2023 Antrim County Reporting

Northern Lakes Economic Alliance January – December 2023

This report details NLEA activities in Antrim County for the calendar year 2023. The NLEA values its partnership with Antrim County and continues to work diligently to provide economic development services for communities and businesses across the county.

A. Which local units of government within the County received assistance from the NLEA within the last contract year. Please indicate what type of services was requested, what service was given, and the outcome of that service.

Table 1: Community Assistance Information for Antrim County			
LUG	Service Requested	Service Given	Outcome
Elk Rapids DDA	NLEA Presentation	Jessica Lovay and David Emmel presented to the DDA about NLEA services and collaboration opportunities.	As a result of the presentation, additional meetings were scheduled and grant assistance was provided, see Table 2.
Village of Elk Rapids	General NLEA Support	NLEA staff met with Village and DDA leadership to talk about support NLEA could provide.	NLEA staff provided input on various topics throughout the meeting. No follow up needed for this meeting.
Village of Central Lake	Tax Abatement Support	NLEA staff presented to the Village Council about commercial tax abatements and the necessary processes for granting abatements. NLEA staff also provided sample language for public notices, resolutions, and step- by-step on the abatement approval process.	The Village of Central Lake and the DDA continue to work on this as a priority.

B. Which local units of government with the County received grant writing or grant administration assistance from the NLEA within the last contract year. Please indicate type of grant service requested, what grant service was given, and the outcome of that service.

Table 2: Grant Information for Antrim County			
LUG	Service Requested	Service Given	Outcome
Village of Mancelona	Pavilion Updates	NLEA staff provided information on a project pitch competition that could support the updates to the pavilion.	Community decided not to participate in the program.
Village of Elk Rapids	Grant Application Review	NLEA staff provided expertise in reviewing the Village's MEDC RAP 2.0 grant application prior to submission.	The Village of Elk Rapids was successful in obtaining the RAP 2.0 grant for \$485,000 for the Ames Street Improvement Project.

C. Which local units of government within the County received economic development assistance from the NLEA withing the last contract year. Please indicate what service was requested, what service was given, and the outcome of that service.

Table 3: 0	Table 3: Community Economic Development Assistance for Antrim County		
LUG	Service Requested	Service Given	Outcome
Bellaire Downtown Development Authority	Connection to Consultants	Contacted for connections to support Bellaire's parking study. Referred to Petoskey's recent parking work, Boyne City's 2018 parking study by Rich & Associates Parking Consultants, and Rob Carson at Networks Northwest	DDA continued its review process.
Antrim County Economic Development Corporation (EDC)	Strategic Planning	NLEA presented at several strategic planning sessions to walk the EDC through goal setting and identifying priorities.	Antrim County EDC adopted a comprehensive strategic plan for 2024. NLEA continues to support the EDC in accomplishing their goals through regular attendance at EDC meetings.
Village of Mancelona	Strategic Discussion	NLEA staff met with Village leadership, Mancelona Water and Sewer Authority, and other interested parties to discuss the status of a vacant parcel that is a priority development site.	NLEA staff worked with the parcel owner to market the site and prepare it for development.

D. Which private companies, corporations, private foundations, non-profit entities in the County received Economic Development service or assistance from the NLEA within the last year. Please indicate what type of service was requested, what service was given, and the outcome of that service.

Table 4: 0	Table 4: Community Economic Development Assistance for Antrim County		
Entity	Service Requested	Service Given	Outcome
1983 Company	Project Consulting – Housing Development	NLEA staff introduced the project to the Antrim County EDC/BRA and brought in the project's consultant to answer any specific questions. NLEA staff also provided information on consultants to work for the County BRA.	The \$17+ million workforce housing project is moving forward.
Great Lakes Energy	Project Consulting – ROBIN Grant	Supported ROBIN Grant application through letter of support and by sharing broadband data with applicant.	GLE was awarded \$17,777,533 to expand Truestream access to 3,660 locations in Antrim, Grand Traverse, Kalkaska, and Otsego Counties. Of the total award, roughly \$5 million will be invested in Antrim County to connect 1,212 locations.
Business Startups	Project Consulting	Connected new businesses to Small Business Development Center and Service Core of Retired Executives for financial consulting and business plan development.	Businesses were connected to growth resources.
Local Businesses	NLEA hosted an energy roundtable for local businesses	Organized and hosted a roundtable discussion between businesses, lenders, and service providers to find energy efficiency solutions to help lower costs of business operations.	Businesses were connected with service providers, finance options and private energy consultants and learned about innovative options to implement energy efficiency into their operations.
Mancelona Chamber of Commerce	Educational Programing – Data Discussion	In September, Sam Bailey presented local demographic, labor force, and employment data to roughly thirty community members as part of Mancelona Chamber's Lunch and Learn series.	Participants increased their understanding of local economic trends and challenges.
Peninsula Fiber Network (PFN)	Project Support	NLEA provided letter of support for NTIA's Middle Mile Broadband Infrastructure Grant Program application and participated in project update meetings.	PFN received a \$61 million grant that will be used to place 535 miles of new middle-mile across Michigan. A portion of the project will construct undersea routes between Charlevoix to Beaver Island to Gulliver in the UP and overland

