

REGIONAL ECONOMIC ECOSYSTEM REPORT

2026



EVENTS NEAR AND FAR

It's been a busy year for Traverse Connect, and we've been intentional about where we show up, starting right here at home. This year we convened strategic stakeholders and collaborators for a legislative roundtable and hosted a conference aligned with our target industries, putting our region on the map as a gathering place for the people shaping these sectors. We also travel further afield, choosing industry events aligned with our target industry cluster segments to spread the word that Traverse City is a great place to do business. Attending strategic expos, building connections at networking events, and hosting booths downstate all position Traverse City as a known destination for entrepreneurs and growing businesses. Here's a look at where we've been.



NORTHERN MICHIGAN MANUFACTURING SUMMIT



CONFIDENTIAL OPPORTUNITIES



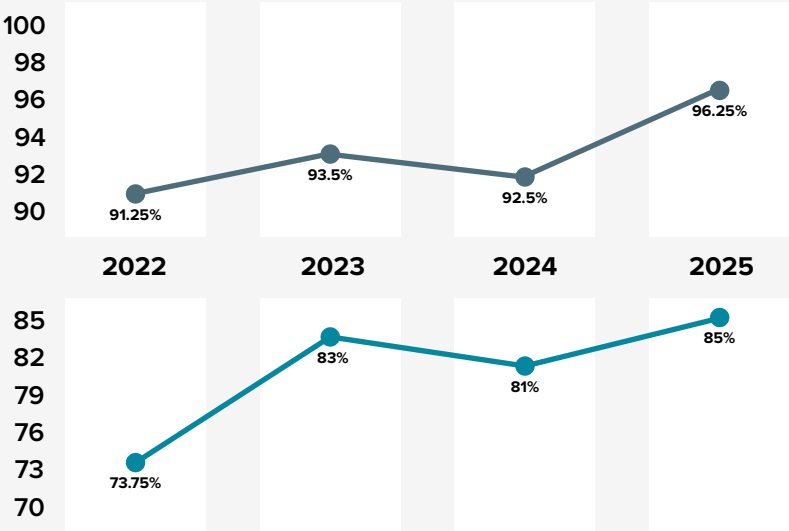
STATE OF THE ECOSYSTEM

Traverse Connect conducts a quarterly Business Growth Barometer Survey of investor and member businesses to provide a snapshot of regional business sentiment, outlook, and current challenges. Quarterly surveys inform Traverse Connect’s strategic priorities and help it respond to the needs of the business community.

Respondents to the quarterly survey throughout 2025 overwhelmingly felt that the region is a good place to grow their business. The survey also requests respondents to measure how the region is improving as a place to grow their business. Traverse Connect observed a significant improvement from 2024 in the first three surveys of the year, with a decline at the end of the year. As the new year approached, Traverse Connect attributed the difference to affordability concerns related to inflation and capital access costs, as well as decreases in state and federal funding from fourth-quarter budgets and the clawback of work project funding from Michigan’s 2024-2025 budget.

GROWTH BAROMETER STATS

Is our region a good place to grow your business?



Is our region IMPROVING as a place to grow your business?

TOP ISSUES

 STAFFING Finding Talent/New Hires	 ATTAINABLE HOUSING	INFLATION
		STAFFING – Skill Gaps
		ACCESS TO CAPITAL

REGIONAL DASHBOARD

TALENT ATTRACTION & DEVELOPMENT

BACHELOR’S DEGREE OR POST-SECONDARY CERTIFICATE 2030 GOAL: 60%	GROWTH OF PRIME WORKING AGE POPULATION (35-49) 2030 GOAL: 5%	SCIENTIFIC, PROFESSIONAL, TECHNICAL, & IT JOBS 2030 GOAL: 3,200
53% 	10% 	2,615 

ECONOMIC DEVELOPMENT

ANNUAL GDP PER EMPLOYEE 2030 GOAL: \$84,000	STATE AVERAGE WAGE PERCENTAGE 2030 GOAL: 90%
\$73,169 	87% 

INDUSTRY CLUSTER SPOTLIGHT: ADVANCED AIR MOBILITY



U.S. Coast Guard senior leadership joined a roundtable with U.S. Senator Elissa Slotkin and the NorthSky Consortium in May.

