

MOVING MICHIGAN FORWARD



state thought leaders
helping michigan
find answers

special report

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Editor

John D. Warbach

Associate Director, Land Policy Institute, Michigan State University (MSU); and Co-Leader, Sustaining Michigan Property Work Group, Greening Michigan Institute, MSU Extension

Student Interviewers from Michigan State University

Lual Deng Awan

Economics

Anita Blount

Architecture and Planning

Jennifer Byle

Civil Engineering

Jonathan Dworin

Social Relations and Policy

Jessica Getschman

Environmental Studies and Agriscience

Celeste Holtz

Environmental Studies and Agrisciences

Christopher Hughes

Urban and Regional Planning

Stephanie Kozak

Environmental Studies and Agriscience

Brett Lowell

General Management

Linda Luoma

Interior Design

Tory Niewiadomski

Masters, Urban and Regional Planning

Michael Raley

Public Administration/Public Policy; and Sociology

Kelly Richardson

Urban and Regional Planning

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Introduction

Background

Michigan leaders, and those in other distressed places, are beginning to see that communities, regions and the state need to develop and implement a new set of strategies to help achieve prosperity. There are an increasing number of voices from within and outside the state that say we can no longer chase our economic past—we need to understand that the world economy has changed and with it, different drivers of prosperity, requiring us to embrace new strategies. It has been difficult for the state to adopt a mindset change, in part because it is simply difficult for people to change their basic values and world views. An additional reason we are not embracing change, according to Thomas Friedman, in his recent book, “That Used to be Us,” is that we do not currently have identified an “enemy” to fight, as we did during the two World Wars and the effort to contain communism, and we have become complacent. Yet it remains true that the success we achieved following a path set a century ago has run its course. For the past 50 years we needed to embrace a new path, but have not. The good news is that we still can, and there are many people who have astutely observed what we could and should do differently. As we develop a clear and progressive narrative, it will be easier for our people and leaders to develop, adopt and pursue more productive policies and strategies.

Fortunately, our state is blessed with perceptive and articulate thought leaders



in the private, nonprofit and government sectors, who are involved in economic development, land use, the environment and society; and who track global, national and regional trends. The observations and ideas for the future of Michigan from a number of state-based thought leaders are captured in this publication. Many of these leaders are pioneers in that they saw the big picture early and connected land use and land strategies to many of the issues that face society. Other civic leaders in Michigan should to pay attention to their contributions as well, as the state seeks to move the economy forward, especially in its most distressed places. Economic progress will require the implementation of strategies grounded in the context of the New Economy, globalization, a “flat world,” knowledge industries and the concentration of economic activity in the most vibrant places where they will stick.

Students also need to pay attention, as they are expected to become the leaders of the future in increasingly challenging times.

As part of a recent MSU course in land use policy, state thought leaders provided important information that Michigan could use to: identify how knowledge and attitudes among leaders and citizens affects the state's future; make places that will attract people and economic growth; work at the regional level, including specific references for Detroit; address the importance of a green economy; and find investment assistance to make the improvements Michigan needs. State thought leaders contributing to this piece include.

- Amy Arnold, Preservation Planner for the State Historic Preservation Office in the Michigan State Housing Development Authority.
- Guy Bazzani, President and CEO of Bazzani Associates.
- Patty Birkholz, Member of the Board of Directors of the Great Lakes Protection Fund, former Director of the Office of the Great Lakes in the Michigan Department of Environmental Quality, and former State Senator.
- Matthew Cullen, President and CEO of Rock Ventures LLC, Chair of the Detroit RiverFront Conservancy, and volunteer CEO of the M-1 Light Rail Initiative in Detroit.
- Pat Gillespie, developer, and Founder and President of the Gillespie Group.
- Pete Hardigan, Manager for Environmental Policy for Sustainability Business Strategies at Ford Motor Company.
- Gary Heidel, Director of Program Policy and Market Research, and former Director of the Michigan State Housing Development Authority.
- Jim Lively, Program Director for the Michigan Land Use Institute.
- Gregory Main, President of St. Gregory's University in Oklahoma, and former CEO of the Michigan Economic Development Corporation.
- Larry Merrill, Executive Director of the Michigan Townships Association.
- Eric Schertzing, Ingham County Treasurer and Chair of the Ingham County Land Bank.
- Michael Score, President of Hantz Farms in Detroit.
- Sam Singh, Michigan State Representative, former Senior Consultant at the New Economy Initiative of Southeast Michigan, and former Mayor of East Lansing.
- Marsha Smith, Executive Director of Rotary Charities of Traverse City, a CORE Group Member of the Grand Vision; and Advisory Committee Member of the Northwest Michigan Council of Governments' New Designs for Growth Program.

Steps for Moving the State Forward

Taken as a whole, these leaders identified a series of steps that other leaders and the citizens of the state should take to move the state forward. As you will see, many of the people the students interviewed listed the same set of steps as their peers. This, and their cumulative experience and positions suggest Michigan leaders and citizens should pay close attention to the ideas presented herein, and to take them to heart. The common set of steps the interview subjects identified are the following:

- The people of Michigan need a new mindset about how the world has changed and what Michigan has to do to restore prosperity. Innovation and the Green Economy will be keys to Michigan's recovery, if there is to be one, which is not assured.
- Michigan needs to do even more than it has to diversify its economy. The auto industry may recover, but it will not again provide the number of jobs, at the wage levels experienced in the past.
- Units of government, at all levels, need to step up their level of cooperation. Cities, villages and townships cannot chart independent paths to prosperity and expect success. They need to embrace regionalism and cooperation on multiple levels across various types of communities.
- It is imperative that Michigan dramatically raise the level of education of its youth. Unless it does, it is on a path to slide to the bottom of the 50 states, economically.
- Michigan needs to adopt policy that will assist businesses to succeed, local government to make places attractive and functional to people and businesses, natural resources to be protected, and the public and private sectors to work cooperatively.

Knowledge and Attitudes among Leaders and Citizens Affects the State's Future

“We need to get Michigan’s citizens to think more progressively and more long-term. Michigan will not be the big manufacturer of automobiles it once was, but that does not mean our economy has to suffer indefinitely,” said Eric Schertzing, Ingham County Treasurer and Chair of the Ingham County Land Bank.

According to Larry Merrill, Executive Director of the Michigan Townships Association, “Michigan is in its current economic crisis because of the lack of a diversified economy. Michigan is in the position of Connecticut when its whaling industry disappeared or when coal mines shut down in the Appalachians. Manufacturing is going overseas where products can be made at a fraction of the cost. Manufacturers are chasing the lowest labor costs to be competitive in a global economy. Michigan cannot change economic reality, but we can create an economic climate that gives us the best likelihood to succeed.”

“The most important thing we can do is to create a more diverse economy. We have to reduce our dependency on [the] auto industry and the manufacturing of automobile. Michigan had a single economy which was dominated by the manufacturing of automobiles. There is no doubt, manufacturing is also important, but it can’t be the only thing we can

do,” said Gregory Main, former CEO of the Michigan Economic Development Corporation, and President of St. Gregory’s University in Oklahoma. “We need to have a more diverse set of industries,” he stated.

According to Eric Schertzing, “Taking no risk at all is the greater risk, and there must be individuals at both the local and state level willing to take on these risks. At the local level, land banks are the ones that should be willing to take those risks.” He believes that if the people and the government “can rally around them, they [land banks] can be the regional economic development tools that we need.” He hopes that land banks can become an “economic hub that can coordinate activity in multiple cities and multiple townships.”

Schertzing noted that although the Ingham County Land Bank has good intentions it will be a challenge in the future to show citizens that it is not just another government program, but something that actually works. He then stated that this will be difficult, because federal dollars are getting the land bank caught up in the government, rather than doing what it does best—regional economic development.

Jim Lively, Program Director for the Michigan Land Use Institute, suggested that “The land use decisions we have made have really spread [us] out, and it’s cost us a lot of public dollars just to put

in the infrastructure, [for] the sprawl model that we've been using, essentially one that is auto-centric. And now we're trying to pay for that," He continued by saying, "I'm optimistic that [the newly elected leadership in Michigan] will change the way we invest, and will put more investment in things like public transit. I think the message is getting through that we can't just keep building more roads forever, and more infrastructure further and further out, but you have to come back and reinvest in the cities. I think [our new leaders] understand that."

Lively added that for decades Michigan's leaders were committed to the idea that growth is good, that all growth is good, wherever it is, and the policies were essentially, "We don't need environmental regulation, we need more growth, and wherever that goes, if it's further out, that's fine. That changed during the Granholm administration, although she didn't make tremendous lasting changes in policy, but the investments changed somewhat. I think with the economic downturn, what we're

going to see is policy changing more rapidly in the next four years, just because of the economic realities that we can't afford to sprawl."

