

# APPENDIX H

## SWOT ANALYSIS RESULTS

The following appendix contains the SWOT Analysis results from the meetings held on May 5th & 6th, 2021 for the CEDS Process in Northwest Lower Michigan.

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# STRENGTHS

## Natural resources:

- Prevalence of remote work bodes well for more rural areas
- Strong economy built around natural resources and recreation
- Rural built environment is attractive to many
- Four seasons of outdoor recreation
- Urban areas integrated with/in close proximity to nature - ability to live in nature with quick access to various goods and services
- Natural disasters are rare compared to other regions in US
- Water - Lake Michigan shoreline and inland lakes and rivers
- Close proximity to natural resources - timber, water, agricultural products, cherries, apples, etc.
- Likelihood that climate change will cause people to move to northern Michigan
- Trails:
- Climate change unlikely to have as severe an impact on built environment as other regions in US
- Ample land, ability to accommodate growing population
- Region has strong environmental stewardship and many preservation efforts, publicly supported

## Health & Education

- Quality school systems
- Quality healthcare systems
- Regional healthcare system able to handle pandemic
- Healthier, active lifestyle
- Higher education - two community colleges and university that include dynamic programs (non-traditional programming and non-credit classes, for example)
- Community colleges, technical schools are working more collaboratively with high schools

## Workforce and Industries

- Quality jobs that offer good pay
- Plentiful job opportunities in various industries
- Eco-tourism and value added agriculture
- Region has a diverse range of industries
- Tourism
- Regional economic development stakeholders are highly collaborative, communicative
- Training for skilled trades
- Tech and professional services growing in the region
- Strong manufacturing sector
- Retail, especially in downtowns
- Greater prevalence of entrepreneurs in the region
- Many retirees wanting to work part-time
- Networks Northwest partnership with Michigan Works! helping to generate regional talent
- High concentration of people working in the hospitality industry who want to remain in the industry
- High number of non-profits, philanthropic organizations
- Proximity to other west Michigan communities presents opportunities for growth and development, especially in manufacturing

## Business attraction, development and retention

- Most municipalities are supportive of new businesses
- Quick local approval changes needed to attract new businesses, in terms of planning and zoning
- Jobs that benefit from technology, research and development are growing in the region
- Strong prevalence of resources to business owners in various stages of business' life cycle - Traverse Connect, non-profits, etc.
- Opportunity Zones helping to develop regional economy

## Population:

- Region is growing quickly
- Aging population presents new economic drivers
- Older generations want to age in place
- Civic engaged community, strong local leadership, volunteers
- Relatively low cost of living
- Strong philanthropic community in region
- Small community aesthetic
- High demand for housing

## Arts & Culture:

- Interlochen Center for the Arts
- Maritime history
- Coast Guard stations and facilities
- Outdoors culture
- Local festivals and celebrations - Cherry Fest, Venetian Festival, Boyne Thunder, etc.
- Wineries, breweries
- Quality culinary presence
- Opportunity for infill/redevelopment of historic structures
- Arts organizations, art councils
- Public media (radio, television) reaches community members
- Arts programming for various ages - theater, dance, etc.

## Infrastructure:

- Broadband access is growing
- Low traffic flow, no expressways
- Quality airports - air travel offerings are expanding
- Access to rail presents freight advantages
- Water ports
- Downtowns are growing
- Availability of stormwater, water, sewer, land, broadband to develop around (infill)
- Busing system
- Transportation corridors

# WEAKNESSES

## Regional Healthcare:

- There are difficulties recruiting physicians to the area leading to shortages of primary care physicians, nurses and some specialties.
- The emergence of telemedicine via telephone and/or broadband:
- Increases access to medical care
- Decreases need for on-site physicians
- Could lead to a consolidation of health care facilities, weakening the availability of quality care in the region.

## Regional Transportation System:

- Aging roads
- Not being close to the interstate expressway system.
- Inefficient regional transportation systems due to area topography

## Economy & Region

- Regional economy not able to offer competitive wages

## Demographics:

- A lack of cultural diversity weakens the tourism industry as visitors may choose not to visit due to a lack of diversity.

## Industry Sector Conflicts:

- Conflict between tourism and manufacturing industries weakening the need to have cooperative relationships amongst the business community.
- Tourism Needs - Protecting the hospitality, cultural, recreational and historic aspects of northwest Michigan.
- Manufacturing Needs - Looking for low cost labor and materials with efficient transportation.

