

Antrim County

Economic Development Corporation

Mission Statement: Retain, expand, and promote County-wide economic growth and stability.

April 19, 2016
Minutes

Members present: Dawn LaVanway, Mike Allison, Sherry Comben, Pete Garwood, Dave Heeres, Bonnie Robbins, and Veronica Welter
Members Absent: Jan Bassett, Kathy Peterson
Others Present: Mike Crawford, Janet Koch, Mac McClelland, Chuck Johnson

1. Call to Order

The meeting was called to order at 9:00 a.m. by Dawn LaVanway, President of the Economic Development Corporation (EDC).

2. Public Comment

None.

3. Approval of Minutes

Motion by Dave Heeres, seconded by Sherry Comben, to approve the minutes of February 16, 2016 as presented. Motion carried – unanimous.

4. Northern Lakes Economic Alliance (NLEA) Update

Bethany Whitley, Community Development from the NLEA, distributed copies of the NLEA presentation made to the Board of Commissioners on April 14 and a Mancelona Target Industry Market Analysis (**see attached pgs. 3-25**).

Ms. Whitley said Amanda Baker had been hired as the joint Downtown Development Authority director for Elk Rapids and East Jordan. Ms. Whitley told the EDC about two other personnel additions to the NLEA; Hannah Sanderson will be taking the business attraction position and Katie Jensen was taking over Tom Erhart's business retention and growth position.

Mike Crawford asked about assistance the NLEA could provide regarding a possible trail in Antrim County. Ms. Whitley said the NLEA could assist with the creation of a strategic plan, researching funding options, and can work with legal issues for property acquisition. She indicated that a project with a large scope requires research and focus.

The Mancelona Target Industry Market Analysis from Avenue ISR, a strategy consulting firm, was a product of the US 131 Corridor Economic Strategy project, which was commissioned by Networks Northwest. The analysis showed that 71.4% of survey respondents (all of which were representatives from manufacturing and related industries in Antrim, Grand Traverse, and Otsego Counties) said being in a region where the owners/managers wanted to live was the most important reason for the location of a plant.

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Ms. Whitley also pointed out the differentiating strengths/assets of Mancelona on page 12; space and infrastructure for new enterprises, coordinated pro-growth organization, and “Up North” lifestyle. She noted weaknesses on page 13; high special assessment costs, no single point of contact for development resources, few marketing tools, no move-in ready properties for manufacturing, and limited business acceleration resources.

Priority targets were listed on page 14; forest products and finished wood products, value added food products, transportation and logistics, and automotive parts and components. Secondary priority targets were tool and die shops, equipment and machinery manufacturing, and oil and natural gas production and related industries.

Ms. Whitley and the EDC discussed the current difficulty of finding qualified employees not only in Antrim County but throughout the State of Michigan.

5. EDC Bylaws

A draft copy of the proposed changes to the bylaws had been included in the agenda packets. The EDC discussed additional minor changes; changing the date of the organizational meeting, revising Article VI Section 3 to delete the telegram method of delivery and add telephone, and to add a stipulation to review the bylaws every two years.

Janet Koch, Associate Planner, said she would make the changes and bring the revised bylaws to the next meeting.

6. Survey Recipients

Members of the EDC said they could provide a few more email addresses; Ms. LaVanway asked to receive a digital copy of the survey so she could provide hard copies to townships in her area. Ms. Koch said she would send out the online survey the following week. It was the consensus of the EDC that the end of May should be the deadline for receiving completed surveys. Ms. Koch said she would bring a summary of the responses to the June EDC meeting.

7. Member/Public Comment

Ms. Koch distributed copies of a Tourism Webinar flyer (**see attached pg. 26**) and noted that there was \$500 in the EDC’s 2016 training budget. She said if anyone was interested in registering for the webinar to contact the Administration Office. Ms. Koch said next month she will be presenting an analysis regarding how a convention and visitors bureau might work for Antrim County.

Dawn LaVanway summarized the recent economic activity in the East Jordan area. Mike Allison updated the EDC on activities in the Mancelona area and Dave Heeres did the same for Ellsworth. The possibility of an annual EDC report that noted economic development activities throughout the County was discussed.

Motion by Mike Allison, seconded by Dave Heeres, to adjourn the meeting.

Motion carried – unanimous.

Meeting was adjourned at 10:40 a.m.

4/5/2016

To: Antrim County Board of Commissioners

Here is a brief overview of the NLEA, starting with background information and ending with specific impacts in Antrim County.

The Northern Lakes Economic Alliance was established in 1984 to provide economic and community development expertise for our region. Our service area includes Antrim, Charlevoix, Cheboygan and Emmet Counties.

Out of necessity the NLEA was formed as a cooperative/collaborative organization. Recognizing the value of pooling limited funds both public sector and private sector entities joined together to have a resource much better and more effective than any entity could have done individually.

Little did the leadership know back in 1984, what a groundbreaking approach this would become. The NLEA today is considered one of the “best practices” in the state of Michigan for economic development and regularly gets requests from others to explain our approach.

We are a 501c3 organization and refer to ourselves as a “regional public/private partnership organization”.

The NLEA is governed by a 28 member Board of Directors with representatives from both public and private sector. Each of our four “Member Counties” appoint five members to the Board, one of which must be a County Commissioner. (See attached annual report for complete list)

- The Board approves the plan of work, the annual budget and hires the NLEA President. The President provides leadership to the staff to implement the plan of work within the approved budget.
- Antrim County representatives on the Board are: Commissioner Dave Heeres, Rick Diebold, Joe Short, Sheridan Rhoads and Pete Garwood.

Funding comes from a variety of places, however it falls into three basic categories: public sector, private sector and fees for services.

- Member Counties: Antrim, Charlevoix, Cheboygan and Emmet Counties each invest an annual amount towards operations based on a taxable value formula. This was devised as a fair approach to spread the costs based on the “economic size” of the counties. By design, the funding from the four Counties makes up 50% of the NLEA budget. For 2016, the Antrim County investment is \$53,898.
- The remaining 50% is generated from core partners, private sector members, fees for services and local units of government (city, village, and township).

1 of 3

The mission of the NLEA is to “provide resources and assistance for communities and entrepreneurs to create and retain jobs in our four county service area”. To accomplish this we implement programs and services on two fronts. (See attached **Plan of Work Outline** for detail)

- We assist businesses and entrepreneurs and have a variety of tools and resources targeting new and existing businesses that possess the desire and potential to create family supporting jobs (base jobs)
- We assist communities in finding the most effective approach to meet their needs to support business and industry retention and growth.

The NLEA staff is made up of six full-time economic/community development professionals that work regularly throughout the many communities that make up the four county NLEA region. We approach our work as a “team sport” and it is not unusual to have more than one staff engaged in different aspects of the same project. Our work areas of responsibility fall into four focus areas:

- Business Retention & Growth. Retaining and growing existing companies.
- Business Attraction & Growth. Assisting communities to “be prepared” for new business attraction as well as having a solid foundation and support services for new and start-up businesses.
- Community Development. Assisting with a wide range of community projects ranging from place-making to infrastructure. Designed to make a community attractive for company retention, employee recruitment, etc.
- Grant writing & Administration. Identifying grant opportunities (public and private), assisting with the application process and administration of the grant to insure compliance with state and federal regulations.

