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TO OUR INVESTORS AND PARTNERS

The Grand Traverse regional economy enjoyed considerable positive momentum throughout 2022. Your organizations continued to demonstrate incredible creativity and resiliency to grow your businesses with ingenuity and move our community forward. Thank you to our member companies, community partners, and public sector leaders for driving sustainable regional growth. It is Traverse Connect's distinct honor to support your hard work.

As we continue to implement our strategic goals to improve the competitiveness of our region, foster business growth, and develop and attract a bright workforce, your businesses' and organizations' success is our first concern. We carried out your priorities in a number of crucial areas with success.

Our state-level advocacy work was successful, and in Lansing, we were able to pass several important bills. With an emphasis on enhancing the business environment in rural areas, Traverse Connect was instrumental in the planning, formation, and budget request leading to the creation of the new Office of Rural Development. We led a bipartisan coalition to pass a package of childcare bills that will make it easier to find and afford the care options our community needs. To support your workforce development, we successfully lobbied for the approval of a bipartisan package of state housing legislation in collaboration with our partners, the Northern Michigan Chamber Alliance and Housing North.

Traverse Connect launched a program in collaboration with Grand Traverse County to increase and enhance resources for our region's manufacturing businesses. This program includes upgrades to Industry 4.0 technology, improved communication with the Grand Traverse Area Manufacturing Council, and direct support for talent development. Nearly 100 regional businesses and entrepreneurs were featured in our "Grow Your Business" campaign, and we welcomed 96 new member businesses.

In our joint endeavor to create a qualified workforce with a variety of educational backgrounds and technical training, we made significant progress. We started the Skilled Trades Explorers Program in collaboration with Kingsley Area Schools to give middle school students a chance to learn more about skilled trades career paths. Our partnership with Michigan Tech facilitated the rollout of the new hybrid TechMBA® program focused on management skills in the manufacturing and technology sectors. More than 1,500 jobs are viewed each month on our Michigan Creative Coast job board.

Our collective efforts are leading to noticeable improvements in several key data points: 47.2% of our population now has a bachelor's degree or post-secondary certificate; we are growing our prime working age population of those 35-49 years of age; we have added new jobs in scientific, professional, technical, and IT fields; our GDP per employee has grown from \$67,000 to nearly \$70,000 per year; and local average wages have grown faster than the state of Michigan as a whole.

Forward-looking regional business sentiment is also on the upswing, with quarterly survey results showing that over 90% of businesses say that the Grand Traverse region is a good place to grow a business, and 77% of respondents say our region is improving as a place to grow a business, a figure that increased steadily throughout 2022.

We anticipate a successful and prosperous year ahead. The stories of local companies fostering economic expansion for our region, highlighted below, illustrate the important positive impact you and your businesses have on our region.

Only with the involvement and financial support of our members and partners is our work possible. We sincerely appreciate your ongoing support.



Sara Harding Chair Board of Directors



Warren Call President & CEO Traverse Connect

ABOUT TRAVERSE CONNECT

MISSION

To advance the economic vitality of the Grand Traverse Region through the growth of family-sustaining careers.

VISION

By 2030, the Grand Traverse Region will be a diversified economic destination of choice powered by growthoriented enterprises providing competitive total compensation to match our world-class quality of life.

BOARD OF DIRECTORS

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Traverse City Tourism

Tonya Wildfong

Team Elmer's

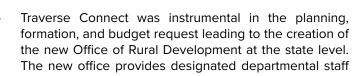
Traverse Connect's accomplishments for 2022 are summarized in relation to our six focus areas that are aligned to our strategic priorities of enhancing the competitiveness of the Grand Traverse regional economy, driving growth of second-stage businesses, and developing and attracting a talented workforce.