## Workforce Development:

- With so few companies in a large region, career growth is difficult and is a detriment to attracting skilled workers to the region.
- The issues of acquiring and retaining talent also include that of finding affordable workforce housing.
- The Region's employers may not employ high enough value added positions and therefore may not be able to pay a livable wage. i.e. hospitality and service sectors of the region.
- The lack of high wage positions creates an atmosphere where workers move from job to job to find better wages to enhance their quality of life, making it difficult for employers to attract and retain a stable productive workforce.
- Many of the employers in the region rely on seasonal workers to get them through the busy summer and winter seasons.
- A shortage of working age adults between the ages of twenty-five and forty-five.

## Infrastructure:

- No consensus on the best way to build out broadband in the region at this time.

## Climate:

- The uncertainties and unknowns of climate change are a threat to the region.

# OPPORTUNITIES

## Business Development

- Assistance programs for local businesses to compete with national chains.
- Change or loosen regulation requirements at the local level to make processes easier and increase flexibility.
- Create incentives for businesses such as subsidized housing and child care services.
- Launch and support emerging industries in the region – tech industry as an example.
- Technology is changing nearly every industry. Benchmark other rural communities that have adapted well to this trend.
- No-strings attached incentives to attract new businesses and businesses wanting to relocate.
- Target cluster development around strong industries.
- Continue to attract businesses that are easy to relocate, have a low impact on the built environment and pay a quality wage.
- Remove constraints to tech industry – broadband, talented workforce, affordable housing.
- Expand collaboration amongst business owners
- Target growth in particular job sectors to meet local demands – for example, the construction industry to help offset the lack of housing.
- Develop businesses that match the region's character – for example, outdoor recreation manufacturing.
- Expand prevalence of value added businesses – for example, farm-to-table restaurants and the agricultural industry.

## Talent Development

- Continue to connect community members with information regarding job training and skills development.
- Connect K-12 students with workforce resources prior to graduation.
- Continue to build upon the school trades programs. Create industry partnerships with schools that do not currently have a trades program.
- Public organizations or coops (City of Charlevoix for example)
- Remote/satellite university campuses for research and development specific to the region.
- Greater connection between school curriculums and employer needs, both regionally and globally.

## Infrastructure & the Built Environment

- Planning is needed to meet sewer and water infrastructure needs for potential new businesses or businesses that are expanding.
- Mixed land uses and form based codes to help with economic and housing needs.
- Connect trails and recreation facilities throughout the region to support transportation and tourism.
- More transportation options.
- Traffic calming measures on targeted roadways.
- Broadband expansion and its improved affordability.
- Create a market-driven approach to broadband by developing paths that different companies can use. Establish an impetus to use existing fiber.
- Manage improvements in technology, especially Artificial Intelligence, to avoid further gaps in technology access and its benefits.
- Incentivize infill development as an alternative to development in greenfields. Support land banks, brownfield redevelopment and blight removal.
- Maintain historic buildings and sites.

## Population

- Financial literacy resources to help public planning for downturns in the economy.
- Public-private partnerships to help meet child care needs.
- Child care assistance programs as incentives for the private sector.
- Aging population wanting to stay in the workforce as part-time workers.
- Relatively high number of wealthy residents with philanthropic goals for the region.
- Greater collaboration and resource sharing amongst regional stakeholders and leaders.

## Housing

- Partnerships between members of the public, private sector, public sector, non-profits, etc.
- Encourage the development of housing types other than single-family.
- Ability to use Tax Increment Financing for housing development.
- Gather employers to seek housing solutions.

## Government

- Promote public-private partnerships
- Create best practices and models for master plans, zoning codes, form based codes to improve upon local regulations.
- Redevelopment Ready Communities – opportunity to create partnerships and engage in discussions around best practices.
- Training for new planning commissioners, board members and other local officials.
- Opportunity Zones
- Implementation needed more often; more results following the planning process.
- Provide funding to economic development organizations to encourage the implementation of projects at the local level.
- Region is a stronger applicant for funding than individual municipalities.
- Encourage greater collaboration in planning between townships, villages and cities. Often, cities have established infrastructure while townships have greenfields. A balanced approach to development is necessary.
- Communication with MEDC to support emergence, growth and retention of certain industries. This will require a collective, regional voice.

