

COUNTYWIDE ECONOMIC DEVELOPMENT-ADOPT FINAL PLAN

14/ WHEREAS, in 2007, the Allegan County Board of Commissioners identified Economic Development as one of their top three priorities; and

WHEREAS, in the 2008 budget process, the Allegan County Board of Commissioners authorized a study be done to determine the economic development needs within Allegan County, and also authorized an interim position of Economic Development Coordinator be established; and

WHEREAS, the County Administrator has reviewed the Final Plan provided by the Economic Development Coordinator and is recommending approval by the Board,

BE IT RESOLVED, that the Allegan County Board of Commissioners hereby approves the final plan as presented to continue the county-level coordinated economic development plan as presented; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to work in conjunction with the appropriate departments and stakeholders to complete this action and the Budget and Finance Director is authorized to make any necessary budget adjustments to complete this action.

Moved by Commissioner DeYoung, seconded by Commissioner VanEck to adopt the resolution as presented. Motion carried by roll call vote: Yes - 8 votes, No - 3 votes. Absent - 0 votes.

Y	TERRY BURNS	Y	DON BLACK
Y	STEVE McNEAL	N	TOM JESSUP
Y	PAUL VanECK	N	FRITZ SPREITZER
Y	MARK DeYOUNG	Y	JON CAMPBELL
Y	DEAN KAPENGA	Y	LARRY JONES
N	MAX THIELE		

May 6, 2010 Session

# 2010 Economic Development Report: A Plan for Allegan County



Submitted By: Kevin Ricco

## Executive Summary

Allegan County has been involved with county-level economic development for over 30 years. The County established an Economic Development Corporation in 1981, which eventually became the Allegan County Economic Development Association. Since 2004, the County has been without a county-level economic development program.

In October of 2007, by virtue of being the number two goal of the Allegan County Board of Commissioners, County staff began working diligently with stakeholders and constituents throughout the county to collect data concerning a county-level economic development program. This data gathering exercise showed that there is a definite gap between what the County provides in terms of economic development services and what the local units and businesses need to help them carry out their local economic development strategic and business plans. This finding was confirmed in a report by McKenna Associates that was completed in August of 2009.

This report found the following needs that could be filled by county-level economic development:

- Coordinate, facilitate, and provide information relating to economic development on a county-wide basis
- Provide a primary point of contact for county economic development, essentially serving as a central repository for economic development information on a county-wide basis
- Establish and maintain relationships with the major economic development groups working in the region, such as the West Michigan Strategic Alliance, The Right Place, Lakeshore Advantage, MEDC, Michigan Economic Developers Association (MEDA), AAESA, etc.
- Identify and keep abreast of county, regional, and local economic development needs and seek resources and opportunities to address them
- Create a synergistic relationship between county departments and committees that currently play some roll in economic development (Parks, Tourism, Land Information Services, Brownfield Redevelopment Authority, Farmland Preservation)

Based on current County budget and stakeholder needs, the following is recommended for creating a county-level economic development program:

- **Reclassify the position of Parks and Tourism Director to County Development Director**
- **Reallocate 20% of one of the LIS Specialist positions to focus on Economic Development**
- **Combine part-time Parks and Tourism Clerk/part-time Economic Development and Planning Clerk into one full time position**
- **Expand role of current Parks Coordinator position to assume more day-to-day management responsibilities for Parks**
- **Create a County Economic Development Commission Pursuant to P.A. 46 of 1966**

Implementing these recommendations accomplishes two goals:

- Meets the Board goal of creating a county-level coordinated economic development program
- Creates a program that addresses the expressed needs of the stakeholders

These recommendations represent sound logic based on the current budgetary climate, existing County resources and stakeholder needs.

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## **History and Organizational Facts of Allegan County**

Allegan County is a home rule county located in the southwest part of Lower Michigan. It has approximately 827 square miles of land with 25 miles of coast line along Lake Michigan. It is the 18th largest county in Michigan and has 24 townships and 9 cities. Based on United States Census data, Allegan County has a population of approximately 113,000 people.

The County was organized in 1835. Settlement of the County seat, Allegan, was promoted in 1835 by eastern capitalists who were attracted by the site's sources of water power. For many years, steamboats traveled the Kalamazoo River between Allegan and Saugatuck. Extensive lumbering by the pioneers cleared the way for farm production, in which the County has been a leader.

