

Economic Development

In 2015, Networks Northwest, the regional planning organization for Northwest Michigan's 10-County region, published "A Framework for Growth and Investment." The report outlines the economic growth for the region. Strategies for growth and investment generally focus on enhancing the business climate, attracting talent (workers), and strengthening community assets.¹

Tourism

Undeniably the biggest economic force in the region, tourism is central to the economic vitality of Leelanau Township. During the Master Plan open house, participants were asked what type of tourism best describes Leelanau Township. Each type of tourism has a different impact and should be detailed under a larger tourism umbrella. In reality, Leelanau Township is a combination of multiple tourism types and all warrant discussion in the Master Plan.

Nature-based Tourism

Nature-based tourism is defined as tourism based on the natural attractions of an area such as hiking, camping, or birdwatching. Of those who attended the open house, 29.7% described tourism in Leelanau Township as nature-based. Nature tourism attractions in Leelanau Township include the Lake Michigan shoreline, Leelanau State Park, Leelanau Conservancy properties, and other recreational trails. Critical to nature-based tourism is access to and the preservation of the natural amenities. Current practices of the Township, such as the sensitive features overlay are preserving the natural environment. While the intent of such strategies is not to support the tourism industry, indirectly they contribute to a legacy of nature-based tourism. Other recommendations in the master plan such as wetland preservation, shoreline health, and dark sky preservation will also indirectly support nature-based tourism.

Eco-tourism

The practice of ecologically responsible travel that conserves the environment and sustains the well-being of the local people is considered eco-tourism. Elements of eco-tourism are present in Leelanau Township, 26.4% of those asked described tourism in Leelanau Township as eco-tourism. Traveling through the area on bike and camping is an example of eco-tourism because it has a very small ecological footprint compared to traveling in a car. The expansion of connected non-motorized network would enhance the eco-tourism sector by providing a transportation alternative to a personal vehicle. Critical to this goal is a connected system because if non-motorized facilities and infrastructure are not connected people still have to travel by car to reach their destinations. The non-motorized connections specified in the transportation outlines a starting point for future non-motorized development in Leelanau Township. Additional lodging facilities along those connections would provide overnight accommodations for those who wish to experience Leelanau Township in a non-motorized way. One challenge of pursuing non-motorized/recreation-based tourism is that it is predominately only active in the summer months. Winter based recreation such as snowshoeing and cross-country skiing are viable winter recreation activities but are not widespread activities, compared to biking and hiking. Expanding winter recreation in the township

¹ "Growth and Investment", Networks Northwest, <https://www.networksnorthwest.org/community/growth-and-investment/growth-investment.html>

would require highlighting the township in marketing materials as a prime location for snow shoeing, cross-country skiing, etc. However, the lack of open food service and accommodation businesses in the area during the winter limits the capacity for truly embracing winter recreation as a primary economic development strategy. Therefore, marketing efforts about winter recreation should target the region because people who live in close proximity to the township do not require the same amount of food/lodging needs as those who travel from outside the region.

Food Tourism

Food tourism is tourism based on the local cuisine and unique culinary experiences of a local area. Roughly 19% of open house participants described the tourism economy in Leelanau Township as food tourism. In the Leelanau region the main drivers of food tourism are wine, cider, and cherries. According to a 2017 economic impact study, wineries in Leelanau County account for 241 direct and 459 indirect tourism jobs and contribute roughly \$64 million to the local economy.² Given the significant growth of Michigan wineries over the past two decades, the food tourism industry is likely to continue to grow in Leelanau Township. Currently, the only restrictions on wineries, breweries, and distilleries in Leelanau Township is the minimum parcel size of 20 acres. Common resident concerns regarding wineries are the special events, such as weddings and gatherings, that contribute to local area traffic and noise. While these events are an important factor in the local food-tourism economy it is important to balance the needs of residents. Currently, the Leelanau Township zoning ordinance limits special events to three events per premises per month and limits the hours of operation from 10am to 10pm. Overall the food tourism industry is continuing to grow in Leelanau Township and adequate measures are in place to balance food tourism and resident needs.

