

# CITY OF MASON

201 West Ash St.  
Mason, MI 48854-0370

City Hall 517-676-9155  
Fax 517-676-1330

## CITY COUNCIL MEETING - COUNCIL CHAMBER Tuesday, September 3, 2013

7:30 p.m.

### AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance and Invocation
4. Announcements
5. People from the Floor
6. Consent Agenda
  - A. Approval of Minutes – Regular Council Meeting: August 19, 2013
  - B. Approval of Bills
  - C. Request—Street Closure Request, Riverwalk Meadows Homeowners Association Annual Neighborhood Picnic, September 22, 3:30-6:30 PM
7. Regular Business
  - A. Motion—Street Closure— Utilization of Right of Way for Commercial Shoot by Harvest Creative Services
8. Executive Session – AFSCME Contract Negotiations
  - A. Resolution 2013-36 – AFSCME Agreement
9. Unfinished Business
10. New Business
11. Correspondence
12. Liaison Reports
13. Councilmember Reports
14. Administrator's Report
  - Michigan Municipal League Proactive Representation
  - Water and Sewer Extension to LCC Aviation Facility Located at Mason Jewett Airport
  - Governor Snyder's Regional Prosperity Initiative
15. Adjournment

**CITY OF MASON  
REGULAR CITY COUNCIL MEETING  
MINUTES OF AUGUST 19, 2013**

Clark called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Bruno led the Pledge of Allegiance and offered the invocation.

Present: Councilmembers: Brown, Bruno, Clark, Droscha, Mulvany, Ferris, Naeyaert  
Absent: Councilmember: None  
Also present: Martin A. Colburn, City Administrator  
Eric Smith, Finance Director/Treasurer  
John Stressman, Chief of Police

**ANNOUNCEMENTS**

- Sundried Music Festival – August 23 – 24, 2013
- Sundried Worship Festival – August 25, 2013

**PEOPLE FROM THE FLOOR**

Diane Jackman of 768 West Howell Road, Mason Sycamore Creek Garden Club member and Blue Star Memorial Project Chairperson, invited Council to attend the Blue Star Memorial Marker dedication ceremony at Rayner Park, Friday, September 20, 2013 when a Blue Star Memorial Marker will be placed in a garden created by the Garden Club.

**PRESENTATION**

Mayor Clark asked Council to join him as he presented three Mayoral Proclamations. The honorees were Mrs. Shirley Grieve, for organizing and hosting a fundraiser during Darrell's 11<sup>th</sup> Annual Car Show, successfully raising \$3,172.00 for donation to the Capital Area Prescription Drug Task Force for printing and publication expenses, and Jamie and Scott Robinson, proprietors of Darrell's Super Market and Hardware and the Vault Delicatessen, for sponsoring Darrell's 11<sup>th</sup> Annual Car Show, which raised \$2,851.00 of the \$3,172.00 donated to the Capital Area Prescription Drug Task Force for printing and publication expenses. The third proclamation was presented in honor and recognition of the National Employer Support of the Guard and Reserve Week and Warrant Officer Jordan Murdock, member of the United States Army National Guard and current City of Mason Police Officer.

**PUBLIC HEARING**

**Application to the Michigan State Housing Development Authority (MSHDA) for a Downtown Rental Rehabilitation Grant Under the 2012 Housing Resource Fund Community Development Block Grant (CDBG) Program for 124 and 140 East Ash Street, Mason, Michigan**

Clark opened the public hearing at 7:52 p.m.

Martin Colburn, City Administrator, spoke in support of the application to the Michigan State Housing Development Authority (MSHDA) for a Downtown Rental Rehabilitation Grant Under the 2012 Housing Resource Fund Community Development Block Grant (CDBG) Program for 124 and 140 East Ash Street, Mason, Michigan.

Clark closed the public hearing at 7:58 p.m.

**Resolution No. 2013-33 – A Resolution Authorizing the City of Mason to Apply to the Michigan State Housing Development Authority Rental Rehabilitation Grant for 124 and 140 East Ash Street Mason, Michigan through the Community Development Block Grant Program**

MOTION by Naeyaert, second by Droscha,  
to consider Resolution No. 2013-33 read.

**MOTION APPROVED UNANIMOUSLY**

Resolution No. 2013-33 was introduced by Droscha and seconded by Brown.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-33  
A RESOLUTION AUTHORIZING THE CITY OF MASON TO APPLY TO THE MICHIGAN  
STATE HOUSING DEVELOPMENT AUTHORITY RENTAL REHABILITATION GRANT FOR  
124 AND 140 EAST ASH STREET, MASON, MICHIGAN THROUGH THE COMMUNITY  
DEVELOPMENT BLOCK GRANT PROGRAM  
August 19, 2013**

**WHEREAS**, the City of Mason is working cooperatively with the Ingham County Land Bank (ICLB), who in turn is working on a Development Agreement with private investors to develop their properties located at 124 and 140 E. Ash St.; and

**WHEREAS**, this is a private/public partnership in which there are numerous components to make this project work financially; and

**WHEREAS**, the plan is to redevelop blighted properties that are within the Mason Historic District that front the southern exposure of the historic Ingham County Courthouse, and have been acquired by the ICLB due to foreclosure; and

**WHEREAS**, the concept is to develop the second and third stories of the two properties into ten single bedroom loft apartments, with the first floor designated as commercial space, totaling 23,000 square feet; and

**WHEREAS**, the City Council held a Public Hearing the evening of August 19, 2013 in regard to a Community Development Block Grant (CDBG) being applied for by the City of Mason through the Michigan State Housing Development Authority (MSHDA); and

**WHEREAS**, the grant request is for \$350,000, or \$35,000 per unit, to rehabilitate the second and third floors into ten habitable dwellings built to code. As required through the CDBG because of its federal funding, 51% or more of the housing units must be designated for low to moderate housing tenants for a minimum of five years; and

**WHEREAS**, the City is utilizing Revitalize, Inc. as the designated contractor to help administer these program funds; now

**BE IT HEREBY RESOLVED**, by the Mason City Council, that this Public Hearing and Resolution authorizes the City of Mason to apply to MSHDA for a rental rehab grant for 124 and 140 E. Ash St. Mason, MI through the CDBG Program to reduce blight within the City of Mason and place these properties to productive use.

**RESOLUTION APPROVED UNANIMOUSLY**

**CONSENT AGENDA**

MOTION by Naeyaert, second by Droscha,  
to approve the Consent Agenda as presented:

- A. Approval of Minutes – Regular Council Meeting: August 5, 2013
- B. Approval of Bills - \$191,532.61

**MOTION APPROVED UNANIMOUSLY**

**REGULAR BUSINESS**

**Resolution No. 2013-34 – Approval to Purchase a 2014 Ford Sedan Interceptor**

Stressman spoke regarding the purchase of a 2014 Ford Sedan Interceptor.

MOTION by Naeyaert, second by Droscha,  
to consider Resolution No. 2013-34 read.

**MOTION APPROVED UNANIMOUSLY**

Resolution No. 2013-34 was introduced by Brown, seconded by Droscha.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-34  
APPROVAL TO PURCHASE A 2014 FORD SEDAN INTERCEPTOR  
August 19, 2013**

**WHEREAS**, it is in the best interest of the City of Mason to schedule the replacement of vehicles within the motor vehicle pool; and

**WHEREAS**, the scheduled replacement of Police Car No. 86 was approved in the Fiscal Year 2013 - 2014 Budget; and.

**NOW THEREFORE BE IT RESOLVED**, that the Mason City Council does hereby approve the purchase of one (1) 2014 Ford Sedan Interceptor for \$24,439.00 from Signature Ford.

**RESOLUTION APPROVED UNANIMOUSLY**

**Resolution No. 2013-35 – Approval to Purchase a 2014 Ford 4x4 Pickup Truck**

MOTION by Droscha, second by Naeyaert,  
to consider Resolution No. 2013-35 read.

**MOTION APPROVED UNANIMOUSLY**

Resolution No. 2013-35 was introduced by Naeyaert, seconded by Droscha.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-35  
APPROVAL TO PURCHASE A 2014 FORD 4x4 PICKUP TRUCK  
August 19, 2013**

**WHEREAS**, it is in the best interest of the City of Mason to schedule the replacement of vehicles within the motor vehicle pool; and

**WHEREAS**, the scheduled replacement of Truck No. 31 was approved in the Fiscal Year 2013 - 2014 Budget; and.

**NOW THEREFORE BE IT RESOLVED**, that the Mason City Council does hereby approve the purchase of one (1) 2014 Ford 4x4 pickup truck for \$21,365.00 from Signature Ford.

**RESOLUTION APPROVED UNANIMOUSLY**

**Motion – Designation of Voting Delegate to the 2013 Michigan Municipal League Annual Meeting**

The Annual Michigan Municipal League Convention will be held in Detroit, September 17-20. The annual meeting is scheduled to be held Wednesday, September 18, 2013 at the Detroit Marriott at the Renaissance Center. In accordance with the League Bylaws, Council is requested to select a designee and alternate to attend the meeting by formal action.

MOTION by Naeyaert, second by Droscha,  
to appoint Mayor Leon Clark to serve as the City of Mason principal official  
representative and Councilmember Jon Droscha to serve as an alternate to attend  
the Annual 2013 MML Convention in Detroit and the annual meeting held  
Wednesday, September 18, 2013.

