


**ISHPEMING CITY COUNCIL**  
**Wednesday, October 6, 2021 at 6:00 p.m. NEW TIME**  
Ishpeming City Hall Council Chambers, 100 E. Division Street, Ishpeming MI  
City Hall Telephone Number: (906) 485-1091

**MEETINGS WILL NOW BE OPEN TO THE PUBLIC; HOWEVER, A ZOOM LINK WILL STILL BE AVAILABLE  
ON THE CITY'S WEBSITE @ [WWW.ISHPEMINGCITY.ORG](http://WWW.ISHPEMINGCITY.ORG)**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*limit 5 minutes per person*)
5. Approval of Agenda
6. Agenda Comment (*limit 3 minutes per person*)
7. Consent Agenda
  - a. Minutes of Previous Meeting (September 8<sup>th</sup>, 29<sup>th</sup>, Closed Session 8<sup>th</sup> and 29<sup>th</sup>)
  - b. Approval of Disbursements
  - c. Reappoint Carol Gaboury to the Ishpeming Commission on Aging term expiring 9/2024
  - d. Reappoint George Legessa to the Ishpeming Housing Commission term expiring 10/2026
  - e. Appoint Brian Buchanen to vacancy on the Downtown Development Authority term expiring 7/2022
  - f. Appoint Kari Getschow to vacancy on the Planning Commission term expiring 11/2022
  - g. Declare Library items as surplus
8. Monthly Financial Statement Report
9. Iron Ore Heritage Recreation Authority Presentation
10. GEI Consultants – Various Roads Contract 2021 Timeline
11. Finance Director Vacancy
  - a. Engagement Letter from Plante Moran for Financial Services
12. Resolution #10-2021, Outdoor Recreation Innovation District and Build Back Better Application
13. Resolution #11- 2021, Intergovernmental Housing Task Force
14. Resolution #12-2021 for the Designation of Authorized Officials for the Ishpeming Senior Center Project
15. Old Business
16. New Business
17. Public Comment (*limit 3 minutes per person*)
18. Mayor and Council Reports
19. Manager's Report
20. Attorney's Report
21. Adjournment

  
Craig H. Cugini, City Manager



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MEMO

To: City Manager

From: Jesse Shirtz, Library Director

9/27/2021

RE: Surplus library items

Craig,

The library has 117 books, 1 Dynex tv, and 2 Epson TM-T88IIIP receipt printers to be declared surplus. An itemized list of titles is attached.

September 28, 2021

Craig Cugini  
City of Ishpeming  
100 E. Division Street  
Ishpeming, MI 49849

Dear Craig:

Thank you for your selection of Plante & Moran, PLLC ("PM") to assist you. This letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, confirms our understanding of the nature, limitations, and terms of the services PM will provide to City of Ishpeming ("Client" or "City").

#### Scope of Services

We will provide temporary financial assistance at your discretion. Our work product will be in the form of preparing and reviewing financial schedules and analysis created under the direction and supervision of City Manager Craig Cugini. Our consulting services will be provided to assist you in connection with internal accounting and finance department support.

Based on our previous conversations, the following activities are among those for which you may request we provide assistance:

- Prepare bank reconciliations
- Budget development
- Budget monitoring
- Audit preparation and year-end close
- Propose journal entries related to above activities
- Prepare CVTRS documents
- Act 51 reporting
- Grant reporting
- Other similar accounting and reporting tasks as requested by City Management

It should be noted that at no time during this engagement will we be responsible for making investment decisions, signing checks, making bank transfers, initiating ACH or wire transfers, or handling cash in any way.

Due to our geographic location in comparison to yours, we expect our work will all be performed remotely. While working remotely, we will rely on the City to provide any electronic documents we require, and remote access to the general ledger and other electronic systems. Meetings and presentations between PM and the City will be conducted by telephone, Microsoft Teams, or another video conferencing software.

### **Fees and Payment Terms**

The fee for our services, subject to the terms and conditions of the accompanying Professional Services Agreement, will be based on the actual time that staff expend and will be billed at the following discounted hourly rates:

|                              |           |
|------------------------------|-----------|
| Accounting Consultant        | \$130     |
| Senior Accounting Consultant | \$160     |
| Manager                      | \$180-240 |
| Principal/Partner            | \$330     |

The majority of our work will be performed by either a Consultant or Senior Consultant. We strive to be as efficient as possible and delegate work to the most cost-effective member of our team.

Our understanding is that the City is approving our services up to \$20,000. If the City wishes to extend our services past this original appropriation, we will only require written notification via electronic mail.

The hourly rates listed above will increase three percent on July 1, 2022 and annually thereafter should you continue to utilize this service.

Any other projects or consulting services in addition to the ones noted above may be requested by City management. Fees for those additional services will be negotiated and included in a separate engagement letter.

As you probably realize, our primary cost is salaries that are paid currently. Accordingly, our invoices, which will be rendered as services are provided are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

For your convenience, payments can be made via domestic wire or ACH to the following account:

Domestic Wire

Bank of America  
100 West 33<sup>rd</sup> Street  
New York, NY 10001  
Account No. 9890996003  
Routing/ABA No. 026009593  
Account Name: Plante & Moran, PLLC  
Account Address: 3000 Town Center  
Suite 400  
Southfield, MI 48075

ACH

Bank of America  
1401 Elm Street 2<sup>nd</sup> Floor  
Dallas TX 75202  
Account No. 9890996003  
Routing/ABA No. 071000039  
Account Name: Plante & Moran, PLLC  
Account Address: 3000 Town Center  
Suite 400  
Southfield, MI 48075

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Craig Cugini  
City of Ishpeming

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September 28, 2021

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Brian J. Camiller

**Agreed and Accepted**

**We accept this engagement letter and the accompanying Professional Services Agreement (collectively "Agreement"), which set forth the entire agreement between City of Ishpeming and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.**

City of Ishpeming

\_\_\_\_\_  
Craig Cugini

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

## **Professional Services Agreement – Temporary Finance Assistance Addendum to Plante & Moran, PLLC Engagement Letter**

This Professional Services Agreement is part of the engagement letter for our temporary finance assistance services dated September 28, 2021 between Plante & Moran, PLLC (referred to herein as "PM") and City of Ishpeming (referred to herein as "Client").

1. **Management Responsibilities** – The temporary finance services PM will provide are advisory in nature. While providing these services, PM will have no authority or responsibility for any management decisions or management functions. Further, Client acknowledges that Client is solely responsible for all such management decisions and management functions. Client will also be responsible for evaluating the adequacy and results of the services PM will provide and accepting responsibility for the results of those services. Client has designated Craig Cugini to oversee the services PM will provide.

Client is responsible for the design, implementation, and maintenance of internal controls, including monitoring ongoing activities in connection with our engagement.

PM accepts no responsibility as a responsible party for the payment of taxes of any nature, including, but not limited to income, withholding, sales, excess of other taxes assessed at the Federal, State or local levels that may be owed or otherwise arise.

Client represents and warrants that any and all information that it transmits to PM will be done so in full compliance with all applicable federal, state, local, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, "Data Privacy Laws"). Client shall not disclose personal data of data subjects ("Personal Data") who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. Client shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

2. **Review and Supervision** – Client understands and acknowledges that all PM staff assigned to this project are working solely at Client's direction and agree that all work performed will be subject to the same supervision, review and approval practices that Client undertakes with its own staff. It is understood that, in accordance with the terms of this Agreement, the work of PM staff assigned to this project will not be reviewed by any other person at PM. Client is solely responsible for supervision, review and approval of the work performed, including review and approval of any journal entries prepared by PM staff prior to posting.
3. **Nature and Limitations of Services** – PM's project activities will be based on information and records provided by Client. PM will rely on such underlying information and records and PM's project activities will not include audit or verification of the information and records provided to PM in connection with PM's project activities.

