

**Mackinac Economic Alliance  
Director's Report 8.1.20**

**Economic Development Prospect Updates**

- Great Lakes Boat Building School - Achieving federal accreditation and financial aid availability, the Great Lakes Boat Building School has positioned itself as the leader in marine workforce development in the Great Lakes region, with expanded capabilities to prepare students for rewarding careers in the marine industry. Further, MEA is leveraging GLBBS capabilities by partnering to serve the workforce training needs of prospective marine industries, such as the two Ship Building prospects outlined below.
- Ship Building Prospects - MEA is working with two prospects in the shipbuilding industry to potentially co-locate on a single site in St. Ignace. MEA is working to coordinate, fund and initiate site development, infrastructure and training for this project. In addition to great new jobs being created and investment in new tax base, the project has the potential to ignite redevelopment efforts around Moran Bay.
- Great Lakes Tunnel Contractors - Site options are under consideration for contractor transient housing. The opportunity is to leverage these opportunities for site and infrastructure development that could transition to permanent housing at completion of the tunnel project.

**ReStart Grants**

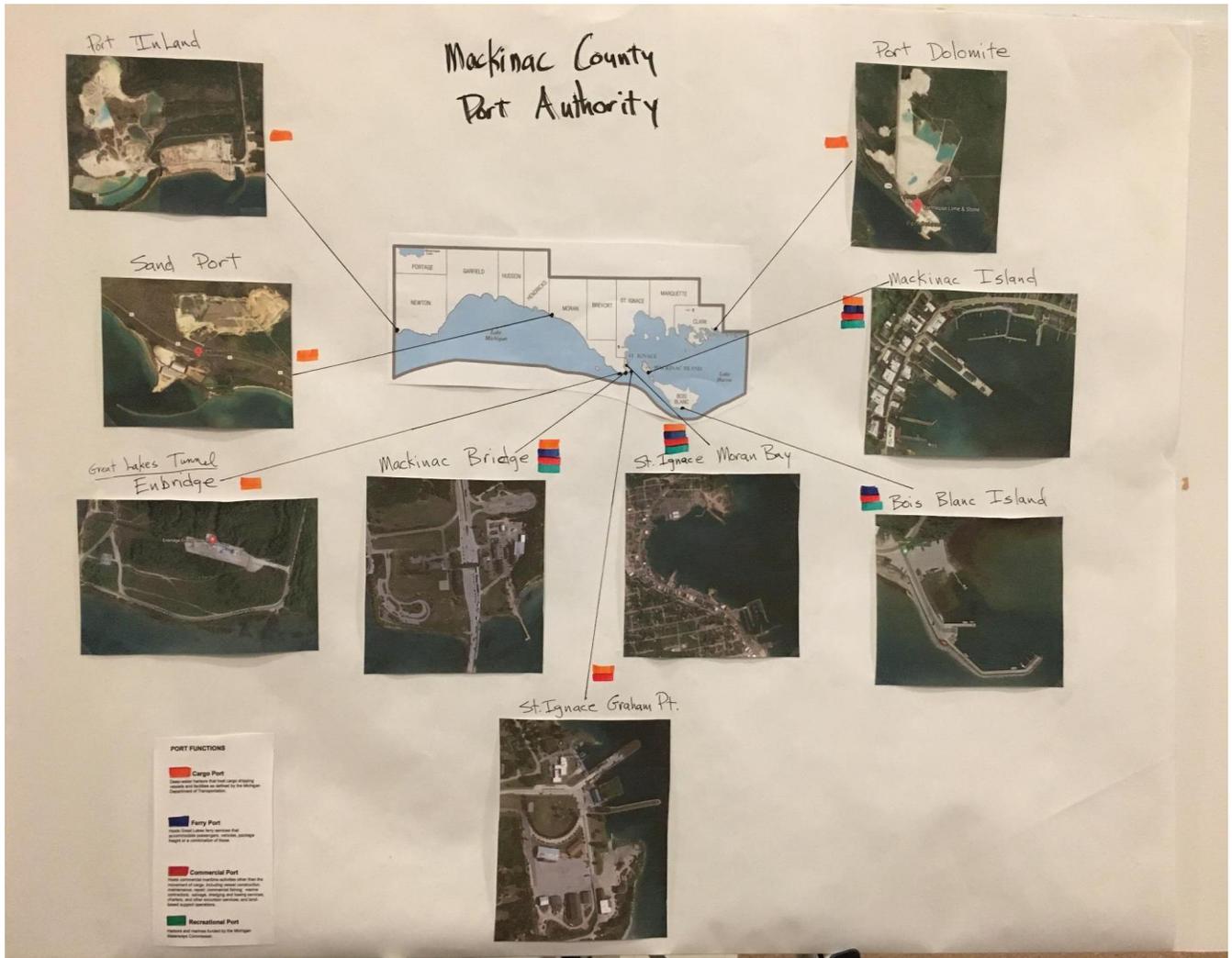
- As a Covid relief effort, MEA is currently scoring & making recommendations on 72 Mackinac County applications for funding under the Small Business ReStart Program. As the county economic development organization, MEA is able to provide approximately \$150,000 in ReStart Grants to eligible small businesses and nonprofit agencies that have been negatively impacted by Covid and need working capital to support payroll, rent, mortgage payments, utilities or other similar expenses.

