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Staff Paper

**Building Professional Economic Development Capacity
in Three Western Upper Peninsula Counties: Results
of a Diagnostic Study and Follow-Up Activities**

Raymond Vlasin, Jerry Murphy, and Paul Wessen

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PREFACE

This paper is a part of a series of reports of the activities conducted under a grant from the Fund for Rural America, U.S. Department of Agriculture. Funds for the three year grant entitled “Enhancing Rural Economies Through Comprehensive Extension, Research & Partnering Approaches Using Multi-County Clusters in Michigan With Application to National Rural Settings” were received by Michigan State University’s Department of Agricultural Economics in March, 1998. The major goal of the grant is to increase economic development activity in four clusters of rural counties in Michigan through the utilization of the resources of the Michigan State University Extension Service, Michigan Agricultural Experiment Station, and other resources of Michigan State University. Various local, state, and federal public partners as well as the private sector are to co-sponsor projects.

This paper presents the results of a joint Extension-Experiment Station project in the Western Upper Peninsula, one of the four clusters of counties under the Fund for Rural America grant. Partnering with Michigan State University in these Western Upper Peninsula activities were David Skjaerlund and others from the Rural Development Council of Michigan.

Colletta Moser, Ph.D.
Professor, Agricultural Economics
Principle Investigator

13 pages

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| | |
|--|----|
| I. Situation | 1 |
| II. Background. | 2 |
| III. Structure of the Diagnostic Study | 2 |
| Meetings with Local Leaders | 3 |
| IV. Observations and Conclusions | 3 |
| Iron County | 3 |
| Ontonagon County | 5 |
| Baraga County | 6 |
| V. Recommendations | 8 |
| Business Retention and Expansion Programs | 8 |
| Explore Options in Creating a Continuous Professional Economic Development Capability | 8 |
| Plan and Conduct Education Programs on What Has Worked in Other Localities | 9 |
| VI. Specific County Training Approaches | 9 |
| Iron County | 9 |
| Ontonagon County | 10 |
| Baraga County | 10 |
| VII. Follow-Up Activities | 11 |
| Business Retention and Expansion Programs | 11 |
| Comparable Communities Educational Program | 12 |
| Strategic Planning in Baraga County | 13 |

Building Professional Economic Development Capacity in Three Western Upper Peninsula Counties: Results of a Diagnostic Study and Follow-Up Activities

Raymond Vlasin, Jerry Murphy, and Paul Wessen¹

I. Situation

Many isolated and sparsely populated rural regions of the United States lack an organized or professional economic development capacity. Low population densities increase the per capita costs of investments in infrastructure and other public services and at the same time limit the tax base of rural communities. In an environment of scarce public funds and competing economic development needs and pressures, many rural communities have been unable to devote the resources necessary to establish and maintain a full-time, professional economic development capacity. Moreover, economic developers themselves often prefer to locate where they can be in contact with other economic development professionals and work on a full-time rather than part-time basis as is often the case in rural areas. But isolated and sparsely populated rural regions are often most in need of economic development assistance, particularly in those instances where communities are dependent on a single industry in long-term decline.

The Western Upper Peninsula Cluster region for Michigan State University's "Enhancing Rural Economies" project is comprised of six counties that are distinguished by their remoteness from urban areas, low population densities and former dependence on mining industries¹. At the same time these counties have unique community and economic development opportunities and challenges. But the level of organizational maturity and capacity to structure effective responses to those opportunities and challenges varies from county to county within the Cluster. Three of the six counties--Gogebic, Houghton and Keweenaw-- are considered to have relatively well established development organizations. The other three counties--Iron, Baraga and Ontonagon-- are seen as having extensive economic challenges, limited organizations for development, weak funding bases, or a shortage of community champions to consistently meet opportunities or redress challenges. This paper reports the findings of diagnostic study of the economic development needs and capacity of these counties performed in February 1999, recommended actions to increase this capacity, and the follow-up activities these counties have taken in the ten months that have followed.

