

the review

March/April 2016

the official magazine of the  michigan municipal league

Leading the League

Dearborn Mayor Jack O'Reilly
steps into a new role

- PlacePlan Lessons
- Developing "Eight Assets"
- E911 Deadline
- Successful Construction Projects

League Municipal Finance Reform Campaign

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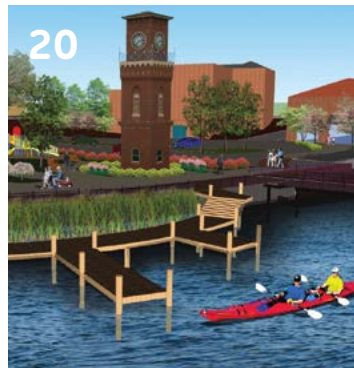


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On the Cover:

Jack O'Reilly, mayor of Dearborn, recently stepped into the role of president of the Michigan Municipal League Board. Having worked through a recession, the condition of Michigan's cities and the need for municipal finance reform is fresh on Jack's mind.

Cover photo by Bob Brodbeck



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michigan municipal league

the review

The official magazine of the Michigan Municipal League

Volume 89, Number 2

We love where you live

The Michigan Municipal League is dedicated to making Michigan's communities better by thoughtfully innovating programs, energetically connecting ideas and people, actively serving members with resources and services, and passionately inspiring positive change for Michigan's greatest centers of potential: its communities.

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Breaking Down the Numbers

The State Revenue Sharing program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). See the dramatic disinvestment by the state in local government from 2002/03-2012/13.

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League Launches Campaign to Reform Michigan Municipal Finance

By Anthony Minghine

Michigan's municipal finance model is broken. It is the result of decades of partially developed policy across numerous legislatures and administrations, all with varying views of the problem and solution. It is essentially the Frankenstein's monster of local government finance models. As it exists today, it is incapable of sustaining vibrant communities and, left unchanged, it will be the undoing of the State of Michigan. In March 2015, the League Board of Trustees said "enough!" and they challenged League staff to begin developing a new way forward.

Bold Change Is Needed

After years of working within the existing paradigms, the League is undertaking a major legislative and policy push aimed at reforming municipal finance in Michigan. This is not intended to be a simple request to ask for more revenue sharing, but rather an examination of how we can do things differently in Michigan to assure that local government doesn't just survive, but thrives. To that end, the League will be developing policy recommendations around three themes: Cost Containment, Revenue Enhancement, and the Structure of Government. We are taking this approach to break away from the historically limiting tactic of incremental change within the context of where we are today. That simply has not worked, and will not work going forward. We need new ideas, innovative approaches, and bold action to create a new future for communities all over Michigan.

To aid in this endeavor, the League has made a major organizational and budgetary commitment to further this objective. As part of that effort, we have commissioned a number of independent reports that will be the factual foundation upon which we will build our recommendations. We believe that our first steps must be aimed at building a data-driven foundation that makes the case for our mission. These reports, and others that will follow, will make the case for change that we believe is necessary.

Three-Tiered Approach

As I previously indicated, we will have a three-tiered approach to crafting our policy recommendations. The first tier is seeking new ways to help local government contain costs. If we can help reduce or eliminate costs from local budgets, this will free up budget dollars for other vital services. While many outside of local government may choose to accuse local government of mismanagement, the reality is that many of the budgetary constraints that they deal with are not of their own creation, or are outside of their authority to correct. Issues like OPEB could be significantly impacted through legislative changes and would have a dramatic impact on local finances. These costs have largely been established via contracts and arbitration and often instituted in a different economic circumstance than exists today. We need to think differently about those issues.

Michigan's municipal finance model ... is essentially the Frankenstein's monster of local government finance models.

Secondly, new revenues do need to be a part of this discussion. There is no getting away from the reality that our system is catastrophically constrained and needs to provide better resources for local government. As our system is currently constructed, it requires local government to share in the financial burdens during tough times, but it doesn't allow for local government to share in the prosperity of good times. In fact, locals remain mired at unnaturally low levels that hamper service delivery and their ability to create great places. Additionally, our system needs to direct revenues to the places that drive our economic engine. It is here that we must create places where people choose to live, or we will be incapable of attracting and retaining the talent needed to sustain true economic growth.

Lastly, we hope to address the structure of government, or more simply, how we maximize the infrastructure of the state in a way that benefits everyone most effectively. Michigan's population has been relatively flat for decades. That means any growth that one community experiences comes largely at the expense of another Michigan community. This leads to abandoned or underutilized infrastructure that is a waste of taxpayer dollars and does not allow us to leverage the investments that have been made across the state. We need to be smarter about the investments that have been made, and fully utilize them before embarking on projects that may provide marginal benefits to some at the expense of the greater good. Addressing issues such as these will lead to an overall improvement in service delivery and not in unnecessary sprawl.

To achieve this bold agenda, we will be working closely with the governor's office and the Legislature. Early conversations have been encouraging, but this will be a long and sustained process. It will require not just the efforts of League staff, but of the membership as well. We encourage you to engage in these efforts over the coming months. As we begin to move this agenda forward, talk with your legislators, testify on issues you are passionate about, and do what you can to help craft and deliver our message. Our collective futures will be framed by this project, and it will require all of our best efforts to succeed.

Anthony Minghine is associate executive director and COO for the League. You may contact him at 734-669-6360 or aminghine@mml.org.



COST CONTAINMENT

Understanding Local Government Legacy Costs

By Jessica Reed

Growing legacy costs featured prominently in the Detroit bankruptcy proceedings and have been the culprit in many private sector financial troubles. Municipal legacy costs are at the forefront of the current municipal finance discussion due to changing regulations and the lasting financial stress in the wake of the recession. Therefore, one of the first projects for our municipal finance initiative was to demystify our members' legacy debt by compiling a database.

Structural And Regulatory Pressures

The growing liability of pension and other post-employment benefits (OPEB) is highlighted by recent workforce and regulatory changes. From 2008 to 2014, the size of the local government workforce decreased by 8 percent. This decrease is largely attributed to the cutbacks of the recession, and only exacerbates the imbalance of those collecting benefits versus those currently paying into the programs. In fact, we found that the average pension plan has a covered employee payroll of nearly 300 percent. This means that the pension plan's unfunded liability is three times larger than the payroll of employees currently paying into the plan. For OPEB, the liability is over six times larger than current payroll. Combine these statistics with the increasing cost of healthcare, longer lifespans of benefit recipients, and decreasing rates of return on plan investments—and you can see the problem forming.

The Governmental Accounting Standards Board (GASB) decides the standards for state and local government financial reporting and accounting. GASB 67 and 68 of 2012 are a set of standards that alter the way our members report and

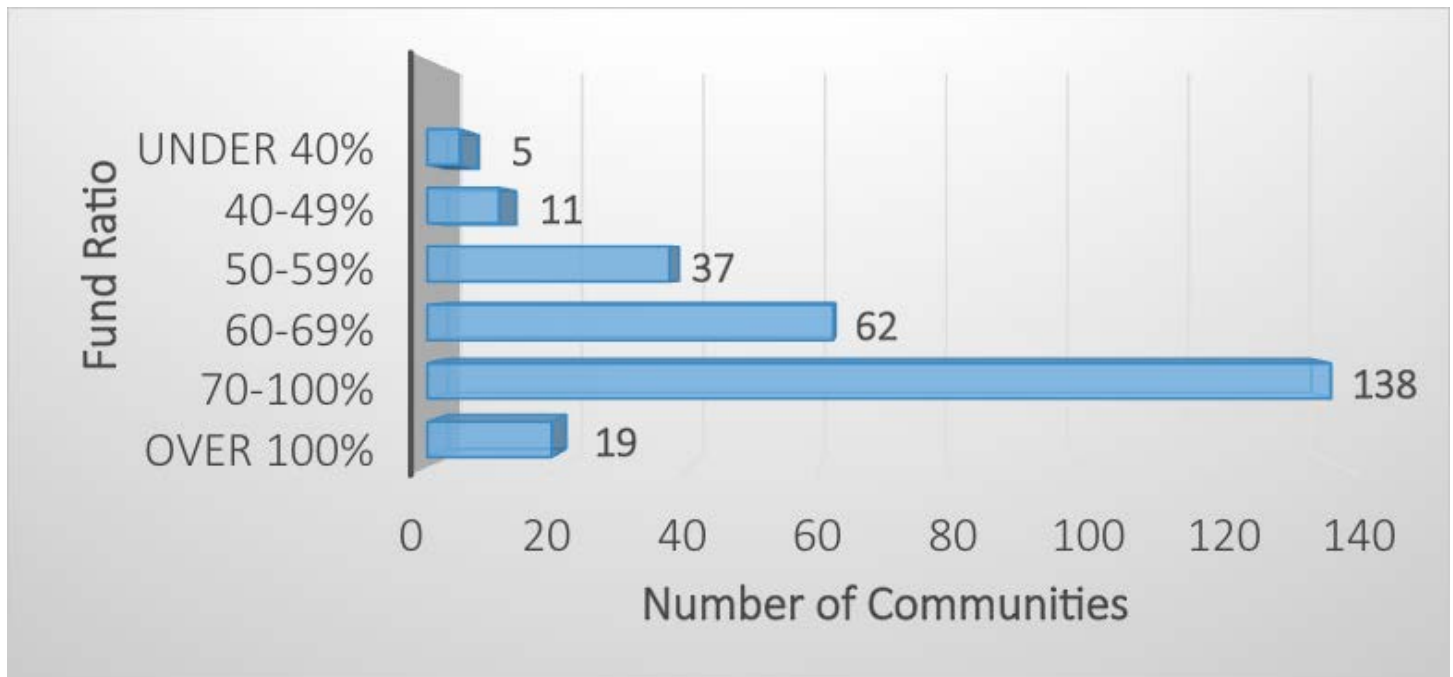
calculate pension liability. The standards, which went into effect in 2015, will now display a new calculation for the pension liability and move the figure from the notes section of the Comprehensive Annual Financial Report (CAFR) to the main financial statements. In addition to the new standards regarding pensions, OPEB liability will also be recalculated and appear on the main financial statement starting in 2017. The OPEB liability was only required to appear in the CAFR starting in 2011. These changes could possibly alter the financial position and/or credit rating of a municipality, which would only compound the issues that the unfunded liabilities present.

Data Collection

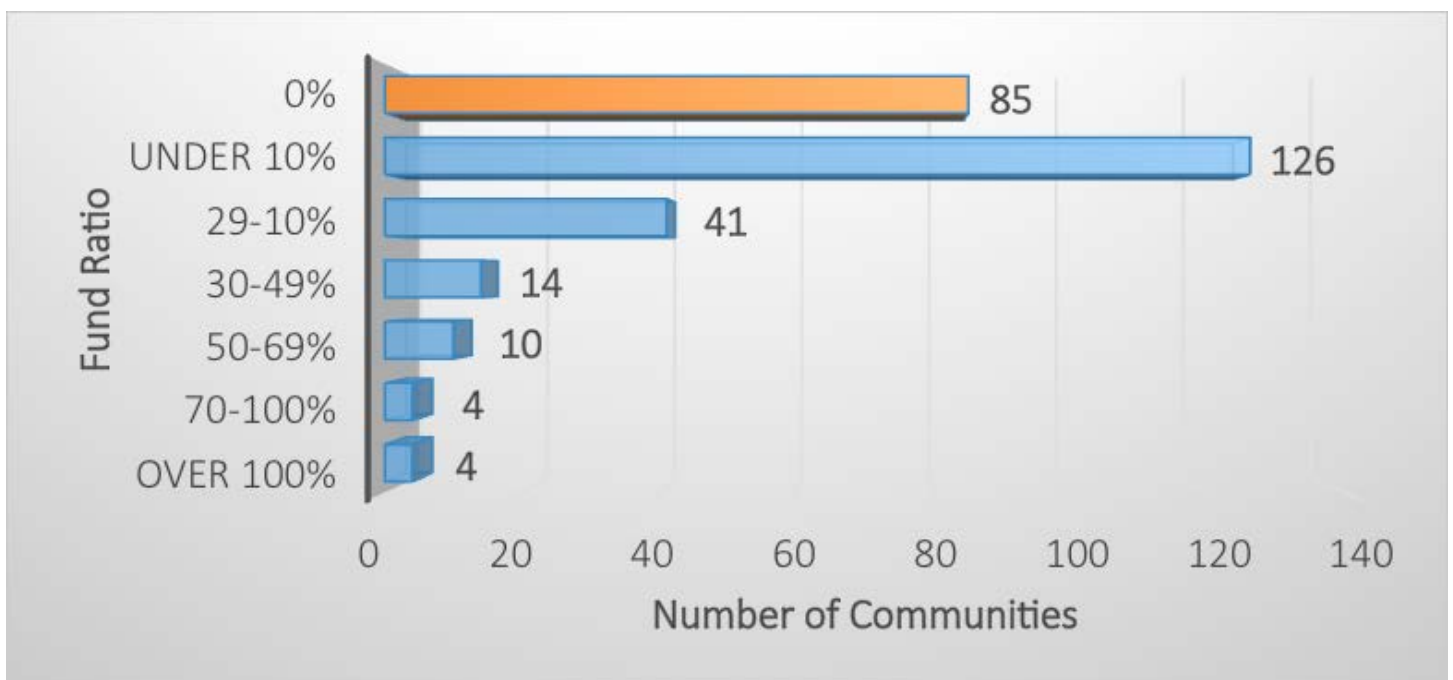
Over the summer of 2015, League staff took on the task of collecting pension and OPEB information on 335 member communities and individual plan information from the largest 100 employers, representing 90 percent of League members' employees. In order to complete this project, the League brought in Daniel Antosik, Wayne State University MPA candidate, as our research intern to lead the data collection effort. The project was coordinated through three departments at the League and lasted four months. We identified over 100 fields to collect information on a municipality's fiscal structure, pension plans, and OPEB plans. The scope and fields were decided by consulting municipal officials and auditors. The main source for our data was the municipal audit report or CAFR.