We continue to drive the growth of the drone and Advanced Air Mobility (AAM) industry in northern Michigan, putting the region on the map as a hub for industry growth. That work aligns with the State of Michigan's strategic priority, following Governor Whitmer's executive directive to grow the industry statewide through the Michigan Advanced Air Mobility Initiative.

Munson Healthcare Medical Cargo Delivery: With thanks to continued support from MDOT and the Office of Future Mobility and Electrification, our project with Munson Healthcare and blueflite is moving into the next phase of test flights to deliver medical cargo between facilities. Pending FAA approval, this fall we will begin testing multi-range, multi-aircraft, multi-mission flights. The next phase also brings in two new blueflite partners, Energy Storage Safety Products International (ESSPI) and TD Industrial Coverings (TDIC), both Michigan companies. Through its new Med Hawk division, ESSPI will provide real-time monitoring, data logging, and alerts for medical cargo in flight, alongside a cold storage solution designed to keep sensitive payloads like tissue stable in transit. We continue to lean into this project, which has real potential to create the blueprint for safely integrating drones into medical supply chains, making healthcare more accessible, faster to receive, and less costly to deliver.

U.S. Coast Guard Designation Effort and Congressional Support: On July 30, Senator Elissa Slotkin led a

bipartisan Michigan congressional delegation, including Senator Peters and Representatives Bergman, Stevens, Moolenaar, Scholten, and Barrett, in a letter to Coast Guard Commandant Admiral Kevin Lunday urging the designation of Coast Guard Air Station Traverse City and the surrounding Great Lakes operating area as an official testing site for robotic and autonomous maritime technologies. The letter cites the NorthSky Consortium's partnership with the Michigan Drone Association, the effort to extend the existing Alpena to Camp Grayling BVLOS corridor west to Traverse City, and Northwestern Michigan College's UAS and maritime training programs as core regional assets. The letter builds directly on the engagement day we hosted in late May, anchored by the NorthSky Consortium, which included a pre-briefing at Traverse Connect with senior Coast Guard leadership, the Michigan National Guard, Newlab Detroit, and the National Advanced Mobility Consortium, followed by a roundtable with Senator Slotkin at Discovery Pier and a hard-hat tour of the Freshwater Research and Innovation Center.

Those conversations centered on the BVLOS corridor, opportunities to support Coast Guard uncrewed systems operations in Northern Michigan, and the region's combination of military airspace, maritime access, and a civilian innovation ecosystem. Seeing that case reflected in a unified congressional ask moves us significantly closer to positioning Northern Michigan as the natural home for dual-use autonomous systems testing.



INDUSTRY CLUSTER SPOTLIGHT:

ADVANCED AIR MOBILITY

NorthSky Drone Utility Inspection Program Awarded Real World Deployment Grant: Censys Technologies has been awarded a Real World Deployment grant from the Michigan Office of Future Mobility and Electrification for the NorthSky BVLOS Utility Inspection program, in partnership with Northwestern Michigan College, Cherryland Electric Cooperative, and Traverse Connect. The project will use long-range drones flying beyond visual line of sight to inspect Cherryland Electric's power lines across the Grand Traverse region, testing whether the technology can improve vegetation management, infrastructure inspection, and storm response while lowering costs. Findings will be shared with utilities across Michigan to support broader adoption. Traverse Connect will lead community outreach and public communications and serve in an advisory role on behalf of the NorthSky Consortium, connecting the project to state agencies and economic development partners statewide.

Airspace awareness sensors deployed in Traverse City expanded the Michigan Drone Association's statewide network this summer and will be utilized for the Munson Medical Drone Delivery project this fall.

Building the Infrastructure Our Skies Need: In partnership with the Michigan Drone Association (MDA), Traverse Connect sponsored the installation of two new airspace awareness sensors in June, mounted on the rooftops of the Park Place Hotel and Munson Medical Center. The sensors expand MDA's statewide airspace awareness network, which is shared among members of the association's cUAS task force and organizations conducting AAM projects across Michigan. The network was put to work during this year's Cherry Festival for public safety and airspace monitoring and will support the Munson medical drone project this fall.



