



**Washtenaw County
Economic Development
Coordinating Committee**

**Report to the
Washtenaw County
Board of Commissioners
2016**

<http://www.ewashtenaw.org/edcc>



OFFICE OF COMMUNITY &
ECONOMIC DEVELOPMENT

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Executive Summary

The Economic Development Coordinating Committee (EDCC) was formed in 2015 by the Washtenaw County Board of Commissioners (BOC), per Resolution 15-0168. This body was established for the purpose of overseeing and coordinating all County government economic development activities while serving as an Advisory Board. The EDCC is charged with making recommendations to the BOC in the areas listed below, and may carry out other activities as assigned by the BOC. It is staffed by Washtenaw County OCED.

2016 EDCC ACTIVITIES:

Policy/Planning

In its first year, the EDCC reviewed a variety of economic indicators specific to Washtenaw County and gained a greater understanding of the uneven economic recovery experienced by residents across the community in the wake of the most recent economic recession. This body also explored the presence or lack of economic health in the county through the evaluation of differing economic indicators including: Traditional Economic Indicators; United Way ALICE (Asset Limited, Income Constrained, Employed residents) Report; the Washtenaw Opportunity Index; and, an Economic Segregation Index.

Accommodations Ordinance

The EDCC reviewed and recommended BOC approval for the Washtenaw County Convention & Visitors Bureau 2016 Budget Amendment and its 2017 Budget Proposal.

Act 88 Funding

The EDCC oversaw the allocation of **\$136,508** in Act 88 Mini Grants in compliance with allowable use guidelines. It also developed the annual Act 88 RFP language for BOC approval, and made recommendations for external allocations totaling **\$829,752**.

2016 EDCC RECOMMENDATIONS:

After extensive evaluation and discussion, the EDCC identified some areas of recommended focus for future work:

1. **Role of the County:** Washtenaw County should consider continuing to serve as convener and leader for community-wide discussion and efforts and engage in dialogue with more diverse community stakeholders.
2. **Strategic Focus Areas:** The EDCC recommends taking inspiration from models/best practices from other successful communities by benchmarking nationally and to other cities in Michigan. It is recommended that the County make data-informed recommendations for strategic investments. Key areas of investment could include (among others):
 - a. Eastern Washtenaw County (Including Education Disparities)
 - b. Affordable Housing & Economic Equity
 - c. Job Demand & Training Needs
3. **Resources & Investments:** At the end of 2016, the Board voted to no longer levy a dedicated economic development funding source through Act 88. As a result, resources to invest in community partners and in County staff were drastically reduced, while demand for the same programs and services remain the largely the same. Resources, both internal and external, are necessary to effectively carry out the economic development work at the County level.

Introduction: EDCC History & Charge

The Economic Development Coordinating Committee (EDCC) was formed in 2015 (Resolution 15-0168), by the Washtenaw County Board of Commissioners (BOC) to develop economic goals for the County; coordinate and develop partnerships and resources for economic development; prioritize the allocation of County resources for economic development; and provide annual reports on economic outcomes and metrics, while serving as an Advisory Board. This charge was a continuance of BOC priority investments articulated in 2013 as part of that entity's quadrennial budget planning process. This report reflects the work of the EDCC in its first year of work in 2016, and the feedback received from its members.

MEMBERSHIP:

The EDCC is seated with a 17-member board representing a variety of Washtenaw County sectors (Resolution 15-0212), including:

- County BOC (3)
- Adult/Higher Education
- Small Business
- Large Business
- County CVB Board (2)
- Food Policy Council
- Employment-Seeking Constituency
- Tourism-Based Business
- Arts or Creative Sector
- DDA/LDFA
- Eastern Leaders Group
- Historic District Commission
- Southeast Michigan Workforce Development Consortium

Seven Ex Officio members also serve to represent several areas of existing County investment and services, including: Sheriff, Road Commission, Water Resources Commission, Washtenaw Area Transportation Study, County Parks & Recreation Commission, County Administrator, and County BOC Chair.

PURPOSE & CHARGE:

The EDCC is an advisory Committee in alignment with County Economic Development Policy charged with making recommendations to the Board of County Commissioners (BOC) in the following areas.

1. Policy/Planning:

- Developing economic goals for the County
- Coordinating and developing partnerships and resources for economic development
- Prioritizing the allocation of County resources for economic development
- Providing annual reports on economic outcomes and metrics

2. Accommodations Ordinance:

- Assist the County Chief Financial Officer in any collection problem that may arise.
- Quarterly review financial and program reports submitted by local agencies which have contracts under this Ordinance.
- Annually review and recommend to the BOC approval the budgets of any local agency which has a contract under this Ordinance.

- Review annual audits of any local agency which has a contract under this Ordinance and report to the BOC on its review.
- Annually review and report to the BOC on the distribution of the proceeds of this tax to local agencies.

3. Act 88 Funding¹:

- Review and award of Act 88 Economic Development Mini-Grants.
- Develop annual Act 88 RFP language for BOC approval.
- Review and recommendations on the award of annual Act 88 RFP funding for BOC approval.
- Oversee and evaluate funding recipients.
- Annually prepare and present to the BOC a report summarizing expenditures of Act 88 funds and assessing progress towards the goals adopted by the Board of Commissioners.

Other charges for the Committee may be assigned by the Board of Commissioners.

¹ See Appendix A: Additional Background on Act 88 Funding & EDCC.

2016 EDCC Activities

Analysis of the Economic Landscape

This year was a learning year for the EDCC. As this new committee set out to do its work, members explored many aspects of the County's economy and quality of life. They heard from service providers and experts on a broad range of inter-related topics and engaged in probing discussions on the County's assets and challenges facing residents from every portion of the Washtenaw County community. They also became well-versed in the allowable uses of Act 88 funds for the mandated RFP process, and thoughtful decision-makers for the review and approval of Act 88 mini grant applications.

