

THE CITY OF OTSEGO



***ECONOMIC DEVELOPMENT
STRATEGY***

APPROVED BY THE CITY COMMISSION ON

FEBRUARY 3, 2020

Executive Summary of Economic Development Strategy

The City of Otsego appointed and elected officials, subscribe to the commonly used phrase “a rising tide raises all boats.” All residents, businesses and employees benefit from a thriving, active, robust and diverse economic environment here within Otsego city limits. The officials also feel that the relationship is reciprocal. Establishing and maintaining that sort of economic environment requires for active and safe residential neighborhoods, a healthy business inventory and a talented available work force. It is imperative for the City of Otsego to be diligent and persistent on assuring that they are providing all that they possibly can to keep Otsego competitive in the greater Grand Rapids-Kalamazoo corridor.

The City of Otsego is ideally situated between the two anchors of Grand Rapids and Kalamazoo. There are numerous examples across Otsego of members of the same household commuting to both of those locations for their employment. This says two things; the first is that they are choosing to live in Otsego (which is great), and the second is that Otsego currently does not provide the employment opportunity for them to work in Otsego. The second item is one that makes city officials continue to search out opportunities to continue to expand and build upon the current economic environment here in Otsego. Not only is Otsego competing with the massive markets of Grand Rapids and Kalamazoo, but also all of the smaller markets in the region. The largest competition in close proximity is the commercial M-89 strip of neighboring Otsego Township to the east, and a few short miles further east is the City of Plainwell. Plainwell’s identical size and proximity makes it a natural competitor in all definitions of the word. So Otsego must stand out from the crowd. Otsego does that through establishing an economic plan. This *Economic Development Strategy* lays out that plan.

Otsego has slowly undergone an entire economic redevelopment within the last half-century. The history of Otsego had previously revolved around industry that was centered on the utilization of the Kalamazoo River. This led to multiple large paper mills that employed a large portion of residents in some fashion during this industrial boom of the past. The paper industry of today is vastly different from generations past. Currently, Otsego contains only one paper mill. That paper mill is now using recycled paper and is a much cleaner and less labor intensive process. Although only one paper mill still resides; the previous mills’ contaminants and damage done to the river from the industry has been present and on display along the river for decades. The EPA Superfund is currently playing a primary role in cleaning the Kalamazoo River and its effected watershed. This has motivated the City of Otsego to market the underutilized riverfront property. Otsego is challenging residents and patrons to view the Kalamazoo River differently than generations prior; as a source of limitless potential with recreational use, versus the historically viewed industrial use. Part of the Superfund work will include the removal of the city owned dam. That is the last obstacle for kayak and small boat traffic from having access to travel from Kalamazoo to Allegan. This would open up the riverfront to not only recreational economic activity, but also to commercial and popular tourism based businesses. In hopes of coordinating plans with the Superfund work, the City of Otsego has created a Riverfront Redevelopment Master Plan. This Master Plan was organically created with public input on what the riverfront possibilities could and should be in years to come. This

includes a community pavilion, splash pad, boat launch, fishing pier along with other public amenities while still keeping some properties available for privately owned commercial and residential use. This will pair well with the steady City of Otsego economic environment that has been generated by the existing diverse industrial, service, and manufacturing foundation.

Considering the large transition that Otsego naturally took from decades of change in industrial operations, some properties were simply left behind. Transferring from an industrial based economy to a more service based economy is difficult and some large staples from generations past remain stagnate, waiting for their next chapter. These properties were left undeveloped based on sheer age and size of the specialized work space they contain. Those properties will need to have significant investments made to complete that transition. Those locations are known by all and are always front and center in economic redevelopment opportunities and conversations. A reason that officials are confident this redevelopment will eventually occur at these aging locations, is the fact Otsego is heavily trafficked. Otsego receives a lot of visitors.

Otsego makes a conscious effort to intentionally get people into the city limits. Otsego is a Main Street community, which leads to the holding of many different events that draw people into our downtown. The largest is an annual Gus Macker 3 on 3 basketball tournament that draws up to 12,000 visitors over a weekend. Some local businesses feel an immediate economic impact from these events. While other types of businesses don't see that impact, but these events are viewed as another reason one should invest in Otsego. Not only are events held in Otsego, but we are located along M-89; one of the busiest roads in west Michigan. The amount of traffic is steady and constant. This will help anyone looking for a location that their business can be visible by great amounts of traffic. All economic activity needs people, in some fashion.

Another tenet to our economic development approach is supporting those who have already invested in Otsego. And reassuring them why they originally chose Otsego. City officials must make sure they are satisfied and successful with hopes of them remaining in Otsego for years to come. Otsego is not unlike many small cities across Michigan that contains a handful of large employers within city limits. The largest employers include *Otsego Paper Co. (USG)*, *Otsego Public Schools*, *Parker-Hannifin*, *Tengam* and *Safari*. Otsego also offers a diverse list of employment options that are located in small to medium-sized businesses in our thriving downtown and throughout the city.

The City of Otsego is striving to keep all aspects of the economic environment active. We are confident the redevelopment plans listed above accompanying the vibrant economic opportunities we have already established will make for a highly competitive economic development culture that will bring prosperity for years to come. The following details within this *Economic Development Strategy* will explain how all of this will be made possible.