¹ Dr. Ray Vlasin is serves as MSU's Extension's Coordinator for Extension Community and Economic Development programs and is the Co-Director of the Fund for Rural America/Enhancing Rural Economies project. Jerry Murphy is an Economic Development Resource Agent for MSU Extension's Gogebic County office and Executive Directory of Gogebic County's Economic Development Commission. Dr. Paul Wessen is a Visiting Assistant Professor in the Department of Agricultural Economics and Specialist for the Fund for Rural America/Enhancing Rural Economies project. Dave Skjaerlund, Executive Director of the Rural Development Council of Michigan also contributed to this report.

II. Background

The Fund for Rural America/Enhancing Rural Economies (FRA/ERE) Project is an on-going, three year project administered by Michigan State University' Department of Agricultural Economics that is funded from a three-year, \$450,000 Fund for Rural America grant from United States Department of Agriculture's Cooperative State Research, Education and Extension Service that will last through February 28, 2001, and supporting grants from the Michigan Agricultural Experiment Station and MSU Extension². Its purpose is to enhance the economies of four, regionally and economically distinct multi-county clusters of rural Michigan by developing a comprehensive model of economic assistance delivery that combines the rural development expertise and resources of MSU Extension, the Michigan Agricultural Experiment Station and partners in the private and public sector. A key feature of the project's development approach is its identification of a "menu of assistances" encompassing seventeen types of extension or extension and research assistance that if made available, can substantially advance the economies of the four clusters.

"Understanding Local Economies and General Economic Development" was one of the assistance offerings in the "menu" of assistances. In response to a request for assistance from one of the Western U.P. Cluster counties, Michigan State University Extension partnered with the Rural Development Council of Michigan to develop a pilot educational program to help local leaders understand the basics of local economic development. In an effort to build economic development capacity among the less developed Western U.P. counties, this "pilot" educational program was presented to Cluster representatives in outline form by the Rural Development Council of Michigan (RDCM) and FRA/ERE project personnel from Michigan State University. The intent was to offer capacity development training initially to those counties with the greatest needs. Baraga, Iron and Ontonagon counties were chosen because they were not served by permanent local professional economic development practitioners who might otherwise have been expected to provide such education and training. The training would be offered to other interested Cluster counties at a later date.

III. Structure of the Diagnostic Study

Although the proposed training outline was much appreciated, the representatives from Baraga, Iron and Ontonagon counties who reviewed the proposal felt it did not fit well with the communities' more fundamental and more immediate issues and needs. As a follow up to this input, Rural Development Council Executive Director David Skjaerlund and Ray Vlasin, FRA/ERE project Co-Director arranged a series of visits with local leaders of these three counties to diagnose and define their unique training needs. Accompanying then was Jerry Murphy, the FRA Project's Western U.P. Cluster leader and MSU Extension Agent. An open group interview process was used as an expedient way of reaching several community leaders within a brief period of time.

² The FRA Project's overall leadership is provided by Dr. Colletta Moser, Professor of Agricultural Economics and Co-Chair of MSU Extension's Economic Development Area of Expertise Team.

Meetings with Local Leaders

Over the course of three days in February 1999, meetings were held with leaders of Iron, Ontonagon and Baraga Counties to explore local capacity building for economic development³. These meetings also explored alternative ways to strengthen local economies, enhance local business and tourism enterprises, and increase local income and employment. Community leaders also were asked to discuss training that would build community or organizational capacity in the areas of community and economic development.

Eleven interviewing sessions were conducted over the three day period– a single group session at a central location in Iron County and five meetings at various locations in both Ontonagon and Baraga Counties. A total of 47 individuals participated in these meetings, including: members of economic development commissions and groups; representatives of business, industry, tourism and recreation; municipal, township and county officials; school administrators and teachers; members of the Keweenaw Bay Indian Community; county personnel for MSU Extension; and other area leaders and groups. Two written comments were forwarded via the Ontonagon County Extension Director from people who were unable to attend the interview sessions.

