

eCITIES

eCities 2017 Summary

iLabs, The Center for Innovation Research
College of Business
University of Michigan-Dearborn

eCities is an annual research study that examines community-level factors that foster entrepreneurship and small business development. The focus is on entrepreneurship and small business growth because of their importance to the expansion and diversification of regional economies and job creation. The primary purpose of eCities is to understand the impact of the strategies and success stories of Michigan communities across the state. The data collected not only provides a means for benchmarking performance, but it also allows communities to learn from the qualities and efforts of their neighboring communities.

Background

Across the country, economic development activities are carried out by various entities, including state agencies, regional associations, and counties. While these broader organizations engage in promoting economic development in Michigan, similar activities are also undertaken by many townships, cities, and villages. Given this, the eCities project uses the community as the unit of measurement, and not a county or metropolitan area, as other studies have used.

The eCities project seeks to provide benchmarking tools and overview reports for participating communities and has incorporated new ways to learn from the success stories of local communities across the state. While there is no single solution for every community, the success stories allow communities to understand strategies that can be tailored to local resources and communities. Helping local communities, who often have the most impact on small and entrepreneurial firms, provides an opportunity to improve the environment for entrepreneurialism throughout the state. Since its inception in 2007, eCities has grown from 14 to over 250 eligible communities and more than 300 communities invited to participate each year. As communities continue to demonstrate their interest in the annual project, the eCities team is implementing new ways to benchmark community progress and offer more comprehensive analysis to participating communities.

Data Sources

In its 10th year, the methodology for the eCities study was revised in order to broaden community participation and simplify the data collection process. Five-year's worth of publicly available data on communities was collected by the eCities team to analyze trends surrounding business and economic cycles. Such data demonstrates growth, investments, and the cost of doing business within the communities.

More specifically, eCities examined eleven publicly available data points relating to community growth and investment metrics that impact the business community. Data was collected on 277 Michigan communities from 54 of the 83 counties in the state. Communities were chosen based on population, geography, and relative size within counties.

Property Values (7 data points): Examines the changes in the amount of real commercial property, real industrial property, real total property, personal commercial property, personal industrial property, total personal property, and overall total property

Property Taxes (1 data point): Examines the changes in the average non-homestead tax rate

Governmental Assets (3 data points): Examines the changes in non-depreciated, depreciated, and total governmental assets

Additionally, municipalities were no longer responsible for entering data into the web interface, but rather were given the opportunity to answer three open-ended questions.

What is your community's overall objective for business development/engagement?

What are two or three things that make your community a great place for business in your part of the state?

Please describe a local business success story from the past five years including the role that the local government (or coordinated economic development effort) played in helping that success.

The three prompts were then reviewed by a panel of experts in entrepreneurship, small business support services, and government relations to determine this year's Honored Communities. Not only did this reduce the effort needed from communities to participate in the study, but it also allowed them articulate their unique stories of diversity, value, and action beyond just the numbers.

eCities strives to collect, measure, and analyze data that aids participating communities in as many ways possible. As such, eCities 2017 marked significant contributions to fulfilling this mission by continuing to evaluate Honored Communities with a new panel of entrepreneurs and experts. To eligible communities, the eCities success story review panel provides a unique perspective and personal evaluation of the community's "pitch" to potential entrepreneurs or investors. This panel included:

Angela Barbash - Principal, *Revalue*

Nancy Cappola - Consultant

Matthew Ginter - Executive Director, *Hollingsworth LLC*

Richmond Hawkins - Economic Opportunity Division, Administration, and Program Manager, *New Detroit Inc.*

Frederick W. Hoffman - Of Counsel, *Clark Hill PLC*

Kevin A. Johnson - Economic Development Planner, Financial Analyst, & Business Strategist, *SEMCOG*

Patrick Keyes - Lecturer, Department of Management Studies, *University of Michigan-Dearborn*

Kyle Mazurek - External Affairs Manager, *Comcast*

Janice Molloy - Associate Professor, Organizational Behavior, *University of Michigan-Dearborn*

Pavan V. Muzumdar - COO, *Automation Alley*

Kris Pfaehler - CEO, *Sand Dollar Global Advisors, LLC*

Jeffrey Rinvelt - Principal, *Renaissance Venture Capital Fund*

Crystal Scott - Associate Professor, Marketing, *University of Michigan-Dearborn*