The project activities PM will perform will not constitute an examination or audit of any Client financial statements or any other items, including Client's internal controls. If Client requires financial statements or other financial information for third-party use, or if Client requires tax preparation or consulting services, a separate engagement letter will be required. Accordingly, Client agrees not to associate or make reference to PM in connection with any financial statements or other financial information of Client. In addition, PM's engagement is not designed and cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, PM will inform Client of any such matters that come to PM's attention.

4. **Project Deliverables** – At the conclusion of PM's project activities and periodically as the project progresses, PM will review the results of the project work with Client and provide Client with any observations related to PM's services that PM believes warrant Client's attention. PM also will provide Client with copies of analyses, tax filings, or other materials that PM may develop in the course of this engagement upon Client's request. PM will not issue a written report as a result of this engagement and Client agrees that the nature and extent of the work product that PM will provide, as outlined in this Agreement, are sufficient for Client's purposes.
5. **Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of Client, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to Client. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of Client.

In the interest of facilitating PM's services to Client, PM may communicate or exchange data by internet, e-mail, facsimile transmission, or other electronic methods. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards,

## ***Professional Services Agreement – Temporary Finance Assistance***

Client recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Because the work performed under this Agreement is subject solely to Client's review and supervision, we do not expect that we will need to retain detailed workpapers supporting our work. Workpapers and documentation created will become part of Client's accounting records. If, however, we conclude to retain copies of such workpapers or documentation, such workpapers retained in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both Client and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this Agreement. In the event that a request for any confidential information or workpapers covered by this Agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform Client in a timely manner of such request and to cooperate with Client should Client attempt, at Client's cost, to limit such access. This provision will survive the termination of this Agreement. PM's efforts in complying with such requests will be deemed billable to Client as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

6. **Consent to Disclosures to Service Providers** – In some circumstances, PM may use third-party service providers to assist with its services, including affiliates of PM within or outside the United States. In those circumstances, PM will be solely responsible for the provision of any services by any such third-party service providers and for the protection of any information provided to such third-party service providers. PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for Client. In order to enable these third party service providers to assist PM in this capacity, Client, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of Client's information, including tax return information, to such third party service providers, including affiliates of PM outside of the United States, if and to the extent such information is relevant to the services such third party service providers may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this Agreement. Client's consent shall be continuing until the services provided for this Agreement are completed.
7. **Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees, or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on responsibilities under the scope of services. PM's services frequently depend upon the availability and cooperation of those Client personnel relevant to PM's project activities and providing needed information to PM in a timely and orderly manner. In the event that undisclosed or unforeseeable facts regarding these matters causes the actual work required for this engagement to vary from PM's estimates, the estimated fees will be adjusted for the additional time PM incurs as a result.

In any circumstance where PM's work is rescheduled due to Client's failure to provide information or assistance necessary for the engagement, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadline related to the completion of the work. Because rescheduling work imposes additional costs on PM, in any circumstance where PM has provided estimated fees, those estimated fees may be adjusted for additional time PM incurs as a result of rescheduling its work. PM will endeavor to advise Client in the event any circumstances occur which would require PM's work to be rescheduled. However it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

8. **Payment Terms** – PM invoices for professional services are due upon receipt unless otherwise specified in this engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's consulting work. Client agrees that in the event that work is suspended, for non-payment or other reasons, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.

**Professional Services Agreement – Temporary Finance Assistance**

9. **Fee Adjustments** – Any fee adjustments for reasons described elsewhere in this Agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to PM's invoices related to this engagement. Client acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this Agreement.
10. **Conditions of PM Visit to Client Facilities** – Client agrees that PM's services will be provided remotely to the maximum extent possible. In order to facilitate the provision of services remotely, Client agrees to provide documentation and other information reasonably required by PM for PM's performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to Client's facility(ies) are determined by PM in its sole discretion to be necessary for the performance of the engaged services, Client agrees, as a pre-condition to any such in-person visit, to provide to PM for PM's evaluation Client's policies and procedures that Client has implemented and will adhere to relating to workplace safety and the prevention of the transmission of disease at its facility(ies). In addition, Client affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, "Applicable Preventative Guidance") and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to Client's facility(ies). Client further affirms that it is in compliance and shall continue to comply with all other applicable laws, regulations, or executive orders relating to COVID-19 or the prevention of the spread thereof (collectively, "COVID-19 Laws") and agrees that it shall continue to comply with COVID-19 Laws throughout any in-person visits by PM to Client's facility(ies). Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to Client's facility(ies) or impose further conditions on any such in-person visit if and as PM deems necessary at its sole discretion. Client agrees and acknowledges that any determination by PM to visit Client's facility(ies) is not and shall not be construed to be or relied on by Client as a determination by PM of Client's compliance with Applicable Preventative Guidance or any COVID-19 Laws.
11. **Exclusion of Certain Damages** – Except to the extent finally determined to have resulted from PM's gross negligence or willful misconduct, Client agrees to limit the liability of PM or any of PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved third party service providers (collectively, "PM Persons") for any and all claims, losses, costs, and damages of any nature whatsoever so that the total aggregate liability of PM and/or the PM Persons to Client shall not exceed the total fees paid by Client to PM for the services provided in connection with this Agreement. Client and PM agree that these limitations on PM's maximum liability are reasonable in view of, among other things, the scope of the services PM is to provide, Client's responsibility for the management functions associated with PM's consulting services, and the fees PM is to receive under this engagement. In no event shall PM be liable to Client, whether a claim be in tort, contract, or otherwise, for any consequential, indirect, lost profit, punitive, exemplary, or other special damages. PM and Client agree that these limitations apply to any and all liabilities or causes of action against PM, however alleged or arising, unless to the extent otherwise prohibited by law. This provision shall survive the termination of this engagement.

In the event this Agreement expressly identifies multiple phases of services, the total aggregate liability of PM to Client shall be limited to no more than the total amount of fees paid by Client for the particular phase of services alleged to have given rise to any such liability.
12. **Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Client but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Client agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
13. **Termination of Engagement** – This Agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease and PM's engagement will be deemed to have been completed. Client will be obligated to compensate PM for all time expended and to reimburse PM for all out-of-pocket expenditures through the date of termination of this engagement.
14. **Time Limits** – Except for actions to enforce payment of PM's invoices and without limiting any claims for indemnification hereunder, any claim or cause of action arising under or otherwise relating to this engagement must be filed within two years from the completion of the engagement without regard to any statutory provision to the contrary.
15. **Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.



