



Economic Development Strategy

2024 - 2027



Mackinac Development Corp.

To facilitate the major economic development investment projects outlined in the Mackinac Economic Alliance Strategic Plan, a not-for-profit real estate development entity shall be incorporated to plan, finance and develop strategic sites that facilitate year round, full time employment. To fully utilize the extraordinary public funding currently available, a non-profit entity is required to acquire the public development funding.

Thus the MEA Board has approved investing its available funds to launch this economic development entity, to facilitate the legal setup, and real estate transfers. MEA has put the team in place to acquire available grants for key projects. In addition, a partner investment structure is under development that will acquire and allocate private and public funding, while providing operational funding to the combined MEA / MDC organization.

Regional Development Structure

The establishment of a regional development organization such as a Port Authority will provide the institutional means and opportunities to secure and leverage improvements to regional transportation and logistics infrastructure. For example, a Port Authority can plan, finance and implement the development of real and personal property that are related to activities that enhance transportation, economic development, housing, recreation, education, governmental operations, culture, or research within the jurisdiction.

- Employment Creation / Economic Impact
- Transportation / Logistics Infrastructure
- Regional Planning / Coordination
- Safety / Security / Sustainability

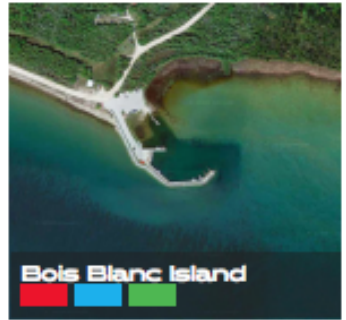
Great Lakes ports support 147,000 jobs, yet while Great Lakes states invest heavily in highways, rail, airports and other transportation infrastructure, ports are largely ignored. Of the eight Great Lakes states, only Minnesota & Wisconsin have a state Port Assistance program.

The Mackinac Straits has the potential for significant transportation related capital improvements to support and advance passenger, cargo and bulk shipping, commercial fishing, maritime service industries, security, training and government agencies. Passenger / Tourist transportation includes ferries serving Mackinac Island, Bois Blanc Island and St. Ignace. This includes land-side development, infrastructure, facilities, equipment, driving routes, parking, hours of operation, dockage fees, etc. Further, recreational boating, charter fishing, and cruises must be served, including navigation, safety and marine services.

The scope of work for the Port Authority concept is to coordinate planning and implementation of integrated port development. This includes mitigation of immediate port facilities, equipment, environmental remediation, infrastructure damage and strategic implementation of port development plans with coordinated financing mechanisms such as bonding, tax revenues, Opportunity Fund, grants or port fees.

Of course, the Straits region marine transportation infrastructure includes the Mackinac Bridge, which is Michigan's' single largest asset. Also included is the Great Lakes Tunnel, which is a \$500M infrastructure investment with significant environmental protection, energy security and economic impacts. With major marine development potential on both sides of the Straits, there is great potential and strategic advantage for Mackinac and Cheboygan Counties to join together in a regional development structure.

Mackinac County Port Inventory



Ferry Port ■
 Hosts Great Lakes ferry services that accommodate passengers, vehicles, package freight.

Cargo Port ■
 Deep-water harbors that host cargo shipping vessels and facilities.

Commercial Port ■
 Hosts commercial maritime activities, including vessel construction, maintenance, repair, commercial fishing, marine contractors, etc.

Recreational Port ■
 Harbors and marinas funded by Michigan Waterways Commission.



Mackinac Bridge Authority
Mackinac Straits Corridor Authority
Mackinac Straits Port Authority

The Mackinac Economic Alliance is undertaking research and planning that could pave the way for the creation and implementation of a regional Marine Development organizational structure, which would have a significant economic impact on the Mackinac Straits region. Transportation infrastructure underpins all economic growth opportunities in Mackinac County and the Mackinac Straits region. The Mackinac Island Transportation Authority has been successful since being created for such purposes, yet its jurisdiction is limited to the City of Mackinac Island. Thus, the establishment of a regional entity, such as a Port Authority, would create the institutional means and opportunities to secure and leverage improvements to regional transportation.