As an organization, Allegan County has approximately 500 employees. The County's annual revenues and expenditures total approximately \$90,000,000 across all funds. The organization is governed by a Board of Commissioners elected to represent each of the County's eleven districts. On behalf of the Board of Commissioners, the County Administrator supervises several administrative departments that provide both internal services and services directly to the public. These departments include Administration, Information Services, Facilities Management, Human Resources, Finance, Central Dispatch, Parks and Recreation, Land Information Services, Equalization, Transportation, Veterans Services, Senior Services and the Health Department.

The County consists of five elected offices which include the offices of the Prosecuting Attorney, Treasurer, Clerk, Sheriff, and Drain Commission. The Board of Commissioners and each elected official share a co-employer relationship with regard to the employees of each office. In addition, the Board of Commissioners provides fiduciary oversight to each office. The Board of Commissioners is also the fiduciary agent for the Court system which includes District, Circuit, and Family Courts as well as the Friend of the Court office. The Courts operate locally as a component of the State of Michigan courts. Court employees are employees of the elected Judges; however, the County establishes all positions, salaries, and budgets for the Courts.

The County is predominately a unionized organization. Employees are split among eleven different bargaining groups. Approximately 100 employees remain unrepresented and considered part of the non-bargaining group.

The County is still mostly rural in nature, and still maintains an agriculture and tourist based economy; however, trends are toward more light industry and technology which has translated into Allegan County being in one of the fastest growing regions of the state. However, after several years of economic downturn, the County has decided to pursue a more active economic development agenda.

Below is a table that depicts the Board actions related to county-wide economic development since 1980. The significance of presenting this information is to show that for the past 30 years Allegan County has played an active role in economic development.

<b>MTG DATE</b>	<b>MTG TYPE</b>	<b>DESCRIPTION/MATTER</b>
1980/11/14	BOC	Sue Cornell, Allegan County Planning Commission discussed how to establish an Economic Development Corporation; referred to the County Services Committee.
1981/02/10	BOC	Mr. Frederick Edgerton, Allegan County Treasurer/Mr. John Axe, Bonding Attorney – appeared re. Creation of economic development corporation for Allegan County; commissioners in favor of establishment of economic development corporation in Allegan County.
1981/03/10	BOC	Mr. Douglas Ketchum Assistant Prosecuting Attorney appeared re: proposed Allegan County Economic Development Corporation.
1981/03/17	BOC	Public Hearing/Allegan County Economic Development Corporation – no comments
1981/03/17	BOC	Allegan County Economic Development Corporation – articles of incorporation approved
1981/04/14	BOC	Mr. Frederick Edgerton Allegan County Treasurer/Mr. John Axe, Bonding Attorney – appeared re. Allegan County Economic Development Corporation chairman made appointments to board of directors.
1981/07/14	BOC	Resolution – bylaws of Allegan County economic development corporation – adopted.
1981/08/11	BOC	Allegan county economic development! Board of directors - Steve Spyrman and Don Sloan of Dorr appointed. – Dorr economic development project
1981/11/10	BOC	Chairman Rolfe appointed Henry Dowered, of 4617-142nd Avenue, Holland, Michigan, 49423, and Harvey Koop, of 4710 South Street, Hamilton, Michigan, 49419, as temporary members of the Allegan County Economic Development Corporation Board of Directors; to serve during the Pilgrim Farms Economic Development Project.
1982/03/16	BOC	Frederick Edgerton – county treasurer; Dick Allen appeared on behalf of the Allegan County Economic Development Corporation re: financing of farm equipment.
1982/03/16	BOC	Resolution/EDC re. Agricultural and Forestry Enterprise Project – approved.
1982/10/26	BOC	Resolution - EDC Dean Foods Project re. Project area – approved; and resolution - EDC Dean Foods Project confirming appointment of additional roc members.
1982/11/27	BOC	Allegan County/City Of Holland - Michigan Community Development Block Grant
1982/12/06	BOC	Public hearing - Dean Foods Project (EDC project); approved project
1983/04/12	BOC	Mr. Frederick Edgerton, Allegan county treasurer, continued discussion on delinquent taxes of the county and progress of the Economic Development Corporation.
1984/12/26	BOC	Resolution - Sandy Creek nursing center expansion project
1985/06/12	BOC	Public hearing/Sandy Creek expansion project - nursing center, inc.
1985/07/09	BOC	Resolution-Westgate oil co. Project (county EDC) - approved as presented
1985/11/12	BOC	Resolutions/mid way die & engineering, inc.; and Murco apply for funding - adopted.
1986/06/10	BOC	Madeline Rutowski, executive director/Allegan County Promotional Alliance