## ***Professional Services Agreement – Temporary Finance Assistance***

16. **Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
17. **Defense, Indemnification, and Hold Harmless** – As a condition of PM's willingness to perform the services provided for in the engagement letter, Client agrees to defend, indemnify and hold PM and the PM Persons harmless against any claims by third parties for losses, claims, damages, or liabilities, to which PM or the PM Persons may become subject in connection with or related to the services performed in the engagement, unless a court having jurisdiction shall have determined in a final judgment that such loss, claim, damage, or liability resulted primarily from the willful misconduct or gross negligence of PM, or one of the PM Persons. This defense, indemnity and hold harmless obligation includes the obligation to reimburse PM and/or the PM Persons for any legal or other expenses incurred by PM or the PM Persons, as incurred, in connection with investigating or defending any such losses, claims, damages, or liabilities
18. **Conflicts of Interest** – PM's engagement acceptance procedures include a check as to whether any conflicts of interest exist that would prevent acceptance of this engagement. No such conflicts have been identified. Client understands and acknowledges that PM may be engaged to provide professional services, now or in the future, unrelated to this engagement to parties whose interests may not be consistent with interests of Client.
19. **Agreement Not to Influence** – Client and PM each agree that each respective organization and its employees will not endeavor to influence the other's employees to seek any employment or other contractual arrangement with it, during this engagement or for a period of one year after termination of the engagement. Client agrees that PM employees are not "contract for hire." PM may release Client from these restrictions if Client agrees to reimburse PM for its recruiting, training, and administrative investment in the applicable employee. In such event, the reimbursement amount shall be equal to two hundred hours of billings at the current hourly rate for the PM employee.
20. **Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
21. **Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
22. **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Michigan.

## **End of Professional Services Agreement –Temporary Finance Assistance Services**

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CITY OF ISHPEMING  
CITY COUNCIL RESOLUTION #10-2021

RESOLUTION TO SUPPORT OUTDOOR RECREATION INNOVATION DISTRICT AND BUILD  
BACK BETTER APPLICATION

**Whereas**, the residents of Marquette County enjoy pristine, robust, and unique recreational options without having to travel outside their local community;

**Whereas**, supporting outdoor recreational activities is a priority for the residents of Marquette County;

**Whereas**, the City of Ishpeming has prioritized planning for the protection, promotion, and enhancement of outdoor recreation assets within our current recreation plan;

**Whereas**, the City of Ishpeming has coordinated recreational planning with Marquette County culminating in the 2020-2024 Marquette County Recreation Plan;

**Whereas**, The Iron Ore Heritage Trail serves as a regional recreation connection and attraction through Marquette County and is a centrally located among the County's vast recreational assets;

**Whereas**, The Iron Ore Heritage Trail Committee supports the enhancement of the trail for outdoor recreational activities and with that, the benefits it provides to the community, such as with economic development and talent attraction;

**Whereas**, The U.S. Economic Development Administration "Build Back Regional Challenge" is a Federal grant program for regional initiatives to help revitalize local economies through industry cluster-based strategies;

**Whereas**, A coalition of economic and community development institutions in Marquette County has been formed to support the growth of jobs, businesses, and innovation in the outdoor recreation economy;

**Whereas**, the aforementioned coalition includes: Innovate Marquette SmartZone, Northern Michigan University, InvestUP, Lake Superior Community Partnership, Central U.P. Planning & Development Regional Commission, Iron Ore Heritage Trail and the City of Negaunee;

**Whereas**, the coalition would like to submit a project centered on the Iron Ore Heritage Trail Corridor as an outdoor recreation innovation district for the purpose of diversifying economic development opportunities with the intent to develop an Outdoor Recreation District Strategic Action Plan which includes a component on managing sustainable tourism;

**Whereas**, the coalition is seeking additional support to apply for a potential first Phase \$500,000.00 grant to develop the plan and further explore the potential of developing key projects throughout the region;

**Whereas**, the coalition is also seeking local government support for the submission of the grant application;

**Now be it resolved**, that the City of Ishpeming, on October 6, 2021 approve resolution #11-2021 in support of joining the coalition to support economic diversification efforts by exploring growth opportunities in the outdoor recreation industry and apply to the U.S. Economic Development Administration's "Build Back Better Regional Challenge" with the intent to develop an Outdoor Recreation District Strategic Action Plan focused on creating additional outdoor recreational economic benefits and managing tourism in a sustainable way as it comes to Marquette County.

Yeas:

Nays:

I, Cathy Smith, City Clerk, do hereby certify that the foregoing is a true and original copy of this resolution duly made and passed by the City Council of Ishpeming at a Regular Meeting held on October 6, 2021, with a quorum present.

\_\_\_\_\_  
Cathy Smith, City Clerk

\_\_\_\_\_  
Date



## **Memo**

**To:** Local elected officials of Marquette County

**From:** Ryan Soucy, AICP, Central UP Planning and Development

**Subject:** Outdoor Recreation Innovation District and Build Back Better Application

CUPPAD and its regional economic development partners are seeking your consideration and feedback on a concept for a new regional initiative focused on growing the outdoor recreation industry. Faced with challenging demographic trends amid an era of economic transitions, proactive steps and strategic actions are necessary to overcome stagnation and decline to become a prosperous region in the future. Partners from around the region have begun to develop a collaborative model for an outdoor recreation innovation district. In this approach, we seek to combine the strengths of the U.P.; the vastness of our outdoor recreation assets, strong institutional partnerships, and spirit of innovation to work towards a common goal.

Coincidentally, the U.S. EDA's Build Back Better Challenge was recently announced and poses a significant opportunity to further develop this industry cluster. The concept partners are building a coalition and intend to respond to this challenge by October 19, 2021. I encourage you to read the attached concept paper and presentation, then consider how you might fit into this regional approach. Whether it is direct support, assisting in project development, or simply a letter of support, it would be much appreciated.

## Outdoor Recreation Innovation District Concept Paper

A new approach to economic growth and resilience is necessary for the Central U.P. if the region hopes to become economically resilient for years to come. A slow, steady decline has been occurring over past forty years; evidenced by declining population, retracting industries, and slow wage growth. The land-based industries that once made the hardworking households of the region prosperous are playing a shrinking role in our economy. The metal ore mining industry, one of the highest average wage-paying industries in our region, has declined by approximately 48% in just the last twenty years<sup>1</sup>.

The region's economic developers have consistently stated that industry diversification is a top priority among goals, yet little has been accomplished in growing or attracting new, high-wage industries that could support the region as it transitions in this new era. Building entirely new industries and more importantly, industry clusters is no simple task. It requires sustained collaboration among a range of institutions to assist and nurture the industry, bold entrepreneurs and savvy business leaders to innovate and drive productivity, and supportive communities to provide the environment that will be conducive to business and help the industry thrive. This vast network of players is an ecosystem, much like a natural one, and it operates in the fabric of our regional economy.

An emerging concept that explains how to bring together these players, as well as the region's assets, is a concept referred to as *innovation districts*. Brookings Institute, the foremost experts on the study of innovation districts explains they are *places that facilitate the creation and commercialization of new ideas and support metropolitan economies by growing jobs in ways that leverage their distinct economic attributes*. They go on to define them as *geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators*.<sup>2</sup> These geographic areas are typically physically compact; they feature transit-connectivity, modern infrastructure like fiber internet, green energy and buildings, and zoning for mixed uses that include housing, office, and retail. The vision of an innovation district is to bring together within close proximity a variety of ecosystem elements and features and through their synergy, enable the exchange of knowledge and ideas, which lead to the rapid growth and development of a targeted industry cluster and ensure its support it for years to come.

