



NEWBERRY

Economic Development Strategy

Prepared for
Village of Newberry, Michigan
April 2017



Prepared by:
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The Rising Tide project supports vibrant, thriving communities to attract business investment and talent by creating a sustainable path toward economic stability and growth. The Michigan Economic Development Corporation, Talent Investment Agency, and Michigan State Housing Development Authority—collectively, the Talent and Economic Development (TED) team—have committed their assets to engaging specific communities across the state in order to empower them to shape their future and maximize economic potential. This document was produced as part of that effort.



in association with



ADVANCED
REDEVELOPMENT
SOLUTIONS

April 2017

Village of Newberry
Village Council
302 E. McMillan Ave.
PO Box 203
Newberry, MI 49868

Dear Village of Newberry Council:

On behalf of the Project Rising Tide team, Place & Main Advisors, LLC, is pleased to present you with this final draft of the Economic Development Strategy for the Village of Newberry. This economic development strategy is part of the village's participation in Project Rising Tide and is provided for by the Michigan Economic Development Corporation (MEDC.)

This strategy builds off the work done by the local Project Rising Tide team done under the previous village manager and is designed to be implemented in a shorter time frame and within the capacity the village has. In the end, we are confident in the strategy we have put forth and the community's ability to execute it.

Thank you for the opportunity for our firm to work with you. We have truly enjoyed our time with the Village of Newberry and have high expectations for its future.

Sincerely,

A handwritten signature in black ink that reads "Joe Borgstrom". The signature is written in a cursive, flowing style.

Joe Borgstrom, Principal
Place & Main Advisors, LLC

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I. Overview

I. OVERVIEW

The Village of Newberry is a part of McMillian Township and is the county seat of Luce County in the eastern end of the Upper Peninsula of Michigan. The Village of Newberry is also served by a state trunk line, M-123, which connects the village with neighboring Paradise and the Upper and Lower Tahquamenon Falls, a very popular destination that draws more than 400,000 tourists a year. The community is served by Helen Newberry Joy Hospital, a historic downtown core and a municipally-owned power and water department. The aforementioned Tahquamenon Falls attract visitors all year round but especially attract visitors in the summer and fall. In winter Newberry is a prime destination in the state for snowmobiling and other winter sports.

Summary of Key Information

Population

In the 2010 census, the village had a population of 1,519. The village is currently estimated at 1,421 people and projected to dip to 1,404 by 2021.

Household Income

The median household income for the village in 2016 was estimated at \$39,397 with a per capita income of \$20,625 with a median net worth of \$50,985.

