



Michigan State University Extension  
Land Use Series

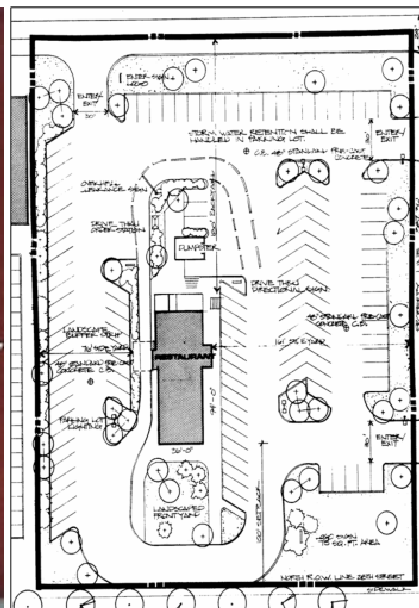
# Planning and Zoning\*A\*Syst # 3

## Community Planning & Zoning Audit Planning Coordination

*A community planning and zoning assessment system.*

*E-3053: Original version: June 30, 2010*

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*“Thirty seven million acres is  
all the Michigan we will ever have”*  
William G. Milliken

This is a fact sheet developed by experts on the topic(s) covered within MSU Extension. Its intent and use is to assist Michigan communities making public policy decisions on these issues. This work refers to university-based peer reviewed research, when available and conclusive, and based on the parameters of the law as it relates to the topic(s) in Michigan. This document is written for use in Michigan and is based only on Michigan law and statute. One should not assume the concepts and rules for zoning or other regulation by Michigan municipalities and counties apply in other states. In most cases they do not. This is not original research or a study proposing new findings or conclusions.

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## Chapter 1: Introduction

The *Community Planning and Zoning Audit* is a comprehensive assessment of local government planning and zoning in Michigan. It covers basic topics and practices that members of every local planning and zoning entity should understand and should be doing. Each chapter of the *Community Planning and Zoning Audit*

contains key points in the format of questions, checklists, and tables to assess your community's land use planning and zoning, including the adoption and amendment process, day-to-day administration and record keeping, and decision making about special land uses, planned unit developments, and site plan reviews.

## Purpose of the Audit

The *Community Planning and Zoning Audit* is intended for use by local units of government in Michigan to help perform a self-evaluation of the basics of the community's planning and zoning system. The reason for doing an assessment is to learn of shortcomings and problems before they become controversial issues. As a result of going through this booklet, local officials will be alerted to things that need "fixing" and deficiencies in the community's files. The document helps accomplish three objectives:

1. Identify liability risks from not following proper procedures and practices, and not having adequate documentation of those procedures and practices.
2. Learn to better manage the planning and zoning administration in your community.
3. Take corrective steps to improve your planning and zoning system.

## Organization and Content

This publication is one of a series of 11 Michigan State University Extension *Community Planning and Zoning Audits* available to walk a community through a performance audit. Topics are:

1. Basic Setup (MSU Extension bulletin number E-3051) makes sure that your planning commission and zoning board of appeals are set up properly and a system is in place to make sure the community keeps up-to-date.
2. The Plan (E-3052) reviews the process of plan and plan amendment adoption (to make sure that it was done properly) and reviews of an existing plan to determine if it needs to be updated, and reviews what should be in a plan.
3. Planning Coordination (E-3053) covers the process of coordination with neighboring government planning (review of each other's plans); coordination with state, federal and other government agencies; coordination practices; and joint planning commissions.
4. The Zoning Ordinance (E-3054) reviews the process of zoning ordinance and zoning amendment adoption (to make sure that it was done properly) and what needs to be in the file to document that the proper steps were taken. This publication also reviews what should be in a zoning ordinance.
5. Administrative Structure (E-3055) provides a performance audit for the operation of the planning commission, zoning administrator, and zoning board of appeals. It covers office procedures, job descriptions, filing systems, bylaws, rules of procedure, compliance with the Open Meetings Act, minutes, and process for meetings and decision making.
6. Special Land Uses (E-3056) provides a review of the administrative structure for handling special use permits: pre-applications, applications, public notification, record keeping, and use of standards in making decisions.
7. Planned Unit Development (E-3057) provides a review of the administrative structure for handling planned unit development handled as a special use permit and as a zoning amendment:

pre-applications, applications, public notification, record keeping, and use of standards in making special use decisions or basis in the plan for zoning amendment decisions.

8. Site Plan Review (E-3058) provides a review of the administrative structure for handling site plan reviews: applications, public notification, record keeping, and use of standards in making decisions.
9. Capital Improvement Program (E-3104) provides a review of the process of creating an annual capital improvement program (CIP).
10. Subdivision and Land Splitting Reviews (E-3105) provides a review of the administrative structure for handling land divisions, subdivisions or plats, site-condominiums, lot splits, and certified plats: preapplication meetings with the developer, public notification, plat review, record keeping, and use of standards in making decisions.
11. Capital Improvements Review (E-3106) provides a review of the process for the planning commission to review and comment on local government construction projects (which are otherwise not subject to zoning), and outlines how this review can be used as a constructive way to ensure that government-funded projects comply with the adopted plan and local ordinances.

Each of these Community Planning and Zoning Audits is available at [www.msue.msu.edu/lu](http://www.msue.msu.edu/lu), and from your county Extension office.

### How to use the Audit

The *Community Planning and Zoning Audit* is not difficult to complete. However, it does take time and the ability to search for and find various records in your local government. The actions taken as a result of this exercise should help reduce liability risk and improve your community's planning and zoning program.

The *Community Planning and Zoning Audit* can be utilized by local units of government in a variety of ways. A community can go through this booklet as a group (e.g., the planning commission or a subcommittee) or a community can have an individual do so. The advantage of performing the assessment as a group is that reviewing the community's documents and files in detail is a great educational experience for local officials. Alternatively, a staff person within the planning department may be able to perform the audit quicker because of having greater familiarity with how the unit or government maintains its records.

Additionally, a community can perform the *Community Planning and Zoning Audit* with certain chapters reviewed by various groups or individuals. For instance, the planning commission could review a few chapters of the audit while the zoning board of appeals addresses another set, and the legislative body performs the evaluations in the remaining chapters. Regardless of the approach taken, the main idea is to take the time to find out where various documents are and to make sure that proper documentation is on file. Then, where necessary, take action to correct any shortcomings.