MOTION APPROVED UNANIMOUSLY

#### UNFINISHED BUSINESS

Discussion was held to consider seeking the advice of the MSU Landscape Architecture  
Program for landscape renovations around the city hall parking lot.

#### NEW BUSINESS

Discussion was held to cut down the plantings around the city hall parking lot for pedestrian  
and vehicle safety. Staff asked for direction from the entire Council.

MOTION by Naeyaert, second by Bruno,  
to have the grass in front of City Hall cut down to a level that allows the  
sidewalk, the streets and the parking lot visible.

Yes (5) Brown, Bruno, Clark, Droscha, Naeyaert

No (2) Mulvany, Ferris

MOTION APPROVED

It was discussed that the grass should be cut to the height of twelve inches. Administrator  
Colburn recommended letting a bid for professional services to provide a conceptual  
landscaping plan for this area.

#### CORRESPONDENCE

All correspondence was distributed. A letter from Mr. Ken Smith was received by Mayor Clark  
and Councilmember Bruno regarding a code enforcement matter.

#### LIAISON REPORTS

Naeyaert informed commissioners regarding current City Council business.

#### COUNCILMEMBER REPORTS

None.

#### ADMINISTRATOR'S REPORT

Colburn informed Council regarding City business.

#### ADJOURNMENT

The meeting adjourned at 8:15p.m.

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Deborah J. Cwierniewicz, City Clerk

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Leon R. Clark, Mayor

COUNCIL REPORT  
TUESDAY, SEPTEMBER 3, 2013

Vendor Code	Vendor Name	Invoice Date	Amount
Invoice	Invoice Description		
GL Number	GL Description		
07800	BLUE CROSS BLUE SHIELD OF MICHIGAN		
GR#7029499710DIV#002	HEALTH INS CITY EXPENSE	08/19/2013	
750-000.00-231.015	HEALTH INS CITY EXPENSE		9,919.28
GR#7029499DIV#0001	RETIREEES INS ~ CITY EXPENSE	08/20/2013	
101-855.00-874.001	RETIREEES INS ~ CITY EXPENSE		6,923.39
SEPTEMBER 2013	HEALTH, DENTAL & VISION INS	08/20/2013	
750-000.00-231.015	HEALTH INS ~ CITY EXPENSE		5,232.75
VENDOR TOTAL:			22,075.42
05016	GRANGER		
AUGUST 2013	AUGUST REFUSE 2279 CUSTOMERS	09/03/2013	
101-528.00-818.000	AUG REFUSE 2,279 CUSTOMERS		27,097.31
VENDOR TOTAL:			27,097.31
06480	MICHIGAN MUNICIPAL RISK		
M0001051	HALF PMT OF ANNUAL FUND LIAB INS	09/03/2013	
101-272.00-910.000	1ST HALF PMT OF ANNUAL FUND LIAB INS		43,620.00
R0001051	HALF PMT OF RETENTION FUND CONTRIBUTION	09/03/2013	
101-272.00-910.000	HALF PMT OF RETENTION FUND CONTRIBUTION		7,500.00
VENDOR TOTAL:			51,120.00
05242	MICHIGAN STATE OF		
AP 354886	W COLUMBIA PMT #1: LOCAL SHARE & WATERMAIN	09/03/2013	
202-451.00-970.211	W COLUMBIA PMT #1 ~ LOCAL SHARE		175,738.45
592-558.00-970.919	W COLUMBIA PMT # 1 ~ WATERMAIN		29,507.90
			205,246.35
VENDOR TOTAL:			205,246.35
05234	MML WORKERS COMPENSATION FUND		
8773201	2ND QTR '13/'14 WC PREMIUM	09/03/2013	
101-000.00-128.000	2ND QTR '13/'14 WC PREMIUM		11,963.00
VENDOR TOTAL:			11,963.00
TOTAL - ALL VENDORS:			317,502.08

I hereby certify that I have reviewed the above bills and expenses and to the best of my knowledge and belief, they cover expenditures of City services and materials and are within current budget appropriations.

  
Martin A. Colburn  
City Administrator

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

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**Meeting Date:** September 3, 2013

**Agenda Item:** 6 (C)

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### **AGENDA ITEM**

Motion – Street Closure Request – Riverwalk Meadows Homeowner’s Association

### **EXHIBITS**

- August 26, 2013 letter from Michael Waltz, President of the Riverwalk Meadows Homeowners Association

### **STAFF REVIEW**

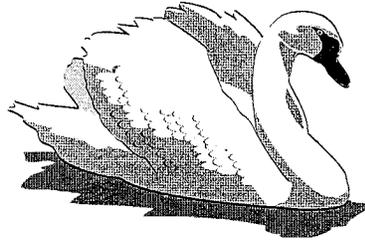
Administration

### **SUMMARY STATEMENT**

The Riverwalk Meadows Homeowners Association requests that the cul-de-sac on the end of Raging River Road be closed during the neighborhood annual picnic. This year the picnic is scheduled for September 22 from 3:30 PM to 6:30 PM and will assemble in front of the residences of 408, 409, & 412 Raging River Road. The remainder of Raging River Road would stay open for emergency and other access from the north intersections of Raging River Road and Riverwalk Drive or Raging River Road and Howell Road.

### **RECOMMENDED ACTION**

Move to approve the Riverwalk Meadows Homeowners Association request to close Raging River Road in front of addresses 408, 409, & 412, on September 22, 2013 from 3:30 PM to 6:30 PM to hold the neighborhood annual picnic.



**Riverwalk Meadows  
Homeowners Association**

August 26, 2013

Honorable Mayor and City Councilmembers,

The Riverwalk Meadows Homeowners Association requests that the cul-de-sac on the end of Raging River Road be closed during the neighborhood annual picnic. This year the picnic is scheduled for September 22<sup>nd</sup> from 3:30PM to 6:30PM and will assemble in front of the residences of 408, 409, & 412 Raging River Road. The remainder of Raging River Road would stay open for emergency and other access from the north intersections of Raging River Road and Riverwalk Drive or Raging River Road and Howell Road. Thank you for your consideration.

If you have any questions or require additional information please do not hesitate to contact me at (517) 676-5396, or [WaltzMF@gmail.com](mailto:WaltzMF@gmail.com).

Sincerely,

Michael Waltz, President  
Riverwalk Meadows Homeowners Association

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

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**Meeting Date:** September 3, 2013

**Agenda Item:** 7 (A)

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### **AGENDA ITEM**

Motion – Utilization of Right of Way – Commercial Shoot by Harvest Creative Services

### **EXHIBITS**

- Letter of Request – Aaron Greer, Representative for Harvest Creation Services

### **STAFF REVIEW**

Administration

### **SUMMARY STATEMENT**

Aaron Greer of Harvest Creative Services has confirmed that they wish to film their commercial in downtown Mason on Sunday, September 22, and at a private house on Monday, September 23. They will be filming on the sidewalks on the east and west sides of Jefferson Street between Oak and Maple Streets, and on the north side of Maple Street, between Park and Barnes Streets. They will be requiring dedicated parking spots within the right of way during the filming of their advertisement.

Mr. Greer has advised that they anticipate no obstruction to the flow of traffic in the streets. They have also requested the use of the City Hall parking lot on those two days. Finally, they have requested the use of the Courthouse lawn and/or parking lot; I have advised Mr. Greer that he needs to contact Ingham County directly with that request.

It is my understanding that they will be requesting the services of one police officer and vehicle. They will be charged the standard rate of the actual overtime, hourly equipment rental and a 10% administrative service fee.

### **RECOMMENDED ACTION**

Approve Utilization of Right of Way for a commercial shoot by Harvest Creative Services

To Mason City Council:

After much deliberation and the filming of a mock up using the sidewalks of Mason as our location, we are absolutely able to film this commercial without street closures and without the blocking off of multiple parking spaces. We understand the need to keep the streets open and not inhibit the operation of Mason businesses. All filming locations would be on sidewalks, with one actor crossing a street, and two actors at their cars, in parking spaces.

To accommodate the city of Mason, we would like film on a Sunday as to offer minimal disturbance to businesses and regular traffic. We are looking at Sunday the 22<sup>nd</sup> of September to film downtown and Monday the 23<sup>rd</sup> to film at an as yet undetermined house off of main streets.

The sidewalks that we are looking to film on would be the east and west sides of Jefferson, between Oak and Maple, and the north side of Maple, between Park and Barnes, with no obstruction to the flow of traffic.

For Sunday parking to keep cast and crew vehicles off the street, and not impede parking for Mason residents, I would like to request the use of the city hall's parking lot. We would have a shuttle car to transport people to set.

During production, we set up a spot to feed cast and crew that we call the craft services tent. I would like to set up a tent on the courthouse lawn or a self-standing tent in the courthouse parking lot. We would have a tent, tables, chairs, and portable toilets brought in the day before and set up. These would be removed by the end of the day on the 22<sup>nd</sup>. This is obviously up to the city to allow us to do this.

I will attend the city council meeting on the 3<sup>rd</sup> of September to address any further concerns and questions that may arise. Thank you.