The region is currently presented with a significant opportunity to capitalize on its unique strengths and strategic assets relative to growing the region's outdoor recreation industry. What is unique about this region and what gives it a competitive advantage in the global outdoor recreation economy is the presence of natural physical assets that cannot be created or constructed. The proximity to Lake Superior, the variety of terrains and land covers, the vast expanse of undeveloped lands and countless scenic vistas, and four-season experience for year-round activity. The region is a seemingly endless playground for any number of outdoor recreational activities in in one of the most beautiful places in the country and few areas can boast the same. Complementing all of this, are the area's innovation assets that draw new talent and empower the region to be responsive to the changing times; four universities and four community colleges, three SmartZones, as well as a boat building school and culinary institute. The region's local governments, institutions, and businesses have consistently placed outdoor recreation objectives among the highest of priorities as evidenced by local strategies, past investments, and current initiatives. Area partners proudly present the quality and quantity of outdoor recreation activities as a

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<sup>1</sup> EMSI – economicmodeling.com - proprietary employment data

<sup>2</sup> <https://www.brookings.edu/essay/rise-of-innovation-districts/>

signature feature of the region as they seek out talent and it is perhaps one of the most critical aspects supporting this aspiration. Talent is the fuel of the new economy, and now more than ever talent is choosing where it wants to live based on quality of life and sense of place, more so than the location of a job. Vast amounts of empirical research have been conducted into the issue of talent migration relative to quality of life and recreational amenities over the past decades and there is broad consensus on its value as an attractor. In one piece of literature on *The Role of Amenities and Quality of Life in Rural Economic Growth*, Dr. Steven Deller concludes: "Rural areas endowed with key natural resource amenities can manage those resources to capture growth more effectively. This may entail expansion beyond policies that have historically been focused on extraction of the resource base. Given the expected levels of growth in the demand for recreational uses of these resources, the future growth and development potential of many rural areas may be additionally tied to a range of tourism activity."<sup>3</sup> As we expand on this industry cluster and the assets that complement and support it, the appeal of the area will only grow. This concept is reinforced by the DNR's Comprehensive Outdoor Recreation Plan, in which a key objective states: *Outdoor recreation advances economic prosperity and supports a high quality of life as well as talent attraction and retention in Michigan's communities*<sup>4</sup>.

In November 2020, the U.S. Bureau of Economic Analysis (BEA) announced new statistics on the economic value of the outdoor recreation economy which indicated it accounted for 2.1% (\$459.8 billion) of the total GDP for the nation in 2019. As a share of Michigan's GDP, it was 1.9%.<sup>5</sup> The industry is growing on all counts, driven in part by the growing experience economy; a concept where consumers seek unique experiences beyond merely consuming products and services<sup>6</sup>. Figures show the GDP of the outdoor recreation economy has grown by 1.3% nationally over the year, while compensation increased 3.9% and employment increased by 0.4%. ESRI's Community Analyst tool estimates that traditional outdoor recreation equipment spending was \$2,932,532 and recreational vehicles and fees spending was \$2,597,728 in Marquette County alone over the past year<sup>7</sup>, and that is just considering direct local expenditures without including ancillary economic impact of these activities. The outdoor recreation economy is strongly supported locally, but with greater regional coordination and support, it could grow to become a strong competitor in the global market.

To develop a sustaining innovation district based around the outdoor recreation economy, a formalized structure should be established with roles and responsibilities for each of the participating organizations. This whitepaper does not prescribe individual roles and is only intended to start a conversation on the possibility of collaborating with intent and purpose. Each organization should be included in the governance of this body and be able to self-determine the extent they are willing to invest in this regional district. As part of this consideration, partners should assess the assets, capabilities, capacity, and resources they have at their disposal that could enhance or support the outdoor recreation economy. Below is a table of possible roles that entities involved in this sort of public private partnership could take on, but it is not intended to be limited to these suggestions.

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<sup>3</sup> Deller, S., Tsai, T., Marcouiller, D., & Donald B. K. English. (2001). The Role of Amenities and Quality of Life in Rural Economic Growth. *American Journal of Agricultural Economics*, 83(2), 352-365. Retrieved August 16, 2021, from <http://www.jstor.org/stable/1244678>

<sup>4</sup> [https://www.michigan.gov/documents/dnr/SCORP2018-2022\\_Final2\\_609032\\_7.pdf](https://www.michigan.gov/documents/dnr/SCORP2018-2022_Final2_609032_7.pdf)

<sup>5</sup> <https://www.bea.gov/news/2020/outdoor-recreation-satellite-account-us-and-states-2019>

<sup>6</sup> Measuring Experience Economy Concepts: Tourism Applications HAEMOON OH, ANN MARIE FIORE, AND JEOUNG

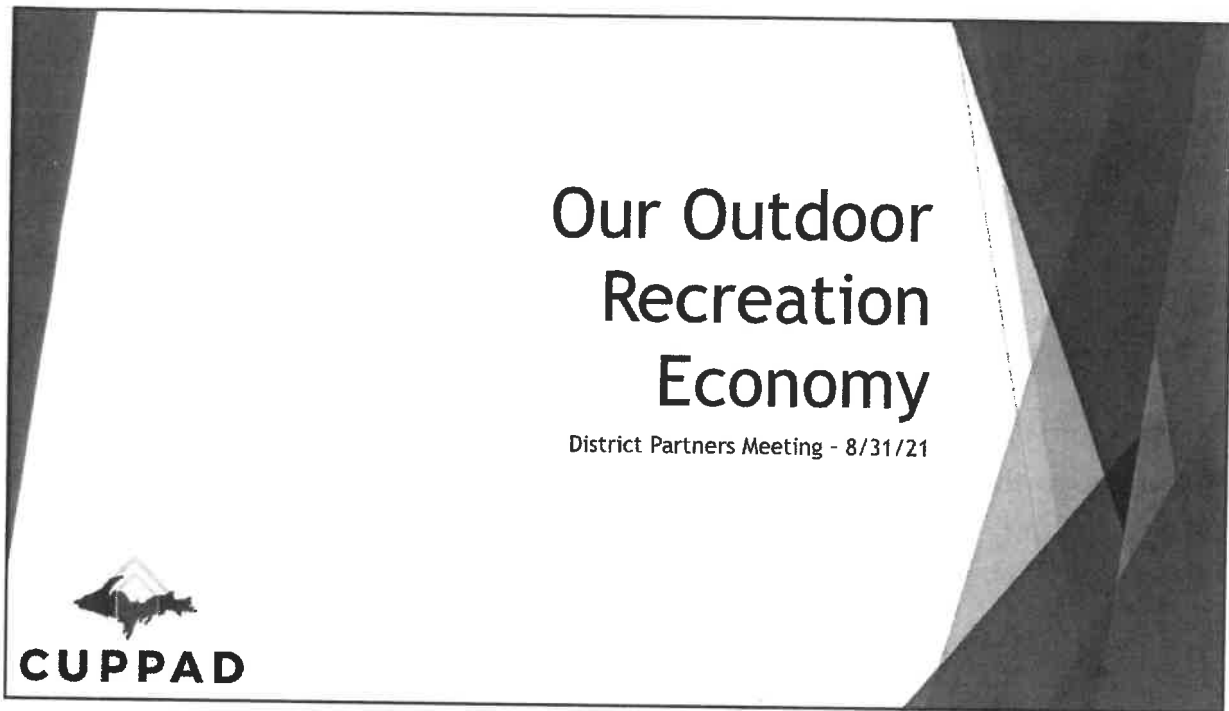
<sup>7</sup> Esri forecasts for 2021 and 2026; Consumer Spending data are derived from the 2018 and 2019 Consumer Expenditure Surveys, Bureau of Labor Statistics.