Upon completion, if your community still has questions or wants help, please contact your county Extension office. They can contact the Michigan State University Land Use Team to provide further assistance and educational programming.

## Organization and Content

The *Community Planning and Zoning Audit* contains the following chapters:

1. Introduction.
2. Planning Coordination
3. Smart Growth.
4. New Economy.

The audit is based on Michigan Public Act 110 of 2006, as amended (the Michigan Zoning Enabling Act, M.C.L. 125.3101 *et seq.*), Public Act 33 of 2008 (the Michigan Planning Enabling Act, M.C.L. 125.3801 *et seq.*), recommendations from members of the MSU Extension Land Use Team, and intergovernmental coordination and plan content “best planning practices” derived from a proposed Coordinated Planning Act developed by the Michigan Association of Planning.

The *Community Planning and Zoning Audit* is not designed to be a substitute for reading and understanding the Michigan Zoning Enabling Act or the Michigan Planning Enabling Act. Nor is this document a substitute for legal advice or for professional planner services. It is important to document each step of the process in planning and zoning a community. Keep detailed minutes, affidavits of publication and mailing, open meeting notices, letters of transmittal, and communications all on file so that years from now they are still available.

## Defined Terms

“Appeals board” means the zoning board of appeals (ZBA).

“Certified” (resolution, minutes, ordinance, etc.) means the keeper of the records for the local unit of government (secretary of the planning commission or clerk of the local unit of government for the planning commission or the clerk of the municipality for the legislative body) provides an affidavit that the copy provided is a true and accurate copy of the document.

“Elected official” means a member of a legislative body.

“Legislative body” refers to the county board of commissioners of a county, the board of trustees of a township, the council of a city or village, or any other similar duly elected representative body of a county, township, city, or village.

“Local unit of government” means a county, township, city, or village.

“Municipality” means a city, village, or township.

“Plan” means any plan or master plan adopted under the Michigan Planning Enabling Act or one of the three former planning acts, regardless of what it is titled.

“Planning commission” means a zoning board, zoning commission,<sup>1</sup> planning commission, or planning board.<sup>2</sup>

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<sup>1</sup> On or before July 1, 2011, the duties of the zoning commission or zoning board shall be transferred to a planning commission. Thus, the zoning commission or zoning board will no longer exist (M.C.L. 125.3301(2)).

<sup>2</sup> Starting on Sept 1, 2008, “planning boards” need to be named “planning commissions” even if a charter, ordinance, or resolution says otherwise (M.C.L. 125.3811(1)).

## Chapter 2: Planning Coordination

The purpose of this chapter is to help determine if best planning practices are being used to work with surrounding governments for planning and work with various state, federal, and tribal governments.

Coordination can take many forms and can be done to a small extent or to a large extent. Generally, with planning, the planning effort should match the geography of the topic. For example, planning that addresses water quality is best done at the watershed level of geography. Watershed boundaries seldom follow political boundaries, so it is best done by involving cooperative efforts from each municipal planning commission that has territory within the watershed. This “issue of greater than local concern” approach can also be used for economic development planning (labor market area), transportation (corridor), and parks (park district), as well as many other topics.

Coordination also means sharing materials, having regular meetings with neighboring municipalities, and sharing resources. Often the county planning commission’s function is to be the body that reviews the “bigger picture” and helps facilitate coordination efforts.

To conduct this review, you will need the following:

1. An individual(s) familiar with past practices and the history of coordinated activities outlined above.
2. A copy of your plan.
3. A copy of the comments made about your plan during the adoption process (from the surrounding local governments and at the public hearing).
4. Minutes of planning commission meetings during the period in which coordination activities took place.
5. A copy of the Michigan Planning Enabling Act.

## Statutory Review of Plans/Coordination

### Review Plans Table

Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
1. When the planning commission receives a plan from another unit of government, is there an active process to review that plan and submit comments to the other unit of government?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This practice should be started right away. Review of a neighboring government’s plan(s) should be just as important and of the same priority as processing a special use permit or other.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done. Check this box: <input type="checkbox"/> to indicate when improvement is done.



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Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
<p>2. Does the review by the planning commission consider at least the following points?</p> <p>a. Infrastructure, particularly as it relates to boundary coordination.</p> <p>b. Consistency or inconsistencies of the plan being reviewed with the adopted plan for your municipality.</p> <p>c. Other border issues.</p> <p>d. Issues of greater than local concern.</p> <p>e. Comparison with local plan contents.</p> <p>f. Comparison with county/regional plan contents.</p> <p>g. Comparison with other relevant adopted plans (such as historic preservation, local wetland protection plan, TIF or brownfield redevelopment plan, etc.)</p> <p>h. Comparison to and with various implementation strategies.</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>This best planning practice should be started right away. At a minimum, the process of review should involve looking at these points.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>
<p>3. Does the review by the planning commission include:</p> <p>a. A “thank you” for the opportunity to review the plan.</p> <p>b. The title of the draft plan being reviewed.</p> <p>c. The titles of plans used to determine consistency or inconsistency (along with an indication of the status of those plans – e.g., the date of the plans and if the plan[s] is [are] up-to-date or about to be amended or updated).</p> <p>d. If the issues raised in the review warrant a joint meeting between the two planning commissions or face-to-face meeting between representatives of the two municipalities.</p> <p>e. The identity of the submissions’ preparer/author.</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>This best planning practice should be started right away. At a minimum, the review letter should address these points.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>
<p>4. If the review is done by a county planning commission, does the review also include the following:</p> <p>a. A statement indicating if the plan is inconsistent with the plan of any city, village, township, or region that received a copy of the draft plan (or amendment).</p> <p>b. A statement if the plan (or amendment) is inconsistent with county plan(s).</p> <p>(M.C.L. 125.3841(3))</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>At a minimum, the process of review by a county should involve looking at these two additional points.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>

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Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
<p>5. When the review of the other plan is done, are comments put in writing and sent to the neighboring government within 63 days of receiving the plan? (M.C.L. 125.3841(3))</p> <p>(See MSU <i>Land Use Series</i>: “How Governments Make Submissions on a Neighbor’s or County’s Proposed Plan” at <a href="http://www.msue.msu.edu/lu">www.msue.msu.edu/lu</a>.)</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>This practice should be started right away. Comment should always be in writing. Written comment back should always be done, even if just to acknowledge the plan was received and all appears fine.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>
<p>6. When the review of the other plan is done, are comments put in writing and a copy sent to the respective county planning commission within 63 days of receiving the plan?</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>This best planning practice should be started right away. A copy should be sent to the county planning commission.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>

## Other Planning Coordination Practices

### Planning Coordination Practices table

All of these are optional.

Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
<p>1. By statute, plans must be sent to surrounding municipalities for review and comment (M.C.L. 125.3839(2) and 125.3841(2)). Does local practice also include sending a complimentary copy of zoning and other ordinances to surrounding municipalities?</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>This best planning practice is recommended. Consider starting this as a policy.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>
<p>2. If your planning commission receives a complimentary copy of a surrounding municipality’s zoning and other ordinances, is there a file or shelf where these documents are kept for future reference?</p>	<p>Yes <input type="checkbox"/></p> <p>Good. Go to the next question.</p>	<p>No <input type="checkbox"/></p> <p>This best planning practice is recommended. Consider starting this as a policy.</p>	<p>Check this box: <input type="checkbox"/></p> <p>to indicate this is an improvement that needs to be done.</p> <p>Check this box: <input type="checkbox"/></p> <p>to indicate when improvement is done.</p>



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Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
3. Do policy or ordinance provisions exist that identify issues of greater than local concern, and when special use permits, PUDs, plan amendments, and zoning amendments are considered about those issues, are notices sent to the respective surrounding municipality(ies)?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
4. Do periodic meetings occur between two or more planning commissions from surrounding municipalities to discuss issues of mutual interest or issues of greater than local concern?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
5. Is there a permanent standing interjurisdictional committee between two or more planning commissions of surrounding municipalities which meets on a periodic basis on topics of common interest for the participating planning commissions?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This is a higher level best planning practice and is recommended for communities with more active planning programs. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
6. Is there an effort to have uniform format (codification) for plans and zoning ordinances within a specific geographic area or within a county?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
7. Does your municipality have a reciprocal agreement with one or more neighboring municipalities for zoning staff members from one to cover for staff members of the other during vacations, sickness, conflict of interest, and vacancy?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
8. Does your community have a shared or joint zoning administration office?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This is a higher level best planning practice and is recommended for small or low-volume communities. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.

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Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
9. If this audit is being done for a county planning commission: does the planning commission view itself as a facilitator, pointing out issues of greater than local concern and helping convene meetings between respective municipalities?	Yes <input type="checkbox"/> Good. Go to the next question.  NA <input type="checkbox"/> Not applicable because this is not a county planning commission.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
10. If this audit is being done for a county planning commission: does the county have a professional planning staff (employees or contract basis) that works with municipalities in the county and provides technical assistance to municipalities in the county?	Yes <input type="checkbox"/> Good. Go to the next question.  NA <input type="checkbox"/> Not applicable because this is not a county planning commission.	No <input type="checkbox"/> This is a higher level best planning practice and is recommended for county planning. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
11. If this audit is being done for a county planning commission: does the county develop sample ordinance, plan, and other document language for use by municipalities? Are representatives of municipalities directly involved in preparing the sample ordinance language?	Yes <input type="checkbox"/> Good. Go to the next question.  NA <input type="checkbox"/> Not applicable because this is not a county planning commission.	No <input type="checkbox"/> This is a higher level best planning practice and is recommended for county planning. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
12. If this audit is being done for a county planning commission: does the county have a geographic information system (GIS) with GIS data readily available for use by municipalities in the county, or is there a municipal system of sharing data for planning purposes?	Yes <input type="checkbox"/> Good. Go to the next question.  NA <input type="checkbox"/> Not applicable because this is not a county planning commission.	No <input type="checkbox"/> This is a higher level best planning practice and is recommended for county planning. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.
13. Does the planning commission take an active role in the state regional planning agency (council of governments, regional planning commission) by participating at its meetings, knowing its staff, etc.?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.

Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
14. Does the planning commission make sure it is on various state government agency and federal government agency public notification mailing lists as well as county, regional, and tribal government public notification mailing lists, so that the planning commission receives notices of infrastructure, planning, and management issues?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done. Check this box: <input type="checkbox"/> to indicate when improvement is done.
15. When the planning commission receives these notices, does it review them and make comment as appropriate?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done. Check this box: <input type="checkbox"/> to indicate when improvement is done.
16. Do you send an up-to-date copy of your zoning ordinance to the county planning commission?  If this audit is being done for a county planning commission: has the county planning commission requested zoning ordinances from all municipalities and copies of all zoning ordinances and zoning ordinance amendments, and is a library of those ordinances are kept up-to-date? (M.C.L. 125.3869)	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> The ordinance on file with the county planning commission, and the county planning commission keeping a current library of all those ordinances is recommended and a best planning practice.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done. Check this box: <input type="checkbox"/> to indicate when improvement is done.

## Joint Planning Commission

### Joint Planning Commission<sup>3</sup> table

Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
1. Does the planning commission regularly evaluate and consider the merits of forming a joint planning commission pursuant to the Joint Municipal Planning Act (P.A. 226 of 2003, as amended, M.C.L. 125.131 <i>et seq.</i> )?	Yes <input type="checkbox"/> Good. Go to the next question.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done. Check this box: <input type="checkbox"/> to indicate when improvement is done.

<sup>3</sup> A joint planning commission, (M.C.L. 125.131 *et seq.*) may be formed when any two or more townships, villages, and/or cities join together to form one planning commission with jurisdiction over any part or all of the participating townships, villages, and/or cities, and the joint planning commission has just planning, or zoning, jurisdiction or jurisdiction over both. How joint planning commissions are set up has a great deal of flexibility and is entirely up to the participating governments, including membership, financing, authority, appointment process, and so on.