Findings

At this point, we've completed summary analysis of the data to assess the overall position of our members. Fortunately, we found that most of our members are above the advised 70 percent fund ratio for their pension plans. As Figure 1 shows, the majority are funded at 70-100 percent with an average fund ratio of 74 percent. On average, the Annual Required Contribution for each community is 17 percent of the annual General Fund expenditure.



However, the health of OPEB funds are in a completely different place. As mentioned earlier, OPEB plans have only been assessed on the CAFR since 2011. Most plans have been treated as pay-as-you-go and did not have funds set aside to cover future costs. Figure 2 shows the fund status on OPEB plans for communities that offer OPEB benefits, and a majority are funded under 10 percent. With a total unfunded liability of \$6 billion and the Annual Required Contribution accounting for 13 percent of annual General Fund expenditures, communities are going to have difficulty grappling with this substantial liability.





Next Steps

Daniel Antosik presented these findings at the League's 2015 Convention in Traverse City, along with Michelle Watterworth from Plante Moran and Debra Horner from the University of Michigan Center for Local, State, and Urban Policy. The discussion covered the changing regulatory environment and the opinions of local government officials regarding legacy costs. Since then, the governor's office has taken particular interest in this issue. League representatives have been participating in workgroups for the last few months and hope to have a set of solutions announced shortly.

The preliminary findings are now being examined by Plante Moran, who will produce a summary report. The League is also working on developing the information into an accessible database for members. This way, members would be able to easily compare themselves with peer communities. We are also exploring future updates for the database to create a longitudinal data collection for analysis. Furthermore, we'd like to look into the measures some communities have taken to reduce their liability to assess which actions have the most impact.

The League believes that providing a path to reducing the burden of this unfunded liability is essential to improve municipal finance and provide relief for communities across the state. We are examining ways to give our members the ability to tackle existing debt and reduce the burden moving forward.

If you have any questions about the database, feel free to contact me at jreed@mml.org.

Post-script? I would like to extend a big THANK YOU to Daniel Antosik for his diligent work on this project, as well as Derek Tisler, Samantha Harkins, Tawny Pearson, Richard Murphy, Luke Forrest, Sarah Craft, and Kim Cekola for their help on this effort!

Jessica Reed is a program coordinator for the League. You may contact her at 734-669-6325 or jreed@mml.org.



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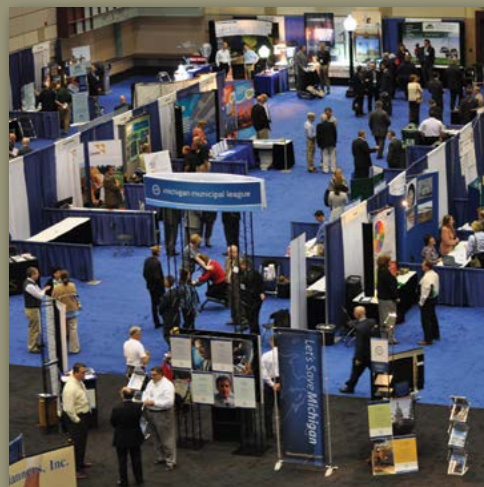
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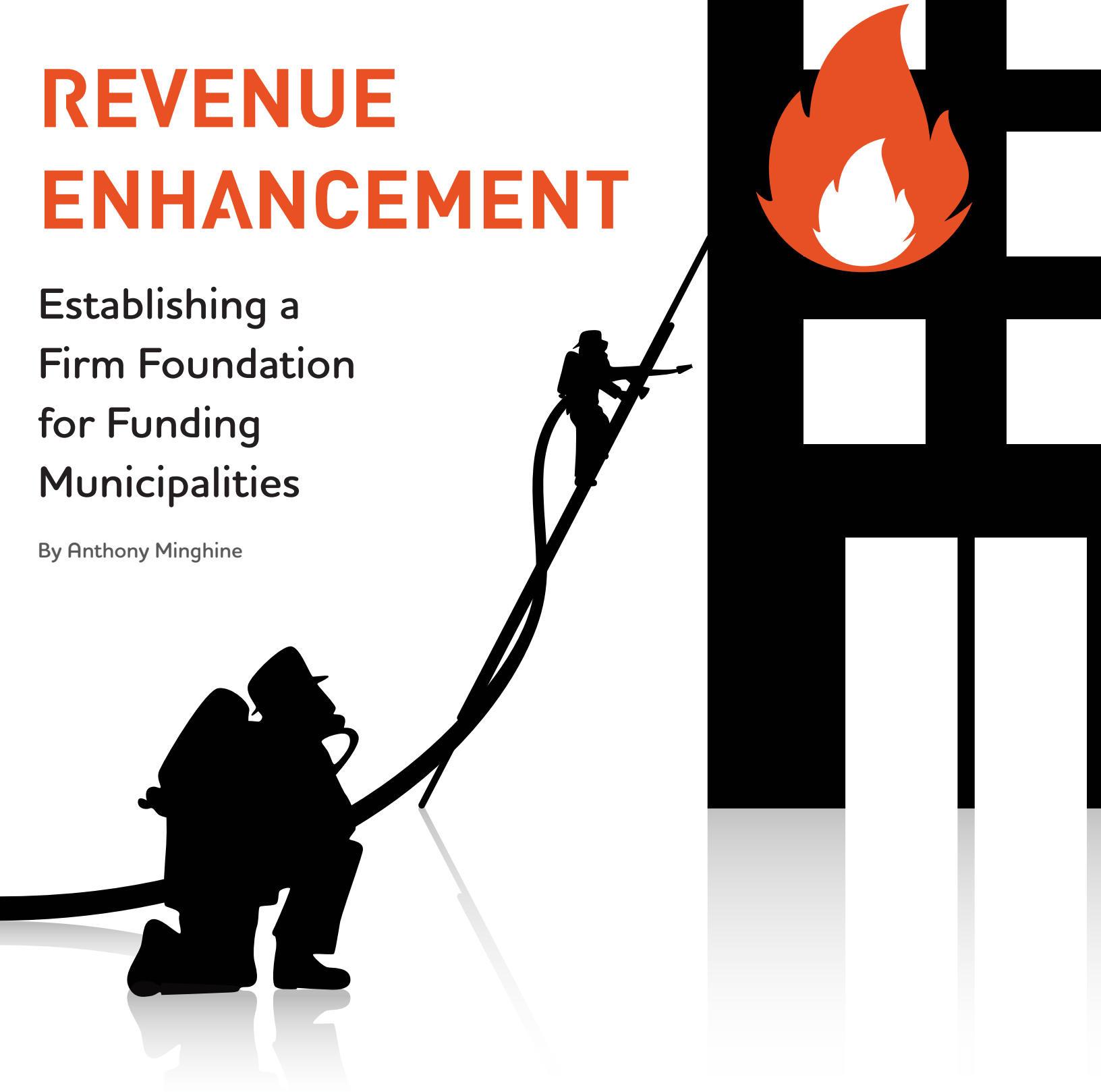
To enhance this new service, we have also created a sample RFP page. If you've never written an RFP before, or you want to take a peek at what others have written, check out our new information page. We have sample RFPs available on our website, www.mml.org.

It's just one more way the League is here to help our members serve their communities even better than before!

REVENUE ENHANCEMENT

Establishing a Firm Foundation for Funding Municipalities

By Anthony Minghine



For Michigan to truly prosper, we need strong communities as our foundation that deliver the services that matter most. To do that, local government needs the ability to ensure stable and adequate revenues. Our current system is not a well thought out revenue system, it is a conglomeration representative of decades of individual changes that now leave local governments economically crippled. State policy incents the abandonment of infrastructure, allows additional revenue only through “new” construction, limits fees, and places the interests of the

state government ahead of communities rather than fulfilling their obligation to provide local funding. Worst of all, our system is not built in a way that allows local government to share in the prosperity of a strong economy. It is, in fact, built in a fashion that will keep revenues artificially low indefinitely. Our system is a formula for failure. Left unchanged, every local government is on the same continuum and the question is when, not if, it will begin to degrade their ability to offer a level of services that helps make a strong community and a place people want to live.

So what can we do to improve local government's ability to be properly resourced and funded? Here are a few of our ideas.

Share In The Wealth

Our top priority must be to ensure that, at the local level, municipalities share in the prosperity of a strong economy. They have proven that they can do their part in tough times, but they must have an opportunity to invest and grow in strong times. Our tax system is built in such a way that it is only downwardly mobile. The combination of Headlee and Prop A have created a model that cannot sustain local government. As was demonstrated during the great recession, property values can fall dramatically and become frozen at artificially deflated levels. This limitation is unreasonable. We can easily retain the spirit of these acts, but allow the saw to cut both ways. Roll-ups of millages and maintaining the individual caps at inflation are both reasonable and logical refinements that should occur.

Improve Revenue Sharing

In spite of the tremendous cuts and underfunding that local governments have experienced, revenue sharing is still typically the second-largest revenue stream in a local budget. In addition to a lack of adequate funding, revenue sharing lacks any thoughtful distribution. We continue to use old distribution methods that don't reflect the vital role cities play in our economy. We need to explore distributing revenue sharing in a way that will recognize the super influence core cities have on their regional economies, and invest our state resources accordingly. We must also use revenue sharing to help balance local government's abilities to provide an appropriate level of services. Obviously, in our system the ability of certain communities to generate tax revenue is greater than others. Historically, revenue sharing was the counter balance and we need to ensure that this aspect is restored in the revenue sharing system.