STRATEGIC PRIORITIES

IMPROVING THE POLICY LANDSCAPE

 Traverse Connect coordinated with partner organizations to develop a comprehensive action plan for ARPA and Infrastructure funding. In partnership with Networks Northwest, Rotary Charities, and the Grand Traverse Regional Community Foundation, we developed a portfolio of potential projects in the five-county area that can be

candidates for state and federal ARPA funds. The coalition received nearly 150 submissions for potential projects.



to support rural Michigan communities and funding to implement a new rural grant program to support broadband, housing, infrastructure, education, workforce development, and other needs unique to rural areas of Michigan. In addition, we were instrumental in the passage of a package

of childcare bills in Lansing that will help to increase availability and affordability of care options to support staffing needs.

Traverse Connect and the Northern Michigan Chamber Alliance published comprehensive election information to educate our region's business community on the fall 2022 elections and the issues most important to small businesses and our rural communities. Information included comprehensive candidate questionnaires for Michigan Senate and House races across northern Michigan, questionnaires from Grand Traverse County Commissioner candidates, a primary election guide, and a detailed breakdown of the new state House and Senate districts.





Traverse Connect, the Northern Michigan Chamber Alliance, and Housing North successfully advocated for the bipartisan effort to pass a package of state housing legislation in December. The package provides new tools to address our local housing needs in several important ways, including new payment in lieu of taxes (PILOT) programs and temporary

tax abatements for multi-family and single-family housing. Traverse Connect, the Northern Michigan Chamber Alliance, and Housing North attended the bill signing in Lansing.



TELLING THE STORY OF OUR REGIONAL ECONOMY

- Traverse Connect initiated its "Grow Your Business" communications campaign, highlighting companies and entrepreneurs across the region in an effort to tell the full story of our diverse regional economy. The campaign included over a dozen articles and featured nearly 100 local businesses across newspapers, business periodicals, and social media platforms in the first quarter alone.
- Traverse Connect hosted the third annual Scale Up North Awards in May, with many great participant companies, including Oryana Community Cooperative as the winner



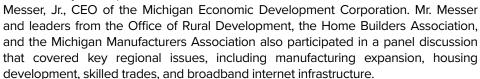
of the Hagerty Scaling Business Award and FirstIgnite as the winner in the Emerging Business category. The program generated significant statewide press highlighting the diversity and strength of our regional businesses.

The new Economic Development landing page on Traverse Connect's website launched in the summer, which emphasizes our Entrepreneurial Ecosystem Growth Model, reports the Scale Up Growth Barometer, and highlights key 'industry cluster'

developments, including a webpage covering the growth of Northern Michigan's Blue Economy and how the Grand Traverse region is well positioned to be the global epicenter for freshwater innovation.



Traverse Connect hosted its Annual Economic Summit in November, which featured keynote speaker Quentin L.











ADDRESSING THE NEEDS OF GROWING FIRMS

 Traverse Connect continues to work with private and public sector partners on targeted industry support services to companies in the manufacturing and skilled trades sectors. These efforts are intended to outline and develop actionable solutions for pressing challenges, including increased access to flexible capital options, programs to support the development of key employees, and

improvements to the long-term talent development pipeline in our region.

SKILLED TRADES
EXPLORERS PROGRAM

Kingsley Middle School 2022/23

OCTOBER-DECEMBER 2022

Tuesdays
3:30-5:00 p.m.
Room #25

Mr Bob Shoaff - bshoaff@kingsleyschools.org

There has never been a better time to consider a career in the skilled trades and construction workforce!

The Skilled Trades Explorers Program is an eight-session program held once a week for 1.5 hours after school hours in Room #25 (The Wood Shop). The Program will help you explore career options in the skilled trades and help you gain inspiration into what particular skill or trade interests you most. By joining the Skilled Trades Explorers Program you'll gain:

1. Hands on learning in general construction, basic carpentry, plumbing and electrical skills that are used in skilled trades careers

2. Meet construction trade professionals and guest speakers

3. Meet construction trade professionals and guest speakers

4. Learn why rhoosing a skilled trade can be a smart and fulfilling career path for you and how to make a plan to meet your career and life goals

FREE REGISTRATION:

SIGN UP
TODAY!

https://bit.ly/STEPKINGSLEY

BUILD
YOUR

BUILD
YOUR

BUILD
YOUR

In partnership with Kingsley Public Schools and Build Your Life, Traverse Connect launched the first Skilled Trades Explorers Program for middle school students. The free eight-week program helped 20 students explore career options in the skilled trades through after-school sessions with local professionals in the construction, carpentry, plumbing and electrical industries. Following the conclusion of the program, parents offered their enthusiastic support for continued growth and expansion of the program into new districts.

