



Keweenaw Economic Development Strategic Plan For Baraga, Houghton & Keweenaw Counties

September 10, 2015



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KEDA Economic Development Strategic Plan Executive Summary

Basis for this Plan

Economies are by their very nature regional.

Economic development is a team effort. And most importantly, where economic development is played successfully, it has required active leadership and participation of business and community leaders

Economic development will entail change. Change requires vision, leadership, resources, and a focus that anticipates where change is needed, communicates and leads the effort to make it happen.

In order to make maximum use of available resources as well as attract new resources there must be a sound economic development investment strategy.

Vision

We are a community driven by our leaders to be the best at utilizing our technology, education and business assets to build a diverse economic base that leverages and develops the unique strengths of each county and its people.

Mission

Engage community leadership to start, retain, grow and attract companies that will increase the wealth of the region through a holistic and collaborative strategy that builds on the assets and opportunities present in the region.

Goals

Foster Business Growth

Foster the startup, retention, expansion, and attraction of small companies that increase the diversification of the regional economy and take advantage of its unique resources and complement efforts in the attraction and retention of talent

Improve Infrastructure

Ensure that the infrastructure needed by business and community is in place and at a level and cost to meet current and future demands

Revitalize Our Communities

Create communities in Baraga, Houghton and Keweenaw Counties that are attractive to recruiting and retaining talent

Develop and Attract Talent

Develop a comprehensive attraction, retention, and education system that seeks out, attracts, and retains skilled talent and allows area residents to develop the talent and skills most appropriate for them and the local economy

Enhance Cultural and Recreation Opportunities

Develop and market the region's cultural and outdoor oriented and family friendly lifestyle

Acknowledgements

The Keweenaw Economic Development Alliance wishes to thank everyone who participated in the planning process - from the SWOT input and prioritization to the two leadership summits held to formulate and finalize the plan. We especially want to thank those who participated in the planning and review processes that were essential to moving the input to a final product. Finally, thanks to the Six County Employment Alliance for providing the facilitation.

This plan was developed with direct input, guidance, and consensus from the following area leaders:

Amanda McConnen, Assistant Director, Center for Pre-College Outreach, MTU & Keweenaw Young Professionals
Barb Foley, Owner, Country Village Shops
Bob LaFave, Manager, Village of L'Anse
Bobbi Wood, Director Engineering Services, ThermoAnalytics
Brian Donnelly, Vice President, River Valley Bank
Bruce Peterson, Supervisor, Portage Charter Township
Dave Chard, Supervisor, Stanton Township
David Geisler, President, Village of Calumet
David Mattson, Supervisor, Chassell Township
Dave Olsson, Director of Marketing, Aspirus Keweenaw Hospital
Diane St. Amour, General Manager, AmericInn Calumet, & President, Keweenaw Convention and Visitors Bureau
Don Piche, Chairman, Keweenaw County Board of Commissioners
Gene Londo, President, Calumet Machine & Houghton County Board of Commissioners
Glen Simula, President, GS Engineering
Glenn Anderson, Chairman, MTEC SmartZone Board & Manager, City of Hancock
Glenn Ekdahl, Supervisor, Franklin Township
Glenn Mroz, President, Michigan Technological University
Gregg Nominelli, Economic Development Director, Keweenaw Bay Indian Community
Ian Repp, Director, University Marketing and Communications, Michigan Technological University
Jeff Lang, CEO, UP Health System - Portage
Jim Bogan, Market President, UP Health System
Jim Vivian, Executive Director, Keweenaw Community Foundation
John Lehman, Associate Vice President, Michigan Technological University, Enrollment, Marketing, and Communications