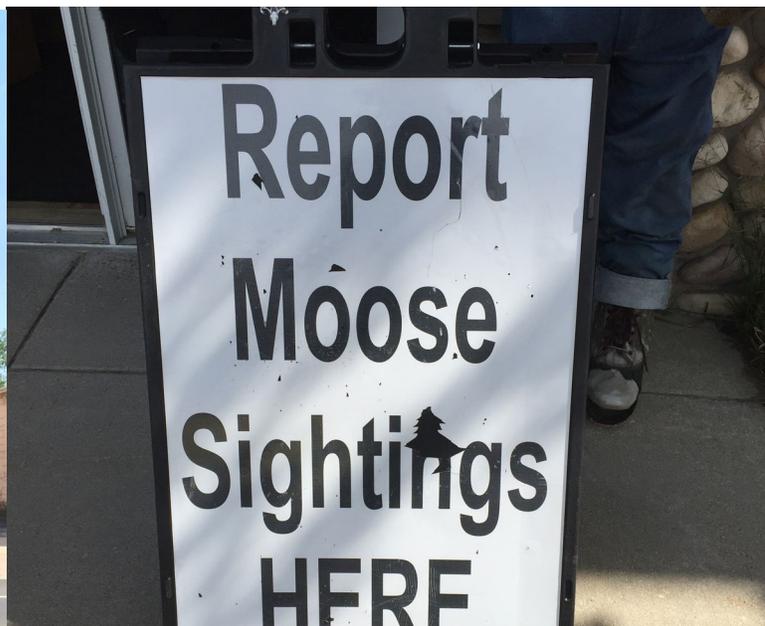
Labor Force

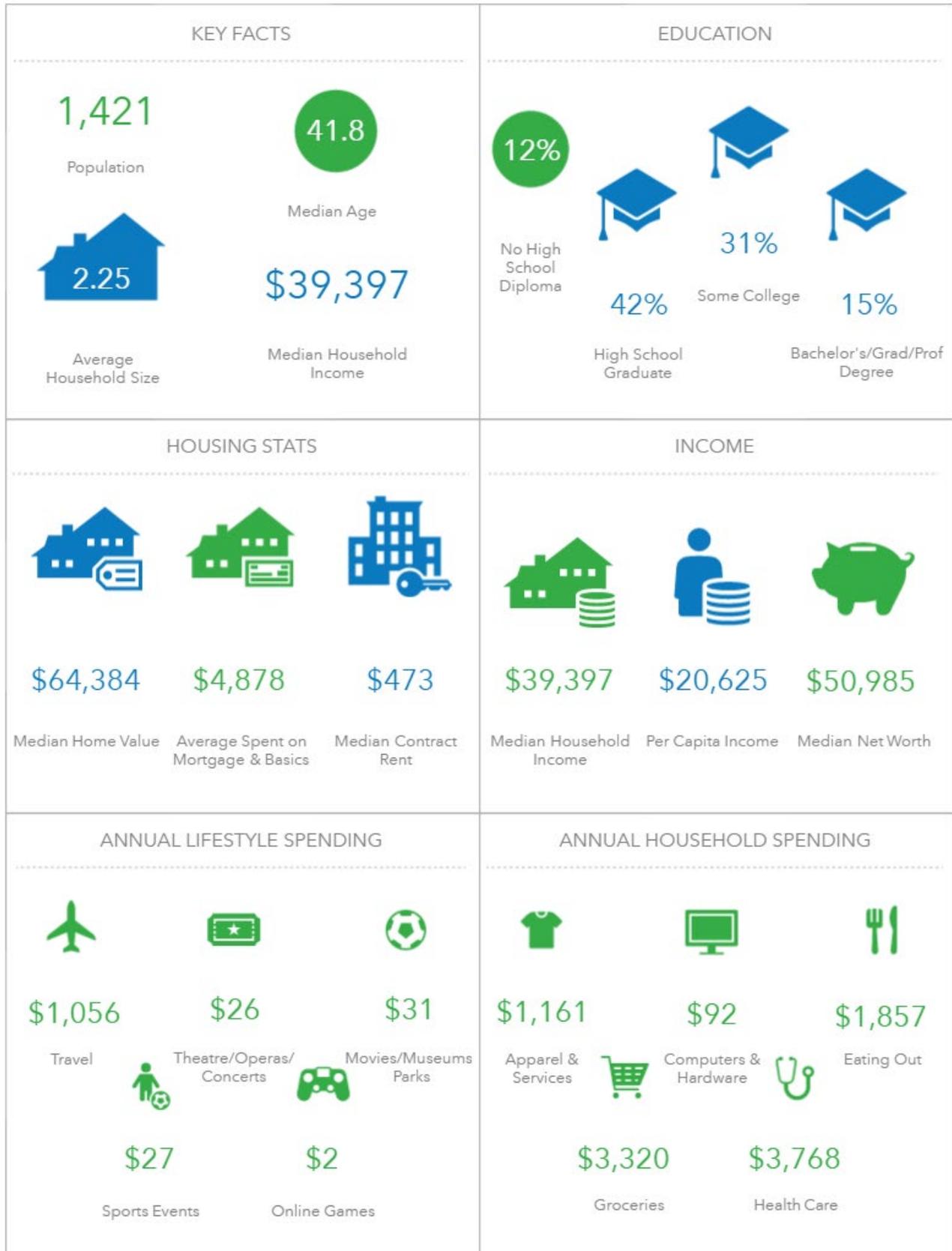
The total labor force within the village limits was estimated at 665 people and projected to remain stable at 667 in 2021.

Housing

The total number of housing units occupied in Newberry for 2016 was 641 with 439 (68.49%) of those being owner-occupied and 202 (31.51%) were rental units. By 2021 the number of units should rise to 660 occupied units with owner-occupied units remaining steady at 451 (68.33%) units and rental at 209 (31.67%).