Rod Sturgeon - Property Tax Manager (Retired), *Exxon Mobil*

Dale E. Thomson - Associate Professor, Political Science, *University of Michigan-Dearborn*

2017 Honored Communities

For the 2017 project, over 270 communities participated in the study. Each community was eligible to respond to the three open-ended prompts, in which they were given an opportunity to articulate their specific efforts relating to development and engagement. Each response was reviewed by a panel of entrepreneurs, small business support leaders, and governmental liaisons. This year, 37 communities completed the optional questions, and out of these communities, the 2017 study recognized four based on their innovative and successful efforts at fostering entrepreneurship and encouraging economic development. This year's Honored Communities are: the City of Dexter, the City of Saginaw, the City of Sturgis, and the City of Tecumseh.

City of Dexter



The City of Dexter has focused on economic development since the late 1980s, utilizing proactive approaches to promote job creation, economic enhancement, and business growth and retention within the community. The city is home to a diverse economy, historic staples, a welcoming recreational destination, and an educational environment that fosters success and a wealth of opportunities. Dexter is dedicated to aiding its local businesses flourish and reach their goals.

City of Saginaw



The City of Saginaw finds value not only in attracting new businesses to the area, but also focuses on retaining and expanding its existing businesses, recognizing their importance with regards to job creation within the community. The city consists of a wide range of companies spanning the manufacturing, transportation, and professional services industries. Saginaw is an affordable community for both businesses and residents, and has had success revamping old buildings into desirable, attractive real estate for the community to enjoy.

City of Sturgis



The City of Sturgis takes pride in ensuring current companies thrive, creating a desirable community, and fostering local entrepreneurial development from within its own city borders. Although a small city in a rural area, Sturgis is home to businesses both large and small, and its Business Development Team is always prepared to serve new opportunities for business creation, development, and expansion in any industry. The city of Sturgis supported various aspects of a large project that created retail and high-end apartments in its downtown area.

City of Tecumseh



Many successful businesses have originated and grown due to the City of Tecumseh's unwavering focus on business needs and a proactive business climate. Recognizing that talent is key, the City of Tecumseh partners with various programs and organizations to bring elementary, middle, and high school students, parents, and companies together to learn about job skills and openings within its own community. With its wide range of outdoor activities, dining options, storefronts, and more, Tecumseh is recognized for its high quality of place.

2017 Five-Star and Four-Star Communities

Beyond the four Honored Communities, 184 communities were also recognized as 5-Star and 4-Star communities. The 5-Star and 4-Star communities in the eCities project are part of a group of Michigan communities that have shown the highest growth rates.

Five-Star Honored Communities

Charter Township of Allendale	Charter Township of Georgetown	City of New Baltimore
City of Alma	City of Gladstone	Niles Township
City of Ann Arbor	Charter Township of Grand Blanc	Oceola Township
Antwerp Township	City of Grand Blanc	Charter Township of Orion
Armada Township	City of Grand Haven	Charter Township of Oshtemo
Atlas Township	Charter Township of Grand Haven	City of Owosso
Bath Charter Township	City of Grand Ledge	Paradise Township
City of Benton Harbor	Charter Township of Grand Rapids	Park Township
Blendon Township	City of Grandville	Pere Marquette Township
Charter Township of Bloomfield	Green Oak Township	City of Reading
Brady Township	City of Grosse Pointe Farms	City of Richmond
Brandon Township	City of Grosse Pointe Park	City of Rochester Hills
Brighton Township	Hamburg Township	City of Roseville
City of Brighton	Charter Township of Harrison	Salem Township
Byron Township	City of Hastings	City of Sault Ste. Marie
Cannon Township	City of Huntington Woods	Charter Township of Shelby
Charter Township of Cascade	Charter Township of Huron	City of Sturgis
City of Charlevoix	City of Ionia	Sylvan Township
City of Coldwater	City of Iron Mountain	Traverse City
Davison Township	City of Ironwood	City of Troy
City of Davison	City of Ishpeming	Tyrone Township
Charter Township of Delta	Kochville Township	Charter Township of Union
Charter Township of DeWitt	City of Laingsburg	Vassar Township
City of East Grand Rapids	City of Lansing	City of Walker
City of East Lansing	Leighton Township	Washington Township
City of Eastpointe	Charter Township of Lyon	Charter Township of Waterford
Charter Township of Emmett	City of Marquette	City of Westland
Charter Township of Fenton	Charter Township of Marquette	City of Ypsilanti
City of Frankenmuth	City of Marshall	City of Zeeland
Charter Township of Fruitport	City of Melvindale	
Genoa Township	Charter Township of Mount Morris	