Each meeting followed a similar format. First, persons attending were invited to introduce themselves and talk about their occupation, position and/or role. Second, participants were briefed by the diagnostic team. This included a brief overview of the FRA/ERE project, background information on the events leading up to the diagnostic study, and an explanation of the nature and role of the RDCM and its close cooperation with the FRA/ERE project.

Participants were invited to share their views about local conditions and their expectations for the near future. They were encouraged to focus on capacity building and the education and training, from FRA Project or otherwise, that would enhance local capacity. Participants were strongly encouraged to consider actions that might help them build on their strengths and potentials, achieve opportunities and/or address and resolve difficulties.

As expected, persons attending from the three counties described very unique issues that were very localized in scope and impact. They also discussed issues that were regional and common in nature. In general, the three counties reflected needs that can be addressed by educational or training responses.

IV. Observations and Conclusions

Iron County

Iron County has an Economic Development Commission (EDC), but does not have a full-time executive directory or staff support person to perform needed economic development actions.

³ The were arranged by Jim Dompier, Steve Nelson and Ray Clark, County Extension Directors in Baraga, Iron and Ontonagon Counties.

The county had, however, contracted for the services of an economic development consultant. This consultant, from Whitewater Associates, serves on a part-time basis. Such related education programs about economic development as are conducted, are in cooperation with the Iron County Extension office.

Local Iron County leaders showed genuine interest in advancing their local economy. They reported interest and commitment by other leaders in addition to their own. Earlier, the County Extension Director of Iron County and the Economic Development Consultant planned and conducted a training program on leadership, in part to increase local leadership input to the county's development.

Local leaders were most concerned with continuity of community and economic development efforts. This continuity included issues of maintaining a stable funding base to support technical staff that would thereafter be better able to address organizational and planning needs in the development arena. Given the capacity to address its funding structure, the group felt confident that it could maintain a credible presence in the broader economic development community, including local municipal settings, grant funding sources, federal and state agency resources, and academic or technical outreach resources. Networking capacity was also identified as a benefit of establishing a stable funding base, particularly in the area of tourism interest/coordination within the county.

Organizationally, Iron County possesses some of the key elements to structure support systems for formal development initiatives. Volunteer activism is present, but taxed. County government is supportive, but financially strapped. The business community is willing to participate, but not without a sense of direction, leadership and a common vision or strategic plan. In a sense, business leaders would like to see a return on their investment in formal development initiatives.

An initial survey was conducted of businesses in the county to learn about their needs. This positive action was also to serve possible business retention and expansion efforts in future. Seventeen of the businesses that responded indicated a desire to have follow up discussions with the EDC or its consultant concerning their individual business and possible future plans. However, local leaders indicated they do not have a "Business Retention and Expansion" (BR&E) program. Further, they indicated BR&E program training was needed and would be beneficial for the county.

To help address the development of a common vision, those involved in the development efforts are moving forward on a formal survey of businesses. The survey instrument is intended to solicit information that includes resident business profile data, location issues, support system relationship, desired services, and other business sector needs within the county. Discussion among those interviewed indicates the possibility of building organizational capacity among development group board membership to meet with area businesses to help conduct BR&E visits to businesses.

Local leaders pointed out that they were aware that some other Michigan counties have an "economic development professional", such as an executive director. They were aware also that

such a person could serve the local Economic Development Corporation and could be the focal point for economic development actions.

In addition, local leaders observed that among the things a local economic development professional could do would be the following: help create a county business retention and expansion program; help the county foster industry that utilizes higher technology; assist with increasing the skills of the workforce; help the county achieve “value-added” enterprises and products; assist businesses that need help with their business plan, particularly for small business; take advantage of high tech and electronics potential; help prepare a “web site” to educate people about the County and its economic development; and help identify funding sources and write and secure grants.