<b>MTG DATE</b>	<b>MTG TYPE</b>	<b>DESCRIPTION/MATTER</b>
		discussed proposed changes regarding revolving loan fund for EDC.
1988/02/09	BOC	Approved agreements-EDA & CDBG grants
1988/04/26	BOC	Economic Development Corporation-Amendments to by-laws/articles of incorporation
1988/05/10	BOC	Oral report/economic proposed amendment to development corporation bylaws & articles – no longer needed.
1990/05/08	BOC	EDC/Kessler, Inc.-increased line of credit approved subordination agreement.
1991/12/23	BOC	Kessler property -The bankruptcy trustee has agreed to abandon the property. Ownership of the property given to the county without going through the foreclosure process. The county would like to find an interested purchaser and will work with the EDC and promotional alliance.
1992/01/02	BOC	Kessler update; add Henry Leep to established Kessler committee
1992/10/27	BOC	John Hinkle, EDC chairman spoke in support of the Alliance – went to finance committee for further action.
1993/05/13	BOC	Refunding EDC/dean foods company bonds; also resolution--sale of Kessler building.
1993/11/28	BOC	Kessler building - withdrawal of offer to purchase by T.S.I.
1994/08/18	COW	Appraisal has been completed on the 11.9 acre parcel in the City of Wayland. The Economic Development Corporation will be recommending various options for the Board to consider.
1994/12/12	COW	BOC & Alliance Board – see sec.
1995/01/19	COW	Alliance update
1995/01/26	BOC	Economic development—county commitment; Alliance
1995/04/27	COW	Alliance - introduction of the new executive director. Mr. Charles Birr - He hoped to develop a business-strategic plan. Planned to have it available for discussion within 90-120 days. He is optimistic about Allegan area and felt the county was in a key position for growth and progress.
1995/04/27	COW	Open discussion/reports: The closing was held on the Kessler property and the \$60,000 bid will be deposited to the EDC fund. He also reported that the second quarterly payment of \$26,000 has been made to the Alliance.
1995/05/25	COW	EDC Board/Alliance discussion regarding need for an EDC board and could it be combined with the alliance board. The administrator stated she would look into the possibility of combining these boards. Currently the alliance board needs 2 more members.
1995/06/27	COW	Combining the Alliance with the EDC: Possible scenario - The feasibility of combining the alliance with the EDC. As things solidify legislatively regarding the work-force board and other matters, efforts should be made to consider restructuring to minimize the duplication of effort.
1995/10/18	COW	The Alliance – Chuck Birr requesting \$116,500 for 1996 budget will allow the alliance to provide core services.
1996/06/13	BOC	Finalizing request to Allegan county EDC for release of allocated \$50,000 for GIS; aerials complete.
1996/09/12	COW	ACEDA update
1996/09/26	COW	Tim McGuire, MAC – Contact Eaton County on how they combined planning

<b>MTG DATE</b>	<b>MTG TYPE</b>	<b>DESCRIPTION/MATTER</b>
		and EDC functions.
1997/08/28	COW	ACEDA - Chuck Birr thanked the board for scheduling the discussion of EDC issues and stated that he will submit a formal request for funding to the administrator.
1998/06/28	BOC	Resolution establishing a policy on tax sharing agreements – EDC involvement
2005/12/15	COW	Presentation - MAC services corporation - Grant program Flo McCormack, representative of the Michigan association of counties services corporation addressed the grant assistance program designed to help rural counties obtain grant funding. Mac surveyed counties to determine the areas in which they need assistance. Many counties expressed interest in locating and administrating grants for economic development and she outlined how MAC can be of assistance in this area. She distributed brochures explaining the program along with a flyer regarding a workshop being offered by the Michigan department of environmental quality and the Michigan economic development corporation next year. Seven counties have just submitted their applications for EPA grants through this program. She stated this assistance [help defining the project, locating a grant or specialists to help, etc.] Is being offered as a benefit of membership in the Michigan association of counties.
2005/12/22	BOC	ECONOMIC DEVELOPMENT CORPORATION [Commissioner Campbell asked the Chairman to declare the positions vacant and for the Chairman to act as custodian of this committee until such time as it is determined what should be done.]
2006/10/05	BOC	MSU - Economic Development Planner; Contracted Services - Set on the October 12, 2006 Agenda for Action. Rob Sarro reviewed the proposed plan to share a position out of MSU Extension office whereby the county portion would be 30%. The position will be supervised by MSU, but reports regarding Economic Development will be made directly to the Board. This will allow us to have someone full time who would be able to address questions regarding economic development issues. Rob Sarro reported that LIS and IS will be key tools for this position.
2006/10/12	BOC	Economic development - approve memorandum of understanding with MSU/eliminate planning coordinator position
2006/10/12	BOC	Introduction - economic development educator
2009/08/06	BOC	McKenna associates - economic development plan



