



Stephen Buckbee, Chairperson
Patrick Connor, Vice-Chairperson
Jeremy Peacock, Secretary
Thomas Warstler, Commissioner
Todd Milkiewicz, Commissioner

**PLANNING COMMISSION
REGULAR MEETING AGENDA
January 10, 2013, at 6:00 p.m.**

Brian Moravec, Commissioner
Roy Webber, Commissioner
Kel Smyth, Commissioner
Vacancy
James V. O'Toole, City Manager
Pete Baker, City Council Liaison

Escanaba City Hall, Council Chambers, 410 Ludington Street, Escanaba, MI 49829
Thursday, January 10, 2013, at 6:00 p.m.

CALL TO ORDER

ROLL CALL

APPROVAL/CORRECTION(S) TO MINUTES – November 8, 2012

APPROVAL/ADJUSTMENTS TO THE AGENDA

CONFLICT OF INTEREST DECLARATION

UNFINISHED BUSINESS – None

PUBLIC HEARING

None.

NEW BUSINESS

1. Election of Officers.

Explanation: Each year the Planning Commission selects from its membership a Chair, Vice-Chair, Secretary and Deputy Secretary.

2. Adoption of Meeting Schedule.

Explanation: The Planning Commission will review and adopt the 2013 Planning Commission meeting schedule.

3. Appointment – Delta County Planning Commission.

Explanation: Annually, the Escanaba Planning Commission appoints a representative to the Delta County Planning Commission.

4. Discussion – Micropolitan Regional Economic Development Strategy – City of Escanaba, City of Gladstone, and City of Marquette.

Explanation: A discussion will take place concerning the development of an economic strategy which would be tailored to strengthen, support and increase activity in the region's manufacturing, distribution, and transportation sectors throughout the Central Upper Peninsula from the Cities of Escanaba and Gladstone to the City of Marquette.

5. Project Updates:

- a. Zoning Board of Appeals Hearings/Decisions.
- b. Delta County Planning Commission Update. The Planning Commission will be updated on the activities at the latest Delta County Planning Commission Meeting.
- c. Ordinance and Policy Review/Development
- d. Zoning/Land Use Permit Update.
- e. Various.

GENERAL PUBLIC COMMENT
COMMISSION/STAFF COMMENT AND ANNOUNCEMENTS
ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling City Hall at (906) 786-9402.

Respectfully Submitted,

Stephen Buckbee, Chairperson
Planning Commission

**PLANNING COMMISSION MEETING
ESCANABA, MICHIGAN
NOVEMBER 8, 2012**

A regular meeting of the Escanaba Planning Commission was held on Thursday, November 8, 2012 at 6:00 p.m. in Room C101 at City Hall, 410 Ludington Street, Escanaba, MI 49829.

PRESENT: Chairperson Stephen Buckbee, Vice Chairperson Patrick Connor, Todd Milkiewicz, Tom Warstler, Roy Webber and Kel Smyth.

ALSO PRESENT: City Manager Jim O'Toole, Council Member Ron Beauchamp, Mike Furmanski, Superintendent, Electric Department, and Katie Rydquist, Confidential Secretary.

ABSENT: Planning Commissioners Brian Moravec and Jeremy Peacock.

Chairperson Stephen Buckbee called the meeting to order at 6:00 p.m.

Roll Call

Katie Rydquist, Confidential Secretary, conducted the roll call. Planning Commissioners Brian Moravec and Jeremy Peacock were unable to be present for the meeting.

Approval/Correction of the October 11, 2012 Planning Commission Meeting Minutes and the October 23, 2012 Special Planning Commission Meeting Minutes

A motion was made by Planning Commissioner Tom Warstler and seconded by Vice Chairperson Patrick Connor to approve the October 11, 2012 Planning Commission Meeting Minutes and the October 23, 2012 Special Planning Commission Meeting Minutes.

Ayes were unanimous.

Approval/Adjustments to the Agenda

None.

Conflict of Interest Declarations

None.

UNFINISHED BUSINESS

None.

PUBLIC HEARING

1. **Site Plan Review – 2000 Power Plant Road – Escanaba Green Energy, LLC**

City Manager Jim O'Toole stated that Escanaba Green Energy, LLC has submitted a land use application to convert a coal-fired power plant to a biomass-fired power plant. The applicant is

also proposing the construction of a fuel storage and processing facility. Mr. O'Toole provided the following information:

Property Owner/Applicant Address:

City of Escanaba (Seller)
P.O. Box 948
Escanaba, MI 49829

Escanaba Green Energy LLC (Buyer)
Escanaba, MI 49829

Current Zoning:

Heavy Manufacturing (G) District

Compliance with Development Standards:

1. Mr. O'Toole said the proposed construction (building) will be located on property that is zoned Heavy Manufacturing (G). The use is an existing use permitted by right as outlined in Section 1502.1 General, paragraph J. Power Plant.
2. The proposed construction meets the setback standards of the district.
3. The preliminary proposed construction site plan diagram complies with Chapter 18. Site Plan and Sketch Plan Standards, Section 1802 Site Plan Diagram/Requirements, paragraph 1802.2 Site Plan Diagram Requirements, subparagraphs A-X.
4. In accordance with the requirements found in Chapter 18. Site Plan and Sketch Plan Standards, Section 1803 Site Plan Review, paragraph 1803.1.1.1. and 1803.1.1.3 Pre-Application Conference, a staff review was conducted on October 30, 2012.
5. In accordance with the requirements found in Chapter 18. Site Plan and Sketch Plan Standards, Section 1803 Site Plan Review, paragraph Section 1803.1.1.2. Application, the applicant applied for site plan consideration as required.
6. In accordance with the requirements found in Chapter 18. Site Plan and Sketch Plan Standards, Section 1803 Site Plan Review, paragraph Section 1803.1.1.4 Approval, Referral, City Administration deemed the site diagram to be complete.
7. All fee and notification requirements of the Ordinance have been accommodated.

Duties of the Planning Commission

Mr. O'Toole stipulated the Duties of the Planning Commission for the record (See Attached Site Plan Review Report).

Staff Findings, Comment, General Plan Goals and Conditions of Approval:

1. Staff is recommending approval of the site plan diagram for the following reasons:
 - A. The proposed use is consistent with the zoning designation for the district.
 - B. The proposed use is an existing use.

Jim O'Toole stated the construction value of the accessory building is estimated to be \$20,000,000.

Public Contact

Notice of Public Hearing was published in the Escanaba Daily Press Newspaper, and meeting notices were mailed to the adjacent property owners within 300 feet of the project site. The meeting agenda was posted on the City's official notice bulletin board and the City of Escanaba's website.

Standards and Questions (Finding of Facts):

Mr. O'Toole said that in reviewing this proposed project, the Planning Commission should keep in mind the following standards:

1. Is the development designed to integrate well with adjacent developments?
2. Is the development designed to minimize nuisance impacts on adjoining parcels?
3. Is the development designed to ensure safe and functional traffic access and parking?
4. Is the development designed to minimize impacts on sensitive environmental resources?

Jim O'Toole said this proposed project is an expansion of an existing use and business.

Charles DeTiege, President/Plant Manager, Escanaba Green Energy, LLC, stated that the proposed project involves converting the coal-powered Power Plant to a wood biomass-fired power plant. Within the power plant border itself, the majority of what is there will remain the same. This biggest part of the project is the \$12,000,000 upgrade (fuel yard) to be able to burn biomass chips. How they will get the fuel into the boiler will change as biomass is different than coal. Mr. DeTiege said they would have to burn about three times as much wood as compared to burning coal. Mr. DeTiege said when coming off of Power Plant Road, the first thing you see is the conveyor system. There is plenty of room for trucks and other vehicles to run underneath it. The next stop is the truck scale where the trucks will weigh in and then down the road to where there is a loop, then will back in to the truck dump and all the contents spill out into a large hopper. The hopper goes on a conveyor, through a hog onto another conveyor, which goes up to a Stackhouse. The Stackhouse at its highest point is approximately 98 feet; the bottom of the stacker where the chips will come out at its highest point is 70 feet and will actually come all the way down to about 20 feet. There is a sensor on the bottom and as the chips fall out, the stacker comes up two feet and keeps spreading out the chips and moving up keeping the wood chips from flying all over. Five sets of chains pull the chips through to pile reclaim. There is a retaining wall between 25 and 30 feet tall, and the chips actually sit up against that wall as they are being pulled through. The second one is an under pile reclaim so that one can pull from the 15-day storage. They will constantly be turning that fuel putting new fuel in and pulling the fuel out so always turning it over. If the fuel sits for more than 60 days, there is a chance of combustion, which would be more of a concern during summer months versus the winter. The conveyor goes up, and there is a check screen. At the power plant, there are two feeders that are small hoppers and at the bottom, there are screws. The screws pull out the fuel into two slides that are air-fed and go down to the bottom where there are more air swept spouts that throw the fuel to the back of the boiler. Next to the truck dumper, there is a small hopper just in case something fails. Charles DeTiege said on average, they will be bringing in 25 trucks per day (Monday-Saturday). Mr. DeTiege said they are looking into putting in a 40' x 80' storage building on the south side of the plant where parking is located.

