

2022

Annual REPORT

PREPARED BY
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NIKKI RADKE

Sault Ste. Marie

ECONOMIC DEVELOPMENT CORPORATION

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SANDERSON FIELD AIRPORT
SandersonField.com | @SandersonField



OUR MISSION

The Sault Ste. Marie Economic Development Corporation is dedicated to bringing prosperity to the City through economic growth in all industries with the expansion of current businesses and the attraction of new ones. We help entrepreneurs take their ideas and turn them into realities, whether they are creating something entirely new or looking to grow an existing business. We are dedicated to our community and value the businesses that bring economic prosperity to the Sault.

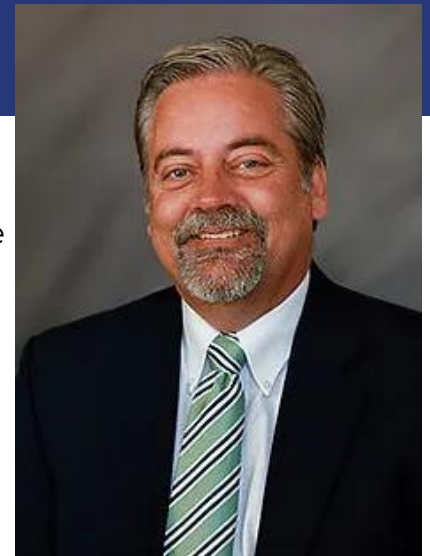
Director's Report

We are pleased to present our 2022 Annual Report for the Economic Development Corporation (EDC). It has been a challenging year for us and for the Economy, with rising costs and shipping delays, however we are once again pleased that new opportunities were brought to our community. We also want to welcome Andrew Rubinstein to our board as a city liaison. We look forward to working with Andrew.

Detroit Die has been a part of our community for many years, and we are pleased to report that they are our newest partner in our Industrial Incubator on Easterday Avenue. This move allows them to bid on additional projects and expand their workforce. Their sizeable investment in this transition is appreciated, and we look forward to assisting them in their growth.

One of our goals each year is to identify and promote any vacant building and properties in the city. One of the tools available to us is the Zoom Prospector program through the State. This service allows us to include them in a state-wide search program. We have done this for several sites, and we appreciate the state for this valuable service.

We are happy to report that the JETA Corporation has purchased a parcel in our air industrial park. This allows them to expand their business into Michigan, and more than happy that they chose the Soo. JETA is a supplier of many industrial products and will work hand-in-hand with large corporations across the Nation. Welcome Linda and your staff! The building process is scheduled to start in late 2023.



We are very happy to welcome U-Haul Company to our community. They have purchased the former K-Mart property, and they have made a sizeable investment in our community including property improvements and hiring staff. We wish them all the best.

Another vacant building was Main Filter on Meridian Street. After many showings, we were able to connect the owner with a new tenant, Red Bull beverages. We look forward to assisting them in any way we can.

Our Brownfield program continues to be a very desirable program for clean-up and development of properties. Our two projects, LSSU CFRE and the MAC Building are wrapping up and near completion. We were successful with obtaining \$2 Million dollars in grant funding for these projects, which has and will lead to increased employment and cleaning up our environment. We have been told that without the Brownfield program the project would not have been possible. We look forward to the growth of the CFRE and the housing & retail space provided by the MAC project. I am confident that 2023 will see additional Brownfield projects.

We continue to work with our area businesses, including our manufacturing community. A message that we consistently hear is that they cannot find staff to fill vacant positions. If you know someone that is looking for employment (engineering, accounting & more) please contact our office as we may be able to assist you.

The Soo Locks project is progressing as scheduled. We are pleased to have partnered with the general contractor, and we meet with them regularly. They are gearing up for the 2023 construction season and will be looking for skilled labor positions. Please contact us if you or someone you know is interested in a career.

THE YEAR IN NUMBERS

03

\$156,012

funding secured to carry out projects including:

- \$6,012 EGLE Tire Grant
- \$10,000 SBDC/GVSU BAF
- \$140,000 MEDC Gateway

48%

increase in rent revenue at the industrial incubator, an asset to the Economic Development Corporation and the community.