Jon Julien, President, JIJ Construction, Julien Properties, Quincy Woodwrights
Julie Sprenger, President, Laurium Manor Inn, Inc. & Michigan Travel Commission
Karin VanDyke, Vice President for University Relations, Finlandia University
Karyn Olsson, President, UP Marketing Department
Kevin Codere, President, Peninsula Copper Company & MTEC SmartZone Board
Kevin Store, Executive Director, Portage Health Foundation
Kyle Oja, President, MJO Contracting, Inc.
Lisa McKenzie, Mayor, City of Hancock
Mark Massicotte, President, L'Anse Manufacturing & President, Baraga Chamber of Commerce
Mike Lahti, Owner, Lahti Properties, LLC
Neil Ahola, President, Memorial Chapel Funeral Home, Inc.
Paul Lehto, Supervisor, Calumet Charter Township
Philip Johnson, President, Finlandia University
Richard Probst, Supervisor, Eagle Harbor Township
Robert Megowen, Mayor Pro Tem, City of Houghton
Ron Fisher, President, Superior Smiles & CEO, Vollwerth & Co.
Rory Erickson, President, ERICO Electrical, Inc.
Sam Raymond, President, Keweenaw Adventure Sports
Scott See, Executive Director, Keweenaw National Historic Park Advisory Commission
Steve Karpiak, Supervisor, Osceola Township
Tim Palosaari, President, Ed's Used Parts, Inc., & Vice Chair, Houghton County Board of Commissioners
Todd Brassard, Vice President – Manufacturing, Calumet Electronics

The Process

With a new executive director in place, the Keweenaw Economic Development Alliance (KEDA), the private, non-profit local economic development organization serving Baraga, Houghton, and Keweenaw Counties, has set out to develop an economic development strategic plan for the three counties we serve. The goal of this plan is to create a unified approach, driven by business and community leaders that will increase economic activity and opportunities for our area.

KEDA recognizes that there are issues that are: 1) common across the three counties and 2) also particular to each county. The goal of developing a strategic plan will be to fully identify these local and regional issues, prioritize them, and identify how they should be addressed.

KEDA believes that the most valuable input will be from those that have already made a commitment to their community's growth and development, namely KEDA members, our chamber of commerce members, and local elected officials.

The planning process occurred in several phases. In the first phase, we conducted an electronic strengths, weaknesses, opportunities, and threats (SWOT) input process that reached out to 588 KEDA, Baraga Chamber and Keweenaw Chamber members, elected officials as well as other identified stakeholders that may not be a part of these organizations. This input was compiled anonymously.

In the second phase, the summarized input was then prioritized at three facilitated meetings to held on March 11 (KEDA meeting), March 17 (L'Anse), and March 25 (Eagle River). Everyone on the original SWOT mailing list was invited to attend these sessions.

The third phase brought together 37 members of the community with the greatest influence for a facilitated conversation. The goal was to take the SWOT input along with some economic and demographic data as a starting point for a discussion designed to determine what efforts will be the most impactful in moving our economy forward. The first conversation was held on May 19 and a follow up conversation was held on August 4 2015.

This complete process allowed KEDA to develop consensus, set priorities and figure out how to tackle the identified issues. Some are issues that only local government can address, others will require a public-private partnership, some are KEDA specific, some are chamber of commerce specific, some will take task force type efforts and some are going to be in the hands of the state or federal government, but may require a collective local voice to motivate action.

Finally, a draft plan was brought back for review, additional input, agreement on the key elements of the plan, who is taking on what elements of the plan, the basis of how goals will be tackled, and the logistics of how the costs are born.

SWOT Results

The SWOT input gathering and prioritization generated a fairly consistent picture of what is working for business and what is not in the Keweenaw.

The following are the prioritized responses to the SWOT questions:

What are the strengths or advantages of this area that make it a desirable place to do business?

- 29-Outdoor recreation (top 10 in US for silent sports)
- 22-Good K-12 schools
- 21-Quality of life
- 15-Natural resources (timber and minerals)
- 12-Universities
- 8-Waterfront
- 6-Four seasons

What are the weaknesses or barriers of this area that make it difficult to successfully conduct business?

- 26-High utility rates
- 19-Reluctance to change
- 19-Airport – unreliable service, poor management, bad location
- 17-Broadband and cell service
- 11-Lack of vocational-technical and skilled trades education at schools
- 9-Remote geographic location and associated affect on transportation cost, access to markets and access to people
- 7-Lack of professional employment opportunities for trailing spouses and dual career families

What are the opportunities that this area has to improve its economy?

