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Economic Enhancement & Feasibility Study

Prepared for:
Schoolcraft County, Michigan

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1.0 Executive Summary

The Schoolcraft County Economic Development Council (EDC) hired Anderson Economic Group to conduct a county-wide economic enhancement and feasibility study. This study analyzes the development potential for industrial, retail, office and housing land use, and also includes a tourism and downtown assessment. These analyses were used to make the following recommendations.

1.0.1 Employment Profile

Schoolcraft County is located in the central Upper Peninsula of Michigan, and has historically benefited from the area's natural resources. The local economy grew from the lumbering and mining industries, and while these have since declined, other industries have expanded, particularly services, tourism and government employment.

Compared to the State of Michigan and the region, Schoolcraft County offers a high percentage of skilled blue collar workers. Given a relatively small population and labor force, the local market is more volatile and susceptible to fluctuating unemployment rates and economic cycles. Unemployment is currently high, but this follows national, state and local trends.

1.0.2 Recommendation: Industrial Opportunity

Approximately 90% of employees working in Schoolcraft County are also residents, indicating that the residents offer most skills needed to meet the demands of *current* employers. Based on our workforce analysis, Schoolcraft County still has the opportunity to attract an additional 135 jobs without impacting industries in surrounding counties.

Based on our market assessment and the results of our industrial analysis, Schoolcraft County continues to offer the market support to attract several manufacturing or industrial firms. Based on our analysis, Schoolcraft County has the potential to attract or expand manufacturing companies that produce wood products and fabricated metal products. After expanding these industries, Schoolcraft County will be in a better position to attract wholesale companies, trucking companies, and other light industrial firms. These firms should be encouraged to locate to the city and county industrial parks through zoning, tax-breaks or utility incentives.

1.0.3 Recommendation: Industrial Parks

Although the City and County both have industrial parks located within the Manistique City boundaries, they are under utilized. The City Industrial Park is disadvantaged in its location. It is removed from the main highway (State Route 2), it blocks the river from more appropriate use, and is adjacent to residential neighborhoods and a state prison. In addition, infrastructure is incomplete, it lacks any “first-in” tenant to catalyze development, and is neither maintained nor aggressively promoted.

In comparison, the County Industrial Park includes a few existing tenants, has better access to Highway 2 (via County Road #439), and has infrastructure in place. With these factors under consideration, Anderson Economic Group recommends a new industrial park strategy that will benefit both the County and City.

First, it is recommended that the City of Manistique’s Industrial Park relocate to the most desirable and available industrial land that exists within the city’s incorporated area. This land is currently occupied by the County Industrial park. Second, it is recommended that the County Industrial Park be relocated to the most desirable industrial land that exists within that county. This includes several site options that are adjacent or proximate to the County Airport, of which at least one offers direct access to both US Highway 2 and the Soo Line Railway.

These recommended changes can occur through the cooperative efforts of both city and county officials, and the transition can be eased through the sharing of tax revenues, constructive negotiation of terms and benefits, and multi-phased planning.

Both industrial parks should also be prepared for near-term development, and maintained in anticipation of interested tenants. The main access roadway leading up to and through each park should be fully constructed to meet the needs of the manufacturing industry, including appropriate widths, adequate access and egress, and turning radii that will accommodate trucks. Individual parcels should be platted, graded, cleared and maintained. Attractive gateway signs into the industrial parks should be prominently displayed. Utility plans, pre-approved building types and other planning considerations should be resolved in advance, to mitigate issues for prospective tenants.

1.0.4 Recommendation: Tourism

Given Schoolcraft County's central location in Michigan's Upper Peninsula, it benefits from the region's natural resources which provide recreational opportunities and quality of life. Growth in tourism in Schoolcraft County has followed regional trends, and the various efforts of the City of Manistique and the 8 townships now attract an estimated 213,525 overnight visitors annually.

In order to continue promoting tourism, Schoolcraft County should implement a number of strategies including:

- Administer a county-wide signage program for a Circle Tour that ties the individual communities together.
- Design a brochure package which lists all of the community events and attractions, to be delivered in a welcome packet to new residents, as well as tourists
- Market and promote all local venues (including Kewadin Casino), with benefits to the area's motels and restaurants.
- Encourage the development of three entertainment facilities, supported by our retail supply v. demand analysis.

Although tourism is important to the local economy, visitors currently contribute only 11 percent of total retail sales, and support only 6 percent of total retail space in the local market. Even if visitor contributions are doubled, residents will continue to account for about 80 percent of total retail sales. For this reason, new retailers, merchants or entrepreneurs should not expect to rely upon the visitor or tourism industries for the majority of their business. Local businesses should focus first upon the needs and expectations of the resident population and local citizens.

1.0.5 Recommendation: Retail

Based on our retail analysis, which included an inventory of existing retail space compared to local spending patterns by retail category, Schoolcraft County's resident shoppers offer support for up to 18,000 square feet of incremental retail space. Reflecting moderate population and income growth, and supported by a stabilized national and state economy, the market can support 22,000 square feet of additional retail by 2007. Assuming that the average retail shop is about 3,000 square feet, this would be roughly equivalent to 7 new stores.

Based on our assessment of the existing downtown and Route 2 and 94 commercial corridors, we recommend that 100% of the supportable retail space be targeted for downtown Manistique, by occupying existing and available facilities and increasing the synergies among existing retailers.

It is not recommended that downtown Manistique undergo a physical expansion of its downtown. Meanwhile, the amount of downtown space is small, the use of Main Street space by services and non-retail businesses will continue to undermine the downtown's efforts to create a shopping destination and enjoyable shopping experience. Future tenants should include shops that can be explored and where purchases can be "discovered." Salons can be included in this mix, but such services as tax accountants do not enhance the shopping "experience."

Accordingly, it is recommended that service-based businesses (like medical, insurance or law) be relocated from traditional downtown merchant spaces to a professional building elsewhere in the market, possibly east of Pamida along Highway 2.

1.0.6 Recommendation: Housing

Based on our housing assessment, the local market in Schoolcraft County will support the construction of 720 owner occupied units with values between $100,000 to $150,000 through out Schoolcraft County. These units should mostly consist of single-family homes and could be constructed as a subdivision style development. We also recommend the construction of 83 new homes with values greater then $300,000. These homes are in demand near the lake shores (Lake Michigan and Indian Lake) with the most expensive homes developing along Lake Michigan.

Schoolcraft County can support up to 100 new rental units with rents ranging from $500 to $1,000. It is highly recommended that the majority of new rental units (up to 90%) be single-family units. We do not recommend the construction of a multi-family luxury development. However, a small number of these units (up to 20%) could be included in a multi-family development.

1.0.7 About the Author

Anderson Economic Group, LLC (AEG) provides consulting services in market assessments, feasibility studies, and community & regional economic analyses. AEG has expertise in a variety of planning sectors that include industrial parks, economics, public policy, retail strategies, and residential development. For information about our firm and biographical sketches of the authors, visit www.AndersonEconomicGroup.com.

- END OF EXECUTIVE SUMMARY -

2.0 Introduction and Study Purpose

With the help of the Michigan Economic Development Corporation, Schoolcraft County, eight townships, and the City of Manistique Downtown Development Authority, the Schoolcraft County Economic Development Council (EDC) hired Anderson Economic Group to conduct an economic enhancement and feasibility study for the community. Our study combines advanced quantitative analysis and economic expertise with community participation to provide the EDC with a clear understanding of:

- The types of industries that may be attracted to Schoolcraft County
- The economic strength of the County's industries relative to the regional and state economies
- The need for residential developments and office space within the City of Manistique and the county
- The current and future potential of retail business and community activity in Manistique's downtown
- Strategies for attracting new business establishments that will strengthen the County and Downtown economy and community

Our analysis, study, findings, conclusions and recommendations are summarized in this report, which is organized by subject matter in the following order:

Schoolcraft County

City of Manistique

3.0 Market Overview

3.1 County Overview

Schoolcraft County is geographically one of the largest counties in the State of Michigan. It is bordered on the south by Lake Michigan and extends sixty miles north almost to Lake Superior. Although the county has an abundance of land, much of the property is protected from development with the Seney National Refuge covering 95,000 acres. This refugee is an asset to Schoolcraft County as it improves the quality of life for its residents and attracts tourism to the area.

The table below provides a summary of the market parameters for Schoolcraft County (the effective trade area) as projected by Anderson Economic Group. As shown, Schoolcraft County decreased in population between 1980 and 1990, declining from 8,575 to 8,302 people. However, it recovered population during the following decade, and reached 8,903 by 2000. Population growth is projected to continue at a moderate pace, gaining just under 50 people per year and reaching 9,368 by the year 2010.

Based on the 2000 Population Census, residents in Schoolcraft County reported an average income of $17,137 per person in 1999, up from $9,740 in 1989 (1990 Census). After factoring in the recent soft economy, which has mirrored national trends, income levels are projected to reach $22,883 by 2010. By 2010, Total Personal Income (TPI) in Schoolcraft County will reach $214.4 million, reflecting growth in both population and income. In the following section of this analysis, we address how this relates to total expenditures on retail goods, in total and a per capita basis.

TABLE 1. Schoolcraft County - Population and Income Projections

Year	1979	1980	1989	1990	1995	1999	2000	2003	2005	2010
TPI ($Mil.)	$76.9	$76.6	$81.1	$82.0	$118.9	$151.4	$154.2	$165.7	$179.8	$220.2
CAGR		-0.3%	0.6%	1.1%	7.7%	6.2%	1.8%	2.4%	4.2%	4.1%
PCI ($)	$8,853	$8,938	$9,740	$9,874	$13,647	$17,137	$17,323	18,341	19,688	$23,505
CAGR		1.0%	1.0%	1.4%	6.7%	5.9%	1.1%	1.9%	3.6%	3.6%
Population	8,686	8,575	8,329	8,302	8,713	8,838	8,903	9,034	9,131	9,368
Annual Cg.		-111	-27	-27	82	31	65	44	48	47
CAGR		-1.3%	-0.3%	-0.3%	1.0%	0.4%	0.7%	0.5%	0.5%	0.5%

Source: AEG Analysis of data from 1980,1990 and 2000 Census of Population & Bureau of Econimc Analysis through 2001

TPI indicates Total Personal Income; PCI indicates per capita income. CAGR indicates compound annual growth rate.

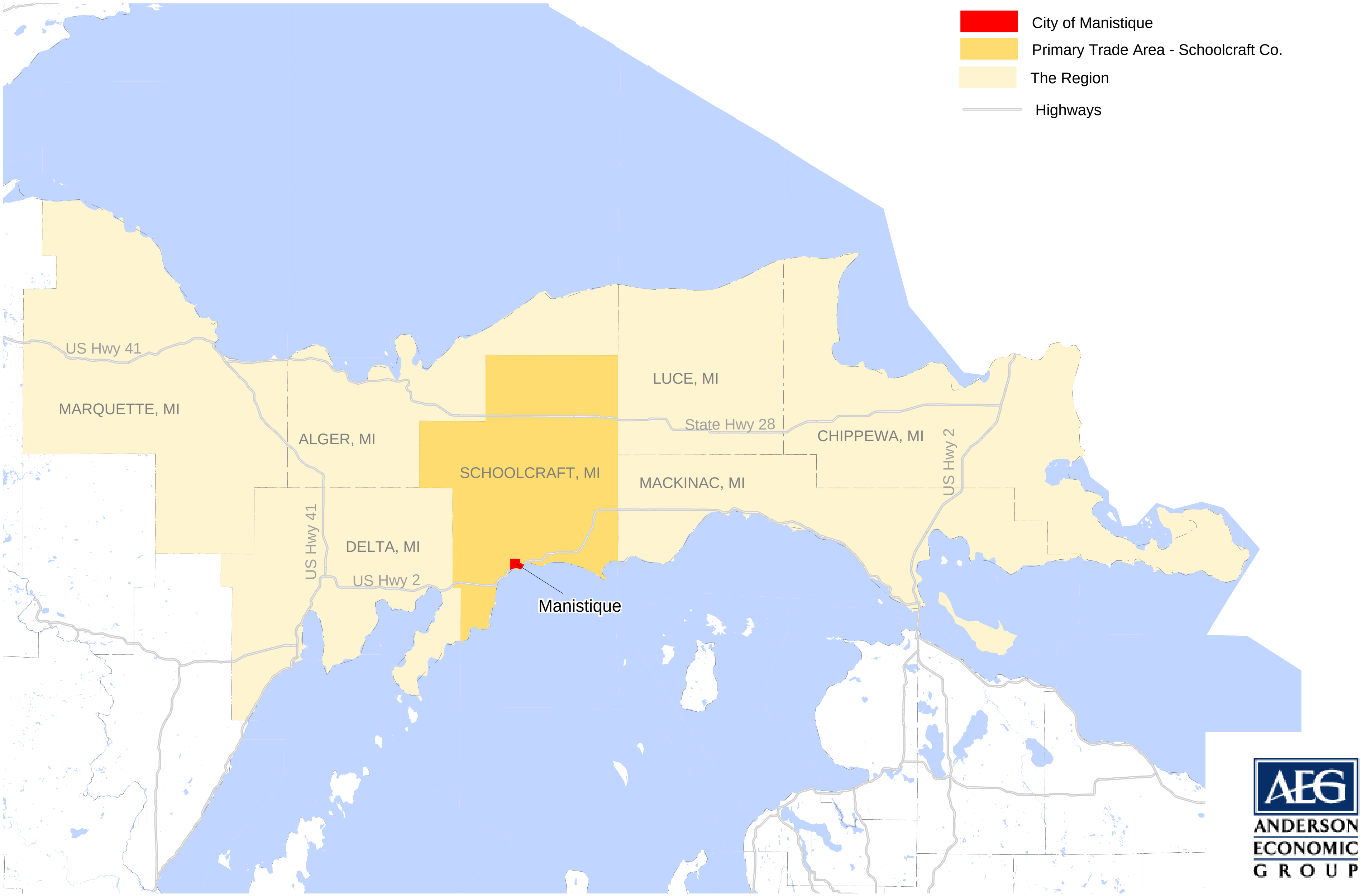
3.1.1 Regional Overview

For the purposes of our analysis, we address several levels of geography, including:

- ***Sites*****:** The existing city and county industrial sites, the Manistique downtown area, the County Airport and other potential development sites
- ***City***: The City of Manistique and 8 Townships
- ***County***: Schoolcraft County
- ***Region***: Schoolcraft, Marquette, Delta, Alger, Luce, Mackinac, and Chippewa Counties
- ***State***: Michigan

Schoolcraft County is centrally located within the Upper Peninsula, and is just 88 miles from the Mackinac Bridge and about 160 miles northeast of Green Bay, Wisconsin. For comparative purposes, we have defined the Schoolcraft County Region as the Eastern Upper Peninsula, including the counties of Schoolcraft (Manistique), Delta (Esa-canaba), Alger (Munising), Marquette (Marquette), Luce (Newberry), Chippewa (Sault Ste. Marie), and Mackinac (Mackinac Island). This region is referenced throughout our report and is the foundation for our assessment of industrial development. The City of Manistique is located in the center of the region along US Highway 2 as illustrated in Map 1 on page 8.

Map 1: Primary Market Area; Schoolcraft County, MI



Source: Anderson Economic Group
www.AndersonEconomicGroup.com
Date: October 10, 2003

3.2 Townships & City of Manistique Overview

Table 2 lists the Schoolcraft County city (Manistique) and 8 townships, along with population, households and growth rates between 1990 and 2000. As shown, the City of Manistique is the largest jurisdiction in the county with a 2000 population of 3,583, followed by Hiawatha Township (1,328 people) and Manistique Township (1,053). However, the more rural townships are growing slightly faster, particularly Thompson Township with a 3.8% compound annual growth rate in population over the past decade.

TABLE 2. Schoolcraft County Jurisdictions - 1990 and 2000 Population & Households

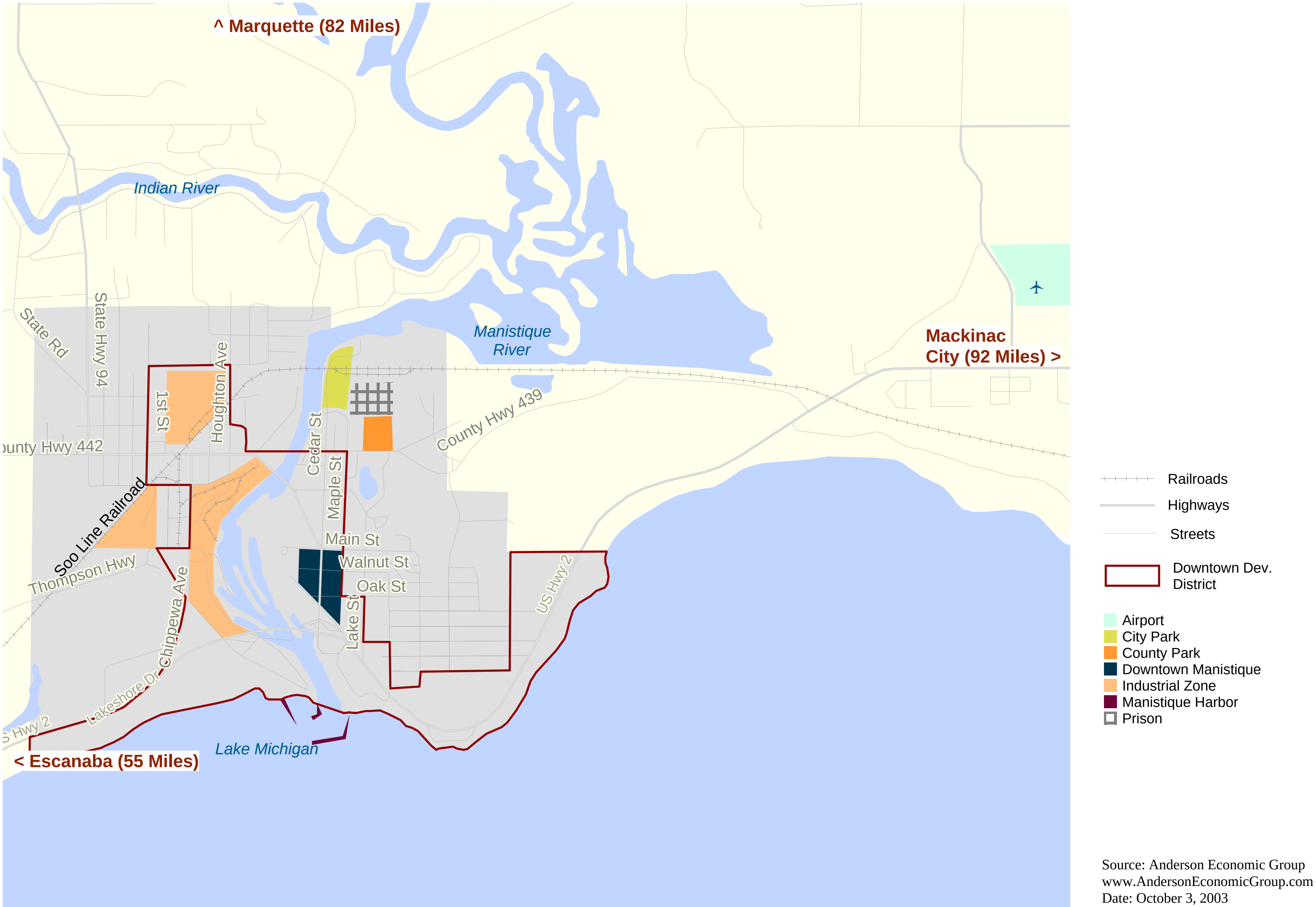
	1990		2000		C.A.R. Growth	
	Pop.	Hhlds.	Pop.	Hhlds.	Pop.	Hhlds.
Manistique City	3,456	1,468	3,583	1,449	0.4%	-0.1%
Hiawatha Twp.	1,279	499	1,328	563	0.4%	1.2%
Manistique Twp.	916	341	1,053	411	1.4%	1.9%
Inwood Twp.	638	241	722	293	1.2%	2.0%
Thompson Twp.	464	182	671	278	3.8%	4.3%
Doyle Twp.	616	213	630	256	0.2%	1.9%
Germfask Twp.	542	193	491	198	-1.0%	0.3%
Mueller Twp.	206	83	245	102	1.7%	2.1%
Seney Twp.	185	74	180	56	-0.3%	-2.7%
Schoolcraft County	8,302	3,294	8,903	3,606	0.7%	0.9%

Source: Census 2000
C.A.R indicates compound annual rates

The City of Manistique is the largest community in Schoolcraft County, but is smaller in population size than either Escanaba or Marquette with less than 9,000 people. The City of Manistique has developed on the northern banks of Lake Michigan, and along State Highway 2. The city is approximately 82 miles south of Marquette, 55 miles east of Escanaba, 112 miles southwest of Sault St. Marie, and 92 miles west of Mackinaw City.

Manistique’s downtown area is located along Maple Street parallel to US Highway 2. The Downtown Development District encompasses the downtown, a commercial area north of the downtown and most parcels along US Highway 2. West of the downtown, across the Manistique River, is Manistique Papers, which is the largest employer in Schoolcraft County. Manistique has two industrial parks located north of the city by Manistique’s prison. Schoolcraft County airport is located outside of Manistique, approximately 6 miles east of the downtown. Map 2 on page 10 shows the geographic layout of Manistique.

Map 2: Neighborhood Overview, Schoolcraft County, MI



Source: Anderson Economic Group
www.AndersonEconomicGroup.com
Date: October 3, 2003

4.0 Industrial Park Feasibility Analysis

4.1 Overview

Schoolcraft County is interested in attracting industrial development that best fits the needs of the local economy, and meets the community's potential for growth. The county needs to identify industries it can attract based on its current strengths and opportunities. To identify these supportable industries, we have evaluated the four elements of industrial development, including human capital, infrastructure, and proximity to raw materials and consumers. The evaluations conducted include:

- An inventory of major employers and manufacturers in Schoolcraft County, showing the current state of the county in terms of economic development. A regional inventory of manufacturers is also included in the attached *Appendix B*.
- A cluster analysis of current trends in manufacturing to identify successful industry groups within the region. Successful clusters tend to position themselves in proximity to raw materials and consumers, and are helpful in identifying potential industry sectors for economic growth.
- An analysis of human capital, including labor force data, commuting patterns, skill levels, and educational attainment.
- An assessment of the current infrastructure available in Schoolcraft County, including transportation routes, telecommunication networks, access to ports, airport accommodations, hospital locations, and proximity to educational facilities.
- An industrial site assessment of the current industrial parks in Schoolcraft County, including three existing areas zoned industrial. Included in this assessment are various parcels adjacent to the Schoolcraft County Airport.

4.2 Industrial & Manufacturing Firms - Inventory

Major Employers. We define major employers as companies employing 40 or more workers. Schoolcraft County has eleven major employers, with the majority located in the City of Manistique. The largest employers are Manistique Papers and Manistique Public Schools, with 150 employees each. Of the 11 major employers only 2 are manufacturing firms, 2 are retail companies, and 4 are health care or education related companies (which are included in the service sector). This assessment of major employers indicates the importance of both service and retail jobs to the local economy.