#51

meetings this year:

- 12 Airport Advisory Board
- 9 Brownfield Redevelopment Authority
- 11 EDC Board of Directors
- 8 Economic Resource Alliance
- 1 Local Development Finance Authority
- 11 Tax Increment Finance Authority III

BOARD OF DIRECTORS



Dan Dasho
Chair,
Retired Cloverland Electric



Kelley Bunker
Vice-Chair,
Sault Machine Works



Tim Ellis
Secretary,
Eagle Radio 95.1



Jim Devaprasad
Treasurer,
Lake Superior State University



Josh Billington
Michigan SBDC



Rob Landis
Central Savings Bank



Gary Sharp
Old Mission Bank



Thomas Veum
Veum Law

This year we saw the resignation of board member Jacob Brown and wish him best of luck in his future endeavors. We are excited to welcome Craig Krouth to our board in 2023.

EDC STAFF

CITY OF SSM LIAISONS



Jeff Holt
Executive Director



Nikki Radke
Development Specialist



Shane Miller
January 2022 - October 2022



Andrew Rubinstein
November 2022 - Present



2022 Highlights

With the COVID-19 Pandemic coming to and end with businesses and gatherings allowable we are able to host more events and engage the community again!

January:

Assisted in the planning of the temporary housing project that will hopefully be taking place in 2023 for the Locks & Enbridge projects.

February:

We hosted three Business Career Tech classes from Sault High School to talk about the EDC and starting a business, teaming up with the SBDC.

March:

We sent out 25 US Coast Guard Welcome Binders as well as created a virtual binder for information prior to moving.

April:

We teamed up with the UP Construction Council to host a Union Hiring/ Job Fair with 60+ applicants and 250+ High school students.

May:

We held a hospitality and customer service workshop in collaboration with Superior Hospitality Partners.

June:

We sent out the U of M E-Cities survey to local business owners to receive a metrics of Sault Ste. Marie compared to other Michigan cities

July:

We worked with the MEDC, EGLE and the State Land Bank to host a Property Redevelopment Workshop.

August:

We toured the MAC Building with the Brownfield project coming to an end, blueprints show commercial offices/space, and nine apartments.

September:

We assisted Detroit Die Cutting/ OMNI in expanding to the Industrial Incubator, as they grown in sales they look to hire more employees.

October:

We assisted and helped with the EUPISD Manufacturing Day in which seven area manufactures were able to educate the students on manufacturing.

November:

Presented to new Coast Guard members on the EDC services and welcomed them.

December:

Applied for and received the Rural Child Care Innovation Program which will allow us to prove the need for more childcare.



SMARTZONE TENANTS

06

We welcomed a few new tenants at the SmartZone this year and have enjoyed assisting them in the business startup / expansions.



N1 Solutions is an Ontario based firm that began as a security company in 1980 and has since expanded to include technology, IT, maintenance, and business support solutions. In 2018, the company further expanded operations to become an international brand, with their first office in Sault Ste. Marie, MI. In the States, they serve as an innovative company, providing dynamic solutions to their customers. In 2022, N1Solutions employed one fulltime and one part-time employee.

Osprey Technologies is a design and analysis engineering firm specializing in composite structures. Osprey employs 2FT and 2PT staff.



By the Numbers

employed this year

16 Full-Time

7 Part-Time

23 TOTAL



Superior Forensics Engineering, LLC was established in 2011 with the goal of providing enhanced automotive and forensic engineering expertise for a diverse group of clients and their products. They offer a wide range of services and design analyses to meet the unique requirements for each case. The Sault Ste. Marie location has 2 FT employees.



Ideas²Production
I2P, LLC

Ideas Production LLC and Omni Metal Craft are engineering firms that serves a parent manufacturing firm in Alpena, MI. They are also material handling and a custom metal fabrication manufacturer. In 2018, they expanded their Engineering and Project Management resources to the Sault Ste. Marie area. They chose to come to the SmartZone so they could work with engineering students at LSSU and Ontario partners. The SmartZone office currently has 5 employees, four of them are LSSU Part-Time interns.