Chairperson Stephen Buckbee asked what direction the trucks would be coming from. Mr. DeTiege said the majority of the trucks will come from Gladstone; however, some would be coming from the south, as well. If they were to expand in the future, Mr. DeTiege said he has

discussed putting in a rail spur. Mr. DeTiege said they would be bringing in chips as opposed to logs. A general discussion ensued.

Chairperson Stephen Buckbee asked if a sprinkler system would be involved. Charles DeTiege said there would be a sprinkler system. Mr. DeTiege said with the chip pile, they would always be rotating it. Mr. O'Toole said the fuel yard is surrounded with a fire hydrant system every 250-300 feet. The ash will go to the landfill, and Mr. DeTiege said they have had discussions with Great Lakes Agriculture about using the ash for land use.

Planning Commissioner Tom Warstler asked about emissions. Mr. DeTiege said the particulate emissions are exactly the same as coal. Sulfur dioxide emissions will be significantly lower, as well as mercury and lead. NO_x emissions are lower because the boiler is not as hot. Planning Commissioner Warstler asked if any mercury would be present. Mr. DeTiege said it was possible regarding whatever may come from the trees.

Charles DeTiege said they will have approximately 26-27 employees. Currently, there are 19 employees at the plant. During construction, there will be 40 employees. Planning Commissioner Tom Warstler asked how many employees would be hired as a result of hauling, etc. Mr. DeTiege said it was possible that approximately 75-100 people may be involved with the biomass operation. Construction will begin on April 1, 2013 with the proposed project scheduled to be completed by December 2013.

Planning Commissioner Roy Webber asked about the 4 or 5 trucks that would be sitting on the road as the train sits there for one-half hour. Charles DeTiege said there is plenty of room on the Power Plant side; however, the only concern they have is across from the railroad where trucks could back up onto Sheridan Road.

Planning Commissioner Tom Warstler asked about having a continuous supply of wood chips. Mr. DeTiege said they will have contracts with four vendors, and expects a steady stream of wood chips to arrive at the plant because of the availability of slash from wood-harvesting in the region. This could increase if federal lands become accessible to harvesting. Mr. DeTiege said the price of coal is \$95.75 a ton; wood chips would cost \$25-\$26 per ton.

PUBLIC COMMENT

There were no comments from the public. Chairperson Stephen Buckbee thanked Charles DeTiege for his time.

A motion was made by Vice Chairperson Patrick Connor and seconded by Planning Commissioner Roy Webber to approve the land use application submitted by Escanaba Green Energy, LLC to convert a coal-fired power plant to a biomass-fired power plant located at 2000 Power Plant Road, Escanaba, MI, with the following amendments proposed by Planning Commissioner Tom Warstler:

STANDARDS AND QUESTIONS (FINDING OF FACTS)

- 1. The development is designed to integrate well with adjacent developments.**
- 2. The development is designed to minimize nuisance impacts on adjoining parcels.**
- 3. The development is designed to ensure safe and functional traffic access and parking.**

4. **The development is designed to minimize impacts on sensitive environmental resources.**

Ayes were unanimous.

Jim O'Toole said Green Energy, LLC has been working with the Michigan Department of Natural Resources and the Michigan Department of Environmental Quality. Planning Commissioner Tom Warstler felt this would be a cleaner facility and was pleased with the jobs that would be created.

Mr. DeTiege said all conveyors will be covered, and said every 4 feet, there is an 8-foot section that lifts up in case something needed to be fixed.

Chairperson Stephen Buckbee thanked everyone for the fine job they did in working on this project.

2. **Site Plan Review – 3716 19th Avenue North – Sgt.'s Recycling, Inc.**

Jim O'Toole stated that Sgt.'s Recycling, Inc., did not have a representative present for the meeting so this agenda item was tabled.

NEW BUSINESS

1. **Project Updates:**

- a. Zoning Board of Appeals Hearings/Decisions

Jim O'Toole said the Zoning Board of Appeals did not meet in October.

- b. Delta County Planning Commission Update

Vice Chairperson Patrick Connor said the Delta County Planning Commission met on November 5 and approved two Conditional Use Permits (making smaller lots out of larger ones).

- c. Ordinance and Policy Review/Development

Mr. O'Toole said the Ordinance and Policy Review/Development would continue; there was nothing specific to report at this time.

- d. Zoning/Land Use Permit Update

Jim O'Toole reported that from January 1 to November 6, 2012, a total of 67 Zoning Permits were issued (4 New Homes; 5 Change of Use; 35 Residential Remodels; 5 New Commercial; 16 Commercial Remodels and 2 Home Occupations for a total construction value of \$8,350,100. A total of 18 Sign Permits and 40 Fence Permits were issued in this time period.

- e. Various

Jim O'Toole said the Historical Museum project was well underway.

Mr. O'Toole said that in talking to Daryl Miron, Developer, Parkview Assisted Living, Willow Creek Road, they are working on the bids and construction costs. Regarding the addition at Bishop Noa, they are scheduled to break ground in the spring.

Vice Chairperson Patrick Connor mentioned that when heading south on South Lincoln Road and turning right to the new Marquette General Office Building, there is a low area on the right side of the road (about 10 feet in), created from the construction, that collects water. Mr. O'Toole said he would refer this issue to the Public Works Department. Jim O'Toole said that MDOT will be undertaking a traffic study at the intersection of South Lincoln Road and 8th Avenue South.

Chairperson Stephen Buckbee said that dredging might be in order at the harbor entrance due to the low lake levels. Jim O'Toole has been looking into that issue.

GENERAL PUBLIC COMMENT

None.

COMMISSION/STAFF COMMENT AND ANNOUNCEMENTS

Jim O'Toole said we will be hearing about collaboration with the City of Marquette on a possible Michigan Economic Zone from Marquette to Escanaba, including the City of Gladstone. Mr. O'Toole will be making a presentation at the December Planning Commission Meeting. Mr. O'Toole said that by possibly doing a Regional Economic District, they would be more successful in getting the attention from Lansing regarding funding. This is part of the City of Escanaba's Northshore Project.

Adjournment

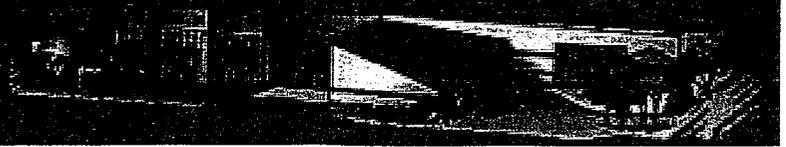
A motion was made by Planning Commissioner Tom Warstler and seconded by Chairperson Stephen Buckbee. The meeting adjourned at 6:37 p.m.

Ayes were unanimous.

Stephen Buckbee, Chairperson
Escanaba Planning Commission

James V. O'Toole, City Manager
City of Escanaba

Jeremy Peacock, Secretary
Escanaba Planning Commission



**NOTICE OF REGULAR PUBLIC MEETINGS
PLANNING COMMISSION**

PLEASE TAKE NOTICE that the regular meetings of the Planning Commission are scheduled for 6:00 p.m. in Room C101, the Council Chambers of the City Hall, 410 Ludington Street, in the City of Escanaba, MI, on the following dates as listed below:

**PLANNING COMMISSION MEETINGS – 2013
Room C101, City Hall, 6:00 p.m.**

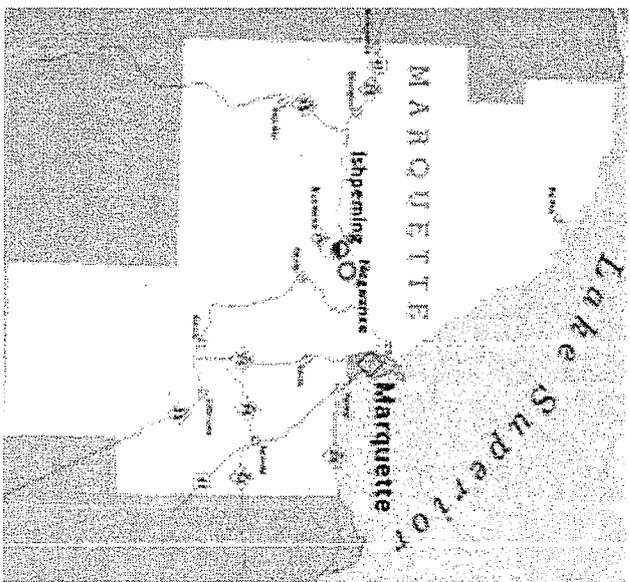
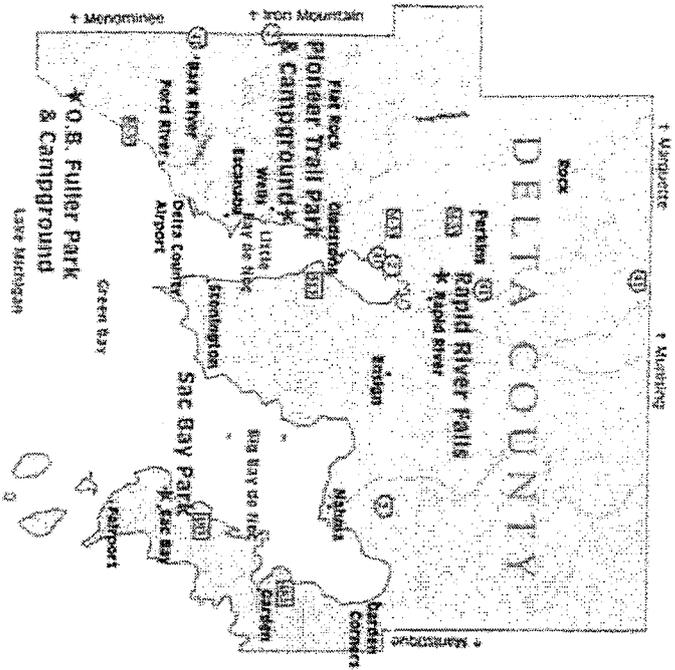
January 10, 2013
February 14, 2013
March 14, 2013
April 11, 2013
May 9, 2013
June 13, 2013
July 11, 2013
August 8, 2013
September 12, 2013
October 10, 2013
November 14, 2013
December 12, 2013

