

# Comparative Assessment

As part of the analysis for the Village of Mackinaw City, two comparative assessments were performed to identify business “gaps” and opportunities. Both involved comparing the business structure in a specific geographic area to “like” geographic areas around the country. The identified business gaps defined in this process may or may not be appropriate for the community because of the nature of operations, scale, or other factors.

## Methodology

The first assessment involved comparing the business structure contained within the larger combined zip code tabulation areas (ZCTA) of 49701, 49757, and 49781 to similar areas or communities defined by five digit zip code areas. These three zip code areas represent the Village of Mackinaw City, Mackinac Island, and St. Ignace respectively. In determining communities for which the comparison can be made, the following criteria were used:

- ✓ The population size and household numbers had to be similar to those associated with the combined ZCTA 49701, 49757, and 49781, since demand for goods and services are ultimately partially dependent upon the size of the residential market served.
- ✓ All of the selected communities or zip code areas are associated with significant tourist and recreational activities.
- ✓ The areas had somewhat similar transportation network access.

Based on the criteria, seven geographic areas were identified for which the comparison in economic structure was made. These seven areas are:

- Zip Code 04046, Kennebunkport, ME.
- ZCTA 13326, Cooperstown, NY.
- 27949, Kitty Hawk on North Carolina’s Outer Banks.
- ZCTA 44681, the Amish area of Sugar Creek, OH.
- ZCTA 65737, Branson West, MO.
- Zip code 81657, Vail, CO.
- 98250, Friday Harbor located on Washington’s San Juan Islands.

It is noted that all population and household estimates upon which the comparisons are made were derived from the same source for comparability. That source was the 2000 U.S. Census Bureau data. Also for consistency purposes, a single source was employed to define the business structure and activity within all selected areas. That source was the U.S. Census Bureau’s 2002 County Business Patterns.

The North American Industry Classification System (NAICS) was introduced in 1997 as a more effective business classification system that identifies and groups establishments according to the activities in which they are primarily engaged. It replaces the older Standard Industry Classification (SIC) coding system that was first employed in 1938. NAICS identifies and groups 1,170 different types of “industries” or establishments into twenty major industry sectors ranging from Agriculture (Sector 11) to Public Administration (Sector 92). This analysis examined and extracted data from all twenty of these sectors. These twenty sectors are:

- ✓ Agriculture, Forestry, Fishing and Hunting (Sector 11): Crop and animal production, forestry and logging, fishing, hunting, trapping, support activities for agriculture and forestry.
- ✓ Mining (Sector 21): oil and gas extraction, mining, support activities for mining.
- ✓ Utilities (Sector 22): power generation, transmission, and distribution, water, sewage, and other systems.
- ✓ Construction (Sector 23): building, developing, general contracting, heavy construction, special trade contractors.
- ✓ Manufacturing (Sector 31-33): food, beverage and tobacco product, textile and textile product mills, apparel, leather and allied products, wood product, paper, printing and related support activities, petroleum and coal products, chemicals, plastics and rubber products, nonmetallic mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electronic equipment, appliances, and components, transportation equipment, furniture and related products.
- ✓ Wholesale Trade (Sector 42): durable and nondurable goods.
- ✓ Retail Trade (Sector 44-45): Motor vehicle and parts, furniture and home furnishings, electronics and appliances, building material and garden equipment and supplies, grocery and beverage, health and personal care, gasoline stations, clothing and accessories, sports, hobby, books and music, general merchandise and miscellaneous store retailers.
- ✓ Transportation and Warehousing (Sector 48-49): air, rail, water, and truck transportation, transit and ground passenger transportation, pipeline transportation, scenic and sightseeing transportation, support activities for transportation, postal service, couriers and messengers, warehousing and storage.
- ✓ Information (Sector 51): Publishing, motion picture and sound recording and exhibition, broadcasting and telecommunications, information services and data processing.
- ✓ Finance and Insurance (Sector 52): Monetary authorities, credit intermediation, securities, commodities, insurance, funds, trusts, and other financial vehicles.
- ✓ Real Estate, Rental and Leasing (Sector 53): Real estate, rental centers and leasing services.
- ✓ Professional, Scientific and Technical Services (Sector 54): Lawyers, accountants, engineers, computer services, veterinary services, etc.
- ✓ Management of Companies and Enterprises (Sector 55): Management, holding companies, corporate and regional offices.
- ✓ Administrative and Support, Waste Management and Remediation Services (Sector 56): Administrative and facilities support services, employment and business support services, travel arrangements, investigative and security systems and other business services.
- ✓ Educational Services (Sector 61): Public sector schools, business, technical, trade schools and instruction.

