

Escanaba's economy is primarily centered around education, health, and social services as well as manufacturing. Residents wish to expand the job market in Escanaba by diversifying employment opportunities



Economic Assessment

CHAPTER 8

INTRODUCTION

Escanaba was established through the utilization and harvest of the natural resources that were bountiful throughout the region. Lumber and iron ore mining operations provided jobs and a sustainable source of revenue for Escanaba and its residents. Historically, Escanaba has maintained these primary economic activities in conjunction with the shipping opportunities of Lake Michigan to grow and build a strong vibrant community. More current economic trends reveal a depletion of mineral reserves initiating an increased reliance in other industries and employment opportunities. This transition from a primarily industrial economy to one centered more in service and manufacturing will continue as more mining and timber facilities discontinue operations.

CURRENT ECONOMIC PROFILE

Escanaba's economy is primarily centered around education, health, and social services as well as various management operations of Bay College, OSF Hospital, schools and manufacturing such as the operations Engineered Machine Products and New Page Corporation. Combined, the service and manufacturing industries employ 33.8% of the working population of Escanaba. Table 8.1 and 8.2 represent the employment by industry and occupation, respectively. Escanaba residents wish to expand the job market in Escanaba by diversifying employment opportunities providing a variety of job opportunities for the city's residents.

Table 8.1: Escanaba Employment by Industry

Employment	Number	Percent
Employed civilian population 16 years and over	5,782	100
Agriculture, forestry, fishing and hunting, and mining	60	1
Construction	263	4.5
Manufacturing	845	14.6
Wholesale trade	146	2.5
Retail trade	810	14
Transportation and warehousing, and utilities	292	5.1
Information	142	2.5
Finance, insurance, real estate, and rental and leasing	280	4.8
Professional, scientific, management, administrative, and waste management services	311	5.4
Education, health and social services	1,227	21.2
Arts, entertainment, recreation, accommodation and food services	821	14.2
Other services (except public administration)	339	5.9
Public administration	246	4.3

Source: U.S. Census - 2000



Table 8.2: Escanaba Employment by Occupation

Employment	Number	Percent
Employed civilian population 16 years and over	5,782	100
Management, professional, and related occupations	1,482	25.6
Service occupations	1,301	22.5
Sales and office occupations	1,396	24.1
Farming, fishing, and forestry occupations	37	0.6
Construction, extraction, and maintenance occupations	444	7.7
Production, transportation, and material moving occupations	1,122	19.4

Source: U.S. Census - 2000

EMPLOYMENT

Unemployment rates for Delta County and the surrounding counties show minor progress in the employment opportunities for the central Upper Peninsula. Between the years 2000 and 2004 a .40 percent decrease in the unemployment rate for Delta County is presented in Table 7.3. While Delta County's unemployment rate is higher than the regional average of 5.23 percent, it remains below the statewide rate of 6.7 percent. Expected increases in manufacturing jobs will provide a substantial benefit to the unemployed workforce of Escanaba.

Table 8.3: Unemployment by County

Unemployment Rates	2000	2004	% Change
Delta County	6.20%	5.80%	-0.40%
Menominee County	4.60%	5.30%	0.70%
Schoolcraft County	8.40%	6.50%	-1.90%
Alger County	5.60%	4.60%	-1.00%
Marquette County	4.90%	4.20%	-0.70%
Dickinson County	4.50%	5.00%	0.50%
State of Michigan	3.20%	6.70%	3.50%

Source: U.S. Census - 2000

INCOME

The income generated by a single individual or family is a good representation of the wages and salaries paid by employers in the area. Tables 7.4 and 7.5 show the median income by family and household at the city and county level respectively. A median household income of \$29,125 and median family income of \$36,995 is less than the surrounding cities and statewide values (median household income includes singles living in one household, median family income references total income within one household.) However, when looking at the same figures at the county level, Delta County ranks much higher in the regional and statewide standings. Delta County's median family income is \$45,079; that is less than the statewide value, but remains high throughout the central Upper Peninsula.