Matthew Cullen, President and CEO of Rock Ventures LLC, Chair of the Detroit RiverFront Conservancy, and volunteer CEO of the M-1 Light Rail Initiative in Detroit, said that the "go get 'em" attitude of the founders of the original M-1 project show that some of our leaders see what Michigan needs for its future and are determined to see it happen. He continued, "Perhaps society is entering the era where a company can be partnered with a city, both fostering one another, while both fostering the wellbeing of the residents. The M-1 initiative, as envisioned, was a shining pillar displaying that businesses care about revitalizing the city in which they're from, and taking care of its citizens."

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Matthew Cullen

Although it will be a difficult transition for Michigan to make from the current market to an innovation-based economy, Sam Singh, Michigan State Representative, former Senior Consultant at the New Economy Initiative (NEI) of Southeast Michigan, and former Mayor of East Lansing, believes it's one that we desperately need to invest in. He mentioned the importance of investments in the education system, "The State must invest significantly more resources toward

JIM
LIVELY

PROGRAM DIRECTOR,
MICHIGAN LAND
USE INSTITUTE



“The State must invest significantly more resources toward higher education, as well as K-12, so that we can prepare students for the types of jobs that will be coming forward.”
Representative Sam Singh

higher education, as well as K-12, so that we can prepare students for the types of jobs that will be coming forward.” He also touched on the importance of

embracing immigrants, “We must be more open to immigrants as a state, we then will be able to tap into their talent and skill sets that they bring to the region.” The state of Michigan has been on this path for eight years or so, according to Representative Singh, and it is going to require individuals, companies and the government to think in a different way. He said, “We must all work to change our mindsets that have been prevalent for decades, which is a very difficult thing to ask of individuals. In order to make this transition possible, state leaders must be more targeted with resources.”

One thing that the NEI is particularly focusing on is ensuring that jobs and talented individuals are here to stay in Michigan. They are also hoping to end the boom and bust cycles that are so characteristic of the state’s history. Representative Singh, said, “The measurements our State leaders are taking to ensure this does not occur are quite extensive.” He stated that their main goal, in general, is to diversify the economy, because as a State we can no longer be reliant on one industry. He continued,

“If we are going to be successful at developing multiple industries in order to reestablish our economy, we must have the necessary systems in place to support them. Previously, the automobile industry fueled growth and prosperity in our state, but as this particular industry declined, our economy fell with it. In order to prevent this from happening again, we must have a diverse business community and work force, as a backup for any sector that experiences negative growth.”

Senator Patty Birkholz, Member of the Board of Directors for the Great Lakes Protection Fund, former Director of the Office of the Great Lakes in the Michigan Department of Environmental Quality, and former State Senator, noted that today’s leaders need to think outside of the boxes of their current jurisdiction. Senator Birkholz said that people have to be able to see Michigan as a “job and business promoter.” People should be able to see that Michigan is “open for business.” She continued by saying, “With the state possessing both the high-tech work force and advanced manufacturing technology, the state could be poised to be the leader in the New Economy.” She added that tying in natural resources with this is important—“where else can you work on your laptop in the sand dunes?”

According to Senator Birkholz, “The greatest threat to the future success of Michigan is the current lack of education in the state. This includes early education through



the university level.” Senator Birkholz noted that the Federal Reserve Bank of Minneapolis cites a rate of return of \$3–\$17 for every \$1 spent on early education.¹ The report that the Federal Reserve Bank created states that the rates of return not only apply to the program participants, but also the non-participating public.

She emphasized that “The number one thing that the average Michigan citizen can do is to talk positively about Michigan! Talk positively to friends, those outside of Michigan, and ourselves. Point out and emphasize our natural resources, and the business start-ups and incubators. Businesses are growing—not at the pace of thousands of jobs a day, like in decades past, but are growing nonetheless.” Senator Birkholz talked about a speaking engagement she had at a Rotary meeting in her district. The Senator told the attendees

1. Jean Burr and Robert Gruenwald, “Lessons Learned: A Review of Early Childhood Development Studies,” April 2006, Federal Reserve Bank of Minneapolis, Minneapolis, MN. Available at: http://www.minneapolisfed.org/publications_papers/studies/earlychild/lessonslearned.pdf.

about all the good things and growth that have been going on in Michigan, and after the meeting she said several people came up to her and said that they had no idea growth and positive things were going on around the state.

According to Larry Merrill, “Local government plays key roles in moving Michigan forward, but while their statutory power is limited their leadership capacity to help shape a forward-looking vision for Michigan is not so limited. Townships need to address a number of long-term land use issues. At the moment, because there is a lack of development and few land use changes, there are not a lot of complex planning and zoning issues facing individual communities in Michigan, but there are some long-term issues that local governments need to confront collectively.” He suggested that “a problem that has been occurring for some individual communities is developers with deep pockets litigating land use ordinances and master plans to set precedents or financially strangling a local government to acquiesce to a development that is inconsistent with the community’s character or its long-term growth plan.” An example he highlighted was a lawsuit that had forced extension of utilities. He thinks that the local government’s control of land use decisions is misunderstood. He said, “The notion that government has complete authority of land use decisions is false. Public expectations are also a problem for many local governments. The public often wants the government to act in a manner that is inconsistent with the law. Private property rights are strong and a

township's ability to make decisions that are publicly popular is challenged by the legal reality. Public officials have been recalled by political campaigns that demagogue a land use issue where the law is on the side of a developer and the township board was merely following the law."

Merrill stated that "Townships have to pick their legal battles carefully, and they have been forced to compromise on issues where they would rather not. On some matters where there is strong public support for a land use decision governments have asked for extra tax revenues to defend the decision in court."

Merrill mentioned some positive things that townships have been doing in land use decision-making, namely he is seeing more collaboration. He said, "Many land use issues don't begin and end at the townships jurisdictional boundaries anymore, so decisions need to be made in cooperation with other jurisdictions. There are also some land uses that are excessively promoted in local ordinances, such as a heavy emphasis

on single-family large lot developments, and on the other hand, there can be appropriate land uses missing from the master plan and ordinance. The preferences of home buyers are changing as the population ages, and many Michigan communities may not be positioned to accommodate them unless current ordinances are changed. Some governments have only included in their land use plans what the private sector wants to build rather than providing alternatives and a vision for how the community is going to position itself in the next 20 years, while others have been too resistant to developer-initiated innovations."

Greg Main found that land use and related policy has changed over time, "The major change is that there has been such a dramatic change in our economy that it has driven us to begin to look differently at how we use the land." He continued by saying, "The Michigan economy is changing from Old to the New Economy. It was dominated by the Old Economy, which was based on manufacturing and accumulation





GREG MAIN

PRESIDENT,
ST. GREGORY'S UNIVERSITY; AND
FORMER CEO,
MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

the old capital, such as land, equipment, plant etc. The Old Economy focused on cheap places for business. It was an industrial sector with a manufacturing focus, government dependency, and had fixed competitive advantage. When the jobs relocated during the era of Old Economy, it was people who followed jobs. Because of that manufacturing and labor jobs mindset, transition from Old Economy to the New Economy has not been easy for the State of Michigan.” “Thirty or 40 years ago, said Main, “we knew about the principles of continuing urban sprawl and preserving farm and forest lands, but we never really formed an alliance of the various policy areas.” According to Main, “[Typically] the only direct control of land

use was through [a] zoning ordinance system in which local municipality has the right to describe how a particular part of their municipally would be used, either for commercial, residential or industrial use.”

Main elaborated that the tricky part is always how to put the work of the municipality down on the map. He said, “It is not always easy to explain how you want a piece of property to be used and specify it on a regulatory basis.” He added “it is not usually very effective over time, because of changes on the ground.” What really happens, he said, “is as an area develops, various players decide how things are going to be used and local officials often go along with it, because their job is to enhance revenues so they have money to operate the municipality, and that money is often derived from the development of farm land and increased

property taxes. So, you have things working across purposes.” He continued, “For example, when you build a road through an area that is underdeveloped, you increase access to the property, which improves its economic value and drives the owner of that property to develop it for other uses.”

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Greg Main

According to Greg Main, “Local land use policy makers, through the goals and objectives of the master plan for the community may state that the construction

of new roads in underdeveloped areas is undesirable in order to maintain natural areas or rural character. But if a property owner puts a road through it anyway, it adds a stronger influence than any law, because the law can be changed, but when you build a road then it's there. For quite a long time, policy makers and zoning ordinances had, essentially, been in conflict." Sometimes, he said, "somebody may have the greatest plan, but it always falls apart, because of the need of the municipality to increase development and revenue." As a result, what might have been projected is cancelled. Main had three recommendations to the government on how to manage land use. He proposed that 1) The government can regulate through zoning ordinance; 2) Use tax incentive to preserve farm land; and 3) Spend money to build the infrastructure. "These proposals will always have influence on how land use ends up. Sometimes, these proposals never succeed, because they are often implemented separately," said Main. To make them work he continued, "You have to pull the three together if you really want a particular outcome."

