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Ingham County Economic Development Policy Assessment and Organization Implementation

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FINAL REPORT

**Ingham County Economic Development
Policy Assessment and Organization
Implementation**

May 22, 1998

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Ingham County Economic Development Policy Assessment and Organization Implementation

Executive Summary

Purpose

This report provides an independent assessment of Ingham County's current economic development policy and offers recommendations on how to make the county's role in economic development more effective.

Economic Analysis

Employment in the Lansing Metropolitan Statistical Area's (MSA) economy, which includes Ingham, Clinton and Eaton Counties, increased at a 1.0 percent annual rate from 1990 to 1997. However, manufacturing employment fell at a 0.6 percent annual rate during the same period. The county's manufacturing employment loss was centered in its auto industry which shed 2,600 workers during the period.

The county offers many of the key characteristics manufacturers seek in a site location including highway access and market location. Surveyed manufacturers in Ingham County expressed an appreciation of the county's good business location and excellent highway accessibility. In addition, surveyed manufacturers viewed local governmental relations as a strength. On the downside, surveyed firms (especially those located in Lansing) identified excessive taxation as a problem, while county wide manufacturers noted the quality and availability of workers as weaknesses. In general, surveyed manufacturers suggested that county economic development efforts be focused on enhancing education and training activities and lowering taxes.

The City of Lansing contains 88.6 percent of the county's total manufacturing employment and 42.4 percent of the county's population. Moreover, Lansing and East Lansing combined account for 46 percent of the county's SEV in 1997. The City of Lansing houses a major share of the county's residents who live below the poverty level. In 1980, just under 50 percent of the county residents living in poverty resided in Lansing; by 1990 this percentage increased to 54.7 percent. Current research suggests that economic development activities targeted toward an area's more vulnerable population tend to generate greater returns to both the general public, as well as the individual.

Current Economic Development Activities in the County

Ingham County is fortunate to have several economic development organizations promoting its economic well-being. The Lansing Regional Chamber of Commerce's Capital Choice program is

a regional marketing effort that spans the three counties in the Lansing MSA. The RED TEAM Inc. housed at the Tri-County Planning Commission provides economic development services to the three-county area, as well. Training and educational services are provided by both Lansing Community College and Ingham County Intermediate School District.

The County Department of Development's primary customers are businesses located in the county's more rural areas and, in particular, those located in the seven governmental units of Dansville, Leslie, Mason, Stockbridge, Williamston, Webberville, and Veway Township. Ingham County's Department of Development works in cooperation with Capital Choice and the RED TEAM in providing economic development services to the more rural areas of the county. In fact, several individuals have argued that the County serves rural areas that would be overlooked otherwise. In addition, the County provides a vital link between rural and urban economic development efforts.

Still, these communities contain only 6.9 percent of the county's total population, 8.1 percent of its manufacturing workforce, and less than 8 percent of the county's total SEV. Many of the workers living in the above seven communities commute outside their communities to work, suggesting that residents in the entire county participate in the same labor market. In short, the economic vitality of the entire county may be more important than the physical location of the new jobs.

The current system is not without its drawbacks. During our interviews of local economic development officials, several spoke about an air of mistrust existing among local units of governments, regional economic development organizations, and the City of Lansing. Moreover, evidence suggests that duplication and perceived competition between economic development organizations exist.

An Examination of Other Approaches in Similar Areas

In general, county governments tend to play a "passive" economic development role in similar counties in the state, choosing to fund but not provide economic development services. Typically, they provide funds to a private, non-profit economic development organization that services the entire county. Most counties limit their staff involvement in economic development to a planning role. Finally, all of the economic developers we interviewed in other areas and the economic development articles we reviewed stressed the importance of coordinating existing services on a regional basis.

Recommendations

Although Ingham County's economy is stable and has experienced moderate employment growth in the past seven years, it is **not** our recommendation for the County to discontinue or reduce its funding of economic development efforts. Instead, it is recommended that the County redirect

these funds to activities that do not duplicate other economic development efforts in the county and that can improve the county's economy. The County faces serious levels of out-migration in population, suggesting a lack of sufficient employment growth in the county. Moreover, its manufacturing base is highly dependent upon General Motors, making it very vulnerable to swings in the historically volatile automotive industry.

Second, the unique funding relationship between the County and the nine local economic development organizations should be maintained, if these nine organizations choose to utilize the available State School Fund monies for economic development activities in their own districts. Currently, these organizations hold management contracts with the County which allow a portion of the communities' State School Fund monies to be given to the County for economic development services. However, at the same time, it is not prudent to allocate county wide resources to meet the needs of less than 7 percent of the county's population.

It is recommended that:

1. Ingham County maintains its current level of financial commitment to economic development.
2. Ingham County contract with an established regional economic development organization for the provision of services that will promote economic expansion in the county. These funds could be used to:
 - a) conduct a comprehensive retention program serving small and medium-sized manufacturing and export-base services companies,
 - b) enhance the current marketing of Ingham County to the business community,
 - c) establish a county wide clearinghouse for business attraction and retention efforts,
 - d) link existing job training programs to businesses, and
 - e) coordinate activities with the private economic development services provider(s) for the nine participating economic development organizations.

We recommend that 75 percent of the current General Fund expenditures for economic development activities be used to contract these services with a regional economic development organization.

3. The remaining 25 percent of the current General Fund expenditures be set aside for special studies of issues of economic development significance.
4. The county's Economic Development Corporation would retain its legal authority under State enabling legislation, including the power to bond for capital improvements as

needed. However, the role of the EDC within the County structure would become more oriented toward playing an advisory role to the Board of Commissioners.

5. If it falls within the state guidelines, the portion of the locally generated State School Fund earmarked for economic development for the nine economic development organizations will be used by the County to fund Economic Development Service Provider(s) for those organizations. Each of the nine economic development organizations would select its own economic development service provider, who would best meet its unique needs, under the supervision of the County Controller's office. The Economic Development Service Provider(s), who will work under contract with the County, must submit an annual work plan with the local unit of government that is approved by the County Controller's office.

Economic Development Performance Measurement System

The success of the proposed move of the County from being a direct provider of economic development services to a contractor of privately provided services depends in large part on the establishment of an economic development performance measurement system. All economic development contracts signed by the County should be performance-based. For county wide services contract with a regional economic development provider, the following performance measures are suggested:

1. One-third of the approximate 290 manufacturing establishments in the county employing fewer than 250 workers should be visited once a year.
2. Twenty percent of the business visitations should result in follow-up meetings between the firms and specific service providers including local government.
3. The economic development organizations will create, monitor, and update an inventory of all available industrial parcels in the county which also lists the key characteristics of the properties including public infrastructure and size.
4. The economic development organization will also maintain a complete and up-to-date directory of available business services in the county including training/business education classes and small business assistance activities.

While it is tempting to include an employment-based or SEV-based performance measure, we strongly believe it is not appropriate because a large percentage of job creation and destruction is due to reasons that are fully outside the control of any local economic development effort.

Introduction

The purpose of this report is to provide an independent assessment of Ingham County's current economic development policy and offer recommendations on how to make the County's role in economic development more effective. The goal of the Ingham County Department of Development, as approved by the Board of Commissioners on December 17, 1991,

is not only the creation of jobs and expansion of tax base and generation of profit for business and industry, but the elimination of poverty, encouragement of locally-owned business and reinvestment within the community and the development of a good quality of life. (Resolution 91-310)

The Ingham County Department of Development has promoted and encouraged job development through

- public financing of industrial parks and land improvements,
- making business visitation calls,
- providing business technical assistance,
- providing marketing information,
- working in cooperation with other county wide and regional organizations in attracting new firms into the county.

The County's Department of Development completed its highly successful infrastructural development efforts and has turned its energies toward marketing and providing technical assistance to the local economic development authorities. In fact, the 1998 Work Plan for the Department included:

1. **Industrial Attraction** - the Department will work to identify industrial prospects to locate in the community.
2. **Tax Increment Financing Reports** - the Department will work with the local treasurer, the development authority, and local officials to respond to the State with any TIFA reports and information requested.
3. **Business Development** - the Department will work to help existing businesses in the community and to attract new business development.
4. **Information** - the Department will try to keep the community knowledgeable about various economic development activities, laws and policy changes, and new trends.
5. **Monthly Activity Report** - the Department will present a written report to each community each month indicating the activity taken on the community's behalf during the previous month.

It is important to note that the Department's 1998 work program is limited due to the retirement of its director at the first of the year. Still, at least two of the work program's activities (Items 2 and 5) if not three (Item 3) are focused on meeting the needs of not the entire county, but of specific, small communities which make up a small portion of the county's economic and population base. Indeed, the County's Department of Development has focused most of its activities toward the more rural areas of the county and has successfully established nine local development authorities in seven communities. As a result, successful company retention and infrastructure development efforts have been achieved in Dansville, Leslie, Mason, Stockbridge, Webberville, Williamston, and Vevay Township.

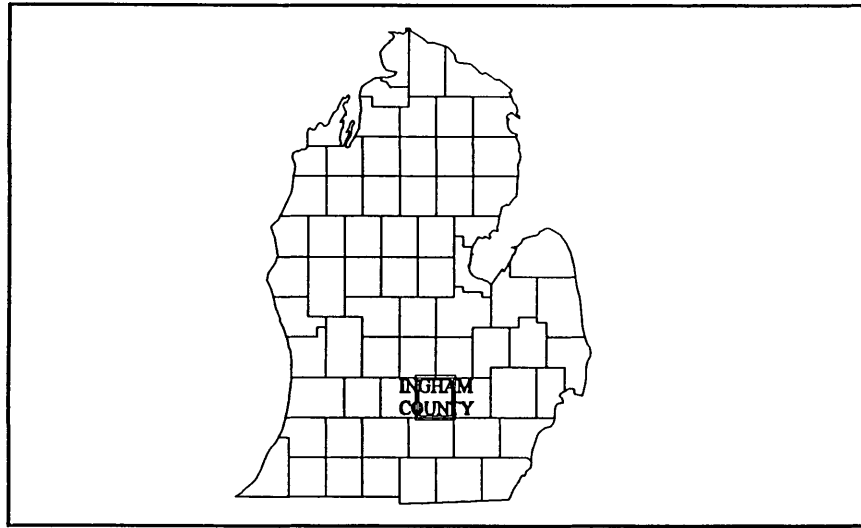
In addition to being focused on a small segment of the county's economic base, the County's industrial attraction efforts may duplicate ongoing efforts by other areawide agencies. Second, since a large share of the County's residents who live in poverty reside in the City of Lansing, which receives little assistance from the County's economic development efforts, it is unclear if the current program is properly designed to meet its economic development goals. Due to these factors, Ingham County Board of Commissioners and the County administration commissioned this report to evaluate its role in economic development.

The first section of this report provides an economic analysis of Ingham County. This is followed by an overview of the current economic development efforts in the County. The third part of the study provides information on the role of county government in economic development in other metropolitan areas in the state and nation. A Strength and Weakness Analysis follows and the report concludes with policy recommendations and a description of the proposed Economic Development Performance Measurement System.

Economic Analysis

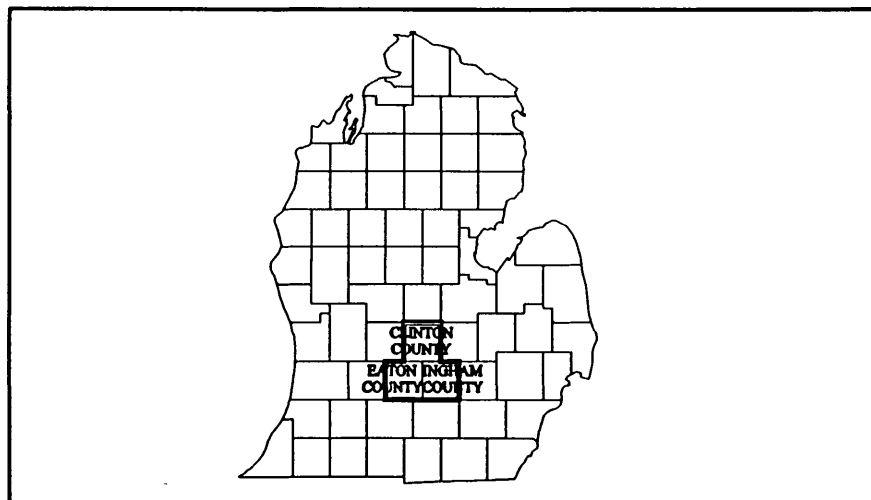
The Ingham County economy rests on three major employers: the State of Michigan, Michigan State University, and General Motors. The first two employers provide stability but little growth to the county's economy, while the third offers good-paying jobs that are vulnerable to swings in the business cycle. Currently, the county's unemployment rate stands at 3.8 percent as of March 1998; however, its employment performance has been below that of the state.