Results and impacts. The NLEA provides expertise during the due diligence process for many projects and provides a place for people to turn when needing assistance. Often times this may result in a business/entrepreneur or a community deciding not to move forward. We believe this to be a valuable service. Much better than a project moving forward with little or no chance for success, and as a result leaving a wake of ill-will and lost capital.

Economic Development tends to be a slow process, with results lasting many years. For that reason it is important to look at a longer snapshot for impacts.

See attached **NLEA Annual Report** for region wide results and information.

Assistance and programming provided to communities throughout Antrim County includes:

- **Business Resource Centers:** Established 2 Antrim County Business Resources Centers (Central Lake and Elk Rapids) as part of a 10 BRC network throughout our region to assist pre-startup entrepreneurs
- **Retention Visits:** Conduct annual “retention visits” to large companies and base job providers to deepen relationships, express gratitude for their investment in the County and to discuss wants, needs and/or challenges. All important in our retention and growth strategy.

2 of 3

- **Mobile CNC Training Lab:** Established a mobile CNC Training Lab (NCCM FAB LAB) that provides access to high tech industrial arts training for students and companies. It provides training at Central Lake High School every Monday
- **Elk Rapids:** Downtown Development Authority Strategic Plan, Downtown Development Authority Coordinator
- **Mancelona:** 131 Corridor Strategy, Great Lakes Central Railroad Property Sale, Mancelona Facade Program, Mancelona site analysis and target market study, beginning of Redevelopment Ready Communities
- **Bellaire:** Downtown Development Authority Assistance, CDBG Administration for Shorts Brewery Expansion, Sewer Treatment Facility Sludge Removal, Consulting for Glacial Hills
- **Central Lake:** Downtown Development Authority Assistance, Formation of a Farmers Market, Project Rising Tide, Cool and Connected Broadband Application
- **Ellsworth:** Public Spaces Community Places Crowd-granting Project, Banks Township Hall Renovation, Participation in Ellsworth Strategic Plan
- **Antrim County:** EDC and BRA Assistance, Broadband Consortium, Planners Forums, DDA Forums, Paddle Antrim

Antrim County results and impacts over the past 5 years (since 2011), projects completed.

12 community development projects, totaling over \$6 million in investment

- Grants/Loans \$151,867
- Local match dollars \$5,728,200
- in Private Investment \$138,276
- Total investment \$6,018,343

109 businesses assisted, resulting in over \$7.5 million in investment and direct financial support

- 14 Business expansions
- 444 Jobs created/retained
- Private investment \$6,983,912
- Skilled trades training funds \$39,930
- Grant assistance \$570,040
- Total \$7,593,882

For more information, feel free to contact the NLEA, any of the Antrim County appointed Board members or visit our website: www.northernlakes.net



What We Do (Our Mission)

Provide resources and assistance for communities and entrepreneurs to create and retain jobs in Antrim, Charlevoix, Cheboygan, and Emmet Counties.

How We Do It (Through Partnerships & Collaborations)

As a public/private partnership, we bring together many resources (businesses, agencies, organizations) to accomplish our mission. We assist communities to develop the infrastructure to support entrepreneurship and business growth. We work with motivated entrepreneurs and businesses to help them get to the next level of success.

Business and Entrepreneurs

We provide programs and services to support and nurture businesses and entrepreneurs.

Target Audience:

New and existing businesses that possess the potential and desire to create family-supporting jobs.

Programs and Services:

- Targeted Programming for Growth Stage Companies
- Business & Financial Planning
- Business Counseling
- Business Resource Center Network-ten locations
- Growth Strategies (Economic Gardening, Government, Contracting, Exporting, etc.)
- Trainings & Workshops
- Visits to Manufacturers
- Ag Business Support

Communities

We assist communities in finding the most effective approach to meet their needs. NLEA nurtures partnerships and collaborations with a variety of organizations and communities.

Target Audience:

Proactive communities who have organized themselves and identified priorities.

Programs and Services:

- Infrastructure Development and Redevelopment
- Manufacturing Development Incentives
- Commercial Development Incentives
- Brownfield Redevelopment
- Broadband Expansion
- Trainings & Workshops
- Grant Writing & Administration
- Business Attraction

How We Measure Results:

- Business Expansions
- Business Start-ups
- Private Investment
- New Jobs Created
- Jobs Retained
- New Taxes Generated
- Businesses and Communities Assisted
- Community Development Projects Completed
- Total Grant Funds Received for Community Development Projects
- Local Units of Government Investments Leveraged for Grants
- Participants at NLEA-hosted Business and Community Workshops

• Core Partners •



Northern Lakes ECONOMIC ALLIANCE



Annual ACTIVITIES REPORT

2015

“Providing resources for communities and entrepreneurs to create and retain jobs in Antrim, Charlevoix, Cheboygan and Emmet Counties.”

Economic development projects are long term and oftentimes cannot be viewed in a “one year snapshot”. We applaud those companies and communities that have continued to have faith and foresight to invest in business and community expansions and salute the many NLEA investors and partner organizations that collaborate and cooperate on a daily basis to support both public and private projects. Over the past five years:

- 167 business and community development projects completed;
- \$112,984,341 in private investment;
- \$9,499,502 in local unit of government investment;
- \$8,989,761 in grant funding;
- \$140,864,468 increase in taxable value;
- 736 new jobs; and
- 2,318 retained jobs.



Circuit Controls Corporation, located between Petoskey and Harbor Springs, is a prime example of a strong local company. During the past five years, they have invested tens of millions of dollars in their building and equipment while providing high tech manufacturing jobs for 200 people residing in local communities.

NLEA assisted the Village of Ellsworth, the Petoskey Public School, and the Top of Michigan Trails Council in successful crowdfunding projects totaling \$462,000 in public, private, and grant funding with partners from the Michigan Economic Development Corporation and Patronicity. Pictured is the “Ultimate Trailhead” in Petoskey at the intersection of the Little Traverse Wheelway and the North Western State Trail. The trailhead will host the Top of Michigan Trails Council office and events and provide resources to trail users.

Local Units of Government supported five (5) business expansion projects throughout the region by approving a total of \$2,571,523 in tax abatements over the next 12 years with the expectation of generating approximately \$2.5M in new taxes during the same timeframe for projects started this year. The companies anticipate investing over \$8M, creating 53 new jobs and retaining 314 existing jobs. Michigan Scientific in Charlevoix, pictured, was one of the participating companies.

Working with the Elk Rapids Downtown Development Authority, NLEA developed a comprehensive strategic plan for the community. Over the course of six months, more than 350 stakeholders participated by providing input regarding activities and direction they would like to see for their downtown. The completed document outlined 35 short, mid and long term goals in areas such as recruiting and retaining business, organizational development, events and marketing, placemaking and design, and capital improvements and infrastructure.

Straits Area Federal Credit Union opened their new headquarters in downtown Cheboygan upon completion of their \$2 million investment. The project began with NLEA assistance in procuring state and local Brownfield tax incentives in the amount of \$677,761 to reimburse qualified expenses involved with demolishing three contaminated buildings to make room for their new 13,500 sq.ft. building. SAFCU employs 32 people across three branches.