The local leaders also indicated a readiness in Iron County for economic development, as well as some structured leadership and other assets on which it can build. Principle among these are: Iron County’s workforce—judged to be a very good workforce; Iron County’s Economic Development Corporation; downtown development authorities; a Chamber of Commerce; growing cooperation among communities across the county; and Iron County’s educational units including its county Extension programs.

Much can be done throughout the county with its existing structure and leadership. Local leaders believe that there is no lack of vision for proceeding to enhance the well-being of the county through economic development. Some believe there is a fairly decent plan for such development, although some reservations exist about the plan. But, underlying all of this is a recognition that Iron County needs to have the “where-with-all” to move to the next level in fostering a comprehensive economic program. And, there is recognition that no one source can provide the funding required to achieve the next level.

Ontonagon County

Ontonagon County poses crisis-based issues and long standing community coordination problems. The County lost 1,000 resident jobs with the close of Copper Range copper mine in late 1996. It lost 70 more jobs from another manufacturing firm this past year. There is the threat of further job loss due to ownership changes at the last large employer in the county. Together these job losses set the stage for a county-wide sense of economic stress.

This sense of stress stretches community and organizational capacities and magnifies weak links in community support systems. While community leaders realize that there are communities elsewhere that are struggling with economic and social stress, there have been few financial resources to support learning about the unique situations of those communities, and the strategies and tactics those communities have used to deal with their stress.

Ontonagon County has an active economic development entity in the Ontonagon Economic Development Corporation (OEDC) created in 1979. The OEDC has been involved in nearly every major expansion and new project in the County since that date. It is viewed as an important entity in the revitalization of the County. Two of its most recent major projects are its participation in the creation of a multi-county Renaissance zone, and the establishment of the

White Pine Industrial Park at the site of a former White Pines Mine. The OEDC recently assisted Carp Lake Township to establish a brownfield redevelopment zone. The Ontonagon EDC has as one of its major goals to keep existing business and to expand the businesses already in the County.⁴

New support systems were suggested by Ontonagon County leaders to supplement existing ones. Examples of the new systems suggested included: a business-to-business mentoring program to support young entrepreneurs; a referral and formal support system for new leaders in the county to fill or assume both traditional and newly created crisis resolution roles; a cross-county tourism network to “package” the resources of the entire county; and a variety of skills-building systems that respond to localized needs, such as downtown revitalization, small business management, and business and organizational marketing.

Information systems appear to be in need of improvement in two ways: First, in terms of keeping development initiatives in front of those regional people and resources that can impact change in the county; Second, in concurrently diminishing the rumor mill of misinformation regarding development activities. There is a common realization that the county needs to focus on what is in place and on what extra effort is required to bring new investment to the County.

Tourism and infrastructure to support tourism are clearly recognized by the market and by residents. Economic diversification is an obvious goal of many development initiatives. But, the length of time required to achieve a diversified economy is quite long. The County and communities need to become aware of this long range requirement in order for the effort to be sustained and to be successful.

Ontonagon is looking for internal support systems that can respond to both near term and long term development initiatives. Near term support resources are in place at the mine site, at the renaissance zone site, and in external markets via formal outreach staff and promotional efforts. To a lesser degree, long term investments in capacities that support the tourism industry and that support small, resident business and industry also are present, but those investments are not necessarily recognized as being vital. Furthermore, communication systems need to be developed to build a common, pragmatic, and long-term view of the future for county residents.

Baraga County

Baraga County is enjoying some real returns on past investments in economic and community development initiatives. The County has a diverse economy, complimented by government jobs (prison), tourism and destination points (casino, lakeshore, resort, snowmobile trails, etc.), and a small but important manufacturing base (Petition, Cellutex, Terrex). It has developed industrial park capacity, and has retained/maintained rail infrastructure. It has a class A road system and a good school system that is about to be upgraded.

⁴ For additional discussion of the OEDC and the White Pines Industrial Park , see "Passion for Progress", The Ironwood Daily Globe, February 1999, pages 1 and 2.