Map 1 - Ingham County



Total employment in the Lansing MSA (Clinton, Eaton and Ingham Counties) reached 232,300 in 1997 (Table 1). During the seven year period from 1990 to 1997, employment in the three-county area grew at a 1.0 percent annual rate or by 7.3 percent. However, manufacturing employment fell at a 0.6 percent annual rate due primarily to a loss of 2,600 workers in its auto industry. Employment in the area's other manufacturing sectors increase by 11.6 percent or 1,400 workers.

Map 2 - Lansing MSA



Employment in the MSA's service-producing industries increased from 1990 to 1997, except in transportation and public utilities; however government employment slipped by 4.5 percent. As in manufacturing, the area's employment performance in these two sectors was below that of the state.

Table 1
Employment Growth: Lansing MSA

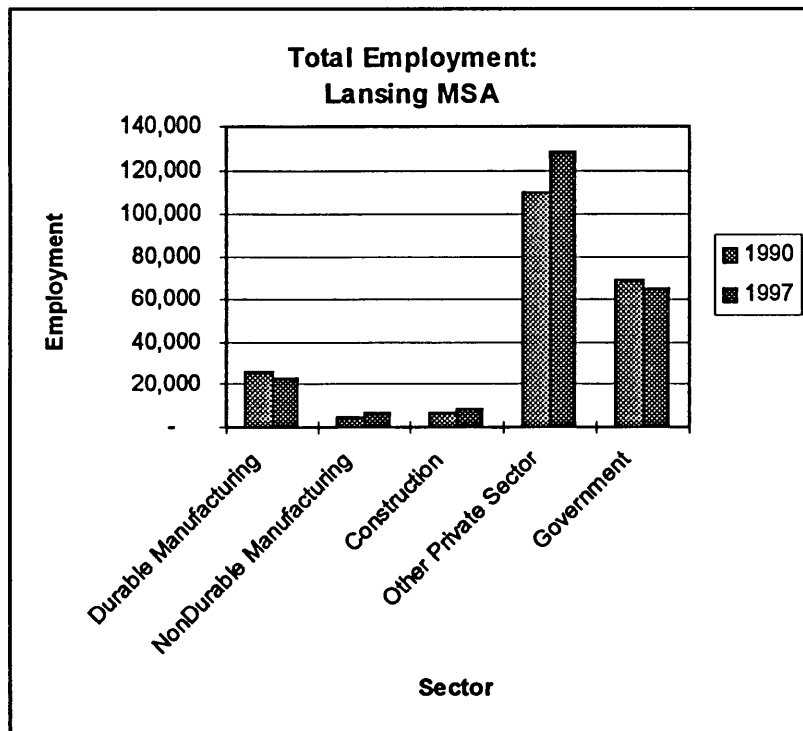
	1990	1997	Percent Change	
			Lansing MSA	Michigan
Total Employment:	216,500	232,300	7.3%	12.0%
Goods-Producing	38,000	38,700	1.8%	5.5%
Construction	7,100	8,600	21.1%	23.6%
Manufacturing	31,300	30,100	-3.8%	2.5%
Fabricated Metals	2,100	2,300	9.5%	5.3%
Industrial Machinery	2,600	2,600	0.0%	6.6%
Transportation Equipment	19,200	16,600	-13.5%	-1.9%
All Other Durables	2,200	2,700	22.7%	3.2%
Printing	2,000	2,200	10.0%	-2.9%
Plastics	1,000	1,900	90.0%	29.4%
All Other Nondurables	2,200	1,900	-13.6%	-4.0%
Private Service-Producing Industries	109,800	127,900	16.5%	17.9%
Transportation and Utilities	6,200	6,100	-1.6%	9.6%
Retail Trade	40,100	43,000	7.2%	9.2%
Wholesale Trade	8,400	8,400	0.0%	12.3%
Finance, Insurance, & Real Estate	12,100	13,700	13.2%	8.0%
Services	43,100	56,700	31.6%	29.4%
Government	68,700	65,600	-4.5%	2.4%

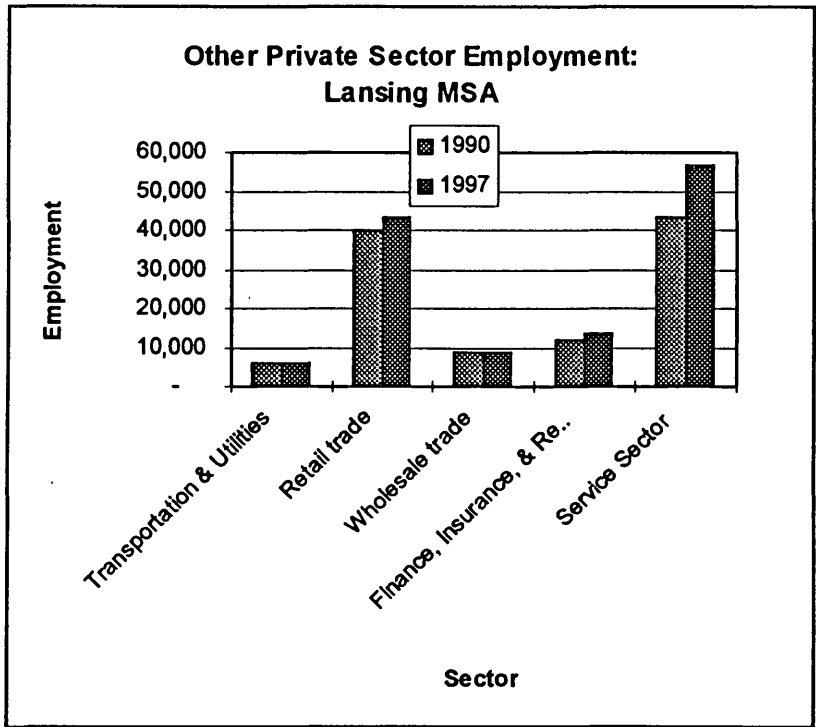
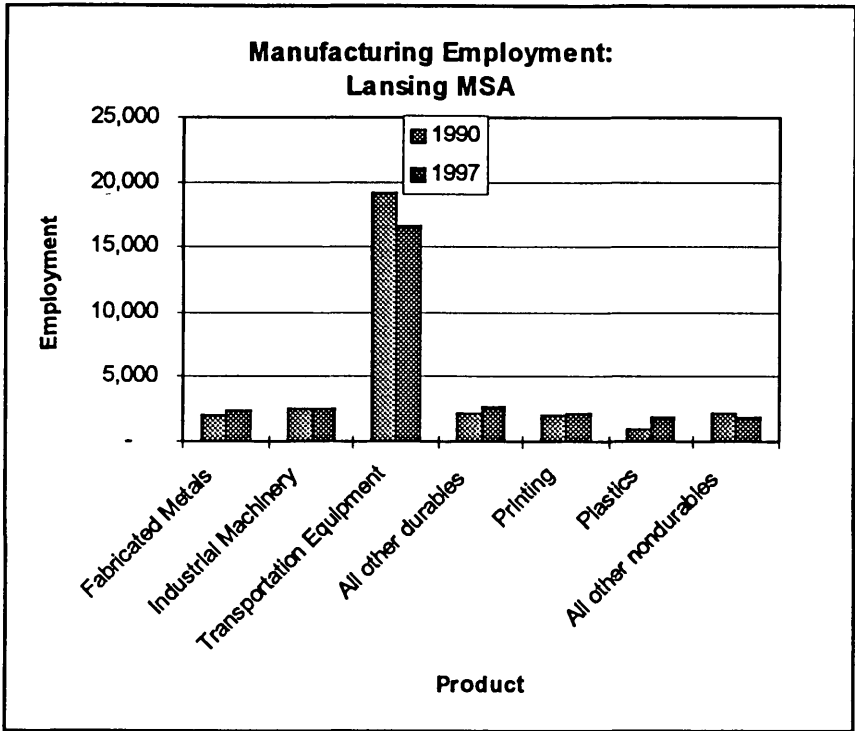
Source: MESA

According to the *1998 Harris Industrial Directory*, Ingham County manufacturers employed 25,633 workers in 1997 (Table 2). While inclusion in the annual directory is strictly voluntary, the employment figures shown in Table 2 are very close to statistics published by the Bureau of Economic Analysis. In 1995, manufacturers in Ingham County employed 25,291 workers. Lansing housed nearly 90 percent of all manufacturing employment in the county in 1997.. General Motors employed 16,000 workers in 1997 according to the *Harris Industrial Directory* or 62.4 percent of the county's total manufacturing workforce. Even if General Motors is taken out of the statistics, Lansing still contained nearly 70 percent of the county's manufacturing employment base.

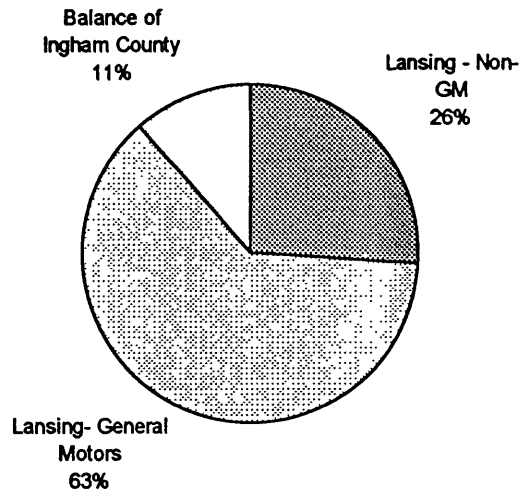
Table 2
Net Migration Estimates
1990-1997

	1998 Manufacturing Employment	Percent of Total in 1998	Non-GM 1998 Manufacturing Employment	Non-GM Percent of Total in 1998
Lansing	22,703	88.6	6,703	69.6
East Lansing	557	2.2	557	5.8
Haslett	98	0.4	98	1.0
Dansville	1	0.0	1	0.0
Leslie	330	1.3	330	3.4
Mason	1,042	4.1	1,042	10.8
Okemos	218	0.9	218	2.3
Stockbridge	70	0.3	70	0.7
Webberville	86	0.3	86	0.9
Williamston	528	2.1	528	5.5
Total	25,633	100.0	9,633	100.0

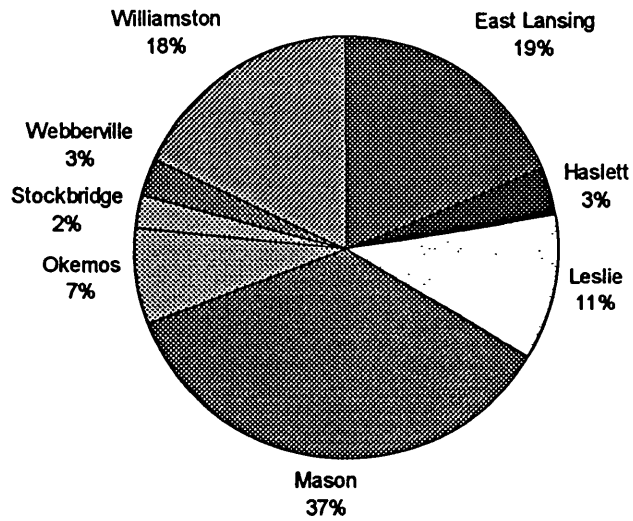




Manufacturing Employment in Ingham County



Manufacturing Employment in Ingham County outside of City of Lansing



The MSA's subpar employment growth contributed to Ingham County's sluggish population growth witnessed during the same period and vice versa. The lack of employment growth forced some residents to leave the county in search for employment, while at the same time, the lack of population growth limited employment gains due to business formations. From 1990 to 1997, Ingham County's population increased by just 0.8 percent or 2,200 individuals due to a substantial net out-migration of 22,300 individuals. The county lost nearly 8 percent of its 1990 population due to net out-migration. (Table 3). As shown in Table 3, while the state's

Table 3
Net Migration Estimates
1990-1997

	Net Migration	% of 1990 Population
Berrien County	-5,550	-3.4
Calhoun County	1,350	1.0
Genesee County	-17,600	-4.1
INGHAM COUNTY	-22,300	-7.9
Jackson County	250	0.2
Kalamazoo County	-4,900	-2.2
Kent County	-3,900	-0.8
Muskegon County	500	-0.3
Saginaw County	-10,100	-4.8
Washtenaw County	-650	-0.2

Source: U.S. Census Bureau

other urbanized counties outside of Detroit also suffered net out-migration, none match the magnitude of the population drain experienced by Ingham County. It is important to note, that the loss of population in Ingham County was not matched by gains in Clinton and Eaton Counties. Clinton County picked up only 2,113 additional residents due to net in-migration, while Eaton County population increased by 3,240 additional individuals due to in-migration.

