

Target Alpena Development Corporation Annual Report 2018-2019

Target Alpena Economic Development Corporation

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To Our Investors

I would like to thank each of you for your support over the past year.

We are seeing the results of our efforts in many areas. Our unemployment rate is at a 20-year low, home sales are up, prices are reflecting demand, and most other economic data continues to trend in a positive direction.

In keeping with our mission to capture investment and create value across a broad spectrum of community development initiatives we are meeting with success and providing exceptional value to the residents of Northeastern Lower Michigan.

The following report is a summary of our recent activities. We feel that these activities will set the stage for future growth, opportunity, and prosperity in our area.

Thank you,

A handwritten signature in black ink, appearing to read "Jim Klarich", with a stylized flourish at the end.

Jim Klarich
Economic Development Director

Activity Summary

City of Alpena

Activity relating to the rehabilitation of existing buildings to house new and vibrant businesses continues as does the interest in developing additional second story residential apartments.

We have continued to pursue a mixed-use development for the former Alpena Power Company site downtown and are pleased to inform you that we have recently executed a purchase agreement with a developer. This option will cover the timeframe necessary to perform due diligence on the site and to gather additional market data. The project calls for the construction of a mixed used building consisting of first floor commercial with condominiums above. How, if, and when, the unit mix and the total number of units will be driven by the market data determined by presale process. Please note that this is another absolute first for Alpena and if successful, it will fill a need for high end luxury condominiums on our downtown riverfront.

We recently optioned all six remaining lots in the Commerce Industrial Park. This option allows the developer time to create a proposal for a potential customer to garner interest and decide which lots may be most suitable for their needs.

We have met with several developers regarding potential redevelopment sites and vacant sites for attached housing complexes throughout the area.

We have assisted numerous local businesses in a variety of ways, most pertaining to developing long term strategy, business expansions, business startup, and relocation options.

Alpena Township

Regarding the Kmart property, we continue to work to attract tenants in concert with their real estate representatives. We have shown the property several times and have discussed revitalization options with those parties. We're hopeful that an agreement will be reached in the near term.

We have met with property owners and provided developers with information regarding several opportunities regarding both buildings and potential land acquisitions.

Presque Isle County

The PIEDC recently approved the conveyance of their property adjacent to the Onaway airport to PIEG to be used for the construction of a new headquarters building.

Over the past six months, we have been working diligently with developers and Rogers City staff to capture a large-scale hospitality project on the former Vogelheim property downtown. This project is slated to begin in spring of 2020.

Additional separate new and redevelopment opportunities are being discussed with interested parties in downtown Rogers City. If, and when finalized, we expect those projects to also start taking shape in the spring.

SBDC Activity Summary (July 2018 - June 30, 2019)

Alpena County

90 clients served

283 counseling hours

13 business starts

20 jobs created

20 jobs retained

\$1,562,000 capital formation

City of Alpena (included in County)

56 clients served

193 counseling hours

8 business starts

11 jobs created

\$436,300 capital creation

Presque Isle County

28 clients served

50 counseling hours

1 business start

4 jobs created

13 jobs retained

\$2,950,000 capital creation

Alpena Area Chamber of Commerce Initiatives

We have a strong relationship with the Alpena Area Chamber of Commerce for our economic development work/needs. The Chamber employs all economic development staff, manages administrative work for the organization, and adds value to, and supports, our work in economic development. Below is a summary of their work.

The Alpena Area Chamber continues to engage with Alpena High School students on educational attainment/workforce development initiatives, reaching every 11th grader for five weeks to teach career readiness skills. They continue to assist students in connecting with job shadow opportunities. Most recently they started dialogue with educators at Alpena Community College to bring some of this training into their classrooms.

The Chamber has focus on offering educational opportunities to businesses on the topics of leadership, human resource issues, and more. They are on track to offer more educational opportunities in 2019 than any year prior. They also partner with other organizations on programming (NEMHRA, Lappan Agency, Accident Fund Insurance).

The Chamber continues to hold the Michigan One Stop Operator contract for Alpena Michigan Works. This is their third year with the contract.

The Chamber's Young and Successful in Alpena, MI video series has been very popular. The purposes of the series are to 1) fight back against the perception that Alpena is a retirement town, and 2) show youth in the area that it is possible to make a life and a living here.

With the addition of a new position, Membership Director, the Chamber has been able to focus more energy on moving businesses/entities up in the investment tiers. This has a positive impact on economic development as those funds go directly to economic development activities.

Additionally, the Chamber is a partner in the Northern Michigan Chamber Alliance and has worked on a variety of legislative issues to make it easier for businesses to survive and thrive. They also continue to work with other Chambers in the region, providing resources for them to use with their own members, and helping to strengthen the work they do.

Closing Statement

It is our sincere desire to offer you unparalleled service and positive outcomes. While our reports are a positive indicator of activity and success, they don't effectively communicate the amount of time and effort that's required to achieve them, or the failures encountered along the way. Be assured that our goal is simple - to enhance the quality of life and the economic wellbeing of the residents of northeast Lower Michigan.

Respectfully submitted,

Economic Development Board of Directors

Chad Esch, Bannan Funeral Home

Ryan Fairchild, Omega Electric & Sign Company Inc.

Anne Gentry, Downtown Development Authority

Gary Graham, Alpena Power Company

Andrew Kowalski, Edward Jones - Andrew Kowalski

Bridget LaLonde, Presque Isle County

Tom Lappan, Lappan Agency

Don MacMaster, Alpena Community College

Michael Nowak, City of Alpena

Bill Peterson, County Commissioners

Nathan Skibbe, Charter Township of Alpena

Brian VanWormer, Employment Services Inc

Dennis Werner, H.P.C. Credit Union

Company Information

Target Alpena Economic Development Corporation is a 501(c)3 corporation and it functions as the economic development arm of the Alpena Area Chamber of Commerce.

Target Alpena's partners include:

Michigan Economic Development Corporation

Michigan Department of Agriculture and Rural Development

Small Business Development Center

Small Business Association

U.S. Department of Agriculture and Rural Development

U.S. Economic Development Administration

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