SIS Manufacturing: The Sault SmartZone is home to the company's U.S.-based corporation. Future plans are to increase U.S. operations and manufacturing. They currently have 1 full-time employee.



The EUPRPDC is one of 14 Regional Agencies in the State of Michigan and was established in 1968 as a multi-county organization to pool resources for the assistance of local governments in the Eastern Upper Peninsula. They assist EUP municipalities and counties in the areas of grant writing, community surveys, land use planning, recreation planning, economic and community development, transportation, and GIS mapping. They currently have 6 full-time employees.

SAM is a 3D printing company that can also offer design services. S.A.M. employs 1 full-time employee.



TRUCOR specializes in manufacturing housing and commercial/industrial building solutions for First Nation, Federal Government Housing departments, and other government departments requiring permanent and temporary/emergency housing and buildings. The Sault SmartZone is home to their U.S. Corporation with plans to increase manufacturing in the US. They have 2 FT employees.

FACILITIES

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The Sault Ste. Marie EDC guides individuals through the process of establishing their business. Our SmartZone incubator, located on Meridian Street, provides start-ups with the opportunity to rent office space for the growing business. The mission of the SmartZone is to provide high-quality and economical product development services for entrepreneurs and businesses throughout the region by providing access to current manufacturing facilities, business training programs, and skilled industry personnel.

SMARTZONE



- Suite 104: (available)
- Suite 106: EUP Regional Planning, Jeff Hagen
- Suite 107: Superior Forensic Engineering
- Suite 108: Trucor Steel Structures, LLC
- Suite 109: EUP Regional Planning, Ellen Benoit
- Suite 110: The SIS Group
- Suite 111: N1 Solutions
- Suite 116: Jeffery Holt, EDC Executive Director
- Suite 117: Nikki Radke, EDC Development Specialist
- Suite 118: Conference Room
- Suite 121: I2P, LLC
- Suite 122: EUP Regional Planning
- Suite 127: Superior Forensic Engineering
- Suite 128A: Osprey Technologies
- Suite 128B: (available)
- Suite 128C: Superior Forensic Engineering, (available)
- Suite 128D: Superior Additive Manufacturing, LLC

INDUSTRIAL
INCUBATOR



Leased by:

Prometric
CCMS
Kokosing-Alberici
Detroit Die Cutting/OMNI



In September, Detroit Die Cutting rented out 20,000 sq. ft. and office space of our industrial incubator. They are looking to expand their operation and hire new employees.



Marketing Success

This year we received several offers for our air industrial lots and have sold two of them. After a few months of vacancy at the Industrial Incubator, we leased to Detroit Die Cutting/OMNI in hopes to see their business expand. We welcomed two new SmartZone tenants, Trucor USA and Superior Additive Manufacturing.



Newsletter

The EDC E-newsletter has a circulation of 1,813 readers. The average open rate for our content is 35%, exceeding the industry average by 13%.



Website

SaultEDC.com has seen an increase in traffic throughout the past year. Total site sessions for 2022 equal 5,71 with 2,53 unique visitors and an average use time of 6 minutes and 12 seconds. Through regular website updates, we hope to keep numbers up in 2023.



News & Radio

Our Executive Director is a monthly guest on Radio Eagle's morning program. Holt was also interviewed by 9&10 News on welcoming back the Canadian traffic. The EDC was on the front page of the Sault News for the presentation of the economic impact award to Kokosing-Alberici.



Social Media

We are happy to report that our four social media platforms have all grown throughout 2022. In the past years, our Facebook following increased by 9% while August saw our post with the highest organic engagement of the year. Our August post announcing the progress of the MAC Building reached 2.1k people and 832 engagements.

Followers in 2020

2,015

371

128

83



2,225

470

218

144

Followers in 2022

Sault Chamber of Commerce announces award winners at annual banquet

Brendan Wiesner The Sault News
Published 6:02 a.m. ET March 2, 2022



Sault Economic Development Corporation Executive Director Jeff Holt presents the EDC Industry Achievement Award to Kokosing-Alberici and Kokosing- Austin Dernberger. Peter Scornaienci

Sanderson Field Municipal Airport : 2022 In Review

09

SandersonField.com | @SandersonField @SooPilots

2022 Growth & Highlights

The resident CFI (Certified Flight Instructor) cannot unfortunately fly anymore due to medical issues. Therefore, he only conducted 1 Training flight this past year. Sanderson Field is looking for someone to assist in continuing this program.

