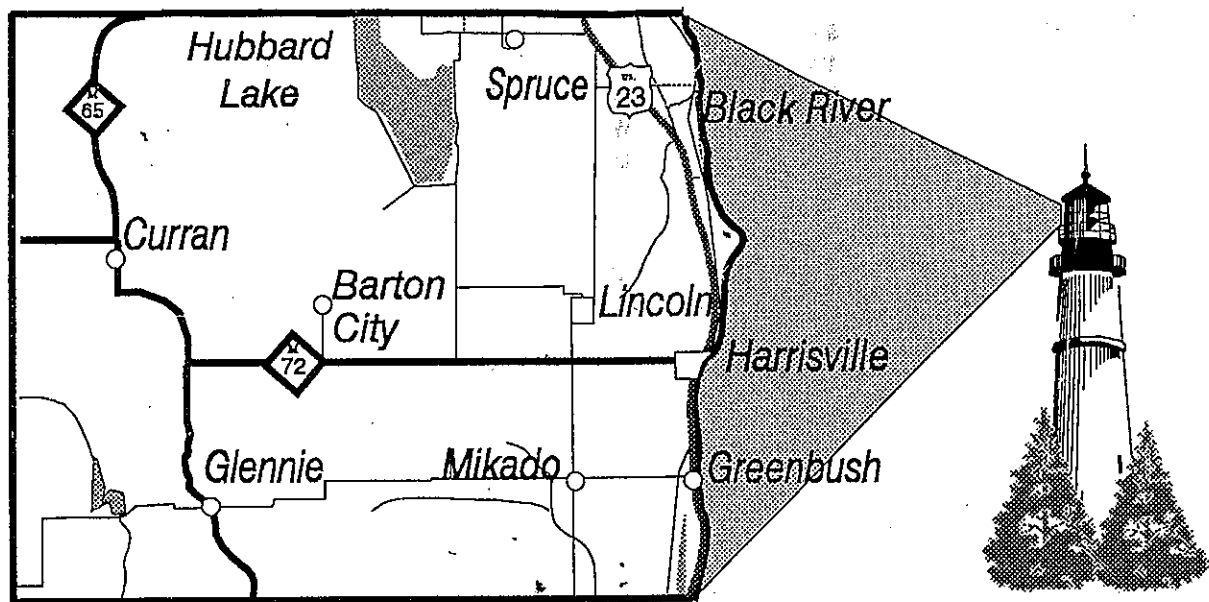


ALCONA COUNTY

ECONOMIC DEVELOPMENT STRATEGY



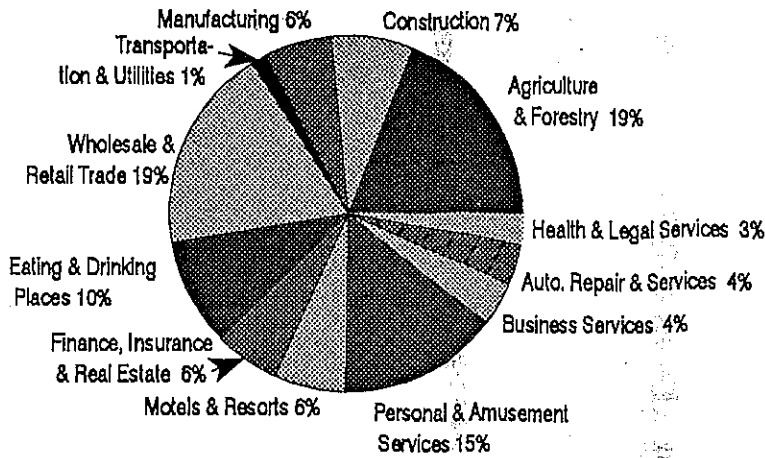
Prepared for the:
ALCONA COUNTY
ECONOMIC DEVELOPMENT CORPORATION

June, 1991

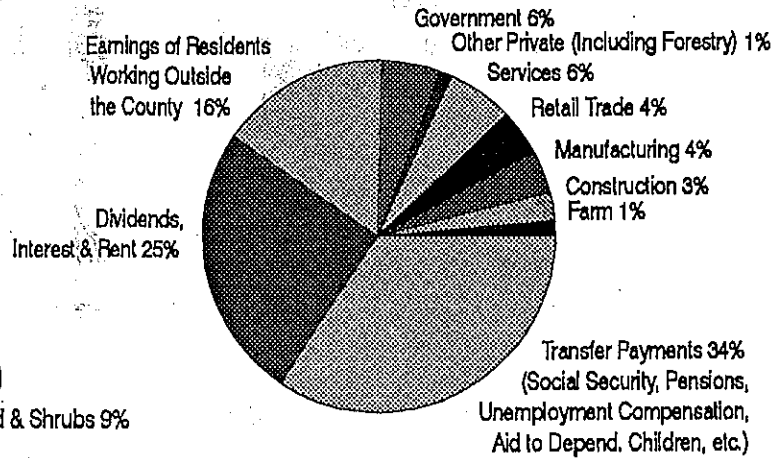
By the:
Northeast Michigan Council of Governments
Gaylord, MI 49735

ALCONA COUNTY DATA

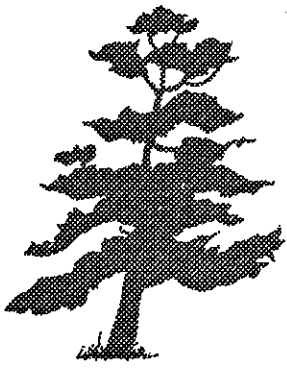
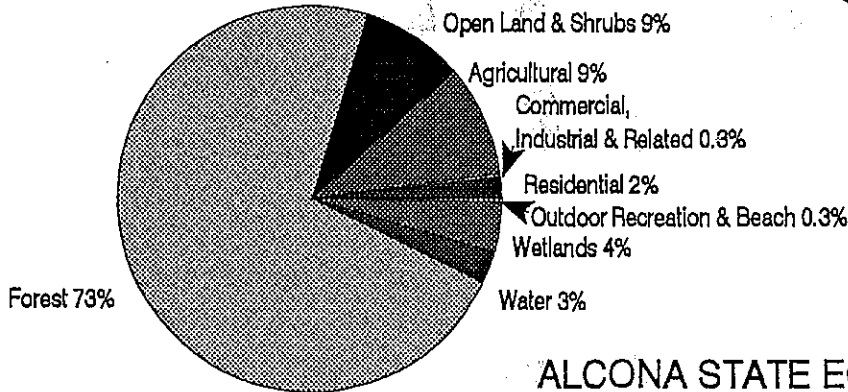
ALCONA BUSINESS TYPES 376 Firms in 1990



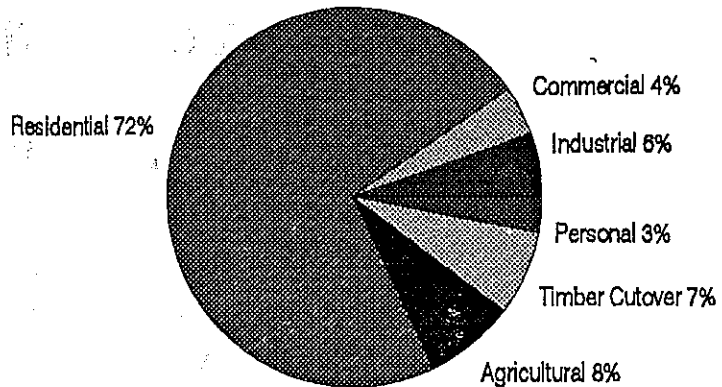
ALCONA INCOME \$118 Million in 1988



ALCONA LAND USE (As of 1978, 443,625 Acres)



ALCONA STATE EQUALIZED VALUATION \$306 Million in 1991



Contents

	<i>Page</i>
PURPOSE OF THE STRATEGY _____	1
COUNTY VISION _____	1
BACKGROUND _____	1
COMMUNITY MEETINGS _____	1
BUSINESS SURVEY OVERVIEW _____	2
BUSINESS OPERATORS CHOOSE ALCONA COUNTY _____	2
LABOR TRAINING AND EDUCATION TO ENCOURAGE ECONOMIC DEVELOPMENT _____	3
IMPROVING CAREER EDUCATION FOR ALCONA COUNTY STUDENTS _____	3
MAINTAINING THE COUNTY'S RURAL LIFESTYLE AND QUALITY ENVIRONMENT _____	4
ECONOMIC DEVELOPMENT AND TELEPHONE SERVICE _____	5
HIGHWAY TRANSPORTATION IN ALCONA COUNTY _____	8
PUBLIC INVESTMENT IN QUALITY ROADS _____	8
IMPROVING HIGHWAY TRANSPORTATION _____	9
ECONOMIC DEVELOPMENT IN ALCONA COUNTY _____	10
GROUPS WORKING FOR THE COUNTY'S ECONOMIC DEVELOPMENT _____	10
IMPROVING ECONOMIC ORGANIZATION IN ALCONA COUNTY _____	12
BUSINESSES IN THE COUNTY _____	14
ENHANCING BUSINESS DEVELOPMENT _____	14
BUSINESS FINANCING TO FOESTER ECONOMIC DEVELOPMENT _____	14
IMPROVING BUSINESS FINANCING FOR ECONOMIC DEVELOPMENT _____	15
THE POSSIBLE CLOSING OF WURTSMITH AIR FORCE BASE _____	16
ALCONA COUNTY'S ROLE IN ECONOMIC ADJUSTMENT _____	17
COMMUNICATIONS AND PUBLIC APATHY WITHIN ALCONA COUNTY _____	17
 APPENDICES	
A. The Alcona County Business Survey	
 B. Alcona County Business Survey Results	
C. Highway Financing	
 D. Brief Economic Analysis of Alcona County	

0
1
2
3
4
5
6
7
8
9

1
2
3
4
5
6
7
8
9

ALCONA COUNTY ECONOMIC DEVELOPMENT STRATEGY

PURPOSE OF THE STRATEGY

The intent of this strategy is to outline high priority action steps to take advantage of opportunities to enhance Alcona County as a place to work and live. With leadership critically evaluating and carefully implementing this plan, Alcona County can better come to grips with becoming the community that residents and business operators envision.

COUNTY VISION

"A common vision of business operators and residents involved in this strategy was to improve the county business economy and residents' standard of living without a significant population increase or a decline in environmental quality."

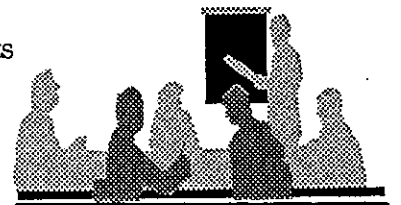
BACKGROUND

Alcona County consists of several rural communities whose residents share a common love for the county's natural resources and rural life style. They struggle, because of difficult or uncoordinated communications, to build upon their common interests by identifying and pursuing common economic development objectives. Some forces bring residents together but others pull them apart. Forces bringing them together include the shared natural resources—such as forests, lakes and streams—and an improving road system. Strong economic forces pull them apart. Nearly 40% of employed residents are recorded to have jobs outside the county—working elsewhere dilutes their interest, involvement in Alcona County. And it makes communications with them difficult. Communications problems are compounded by small service areas: the county has eleven zipcode areas, five telephone areas served by three telephone companies, and three school districts—two of which are headquartered outside the county. Alcona County government and public service groups have difficulty in bringing together county-wide consensus on development priorities.