Cultural Tourism

Cultural tourism, also referred to as heritage tourism, is tourism based on the historical and cultural assets of the community. When asked, roughly 19% of open house participants stated that the tourism in Leelanau Township was cultural tourism. Main cultural and heritage attractions in Leelanau Township include the indigenous peoples' history, maritime history, and the Village of Northport. To expand the cultural tourism industry the local area history should be tied into any marketing efforts or local visitor guides.

Agritourism

Agricultural tourism could fall under several tourism umbrellas (nature-based tourism, food tourism) but is likely most appropriate under cultural tourism. As revenues from traditional farming decline, agritourism opens additional revenue streams for farms and maintains the rural and agricultural nature of historic farming communities. Between 2021 and 2023 the agritourism market is expected to increase by 13.4%.³ Examples of agritourism include farm stays, farm to table dining, and roadside stands. When surveyed about what supplemental agricultural uses should be permitted on a property, all options presented received majority support (table XX).

² "2017 Economic Impact Study of the Michigan Wine Industry", Michigan Grape and Wine Industry Council, <https://michigancraftbeverage.com/assets/docs/2017-economic-impact-study-michigan-wine-industry.pdf>

³ Global Agritourism Market (2021 – 2027), BusinessWire, Mar. 23, 2021.

<https://www.businesswire.com/news/home/20210323005538/en/Global-Agritourism-Market-2021-to-2027--by-Activity-Sales-Channel-and-Region---ResearchAndMarkets.com>

Figure XX: Agricultural Supplemental Uses

Supplemental Use	Community Support	Permitted in the Zoning Ordinance	Changes
Roadside Stands	99.4%	Yes – A and RC Districts	None
U-Pick	94.4%	Not Specified	Add definition, permit in A and RC Districts
Farm Markets	92.6%	Considered retail – C District	Add definition for Farm Market, permit in A, C, and RC Districts
Food to Table Dining	85.1%	Yes – C District	None
Special Events	77.7%	Yes	None
Wineries, Breweries, and Distilleries	77.7%	Yes – A and I Districts	None
Corn Mazes	73.0%	No	Add as a special land use in A District
Farm Stay and Camping (with 4 sites or less)	66.6%	Yes – C and IC District	Add definition for Farm Stay, permit in A, C, and IC Districts

Sustainable Tourism

Sustainable tourism takes into account the economic, social, and environmental impacts of the tourism industry. It equally balances the needs of visitors, the industry, the environment, and host communities. While it is not a distinctive tourism type it refers more to how the tourism industry is managed and the relationship between visitors and residents.

Question for the PC: What are the main tourism challenges in Leelanau Township? – responses will then be connected to sustainable tourism principles

Short-Term Rentals

In areas without traditional lodging facilities (hotels, motels, bed and breakfasts), short-term rentals (STRs) provide accommodation options for many visitors. Leelanau Township defines a short-term rental as the renting or leasing of a dwelling unit for a period of time less than thirty consecutive days.⁴ While a necessity to support the tourism industry, short-term rentals can have some negative impact on residents, including additional traffic and noise. Furthermore, an unregulated short-term rental market can increase housing affordability because people buying homes for the sole purpose of using them for a STR compete against traditional home buyers. This competition increases the cost of housing, making it more expensive for residents to enter the home ownership market. Therefore, it is important to adequately regulate short-term rentals to balance the benefits they

⁴ Ordinance No. 3 of 2020, Leelanau Township, https://www.leelanau.gov/downloads/ordinance_3_of_2020_leelanau_twp_str_ordinance.pdf

provide and the needs of residents. The current short-term rental ordinance controls traffic and noise by limiting STR occupants and establishing quiet hours from 10pm to 8am. However, managing the impact that STRs have on the housing market is more challenging. In a community like Leelanau Township where housing affordability is a pressing issue, one potential solution is capping the number of short-term rental permits given annually. This would limit the number of properties that would be bought and used as STRs/investment properties. The State of Michigan Legislature is currently drafted regulations pertaining to STRs that could significantly impact how STRs are able to be regulated.