After completing initial orientation for this body in early 2016, the EDCC and OCED staff immediately focused their shared learning process on the evaluation of current economic programs and conditions in Washtenaw County. Such topics of discussion and evaluation included presentations from a broad-ranging series of community partners both internal and external to the County organization, including: Washtenaw County CVB (activities, CTAP and placemaking programs, budget), Washtenaw County OCED (equity, economic development, affordable housing, quality of place, historic preservation/heritage tourism, and brownfields redevelopment), Ann Arbor SPARK (overview of services), Michigan Works! (preparation for Region 9 merger and transition to Southeast Michigan Community Alliance – SEMCA), Washtenaw County Parks & Recreation (overview of services and impact of millage), Washtenaw County Water Resources Commissioner (overview of services and special programs), and the Washtenaw County Road Commission (overview of services and impact of millage).²

The Uneven Economic Recovery: Differing Lenses

Among all the review and evaluation work carried out by the EDCC, one topic stood out as the greatest and most complex area of focus: **inequity in economic prosperity**. To more fully understand this topic, the EDCC conducted a review of several economic indicators specific to Washtenaw County. This exercise provided EDCC members an opportunity to view economic prosperity from a variety of perspectives and to begin identifying the ways in which economic development efforts need to address disparity in order to improve outcomes for the County as a whole.

The indicators reviewed by the EDCC included:

1. Traditional Economic indicators (Job Growth, Unemployment, Income, Education)
2. United Way ALICE (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed residents) Report
3. Washtenaw Opportunity Index
4. Economic Segregation Index

As part of this exercise, EDCC members were requested to rank Washtenaw County's economic health using a rating scale of 1 to 5 (one being the worst, five being the best) after each economic indicator presentation concluded³. This exercise created a shared understanding of the disparate access to opportunity across the county and led to a sense of urgency for the committee to begin addressing this economic challenge.

² See Appendix B: EDCC 2016 Activities & Actions.

³ See Appendix C: Measuring Washtenaw County's Economic Health.

2016 EDCC Observations & Recommendations

Because the County's economy as a whole suffered less than the average Michigan community during the Great Recession of 2008, and bounced back sooner and stronger than many, its overall economic health appears to be strong. Yet based on other indicators reviewed by the EDCC, the data suggests that access to opportunity and participation in Washtenaw County's growing prosperity remains elusive for many county residents. Further, these challenges will not resolve themselves.

And, while these challenges often seem intractable, the EDCC noted that the County is not alone in doing this work or making tangible positive impacts for county residents. The EDCC recommends that the County consider focusing its economic development efforts on the following broad areas:

Eastern Washtenaw County

As nearly every metric of economic stability and health reviewed by the EDCC identified, the eastern portion of Washtenaw County is the geographic area receiving disproportionately less from the overall growing economic prosperity throughout the county as a whole. As policies and investments are considered by the County, it is recommended that a particular focus on ensuring prosperity is experienced county-wide be deployed.

Some action steps in this work could include:

- Participation in regional efforts to improve educational outcomes for students in Eastern-county school districts (e.g. Ypsilanti Community Schools & Lincoln Consolidated Schools) such as the WISD's Cradle to Career model, among others.
- Taking steps for greater inter-government cooperation, e.g.: Assist with City of Ypsilanti's debt challenges through the exploration of shared-risk bonding or other measures.
- Advocating for more eastside representation on the boards of the Washtenaw County (Ann Arbor/Ypsilanti) Convention and Visitors Bureau, Ann Arbor SPARK, and Ann Arbor/Ypsilanti Chamber, among others.

Affordable Housing & Economic Equity

As asserted by the *Housing Affordability and Economic Equity Analysis*, a report adopted in 2015 by Washtenaw County, "imbalance in income, education, and opportunity between the jurisdictions along with the segregation that goes with it will hamper the regional economic growth potential of the area. Regions that experience strong and more stable growth are typically more equitable, have less segregation and better balanced workforce skills within them."

Affordable housing is a big challenge in Washtenaw County. In a sample of urbanized areas surrounding Ann Arbor and Ypsilanti, more than half (56%) of all renters pay more than 30% of their income for housing costs. These high rental costs are closely linked to school district attendance boundaries and local unit taxation rates. In response to these unbalanced conditions, the City of Ann Arbor and Pittsfield Township needs to focus its attention on the preservation and production of affordable non-student rental housing for low and moderate income households. Conversely, Ypsilanti City and Ypsilanti Township should focus on both neighborhood stabilization and attracting more college-educated households.

Action steps in this area of work are articulated in annual workplans crafted by the jurisdictions cited in the report. EDCC support of this work should align with jurisdictional planning efforts.

Job Demand & Training Needs

County-wide, unemployment rates rose from a low of 4.8% in 2007 to a high of 8.4% in 2009. Steady job growth during the post-recession years has resulted in this rate decreasing to around 3% today. Washtenaw County consistently experiences one of the lowest unemployment rates in the state of Michigan, yet this statistic doesn't matter to those job seekers in our community who are without gainful employment. This is also true for those who are among the un-tracked unemployed, discouraged workers who have simply stopped looking for work due to lack of skills, education, access to transit, or other influencing factors endemic to prolonged unemployment or persistent poverty. Addressing these challenges will not be easy, and a cross-sector effort will be critical.