## Current Situation

For the past two years, at the direction of the Board of Commissioners and County Administration, the Parks and Tourism Director has been serving as acting Economic Development Coordinator for the county. During this time the primary focus has been to work with stakeholders and consultants to develop a strategic economic development plan for the county. It has also been the goal of the acting ED Coordinator to establish a central point of contact for economic development for the county and begin to establish relationships with local units, developers, small businesses and regional economic development agencies.

In February of 2009 Allegan County secured the professional services of McKenna Associates to assist the County in preparing the final economic development strategic plan. During the development of this plan it was important to gather stakeholder input to create a strategy and a structure that would provide for their needs as well as the needs of the County. In this case “stakeholder” is defined as a local unit of government, a key educational partner, a key business/industry leader or an important non-profit organization, such as a chamber of commerce.

Below is a list of the five basic needs as determined by stakeholder input and what Allegan County has been doing over the past year to try and meet those needs:

- Coordinate, facilitate, and provide information relating to economic development on a county-wide basis
  - Have fielded nine economic requests for information from developers and have directed these developers to the proper contacts
  - Have worked with Small Business and Technology Development Center (SBTDC) to assist small businesses and entrepreneurs in the county
  - Have worked with several cities and townships to help develop the county’s ED plan and strategy
- Provide a primary point of contact for county economic development, essentially serving as a central repository for economic development information on a county-wide basis
  - Have established the Parks and Tourism Director as the central point of contact for ED information on the Michigan Economic Development Corporation’s (MEDC) Web site
  - Have updated the county’s Web site with the proper contact information for the acting ED Coordinator
- Establish and maintain relationships with the major economic development groups working in the region, such as Best Michigan, Strategic Alliance, The Right Place, Lakeshore Advantage, MEDC, Michigan Economic Developers Association (MEDA), AAESA, etc.
  - Have attended several regional meetings and workshops for most of these agencies
  - Have attended the basic economic development course hosted by MEDA, which is the first required course in working towards national economic developer certification

- Have been working with AAESA and other partners on the Allegan Talent Stream project
- Identify and keep abreast of county, regional, and local economic development needs and seek resources and opportunities to address them
  - Have worked primarily with MEDC on potential grant opportunities
  - Have attended several retention visits with the county's regional MEDC representative
  - Established the county's relationship with SBTDC to assist small businesses
- Create a synergistic relationship between county departments and committees that currently play some roll in economic development (Parks, Tourism, Planning, Brownfield Redevelopment Authority, Farmland Preservation)
  - Have done work with County Administration and the representative county departments in an effort to create a framework for such a relationship
  - Have worked jointly with LIS and MSU Extension regarding economic development projects and requests for information

Most of the time spent on economic development over the past two years has been dedicated to creating the economic development plan. This effort started with the work of the Economic Development Project Team in 2008 and culminated with the completion of the final plan recommendations and presentation by McKenna Associates in August of 2009.

## **Three Year Action Plan**

Using the previously established stakeholder needs as a base, McKenna put together a recommended three year action strategy that would help the County begin to address some of these economic development needs. These action steps are summarized as follows:

### **YEAR 1**

#### **➤ Form and staff an Economic Development Commission**

The strategic plan developed by McKenna calls for the creation of a county economic development commission pursuant to P.A. 46 of 1966. The McKenna plan recommends an 11-member Commission based on geographic representation, but this could be open to further discussion. Members of the Commission would be appointed by the Board of Commissioners.

#### **➤ Create an Allegan County economic development Web site that promotes the county's attributes, resources and programs**

#### **➤ Establish the County's economic development program as the single stop location for county economic development inquiries**

#### **➤ Create community and workforce profile for Allegan County**

This would be accomplished by working with organizations such as AAESA, Chambers of Commerce, etc.