Workforce

The employment statistics described in the demographics chapter detail what industries and jobs residents of the Township have but does not cover those who are employed in the Township but live elsewhere. According to the United States Census Bureau, 279 people travel into the Township for work, 216 people live and work in the Township, and 472 residents leave the Township for work. Table XX details some summary statistics for the Leelanau Township workforce. Notably, 76.2% of residents earning over \$3,334 or more each month (~\$40,000 annually) work outside the Township and 66.0% of Township workers earning \$3,334 or more live outside the Township. This means there is a small number of residents who live and work in the Township and earn over \$40,000 annually.

Table XX: Workforce Migration Statistics (2019)

	Workers Living in the Township	Workers Living Outside the Township	Residents Employed in the Township	Residents Employed Outside the Township
Total	216 (43.6%)	279 (56.4%)	216 (23.9%)	688 (76.1%)
Age				
29 or younger	25 (35.2%)	46 (64.8%)	25 (22.7%)	85 (77.3%)
30 to 54	85 (37.9%)	139 (62.1%)	85 (27.4%)	225 (72.6%)
55 and over	106 (53.0%)	94 (47.0%)	106 (39.6%)	162 (60.4%)
Earnings				
\$1,250 or less	65 (44.5%)	81 (55.5%)	65 (34.9%)	121 (65.1%)
\$1,251 to \$3,333	96 (51.3%)	91 (48.7%)	96 (35.4%)	175 (64.6%)
\$3,334 or more	55 (34.0%)	107 (66.0%)	55 (23.8%)	176 (76.2%)
Industry				
Goods Producing	62 (38.3%)	100 (61.7%)	62 (41.6%)	87 (58.4%)
Trade, Transportation, and Utilities	23 (43.4%)	30 (56.6%)	23 (17.8%)	106 (82.2%)
All Other Services	129 (46.1%)	151 (53.9%)	129 (31.5%)	281 (68.5%)

Source: United States Census Bureau

Workforce Housing

While not commonly thought of as an economic development strategy there is a strong connection between a healthy housing supply and positive economic growth. A workforce cannot function if there is not an adequate supply of housing in the community or nearby. A challenge exacerbated

by the remoteness of Leelanau Township. If workers are not able to find housing due to availability or affordability, they have to travel further distances to reach their job which adds a financial cost. Additionally, it makes it more challenging for workers to conduct other functions such as dropping off and picking up children from childcare or school, medical appointments, or other errands because they are spending more time traveling to and from work. If the travel distance and cost become too high workers may look for employment elsewhere which would negatively impact the local workforce. A lack of available and affordable housing also makes workforce recruitment more challenging because potential workers will see high travel distances and costs as a negative aspect of working in Leelanau Township. Therefore, to retain and recruit workers it is important to have an adequate supply of attainable (affordable) and available housing. The housing recommendations in the Housing Chapter will help increase the availability and affordability of housing in Leelanau Township.

Agricultural Housing

A subset of workforce housing, agricultural housing is housing specifically for agricultural workers/migrant laborers and is located on the property where they are employed. The need for agricultural housing wanes throughout the year and peaks during the growing/harvest seasons. Like manufactured home parks, migrant labor housing for 5 or more individuals is regulated and licensed by the State under the Public Health Code. State licensed housing facilities are permitted as accessory uses in the agricultural district.

In addition to the State licensed facilities, Leelanau Township permits year-round farm employee housing as an accessory use in the agriculture district provided that:

- The housing unit is owned by the operator of the farm,
- A max density of one unit per 40 acres owned by the operator,
- Person(s) residing in the unit are employed by the operator for a minimum of 51% of the working hours in the year,
- Units cannot be rented to persons not employed by the operator, and
- Three years after the active operation of the agricultural land housing units must be removed or subdivided from the original property.⁵

The regulations as outlined in the zoning ordinance provide adequate opportunity to develop housing for agricultural workers. Additional regulation limiting the occupancy of year-round farm employee housing to one family per dwelling unit or two non-related individuals per bedroom should be added to the provisions to prevent overcrowding in these housing units. The regulation that farm housing units cannot be rented to non-employees should be maintained because permitting these units as seasonal rentals or short-term rentals would be contrary to the intent of the permitted use.

