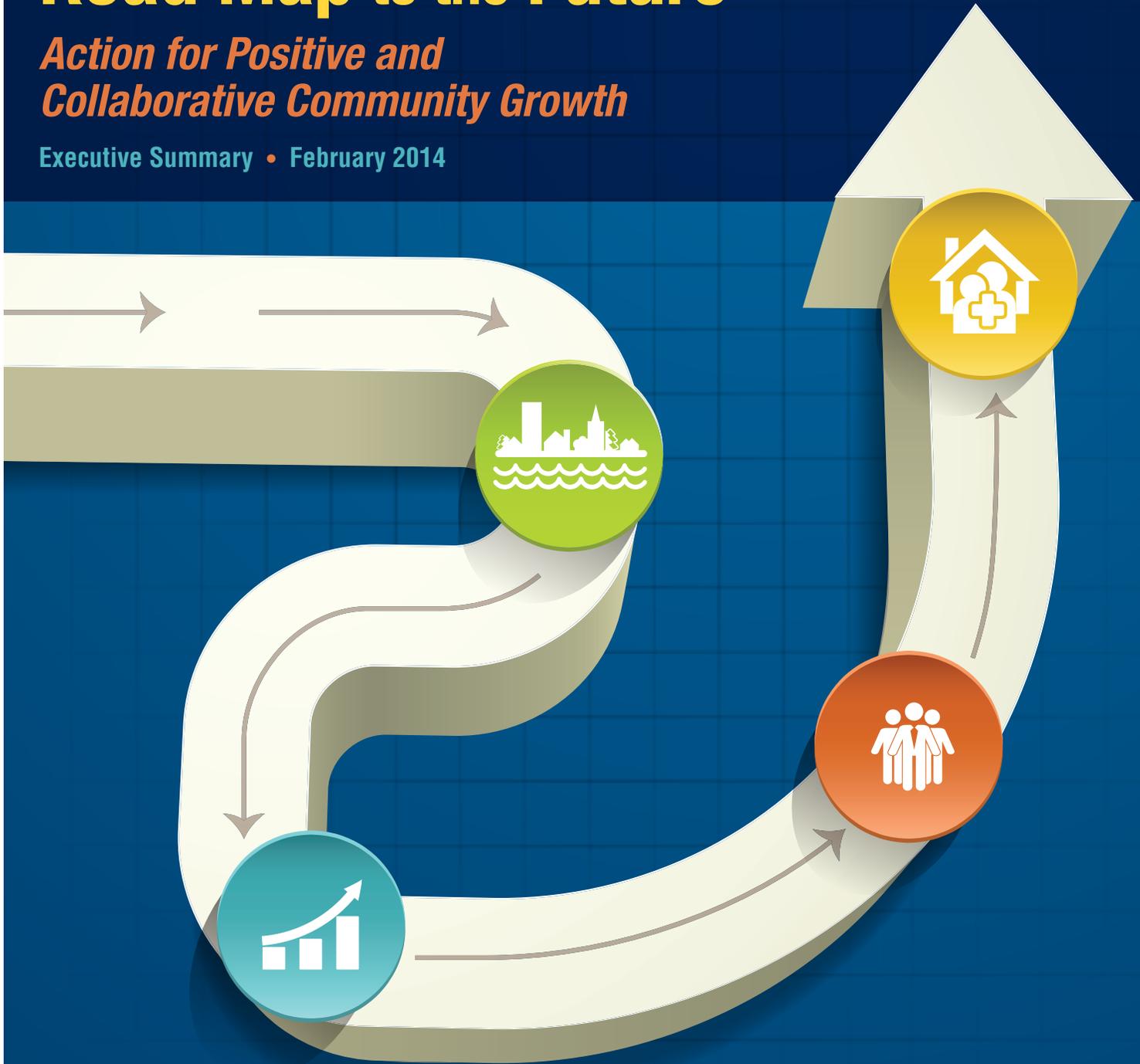


Bay County Road Map to the Future

*Action for Positive and
Collaborative Community Growth*

Executive Summary • February 2014





Special thanks to George M. Puia, Ph.D., CGBP,
Dow Chemical Company Centennial Chair in Global Business,
Saginaw Valley State University College of Business and Management,
for his leadership and drafting of the *Bay County Road Map to the Future*.

