

2003 ECONOMIC REPORT FOR NEWAYGO COUNTY

The expansion and diversification of the Newaygo County economy continued in 2003 as employment, population and property values continued to climb. In general, the economic condition of the county is strong, especially in light of negative trends in manufacturing employment at the national and state level. Some of the highlights of the year include:

- Continued strong growth in population
- Strong increase in the number of residents with a job
- Inclusion of Newaygo County in the new Grand Rapids Metropolitan Area definition.

Population

Newaygo County has been and continues to be one of the fastest growing counties in the State of Michigan and nation. From 1990 to 2000, the population of Newaygo County grew from 38,206 to 47,874, an increase of 9,668 or 25.3 percent. Just how strong has population growth been? During the 1990's, only 249 counties in the U.S. (out of 3,141) grew at a faster rate and added more people than Newaygo County. In Michigan, only two counties grew faster and added more people during this period.

The most recent estimate puts the population of Newaygo County at 49,271 as of July 1, 2003. This is an increase of 2.9 percent since the 2000 Census and represents a growth rate that is twice as fast as the state. The strong population growth of the past 10+ years is reflective of the outstanding quality of life that Newaygo County offers.

Employment

Employment trends in Newaygo County have been positive especially in light of the most recent national recession and continued slump in the manufacturing sector across the state and nation.

During 2003, employment based on residence in Newaygo County grew by 800 to a level of 20,325. This represents a strong 4.1 percent increase over the previous year. This employment growth was accompanied by even stronger labor force growth of 5 percent. Although the number of unemployed rose by 275 during the year, it was the strong growth in the labor force that caused the unemployment rate for Newaygo County to rise from 8.9 percent in 2002 to 9.6 percent in 2003. Thus, jobs were being created at a very brisk rate as compared to the state and nation but not quite fast enough to absorb all of those entering the labor force during 2003.

Newaygo County's unemployment rate in 2003 remained above the state and national rate of 7.3 percent and 6.0 percent, respectively. However, based on information from the 2000 Census, it appears that the unemployment rate as determined by the monthly Local Area Unemployment Statistics (LAUS) survey for Newaygo County may be a bit

overstated. It is likely that, as information from the 2000 Census is incorporated into the LAUS calculations, the differential between Newaygo County and the state and nation will be reduced.

Given Newaygo County's close proximity to major employment centers in Grand Rapids and Muskegon, it is not too surprising that almost half of the labor force living in Newaygo County works outside our borders. This is also the result of people moving to Newaygo County and keeping their jobs in these other employment centers. However, job growth as measured by the place of business has also been very strong in Newaygo County over the last 10+ years. In fact, from 1990 to 2002 (the last year with annual data), more than 2,500 jobs have been created in Newaygo County. Today, there are approximately 11,000 jobs in Newaygo County, an increase of about 30 percent since 1990.

As compared to the state and nation, manufacturing employment in Newaygo County has fared quite well. Since 1999, manufacturing employment in the United States has fallen by about 21 percent and has dropped 25 percent in the State of Michigan. In contrast, manufacturing in Newaygo County has fallen just 5 percent during this period. Given this slight drop, the manufacturing employment in Newaygo County remains about 10 percent higher than 1990 levels. Our losses in manufacturing have been softened by our concentration in manufacturing in non-durable goods that were not hit as hard by recessions and also by a strong retention program through the Newaygo County Economic Development Office (NCEDO) in partnership with state and local officials.

Employment performance in Newaygo County can be summarized as follows:

- Impressive employment growth by place of residence
- Strong manufacturing trends
- Relatively high unemployment rate that is primarily due to strong local labor force growth.

Major Employers

<i>Employer</i>	<i>City</i>	<i>Product/Service</i>	<i>Employees</i>
Gerber Products	Fremont	Baby Food	1,300
Dura Automotive	Fremont	Metal Stampings & Assemblies	535
Magna Donnelly Corporation	Newaygo	Automotive Doors & Mirrors	505
Gerber Memorial Health Services	Fremont	Health Care Services	470
Fremont Public Schools	Fremont	Educational Services	335
Grant Public Schools	Grant	Educational Services	300
Wm Bolthouse Farms	Grant	Vegetables	250 Seasonal
White Cloud Public Schools	White Cloud	Educational Services	205
Newaygo Public Schools	Newaygo	Educational Services	200
County of Newaygo	White Cloud	County Government	200
Wal-Mart	Fremont	Retail Department Store	195
Hesperia Public Schools	Hesperia	Educational Services	170
Gerber Life Insurance Company	Fremont	Life Insurance	165
Newaygo Medical Care Facility	Fremont	Health Care Services	150
Newaygo County ISD	Fremont	Educational Services	130
North American Refractories	White Cloud	Refractory Products & Furnace Linings	125
Pine Medical Group	Fremont	Health Care Services	110
Transitional Health Services	Fremont	Health Care Services	105
Valspar (Lilly) Industries	Fremont	Lubricants & Oil Additives	100
TOTAL EMPLOYERS	19	TOTAL EMPLOYEES	5,550

Source: Michigan Works! West Central

Property Values

According to the State of Michigan Department of Treasury, equalized values (50 percent of full market value) increased by 8.1 percent in Newaygo County in 2003 as compared to 7.5 percent for the state. Since 2000, equalized values in Newaygo County have grown 32.5 percent, which is also faster than the state growth rate of 29 percent.