Population in Lansing, the County's largest city, declined 1.3 percent from 1990 to 1996 while population in the suburban townships of Meridian and Delhi increased by 9.0 percent or more (Table 4). Not only has the City of Lansing witnessed a decline in population, it also houses an increasing percentage of the county's low-income population. In 1980, just under 50 percent of all county residents living in poverty resided in Lansing; by 1990, this percentage increased to 54.7 percent. Current research indicates that economic development activities targeted toward an area's more vulnerable population tend to generate greater returns to both the general public, as well as the individual.

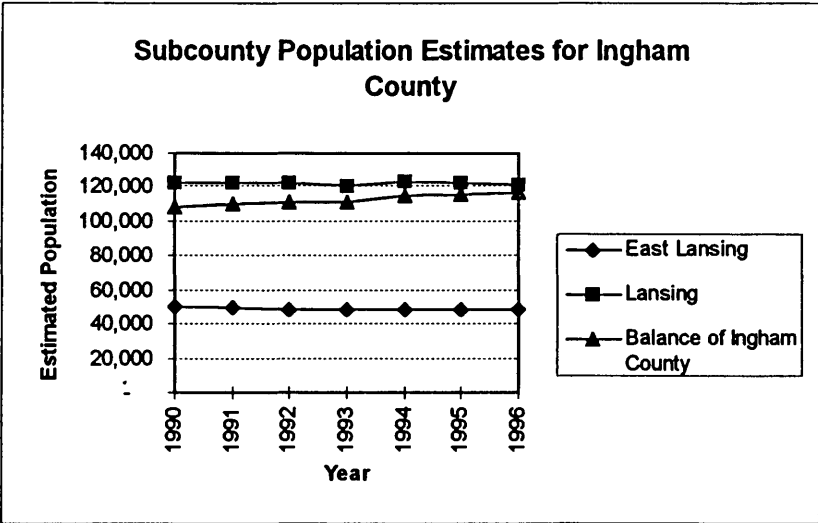
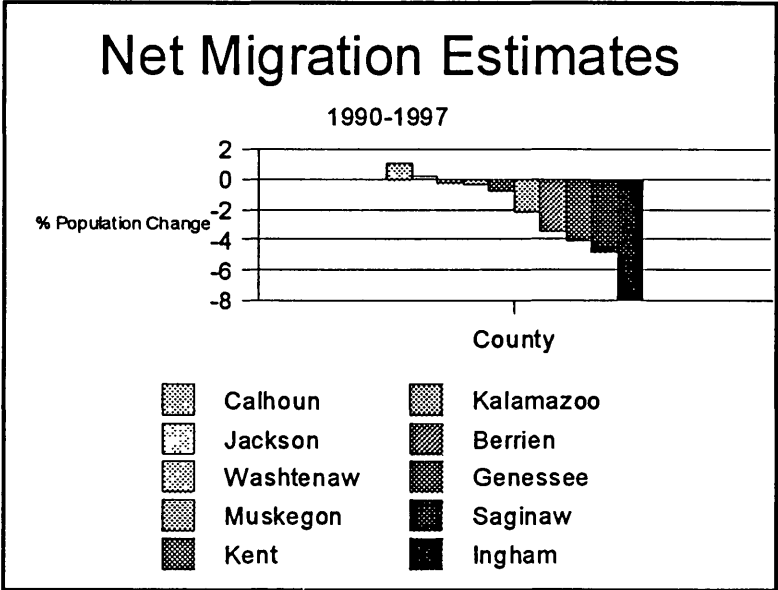


Table 4

Subcounty Population Estimates for Ingham County 1990-1996

Area Name	Census	Estimated Population						Change 4/90 to 7/96	
	April 1990	July 1991	July 1992	July 1993	July 1994	July 1995	July 1996	Number	Percent
Ingham County	281,912	281,876	281,252	280,297	286,577	285,827	285,737	3,825	1.4%
Major Cities									
East Lansing city	50,677	49,831	48,490	48,423	48,828	48,541	48,192	-2,485	-4.9%
Lansing city (pt.)	122,700	122,349	121,935	120,797	123,173	121,963	121,051	-1,649	-1.3%
Townships and Cities									
Alaiedon township	3,173	3,195	3,207	3,199	3,269	3,252	3,268	95	3.0%
Aurelius township	2,686	2,727	2,781	2,814	2,938	3,001	3,058	372	13.8%
Bunker Hill township	1,888	1,898	1,902	1,893	1,940	1,932	1,929	41	2.2%
Delhi charter township	19,190	19,446	19,823	19,894	20,628	20,775	21,066	1,876	9.8%
Balance of Ingham township	1,505	1,547	1,573	1,586	1,643	1,665	1,692	187	12.4%
Lansing township	8,919	8,891	8,826	8,717	8,846	8,739	8,657	-262	-2.9%
Balance of Leroy township	1,863	1,916	1,948	1,964	2,036	2,062	2,095	232	12.5%
Leslie township	2,128	2,162	2,210	2,214	2,271	2,292	2,319	191	9.0%
Locke township	1,521	1,519	1,527	1,528	1,593	1,608	1,635	114	7.5%
Meridian township	35,644	36,188	36,712	36,913	37,978	38,187	38,864	3,220	9.0%
Onondaga township	2,444	2,464	2,515	2,549	2,628	2,669	2,706	262	10.7%
Balance of Stockbridge township	1,769	1,817	1,847	1,862	1,928	1,952	1,983	214	12.1%
Wheatfield township	1,571	1,594	1,602	1,610	1,664	1,664	1,670	99	6.3%
White Oak township	1,074	1,094	1,112	1,120	1,149	1,153	1,158	84	7.8%
Williamstown township	4,285	4,313	4,346	4,407	4,567	4,622	4,651	366	8.5%
Ingham County Department of Development Service Communities									
Dansville village	437	437	433	431	446	444	439	2	0.5%
Leslie city	2,180	2,164	2,150	2,125	2,159	2,132	2,116	-64	-2.9%
Mason city	6,768	6,779	6,753	6,709	7,105	7,400	7,374	606	9.0%
Stockbridge village	1,202	1,206	1,192	1,177	1,191	1,180	1,172	-30	-2.5%
Vevay township	3,668	3,720	3,753	3,781	3,888	3,875	3,898	230	6.3%
Williamston city	2,922	2,914	2,900	2,872	2,947	2,948	2,960	38	1.3%
Webberville village	1,698	1,705	1,715	1,712	1,762	1,771	1,784	86	5.1%
Total Primary Service Area	18,875	18,925	18,896	18,807	19,498	19,750	19,743		
Percent of County	6.7%	6.7%	6.7%	6.7%	6.8%	6.9%	6.9%		

Not surprisingly, given the fact the Lansing still remains the employment hub of the County, despite its population decline, many of the county's rural or suburban residents commute to Lansing to work. Of the 15,047 workers who reside in the rural areas surrounding and including the seven communities holding management contracts with the Department of Development, 55.6 percent either work in Lansing, East Lansing or out of the county (Table 5). These statistics support the belief that many of these rural communities are growing as bedroom communities. In so far as the communities' residents are earning their livelihood from outside the local area, the capture of retail expenditures becomes more important in the local area's economic development efforts. In addition, if the growth of these communities depends on the quality of life that they provide and not the employment opportunities they offer, then an effective county wide economic development effort would be advantageous. In other words, the commuting patterns identified in Table 5 suggest that the County can be considered as one labor market which means that the physical location of business growth is of secondary importance to the county's workers.

To identify the economic perception of the county's current manufacturing employers, we mailed surveys to 100 manufacturers in the county (see Appendix D for a copy of the mailed survey used). We received 34 surveys back for a respectable 34 percent response rate. As shown in Table 6, the county's manufacturers felt strongly that highway access, quality of life, availability of housing and Lansing Community College are strengths to the county. Wage rates, labor relations, K-12 schools, utilities and crime also received passing grades. The only characteristics that were identified as weaknesses were indirect labor costs (worker's compensation, unemployment insurance, and health care costs), local streets and roads, property taxes, and K-12 tech programs.

In Appendix E we present the comments that were made on the surveys regarding the positive characteristics of the county. Although the comments are diverse, local government and the county's location to suppliers and customers received the greater number of votes. The downside is shown in Appendix F, where the negative responses are listed. Excessive tax burden was a common complaint (especially among firms located in Lansing) as well as the lack of available, qualified workers. Finally Appendix G presents the suggestions made by the survey manufacturers as to what the county can do to promote economic development. Not surprisingly, many pressed for lower taxes. Others stated that education and training issues should be addressed in order to promote economic development.

Despite the County's sluggish economy, it offers many of the business characteristics firms look for when selecting a site according to the polling of plant site consultants reported in *Area Development Magazine*, December, 1997 (Table 7). The modestly favorable response to the area's wage rates for unskilled and skilled workers and the strong response to highway access, utilities, and market location in the county's survey clearly suggest that the County offers an attractive location for development.

