

# **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY**



**Region 2 Planning Commission**

October, 2010



# **REGION 2 PLANNING COMMISSION (R2PC)**

*The Region 2 Planning Commission is a regional planning agency representing 90 local units of government in Hillsdale, Jackson, and Lenawee Counties in south central Michigan.*



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## **ABSTRACT**

**TITLE:** COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY  
(2010)

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**SUBJECT:** Initial Comprehensive Economic Development Strategy for the Region 2 Planning Commission counties of Hillsdale, Jackson, and Lenawee. This report contains the latest available demographic data, socio-economic trends, goals, objectives, action plan, and regional project listing.

This document is the initial Comprehensive Economic Development Strategy, or CEDS, for the Region 2 Planning Commission area which includes Hillsdale, Jackson and Lenawee counties in south central Michigan. The development of the CEDS has been funded through a planning grant from the U.S. Economic Development Administration. The CEDS includes an analysis of local economies, identification of economic development goals and objectives for the region, determination of project opportunities and the formulation and implementation of an economic development program which includes systematic efforts to reduce unemployment and increase incomes. The project was completed with the assistance of a Strategy Committee appointed by the Region 2 Planning Commission. In addition, assistance in the preparation of the CEDS was provided by Economic Development Organizations in each of the three counties.

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## CHAPTER 1: INTRODUCTION

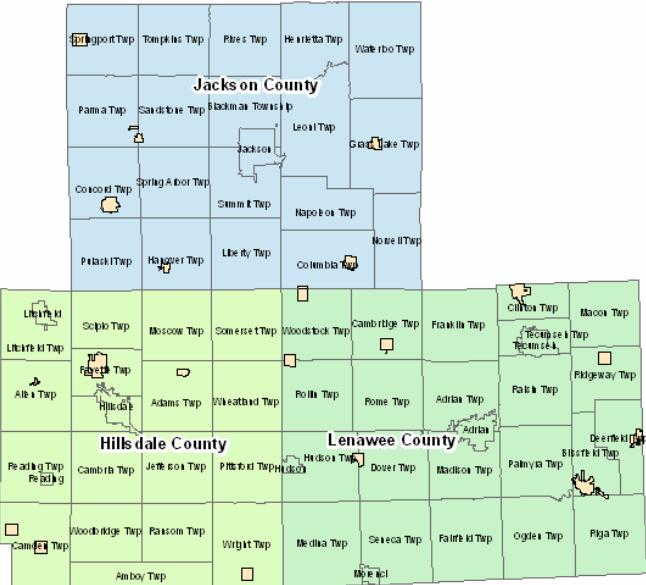
This document, prepared by staff of the Region 2 Planning Commission (R2PC), serves as the 2010 Comprehensive Economic Development Strategy, or CEDS. Though some counties in our Region have developed economic development plans of their own through the years, this is the initial CEDS that covers the entire three-county region.

Currently, the Region 2 Planning area is not a designated Economic Development District, or EDD. EDD classification has the potential to place the Region in a favorable position providing several advantages including:

- Regional cooperation is being given increasing emphasis on the part of policy makers and leaders at all levels. A designated EDD is evidence of a region's willingness to work toward solving common problems.
- A regional approach avoids duplication of efforts and ensures that investors get the most for their money.
- The EDD provides a forum for cooperation and coordination among economic development interests, the private and public sectors, and the public.
- The EDD has the potential to serve as a clearinghouse of information for agencies seeking public sector financial assistance.

The Region 2 Planning area is one of fourteen planning regions in the State of Michigan. The Region consists of Hillsdale, Jackson, and Lenawee counties. Population estimates from 2009 indicate that our region has a population of approximately 305,000 persons and a total land area of 2,056 square miles.

Changing employment patterns have affected much of the Midwest portion of our nation and, being the center of the auto industry, Michigan has felt the greatest effect of the downturn. According to the U.S. Bureau of Labor Statistics, Michigan had the highest annual average rate of unemployment of any state in the nation at 13.3% in 2009. The percentage of Michigan workers that have been unemployed on a long-term basis is also the highest among the states. The unemployment pattern within the State of Michigan varies but most Michigan counties saw unemployment rates higher than the



2009 national average. The three counties within the R2PC area had unemployment rates that were near, or exceeded, the State average of 13.3%.

## CEDS Development

The CEDS was created over the course of thirteen months from September, 2009 to October, 2010. During the initial stages of the planning process, the CEDS committee reviewed socioeconomic data. Following the review of background data, the committee completed a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis which resulted in a list of factors to be addressed. The next step was the creation of a mission statement, and economic development goals and objectives. After identifying goals and objectives, the committee was prepared to develop and prioritize a list of economic development projects for listing in the CEDS.

CEDS economic development projects were reviewed on the basis of several criteria and were sorted into two tiers. Projects that best met the following funding priorities were set aside for possible EDA funding:

- Involvement of collaborative regional innovation strategies
- Use of public/private partnerships
- Meeting national strategic priorities
- Fostering global competitiveness
- Inclusion of environmentally-sustainable elements
- Placement of emphasis on economically distressed and underserved communities

In addition to the EDA's funding priorities, other project criteria were used to set project priorities. Among those criteria were consistency with CEDS goals and objectives, project readiness, availability of local match, and property ownership status (if applicable).

Though the EDA occasionally provides project funding, other sources were considered as well. Those funding sources include the United States Department of Agriculture, Michigan Department of Transportation, Michigan Department of Natural Resources and Environment, local development finance authorities, Small Business Administration, Michigan Economic Development Corporation, Community Development Block Grants, and local matching funds.

## CEDS Committee Membership

The CEDS process was a collaborative effort among several agencies, business sectors, and government officials. Appointed by the Region 2 Planning Commission, the CEDS Steering Committee consisted of the following representatives:

Member	Representation
Karol Bolton *	Lenawee County Board of Commissioners
Christine Bowman *	City of Hillsdale Economic Development
Karen Coffman *	Jackson County Treasurer
Lisa Dedden-Cooper *	Congressman Mark Schauer's Office
Scott Fleming •	Enterprise Group of Jackson, Inc.
James Gartin •	Lenawee Economic Development Corporation
Heather Harback •	Jackson Community College
Alan Hooper •	CMS Energy Corporation
Gail W. Mahoney *	Jackson County Commissioner
Steve Morrison *	South Central Michigan Works!
Tim Robinson •	Lenawee County Economic Development Corp.
Jason Sanders •	5/3 Bank
Hendrik Schuur •	Allegiance Health
Amy Torres •	Enterprise Group of Jackson, Inc.
Reb Turner •	Hillsdale County Econ. Development Partnership
Maxine Vanlerberg *	Hillsdale County Community Action Agency
Randy Yagiela *	South Central Michigan Works!, PRSC

\* Public sector representative

• Private sector representative

The Steering Committee membership was broad-based and reflective of the Region. The Committee included representatives from the public and private sectors, education, county economic development agencies, utilities, health services, minorities, and local units of government. Membership followed EDA guidelines which stipulate that the committee include representatives from the private sector, public officials, community leaders, workforce development boards, institutions of higher education, minority and labor groups, and private individuals. While representation on the Committee changed from time-to-time, the private sector always made up a majority of the membership.

## **CHAPTER 2: REGIONAL PROFILE**

### **Description of the Region**

The Region 2 Planning area is located in south-central Michigan bordering on the states of Ohio and Indiana. The Region includes the three counties of Hillsdale, Jackson and Lenawee and is unique in that each of the three counties has a distinct urban center located in approximately the geographic mid-point of the respective county. In Hillsdale, the City of Hillsdale, located in the center of the county, anchors a core area which extends north of the Village of Jonesville and the City of Litchfield. In Jackson County, the City of Jackson is located in the geographic center of Jackson County. In Lenawee County, the City of Adrian is located in the center of the County. An urbanized area extends north to include the City of Tecumseh. The Region's population centers are influenced by the Detroit, Toledo, and Lansing Metropolitan areas located to the east, southeast and north of the Region, but they also generate their own spheres of urban influence.

### **Physical and Natural Features**

The topography of the Region 2 Planning area varies from flat glacial lake bottoms found in southeastern Lenawee County to gently rolling, moderately hilly moraines comprising most of Jackson and Hillsdale Counties. Elevations range from 600' to 700' above sea level in the lake bottoms, to 1200' to 1300' above sea level in the uplands.

The physiographic features of the Region's landscape are primarily a result of its geological development. The action of glaciers descending over the northern parts of the North American continent resulted in the formulation of visible characteristics of the Region's landscape, its hills, ridges, rivers, valleys, lakes and marsh lands. The scraping action and the deposits resulting from the advancement and eventual melting of the glaciers account for extreme variations in soil types. More than forty-eight soils have been identified in the Region, ranging from very dense clays, silt, and sand mixtures found in the extinct glacial lake bottoms to porous clays, sand, and gravel mixtures found in the moraine uplands.

Glaciers moved across the Region from the northwest to the southeast molding the earth's surface and creating four basic types of land forms: moraines, till plains, outwash channels, and lake beds. Moraines form hilly irregular areas while till plains, outwash channels, and lake beds resulted in relatively level topography.

Most of the Region is relatively level, although there are belts and pockets of land in each county where moderate slopes can be found. In Jackson County, the southwestern portion has the greatest concentration of moderate slopes. Lenawee County has very few areas with significant topography, with the greatest clustering occurring in the far northwestern portion of the county in an area known as the Irish Hills. Hillsdale County is the most rolling of the three counties with belts of slopes in excess of 8% in the northeast, central, and southwestern portions of the county.

Other glacial forces resulted in relatively level to gently rolling topography. Till plains are situated in northwestern Jackson County and throughout Hillsdale County, generally between the belts of moraines. Outwash channels formed in northeastern and southeastern Jackson County near the Waterloo recreation area, and the Michigan Center chain of lakes. The dominant feature in Lenawee County is the huge lake bed that covers much of the eastern portion of the County. This area was once part of a bed of Lake Erie. The finely sorted water-laid deposits in this area produced level topography and highly-fertile soils for agriculture.

In addition, the glacier carved the present day regional drainage system. The Region is at the headwaters of five river systems. Jackson County is drained by the Grand and Kalamazoo basins flowing west into Lake Michigan, and the Raisin basin flowing east into Lake Erie. Lenawee County is almost entirely drained by the River Raisin basin. A small area in the southwestern part of the County is within the Maumee basin which flows west into Lake Michigan. Hillsdale County is drained by the Kalamazoo, St. Joseph, and Maumee basins, all of which flow toward the west into Lake Michigan.

The climate of the Region is not detrimental to most development, seldom experiencing prolonged periods of either hot humid weather in the summer or extreme cold in the winter. Summers are moderately warm with an average of only 12 to 23 days on which the temperature exceeds 90 degrees Fahrenheit and in winter, November through March the minimum daily temperature is below freezing 83% to 85% of the time. Precipitation in the Region is fairly evenly distributed throughout the year and averages 31" to 36" per year.

The topography and surface features of the three-county area includes lands that are appropriate and well suited to development, and also environmentally-sensitive areas including lakes, wetlands, streams and rivers, and flood prone areas which pose limitations on development. The presence of environmentally-sensitive lands requires careful land use planning to meet the objective of preserving the natural environment and the quality of life the Region's residents enjoy, and guiding development to appropriate locations for a healthy local economy.

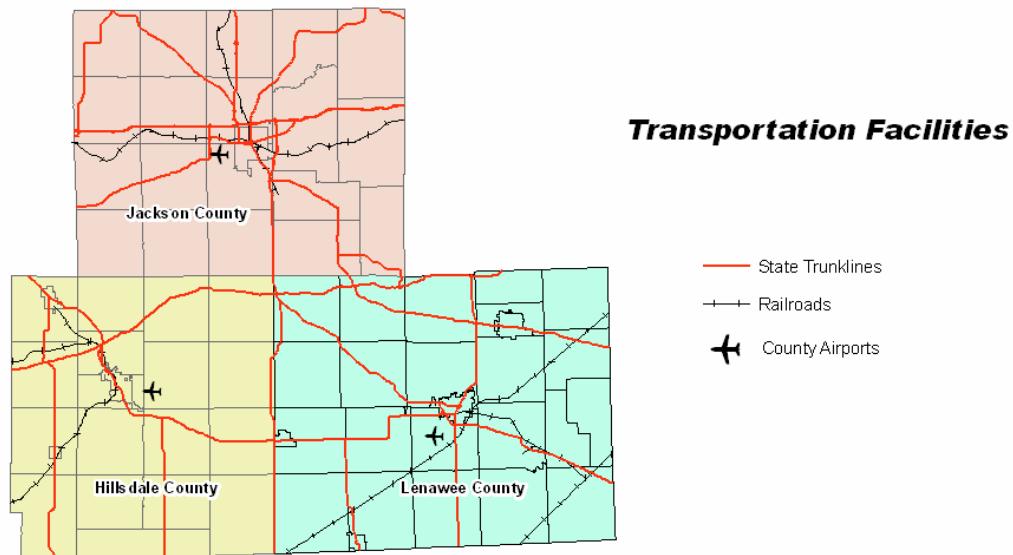
## **Infrastructure**

The area of Hillsdale, Jackson and Lenawee Counties is located along an area that was a significant western movement route in the 1800's with Detroit acting as a gateway for settlers moving west. The Chicago Road was constructed in the early 1800's as a military route. This road, which passes through Lenawee and Hillsdale counties, offered a means of wagon travel to Chicago and the western plains beyond. The route followed the old Sauk Trail, an important Native American transportation route. The high volume of traffic along the route had two important consequences. First, the area became well established as a result of the transportation corridor which extended through it. Secondly, the high volume of settlers passing through the area created a demand for wagon and carriage makers. These wagon and carriage makers became the antecedent for early automobile producers which led directly to growth in the manufacturing industry and automobile production. In addition, the extension of rail lines through the area reinforced Jackson's significance as a transportation center. At

one time, Jackson had more rail passenger traffic than any other city in Michigan and was second only to Detroit in the amount of rail freight shipped per year.

In addition to US-12, I-94 bisects Jackson County connecting Detroit and Chicago. US-127 extends in a north-south direction providing access to Lansing and northern Michigan to the north, and Ohio to the south. US-223 runs from the center of the Region in a southeasterly direction to the Monroe and Toledo areas.

The Jackson area is served by Amtrak which offers passenger rail service linking the Detroit area with Chicago. A station is located in downtown Jackson. Rail freight service is offered by Norfolk Southern with an east-west line through Jackson County



and a line which extends diagonally across Lenawee County linking the County with freight service to Detroit and to points southwest of Lenawee County. Additional freight service in Lenawee County includes the Adrian and Blissfield Railroad and the Indiana and Ohio Railroad which transects the southeast corner of Lenawee County roughly parallel to the Norfolk Southern freight lines. Hillsdale County is served by the Indiana Northeastern Railroad with lines that serve Litchfield, Jonesville and the City of Hillsdale with areas to the southwest.

Each of the three counties has publicly owned airports located near the cities of Hillsdale, Jackson, and Adrian. Cargo ports are available in Detroit and at Monroe.

Central sewer and water facilities are available to many of the Region's cities and villages and surrounding townships while rural areas tend to be serviced by individual well and septic systems. Similarly, telecommunications, digital, and electrical services tend to be available where the greatest demand exists. While electrical service is universally available throughout the Region, gaps exist in the availability of other services which tend to be available in urban areas.



**Jackson County Airport**

## **Governmental Structure**

The Region 2 Planning area is composed of 90 units of local government. In each of the three counties in the Region, local units range from rural townships and villages to cities. The Region contains one metropolitan area (Jackson). Most local units, particularly in Jackson and Lenawee counties, have adopted land use plans and zoning ordinances. Approximately half of the local units in Hillsdale County have adopted community plans and zoning ordinances.

R2PC staff has historically assisted local units of government with planning and zoning matters. The staff provides planning services on request including the preparation of plans and ordinances. The Commission also conducts planning and zoning workshops for local units of governments in the three-county area. The close association with local units of government has served the Commission well in the implementation of county- or region-wide plans and planning programs. The Region 2 Planning Commission provides staff assistance to the City of Jackson Planning Commission, the Jackson County Zoning Coordinating Committee, and the Lenawee County Planning Commission.

The Region 2 Planning Commission is also the designated Metropolitan Planning Organization (MPO) for the Jackson metropolitan area and staffs the Jackson Area Comprehensive Transportation Study (JACTS), which encompasses all of Jackson County. In that capacity, on-going work assignments include preparation of transportation long-range plans and transportation improvement programs. In Hillsdale and Lenawee counties, the Commission staff also conducts transportation planning projects and studies.

R2PC has an ongoing working relationship with each of the three economic development organizations in the Region including the Hillsdale County Industrial Development Commission, the Enterprise Group of Jackson, and the Lenawee County

Economic Development Corporation. These organizations have the responsibility to promote economic development, including both retention and attraction of industry and new businesses while South Central Michigan Works! has responsibility for workforce development. In preparing the request for economic development administration funding in preparation of this document, the Comprehensive Economic Development Strategy (CEDS) for the three county area, R2PC staff worked with each of the Economic Development Organizations and SCMW! to assure that the CEDS planning effort would not result in the duplication of activities.

## **Population**

The U.S. Bureau of the Census conducts population and housing censuses every ten years through 2010, and on an on-going basis thereafter. In between census years, the Bureau provides population estimates based in part on building permit activity, number of automobile registrations, births, deaths, and other available data. Table 1 provides population data for Hillsdale, Jackson and Lenawee Counties; the Region 2 Planning area; and the State of Michigan for 1990 and 2000, and an estimate for 2008.

Each of the three counties increased in population between 1990 and 2000. Between 2000 and 2008, population was estimated to have increased in Jackson and Lenawee counties, but it declined slightly in Hillsdale County. The total estimated population for the three-county area was 307,193 in 2008.

<b>Table 1</b>							
<b>Population</b>							
<b>Area</b>	<b>1990</b>	<b>2000</b>	<b>2008 Estimates</b>	<b>1990 to 2000 Population Change</b>		<b>2000 to 2008 Population Change Estimates</b>	
				<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
<b>Hillsdale</b>	43,431	46,527	46,212	3,096	7.1%	(315)	-0.7%
<b>Jackson</b>	149,756	158,422	160,180	8,666	5.8%	1,758	1.1%
<b>Lenawee</b>	91,476	98,890	100,801	7,414	8.1%	1,911	1.9%
<b>Region 2</b>	284,663	303,839	307,193	19,176	6.7%	3,354	1.1%
<b>Michigan</b>	9,295,297	9,938,444	10,003,422	643,147	6.9%	64,978	0.7%

Source: U.S. Census Population and Housing      Compiled by : Region 2 Planning Commission

During the period from 2000 to 2008, Michigan's population is estimated to have grown by 0.7% while the Region's population expanded by 1.1%. Regional growth resulted from expansion in Jackson and Lenawee counties which increased by 1.1% and 1.9%, respectively, while Hillsdale County's population declined 0.7% over the same eight-year period.

Additional information on population for gender, race, and Hispanic origin is provided in Table 2 for the Region's three counties and the Region as a whole for the period between 2000 and 2007. The table indicates that males outnumber females in the

Region which is primarily due to age-sex patterns and the presence of large correctional facilities in Jackson and Lenawee Counties. In 2007, racial minorities totaled about 9.5% of the total regional population. With a few exceptions; racial minorities and the Hispanic population are growing at a greater rate than that for white population. While the Region's total population increased by 2.3% over the 7 year period, the white population grew by 1.6%.

