Economic Development Partners,

Honestly, I have no idea where the year has gone. It seems like only yesterday we were wrapping up 2015. Make no mistake, while the time has flown by your team at the LSCP has once again served hundreds of clients, produced high quality business and educational events, implemented economic and talent development programs, communicated with our stakeholders and built the relationships that matter to be successful.

One of the most noteworthy accomplishments of the year was our work with Sawyer International Airport, along with our private sector funders, to enhance air service with additional flights, lower fares and the reintroduction of a Minneapolis flight in early 2017.

From providing business services and financing to leading a team of stakeholders working to mitigate the effects of a major layoff, we have been a partner in it all. This year we served 461 clients.

I hope you will review this annual report and share in our pride of the year’s accomplishments knowing that it would not happen without your support. Economic development is a team sport and here in Marquette County we have a great team!

Thank you for your continued commitment to making a difference.

Respectfully,

Amy J. Clickner
Chief Executive Officer

Match UP
In collaboration with the Michigan Economic Development Corporation (MEDC), the LSCP and UPWARD Talent Council have offered Empire Mine displaced workers access to a job portal to assist with securing new employment opportunities. The portal, Match UP, allows employers to search resumes and connect with skilled and trained workforce with a goal of keeping these employees in the U.P.

The Lake Superior Community Partnership’s mission is to stimulate and sustain a vibrant regional economy by facilitating economic growth and prosperity.
In October, the LSCP hosted their first Business to Business Expo and Workshop. U.P. Businesses had the opportunity to learn about relevant topics to their company, network with other businesses and showcase the products and services they have to offer. The event offered 8 breakout sessions, a keynote speaker Deb Muchmore of Kandler Reed Khoury & Muchmore and a Pure Michigan Business Connect presentation. Forty U.P. wide businesses were showcased in the expo portion of the day.

Marquette County has seen many development projects in 2016. From the UP Health System – Marquette hospital and Board of Light and Power Energy Center breaking ground to the completion of Upper Peninsula Health Plan’s headquarters and Staybridge Suites at Liberty Way, we’ve seen nearly $1 billion in investment over the course of the past year.

The LSCP and Marquette County Ambassadors celebrated 27 Marquette County companies with ribbon cuttings & groundbreaking ceremonies in 2016.
The LSCP provides a full range of business development services that address the challenges and opportunities that businesses face in all stages of their development. The economic development team works collaboratively with public and private sector partners in assisting our business development clients.

### 2016 Distribution of Clients
- 35% of population - 101 clients
- 46% of population - 288 clients
- 19% of population - 33 clients

### Non-region Specific:
- 39 Clients

### 2016 IN NUMBERS
- **458** General Business Development/Consulting
- **345** Retention of Existing Businesses
- **42** Business Financing
- **88** Business Plan Development
- **51** Site Location Services
- **19** Marketing Assistance
- **98** Talent Development
- **67** Technical Assistance
- **84** Advocacy

**Total Clients: 461**
The LSCP provides support and staff to the Economic Development Corporation (EDC) of Marquette County, who holds and administers a revolving loan fund to provide capital to businesses not served by traditional lending sources.

### 5 Year Recap

<table>
<thead>
<tr>
<th></th>
<th>5 Year Total</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Clients</td>
<td>1,892</td>
<td>461</td>
<td>464</td>
<td>396</td>
<td>306</td>
<td>265</td>
</tr>
<tr>
<td>Retention Clients</td>
<td>1,372</td>
<td>345</td>
<td>395</td>
<td>294</td>
<td>197</td>
<td>141</td>
</tr>
<tr>
<td>Start-Up Clients</td>
<td>441</td>
<td>107</td>
<td>53</td>
<td>89</td>
<td>95</td>
<td>97</td>
</tr>
<tr>
<td>Attraction Clients</td>
<td>79</td>
<td>9</td>
<td>16</td>
<td>13</td>
<td>14</td>
<td>27</td>
</tr>
<tr>
<td>Jobs Projected</td>
<td>3,068</td>
<td>453</td>
<td>372</td>
<td>321</td>
<td>856</td>
<td>1,066</td>
</tr>
<tr>
<td>Jobs Impacted</td>
<td>50,069</td>
<td>13,378</td>
<td>15,875</td>
<td>5,890</td>
<td>10,643</td>
<td>4,283</td>
</tr>
<tr>
<td>Jobs Retained</td>
<td>231*</td>
<td>22</td>
<td>110</td>
<td>99</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* New metric in 2014 - 3 year total