Aaron Greer

Harvest Creative Services  
[greer@harvestcreativeservices.com](mailto:greer@harvestcreativeservices.com)  
517-896-5767

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

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**Meeting Date:** September 3, 2013

**Agenda Item:** 8 (A)

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### **AGENDA ITEM**

- Executive Session—AFSCME Contract Negotiations
- Resolution 2013-36— AFSCME Agreement

### **EXHIBITS**

- AFSCME Agreement

### **STAFF REVIEW**

- City Administrator

### **SUMMARY STATEMENT**

Negotiations have concluded with an agreement voted on and approved by the union members. A draft copy of the ratified agreement will be delivered to your house. The document will be reviewed with City Council in executive session.

### **RECOMMENDED ACTION**

Approve Resolution 2013-36 AFSCME Agreement

Introduced:  
Second:

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-36  
AFSCME AGREEMENT**

**September 3, 2013**

**BE IT HEREBY RESOLVED** by the Mason City Council that it does hereby ratify an Agreement between the City of Mason and Mason City Employees, Chapter of Local #1390, Council 25, American Federation of State, County and Municipal Employees, dated September 3, 2013 – September 2, 2016; and

**BE IT FURTHER RESOLVED**, the Mayor and City Administrator are hereby authorized to execute said Agreement on behalf of the City Council.

Yes ( )

No ( )

**CLERK'S CERTIFICATION:** I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council at its regular meeting held on Tuesday, September 3, 2013 the original of which is part of the Council's minutes.

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Deborah J. Cwierniewicz, City Clerk  
City of Mason  
Ingham County, Michigan

# City of Mason

201 W. Ash St.  
P.O. Box 370  
Mason, MI 48854-0370  
www.mason.mi.us



City Hall 517 676-9155  
Police 517 676-2458  
Fax 517 676-1330  
TDD 1-800-649-3777

## MEMORANDUM

**TO:** Honorable Mayor and Council Members  
**FROM:** Martin Colburn, City Administrator  
**DATE:** September 3, 2013  
**RE:** City Administrator's Report

### Michigan Municipal League Proactive Representation

The Michigan Municipal League (MML) has developed a plan that they are marketing to help create sustainability for municipalities. They have developed a policy agenda that is intended to be an action plan for MML to follow in the creation and strengthening of policy on behalf of communities. This includes efforts to establish law through the legislature as well as seeking support and partnerships with municipalities in developing and implementing the policies. To visualize this, they are using Maslow's Hierarchy of Human Needs.

I am including MML's presentation on defining the "Sustainable Places." Their approach is to establish the foundation for funding and structural stability and flexibility for cities. The next step is the creation of regulatory tools and incentives and finally, cultural investments. MML has structured this agenda and is now forwarding it back to the municipalities to assist in educating and building the communities' support as well as integrating the appropriate components of this plan into our own. Attached are these policy actions, which are inclusive of having identified local governments' revenue sources and having flexibility to institute the policy that best strengthens municipalities. In turn, they are attempting to influence the State of Michigan on how to invest their limited resources and reinvest into the communities and the economy.

Attached is the Partnership for Place: An Agenda for Competitive 21<sup>st</sup> Century Michigan. Please read this document as well as their PowerPoint presentation. This approach is not to be a total plan for an individual community, but for communities as a whole that MML represents. It will be helpful for the council and senior staff to read this policy document from MML prior to the upcoming State conference in Detroit.

### **Water and Sewer Extension to LCC Aviation Facility Located at Mason Jewett Airport**

The City of Mason has been working in conjunction with Lansing Community College (LCC) and Capital Regional Airport Authority in extending water and sanitary mains eastward towards the main airport hangar. LCC has purchased this hangar, moved its avionics maintenance program to this location, and started their fall semester. This is a two-year FAA certification program offered to LCC students. They currently have over 40 students and are targeting to have approximately 150 students within the first five years. Their program currently brings approximately 30% of their students from out of the area, and 15% of the students are military veterans. Their FFA certification program will allow up to 200 students at these facilities, double what was allowed in Lansing.

The water and sanitary mains are built and tested. This project was completed in two phases. Phase one was bringing the building to current codes. This included improving their fire suppression system, adding classroom space, a computer room and new technology, offices, and adding a second elevator. They have added a mezzanine above the hangar, providing approximately 1/3 of their footage. Phase two was the placement of the utilities, water, sewer and fiber. There were some technical issues regarding bad soils and having to address a wetlands area. They are making appropriate adjustments to the As-Builts for the easements, which will be forwarded to the City for appropriate adjustments, and ultimately forwarded to the County Record of Deeds.

LCC contracted this job for \$407,915 with the contingency of an additional \$50,000. This project lies within the Vevay Downtown Development Authority (VDDA). The VDDA received the request from LCC to assist in funding the infrastructure. Vevay has honored the request to assist LCC by making a payment of \$100,000 towards the infrastructure component of the project. This is consistent with their plan of enhancing the business climate, and provides infrastructure that is available for future development. This in turn postures Vevay in a positive position for future economic development. This also strengthens the economic capacity and potential vitality of our regional area. Access to the City water and sanitary systems is part of the PA 425 Agreement and settlement between the two municipalities.

### **Governor Snyder's Regional Prosperity Initiative**

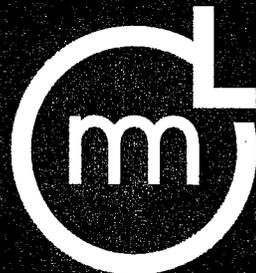
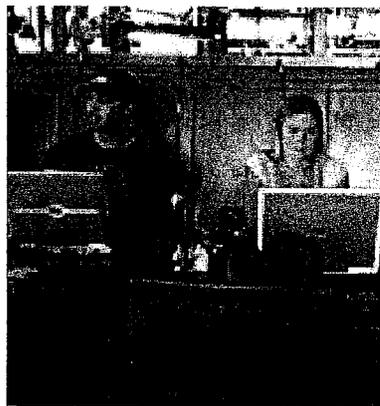
The Michigan State Legislature approved Public Act 59 of 2013, which establishes the Department of Technology Management and Budget Authority to implement a grant program for building regional collaboration. A team of state employees provided a briefing to agencies within the Tri-County planning area to provide information and access for the region to apply for this state funding. It is a multi-tiered regional economic collaborative effort, which would require application by regional planning commissions or existing Metropolitan Planning Organizations (MPO), of which Tri-County Regional Planning Commission is both for our region.

The first step is for Tri-County to apply for a \$250,000 grant, which would require organizational representation from public and non-profit entities within the region to collaborate. Representation must also come from adult education, workforce development, economic development, transportation and higher education organizations. The goal would be to develop a five-year economic development blueprint for the region. As required, the

regional plan would include plans for these sectors. These same areas were represented by different state agencies. The one element that was not optimistic was the Michigan Department of Transportation (MDOT) representative, due to forthcoming budget shortfalls afflicting the State of Michigan and impacting their ability to acquire additional federal funds, due to the lack of matching funds.

Much of this is already occurring at different levels. Most recently, Lansing Economic Area Partnership has been working diligently with their public and private partners on the economic development and talent components. Tri-County already works with the state and MDOT regarding transportation. Of course, we are the home to Michigan State University and other colleges that are representative of higher education. It appears that the Tri-County area is well poised to apply for one of these grants and has a high probability of acquiring one. The state is seeking participation by member organizations through this process. I see it as a means of furthering the marketing of our industrial and commercial capacities.

# Partnership for Place: An Agenda for a Competitive 21st Century Michigan



michigan municipal league

# Partnership for Place: An Agenda for a Competitive 21st Century Michigan

Thriving communities are a key to Michigan’s long-term success and sustainability. If we are going to compete globally in the 21st century, then it is critical to create communities that can attract and retain talent and enterprise. This policy agenda proposes a commitment of action in partnership between the State and its municipalities that will facilitate Michigan’s economic growth and allow for the development of places to provide key services and amenities that contribute to a high quality of life. It focuses on a more regional approach to service delivery, which would change the way services are provided, how resources are dedicated, and how systems are supported. This policy agenda proposes actions that will re-establish a partnership for prosperity in four key areas:

**Funding for the Future** – Making sure that appropriate funds and tools are available to operate efficiently and work regionally in order to succeed globally.

**Michigan in Motion** – Shifting from near exclusive vehicular-based investment to alternative modes of transportation that will accommodate all users, i.e. pedestrians, bikers, public transit riders, and drivers.

**Place for Talent** - Partnering with the State to attract and retain talented workers in our communities through placemaking policies.

**Strength in Structure** – Seeking out solutions to invest in infrastructure and development where it will produce the best results and target resources with maximum outcomes.

It should be noted that, all of the policy solutions are not created equal. The League recognizes that in order for some of these policy actions to realize the most benefit, basic service needs must be met first. It brings to mind Maslow’s Triangle, which was introduced by Abraham Maslow in 1943 in his paper “A Theory of Human Motivation.” Maslow depicts human motivation through a hierarchical chart of human needs, which proceed from the basic to the more complex (See Chart 1).

According to Maslow, basic physiological needs such as food and water come first, followed by safety and so on, and he suggests that you cannot move to the next level without satisfying the previous set of needs. Unmet basic needs means we cannot proceed to those things that bring true meaning and satisfaction in life such as friendship, love, and the creative expression of “self.”