| Entity type                                     | Roles and responsibilities   |
|---|--|
| Local Governments                               | <ul style="list-style-type: none"> <li>Addressing zoning and potential for developable properties to accommodate mixed-use and outdoor recreation manufacturing</li> <li>Considering capital improvements that enhance outdoor recreation assets and industry uses</li> <li>Use of incentives</li> <li>Local marketing and branding</li> </ul> |
| Higher Education                                | <ul style="list-style-type: none"> <li>Education, training, and certification while adapting to industry needs</li> <li>Best practices and public education for sustainable tourism</li> <li>Research and development</li> <li>Attraction and diversification efforts</li> </ul>   |
| Economic & Community Development                | <ul style="list-style-type: none"> <li>Marketing of development opportunities and the industry growth cluster</li> <li>Attraction of new businesses</li> <li>State and Federal Program support</li> <li>Assistance and advocacy for local business issues</li> <li>GIS services</li> </ul>   |
| Workforce Development                           | <ul style="list-style-type: none"> <li>Support workforce placement and industry training</li> <li>State and Federal workforce programs</li> <li>Development of ambassadors training program</li> </ul>   |
| Entrepreneurial Development and Business Growth | <ul style="list-style-type: none"> <li>Growth coaching and scaling up</li> <li>Education and marketing for businesses</li> <li>Assistance connecting to markets</li> <li>SmartZone support and LDFA</li> </ul>   |
| Businesses and Entrepreneurs                    | <ul style="list-style-type: none"> <li>Business creation and operation</li> <li>Product innovation</li> <li>Personal business and area marketing</li> </ul>  |
| Public Transit                                  | <ul style="list-style-type: none"> <li>Coordinating with local units on transit to job centers and businesses</li> <li>Transit-oriented development approaches</li> <li>Connecting underserved populations (equity)</li> </ul>   |

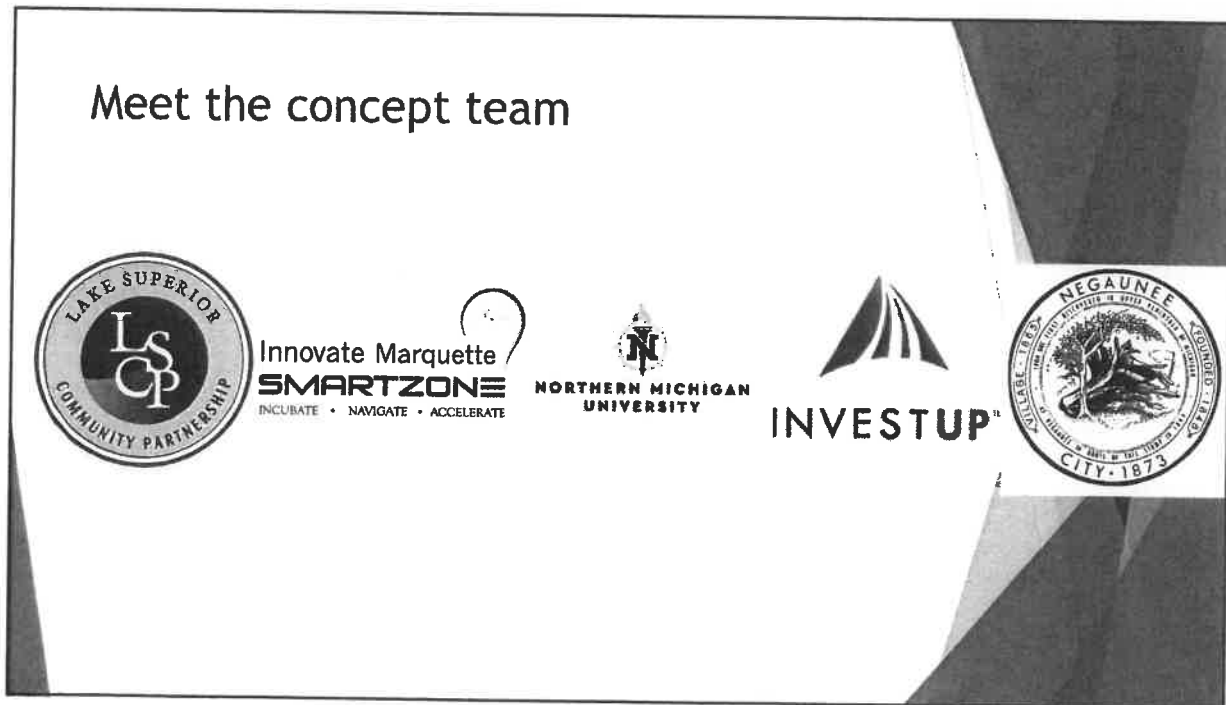
A future workshop should be organized to discuss the region's appetite for this sort of collaboration and to explore potential opportunities. The U.S. EDA recently announced the Build Back Better challenge, a regional grant program intending to support industry growth clusters, and this program may be a potential fit. In Phase I, 50-60 regional collaborations will receive 500,000 each to develop a concept and begin the initial steps for planning 3-8 projects that support the regional growth cluster. In Phase II, 20-30 groups will receive \$25-75 million in support to implement those projects. A suggested timeline for the basic project steps follows:

*Build Back Better Regional Challenge - timeline*

| Aug 2021             | Aug-Sept 2021   | Sept 2021   | Oct 19, 2021             | Dec 2021                   | Mar 15, 2022             |
|----------------------|---|---|--------------------------|----------------------------|--------------------------|
| Concept team meeting | District Partners meeting – building consensus on concept | District Partners meeting – component project presentations | Phase I applications due | Phase I awardees announced | Phase II application due |



1



2

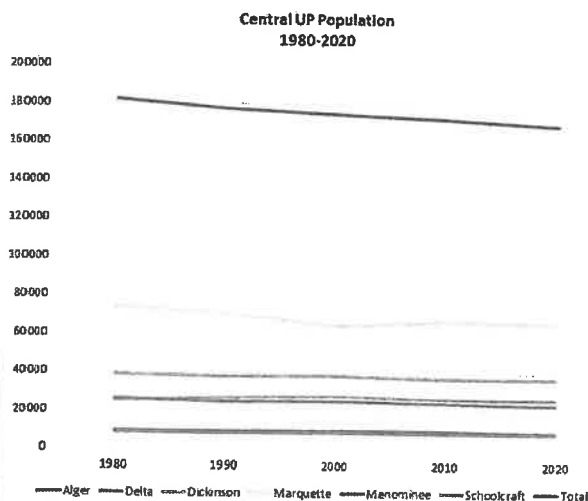
## Your role: District Partner

- ▶ An invitation to discuss a concept for a new regional economic development initiative
- ▶ Provide feedback on your community's needs, issues, challenges, opportunities, and circumstances
- ▶ The request
  - ▶ Share with your elected officials
  - ▶ Consider how your jurisdiction fits into this concept
  - ▶ A future letter of support, when asked

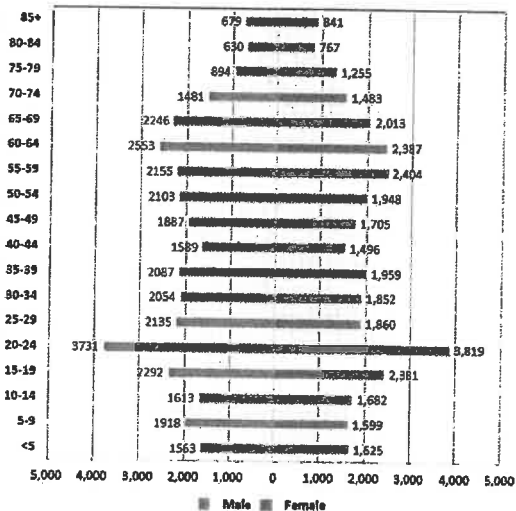
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## The challenges

