that can guide zoning, infrastructure investment, and development priorities toward fostering sustainable growth.

Using a comparison of taxable value per acre is a more effective method to assess the value of different parts of a city than looking at overall taxable values because it provides a more accurate reflection of land use efficiency and economic productivity. This approach levels the playing field between various types of properties—such as dense urban developments and sprawling suburban lots—by focusing on the value generated per unit of land rather than the total value, which can be skewed by the size of the property. This type of analysis allows for decision makers to understand which areas of the city are contributing the most economic value relative to their size, enabling more informed decisions about zoning, infrastructure investment, and development priorities. Moreover, it highlights the economic impact of different development patterns, encouraging strategies that maximize land use efficiency and support sustainable urban growth.

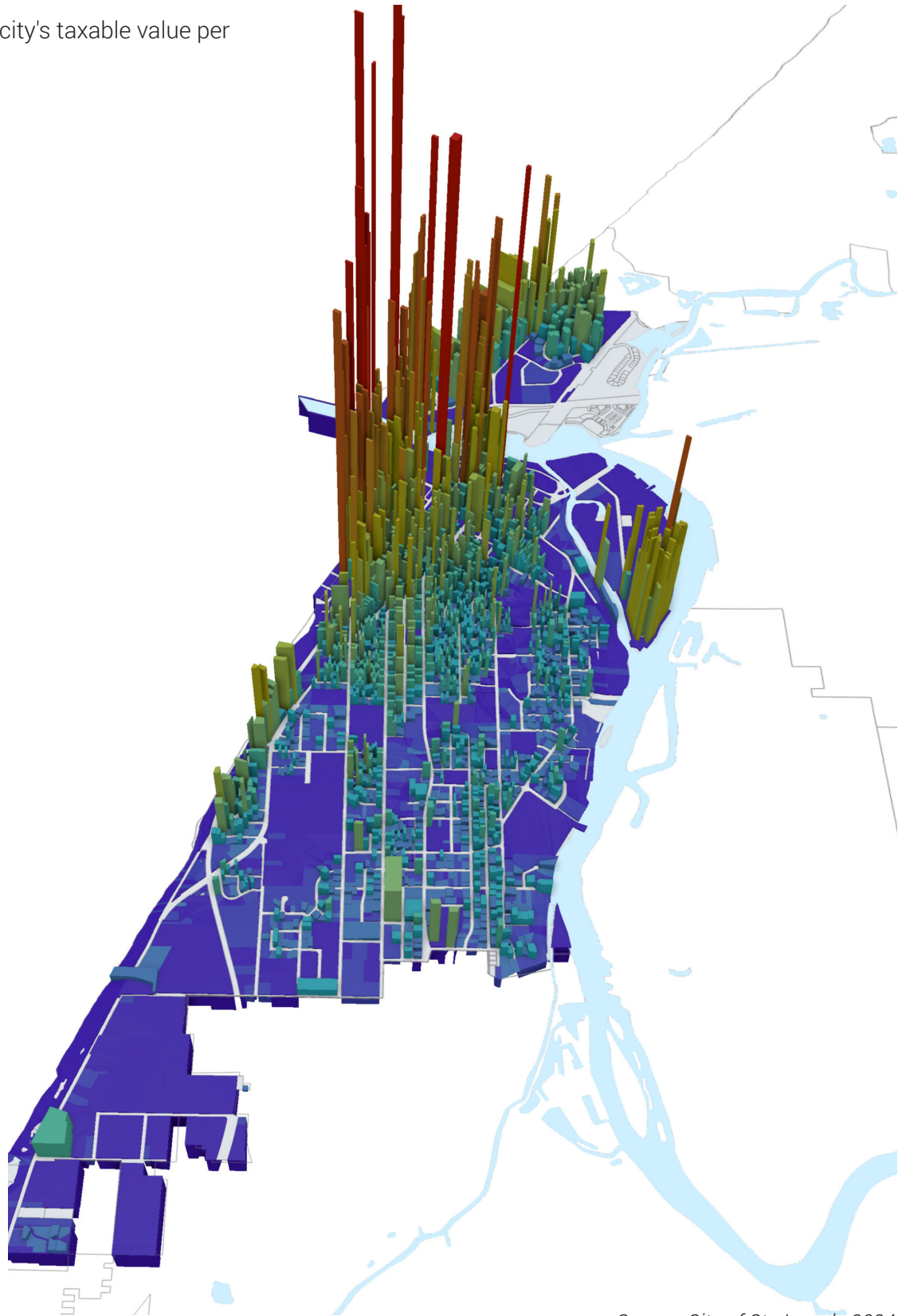
A thorough analysis was conducted of the taxable value of all the parcels in the City of St. Joseph. The results were then put into the City's mapping software and the graphic (right) was generated. This shows where the largest groupings of the highest tax producing properties are within the city. Based on this analysis and mapping, the downtown core of St. Joseph is far and away the most effective generator of tax base for the City, nearly tripling the taxable value per acre. While this is normal for communities, it underscores the importance a community should place on its downtown and supporting investment, both public and private, therein.

Area	Acres	Total Taxable Value	Taxable Value Per Acre
DDA Parcels	29.19432593	\$19,038,014.00	\$652,113.50
All Other Parcels	1,620.158979	\$360,034,252.00	\$222,221.56

Source: City of St. Joseph, 2024

## TAXABLE VALUE PER ACRE

A visualization of the city's taxable value per acre is below.



Source: City of St. Joseph, 2024



## PRIMARY TRADE AREA

Creating a strong and diverse downtown and surrounding commercial areas requires an understanding of the community's retail offerings and opportunities. To do this, a community must understand where its customers come from. A primary trade area is defined as the geographic region from which a business primarily draws its customers, and establishing this area is crucial for strategic planning, marketing, and expansion. Geofencing technology, which utilizes GPS or RFID to create virtual perimeters around a location, is a highly effective tool in this process. Through geofencing, businesses can detect when customers with mobile devices enter these perimeters, allowing them to collect valuable data on customer traffic patterns such as visit frequency and duration. This data is then analyzed alongside demographic and economic information to determine the highest concentrations of customers.

The resulting insights are mapped onto geographic areas, visually outlining the primary trade area where a significant portion of the customer base resides or travels from. Over time, businesses can refine these geofences based on evolving data trends, enabling more targeted marketing efforts and better alignment of business strategies with customer needs.

For this strategy, a geofence was established around downtown St. Joseph and visitor origins were tracked to the Census Block level. The result was the creation of a Primary Trade Area as mapped at right.



## RETAIL GAP ANALYSIS + PROJECTED RETAIL GROWTH

When an area's demand for retail goods and services does not match the supply, it creates what is called a Retail Gap. When there is more demand for a good or service than what exists in the area's supply, a gap (or leakage) is created. This leakage is money that leaves the area to spend in another area because the particular good or service is not available within the defined area. This leakage is the best potential source for the types of additional businesses the area may need. *The presence of a gap is not a guarantee of success for prospective businesses.*

Additionally, retail markets rarely stay the same over time. Some areas grow while others shrink. As a community seeks to help existing businesses expand and attract new, having an understanding of which areas are growing or shrinking is important to know.