"Keep doing this! We need to educate our youth on careers that are not college based." - Kingsley parent

"The program was amazing. I tell everyone about it and friends and family in other schools or states are very jealous and think it's amazing." - Crystal, Kingsley parent

Traverse Connect initiated a partnership with the Grand Traverse

<u>Area Manufacturing Council</u> to strengthen the manufacturing industry and increase economic investment in the Grand Traverse region. Formal collaboration between our two organizations enhances our respective efforts and helps to raise the profile of the Grand Traverse region as a leader in providing a supportive environment for manufacturing companies to grow and prosper.

- A 'Manufacturing Resources Awareness Campaign' centered around developing and publishing a <u>Manufacturing Resource webpage</u> that provides Grand Traverse area manufacturers with the resources they need to grow and expand their businesses and improve the local manufacturing sector's sustainability and growth.
- One of our significant development projects is moving forward with the announcement that Lear Corporation is slated to initiate a major expansion of their Traverse City location as part of their electric vehicle battery program. This expansion, including a new \$28M facility in Traverse City with 79 new high-paying advanced manufacturing jobs, will provide significant economic value to our regional economy and is an important next step in growing the segment of our workforce engaged in advanced and high-technology manufacturing.







CREATING INTERACTIONS FOR BUSINESSES

- Business engagement was robust in the first quarter, with Traverse Connect providing over 60 business referrals and welcoming 33 new member companies. We conducted over 200 business outreach and retention visits and hosted a dozen events, such as the DEIB Summit, Coffee Connection, and the Northern Michigan Policy Conference with well over 400 total attendees, providing an opportunity for business and community leaders across our region to reengage with customers, clients, and partners.
- In the second quarter, Traverse Connect's business engagement included 125 direct business referrals and 22 new member



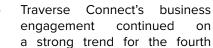
companies. We conducted over 100 business outreach and retention visits and hosted nearly twenty events with well over 1,000 total attendees. Traverse Connect presented the third Scale Up North Awards Finals - the first to be in-person - in addition to the Distinguished Service Award Luncheon, Leadership Lessons from the Field with women leaders in sports from around the country, and the first of three Economic Strategy Session events of the year.

The third quarter saw continued momentum with Traverse Connect's business engagement. We made 54 direct business referrals and welcomed 22 new member companies. We conducted over 140





business outreach and retention visits. We hosted 15 events with nearly 900 total attendees, including the Leadership Grand Traverse Golf Outing, Bully Pulpit, and two Economic Strategy Session events.



quarter, with 57 direct business referrals and 19 new member companies. We conducted 50 business outreach and retention visits and hosted seven events with a total of 985 total attendees, including the Annual Economic Summit - the highest-attended event of the year - and the Traverse Connect Candidate Forum with Michigan House and Senate candidates.





BUILDING THE TALENT PIPELINE

- Traverse Connect launched a new <u>Internship Resource Portal</u> as part of the <u>Michigan's Creative Coast</u> program to support local companies in finding their next generation of talent. In addition, a new resume portal allows prospective employees to upload their resumes to a database that is shared with over 250 regional employers and HR Managers on a biweekly basis.
- The next step in our region's growing partnership with Michigan Technological University was announced in Q2. The new hybrid option of the TechMBA® program focused on business management skills in the manufacturing and technology sectors. The 30-credit degree program began in fall 2022 and included a cohort of students participating in person from the Michigan Tech Grand Traverse Research Office in the Traverse Connect building.