Additional key statistics can be found on Exhibit 1 on page 7.





II. Economic Development Strategy Process

II. Economic Development Strategy Process

Over the course of 2016, the village of Newberry's local Project Rising Tide team held extensive meetings with the public to determine specific strengths and weaknesses for the area as well as help determine what possible opportunities could be seized in the future. On July 13, 2016 a public input session was held where the following list of economic challenges, assets and opportunities were formed:

Challenges

The community identified the following areas of strength for Newberry (in no order):

- i. Blight – Village unable to enforce ordinances
- ii. Filling empty store fronts/attracting new businesses
- iii. Splintered community identity / Develop sense of place
- iv. Lack of new business attraction– support and tax break programs
- v. Lack of active program to encourage and support existing businesses
- vi. Lack of coordination between govt.entities and interested volunteer/ citizen groups
- vii. Lack of investment
- viii. Inadequate signage – into village and around village
- ix. Reported lack of trained work force – vocational education
- x. Lack of transportation to voc-ed program/distance learning
- xi. Need of content for website – idea: Weather cam – IGA and Old Bank
- xii. Need more jobs with sustaining incomes
- xiii. Need for high speed internet access through community (Hiawatha)
- xiv. Tax base and dwindling state revenue sharing
- xv. Population loss, especially young adults
- xvi. Negative perceptions of community
- xvii. Underfunded school – losing population and building conditions deteriorating
- xviii. Lack of cultural groups, interest in the arts
- xix. Community action lack of development of property downtown
- xx. Lack of modern elder housing
- xxi. Disconnected sidewalk system negatively impacts walkability
- xxii. Difficulty attracting professionals
- xxiii. Lack of mixed use development downtown
- xxiv. #1 IN STATE ON PRESCRIPTION drug abuse
- xxv. 30% of populations lives in poverty
- xxvi. Lack of entertainment/recreation – “nothing to do”, lack of year-round events
- xxvii. Need to improve downtown aesthetics and amenities (public restrooms, more parking)
- xxviii. Need for trained service personnel, able to promote area
- xxix. Lack of coordinated promotions – “Tahquamenon Area, what’s happening this weekend?”

Assets

The community also identified the following assets in the village (in no particular order):

- i. New water system almost complete
- ii. Municipal power supply
- iii. Updated infrastructure (highway)
- iv. Renovated waste water treatment plant
- v. Good school system, 4 valedictorians (4.0) and high number of athlete scholars
- vi. Close proximity to recreation
- vii. Great natural resources
- viii. Lower cost (cheap) business start-up costs
- ix. Low housing costs
- x. Low crime rates
- xi. Relatively stable work environment/community, although small (includes businesses, hospital, Michigan Department of Corrections, Michigan Department of Natural Resources, etc)
- xii. Nice Main Street with connecting avenues
- xiii. Close to tourist attractions (6 of 7 wonders of Michigan within 1 hour)
- xiv. Our location is our attraction
- xv. Logging museum
- xvi. Trying to set up 3rd Thursday community gatherings
- xvii. International Road Rally
- xviii. Woods, water, and wide open spaces
- xix. National Ocean and Atmospheric Administration has serious interest in considering our costal area for a marine sanctuary (more shipwrecks of Luce County coastline than anywhere in the Great Lakes).
- xx. Some international companies or that sell internationally (Louisiana Pacific, Banks Hardwoods, Walther Farms, and Northern Wings).
- xxi. Welcoming people/community.
- xxii. 115 acre industrial shovel ready industrial park.



Opportunities

The community also identified the following opportunities (in no particular order):

- i. Attract businesses, retail attraction (e.g. mini Walmart or Shopko)
- ii. 115-acre industrial shovel ready industrial park.
- iii. Get better broadband access to more people can work in a remote environment and be connected to work world-wide, also provides opportunities for an incubator for start-ups with good broad band connections.
- iv. Advertisement that Newberry is Open for Business!
- v. Job training – trades/vocational
- vi. Expanded classes on the internet (e.g. in High School, Middle School)
- vii. Full development of the Village of Newberry website and get more info available to the community and beyond.
- viii. Count and the Village work together to map trails and other recreation assets to ensure connectivity of trails and bring people here.
- ix. Map of destinations
- x. Better access to the river by the logging museum and by the Dollarville dam for fishing.
- xi. Brochures promoting Newberry
- xii. Parking downtown
- xiii. Pave County Road 407
- xiv. Tourism business opportunities
- xv. Improve snowmobile access in town
- xvi. A master plan that will provide direction and open doors to grants.