- ▶ Declining population

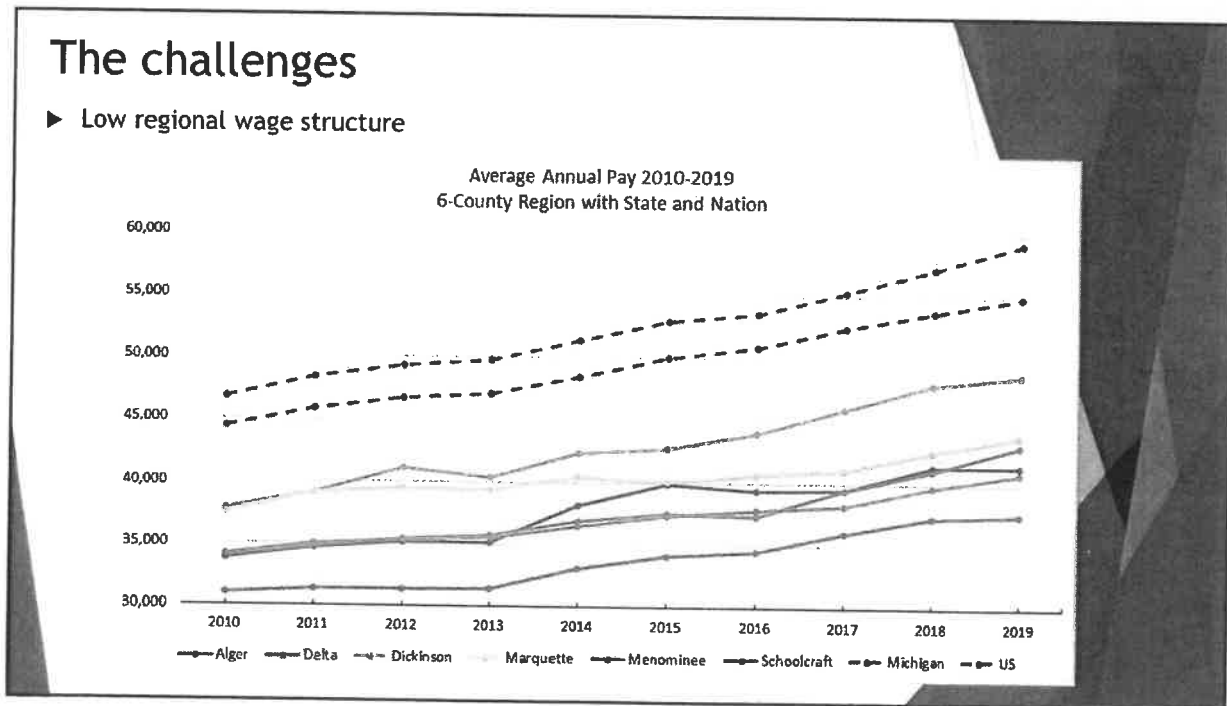
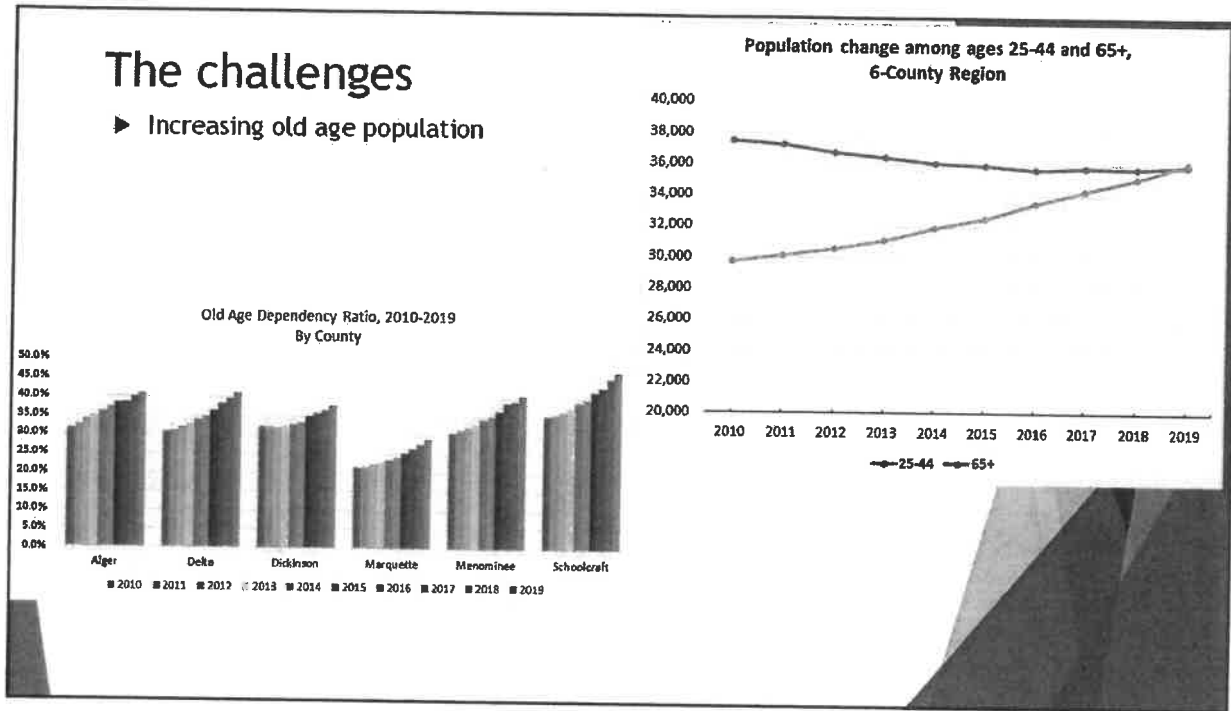


Marquette County Population Pyramid, 2019



4





## The challenges

- Need to grow strengths in other industries

### Industry Cluster Identification for Marquette County, MI

#### Executive Summary

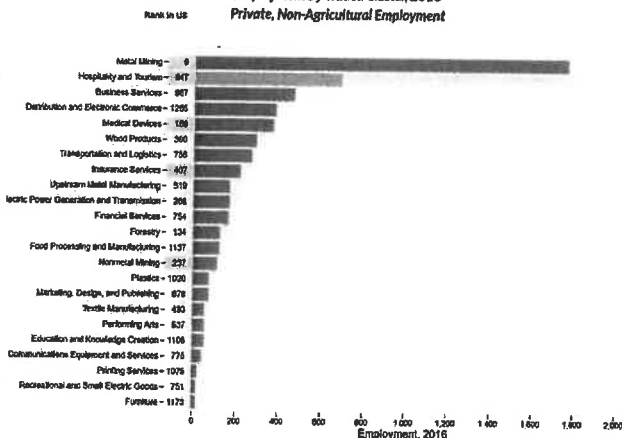
- Your highest ranked cluster is Metal Mining, with a score of 90 (out of 100) points.
- Your average cluster score is 57 (out of 100) points. This is not a benchmark against other regions; it only compares the relative performance of your clusters to each other. Clusters ranked higher than 57 are above average for your region, while clusters ranked lower than 57 are below average.
- Top clusters must have a score of at least 65, while bottom clusters must have a score of 55 or less. These thresholds are determined by applying the average deviation (plus or minus 6) to the average cluster score of 57.

■ 4 Top Clusters ■ 56 Average Clusters ■ 40 Bottom Clusters

#### Cluster Rankings

- 1 Metal Mining
- 2 Education and Knowledge Creation
- 3 Nonmetal Mining
- 4 Wood Products
- 5 Business Services
- 6 Local Education and Training
- 7 Health Plans General and Specialty

### Marquette County Employment by Traded Cluster, 2016 Private, Non-Agricultural Employment



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## Questions we need to answer as a region

- How will the U.P. become an economically viable place into the future?
- What can we do to attract talented workers who will be the future workforce?
- How do we raise wages to be competitive with the rest of the nation?
- How do we do all of this and ensure we maintain a good quality of life and our unique heritage in the U.P.?