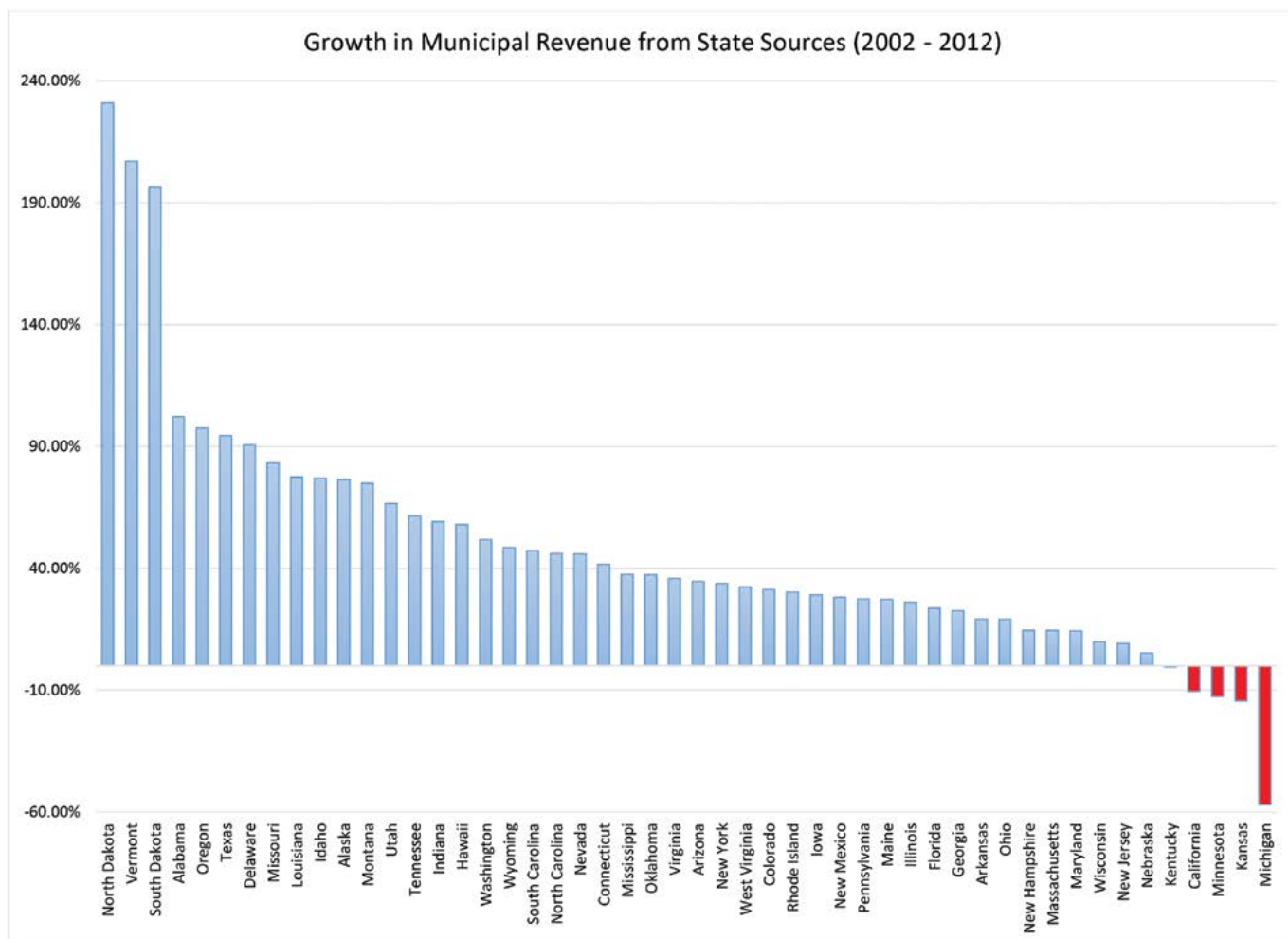
Generate Local Revenue

We need to create new tools that will allow for local government to generate revenue locally. Even with widespread local support, the ability to raise revenue at the local level is significantly restrained. We need to allow local government to raise additional revenue when they have the support of their community. While there are many ways to achieve this, two ideas worthy of exploring are revising PA 33 special assessments for public safety, and creating broader operating special assessment authority outside of normal millages. PA 33 already exists and is a tool available to townships and smaller cities to fund public safety operations. A simple change to remove the population limitations would

allow all cities to ask their residents to provide financial support to fund their public safety operations. We also think that this concept merits consideration for other special circumstances. We could create limited operating special assessments that a city could use to meet service demands, provided they obtain voter approval. This could provide the flexibility that recognizes that different communities have different needs. More importantly, it could be an economic development tool to create great places that bolster a community's ability to attract and retain residents and businesses.

Most residents of a community generally pay, either directly or indirectly, their fair share of taxes to support vital public services. I say most, because mobile homes parks have a unique deal that I would venture to say most residents in Michigan are unaware. While the residents of mobile home parks pay fees to occupy space in the park, the park owners pay a pittance for local services. Of the \$36 paid annually by a mobile home park owner, \$6 finds its way to the city in which the park resides. In contrast, a home with a taxable value of only \$10,000 and a millage rate of 15 would pay \$150 in local taxes. How is this equitable? We need to ensure that all

Our top priority
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prosperity of a
strong economy.



Source: U.S. Census Bureau, 2002 Census of Governments and 2012 Census of Governments: Finance - Surveys of State and Local Government Finances.

residents and business owners are treated fairly and do their part to support local services.

This is a sampling of policy ideas that we think will help to move Michigan forward. It is time that we have an open dialogue and move ahead with policy that will sustain Michigan and its communities well into the future. We can all see what our current system has provided: a Michigan that lacks the necessary financial resources to invest in our economic future. We need strong communities with good services and robust infrastructure, and the first step forward is providing proper and sustainable funding for local government. We welcome your thoughts and ideas. Send comments and suggestions to municipalfinance@mml.org

Anthony Minghine is associate executive director and COO for the League. You may contact him at 734-669-6360 or aminghine@mml.org

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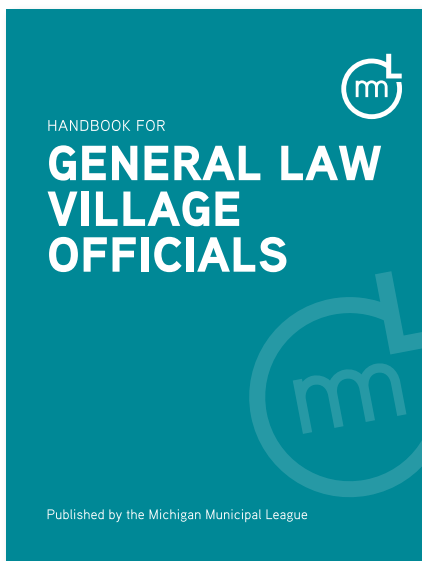


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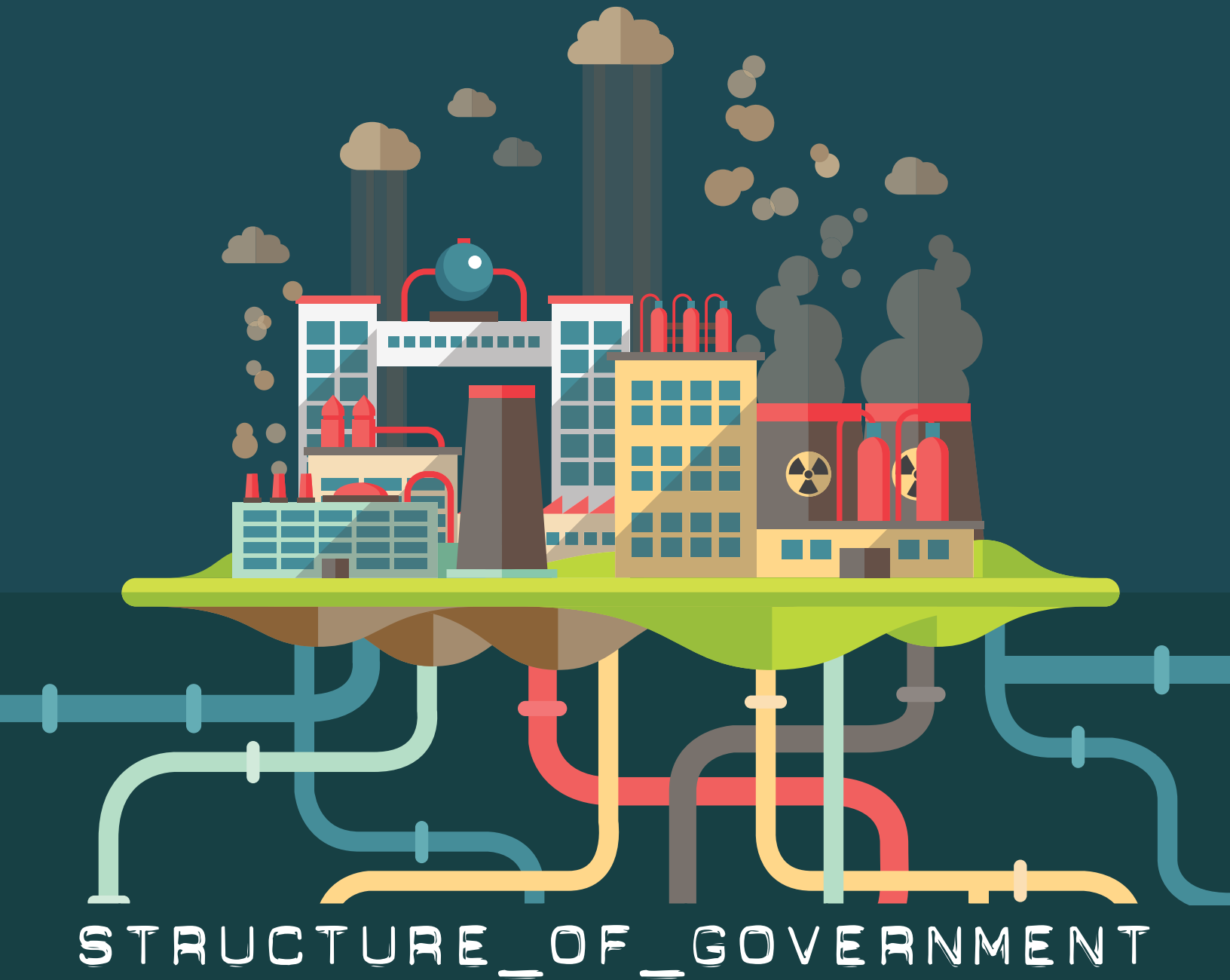


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- Frequently Asked Questions
- A Sample Budget Ordinance



Building a System That Meets 21st Century Needs

By Derek Tisler

Michigan's local government structure and service delivery is a relic from a time when the most important aspect of government was not efficiency, but proximity. When the state was founded, most interactions with the government had to take place in person and people demanded access to their community leaders in a place that was no more than a day's horse ride away. The result of this focus on geography is what we have today: taxpayer funds that are spread thin across over 2,000 local governments and authorities, many of which are overlapping, fragmented, duplicative, and inefficient.

Now, 21st century communities have abundant methods of interacting with their citizens and delivering services to

State policy needs to evolve to build a system of governance for this century that will keep people safe, keep our economies functioning, and ensure that people can truly love where they live.

meet their needs, and almost none of these methods require a horse. If we had the chance to wipe clean current local government boundaries and service delivery jurisdictions

and build a new system that maximizes community resources to ensure that resident and business needs are met affordably and efficiently, the resulting map would likely be unrecognizable for people familiar with Michigan today.

Work Smarter

Our system of local government did not begin today. Our state is full of communities with rich histories and cultures, and residents with proud memories of their home. But that does not mean that we can't be smarter about the way our state and local governments interact to deliver services. State policy needs to evolve to build a system of governance for this century that will keep people safe, keep our economies functioning, and ensure that people can truly love where they live.