Public notice will be given regarding any changes in the above meeting dates. Minutes of the Planning Commission Meetings are available at the City Clerk's Office, City Hall, 410 Ludington Street. Phone (906) 786-1194.

Commission Contact Person:
James O'Toole
410 Ludington Street
Escanaba, MI
(906) 786-9402

Escanaba Planning Commission

January 10, 2013



DISCUSSION

- How can the Upper Peninsula contribute to Michigan's Economic Recovery?
 - How can we increase our economic output?
- What are the best investments to make?
 - No charity, no handouts, but help enabling sustainable economic growth
- How do we align to the Governor's priorities?
 - What is the Upper Peninsula Economic Development Strategy?

COULD A MICROPOLITAN ECONOMIC DEVELOPMENT STRATEGY BE VIABLE IN
THE CENTRAL UPPER PENINSULA?

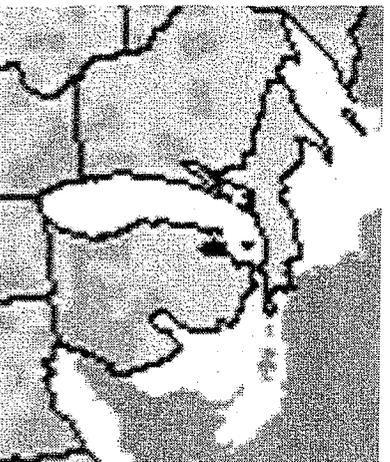
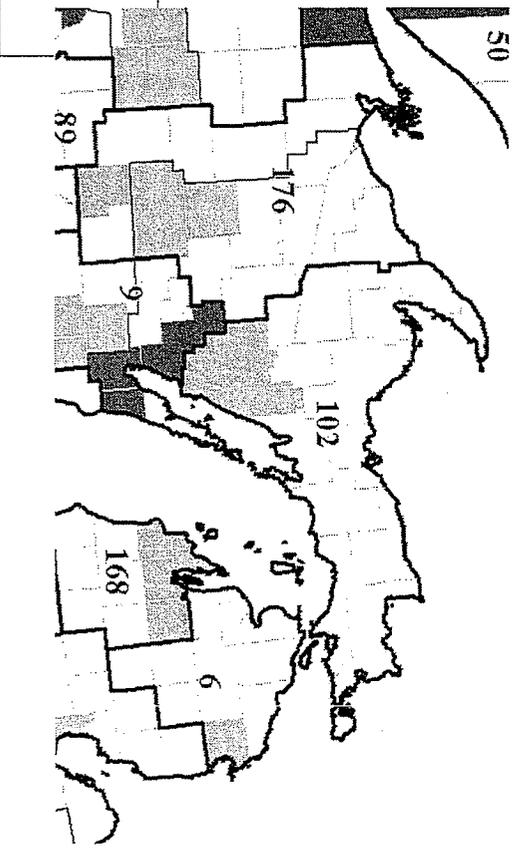
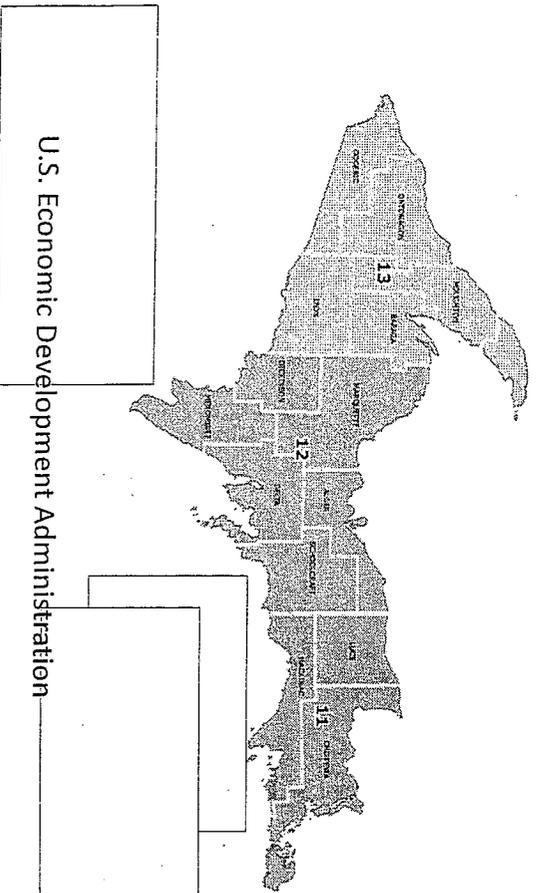
What is a Micropolitan Area?

- In general terms, a “Micropolitan Area” is an area that is too urban to be called rural, but too rural to be called urban.
- The Central Upper Peninsula is neither Urban or Rural; it is a Micropolitan area which incorporates broad business diversity with different economic development requirements as compared to communities in other parts of the State.

Our Micropolitan Challenge . . .

- The U.P. is a geographically and economically diverse portion of the State of Michigan.
- As individual units of government our area does not have the economic or political presence of larger cities in the Lower Peninsula, but nevertheless when unified our region has an opportunity to increase the Central Upper Peninsula's presence in our ability to increase activity in manufacturing, distribution and transporting products and raw material supplies.

Federal and State Views of the U.P. How We Are Viewed . . .



Metropolitan Status

- Metropolitan counties
- Nonmetropolitan counties

What Makes Us, Us?

- Metal Manufacturing
- Business Services
- Education and Knowledge Creation
- Plastics
- Transportation, Logistics, Aerospace
- Hospitality, Tourism, Gaming
- Processed Foods
- Heavy Construction Services
- Forest Products
- Paper Products
- Medical Devices
- Healthcare
- Agricultural Products
- Retail
- Power Generation and Transmission
- Jewelry and Precious Metals
- Fishing and Fishing Products
- Mining and Natural Resource Extraction
- Government (Federal, State, and Local)
- Alternative Energy

Key Manufacturers and Other Major Employers - Delta County

COMPANY	# OF EMPLOYEES	CLUSTER
New Page	1100	Paper Products
Hahnahville Indian Community	900	Government
OSF	850	Healthcare
Island Resort and Casino	550	Hospitality and Tourism
Escanaba Schools	410	Education and Knowledge Creation
EMP	400	Manufacturing
Walmart	400	Retail
Bay College	275	Education and Knowledge Creation
Elmer's County Market	150	Retail – Grocery
Bishop Noa	150	Healthcare – Nursing Home
Gladstone Schools	144	Education and Knowledge Creation
Andex	130	Manufacturing – Plastics
Delta County	122	Government
A/M Express	120	Transportation and Logistics
Christian Park	116	Healthcare – Nursing Home
City of Escanaba	115	Government
Niagra Logistics	110	Transportation and Logistics
Northern Michigan Bank	84	Business Services - Finance
Canadaian National	82	Transportation and Logistics
VahAlie	77	Manufacturing