<b>Table 2</b>											
<b>County Population by Sex and Race</b>											
	Total	Male	Female	White	Black	American Indian	Asian	Native Hawaiian	Other	2 or More Races	Hispanic
2000 Hillsdale County	46,527	23,151	23,376	45,391	201	163	154	6	158	454	558
2007 Hillsdale County	46,847	23,253	23,594	45,580	321	183	261	0	168	334	672
Change	<b>320</b>	<b>102</b>	<b>218</b>	<b>189</b>	<b>120</b>	<b>20</b>	<b>107</b>	<b>-6</b>	<b>10</b>	<b>-120</b>	<b>114</b>
% Change	0.7%	0.4%	0.9%	0.4%	37.4%	10.9%	41.0%	-100.0%	6.0%	-35.9%	17.0%
2000 Jackson County	158,422	80,848	77,574	140,267	12,543	641	840	62	1,315	2,754	3,493
2007 Jackson County	162,934	83,386	79,548	142,702	13,379	699	1,229	0	1,847	3,078	4,206
Change	<b>4,512</b>	<b>2,538</b>	<b>1,974</b>	<b>2,435</b>	<b>836</b>	<b>58</b>	<b>389</b>	<b>-62</b>	<b>532</b>	<b>324</b>	<b>713</b>
% Change	2.8%	3.0%	2.5%	1.7%	6.2%	8.3%	31.7%	-100.0%	28.8%	10.5%	17.0%
2000 Lenawee County	98,890	49,464	49,426	91,484	2,094	408	450	7	2,974	1,473	6,884
2007 Lenawee County	101,230	50,114	51,116	93,374	1,872	507	698	43	2,711	2,025	7,399
Change	<b>2,340</b>	<b>650</b>	<b>1,690</b>	<b>1,890</b>	<b>-222</b>	<b>99</b>	<b>248</b>	<b>36</b>	<b>-263</b>	<b>552</b>	<b>515</b>
% Change	2.3%	1.3%	3.3%	2.0%	11.9%	19.5%	35.5%	83.7%	-9.7%	27.3%	7.0%
2000 Region 2 Area	303,839	153,463	150,376	277,142	14,838	1,212	1,444	75	4,447	4,681	10,935
2007 Region 2 Area	311,011	156,753	154,258	281,656	15,572	1,389	2,188	43	4,726	5,437	12,277
Change	<b>7,172</b>	<b>3,290</b>	<b>3,882</b>	<b>4,514</b>	<b>734</b>	<b>177</b>	<b>744</b>	<b>-32</b>	<b>279</b>	<b>756</b>	<b>1,342</b>
% Change	2.3%	2.1%	2.5%	1.6%	4.7%	12.7%	34.0%	-74.4%	5.9%	13.9%	10.9%

Source: U.S. Census Population and Housing

Compiled by : Region 2 Planning Commission

## Population Projections

Projections for each local unit of government including villages, townships, cities, and counties have been prepared by the Region 2 Planning Commission, and projections are presented by five-year increments through 2030. Projections were based on U.S. Census information, forecasts developed for the Michigan Department of Transportation (MDOT) by the Regional Econometric Models, Inc., (REMI), and local knowledge of expected development. The REMI data forecast is based upon the cohort-survival methodology in association with economic development factors for each county. These county projections were distributed among local units of government.

## Hillsdale County

Hillsdale County's 2000 population was 46,527. By 2010, the population was projected to increase slightly to 46,668. Small increases in population are anticipated over the next two decades growing to 48,875 by 2030. Within the County, the population of the cities of Hillsdale, Litchfield and Reading are anticipated to decline slightly over the 30-year period. Township populations are expected to increase over this period as shown on Table 3 below.

<b>Table 3</b>							
<b>Hillsdale County Population Projections by Local Unit of Government, 2005-2030</b>							
<b>Unit of Government</b>	<b>Population</b>						
	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
<b>Cities</b>							
Hillsdale	8,248	7,972	7,848	7,824	7,809	7,780	7,721
Litchfield	1,458	1,420	1,398	1,392	1,388	1,381	1,369
Reading	1,134	1,097	1,076	1,070	1,065	1,058	1,047
<b>Townships</b>							
Adams	2,498	2,511	2,485	2,515	2,549	2,578	2,598
Allen	1,631	1,660	1,658	1,697	1,738	1,777	1,808
Amboy	1,224	1,242	1,245	1,276	1,309	1,339	1,365
Cambria	2,546	2,540	2,512	2,542	2,574	2,603	2,621
Camden	2,088	2,113	2,103	2,138	2,175	2,209	2,235
Fayette	3,350	3,306	3,265	3,273	3,285	3,291	3,284
Hillsdale	1,950	1,992	1,970	2,022	2,077	2,128	2,171
Jefferson	3,141	3,135	3,088	3,126	3,167	3,203	3,226
Litchfield	969	1,017	1,024	1,042	1,062	1,079	1,093
Moscow	1,445	1,492	1,494	1,528	1,565	1,598	1,626
Pittsford	1,600	1,634	1,634	1,645	1,658	1,669	1,673
Ransom	982	1,027	1,032	1,061	1,091	1,120	1,144
Reading	1,781	1,781	1,764	1,781	1,800	1,816	1,825
Scipio	1,822	1,861	1,837	1,888	1,941	1,991	2,034
Somerset	4,277	4,568	4,734	4,869	5,010	5,143	5,256
Wheatland	1,258	1,304	1,308	1,338	1,369	1,399	1,423
Woodbridge	1,337	1,374	1,376	1,407	1,439	1,469	1,493
Wright	1,788	1,814	1,817	1,830	1,846	1,858	1,863
<b>Total</b>	<b>46,527</b>	<b>46,860</b>	<b>46,668</b>	<b>47,264</b>	<b>47,917</b>	<b>48,489</b>	<b>48,875</b>

Source: Region 2 Planning Commission

## Jackson County

Jackson County's population in 2000 was 158,422. In 2010 the population was expected to be 167,499, and by 2030 the population is projected to increase to 183,489. The City of Jackson population is expected to decline from its 2000 total of 36,316 to a 2010 population of 34,383; and then increase slightly to 35,578 in 2030. Each of the townships is expected to increase in population over the 30-year period, as shown on Table 4 below.

<b>Table 4</b>							
<b>Jackson County Population Projections by Local Unit of Government, 2005-2030</b>							
<b>Unit of Government</b>	<b>Population</b>						
	2000	2005	2010	2015	2020	2025	2030
<b>City</b>							
Jackson	36,316	34,376	34,383	34,617	34,991	35,348	35,578
<b>Townships</b>							
Blackman	22,800	26,317	26,871	27,598	28,439	29,270	29,998
Columbia	7,234	7,481	7,679	7,926	8,206	8,483	8,731
Concord	2,692	2,789	2,850	2,929	3,020	3,111	3,190
Grass Lake	4,586	5,098	5,287	5,509	5,754	5,998	6,221
Hanover	3,792	3,892	3,959	4,051	4,160	4,267	4,360
Henrietta	4,483	4,798	4,936	5,106	5,297	5,487	5,657
Leoni	13,459	13,764	13,898	14,122	14,404	14,680	14,904
Liberty	2,903	3,095	3,194	3,315	3,449	3,582	3,702
Napoleon	6,962	7,127	7,274	7,467	7,691	7,913	8,107
Norvell	2,922	3,095	3,154	3,233	3,326	3,417	3,496
Parma	2,696	2,931	2,978	3,044	3,123	3,201	3,267
Pulaski	1,931	2,133	2,160	2,202	2,253	2,303	2,344
Rives	4,725	5,242	5,403	5,598	5,817	6,034	6,229
Sandstone	3,801	4,058	4,168	4,305	4,461	4,614	4,752
Spring Arbor	7,577	8,277	8,423	8,624	8,860	9,093	9,294
Springport	2,182	2,265	2,288	2,325	2,372	2,417	2,455
Summit	21,534	22,196	22,458	22,867	23,370	23,863	24,271
Tompkins	2,758	2,971	3,069	3,186	3,317	3,446	3,564
Waterloo	3,069	3,017	3,067	3,136	3,218	3,299	3,369
<b>Total</b>	<b>158,422</b>	<b>164,922</b>	<b>167,499</b>	<b>171,160</b>	<b>175,528</b>	<b>179,826</b>	<b>183,489</b>

Source: Region 2 Planning Commission

## Lenawee County

Lenawee County's 2000 population was 98,890. This population was projected to increase to 102,805 in 2010, and grow to 113,219 in 2030.

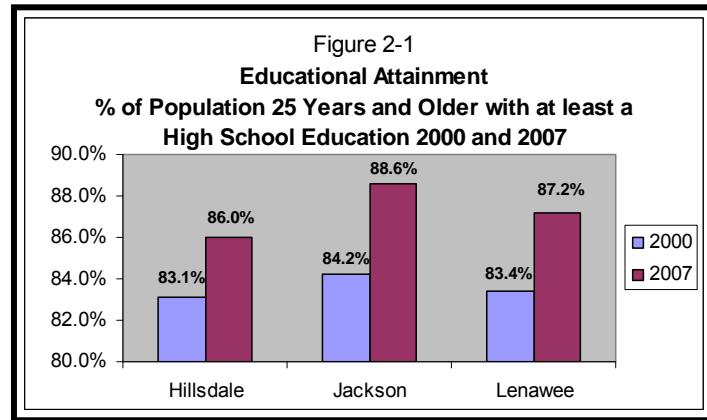
The cities of Adrian, Morenci, and Tecumseh were expected to increase slightly in population between the years 2000 and 2030. The City of Hudson is expected to decline over the 30-year period. Within Lenawee County townships, significant growth is anticipated in townships of Adrian, Cambridge, Franklin, Madison and Raisin. Slight declines in population are anticipated in the townships of Ogden, Palmyra and Riga. Slight increases are anticipated in other townships in Lenawee County, as shown on Table 5 below.

<b>Table 5</b>							
<b>Lenawee County Population Projections By Local Unit of Government, 2005-2030</b>							
<b>Unit of Government</b>	<b>Population</b>						
	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
<b>Cities</b>							
Adrian	21,574	21,888	21,657	21,792	21,832	22,101	22,255
Hudson	2,499	2,381	2,354	2,351	2,371	2,399	2,415
Morenci	2,398	2,321	2,310	2,321	2,356	2,398	2,429
Tecumseh	8,574	8,871	9,002	9,216	9,524	9,867	10,161
<b>Townships</b>							
Adrian	5,749	6,740	7,015	7,353	7,765	8,208	8,613
Blissfield	3,915	3,968	3,944	3,958	4,011	4,079	4,126
Cambridge	5,299	5,807	5,934	6,116	6,359	6,626	6,861
Clinton	3,624	3,844	3,789	3,771	3,791	3,824	3,837
Deerfield	1,770	1,730	1,734	1,754	1,791	1,835	1,870
Dover	1,787	1,797	1,780	1,779	1,797	1,821	1,835
Fairfield	1,756	1,766	1,741	1,734	1,744	1,760	1,766
Franklin	2,939	3,114	3,178	3,272	3,399	3,538	3,660
Hudson	1,576	1,648	1,650	1,669	1,704	1,745	1,777
Macon	1,448	1,463	1,455	1,461	1,481	1,507	1,525
Madison	8,200	7,875	8,420	9,036	9,743	10,492	11,194
Medina	1,227	1,317	1,294	1,285	1,288	1,295	1,296
Ogden	1,063	1,070	1,052	1,045	1,049	1,056	1,058
Palmyra	2,366	2,343	2,305	2,290	2,298	2,314	2,318
Raisin	6,507	7,142	7,251	7,427	7,678	7,957	8,197
Ridgeway	1,580	1,648	1,645	1,648	1,668	1,693	1,709
Riga	1,439	1,391	1,375	1,373	1,385	1,401	1,410
Rollin	3,176	3,173	3,134	3,126	3,149	3,183	3,200
Rome	1,772	1,807	1,816	1,842	1,887	1,939	1,981
Seneca	1,303	1,306	1,297	1,301	1,317	1,339	1,353
Tecumseh	1,881	1,932	1,982	2,050	2,138	2,235	2,321
Woodstock	3,468	3,663	3,689	3,749	3,848	3,960	4,053
<b>Total</b>	<b>98,890</b>	<b>102,005</b>	<b>102,803</b>	<b>104,719</b>	<b>107,373</b>	<b>110,572</b>	<b>113,220</b>

Source: Region 2 Planning Commission

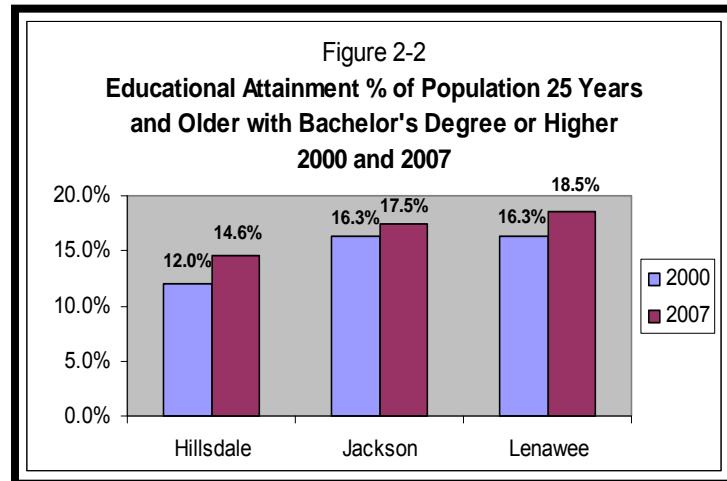
## Educational Attainment

Figure 2-1 provides the percentage of the population 25 years and older who have a high school education, or higher in each of the three counties for the years 2000 and 2007. In 2007, 86.0% of Hillsdale population aged 25 years and older had at least a high school diploma. In Jackson County 88.6% had a high school education, while in Lenawee County 87.2% had at least a high school education. Each county has experienced an increase



in educational attainment by at least three percentage points over the seven-year period from 2000-2007.

Figure 2-2 provides the percentage of persons aged 25 years and older who have obtained at least a Bachelor's Degree in 2007. In Lenawee County, 8.5% of the population had a Bachelor's Degree or higher. In Jackson County 17.5% of the population had a Bachelor's Degree, while in Hillsdale County 14.6% had at least a Bachelor's Degree. In all three counties, the totals for 2007 represent an improvement in educational attainment over the year 2000. The growth in level of educational attainment for the population of 25 years or older with a Bachelor's Degree was most significant in Hillsdale and Lenawee Counties.



## Per Capita Income

Table 6 provides data on the level of per capita income for Hillsdale, Jackson, and Lenawee Counties for the years 1999 and 2007. State of Michigan per capita income is provided as a means of comparison.

Per capita income was highest in Lenawee County in 2007 at \$22,943. Jackson and Hillsdale Counties had per capita income levels of \$21,638, and \$19,720, respectively. In each county, per capita incomes increased from 1999 to 2007. The greatest change occurred in Lenawee County where income increased by 13.7%. Per capita income in Jackson increased 7.3%, and the per capita income in Hillsdale County increased by 8.0%. Meanwhile, income in the State of Michigan was higher than any of the three counties in the Region 2 Planning area in both 1999 when the per capita income for the state was \$22,168; and in 2007 when it was \$24,966.

<b>Table 6</b>				
<b>Per Capita Income, 1999 &amp; 2007</b>				
<b>Area</b>	<b>1999</b>	<b>2007</b>	<b>Change</b>	<b>% of Change</b>
<b>Hillsdale</b>	18,255	19,720	1,465	8.0%
<b>Jackson</b>	20,171	21,638	1,467	7.3%
<b>Lenawee</b>	20,186	22,943	2,757	13.7%
<b>Michigan</b>	22,168	24,966	2,798	12.6%

Source: U.S. Department of Commerce and U.S. Bureau of the Census

## Median Family Income

The median family income is the point at which half the total number of families have higher incomes and half have lower incomes. The median family income for each county in the Region and for the State of Michigan is provided on Table 7 for the years 1999 and 2007.

Within the Region, Lenawee County had the highest median family incomes in both 1999 and 2007. In addition, the growth in median family income over this period was also highest in Lenawee County, increasing by almost 11%. Jackson County's median family income increased nearly 9% over the same time period. Meanwhile, in Hillsdale County, median family income increased approximately 8% from 1999 to 2007. Each of the counties had median family incomes that fell below the State of Michigan. For the State of Michigan, the median income increased from \$53,457 in 1999 to \$60,269 in the year 2007, an increase of nearly 13%.

## Poverty

An important measure of economic well-being in a region is the number of people living below the poverty level. The U.S. Census Bureau uses a set of income thresholds that vary by family size and composition to determine who lives in poverty. The poverty definition takes into consideration income before taxes and does not include capital gains or non-cash benefits such as public housing, Medicaid or food stamps.

Area	Median Family Income			% of Change 1999-2007
	1999	2007	Change	
Hillsdale	45,895	49,453	3,558	7.8%
Jackson	50,970	55,325	4,355	8.5%
Lenawee	53,661	59,466	5,805	10.8%
Michigan	53,457	60,269	6,812	12.7%

Source: U.S. Bureau of the Census

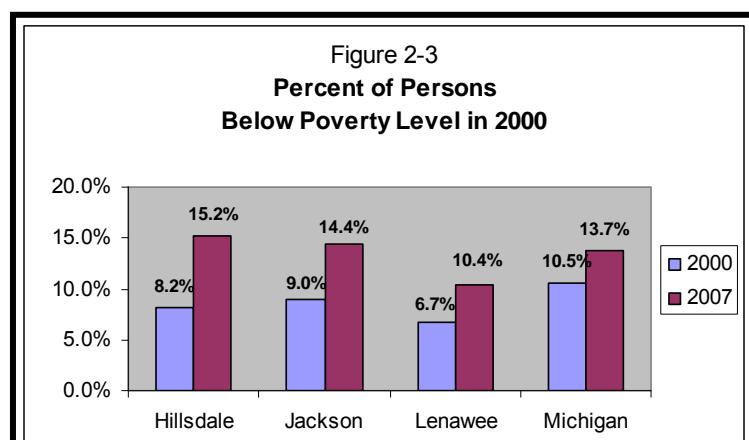


Figure 2-3 provides a comparison of the percentage of persons below poverty level in the years 2000 and 2007 for Hillsdale, Jackson, and Lenawee Counties; and the State of Michigan. In 2007 the poverty level was highest in Hillsdale County at 15.2%, followed by Jackson County at 14.4%, and Lenawee County at 10.4%. By comparison, the poverty level for the State of Michigan was 13.7%.

## Civilian Labor Force

The civilian labor force is the sum of civilian employment and civilian unemployment. The civilian labor force includes residents aged 16 years or above, who do not live in institutions such as prisons, mental hospitals, nursing homes, and are not members of the armed services.

Table 8										
Annual Average Civilian Labor Force by County										
2000-2008										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	# Change
Hillsdale	24,167	24,042	23,108	22,939	22,459	22,341	22,394	21,872	21,175	(2,992)
Jackson	79,088	79,895	78,046	77,453	77,818	78,272	78,214	77,903	76,515	(2,573)
Lenawee	51,699	52,264	50,639	50,204	49,167	49,712	50,204	49,877	48,779	(2,920)
Region 2	154,954	156,201	151,793	150,596	149,444	150,325	150,812	149,652	146,469	(8,485)

Sources: Michigan Department of Labor and Economic Growth and U.S. Census Bureau

Table 8 provides data regarding the civilian labor force for each of the three counties in the Region 2 Planning area, and for the Region as a whole on an annual basis between the years 2000 and 2008, while Table 9 provides the civilian labor force for each of the three counties on a monthly basis in 2009.

Between 2000 and 2008, the civilian labor force declined in each of the three counties with the most dramatic decline in Hillsdale County where 2,992 residents left the labor force - a loss of 12%. Lenawee County's civilian labor force declined 2,920, or 6%. Jackson County's civilian labor force declined by 2,573 during that period.