COMMUNITY MEETINGS

In 1988, a meeting was held to get consensus on county-wide priorities for the next decade. Approximately sixty leaders from across the county met to voice and then vote upon these priorities. Their top priorities were:

- Protection and Preservation of Resources
- Formal and Informal Education Opportunities for Youth and Adults
- Economic Development — Creating More Jobs
- Provide Opportunities to Employ Young People
- Promote Small Business and Job Opportunities
- Develop a County Plan for Controlled Growth
- Develop Quality Jobs in Tourism, Farming and Small Business
- Develop a Better Road System (M-65, M-72 and U.S. 23)
- Educate Non-skilled Workers



In 1990, the County Economic Development Corporation received a Michigan Department of Commerce grant to follow up this process and complete an economic development strategy. Community leaders were brought back again. A second county-wide meeting was held in June to

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further refine these priorities and to answer the question--"How can we provide quality jobs in a quality environment." The community leaders were first given information on the county's economy. They then identified top priorities:

- Establish a Business-Education Partnership
- Process Forest Products in Alcona County
- Use Raw Materials from Alcona County
- Improve Transportation Access to the County
- Leadership Development
- Establish a Revolving Loan Fund for Firms Creating Jobs in Alcona County
- Encourage Light Industry
- Develop a Long Range Plan for Orderly, Controlled Growth
- Improve High School and College Vocational Education Opportunities
- Hire a County Government Coordinator/Manager

The priorities again identified were then considered in workshops, in January 1991, with local and regional experts. They specified many actions steps for strategies dealing with:

- * Improving educational opportunities, particularly through establishment of a business-education partnership in vocational education;
- * Protecting natural resources, especially through development of a county plan for controlled growth;
- * Improving access to Alcona County – transportation to and through the county and communications;
- * And creating quality jobs, particularly in processing raw materials from Alcona County.

BUSINESS SURVEY OVERVIEW

As part of the strategic planning process, the Economic Development Corporation sought out the priorities, plans and recommendations of business operators—persons creating jobs. All businesses in the county—about 375, including farmers and loggers—were surveyed in November and December of 1990. One hundred and thirty—just over one-third—responded. Response rates ranged from 67% in Black River to 21% in Greenbush. A copy of the questionnaire, information on response rates and summary results are attached in Appendices A and B .

BUSINESS OPERATORS CHOOSE ALCONA COUNTY

The primary reason for operating in Alcona County, according to 70% of responding business persons, was their desire to live in the county. Only 30% said that their location was primarily to serve local customers, be near supplies or the local work force. Their desire to live in the county is, of course, not the only reason they operate there. They need customers, supplies and a local labor force to stay in business. Local customers and markets was the single most important factor they selected for successful operation in the county. Perhaps most could have found lucrative business opportunities elsewhere. They typically do not perceive the local business climate to be very good (63% rated the business climate in the county to be poor or fair). They choose to live in Alcona County. It is important that they perceive that their life-style will be maintained. But this raises a question about what is most important to maintain the life-style. This question was not directly asked business owners but perhaps some hints can be derived from their ratings of various business needs and opportunities.

Business operators thought highly of the school district, the quality of fire protection and, except in western parts of the county, the quality of electrical power. But the most highly rated factors were the county's natural resource amenities and nearby recreation. The business owners likely felt that the quality of these

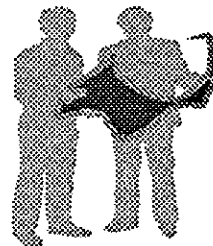
resources must be maintained, particularly for recreational purposes, to sustain business development in the county.

LABOR TRAINING AND EDUCATION TO ENCOURAGE ECONOMIC DEVELOPMENT

There is concern nation-wide for an adequate education of our work force. But everyone's initial education occurs locally. Alcona community leaders placed highest priority upon education, particularly to help existing residents find better jobs. There is little evidence that raising the level of education among residents significantly attracts employers, according to nation-wide studies by the U.S. Economic Research Service. It may help retain parents interested in a quality education for their children, but there are more efficient ways to attract businesses. Raising the level of education without having appropriate local job opportunities will encourage residents to, at worst, relocate or, at best, commute to other geographic areas. Some, particularly graduating students, relocate despite local job opportunities. But improving the job readiness of residents and graduating students preferring to stay in the area, can help local employers be more productive, raise residents incomes and lower joblessness.

Business operators responding to the survey, as shown in Appendix B, were most often concerned about the supply, education and training of craft/skilled and professional workers. Perhaps local employers compete for craft/skilled and professional workers with employers in neighboring Alpena and Iosco Counties. The supply of unskilled laborers, they perceived, was more than adequate. And the training and experience of unskilled laborers was, except for personal service firms, adequate. A demand for more skilled workers—perhaps by enhancing training of the unskilled—was voiced by operators of construction, lodging, personal and automotive service firms. And the training of skilled personal and automotive service, agricultural and forestry workers was reported as less than adequate. Whether the local wage rates for these jobs provide adequate incentive for workers to improve skills is unclear. Local wage rate data are not available. The supply of professionals among lodging, personal and automotive services, agricultural and forestry, and manufacturing firms was also called less than adequate. Professionals' training and experience was judged less than sufficient by automotive services, agriculture and forestry business operators. But, again, information was not available on the competitiveness of local wage rates.

A specific priority for community and area experts was to encourage students, at an early age, to identify careers and the skills needed for them. Career education is similar to taking a trip—the journey is life and careers are destinations along roads they choose. Some students are aware of the trip—finding out about interesting destinations and choosing the roads to get there. Others go along for the ride, not anticipating the destinations their road will take them.



IMPROVING CAREER EDUCATION FOR ALCONA COUNTY STUDENTS

An adequate career education is tailored to the differing needs of these students. Some need only to be exposed to different careers—through career fairs (area employers set up booths at the school describing careers in their field) or mentoring with someone employed in that career. Others can be jolted from complacency by caring counselors. They can be encouraged to consider what jobs they will find after graduation—then be exposed to how rapidly the changing technology and economy limits demand and alters requirements for those jobs. Career fairs expose students to area employers. Schools ask employers to provide information to students about their business and employment requirements. Counselors report that career fairs are effective but take much of their limited time to organize.

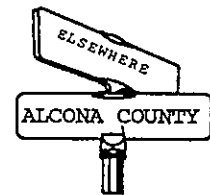
Alcona County students travel, depending upon where they reside in the county, up to an hour to attend an area vocational skill center. Students in the Alcona School District, part of the AMA Intermediate School District, travel to Alpena. Those in the Curran Area, part of the COOR Intermediate School District, travel to Kirtland Community College on the Roscommon-Oscoda County line. And those living

in southern Alcona County, part of the Iosco Intermediate School District, travel to Oscoda. The travel time to the area skill centers may limit students extra curricular school activities and cause fatigue. Although the number of students traveling from Alcona County to any one skill center is not large, skills center staff recognize scheduling problems. Whenever possible, training schedules need to be adjusted to limit travel fatigue and encourage participation.

Students learn much from informal education—that is, spending time with persons working on the job. Most schools have a “co-op” work program; students part-time work for a specific employer. This program takes students out of school part-time, limiting their formal education. State required teacher or counselor supervision limits the number of students who can take advantage of the program. The Alcona County 4-H Council has used a mentoring program to expose students, for a short time, to an interesting career workplaces. To make this program more effective, teachers as well as students must participate. Teachers need also to mentor with non-academic professionals regarding subjects they teach.

In some schools, motivated business operators teach, as special instructors, how to apply academic subjects learned in school to their work place. An applied academics effort modeled after the popular Drug Abuse Resistance Education (DARE) program, involving business operators as teachers, could bring the reality of the business place to students.

Labor training and career education can be additional tasks for understaffed and underfunded schools. However well prepared job entrants wanting to remain in Alcona County could make local businesses more productive and profitable. And they could continue to improve the image of local schools, needing to maintain or increase millage revenue. A well-planned, cooperative and concerted effort between schools, labor training providers and business operators can, however, reap its benefits.



MAINTAINING THE COUNTY'S RURAL LIFESTYLE AND QUALITY ENVIRONMENT

Most business operators responding to the survey, as mentioned earlier, stated that natural resource amenities and nearby recreation were the primary for their successful operation in the county. To most of them, this response is probably motivated by both their personal feelings and the interests of their customers. Maintaining the quality of the county's natural resources is crucial. Development is publicly controlled on State or federal forest land—about 40% of the county; there is oversight on development. There is not as much assurance of a quality environment in the remainder of the county. The demand for, and value of, property along county's 13 larger lakes, 27 miles of Lake Huron shoreline and 31 miles of rivers is rising rapidly, according to local real estate agents and assessors. This waterfrontage is used; in 1985 there were over 1,700 watercraft registered in the county. It is not now known how fast development is occurring on non-waterfront property. Rising values increase property taxes, encouraging many owners to find uses that generate income and to sell portions of their property. More owners and land uses increase conflicts. Land owners residing or relocating from other areas are often accustomed to being safe guarded from land use conflicts through zoning ordinances and building permits. When they purchase the land or seek a building permit, they become aware of restrictions on its development. These safe guards on development are not clear in many parts of Alcona County. And, typically, it takes some effort to find out about them from township officials. In the past, many local governments in Northeast Michigan shunned zoning; it was perceived as a bureaucratic hindrance to economic development. As development occurs, however, many now understand that a suitable zoning ordinance prevents many more problems than it creates.



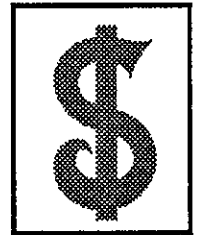
proves its attractiveness. Local chambers of commerce should continue to work with the Sunrise Side Committee to jointly promote Alcona County along with eight other Northeast Michigan counties. To help pay joint promotion costs, a Visitors and Convention Bureau could be established in, at least, the Harrisville area, to collect a room fee from visitors.

The county has lacked a major tourist destination resort. A large destination resort would encourage tourists to spend more time, and money, in Alcona County. The recent purchase of the former Mt. Maria Ski Resort, on the south end of Hubbard Lake, allows potential for this development. Should this occur, the township government should have proper zoning ordinances in place to guide long term development of the area.

Alcona County's business climate, as rated by two-thirds of those responding to the Business Survey, is poor to fair. Asked why they made this rating, many perceived that community residents and other businesses did not want to the area to develop or other businesses were afraid of competition. This perception may be changed if there were more information on new and expanding business. When business development occurs, it is important that the media share that with residents. Many northern Michigan newspapers, and other media, regularly feature new and expanding businesses. It is difficult for the small newspapers in Alcona County, with limited staff, to develop a comprehensive business page. But brief, regular additional coverage each week could improve readers perception of the business climate in Alcona County.

BUSINESS FINANCING TO FOSTER ECONOMIC DEVELOPMENT

Business operators were asked which one of 29 factors important to business success was most important to improve. The most frequent choice was business financing. The respondents mentioned problems with bank loans but were not more specific about the nature of local problems. Bank financing for commercial real estate is becoming more difficult nationwide due to savings and loan failures. Banks look for increased security or collateral in lending.