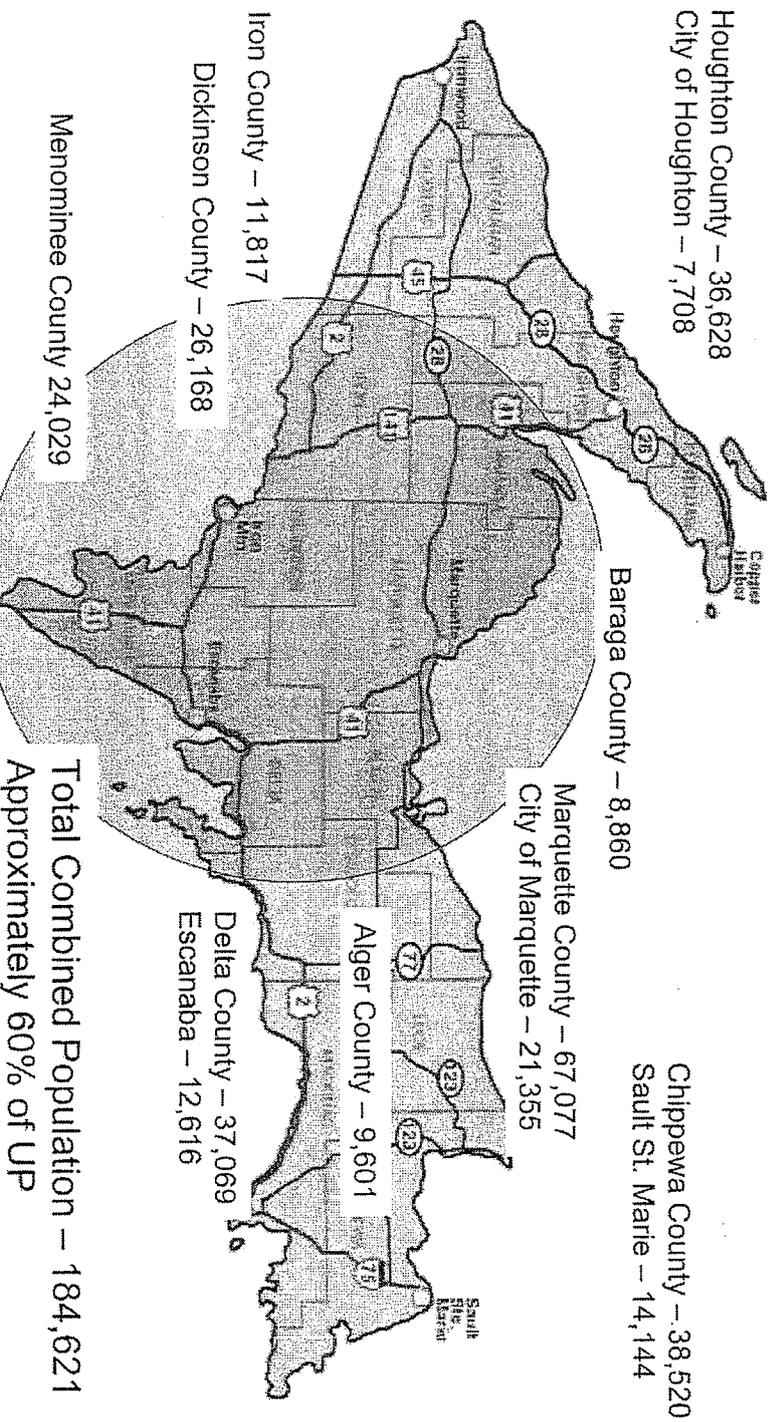
Key Manufacturers and Other Major Employers – Marquette County

FIRM	# OF EMPLOYEES	CLUSTER
Argonite	70	Plastics
Cleveland Cliffs	1550	Mining and Resource Extraction
Louisiana Pacific	200	Forestry
Pioneer Surgical	80	Medical Devices
American Eagle	175	Transportation and Logistics
Superior Health Center	3150	Health Care
Peninsula Medical Center	600	Health Care
City of Marquette	375	Government
Michigan Department of Corrections	500	Government
Marquette County	300	Government
Marquette Area Public Schools	690	Education and Knowledge Creation
Northern Michigan University	1100	Education and Knowledge Creation
Federal Government Offices	100	Government

Who We Could Become . . .

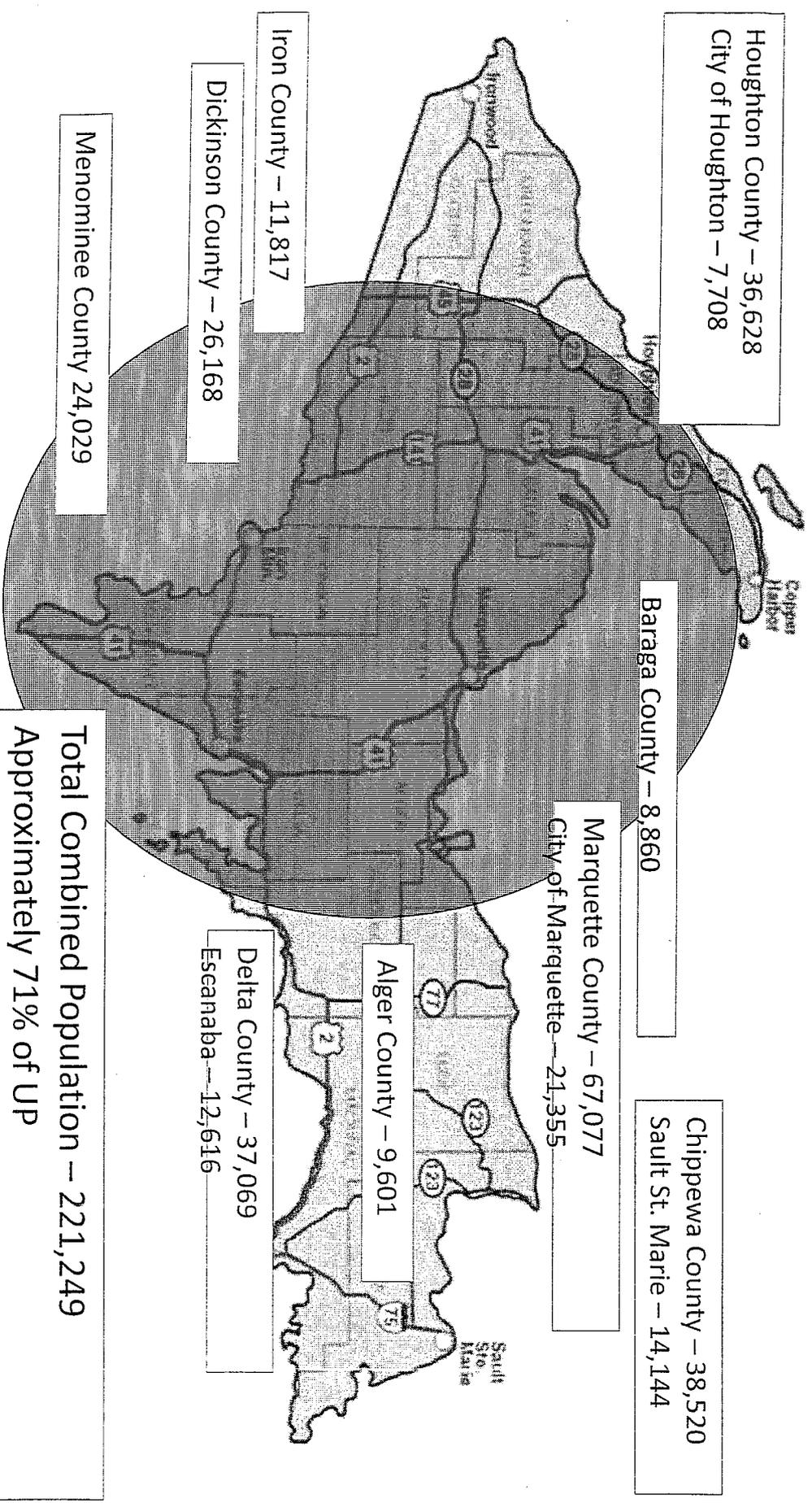
Metropolitan Area – Central Upper Peninsula