⁵ Leelanau Township Zoning Ordinance, Article 4 Sec. 4.3(f), <https://drive.google.com/file/d/10oPOTNTbS2gCrf4HoGeYou-Km7lruNe/view>

Commercial Development

Village of Northport

The Village or Northport is the economic center of the community. The vast majority of businesses and jobs are located in the Village. While the Village of Northport is technically within the boundaries of the Township, the Village is a separate planning body with a separate zoning ordinance and Master Plan. Commercial development in the area should be prioritized in the Village because the Village has the necessary infrastructure and the existing commercial activity in the Village will support new businesses as they open and develop.

Given the intertwined relationship between the Township and Village joint planning is the most effective use of local resources and would allow for increased coordination between the two jurisdictions. Pursuant to the Michigan Joint Municipal Planning Act (Act 226 of 2003) the Township and Village can form a Joint Planning Commissions for both or part of each jurisdiction. The responsibilities and powers of the existing planning commissions and zoning board of appeals would be transferred to their joint counterpart.

Omena

Omena, a small concentration of commercial activity along M-22 in the southern part of the Township, is the other commercial node in the Township. Currently, Omena hosts an art gallery, restaurant, wine tasting room, museum, country stores, and post office. Expanding commercial activity in Omena presents several challenges, primarily space. Omena's commercial properties are bordered by residential properties or Omena Bay which leaves no room for new commercial development. Additionally, parking in Omena is a substantial problem, cars have to park along M-22, a major thoroughfare, and there are no pedestrian enhancements to support crossing from one side of Omena to the other. Therefore, it is recommended that additional commercial development in Omena is discourage and efforts should be focused on supporting the businesses that are currently operating. Improvements that should be made in Omena include illustrating the parking scheme via signage and enhancing the pedestrian experience. To enhance the pedestrian experience sidewalks should be expanded on the south side of M-22 from E Tatch Rd to Omena Point Rd and a signalized cross walk should be added so pedestrians can safely move from one side of Omena to the other.

Infrastructure

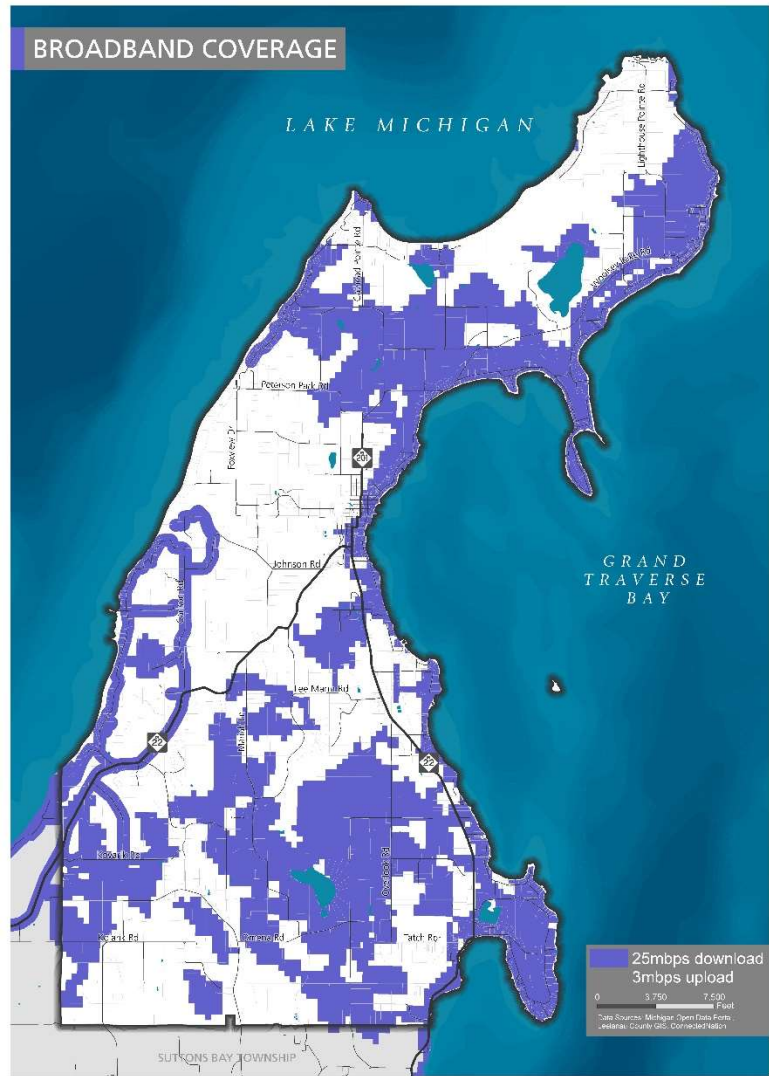
Infrastructure plays an important role in economic development. For example, without adequate water and sewer capacity business can't expand or open. Additionally, large scale infrastructure, like solar farms, can bring economic development in the form of jobs and supplemental income for landowners.