Table 5
Commuting Patterns

Place of Residence	East					Williamston area ¹	Webberville area ²	Mason area ³	Leslie Twp.	Dansville Ingham Twp	Stockbridge Area ⁴	Rural Communities
	Lansing	Lansing	Haslett	Holt	Okemos							
Total workers	56,345	25,119	5,838	6,126	10,517	2,074	2,373	3,422	1,964	2,530	2,684	15,047
Place of Work												
Lansing	35,978	5,181	2,134	2,931	3,519	498	400	1,028	366	713	302	3,307
East Lansing	5,305	14,841	1,174	469	2,448	302	163	263	39	191	37	995
Rest of Ingham Cnty	6,863	2,655	1,766	2,062	3,463	864	922	1,668	955	1,272	1,000	6,681
	8,199	2,442	764	664	1,087	410	888	463	604	354	1,345	4,064
Lansing	63.9%	20.6%	36.6%	47.8%	33.5%	24.0%	16.9%	30.0%	18.6%	28.2%	11.3%	22.0%
East Lansing	9.4%	59.1%	20.1%	7.7%	23.3%	14.6%	6.9%	7.7%	2.0%	7.5%	1.4%	6.6%
Rest of Ingham Cnty	12.2%	10.6%	30.3%	33.7%	32.9%	41.7%	38.9%	48.7%	48.6%	50.3%	37.3%	44.4%
Outside of County	14.6%	9.7%	13.1%	10.8%	10.3%	19.8%	37.4%	13.5%	30.8%	14.0%	50.1%	27.0%

1 Includes the area bounded by Linn Rd., Zimmer Rd., Sherwood RD and N. Meech.

2 Includes Leroy and Locke Twps.

3 Includes the area bounded by College Rd., Tomlinson RD, W Howell Rd., Mud Creek and Ives Rd.

4 Includes Bunker Hill, Stockbridge and White Oak Twps.

Source: 1990 Census

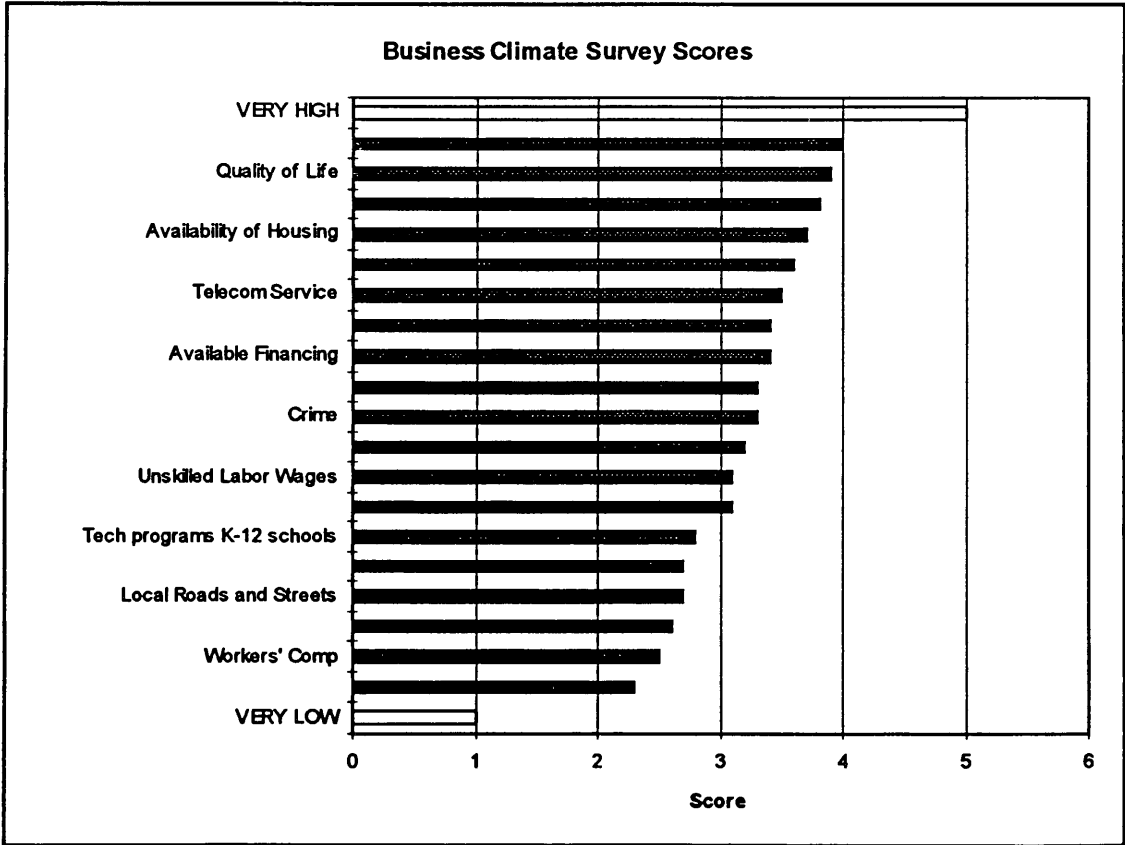
**Table 6
Business Climate Survey**

**Survey Responses: 34
Characteristics:**

	5: Very High, 1: Very Low			Percentage		
	Average Score	Very High	High	Neutral	Low	Very Low
Wage rates						
Unskilled	3.1	0.0%	30.3%	51.5%	18.2%	0.0%
Skilled	3.1	3.1%	28.1%	43.8%	25.0%	0.0%
Labor relations	3.4	3.0%	42.4%	45.5%	9.1%	0.0%
Workers' Compensation	2.5	0.0%	18.8%	28.1%	37.5%	15.6%
Unemployment insurance	2.7	0.0%	12.9%	45.2%	35.5%	6.5%
Health Care Costs	2.6	0.0%	12.5%	37.5%	46.9%	3.1%
Overall K-12 schools	3.3	6.5%	38.7%	35.5%	16.1%	3.2%
Tech programs K-12 schools	2.8	0.0%	25.8%	38.7%	25.8%	9.7%
Overall Community college	3.8	18.2%	57.6%	18.2%	3.0%	3.0%
Tech programs at Com. College	3.6	12.9%	54.8%	19.4%	9.7%	3.2%
Local roads and streets	2.7	2.9%	29.4%	17.6%	29.4%	20.6%
Interstate highway	4.0	17.6%	70.6%	8.8%	2.9%	0.0%
Available financing	3.4	6.7%	40.0%	46.7%	3.3%	3.3%
Energy utilities	3.2	5.9%	38.2%	32.4%	20.6%	2.9%
Telecom service	3.5	9.1%	45.5%	33.3%	9.1%	3.0%
Property taxes	2.3	0.0%	9.4%	34.4%	37.5%	18.8%
Quality of life	3.9	20.6%	55.9%	17.6%	5.9%	0.0%
Crime	3.3	5.9%	44.1%	29.4%	20.6%	0.0%
Avallibility of housing	3.7	11.8%	55.9%	17.6%	11.8%	2.9%

Table 7	
Top Ten Business Site Characteristics	
1	Labor costs
2	Highway accessibility
3	Occupancy or construction costs
4	Availability of skilled workers
5	Availability of telecommunication services
6	Availability of land
7	Cost of land
8	Energy availability
9	Nearness to markets
10	State and local incentives

Source: *Area Development Magazine*, December, 1997



Current Economic Development Efforts in the County

Ingham County Department of Development

To obtain a firm understanding of the current delivery of economic development services in the county, we interviewed 30 individuals who are knowledgeable about the economic development programs available in the county. Appendix A includes the one-on-one survey instrument used while Appendix B lists the individuals surveyed.

The county's rural communities depend on the County's Department of Development for technical assistance, information and data, leadership, visioning, as well as making contacts with larger Lansing-based organizations. Most of the rural communities are pleased with the County Department of Development and how its current staff has been attentive to their needs. The organizations especially appreciate the technical support in preparing required documents associated with the tax increment financing that they receive from the County.

The economic development focus of the rural communities is diverse but is primarily targeted on local issues, such as industrial parks (attraction and marketing), downtown beautification projects, housing development, public structures (libraries, etc.) and environmental clean-up. The county's rural communities have a general mistrust of Lansing as well as the more regional economic development efforts such as the RED TEAM and the Lansing Regional Chamber of Commerce.

Lansing-Based Regional Economic Development Organizations

The Lansing Regional Chamber of Commerce's Capital Choice program and the RED TEAM housed at the Tri-County Regional Planning Commission provide economic development services to the three-county area of Clinton, Eaton, and Ingham. Capital Choice is a privately-funded marketing program which thus spends much of its resources on attracting new firms into the Lansing MSA. The RED TEAM's focus is on retention and expansion efforts with a strong emphasis on workforce development issues. Finally, Lansing Community College provides customized business training services to businesses in the three-county area.

Summary

In general, these regional economic development organizations view the County's Department of Development as servicing the economic development needs of Ingham County's rural population and not as serving the entire county. A cooperative partnership exists between the County's efforts and the above regional organizations. The County's Department of Development has and stands ready to provide information, organize meetings and assist in any way that is needed when called to help attract or retain businesses in the County. However, it mentioned more than once that the County's economic development efforts may duplicate the marketing efforts of these regional development organizations. County communities, which have their own staffed economic development efforts, sometimes view the County's Department of Development as

competing for their businesses, despite the fact that these communities and the County Development staff have established an agreed-upon procedure that is followed when a business approaches the County for relocation assistance.

Due in part to the efforts of the Ingham County Department of Development, the rural areas in Ingham County have been the beneficiaries of the larger regional economic development efforts. Of the sixteen firms attracted into the three-county area of Ingham, Clinton and Eaton, that are listed in Capital Choice's *1996 Report to Investors*, the rural communities of Mason, Dansville, and Webberville captured four; Clinton County did not receive any, and only three were located in Eaton County.

An Examination of Other Approaches in Similar Areas

We interviewed nine economic development specialists in Michigan and conducted a nationwide literature search on successful county or regional economic development areas. Appendix C lists the economic developers interviewed, and Appendix H lists the articles reviewed. All endorse a regional approach. One interviewed economic development director stressed the importance of having a regional environment “where we can meet the needs of the customer and not the concerns of governments.” Most of the economic developers strongly endorsed a single economic development organization approach. Many pointed out that a county wide approach avoids unnecessary competition between political units and eliminates confusion among businesses as to where to seek assistance. County wide programs supported by the county government are not as vulnerable to funding problems as those that depend on support from local governmental units. Too often, local governments threaten to pull out of a county wide economic development organization if they feel that they are not getting their fair share of the organization’s activities. Several economic development directors also stressed the importance of understanding commuting patterns, observing that residential decisions are different from business decisions (“not all communities need an industrial park”). Others noted that many resources are only available on the regional level.

At the same time, economic developers want to maintain the involvement of local governments because they are key business service providers. It is very important, for example, for the economic development organization to maintain links to the regulatory and planning functions of local government.

Table 8 County Government Funding of Economic Development Program	
	Annual Funding Levels
Genesee County	\$150,000
Jackson County and City	\$120,000
Kalamazoo County	\$ 60,000
Kent County	\$ 25,000
Muskegon County	\$110,000
Ottawa County	\$ 0 (in-kind only)
Washtenaw County	\$ 60,000

Most counties in the state play a “passive” role in economic development providing, at most, financial support. County annual funding levels for county wide economic development efforts in the state vary (Table 8). In these counties, the county's economic development staff is limited to a planning role. Several interviewed economic development directors argued that economic development activities demand confidentiality and quick responses that are often not available by a county staff. Among the state’s metropolitan areas, outside of Detroit, only Berrien and Ottawa Counties have their own economic development organizations.

Strengths and Weaknesses Analysis

Our assessment of the strengths and weaknesses of Ingham County's economy and current delivery system of economic development services are summarized below.

Strengths

Ingham County offers an attractive business location due to its highway access, educational institutions, industrial sites, and quality of life. Surveyed manufacturers were consistent in their praise of the county's educational institutions and highway access. Moreover, the county's economy is stabilized by the large presence of state government and Michigan State University. Although government employment in the three-county Lansing MSA fell 4.5 percent from 1990 to 1997, these two major employers continue to provide an employment base that supports a high level of business and consumer services.

The County's Department of Development has provided excellent services to the county's rural areas. The County's staff has facilitated infrastructural improvements in the rural areas that have, in several instances, staged the area for growth. Examples include Len Industries in the Leslie Industrial Park, and Applegate in the Webberville Business Park. The staff also engineered the unique use of revenues from the State School Fund to support local economic development efforts through the establishment of management contracts. Moreover, the staff provides technical assistance to rural businesses and has played a leadership and visioning role to local economic development organizations. In addition, the staff gives small business assistance. Finally, the County's Department of Development provides a needed link between rural and urban economic development efforts.

The existing funding partnership between the County and the nine local economic development organizations provides an adequate funding mechanism to support the County's technical assistance to the communities. In 1998, the nine community economic development organizations will contribute \$103,561 to the Department's budget, a 14.5 percent increase from last year, *at no "out-of-pocket" expense* to the communities. Each dollar that the County allocates to the department receives a \$0.43 match from the State's School Fund. As shown in Table 9, each of the nine participating local economic development organizations contributed between \$7,469 to \$19,864 in support to the County's Department of Development. The contribution is based on an agreed to base rate contribution which ranges from a low of \$1,714 for the Leslie LDFA to a high of \$8,570 for the Dansville DDA, Mason LDFA, Stockbridge DDA, Veway DDA, and the Webberville DDA. The remaining portion of the local economic development organizations' financial support is determined by using the relative share of total captured SEV for each of the local economic development organizations.