Before undertaking any conversation about how we can build a better system of local governance, it is important that we understand why local government matters and what purpose it serves in our state. A 2015 report from the Citizens Research Council of Michigan offered one explanation: given that local governments are the units closest to people, the "...purpose of local government is to manage the interaction between people." If you accept this

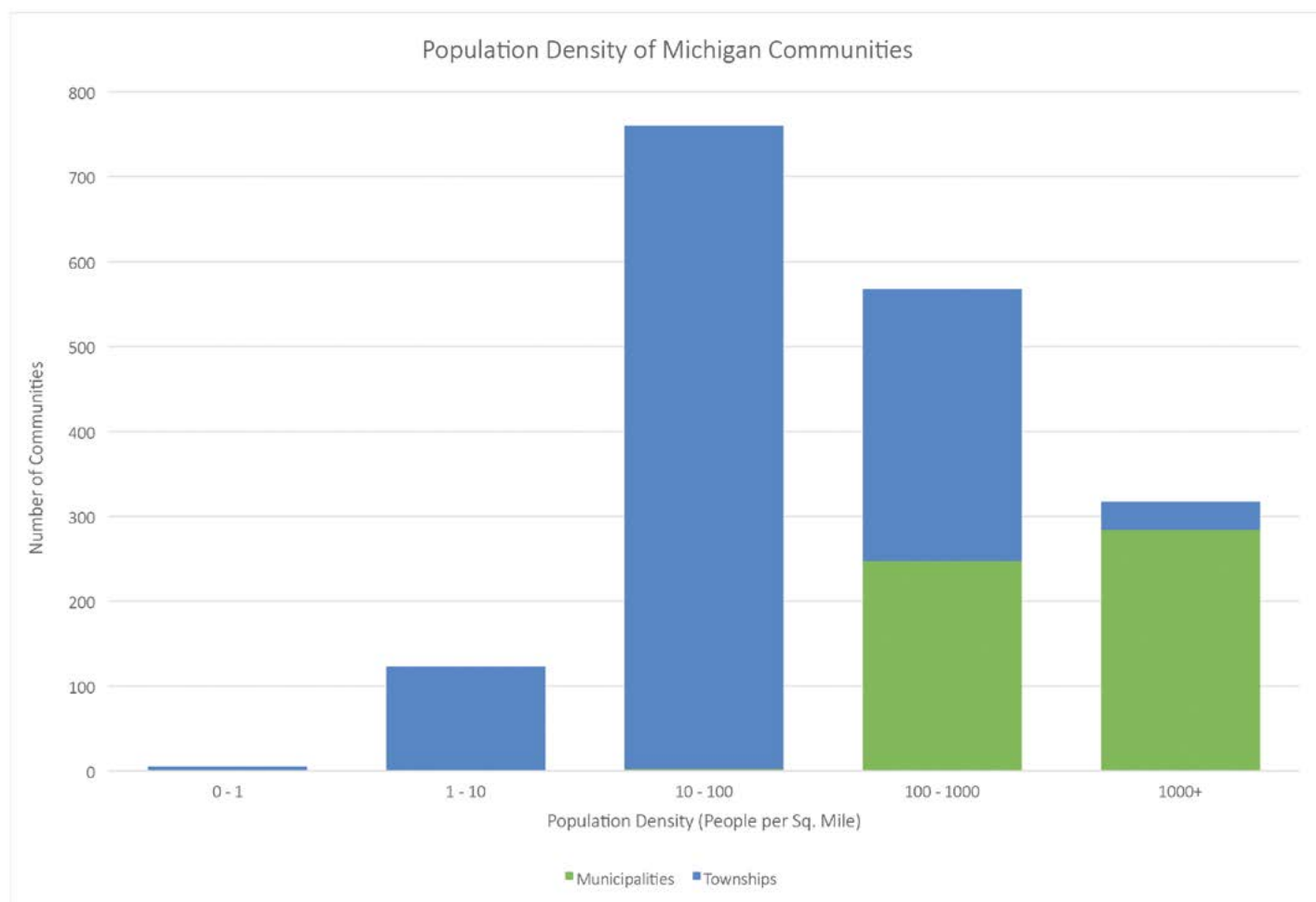
premise, it follows that communities where people live and interact in closer proximity will have a higher demand for local government services.

Although the statewide average population density is roughly 550 people per square mile, individual communities and types of communities have vast differences. As shown in Figure 1, Michigan townships have much lower population density, than municipalities—cities and villages.

These statistics get at an important distinction between types of communities in Michigan: while township boundaries were determined by land area, municipal boundaries were determined by people. It is not surprising, then, that most of the local built infrastructure and public services are found in the state's urban areas and core communities.

Make The Best Use Of Existing Infrastructure

As a state, we should be taking full advantage of the infrastructure that we have already invested in by maximizing our utilization of what exists before starting nearby from scratch. There are far too many examples in this state of intergovernmental competition getting in the way of good policy. Undeveloped communities are building brand



new water and wastewater facilities to support potential development even when there is existing and fully functioning capacity mere miles away. Tax structures and incentives are luring businesses to wide open green spaces rather than urban areas that are already prepared to handle a business' infrastructure needs. While communities are "winning" the new development by promising the construction of new infrastructure, taxpayers are losing.

If state and local governments worked together to maximize our existing capacity, we would protect our state's fiscal sustainability by taking advantage of economies of scale and ensuring that the state as a whole is producing the greatest impact for every dollar spent. Michigan communities that have the ability to serve more residents and businesses with the public systems they have already invested in should be encouraged to push beyond their borders to provide quality, affordable service both for the people in their community and in surrounding areas.

Rather than working to establish these efficient service delivery models, our existing infrastructure largely resides in communities that have become landlocked by competing jurisdictions and prevented from growing. A property tax system—such as Michigan's — that only rewards communities for new construction rather than economic growth in existing property compounds this problem even further for our older,


built-out communities. If there are no opportunities to grow their revenue within their borders and no opportunities to grow their revenue beyond their borders, municipalities will continue to have difficulty keeping up with increasing liabilities.

Lost in this discussion is the reality that we aren't experiencing growth as a state. We are merely poaching from each other and calling it development.

In order to provide quality, affordable service, we need to look beyond our borders. Our state cannot continue to abandon our built infrastructure even as we seek to construct more and more in new areas. Improving knowledge and technology means models of service delivery are no longer limited by the distance and speed a horse can travel. The needs and demands of our residents, businesses, and communities have evolved over the 179 years that Michigan has been a state. It is time our structure of government does the same.

Derek Tisler is a legislative assistant, state affairs, for the League. You may contact him at 517-908-0302 or dtisler@mml.org.

"Reforming Statutory State Revenue Sharing." Citizens Research Council of Michigan. February 2015.



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Being # 1 Is Not Always a Good Thing!

Options for Reducing Retiree Health Care Costs

By Michael DiLorenzo

According to a recent study published by HealthView Services, a designer of healthcare projection software, Michigan ranks among the most expensive states when it comes to out-of-pocket healthcare costs for retirees.

This is not good news for municipalities trying to maintain a comprehensive retiree healthcare plan. Budgetary constraints, rising premiums, and longer life expectancies cause great roadblocks for those governmental entities that are contractually obligated to provide retiree healthcare.

While shifting costs may be one alternative, it is never an employer's first choice. Neither is raising deductibles or eliminating healthcare altogether.

Cutting Costs, Not Benefits

Entities throughout Michigan, including the City of Howell, have taken a unique approach to addressing this concern by implementing a group Medicare Advantage plan.

"The conversion to Medicare Advantage basically cut our monthly spending in half," said Shea Charles, Howell city manager.

These plans, offered by private carriers, add additional benefits to the Medicare hospital coverage that is provided to retirees once reaching the age of 65. The Advantage plan, when paired up with Original Medicare A and B coverage, provides a comprehensive package, affordable to both retirees and the sponsoring entity.

While the annual premium increases vary by group, the renewal increases have typically been single digits, resulting in a very practical and long-term strategy for entities that desire to continue to offer affordable care to the retiree population.



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As an added bonus, placing the retirees on a separate program reduces claims liability and exposure, supporting the stabilization of experience rated renewals and self-funded claims spending. The programs serve as a mechanism that makes budgeting easier and more predictable.

Remaining proactive and aggressive in cost containment is crucial for any organization that is serious about managing costs. The days of passive management—for both active and retired employees—have long since expired.

"Our approach for several years has been to look for options to control the cost of retiree healthcare...shopping different providers and vendors. That ability to shop is absolutely critical," notes Charles.

For questions regarding Medicare Advantage programs, and other areas of employee benefits management, please contact Michael DiLorenzo at (800) 674-9235.

Michael DiLorenzo is the COO of Michigan Planners. You may reach him at 800-674-9235 or mdilorenzo@miplanners.com.



PlacePlans Unlock

By Luke Forrest and Adam Cook

The League, in partnership with Michigan State University's School of Planning, Design and Construction (MSU) and the Michigan State Housing Development Authority (MSHDA), launched PlacePlans in 2012. Since that time, we have been privileged to work in 22 cities, from Marquette to Detroit, developing practical examples of the power of community engagement and investing in quality places.

In each of these communities, we have focused on transforming a relatively small geographic area that has the potential to be much more than it is today. These

transformations, in order to be fully realized, will take significant resources and sustained focus, likely for many years. Yet many of the 22 PlacePlans cities have already seen tangible impacts, and communities across the state can learn from their experiences. A relatively small investment by the host cities, the League, MSHDA, and MSU has yielded millions of dollars in project investments by both public and private entities.

Moving PlacePlans Forward

In Holland, for example, where the PlacePlan focused on developing a "Western Gateway" to the downtown, a



Sault St. Marie Moloney Alley PlacePlan

Valuable Lessons

local developer is now moving forward on a block-long redevelopment project to connect the city's existing commercial core to the farmers market and civic center area. A combination of renovations and infill construction will transform the southern side of Eighth Street between South River Avenue and Pine Avenue, giving it a continuous frontage of mixed-use buildings that are compatible in design and scale with those further east. The first phase includes an historic renovation project, which will provide 60-100 residential units as well as retail and restaurant space on the ground floor. Sixteen units are scheduled to be ready in 2016.

A relatively small investment by the host cities, the League, MSHDA, and MSU has yielded millions of dollars in project investments by both public and private entities.



1



2



3

1. Allegan Downtown Riverfront Development. 2. Southwest Detroit Vernor Crossing. 3. Marquette Reimagining Baraga Avenue.

The city and developer credit the information and analysis contained in the PlacePlan, as well as a subsequent Target Market Analysis (TMA) of downtown Holland's potential residential demand suggested as a Key Action Area therein, with helping make the decision to proceed with this project.

Analysis of the local real estate market also proved valuable in Sault Sainte Marie. Following completion of Sault's PlacePlan in July 2013, the city capitalized on community support for the plan, resulting in the sale and rehabilitation of two buildings on the block that had once been eyesores. The city's Downtown Development Authority (DDA) was awarded matching funds by MSHDA for a TMA of potential demand for residential units downtown. The TMA found that the city's downtown could support a yearly addition of between 36 and 54 residential units over five years. With this in mind, the DDA began actively recruiting developers for several sites in the Moloney Alley area and worked with two consulting firms, Kuntzsch Solutions and Campbell Planning & Architecture, to develop an innovative request for qualifications (RFQ) packet.

Private development has not been the only area where PlacePlan communities have seen results. Many have also made significant investments in public infrastructure and

amenities, often supported by creative partnerships with other local organizations. Allegan's city administration leveraged its capacity for civic engagement from the beginning of the PlacePlans process. Supporters included an active Downtown Development Authority, committed local business owners and Chamber of Commerce, Allegan County Community Foundation, and numerous fraternal organizations, all focused on regional economic success. In November 2013, Allegan voters overwhelmingly approved taking \$500,000 from the city's \$3 million sinking fund to use as grant-matching money to start up the projects. Results have already included a redesigned Veterans Memorial Park, LED lighting on the Second Street Bridge, an events plaza and stage, and a new riverfront welcome center. Currently, Allegan is working with the League's PlacePOP program to experiment with pop-up storefronts to fill downtown vacancies.

Kalamazoo has shown that infrastructure changes need not carry a major price tag or take years of deliberation. Their PlacePlan looked at balancing biking, walking, transit, and traffic options in the Edison neighborhood, and especially at the role of Portage Street as a gateway to the neighborhood

and downtown. Similar to neighborhood main streets around the state, Portage had been widened and configured to handle four lanes of traffic flowing through the neighborhood. The PlacePlan, backed by the results of a community workshop and study from LSL Planning, recommended reconfiguration of Portage from four to three lanes. Before making such a major change permanent, the city pursued some of the recommended changes on a trial basis: Portage Street was resurfaced and restriped to three lanes with a bike lane, and traffic signal timings were modified to compensate for the new traffic pattern. When reconstruction of the street moves into the detailed design phase, Kalamazoo will now have actionable data on which to base decision-making, and will be able to fully take advantage of an opportunity to make Portage a truly multi-modal and livable street.

Lessons Learned

These are just a few of the examples of the success PlacePlans cities have already enjoyed. Others around the state can learn from their examples, because while the individual projects are highly customized to local circumstances, the principles and practices they followed apply to communities of all sizes. Over the past three years, some of the keys to project success include:

- Engage residents and diverse community stakeholders in new and creative ways, some of which are outlined in the League's Civic Engagement Guidebook, available at Placemaking.MML.org/Engagement

- Work with property owners to find common interests and mutual benefit
- Reuse existing buildings to fill community needs
- Build and leverage relationships with other local and regional entities
- Use hard data (such as market and demographic analysis) to inform and support the community vision
- Don't get bogged down in minor design details; those will change many times, but the process is often more important than the interim outputs
- Don't let the plan document be the end; keep project champions engaged with small, tangible projects, and market the plan to keep interest alive

If you are interested in learning more about how these lessons, and the entire PlacePlans program can apply to your community, please contact Luke Forrest, program manager for the League, at 734-669-6323 or lforrest@mml.org.