There has been some thought that past land use policies are partly to blame for the current economic crisis in Michigan. According to Greg Main, "There is some truth in that if you look at the subject of urban sprawl, the ever extending grabbing up of more properties, urban sprawl creates a cost for municipalities, both in term of capital improvement and maintenance cost." He said that when he was a young planner for the City of Lansing, at a time when there was lots of growth going on

in the outlier edges of the City, they had a plan that would have required everybody to develop a new subdivision. To make it clear how the division of land has contributed to the crisis he asked this question, "What if everybody has an acre lot, a ¼ acre lot, a six acre lot, or some land being developed into multi-family attached instead of single-family detached houses?" According to Main, each of those has impacts in cost of development, as well as cost of maintenance. He argued that "all the roads that get built have to be ploughed during the winter; and they have to be maintained and upgraded over time. To do that while you have a growth density of four to five families per acres versus 25 families per acres, is not easy because "municipalities don't have any ability to raise revenues through taxes, and as you spread out more and more, the costs begin to overwhelm," Main said.

"We need to promote sustainability in our communities," said Guy Bazzani the President and CEO of Bazzani Associates. He stated, "It would be crazy to think that our resources will last us forever, and someone needs to step up and take on some sort of leadership role in sustainability." Bazzani has taken on the role as a leader in promoting sustainability. Bazzani works mostly on redevelopment projects in the Grand Rapids area, including adaptive reuse of historic properties and new urban infill projects. His company philosophy is to benefit his community not only by rebuilding it, but also by making it more environmentally sound. His company uses a triple bottom line approach to integrate sustainability into the development process: economic viability, social

responsibility and environmental integrity. The whole development process starts with the economic aspect. A project needs to be an economic benefit to both the players in the development process, as well as the community as a whole; however, a successful business is not just about the economic aspect, but also societal and environmental benefit. The idea is that healthy people, a healthy planet and a healthy profit all go hand in hand in building a strong, healthy community.

The knowledge and attitudes of citizens are very important for leaders to understand when trying to make strategic decisions. The importance of citizen input was very clearly expressed by Marsha Smith, Executive Director of Rotary Charities of Traverse City, a CORE Group Member of the Grand Vision; and Advisory Committee Member of the Northwest Michigan Council of Governments' New Designs for Growth Program, "The Grand Vision," a planning process for the Grand Traverse Bay Region, had a very large amount of citizen input. Every part of the plan went through extensive tests and trials with citizen groups before its placement." One very interesting part was the attribution of "values" to certain parts of the plan. According to Smith, the group surveyed about 12,000 citizens, and had them attribute values to certain possible scenarios for the future of the area. Ultimately, she said, "It was the scenarios that were valued highest by the citizens—not the planners—that made it into the Grand Vision.



Because citizens in the Grand Traverse area are relatively informed, they have taken many actions towards bettering their community. Many of them live in the area by choice, not because of work or other reasons." Smith said that this is one reason why so many citizens are actively involved. She shared a story about how the people next door to her actually work from home and commute to Boston once or twice a month. But, because they enjoy living in Traverse City, they are active in it. One part of the New Designs for Growth initiative is the idea of becoming what Smith calls a "citizen planner." "Education is extremely important, because it allows

citizens to become more active. This allows them to gain a better connection to the place where they live and ultimately make the place better,” she said. Smith believes that her organization can help with citizen input, “First it is important to identify what each person believes is important. This varies from person to person, obviously, and is a fundamental reason why value attribution is so important. After identifying what citizens find important, they can then identify the issues surrounding them. So, where the environment is considered important, issues surrounding it could include the overdevelopment of natural areas, or lack of integration with new development.” The job of Smith’s organizations is to identify the best ways to move forward, and the best ways that citizens can affect change. Smith stated that this is an often overlooked part of Rotary Charities, in particular, “While they do a substantial amount of financial contributions, they also help on an individual scale with citizen input. While citizen input is important, it falls under a broader category of cooperation.” To her this is the most important part of achieving positive growth in the region and the state. Currently, she continues, “the state is run by different organizations all seeking to advance their own agendas. In order to succeed, however, these groups need to work together toward a common goal. Whether it is the environment, the economy or politics, there is too much partisanship in the State and it is inhibiting

progress. Rotary Charities does not focus on a certain type of organization to grant its services to for this very reason; it is important to concentrate on innovation and collaboration. Ultimately; it is these relationships that can lead to growth.”

Pat Gillespie, Michigan developer, and Founder and President of the Gillespie Group, believes that Michiganders must first change their perception of themselves. Then, he said, “When Michigan people understand their potential and possible opportunities, they will have pride in their state, which will entice non-Michigan residents to come. Once the perception is changed inwardly, the outward perception will follow. “



Making Places that Will Attract People and Economic Growth

Placemaking is considered the effective leveraging of place assets to develop policies and strategies to improve place performance and place prosperity. Developer Patrick Gillespie understands placemaking the same way Charles C. Bohl states in his book, “Place Making,” that the quest for community is strongly related to the growing appreciation of how town centers, main streets and urban villages can “put communities on the map, and establish a strong identity for new residential communities and existing towns and suburbs.” Gillespie believes that placemaking is a concept that his company practices, “Placemaking is creating a sense of place and creating an environment that is different from the norm.”

The importance of leaders in the development of progressive land use and strategic growth policies, and the roles leaders can play in making prosperous place are especially significant for state capitol areas. The state capitol is the face of the whole state. Therefore, the capitol areas “can” say a lot of about the conditions of the rest of the state. If this is true, the state of Michigan needs a face lift. The City of Lansing, the Michigan State Capitol, has sadly seen better days. As new students come from all different parts of the country and all walks of life come to the Lansing metro area to attend the many colleges and university, the question that arises is, “What is there to do downtown?” The opportunity

for entertainment and activity in the Lansing metro area is dismal compared to most capitol areas in the nation. There are efforts being made to correct this problem, and Lansing has made much progress. The Lansing area has a lot of land that could be better utilized and service the current and future needs of its residents. Gillespie feels that the greater Lansing area has missed certain critical real estate and economic development opportunities, which would help Lansing fulfill its highest potential. Gillespie admitted that his company was—for 10 years—an accomplice in the undermining practice of urban sprawl. At



PAT
GILLESPIE

DEVELOPER; FOUNDER AND
PRESIDENT, GILLESPIE GROUP

“Now, more than ever, businesses are going to where the talent is, not the other way around, so attracting and retaining young talent ensures a city’s ability to continually attract new businesses, as well as money.”

Gary Heidel

community include: Prudden Place, the Stadium District and Market Place.

According to Gary Heidel, Director of Program Policy and Market Research and former Director of the Michigan State Housing Development Authority (MSHDA), “Some qualities of an attractive city are a good night life, an abundance of parks and other recreational areas, universities, a green reputation and an open and diverse community. Now, more than ever, businesses are going to where the talent is, not the other way around, so attracting and retaining young talent ensures a city’s ability to continually attract new businesses, as well as money. That is why it is crucial for future growth. It is important to have incentives that are offered for developing in urban communities, or already used land. That counters unnecessary development of unused land and can attract more people back towards the city and, therefore, minimizes sprawl.”

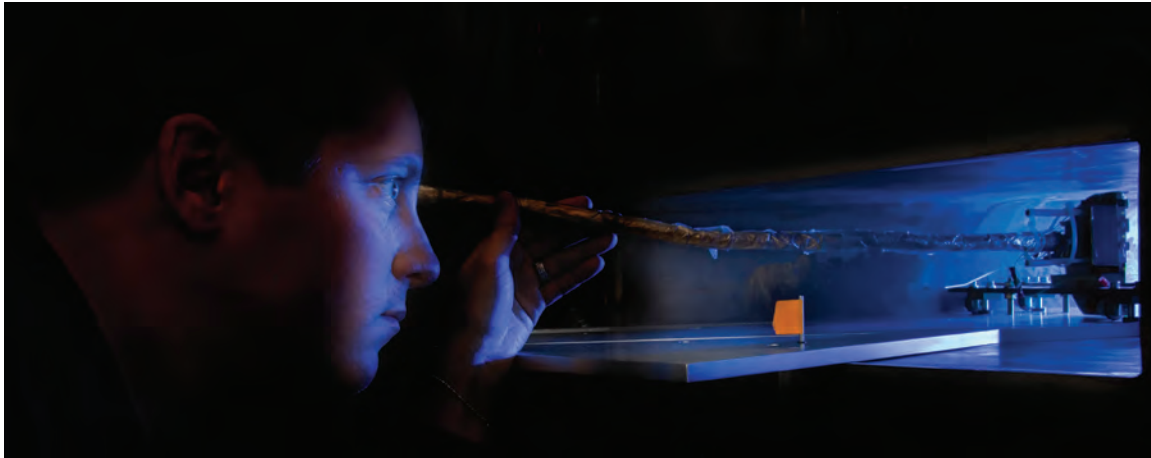
According to Jim Lively, “A great urban place is diverse—diverse in people, in incomes, in land uses—it’s interesting,

the time, that is what the market wanted, but there was a shift in the market; therefore, the Gillespie Group shifted with it. Now Gillespie Group’s strongest projects are in the downtown areas. The projects his company has completed that he feels have had the greatest impact on its surrounding

because of diversity. So, different building types, you just want a place that’s interesting, and the mixing of people that are different, that think differently, that do different things—those tend to be the most interesting places. And because of the mixing of people, different ideas, you get different dynamics within the way that the place is built. It just makes any place feel different from another place; it has a unique character. So it’s architecture, but it’s also walkability, it’s public spaces, it’s housing, different housing types, but, ultimately, it comes down to being interesting, because of diversity.”