AAM IN THE NEWS

Michigan lawmakers push for Coast Guard drone testing site in Traverse City

UpNorthLive



Michigan playing catch-up on drone race, but manufacturing past should help

Bridge Michigan



Traverse Connect's 2025 report highlights drone delivery, research facility

9&10 News



Manufacturers can get speedier testing times at Camp Grayling

WOOD TV



AUVSI's Michael Robbins on Why Regional Autonomy Hubs Are Critical to U.S. Drone Leadership

dronelife



INDUSTRY CLUSTER SPOTLIGHT: BLUETECH



FRESHWATER RESEARCH AND INNOVATION CENTER ON COURSE FOR SPRING 2027 COMPLETION:

Construction of the 38,000-square-foot Freshwater Research and Innovation Center continues on schedule for a spring 2027 opening. The building structure and roof system, floor slabs, interior framing, and mechanical and electrical systems are complete or well underway, with exterior walls and windows, interior finishes, and site development scheduled for this fall. Design of the lobby is also nearly complete, with a space that will immerse visitors in the technology and innovation shaping the Great Lakes. You can watch progress in real time via the live [Construction Cam](#). Prospective tenants - startups, researchers, and existing businesses, can find leasing information on the [project website](#).



MICHIGAN MARITIME INNOVATION GRANT AWARD:

Discovery Pier was selected to receive funding through the [Michigan Office of Future Mobility and Electrification's Michigan Maritime Innovation Grant Program](#), one of five projects statewide advancing Michigan's first-ever Maritime Strategy. The award funds a fully electric Vita Power Seal research vessel and an Outland Technology ROV 3000, to be deployed from Discovery Pier and the [Freshwater Research and Innovation Center](#) in partnership with NMC's Great Lakes Water Studies Institute, 20Fathoms, and Traverse Connect. Together these assets will power hands-on workforce training in marine robotics, vessel operations, and underwater inspection, while a new BlueTech Startup Studio led by 20Fathoms at the Freshwater Research & Innovation Center will help early-stage companies test, refine, and scale their technologies on Grand Traverse Bay. The project builds a direct pipeline from talent development to commercialization and cements our region's leadership in Michigan's growing blue economy. .



NORTHERN MICHIGAN BLUETECH ACCELERATOR

POWERED BY gener8tor | 20 FATHOMS

A New Wave of Innovation: Northern Michigan's Rise as a BlueTech Hub by 20Fathoms

Northern Michigan stands at a historic flex point where the wave is about to break our way. Long celebrated for our stunning natural landscapes and vibrant communities, the Grand Traverse region is rapidly transforming into a national powerhouse for innovation, sustainable technology, and entrepreneurial growth. At the heart of this momentum is a shared vision: leveraging our geographic advantages and collaborative spirit to build a resilient, high-growth economy for generations to come.

Through strong regional partnerships to include local academic institutions, and industry pioneers, 20Fathoms serves as a catalyst for startup success and economic diversification across Northern Michigan.

New Leadership with an Entrepreneurial Spirit

As we usher in this landmark era, 20Fathoms is thrilled to announce the appointment of serial entrepreneur Stacey Feeley as Executive Director.

Bringing over two decades of direct startup leadership, including co-founding and scaling global consumer brand GoSili right here in Traverse City through multiple funding rounds and two successful acquisitions, Feeley knows firsthand the challenges and triumphs of

growing a business from the ground up. Her deep experience in bootstrapping, strategic fundraising, and leadership will be invaluable as 20Fathoms expands its founder support and community ecosystem.

With an active entrepreneur at the helm, 20Fathoms is doubling down on its mission to make Northern Michigan a magnet for visionary founders who want to build purpose-driven, scalable businesses.

Accelerating the Blue Economy

Nowhere is the power of partnership more evident than in our region's emerging leadership in freshwater innovation. Surrounded by 21% of the world's surface freshwater, Traverse City is uniquely positioned to lead the global Blue Economy.

To turn this potential into commercial reality, 20Fathoms partnered with global venture firm and accelerator gener8tor to launch the inaugural Northern Michigan BlueTech Accelerator. Designed specifically for early-stage freshwater and marine technology startups, this intensive seven-week

program provides world-class curriculum, individualized coaching, and direct access to investors, mentors, and industry experts.