III. Local & Regional Economic Development Goals

III. Local & Regional Economic Development Goals

For an economic development strategy to follow best practices put forth by the Redevelopment Ready Communities program, the individual objectives must tie back to one or more of the local goals and goals identified in the regional context. Each of the goals put forth in this strategy meets this criterion.

Local Economic Goals

The Village of Newberry has set forth the following goals for its local economic development efforts:

- 1) Retain and Attract Youth to the Community
- 2) Connect Youth to Employment Opportunities
- 3) Support and Attract Small Businesses downtown
- 4) Increase Placemaking and Recreation-based Opportunities
- 5) Better Market the Newberry Area to Potential Tourists
- 6) Increase Economic Opportunity for Residents and Businesses

Regional Economic Goals

Prosperity Region 1, which encompasses the entire Upper Peninsula and the Village of Newberry has identified the following goals for the region's economic development goals:

- 1) Education Goal: Region-wide access to educational opportunities that support learning, career preparedness, and self-efficacy.
- 2) Economic and Workforce Development Goal: A business environment where one can create, grow, or relocate a business knowing one will be able to access the labor, infrastructure and amenities necessary to thrive sustainably and profitably.
- 3) Health Care Goal: A health care system focused on the community with active collaboration amongst providers, agencies and coalitions.
- 4) Tourism and Natural Resources Goal: Increased engagement of local residents around tourism and recreational use of our natural resources to promote quality of life and desirability of our region for family and business.
- 5) Agriculture and Local Food Systems Goal: An agriculture and food sector able to increase production, add value to products, and reach new markets through collaborative efforts and development of aggregation, processing, storage and distribution infrastructure.
- 6) Infrastructure Goal: Maintain functionality of existing infrastructure and implement sustainable improvements where funding permits.

These goals are directly referenced in the Economic Development Strategy Chart (Table 11 on page 18.)

IV. Economic Development Strategy

IV. Economic Development Strategy

The Economic Development Strategy is a direct reflection of the input of residents, business owners other stakeholders and professional redevelopment staff. As a result, some of the tasks identified are not areas one would normally see in a traditional economic development strategy. However, they do represent very real challenges the community sees as having a direct impact on their economic success and represents achievable actions that can have a significant impact on the community. Of specific note, as tourism plays a very large role in the local economy, it is imperative the community both markets itself to potential tourists and continues to build on its existing assets to create more and better businesses that both serve existing residents and tourists.

Following this narrative is a copy of the of the interactive Excel spreadsheet (Table 1) with specific action steps, responsible parties, connections to local and regional goals and respective timelines for this strategy's execution.

Strategic Objectives

Fully Utilize Social Media to Market Newberry- Social media is one of the most cost effective ways to advertise the community's benefits, accomplishments and offerings on a continual basis to people around the world. The Newberry Chamber has an active Facebook page. The City should also create a city page and both entities should strongly consider adding Instagram accounts as a way to visually promote the natural beauty and unique businesses of Newberry.

CDBG Low to Mod Certification & Façade Improvements- The village is currently not on the qualifying list of communities who are 51% low-to-moderate income or higher. This designation is important as it allows for the village to qualify for a number of Community Development Block Grant (CDBG) programs including Infrastructure Capacity Enhancement (ICE) grants and Façade Improvement grants. The Façade Improvement grants could be valuable to downtown business and property owners who may want to reinvest in their current programs and be eligible for up to 50% grant funds. This would both make the buildings downtown more attractive and increase their value.

Consider Establishing M-123 Convention and Visitor's Bureau – Tourism is a critical driver in Newberry's economy with Taquamanon Falls drawing over 400,000 tourists a year. As such, promoting the area as a tourism destination should be a huge priority. However, past convention and visitor's bureau (CVB) efforts have failed, including the disbanding of the Newberry CVB, due to a number of factors. However, after the successful Discover M-123 project through Northern Initiatives, an effort connecting marketing efforts of both Newberry and Paradise would be the best way to move forward leveraging the Tahquamenon Falls.

