



Otsego County Economic Alliance

2009 Annual Report

April 2010

*Prepared for: The Otsego County Economic Alliance Board of Directors
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OVERVIEW

In June 1997 the Gaylord/Otsego County Chamber of Commerce convened a meeting of various agencies and government officials to discuss existing economic development efforts and processes. This meeting was held as the result of a previously completed study and the completed draft of the Otsego County Comprehensive Plan. The discussion highlighted the high rate of growth that was occurring and projections that it would continue. A consensus developed that the county's rapid growth and related issues required closer attention and management. The result of this meeting was the formation of a task force to research how other communities were addressing growth issues.

By the end of 1999 the task force had researched economic development programs in the region, and begun to assemble the details for establishing a program in Otsego County. A strong recognition emerged that the county's existing growth should not be taken for granted, that it posed serious potential problems if not managed and that opportunities for maintaining and improving the quality of life by focusing on retention and targeted recruitment were being missed.

Grant funding was secured to hire a consultant to assist the Task Force to prepare organizational documents for the Otsego County Economic Alliance (Alliance) and communicate the need for the new program to the county's leadership.

During the organizing process, the Alliance leadership established its mission to help manage economic growth in Otsego County in a manner that strengthens the local economy while maintaining the quality of life. In order to accomplish this, the Alliance would utilize a number of tools and resources to provide a range of services designed to assist communities to prepare for development or redevelopment as well as assist businesses to start up, expand or relocate in Otsego County.

To deliver these services in a manner that will serve this community most effectively the Alliance prepared a Strategic Plan based on community and business leadership input. This plan, completed in January 2002 and updated in 2005, and reviewed and updated in 2009, is designed to clarify and prioritize not only the specific issues that will help or hinder our community's development, but also identify opportunities and directions that will sustain and improve the community's future.

Strategic Plan

Our Mission

To facilitate economic growth in Otsego County through a public/private partnership that maintains economic vitality and stimulates economic growth while preserving the quality of life.

Our Vision

The Alliance envisions itself as a collaborative, community-supported, full-

service economic development organization; serving as the recognized champion of economic change and growth in Otsego County, providing leadership, vision, education and promotion of economic development; and providing the services and assistance necessary to develop high wage, high skill, base industries in Otsego County, through retention, expansion and attraction as well as entrepreneurial encouragement.

Our Strategic Goals, Objectives and Strategies

The Alliance Board recognizes that it's primary role in managing economic development in Otsego County is to impact the number and quality of jobs by retaining, expanding and attracting quality industry to the county. In doing so, the Alliance has agreed that it can only be effective in this role, if all aspects of the community - it's leadership, infrastructure, land use, public services and overall quality of life - are conducive to these goals. The Alliance recognizes that the barriers identified during its strategic planning will directly affect and impede its work. The Alliance also recognizes that it has a limited ability to directly affect several of these barriers. It does, however, have a role in seeing that they are addressed.

The following are the strategic goals adopted to implement the Alliance's Mission, Vision and Primary Program Goals:

- ❖ Retain and expand existing base industry
- ❖ Attract new base industry
- ❖ Build infrastructure to support base industry
- ❖ Plan and implement general community development projects and services
- ❖ Champion managed growth

The Alliance Board reviewed and recommitted to these goals most recently at its September 2009 Board Retreat.

Services Delivered in 2009

The following are the economic development services delivered, started or continued over the past 12 months:

Strategic Goal: Retain and expand base industry

- Retention. Retention efforts included visits to 12 companies and follow up assistance. Efforts included identifying a potential buyer for a local company, identifying energy efficiency consultants to assist with reducing energy costs, assistance with packaging projects for financing and working through project issues and assistance in dealing with state regulatory issues.

- **Brownfield Redevelopment.** Worked with the Otsego County Brownfield Redevelopment Authority, Otsego County and City of Gaylord, to facilitate the location of Elmer's Crane and Dozer facility to a Brownfield site at the Gaylord Industrial Park. The OCBRA, with assistance from the OCEA secured a Michigan DEQ (now MDNRE) Brownfield loan, packaged and secured OCBRA approval of a project related development agreement and professional services contract in January 2009. The building area has been delineated; site assessment activities have been completed, with a Base Line Environmental Assessment and Due Care Plan approved by the MDEQ. Elmer's has closed on the purchase of the site. Mitigation work will take place in the spring with construction of the Elmer's facility to follow. The project will result in at least \$1.3 million in private investment and 25 new jobs.

