

Why is this project significant to Michigan?

The youthful population is depleted and continues to deplete in the region: the region's median age in 2019 was 46 years old, the median age in the City of Sault Ste. Marie during this same time frame was 33.4--the U.S.'s median age was 38.1 years old.

The average unemployment rate in Chippewa County during 2021 was recorded at 6.3, significantly higher than statewide rate in Michigan, of 4.9. During 2019 the population of the City of Sault Ste. Marie was estimated at 13,591, which represents a decrease of 5.8% from the 2010 ACS 5-Year Estimates.

The median household income in Sault Ste. Marie \$38,341 which according to the 2019 ACS 5-Year Estimates was roughly 61% of the US measure. The per capita income of the Eastern Upper Peninsula was recorded at \$26,468 in 2019, which was 75% of the US measure.

Cluster-wise the EUP continues to depend heavily on service industry (tourism) and retail, with governmental and health care and natural resources-based industries also playing a large role. The top clusters (location quotient over 2.0) in Chippewa County continue to be scenic and sightseeing transportation; forestry and logging; museums, historical sites, zoos, and parks; support activities for transportation; general merchandise stores; accommodation; and gasoline stations. In Chippewa County: health care, government, manufacturing, accommodation, and tourism are the primary industries that drive the local economy.

Your proposed investment will address diversification and workforce development by adding the outlined Carbide Dock amenities. By gathering user feedback from cruise ships, cargo vessels, government security and protection agencies, and businesses that benefit from those that utilize the dock, we better understand the shortfalls of our current dock, and what would not only provide for current day traffic, but future growth at this location. Without appropriate mooring bollards, cleats, and fendering, we are essentially turning ships and goods away from our port, increasing costs for end users, and limiting opportunities in our region. Fixing the dock is just one step, but in order to make it ready for a wider array of users we need the required amenities and security systems in place. By not doing so, we are losing out on revenues, not only immediate in nature such as not collecting dock user fees, fuel, and supply sales, but also indirect revenues from the travelers and crewmen when they stay in our city, whether for business or pleasure. Also, by not having the correct tools for ships at our dock, we are hurting the other governmental agencies that could also benefit from cost savings with shorter travel time, repairs, required inspections such as the United States Coast Guard, United States Customs & Border Patrol, the United State Army Corps of Engineers, Michigan Army National Guard, and the Michigan Department of Transportation, just to name a few.

A 2017 study by Michigan Ports reflects water-based visits to the Sault Ste. Marie area stimulated, roughly \$13.2M in restaurant revenues and approximately \$12.4M in lodging revenues around the state (Table 30). Such spending supported about 1,374 FTE jobs across Michigan and was associated with roughly \$62.5M in labor income. Significant tax revenues derive from this water-based tourism and recreational activity in the Sault Ste. Marie area. Specifically, the state of Michigan and municipalities

within the state collected an estimated \$11.2M in tax revenues in 2017 due to this tourism and recreation. Moreover, the federal government witnessed approximately \$13.8M in tax revenues.

TABLE 30: THE ECONOMIC IMPACTS OF SAULT STE. MARIE'S WATER-BASED CULTURE: TOURISM AND RECREATION-RELATED COMPONENTS					
2017 Water- Based Tourism and Recreation	Economic Impact:	Total: \$164.4M	Direct: \$90.2M	Secondary (Indirect and Induced): \$74.2M	
	Visitors' Largest Spending Categories:	Restaurants: \$13.2M	Lodging / vacation rentals: \$12.4M	Gas: \$6.4M	Groceries: \$4.3M
	Jobs (FTE):	Total: 1,374	Direct: 911	Secondary (Indirect and Induced): 463	
	Labor Income:	Total: \$62.5M	Direct: \$37.9M	Secondary (Indirect and Induced): \$24.6M	
	State and Local Tax Revenues:	\$11.2M			
	Federal Tax Revenues:	\$13.8M			
	Value-Added Effect:	\$91.6M			
These figures are derived from spending in the focal destination and around the state of Michigan as the visitors traveled to/from the destination.					

As seen in Table 31, the total economic impact of Sault Ste. Marie's water-based culture during 2017 was an estimated \$2.7B. This economic activity supported roughly 15,194 FTE jobs around the state and \$1B in associated labor income.

TABLE 31: THE ECONOMIC IMPACTS OF SAULT STE. MARIE'S WATER-BASED CULTURE: OVERALL				
2017 Overall	Economic Impact:	Total: \$2.7B	Direct: \$710.2M	Secondary (Indirect and Induced): \$2B
	Jobs (FTE):	Total: 15,194	Direct: 6,754	Secondary (Indirect and Induced): 8,440
	Labor Income:	Total: \$1B	Direct: \$332.7M	Secondary (Indirect and Induced): \$695.8M

Estimating the economic impacts of Sault Ste. Marie's water-based culture is a unique undertaking, but it is obvious by this study, as well as interviewing our users, that what happens at the Carbide Dock in the Sault, helps Michigan, and that the two go hand-in-hand.

By increasing traffic, both vessels and visitors, to the Carbide Dock we will inevitably be supporting our local economy. By revitalizing our local businesses, service industry, retail, and commercial, they will in turn be able to bounce back, reopen their doors, fully, and hire, even possibly expand. With an increase in demand, we will need to prepare our local workforce for these opportunities which could in turn attract a younger workforce, reduce unemployment, and diversify our local businesses. While the service industry has had a history of low wages, that is changing with Covid, that paired with the skilled trades movement, should prove to increase the median wage in our region.