Equalized values on a per capita basis were \$30,527 in 2003, as compared to \$36,659 for the state. Much of the differential between Newaygo County and the state is in commercial and industrial property values. This is fairly typical for a rural county like Newaygo. Commercial development typically follows population growth and Newaygo County is beginning to see an increase in commercial developments. A new Wal-Mart Supercenter is under construction in Fremont and a new multi-tenant development is underway in the City of Newaygo.

General Information

Newaygo County is located in the western part of the Lower Peninsula and is the 17th largest county in the State of Michigan in geographic coverage (864 square miles). The county is situated at the northern end of the Greater Grand Rapids and Muskegon metropolitan areas and is a short distance to several regional economic hubs such as:

- Chicago 220 miles or 353 km
- Cleveland 310 miles or 498 km
- Detroit 190 miles or 305 km
- Indianapolis 280 miles or 450 km
- Lansing 110 miles or 176 km

Companies in Newaygo County have access to a vast transportation network including:

Highways: M-37, M-82, M-120, M-20, US-31, US-131

Rail Lines: CSX Railroad

Airports: Gerald R. Ford International, Grand Rapids, Muskegon International, Fremont Municipal, White Cloud Municipal

Ports: Muskegon Great Lakes Port

Industrial Parks

There are three industrial parks in Newaygo County, each certified by the Michigan Economic Development Corporation as maintaining the highest standards in industrial

development. In addition to standard municipal water and sewer services, the parks offer the following:

- Access to CSX Railroad
- Tax abatements and Other Incentives
- Affordable prices
- Available and quality workforce

Fremont Industrial Park: Located on M-82 just east of M-120, 20 miles from US-31 and 25 miles from US-131.

City of Newaygo Timber Trails Industrial Park: Located on M-82 just east of M-37, 30 miles from US-31 and 15 miles from US-131.

White Cloud Industrial Park: Located on M-37 just north of M-20, 30 miles from US-31 and 15 miles from US-131

Technology

Newaygo County is one of the most technologically advanced rural areas in the Country! A fiber optic cable telecommunication network exists that supports data, video, and voice communication capabilities that are available to all county residents. The network connects schools, municipal buildings, libraries, the hospital, private non-profit agencies, and area businesses making accessible universal Internet connectivity, technology labs, two-way interactive video classrooms, and telecommunications services. Broadband Internet connections are available in most areas of the county through cable, DSL or wireless service.

Education

Newaygo County encourages its residents to take advantage of the area's diverse educational resources. The county's many districts provide exemplary K-12 schooling including "hands-on" learning experiences through area tech centers and international study programs. High school students may earn college credits by participating in advance placement courses, and nearby Baker College offers an innovative satellite location for higher education opportunities.

Economic Development Strategy

In 1995, the Newaygo County conducted a strategic plan that identified the creation of a countywide economic development office as the number one priority. In 1999, NCEDO, a private non-profit organization, was formed as the lead economic development agency in the county. This is a collaborative effort between the county, municipalities, the Fremont Area Community Foundations, the Newaygo County Regional Educational Service Agency (NC RESA) and other local private and public stakeholders.

NCEDO has identified four key strategies to promote economic development in Newaygo County:

1. Retain and expand existing businesses and jobs. NCEDO understands the importance of supporting companies that have chosen to invest in Newaygo County. The annual retention program allows staff to meet with existing businesses in Newaygo County on a regular basis to ensure that any problems are resolved in a timely manner and to provide assistance on upcoming projects.
2. Attract and create new businesses and jobs. NCEDO is actively working to bring and create new, high wage jobs into the community. NCEDO has an aggressive marketing program including print advertisement, direct mailings, trade show attendance, and Internet presence. NCEDO also is working with small businesses and entrepreneurs to create new jobs in Newaygo County.
3. Enhance tourism. The same quality of life factors that make Newaygo County a great place to live also means the potential for expanding our tourism is great. NCEDO will be leading initiatives to promote this sector of our economy.
4. Expand Awareness of Newaygo County. NCEDO acts as the primary liaison organization with state and federal agencies involved with economic development. They are also working on development partnerships with regional organizations and universities to bring even more business, technology and innovation opportunities to Newaygo County.

NCEDO's efforts have had a significant impact on the community. Since their inception, they have played an active role in the creation of more than 400 jobs, the retention of more than 800 jobs and private investment of more than \$80 million in Newaygo County.