Nearly recovered from the COVID numbers by the summer of 2022. There were some travel restrictions existent in Canada which dropped Oshkosh numbers somewhat, but we anticipate that too will be back to normal this year.

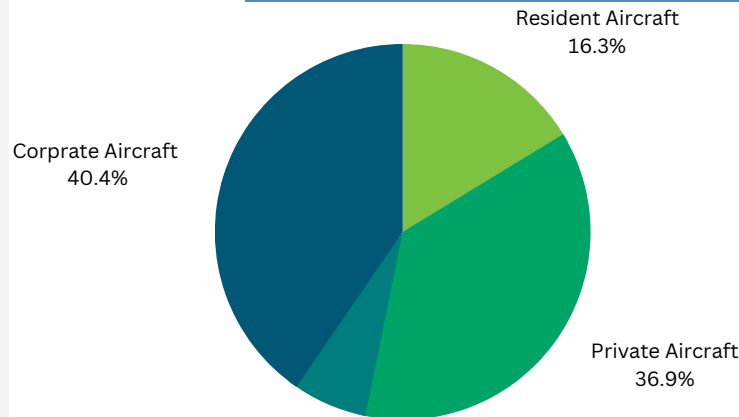
Planned the upcoming Cessna 170 association fly in summer 2023.

Attended the MDOT airport conference in September 2022 on Mackinac Island, and will be attending this year's (SEP 2023) in Muskegon. Also attended the MAAE Conference in Lansing (FEB 2022).

Completed a compliance analysis and were going to present it to MDOT at the MAAE conference. When it was canceled it was decided to complete an updated Airport Layout Plan and include it with the compliance analysis, then set up a meeting with MDOT where we would have all the requirements met that they had outlined in the October meeting.

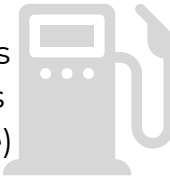
Had two CTE students. One has completed the 21-22 school year and another has completed all the classroom maintenance training, and we have been going over pilot ground school with him, as well as continuing with the hands on work this school year.

816 Total Flights



Fuel Stats

Total AVGAS Sales: 9,228.8 Gallons
Total JET A Sales: 22,200.9 Gallons
Based ACFT - 14 (all single engine)



New Hires

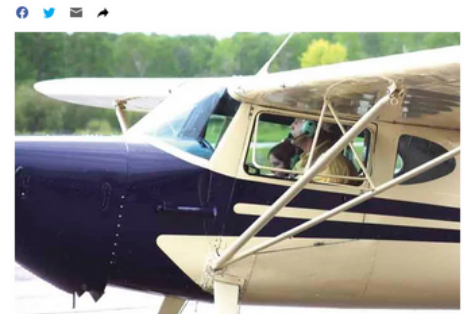
FBO Services, Great Circle Aviation currently have four employees, one is full-time and three are part-time. Additionally, they have two owners, brothers, Dave & Ted Waite.



Started the application process to the National Plan of Integrated Airport Systems (NPIAS) with multiple meetings with MDOT AREO moving forward with the process. Received many Letters of Support from the U.S. Army Corps of Engineers, Border Patrol, the U.S. Coast Guard, and many other state agencies as well as from MyMichigan Health as a result from an average of 5-6 medivacs monthly. With the support from city council, Sanderson Field began presenting the case to NPIAS to be considered for membership. This would guarantee federal and state funding to keep the airport open for the next several years.

Sanderson Field airport applying to receive federal funding

Brendan Wiesner The Sault News
Published 6:01 a.m. ET Aug 20, 2022



Pilot Bob Schallip prepares to take off from the Sanderson Field Airport with 10-year-old Mercy Richard of Pickford in the passenger seat for an aerial tour of Sault Ste. Marie. Schallip and other local pilots provided more than 100 young people with free airplane rides celebrating the Young Eagles program. The Sault News

SAULT STE. MARIE — Sanderson Field, a local airport outside the City of Sault Ste. Marie, has taken the first step to joining the National Plan of Integrated Airport Systems.