Question	Affirmative (we are doing it) answer	Negative (need to correct) answer	Action to correct has been done
2. If this audit is being done for a county planning commission: does the planning commission propose or point out possible joint planning commission possibilities and facilitate the discussion about the idea between the respective municipalities?	Yes <input type="checkbox"/> Good. Go to the next question.  NA <input type="checkbox"/> Not applicable because this is not a county planning commission.	No <input type="checkbox"/> This best planning practice is recommended. Consider starting this as a policy.	Check this box: <input type="checkbox"/> to indicate this is an improvement that needs to be done.  Check this box: <input type="checkbox"/> to indicate when improvement is done.

## Chapter 3: Smart Growth

The purpose of this section is to provide basic information and introduce communities to the 10 tenets of smart growth. Covered here are the basics necessary for the administration and operation of zoning. If your community is interested in incorporating the principles of smart growth into its ordinances and develop according to the smart growth principles, the Smart Growth Readiness Assessment Tool (SGRAT) can be used to guide your community through an evaluation of the plans and implementation tools currently used to guide growth. This assessment can also help your community identify tools that may help produce a smart pattern of growth in the future.

This document represents the first stage of a community assessment. To go on to the next step in assessing your community’s planning and zoning, you should review the Smart Growth Readiness Assessment Tool on the Internet. Go to <http://www.landpolicy.msu.edu/sgrat/>.

- A. The Governor’s Land Use Leadership Council used the following smart growth tenets<sup>4</sup> for many of the recommendations contained in its report on land use in Michigan. These 10 tenets can form the basis for establishing a set of state land use goals.
1. Mix land uses.
  2. Compact building design.
  3. Increase housing choice.
  4. Encourage walking.
  5. Offer transportation variety.
  6. Create a sense of place.
  7. Protect farms, unique natural features, open spaces.
  8. Direct new development to existing communities.
  9. Make development process fair, predictable, efficient.

<sup>4</sup> Smart Growth Network. Getting to Smart Growth. Washington, D.C.: Smart Growth Network. [Online, cited 8/3/03.] Available at: <http://www.smartgrowth.org/PDF/GETTOSG.pdf>.

For more detail and examples, see <http://www.smartgrowth.org/pdf/gettosg.pdf>.

10. Involve stakeholders.
- B. What is smart growth?
1. Smart growth is development that serves the economy, the community, and the environment.
  2. It provides a framework for communities to make informed decisions about how and where they grow.
- C. Why smart growth? It makes dollars and sense because it is financially conservative, environmentally responsible, and socially beneficial.
1. Financially conservative
    - a. Makes responsible use of public money.
    - b. Reuses existing buildings.
    - c. Uses existing roads and highways.
    - d. Uses existing water/sewer infrastructure.
    - e. Uses higher density to maximize the value of publicly funded facilities and services.
    - f. Keeps taxes and public service costs low.
  2. Environmentally responsible
    - a. Uses and/or reuses developed areas.
    - b. Keeps impervious surfaces to a minimum by concentrating dense development.
    - c. Builds to fit existing land rather than changing the land to fit what is built.
    - d. Avoids oversized lots and yards to reduce excessive mowing, fertilizing, etc.
- D. Socially beneficial
- a. Encourages people to live close enough to one another for comfortable interaction.
  - b. Designs residential areas for conversation from the sidewalk to the front porch.
  - c. Encourages “eyes on the street” at all hours to reduce crime and fear of crime.

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## Chapter 4: New Economy

By Kurt H. Schindler, Distinguished Senior Educator Emeritus

### Part one: A new economic age and playing field

It is not news to most that Michigan was hit hard in the 2007-2014 recession. We lost the most manufacturing jobs of any state, had the highest unemployment and falling median income, and lost more population than any state.

What might be even more difficult news is that we have recovered. However, our recovery did not provide a return of all the lost manufacturing jobs and has not brought median income back up to past levels. In the past, Michigan's economy was tied to the cycles of the automotive industry. We had economic downturns but, when automobile sales picked back up, Michigan's economy rebounded.

With this recession, Michigan's economy has undergone a fundamental change. With that change, the rebound will not be the same as in the past, and the automotive dominance will not be as significant.

A number of economists and Michigan State University President Lou Anna K. Simon recognized there was a fundamental economic shift some years ago. Recognizing this shift led to a cooperative effort of several Michigan universities. They took a close look at Michigan's economy and provided research as to what has happened and what would be the most effective strategies for economic recovery.



Figure 1 Dr. Adesoji "Soji" Obafemi Adelaja, Hannah Distinguished Professor in Land Policy, Agricultural and Food Resource Economics, MSU, and former director of the Land Policy Institute.

Dr. Adesoji "Soji" Adelaja,<sup>5</sup> the John A. Hannah Distinguished Professor in Land Policy and former director of the MSU Land Policy Institute,<sup>6</sup> led the multi-faceted research effort.<sup>7</sup> Dr. Adelaja came to Michigan State University from Rutgers University and agreed to work on at the Land Policy Institute and economic research for five to seven years.

Actually, the change in the world economy occurred in the 1990s and 2000s for most of the western world and many other states too. In Michigan, the shift did not occur as soon, largely due to the dominance and continued success of the automotive industry. The start of the 2009 recession brought the economic shift to a head in Michigan very abruptly.

The fact that the majority of the western world already experienced this shift can be seen as good news for Michigan. The research could then focus on learning what happened elsewhere, since many parts of the world were more familiar with the economic shifts, so to speak. The applied research<sup>8</sup> could identify economically prosperous and successful regions and backward-engineer what those communities did to achieve their success and economic recovery. In short, we could learn from others what worked in other

<sup>5</sup> [http://www.afre.msu.edu/people/adelaja\\_a/bio-info](http://www.afre.msu.edu/people/adelaja_a/bio-info)

<sup>6</sup> <http://landpolicy.msu.edu/>

<sup>7</sup> <http://landpolicy.msu.edu/program/info/mpi>

<sup>8</sup> <http://landpolicy.msu.edu/program/info/mpi>



western nations and states. That was the major focus of research done by Michigan universities and trainings brought to communities<sup>9</sup> by MSU Extension,<sup>10</sup> MSU Land Policy Institute, the Michigan Municipal League<sup>11</sup> and other organizations.

Future parts of this chapter will review the content of that training.