- ✓ Health Care and Social Assistance (Sector 62): Ambulatory health care services, hospitals, nursing and residential care facilities and social assistance.
- ✓ Arts, Entertainment, and Recreation (Sector 71): Performing arts, spectator sports, museums, historical sites, amusement, gambling and recreation industries.
- ✓ Accommodation and Food Services (Sector 72): Accommodations, food service and drinking places.
- ✓ Other Services (Sector 81): Repair and maintenance, personal and laundry services, and religious, grant making, civic and professional organizations.
- ✓ Public Administration (Sector 92): executive, legislative, and other general government support, justice, public order, and safety activities, administration of human resource programs, administration of environmental quality programs, administration of housing programs, urban planning, and community development, administration of economic programs, space research and technology, national security and international affairs.

## Under-represented Industries - Comparison Area 1

Under-represented “industries” were then defined as those where the area (ZCTA 49701, 49757, and 49781) had a lesser number of businesses than at least four of the seven other areas. Thus, the number of businesses within the area compared to the other communities was below what might be expected.

It is also noted that in some cases, the differences are great, or no businesses in the under-served categories were identified within the area. Once again, under-representation does not mean that the identified categories of businesses are desirable for Mackinaw City.

The following are the “industries” or businesses identified as being under-represented; thirty-six (36) are identified.

Table 74 – Under-represented Industries for ZCTA areas 49701, 49757 and 49781\*

NAICS Code	Type of Business
233110	Land Subdivision and Land Development
233210	Single Family Housing Construction
235210	Painting and Wall Covering Contractors
235410	Masonry and Stone Contractors
235510	Carpentry Contractors
235710	Concrete Contractors
235990	All Other Special Trade Contractors
323110	Commercial Lithographic Printing
441110	New Car Dealers

Table 74 Continued – Under-represented Industries for ZCTA areas 49701, 49757 and 49781\*

NAICS Code	Type of Business
441120	Used Car Dealers
448120	Women's Clothing Stores
448120	Children's & Infants Clothing Stores
451120	Hobby, Toy & Game Stores
453920	Art Dealers
454312	Liquefied Petroleum Gas (Bottled Gas) Dealers
454390	Other Direct Selling Establishments
531210	Offices of Real Estate Agents & Brokers
532230	Video Tape and Disc Rental
541110	Offices of Lawyers
541213	Tax Preparation Services
541320	Landscaping Architectural Services
541511	Custom Computer Programming Services
541613	Marketing Consulting Services
561710	Exterminating & Pest Control Services
561720	Janitorial Services
561730	Landscaping Services
621111	Offices of Physicians (except Mental Health Specialists)
621320	Offices of Optometrists
621498	All Other Outpatient Care Centers
621910	Ambulance Services
624410	Child Day Care Services
711510	Independent Artists, Writers, and Performers
712110	Museums
713910	Golf Courses and Country Clubs
713940	Fitness & Recreational Sports Centers
812112	Beauty Salons

\*Developed by The Chesapeake Group, Inc., 2005.

It is noted that the Village area does not contain less of any types of traditional “industrial activity” or R & D than these like communities.

## Over-represented Industries - Comparison Area 1

Over-represented “industries” are defined as those where ZCTA 49701, 49757, and 49781 combined had a greater number of businesses than at least four other areas. Thus, the number of businesses within the study area compared to the other communities was above what might be expected.

It is also noted that in some cases, the differences are great, or no businesses in the over-served categories were identified anywhere except the study area. Over-representation does not mean that the identified categories of businesses are detrimental to the area.

The following are the “industries” or businesses identified as being over-represented within the combined three zip code study area. About forty-seven (47) are identified.

Table 75 – Over-represented Industries for ZCTA areas 49701, 49757 and 49781\*

NAICS Code	Type of Business
233320	Commercial and Institutional Building Construction
235310	Electrical Contractors
235610	Roofing, Siding, and Sheet Metal Contractors
311330	Confectionary Manufacturing from Purchased Chocolate
311340	Nonchocolate Confectionary Manufacturing
311811	Retail Bakeries
422460	Fish and Seafood Wholesalers
442110	Furniture Stores
443112	Radio, Television, and Other Electronics Stores
444130	Hardware Stores
444190	Other Building Material Dealers
445110	Supermarkets and Other Grocery (except Convenience Stores)
445120	Convenience Stores
445292	Confectionary and Nut Stores
445310	Beer, Wine, and Liquor Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448140	Family Clothing Stores
448150	Clothing Accessories Stores
448190	Other Clothing Stores
448210	Shoe Stores
451211	Book Stores
453220	Gift, Novelty, and Souvenir Stores
483114	Coastal and Great Lakes Freight Transportation
483212	Inland Water Passenger Transportation
511110	Newspaper Publishers
513310	Wired Telecommunications Carriers
522110	Commercial Banking
531110	Lessors of Residential Buildings and dwellings

Table 75 Continued – Over-represented Industries for ZCTA areas 49701, 49757 and 49781\*