Matt Cullen said, “Creating a flourishing community and an exciting urban area will create local business, which will attract people who will need jobs, often in large businesses and offices, which will boost tax revenues. It’s anyone and everyone’s responsibility to make this paradigm where everyone wins a reality.”

Representative Sam Singh suggested that “Successful places are often times the result of attracting educated and talented individuals to an area. In order to transition Southeast Michigan’s current economy into a more innovative one; well-educated, talented individuals must be attracted to the area, and stay there. Innovation and placemaking in Southeast Michigan are major strategies for the New Economy Initiative. One of the major place-based approaches they are currently addressing is the mixed-use neighborhood known as Midtown. This particular area is one that they are hoping to focus on with the NEI,



because it has anchor institutions like the Detroit Medical Center and Wayne State University at its core. There are many commercial businesses, residential buildings, religious and cultural institutions in the area, which are important amenities that help to attract people to the area. The New Economy Initiative hopes to develop more cultural amenities, as well as support start-up business owners; to bring more talented people to the region. In order to do this, there must be substantial planning, organization and time put into placemaking strategies, to ensure their success.”

Senator Birkholz noted that more incentives are needed to keep the creative class in Michigan, “These incentives would be tied to New Economy industries.” She mentioned that jobs are starting to come back to Michigan, not as quickly as in the past, but are returning. One example she gave was regarding her son: “[He] has lived in Milwaukee since he graduated from college in the 90s, was back in Michigan for a weekend to visit with family and friends. Several of his friends had recently moved back to Michigan after living elsewhere for several

years, because they were offered good jobs and a chance to be closer to their extended families.” Senator Birkholz also noted that Michigan cities are becoming revitalized and changing their image, using Lansing as an example. She remembered [the City] with a decent downtown area from her days as a MSU (Michigan State University) student. When she arrived in Lansing to begin her terms as a House Representative in 1992, she could not believe how far the downtown area of Lansing had declined, saying that people barely wanted to walk around during the day let alone at night. She added that “it has been amazing watching the positive transformation that Lansing has gone through since then.” Using Grand Rapids and Lansing as examples of cities that have turned around, and are considered good positive results, Senator Birkholz said people need to change the image of the state, “Michigan isn’t just Detroit, and Michigan isn’t all negative.”

One of the main issues that Senator Birkholz saw with core city abandonment is the contaminated sites that were left behind. An important part of revitalizing

a core city is to clean up these sites. She noted that work was being done on Part 201 of the Natural Resources and Environmental Protection Act. The changes being recommended would have the State assist with funding in areas where there is no responsible party. Other changes include a streamlined permitting and approval process, amongst other changes that would make it easier for business and industry to remediate brownfield sites.

Currently, there are no state policies in effect to reduce the amount of sprawl. Senator Birkholz said that there should be



PATTY
BIRKHOLZ

MEMBER OF THE BOARD OF
DIRECTORS, GREAT LAKES
PROTECTION FUND; FORMER
DIRECTOR, OFFICE OF THE GREAT
LAKES, MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY; AND
FORMER STATE SENATOR

some policies in place to reduce sprawl, “the Rural-Urban Caucus worked on issues with cities, townships and farming, and started communication between municipalities. Unfortunately, nothing has been done in the past several years.”

Larry Merrill said that today there are changes in how people want to live, and mixed-use development captures a segment of the population that finds inner cities attractive. He believes that the notion that all young people want to live in inner cities is false. However, he does believe that a large segment of the young population does want to live in urban settings. He stated, “Cities need to capitalize on this and make themselves more livable and marketable. Middle class families are not ready for that preference yet, because Michigan is not positioned to accommodate their needs. The inner cities often lack quality public education infrastructure that people are looking for. The urban school system problem is still unresolved making it more attractive for people to raise children in suburban areas.”

Merrill also believes there are a number of things Michigan needs to do better. He feels that statewide agriculture has been ignored for the past 25 years. According to Merrill, “Other states have shown more support and encouraged farms to continue to operate and be recognized as part of the culture. It is almost as if Michigan has been hostile towards agriculture. Agriculture may not create a lot of jobs, but it does create wealth. A lot of money in agricultural commodities goes to banks that provide loans. Agriculture needs to be nurtured.”

According to Merrill, “Local governments need to work together to frame multi-jurisdictional plans for additional growth and development. In the past, all communities had to be all things to all people—they had to provide for all types of land uses in all jurisdictions. Instead, metropolitan communities should focus on specialization, such as having some communities being the entertainment district, others as manufacturing and perhaps authorize regional tax base sharing between jurisdictions. With tax base sharing, all governments have more stake in the success of a shared vision.”

Merrill feels that Michigan has abundant natural resources that “we haven’t quite figured out how to leverage, such as choosing to allow their reasonable use in the production of goods, or hoarding them for our own use, particularly water. There needs to be better stewardship policies in place that allow people to do business here using our natural resources, as long as there is value added to the Michigan economy and the resources used are sustainable. Michigan needs more tax incentives for high-tech industries to bring a higher standard of living.”

According to Guy Bazzani, “Grand Rapids has a multi-dimensional approach to making itself an attractive place. The City looks to reduce the amount of waste it creates, preserve and enhance the natural environment, promote the rehabilitation



of the inner city, and reduce sprawl (Master Plan). The City is trying to make Grand Rapids more efficient, and more environmentally aware.”

The outlook of Grand Rapids is positive, according to Bazzani. He certainly believes the City is heading in the right direction from a sustainability standpoint, and also believes with the sustainability efforts will come a strong successful community.

Recently, Grand Rapids was named the most sustainable mid-sized community in the United States. Many other Michigan cities can learn from the example Grand Rapids is setting. The resources to make sustainability a reality are available. It is just up to local leadership to capitalize on sustainability opportunities.

Amy Arnold, Preservation Planner for the State Historic Preservation Office (SHPO) in the Michigan State Housing

Development Authority, feels that creating a sense of community and developing an economy based on environmental research will help reposition the state. She said, “This can be helped tremendously by two factors: A mass transit system, which will allow easier access to the natural beauty of Michigan, and also utilizing historic preservation to provide an appreciation of its heritage that is ‘Pure Michigan.’”

Integrating the natural environment with an urban lifestyle can create opportunities to build a sense of place. Arnold has lived in Austin (TX), San Francisco (CA), and Durham (NC). She said, “All of these cities, have been on the” best of” lists. If Michigan wants to have a city on this list, it needs to re-evaluate its sense of place, and encourage camaraderie between the state, counties and communities to build the sense of place. One way to achieve this is through preservation of its historic resources. The SHPO is working to achieve this goal.” The SHPO was originally developed as a direct result of Section 106 of the National Historic Preservation Act of 1966 (NHPA), which requires Federal agencies to take into consideration the effects of their activities on historic properties. The agency consults with the Advisory Council on Historic Preservation (ACHP), which then helps determine the course of action to be taken. The original intent of the SHPO was to survey all historical buildings in Michigan and create a list that would help guide ACHP to assist the agency in question to help protect historical

properties from demolition or desecration. Arnold indicated that she would like to see more contractors educated on how to do historic rehabilitation, “Local materials would be used and local businesses would thrive because renewed vitality is being brought to the community.” Arnold continued by saying, “many historic land use patterns developed because they made sense (residential neighborhoods developing along interurban arteries).” Many tax incentives are available to the community to help renovate, rehabilitate and reconstruct. She stated, “One misconception about historic preservation is, people tend to think that only buildings that are high end or ‘museum quality’ are the ones which can be rehabilitated. That just isn’t the case.”

Arnold continued, “Historic properties rarely or never lose their value. When a community is designated as historic, people are more willing to invest in that community.

By preserving the historical integrity of a community you are preserving the quality of life.” She stated, “Instead of seeing historic buildings decline and allow them to fall in disrepair, it is imperative that they be seen as irreplaceable and an asset to the re-growth of a community.”

