



ECONOMIC DEVELOPMENT IN MANISTEE COUNTY & SURROUNDING AREAS

Date Updated	Updated By	Description of Change
02/05/2008	Renee Ihlenfeldt	Update to remove strategic goals that have been achieved or that are removed because other organizations should take leadership role. Removed "actions" because have been moved to the "2008 Operational Plan"
09/19/2007	Renee Ihlenfeldt	Added name change – Alliance for Economic Success

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I. Background

In March 2006, the Manistee Economic Council and Chamber Alliance (MECCA), at the initiative of its Economic Development Advisory Committee (EDAC), completed an independent assessment of the Manistee Economic Development Office (EDO).

That assessment recommended that a three-year strategy for the EDO be developed to re-engineer the organization.

Renee' Ihlenfeldt and Tim Ervin were independent contractors to the EDAC and they developed the initial EDO October 2006 strategy based upon:

- **BEST PRACTICES.** An assessment of national best practices conducted for the EDO by the firm Public Sector Consultants based in Lansing, Michigan.
- **STAKEHOLDER ENGAGEMENT.** A series of focus groups to identify:
 - What is working with regard to the county's economic development?
 - What is not working?
 - What should the EDO office do and what should the priorities be?
- **STRATEGIC INPUT.** This included consultation with organizations such as the Michigan Economic Development Corporation (MEDC), Michigan Economic Development Association (MEDA), neighboring counties, the Northwest Michigan Council of Governments and others.

Re-branding of the Economic Development Office (EDO)

At the conclusion of the development of this EDO project, it was determined that this new strategy would result in a significantly different organization. Therefore, the EDO Advisory Committee embarked on a re-branding effort. The results of that effort lead to the EDO being renamed to the *Alliance for Economic Success*. The following document will refer to “*EDO*” when discussing the strategic planning process; however, the portions of this document that refer to the new strategy will refer to the organization by the new name *Alliance for Economic Success*.

II. Stakeholders Consulted

Many stakeholders were consulted during the development of the Economic Development Strategy,

Table 1 identifies groups that participated in facilitated discussions as part of this process.

Table 1

Focus Group Facilitated Discussions
Agricultural Interests Manistee Manufacturers Council
Arts and Culture Organizations
City Council & Staff; City of Manistee
Downtown Development Authority; City of Manistee
Manistee County Banking Establishments
Manistee County Commission & Administrator
Manistee County Non-Profits
Manistee County Vocational Teachers (CASMAN, MISD, MAPS)
Manistee Convention and Visitors Bureau (CVB) This included several hospitality businesses)
Manistee Senior Corps of Retired Executives (SCORE)
Manistee Township Association
Northwest Michigan Council of Governments
Realtors
Retailers
Sunrise Rotary Club

Table 2 identifies individuals and small group discussions that occurred as part of this process.

Table 2

Individual &/or Small Group Discussions
Blarney Castle Oil, Inc.
Northwest Michigan 4C Council; Child Care Connections
Consumer's Energy; Bob Gluszewski & Allan Hooper
Fab-Lite, Inc.
Finan
Goody's Juice and Java
Kal-Tel, Inc.
Senator Levin's Staff
Senator Stabenow's Staff
Little River Band of Ottawa Indians
Manistee Chamber of Commerce Advisory Committee

Individual &/or Small Group Discussions
Manistee Industrial Development Corporation (IDC)
Mason County Growth Alliance
Mas-Tech, Inc.
Michigan Economic Development Association
Michigan Economic Development Corporation
Michigan WORKS!
Michigan Small Business & Technology Development Center
Morton Salt, Inc.
Moving Spirit
MR Products, Inc.
Oaks Correctional Facility
Oleson's
PCA, Inc.
Wahr Hardware
West Michigan Regional Kitchen Incubator
West Shore Community College
West Shore Medical Center

III. Stakeholder Findings

Stakeholders are defined as people or organizations that have a stake or interest in the economic well-being and quality of life of Manistee County.

Significant findings from stakeholder input are:

- People and organizations care about the economic well-being and quality of life of the county and want to be involved.
- If people and organizations are not involved to the fullest extent possible, the strategy will fail.
- Communication and collaboration must be ongoing to ensure that the economic strategy for the county is relevant and responsive.
- There is a need for strong leadership and adequate funding to ensure that the economic development strategy is effectively implemented.

