

# OTSEGO COUNTY ECONOMIC ALLIANCE

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## ANNUAL REPORT 2012



May 2013

Prepared for: The Otsego County Economic Alliance Board of Directors  
By: Jeff Ratcliffe, Executive Director

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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 its 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 – its 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 at its September 2009 Board Retreat.

## **Services Delivered in 2012**

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 and/or follow up to 14 companies employing over 700 people. Efforts included workforce training, financing, tax abatement, market data, and infrastructure planning and supplier identification.
- Assisted Cooper-Standard Automotive and Albie's Foods, Inc. to secure tax abatements for \$4.2 million in investments in new equipment. The two expansions resulted in at least 30 new jobs.

### **Strategic Goal: Attract New Base Industry**

- Prospects. Continued efforts to redevelop the Georgia-Pacific site. Prepared site location proposals and information for four different companies. Conducted several site tours. Assisted PIW Corp. to locate a small fabrication shop to the Gaylord Air Industrial Park.
- Worked with the Gaylord Regional Airport Advisory Committee, Otsego County and Explorer Solutions (consultant) on identifying four potential niche projects designed to develop a manufacturing diversification strategy focused on the aerospace sector that will build off of the community's manufacturing and location strengths. The project has completed Phase I with the identification a validation for the project selected by the project steering committee. Phase II of the project is currently underway.

### **Strategic Goal: Build infrastructure to support base industry**

- Working with the I-75 Crossing Task Force, Otsego County Road Commission, City of Gaylord, Otsego County, and Bagley and Chester Townships, secured \$688,550 in local funding commitments towards a \$3.735 million project that will reconstruct Millbocker and McCoy Roads to Class A all-season standards and extend Mankowski Road west to the Home Depot parking lot to create a service drive between the Edelweiss and Pine Ridge Square centers. The project will leverage over \$3.018 million in federal and state grant funds (balance of Crossing earmark, MDOT Category F and Safety funds) and an estimated \$58,000 of private support. Engineering for both projects is underway with construction anticipated during the summer and fall of 2013. These projects all support the original efforts of the Task Force to improve our local road system in order to increase safety by reducing congestion along West M-32 and within the downtown and improve east-west mobility for Otsego County residents.

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

- The Alliance worked with the City of Gaylord DDA to package another round of façade improvements for six more buildings in the downtown district. Secured \$435,750 in CDBG funding for a \$596,677 project. Once completed, this will bring to 25 the number of downtown buildings with façade and other improvements totaling nearly \$2.3 million with over \$1.3 million in CDBG funding, over \$800,000 in owner investment and \$121,000 in DDA investment.
- Small Business Assistance. Worked with at least 66 prospective companies or start up companies in efforts to secure locations, expansion or start-up of business operations to Otsego County. 31 were referred to the Michigan Small Business & Technology Development Center, and 2 were referred to the Michigan Economic Development Corporation.
- Working with the City of Gaylord DDA, established the Gaylord Downtown Renaissance Committee (GDRC) to steer the development of a new streetscape design. The GDRC is undertaking an effort to revitalize the downtown business district through the creation of a vibrant, safe, pedestrian friendly streetscape that seeks to reconfigure the existing seven lane roadway to five lanes with improved pedestrian crossings utilizing bump outs and safety islands, wide sidewalks, new landscaping and amenities, way finding signage and features, and a central plaza feature around the County Courthouse. Over \$30,000 has been raised from over 50 individuals and organizations to cover the cost of a preliminary streetscape design. A streetscape design workshop was held February 2013 with the goal of having a final design and cost estimates in place in 2013.
- Worked with Northeast Michigan Works, Northwest Michigan Works, North Central Michigan College, Northeast Michigan Consortium, Michigan Rehabilitation Services, and Veterans Services to plan and host an employer forum in April. Encouraging Entrepreneurship & Solutions for Success in Business was the topic of the Forum with 67 people in attendance made possible through the Regional Entrepreneurial Collaborative Grant.