Adam Cook is managing principal planner and researcher for Seamless Collaborative. You may contact him at 313-610-0969 or acook@seamlesscollaborative.com.



Kalamazoo Portage Street Charette



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DEVELOPING “8 ASSETS” MULTIPLIES A COMMUNITY’S SUCCESS

By Richard Murphy

Over the past few years, placemaking has gained popularity around Michigan and the United States, both as a research perspective and as a framework for practice. In 2015, the League engaged independent research firm Public Sector Consultants to evaluate our “Eight Assets for 21st Century Communities” against the latest research findings to determine whether this framework remains appropriate for guiding local placemaking efforts. From their review of more than 100 sources, PSC found clear relationships from these assets to economic growth and prosperity; they also conclude that “strategically coordinating investments in many or all of these asset areas will likely pay greater dividends.”

Placemaking And The Eight Assets

The League has been using placemaking as a model for creating attractive, vital communities for several years. Placemaking is a response to the changing demands and expectations on our cities: prospective residents have quality of life expectations that don’t stop at house and school districts, but include the lifestyle and opportunities that a place provides. Businesses follow these residents, both as customers and employees—no longer focusing on the “build it and they will commute” approach of the distant office park or regional shopping mall. Together, these shifts in preferences have placed new attention on traditional downtowns and neighborhoods, and on new development that builds on this model.

Early in our placemaking work, we identified eight clusters of characteristics that combine to create the sense of place that successful communities offer. While every community's mix of these assets will be unique, they provide common themes that can be used to identify local strengths that communities can build on, as well as gaps that should be addressed. These eight asset areas are:

- Physical design and walkability
- Multimodal transportation networks
- Environmental and green amenities
- Cultural economic development
- Entrepreneurship
- Welcoming
- Education
- Messaging and technology

Key Research Findings

Public Sector Consultants reviewed numerous sources for each of the asset areas. Some of their most dramatic findings are outlined here:

- The link from good physical design and walkability to local economic health has been documented from numerous angles, including property values, household income, educational attainment, employment rates, and new business starts. These findings are so strong that PSC concludes that this factor "is no longer a luxury, but is actually imperative for the economic success of a community."
- Mixed use, walkable downtown and neighborhood developments also directly support local budgets: they generate ten times as much tax revenue per acre, save almost 40 percent on up-front infrastructure costs, and result in about 10 percent lower costs for service delivery than sprawl development.
- Transit investment also has positive correlations with property values, but has additionally been shown to have a causal effect on improving income and employment: by supporting increased agglomeration effects and worker productivity, adding transit capacity leads to higher annual wages—while also saving households money by reducing personal transportation costs.
- Natural features and environmental initiatives not only provide an amenity to nearby real estate and an asset for tourism and recreation, they also provide "infrastructure services" that deliver economic value by saving cities and individuals money. For example, Grand Rapids estimated that street trees provide the city an economic benefit of nearly \$4.7 million annually through their contributions to energy savings, stormwater management, air quality, and property values.
- Arts and cultural amenities improve a community's competitive edge, contribute to a sense of place, and attract visitors, talent, and businesses. Events like the Grand Rapids

ArtPrize, or destinations like symphonies and theatres, have direct economic benefits through tourism spending, but research also shows connections from local arts education and employment to increased job creation in other sectors, business creation, and net college graduate migration.

- Communities that are open and welcoming to new, diverse people also benefit from new and diverse ideas. This shows in higher rates of entrepreneurship, job creation, and investment in communities with higher rates of foreign-born residents or gay and lesbian residents. Michigan benefits especially from international college students, who are three times more likely than out-of-state students to stay in Michigan after graduation and provide lifelong value.

- Education continues to be recognized as a strong economic driver: educational attainment accounts for over 70 percent of per capita GDP differences between metro areas, and corporate executives report that the presence of colleges or universities and the local school district are the number one and two quality of life factors that drive their location decisions.

- As we increasingly use technology to interact with the world and each other, places that support these habits with infrastructure and policy—and use them to communicate with residents and visitors—stand to benefit. Many of these place-based investments in technology are still too new for conclusive data to exist beyond anecdote, innovations ranging from Airbnb to self-driving cars to open data initiatives show that communities will need to be open and responsive to rapid change in this area.

"... good physical design and walkability ... is no longer a luxury, but is actually imperative for the economic success of a community."



Conclusions For Our Communities

The League and our statewide partners have focused our placemaking work on walkable places—traditional downtowns and neighborhoods, and new development built in that pattern—as offering the most dramatic positive impacts and providing a solid foundation to build on, and because this is an area that municipalities can most directly



influence. That said, the PSC review affirms that a wide variety of place assets can have positive economic impacts. A local placemaking strategy should consider strengths and weaknesses across all of these areas. Just like investing for one's personal future, investing in place should include a diverse portfolio across different assets, rather than putting all of a community's resources in a single investment.

To see what other places' strategies have looked like and get ideas for your own community, visit placemaking.mml.org. Working through the Mlplace partnership, the League has developed a library of case studies documenting successes around the state, and has worked with nearly two dozen cities in creating PlacePlans—strategic placemaking projects that jumpstart a critical local investment.

Richard Murphy is a program coordinator for the League. You may contact him at 734-669-6329 or rmurphy@mml.org.

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Life in Public Spotlight Came in Stages for Dearborn Mayor Jack O'Reilly

By Matt Bach

You'd think Dearborn Mayor Jack O'Reilly's ascent into politics was a straight-forward trajectory. After all, his father John B. O'Reilly Sr. was Dearborn's mayor and police chief. As they say, "Like father, like son."

But Jack, who has been an elected public servant in Dearborn since 1990, never saw himself as mayor or in politics in general.

He wanted to be an actor.

In fact, after graduating from high school, O'Reilly left Dearborn and Michigan for the bright lights of Hollywood and the promise of fame and fortune. He got a couple behind-the-camera production jobs on films, most notably as a "grip" on a Hard-R women prison film called "Caged Heat," directed by eventual Oscar-award-winning Director Jonathan Demme. There's even an IMBD movie database web

page about Jack, although it does misspell his last name as "O'Riley."

But the Michigan Municipal League Board President will be the first to say he's glad it didn't work out.

"It was wonderfully crazy times, but it wasn't something that was going to be permanent," Jack said. "I realized that wasn't the course I wanted to take. But coming back home turned out to be the perfect decision."

Upon returning to Michigan, he continued to act and as a "heavy-set kid" was frequently cast as a blue collar, everyman-type in commercials and marketing films. His income from the local acting scene helped support his young family and get him through law school at the University of Detroit. He explained his acting background and experience in being in front of people was a decent transition into politics.



ABOUT JACK:

What's something people might not know about Jack? His formal name is John B. "Jack" O'Reilly Jr., but that wasn't always the case. His parents originally named him Michael Patrick, but his doctor put on the birth certificate John B. O'Reilly Jr. After calling him Michael for a while, his parents saw what was on the birth certificate and just decided to switch to what the doctor jotted down. "They could've changed it back but they just sort of surrendered to it."

Would he somehow be different if his name was Michael Patrick? "At one point I did ponder whether I behaved or my character was more of a Michael Patrick. But I have no idea what the difference would be. It's the old 'What's in a Name' Shakespeare thing."

Political leanings: As mayor he's non-partisan, but Jack explains "If you're identified by the news channels you watch, I'm a Democrat."

Career: He has been an elected public servant in Dearborn since 1990 and mayor since 2007. He was Dearborn city council president for 17 years. Over his long public service career, he served as a Washington counsel and district director for then-U.S. Congressman John D. Dingell, and a chief of staff in the Michigan Senate.

What do you love most about being mayor?: Problem solving.

Education: A licensed Michigan attorney and he has bachelor of arts and juris doctorate degrees from the University of Detroit and is also an alumni of Oakland University and graduate of Dearborn's St. Alphonsus High School.

Family: He and his wife, Christina, have three children: Devon, Sean and Dylan.

"The interesting thing is in performing, you're performing for people to make them happy," O'Reilly said. "In government you're serving people and trying to make a difference. I thought I can make a difference and that's what led me to get the law degree because I wanted the credibility to get the kind of engagement that would be meaningful."

Changing Roles

But not so fast: Even after getting married, his wife, Christina, made it clear that elected office should not be in Jack's future. She had seen the stress and difficult times Jack's father had gone through as mayor and didn't want the same for their family. But she would eventually concede that Jack had to get involved after seeing and hearing her husband react to chaotic Dearborn City Council meetings at home that were aired on the local government access channel.

"My wife had always said my running for office was grounds for divorce. But I'm sitting at home watching these council meetings on TV and going nuts saying, 'What are you doing?' So finally she said, 'Look, for tranquility in this household, you can run because you're better off being there than sitting here yelling at the TV.' So she supported me 100 percent when I finally ran."

Jack would serve as council president for the next 17 years and he hasn't looked back. While serving on city council, Jack had a great working relationship with then-Mayor Michael Guido and had no plans to run against Guido. Then Guido, a former president of the League Board, passed away in 2006. Once again, Jack was encouraged by his wife to seek the mayor's seat.

As mayor of the 8th largest city in Michigan, Jack has become a statewide leader. He's been on the League's Board of Trustees since 2013 and served as the 2014 chair of the Downriver Community Conference. He's also actively involved in the Urban Core Mayors, a bipartisan multi-regional coalition of 13 central city mayors, the Conference of Western Wayne, as well as the Southeast Michigan Council of Governments. In 2014, he was appointed by Gov. Rick Snyder to the Local Community Stabilization Authority Council.

One ironic thing about the mayoral tenures of Jack and his father is that both dealt with major economic recessions at the start—1979 for Jack Sr. and 2007 for Jack Jr. His father would often give him advice in dealing with an economic downturn. John B. "Jack" O'Reilly Sr. died in 2008 at age 89.

"It helped me a lot because I had known what he went through and we talked a lot about those kinds of tough decisions and how you make these decisions," Jack said. "He had to reduce the workforce, he had to deal with tough times."

Championing Financial Reform

Having worked through a recession makes the condition of Michigan's cities and the need for municipal finance reform fresh on Jack's mind as League president.

"I consider the future of Michigan really at risk," he said. "We're at risk with the economy, we're vulnerable. If we as local government providers are vulnerable, what about our citizens? They're totally vulnerable because there's nobody hanging in the wings to step in."



O'Reilly said there needs to be a conversation with state and local officials working on the same team and focusing on how best to serve the people and provide essential services—police, fire and ambulance protection, safe drinking water, sewers, and quality roads. He sees the League's current work in the area of municipal finance reform as playing a vital role in bringing all sides together to educate people about the problem and then come up with a solution.

"We as the whole state of Michigan need to come together and figure out how to solve that problem. Because Michigan isn't going to be attractive to anyone if we haven't figured out how to make sure everybody in our communities have available to them the kinds of services that make life manageable. There's no question it can be done."

Matt Bach is the media relations director for the League. You may reach him at 734-669-6317 or mbach@mml.org.



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Enhanced 911 Deadline Approaching

By Paul Anker

Last summer, Abilita wrote about the coming storm for Michigan local governments as it relates to changing technology and rates for telecommunications services. There is now another important issue facing local governments in Michigan: compliance with E911 legislation. Failure to comply can have even greater negative consequences than the previous storm.

Enhanced 911 vs. Basic 911

We all rely on the fact that we can dial 911 from land lines at our homes, stores, or work locations and emergency personnel will respond with potential life-saving services. “E911” or “Enhanced 911” is a nationwide enhancement to Basic 911. It adds specific location information (i.e. a room or unit number, or a room name) to which a 911 emergency response team may be dispatched. This information is sent from the phone system database to the Public Safety Answering Point, or PSAP.

The critical nature of E911 was outlined in the State 911 Committee’s October 2015 report entitled “Guidelines for Multi-Line Telephone Systems.” The report indicated that E911 is frequently a life-saving, essential emergency response tool when the caller is unable to verbally communicate his or her location.

How Does This Affect Local Government?

As an owner of a Multiline Telephone System or MLTS (i.e. phone system that serves a business or local government), you must be in compliance by the end of 2016.