The following are charts showing the current and projected market demand and highest leakage areas for the trade area defined on page 14.

The retail data for 2023 and projections for 2028 highlight some interesting trends in supply and demand. Currently, there's a noticeable gap between the demand for retail trade and food services and the available supply, suggesting that there are plenty of opportunities for new businesses to step in. For example, the combined demand for retail and food services far exceeds the current supply, and this gap is expected to grow even larger by 2028. This trend is consistent in both the general retail sector and the food and drink category specifically. Essentially, the market is signaling a strong potential for growth, and businesses looking to expand might find it worthwhile to consider these areas to meet the increasing demand. Specific targets are outlined in the following pages.

### CURRENT & PROJECTED RETAIL GAP FOR PRIMARY TRADE AREA

	2023 DEMAND (\$)	2023 SUPPLY (\$)	2023 GAP	2028 PROJECTED DEMAND (\$)	PROJECTED 2028 GAP
Total Retail Trade and Food + Drink	\$1,294,423,317	\$868,893,690	\$425,529,627	\$1,429,276,377	\$560,382,687
Total Retail Trade	\$1,157,642,128	\$758,428,268	\$399,213,859	\$1,277,806,533	\$519,378,265
Total Food + Drink	\$136,781,189	\$110,465,422	\$26,315,768	\$151,469,844	\$41,004,422

Source: ©Claritas, LLC 2023, Place + Main Advisors, LLC 2023

## PROJECTED RETAIL GAP + POTENTIAL TARGETS

Using data from the primary trade area of the Retail Gap Analysis and Projected Retail Growth analysis, the chart below outlines the potential gap that will exist if each category remains static and demand is realized as projected. From there, industry sales per square foot were used for each category to project the maximum amount of total square footage that the market could absorb.

CATEGORY	2023 DEMAND (\$)	2023 SUPPLY (\$)	2023 GAP	2028 DEMAND (\$)	PROJECTED GAP	PROJECTED MAX. SQ FOOTAGE
Furniture stores (NAICS 4421)	\$13,687,704	\$5,867,362	\$7,820,342	\$15,189,098	\$9,321,736	28,682
Home furnishings stores (NAICS 4422)	\$9,936,703	\$5,303,853	\$4,632,850	\$11,041,796	\$5,737,943	27,194
All other home furnishings stores (NAICS 442299)	\$4,854,264	\$988,810	\$3,865,454	\$5,346,650	\$4,357,840	13,409
Supermarkets and other grocery stores (NAICS 44511)	\$132,441,950	\$70,302,525	\$62,139,425	\$148,800,740	\$78,498,215	156,996
Beer, wine, and liquor stores (NAICS 4453)	\$12,539,641	\$11,537,008	\$1,002,633	\$14,147,449	\$2,610,441	2,373
Pharmacies and drug stores (NAICS 44611)	\$58,180,952	\$48,571,998	\$9,608,954	\$62,841,333	\$14,269,335	40,770
Cosmetics, beauty supplies, and perfume stores (NAICS 44612)	\$4,037,628	\$2,322,067	\$1,715,561	\$4,370,788	\$2,048,721	6,304
Optical goods stores (NAICS 44613)	\$2,124,189	\$1,243,779	\$880,410	\$2,365,704	\$1,121,925	2,805
Men's clothing stores (NAICS 44811)	\$1,372,145	\$-	\$1,372,145	\$1,276,386	\$1,276,386	4,255
Women's clothing stores (NAICS 44812)	\$6,226,577	\$1,019,073	\$5,207,504	\$5,860,684	\$4,841,611	16,139
Children's and infants' clothing stores (NAICS 44813)	\$1,769,860	\$315,234	\$1,454,626	\$1,803,416	\$1,488,182	4,961
Family clothing stores (NAICS 44814)	\$20,705,498	\$6,569,730	\$14,135,768	\$20,275,338	\$13,705,608	45,685

Source: ©Claritas, LLC 2023, Place + Main Advisors, LLC 2023

## PROJECTED RETAIL GAP + POTENTIAL TARGETS

CATEGORY	2023 DEMAND (\$)	2023 SUPPLY (\$)	2023 GAP	2028 DEMAND (\$)	PROJECTED GAP	PROJECTED MAX. SQ FOOTAGE
Clothing accessories stores (NAICS 44815)	\$1,713,984	\$265,471	\$1,448,513	\$1,604,504	\$1,339,033	4,463
Other clothing stores (NAICS 44819)	\$2,868,445	\$544,754	\$2,323,691	\$2,662,292	\$2,117,538	7,058
Shoe stores (NAICS 4482)	\$6,895,505	\$1,889,854	\$5,005,651	\$7,612,738	\$5,722,884	19,076
Sporting goods stores (NAICS 45111)	\$11,286,575	\$4,820,823	\$6,465,753	\$11,841,132	\$7,020,309	36,756
Hobby, toy, and game stores (NAICS 45112)	\$4,106,141	\$1,236,602	\$2,869,539	\$4,426,557	\$3,189,955	9,114
Pet and pet supplies stores (NAICS 45391)	\$4,745,234	\$2,209,351	\$2,535,883	\$5,455,094	\$3,245,743	10,470
Art dealers (NAICS 45392)	\$1,931,318	\$682,796	\$1,248,521	\$1,924,403	\$1,241,607	2,069
Drinking places (alcoholic beverages) (NAICS 7224)	\$5,117,038	\$2,998,180	\$2,118,858	\$5,594,430	\$2,596,250	7,418
Full-service restaurants (NAICS 722511)	\$61,066,458	\$44,609,872	\$16,456,586	\$67,585,648	\$22,975,776	37,665
Limited-service restaurants (NAICS 722513)	\$50,671,395	\$50,513,191	\$158,204	\$56,304,887	\$5,791,696	28,958
Snack and non-alcoholic beverage bars (NAICS 722515)	\$7,744,092	\$4,291,017	\$3,453,075	\$8,608,612	\$4,317,595	10,159

Source: ©Claritas, LLC 2023, Place + Main Advisors, LLC 2023

## MORE HOUSING, MORE BUSINESS OPPORTUNITY

Adding new housing to a community is a powerful catalyst for economic development, particularly through the avenue of new household spending, which directly influences the potential for new businesses. When new residences are built, they not only accommodate more people but also stimulate local economies by creating demand for goods and services. This demand arises because new residents need various amenities, ranging from grocery stores and healthcare services to entertainment and educational facilities. Each new household represents a unit of consumption, spending on food, clothing, utilities, leisure, and more. This spending flows into the local economy, boosting revenue for existing businesses and unveiling opportunities for entrepreneurs to establish new ventures that cater to the evolving market needs. Moreover, the construction of new housing itself generates employment opportunities and spurs economic activity through the real estate, construction, and home furnishings sectors, among others. The influx of new residents can diversify the community's demographic profile, leading to a richer cultural tapestry and potentially attracting a broader range of businesses. Additionally, a growing population supported by adequate housing can enhance the tax base, providing local governments with more resources to invest in infrastructure, education, and public services, further enhancing the area's attractiveness to businesses and residents alike. Thus, the addition of new housing is a key strategy in stimulating economic growth, fostering a vibrant community where businesses can thrive and residents can enjoy a high quality of life.