Economic Development Corporation minute attachments - 4/19/16

CORE PARTNERS

2015 IMPACT INDICATORS

48 Successful Economic Development Projects

- 27 Business Expansions
- 6 Business Start-ups
- 15 Community Development Projects

\$20,470,010 Total Invested

- \$18.3 M in Private Investments
- \$1.1 M in Grant Funds
- \$1 M in Local Unit of Government Investments

234 New Jobs & 667 Retained Jobs

NLEA Outreach:

- Produced 24 monthly publications for 2,308 stakeholders;
- Presented 61 workshops to 2,299 attendees;
- Assisted 134 business and community clients;
- Maintained 10 Business Resource Centers

2015 HIGHLIGHTS

- Assisted local units of government, local manufacturers, and entrepreneurs to leverage over \$19 million in investment and receive nearly \$1.1 million in grant funding. This resulted in the retention of 667 jobs and the creation of 234 new family supporting "base" jobs.
- Provided ongoing assistance throughout the year on 37 potential community and business projects which anticipate 811 new/retained jobs, and investment of \$250 million over the next several years.
- Implemented pro-active retention visits with 102 area manufacturers and major employers with various partners from organizations including Michigan Economic Development Corporation, MI Works!, Michigan Department of Transportation, and Michigan Department of Agriculture and Rural Development.
- NLEA, in partnership with Chemical Bank, coordinated and facilitated quarterly Growth Company CEO Forums hosted by local employers. Each forum included; peer-to-peer networking, a facility tour, and keynote speaker on topics of interest to growth stage company CEO's. In 2015, 58 executives participated, representing 32 companies.
- The NLEA Broadband Coalition focused on creating greater broadband capacity through extensive regional planning and education. In 2015, the coalition completed two fiber projects, laid many miles of conduit for future fiber growth, and helped engineer multiple projects to be completed in 2016
- As part of the Regional Prosperity Initiative, NLEA worked with Networks Northwest to develop a strategy for the US 131 corridor from Petoskey to Cadillac. The communities identified their strengths, weaknesses and individual assets in addition to the existing fiber backbone, Class A roads, and rail infrastructure. Plans are being made to encourage future development in these communities.



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2015 Board Chair



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2016 Board Chair



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David Zechman

NLEA Staff

Andy Hayes
President

Sara Christensen
Operations & Program Support

Tom Erhart
Business Retention & Growth

Bethany Whitley
Community Development

Jessica Lovay
Administrative Assistant



Northern Lakes
ECONOMIC ALLIANCE

PO Box 8
Boyne City, MI 49712

231-582-6482

info@northernlakes.net

www.northernlakes.net



A vital service NLEA provides is regular retention visits to local employers to discuss successes, challenges and potential future projects. Pictured are representatives from The Farley Calendar Company in Boyne City during such a visit receiving a recognition plaque for their contribution to the economy from local and state partners at NLEA, MI Works! and the Michigan Economic Development Corporation.



Grant funding from DTE Energy Foundation enabled NLEA to hire two college intern staff that focused on the promotion of trail systems throughout Northern Michigan. The interns inventoried more than 30 trails taking 1,100 pictures and creating 13 informative videos. They also updated and enhanced our affiliated organizations website content and social media platforms as well as created a trails blog to share with the public.



Indian River in Cheboygan County completed construction of a new sewer and wastewater treatment plant. The project was funded by a combination of a USDA Rural Development loan of \$3,287,000 and grant of \$2,653,000. Not only are the businesses and residents of Indian River served, it also services the Tuscarora Township Industrial Park providing an excellent opportunity to attract new businesses.



NLEA collaborated with MI Works!, North Central Michigan College, Baker College and the Michigan Economic Development Corporation to identify and facilitate nine local company applications for training funds. Companies committed to investing over \$1.5M to train 269 employees and receive over \$226,000 in state grant funds.



NLEA partnerships were strengthened and new relationships forged amongst the more than 100 participants at the 2015 Fall Networking Event held at the Charlevoix Rod and Gun Club. Attendees represented all the various public entities and organizations and private businesses with a vested interest in the economic vitality of our region.



The first Michigan Digital Works facility opened in Cheboygan. The facility provides training, mentorship, and job placement assistance in cutting edge customer support and IT for global corporations. Since its launch in October, the program graduated its first cohort of nine graduates, and has nearly completed its second class of eight. More than 50% of the first year students were employed almost immediately upon completing the program.



NLEA assisted the City of Cheboygan in putting together an application to the Michigan Economic Development Corporation to renovate six (6) properties on Main Street. When approved, \$724,000 in private investment will be matched by a \$611,000 Community Development Block Grant to update facades. Pictured is the currently vacant building on the corner of Main and State Street with a beautiful rendering of the completed project.

CITY OF BOYNE CITY



202 & 210 South Lake Street (a project of Catt's Realty Company)



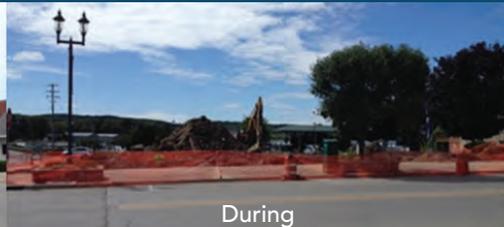
The Dilworth Hotel (a project of Tall Pines Partners, LLC)

In partnership with two private developers Tall Pines Partners, LLC and Catt's Realty Company, the City of Boyne City, and NLEA partner the Michigan Economic Development Corporation; two significant Community Development Block Grant projects received approval for funding. The Dilworth Hotel project consists of complete restoration at a cost of \$7.8M with \$1M in grant funds and the creation of 30 new jobs. The redevelopment project at 202 & 210 South Lake Street comes at a cost of \$2.6M with \$500,000 in grant funds and the expectation of 20 new jobs.

CITY OF EAST JORDAN



Before



During



Conceptual "After"

NLEA assistance was provided to the City of East Jordan and partners of Cannonball LLC to establish a Commercial Redevelopment District and complete the process for a Commercial Facility Exemption Certificate on the new \$3+ million facility in downtown East Jordan. It will house a re

INVESTORS/MEMBERS

AKT Peerless	Cheboygan Area Chamber	Harbor Springs, City of	Networks Northwest
Antrim County	Cheboygan, City of	Huntington Bank	North Central Michigan College
Baker College	Cheboygan County	Indian River Chamber	Northeast Michigan Council of Governments
Banks Township	Chemical Bank	Industrial Magnetics, Inc.	Northwest MI Industrial Association
Bear Creek Township	Circuit Controls Corporation	Inverness Township	Onaway, City of
Bellaire, Village of	Citizens National Bank	ITC Holdings Corporation	Otwell Mawby PC
Blue Cross Blue Shield	CMS Energy-Consumers Power	Jervis B. Webb Company	Pellston, Village of
Boyne Area Chamber	DTE Energy	Kilwins Quality Confections	Petoskey, City of
Boyne City, City of	East Jordan Chamber	Little Traverse Bay Band of Odawa Indians	Petoskey-Harbor Springs Area Community Foundation
Boyne Mountain	East Jordan, City of	Little Traverse Township	Petoskey Brewing Company
C2AE	Edgewater Design Group	Mackinaw City Chamber	Petoskey Regional Chamber
Cannonball LLC	EJ	Mackinaw City, Village of	PNC Bank
Catt Development	Elk Rapids Chamber	Mancelona, Village of	Rehmann/Dale Carnegie
Central Lake, Village of	Elk Rapids DDA	McLaren Northern Michigan	Resort Township
Char-Em ISD	Elk Rapids, Village of	MDC Contracting, LLC	Ryba Marine Construction
Charlevoix Agency	Ellsworth, Village of	Michigan Economic Development Corporation	St. Marys Cement
Charlevoix Area Chamber	Emmet County	Michigan Works!	Straits Area Federal Credit Union
Charlevoix, City of	Fifth Third Bank	Michigan Scientific Corporation	The Brook
Charlevoix County	Forest Township	Mitchell Graphics	Triune Specialty Trailers
Charlevoix County Community Foundation	4Front Credit Union	MSU Extension	Vistage Michigan
Charlevoix State Bank	Great Lakes Energy	Moran Iron Works	
Charlevoix Township	Harbor/Brenn Agencies	Munson Healthcare	
Chase Bank	Harbor House Publishers	Charlevoix Hospital	
	Harbor Springs Chamber		