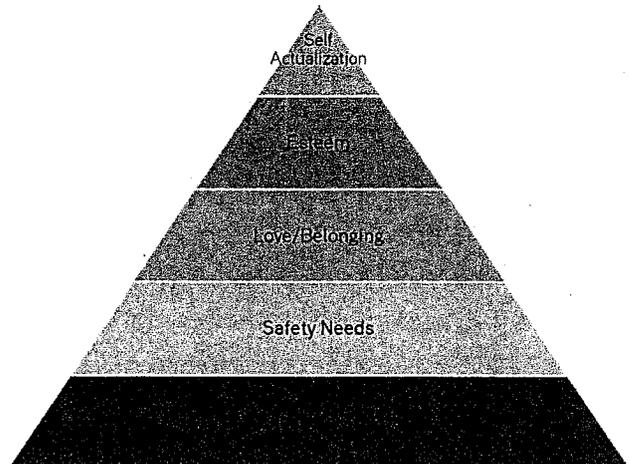


Chart 1 – Abraham Maslow’s Hierarchy of Human Needs

We can depict our policy proposals in the same manner, giving a visual depiction of how critical and essential it is to obtain the basic policy changes in order for communities to be able to move to the higher “levels” to reach the point of being fully sustainable places.

The policy recommendations can be placed into a triangle of their own—a Hierarchy of Proposals for Sustainable Places (see Chart 2).

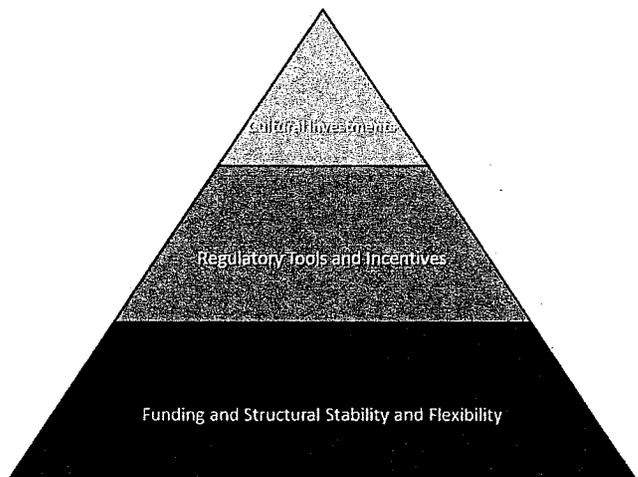


Chart 2 – Hierarchy of Proposals for Sustainable Places

The League's Policy Agenda is a mix of core solutions that build on each other. Taken as a whole, they would put Michigan's communities in a competitive position as we move ahead in the 21st century, creating sustainable places that attract talent and prepare them to flourish in the knowledge economy.

## Funding for the Future

### Building the Case

Each and every day the quality of life for Michigan residents is impacted by the choices that local governments make in providing public safety, parks and recreational programming, street and sidewalk repair, and investments into an exciting downtown. These choices define a community and set the stage for whether or not it will be competitive and prosperous in the coming years.

Over the past decade, these choices have become increasingly difficult for local leaders who must operate under a suffocating framework of shrinking funds, rising service costs, and a legacy liability of escalating retiree costs.

Put simply, Michigan's municipal finance structure is broken. It is built on an old economic model for an industrial era. The world has modernized and Michigan must adapt its financial model as well or risk sliding further down the path to financial despair and cultural ruin.

Particularly in light of the recent personal property tax changes, the time is ripe for action. If we expect local leaders to operate efficiently, work regionally, and succeed globally, the State must partner with them and provide the tools to thrive. This includes reevaluating local reliance on property taxes and the dwindling fiscal partnership with the State, and relieving them of legacy burdens carried over from another economic time.

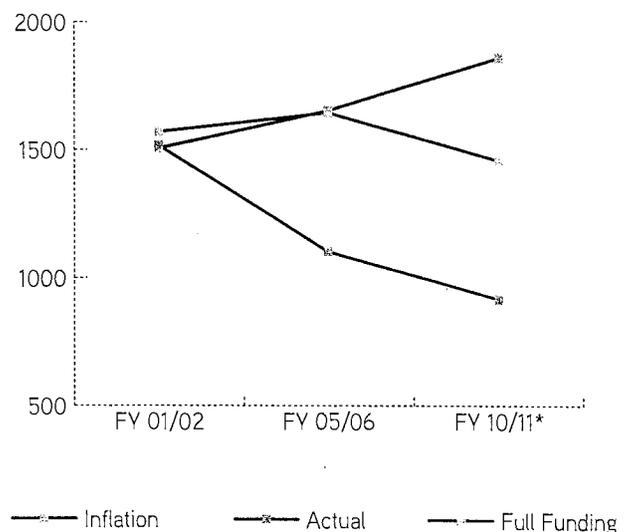
### Shrinking Revenues

Most Michigan municipalities have three main revenue streams and each of these is strictly limited. However, there are 22 cities that have elected to levy a city income tax, in most cases to try and mitigate the lack of property tax revenues due to large portions of land being tax exempt.

- The vast majority of local revenue comes from property taxes—within one of the most restrictive property tax systems in the country due to the combined effect of the Headlee Amendment and Proposal A. The former limits tax revenues collected by a community as a whole, while the latter limits each parcel's value growth to 5 percent annually or the rate of inflation, whichever is less. The combination of these two constitutional provisions greatly restricts a municipality's ability to raise critical revenue for essential services on pace with rising costs. To make matters even worse, these tax increase caps are set so low it will take decades to restore revenues to the same levels they were prior to the significant decline in property values that has occurred over the last several years. Even if the economy rebounds dramatically and home values rise, the community will not be able to generate any revenues beyond the rate of inflation to respond to growing service needs. Because of the over-reliance on property taxes, when the housing market plummeted, communities suffered significantly.

### TOTAL STATE SHARED REVENUE—CITIES, VILLAGES, TOWNSHIPS, & COUNTIES

Source: *The House Fiscal Agency and Plante & Moran*

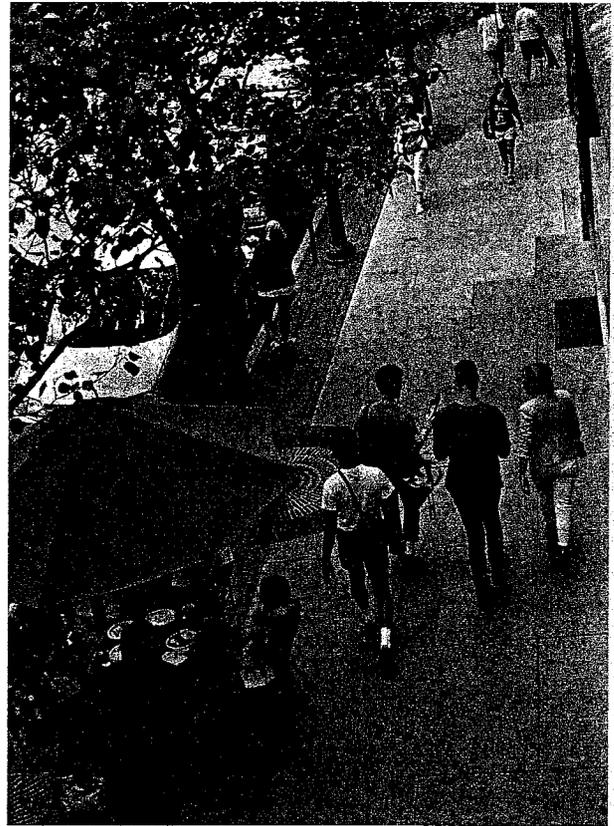


\*\* Inflation applied to FY 97/98 total state shared revenue based on Proposal A inflation factor 1.6% (98/99), 1.9% (99/00), 3.2% (00/01), 3.2% (01/02), 1.5% (02/03), 2.3% (03/04), 2.3% (04/05), 3.3% (05/06), 3.7% (06/07), 2.3% (07/08), 4.4% (08/09), -.3% (09/10), 2% (10/11)

- The next main stream of revenue is in the form of Constitutional and Statutory revenue sharing, known currently as EVIP (Economic Vitality and Incentive Program). In 1939, intangible property was removed from the local property tax base and a state intangibles tax was created, with a method put in place to return those funds to locals. Since that time, additional state taxes have been enacted to preempt and replace the local levy, such as sales, income, and single-business taxes. All this was done with the State's pledge that a portion of the revenues raised from the new state taxes would be returned to locals (shared) to provide essential services. Instead, local communities have had their "share" of the funds slashed dramatically in the past ten years and are now being forced to comply with a whole host of new bureaucratic regulations for the privilege of obtaining an ever-decreasing portion of those funds.
- Fees and fines are the third leg of the stool for local revenue generation and even those have been limited by Supreme Court rules. In 1996, the court determined in *Bolt v. City of Lansing* that the city's storm water fee was a tax that required voter approval under Article 9, Section 31 of the Headlee Amendment. As part of its ruling, the court set out a three-part test for what constitutes a fee:
  1. It must serve a valid regulatory purpose.
  2. It must be voluntary.
  3. It must be proportional to the service provided to the user paying the fee. Unless a fee meets all three conditions, it is considered a tax and must be voted on. This limitation on fees has been another handcuff on local communities trying to build great places.