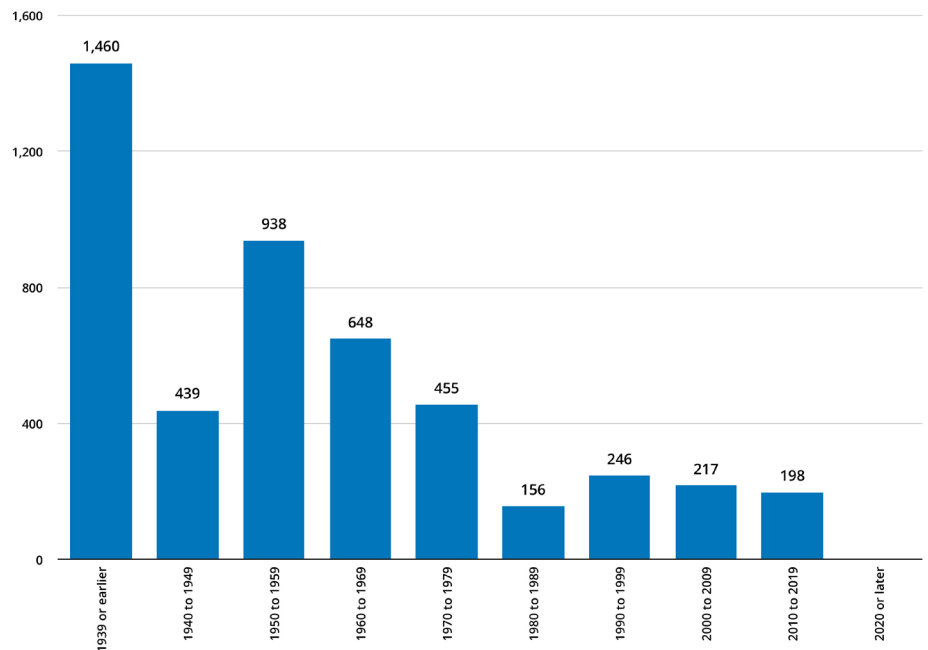
	<b>2028 HOUSEHOLD DEMAND</b>	<b>25 NEW UNITS</b>	<b>50 NEW UNITS</b>	<b>100 NEW UNITS</b>	<b>200 NEW UNITS</b>
Total Food + Drink	\$5,827	\$145,672	\$291,344	\$582,688	\$1,165,377
Total Retail Trade	\$49,156	\$1,228,896	\$2,457,793	\$4,915,586	\$9,831,172
<b>Total Retail Trade and Food + Drink</b>	<b>\$54,983</b>	<b>\$1,374,569</b>	<b>\$2,749,137</b>	<b>\$5,498,274</b>	<b>\$10,996,548</b>



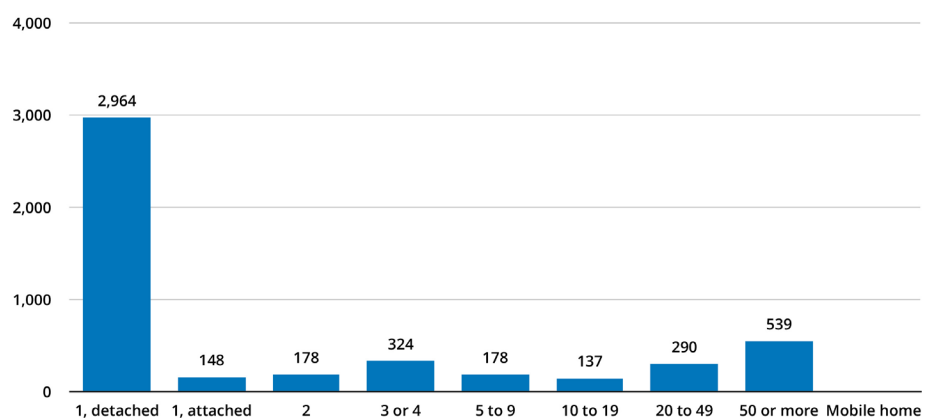
## HOUSING

In St. Joseph, the housing stock presents a blend of historical and mid-century homes with a noticeable trend toward older construction. A substantial portion, comprising 1,460 units, date back to 1939 or before, indicating a community with a rich architectural heritage and possibly historic districts. Post-World War II growth is evident, with the median construction year at 1955, aligning with national patterns of residential development during that era. However, there's a discernible tapering off in the construction of new homes post-1960, with a stark drop in the 1980s and minimal growth in the last decade, which could reflect demographic shifts or economic changes impacting new developments.

### AGE OF HOUSING STOCK



### HOUSING TYPOLOGY



Detached single-family homes dominate the landscape in St. Joseph, accounting for 2,964 units and signifying a preference for suburban-style living with lower housing density. Despite this, the housing mix includes a moderate number of larger apartment complexes, as indicated by the 539 units in buildings with 50 or more residences, pointing to an element of urban living within the community. Conversely, duplexes and small to medium-sized

apartment buildings represent a smaller fraction of the housing options, suggesting these are less common choices or perhaps underdeveloped markets in the area.

St. Joseph's housing stock is characteristic of an established community with a considerable number of historic homes, a strong leaning towards single-family residences, and a variety of other housing types that reflect both a suburban and an urban vibe. The marked decrease in newer construction may point to future opportunities for housing policy and economic development to ensure the community's growth and the well-being of its residents.

## ST. JOSEPH RENTERSHIP VS OWNERSHIP RATES

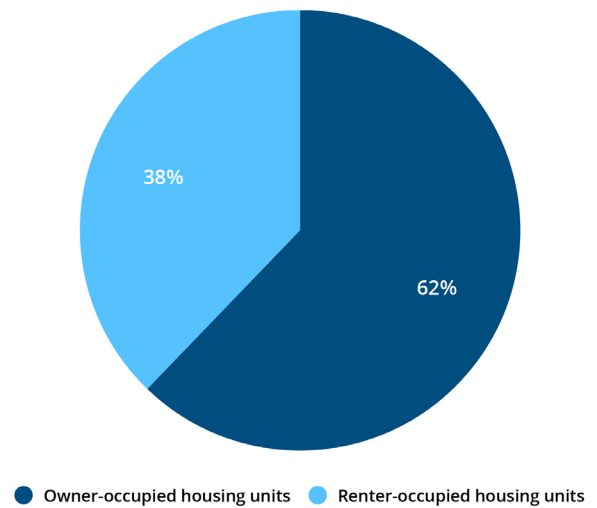
St. Joseph homeownership rates dominate at 62% and rentership at 38%. This indicates a more stable residential base and a stronger inclination towards home ownership, potentially pointing to a variety of factors such as higher median incomes, and perhaps more accessible mortgage financing or a more favorable real estate market that encourages buying over renting.