Table 9													
Monthly Civilian Labor Force by County, 2009													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	# Change
Hillsdale	21,210	21,101	21,148	20,864	20,947	21,410	21,185	20,755	20,384	20,340	20,114	20,069	(1,141)
Jackson	76,920	77,513	77,422	76,042	77,194	77,931	76,984	75,686	74,838	75,434	76,001	75,672	(1,248)
Lenawee	48,924	48,904	48,698	47,998	48,169	49,343	48,471	47,556	47,370	47,444	47,719	47,402	(1,522)
Region 2	147,054	147,518	147,268	144,904	146,310	148,684	146,640	143,997	142,592	143,218	143,834	143,143	(3,911)

Source: Michigan Dept. of Labor and Economic Growth

Table 9 shows that in 2009 the size of the labor force declined further in each county and the Region overall. The decline was somewhat evenly distributed among the three counties with the overall loss of 3,911 from the regional labor force.

## Employment

Table 10 provides the number of employed persons by county and the Region overall in each year for the period between 2000 and 2008. The table indicates that employment declined over the eight-year period in each of the three counties. The numerical decline was greatest in Jackson County at 6,549, followed by Lenawee County with a decline of 5,962, and in Hillsdale County employment declined by 4,359, or almost 19%.

Table 10										
Annual Average Employed Persons by County										
2000-2008										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	# Change
	2000-2008									
Hillsdale	23,279	22,625	21,675	21,193	20,594	20,660	20,673	19,985	18,920	(4,359)
Jackson	76,396	75,750	72,895	71,276	71,991	72,998	72,640	72,059	69,847	(6,549)
Lenawee	49,769	49,514	47,492	46,562	45,550	46,224	46,550	45,983	43,807	(5,962)
Region 2	149,444	147,889	142,062	139,031	138,135	139,882	139,863	138,027	132,574	(16,870)

Source: Michigan Department of Labor and Economic Growth

Table 11 provides employment by month for the period of January through December, 2009 for the three counties and the Region overall. Over this period, employment declined in each of the three counties with the highest numerical loss in Jackson County at 3,995, followed by Lenawee County at 2,346 and Hillsdale County at 1,241. Regional employment decreased by 7,582 during 2009.

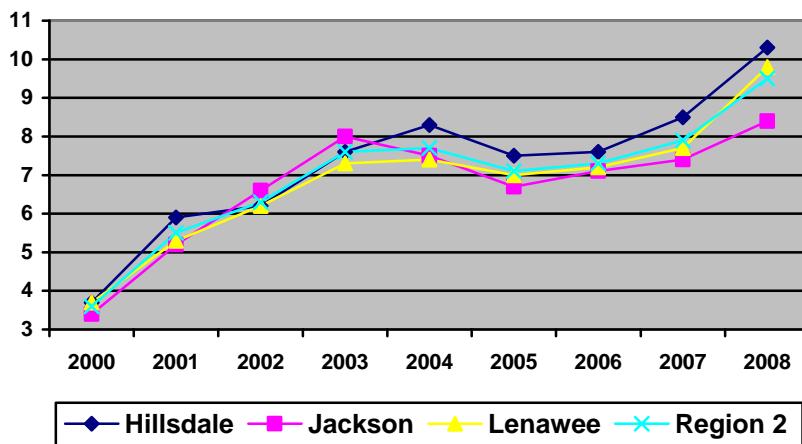
Table 11													
Monthly Employment by County, 2009													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	# Change
	Jan-Dec												
Hillsdale	17,664	17,459	17,362	17,504	17,166	17,384	17,128	17,224	17,000	16,979	16,751	16,423	(1,241)
Jackson	68,203	67,844	67,569	66,856	67,028	66,928	65,526	65,085	64,392	65,036	65,264	64,208	(3,995)
Lenawee	41,859	41,557	41,377	41,009	40,446	41,090	40,136	40,208	40,120	40,362	40,351	39,513	(2,346)
Region 2	127,726	126,860	126,308	125,369	124,640	125,402	122,790	122,517	121,512	122,377	122,366	120,144	(7,582)

Source: Michigan Dept. of Labor and Economic Growth

## Unemployment

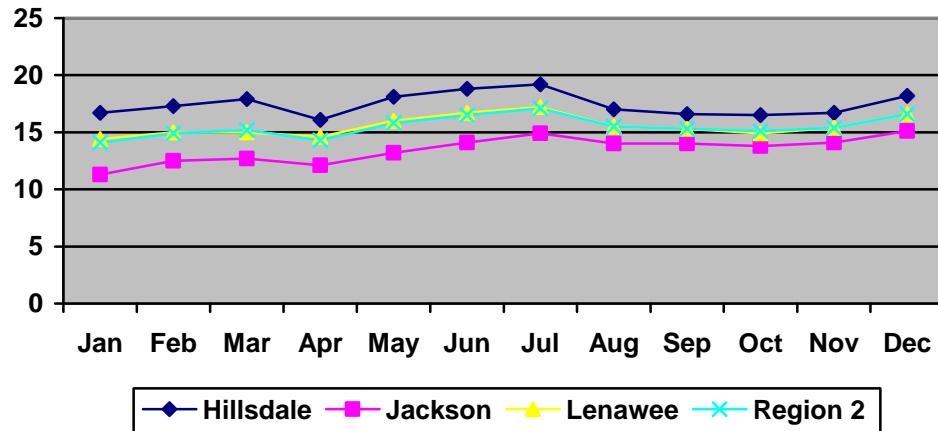
Figure 2-4 provides unemployment data on an annual basis for the period from 2000 to 2008.

**Figure 2-4  
County Unemployment Rates, 2000-2008**



The figure illustrates that the unemployment rate increased in each of the three counties between the year 2000 and 2008, reaching a peak for the eight-year period in 2008. The highest level of unemployment, 10.3% was experienced in Hillsdale County - a significant increase above the 2000 level of 3.7%. In Lenawee County, the 2008 unemployment rate was 9.8% in 2008 – again, a very significant increase above the 2000 rate of 3.7%. In Jackson County, the unemployment rate in 2008 stood at 8.4% after beginning the decade with an unemployment rate of 3.4%.

**Figure 2-5**  
**County Monthly Unemployment Rate, 2009**



As seen from Figure 2-5, unemployment increased further in the three-county area in the period from January-December, 2009. The greatest increase occurred in Lenawee County rising from 14.4% in January to 16.6% in December. Hillsdale County had the highest unemployment rate throughout 2009 beginning the year at 16.7% and ending at 18.2%. Jackson County consistently had the lowest unemployment rate beginning the year at 11.3% and ending at 15.1%.

In comparison with the State and Nation, the Region experienced high unemployment rates. During 2009, the National average unemployment rate was 9.3% and the State of Michigan's annual average was 13.6%.

### **Hillsdale County Employment by Sector**

The distribution of employment by sector by place of work for Hillsdale County is provided in Table 12 for the years 2001 and 2006. Of the fifteen categories identified, the largest employment was in the manufacturing sector in 2006 with a total of 4,093 jobs, or 18.6% of Hillsdale County's total 22,013 jobs. A significant number of jobs could also be found in the government sector, 2,519 (11.4% of total), and in retail trade at 2,427 (11.0%). Farm employment accounted for a significant percent of jobs with 1,657 (7.5%) in 2006. Between 2001 and 2006 the greatest decline occurred in manufacturing where nearly 2,000 jobs were lost. Growing sectors of the economy include retail trade, construction, administrative/waste services, and real estate/rental and leasing employment.

<b>Table 12</b>				
<b>Hillsdale County Employment by Sector 2001 and 2006 by Place of Work</b>				
<b>Sector</b>	<b>2001</b>	<b>2006</b>	<b>% of Total in 2001</b>	<b>% of Total in 2006</b>
Accommodation/Food Services	847	823	3.7	3.7
Administrative/Waste Services	574	1,506	2.5	6.8
Arts, Entertainment and Recreation	220	240	1.0	1.0
Construction	1,257	1,409	5.5	6.4
Educational Services	(1)	(1)	—	—
Farm Employment	1,688	1,657	7.4	7.5
Government	2,792	2,519	12.2	11.4
Health Care and Social Assistance	(1)	(1)	0.0	0.0
Manufacturing	6,099	4,093	26.6	18.6
Other Services, except Public Administration	2,800	2,348	12.2	10.7
Professional and Technical Services	(1)	(1)	—	—
Real Estate/Rental and Leasing	582	792	2.5	3.6
Retail Trade	2,342	2,427	10.2	11.0
Wholesale Trade	430	485	1.9	2.2
Other	(2)	(2)	—	—
<b>TOTAL</b>	<b>22,898</b>	<b>22,013</b>		

Source: Regional Economic Information System

(1) Not provided by REIS to avoid disclosure of confidential information, but the estimates for this item are included in the total.

(2) Cannot be determined because of confidentiality considerations.

## Jackson County Employment by Sector

Table 13 identifies the number of jobs in Jackson County by sector for 2001 and 2006. Among the fifteen employment categories, the greatest number of jobs was found in the government sector which provided 10,118 jobs or 13.2% of the 2006 total. Substantial numbers of jobs were also available in the manufacturing sector at 9,966 (13.0%); retail trade, 9,746 (12.7%); and health care and social assistance at 9,276 (12.1%). Increases in employment between 2001 and 2006 occurred in the health care and social assistance, other services (except public administration), construction, administrative/waste services, real estate/rental and leasing, professional and technical services, educational services, and arts, entertainment and recreation.

<b>Table 13</b>				
<b>Jackson County Employment by Sector 2001 and 2006 by Place of Work</b>				
<b>Sector</b>	<b>2001</b>	<b>2006</b>	<b>% of Total in 2001</b>	<b>% of Total in 2006</b>
Accommodation/Food Services	5,252	5,247	6.9	6.8
Administrative/Waste Services	3,431	3,747	4.5	4.9
Arts, Entertainment and Recreation	1,084	1,199	1.4	1.6
Construction	4,456	4,504	5.8	5.9
Education Services	1,285	1,830	1.7	2.4
Farm Employment	1,315	1,295	1.7	1.7
Government	10,411	10,118	13.6	13.2
Health Care and Social Assistance	8,498	9,276	11.1	12.1
Manufacturing	11,133	9,966	14.6	13.0
Other Services, except Public Administration	4,739	5,100	6.2	6.7
Professional and Technical Services	2,784	2,903	3.6	3.8
Real Estate/Rental and Leasing	1,984	2,633	2.6	3.4
Retail Trade	10,745	9,746	14.0	12.7
Wholesale Trade	2,062	2,028	2.7	2.6
Other	7,307	7,037		
<b>TOTAL</b>	<b>76,486</b>	<b>76,629</b>		

Source: Regional Economic Information System

## **Lenawee County Employment by Sector**

As indicated in Table 14, in 2006 the manufacturing sector in Lenawee County provided the greatest number of jobs at 7,518, or 17.0% of the total. A substantial number of jobs were also offered in retail trade 5,859 (13.2%), and government, 5,813 (13.1%). Increases in jobs could be found in the following sectors: health care and social assistance, wholesale trade, other services (except public administration), construction, administrative/waste services, real estate/rental and leasing, educational services, and arts, entertainment and recreation.

<b>Table 14</b>				
<b>Lenawee County Employment by Sector 2001 and 2006 by Place of Work</b>				
Sector	2001	2006	% of Total in 2001	% of Total in 2006
Accommodation/Food Services	3,009	2,748	6.7	6.2
Administrative/Waste Services	2,048	2,220	4.6	5.0
Arts, Entertainment and Recreation	687	740	1.5	1.7
Construction	2,545	2,727	5.7	6.2
Educational Services	1,028	1,282	2.3	2.9
Farm Employment	1,782	1,749	4.0	3.9
Government	5,823	5,813	13.0	13.1
Health Care and Social Assistance	3,638	4,001	8.1	9.0
Manufacturing	9,099	7,518	20.4	17.0
Other Services, except Public Administration	2,457	2,830	5.5	6.4
Professional and Technical Services	1,451	1,254	3.2	2.8
Real Estate/Rental and Leasing	1,195	1,614	2.7	3.6
Retail Trade	6,566	5,859	14.7	13.2
Wholesale Trade	675	863	1.5	1.9
Other	2,673	3,094		
<b>TOTAL</b>	<b>44,676</b>	<b>44,312</b>		

Source: Regional Economic Information System

## Regional Industry Clusters

Michigan State University's Land Policy Institute recently conducted a regional cluster analysis as part of its Michigan Prosperity Initiative, or MPI. Based upon location-quotient employment analysis, the study found that the Region 2 Planning area contains "mature-healthy" or "potential up-and-coming" clusters within the following five employment sectors:

- *Food innovation* – This cluster includes industries such as food value-added industries including packaging, processing, and supplements. MPI points out that while food innovation is not a traditional employment cluster in Michigan, the lack of value-added processing and food product development coupled with the second most diverse agricultural sectors in the nation and a strong agricultural university indicate a cluster that has the potential for growth.

- *Forestry and wood products* - Industries that are directly or indirectly engaged in forestry, paper pulp, and paper manufacture, milling of wood products, etc. This is traditionally a significant sector in Michigan due to its forestry industry. However, the slowdown in the building industry has seriously hurt this cluster.
- *Engineering technology and design* – This cluster encompasses establishments in areas such as architects, engineers, advanced design, and process design. A traditionally strong employment sector in Michigan due to the presence of the automobile industry, this cluster has significant potential as it relates to green innovation, high-tech product design, and creating an export market for this expertise.
- *Supply chain and logistics* - This cluster includes logistical services, transportation, shipping, warehousing, etc. Due to experiences from the automobile industry, this cluster is well-developed in Michigan and the experiences could transfer well to other sectors or could be exported to developing countries.
- *Arts and culture* – The arts and culture cluster is comprised of performance and crafted art, theater, motion pictures, etc. The arts and culture cluster plays a significant role in increasing quality of life, regional identity, and recreation and entertainment.

## CHAPTER 3: MISSION STATEMENT, GOALS AND OBJECTIVES

This chapter provides the CEDS mission statement, goals, objectives, and action plan. The mission statement is a general guiding principal; goals represent a vision for the future of the Region; and objectives are more specific means to achieve that vision. The action plan provides implementation measures to achieve CEDS objectives. As a preliminary step toward goal development, the CEDS committee identified the Region's SWOT (Strengths, Weaknesses, Opportunities and Threats). The results of this effort are provided in the following table:

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"><li>○ Proximity to Metropolitan Detroit area</li><li>○ Each county has a four-year educational institution</li><li>○ Jackson Community College has a presence in each county</li><li>○ Within one hour of 21 colleges and universities</li><li>○ Family-oriented communities</li><li>○ Abundant groundwater</li><li>○ Energy capacity</li><li>○ Access to Detroit Metropolitan Airport</li><li>○ Skilled, trained workforce is available</li><li>○ Workforce training is available</li><li>○ Good transportation routes including interstates</li><li>○ Rail transit is available</li><li>○ Low cost of living</li><li>○ Retail business incubators are available</li><li>○ Technology-trained workforce</li><li>○ Capital is available for business development and expansion</li><li>○ Infrastructure is available for industry</li><li>○ Pro-business attitude</li><li>○ Region speaks with one voice</li><li>○ Quality of life</li></ul>	<ul style="list-style-type: none"><li>○ Region lacks widespread broadband access</li><li>○ Each county lacks economic diversification</li><li>○ Communities have differing levels of professional ability</li><li>○ Low educational attainment levels in some areas of the Region</li><li>○ Many people in the Region are technically illiterate</li><li>○ Existing buildings are obsolete and unsuited for the types of industry we are seeking</li><li>○ Government is seen as an obstacle to development</li></ul>
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"><li>○ Lakes and recreation opportunities provide a lure to areas to the south</li><li>○ Economic development organizations are established and active in each county</li><li>○ Local government recognizes the need for economic development</li><li>○ Automobile production will increase in the short term as the economy improves</li><li>○ A certified workforce strategy exists – proactive instead of reactive</li><li>○ Blackman Township's SmartZone<sup>SM</sup> offers tax breaks to manufacturers</li><li>○ Region is well positioned to attract the State of Michigan's six target industrial classifications</li><li>○ Major research universities are located in the Region's vicinity</li><li>○ Retrofitting of existing obsolete buildings, brownfield redevelopment.</li></ul>	<ul style="list-style-type: none"><li>○ Inconsistent government structure – some work well and some don't. Risky for businesses</li><li>○ Manufacturing jobs continue to be lost to foreign countries</li><li>○ There is a heavy dependence on the automobile industry</li><li>○ Funding for economic development is very limited</li></ul>

Informal discussions were held during the SWOT sessions and summary points in the above table were discussed in depth. Some of the issues raised during these discussions are the following:

- Regional economic development at a strategic level did not exist previously in the Region especially when an initiative needed a regional base of support. The three counties in the Region funded their own economic developers, who in turn were responsible for local economic development.
- Rural regions in general lack a safe place to launch, continue and expand the dialogue of economic transformation.
- The historical relationship between counties, cities and townships has prevented a focus on regional solutions.
- Tight credit is a real issue. It is a tremendous problem for our economic developers attempts to re-grow the economy in the Region.
- The lack of a revolving loan fund in Hillsdale County is a problem.
- Lack of venture capital and angel funding is an issue.
- “Brain drain” of 18-35 year olds to cities such as Chicago is a problem.
- Revenue sharing cuts from the State of Michigan to municipalities and counties is becoming a major financial factor.
- Workforce skills to meet requirements of new auto industry. Methods are needed to predict growth sectors and retrain workers for employment in these industries.
- Initiatives are needed to take advantage of opportunities to promote the Region’s strengths.
- Several growing industry clusters have been identified in the Region. The CEDS should be geared toward promotion and growth of these clusters.

## **Mission Statement**

Prior to the development of specific goals, the Committee created a mission statement which provides a guiding vision for the future economic development of the Region and was used a basis for the creation of goals and objectives. The CEDS mission is...

***“To create an environment that encourages the creation of jobs, promotes education, fosters community development (including infrastructure), and advances business development”.***

## **Goals and Objectives**

Data collected during the SWOT sessions provided the basis for goals and objectives. Goals are broad statements that describe a desired future condition. Objectives are more specific and identify particular actions that need to be taken to achieve the goals.

The following goals are listed in order of priority. In setting the priority order, the Committee believed that collaboration, innovation, and entrepreneurship needed to be strengthened before moving on to the other goals and objectives. That is the purpose of Goal 1. As the Region completes its initial CEDS, the groundwork is being laid for greater dialogue as agencies represented on the Committee are continually promoting the goals of the CEDS in addition to the objectives of their own agencies.

The goals below are listed below in order of priority:

### **Goal 1: Encourage collaborative economic partnerships to promote innovation and entrepreneurship.**

- Objective: Proactively collaborate to advance the mission, goals, and objectives of the CEDs.
- Objective: Engage in dialogue to solicit and support economic innovation.
- Objective: Consistently track and re-evaluate progress in achieving CEDS goals and objectives.

### **Goal 2: Provide an environment to support business development.**

- Objective: Improve and expand infrastructure (e.g. sewer, water, electric and gas utilities, broadband, digital) throughout the entire Region.
- Objective: Redevelop our Region's Brownfield properties and encourage the use of SmartGrowth tenets for future development.
- Objective: Identify unique cultural and recreational resources and promote the development of trails and recreational opportunities in the Region.
- Objective: Increase access to capital for business startups, expansion, and diversification.

### **Goal 3: Expand workforce development and education strategies.**

- Objective: Develop workforce and education strategies to increase educational levels, high wage jobs, and promote business retention/expansion to retain our graduating students.
- Objective: Encourage career laddering within the STEM (Science, Technology, Engineering and Math) system.
- Objective: Link businesses to resources for training and market diversification.