TABLE 3. Major Employers in Schoolcraft County

Rank	Name	City	Core Business	No. of Employees
1	Manistque Papers Inc.	Manistique	Manufacturing Ground Wood, Newsprint	150
2	Manistque Public Schools	Manistique	Education	150
3	Schoolcraft Memorial Hospital	Manistique	Health Care	126
4	Kewadin Casino	Manistique	Entertainment	137
5	Michigan Limestone Operations, Inc.	Gulliver	Manufacturing Crushed Limestone	80
6	Schoolcraft County Government	Manistique	Government	75
7	Hiawatha Behavior Health	Manistique	Health Care	63
8	City of Manistique	Manistique	Government	50
9	Jack's Super Value	Manistique	Grocery Store	44
10	First Manistque Corporation	Manistique	Banking	44
11	Schoolcraft County Public Health	Manistique	Health Care	40
	Total			959

Source: Harris Publishing Company, 1998 Directory
Schoolcraft County Economic Development Contact

Manufacturing Employers. According to the *Harris Publishing Company, 1998 Industrial Directory*, Schoolcraft County has a total of 324 employees working at 15 firms in the manufacturing industry. Of these 15 firms, five are classified as wood product manufacturing with a total of 49 employees. Only four have 20 or more employees, and only six are located outside of Manistique, including two in Gulliver and Germfask, and one in Cooks and Seney.

TABLE 4. Major Employers in Schoolcraft County

SIC Code	Name	City	Core Business	No. of Employees
2621	Manistique Papers Inc	Manistique	Ground wood, newsprint	150
1422	Michigan Limestone Operations, Inc.	Gulliver	Crushed limestone	80
2426	Manistique Dimension-Dry Kiln	Manistique	Wood products	21
2426	Manistique Saw & Planing Mill	Manistique	Saw & planning mill	20
3559	Manistique Machining	Manistique	Custom machining	6
2711	Advisor, The	Manistique	Newspaper publisher	10
2711	Manistique Pioneer-Tribune Inc	Manistique	Newspaper publisher	8
3519	Replica Engines	Manistique	Engine Construction	7
2759	Superior Printing/Supreme Tees	Manistique	Letterpress & screen	5
3273	Mathson Redi-Mix Inc	Manistique	Ready-mix, septic tanks	5
2452	Eagle Ridge Log Homes	Cooks	Log homes; flooring	4
2087	Sugar Shack	Germfask	Maple syrup	2
2421	Blaney Woodworks	Germfask	Sawmil	2
2421	Tester's Sawmill	Seney	Sawing & planing mill	2
3441	Quality Fabricating & Erection	Gulliver	Steel fabricating	2
	Total			324

Source: Harris Publishing Company, 1998 Industrial Directory

Manistique Papers Inc, Schoolcraft County's Largest Manufacturer, August 2003

4.3 Identifying Industrial Clusters

Identifying clusters can serve as an effective guide for identifying opportunities in industrial and economic growth. Clusters are defined as groups of related industry in which companies save on business costs through proximity to similar services, resources and human capital. Clusters include companies that are both directly related to the production of goods, or indirectly related (ex., distribution, trucking and warehousing).

The clustering of industries in a region, combined with the relative parity of those same sectors in any similarly sized county may indicate an opportunity for economic growth. However, this growth potential must be substantiated by other factors, including availability of skilled workforce, infrastructure, and appropriate site locations with access to adequate transportation. Each of these is addressed in Section 4.4, “Human Capital,” on page 18, Section 4.5, “Regional Infrastructure Assessment,” on page 28, and Section 4.6, “Industrial Site Assessments,” on page 33.

Although Schoolcraft County is not the center of an industrial cluster, it can and does benefit from other clusters in the region. To examine these, we consider the subsector employment data for all counties in the region to identify the most established subsectors. Map 3 on page 15 summarizes these manufacturing subsectors by county. As illustrated by this analysis, Wood Product and Fabricated Metal Product Manufacturing are two areas that are under-represented in the county.

To attract industrial development, the Schoolcraft County EDC should contact these manufacturing firms currently located outside of Schoolcraft County, including the Wood Product and Fabricated Metal Product firms listed on page 16 and page 17. The EDC should distribute promotional materials to these companies, including parcel maps, lease rates, zoning exhibits, a list of financial incentives, utility maps, and photographs. Schoolcraft County could also distribute the promotional materials to all of the regional manufacturing employers listed in *Appendix B.*

Map 3: Top Manufacturing Sectors by County

Highway
County
City Boundaries

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Source: Anderson Economic Group
www.AndersonEconomicGroup.com
Date: October 14, 2003

4.3.1 Wood Product Manufacturing

Wood Product Manufacturing is well accepted as a successful industrial cluster throughout most of the Upper Peninsula. Every county in the region, including Schoolcraft, has at least one manufacturing firm that specializes in wood products. However, all surrounding counties have at least 100 employees in this industry while Schoolcraft only has 67 employees. Even after adjusting for differences in market size, Schoolcraft County still does not meet the regional average. Recognizing that a considerable share of local lands are dedicated to national forest, there still remains opportunity to expand into related wood manufacturing businesses, particularly where niches may be under served within the region.

Table 5 on page 16 lists the wood product manufacturing companies operating in the Region. Manistique Saw & Planning, Superior Wood & Truss, and Manistique Dimensions are located in Schoolcraft County.

For clarification, the following excerpt provides the Census 2000 definition of Wood Product Manufacturing.

> Industries in the Wood Product Manufacturing subsector of manufacture include wood products, such as lumber, plywood, veneers, wood containers, wood flooring, wood trusses, manufactured homes (i.e., mobile home), and prefabricated wood buildings. The production processes of the Wood Product Manufacturing subsector include sawing, planing, shaping, laminating, and assembling of wood products starting from logs that are cut into bolts, or lumber that then may be further cut, or shaped by lathes or other shaping tools. The lumber or other transformed wood shapes may also be subsequently planed or smoothed, and assembled into finished products, such as wood containers. The Wood Product Manufacturing subsector includes establishments that make wood products from logs and bolts that are sawed and shaped, and establishments that purchase sawed lumber and make wood products.

TABLE 5. Existing Wood Product Manufacturing Firms in the Region

Louisiana Pacific	Timber Products Company
Bickham Doors	Hiawatha Log Homes
Maples Sawmill	Roy Graves Lumber
North Arrow Log Homes	Manistique Saw & Planning
Thick N thin Lumber	Bess Forest Product Group
Newberry Wood Enterprises	Rapid River Rustic Inc.
Sustainable Forest Products	Northern Land & Lumber Co.
North Oak	Robbins Inc
Richmond & Hawley Inc	Holli Product Forest
Manistique Dimenison - Dry Kiln	Superior Wood & Truss
Eagle Ridge Log Homes	Blaney Woodworks
Tester's Sawmill	

Source: Harris Publishing Company, 1998 Industrial Directory

4.3.2 Fabricated Metal Product Manufacturing

Fabricated Metal Product Manufacturing is also a leading manufacturing cluster in the Upper Peninsula. Table 6 on page 17 lists the fabricated metal product manufacturing companies currently operating in the region. Delta, Mackinac and Chippewa Counties all have relatively large workforce in fabricated metal manufacturing, and these counties form a line across the southern part of the Upper Peninsula, skipping over Schoolcraft County. In comparison, Schoolcraft County has only one fabricated metal company, and it employs fewer than 5 people. This indicates a potential gap in Schoolcraft County employment and a possible opportunity to add fabricated metal companies.

For clarification, the following excerpt provides the Census 2000 definition of Fabricated Metal Product manufacturing.

> Industries in the Fabricated Metal Product Manufacturing subsector transform metal into intermediate or end products, other than machinery, computers and electronics, and metal furniture or treating metals and metal formed products fabricated elsewhere. Important fabricated metal processes are forging, stamping, bending, forming, and machining, used to shape individual pieces of metal; and other processes, such as welding and assembling, used to join separate parts together. Establishments in this subsector may use one of these processes or a combination of these processes.
>
> The manufacturing performed in the Fabricated Metal Product Manufacturing subsector begins with manufactured metal shapes. The establishments in this sector further fabricate the purchased metal shapes into a product. For instance, the Spring and Wire Product Manufacturing industry starts with wire and fabricates such items.
>
> Within manufacturing there are other establishments that make the same products made by this subsector; only these establishments begin production further back in the production process. These establishments have a more integrated operation. For instance, one establishment may manufacture steel, draw it into wire, and make wire products in the same establishment. Such operations are classified in the Primary Metal Manufacturing subsector.

TABLE 6. Existing Fabricated Metal Firms in the Region

Olofsson Fabrication Service	Manistique Manufacturing
Insight Sign & Neon	Independant Machine Company
Argonics	Steve Baird Steel & Fabricating
Floatation Docking Systems	Pioneer Surgical
Marquette Machining & Fabricating	Northern Casting Company
Quality Fabricating & Erection	CAL Grinding

Source: Harris Publishing Company, 1998 Industrial Directory

4.4 Human Capital

4.4.1 Labor Force

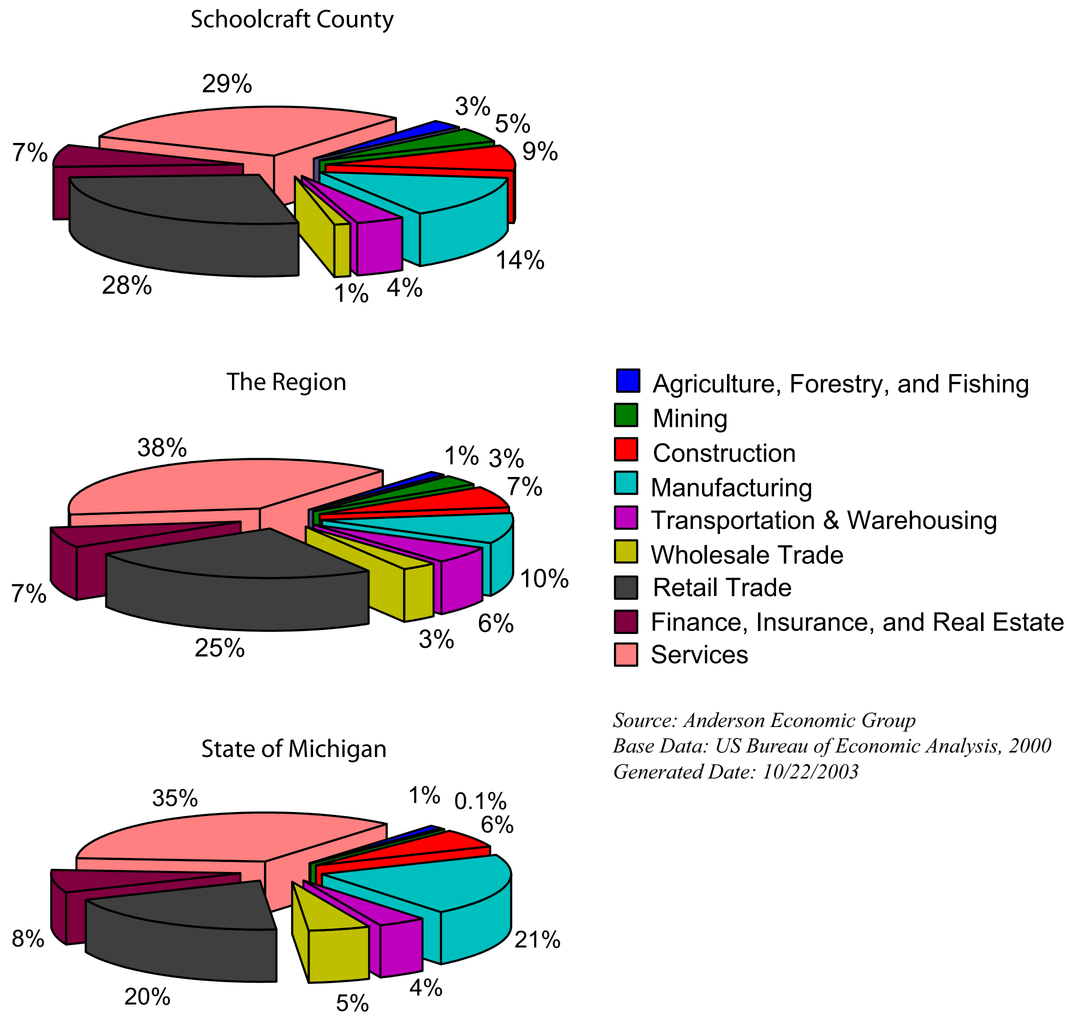
In Schoolcraft County, the service industry is the largest employment sector, with 29 percent of total employment, followed closely by retail trade with 28 percent. Compared to the state and region, Schoolcraft County has a relatively small percentage of workers employed in the service sector, while the retail industry has a higher percentage of employees than the state. In recent years, Schoolcraft County's employment in the construction industry has expanded, while manufacturing and transportation have contracted. In comparison, the region is experiencing huge growth in the service industry while construction is remaining relatively steady with only a slight increase in employment.

Manufacturing share of employment is relatively low in Schoolcraft County compared to the state, with only 14% of the local workforce currently employed in this sector. The region also has a low percent employment in manufacturing, representing 10% of the total workforce. In comparison, the State of Michigan has 21% of the total workforce employed in Manufacturing. This variance in manufacturing employment indicates that Schoolcraft County and the Region are lacking in one or more of the four elements of industrial development, or it could indicate an opportunity for expansion of manufacturing (The four elements are listed in Section 4.1, "Overview," on page 11).

Wholesale industry employment in both Schoolcraft County and the Region is relatively low compared to the state. Wholesalers prefer to be located in proximity to customers and manufacturers producing the final product. In order to attract wholesalers, Schoolcraft county and the region would first need to attract manufacturers. Warehousing and distribution businesses fall under the light industrial classification, and rely upon an established manufacturing base.

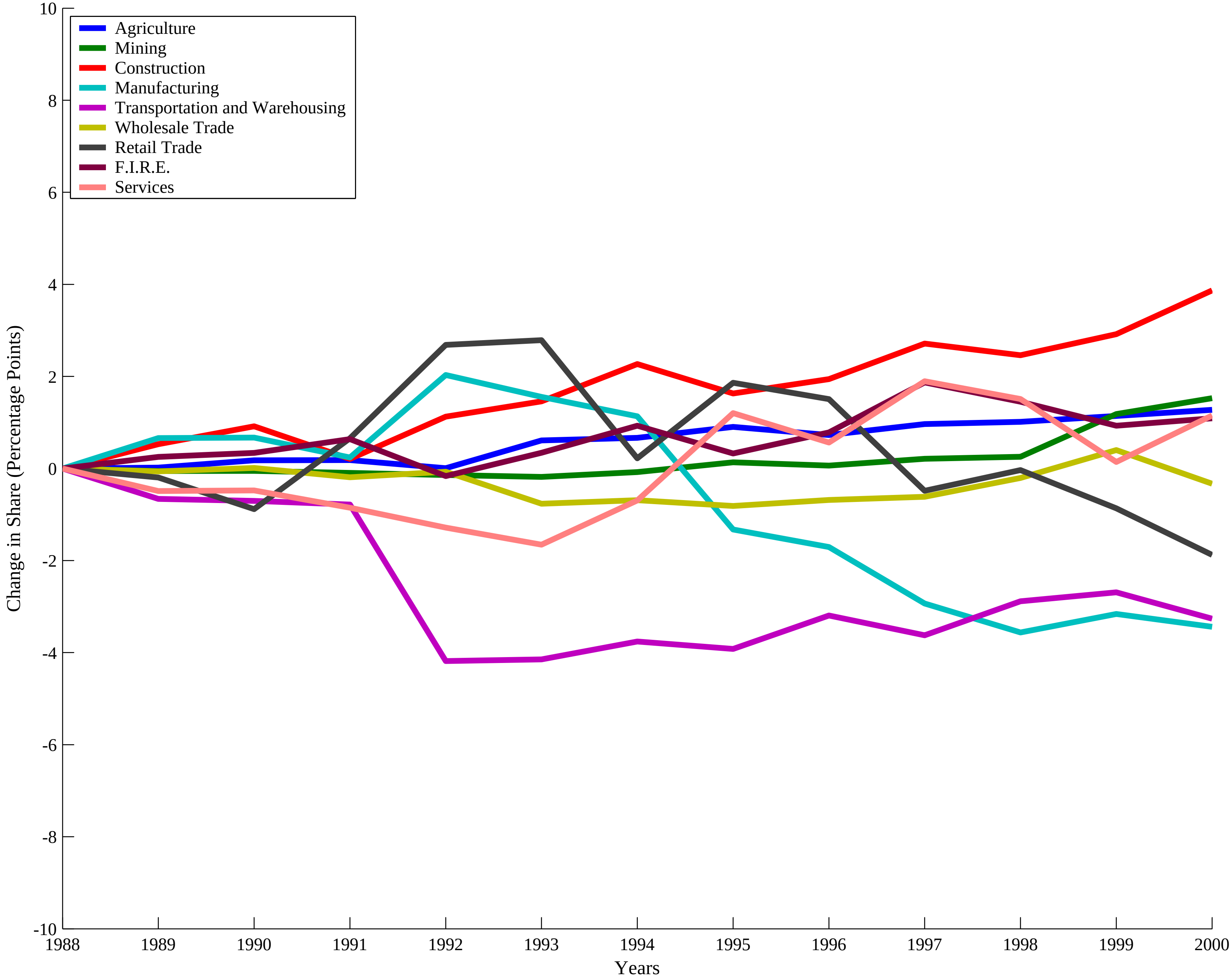
Figure 2, Figure 3, and Figure 4 show a series of charts depicting the shifts in industry sectors from 1988 to 2000 for Schoolcraft County, the region and the State of Michigan. The charts demonstrate that the local market has a volatile economy, which can be attributed to the small labor force. When a few employees are laid off in Schoolcraft County the impact can be significant, and the county's economy is at a higher risk in terms of unemployment rates in a recession period.

FIGURE 1. 2000 Employment By Industry - Schoolcraft County



Source: Anderson Economic Group
Base Data: US Bureau of Economic Analysis, 2000
Generated Date: 10/22/2003

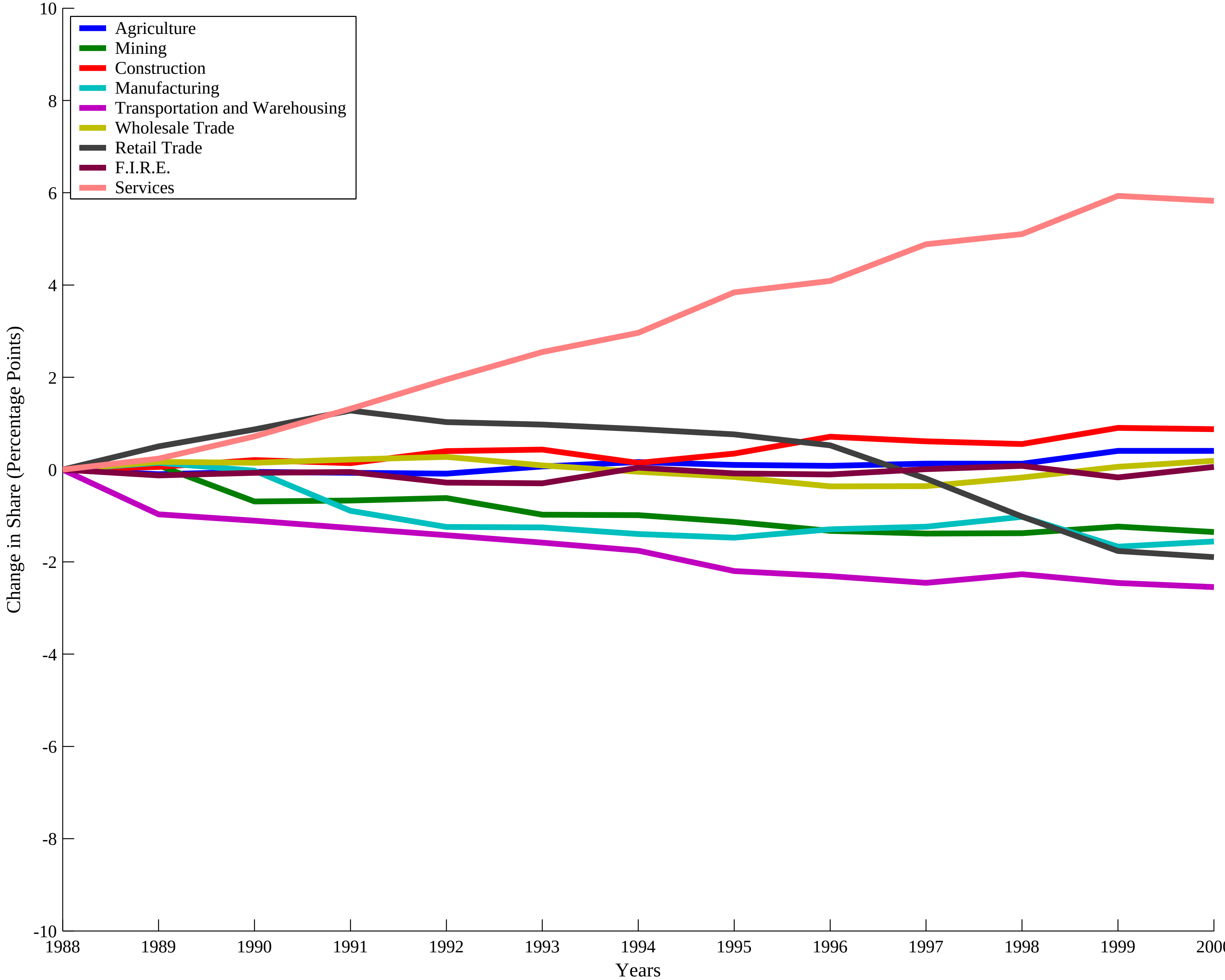
Figure 2. Schoolcraft County: Change in Share of Total Employment by Industry



Source: Anderson Economic Group *Generated Date: 10/06/2003*

Base Data: US Bureau of Economic Analysis, 1988-2000

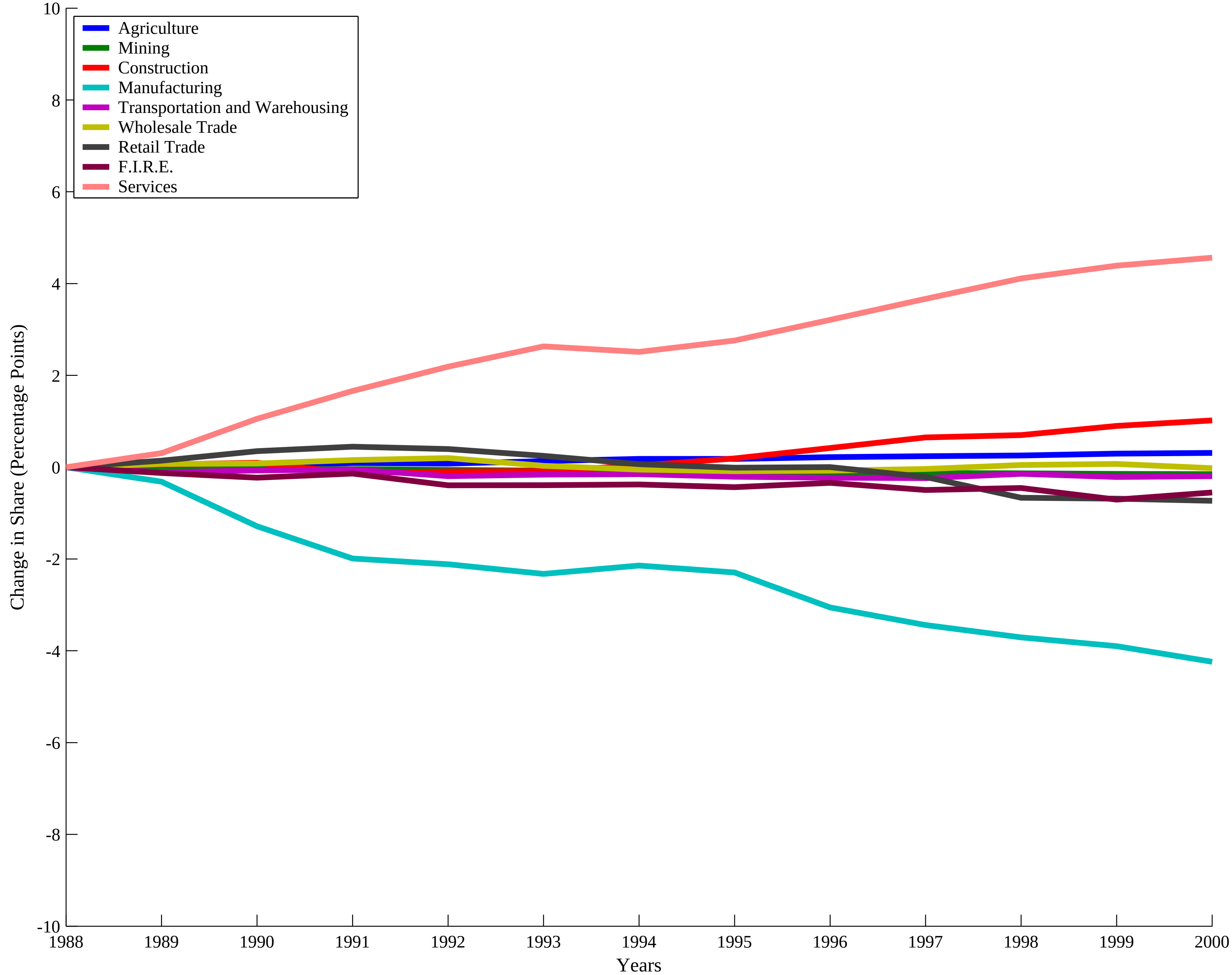
Figure 3. The Region: Change in Share of Total Employment by Industry



