

# MI Outdoor Recreation Advisory Council

## Minutes

December 4 - 5, 2019

MEDC, 300 N Washington Square, Lansing, MI 48913

### December 4 (optional pre-meeting activities)

Michigan Boating Industries Association honored Outdoor Recreation Advisory Council (ORAC) member Patti Smith as part of their annual [Recreation Boating Education Conference](#) (Dec 4 and 5 at the Downtown Lansing Radisson Hotel). Brad Garmon and Tino Breithaupt, Senior Corporate Relations Executive, Business Development for Michigan Economic Development Corporation, attended the awards dinner.

The [Midwest Representatives Association's \(MRA's\) December Market](#) show at the Lansing Center downtown. Thanks to the coordination of MRA board member Karen Strough, Brad Garmon spoke to the group of approximately 30 attendees at the MRA business meeting on December 4. He was supported by ORAC co-chairs Chris MacInnes and Suzanne Miller-Allen, and ORAC member, Tracy Mayer, who were all three in attendance for the presentation.

### December 5 ORAC Business Meeting

#### *Members in attendance:*

Suzanne Miller-Allen, Blue Cross Blue Shield  
Chris Lampen-Crowell, Gazelle  
Jonathan Jarosz, Heart of the Lakes  
Chris MacInnes, Crystal Mountain  
Tracy Mayer, Backcountry North  
Steve Nadolski, Amrock  
Jeff Poet and Chad Stearns, Jay's Sporting Goods  
Matt Ruitter, Velocity  
Patti Smith, Silver Spray Sports  
William Smith, Detroit Riverfront  
Chad Aust (for JR Burke), Polaris  
Dennis West, Northern Initiatives  
Ex Officio: Lauren Branneman, Michigan Economic Development Corporation  
Ex Officio: Brad Garmon, Director, ORAC

#### *Guests and staff:*

Tino Breithaupt, MEDC  
Michelle Coss, Michigan Department of Natural Resources  
Weston Hillier, EGLE  
David Ollila, 100K Ideas  
Jason Brown, Be Alive Media

#### *Not attending:*

Bo Brines, Little Forks Outfitters  
Troy Clay, Mno-Bmadsen

Linda Hubbard/Janet Ries, Carhartt  
Andy Lindsay, Beneteau Group  
Gregory Moore, REI  
Ex-Officio Kristin Phillips, DNR

9:30 Welcome, Introductions and Public Comment  
*Chris MacInnes and Suzanne Miller-Allen, co-chairs*

Public Comment

**Maureen Stine**, Natureology, provided handouts and presented an overview of her small business focused on providing outdoor education. Maureen has been in business for 10 years and has worked with the Michigan DNR, and the Oden Fish Hatchery in particular.  
[maureenstine@hotmail.com](mailto:maureenstine@hotmail.com), <https://natureology.me/>

**Bill Sheffer**, Michigan Association of RVs and Campgrounds, provided handouts and shared information about the growth in the RV industry and trends, such as growing popularity with young families. They do six RV and Camping shows each year. Members in Michigan include General RV, with 6 locations in Michigan and 13 across the country. They are members of the Outdoor Recreation Roundtable, a national coalition, and do an annual publication that also includes hiking and biking information.  
[bsheffer@mmhrvca.org](mailto:bsheffer@mmhrvca.org), <http://www.michiganrvandcampgrounds.org/>

**Jenny Cook**, Michigan Equestrians/Backcountry Horsemen of Michigan (Michigan Trails Advisory Council and Equine Trails Subcommittee) shared handouts with the group and talked about equestrian riding opportunities in the state and successful partnerships with the DNR, including a pilot project to provide organized group rides along the Lake Michigan shoreline at Muskegon State Park and Silver Lake State Park. Ms. Cook's presentation also included economic impact information suggesting \$500,000 in value to Michigan trails provided by equestrians doing volunteer projects and indicated that owning one horse equates to four typical hobbies in terms of cost (including \$100,000 on truck/trailer equipment, fuel, services, etc.), and recommended equine therapy approaches. [mi.trail.rep@gmail.com](mailto:mi.trail.rep@gmail.com)

9:45 Office of Outdoor Recreation: Report on Activities and Approach 45 min.  
*Brad Garmon, Director, and Lauren Branneman, MEDC*

During a PowerPoint presentation, the ORAC recommended removing word "legitimate" from slide 24 regarding the goal of leveraging major "maker" companies to improve Michigan outdoor brand. That slide now reads: "Support, Grow and Leverage Michigan's Outdoor Brands; Elevate Michigan as an Outdoor Lifestyle State."