**CARES Grant**

- MEA anticipates support for current initiatives from the federal CARES Grant program. Ten economic development districts in Michigan will split \$3.8 million in federal CARES Act grant money, the U.S. Department of Commerce announced Aug. 8. Nearly a third, \$1.2 million, is headed to the Upper Peninsula, with \$400,000 slated for Mackinac, Chippewa and Luce Counties.

**Port Authority**

- MEA is exploring the potential establishment of a Port Authority for Mackinac County, which is a powerful economic development entity, more fully described below. To fund this effort, MEA has partnered with the St. Ignace CVB on two grant applications to the federal EDA and state CDBG funds. MEA proposes to organize, administer and manage the Port Authority with the ability to develop transportation and logistics infrastructure, such as shipping ports, airports, bridges, tunnels and pipelines.
- A Port Authority has broad authority to acquire, construct, reconstruct, rehabilitate, improve, maintain, lease, repair, or operate port and economic development properties, facilities and infrastructure within its territorial jurisdiction and regulate all matters related to the location and character of those port facilities.
- Conduct expert investigations and surveys of whatever nature, including studies of business conditions, freight rates, port services, physical surveys of the conditions of channels and structures, and the necessity for additional port facilities for the development and improvement of commerce and recreation.



## Severance Tax

- MEA is exploring the use of the 2012 Michigan Minerals Extraction Severance Tax Act, which levies a severance tax on extracted minerals at a rate of 2.75% of the taxable mineral value, in addition to providing targeted tax credits and exemptions.
- Evidence suggests that Mackinac County Townships have not yet instituted the Severance Tax for mining property and operations, thus yielding very little revenue in relation to the value and impacts of the mines.

## Opportunity Fund

- MEA Staff is working with local leaders to promote the launch of an initiative to fund & activate the St. Ignace Opportunity Zone by launching an Opportunity Fund that can invest in strategic downtown / port properties. The OZFund would be administered and managed by the MEA / Port Authority staff.
- The Sault Tribe is supporting an Opportunity Zone grant application from MEA to the Native American Business Development Institute (Bureau of Indian Affairs). Grants up to \$75,000 are available to launch economic development initiatives in Opportunity Zones.

## **Straits CoWorking Space**

- Please welcome our first two tenants now calling the Straits CoWorking Space home. First, we have Betsy Dayrell-Hart renting a full time spot to conduct her City Planning business. Second, we have Robin Kissinger with an hourly membership for his business named UP Inspired.
- While we still have minor construction to be finalized, we have completed electrical and communication installation. Office furniture installation is partially complete with additional parts arriving soon. Conference room technology has been installed and furniture acquired, with cleaning and set up to be completed soon.
- An in-kind agreement has been reached with UP Inspired to install, maintain and operate an Art Gallery within the Straits CoWorking Space. The art will add needed decor to the space, it will be for sale, attract visitors, and provide a venue to connect artists to the business end of their creative endeavours.
- Ask the Tech services have been continued through the Covid crisis in a limited and safe manner. While libraries are still closed, individual training has occurred at the CoWorking Space and individual sites. Virtual meeting capabilities and group workshops will be initiated as warranted.

## **MEA Organizational Update**

- While the MEA Board will meet quarterly, plans are being made to reconstitute two committees to provide focused leadership for the organization to address the major initiatives and political implications under consideration. First, an Executive Committee will meet monthly to provide overall guidance for operations, finance and programming. Second, a Communications Committee will provide guidance on public relations, community and media communications as impactful initiatives are undertaken. Committee names, membership and meeting schedules to be determined.
- MEA finances and budget are being re-organized into a simplified format which can be managed internally by staff, reviewed by local accountant, audited as needed. Cheeseman CPA has assumed our accounting service from Anderson Tackman, who will provide audits as needed. New budget and financial statements will provide greater clarity into MEA finances
- Nominations for the year-end Board Election will be handled by the Executive Committee, yet nominees are requested from all Board members.

Respectfully submitted,

Chris Byrnes, Director

Mackinac Economic Alliance