Source: Anderson Economic Group *Generated Date: 10/06/2003*

Base Data: US Bureau of Economic Analysis, 1988-2000

Figure 4. State of Michigan: Change in Share of Total Employment by Industry

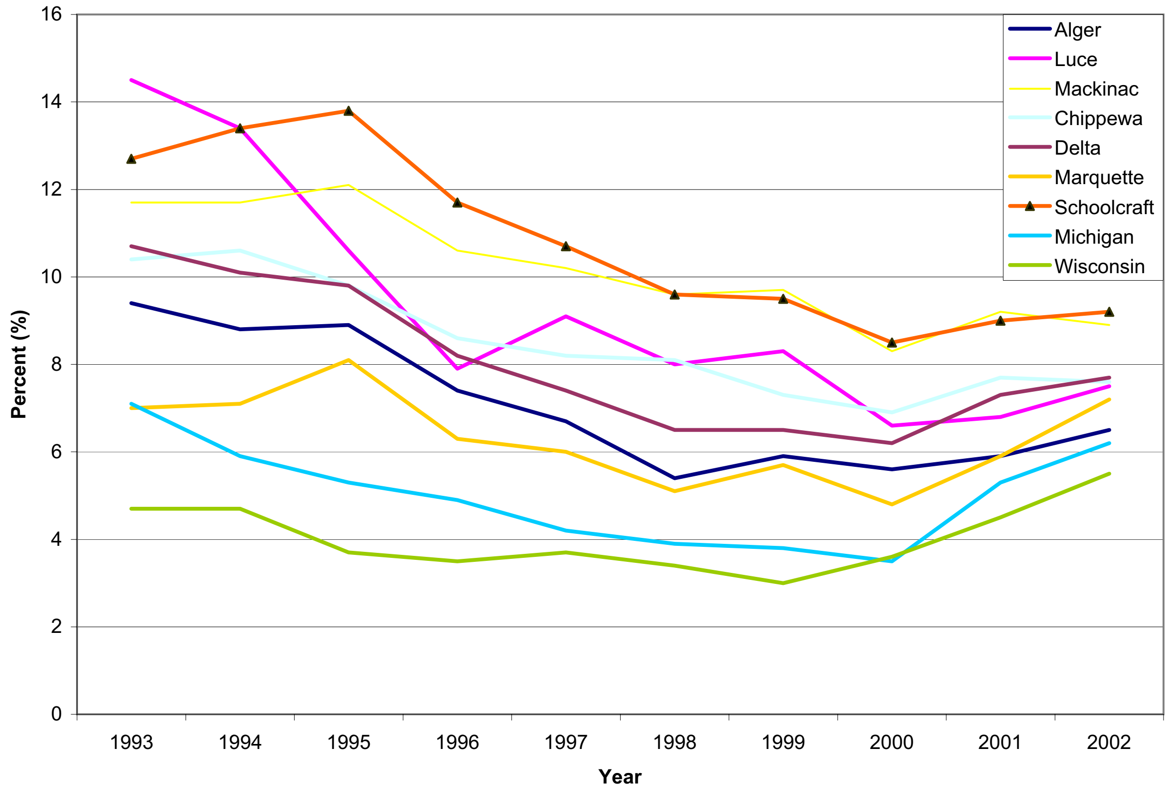


Source: Anderson Economic Group *Generated Date: 10/06/2003*

Base Data: US Bureau of Economic Analysis, 1988-2000

Unemployment. Schoolcraft County has experienced consistently high unemployment rates compared with other counties in the region. These exceptionally high unemployment rates could improve after attracting more capital intensive, long-term businesses like manufacturing companies. In Schoolcraft County, the unemployment rate was 9.2% in 2002; higher than both the State and the regional averages (see chart below).

FIGURE 5. Unemployment Trends - Michigan, the Region & Schoolcraft County



Source: Anderson Economic Group
Base Data: US Bureau of Labor Statistics, 1993 - 2002
Generated Date: 10/22/2003

Commuting Patterns and Job Location. Table 7 shows the total number of employees by county along with the corresponding percent of employees that are residents to that same county. As shown, Schoolcraft County has a relatively high percent of county employees who are residents of that same county, relative to the region. Chippewa, Delta and Marquette counties are similar to Schoolcraft County, with 94.1%, 91.7% and 95.8% of their total employees being local residents, respectively. Local employers are not reaching outside of these counties for workers, which may indicate that residents offer the job skills demanded by these firms, or that the surrounding counties do not offer any better job skills.

The data also shows that Schoolcraft County has a small number of employees compared to Chippewa, Delta and Marquette Counties; all three of these counties have a workforce of 10,000 or more. Given the market's population size, a healthy share of employees in Schoolcraft County are residents of that same county.

TABLE 7. Percent of County Workers Employed in the County of Residence, 2000

County of Residence	Total County Employees	% Employed in County of Residence
Marquette Co. MI	29992	95.8%
Chippewa Co. MI	14955	94.1%
Delta Co. MI	16439	91.7%
Schoolcraft Co. MI	3068	89.6%
Alger Co. MI	3814	81.5%
Mackinac Co. MI	4364	79.8%
Luce Co. MI	2568	79.7%

Source: AEG analysis; US Census County-to-County Workforce Flow

Table 8 shows the counties where Schoolcraft County's workforce are currently employed. Only 14.2% of Schoolcraft workers are employed outside of the county, indicating a small amount of "commuters." The largest portion of commuters work in Alger and Delta Counties.

TABLE 8. County of Employment for Schoolcraft Residents, 2000

County of Employment	Schoolcraft Residents	% of Residents
Schoolcraft Co. MI	2750	85.8%
Alger Co. MI	136	4.2%
Delta Co. MI	128	4.0%
Luce Co. MI	50	1.6%
Mackinac Co. MI	11	0.3%
Chippewa Co. MI	10	0.3%
Marquette Co. MI	10	0.3%
Other counties	109	3.4%
Total	3,204	100.0%

Source: AEG analysis; US Census County-to-County Workforce Flow

Table 9 shows the counties of residence for Schoolcraft County employees. According to these figures, Schoolcraft residents comprise of 89.6% of employment in that county, indicating that *existing* Schoolcraft employers are finding qualified workers within the local market.

TABLE 9. County of Residence for Schoolcraft County Employees, 2000

Employee's Resident County	Schoolcraft Employees	% Employed
Schoolcraft Co. MI	2750	89.6%
Alger Co. MI	25	0.8%
Delta Co. MI	146	4.8%
Luce Co. MI	36	1.2%
Mackinac Co. MI	46	1.5%
Chippewa Co. MI	11	0.4%
Marquette Co. MI	19	0.6%
Other counties	35	1.1%
Total	3,068	100.0%

Source: AEG analysis; US Census County-to-County Workforce Flow

Table 10 on page 25 shows unemployment rates and job-to-employee ratios for each county in the region. Job-to-employee ratios indicate whether the county has more jobs than employees, or more employees than jobs. If any given county has an index of greater than 1.0, then more workers are attracted in from neighboring counties than are commuting out. If an index is less than 1.0, then that county is losing more workers than it is attracting from surrounding areas.

In Schoolcraft County, there are 3,068 jobs and 3,204 employed residents, indicating a 0.958 job-to-employee ratio. The optimal job-to-employee ratio for Schoolcraft County is 1.0 or greater. Given this information, the data indicates that Schoolcraft county has the opportunity to attract 135 new jobs without impacting employment in surrounding counties.

TABLE 10. County Job/Employee Ratio, 2000

County	2000 Unemployment Rate (Average)	2000 Job-to-Employee Ratio
Schoolcraft Co. MI	8.5%	0.958
Alger Co. MI	5.6%	1.027
Chippewa Co. MI	6.9%	1.002
Delta Co. MI	6.2%	0.960
Luce Co. MI	6.6%	1.098
Mackinac Co. MI	8.3%	0.947
Marquette Co. MI	4.8%	0.998

Source: AEG analysis; US Census County-to-County Workforce Flow

Skill Level. Schoolcraft County has a higher percentage of skilled blue collar workers than the averages for the region and the state. A total of 54.4% of the labor force is employed in blue collar jobs, of which 29.8% are in skilled positions. In comparison, Delta County has similar employment in blue collar jobs (54.7%), but a significantly higher percent are skilled positions (36.4%). In order to compete with Delta County, Schoolcraft must increase the number of available blue collar, skilled positions.

TABLE 11. Skill Level of Blue Collar Workers, 2002

Rank by Skilled Workers	Comparative Areas	% of Skilled Workers	% of Unskilled Workers	% of Blue Collar Workers
1	Delta Co. MI	36.4%	18.2%	54.7%
2	Alger Co. MI	33.6%	25.7%	59.3%
3	Schoolcraft Co. MI	29.8%	24.6%	54.4%
4	State of Michigan	29.1%	15.6%	44.7%
5	Mackinaw Co. MI	28.7%	27.8%	56.5%
6	Region	27.9%	24.2%	52.1%
7	Luce Co. MI	25.2%	27.9%	53.1%
8	Marquette Co. MI	25.1%	22.3%	47.4%
9	Chippewa Co. MI	22.4%	32.5%	54.9%

Source: AEG analysis of Applied Geographic Solutions

Educational Attainment. Schoolcraft County has a low percentage of adults with college degrees when compared to the region and the state (23.2% compared to 32.0% and 35.7%, respectively). This data correlates with the high percentage of blue collar workers in Schoolcraft County. Marquette County has the highest percentage with college degrees in the region, likely due to the presence of Northern Michigan University in Marquette. Delta County also has a community college, which positively impacts the percentage of the college educated population. The relatively low levels of education attainment in Schoolcraft County have somewhat limited it's appeal to new businesses that would bring skilled jobs.

TABLE 12. Skill Level of Blue Collar Workers, 2002

Rank by College Degrees	Comparative Areas	% with College Degrees	Population Age 25+
1	Marquette Co. MI	38.6%	41,387
2	State of Michigan	35.7%	6,494,611
3	Delta Co. MI	35.1%	25,932
4	Region	32.0%	120,806
5	Mackinaw Co. MI	27.6%	8,607
6	Chippewa Co. MI	25.8%	26,222
7	Alger Co. MI	25.0%	7,211
8	Schoolcraft Co. MI	23.2%	6,355
9	Luce Co. MI	22.5%	5,092

Source: AEG analysis of Applied Geographic Solutions

Conclusions on Human Capital. Based on our analysis of workforce, Schoolcraft County has the opportunity to attract 135 new jobs to the county without impacting jobs in surrounding counties. Although the county has experienced high unemployment rates, low educational attainment, and has a small percent of workers employed in manufacturing, it does have a higher percent of skilled labor force than the region and state. Employers in Schoolcraft County also employ a high percent of workers from within that same county. This indicates that residents within Schoolcraft County are meeting the current demands of local employers.

4.5 Regional Infrastructure Assessment

Transportation, telecommunications, health care, and education are the most important building blocks for sustainable development. Transportation is a crucial element of development, and most successful companies spend considerable time analyzing the costs of transportation. Telecommunications is also becoming essential with the expansion of the internet. Some firms' core business, like web site developers, rely completely upon the internet and e-business. Health care and education are also important services that can be provided to local employees and resident citizens. The following sections describe Schoolcraft County in terms of transportation, telecommunications, health care, and education.

Roadways & Driving Distance. The major roadways in Schoolcraft County include US Highway 2 and 28 along the northern and southern borders of the county and US Highway 94 along the western boundary. These highways connect Schoolcraft communities to the Cities of Escanaba, Marquette and Mackanic, and also to the State of Wisconsin and Michigan's Lower Peninsula.

The City of Manistique is centrally located in both Schoolcraft County and the Upper Peninsula. This location also places the city an equal distance between the "hub" cities of Chicago and Detroit. Detroit is the farthest city from Manistique with 377 miles; Green Bay is the closest city with 162 miles.

TABLE 13. Driving Distance to Major Cities

Distance (mi.)	Detroit - Hub	Saginaw	Chicago - Hub	Milwaukee	Green Bay	Total Miles	Miles to Hubs
Manistique	377	280	365	277	162	1461	742
Marquette	451	345	376	289	174	1635	827
Escanaba	432	335	311	224	108	1410	743
Sault Saint Marie	342	245	450	395	280	1712	792

Railways. Canadian National Railway runs through Schoolcraft County, providing commercial rail service to the City of Manistique and Seney Township. The Soo Line Railway runs along US Highways 2 and 28, abutting Schoolcraft County's southern and northern borders. Schoolcraft County has fewer miles of railway than either Marquette or Delta Counties, as indicated on Map 4 on page 31. This information could indicate a possible disadvantage for Schoolcraft County in terms of attracting employers who rely on the railroad for transportation.

Airports. Schoolcraft County Airport has two light runways and according to 5-Year Capital Improvement Plan, one is 25 years old and beginning to fail frequently. The Schoolcraft Airport is not a commercial facility, and does not provide passenger service or overnight freight service. However, nearby airports in Escanaba and Marquette do offer passenger service and overnight freight carriers, with daily shipments from FedEx, UPS and the US Postal Service.

The 5-Year Capital Improvement Plan includes a strategy for repairing the runway and adding and improving taxiways and taxistreets. Given the airport's favorable location along US Highway 2, it represents an untapped or under-utilized resource that could be enhanced through these and other development efforts. Additionally, the plan also indicates that residents are proposing to add private hangars when the other improvements are completed.

Ports. Schoolcraft County does have one deep-water port, located in Gulliver Township at Port Inland. This port is owned and exclusively utilized by Michigan Limestone. According to the Michigan Department of Transportation, the region also has 11 active commercial ports with three ports located in Delta and Chippewa County, two located in Mackinac County, and one port in Marquette, Alger and Schoolcraft County. These ports remain active today, and mostly ship iron ore, coal, and limestone products.

Telecommunications. Schoolcraft County has adequate access to high-speed internet with cable modems offered by Charter Communications and satellite connections provided by a number of firms. However, the costs of high-speed internet tend to be higher when compared to lower Michigan.

According to the Schoolcraft County Supplement Report to the UPLink Connectivity Plan[1], demand for high-speed internet services is growing. However, the current supply is meeting the demand. This report does suggest that the high costs of obtaining high-speed internet is the largest deterrent to "getting connected." In the long run, Schoolcraft County should work with Michigan's Broadband Development Authority and other organizations to increase access to broadband technology.

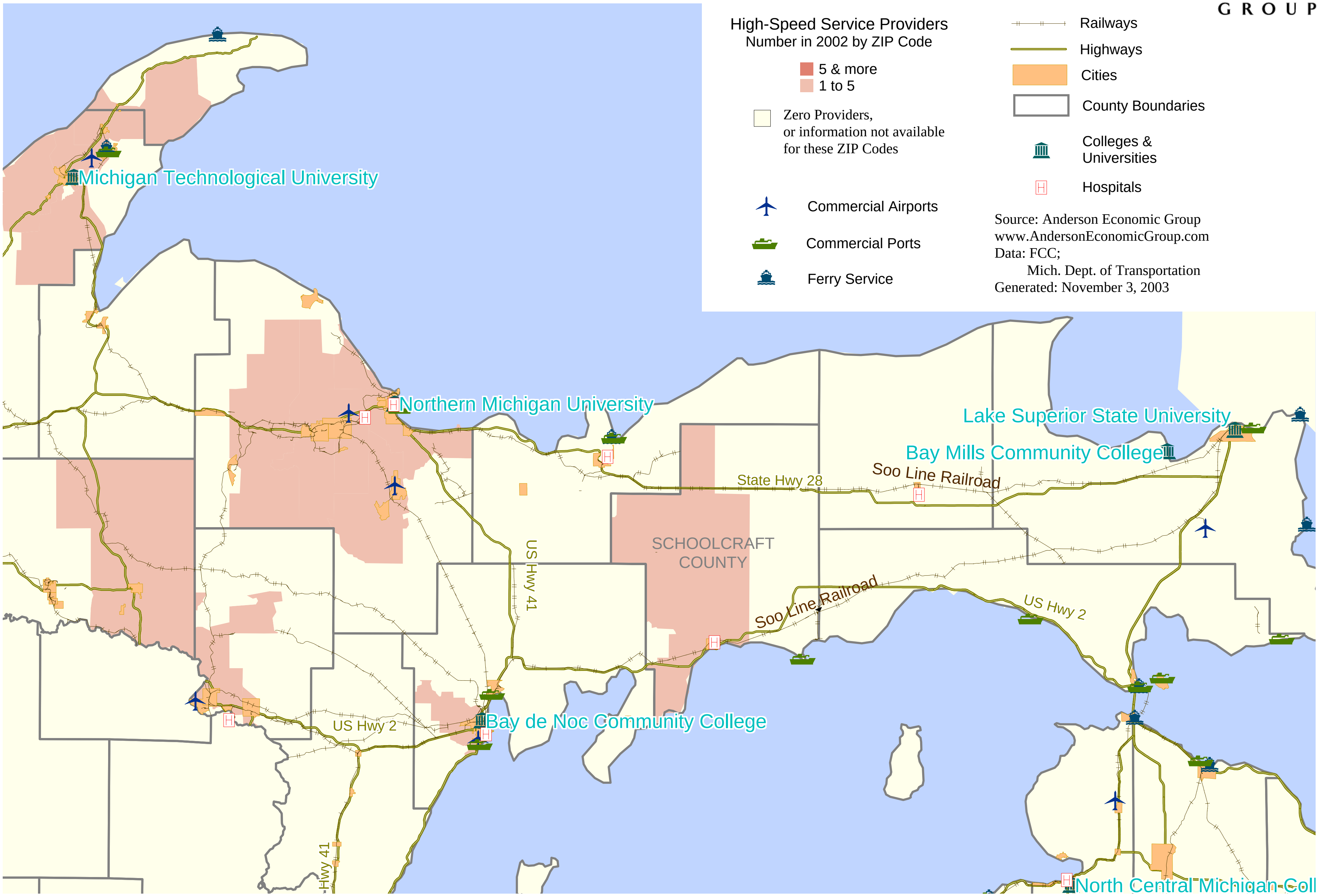
Health Care. Schoolcraft Memorial Hospital operates a total of 38 beds along with an emergency room, medical center, rehab center, ICU, and a home health care unit. This hospital serves approximately 40,000 patients yearly. A new tribal outpatient health care center for the local Native American tribe is also opening near the Kewidaw Casino. Additionally, five other hospitals currently operate in the region.

1. "Schoolcraft County Supplement Report to the UPLink Connectivity Plan," Virchow Krause & Company, Broadband Development 3, December 10, 2003

Education & Workforce Training Opportunities. Although Schoolcraft is a rural county, the region provides residents access to sufficient education and training opportunities. Schoolcraft County has access to MSU Extension, a program that provides employers and community members with job training opportunities directly in their county. Other education opportunities include two community colleges, as well as three major universities. Each university specializes in different key programs, listed below. This diverse set of curriculum indicates that the region has sufficient opportunities for advanced job training facilities.

- Michigan Technological University is known for their undergraduate and graduate engineering, business, and forestry programs.
- Lake Superior State University specializes in business, criminal justice, fire sciences, and fisheries and wildlife management programs.
- Northern Michigan University is best known for its nursing program.

Map 4. Infrastructure, Upper Peninsula, MI



Conclusions on Regional Infrastructure. In summary, Schoolcraft County and the City of Manistique meet the infrastructure requirements to develop an industrial park in the southern part of the county. The Highway 2 corridor near Manistique is an advantageous location and has access to a number of transportation options, including the railway, roadways, two airports, and other Lake Michigan ports. However, most manufactured products would be transported by both the railway and roadways. The western area of the county also has adequate access to high-speed telecommunications, as well as health care from Schoolcraft County Hospital. Although Schoolcraft does not have an education facility located directly within the county, there are a number of training facilities available in the region.

It is recommended that, in the future, Schoolcraft County should pursue the expansion of broadband technologies through a collaboration with the Michigan Broadband Development Authority (MBDA). The MBDA is an independent government agency that provides low-cost loans to telecommunication companies to increase investment into broadband technologies. This agency could help reduce the costs and increase accessibility for the residents and businesses in Schoolcraft County.

4.6 Industrial Site Assessments

In the previous sections, we reviewed industrial clusters, human capital, and infrastructure to determine the potential for expanding industrial development within Schoolcraft County as a whole. However, in order to make planning recommendations for industry sites, it is important to review all site options available to the Schoolcraft County and the City of Manistique. Both the county and city have ample site options for development and have not over saturated the area with industrial development. This assessment will focus on these site options to determine their highest and best use.

Currently, Schoolcraft County includes two existing industrial parks, both located within the City of Manistique. The *Manistique City Industrial Park* is located on Pine Street parallel to the Manistique river. The *Schoolcraft County Industrial Park* is located along Elm Street next to the city hall. The county park has two pole-barn buildings on the industrial site, both of which are occupied by *Manistique Machines*.

For our industrial park assessment, we also identified three other industrial parcels in the City of Manistique, which are currently zoned as industrial land use. Industrial Parcel A is located along Deer Street and was the old location of Manistique Tool; Parcel B is located off of Schoolcraft Avenue and is currently being utilized by a lumber company, and Parcel C is the current location of Manistique Papers. All three of these locations have access to the railway, but only parcel C has visibility on the highway and some compatible site adjacencies (i.e., not residential homes).

Based on our market assessment and a variety of strategic considerations, including transportation, access, visibility, availability and land use adjacencies, we have developed a multi-phased strategy for the City of Manistique and Schoolcraft County industrial parks. This strategy includes a specific recommendation that the County Industrial Park be relocated to a new location proximate to the County Airport, which offers the most favorable site and locational characteristics within the County. This relocation would represent Phase I of a multi-phased plan.

Phase II of our recommendations include relocating the City Industrial Park to the land which is currently occupied by the County Industrial Park. Assuming the County Park relocates to the airport, this industrial zone will then become the most favorable site and location within the City of Manistique (although perhaps not the best location within the county). Its appeal is enhanced by existing tenants, and a tax-sharing plan could be negotiated that offers benefits to both the city and county.

Several parcel options for a relocated County Industrial Park surround the Schoolcraft Airport along US Highway 2. In particular, a development zone on the south side of Highway 2 is currently occupied by a vacant drive-in movie theater, and includes a considerable amount of undeveloped, under-utilized land.

