



Washtenaw County Builds Community Wealth and Capital through Collaboration

by Washtenaw County Office of Community & Economic Development

Washtenaw County, Michigan was hit hard by the 2008 recession; our eastern side alone lost over 14,000 higher-paying manufacturing jobs. At the Washtenaw County Office of Community & Economic Development (OCED), we are working to overcome the challenges induced by the Great Recession by supporting businesses here – particularly through cooperatives, local investing, and the development of the local food system.

Over the past few years, a number of guiding initiatives led Washtenaw County's OCED to make research and funding for local economy projects a priority. OCED accelerated these initiatives by convening local-economy experts and by building on the Board of County Commissioners' stated priority to stimulate the economy. As OCED director Mary Jo Callan stated, "We envision a thriving local economy where local businesses and entrepreneurs receive the support and capital they need to succeed, where our workforce secures meaningful local employment, and where a flourishing local investing ecosystem builds social and monetary capital."

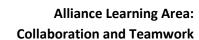
Gathering Information

In January 2013, OCED formed an interdisciplinary working group to identify programs with the greatest potential impact on the county's economy. With a diverse economy based on rural agriculture, high tech, light manufacturing, retail, and the presence of four universities, identifying priority development areas in Washtenaw County presented a challenge. OCED's Economic Development Officer Tony VanDerworp leveraged an extensive network of partners to enlist community experts in small business, food systems, local capital, workforce development, and business cooperative areas in a local economic development working group.

During the ensuing eight months, this working group completed three studies now used to inform action priorities and decisions. These studies explored the economic impacts of strengthening the local economy through multiple strategies:

- An innovative use of worker-owned and multi-stakeholder cooperatives. By collaborating, local small
 businesses can better build upon their strengths and take advantage of efficiencies of scale to lower
 overhead costs, solve challenges, and ensure the success of their business endeavors. This research
 also explored the feasibility of worker-owned cooperatives in Washtenaw County with strikingly
 positive results.
- 2) Local investment vehicles and infrastructure to facilitate investment in local businesses. A more structured take on crowd-funding, local investing refers to unaccredited investors (including most of the general public) investing their personal dollars in local businesses. In January 2013, we kickstarted the Washtenaw County local investing dialogue by inviting Michael Shuman, a nationally recognized economist, to hold a Washtenaw County "Community Capital Forum" intended to raise awareness, share information, and brainstorm ideas.
- 3) Strengthening and expanding the local food system, including food production, manufacturing, and sales. This study calculated the local economic benefits of shifting an additional 25% of all municipal, institutional, and business food procurement towards local farms and businesses. The report found that such a shift would generate \$12.6 million annually in additional tax revenue and add nearly 2,200 new jobs in the county. It also offered guidance for implementation.

Putting Ideas into Action





With so much knowledge gained and so many actions identified in the past 8 months, OCED is busily working towards implementing new projects. This work has involved many conversations and collaborations with community partners, working group members, and local businesses and startups.

Most recently, OCED supported a collaborative project proposal of multiple groups including the nascent Washtenaw Food Hub, Reconsider, The Shed Business & Employment Cooperative, and the University of Michigan. If all goes according to plan, the Food Hub and its facilities will house a shared commercial kitchen and a worker- and small business-owned shared staffing and business services co-op. Local food businesses using the services will also receive investment-readiness training, while students at University of Michigan will assist with project evaluations. "Collaboration and cooperation are imperative for envisioning and working toward a better future, a future that we want for our children and grandchildren," said Kim Bayer, Executive Director of the Washtenaw Food Hub. OCED hopes that this important community project will benefit local businesses and grow the local food system.

Challenges We Face

According to Tony VanDerworp of OCED, "We face significant hurdles in creating local investment vehicles. Education is necessary to get local financial institutions on board to implement local investment strategies and to raise awareness among the general public on the benefits and ways they can invest locally."

Where We Hope to Go

Within the next few years, OCED hopes to: aid in the development of a local investment ecosystem with investment vehicles in place such as local CD, 401K, self-directed IRA, and County-wide bond options; support the establishment of two or more business cooperatives to build local employment and local small business; and capitalize the development of shared food processing facilities.

Over the next few years, these systemic efforts will help to strengthen and build resiliency in Washtenaw County's economy.

Learn more about Washtenaw County <u>here</u>.

The Alliance is a community shaping the future local government. Together we are discovering, testing and accelerating the adoption of emerging practices. You can learn more about the Alliance for Innovation and or the joint Alliance and ICMA Knowledge Network at www.transformgov.org or contact your Regional Director, Greg Stopka at gstopka@transformgov.org.