- 20-Natural resources – timber, minerals, water
- 17-Align and partner companies and organizations across disciplines. Look at ways to collectively impact major barriers – electricity, broadband, and transportation
- 13-Placemaking
- 12-Expand/improve CTE for high school students
- 11-Tourism – Need to promote and expand (like Bayfield WI)
- 8-Expand outdoor recreation
- 7-Long term planning
- 7-Develop skilled employment training
- 6-Waterfront/canal areas

What are the external threats that affect or could affect efforts to improve the area's economy?

- 20-Increased energy costs
- 16-Lack of vision of where the area wants to go and how to get there
- 13-Community division and lack of clear overarching strategic plan that is endorsed by the current top economic drivers of the community

When the prioritization of input is grouped into like categories (see attachments) the following priorities emerge:

Strengths

1. Quality of life
2. Outdoors
3. Natural resources
4. Technology and research skills from MTU
5. Business development support infrastructure

Weaknesses

1. High electricity costs
2. Reluctance and resistance to change
3. Poor air service
4. Lack of vocational and technical education in area schools
5. Poor broadband and cell service

Opportunities

1. Tourism
2. Natural resources
3. Placemaking
4. Developing public-private partnerships to solve problems
5. Expand and improve CTE in schools

Threats

1. Lack of vision and planning
2. Energy costs
3. Population decline
4. State level politics
5. Failure of key infrastructure (electric, gas, telecom)

Demographics and Economy

A review of basic economic and demographic data shows that in comparison to Delta County, Marquette County and the State of Michigan, the Keweenaw has stagnate population growth, a much older population, lower incomes, lower poverty rates (except for Houghton which is 23%!), above average graduation rates (except for Baraga at 82%), below average number of people with bachelor's degrees (except for Houghton at 28.9%), low single family home values and a very old housing stock, and retail leakage outside the area.

The data also shows that a higher number of its employed are either self employed or working out of the area. The Keweenaw has a lower labor force participation rate and fewer residents employed per population than either Delta or Marquette Counties. Public sector employment dominates wage earnings compared to Delta or Marquette Counties. The impact of the participation rate shows in the low wage per capita as compared to Delta and Marquette.

The impact of Michigan Tech and three hospitals is sizeable and contributes to a very high public sector contribution to wage income (42%). In Delta and Marquette this is 16% and

22% respectively. With some exceptions, the Keweenaw's average annual wages by sector were lower than either Delta or Marquette Counties'. The primary sectors reflect the public sector and professional and technical services. Average annual wages in the Keweenaw were 85% of Delta's and 77% of Marquette's.

Clear agreed upon takeaways from the SWOT and leadership summit are that we need to break out of the stagnation we find ourselves in, take advantage of the significant resources found in the Keweenaw – namely outdoor recreation, Michigan Tech and Finlandia, and our manufacturing base – and engage business and community leadership.

Basis for the KEDA Plan

1. Economies are by their very nature regional. Our companies operate regionally – defined as local, national and international for many companies. Our residents move across political boundaries every minute of every day. People reside in one place, work in another, shop in another, and recreate in still another.
2. Economic development is a team effort. Where it is successful, there is an active collaboration of local, regional, state and even federal organizations, agencies, and government. Where it is successful it has required planning, vision, and consensus of many people. And most importantly, where economic development is played successfully, it has required active leadership and participation of business and community leaders
3. Economic development will entail change. Change requires vision, leadership, resources, and a focus that anticipates where change is needed, communicates and leads the effort to make it happen. Businesses and local governments also need to embrace change. Technology and access to information affect the expectations of the marketplace and requires business and local governments to face constant adaptation and forward thinking.
4. Economic development always takes place within an environment where resources are constrained. In order to make maximum use of available resources as well as attract new resources there must be a sound economic development investment strategy.

The Economic Development Strategic Plan

Vision

We are a community driven by our leaders to be the best at utilizing our technology, education and business assets to build a diverse economic base that leverages and develops the unique strengths of each county and its people.

Mission

Engage community leadership to start, retain, grow and attract companies that will increase the wealth of the region through a holistic and collaborative strategy that builds on the assets and opportunities present in the region.

Goals

The following goals are not listed in priority order. Each of the goals supports all others so all must be advanced together.