During the recession, the United States' share of economic growth in the world fell from 19 percent to 10 percent (Business Week, 2008). That means other nations did much better than us. The bottom line is successful prosperous regions adopted a new approach to attracting growth, recognizing the characteristics of the new economy. It is not a choice as to whether we want to be in the new economy or not. It has already happened.

This kind of economic change, any kind of economic change, is not new, and such change always happens. The employment in the agricultural sector peaked in 1900s. Agriculture is still important today, but now employees from this industry represent about three percent of the workforce. Traditional manufacturing employment peaked in the 1960s. That sector, in the United States, is now following the transition that agriculture underwent.

The new economy is world-wide competition. Every other town, city and region in the world is now competing with Michigan for prosperity. Many nations have some significant advantages over the United States:

- They have flexible infrastructure, a more flexible decision-making framework and better partnership between government and business.
- They do not have our legacy costs (pensions, health insurance, etc.).
- They can take more risk.
- They have nothing to lose and prosperity to gain.

Not only are they our competitors, it is also important to remember they do not care about us.

So, we have to change the way we think, act and do business at every level in the public, private and nonprofit sectors in order to compete globally in the new economy. From research, we know that a transition from manufacturing to service and manufacturing to advanced manufacturing has occurred. In the 2000s, most U.S. growth is attributable to the service, knowledge and advanced manufacturing sectors. Firms with the highest quality of knowledge tended to be the fastest-growing and most profitable. For example:

- Information-communications-technology industries were best in 2008.
- Service industries that were most integrated with global demand accounted for more than 75 percent of job gains in 2008, many of which were created by exports.

However, there is more to it than just knowledge assets. It is unrealistic to try to grow a local economy based on economic sectors past their peak. To be prosperous, we need to be increasing employment in those industries that are growing.

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<sup>9</sup> <http://landpolicy.msu.edu/program/info/mpi>

<sup>10</sup> <http://msue.anr.msu.edu/>

<sup>11</sup> <http://www.mml.org/home.html>

## Part Two: Old versus new: New economy is where we are at

Once research was completed by a partnership of several Michigan universities (see Part One), the task shifted toward presenting what was learned to state and local governments, so that those successful actions could begin in Michigan. The Land Policy Institute and Michigan State University Extension focused their efforts on that. Much of the activity in the past seven years has focused on working with numerous communities to shift gears and succeed in the new economy. It has allowed us to see, first-hand, these strategies work.

*A very fundamental structural shift has occurred with economic development. In this new economic age, it pays to know the difference between the old and new economy.*

Before going into the successful strategies, let's further explain what the new economy is and how it compares with what Michigan's economy used to be.<sup>12</sup>

First, there is a shift in what is most important for businesses when choosing where to locate. In the new economy, a community that is rich in talent<sup>13</sup> and ideas is most important. Today's competitive market requires innovation, adoptability and a community and labor force that has the talent and ideas to change and remain competitive. This replaced what used to be most important: low cost (low tax, tax breaks, pre-built industrial parks).

Second is a community or region's ability to attract educated people. Why? Because "educated people" is the best measure one has to determine if a community is rich in talent and ideas. In the new economy, one of the major economic development strategies is to do things that result in educated individuals wanting to come and live in their town or region. This replaced what used to be the strategy of attracting companies and factories.

Even factories need educated or knowledge workers. Advanced manufacturing is where the United States is competitive. In the mid-late 2000s, MSU Extension educators, working on this topic, toured parts of Ford Motor Company's Rouge industrial complex. The UAW worker that was our tour guide pointed to the Ford F-150 pickup truck assembly line and indicated all workers on that assembly line have a bachelor degree, the technical equivalent, or more.

Third is the realization of and action on the reality that physical and cultural amenities are key in attracting talent and knowledge workers. Those knowledge workers are who bring to a community the richness and talent in ideas, measured by level of education. That is what new economy businesses consider most important. It means that things like vibrant downtowns, theater, nature centers, green<sup>14</sup> and blue trails,<sup>15</sup> natural areas, forests, farms, historic features, arts organizations, and much more are the most important basic things for economic development. In many ways, things a community does to attract and accommodate tourists is now what is needed for attracting the talent to a community. Often, the strategies used by hospitals to attract doctors to a community are now the strategies that need to be used for the knowledge worker as an economic development strategy. In the old economy, that was not

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<sup>12</sup> [http://landpolicy.msu.edu/resources/chasing\\_the\\_past\\_or\\_investing\\_in\\_our\\_future\\_full\\_report](http://landpolicy.msu.edu/resources/chasing_the_past_or_investing_in_our_future_full_report)

<sup>13</sup> <http://searchcrm.techtarget.com/definition/knowledge-worker>

<sup>14</sup> <http://michigantrails.org/>

<sup>15</sup> <http://www.michiganwatertrails.org/>

the case. A high-quality physical environment was a luxury, costing money, and a negative for a cost-conscious economic development effort.

Bend,<sup>16</sup> Oregon, is an example of this. Bend is where the spotted owl resided and, upon protection of that species' habitat, the logging industry in Bend saw a major downturn. That was also when the new economy shift was happening in Oregon. The town's economy rebounded to a point many times stronger than it was with logging – by promoting their natural environment and outdoor life: “If your business is in Bend, you can be on vacation at 5 p.m. every day.”

Fourth, knowledge workers choose where they want to live. Then, the majority of them move there. Once they have arrived, then they find work or become entrepreneurs and create their careers. With the millennial generation, about 66 percent of college graduates follow this pattern: chose where they want to live, move there and then look for work. The recession has not significantly changed this percentage. I suspect that most reading this article know a child, grandchild, friend or friend's relatives that have done this. New economy businesses follow that talent to those regions where they are choosing to live. So, the economic strategy is to be the community that has the attractive qualities in your region where people choose to live. That is done with physical, cultural amenities and natural resource play areas. So, knowledge workers, educated people, choose to locate there. That is how a community becomes a region that is rich in talent and ideas, which attracts new economy businesses.

For example, I met the director of a culture department in one Norway city while hosting a study group. Every city in Norway has this type of department funded by their national government as part of their economic development strategy. Her department had seven full time and seven part time employees. Her city population was roughly 7,000. Their job is to make sure there are activities to do in the city: nightlife, sporting events, culture and so on. They have to make them self-sustaining, as these departments cease to exist after so many years. Norway understands the importance of a variety of activities for attracting people and economic development. Norway is one of our competitors in the new economy.