## The Alliance's Work in Numbers 2001-2012

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
Cooper-Standard Automotive - Geo Project	\$191,200	\$126,800	11
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
PIW Corp.	\$250,000		2
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)	\$279,613		3
Zaremba Equipment (Relocation & IFT)	\$7,687,000		8
Cooper-Standard Automotive (IFT)	\$1,654,000		20
Cooper-Standard Automotive (IFT)	\$593,527		94(R)
Cooper Standard Automotive (IFT)	\$131,037		25
Cooper-Standard Automotive (IFT)	\$812,025		12/99(R)
Scientific Brake & Equipment (IFT)	\$1,826,000		6
FedEx Ground (Expansion)	\$2,000,000		44(R)
Northern Energy (Rail Abandonment)			35(R)
CSI Components Location (New)	\$1,000,000		20
A&L Iron & Metal Expansion (IFT)	\$3,208,000		6
Ell-Tron Mfg. Co. (IFT)	\$310,000		10
Diana's Delight's (Relocation/Expansion)	\$654,000		6/17(R)

Elmer's Brownfield Redevelopment (New)	\$9,750,000	\$563,350	25
Gaylord DDA Facade Project No. 1	\$167,000	\$167,000	
Gaylord DDA Facade Project No. 2	\$405,143	\$350,000	
Gaylord DDA Facade Project No. 3	\$188,461	\$400,000	
Gaylord DDA Façade Project No. 4	\$269,159	\$435,750	
Gaylord DDA Pavilion Project	\$31,000	\$170,000	
Northern Michigan Eco Industrial Park Brownfield Site Assessment (Underway)		\$743,750	
I-75 Crossings		\$10,676,001	
Milbocker - McCoy Road Improvements		\$3,354,716	
Mankowski Road Service Drive		\$408,875	
City of Gaylord Public Infrastructure #1 - Well		\$560,722	
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 - Water, Sewer, Streets		\$877,069	
City of Gaylord Public Infrastructure #6 - Water Tower & Waste Water Treatment Plant Improvements		\$990,300	
Corwith Township Public Infrastructure #1 - Road		\$1,224,500	
Corwith Township Public Infrastructure #2 - Wells		\$286,500	
Johannesburg Streetscape		\$488,165	
Downtown Gaylord Renaissance Planning	\$30,000		
Aerospace Diversification Study		\$120,000	
Link Michigan 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	\$55,516,165	\$31,500,258	345/376(R)

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



## **Plans for 2013**

### **Strategic Goal: Retain and expand existing base industry**

- Continue making retention visits to base industries and other key businesses and provide appropriate follow up.

### **Strategic Goal: Attract new industry**

- Work with prospective companies to secure purchase and redevelop the Georgia-Pacific property.
- 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 and Otsego County Road Commission to 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 and improvement to Class A standards of Milbocker and McCoy Roads.
- Extension of Mankowski Road to Home Depot.
- Access management and streetscape improvements along West M-32.
- Revamping the streetscape of downtown Gaylord to reduce the number of lanes from seven to five to create a pedestrian friendly environment.

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

- Continue to serve as affiliate of the SBTDC in order to provide existing and startup business assistance.
- Work with the Village of Vanderbilt and Corwith Township to secure funding to construct a municipal water system and other community development activities.
- 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.

### **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.
- Explore creation of a multi-county economic development program.

# **Financials**

*Statement of Revenues and Expenses Period of January 1 to December 31, 2012*

## **Revenues**

Contributions	
Public	\$ 24,559
Private	\$ 56,750
In-kind Contributions	
Public	\$ 11,513
Private	\$ 110
Interest Income	\$ 319
Special Projects	<u>\$ 40,053</u>
Total Revenue	<u>\$ 133,304</u>

## **Expenses**

Program Services	\$ 93,755
General and Administrative	\$ 50,483
Fundraising	<u>\$ 7,910</u>
Total Expenditure	<u>\$ 152,148</u>