- A cohort of "Northern Explorers" were invited to attend the Traverse Connect Annual Economic Summit to learn more about our area's exceptional career opportunities and lifestyles. These individuals from outside the Grand Traverse region wish to relocate here and represent a range of skills and expertise. Since the November event, several program participants have subsequently found jobs with local companies.
- Traverse Connect hosted four <u>Fresh Coast Quarterly Club</u> meetups for newcomers and current residents. The Meetups are an opportunity to gather in a welcoming space with other people living in the Grand Traverse region, as well as being a great way for remote workers and newcomers to the region to get plugged into a network, meet new people, and learn about one of the most vibrant arts & culture communities in Michigan, the Midwest, and beyond. Sponsorships for 2023 are available.
- Traverse Connect's <u>Community Mentoring</u> program launched to pair professionals in all stages of development with mentors aligned with compentencies in which they sought further development. <u>Leadership Roundtables</u> expanded to serve manufacturing professionals and women executives. Applications for these, and all roundtables, are open to Traverse Connect investor companies.





FOSTERING A CULTURE OF OPENNESS AND CREATIVITY

- Traverse Connect hosted the 2022 DEIB Summit, with over 150 total attendees who participated in employment and recruiting-related discussions with speakers and panelists. We have secured discounted rates from a DEIB facilitator for our member companies that wish to initiate or further diversity and inclusion training programs in their organizations.
- Traverse Connect has been awarded a Michigan Enhancement Grant to continue successfully driving out-of-state web traffic to the Michigan's Creative Coast job board, relocation resources, and regional information. This talent attraction program has also added new resources, including detailed information on housing, community engagement, and childcare.
- The Michigan's Creative Coast Freelance & Independent Talent Directory launched in the fall to showcase the creative freelancers and independent entrepreneurs "making it" in the





Grand Traverse region. The directory offers these entrepreneurs a microsite to showcase their resumes, portfolios, and services to businesses and employers looking for local talent. Two types of listings offer standard and enhanced marketing through Michigan's Creative Coast newsletters and social media.

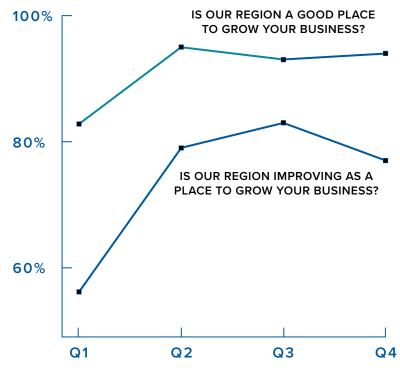
- Traverse Connect continues to develop and improve diversity training programs and resources for our member companies and partner organizations. For 2023, we are launching an in-kind partnership with the Michigan Diversity Council to offer DEIB education and training opportunities to businesses and nonprofit entities across the Grand Traverse region.
- Five new local newcomers and longtime residents joined the Michigan's Creative Coast Northern Navigators program as regional ambassadors. Twenty-eight Northern Navigators come from a wide range of backgrounds, and offer diverse perspectives on living in the Grand Traverse region to newcomers while helping them get connected and feel welcomed.





GROWTH BAROMETER & REGIONAL DASHBOARD

Measuring Entrepreneurial Ecosystem Building can be difficult and complex, but there are key performance indicators to highlight progress. We have adopted the use of a local Scale Up Growth Barometer measurement, adapted from the Babson College Entrepreneurship Ecosystem Platform, which asks two important questions of our local business community:



REGIONAL DASHBOARD

Traverse Connect is tracking five metrics in Talent Attraction & Development and Economic Development to measure the region's progress against our organization's vision and goals for 2030. The vision: By 2030, the Grand Traverse region will be a diversified economic destination of choice powered by growth-oriented enterprises providing competitive total compensation to match our world-class quality of life. Data is an imperfect, yet necessary, tool to measure those gains. All five key metrics on the Traverse Connect Regional Dashboard have trended positive for 2022.

