

2025 ANNUAL REPORT



KEDA
KEWEENAW ECONOMIC DEVELOPMENT ALLIANCE
Leading Economic Development in the Keweenaw

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ABOUT KEDA

The Keweenaw Economic Development Alliance (KEDA) is the private non-profit economic development organization serving Houghton and Keweenaw Counties. KEDA's role is straightforward: to start, retain, and expand regional businesses and to make the Keweenaw a place where people choose to live, work, and invest. We do this by providing hands-on business support, helping companies access financing and resources, coordinating community redevelopment projects, and advocating for the infrastructure and services needed for growth.

VISION:

We are a community driven by our leaders to be the best at utilizing our technology, education, and business assets to build a diverse economic base that leverages and develops the unique strengths of each county and its people.

MISSION:

Engage community leadership to start, retain, grow, and attract companies that will increase the prosperity of the region through a holistic and collaborative strategy that builds on the assets and opportunities present in the region.

GOALS:

- Foster Business Growth
- Improve Infrastructure
- Revitalize Our Communities
- Develop and Attract Talent
- Enhance Cultural & Recreational Opportunities

*from KEDA's Strategic Plan
(updated 11/2023)*

KEDA STAFF

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KEDA BOARD OF DIRECTORS

Brian Baccus, Chair, Peninsula Powder Coating
Andrew Lahti, Vice Chair, Andrew Lahti Contracting
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2025 PROJECT HIGHLIGHTS

KEDA's approach to economic development is built on collaboration. We connect entrepreneurs with opportunity, bring public and private partners to the table, and align resources to move projects from idea to impact. Each project below, from a new childcare center opening its doors to a historic building being restored downtown, reflects the collective effort of a community committed to its future.



QUELLO BLOCK LLC - HOTEL CALUMET

KEDA supported the redevelopment of two long-vacant, tax-reverted historic structures, the Quello Block and the adjoining Kirby Building, into a new 17-room boutique hotel featuring an upscale restaurant and lounge. The project received a \$1.5 million MEDC Revitalization & Placemaking grant, leverages \$4.166 million in private investment, and support from the Village of Calumet. When complete, it will create 12 new jobs and bring new energy to Fifth Street's core. This project adds to Calumet's continued downtown revival and exemplifies how historic preservation and economic development work hand-in-hand to strengthen the Keweenaw.

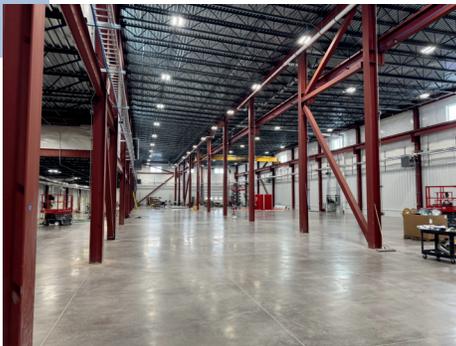
L&Z RENTALS, INC - 109 SHELDEN REDEVELOPMENT

KEDA supported L&Z Rentals, Inc. in the redevelopment of a long-vacant, four-story building at 109 Shelden Avenue in downtown Houghton. The \$3.6 million project will rehabilitate the 1910 structure into nine residential units and two commercial spaces, transforming a blighted property into a vibrant mixed-use asset. Supported by a \$1.5 million MEDC Revitalization and Placemaking grant and a CRE from Houghton County, construction began in July. This redevelopment adds much-needed downtown housing, an expanded restaurant, new jobs, and contributes to Houghton's continued revitalization.



GREAT LAKES SOUND & VIBRATION EXPANSION

KEDA assisted Great Lakes Sound & Vibration in the expansion of their Franklin Township facility, a 26k square-foot addition that will consolidate manufacturing operations under one roof and strengthen the company's ability to serve U.S. Department of Defense contracts. The project is supported by a \$400k MEDC Michigan Business Development Program grant and an IFE from Franklin Township and leverages \$8.5 million in private investment by the company. When complete, the expansion is expected to create 42 new jobs with wages well above the regional median.



START SMALL CHILDCARE SUPPORT PROGRAM

In response to a local shortage of more than 600 childcare slots, KEDA partnered with the Copper Country Great Start Collaborative to launch the "Start Small: Build Your Childcare Business" initiative. Participating childcare providers have received a combined total of over \$144k in grant and Revolving Loan Fund financing, helping support the launch and expansion of five new childcare operations totaling 67 slots that are already in operation, with several more preparing to open. In addition to grant support, participants receive one-on-one mentoring, licensing assistance, and access to start-up resources and Revolving Loan Fund financing, helping working families find reliable, quality childcare.