Newberry Industrial Park Become a Certified Business Park through MEDA- The Village's industrial park should pursue certification with the Michigan Economic Developer's Association's (MEDA) Certified Industrial Park program. Should the park in its existing state not be eligible, the village should make whatever changes necessary in its restrictive covenants within its industrial park to meet these standards. The Certified Industrial Park designation will provide credentials for the type of industrial park that is not readily available in the upper peninsula and could give the village a competitive advantage over other industrial parcels in the eastern UP.

Diversify and Support Locally-Owned Businesses- As important as tourism is to the local economy, supporting locally-owned businesses is as equal in importance. Numerous studies have shown that for every \$100 spent in a community, \$25 more stays in the local economy when the exact same item is purchased from a locally-owned business rather than a chain. Additionally, locally-owned businesses add uniqueness and character to a community, especially those relying on tourism. A retail leakage report is included in this strategy as Appendix A to be shared first with local businesses to see if there is any potential they can either expand their existing operations or meet the specific need locally, before recruiting other businesses from elsewhere.

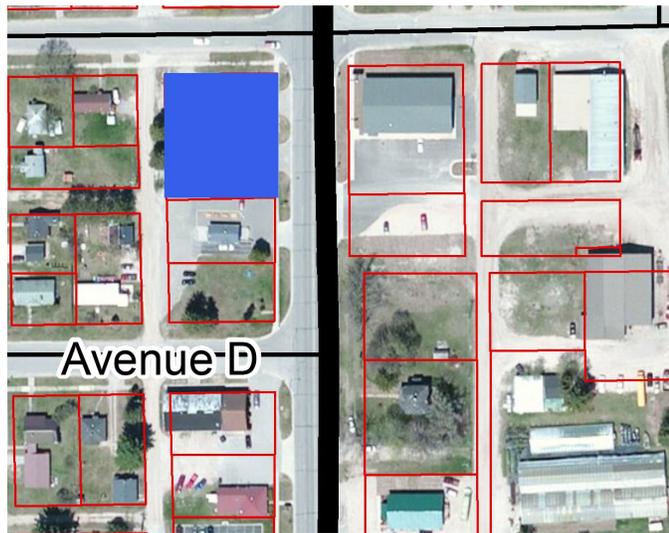
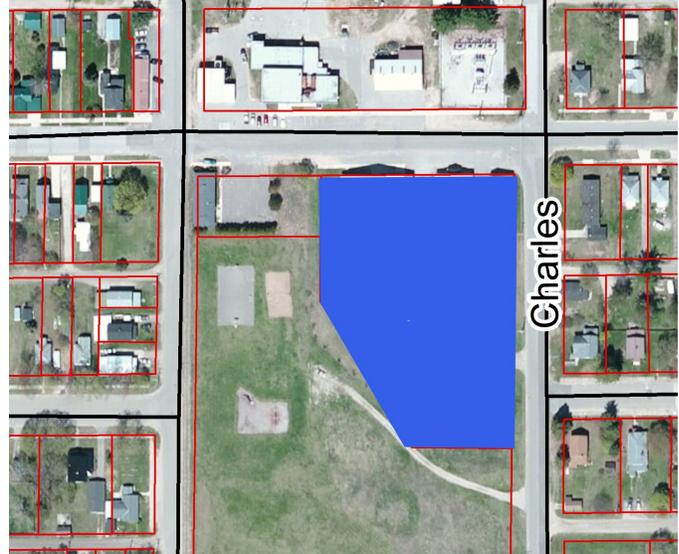
Integration of Community Parks Map with All Community Resources Websites- An excellent digital map of the existing parks in the village exists and should be used by the village, Chamber and others to promote recreation activities as part of an overall tourism amenities.

Real Estate Redevelopment Opportunities-A review of the community shows the need to prioritize the redevelopment of four sites. The following sites should be prioritized in the following order, with specific priority given to the first five sites.



