

# Implications & Suggestions

Throughout the analysis components there are a number of noted implications that are put forth. Most of these relate to specific suggestions that impact economic restructuring for Mackinaw City. These range from those associated with business retention, to those related to growth through expanding the tourism season, to development that fosters Mackinaw City as a regional center for the tri-county area, to further fostering alternative energy activity, to the establishment and recruitment of new economic activity that could flourish and preserve the area's natural resources and quality of life. These findings, implications and suggestions become the cornerstone of the strategy for economic restructuring.

There are several business "retention" related opportunities that were identified through the business survey. These are:

- ✓ An opportunity to **(1) establish an entrepreneurial/apprenticeship program** because of the potential large number of retirees, many of whom have not identified or will not be able to identify someone to operate the business upon retirement.
- ✓ The opportunity to match and **(2) facilitate property/building owners willing to sell with business owners** that are **willing to purchase the properties/buildings**.
- ✓ The opportunity to **(3) facilitate expansion of existing businesses**, stimulating investment.

As previously noted, the latter two are most likely handled by and through the Chamber of Commerce, with the first element handled by and through a cooperative effort of the Village, Chamber, or by the Village and higher education institutions.

Through stakeholder interviews, residential telephone survey, and visitor survey, the potential to expand the season beyond the summer months to create year-round activity was viewed positively, even though some existing operators were skeptical of such an endeavor or did not desire to operate on a year-round basis. The newly opened indoor water park could help to facilitate such an expansion. In addition, **(4) expansion of the season, using natural resources, winter sports, and new activity within Mackinaw City as a base, could be facilitated through:**

- A. Expanded marketing.**
- B. Enhanced linkages to winter activity** (packages with outside interests).
- C. Creation of additional anchor activity** (resort, that would have meeting spaces, and youth oriented attraction "WannadoCity").
- D. Expanded residential development.**

**E. Exploring alternative energy sources and use in facilitating more favorable winter environmental conditions downtown.**

In addition and as previously noted, visitors would like to see a greater range and diversity of food services than currently offered, and enhancements to accommodations, coupled with additional activity. Some of the latter may simply mean enhanced marketing and utilization of the area's natural resources. New activity, as it is pursued and developed in the future should be sensitive to minimizing degradation of or preserving those resources.

The telephone survey of area residents indicated that:

- ✓ The large proportion of seniors throughout the area represents a unique market condition.
- ✓ Incomes are relatively high in the general area when compared to certain other parts of Michigan and the country.
- ✓ Disposable income, based on current housing costs, is likely to be relatively higher than in other parts of Michigan as well.
- ✓ There is a significant proportion of the population that does not live in the area year-round. This impacts retail goods and services sales during months when that proportion lives elsewhere. Thus, by definition, there is significant "leakage" of dollars from the residential market to other areas.

In an effort to take advantage of these factors or to mitigate negatives associated with the "leakage" of dollars, Mackinaw City should consider:

**5. Expanding the range of housing opportunities for senior citizens.** As noted in the "Demand Forecast", the tri-county area is expected to grow significantly in the foreseeable future. While many of the new units are likely to be occupied by empty-nesters on a part-time basis, senior opportunities exist. Those opportunities exist as a result of:

- ✓ The substantial proportion of seniors living in the area at present who will choose to continue to live in the area but may not be able to maintain single-family homes for physical or fiscal reasons in the future and will need alternative housing arrangements;
- ✓ Others who move into the area that will have similar conditions causing a move to non-single family homes;
- ✓ Children or other family members of seniors that will seek housing for seniors nearby their residents; and
- ✓ Those who can discover the quality of life offered in Mackinaw City if informed of it.

The range should be from independent living through at least assisted living. Preferred locations would be in or near available commercial services. This would help to facilitate year-round "foot traffic" for commercial activity.

**6. Aggressive pursuit of additional housing in a manner compatible and complementary to maintenance of the area's quality of life.** As defined, current residential population in Mackinaw City is very small, but the area will grow. That growth is stimulated by:

- ✓ The significant amount of relatively affordable waterfront property.
- ✓ Continued movement of housing activity along the lakefront, particularly from areas west of Mackinaw City where land values have escalated beyond those in the Mackinaw City area.

- ✓ National and regional growth in the second home market stimulated by a number of significant factors including: continued modest mortgage rates; changes in financing accommodating larger numbers of potential purchasers; the significant number of “baby boomers” that are “empty-nesters”; and the children of “baby boomers”.
- ✓ Developable waterfront property is limited nationally and will become increasingly limited.
- ✓ The availability of utilities in Mackinaw City to accommodate growth.
- ✓ Mackinaw City’s quality of life, transportation network and other assets.
- ✓ Mackinaw City having achieved a level of critical mass in visitor activity, affording and necessitating the opportunity for the community to “go to the next level”.

As previously defined, a minimum of 1,000 new housing units and households will be added to the current housing base in the tri-county area in the foreseeable future. That figure, with less conservative growth assumptions could range from 1,000 to more than 4,000 units. Based on housing trends in Northern Michigan areas to the west of Mackinaw City, new housing would likely involve:

- ✓ Condominium type ownership.
- ✓ Townhouses and multi-story structures along the waterfront.
- ✓ Single-family and duplex homes away from the waterfront.