Metropolitan Area Per 2010 Federal Standard



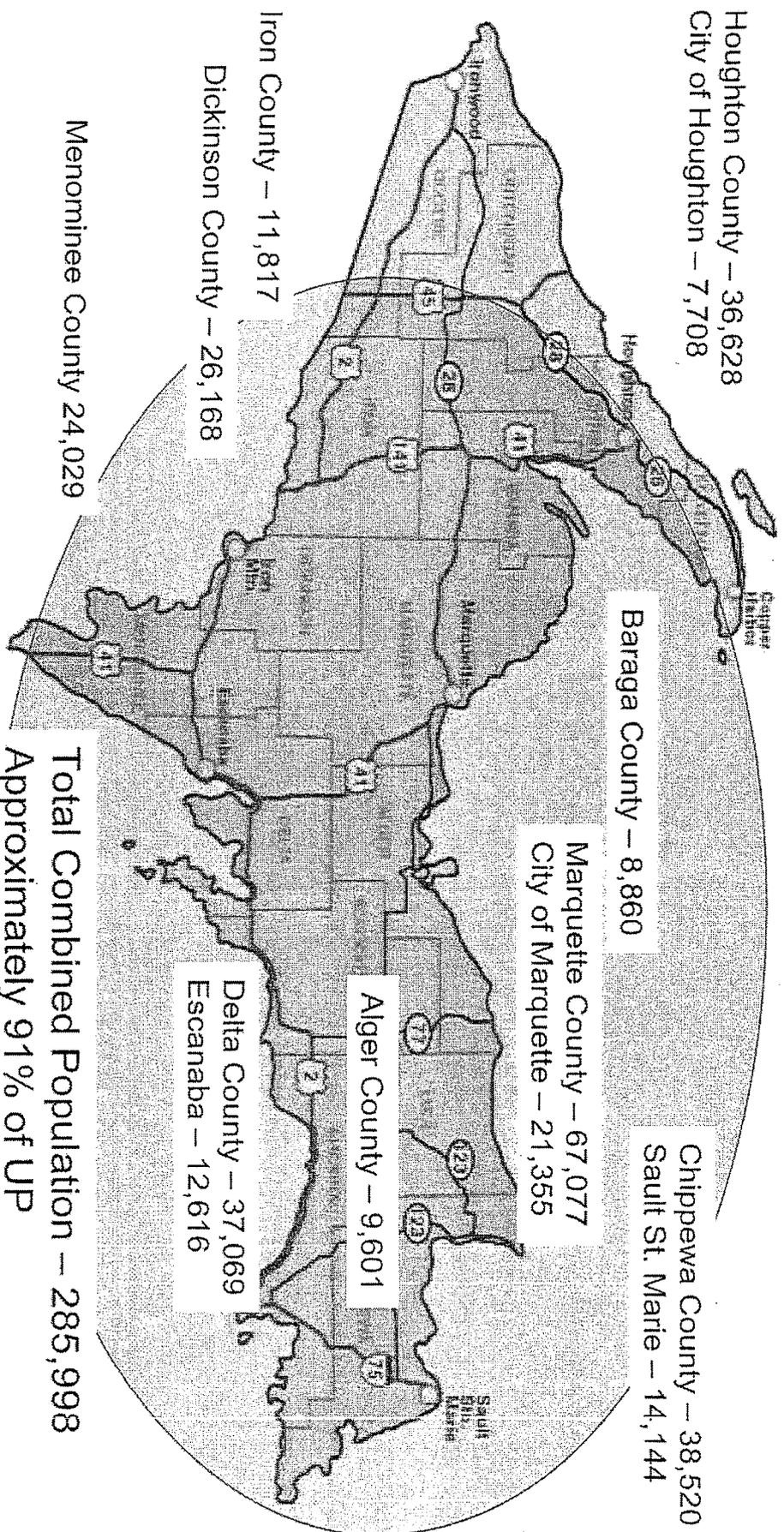
Who We Could Grow Into...

Expanding Metropolitan Area to Include Houghton



A Force To Be Reckoned With . . .

Expanding Micropolitan Area to Include Houghton and Sault Ste. Marie.



How do we Compare to Other Areas of the Country

Economic Geography Comparison

Place	Area	Population	Gross State Product (Millions)
Comparison based upon Land Area in Square Miles			
U.P.	16,452 Sq. Mil	311,000	10,800
Maryland	9,774	5,773,552	300,000
Hawaii	6,423	1,360,301	68,900
Massachusetts	7,840	6,547,629	377,700
Vermont	9,250	625,741	26,400
New Hampshire	8,968	1,316,470	61,600
New Jersey	7,417	8,791,894	497,000
Connecticut	4,845	3,574,097	233,400
Delaware	1,954	900,877	62,700
Rhode Island	1,045	1,052,567	49,500
District of Columbia	62	601,723	104,700
Comparison Based Upon Population			
U.P.	16,452 Sq. Mil	311,000	10,800
Montana	147,042 Sq. Mil.	989,415	37,200
Alaska	663,267 Sq. Mil.	710,231	45,600
North Dakota	70,700 Sq. Mil.	672,591	33,400
Wyoming	97,814 Sq. Mil.	563,626	38,200
Comparison Based upon Population Density			
U.P.	16,452 Sq. Mil	311,000	10,800
Idaho	83,570 Sq. Mil.	1,567,582	54,800
New Mexico	121,589 Sq. Mil.	2,059,179	75,500
South Dakota	77,116 Sq. Mil.	814,180	39,900
Montana	147,042 Sq. Mil.	989,415	37,200
Alaska	663,267 Sq. Mil.	710,231	45,600
North Dakota	70,700 Sq. Mil.	672,591	33,400
Wyoming	97,814 Sq. Mil.	563,626	38,200
Ball-Park Correlation: Personal Income to GSP			
U.P.	16,452 Sq. Mil	311,000	10,800
Ann Arbor	27.7 Sq. Mi (City only)	344,791 (Metro Area)	17,583
Green Bay	54.3 Sq. Mil (city Only)	306,241 (Metro Area)	14,659
Grand Rapids	45.3 (City Only)	744,361 (Metro Area)	31,657
Detroit	143 Sq. Mil. (City Only)	4,296,250 (Metro Area)	185,800
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Michigan's Metropolitan Exports in 2009 (latest data available)

- Detroit-Warren-Livonia exported \$28.4 billion in merchandise, 64.4 percent of Michigan's total merchandise exports.

Other major metropolitan areas that exported included:

- Grand Rapids-Wyoming (\$2.4 billion),
- Saginaw-Saginaw Township North (\$1.5 billion),
- Kalamazoo-Portage (\$1.2 billion),
- Holland-Grand Haven (\$1.2 billion),
- Ann Arbor (\$903 million),
- Lansing-East Lansing (\$715 million),
- South Bend-Mishawaka (including some counties in Michigan) \$785 million,
- Battle Creek (\$529 million),
- Muskegon-Norton Shores (\$496 million),
- Flint (\$354 million),
- Niles-Benton Harbor (\$245 million),
- Monroe (\$228 million),
- Jackson (\$195 million),
- Bay City (\$137 million),

Michigan Micropolitan/Rural Exports

- Ballpark Calculation for Valuation:

Total Michigan Exports – TME 44.8 billion

Total Metropolitan Area Exports - TMSAE 39.287 billion

Total Micropolitan/Rural Exports – TmSARE

Formula: TME – TMSAE = TmSARE, 44.8 billion – 39.287 billion = 5.5 billion

Michigan's Total Micropolitan/Rural Exports = 5.5 billion

- Micropolitan and Rural Exports are of approximate equal value to the combined exports of :

Holland-Grand Haven (\$1.2 billion),

Ann Arbor (\$903 million),

Lansing-East Lansing (\$715 million),

South Bend-Mishawaka (including some counties in Michigan) \$785 million,

Battle Creek (\$529 million),

Muskegon-Norton Shores (\$496 million),

Flint (\$354 million),

Niles-Benton Harbor (\$245 million),

Monroe (\$228 million),

Jackson (\$195 million),

Bay City (\$137 million)

Total Value : \$5.787 billion

Central Upper Peninsula Regional Exports for 2011*

Industry	Delta	Marquette	MI
Agriculture, Forestry, Fishing, and Hunting	\$54,251,672	\$28,438,646	\$7,409,816,755
Mining, Quarrying, and Oil and Gas Extraction	\$2,286,044	\$1,290,633,091	\$3,024,679,228
Utilities	\$18,414,923	\$109,856,310	\$4,930,987,670
Construction	\$71,858,653	\$59,182,435	\$5,004,724,621
Manufacturing	\$842,298,917	\$192,265,057	\$170,981,741,970
Wholesale Trade	\$27,037,918	\$68,698,437	\$17,449,875,137
Retail Trade	\$73,535,215	\$109,458,942	\$8,412,811,419
Transportation and Warehousing	\$110,837,890	\$80,355,784	\$8,524,989,996
Information	\$20,836,737	\$79,351,312	\$4,400,000,611
Finance and Insurance	\$79,319,473	\$106,490,241	\$10,148,681,611
Real Estate and Rental and Leasing	\$21,248,140	\$40,502,763	\$5,592,046,615
Professional, Scientific, and Technical Services	\$12,792,505	\$48,224,692	\$15,705,265,277
Management of Companies and Enterprises	\$4,103,216	\$7,092,270	\$6,868,350,459
Administrative and Support and Waste Manage	\$19,582,351	\$20,679,733	\$7,320,315,815
Educational Services (Private)	\$1,173,705	\$1,218,329	\$938,273,625
Health Care and Social Assistance	\$78,512,391	\$369,318,723	\$15,351,224,198
Arts, Entertainment, and Recreation	\$7,291,952	\$6,720,659	\$1,316,911,621
Accommodation and Food Services	\$19,071,601	\$59,111,073	\$3,333,321,747
Other Services (except Public Administration)	\$31,635,803	\$26,807,038	\$2,785,727,338
Government	\$294,465,623	\$864,182,813	\$65,441,878,463

*Source: EMSI

Where Are We Exporting To In The Central UP?

