GLADWIN COUNTY -

SECURING THE FUTURE: An economic development strategy

Prepared for:

The Economic Development Corporation of Gladwin County

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INTRODUCTION AND CONTEXT

Manufacturing Under Threat: As is the case with so many rural communities across the Midwest, Gladwin County is in the throes of great change. Beginning with the post-WWII manufacturing boom, these communities depended on a stable mix of locally based automotive parts suppliers, and nearby commuter jobs. Men and women with a high school diploma could fill most of these jobs. These jobs allowed families to lead a special lifestyle, rooted in community involvement, hunting and fishing, and a strong spirit of independence.

Wages traditionally lagged downstate locations, but this cost differential benefited businesses in the area, and provided them with a competitive advantage that offset transportation costs. In any event, area residents saw the lower wages as a trade off for a unique quality of life.

In recent years, this culture has been under threat. Consolidations in the automotive parts industry lead to the sale of many locally owned facilities. With increased automation and efficiency, isolated communities found themselves 'odd man out' in the plant rationalization process. The same economics affected nearby commuter manufacturing jobs, further stressing the employment base. For the first time in 50-years, this lifestyle, modest to begin with, is under threat. *This threat is very real. It cannot be ignored.* The dynamic economy of the 1990's masked this change, Driven by new, more efficient competitors; a changing global economy and valued added technology, it has been in process since the 1990's.

Specifically:

- The North American automotive industry is no longer alone in the world. New players such as Toyota and Hyundai have entered the US and global marketplace energetically, even building manufacturing operations in North America. While these North American operations are a bright spot, traditional manufacturing communities have not benefited. These facilities rely on a younger workforce, not burdened by the legacy of health care costs, contract driven work rules or pension costs. Increasingly, these younger workers are highly educated, coming to the plant floor with an associates degree or higher, a direct challenge to the historic pattern of Michigan manufacturing labor.
- A global economy, with an emerging consumer class, will lead to increased plant investment in new economies China and India high among them. Following the lead of Henry Ford and the \$5.00 day, the automotive industry understands that a motivated manufacturing work force in the world's largest economies will provide a huge and largely untapped marketplace. Much of the investment in these nations will not directly threaten American automotive jobs. Rather, a new market for export will be lost to American companies, as 'local content' increasingly means 'made in Shanghai to a Chinese buyer.
- The North American market is stagnant, and will be for some time. The population of the US and Canada is not growing rapidly and will experience

another 10-15 years of aging before the impact of the Millennium generation is fully appreciated. This further discourages manufacturers from adding new plant capacity in North America, or even investing significantly in their current stock.

- The promise of new technology has finally begun to show benefits for the corporate bottom line. According to the Wall Street Journal, manufacturing economies around the world are actually shedding jobs, as technology takes over many of the lower skilled, routinized jobs of the past. Robots and computers have now replaced many of the jobs that were open to largely uneducated men and women. Improvements in manufacturing technology has accelerated the pace at which a task becomes routine, further shrinking the traditional manufacturing jobs.
- The bottom line for the US, and for Michigan in particular, is fewer manufacturing jobs requiring an ever-increasing level of skill and education. Since the 1970's state leaders have been advocating K-16 education and preaching the concept of life long learning as the key to future employment and prosperity. They were right. While challenges exist for both the current K-12 and the higher education systems, finding ways of providing access to this wider educational opportunity is critical to competing in the new economy.

Change is inevitable, manageable and precedented: At the same time, the community is changing. Young people are leaving for greater opportunities. People who have vacationed in similar environments are retiring 'up north', drawn by the Gladwin area's proximity to downstate amenities. These new residents will change the culture of the community.

Economic change is inevitable. Individual communities cannot stop it, nor can they insulate their residents from it. They can take steps to manage the change and use their assets to buffer its effects, while retaining the sense of place that has kept their communities viable through other such changes.

Because there is nothing new about this economic shock. Michigan has survived transitions from lumber to agriculture to strong-back manufacturing to the highly technical manufacturing of today. At each juncture, the picture has appeared bleak. At each juncture, some communities have failed to meet the challenge. Most have successfully remade themselves, and most have seen increased prosperity as a result. Some of that success has been accidental – the fortuitous birth of people named Dow and Kellogg and Ford. Some has been a result of geography. No small amount has resulted from the leadership in our small towns and counties, and their refusal to accept the prospect of failure.

In this dynamic environment, Gladwin community leaders have decided to take matters into their own hands, exploring the opportunity to establish an economic development strategy to help them make this transition a positive one. For a year, the community has been educating itself, talking with economic development professionals from around the state, and exploring their options. They are now prepared to take the necessary steps to move forward.

CHALLENGES AND OPPORTUNITIES

The key to managing the inevitable changes is a realistic look at the challenges and opportunities that affect the community's ability to move forward. Leadership must cast a realistic eye on the opportunities that present themselves, and be prepared to move aggressively to address those challenges that impede the ability to capitalize on the opportunities. Understanding that some of the assets and opportunities of the past may, in fact, be detriments in the new economy is part of addressing the challenges that present themselves.

The challenges and opportunities presented in this section come from the consultant's review of basic economic data (See Appendix 3), conversations with community leadership over the past 12 months, and the results of a visioning session held in March, 2005. (See Appendix 2).

The careful reader will note that many elements appear as both challenges and opportunities. Although there is a fatal temptation to cling to the past and assume it can be recreated, a fresh look at the attributes that made that past possible may demonstrate new opportunities for the future.

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^{*}Without question, one element stands out in all of these discussions. Whether the participants were new residents, lifetime community members, or professionals engaged to lead the area, there is a deep-seated love for the community. The consultant wishes to thank these individuals for their candor, and for introducing her to a new and beautiful part of the state through their eyes.