**Net Loss** \$ -18,844

## **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*

*Jeffrey Cook, Miller & Cook, LLP*

*Nick Florian, Community President, Citizens Bank*

*Joni Freel, Assistant Vice President, mBank*

*Dale Gehman, Director, Otsego County Commission on Aging*

*Keith Gornick, Owner, KHG Holdings, Inc.*

*Tim Hall, Vice President & Market Manager, Northwestern Bank*

*Kevin Johnson, President, Johnson Oil Company*

*Bill Martella, Manager, Coldwell Banker Schmidt Realtors*

*Chuck Nelson, Nelson Funeral Home*

*Timotey Petrosky, Area Manager-NW Michigan, Consumers Energy*

*Jeff Ratcliffe, Executive Director, Otsego County Economic Alliance*

*Lori Reichard, Vice President, Fifth Third Bank*

*Darren Rhoads, Sr. Vice President, Independent Bank*

## **Contributing Partners**

The OCEA Board of Directors wishes to thank our 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 & Metal Company*

*Bagley Township*

*AIC North*

*Bennethum's Northern Inn*

*A to Z Homes*

*Big Bear Delicatessen*

*Advanced Benefit Solutions*

*Black Forest Rentals*

*Albie's Foods, Inc.*

*Borton Vacation Rentals*

*Alpine Chocolat Haus*

*Bradley J. Butcher*

*Alpine Tavern*

*C2AE*

*Alpine Web*

*Catt Development*

*Arlene's Diner*

*Chemical Bank*

## Contributing Partners

*Citizens Bank now FirstMerit Bank*  
*City of Gaylord*  
*Charlton Township*  
*Chester Township*  
*Community Financial*  
*Consumers Energy*  
*Cooper-Standard Automotive*  
*Corporate Settlement Solutions*  
*Corwith Township*  
*Cummings, McClorey, Davis & Acho, PLC.*  
*Culver's of Gaylord*  
*Diana's Delights*  
*Dover Township*  
*Dunn's Business Solution*  
*Echelbarger, Himebaugh, Tamm & Co.*  
*Edward Jones*  
*Elmira Township*  
*Fifth Third Bank*  
*Freeman Family Enterprises*  
*Frontier Communications*  
*Gaylord Area Chamber of Commerce*  
*Gaylord Area Convention & Tourism Bureau*  
*Gaylord Country Club*  
*Gaylord Downtown Development Authority*  
*Gaylord Herald Times*  
*H&H Tube, A Division of Sunspring America*  
*Hayes Township*  
*Hogan's Jewelers*  
*Impact Retailing*  
*Integrity Construction Services*  
*ITC Holdings, Inc.*  
*Jan's Northside Deli & Market*  
*Jay's Sporting Goods*  
*JLK Engineering, PLLC*  
*Johnson Oil Company*  
*KHG Holdings, Inc.*  
*Kirkpatrick & DuBois, PLC*  
*LaSenorita Mexican Restaurant*  
*Lakeview Quality Tool*  
*LISTVAN, Inc.*  
*Livingston Township*  
*M&M Excavating Co, Inc.*  
*mBank*  
*Bill Martella-Coldwell Banker Schmidt Realtors*  
*Mama Leone's*  
*Marsh Ridge Golf Course & Resort*  
*Wally McCoy*  
*Michaywe'*  
*Michigan Insurance Services*  
*Miller & Cook, LLP*  
*William & Linda Muzyl Fund/OCCF*  
*Nelson Funeral Home*  
*Northeast Michigan Council of Governments*  
*Northern Energy, Inc.*  
*Northwestern Bank*  
*Old Spud Warehouse/Bearded Dogg*  
*Otsego County*  
*Otsego County Abstract & Title Company*  
*Otsego County Road Commission*  
*Otsego Lake Township*  
*Otsego Memorial Hospital*  
*Paxton Resources*

## **Contributing Partners**

*Quaal Investments*

*RLH Industries*

*Sagasser & Associates*

*Shepler's Mackinac Island Ferry*

*Smith Realty Group*

*Spring Arbor University*

*Todd Seidell Architect*

*Treetops Resort*

*Trinity Architecture & Management, LLC*

*University Center at Gaylord*

*Village of Vanderbilt*

*Wade-Trim*

*Wal-Mart Foundation*

*Waters RV Center*

*Winn Communications*

*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 Regional Airport Advisory Committee*

*Michigan Economic Development Corporation*

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

*Northeast Michigan Consortium & Northeast Michigan Works!*

*Northern Initiatives*

*Otsego County Brownfield Redevelopment Authority*