With applications closing in early August and a public Demo Day scheduled for October 22, the accelerator is already attracting groundbreaking startups focused on water quality, marine data, conservation, and infrastructure solutions, bringing new talent, capital, and global attention to our business ecosystem.

Preparing for a Landmark Opening in Spring 2027

The momentum built through the BlueTech Accelerator is directly paving the way for one of the most significant regional infrastructure projects in decades, the upcoming opening of the Freshwater Research and Innovation Center.

As we prepare for its grand opening, 20Fathoms is building the pipeline of high-growth ventures, researchers, and talent that will call the center home. By bridging early-stage incubation with world-class marine testing facilities, we are establishing a seamless runway for startups to move their technologies from concept to market.

Powering Economic Development Together

No single organization can transform a regional economy alone. The success of these initiatives relies on the tight-knit network connecting 20Fathoms, Traverse Connect, local leadership, and regional economic partners. By connecting capital, talent, mentorship, and physical infrastructure, we are creating family-sustaining careers and ensuring Northern Michigan remains a competitive, thriving hub for innovation.



REGIONAL ECONOMY



RESHORE

In July we co-hosted ReShore with MichAuto at the Hagerty Center, bringing manufacturers, suppliers, mobility leaders, founders, investors, and policymakers together on the shores of Grand Traverse Bay. Keynote speaker Dug Song, co-founder and CEO of Song United, headlined a full program of waterside chats, mini keynotes, and fireside discussions with leaders from across the state, plus a special address from U.S. Senator Elissa Slotkin. On-site demos put the future on display, including the Arc Sport electric boat, drones, electric jet skis, motorcycles, and many more alternatively-powered vehicles, vessels, and propulsion systems.

Traverse Connect, in partnership with MichAuto, hosted ReShore on August 18 at Elk Rapids Marina and Discovery Pier in Traverse City. The event brought together innovators, industry leaders, and policymakers to showcase Northern Michigan's leadership in bluetech, outdoor recreation, uncrewed air and marine systems, and future mobility. In December, Traverse Connect was named MichAuto's Partner of the Year for our collaboration. Look for ReShore's return in July 2026.



Senator Elissa Slotkin learned about Sharrow Marine's innovative propeller at its demo booth.

Dug Song's keynote address called on Michigan to invest in its innovative startup economy.

BRIDGING MICHIGAN'S MANUFACTURING LEGACY TO THE FUTURE OF MOBILITY



BUSINESS EXPANSION

Cherry Capital Airport broke ground on its "Gates to the Future" expansion on April 24, 2026. Investments in airport infrastructure strengthen our ability to attract talent, support local businesses, and ensure northern Michigan remains a competitive place to do business.

Neuco Seating's continued growth through **Source Bay LLC** demonstrates the strength of northern Michigan's advanced manufacturing sector and the region's ability to support specialized production operations.