OPPORTUNITY	DISCUSSION	CHALLENGE	DISCUSSION
		Lack of cohesive vision	There is a strong feeling that 'things have to change.' The direction of the change is still unclear. While action cannot wait on vision, community leadership needs to coalesce around an ongoing effort to develop the vision.
		Capacity to Execute	Successful implementation of an economic development program will require commitment from all parts of the public and private community. There is not adequate staff capacity, even with an additional position, to carry out the needed program without engaged elected officials and volunteers
Natural Beauty	Woods and rivers provide opportunities for people who love the out of doors in all its elements	Travel & Tourism Marketing	Although many outdoor enthusiasts know the area, they find it 'by accident.' Others, particularly families, may not be aware of the opportunities.
Rural Character/Amish Community	The Amish community and its accompanying craft industries provide an unspoiled rural character that can become part of a travel-tourism strategy.		

New Residents	Unlike many places in Michigan, Gladwin County is experiencing population growth. These residents are often, but not exclusively, retirees. The ability to attract and assimilate new residents is important to its success.		
Location	Gladwin is 'near north' to downstate residents, providing a travel and tourism opportunity for a population increasingly taxed by rising gas prices and uncertain paychecks.	Location	Gladwin lacks direct interstate highway access, and is truly a 'destination location.' This discourages many businesses seeking location on more easily accessible routes, nearby, and impedes 'accidental' visitors.
Location	The good M-route system, and proximity to Midland and Mt. Pleasant, could support new companies seeking to take advantage of partnerships with Dow and Central Michigan University. These institutions are committed to the economic growth of new industries. Gladwin could become the proto-typing center for these new companies as they move from innovation to production		

Location/Airport	The Gladwin County airport is a fully functional airport, capable of servicing business jets, as well as other, small aircraft. This enhances the area's attractiveness, both for second home and recreational growth, and for business location.		
Attractive Downtowns	Beaverton and Gladwin boast traditional, quaint downtowns that could serve as a focal point for travel and tourism. The focus on community-based traditions (Easter Egg Hunt; Christmas Parade) could attract urban visitors seeking a glimpse into the past.	Vacant storefronts & commercial buildings	Vacant storefronts and commercial buildings leave the entire community appearing less than prosperous.
Second home market	As overnight lodging is limited in the area, most people who frequent it must purchase cabins and second homes. These individuals are potential permanent residents. To the extent that they are business owners, they may choose to locate all or part of their business activity to the area in order to expand their residency.	Poor blight enforcement	Future residents, businesses, and tourists are put off by run down business and residential establishments. This appears to run counter to the general sense of pride, and applies to rural residential areas, as well as the urban centers.
Community Pride	Residents appear genuinely proud		

	of their community, and pleased to be a part of it.		
Entrepreneurial Spirit	Driving through Gladwin County, there are many small and independent, home based businesses. While economic necessity may drive the creation of these companies, some may have the potential to expand and become employers.		
Health Care/Senior Care	Good hospitals and home health nurses, combined with a growing number of retirees and senior living facilities provides an opportunity to market the community as a 'continuum of life' location for young active retirees through frail seniors.		
Thermoforming Industry	While threatened as an industry, the workers provide a ready source of well-trained industrial workers, familiar with working in automated factories, and with precision tooling.	Fragile Industrial Base	Gladwin suffers from the same international and domestic competitive challenges as the rest of Michigan. To the degree that business sees the community as a cheap location, it is vulnerable, and not attractive to new economy businesses seeking 'quality' locations for employees and image.
		Disconnected & Ill-planned	Rural manufacturing facilities are

		industrial areas	disconnected, and not concentrated in planned industrial parks. This creates a negative impression of the community, both for potential businesses seeking a high quality environment, and for new residents and recreational visitors
Technical Education	The presence of both the M-Tech and the Community College provide opportunities to train and retrain both new high school graduates and incumbent workers to meet the needs of new industries. By doing this within the community, less talent drain will take place.		
SBTDC	The presence of a nearby SBTDC will assist in training entrepreneurs for success. The community should leverage this into programs encouraging entry into the targeted industries.		
SmartZone	Although the Central Michigan University SmartZone is clearly located in Mt. Pleasant, the university has committed itself to leveraging the inventions and technology transfer of this facility throughout the entire region. This		

magnet for talent can have spillover effects for those seeking quality residential and/or start up manufacturing locations.		
	Aging Population	A concern over long-term labor availability will hamper the ability to attract new job providers as the population continues to age.
	Education Levels	Education levels in Gladwin County lag behind state and national norms. While this is in large part a legacy of the 'export' of the area's young people, a premium on K-12, K-14, K-16 and life long education is critical to attracting the manufacturing jobs of the future.

VISION

"If you don't know where you are headed, any destination will do."
...attributed to Chinese proverb

Economic development corporations, like other public bodies, have the unique challenge of being responsible for *two* complimentary visions. On the one hand, they are the keepers of the community's vision of itself and its future. On the other, they are charged with developing their own vision of success and mission for their organization.

All successful visions share certain characteristics. They are visionary, yet practical. They are aspirational, but rooted in reality. They require ongoing commitment, not only on the part of current leadership, but also of their successors.

In March 2005, residents of Gladwin County were invited to a visioning session. (Appendix 2). The following vision is taken from that session:

By 2020, the Gladwin Area will be recognized as one of Michigan's great small community success stories. Building on its natural attributes, the community will be a mecca for families seeking temporary relief from urban closeness, as well as for those of all ages who choose to make a permanent home in a community that celebrates its woodlands and waterways, and the opportunities they provide.

To support those visitors and residents, the Gladwin Area will be a hub of small business activity. This activity will be balanced between goods and services for the residents, and manufacturing operations that take advantage of the area's unique location between Mt. Pleasant and Midland, as well as its abundant natural resources. The diversity of these businesses will ensure that economic swings are moderated.

The vision for the EDC recognizes two important elements about the natural of modern economic development. First, economic development is, more than ever, a 'team sport.' No single entity can nor should have sole responsibility for the economic fabric of the community, which is increasingly fragile and complex. Second, given the multiplicity of special purpose economic development districts, the public/private nature of the endeavor and the local home rule nature of Michigan, no organization will ever have adequate resources to be the sole economic development entity in a community. However, every team needs a captain and a coach, and the EDC should play these important roles.

Thus, the vision for the EDC places it in the role of convener and facilitator, and keeper of the broader community vision.