Interviews with county leaders indicated a strong memory and awareness of the not too distant past, wherein the economy was weak, unemployment was high, and organizational responses were intermittent. There was enthusiasm among various communities and development organizations to reestablish coordination and consistency of economic development functions. In recent times, development has occurred on a “project-to-project” basis, without much attention to comprehensive or overall strategic planning for development. Baraga has a strong pool of creative “doers”, or people who rally to the immediate need, but who tend to disappear when the project is complete.

There is a genuine sense that the community would realize a return on investment, based on its past orientation, if community leaders were to agree on a common set of development goals and thereafter retain a champion or staff person who would be charged with pursuing those goals. In all likelihood, this approach to ongoing development initiatives would support continuity of effort by individual communities within the county.

Under current practice, each community has pursued development projects almost independent of neighboring communities’ efforts. For example, local leaders observed that the Baraga and L’Anse communities could work more closely together on economic development. This cooperation could parallel the joint efforts already achieved in fire protection and in police protection.

There are clear benefits that can accrue to joint efforts among development entities or neighboring jurisdictions that foster development in a cooperative manner. Leaders in the County appear not only ready, but willing to support a technical staff position provided the county-wide community can agree on a strategic plan to deploy that person effectively. This strategic plan, under Baraga’s disposition toward action, may foster improved tactical approaches as well. Basically, there is the necessity that any staff members working on development initiatives within the County have a clear vision and direction to follow, including development goals.

Baraga County has an Economic Development Corporation, but it appears to serve only a limited role. However, it has potential for an expanded role and a wider range of development activities. If professional staff support were available to the EDC, it could expand the range and the number of economic development projects, perform professional economic development functions, and cooperate with the Baraga County Extension Office in educational programs concerning various aspects of Baraga County’s economic development.

One local leader observed, “the greatest thing that could happen would be to activate the EDC to greater roles and maybe have a paid staff person”. With a paid staff person, the EDC could work closely with the area development group comprised of private sector members, a Downtown Development Authority, the several villages in the County, and the Keweenaw Bay Indian Community which has the potential to be a major entity in the economic development of the county. With a broadened role and staff support, the EDC could serve as an umbrella organization to coordinate and assist economic development throughout the County.

V. Recommendations

Although the three counties, Iron, Ontonagon and Baraga described conditions that were localized in scope and impact, they also described and discussed issues that were regional and common in nature. Leaders from the three counties addressed conditions and opportunities that could be benefitted by educational training pertaining to local economic development. Following are the recommendations that were generated from the diagnostic study.

Business Retention and Expansion Programs (Baraga, Iron and Ontonagon)

Existing businesses are key assets in each of the three counties. Businesses provide products and necessary services. They also provide employment and salaries and wages that constitute the economic lifeblood of the counties. Their products and services vary, as do the trade areas and broader markets they serve. However, their abilities to stay in business and their opportunities to grow and prosper also vary.

The implementation of formal Business Retention and Expansion Visitation programs was recommended as a key initial action Iron, Ontonagon and Baraga could take to strengthen their capacity for economic development. In addition to identifying possible actions communities could take to retain existing business and expand the products and services they provide—to local residents and markets beyond their county, a formal BR&E program would require an organizational effort in each county. This would entail identifying individuals who could serve helpful roles in the program, planning the actions involved in the BR&E effort, training of volunteers to make business contacts and conduct surveys, and developing and implementing follow-up actions to assist local businesses to explore and undertake expansion of products, services and markets.

Explore Options in Creating a Continuous Professional Economic Development Capability (Iron and Baraga, plus Ontonagon later)

In all three counties there was recognition of the importance of the economic well-being of individuals, families and communities. Moreover, there was strong interest in taking coordinated action on a continuous basis to enhance the strength of local economics. But each county would need to develop a professional economic development capacity to initiate such continuous and coordinated action. Likewise, there was recognition in the three counties that a permanent economic development professional could play creative and productive roles in advancing local economic development.