# THREATS

## Lack of Affordable Housing:

- The increase in the supply of short term rental properties comes from developers and homeowners choosing to rent their properties on a short term basis, less than twenty-eight days, rather than on an annual basis, reducing the supply of long term rental properties available.
- The presence of short term rental properties in residential neighborhoods has had a negative impact on the character and security of the neighborhoods where they operate.
- The expansion of short term rentals in the region and the lack of new housing development have led to an increase in demand for housing exceeding the supply of homes, escalating housing prices and therefore encouraging developers and homeowners to convert properties to short term rentals, further decreasing the inventory of long term rental housing.
- New home construction is not meeting the needs of the community for affordable housing as developers and homeowners focus on high end more profitable housing projects.
- Due to the shortages of affordable housing, area employers have a difficult time recruiting and retaining workers.
- The situation is heightened as affordable housing for seasonal workers is also a challenge.
- As families are unable to find affordable housing close to urban centers and employers, they are forced to live further and further away from those areas to find affordable housing.
- Federal, state and local governments have not been able to create effective housing programs to solve the problem of affordable housing.
- Shortages of construction workers also contribute to the affordable housing shortage as the demand for additional housing has not been met.
- Local archaic zoning ordinances and practices also make it more difficult to build affordable housing.
- The cost of housing is too high for entry level and seasonal workers in the area.

## Climate change:

- Tourism will be dramatically affected by climate change, some good some bad.
- Shoreline erosion caused by fluctuating lake levels poses a significant threat to shorelines, beach homes and other shoreline activities.
- Climate change will also have a severe impact on the outdoor recreation economy as the earth warms, especially snow sports.
- The emergence of invasive species is a side effect of climate change as non-native plants and animals adapt quickly to new environments and crowd out or overrun native plants and animals in the region.

## Infrastructure:

- Aging roads, bridges, dams, and water and sewer systems throughout the region are at risk of failure, endangering the population and the economies of the communities affected. When the age and condition of infrastructure has exceeded its designed life expectancy it is at a higher risk of failure and a significant threat to the community.
- While rebuilding the region's infrastructure is always talked about by our government officials, funding those projects has not been a priority to local, state and federal governments, despite the fact that good infrastructure encourages economic growth and prosperity.
- Inadequate zoning and gaps in zoning could lead to sprawl and poorly designed economic development, jeopardizing the quality of the new infrastructure.
- Lack of planning for the infrastructure challenges of the future. New technologies and challenges such as artificial intelligence, broadband, electric vehicles, climate change, etc.



## Overburdened Government:

- Overburdened/understaffed government, at all levels, is a threat that has led to government officials' reluctance to change and struggle to compete in a divisive and increasingly bureaucratic environment by:
- Their inability to meet the needs of constituents.
- Political polarization on a national level and a lack of civility.
- Lack of support for innovative ideas at all levels of government.
- Inadequately trained elected officials make it difficult for trained government staff to effectively do their job.
- Government officials have to walk a fine line between their role as a regulator and being a resource to a developer.
- Too many costly layers of government regulation and oversight.
- Obsolete zoning standards such as minimum for square footage, parking requirements, and accessory dwelling units.
- Conflicting messages from city, county, and township governments as they are not on the same page with regards to economic development.
- Economic Development Administration and Michigan Economic Development Corporation programs cater to urban areas and are not suitable for rural areas.

## Lack of Affordable Child Care and Availability:

- Child care was severely impacted by the Pandemic. However, child care shortages were prevalent even before the Pandemic.
- Child care challenges have become a barrier to work, especially for mothers, who have disproportionately taken on the role of unpaid caregiver by leaving the workforce to take care of children.
- The experience of economic instability causes increased material hardship, particularly when families, who lack personal assets, choose to have one spouse leave the workforce to care for children.
- Low family income negatively affects children's social-emotional, cognitive, and academic outcomes if parents choose not to use child care or a stay at home spouse. Children's cognitive development during early childhood is most sensitive to the experience of low family income.

## Demographic Trends:

- Aging workforce – The impact of an aging workforce means there are fewer working-age individuals. An economy that cannot fill in-demand occupations faces adverse consequences, such as declining productivity, higher labor costs, delayed business expansion and reduced regional competitiveness.
- Aging Population - An aging population will also strain the regional health care system as there could be a shortage of health care workers to tend to an aging population.
- Declining birth rates in the region and country - As birth rates fall, working-age populations eventually fall as well. This leads to labor shortages that can slow growth in key industries reducing the regional's economic competitiveness.

## Broadband Availability:

- Broadband coverage is inconsistent in northwest region of Michigan
- Broadband has become a necessity for business to be competitive in local, state, national and international economies
- If there is no broadband close to small business, acquiring reliable broadband is costly for small business.
- Intense competition by vendors looking to build out broadband infrastructure expansion.

Resilience is a threat to the region when there is lack of planning and preparation for:

- Major economic or climatic disruption
- Loss of a major employer in the area.
- Destructive weather events
- Public or private sector succession planning
- Major change in the law
- Resiliency training
- National and international catastrophic events
- Pandemic:
- Disruption to supply chains into and out of the region.