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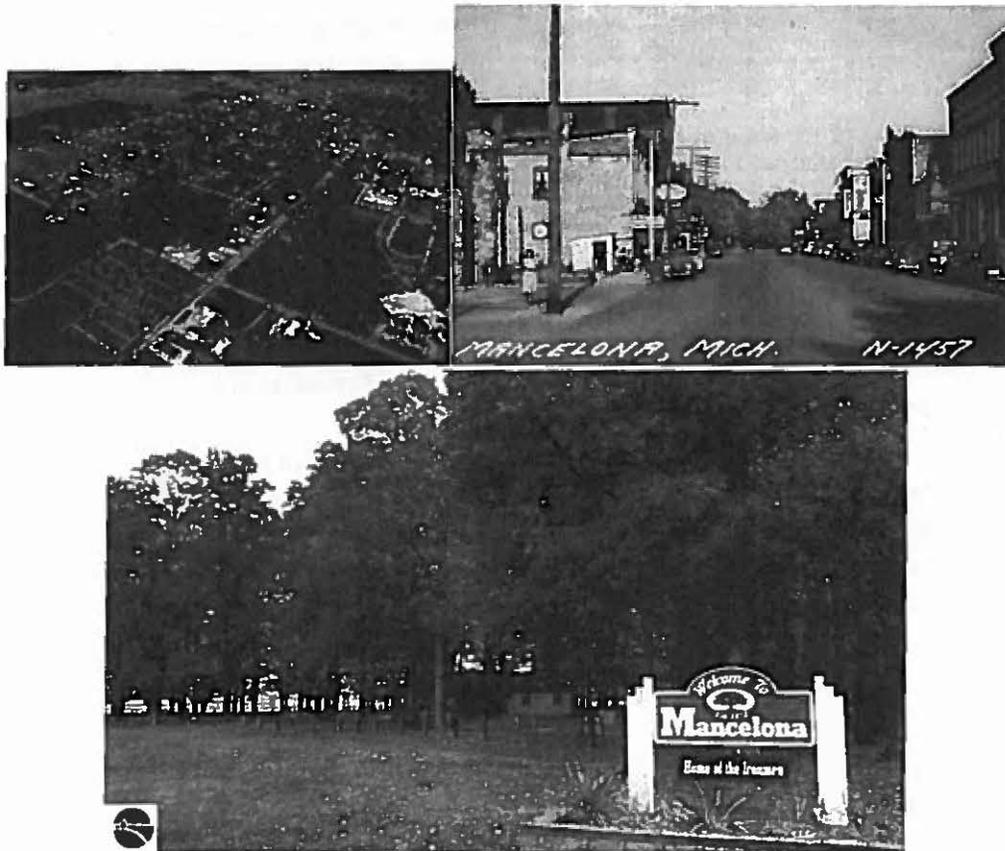
VILLAGE OF WALLOON LAKE



The Village of Walloon Lake has undergone a dramatic transformation over the past three years thanks to the Borisch family. Working with Melrose Township officials, they have brought this village back to life with a boutique hotel, Hotel Walloon; the Barrel Back Restaurant; Tommy's Michigan, a watersports retailer; Walloon Village Marina; fine dining at the Walloon Lake Inn; and a public open space for seasonal events. These projects have spurred many other spin-off businesses to fill the gaps and bring people back to the community.

DRAFT

Mancelona Target Industry Market Analysis



Report Completed by Avenue ISR
April 6, 2016

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Introduction

This Village of Mancelona Target Industry Market Analysis is intended to focus on reuse or redevelopment of potentially high-impact industrial properties in the Village of Mancelona, Michigan - a community of 1,390 people as of the 2010 Census. Local stakeholders seek opportunities to attract new industry, business, and accompanying employment to planned or historic industrial properties as a means to reinvigorate the local economy and build community vitality.

This Target Industry Market Analysis is being completed within the context of a broader *US-131 Corridor Regional Economic Development Strategy* being developed by Networks Northwest in partnership with community leaders from a number of communities along the US-131 corridor, including Mancelona.

The goals of the project are to:

- Analyze historic and recent industry clusters and development patterns to identify potential target industries for identified sites.
- Consider local and regional economic development analyses, trends and priorities in identifying potential target industries for the site.
- Assess the site selection criteria (parcel size, building type, price points, own vs lease, timeframe, transportation, labor force and energy needs, etc.) of potential target industries to determine if they are a good fit for identified sites. Include an assessment of whether any existing buildings are appropriate for any target industry.
- Assess the strengths and weaknesses of the development site to meet the needs of potential target industries in relation to the target industry's ability to meet the goals of the project.
- Recommend the top ten target industries based upon this assessment.
- Identify 5-10 specific companies within target industries for further research and outreach.

Acknowledgements

This project was commissioned by and guided by Networks Northwest in partnership with the Village of Mancelona. Community leaders and subject matter experts who contributed to the project are as follows:

Sarah Lucas, Regional Planning Department Manager, Networks Northwest
 Scott Gest, Research Analyst, Networks Northwest
 Maureen Naumcheff, Village Clerk, Village of Mancelona
 Laura Galbraith, Executive Director, Venture North Funding & Development
 Mark Nagy, Director of Business Development, Great Lakes Central Railroad
 Doug DeYoung, Public Affairs Area Manager, Consumers Energy
 Kimberly Pontius, Executive Director, Traverse Area Association of Realtors
 Matt Cotter, President, Lawrence Plastics
 Brian Breneman, Partner / Manager, Altus Brands
 Jim Edmonson, President, Edmonson Associates

James Bruckbauer, Policy Specialist, Groundwork Center for Resilient Communities

In addition, 14 industrial business owners and senior managers from Grand Traverse, Kalkaska and Antrim Counties participated in the study. These individuals were guaranteed confidentiality as part of their feedback.

Overview of Current Employment in the Mancelona Area

The Village of Mancelona sits within zip code 49659. According to the United States Census Bureau, there were 780 paid employees in zip code 49659 in 2013. This has declined from 1,533 paid employees recorded in 2000.

Zip Code Map of 49659



As *Table 1* shows, the top employing industries in the Mancelona area are currently (as of 2013) Health Care and Social Assistance, Manufacturing, Retail Trade and Accommodation and Food Services. These industry clusters currently employ over 70% of the Mancelona area's paid employees.