## The Burden of Legacy Benefits

An additional burden impacting local communities is the growing legacy burden of unfunded retiree benefits in addition to pensions, known as "other post-employment benefits" or OPEB. Rising health care costs, early retirement ages, and a pay-as-you-go approach have created an unsustainable model that has overwhelmed local budgets to the point that many struggle to find enough remaining funds to provide critical services.



According to a recent Michigan State University report, the total OPEB liability for Michigan's cities, villages and townships is \$13.5 billion with funding levels at only 6 percent.<sup>1</sup> That means that the *net unfunded liability is \$12.7 billion*. This is 1.6 times the combined amount owed for unfunded pension obligations (\$3.1 billion) and governmental activities debt (\$4.7 billion).

Unfortunately, Michigan law does not allow communities to unilaterally or retroactively adjust OPEB, so benefit plans from decades ago are still being provided. The 311 local units which provide OPEB represent 67 percent of Michigan's population. Each contributes an average equivalent of 3.18 mills annually to fund OPEB—or about 20 percent of their general fund revenues. Detroit's OPEB contribution is equivalent to over 35 mills.<sup>2</sup>

This legacy liability puts a drain on Michigan's economic hubs that cripples their ability to provide the vital local services that are critical to attract and retain the talent needed to sustain a new economy.

## Proposed Policy Actions

In order to fulfill the basic needs for our policy pyramid, we must create financial stability and flexibility. We can accomplish that by implementing the following recommendations:

- Expand the sales tax to services, with a portion dedicated to local governments or added to an improved formula for constitutional revenue sharing. When sales tax structures were being developed, services were a much smaller portion of the economy. Today, however, many economists argue that as the service sector has grown, states and local communities are leaving a significant portion of revenue off the table, while clinging to a model that is continually shrinking. Former Michigan Treasurer and economist Robert Kleine estimates Michigan could be currently leaving nearly \$2 billion in sales tax revenue off the books—as much as is currently collected on goods.<sup>3</sup>
- Alternatively, increase the sales tax by one cent and dedicate that new revenue to local governments via a new Constitutional Revenue Sharing formula. Increasing the sales tax by one cent would bring in over \$1 billion annually.
- Allow locals to implement land value taxation to encourage appropriate use of space. By shifting where the value is held, some communities could see major improvements in their property development. This tool has been used successfully in targeted cities in other states, like Pennsylvania.
- Revise constitutional revenue sharing for new revenues to reflect service demands as well as population totals. The State needs to be a true partner with local communities to help support the economic strength of our regions. In order to do this, the relationship must deepen beyond an annual appropriations battle that benefits no one. The percentage of shared revenues should be increased or service taxes included, and dedicated to communities based on a combination of population and service provision.
- The existing per capita requirement fails to recognize the massive differences in economic activity and service levels among communities. Michigan should invest its limited resources wisely and invest in the

places where the economy can grow. The focus must be on the places which will lead to economic prosperity—that metric is not defined by simply the number of households.

- Advocate for the creation of an optional State OPEB Pool, which would be bonded. Local communities could select to have their OPEB liability assumed by the pool and would make payments therein.

## Michigan in Motion

### Building the Case

Thriving metropolitan regions around the world have multi-modal transportation systems that connect and support all users, from pedestrians and bicyclists to public transit riders and auto drivers. In order to compete, Michigan must also offer a complete transit-and-transportation system that works seamlessly to move people. Shifting our investment from a purely auto-based approach is essential as we strive to keep and attract talent through the development of our places.

Building a modern transportation system in Michigan is long overdue. For years Michigan has woefully under-invested in its roads, bridges, streets, and public transit.



The cost to maintain an aging system competes with the need to make changes that accommodate an aging populace and trending population shift back to metropolitan centers.

Road systems in Michigan are primarily maintained through a combination of federal and state funding, although local units are increasingly being called upon to supplement the shortfalls.

Michigan continually risks losing out on the federal match. Each year, the State has managed to cobble together the required match funds by raiding other pots of money or implementing budget tricks. However, these are not real solutions and if policy makers don't act soon, our lack of progress on this issue will result in a dismantling of the inadequate transportation network that exists today—a 180-degree turn from the modern 21st century system the State needs to be developing.

Michigan needs real increases and new funding mechanisms, and must ensure that this new investment is prioritized in full-service communities and regions. Policy makers must use the current state and federal focus on transportation to propel this from an abstract discussion into real and significant change. We must prioritize and promote transportation and mass transit, road diets, Complete Streets, and recreational opportunities that increase mobility and connectivity. Research shows this is an essential component of successful regions worldwide, so there is simply no time to waste.

## Proposed Policy Actions

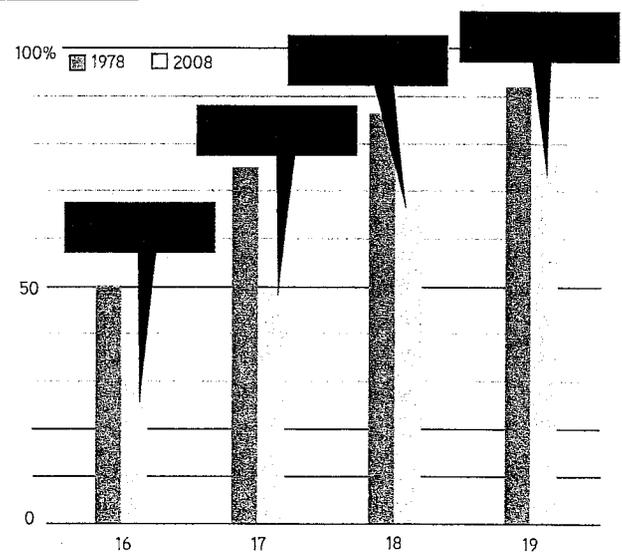
Transportation, including transit and non-motorized pathways, are an essential component of sustainable places. They must be funded appropriately to yield benefits that other tools, such as Road Diet designs and Complete Street programs provide. Therefore, we propose the following recommendations:

- Realign the formula of Michigan's Public Act 51 of 1951 that is utilized by MDOT to distribute transportation dollars to the various road agencies. The Act 51 formula is based on outdated criteria that do not reflect the economics of maintaining a modern transportation network. Its simplistic basis is driven by miles of road, traffic volumes and, to

some extent, population. It ignores metropolitan needs and roadway characteristics, and fails to allow for project cost variability due to such factors as lane miles, age of infrastructure, and the presence of underground utilities.

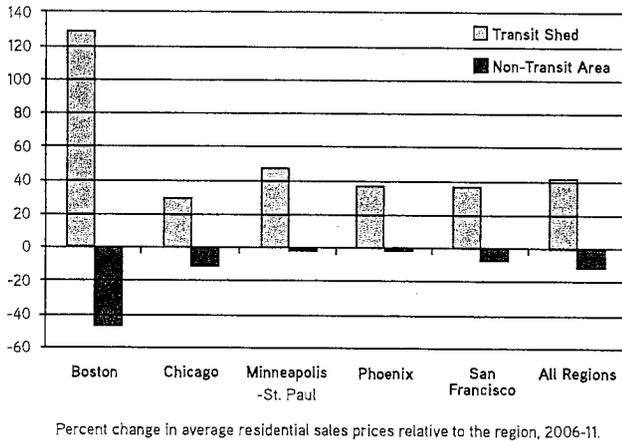
- Alternatively, amend PA 51 to prioritize the spending of any new transportation revenues coming into the system from increased fuel tax or vehicle registration revenues on transportation systems in already developed areas. Currently, the roughly \$3 billion that Michigan spends on roads, bridges, and transit is split (after earmarks for economic development projects, transit, and bridges) with 39.1 percent going to the MDOT system, 39.1 percent to the county road system, and 21.8 percent to cities and villages. Instead of basing distribution on the type of road agency, these new monies should be spent based on criteria similar to that used by the Local Bridge Advisory Board, which recognizes various factors in a project's cost and the economic value of a project with an eye towards stimulating economic opportunities. This will allow the Act to account for more specific details about the infrastructure systems being managed by the various road agencies.

**SLOWDOWN** % of U.S. population between 16 and 19 with driver's licenses



Source: Department of Transportation

**STUDY** Homes Near Transit Were Insulated From the Housing Crash  
by Tanya Snyder



- There must also be a greater emphasis on transit development through increasing revenues. The economic impact is indisputable. Leaders in Los Angeles, California and Cleveland, Ohio have shown the economic activity that follows transit development shows a return on investment that is 3 and 4 times the initial public allocation.
- Support a gas tax increase to ensure that Michigan is able to meet the federal match going forward, and begin to plan for the state's infrastructure reconstruction using a 21st century model that focuses on strong local networks connecting people in a meaningful way that accommodates their mobile lives. A gas tax increase to 37 cents which includes parity for diesel gas would generate approximately \$950 million.
- Do not allow the State to divert funding passed on by the federal government for Transportation Alternatives, and require that all of that funding be made available for communities to invest in the talent attraction amenities.
- Prioritize road diets and livable streets with increased revenues allocated for projects that help develop a sense of place in their neighborhoods. The "road diet" is a tool to help communities deal with the excess of asphalt promulgated in the past several decades. A road diet converts a large multi-lane corridor into a two- or three-lane road with a turn lane and/or bike lanes. This action creates a more livable street that

promotes improved safety, economic development, and commercial activity. Road diets are very applicable in areas which have lost population or need to realign with modern transportation priorities in order to revitalize. In other words, many Michigan communities could benefit from this type of activity.