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## Vision

To leverage our region's unique strengths by developing a high-functioning ecosystem of collaboration in support of an innovative outdoor recreation industry, the growth of which will lead to above average wage jobs in technology, manufacturing, and science while creating a more sustainable and equitable future for the region.

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## Outdoor recreation industry - according to BEA

Outdoor recreation activities fall into three general categories:

- conventional activities (including activities such as bicycling, boating, hiking, and hunting);
- other core activities (such as gardening and outdoor concerts); and
- supporting activities (such as construction, travel and tourism, local trips, and government expenditures).

bea

Outdoor Recreation Satellite Account, U.S. and States, 2019

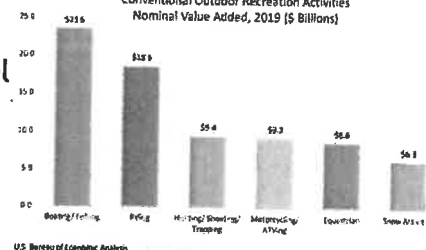
The new U.S. data show that the outdoor recreation industry accounted for 3.3 percent of total U.S. nominal value added in 2019, up from 3.0 percent in 2018. The industry's nominal value added grew by 1.5 percent from 2018 to 2019, while the economy grew by 1.9 percent.

State Outdoor Recreation Value Added as a Percent of State GDP, 2019



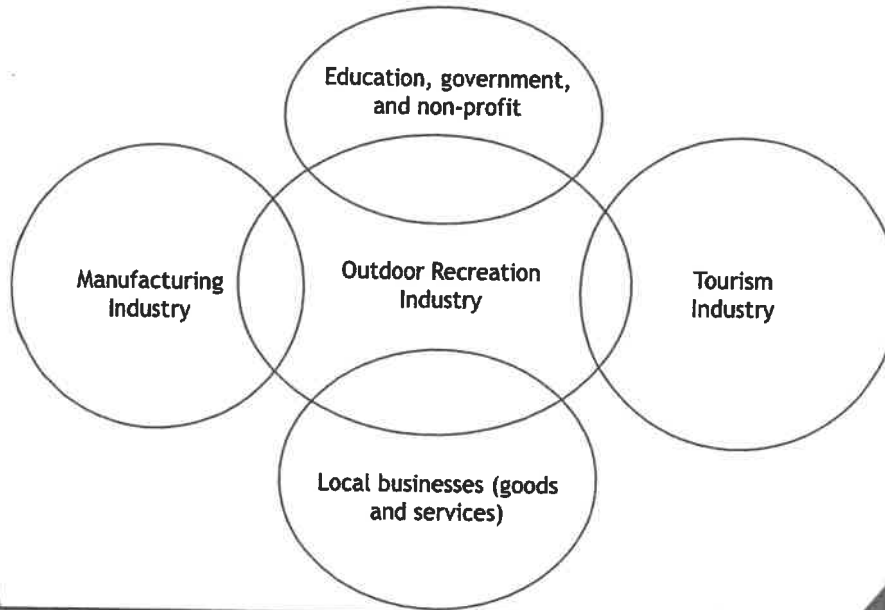
- The outdoor recreation industry, which includes activities such as bicycling, boating, hiking, and hunting, is the largest contributor to outdoor recreation in 20 states and the District of Columbia.
- States with the largest percentage of outdoor recreation in GDP include the largest percentage of 20 states.
- Manufacturing is the largest contributor to the outdoor recreation industry in 10 states and the District of Columbia.

Conventional Outdoor Recreation Activities  
Nominal Value Added, 2019 (\$ Billions)



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## What do we mean by outdoor recreation?



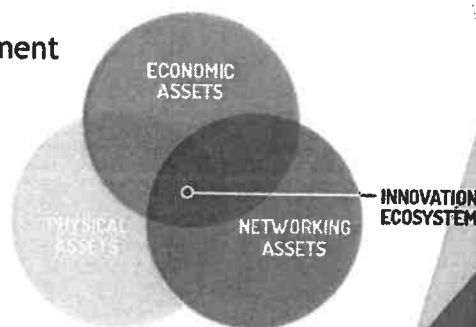
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## Innovation Districts

***Innovation ecosystem***—a synergistic relationship between people, firms and place (the physical geography of the district) that facilitates idea generation and accelerates commercialization.

It's a recipe for building an environment that is more conducive to success.

An *innovation district or corridor* encapsulates that and encourages these actions happen in close proximity.



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## The value to community development

### Local governments are a vital ingredient in this recipe

- ▶ Local governments build the places people want to be - growing tax base
- ▶ Flexible development regulations to enable "innovation district" features, such as mixed-use, and light industry - see Marquette PUD - *Shophouse Park*
- ▶ Mutual advocacy on grant applications related to outdoor recreation - the more high-quality recreation, the better
- ▶ Support team for economic development opportunities - developable properties
- ▶ Education and workforce partners to enhance training and specialization of residents in this industry - greater skills lead to higher incomes
- ▶ Entrepreneurial resources and specialization to enhance innovation potential and grow local business
- ▶ Avoiding the negative impacts of overtourism

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## The focus area


▶ The Iron Ore Heritage Trail is the core of Phase I

Phase II will connect greater Marquette County

Phase III will connect other key areas in the U.P.



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## The opportunities & examples

- ▶ Smart and connected trails
- ▶ Future mobility
- ▶ Maximizing the use of our water assets
- ▶ Sustainable tourism
- ▶ Accessibility
- ▶ Healthy communities
- ▶ Transit-oriented development

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## EDA - Build Back Better

Intended to support local economies and invest in projects that can lead to globally competitive clusters

Phase I - \$500,000 to ~50 coalitions

- Planning and project development
- Identify 3-8 projects


Phase II - \$25-75M ~25 coalitions

- Support the development of the 3-8 projects

**EDA: AMERICAN RESCUE PLAN**

### BUILD BACK BETTER REGIONAL CHALLENGE

*Supercharging Local Economies*



The Build Back Better Regional Challenge is designed to assist communities nationwide in their efforts to build back better by accelerating the economic recovery from the coronavirus pandemic and building local economies that will be resilient to future economic shocks.

The \$1 billion Build Back Better Regional Challenge will provide a transformational investment to 20-30 regions across the country that want to revitalize their economies. These regions will have the opportunity to grow new regional industry clusters or scale existing ones through planning, infrastructure, innovation and entrepreneurship, workforce development, access to capital, and more.

**Phase I:** 50-60 regional coalitions of partnering entities will be awarded ~\$500,000 in technical assistance funds to develop and support three to eight projects to grow a regional growth cluster.

**Phase II:** EDA will award 20-30 regional coalitions \$25 million to \$75 million, and up to \$100 million, to implement those projects.

**WHO SHOULD APPLY**

EDA invites eligible applicants to form regional coalitions to apply for funding to implement a collection of three to eight distinct but related projects in their region, in coordination with industry and community partners, and aligned around a holistic vision to build and scale a strategic industry cluster. Applicants should identify one key coordinating lead institution per regional cluster to lead the concept and projects into the implementation phase, while fostering collaboration and coordinating resources to ensure their investment have the greatest economic impact on our communities, regions, and the nation.

Coalition members eligible to apply for investment assistance for their region include, but are not limited to:

- District Organization of an EDA-designated Economic Development District
- Indian Tribe or a consortium of Indian Tribes
- State, county, city, or other political subdivision of a State, including a special purpose unit of a State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions
- Institution of higher education or a consortium of institutions of higher education
- Public or private non-profit organization or association acting in cooperation with officials of a political subdivision of a State

Individuals or for-profit entities are not eligible.