BRIC (Brazil, Russia, India, China) PLUS Canada, South Africa, Chile, Germany, France, Poland, England, Netherlands

Michigan Exports to China

NAICS Total All Merchandise Exports from Michigan to China

Item	2005	2006	2007	2008	2009	2010
TOTAL	699,245,138	1,015,966,875	1,313,682,893	1,287,601,558	1,333,294,229	2,180,945,490
398-TRANSPORTATION EQUIPMENT	293,205,425	475,631,823	586,694,790	432,541,221	494,324,872	978,581,879
331-PRIMARY METAL MFG	45,882,750	67,680,309	86,332,656	129,480,261	181,821,171	356,215,417
325-CHEMICALS	69,709,128	108,625,641	148,233,870	159,142,227	180,981,331	295,065,457
333-MACHINERY, EXCEPT ELECTRICAL	99,951,537	88,981,039	127,334,885	186,638,786	155,261,163	181,213,047
910-WASTE AND SCRAP	70,728,317	103,700,197	138,838,874	124,009,156	100,473,911	98,226,579
334-COMPUTER AND ELECTRONIC PRODUCTS	29,846,950	30,884,152	60,123,168	61,800,546	62,218,878	68,827,388
311-FOOD MANUFACTURES	12,485,437	17,881,707	23,286,976	31,542,649	28,891,927	56,717,726
332-FABRICATED METAL PRODUCTS, NESOI	18,036,536	24,550,887	28,118,025	36,289,514	23,289,880	53,290,043
339-MISCELLANEOUS MANUFACTURED COMMODITIES	2,139,094	3,946,695	7,727,303	16,463,229	20,845,811	27,782,595
335-ELECTRICAL EQUIPMENT, APPLIANCES & COMPONENTS	12,947,581	20,508,707	25,923,722	27,499,765	14,767,032	21,934,822
327-NONMETALLIC MINERAL PRODUCTS	10,388,878	21,355,233	14,863,713	17,373,179	13,481,022	20,638,862
337-FURNITURE & FIXTURES	5,282,179	7,327,391	18,771,919	18,113,494	9,012,748	19,450,276
328-PLASTICS & RUBBER PRODUCTS	6,480,352	7,720,703	12,240,673	16,179,466	13,541,928	18,455,752
322-PAPER	6,903,348	7,746,082	6,387,234	6,441,188	6,081,994	13,421,624
321-WOOD PRODUCTS	2,063,925	3,988,276	9,732,695	4,286,202	3,407,174	7,563,887
113-FORESTRY PRODUCTS, NESOI	1,469,525	1,238,288	2,234,988	4,975,588	4,917,961	7,170,150
324-PETROLEUM & COAL PRODUCTS	3,409,590	2,975,188	3,297,150	4,785,712	3,403,743	5,325,956
313-TEXTILES & FABRICS	1,393,929	2,367,270	2,854,924	3,342,610	2,942,930	2,563,667
890-SPECIAL CLASSIFICATION PROVISIONS, NESOI	4,425,753	3,397,053	1,328,348	1,360,194	1,615,318	2,655,987
316-LEATHER & ALLIED PRODUCTS	1,232,420	2,146,647	4,952,819	4,653,325	1,032,792	2,257,546
212-MINERALS & ORES	312,340	331,813	360,926	259,780	323,248	1,027,416
Item	2005	2006	2007	2008	2009	2010
314-TEXTILE MILLS PRODUCTS	669,556	1,472,760	1,751,494	1,272,257	154,101	857,593
511-NEWSPAPERS, BOOKS & OTHER PUBLISHED MATTER, NESOI	184,480	231,189	1,547,893	547,673	402,979	694,674
323-PRINTED MATTER AND RELATED PRODUCTS, NESOI	1,224,182	918,917	656,477	477,368	713,889	365,717
111-AGRICULTURAL PRODUCTS	0	13,000	0	78,707	373,312	197,929
211-OIL & GAS	8,910	0	0	0	0	36,256
920-USED OR SECOND-HAND MERCHANDISE	6,600	22,809	68,023	12,980	48,338	27,866
114-FISH, FRESH/CHILLED/FROZEN & OTHER MARINE PRODUCTS	19,157	6,558	2,928	0	23,500	25,241
112-OTHER ANIMALS	0	244,992	0	12,923	14,597	18,358
315-APPAREL MANUFACTURING PRODUCTS	85,280	99,863	22,217	65,587	48,899	17,390
312-BEVERAGES & TOBACCO PRODUCTS	0	3,568	0	0	0	8,553

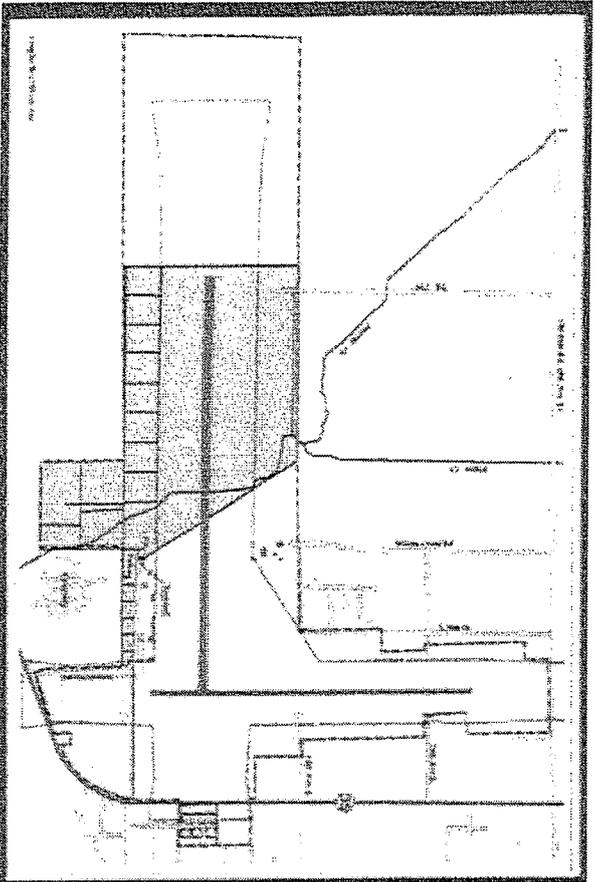
Source: Foreign Trade Division, U.S. Census Bureau.

What Makes the Central Upper Peninsula a Prime Candidate for Regional Economical Development?

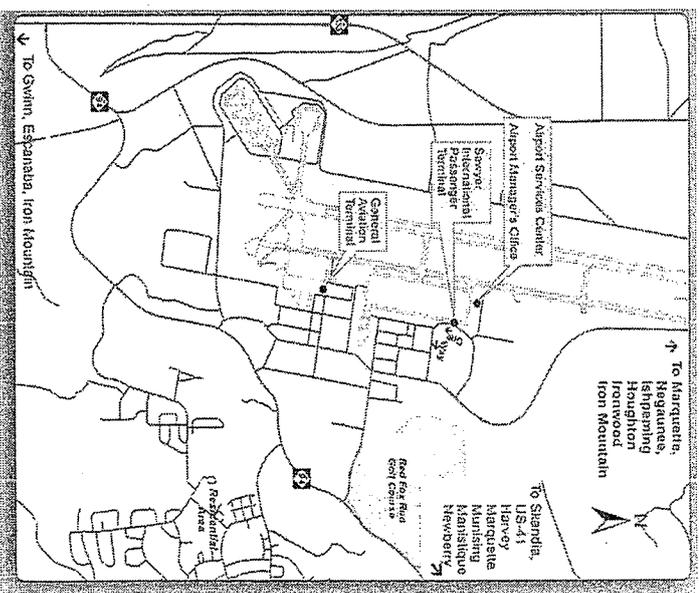
- A total combined population of a 184,621, which represents 60% of the Upper Peninsula's population.
- Approximately 33 key manufacturers and major employers who employ 15,175 +/- people.
- Diverse multi-modal transportation means in place.