All public and private organizations (even large private homes) that have a phone system and greater than 7,000 square feet, or multiple locations connected through the phone system, are affected. Specifically, by December 31, 2016 your phone system must send out Automatic Location Identification (“ALI”) which includes the name and service address of the phone system AND floor number, suite number, office number, unique description and/or other location specifics to identify the location of a specific caller, in addition to the street address associated with each phone line. This information is sent to the LEC (Local Exchange Carrier), which then sends it to the PSAP.

What If Nothing Is Done?

MLTS operators who are not compliant by December 31, 2016 must notify the Michigan Public Service Commission and have a plan to become compliant within six months. Such organizations may also be subject to fines between \$500 and

\$5,000 per offense. A worse scenario would be the liability if an employee called 911 and emergency responders could not find the caller.

Depending on the age and model of your phone system, it may not be able to send this information to the PSAP. We recommend checking with the company that supports your phone system to determine if a software upgrade is available, or if you need to replace your system. Alternatively, there may be additional options from third-party providers that can add the necessary Automatic Location Identification to the outgoing stream of information when someone dials 911 so that the entire phone system does not have to be replaced.

Your phone system may already be sending out this information and completely compliant today. However, you will need to pass along this information to the phone company (Local Exchange Carrier). We strongly suggest that you review the State 911 Committee’s October 2015 Report “Guidelines for Multi-Line Telephone Systems” for more details and to confirm that you are compliant with E911 regulations. The report is available here:

https://www.michigan.gov/documents/msp/FINAL_MLTS_Guidelines_503991_7.pdf

Paul Anker is a managing consultant for Abilita. You may reach him at 248-412-0140 or mmml@abilita.com



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Swimmingly Successful Restoration of Fish Ecosystem

By Emily Schaefer

Successful completion of the Frankenmuth Fish Passage ecosystem restoration project was celebrated by the U.S. Army Corps of Engineers, Corps, and the City of Frankenmuth with a ribbon cutting ceremony in Frankenmuth on Oct. 27, 2015.

The project involved constructing an alternative to the former dam that was originally built in the 1850s. This new rock ramp structure, consisting of a series of rock weirs made from wedge-shaped stone, allows fish species, such as walleye and lake sturgeon, to pass upstream. This grants the fish access to several miles of historical spawning habitat on the Cass River and its tributaries that has not been accessible for over 150 years.

"The Corps has a long and proud history of involvement in environmental remediation projects throughout the nation, and this project exemplifies our commitment to ecosystem restoration in the Great Lakes region," said Lt. Col. Michael Sellers, district engineer, Detroit District.

The rock weirs are separated every 30 feet by resting pools, over approximately a 300-foot stretch of river downstream and adjacent to the existing dam. The ramp provides for an approximate 3-percent elevation increase, allowing passage of the target species upstream.

Partnerships Helped Project Swim Forward

This project was completed in cooperation with the City of Frankenmuth, the U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency, the State of Michigan, CTI and Associates, the Corps, and Dr. Sandy Verry of Ellen River Partners, who was instrumental in the design of the project.

Upon request from the City of Frankenmuth, the Corps became involved with the project in 2005. The Corps prepared a feasibility study, detailed project report and an environmental assessment of the project per the requirements of the National Environmental Policy Act. Upon approval of those documents and following completion of detailed design work, the Corps awarded a construction

ADDITIONAL RESOURCES

Visit the Detroit District Website for links to Corps Programs and Technical/Planning Assistance and Project Information Sheets: <http://www.lre.usace.army.mil/BusinessWithUs/OutreachProgramandCustomerService.aspx>
Visit the City of Frankenmuth's Website for more information about the Frankenmuth Fish Passage project: <http://www.frankenmuthcity.com/information/damproject>
Great Lakes Restoration Initiative Website: <http://www.glri.us/>

Great Lakes Fishery and Ecosystem Restoration Authority Website: <http://www.glfcr.org/glfcr/>
The Detroit District outreach coordinator can be reached at: 313-226-3387 and Detroit.district.outreach@usace.army.mil

contract in 2014 and performed the required management and administration of the construction-related efforts. The high visibility of Frankenmuth's location provides a natural forum for environmental education to the millions of guests that visit annually. Completing this project also enables the continuation of existing commercial boating activities in the city and maintains the river profile that property owners and park users have enjoyed for years.

The overall cost of the project was just under \$4 million, including all the planning, design, construction and post-construction monitoring required. Some of the federal funding for this project came through the Great Lakes Restoration Initiative.

"All project stakeholders are grateful for the support from the GLRI to this and many other very worthwhile restoration projects throughout the Great Lakes," said Carl Platz, project manager, Detroit District.

The GLRI is an administration initiative that was started in 2010 to protect and restore the Great Lakes. USACE has a handful of regional programs specifically for the Great Lakes that are being extensively used by GLRI.

...The Corps has a long and proud history of involvement in environmental remediation projects ... this project exemplifies our commitment to ecosystem restoration in the Great Lakes region.



Frankenmuth
pop. 4,944



The Corps' ability to participate in this project was facilitated by the Great Lakes Fishery and Ecosystem Restoration (GLFER) Program. The GLFER program is being used to plan, design and construct projects to restore wetlands, provide fish passage, and control sea lamprey and other aquatic nuisance species. The Frankenmuth Fish Passage is one of more than 30 projects throughout the Great Lakes that are part of the GLFER Program.

The Corps is involved in various types of projects under several authorities throughout the nation. The Corps' diverse capabilities portfolio includes navigation, dredging and maintenance, environmental infrastructure and floodplain management. The Detroit District stands ready to discuss any requests for a project similar to the Frankenmuth Fish Passage or other water resource needs.

Emily Schaefer is a public affairs specialist with the U.S. Army Corps of Engineers, Detroit District. You may reach her at 313-226-4681 or Emily.R.Schaefer@usace.army.mil.



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Keys to Successful Construction Project Planning

By Ed Gillespie

You wouldn't consider traveling long distances without knowing where you're headed, how you're going to get there and, most important of all, why you're going in the first place. Planning for a successful construction project is no different, with the exception that your trip expenses will probably run in the millions and unnecessary U-turns will be far more costly. The route to delivering a smooth construction project does not have to be an overwhelming, challenging experience. Adhering to the following "pre-trip" planning guidelines will lead to a predictable journey while significantly enhancing the comfort of the ride for you and your passengers (stakeholders).

Do Your Homework First

The need to construct a new facility, or renovate/expand an existing one, will present itself long before you have to call a meeting to discuss it. Once a need is validated, key internal questions should be answered prior to engaging the services of qualified design and construction firms, such as:

- How will the new space be used?
- How will it benefit staff and end users?
- How soon do we need it?
- What will it cost us if we don't make these improvements?
- What is a realistic project delivery schedule?
- What are our location options?
- What are our funding options?
- What approvals are needed to move forward?

Choose A Delivery Method

Once your initial homework is done, your focus should be on adding design and construction members to your team; professionals who will assist you in further defining your vision as well as your project's costs, schedule, and other critical details. However, before you pursue engaging their services, you have to decide on a delivery method best suited for your project.

The most common delivery methods are Design-Build, Construction Management and General Contracting. Based on cost, size, and complexity, Design-Build and Construction Management are often the preferred methods for larger projects. The benefits of these two approaches

ARTICLE HIGHLIGHTS

This article highlights key points shared by Fishbeck, Thompson, Carr & Huber and Granger Construction as part of their one-hour session on Sept. 17, 2015 at Michigan Municipal League's Convention in Traverse City. The title of the presentation was: What You Want to Know About the Design & Construction Process, But are too Afraid to Ask.

become exponential when design and construction professionals begin working together early in the pre-construction phase. This early collaboration will result in a design and construction plan (roadmap) that aligns with your vision, budget, and schedule expectations, and in significantly reducing costly change orders (U-turns).

General Contracting, also known as Design-Bid-Build or Hard Bid, is where you hire an architectural firm to create your design and plans and, when completed, they're released to contractors for bids. Under this approach, most relationships are structured as lump-sum contracts. This delivery method has its benefits, but usually leads to greater owner risk.

Graphic A provides additional details about the benefits of each delivery method:

Chart A

Benefit	Design-Build	CM	GC
Single Contract for Design and Construction	✓		
Facilities Early Team Collaboration	✓	— ✓	
Cost Input During Design Process	✓	✓	
Competitive Subcontractor Bidding	✓	✓	✓
Early Guarantee of Design and Construction Costs	✓	(✓)	
Provides for Total Project Accountability	✓		
Allows for a Fast-Track Schedule	✓	(✓)	
Minimize Change Orders	✓	— ✓	
Value Engineering Cost Savings	✓	✓	
Key Trades Hired Early in the Process	✓		
Guaranteed Maximum Price Contract	✓	(✓)	✓
Fee Based Contract		✓	
Lump Sum Contract			✓

— ✓ Benefit partially available

(✓) Benefit potentially available under certain circumstances

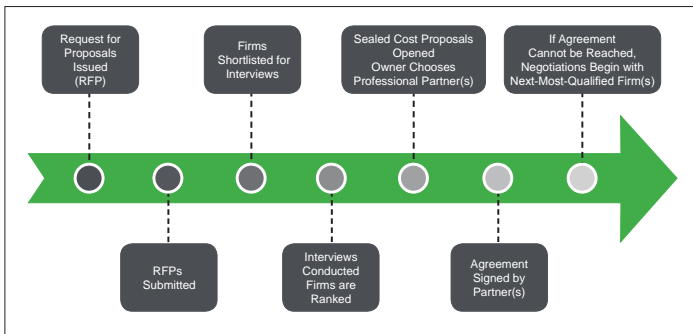
Select The Best Professional Team

Today, owners are beginning to embrace the concept of vetting the qualifications of design and construction team members, through the RFP and Interview processes, before looking at fees and other cost data. All this entails is requiring that cost proposals are submitted in separate, sealed envelopes along with the RFPs. Once proposals have been evaluated and interviews conducted, each review team member ranks potential design and construction proposers before opening up their cost information. This approach places selection emphasis on qualifications, trust, and compatibility. Also, it's a logical approach because if your potential design and construction partners do not impress you in these three critical categories, you probably don't want them on your team, at any price.

Should you decide that your top proposer's price is too high, opting to engage your second or third choice is definitely a better way to select qualified partners than on fees alone. Keep in mind that the value (dollars) generated by engaging the "right" partners usually far outweighs the value of proposed fees.

Graphic B illustrates the flow of this approach:

Chart B



Entire Team Clarifies Your Needs/Goals

Once your entire professional team is on board (design and construction), everyone begins working together to further define project specifics, such as needs, wants, site requirements, cost/schedule challenges, mechanical and electrical systems, sustainability goals, regulatory processes, and other issues that have to be addressed to thoroughly plan your trip. The more thought and effort you put into up-front planning, the smoother your project will be delivered, the more time and money you will save, and the greater the overall quality and functionality of your project.



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Start Your Project Right

Once team members have begun to work together, early in pre-construction planning a mandatory meeting is essential to ensure that everyone understands and embraces your vision, goals, and operational expectations (and you understand theirs). Topics covered should include who from each team is responsible for making timely key decisions, affirming your budget and schedule, preferred avenues and frequency of project reports and general communications, the need and meeting timetables for specialized planning groups, ways to maximize local contractor and vendor

participation, etc. This meeting should not adjourn until the concerns of every team member have been addressed.

The concept is simple. Everyone agrees, up-front, to what they're going to do, when and how they're going to do it, and measurable ways to be held accountable for their performance. And because detailed meeting minutes will be shared with all participants, there should be no misunderstandings about what was agreed upon, enabling your journey to start and move forward on a unified, predictable course.

Wrap Up

The success of your project is directly proportionate to how thoroughly your vision is planned, shared, clearly understood and embraced (starting in the pre-construction phase), the quality of the professional team you engage, their vigilant focus on remarkable performance (all of the time), employing the highest level of communications required to keep your "trip" on course, and avoiding costly U-turns along the way.