As part of the \$200 million **Coal Communities Commitment**, EDA will allocate at least \$100 million of the Build Back Better Regional Challenge funding to support local communities.

**APPLICATION DEADLINE**

- Phase 1 deadline: **October 19, 2021**
- Phase 2 deadline: **March 18, 2022**

**CONTACTS**

Please send email inquiries about the American Rescue Plan Build Back Better Regional Challenge to [BuildBackBetter@eda.gov](mailto:BuildBackBetter@eda.gov).

For additional questions, particularly region-specific questions, contact your state's Economic Development Representative. Visit [www.eda.gov](https://www.eda.gov) to find contact information for your Economic Development Representative.

To learn more about EDA's American Rescue Plan Build Back Better Regional Challenge, visit [www.eda.gov/build-back-better](https://www.eda.gov/build-back-better).

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## Application - Scoring Criteria

1. **Overall Concept and Anticipated Outcomes** - Strength of the proposed component projects, their alignment to support cluster-based economic development and EDA Investment Priorities, related outcomes (e.g., relative regional wage, jobs, and GDP growth), and the evidence-base to support those anticipated outcomes.
2. **Regional Assets** - Strength of the proposed plan to utilize existing and develop new assets to support the region's economic competitiveness.
3. **Industry Leadership** - Strength of the cluster's potential for industry leadership, including private sector led development strategies that support innovation and workforce development for global competitiveness and high-quality jobs.
4. **Sustainability** - Potential of the cluster's plan for sustainability/durability, including the extent to which the project shows support or commitment from regional stakeholders (private, public, and non-profit entities, etc.) and is aligned with and integrated into other public or private investments currently ongoing or planned for the community and region.
5. **Equity** - The extent to which the application articulates a plan for sharing the project's benefits across all affected communities, and how resident and community leadership will be engaged throughout the project's duration. Although not required, EDA encourages efforts to reach historically excluded populations, racial minorities, and women. These strategies should create the connectivity and conditions for growth where it may not exist, such as in rural and underserved communities.

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## Application - Scoring Criteria

6. **Feasibility** - The feasibility of the collection of component projects.
7. **Capacity** - Strength of the coalition identified to support the growth of an industry or industries and the applicants' organizational capacity, including its financial and management capacity; its experience and capacity in managing large federal grants and subawards; and ability to meet stated metrics.
8. **Distress** - The degree of historic economic distress experienced in the project region, including the economic impact of the coronavirus pandemic, as measured by local employment and regional GDP.
9. **Regional Investment** - Availability and commitment of local government, philanthropy, and industry investment to support the growth of a region, i.e. the amount of local leverage that will augment the federal award.

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## Questions?

Ryan Soucy, AICP

Senior Community & Economic Development Planner

[Rsoucy@cuppadd.org](mailto:Rsoucy@cuppadd.org)

(906) 399-1371



**CITY OF ISHPEMING**  
**CITY COUNCIL RESOLUTION #11-2021**

**Resolution to participate Marquette County Intergovernmental Housing ask Force**

WHEREAS, the Marquette County Intergovernmental Housing Task Force is a consortium of local governments working together to advocate for state resources, identify regional solutions, leverage funding opportunities, and examine best practices related to housing challenges in Marquette County.

WHEREAS, Marquette County must address the full range of housing needs facing all income levels and household types, as documented in the 2020 Marquette County Housing Needs Assessment, including home rehabilitation, new housing development, and redevelopment. These housing needs have County-wide impacts on our economy, workforce, and infrastructure that require intergovernmental collaboration and response; and

WHEREAS, a lack of resources and programs specific to attainable housing creates additional challenges in meeting the needs of the County's workforce; and

WHEREAS, solutions may include local, County, regional, or State activities and tools such as zoning updates; development benefit agreements; tax incentives: Land Bank Authority and brownfield redevelopment incentives, consideration of innovative and diverse housing types; community awareness and educational efforts; new funding sources; and innovative partnerships.

WHEREAS, new resources and programs must feature local and regional participation and control in order to ensure the flexibility needed to address the unique challenges faced throughout the region.

Now therefore, be it resolved that the City of Ishpeming agrees to participate in the Intergovernmental Housing Task Force by assigning Craig H. Cugini, City Manager as a City representative.

Yeas:

Nays:

Excused:

I, Cathy Smith, City Clerk, do hereby certify that the foregoing is a true and original copy of this resolution duly made and passed by the City Council of Ishpeming at a Regular Meeting held on October 6, 2021, with a quorum present.

\_\_\_\_\_  
Cathy Smith, City Clerk

\_\_\_\_\_  
Date



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Marquette, MI 49855  
www.marquette.org  
1-888-578-6489

(906) 226-6591  
FAX (906) 226-2099  
lscp@marquette.org



## MEMORANDUM

To: Marquette County cities and townships

From: Sarah Lucas, CEO, Lake Superior Community Partnership

Date: September 29, 2021

Subject: Intergovernmental Housing Task Force resolution

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On behalf of Marquette County, the Lake Superior Community Partnership has invited local governments to participate in intergovernmental discussions on housing solutions. One result of those discussions is the proposed creation of a Marquette County Intergovernmental Housing Task Force that would formalize participation in a collaborative group in order to advance local housing efforts regionally and statewide. As the State of Michigan looks at expanding the resources and programming available to address housing needs, an organized, collaborative local government approach will position the County and its local governments to take advantage of new opportunities and resources. Further, many housing solutions require alignment and coordination between local units of government; and an intergovernmental task force will enable regular sharing of best practices, new initiatives, and opportunities for collaboration between communities. As such, participating jurisdictions have proposed the attached resolution for consideration by local elected bodies, in order to formally appoint staff representatives that will bring forward recommendations for consideration at the local level.

We appreciate your consideration of the resolution and task force, and look forward to working with communities to identify and implement housing solutions. If you have any questions, or would like to discuss further and/or request a presentation before considering the resolution, please don't hesitate to contact me at [slucas@marquette.org](mailto:slucas@marquette.org) or 231-920-2116.

CITY OF ISHPEMING  
RESOLUTION #12-2021

RESOLUTION FOR THE DESIGNATION OF AUTHORIZED OFFICIALS FOR  
THE ISHPEMING SENIOR CENTER PROJECT

WHEREAS, the City of Ishpeming has applied to the Michigan Strategic Fund for a Community Development Block Grant to assist with demolition of the existing Ishpeming Senior Center and construction of a new Senior Center, and

WHEREAS, the Michigan Strategic Fund approved the Community Development Block grant to the City of Ishpeming on May 19, 2020;

NOW THEREFORE BE IT RESOLVED,

1. The person authorized to sign the Application, and all attachments, and all further documentation that may be requested or required by the MEDC in connection with the Application, is Craig H. Cugini, City Manager.
2. The person authorized to sign the Grant Agreement on behalf of the City, and all amendments, is Craig H. Cugini, City Manager.
3. The person authorized to sign Payment Requests is Craig H. Cugini, City Manager.

Votes in favor of adoption of the above Resolution: \_\_\_\_\_

Votes opposed to adoption of the above Resolution: \_\_\_\_\_

I hereby certify that the above RESOLUTION was adopted at a regular meeting of the Ishpeming City Council on October 6, 2021, by the number of votes required for adoption of a resolution under the Ishpeming City Charter.

\_\_\_\_\_  
Cathy Smith  
Ishpeming City Clerk