There are additional comparisons between the old economy and new economy. The table illustrated with this article compares the old and new economy. Each illustrates a significant shift from the economy Michigan had prior to 2009 and now.

### Old versus New Economy

A side-by-side comparison of the old economy and new economy.

Old Economy	New Economy
Inexpensive place to do business was the key.	Being rich in talent and ideas is the key.
A high-quality physical environment was a luxury, in the way of attracting cost-conscious businesses.	Physical and cultural amenities are key in attracting knowledge workers.
Success = fixed competitive advantage in some resource or skill.	Success = organizations and individuals with the ability to learn and adapt.
Economic development was government-led.	Partnerships with business, government and nonprofit sector lead change.
Industrial sector (manufacturing) focus.	Sector diversity is desired, and clustering of related sectors is targeted.
Fossil fuel dependent manufacturing.	Communications dependent.
People followed jobs.	Talented, well-educated people choose location first, then look for a job.

<sup>16</sup> <http://www.bendoregon.gov/>

Location mattered.	Quality places with a high quality of life matter more.
Dirty, ugly, and a poor quality environment were common outcomes that did not prevent growth.	Clean, green environment and proximity to open space and quality recreational opportunities are critical.

### Part three: People count: Population growth causes basic economic growth

Attracting people to live in your area is one of the most basic and important economic development strategies. It may also be one of the easiest<sup>17</sup> to do.

It seems obvious to say it, but each time someone moves to your community,<sup>18</sup> that is economic growth. That person is a new customer. They buy food and services, patronize local businesses, get their car fixed, attend activities, invite others to visit them, and more. Likewise, if people move away, that hurts the community economy.

*Population growth is economic growth. Taking steps to attract people to move to a community is an important strategy.*

A state, county or community that is shrinking in population cannot grow. Also, consider that in the new economy, many people choose where they want to live, move there and then look for work or become entrepreneurs creating their own employment. And people choose to move to quality places.<sup>19</sup>

So, a new economy development strategy is to attract people. First, any growth in population equates to growth. Second, there are certain population groups that may be more important to target than others. For example, new retirees (baby boomers) bring with them a life-time of savings and skills. Also, retirees are one of the most prolific population groups that produce entrepreneurs – people who start new businesses and employ others. This should not be a surprise. This age group has a lifetime of experience and skills, and many have savings or connections for having the funds to start new ventures.

Another sought after group (which Michigan does very poorly) are EB-5 Visa immigrants<sup>20</sup> to the United States. Those from other nations eligible for EB5 are well-educated and able to invest a significant amount of money into a new business. First and second generation immigrants to the United States are this nation’s most prolific group for starting new, very successful businesses that employ many people. These are highly prized immigrants<sup>21</sup> in many parts of the country, but, for the most part, Michigan does not even pursue them.

Educated youth (millennials) is a third desired group. This represents a talent pool – what advanced industry is looking for in a community where they might locate.

Remember, one of the characteristics of the new economy is that jobs follow people. People move to quality places. Currently millennials tend to seek urban, large city downtowns to live. That trend will

<sup>17</sup> [http://msue.anr.msu.edu/news/build\\_better\\_places\\_today](http://msue.anr.msu.edu/news/build_better_places_today)

<sup>18</sup> <http://landpolicy.msu.edu/resources/econimpactsctypopchangesmifullreport>

<sup>19</sup> <http://www.economicsofplace.com/2011/12/placemaking-in-small-towns-five-case-studies>

<sup>20</sup> <https://www.uscis.gov/working-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/about-eb-5-visa>

<sup>21</sup> [http://msue.anr.msu.edu/news/new\\_americans\\_in\\_michigan](http://msue.anr.msu.edu/news/new_americans_in_michigan)

continue for some years yet. It is a generalization. Not everyone fits that mold. The task for rural communities or small towns is to define their niche and target those people who seek the assets and attributes they have to offer.

The ultimate local goal for the new economy is to attract and retain these people-assets: well-educated youth, seniors, immigrants and entrepreneurs. For growth in the new economy, a community and region should have a deliberate, purposeful, formally-adopted population attraction strategy. Such a strategy may involve many of the same things the community does to attract tourists, attract medical staff to a local hospital, and more.

What attracts people to a town, county and region? The same things that have already been pointed out in this series: green<sup>22</sup> and blue<sup>23</sup> infrastructure, vibrant downtowns, arts, culture, activity and things to do. But more specifically, it comes down to “place matters”. People are attracted to a place.<sup>24</sup> The types of places which are popular and successful in getting new population have the following:

- Entrepreneurial infrastructure<sup>25</sup> – a community that is supportive of new businesses startups and has programs such as economic gardening in place
- Diversity<sup>26</sup> – communities that are tolerant of and socially welcome diversity of race, religions, beliefs and life-styles.
- Green<sup>27</sup> and blue<sup>28</sup> infrastructure – natural areas, parks, trails, water resources and so on
- Social infrastructure – a community with social activities, events and things to do
- Public transportation infrastructure – a choice as to how one gets around the community, not just automobile, but also bike, walking, and public transportation to and between amenities
- Variety of housing<sup>29</sup> – a choice of different types of housing, not just single family homes on lots, but also housing downtown, apartment buildings, and so on (what is important is to provide choice)
- Information technology infrastructure – high-speed internet
- Collaborative capacity – a community that works together and has many collaborative and cooperatives efforts for accomplishing community-wide projects

In the next part, we will focus more on place, place matters and placemaking.<sup>30</sup>

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<sup>22</sup> <http://michigantrails.org/>

<sup>23</sup> <http://www.michiganwatertrails.org/>

<sup>24</sup> <http://miplace.org/placemaking>

<sup>25</sup> <http://edwardlowe.org/entrepreneurship-programs/>

<sup>26</sup> [http://od.msue.msu.edu/diversity\\_and\\_multiculturalism/](http://od.msue.msu.edu/diversity_and_multiculturalism/)

<sup>27</sup> <http://michigantrails.org/>

<sup>28</sup> <http://www.michiganwatertrails.org/>

<sup>29</sup> <http://missingmiddlehousing.com/>

<sup>30</sup> <http://miplace.org/placemaking>

## Part Four: Local government's economic development role: placemaking and regions

A key strategy for development in the new economy is to attract more people to live in an area. At the most basic level, the idea is to simply have population growth.<sup>31</sup> More strategically would be targeting retirees (baby boomers), EB-5 Visa immigrants<sup>32</sup> to the United States, and educated youth (millennials) as desired newcomers.