Figure 9 on page 38 shows approximate areas where this County Industrial Park could be located, and is labeled "Area C". As shown, two other potential development zones have also been identified proximate to the airport - "Area A" is located on the northern side of the airport and "Area B" is located on the eastern side of the airport. Area C is the most desirable location because it has access to the railway with visibility from US Highway 2.

Figure 6, Figure 7, Figure 8, and Figure 9 starting on page 35 provide a summary of both the existing industrial parks, existing industrial areas, and proposed industrial Areas A through C, along with some photographs and maps indicating their locations. Below is a matrix for comparing the six locations and their amenities.

TABLE 14. Comparison of Industrial Parks.

Industrial Parks	County Park	City Park	Parcel A	Parcel B	Parcel C	Proposed Areas
Current Tenants	X			X	X	
Adjacent Land Use	Mix-use	Residential	Residential	Residential	Light Industrial	Commercial
Railroad Access	X	X	X	X	X	X
Highway 2 Visibility					X	X

Manistique City Industrial Park

<u>Overview</u>
Owner / Administrator:
City of Manistique
Approximate Size: 10 acres
Appropriate Zoning: Yes
Current Land Use: Vacant but overgrown
Miles from US Highway 2: 1.2 miles

<u>Site Adjacencies</u>
North: Manistique River
East: Prison
South: Residential Area
West: Manistique River

<u>Infrastructure</u>
Natural Gas provided by SEMCO
Water provided by the City of Manistique
Telecommunications provided by Alltel

<u>Existing Industry on Site:</u>
This site is vacant.

<u>Existing Industry in the Community:</u>
Manistique Papers, Manistique Dimension-Dry Kiln, Manistique Saw & Planning Mill, Manistique Machining.

<u>Highlights</u>
Accessibility: Access to a Railroad directly on site.

Schoolcraft County Industrial Park

<u>Overview</u>
Owner / Administrator:
City of Manistique
Approximate Size: 10 acres
Appropriate Zoning: Yes
Current Land Use: Industrial
Miles from US Highway 2: 1.2 miles

<u>Site Adjacencies</u>
North: Prison
East: Transportation Department
South: Manistique Armory
West: Residential

<u>Infrastructure</u>
Natural Gas provided by SEMCO
Water provided by the City of Manistique
Telecommunications provided by Alltel

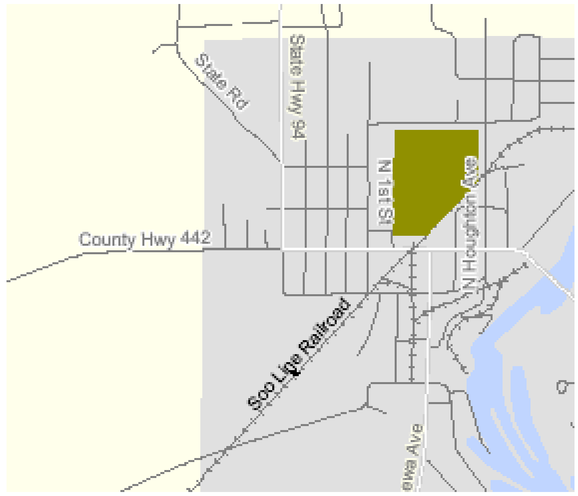
<u>Existing Industry on Site:</u>
Manistique Machine
Harbor Enterprise

<u>Existing Industry in the Community Industries:</u>
Manistique Papers, Manistique Dimension-Dry Kiln, Manistique Saw & Planning Mill, Manistique Machining.

<u>Highlights</u>
Two poll buildings currently located on the site.
Adjacent uses are appropriate.

Existing Industrial Areas

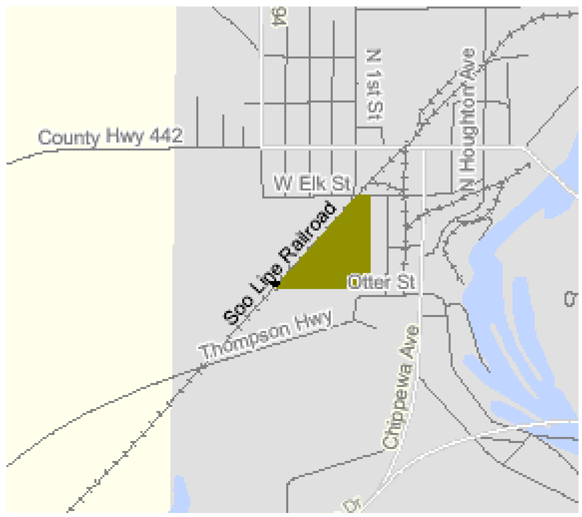
Parcel A



Site Adjacencies
North: Residential
East: Residential
South: Mixed Use
West: Residential

Highlights
Accessibility: Access to a railroad directly on site. Currently zoned industrial.
Approximate Size: 45 acres
Miles from US Highway 2: 1.2 miles

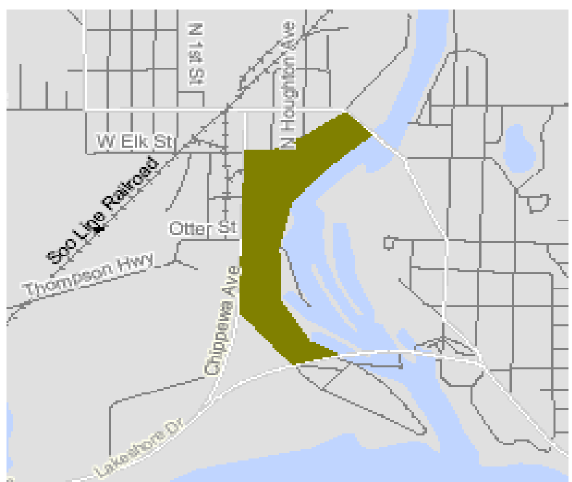
Parcel B



Site Adjacencies
North: Mix Use
East: Light Industrial & Residential
South: Residential
West: Residentail

Highlights
Accessibility: Access to a railroad directly on site. Currently zoned industrial.
Approximate Size: 25 acres
Miles from US Highway 2: 0.7 miles

Parcel C



Site Adjacencies
North: Residential
East: Manistique River
South: Commercial
West: Light Industrial

Highlights
Accessibility: Access to a railroad directly on site. Currently zoned industrial.
Approximate Size: 58 acres
Miles from US Highway 2: 0.5 miles

Proposed Industrial Area

Area A Adjacencies
North: Open Space
East: Open Space
South: Schoolcraft Airport
West: Commercial Use

Existing Industry on Area A:
This area is vacant.

Miles from US Highway 2: 0.8 miles

Area B Adjacencies
North: Open Space
East: Open Space
South: Commercial Use
West: Airport

Existing Industry on Area B:
Replica Engines
Southeastern Transportation Systems

Miles from US Highway 2: 1.2 miles

Area C Adjacencies
North: Schoolcraft Airport
East: Commercial
South: Lake Michigan
West: Commercial

Existing Industry on Area C:
Closed Down Movie Theater
Cemetery

Miles from US Highway 2: 0.0 miles

4.7 Recommendations and Strategies

Schoolcraft County has the potential to attract or expand manufacturing companies that produce wood products and fabricated metal products. After expanding these industries, Schoolcraft County would also have the potential to attract wholesale companies, trucking companies, and other light industrial firms. These firms should also be encouraged to locate on the industrial sites through zoning, tax-breaks or utility incentives. Schoolcraft County should meet with entrepreneurs and manufacturing firms in the region to discuss investment and expansion opportunities in the Schoolcraft Industrial Parks.

We recommend that Schoolcraft County and the City of Manistique work together to develop a sustainable plan for industrial development. This plan should include acquisition of land near the county airport (approximately 10 acres), which should later transition into the County Industrial Park. The current county industrial park should then transition into the city industrial park. The current City Industrial Park could then be rezoned and developed as residential neighborhoods.

The industrial sites should be ready for immediate development with the grass mowed, any shrubbery removed, and the development parcels graded for development. The primary access roads leading up to and through these parks should be fully constructed to meet the needs of the manufacturing industry, including appropriate widths, curb-cuts, access and egress, turning radii, speed limits, and signalized turning lanes for trucks.

Additionally, a utility station should be added that provides a parcel map, zoning codes, welcome packet, and demographic / labor force data. Planning diagrams indicating the industrial park's location and available parcels should be displayed on-site. Below are two examples of industrial park gateway signs at the entrances into the Williamston (left photo) and St. Johns (right) industrial parks, both located in Michigan.

.

At the early stages of development, it is not necessary to fabricate facilities for potential, but unknown tenants. However, examples of pre-approved facilities should be provided to interested tenants, along with approved dimensions, construction materials, set-backs, facades, parking ratios, signage, usage, and related planning considerations.

Samples of generic industrial facilities located in Grayling and Gladwin, MI.

Schoolcraft County and the City of Manistique should also work with qualified planners and architects to develop a comprehensive master plan which should prepare actual site, building, parking, utility, environmental, grading, civil engineering, architectural plans and construction documents. Anderson Economic Group is available to provide recommendations or referrals upon request.

Schoolcraft County should continue to market these industrial sites on their web site. However, the marketing materials should include the site plans and construction documents discussed above, as well as leasing information, a list of current tenants, pre-approved building designs, and photographs of the well-maintained sites.

5.0 Tourism & Local Attractions

Schoolcraft County shares a number of amenities in the Upper Peninsula with other area counties, including large state and national forests with various recreational and outdoor sporting opportunities. Vacationers, visitors and residents enjoy bird watching, camping, canoeing, kayaking, cross country skiing, dog sledding, fishing & ice fishing, golfing, hiking, horseback riding, mountain biking, snowmobiling, snowshoeing, swimming, boating and scenic photography.

As part of an evaluation of the local economy and potential for developing industrial parks and the downtown shopping district, it is important to have an understanding of the role of tourism to the county. Tourists and visitors result in sales inflow for retailers, traveler accommodations and spin-off benefits for the entire region. It is also important to consider the variety of local attractions, which enhance the quality of life for local residents, present a positive image to visitors, and create a community that is a desirable place to live. In this section of our report, we will comment further on the importance of both tourist attractions, and amenities for local residents.

5.1 Measuring Visitor Contributions

There is limited information documenting the number of non-residents that visit Schoolcraft County each year. Although total figures are not available, sporadic data indicate that about 23,000 visitors stop at the Gulliver lighthouse alone, although only 6,300 visitors stop at the Manistique Chamber of Commerce each year.

To derive more complete estimates, we have conducted an evaluation of hotel rooms and occupancy rates. The county includes about 430 hotel rooms (excluding establishments with fewer than 10 rooms, campgrounds and campsites) and a reported 65% average annual occupancy rate, including full occupancy during peak summer months. Assuming an average of 2 persons per room, this totals about 213,525 visitor nights. An inventory of significant hotels and motels in Schoolcraft County is provided in Table 15 on page 42.

TABLE 15. Significant Hotels and Motels - Schoolcraft County

Count	Travel Accommodations	City	Count	Travel Accommodations	City
1	Beachcomber Motel	Manistique	13	Hovey's Bear Trap Resort / Cabins	Manistique
2	Best Western Breakers Motel	Manistique	14	Indian Lake Resort	Manistique
3	Brady's Resort	Manistique	15	Kewadin Inn	Manistique
4	Colonial Motel	Manistique	16	Lone Eagle Resort	Manistique
5	Comfort Inn	Manistique	17	Manistique Motor Inn Budget Host	Manistique
6	Econo Lodge	Manistique	18	Mountain Ash Resort / Cabins	Manistique
7	Fours Seasons Resort	Manistique	19	Northshore Motor Inn	Manistique
8	Gerometta's Resort	Manistique	20	Royal Rose Bed & Breakfast	Manistique
9	Harbor Motel	Manistique	21	Star Motel	Manistique
10	Hiawatha Motel	Manistique	22	Valley Motel	Manistique
11	Holiday Inn Express	Manistique	23	Whispering Pines Resort	Manistique
12	Holiday Motel	Manistique			

Count	Travel Accommodations	City	Count	Travel Accommodations	City
24	Blaney Lodge Bed & Breakfast	Germfask	32	Fox River Motel	Seney
25	Blaney Park Motel	Germfask	33	Rustic Cabins	Seney
26	Rivers Edge Bed & Breakfast	Germfask	34	Seney Country Restaurant & Motel	Seney
27	Jolly Inn	Germfask	35	Log Cabin Resort & Campground	Curtis
28	Blaney Inn	Gulliver	36	Thompson Harbor Motel	Thompson
29	Dreamland Motel & Restaurant	Gulliver	37	Al O Ray Motel	Thompson
30	Jim and Jude's Cabins McDonal	Gulliver			
31	Old Deerfield Resort	Gulliver	** Source:*	Total # Rooms - 37 Facilities*	430

*Source: Chamber of Commerce, excluding facilities with fewer than 10 rooms.

Based on the visitor night estimates (204,035) and our experience in visitor expenditures, it is estimated that overnight visitors alone contribute about $3.06 million annually in retail sales, $5.10 million on meals and $6.12 million on hotel and motel accommodations. Recognizing that these figures are not adjusted for day trips or overnight visitors staying in campgrounds and cabins (who also tend to spend less), this analysis indicates support for about 5 establishments each in retail, restaurants and hotels sectors. Table 16 on page 43 demonstrates the derivation of these estimates.

TABLE 16. Derivation of Visitor Expenditures

Visitor Assumptions - TOTAL	Calculations	Visitor Expenditures on Meals	Calculations
Total # Rooms - 39Facilities	430	Meals - Expenditures per Visitor Night	$25
Average Persons Per Room	2	Meals - Annual Visitor Expenditures	$5,100,875
Average Annual Occupancy Rate	65.0%	Average Restaurant Productivity ($/SF)	$200
Average Annual Visitor Nights	204,035	Supportable SF of Restaurants	26,000
		Average Restaurant Size (SF)	5,000
		Number of Supportable Restaurants	5
Visitor Expenditures on Stores	**Calculations**	**Visitor Expenditures on Hotels**	**Calculations**
Retail - Expenditures per Visitor Night	$15	Hotels - Expenditures per Room	$60
Retail - Annual Visitor Expenditures	$3,060,525	Hotels - Annual Visitor Expenditures	$6,121,050
Average Store Productivity ($/SF)	$200	Average Hotel Productivity ($/SF)	$65
Supportable SF of Retail	15,000	Supportable SF of Hotels	94,000
Average Retail Shop Size (SF)	3,000	Average Hotel Size (SF)	20,000
Number of Supportable Retail Shops	5	Number of Supportable Hotels	5

Assuming $3.2 million in retail sales and $5.3 million in restaurant sales generated by visitors, and assuming an average sales productivity of $200 per square foot, these figures indicate support for about 43,000 square feet of retail space (16,000 + 27,000). This figure represents less than 6 percent of the total retail space in the market, including restaurants, but excluding hotels and motels. Visitor expenditures on retail stores and restaurants are estimated to total $8.5 million, which represents about 11 percent of total transacted retail sales.

These figures are important in understanding that prospective entrepreneurs and independent merchants cannot rely on tourism alone for the success of their business. In fact, visitors and tourists typically contribute only 10 to 15 percent of total sales at local retail shops, and 40 percent of sales for local restaurants. Exceptions to this rule include hotel / motel accommodations, of which visitors account for about 80 percent of sales at hotels and motels, and tourist gift shops (about 70% visitor sales). Although few in number, some unique exceptions do exist like Northland Outfitters in Germfask.

5.2 Promotion of Visitor Attractions

The importance of tourism to the local economy can be increased by improving the variety, quantity and quality of attractions, and through aggressive marketing and promotional efforts. With this in mind, we conducted an evaluation of existing amenities and reviewed two local web sites, including www.manistique.com (Chamber of Commerce) and www.schoolcraftedc.com (Economic Development Corporation). Based on our review, the following attractions are being promoted within the City of Manistique and Schoolcraft County, with descriptions provided in *Appendix A* of this report.

Schoolcraft County: Actively Promoted Visitor Attractions

1. Big Springs - Palms Book State Park
2. Bishop Baraga Mission and Indian Cemetery
3. Fayette Historic Iron Smelting Village
4. Indian Lake & State Park
5. Hiawatha National Forest & Lake Superior State Forest
6. Gateway to Pictured Rocks National Lakeshore (North Shore)
7. Rainey Wildlife Area
8. Thompson State Fish Hatchery
9. Seney National Wildlife Refuge
10. Indian Lake 18-Hole Golf Club
11. Northland Outfitters in Germfask

Manistique: Actively Promoted Visitor Attractions

12. Lake Michigan Boardwalk and Beaches
13. Upper Peninsula Lighthouses
14. Schoolcraft County Water Tower
15. Manistique River Siphon Bridge

Schoolcraft County has actively promoted landmark features such as the Manistique Historic Watertower (top photo, below) and various lighthouses (bottom). Additional marketing opportunities are explored in this section of our report.

The Kitch-Iti-Kipi Visitor Overlook and Raft at Big Springs in Palms Book State Park is an actively promoted and well-maintained visitor destination.

Following our review of promoted attractions, we also composed a list of additional amenities offered in the county that are not being promoted as aggressively, and therefore represent potential opportunities for attracting new visitors. Our list includes Kewadin Casino, which does not have popular local appeal, but nevertheless “is here to stay”, and should be promoted to generate spin-offs in hotel and restaurant revenues.

Attractions that could be promoted include Manistique’s downtown shopping district and Harbor Point retail shops, the Stoney Point Golf Course (9-holes), various local festivals and events, and other area resources. In some cases there are opportunities that can be created, particularly with establishment of a county-wide circle tour (auto) and aggressive signage effort to link the townships and communities in a cohesive county-wide identity program. We also recommend restoring the Seney Fish Hatchery, which could become a self-funded attraction through entrance fees.

Additional attractions that were mentioned repeatedly during our focus group sessions and interviews with community stakeholders include the Boy Scouts of America park, various hunting grounds, river fishing, Native Indian dances for the public, and deep-woods camping. While campers typically spend less than visitors staying in hotels, they still contribute to the activity level and may return for subsequent stays. These and other amenities are summarized in the following list.

Schoolcraft County Visitor Attractions - Recommended Promotions

1. Kewadin Casino
2. Historic Main Street & Downtown (improve signage)
3. Harbor Point retail shops
4. Stoney Point 9-Hole Golf - renovation underway
5. Manistique festivals and events (see the next list in this report)
6. “Schoolcraft County Circle Tour” (create, sign & maintain)
7. Thompson: Historical Marker for the Christmas Tree Ship / Rouse Simmons
8. Deep Woods Camping in area’s three State Parks
9. Boy Scouts of America - 40 acre park & archery range open to the public
10. Hunting Clubs & Grounds - partridge, bear, turkey, rough grouse, quail
11. Seney Fish Hatchery (restore)
12. River Resources and Trout Fishing: Fox River, Thompson Creek, etc.
13. Seney: Museum / Depot
14. Germfask: State Historical Bridge, Wildlife Refuge

Kewadin Casino has not been well-received by local residents, but is “here to stay”, and should be promoted for its benefit to the area’s motels and restaurants.

5.3 Attractions for Local Residents

Even if visitors double in size over the next few years, residents will continue to account for 80 to 85 percent of most retail sales and related business transactions in the the county, with the exception of hotels, motels, campgrounds and tourist shops. Resident citizens represent the core population that supports economic activity, and should be the county's primary concern in addressing amenities and resources that reach beyond employment opportunities and job training.

It is a common challenge for small towns to provide enough entertainment and variety for its local citizens, particularly the younger population that continually craves new challenges and experiences. Schoolcraft County (and particularly Manistique) currently offer a number of resources, venues, events and attractions for its local families and residents, and we have identified 9 events, and 11 additional sources of fun. These resources, which are summarized in the following two lists, should be marketed and promoted in summary brochures for new families moving into the region, recognizing that they may also appeal to visitors.

Manistique: Promote Current Festivals and Events

1. Fourth of July Celebration (parade, fireworks, small art festival, & live music)
2. The Folkfest (food, games, auction, live music & dancing)
3. Antique Car Show (includes snow mobiles, motorcycles & cars)
4. Arts Festival
5. Sidewalk Sale
6. Indian Festival / Great North Winds Pow-Wow
7. Schoolcraft County Fair
8. Salmon & Fishing Derby
9. Michigan Snow Cross Association Race Weekend

Manistique: Promote Existing Entertainment Venues

1. Schoolcraft County Environmental Educational Laboratory
2. Various community parks, including the Manistique Youth Soccer League field
3. Boy Scouts of America, 4-H Club
4. Manistique Clubhouse Playground & Other City Parks
5. Little Bear West Roller Arena (see following photo)
6. Lakeview Lanes - 8-lane Bowling Alley & Mini-Golf
7. Roger's Park, Lake Boardwalk and Beaches
8. Stoney Point 9-Hole Golf
9. Tee-94 Driving Range - north end of town
10. Cinema One - downtown Manistique
11. New Manistique School Stadium and "Home of the Emeralds"

Little Bear West Roller Arena (top photo, below) and an attractive park in the City of Manistique.

A number of additional ideas have been discussed through focus group sessions and other discussions in the community. It is clear that county residents crave new adventures, family outings and social settings, which provide opportunities for chance encounters, and enhance community pride and quality of life. Recognizing that new venues will depend upon local resources, funding and team initiatives, our retail analysis (discussed in a separate chapter of this report), indicates current support for up to three additional entertainment venues, which could include some of the following:

Manistique: Up To Three Additional Entertainment Venues Recommended

1. Indoor teen hang-out that is smoke-free, like a video arcade and soda fountain.
2. Community Center / dance or catering hall (see photo below)
3. Sky-diving, Parasailing, Balloon Rides (a visitor attraction with spectator appeal)

In particular, we recommend that a new community center be developed, possibly in the former public works facility, shown in the photo below. A community center can be used for baking contests, dances, party and catering hall, youth events and senior events. The hall can also be used for mini fairs, swap meets for snowmobiles, boats and all terrain vehicles and flea markets.

This historic structure (former Road Commission Office/ Garage) in Manistique may be a prime candidate for a future Schoolcraft County Community Center and dance / catering hall.

The County Airport currently offers airstrips and fueling for private jets, but the station and control tower are not manned. Given its prominent location and visibility to Highway 2, the airport could be actively utilized, perhaps by offering air balloon rides, tandem jumps, parasailing or related air sports to vacationers traveling through the Upper Peninsula. These sports also offer great spectator appeal for residents, and could add support for a small snack shop.

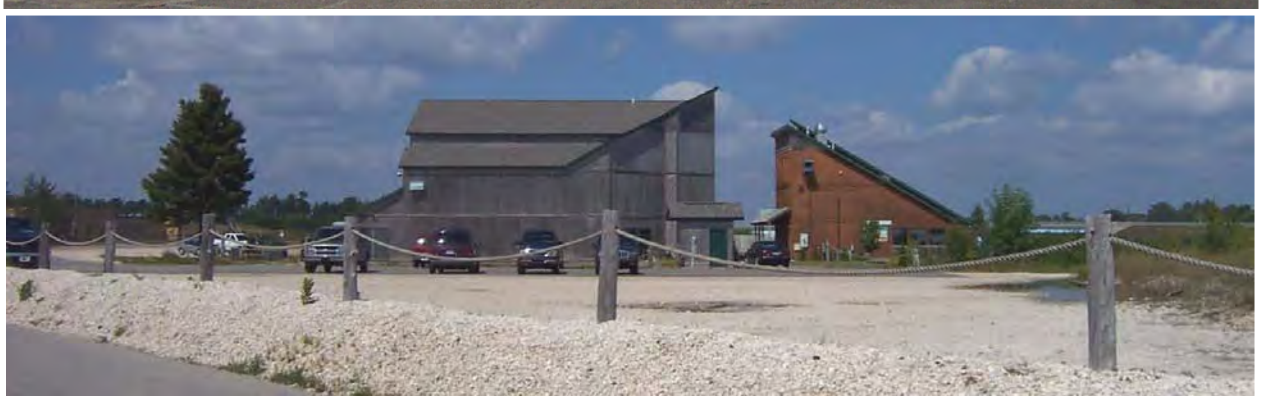
The existing County Airport, which is currently under-utilized.