			fiber routes connecting Charlevoix to Grayling.
Vacant Property Owner	Parcel Development Support	Connected with the owner of a vacant parcel that is looking to develop the site into commercial and residential.	NLEA staff discussed infrastructure needs, potential site tenants, available funding opportunities, and marketing strategy. Site remains vacant but a priority for the owner and community, NLEA will remain engaged to move the development forward.

E. Which private companies, corporations, private foundations, nonprofit entities in the County received Economic Development services such as workforce retainment or development, job creation, or retainment assistance from the NLEA within the last contract year. Please indicate what type of service was requested, what service was given, and the outcome of that service.

Business/Workforce Retention/Development

Table 5: 2023 Retention Visits in Antrim County	
Completed Retention/Growth	Friske Orchards and Farm Market
Visits	Mammoth Distilling
	Michigan Lake Products
	Antrim Meadows Campground
	Great Lakes RV Solar Solutions
	DTS Enterprises Inc.
	Shanty Creek Resorts

Following retention visits, NLEA staff routinely share opportunities for financial and technical assistance with businesses.

In response to employer challenges finding talent to fill open positions, the NLEA launched <u>Choose the North</u> in June 2023, a regional talent attraction and retention campaign, as the 2023 Intern Project with the support of the DTE Energy Foundation. The campaign targets 18- to 30-year-olds and highlights the professional and quality of life opportunities available in the region through content on Facebook, Instagram, TikTok, and YouTube. Between June of 2023 and January of 2024, the campaign had over 1,575 views on YouTube, had over 102,200 views on TikTok, reached over 11,700 people through Facebook, and reached over 20,100 people through Instagram. The campaign is reaching both its target demographic (67% of TikTok followers are ages 18 and 34) and beyond, including to other countries like Canada, the United Kingdom, Japan, Germany, Sweden, and Argentina.

F. Prepare an annual report that covers an overview of the economy and activities within the county over the past year. Please provide statistical data that details business creation, business reduction, employee retainment, recruitment, or loss, etc.

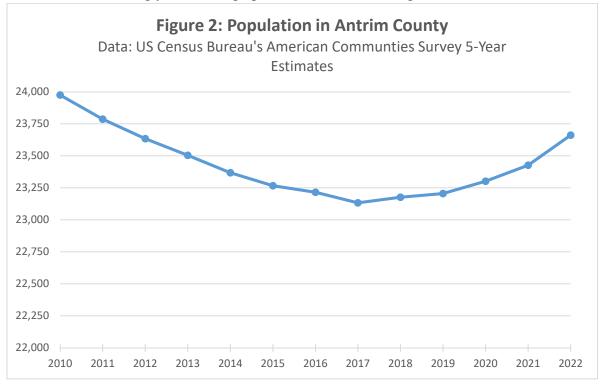
When discussing economic metrics, it is important to note that many statistics are lagging indicators, with data being released months after the period in question. This reality makes knowing the "current" economic situation challenging but does not diminish the value of tracking and understanding economic metrics. What follows is a discussion of multiple statistics that contribute to understanding the economy in Antrim County.

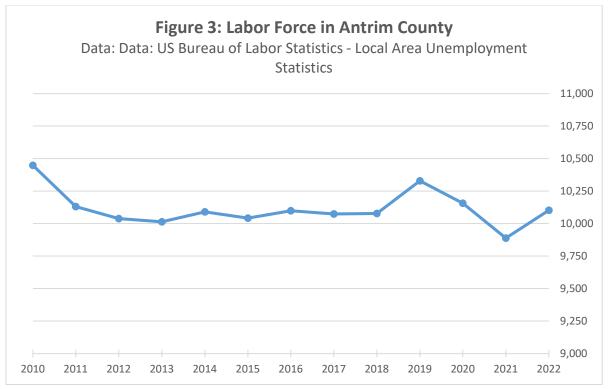


Figure 1 shows the number of business establishments in Antrim County from 2000 to 2023. This statistic represents the aggregate number of businesses in the county, so if one closes but two open the figure will still increase. Peaking in the early 2000s and bottoming out in 2015 and 2016, the number of establishments in the county has been generally increasing in recent years. The county added thirty-six establishments from 2021 to 2022, bringing the total to 567 establishments. All four of the NLEA's counties added more than thirty businesses over that time. This trend likely has several drivers: entrepreneurs taking advantage of low interest rates through COVID (the effective federal funds rate was below 1.5% from March 2020 to June 2022), individuals starting side businesses while working full-time, recent retirees launching consulting businesses, or sole proprietors updating the address of their businesses