“When a community is designated as historic, people are more willing to invest in that community. By preserving the historical integrity of a community you are preserving the quality of life.”
Amy Arnold

Working Regionally

The Ingham County Land Bank certainly acts as a regional economic development organization when it acquires blighted properties and either redevelops the homes or makes the property ready for resale. Just over seven years old, the Ingham County Land Bank has not yet stood the test of time. Based off of the Flint/Genesee County model, the Ingham County Land Bank started as an economic development tool that focused on housing. The land bank has grown tremendously since it was created. In 2005, the land bank ended the year with about 21 properties; in 2010 the Ingham County Land Bank had approximately 600 properties and an operating budget for the year 2011 of

\$13,000,000. Recently, the Land Bank has become involved in urban gardening as a way to re-use some of the blighted property in the Lansing area. The rationale behind transforming some of the properties into urban gardens is that producing something that neighborhood residents can generate income from is a greater return on the land than simply planting grass and spending money to maintain the properties. The Ingham County Land Bank partners with the Ingham County Food Bank to manage urban gardens, which increases food security or freshness in the neighborhoods, according to Schertzing. The idea is to use the same dollars that would be used to simply maintain the property and put them towards something that is economically productive. The urban gardens in the Lansing area that are on land bank property are generally meant to be in three- to five-year cycles and not permanent fixtures in the landscape in order to ensure the land will be available for residential use should the market demand it.

Senator Birkholz saw a huge opportunity for Michigan by having more local governments adopting coordination between jurisdictions, “Planning is hurt by the lack of coordination, and the more coordination that is done, the more growth Michigan will see.”

She said that she was ok with consolidation as long as “it isn’t forced on municipalities.” She added that implementing incentives could help consolidate some services. Services that could benefit from consolidation include fire



ERIC
SCHERTZING

INGHAM COUNTY TREASURER; AND
CHAIR, INGHAM COUNTY LAND BANK



departments, police departments, planning and zoning agencies, and transportation.

According to Larry Merrill, “There are some strategies targeted to promote 21st century industries that we could employ to make our state more attractive, but it will require more cohesive and region based economic development strategies, especially partnerships among local governments and our research universities, than what has been typical of the past.”

“During slow times, planning departments should be reevaluating ordinances and adapting to future needs to help foster growth. Many ordinances were written before the internet age where any business required onsite commerce and business transaction. At that time, it was not compatible with surrounding properties to have that type of operation within a home.

There were many issues such as parking and traffic. Today, with e-commerce, businesses can be run without onsite commerce and creating negative externalities,” Merrill said.

Merrill believes that there has been a mindset change with the New Economy among local government officials regarding regional cooperation. In the Old Economy, regional cooperation wasn’t necessary. Companies would come in and want to build on a site and then workers would follow. Today, the patterns have changed. There is more recognition that regions have their own unique identity, and places are not marketing themselves on an individual basis. Places are recognizing that they represent a part of a much larger entity. Some areas of the state have come much farther than others in taking regional approaches. Southeastern Michigan has the furthest

to go, but the most to gain from greater regionalism, of anywhere in Michigan.

Merrill said he is seeing a positive movement toward recognition of the importance of cooperation on land use decisions. He stated, “Places are not trying to be so competitive anymore, and there is the recognition that when a neighboring entity attracts a new business, that just means that there are more jobs for the entire region even though the neighboring entity may receive the primary tax benefit. It used to be difficult to persuade jurisdictions to participate in regionalism and strengthening the urban core when there are winners and losers from more tax revenues, especially for the suburbs still experiencing growth.” He said that local government officials should not presume

that when local governments cooperate the urban core area is necessarily always the winner and everyone else is the loser. Merrill continued, “We have to figure out how to make the communities not directly experiencing development benefit from development elsewhere in the region.

Land use planning evolved over time, and the government’s ability to direct where the private sector is going to invest has limitations. People in government and outside tend to think that local governments have more control over land use change than they do. In order for regionalism to work, if the urban core area is going to be targeted for specific economic development, it needs have a plan to show how the community will be successful. That plan has to be comprehensive and needs to look at all of the local government’s services, its cost structure and ensure that they are operating as economical as possible, and are user friendly for developers. The notion that the state should authorize special economic development tools for urban core area[s], then condone a “business as usual” approach to economic development, will inevitably lead to failure. Urban centers that are targeted for special economic development tools and state assistance should not be allowed to continue with approval processes for new businesses that impose unnecessarily delays for two years or more. Economic development opportunities should not dangle in the wind, while public officials engage in “pay to play” schemes. Michigan should not subsidize self-serving and unprofessional conduct. The urban



LARRY MERRILL

EXECUTIVE DIRECTOR
MICHIGAN TOWNSHIPS ASSOCIATION

areas need to clean up their act, and operate in a manner that is going to be in their own best interest as well as the region. Until that happens you probably won't see the suburbs get on board with a regional development strategy. If the historic urban cores aren't prepared to reform their ways of doing business, they will continue to decline. If that is the case, new urban centers may arise somewhere else in the region."

"That outcome is not necessarily right or wrong, but we have a lot of investment in existing urban infrastructure that will go to waste if we miss viable opportunities to restore urban areas. But if a city can't figure out a reason to continue to exist, then the question is, why should it continue to exist," he stated. Merrill cited the example of the City of Calumet that once had a population of 97,000 people and now is down to 5,000 people, "Would anyone in Michigan argue that we should have poured billions of dollars into Calumet to keep its population at 100,000? It is no different today for a declining manufacturing-based community with its sole reason for existence due to being located on a river or a great lake, which was essential for 19th century transportation." According to Merrill, that is less relevant today for transporting many manufactured and agricultural goods. "If a place cannot reinvent itself, and can't figure out why people need to come there in the 21st century, then the rest of the state and other local governments should not have an obligation to bail it out indefinitely. On the other hand, if an urban

area, in consort with the other members of a region, can reinvent itself, then the suburbs should support that plan. It would make better sense to rebuild

on existing infrastructure than to build something new someplace else," he concluded. He feels that the suburbs cannot be held responsible for stagnating urban core communities that resulted from decades of passive municipal leadership.

According to Merrill, "We have a lot of players supporting regionalism, including local government officials, which is ironic because in the past they have competed amongst themselves. However, many local government officials recognize that their regional economy could be better with more cooperation." He also believes that the economic vitality of cities like Lansing is directly related to elected leadership. "From the early 1970's to the mid-1990s, there were virtually no bold efforts to rebuild downtown. When Dave Hollister was elected mayor after decades of inaction, he brought a lot of energy and enthusiasm for rebuilding downtown, and recognized the need for entertainment venues, such as the stadium district and improvements to the Lansing Center," he said. Merrill also credits current Mayor Virg Bernero for restoring some of that legacy.

"In Michigan especially, natural resources are important to the region. First, is the aesthetic value of the resources. The

"It would make better sense to rebuild on existing infrastructure than to build something new someplace else."
Larry Merrill

“The natural landscapes, namely the water resources, provide beauty and can lead to successful tourism businesses.

This is a primary reason why the preservation of these natural areas is so important to the Grand Traverse Bay Region.”

Marsha Smith

natural landscapes, namely the water resources, provide beauty and can lead to successful tourism businesses. This is a primary reason why the preservation of these natural areas is so important to the Grand Traverse Bay Region,” said

Marsha Smith. She continued by saying, “People are generally attracted to them, both as tourists and as residents. Marsha Smith noted that there was overwhelming support for preserving natural areas from the region’s citizens, and it is a constant attraction for tourists as well. In addition to tourism, the resources also provide the

area with its identity. Marsha Smith said that the region is essentially personified by its resources; it is what the region is well-known for so preserving its resources is as integral as preserving its identity. She continued, “As a result, the people, whether they live in the region or are visiting, want to see these resources preserved. At the same time, they want to see the resources treated as a priority, according to Smith. This is especially important when looking at the built environment. Like many areas throughout the state, there is a need for new infrastructure. According to Smith, the Grand Traverse region is similar to these areas, but different at the same time. This is because the area is extremely invested in integrating the environment into their new buildings, while subsequently expanding growth on pre-existing infrastructure.”



Detroit and Its Region

Over the last 100 years, Detroit has fallen victim to a changing world that it has not been able to accommodate very well. The motor industry led to the most prosperous time in the City's history. Unfortunately, the reliance on this single industry also led to the downfall of Detroit. Over this same period of time, land use policies have shifted from focusing on building neighborhoods designed solely to house workers towards reconstructing neighborhoods into united communities.

Detroit needs effective mass transit. The City has heard promises of redoing mass transit in the past, with great failure surrounding those stories. The only remnants of any such attempt beyond buses is the People Mover, which was meant to be a connection between varying modes of transit, and connecting rail lines, none of which came to fruition. Over the years since, the People Mover has been widely criticized for its ineffectiveness, because it's not a method of getting downtown from anywhere else, only a winding path once you're already there, not contributing to the amount of people frequenting downtown.



MATTHEW CULLEN

PRESIDENT AND CEO,
ROCK VENTURES, LLC; CHAIR,
DETROIT RIVERFRONT CONSERVANCY;
AND VOLUNTEER CEO,
M-1 LIGHT RAIL INITIATIVE, DETROIT, MI

According to Matthew Cullen, “the cost of building a public transportation network has always been offset by the economic development it created in the surrounding areas.”