1. Foster Business Growth

Foster the startup, retention, expansion, and attraction of small companies that increase the diversification of the regional economy and take advantage of its unique resources and complement efforts in the attraction and retention of talent

- Start five –ten new technology or export oriented manufacturing businesses per year
 - Tap MTU and Finlandia alumni network for startups, attraction, and business succession opportunities
 - Utilize MTU’s career fairs for opportunities to network with alumni for start-up and attraction opportunities
- Develop a network with area businesses and utilize to support new business development as well as to support existing business retention and expansion.
- Ensure that local support and regulatory framework is conducive to business
- Ensure that infrastructure and support mechanisms are in place to encourage and support telecommuting
- Develop collaborative mentorship network for start- up and existing business owners
- Ensure access to capital
- Define specific business segment to try to attract, and develop a regional brand and marketing plan.
- Retain and expand area companies through ongoing outreach and connection with resources, tools, and networks
- Develop and maintain a regional site and building inventory to facilitate business start- up and growth

2. Improve Infrastructure

Ensure that the infrastructure needed by business and community is in place and at a level and cost to meet current and future demands

- Identify broadband telecommunications gaps and projects (wireless and fiber availability especially in Keweenaw County) and address through private-public partnerships and advocacy
- Monitor and address air service issues in order to maintain consistently reliable commercial air service in the Keweenaw
- Identify and pursue opportunities to improve access to clean, safe, affordable housing that is appropriate to the demands of retaining and attracting talent
- Identify transportation gaps and projects (rail, deep water ports, over the road shipping, road conditions, speeds on state highways), develop projects and advocacy to address
- Identify electric supply issues (Cost, reliability, capacity), develop projects and advocacy to address
- Identify natural gas supply and access gaps (availability, capacity), develop projects and advocacy to address
- Identify water supply gaps and issues (safe, clean, appropriately priced and located, and adequate supply for industrial, commercial and residential uses) and address through projects and advocacy
- Identify municipal sewer supply gaps and issues (adequate supply and appropriately priced and located for industrial, commercial and residential uses) and address through projects and advocacy
- Identify and pursue opportunities to support and improve K-12 education in the region
- Identify and pursue opportunities to support and improve healthcare in the region

3. Revitalize Our Communities

Create communities in Baraga, Houghton and Keweenaw Counties that are attractive to recruiting and retaining talent

- Improve downtowns, their building stock, and streetscapes (Houghton, Hancock, Calumet, Laurium, South Range, Lake Linden, Baraga, L'Anse)
- Develop the waterfronts in Houghton, Hancock, Baraga, and L'Anse for public and recreational use
- Target development of amenities that will support both single and married millennials (24-39 year olds)
 - Develop outdoor recreational trails, etc. especially in Keweenaw County
 - Develop appropriate housing – both rental and ownership (\$100k-\$125k)
 - Non-traditional grocery store options
- Improve quality of existing housing stock through targeted investment in rehabilitation, renovation, and new development with special focus on the housing stock from the mining era within the cities, villages, and unincorporated communities of the Keweenaw
- Improve unincorporated communities such as Copper Harbor, Eagle Harbor, Eagle River, Mohawk, Dollar Bay, and Hubble
- Develop upper floor housing in downtowns (with appropriate parking)
- Identify and eliminate blight through targeted redevelopment and use of ordinances
- Target development of housing for retirees

4. Develop and Attract Talent

Develop a comprehensive attraction, retention, and education system that seeks out, attracts, and retains skilled talent and allows area residents to develop the talent and skills most appropriate for them and the local economy

- Private/public partnership to address funding and provide leadership for vocational-technical education programs
- Develop a regional access and delivery system for CTE/vocational technical education that meets state standards and for where appropriate, industry standards
- Tap MTU and Finlandia, Gogebic Community College, and Keweenaw Bay Ojibwa Community College alumni to fill talent gaps for area companies
- Develop process to increase awareness of the skilled trades that starts with 5th graders
- Develop education fund that covers the cost of MTU tuition for four students annually with the exchange that they start and run a company in the Keweenaw after they graduate
- Build on KEDA's skilled trades scholarship program to assist high school grads with non-university secondary education skill development
- Develop permanent and ongoing training and focus on quality customer service for hospitality and retail businesses
- Build and develop quality K-12 education
- Identify and develop supplemental employment opportunities for trailing spouses