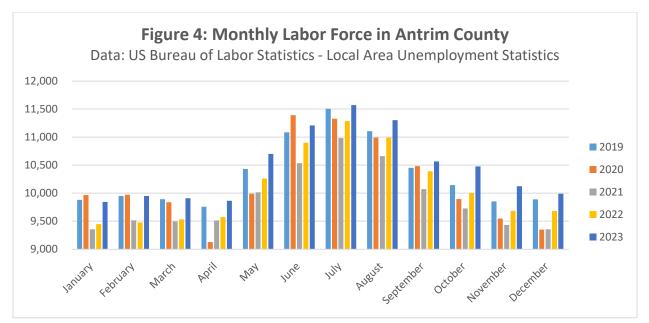
when they move to the area. It is impossible to isolate a single factor driving this trend, but only future data releases will reveal the longevity of this growth. One question remains, will the county return to its pre-recession numbers? For the near future, it remains doubtful. Since the early 2000s, the county has aged significantly with 38.3% of the population 60 years of age or over (2022). The county has fewer young to middle-aged individuals, the demographic that tends to start businesses.

The COVID-19 pandemic poses a challenge to understanding the local population and labor force trends as it pushed people out of the workforce but led many to consider moving to rural communities. Figure 2 and Figure 3 show the county population and labor force, respectively. Figure 2 shows a population bottomed out in 2017 with marked growth from 2020 to 2022. The growth can be partially attributed to Antrim County's proximity to population centers like Traverse City and Gaylord as well as the COVID pandemic causing some people to want to live in rural communities. Figure 3 shows that the county's labor force was relatively stable between 2011 and 2018 before bottoming out in 2021. The labor force has begun to rebound from COVID but we do not anticipate this growth being a long-term trend given the county's population. As a larger share of the population enters retirement, there are less individuals available to work for local businesses, governments, and nonprofits. The share of the population 60 years of age or over grew from 28.0% in 2010 to 38.3% in 2022. A combination of factors is driving this trend: locals aging out of the workforce, a shrinking youth demographic, and retirees moving into the area.

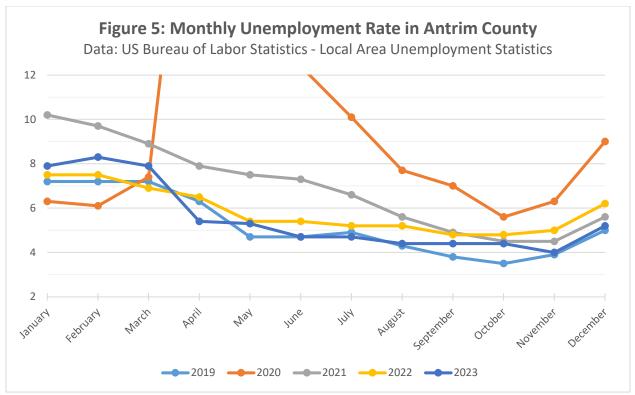




These annual metrics obscure the seasonal fluctuations that the county experiences. Both the county's population and labor force swell in the summer. According to Networks Northwest's <u>recent seasonal population study</u>, the county's population more than doubles in July with almost 15,000 part-time residents and over 21,000 overnight visitors. The county's labor force increases by approximately 1,500 individuals every summer, driven by seasonal residents, high school and college students entering the workforce over break, and adults who choose to enter the labor force during a time of increased demand. The labor force fluctuations for the past four years can be seen in Figure 4 below. Notice that the workforce has recovered from the pandemic low. While this post-COVID rebound is beneficial, the county's aging population suggests this growth is not sustainable.



Like its labor force, Antrim County experiences seasonal fluctuations in its unemployment rate, typically peaking between 8% and 10% in the winter and dipping to approximately 5% in the summer. The annual cycle can be seen below in Figure 5. In recent years, the unemployment rate peaked at 26.7% in April of 2020. It is important to note that many economists argue that full employment is approximately 3% as some unemployment is unavoidable due to individuals seeking new jobs. Seasonal unemployment fluctuations are not unique to Antrim County; all counties in the NLEA service area experience them. The annual cycle results in Antrim County's annual unemployment rate tracking above Michigan and the US.