Finally, Ingham County houses several active economic development organizations. The Lansing Regional Chamber of Commerce's Capital Choice program markets the tri-county area to national and international firms. In addition, Capital Choice provides information and conducts research

<p style="text-align: center;">Table 9 1998 Contribution to the Ingham County Department of Development Made by the Nine Local Economic Development Organizations with Management Agreements with the County (All funds come from the State School Fund)</p>		
Communities	Contribution	Contribution/Per Capita 1996 Population
Dansville DDA	\$11,222	\$25.56
Leslie DDA	\$ 7,469	\$ 3.53
Leslie LDFA	\$ 5,340	\$ 2.52
Mason LDFA	\$ 19,864	\$ 2.69
Stockbridge DDA	\$ 11,583	\$ 9.88
Vevay DDA	\$ 9,832	\$ 2.52
Webberville DDA	\$ 13,775	\$ 7.72
Williamston DDA	\$ 8,016	\$ 2.71
Williamston EDC	\$ 16,461	\$ 5.56
Total	\$103,561	\$ 5.25

Source: Ingham County Department of Development

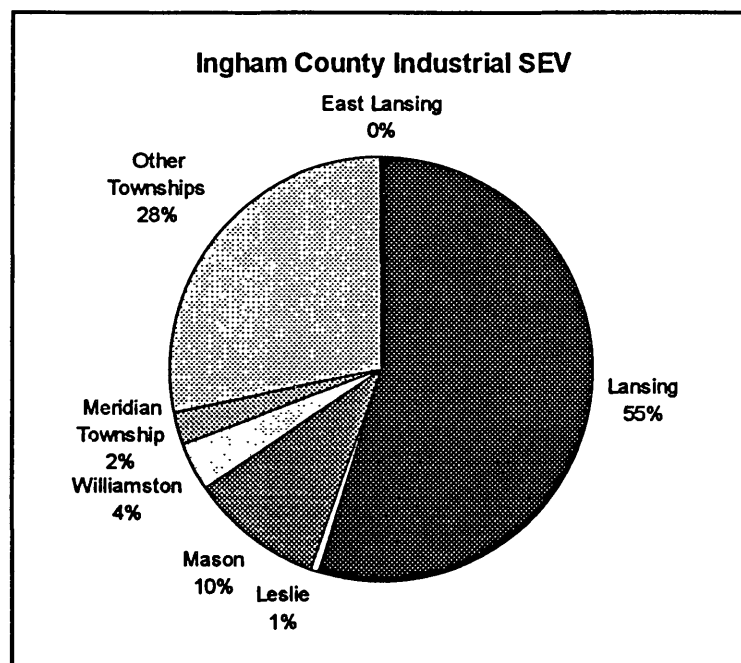
for area businesses. The RED TEAM housed at the Tri-County Planning Commission focuses its efforts on addressing areawide labor force issues and education, in addition to working with other economic development organizations in retaining and assisting businesses in expanding. Finally, both the Lansing Community College and the Ingham County Intermediate School District provides customized training and education programs for the county's business community.

Weaknesses

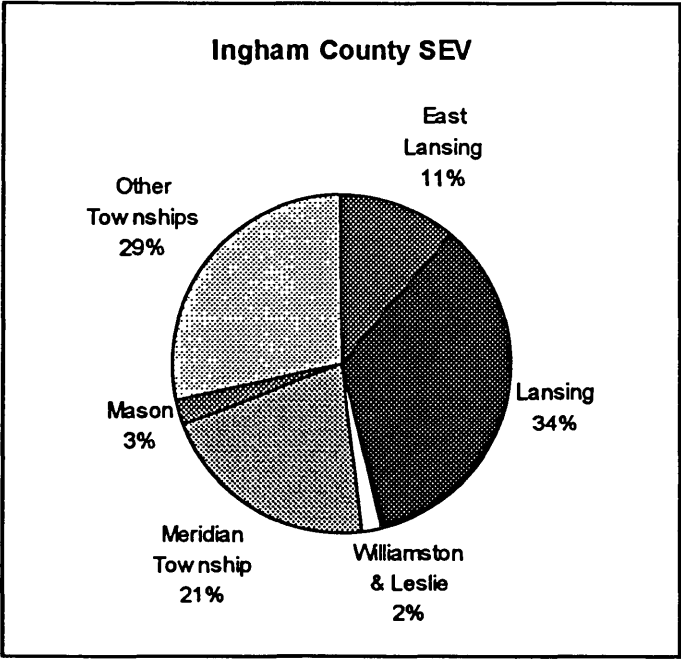
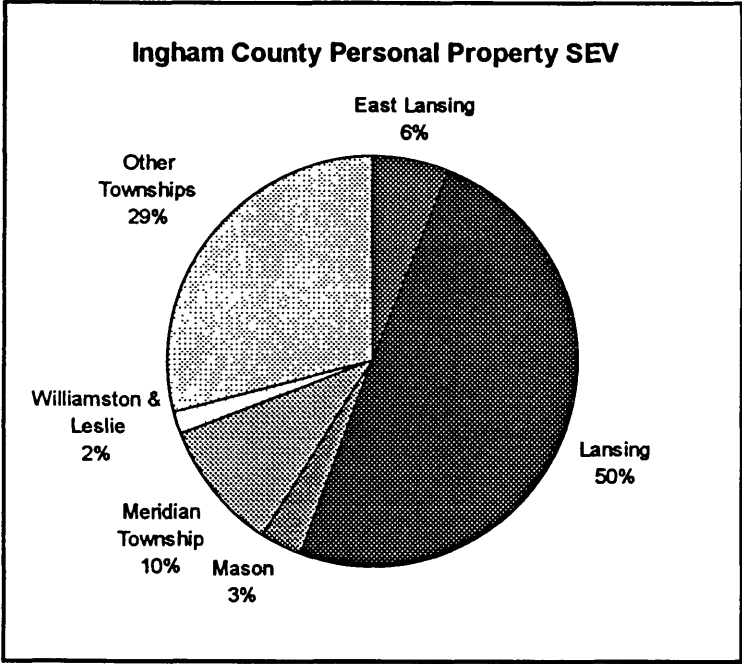
The County's manufacturing base is highly dependent on General Motors, which accounts for approximately 62.4 percent of Ingham County's entire manufacturing workforce. Moreover, employment and population growth in the County has been sluggish and below the state's average. From 1990 to 1997, total employment increased only 7.3 percent in the three-county area compared to 12.0 percent statewide. Moreover, manufacturing employment dropped 3.8 percent in the three-county area in contrast to a 2.5 percent gain statewide during this period.

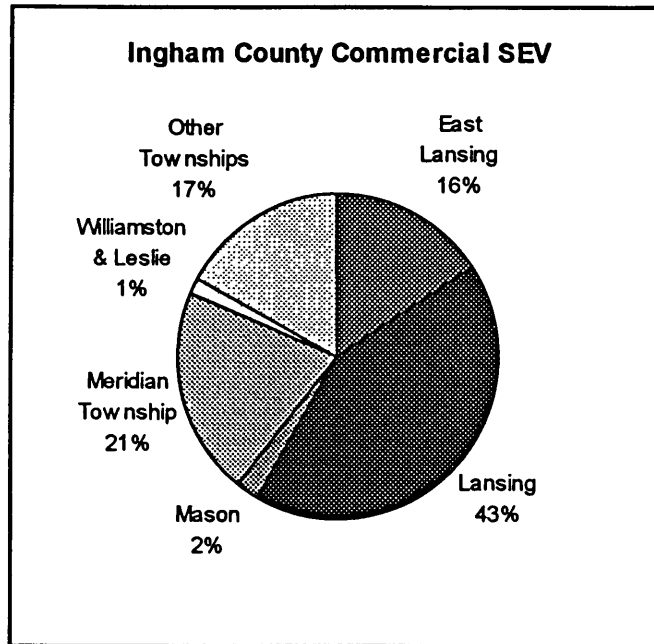
The County's Department of Development is pressured by its current funding arrangement to work on local issues at the expense of county wide concerns. A large part of the Department's

activities are related to staffing functions of the rural communities DDAs and LDFAs. For example, of the five major work items listed on the Department's 1998 work program, three focused on meeting the needs of these small communities. The primary service area of the Ingham County's Department of Development (the seven communities with economic development organizations that have management agreements with the county) represents just under 7 percent of the county's total population. As shown in Table 1, the seven communities that house the nine economic development organizations having management contracts with the County mustered a total population of 19,743 in 1996. The communities of Dansville, Leslie, Mason, Stockbridge, Webberville, and Williamston accounted for 8 percent of the county's 25,633 workers employed by the county's manufacturing sector in 1997. Finally, as shown on Table 10, these communities represent only 8.3 percent of the county's SEV.



Since the County's economic development efforts are focused on the rural communities in the county, it is not addressing the needs of a major portion of the county's low-income residents living in Lansing. Without providing assistance to these individuals, it will be very difficult for the County to reach its economic development goal of eliminating poverty.





There is no central clearinghouse to organize and coordinate attraction and retention efforts in the county. While Capital Choice, the RED TEAM, and the Ingham County Department of Development work in cooperation with each other, it is typical on an ad hoc basis. Businesses do not know whom to call for assistance, and when a business does call, a clear line of action is not present.

Ingham County's economic development effort is splintered compared to other metropolitan economic development efforts in the state outside of Detroit. This is due in part to a level of mistrust that exists between the rural Ingham County communities and the Lansing-based Tri-county economic development organizations.

Table 10
 1997 SEV (in thousands) for Industrial, Commercial, Personal, and Total
 for Ingham County

Cities	Industrial Property Value	Percent Share of County	Personal Property Value	Percent Share of County	Commercial Property Value	Percent Share of County	Total Property Value	Percent Share of County
East Lansing	63	0.05	32,844	6.13	173,045	15.82	565,663	11.37
Lansing	76,191	54.54	264,266	49.30	465,107	42.53	1,724,009	34.66
Leslie	1,047	0.75	2,213	0.41	3,092	0.28	22,285	0.45
Mason	14,217	10.18	18,356	3.42	23,783	2.17	126,225	2.54
Williamston	5,233	3.75	5,839	1.09	12,163	1.11	61,640	1.24
Townships								
Alaiedon	6,570	4.70	15,092	2.82	34,625	3.17	131,111	2.64
Aurelius	181	0.13	2,640	0.49	642	0.06	61,477	1.24
Bunker Hill	4	0.00	1,485	0.28	435	0.04	29,624	0.60
Delhi	4,808	3.44	27,347	5.10	52,837	4.83	388,197	7.80
Ingham	-	0.00	1,580	0.29	606	0.06	36,804	0.74
Lansing	20,292	14.53	71,006	13.25	79,250	7.25	259,869	5.22
Leroy	3,893	2.79	4,593	0.86	3,040	0.28	64,174	1.29
Leslie	40	0.03	1,771	0.33	417	0.04	38,488	0.77
Locke	3	0.00	857	0.16	78	0.01	35,346	0.71
Meridian	3,345	2.39	55,689	10.39	228,637	20.91	1,047,015	21.05
Onondaga	348	0.25	10,581	1.97	326	0.03	48,463	0.97
Stockbridge	475	0.34	3,928	0.73	4,888	0.45	65,509	1.32
Vevay	1,838	1.32	8,008	1.49	5,585	0.51	72,885	1.47
Wheatfield	307	0.22	1,180	0.22	713	0.07	39,691	0.80
White Oak	35	0.03	1,866	0.35	16	0.00	26,053	0.52
Williamstown	798	0.57	4,911	0.92	4,323	0.40	130,099	2.62
Ingham Total	139,688	100.00	536,052	100.00	1,093,606	100.00	4,974,625	100.00

Conclusions and Policy Recommendations

This report provides an independent assessment of Ingham County's current economic development policy and offers recommendations that will optimize Ingham County's expenditures on economic development activities that will enhance the economic well-being of Ingham County's residents. Again, it is important to revisit the mission statement of the County's Department of Development that was in the introduction of this report:

The goal of the Department of Development is not only the creation of jobs and expansion of tax base and generation of profit for business and industry, but the elimination of poverty, encouragement of locally-owned business and reinvestment within the community and the development of a good quality of life. (Resolution 91-310)

Before turning to the report's recommendations, it is important to state the opportunities and threats facing the County as it considers any new economic development initiative.