### **Goal 4: Diversify the economy.**

- Objective: Market unique cultural and recreational resources in the Region.
- Objective: Enhance and encourage the retention and expansion of existing businesses.
- Objective: Open our communities to immigration and welcome diversity.
- Objective: Promote the entrepreneurial spirit.
- Objective: Seek job creation in growth industries.
- Objective: Advance the information economy in the Region.

## CEDS Monitoring Performance Measures

It is important to identify performance measures to evaluate goals and objectives. Having such measures in place will help to determine whether implementation efforts are having the desired effect or whether adjustments need to be made. Future CEDS updates will provide updates regarding the performance measures.

### *Goal 1 Performance Measures*

Some of the objectives listed under Goal 1 are difficult to quantify. Achievement of these objectives can be met by continuing to hold regional economic development meetings by the CEDS Strategy Committee. *In performing annual updates to the CEDS, the Committee will ensure that this regional economic partnership is continued, and that innovation and entrepreneurship are given emphasis.*

### *Goal 2 Performance Measures*

Goal 2 calls for creation of an environment that supports business development. Several approaches will be taken to monitor progress on this goal. These include:

1. An objective under Goal 2 seeks the expansion of infrastructure which supports economic development throughout the Region. Initially, an inventory of infrastructure that supports existing and proposed business park development is to be established which will be provided in an annual CEDS update. Among the categories of infrastructure to be inventoried are sewer, water, utilities, and broadband. *Depending on the availability of data from drain commissioners, local departments of public works, engineering departments, the Michigan Department of Natural Resources and Environment, and other sources, it is expected that the inventory will be completed as part of the initial CEDS update.*
2. Inventory and monitor development of Brownfield properties in the Region through the economic development organizations. *The Region 2 Planning Commission will work with the Michigan Department of Natural Resources and Environment, local planning departments, brownfield redevelopment authorities, and counties to develop a brownfield monitoring system. It is expected that the inventory will be completed as part of the initial CEDS update.*
3. Objective 4 calls for an increase in access to capital for business startups, expansion, and diversification. Track per capita private and government investment for these activities in the Region. *Establish a base line for business startups during the first year of CEDS update and track on an annual basis.*

### *Goal 3 Performance Measures*

Goal 3 calls for expansion of workforce development and educational strategies. Performance measures for this goal include:

1. Provide updates on activities of South Central Michigan Works!, Jackson Community College, and others involved with work force development.
2. Provide information regarding programs that link businesses to resources for training.

*South Central Michigan Works and Jackson Community College are represented on the CEDS Strategy Committee. Information regarding their workforce development and education strategies will be made available in the first CEDS update in 2011. Data will be monitored continuously by the strategy committee.*

### *Goal 4 Performance Measures*

The aim of Goal 4 is simply to diversify the economy. Performance measures for this goal are to include:

1. Tracking of employment within mature healthy and potential up-and-coming industry clusters identified in Chapter 2. *Review available data on an annual basis.*
2. Census demographic data regarding the Region's population. *Annually review available census data and provide in annual updates of the CEDS.*
3. Employment data regarding Sister Regions as established by the Land Policy Institute at Michigan State University. *Review on a semi-annual basis and provide data in annual CEDS update.*
4. Tracking of growing businesses, business startups, and resilient businesses as initiated by the LPI's Michigan Prosperity Initiative. Dun and Bradstreet data served as the basis for this information. *Track as County Business Patterns, REIS, and other data become available.*

## **CHAPTER 4: ACTION PLAN**

In order to implement goals and objectives, a number of tasks were identified. These tasks are to be undertaken during fiscal years 2010 and 2011 and are intended to implement and advance the principles of the Economic Development Administration to:

- *Promote economic development and opportunity.*
- *Foster effective transportation access.*
- *Enhance and protect the environment.*
- *Maximize effective development and use of the workforce consistent with any State or local workforce investment strategy.*
- *Promote the use of technology in economic development, including access to high-speed telecommunications.*
- *Balance resources through sound management of physical development.*
- *Obtain and utilize adequate funds and other resources.*

### **CEDS Action Plan**

The following section provides a summary of the activities that will be undertaken as part of CEDS implementation. The tasks are arranged in accordance with the above principles to ensure that they are incorporated into the Action Plan.

#### ***Principle 1: Promote economic development and opportunity.***

##### ***Task 1A: Economic Development District (EDD) designation***

The primary economic development task for the Region in 2011 is attainment of Economic Development District designation by the EDA. EDD designation is made possible through a process that involves a recommendation from the Governor of the State of Michigan and letters of support from participating counties.

It is anticipated that work will commence on this task in Winter, 2001 upon election of a new Governor of Michigan. Economic Development District status is expected in calendar year 2011. The task will be undertaken by staff of the Region 2 Planning Commission.

##### ***Task 1B: CEDS annual update***

With the assumption that EDD designation is attained, the initial CEDS document will be due for an update in Fiscal Year 2011. The CEDS process is an opportunity for county economic development organizations to collaborate and coordinate their activities with each other as well as state, regional, county, and local economic development organizations.

The task is to be undertaken by the staff of the Region 2 Planning Commission in its role as staff to the CEDS committee.

### *Task 1C: Data monitoring and reporting*

In Chapter 3, a number of performance measures have been identified to monitor progress in attainment of CEDS goals. Data monitoring is already being conducted by the three regional EDO's who routinely track metrics such as retention visits, number of jobs retained, business startups, employment changes, and other data related to the state of the economy of each of the three counties. Data regarding activities of the three regional EDO's are to be tracked throughout the year as they are made available in future CEDS updates.

The performance monitoring program also identifies a number of population measurements that will be used to indicate the income, population, employment, etc. Estimates for these data are generally made available on either a monthly or annual basis by various state and federal agencies. As one of two Census Bureau-affiliated State Data Centers in the Region, the Region 2 Planning Commission has access to socio-economic, transportation, land use, natural resource, community facility, and housing data. Data will be used in CEDS monitoring and will be included in CEDS updates in annual reports. Data from the 2010 Census is expected to begin arriving in the Winter of 2011. Additional installments of detailed data will continue to arrive through 2012. R2PC will supply the latest available census data.

### *Task 1D: Local economic development planning*

R2PC staff works with several local units of government on community master plans. This places the Region in an advantageous position to spread the word regarding the CEDS in a local context. During 2011, work is expected to commence for master plans in the following communities:

- Village of Onsted (Lenawee County)
- Leoni Township (Jackson County)
- Cambridge Township (Lenawee County)
- Napoleon Township (Jackson County)
- Spring Arbor Township (Jackson County)

## ***Principle 2: Foster effective transportation access.***

### *Task 2A: Long-range transportation planning*

The Region 2 Planning Commission staff administers both the Jackson Area Comprehensive Transportation Study (JACTS) urban program and the Regional Transportation Planning Program for Hillsdale, Jackson and Lenawee Counties. The R2PC maintains a long-range transportation plan and Transportation Improvement Program for the Jackson metropolitan area, and a Congestion Mitigation and Air Quality (CMAQ) program in Lenawee County.

### *Task 2B: Travel demand forecasting*

The Region also works with the Michigan Department of Transportation (MDOT) on a continuing basis on maintenance of the regional travel demand model which is maintained by MDOT.

*Task 2C: Asset Management*

In cooperation with MDOT, the three county road commissions, and several cities and villages throughout the Region, the Region 2 Planning Commission monitors road conditions in each of the three counties on an annual basis. Road ratings are expected to be completed in November, 2010 and presented to the Region 2 Planning Commission in December, 2010. The process is expected to repeat in 2011.

*Task 2D: Development of non-motorized transportation routes*

Non-motorized transportation plans have been developed in the Region. Trail connections are being developed to promote alternate transportation means of transport throughout the Region.

***Principle 3: Enhance and protect the environment.***

*Task 3A: Community Planning*

The Region 2 Planning Commission staff routinely assists cities, village, and townships in community planning activities related to enhancement and promotion of local environmental conditions.

*Task 3B: Zoning approvals*

Most communities in the Region have enacted a local zoning ordinance. While zoning processes such as site plan review and special land use approval are approved at the local level, R2PC staff is often asked to assist communities in the form of a staff recommendation. R2PC also provides staff services to the County Zoning Coordinating Committee in Jackson County and the Lenawee County Planning Commission. This task is performed on an on-going, as-needed monthly basis.

***Principle 4: Maximize effective development and use of the workforce.***

*Task 4A: Support workforce development*

Support the efforts of and collaborate with South Central Michigan Works!, regional technical schools, colleges, and universities in their efforts to improve the skills of the Region's workforce.

***Principle 5: Promote the use of technology in economic development, including access to high-speed telecommunications.***

**Task 5A:     *Support Telecommunications Companies in Expanding Broadband***

Support telecommunications companies in applying for funding to provide broadband in underserved areas.

**Task 5B:     *Support the Expansion of Sewer, Water, Electric, and Gas Utilities***

Support the improvement and expansion of infrastructure (e.g. sewer, water, electric and gas utilities) to underserved areas throughout the entire Region.

***Principal 6: Balance resources through sound management of physical development.***

**Task 6A:     *Community Planning***

Continue to promote SmartGrowth principles in development of community master and land use plans. Several plans are scheduled for updates in 2011 (see Task 1D).

**Task 6B:     *Capital Improvements Programming***

In furtherance of the requirements of the Michigan Planning Enabling Act, support the use of capital improvements programming in conjunction with local comprehensive plans. Capital improvements programs are required to be included in master plans in accordance with the MPEA. New and revised community plans will contain these plan elements.

***Principal 7: Obtain and utilize adequate funds and other resources.***

**Task 7A:     *Seek Funding for Economic Development***

In furtherance of the CEDS goals and objectives, pursue funding from the Economic Development Administration while leveraging funding from additional private and public sources. This is an on-going effort.

**Task 7B:     *Provide Information to Interested Agencies and Local Units***

Provide information regarding grant programs that can be downloaded from, or linked to, agency web sites.

## **Integration with State and Local Economic Development Priorities**

Several existing plans which address economic development in the Region were reviewed for consistency with the CEDS. The goal of this review was to ensure that the various plans that apply to the Region are working toward the same goals and are not in conflict.

### ***State of Michigan***

The State of Michigan's economic development priorities are set forth in the Strategic Plan (2007-2010) published by the Michigan Economic Development Corporation (MEDC). This Plan envisions a transformed 21<sup>st</sup> Century Michigan economy where Michigan's tradition of manufacturing and automotive engineering generate new opportunities to participate in the global economy; where educational standards of excellence support a sophisticated workforce; and where travel and tourism thrive.

The MEDC Strategic Plan employs a six-point strategy to achieve the economic transformation including:

1. *Leverage Michigan's economic development capacity by bringing together a myriad of partners and resources.*
2. *The MEDC will attract, retain, and support Michigan businesses.*
3. *The MEDC will lead the diversification of Michigan's economy.*
4. *The MEDC will promote Michigan globally while assuring that the success of our efforts is shared locally.*
5. *The MEDC will advocate for a favorable business climate for small businesses and entrepreneurs.*
6. *The MEDC will measure the performance of its economic development strategy to assure and document success.*

Toward transformation of the State economy, MEDC will promote Michigan's skilled workforce; highly educated and experienced engineers; a strong network of colleges and research universities; business growth and expansion success; and natural resources and outdoor recreation opportunities. Based on these assets, MEDC targets the sectors of alternative energy and fuels (e.g. wind energy, solar energy, biofuels), life sciences (e.g. health care products), and advanced manufacturing/transportation (e.g. advanced battery).

*The MEDC's strategic vision for Michigan is consistent with all of the CEDS goals and objectives. Similar to MEDC, the goals of the CEDS involve creating the groundwork for economic development, diversification of the Region's economy, and encouraging public/private partnerships.*

## **Local Economic Development Efforts**

Several entities are involved in economic development within the Region. The CEDS recognizes these agencies, committees, institutions, and other entities and supports their efforts. These agencies include:

- Enterprise Group of Jackson
- Hillsdale Economic Development Partnership
- Lenawee Economic Development Corporation
- South Central Michigan Works!
- Local chambers of commerce and economic development corporations
- Economic development departments in communities throughout the Region
- Convention and visitors bureaus
- Partnership for Regional Solutions
- Jackson Area Manufacturers Association
- Jackson Community College
- Region 2 Community Action Agency

## CHAPTER 5: REGIONAL PROJECT LISTING

### Project List Development

With the assistance of the three Economic Development Organizations within the Region, South Central Michigan Works!, Partnership for Regional Solutions, and Jackson Community College, a list of economic development projects was developed. Three tiers of projects were developed. Vital Projects were those that have the potential to have the greatest regional economic impact. Regionally Significant Economic Development Project listing was intended for those vital economic development projects that meet a number of scoring criteria and rank highly in terms of positive regional economic impact. The third tier of projects, the Regional Community Infrastructure Investment Projects, will have a more significant local impact.

While all projects listed herein would be likely to have beneficial economic impacts on all or part of the Region, Vital Projects are those that align to the greatest extent with the EDA's Investment Priorities. As part of their project evaluation, the EDA evaluates projects to determine if they advance global competitiveness, create jobs, leverage public and private resources, demonstrate readiness and ability to use funds quickly and effectively and link to measurable outcomes. The EDA uses the following criteria to evaluate project value:

- *Collaborative regional innovation*. Initiatives that support the development and growth of innovation clusters based on existing regional competitive strengths. Initiatives must engage stakeholders; facilitate collaboration among urban, suburban and rural areas; provide stability for economic development through long-term intergovernmental and public/private collaboration; and support the growth of existing and emerging industries.
- *Public/private partnerships*. Investments that use both public and private sector resources and leverage complementary investments by other governmental/public entities and/or non-profits.
- *National strategic priorities*. Initiatives that encourage job growth and business expansion in clean energy; green technologies; sustainable manufacturing; information technology (e.g. broadband, smart grid) infrastructure; communities severely impacted by automotive industry restructuring; natural disaster mitigation and resiliency; access to capital for small- and medium-sized and ethnically-diverse enterprises; and, innovations in science, health care and alternative fuel technologies.
- *Global competitiveness*. Investments that support high-growth businesses and innovation-based entrepreneurs to expand and compete in global markets.
- *Environmentally-sustainable development*. Investments that encompass best practices in environmentally-sustainable development, broadly defined to include projects that enhance environmental quality and develop and implement green products, processes, and buildings as part of the green economy.

- Economically distressed and underserved communities. Investments that strengthen diverse communities that have suffered disproportionate economic and job losses and/or are rebuilding to become more competitive in the global economy.

The vital projects listed herein are also consistent with other project evaluation established by the CEDS Committee. These additional evaluation criteria are as follows:

- Project readiness
- Local match available
- Ownership status of property
- Buy-in from local officials
- Consistency with CEDS goals

## **EDA Grant and Loan Programs**

In the event that EDA funding is sought for vital projects, it is expected that one of the following programs will be the source of funds:

- Public Works and Economic Development Program. Public Works and Economic Development Investments help support the construction or rehabilitation of essential public infrastructure and facilities necessary to generate or retain private sector jobs and investments, attract private sector capital, and promote regional competitiveness, including investments that expand and upgrade infrastructure to attract new industry, support technology-led development, redevelop Brownfield sites and provide eco-industrial development.
- The Economic Adjustment Assistance Program. The Economic Adjustment Assistance Program provides a wide range of technical, planning, and infrastructure assistance in regions experiencing adverse economic changes that may occur suddenly or over time. This program is designed to respond flexibly to pressing economic recovery issues and is well-suited to help address challenges faced by regions and communities.
- Planning Program. The Planning Program helps support planning organizations in the development, implementation, revision or replacement of comprehensive economic development strategies (CEDS), and for related short-term planning investments and State plans designed to create and retain higher-skill, higher-wage jobs, particularly for the unemployed and underemployed in the nation's more economically distressed regions.
- Global Climate Changes Mitigation Incentive Fund. The Global Climate Change Mitigation Incentive Fund was established to strengthen the linkages between economic development and environmental quality. The purpose and mission of this Fund is to finance projects that foster economic development by advancing the green economy in distressed communities. The GCCMIF supports projects that create jobs through, and increase private capital investment in, efforts to limit

the nation's dependence on fossil fuels, enhance energy efficiency, curb greenhouse gas emissions and protect natural systems.

- Local Technical Assistance. The Local Technical Assistance Program helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in economically distressed regions from making optimal decisions on local economic development issues.

#### *EDA Grant Eligibility Criteria*

EDA regional offices determine project eligibility, but eligibility is generally based upon an averaged 24-month unemployment rate and per capita income. The grant rate is the maximum percentage of funding for a project that is provided by federal grant. Table 15 indicates the maximum grant percentage of each county in the Region 2 Planning area.

Table 15		
EDA Grant Eligibility Rate		
Maximum Grant Rate	Distress Criteria	County Eligibility
80%	Federally Declared Disaster Area	
80%	24-month unemployment rate at least 225% of the U.S. average or PCI of not more than 50% of the U.S. average.	
70%	24-month unemployment rate of at least 180% of the U.S. average or PCI of not more than 60% of the U.S. average.	Hillsdale
60%	24-month unemployment rate of at least 150% of the U.S. average or PCI of not more than 70% of the U.S. average	Jackson Lenawee
50%	Projects in all other eligible areas; 24-month unemployment rate of at least one percentage point above the U.S. average or PCI of not more than 80% of U.S. average	

Source: StatsAmerica, Measuring Distress, A Tool for Economic Development

In the Region 2 Planning Commission area, Hillsdale County falls within the 70% grant rate eligibility category, and Jackson and Lenawee counties fall within the 60% grant eligibility category. With a combined unemployment rate of 14.06%, the Region 2 Planning area falls within the 60% eligibility category.

## **Strategic Projects, Programs and Activities**

The CEDS Strategy Committee identified several priority projects for the three-county area. The projects have been divided into three tiers – Vital Projects, Regionally Significant Economic Development Projects and Regional Community Infrastructure Investment Projects.

The Vital Projects list includes those projects that best meet EDA's funding priorities for high-wage, high-skill job creation and the EDA focus areas of innovation, technology, and entrepreneurship. Table 16 provides information regarding the applicant, project name, investment location, and project cost. An estimated number of additional employees within the 5-year period of the CEDS plan is also provided. Summaries of project profiles are indicated on the pages referenced in the table. Table 16 includes other important projects as well. These are termed Regionally Significant Economic Development Projects. In order to narrow the list of projects down to those that figure to have the greatest impact, the Vital Projects were selected as top projects from the Regionally Significant Project list at a special meeting of the CEDS committee.

Regional Community Infrastructure Investment Projects include important community development projects that will boost the local economy of the Region, but may not fall within the funding priorities currently established by the EDA. A list of regional community infrastructure projects are provided in Table 17.

## **Regionally Significant Economic Development Projects**

<b>Table 16</b> <b>Regionally Significant Economic Development Projects</b>				
<b>Applicant</b>	<b>Project</b>	<b>Location</b>	<b>Total Project Cost</b>	<b>Page Reference</b>
Hillsdale County	Connecting Hillsdale County Commerce	Hillsdale County	\$962,800	Page 45
Enterprise Group of Jackson	Michigan Equine & Agribusiness Center – site and feasibility study	Regional/multi-state	\$75,000	Page 47
Enterprise Group of Jackson	Michigan Equine & Agribusiness Center – final design and construction of regional agricultural show facility	Regional/multi-state	\$25-40 million	Page 48
Enterprise Group of Jackson	Regional Business Intelligence Center	Regional	\$150,000	Page 50
Enterprise Group of Jackson	Armory Arts Community Theater	Jackson County	\$2.5 million	Page 52
Jackson County Airport – Reynolds Field	Airport Ramp Rehabilitation	Jackson County	\$1.2 million	Page 54
Lenawee Economic Development Corp.	LJH Region Wide Kitchen Incubator Coordination Unit	Regional	\$75,000	Page 55
Jackson Community College, Jackson Area Manufacturers Association	Creative Industries Innovation Center	Regional	\$7.8 million	Page 56
Partnership for Regional Solutions Center (PRSC)	Farm-to-Factory Initiative	Regional	\$250,000	Page 60
Partnership for Regional Solutions Center (PRSC)	Financial Asset System Initiative	Regional	\$50,000-75,000	Page 63
Region 2 Planning Commission (R2PC)	Revolving Loan Initiative	Regional	\$1-2 million	Page 65
South Central Michigan Works!	Forecasting Skill Development: Baseline Assessment	Regional	\$125,000-\$150,000	Page 66

**Note: Vital Projects indicated in red.**

**Project Name:** Connecting Hillsdale County Commerce – Global Competitiveness and Job Creation

**Applicant:** County of Hillsdale, Michigan

**Area Served:** Hillsdale County, Michigan

**Proposed Implementation Activities:** Implementation activities will include market and targeted industry research, technical assistance, entrepreneurial development and support and training targeted to dislocated workers – particularly those impacted by Trade, and innovative business/industry support systems.