A primary method of increasing security is lowering the percentage the bank lends on the value of the purchased or constructed asset (decreasing the loan to value ratio). To do this, financial institutions often require a larger cash downpayment from the prospective borrower. But a larger downpayment often means the borrower has less cash in the early life of a firm, when he needs it most. He needs cash to purchase supplies and pay employees but has not yet generated enough through increased sales. New and expanding firms often risk failure when owners under finance their needs or finance buildings and equipment with short-term, high interest loans. Local revolving loan funds have been organized in several Michigan communities to fill this financing gap. Those established in recent years using federal guidelines require a financial institution to participate in all loans. And they provide no more than one- third of the loan monies needed by a borrower.

Many local revolving loan funds (RLFs) were established in the early 1980's. At that time, federal and state policies allowed their Community Development Block Grant Program funds to be loaned to private job creating businesses who, in turn, would repay the loan to a community RLF. The RLF staff would then lend the funds to other job creating businesses to be repaid to the RLF. The Alcona County EDC, as mentioned earlier in this Report, received very limited repays under this program before the sole borrower declared bankruptcy. The County and some townships, in addition, have made commitments to the EDC revolving loan fund of a portion of future oil royalties on their properties. At this time there is no drilling on these properties, and there is little drilling in Alcona County, but this creative financing could perpetuate an often short-lived petroleum-related prosperity. Current Community Block Grant policies no longer allow repayment to local RLFs. The only federal program now providing capital for a revolving loan fund is the U.S. Department of Commerce's Economic Development Administration (EDA).

EDA's Sudden and Severe Dislocation and its Long Term Economic Distress Program can provide qualifying counties up to 75% of the funds to capitalize a county-wide RLF. To qualify, Alcona County would have to suffer the loss of one or more large employers in a short time or experience consistently high jobless and low incomes. Relatively few counties qualify for the Sudden and Severe Dislocation program. Should nearby Wurtsmith Air Force Base close, all or parts of Alcona, along with Iosco County, may become eligible. The Air Force Base is only a seven minute drive from Alcona County along both U.S. 23 and F-41. A high rate of commuting to work from Alcona to Iosco County has been acknowledged by the U.S. Department of Labor for the past 20 years. They have designated the two counties as one labor market area. The loss of 3,300 military and 700 civilian jobs would have severe impacts upon both Alcona and Iosco Counties. If the Air Base closes, both Alcona and Iosco Counties should qualify for the Sudden and Severe Economic Dislocation Program. Although Alcona County may qualify for the Long-Term Economic Distress program as well, it may be only one of many eligible for that program.

A RLF needs sufficient capital to allow funds to revolve—to allow the administrative board to make additional loans with the proceeds of loan repayments. The Alcona County Economic Development Corporation has some funds available to establish and capitalize a loan program. An adequately capitalized RLF for Alcona County should have over \$100,000 to allow the EDC to receive sufficient repayments to make new loans.

IMPROVING BUSINESS FINANCING FOR ECONOMIC DEVELOPMENT

The Alcona County EDC should continue to seek improved local business financing. This was the most frequently mentioned improvement needed in the Alcona County Business Survey. They should get more specific information, however, about what improvements these businesses need. A very simple follow-up survey could provide the information needed to respond to them. Their response may include actions other than a Revolving Loan Fund but their specific needs can be addressed in RLF guidelines. The loan guidelines can establish the characteristics of businesses that should get priority in lending, any jobs to be created or retain, the mix of loans to be provided (for example, what percent should be real estate, inventory, working capital loans, etc.), the standard interest rate and term of each type of loan.

Should Wurtsmith Air Force Base be scheduled to close, Alcona County should consider any opportunity to affiliate with any Iosco County economic adjustment revolving loan fund program. The County shares its labor force with Iosco County and will share sudden economic dislocation. A revolving loan fund could make the area more attractive to both businesses and financial institutions lending them money. The EDC must consider, however, sharing financial resources to help meet the local cash match required by federal programs to establish and capitalize an RLF.

THE POSSIBLE CLOSING OF WURTSMITH AIR FORCE BASE

Wurtsmith Air Force Base has been preliminarily designated as one of 31 major military bases to be closed over the next few years. The Base, as the attached map shows, is located just six miles south of Alcona County but can be accessed from Alcona County by three highways—U.S. 23, F-41 and River Road. Closure of the Base could have dramatic impacts upon Alcona County businesses and residents. One in five working county residents commuted to jobs in Iosco County when the 1980 Census was taken. It is likely that the 1990 Census commuting to work data will show increased dependence upon Iosco County jobs. Besides direct jobs, millions in military contracts and spending would be lost to the area.

Economic adjustments would involve retraining programs for jobless residents and preparation of an economic adjustment strategy. That strategy could creatively call for local, state and federal investments to make the area more attractive to employers. This could include improving public infrastructure (such as roads, water or sewer), business attraction and retention and finance programs, environmental cleanup

and other resources. Such investments could require additional state and federal appropriations.

A local Reuse Committee, and other citizen groups, have formed to keep the Air Base open and consider ways to adjust to its possible closure. Three officials in Alcona County are now a members of the Reuse Committee. Governor Engler, at the time of this writing, is also considering creation of a legal Authority with a State employed coordinator to oversee the possible closure. The Authority would integrate local plans with the resources of the local, Regional, State and federal agencies.

ALCONA COUNTY'S ROLE IN ECONOMIC ADJUSTMENT

The Alcona County Board of Commissioners and EDC should make it clear to the proper lead agencies and committees that the County would be heavily impacted by the Air Base closure. Appropriate advisory committees should include an Alcona County representative as a full member at the table, particularly in development of a required economic adjustment strategy. Committees will likely include Base property management and reuse, offbase housing, and labor retraining and business adjustment. Those considering the offbase labor force, housing and economic may be appropriate for Alcona County representation.

A local match is commonly required for federal and State grants. If an adjustment activity directly affects Alcona County residents or businesses, and the County has a voice in how it operates, it should consider providing part of the local match. The County should be at the table to share State and federal resources which alleviate direct and significant economic distress but it also should bring its resources.

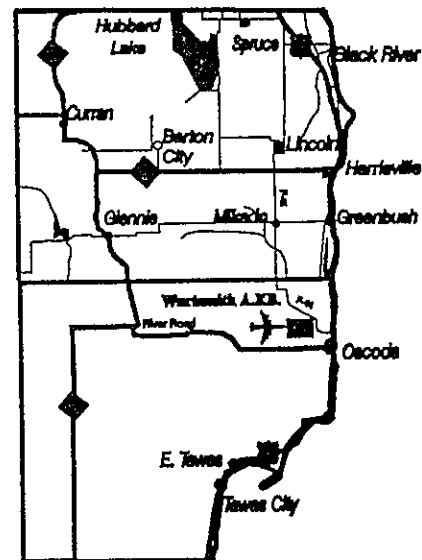
COMMUNICATIONS AND PUBLIC APATHY WITHIN ALCONA COUNTY

An underlying problem to carrying out this strategy, mentioned by community leaders, is a lack of communications between the County and the local governmental units. They, like residents, are pulled apart by economic and administrative forces.

The Alcona County EDC should present this Strategy to the County Board of Commissioners, local governmental units, interested local groups and residents. Following the presentation, each group should be challenged to support appropriate tasks in the Report.

The communications between local governmental units and the County Board of Commissioners, was also described by community leaders as inadequate. The lack of regular communications breeds distrust and misunderstanding. The County Board of Commissioners should regularly schedule a forum at each meeting, for a short period, to allow each local government to address the Board.

This or any strategy, without leadership to implement it, will not make Alcona County a better place to live and work. The support of the County, local governments, service organizations and residents is first needed to create a willingness to change. The loss of a major employer can force changes. An ongoing program to encourage and foster leadership provides a base for action. The Alcona County Cooperative Extension Service Office has aptly provided these programs. A leadership development program specifically for economic development in Alcona County will now encourage the County Board of Commissioners, the Economic Development Corporation, the Lincoln Industrial Development Corporation, other groups and agencies to shoulder responsibility for action.



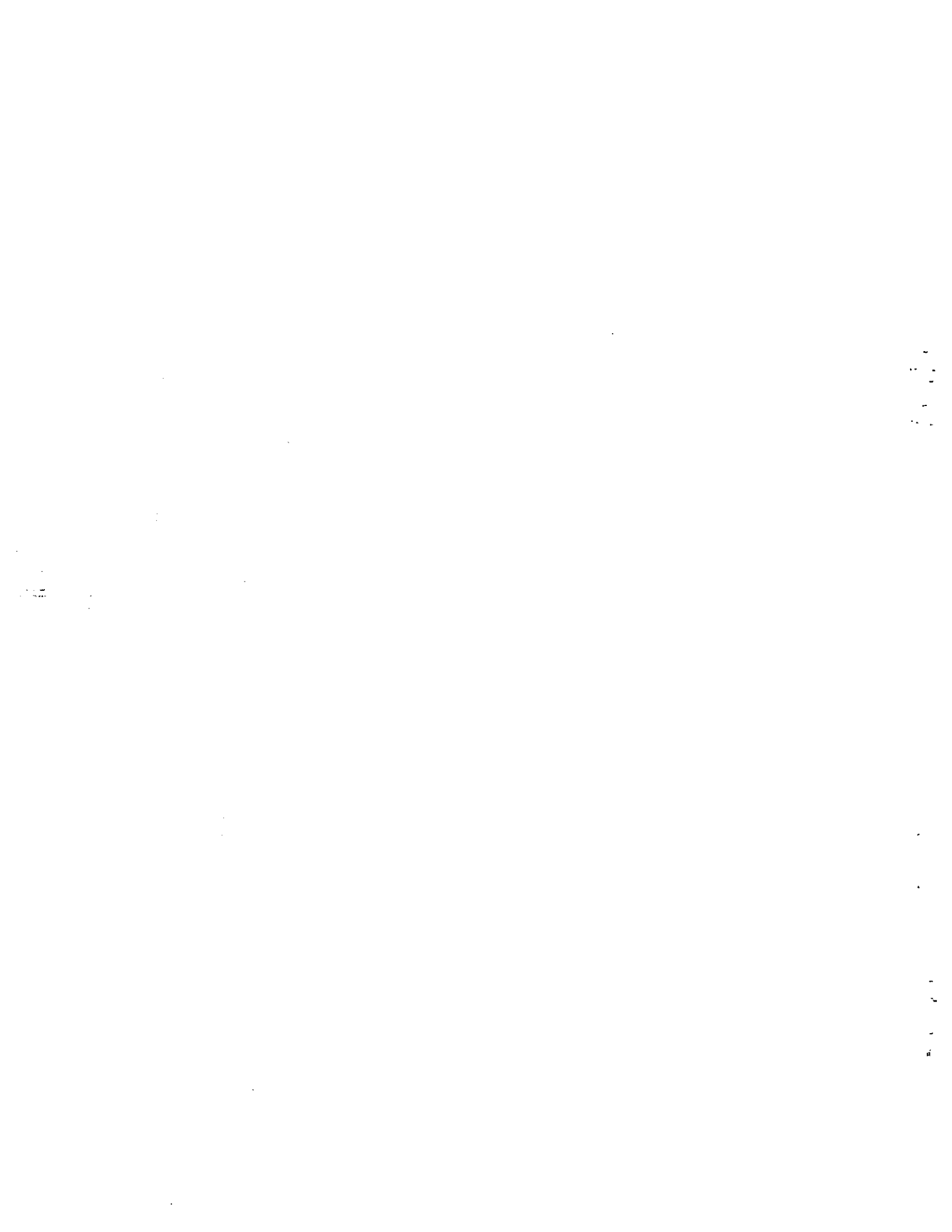


APPENDICES



APPENDIX A:

THE ALCONA BUSINESS SURVEY



ALCONA COUNTY ECONOMIC DEVELOPMENT CORPORATION

ALCONA COUNTY BUSINESS SURVEY

November 1990

conducted in cooperation with:

*Michigan Department of Commerce
Alcona County Cooperative Extension Service
Northeast Michigan Council of Governments
Department of Resource Development, Michigan State University*

Dear Alcona County Businessperson:

The Alcona County Economic Development Corporation is identifying opportunities to strengthen the County's economy and generate more quality jobs while retaining the quality of its environment. In order to do this, the Alcona County EDC was awarded a Rural Economic Strategy Grant from the Michigan Department of Commerce. We are asking you, and all other business owners and operators in the County, to help us by responding to this survey. This questionnaire can be filled out in about 15 minutes; it has 5 sections:

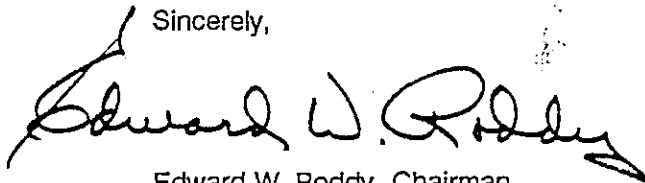
1. Your Business
2. The Local Work Force
3. Business Needs and Opportunities
4. Business Climate and Potential
5. Your Plans and Recommendations

Your responses to the questionnaire will be kept strictly confidential. Results will be reported in summarized form, and no individual responses will be identified. Your address label on the returned questionnaire will help us achieve a high rate of response and enable us to send you a summary copy of the results.

When you are finished, please refold the questionnaire and seal it with a piece of tape, making sure that the address of the Department of Resource Development at Michigan State University is showing. No additional postage is needed. Please return the questionnaire as soon as possible; to be sure of being included in the survey, it should be received by November 16th.

If you have any questions, please contact the County Extension Office at 724-6478.

Sincerely,



Edward W. Roddy, Chairman
Alcona County Economic Development Corporation

ALCONA COUNTY B

I. YOUR BUSINESS

Q-1. Which category below best describes the type of business you operate in Alcona County?
(Circle one number.)

- 1 Construction
- 2 Wholesale Trade
- 3 Retail Trade
- 4 Business Services
- 5 Personal Services
- 6 Automotive Services
- 7 Agriculture, Forestry, or Fishery
- 8 Finance, Insurance or Real Estate
- 9 Manufacturing: (Please list major products)

- 10 Other: _____

Q-2. In what year did your firm open for business in Alcona County? _____

Q-3. What is the most important reason for operating your business in Alcona County?
(Circle one number.)

- 1 Service to local customers.
- 2 To be near suppliers or resources.
- 3 Local work force.
- 4 Desire to live in the area.
- 5 Other: _____

Q-4. Which category best describes your Alcona County firm's average annual sales over the past two years?
(circle one number.)

- 1 Less than \$50,000
- 2 \$ 50,000 - \$100,000
- 3 \$100,001 - \$250,000
- 4 \$250,001 - \$500,000
- 5 \$500,001 - \$750,000
- 6 Over \$750,000

Q-5. Do you live in Alcona County?
(Circle one number.)

- 1 No
- 2 Yes

II. THE LOCAL LABOR FORCE

Q-6. Which category best describes your firm's 1989 employment in Alcona County?
(Circle one number.)

- 1 Family Members Only
- 2 1 - 5 Employees
- 3 6 - 10 Employees
- 4 11 - 25 Employees
- 5 26 - 50 Employees
- 6 Over 50 Employees

Q-7. Approximately what percent of your total work force are:

Professional, Managerial	_____
Sales, Clerical	_____
Craft, Skilled Workers, Technicians	_____
Laborers, Operators, Unskilled Workers	_____
TOTAL	100%

Q-8. How would you describe the supply of qualified workers in Alcona County? (Circle the appropriate numbers.)

	Inad- equat	Adequate	Over supply
Professional, Managerial	1	2	3
Sales, Clerical	1	2	3
Craft, Skilled Workers, Technicians	1	2	3
Laborers, Operators Unskilled Workers	1	2	3

Q-9. How would you rate the training and experience of workers in Alcona County?
(Circle the appropriate numbers.)

	Inad- equat	Adequate	Over Qualified
Professional, Managerial	1	2	3
Sales, Clerical	1	2	3
Craft, Skilled Workers, Technicians	1	2	3
Laborers, Operators, Unskilled Workers	1	2	3

III. BUSINESS NEEDS AND OPPORTUNITIES

Q-10. Many factors are important to business success in Alcona County. Please rate the quality, as you perceive it, of each factor below from POOR (1) to EXCELLENT (5). (Circle the appropriate numbers.)

	POOR					EXCELLENT				
EDUCATION AND TRAINING:										
1. Quality of K - 12 Education	1	2	3	4	5					
2. Quality of Vocational Training	1	2	3	4	5					
3. Quality of College Education	1	2	3	4	5					
4. Quality of Management Education	1	2	3	4	5					
5. Quality of Public Training Programs	1	2	3	4	5					
WORK FORCE										
6. Work Ethic of Labor Force	1	2	3	4	5					
7. Labor-Management Relations	1	2	3	4	5					
8. Cost of Labor	1	2	3	4	5					
TRANSPORTATION										
9. Quality of M-72	1	2	3	4	5					
10. Quality of U.S. 23	1	2	3	4	5					
11. Quality of M-65	1	2	3	4	5					
12. Adequacy of County Airport	1	2	3	4	5					

BUSINESS SURVEY

	POOR		EXCELLENT		
PUBLIC SERVICES					
13. Personal and Property Safety	1	2	3	4	5
14. Fire Protection	1	2	3	4	5
15. Access to Health Care	1	2	3	4	5
16. Adequacy of Zoning	1	2	3	4	5
PUBLIC UTILITIES AND COMMUNICATIONS					
17. Electrical Power	1	2	3	4	5
18. Telephone	1	2	3	4	5
19. Natural Gas	1	2	3	4	5
20. Print Media	1	2	3	4	5
COMMUNITY LIFE					
21. Availability of Housing	1	2	3	4	5
22. Natural Resource Amenities	1	2	3	4	5
23. Adequacy of Shopping	1	2	3	4	5
24. Nearby Recreation	1	2	3	4	5
OTHER BUSINESS FACTORS					
25. Business Financing	1	2	3	4	5
26. Local Customers/Markets	1	2	3	4	5
27. Nearby Raw Materials/Supplies	1	2	3	4	5
28. Proximity to Owner/Workers Homes	1	2	3	4	5
29. Land Cost and Availability	1	2	3	4	5

ANY OTHER FACTOR:

30. _____ 1 2 3 4 5

Q-11. Among the 30 factors above, list the one most important to your successful operation in Alcona County.

Number: _____

Among the same 30 factors, list the one which most needs to be improved.

Number: _____

Please explain your choices:

IV. BUSINESS CLIMATE AND POTENTIAL*

Q-12. Overall, how do you rate the business climate in Alcona County? (Circle one number.)

- 1 Poor
- 2 Fair
- 3 Good
- 4 Excellent

Please briefly describe why you rated as you did.

Q-13. In your opinion, have sales or income by your business reached their potential in Alcona County? (Circle one number.)

- 1 No (What is needed for your sales or income to reach its potential?) _____
- 2 Yes

Q-14. Are you aware of any businesses or types of business, not presently located here, which should be able to succeed in Alcona County? (Circle one number.)

- 1 No
- 2 Yes (Please specify.) _____

V. YOUR PLANS AND RECOMMENDATIONS

Q-15. Over the next year, do you plan to have: (Circle one number.)

- 1 Fewer jobs
- 2 About the same number of jobs
- 3 More jobs

Q-16. Again over the next year, do you plan to expand your market area or develop new product lines? (Circle one number.)

- 1 No
- 2 Yes

Q-17. Would specific education or training enhance your management's or employees' job performance? (Circle one number.)

- 1 No
- 2 Yes (Please specify what type.) _____

Q-18. Please share any comments or recommendations for the Alcona County Economic Development Corporation.

THANK YOU!



APPENDIX B:

ALCONA COUNTY BUSINESS SURVEY RESULTS

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ANALYSIS OF THE ALCONA COUNTY BUSINESS SURVEY

128 Respondents During November and December, 1990

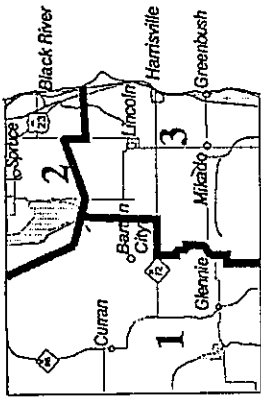
GENERAL CHARACTERISTICS, BY TYPE OF BUSINESS

<u>Type of Business</u>	<u>Average Year Firm Established</u>	<u>Average Sales, 1988-89</u>	<u>Average Employment, 1989</u>	<u>Number Responding</u>
All Types	1972	\$100,000-250,000	1 - 5	128
Construction	1973	\$ 50,000-100,000	1 - 5	10
Restaurants	1984	\$100,000-500,000	6 - 10	6
Other Retail & Wholesale	1974	\$100,000-500,000	1 - 5	29
Lodging	1972	Under \$50,000-100,000	1 - 5	9
Business Services	1974	Under \$50,000	Family - 5	8
Personal Services	1968	\$50,000-100,000	1 - 5	11
Automotive Services	1974	\$100,000-250,000	Family - 5	4
Agriculture & Forestry	1961	\$50,000-250,000	Family - 5	19
Manufacturing	1977	\$250,00-500,000	6 - 10	11
Finance, Real Estate & Insurance	1968	\$250,000-750,000	1 - 5	10
Other Firms	1978	\$100,000-250,000	1 - 10	10
<hr style="border-top: 1px dashed black;"/>				
Plan to Expand Markets or Jobs	1977	\$100,000-250,000	1 - 5	59
Need Specific Training	1970	\$100,000-250,000	1 - 5	48