#### **➤ Create and maintain a development site/available building database**

This would be an inventory of available commercial/industrial land with site and building details

#### **➤ Work with MEDC on retention and expansion visits**

#### **➤ Develop a small business support program by partnering with SBTDC**

#### **➤ Coordinate Allegan County wind energy implementation efforts**

#### **➤ Create an Allegan County brand identity to guide economic development efforts**

### **YEAR 2**

#### **➤ Develop and update an Economic Development Action Strategy**

#### **➤ Coordinate infrastructure improvements within the County to support local planning and development efforts**

#### **➤ Support Allegan County's retail agriculture industry by developing a targeted marketing program**

### **YEAR 3**

#### **➤ Complete a regional cluster analysis to support industries that are thriving in the region**

- **Create an Allegan County marketing and business attraction program**

### **ONGOING ACTIVITIES**

- **Prepare annual Economic Development Commission reports**
- **Work with local downtown development organizations and other agencies of economic development to coordinate efforts and identify needs**

This plan is not meant to be static and should be evaluated on a regular basis. It is possible that at the end of the first two or three years it might be necessary to again convene all of the county's stakeholder groups (including the Board of Commissioners) in an effort to make sure that the county's strategy is on track and is still meeting stakeholder needs.

This plan was designed to meet stakeholder needs as they have been established today. However, it is difficult to predict what these needs may be in the future. It is important to note that if such future stakeholder needs require additional funding a collaborative funding strategy should be created as a way of meeting those needs. The burden of funding should not fall solely on one entity.

## **Other Michigan Counties**

75 of Michigan's 83 counties participate in county or regional level economic development. In preparing this plan several of these counties that have characteristics similar to Allegan County were contacted in an effort to gather information about their respective programs. The results of this exercise can be found in Appendix A.

## Recommendations

Based on stakeholder needs and the desire of the Board of Commissioners to have the County play a more active role in economic development, the following recommendations are being proposed:

### **Reclassify the position of Parks and Tourism Director to County Development Director**

This reclassified position will be responsible for the overall vision and direction of the following areas:

- County Parks and Recreation
- County Tourism and Marketing
- Coordinated Economic Development at the County Level

In addition this position will play a key administrative role for the following committees:

- Allegan County Parks Commission
- Allegan County Tourist Council
- Allegan County Economic Development Commission
- Allegan County Brownfield Redevelopment Authority

Since October of 2007 the Parks and Tourism Director has been serving as the County's Interim Economic Development Coordinator. While serving in this capacity this position has been working on coordinated economic development and has served as the County's staff representative for the Brownfield Authority. This position reclassification would remove the "interim" tag and would create a position description that would encompass the responsibilities of both the Parks and Tourism Director and the Economic Development Coordinator. Creating this position would allow for greater collaborative efforts with the many County committees and departments that play some role in economic development (parks, tourism, brownfield authority, land bank authority, Land Information Services, planning, MSUE, etc.).

The current salary for this position is broken out as follows:

2080.751 activity - \$68,640

1010.728 activity - \$3,702

It is recommended that the salary for this position be shifted as follows to represent a more accurate percentage of time spent in each of these activities:

2080.751 activity - \$57,873

1010.728 activity - \$14,469

The \$14,469 figure for the 1010.728 activity would be broken down as follows:

\$6,203 from the current 1010.728 activity (no additional appropriation requested)

\$8,266 transferred into the 1010.728 activity from the current 2080.751 activity

This cost allocation would represent 20% of the County Development Director's time being spent in activities related to economic development and 80% of this position's time on parks, recreation, tourism and marketing.

**Allocate 20% of an LIS Specialist position to support Economic Development efforts and related projects**

Land Information Services already plays a role in economic development through the GIS mapping and analysis services it provides and its collaborative efforts with Parks, Tourism and Planning. This 20% allocation of time would strengthen this role and increase the emphasis and priority LIS places on economic development related work and projects. Because LIS already plays a strong role in regards to economic development there would be no salary shift or change for this position and it would continue to be funded from the 1010.403 activity.

**Combine part-time Parks and Tourism Clerk/part-time Economic Development Clerk into one full time position**

Both of these part-time positions are currently being filled by one person. Rather than have two part-time positions these would be combined to create one full time position that would handle administrative duties for Parks, Tourism and Economic Development. Currently this “position” is funded 50% from the 2080.751 activity and 50% from the 1010.728 activity. There would be no change in these salary allocation percentages.

While this position currently provides support for the Planning Commission it is recommended that, because of the increasing demands in the area of Economic Development, the County transition away from this arrangement. There are other options that could be explored for providing long-term support for the Planning Commission.

**Expand role of current Parks Coordinator position to assume more day-to-day management responsibilities for Parks**

This is a change that would develop over time and would expand the role of this position to assume more of the day to day responsibilities for Parks, including seasonal staff, project management, some short range planning and facility inspections.