TALENT ATTRACTION & DEVELOPMENT

ECONOMIC DEVELOPMENT

BACHELOR'S DEGREE OR POST-SECONDARY CERTIFICATE 2030 GOAL: 60%

47.2%

GROWTH OF PRIME WORKING AGE POPULATION (35-49) 2030 GOAL: 5%

1%

SCIENTIFIC, PROFESSIONAL, TECHNICAL, & IT JOBS 2030 GOAL: 3,200

2,719

ANNUAL GDP PER EMPLOYEE 2030 GOAL: \$84,000

\$69,719

STATE AVERAGE WAGE PERCENTAGE 2030 GOAL: 90%

86%



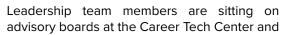
INVESTOR SPOTLIGHT

CENTURY, LLC

Century has been manufacturing and heat-treating parts in Traverse City for fifty years. The Janis family owned and operated Century Specialties and Century Sun Metal Treating from its inception. The first ownership change in the company's history occurred in June of 2021 when a group comprised of heavy hitters in the manufacturing world purchased the company. The last year and a half have seen a renewed effort by Century's ownership

and management to rebuild relationships within

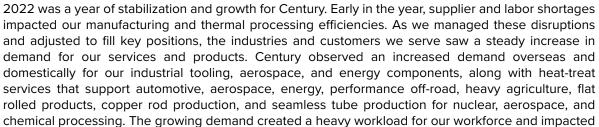
the community.



have hosted multiple tours for students of their welding, machining, and engineering programs. We are also working closely with similar programs run at Northwest Michigan College. In addition, we are actively engaged with Northwest Ed and the programs they support.

Reengaging with Traverse Connect has been extremely beneficial to Century, LLC over the past year. We've hired a handful of employees that moved to Traverse City from other

parts of Michigan and across the country. The resources that are available for transplants to our corner of the state are invaluable.



our turnaround performance. In the third quarter, our actions in employee retention and recruiting capacity relieved hiring lulls, driving throughput and contracting lead times. We have ended the year with a stronger workforce and increased flexibility to meet market demands. Inflationary trends throughout the year created many headwinds in raw materials,

outsourced special processing, fuel, and energy costs. As a business, we took action to predict future risks and minimize the impact on the organization. We launched new training programs to increase employee training and drive operational efficiencies to create a stronger base going into 2023, where we forecast growth across the majority of our products and services.

Cross-training and diversifying the workforce will be a key focus for Century's resiliency as we grow. As customer order demand changes and industry sectors adjust to deal with inflation and economic fluctuations, we must be able to shift roles quickly and efficiently to meet that change. We are actively monitoring technological advances and evaluating our equipment to improve processes and identify efficiencies our workforce can implement to align our capabilities with market needs and our vision.





TALENT SPOTLIGHT

FUSTINI'S

At Fustinis, we strive to provide the best selection of oils and vinegars for everyone, for the beginning cook, to area chefs in many of our excellent restaurants. Our goal is to make the guest experience inspirational, informative, and fun. The pandemic made us look at things in a new way. If there is one thing we have learned, it is how to be adaptable. The challenges of the last few years have brought us chaos and a terrific opportunity. We have assessed our company's strengths and weaknesses and delved right into becoming a great place to work.

FU. oils &

We conducted an internal poll of our employees and asked them to share their pain points. Not surprisingly, the cost of food, gas, and overall stress were at the top of the list. We knew

we wanted to help our staff in these areas but didn't know where to begin. A quick meeting with Traverse Connect soon put us on a path. We implemented programs to help with these pain points, aiming to make measurable changes, not just provide a quick fix.

Key to addressing stress was the EAP (employee assistance program) available through Traverse Connect to all investors. Open to all employees, the EAP program offers a wealth of resources. One look at the website found counseling options, financial



assistance options, and web seminars on personal finance. Within two weeks, our employees made contact with at least six resources, dealing with everything from grief counseling to animal sitting. Clearly, we would never have known about EAP without the guidance of Traverse Connect.

We had a strong year in all four locations, including Traverse City. The strength of the community is evident all year, but never as much as at the holidays. Our Men's Night and Ladies' Night brought us record sales, and it was great to see so many familiar faces.