## 1-, 2-, AND 3-BEDROOM RENT RATES

Over the course of 2023, St. Joseph's rental scene revealed distinct patterns. Initially, one-bedroom rents decreased from \$1,175 to \$1,100, then spiked at \$1,950 in May 2023, before moderating to \$1,225. This suggests a seasonal trend or a market self-correction. Two-bedroom units fell from \$2,300 to \$1,382, with minor changes thereafter, settling at \$1,500—indicating potential oversupply or reduced demand. Conversely, three-bedroom units rose from \$1,800 to a notable \$2,500 high in November, before evening out at \$1,925, likely reflecting temporary demand surges around holidays or family events.

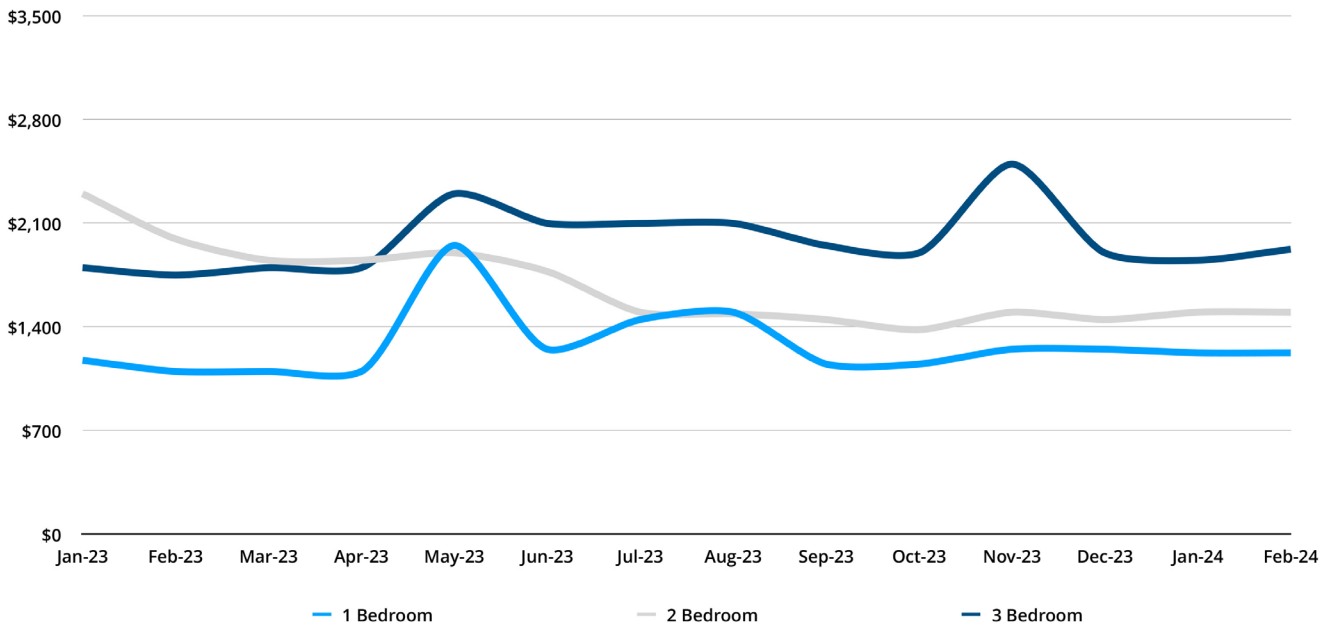
St. Joseph's rental market thus exhibited notable variability, especially for three-bedrooms, while smaller units maintained steadier rates. These fluctuations point to differing demand across unit types, possibly driven by seasonal patterns or economic shifts. Prospective renters should note these trends' implications for optimal leasing times and unit selection flexibility.

## ST. JOSEPH RENTERSHIP VS. OWNERSHIP



Source: U.S. Census Bureau, 2017-2021 American Community Survey

## ST. JOSEPH MEDIAN RENT RATES

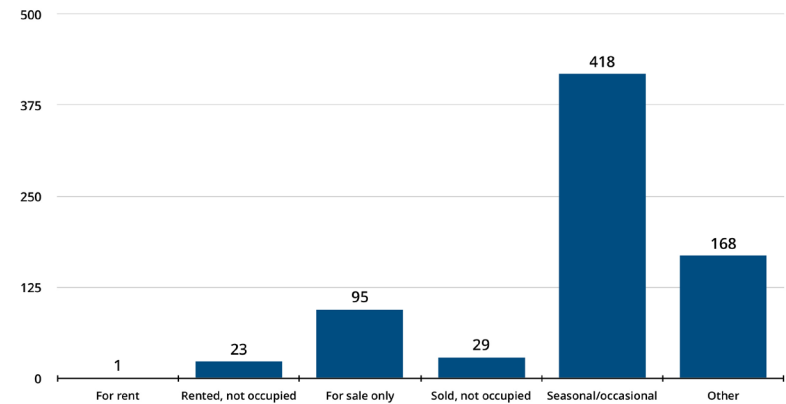


Source: Zillow, 2024

### VACANT HOUSING UNITS IN ST. JOSEPH

In examining the vacancy rates in St. Joseph, it becomes clear that the city presents a different dynamic compared to its neighbors. Despite having a similar total number of housing units, St. Joseph demonstrates lower vacancy rates in most categories, with an interesting exception for homes used seasonally or on an occasional basis. This exception indicates a vibrant housing market that not only caters to permanent residents but also attracts temporary occupants, likely due to seasonal employment opportunities or the city's charm as a vacation spot. The lower overall vacancy rates in St. Joseph suggest a healthier housing market with fewer challenges related to demand for rental properties or issues of blight and condemned structures, compared to areas with higher vacancy rates. This aspect of St. Joseph's housing market points to a stable environment conducive to both living and investment, emphasizing the need for policies that manage seasonal housing demands effectively while ensuring the market remains attractive for long-term residents and investors.