The Soo Pilots Association hosted many events at Sanderson Field including:

- Young Eagles Day in which 92 children from ages 8-17 received complimentary aircraft rides on Saturday, June 11th and became Young Eagles.
- Fall Color Tours saw about 40 attendees at \$25 a ride on October 1st leaving both our of Sanderson Field and the Seaplane Dock!
- Movie in a Hanger had about 60 children attend to watch Disney's 'Encanto' at Sanderson Field on September 30th. The cost was just \$5.

All events had a great turn out and Sanderson Field is lucky to have the active Soo Pilots Association EAA 1437.

"In Memory of Jack Wartella" - The Sanderson Field Airport family faced a difficult announcement of Jack in August of 2022 on his passing. Jack was the Vice President of the Soo Pilots Association and held Sanderson Field near to his heart. Just this past Spring, Wartella had created a new version of the Seaplane dock to lighten the weight, making putting it in and taking it out easier for volunteers. The Seaplane dock sees many visitors through the Spring - Fall months and is also a Sanderson Field Port of Entry.





Marketing Success

We continue to market the Air Industrial lots with two being sold last year, and much interest in a few others.



Website

SandersonField.com saw 2,816 site sessions for an increase of 16% and had 2,483 unique visitors, up 10%. The average session duration was up to 2m 1s up 14%. 2,245 sessions were from the United States, while 412 of them were from Canada. We also saw site visitors from India, the UK, Germany, Japan and China.



Social Media

We are happy to report that our Facebook saw a 18.2% increase in page reaches with 415 page followers, 14 of them new within the 2022 year. The page saw a 45.7% increase in page visits at 679.



News

Sanderson Field was in the news many times in 2022 including The Sault News for applying to NPIAS, 9&10 News for Young Eagles Day and The Soo Leader for Movie in a Hanger and Fall Color Tours.

Our Airport Authority Board & Fixed Base Operator

Thomas Veum | Veum Law & Pilot | Chair

Fred Smith | Smith & Co. Real Estate & Pilot | Vice Chair

Terri Wolski | Retired Teacher & Pilot

Jim Cloudman | R&B Electronics & Pilot

Bill Munsell | Retired LSSU Finance Administrator

Bob Schallip | Soo Locks Boat Tours & Pilot

Duane Penzien | DpenzTECH Consulting & Student Pilot

Tom Brown | Airport Manager & Pilot

Shane Miller | City Commission Liaison

David Waite | Fixed Base Operator

2023 IN SAULT STE MARIE

2023 will see the City running the day-to-day operations of the SmartZone. This transition will allow the staff of the EDC to focus on business expansion and attraction.

The EDC Board of Directors and the City Commissioners approved the RFP of Explorer Solutions to complete a city wide Economic Development Strategic Plan. The community and youth will have the opportunity to take part in this initiative.

Some challenges to our area, state and national economy include increased product costs, labor shortages and rising interest rates. Our community will need to work together more than ever to strengthen our cities economy.

The EDC will see some financial challenges. We are always looking alternative funding for our operations.

The EDC has created a Economic Resource Alliance Core Group with the Downtown Development Authority, Chamber of Commerce, Conventions and Visitors Bureau, EUP Regional Planning, and Chippewa County EDC to establish five prominent buildings in the Sault Area to market to developers. We are looking forward to hosting events within this group such as open houses and land development summits.

Due to attracting many businesses in our area, we are looking to identify available business space for start-ups and business expansions.

We are planning to re-establish our Manufacturing Alliance Group to re-connect and identify needs. Having these meetings will allow us to assist them in any way we can, including but not limited to, financing, staffing and marketing.

We have applied for an received a Rural Childcare Innovation Program which will allow us to connect providers, employers, and parents as well as create statistics to send to state legislators to prove the extravagant need in our area.

Identifying needs of our labor and housing shortage via participating in the UP wide labor and housing studies and following the 2021 Housing study and working with developers to identify the stated needs through our community.