Areas of impact could include working with community partners to:

- Build out skilled trades and certificate program pathways – alternatives to college prep
- Direct talent toward emerging job markets
- Expand services for residents with barriers to employment

Additional Areas of Focus

Beyond these three critical areas of focus mentioned above, the EDCC spent considerable time articulating the importance of investing in food systems, arts and creative industries, and other quality of place efforts. EDCC members noted that there are numerous interest areas and value-add investments for the County to consider when analyzing economic development efforts, and specifically recommended conducting an analysis of existing efforts across the county to ensure appropriate resource distribution and no duplication of efforts.

Funding Sources: Act 88 Decisions & Impacts

As noted above, the recommendations from the EDCC related to complex, long-standing community challenges, and will require sustained efforts and investments to positively impact over time. Washtenaw County has an opportunity to be a leader in this work, and to do so will require sufficient resources. Below is a summary of resources committed to economic development efforts through the EDCC.

2016 Economic Development Funding

In 2016, the Act 88 Millage was levied at 0.092 mills and raised **\$1,345,707** in revenue allocated externally and internally for local economic development activities in Washtenaw County. These resources were invested in a combination of RFP-funded grants, mini-grants, and internal County staff and administrative resources.⁴

EXTERNAL ACT 88 FUND ALLOCATIONS ([BOC Resolution 15-0167](#))

\$500,000	Ann Arbor SPARK – Business Development Services
\$165,250	MSU Extension – Agricultural Programming
\$ 15,000	Washtenaw Farm Council – 4-H and Youth Programming
\$ 70,000	The Arts Alliance – Creative Sector Cooperative Study
\$ 80,000	Growing Hope – Expanding Farmers Markets
\$138,375	Mini Grants for Allocation by the EDCC (10% of Act 88 Funding)
\$ (243)	<u>Remaining Unallocated Mini Grant Balance</u>
\$969,382	TOTAL RFP & Mini Grant Allocations

In addition to outside allocations, there was an internal allocation of **\$415,125** to Washtenaw County Office of Community & Economic Development (OCED) for Economic Development Activities (30% of total Act 88 revenue, per Board Policy).

Elimination of the Act 88 Millage

On October 7, 2016, the Board of Commissioners (BOC) voted ([BOC Resolution 16-156](#)) to discontinue the assessment of this millage after the 2016 calendar year. This action took place in advance of a mandated millage sunset in 2020, per action by the Michigan Legislature with the passage of PA 138 in 2015. As articulated in the revised statute, if the County wishes to assess this millage again in the future, a vote on the tax must be placed on the ballot and pass by a vote of County citizens every five years.

In taking this action to eliminate the levy of the Act 88 millage, the BOC stated in the resolution the intent to *“serve as notice that the Washtenaw County Board of Commissioners no longer intends to levy P.A. 88 in the future, thus giving past and current recipients of such funds time to secure alternative funding.”*

According to Resolution 16-156, the year 2017 was intended to be a time period for the sponsors of “certain important projects” to seek alternative funding and transition off of Act 88 sources. Therefore, the BOC directed the use of any remaining Act 88 fund balance from previous years and a General Fund allocation for a combined total of **up to \$944,752**, and for the elimination of the Economic Development Officer position, which had been wholly funded by Act 88 revenue.

⁴ See Appendix D: Summary of Investments.

2017 Economic Development Funding

As a result of the elimination of Act 88 funding, the FY2017 resources identified to support County-funded and economic development included the following:

2017 EXTERNAL ONE-TIME GENERAL FUND ALLOCATIONS ([BOC Resolution 16-156](#)):

Per BOC action, **\$829,752** in General Fund was allocated to several named external partners for economic development and agriculture-related programs and services in 2017. The resolution spoke to a one year funding timeframe in which these partners should seek alternative funding sources for FY2018 and beyond.

\$500,000	Ann Arbor SPARK – Business Development Services
\$166,752	MSU Extension – Agricultural Programming
\$15,000	Washtenaw Farm Council – 4-H and Youth Programming
\$60,000	LiveYpsi - Eastern Michigan University Foundation
<u>\$88,000</u>	<u>Growing Hope – Agricultural Activities</u>
\$829,752	TOTAL External Allocations

In addition to the elimination of the Economic Development Officer position and the simultaneous cessation of a full-time AmeriCorp VISTA placement at the end of 2016, funding made available for economic development staffing dropped to **\$115,000**, which covers 75% of the cost for an historic preservation/economic development specialist.

Future Role of Washtenaw County in Economic Development

The EDCC dialogue evolved throughout 2016, noting both what the County has already done in recent years with many local partners to reduce economic segregation, and what it has yet to do. Many programs and services under the County's purview are already directed toward leveling the field for residents and providing necessary assistance for fair and equal access to housing, health programs, quality of place, and other public services.

As a result of its work in 2016 and in the wake of the elimination of Act 88 funding, the EDCC's primary recommendation is that **Washtenaw County focus its efforts on eliminating inequities throughout the county.** In order to accomplish this, it is recommended that the County use its role as convener and leader for community-wide discussion and efforts.

In leading and facilitating these conversations, the County can communicate the importance and lasting impact of combatting economic segregation and seek to listen to residents and stakeholders from as many vantage points as possible. The County can **engage more representation from the private sector and anchor institutions**, including but not limited to businesses, employers, P-12 and higher education, and law enforcement agencies.

Further, the EDCC recognizes that Washtenaw County is one of many communities of its kind in the state, region, and nation that is grappling with the challenges of economic segregation and the lack of equity across racial and socioeconomic groups. As stated by EDCC members, the County does not need to reinvent the wheel. Rather, it is recommended that the County **take inspiration from models/best practices from other successful communities** by benchmarking nationally and look to other cities in Michigan to make data-informed recommendations for strategic investments.