Vision and Goals for Economic Development Strategy

The City of Otsego is confident that the creation and the implementation of the following GOALS will provide for the economic vision that city officials have been working towards. The GOALS will be reached by successfully accomplishing and implementing the following STEPs. The STEPs are not necessarily placed in chronological or sequential order.

GOAL #1

Promote the City of Otsego to neighboring communities in hopes of generating new businesses and customers to existing businesses and spur economic growth. All current and future members of the City of Otsego economic community will be relying upon people. Whether that is customers buying products or utilizing services, or employees that are readily available for work; in some form there is an inherent need for people. The following steps will put people in Otsego. With the people will come customers, employees and entrepreneurs.

STEP #1: Continue and expand on the “*Otsego, the place to be!*” marketing campaign to neighboring communities. This includes promotion online as well as other opportunities as they are made available.

Responsible Party: City Manager, Economic Development Director

Timeline: Now and for years to come

STEP #2: Create and support opportunities to bring visitors to Otsego. This will include public and private events. Promotion should include the appropriate social media platforms.

Responsible Party: City Manager, Main Street Manager, Economic Development Director

Timeline: Now and for years to come

STEP #3: Complete the Riverfront Redevelopment Master Plan projects. This is a long and expensive list of amenities for the City of Otsego to accomplish. However, plans can be orchestrated to incrementally seek out the necessary revenues to provide for the residents of Otsego. In hopes of making Otsego a destination location with items like a community pavilion, splash pad and boat launch.

Responsible Party: City Manager, Main Street Manager, DDA Board, City Commission

Timeline: 2030 to complete all projects

STEP #4: Do ordinary things extraordinarily. Do things that are normally expected of city employees, but do them exceptionally well. A city with well ran departments will demonstrate the pride Otsego residents possess. Again, promoting the City of Otsego to all potential customers, employees and business owners.

Responsible Party: City Employees

Timeline: Now and for years to come

GOAL #2

Prepare and plan for properties across Otsego to be redeveloped. An investment will more likely be made in a property that is operating with adequate infrastructure and able to expand with ease. We must also always be looking to the future and assuring that Otsego is as prepared as possible in relation to what the future might hold for each neighborhood.

STEP #1: Enhance infrastructure when projects provide opportunities. Assess where future development will take place and increase infrastructure when appropriate. If work is not done by city departments, make suggestions to those making the decisions.

Responsible Party: WWTP Supervisor, DPW Superintendent, City Manager

Timeline: Now and for years to come

STEP #2: Identify individual parcels or neighborhoods within Otsego in need of redevelopment or attention. This can be done specifically with interested parties, or in a larger scale with code enforcement (blight, zoning, etc.) trends. This will also improve the appearance of the parcels and neighborhoods.

Responsible Party: City Manager, Economic Development Director, Main Street Manager, Police Department

Timeline: Now and for years to come

STEP #3: Consistently identify locations of potential redevelopment and economic growth across Otsego and make sure the Zoning Map is prepared for any likely and appropriate economic activity. If it is not, the changes should be made. This work will carry over to the Master Plan and its Future Land Use Map.

Responsible Party: City Manager, Planning Commission, City Clerk, Economic Development Director

Timeline: Now and for years to come

STEP #4: Complete and implement the *Redevelopment Ready Communities (RRC)* program issued by the MEDC. RRC will help prepare Otsego for the handling of and facilitating of any and all redevelopment opportunities in the future. This will make the developers processes smooth and predictable.

Responsible Party: City Manager, Economic Development Director, City Commission

Timeline: RRC Certification by 2022

STEP #5: Focus on redeveloping some of the large aged properties that are difficult to transition from previous uses. These are large properties that are underutilized and may need assistance to complete.

Responsible Party: Economic Development Director, City Manager, Regional Economic Developers, MEDC

Timeline: Completed by 2025

GOAL #3

The existing Otsego business owners should feel as members and active participants in the Otsego community. This will increase the likelihood of them remaining and expanding while investing in Otsego. This will provide for a level of economic expansion from within.

STEP #1: Stay in open communications with business owners. It can be as simple as stopping by regularly to answer questions or share any updates. When possible include them to participate with city activities.

Responsible Party: Economic Development Director, Main Street Manager, City Manager, DDA Board

Timeline: Now and for years to come

STEP #2: Continue to provide quality public services to all, in hopes of keeping business owners satisfied in Otsego.

Responsible Party: WWTP Superintendent, DPW Superintendent, Police Chief, City Manager

Timeline: Now and for years to come

STEP #3: When the situation arises, put business owners in contact with state agencies for assistance. The possible forms of assistance at the regional and state level change regularly, so officials will need to stay in contact with those agencies to know what is available.

Responsible Party: Economic Development Director, Main Street Manager, City Manager, Regional Economic Developer, MEDC

Timeline: Now and for years to come

STEP #4: Discuss and study the current economic options in Otsego and search out additional options and improvements. Seeking out 3rd party services when appropriate.

Responsible Party: Main Street Manager, Economic Development Director, Economic Vitality Committee

Timeline: Now and for years to come

STEP #5: Update current business owners with trends and statistics from Otsego specific business activity. This can be formal and informal communications.

Responsible Party: Main Street Manager, Economic Vitality Committee, Economic Development Director, Regional Economic Developers

Timeline: Now and for years to come