The M-1 rail project began as an entirely private-sector project. It started as a group of Detroit business leaders (Penske, the Illich's, Quicken Loans, GM, etc.) realized that the lack of transportation options for citizens living in the inner-city of Detroit, which has had a sorted past with public transportation, largely accredited to the City's foundation on the automobile. Not

interested in the amount of bureaucratic red tape that they would have to cross, the aforementioned leaders put together an organization, funded the research phase, and put money up to start building a 3.4-mile stretch, all by way of philanthropic donations. It wasn't until the phase of land acquisition that the government became involved with their plans.

As these business leaders worked on their plan, the Southeast Michigan Council of Governments (SEMCOG) worked on their own plan to address the necessity for more efficient public transit. Their report included light rail construction as well, and one of the rails in their plan was also to be constructed on the Woodward corridor. When both reports were published, the two plans were forced to merge, partially to the chagrin of the original M-1 project leaders, because they started their project privately to avoid dealing with the bureaucracy of local government. The advantages gained in the trade-off were well worth it, however, because the original plan of a 3.4-mile rail extended to almost a nine-mile rail track, spanning from Jefferson Avenue to 8 Mile Road.

This increase in scale also led to an increase in cost, inflating the bottom line for the project to an estimated \$450-\$500 million. While Phase 1 of development, the original 3.4-mile plan, had generated 125 million in philanthropic donations, Phase 2 (SEMCOG's five-mile extension) required an additional \$300 million. This caused the City to look to the federal "New Starts" programs for cities in need of new starts.

The program funds 60% of a project's cost, subject to the analysis of an Environmental Impact Statement (EIS) to determine the environmental viability of the project.

According to Senator Birkholz, "High-speed rail can be a positive for Michigan, since it can become a selling point for getting people and businesses to move to the state." Citing that when out-of state people talk to her about relocating to Michigan, one of the questions they ask is what kind of mass transit is available. Senator Birkholz said that she would like to see, and she herself would use a high-speed route to Chicago. She would also like to see a reliable mass-transit route serving the airport.

The New Economy Initiative (NEI) is a \$100 million project that was funded by 10 philanthropic organizations in order to make the necessary changes in Detroit, and the surrounding areas. Started in 2008, there are hopes to transition the region into a knowledge based economy by connecting the badly fragmented infrastructure that is characteristic of the area. According to Representative Sam Singh, "The movement is focused on capitalization of existing assets and resources, creation of a strong entrepreneurial environment, and the necessary help that can be provided to skilled workers who have employment potential."

"High-speed rail can be a positive for Michigan, since it can become a selling point for getting people and businesses to move to the state."
Senator Patty Birkholz

This NEI proposal ties in with the development of advanced land use and strategic growth policies, as they are trying to recreate infrastructure, and develop dynamic neighborhoods and cities. By re-stimulating the economy, creating and reinventing necessary infrastructure, as well as having access to resources and capital,” said Representative Singh, “this program is hoping to help new designers, entrepreneurs, as well as keep already existing businesses in the area.” He continued, “There are hopes of making life simpler and better for small businesses and entrepreneurs by providing necessary resources, and seeking federal funds as a collective whole in order to ensure success.” Well educated, talented individuals and entrepreneurs are exactly what Detroit and the surrounding area need in order to turn the economy around, and that is what Representative Singh is working hard to do.

As a state, Representative Singh said, “we must learn to capitalize on our strengths, as well as focus on our weaknesses; in order to make the successful transition. The Southeast Michigan region has a history of affluence; in the past individuals



flocked to the area, because it was very prosperous. Now, with the recent economic down-turn we must work to re-stimulate it. In the Southeast Michigan area, we have the individuals who are ready and prepared to work, we have a good and growing knowledge base, and innovative ideas. However, we are lacking the resources, access to capital, and necessary infrastructure these individuals need. To fix this, we must provide the funds and support to qualified institutions that are building the infrastructure necessary for entrepreneurs. Michigan has many unique assets, and many individuals are excited about the Southeast Michigan region, because there is a large opportunity for growth.”

Often when people think of a region that has created that sense of place, they think of Chicago; every neighborhood has a name and an identity. Amy Arnold feels that Detroit also has a sense of community, but there is too much of a disconnect between the City and the suburbs. Why then did Chicago thrive? According to Arnold, “Because they took advantage of the Great Fire of the 1870’s to plan the City. They enlisted the help of major architects and planners, like Daniel Burnham, to incorporate green space, as well as places people want to visit—the Zoo, a variety of Museums, Navy Pier, the Miracle Mile, just to name a few. They built a city people wanted to visit and feel safe in. They built a community.”

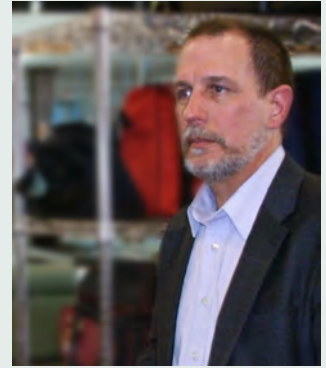
Detroit has communities that could have a great identity, with unique neighborhoods,

like Greek Town, Cork Town, Hamtramck, Edison Park, Motown, etc. These neighborhoods within Detroit have parts of a community, but not the entire package. One issue is that Detroit never recovered from the riots of 1967 like Chicago did from the Great Fire. Perhaps Detroit wanted to do it themselves, and succeeded in separating the City from the suburbs. Also, Detroit relied on one major industry, and aligned its vision with that industry, when what is needed is a world class vision. Detroit needs to create a New Economy by connecting to the surrounding communities and the world. Part of the solution would be mass transit, which would help Detroit to connect to other urban centers in Michigan and also provide easy access to lakes, parks, and recreational areas around Michigan.

Growing food in Detroit is bringing attention to the City, as well as to discussions about what to do with abandoned City land. In Detroit, there are well over 1,500 urban gardens, and dozens of tiny commercial farming operations, but the proposed Hantz Farms project has gained much of the attention. To some, the Hantz Farms project will provide a desperately needed change to a crumbling city. The project is a sign of drastic changes in the rebuilding of what was once a thriving center of industry. While some areas of the City still survive, Hantz Farms intends to help to resuscitate the parts that have lost their lifelines in a changing economy. According to Michael

MICHAEL SCORE

PRESIDENT,
HANTZ FARMS,
DETROIT, MI



Score, President of Hantz Farms, “This is one case where returning to its roots will be one step in the City’s move to progress into the future. A greener city means a more appealing city with healthier, happier residents poised to succeed in reestablishing Detroit’s placement in the global market.”

Score continued, “The majority of the land proposed for the farms is located in previously residential areas that, for the most part, are free of any hazardous contamination. Small areas are, however, contaminated and unfit for the growing of any fruit or vegetable for consumption and remediation efforts may be in order. Along with Christmas trees, other hardwood species may be grown on the contaminated soils. Part of the proposed research with Michigan State University will include studies on effective

“A greener city means a more appealing city with healthier, happier residents poised to succeed in reestablishing Detroit’s placement in the global market.”
Michael Score



methods of contaminated soil remediation. This research would not only be beneficial to the farm and other farms around the world, but research sites would become an important educational resource. Areas where remediation methods are tested would be shown to educational groups who would

be able to see the process first hand and learn from them. Tours would also be given to the general public generating revenue to help sustain the project. There are even talks of establishing a K-12 school based on agriculture and using the farm as a learning laboratory. Funds for this project would come from contributing major foundations.”

The future is very bright for the state of Michigan, particularly for Detroit. The opening of the Detroit Riverfront has changed the way many view the City. This change alone can open numerous opportunities as the City strives to develop a vibrant community. By reconstruction one neighborhood at a time based on its strengths, Detroit can be well on its way to economic vibrancy. As the world changes, state leaders must actively work to harness the New Economy.



The Green Economy

According to Gary Heidel, “Cities aren’t doomed, and actually have an opportunity in the New Economy. New green development requires green product manufacturing. Michigan happens to be endowed with a large manufacturing capacity, as well as a skilled workforce capable of producing these products. If Michigan can attract a substantial amount of green manufacturing jobs, the future isn’t so bleak for our great state.”

Senator Birkholz noted that the renewable energy push in Michigan is helping promote the New Economy. “Incentives were offered for advanced battery manufacturing, and Michigan is currently a hub for advanced batteries. Investing in the ‘Green Economy,’ which emphasizes wind, solar, and other forms of renewable and alternative energy also promotes the New Economy,” she said.

Senator Birkholz supports wind farms, and has recently helped introduce legislation (along with Representatives Jeff Mayes and Dan Scripps, and Senator Jerry Van Woerkom) to regulate the future of offshore wind farms. This legislation is supposed to ensure that Michigan will control who, where and how offshore wind projects are developed. The bill is based on recommendations made by the Great Lakes Wind Council Report². Wind turbines would be prohibited within six miles of shore without the consent of the adjacent county’s board, and no wind farms are to be constructed within three miles of shore.

2. Great Lakes Wind Council, Report of the Great Lakes Wind Council: http://www.michiganglowcouncil.org/GLOWreportOct2010_with%20appendices.pdf.