Appendix A: Additional Background on Act 88 Funding & the EDCC

The EDCC superseded the Act 88 Committee, which had been formed in 2013 (Resolution 13-0193) to review applications for funding local economy projects with tax revenue derived from the levy of a local millage, pursuant of PA 88 of 1913. The EDCC, and the Act 88 Committee before it, has overseen the use of such funds to increase trade for products of Washtenaw County or the State of Michigan; encourage immigration and tourism; and advertise the agricultural and industrial advantages of Washtenaw County or the State of Michigan.

Public Act 88 of 1913 allowed the County to assess a millage not to exceed 0.5 mills for advertising and increasing the trade in the products of the county or the state and to attract tourism and resorters. The County began levying this millage in 2010 as a means to direct investment to local economic development, tourism, and agricultural projects.

Budget year	Millage rate	Resolution	Actual Revenues
2010	0.040	09-163	\$599,539.00
2011	0.043	10-198	\$598,596.00
2012	0.050	11-152	\$684,369.00
2013	0.060	12-139	\$814,940.00
2014	0.070	13-192	\$971,582.00
2015	0.070	14-131	\$1,022,277.00
2016	0.092	15-0166	\$1,345,707.40

Eligible Use of Funds

Pursuant to Act 88 of 1913, eligible uses of funds included: *“advertising agricultural or industrial advantages of the state or county or any part of the state, or for collecting, preparing or maintaining an exhibition of the products and industries of the county at any domestic or foreign exposition, for the purpose of encouraging immigration and increasing the trade in the products of Michigan, or advertising the state and any portion thereof for tourists and resorters.”*

To clarify eligible uses, the BOC has used the following “lay” terms to describe eligible projects:

Increase the Trade in the Products of the County or the State (examples):

- Increasing company growth
- Increasing sales of local products
- Increasing local capital

Encourage Immigration and Tourism (examples):

- Agricultural, industrial, eco and heritage tourism
- Attracting foreign companies
- Attracting out of state residents

Advertise the Agricultural and Industrial Advantages of the County or the State (examples):

- Fairs and events
- Trade missions

Ineligible Uses of Funds

Ineligible uses as identified by Corporate Counsel include:

- Proposals that do not comport with the Act's purpose
- Proposals that are not focused on economic development (e.g. human services and workforce development projects)

- Major capital improvements
- Projects that inure to a single private company
- Community events that do not target out of county participants

Projects that the Act 88 Committee has avoided recommending for funding in previous cycles include:

- Memberships
- Projects without measurable outcomes
- Overlapping work with existing County programs
- RFPs submitted through a non-profit where the proposal does not further the mission of that non-profit

Allocation of Funds (Board Policy)

Subject to the approval of the Board of Commissioners, **sixty percent (60%)** of Act 88 funds shall be distributed to outside agencies via an annual and multi-year grant process.

An amount **not to exceed ten percent (10%)** shall be distributed by the Advisory Committee without the approval of the Board of Commissioners as discretionary matching and sponsorship funds.

An amount **not to exceed thirty percent (30%)** shall be appropriated to the Office of Community and Economic Development for the purposes of administering Act 88 and conducting activities related to the purposes of the act. The Office of Community and Economic Development shall submit an annual budget detailing the use of these funds.

Appendix B: EDCC 2016 Activities & Actions

Meeting Date	Discussion Topic	Action Items (include Act 88 Mini-grants)
January 8	Orientation Committee Charter Economic High Level Overview	
February 5	Equity in Economic Development <ul style="list-style-type: none"> • United Way ALICE Report (Asset Limited, Income Constrained, Employed residents) • Washtenaw County Opportunity Index • The Geography of Economic Segregation 	Adopted Committee Charter
March 4	Accommodations Ordinance <ul style="list-style-type: none"> • Washtenaw CVB Activities Act 88 Overview <ul style="list-style-type: none"> • OCED Activities • Allowable Use of Funds 	Received Draft Equity Discussion Paper
April 1	Act 88 2017 RFP language Minigrant Approvals <ul style="list-style-type: none"> • Groundwork Rail Study (immigration/tourism) \$5,000 • Ann Arbor Main Street Association (marketing) (\$8,000) • Automotive Heritage Museum (marketing) (\$4,000) Washtenaw County Roads Millage	Recommendations to the BOC on 2017 Act 88 RFP Language Mini grant approvals
May 6	EDCC Role in Economic Equity Minigrant Approvals <ul style="list-style-type: none"> • Manchester Chamber of Commerce (marketing) (\$10,000) Ann Arbor SPARK – Overview of Activities & Services	Mini grant approval
June 3	Workforce Development Overview Minigrant Approval <ul style="list-style-type: none"> • EMU Academic Service Learning (tourism) (\$9,747.50) WCCVB 2017 Budget Amendment	Formation of the Act 88 RFP Committee Mini grant approval Recommendation to the BOC on the 2017 WCCVB Budget Amendment
July 13 Also: EDCC 2017 RFP Subcommittee Meetings	Quality of Place Minigrant Approvals <ul style="list-style-type: none"> • Artrain (marketing) (\$10,000) • WonderFool Productions (marketing) (\$10,000) • Slow Food Huron Valley (agriculture) (\$5,000) • Dixboro Village Green (agriculture) (\$10,000) Washtenaw County Parks & Recreation Washtenaw County OCED – Heritage Tourism & Placemaking Washtenaw CVB Placemaking and CTAP RFP Language Review	Mini grant approvals