NAICS Code	Type of Business
532292	Recreational Goods Rental
541211	Office of Certified Public Accountants
541214	Payroll Services
541330	Engineering Services
541611	Administrative Management and General Management Consulting Services
561330	Employee Leasing Services
561591	Convention and Visitors Bureaus
621210	Offices of Dentists
711110	Theater Companies and Dinner Theaters
721110	Hotels (except Casino Hotels) and Motels
721191	Beds & Breakfast Inns
721211	RV Parks & Campgrounds
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
722213	Snack & Nonalcoholic Beverage Bars
722410	Drinking Places (Alcoholic Beverages)
811111	General Automotive Repair
812310	Coin-Operated Laundries and Drycleaners

\*Developed by The Chesapeake Group, Inc., 2005.

## Under-represented Industries - Comparison Area 2

A second set of comparisons was also made. In this second set, the larger Cheboygan County business structure was compared to that associated with counties that are “similar”. The following criteria were employed in selecting the other counties.

- ✓ The population size and household numbers had to be similar.
- ✓ Cheboygan County, along with the selected counties, experienced reasonable levels of population growth in the decade between the 1990 and 2000 census.
- ✓ The most recent reported annual household incomes for both Cheboygan County and the selected counties were comparable.
- ✓ The counties all contain or are adjacent to large bodies of water.

A total of nine counties were selected for the comparison in economic structure. These counties are:

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|--|---|
| <ul style="list-style-type: none"> <li>▪ Abbeville Co., SC</li> <li>▪ Cherokee Co., AL</li> <li>▪ Cleburne Co., AR</li> <li>▪ Door Co., WI</li> <li>▪ Jefferson Co., WA</li> </ul> | <ul style="list-style-type: none"> <li>▪ Manistee Co., MI</li> <li>▪ Mason Co., MI</li> <li>▪ Tillamook Co., OR</li> <li>▪ Yates Co., NY</li> </ul> |
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Under-represented “industries” were defined as those where Cheboygan County has a lesser number of businesses than five of the nine other counties. The analysis identified forty-nine (49) such businesses or industries.

It should be noted that four of the 49 under-represented businesses were identified as being over-represented in the first comparative assessment which compared the local zip codes to other similar communities. These four business types were:

- Supermarkets and other Grocery (except Convenience) Stores
- Shoe Stores
- Lessors of Residential Buildings and Dwellings, and
- Administrative Management & General Management Consulting Services.

Table 76 – Under-represented Industries for Cheboygan County\*

NAICS Code	Type of Business
233110	Land Subdivision and Land Development
233220	Multifamily Housing Construction
234110	Highway and Street Construction
235420	Drywall, Plastering, Acoustical, and Insulation Contractors
323114	Quick Printing
327320	Ready-Mix Concrete Manufacturing
332710	Machine Shops
337110	Wood Kitchen Cabinet and Countertop Manufacturing
421820	Farm and Garden Machinery and Equipment Wholesalers
421830	Industrial Machinery and Equipment Wholesalers
422690	Other Chemical and Allied Products Wholesalers
441320	Tire Dealers
445110	Supermarkets and other Grocery (except Convenience) Stores
445230	Fruit and Vegetable Markets
446110	Pharmacies and Drug Stores
448120	Women’s Clothing Stores
448210	Shoe Stores
451110	Sporting Goods Stores
453110	Florists
453310	Used Merchandise Stores
453910	Pet & Pet Supplies Stores
484121	General Freight Trucking, Long-Distance, Truckload
484122	General Freight Trucking, Long-Distance, Less than Truckload
484210	Used Household and Office Goods Moving
484230	Specialized Freight (Except Used Goods) Trucking, Local

Table 76 Continued – Under-represented Industries for Cheboygan County\*

NAICS Code	Type of Business
487210	Scenic and Sightseeing Transportation, Water
513112	Radio Stations
513220	Cable and Other Program Distribution
522292	Real Estate Credit
523120	Securities Brokerage
531110	Lessors of Residential Buildings and Dwellings
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)
531130	Lessors of Miniwarehouses and Self Storage Units
531320	Offices of Real Estate Appraisers
532230	Video Tape and Disc Rental
541213	Tax Preparation Services
541310	Architectural Services
541511	Custom Computer Programming Services
541611	Administrative Management & General Management Consulting Services
541990	All Other Professional, Scientific, and Technical Services
621111	Offices of Physicians (except Mental Health Specialists)
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists
623110	Specialty (except Psychiatric and Substance Abuse) Hospitals
624120	Services of the Elderly and Persons with Disabilities
624310	Vocational Rehabilitation Services
712110	Museums
722310	Food Service Contractors
812220	Cemeteries and Crematories
813110	Religious Organizations

\*Developed by The Chesapeake Group, Inc., 2005.

