



Better Communities. Better Michigan.

Vibrant 21st century communities are the economic engines of our state.

Experts from around the world—in academic, business, and public sectors alike—agree that investing in communities is a critical element to long-term economic development in the 21st century. Michigan's future depends on its ability to attract and retain knowledge-based workers. Central to attracting this priceless commodity is *place*. Research proves that successful 21st century communities effectively leverage the following key assets, which must remain at the forefront of legislative policy as well as local, regional, and statewide strategies for investment and economic development:

⇒ Physical Design and Walkability

Prime location in the 21st century means compact, dense, walkable settings that provide safe and convenient access to the places people live, work, shop and play. Desire for such places is especially strong among educated millennials and boomers, key demographics in our new economy. Creating and protecting authentic places requires smart planning and development, infrastructure investment, and historic preservation. Revitalization at the local level requires a range of flexible zoning, planning, and financing tools bolstered by predictable and meaningful state and federal incentives, with priority for developed communities.

⇒ Entrepreneurship

The new economy is being built at the local level, growing jobs by ones and twos through entrepreneurs and small business. Economic development strategies aimed at leveraging existing talent and firms at the local level—economic gardening—must be prioritized. Local governments must be engaged as key partners in collaborative approaches to supporting and nurturing small business growth at the state and regional level.

⇒ Transportation

Around the world one finds that thriving metropolitan regions offer a range of transportation options supportive of all users: pedestrians, bikers, public transit riders and drivers. Long-term reliable transportation funding sources must support infrastructure maintenance and improvement, including multimodal transit options. Infrastructure investment should be prioritized in developed, full-service communities and regions.



⇒ **Cultural Economic Development**

A healthy creative sector that affords a wide range of entertainment and cultural enrichment options has considerable economic impact on a region. It is also a primary factor in attracting and retaining residents and businesses alike. Investments in arts and culture pay dividends directly, and add much to our collective quality of life and sense of place. State and federal policy must recognize the arts and culture sector as a strategic economic development partner and value it accordingly.

⇒ **Environmental Sustainability**

Being good stewards of our environmental resources is not just a “feel good” proposition; it is an economic necessity. Michigan’s unique natural resources position us apart on a global scale in terms of the emerging green economy, and they provide unparalleled quality of life for our residents. Local governments are key partners with state and federal agencies in protecting these resources, and in leading our collective transition to the new energy economy. State and federal policy must be flexible and supportive of local efforts to invest in energy efficiency, alternative energy, water quality, and related infrastructure. Financial resources and technical assistance for local initiatives are key to success.

⇒ **Information Technology & Telecommunications**

Technology and telecommunications infrastructure are a basic necessity for a thriving economy. Local governments must retain the right to establish, own and operate existing, new and emerging systems. They also need the opportunity to partner with private and public service providers to provide critical access to technology and related infrastructure to their residents and business community. Finally, local communities must have the primary right to define locations in or near rights-of-way that meet the safety and aesthetic needs of homeowners, the community, and the engineering needs of the provider.



⇒ **Multiculturalism**

Creating and sustaining a genuine commitment to diversity and multiculturalism is vital to attracting global businesses and an educated, creative workforce. Twenty-first century communities embrace people of all backgrounds, particularly educated immigrants, recognizing that multiculturalism and diversity is a competitive advantage in the global economy. Policy at all levels must be supportive of these efforts, welcoming people of all backgrounds to our Michigan communities, and encouraging them to make Michigan their home.

⇒ **Education**

Educational institutions play a central role in growing and supporting a knowledge-based economy, particularly effective town/gown initiatives. As anchor institutions, public and private schools, libraries, colleges, and universities bring opportunities beyond education, including research, entertainment, arts and culture, healthcare, and recreation. Local government must be empowered to effectively collaborate with these key community stakeholders and participate as a partner in decisions that impact the broader community.

Consider this: Small business is responsible for 75% of all net new jobs! And, would you be surprised to know that every \$1 invested in public transit returns \$6 in local economic activity?

Good government starts at the grassroots.