The Gladwin Economic Development Corporation will be the lead facilitator in the revitalization of the Gladwin Area. It will serve as a coordinator and convener of stakeholder groups. It will focus the resources of diverse groups toward a common goal.

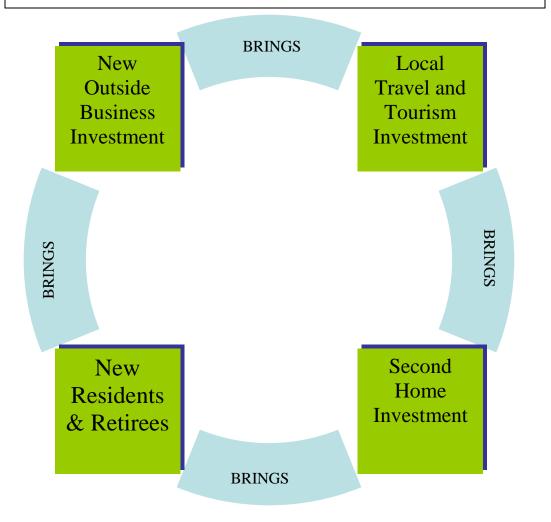
STRATEGIC DEVELOPMENT

The goal of the economic development strategy is to **increase the size of the local economic pie.** There are essentially three ways of achieving this: Attract affluent residents; increase the number of dollars that residents can spend in the community; attract new dollars from outsiders, through the sale of goods (manufacturing) or services (travel, health care, business consulting) to outsiders.

- The so-called 'leaky bucket' strategy focuses on developing and attracting
 businesses that will allow local residents to spend more of their dollars
 locally. Often, this focuses on development of basic services, such as retail
 and health care. This is a common strategy for downtown marketing, and for
 rural communities that have seen their business districts increasingly
 decimated by regional shopping centers.
- A wealth attraction strategy encourages the provision of high-end goods and services to a new residential demographic. An example of this strategy would be high-end bedroom/resort communities that have consciously attempted to move visitors into full time residents.
- Import strategies can have a variety of elements. Traditionally, this has included the attraction and development of manufacturing firms with customer bases outside the community. Attraction of automotive-related firms, with their web of suppliers and customers is the textbook example of this strategy. Increasingly, regional or national health care centers, research facilities, travel and tourism, and even retail (Mall of the Americas, Cabalas) fill this role.
- Entrepreneurial strategies can be an element of all these strategies, when the focus is on indigenous business development, rather than branch plants or chain stores, and their equivalent. While entrepreneurial development results in a slower growth cycle, it typically provides a greater level of local control, and a more locally engaged business community.

A sound, modern economic development program will have elements of all these strategies. Such a diverse strategy is recommended for the Gladwin County area. Further, these strategies are self-supporting over time, as evidenced by the following diagram:

THE ECONOMIC GROWTH CYCLE



This self-reinforcing strategy uses the natural beauty of the area to bring initial travel and tourism investment, much of which (retail, services) will also serve the needs of the local, year-round community. By experiencing the community, people will begin to invest in second homes, which will ultimately lead to new residents, who either split their time downstate, or take an early retirement. Some of these people, and their business associates, will subsequently consider locating or establishing a new business in the area. This cycle has been so successful for shoreline communities such a Marquette, Traverse City and South Haven.

South Haven is a particularly important model for the Gladwin area. This community made its transition from foundry center to tourism/second home community to a balanced community with second homes, casual tourists and a thriving industrial base beginning in the 'rolling recessions' of the late 1970's.

Recommended Strategies: The consultant recommends the following, balanced economic development strategies. These five strategies are complimentary, and provide diversity for the economy, based on current and known strengths.

- 1) **Business Retention**: All Gladwin County businesses are challenged by the current economy. The community should undertake an organized effort to identify the challenges and opportunities for growth, not only in the manufacturing sector, but in retail and service as well. The facts remain: Without an existing business effort, 8% of all jobs in any given community will be lost annually. While an existing business effort will not eliminate the impact of decisions made by far-away owners, it can mean temporary reprieves and an early warning system for serious concerns. Locally based businesses can be assisted in their efforts to change and adapt to evolving market conditions. Across time, 80% of all new jobs in a community come from existing companies.
- 2) **Travel and Tourism**: For a century or longer, Michigan has been in the forefront of a movement, known today as 'eco-tourism'. This eco-tourism movement appreciates the inherent attractions of hunting, fishing, snowmobiling, birding, and kayaking. Taking these traditional outdoor activities to a new level, it incorporates festivals, crafting, agricultural tourism and other amenity-driven activities. Shifting demographics are moving away from traditional 'hook and bullet' sports, and encouraging a wider menu of outdoor recreation. This is particularly beneficial to communities like Gladwin, as it provides an opportunity to attract the entire family, over a broader season. While these activities provide economic benefit on their own, they also attract new residents and retirees, and may expose potential business investors to the community.
- 3) **Senior Industry Support:** Gladwin County is blessed with a strong health care network, and a large number of retirees. As the economy of Michigan continues to change, and the population ages, health care and retirement services become an increasingly stable part of the economic mix. This is not without risk. We KNOW that we will age. Whether we will have the health care system and the financial resources we expect is at question. However, no economic strategy is without risk, and it is evident that the basic demographics for a market support this one.
- 4) **Small-and-Micro-Business Development**: A drive through Gladwin County proves that the entrepreneurial spirit is strong here. Home-based businesses abound. This spirit should be encouraged, and inculcated in students and the community as a whole. Detractors of this strategy say, rightly, that not everyone can be an entrepreneur. This is true. However, many of us can run small businesses, supplement our 'day job' with a home-based business, or work for an entrepreneur. Moreover, entrepreneurs can be attracted to locations who understand their challenges.
- 5) **Investment Attraction**: There is no such thing as a 'silver bullet' in economic development, and things approaching silver-bullet status are fewer and further

between. However, the community should remain open to opportunities to attract outside investment. This may come in the form of relocating businesses, expanded branch plants, or new hospitality and retail investment. The community must be positioned to react quickly to such opportunities, evaluate them carefully, and act effectively to encourage the right opportunities.