**Estimated Funding Level Requested:** \$ 962,800.00 All grant funds will be used in the targeted, impacted areas.

**Amount of Match/Leveraged Resources:** \$100,000.00

Based on EDA's comprehensive analysis of job loss associated with TAA certifications, Hillsdale County has been named on the TAA for Workers Significantly Impacted County list. Global trade has resulted in substantial job loss and severe economic consequences for Hillsdale County, as well as the entire state of Michigan. The goal of **Connecting Hillsdale County Commerce – Global Competitiveness and Job Creation** is to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial, and innovation-based economic development efforts. Using the Hillsdale County Community Visioning and Economic Development Plan as its foundation, a planning body of local economic development professionals and municipal administrators has selected the following projects to mitigate the impact of Trade and increase global competitiveness and job creation throughout Hillsdale County:

#### Alternative Energy Options

Feasibility study to determine alternative energy options for up to four, major industrial parks, large-scale agricultural operations and the Hillsdale Community Health Center.

Identify options

Retrofit/new equipment purchase options

#### Business & Industry Logistical Support Center

Incubate new business that will provide:

Coordinated transportation exchange

Sales and marketing support

Goods and services purchasing exchange

Agricultural development; Comprehensive, baseline study of the county's agricultural sector

- Producers, vendors, customers
- Targeted market research and analysis
- Sector-specific clustering and/or synergy models
- Diversification opportunities
- Energy efficient machinery

Market Diversification

- Training for companies to diversify customer base

Marketing/Promoting Hillsdale County

Technical assistance to define the scope and delivery of a comprehensive marketing strategy and implementation plan designed to build upon existing assets to offset the negative impacts of trade.

Broadband Opportunities

Training targeted to dislocated or underemployed individuals to support the expansion of broadband options in the region; supports the Merit Network Reach-3MC fiber network initiative.

- Installation
- IT Support Specialization
- Maintenance and repair
- Healthcare/HIT

Small Business Support Center

Small Business Support

- Entrepreneurship Coordinator
- SAGE (local business mentors) coordination and expansion
- Training (e.g. MI-SBTDC FAST TRAC for Entrepreneurs program)
- Shared technical assistance
  - Legal
  - Financial/Accounting
  - Human Resources
- Networking Opportunities

**Estimated Employment:** 750 jobs over the five-year period of the CEDS.

**Project Name:** Michigan Equine & Agribusiness Center Feasibility Study

**Funding:** \$75,000 estimated

**Background:** In March of 2007 the Michigan Equine Partnership (MEP) commissioned Public Sector Consultants to conduct a feasibility and demand study to determine whether support exists in Michigan for the development of an equine park. In December of 2007, preliminary research findings were presented to the Michigan Equine Conference at the Kellogg Center in East Lansing, Michigan. The following conclusions were reached:

- Support exists among equine enthusiasts for an equine facility in Michigan.
- The size of the facility is important. Large-scale facilities attract nationally recognized events; bigger facilities allow for more varied events; larger facilities are better equipped to offer recreational and non-show activities.
- Accessibility is a significant factor. Interstate accessibility is necessary, and the ability to draw participants from a multi-state region within a five- to six-hour driving radius is important. The location must offer amenities such as access to airports, hotels, retail establishments, and camping and riding trails.
- Event diversification is important. Multi-use capability helps the facility generate revenue from diverse industries and visitors.
- South-central Michigan is a prime location and the communities of Marshall, Jackson, Coldwater, Dundee, and Chelsea merit further consideration

In June of 2009, the Enterprise Group of Jackson, Inc., on behalf of Jackson County and other interested groups, submitted a proposal for consideration. The Jackson County proposal was eventually declared the one most workable, and we are now at the point of needing to conduct a more in-depth feasibility study. The study needs to take into consideration the current state of the economy in the region and nation, and its impact on agribusiness trade shows and events: not only equine, but all livestock and related agribusiness shows.

More than 80 community members worked on committees to prepare this proposal and describe what such a facility might include. The feasibility study is now needed to document the land acquisition, design and construction costs and extended market for this type of facility.

Additionally, the Enterprise Group continues to staff and research additional uses for such a facility, including an agricultural and agribusiness research facility, open space preservation and alternative energy potential.

**Estimated Employment:** 0 new jobs added in this phase of the project.

**Project Name:** Michigan Equine & Agribusiness Center Engineering, Design and Construction (**Vital Project**)

**Scope:** Regional/multi-state

**Funding:** \$25-\$40 million **Matching funding:** USDA, State of Michigan, Agribusiness Corporations

**Dates:** Initial feasibility for interest and demand was conducted in 2007. Secondary feasibility study funding has been requested to include impact of current economic conditions, research additional agribusiness uses.

**Support:** Has support of equine and livestock interests throughout the State of Michigan and some from neighboring states, for a regional multi-use show facility.

**Partners:** Initial proposal listed the following partners: Jackson County Agriculture Council, Jackson County Board of Commissioners, Jackson Citizens for Economic Growth, Jackson County Chamber of Commerce and Jackson County Convention and Visitors' Bureau. We continue to solicit support from related Agribusiness entities.

**Need:** The area supported by Region 2 Planning Commission has been in serious unemployment situation for some years. Since much of the region's job base was closely tied to the automotive industry, there needs to be a new focus on job creation, including taking advantage of [while also protecting and preserving] our natural resources and open space, as well as supporting technological advances in agriculture. Nearly every study for rural America describes the need for an increase in agri-tourism and creatively supporting rural entrepreneurs. The myriad of job and entrepreneurial opportunities created by this facility will do just that. Nearly every service offered at the facility can be contracted to local entrepreneurs. In addition, using a conservative 2.4 job multiplier, the impact on local restaurants, accommodations, transportation, retail, dining, and entertainment businesses will create hundreds of additional off-site jobs.

**Areas to be served:** Jackson, Lenawee and Hillsdale counties will likely see the most impact of direct jobs and purchased services. However, the entire State of Michigan and Midwest region will benefit from the expenditures of exhibitors and audiences at such a facility.

**Summary:** It's a fact of American life: people will find time and money to support their pets, hobbies and interests. Whether it is cattle, cats or corvettes; horses or Harleys; we love to reward ourselves with our interests. Frequently a "show" for one family member becomes the "family vacation" for the year. Additionally, a regional facility pretty much draws "new" money to the area – folks will travel up to 5-6 hours to participate in their chosen activity, and even further if a regional or national championship is involved. The MEP study determined that the estimated equine industry jobs impact was from 855-7,000 jobs created and the annual national impact

was \$28 billion for the showing related expenditures and an additional \$32 billion for recreational purposes.

Using the most closely related existing facility, in terms of size and scope, we can estimate job creation at 50+ on-site, ongoing jobs and \$53 million annual industry impact (4<sup>th</sup> year of operation) with \$4.5 million in regional related tax revenues.

The Enterprise Group continues to research additional revenue streams and agribusiness alternatives for such a facility. Such uses could engender funding ranging from foundation and corporate support for a research facility, to corporate sponsorship of a youth program.

We are also exploring the option of including a program to encourage youth to consider agricultural production as a career (and entrepreneurial activity).

**Estimated Employment:** 50 new jobs added. In addition, 200-500 construction workers needed.

**Project Name:** Regional Business Intelligence Center

**Scope:** Regional

**Funding:** \$150,000.00

**Dates:** Project started - currently pursuing needed funding to move forward with regional involvement of stakeholders.

**Support:** Has support of all three economic developers in each county. Project is supported by PRSC Board, Spring Arbor University, and Baker College.

**Partners:** Has partners in Spring Arbor University and Baker College, along with South Central Michigan Works!, Region 2 Planning Commission, and private sector. Letters of support will be available from regional Stakeholders.

**Need:**

The current economy and its unemployment rates in each county is the highest in more than 25 years, making it crucial for the Jackson, Hillsdale, and Lenawee area to become technologically advanced. Advanced technology serves as a key factor in recruiting and retaining talented young professionals and college students who seek high-tech degrees from local colleges and universities, and who would welcome the opportunity to find technology-related jobs here. Both young professionals and college students view advanced technology as a major asset to the community, and understand it as critical to their future success.

**The Business Intelligence Center:** The Business Intelligence Center will provide the resources to help attract new businesses, grow developing businesses, and cultivate existing businesses. The Center will do so by making accessible advanced internet technology and applications that are imperative to fostering business community expansion. It will also support higher education's research missions by providing a leading-edge training and research site for both faculty and students.

Internet2 will be the key component in the Business Intelligence Center and will serve as the backbone of the network's significance. Internet2 is a national research and development consortium led by more than 200 U.S. universities, who are working in partnership with industry and government to develop and deploy advanced network applications and technologies. Jackson, Lenawee, and Hillsdale are not yet included in this consortium, but the potential benefits of becoming a participant are significant.

Advanced network applications will enable collaboration across the communities, and will provide interactive access to information and resources in ways not possible on today's commercial Internet. Interactive distance learning, remote access to unique scientific instruments, real-time access to large databases and streaming high-definition video are all possible with these high-performance networks. High-speed networking will also be a strategic advantage for organizations throughout Michigan, since it enables a

new generation of network applications and fosters the transfer of technology and experience to the global Internet.

The Business Intelligence Center will be located in the downtowns of Jackson, Lenawee, and Hillsdale, occupying retail storefronts. Its accessible first floor locations will be ideal, as it will bring more people downtown, create positive energy, and potentially increase downtown commerce.

The Center's main function will be to provide Internet2 access and serve as a vital research center for higher education, businesses, government, and individuals within each county. As such, it will give the region an opportunity to connect and collaborate with other institutions and research centers around the world. It will also provide new, aggressively tested network capabilities, such as Quality of Service, multicasting, and IPv6.

**The Project's Vision and Advantages:** The Business Intelligence Center will be an essential component for the future of Jackson, Lenawee, and Hillsdale Counties, and its creation and development will be fundamental to improving all three economies. The Center will also enhance the area's universities and colleges by providing faculty and students with a state-of-the-art training and research site. It therefore will not only serve as a business development, market research, and education facility, but as a tool to ignite creative thinking and positive change across the region.

Perhaps more importantly, though, it will increase jobs and expertise throughout the various business communities. The Business Intelligence Center will serve as a catalyst to help diversify companies and lead to developing new ideas and products. It will also provide a foundation that can help companies become more efficient. As a result, the Center will generate pride and build a positive outlook within the communities.

**Summary:** Implementing the Business Intelligence Center is a critical start to generating a successful business community in all three counties. The region has the experience and expertise to successfully undertake this project, and to partner meaningfully with all universities and colleges to accomplish these goals. Forming the Business Intelligence Center at this critical economic time will mark the beginning of a shared vision as an innovative and dynamic business and education community that can transform new ideas into technological advancements to build our economic success.

**Estimated Employment:** 2 direct jobs added.

**Project Name:** Armory Arts Community Theater

**Scope:** Regional

**Funding:** \$2,500,000

**Dates:** Project planning started - currently pursuing needed funding to move forward with regional involvement of stakeholders.

**Support:** Has support of all three economic developers in each county. Project is supported by Region 2 Planning, Spring Arbor University, Eastern Michigan University, and Baker College.

**Partners:** Has partners in Spring Arbor University, Eastern Michigan University, and Baker College, along with South Central Michigan Works!, Region 2 Planning Commission, private sector. Letters of support will be available from regional Stakeholders.

**Need:**

The Armory Arts Community Theater will primarily serve residents in Jackson County, Michigan with wider-reaching beneficiaries as cultural events are attended by visitors from the region and beyond. The planned location for the theater is adjacent to and on the property of the Armory Arts Village Project ("the AAV Project"), a multi-phase development project that will transform the formerly blighted, industrial neighborhood adjacent to Downtown Jackson into a cultural hub for the region. The Armory Arts Apartments Project was constructed in the first phase of development, and was opened for residency in 2008. The affordable housing development, partially financed by MSHDA, contains 62 apartments where 58 artists currently reside, and affords studio space to artist residents for no additional charge, an amenity that has not been found to be duplicated nationwide.

**What is the significance of this project to the Region:** The addition of the Armory Arts Community Theater to the AAV Project will further promote cultural activity in the neighborhood and assist the project in achieving its mission of becoming a cultural hub for the region. Strong community support exists for the theater which may serve as the permanent home to the Michigan Shakespeare Festival which has been held in Jackson at various locations for the past 13 years. The theater will also host performances of the Jackson Symphony Orchestra and provide other opportunities for indoor and outdoor theater and cultural performances.

From an economic development standpoint, leveraging Michigan's creative talent and cultural assets to spur economic growth and build prosperity are essential components of a healthy and *vibrant* economy. The experiences and products that result from cultural growth produce direct economic benefit from job growth, a stronger tax base, downtown and neighborhood revitalization and tourism revenue. Equally important is the role that cultural growth plays attracting and retaining the individuals and businesses

essential to Michigan's participation in the emerging "New Economy" with its emphasis on knowledge, creativity and innovation. For each \$1 million invested in rehabilitating historic buildings, 25 new jobs are created, while the same investment in computer and data processing creates 23 jobs, and automobile manufacturing parts and accessories creating just 17. Studies indicate that property values rise significantly in historic neighborhoods that embrace cultural diversity and artistic development. Tourism is a key driver in Michigan's economic growth with art and cultural destinations becoming increasingly popular as they hold the key to bringing people together across race, geography and economic status towards a better future.

Cultural diversification in Jackson County will play an integral role in spurring economic growth and building community prosperity. According to 2008 U.S. Census data, Jackson County has 60,000 households with an average household size of 2.5 people. Jackson natives accounted for 98% of the county's population, and 88% reported their race as white. Only 4% of the population spoke a language other than English, and only 0.5% of the population originated abroad. Just 17% of county residents have achieved a bachelor's degree or higher.

Research into the development of an art community indicates that a vibrant arts scene promotes tolerance and appreciation of differences, thereby creating a stronger, more diverse social fabric. The activities in this type of diverse neighborhood are grounded in arts, creativity and innovation. Businesses in the area of art communities tend to experience an expanded customer base as visitors begin to frequent the project's activities. Businesses also benefit from a larger creative talent pool from which to hire employees. Therefore, positioning the county as an artist-friendly community provides a significant impact on the future diversification, development, growth and prosperity of the community.

**Economic Impact to the Region:** It is estimated that 100+ indirect jobs will be created as a result of the Amory Arts Community Theater. Direct jobs creation is estimated to be 10 over a three-year period. Initially, construction, design and development jobs will be created or retained. Long-term it is anticipated that as the neighborhood eventually grows to a critical mass, artists and entrepreneurs will increase business start-ups and create jobs, and jobs relative to the performance arts will increase as production opportunities typically surrounding a performance theater increase in number.

**Summary:** The Armory Arts Community Theater is located entirely in the 7th Congressional District. The theater is one part of a multi-phase development with a goal to transform the area into a cultural hub for the region. The significance to Michigan is described above. Art and cultural promotion is part of President Obama's platform to expand cultural opportunities, support reinvestment in art education, promote cultural diplomacy and attract international talent.

**Estimated Employment:** 10 new direct jobs and 100 indirect jobs added.

**Project Name:** Regional Airport Ramp Rehabilitation Project

**Scope:** Jackson County Regional Airport

**Funding:** \$1,200,000

**Dates:** Project started - currently pursuing needed funding to move forward with regional involvement of stakeholders.

**Support:** Has support of all three economic developers in each county. Project is supported by PRSC Board, Jackson Community College, Spring Arbor University, and Baker College.

**Partners:** Has partners in Jackson Community College, Spring Arbor University and Baker College, along with South Central Michigan Works!, Region 2 Planning Commission, private sector. Letters of support will be available from regional Stakeholders.

**Need:**

The asphalt on the main aircraft ramp is likely the oldest on the airport. We have cordoned off some areas from aircraft parking because of the crumbling condition of the asphalt. We have had one aircraft receive minor propeller damage caused by a piece of asphalt being sucked up into the propeller blade.

**Why is this a vital initiative?:** The condition of the existing aircraft parking ramp asphalt is very poor and needs to be rehabilitated. All available local, state and federal resources are being allocated to the on-going runway safety area (RSA) project (Runway 7-25) and the expected completion date of the RSA project exceeds the useful life of the aircraft ramp.

**Summary:** Mill and replace asphalt on the main aircraft ramp; upgrade storm drainage catch basins to comply with storm water regulations; and, install several concrete pads for heavy aircraft to minimize future damage to the asphalt.

**Estimated Employment:** 0 new jobs added.

**Project Title:** LJH Region Wide Kitchen Incubator Coordination Unit

**Investment Region/Location:** The Kitchen Incubator Coordination Unit will be located with one of the economic development agencies within the three county (Lenawee, Hillsdale, Jackson) region.

**Description and Background:** The LHJ region is seeking assistance in the development of a Kitchen Incubator Program. A Kitchen Incubator is a place where caterers, street cart vendors and producers of specialty/gourmet food items can prepare their food products in a fully licensed and certified kitchen. Typically the kitchen is rented out by the hour as needed at affordable rates and provides community food businesses the opportunity to expand into new lines or potential entrepreneurs to start entirely new businesses.

Building a sustainable Kitchen Incubator Program requires four basic phases; 1-create a coordination unit. 2- develop business / operational plans. 3- Implementation phase. 4-program sustainability phase. This request only encompasses the first two phases.

It is essential to create a “kitchen incubator coordination unit” as phase 1. This unit will operationalize and coordinate future activities in order to implement the kitchen incubator program. Working with collaborators, the unit initiates strategic alliances and partnerships that provide support for the program, and plays a leading role in implementing the second phase of the project, particularly in (1) developing a detailed business and operational plan, (2) creating a suitable governance, management and ownership structure, and (3) finding start-up capital for the project. We believe that the creation of a coordination unit and the completion of phase 2 of the Kitchen Incubator Program will take approximately twelve months.

**Economic Development Need:** The kitchen incubator program is a strategic fit with the agri-food system and the ongoing entrepreneurship and business development activities in the region. A 2007 study by the Michigan State University Product Center for Agriculture and Natural Resources indicated the existence of demand for a LHJ regional kitchen incubator. Diversity appears to be the greatest strength of the region's agri-food sector that supports the development and implementation of the program. In addition, most of the farms in the region are small and medium size farms that need services in value-added production. The region's large consumer base also indicates the existence of local and regional markets for value added products that could be developed at the kitchen incubator. Thus the region could benefit from developing a regional kitchen incubator operation that specifically provides value added services to small and medium size farms in the region.