### ST. JOSEPH HOUSING VACANCIES

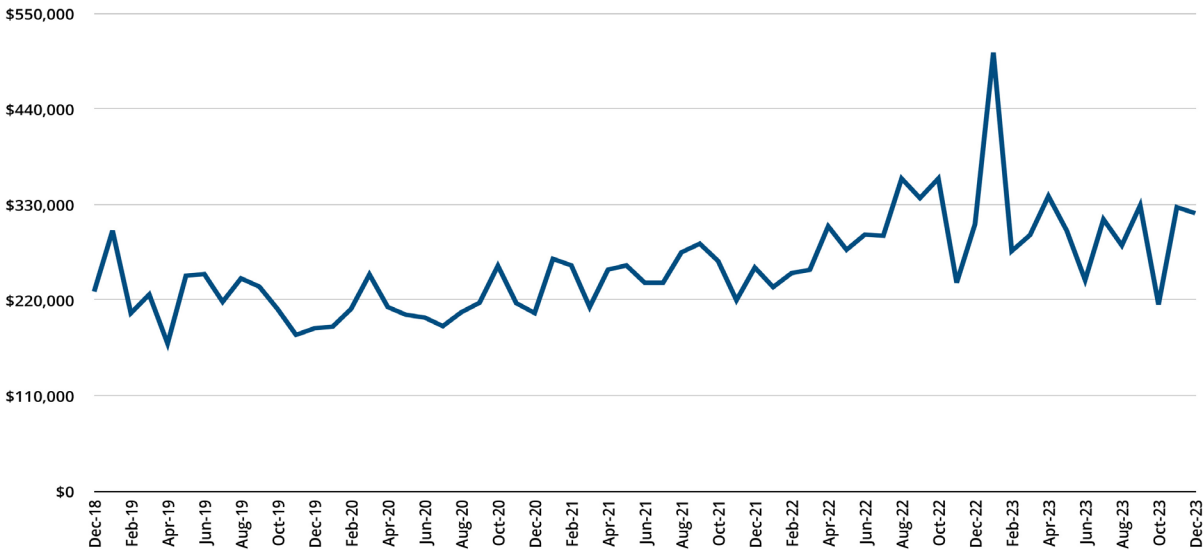


Source: U.S. Census Bureau, 2017-2021 American Community Survey

### MEDIAN HOME SALES IN ST. JOSEPH

St. Joseph's housing market showcases a consistent and robust growth pattern over a five-year period from December 2018 to December 2023. The market's stability and upward trend are evident, with median housing prices starting at \$230,000 in December 2018 and rising significantly to \$320,000 by December 2023. This steady increase in median prices reflects a healthy demand and possibly the influence of higher-end developments enhancing the city's appeal. Unlike markets with high volatility, St. Joseph's real estate trends indicate a strong, steadily growing market that likely attracts buyers interested in homeownership and long-term investment. The city's higher ownership rates, coupled with this stable price ascent, suggest a market that offers residential stability and attracts a demographic with a preference or capacity for homeownership.

### ST. JOSEPH AVERAGE HOME SALES BY MONTH



# KEY TAKEAWAYS

## What the Data Tells Us

**Population Decline with Increased Households-** St. Joseph experienced a population decrease from 8,269 in 2010 to an estimated 7,820 by 2028, alongside an increase in households, indicating a shift towards smaller household units and an increase in vacation homes.

**Smaller Average Household Size-** The average household size is projected to decrease from 1.96 in 2010 to 1.86 by 2028, reflecting changing living arrangements, possibly due to an aging population or shifts in family dynamics.

**Demand for Smaller Housing Units-** The trend towards smaller households suggests a growing need for smaller housing options, like one-bedroom or studio apartments, smaller single family homes, and accessory dwelling units, to accommodate the changing demographic.

**Economic Diversity and Resilience-** St. Joseph's diverse economy, spanning manufacturing, healthcare, education, and professional services, positions the city for economic resilience and growth, especially in high-tech and green energy sectors.

**Strong Local Employment-** A significant number of St. Joseph's workforce lives and works within the city, indicating a robust local economy. The city also attracts commuters from nearby and distant cities, highlighting its employment appeal.

**Taxable Value Efficiency-** Analysis of taxable value per acre shows downtown St. Joseph as a high economic value generator, emphasizing the efficiency of urban development and the potential for informed zoning and investment decisions.

**Historic and Mid-Century Housing Stock-** The city has a considerable number of historic homes, with a high dependence on detached single-family houses. The decrease in new construction post-1960 suggests potential for revitalization and new development strategies.

**Higher Homeownership Rates-** With a 62% homeownership rate, St. Joseph exhibits a stable residential base, indicating factors like higher median incomes or favorable real estate markets that support buying over renting. This results in a lack of rentals for newer residents who may be looking to rent before buying.

**Rental Market Variability-** The rental market shows variability, particularly for three-bedroom units, indicating demand surges and seasonal trends. This variability shows a much stronger demand and pricing during warmer months, reflecting the community's desirability as a tourist destination.

**Low Vacancy Rates with Seasonal Use Exceptions-** St. Joseph has low overall vacancy rates, with exceptions for seasonally used homes, pointing to a market that could sustain more development in order to recruit and retain more full-time residents through a mix of rental and ownership housing opportunities.

# PUBLIC ENGAGEMENT

A community-wide Economic Development Summit was held to gain insight from the community on what residents, business owners, and other stakeholders feel are the downtown's biggest strengths, weaknesses, opportunities, and threats (SWOT.) Attendees provided more than fifty points of conversation and were asked to rank their top three choices in each of the four categories. These highest ranking responses (with total points in parentheses) for the SWOT are below. In addition to this meeting, a series of focus groups were also held. Many of the comments shared in those meetings reflect the results of the community meeting.



## S

### Strengths

**What INTERNAL strengths does the City have that are within the City's control?**

Lake/Beach (46)  
Quality of Life (33)  
Pretty Downtown (13)  
Year Round Mix of Businesses (13)

## W

### Weaknesses

**What INTERNAL aspects of the City are holding it back from success?**

No Population Growth (29)  
Cumbersome Regulation with City (19)  
Resistance to Change (18)  
Vacant/Not Maintained Storefronts (18)  
Housing Availability/Affordability (14)  
Support for Small Businesses (12)

## O

### Opportunities

**What EXTERNAL factors offer potential for the City to thrive?**

More Housing (38)  
Change Perceptions (31)  
Better Hotels Downtown (24)  
Tourism/Visitors (21)  
More Transportation Options (20)

## T

### Threats

**What EXTERNAL factors put the City's success at risk?**

Competition for Tourists (38)  
Labor Shortage (30)  
Whirlpool Leaving (26)  
Lack of Adaptability (21)



# Economic Development Recommendations





# ACTIONS TO ADDRESS CHALLENGES

## Establish Tax Increment Finance Mechanism for Downtown

Tax Increment Financing (TIF) is the primary method by which most downtowns have generated revenue to support activities in downtowns and commercial corridors. First established in the Downtown Development Authorities (DDA) Act of 1975, and later expanded by the Corridor Improvement Authority (CIA) Act of 2005, tax increment financing provides a mechanism for local municipalities to improve the economic conditions in downtowns and along specific commercial corridors through the capture of growth in assessed taxable value in the district (DDA) or along the corridor (CIA). DDAs and CIAs have the power to develop and adopt a development plan tailored to its district or corridor, which may include improvements to public infrastructure such as streetscapes and lighting, facade improvements for existing buildings, new construction, maintenance, and operations. The development plan is accompanied by a TIF Plan that details the millages to be captured, the duration, and contains revenue projections for the life of the plans. This tool was employed briefly in downtown St. Joseph in the early 1980s, but has been left unleveraged for decades, leaving a significant revenue stream for downtown improvements untapped.