5. Enhance Cultural and Recreation Opportunities

Develop and market the region's cultural and outdoor oriented and family friendly lifestyle

- Ensure that all cultural and recreation assets are accessible and identifiable especially securing permanent trail ROW
- Develop the amenities that will attract and retain millennials – both single and married
- Create a regional trails system between communities, with appropriate wayfinding, highlighting natural, cultural and historic points of interest and promote this asset and brand collectively
- Develop and support development of additional recreation assets
- Work on balancing development with natural resource protection and historic preservation through managed growth
- Develop a cooperative branding effort with UP-wide SmartZone branding and local community branding and publicize (change from being best kept secret to well-known fact)

Organizations and Roles

Economic development requires the active engagement of many players from the public, private and non-profit arena. Below are listed the primary, though not exclusive list of organizations and entities that have a stake in and must be a part of the economic development effort envisioned by this strategic plan.

Local

Keweenaw Economic Development Alliance

MTEC SmartZone

Baraga and Keweenaw Chambers of Commerce

Finnish American Chamber of Commerce

Baraga and Keweenaw Convention and Visitors Bureaus

Community Foundations (Baraga County Community Foundation, Keweenaw Community Foundation, Portage Health Foundation)

Local Governments

- Baraga, Houghton, & Keweenaw Counties

- Cities of Houghton & Hancock and their respective Downtown Development

- Authorities (DDA)

- Keweenaw Bay Indian Community

- Villages of Baraga, L'Anse, Calumet, Laurium, South Range, Lake Linden and their respective DDA's

- Townships

Baraga, Houghton, & Keweenaw County Road Commissions

Various Utility Authorities

Brownfield Redevelopment Authorities

Copper Country Intermediate School District (CCISD)

Universities & Colleges

- MTU

- Finlandia

- Gogebic Community College

- Keweenaw Bay Ojibwa Community College

Nine School Districts

Area Hospitals (Aspirus Keweenaw, Baraga County Memorial, UP Health System-Portage)

Area businesses

Regional

Small Business Development Centers (SBDC)

Region 1 Michigan Works!

Northern Initiatives (NI)

Western UP Planning & Development Region (WUPPDR)

Michigan Economic Development Corporation (MEDC)

Michigan State Housing Development Authority (MSHDA)

Michigan Department of Agriculture and Rural Development (MDARD)

Michigan Department of Transportation (MDOT)

Michigan Department of Environmental Quality (MDEQ)

Michigan Department of Natural Resources (MDNR)

Strategic Plan Implementation

A restructured and enlarged KEDA board that forms a representative private-public partnership will guide the implementation of the overall strategic plan. Task forces or work groups made up of representatives from the appropriate organizations and business will guide the implementation of each goal. Additional supporting organizations will be brought to the table as needed for the implementation of particular objectives.

Composition of each task force or working group will be drawn from and supported as follows:

Goal - Foster Business Growth

Task Force drawn from:

KEDA
MTEC
Universities & Colleges

With support from:

SBDC
Chambers
Government
MEDC
Finance

Goal – Improve Infrastructure

Task Force drawn from:

KEDA
Business
Local Governments (and their respective utility and housing authorities and airport)

With support from:

Road Commissions
Utilities
WUPPDR
MDOT
Telecoms

Goal – Revitalize our Communities

Task Force drawn from:

KEDA
Local governments (including DDA's, Housing Authorities, Brownfield Authorities, etc.)
National Park Service
Private Developers

With support from:

WUPPDR

MEDC

MSHDA

MDOT

MDEQ

Goal – Develop & Attract Talent

Task Force drawn from:

KEDA

Business

MTEC

CCISD

Michigan Works!

Education

With support from:

WUPPDR

Government

Goal – Enhance Cultural and Recreation Opportunities

Task Force drawn from:

KEDA

Local Governments

CVB's

With support from:

Local Clubs, Groups, KYP

WUPPDR

MDNR

Chambers

DDA's

National Park Service

Investment Required

	Year 1	Year 2	Year 3
KEDA	\$183,510	\$192,681	\$198,341
Web Site	\$10,000		
Total	\$193,510	\$192,681	\$198,341

Attachments

-Demographic and Economic Data

-SWOT Input – Prioritized

-SWOT Input