Table 8.4: Median Income by City

Median Income by City	Median Household Income	Median Family Income
City of Escanaba	\$29,125	\$36,995
City of Gladstone	\$34,328	\$47,899
Ford River Twp..	\$42,260	\$47,837
Wells Twp..	\$48,065	\$52,278
Escanaba Twp..	\$44,730	\$48,839
Brampton Twp..	\$45,441	\$52,614
Bark River Twp..	\$41,477	\$45,221
State of Michigan	\$44,667	\$53,457

Source: U.S. Census - 2000

Table 8.5: Median Income by County

Median Income by County	Median Household Income	Median Family Income
Delta County	\$35,511	\$45,079
Dickinson County	\$34,825	\$43,021
Menominee County	\$32,888	\$40,268
Schoolcraft County	\$31,140	\$36,810
Marquette County	\$35,548	\$46,281
Alger County	\$35,892	\$42,017
State of Michigan	\$44,667	\$53,457

Source: U.S. Census - 2000

WORKFORCE DISTRIBUTION

Consistent with Escanaba's pride in the community, a substantial percentage (83.09%) of the residents living in the City are employed within the City as well. Table 8.6 represents the distribution of residents and employment. The information reveals the significant number of residents that reside and work in Delta County (99.39%). This high percentage of local employment supports the strong connection between the residents and their community. Table 8.7 represents the average daily commute times for Escanaba residents.

Table 8.6: Employment Location

Place of Work for Residents	Number	% of Total
Worked in City of Escanaba	4,329	83.09
Worked Outside City of Escanaba	1,253	24.05
Worked in Delta County	5,178	99.39
Worked Outside Delta County	518	9.94
Worked Outside of Michigan	67	1.29
Total Employed Persons over age 16	5,210	100.00

Source: State of Michigan; Michigan Information Center 2004.

Table 8.7: Daily Commute Time

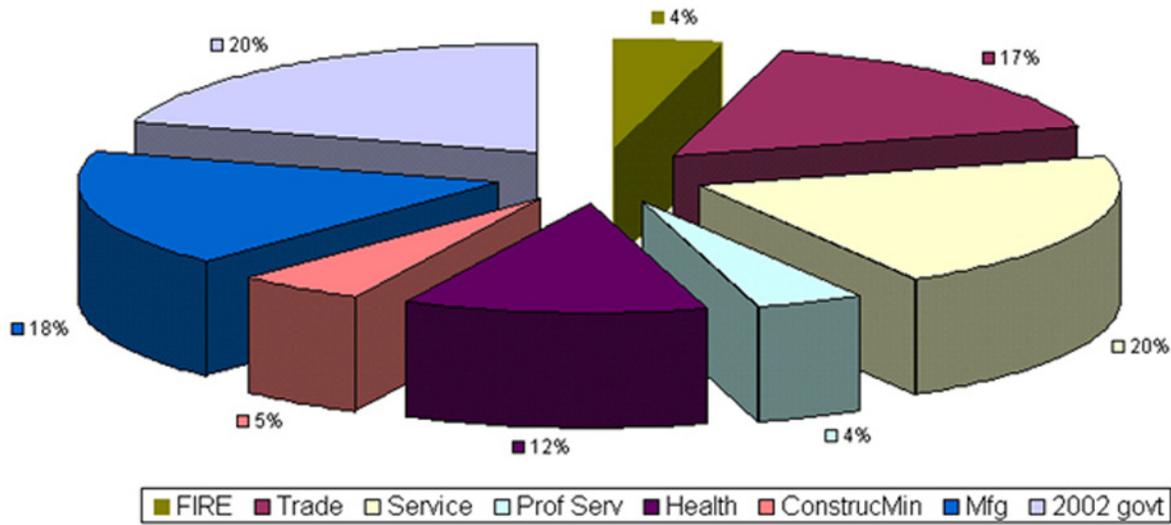
Average Travel Time To Work	Travel Time Minutes
City of Escanaba	14.1
City of Gladstone	16.6
Ford River Twp..	22
Wells Twp..	17.2
Escanaba Twp..	19.7
Brampton Twp..	21
Bark River Twp..	20.1
Delta County	18.8
State of Michigan	24.1