Introduction

Under the guidance of the Bay Area Community Foundation and the Bay Area Chamber of Commerce, a taskforce developed a road map for community growth in Bay County, Michigan. The plan, developed over an eighteen-month period with the direct input of more than 300 community leaders, identifies a set of key elements and priority programs for a community vision. This report provides a summary of our finding, describes the key factors, issues and programs that can lead to sustainable community growth. While economic and community development are complicated tasks, it is the belief of area leaders that Bay County can continue to successfully grow and develop as a dynamic community for a lifetime. The goal of this report is to identify the direction Bay County could pursue to attract and retain residents while growing the economic vitality of the area. All aspects of growth must include all cities, townships, school districts, business owners, educational institutions, non-profit organizations, and philanthropy.



**A strong
sense of place**



**A robust
and diverse
economy**



**The presence
of outstanding
talent**



**The ability to
meet basic
human needs**

How this Report is Organized

The *Bay County Road Map to the Future* is presented in the following general framework:

- We describe the planning process including key individuals, milestones, and major assumptions.
- Following the general overview of the planning process, the report explores a general model for community development. This model identifies four key elements the planning team believes best represent our aspirations for Bay County.
- Each element reflects a “theory of change”. There are certain elements that when improved will lead to a better and more successful community.
- The four community development elements are: having a strong sense of place, a robust and diverse economy, the presence of outstanding talent, and the ability to meet basic human needs.
- For each element, the report describes the underlying background assumptions from research to practitioner literature. The literature describes key factors associated with each element. Following this description, the report documents the results of our survey findings, essentially comparing Bay County to understandable benchmarks for each key element and provides recommendations for future collaboration between all groups.

Planning Process

The planning process began when the partnership of the Bay Area Community Foundation and the Bay Area Chamber of Commerce engaged the Saginaw Valley State University Office of Sponsored Programs to complete the 2012 Bay County, Michigan Community Report Card. The Report Card was a comprehensive document encompassing important publicly available data and key indications that help describe the community’s condition related to intellectual and social development, the economy, safety, health, environment, and civic engagement.

A **Steering Committee** of community leaders from Bay County was established to evaluate the Report Card findings and use them as a springboard for future planning. Efforts were made to ensure broad representation of stakeholder groups. The Steering Committee consisted of sixteen individuals representing various aspects of the community. The committee included:

Robert Belleman, City of Bay City	Douglas Newcombe, Bay City Public Schools
Laurie Bush, Century 21 Signature Realty	Mike Nielsen, Wade Trim
Rob Clark, MLive Media Group	Dana Muscott, City of Bay City
Tara Cox, Dobson Healthcare Services, Inc.	George Puia, Saginaw Valley State University
Eileen Curtis, Bay Area Community Foundation	Janet Rentsch, Saginaw Valley State University
Michael Dewey, United Way of Bay County	Magen Samyn, McLaren Bay Region
Thomas Hickner, Bay County	Michael Seward, Bay Area Chamber of Commerce
Trevor Keyes, Bay Future, Inc.	Ellen Talbott, McLaren Bay Region

The committee made the decision to begin with a leadership based approach to community planning. The committee felt the leader-based model would be more effective at this time. Among several major considerations in using this framework were:

- **Implementation Influence** – If leaders agree on a course of action, they typically have the ability to influence others toward that same course. Leaders develop plans that represent a set of recommendations for action. Ultimately, it is the people in leadership that will implement those ideas within their spheres of influence.
- **Resources** – In addition to influence, leaders often have access to or control over resources necessary for implementing change. The process reached out to leaders who are able to connect to these resources in an expedient manner.
- **Speed** – Working with more than 300 leaders and providing them feedback was significantly faster than attempting to communicate with 107,000 county residents.
- **Flexibility** – The use of a leadership based planning model does not preclude using grassroots or other models at any point in the future to gain more information on specific aspects.

The planning process had very high levels of community leader involvement. Over 165 community leaders were involved in round table discussions to identify critical issues. Additionally, online surveys were conducted and over 270 responses were analyzed.

A Look Back to Move Forward

The planning process began by looking back to the Bay County Economic Study also known as the “Whittaker Study” that was prepared in 2004 for the Bay County Board of Commissioners. The report identified 23 recommendations for community-wide implementation:

- **Marketing** – 6 Recommendations
- **Product Improvement** – 8 Recommendations
- **Organizational Improvement** – 9 Recommendations

Recommendation No. 18 of the 2004 report was to develop a community-wide strategic plan and long-term vision for all facets of Bay County to avoid piecemeal decisions and community discourse.