In the new economy, we now see jobs and employers following talented people and talented people moving to quality places. This raises the issue of what are “quality places” and how does one make their own community a quality place? Part three of this series talked about that a little bit.

*It takes a region to provide the places, variety, resources and attributes to attract people. Attraction of people is attraction of new businesses and needs to be done at a multi-county regional level.*

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<sup>31</sup> <http://landpolicy.msu.edu/resources/econimpactsctypopchangesmifullreport>

<sup>32</sup> <https://www.uscis.gov/working-united-states/permanent-workers/employment-based-immigration-fifth-preference-eb-5/about-eb-5>





Figure 2: Components of placemaking | Graphic by Glenn Pape of MSU Land Use Institute from a similar graphic by Project for Public Places, New York.

The most important thing about “quality place” is that each community has its own unique characteristics. Each community has its own set of assets and attributes that are genuine for that community. One should build on those unique assets to enhance and build place.

Generically, one can point to some characteristics of a place. At a regional level (multiple counties),<sup>33</sup> they include attractive, high-quality cities, universities and colleges, first-class medical facilities, regional transit, transportation and highway access, and green<sup>34</sup>/blue<sup>35</sup> infrastructure.

Within a region, each community uses its assets to do its part in the region. No one local government area can be everything that is needed in a region. But they do have a role, contributing their assets as part of the whole for the region.

One of very important findings about successful communities in the new economy is their work was done with a regional (multi-county) partnership. The new economy is regional. People, companies and talent do not move to towns; they move to regions. So, the effort needs to be focused locally but with an eye as to how it works and fits in the larger region. That means local governments, schools and the private sector must all work cooperatively together to market the region.

In Michigan, as a result of the research done by MSU, there are the Michigan Prosperity Regions<sup>36</sup> put forth by Governor Snyder.

The process, or effort, to build “quality place” is called placemaking.<sup>37</sup> That is making place. To explain this it may be easiest to ask you to use your imagination. Think back to the last time you took a vacation or visited another city that you really liked. Now think back to what it is you liked about that place. Make a mental list of those things as you read this.

Now, think about your community. What things on your mental list about the place you visited could be done in your community? Be sure things you list for your community build on the existing strengths and assets your community has. You do not want to try to make your community something it is not. That would look and feel fake and does not work. Actually, doing the things on your list to build strengths and assets in your community is called “placemaking”.

Placemaking is one means of attracting people and prosperity to your community. Placemaking done by many communities in a region is one means of attracting people and development to your region.

The imagination example of placemaking, above, is a simplistic explanation. When working with a community, the discussion and making lists needs to be done in an open, inclusive way so many can participate. When done as part of a community, the process is more formal. It starts with knowing your economic region, or sub-region. This is so there is an understanding of what role the community fulfills in the region. For example, a very rural township may have the role to provide growing of local foods or green assets with forest or rivers. A city may be providing a downtown. Another small town may have the cultural arts assets and other communities offering their parts. All together they become a region or sub-region that has a cross section of most the assets that are globally competitive and economically prosperous.

To do all this, one needs to know the assets and resources. So, start with making a list of those things. Then, build on those. Think about how it fits in with the region. That means collectively making a model or region-wide economic plan which connects to demand (regional, national, global). Working as a community group and coordinating with a county and region means talking to your partners often. These

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<sup>33</sup> <http://www.michigan.gov/dtmb/0,5552,7-150-66155---,00.html>

<sup>34</sup> <http://michigantrails.org/>

<sup>35</sup> <http://www.michiganwatertrails.org/>

<sup>36</sup> <http://www.michigan.gov/dtmb/0,5552,7-150-66155---,00.html>

<sup>37</sup> <http://miplace.org/placemaking>

partners can be from neighboring communities, counties and regions. It also means partnerships that include each of the public, private, non-profit sectors.

This regional approach also means one gives up some of the old models (see chart with Part 2) of doing business. Economic development is no longer a territory issue. Everyone wins with any one community's gain. Everyone loses when time and resources are spent getting business to move from one place in the region to another place in the region. Be willing to rethink how local funds are spent, to invest elsewhere, or to help investment in another part of the region recognizing the whole region benefits.

In summary, economic development is now all about economic, social and environmental "placemaking". It is one of the main economic strategies for local governments in Michigan and is necessary to catch up with many other states and countries in the western world.

Finally, remember the shift to the new economy came to Michigan later than most places. That means we are behind in the process of creating places where people want to live, work and play. In order for communities to succeed and revitalize, embracing these concepts sooner rather than later is imperative to their success.

There are many excellent resources on placemaking. The main one, written specifically for Michigan is *Placemaking as an Economic Development Tool: A Placemaking Guidebook*.<sup>38</sup> It is a free PDF download for anyone in Michigan.

## Part Five: Prosperity comes from a focus on people, policy and place on a regional scale

Local governments are not the only ones with an important role to bring Michigan back to prosperity in the new economy. State government and educational institutions also have vital parts to do.

This series spoke of the new economic age and playing field and compared the old economy and new economy, pointing out this shift has already occurred and Michigan still needs to catch up with the change. The series then focused on the importance of attracting people and stated that population growth is economic growth. Thus, population attraction strategies by local communities are important with placemaking<sup>39</sup> and local government coordinating with regions.

For the state as a whole, the research done by MSU and other Michigan universities outlined fourteen broad categories of strategies for having prosperity. Those fourteen categories can be divided into three general areas: people, policy and place.

These three general areas also tend to fall into different camps for implementation. Issues around people are things most likely to be within the realm of the education system. Policy focuses on state-wide organizations and state government. Place are things best suited for local and regional government.