August 5	<p>Affordable Housing Overview</p> <p>Minigrant Approvals</p> <ul style="list-style-type: none"> • U of M Penny Stamps Lecture Series (marketing) (\$10,000) • EMU Foundation (economic advantage – Eastside schools) (\$10,000) • Ann Arbor Art Center Pop X (marketing) (\$10,000) <p>Act 88 2017 RFP Proposals & Millage</p> <ul style="list-style-type: none"> • Ann Arbor SPARK (\$635,000) • MSU Extension (\$166,752) • Growing Hope (\$88,000) • EMU Foundation (\$60,000) • Washtenaw Farm Council (\$15,000) 	<p>Mini grant approvals</p> <p>Recommendations to the BOC on 2017 RFP Proposal Selection and 2017 Millage Rate</p>
September 2	<p>Infrastructure Overview (transportation, public works, brownfields, water resources)</p> <p>Washtenaw County Road Commission – Roads and Trails Millage</p> <p>Washtenaw County Water Resources Commission</p> <p>Washtenaw County OCED – Brownfields Redevelopment</p>	
October 14	<p>Washtenaw CCVB Strategic Plan and Budget</p> <p>Minigrant Approvals</p> <ul style="list-style-type: none"> • Riverside Arts Center First Fridays (marketing) (\$10,000) • Ann Arbor Film Festival (marketing) (\$10,000) • MSUE Wholesale Success Workshop (agriculture) (\$10,000) <p>Draft Economic Goals, Outcomes & Metrics</p>	<p>Recommendation to the BOC on the 2017 WCCVB Budget</p> <p>Mini grant approvals</p>
November 4	<p>BOC Joint Working Session Prep</p> <p>Minigrant Approvals</p> <ul style="list-style-type: none"> • Fermenta Winter Barley Study (agriculture) (\$7,260) • Manchester DDA (marketing and agriculture) (\$5,500) 	<p>Mini grant approvals</p>
December	No Meeting	

Appendix C: Measuring Washtenaw County's Economic Health

Traditional Economic Indicators

EDCC Median Score: 4

Traditional Economic indicators that were used for this presentation include: median household income, unemployment rate, job growth, and percent of the population over 25 that has received a bachelor's degree or higher. At first glance, these data demonstrate Washtenaw County's economic prosperity very clearly. The EDCC reflected this positive outlook in their rating.

Unemployment Rate 2014

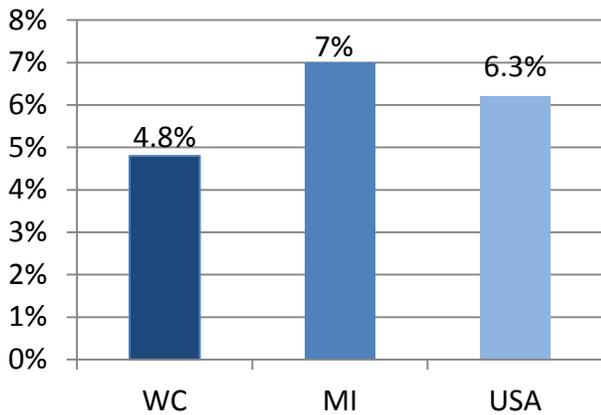
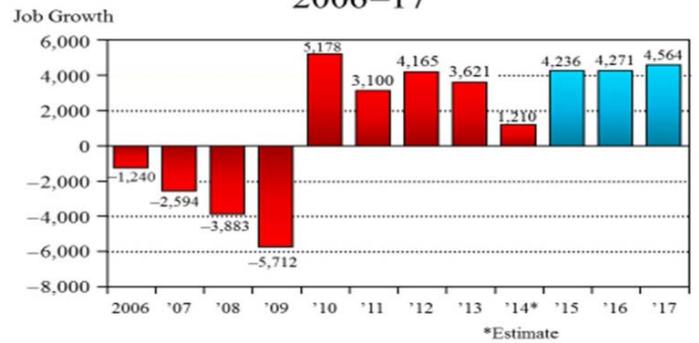
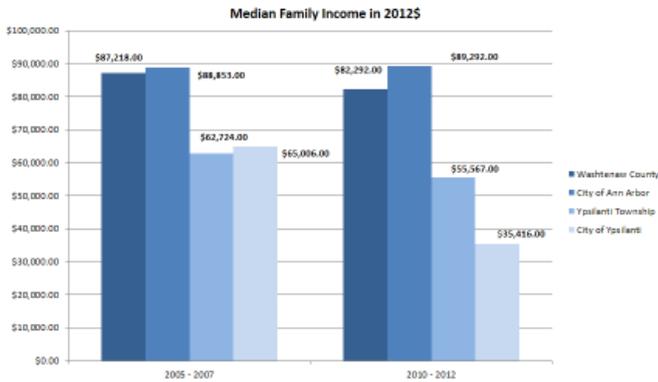


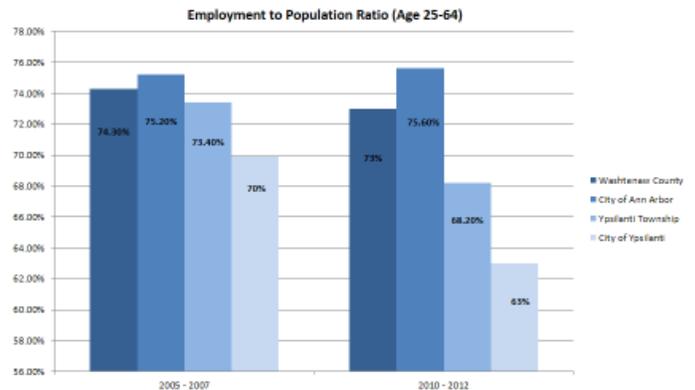
Figure 7
Job Growth in Washtenaw County
2006–17