Of the three counties, Baraga and Iron appeared to be in the better position to plan for and obtain the capabilities of a professional economic developer on a continuous basis. Iron County has engaged such professional services under contract on a part-time basis and has found those services most helpful. Baraga County does not have an economic development professional on contract or on staff. However, Baraga County leaders understood the significance that such a capability held for the County's future.

However, it is doubtful that a single funding source in either Baraga or Iron County can provide the funding required for securing a continuing professional economic development

capability. Public sector entities such as county, townships and municipalities will need to contribute, as will private sector entities such units as individual businesses, associations, and promotional groups--including Chambers of Commerce. In Baraga County, the Keweenaw Bay Indian Community could be a primary participant in this effort, as well as any Business Retention and Expansion program that might be undertaken.

Although establishing a professional development capability in Ontonagon County is also important, Ontonagon must deal with the immediate needs and problems of a community and economy in stress, and to do so in an atmosphere of severely constrained financial resources. Its opportunities to find the necessary dollars for a professional economic developer to serve the entire county are particularly constrained. As a result it needs to procure professional staff in ways that will be less costly than funding a full-time, continuous professional.

Plan and Conduct Education Programs on What Has Worked in Other Localities (Ontonagon County, plus Iron and Baraga)

Observing what other communities have experienced, and how those communities have approached community and economic development can provide both insight and motivation toward informed action. The experiences of other communities has the potential to be instrumental in helping leaders in the three Western U.P. counties to identify possible applicable approaches for short term action as well as longer term guidance and coordination in dealing with economic stress. Moreover, the experience of other communities would provide an opportunity for local leaders to determine whether their local context matches those of communities elsewhere and whether the approaches and actions they have considered have been used elsewhere to advantage. The focus of “comparable communities” education programs would be on the process of building economic development capacity rather than simply duplicating what other communities have done.

Ontonagon County in particular would stand to gain significantly from exploring the situations in other stressed communities and the approaches used and actions they have taken in response to their situation. By contrast, Iron and Baraga Counties likely would benefit from learning how other Michigan counties have approached the matter of planning for, funding and securing a professional economic developer. For example, in some counties, the staff position has been split between education and training and professional developer roles.

VI. Specific County Training Approaches

Iron County

From observations made, the diagnostic study concluded that Iron County would benefit from a three-tier training approach. The *first tier* would involve training current staff, board members, and key cooperators in Business Retention and Expansion Visitation Program methods to enable them to develop personal contacts within the business community. Such training would help provide the cadre of persons required to implement the business survey. The *second tier* would follow that survey. It would involve facilitating a response plan to target near-term needs

identified in the BR&E survey and it would focus on developing a one- to-two year plan of activities for a development person. The *third tier* would be specific programming that demonstrates by example a number of models for building a stable funding for a professional to implement the activity plan. developed.

Ontonagon County

The diagnostic study concluded that Ontonagon County would benefit substantially from a program highlighting the situations, experiences, strategies, and tactics used by stressed communities elsewhere. The intent would be to help Ontonagon County build capacity to deal with stress in the community, help it understand the advantages of a long-term approach and build ownership for such an approach. Such a long term approach likely would complement and build upon measures that were already underway. Grass roots or mentoring programs employed elsewhere also could be explored. Programs judged to be applicable could be tailored to Ontonagon County's context.

Since retention of existing business is crucial in Ontonagon County, and expansion of existing business holds greater promise than attracting new business, high priority was given to the organization of a BR&E program. Training programs on how to package the tourism/recreation opportunities in Ontonagon County in order to enhance their marketability also held promise. Most beneficial would be a focus on building networking capacity to find and treat recreation entrepreneurs and other service providers as resources, and then to find external/regional resources to further build network strengths.