The collaboration between local businesses and nonprofits has always been important to us and is something we will focus on this year. While we have always supported nonprofits who share our vision of helping people make

healthy choices, this year, we plan to do it more deliberately. We will be rolling out some new initiatives in Q1 to help support those facing food insecurity. Stay tuned for us to share those with the community in the coming months.

Having a resource as talented and well-connected as Traverse Connect at our disposal has been immensely helpful. We have made connections that have helped us remain engaged with our community, on which our success depends.



ADVOCACY SPOTLIGHT

OFFICE OF RURAL DEVELOPMENT

Traverse Connect and the Northern Michigan Chamber Alliance in 2019 helped convene a group of nearly 100 stakeholders to develop a new concept – a new state Office of Rural Development (ORD). The goal of the ORD would be to support rural communities as they work to address their unique needs and to ensure coordinated, holistic action on complex opportunities and challenges, including workforce attraction, infrastructure, and access to health care.

In January 2022, Gov. Gretchen Whitmer heard our call and established the ORD within the Michigan Department of Agriculture and Rural Development (MDARD). In February, the governor subsequently made an official request in her executive budget recommendation to fund the ORD.

Later in the spring, the House MDARD Appropriations Subcommittee met to discuss funding for the new office. Though most legislators agreed with the concept, they had questions about specific functions of the office and were reluctant to approve funding until those questions were answered.



The immediate need for the new ORD was an experienced leader who could quickly develop a specific policy framework and office structure.

When former Lake Superior Community Partnership CEO and Alliance partner Sarah Lucas decided to apply, Traverse Connect actively supported her appointment. We engaged with interested stakeholders to contact the governor's office and help ensure that Sarah, an experienced community leader from northern Michigan, would fill that role.

Indeed, on March 15, MDARD announced they had selected the former Traverse City resident and Alliance member to be the new Deputy Director for Rural Development, a significant win for northern Michigan and the Upper Peninsula.

Traverse Connect worked closely with the Northern Michigan Chamber Alliance (NMCA) and Director Lucas over the spring and summer to develop a specific policy framework and office structure. Our efforts helped develop a detailed office structure and list of objectives that answered questions from lawmakers.

Traverse Connect visited Lansing in June to meet with legislators and distribute this document, along with a letter of support demonstrating the broad range of support from nearly 100 Economic, Health, Energy, Education, and Labor organizations from across Michigan. Legislators appreciated the personal visit to share information and answer questions.

After months of work, legislators and the governor agreed on \$3.5 million in funding to launch the ORD.

Four years ago, the ORD was a new idea developed by Traverse Connect and other stakeholders from across northern Michigan. As of January 2023, the ORD will have four full-time staff dedicated to restoring vitality to rural communities through new policies and the development of a new rural grant program.

Traverse Connect looks forward to a continued partnership as the Office of Rural Development examines new, creative solutions to retain and attract talent in northern Michigan.



2022 BY THE NUMBERS

372
DIRECT MEMBER REFERRALS
IN 2022

29,778
SEARCHES OF OUR
INVESTOR DIRECTORY

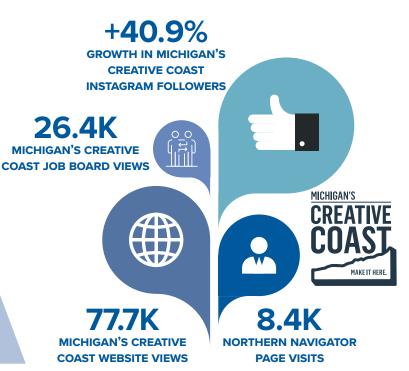
TRAVERSE CONNECT

61.3K
WEBSITE USERS

+8.6%
INCREASE IN FACEBOOK
PAGE FOLLOWERS

+48%
REFERRALS TO INVESTOR
WEBSITES FROM DIRECTORY
FROM 2021 TO 2022

100+
MENTIONS BY LOCAL AND
STATE MEDIA





Grow your business