Economic Indicators – Income



Economic Indicators – Employment

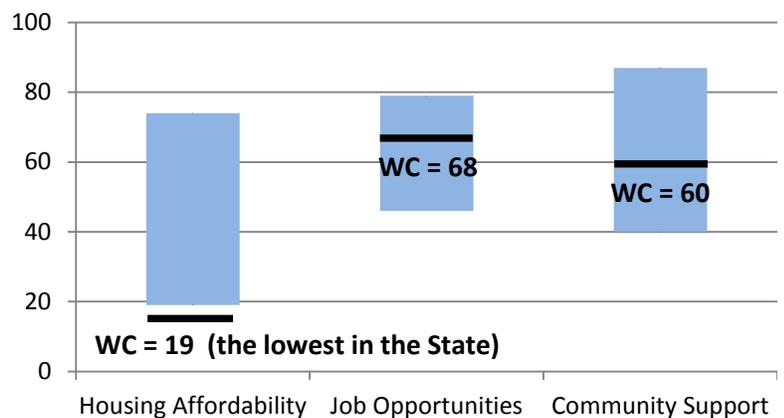
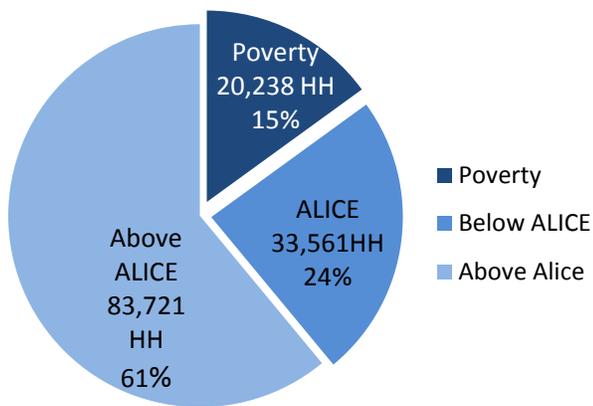


United Way ALICE Index
EDCC Median Score: 2

The ALICE Report, conducted by United Way, captures the real cost of living in Washtenaw County, what portion of the population is not earning enough to provide basic needs, as well as how this can affect all of us. It also creates a ranking for each county in the state of Michigan on three indices: Housing Affordability, Job Opportunities, and Community Support.

Based on the local cost of living, a survival budget for an employed single resident is \$19,000 per year and family of four (2 children, one in pre-school) is \$51,000 per year. The report shows that 40% of the employed residents and families in Washtenaw County are struggling to make ends meet (i.e., are at the poverty or survival level).

Upon reviewing this Index, the EDCC scored the County’s economic health significantly lower.



ALICE Survival Budgets Impacts

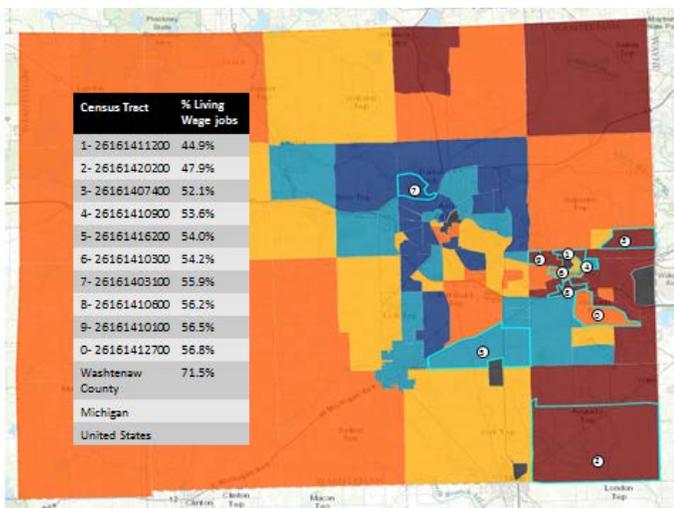
Impact to Household Characterized by Not Having Enough Income	Impact to the County
<ul style="list-style-type: none"> ▪ Having to make difficult choices ▪ Cannot afford accredited child care ▪ If car breaks down may not be able to get to work ... may lose job ▪ Foregoes preventative health care or home maintenance ▪ No savings for emergencies or college tuition ▪ No access to mainstream borrowing ▪ Risk of becoming homeless 	<ul style="list-style-type: none"> ▪ Higher education costs when children are not ready for school ▪ Increased health insurance cost ▪ Higher car insurance premiums ▪ Increase in government services: <ul style="list-style-type: none"> • Head Start • Supplemental nutrition programs (SNAP formerly food stamps) • Supplemental nutrition for women and children (WIC) • Housing rental assistance • Transportation assistance • Health care assistance

Washtenaw Opportunity Index

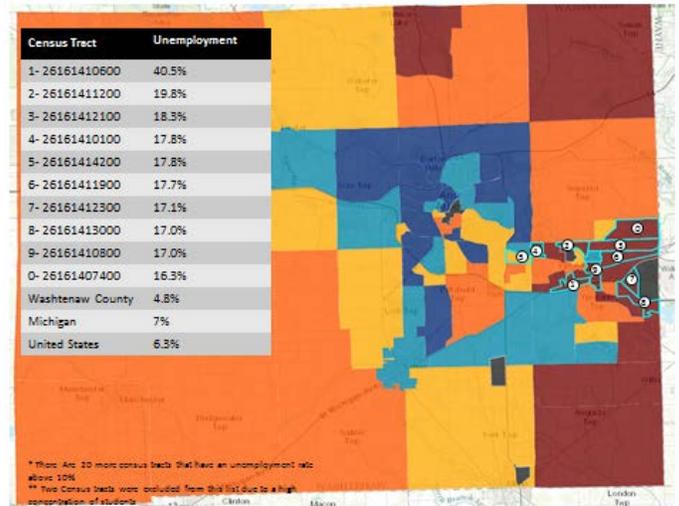
EDCC Median Score: 2

The Washtenaw Opportunity Index was created by OCED staff in partnership with the Kirwin Institute at the Ohio State University. The Index is available through an interactive mapping tool available online at www.opportunitywashtenaw.org and focuses on a variety of economic and quality of life indicators. This tool uses a comparative lens to examine access to opportunity throughout the county at the census tract level. Unemployment, educational attainment, housing and transit, and economic inequality maps were presented to the EDCC. For comparison purposes, a census tract in south Ypsilanti (with a poverty rate of 63%) was compared to a census tract in northeast Ann Arbor (with a poverty rate of 3.8%).