**Project Cost:**

Grant Phase 1 & 2.....	\$37,500
In-Kind staff time from regional partners.....	<u>\$37,500</u>
	Total \$75,000

**Project Name:** Creative Industries Innovation Center (CIIC)

**Investment Region/Location:** Jackson, Lenawee, and Hillsdale counties

**Background:** *Mission: To launch new and emerging advanced manufacturing and technology-based entrepreneurial companies and help them transform their ideas into marketable products, and to assist in the evolution/diversification of existing manufacturing firms so they can remain competitive, viable, and productive.*

The Creative Industries Innovation Center (CIIC) is a facility designed to:

- Increase the start-up and success rate of high-tech advanced manufacturing businesses
- Attract creative knowledge workers
- Create a nurturing, friendly environment for entrepreneurs
- Strengthen Jackson's niche as a center for creativity, culture and innovation
- Strengthen ties with colleges and universities that conduct R&D with commercial applicability
- Diversify Jackson's economic base

The CIIC focuses community resources on the task of building new and existing manufacturing and technology-based businesses through innovation, learning and collaboration. The CIIC provides assistance to entrepreneurs starting a new business and to existing companies looking to expand opportunities through new products, services, revenue streams and/or markets. The Center serves as a nexus point for manufacturing, the arts, business incubation, and education. Further, by partnering with the Armory Arts Village, the CIIC taps into the creative, artistic community available there, matching up design capabilities of the artists with manufacturers and engineers.

#### Technology & Resource Transfer

The CIIC seeks out commercializable R&D concepts and technology developed within area colleges and universities and matches those opportunities to local companies that can turn those ideas into products. In part, this is accomplished systemically through adaptation to a community model of Dow Chemical's "External Manufacturing & Synthesis" global work process, which matches Dow R&D projects to contract manufacturers on a global basis.

The CIIC will establish a program through which students from area colleges and universities are given opportunities, as part of their formal education, to commercialize intellectual property through the resources and companies available via the CIIC and throughout south-central Michigan. Each year, these "Directors of Creative Industry" will bring a unique, fresh approach to the technology transfer, innovation and business creation process. Additionally, the CIIC is the focal point for local coordination and expansion of Michigan State University's Design Program (which provides manufacturers with design assistance and access to the resources of MSU's Dept. of

Mechanical Engineering), the ProCEED program at the University of Michigan (which links their Department of Mechanical Engineering students to community service organization-based projects), the Enterprise Program at Michigan Technological University, and other similar programs at Kettering, GVSU, SVSU, CMU, WMU, Lawrence Tech, etc.

### Business & Commercialization Services

Through the CIIC, entrepreneurs wishing to start a business and existing businesses looking to diversify have access to expertise that guides and supports them through a number of critical business stages by providing:

- Office & Administrative Services
- Business & Financial Planning
- Management Team Mentoring
- Technology Assessment
- Market Research & Strategy Development
- Identification & Acquisition of Funding
- Protection of Intellectual Property
- Workforce Development Services
- Government Contracting Assistance

The CIIC includes office and lab space, access to design and prototyping equipment/services, and meeting and training rooms. Additionally, physical manufacturing and assembly space should be available. Through this approach, the CIIC provides access to a complete array of business and commercialization assistance, from product design and testing through production, sales and shipping.

### Education and Training

The CIIC includes a state-of-the-art training facility in which educators, engineers, and industry experts provide training and guidance that gives area companies practical solutions for continuous improvement throughout their organizations.

Through the Jackson Area Manufacturers Association's Academy for Manufacturing Careers program and other educational and training partners such as Jackson Community College and the Michigan Manufacturing Technology Center, the CIIC provides entry-level training, advanced manufacturing skilled trades apprenticeship/RTI programs, and in-depth educational opportunities focusing on leadership, strategic planning, Lean manufacturing, quality systems, Six Sigma, safety, sales and marketing, manufacturing processes and costing, business management, and more.

The CIIC "Teaching Factory" for design, prototyping and pilot manufacturing leverages and extends the capabilities and resources of the Jackson Area Career Center, including addition of state-of-the-art equipment provided by Gerotech under the Haas Technical Education Center program, robotic systems from Fanuc, and other partners.

Through the Center, for example, students can learn CAD, robotic welding and CNC machine programming and operation as a means to create sculpture and other artwork in addition to “traditional” manufacturing uses of these skills. Through partnership with the Jackson County ISD, the Jackson Area Career Center, Jackson Community College, Baker College and Spring Arbor University, the CIIC will include other teaching factory labs devoted to areas that combine components of advanced manufacturing, science, technology and the arts (such as, as an example, a high-tech lighting and sound design studio).

### Start-up Venture Capital & Financial Assistance

As an additional important tool in the business start-up toolbox, The Enterprise Group of Jackson, through its Economic Development Division, will take the lead role in creation of the Jackson Enterprise Venture Fund. The fund’s mission is to assist in the commercialization of research and development coming out of our region’s premiere universities and entrepreneurial small businesses through targeted investment in south-central Michigan companies and projects that have high potential to turn that intellectual property into marketable products. Companies and projects that receive investment through the Jackson Enterprise Venture Fund will be required to maintain a presence in the local community, and to create jobs here, as a condition of investment.

As a side benefit, the program will build stronger links between public sector/educational researchers, Jackson area businesspersons and entrepreneurs, and the investment community (including Jackson’s largely untapped and underutilized pool of angel investors).

**Need:** Jackson, Lenawee, and Hillsdale counties in Michigan have been no stranger to the economic struggles facing counties around the nation. The Michigan economy and its workforce are turning to innovation and associated job training to overcome a staggering 14.1% unemployment rate, well above the national average of 9.7% (BLS, March 2010). One of 62 MSAs designated by the U.S. Department of Labor as “auto-dependent communities”, the Jackson MSA ranked 13<sup>th</sup> highest in percentage of job losses from 4th quarter, 2007 to 2<sup>nd</sup> quarter, 2009 (Auto Communities in Recession and Transitions, Brookings Institution, October, 2009). As a result, the unemployment rates (14.8% - Jackson MSA; 17.9% - Hillsdale Co.; 16.9% - Lenawee Co.) for our tri-county area have more than quadrupled since 2000 (3.4%), and the number of displaced workers has skyrocketed.

In an effort to combat such disparaging statistics, the region has proactively nurtured strong partnerships, unifying the region in innovative and strategic diversification activities aimed at revitalizing our tri-county economy. Thus far, diversification and attraction efforts in all three counties have led to new contracts being awarded to several companies with staffing and facilities expansion plans well underway. We must ensure an adequately prepared workforce in order to ensure the region is economically viable.

## **Project Cost and Matching Funds:**

This is a preliminary budget as developed in 2006 when originally being considered for EDA funding.

Name	Role on Project	% of Effort	Year 1	Year 2	Year 3	Total
To Be Hired	Innovation Center Director	100%	\$80,000.00	\$85,000.00	\$90,000.00	\$255,000.00
To Be Hired	Administrative Assistant	100%	\$30,000.00	\$35,000.00	\$40,000.00	\$105,000.00
To Be Hired	Industry Liaison; assist in matching capabilities of area manufacturers to IP opportunities; manage Teaching Factory components; leverage capabilities of EDC, SBTDC, PTAC, MMTC, etc.	100%	\$45,000.00	\$47,500.00	\$50,000.00	\$142,500.00
SUBTOTAL Personnel Expenses			\$155,000.00	\$167,500.00	\$180,000.00	\$502,500.00
Supplies			\$5,000.00	\$5,000.00	\$5,000.00	\$15,000.00
Travel/Meetings/Meals			\$15,000.00	\$15,000.00	\$15,000.00	\$45,000.00
Marketing & Educational Materials			\$30,000.00	\$20,000.00	\$10,000.00	\$60,000.00
Communications (Mail, Phone, Cell)			\$8,000.00	\$8,500.00	\$9,000.00	\$25,500.00
Conferences			\$4,000.00	\$4,000.00	\$4,000.00	\$12,000.00
Consultants (Accounting, Legal, etc.)			\$20,000.00	\$20,000.00	\$20,000.00	\$60,000.00
Occupancy/Overhead (Electricity, etc.)			\$22,000.00	\$25,000.00	\$28,000.00	\$75,000.00
Miscellaneous Expenses			\$4,000.00	\$4,000.00	\$4,000.00	\$12,000.00
SUBTOTAL Operation Expenses			\$108,000.00	\$101,500.00	\$95,000.00	\$304,500.00
Building Design (Architect)			\$30,000.00	\$0.00	\$0.00	\$30,000.00
Building Construction			\$4,500,000.00	\$0.00	\$0.00	\$4,500,000.00
Equipment			\$1,000,000.00	\$300,000.00	\$200,000.00	\$1,500,000.00
SUBTOTAL Building Expenses			\$5,530,000.00	\$300,000.00	\$200,000.00	\$6,030,000.00
TOTAL DIRECT Expenses			\$5,793,000.00	\$569,000.00	\$475,000.00	\$6,837,000.00
Grant Admin Fee (5%)			\$289,650.00	\$28,450.00	\$23,750.00	\$341,850.00
15. TOTAL AMOUNT Requested			\$6,082,650.00	\$597,450.00	\$498,750.00	\$7,178,850.00

**Estimated Employment:** It is estimated that the CIIC will result in the creation of 240 direct jobs and 70 indirect jobs within the 5-year span of the CEDS. In addition, over 10 years, the project will create a total of 2,325 direct jobs and 674 indirect jobs. Job creation estimates are based in part upon a recent study conducted for the Economic Development Administration by Grant Thornton. The study found that business incubators are the most effective means of creating jobs.

**Project Name:** Farm to Factory Initiative (**Vital Project**)

**Scope:** Regional

**Funding:** \$250,000.00 have budget plan to support request

**Dates:** Started, currently pursuing need funding to move forward with regional involvement of stakeholders.

**Support:** Has support of all three economic developers in each county. Project is supported by PRSC Board.

**Partners:** Has partners in Jackson Community College and Michigan State University, along with South Central Michigan Works!, Region 2 Planning Commission, private sector. Twenty letters of support are available from Region.

**Why is this a vital initiative?**

Builds on combining for THE FIRST TIME all three economic sectors in the region, manufacturing, chemical and agricultural. Would involve the k-12 educational system as changing the manufacturing structure in the Region and would change the educational curriculums. Would help tie together the SCMW! Workforce strategic planning and the strategies of the Region for economic diversification. Diversifies regional economic base focusing on retention of manufacturing.

**Need:**

Create a regional process to establish bio-based manufacturing in the Region 2 Planning area. To provide technical assistance to Region we need a formal process, need to be able to hire expertise to help us build a system where the agricultural sector supplies the raw material, the chemical sector creates the byproduct and the manufacturing sector creates end products for use by OEM's. Will be a demand driven model, aligning what we can produce with demand from OEMs.

1. Unemployment (April 2010) shows Jackson County at 13.6%, Hillsdale County at 16.2% and Lenawee County at 15.3 %. The State of Michigan unemployment rate is 13.7%, and the national average is 9.5%. This is comparable to year ago figures which were: Jackson County 12.1%, Hillsdale County 16.1 %, Lenawee County 14.6% with state averages of 12.5% and the national average of 8.6%. The State of Michigan continues to lead the nation in unemployment. The figures show that Jackson County remains 4% above the national average, Hillsdale County consistently resides around 7% to 8% above the national average, and Lenawee County continues to be 6% above the national average. The rates are a strong indicator of how hard hit our region was when the auto industry collapse occurred, starting in 2003 and really cascading in 2007. The Region was heavily dependent on the auto industry as we had many tier one and tier two suppliers. Ironically, many of the families that worked in that supplier industry also ran their family farms and needed both incomes to make a living wage. The auto

collapse has also impacted these families, who are now struggling to make the family farm a primary income as they are looking at diversifying their crop base and products.

2. Regional economic development at a strategic level does not exist today especially when an initiative needs a regional base of support. Local counties fund their own economic developers, who in turn are responsible for local economic development. This initiative is widely seen by the local economic development community as a real chance to change that paradigm. By coming together on a regional initiative that combines regional assets, regional technical assistance, regional stakeholders, regional funding, and regional planning we believe this initiative provides a real chance to build our capacity and model our future as a collaborative region. The right people are in place now, and the right organizations are willing to support the PRSC in its effort to create a critical mass around the bio-manufacturing potential of the region.

3. No other regional effort in Michigan has the natural assets of their chemical, manufacturing, and agricultural sector ready for the first time to move past talk and into action. Other regions have looked at bio-manufacturing initiatives but have not begun to create the technical assistance needed to educate their community stakeholders about the return-on-investment of this partnership. Most have political agreements while others understand the technical needs of creating globally competitive parts, but none to our knowledge have the expertise that we have to lead the initiative to real outcomes. We will model that process for any other region the USDA wishes us to work within the state or nation. We are ready now, today, because we have worked for two years to build the trust and collaboration among the stakeholder groups that is the foundation of this type of regional change.

#### **Areas to be served:**

Counties to be served: Hillsdale, Jackson, Lenawee in Michigan. Major cities to be served in region: Jackson, Adrian, Tecumseh, Hillsdale. In total there are 8 cities, 18 villages, 25 unincorporated units of government, and 59 townships. According to the 2000 census 303, 839 residents live in this region. The estimate provided by Region 2 Planning Commission for 2009 is total residency of 306,315. Average workforce 124,001. Agriculture has historically played a major role in the local economies. Lenawee County is 3rd in the state (2009 Michigan Corn Growers Association ranking) for corn production at 14.3 million bushels; Hillsdale County is 14<sup>th</sup> and Jackson County, known for its manufacturing prowess ranks in the 25<sup>th</sup> out of 83 Michigan counties. Michigan Agricultural Statistics that rank Lenawee County number one in corn production in 2004, number three in soybean production, and number 4 in wheat production out of eighty three Michigan counties.

#### **Summary:**

We are already collaborating through the establishment of the Partnership for Regional Solutions (PRSC), and serve as a model for other rural communities in Michigan. If we had not already made this investment we would not approach the EDA for help. Communities need to place the bulk of the responsibility for economic transformation on themselves. We have taken that responsibility very seriously, but we are at a critical

time in developing the strategies that will shape our future. Past initial turf wars, we are now seeing promising agreement on how to design our regional future.

We are already building the Farm-to-Factory Initiative. If we had not already begun the work of an operational plan for the region to combine its best assets in diversifying our economy we would not ask for the help of the EDA. Economic diversification necessitates USDA help at this time. Once that capacity is built we expect to grow this initiative in stages two and three with private sector and local funding.

We believe based on our research on regional growth and our own experiential knowledge that rural communities are in a world of hurt, and are unable to deal with the speed and impact of the changing economy, and that our work can be used by the EDA in Michigan and elsewhere to speed up recovery in the rest of rural America. We believe the speed of economic change will only hasten, and the speed of business will continue to quicken placing more emphasis on the need for a system within regions to enter, analyze, design and implement change at an unprecedented rate.

**Estimated Employment:** The projection shows a net loss of 122 jobs during the next three years. We conservatively estimate that we would RETAIN those otherwise-to-be-lost jobs, in addition to adding related management, farm worker, and other dependent jobs. Taking even the most conservative multiplier of five jobs for every manufacturing position, that result would be a total of 732 retained jobs. Using the numbers from EMSI and the U.S. Bureau of Labor Statistics, we further estimate that Farm to Factory would conservatively CREATE an additional 150 to 200 new advanced manufacturing and engineering jobs – at existing companies, through launch of new companies and via attraction of new companies to the Region. Again, those core jobs would sustain via multiplier effect another minimum 750-1,000 jobs.

**Project Name:** Financial Asset System Initiative

**Scope:** Regional

**Funding:** \$50,000 - \$75,000

**Support:** County economic developers from Lenawee, Jackson, and Hillsdale County

**Partners:** Private sector, local banks and credit unions, local foundations, local investment firms, PRSC, local economic developers, Region 2 Planning Commission, SCMW!.

**Why is this a vital initiative?:**

A critical lack of capital, cash and infusion of federal funding in support of economic development is handcuffing the Region. The private sector is requesting the help of local economic developers to find funding for their expansion or diversification. The local economic developers have requested a more formalized access to available funding opportunities, building a system that each county can access for development needs.

**Need:**

Local foundations focused on venture funding are underfunded. Hillsdale County has no venture or angel funding, Lenawee County is only beginning to ask the question as to whether they can develop this funding, and Jackson County has a small venture capital presence. Diversification is not possible though the counties have a strong manufacturing sector because of the lack of capital and cash access. Entrepreneurships could also be funded. The leverage of a regional scale would allow the counties to gain funding that they do not gain applying for federal grants and loans on an individualized basis.

**Area to be served:**

Region 2 Planning area, but would serve as a model for EDA for other rural regions.

**Summary:**

Initiative would create a system within region for local economic developers to access in expansion of their current assets. System would support retention, attraction, and diversification from the demand of the local economic developers attempting to help local employers. Coordination of assets would allow developers to create a bank participation model on a regional basis, revolving loan funding that does not currently exist at the regional level, venture and angel funding, and other processes for gap funding. Region 2, PRSC, and local developers would create a system of access and grow financial asset base. EDA funding would be used to establish the system and build the system so that it sustained past the life of the grant. Cost is to cover facilitation and technical assistance and hiring of expertise to build the system.

**Estimated Employment:** Projection based on how many firms per year would be funded that are not funded now in three counties. Even if each economic developer had two successful funding projects that saved or created jobs that otherwise would not be funded the estimate would be significant. At an average business size of 20 people times 2 firms per county times 3 counties the jobs saved would be 120 per year times 5 years would equal 600 jobs. That is really low using per firm numbers. Jobs created could easily be a multiple of 10 times this number. Bio Dri alone is projecting 400 immediate jobs and thousands of jobs when production begins in the ensuing planning.

**Project Name:** Revolving Loan Initiative (**Vital Project**)

**Scope:** Regional

**Funding:** \$1 million - \$2 million

**Support:** County economic developers from Lenawee, Jackson, and Hillsdale County

**Partners:** Private sector, local banks and credit unions, local foundations, local investment firms, PRSC, local economic developers, Region 2 Planning Commission, SCMW!.

**Why is this a vital initiative?:**

A critical lack of capital, cash and infusion of federal funding in support of economic development is handcuffing Region 2. The private sector is requesting the help of local economic developers to find funding for their expansion or diversification. The local economic developers have requested a more formalized access to available funding opportunities, building a system that each county can access for development needs.

**Need:**

Hillsdale County has no revolving loan funding. Lenawee County and Jackson County need more access to funding to support gap financing in their counties. Diversification is not possible though the counties have a strong manufacturing sector because of the lack of capital and cash access. The funding would allow the counties to gain funding that they do not gain applying for federal grants and loans on an individualized basis.

**Area to be served:**

Region 2 Planning area

**Summary:**

Revolving loan Initiative would be part of a financial asset system for local economic developers to access in expansion of their current assets. System would support retention, attraction, and diversification from the demand of the local economic developers attempting to help local employers. Region 2 Planning Commission staff would write loan application and work with EDA representatives to establish a regional fund. EDA funding would be used to establish the system and build and sustain the funding for local economic development projects.

**Estimated Employment:** The estimate here is based on the utility of the funds through the economic developers in each county. Hillsdale has no revolving loan fund currently. Lenawee County uses MEDC – CDBG funding as their base for their RLF. Jackson has a successful program. External issues would also play into the scenario here. Pace of economy, retention and attraction through local economic development organizations. Though very difficult to project, easily over a five-year period more than 1,000 jobs and probably as high as 5,000-7,500 jobs could be impacted.

**Project Name:** Forecasting Skill Development: Baseline assessment and planning for economic development in Region 2, 2012-2017 (**Vital Project**)

**Scope:** Regional

**Funding:** \$125,000-\$150,000

**Need:**

The following factors establish the need for the project:

- Baseline workforce skill level assessment per sector is lacking.
- Predictive analysis to build future skills is not based on region's assets
- Minimize the questionable impact factors on current re-employment programs at SCMW because future jobs cannot be predicted with any consistency. Grant would allow for more predictive analysis and therefore more efficient job training.
- Coordination of JCC educational offerings both at the corporate training level and regular curriculum for developing local talent pool.
- Greater coordination between secondary education, adult education, current industrial and service sectors for future growth of local skill base.
- Coordination of CEDS and SCMW's Comprehensive Workforce Development Strategy (CWDS) in building and maximizing current assets in region.
- Increase knowledge of LQ within the region to assist in targeting and encouraging growth both in a short term and long term effort thus giving regional focus and direction for sectors as well as support services.