The importance of parks, greenspace and other public spaces are also essential in creating opportunities for social interaction and enhancing quality of life for local residents. For example, there may be an untapped opportunity to combine promotional efforts and other resources between the 4-H Club, Boy Scouts of America, the Thompson / Seney Fish Hatchery and the Schoolcraft County Environmental Educational Laboratory, which is shown in the following photo. Given these resources, it may even be feasible to create a teen "boot camp" for the region.

The Schoolcraft County Environmental Educational Laboratory.

Finally, the city's proposed addition of boat slips to Manistique Harbor should be aggressively pursued. The harbor is reported to have lost some of its functionality because accumulated silt now prevents deep water vessels from entering the harbor, thus the harbor should be dredged. Other attractions could be added, including boat rental, boat tours, and fishing guides, with a transaction booth located at Trader's Point. The following photos display the harbor as it appears today, including Trader's Point, which offers a cafe, bookstore and antique shops.

Manistique Harbor and Trader's Point



5.4 Additional Marketing Recommendations

As part of our evaluation of the City of Manistique and Schoolcraft County's marketing materials, including brochures and websites. Based on our review, we have developed a number of additional recommendations which are summarized below.

EDC / DDA / Chamber - Summary Recommendations

1. Promote new industrial site on EDC website. (www.schoolcraftedc.com).
2. Improve Chamber of Commerce web site and link it to EDC and DDA (www.manistique.com).
3. Add distinct signs directing visitor traffic into downtown Manistique, and clear signs to the Main Street shopping district. Re-route all visitors to the "Historic Downtown" at North Cedar, and "Trucks Only" onto North Rt. 94 / Maple.
4. EDC and Chamber - collaborate to create a third urban park in downtown Manistique. Add prominent "open" sign for the Watertower Museum and a prominent monument sign for the Siphon Bridge.
5. Work with WLUC-TV6 radio, the Daily Press (Escanaba), the Mining Journal (Marquette) and the Pioneer Tribune to announce events and promote attractions throughout the region.
6. Create, adopt and implement a county-wide Circle Tour that connects the cities and townships.
7. Create, adopt and implement a county-wide Signage Program, with community welcome signs and circle tour markers. Add roadside monuments summarizing the tour route. Add mileage signs at city edges indicating the distance to the next community. Add prominent signage for lake front parks along Highway 2, and other parks along the circle tour. Provide roadside "turn-offs" for vehicles wherever possible.

Of importance, Schoolcraft county should implement a county-wide signage program for a Circle Tour that ties the individual communities together. Each community should include roadside gateway signs that are consistent in style throughout the community, marking the tour route with mileage indicators to the next town. The route can be summarized on monuments located at roadside stops. The following communities should be included at a *minimum.*

1. Gulliver
2. Germfask
3. Shingleton (Alger County)
4. Thompson
5. Blaney Park
6. Seney
7. Steuben
8. Manistique

In summary, the City of Manistique offers a variety of resources which could be "packaged" together in a brochure that is targeted to young families and new residents, conveying the following messages:

> "Manistique offers its own Medical Center, plus a new Tribal Community Center."
>
> "Manistique will soon have a new Industrial Park with additional skilled jobs and employment opportunities."
>
> "Manistique offers the last stretch of affordable lakefront property on Lake Michigan"
>
> "Our local banks plan to provide attractive business loans to small businesses and merchants."
>
> "Manistique offers small town charm, peaceful quality of life and friendliness to newcomers."

6.0 Retail Feasibility Study

This section of our report includes a description of the existing retail environment, followed by quantitative recommendations for the amount of supportable retail square feet in Schoolcraft County. While the majority of our report has included evaluations of Schoolcraft County overall, this section decidedly focuses on downtown Manistique, and includes recommendations for the existing Main Street shopping district that extends about 2 blocks north and south along Cedar Street.

6.1 Methodology - Supply v. Demand

Our analysis of retail sales includes a comparison of supply and demand in the local market. By calculating the proportion of Schoolcraft County's expenditure potential that is captured by existing retailers, it can be determined which categories have remaining sales potential. The deductive supply v. demand analysis works to prevent over-storing in the market. In other words, each retail category should attempt to reach the limit of its expenditure potential, but not go beyond it. This also enables effective retail development planning, as stores can 'fill-in' the retail voids, capturing a possible niche market in the area, maximize their sales and create a sustainable downtown shopping environment.

Our supply v. demand analysis includes an analysis of transacted retail expenditures for Schoolcraft compared to other counties in the Upper Peninsula, plus an analysis of demographic data, particularly population, income and retail expenditures per capita. The source data are published by the U.S. Census Bureau (1992, 1997 and 2002 Census of Retail Trade), supplemented with vendor data and projected by qualified experts at AEG. Retail expenditure potential refers to the total dollar amount that residents are willing and able to spend on each retail category, based on their income relative to the regional and state averages.

It is important to note that resident expenditures cannot be expected to increase for any given retail category simply by introducing incremental retail space into the market place. Rather than the "build it and they will come" theory, this analysis assumes that the market share for each retail category will be redistributed after new stores open, with some negative sales impact on existing units. Resident expenditures increase only with gains in population, household, income and visitor traffic, not with increases in retail space.

Similar to the decennial population census, the U.S. Census Bureau also conducts a national retail sales survey every five years (1992, 1997, 2002, etc.) and classifies similar retailers into categories. For purposes of this analysis, we have reviewed 17 retail categories to determine the amount of incremental space that is supportable within Schoolcraft County.

The 17 retail categories evaluated in this market study are summarized below:

1. Auto Repair & Maintenance
2. Dry Cleaning & Laundry Service
3. Travel Accommodations (Hotels / Motels, Travel Agencies)
4. Foodservice & Drinking Places (Restaurants, Fast Food, Taverns)
5. Motor Vehicle Parts / Dealers
6. Furniture / Home Furnishings
7. Electronics / Appliances
8. Building / Garden Supply
9. Food and Beverage (Supermarkets, Convenience, Liquor & Specialty Foods)
10. Health / Personal Care (Pharmacies, Beauty Supplies, Optical, Vitamins)
11. Gas Stations
12. Clothing / Clothing Accessories
13. Sporting Goods / Hobby / Book
14. General Merchandise (Dollar Stores, Discount Stores, Department Stores)
15. Miscellaneous Retailers
16. Real Estate Agents
17. Arts, Entertainment, Recreation

All 17 of these categories are evaluated in this analysis, but not all represent supportable tenants for downtown Manistique.

6.2 Effective Trade Area for Downtown Manistique

An analysis of supply and demand first requires delineating a geographic area that represents the effective trade area for merchants in downtown Manistique. In urbanized and high-density areas, trade areas are typically defined by delineating zip codes, census tracts, or even block groups. However, in rural areas, competing locations are less numerous and consumers are typically willing to drive further for services. Trade areas can be delineated on the basis of larger geographic units like townships or counties.

For the purpose of this project, we have determined that Schoolcraft County represents a reasonable trading area for downtown Manistique, based on variety of factors and field observations, including traffic flow patterns, drive time analysis, accessibility, locations of existing and proposed competition, natural and man-made barriers, psychological (socio-economic) factors and the city's overall customer drawing power.

The downtown trade area represents the area from which the majority of shoppers and merchants' customers will be derived, and represents the geographic area which is served by the downtown. Schoolcraft County represents a reasonable trading area for the downtown, and residents in this trade area are expected to contribute 70 percent of total retail sales for local stores and businesses (with the exception of hotels / motels and tourist shops), with the balance representing "inflow" from adjacent counties and overnight and day visitors.

70% Schoolcraft County
10% Delta and Alger Counties
5% Balance of Eastern Peninsula Region
15% Visitors, including some day visitors

The downtown trade area reflects its full potential for drawing customers from the surrounding area, assuming that its "pulling power" is assisted by a revitalized Main Street and other improvements that are addressed later in this report. The trade area also recognizes the presence of competing shopping destinations in Marquette, Mackinaw City, Escanaba and other communities in the region.

6.3 Supply - Competing Retail Environments

Our retail assessment included quantifying existing space for a variety of retail categories, and then projecting the potential resident expenditures on each of those categories, followed by a deductive analysis to identify any under-representation. An understanding of the current supply of retail shopping opportunities, including competing destinations in Marquette and Escanaba, is essential in evaluating the opportunity for incremental space in a relatively small local market like Manistique.

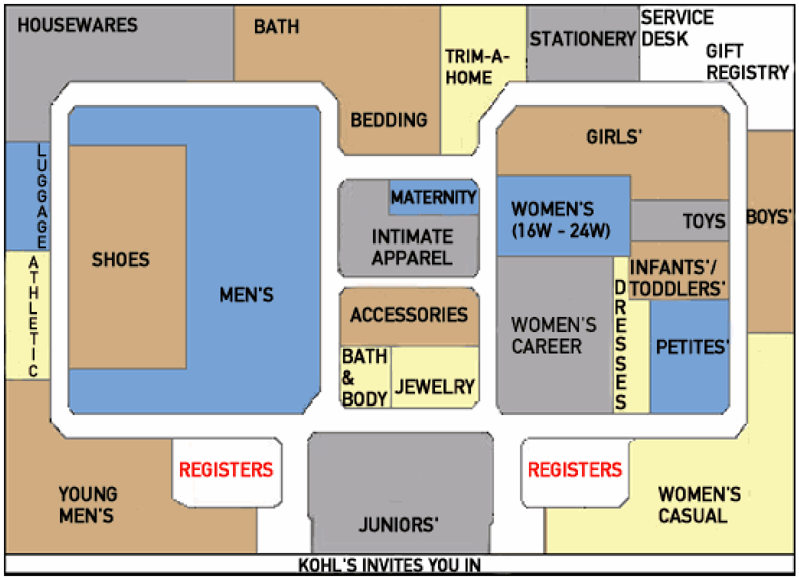
Current residents of Marquette, Escanaba and Manistique have traditionally been pulled to Green Bay, Wisconsin for upscale department store shopping. The nearest Boston Store and Elder-Beerman are located in Green Bay (Bay Park Square / Port Plaza). The traditional and relatively moderate department stores like JCPenney, Sears and Younkers each have stores in Escanaba and Marquette. The nearest Target Discount Store for Schoolcraft County residents is in Marquette, the nearest Wal-Mart stores are in Marquette and Escanaba, and Kmart operates a store in Escanaba. A summary of these and other destinations is provided below.

National Chain Department and Discount Stores
Nearest Locations for Schoolcraft County Residents

Elder Beerman	Green Bay, WI
JCPenney	Escanaba and Marquette, MI
Sears	Kingsford and Green Bay, WI; Escanaba, MI
Younker’s	Green Bay & Marinette, WI; Marquette, MI
Kohl’s (Oct. 2003)	Marquette, MI
Target	Marquette, MI
Wal-Mart	Marquette and Escanaba, MI
Kmart	Escanaba, MI
Pamida	Manistique, MI

Among most recent retail events, Kohl’s Department Store recently opened in Marquette in October 2003, and is now the newest full-line department store available to Schoolcraft County shoppers. A diagram depicting Kohl’s typical store departments is provided below, and demonstrates the chain’s full line of merchandise offerings, ranging from housewares to infant clothing.

Kohl's new store in Marquette opened in October 2003, and is now the newest full-line department store for shoppers in Manistique.



Schoolcraft County residents frequently go to Escanaba or Green Bay for variety and depth of merchandise that is unavailable at local stores like Pamida, the People's Store and Dollar General. These lost sales are offset by visitor sales "inflow" into the market, resulting in net sales that are comparable to both Escanaba and Marquette when measured on a per capita basis.

6.4 Supply - Manistique Retail Environment

Residents in Schoolcraft County are served by various commercial corridors, downtowns and scattered independent merchants and businesses, notably in Seney, Germfask and Thompson. However, the majority of retail in the county has developed along the Highway 2 corridor near Lake Michigan's northern shore. This corridor is dominated by motels, restaurants, fast food, gas stations and convenience centers.

Until recently, the City of Manistique also included a number of mainstay traditional stores like Ben Franklin and Snyder Drug, which anchor the downtown, as well as several more recent additions like Pamida and Save-A-Lot Grocery. However, Snyder Drug recently closed (Fall 2003), leaving a significant vacancy (about 6,000 square feet) and also an opportunity for a new retail concept.

Although Pamida and Save-A-Lot are not in the downtown, the market perception is that new retailers tend to help the community overall, and that the impact on established tenants is more than offset by the retention of resident expenditures in the market overall. Photos of these anchor retailers are provided below.

Some of the most recent retail additions to Manistique include Pamida, which now includes a new pharmacy (Snyder acquisition), and Save-A-Lot.

Vintage mainstays like Snyder Drug and Ben Franklin anchored downtown Manistique. Snyder Drug was acquired by Pamida in Fall 2003 and the pharmacy was relocated, leaving a large vacancy in the downtown with an opportunity for a new retailer.

The following table provides our estimates of total space (square feet) for the 17 summary retail groups throughout the City of Manistique. As shown, there is an estimated 755,000 square feet of retail and business space in the local market, of which 13.9% is Foodservice & Drinking Places, 13.2% Entertainment Venues, 9.9% Miscellaneous, 8.6% Building / Garden Supply, 7.9% General Merchandise, 7.7% Food and Beverage, 6.0% Personal & Laundry Service and 5.3% Motor Vehicle Parts / Dealers. Gas Stations tend to rank low, but only because the convenience portion is allocated to Food and Beverage.

TABLE 17. Manistique Retail & Business Categories - Summary Estimates

	Manistique, Michigan Area	Examples (partial list)	Estimated Sq. Ft.	Percent of Total
1	Foodservice & Drinking Places	JAX, Buckshot's	105,000	13.9%
2	Entertainment Venues	Cinema, Bowling, Skating	100,000	13.2%
3	Miscellaneous	Gifts, Art, Antiques	75,000	9.9%
4	Building / Garden Supply	Ace, Do-It Center	65,000	8.6%
5	General Merchandise	Pamida, Ben Franklin	60,000	7.9%
6	Food and Beverage	Jack's, Sav-A-Lot	58,000	7.7%
7	Personal & Laundry Service	King Koin, Trim-N-Tan	45,000	6.0%
8	Motor Vehicle Parts / Dealers	Curran, Napa	40,000	5.3%
9	Furniture / Home Furnishings	Shunk, Phoenix	30,000	4.0%
10	Electronics / Appliances	M&L, Radio Shack	30,000	4.0%
11	Auto Repair & Maintenance	Baker's, Bergy's	25,000	3.3%
12	Clothing / Clothing Accessories	Mercado, Nelson Shoes	25,000	3.3%
13	Finance, Insurance, Real Estate	Grover's, Malloy	37,000	4.9%
14	Health / Personal Care	Putvin, Pamida	15,000	2.0%
15	Sporting Goods / Hobby / Book	Tamarack Book, Thompson	17,000	2.3%
16	Financial Institutions / Banks	Wells Fargo, State Savings	18,000	2.4%
17	Gas Stations (excludes convenience stores)	Citgo, Shell, BP	10,000	1.3%
	Total Retail & Business Categories		**755,000**	**100.0%**

Appendix D of this report provides a table of most retailers and businesses in the City of Manistique, Thompson and the immediately surrounding area, including the Route 94 and Route 2 corridors. The list reflects our rigorous field inventory, and any omissions are unintentional.

Several categories appear to have a low share of the total space relative to the mix, including clothing stores, furniture, electronics, drug stores and sporting goods. In comparison, Community Stakeholder’s that we interviewed frequently requested a quality restaurant in the Manistique area, but food service and drinking places already control the largest percent of retail space. We considered each of these categories carefully in our demand analysis with an evaluation of regional shopping patterns and local income levels.

6.5 Demand - Schoolcraft County Spending Patterns

A complete analysis of retail sales demand and opportunity relies upon accurate projections of market parameters, including Population and Per Capita Income (PCI), which when multiplied together, derive Total Personal Income (TPI). Retail expenditures can then be evaluated on the basis of Per Capita Expenditures (Total Sales v. Total Population), and compared to income levels (Per Capita Expenditures v. Per Capita Income). These market parameters were introduced and discussed in an earlier chapter of this report, under Section 3.1, "County Overview," on page 6.

The demand evaluation of our retail analysis involves a comparison of resident income levels to the region, including the portion of income that is typically spent on each retail category. A deductive analysis of Expenditure Potential versus Supply by retail category indicates potential opportunities for additional shops, merchants or businesses. These opportunities are then qualified based on field observations, focus group discussions, interviews with Community Stakeholder's and the applied experience of qualified retail consultants at AEG.

Table 18 on page 63 provides a comparison of population, income, total personal income and retail expenditures for each of the counties in the 7-county region. A larger copy of this table is also provided as an attachment to this report in *Appendix E.* As shown, transacted retail sales in Schoolcraft County represent $9,021 on a per capita basis, which represents 58.9% of per capita income. This is considerably higher than the regional average (52.3%), but slightly lower than Delta County (Escanaba, at 59.7%).

TABLE 18. Seven County Demographic Comparison - Population, Income and Retail Expenditures

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
2007 Population (Anysite)	178,550	9,229	37,878	59,966	12,509	10,331	40,803	7,835
2002 Population (Anysite)	178,152	8,986	37,732	63,196	11,952	9,956	39,082	7,247
2000 Population (Census)	179,415	8,903	38,520	64,634	11,943	9,862	38,543	7,010
1997 Population (interpolated)	178,221	8,718	38,042	66,447	11,486	9,577	37,210	6,565
1990 Population (Census)	175,465	8,302	36,951	70,876	10,486	8,943	34,275	5,634
CAGR 2002-2007 (%)	0.0%	0.5%	0.1%	-1.0%	0.9%	0.7%	0.9%	1.6%
CAGR 2000-2002 (%)	-0.4%	0.5%	-1.0%	-1.1%	0.0%	0.5%	0.7%	1.7%
CAGR 1990-2000 (%)	0.2%	0.7%	0.4%	-0.9%	1.3%	1.0%	1.2%	2.2%
Income Comparisons								
2007 PCI (projected)	$22,807	$22,389	$24,278	$23,221	$27,340	$24,310	$19,072	$23,254
2002 PCI (projected)	$19,377	$19,069	$20,734	$19,975	$21,111	$20,438	$16,412	$19,149
2000 PCI (interpolated)	$18,188	$17,758	$19,332	$18,684	$18,825	$18,924	$16,040	$17,569
1999 PCI (2000 Census)	$17,293	$17,137	$18,667	$18,070	$17,777	$18,210	$15,858	$16,828
1997 PCI (interpolated)	$15,613	$15,306	$16,735	$16,370	$15,765	$16,044	$14,304	$14,934
1990 PCI (interpolated)	$10,978	$10,306	$11,417	$11,583	$10,355	$10,301	$9,969	$9,834
1989 PCI (1990 Census)	$10,375	$9,740	$10,810	$11,025	$9,751	$9,669	$9,468	$9,264
CAGR 2002-2007 (%)	3.3%	3.3%	3.2%	3.1%	5.3%	3.5%	3.0%	4.0%
CAGR 1999-2002 (%)	3.9%	3.6%	3.6%	3.4%	5.9%	3.9%	1.2%	4.4%
CAGR 1989-1999 (%)	5.2%	5.8%	5.6%	5.1%	6.2%	6.5%	5.3%	6.2%
2007 Total Personal Inc. ($Mil.)	$4,072	$207	$920	$1,392	$342	$251	$778	$182
2002 Total Personal Inc. ($Mil.)	$3,452	$171	$782	$1,262	$252	$203	$641	$139
2000 Total Personal Inc. ($Mil.)	$3,263	$158	$745	$1,208	$225	$187	$618	$123
1990 Total Personal Inc. ($Mil.)	$1,926	$86	$422	$821	$109	$92	$342	$55
CAGR 2002-2007 (%)	3.4%	3.8%	3.3%	2.0%	6.3%	4.3%	3.9%	5.6%
CAGR 2000-2002 (%)	2.9%	4.1%	2.5%	2.2%	5.9%	4.4%	1.9%	6.2%
CAGR 1990-2000 (%)	5.4%	6.3%	5.8%	3.9%	7.6%	7.3%	6.1%	8.3%
1997 Retail Trade Data								
Total Retail Trade ($Mil.)	$1,456.4	$78.6	$380.0	$522.7	$83.7	$37.1	$289.6	$64.7
Expenditures per Capita ($)	$8,172	$9,021	$9,989	$7,867	$7,286	$3,872	$7,783	$9,851
Percent of PCI (%)	52.3%	58.9%	59.7%	48.1%	46.2%	24.1%	54.4%	66.0%
Foodservice/Drinking ($Mil.)	$154.6	$5.4	$32.5	$51.7	$20.3	$8.9	$31.2	$4.6
Expenditures per Capita ($)	$868	$623	$854	$779	$1,771	$927	$838	$700
Percent of PCI (%)	5.6%	4.1%	5.1%	4.8%	11.2%	5.8%	5.9%	4.7%
Arts/Entertain./Recreat. ($Mil.)	n/a	$1.0	$6.7	$4.2	$3.4	n/a	n/a	n/a
Expenditures per Capita ($)	n/a	$116	$176	$63	$293	n/a	n/a	n/a
Percent of PCI (%)	n/a	0.8%	1.1%	0.4%	1.9%	n/a	n/a	n/a

Expenditures in Marquette County are considerably less on a per capita basis compared to Schoolcraft County, which reflects the presence of the local university students (Marquette University) who generally spend less on household and durable goods. Expenditures in Munising are exceptionally low, reflecting limited shopping opportunities and "outflow" of shoppers to Schoolcraft and Delta Counties.

It should be noted that the sales data represents *net* transacted sales at the various retailers divided by total population, rather than actual per capita expenditures of resident shoppers. Said another way, the retailers in Schoolcraft County realized $78.6 million net sales, which includes sales lost to surrounding counties offset by sales gained from visitor shoppers and tourists. If retail options are under-represented in the market and then significantly increased through a planned strategy, then sales may be able to exceed regional levels - at least on a per capita basis. The magnitude of this "upside" potential will still depend upon the size of the local population base and relative income levels.

6.6 Supply v. Demand - Results

Based on the results of our supply v. demand analysis, including population and income projections, past expenditure patterns and import / export for Schoolcraft County and the region, we conclude that there is near-term support for up to 18,000 square feet of incremental retail in the local market. Reflecting moderate population and income growth, and supported by a stabilized national and state economy from the current recession, the market can support 22,000 square feet of additional retail by 2007.

Assuming that the average retail shop is about 3,000 square feet, and that the recently vacated Snyder Drug store is 6,000 square feet, then this suggests a total of 6 new stores. In particular, the Snyder Drug facility represents an excellent opportunity for a new retail entrepreneur, in the category of Sporting Goods, Hobby / Books (including music) and Clothing / Fashion Accessories.

In the apparel category, it is recommended that one new store open with at least 3,000 square feet of brand-name fashion apparel that appeals to the community's youth. This may include rugged brand-name jeans, brand-name tennis shoes, brand-name fleece and T-shirts, jackets and caps, apparel with sports affiliations, and "urban" fashions. The market does not meet the typical requirements for national chain retailers like the Gap, Old Navy, Aeropostale, the Buckle or Abercrombie & Fitch - but an independent retailer that mirrors these concepts would be appropriate.