General Community Planning Model

In developing a community plan, the steering committee was mindful that a vibrant community needs to be successful on many fronts. After considering economic and community development literature, the steering committee developed an overall strategic planning framework based on the model shown in Figure 1. The framework takes into account literature and best practices from diverse streams of economic and community development including cluster based models and community attractiveness models.

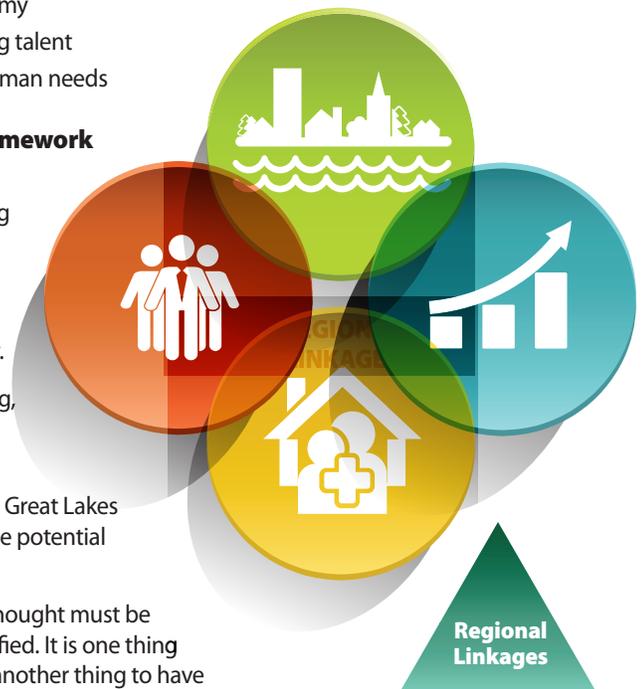
The planning framework is designed around four major elements essential for community success:

- I A strong sense of place
- II A robust and diverse economy
- III The presence of outstanding talent
- IV The ability to meet basic human needs

Figure 1: Road Map Planning Framework

In addition, the Steering Committee was mindful of several issues surrounding the theory of change in a community.

- There are certain elements that when added or improved will lead to a better and more successful community.
- “If you don’t know where you are going, you might wind up someplace else.”
— Yogi Berra
- Bay County exists in the context of the Great Lakes Bay Region. Regional linkages have the potential to strengthen Bay County.
- For each of the four major elements, thought must be given as to how to sustain areas identified. It is one thing to have outstanding talent; it may be another thing to have systems in place that will sustain and develop outstanding talent.



Key elements are placed in the circle, because each community element influences the others. Outstanding talent helps build a strong and diverse economy. A strong and diverse economy provides resources to develop outstanding talent. Similarly, a community that helps meet the needs of others creates a stronger sense of place and a more attractive environment for business. A healthy regional economy with a strong sense of place generates greater resources to help meet basic needs. All four elements are an important part of Bay County’s aspirations. Each element must have the same attention as the others.

A Strong Sense of Place

Vibrant, growing communities have a strong sense of place. Residents are proud of their community and love to talk about it to visitors and to each other.

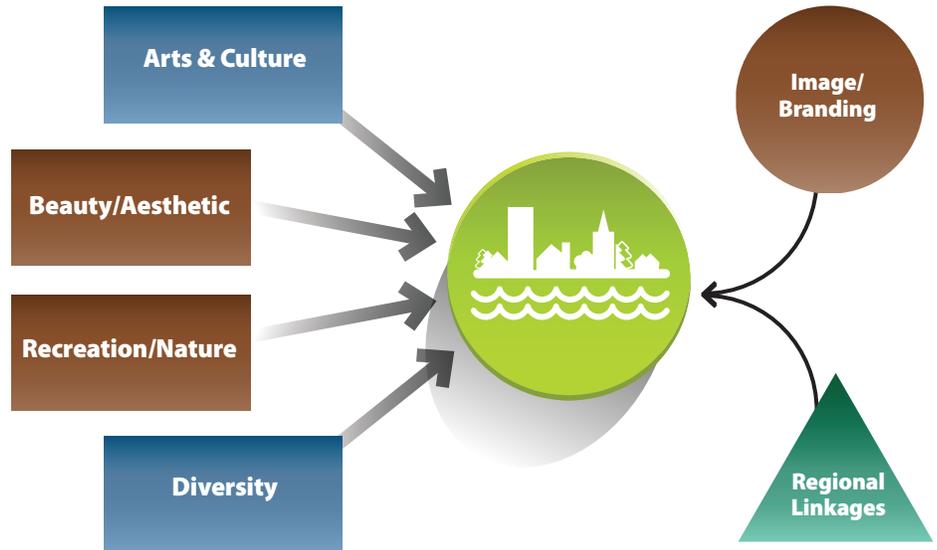
The term “sense of place” is used to describe not so much physical geography or the attributes of that geography, but the emotional response one has to a special allure and warmth when at a location that has unique and attractive amenities. The most important contemporary context for place is its role in contribution to the economic development and prosperity of the community or region because of the ability of quality places to serve as attractors of talent and knowledge business.¹