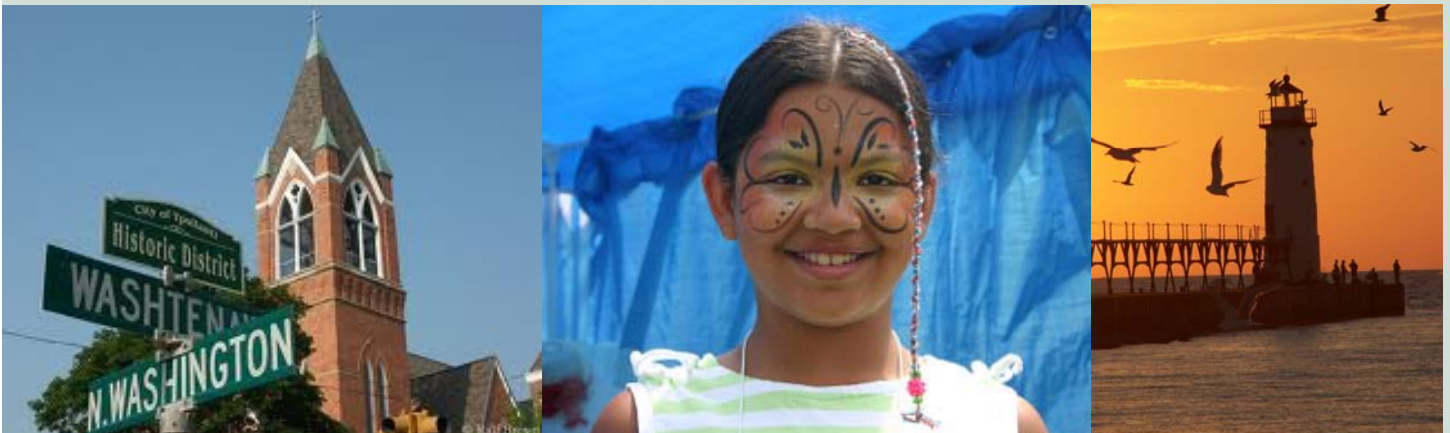
Government works best when people are empowered to decide local issues on a local level. We believe the residents within a community should have the strongest voice in determining how their community operates, its physical design, the level and quality of services offered, and how much they are willing to spend for it all. Michigan values self-determination at the local level, affirmed through the “home rule” provision of our state’s constitution. We believe local control is embodied in the following areas:

⇒ **Regional Collaboration**

Municipalities need flexibility to deliver services in a variety of ways to meet residents’ expectations for quality while ensuring cost-effectiveness. This requires methods that range from informal cooperative efforts, to more formal intergovernmental agreements, to fully consolidated services or regional units. Current laws should be amended to remove barriers to cooperation and consolidation, and reforms must enable and support collaborative efforts in the form that is the best fit for the community, including partnerships among governmental units and various business and non-profit associations.

⇒ **Municipal Finance and Services**

Local government provides the infrastructure and services that impact our quality of life each and every day. Clean drinking water, safe streets, emergency help when you need it, enjoyable parks, exciting downtowns, and the amenities and programming that make your community special are all provided by municipal government. Yet year after year local government is left with less and less capacity to meet the needs of its residents. Further, municipalities, particularly core commerce centers large and small, are called upon to support infrastructure and provide services on a broader regional level. They serve as the heart of the region—which doesn’t necessarily end at the city limits—but are left to struggle to find the funding needed to stay alive.



Our current system for funding local government was developed with a manufacturing economy in mind, with a heavy reliance on personal property tax. Individual property taxes are held at artificially deflated levels and the limitations imposed by our current funding structure mean we will be left in decline even when recovery finally comes to Michigan. This is especially true for older communities with significant legacy costs. Worse yet, state and federal government has systematically disinvested in local communities over the years.

Given this reality, reforms to the municipal finance system are necessary for our survival. These reforms must provide fiscal stability and sufficient flexibility, particularly for commerce centers that support the vast majority of our state’s jobs. Elimination or reduction of any local revenue source should arise only through local approval; or, if undertaken at the state level, it *must* include Constitutionally guaranteed replacement revenue.

Local units must have the means to pursue local option funding sources like a regional sales tax. Local revenue options would help to replace some portion of the hundreds of millions of dollars promised through revenue sharing but never delivered. They would also allow local residents to fund the services they value most, and invest in creating the 21st century communities that will shape and enrich our state going forward.

*Did you know...*Michigan’s metropolitan areas account for 89% of the state’s jobs and 88% of its GDP!
The Detroit region alone accounts for almost 54% of Michigan’s GDP!

Good government, continued

Finally, state and federal legislation must honor its obligation to ensure burdensome liabilities and unfunded mandates are not unnecessarily imposed upon municipalities. When local units struggle to deliver the most basic of services, additional obligations are simply intolerable.

⇒ **Transparency**

It is essential that all elected and appointed officials abide by a code of ethical conduct that promotes transparency and public confidence in our system of governance. Statewide provisions should preserve options for locally developed and adopted standards, especially as may be provided for in local charters or ordinances. Local governments must be treated as key partners with the state and federal governments in efforts to increase citizen access to public information and engagement in government decision making.

Contact: Summer Minnick, Director of State Affairs, sminnick@mml.org or
Arnold Weinfeld, Director of Federal Affairs, aweinfeld@mml.org
(517) 485-1314

Statistical sources: U.S. Small Business Administration; American Public Transportation Association; RW Ventures, "Michigan's Metropolitan Areas Fact Sheet;" Photos, Flickr (open source)