### Regional Wealth

<table>
<thead>
<tr>
<th></th>
<th>% of change from '12 to '16</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>0.11%</td>
<td>68,004*</td>
<td>68,829*</td>
<td>67,676</td>
<td>68,416</td>
<td>67,930</td>
</tr>
<tr>
<td>Property Tax Revenue</td>
<td>10.92%</td>
<td>$89,155,700</td>
<td>$86,894,859</td>
<td>$86,186,551</td>
<td>$81,438,468</td>
<td>$80,375,036</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>6.89%</td>
<td>N/A</td>
<td>$48,259</td>
<td>$44,267</td>
<td>$45,011</td>
<td>$45,149</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>9.95%</td>
<td>N/A</td>
<td>$24,871</td>
<td>$22,681</td>
<td>$24,529</td>
<td>$22,621</td>
</tr>
<tr>
<td>Median Home Sales</td>
<td>5.04%</td>
<td>$135,500</td>
<td>$135,000</td>
<td>$125,000</td>
<td>$130,000</td>
<td>$129,000</td>
</tr>
<tr>
<td>Number of Home Sales</td>
<td>31.83%</td>
<td>816</td>
<td>767</td>
<td>657</td>
<td>634</td>
<td>619</td>
</tr>
</tbody>
</table>

* Numbers are based on projection. Subject to change based on actual conditions.

### Economic Development Corporation

The LSCP provides support and staff to the Economic Development Corporation (EDC) of Marquette County, who holds and administers a revolving loan fund to provide capital to businesses not served by traditional lending sources.

**10 Total Clients**  **329 Supported jobs in Marquette County**

**$1,060,000** in loan proceeds
In 2016 we featured 52 LSCP partner job openings on social media and on the “Working Here” tab of our website. This is a benefit that is offered to LSCP partners.

**Come Back Up**
This program is to encourage individuals and families with a love for the region to return to the Upper Peninsula and reintegrate back into our workforce.

**Talent Development Newsletter**
Our talent newsletter continues to feature job postings, training opportunities, many helpful resources and interesting articles. Have a job posting or want to share a resource? Let us know!

**Career Technical Education (CTE)**
The CTE committee continues to work hard to increase, improve and promote CTE opportunities. Geometry in Construction programs are now in 4 U.P. High Schools, and soon to be more! The CTE Magazine was produced again this year to help promote CTE opportunities. It was included as an insert in The Mining Journal and was given to many high school level students throughout Marquette and Alger Counties.

**Electrical Line Technician School**
This Program is a partnership between NMU, the Midwest Skills Development Center and the LSCP Foundation. The Line Tech school worked on 2 community projects in 2016. They lit the Noquemanon trail parking lot and the Negaunee ski trail in 2016. This year marked the 13th graduating class.

**Hands On Michigan**
The UPCDC received a grant from the MEDC to create a marketing campaign promoting career paths in the skilled trades.

“It has been a pleasure working with the entire Lake Superior Community Partnership team. When I need a connection to the U.P., they are one of the first groups that come to mind. They are extremely knowledgeable, understand the local dynamics of their region, and work tirelessly in both the public and private sectors.”

-Nicole G. Nystrom, Owner/Managing Partner at Midwest Strategy Group
<table>
<thead>
<tr>
<th>Bill Number</th>
<th>Summary</th>
<th>LSCP</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dark Store/Tax Fairness HB 5578</td>
<td>This bill would amend the Tax Tribunal Act to spell out the criteria that must be applied in an assessment dispute before the &quot;Entire Tribunal&quot; as to the true cash value of real or personal property.</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>Pacific Legal Foundation Support</td>
<td>Proposed County Road 595 offers a shortcut to commercial trucks by completing a new Class A road over the 21-mile dirt road.</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>Department of Labor Overtime Rules</td>
<td>Proposal to update the regulations governing which executive, administrative, and professional employees are entitled to the Fair Labor Standards Act's minimum wage and overtime pay protections. As proposed, this would raise the salary threshold from $455 a week (the equivalent of $23,660 a year) to about $970 a week ($50,440 a year) in 2016.</td>
<td>Opposed</td>
<td></td>
</tr>
<tr>
<td>DOL S2707/HR 4772</td>
<td>These would nullify the proposed department of labor overtime rules, require the DOL to first conduct a comprehensive economic analysis on the impact of mandatory overtime expansions, prohibit automatic increases in salary threshold, and require that any future changes to the duties test be subject to notice and comment.</td>
<td>Supported</td>
<td>In Process</td>
</tr>
<tr>
<td>DDA Legislation HB 5851 to HB 5856</td>
<td>Each bill would amend a different statute dealing with tax increment financing authorities. Would prevent the capture of revenues from millages approved by voters after December 31, 2016, limit the amount of time a TIFA can hold revenues to 5 years with additional requirements.</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>Transformational TIF</td>
<td>To capture state sales and income tax money to help real estate developers finance large projects on contaminated sites.</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>HB 5862</td>
<td>Exempt small-scale noncommercial gold mining from the permit requirement.</td>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>SB 591</td>
<td>Would add Part 634 (Small Native Copper Mines) to the Natural Resources and Environmental Protection Act to establish regulations specific to elemental copper mining operations involving the generation of 10,000 to 75,000 tons of waste rock or the disturbance of one to 10 acres of land per year.</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>Michigan Jobs Coalition- SB 1153, SB 1154, SB 1155</td>
<td>These bills create a Personal Income Tax (PIT) withholding abatement to promote the attraction and expansion of high-wage jobs in Michigan</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>Back 40 Permits</td>
<td>Mining permits submitted by Aquila Resources to the DEQ for a metallic sulfide mine proposed for the bank of the Menominee River.</td>
<td>Supported</td>
<td></td>
</tr>
</tbody>
</table>