## Place for Talent

### Building the Case

The research is compelling. Attracting and retaining talent is critical if Michigan is to prosper in a knowledge-based economy. Transitioning from an industrial-based economy to a knowledge-based economy requires a more educated work force. If Michigan is going to be economically competitive, then it needs to become smarter. Currently, only 25.2 percent of the Michigan population holds a bachelor's degree or higher. This compares to 28.1 percent for the country. Looking at other states in a similar geographic area, Minnesota is at 31.8 percent and Illinois is at 30.7 percent. These are states with thriving large urban centers. States and major cities with the largest populations of college educated, talented, and creative people are winning economically with lower unemployment rates and higher per-capita income levels.<sup>4</sup> The most successful economies are those that are concentrated in the knowledge-based sectors. In the United States, job growth from 1990-2012 was 34 percent in high education industries versus 14 percent in low education industries.<sup>5</sup>

Michigan, with its world-class higher learning institutions, attracts students not only from in-state, but from all over the world. Our challenge is to encourage these students to stay after college. The likelihood of moving after their 25th birthday declines by half.<sup>6</sup> We need to get them engaged in their communities so that they will choose to settle down here, raise families, start and grow jobs, and invest in Michigan for the long term.<sup>5</sup>

In a global economy where technology allows people to work anywhere, research shows that of those students who leave Michigan, two-thirds of them are choosing where to live first then looking for a job—and they are overwhelmingly choosing to live in cities.<sup>7</sup> This is a



transformative approach from a generation ago when people followed the jobs. We know that talent is attracted to vibrant places with robust services and amenities. This includes a strong emphasis on arts and cultural programs, physical design and walkability, transit options, connectivity, and an entrepreneurial environment, as well as public safety.

Nontraditional households are on the rise, with less than 25 percent of households consisting of a mother, father and children living under the same roof. Today, automotive miles driven by 21-30 year-olds is 13.7 percent versus 20.8 percent in 1995 and 18.3 percent in 2001.<sup>9</sup> These are demographic shifts which are driving dramatic changes in how we design our communities. We must offer communities with the diversity of choices in housing, transportation, activities, and recreation that is required by talent, or we will remain at a competitive disadvantage.

## Proposed Policy Actions

In order to fully position our communities to attract and retain talent, we must advance policies that provide appropriate tools for modern development as well as fund and support cultural and place-based priorities—allowing communities to further reach sustainability. To that end, the following recommendations are proposed:

- Advocate for a wide range of housing choices (affordable, rental and owner-occupied housing). As mentioned, with shifting demographics showing that less than 25 percent of households are considered traditional (mother, father, and children),<sup>9</sup> young people are choosing to rent over purchasing a home and with a want/need of much less square footage than a generation ago. Since our focus over the past decades has been to build large homes away from central cities and located in single-use areas, there is a huge housing shortage for what young people desire. In a recent blog, titled “Growing Detroit II”, Michigan Future, Inc. strongly proposes that development incentives through historic preservation and brownfield tax credits need to be restored. For decades and continuing today, the government has subsidized suburban housing (single family, home ownership). It’s time that subsidizing urban housing (multifamily, mixed-use, and largely rental) be supported.<sup>10</sup>
- Promote mixed-use development, which includes businesses, retail, restaurants, and housing and build a live-and-work environment to create a more sustainable way of living. Single-use zoning construction makes no economic sense. Charles Marohn, executive director of Strong Towns in Brainerd, Minnesota, illustrates the economic impact of a Walmart business and a mixed-use building in Asheville, North Carolina. In this particular case, Walmart takes up 34 acres of land and brings in \$6,500 of total property taxes per acre. In contrast, the mixed-used development which occupies 00.2 acre, brings in \$634,000 of total property taxes per acre. Retail taxes per acre to the city are \$47,000 for Walmart versus \$83,600 for the mixed-use building. Jobs per acre are 5.9 for Walmart and 73.7 for the mixed-use development.<sup>11</sup> With numbers like these, we need to focus our resources on multi-use investments that will strengthen the economic base and provide the type of communities people want to live in. Michigan State Housing Development Authority (MSHDA) and Michigan Economic Development Corporation (MEDC) are state agencies that could provide additional incentives for multi-use development.

- Forgive student loans on an incremental basis depending on the length of time spent in Michigan. Give a refundable loan of up to \$8,000 to each public university and community college student. Each year a student remains in Michigan after graduation, 20 percent of the loan will be forgiven. Another option is to forgive the loan by 10 percent for 10 years. Other cities and states are developing these programs. Kansas has already seen an increase in college graduates applying for their program, and 1/3 of them are from out of state. And, Niagra Falls, NY is implementing their own program now. The race for talent is on—and we must choose to get in and compete.<sup>12</sup>
- It is important that funding be available to create robust internship programs that link new graduates with small and large businesses, nonprofits and foundations to gain real-world situations. Some of that burden could be shifted to businesses to help combat the state's brain drain by offering tax credits for those businesses that develop ongoing intern programs. One

program that already exists in Michigan is the Intern in Michigan program. It connects students and employers through a unique online matching system. This is a creative approach to retaining and connecting talent which could be incentivized and promoted, as with other similar programs.

- Underinvesting in the cultural arts makes no economic sense. The arts, culture, arts education, and creative industries are huge economic drivers that provide a rich quality of life and help attract and retain people of all ages. Jobs, tax revenue, and vibrant communities are all dependent upon the creative state of our economy. Using data provided by the Cultural Data Project, Creative State Michigan illustrates that for every \$1 Michigan invests in arts and culture, \$51 is pumped back into the state's economy.<sup>13</sup> It is critical that the State supports the arts at a much higher level than it has been doing during the past decade.



## Strength in Structure

### Building the Case

At a time when our state and local resources are diminishing, there is a need to advocate for a strong return on investment for local services. This goes beyond “fix it first” policies and local match requirements. Although it might make sense in some cases to fix outlying and ineffective infrastructure first, it is important that is not done at the expense of investing in more sustainable projects. Local governments and the State need to recognize that 20th century service provision is not matching the demands or needs of the 21st century economy.

Michigan cities and villages provide the necessary services that people expect from their local governments—police and fire protection, sewer and water, roads, infrastructure, garbage collection, recycling, etc. But with increasingly fewer resources to support these services, it is important to seek out innovative solutions together and recognize the evolving economic reality: that our economic output is linked directly to the state's metropolitan areas and smaller commercial corridors.

Michigan's metropolitan regions account for 88 percent of the state's Gross Domestic Product (GDP),<sup>14</sup> so it only makes sense that support and resources are dedicated and aligned for projects related to urban growth. That means stopping generalized expansion of infrastructure and development that creates a drain on our communities and state. Let's target our resources in order to maximize our outcomes.

A study just released, entitled *Building Better Budgets*, by Smart Growth America, showed three key findings:

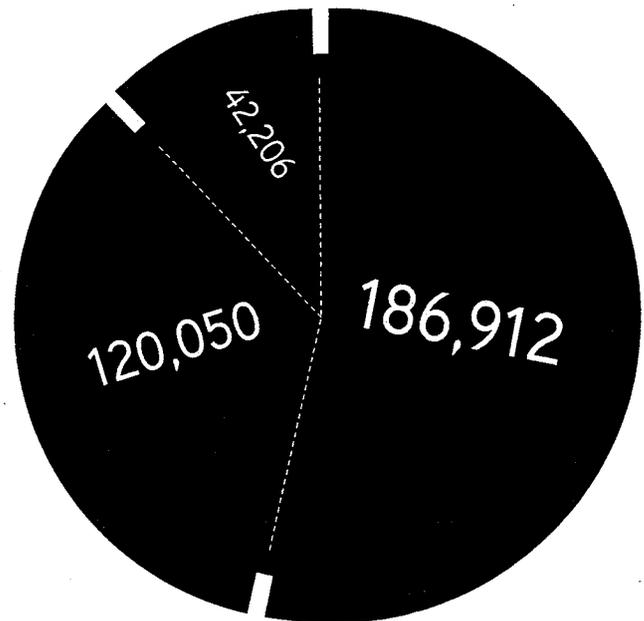
1. Smart growth development costs one-third less for upfront infrastructure.
2. Smart growth development saves an average of 10 percent on ongoing delivery of services.
3. Smart growth development generates 10 times more tax revenue per acre than conventional suburban development.<sup>15</sup>

## Proposed Policy Actions

Another essential component to sustainable places is to commit to solving structural insolvency. Michigan can no longer afford to incentivize continued development that will only lead to a greater inability to maintain infrastructure. As the study shows, it makes no economic sense to place greater fiscal strain for maintenance on residents. This reality leads us to propose the following solution:

- Create new community growth legislation to make Michigan laws more growth friendly which will encourage more effectual land use and the efficient use of existing infrastructure. This will help ensure sustainability of municipal borders, prevent increased infrastructure costs for rural areas, and reverse decades of costly low density growth that simply does not provide an appropriate return on investment. It will also enable communities that are already urban in character to expand their boundaries to accommodate new infrastructure to be added on to the existing built-out infrastructure. In addition, it will require schools to adhere to local zoning.