In general, communities with a strong sense of place are known for attributes including:

- The aesthetic beauty of the area
- The arts and culture scene — including special events and venues
- The opportunity to take advantage of natural beauty and recreational opportunities
- The ethnic and cultural diversity of the area

These attributes need to be communicated through branding activities so as to extend beyond the region. People do not want just to live in an attractive region, but in one where others consider it attractive as well. The attributes of a strong sense of place are displayed in Figure 2.

Figure 2: A Strong Sense of Place



The role of diversity is very important in a knowledge intensive work environment.¹¹ Large corporations compete on a global scale against competitors who can draw their workforce from across the globe. As a result corporations and organizations (like The Dow Chemical Company, Dow Corning, Nexteer, McLaren Bay Region, higher education institutions, and others), frequently recruit diverse workers to their business locations. If the community is perceived as being unsupportive of diversity, it makes it more difficult for corporations and organizations to recruit talent.

Additionally, the United States lags behind other countries in the number of students who pursue degrees in science, technology, engineering and mathematics — often referred to as STEM subjects. There is also growing concern over the general level of preparation nationally of high school graduates in these subject areas. As a result, STEM-based businesses like healthcare and research are often required to recruit internationally.

Technologically educated immigrants are one of the major sources of high-potential startups. Communities that are not ethnically diverse tend to have lower numbers of startup firms or startup firms with fewer employees.

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A Strong Sense of Place

Survey Results: A Sense of Place

In surveying community leaders, it was apparent that Bay County possesses many attributes that are important to have a strong sense of place and that are superior to other communities. These attributes are highly regarded by area leaders.

For example, the community considers:

- It is highly important to provide access to nature and recreational opportunities. Respondents to the survey felt Bay County possesses a competitive advantage in this area. While there are areas for improvement in this category (e.g. water quality), the region sees itself as being attractive due to the ability to provide easy access to recreation and nature. Similarly, the area was considered highly attractive in terms of aesthetics/beauty. Note- these areas also appear in the economic development arena; they are important in both areas, but for slightly different reasons.
- The aesthetic qualities and beauty of the community are important. This is also an area where Bay County resources are quite good. It is important to note these results came in prior to the announcement of the Uptown development. Obviously, having a well-developed downtown waterfront will improve the attractiveness of the community and would have further improved the survey results.

Community leaders gave the community mixed marks on arts and culture. They feel Bay County is exceptional in terms of offering events and special activities — attributes that lead strongly to the community's sense of place.

The survey also indicated some areas for improvement.

- While arts and culture are generally well received, there is broad agreement on the need for more entertainment options for young people and families with children. In all cases, leaders scored the area high for its special events and venues. These are and have been important opportunities for regional branding. The areas for improvement focused on greater options for young families. Further information on opportunities for consideration are available through the Great Lakes Bay Regional Alliance Arts and Entertainment Study at www.greatlakesbay.com.
- Survey respondents considered diversity to be less important than other issues and also viewed Bay County to be less supportive of diversity than other communities. For a community that desires to grow, being diverse helps make the area more attractive.

GOALS

- Within 10 years, Bay County will have a multi-state reputation for its unique and high quality sense of place. Among audiences of young professionals and young families, Bay County will be recognized as *a community for a lifetime*.
- Bay County will be highly publicized for its vibrant waterfront, recreational opportunities, historic neighborhoods, and unique cultural opportunities including festivals and events.



RECOMMENDATIONS

- To reach our 2024 goal, community leaders identified a limited number of road map recommendations. These recommendations require programs and process that need to be in place over the next 12 to 24 months for the community to achieve these ten-year goals.
 1. Develop clean and accessible beaches and waterfront recreational opportunities including increased public access to the waterfront, greater waterfront visibility, and programs that provide better coordination of shoreline initiatives.
 2. Develop programs that improve the visual appeal of neighborhoods and business districts, including developing and implementing incentive programs for local aesthetic improvements.