A Port Authority has significant development and financing tools that would fast-track job creating marine projects, centralize the management of marine transportation and marine-related landside development in the region, bring economic prosperity to the residents of the county, and establish the county and region as a hub for marine innovation and development.

- **Mackinac Bridge is Michigan's Largest Asset**
- **Mackinac Bridge employs 150 Straits Residents**
- **Great Lakes Tunnel is \$500M Investment**
- **Tunnel Construction & Operations 100+ Jobs**
- **\$50,000 Organizational Grant in Process**

A Port Authority would also potentially logically include municipalities on the Lower Peninsula as well, to serve the entire system of ferries, bridges and tunnels. Thus, initial regional discussions regarding coordination have begun in support of projects such as the Township of Bois Blanc Island purchase of a major parcel of waterfront property in the City of Cheboygan for development of a new Ferry Port and Marina to serve the residents and visitors to their island. Similar coordination potential exists with the Village of Mackinaw City.

Two Mackinac Straits marine transportation authorities already exist, with the new Tunnel Authority having been created and placed under the administration of the Mackinac Bridge Authority. The Bridge Authority was originally intended to have been dissolved years ago, now again facing calls to be disbanded. Both Authorities could be combined into a new Port Authority while retaining their existing staff and leadership. Further, the well respected Bridge Authority could evolve to become the Port Authority for the Straits of Mackinac.

Fish Processing
Tribal Fishing Cooperative

On behalf of Frazier Fish, MEA wrote and submitted a \$100,000 grant application to the Michigan Dept. of Agriculture Value-Added & Regional Food Systems program for Phase 3 of their development plans. Further, this followed upon a \$27,000 grant received from the Graymont Foundation. Grant research is underway for Phase 4 development of over \$750,000, with the intention to apply for the grant(s) during 2023. In a broader context, planning is slated to begin in 2023 regarding the potential to develop a Tribal Fishing Cooperative to assist individual commercial fishing crews based out of Mackinac County.

- **New construction of fish processing facility**
- **Serving six west Mackinac Tribal fishing crews**
- **Grants acquired for initial three phases**
- **Planning for potential Tribal Fishing Co-Op**
- **Final grant of \$700,000 in process**

Shipbuilding Electric Ferry Pilot Project

The Michigan Department of Environment, Great Lakes & Environment has awarded a \$3M Grant to Mackinac Marine Services from the Fuel Transformation Program to transition the first Mackinac Island ferry to an electric drive system from traditional diesel drive.

- **30 New Jobs Commercial Ship Modernization**
- **500+ New Jobs Commercial Shipbuilding**
- **\$3M Michigan EGLE Grant Acquired**
- **\$750K Federal Marine Grant Acquired**
- **\$100K Michigan EV Grant Acquired**
- **Hydro Generating Capacity Study Completed**
- **Electric Drive Transition Study Completed**
- **Total Investment Potential \$30M**
- **\$50,000 Private Engineering Invested**

MMS funded all preliminary engineering, done by Incat Crowther, an international marine engineering firm, which served to acquire grant funding toward the transition of the first Mackinac Island Ferry from diesel to electric propulsion, as well as shoreside ship charging.

MEA is coordinating discussions between Mackinac Marine Services and potential Shipbuilder Partners for a 500 job shipbuilding joint venture in St. Ignace. Fincantieri is the largest Great Lakes shipbuilder & was recently awarded a \$5 Billion, 10 year Dept. of

Defense contract, which will expand their Wisconsin shipbuilding from 25,000 to 35,000 jobs, while also creating a massive void in Great Lakes shipbuilding. This has created an even greater opportunity for this strategic partnership and shipbuilding development in Mackinac County.

Safe Straits Seaport Winter Ferry Service

Expansion of the US Coast Guard Station at Graham Point to provide all-weather port facilities and equipment for eight marine safety agencies and all season ferry service as outlined in the Mackinac Island Transportation Master Plan, developed with funding and support of the Michigan Dept. of Transportation. A winter ferry and all season seaport are key marine development projects for which significant development funding is available.

The project will be supported by the Mackinac County Emergency Management Coordinator, Mackinac County 911 Coordinator, and Mackinac County Road Commission. The Mackinac Island Transportation Authority and Sault Tribe have each provided planning and support for this project through formal studies.