The following tables summarize the most frequent responses (similar answers from 3 or more of the 43 focus groups) to three questions: 1) What is going well?; 2) What is not going well?; 3) What should the “EDO” office do?

Table 3

What is Going Well? (What are the strengths, greatest attributes, performing well)	
“Quality of Life”	Work force stability
Tourism	Quality workers producing quality products
Natural resources	Good schools with new facilities
Deep water port	West Shore Community College
Recreation	Community becoming more positive
Historic, architectural, cultural amenities	Growing arts community
Shops, specialty stores, specialization	Hospital/health care expansion
Distinctive Victorian City theme	Influx of new people with new ideas
Condos – new development	

Table 4

What is Not Going Well? (What are the challenges, weaknesses, roadblocks, etc.)	
Teamwork and communications	Government relationships
Business and job retention	Education not connected to business needs
Business and job attraction	City taxes
Renaissance parks	Poor “packaging” of the county
Employment opportunities	Box stores, lack of in-county retail, forcing people to shop outside of county
Growth of condos, lack of land use planning	Lack of activities/assets for youth and young adults
Shops, specialty stores, specialization	Hospital/health care expansion
Distinctive Victorian City theme	Influx of new people with new ideas
Downtown merchants not on the same page	

Table 5

What Should the EDO Do? (What should the functions and priorities of this organization be?)	
Clearinghouse for information, hub for communications	Reflect economic development consistent with community quality of life vision
Focus on business retention, attraction and expansion	Facilitate progress among diverse groups (serve as a facilitator)
Foster training to help businesses	Have an evolving strategy with clear missions
Promote and package Manistee County	Leverage grants, seek funding
Ombudsman/advocate for business	Teach community how to welcome visitors and new opportunities

IV. Envision Manistee County Input

Envision Manistee County was a 16-month process to develop visions, priorities and strategies for the county's future. This strategy will directly implement a number of recommendations of Envision Manistee County dealing with the economy and employment. The vision established through the Envision process for economy and employment was:

“In the year 2015, Manistee County has good cooperation at all levels of the community, a highly educated/skilled workforce, a diverse and growing economy and a reputation as a business-friendly community that recognizes the importance of sustaining and expanding its economic base. The county also has a common vision that can be adapted to changing conditions, a balanced quality of life, and a reputation for natural beauty and a strong commitment to environmental stewardship”.

The Envision process identified the following strengths and challenges, in addition to those identified through the focus group meetings noted above:

Table 6

Economic & Employment Strengths
Natural resources
Strong public school system and community college
Existing manufacturer base
Tourism growth

Table 7

Economic & Employment Challenges
Lack of unity on what type of economic growth is needed
Lack of governmental cooperation
Resistance to change
Industrial jobs decreasing along with average annual wages
Attracting technology firms and jobs

Table 8

Economic & Employment Priorities
Create county-wide economic development policies and programs to guide local governments and businesses
Create and implement strategies to create broadband, a high-speed internet network
Create an economic best practices group to recognize current and future trends and explore options for the county
Create and implement methods to avoid small business failures in the county
Enhance career skills training
Create a “red tape” cutter for businesses
Develop incentives for county businesses
Survey county business/employer needs
Create a collaborative economic development plan
Create and implement strategies for value-added agriculture in the county

Surveys

As part of the Envision process two surveys were conducted: (1) of the general population by Research Services, Northwestern Michigan College (96% confidence level); and (2) of 500 high school students by the Youth Advisory Committee (YAC) to the Manistee County Community Foundation (MCCF). Results included:

General Population

The general population survey provided the following results:

- 39% rated the future health of Manistee's economy as “below average.” 33% rated it “average” while 17% rated it “poor.”
- The three types of economic sectors cited most frequently as “very important” for the county were: health care, small-scale manufacturing and professional services.
- Over 67% of respondents disagreed with the statement that “Manistee County is able to provide sustainable employment opportunities that offer a “livable wage.”
- 60% of respondents disagreed with the statement that “Children under the age of 18 have ample employment opportunities in the County.”

- 56% of respondents said that growth in the county is being managed somewhat effectively and 35% said that growth is “not effectively” being managed.
- About 52% of respondents rated the overall quality of K-12 education as “above average” or “excellent” while 42% rated it “average” or “poor.”
- About 29% of respondents rated lifelong learning opportunities as “above average” or excellent while 46% rated it “average” and 25% rated it “below average” or “poor.”