10:30 Battle over Backcountry – and What it Means for Michigan  
*David Ollila, Marquette Backcountry Skis, 100K Ideas, and Skypoint Ventures*  
<https://www.outsideonline.com/2405311/backcountry-com-lawsuits-amends>

Ollila provided an overview of his personal evolution as an inventor and entrepreneur in the outdoor space. He believes promoting entrepreneurship starts by focusing on ideas, and that the outdoor industry likely hosts the most "garage startups" of any industry. After early work in mountain biking publications, action sports helmet cameras, and the Marquette Backcountry Ski, he eventually created the Invent@NME innovation center in Marquette. Governor Snyder convinced him to move to Flint and build out the Ferris Wheel in Flint, which became "100K

Ideas.” The idea is to rebuild the middle class one idea at a time. People have ideas and by putting it into a retail space in a downtown location – you create opportunities and ideas. Ollila estimates about 15 percent of the ideas coming through are probably outdoor recreation related.

He also walked the group through the Backcountry.com lawsuit. Ollila says he “signed up to be sued when I registered a patent and started up a business,” but that he fought back when he was sued over the name because “If I fold the first time I’m threatened, I can’t stand up for the entrepreneurial concept.” Backcountry.com had sued about 50 companies; lawyers were very aggressive and went after mostly small, independent, business owners. They had a patent in the retail sector, not the product space. The people at Backcountry are actually good people, but they were being represented by big corporations and lawyers.

Ollila went to media and social media to support the legal fight, which led to a reconciliation among and within the industry. Backcountry.com is now going to help market and distribute the Marquette Backcountry Ski. Ollila is now an advisor to Backcountry.com on how small companies can get through the growth stage. So out of this conflict comes an incredible opportunity:

- There is voice and power in the industry, and it can change companies.
- Michigan has new connection to Western states.
- Ollila has new personal relationships with other outdoor companies.

Michigan has an opportunity to be a pillar of the outdoor industry: it fits in the UP, it fits with the Universities, it has northern lower peninsula connectivity. Ollila feels Michigan has been operating in stealth mode. Discussion following presentation centered on “big game” hunting as economic development vs. entrepreneurialism and start-ups, small companies, second stage growth, etc. Tracy Mayer says nothing made her angrier than Michigan going after Amazon headquarters. Ollila says it was about 237 communities, spending \$100,000 a piece, for nothing. What might those resources have done if focused into start up and innovation?

11:20 a.m. Break for short walk to lunch at MP Social in the Marketplace  
*Walk along Lansing River Trail past Lansing City Market, Rotary Park*

11:45 a.m. Lunch panel – Outdoor Recreation Industry’s Role in Downtown Revitalization  
*Samantha Harkins, Deputy Mayor; Pat Gillespie, developer; and Lansing Parks Director, Brett Kaschinske. (Paul Brogan, River Town Adventures, was sick and could not join but sent in a letter with comments)*

[CityPulse news article on the empty Lansing City Market and the riverfront vision.](#)

Panelists highlighted the transformation of the riverfront over the course of the last 10-15 years. Pat Gillespie often gets asked if he remembers the week when he hired a pontoon boat with a captain and ran free boat tours up and down the Grand River from downtown up to the Potter Park Zoo area on the Red Cedar River. It was free to anyone who pre-registered online. He says that somewhat spontaneous and low-cost effort was the most impactful thing he did in terms of revitalizing the Lansing Downtown area – even more impactful than the actual brick-and-mortar development projects that have followed – because it made people aware of the river as an asset who had never thought of it that way before. **Gillespie recommends more communities should host something like those tours, to reintroduce people to their community’s natural assets.**

The River Trail is also a key amenity for the tenants of the apartments he has built and continues building downtown – there are now regular running events out of the Lansing Brewing Company based on proximity to the Lansing Rivertrail. Potter Park Zoo is connected to the Rivertrail. Connections to the suburban communities allow people to get into the zoo by trail. When the government got out of paying for the Zoo and turned it over to the Friends groups, Kachinske says it allowed that venue to grow and thrive. As a government official Lansing Parks doesn't do events like "Pints and Puppies" at the zoo, but the Friends group can, and those events draw people, especially young people, into the zoo and activate the space. Those are the non-profit arms of the work. According to Kaschinske, Rotary Park is a \$1.8 million project that cost the taxpayer nothing. It will be raised through sponsorships, like the "Gillespie Group Tiger" and the "The Dewpoint Beach." That will be the model in the future.