Opportunities

The unique funding arrangement which allows County monies to be matched with State School Funds allows flexibility in the development of the new "paradigm." Under any new initiative, it is important to maintain the existing management agreements between the County and the nine local economic development organizations. The discontinuation of these agreements would reduce the revenues available to the County for economic development activities.

Existing regional economic development organizations provide the resources and professional staff who can help accommodate a comprehensive, county wide economic development effort under a new "paradigm." Such an effort could provide Ingham County with the *missing* central clearinghouse to organize and coordinate attraction and retention efforts.

The continuation and expansion of the county's small business assistance and retention program would supplement the efforts of the Michigan Jobs Commission. Currently, a Job Commission representative, typically accompanied by a local government representative, visits the county's large- and medium-sized employers. However, state funds do not permit Michigan Job Commission staff to visit the area's smaller employers. If county resources were made available for such visits, they could provide a more comprehensive picture of the Ingham County economy.

A county-wide retention program could improve the link between the county's educational resources and small- and medium-sized firms. Moreover, if the program assisted firms to expand in low-income, economically depressed areas, it could have a positive impact on the county's low-income residents who lack the means to travel to the county's faster growing areas for employment.

Threats

However, several factors threaten the county's ability to marshal its resources to promote further development.

The lack of diversity within the greater Lansing area economic base could compound problems in the wake of a national or state economic downturn.

Mistrust and provincial thinking among the county's different economic development organizations, large and small, could thwart any movement toward a comprehensive, county wide economic development program.

Some of the local communities that are utilizing state education funds (as pass-through to the County) are ambivalent about continuing that source of funding. A number of those communities want the County General Fund to pay for the services that are currently offered.

On its present course, the County's Department of Development could neglect job and workforce training issues, duplicate the marketing efforts of other organizations, and perpetuate the current environment of non-cooperation.

The overall goal and subgoals of this report are stated below:

Overall Goal

To optimize Ingham County's expenditures on economic development activities that will enhance the economic well-being of Ingham County's residents.

Subgoals

- I. Cooperate with the Tri-County economic development organizations to:**
- Facilitate a stronger focus on Ingham County in collective economic development efforts.
 - Alleviate the mistrust between the county's economic development organizations.

- Avoid duplication of marketing efforts and, instead, coordinate business attraction and retention within Ingham County.
 - Establish a central clearinghouse for business attraction and retention efforts.
- II. **Develop a strong working relationship with the City of Lansing's efforts to redevelop existing brownfield sites and to bring employment opportunities to low-income individuals.**
 - III. **Continue to provide technical assistance to Ingham County firms, large and small, which enable businesses to exploit the County's economic development advantages..**
 - IV. **Continue to provide leadership and vision to a county wide economic development effort.**
 - V. **Ascertain the importance of pass-through dollars (state education funds) to the seven communities currently holding management agreements with the County to determine the viability of continuing the flow of funds for economic development within those communities.**

Policy Options for Ingham County Regarding Its Economic Development Efforts

The following five options for Ingham County in regards to its role in economic development were seriously considered. Although each has its positive features, none provided the comprehensive approach that is required for the County's economic development role to be as effective as it can be.

- A. **The Ingham County Department of Development can maintain its current economic development program.**

Positive features

1. **It would keep the County's well-regarded and qualified technical staff in place.** The current staff of the County's Department of Development is highly qualified and knowledgeable about the needs of the county's rural areas. In our interviews with the Chairpersons of the nine local economic development organizations, which have management agreements with the County, the County's staff was often praised for doing an excellent job.

2. **The current program provides valuable services to the nine economic development organizations holding management contracts with the County.** Any change in the Department's composition or activities will cause, at least, a short-term disruption of economic development services to these organizations.
3. **The current County economic development program provides a needed link between rural and urban economic development efforts.** As discussed earlier, there is a lack of communication and trust between the urban and rural communities in Ingham County. The County's Department of Development has stepped in to fill that gap. The discontinuation of the Department's activities would cut this communication conduit.

Negative features

1. **Currently, the County's Department of Development only impacts a small portion of the county's population.** As discussed earlier, the County's Department of Development focuses much of its activities on meeting the needs of the nine local economic development organizations holding management agreements with the county. These nine organizations represent six small governmental units that account for only a small percentage of the county's SEV, population, and employment. It is our belief that the current activities of the County's Department of Development are not the most efficient uses of the County's resources for economic development due to this limited focus. County resources for economic development should be directed toward activities that benefit all of the county residents.
2. **The current program does not provide an economic development central clearinghouse.** One of the greatest challenges facing economic development efforts in Ingham County is to provide a coordinated, seamless delivery of services to the business community. The current delivery of services is fragmented and leaves many businesses unsure as to where to turn for assistance. In addition, there have been unfortunate situations where businesses have been poorly treated because the county's economic development organizations failed to work in a cooperative manner. **It is important to state that we never heard of a situation where the county's staff was at fault;** however, the fact that the County's Department of Development operates independently of the county's other economic development organizations creates an environment where gaps in the delivery system can and do occur.
3. **The current program does not create but, nevertheless, facilitates distrust between existing economic development organizations in the region.** Most of the rural local economic development organizations believe that the Tri-county economic development organizations ignore their economic development needs.

While the County's Department of Development has never intended to cultivate distrust between the rural areas and Lansing's and the Tri-county's economic development organizations, its activities has allowed this environment of distrust to develop. The current program has unintentionally created an environment where the rural and urban economic development organizations rarely communicate directly, let alone, work together.

4. **Currently, the County's Department of Development does not provide a county wide, comprehensive approach to economic development.** Due in part to its unique funding arrangement, County staff spends most of its energies addressing the needs of the county's rural communities at the expense of conducting countywide economic development activities.
5. **Finally, having the County house its own economic development staff generates a clash in operating environments.** Economic development activities often require a quick response to take advantage of marketing opportunities and the maintenance of a high level of confidentiality. Both are sometimes difficult to maintain in a public environment.

B. Ingham County can simply abandon its economic development role.

Positive features

1. **This option would reduce the county's operating expenditures.** This year the County allocated approximately \$137,000 for the funding of its Department of Development. By discontinuing its role in promoting economic development, County government could either reduce its operating budget or fund other needed activities.
2. **The option would remove Ingham County government from a politically sensitive arena.** Economic development is a very sensitive and highly political activity. A minor of citizens and local governments will almost always feel that their interests are being ignored and that the County monies are being used improperly to promote the economic success of competing or neighboring areas.
3. **By stepping out of the economic development arena, the County would by default move the county closer to being served by a single Tri-county economic development organization.**

Negative features

1. **In discontinuing its economic development activities, the County would be abdicating its responsibility to promote economic development.** Economic development activities are within the public good and interest of the county and is, therefore, an appropriate expenditure of public dollars.
 2. **It would eliminate the portion of the school tax fund that is currently financing County provided economic development services in the rural communities that hold management contracts.** This would mean a loss of over \$100,000 in economic development monies that are currently coming from the State's School Fund.
 3. **It would put the County's economic development potential at risk.** By resigning from the area's economic development field, Ingham County would be putting the county's economic development activities in the hands of organizations that either serve the larger three-county area or only serve a single community or city in the county.
- C. **Ingham County could continue to provide technical assistance to participating communities, while contracting county wide economic development services with a new Ingham County non-government economic development organization.**

Positive features

1. **The current staff's expertise and knowledge of the rural communities that are holding management agreements would be maintained.**
2. **This policy option would allow for the continued flow of school tax funds to the County so that it can assist the nine economic development organizations in their economic development efforts.**
3. **The creation of a new economic development organization serving only Ingham County would provide a countrywide focus.** Unlike existing Tri-county economic development efforts, such as Capital Choice or the RED Team, this new economic development organization would focus only on the needs of Ingham County.
4. **This policy option would move the County's economic development effort from a government environment which can, in some instances, be unsuitable for the activity to a private environment.**

Negative features

1. **This policy option would duplicate existing regional efforts.** The new economic development organization would duplicate existing areawide efforts and could ignite harmful competition between existing regional economic development efforts and the County. This option could move the County further away from creating an economic development clearinghouse that would make its economic development efforts more efficient.
 2. **This approach would retain the county administrative costs associated with having a Department of Development to monitor, support, and assist the nine local economic development organizations.**
 3. **Finally, there would be no existing track record for the new organization.** It would probably take at least a year before the new nonprofit economic development office would be up and running. Moreover, it would be an uncertain expenditures of resources since the organization's effectiveness would be unknown.
- D. The County could provide technical assistance to the participating communities while contracting county wide economic development services with an existing regional economic development organization.**

Positive Features

1. **This policy option would maintain the current staff's expertise and knowledge of the rural local communities holding management contract agreements with the County.**
2. **It would allow for the continued flow of school tax funds to the County to finance economic development assistance efforts for the nine economic development organizations.**
3. **The County's expenditures for countywide economic development services would assist the funding of an economic development organization with an existing track record.** In addition, the organization would be knowledgeable about the economic strengths and weaknesses of the greater Lansing area. This option would avoid the setup costs and delays that can be expected in establishing a new countywide economic development organization.
4. **Under this option, County economic development expenditures would assist in providing a central clearinghouse for economic development activities.**

Negative Features

1. **This option leaves open the potential for intra-county competition.** Under this option there is a real possibility that the County's economic development assistance program for the nine local economic development organizations could compete with the countywide program that the County is also funding.
2. **This approach would retain the county administrative costs associated with having a Department of Development to monitor, support and assist the nine local economic development organizations.**

E. County provides technical assistance to the participating communities and establishes a county wide economic development capital fund.

Positive Features

1. **This policy option would maintain the current staff's expertise and knowledge of the rural local communities holding management contract agreements with the County.**
2. **It would allow for the continued flow of school tax funds to the County to finance economic development assistance efforts for the nine economic development organizations.**
3. **This approach would maintain direct county control over its economic development expenditures.** Unlike the other approaches that would restrict the county to only a funding role, this approach would keep the County directly involved in determining how its expenditures are being made.
4. **This approach would also provide funding for capital improvements projects that would be in the public interest and that may not have an alternative source of funding.** In addition to providing a source of funding for public infrastructure for economic development projects, the funds could be used to establish a revolving loan program for business.

Negative Features

1. **The policy option would most likely minimize the coordination and trust with regional efforts.** It is very possible that the capital improvement fund would be utilized without being coordinated with existing regional economic development efforts. Since the County would not have a professional economic developer, it is possible that the capital improvement fund could be spent in an uninformed manner.

2. **This option could set up a potentially unproductive political allocation process.** The decision making process used to determine the allocation of the county's capital improvement fund may become strongly contested between local governments in the county.
3. **This approach would eliminate the professional economic development presence of the County.** County government would be only marginally involved in on-going economic development activities since it would not have a professional staff..
4. **Unfortunately, public entities have a poor track record in identifying viable economic development projects.** Government managed capital funds have had only a marginally success record. Government staff is typically ill-prepared to properly evaluation business projects.

Recommended Objectives

To effectively work with regional economic development organizations to ensure that the interests of Ingham County are maintained, while continuing to provide services to the seven participating rural Ingham County communities.

To accomplish this task, it is proposed that the economic development funding from the general fund of Ingham County and the funds from the management agreements with the nine economic development organizations be managed and used separately.

A. Objective for the County's Allocation of General Funds

Up to 75 percent of the general fund resources that currently finance the Ingham County Department of Development will be contracted to a regional economic development organization to provide services on behalf of the County. The RED TEAM, Capital Choice, or another regional economic development organization could be the contracted organization. The activities for which these funds would be used could include:

- 1. Assist business expansion and retention efforts in Ingham County*
- 2. Assist small business development county wide.*
- 3. Market Ingham County to businesses outside the region.*
- 4. Link existing and new training programs to Ingham County businesses.*
- 5. Provide employment opportunities for county residents living in poverty.*

In short, the County would finance a central clearinghouse for business attraction, business retention and job training activities in Ingham County that would be housed at a regional economic development organization.