High School Students

Youth rated the following below average:

- Job opportunities in the county after college graduation
- Job opportunities in the county after high school graduation

Youth said that they were “very concerned” with their sense of belonging in the community.

Youth rated the following as the most severe problems:

- Teen use of drugs and alcohol
- Social violence among teens (gossiping, cliques, vandalism)

The majority of youth rated cultural opportunities in the community below average or poor.

V. Manistee County Economic Conditions

This strategy must also take into account the economic conditions and trends in Manistee County that include:

- The total number of business establishments and employees in Manistee County has grown (1998-2002) at a slower rate than that of Northwest Lower Michigan's 10 counties.
- The total number of employees in the county between 1998 and 2002 decreased.
- Annual payroll growth and average payroll per employee in Manistee County show slower growth than the other 10 counties in Northwest Lower Michigan. The average payroll per employee is 93% of Northwest Lower Michigan and 72% of the State of Michigan's average payroll.

- From 1998 – 2002, goods producing industries experienced a 12.6% decrease in jobs while service producing industries experienced a 24.6% increase.
- Per capita personal income in the county ranks 49th out of 82 counties.
- Unemployment in the county has traditionally been higher than that of other northwest Michigan counties, the state and nation.
- The county ranks 57th out of 83 counties in personal bankruptcy filings
- A high percentage of county residents are overburdened with housing costs
- 76% of the county's roads are rated fair to good.
- Manistee County's use (% of use) of public waste and water systems is lower than that of northwest Michigan and the State
- In 2000, 14.2% of the population held a bachelor's degree or higher, compared to state and national averages that are 21.8% and 24.4%, respectively.

In addition to these trends, the economic forecast for Michigan also needs to be understood as added context for that strategy. A report released on October 17, 2006 by the Citizen's Research Council and the W. E. Upjohn Institute forecasts that Michigan's average percent rate of employment growth for the next 10 years will be about .61, about half of the forecasted national rate of growth and the gap for the State's general fund and school aid fund is estimated to be \$9.5 billion if major structural changes in state government spending do not occur.

VI. Organizational Guiding Principles

The economic development strategy for the Alliance for Economic Success will:

- Encompass all economic sectors relevant to Manistee County (previously EDO focused solely on manufacturing)
- Be instrumental in addressing issues involving the “cornerstones” of economic development and job creation
- Broaden the definition of economic development to reflect the quality of life.
- Be inclusive and engage groups, organizations, agencies and individuals in implementing the strategy.

- Be targeted and focused with core programs involving retention, expansion and attraction.
- Be opportunistic and agile to respond to evolving and new opportunities.
- Be collaborative and serve as a hub, facilitator and neutral convener to supporting capacity building that is vital to the county’s future.
- Be sustainable.

VII. Economic Development Defined

For the purposes of the economic development strategy for the Alliance for Economic Success, the definition of economic development will be:

“Improving the economic well-being and quality of life of Manistee County.”

VIII. Economic Development Vision

The vision for the economic well-being and quality of life for Manistee County should reflect the ideal state and can be summed up in one word:

“Prosperity”

This single word establishes a vision that can be translated in a variety of ways by organizations, governments, agencies, families and individuals to establish goals and objectives and measure progress.

IX. Missions

As a neutral convener and facilitator for the economic development strategy, the Alliance for Economic Success has three missions to achieve the vision. Each mission has strategies and specific actions. Through county-wide participation and continuous feedback the strategies and actions of the Alliance for Economic Success will change as conditions evolve. The Missions are:

- **Economic Development Cornerstones.** *To identify, facilitate and assist in the development and implementation of strategies to strengthen the cornerstones of economic development and job creation for Manistee County. Examples include how well the county’s infrastructure, health care, and*

educational and job training systems are positioned to enable the county to develop and compete for business and job growth.

- **Core Functions.** *To measurably impact the economic well-being and quality of life of Manistee County through programs involving the retention, expansion and attraction of business and jobs.*
- **Resource Development.** *To support the development of financial and human resources and products, services, businesses, organizations and developments that meaningfully impact or influence the economic well-being and quality of life for Manistee County.*
- **Organization Evaluation.** *To develop metrics and measures to evaluate organization performance and impact in regard to the economic well-being and quality of life in Manistee County.*

Mission 1. Economic Development Cornerstones

“If we don’t address the causes, we’ll never attain the desired effect.”