TABLE 19. Summary of Retail Recommendations

Category	Number of New Stores (#)	2002 Sales Upside ($Mil.)	2002 Sales Prod. ($/SF)	2002 Square Feet (SF)	2007 Sales Upside ($Mil.)	2007 Square Feet (SF)
Auto Repair & Maintenance	--	--	--	--	--	--
Personal Care (Salons, etc.)	1	$0.23	415	500	$0.3	500
Drycleaning & Laundry Service	--	--	--	--	--	--
Accommodation	--	--	--	--	--	--
Foodservice & Drinking Places	--	--	--	--	--	--
Retail Trade						
Motor vehicle Parts / Dealers	--	--	--	--	--	--
Furniture / Home Furnishings	1	$0.7	330	2,000	$0.9	2,500
Electronics / Appliances	--	--	--	--	--	--
Building / Garden Supply	--	--	--	--	--	--
Food and Beverage	--	--	--	--	--	--
Health / Personal Care	--	--	--	--	--	--
Gas Stations	--	--	--	--	--	--
Clothing / Clothing Accessories	2	$1.5	279	5,500	$1.8	6,500
Sporting Goods / Hobby / Book	2	$1.0	253	4,000	$1.2	5,000
General Merchandise	--	--	--	--	--	--
Miscellaneous	1	$0.6	202	3,000	$0.8	4,000
Real Estate	--	--	--	--	--	--
Arts, Entertainment, Recreation	1	$0.4	222	3,000	$0.5	3,500
Total Supportable Retail Space	**7**	**$4.5**		**18,000**	**$5.4**	**22,000**

6.7 Implications for Downtown Manistique

The last step of our evaluation involves a practical allocation of supportable square feet to various locations within the local market. In the case of Manistique, we will focus upon the downtown and Cedar Avenue corridor (“Main Street”), as well as the commercial Route 2 to the east and west portions of town.

Downtown Manistique had few retail vacancies prior to the relocation of Snyder Drug to Pamida (through an acquisition that occurred in Fall 2003), but there have been a number of retail departures in the past. Although some departures have been difficult to verify without actual historic data or inventories, the following list represents the shops reported to have closed in Manistique’s recent history.

TABLE 20. Downtown Manistique, Michigan - Past Retail Departures

1.	The Kiddie Shop - Children's Apparel	*gap not yet met*
2.	The Vogue - Women's Fashions	gap partially met by People's Store
3.	Tina's Trends - Women's Fashions	gap partially met by People's Store
4.	JCPenney - Department Store	gap met by Escanaba and Marquette
5.	Brownie's Office Supplies	*gap not yet met*
6.	Scandinavia - Specialty Furniture	*gap not yet met*
7.	The Grainery - Gift Shop	gap met by other gift shops
8.	E&E Imports	gap met by other gift shops
9.	Bakery	gap met by Emma's Deli
10.	DMC - 5 & 10 General Store	gap met by Ben Franklin & Pamida
11.	Maytag - Appliances and La-Z-Boys	*gap not yet met*
12.	Snyder Drug - Pharmacy	Pharmacy acquired by Pamida; relocated

It should be noted that store closures do not necessarily indicate a lack of market support, but may be the result of mismanagement, with costs exceeding sales or disenchanted customers due to inadequate service. Rather, closures can represent market gaps and opportunities, depending upon the results of the supply v. demand analysis.

The following page includes a series of photos depicting the existing downtown environment in the City Manistique. As shown, existing tenants include a pizza place, pharmacy, insurance company, Jax's Restaurant, and Wells Fargo Bank.

Photos of Downtown Manistique - September 2003

The community's largest grocery store, Jack's Supervalue, is also located adjacent to the downtown, and is the first store that most visitors see when routed off west-bound Route 2 onto Northbound 94 / Maple Street.   As noted in the previous chapter of this report, trucks should be directed onto this route along Maple Street, but visitors should be directed onto Cedar Avenue through the downtown.

Jack's Supervalue, located proximate to downtown Manistique.

Based on our assessment of the existing downtown and Route 2 and 94 commercial corridors, we recommend that 100% of the supportable retail space in the local market be targeted for downtown Manistique, occupying existing and available facilities and increasing the synergies among existing retailers. If necessary, it is recommended that service-based businesses (medical, insurance, law) be relocated from traditional shop and merchant space to a professional building elsewhere in the market, possibly adjacent to Pamida.

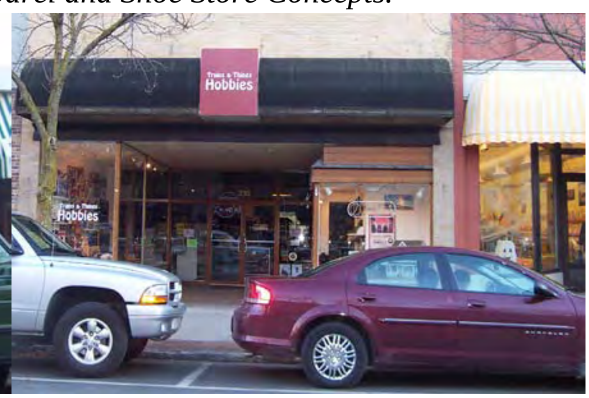
The amount of downtown space is small and expansion is not recommended at this time or in the immediate future. In this "tight" environment, the use of Main Street space by services and non-retail businesses erodes the downtown's efforts to create a shopping destination and enjoyable shopping experience. Tenants should include shops that can be explored, and where purchases can be "discovered". Salons can be included in this mix, but tax accountants do not enhance the shopping "experience."

The table below provides a summary of our recommendations, along with sample tenants that could be targeted and that would represent an appropriate mix while enhancing current merchant efforts in downtown Manistique. Of importance, some of the retail should appeal to the community's younger population, and should offer creative resources for hobbies, activities and businesses.

TABLE 21. Summary Recommendations - Sample Tenants

	No. of Stores	2002 Sq. Ft.	2007 Sq. Ft.	Samples of Possible Tenants
Personal Care (Salons, etc.)	1	500	500	*Like* Curves for Women or a Nail Salon
Furniture / Home Furnishings	1	2,000	2,500	*Like* Northern Concepts Custom Rustic Pine
Clothing / Clothing Accessories	2	5,500	6,500	*Like* Fleece, Young Men's Urban Fashions, Infants
Sporting Goods / Hobby / Book	2	4,000	5,000	*Like* Hobby (models), Sports Memorabilia, Comics
Miscellaneous	1	3,000	4,000	*Like* Kinko's, or Graphic Supply / Artist Supply
Arts, Entertainment, Recreation	1	3,000	3,500	*Like* an expanded Cinema or Game Arcade
Maximum Supportable	**7**	**18,000**	**22,000**	

Examples of Independent Hobby, Apparel and Shoe Store Concepts.



In Manistique, the city's youth and teens report that they frequent some local shops like the Mustard Seed (shown in the following photo), Ben Franklin, Pamida and Silver Mercados, where they can shop for affordable merchandise and unique gifts. Like teens everywhere, they prefer to avoid smoky environments. They sometimes congregate at the Lakeview Lanes Bowling Alley or JAX Restaurant, but would prefer their own hang-out that is smoke-free.

Creative "discovery" shops like the Mustard Seed will set a good example for future tenants, including facades, signage and pedestrian friendliness - assuming window shopping is also encouraged.

Although local perceptions indicate demand for more restaurants in the local market, the supply v. demand analysis does not indicate support for additional retail *space* in the food service category. However, our assessment of restaurants in the local market reveals a parity of *quality* dining places, a gap which has been recognized by Jax's Bar and Restaurant, which recently remodeled to help meet the demand. A list of existing Food Service & Drinking Places is provided below. Totaling about 105,000 square feet, the list is intended to be all-inclusive, including bar space at Kewadin Casino, Mariner's Cove and other places. Any omissions are unintentional.

TABLE 22. Manistique Area - Existing Foodservice & Drinking Places

Foodservice & Drinking Places - 105,000 square feet			
1	Ann Marie's Family Dining	16	Jax Restaurant
2	Big Boy	17	Jessie's Sunrise Kitchen
3	Big Spring's Inn Restaurant	18	Kewadin Casino
4	Blaney Inn Restaurant	19	Lakeview Lanes Bowling
5	Buckshot's Bar	20	Mariner's Cove
6	Burger King	21	Main Street Pizza
7	Camel Rider's Restaurant	22	Mini Golf - Ice Cream
8	Christy's Bar	23	Marley's Bar & Grill
9	Clyde's Restaurants	24	Rosie's Clubhouse Restaurant
10	Dairy Kream	25	South Cedar Subs
11	Elkhorn Station	26	Subway
12	Emerald City Café	27	Sunny Shores Fine Foods
13	Grandma Emma's Deli Bakery	28	Teddy's Pub and Bistro
14	Harbor Bar	29	Three Mile Supper Club
15	Hardee's	30	Upper Crust Deli

The vast majority of existing restaurants provide an American Diner or bar / tavern atmosphere. Most restaurants offer self-seating, booths, checkered plastic table cloths, buffet bars, limited service, and register check-out. Menus offer conventional American fare designed to meet the expectations of families, thrifty travelers and campers. Other options offer a tavern atmosphere with a smoky environment and liquor being the focus attraction.

To meet the demand for quality restaurants, we recommend that one or two of the existing destinations redesign their existing formats with a menu and cuisine that are unique to the local market. The renovated restaurant should welcome walk-in guests with casual attire (reservations not required), but with a higher level of service that includes white table cloths, quality settings, full waiter services and wine / import beer list. The ambiance should be warm for romantic settings, but the illumination not be too dim for families. Appropriate choices may be a steak house or seafood (but not just a “surf & turf”), an Italian “ristorante”, European bistro or similar concept. The quality should be a notch or two above conventional “surf & turf” and more than just another pizza parlour or chinese restaurant.

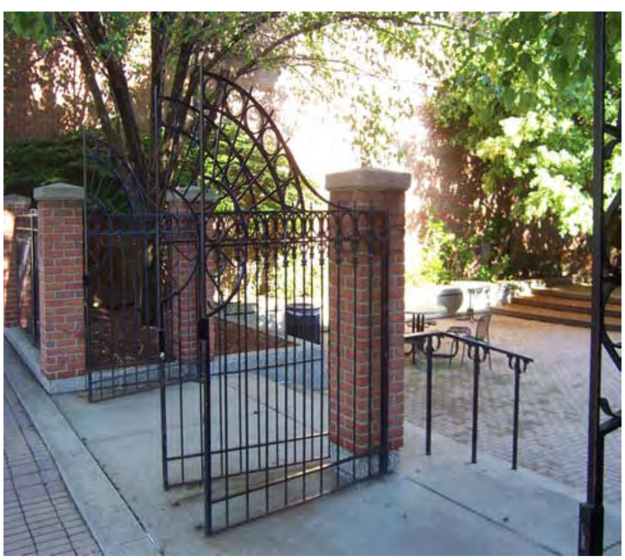
Our recommendations for the downtown also include utilizing all existing and available space above the street front retail for residential units, including flats, lofts or efficiency apartments. Residential units in downtown settings offer many benefits, including increasing activity levels, providing affordable rental options, and residents with access to shops and restaurants that are within walking distance.

Our recommendations also include utilization of vacant parcels like the one shown in the following photo, which could be converted into professional space and freeing some of the conventional retail space for merchants. Properties like these represent potential live-work units, which are appealing to artists like photographers, seamstresses or architects.

This available building, located just north of the State Savings Bank in downtown Manistique, may represent a good opportunity for an artist's live-work unit.

Other recommendations for the downtown include converting a vacant parcel with a vintage brick backsetting into an attractive downtown park. The specific parcel identified is located at the southwest corner of Cedar and Walnut, and is shown in the photo below. Also shown are sample photos from other small Michigan Towns, showing how brick can be incorporated into the landscape to create an attractive area for strolling, socializing and resting, adding to the appeal of a downtown shopping experience.

A potential park location at the southwest corner of Cedar and Walnut in Downtown Manistique (top photo, below). Also shown are examples of successful downtown parks in other Michigan small towns.



Restrooms should be visible, centrally located and preferably attached to a tenant to mitigate vandalism, enable easy maintenance, and provide the best public access. Visible public restrooms along shopping corridors will attract pedestrian shoppers.

Observations during our field analysis and focus group sessions have also led to related recommendations for the downtown. In particular, we recommend that workshop training be provided for existing and prospective merchants, teaching and promoting strategies for running a successful downtown business. Topics that should be addressed may include improving store facades, window displays, sales and promotions, merchandise rotation, and tools for building customer loyalty. These workshops should meet the goals and objectives of valued merchants who *want* the assistance, rather than merchants who demonstrate apathy.

Local lending institutions should also be invited to the workshops, and approached for small business loans. Merchants seeking resources for store facades (see Ben Franklin, below) can benefit from the cooperation of local banks, and the banks will benefit from the improved downtown image.

Other simple improvements are also recommended, and include a facade renovation of this Ben Franklin and People's Store facility.

7.0 Office Space Market Assessment

As part of our downtown retail assessment, we have also evaluated the Main Street and Cedar Avenue corridor for office opportunities. In general, Anderson Economic Group endorses mixed-use projects which include retail, office and residential elements together, creating a dynamic setting, extending hours of activity and creating a sense of place.

At this time, Schoolcraft County's current population base and income profile do not indicate opportunity for expanding business that may use office space. However, we recommend that a subsequent market study be conducted within 10 years of this report (after 5 years), to monitor growth and progress on other initiatives. Meanwhile, service-based uses of existing retail space in the downtown will undermine the efforts of other merchants to create an enjoyable destination for both resident shoppers and visitors. It is our recommendation that a small commercial and office center be developed near the existing Pamida store along east Route 2, and that businesses occupying merchant space in the downtown be relocated to that new facility.

Service-based businesses are not typically recommended for downtowns where merchant space is limited, but can offer balance to an already favorable mix of tenants. When vacancy rates are high and the tenant mix incomplete, leasing and selling downtown space to services is tempting. However, they have the effect of locking up space, making it difficult for future merchants, and preventing the creation of an enjoyable shopping environment.

The following list summarizes 16 tenant spaces that are occupied by service-based businesses, representing nearly 30% of the total space. We recommend that no more than 20% of total space be allocated to these types of business, which calls for a relocation of 5 or more operations to a professional or commercial center near Pamida.

Medical & Community Service

1. Community Home Medical, Inc.
2. Schoolcraft Memorial Home Care / Hospital
3. North Woods Home Nursing & Hospice
4. Dr. H. Klumpp Chiropractice
5. Baker Optometrist
6. Peter Jacobs Dentistry
7. Drop-In Shelter

Financial Institutions

1. Wells Fargo
2. North Country Bank & Trust
3. State Savings Bank
4. The Savings Agency

Other Businesses

1. State Farm Insurance
2. Denholm Law Office
3. Olson, et. al. Attorneys

7.1 Schoolcraft County - Planning & Zoning Initiatives

For purposes of our evaluation, we also evaluated the City of Manistique's current DDA Plan, which is summarized below as provided to us. We endorse all of the DDA's objectives, and recommend that funding be aggressively pursued as needed to complete these initiatives.

Current DDA Plan - 2002 through 2008

- Resurface streets
- Replace sidewalks / curbs
- Storm / Sanitary Sewer Separation
- Sewer and water improvements
- Install lighting and assist with historical renovation of Siphon Bridge
- Complete recreational trail from US-2 to Siphon Bridge
- Purchase equipment to maintain DDA projects
- Implement plan to renovate Historical Park (Old Water Tower)
- Install water and/or sewer in US-2 to east and west city limits to aid development as necessary
- Create revolving loan fund to assist business development and retention
- Expand TIF / DDA District to allow for industrial development

Current DDA Plan - 2009 through 2018

- Acquire land and / or older buildings to renovate and / or raze for redevelopment
- Resurface streets
- Replace sidewalks / curbs
- Implement plan to renovate Historical Park (Old Water Tower)
- Storm / Sanitary Sewer Separation
- Sewer and Water Improvements
- Upgrade facilities, rebuild slips and add slips as necessary at marina
- Complete recreational trail from US-2 to Siphon Bridge
- Purchase Equipment to maintain DDA projects
- Install water and/or sewer in US-2 to east and west city limits to aid development as necessary
- Construct and / or add to neighborhood parks
- Create revolving loan fund to assist business development and retention
- Construct educational museum / activity center featuring the Great Lakes
- Develop rest area across from Post Office

Given the brevity of this outline, we recommend that the DDA, the City of Manistique and Schoolcraft County work together to develop a comprehensive City and County-Wide Master Plan. Many planning principles with traditional zoning conventions have changed significantly over the past 20 years, and should be reviewed before simply updating existing zoning ordinances. For example, mixed-use projects, planned communities, Smart Growth and "new urbanism" design principles now lead many community planning decisions in larger markets, and at the very least should be considered.

8.0 Residential Assessment

For our evaluation of the residential market, we have utilized the Primary Trade Area (Schoolcraft County), and the geographic area from which 60 percent of all new residents are likely to be derived. Assuming that any new residential units in Schoolcraft County offer a traditional and quality lifestyle and include partial-year, vacation-style homes, the county could draw the remaining 40 percent of new residents from outside this area.

8.1 Current Household Profile

To evaluate the amount and type (owner vs. renter, apartments vs. single-family) of supportable housing, we first conducted an analysis of housing supply within the primary trade area. We then used the inventory in the feasibility assessment to help measure gaps in the market and to quantify the magnitude of demand for new housing units. The results of this analysis are described in the following section of this report.

8.1.1 Current Housing Unit Summary

The following table shows the percentages of total housing units within Schoolcraft County associated with different uses (e.g., renter, owner, seasonal). As shown, the percent of owner-occupied units increased between 2000 and 2003, reflecting an increase in home ownership and the recent construction of new units along the lake shores (both Indian Lake and Lake Michigan). The number of renter occupied units[2] decreased between 2000 and 2003.

TABLE 23. Owner vs. Renter Tenure - Schoolcraft County

Schoolcraft County Primary Trade Area	2000 Number of Units	2000 Percent of Total Units	2003 Number of Units	2003 Percent of Total Units
Housing Units	5,700	100.0%	5,760	100.0%
Owner Occupied	2,948	51.7%	3,055	53.0%
Renter Occupied	658	11.5%	567	9.8%
Total Occupied	3,606	63.3%	3,622	62.9%
Vacant Units	2,094	36.7%	2,138	37.1%
Seasonal Units	1,766	31.0%	1,863	32.3%
For Rent	76	1.3%	69	1.2%
For Sale	62	1.1%	61	1.1%
Other Vacant	190	3.3%	145	2.5%

Source: AEG analysis of Anysite and Census data.

2. Renter occupied units includes non cash renter occupied units. However, later in our analysis of supply we excluded these households because the rent rates of these units is indistinguishable.

As shown, the market vacancy rate seems enormous at 36.7% in 2000, however this high rate reflects the large number (1,863) of seasonal or partial-year units. The number of seasonal units increased between 2000 and 2003. This trend is expected to continue in Schoolcraft County. The vacancy rates for both rental and owner units is relatively low at 1.1% and 1.3% respectively.

The following table further summarizes the structure of the 2000 housing stock in Schoolcraft County. As shown, the majority of housing units are single-family homes (one unit per structure). Mobile homes comprise of an additional 8.7 percent. Structures with more then 2 housing units are relatively scarce. This distribution of units correlates closely with the structure of units in other rural counties in Michigan.

TABLE 24. Current Housing Stock by Unit Type

Schoolcraft County Units in Structure	2000 Units in Structure Number	Percent
1-unit detached	4,729	82.96%
1-unit attached	49	0.86%
2-units	128	2.25%
3 or 4 units	59	1.04%
5 to 9 units	84	1.47%
10 to 19 units	2	0.04%
20 to 49 units	90	1.58%
50 or more units	20	0.35%
Mobile Homes	500	8.77%
Boats, RVs, Vans, etc.	39	0.68%
Total	5,700	100.0%

Source: AEG analysis of Anysite and Census data.

8.1.2 Household Size

When considering the types of new residential development, it is important to consider the average number of people each unit would accommodate. This is best assessed through an analysis of household size. As shown in the table below, 1-person and 2-person households are most prevalent within the community, perhaps reflecting the large number of senior households in the market. The average household size is 2.5 persons per household.

TABLE 25. Household Size

Schoolcraft County Household Size	2000 # of Hhlds.	2000 Percent	2003 # of Hhlds.	2003 Percent
One person	989	27.4%	994	27.4%
Two persons	1,403	38.9%	1,409	38.9%
Three persons	514	14.3%	516	14.3%
Four persons	436	12.1%	438	12.1%
Five persons	188	5.2%	189	5.2%
Six or more persons	76	2.1%	76	2.1%
Total Households	3,606	100.0%	3,622	100.0%
Avg. Hhld. Size	2.5		2.5	

Source: AEG analysis of Anysite and Census data.

8.1.3 Home Values and Monthly Rents

The following table displays the home values of owner-occupied units in the market area. As shown, there is a larger number of homes valued between $30,000 and $80,000, and the data indicates a possible opportunity for homes valued greater then $100,000. This hypothesis is tested further in our quantitative supply-demand analysis, summarized later in this report.

TABLE 26. Home Value of Occupied Houses

Schoolcraft County Home Value	2000 Number	2000 Percent	2003 Number	2003 Percent
$0 to $30,000	376	12.7%	356	11.6%
$30,000 to $50,000	689	23.4%	694	22.7%
$50,000 to $80,000	810	27.5%	852	27.9%
$80,000 to $100,000	338	11.5%	381	12.5%
$100,000 to $124,999	222	7.5%	232	7.6%
$125,000 to $149,999	134	4.5%	137	4.5%
$150,000 to $174,999	125	4.2%	131	4.3%
$175,000 to $199,999	90	3.1%	100	3.3%
$200,000 to $249,999	99	3.4%	102	3.4%
$250,000 to $299,999	42	1.4%	47	1.5%
$300,000 to $500,000	15	0.5%	12	0.4%
$500,000 and up	9	0.3%	10	0.3%
Total	2,948	100.0%	3,055	100.0%

Source: AEG analysis of Anysite and Census data.

The table below summarizes gross monthly rent rates for rental units in Schoolcraft County. The distribution of rent rates indicates that the market area is heavily weighed in rental units in the $200 to $400 range, but a possible gap in rent rates of $400 or higher, which can be tested further to quantify the magnitude of opportunity.   These figures are all evaluated in detail as part of our supply-demand analysis, and utilized to develop reasonable and achievable recommendations for supportable single-family and multi-family units, by ranges in home values and rent rates.

TABLE 27. Average Monthly Rents

Schoolcraft County Rent Range	2000 Number	2000 Percent	2003 Number	2003 Percent
$0-$200	128	21.3%	128	21.3%
$200-$300	175	29.0%	175	29.0%
$300-$400	220	36.6%	220	36.6%
$400-$500	46	7.6%	46	7.6%
$500-$600	28	4.6%	28	4.6%
$600-$700	2	0.3%	2	0.3%
$700-$800	0	0.0%	0	0.0%
$800-$1000	0	0.0%	0	0.0%
$1000-$1250	4	0.7%	4	0.7%
$1250-$1500	0	0.0%	0	0.0%
$1500-$2000	0	0.0%	0	0.0%
$2000 and up	0	0.0%	0	0.0%
Total	603	100.0%	603	100.0%

Source: AEG analysis of Anysite and Census data.

8.1.4 Household Income Categorization - 2008 Projections

In measuring housing demand, it is also necessary to evaluate the distribution of renter and owner households by income range. Based upon US Census data, Applied Geographic Solutions (AGS) projections, and a rigorous methodology that we developed through similar analyses for developers and governments, we project income distributions to 2008.

The following table summarizes the number of renter and owner households that are *projected* to 2008 in each Census-defined income category. This assessment identifies an expected distribution of households across the income ranges. There is an even disbursement of owner households between the income ranges. The median household income for owner-occupied households is expected to fall between $35,000 and $50,000.