Air Infrastructure of the Central Upper Peninsula

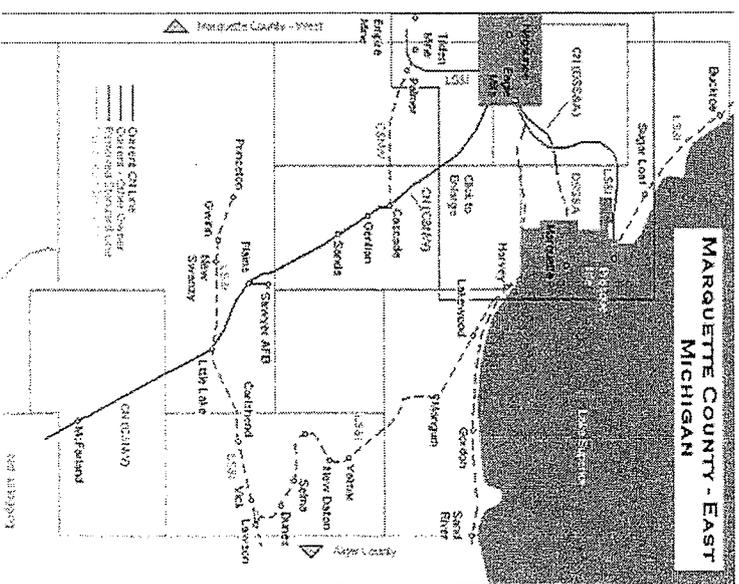
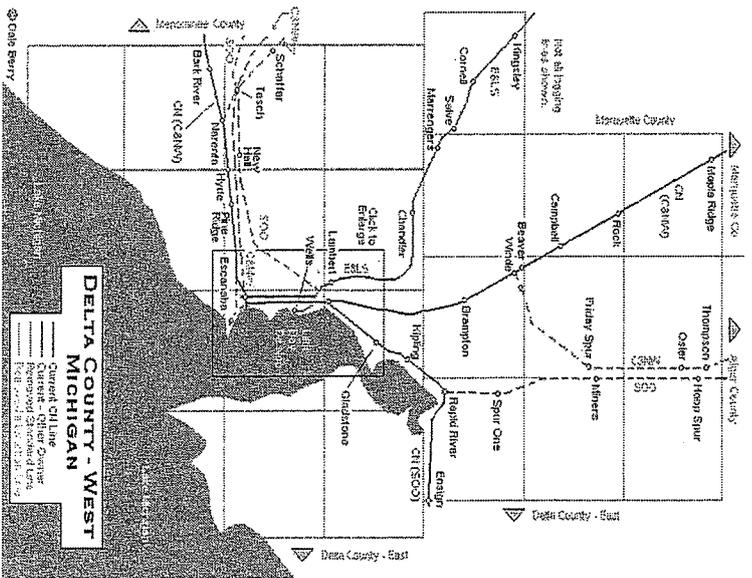
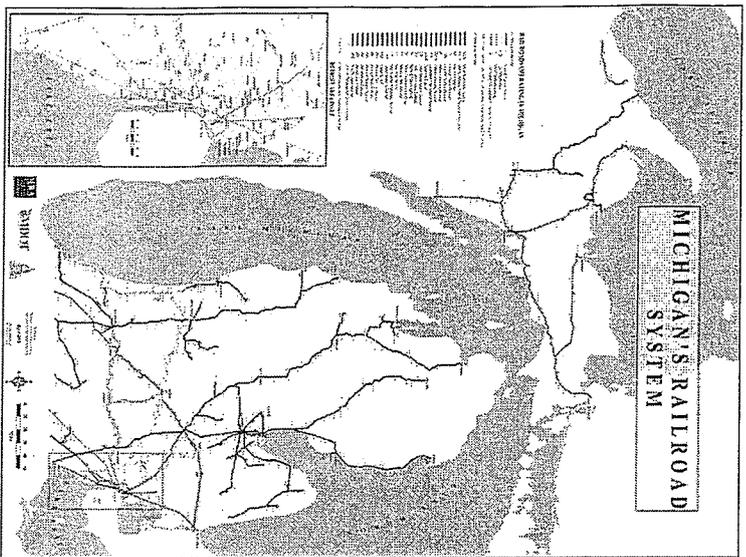
DELTA COUNTY AIRPORT



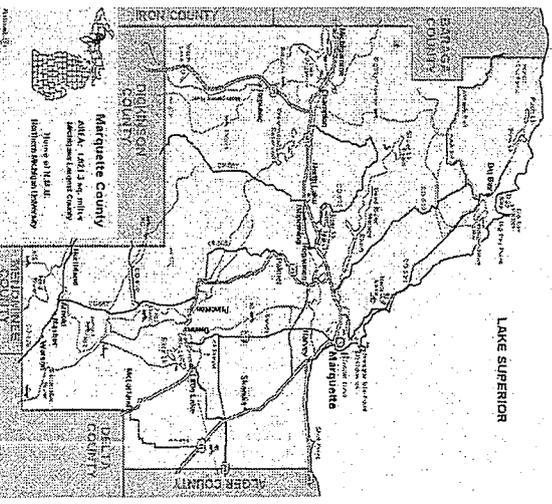
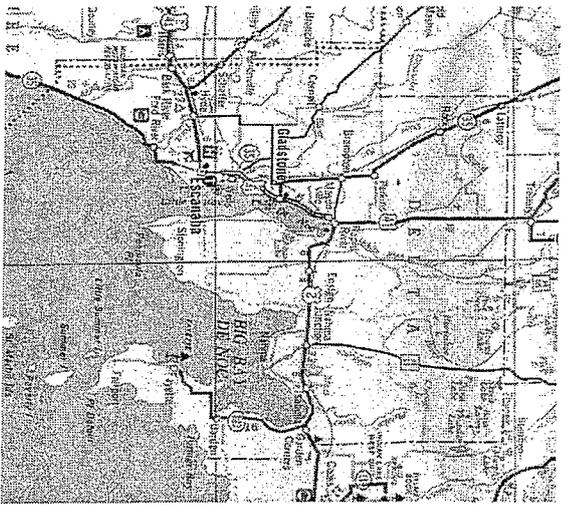
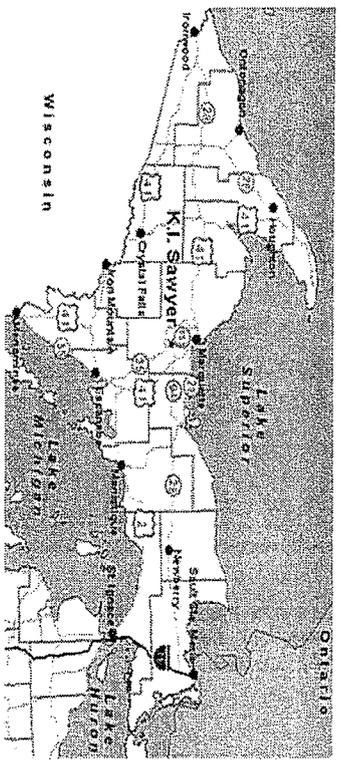
SAWYER INTERNATIONAL AIRPORT



Railroad Infrastructure of the Central Upper Peninsula



Roadways of the Central Upper Peninsula



Challenges and Policy Issues

- ACCESS to MARKETS - International Port Strategy and Seaport Strategy
 - Next Michigan Act
 - CBP Port of Entry
- ACCESS to MARKETS - Exports- Foreign Trade Zone
 - Sawyer International Airport
 - Ports of Marquette and Delta
- Transportation INFRASTRUCTURE
 - Electric Vehicles: Manufacturing and adoption
 - Mineral Extraction: Woodland Road, Plains-to-Ports Coalition
 - Public Transportation: Light Rail, Green Aviation
- Power/Electricity INFRASTRUCTURE
 - Local generation and U.P. Grid network
 - Alternative fuels and Biomass research and investment
- Telecommunications INFRASTRUCTURE
 - WiMAX, Emergency Response, Fiber Optics
 - University R&D at Michigan Tech and Northern Michigan Universities
- ACCESS TO Private Investment Incentives: Venture Capital, state ED initiatives
- Tourism – “Pure Michigan”: Water Safety, market promotion, U.P. branding
- Regional Development aligning Academia, Government, and Industry

OUTCOME: Better Micropolitan Focus = Clear priorities with Measurable

Outcomes

WHO'S LEADING THE CHARGE? CURRENT U.P. ORGANIZATIONS WITH ECONOMIC DEVELOPMENT ROLES (ESTIMATED):

- Western Upper Peninsula Planning and Development Regional Commission (WUPPAD)
- Central Upper Peninsula Planning and Development Regional Commission (CUPPAD)
- Eastern Upper Peninsula Planning and Development Regional Commission (EUPPAD)
- MEDC/MSHDA
- Region 1 Collaborative Development Council
- MML
- Michigan Economic Developers Association (MEDA)
- Michigan Works
- Eastern U.P. employment and training consortium
- Michigan Department of Career Development
- Michigan Technical Education Center (MTEC)
- Michigan Small Business and Technology Development Center
- Northwest Michigan Council of Governments Procurement Technical Assistance Center (PTAC)
- Upper Peninsula Economic Development Alliance (UPEDA)
- Baraga Village EDC
- Crystal Falls Township EDC
- Delta County Economic Development Alliance EDC
- DeTour EDC
- Dickinson County EDA
- EDC of the County of Marquette
- Hancock EDC
- Iron County EDC
- Iron River (City) EDC
- Keweenaw Industrial Council/Houghton Co.
- Lake Superior Community Partnership
- Luce County EDC
- Munising Area Partnership for Development, Inc.
- Ontonagon County EDC
- Sault Ste. Marie EDC
- Schoolcraft County EDC
- Michigan EDC
- Menominee Business Development Corporation
- LSSU Product Development Center
- NMU – Northern Initiatives
- MTU – Michigan Tech SmartZone
- U.S. Department of Agriculture Rural Development Agency
- Upward Initiative
- Operation Action U.P.

- ***Federal Reserve Bank of Minneapolis, Fall - 2000: "It is unknown how many other volunteer-based economic organizations there are, or how many U.P. cities have formal economic development efforts."***
- ***Doesn't include or DDAs, Brownfield Development Authorities, or commercial or private developers (I.E., utilities, telecommunications, manufacturers, etc.)***

What's Next?