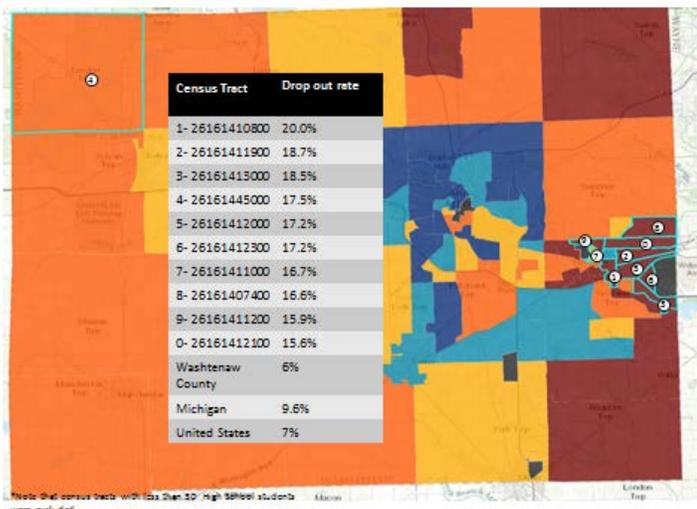
Similar to the review of the ALICE indicator, the Opportunity Index further highlighted the differential access to the economic prosperity described in traditional, County-wide economic indicators.



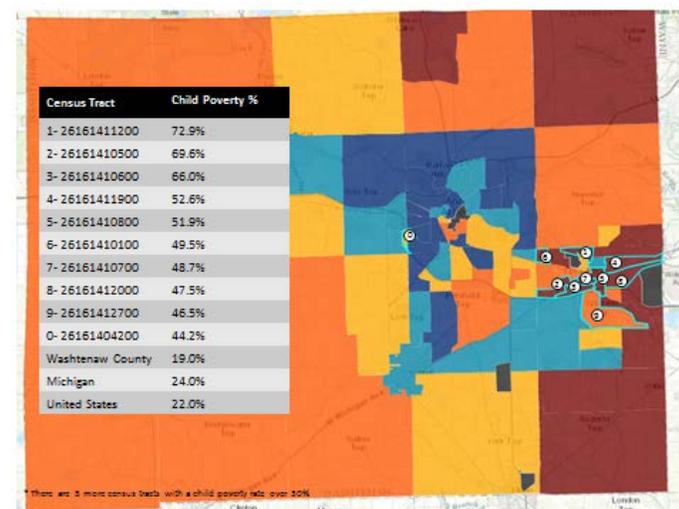
% Living wage employment



Unemployment Rate



Dropout Rate



Child Poverty Rate

Economic Segregation Index

EDCC Median Score: 0.5

The Economic Segregation index created by Richard Florida and Charlotta Mellander in their report “The Segregated City” looks at geographic separation by income, occupation, and education at the Metropolitan Statistical Area (MSA) level and combines this data into a composite score that ranks all of the MSA’s in the United States.

For the presentation, the rankings for the Ann Arbor MSA (coincident with Washtenaw County boundaries) are reported. Washtenaw County is ranked the 5th worst MSA where the poor are most segregated, the 2nd worst MSA where the service-class is most segregated, and the 5th worst where the working class is most segregated.

In the overall rankings for economic segregation, Washtenaw County is ranked 8th worst in the country. The EDCC flagged this indicator as most concerning, given the stark disparity between communities within Washtenaw County.

Metros With the **Overall Highest Level** of Economic Segregation

Rank	Metro	Index
1	Tallahassee, FL	0.947
2	Trenton-Ewing, NJ	0.933
3	Austin-Round Rock, TX	0.925
4	Columbus, OH	0.912
5	Tucson, AZ	0.906
6	San Antonio, TX	0.903
7	Houston-Sugar Land-Baytown, TX	0.903
8	Ann Arbor, MI	0.902
9	Bridgeport-Stamford-Norwalk, CT	0.898
10	Los Angeles-Long Beach-Santa Ana, CA	0.893

Exhibit 14.2: Metros with the Highest Levels of Overall Economic Segregation
Florida, Mellander. “Segregated City: The Geography of Economic Segregation in American Metros”. 2012 p. 56

Metros Where the **Service Class** is Most Segregated

Rank	Metro	Index
1	Ithaca, NY	0.225
2	Ann Arbor, MI	0.202
3	Trenton-Ewing, NJ	0.197
4	Gainesville, FL	0.194
5	Tallahassee, FL	0.192
6	San Jose-Sunnyvale-Santa Clara, CA	0.185
7	Washington-Arlington-Alexandria, DC-VA-MD-WV	0.181
8	Salinas, CA	0.180
9	San Francisco-Oakland-Fremont, CA	0.178
10	Atlantic City-Hammonton, NJ	0.176

Exhibit 8.2: Metros where the Service Class is Most Segregated
Florida, Mellander. “Segregated City: The Geography of Economic Segregation in American Metros”. 2012 p. 42

Economic Indicators – Sources

American Community Survey, 2014 1-Year

Estimates. <http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

Fulton, George A. & Grimes, Donald R., Economic Outlook for Washtenaw County, 2015-2017. <http://irlee.umich.edu/clmr/Docs/Outlook-Washtenaw-2015.pdf#zoom=100>

United Way ALICE Report,

2014. http://www.unitedwayalice.org/documents/14UW%20ALICE%20Report_MI_Lowres_10.24.15.pdf

Washtenaw Opportunity Index, 2015-Present.