It is further noted that waterfront housing would likely consist of the majority of units. Assuming the minimum of 1,000 new units, it is anticipated that at least 60% would be waterfront or water view development. Thus, about 600 new units would be accommodated in the tri-county area. Assuming the larger number of units with assumptions supportive of that development, as many as 2,400 new waterfront and water view units would be feasible in the tri-county area in the foreseeable future. As noted above, Mackinaw City has a strategic locational advantage in accommodating a reasonable share of the new housing development and such development would benefit Mackinaw City in numerous ways, boosting the year-round economic opportunities.

Because of the current uncertainties in the housing market with respect to interest rates, financing, escalating costs and land values, and other factors, establishing price ranges for units is not advantageous. However, income “cluster” definition is appropriate. Of the total number of new units anticipated for the tri-county area, ranging from 1,000 to more than 4,000, the following is expected from a market perspective:

- ✓ 20% would be marketable to households with incomes likely to be below \$80,000 but above \$40,000.
- ✓ 20% would be marketable to households below the above, but with potential assets; the ability to pay cash for the units; or receiving support from others, such as family members. This income cluster would be largely but not totally composed of seniors.
- ✓ 60% with household incomes in excess of \$80,000 annually, with most in excess of \$120,000 annually.

It is possible that condominium development could also be used as transient accommodations for a resort or like product. Condominiums are often if not the primary means of developing such resorts throughout the country in recent years. The condos are managed by a hotel management company, often associated with one of the major “flag” operators. Such development would facilitate year-round economic activity.

Identified in the “Demand Forecast” was also significant growth in demand for goods and services within the tri-county area. **There is substantial opportunity for Mackinaw City to expand its year-round commercial activity by positioning itself as a hub of the tri-county region.** Doing so would allow for the potential to create:

- ✓ **A community scaled shopping area or center, anchored by or including a supermarket, pharmacy, smaller hardware/home improvement center and vehicle parts and service dealer.**
- ✓ **About 50,000 square feet of office space oriented toward professionals living in the area part and full-time, including but not limited to medical offices.**

In addition, there are **(9) additional food service opportunities, including between 2 and 4 restaurants.** Such activity would best serve both a visitor and residential market if situated along the waterfront.

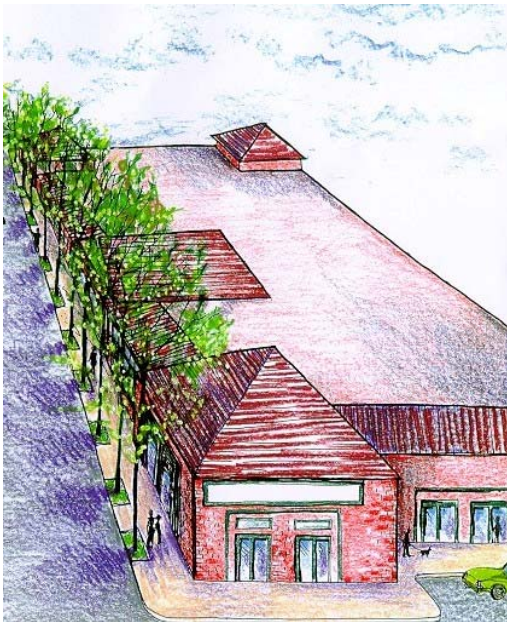


It is noted that the Village area does not contain less of any types of traditional “industrial activity” or R & D than like communities. However, there are **six appropriate broad areas of Research and Development identified that represent opportunities for Mackinaw City and should be pursued.** These are:

1. **Invasive Species.** Most likely to involve research and continued research than both research and development of products. It is noted that invasive species are a continual and growing problem both upon the land and waterway. Increased international trade is likely to facilitate increasing numbers of species that damage the existing environments in areas.
2. **Natural Resources.** Most likely to involve research into their use for bio-medicine, other related human and animal health activity, and new product development.
3. **Biomass.** Most likely involves product development opportunities but also includes research. The product development opportunities often are associated with environmental enhancement or mitigation of current conditions, including lessening of dependence on oil and related products.
4. **PCB and Other clean-up.** Most likely to involve business development activity based on previously conducted research.
5. **Animal cognition.** Most likely to involve new and continued research and not product development for assistance with hear and human disease using assorted species that have shown promise in assisting with Dementia, Alzheimer’s, hearing disorder and the military.
6. **Other Alternative Energy.** Most likely to involve both product testing (pilot projects) and research associated with the activity. Also has the potential to create administrative office related activity in the Village.

**(9) The development of a consistent business recruitment process** and the **(10) creation of incubator space** would be beneficial in achieving a presence in the R & D market. The former is necessary and the latter is desirable. The latter would potentially include:

- ✓ 10 spaces for labs or related activity with direct linkage to additional office spaces of about 1,500 square feet each.



- ✓ Have a shared conference room and reception area, consisting of about 1,250 square feet.
- ✓ Outdoor areas that can be isolated from each other.

In addition, there is a dichotomy of households in the area. Expanded economic activity through additional household income generation is an important tool and would be the focus of a **(11) potential push to establish the area as a “mecca” for home-based businesses serving larger markets through technology.** This would be particularly beneficial for area residents who:

- ✓ have difficulty finding year-round employment activity,
- ✓ live in the area year-round, and
- ✓ work in service sector jobs

While the appendix to this analysis includes potential home-based activity, **one unique avenue within the home based context that can effectively be promoted through cooperative marketing efforts is in the artist and crafts arena.** It is recognized that there have been previous attempts at this latter effort. Those attempts were less than successful because of some basic premises behind the efforts that were possibly erroneous. Further discussion on both follow in “Implementation”.