This change in responsibilities would result in a change in position description and a slight increase in salary. This increase in salary would amount to \$2,500 annually and would come from within the 2080.751 activity. It is anticipated that this position change will take place in 2011.

**Create a County Economic Development Commission Pursuant to P.A. 46 of 1966**

While the plan presented by McKenna Associates outlines a strategy to create an 11-member commission based on geographic representation it is possible that a different approach may be needed. For example, it might be prudent to have representatives from the various county committees that are involved with county-wide economic development strategies (ex. – Parks Commission, Tourist Council, Planning Commission, etc.) to be members of the Commission.

## Economic Development Budget

Below is the approved 2010 budget for the economic development activity. While limited, this budget shows there is funding approved for a part-time clerk to work on economic development and additional funds to be used towards other economic development activities.

<u>Account Number</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>
	<u>Department</u>	<u>Finance</u>	<u>Administration</u>
728 ECONOMIC DEVELOPMENT			
728.704.00.00 Part Time Wages	14,975	14,975	14,975
728.710.00.00 OTHER COMPENSATION	3,650	3,650	3,650
728.715.01.00 SOCIAL SECURITY -FICA TAXES-	1,425	1,425	1,425
728.716.00.00 Health Insurance	5,500	5,500	5,500
728.718.00.00 RET. FUND CONT. - EMPLOYER	830	830	830
728.722.00.00 LIFE INSURANCE	34	34	34
728.724.00.00 WORKMENS COMPENSATION INS.	63	63	63
728.725.00.00 DISABILITY INSURANCE	181	136	136
728.818.00.00 OTHER CONTRACTUAL SERVICES	30,000	30,000	30,000
<b>Total ECONOMIC DEVELOPMENT</b>	<b>56,658</b>	<b>56,613</b>	<b>56,613</b>

## Return on Investment Measurements

There are several evaluation metrics that can be used to measure return on investment (ROI). The more traditional measurements of economic development success tend to be jobs created, new businesses, jobs retained, number of contacts, leveraged resources, building permit numbers and building square footage occupied. However, there are some newer ROI measurements that are becoming more commonly used in the industry. These are sales tax figures, successful brownfield redevelopment projects, Web page “hits”, quality of jobs created and networking events. There is no one right or wrong measurement and each organization tends to use the measurements that are more closely aligned with its mission.

Considering this plan was created using stakeholder input it is important to use evaluation metrics that best meet those needs. The recommended ROI measurements would likely be as follows:

- Jobs created/retained
- Property tax base growth
- Number of DBA’s filed
- Number of businesses assisted
- Number of building permits
- Testimonials and surveys from community leaders

Economic development is not an exact science. There have been some studies done that indicate what ROI could be but by all accounts it is nearly impossible to predict. For example, the city of Vancouver, Washington did an ROI study that covered a ten-year period (1997 – 2006). The



study determined that the public investment leverage ratio for the city of Vancouver was 4.6 to 1 (\$4.6 of return for every \$1 invested) and there was a rate of return of 4.3% on downtown economic development investments for this time period. Here is a link to this study:

<http://www.cityofvancouver.us/econdev.asp?menuid=10464&submenuID=10525&itemID=27263>

In 2007 the Iowa City Area Development Group conducted a similar study, which can be found at this link: <http://www.ncdsinc.net/pdf/2007-0913-roi-final.pdf>. This study showed that from 2002 to 2006 Iowa City experienced a 75 to 1 rate of return on investment. For the year 2007 this rate of return ratio was 65 to 1.

However, it needs to be pointed out that each region of the state or country has its own attributes and it is nearly impossible to compare one area with another.

If the recommendations in this plan were to be implemented it is anticipated that the following hours would be spent on economic development by County staff:

Director of County Development:	10 hours/week
LIS Specialist:	8 hours/week
County Development Clerk:	5 hours/week

This would represent a cash investment (salaries and benefits) of approximately \$720 per week, or \$37,440 per year. Using the more conservative 4.6 to 1 ratio that was calculated in the city of Vancouver study it can be estimated that the return to the county for this investment would be \$172,224. This would primarily be in the form of jobs created, jobs retained, business expansion and business creation.

Measurements of success are also based on the goals of that specific organization and these can differ widely from one entity to another. For example, the goals of a well-established economic development entity that has been in existence for several years would be vastly different than the goals for Allegan County. For Allegan County the best way to measure success is to establish baseline numbers for the above ROI measurements and then compare these figures on an annual basis. However, until the economic development program is established (year 2 or 3) there may not be much affect on these measurement statistics.