Ed Gillespie is director of customer and PR for Granger Construction. You may contact him at 517-887-4171 or egillespie@grangerconstruction.com

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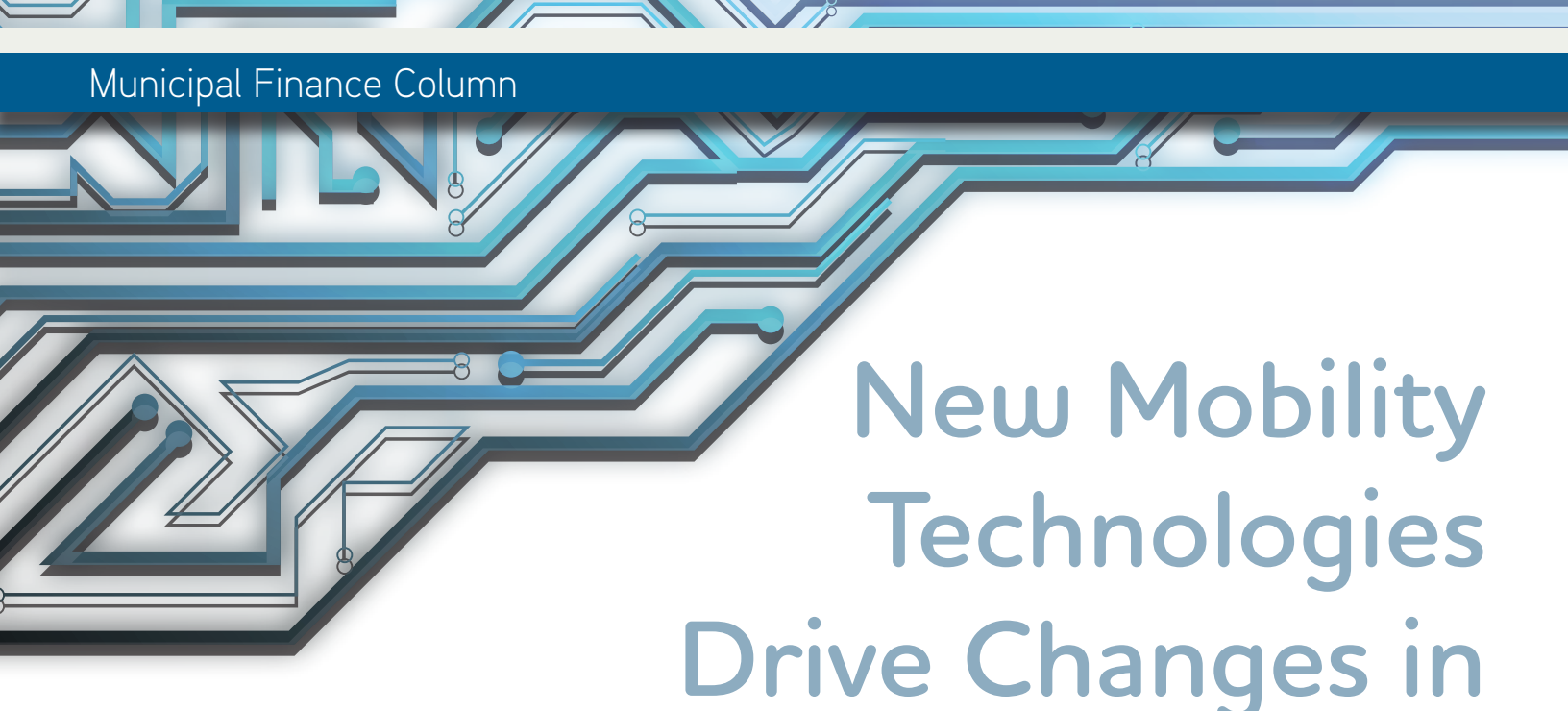
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New Mobility Technologies Drive Changes in Transportation

By Rick Haglund

Michigan has put hundreds of millions of people in the driver's seats of automobiles over the past century. But the state faces a future in which drivers could become obsolete, presenting enormous challenges to the state's automakers and its transportation systems.

"Mobility" is the buzzword used by automakers, as well as local and state governments, to describe changes in how people get from one place to the next. It includes self-driving cars, ride-hailing services such as Uber and Lyft, bike sharing, and light rail.

No state has a bigger stake in developing a mobility ecosystem than Michigan, which has long promoted the automobile as the singular source of personal transportation. Its largest city, Detroit, is among the only major cities in the country without a mass transit system.

"We're quickly moving past the auto-dominated transportation system of the 20th century, and disruptively transitioning to a smart, integrated, IT-enabled multimodal system that can move people more efficiently, in the ways they prefer to travel, and allows them to do the things they need to do, on demand," said John Austin, director of the Michigan Economic Center at Prima Civitas in East Lansing.

New Mobility Products

Austin and University of Michigan researcher Susan Zielinski issued a report last August saying Michigan has the opportunity to be a major player in a \$250 billion global market for new mobility products and services.

That market includes the development of various kinds of

software used in autonomous vehicles, and in linking various modes of transportation. There likely will be a lucrative export market for companies developing these systems.

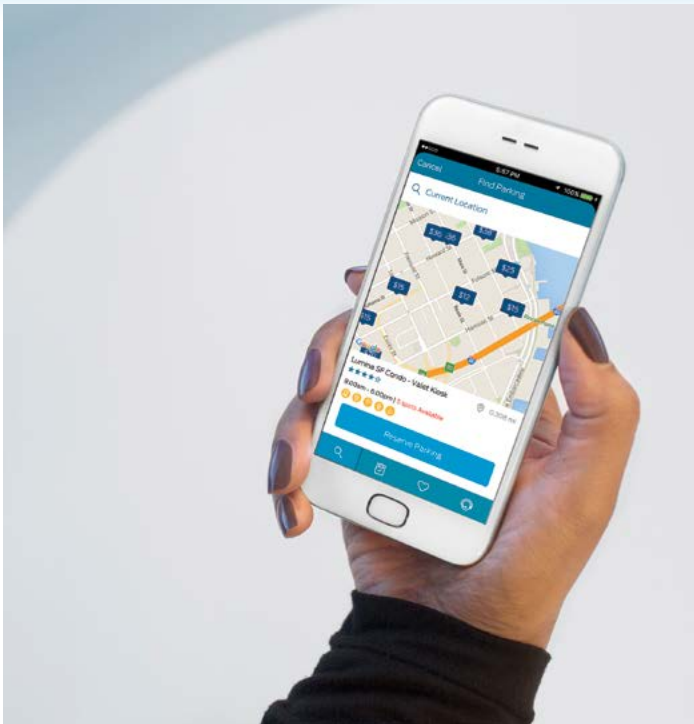
"The sheer scale of smart systems and solutions needed to address the kinds of mobility challenges the world is experiencing as it urbanizes could well translate into one of the fastest growing market opportunities since Silicon Valley," Zielinski said.

Automakers, prodded by Silicon Valley's own efforts to capture a piece of the mobility market, are suddenly scrambling to head off the competition and also are partnering with Silicon Valley firms. Nearly 40 percent of global auto industry executives say driverless vehicles are an extremely important trend this year, up from just 3 percent last year, according to an annual survey by business advisory firm KPMG International.

Beyond their work on self-driving cars, Ford Motor Co. and General Motors Co. are engaged in mobility efforts that go beyond their traditional roles of building and marketing cars and trucks.

Ford recently announced a new smartphone app called FordPass that will help users find and pay for parking, provide live personal assistants through online chat or voice, and offer reward-based programs. The app can be used by anyone, not just Ford owners. It's part of a broader effort by the automaker to brand itself as a mobility company.

GM raised eyebrows in January when it invested \$500 million in Lyft, a San Francisco-based ride-hailing company. Some analysts say GM is preparing for a day in the not-so-



distant future when a large share of urban residents might no longer own cars. In that environment, Lyft, Uber and car-sharing services like Zipcar will become important customers for automakers.

Beyond the Automobile

But Michigan lags behind other states in non-auto transportation systems, notably light rail. Cities throughout the country are building light rail and rapid bus systems to address changing transportation needs of their residents. Last year, voters approved 24 of 34 public transit-related ballot tax initiatives around the country for rail and bus projects, the most in an off-year election since 2001, the Pew Charitable Trusts reported.

A light-rail line known as M-1 Rail is under construction in Detroit, but will serve only a 3.9 mile stretch along Woodward Avenue in the Midtown area. Grand Rapids is one of just 18 cities in the country with a rapid bus line that dedicates portions of the routes to buses, according to Pew.

Putting more transportation elements, including bike-sharing services and rapid bus lines, in place will be crucial for Michigan to become a center of mobility development, said Austin of the Michigan Economic Center.

"It's really great that the University of Michigan just opened 'MCity,' the world's first controlled test ground for vehicle connectivity," he said. "But Detroit is not going to be the place that develops the new mobility information technologies, products, systems and businesses if we aren't serious about building a regional transportation system as the test bed."

Doing so will help attract and retain young college graduates who want to live in urban settings where public transit is accessible, Austin said. And a regional transportation system will lure entrepreneurs and investors who want to profit from the creation of new mobility technologies.

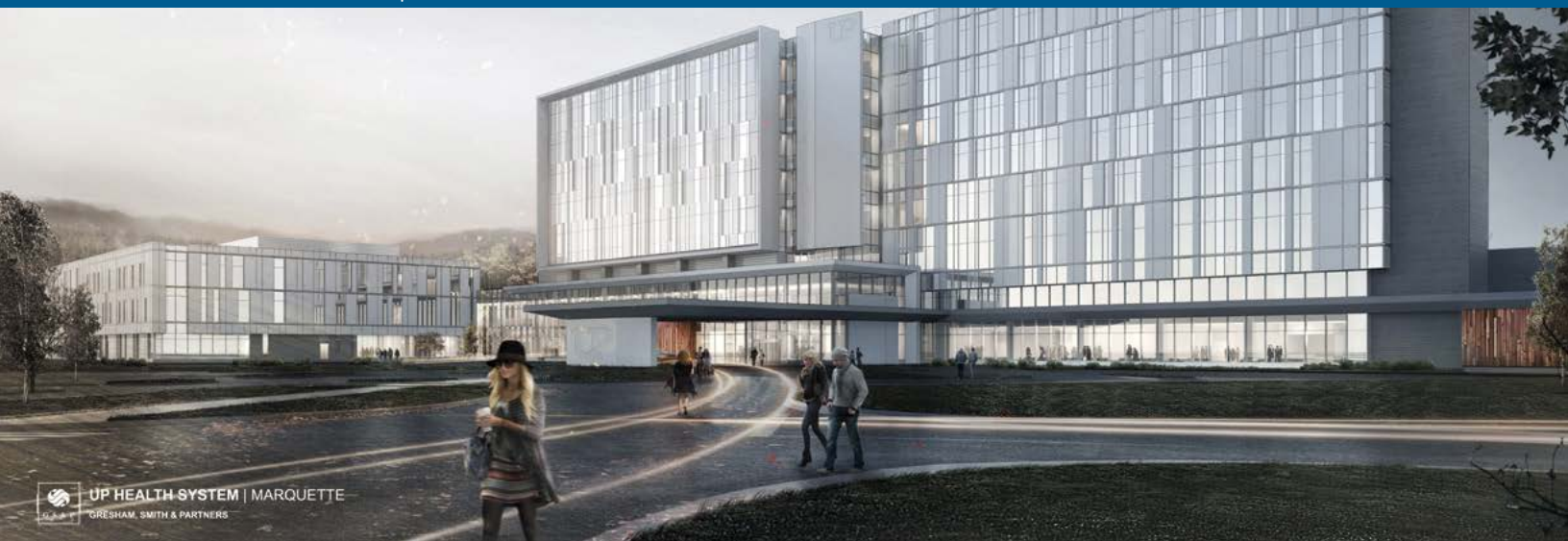
But there has largely been silence from the Republican-controlled Legislature, whose support will be crucial for Michigan to become a major mobility player. Its economic development focus is largely on the development of tourism and agriculture. Michigan's auto-relative incentives mostly involve luring traditional hourly production jobs.

While legislation was introduced last year creating rules for ride-hailing services, it has yet to pass. Lawmakers also signaled their intent to maintain the status quo in how cars can be purchased by passing legislation that prevents California electric carmaker Tesla from selling direct to consumers.

We are rapidly moving to the day when people will use their smart phones to arrange for a car to come to their door, find parking, access bus schedules, and catch a commuter train with just a few clicks of an app. And if they have a car, it will drive itself, at least part of the time.

Michigan put the nation on wheels. Whether it will lead the new mobility revolution is an open question.

