

Joint Meeting Four

Monday, October 28, 2024 | 9:00 a.m.

Springville Township Community Center
105 E. Mesick Avenue
Mesick, MI 49668

Attendees

- | | |
|---------------------------------------|---------------------------------|
| Alliance for Economic Success (2) | Manistee Tourism Authority |
| Big Bear Sportsman’s Club | Manistee United Way |
| Cadillac Area Chamber | Maple Grove Township |
| Cadillac Area Visitors Bureau | Marilla Township |
| Chris’s RV Campground | Michigan DNR Fisheries Division |
| Community members at-large (2) | Michigan Trout Unlimited (2) |
| Conservation Resource Alliance | Pat’s RV Park |
| Consumers Energy (3) | Public Sector Consultants |
| Great Lakes Fishery Commission | Springville Township |
| Kaleva Norman Dickson School District | Wexford County (4) |
| Manistee County (2) | |

Welcome and Introductions

- Mark Lagerwey, Alliance for Economic Success (AES), welcomed the attendees and reviewed the agenda and meeting objectives. Attendees who had not attended the previous meetings introduced themselves.

Economic Overview Panel

Shari Spoelman, AES, moderated the panel. Panelists were asked to respond to two questions.

Q1: There are major economic implications to either way forward—relicensing or decommissioning and removing the dams. What are the specific considerations our group should discuss as we address the economic impact of: dam relicensing; and dam decommissioning and removal?

Planning for Prosperity in River Hydro Communities

Manistee River Group: Hodenpyl and Tippy

Sammie Lukaskiewicz, Manistee County Tourism Authority

- Her group uses cell phone data to understand who is visiting the county: where they come from, where they are going, and what they are doing.
- Tippy Dam brings economic activity to the area. People come from a far distance. Her organization is unable to predict how changes to the dam would impact the area.

Kathy Morin, Cadillac Area Visitors Bureau

- The dams are important to local tourism.

Jacob Veith, Kaleva Norman Dickson School District

- The local economy is not diverse and is overly dependent on current dam-related recreation. For example, the population of Brethren increases significantly during seasonal fishing.
- If tourism decreases because of dam removal, then some local businesses will experience fewer sales, which in turn will decrease tax revenues to the community. He is concerned about people moving away if the dams are removed, potentially causing the school district to lay off staff due to fewer students in the district. The baseline state aid in Michigan is \$9,600 per pupil; the school district will have fewer operating dollars if there are fewer students.

Joe Porterfield, Wexford County

- Around 20 properties are located on Hodenpyl reservoir with values of approximately \$1,000 per frontage ft.
- The powerhouse pays more than \$20,000 in tax revenue to the local schools annually. The significant amount of forest land and other non-taxable land makes it challenging to fund local schools.
- Property values have remained constant since 1994; if the dam sells, then they likely will increase.

Caitlyn Stark, Cadillac Area Chamber

- She has interviewed many group members about what economic and community development opportunities they see for the region.
- The results will be better if communities form partnerships and collaborate for future scenarios. Cadillac and Manistee provide examples of creative ways to reach customers.
- There is going to be an evolution of the status quo regardless, and she encourages the stakeholders to work together for better chances of success.

Q2: What economic opportunities exist if the dams are removed?

Planning for Prosperity in River Hydro Communities

Manistee River Group: Hodenpyl and Tippy

- Lukaskiewicz: Tippy Dam fishing mostly happens between August and October. If the dam is gone and the river is free-flowing, then there is potential for year-round fishing and the potential for more year-round tourism in general.
- Veith: There is potential for more river-based recreation and related businesses, including more recreation associated with the Pine River. Over 1,300 miles of rivers and streams would be reconnected if both dams are removed.
- Porterfield: The future uses of the impoundments are difficult to predict due to unknowns such as what lands could be marketable.
- Morin: She invited Dana Castle with the DNR Fisheries Division to talk about the potential for the fishery if the dams are removed. Castle shared that overall, there would be good recreational opportunities for fishing. There would be infrastructure opportunities for hiking trails, camping, and other shifts in the tourism industry. Castle noted communities have shifted away from snowmobiling due to warmer weather. Communities have needed to be fluid and adaptive to changing conditions.
- Stark: Recognize the status quo will not stay the same. It is important for local leaders to share the information with their constituents and elected officials, and it is important for residents and stakeholders to talk to elected officials and educate them about the communities' wishes.

Additional Discussion

- A group member stated the region has seen an increase in tourism since the COVID-19 pandemic. Recreation is largest economic driver for tourism in the region.
- A group member encouraged the group not to confuse a dam failure to a planned dam removal. The Midland dams' failures and the dams that failed in North Carolina as a result of the recent hurricane are not good examples for how planned dam removals happen. If Consumers Energy decides to remove the dams, the removals will be planned. Consumers Energy confirmed that emergency management scenarios are done annually to see how various weather events would impact the area.
- A group member recommended not to focus only on tax revenue as there are other sources of funding available. For example, community foundations have funds to help with new recreation investments or can create such funds.
- A group member asked what portion of tourism spending may be impacted by dams being removed. Lukaskiewicz offered to look at the data her organization collects. She shared the river is a draw for most visitors, generally. Portaging the dams is a negative for many paddlers. Some businesses will not shift or evolve.
- A group member observed that if Consumers Energy decides to remove all 13 dams, that work would not happen simultaneously. Moreover, each dam has unique considerations. For example, it is possible Tippy would stay until there is a plan for the bats.

Planning for Prosperity in River Hydro Communities

Manistee River Group: Hodenpyl and Tippy

Work Sessions for Each Dam

Participants worked together in groups for each dam—Hodenpyl and Tippy. Each group was provided with tables to complete with their priorities and action steps to achieve them. The tables contained items that the groups had previously identified as priority areas and actions. They reviewed this work and made adjustments as needed to address outstanding issues and concerns and made some additions to the tables. Following the work session, each group reported back to the large group. Top priorities were confirmed and will be shared once more with the group members prior to being finalized.

Wrap Up

Angela Thompkins, Consumers Energy, thanked the prosperity group members for their time and commitment to this process. While this is the last meeting of the year, Consumers Energy has made a commitment to continue to communicate with key stakeholders and to provide updates to the communities they serve. Consumers Energy will hold a community meeting after the decision about the dams has been made, in the first or second quarter of 2025.

Regarding the request for proposals for the dams, Consumers Energy received over 50. They have narrowed this down to a much smaller number of prospective buyers. There will be a different cost model for a private utility. The potential buyers are from North America and are independent power producers. The review process will wrap up next year. All three of the current options (relicense, sell, decommission) are still on the table. Once a decision is made, it will be communicated with the prosperity groups.