Another trend is "after-dark" parks. Parks were traditionally dawn to dusk unless you were playing baseball or lighted courts. Rotary Park with its lighted forest is one type of park during the day, another at night. The lighting in the park makes it work. Parks and Rec professionals need to adjust to that new reality. It needs to be open later in the evening. People don't get out of their indoor climate until 6 or 7 p.m.

12:30 Next Steps/2020 Planning for ORAC and Outdoor Office  
*Brad Garmon, Director and Lauren Branneman, MEDC*

#### Measuring Success of the Office

Tino Breithaupt of MEDC's Business Development Team explains that the economic development approach of the MEDC is very focused on retaining and growing companies we've already got – 80% of effort is focused on existing businesses and helping them to grow and expand. Twenty percent of there is dedicated to going out of state to attract new companies (big game hunting). To do it for any target industry, such as the outdoor industry, **MEDC would develop a "Why Michigan" package materials, focused on the "Live-Work-Play", addressing concerns about high taxes, highlighting benefits like low cost of living.** For MEDC in general, New York and California are targets. Those are very expensive housing markets. The contention of one ORAC member is that Michigan lost the company Sea Ray based on high taxes, and they are now making boats in Tennessee.

Dennis West says that the office can help people discover that can stay in Michigan. His example is BlackRocks Brewery in Marquette – the owners/founders lost their professional/technical jobs during the recession, then started the brewery only open 2.5 days a week until they proved it. Now it has 25 employees. West suggests that **measurement of the office success can't be number of jobs in year one. Judgement should be: Can we grow over the longer term, with the payoff in 8-10 years? Persistence is critical.** Those Halo Businesses are so important – peripheral to Outdoor, but critical to making places work – the communities work when they also have places to eat, drink, experience.

Chris MacInnes suggests **one of the linkages needs to be to the Universities:** Michigan State University (MSU) has outdoor recreation, land-based industries. Northern Michigan University has strong outdoor recreation and the ability of students to take a shot.

David Ollila returned to an earlier comment about SeaRay moving manufacturing to Tennessee (based on perception of high taxes in Michigan). Every state has different attraction tools in their toolbox. Retirement is seen as taxed too highly in California. **What is more important than tax incentives for this is the density of jobs in the industry cluster.** Outdoor businesses need a community of like-minded folks to share with – and that develops a culture. Garmon has heard

similar stories from all sizes and sectors of the outdoor economy in Michigan – large companies have a hard time attracting C-Suite levels because the number of companies here doesn't seem big enough to suggest they could find another job, and they want the ability to move around. Small start-ups have a hard time finding the “people” to buy product, but also to develop affinity groups with shared interests and values. Small stand up paddle board company (JLFAventures) found affinity at a Tiny House Festival in Colorado, but also hadn't heard about or attended the Quiet Water/Quiet Adventure Symposium at MSU that happens every year. Michigan has an opportunity around manufacturing – the shipping distance makes it less costly to be in the process, making components that get into other products. One bike component will create opportunity for more.

In terms of measuring success, one of David Ollila's dream job measurements would be the number of people leaving jobs in corporations and starting something of their own. David and Andy at Blackrocks—were in pharmaceutical first. How can we **measure how many people are starting a business** over 40-50 years? Especially if they are working in an industry, they are passionate about. New jobs for 5 millennials can be the result of a successful startup, and it's based on someone leaving a corporate job.

Michigan has more industrial designers than any other state. We have Universities. There is new **federal legislation creating Opportunity Zones**. We can really leverage that. Ollila's example of a piece of property on the North Country Trail – he could potentially pay no capital gains on businesses operating on that property. We could create an incubation accelerator fund for outdoor recreation startup as an Outdoor Recreation tax haven.

**Baby Boomers are aging out of the thing they founded – private equity comes in from California and they lose all control of their soul.** Patti tells about Safe Harbor that came in and bought six of the biggest marinas. **How do you keep what's happening in Outdoor Recreation from happening everywhere? Small businesses succession planning?** If you can find a model of employee ownership, that works. Compliance is difficult. Dennis has done some of those, it's very hard to find the people that are ready to take the next step.

#### Events and Office Outreach

Patti Smith asked if other people could represent the office? Patti goes to the Novi Boat Show for recreation, not simply for RV. People there are also selling bicycling and other outdoor recreation that goes with the RV lifestyle.

Checking in on Garmon's overview presentation and direction. Suzanne says yes, that is the right presentation to be sharing. Chris MacInness also suggests that the Pure Michigan Governor's Tourism Conference could be an outdoor-oriented event in the future. Chris Lampen-Crowell asked if we should convene the larger conversation about Outdoor Recreation. Suggestion is that **by 2021 we should do an Outdoor Recreation Summit**.

Brad requested that members feed him events and other calendar items that he should know about. Invite Brad to speak at certain events, etc. Put him in the magazine. Can other stakeholders do the same presentation? All of ORAC should celebrate successes – like the Governor's event that was standing room only. Send the presentation to the group for review – with “legitimate” removed.

Tino Breithaupt produced 10 pages of travel and events that MEDC is going to, in order by date, location, and with a brief description of each. Approval to go is assumed. He was asked to approve eight new events that they've never been to before. He suggested ORAC go through

an exercise like that for this Outdoor Industry Cluster. Could do Outdoor Retailer, and definitely attend events in-state. Can that list be segregated geographically?

Content for the events. We can compare the cost of doing business here to doing business in any other state. Also, package incentives. People think they select a location because of incentive package, but part of it is logistics, locating building and property that fits, distance to supply chain. There are also personal reasons. Someone really wanted a sailboat in Port Huron. Michigan is much more competitive now based on taxes, etc., but once they leave it's hard to get them back.

### Going Forward

Before deciding on the 2020 ORAC schedule, we need to think about the overall purpose: What is this group charged with now? Suzanne stated that the ORAC role is advisory, geographic representation, and providing Brad knowledge. We are a victim of our own success. Chris MacInnes mentioned they have created an office of Outdoor Recreation; they have a leader and an infrastructure in place. ORAC doesn't want to get in the way of the Executive, we don't have a governance function. How can we best help now that we've met some goals?

Patti Smith commented that it's the things these people are doing together, and it's going to take off. She would like to get together twice a year to see what's happening and give input.

Going forward, with proposed 2020 ORAC meeting schedule:

- March 5 (Zoom)
- June 4 (in person)
- Sept 24 (Zoom)

Chris Lampen-Crowell wondered if they could have a small meeting at key events that are identified? Jeff Poet that their expertise is retail. His needs are not manufacturing. If they are going to together, maybe they should do it based on providing their expertise in certain topic areas. Garmon recommends moving more into a workgroup model with more frequent webinar working sessions, less frequent in-person meetings. Suzanne suggested they try this model for the first year. Also, let people know where they will be and do small convening as opportunities arise. For example, Suzanne will be at MPARKS.

**The group indicated they are comfortable adding a few more members.** Chris MacInnes said, "the more the merrier." Garmon will send a few names, Michelle had three additional ideas. Share those and decide how best to vet them (collecting bios, etc.).

**Growing a list of Businesses – get them into buckets of retail, manufacturers, etc. Then we take that model and we expand that into an attraction play –** who is doing what in other states? Information from Lauren that can help us get there. Then members get out there and sell it.

Workforce issues. Patti commented that Macomb and Oakland Community College are setting up **a marine training program**. Their plan is to create a Marine College. Get the whole pie, not just a piece of the pie. **Gogebic College – one of three colleges in the US you can get a degree in ski area management. Ninety percent of the people probably don't know they are there.** Mechanical and managerial.

Chris Lampen-Crowell suggested a strong strategy and robust direction are needed. They should keep working on the four confluence topics of Stewardship and Conservation, Public Health and add members to ORAC to better represent that breadth.

David Ollila stated that it's best when you have stories already happening. **Two data plays – look at NAICS codes. Send decals from every brand – a wall of decals.** Places and organizations that people have relationship with.

Shareable links and news articles are useful, Garmon can share those in monthly updates. Matt agrees we're putting the responsibility on the Director. Good ideas and ways to get there. Chad Aust said the perspective is manufacturing, community impacts, spend, slightly different. Big Rapids. David mentioned that Polaris is willing to invest in innovative companies – TimberSled, Trail Tech. Having partners at the table with an ear for innovation is good. Iron Curtain concept in the Iron Range has mountain biking destinations that are coming together in Wisconsin, Minnesota, and Michigan. Steve Nadolski stated that the meeting had started to clarify more where the office is starting. **The monthly newsletter will be handy.** Steve can bring resources and people if told when and where. How did Oklahoma get the paddle sports show? Can we just proclaim that and go get them?

The meeting was adjourned at 2:00 p.m.