The majority of renter households are in the lower-income categories of the analysis, and the median household income of the renter households is between $10,000 and $20,000. There are also renter households with high incomes, although they generally decrease (as a percent of the total) as household incomes increase.

TABLE 28. Households by Income and Tenure

Schoolcraft County Household Income	2008 Occ. Hhlds.	2008 #Owners	2008 Share	2008 #Renters	2008 Share
$0 to $9,999	161	86	53.3%	75	46.7%
$10,000 to $14,999	307	228	74.4%	79	25.6%
$15,000 to $19,000	374	256	68.4%	118	31.6%
$20,000 to $24,999	379	314	82.9%	65	17.1%
$25,000 to $29,999	292	250	85.5%	42	14.5%
$30,000 to $34,999	179	153	85.5%	26	14.5%
$35,000 to $39,999	310	279	89.8%	32	10.2%
$40,000 to $49,999	180	161	89.8%	18	10.2%
$50,000 to $59,999	443	425	96.0%	18	4.0%
$60,000 to $74,999	304	292	96.0%	12	4.0%
$75,000 to $99,999	379	368	97.2%	11	2.8%
$100,000 to $124,999	276	253	91.4%	24	8.6%
$125,000 to $149,999	131	120	91.4%	11	8.6%
$150,000 to $199,999	48	43	89.3%	5	10.7%
Greater than $200,000	71	63	89.3%	8	10.7%
Totals / Averages	3,835	3,292	85.8%	543	14.2%

Source: AEG analysis of Anysite and Census data.

8.2 Residential Feasibility Study

The analysis of the income projections and the current distribution of housing patterns are used to identify gaps in the residential market for both rental and owner homes. Below, we summarize our findings and make recommendations on developing both renter and owner occupied units.

8.2.1 Rental Housing Opportunity - 2008

Based on a comparison of the supply and demand results in the renter-occupied housing sector, the primary trade area indicates gaps in the rental units with rates between $500 and $1,000 in 2008 dollars. The entire primary trade area could support 130 new rental units in 2003, but only a portion of this is recommended for the development because the demand for these units is expected to decrease by 2008. Schoolcraft County can support up to 100 new rental units with the rent ranging from $500 to $1,000.

TABLE 29. Renter-Occupied Opportunity

	Demand		Supply		Opportunity	
Rent Ranges	2003	2008	2003	2008	2003	2008
$0-$200	64	55	128	53	0	2
$200-$300	74	63	175	172	0	0
$300-$400	225	208	220	208	4	0
$400-$500	83	76	46	125	38	0
$500-$600	69	72	28	39	42	33
$600-$700	17	19	2	2	15	17
$700-$800	14	18	0	0	14	18
$800-$1000	19	27	0	0	19	27
$1000-$1250	3	4	4	4	0	0
$1250-$1500	0	0	0	0	0	0
$1500-$2000	0	0	0	0	0	0
$2000 and up	0	0	0	0	0	0
Summations	567	543	603	603	131	98

It is highly recommended that the majority of the new rental units (up to 90%) be single-family units. We do not recommend the construction of a multi-family luxury development. Although developers do not commonly construct single-family units for rent (due to financial constraints), the county should review their zoning regulations to ensure that these laws do not prohibit a single-family home from being rented.

A small number of these units (up to 20%) could be included in a multi-family development. This development should be directed toward senior citizens and offer amenities such as community rooms, elevators, emergency pull-cords, and planned activities. The location of this development should be along a quiet street and adjacent to other residential land uses and green space.

8.2.2 Owner-Occupied Opportunity

Based on a deductive comparison of supply versus demand in the owner-occupied housing sector, the primary trade area has prevalent gaps in the home value price range of $100,000 to $150,000, and the entire primary trade area can support nearly 890 housing units through 2008. Another small gap exists for owner occupied units between $50,000 to $80,000, which would likely become null with the addition of units priced between $100,000 to $150,000. Another opportunity exists for housing prices about $300,000 with a total of 83 units by 2008. These units should be developed along the lake shores and would most likely be occupied by seasonal residents.

TABLE 30. Owner-Occupied Opportunity

	Demand		Supply		Opportunity	
Home Value Brackets	2003	2008	2003	2008	2003	2008
$0 to $30,000	71	61	356	281	0	0
$30,000 to $50,000	256	222	694	621	0	0
$50,000 to $80,000	940	868	852	812	88	56
$80,000 to $100,000	371	372	381	513	0	0
$100,000 to $124,999	755	825	232	296	522	530
$125,000 to $149,999	289	346	137	164	151	182
$150,000 to $174,999	155	195	131	157	24	38
$175,000 to $199,999	61	86	100	134	0	0
$200,000 to $249,999	74	105	102	135	0	0
$250,000 to $299,999	50	73	47	74	3	0
$300,000 to $500,000	52	76	12	38	40	38
$500,000 and up	41	62	10	17	31	45
Summations	3,114	3,292	3,055	3,243	859	889

Given the gap in homes ranging between $100,000 to $150,000, we recommend the construction of 720 owner occupied units through out Schoolcraft. These units should mostly consist of single-family homes and could be constructed as a subdivision style development. The homes should include 3 to 4 bedrooms with 2 to 3 bathrooms, an attached garage, and front porch at a size of approximately 2,000 square feet or larger. Based on interviews with local real estate agents and our expertise in residential market assessments, we estimate an absorption period of approximately two years from the end of construction for newly developed homes.

We also recommend the construction of 83 new homes with values greater then $300,000. These home would need to be developed along the lake shores (Lake Michigan and Indian Lake) with the most expensive homes developing along Lake Michigan. These units should be custom-designed homes, however, we recommend working with a qualified planner to review zoning restrictions to ensure consistent architectural design features, parcel sizes, road, lakeshore and property set-backs, along with appropriate roof lines, line of sight, and public access.

Lake Michigan and Indian Lake are two of Schoolcraft County's biggest attractions. For this reason, we strongly recommend that the county take an active part in the planning of future development. Schoolcraft County has some of the last affordable land along Lake Michigan. The county should work to ensure the development of this property adds to the overall attraction of the community.

4.0 Appendix A: Description of County and Regional Attractions

Big Springs - Palms Book State Park

Big Springs, otherwise reffered to as Kitch-iti-kipi or Mirror of Heaven, is Michigan's largest springs. The Big Springs is 200 feet across and 42 feet deep. Big Springs is located at Palms Book State Park North on M-149, 11 miles from US-2. The large raft takes visitors to observe massive trout where the water remains a constant 44 degrees year round.

Bishop Baraga Mission and Indian Cemetery

Bishop Baraga Mission and Indian Cemetery at Indian Lake. Jesuit Father Frederick Baraga, the “Snowshoe Priest” built the small log and bark Mission and chapel in 1832. Located on the east side of Indian Lake, just north of the Indian River.

Lake Michigan Boardwalk and Beaches

Lake Michigan Boardwalk follows the shoreline of Lake Michigan from the Manistique Harbor east for about two miles. The boardwalk was started in 1992 and completed in 1995. It is 7,600 ft. and 1.43 miles long, including a wood boardwalk (900 ft.).

Fayette Historic Iron Smelting Village

The ghost town of Fayette was historically one of the Upper Peninsula's most productive iron-smelting operations. Post-Civil War, Fayette grew up around two blast furnaces, a large dock and several charcoal kilns. It now features nineteen structures and stabilized ruins of the furnace complex.   Located 9 miles west of Manistique.

Fayette State Park

Fayette State Park is located between Escanaba and Manistique, off of US 2 on Lake Michigan. This park offers camping, picnicking, swimming, hiking trails, fishing, scuba diving, boating and tours.

Indian Lake & State Park

Indian Lake is the fourth largest inland lake in the Upper Peninsula, and is popular for sportsmen and outdoor enthusiasts. The area contains a boat launch, public swimming beach, and two modern campgrounds at Indian Lake State Park.

Hiawatha National Forest & Lake Superior State Forest

The forests offer hiking, biking, hunting, fishing, photography, birding, canoeing, berry picking, mushrooming, viewing wildlife, snowmobiling, and cross country skiing. There are many primitive campgrounds throughout the forests.

Upper Peninsula Lighthouses

- Manistique East Breakwater Light & Harbor
- Peninsula Point Lighthouse Tower - Stonington Peninsula 60 miles west
- Sand Point Lighthouse and Museum - Delta County 55 miles away
- Seul Choix Lighthouse and Museum (the “Haunted Lighthouse”) - east at Gulliver

Pictured Rocks National Lakeshore

A 40,000 acre park which follows the south shore of Lake Superior for 42 miles.

Rainey Wildlife Area

Bird watching, boardwalks, hiking trails, and an elevated viewing platform. Vicinity of Smith Creek, Smiths Slough, and Indian Lake.

Thompson State Fish Hatchery

Located six miles west of Manistique and just north of Thompson. The original hatchery was built in 1929 and rebuilt in 1978. Annually produces about 1,000,000 yearling trout, 500,000 salmon, and 16 million walleye fry. Salmon species produced include: Brook Trout, Splake, Brown Trout, Rainbow Trout, Chinook and Coho Salmon.

Schoolcraft County Water Tower

Schoolcraft County Historical Park, Museum, and 200' tall brick Water Tower from 1923 and a Roman revival architectural landmark now on the National and State Registrar of Historic Sites. Old Water Tower - one of many historic sites in Schoolcraft county. Restoration & new illumination underway in 2003.

Manistique River Siphon Bridge

Siphon Bridge over the Manistique River was built in 1919 to help provide water for the Manistique Pulp and Paper Company. This Historic Bridge was unique because the Manistique River was higher than the roadway and the bridge. At one time, the bridge itself was partially supported by the water that was atmospherically forced under it, and was once featured on Ripleys “Believe it or Not.”

Seney National Wildlife Refuge

95,455 acres of Marsh, Field and Forest located less than 35 miles northeast of Manistique. Canoe, kayak, and bike rentals available through Northland Outfitters in Germfask. Drive, canoe, bike, or hike through the Refuge.

Indian Lake Golf Club

Indian Lake Golf and Country Club is a semi-private club located on Indian Lake. A public course, driving range and a miniature golf course are also located close by.

Kewadin Casino

A Native American casino with card tables, slot machines and some live entertainment. This casino does not feature a resort or attached hotel.

Appendix B - Regional Manufacturing Employers by SIC Code

Food and Kindred Products - SIC #20	
Newberry Bottling Co	Suger Shack
Ternary Home Bakery	Taystee Bakery
Bink's Coca-Cola Bottling Co	Jibert, John R Dairy Barn
Saykllys Candies	

Source: Harris Publishing Company, 1998 Industrial Directory

Lumber & Wood Products - SIC #24	
Louisiana Pacific	Timber Products Company
Bickham Doors	Hiawatha Log Homes
Maples Sawmill	Roy Graves Lumber
North Arrow Log Homes	Manistique Saw & Planning
Thick N thin Lumber	Bess Forest Product Group
Newberry Wood Enterprises	Rapid River Rustic Inc.
Sustainable Forest Products	Northern Land & Lumber Co.
North Oak	Robbins Inc
Richmond & Hawley Inc	Holli Product Forest
Manistique Dimenison - Dry Kiln	Superior Wood & Truss
Eagle Ridge Log Homes	Blaney Woodworks
Tester's Sawmill	

Source: Harris Publishing Company, 1998 Industrial Directory

Furniture & Fixtures - SIC #25
Clare Bedding Manufacturing

Source: Harris Publishing Company, 1998 Industrial Directory

Paper and Allied Products - SIC #26	
Rose Plastics USA	Mead Corp
Kimberly Clark Corp	Manistique Papers Inc

Source: Harris Publishing Company, 1998 Industrial Directory

Printing & Publishing - SIC #27	
American Newspaper Co	Manistique Pioneer Tribune Inc.
St ignace News	Superior Printing/Supreme Tees
Action Publications	Newberry News
Lake Superior Press Inc	Andex Industries
Johnson's Printing Service	Daily Press
Globe Printing Inc	Mining Journal Inc.
Advisor, The	Avery Color Studios

Source: Harris Publishing Company, 1998 Industrial Directory

Appendix B - Regional Manufacturing Employers by SIC Code

Chemicals and Allied Products - SIC #28	
Pepin-Ireco Inc.	

Source: Harris Publishing Company, 1998 Industrial Directory

Rubber & Plastics - SIC # 30	
Hoover Precision Products LLC	Andex Industries

Source: Harris Publishing Company, 1998 Industrial Directory

Stone, Clay, Glass, & Concrete - SIC # 32	
Osborne Materials Co	Franco Inc
Newberry Redi-Mix	

Source: Harris Publishing Company, 1998 Industrial Directory

Primary Metal Industries - SIC # 33	
Ishpeming Steel Corp	

Source: Harris Publishing Company, 1998 Industrial Directory

Fabricated Metal Processing Companies - SIC # 34	
Olofsson Fabrication Service	Independant Machine Company
Insight Sign & Neon	Steve Baird Steel & Fabricating
Argonics	CAL Grinding
Floatation Docking Systems	Northern Casting Company
Quality Fabricating & Erection	Marquette Machining & Fabricating

Source: Harris Publishing Company, 1998 Industrial Directory

Industrial Machinery & Equipment - SIC #35	
American Drilbox Co	Replica Engines
Engineered Machiend Products	Bay Manufacturing
Lakeside Machine Inc	Pisces Industries
Pardon Inc	Manistique Manufacturing

Source: Harris Publishing Company, 1998 Industrial Directory

Appendix B - Regional Manufacturing Employers by SIC Code

Transportation Equipment - SIC #37	
Northern Transitions Inc.	Viking Boat Harbor
Soo Plastics Inc.	Tassier Boat Works
Wohlert Special Products Co.	Cloverland Manufacturing

Source: Harris Publishing Company, 1998 Industrial Directory

Instruments & Related Products - SIC #38	
Precision Edge Surgical Products	Wright Pilippis Inc.

Source: Harris Publishing Company, 1998 Industrial Directory

Miscellaneous Manufacturing - SIC #39	
Iverson Snowshoe Co.	Cook Sign Service

Source: Harris Publishing Company, 1998 Industrial Directory

Appendix C: Detailed Demographic Comparison Table

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
2007 Population (Anysite)	178,550	9,229	37,878	59,966	12,509	10,331	40,803	7,835
2002 Population (Anysite)	178,152	8,986	37,732	63,196	11,952	9,956	39,082	7,247
2000 Population (Census)	179,415	8,903	38,520	64,634	11,943	9,862	38,543	7,010
1997 Population (interpolated)	178,221	8,718	38,042	66,447	11,486	9,577	37,210	6,565
1990 Population (Census)	175,465	8,301	36,951	70,876	10,486	8,943	34,275	5,634
c.a.r. 2002-2007 (%)	0.0%	0.5%	0.1%	-1.0%	0.9%	0.7%	0.9%	1.6%
c.a.r. 2000-2002 (%)	-0.4%	0.5%	-1.0%	-1.1%	0.0%	0.5%	0.7%	1.7%
c.a.r. 1990-2000 (%)	0.2%	0.7%	0.4%	-0.9%	1.3%	1.0%	1.2%	2.2%
Income Comparisons								
2007 PCI (projected)	$22,807	$22,389	$24,278	$23,221	$27,340	$24,310	$19,072	$23,254
2002 PCI (projected)	$19,377	$19,069	$20,734	$19,975	$21,111	$20,438	$16,412	$19,149
2000 PCI (interpolated)	$18,188	$17,758	$19,332	$18,684	$18,825	$18,924	$16,040	$17,569
1999 PCI (2000 Census)	$17,293	$17,137	$18,667	$18,070	$17,777	$18,210	$15,858	$16,828
1997 PCI (interpolated)	$15,613	$15,306	$16,735	$16,370	$15,765	$16,044	$14,304	$14,934
1990 PCI (interpolated)	$10,978	$10,306	$11,417	$11,583	$10,355	$10,301	$9,969	$9,834
1989 PCI (1990 Census)	$10,375	$9,740	$10,810	$11,025	$9,751	$9,669	$9,468	$9,264
c.a.r. 2002-2007 (%)	3.3%	3.3%	3.2%	3.1%	5.3%	3.5%	3.0%	4.0%
c.a.r. 1999-2002 (%)	3.9%	3.6%	3.6%	3.4%	5.9%	3.9%	1.2%	4.4%
c.a.r. 1989-1999 (%)	5.2%	5.8%	5.6%	5.1%	6.2%	6.5%	5.3%	6.2%
2007 Total Personal Inc. ($Mil.)	$4,072	$207	$920	$1,392	$342	$251	$778	$182
2002 Total Personal Inc. ($Mil.)	$3,452	$171	$782	$1,262	$252	$203	$641	$139
2000 Total Personal Inc. ($Mil.)	$3,263	$158	$745	$1,208	$225	$187	$618	$123
1990 Total Personal Inc. ($Mil.)	$1,926	$86	$422	$821	$109	$92	$342	$55
c.a.r. 2002-2007 (%)	3.4%	3.8%	3.3%	2.0%	6.3%	4.3%	3.9%	5.6%
c.a.r. 2000-2002 (%)	2.9%	4.1%	2.5%	2.2%	5.9%	4.4%	1.9%	6.2%
c.a.r. 1990-2000 (%)	5.4%	6.3%	5.8%	3.9%	7.6%	7.3%	6.1%	8.3%
1997 Total Retail Trade ($Mil.)	$1,456.4	$78.6	$380.0	$522.7	$83.7	$37.1	$289.6	$64.7
1997 per Capita Expenditures ($)	$8,172	$9,021	$9,989	$7,867	$7,286	$3,872	$7,783	$9,851
1997 percent of PCI (%)	52.3%	58.9%	59.7%	48.1%	46.2%	24.1%	54.4%	66.0%
1997 Foodservice & Drinking ($Mil.)	$154.6	$5.4	$32.5	$51.7	$20.3	$8.9	$31.2	$4.6
1997 per Capita Expenditures ($)	$868	$623	$854	$779	$1,771	$927	$838	$700
1997 percent of PCI (%)	5.6%	4.1%	5.1%	4.8%	11.2%	5.8%	5.9%	4.7%
1997 Arts, Entertain., Recreat. ($Mil.)	n/a	$1.0	$6.7	$4.2	$3.4	n/a	n/a	n/a
1997 per Capita Expenditures ($)	n/a	$116	$176	$63	$293	n/a	n/a	n/a
1997 percent of PCI (%)	n/a	0.8%	1.1%	0.4%	1.9%	n/a	n/a	n/a

Appendix C: Detailed Demographic Comparison Table

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
2007 Population Group Quarters	12,899	529	566	3,215	220	1,136	5,762	1,472
2002 Population Group Quarters	13,089	424	567	3,785	202	1,022	5,910	1,179
1990 Population Group Quarters	10,786	81	439	4,528	122	547	4,857	213
c.a.r. 2002-2007 (%)	-0.3%	4.5%	0.0%	-3.2%	1.7%	2.1%	-0.5%	4.5%
c.a.r. 1990-2002 (%)	1.6%	14.8%	2.2%	-1.5%	4.3%	5.3%	1.6%	15.3%
2007 Households	72,243	3,794	16,099	25,120	5,481	4,057	14,956	2,735
2002 Households	70,559	3,662	15,711	25,760	5,135	3,861	13,872	2,557
1990 Households	64,010	3,293	14,186	25,431	4,162	3,326	11,499	2,113
c.a.r. 2002-2007 (%)	0.5%	0.7%	0.5%	-0.5%	1.3%	1.0%	1.5%	1.4%
c.a.r. 1990-2002 (%)	0.8%	0.9%	0.9%	0.1%	1.8%	1.3%	1.6%	1.6%
2002 Average Household Size	2.5	2.5	2.4	2.5	2.3	2.6	2.8	2.8
1990 Average Household Size	2.7	2.5	2.6	2.8	2.5	2.7	3.0	2.7
2007 Family Households	46,175	2,585	10,611	14,959	3,609	2,687	9,814	1,910
2002 Family Households	46,292	2,526	10,550	16,176	3,439	2,616	9,193	1,793
1990 Family Households	45,374	2,374	10,089	18,052	2,954	2,426	7,975	1,504
c.a.r. 2002-2007 (%)	-0.1%	0.5%	0.1%	-1.6%	1.0%	0.5%	1.3%	1.3%
c.a.r. 1990-2002 (%)	0.2%	0.5%	0.4%	-0.9%	1.3%	0.6%	1.2%	1.5%
2002 Ethnicity (Number)								
Race: White	161,547	8,175	36,583	60,774	10,036	8,897	30,901	6,181
Race: Black	4,870	168	108	974	45	643	2,350	582
Race: American Indian+	10,413	570	855	957	1,795	338	5,479	419
Race: Asian or Pacific Islander	811	39	132	334	39	39	199	29
Race: Other	512	35	54	157	36	40	154	36
Population: Hispanic	1,741	90	191	458	115	106	646	135
Population: Not Hispanic	176,411	8,896	37,540	62,738	11,838	9,850	38,436	7,112
2002 Ethnicity (Percent)								
White / Caucasian	90.7%	91.0%	97.0%	96.2%	84.0%	89.4%	79.1%	85.3%
Black / African American	2.7%	1.9%	0.3%	1.5%	0.4%	6.5%	6.0%	8.0%
American Indian, Aleut+	5.8%	6.3%	2.3%	1.5%	15.0%	3.4%	14.0%	5.8%
Asian or Pacific Islander	0.5%	0.4%	0.3%	0.5%	0.3%	0.4%	0.5%	0.4%
All Other Ethnic Groups	0.3%	0.4%	0.1%	0.2%	0.3%	0.4%	0.4%	0.5%
Hispanic (may be of any race)	1.0%	1.0%	0.5%	0.7%	1.0%	1.1%	1.7%	1.9%
Not Hispanic	99.0%	99.0%	99.5%	99.3%	99.0%	98.9%	98.3%	98.1%
2007 Median Age	39.6	42.1	41.1	38.8	43.3	41.8	37.1	39.4
2002 Median Age	38.2	40.9	39.9	37.1	42.3	40.7	35.8	38.0
1990 Median Age	32.0	36.5	34.2	29.7	36.1	35.7	31.2	36.1
2002 Median Age Females	39.5	42.0	40.9	37.9	43.1	42.7	37.1	41.6
2002 Median Age Males	37.0	39.9	38.9	36.4	41.4	38.8	35.0	35.8

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Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
2002 Hhld. Income (#)	70,559	3,663	15,712	25,763	5,137	3,864	13,874	2,557
< $15,000	17,031	1,013	3,723	6,006	1,204	881	3,557	650
$15,000 - $19,999	10,535	674	2,096	3,919	839	525	2,082	401
$20,000 - $34,999	9,763	502	2,209	3,481	808	581	1,759	422
$35,000 - $49,999	8,180	384	1,650	2,822	633	517	1,844	332
$50,000 - $74,999	9,593	430	2,175	3,456	739	585	1,862	350
$75,000 - $99,999	6,900	271	1,821	2,553	389	366	1,306	194
$100,000 +	8,557	389	2,038	3,526	525	409	1,464	208
2002 Hhld. Income (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
< $15,000	24.1%	27.7%	23.7%	23.3%	23.4%	22.8%	25.6%	25.4%
$15,000 - $19,999	14.9%	18.4%	13.3%	15.2%	16.3%	13.6%	15.0%	15.7%
$20,000 - $34,999	13.8%	13.7%	14.1%	13.5%	15.7%	15.0%	12.7%	16.5%
$35,000 - $49,999	11.6%	10.5%	10.5%	11.0%	12.3%	13.4%	13.3%	13.0%
$50,000 - $74,999	13.6%	11.7%	13.8%	13.4%	14.4%	15.1%	13.4%	13.7%
$75,000 - $99,999	9.8%	7.4%	11.6%	9.9%	7.6%	9.5%	9.4%	7.6%
$100,000 +	12.1%	10.6%	13.0%	13.7%	10.2%	10.6%	10.6%	8.1%
2002 Average Hhld. Income	$45,029	$43,439	$46,953	$46,104	$44,079	$44,981	$42,271	$41,630
1989 Average Hhld. Income	$27,784	$24,272	$27,937	$29,924	$24,125	$24,694	$26,711	$24,362
c.a.r. 1989-2002 (%)	3.8%	4.6%	4.1%	3.4%	4.7%	4.7%	3.6%	4.2%
2002 Median Hhld. Income	$32,940	$27,997	$34,205	$33,468	$31,652	$34,057	$32,603	$31,013
1990 Median Hhld. Income	$22,698	$20,222	$22,812	$25,219	$19,398	$21,537	$21,481	$20,302
c.a.r. 1990-2002 (%)	3.2%	2.7%	3.4%	2.4%	4.2%	3.9%	3.5%	3.6%