Comment, Facilitated Group Discussion,
Manistee City Council

Mission: *To identify, facilitate and assist in the development and implementation of strategies to strengthen the cornerstones of economic development and job creation in Manistee County.*

Examples of Economic Development Cornerstones include how well the county’s infrastructure, health care, and educational and job training systems are positioned to enable the county to develop and compete for business and job growth.

Businesses have global choices when they expand or establish new locations. In some cases, access and availability of natural resources may draw businesses to a region. In other cases, businesses may choose to locate in an area because of the:

- Proximity to intellectual or technical resources such as a university
- Availability of housing, quality of schools, diversity of cultural opportunities, and other key quality of life factors
- Cost of doing business
- Readiness for business growth and expansion, including the overall economic well-being of the area
- Proximity of markets.
- Capacities of the workforce
- Incentives for business development.

The options for strengthening and improving Manistee County’s competitiveness, economic well-being and quality of life can be significantly improved if there is a unified, county-wide strategy to address issues involving the cornerstones for economic development in the county. Many of these matters are not a core responsibility or function of the Alliance for Economic Success. However, the Alliance for Economic Success will provide support as a neutral convener to:

- Bring related interests together to identify issues, needs and action steps to strengthen the county's economic cornerstones.
- Assisting in developing or linking financial, technical or human resources to identified needs.

Based on input from Envision Manistee County and that received in developing this strategy, the following “cornerstone” initiatives will be addressed in the Alliance for Economic Success’s strategic plan:

- Working Together.
- Infrastructure Needs
- Land Use Planning
- Capacity building

Strategy 1.1. Improve Team Work & Communication

Focus groups identified a need for greatly improved team work and communications to support economic development, including county, city and township governments; businesses; schools and school administrators; the Little River Band of Ottawa Indians; county banks; retailers, manufacturers and others. This suggests that people and organizations recognize the need even if they are finding it difficult to surmount the problem. All interests need to tackle this issue head on. Failure to do so will result in:

- Lost opportunities. Especially since businesses and funders are looking for communities that know how to collaborate to get things done efficiency.
- A high cost. If we do not work together, we are not able to leverage resources, ideas or assets. This is critically important in a county with a population of only 25,000.
- Stagnation. If we do not reach outside of the lines we will operate within limits that are simply too small to inspire growth, development and innovation or attract new or diverse businesses to the county.

- Insufficient Community Support. Because processes and actions will not reflect full involvement.

The Alliance for Economic Success will work to improve team work and communications to support economic development, including county, city and township governments; businesses; schools and school administrators; the Little River Band of Ottawa Indians; county banks; retailers, manufacturers and others.

The following goals will be addressed in the 2008 Operational Plan:

- **Goal 1.1.1. Deliver Superior Communication Programs**
- **Goal 1.1.2. Serve as Neutral Convener and Facilitator**

Strategy 1.2. Assist with Infrastructure Improvements

Infrastructure -- meaning roads, communication systems, government programs and services, utilities and others – is an essential economic development cornerstone which can either enable or inhibit economic growth and job creation. The development, improvement and modification of infrastructure is an ongoing requirement of a community that is seeking to serve its existing population and seek options for expanding and diversifying its economy.

The Alliance for Economic Success will assist in addressing infrastructure needs to ensure the existing business population is well served and to enable economic growth and job creation.

The following goal will be addressed in the 2008 Operational Plan:

- **Goal 1.2.1. Support Infrastructure Solutions.**

Strategy 1.3. County-wide Collaborative Planning

Sound, forward-thinking planning has become of critical importance throughout northern Michigan with the acceleration of development pressures and the decreasing of public and private funds. A number of efforts are underway, including the updating of the county's Master Plan, the cooperative planning effort involving Bear Lake Township, Pleasanton Township and the Village of Bear Lake, County-wide recreation plan, the Portage Lake Watershed Forever Planning process and others.

Projects must be planned and organized with a more county-wide/regional focus. The Alliance for Economic Success should provide convening and facilitation assistance for county-wide efforts that support community and business development.