Four-Star Honored Communities

City of Alpena	City of Grosse Pointe Woods	City of Petoskey
Alpine Township	City of Hamtramck	Pittsfield Township
Charter Township of Ann Arbor	Hartland Township	Charter Township of Plainfield
City of Auburn Hills	City of Holland	City of Plymouth
Charter Township of Bangor	Holly Township	City of Pontiac
Bay City	City of Houghton	Charter Township of Port Huron
Bedford Township	City of Hudsonville	City of Rockford
City of Belding	Charter Township of Independence	City of Romulus
Benton Township	City of Kalamazoo	City of Royal Oak
City of Berkley	Kalamazoo Township	Charter Township of Saginaw
Charter Township of Blackman	City of Kentwood	City of Saint Clair Shores
Charter Township of Bridgeport	City of Lapeer	Somerset Township
City of Burton	Leoni Township	City of Southfield
Charter Township of Chesterfield	City of Litchfield	City of Southgate
Charter Township of Clinton	City of Ludington	Spring Lake Township
Charter Township of Comstock	Macomb Township	City of Sterling Heights
City of Dearborn	City of Madison Heights	Summit Township
City of Dexter	Manchester Township	Sumpter Township
City of Dowagiac	Marine City	Charter Township of Superior
East Bay Township	City of Marysville	City of Swartz Creek
Egelston Township	Charter Township of Meridian	City of Tecumseh
Elmwood Township	City of Midland	City of Utica
City of Farmington	City of Monroe	Van Buren Township
City of Fenton	Mundy Township	Charter Township of Vienna
City of Ferndale	City of Northville	City of Walled Lake
Flint Township	City of Norton Shores	City of Warren
City of Fraser	City of Novi	Charter Township of West Bloomfield
Charter Township of Gaines	City of Oak Park	Charter Township of White Lake
Garden City	Charter Township of Oakland	City of Wixom
Charter Township of Garfield	Charter Township of Oxford	City of Wyoming
Charter Township of Genesee	City of Perry	Ypsilanti Township

Highlights

This year, the 277 eligible communities from 54 counties span the state of Michigan and are home to more than two-thirds of its population. Within their borders, these communities utilize their resources to upgrade governmental assets such as sidewalks, emergency equipment, and public facilities, spending \$23 billion in 2016 alone. Further, over the five-year period of 2012-2016, these communities increased their capital assets by an average of 2% per year. Finally, these places are home to 84% of Michigan's real commercial property and 75% of Michigan's real industrial property, resulting in higher percentages than other parts of the state.

In 2017, eCities recognized 184 such municipalities as four- and five- star communities.

The four- and five-star communities come from 45 Michigan counties. These communities vary in size, with some being the most populated places in the state, to others being home to fewer than 2,000 residents. These communities are able to grow property values (up 3.6%) and investments (up 4%) annually, while only increasing taxes by nine-tenths of a percent.

Moreover, when compared to the state and the overall group of participating communities, the four- and five-star communities are better in all three categories – property values, taxes, and assets. Such findings indicate growth and investment, through small increases to funding resources.

Conclusion

eCities 2017 marked a decade of helping communities to improve the state's entrepreneurial climate by collecting and sharing the strategies and successes of Michigan municipalities and providing an understanding of what strategies are successful in engaging the business community. The eCities project highlights how local governments from across Michigan are growing their communities and supporting businesses. As a university, the University of Michigan-Dearborn wants to share the successes and educate about the best practices that can be used by other communities in the state. As the nature of economic development evolves, eCities is a tool to help local governments demonstrate their role in the changing economy. These governments are supporting unique and innovative efforts locally, while collaborating regionally to help Michigan businesses compete in an ever-changing business climate.

Much like the entrepreneurs whom they covet, communities need to understand that strategies cannot be copied and applied without consideration. Communities need to recognize and match their resources to best meet the needs of their businesses if they are to encourage growth and attract entrepreneurial investment.

To learn more about the eCities project or iLabs, please contact us at ecities@umd.umich.edu or 313.593.3991. eCities 2018 will launch in May 2018. Visit www.umdilabs.com/ecities for updates.