

Mackinac Economic Alliance

Spring 2020 Newsletter

MEET MEA'S NEW DIRECTOR

The new Director for Economic Development with the Mackinac Economic Alliance is Chris Byrnes, who brings to Mackinac County his 35 years of successful Michigan economic development experience, as well as a rich background of consulting work from around the world. He replaces Alex Iseri, who moved on to another position in an urban area after nearly three years with MEA. Chris started with MEA on March 16, 2020. Trish Sanders continues to work as MEA's office and co-working space assistant, and Megan Rochlitz is continuing to serve MEA as an AmeriCorps Vista.



Chris is very excited and proud to serve the Mackinac County community with his experience and knowledge. His skillset is broad, as he has served as an economic developer, business owner, and professional grant writer.

He began his career as an economic developer in Sanilac County, the same county where he grew up. From there, he moved on to be an economic developer in Three Rivers, Niles, and then Holland.

While starting his position during the onset of the COVID-19 pandemic has been somewhat inauspicious, he is pleased to report on activities and initiatives that have been undertaken under these trying circumstances. This continuity and progress has only been possible due to the great support and foundation laid by the MEA Board of Directors and our MEA staff, Mackinac County Board of Commissioners, our county's businesses, and community members, as well as our private and corporate donors.

With gratitude for your continued support, please let us share what we've been up to at MEA...

COVID Business Relief Assistance

With the onslaught of COVID-19 and the subsequent shutdown of non-essential businesses in Michigan, the MEA has worked diligently to collect, define, and share current and accurate information with the employers of Mackinac County. Business relief funding was hurriedly released by both the US Small Business



Administration, as well as the Michigan Economic Development Corporation, with two different programs initially from each organization, with differing details for each program, and plenty of questionable/changing elements to each.

Further, to accomplish timely communications, we also set forth to build out a contact database in order to send timely e-mail notifications to Mackinac County employers, which is now an on-going project. This effort is coordinated with the St. Ignace Chamber of Commerce, EUP Regional Planning and others.

Additional funding for the business relief programs is expected, as well as programs specifically for local governmental units, Re-tooling Grants, Mobility Solutions Grants, a Tech Startup Stabilization Fund, and Michigan Council for the Arts and Cultural Affairs grants.

[See further details.](#)



The Michigan Economic Development Corporation (MEDC) launched two COVID-19 relief programs— a grant fund and a loan fund— each with a \$10 million allocation, with the intent to distribute them equitably throughout the state, according to county population. Thus, with Michigan’s population approximately 10 million people, each program essentially had \$1 per Michigan resident to allocate. It was immediately evident that Mackinac County’s 11,000 residents would warrant a similar amount in relief funding for our businesses.

MEDC further set up the grant program to run through local Economic Development Offices (EDOs) like MEA, so we immediately had to get up to speed on the program. MEA staff were able to get notifications out to applicants as broadly as possible, assist with application questions, gathered and validated applications, and submitted them to the Upper Peninsula regional organizers at Invest 906 in Marquette, then on to the MEDC for assessment and award decisions.

As expected, two MEDC grants totaling \$10,000 are being offered to only two of the Mackinac County businesses which submitted applications, again limited by Mackinac County’s population. Grant agreements and communication to all applicants are being handled by Invest 906. Similarly, MEDC loan requests are still in process with announcements and communications forthcoming.

[Read More](#)



Paycheck Protection Program –

The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The Small Business Association is administering these loans, which are forgivable if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. Business owners apply through their bank, credit union, or Farm Credit System institution.

The first round of these funds were distributed very quickly, with a great number of issues. One issue that eliminated many seasonal employers was the original way payroll was calculated, with only the previous two months (Feb & March) of payroll submitted for consideration. Of course, seasonal employers had little to no employees during that period, while the two months ahead were the time they typically hire their summer staff. MEA Chairman Dean Reid helped address this issue with State Representative Bergman's office, and the next round of PPP funding is supposed to allow seasonal employers to submit last summers' payroll as an alternative. We will continue to monitor and promote this program.