- **Stabilize 24 Existing Marine Safety Jobs**
- **Create 6 New Full Time, Year Round Jobs**
- **Federal, State, County, Local & Tribal**
- **EMS Marine & Helicopter Rescue**
- **Controlled Environment Freight Service**
- **Investment Potential \$25M**
- **\$50,000 Engineering Services Proffered**

Participation is being sought with the US Coast Guard, Michigan Dept. of Transportation, Enbridge and Arnold Freight Service. Shared services with AFS could potentially play a lead role in the planning and organizing for the Straits Seaport development. In addition, housing development is intended at Graham Point for the service members and employees of the businesses and organizations operating on site.

Marine Energy Development

- **Potential to Create 12 New Jobs**
- **Deep Hydro Energy R&D - \$100K MI EV Grant**
- **Renewable Energy for Electrified Ferry Fleet**
- **Provide Renewable Energy to Mackinac Island**
- **Investment Potential \$25M (First Phase)**
- **\$50,000 Engineering Grant in Process**

MEA is leveraging the results of the Michigan Office for Future Mobility (MEDC) \$100,000 grant for MTU to research potential for hydro energy generation and ferry electrification in the Straits of Mackinac, supporting MEA's marine mobility development strategy. Renewable energy investment and electric generation capacity are both highly sought for both marine and community development.

Marine Technical Center

The Smart Ships Coalition of the Great Lakes supports the efforts to establish a Marine Tech Center. Smart Ships members organizations are working on opportunities to apply autonomous, navigational and operational technologies in the marine environment. This includes the adoption of technologies and identification of obstacles, while collectively working toward solutions and innovation that enable more efficient and cost effective autonomous systems to support resource management, scientific discovery and navigation.

- **Michigan Department of Transportation Site**
- **Mackinac Island Transportation Authority Report**
- **Ferry Fleet Expansion & Modernization**
- **Improved Fleet Operations, Efficiency & Safety**
- **Federal planning grant of \$490,000**
- **Investment Potential \$10-20M**
- **\$50,000 Engineering Grant in Process**

Marine Technical Education

The Marine Tech education project has a potentially significant advantage to leverage the great success of the Great Lakes Boat Building School, working with universities such as Michigan Technological University, Lake Superior State University and Michigan State University. The GLBBS is the only college accredited institution in Mackinac County.

- **Great Lakes Boat Building School**
- **\$2.7M Federal EDA Grant Awarded for Expansion**
- **270 Lakes Region Job Opportunities Created**
- **Potential to Expand into Ship Building Careers**
- **Potential Electric Drive & Automation Education**
- **\$50,000 Engineering Grant in Process**

The Michigan Department of Transportation garages located at Graham Point is the primary potential site for a Marine Tech Center. Discussion with potential partners is beginning to coalesce consensus for a regional marine growth cluster in partnership with an ecosystem to include state and local governments, port and transit authorities, industry leaders, utilities,

community groups, universities and research institutions, investors, and regional innovators.

Bois Blanc Island Cheboygan Harbor

Bois Blanc Island Harbor Commission has developed and initiated a significant marine transportation initiative that would best suit the township's public transportation needs. This includes the completion of the BBI Township harbor and improved ferry facilities and equipment. The need for multi-jurisdictional coordination would be a key Port Authority role, as BBI Township has also engaged in major marine development in the City of Cheboygan, where BBI intends to develop a state-of-the-art ferry dock and marina on the north side of the State Street bridge in

- **Bois Blanc Island Harbor Expansion & Seawall**
- **\$4.5M Ferry Port and Marine in Cheboygan**
- **Ryba Marine Expansion Investment**
- **New Passenger / Car Ferry Sought**
- **BBI Twp. to invest \$4.5M in City of Cheboygan**
- **\$50,000 Engineering Grant in Process**

Cheboygan and create a boat well for the ferry. The township also plans on providing parking and wants maneuverability to be able to load and unload semi trucks at the site for ferry cargo.