The following goals will be addressed in the 2008 Operational Plan:

- **Goal 1.3.1. Build Land Use Planning Capacities**
- **Goal 1.3.2. Facilitate County-Wide Recreation Plans**
- **Goal 1.3.3. Facilitate Solid Waste/Recycling Plan**

Strategy 1.4. Capacity Building

Many organizations and individuals who provided input for this strategy emphasized the need for community leadership, collaboration, communications and other key capacities. Building and supporting our “human capital” through focused capacity building is critical to the long-term, effective implementation of this strategy.

There are four key capacities that will be targeted in a capacity building plan:

- Adaptive Capacity. Monitoring, assessing and responding to internal and external changes.
- Leadership Capacity. Include visioning, directing, inspiring, innovating, prioritizing, modeling, and decision making.
- Management Capacity. Ensuring effective and efficient use of organizational resources.
- Technical Capacity. Meaning doing the work of the organization, delivering programs and services. Areas included are technology, accounting, marketing and communications, fundraising and others.

The Alliance for Economic Success will help to secure, deliver and support programs and opportunities that improve community leadership, collaboration, communications and other key capacities.

The following goal will be addressed in the 2008 Operational Plan:

- **1.4.1. Goal: Implement Best Practice Research in AES Projects**

Mission 2. Core Functions

Mission: *To measurably impact the economic well-being and quality of life of Manistee County through programs involving the retention, expansion and attraction of business and jobs.*

The most fundamental functions of an organization responsible for jobs and economic development involves:

- **Retaining** existing businesses and jobs.

- Assisting businesses **expand**
- **Attracting** new business and jobs

The primary purposes for the Manistee Business Retention, Expansion and Attraction program are:

- To improve communications and productivity between business and government
- To identify and address concerns, problems and opportunities for the business community
- To refine policies and strategies to improve the climate for investment, employment and competitiveness
- To prevent overlap and duplication in government's dealing with business.
- To enable and support cost-effective business development
- To attempt to head off closures arising from changes in the economic sectors, such as mergers, acquisitions and consolidations
- To provide services to businesses that are superior to the competition

Strategy 2.1. Business Retention, Expansion & Marketing

Alliance for Economic Success will implement a comprehensive one-stop shopping retention, expansion and attraction program. This will include increased collaboration with business development partners, strategic assistance, exploration of system for delivering assistance to entrepreneurs and the development of a county-wide marketing program.

The following goals will be addressed in the 2008 Operational Plan:

- **Goal 2.1.1. Create a Proactive Business Retention & Expansion program.**
- **Goal 2.1.2. Track and Utilize Business Information:**
- **Goal 2.1.3. One-Stop Shopping.**
- **Goal 2.1.4. Provide Strategic Support for Existing Businesses.**
- **Goal 2.1.5. Begin Development of an Entrepreneurial System**
- **Goal 2.1.6. Packaging Manistee County**

Mission 3. Resource Development

Mission: *To support the development of financial and human resources and products, services, businesses, organizations and developments that that meaningfully impact or influence the economic well-being and quality of life in Manistee County.*

The Alliance for Economic Success office will serve as the county's focal point for supporting innovation, entrepreneurial ventures and a range of initiatives that influence the economic well-being and quality of life in the county. This is the “value added” function of the Alliance for Economic Success, since its Resource Development strategies and actions will:

- Enable the county to be opportunistic in exploring options as they develop.
- Include a “development” function, providing grant writing and other forms of financial and technical assistance to support organizations, initiatives and projects county-wide.
- Provide fiscal agent and capacity building services for non-profit organization that provide services and programs that support the county economic well-being.

Strategy 3.1. Consolidate & Focus Resource Development Efforts

The following goals will be addressed in the 2008 Operational Plan:

- **Goal 3.1.1. Provide Financial Resource Development Support**
- **Goal 3.1.2. Support Implementation of Envision Manistee County**
- **Goal 3.1.3. Nonprofit Capacity Building**

Mission 4. Organization Evaluation

Mission: *To develop metrics and measures to evaluate organization performance and impact in regard to the economic well-being and quality of life in Manistee County.*

Strategy 4.1. Measure and Evaluate Performance and Outcomes

The following goals will be addressed in the 2008 Operational Plan:

- **Goal 4.1.1. Develop metrics and measures to evaluate outcomes**
- **Goal 4.1.2. Track activities to measures performance**