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ALCONA COUNTY



BUSINESS SURVEY RESPONSES BY GEOGRAPHIC AREA

SURVEY RESPONSE

1 West - 17 Firms

2 North - 34 Firms

3 Southeast - 71 Firms

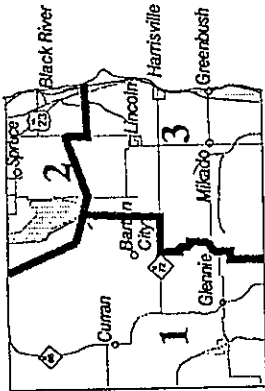
Unidentified - 8 Firms

Western Area Northern Area Southeast Area Total

Question	1975	1974	1970	1972
Average Year Businesses Established				
Why is Business Located in the County	Desire to Live Here 82%	Desire to Live Here 79%	Desire to Live Here 59%	Desire to Live Here 69%
Labor Supply (1 = Inadequate, 3 = Over Supply):				
Professional, Managerial	1.5	1.6	1.5	1.5
Sales, Clerical	1.7	1.9	1.7	1.8
Craft, Skilled & Tech.	1.5	1.6	1.4	1.5
Laborers, Unskilled	2.3	2.1	2.1	2.2
Labor Training & Experience (1 = Inadequate, 3 = Over Qualified):				
Professional, Managerial	1.2	1.7	1.6	1.6
Sales, Clerical	1.7	1.8	1.7	1.7
Craft, Skilled & Tech.	1.4	1.6	1.5	1.5
Laborers, Unskilled	2.0	1.6	1.8	1.8
QUALITY OF FACTORS IMPORTANT TO BUSINESSES (1 = Poor, 5 = Excellent)				
Quality of K - 12 Education	3.3	3.2	3.3	3.3
Quality of Vocational Training	2.6	2.5	2.3	2.4
Quality of College Education	2.5	2.7	2.3	2.4
Quality of Management Education	1.9	2.4	2.1	2.1
Quality of Public Training Prog.	2.2	2.4	2.1	2.1
Work Ethic of Labor Force	2.5	2.6	2.6	2.5
Labor-Management Relations	2.8	3.0	2.8	2.8
Cost of Labor	3.2	3.0	2.7	2.8
Quality of M-72	3.8	3.7	3.9	3.8
Quality of M-72	2.9	2.7	3.2	3.0
Quality of M-65	3.3	3.0	3.4	3.2
Adequacy of County Airport	1.9	2.5	2.0	2.1
Personal & Property Safety	2.3	3.2	3.1	3.0
Fire Protection	2.9	3.0	3.3	3.3
Access to Health Care	2.5	3.0	3.3	3.1
Adequacy of Zoning	2.6	3.1	3.3	2.8

Comments: Business responding from the southeast region were the most numerous, the longest established, and a large percent located there to take advantage of local markets rather than wanting, primarily to live there. There was broad agreement on the supply, training and experience of labor, however western businesses were more concerned about the quality of management training. The quality of training programs was rated most highly by northern business, perhaps due to their proximity to Alpena. The western businesses had concerns about emergency services and health care.

ALCONA COUNTY



BUSINESS SURVEY RESPONSES BY GEOGRAPHIC AREA

SURVEY RESPONSE

1 West - 17 Firms

2 North - 34 Firms

3 Southeast - 71 Firms

Question Western Area Northern Area Southeast Area Total

QUALITY OF FACTORS IMPORTANT TO BUSINESSES (1 = Poor, 5 = Excellent)

Electrical Power	(1.9)	3.5	(3.6)	3.3
Telephone	3.1	3.1	3.1	3.2
Natural Gas	2.4	3.0	(3.5)	3.2
Print Media	2.4	2.7	2.8	2.8
Availability of Housing	2.8	2.7	2.7	2.7
Natural Resource Amenities	3.8	3.7	3.5	3.5
Adequacy of Shopping	2.1	2.7	2.4	2.5
Nearby Recreation	3.2	3.4	3.4	3.4
Business Financing	2.2	2.6	2.3	2.4
Local Customers/Markets	2.7	2.5	2.7	2.6
Nearby Raw Materials/Supplies	2.6	2.5	2.4	2.5
Proximity to Owner/Workers' Homes	2.9	3.0	3.0	3.0
Land Cost and Availability	3.1	3.0	3.0	3.1

Most Important to Success in the County	Local Customers/Markets 33% Nat. Resources 12%	Local Customers 16% Nat. Resources 16%	Local Customers 30% Work Ethic of Labor 10% Business Financing 20% Local Customers 13%	Local Customers 27% Natural Resources 9% Business Financing 19% Local Customers/US 23 13%
Most Needs to be Improved	Electrical Power 31% Personal & Prop. Safety 23%	Quality of US 23 19% Bus. Financing/Customers 19%	2.2	2.1

Rating of County Business Climate (1 = Poor, 4 = Excellent)	2.1	2.2	2.2	2.1
Have Sales/Income Reached Potential?	No 80% Yes 60%	No 79% Yes 56%	No 69% Yes 55%	No 74% Yes 52%
Aware of Business that Should Succeed in County?	0% 80% 20%	6% 69% 25%	8% 76% 16%	6% 74% 20%
Employment Plans for 1991: Fewer Jobs About the Same Number More Jobs	No 65% Yes 63%	No 55% Yes 50%	No 57% Yes 63%	No 56% Yes 57%
Plan to Expand Market or Product Line? Would Specific Training Enhance Performance?				

Comments: The above responses illustrate an important difference in services available to western businesses and those elsewhere in the County. The most difference is shown in electrical power--several western businesses complained of power outages. The lack of natural gas, limited coverage by print media, and inadequate shopping are noted. But these same business owners rate natural quite highly. A higher percentage of western and potential for sales and development but a smaller percentage plan to expand. Countywide the most firms want improved financing but priorities differ.

ANALYSIS OF THE ALCONA COUNTY BUSINESS SURVEY

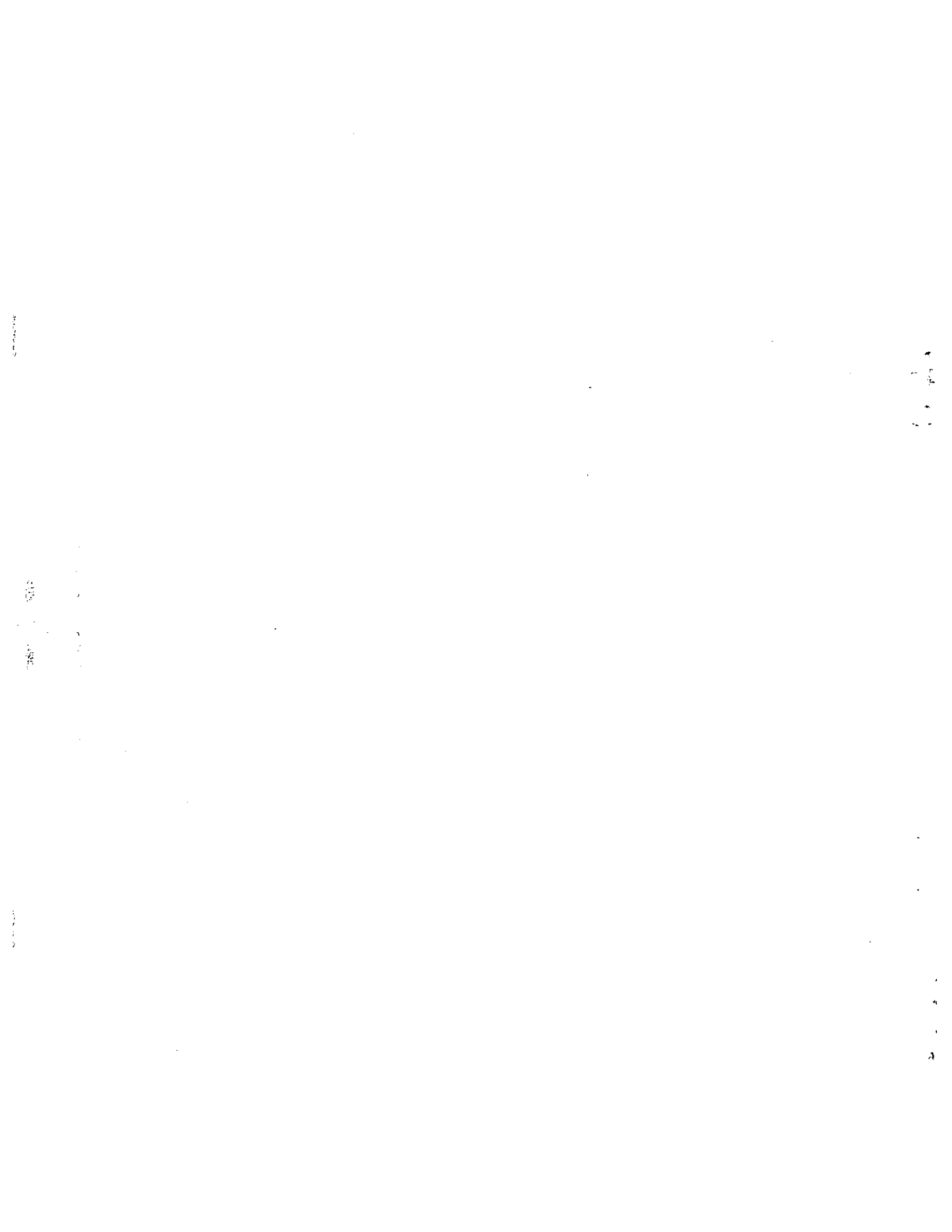
130 Respondents During November and December, 1990

RATING OF LABOR SUPPLY AND TRAINING/EXPERIENCE BY OCCUPATIONAL CLASS
BY TYPE OF BUSINESS

<u>Type of Business</u>	Professional		Sales & Clerical		Craft & Skilled		Laborers & Unskilled	
	<u>Supply</u>	<u>Training</u>	<u>Supply</u>	<u>Training</u>	<u>Supply</u>	<u>Training</u>	<u>Supply</u>	<u>Training</u>
All Types								
Construction	2.5				1.4			
Restaurants								
Other Retail & Wholesale								
Lodging	1.0				1.0			
Business Services								
Personal Services					1.4	1.4		1.3
Automotive Services	1.0	1.3			1.0	1.3	2.7	2.7
Agriculture & Forestry	1.4	1.4				1.4		
Manufacturing	1.3						2.7	
Finance, Real Estate & Insurance							2.7	
Other Firms								
Plan to Expand Markets or Jobs								
Need Specific Training								

SUMMARY:

On an average, respondents felt that the supply, training and experience of the Alcona County labor force was adequate. An oversupply of laborers and unskilled workers was perceived in automotive service, manufacturing, finance, real estate and insurance business and of professionals in the construction trades. An undersupply or under trained/experienced professional and skilled work force was typically perceived among respondents from lodging, automotive services, agriculture and forestry firms.