Table 1 – Employment in Mancelona (Zip Code 49659), 2013 Industry Totals, Top 10

Ind. Code	Industry Code Description	Total Estabs	Total Employment	Number of Establishments by Employment Size Class				
				1-4	5-9	10-19	20-49	50-99
62	Health Care and Social Assistance	24	160	17	3	3	0	1
31	Manufacturing	8	152	2	1	3	1	1
44	Retail Trade	20	140	8	8	3	1	0
72	Accommodation and Food Services	12	104	5	3	3	1	0
23	Construction	11	70	8	1	1	1	0
48	Transportation and Warehousing	5	42	4	0	0	1	0
81	Other Services (except Public Admin.)	7	34	4	2	1	0	0
54	Professional, Scientific, and Technical Services	4	20	3	0	1	0	0
52	Finance and Insurance	4	16	2	2	0	0	0
11	Agriculture, Forestry, Fishing and Hunting	1	14	0	0	1	0	0

Source: U.S. Census Bureau, 2013 County Business Patterns (Most Recent Data Available)

Community leaders who are working on economic development in Mancelona are understandably working to recruit and encourage employers across a range of sectors. However, not all sectors contribute equally to a local economy. **Table 2** shows the average wages for a number of industries and sectors. In Antrim County, manufacturing jobs tend to pay better than jobs in all other sectors shown. In addition, because manufactured goods are often sold outside of the geographic area where they are produced, manufacturing jobs tend to bring more dollars into the local economy and often support additional service sector jobs.

For these reasons, and because of stated priorities of community leaders from Mancelona and members of the *US-131 Corridor Regional Economic Development Strategy* project team, identifying opportunities within the manufacturing sector and related industries was a priority for the focus of this study.

Table 2 – Antrim County, Annual Wage Averages

Industry/Sector	Annual Wages per employee
Total, all industries	\$27,165
Service-providing	\$23,251
Goods-producing	\$35,281
Manufacturing	\$38,477
Education and health services	\$36,856
Construction	\$33,320
Financial activities	\$33,242
Professional and business services	\$30,519
Trade, transportation, and utilities	\$27,369
Natural resources and mining	\$24,380
Other services	\$22,535
Leisure and hospitality	\$16,039
Information	\$13,445
Unclassified	\$24,486

Source: Quarterly Census of Employment and Wages – Bureau of Labor Statistics
2014 Annual Averages, All establishment sizes

For context, it should be noted that the manufacturing sector in the Mancelona area employed more than 780 employees in 2000, down to 152 in 2013.

Target Industries for Mancelona

Although it's clear that the Village of Mancelona would like to pursue an “all of the above” approach to economic development that strengthens growth and employment across business sectors, the particular focus of this study was manufacturing and related industries – industries with the potential to bring incremental revenue to the region (typically from sales of goods and services outside of the region) and to create relatively large numbers of skilled and unskilled jobs. In prioritizing which target industries should be the particular focus of Mancelona leaders, we used three primary data sources:

- Antrim County High Employment and Growth Industries – industry groups in Antrim County with high employment (60+ employees) or that gained employment from 2012 to 2013
- Grand Traverse County* High Employment and Growth Industries – industry groups in Grand Traverse County with
 - high employment (400+ employees), or
 - moderate size (100+ employees) and gained employment from 2012 to 2013
- Otsego** High Employment and Growth Industries – industry groups in Otsego County
 - high employment (400+ employees), or

- moderate size (100+ employees) and gained employment from 2012 to 2013
- Industries specified by Subject Matter Experts consulted during this project

* Note: Grand Traverse County is a county in close proximity to Antrim with a relatively large population. It has experienced net increases in population and employment from 2000 to 2013. Furthermore, regional economic development experts assert that available industrial properties in Grand Traverse County are severely constrained and that there may be significant interest among industrial employers in considering nearby alternatives.

** Note: Otsego County is a county in close proximity to Antrim with a relatively large population. It has experienced net increases in population and employment from 2000 to 2013.

Specific industries within Manufacturing and related industries (Transportation and Warehousing, Information, Wholesale Trade) were considered.

Table 3 shows those industries, organized by 4-digit NAISC code, that are preliminary target industries for Mancelona.

Table 3 – Target Industries for Mancelona
 (“A” indicates “High Employment”; “B” indicates “Employment Growth”)

Ind. Code	Industry Code Description (manuf. = manufacturing)	Antrim		Grand Traverse		Otsego		Ident. by Subject Matter Expert(s)
		A	B	A	B	A	B	
2123	Industrial sand mining							Yes
3114	Fruit and vegetable preserving and specialty food manuf.	Yes	Yes			Yes		
3118	Bakeries and tortilla manuf.			Yes	Yes			
3121	Beverage manuf.				Yes			
3211	Sawmills and wood preservation	Yes						
3212	Reconstituted wood product manuf.							Yes
3219	Other wood product manuf.	Yes						
3261	Plastics product manuf.					Yes		
3262	Rubber product manuf.					Yes		
3314	Nonferrous metal (except aluminum) production and processing					Yes		
3323	Architectural and structural metals manuf.				Yes			
3324	Boiler, tank, and shipping container manuf.	Yes						
3327	Machine shops; turned product; and screw, nut, and bolt manuf.	Yes						
3335	Metalworking machinery manuf.	Yes				Yes		
3339	Other general purpose machinery manuf.			Yes				

*Table 3 Continued – Target Industries for Mancelona
 (“A” indicates “High Employment”; “B” indicates “Employment Growth”)*

Ind. Code	Industry Code Description (manuf. = manufacturing)	Antrim		Grand Traverse		Otsego		Ident. by Subject Matter Expert(s)
		A	B	A	B	A	B	
3344	Semiconductor and other electronic component manuf.				Yes			
3345	Navigational, measuring, electromedical, and control instruments manuf.				Yes	Yes	Yes	
3371	Household and institutional furniture and kitchen cabinet manuf.				Yes			
3391	Medical, equipment, and supplies manuf.	Yes						
3399	Other miscellaneous manuf.	Yes						
4841	General freight trucking					Yes		
4862	Pipeline transportation of natural gas	Yes						
4931	Warehousing and storage		Yes					

In aggregate, these target industries speak to the following general areas of opportunity:

- Tool and die shops
- Forest products and finished wood products
- Value added food products
- Transportation and logistics
- Oil and natural gas production and related industries
- Automotive parts and components
- Equipment and machinery manufacturing

Site Selection Criteria of Potential Target Industries

What makes one region more attractive than another to business owners and managers contemplating industrial sites? Is it quality of life? A skilled labor force? Proximity to resources? Avenue ISR conducted survey research with 14 business owners and senior managers of industrial businesses based in Grand Traverse, Antrim and Kalkaska Counties to determine which factors were most important in selecting a potential site.

The nature of these businesses is as follows:

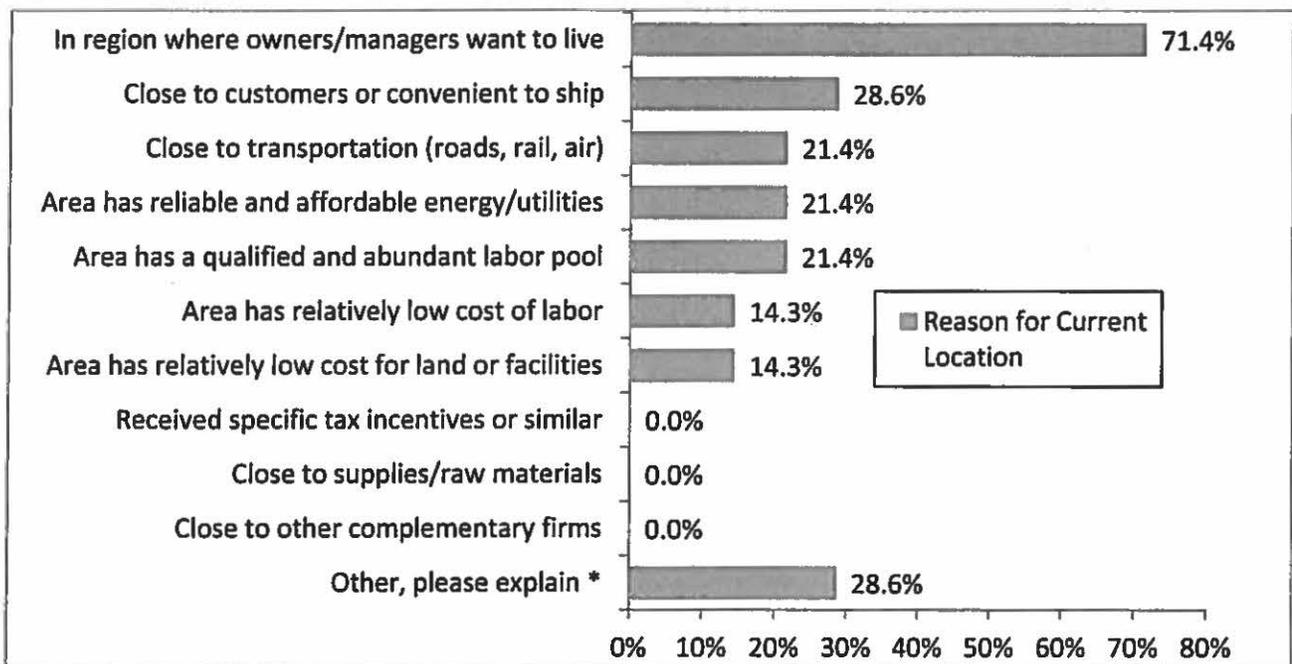
- Automotive metal components
- Accessories for recreational vehicles
- Custom cabinets and countertops

- Automotive interior trim (seat back panels, door inserts, glove box doors, carpet panels)
- Food packaging manufacturer
- Machine shop
- Tier I Supplier to the Automotive industry - manufacturing modular assemblies
- Die cutting or stamping of composite wood material
- Over the road trucking company
- Design and manufacture electro-mechanical instruments for measuring weather
- Engineering & Fabrication of Controls & Process Automation Solutions
- Cost-effective business space for lease
- Injection molded products primarily used by the automotive industry
- Custom corrugated packaging...boxes if you will

The typical facility size for these enterprises was 12-30,000 square feet, though one was smaller (5,000 square feet) and three were larger (65,000, 93,000 and 118,000).

Most of these plants had been located in their current location for 10 years or more. *Chart 1* shows the primary reasons these Northern Michigan industrial operations are located where they are currently.

*Chart 1 –What are the most important reasons why your plant is located where it is currently?
(pick no more than 3)*



* Other responses: "3rd generation, it started here." "Our competitors are two hours south giving us a competitive edge in terms of delivery and service in Northern Michigan" "Region has good quality of life" "Truck Access, light industrial area"

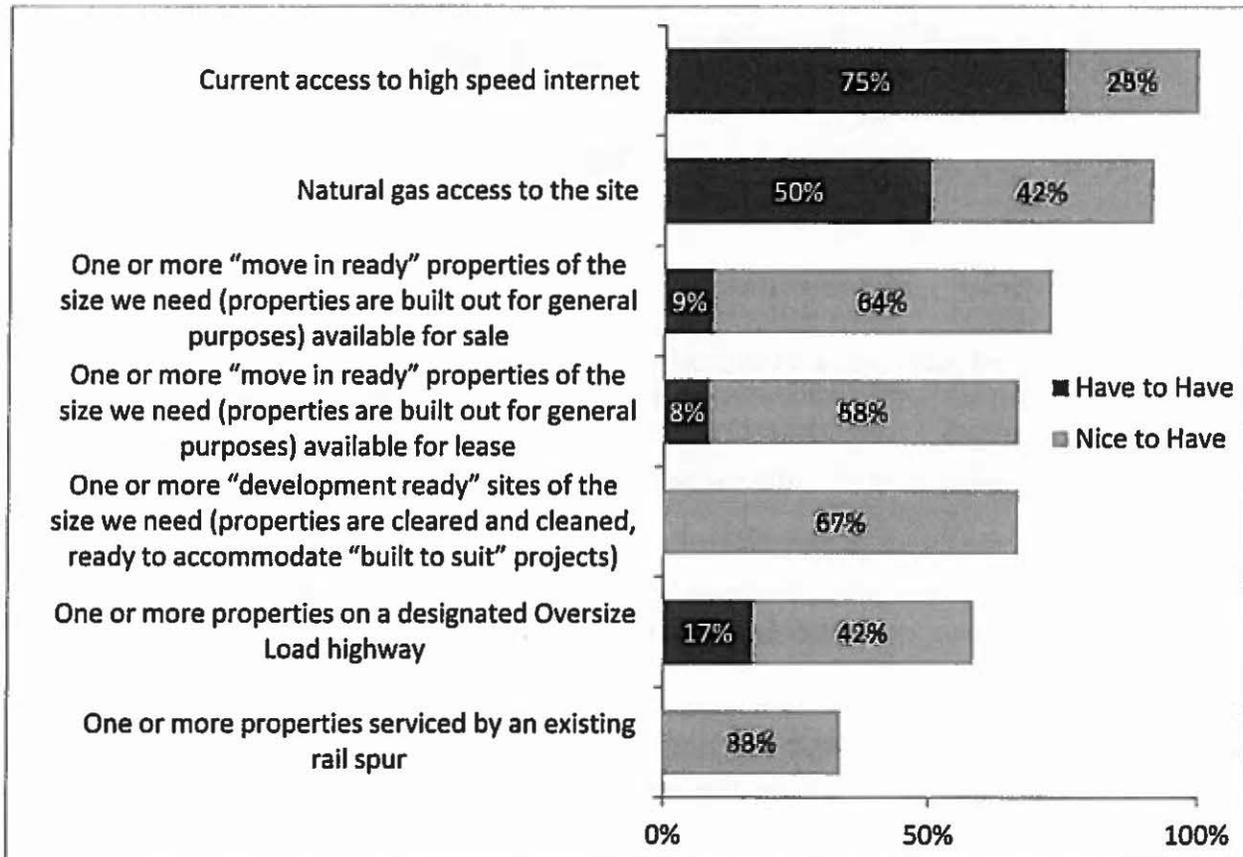
By far the most common answer is that the operation is located in a region where the owners/managers want to live. This is important because Mancelona will potentially be most effective at recruiting business owners with some kind of tie to the region, whether because they grew up in Antrim County or because they enjoy the lifestyle benefits (fishing, skiing, hunting, snowmobiling, etc.) that are afforded by living in the area.

Another common reason for being located in a current location is access to customers, either by proximity (being close to them) or by easy shipping. Finally, access to transportation, access to and affordability of utilities, and a qualified and abundant labor pool are all of importance to at least some decision makers.

When industrial leaders are considering moves or expansion into new communities, they consider a variety of factors. **Charts 2.1 and 2.2** show the factors that are most important to them when they are considering moves.