A TIF and Development Plan could be established by the existing DDA, or as part of a new Corridor Improvement Authority in downtown. The two options would come with slightly differing powers and approval processes. The two paths should be further vetted. Due to the nature of this tool, as improvements to the area (and resulting increase in tax base) help to fund future projects, this recommendation should be among the first undertaken.

**PRIORITY: HIGHEST**

## Develop Subarea Plan and Funding Model For Niles Road Corridor

The Niles Road Corridor is a significant contributor to the economy of the City, and holds great potential to be further developed into a vibrant, mixed-used corridor. It is recommended that a subarea plan be developed for the corridor, detailing a vision for its future development.

This plan would include a vision for the street, streetscape and related amenities, pedestrian and bicycle infrastructure, and public spaces. Additionally, a vision for future development and land use, including any necessary changes to zoning to support the desired development should be detailed.

Like downtowns, great corridors require proactive planning, funding, and ongoing place management. Stakeholders should be engaged to explore funding mechanisms such as a Corridor Improvement Authority with a TIF and Development Plan, or a Business Improvement District. The most developed part of this corridor, stretching roughly from Napier to Hilltop, extends into both the City of St. Joseph, and St. Joseph Charter Township. It is recommended that the two municipalities explore the best means to collaborate on the corridor's planning, development, funding, and management. This could include a multi-jurisdictional CIA.

**PRIORITY: HIGHEST**

### What is Tax Increment Financing (TIF)?

**Tax Increment Financing (TIF) is a public financing method used to stimulate economic development and redevelopment in a specific area. It works by capturing the future tax revenue increases that result from the rise in property values due to improvements and investments within the designated TIF district.**

**These "increments" are then reinvested into the district to fund infrastructure projects, environmental remediation, and other development activities, thereby promoting growth and revitalization without raising taxes.**

# ACTIONS TO ADDRESS CHALLENGES

## Brownfield Redevelopment Authority

The City should reactivate its dormant Brownfield Redevelopment Authority (BRA) and establish a local Brownfield Revolving Fund (BRF). Reactivating the BRA will enable St. Joseph to focus on identifying, assessing, and redeveloping underutilized or contaminated sites, transforming them into productive properties that contribute to economic growth. Establishing a BRF will provide a sustainable source of funding for ongoing brownfield projects, covering crucial pre-development costs such as site assessment, environmental remediation, and infrastructure improvements. This fund can also leverage additional financing from federal, state, and private sources, amplifying the impact of redevelopment efforts.

By revitalizing brownfield sites, St. Joseph can attract new businesses, create jobs, and increase property values, thereby broadening the city's tax base and improving the quality of life for residents. Engaging local stakeholders in the planning process will ensure that redevelopment projects align with community needs and aspirations. This strategic move will position St. Joseph for sustainable urban redevelopment, driving economic growth and enhancing community well-being.

**PRIORITY: HIGHEST**

## HOUSING

According to a 2024 Housing Market Analysis conducted by Cornerstone Alliance, the Benton Harbor-St. Joseph areas has demand for more than 1,400 new housing units. In order to potentially reverse the city's declining population, additional housing units (targeted at full-time residents) are needed. The following recommendations target this effort.

### 900 New Units Over Next Five Years

To address the pressing need for affordable living spaces and support a growing population, this recommendation for the City of St. Joseph involves the construction of 900 new housing units within the next five years based on the study mentioned above. These units will comprise a mix of market-rate housing, which is priced according to current housing market conditions, and "attainable" housing, aimed at providing more affordable options for low-to-moderate-income individuals and families. This strategy seeks to balance the housing market, prevent excessive price inflation, and ensure that a wider range of residents can find suitable housing options within the community.

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**PRIORITY: HIGH**

### Allow and Encourage Accessory Dwelling Units (ADUs)

Allowing Accessory Dwelling Units (ADUs) involves modifying zoning regulations to permit homeowners to construct additional living spaces on their properties. These can include basement apartments, over-garage units, or separate backyard cottages. ADUs provide a flexible housing option that can help address housing shortages, offer affordable rental options, and allow homeowners to generate supplemental income. This approach can also promote more efficient use of residential land and support multi-generational living arrangements.

**PRIORITY: HIGH**



*In 2024, Cornerstone Alliance conducted a Housing Market Analysis showing demand for 900 new housing units in the city of St. Joseph*

# ACTIONS TO ADDRESS CHALLENGES

## Consider Eliminating Commercial Office Zoning – Convert to Downtown Zoning

The City currently has an unusual zoning designation in its code, "Commercial Office," which limits multi-family to two-thirds of the occupancy of a building. This is an arbitrary number that limits the ability of existing buildings and new development in this zone to reach its full economic potential. Considering the elimination of commercial office zoning to convert these areas into downtown zoning can transform underutilized or declining office districts into vibrant, mixed-use downtown areas. This strategy encourages a diverse mix of uses, including residential, retail, entertainment, and cultural amenities, fostering a dynamic urban core that attracts residents, businesses, and visitors. It can help promote additional housing downtown and boost economic activity.