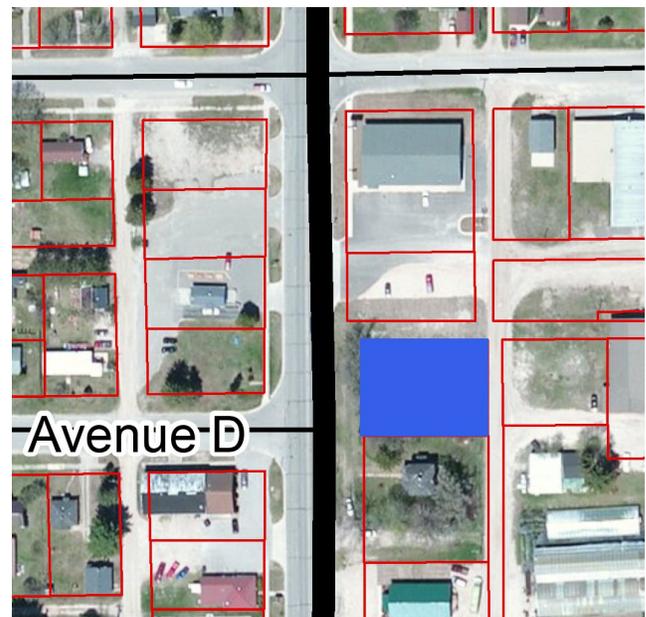
Parcels Adjacent on John Street, East of M-123-These three parcels could combine and provide enough land to create a mixed-use building with commercial on the first floor and residential above.

Former Lumber Yard on McMillian Ave- This former lumber yard on could be used in its current form for city DPW functions, light manufacturing or could be demolished and redeveloped into residential or light industrial.



Two Parcels on SW Corner of M-123 and Avenue C- This Vacant parcel is across from Napa Auto Parts and across from a school. Would be ideal location for commercial or mixed-use.

Parcels on M-123 across from Avenue D- This Vacant parcel is south of Napa Auto Parts. It could be ideal location for commercial or mixed-use.



PROJECT RISING TIDE Newberry
Economic Development Strategy

STATUS COLOR LEGEND & TOGGLE

Not Started ON	In Progress ON	Delayed ON	Complete ON
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OBJECTIVE	LOCAL GOAL(S)	REGIONAL GOAL(S)	STATUS	OWNER	SECONDARY	ANTICIPATED		ACTUAL	
						START DATE	END DATE	START DATE	END DATE
1. Fully Utilize Social Media Channels to Market Newberry Area	2, 5, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Jan Goldthorpe, Newberry Area Tourism Association		6/1/2017		
1.A. Establish Facebook and Instagram accounts, sharing permissions with appropriate contacts	2, 5, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Jan Goldthorpe, Newberry Area Tourism Association		6/1/2017		
1.B. Develop content policy outlining the types of information that can be shared and what should not	2, 5, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Jan Goldthorpe, Newberry Area Tourism Association		6/1/2017		
1.C. Develop social media calendar to promote positive news stories people can share	2, 5, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Jan Goldthorpe, Newberry Area Tourism Association		6/1/2017		
1.D. Encourage Residents and former residents to follow and share	2, 5, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Jan Goldthorpe, Newberry Area Tourism Association		6/1/2017		
2. Façade Improvement Grants/Low to Mod Income Survey	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.A. Verify Low/Mod Survey status with MEDC	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.B. Complete necessary survey to qualify for Low/Mod status	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.C. Hold informational meeting for property owners about Façade grant program	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.D. Identify potential construction company(ies) to work with building owners	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.E. Obtain initial construction cost estimates for facades	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.F. Obtain commitment for financing from local lenders	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.G. Apply for CDBG funds for Façade grant	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.H. Administer grant	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.I. Close out grant	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
2.J. Celebrate success	1, 3, 4, 6	2	Not Started	Jennifer James-Mesloh, Village of Newberry	Tammy Henry, Newberry EDC		10/1/2017		
3. Explore establishment of M-123 CVB (Based off of Explore M123 Byway)	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
3.A. Meet with Paradise area tourism businesses to discuss potential CVB or cross-marketing ideas	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
3.B. Determine potential hotels/motels that would be assessed.	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
3.C. Meet individually with various owners to discuss CVB idea and gauge interest and concerns	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		