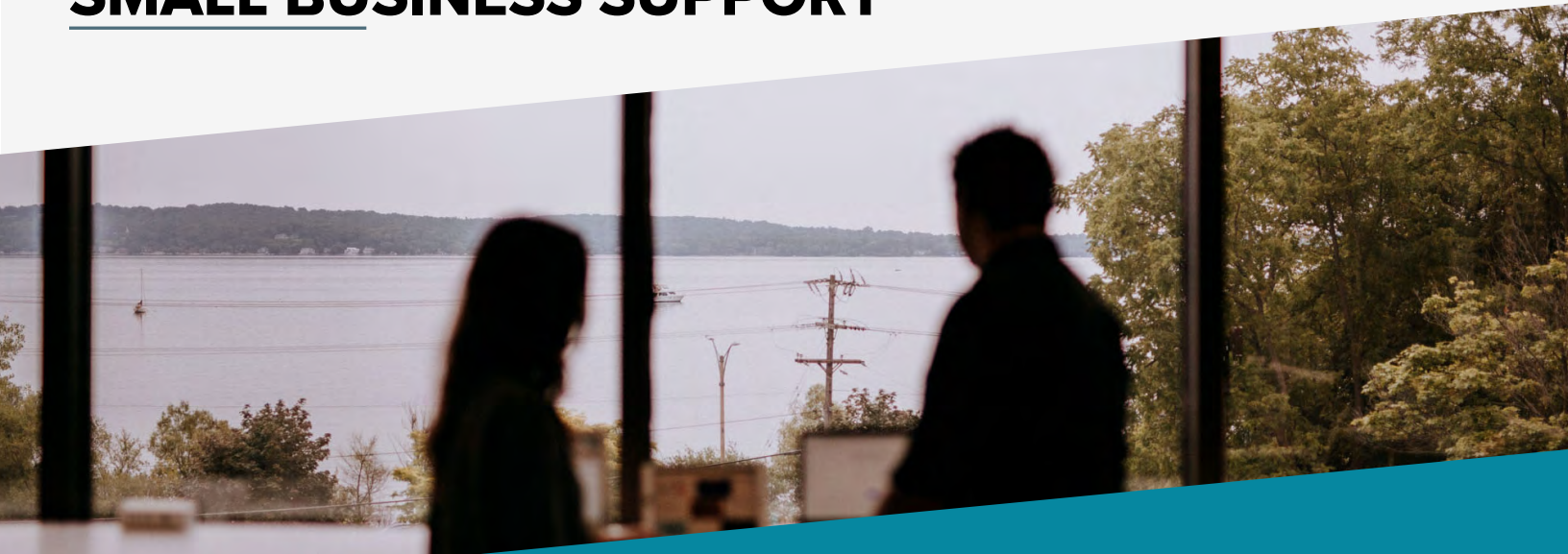
Promethient's heated and cooled stadium seating is spreading across the nation as it expands to the office seating market as **ThermaXis** to help resolve the thermostat wars in office settings.

The groundbreaking of the expansion of the **Grand Traverse Bay YMCA** marks an important investment in the health and well-being of our community. Expanding access to childcare, recreation, and wellness resources supports local families and employers alike.

Dart Bank's opening of its new downtown office expands access to commercial banking services while strengthening local business support and lending resources.

Granger Group's investment in Acme Village brings new housing opportunities to the Grand Traverse region. The multi-phase development reflects growing confidence in Northern Michigan as a place where people want to live, work, and invest.

SMALL BUSINESS SUPPORT



Strengthening the Region's Small Business Ecosystem by 20Fathoms

Our small businesses, from makers and growers to manufacturers, technology founders, retailers, service providers, and family-owned companies are essential to the region's unique identity, resilience and growth. Helping them scale takes more than one program or one organization, it requires a coordinated regional network that supports both entrepreneurs and partners serving them.

That is the purpose of Northern Michigan's Small Business Support Hub. Powered by the Michigan Economic Development Corporation and locally led, the Hub helps resource entrepreneurs and strengthens the partner network delivering services across the region's 10 counties.

Through the Hub, business owners can connect with coaching, technical assistance, capital navigation, training, referrals, and practical tools for growth. At the same time, partner organizations gain added capacity, stronger referral pathways, and better coordination to deliver services where they are needed most.

At the Hub's core is the partnership of 20Fathoms, Traverse Connect, Northern Lakes Economic Alliance, Venture North Funding, and other regional partners. Together, this network creates a more connected support system for

entrepreneurs across Northern Michigan.

In 2026, the Hub expanded one-on-one coaching, access to virtual support, high impact education and training, technical assistance, networking, and targeted outreach through regional partners. For



businesses ready to grow, the Hub can also connect them with specialized help in areas such as marketing, bookkeeping, legal services, access to capital, operations, and strategy.

One example is Red Truck Orchards in Leelanau County. Through coaching, business training, direct grant support, and partner referrals, the business pursued new growth opportunities and expanded visibility for its whole-cherry vinegar product. This spring, Cherry Republic announced it would carry Red Truck Orchards' cherry vinegar as its first non-

proprietary product. This exemplifies the critical role of entrepreneurs collaborating and lifting one another up to achieve shared goals.

Their story reflects the kind of integrated support the Hub is designed to provide, practical assistance for entrepreneurs, collaboration among partners, and connections that help businesses move toward their next stage of growth. As a region, we must be equipped to walk, run, and sprint alongside founders so support is ready when they are ready to scale.