Implementation Tactics: Like the strategies themselves, the recommended implementation tactics are often inter-related, with individual actions supporting a variety of strategic goals. Tactics are separated into near, mid- and long term horizons. Near term is 2007 - 2009, mid term is 2010 - 2012, while long-term horizons are 2012 - 2015.

In addition to these tactics, the consultant recommends one critical program. Gladwin County should make the education of a 21st century workforce "Job #1". No child should graduate from the Gladwin or Beaverton Schools believing that a high diploma alone is sufficient to make their way in the 21st century economy, nor should they see education as the job of their early years, but rather as a life-long requirement for success. Communities that succeed in this effort will be successful in the new world we face. Those that do not will fail. No amount of economic development planning or dedication on the part of community leadership can overcome the reality that 'talent' and 'skill' will be the driving force of this century.

This reality is intimidating to many communities, which have never competed in this environment. However, there is hope. While few communities will compete for visible plums such as a 'Googleplex' or a major automotive research and development center, the new economy will also place a premium on creative entrepreneurship, which, with new technologies, need not be place-based. A community that meets the talent challenge, and is comfortable with modest growth suitable to meet the needs of existing residents and small growth, can be successful.

	NEAR	MID	LONG
BUSINESS RETENTION			
Existing businesses create 80% of all new jobs. This figure remains stable during every economic cycle. More important, these companies are already located in your community, have a stake in remaining there, and therefore are 'cheaper' to retain than to replace. Retaining your current business community, helping it weather difficult times, and encouraging its growth is the <i>top</i> priority for all economic development. Targeted Businesses: manufacturing, retail, hospitality, health care/ health services			
nospitanty, nearth care/ nearth services			
Develop business visitation and contact program. The Michigan Economic Development Corporation visits many			

companies, and visits should be carefully coordinated with their efforts. However, this is not an alternative to local contact, as part of a visitation team with the MEDC, or independently, if the company is not part of the MEDC's target industry list.			
Develop annual business retention survey	X		
 Visit all employers w/over 10 employees 			
 Visit all employers with local ownership, regardless of size 			
Mail 100% of remaining employers			
Ensure accessibility of available resources to businesses. Many publicly supported resources are available to existing businesses, but small companies in particular are often unaware or unable to access these resources. Creating a transparent system, with a single point of entry will encourage companies to take advantage of these resources.			
• Establish rapid response team to address business challenges with government emphasis. Government often holds the key to solving business challenges. The complexity of our government programs tends to frustrate business people, particularly those from small companies. With an emphasis on travel/tourism, MDNR officials and Cooperative Extension may play an important role in this effort.	X		
Partners may include: Workforce Development Board, Community College, County and local government representatives, Road Commission, Law Enforcement, Michigan Cooperative Extension, MEDC, MDNR, MDOT.			
Identify and organize business assistance resources from Delta University, Central Michigan University, Community College, MSU Cooperative Extension and Small Business Development Center. Match resources with identified challenges, and develop specific programs to address the most common issues.		X	

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TRAVEL AND TOURISM The Gladwin Area has historically focused on hunting and fishing – 'guy stuff.' The area should become a family destination, with an initial focus on 'day trippers' – families from Southeast Michigan who, due to the cost of gas and general economic condition, are looking for a near home recreational destination. Targeted Industries: Hunting & Fishing, Snowmobiling/ORV, Retail, Restaurants/Lodging (Hospitality), Agriculture			
Establish Travel and Tourism Task Force to inventory assets for family-based 'day trips'	X		
 Establish common theme for marketing and cross promotion. Encourage its use by all local businesses. (Note: non-travel businesses are often eager to participate in a marketing identification program of this nature) 			
o Inventory 'family friendly' independent bars and restaurants			
Develop cross-promotion for festivals			
 Map rural crafters, visually important farms, and farm markets, along with scenic drives and key family attractions 			
Subsequent phases include mapping of hiking trails, biking trails, off road trails, and other opportunities. Because of the trespass issues raised in these later stage issues, careful thought should be given to how this effort is undertaken. With good dialogue between the various communities of interest, a positive resolution can be reached			
• Establish relationships with Travel Michigan, managers of the Clare Travel Center, and other gateway travel centers. Work with neighboring travel destinations. Travel and Tourism depends on a critical mass of activities lacking in many North-central destinations, encouraging this type of co-opetition.		X	

Revise and link area web sites.	X		
 Cross promote between Chambers and Governmental web sites 			
o Emphasize beauty of the area in web site design.			
• Encourage clean up and maintenance of vacant storefronts. Promote seasonal planting in window boxes and street planters; develop a program to bring student artists into vacant storefronts to paint interpretations of local scenic areas.	X		
Develop community pride program.	X		
 Encourage local residents to annual spring clean up in both rural areas and the cities. 			
 Promote school contests, and other activities designed to highlight the entrepreneurial, cultural, agricultural and other attributes of the community. This expands general knowledge of the area, and enhances the travel and tourism experience for visitors who encounter better- informed locals 			
Lodging is a particular challenge to the Gladwin Area. Work with cabin owners, owners of large homes and others to consider bed-and-breakfast and other non-hotel alternatives		X	
• Encourage area lenders to establish 'travel and tourism' lending programs, with terms that acknowledge the seasonality of cash flow for these businesses		X	
Establish training programs to assist travel and tourism business development.			X
 Work with MSU Travel and Tourism, Community College, SBTDC and others to develop off-season, short training programs to teach business issues (especially cash flow and marketing) to individuals interested in targeted industries 			
SENIOR INDUSTRY SUPPORT			
The retiree population of Gladwin is increasing rapidly. Many retirees are looking for a community where they can become an active part of the			