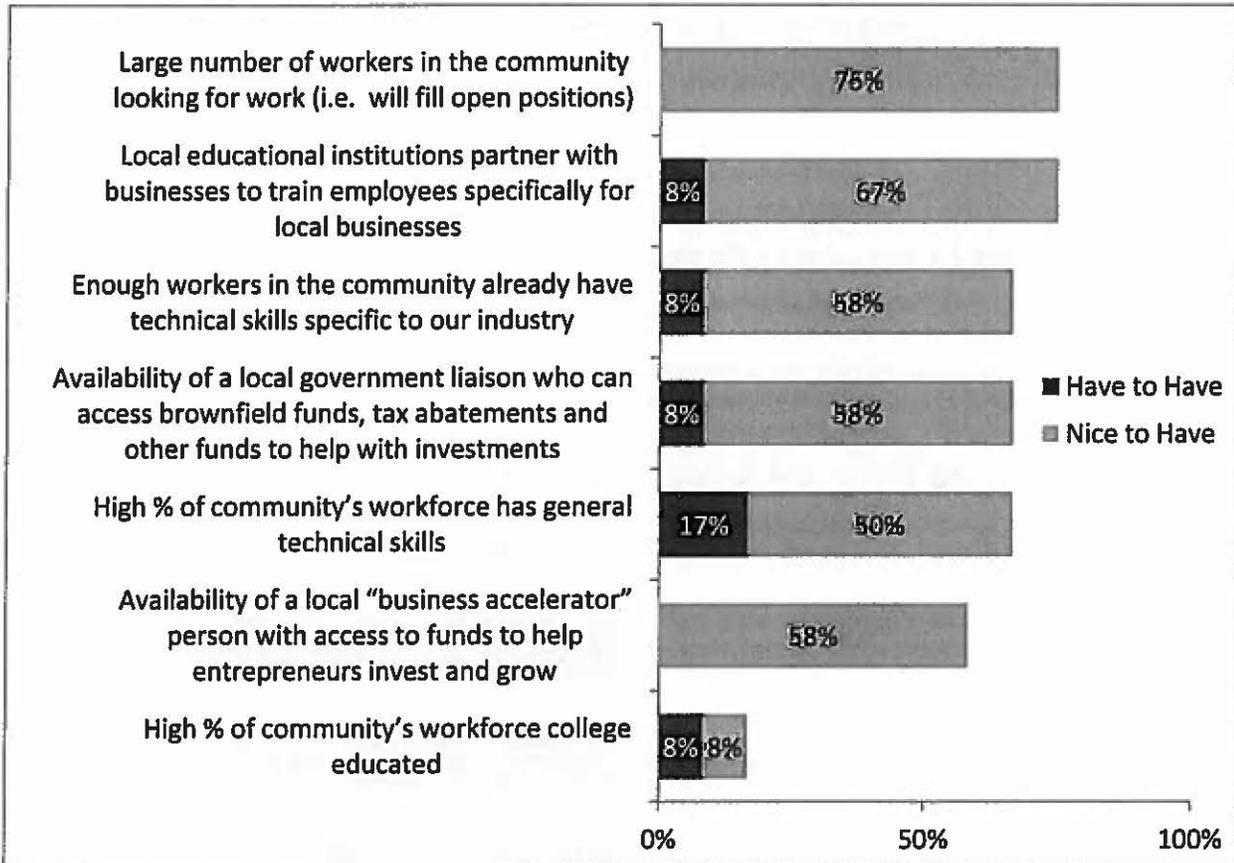
Charts 2.1 and 2.2 – Imagine you were considering opening or moving a facility to a new community. Please review each of the following elements of infrastructure in a given community and answer “have to have” (would not be willing to do business without this), “nice to have” (a significant positive to doing business) or “low/no impact.”

Chart 2.1: Infrastructure and Available Properties



In terms of infrastructure and available properties, the top priorities of industrial decision makers would be move-in ready properties (for sale or lease) that are serviced by high speed internet and natural gas. Access to an Oversize Load highway is important to some but not all, and access to a rail spur is a “nice to have” not a “have to have.”

Chart 2.2: Workforce and Public Support



In terms of workforce and public support, industrial business owners and managers want a relatively large number of qualified workers in the community looking for work. “Qualified” can either mean possessing industry specific skills or general technical skills. Many would greatly appreciate a local educational institution willing to partner with businesses to provide essential skills necessary for work in these businesses.

Also of considerable interest would be a local government liaison – an individual who can access brownfield funds, tax abatement and other funds to help with investments.

We also asked respondents to identify which of these factors would be unique, and therefore potentially differentiating for a community. Of those factors with a “top two box” (i.e. “Have to have” + “Nice to have”) of 67% or greater, those factors/inputs they considered to be “rare” are shown in **Table 4**.

Table 4 – Imagine you were considering opening or moving a facility to a new community. Please indicate whether, in your experience, this element is typical for U.S. communities.

Infrastructure Elements	Top 2 Box	Rare
Current access to high speed internet	100%	0%
Natural gas access to the site	92%	13%
Local educational institutions who partner with businesses to train employees specifically for local businesses	75%	38%
Large number of workers in the community looking for work (i.e. will fill open positions)	75%	13%
One or more “move in ready” properties of the size we need (properties are built out for general purposes) available for sale	73%	25%
Availability of a local government liaison who can access brownfield funds, tax abatements and other funds to help with investments	67%	13%
Enough workers in the community already have technical skills specific to our industry	67%	25%
One or more “move in ready” properties of the size we need (properties are built out for general purposes) available for lease	67%	25%
High % of community’s workforce has general technical skills	67%	25%
One or more “development ready” sites of the size we need (properties are cleared and cleaned, ready to accommodate “built to suit” projects)	67%	13%

Those factors that are both widely important and relatively rare among communities these leaders work with are as follows:

- Local educational institutions who partner with businesses to train employees specifically for local businesses
- One or more “move in ready” properties for sale or lease
- Enough workers in the community already have technical skills specific to our industry
- High % of community’s workforce has general technical skills

Current State Assessment

Current Strengths/Assets

In developing an understanding of which industries to target, it is important to understand the current strengths and weaknesses of the community. We begin with current strengths and assets.

Access to Transportation – Mancelona sits at the intersection of three major highways – U.S. 131 along with highways 66 and 88. The Village is bisected by an active railway line, currently operated by Great Lakes Central Railroad with a number of existing spurs. This makes Mancelona suitable for both distribution via highway within the region of Northwest Lower Michigan as well as

distribution by rail or highway outside of the region. Mancelona Municipal Airport provides air access though limited regular service.

Central Location – Mancelona is well positioned to service the Northern region of Michigan's Lower Peninsula. For companies with customers or markets in Gaylord, Grayling, Traverse City, and the remainder of the region, the Village is a convenient, central location for operations.

Relatively Low Cost of Land – Relative to nearby Traverse City, Gaylord and waterfront communities such as Elk Rapids and Charlevoix, Mancelona is an affordable place to open and operate a business.

Ready and Capable Work Force – Mancelona has a skilled workforce. Mancelona High School boasts high graduation rates and a combined high school/associate's degree program that ensures many young workers are equipped with post-secondary education and training. However, this work force is currently under-employed and available. Many former industrial workers who used to work in the Dura Plant and other enterprises are currently working in the service sector or are under employed or seasonally employed. Although unemployment rates have fallen from 19% in February, 2010 to 7.6% in January, 2016, year round unemployment consistently runs somewhat higher than national and statewide averages.

Differentiating Strengths/Assets

While these assets are meaningful to potential employers, they are also similar to the portfolio that can be offered by hundreds of communities throughout the Great Lakes region. Mancelona's potential success in economic development depends to a greater extent on the following assets that distinguish or differentiate it from other communities.