3.D. Meet with State Park officials about potential for partnership with CVB	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
3.E. Develop informational sheets discussing pro/con of CVB	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
3.F. Schedule vote of eligible hotel/motel owners for establishment of CVB	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
3.G. If necessary, explore expanded membership to include Paradise and support existing Northern Initiatives Scenic Byway works	3, 4, 5, 6	4	Not Started	Jan Goldthorpe, Newberry Area Tourism Association	Kristen Christiansen, Newberry Chamber		12/31/2017		
4. Certify Newberry Industrial Park thru MEDA	1, 2	6	Not Started	Tammy Henry, Newberry EDC	Jennifer James-Mesloh, Village of Newberry		12/31/2017		
4.A. Review application form to determine what steps need to be taken to meet certification standards (https://www.medaweb.org/certification/requirements)	1, 2	6	Not Started	Tammy Henry, Newberry EDC	Jennifer James-Mesloh, Village of Newberry		12/31/2017		
4.B. Work to meet criteria based on needs analysis	1, 2	6	Not Started	Tammy Henry, Newberry EDC	Jennifer James-Mesloh, Village of Newberry		12/31/2017		
4.C. Apply for certification	1, 2	6	Not Started	Tammy Henry, Newberry EDC	Jennifer James-Mesloh, Village of Newberry		12/31/2017		
5. Diversify and Support Small Businesses downtown	2, 3, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Tammy Henry, Newberry EDC		Ongoing		
5.A. Conduct retail leakage report to determine what items/categories are being bought elsewhere	2, 3, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Tammy Henry, Newberry EDC		4/1/2017		
5.B. Share this data with existing locally-owned retailers and businesses as an opportunity to expand their service/product offerings	2, 3, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Tammy Henry, Newberry EDC		6/1/2017		
5.C. Determine where additional gaps exist and look to recruit businesses to downtown	2, 3, 6	4	Not Started	Kristen Christiansen, Newberry Chamber	Tammy Henry, Newberry EDC		9/1/2017		
6. Integrate Park Mapping Project for Recreation-based Tourism	4, 5	4	Not Started	Jennifer James-Mesloh, Village of Newberry	Jan Goldthorpe, Newberry Area Tourism Association		9/1/2017		
6.A. Work with appropriate parties to secure digital rights to map of local parks system	4, 5	4	Not Started	Jennifer James-Mesloh, Village of Newberry	Jan Goldthorpe, Newberry Area Tourism Association		9/1/2017		
6.B. Connect to map on village, chamber, tourism and EDC websites to allow visitors to know where these assets are	4, 5	4	Not Started	Jennifer James-Mesloh, Village of Newberry	Jan Goldthorpe, Newberry Area Tourism Association		9/1/2017		
6.C. Provide hard copy maps to hotels/motels in the area	4, 5	4	Not Started	Jennifer James-Mesloh, Village of Newberry	Jan Goldthorpe, Newberry Area Tourism Association		9/1/2017		

V. Additional Considerations

V. Additional Considerations

In addition to the Economic Development Strategy, the community needs to keep several items in mind regarding economic development moving forward:

Skilled Works Force- Beyond tourism, the community needs a skilled workforce to compete for higher paying manufacturing or value-added service jobs. The community needs to ensure it has training and partnerships in place to develop a work force that has the skills needed to either compete for employers or grow their own employers from entrepreneurs within the community.

Adequate Infrastructure- The Village must ensure it has adequate road, water, sewer, electric, and broadband capabilities to meet the needs of potential manufacturers and value-added service jobs. The Village must appropriate and fund needed upgrades to these areas to be competitive in the future.

Continual Exploration of Regional Opportunities- In addition to the M-123 CVB, the community, through the Chamber of Commerce, should be continually exploring regional opportunities with neighboring townships, Paradise and Grand Marias. These opportunities could be everything from joint municipal purchasing, to regional marketing, to economic development retention and recruitment.

VI. Implementation Partners

VI. Implementation Partners

The completion of this Economic Development Strategy will not be easy. The Village of Newberry will require partners. Thankfully, several local entities have committed time, energy and funding to help projects like those suggested here.

The professionals and organizations listed below can provide valuable expertise, time, effort and assistance with executing this strategy. Their respective names and organizations appear assigned in individual tasks in the Economic Development Strategy table.

Jennifer James-Mesloh
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