*It takes a region to provide the places, variety, resources and attributes to attract people. Economic development also needs to be coordinated among state, regional, educational, local government and private sectors.*

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<sup>38</sup> <http://landpolicy.msu.edu/resources/pmedtguidebook>

<sup>39</sup> <http://landpolicy.msu.edu/resources/pmedtguidebook>

In the new economy, businesses think in regional terms. An industry does not choose to move to a township, village, county or a city. An industry is choosing to locate in a region or sub-region. The assets and attributes businesses look for is more than what exists in a single municipality. The customer base, labor pool, education system, medical services and many more things are regional (multiple counties) or sub-regional (maybe two counties) in size. If local government is not also thinking in regional terms and presenting a regional picture, it runs the danger of not even speaking the same language as the industry it is trying to attract.

This should not be a surprise. A question I often ask an audience is, “How many of you live, shop, work, play, learn, socialize, go to church and everything else without ever leaving the boundaries of your local government?” Of course, no one raises their hand. We all live our lives in a region or sub-region. The regional approach for new economy strategies about people, policy and place also apply.

Figure 1 – Fourteen Strategy Categories



Figure 3 Categories of across-the-board various strategies for Michigan to be competitive in the new economy. | Results of a Land Policy Institute Prosperity Initiative for Michigan

The first area is a focus on people, enhancing the talent and skills that people have. This largely falls to the educational system. That includes K-12, community colleges, universities, Michigan Works, private and nongovernmental organizations, and economic development organizations. Strategies include educating our future workforce. In the new economy, there is a direct relationship between how well the population is educated and the median income in the state. In the old economy, that was not the case, and Michigan did well median income-wise. Today it is very important. The states with the most economic success and highest median income have a workforce which has 50 percent with bachelor degrees or higher. Michigan's is around 25-27 percent. This is not saying everyone has to go to college, but a larger percentage of students should be receiving higher education. Additional strategies are re-tooling the existing workforce, attracting and retaining talent. It also means advancing innovation and technology with training, research and development. The educational and nongovernmental organizations also have a role to create an entrepreneurial culture through the teaching of creative arts and community acceptance and fostering of entrepreneurialism. A strategy is also to work to market and promote the region the education institutions are located within.

While the accompanying graphic and this article divide economic development tasks among various government entities, it does not have to be done that way. For example, Kalamazoo Promise<sup>40</sup> is a multi-government and non-profit effort. Many communities understand the attraction of knowledge/talent workers means getting education beyond high school. So, various structures of investment in higher education are being done within a number of Michigan communities. The goal is to grow that talent right at home. Success is pointed out by research done by the W. E. Upjohn Institute for Employment Research:<sup>41</sup> Kalamazoo scholarships increased the number college degrees received. For every \$1 invested in college, one can expect \$11 more in pay over the course of a person's career. Higher education pays back big time, not just for the individual with higher pay and health, but also for the region. The more educated the workforce, the faster the recovery from recessions, and the more attractive those communities are to potential new employers, according to the Kresge Foundation's<sup>42</sup> materials.

So, while education mainly falls to the education system, local government and non-profit organizations can also have an important role.

The second area focuses on policy and improving the business climate. It is largely a state government (legislature) function and deals with regional and local organizations. Shaping responsive government to the needs of the new economy (including focusing state services around the new state regions) becomes an important strategy. The state can also diversify and globally connect businesses. Financial issues include increasing capital funding and designing a fair and competitive tax structure. The state level efforts also have a role to create an entrepreneurial culture with the education system. Also, the state can enhance transportation connections and choices.

The local role for this means streamlining zoning and local review and approval processes. Things like one-stop-shopping so one can get all their permits with one stop and one location. Strategies include having deadlines decisions on site plan review, special use permits; considering home occupations as an "automatic" activity in a home; mixed use districts, downtowns; allowing a mix of housing types; broadly defined agriculture that allows many more types of activities; accommodating alternative energy (with such structures as part of buildings, etc.); fewer special uses replaced with permitted uses; and requiring affordable housing for the workforce.

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<sup>40</sup> <https://www.kalamazoopromise.com/>

<sup>41</sup> <http://www.upjohn.org/>

<sup>42</sup> <http://kresge.org/programs/education>

The third area is a focus on place, enhancing community through placemaking, and is done by city, village, township and county governments; regions; private and nongovernmental organizations; and economic development organizations. This series of articles already focused on strengthening quality of place (placemaking and all that entails) in part 4. This includes enhancing green and blue infrastructure opportunities. It also means optimizing infrastructure investment, such as re-directing some spending toward new technology like high-speed internet. It also means working with state efforts to enhance transportation connections and choices and working with educational systems to market and promote the region.

All these efforts need to work together. There are many different actors needed to do all these things. Coordination between them all is necessary. If that cooperation does not already exist, it needs to be initiated. In part three of this series, we pointed out that a community that works together has many collaborative and cooperative efforts (between public, private, non-governmental and non-profit organizations) for accomplishing community-wide projects and will be several steps ahead toward prosperity.

In part four, we indicated this cooperation needs to also span geography to be regional. It was one of the very important findings about successful communities in the new economy: having a regional (multi-county) partnership.

Two final thoughts: Dr. Adesoji “Soji” Adelaja,<sup>43</sup> the professor of economics that headed up the applied research behind what Michigan needs to be doing to be prosperous in the new economy, said in exasperation, “Michigan has the natural resources, people and all the other assets for economic success that the rest of the world envy. But no one seems to promote them or use them, and some do not even recognize them as assets.” How can a state be so blind to all it has at its disposal? The point is, Michigan has the resources<sup>44</sup> needed to be successful.

Finally, Michigan was a system of economic downtown for decades. It will take dedication, long-term commitment and many years for strategies outlined here to have full effect.

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<sup>43</sup> [http://www.afre.msu.edu/people/adelaja\\_a/bio-info](http://www.afre.msu.edu/people/adelaja_a/bio-info)

<sup>44</sup> [http://msue.anr.msu.edu/news/local\\_government\\_has\\_a\\_major\\_role\\_in\\_revitalizing\\_michigans\\_economy](http://msue.anr.msu.edu/news/local_government_has_a_major_role_in_revitalizing_michigans_economy)



- Mary Lou Millard, Township Planning Commission Secretary, Onekama Township (Manistee County).
- Patricia E. Norris, MSU Professor of Agricultural Economics, Guyer-Seevers Chair in Natural Resource Conservation.
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