SBA Economic Injury Disaster Loan – In response to the COVID-19 pandemic, small business owners were encouraged to apply for an Economic Injury Disaster Loan advance of up to \$10,000 through their bank. This advance would provide economic relief to businesses that are currently experiencing a temporary loss of revenue, and would not have to be repaid. Unfortunately, SBA is unable to accept new applications at this time based on available appropriations funding. Applications are continuing to be processed on a "first-come, first-served" basis.

Opportunity Zone Fund



Mackinac County has an economic development advantage that has yet to be leveraged in the federally designated Opportunity Zones that have been created within downtown St. Ignace, and encompassing all of Bois Blanc Island. However, the step that most communities do not take is the creation of or partnership with, an Opportunity Fund to attract actual investors. MEA is able to leverage work previously completed for the creation

of a Michigan-based OZFund and pre-sale documentation. We have a small committee helping guide staff to complete the partnership agreement, investment prospectus, marketing, and post-sale documentation work to launch an OZFund to specifically invest in the St. Ignace Opportunity Zone.

The OZFund initiative will not only drive investment in downtown real estate and infrastructure, yet also has the potential to provide ongoing revenue to MEA for years to come as the local managing partner. Initial coordination conversations with the City of St. Ignace and its Downtown Development Authority have been productive and will be critical to leverage the advantages each offers. For example, the OZFund has the potential to provide local matching dollars for infrastructure grants for projects such as the proposed downtown recreation trail or waterfront redevelopment.

In general, Opportunity Funds are investment vehicles that invest at least 90% of their capital in established Qualified Opportunity Zones, such as St. Ignace. The fund model enables investors to pool their resources in Opportunity Zones, increasing the scale of capital going to investments selected by the local manager. Marketing and timing are very important, as an investor must invest the gains from a sale of a prior investment (e.g., stock, bonds, real estate, a company) into an Opportunity Fund within 180 days of the sale of that investment.



[More Opportunity Zone information.](#)

Straits Co-Working Space / Office Renovations



The COVID-19 social distancing mandate and business shutdown caused work to stop on MEA's new offices and the Straits Co-Working Space at 330 N. State Street in downtown St. Ignace. When the shutdown order hit, our contractor had just finished work on the interior improvements, which look great. Highlights include a "window bar" where co-workers can sit at workstations overlooking State Street and the Moran Bay waterfront. Straits Co-Working also offers a brand-new conference room.

Modular office furniture was donated by Russ Schlehuber of Prospect Financial Group and is ready to be installed as soon as work is able to be resumed. MEA Executive Director Anne Ottaway is following through with a potential Enbridge grant for the Co-Working Space. We have one committed tenant for a long-term co-working space and several interested prospects and day-use opportunities for professionals who need a quality high-speed internet connection. Details and documentation for the Co-Working space have been completed and can be found on the MEA website.

[More Co-Working information.](#)

Economic Development Prospects

While the COVID-19 crisis has certainly curtailed activity for everyone, there are a couple of intriguing economic development prospects that MEA is following up on. Several restaurant and retail projects are under consideration. Two ship-building and ship-repair prospects are considering waterfront locations, and two pipeline construction firms are seeking locations in Mackinac County. Several of the projects may qualify for various incentive programs. A couple of the projects may require infrastructure improvement planning, design, and funding. Prospect outreach, research, and proposal development for economic development incentives and infrastructure funding are underway.



Workforce Development



Several workforce development initiatives are under discussion, including coordination among several agencies, development of a local tech training center, high school career planning/training. Megan Rochlitz is MEA's AmeriCorps VISTA (Volunteers in Service to America) staff member, serving as a catalyst for change, living and working alongside community members to meet our nation's most pressing challenges and advance local solutions. Progress with student groups has been put on hold during the Covid Crisis, yet Megan is looking forward to launching an Apprentice 101 program with MSU Extension / 4H.

Data / Metrics / Working Smarter

Along with the Contact Database project mentioned earlier, MEA is setting up systems and methods to become a more data-driven organization. There are a tremendous value and utility to gathering and organizing the metrics that will drive our decision-making, track progress, provide evidence of success, as well as providing factual information to the media, community, investors, as well as project funders/grantors. We look forward to seeking assistance from the community to make this information as complete as possible.