A Robust and Diverse Economy



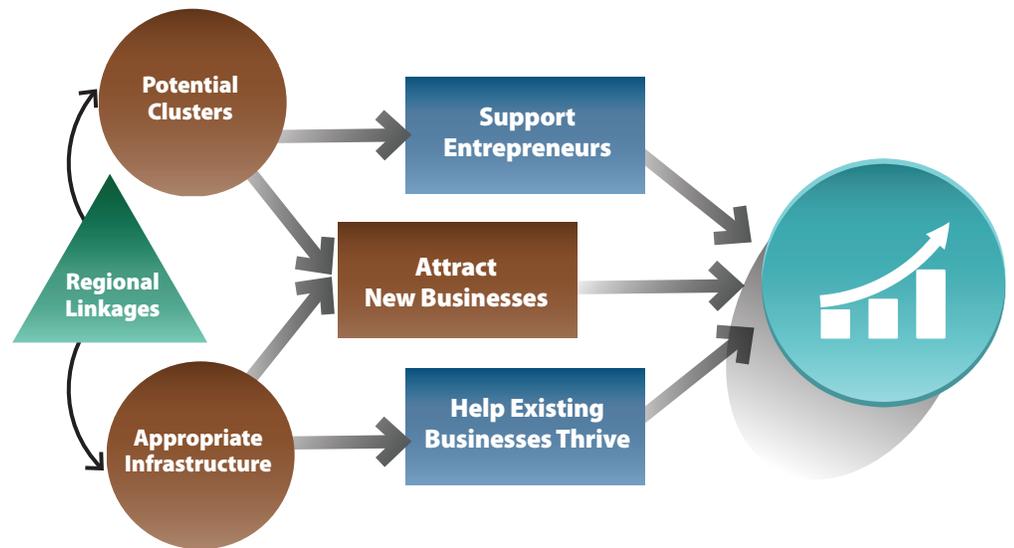
While the benefits of having a robust and diverse economy seem readily apparent, it is appropriate to make some of those benefits to the community explicit. When an economy is robust — having high employment levels — it is able to attract and retain citizens. At the development level in Bay County, business growth and attraction is about job creation. We must be mindful that regional growth naturally leads to growth in population in our community.

- Each individual's earnings have a multiplier effect. A new family with a good income may purchase a home, autos, furniture, clothing, entertainment, appliances, and other goods and services. Most purchases occur locally driving up revenues for local businesses.
- Each job created by an individual or company drives a substantial financial investment. The average investment in new technology is between \$2 million and \$5 million depending on the number of jobs created.
- The increase in population has positive direct and indirect impact on tax revenues. Growing communities collect more property taxes and other fees in addition to seeing indirect increases from shared state and federal revenues, e.g. per student allocations for public schools.

There are essentially three ways to build a robust local economy. Each of these contributes to the economy in unique and beneficial ways as outlined in Figure 3.

1. Help existing businesses survive and thrive.
2. Attract new businesses to the area.
3. Support entrepreneurs in the creation of new businesses.ⁱⁱⁱ

Figure 3: Robust and Diverse Economy



Helping Existing Businesses

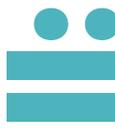
Helping existing businesses to survive and thrive is vital to Bay County. Some aspects of business survival and growth are the result of business leadership and activity and are beyond the scope of community support. There are however policies and processes that can support business development.

When a business feels supported, it is much more likely to reinvest in the community. If it feels unsupported, it will take its new investments elsewhere. When a business leaves the community, it has multiple impacts. Employees lose their incomes which results in lower spending to other businesses. If the business purchased supplies or services locally, those businesses will also feel the impact. Families often must leave the area to find new work. Further, unemployed workers put a greater strain on human service organizations in the community at a time when the community is receiving less tax revenue. Retaining local business grows revenue and minimizes expense while at the same time improving the overall financial health of the community.

Attract New Businesses

Business attraction can be a game changer. The attraction of one or two large businesses can offset losses of dozens of smaller ones and can immediately improve the economic health and image of the community. Because of the high impact that business relocations can have, competition for business relocations is intense.

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A Robust and Diverse Economy

Company decision makers review multiple elements in a community when determining a new location. Among the factors businesses consider when relocating include, but are not limited to:

- The existence of an industry cluster
- An attractive community (strong sense of place) and supportive community leadership
- Low red tape and regulations for business development
- Availability and low cost of utilities
- Affordable and predictable tax rates
- Financial incentives

In exploring business attraction, it is helpful to consider the effect of business clusters on economic growth in Bay County. Businesses grow when they are able to sell goods and services outside their geographic region. To sell outside the region, they must be competitive with similar suppliers. When a number of companies exist in the same industry in the same region, they are referred to as a “cluster”. Clusters are a primary engine of economic growth in areas with mature businesses. Companies are forced to be innovative. As firms innovate, they create more demand for goods and services from customers outside the region.