Source: U.S. Census - 2000

Chart 8.1: Delta County Employment by Category 2003

Source: City of Escanaba

2003 Delta County Employment By Category



FIRE = Finance, Real Estate, Insurance

Trade = Retail and wholesale

Service producing = utilities, transportation, arts, entertainment, recreation, accommodation, food, private sector service, admin & waste

Prof Serv= Prof technical and Info

Other= Agriculture and transportation/warehousing

NOTE: THESE NUMBERS ARE APPROXIMATE & based on available info, mostly ES202. State reporting processes starting in 2003 have impacted our ability to accurately measure employment by sector. Total employed here = 15,322; LMI employment numbers for 2003 show 18,104.

Chart 8.2: Delta County Employment Trends 1995-2005

Source: City of Escanaba

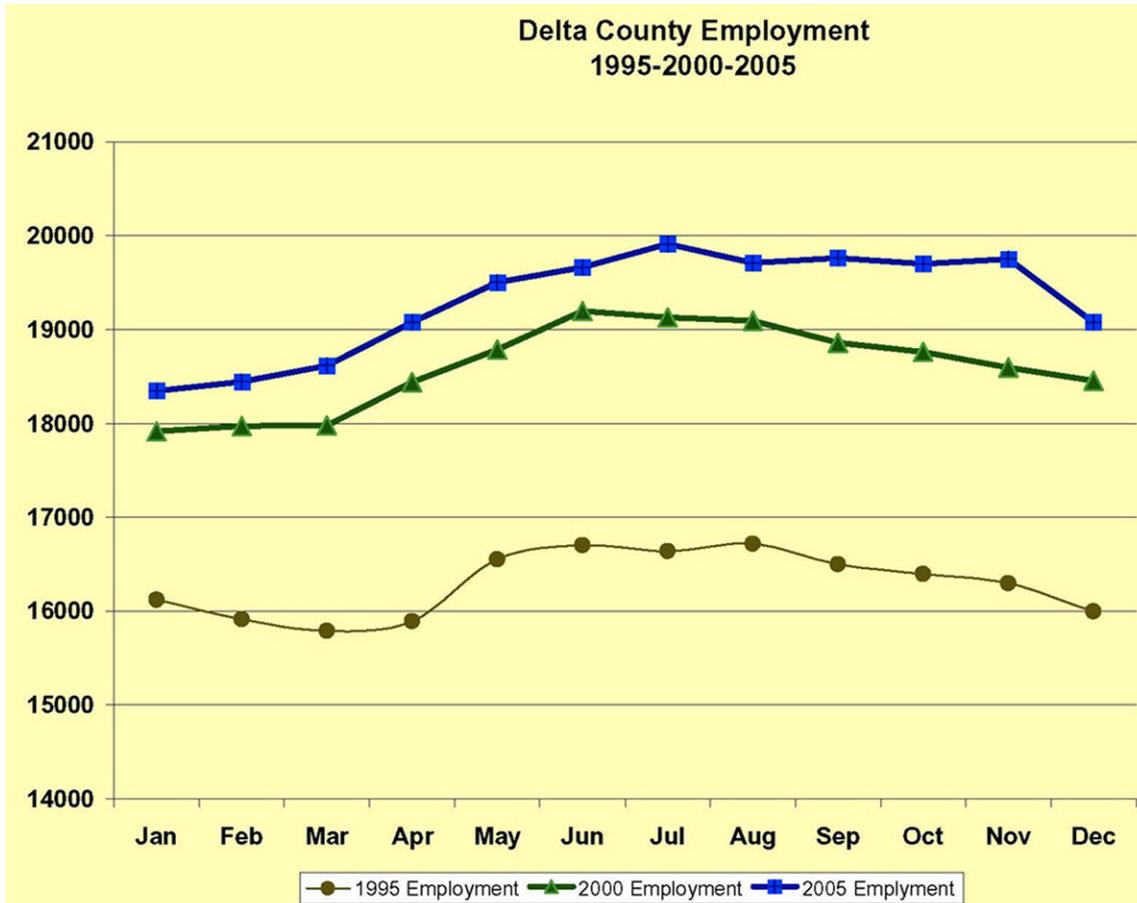


Chart 8.3: Delta County Employment Patterns 1995-2005

Source: City of Escanaba

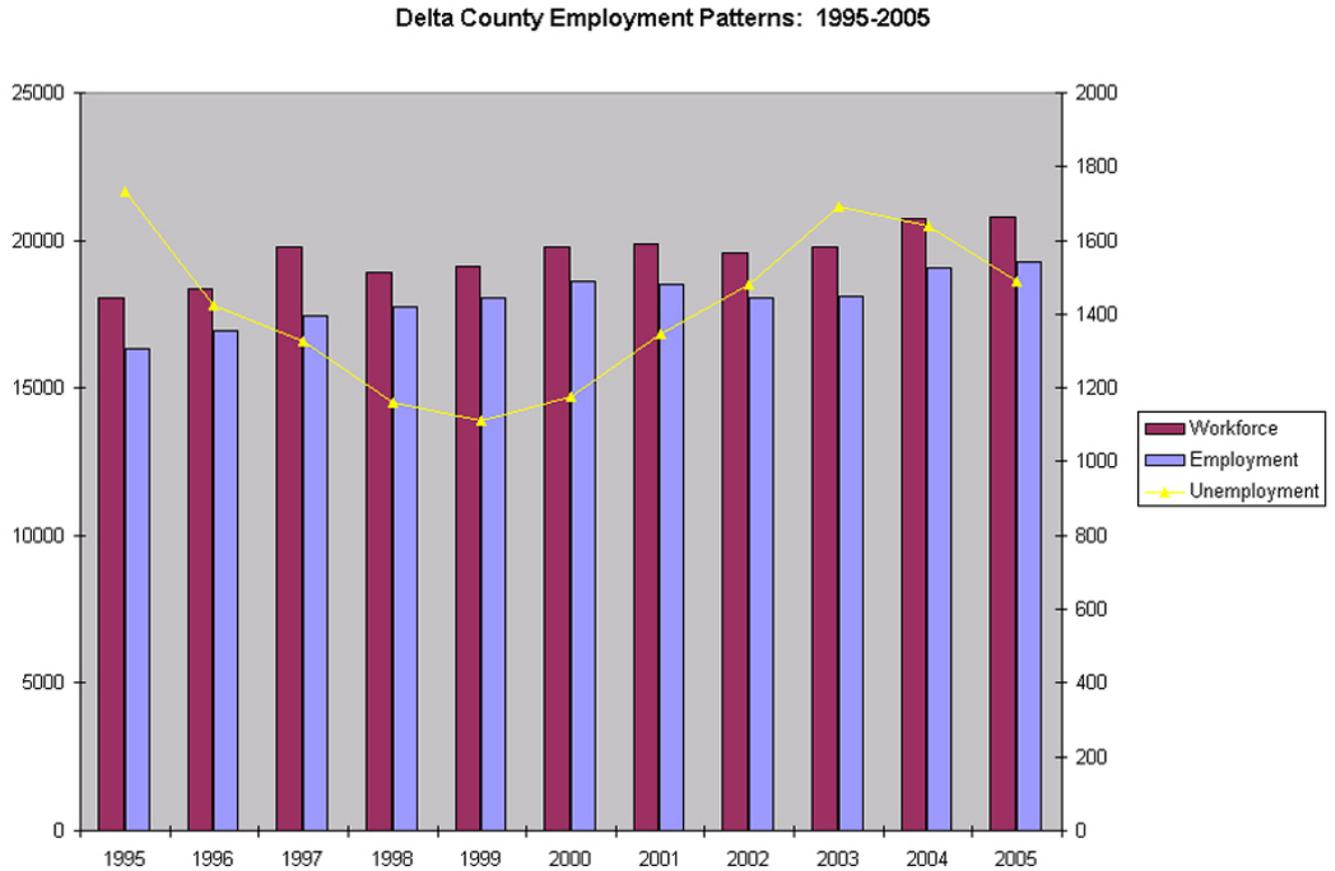
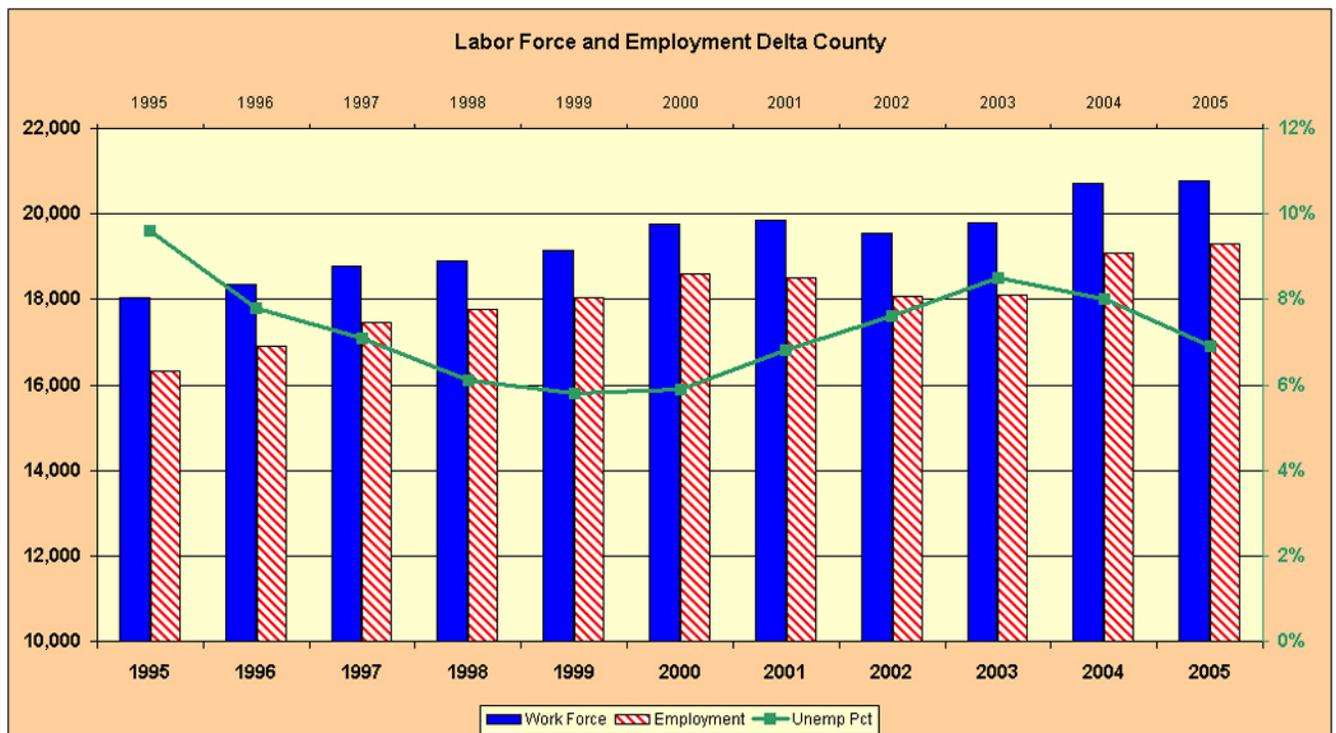