community, possibly establish a home based business, or continue a downstate consulting practice, and have their needs met over an increasingly long retirement. These needs will change over time, and communities that successfully attract these new residents will look at their economic base from this continuum of care model. Target industries: Health care, health care services, personal and household services targeted to seniors (lawn care, snow plowing, light housekeeping, etc.)			
Work with local Realtors to identify amenities sought by retirees considering the area. Inventory these amenities, and provide information to Realtors on them.	X		
Working with the M-Tec and Community College, develop certificate and degreed training programs to ensure an ongoing supply of trained labor for hospital, in-home care and related fields.	X		
Develop 'welcome mat package' for new residents, focused on the amenities and needs of retirees. This package should include active recreation, and community involvement activities, as well as traditional senior services. Invite new residents to participate in community organizations, particularly theater and recreational activities	X		
Work with SBTDC to develop training programs for individuals seeking to start personal services companies, particularly those focused on the needs of retirees and the second-homes that typically precede them.		X	
• Ensure high-speed connectivity to the 'outside world'. As boomers retire in greater numbers, they will be loath to give up their high-speed telecommunications connections. Communities that are able to provide DSL, high speed wireless or other alternative to urban cable at comparable prices will attract the most active and affluent retirees. Connectivity encourages early 'retirement', and home based businesses that may be the operating arm of larger, downstate operations		X	
SMALL AND MICRO-BUSINESS DEVELOPMENT			
All of the previously discussed strategies have small-			

and-micro-business development components. This section focuses on activities not covered in prior sections.	V
• Inventory available office and manufacturing facilities, along with their prices and general conditions. Incorporate this inventory into MiSiteNet, and make it available to local business brokers, who may be aware of small companies and start up businesses seeking low price space near major markets. Encourage owners of this space to make it available at break-even rates to start ups and new businesses.	X
Working with Workforce Development Board, Community College and SBTDC, develop training and retraining programs to help laid off workers develop business ideas. Make self-employment a respectable option for workers laid off from manufacturing jobs	X
• Ensure high-speed teleconnectivity (see above). Without this, small businesses are unable to compete on the global scale necessary to be successful today.	X
• Encourage area lenders to promote their small business lending programs; ensure that SBA loan, loan guarantee and 504 programs, as well as USDA Rural Development loans are understood and promoted aggressively.	X
• Promote the availability of the area's skilled thermoforming workforce; target non-automotive companies using this technology in high skill proto-typing operations, particularly in life sciences and related areas. Working with available training providers, ensure that the existing workforce possesses the understanding of quality systems, statistical controls, computerized manufacturing and related tasks necessary to make the transition to these new industries	X
• Promote the availability of the area's skilled thermoforming workforce; target non-automotive companies using this technology in high skill proto-typing operations, particularly in life sciences and related areas. Working with available training providers, ensure that the existing workforce possesses the understanding of quality systems, statistical controls, computerized manufacturing and related tasks necessary to make the	X

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transition to these new industries.			
Work with SBTDC to develop 'virtual company' teams to assist companies in start up issues, and in ongoing business issues, particularly marketing, finance and product development. Develop a SCORE chapter to engage retirees who may be relocating in the community.			X
Engage with business groups in Midland and at Central Michigan University. Promote the community as small business and entrepreneur-friendly			X
Utilize student interns from area Universities to identify and analyze non-traditional business opportunities and promote them aggressively, to the community and to outside investors (see below). Such opportunities might include high-end wood products, agri-businesses (including neutraceuticals – plant based pharaceuticals) and other.			X
INVESTMENT ATTRACTION			
Much of this plan focuses on locally generated business opportunities. These opportunities are often the 'low-hanging fruit'. They also spawn the climate that encourages <i>quality</i> business investment – the type that will replace the jobs that have supported families for generations. However, for the community to grow, new dollars must be invested in the community, as well as spent there.			
Targeted industries: Hospitality, Manufacturing			
NOTE: 'Manufacturing' targets should be based on size and type, rather than specific industry. The focus should be on small facilities with specialized operations. While the community should be prepared to offer incentives, companies should not be dependent on the incentives to make a location decision. Businesses searching for the 'cheapest' place to do business are increasingly vulnerable to relocation.			
Inventory available industrial buildings, developed sites	X		
(sewer and water), and other properties suitable for outside investment. Work with local business brokers and Realtors to promote these facilities, including use of MiSiteNet and other business brokerage web sites. Encourage the promotion of these vacant and underutilized facilities as			

potential for '1031' investment exchanges, as a way of encouraging outside investment and attention to the community			
Develop a community profile, highlighting costs of doing business, labor availability and rates, proximity to markets and other community-specific information. Include this profile on the web site of the Chamber of Commerce, and other community sites. Establish an 'invest in Gladwin County" page on the Chamber web site with this and other pertinent information	X		
• Work with business brokers and the MEDC to identify companies interested in investing in small, Michigan communities. Aggressively work to meet the needs of those companies. An often-overlooked source of such leads is existing companies, whose suppliers, competitors and friends from engineering school may be seeking a facility. An important reason for a business retention program is to ensure that these local businesses say good things about their decision to do business in your community.	X		
• Establish a rapid response team to gather the necessary information for any business inquiries that may arise. This team would include: Training officials, local government, MDNR/MDEQ contacts, road authorities and others (see rapid response team for Business Retention.)		X	
• Explore methods of visually or virtually linking non- contiguous industrial areas to create the perception of planned industrial parks. Larger companies increasingly view real estate as an investment, making planned industrial areas attractive, as they are perceived to hold their value.		X	
Ensure high-speed telecommunications technology (see above) and its cost-effective availability to centers of manufacturing facilities.		X	
• Develop a 'menu' of incentives, including non-cash incentives such as fast track permitting, and determine the general conditions under which the community is willing to utilize them. The ability to commit to incentives early in the process is increasingly important to time-sensitive companies that are whip sawed between		X	

competing communities.		
Ensure all established industrial parks meet Certified Industrial Park standards, and are certified by the Michigan Economic Developers Association.	X	

In addition, the consultant recommends these tactics to support the economic development infrastructure of the community:

		NEAR	MID	LONG
develo	hish a stable, ongoing source of funding for economic opment activities. A $3-5$ year budget should be oped, sufficient to support the following:	X		
0	Full time professional staff			
0	Part time support staff			
0	Development of a comprehensive set of marketing materials, linking business retention, travel & tourism, second home and retiree and business attraction activities around a common look and theme. These materials need not be 'slick' or costly, but should look professional and business-like.			
0	Support of ongoing general-purpose marketing, particularly for travel and tourism, and other specific ongoing programs, such as the business call program.			
0	Provide for an annual 'report to the community' on the status of economic development in the county, including the successes and the overall state of the economy.			
		**		
campa institu	budget should be funded through a local fundraising aign that includes support from local government, ations (hospital, education, etc.), and the broad less community. This may require the establishment	X		

of a 501 (a)(2) an (a)(6) in annual of the FDC			
of a 501 (c)(3) or (c)(6) in support of the EDC.			
 Additional funds for special projects should be completed through grants (CDBG and others), special purpose districts (DDA's, Local Development Finance Authorities, Brownfield Redevelopment authorities.) Wherever possible, the EDC should serve as the board and staff for these efforts, in order to consolidate funding sources and their uses. 			
Develop cooperative agreements between local governments, chamber of commerce, educational institutions and other partner organizations, outlining commitments and roles.	X		
• Explore use of Local Development Finance Authority as an additional tool to encourage redevelopment in cities of Gladwin and Beaverton.	X		
Establish a Countywide Brownfield Redevelopment Authority to assist in reuse of existing commercial and industrial sites.	X		
Use DDA tax increments to continue to develop consistent streetscapes that link diverse parts of the county; encourage expansion of non-traditional infrastructure, such as high-speed connectivity		X	
Encourage local governments to adopt a common set of standards for the use of incentives, particularly tax abatements, in order to avoid inappropriate competition between local governments		X	
All business parks and related areas should become Certified Business Parks, and meet or exceed the quality standards of this program		X	
Review local planning and zoning to encourage the following standards:			X
 Areas zoned for business and manufacturing location (except for home based businesses) should be compact and adjacent to existing development. 			
 Plans should be in place to ensure that all such zoned areas have adequate public sewer, public 			

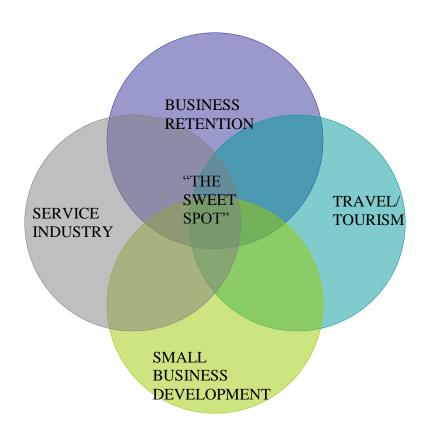
water and all-weather roads.

- New development (residential and commercial/industrial) should include requirements that consider installation of high-speed connectivity (cable, fiber, 'last mile' wireless) as critical as other privately owned public utilities.
- Zoning ordinances should encourage, but regulate, home based businesses.
- Enforce anti-blight ordinances to encourage a high quality environment encouraging visitors and investment.

APPENDIX 1

'THE SWEET SPOT'

An economic development strategy is a 'firmly flexible' plan for community prosperity. As the economy changes and the community becomes more confident in its ability to guide its own future, the implementation tactics will change and evolve commensurately. As the community considers new strategies, it should keep in mind 'the sweet spot.' The sweet spot is that place where a strategy or tactic addresses multiple aspects of the broad-based strategy. By focusing on the sweet spot, the community can be assured that they will efficiently use their limited resources, and not fall into the trap of searching for the 'one best' action to solve their ongoing economic development challenges.



APPENDIX #2

STRATEGIC VISIONING SESSION

As indicated (above) the community leadership has held many discussions identifying the strengths and weaknesses of the community, as well as the likely means of moving forward. However, while successful economic development depends on visionary leaders, it is also a team sport. Since the team members – the community at large – are voluntary participants, the development of a community wide vision is a pre-determinant for successful economic development.

In order to engage the community-at-large in this discussion, a visioning session was convened on March 4. The purpose of this session was to solicit community input on the long-term economic future of the community, and its likely direction. Approximately 50 people attended the session, held on a Saturday morning to allow a more diverse participation. Attendees came from across the county. Many had not been involved in this process previously. The full report-out of this day follows.

Consultant's Observations:

The following section reflects the consultant's observations of this session:

- 1) Portions of the community continue to deny the change that is occurring, while others recognize it, but feel powerless to control it. This is normal, and reflected in two specific threads:
 - a) Some participants were fearful of the cost of implementing a new program in a time of tight budgets.
 - b) Other participants wanted to focus efforts on the area's traditional strengths as a low cost business location.
 - c) A surprising thread was the belief that 'local kids don't go on to college', therefore the community needed to attract more low-skill, well-paid jobs.
- 2) There is support for expanding service industries, and an understanding that this need not be 'hamburger flipping jobs.' This demonstrates a probably shift in thinking that helps the community move toward an alternative, and balanced, future.
 - a) The proliferation of empty storefronts concerns community members, who believe this leaves a bad impression on visitors.
 - b) There was general support for expanding the traditional hunting and fishing base to a more family-oriented experience. There is less consensus on tactics.
 - c) Health care and the growing population of retirees are an opportunity for job expansion.
- 3) There is a tendency to look outside the community for the silver bullet or bullets. This is cause for some concern. In the near-term, Michigan is likely to see little

industrial plant expansion, and that which we do see will be centrally located. The state will have to become more entrepreneurial, creating its own opportunities.

- a) Surprisingly little attention was paid to business retention.
- b) There was a great deal of discussion around 'bringing a business' to the community.
- c) Few comments reflected an interest in creating an entrepreneurial community.
- d) Many people see the natural features of the area as a key draw; 'the red tree' and 'the grade' were commonly mentioned.
- e) There was also consensus that the community does not adequately value its local character, inherent assets.

In sum, the Gladwin community reflects the hopes and fears that are current common across the state.

The comments from the Report Out reflect those hopes and fears, and identify some important themes/thoughts for future efforts. For example, it was noted repeatedly that this is a community that appreciates its history. That history could be reflected in travel/tourism or other marketing efforts, providing a source of local pride as well as interest to visitors. These thoughts, generated by people who care deeply about their community and its future, may form the basis for subsequent plans and programs. They have been considered in developing the initial tactical recommendations, but future consideration may yield even more interesting and important concepts.