**PRIORITY: HIGH**

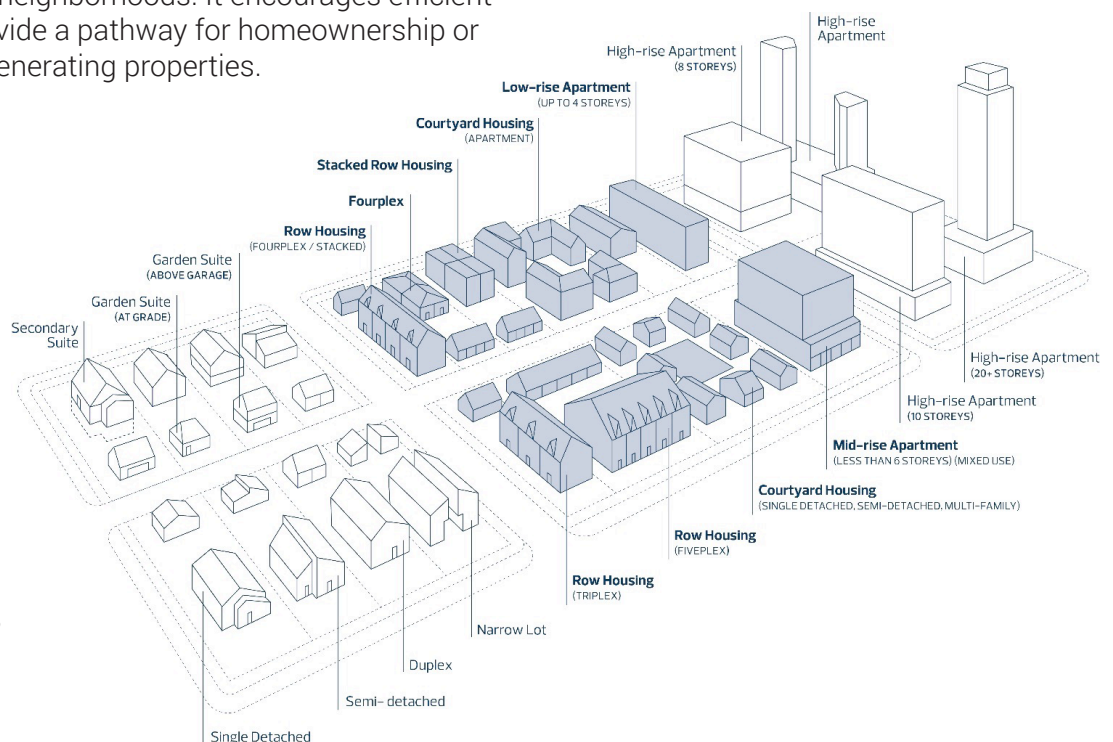


*Missing Middle examples include duplexes (top) and row houses (bottom.)*

## Expand Two-Family Zoning (Missing Middle)

The City has a special zoning designation named "Two-Family." This zoning allows specifically for duplexes. Expanding two-family zoning involves adjusting local zoning laws to allow for the construction and conversion of buildings that can accommodate two or more separate dwelling units (also known as "Missing Middle Housing.") This approach increases the housing stock, offers more affordable living options, and supports density without significantly altering the character of residential neighborhoods. It encourages efficient use of land and can provide a pathway for homeownership or investment in income-generating properties.

**PRIORITY: HIGH**



*Examples of Missing Middle housing (right)*

# ACTIONS TO ADDRESS CHALLENGES

## ORGANIZATION

There are several areas where the City's administration could assist in spurring further economic development. These range from documenting processes to adding capacity to specific tactics. These all create a more friendly environment for potential businesses and developers while safeguarding resident interests.

### Create Development Guide for Prospective Developers

Creating a Development Guide for prospective developers involves compiling a comprehensive resource that outlines the regulatory, procedural, and strategic landscape for development projects within the community. This guide would include information on zoning regulations, permitting processes, financial incentives, and community development goals. It aims to streamline the development process, encourage investment, and ensure that new projects align with the community's vision and needs. By providing clear, accessible information, the guide can facilitate more efficient and effective development initiatives.

**PRIORITY: HIGH**

### Add Staffing – Downtown / Corridor Director

To effectively foster growth and ensure the sustainable development of the downtown and key corridors, it is crucial the City adds capacity through a dedicated staffing position, namely a Downtown / Corridor Director. This role will focus on coordinating redevelopment initiatives, enhancing public-private partnerships, and serving as a primary point of contact for investors and stakeholders. The Director will be responsible for overseeing planning and implementation of revitalization projects, ensuring they align with the City's goals. This position will not only facilitate more coherent and strategic development but also enhance the ability to attract funding and resources necessary for transformative projects. Adding this role is a strategic investment in the community's future prosperity and livability and would likely be funded through a combination of tax increment financing (previous recommendation) and general fund allocation.

**PRIORITY: HIGH**

### Review Bylaws of City's Appointed Boards and Commissions

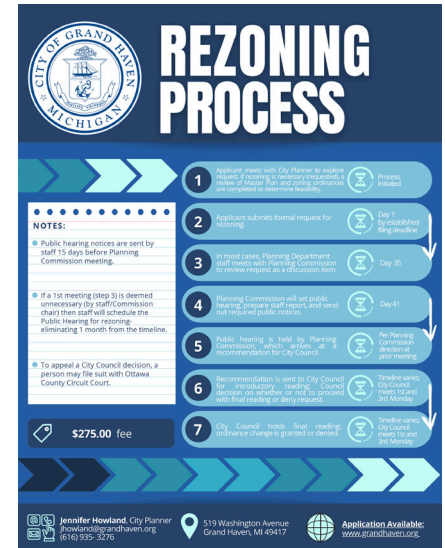
The City has several boards and commissions, including the DDA and Planning Commission, that make decisions that impact development and land use. The bylaws for these entities should be reviewed and updated to reflect changing ethics and best practices put in place by leading communities in the state.

**PRIORITY: HIGH**

### Implement Parking Study Recommendations

The City is currently in the midst of an extensive parking study. Recommendations from this study will have far reaching impacts on the redevelopment of downtown and other properties in the community. The recommendations of this study should be implemented within the time and resource constraints identified in the study.

**PRIORITY: MEDIUM**





# ACTIONS TO ADDRESS CHALLENGES

## **Update Master Plan**

The City's Master Plan has not been updated since 2016. Under Michigan law, a City's Master Plan should be updated every five years. This Master Plan should be consistent with recommendations put forth the Downtown Vision Master Plan.

**PRIORITY: MEDIUM**

## **Create a Retail Recruitment Strategy**

This strategy should focus on identifying and attracting retail businesses that complement the existing market mix and fulfill community needs. Key elements would include market analysis to identify retail gaps, targeted outreach to potential businesses, and the creation of attractive incentive packages. Additionally, fostering relationships with developers, property owners, and retail chains is crucial. This recommendation could be executed by a full-time Downtown / Corridor Director and/or an active board or subcommittee of volunteers.

**PRIORITY: MEDIUM**

## **Promote Redevelopment Opportunity Sites**

This strategy involves identifying underutilized or vacant properties within the community that hold potential for redevelopment and actively marketing them to potential investors and developers. By focusing on these sites, the community can attract businesses and residential developments that will bring new life and economic activity to the area. The promotion should include streamlined permitting processes, identification of potential incentives, and support services to encourage investment. This approach not only maximizes the use of available land but also aligns with broader planning goals to enhance livability and economic diversity in the community. More recommendations on this topic are covered in the City's Community Marketing Strategy.