Appendix C: Detailed Demographic Comparison Table

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
Education - 2002								
Population Age 25+	120,806	6,355	25,932	41,387	8,607	7,211	26,222	5,092
< Grade 9	6,293	409	1,334	1,691	534	481	1,410	435
Grades 9-12	14,725	1,214	2,737	3,674	1,236	1,102	3,709	1,054
High School Degree	25,227	1,661	4,920	7,815	2,027	1,862	5,851	1,090
Some College	35,906	1,597	7,829	12,233	2,434	1,963	8,484	1,366
Associate Degree	10,055	470	3,274	3,259	600	369	1,720	362
Bachelor Degree	19,449	727	3,965	8,543	1,182	1,038	3,431	562
Graduate Degree	9,152	278	1,873	4,172	594	395	1,617	223
Total with College Degree	38,656	1,475	9,112	15,974	2,376	1,802	6,768	1,147
% with College Degree	32.0%	23.2%	35.1%	38.6%	27.6%	25.0%	25.8%	22.5%
Marital Status - 2002								
Population Age 15+	149,341	7,463	31,184	53,327	9,963	8,465	32,825	6,124
Never Married	38,826	1,446	6,676	15,923	2,009	1,947	9,564	1,261
Now Married	73,867	4,087	17,282	25,621	5,533	4,396	13,981	2,966
Separated	7,163	344	940	1,887	292	487	2,475	738
Widowed	9,786	568	2,299	3,089	832	663	1,946	391
Divorced	14,614	762	2,794	5,008	969	698	3,828	555
% Married, not Separated	49.5%	54.8%	55.4%	48.0%	55.5%	51.9%	42.6%	48.4%
Households With Children	21,165	1,067	4,816	7,449	1,439	1,083	4,506	808
Married Couple Family	14,581	734	3,502	5,114	1,011	776	2,887	558
Lone Parent Male	1,718	86	342	587	133	98	397	76
Lone Parent Female	4,568	227	909	1,637	272	187	1,174	163
Non-family Male Head	244	18	55	92	20	18	33	8
Non-family Female Head	54	2	8	19	3	4	15	3
% of Total Households	30.0%	29.1%	30.7%	28.9%	28.0%	28.0%	32.5%	31.6%
Households No Children	49,393	2,596	10,897	18,311	3,696	2,779	9,366	1,749
Married Couple Family	22,185	1,332	5,119	7,607	1,787	1,386	4,052	902
Lone Parent Male	1,153	56	244	453	68	51	253	28
Lone Parent Female	2,086	91	434	778	168	119	430	66
Lone Male Householder	11,280	520	2,330	4,358	836	617	2,273	346
Lone Female Householder	12,689	597	2,770	5,115	837	606	2,358	407
% of Total Households	27.7%	28.9%	28.9%	29.0%	30.9%	27.9%	24.0%	24.1%

Appendix C: Detailed Demographic Comparison Table

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
Employment Status - 2002								
Population Age 16+	144,256	7,207	29,991	51,528	9,633	8,192	31,794	5,911
Employed	73,703	3,176	16,447	28,994	4,456	3,683	14,586	2,361
Unemployed	10,204	687	2,044	2,921	1,193	532	2,485	342
% Unemployment	7.1%	9.5%	6.8%	5.7%	12.4%	6.5%	7.8%	5.8%
In Armed Forces	205	0	6	52	25	4	118	0
Not In Labor Force	60,144	3,343	11,495	19,561	3,959	3,972	14,605	3,208
White Collar Employment - 2002	35,286	1,449	7,454	15,261	1,938	1,500	6,577	1,108
Executive, Admin & Managerial	6,508	327	1,413	2,473	479	280	1,309	227
Professional Specialty	9,083	305	1,709	4,402	408	354	1,657	248
Technicians & Related Support	2,092	86	487	985	72	76	309	78
Sales Occupations	7,356	349	1,808	2,897	433	323	1,308	238
Admin Support incl. Clerical	10,247	382	2,037	4,504	546	467	1,994	317
% of Total Employment	47.9%	45.6%	45.3%	52.6%	43.5%	40.7%	45.1%	46.9%
Blue Collar Employment - 2002	38,418	1,728	8,992	13,733	2,520	2,184	8,007	1,253
Private Household	346	2	89	169	20	16	42	8
Protective Services / Security	3,334	86	205	1,009	202	166	1,574	92
Service Occupations	13,646	643	2,578	5,233	943	719	3,004	525
Farming, Forestry & Fishing	502	50	129	57	74	44	113	34
Production, Craft & Repair	9,041	327	2,353	3,757	636	445	1,298	225
Machine Operators, Assemblers+	4,069	218	1,703	949	147	386	553	113
Transportation & Material Moving	4,068	222	1,043	1,338	285	218	806	156
Handlers & Laborers	3,412	180	892	1,221	213	190	617	100
% of Total Employment	52.1%	54.4%	54.7%	47.4%	56.6%	59.3%	54.9%	53.1%
Skilled Blue Collar (non-service)		947	5991	7265	1281	1239	3274	594
% of Total Employment		29.8%	36.4%	25.1%	28.7%	33.6%	22.4%	25.2%
Implied Incremental Jobs		254						
Implied Total Upside		3430						
% of Total Employment		35.0%						

Appendix C: Detailed Demographic Comparison Table

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
Heavy Industry / Manufacturing	11,405	568	3,960	3,308	691	950	1,602	325
Construction	4,435	226	874	1,563	509	243	879	140
Manufacturing	6,970	342	3,086	1,745	182	707	723	185
% of Total Employment	15.5%	17.9%	24.1%	11.4%	15.5%	25.8%	11.0%	13.8%
Light Industry / Non-Manufacturing	6,790	217	1,750	2,855	407	200	1,195	168
Transportation	2,900	105	888	1,030	240	114	445	79
Communications	2,368	72	451	1,196	76	57	476	41
Wholesale trade	1,522	40	411	629	91	29	274	48
% of Total Employment	9.2%	6.8%	10.6%	9.8%	9.1%	5.4%	8.2%	7.1%
Business Services	30,902	1,244	5,618	12,966	1,747	1,426	6,809	1,096
Business/Repair Services	3,258	75	728	1,440	152	126	680	58
Health Services	10,285	497	1,971	4,980	453	395	1,638	352
Education Services	7,722	248	1,336	3,246	416	337	1,941	198
Other Services	3,683	175	901	1,513	235	146	583	131
Public Administration	5,954	249	682	1,787	491	422	1,967	357
% of Total Employment	41.9%	39.2%	34.2%	44.7%	39.2%	38.7%	46.7%	46.4%
Consumer Services	21,569	898	4,574	8,326	1,440	944	4,703	682
Retail trade	9,111	372	2,129	3,839	490	349	1,667	265
F.I.R.E.	3,119	155	625	1,363	183	173	520	100
Personal Services	6,301	246	1,210	2,485	481	320	1,307	251
Ent/Recreation Services	3,038	125	610	639	286	102	1,209	66
% of Total Employment	29.3%	28.3%	27.8%	28.7%	32.3%	25.6%	32.2%	28.9%
Mining and Agriculture	3,036	250	543	1,541	170	165	277	90
Agriculture	1,364	157	443	233	114	141	194	82
Mining	1,672	93	100	1,308	56	24	83	8
% of Total Employment	4.1%	7.9%	3.3%	5.3%	3.8%	4.5%	1.9%	3.8%

Appendix C: Detailed Demographic Comparison Table

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
Household Vehicles - 2002								
Total Vehicles Available	123,873	6,305	28,199	46,114	8,578	6,889	23,389	4,399
0 Vehicles Available	5,201	268	1,032	2,098	421	237	1,022	124
1 Vehicles Available	23,962	1,231	5,204	8,182	1,861	1,285	5,248	952
2+ Vehicles Available	41,396	2,164	9,476	15,480	2,854	2,340	7,602	1,481
Average Vehicles Per Hhld.	1.8	1.7	1.8	1.8	1.7	1.8	1.7	1.7
Housing - 2002								
Vacant Dwellings	29,138	2,435	3,774	6,089	5,659	2,650	7,000	1,531
Owned Dwellings	53,550	3,036	12,640	18,249	4,103	3,197	10,265	2,059
Rented Dwellings	17,008	626	3,071	7,510	1,032	664	3,607	498
Total Dwellings	99,696	6,097	19,485	31,848	10,794	6,511	20,872	4,088
Vacancy Rate (%)	29.2%	39.9%	19.4%	19.1%	52.4%	40.7%	33.5%	37.5%
Percent Owner-Occupied	53.7%	49.8%	64.9%	57.3%	38.0%	49.1%	49.2%	50.4%
Percent Renter-Occupied	17.1%	10.3%	15.8%	23.6%	9.6%	10.2%	17.3%	12.2%
Median Dwelling Age	35.1	36.7	38.2	35.7	34.2	32.2	32.3	33.1
Median Length of Residence	7.7	8.3	9.1	7.1	8.1	8.9	6.4	8.2
Median Rent (Renter Occupied)	$400	$345	$382	$398	$429	$376	$426	$430
Median Home Value (Owner Occupied)	$77,741	$64,924	$79,554	$77,155	$91,795	$75,787	$77,217	$67,777

Appendix D: Manistique, Michigan Area - Retail and Businesses

Auto Repair & Maintenance

1 Baker's Body Shop
2 Bergy's Auto Repair
3 Doug's Auto Body Repair
4 Ken's Auto Repair
5 Marathon Auto Repair
6 Super Wash
7 W. J. Automotive

Personal & Laundry Service

1 6032 Cutting Crew Salon
2 Barber Shop
3 Family Pride Laundry & Linen
4 Go Figure
5 Hair & Tanning
6 Hair Connection Salon
7 King Koin Laundry
8 Massage
9 optometrist
10 Roy's Precision Cuts
11 Service Master Cleaning Service
12 Trim-N-Tan Massage / Massage

Motor Vehicle Parts / Dealers

1 Auto Value
2 Curran Chevrolet, Buick Inc
3 Muffler
4 Napa Auto Parts
5 Steve's Tire
6 Creighton Ford

Finance, Insurance, Real Estate

1 Eagle Realty Office
2 Farm Bureau Insurance
3 Grover's Coldwell Banker
4 Insurance Savings Agency
5 Kathryn Denholm Law Office
6 Malloy Insurance & Real Estate
7 Olson, et. al. Attorneys
8 Schoolcraft Title Company
9 State Farm Insurance
10 Statewide Real Estate

General Merchandise

1 Ben Franklin Store
2 Family Dollar
3 Pamida

Health / Personal Care

1 Pamida (acquisition of Snyder Drug)
2 Putvin Health Mart Drug

Foodservice & Drinking Places

1 Ann Marie's Family Dining
2 Big Boy
3 Big Spring's Inn Restaurant
4 Blaney Inn Restaurant
5 Buckshot's Bar
6 Burger King
7 Camel Rider's Restaurant
8 Christy's Bar
9 Clyde's Restaurants
10 Dairy Cream
11 Emerald City Café
12 Fireside Dining
13 First Street Tavern
14 Grandma Emma's Deli & Bakery
15 Harbor Bar
16 Hardee's
17 Jax Bar & Restaurant
18 Jessie's Sunrise Kitchen
19 Kewadin Casino
20 Lakeview Lanes Bowling
21 Mariner's Cove
22 Main Street Pizza
23 Mini Golf - Ice Cream
24 Marley's Bar & Grill
25 Rosie's Clubhouse Restaurant
26 South Cedar Subs
27 Subway
28 Sunny Shores Fine Foods Restaurant
29 Teddy's Pub and Bistro
30 Three Mile Supper Club
31 Upper Crust Deli

Financial Institutions / Banks

1 Coldwell Banker
2 Eagle Realty Office
3 Explore Real Estate
4 Farm Bureau Insurance
5 Fox Real Estate
6 Grover's Coldwell Banker
7 Insurance Savings Agency
8 Kathryn Denholm Law Office
9 Malloy Insurance & Real Estate
10 Olson, et. al. Attorneys
11 Schmidt Realty
12 Schoolcraft Title Company
13 State Farm Insurance
14 Statewide Real Estate
15 U.P. Realty

Appendix D: Manistique, Michigan Area - Retail and Businesses

Electronics / Appliances
1 Flodin's Appliance Service
2 Lagasco Appliances & Propane
3 M & L Electronics
4 Manistique RCA Electronics Radio Ctr.
5 Paul's Plumbing & Appliance
6 Radio Shack
7 Semco Energy Gas Co.
8 UP Computer Center

Building / Garden Supply
1 Don's Construction
2 George's Do-It-Best
3 Hoholick's Ace Hardware
4 Hunter's Garage Doors
5 Johnston Construction
6 Knoph Construction
7 Lagasco Propane
8 Manistique Lumber
9 Northfork Construction
10 Olsen & Olsen Building Contractors
11 Pittsburg Paints
12 Rainbow End Builder's Warehouse

Miscellaneous
1 Al's Taxidermy & Wildlife Art
2 Christopher's Antiques
3 Floral Antiques - vacant
4 Flower Cottage
5 Holiday Helpers Party Supply
6 Kids & More Vintage
7 Midwest Sound
8 Pet Grooming
9 Record Shop
10 The Auction Block
11 The Mustard Seed
12 The Shadow Box Hallmark
13 Treasure City Gift Shop
14 US Post Office
15 Video Country

Furniture / Home Furnishings
1 Factory Direct Matresses
2 Phoenix Furniture & Carpentry
3 Shunk Furniture
4 The Home Room
5 Trader's Point Furniture Restoration

Gas Stations
1 British Petroleum
2 Citgo Convenience
3 Shell Gas Food Mart

Clothing / Clothing Accessories
1 Mercado Sterling Silver Imports
2 Nelson Shoes
3 St. Vincent de Paul Thrift Store
4 The People's Department Store

Sporting Goods / Hobby / Book
1 Bait & Tackle Shop
2 Booktique
3 F. R. S. Marine Store
4 Tamarack Books
5 Thompson Sports
6 Top-O-Lake Sports & Gifts

Civic Meeting Space
1 Chamber of Commerce
2 Drop In Shelter
3 Hiawatha Township Hall
4 Lakeside Lodge #371
5 Manistique City Hall
6 Manistique Moose Lodge #1972
7 Manistique Public Library
8 Manistique Senior Citizens Center
9 Manistique Township Hall
10 Manistique Tribal Community Ctr.
11 Manistique VFW Post #4420
12 Schoolcraft County Fair Building
13 The Eagles Lodge
14 The Elks Lodge
15 Thompson Township Hall

Food and Beverage
1 Apple Barrel Party Store
2 Christy's Liquor
3 Citgo Quik Food Mart
4 Hiawatha Country Store
5 Indian Lake Party Store
6 Jack's Grocery
7 King's Fish Market
8 Party Pizza Store
9 Save-A-Lot
10 Thompson Outpost

Appendix E: Regional Demographic Comparison - Population, Income and Retail Expenditures

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
2007 Population (Anysite)	178,550	9,229	37,878	59,966	12,509	10,331	40,803	7,835
2002 Population (Anysite)	178,152	8,986	37,732	63,196	11,952	9,956	39,082	7,247
2000 Population (Census)	179,415	8,903	38,520	64,634	11,943	9,862	38,543	7,010
1997 Population (interpolated)	178,221	8,718	38,042	66,447	11,486	9,577	37,210	6,565
1990 Population (Census)	175,465	8,302	36,951	70,876	10,486	8,943	34,275	5,634
CAGR 2002-2007 (%)	0.0%	0.5%	0.1%	-1.0%	0.9%	0.7%	0.9%	1.6%
CAGR 2000-2002 (%)	-0.4%	0.5%	-1.0%	-1.1%	0.0%	0.5%	0.7%	1.7%
CAGR 1990-2000 (%)	0.2%	0.7%	0.4%	-0.9%	1.3%	1.0%	1.2%	2.2%
Income Comparisons								
2007 PCI (projected)	$22,807	$22,389	$24,278	$23,221	$27,340	$24,310	$19,072	$23,254
2002 PCI (projected)	$19,377	$19,069	$20,734	$19,975	$21,111	$20,438	$16,412	$19,149
2000 PCI (interpolated)	$18,188	$17,758	$19,332	$18,684	$18,825	$18,924	$16,040	$17,569
1999 PCI (2000 Census)	$17,293	$17,137	$18,667	$18,070	$17,777	$18,210	$15,858	$16,828
1997 PCI (interpolated)	$15,613	$15,306	$16,735	$16,370	$15,765	$16,044	$14,304	$14,934
1990 PCI (interpolated)	$10,978	$10,306	$11,417	$11,583	$10,355	$10,301	$9,969	$9,834
1989 PCI (1990 Census)	$10,375	$9,740	$10,810	$11,025	$9,751	$9,669	$9,468	$9,264
CAGR 2002-2007 (%)	3.3%	3.3%	3.2%	3.1%	5.3%	3.5%	3.0%	4.0%
CAGR 1999-2002 (%)	3.9%	3.6%	3.6%	3.4%	5.9%	3.9%	1.2%	4.4%
CAGR 1989-1999 (%)	5.2%	5.8%	5.6%	5.1%	6.2%	6.5%	5.3%	6.2%
2007 Total Personal Inc. ($Mil.)	$4,072	$207	$920	$1,392	$342	$251	$778	$182
2002 Total Personal Inc. ($Mil.)	$3,452	$171	$782	$1,262	$252	$203	$641	$139
2000 Total Personal Inc. ($Mil.)	$3,263	$158	$745	$1,208	$225	$187	$618	$123
1990 Total Personal Inc. ($Mil.)	$1,926	$86	$422	$821	$109	$92	$342	$55
CAGR 2002-2007 (%)	3.4%	3.8%	3.3%	2.0%	6.3%	4.3%	3.9%	5.6%
CAGR 2000-2002 (%)	2.9%	4.1%	2.5%	2.2%	5.9%	4.4%	1.9%	6.2%
CAGR 1990-2000 (%)	5.4%	6.3%	5.8%	3.9%	7.6%	7.3%	6.1%	8.3%
1997 Retail Trade Data								
Total Retail Trade ($Mil.)	$1,456.4	$78.6	$380.0	$522.7	$83.7	$37.1	$289.6	$64.7
Expenditures per Capita ($)	$8,172	$9,021	$9,989	$7,867	$7,286	$3,872	$7,783	$9,851
Percent of PCI (%)	52.3%	58.9%	59.7%	48.1%	46.2%	24.1%	54.4%	66.0%
Foodservice/Drinking ($Mil.)	$154.6	$5.4	$32.5	$51.7	$20.3	$8.9	$31.2	$4.6
Expenditures per Capita ($)	$868	$623	$854	$779	$1,771	$927	$838	$700
Percent of PCI (%)	5.6%	4.1%	5.1%	4.8%	11.2%	5.8%	5.9%	4.7%
Arts/Entertain./Recreat. ($Mil.)	n/a	$1.0	$6.7	$4.2	$3.4	n/a	n/a	n/a
Expenditures per Capita ($)	n/a	$116	$176	$63	$293	n/a	n/a	n/a
Percent of PCI (%)	n/a	0.8%	1.1%	0.4%	1.9%	n/a	n/a	n/a

Appendix F: Regional Demographic Comparison - Population, Households and Employment

Demographic Comparison	TOTAL REGION	Schoolcraft (Manistique)	Delta (Escanaba)	Marquette (Marquette)	Mackinac (Mackinac)	Alger (Munising)	Chippewa (Sault St. Marie)	Luce (Newberry)
2002 Population (Anysite)	178,152	8,986	37,732	63,196	11,952	9,956	39,082	7,247
2000 Population (Census)	179,415	8,903	38,520	64,634	11,943	9,862	38,543	7,010
1990 Population (Census)	175,465	8,301	36,951	70,876	10,486	8,943	34,275	5,634
CAGR 2000-2002 (%)	-0.4%	0.5%	-1.0%	-1.1%	0.0%	0.5%	0.7%	1.7%
CAGR 1990-2000 (%)	0.2%	0.7%	0.4%	-0.9%	1.3%	1.0%	1.2%	2.2%
2002 Population Characteristics								
Population in Group Quarters	13,089	424	567	3,785	202	1,022	5,910	1,179
Per Capita Income	$19,377	$19,069	$20,734	$19,975	$21,111	$20,438	$16,412	$19,149
Median Age	38.2	40.9	39.9	37.1	42.3	40.7	35.8	38.0
Percent Married, not Separated	49.5%	54.8%	55.4%	48.0%	55.5%	51.9%	42.6%	48.4%
2002 Household Characteristics								
Total Number of Households	70,559	3,662	15,711	25,760	5,135	3,861	13,872	2,557
Number of Family Households	46,292	2,526	10,550	16,176	3,439	2,616	9,193	1,793
Average Household Size	2.5	2.5	2.4	2.5	2.3	2.6	2.8	2.8
Median Household Income	$32,940	$27,997	$34,205	$33,468	$31,652	$34,057	$32,603	$31,013
% Hhlds.With Children <18 Yrs.	30.0%	29.1%	30.7%	28.9%	28.0%	28.0%	32.5%	31.6%
% Labor Force Unemployment	7.1%	9.5%	6.8%	5.7%	12.4%	6.5%	7.8%	5.8%
% Adults with College Degree	32.0%	23.2%	35.1%	38.6%	27.6%	25.0%	25.8%	22.5%
White Collar v. Blue Collar								
% White Collar Employment	47.9%	45.6%	45.3%	52.6%	43.5%	40.7%	45.1%	46.9%
% Blue Collar, skilled		35.0%						
Employment by Industry Sector								
% Manufacturing	15.5%	17.9%	24.1%	11.4%	15.5%	25.8%	11.0%	13.8%
% Light Industry	9.2%	6.8%	10.6%	9.8%	9.1%	5.4%	8.2%	7.1%
% Business Services	41.9%	39.2%	34.2%	44.7%	39.2%	38.7%	46.7%	46.4%
% Consumer Services	29.3%	28.3%	27.8%	28.7%	32.3%	25.6%	32.2%	28.9%
% Mining and Agriculature	4.1%	7.9%	3.3%	5.3%	3.8%	4.5%	1.9%	3.8%
Vacancy Rate (%)	29.2%	39.9%	19.4%	19.1%	52.4%	40.7%	33.5%	37.5%
Percent Owner-Occupied	53.7%	49.8%	64.9%	57.3%	38.0%	49.1%	49.2%	50.4%
Percent Renter-Occupied	17.1%	10.3%	15.8%	23.6%	9.6%	10.2%	17.3%	12.2%
Median Rent (Renter Occupied)	$400	$345	$382	$398	$429	$376	$426	$430
Median Home Value (Owner Occ.)	$77,741	$64,924	$79,554	$77,155	$91,795	$75,787	$77,217	$67,777