Space and Infrastructure for New Enterprises – Mancelona has multiple sites (the former Dura plant site, Tar Lake) that are large, cleared and ready for development. Where once present, industrial contamination has been substantially remediated. The available infrastructure to support these sites is unusually strong, especially at the Dura site. The Village of Mancelona has access to high speed internet through a number of wired and wireless networks. Sites have access to natural gas and to an advanced city water and sewer network.

Coordinated Pro-Growth Organization – The Village of Mancelona Economic Development Strategy Local Leadership Team consists of a group of regional and local leaders from the worlds of government, regional planning, education, private industry and other sectors, working together to create a plan and tackle action items that will move the community forward. This group can be positioned as an asset to advocate for potential economic development projects.

“Up North” Lifestyle Assets – Mancelona sits in the midst of a region with tremendous access to the outdoors, with an abundance of creeks, rivers, lakes and large areas of forest and state land. Those who enjoy hunting, fishing, camping, snowmobiling, mountain biking, trail running, horseback riding, Nordic skiing and a host of other outdoor activities love calling this place home. While this

may not be relevant to all business decision makers, business owners and managers with a passion for these places and these activities are likely to see Mancelona as much more appealing than comparable towns throughout the upper Midwest. As the previous section shows, the biggest determinant in why a company is located in a given community is often the desire of the business owner to live there.

Current Weaknesses/Opportunities

High Special Assessment Costs – The Dura property is saddled with a relatively high special assessment to repay a bond incurred to develop the city water and sewer system.

No Single Point of Contact With Access to Resources – Many communities have a single point of contact for economic development conversations that is able to methodically and systematically:

- o Represent the community's interests across jurisdictional (township, county, village) lines
- o Speak credibly about the available assets and infrastructure available to a potential site
- o Understand and have practical experience accessing financing such as DDA, brownfield, tax abatement and other funds that can help make projects viable

Mancelona currently lacks such a person and should investigate the viability of hiring or contracting for these services.

No Marketing Tools – The Village of Mancelona needs a marketing packet and web site/page for business owners who are interested in doing business in the area.

No Move-In Ready Properties – Although there is space for new enterprises to build facilities, many existing businesses looking to expand or move cannot spend the time or resources to build from the ground up. They seek existing structures, ideally in the 10,000 to 30,000 square foot range, that can be adapted to meet their needs within a relatively short period of time.

Business Accelerator and/or Mentorship – Some communities have hired or contracted with a Business Accelerator who has access to funds to help existing small businesses scale up and find new markets. This approach to “economic gardening” can be very successful and cause the existing business community to feel supported and invested in the community. Alternately, other communities have focused on strong business mentorship programs whereby experienced industrial and commercial leaders provide guidance and support to ascendant entrepreneurs and business people.

Prioritized Potential Target Industries

Given the availability of development-ready land but the lack of move-in ready properties, Mancelona should target industries that generally are willing to set up new facilities and operations rather than those that need to move into existing facilities. From the preliminary list of target industries, this would tend to de-emphasize tool and die shops and equipment and machinery manufacturing.

Operations focused on forest products, value added food products, transportation and logistics and automotive parts and components have all demonstrated a willingness to build out facilities on development-ready properties in recent years. Automotive parts and components may be somewhat more challenging in 2016 than a decade ago, as automotive manufacturers are increasingly pressuring their suppliers to be physically nearby, but there could still be opportunities in this area.

First priority

- Forest products and finished wood products
- Value added food products
- Transportation and logistics
- Automotive parts and components

Secondary Priority

- Tool and die shops
- Equipment and machinery manufacturing
- Oil and natural gas production and related industries

Potential Approaches to Develop Opportunities

In seeking to attract or develop new industrial or commercial operations, it must be noted that Mancelona is competing with other communities throughout Michigan, the Great Lakes region and the United States, many of whom have vacant industrial properties they would like to see developed.

The following basic set of approaches is recommended based on the strengths and potential reach of Mancelona.

- I. **Prepare now for the opportunities that do come up.** Mancelona needs to develop a strong and coherent “story” to position itself and its assets to potential employers. The observations of the following business owners from nearby counties (captured in the survey conducted for this study) indicate the types of perceptions Mancelona must address.

“I would be curious about the labor pool of employees in Mancelona. Would we have enough people willing to work and be dedicated employees?” - Custom Packaging Manufacturer

“We have great truck access in our current location even though our business is in a light industrial area. It makes doing business a lot easier. I’m not convinced we would have the same sort of access to transportation (at the same cost) in Mancelona” – Stamping and die cutting

When and interested party contacts Village government, financial institutions or realtors, Mancelona should be able to provide access to marketing materials and a web site or page, a single point of contact equipped to support a new business venture, and a thought out approach to meet the needs of the potential employer.

- 2. Identify and reach out to growing/evolving enterprises, especially within the region.** As shown in the survey results, industrial and large commercial operations tend to be relatively static, often staying in the same location for decades at a time. Large, specialized equipment, distribution networks take time to relocate, and companies have degrees of loyalty to their current communities and employees. The best opportunity to attract a new industrial operation is often when the company is experiencing growth or a fundamental change (e.g. new innovation, new production techniques) that require it to set up new facilities. Those who are already within Northern Michigan may be especially willing to consider Mancelona, with its assets for growth. Leaders within Mancelona should track statewide and local business news to see which companies may be going through such changes and initiate contact.
- 3. Identify and reach out to “alumni” of the region.** People who have lived in Mancelona are likely to be passionate about the Village. Whether they grew up there, went to school there, or previously worked there, they may be disposed to move back. Village leaders should consider developing an approach to connect with these people (especially those who lead industrial and commercial operations) at Mancelona High School class reunions and on social media with basic, engaging information about the possibilities of the Village of Mancelona.
- 4. Identify and reach out to leisure visitors to the region.** Those who visit Mancelona for leisure or recreation generally appreciate the amenities the area provides. Those who are interested in learning more about the region should find it easy to obtain this information through printed collateral, links and short, impactful messages about the Village.



Photo Credit (L to R): Travel Marquette, Michigan Municipal League, Tyler Borowy, MML

PLACEMAKING FOR TOURISM

How to Attract New Visitors and Talent to your Region

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Questions? Contact Brad Neumann (neuman36@msu.edu) or Andy Northrop (northro5@msu.edu)

Michigan communities face a number of challenges as they recover from the Great Recession. Many communities are challenged with restoring population and attracting new talent. Yet Michigan attracts hundreds of millions of visitors to the state each year as tourists. Perhaps getting people to Michigan is not so difficult, but getting them to stay is the crux of the matter.

Michigan's tourism industry has been successful over several years in attracting national and international visitors to the Great Lakes state. There is the opportunity for many Michigan communities to capitalize on this traffic with intentional and focused placemaking efforts. Placemaking is all about creating Quality Places where people want to live, work, play, shop, learn and visit.

In the New Economy, talent is mobile and is drawn to places with strong amenities and high quality of life. Therefore, a community's best strategy for success is to focus on creating Quality Places through good design that attracts people. Engaging in placemaking with your community's tourism niche in mind will grow your tourism economy and may even lead to population attraction over time.

In short, Tourism needs People; People want Place; Tourism needs Place!

This two-part webinar will highlight placemaking as an economic development strategy, detail Michigan's important tourism economy and sectors therein, and provide strategies to enhance the tourist experience through the lens of placemaking.

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