Report Out:

An initial exercise asked people to provide their first thoughts to the question: What we think about when we think about Gladwin County

- Is undeveloped
 - o Open space
 - o 'Cheap' (or) 'Inexpensive'
- Vacation homes "by the 1000's"
- Vacant store fronts
- Natural resources for all
- Community that cares
- We know one another
- Rural
- The Corner House
- Access to education
- M-18 and driving through the countryside
- 'Red tree' on M-18

- Blue lakes
- Faith community is strong
- 'Yakeys'
- 4th of July since 1906(?)
- Dow Chemical start of industry
- Volunteers
- Library and hockey rink
- 'The Grade"
- Specialty shops crafts, gardening, etc.
- Beaverton "Rural" School System
- Competition between communities
- Small city

- Technology education, but no technology industry
- High speed cable/internet
- Many Lakes
- Sense of community
- Service clubs
- Niche agriculture: buffalo, llamas, emu, ostriches
- Motorcycle ice raising
- NOVEMBER 15TH
- Thermoforming capital of the world (competitors= Germany/China)
- Amish
- We know our neighbors
- There aren't enough senior activities
- Diversity not present
- Attractive to retirees/things to do

- Central location
- Opportunity
- Kids sports/senior centers: senior center dinners
- All American traditional community
- Gladwin City Parks: Master Gardeners
- Rural but not too rural; close to city
- Quiet places
- Surface waters
- Geography/Geology
- Rivers
- Historical society
- Amish community
- Out of the city
- Landscape
- Forestry

Key Issues/Ideas:

Small group discussion yielded the following thoughts:

General Thoughts:

- Gladwin is a key location for 'general business' as opposed to a specific industry cluster.
- The area could become a commuter community for faculty and staff at CMU, Delta University, Community College, Northwood Institute, etc.
- Widely available broadband service is needed; available.
- Streetscape needs to promote activity; link downtowns with features (like the arena)
- Joint property marketing/buildings and sites: create sense of multiple opportunities
- EDC as single point of contact for all activities
- Community needs to appreciate its own history

- "If I came to the local government and requested business help, how would I be received?"
- People need to be connected personally as well as virtually.
- Ubiquitous internet/cell service an issue
- Low income housing becoming an issue.
 Elderly and less advantaged cannot be left behind in shift to retirees and second homes.
- Efforts need to be balanced; cannot put all the eggs in one basket.
- Community appearance needs to be upgraded
- Use and recognize local assets
- Individuals/groups need to set aside personal agendas; think like one community

Specific Industries:

- Health care is major draw:
 - o "The Brook"
 - Visiting Nurses Association/new location in area
- Tourism
 - Cooperative Tourism organization needed.
 - Is there a track record of revenue?
 What does it really bring to community.
 - Common theme, a la' Gaylord or Holland? ('green' community – reference to forests and rivers; outdoor pursuits; natural)
 - Must promote the whole; not fragmented
 - o 'Pride' & heritage are draws
 - Need places for families to stay, visit, shop; not just hunters
 - Cell service is an issue for visitors
 - Could promote:
 - Traditional American towns
 - Know your neighbors
- Other
- Is there a niche for a youth camp?
- MSU is developing new agriculture/forestry niche markets (i.e. American Chestnuts).
 This could be linked with the forest history of the area for new business opportunities that would also enhance travel and tourism.
- Sawmills?

Education:

- Schools
 - Students graduate from high school and go to work

- Expanding
- Amish
- Specialty shops
- Geography/geology
- Surface water
- Rivers
- Forests
- Parks
- "the grade"
- Outdoor activities
- Ideas:
 - ORV trails
 - Fishing tournament
 - Farmers market
 - Festivals
- Jay's in Clare is a significant opportunity for partnering.
 - o Target range?
- Community could benefit from a high-speed technology center; offices available for lease; highly wired.
 - o 12+ system?
- Students do not understand that a high school degree is not enough.

APPENDIX 3

DATA SCAN

Analysis of secondary data from the Bureau of Census and other sources can either confirm or alter our opinions of ourselves, relative to our neighbors in Michigan and elsewhere. Selected data is presented, below:

Who are we?

In 2005, 27,209 persons were estimated to make their permanent home in Gladwin County. This represents a significant growth, not mirrored in the state as a whole. In fact, from 1990 - 2000, the pace of growth in Gladwin outpaced the national average, and was nearly three times the state at large.

	% change 2000 - 2005	% change 1990 -
	2005	2000
Gladwin	4.60%	18.80%
Michigan	1.80%	6.90%
US	5.30%	13.10%

An examination of the age spread in Gladwin, the State and the nation shows the nature of this population growth.

While the number of people under age 18 is lower in Gladwin than elsewhere, the real difference comes in the age 65+ population, which is more than 35% larger in Gladwin that elsewhere in the State.

	Gladwin	Michigan	US
"-age			
18	21.50%	25.10%	25%
"+ age			
65	19.30%	12.30%	12.40%

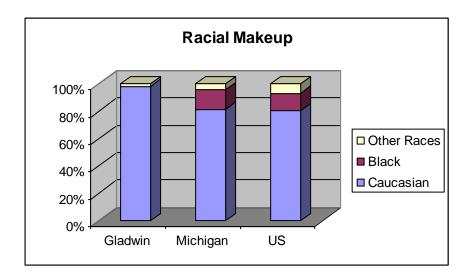
The implications of this are clear: the key workforce demographic is shrinking as the population ages. Two conclusions can be drawn from these data:

- If this trend continues, Gladwin will be hard pressed to attract traditional manufacturing and/or technology companies that require a large workforce from which to choose.
- Opportunities for goods and services targeted to retirees will grow.

Gladwin County residents are homeowners.