Gabby's Guppies Child Care

REPORT ON 2025 AREA ACTIVITIES

The past year reflected steady economic momentum across our communities, alongside deliberate planning at KEDA to ensure we remain positioned to support that growth in the years ahead.

Economic indicators and on-the-ground experience point to positive trends across multiple sectors. Housing development is increasing across single-family, duplex, and multi-family projects. Commercial construction is rising, and downtown districts are seeing renewed investment and redevelopment. Michigan Technological University's growth, driven by increased enrollment and supported by capital investment, continues to strengthen workforce stability and regional economic activity, while expanded childcare capacity is supporting labor force participation.

The region's base economy remains a key strength. Established companies, including Great Lakes Sound & Vibration, Steelhead, Loukus Technologies, REL, Orbion, Nuevokas, and Mohawk Technologies, continue to expand alongside emerging firms such as Honkela Welding & Fabrication, Superior Fishing Products, Peak Metal Roofing, and Dynamic Metal Works that are scaling locally. Real estate development is also gaining momentum despite higher material and financing costs, supported by local financing tools and continued state investment.

KEDA has also expanded its capacity to serve the region. Small Business Support Hub funding through the MTEC SmartZone supported staff growth during a period of rising demand, enabling faster response times, expanded services, and increased earned income. Sound financial management has further strengthened the organization through the establishment of an internal endowment fund to help offset increased operating costs, alongside continued growth in membership and investor support that reinforces long-term sustainability.

Within this environment of growth, KEDA is preparing for a planned leadership transition, with the Executive Director intending to retire by the end of 2027. The Board and staff are working together on a transition plan focused on continuity, stability, and knowledge transfer.

Taken together, sustained economic momentum and thoughtful organizational planning position KEDA and the business communities it serves to continue building opportunity and resilience in the years ahead.

The sections below outline KEDA's strategic plan goals and 2025 results by focus area:

FOSTERING BUSINESS GROWTH

- Retention outreach visits to 300+ area companies, with follow-up as well as referrals to the SBDC, MWI, MEDC, PTAC, MEDA, MDARD, and others.
- Assisted 4 manufacturing companies with expansion projects, utilizing Industrial Facilities Exemptions and MBDP, generating over \$12.23 million in investments, 102 new jobs & \$700k in grant funding.
- Working with Start Small, a local childcare program providing start-up assistance; five new childcare operations with 67 slots are now open, with several more preparing to launch.
- Secured a \$100k USDA Rural Business Development Grant to strengthen KEDA's Revolving Loan Fund and increase access to alternative financing for local businesses.

IMPROVE INFRASTRUCTURE

- Advocated for improved broadband infrastructure.
- Partnering with MTU on a class project exploring a potential second Portage road crossing.
- Supported the City of Houghton in preparing their successful MI Talent Partnership application.

REVITALIZE OUR COMMUNITIES

- Worked with developers on five rehabilitation and redevelopment projects totaling \$13.5 million in investment, creating 21 long-term residential units, 17 hotel rooms, and more than 32k square feet of commercial space.

- Completed administration of the \$489k MEDC CDBG grant supporting the Village of Calumet’s Downtown Public Greenspace project, a \$540k total investment that has now been fully constructed.
- Completed management of a \$603k building demolition and \$304k stabilization project with the Houghton County Land Bank Authority.
- Advocated at the state level on housing, redevelopment, childcare, and land-use policy, strengthening support for local priority projects.
- Provided Brownfield and TIF technical assistance through the Brownfield Authority to three projects totaling \$23.3 million in investment, resulting in 65 new residential units and more than 56,000 square feet of commercial space.
- Continued engagement with Bring Back Calumet to preserve historic downtown structures.
- Partnered with local municipalities on blight elimination, facade improvements, and building stabilization.

DEVELOP AND ATTRACT TALENT

- Attended networking meetings with Michigan Works, Remote Workforce Keweenaw, and MTU.
- Hosted eight MIOSHA training courses with 120+ attendees.
- Partnered with the MEDC and Cities of Houghton and Hancock to lead an Emerging Developer Workshop Series to provide non-traditional developers with insights, information, and understanding of the real estate development process.