**Area to be Served:**

Region 2 Planning area.

**Summary:**

- Assess throughout Region 2 the baseline skill levels in predominant industrial, chemical, agricultural and service sectors.
- Analyze the trend in employment in Region 2, with a heavy emphasis on job creation through retention of key industries in key sectors.
- Create a working cross regional team to develop a forecast of job growth for Region 2 for 2012- 2017.
- Develop a strategy of support for the economic developers within the region and for SCMW to develop the human capital of the region to satisfy the forecast in job growth and diversification.
- Implement the strategy across organizational and jurisdictional lines to enhance the region's opportunity to grow key sectors while supporting the growth with local talent.

- Maintain the capacity built during the EDA grant by sustaining the work group (step 3) after the grant throughout the implementation of the economic and sector evolution throughout the region.

Timeline: To perform work 18 months

**Estimated Employment:** 0 additional jobs added.

## **Regional Community Infrastructure Investment Projects**

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Hillsdale	Adams Township	Broadband tower	Construct a broadband tower to encourage growth in this rural township	Adams Township	\$50,000
Hillsdale	City of Reading	Water tower	Install 300,000 gal Water Tower to be located in the City industrial park.	City of Reading	\$750,000
Hillsdale	Wheatland Township	New township hall	New Town Hall (energy efficient) 4600 sq ft with water and septic green concepts	Wheatland Township	\$850,000
Hillsdale	Wheatland Township	Energy audit	Block Grant Program to allow residential and commercial energy audits for all residents and businesses in Wheatland Township	Wheatland Township	\$125,000
Hillsdale	Scipio Township	New township hall	To construct a township hall to have all information in one designated location, and to have a handicap location for township meetings.	Scipio Township	\$160,000
Hillsdale	Somerset Township	New township hall	Build energy efficient and people friendly 6400 square foot township hall on presently owned township property.	Somerset Township	\$1,380,000
Hillsdale	Village of Jonesville	Industrial Park Infrastructure Maintenance and Improvements	Road maintenance and resurfacing, construction of rail spur, installation of communication technology.	Village of Jonesville	\$260,000
Hillsdale	Village of Jonesville	Revolving Business Loan Fund	Establish revolving loan fund for business attraction and retention within LDFA district.	Village of Jonesville	\$600,000
Hillsdale	Village of Jonesville	LDFA District/Industrial District Expansion	Land acquisition to expand existing LDFA district.	Village of Jonesville	\$1,500,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Hillsdale	Village of Jonesville	Occupancy Assistance Program	Provide funds for building acquisition/subsidy/renovation to businesses within LDFA district.	Village of Jonesville	\$700,000
Hillsdale	Village of Jonesville	Business Diversification	Increase business retention visits to address opportunities for expansion	Village of Jonesville	\$35,000
Hillsdale	Village of Jonesville	Rail spur	Rail spur to service Martinrea industrial facility	Village of Jonesville	\$500,000-\$1,000,000
Hillsdale	City of Hillsdale EDC	Stock's Mill Redevelopment	Environmental assessment & demo of obsolete structures to facilitate redevelopment of site.	City of Hillsdale	\$3,000,000
Hillsdale	City of Hillsdale	City Park Maintenance	Purchase electric vehicle for park maintenance.	City of Hillsdale	\$35,000
Hillsdale	City of Hillsdale	Downtown Street/Sidewalk Reconstruction	Complete street, curb & gutter, sewer, and sidewalk replacement in downtown on Howell St. from North to Bacon.	City of Hillsdale	\$1,200,000
Hillsdale	City of Hillsdale	Department of Public Services Building	Construct modern public services facility.	City of Hillsdale	\$4,300,000
Hillsdale	City of Hillsdale	Hillsdale Municipal Airport	Construct airport terminal building.	City of Hillsdale	\$960,000
Hillsdale	City of Hillsdale	Lake Baw Beese Marina	Construct marina slips, community/marina building, ADA accessible boat launch.	City of Hillsdale	\$3,500,000
Hillsdale	City of Hillsdale	Mitchell Building/Research Center Renovation	Make energy efficiency, weatherization improvements including proper climate control for document preservation to existing building.	City of Hillsdale	\$450,000
Hillsdale	City of Hillsdale	Mill Pond Campground	Construct campground with modern site amenities; joint project between City and Hillsdale	City of Hillsdale	\$1,800,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
			County Agricultural Society.		
Hillsdale	City of Hillsdale	Fire Engine	Replace used platform truck with new platform truck.	City of Hillsdale	\$1,250,000
Hillsdale	City of Hillsdale	Industrial Park Infrastructure Maintenance and Improvements	Road maintenance and resurfacing, construction of curb & gutter, wayfinding, lighting, and landscaping.	City of Hillsdale	\$310,000
Jackson	Grass Lake Charter Twp.	Tenneco Facility Watermain Extension (10,200 ft.)	Extend water to Tenneco Company for expanded R & D	Grass Lake Twp.	\$473,460
Jackson	Grass Lake Charter Twp.	Ganton Retirement Center Sewer and Water (2,686 ft.)	Sewer and Water extension on E. Mich. Ave. for new facility	Grass Lake Twp.	\$530,000
Jackson	Grass Lake Charter Twp.	Safe Routes to School Sidewalk Project (4,246 ft.)	Sidewalks - Wolf Lake Rd., Mich. Ave., Mt. Hope Rd.	Grass Lake Twp.	\$90,000
Jackson	Grass Lake Charter Twp.	Community Park Trail system (7,200 ft.)	Construct 2 miles of walkable exercise trails	Grass Lake Twp.	\$312,000
Jackson	Grass Lake Charter Twp.	Information Technology Infrastructure	Broadband, smart grid coverage for Grass Lake 4 sq. miles	Grass Lake Twp.	\$597,000
Jackson	Grass Lake Charter Twp.	Island Heights Subdivision sewer extension (2,000 ft.)	Sewer extension from Mt. Hope Rd.	Grass Lake Twp.	\$343,000
Jackson	Grass Lake Charter Twp.	Grass Lake Community Center (106,000 sq. ft.)	Construct Facility and connect to sewer and water	Grass Lake Twp.	\$12,516,850
Jackson	Grass Lake Charter Twp.	Grass Lake Township Office Building (5040 sq. ft.)	Construct new Township Office at 12222 E. Mich. Ave.	Grass Lake Twp.	\$554,000
Jackson	Grass Lake Charter Twp.	Mack Island Nature Preserve (81 acres)	Purchase land and develop as a nature area for community	Grass Lake Twp.	\$400,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Jackson	Grass Lake Charter Twp.	Siegrist Shopping Center sewer extension (1,865 ft.)	Sewer extension on Norvell Rd.	Grass Lake Twp.	\$45,000
Jackson	Grass Lake Charter Twp.	Lockwood Subdivision sewer extension (3,800 ft.)	Sewer extension on Norvell Rd. and subdivision	Grass Lake Twp.	\$633,000
Jackson	Grass Lake Charter Twp.	Warrior Trail Subdivision sewer extension (3,950 ft.)	Sewer extension on Norvell Rd. and subdivision	Grass Lake Twp.	\$578,000
Jackson	Jackson County Airport - Reynolds Field	Airport Ramp Rehabilitation	Replace main ramp asphalt	Blackman Twp.	\$1,200,000
Jackson	Spring Arbor Twp	Falling Waters Trail	Add new connecting ped/bike paths to the Falling Waters Trail	Spring Arbor Twp., Jackson County	\$1,047,000
Jackson	Spring Arbor Twp	Chapel Rd Water Extension (15,840 Ft.)	12" connector water main to increase flow and pressure for fire suppression, University growth, and improved water quality from "looping".	Spring Arbor Twp	\$1,030,000
Jackson	Spring Arbor Twp	Spring Arbor Rd Water Extension (2,000 Ft.)	12" connector water main to increase flow and pressure for fire suppression, University growth, and improved water quality from "looping".	Spring Arbor Twp	\$240,000
Jackson	Spring Arbor Twp	King Rd Water Extension (2,900 Ft.)	12" connector water main to increase flow and pressure for fire suppression, University growth, and improved water quality from "looping".	Spring Arbor Twp	\$189,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Jackson	Spring Arbor Twp	King Rd Water Extension (2,900 Ft.)	12" connector water main to increase flow and pressure for fire suppression, University growth, and improved water quality from "looping".	Spring Arbor Twp	\$260,000
Jackson	Spring Arbor Twp	Richard St extension	This extension will relieve congestion at several intersections on Spring Arbor Rd.	Spring Arbor Twp	\$125,000
Jackson	Spring Arbor Twp	Traffic light at Spring Arbor Rd and Dearing Rd.	This is a very busy intersection that will benefit greatly from a traffic control light	Spring Arbor Twp	\$100,000
Jackson	Spring Arbor Twp	Second St. Upgrade	Cap and add bike lane to improve safety for University and senior citizen housing development residents.	Spring Arbor Twp	\$374,000
Jackson	Spring Arbor Twp	Arbor Hgts, Ogle, and Cottage St. Upgrade	Cap and add bike lane to improve safety for University and senior citizen housing development residents.	Spring Arbor Twp	\$340,000
Jackson	Spring Arbor Twp	Second St. pedestrian path	Pedestrian path will provide safe passage for joggers and walkers from the University and senior citizen development	Spring Arbor Twp	\$147,000
Jackson	Spring Arbor Twp	Falling Waters Trail Access	Add pedestrian / bike path to provide safe access to a very popular non-motorized trail	Spring Arbor Twp	\$392,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Jackson	Spring Arbor Twp	Dearing Rd Walking / bike path	Add pedestrian / bike path to provide safe passage to Western secondary schools from Spring Arbor and FW Trail. Used by students walkers, joggers, school sport teams.	Spring Arbor Twp	\$655,000
Jackson	Spring Arbor Twp	King Rd / Spring Arbor Rd Intersection redesign	King Rd intersects with Spring Arbor Rd at a sharp angle which creates a hazard for persons using this route	Spring Arbor Twp	\$200,000
Jackson	Spring Arbor Twp	Replace fire engine	Replace 1985 vintage tanker truck	Spring Arbor Twp	\$350,000
Jackson	Spring Arbor Twp	Cross Road bridge replacement	Replace bridge that has been condemned, which isolates several homes from Township emergency services	Spring Arbor Twp	\$575,000
Jackson	Summit Twp.	Mun Water Reliability Improvement and VFD Pump Conversion	Add two back up generators & convert 15 pumps to soft start.	Summit Twp.	\$475,000
Jackson	Summit Twp.	#1 Sewage Lift Station Retro-fit	Add third pump	Summit Twp.	\$200,000
Jackson	Summit Twp.	Paint Water Tower	Re-paint wet and dry areas of tower	Summit Twp.	\$150,000
Jackson	Summit Twp.	340 Farms Municipal Water Pump	Upgrade municipal water well pump	Summit Twp.	\$115,000
Jackson	Summit Twp.	Garden City Sewer	Install sanitary sewer system	Summit Twp.	\$1,822,500
Jackson	Summit Twp.	Walnut Lane Sewer	Install sanitary sewer system	Summit Twp.	\$2,400,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Jackson	Summit Twp.	Frogtown Sewer	Install sanitary sewer system	Summit Twp.	\$1,797,500
Jackson	Summit Twp.	Park Dr Sewer	Install sanitary sewer system	Summit Twp.	\$1,237,500
Jackson	Summit Twp.	Horton Rd Lift Station Retrofit	Install larger pump motor	Summit Twp.	\$100,000
Jackson	Summit Twp.	Kimmel Rd Municipal Water Loop	Install municipal water loop for reliability	Summit Twp.	\$1,200,000
Jackson	Summit Twp.	North Side Sewer	Install municipal water loop for reliability	Summit Twp.	\$1,185,000
Jackson	Summit Twp.	South Street Sewer	Install sanitary sewer system	Summit Twp.	\$1,398,000
Jackson	Summit Twp.	Floyd Avenue Sewer	Install sanitary sewer system	Summit Twp.	\$870,100
Jackson	Summit Twp.	Spring Arbor Rd & Robinson Rd. Sewer	Install sanitary sewer system	Summit Twp.	\$990,000
Jackson	Summit Twp.	Southwest Area Municipal Water Main	Install municipal water main	Summit Twp.	\$3,978,000
Jackson	Summit Twp.	South Jackson Rd Sewer	Install sanitary sewer system	Summit Twp.	\$900,000
Jackson	Summit Twp.	Horton Rd Area Sewer	Install sanitary sewer system	Summit Twp.	\$862,500
Jackson	Summit Twp.	Non-motorized Trails Retrofit	Upgrade 3.5 miles to current stds.	Summit Twp.	\$1,750,000
Jackson	Summit Twp.	Non-motorized Trails New	Construct 5.04 miles of new trails	Summit Twp.	\$2,500,000
Jackson	Summit Twp.	Station #3	Remove 2nd Floor	Summit Twp.	\$85,000

**Table 17****Regional Community Infrastructure Investment Projects**

<b>County</b>	<b>Submitting Agency</b>	<b>Project Name</b>	<b>Project Description</b>	<b>Location</b>	<b>Total Investment</b>
Jackson	Summit Twp.	DPW Addition	1000 s.f. Addition	Summit Twp.	\$100,000
Jackson	Summit Twp.	Wireless/Interconnect Expansion	Add/Replace Mobile Data Computers & offsite backup	Summit Twp.	\$330,000
Jackson	Summit Twp.	Street Lighting	Replace obsolete luminaries	Summit Twp.	\$75,000
Jackson	Summit Twp.	Township Vehicles	3 alternative fuel vehicles for twp business	Summit Twp.	\$100,000
Jackson	Summit Twp.	Fire Engine	Replace obsolete engine	Summit Twp.	\$525,000
Lenawee	LEDC	Industrial Park/Renaissance Zone	Create Renaissance Zone	City of Hudson	\$116,419
Lenawee	LEDC	Industrial Park/Renaissance Zone	Create Renaissance Zone	City of Morenci	\$11,755
Lenawee	LEDC	Tecumseh Technology Park	Create technology park	City of Tecumseh	\$2.3 million
Lenawee	LEDC	Commercial Development in Raisin Township	Incentives for commercial development in a residential township	Raisin Charter Township	Unknown
Lenawee	LEDC	Retention	Increase manufacturing retention and expansion visits	Lenawee County	\$60,537
Lenawee	LEDC	Workforce Development for Chemical Industry		Lenawee County	\$98,956

## **APPENDIX A**

### **REGIONAL INDUSTRIAL/BUSINESS PARK LISTING**

**Table 18, Regional Industrial/Business Parks**

Industrial/Business Park Name	MEDC Certification	MCD	Total Acreage	Available Acreage	Utility Availability					Transportation Access	
					Sewer	Water	Gas	Electric	Fiber Optics	Rail	Highway Access
<b>HILLSDALE COUNTY</b>											
<i>Litchfield Industrial Park</i>	Y	City of Litchfield	205	120	Y	Y	Y	Y	N	Y	M-49
<i>Jonesville Industrial Park</i>	N	Village of Jonesville	100	40	Y	Y	Y	Y	Y	N	US-12, M-99
<i>Camden Industrial Park</i>	N	Village of Camden	20	0	Y	Y	Y	Y	N	N	M-49
<i>Hillsdale Industrial Park</i>	N	City of Hillsdale	400	175	Y	Y	Y	Y	Y	N	M-99
<i>Reading Industrial Park</i>	N	City of Reading	80	40	Y	Y	Y	Y	Y	N	M-49
<b>JACKSON COUNTY</b>											
<i>Parma-Sandstone Certified Business Park</i>	Y	Sandstone Township	296	191	Y	Y	Y	Y	Y	Y	I-94
<i>Jackson Technology Park</i>	Y	Blackman Township	655	550	Y	Y	Y	Y	Y	Y	I-94
<i>Micor Industrial Park</i>	N	City of Jackson	52	8	Y	Y	Y	Y	Y	Y	US-127 south
<i>Scheele Industrial Park</i>	N	Blackman Township	121	17	Y	Y	Y	Y		N	I-94
<i>Hurst Industrial Park</i>	N	Blackman/Sandstone Townships	55	7	Y	Y	Y	Y		N	M-60
<b>LENAWEE COUNTY</b>											
<i>Morenci Skyline Industrial Park</i>	N	City of Morenci	15			Y	Y	Y			M-156
<i>Hudson Industrial Park</i>	N	City of Hudson			Y	Y	Y	Y			M-34
<i>Adrian Industrial Park</i>	N	City of Adrian	86		Y	Y	Y	Y			US-223, M-34
<i>Tecumseh Industrial Park</i>	N	City of Tecumseh									
<i>Tecumseh Bus./Tech. Campus</i>		City of Tecumseh	158	158	Y	Y	Y	Y	Y	Y	M-50

## **APPENDIX B**

### **ECONOMIC DEVELOPMENT PROGRAMS AND RESOURCES**

## **ECONOMIC DEVELOPMENT PROGRAMS AND RESOURCES**

Appendix B provides information regarding programs and resources available on each government level that are designed to enhance economic development through provision of infrastructure and to offer resources necessary to develop and grow business.

### **FEDERAL PROGRAMS**

#### **US DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)**

EDA was established to work with states and regional planning commissions (Economic Development Districts) to generate new jobs, retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas and regions of the United States. The purpose of its program investments is to provide economically distressed communities with a source of funding for planning, infrastructure development, and business financing that will induce private investment in the types of business activities that contribute to long-term economic stability and growth. EDA's investments are strategically targeted to increase local competitiveness and strengthen the local and regional economic base. There are a number of investment programs offered by EDA, and many are listed and briefly described below. Please refer to <http://www.eda.gov/AboutEDA/Programs.xml>, for more information on these and other programs that may be helpful to you or your organization's project.

The **Public Works and Economic Development Program** invests in distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

The **Economic Adjustment Assistance Program** assists state and local interests with technical, planning, and infrastructure assistance to design and implement strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base.

The **Research and National Technical Assistance Program** supports research of leading edge, world class economic development practices as well as funds information dissemination efforts.

The **Local Technical Assistance Program** helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.

EDA's **Planning Programs** help support local organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with their long-term planning efforts

and their outreach to the economic development community on EDA's programs and policies (Source: [www.eda.gov](http://www.eda.gov)).

Through the **University Center Economic Development Program**, the Federal government partners with academia to make the varied resources of universities available to economic development communities.

The **Trade Adjustment Assistance for Firms Program** is administered by EDA through a national network of 11 Trade Adjustment Assistance Centers to help manufacturing and production firms having lost domestic sales and employment due to increased imports of similar or competitive goods, become more competitive in the global economy.

**Grants.gov** is an Internet resource that gives organizations the ability to electronically locate and apply for over \$400 billion in Federal grants and is THE primary access point for more than 1,000 grant programs offered by all Federal grant-making agencies (Source: [www.grants.gov](http://www.grants.gov)).

## **US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Community Development Block Grants to Entitlement Communities (CDBG)** are annual grants given on a formula basis to entitled cities and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate income persons. Entitlement communities develop their own programs and funding priorities. Focus is on serving low-and moderate-income persons, along with the prevention and elimination of blight. Eligible activities include relocation and demolition; construction of public facilities; and assistance to profit-motivated businesses to carryout economic development and job creation/retention activities. To receive its annual CDBG entitlement grant, a grantee must develop and submit to HUD its Consolidated Plan.