GARY HEIDEL

DIRECTOR OF PROGRAM POLICY
AND MARKETING RESEARCH, AND
FORMER DIRECTOR,
MICHIGAN STATE HOUSING
DEVELOPMENT AUTHORITY

It also requires that at least four public hearings be held on proposed offshore wind developments, so citizens can have their voice be heard.

One way to diversify the economy is through agriculture and forestry. However, they tend not to be high jobs creators in Greg Main’s opinion. He favors an economy that is balanced. Meanwhile, he acknowledged the work done in these sectors of the economy, “We have done a great job in food processing industry.” In contrast, he argued that we haven’t overcome the environment issue associated with food processing industry. According to Main, “Food processing plants generate a large significant waste stream



that is generated by food processing, but the cost of treatment of waste water is very high and that really threatens those industries.”

Main suggested that the solution to the environmental problem associated with food processing industry is that “we have to find new technology and ways that we can extract the values of those industries for the generation of heat, of electrical power, or bio fuels.” To Main, those are critical parts of what we need to build forward. Beyond that, he said, “we want to build at the advance energy storage and batteries businesses as we build batteries to support the auto industry. Also, sun, solar, manufacturing of solar and wind power equipment are ways to diversify the economy and at the same they support the existing industries by supplying the market.”

Many people do not understand the benefits of green building. According to Guy Bazzani, “The cost of construction is just 2%–5% more than conventional construction costs, but the savings

on utility costs will more than make up for the difference in construction costs. Green buildings save 30%–50% on energy costs per year. These are endless savings that will continue to benefit

the business for many years to come. Not only do green buildings save on energy costs, they also save on health costs. Green buildings increase the quality of life with improved air quality. With better working conditions, employees can work more effectively, and make a positive impact in the work place and in the community.”

Energy efficiency is a major environmental feature that Bazzani Associates tries to

“Not only do green buildings save on energy costs, they also save on health costs. Green buildings increase the quality of life with improved air quality.”
Guy Bazzani



GUY BAZZANI

PRESIDENT/CEO,
BAZZANI ASSOCIATES

incorporate into their designs, but this is not the only element of their sustainability efforts. Bazzani Associates also tries to incorporate storm water management systems in their designs. These systems include features like green roofs, which help reduce the amount of storm water runoff. “It is important to minimize storm water runoff, because when precipitation hits impervious surfaces and is not absorbed into the ground, it may create runoff with chemicals and debris which is harmful to the environment,” Bazzani said. Bazzani Associates is finding ways reduce storm water runoff, and have even designed systems that create zero storm water runoff.

According to Marsha Smith there are many ways that the community can have growth, while placing a focus on environmental issues. One of the ways to do this, Smith noted, is through alternative energy and planning for both the urban and rural parts of a region. The Grand Vision puts emphasis on this idea of expanding growth while maintaining natural resource quality. The vision states, “incentives are offered for building renovations to improve energy efficiency. Solar heat and wind energy is permitted through local ordinances and is being more widely used for personal residences and commercial buildings too.” Furthermore, there is a large stress on making sure that even with new developments, the forests remain pristine, the water remains pure, and the air remains clean. According to Marsha Smith, “The agricultural sector is also important to the Grand Vision from a



natural beauty perspective, but perhaps more importantly, as a food source and an economic sector. The industry provides jobs to the area and the Grand Vision indicates that there should be a separation, so that urban development does not infringe on these resources.” Smith is concerned that the rural and natural areas would be intruded on with wide scale development by businesses, but also seemed somewhat confident that the area’s residents and visitors were invested enough in the area so that they would not allow it. She said that citizen input in the Grand Vision’s process was extremely important. “While it was important that informed experts made decisions, these decisions were meaningless unless the citizens who the decisions affected were also informed,” she said.

Pete Hardigan, Manager for Environmental Policy for Sustainability Business Strategies at Ford Motor Company, works on supporting policies that build a strong

business and a better world. There are two aspects that he works on the most and the company and world are most concerned with both of these right now. These aspects are the vehicle emissions of carbon dioxide and the increasing problem with global warming.

Hardigan believes that the auto companies do not contribute to good regional planning. The current product line that Ford has in place encourages personal mobility as opposed to smart growth. Smart growth discourages urban sprawl, and instead encourages people to live in a location where they can eat, sleep, work and play all in the same area. This shortens the trips taken in cars, or possibly takes away the need for owning a car altogether. Hardigan believes that Ford is starting to focus on smart growth and mobility in a broader sense. Hardigan looks at reducing overall travel and efficient land use through bike and car share. He sees the mega cities developing, and believes that smart growth will one day be a global view. The U.S. approach to one car for every licensed driver will not work in a city with 20 million people, so solutions to this problem are often discussed.



According to Hardigan, another issue that Ford is concerned with is land use related to biofuels. “Many companies are currently looking at producing biofuels by planting their own crops and using the fuel made from crops, such as corn or algae, to power vehicles.” An example mentioned by Hardigan was Exxon Mobile, which is promoting the idea of using algae as a biofuel. Although this is a great idea, it is a tricky one. “They state in their commercial that they are not wasting land to create fuel. That statement is misleading, because they need to use land for algae producing farms in order to create the biofuel. This algae farm land could have been land used for human food farming, or some other type of farm use,” he said. Ford has received pressure to get involved in the process, but the lack of accurate data around the ultimate land use effects has focused their attention on researching the implications of increased biofuel use.

PETE HARDIGAN

MANAGER FOR
ENVIRONMENTAL POLICY
FOR SUSTAINABILITY
BUSINESS STRATEGIES,
FORD MOTOR COMPANY





Ford's view of corporate sustainability appears to be closely aligned with what many would describe as general sustainability for the planet. They look at sustainability in three different aspects. The first aspect is financial. If they can't make a profit, then they cannot satisfy shareholders, invest in new products or produce anything as a company. The second is the social aspect, which has to do with humans—the employee's well-being at Ford. This aspect includes vehicle safety, fair wage, no child labor, no forced labor and working conditions. The company does audits every year at each of their facilities world-wide to be sure that their employees are being treated right. They receive feedback from the employees if any issues of this nature are occurring, and they do their best to fix the issues promptly. The final aspect is environmental sustainability. In the company, their environmental

sustainability goals deal with carbon dioxide, energy security (alternate energy resources) and climate change. According to Hardigan, Ford tries to do their fair share in this aspect by making more efficient cars, working on battery powered cars, stabilizing greenhouse gasses and recycling materials. After listing these three aspects, Hardigan said he believes that corporate and general sustainability are typically the same. "They are both linked, because the company hopes to have the same goals for the planet that the general public does," he continued. He thinks that they go hand in hand, and that creating a strong business and building a better world are not conflicting goals—they are essential for long-term success.

On the topic of corporate and general sustainability, Pete Hardigan said, "They are both linked, because the company hopes to have the same goals for the planet as the general public does."

Retooling and Reinvesting in Michigan's Places

Eric Schertzing felt strongly that Michigan needs to be “ruthlessly disciplined, fiscally, in where we invest our resources,” such as strongly funding education in the state. He identified the need to put our already skilled workforce back to work in new industries, especially “green” industries. “Again the retooling of Michigan’s economy seemed to at the top of the list of challenges Michigan will face in its economic recovery,” he said.

Schertzing noted that the state is already doing some great things, like pursuing those “green” industries and that these are the things that should be built upon. Aside from a few minor changes to policies, he feels Michigan has really good job creation strategies and some of the best brownfield policies in the country.

Schertzing was careful to point out that the real challenge for planners is thinking about how to prevent what we’re thinking of doing today from being a challenge for future generations. He noted that while urban gardens have been economically viable in Lansing, they shouldn’t be created just because the land is there, but rather created because there is a market for them.

The Southeast Michigan region is one of the most-hard-hit locations in the state as a result of the recession, so there is a lot of room for growth. With the recent fall-out of the automotive industry and the economic recession, there is great potential for work and economic development. With plans to promote entrepreneurs and small businesses, there are hopes that making

investments in training for start-up businesses, and already existing businesses, will result in higher success rates within particular sectors. According to Representative Sam Singh, “We should

look to the funding and investment of resources into companies that have the opportunity to grow. Certain sectors, such as transportation, logistics, military and homeland defense, should have a significant amount of state resources dedicated to them.” Michigan’s economy, in a sense, has hit rock bottom and the only way to go is up. The state has many promising leaders

“Michigan has really good job creation strategies and some of the best brownfield policies in the country.”
Eric Schertzing



SAM SINGH

MICHIGAN STATE REPRESENTATIVE;
FORMER SENIOR CONSULTANT,
NEW ECONOMY INITIATIVE OF
SOUTHEAST MICHIGAN; AND
FORMER MAYOR,
CITY OF EAST LANSING



when it comes to land use and policy, and with proper focuses and guidance, these leaders present a great opportunity to get our economy moving in the right direction.