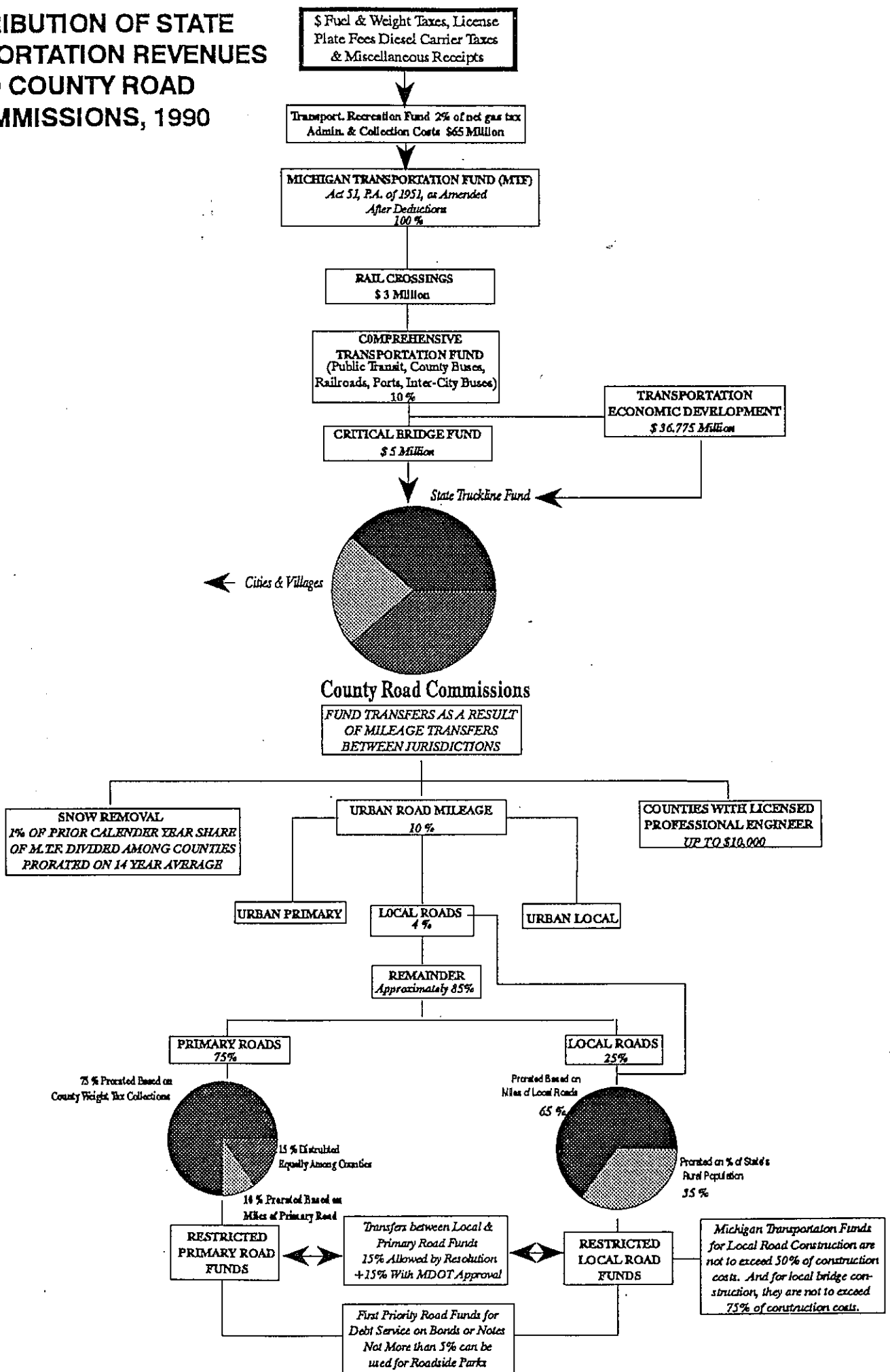


APPENDIX C:

**HIGHWAY FINANCING:
P.A. 51 of 1951, as Amended**



DISTRIBUTION OF STATE TRANSPORTATION REVENUES TO COUNTY ROAD COMMISSIONS, 1990



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APPENDIX D:

**BRIEF ECONOMIC ANALYSIS
OF ALCONA COUNTY**

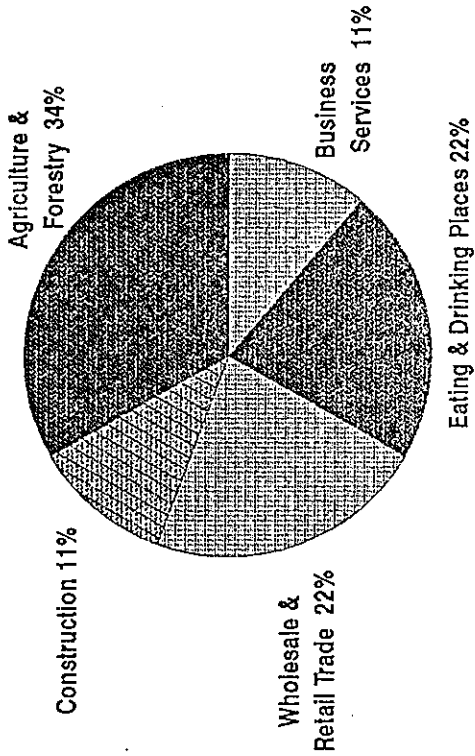
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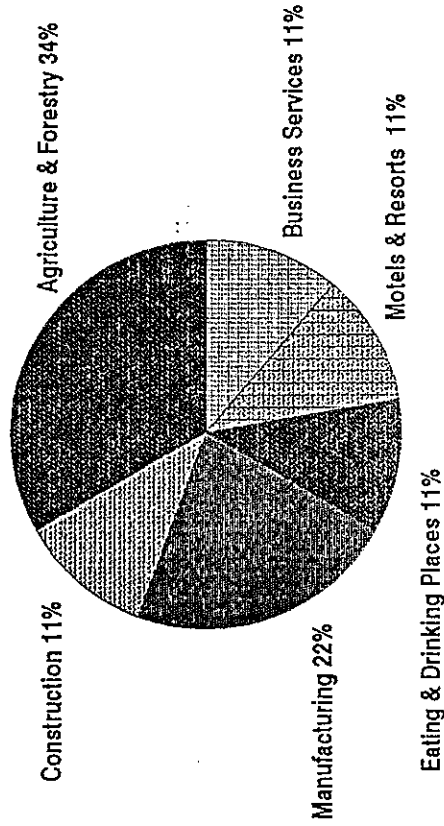
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BUSINESSES SURVEYED BY TYPE AND COMMUNITY

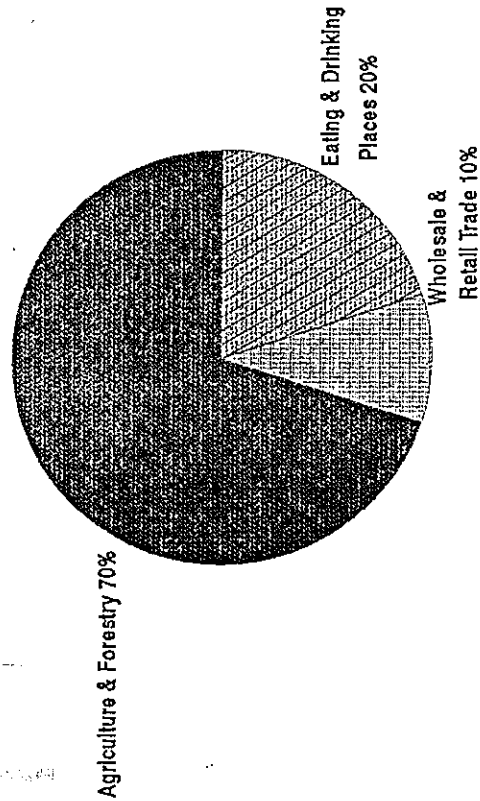
Barton City Area Businesses Surveyed (9)



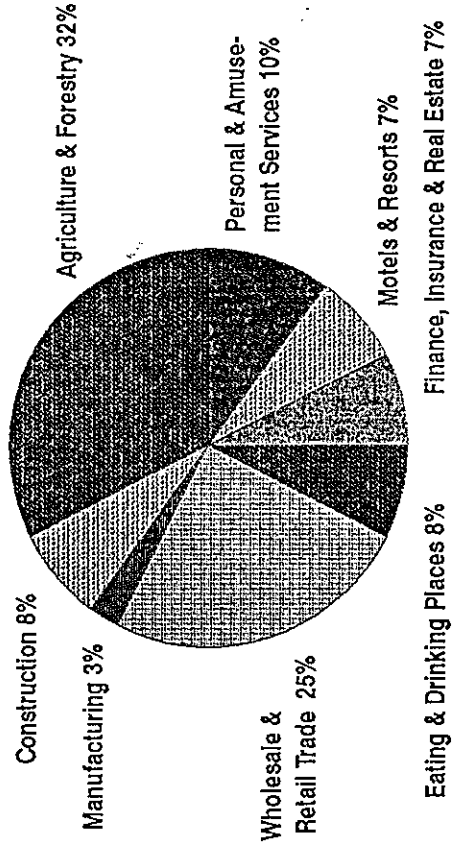
Black River Area Business Surveyed (9)



Curran Area Businesses Surveyed (10)

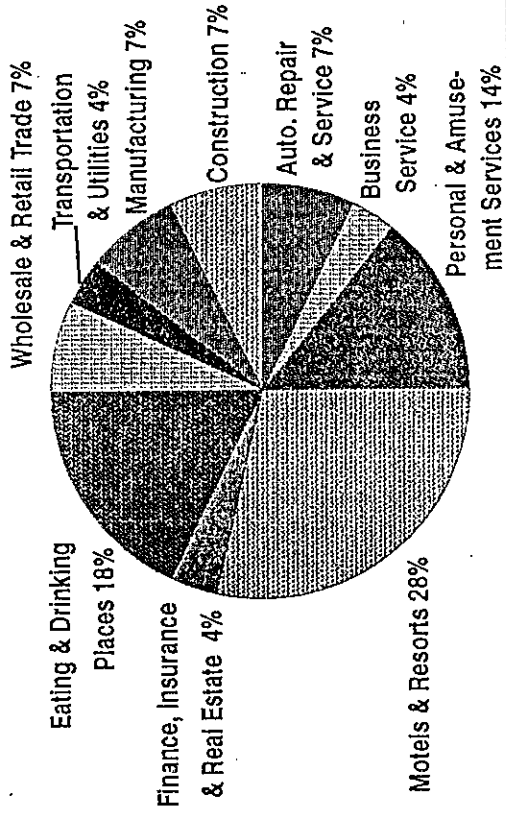


Glennie Area Businesses Surveyed (40)

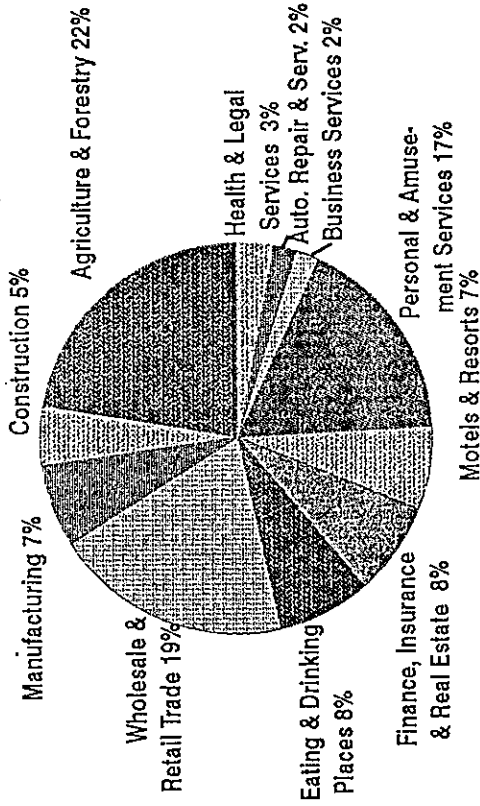


BUSINESSES SURVEYED BY TYPE AND COMMUNITY

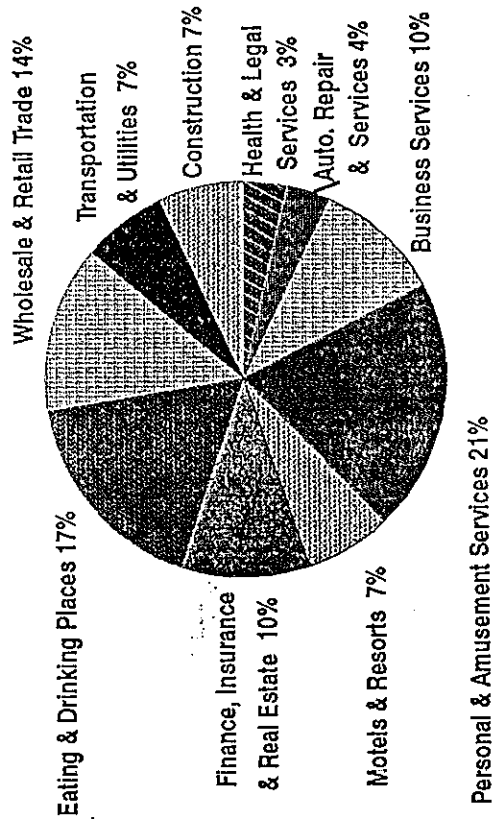
Greenbush Area Businesses Surveyed (28)