- Elected officials, governmental appointees and the various economic development organizations must come together in order to realize our economic potential as a region.
- Because this concept has a unique set of complexities, through an intergovernmental agreement process, the region should identify a "Metropolitan Champion" to act as the tip of our spear. The Champion should be the face of the region, regularly meeting with stakeholders to understand and respond to the pulse of the region in order to be an effective advocate by identifying synergistic opportunities, guide and implement an agreed upon process, and engage private economic development.
- Realistic strategic priorities must be developed and embraced.
- State and regional economic development planning and policy must be aligned and integrated to provide framework for organizing effective policies and investments.
- "Best Practices" in other parts of the State and throughout the Country must be identified for potential use within the Central Upper Peninsula.

Continued . . .

- Cooperation and effective local coordination must be maintained.
- Continual evaluation of effectiveness is needed in order to sustain success.
- The Michigan Renaissance Zone Act and the Next Michigan Development Act, Public Act 275 of 2010, must be expanded and modified to require the Michigan Strategic Fund to designate at least one Next Michigan Renaissance Zone within the boundaries of a Next Michigan Development District that is located or partially located in a region above the 43rd parallel that has a combined population of between 184,000 to 287,000 according to the most recent Decennial Census.

Continued . . .

- We must develop a regional approach in pursuing an EVIP Grant to fund this innovative collaboration.
- The Central Upper Peninsula needs a micropolitan development policy with support from the executive branch to realize its unique objectives and goals.



*"Coming together is a beginning. Keeping
together is progress. Working together is success."*

Henry Ford

Proximity to Major Markets: Affecting Business Success

A 2012 report by the Economic Development Research Group for the American Society of Civil Engineers — *Failure to Act: The Economic Impact Of Current Investment Trends in Airports, Inland Waterways, and Marine Ports Infrastructure* — says that effective transportation is the key to providing access to markets that “link the nation directly to the global economy and link regions of the United States together.” It aptly sums up the importance of keeping all of these modes of access to major markets in top condition: “These functions are critical to the U.S. economy, and depend on the efficient and cost-effective operation of these networks. Each of these systems requires that the investments needed to sustain competitive transportation costs are well coordinated among the many interdependent modes of transportation needed to keep the entire U.S. supply chain operating efficiently, and to ensure that our strong service sectors can efficiently and cost-effectively make use of international and long distance business travel.”

Mali R. Schantz-Feld (November 2012)

In Area Development’s 26th Annual Corporate Survey, proximity to major markets was considered “very important” or “important” by 83 percent of the survey respondents. The category jumped 8 places in the rankings — the survey’s greatest jump in importance - from the previous year’s Corporate Survey results.

Thinking Creatively

Mike Mullis, president and CEO of project location specialist firm J.M. Mullis Inc., recognizes proximity to major markets as central to site selection decisions. Proximity to distribution networks can affect business success, especially for firms involved in aerospace, automotive, manufacturing, or distribution. Because of the higher costs that are sometimes associated with bigger cities, Mullis notes that tier-two and tier-three suppliers have to think creatively to locate as close as possible to major markets for supply needs.

“Many times, to be closer to major markets, the company can choose geographic areas that might not be as conducive to operating costs or labor quality, but very [advantageous in terms of] logistics costs,” he says. He offers an example: “One dollar extra an hour in labor would be offset very quickly by \$5 million a year in transportation costs.”

In recent years, the troubled economy has resulted in a lack of appropriate infrastructure on available properties in the right locations, forcing location specialist firms to be more creative in finding sites that have access to customers and their supply base. They may have to explore sites that are not “not bad, just more challenging,” adds Mullis, who now spends more time checking out second- and third-level locations within a market by population base. “Because of logistics, we are forced to look at properties that we would not have looked at before, for instance, those that would have been used for a commercial shopping center development or a housing development,” he says. This can result in extra time and costs for rezoning, permitting, construction, and finding a labor force, but proximity to the major markets is the ultimate goal.

Some firms — like distribution companies involved in direct-to-customer delivery or Internet-centric companies — may choose to locate a reasonable number of miles from the interstate instead of right on the highway. For others, proximity to a hub of overnight carriers such as FedEx, UPS, or Express Mail becomes critically important.

Figuring Taxes Into the Equation

Business tax regulations also figure into creative location strategies for some companies. For warehouse distribution firms, planners compile logistical studies on how to achieve the most return for their investment. Jason Hickey, president of Hickey and Associates, consultant for site selection and public incentives, points out that development professionals are finding ways to be close to the major market while avoiding a higher tax burden.

Hickey explains that while inventory tax is imposed immediately in some states, in other states it only kicks in after 30, 60, or 90 days. In such cases, companies can plan facilities over the border, in a neighboring state with more lenient inventory tax rules. He notes that Oklahoma has attracted some Texas businesses for this reason. Oklahoma’s inventory tax is applicable for inventory that has been kept over 90 days, whereas in most cases, in Texas, inventory tax begins immediately, except if a special Freeport exemption is applied for and awarded. “With the distribution center in Oklahoma, the company can still serve the Dallas market but, in some cases, it is worth it in the long run to put the distribution site right over the border,” says Hickey.

A Marketable Attribute

F. Michael Tucker, president and CEO of the Center for Economic Growth (CEG), an 11-county regional economic development corporation in New York’s Capital Region, notes that proximity to major markets is the centerpiece of the region’s marketing campaign that invites businesses to: “Be right in the middle of everywhere with instant access to everything.”

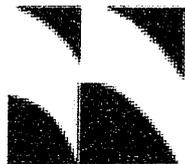
New York’s Tech Valley — which already houses GE and IBM, their suppliers, and small startup companies — attracts others in this niche. Tucker points out that GLOBALFOUNDRIES’ Fab 8 in Saratoga County, which employs 1,300 people, is a good fit for this major market. Fab 8 is expected to ramp to volume production late this year and, upon full build out, will have a production capacity of approximately 60,000 wafers per month. The firm’s website notes, “Because the nature of semiconductor manufacturing is extremely complex and requires a high degree of industry collaboration, even among competitors, operating advanced manufacturing physically close to leading-edge industry in R&D Tech Valley’s burgeoning semiconductor ‘ecosystem’ gives GLOBALFOUNDRIES a unique competitive advantage in the global marketplace.”

Appealing to Young Work Force

Major centers are evolving along with the economy. "In the 1960s, '70s, and '80s, there was a departure from investing in major urban centers, with more investments seen in the suburbs and greenfields," says Hickey. "Now, because costs have gotten a little lower, more people have a chance to reap the benefits of living and working in a large market."

Although big-city employees are faced with certain inconveniences such as traffic problems, they also have the option for more reliable and available public transportation, or evolving new transportation businesses such as Bikeshare, a company with more than 175 bike rental stations across Washington, D.C.; and Arlington and Alexandria, Virginia. Similar programs are starting up in other major markets, including New York City. Hickey says, "For companies who want to attract that young professional work force, the major market presents a very appealing prospect."

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THE PORT OF MILWAUKEE

NEWS RELEASE

For Release Wednesday, December 12, 2012
For more information, Jeff Fleming (414-286-8580)

Foreign-Trade Zone 41 Approved to Serve More of Southeastern Wisconsin Port of Milwaukee Ready to Connect Additional Companies with the Benefits of Participating

The Port of Milwaukee, the grantee of Foreign-Trade Zone 41, has been approved to serve a wider area of southeastern Wisconsin through what is known as an alternative site framework. The decision from the U.S Department of Commerce Foreign-Trade Zone Board provides authority for the Port to provide services to businesses in Dodge, Fond du Lac, Sheboygan, Washington, Ozaukee, Jefferson, Waukesha, Milwaukee, Rock, Walworth, Racine and Kenosha.

This action gives the Port of Milwaukee greater flexibility to provide the advantages of the Foreign-Trade Zone to businesses in the expanded geographical area.

Companies, working through the Port of Milwaukee and its Foreign-Trade Zone 41, benefit by managing the cost and assessment of duties on material and products that are imported or exported. Foreign Trade-Zones are specified places where companies can use special procedures that help encourage U.S. activity and value added – in competition with foreign alternatives – by allowing delayed or reduced duty payments on foreign merchandise, as well as other savings.

“Prominent companies in our region are finding southeastern Wisconsin a more attractive place to do business because of their participation in the Foreign-Trade Zone,” Milwaukee Mayor Tom Barrett said. “With this decision from the Foreign-Trade Zone Board, the Port of Milwaukee is ready to connect even more companies with the benefits of participating in the Foreign-Trade Zone.”

“Customs and Border Protection is pleased to be a cooperative partner in the recent expansion of Foreign-Trade Zone activity in Southeastern Wisconsin,” Service Port Director William Braun of U.S. Customs & Border Protection said. “FTZ’s are capable of producing great economic benefit and positive impact to both business and the communities in which they reside.”

Businesspeople interested in exploring how the Foreign-Trade Zone might benefit their companies can contact the Port of Milwaukee at (414) 286-8131.

The Port of Milwaukee is an economic entity of city government governed by the seven-member Board of Harbor Commissioners. It administers operations on the 467 acres that make up the Port. In addition to acting as the grantee of Foreign-Trade Zone 41, the Port adds economic value by connecting area businesses directly with efficient modes of transportation including interstate trucking, rail, and maritime shipping through the Great Lakes, St. Lawrence Seaway, and Mississippi River system.

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