<http://www.opportunitywashtenaw.org/opportunity-index.html>

Florida, Mellander “Segregated City: The Geography of Economic Segregation in American Metros,” 2012.

<http://martinprosperity.org/media/Segregated%20City.pdf>

Appendix D: Summary of Investments

For 2016, the County assessed 0.092 mills for economic activities generating \$1,345,707 for economic development.

During the 2016 RFP process, the Board of County Commissioners also identified two priority areas for funding:

- **Local food system growth** (as this comports with the Act's purpose and is an economic opportunity for the County); and
- **Job/wealth growth in economically challenged communities** (particularly the 48197/98 zip codes that have been hardest hit by the recent recession)

2016 External Allocations

In 2016, OCED facilitated the investment of more than \$950,000 in Act 88 funding to support agricultural, trade, and tourism/immigration-focused economic development projects through direct RFP allocation or mini grant allocations through the EDCC.

Act 88 RFP 2016 Allocations to Outside Agencies by [BOC Resolution 15-0167](#): (RFPs – 60% of total revenue)

AGENCY	SCOPE	AMOUNT AWARDED	USE
Ann Arbor SPARK	Economic Development	\$500,000	Increasing Trade
MSU Extension	Ag Business & Youth Programs	\$165,250	Agricultural Advantage
Washtenaw Farm Council	Community Event & Youth Programs	\$15,000	Agricultural Advantage
Growing Hope	Food System Work	\$80,000	Agricultural Advantage
The Arts Alliance	Creative Cooperative Study	\$70,000	Advertising/Tourism
RFP SUB-TOTAL:		\$830,250	

Act 88 2016 Mini Grants by Action of the EDCC: (Mini Grants – 10% of total revenue)

AGENCY	SCOPE	AMOUNT AWARDED	USE
Groundworks Center	Marketing/ community engagement	\$5,000	Increasing Trade
Manchester Chamber	"Make it Manchester" Marketing	\$10,000	Increasing Trade
Heritage Auto Museum	Orphan Car Show Event Marketing	\$4,000	Advertising/Tourism
EMU Service Learning	African American Historical Signage	\$9,748	Advertising/Tourism
Artrain	Creative Voices Marketing/Expansion	\$10,000	Advertising/Tourism
WonderFool Productions	Fools and Ghouls Ypsi	\$10,000	Advertising/Tourism
Slow Food Huron Valley	HomeGrown Festival	\$5,000	Marketing/Agricultural
Dixboro Village Green, Inc	Farm Market Enhancement	\$10,000	Marketing/Agricultural
Artrain Penny Stamps Foundation	Speaker Series in Ypsi	\$10,000	Advertising/Tourism
EMU Foundation	Eastern County Schools Assessment	\$10,000	Immigration/Attraction
Ann Arbor Art Center	Pop-X Festival + Metrics Report	\$10,000	Advertising /Increasing Trade
Riverside Art Center	First Friday Data	\$10,000	Advertising /Increasing Trade

AGENCY	SCOPE	AMOUNT AWARDED	USE
Ann Arbor Film Festival	Marketing and Data	\$10,000	Advertising /Increasing Trade
MSUE	Wholesale Success Workshop	\$10,000	Agricultural Advantage/ Increasing Trade
Fermenta	Winter Barley Trials and Edu	\$7,260	Agricultural Advantage/ Increasing Trade
Manchester DDA	Economic action Plan	\$5,500	Increasing Trade
MINI GRANT SUB-TOTAL:		\$136,508	

*At the end of 2016, the Act 88 mini grant fund had a remaining balance of \$243.00.

EXTERNAL GRAND TOTAL:	\$966,758
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2016 Internal Allocations

In addition to outside allocations, there was an internal allocation of \$415,125 to OCED for Economic Development Activities. These funds were invested in Economic Development County Staffing.

Act 88 2016 Economic Development Staffing Investment (30% of total Act 88 revenue):

COUNTY STAFF POSITION	ED FTE	ACT 88 RESOURCES
Economic Development Officer (100% ED Leadership*)	1.00	\$133,714
Economic Development Specialist (50% ED Project Management; 50% Historic Preservation Management**)	0.50	\$81,538*
AmeriCorp VISTA Volunteer (100% ED Data & Coordination)	1.00	\$5,500
OCED Administrative Oversight (Director & Finance Staff Time ⁺)		\$31,126
Total Act 88 Economic Development County Staffing Investment in 2016	2.50	\$251,878

⁺Fulltime Staff costs presented here also include fringe benefit costs.

*1.00 FTE = 0.75 funded by Act 88; 0.25 funded by Accommodations Ordinance.

The remaining \$50,851 in Act 88 funds utilized by OCED in 2016 were allocated to CAP (cost allocation plan), supplies, mileage, a part-time historic preservation intern, and staff professional development.

As of December 31, 2016, the fund balance for Act 88 revenue was **\$185,372**, which was earmarked to be spent down on FY2017 Economic Development activities prior to utilization of Washtenaw County General Funds (see Washtenaw County Board of Commissioners Resolution #16-156).