Strategic Goal: Attract New Base Industry

- **Prospects.** Worked with at least 12 prospective companies or start up companies—several related to the former Georgia-Pacific (G-P) site and two that located branch operations to Gaylord. Continue working with several of these prospects. Prepared site location proposals and information for five different companies. Conducted several site tours.
- **Local Incentives.** Initiated establishment of the Glen's Warehouse site in Waters as an Industrial Development District for purposes of granting a tax abatement for a potential new manufacturing facility.
- **State Incentives.** Worked with state legislators to amend the state's tax abatement act (PA 198 of 1974 as amended) to allow its application to existing buildings. Amendment passed in the Senate, but failed in the House.
- **Georgia-Pacific Redevelopment.** Working with an industrial real estate developer to purchase and redevelop the former Georgia-Pacific plant.

Strategic Goal: Build infrastructure to support base industry

- **I-75 Crossing Project.** Worked with the I-75 Crossing Task Force (composed of representatives from the City of Gaylord, Otsego County Road Commission, Michigan Department of Transportation, three townships, Otsego County, and the Northeast Michigan Council of Governments) to complete the new I-75 at-grade crossing from McCoy Road to Milbocker Road. This project provides a much safer and more direct route for trucks transiting to and from the industrial area on the west side of I-75 and provides traffic relief to several local roads and M-32.

Strategic Goal: Plan and implement general community development projects and services

- City of Gaylord Downtown Development Authority. Worked with the City of Gaylord Downtown Development Authority (DDA), to package and administer a \$169,000 CDBG grant to complete a \$362,049 facade project that provided improvement work on four storefronts including the Alpine Chocolat Haus, Hogan's Jewelers, Otsego County Abstract, and the Sugar Bowl Restaurant. The OCEA packaged a \$350,000 grant submission in the fall of 2009 that was awarded in the February 2010 that will allow facade improvements to continue in the spring of 2010 on at least seven more buildings in the downtown, totaling over \$755,000 in investment.
- City of Gaylord. Worked with the City of Gaylord, to package and administer an \$877,000 project to replace water, sewer, storm sewer and roadway on a portion of South Wisconsin, North Court and West Mitchell Streets. The project was supported by a \$377,000 MEDC infrastructure capacity enhancement (ICE) grant. South Wisconsin was completed in 2009 with North Court and Mitchell streets to be completed in 2010. An additional \$700,000 in ICE grant funding was just awarded (March 2010), which will allow the City to make \$990,000 of needed improvements to its waste water treatment plant and north elevated water storage tank in 2010.
- Small Business Assistance. The Small Business Counselor worked with a total of 42 separate clients. These clients started a total of 1 new business in 2009.
- Airport Advisory Committee. Continue working with the Advisory Committee and Airport Director.

Strategic Goal: Growth Management Initiative

- Continued participating in an Inter-municipal Planning Committee with City, Livingston and Bagley Township and County representatives.