Highlighted in the above are retail and related services or professional services associated with office demand for which demand forecasts identified potential opportunities as well. Once again, it is noted that the area does not contain less of any types of traditional “industrial activity” or R & D than these like communities.

## Over-represented Industries

The over-represented businesses were identified as those businesses within Cheboygan County that had a greater number of establishments than found in at least five of the nine other counties. A total of 87 such businesses were identified and are detailed in the following table.

Seventeen of the 87 over-represented businesses within the comparisons of the various counties were classified as being under-represented in the first comparative assessment of different geographic areas based upon zip code designations. These 17 business types included construction and specialty trades, retail, and other NAICS sectors as shown below:

- Single-Family Housing Construction
- Offices of Real Estate Agents & Brokers
- Painting & Wall Covering Contractors
- Offices of Lawyers
- Masonry & Stone Contractors
- Janitorial Services
- Carpentry Contractors
- Landscaping Services
- Concrete Contractors
- Ambulance Services
- New Car Dealers
- Golf Courses & Country Clubs
- Used Car Dealers
- Fitness & Recreational Sports Centers
- Hobby, Toy & Game Stores
- Beauty Salons
- Other Direct Selling Establishments

Table 77 – Over-represented Industries for Cheboygan County\*

NAICS Code	Type of Business
113310	Logging
114111	Finfish Fishing
233210	Single-Family Housing Construction
233320	Commercial & Institutional Building Construction
234120	Bridge and Tunnel Construction
234990	All Other Heavy Construction
235110	Plumbing, Heating and AC Contractor
235210	Painting and Wall Covering Contractors
235310	Electrical Contractors
235410	Masonry & Stone Contractors
235430	Tile, Marble, Terrazzo & Mosaic Contractors
235510	Carpentry Contractors
235610	Roofing, Siding, and Sheet Metal Contractors
235710	Concrete Contractors
235810	Water Well Drilling Contractors
235930	Excavation Contractors
235990	All Other Special Trade Contractors
311811	Retail Bakeries
321113	Sawmills
339950	Sign Manufacturing
421120	Motor Vehicle Supplies and New Parts Wholesale

Table 77 Continued – Over-represented Industries for Cheboygan County\*

NAICS Code	Type of Business
421610	Electrical Equipment, Wiring Supplies, Construction Material Wholesale
441110	New Car Dealers
441120	Used Car Dealers
441310	Automotive Parts, Accessories & Tire Stores
442110	Furniture Stores
442210	Floor Covering Stores
443112	Radio, Television and Other Electronics Stores
444190	Other Building Material Dealers
444220	Nursery & Garden Centers
445120	Convenience Stores
445210	Meat Markets
445310	Beer, Wine & Liquor Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448140	Family Clothing Stores
451120	Hobby, Toy & Game Stores
452110	Department Stores
452990	All Other General Merchandise Stores
453220	Gift, Novelty and Souvenir Stores
453930	Manufactured (mobile) Home Dealers
454390	Other Direct Selling Establishments
488410	Motor Vehicle Towing
511110	Newspaper Publishers
511140	Database and Directory Publishers
511210	Software Publishers
514120	Libraries and Archives
522110	Commercial Banking
522130	Credit Unions
524127	Direct Title Insurance Carriers
524210	Insurance Agencies and Brokerages
531210	Offices of Real Estate Agents and Brokers
541110	Offices of Lawyers
541211	Offices of Certified Public Accountants
541219	Other Accounting Services

Table 77 Continued – Over-represented Industries for Cheboygan County\*

NAICS Code	Type of Business
541330	Engineering Services
541921	Photography Studios, Portrait
561330	Employee Leasing Services
561510	Travel Agencies
561720	Janitorial Services
561730	Landscaping Services
562991	Septic Tank and Related Services
621210	Offices of Dentists
621310	Offices of Chiropractors
621330	Offices of Other Mental Health Practitioners
621610	Home Health Care Services
621910	Ambulance Services
623210	Residential Mental Retardation Facilities
623312	Homes for the Elderly
713910	Golf Courses & Country Clubs
713930	Marinas
713940	Fitness and Recreational Sports Centers
721110	Hotels (excluding Casino Hotels) and Motels
721191	Bed and Breakfast Inns
721199	All other Traveler Accommodation
721214	Recreational, Vacation Camps (except Campgrounds)
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
722410	Drinking Places (Alcoholic Beverages)
811111	General Automotive Repair
811113	Automotive Transmission Repair
811121	Automotive Body, Paint and Interior Repair and Maintenance
811310	Commercial Equip. (except Automotive and Electronic) Repair & Maintenance
811420	Reupholstery and Furniture repair
811490	Other Personal and Household Goods Repair and Maintenance
812112	Beauty Salons
813312	Environment and Wildlife Organizations

\*Developed by The Chesapeake Group, Inc., 2005.