Support Entrepreneurs

Entrepreneurship is the third way communities can grow their economy. Entrepreneurs create jobs two and three employees at a time. Therefore, the effects of entrepreneurship are long-term. Entrepreneurship plays several important roles in community economic development including:

- Development of greater economic diversity
- Strengthening an existing cluster by forging relationships with large regional firms (giving larger firms additional reasons to stay in the area)
- Improving the reputation of the area making it easier to attract additional entrepreneurs — creative people attract creative people
- Communities that have strong entrepreneurial economies for extended periods of time are less affected by economic downturns

Survey Results: Robust and Diverse Economy

In surveys, community leaders considered it highly important to attract new businesses. They also believed that Bay County has very good to excellent resources. Community leaders reinforced that one of the community’s strengths is that local companies continue to grow and invest. They also believed that Bay County is a visually attractive community with strong community leadership. Leaders expressed concern that there were insufficient career opportunities for college graduates. *Research indicates supportive environments play a major role in business startups.*^{iv}

In looking at individual business growth tracks, community leaders felt Bay County showed strength in helping existing businesses thrive and in potentially attracting new businesses. The area that needed the greatest growth was support for entrepreneurs. The survey results indicated:

1. There was less support for diversity and immigration
2. Investment opportunities for entrepreneurs did not rank highly
3. Bay County has not cultivated a reputation as an entrepreneur friendly community
4. Bay County has lower levels of college graduates compared to nearby communities

GOALS

- Within 10 years, Bay County will have a multi-state reputation for its dynamic and growing business community that takes advantage of the areas’ unique natural resources.
- Bay County will be recognized for its support of entrepreneurs. The area will increase its professional and technical employment opportunities in diverse industries such as material science, advanced manufacturing, health care, information/technology, management and financial services.

RECOMMENDATIONS

- To reach our 2024 goals for the economy, community leaders will articulate long-term recommendations for growing the area economy and increasing and sustaining employment. The following programs and processes need implementation over the next 12 to 24 months in order for us to achieve these ten-year goals.
 1. Continue to make Bay County a business-friendly environment. Implement a “blue-ribbon panel” to find ways to reduce red tape, taxes, and/or fees for area businesses and across all government entities.





2. Take advantage of new initiatives such as the “Blue Economy” movement, the Michigan State University Supply Chain Institute, and the SVSU Saginaw Bay Environmental Science Institute in positioning and growing the area economy.
 - Blue Economy — Use water in smart and sustainable ways and leveraging unique water assets for economic and community development.
3. Increase support for area entrepreneurs by providing incentives and recognition programs, remove barriers to entrepreneurial entry, create an atmosphere that nurtures multi-cultural entrepreneurs, and develop a one-stop support system for entrepreneurs.
4. Continue to find new ways to share services across local government units to improve efficiency and service delivery for businesses.
5. Improve transportation infrastructure to better link Bay County to the region’s airport, educational institutions, and business corridors.