The remaining 25 percent would be allocated to funding special county wide economic development studies that focus on key, such as,

- A feasibility study on the development of a small business assistance program targeted for youth, low-income residents, or recent high school graduates.
- The development of a county wide economic and fiscal impact model that could measure the impact of economic development on the county.
- Wage and worker availability studies.

B. Objective for Local School Fund Match

If state guidelines allow, the School Fund monies currently earmarked for county economic development services from economic development organizations in Dansville, Leslie, Mason, Stockbridge, Williamston, Webberville, and Vevay Township would be used to contract for the private provision of economic development services. Each community with a management agreement with the County would be provided an opportunity to determine, after the proposed position is described to it, whether or not it wants to continue to fund economic development within the community through the state school tax fund.

Each economic development organization would be offered the opportunity to select its own private economic development services provider. If they wish, two or more of these organizations could jointly fund a full-time private economic development specialist. The only restriction would be that the private provider must be willing to coordinate and work in cooperation with the economic development organization supported by the county's general fund.

The private service provider will:

1. *Identity and work to meet the economic development needs of businesses in the participating community(s).*
2. *Examine each of the services currently used by the local economic development organization(s) and identify ways in which it can be improved.*
3. *Provide services, technical assistance, and leadership.*

Positive and Negative Features Regarding the Proposed New Paradigm

Positive Features

1. **It would ensure the continuation of the use of the School Tax Fund for economic development programs in the nine local economic organizations holding management agreements.** This recommended option could be considered only if the County receives legal confirmation that it would not jeopardize the use of these monies for economic development activities.
2. **This option would push the County closer to having a centralized economic development effort that would provide an one-stop shop for economic development programs that would assist existing firms, as well as, market the county to firms outside the area.** In addition, the County would be transferring

its current economic activities to a private economic development organization that would operate under a more business-like environment.

3. **This option would eliminate County's administrative costs associated with having an economic development staff.**
4. **This option would retain County's responsibility for economic development.** Although the County would not have an economic development department, it would still be funding economic development activities. The only difference would be that the provision of these services would be carried out by a regional economic development organization.
5. **This option would provide greater flexibility to the local economic development organizations holding management agreements with the County.** Under this option, the local economic organizations could select the private providers of services that can best meet their needs. In addition, they can switch service providers if their needs change. Finally, this option allows two or more of these organizations to pool their resources and hire, through the County, a full-time economic developer.

Negative Features

1. **This option is uncomfortable for many individuals.** First, it will put greater responsibilities upon the local volunteer board of the nine local economic development organizations with management agreements. Second, it would redirect much of the county economic development expenditures toward serving the needs of the entire county through an economic development organization.
2. **This option could result in the loss of control over outcomes if not properly monitored.** To be effective, the contract signed by the County with the regional economic organization must contain straight forward and clear performance measures. These are very important, because if the County finds that the contracted economic development organization is not meeting its obligations, the County can step in and, if necessary, cancel the contract.

Organizational Structure

- A. The Ingham County Board of Commissioners and the Ingham County Controller's Office will oversee both the funded county wide economic development activities contracted with the tri-county economic development organization and the activities of the rural service provider(s).
- B. The county's Economic Development Corporation would retain its legal authority under State enabling legislation, including the power to bond for capital improvements as needed. However, the role of the EDC within the County structure would become more oriented toward playing an advisory role to the Board of Commissioners. Therefore, it is advisable that the County's EDC review and, if necessary, revise its charter to become more of an advisory body to the Board of Commissioners, while at the same time maintaining its legal authority to bond for capital improvements when needed.
- C. Seventy-five percent of General Fund money currently allocated to the Department of Development will finance the efforts of the economic development activities at a tri-county economic development organization. The contract between the County and the regional economic development would be annually renewable. Quarterly reports by the contracted service provider would be required. The remaining 25 percent will be reserved for funding special economic development studies on an as needed basis. These expenditures will be overseen by the county's Economic Development Corporation.

- D. The funding earmarked for economic development for Dansville, Leslie, Mason, Stockbridge, Williamston, Webberville, and Vevay Township, will be used to fund economic development service provider(s) for those communities. The economic development service providers would provide the Board of Commissioners and the county's Economic Development Corporation with quarterly updates and an annual report detailing their activities.

Economic Development Performance Measurement System

The success of the proposed move of the County from being a direct provider of economic development services to a contractor of privately provided services depends on large part on the establishment of an economic development performance measurement system. All economic development contracts signed by the County should be performance-based. For county wide services contract with a regional economic development provider, the following performance measures are suggested:

1. One-third of all manufacturing establishments in the county, approximately 290, employing fewer than 250 workers should be visited once a year. The contracting organization will provide the County Controller with quarterly reports on the outcomes of these retention visits; however, due to the possible confidential natures of these visits, only summarized reports would be submitted.
2. As a result of these visits, it should be expected that the economic development organization will expand the number of firms that use the county's training and business assistance providers. In addition, it is expected that the organization will facilitate meetings between the firm and local governmental units as the need arises. It is not unreasonable for 20 percent of the visitations to result in follow-up meetings between the firms and specific service providers including local government.
3. The economic development organization will create, monitor, and update an inventory of all available industrial parcels in the county which also will list the key characteristics of the properties including public infrastructure and size.
4. The economic development organization will also maintain a complete and up-to-date directory of available business services in the county including training and business education classes and small business assistance activities.

While it is tempting to include an employment-based or SEV-based performance measure, it is not appropriate because a large percentage of the job creation and destruction are due to reasons that are fully outside the control of the economic development organization. It is nearly impossible to determine if the jobs crated by a firm relocation or expansion is due soley to the economic development efforts of the community. It would be highly unfortunate to penalize an effective economic developmetn effort due to factors beyond its control.

W.E. UPJOHN INSTITUTE for Employment Research

Established 1945

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APPENDIX A

DRAFT

revised 2/8/98

Survey Instrument

(To be used when conducting one-on-one interviews)

Name of the person being interviewed: _____ Title: _____

Organization: _____

Date: _____

Thank you for speaking with us today. We are conducting an assessment study for Ingham County to recommend what its future role should be in economic development. As part of this study, it is extremely important to gain a solid understanding of what is currently being done in economic development in the county.

Please answer the following questions:

1. How large is your staff:
- | | | |
|------------------------|----------------|----------------|
| Professionals | Full-time_____ | Part-time_____ |
| Administrative Support | Full-time_____ | Part-time_____ |

2. What is your current budget? \$_____
- Last year's budget? \$_____

3. Please describe the most important economic development activity in your organization.

3a. How many staff members are assigned to this activity? _____

3b. What is the current budget for this activity? This year \$ _____

Last year \$ _____

3c. Do you have any brochures or a written description of this activity that we may have?
Yes _____ No _____

4. What is the second major activity that is conducted by your organization?

4a. How many staff members are assigned to this activity? _____

4b. What is the current budget for this activity? This year \$ _____

Last year \$ _____

4c. Do you have any brochures or a written description of this activity that we may have?
Yes _____ No _____

5. What is the third major activity that is conducted by your organization?

5a. How many staff members are assigned to this activity? _____

5b. What is the current budget for this activity? This year \$ _____

Last year \$ _____

5c. Do you have any brochures or a written description of this activity that we may have?
Yes _____ No _____

6. What other economic development activities does your organization provide or conduct?

7. What has been your greatest success in the past two years?

8. What has been your greatest disappointment during the past two years?

9. What are your planned future activities? Please list in order of importance.

1.

2.

3.

10. Are you expecting any staffing changes during the next 5 years?

11. Can you give us a percentage breakdown of your organization's sources of funding? For example, what percentage of your operation is funded by membership dues, government grants, private donations, fee-for-services, etc.

12. Has the your funding changed in the past 5 years.

13. What changes in funding, if any, do you foreseen in the future?

14. In your opinion, what are the economic development strengths in the county?

15. What are the county's weaknesses in terms of economic development?

16. Has your agency used any of the services offered by the County's Department of Development? If yes what were the services and how satisfied were you with the service? If you have not used any services offered by the County's Department of Development why not?

17. In your opinion what should be the role of County government in economic development?

18. Finally, who else should we contact in the county regarding economic development?

THANK YOU!

Appendix B

Ingham County Economic Development Policy Assessment and Organization

Implementation

Persons Interviewed

Jon Coleman	Executive Director, Tri-County Regional Planning Commission
Patricia Cook	Director, Lansing EDC
Bo Garica	Lansing Community College
Ed Grobe	Former director of the Ingham County Department of Development
Frank Guerriero	Former Ingham County Commissioner
George Hayhoe	Chairperson , Vevay DDA.
Gary Howe	Chairperson Mason LDFA
Jack Judy	Chairperson, Williamston EDC
Joseph Lessard	MSU - County Extension Service
Robert Lewis	Executive Director, Delhi Township DDA
Debbie Marshall	Chairperson, Stockbridge DDA
Tom Mitchell	Williamston DDA
Jim Mitchell	Leslie DDA
Rick Oberle	Lansing Regional Chamber of Commerce
Emerson Ohl	Past Director, Lansing EDC.
Sue Pigg	Economic Development Planner, Tri-County Regional Planning Commission
Paul Roney	Lansing Regional Chamber of Commerce
Brad Shaw	Director of the Venture Center
Dave Shellenbarger	Chairperson, Dansville DDA
Dee Smith	Lansing Community College
Dale Soumis	City Manager of Williamston
Ellen Sullivan	Lansing Community College
Mark Sullivan	Ingham County Department of Development
Bob Thalen	Ingham County Intermediate School District
Ernie Sakraska	Consumers Energy
Ed Swanson	Chairperson, Leslie LDFA
Dennis Sych	Director of Planning and Neighborhood Development, City of Lansing
James vanRavensway	Director, East Lansing Economic Development
Joe Watkins	Director, Mason Area Chamber of Commerce
Jan Zanetti	Michigan Jobs Commission

Appendix C

Interviews with economic development organizations in similar communities

Norm Cummingham	Director Business Development, Muskegon Economic Growth Alliance- Muskegon
Ray Dewinkle	Marketing Director, Right Place Program - Grand Rapids
Ned Fellers	Marketing Director, Flint-Genesee Economic Growth Alliance
Susan Lackey	Director, Washtenaw Development Council
Frank Pratt	Marketing Director, Jackson Alliance for Business Development.
Ken Rizzio	Director, Ottawa County Economic Development
Milt Rohwer	President, Grand Rapids Chamber of Commerce
Norm Terry	Director, Kalamazoo County Business Development Bureau
Wes Freeland	County Administrator, Kalamazoo County

Ingham County Economic Development Survey

Please take 5 minutes and complete this survey. This survey is an extremely important part of a larger effort to identify Ingham County government's proper role in promoting economic development.

1. Please rank the county's business environment for the following key economic characteristics.

Characteristics	Very Positive	Positive	Neutral	Negative	Very Negative
<i>Wage rates</i>					
Unskilled workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skilled workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Labor relations</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Workers compensation</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Unemployment insurance</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Health care costs</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Overall K-12 schools</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tech programs K-12</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Overall community college</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Tech programs comm. college</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Local roads and streets</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Interstate highway access</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Available financing</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Energy utilities</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Telecommunication service</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Property taxes</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Quality of life</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Crime</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Availability of suitable housing</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. What is THE most positive factor you have found while doing business in Ingham County?

3. What is THE most negative factor you have found while doing business in Ingham County?

4. What are the two things that Ingham County's Department of Development can do that would make your business more successful?

THANK YOU! FAX TO: George Erickcek W.E. Upjohn Institute 616-343-7310, or mail the completed survey in the enclosed envelope addressed to:

**W. E. Upjohn Institute for Employment Research
300 S. Westnedge Ave. Room 5026
Kalamazoo, MI 49007**

FILED (name)
FILED (org)
FILED (city state zip)

Appendix E

Ingham County Economic Development Survey

Positive Factors:

Summary: **Location to suppliers and customers (8)**
 Local Government (6)

Support from County's Department of Development and local village governments - their interest in seeing us succeed.