The NLEA maintains interactive data dashboards on its website that track county and regional data on employment, income, industry strength, poverty, access to healthcare, home values, and more. Additionally, the NLEA routinely produces articles delving into the data around various issues. Articles published in 2023 are linked below.

- <u>Won't You be My Neighbor: Population Trends in Northern Lower Michigan</u> January
- <u>Seasonal Swing Begins: Summer Labor Force Expectations</u> May
- <u>How Much Does Tourism Really Impact the Local Economy?</u> June
- Local Labor Force Continues Post-COVID Growth; But There's Still Cause for Concern – September

As an investor in the NLEA, the county has access to NLEA staff for economic presentations. To utilize this benefit, please contact Strategic Initiatives Manager Sam Bailey at <u>sam@northernlakes.net</u>.

G. Provide details regarding the interaction of the NLEA on behalf of the county with such organizations as the MEDC, Networks Northwest, Michigan Association of Counties, Chamber of Commerce, etc.

Michigan Economic Development Corporation

- Summaries from retention visits were shared with MEDC staff if the business required MEDC follow up.

- The NLEA staff attended MEDC Growth and Attraction monthly meetings regarding the business growth and attraction process and efforts of the MEDC team.
- NLEA staff provided input on the development of the You Can in Michigan talent attraction campaign. NLEA staff also provided feedback and corrections to the website that was developed. Unfortunately, only some of the input was heeded.
- NLEA is partnering with 20Fathoms of Traverse City to provide additional resources and services to startups and small business owners in all industries, stages, and locations across the region (including Antrim County) thanks to funding through the MEDC's Small Business Support Hub grant program.

Networks Northwest

- NLEA staff participate in monthly Region 2 Collaborative Development Council meetings.
- Prior to his retirement, Dave Emmel represented the region on Networks Northwest Board & Workforce Development Board.
- NLEA staff participated in an outdoor recreation survey for the region.

Chambers of Commerce

- NLEA staff participated in various chamber networking and state of the community events to stay informed on local business priorities throughout the county, including: the Northern Michigan Chamber Alliance's Northern Michigan Policy Conference.
- In September, Sam Bailey presented local demographic, labor force, and employment data to roughly thirty community members as part of Mancelona Chamber's Lunch and Learn series.

Other

- Office of Rural Development with the Department of Agriculture and Rural Development (recently transitioned to the Office of Rural Prosperity and housed within the Department of Labor and Economic Opportunity)
 - NLEA staff communicates with the office routinely regarding policy related to economic and community advancement for the county.
 - Sam Bailey is a member of the office's Young Rural Champions. The group is a nonvoting, advisory board that meets once a month with office staff to provide insight on their programs and priorities.
 - NLEA staff and interns met with the office to discuss the Choose the North campaign.
- Michigan Economic Developers Association
 - NLEA staff attended the Michigan Economic Developers Association Annual Meeting and advocated for greater focus on economic development resources and tools for rural communities and specifically Cheboygan County regarding business attraction initiatives.

- Sam Bailey is serving on the planning committee for the 2024 Annual Meeting which will be hosted at Shanty Creek. He is consistently advocating for rural priorities in the agenda and ensuring local communities and businesses are represented in the program.
- Back to Michigan
 - NLEA staff participates in the Back to Michigan organization, a group of talent attraction professionals from around the state.
 - Provided feedback to the MEDC on their talent attraction campaign.
 - Hosted a mini summit at the NLEA offices for participating organizations.
- Region D Housing Plan/Partnership
 - NLEA staff participates in the Region D (same 10 Counties as traditional Region 2) work group. Michigan State Housing Development Authority (MSHDA) appointed Housing North for Region D to work with local governments, nonprofits, developers, businesses, local health departments, grassroots organizations, and other partners to create and implement action plans that address the housing needs of their regions in alignment with Michigan's Statewide Housing Plan.

H. Provide information regarding the County and its participation in economic development on a regional basis in Northern Michigan.

- 2023 Northern Lakes Economic Symposium and Showcase In its second iteration, the event brought subject matter experts to the region to inform and spark discussions around community and economic development at the local and regional level. This year's event had over 250 participants in the program which focused on Talent Attraction and Retention.
- In October, NLEA Staff met with Rep Bergman and his legislative staff. Staff discussed federal priorities with Rep Bergman and shared supporting materials.
- In October, staff met with Kelly Lively, the local representative of Senator Peters, to discuss federal priorities, local projects, and shared supporting materials.
- NLEA staff met with Small Town Coaching team to learn about their project to see if it could fit in Northern Michigan.