The Alliance's Work in Numbers 2001-2009

Project	Investment	Grant Project	Jobs
A&L Iron & Metal Expansion – Rail	\$ 4,500,000	\$ 2,500,000	25
Cooper-Standard Automotive Expansion - Road	\$ 3,000,000	\$ 500,000	50
Beaver Creek Resort Expansion - Road	\$ 2,000,000	\$ 876,000	13
A&L/Georgia-Pacific - South Townline Rd.	\$ 1,500,000	\$ 740,000	25
Alpine City Center - Streetscape	\$ 920,000	\$ 150,000	12
Independent Bank Expansion - Streetscape	\$ 3,200,000	\$ 926,210	10
Superior Well Services Location (New)	\$ 5,000,000		20
Marble Era Products, Inc. Location (New)	\$ 1,000,000		10
Truck Collision Services Location (New)	\$ 1,050,000		5
Northern Industrial Supply Location (New)	\$ 350,000		7
CSI Components (New)	\$ 1,000,000		20
Elmer's Crane and Dozer (New)	\$ 9,750,000	\$ 563,350	25
A&L Iron & Metal Expansion #2	\$ 3,208,000		6
Cooper-Standard Automotive Expansion (IFT)	\$ 1,654,000		39
Cooper-Standard Automotive Expansion (IFT)	\$ 593,927		94(R)
Silversmith, Inc. (IFT)	\$ 540,000		26
H&H Tube and Manufacturing Co. (IFT)	\$ 684,000		87(R)
H&H Tube, a Division of Sunspring America (IFT)	\$ 335,000		13
H&H Tube, a Division of Sunspring America (IFT)	\$ 217,667		3
Zaremba Equipment (Relocation & IFT)	\$ 7,687,000		8
Scientific Brake & Equipment (IFT)	\$ 1,826,000		6
FedEx Ground (Expansion)	\$ 2,000,000		44(R)
Northern Energy (Rail Abandonment)			35(R)
Ell-Tron Mfg. Co. (IFT)	\$ 310,000		10
I-75 Crossings		\$ 13,050,000	
City of Gaylord Public Infrastructure #1 - Well		\$ 444,300	
City of Gaylord Public Infrastructure #2 - Water, Sewer, Streets		\$ 1,267,500	
City of Gaylord Public Infrastructure #3 - Water, Sewer, Streets		\$ 1,500,000	
City of Gaylord Public Infrastructure #4 - Water		\$ 440,550	
City of Gaylord Public Infrastructure #5 – WWTP & Water		\$ 990,000	
Corwith Township Public Infrastructure #1 - Road		\$ 1,224,500	
Corwith Township Public Infrastructure #2 - Wells		\$ 286,500	
Gaylord DDA Façade Project No. 1		\$ 288,823	
Gaylord DDA Façade Project No. 2			
Johannesburg Streetscape		\$ 488,165	
LinkMichigan Planning Project		\$ 219,000	
I-75 Crossing Transportation Study		\$ 137,500	
Growth Management Initiative Phase I & II		\$ 110,000	
Growth Management Initiative Phase III		\$ 78,000	
Growth Management Initiative Phase IV		\$ 112,000	
Total	\$52,325,594	\$ 26,892,398	333/260(R)

Notes: (R) Jobs Retained; (IFT) Tax Abatement; (New) New companies located

Plans for 2010

Strategic Goal: Retain and expand existing base industry

- Continue making retention visits to base industries and provide appropriate follow up.
- Work with individual companies on property assessment and taxable value issue.

Strategic Goal: Attract new industry

- Work with prospective companies to secure purchase and redevelop the Georgia-Pacific facility.
- Work with prospective companies to identify appropriate sites or buildings and local and state incentives in order to facilitate their location to Otsego County.
- Continue general marketing efforts.

Strategic Goal: Build infrastructure to support base industry

- Work with the I-75 Crossing Task Force (renamed the Otsego Transportation Advisory Committee) and Otsego County Road Commission to ensure the completion of the crossing project, plan and implement supporting projects designed to improve the transportation system in and around the Gaylord I-75 corridor including the construction of ramps at the new crossing.

Strategic Goal: Plan and implement general community development projects and services

- Work with the Village of Vanderbilt and Corwith Township to secure funding to construct a municipal water system.
- Continue working with the Gaylord DDA to implement improvements in the downtown business district.
- Continue working with the Gaylord Regional Chamber of Commerce to support the annual Leadership Otsego County leadership training program.
- Continue to serve as affiliate of the SBTDC in order to provide small business assistance.

Strategic Goal: Champion managed growth

- Continue participating in the Gaylord Area Cooperative Planning Committee and work to develop a common framework for development between the City of Gaylord, Bagley and Livingston Townships and Otsego County including common development design guidelines.