Broadband

Broadband infrastructure provides reliable and capable internet access, a necessity in the 21st century. As an individual broadband provides access to online training opportunities, job searching, and ability to conduct business in an increasing digital world. With broadband business can provide goods and services over the internet. As the “Broadband Coverage” map shows broadband coverage is fairly inconsistent across the Township. When surveyed 35% of respondents to the community survey reported that their internet service does not meet the needs of their household. Common challenges for those whose internet needs are not being met are the speed of service, coverage, reliability, and high costs.

The COVID-19 pandemic made broadband access and expansion a more pressing issue because of the increase in people working from home and more goods and service being provided online (medical appointments, food ordering, etc.). Over half of those surveyed (55.8%) reported working from home at least one day per week, 28% work from home 5 or more days a week. Increasing the ability for people to work from home may also attract new residents because people are less tied to where they work than ever before.

The Leelanau Township Zoning Ordinance currently has regulations that provide for the development of communications towers so future broadband expansion is reliant on the private sector expanding in the area. In May 2020 the Leelanau Internet Futures Team (LIFT), a working group of the Leelanau Chamber of Commerce, updated their action plan in response to the increase in regional broadband need. LIFT and Leelanau County are currently pursuing funding opportunities to expand broadband infrastructure which would increase access for area residents.⁶ The United States Congress passed an infrastructure bill in November that directed roughly \$100



⁶ Updated Report and Action Plan, Leelanau Internet Futures Team, https://www.leelanau.gov/downloads/may_2020_action_plan_report_updatefinal.pdf

million in funds to expand broadband access in Michigan, funding that could greatly improve coverage in Leelanau Township.⁷

Renewable Energy

Renewable energies, primarily solar and wind, provide opportunities for large property owners to diversify their income streams and are a lower emission alternative to more traditional energy sources like coal or natural gas.

Solar Energy

Solar energy and solar energy systems are energy generating structures that utilize the power of the sun to generate electricity. They can be recognized by large black/blue panels installed on the roofs of homes or mounted in fields. Solar energy is increasing in popularity because of its minimal impact on the environment and decreasing cost. By 2040, Consumers Energy and DTE, two state energy providers, plan to build 8,000MW (megawatts) of solar generating power and 10 million solar panels, respectively.

According to Michigan State University Extension and the Graham Sustainability Institute at the University of Michigan, fewer than 20% of Michigan communities have zoning provisions in place to regulate solar energy installations.⁸ In the face of an ever-changing energy landscape that is currently shifting towards more renewable sources, many communities are ill prepared. Leelanau Township currently has no zoning provisions relating to solar installations. Primary considerations regarding solar energy are scale and location. There are four primary types of solar installations: accessory roof mounted, accessory ground mounted, principal use-small, and principal use-large.⁹ Roof mounted installations are systems that are located on the tops of structures and mainly serve the energy needs of the one structure or property. Ground mounted structures are systems that are mounted on the ground or on a pole and mainly serve the energy needs of property. Principal use-small installations are commercial ground mounted systems that produce up to 2 MW for usage in the electricity grid. Principal use-large installations are commercial ground mounted systems that produce more than 2 MW for usage in the electricity grid. Generally, 10 acres of a solar installation produces 1MW.