**KEY**

- Passed
- Failed

**GOVERNMENT RELATIONS**

- Government Relations Committee adopted the 2016 State and Federal Policy Agendas
- Northern Michigan Chamber Alliance Member
- Governor’s Economic Summit Attendee
- State of the State Attendee
- Great Lakes Metro Chambers Coalition Member
- Michigan Economic Developers Association (MEDA) Advocacy Committee

- Marquette County Ambassadors
- Lansing Spring Trip with Delta County, Dickinson County, Marquette County, Houghton County, Baraga County, Keweenaw County, Gogebic County, Iron County and Ontonagon County (33 Meetings)
- U.P. 200 Legislative Reception (approximately 150 in attendance)
- Lansing Fall Trip with Delta County Task Force (17 Meetings)
The Lake Superior Community Partnership Foundation’s Chairman’s Circle provides an opportunity to join other visionary leaders making economic development in Marquette County a top priority. Together we can create greater capacity and achieve a higher level of success for today and future generations. Exclusive benefits and discounts are available to this group. Each investment is tax deductible and will be applied to the LSCP Foundation, a 501(c)3 corporation.

A. Lindberg & Sons
Acuitas
Advanced Center for Orthopedics and Plastic Surgery
American Transmission Company
Blue Cross Blue Shield of Michigan
Champion, Inc.
Checker Transport
Cliffs Natural Resources
Eagle Mine
Frei Chevrolet
Hampton Inn/Ramada/Holiday Inn
Holiday Stationstores
Integrated Designs
Iron Range Agency
JM Longyear, LLC

Chairman’s Circle

The Lake Superior Community Partnership Foundation’s Chairman’s Circle provides an opportunity to join other visionary leaders making economic development in Marquette County a top priority. Together we can create greater capacity and achieve a higher level of success for today and future generations. Exclusive benefits and discounts are available to this group. Each investment is tax deductible and will be applied to the LSCP Foundation, a 501(c)3 corporation.
**2017 BUDGET**

**INCOME**

- Dues: 23%
- Government Fees for Service: 34%
- Contracts: 27%
- Fundraising & Services: 10%
- Grants & Other: 6%

**EXPENSES**

- Marketing & Member Services: 20%
- Operations: 56%
- Economic Development: 24%

**Dues** $214,180
Government Service Fees 41,000
Contracts 63,085
Fundraising & Services 167,493
Grants & Other 142,675
Total Income $628,433

Marketing & Member Services 118,654
Operations 144,608
Programs 341,907
Total Expense $605,169
Net Income $ 23,264

**BRAND PILLARS**

We are the region's leading economic development resource.

We provide a wide variety of affordable and effective development services - for businesses and municipalities.

We help make the connections that matter - between businesses, organizations, leaders and legislators.

We provide a powerful legislative voice, advocating for programs and policies that strengthen our regional economy.
At the LSCP, we feel it is important to give back to our community. Below is a list of the ways we stay involved.