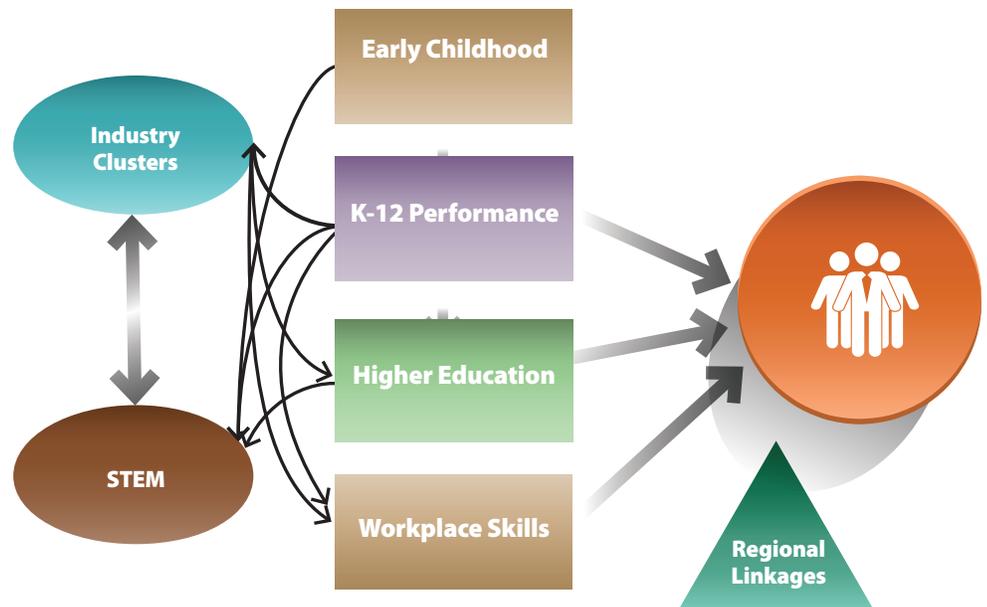
The Presence of Outstanding Talent

Successful firms compete by putting together portfolios of tangible and intangible resources in ways that create superior value for customers. To do this profitably, companies need to create resources that are valuable, rare, costly to imitate, and that are owned and organized by the company. *Intellectual property, trade secrets, and proprietary know-how are extremely costly for competitors to imitate. In the case of intellectual property, patents in some cases preclude competition for a lengthy period of time. Trade secrets and proprietary knowledge are invisible to competitors, making them impossible to imitate.*^v

If organizations compete on knowledge, then their primary resource is the talent of their employees. Competitive firms pay high wages to attract talent to their organizations. It is not unusual for top ranked graduates in specialized fields to receive starting offers of 2 to 4 times higher than the average starting salary for graduates with general degrees.

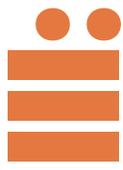
All aspects across the educational spectrum need to be evaluated to ensure creation of future employees for local companies and organizations as outlined in Figure 4. Talent development does not begin in college. Communities that are able to develop and sustain superior talent have excellent resources in early childhood, K-12, and postsecondary education (including higher education institutions and vocational training programs).

Figure 4: The Presence of Outstanding Talent



- Nationally, for every 100 students that enter the 9th grade today only 44 will have obtained a postsecondary degree by age 26.
- Students who attend college close to home tend to continue to live in or near their home community.
- According to the 2010 U.S. Census only 18% of the population ages 25 to 64 in Bay County hold a bachelor’s degree or above. While not all future jobs require a bachelor’s degree it is essential community residents seek some form of postsecondary education for employment.
- Money is not the only reason students don’t seek postsecondary education.

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The Presence of Outstanding Talent

A recent analysis by the *Georgetown University Center on Education and the Workforce* demonstrated Michigan's economy will demand more college graduates.

- According to the Center's analysis of occupation data and workforce trends, 62.9% percent of Michigan's jobs will require postsecondary education by 2018.
- Between now and 2018, Michigan will need to fill about 1,327,000 vacancies resulting from job creation, worker retirements and other factors.
- Of these job vacancies, 836,000 (62.9%) will require postsecondary credentials; while only about 491,000 (37.1%) are expected to be filled by high school graduates or dropouts.

Survey Results: The Presence of Outstanding Talent

In general, survey respondents' view Bay County's talent system as about average, but not compelling. Higher education generally received high scores for access. There were some unique differences by age and education. People that already had degrees ranked access to higher education very high. They noted higher education is a competitive advantage. Respondents that did not have a college degree were less satisfied with their access to higher education. Additionally, while the region boasts of several universities there is no institution awarding a bachelor's degree located within Bay County.

K-12 education was identified as an area for improvement. Great schools improve the quality of life of the community. When considering the attractiveness of an area, outsiders with children evaluate K-12 information prior to making re-location decisions. Areas with an outstanding reputation have an easier time recruiting families to their locations and as noted earlier a population increase has a large economic impact. Survey respondents considered the reputation of Bay County K-12 schools as being highly important, but viewed local schools' reputation as being lower than that of other regional schools. Additionally, employers of entry level employees evaluate whether a school system produces graduates that are "work ready". Colleges and universities seek students who are "college ready".

GOALS

- Within 10 years, Bay County will have a multi-state reputation for its dynamic, diverse, and well-educated workforce. The percentage of residents holding postsecondary degrees will increase as a result of more students attending college and professionals with degrees relocating to the area.
- The area will be highly regarded for the quality of its P-20 system, and for the engagement and support it receives from the community. The area will boast of improved access to higher education.