Based on the guidelines recommended by Michigan State University Extension and the Graham Sustainability Institute, a preliminary zoning scheme for each of the four types of solar installation is detailed in table XX. Table XX is only a preliminary recommendation; a finalized regulatory table will need to be included in the zoning ordinance.

What scale of solar energy should be permitted in Leelanau Township?

Micro-solar farm (<1 acre):
90% agreement

Community solar farm (1 – 5 acres): 79%

Utility solar farm (>5 acres):
73%

Results from Master Plan open house

⁷ Butler, C., "Michigan to Receive \$100 million for broadband internet expansion", *WILX 10*, Nov. 8, 2021. <https://www.wilx.com/2021/11/08/people-ready-better-internet-under-infrastructure-bill/>

⁸ Planning and Zoning for Solar Energy Systems: A Guide for Michigan Local Governments, Michigan State University Extension, University of Michigan Graham Sustainability Institute, Oct. 5, 2021

⁹ Ibid

Table XX: Zoning Scheme for Solar Installations

	Roof Mounted	Ground Mounted	Principal Use- Small	Principal Use- Large
Existing Zoning				
Agricultural (A)	P	P	SPR	SLU
Low Density Res. (R1)	P	P	SLU	X
Medium Density Res. (R2)	P	SPR	SLU	X
High Density Res. (R3)	P	SPR	X	X
Pre-Platted Subdivision (R4)	P	SPR	X	X
Residential Conservation (RC)	P	P	X	X
Government (G)	P	P	SPR	SLU
Commercial (C)	P	P	SPR	SLU
Industrial (I)	P	P	SPR	SLU
Island Conservation (IC)	P	P	X	X
Future Land Use				
Agriculture	P	P	SPR	SLU
Commercial	P	P	SPR	SLU
Commercial Recreation	P	P	SLU	SLU
Government	P	P	SPR	SLU
Tribal	Tribal sovereignty supersedes local zoning law			
Open Space / Recreation	P	SPR	X	X
Industrial				
Low Density Residential	P	P	X	X
Medium Density Residential	P	P	X	X
Suburban Density Residential	P	SPR	X	X
High Density Residential	P	SPR	X	X
Scenic Road Overlay	X	X	X	X

Key: P=Permitted, SPR=Site Plan Review, SLU=Special Land Use

The document titled "Planning and Zoning for Solar Energy Systems: A Guide for Michigan Local Governments" has a model zoning ordinance that provides an excellent template for a zoning ordinance amendment. It is recommended that the Township uses the template as a basis for a solar zoning ordinance amendment.

Wind Energy

Wind energy and wind energy systems are large elevated turbines that spin and generate electricity. The Township currently has zoning ordinance language that regulates wind turbines. The ordinance defines wind energy conversion systems (WECS) into two classes: agricultural use on-site and non-agricultural use on-site. Agricultural use on-site is a WECS installed accessory to a farm and are permitted to have a capacity up to 150kW (kilowatts). Non-agricultural on-site WECS are defined as WECS not accessory to a farm and are permitted to have a capacity up to 20kW. The language as written is functioning for the intended use. No changes need to be made to wind energy zoning language.

Actions

- Highlight the areas cultural resources in marketing and branding efforts
- Highlight winter recreation opportunities in regional marketing
- Add definition for U-Pick, permit in A and RC districts
- Add definition for farm market, permit in A, C, and RC districts
- Add corn mazes as a special land use in A district
- Add definition for farm stay, permit in A, C, and IC districts
- Monitor State short term rental legislation and impose a cap on number of STRs if the legislation allows
- Add occupancy provisions for year-round farm worker housing
- Draft and adopt a solar energy zoning ordinance amendment using the template outlined in "Planning and Zoning for Solar Energy Systems: A Guide for Michigan Local Governments"
- Explore the creation of a Joint Planning Commission between the Village of Northport and Leelanau Township
- Pursue future joint master planning with the Village of Northport and Leelanau Township
- Discourage additional commercial development in Omena
- Add signage in Omena to illustrate the parking scheme
- Expand sidewalks to the south side of M-22 from E Tatch Rd to Omena Point Rd
- Install a signalized crosswalk across M-22 in Omena