- 40 Below Marquette County Young Professionals
- Evergreen Awards selection committee
- Iron Ore Industry Museum board member
- Ishpeming-Negaunee Rotary Club
- Kiwanis Club of Marquette board member
- Lake Superior Leadership Academy
- Marquette Breakfast Rotary
- Economic Club of Marquette County
- Marquette Symphony Orchestra
- TruNorth Credit Union associate board member and supervisory committee
- Career Technical Education committee
- YMCA of Marquette County board member
- Western Marquette County Health Foundation board member
- Regional Prosperity Initiative Advisory board
- Big Brothers Big Sisters board member
- Accelerate UP Resource Member

The LSCP strives to stay educated and informed. Below is a list of certifications our staff members have and awards/designations we’ve worked to achieve:

**Lake Superior Community Partnership**
- Accredited Economic Development Organization (AEDO)

**Staff Credentials**
- Certified Economic Developers
- Certified Global Business Professional
- Certified Fund Raising Manager
- Certified Economic Gardening Specialist
- Michigan Economic Developers Association (MEDA) Vice President
- Economic Modeling Specialists International Certification
- Certified Local Labor Market Information User
- International Economic Development Council (IEDC) board member
- Economic Development Research Partners (EDRP)
- Certified Business Solutions Professional

“When Michigan Broadband Services expanded operations into Marquette County, we realized that we needed to network with businesses on a face to face basis. We chose to put our Lake Superior Community Partnership membership to work for us and we hosted a Business After Hours. Betsy made it so easy for us to put together our BAH and we certainly got a return on the minimal investment to host. We received a lot of inquiries into our products and services and increased our business footprint as a direct result of the event. We were so impressed with the results of the BAH that we decided to participate in the Business to Business Expo, which totally exceeded our expectations...so much that we have already discussed sponsoring the event for next year. The LSCP has created fantastic opportunities for business owners to showcase their products and services and I would definitely encourage others to take advantage of these events.”

-Tammy Johnson, Michigan Broadband Services
2016 BOARD OF DIRECTORS

Officers
Chairman
Dennis Smith
Upper Peninsula Health Plan
Vice Chairman
Mike Fedrizzi
Blue Cross Blue Shield of Michigan
Treasurer
Roxanne Daust
Range Bank
Secretary
Barb Siehr
Upper Peninsula Power Company
Economic Development Division
Brett French
American Transmission Company
Administration Division
Jesse Bell
Bell Financial
Investor Relations Division
Dave Aro
Superior Rehabilitation & Professional Services
Trustee
Fritz Erickson
Northern Michigan University
Ex-Officio
Tom Edmark
Iron Range Agency

Directors
Tom Baldini
Marquette City Commission
Stu Bradley
Retired
Gerry Corkin
Marquette County Commission
Bryan DeAugustine
NICE Community Schools
Joe Derocha
Marquette County Commission
Sam Elder
Elder Agency
Scott Erbisch
Marquette County
Robert Eslinger
Northern Michigan University
Don Gladwell
Charter Communications
Bruce Heikkilä
Marquette County Commission
Robert Jamros
WLUC-TV6

Phil Johnson
Casa Calabria
Stephanie Jones
Select Realty
Brian Kerrigan
Michigan Regional Council of Carpenters
E.J. Kutchie
Cliffs Natural Resources
Steve Lawry
Chocolay Township
Victoria Leonhardt
GLCYD/ 40 Below YP
Scott Lyman
Iron Range Agency
John Marshall
Retired
Hugh Miller
Upper Peninsula Medical Center
Tom Mogush
WMQT/WZAM
Keith Moyle
Upper Peninsula Power Company
Lisa Mongiat
Prudential
Ryan Nummela
Elder Agency
Jeff Nyquist
NeuroTrainer
Rick Peterson
Hampton Inn
Amy Quinn
GLCYD
Don Ryan
The Ryan Report - TV6
Jesse Schramm
Checker Transport
Joel Schultz
CUPPAD
Deborah Veihl
Marquette-Alger RESA
Stephanie Zadroga-Langlois
Northern Michigan University

CORE VALUES

Leadership
Consistently lead economic development efforts across the region, leveraging its staff, resources and partners to spearhead major project efforts, secure collaborative support for key initiatives and deliver measurable value to its constituents.

Expertise
Regionally recognized and respected for its economic development expertise, its track record of delivering tangible results and its highly capable, credible staff.

Focus
Maximize its positive impact on the region by remaining clearly and consistently focused on its core economic development mission, and by relentlessly pursuing its carefully crafted, publicly stated agenda.

Integrity
Consistently earn the respect and trust of its clients, partners and peers by acting with honesty, integrity and professionalism in all business dealings.
2016

WWW.MARQUETTE.ORG