**Economic Development Initiative (EDI)** provides grants to local governments to enhance both the security of loans guaranteed through the Section 108 Loan Program and the feasibility of the economic development and revitalization projects they finance. EDI has been the catalyst in the expanded use of loans through the Section 108 Program by decreasing the level of risk to their CDBG funds or by paying for some of the project costs. There are congressionally earmarked and competitive EDI grants. Competitive EDI grants can be only be used in projects also assisted by the Section 108 Loan Program. Eligible activities include property acquisition, rehabilitation of public owned property, and economic development activities.

**Brownfields Economic Development Initiative (BEDI)** is a key competitive grant program HUD administers to stimulate and promote economic and community development. BEDI is designed to assist cities with the redevelopment of abandoned, idled, and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination. The

purpose of the BEDI program is to spur the return of brownfields to productive economic use through financial assistance to public entities in the redevelopment of brownfields, and enhance the security or improve the viability of a project financed with Section 108-guaranteed loan authority. Therefore, BEDI grants must be used in conjunction with a new Section 108-guaranteed loan commitment.

**Youthbuild** provides grants on a competitive basis to non-profit organizations, for assisting high-risk youth between the ages of 16-24 to learn housing construction skills and to complete their high school education. Please see <http://www.youthbuild.org/>, for more information.

**Section 108 Loan Guarantee Program** loan guarantee provision of the CDBG program. It provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Eligible applicants include entitlement communities. Activities eligible for Section 8 financing include economic development activities eligible under CDBG, acquisition of real property, rehabilitation of public property, installation of public facilities. Entitlement communities may apply up to five times the latest approved CDBG entitlement amount minus any outstanding Section 108 commitments and/or principal balances of Section 108. The principal security for the loan guarantee is a pledge by the applicant public entity of its current and future CDBG funds. The maximum repayment period for a Section 8 loan is 20 years. (Source: [www.hud.gov](http://www.hud.gov))

## **USDA RURAL DEVELOPMENT**

The office offers a variety of funding options for many types of business ventures to include agriculture, manufacturing, processing, services, commercial, and retail. Rural Development is also instrumental in providing much needed financial resources to communities for infrastructure improvements and expansions primarily for waste water and water treatment facilities. They have direct and guaranteed loans for businesses and communities in addition to a number of grants.

The **Rural Business Opportunity Grant Program** provides technical assistance, training, and planning activities that improve economic conditions in rural areas of 50,000 people or less. A maximum of \$1.5 million per grant is authorized.

**Rural Utilities Service (RUS) Grant Program** is designed to promote economic development and/or job creation projects including, but not limited to: project feasibility studies, start-up costs, incubator projects, and other reasonable expenses. Grants can be provided to rural communities through RUS borrowers to be used for revolving loan funds for community facilities and infrastructure, and for assistance in conjunction with rural economic development loans.

**Rural Business Enterprise Grants Program (RBEG)** to public bodies, private nonprofit corporations, and federally-recognized Indian Tribal groups to finance and facilitate development of small and emerging private business enterprises located in

areas outside the boundary of a City, or unincorporated areas of 50,000 or more and its immediately adjacent urbanized or urbanizing area. The small or emerging business to be assisted must have less than 50 new employees, less than \$1 million in gross annual revenues, have or will utilize technological innovations and commercialization of new products and/or processes to be eligible for assistance. Funds can be used for a variety of things including, but not limited to: construction of buildings and plants, equipment, access streets and roads, parking areas, utility and service extensions, and a variety of other costs.

**The Intermediary Relending Program** money is lent to private non-profit organizations, any state or local government, an Indian Tribe, or a cooperative that is relent to it by the intermediary to the ultimate recipients. The ultimate recipient must not be able to receive financing at reasonable rates or terms. (Source: [www.rurdev.usda.gov](http://www.rurdev.usda.gov)).

## **US DEPARTMENT OF COMMERCE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)**

**Coastal Zone Management Program (CZMP)** assists local and state governments in managing and revitalizing coastal areas for mixed-use development. The competing goals of commercial and industrial development, tourism, environmental protection, transportation and recreation are discussed in coastal management plans. The CZMP seeks to maintain the economic welfare of coastal communities and ecosystems through intergovernmental cooperation. The CZMP supports states through financial contributions, technical advice, participation in state and local forums, and through mediation. Michigan CZMP programs currently protect wetland ecosystems, reduce non-point pollution sources, reduce erosion and assist in meeting state and regional coastal goals. (Source: [http://coastalmanagement.noaa.gov/programs/coast\\_div.html](http://coastalmanagement.noaa.gov/programs/coast_div.html)).

## **US ENVIRONMENTAL PROTECTION AGENCY**

**Brownfields Assessment and Cleanup Cooperative Agreements** objectives are to provide funding to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites; to capitalize a revolving loan fund (or RLF); and to carryout cleanup activities at brownfield sites that are owned by the grant recipient. Eligibility for the assessment, RLF, and cleanup grants includes a general purpose unit of local government. This is a competitive grant program. There are separate guidelines for each of the three areas. Grant amounts are based on size and type of contamination, ranging from \$200,000 to \$350,000 (Source: [www.epa.gov/brownfields](http://www.epa.gov/brownfields)).

## **US DEPARTMENT OF THE INTERIOR - NATIONAL PARK SERVICE**

**Land and Water Conservation Fund (LWCF)** is a visionary and bipartisan program, established by Congress in 1964 to create parks and open spaces, protect wilderness, wetlands, and refuges, preserve wildlife habitat, and enhance recreational opportunities. States receive individual allocations of LWCF grant funds based on a national formula. Then states initiate a statewide competition for the amount available to award through matching grants (Source: [www.nps.gov/ncrc/programs/lwcf/](http://www.nps.gov/ncrc/programs/lwcf/)).

## **SMALL BUSINESS ADMINISTRATION (SBA)**

The **Small Business Administration (SBA)** provides financial, business counseling and training, and business advocacy to foster the development and success of small businesses. Financial assistance comes in the form of loans and grant programs including the 7(a) Loan Guarantee, Prequalification Loan, 7(m) Micro Loan, CDC/504 Loan, CAPlines Program, and 8(a) Business Development Program (Source: [www.sba.gov](http://www.sba.gov)).

## STATE OF MICHIGAN PROGRAMS

There are many opportunities for economic development in the State of Michigan. Among the economic development programs, tax credits, and other programs are the following:

The **Michigan Advanced Battery Credits (MABC)** initiative, the first of its kind in the nation, was conceived to support the development and manufacturing of advanced batteries and the commercialization of advanced battery technologies. MABC focused on stimulating the domestic commercialization and affordability of high-power, energy traction batteries, the lack of which is limiting hybrid, plug-in hybrid, battery-electric and fuel cell vehicle applications. The MABC includes incentives for battery cell manufacturing (aimed at consumer, commercial and military applications), pack engineering/integration (which includes heating and cooling systems, electronic controls, battery monitoring systems and assembly of battery cells into the pack) and development of engineering and advanced technologies focused around advanced battery systems. MABC offers four types of credits:

- Pack Engineering, Integration and Assembly Credits
- Vehicle Engineer Credits
- Advanced Battery Technologies Credits
- Battery Cell Manufacturing Credits

**Agricultural Processing Renaissance Zones.** Michigan has a vibrant food and agricultural industry and is second in our nation in the variety of commodities grown for market. Agricultural Processing Renaissance Zones (APRZ) were created to promote agricultural processing operations in the state of Michigan and to enhance the industry overall. These APRZs differ from Michigan's original renaissance zones because they require them to contain a company's agricultural processing facility and can be located anywhere in Michigan. Agricultural Processing Facility' means one or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products, excluding forest products, into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

The **Anchor District Credit** is designed to diversify Michigan's economy while creating significant value chain jobs. This credit allows qualified taxpayers who can influence qualified suppliers or customers to open, locate or expand in Michigan, to claim a credit against the Michigan Business Tax (MBT). The anchor company is able to claim a credit of 0.05% of the taxable value of investments made by customers or suppliers who locate in a 10-mile radius to the anchor and is within an existing industrial site approved by the MEGA board.

The **Anchor Jobs Credit**, passed by the legislature in 2008, is designed to diversify Michigan's economy while creating significant value chain jobs. The qualified taxpayer is able to claim a credit for the payroll of the customers or suppliers who create qualified

new jobs, for up to five years. The credit also provides that qualified sales to a qualified supplier or customer would not be sales in Michigan for the purposes of calculating the sales factor under the Michigan Business Tax (MBT). An anchor company must be a qualified high-technology business that is an integral part of the high-technology activity and has the ability or potential ability to influence business decisions and site location of qualified suppliers and customers.

Eligible businesses that locate in a county that borders another state or Canada may qualify for special **Border Counties Tax Incentives**, under PA 198 of 1974, as amended and PA 329 of 1998, as amended. Eligible counties include Hillsdale and Lenawee Counties.

Under the **Brownfield Redevelopment Act** (PA 381 of 1996, as amended) a municipality may create a Brownfield Redevelopment Authority to develop and implement brownfield projects. The Brownfield Redevelopment Authority is a resource that may use Tax Increment Financing (TIF) and allow developers to apply for Michigan Business Tax (MBT) credit incentives.

Through the provisions of Public Act 120 of 1961, cities, villages, and urban townships may create a **Business Improvement District (BID)** or Principal Shopping District (PSD) to promote economic development within a defined area of the municipality. A BID/PSD allows a municipality to collect revenues, levy special assessments and issue bonds in order to address the maintenance, security and operation of that district. The Act allows a Business Improvement Zone (BIZ) to be created by private property owners of those parcels in a zone plan within a city or village. A BIZ may levy special assessments to finance activities and projects outlined within a zone plan for a period of seven years.

The **Capital Access Program (CAP)** is one of the Michigan Economic Development Corporation's (MEDC) innovative programs available to assist businesses with capital needs. The CAP uses small amounts of public resources to generate private bank financing, providing small Michigan businesses access to capital that might not otherwise be available.

The **Certified Business Park (CBP)** Program is a revamp of the Certified Industrial Park (CIP) Program as defined in the Local Development Finance Authority (LDFA) Act (PA 282 of 1986, amended by PA 248 of 2000). The Michigan Economic Development Corporation (MEDC) administers the program. They have adopted a set of standards for qualified developments.

The **Commercial Redevelopment Act** was created by Public Act 255 of 1978. This program encourages the replacement, restoration and new construction of commercial property by abating the property taxes generated from new investment for a period up to 12 years. As defined, commercial property means land improvements whether completed or in the process of construction, the primary purpose and use of which is the operation of a commercial business enterprise, including office, engineering, research

and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Land and personal property are not eligible for abatement under this act.

The **Commercial Rehabilitation Act** was created under Public Act 210 of 2005. The Act encourages the rehabilitation of commercial property by abating the property taxes generated from new investment for a period up to 10 years. As defined, commercial property is a facility that includes a building or group of contiguous buildings of commercial property that is 15 years or older, of which the primary purpose is the operation of a commercial business enterprise or multifamily residential use. Types of commercial business enterprises include office, engineering, research and development, are housing, parts distribution, retail sales, and other commercial activities. Multifamily residential is housing that consists of five or more units. Commercial properties allocated new market tax credits are also considered a qualified facility.

**Conditional Land Use Transfer (PA 425)** was created under Public Act 425 of 1984, as amended, is the conditional land use transfer statute that allows one municipality the option of conditionally transferring land to another. PA 425 came into being because annexation is legally difficult, tends to pit neighbor against neighbor, and because important economic development projects for regions became victims of a lack of annexation cooperation.

A conditional land use agreement allows both municipalities involved in land negotiation great flexibility. Land transfer is sometimes needed for properties that lack infrastructure necessary to support economic development projects. The agreement should provide the least expensive infrastructure possible to the proposed site. It has also been used to gain economic incentive tools that only core or distressed communities can offer toward support of economic development projects.

In June of 2000, the state of Michigan initiated an effort to spur private development in its urban communities and traditional centers of commerce. The incentives, unique to **Core Communities**, target critical needs of older communities through new housing development, redevelopment of obsolete facilities and development of contaminated properties. The Core Communities designation provides the community with three economic development tools.

The **Corridor Improvement Authority (CIA)**, Public Act 280 of 2005, is designed to assist communities with funding improvements in commercial corridors outside of their main commercial or downtown areas.

The **Downtown Development Authority (DDA)**, Public Act 197 of 1975 as amended, is designed to be a catalyst in the development of a community's downtown district. The DDA provides for a variety of funding options including tax increment financing mechanism, which can be used to fund public improvements in the downtown district and the ability to levy a limited millage to address administrative expenses.

The **Michigan Emerging Technologies Fund (ETF)**, is designed to expand funding opportunities for Michigan technology based companies in the federal innovation research and development arena. To that end, the Small Business & Technology Development Center (SBTDC) through the Michigan Strategic Fund (MSF) is dedicating up to \$1.4 million to match federal funding opportunities for exceptional commercial opportunities in Michigan.

The **Environmental Assistance Program** is a quick-response service of the Michigan Department of Environmental Quality (DEQ). It is designed to aid Michigan's small-and medium-sized businesses and municipalities in resolving environmental issues.

To assist in the development of a strong forest products industry in Michigan, **Forest Products Processing Renaissance Zones (FPPRZ)** were created to promote forest products operations in the state and to enhance the industry. These FPPRZ's differ from Michigan's original renaissance zones because they are required to contain a company's forest products processing facility and can be located anywhere in Michigan.

**Geographic Renaissance Zones** are regions of the state designated as virtually tax free for any business or resident presently in or moving to a zone. The zones were designated to provide selected communities with a market-based incentive of no state or local taxes to encourage new jobs and investment. A Geographic Renaissance Zone can consist of up to 10 different geographically defined sub zones not including the Military Geographic Renaissance Zones. This program was established in 1996 and originally consisted of 11 zones. It was later expanded to 21 zones, which now include over 150 geographic areas.

Through the provisions of Public Act 530 of 2004, a **Historic Neighborhood Tax Increment Finance Authority (HNTIF)** may be established. An HNTIF may use its funds, including tax increment financing, to fund residential and economic growth in local historic districts. An authority may also issue bonds to finance these improvements.

**Industrial Property Tax Abatements** provide incentives for eligible business to make new investment in Michigan. These abatements encourage Michigan manufacturers to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High-technology operations are also eligible for the abatement. "High-technology activity" is defined in the Michigan Economic Growth Authority (MEGA) Act as: advanced computing, advanced materials, biotechnology, electronic device technology, engineering or laboratory testing related to product development, medical device technology, product research and development and advanced vehicles technology or technology that assists in the assessment or prevention of threats or damage to human health or the environment. Abatements under PA 198 can significantly reduce property taxes on new investment for eligible firms.

The **Local Development Financing Act (LDFA)**, Public Act 281 of 1986, as amended, allows a city, village or urban township to utilize tax increment financing to fund public infrastructure improvements. The tool is designed to promote economic growth and job creation. Communities across Michigan have utilized this tool to extend sewer and water lines, construct roads, service manufacturing, agriculture processing or high technology operations.

The objectives of the **High-Tech Michigan Economic Growth Authority (MEGA)**, program are to promote the development of high-tech businesses in both traditional and emerging industries by providing a tax credit against the Michigan Business Tax (MBT) and assist in the diversification of Michigan's economy. Businesses expanding or locating in Michigan that are primarily engaged in a "high-technology activity" or use at least 25 percent of total operating expenses for research and development may qualify for the credit.

The **Michigan Economic Growth Authority (MEGA)** is empowered to assist Michigan companies that are considering a business closure by awarding a Retention MEGA. Companies eligible for a MEGA Employment Tax Credit against the Michigan Business Tax (MBT) are those engaged in manufacturing, mining, research and development, wholesale and trade, film and digital media, office operations, or certain tourism projects.

The **Michigan NextEnergy Authority (MNEA)** was created to promote the development of alternative energy technologies and provide tax incentives for business activities and property related to the research, development and manufacturing of those technologies.

The State of Michigan is committed to having a highly trained, world-class workforce. With an investment of \$60 million dollars, 18 state-of-the-art **Michigan Technical Education Centers (M-TECs)** have been constructed within the Michigan community college system. The M-TEC network provides an outstanding statewide educational, training, and workforce development infrastructure for Michigan's businesses.

The **Neighborhood Enterprise Zone (NEZ)** Program was established by Public Act 147 of 1992, as amended. The program provides a tax incentive for the development and rehabilitation of residential housing. A qualified local unit of government may designate one or more areas as a NEZ within that local unit of government. The program was established to spur the development and rehabilitation of residential housing in communities where it may not otherwise occur. The program also encourages owner-occupied housing and new investment in communities.

Through the provisions of Public Act 61 of 2007, a **Neighborhood Improvement Authority (NIA)** may be established. An NIA may use its funds, including tax increment financing, to fund residential and economic growth in residential neighborhoods. An authority may also issue bonds to finance these improvements.

The **Obsolete Property Rehabilitation ACT (OBRA)**, Public Act 146 of 2000 provides for a tax incentive to encourage the redevelopment of obsolete buildings. A new exemption will not be granted after December 31, 2010, but an exemption then in effect will continue until the certificate expires. The tax incentive is designed to assist in the redevelopment of older buildings in which a facility is contaminated, blighted or functionally obsolete. The goal is to rehabilitate older buildings into vibrant commercial and mixed-use projects.

**Personal Property Tax Relief In Distressed Communities** was created through Public Act 328 of 1998 which allows distressed communities, county seats and certain border county communities to abate personal property taxes on new investments made by eligible businesses.

To assist in the development of a strong renewable energy industry in Michigan, **Renewable Energy Renaissance Zones (RERZ)** were created to promote renewable energy operations in the state. These RERZs differ from Michigan's original renaissance zones because they require them to contain a company's renewable energy facility and can be located anywhere in Michigan.

**SmartZones** provide district geographical locations where technology-based firms, entrepreneurs and researchers locate in close proximity to all of the community assets that assist in their endeavors. SmartZone technology clusters promote resource collaborations between universities, industry, research organizations, government and other community institutions, growing technology-based businesses and jobs. New and emerging businesses in SmartZone technology clusters are primarily focused on commercializing ideas, patents and other opportunities surrounding corporate, university or private research institute R&D efforts.

The **Tax Increment Finance Authority (TIFA)** was created in 1980 to help eligible cities to stop the decline of property value in a specific area. In addition, TIFA districts are designed to increase the property tax valuation of the area and to eliminate the causes of the decline in property values. In short, TIFA districts promote growth in a specific area within a city. As of January 1, 1987, the State legislature decreed that "a new TIF Authority or authority district shall not be created and the boundaries of an existing TIF Authority shall not be expanded to include additional land." If you your community does not currently have a TIFA district, you are not allowed to create one.

The **Technology Collaboration Tax Credit (TTC)** provides the opportunity to develop strategic partnerships between emerging technology companies and larger, established businesses by providing an incentive for the larger companies to invest in the smaller companies, while helping to diversify Michigan's economy. The investment occurs through funding, support and collaboration in the research and development and technology innovations for emerging markets. The Michigan Economic Growth Authority (MEGA) can approve a refundable tax credit against the Michigan Business Tax (MBY) for a qualified taxpayer making an eligible contribution to an eligible business.

The **Michigan Renaissance Zone Act**, PA 376 of 1996 was amended to allow Michigan Strategic Fund (MAF) Board to designate up to 35 tool and die renaissance recovery zones ("Recovery Zone"). A Recovery Zone shall have a duration of a renaissance zone status for a period of not less than five years and not more than 15 years as determined by the board of the Michigan Strategic Fund.

Through the provisions of Public Act 94 of 2008, a **Water Resource Improvement (WRIA)** TIFA may be established around an inland lake. A WRIA may use its funds, including tax increment financing, to enhance water quality, water dependant natural resources and access to an inland lake.