The study recommended that initial efforts should focus on planning and implementing the comparable communities program, plus a quick follow up program tailored to meet specific skill capacities for mentoring/leadership and tourism issues. These focused skill-based programs could be held at different locations, based on unique needs of the communities. The study also recommended that the Ontonagon BR&E training program should be coordinated with adjacent counties given possible economies that could be derived from sequencing it with Iron and/or Baraga Counties.

Baraga County

The diagnostic study concluded that Baraga County needed a facilitation program that builds upon recent efforts to organize planning initiatives. The continuation of this planning effort, with an outside facilitator, should include discussions regarding mutual and tangible objectives for a staff person assigned at a county level to economic development. The discussion sessions would help define the functions and activities of the professional economic developer, and thereafter define specific job functions, job description, salary and benefits, location, strategies to advertise the position, and necessary office support. But the key purpose of the facilitation program would be to define economic development objectives on a much broader scale than any one community or project.

The study concluded that although time line considerations were less stringent for Baraga than for either Iron or Ontonagon Counties, it would be beneficial to build on the momentum, generated by recently interrupted planning meetings. An outside facilitator might be crucial to the

project to maintain an objective format and process and to bring focus to the end goal of a multi-community comprehensive plan that embodies economic development, and an economic development professional to help implement it.

VII. Follow-Up Activities

The Western Upper Peninsula Cluster Advisory Group, which plans and coordinates FRA/ERE sponsored economic development activities, decided to make the recommendations of the diagnostic study a central component of its programming efforts. Substantial progress has been made in organizing and implementing these recommendations. This section summarizes the progress that have been made and future actions.

Business Retention and Expansion Programs

In September 1999, business retention and expansion training programs were launched in Iron and Ontonagon Counties. Leaders in Baraga County decided not to participate, and instead focus their attention on organizing for county wide strategic planning (see below). However, Gogebic County decided to participate in the training under the leadership of Jerry Murphy, the Western U.P. Cluster Administrator and a member of the diagnostic team. Although a tangible response to an economic development, the Gogebic BR&E program was also perceived as having useful demonstration effects for the programs in Iron and Ontonagon.

On September 22 and 23, 1999, Dave Guikema, a certified BR&E instructor, conducted intensive BR&E Visitation program orientation and training sessions in Gogebic, Iron and Ontonagon Counties to assist local leaders in planning and organizing their BR&E efforts⁵. The list of invitees to these meetings included; county and local government representatives, Extension Directors and agents, members of Economic Development Corporations and local associations and agencies, representatives from the financial community, business and community leaders and private citizens. Members of the EDC board in neighboring Iron County, Wisconsin were invited to the Gogebic training.

The training sessions followed the structure outlined in BR&E Visitation program manuals. Topics included: an introduction to the BR&E visitation program, overview of program implementation, the leadership or planning team, the BR&E task force, red-flags and follow-up, recruiting and training volunteers, survey research and analysis, and determining local strategies and how to implement them. A county-by-county report compiled from informal interviews with key county organizers follows.

- **Gogebic County.** Twenty five persons attended the Gogebic orientation meeting, including 11 members of the Gogebic County EDC. The session was well-received. Local organizers are seeking ways to extend involvement in the program beyond the local

⁵ In addition to being a certified BR&E instructor, Dave Guikema is the County Extension Director for Kent County, and a member of MSU Extension's Economic Development and Land Use Area of Expertise teams. The Gogebic and Iron training sessions were held on the morning and evening of September 22, respectively. The Ontonagon session was held on September 23.

economic development community. Volunteer training sessions are scheduled to begin during the First Quarter of the Year 2000.