**MICHIGAN GDP**  
(in millions of dollars)



*Michigan's metropolitan areas account for 88 percent of the state's Gross Domestic Product (GDP). The Detroit region alone accounts for almost 54 percent of Michigan's GDP. In addition, the real GDP per capita in Michigan's metropolitan areas is \$37,560, compared to \$24,949 in the rest of the state.*

*Source: RW Ventures, "Michigan's Metropolitan Areas Fact Sheet"*

## Endnotes

1 Scorsone, E. *Funding the Legacy: The Cost of Municipal Workers' Retirement Benefits to Michigan Communities*, March 2013

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6 Cortright, Joseph; Impresa Consulting. *The Young and the Restless in a Knowledge Economy*, December, 2005, for CEOs for Cities

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8 Coletta, Carol (2011) Quality of Place: The Talent Drive. In *The Economics of Place: The Value of Building Communities Around People*, pp. 25-38. Ann Arbor, MI, Michigan Municipal League

9 Coletta, Carol (2011) Quality of Place: The Talent Drive. In *The Economics of Place: The Value of Building Communities Around People*, pp. 25-38. Ann Arbor, MI, Michigan Municipal League

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13 *Creative State Michigan*, Artserve 2009

14 RW Ventures, *Michigan's Metropolitan Areas Fact Sheet*, 2011

15 Smart Growth America, website; [www.smartgrowthamerica.org](http://www.smartgrowthamerica.org), *Building Better Budgets Quantifies Average Savings and Revenue of Smart Growth Development*, May 21, 2013



The Michigan Municipal League is the one clear voice for Michigan communities. Through advocacy at the state and federal level, we proactively represent municipalities to help them sustain highly livable, desirable, and unique places within the state. We create and offer our members services and events that range from traditional to cutting edge, in order to help educate and inspire them to remain focused on their passion for the area they represent. We are a nonprofit, but we act with the fervor of entrepreneurs; our people are dynamic, energetic and highly approachable, passionately and aggressively pushing change for better communities.

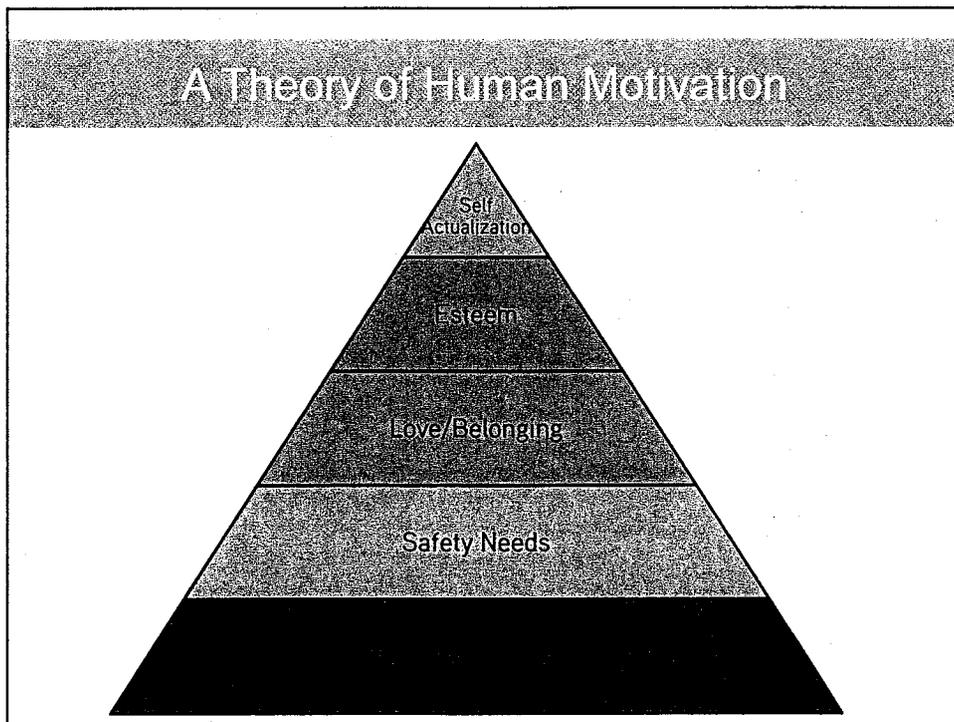
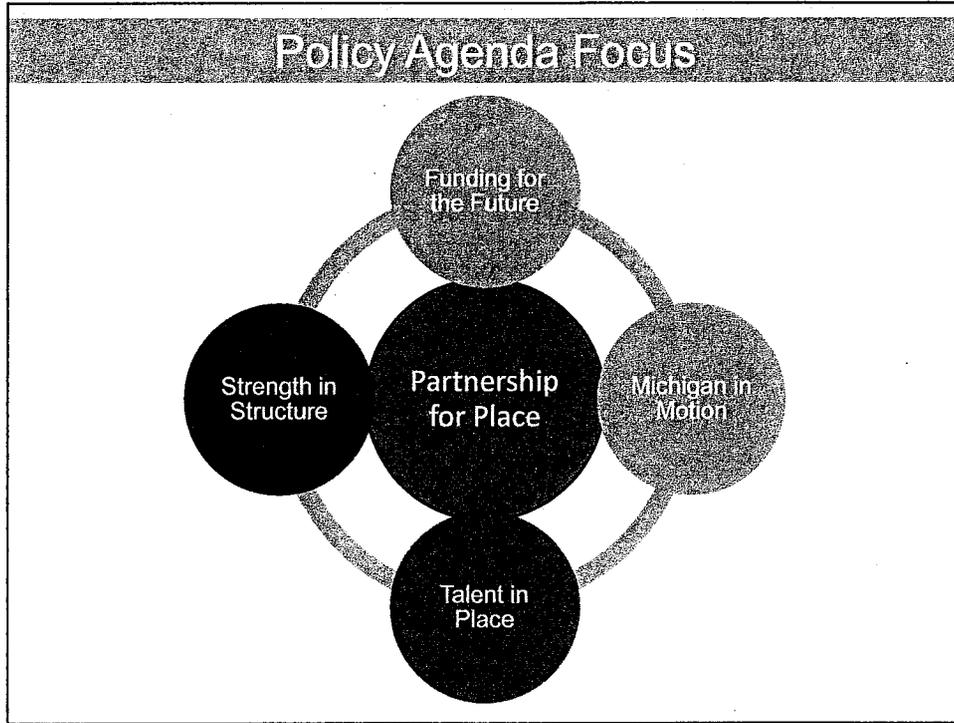
# Partnership for Place

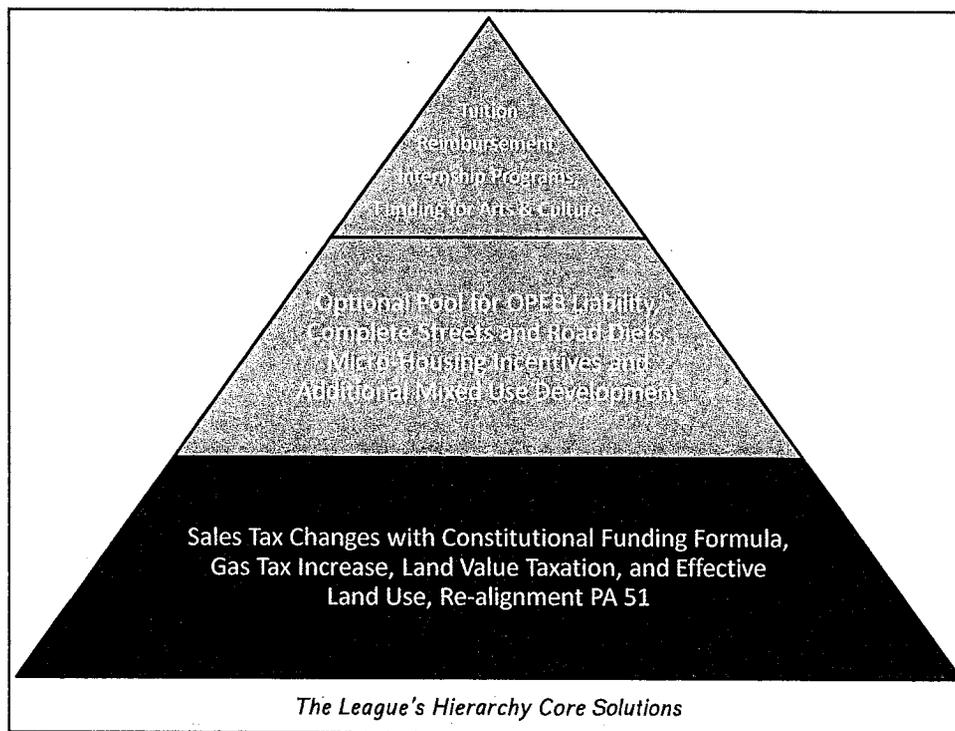
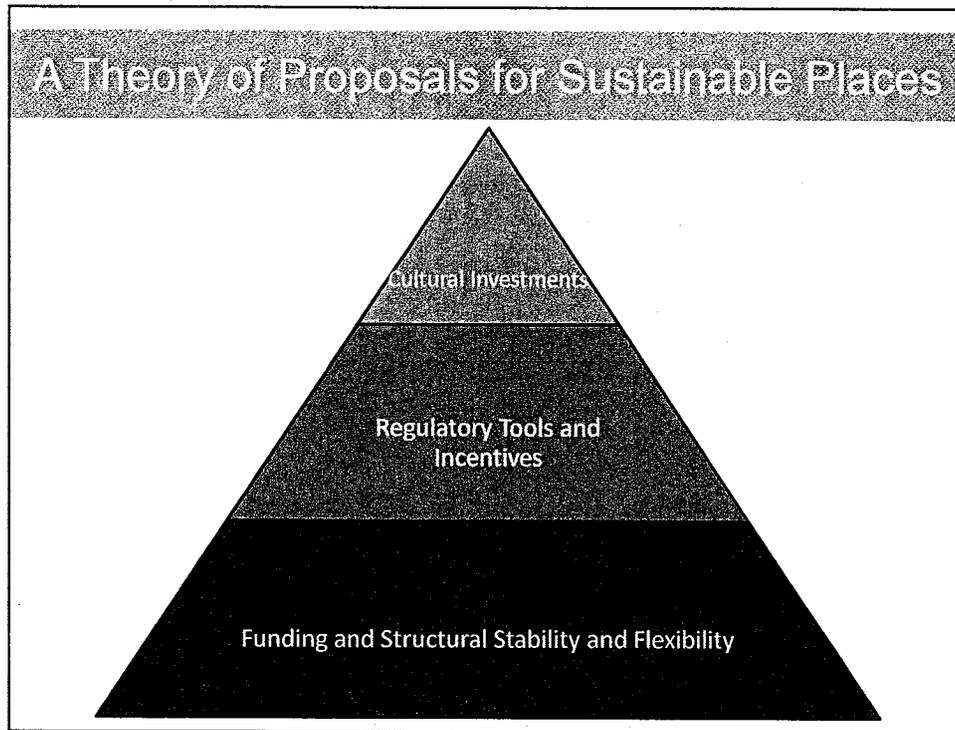
A Policy Agenda for a Competitive  
21<sup>st</sup> Century Michigan

