



# SERIOUS GREEN

## Billions pouring into outdoor recreation, mobility and technology in Michigan

Billions of dollars are being invested throughout Michigan to design, develop and build the next generation of clean-energy mobility.

Combined, General Motors and Ford Motor Company are investing \$9 billion dollars for EV and battery cell production. Gotion just announced a \$2.4 billion investment for EV battery production in Big Rapids, and Hemlock Semiconductor is spending \$375 million to increase semiconductor production capacity southeast Michigan.

These are huge wins for the state that put the world on wheels a century ago and now leads in the global transformation of mobility, from fossil fuels to EV technology and production.

But Michigan's opportunity to lead and benefit from the mobility transformation is not just in the automotive sector. By leveraging its core strengths – innovation, advanced technology, manufacturing capacity and natural assets – Michigan can also lead in the outdoor recreation innovation sector – RecTech for short – especially where mobility, electrification and outdoor recreation intersect.

The benefits of this intersection mean environmentally friendly, cleaner and quieter access to nature. It also means new, good-paying jobs, especially in Michigan's rural communities with rich outdoor recreation assets. Attracting and retaining people to live in areas where they can blend work with play can help revitalize communities long left behind.

Like the automotive industry, the outdoor recreation industry is a major and growing economic driver. According to the Bureau of Economic Analysis, in 2019 outdoor recreation's value-added contribution to GDP approached \$460 billion. Michigan's share was \$9.5 billion which

supported 108,000 jobs in a wide range of subcategories, from hospitality to producing outdoor recreation products.

Participation in outdoor recreation accelerated during the pandemic. This trend is expected to continue as work weeks shorten and, with robust broadband connectivity, people can work and learn remotely while living where they love to play. This is fueling demand for outdoor recreation products and services.

The combination of Michigan's legacy of manufacturing, design and engineering strength with its natural assets gives Michigan a competitive advantage, particularly in RecTech. With 20% of the world's fresh water, almost 3,300 miles of coastline, forests, a mix of urban and rural areas, northerly geographic location and a four season playground, Michigan is well-suited to lead in designing, testing, and making the next generation of environmentally friendly outdoor recreation power sports products.

A prime example is the rapidly growing recreational boating and fishing industry. Michigan ranks fifth nationally in its economic impact, with more than \$1 billion in annual value. Companies like Crest Marine and Bombardier Recreational Products are expanding their Michigan facilities; Lilypad in Saugatuck is designing and building a solar-powered recreational boat.

Another example is the Great Lakes Boat Building School in Cedarville that is helping to fill the marine industry's need for skilled technicians. This unique school is expanding its training programs to support Michigan's boat-building and marina businesses.

But opportunities in RecTech extend well beyond boats to an array of powered outdoor recreation products that can

leverage Michigan's EV design and production capacity.

The RV industry contributes \$583 million to Michigan's economy and off-road vehicles add \$194 million. The fastest-growing electric mobility product category is e-bikes. Snowmobiles are also transitioning to clean, quiet electric power with Polaris investing hundreds of millions in research and design to electrify their power sports lines. The start-up company Wired Off-Road is converting gas-powered dirt bikes to run on electric power.

For the RecTech revolution to succeed, charging infrastructure must be in place where and when needed, including at trailheads, parks, campgrounds, harbors and recreational community destinations.

Here, too, Michigan is a leader with the installation of EV charging networks in recreation corridors and destinations. The first rapid-charging water corridor in the U.S. is being developed along Lake Michigan's west coast by U.K.-based Aqua superPower. At Sleeping Bear Dunes National Lakeshore, the state and the National Park Service are partnering on a pilot program to develop charging stations for visitors and staff.

Success in any area is seldom coincidental. In addition to capacity and natural assets, leadership and an effective organizational framework are mission-critical.

In 2019, recognizing the opportunity outdoor recreation industries represents for Michigan, Governor Gretchen Whitmer created the Michigan Outdoor Recreation Industry Office. The overarching goal of the office is to support sustainable industry growth by connecting partners and resources that contribute to the recreation economy and lifestyle that is a Michigan hallmark.

Brad Garmon was named director of this office and is doing an outstanding job positioning Michigan as an industry leader, particularly in RecTech. He is building a network of diverse partners including state agencies, state, regional and local governments, economic development organizations and private sector stakeholders to facilitate collaboration and resource-sharing.

Leading in the outdoor recreation industry is not only good for the state's economy, it is also good for Michigan's image, transforming it from being a Rust Belt state to one with the cool factor. Abundant outdoor recreation opportunities throughout Michigan can help to attract talent and give current residents a bright future, with good incomes and a great quality of life.

Garmon says that "it only makes sense that Michigan will drive the future of sustainable recreation and mobility thanks to its long legacy as a designer and producer of innovative outdoor recreation products."

Leading this intersection of innovation, outdoor recreation and mobility is an incredible opportunity for all of Michigan... and the time to seize it is now.

*Chris MacInnes is president of Crystal Mountain. She is also active in state, local and industry organizations.*

### IN MEMORIAM

*The staff of the Traverse City Business News and The Ticker fondly remembers John Watkins of Leland, who passed away last month. Watkins was a past member of the TCBN/Ticker sales staff and a valued member of the team. Most recently, he was a Realtor with Real Estate One in Leland with his daughter, Caitlin.*

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