Chart 8.4: Delta County Labor Force and Employment

Source: City of Escanaba





AREAS OF CONCERN

Residents are interested in expanding and attracting new and exciting economic activities to the area. One of the primary goals highlighted in the visioning process was to build on existing infrastructure and rejuvenate Escanaba's economy with a focus on tourism, industry, and retail. As Escanaba's primary economic activities such as shipping and lumber have decreased, demand on alternative industries has become ever more prevalent. Residents feel Escanaba officials should focus their efforts on economic development creating new jobs and growth in the community.

Community support for economic development is strong throughout the community and has been narrowed down into specific activities. These are economic activities and areas that residents feel should be the focus of the community's economic development. The highlighted activities are directly derived from the community visioning and input.

- Encourage growth through support for local businesses.
- Reclaim Downtown as a retail and service destination.
- Capture the full tourism potential of Little Bay De Noc.
- Diversify economic activities throughout the community.

Support Local Businesses

Escanaba residents and officials have voiced a strong desire to implement a more diversified economy. This desire stems primarily from the transition that has occurred over the past decade from a less industrialized economy to a more service based economy. The primary emphasis of economic development should be around enhancing the existing local businesses and opportunities for local entrepreneurs to start new business within Escanaba. Building on the foundation of community pride, residents should be encouraged to patronize local establishments and businesses that will help develop and reinvest in the local economy.

Recommendations to Support Local Businesses

- Establish programs to promote the retention and enhancement of local businesses, especially in the heart of the downtown.
- Organize seasonal events which highlight the goods and services offered in the community such as

- sidewalk sales and a winter holiday open house.
- Utilize existing waterfront areas for the development of locally owned shops and restaurants targeting tourists and residents alike.
- Concentrate the development of big box regional shopping centers within the allocated area along Lincoln Road.
- Create walkable retail centers that are developed at a human scale to provide safe and accessible services to local residents, eliminating auto dependency.

Reclaim Downtown as a Retail and Service Destination

Downtown Escanaba was developed during a time of strong economic activity and strong pride in small town community values. Unfortunately, the introduction of national big box retail chains has led to a decline in the community connection to the downtown. Redevelopment of this once thriving commercial corridor has become a primary concern and focus of the community. Revitalizing downtown Escanaba will be a lengthy process and will require careful planning and consideration in order to successfully bring this community asset back to life.

The goal of downtown revitalization will be to establish specific districts along the 22-block corridor allowing for a mix of retail, service, office, entertainment and residential uses. By organizing these uses into specific geographic areas, efficient use of these spaces can be achieved and will promote the interaction of residents and local businesses. The initial step will be to locate residential uses around the commercial activities to incorporate an environment in which people and goods and services are intertwined. This will also require reclaiming abandoned office and service buildings as mixed retail and residential uses. The Ludington Street corridor will then become a linear downtown that attracts residential development around the perimeter while concentrating a mix of retail, commercial and service uses at the heart of the community.



A thriving and livable downtown is an important element in any community, and is viewed as one of the primary objectives of the residents. Throughout the community input process residents shared their vision with hopes of bringing new life and activity to this once vibrant and lively downtown. This vision has been summarized in the following objectives.

- Reclaim abandoned office and service buildings for retail, residential, and commercial activities.
- Develop nodes of activity along the Ludington Street corridor resulting in a greater critical mass of retail, restaurant, and office activities.
- Initiate funding programs that facilitate improvements to façade, signage, and landscaping of downtown

businesses.