St. Ignace Moran Bay Waterfront Development

With the potential to relocate parking and redevelop the St. Ignace waterfront, the population of St. Ignace and the surrounding area will benefit by coordinated efforts with governmental units, utilities and transportation providers to plan and apply for major federal funding, focused on job creation and growth. St. Ignace, as most are aware, faces severe seasonal unemployment challenges, child homelessness, and various other poverty-related issues, which may be solved with a strengthened local economy.

By coordinating local and regional government agencies to focus on coordinated development spurred by unprecedented federal dollars, major positive changes can occur. There are organizational structures and financing tools that

the region could utilize with improved coordination to identify collaboration opportunities in order to implement strategic initiatives. This project will create inter-agency relationships that will have long-lasting benefits.

- **Structural Reinforcement / Access Improvements**
- **Coordinated Infrastructure Planning / Funding**
- **Potential Parking / Waterfront Redevelopment**
- **New Highway Access / New Parking Potential**
- **\$50,000 Engineering Grant in Process**

Mining Port Expansions

Mining is one of the key base industries that built and maintains a significant portion of the Upper Peninsula economy. This project includes site and finance planning for two mining port expansions to

accommodate 1,000 foot freighters. Major shipping ports at two mines will be expanded under this project, which will allow these employers to remain competitive and continue to provide and expand well paying jobs.

- **Mining Port Expansion - 8 New Jobs**
- **Container Loading Port Addition - 4 New Jobs**
- **Containers Allow Shipping Wood Products to Asia**
- **Supports Local Sawmill Expansion - 10 Jobs**
- **\$50,000 Engineering Proposed for Each Site.**

In addition, there is a potential container loading project at eastern Mackinac Counties' Port Dolomite, which could serve to expand international markets for new wood products, another U.P. industrial staple.

Mackinac Island Coal Dock / Ice House

The Mackinac Island Transportation Authority received \$1.5 million for the Coal Dock from the Michigan Economic Development Corporation (MEDC) in 2021. The project includes installing a new deck between the hardware building at the head of the dock and the warehouse at the center of the dock.

Both the State Historic Preservation Office (SHPO) and National Park Service permits were granted this summer. The final bureaucratic hurdles are permits from the U.S. Army Corps of Engineers and the Department of Environment, Great Lakes, and Energy.

- Coal Dock Stabilization - \$1.5M MEDC Grant
- Electrical System Upgrade - \$900K MDOT Grant
- Ice House Stabilization - \$670K MDOT & MEDC Grants

Work in 2024 will update the electrical system using a grant of almost \$900,000 from the Michigan Department of Transportation. An additional MDOT grant of about \$470,000 will be combined with the remaining \$200,000 or so from the MEDC to shore up the old ice house building.

Cruise Ship Port / Docks

Mackinac Island is Michigan's most popular cruise ship port with the most expected visits in 2023, with a total of 92 cruise ship visits expected this season, from May to October. This includes nine ships operated by six cruise lines. In 2022, cruise ships called on the island 80 times. This year's numbers represent a 15% increase in calls.

Rather than tie to a dock in Mackinac Islands' small harbor, most Cruise Ships are required to anchor offshore and use smaller onboard 'tenders' to ferry passengers to the island. Of course, these tenders need dockage space as well, adding to the marine traffic and dockage demands.

- Mackinac Island Cruise Ships
- 80 ship visits in 2022
- 92 ship visits in 2023
- Up to 300+ passengers per ship

With ferries already traversing the Straits of Mackinac, there are several options to dock cruise ships and ferry passengers to and from the island. The development of a Cruise Ship traffic and mooring plan would allow for the financing and construction of recommended infrastructure to accommodate this burgeoning market for marine driven visitors to Mackinac.

Hessel Harbor Improvements

An engineering study has made recommendations for Clark Townships' Hessel Harbor for upgrades, improvements and modifications. The Hessel Harbor was first constructed in 1965. The project is included in the Township's 2018-2022 Recreation Plan.

- MDNR Waterways Commission \$19,500 Grant
- Township Match of \$20,500
- Restoration Construction Estimate \$2,000,000

The Harbor Infrastructure project includes replacement of the marina comfort station building, a preventative maintenance plan and capital improvement plan, including landscaping with native plants. Plans also include renovation of the launch ramp and skid pier, and repaving the parking lot