The attitude that government has finally taken toward industry.

Many local suppliers.

I was raised here and have nothing to relate a comparison.

Accessibility.

Access to resources e.g. MSU, LCC, and Capital Area Career Center.

"Small town" atmosphere makes it easy to do business with local suppliers.

Continuing contact with Ingham County Economic Development and Michigan Jobs Commission.

Overall availability of labor, materials/suppliers, and services.

Good infrastructure.

Good location.

Central location.

LCC and skilled workers.

Relationship with local governmental organizations.

Flexibility of treasurers office on payment of taxes.

Proximity to customers.

Spirit of cooperation and willingness to do whatever is necessary.

The highway system is helpful although downtown area is chaotic, and parking meters should be abolished.

None in Stockbridge.

Customer base.

Ballfield (across the street).

Related businesses.

Location.

County tries to promote services, but we do not use services. Do a good job.

Access to highways.

Quality of life.

APPENDIX F

Ingham County Economic Development Survey

Negative Factors

Summary: Tax Burden (9)
Quality and Availability of Workers(4)

Heavy tax burden compared to our other plants in other states - overbearing state regulations.
Taxes, taxes, taxes.
Not many local customers.
Keeping ahead of the tax load.
High taxes.
Poor roads.
Rain tax - property tax.
Many specialized suppliers of equipment and materials can only be found in Detroit and Grand Rapids.
Lack of consideration given to existing businesses and their employment needs when bringing new business to the area. Low unemployment is a problem.
High cost of insurance such as workers compensation and unemployment insurance; and government paperwork such as water runoff.
Shortage of quality unskilled workers.
High taxes and health insurance costs.
Energy costs, property taxes, unemployment taxes.
Local streets, roads, traffic.
Property taxes.
Lack of qualified people willing to work.
Heavy union orientation.
Availability of good help - especially skilled.
Some areas are more remote - offer fewer services.
Some areas have extensive regulations which limit growth.
Taxes - the government takes far too much money from small business owners.
Experience: Only firm in industrial park moved from Lansing and has not been a pleasant experience.
Roads.
Lansing.
Dealing with local governments - Road commission and township.
Property taxes.
Lack of hotels for customers in Mason.
Lack of quality restaurants.
Utilities - power interruptions - Consumers Energy.
Dealing with Delhi Township - water system.

Appendix G

Ingham County Economic Development Survey

Suggested Ingham County Activities

Summary: Lower Taxes (7)
Education and Training Issues (6)

Coordinate and manage local growth of other businesses in industrial park.

Give help to industries that are here.

Help fight the local politicians and their damn taxing.

Put a cul-de-sac in the front of our building.

As promised when we moved here add shop classes to local high schools.

I have no suggestions.

Lower taxes.

Offer assistance with regards to helping us connect with buyers at municipalities and key Ingham County businesses.

Stress to K-12 teachers the importance of teaching students thoroughly: Too much "retraining" required to implement.

Lower taxes and work with local schools to improve the quality of students coming for the K-12 system.

Most major problems are not county controlled.

Lower taxes, lower utilities rates.

Better training programs.

Better roads and streets.

Assist in training needs.

Reduce taxes.

More trained people.

Lower taxes.

Promote businesses in Delhi Twp.

Help to raise awareness of the general population about what businesses are present so that people know what they are to purchase in the hometown.

Try to get us relief from high cost of insurance, taxes required from government.

Tax breaks for small business owners.

Better coordination of road improvements in Ingham County.

Continue attracting businesses - lost a lot of companies.

More business retention efforts.

Road Improvements.

Remove the single business tax.

Nothing.

Revaluation of Career Center - Computer operated machines and math skills.

Wider access to facilities for temporary space needs for manufacturers in the area.

Appendix H

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APPENDIX I

Recommended Restructuring of
the Ingham County
Department of Development

May 19, 1998
George A. Erickcek
W.E. Upjohn Institute
Nick Evers
Gove Associates

The Goal of the Ingham County
Department of Development

is not only the creation of jobs and expansion of tax base and generation of profit for business and industry, but the elimination of poverty, encouragement of locally-owned business and reinvestment within the community and the development of a good quality of life.

(Resolution 91-310)

Approved by the Board of Commissioners on December 17, 1991.

Mission Statement

The Ingham County Department of Development is committed to stimulating economic growth consistent with high quality of life by assisting new and existing businesses and by working cooperatively with other Development Authorities and educational institutions in the County, Region and State.

The Ingham County Department of Development has promoted and encouraged job development through:

- ✓ public financing of industrial parks and land improvements,
- ✓ making business visitation calls,
- ✓ providing business technical assistance,
- ✓ providing marketing information,
- ✓ working in cooperation with other countywide and regional organizations in attracting firms into the county.

AND

The County has focused most of its activities in the more rural areas of the county and has helped establish nine local development authorities in seven communities.

Overriding Goal of the Study

To optimize Ingham County's expenditures on economic development activities that will enhance the economic well-being of Ingham County's residents.

Strengths

- ✓ Ingham County offers an attractive business location due to its highway access, educational institutions, industrial sites, and quality of life.
- ✓ The County's economy is stabilized by the large presence of state government and Michigan State University.
- ✓ The County's Department of Development has provided excellent services.

Strengths (cont.)

- ✓ Ingham County houses several active economic development organizations.
- ✓ The County's Department of Development provides a link between rural and urban economic development efforts.

Weaknesses

- ✓ The County's manufacturing base is highly dependent upon General Motors.
- ✓ Employment and population growth in the County have been sluggish and below the state's average.
- ✓ The County's economic development efforts are highly influenced by small rural communities that represent less than 7 percent of the county's population.

Weaknesses (cont.)

- ✓ Attraction and retention efforts are only loosely coordinated.
- ✓ A level of mistrust exists:
 - Rural Ingham County communities mistrust the Lansing-based Tri-county economic development organizations.
 - Lansing and Tri-county economic development organizations view the Ingham County Department of Development as a competitor.

Net Migration Estimates 1990 -1997

<i>Counties</i>	<i>Net Migration</i>	<i>% of 1990 Popuation</i>
Genesee	-17600	-4.1
Ingham	-22300	-7.9
Jackson	250	.2
Kent	-3900	-0.8
Washtenaw	-650	-0.2

Opportunities

- ✓ The unique funding arrangement which allows County monies to be matched with State School Funds allows flexibility in the development of a new “paradigm.”
- ✓ Existing regional economic development organizations provide the resources and professional staff who could help accommodate a comprehensive, countywide economic development effort under a new “paradigm.”

Opportunities (cont.)

- ✓ The continuation of the County's small business assistance and retention program could supplement the efforts of the Michigan Jobs Commission.
- ✓ A countywide retention program could improve the link between the County's educational resources and small- and medium-sized firms.

Threats

- ✓ The lack of diversity within the greater Lansing area economic base could compound problems in the wake of a national or state economic downturn.
- ✓ Mistrust and provincial thinking among the different economic development organizations, large and small, in the county could thwart any movement toward a comprehensive, countywide economic development program.

Threats (cont.)

- ✓ Some of the local communities that are utilizing state education funds (as pass-through to the County) are ambivalent about continuing that source of funding.
- ✓ On its present course, the County's Department of Development could neglect job and workforce training issues, duplicate the marketing efforts of other organizations, and perpetuate the current environment of non-cooperation.

Recommended Objectives

Effectively work with regional economic development organizations to ensure the interests of Ingham County, while continuing to provide services to the seven participating rural Ingham County communities.

Options for the Future.

✓ Status Quo.

- A Qualified Technical Staff.
- It's Comfortable.
- Provides a Needed Link Between Rural and Urban Economic Development Efforts.
- × Impacts Only a Small Portion of the County.
- × Does Not Provide a Central Clearinghouse.
- × Facilitates Distrust.
- × Does Not Provide a Comprehensive Approach.
- × Generates a Clash in Operating Environments.

Options for the Future.

✓ Get out of Economic Development.

- Reduces Operating Budget.
- Removes County from a Politically Sensitive Arena.
- Allows for a Single Coordinated Tri-County Economic Development Effort.
- × Abdicates County Responsibility for Economic Development.
- × Eliminates School Tax Revenues.
- × Puts the County's Economic Development Potential at Risk.

Options for the Future.

- ✓ County provide technical assistance to participating communities and contract countywide economic development services with a new Ingham County non-gov't organization.
 - Current Staff's Familiarity and Expertise.
 - Continues Flow of School Tax Funds.
 - Provides Countywide Focus.
- ✗ Duplicates Existing Regional Efforts.
- ✗ Retains County Administrative Costs.
- ✗ No Existing Track Record for New Organization.

Options for the Future

- ✓ Same as above but contract with a regional organization.
 - Current Staff's Familiarity and Expertise.
 - Continues Flow of School Tax Funds.
 - Existing Track Record.
 - Provides Central Clearinghouse.
 - Increases County/Regional Cooperation.
- ✗ Misses Opportunity for a New Perspective
- ✗ Leaves Open Potential for Intra-County Competition.
- ✗ Retains County Administrative Costs.

Options for the Future

- ✓ County provide Technical Assistance to the Participating Communities and Establish a Countywide Economic Development Capital Fund
 - Current Staff's Familiarity and Expertise.
 - Continues Flow of School Tax Funds.
 - Maintains County Control.
 - Provides Funding For Capital Improvements.
- ✗ Minimizes Coordination and Trust with Regional Efforts.
- ✗ Sets up a Potentially Political Allocation Process.
- ✗ Eliminates professional economic development presence.

Recommendation:

A NEW PARADIGM

The New Paradigm

- ✓ 75 percent of the general fund resources that currently finance the Ingham County Department of Development will be contracted to a regional economic development organization to provide services on behalf of the county.

The New Paradigm

- ✓ The remaining 25 percent of the general fund would be used to fund special economic development studies on an as needed basis.

The New Paradigm

- ✓ The School Fund monies would pass-through the county to fund the provision of services to the nine local economic development organizations holding management agreements with the county through private contractor(s).

The New Paradigm

- ✓ The County Economic Development Corporation will function as an advisory body to the Board of Commissioners, while retaining its legal authority to finance public improvements.

The New Paradigm

- Continues Flow of School Tax Funds.
- Provides Countywide Focus.
- Coordinates with Regional Economic Development Efforts.
- Provides Flexibility in Providing Services to Participating Communities.
- Promotes New Perspective Toward Economic Development

The New Paradigm

- Eliminates County's Administrative Involvement and Costs in Countywide Economic Development.
- Retains County's Responsibility for Economic Development.

The New Paradigm

- * Not Comfortable (Unknown Entity).
- * Put Greater Decision Making Responsibilities on Local Volunteer Boards.
- * Loss of Control Over Outcomes if not Properly Monitored.

Objective for the County's Allocation of General Funds

- ① Assist business expansion and retention efforts in Ingham County by providing a central clearinghouse for coordinated expansion and retention efforts within the county.
- ② Assist small business development countywide.
- ③ Market Ingham County to businesses outside the region.
- ④ Link existing and new training programs to Ingham County businesses.

Objective for Local School Fund Match

- ① Identify and work to meet the economic development needs of businesses in the participating communities.
- ② Examine each of the services currently used by the local economic development organizations and identify ways in which they can be improved.
- ③ Provide services, technical assistance and leadership to each of the nine local economic development organizations.

Organization Structure

- ✓ The Ingham County Board of Commissioners and the Ingham County Controller's office will oversee both the funded countywide economic development activities contracted with a Tri-county economic development organization and the activities of the rural service provider(s).
- ✓ The County's Economic Development Corporation would retain its legal authority under State enabling legislation, including the power to bond for capital improvements as needed.

Economic Development Performance Measurements

- ✓ One-third of all manufacturing firms interviewed per year.
- ✓ 20 percent of these interviews result in follow-up meeting with service providers.
- ✓ An inventory of all available industrial parcels updated monthly.
- ✓ A complete directory of available business services updated monthly.

Recommended Restructuring of the Ingham County Department of Development

May 19, 1998
George A. Erickcek
W.E. Upjohn Institute