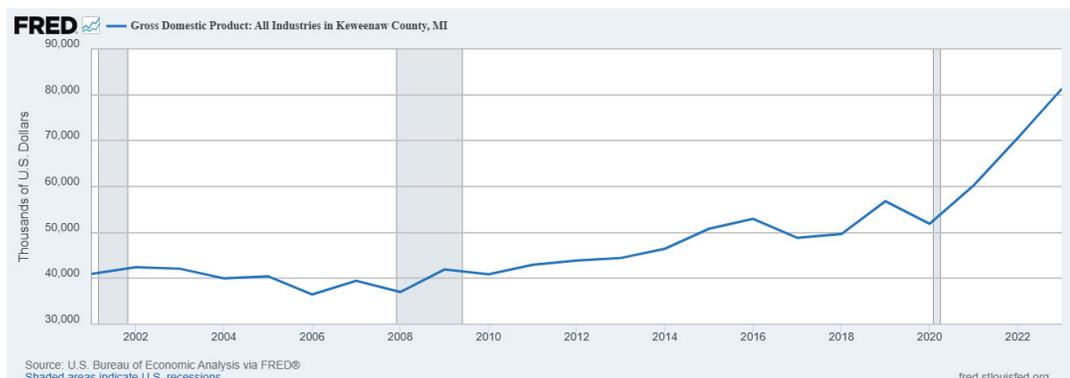
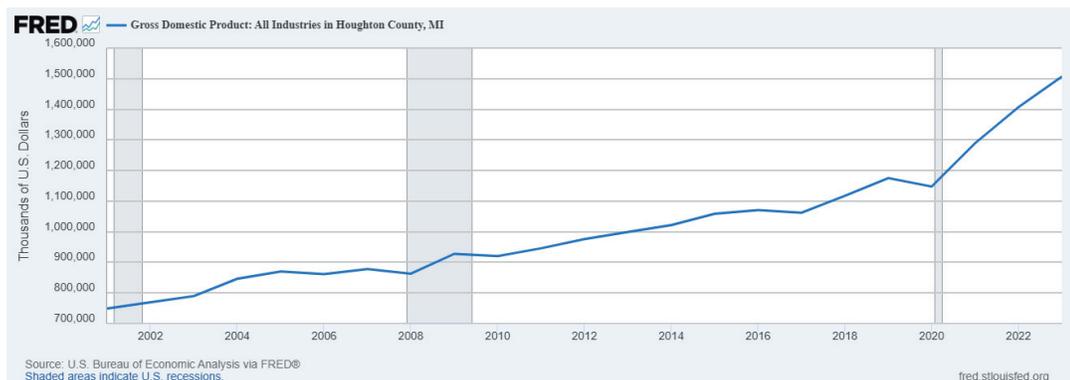
ENHANCE CULTURAL AND RECREATIONAL OPPORTUNITIES

- Continued collaboration with Visit Keweenaw, WUPPDR, and Houghton County Recreation Authority on trails and recreation infrastructure projects.
- Continued participation in the governance and advisory committees for the Keweenaw Heartlands land acquisition.
- Concluded grant administration for the Calumet Air Force Station stabilization and redevelopment project.
- Assisted Chassell Township to advance plans for a multi-use trail along the Chassell to Baraga rail grade.

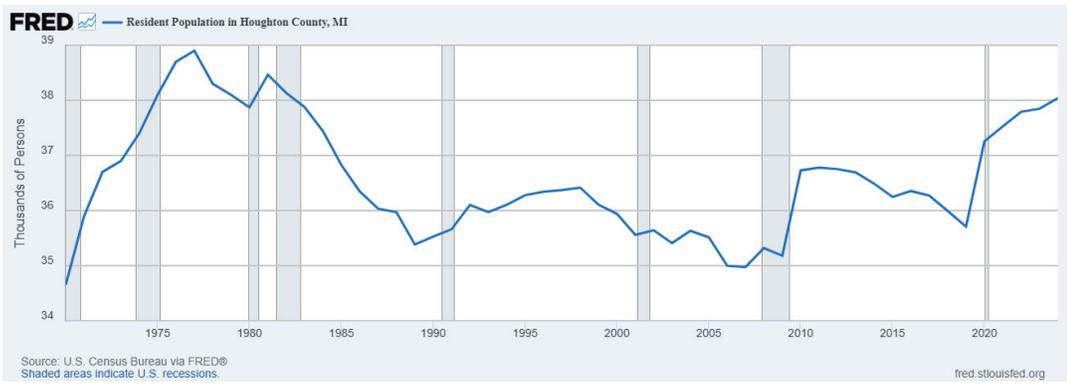
REGIONAL ECONOMIC DATA

By all indicators, our economy is doing very well. The following data compiled by the Federal Reserve Bank of St. Louis supports this statement.

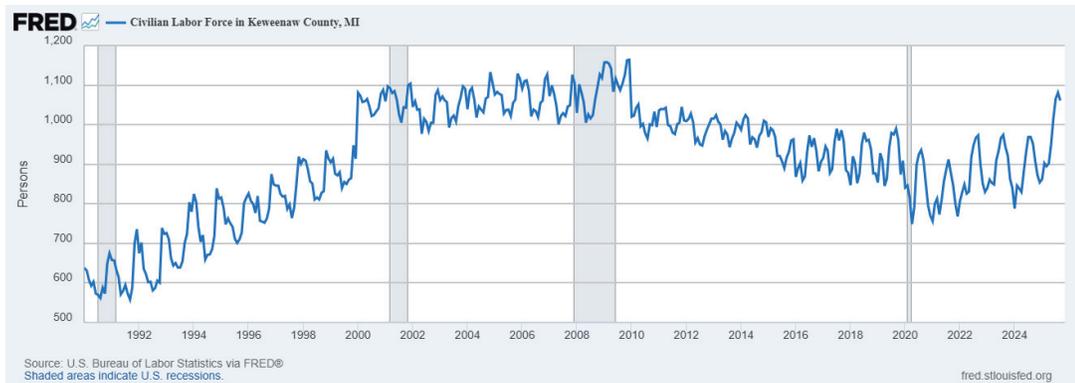
GDP: All Industries



Population



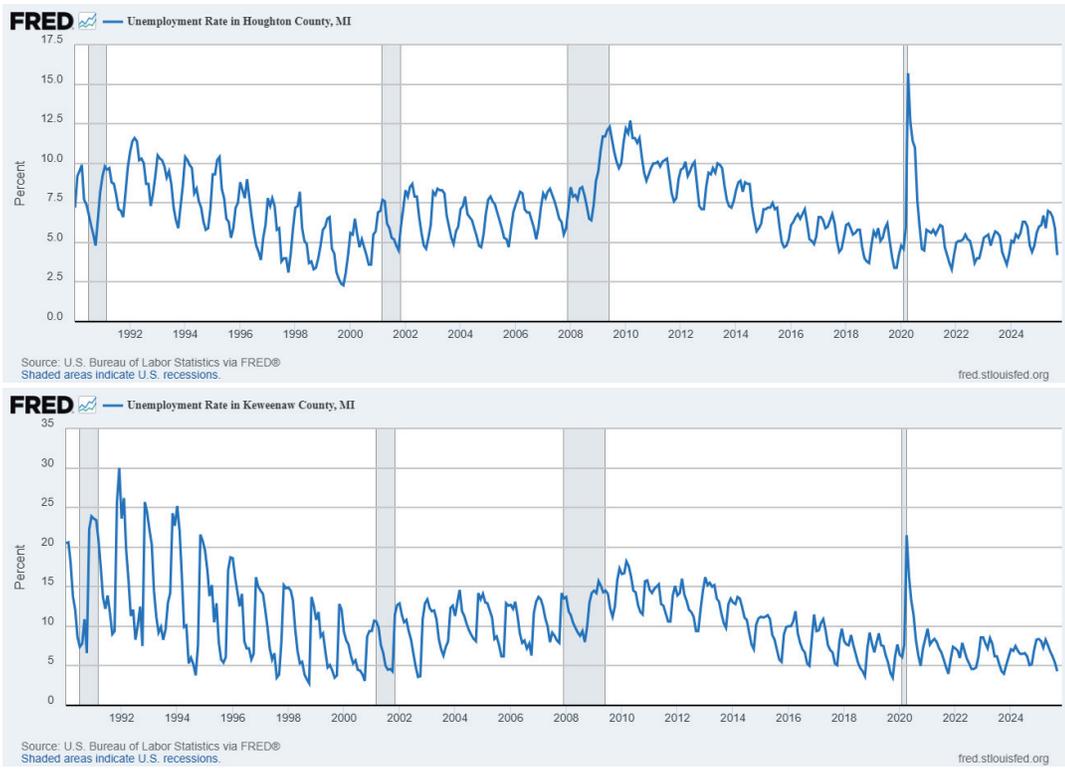
Labor Force



A NOTE ON THESE FIGURES

Long-term population and labor force trends provide important context for understanding the Keweenaw’s economic trajectory. While both counties experienced population decline over several decades, recent data show signs of stabilization, reflecting growth in base economy jobs, increased housing activity, workforce retention efforts, and the growing presence of remote workers. Labor force participation has rebounded following pandemic-related disruptions and remains supported by ongoing investments in housing, childcare, infrastructure, and business expansion. Together, these trends suggest a more resilient regional workforce and reinforce the importance of continued efforts to strengthen quality-of-life factors that influence where people choose to live and work.

Unemployment



ADDITIONAL LOCAL INDICATORS

- New home construction 2017-2020 averaged 48 new homes/yr vs. 2021-2025 averaged 115 new homes/yr.
- Commercial construction is up significantly; 78% from 2024 and 518% since 2022
- We continue to see manufacturing and technology company expansions
- Remote Workforce Keweenaw has tracked 235 remote workers and finding more all of the time

2026 PLANS

In 2026, KEDA will continue to support the retention and expansion of existing manufacturing and technology companies. We will also assist small businesses through Revolving Loan Fund lending, technical assistance, and appropriate consulting referrals. This work will focus on helping local businesses grow, maintain a stable workforce, and remain competitive.

KEDA will continue to support the redevelopment of vacant and underutilized downtown buildings to expand housing and commercial space. Work with the Houghton County Land Bank will focus on strategic property acquisition for targeted redevelopment and blight reduction. To strengthen the regional project pipeline, KEDA will continue to focus on training and technical assistance for emerging and nontraditional developers, helping projects move from concept to construction.

Expanding childcare capacity will remain a priority in 2026. Through continued support of the Start Small program, KEDA will work to help new providers open and existing operations expand to better meet local demand.

Additional priorities include providing access to MIOSHA safety trainings; raising funds for the Copper Shores/KEDA Scholarship Program to support annual CTE scholarships for graduating seniors; collaborating with regional partners to maintain reliable air service and pursue a change in the air service hub serving the region; accelerating broadband expansion to improve connectivity for residents and businesses, including the delayed fiber installation in the Keweenaw; and partnering on trail system improvements and Keweenaw Heartlands planning to expand access to outdoor recreation.

FINANCIALS

2023-2025 ACTUAL & 2026 BUDGET

Income	2023	2024	2025	2026 Budget
Membership Dues	\$139,974	\$140,609	\$143,983	\$150,000
UPward Talent Council				
Contract Support	\$29,000	\$29,000	\$21,000	\$19,938
MIOSHA Workshops	\$18,021	\$14,089	\$19,111	\$12,000
RLF Management	\$7,604	\$8,759	\$25,785	\$20,000
Fee for Service	\$750	\$31,200	\$46,938	\$66,000
Other (Including Scholarships)	\$34,220	\$9,221	\$5,547	\$7,000
Total Income	\$229,569	\$232,878	\$262,364	\$274,938
Expenses				
Overhead	\$19,009	\$30,175	\$33,895	\$38,167
Staffing	\$174,874	\$216,624	\$230,244	\$260,768
Project & Consultant	\$7,700	\$0	\$0	\$0
Scholarships	\$9,000	\$6,000	\$6,306	\$6,000
MIOSHA Workshops	\$6,378	\$5,116	\$6,613	\$4,500
Total Expense	\$216,961	\$257,915	\$277,058	\$309,435

2023 BALANCE SHEET

<u>Assets</u>	
Cash	\$110,423
Receivable	\$2,536
Office Equipment	\$373
RLF Balance	\$105,568
<u>Loans Receivable</u>	<u>\$185,347</u>
Total Assets	\$404,247
<u>Liabilities</u>	
Payables	\$0
Total Liabilities	\$0
<u>Equity</u>	
Restricted	\$290,915
<u>Unrestricted</u>	<u>\$113,332</u>
Total Liabilities & Equity	\$404,247

2024 BALANCE SHEET

<u>Assets</u>	
Cash	\$29,820
Receivable	\$6,454
Internal Endowment	
Fund	\$272,665
Office Equipment	\$9,176
RLF Balance	\$35,153
<u>Loans Receivable</u>	<u>\$351,156</u>
Total Assets	\$704,424
<u>Liabilities</u>	
Payables	\$0
Total Liabilities	\$0
<u>Equity</u>	
Restricted	\$386,310
<u>Unrestricted</u>	<u>\$318,114</u>
Total Liabilities & Equity	\$704,424

2025 BALANCE SHEET

<u>Assets</u>	
Cash	\$49,720
Receivable	\$69,418
Internal Endowment	
Fund	\$488,437
Office Equipment	\$8,872
RLF Balance	\$101,264
<u>Loans Receivable</u>	<u>\$291,586</u>
Total Assets	\$1,009,297
<u>Liabilities</u>	
Payables	\$0
Total Liabilities	\$0
<u>Equity</u>	
Restricted	\$636,617
<u>Unrestricted</u>	<u>\$372,680</u>
Total Liabilities & Equity	\$1,009,297

THANK YOU FOR YOUR CONTINUED SUPPORT!

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