RECOMMENDATIONS

- To reach our 2024 goals for the talent environment, community leaders will articulate long-term recommendations for improving the area's talent base. The following programs and processes need implementation over the next 12 to 24 months in order for us to achieve these ten-year goals.
 1. Implement programs to strengthen the community approach to preschool through bachelor's degree (P-20) education.
 2. Explore opportunities to locate a university within Bay County to support degree completion programs, support of entrepreneurship, advanced manufacturing, and other programs that would improve the region's economy and quality of life.
 3. Continue to improve access to higher education for all Bay County high school graduates.
 4. Increase and improve linkages between area high schools, high school students and regional employers through job shadowing, internships and other realistic career preview programs.

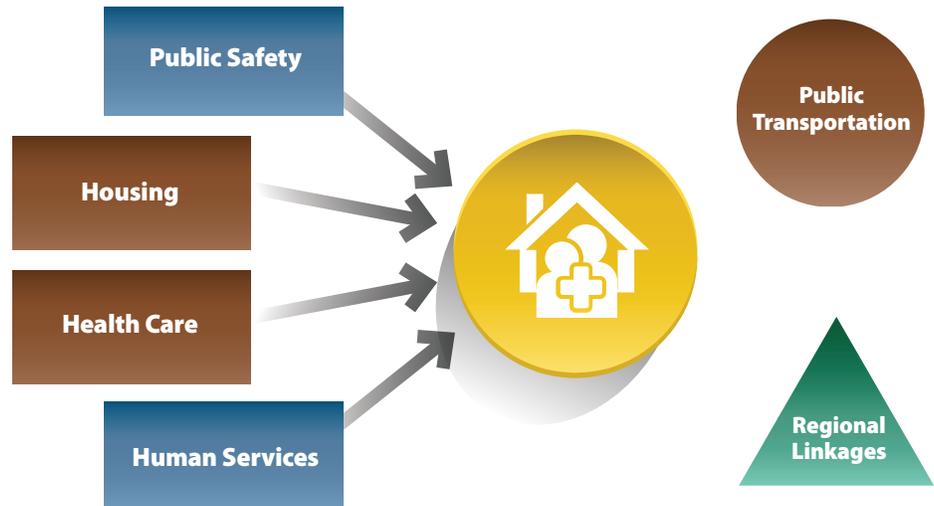


IV: The Ability to Meet Basic Human Needs

Great communities understand there is a wide range of human needs that must be met before being considered truly excellent. Among the core needs widely presented in the community and economic development literature and in Figure 5 are:

- Providing for public safety
- Having an adequate, affordable, and diverse supply of housing
- Access to quality health care
- Access to human services support
- Transportation infrastructure needs that vary widely across subgroups of the population

Figure 5: Helping to Meet Basic Needs of All Citizens



Survey Results: The Ability to Meet Basic Human Needs

Not surprisingly, community leaders viewed public safety as one of the most important issues in community quality of life. Survey respondents considered public safety in Bay County as above average.

Housing is currently affordable; though over time, housing prices should rise with population growth. There are differences in the perception of housing stock in Bay County based on age and education. In general, survey respondents felt there was a good variety of affordable homes, but less attractive options for renters.

Of interest is the issue of public transportation. Transportation issues are so complicated that they may require a separate survey. For example, public transportation was seen as a very low priority and below average. However, the Uptown development is likely to draw an urban seeking population that would prefer to walk, tram or bus to local events rather than drive. Cities with smart mass transit opportunities become especially attractive to this clientele. Similarly, the growth in downtown businesses may put pressure on factors that are currently considered acceptable. For example, commute times may increase making visits around the County less attractive.

GOALS

- Within 10 years, Bay County will have a multi-state reputation as a caring community that meets the basic needs of its residents. Health and human service organizations will determine methods to coordinate their services with governmental agencies to provide efficient and effective levels of service.
- New residents to the community will become active volunteers in service organizations, increasing the leadership and support base of the area's non-profit organizations.

RECOMMENDATIONS

- To reach our 2024 goals for meeting area needs, focus groups and surveys articulated long-term recommendations. The following programs and processes need implementation over the next 12 to 24 months in order for us to achieve these ten-year goals.
 1. Break the cycle of poverty by improving the economic climate; reducing unemployment takes stress off of health and human service needs and provides a stronger tax base.
 2. Build on improving access to health care and a healthier community through the Community Health Improvement Plan objectives.
 3. Build on improving children's health care to reduce obesity, chronic disease, behavioral habits and abused and neglected children through Community Health Improvement Plan objectives.
 4. Address need for adequate, affordable, and diverse supply of housing.





Bay County Road Map to the Future References

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