Rick Haglund is a freelance writer. You may contact him at 248-761-4594 or haglund.rick@gmail.com.



NEW MARQUETTE HOSPITAL IMPROVES HEALTH OF CITY AND RESIDENTS

By Kyle Whitney

In recent years, the City of Marquette has gathered something of a reputation for its brownfield redevelopment projects.

Railyards have been transformed into condominiums, a manufacturing facility into a bed and breakfast, and a commercial bakery into a large mixed-use development. The city is fast becoming the northern poster child of renewal and rebirth.

“Brownfield” projects—established pursuant to authority under Michigan Public Act 381 of 1996—deal with contaminated, and occasionally blighted, properties. Brownfield designations, most common on former industrial sites, allow for a developer to receive reimbursement for some costs incurred. The goal of the program is to facilitate development on otherwise neglected properties.

Yet no brownfield project — perhaps no development in the city’s history—will be as dramatic, or as visible, as Duke LifePoint Healthcare’s construction of a new regional medical center, a project with a price tag in excess of \$300 million.

The project, scheduled to be completed in late 2017, is the most recent step for a hospital which has, in one form or another, been in the City of Marquette for more than a century. Long ago, two local facilities merged to create Marquette General Hospital, the nonprofit entity that anchored healthcare in the Upper Peninsula for decades. That

name was changed after the organization—the only Level 2 Trauma Center in the Upper Peninsula—was purchased in 2012 by Duke LifePoint, a joint venture of Duke University Health System and LifePoint Health.

In addition to the tax benefits created by a for-profit hospital, the hospital is a vital part of the local economy, according to Marquette City Manager Mike Angeli.

“MGH was always a strong partner with the City, with the most obvious benefit being the creation of a significant number of jobs,” he said. “Because of their commitment to growth came the commitment to creating more jobs with the coinciding benefits to our economy.”

Duke LifePoint officials estimate the new facility will create 150 additional jobs, and that Duke LifePoint will soon employ a total of 2,500 employees in the Marquette area.

Unique Property And Tax Deal

When Duke LifePoint announced in 2013 that they would be seeking a location to construct a replacement hospital, city officials had several reasons to try to keep the hospital, now labeled UP Health System—Marquette, in the city limits.

“The most obvious to me is the greater access to state-of-the-art healthcare. This hospital is planned to be a significant improvement over the current hospital,” Angeli said. “Other benefits include an improved tax base from the new hospital;

an increase in potential residents from new hospital staff that might be drawn to the area, which could also be a benefit to the local school system through new students; potential new business creation in support of the hospital; and an increase in existing business as a result of people who come to the area for hospital services.”

Months of discussion and negotiation between city officials and hospital representatives led to a unique deal that would allow Duke LifePoint to construct a modern facility in the heart of the city, with direct access to both the historic downtown and the U.S. 41 corridor, the busiest in the Upper Peninsula.

Under the arrangement, the City agreed to sell 37 acres of property—the land that currently houses the City’s Municipal Service Center, as well as the adjacent “roundhouse” property—to Duke LifePoint.

Tom Butler, Jr., the CFO for LifePoint Health’s Eastern Group, was heavily involved in the negotiation process, and said the roundhouse—once used as a maintenance and refueling station for trains—was “an ideal fit,” specifically because it allowed the hospital to stay within city limits and offered proximity to the downtown area.

“Furthermore, located just one mile from Northern Michigan University, it also will offer easy access to the hospital and medical offices for many in the community while enhancing collaboration between the hospital and the university,” he said. “Additionally, the new hospital campus will offer major benefits to the Marquette community and add to ongoing revitalization of the downtown area, an effort UP Health System—Marquette and Duke LifePoint Healthcare proudly support.”

The City also agreed to assist where possible in the establishment of a 12-year, 50-percent real property tax abatement, and to facilitate the creation of a new brownfield project for the hospital.

Under a brownfield designation, a tax increment financing district is created on the relevant property using the current property valuation as a baseline. As the value of the property rises with redevelopment, the additional taxes that are generated get siphoned off to be used as a reimbursement to the developer for specific project expenses.

Even in Marquette, where brownfields are fairly common, the Duke LifePoint project stands out.

“Certainly, this is our most detailed project,” said Kellie Holmstrom, chair of the Marquette Brownfield Redevelopment Authority. “It’s more complex than anything we’ve ever done before.”

The MBRA manages the TIF funds and reimbursements for city brownfield projects, and a presentation to the MBRA

"The brownfield designation - which at \$55 million is the largest in state history - will pump new life into historic, downtown Marquette, transforming a former industrial site into a community asset..."

board represents the first step for any developer pitching a prospective project. Ultimately, the plans must also be approved by the city commission and, to qualify for certain tax capture, at the state level.

State-Of-The-Art Facility

While the plan is certainly detailed, Butler said that for Duke LifePoint, the brownfield component allowed the organization to think big.

“The brownfield designation allowed Duke LifePoint to significantly expand the scope of the new hospital project,” he said. “With this new, 500,000-square foot, state-of-the-art facility, residents of Marquette and surrounding communities will have greater access to round-the-clock emergency services, surgical services, pediatric and behavioral healthcare, women’s services, cancer care, and laboratory and imaging services. Furthermore, the hospital can expand its more specialized services, like cardiology and neurosurgery, bringing quality care close to home for the people we serve.”

The Duke LifePoint project has received approval for tax capture not only locally, but also at the state level, and is eligible for more than \$55 million in state and local reimbursements. In addition to reimbursements to Duke LifePoint, the plan provides for reimbursement to the city to fund the relocation of the Municipal Service Center.

Butler called the brownfield project a “major catalyst for the strong relationship and partnership that has developed between the City of Marquette and hospital leaders” and said the designation helps both sides.

“The brownfield designation—which at \$55 million is the largest in state history—will pump new life into historic, downtown Marquette, transforming a former industrial site into a community asset that will contribute to the vitality of the area, provide jobs, and offer quality healthcare services close to home,” he said.

Kyle Whitney is the deputy clerk for the City of Marquette. You may contact him at 906-225-8667 or kwhitney@mqctcy.org.

Sue Jeffers is a legal consultant to the League. You may contact her at sjeffers@mml.org.

Police officer not entitled to immunity for use of deadly force

FACTS

Armetta Foster was walking in the median of I-75 in Tennessee with her two children, ages 6 and 10. Deputy Sheriff Dustin Patrick saw Foster and her children, exited his vehicle with the engine running, and asked her what she was doing on the highway. Foster indicated that her car had broken down and that someone was coming to get her and the children. Patrick told her that she could not remain on the highway, that he would give them a ride, and that if she refused, she would go to jail. Patrick opened the driver's side door of the cruiser in order to open the back door. According to Patrick, as he turned around, Foster came toward him with a knife. Patrick then ran toward the front of the car and drew his weapon. Foster "gave up" coming toward Patrick and entered the driver's side of the cruiser. Patrick commanded Foster to exit the vehicle. Instead, she put the car in motion and Patrick fired his weapon a total of 13-14 rounds at her as she pulled onto the highway. She continued on I-75 for a short distance before veering off the highway. Foster's autopsy listed multiple gunshot wounds as the cause of death. Foster's estate sued, claiming that excessive force had been used resulting in her death, violating her Fourth Amendment right to be free from an unreasonable search and seizure. Patrick filed a motion for qualified immunity.

QUESTION

Was the police officer entitled to qualified immunity in the shooting and killing of Foster?

ANSWER ACCORDING TO THE TRIAL COURT AND THE SIXTH CIRCUIT COURT OF APPEALS:

No. The federal district court denied Patrick's motion for summary judgment. The Sixth Circuit Court of Appeals affirmed, holding that Patrick was not entitled to qualified immunity, which shields public officials from civil damages, since Foster's estate was able to establish: 1) facts showing a violation of a constitutional right, and 2) the "right" in question was clearly established when the event occurred such that a reasonable officer would have

known that his conduct violated that right. As held by the United States Supreme Court: "The use of deadly force to prevent the escape of all felony suspects, whatever the circumstances is constitutionally unreasonable . . . [Where] the suspect poses no immediate threat to the officer and no threat to others. The harm resulting from failing to apprehend him does not justify the use of deadly force to do so." The Sixth Circuit framed the question in this case: "The ultimate question is whether Patrick had an objectively reasonable belief that Foster posed an imminent threat of serious physical harm to him or others when he shot Foster. If the answer is no, then the use of deadly force violated Foster's Fourth Amendment right." The Court found that a jury could conclude, under the facts most favorable to Foster, that the use of deadly force violated her Fourth Amendment right and denied Patrick's request for qualified immunity.

Foster v Patrick, No. 14-6254 (November 20, 2015).

This column highlights a recent judicial decision or Michigan Municipal League Legal Defense Fund case that impacts municipalities. The information in this column should not be considered a legal opinion or to constitute legal advice.

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Q. I am a new clerk and I need some help with records management. What records should I keep? For how long? Am I supposed to keep duplicate copies of records? What about publications I found in our office from the Michigan Municipal League?

A. Records management is a critical job. Local governments are responsible for ensuring that the public records they create and receive while conducting public business are retained and destroyed in accordance with Michigan law. The law requires that all records be listed on an approved Retention and Disposal Schedule that identifies the minimum amount of time that records must be kept to satisfy administrative, legal, fiscal, and historical needs.

To aid in this key function of the clerk's office, the State of Michigan Records Management Services (in the Department of Technology, Management and Budget), has been updating the approved schedule for cities and villages (Schedule #8). The schedule lists which records to keep, and for how long. It also explains that duplicate records and publications received from outside sources, such as the League, are considered "non-records." Schedule #8 and the new schedules (such as clerk, treasurer, human resources, etc.) can be found on the League's website at mml.org.

For assistance with records management, call Records Management Services at 517-335-9132 or visit michigan.gov/recordsmanagement.

Q. We are starting our budgeting process and would like to compare the wages of our employees to other municipalities in our area. Does the League have local government employees' salary information?

A. We conduct a Wage & Salary survey of our members yearly. The searchable database allows users to search by position (143 titles), population, location, and perform side-by-side comparisons of results from selected municipalities.

The Wage & Salary survey is available to full member communities who participated in the survey, with automatic access provided to managers, department heads, and elected officials. The League conducts this survey for the benefit of our member communities, and it is intended to be used by management employees, their designees, or elected officials working on behalf of member communities for official city/village/township business.

Q. I heard the phrase "ban the box" recently. What is it, and does it have anything to do with local government?

A. Ban the box is a term that refers to employers removing the check box on job applications that asks if the applicant has a criminal record. The Wikipedia definition adds a civil rights component: "Ban the Box is the name of an international campaign by civil rights groups and advocates for ex-offenders, aimed at persuading employers to remove from their hiring applications the check box that asks if applicants have a criminal record. The premise of the campaign is that anything that makes it harder for ex-offenders to find a job makes it likelier that they will re-offend, which is bad for society." (en.wikipedia.org; 1/12/2016)

The practice is not specific to local governments, but there are some Michigan municipalities that have embraced it, such as the cities of Ann Arbor, Detroit, East Lansing, and Kalamazoo; and Genesee, Muskegon, and Saginaw Counties. Nineteen states have passed legislation banning the box for statewide public employees (seven of these also include private employers in their regulations). In 2012, the Equal Employment Opportunity Commission (EEOC) endorsed removing the conviction question from job applications. If you'd like more information, contact the League at info@mml.org or 1-800-653-2483.

Q. Our city is considering regulating the use of drones in our city parks. Have any other municipalities done this?

A. The League has collected drone regulation ordinances from several Michigan municipalities. Contact us at info@mml.org and we will be happy to email you some sample ordinances.

Q. Panhandling has become a problem in our city, especially in the downtown area. What can we do?

A. Many cities have ordinances regulating or banning panhandling. These ordinances must be looked at to see if they comply with the 2013 ruling in *Speet v Schuette*, which struck down Michigan's 1929 anti-begging statute for violating the First Amendment. As a result of this ruling, the ACLU challenged Michigan municipalities with broad bans on begging in public places, informing them that their ordinances were unconstitutional. Municipalities can regulate against aggressive begging, but not all begging. For sample ordinances, or the Legal Spotlight column summarizing the *Speet* ruling, email info@mml.org.

The League's Information Service provides member officials with answers to questions on a vast array of municipal topics. Email questions to info@mml.org or call 1-800-653-2483.



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