- Provide incentives to maintain and restore historic buildings for retail and commercial uses.
- Encourage businesses to extend hours of operation to meet the needs of residents who work a typical eight-to-five workday.
- Combine the rich history of downtown with the history of the waterfront through pedestrian connectors and shopping districts.
- Market the downtown and waterfront as an attractive destination, drawing traffic off Lincoln Road.
- Provide safe pedestrian crossings across Ludington Street and implement traffic calming along the entire downtown corridor.
- Encourage and recruit new entertainment opportunities downtown.
- Enhance streetscape to reflect the vibrant heritage of this Great Lakes city.
- Attract a large retail anchor store into downtown.
- Create a safe, friendly, and attractive shopping destination for the residents and visitors of Escanaba.

Capture the Full Tourism Potential of Little Bay De Noc

Escanaba's location on Little Bay De Noc facilitates a vast array of recreation and leisure opportunities. Escanaba residents have enjoyed this resource and are interested in marketing Escanaba as a premier waterfront community. Access to the lake is achieved through both the municipal marina in Ludington Park and the public boat launch near the power plant. Recreational boating is an attraction that draws tourism investment into the community and helps to support local businesses throughout the summer months. Fishing is the primary activity that occurs out on the bay and has national recognition as a premier walleye fishery. Fishing tournaments draw huge crowds which in turn provide generate revenue for the community and local businesses. Residents value the bay as the community's primary asset and would like to utilize the resource for economic gains, while preserving the natural features and overall quality of the resource.

To attract more tourists to the area, Escanaba residents would like to enhance access to the water and create a connection with the waterfront and downtown. Developing mixed use residential and commercial activities along the waterfront would both increase accessibility to the waterfront and establish this desired connection to the downtown and residential community. Providing pedestrian and public transit from the marina and boat launch would encourage recreational boaters and fishermen to patronize local shops and restaurants while enjoying Little Bay De Noc. Further enhancements would include the creation of a public access site that would provide rental services for canoes, kayaks, and small boats.

By connecting the downtown and residential areas with the waterfront, Escanaba would become a more attractive water recreation destination. Furthermore, by providing for the development of mixed use residential and commercial along the north shore, tourists would have more opportunities to interact with local patrons and stay in hotels or condominiums on the waterfront. Escanaba residents would like to see more tourism activity and market their community as one of Michigan's premier Great Lakes destinations.

Diversify Economic Activities Throughout the Community

Residents have voiced a strong desire to diversify Escanaba's economy. This desire stems from two major concerns, the ability to retain and attract a sustainable workforce, and availability of quality jobs and employment opportunities for a multitude of skill levels and abilities.

The goal of creating a sustainable workforce relies on the existence of sustainable jobs. These are jobs that



would provide moderate to higher wages. Some of the industries that would meet these requirements would be technology, manufacturing, and tourism. Some detailed steps to achieve economic diversity are listed in the list below. These suggestions are directly correlated to the objectives that were developed from the community visioning, ensuring community's desires are met.

- Implement incentives for starting hi-tech and professional industry businesses in Escanaba.
- Ensure that the community is served by a high-speed internet infrastructure consisting of DSL, cable, or wireless technologies, or a combination of services.
- Position the city as a desirable and affordable retirement community for multi-household retirees.
- Develop a plan to fill the existing industrial park with proven, viable companies.
- Attract more local business owners to set up shop in Escanaba rather than outlying areas.
- Utilize the UP State Fairgrounds property for increased mixed-use developments that will enhance and promote the UP and Escanaba.
- Develop a Wetland Management Plan that evaluates the existing conditions of the wetlands, determines the quality of the wetlands, and determines the steps needed to create best management practices for urban and urbanizing areas west of North 30th Street.
- Develop a recruitment objective to seek out promising businesses in well paying technical industries.
- Expand the existing services within Bay Community College to offer more four-year programs.
- Promote partnerships between local industry, the City, County, and Bay Community College.
- Promote an all-season eco and sport-tourism industry.
- Develop a campaign that instills a sense of pride in patronizing local businesses and establishments.