## Conclusion

These recommendations are meant to re-allocate existing county staff in such a way as to:

1. Meet the #2 goal of the County Board of Commissioners of providing county-wide coordinated economic development
2. Address the expressed needs of stakeholders and constituents

The recommendations in this plan meet these objectives by leveraging existing county assets for little to no additional cost and manageable reductions in other Parks and LIS service areas. Further, these recommendations put in place a base economic development strategy that will allow relationships to be fostered and built, paving the way for a much broader economic development approach that could be funded through partnerships.

While performing the research for this project it became clear that economic development is going to occur with or without some type of county-wide structure to help facilitate it. However, by not having any structure in place there is the likelihood that some opportunities will be missed and what development that does occur will be done without any county involvement, placing the county in a reactionary, therefore disadvantageous, position.

Almost every county in the state of Michigan is involved on some level with county or regional economic development. By comparing the different programs at many of these counties it is also obvious that there is no single model that works best for every county. Most counties model their programs based on their specific needs and goals. The recommendations in this plan are designed to meet the basic needs and goals of Allegan County, as outlined by its stakeholders and constituents.

## **Appendix A: Economic Development Efforts in Other Michigan Counties**

Five Michigan counties that have characteristics similar to Allegan County were contacted in an effort to ascertain how they are involved in economic development. The counties contacted were Roscommon, Van Buren, St. Joseph, Huron and Emmett. Each of these counties were asked the following three questions:

- How long has your county been providing economic development services?
- What is the annual operating budget for these services?
- What are your measures of success?

Following is a list of how each of these counties responded to these questions.

### Roscommon County

Roscommon County is located in the north central portion of the lower peninsula. Ms. Lois Byrd is the Economic Development Coordinator for the county. Here is how she responded to the posed questions:

- How long has your county been providing economic development services?

*Roscommon County has had an active ED Corporation for about 7 years. The first three years was a volunteer board doing the work. The next two years the RCED contracted with the Higgins Lake-Roscommon Chamber to do the EDC work on a part time basis. When the work load of the two organizations became too much, I made the decision to go with the RCED. It is still a contract basis of 24 hours per week.*

- What is the annual operating budget for these services?

*The entire budget is \$34,000 per year including contracted salary of \$14,500. Needless to say, I work many more hours than 24 per week.*

- What are your measures of success?

*Our measures of success are (1)keeping businesses in Roscommon County which has been a real challenge with the economy these last two years. We just managed to keep our major manufacturer (Lear Corp) for another 5 years with MEGA help. (2) attracting new businesses where we are focusing on getting our home-based entrepreneurs to grow (3) Cleaning up our brownfield sites to get empty sites back on the revenue stream. We just landed an EPA brownfield grant to assess our potential sites in order to get the next grants for clean-up.*

*We realize that economic development work done today seldom shows for about 5 years. So you can see that we have been working with Lear for four years and finally can celebrate. We succeeded in getting our people to see that brownfields can be returned to the revenue stream. That has been a three year sales campaign.*

*Our County Commission is our top boss with oversight from the County Controller. Our Roscommon County Economic Development Corporation Board of Directors is more of an advisory group than it was before the County took it over four years ago. It is sometimes*

*difficult for politicians to see the need to spend monies for economic development. Our County Commission has been tentative about funds until they have seen results. We are hoping that now they can see the need for funding.*

### Van Buren County

Mr. Edward VanderVries is the director of Land Services, Planning and Economic Development for the county. Here are his responses to the posed questions:

➤ How long has your county been providing economic development services?

Van Buren County has been providing economic development services since the 1970's.

➤ What is the annual operating budget for these services?

Van Buren County currently has no budget to provide economic development services, other than the compensation Mr. VanderVries receives as ED Director. From Mr. VanderVries:

*Everything I do is partner based...I work with Southwest Michigan First, Southwest Michigan Planning Commission, MEDC, USEDA, USEPA for our Brownfield Program, Local Economic Developers, Van Buren ISD and Tech Center, SBA, and our County Economic Development Corporation. I do everything I can do to help, but it is all done without any funding. It is just my time...I don't want to brag, but in 2005-2006 we cut 2 full time staff and saved \$105,000 per year and between myself, and existing staff in the Land Services Department, we have maintained nearly all the programs and even enhanced some and have had greater success in the past 3 years without any funding.*

**Note: Van Buren County does contribute annually to the County's EDC and does pay Mr. VanderVries to participate in economic development efforts in the county.**

➤ What are your measures of success?