In order to make this necessary transition a successful one, the state of Michigan must look to make changes to their already existing places. By retooling and reinventing already existing places, individuals will be drawn to these urban centers for residential, educational, and occupational purposes. The state must strive to provide incentives for local communities, such as tax breaks, subsidies and other fiscal encouragement for small businesses and entrepreneurs. These incentives should be focused in already existing cities, as well as outside of the city. Representative Sam Singh believes talent shifts to rural areas could result in significant development as well. Within core cities, as well as outside; infrastructure

and development needs to be aimed at young talented people. Talented individuals have the power to pick a location, and have the jobs follow them. Michigan can work hard to reinvent already existing cities and towns to attract young individuals. By building up the education system, cultural and religious amenities, recreation centers, downtown areas, and overall appearance; individuals will choose to relocate to these newly designed Michigan cities. According to Representative Singh, the state must greatly increase regional development within core urban cities; the government has the power to use a wide variety of incentives to retool and rebuild cities in order to prepare for the New Economy.

Representative Singh believes that a lot of time and work must be put in if the Southeast region of Michigan is going to be turned around. He and his colleagues are working to strategize for a new successful

workforce. The automotive industry dominated Michigan's economy for a very long time. With the recent downsizing in the auto industry new sectors must be planned for the area. The New Economy Initiative is working with a number of industrial sectors and organizations, such as: Next Energy, the Detroit Regional Chamber of Commerce, the Michigan Manufacturing Technology Center, and many more, in order to bring jobs and a successful workforce to the area. There are hopes of bringing together employers and employees of these different sectors in order to exactly find out what it takes for their companies to be successful in the area. The New Economy Initiative personnel are going out and asking questions regarding the current needs of businesses. They also are inquiring about future years to come, and what skills and knowledge are necessary and expected of upcoming employees. Representative Singh also mentioned the importance of preparing already existing occupational divisions for new, evolving jobs. As Michigan transitions from the Old, to the New Economy, it requires changes in occupations for certain sectors. Companies and businesses have to be prepared to embrace these new professions. "We must prepare current employees and employers, as well as prepare upcoming students for new, desired jobs," said Representative Singh.

Michigan has embraced some public-private partnerships (such as providing high-speed internet to rural areas), but needs more. Senator Birkholz supports the public-

private partnership for the Detroit River International Crossing (DRIC), citing that businesses and industry (especially auto manufacturing) rely on being able to have quick and efficient border crossings.

One example of public private partnerships is historic preservation. An entire downtown can be revitalized through the Michigan Main Street Program, or a barn, that has historical significance, can be preserved through various available grants. For instance, The Michigan Community Development Block Grant Program (CDBG) provides funding of grants to local units of government for economic development, downtown development, blight elimination and planning. One of the goals of the State Historic Preservation Office is to guide people through the red tape and connect them to the correct government agency.

With Michigan's abundance of natural resources (parks, forests, lakes, etc.) Senator Birkholz believes the state can effectively market these resources to attract tourists and therefore more jobs by continuing the Pure Michigan Campaign! She then added that the ads are fairly simple to create with showing the natural beauty of the state with Tim Allen adding the monologue, and the returns are huge. These ads were run in Alaska, where a former Michigan resident saw one on TV and said "I saw one of those Pure Michigan ads today, it made me want to go home!" Senator Birkholz said that was exactly the point of the campaign and the reaction they're looking for from people.



According to Larry Merrill, not all townships are experiencing the economic recession at the same level. It is dependent on how close townships are to major manufacturing and the automotive industry. The Upper Peninsula economy is still much the same as it has been for the past 10 to 20 years, which is also true for most of northern Michigan. Many of the townships and counties that have been burdened by the economy have downsized, including reducing or eliminating zoning or planning departments and their building code compliance departments. Merrill would not make a value judgment on that, but he did say that “it would be hard to justify maintaining underutilized planning departments and instead cut police and fire services. Due to the slow

growth of the economy, there have not been many zoning applications or construction permits to process. The development regulatory infrastructure will have to be recreated as growth occurs again. It is all about where a community’s priorities are. If parks and recreation departments are cut, it can be a problem because it reduces the quality of life and attractiveness of the community. The issue is that there is more government than we can afford right now. Elected officials have a lot of tough decisions ahead of them. Today, there is far more interest in joint ventures than in the past to save money or improve services. An example is cities and townships contracting with each other to provide assessing services to reduce costs.”

Summary and Conclusions

Michigan has an array of thought leaders who come from varied backgrounds in the business, government and nonprofit sectors. Thankfully, many of the state's leaders recognized how Michigan moved into an economic decline, and also how it can move forward toward prosperity. If we pay attention to the ideas of these leaders, we find that they share the common belief that the following are vital to a more prosperous future for Michigan:

- A better educated population is needed: This includes a high-quality general education for our children and greater skill training and technical knowledge for adults.
 - The economy needs greater diversification: For a long time Michigan hung its future on the automobile industry, and suffered through its ups and downs. However, that industry and manufacturing in general, while still important, operate differently now, requiring fewer, but better educated workers. This means that the large numbers of jobs in the auto industry will never return, and displaced auto workers need to find other areas for employment, which may include the need for retraining.
 - A green economy will be an important growth industry for Michigan: This includes renewable energy, energy efficiency and
- renewable use of the state's natural resources, and requires both a better educated workforce and support for public policy to incentivize these economic sectors for Michigan to move forward.
 - Regional cooperation is vital to moving Michigan forward: The problems and opportunities Michigan communities face cannot be solved except at a regional scale. Therefore, public policy can stimulate such cooperation, as well as the understanding of local community leaders that this is an essential way to do business.
 - Transit for and between urban areas is essential for communities: This will help Michigan become more efficient and attract the kind of talent that is needed for a modern economy.
 - Detroit is vital to the eventual turnaround for Michigan: This includes mass transit, urban farming, historic preservation and investment in technology and the arts are part of the story of reinventing Michigan's first city and major metro.

We encourage readers to consider what this group of state leaders has said about moving the state forward, and to continue their conversations with our students in your homes, workplaces and communities.

Appendix: MSU Course and Project

How This Information Was Obtained

As part of a research project, students enrolled in the fall 2010 semester of the Michigan State University course, “Smart Growth and Strategic Land Use Decision-Making,” were asked to interview state leaders on such topics as economic development, land use, the environment, urban design, government and social justice. There were three primary purposes for this assignment:

1. To promote contact between students and leaders, so that students can feel more comfortable with leaders and leadership thinking;
2. To broaden the scope of a student’s education by enabling them to learn more about issues presented in class in greater depth and from a statewide perspective; and
3. To enhance the preparedness of students to become future leaders themselves through a better understanding of how leaders think and act.

Students were provided with a list of notable state leaders but encouraged to explore beyond this list. With the aid of course professors, Dr. Soji Adelaja and Dr. John Warbach, the students each prepared a series of questions to ask their interview subject, based on that person’s background and expertise and issues discussed in the course. In addition, they were required to ask the following specific questions:

- What is your view of how the land use and policy areas you have been involved with have changed over time?
- What do you think are opportunities for Michigan, as an example of a distressed place, to recover?

The comments the students received from their subjects were intriguing, timely and of great potential value to policy makers in Michigan, other distressed states and the nation. Therefore, this publication is a compilation of edited interview results reported by the students.

Special Report Series

This Special Report is available for download at www.landpolicy.msu.edu/MovingMIForwardSpecialReport2010.

This publication is the second produced as part of the MSU Smart Growth course special report series. The first report featured interviews from national thought leaders on such topics as economic development, land use, the environment, urban design, government and social justice. It is available online at www.landpolicy.msu.edu/MovingMIForwardSpecialReport.

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Michigan State University has been advancing knowledge and transforming lives through innovative teaching, research and outreach for more than 150 years. MSU is known internationally as a major public university, with global reach and extraordinary impact. Its 17 degree-granting colleges attract scholars worldwide who are interested in combining education with practical problem solving. www.msu.edu

School of Planning, Design and Construction

The School of Planning Design and Construction will be known for leading education, research and outreach towards the integration of planning, design and construction to create a sustainable built and natural environment. The goal of SPDC is to create knowledge that enriches communities, advances economic and family life through leadership, fosters the development of entrepreneurial creativity, imbues a sense of social responsibility, promotes the appreciation of cultural relevance, and above all, advances the understanding of environmentally beneficial planning, design and construction. www.spdc.msu.edu

Land Policy Institute

The Land Policy Institute was founded in 2006 and focuses on research and outreach related to land use, regional strategic growth in the New Economy and sustainable communities. The Institute is affiliated with the MSU School of Planning, Design and Construction, and collaborates with many faculty, centers and institutes across campus, as well as stakeholders outside the university. The Land Policy Institute delivers innovative solutions, transitioning knowledge from a variety of experts to the community. www.landpolicy.msu.edu.

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MICHIGAN STATE
U N I V E R S I T Y

Land Policy Institute

LAND POLICY INSTITUTE

Michigan State University
Manly Miles Building
1405 S. Harrison Road, Room 305
East Lansing, MI 48823

517.432.8800
517.432.8769 fax

www.landpolicy.msu.edu