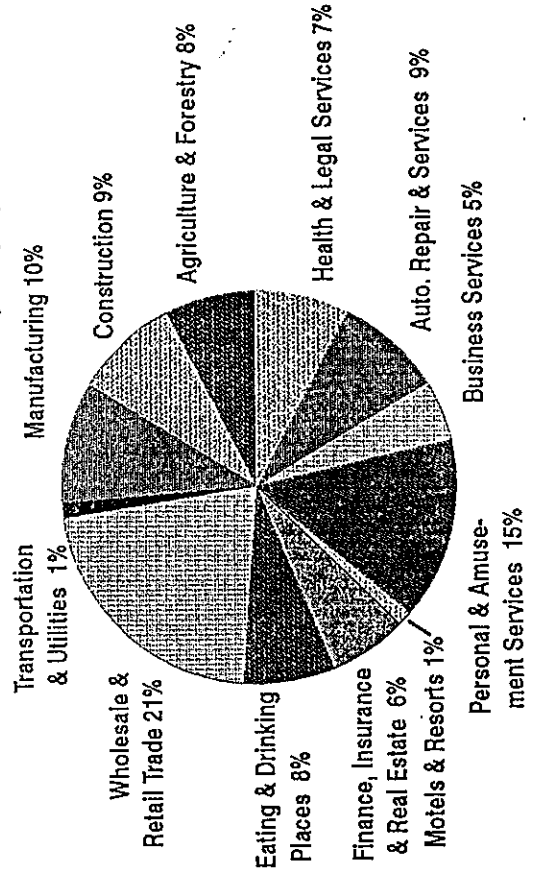
Harrisville Area Businesses Surveyed (103)



Hubbard Lake Area Businesses Surveyed (29)

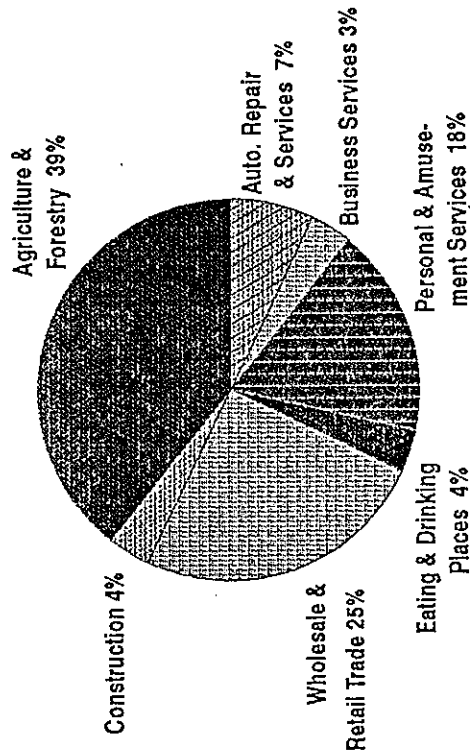


Lincoln Area Businesses Surveyed (80)

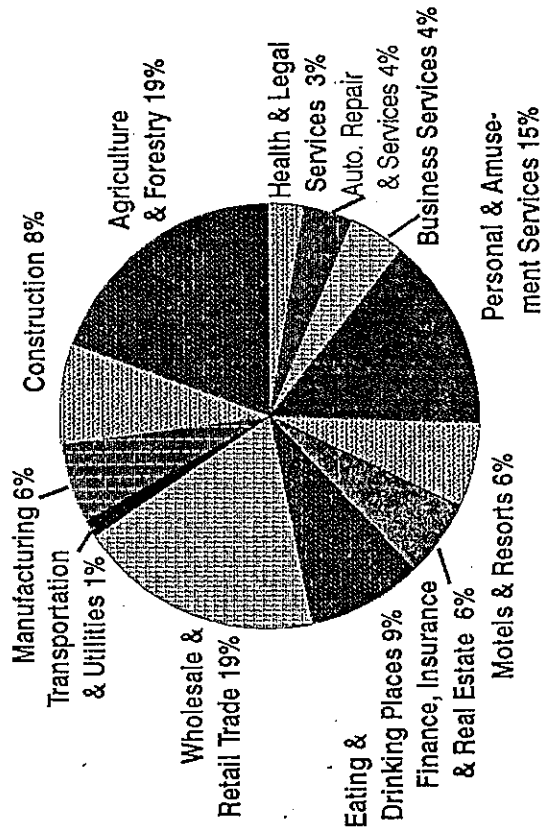


BUSINESSES SURVEYED BY TYPE AND COMMUNITY OR COUNTY

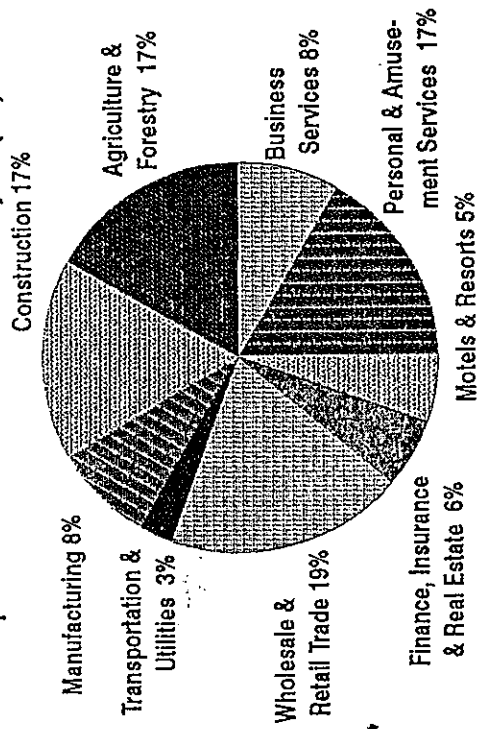
Mikado Area Businesses Surveyed (28)



ALCONA COUNTY BUSINESSES SURVEYED (372)

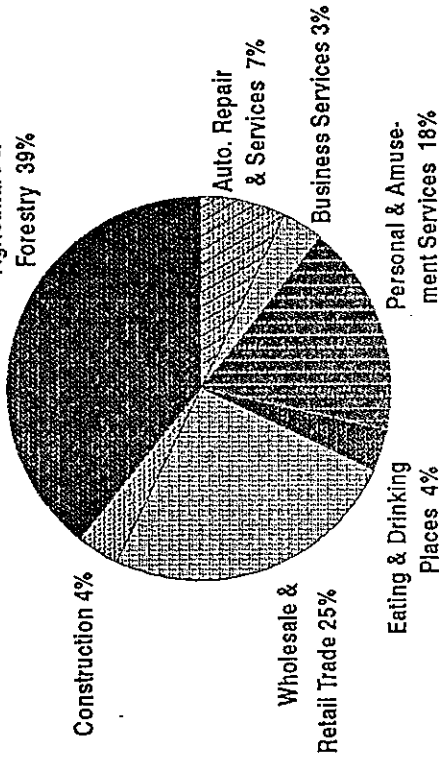


Spruce Area Businesses Surveyed (36)

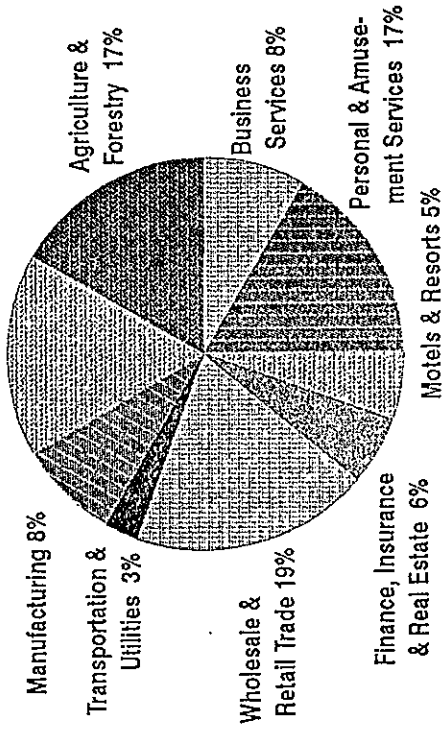


BUSINESSES SURVEYED BY TYPE AND COMMUNITY OR COUNTY

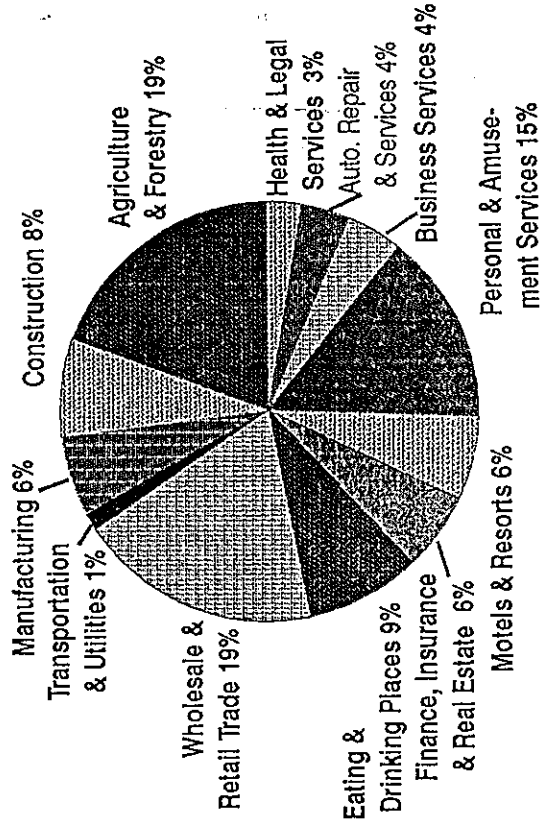
Mikado Area Businesses Surveyed (28)



Spruce Area Businesses Surveyed (36)



ALCONA COUNTY BUSINESSES SURVEYED (372)