Northern Michigan's small businesses are ready to grow. Working together the Small Business Support Hub partners are helping make sure they have the support, expertise, and connections to get there.

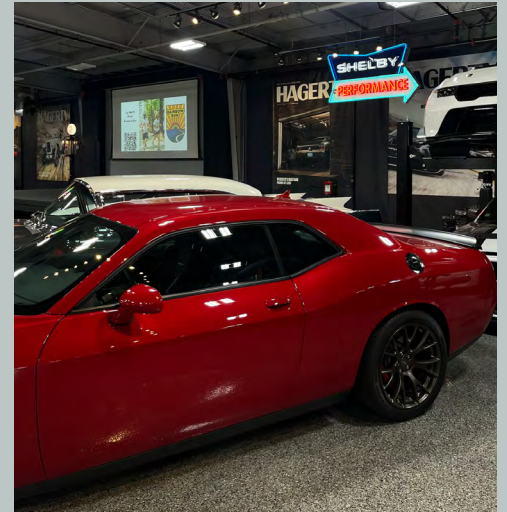




INTERNSHIP EVENT:

Every summer, Traverse City hosts a wave of interns and seasonal workers, many of them weighing what their next chapter looks like and whether northern Michigan is part of it.

Michigan's Creative Coast teamed up with the Traverse Area Human Resources Association to host the 2026 TC Summer Spark Intern Event at the Hagerty Garage in June. Through storytelling and facilitated networking, the event drew more than 60 interns, employers, and students exploring summer work, giving them a chance to connect with the local community and picture a future up north.



INTERNSHIP & EXPERIENTIAL LEARNING JOB BOARD COMING SOON:

With the goal of further strengthening the early career talent pipeline, Michigan's Creative Coast will launch an all-new Intern & Experiential Learning Job Board connecting college-age talent across the state with employers in northern Michigan. The board will be available to post positions this fall. The Intern & Experiential Learning Job Board is made possible by funding from 20Fathoms with additional underwriting from the Northwest Michigan Small Business Support Hub.



CAN'T MISS EVENTS



Guardian Skies Summit, September 23 to 24: We'll be at the [Guardian Skies Summit](#) at Camp Grayling, a two-day counter-UAS demonstration event hosted by the Michigan Drone Association where vendors test their systems against live drone threats ahead of this fall's federal funding cycle. The NorthSky Consortium will be represented by NMC's UAS program, 20Fathoms, and Traverse Connect. Attendance is free but limited to vetted registrants.

Economic Strategy Session - October 7: The Economic Strategy Sessions are an initiative by Traverse Connect to engage high-level investors and community leaders with the key pillars of our Strategic Plan, and to provide clear and transparent leadership and guidelines for our region's economic development activity. Held three times annually, each Economic Strategy Session focuses on one core strategy for Traverse Connect's economic development leadership. The 2026 Economic Strategy Session event series is Presented by Blue Cross Blue Shield of Michigan and Supported by Munson Healthcare.

On October 7, [The Future of Healthcare in Northern Michigan](#), will feature regional healthcare leaders for a timely discussion on the future of healthcare in Northern Michigan. As our region experiences population growth, an aging demographic, federal policy changes, and rapid advances in technology, healthcare systems are evolving to meet new challenges and opportunities.

This conversation will explore major healthcare investments and transformation efforts across the region, including expanded access to care, the growing role of technology and artificial intelligence, and the opportunities and challenges of delivering specialty services in rural communities.

Gain valuable insights into how healthcare is shaping the future of our region and what it means for northern Michigan's workforce, economy, and quality of life.

Save the Date: Annual Economic Summit, November 9: Each fall, Traverse Connect presents the Annual Economic Summit to highlight trends, speak to the issues shaping our economy, and gather insight from economic experts on the business climate ahead. This year the conversation focuses on growing and scaling diverse businesses across Northern Michigan and the outlook for our region, and we're excited to expand the day to include Quick Connect networking, the Economic Outlook Luncheon, and a business showcase. Join us November 9 and stay tuned for full program details. [Registration](#) is open now, and [sponsorship opportunities](#) are still available.