**PRIORITY: MEDIUM**

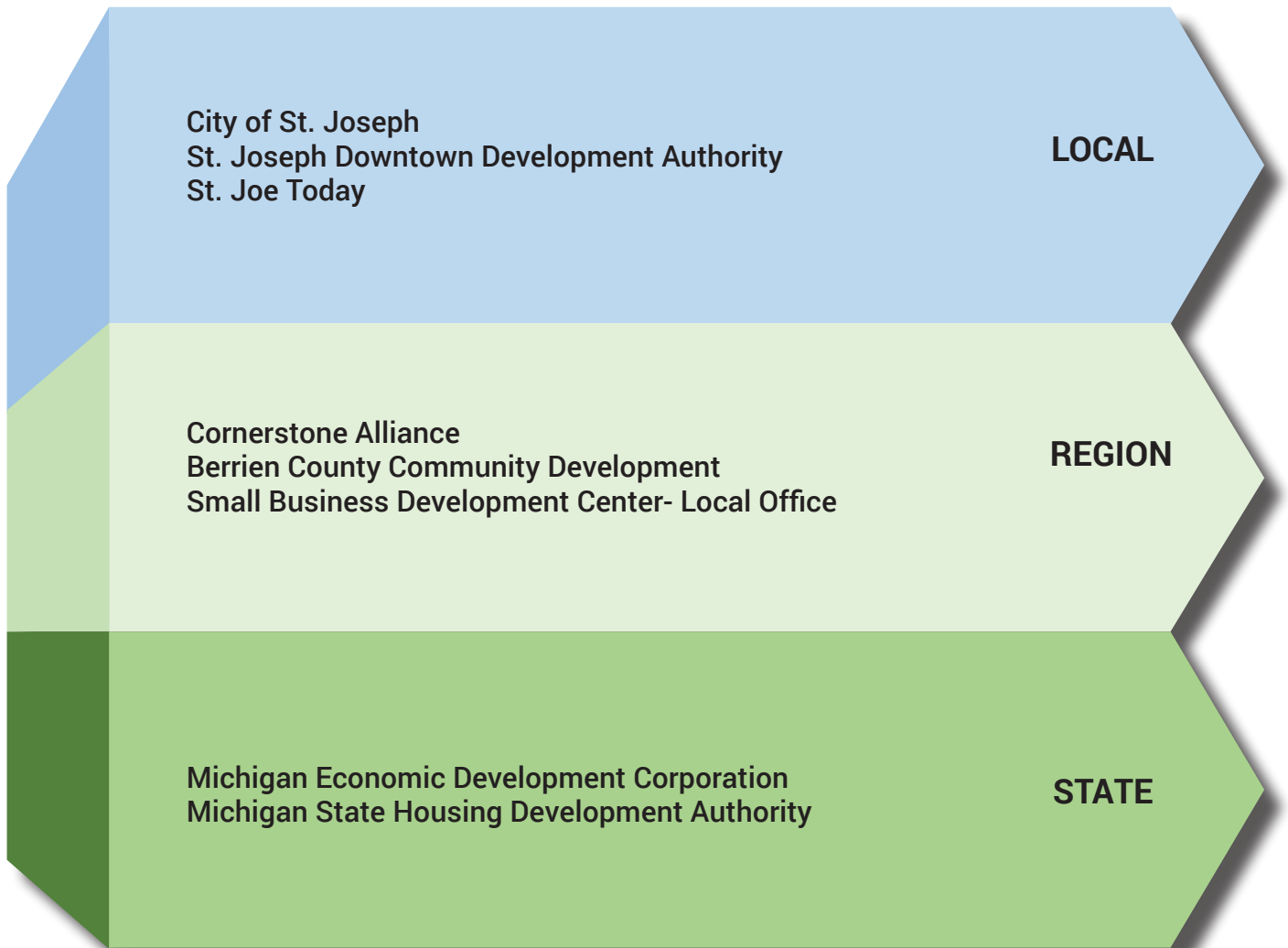
## **Continue Retention/Expansion Efforts**

The City's partnership with Cornerstone Alliance includes an active retention and expansion program for economic base employers and is a foundational activity of all traditional economic development activity. Engaging directly with business owners to understand their needs and challenges is crucial. Additionally, hosting workshops and providing resources on market trends, technology adoption, and expansion opportunities can empower businesses to innovate and expand. Continuation of these efforts will not only retain businesses but also attract new investments by demonstrating a commitment to economic stability and growth.

**PRIORITY: MEDIUM**

# ECONOMIC DEVELOPMENT PARTNERS

Economic development requires the involvement and commitment of several entities at multiple levels. The City of St. Joseph is part of a larger robust economic development ecosystem at the local, regional, and state levels. The chart (below) outlines these partners and at what levels they exist.







# Implementation Plan



# IMPLEMENTATION PLAN

Action	Lead	Support	Timeline	Success Measure	Cost	Priority
<b>Tax Increment Financing Tools</b>						
Downtown Development Authority (DDA)	City	Cornerstone Alliance	Dec 2024	Establishment of TIF Plan	\$\$	Highest
Reactivate City Brownfield Redevelopment Authority (BRA)	City	Cornerstone Alliance	Dec 2024	Reactivation of BRA	\$	Highest
Create Corridor Improvement Authority	City	Cornerstone Alliance	Dec 2025	Creation of CIA	\$	Medium
<b>Housing</b>						
Create 900 New Units Over Next Five Years	Private Developers	City; Cornerstone Alliance	Dec 2029	900 New Housing Units Created	\$\$\$	High
Allow and Encourage Accessory Dwelling Units (ADUs)	City	Cornerstone Alliance	Dec 2025	ADU Ordinance Created and Promoted	\$	High
Consider Eliminating Commercial Office Zoning – Convert to Downtown Zoning	City	Cornerstone Alliance	Dec 2025	Commercial Office Zoning Eliminated	\$	High
Expand Two-Family Zoning (Missing Middle)	City	Cornerstone Alliance	Dec 2026	50% More Properties Expanded for Missing Middle Housing	\$	High
<b>Organization</b>						
Create Development Guide for Prospective Developers	City	Cornerstone Alliance	Sep 2024	Guide Created	\$	High
Add Staffing – Downtown / Corridor Director	City	DDA/CIA	June 2025	Staff Position Created & Filled	\$\$	High
Downtown Development Authority - Add Outside Counsel and Board Term Limits	DDA	City	Feb 2025	Outside Counsel Hired; DDA Bylaws Amended	\$\$	High

# IMPLEMENTATION PLAN

Action	Lead	Support	Timeline	Success Measure	Cost	Priority
Organization						
Implement Parking Study Recommendations	City	DDA	Dec 2026	Parking Study Recommendations Implemented	\$\$	Medium
Update Master Plan	City	Cornerstone Alliance	Feb 2026	Master Plan Updated	\$\$	Medium
Create a Retail Recruitment Strategy	DDA/CIA	Cornerstone Alliance	Jun 2026	Retail Recruitment Strategy Implements	\$	Medium
Promote Redevelopment Opportunity Sites	City	Cornerstone Alliance	Dec 2024	Five Properties Actively Marketed	\$	Medium
Continue Retention/Expansion Efforts	City	Cornerstone Alliance	Ongoing	Major Employers Visited Once a Year	\$	Medium



This Strategy Created By:

