

Ep.3.30 - Paul Bussey, Anton Matye, Tom Durkee

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SPEAKERS

Paul Bussey, Announcer, Ed Clemente, Tom Durkee, Anton Matye

A Announcer 00:01

Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

E Ed Clemente 00:29

Hello, I'm your host Ed Clemente. We're fortunate to have a triumvirate of guests today. We have Paul Bussey, he's the vice president of operations for the Grand Traverse Engineering and Construction, is it just company, or is that it Paul? Just construction?

P Paul Bussey 00:45

Yeah, we have engineering construction. My other role is the corporate secretary for the holding company, which is Grand Traverse Economic Development.

E Ed Clemente 00:53

All right, and then next we're gonna have Tony, is that Matye [Matye], then also known as Anton, you're the president at Bay Shore Steel Works. And you said, you have another hat as well, right?

A Anton Matye 01:08

Yeah, I'm the president of Bay Shore Steel Works. And I also serve as president of GTED, the

holding company.

E

Ed Clemente 01:13

And Tom Durkee. He is the director of tribal business development for the Michigan Economic Development Corporation. I think that's your only title, do you have another one? [That's it so far.] So what we're going to do here first, before I know it's, we're going to lay this out. First of all, we're going to have time, if you don't mind, to talk a little bit about sort of the overview of what all the tribal work you do at the state with all the 12 tribes. Okay?

T

Tom Durkee 01:39

Sure. Sure. Thank you, Ed. So the state of Michigan has 12 federally recognized tribes in the state of Michigan. And in 2010, the MEDC, the Michigan Economic Development Corporation, started a program, the foundation of which is a grant program, funded at the level of about \$1.3 million annually, to assist those 12 tribes with their economic development initiatives. And as part of that, we either help directly through governmental business operations, things they want to do, or if they have like, in this case, with GTED, the Grand Traverse Economic Development, a holding company or economic development corporation, we assist with those as well. And what we're seeing is those tribes are diversifying their economies. And that's what we wanted to be a part of, and to assist with, as part of the state's economy. And that's the MEDC's role as a state operation, is to help bring economic growth and diversity to our state. And so the tribes are a big part of that. And we're starting to see them branch out into manufacturing, commercial developments, real estate holdings, redeveloping older properties, and things like that. Most of the tribes now, the 12, most of them have a free standing economic development corporation or holding company as in this case, like the GTED. We're starting to see that develop more, which helps those tribes operate a little freer in terms of accessing resources and executing their plans in a more efficient manner, I guess you can say. We're also starting to see larger scale projects. When we started back in 2010. It was kind of our infancy as far as engaging with the tribes and the kinds of projects we were assisting with, and the tribes are kind of getting ramped up to the start to do more and more things. In the last few years has seen a lot more robust activity, I guess you could call it more complicated, sophisticated projects, higher investment levels, more job creation, all the kinds of things that economic development thrives on. Some of the recent projects we've had, just as examples, we've assisted one tribe with two of their manufacturing companies purchasing CNC machinery and robotics to help their-

E

Ed Clemente 04:06

Why don't you tell us what C and C is?

T

Tom Durkee 04:08

Boy, Tony I might need your help on that.

A

Anton Matye 04:13

CNC machines are computer-controlled machines. A CNC machine could be a machining center, that can be utilized in a press, it can be utilized in a waterjet machine.

E

Ed Clemente 04:25

So it's pretty utilitarian. You can use it-

A

Anton Matye 04:28

CNC is a very common term for the computer-controlled side of equipment.

E

Ed Clemente 04:36

Thanks, Tony for saving Tom.

T

Tom Durkee 04:38

Yeah, thank you. Yeah, I've just been using that acronym for a long time.

E

Ed Clemente 04:41

I never knew what it meant either.

T

Tom Durkee 04:44

But we helped one tribe, they have two manufacturing companies and so assisted them with a robotics component and one with one of those CNC machining operations to assist on their manufacturing production. We assisted another tribe, I'm just talking about things we've done this last year or so. We assisted another tribe with the engineering and design of a 20,000 square-foot light-industrial new construction. And they have multi-tenants in that operation now. Yeah, that was successful. And then with this company, Bay Shore Steel Works that we're here for today, we've assisted over the years and more recently, again, with some of that CNC stuff, I believe, Tony, that machine that helps you execute on the work that you need to have and get done. And it's worth noting that all of these projects have led to job creation and additional investment in the state of Michigan. And so the tribes and the tribal operations and businesses they operate, have been a key component of growing Michigan's economy. How we arrived here with this podcast and having Bay Shore Steel Works and Grand Traverse Band of Ottawa and Chippewa Indians, is in May, Quenton Messer, Jr., our CEO at MEDC, met with the leadership of the tribe. And following that meeting, we actually traveled out to Bay Shore Steel Works facility and toured it and had a meeting. And Quenton, our CEO, was very impressed with what he saw, and the kinds of things they were doing and the history that they had and the partnerships that are between the company and the contracts that they have. And

recommended that we do a podcast and say, let's highlight this company. Let's show Michigan what's happening in you know, between Petosky and Charlevoix. It's a beautiful location. great company, I've toured it many times, as Tony well knows and Paul knows. But with Quentin's first visit there, he has walked away from that so impressed that it felt important to have this happen so that the rest of Michigan could share their story. And what's happening with tribal companies and businesses that we're assisting and that are operating here.

E

Ed Clemente 07:06

And Quentin's actually trying to visit all the 12 tribes, or did he?

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Tom Durkee 07:10

Yes, he has. It's been one of our initiatives to have our CEO meet with all 12 tribes, and Quentin finally accomplished that just last month actually, [Oh, wow.] We got through all 12. It's a lot of geography to cover. There are five tribes in the U.P., the other seven are on the Lower Peninsula. So it's a lot of travel time and coordinating schedules. But yes, we have visited, Quentin has met with all 12 tribal leaders on their reservations or whatever location was convenient for them. And those have been fantastic. And now that we've gotten through all 12 we plan on starting over.

E

Ed Clemente 07:47

And oh my God he's got more energy than anybody I know. I could see him doing it even faster for the next record, he'll have a personal best. So I'm gonna turn it over now to Paul Bussey. Paul, why don't you mention, too, which tribe you're with and all the background that you kind of talked about a little bit already?

P

Paul Bussey 08:07

Sure. Yeah. Thank you. I'm a member of the Grand Traverse Band of Ottawa and Chippewa Indians. We're located in Leelanau, Grand Traverse County, Antrim, Charlevoix, Benzie, and Manistee. Our tribe has a six-county service area along Lake Michigan. So yeah, that's our tribe.

E

Ed Clemente 08:26

And why don't you mention a little bit about that? What is the Grand Traverse Engineering and Construction? Like what do you do?

P

Paul Bussey 08:34

Yeah, Grand Traverse Engineering and Construction, we were the first company brought into the non-gaming portfolio under GTED. Grand Traverse Engineering and Construction was purchased in 2013-2014. Just as GTED was getting up and running. So in 2012, the Grand

Traverse Band Council formed GTED. They were venturing into non-gaming economic development at that time building on the success of our casinos. We've been in gaming for about 40 years. And so about 10 years ago, our tribal council said, we need to diversify our economy, outside of gaming, planning for the future of our tribe. So our group was formed in 2012. And within a year, year and a half, we purchased our first company focused on construction. So we brought that into the group. And that's the organization where I'm vice president of operations now.

E

Ed Clemente 09:35

It's been in our prep call, you also mentioned that you actually worked together with the other tribes about sharing ideas, best practices, is that correct?

P

Paul Bussey 09:44

We do. Yeah. So I've been in this field for about 10 years. And in the early days, there were a few of us sort of just turning this course this new path for tribal non-gaming economic development. So the few of us get to know each other very well. And then over the course of the 10 years, as our tribes have grown, and more tribes have ventured into really focusing on non-gaming, we do meet with each other often and share as much as we can. And one of the great things that we've seen in the last couple of years is several tribes in Michigan actually going in on projects together, working together hand in hand, maybe jointly acquiring companies or properties for development, which is really great to see.

E

Ed Clemente 10:35

Well, one other side note, just for a lot of folks that don't know about tribes too much, like is there sort of like a broad stroke, you can also say about some of the other activities I know you do, like human services too?

P

Paul Bussey 10:46

Well, what's really great about tribes is even when you're looking at state of Michigan, as Tom mentioned, we do have 12 tribes in Michigan. And one of the great things is, each has its own priorities to serve its members. So some may focus on gaming and non-gaming economic development. Others may focus more on educating tribal members like I know the Bay Mills Community College is one of the institutions in Michigan operated by tribes. That's a really great model for others to follow. It's each tribe having its own priorities for its members, it's really great to see how those tribes approach those issues. And others can observe, that learn from it and see, you know, drive down the street to talk to the counterparts for tribe to tribe and say, how did you guys approach this? Why did you look at it that way? What are some things we can glean from you? And I can't think of a time where there was any resistance to sharing information amongst each other. You know, even in the business world, we don't really look at each other as competitors. And we focus on federal contracting. The other tribes that

are engaged in federal contracting, too, maybe in the same industry, certainly aren't our competitors. We like to share as much information and best practices with each other as possible.

A

Announcer 12:03

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E

Ed Clemente 12:19

Let's turn it over to Tony now, to talk about what Bay Shore Steel Works is.

A

Anton Matye 12:24

Bay Shore Steel Works is a Native American-owned company that provides components to support and protect the warfighter, specifically, inland vehicles.

E

Ed Clemente 12:38

So is that life a direct defense? Or is that firepower or something else?

A

Anton Matye 12:43

Well, our customer base is pretty varied. General Dynamics and BAE. We supply components to the DOD. We've done work with the Israeli Ministry of Defense, but for the most part, our largest customer is General Dynamics.

E

Ed Clemente 13:04

How did you sort of get involved at first with this? I mean, have you always been the president of this company?

A

Anton Matye 13:12

It's interesting, my brother, who owns DCL, purchased Bay Shore Steel back in 2008. And at that time, I had a company downstate that did kind of the same type of stuff, and always been in manufacturing, for 40 years. And he wanted me to come up and run it. I had the opportunity to move up to this beautiful place called Charlevoix, in Michigan. So that happened, and I came up to run Bay Shore Steel. And in 2018, DCL, which is the company that owned us, decided that maybe it was time to sell Bay Shore. We had several suitors at the time. And we decided that

the tribe was probably the best choice for us. Because I felt that for the community and for our employees, and for the tribal membership, this was probably the best move for us is to sell the business to the tribe.

E

Ed Clemente 14:23

And you just brought up employees and I know we've talked about this a little bit in our previous call but yeah, even though you're probably one of the more scenic spots in America, let alone just Michigan. You still have some challenges, right? Because you got some pretty technical jobs there you've gotta fill.

A

Anton Matye 14:40

Well, yeah. The components we provide start off as raw plate. We buy plate from certified mills. Our components are primarily armor or titanium. We buy our plate from certified mills and then provide military spec armor. And we burn that plate with either a laser or water jet or a plasma or torch, we grind, we weld, we machine, we spawn. I was initially, we have a certified military payline, that we finished the parts. So we provide a component, basically that is built on either in the plant or in a depot or is necessary in theater for our customers. And through that, we have a lot of very, very talented employees. Armor plate, a lot of people don't like to work in armor plate. And that's our niche, we're very, very good at it. And we have excellent employees with a lot of knowledge on our process and stuff. We see our portfolio growing over the next four to five years, very quickly, which getting back to your point of employees. We're always looking for qualified people in welding, and machining and forming and fabricating and we're we're constantly looking for employment in this kind of area is difficult in the entire nation. As we all know, being up in northern Michigan, it becomes even more of a challenge. So we're looking for people all the time.

E

Ed Clemente 16:37

And I was a former trustee for a community college and just when you're describing everything, I think you described at least 10 separate sort of different vocational jobs. I would imagine some of your people have to do cross-training for different things.

A

Anton Matye 16:53

Yes, they do. We have a lot of guys that can do a lot of different operations in the plant. Our welders are specifically certified, and many applications for many materials, as required by the Defense Department and military specifications. So welders in our building are very good.

E

Ed Clemente 17:15

And you're actually touching on something I'm going to ask the other two, same question, we start talking about future ramp up. And you might want to give some more comments about that of where do you think trends are going to be for the future? But let's go with either Tom,

first, go ahead.

T Tom Durkee 17:31
Trends in the future for tribal economic development?

E Ed Clemente 17:35
Yeah, what do you see? You've already touched on it, but I think you're starting to see a lot of different things.

T Tom Durkee 17:40
Yeah, it goes back to where I started with how this unit at MEDC kind of came into being and how I mentioned, we were in our infancy in terms of engaging the tribes. Paul mentioned, with his organization being formed in 2012, I actually think I attended one of the early meetings because I was wanting to connect right away. So you kind of have that where things started, now things are growing. What the future holds, I see things continuing to grow, I guess you would call it an exponential curve, right, where the first few years things were kind of rolling incrementally. And now, tribal companies are growing at faster, more robust rates, they're taking on more, tribes are purchasing more companies, acquiring them, or partnering, or starting, or whatever the case may be. I just see that trend, I don't want to use the word exploding, but it's definitely growing at a faster rate. And I just hope that MEDC can keep up. And when we can't, we always bring in other resources, too. We have partners at the federal level and the state level, when there's resources needed, that MEDC can't fulfill, we bring in other partners as well. And I just see that continuing to grow. And I see the tribes and the tribal companies being more and more engaged regionally and locally, with their local partners or communities. Paul mentioned collaborating between themselves as tribe to tribe. And I think that trends is going to continue to grow. So you know, everything's kind of growth oriented. Coming out of the pandemic. I do want to mention that, obviously, that that took a toll on everyone and tribes are not immune from that. Toby's company, I'm sure was not either, both in the workforce and maybe some other things. But I feel like we're out of it. That's just my opinion, in terms of what I was seeing with tribal development, is that any pent up demand and resources that were there through the pandemic of COVID have now kind of that opened up and things are taking back off. It's kind of picking up where we left off, I guess you could say. Alright, Paul, what do you see either from your own individual sort of tribe or just in general for tribal growth around the world, I mean the United States.

P Paul Bussey 20:02
Yeah, sure. So I certainly see tribes who are still incubating their non-gaming emphasis. I see them really entering the playing fields in the next few years. So with more tribes, more partners, more businesses active in Michigan, I do see the very likely 2, 3, 4 tribes coming together to join in forming new companies or working on projects together. That's a trend we're already seeing. I think that will increase with more tribes that are active. And so the tribes that are already in non-gaming economic development, it's starting to enter Michigan already, but

across the nation, and some tribes have already started building sovereign wealth funds to grow not only their reach in business world, but with other investments, and an example of that would be the Alaska Permanent Fund, in case anybody wants to see what that would look like, but on a tribal level, and certainly looking forward to partnering with MEDC in any way, shape, or form possible. I think having more tribal businesses in Michigan only helps the overall economy and tribes often are the largest employers in the region. So business success comes employment for everybody and looking forward to what that turns out to be in the next few years.

T

Tom Durkee 21:34

And Ed before we move on, I was gonna say, as Paul was leading that way, I was gonna say, I'll just reiterate it and highlight it. Tribes often are the largest employer in the regions that they exist in, the communities where they exist, because of all the operations they do as sovereign nations, they have governmental activities and operations, they have the casinos and hotels and restaurants, and businesses like Bay Shore Steel Works, that they're also investing in and growing. So oftentimes, they are the largest employer, because they're primarily in rural areas. There aren't very many companies or organizations or entities that involves, or employ hundreds or 1000s of people, tribes tend to do that in rural areas.

E

Ed Clemente 22:19

That was actually gonna be one of my questions, I was gonna ask Paul two questions. That was one because, is that like, traditional, like, maybe this more for Paul, because I'm sure you go to national meetings with other tribes, but is that sort of the same pattern, like where they're getting into economic development? And it seemed more or just non traditional places a little bit?

P

Paul Bussey 22:39

Yeah, that was often the case, there are a few tribes who are located closer to population centers. Oftentimes, tribes are in remote rural locations. And so they have some challenges when it comes to that. Finding employment could be one. Other tribes have looked at that challenge and turned it on its head and said, we've been remote working for 15 years, because we're remote locations and you know, the pandemic didn't affect us in a certain way, because they adapted to that environment. So, again, looking at what other tribes are doing and saying, how did you approach this? What was the outcome, can we borrow some ideas from that? There's a lot of sharing that has happened during during the pandemic that we were able to learn from, but I would say, despite other rural locations that often tribes are located in they really have to look at it on a daily basis and say, how can we change this challenge and turn it into an opportunity or benefit?

E

Ed Clemente 23:37

The other question I had was when you mentioned that Alaska fund. We've had quite a few guests and podcasts that do a lot of venture capital, is that like a venture capital firm only for tribes? Or is it for open venture capital or angel investments?

tribes. Or is it for open venture capital or angel investments.

P

Paul Bussey 23:56

Yeah, that's an interesting area, too. The Alaska Permanent Fund that I mentioned, some examples we could look at too our pension funds or larger trust funds that some states have for retirement benefits and things like that, that will be more akin to what I'm talking about. The tribes are creating sovereign wealth funds, but, there, there could be some activities happening more in venture capital earlier stage development of businesses too. That's not something I've seen a whole lot of in Michigan, but there are some examples of that in other tribes across.

E

Ed Clemente 24:33

That could be another conversation for us with Tom in the future. Because it's kind of interesting that there is sort of like a heating up a VC in the state of Michigan. [Yes.] For like funders, stage two, stage one and angel investors, there's a lot of activity going on, you might be able to tap into some of that. So we're gonna ask again, come back to Tony. So any other future trends you saw beyond like what you already mentioned the little bit about how it's going to keep probably getting a lot of bigger.

A

Anton Matye 25:04

From the manufacturing sector, we've see growth 20 to 30% per year, three, four or five years out, at least, there's a new program that we've landed and it's gonna be pretty large and long-term. And we're very excited about that. In addition, that Tom was mentioning under the trial status, in the utilization of our 8A status, but he sure is working to diversify his portfolio outside of manufacturing as well. We have kind of formed a division of government services, which are services IT, charging stations, cabling, health services, things of this nature, and we're seeing some success in those areas.

E

Ed Clemente 26:02

Yeah, that's a huge area, especially cable for rural areas, too, as they're working into those new areas, as well as all infrastructure. It will always need help. Well, unless there's any other comments, I want to thank you all, Paul Busey vice president of poerations for the Grand Traverse Engineering and Construction. Tony Matye, Matye sorry, president of Bay Shore Steel Works and Tom Durkee, director of tribal business development, the Michigan Economic Development Corporation, I want to thank all three of you for taking time this was nice, for Tom too to help organize all this. So we appreciate your efforts in this as well. And thanks to you too, for coming out today and taking time out of your work schedules.

A

Anton Matye 26:47

Thank you very much.

T Tom Durkee 26:48

Thank you very much. I look forward to coming back up your way Tony, not too far from now.

A Anton Matye 26:52

I look forward to seeing you Tom before the snow flies. Before we do go, before we do go, I'd like to give a hearty thanks to Tom Durkee and his staff at the MEDC for their past and ongoing support of Bay Shore's growth. Tom and his staff are excellent people to work with. Thank you very much.

T Tom Durkee 27:11

You're welcome and thank you.

E Ed Clemente 27:13

Quentin's singing his praises all the time too, because we get internal newsletters and there's always something with Tom where Quentin had to go somewhere and he'll highlight it in his newsletter but I know you've been pretty busy in the last year and a half. But thanks again too to you, Paul as well.

P Paul Bussey 27:30

Oh, thank you, it's been a pleasure.

A Announcer 27:33

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