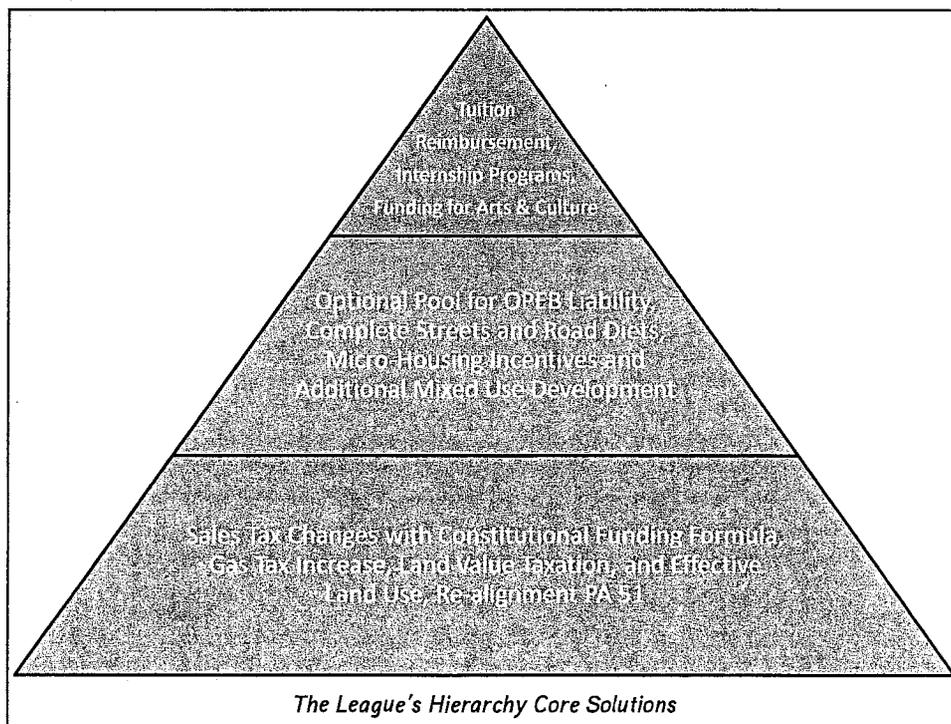
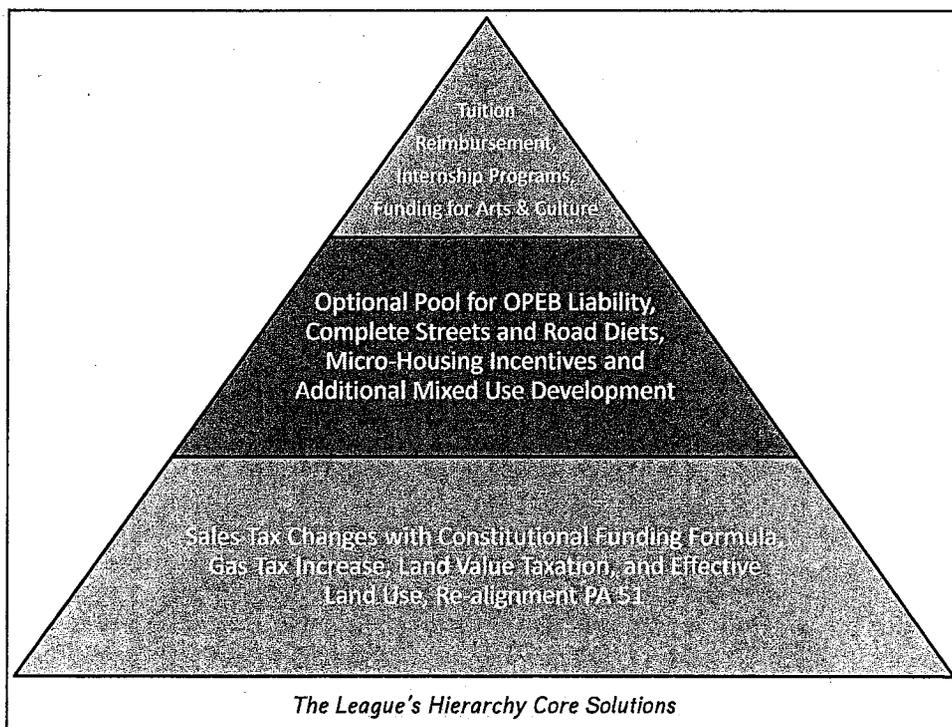
August 21, 2013

## How We Got Here

- In January Board approved four main areas of focus for proactive agenda
- Researched topics
- Presented 1<sup>st</sup> draft of Partnership for Place to Board at April meeting
- Presented policy options to all the issue committee meetings
- Surveyed members
- Made site visits







## Funding for the Future – Building the Case

- Reduction of local revenues due to steep property value declines and State cuts to revenue sharing
- State-imposed revenue restrictions on prop taxes & fees make it difficult to compensate for losses
- Significant legacy costs
- Unsustainable funding model for maintaining status quo—let alone competing globally for talent

## Funding the Future – Potential Policy Action

- Increase sales tax by 1% (to a total of 7%) with the new 1% earmarked for local government
- Expand the sales tax to services
- Allow locals to implement land value taxation to encourage appropriate use of space
- Revise constitutional revenue sharing for new revenues to reflect service demands as well as population totals
- Advocate for State to create an optional OPEB pool -

## Michigan in Motion – Building the Case

- Strong evidence that links economic growth and multi-transit systems
- Underinvesting in transportation makes us less competitive to attract talent
- The State is underfunding for streets and roads and even more so for a modern transit network

## Michigan in Motion – Proposed Policy Action

- Restructure spending priorities through a new formula, versus the current PA 51 system
- Alternatively, amend PA 51 to prioritize the spending of any new transportation revenues on systems in already developed areas
- Place a greater emphasis on transit development
- Support a gas tax increase; i.e. gas tax increase to 37 cents (includes parity for diesel gas) would generate approximately \$950 million

## Place for Talent – Building the Case

- Low educational attainment – 25.2% vs. 28.1% for the country
- Job growth from 1990-2012 – 34% in high education industries vs. 14% in low education industries
- Half leave Michigan after graduation, 2/3 leave with no job
- Likelihood of moving back after age of 25, declines by half.
- < 25% traditional households
- Automotive miles driven by 21-30 year olds is 13.7% vs. 20.8% in 1995 and 18.3% in 2001

## Place for Talent - Proposed Policy Action

- Advocate for a wide range of housing choices (affordable, rental and owner-occupied housing)
- Promote mixed-use development which includes businesses, retail, restaurants, and housing
- Forgive student loans on an incremental basis
- Fund and support internship programs which link new graduates with small and large businesses, nonprofits and foundations
- Invest in the cultural arts

## Strength in Structure – Building the Case

- 20<sup>th</sup> century service provision is not matching the demands or needs of the 21<sup>st</sup> century.
- Economic output linked directly to the state's metro areas and smaller commercial centers.
- Michigan's metro regions account for 88% of the state's GDP.

## Strength in Structure – Potential Policy Action

- Through new growth legislation, make Michigan laws more growth friendly which will encourage more effectual land use and efficient use of existing infrastructure.

## Next Steps

- Assess interest by legislators and work to have legislation drafted
- Develop legislative and media strategies for fall 2013

# Questions/Comments?

August 15, 2013