*We primarily look at jobs retained, and jobs created as the measure of success. Jobs are the bottom line right now.*

### St. Joseph County

St. Joseph County is located in SW lower Michigan. Ms. Cathy Knapp is the executive director of the St. Joseph County Economic Development Corporation. Here are her responses to the posed questions:

➤ How long has your county been providing economic development services?

*The St. Joseph County Economic Development Corporation was established in 1997. It's not a department of the County -- although the County does contribute \$50,000 each year -- it's a public, non-profit corporate entity of the County. My direct line reporting is to an EDC board of 21 members. Then, the County Commission approves things such as our annual budget, my employment contract, board member nominations, etc.*

➤ What is the annual operating budget for these services?

*The annual operating budget for the EDC is about \$113,000/year. I also am the director of our County's Brownfield Redevelopment Authority. My EDC board serves as the BRA board and we hold the two board meetings back-to-back. At any given time, we generally are managing about*

*\$300,000 in assessment grant funding. Then, a County Grant Writer is housed in my office and her payroll runs through my budget, adding about \$50,000 including benefits to the bottom line. However, she splits her time as 1/4 to the EDC, 1/4 to the County, 1/4 to the City of Sturgis and 1/4 to the City of Three Rivers. Those other three organizations provide the funding for her salary, the EDC provides her overhead.*

➤ What are your measures of success?

*We are a "traditional" economic development program and the primary goals of the EDC are to provide a proactive business Retention & Expansion program to support our 110 manufacturers (including assistance with tax incentives, financing, infrastructure grants, training grants, networking programs, etc., etc.), to work with site selectors and the MEDC on bringing attraction projects, and management of the Brownfield Redevelopment Authority.*

### Huron County

Huron County is located at the tip of the thumb and is very similar to Allegan County in terms of its reliance on tourism and agriculture as its primary economic industries. Mr. Carl Osentoski is the Director of the Huron County Economic Development Corporation. Here are his responses to the posed questions:

➤ How long has your county been providing economic development services?

*The county has been providing ED services for over twenty years. Since the mid-1980's. The focus and directions has shifted a bit over the years, some agriculture, some tourism, some industrial marketing etc... but we have been at it for a while.*

➤ What is the annual operating budget for these services?

*The annual budget for the EDC is in the neighborhood of \$150,000. This changes a little bit but that has been consistent over the past few years.*

➤ What are your measures of success?

*Now the hard part, measures of success. We do not have a rigid measure of success. I know some EDC's use number of retention calls, number of tax abatements, even the number of jobs created. Most of these are dependent on actions that are out of our direct control. I believe that my board of directors is constantly evaluating our success on a monthly basis. It will depend on the projects that we are engaged in and the benefit to the county and the communities in the county. We do a lot of grant writing that is sometimes linked to direct job creation, other times it might be a recreation grant. We are currently engaged with the county on efforts to clean up the great lakes. Will those create jobs? No. But it will benefit our area in the long term. In fact, my executive committee just talked about this, the balance related to our work in the county. To be honest, a lot of what we do might be considered community development. We are currently assisting two communities, one of which is not even in Huron County, in a planning effort with MSU. No jobs, but the community needs help.*

### Emmet County

Emmet County is located at the northwestern tip of the lower peninsula. Mr. Kelley Atkins is the Director of Economic Development and the Manager of the Pellston Regional Airport. Here are the verbal responses from Mr. Atkins:

➤ How long has your county been providing economic development services?

Emmet County does not have a formal economic development department. Mr. Atkins has been serving as the county's economic development coordinator for the past two years and works very closely with three other county department heads to provide these services. Mr. Atkins serves as his county's central point of contact for economic development information. Emmet County is also part of a four-county economic development allowance called the Northern Lakes Economic Alliance. They have been a member of this organization since 1988. While the Alliance provides most of the business services for the county it is Mr. Atkins and his team that play a more active role politically in the community and in Lansing. Mr. Atkins explained that the reason established this economic development team at the county level was because of an almost-missed opportunity five years ago. The county's Board of Commissioners decided that they wanted to be prepared the next time such an opportunity presented itself.

➤ What is the annual operating budget for these activities?

Other than salaries and time there is no annual operating budget at the county level for these activities. However, at Mr. Atkins' request, the county has contributed extensively to a county-wide marketing campaign and promotional materials to better position Emmet County to attract business interests. Emmet County is also a contributor to the Northern Lakes Economic Alliance.

➤ What are your measures of success?

Jobs retained and created; businesses retained; new businesses