ALCONA COUNTY BOARD OF COMMISSIONERS

John Gray, Chair
Kevin Boyat, Sr.
Carolyn Brummund
Kenneth Bundy
Willard LeClair

ALCONA COUNTY ECONOMIC DEVELOPMENT CORPORATION

Ed Roddy, Chair

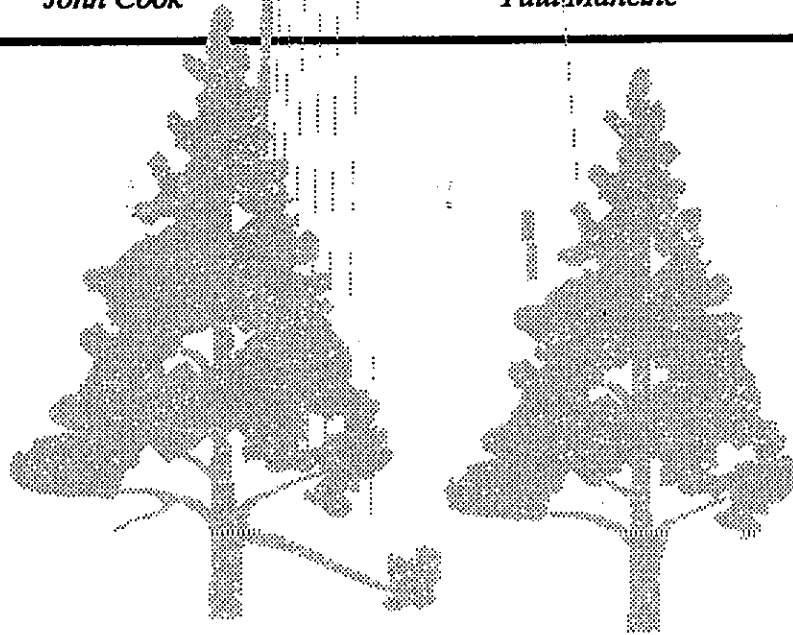
Leonard Barraco
Marlene Conklin
John Gray
Ron Jansen

Walt Johnson
Chris Martinson
Howard Stone
Vacancy

**ALCONA COUNTY ECONOMIC DEVELOPMENT STRATEGY
STEERING COMMITTEE**

George Byelich, Coordinator
Carolyn Brummund
David Cook
John Cook

Rebecca Counsellor
Chere Crean
Dick Karsen, Sr.
Paul Mancine



100

100



ALCONA COUNTY BOARD OF COMMISSIONERS

John Gray, Chair
Kevin Boyat, Sr.
Carolyn Brummund
Kenneth Bundy
Willard LeClair

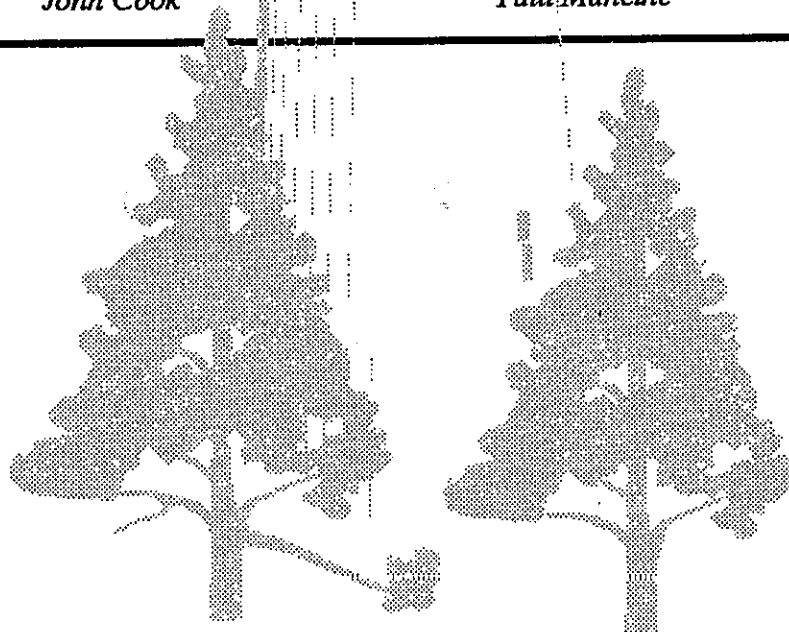
ALCONA COUNTY ECONOMIC DEVELOPMENT CORPORATION

Ed Roddy, Chair

<i>Leonard Barraco</i>	<i>Walt Johnson</i>
<i>Marlene Conklin</i>	<i>Chris Martinson</i>
<i>John Gray</i>	<i>Howard Stone</i>
<i>Ron Jansen</i>	<i>Vacancy</i>

**ALCONA COUNTY ECONOMIC DEVELOPMENT STRATEGY
STEERING COMMITTEE**

<i>George Byelich, Coordinator</i>	<i>Rebecca Counsellor</i>
<i>Carolyn Brummund</i>	<i>Chere Crean</i>
<i>David Cook</i>	<i>Dick Karsen, Sr.</i>
<i>John Cook</i>	<i>Paul Mancine</i>



172

172

172

	POOR					EXCELLENT				
	1	2	3	4	5	1	2	3	4	5
PUBLIC SERVICES										
13. Personal and Property Safety	3.0									
14. Fire Protection	3.3									
15. Access to Health Care	3.1									
16. Adequacy of Zoning	2.8									

PUBLIC UTILITIES AND COMMUNICATIONS										
17. Electrical Power	3.3									
18. Telephone	3.2									
19. Natural Gas	3.2									
20. Print Media	2.8									

COMMUNITY LIFE										
21. Availability of Housing	2.7									
22. Natural Resource Amenities	3.5									
23. Adequacy of Shopping	2.4									
24. Nearby Recreation	3.4									

OTHER BUSINESS FACTORS										
25. Business Financing	2.4									
26. Local Customers/Markets	2.6									
27. Nearby Raw Materials/Supplies	2.5									
28. Proximity to Owner/Workers Homes	3.0									
29. Land Cost and Availability	3.0									

ANY OTHER FACTOR:

30. _____

Q-11. Among the 30 factors above, list the one most important to your successful operation in Alcona County.

Number: 26. Local Customers/Markets 27%

Among the same 30 factors, list the one which most needs to be improved.

Number: 25. Business Financing 18%

Please explain your choices:

IV. BUSINESS CLIMATE AND POTENTIAL

Q-12. Overall, how do you rate the business climate in Alcona County? (Circle one number.)

- 1. Poor 25%
- 2. Fair 38%
- 3. Good 34%
- 4. Excellent 3%

Avg. 2.2

Please briefly describe why you rated as you did.

Q-13. In your opinion, have sales or income by your business reached their potential in Alcona county? (Circle one number.)

1. No (What is needed for your sales or income to reach its potential?) 74%

2. Yes 26%

Q-14. Are you aware of any businesses or types of business, not presently located here, which should be able to succeed in Alcona County? (Circle one number.)

1. No 53%

2. Yes (Please Specify.) 47%

V. YOUR PLANS AND RECOMMENDATIONS

Q-15. Over the next year, do you plan to have: (Circle one number.)

- 1. Fewer jobs 7%
 - 2. About the same number of jobs 74%
 - 3. More jobs 19%
- 100%

Q-16. Again over the next year, do you plan to expand your market area or develop new product lines? (Circle one number.)

- 1. No 57%
- 2. Yes 43%

Q-17. Would specific education or training enhance your management's or employees' job performance? (Circle one number.)

- 1. No 57%
- 2. Yes (Please specify what type.) 43%

Q-18. Please share any comments or recommendations for the Alcona County Economic Development Corporation.

THANK YOU!

1991 ALCONA COUNTY BUSINESS SURVEY RESULTS

YOUR BUSINESS

2-1. Which category below best describes the type of business you operate in Alcona County? (Circle one number.)

- 1. Construction 8%
- 2. Wholesale Trade
- 3. Retail Trade
- 4. Business Services 23%
- 5. Personal Services 9%
- 6. Automotive Services 3%
- 7. Agriculture, Forestry, or Fishery 15%
- 8. Finance, Insurance or Real Estate 8%
- 9. Manufacturing: (Please list major products) 9%
- 10. Restaurants & Bars 5%
- Lodging Places 7%
- Other: 8%

2-2. In what year did your firm open for business in Alcona County? Average 1972

2-3. What is the most important reason for operating your business in Alcona County? (Circle one number.)

- 1. Service to local customers. 18%
- 2. To be near suppliers or resources. 5%
- 3. Local work force. 0%
- 4. Desire to live in the area. 70%
- 5. Other: 7%

2-4. Which category best describes your Alcona County firm's average annual sales over the past two years? (Circle one number.)

- 1. Less than \$50,000 24%
- 2. \$ 50,000 - \$100,000 21%
- 3. \$100,001 - \$250,000 24%
- 4. \$250,001 - \$500,000 12%
- 5. \$500,001 - \$750,000 10%
- 6. Over \$750,000 9%

2-5. Do you live in Alcona County? (Circle one number.)

- 1. No 9%
- 2. Yes 91%

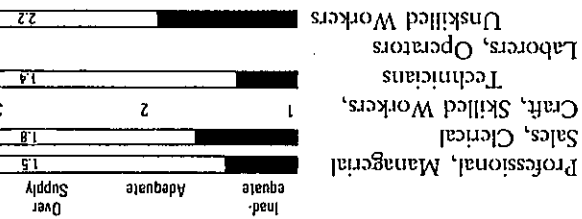
2-6. THE LOCAL LABOR FORCE
Which category best describes your firm's 1989 employment in Alcona County? (Circle one number.)

- 1. Family Members Only 39%
- 2. 1-5 Employees 38%
- 3. 6-10 Employees 8%
- 4. 11-25 Employees 10%
- 5. 26-50 Employees 5%
- 6. Over 50 Employees 0%

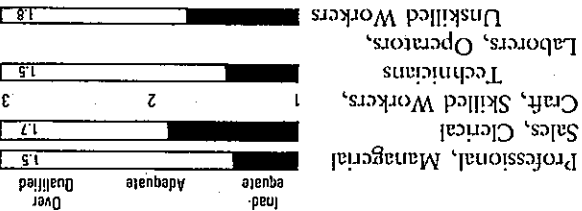
Q-7. Approximately what percent of your total work force are:

Professional, Managerial	17%
Sales, Clerical	23%
Craft, Skilled Workers, Technicians	24%
Laborers, Operators, Unskilled Workers	36%
TOTAL	100%

Q-8. How would you describe the supply of qualified workers in Alcona County? (Circle the appropriate numbers.)

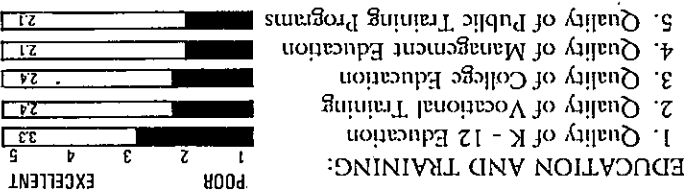


Q-9. How would you rate the training and experience of workers in Alcona County? (Circle the appropriate numbers.)



III. BUSINESS NEEDS AND OPPORTUNITIES

Q-10. Many factors are important to business success in Alcona County. Please rate the quality, as you perceive it, of each factor below from POOR (1) to EXCELLENT (5). (Circle the appropriate numbers.)



EXCELLENT 5
4
3
2
1
POOR