- **Iron County.** Thirty four persons were invited to the Iron County orientation meeting, of whom 14 attended. The majority of these participants were representatives of county and local government, but also included the Iron County Extension Director and members of the EDC boards. Some participants were concerned that a local BR&E program might interfere with the formal business survey Iron County had initiated, but appeared to be mollified after learning that the turnaround findings of a BR&E program would be more immediate than the survey results. A follow-up orientation and training session that had been planned in November/December 1999, and which would include a broader audience, failed to materialize. However, organizational efforts are expected resume during the First Quarter of the Year 2000.
- **Ontonagon County.** Although 70 persons were invited to the Ontonagon orientation meeting, only 16 persons attended as a result of “considerable arm twisting”. Meeting organizers reported that the group expressed reservations about whether a local BR&E program was necessary and that regional divisions within the county were apparent during the meeting. Nevertheless, the group agreed to proceed with an additional orientation and training session in October. Each participant was encouraged to contact and recruit between 5 and 10 individuals to this meeting.

The October meeting was well-attended and enthusiastically received. A BR&E task force consisting of a business or community leader from each Ontonagon’s eight cities and townships was created. A follow-up organizational and volunteer training session was held each during the second week of November. During this meeting it was decided that each community leader should identify between 10 and 20 businesses in their community to survey. A subsequent training session was held in December to discuss these lists and pare the number of businesses to be surveyed to 80, or approximately 10 per township. The December meeting also included additional volunteer training⁶.

The focus of the Ontonagon BR&E has now shifted to survey implementation. A local researcher will be hired to analyze the survey results. A committee of professional economic developers will interpret the results, identify red flags and work with local leaders to identify prescriptive actions. Although the final chapter has yet to be written, the Ontonagon BR&E program appears to have galvanized local economic development efforts and has provided a valuable organizational experience in a community with a limited professional economic development capacity.

Comparable Communities Educational Program

The planning and design process for the proposed comparable communities program has begun, and the broad outlines of the program have taken shape. The initial step will be to hold a panel discussion which assembles key leaders from communities elsewhere that have successfully

⁶ Rita Hodgins, Business and Economic Development District Extension Agent for the Upper Peninsula Region, facilitated these Ontonagon meetings.

dealt with economic stress. It may also include a representative from a community that has not successfully coped. Plans are to hold this event in Ontonagon County in Summer or Fall of the Year 2000. Community leaders from throughout the Western U.P. Cluster will be invited. Follow-up educational programming for local leaders in the Western U.P. will be a key component of the educational program, but the outline and details of such a program must still be decided.

The critical element in designing the comparable communities program is to identify an appropriate profile of communities that are comparable to those of the Western Upper Peninsula. The initial profile of comparable communities is: county populations of 30,000 or less, with individual governmental units no larger than 8-10,000; commodity-based or natural resource dependent economies; and remote location relative to larger urban centers and/or main transportation corridors. Cluster Administrator Jerry Murphy is working Cornelia Flora, Director of the North Central Regional Center for Rural Development and Steve Daniels, Director of the Western Regional Development Center to refine this profile and identify potentially comparable communities. An initial list of communities-- primarily located in the West and Southwest-- has been identified. Attention has now turned to identifying contacts in these communities. Additional iterations of this process are anticipated before the final list of comparable communities is selected.

Strategic Planning in Baraga County

County leaders in Baraga County decided to focus their attention on initiating projects, expanding its economic development capacity, and county-wide strategic planning efforts. For example, Baraga applied for Round 2 Renaissance zone status, and expressed interest in expanding the County EDC. Facilitated meetings that were tentatively scheduled for November 1999 failed to materialize amidst reappointments and new appointments to the Baraga EDC by county commissioners, and uncertainty whether the county would receive Renaissance Zone status from the State of Michigan. This designation was subsequently denied in December. Sources indicated that in their enthusiasm to move forward on a number of projects, Baraga leaders may have advanced too quickly and "gotten out too far in front of themselves". This underscores the fact that coordinated planning and economic development capacity building is an inherently complicated and iterative process.

Baraga County has since decided to pursue the facilitated planning model recommended in the diagnostic report. In January 2000, the county will hold an initial strategic planning session. Several additional sessions will likely be held in the months that follow. Baraga's longer term objective is to hire a continuous professional economic developer and expand the role of the Baraga EDC.