Financials

Statement of Revenues and Expenses Period of January 1 to December 31, 2009

Revenues

Contributions	
Public	\$ 40,457
Private	\$ 66,382
In-kind Contributions	
Public	\$ 11,513
Private	\$ 6,000
Interest Income	\$ 1,236
Grant Administration	<u>\$ 14,145</u>
Total Revenue	<u>\$139,733</u>

Expenses

Program Services	\$ 85,514
General and Administrative	\$ 42,387
Fundraising	<u>\$ 2,667</u>
Total Expenditure	<u>\$130,568</u>

Net Income \$ 9,165

Board of Directors

Chairperson

Regan Quaal, President, Albie's Foods, Inc.

Vice Chairperson

Jack Thompson, Executive Director, University Center at Gaylord

Treasurer

Joe Duff, Manager, City of Gaylord

Secretary

Mary Sanders, Supervisor, Hayes Township

Directors:

Paul Beachnau, Executive Director, Gaylord Area Chamber of Commerce & CTB

John Burt, Administrator, Otsego County

Jack Card

Dale Gehman, Director, Otsego County Commission on Aging

Todd Gregory, Community President, Citizens Bank

Keith Gornick, Owner, KHG Holdings, Inc.

Tim Hall, Vice President & Market Manager, Northwestern Bank

Jay Jacobs, Area Manager-NE Michigan, Consumers Energy

Kevin Johnson, President, Johnson Oil Company

Bill Marshall, CEO, Crossroads Industries, Inc.

Bill Martella, Manager, Coldwell Banker Schmidt Realtors

Jeff Ratcliffe, Executive Director, Otsego County Economic Alliance

Lori Reichard, Vice President, Fifth Third Bank

Darren Rhoads, Sr. Vice President, Independent Bank

Timothy Timmer, VP Commercial Lending, mBank

Contributing Partners

The OCEA Board of Directors wishes to thank the following partners who not only made the Alliance possible through their financial contributions, but have also given of their time, energy and expertise to shape our organization's foundation and structure:

A&L Iron and Metal

Albie's Foods

Alpine Tax Deferred Exchange Company

Alpine Chocolat Haus

Alpine Computers

Arrow Sanitation

Bill Martella-Coldwell Banker Schmidt Realtors

Bradley J. Butcher & Associates, PC

C2AE

Catt Development

Citizens Bank

City of Gaylord

Consumers Energy

Cooper-Standard Automotive

Corporate Title Agency

Crossroads Industries

Freeman Family Enterprises

Gaylord Downtown Development Authority

Gaylord Regional Chamber of Commerce

Gaylord Precision Tool

Great Lakes Energy

H&H Tube and Manufacturing, a division of Sunspring America

Independent Bank

Integrity Construction Services

ITC Transmission

Jay's Sporting Goods
Johnson Oil Company
KHG Holdings, Inc.
Kirkpatrick & DuBois, PLC
Kosch Properites, LLC
Lakeview Quality Tool
LaSenorita Mexican Restaurant
Little Caesars
Marsh Ridge/The Natural
mBank
McNamara Insurance
Michigan Insurance Services
Mid-North Printing
Miller & Cook, LLP
William & Linda Muzyl Fund/Otsego County
Community Foundation
NCCI-Wolgast
Northern Energy, Inc.
Northwestern Bank
Luke & Margo Noss
Otsego County
Otsego County Abstract Company
Otsego County Road Commission
Otsego County Township Officers Association
Otsego Memorial Hospital
Paxton Resources
Quaal Investments, Inc.
Superior Well Service
The Old Spud Warehouse
Todd Seidell Architect, LLC
Trinity Architecture & Management, LLC

University Center at Gaylord

Village of Vanderbilt

Wade-Trim

Wal-Mart Foundation

Waters RV

Winn Telecom

Wolverine Power Cooperative

Local, Regional and State Agency Partners

The OCEA has developed formal and working partnerships with the following organizations in order to undertake the various aspects of our work:

Gaylord Downtown Development Authority

Otsego County Brownfield Redevelopment Authority

Northeast Michigan Council of Governments

Northern Initiatives

Northeast Michigan Consortium & Northeast Michigan Works!

*Michigan Small Business & Technology Development Centers of
Michigan Region 1 & 3*

Michigan Economic Development Corporation