	Gladwin	Michigan	United States
Homeownership	85.7%	73.8%	66.2%
Home Value	\$86,.800	\$115,600	\$119,600

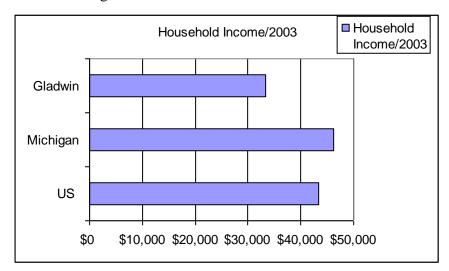
• Gladwin residents are *significantly* more likely than others to own their home. The low interest rates of the past decade, coupled with the affordable housing values have made this extraordinary achievement of the American dream possible.



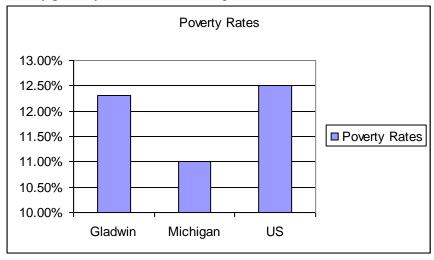
- Racially, Gladwin County is one of the nation's least diverse communities.
- The mono-cultural nature of the community is reinforced by immigration data. Only 1.3% of the area's residents were foreign born, compared to 5.3% in Michigan and 11.1% nationally.
- As the world becomes more globally integrated, this homogeneity will prove to be a disadvantage. Gladwin's youngest residents, particularly those who seek employment and/or business opportunities in newly emerging technology fields, will need to be provided with opportunities to understand other races and cultures if they are to be successful in this more integrated world.

That said, residents of Gladwin have stability in their lives. Nearly 61% report having lived in the same residence for more than five years, compared to 57.3% in Michigan, and 54.1% nationally.

We are also people of modest wealth. As of the most recent figured (2003), household income in Gladwin County was 27% below the state average, and 23% below the national average.



Poverty rates further illustrate the relative wealth of Gladwin County residents. Gladwin County poverty rates are 13.6% higher than statewide.



• Taken with the income figures, we see a pattern of a community of residents that have been able to maintain a modest, but adequate life style, based on income.

Finally, we are willing to travel further to work. Gladwin residents travel, on average, nearly 30 minutes to work each day, compared to 24 minutes elsewhere in Michigan, and just over 25 minutes nation wide.

• This suggests that Gladwin residents *like* their community, and, are willing to make compromises to remain here.

What does our economy look like?

There are a series of commonly used indicators that show a picture of the community's economy.

CLASS OF WORKER				
Private wage and salary workers	7,576	77.8	3,852,698	83.1
Government workers	1,139	11.7	528,201	11.4
Self-employed workers in own not incorporated business	958	9	243,300	5.2

Class of worker refers to the nature of the *employer*. Gladwin County exceeds the state average in self-employed workers. As many self-employed persons today form corporations for legal protections, the number of entrepreneurs in the community may actually exceed 9%.

• Gladwin County has a high number of entrepreneurs. This impulse should be supported and encouraged.

INDUSTRY				
Agriculture, forestry, fishing and hunting, and mining	376	3.9	49,496	1.1
Construction	969	10	278,079	6
Manufacturing	2,135	21.9	1,045,651	22.5
Wholesale trade	164	1.7	151,656	3.3
Retail trade	1,236	12.7	550,918	11.9
Transportation and warehousing, and utilities	408	4.2	191,799	4.1
Information	127	1.3	98,887	2.1
Finance, insurance, real estate, and rental and leasing	328	3.4	246,633	5.3
Professional, scientific, management, administrative, and waste management services	445	4.6	371,119	8
Educational, health and social services	1,956	20.1	921,395	19.9

Arts, entertainment, recreation, accommodation and food services	683	7	351,229	7.6
Other services (except public administration)	525	5.4	212,868	4.6
Public administration	386	4	167,731	3.6

Industry groups reflect the broad categories of firms that create jobs. With the exception of health care, Gladwin County residents are less likely to find themselves in the industries that will generally create the largest number of jobs in the 21st century – professional/scientific, finance and management.

• Gladwin County has a diverse economic base, and it should continue efforts in this direction, diversifying away from manufacturing, and other lower growth industries.

OCCUPATION				
Management, professional, and related occupations	2,346	24.1	1,459,767	31.5
Service occupations	1,540	15.8	687,336	14.8
Sales and office occupations	2,332	23.9	1,187,015	25.6
Farming, fishing, and forestry occupations	128	1.3	21,120	0.5
Construction, extraction, and maintenance occupations	1,327	13.6	425,291	9.2
Production, transportation, and material moving occupations	2,065	21.2	856,932	18.5
1	,		-,	

Occupational data speaks to the specific tasks undertaken by a worker. According to this data, Gladwin County residents are more likely to be involved in construction, extraction, or production activities than the state as a whole. Production activities are those most likely to be 'on the plant floor', and those jobs more effected by the changing economy. They are significantly less likely to be in managerial or professional positions.

• Gladwin should encourage its residents, particularly its young people, to train for advanced occupations, in the growth industries of the future.

Two additional statistics illuminate the economy of the community:

D:((BA* - I. *	01-1-1-	
Difference	Michigan	Gladwin	1
n	wiichiga	Gladwin	İ

Manufacturing Shipments/Capita	5,046	10,804	53%
Retail Sales/Capita	6,803	10,889	38%

- The value of manufacturing shipments per capita in Gladwin is less than half of that of the state as a whole. While this is only a proxy figure for productivity, it suggests that the manufacturing facilities in Gladwin are producing relatively low value products. These low value products are most vulnerable to displacement by foreign competition and/or automation.
- Retail sales in the community are over 1/3 lower than the state as a whole. *Retail sales are not per capita retail expenditures*. Most families of a similar income level spend at similar levels. Allowing for the difference in income, there may be a sizable 'leakage' of retail dollars spending for normal household needs, undertaken in nearby communities.

In Summary:

The data suggest a variety of challenges and opportunities for the Gladwin area. These challenges can be met by:

- Focusing on the new industries (health care, retiree services, and retail) suggested by the community's changing demographic.
- Celebrating the stability of the community, while taking steps to ensure that new residents, who may represent different races and cultures, are welcome.
- Encouraging residents, particularly the community's young people, to educate themselves for new, more highly skilled jobs that will evolve in a diverse and global community.