



## **eCities 2016 Year-End Report**

**iLabs**, *The Center for Innovation Research*

College of Business

University of Michigan-Dearborn

eCities is an annual research study that examines the factors – at the community level – that foster entrepreneurship and encourage economic development. The focus is on entrepreneurship because of its importance to expansion and diversification of regional economies and small businesses' impact on job creation. The primary purpose of eCities is to help communities benchmark their efforts and gather best practices from other communities across the state.

### **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 Best Practices of local communities across the state. While there is no single solution for every community, the Best Practices 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 200 participating communities with over 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**

The eCities index analysis is comprised of a six-factor, 32-item analytical tool and is the key research instrument in the eCities project. This analytical tool compares and weights the factors to identify top performing communities. The six factors and the items they include are:

**Clustering:** Examines concentrations of business property and municipal infrastructure investment.



**Incentives:** Examines tax rates, tax abatements, and the use of tax incremental finance tools employed by local governments.

**Growth:** Examines changes in business activity and commercial construction occurring within communities.

**Policies:** Examines organizational support for entrepreneurship and the use of economic development tools by local government.

**Community:** Examines the socioeconomic and cultural factors for economic development in cities and townships, including percentage of households reporting self-employment income, average household self-employment income, and crime rates.

**Education:** Examines education levels of residents, which provides businesses with a pool of knowledge-based workers.

Relevant data points have been indicated based on knowledge of what information local government's track, what data is relevant to business attraction and retention, and comes from publicly available records; including the US Census, local building department databases, city and county assessing rolls, and state crime reports. The quantitative data collected for the eCities index analysis is rooted in reliable and constant sources to ensure that data remains consistent and verifiable, year over year. Additionally, changes that have been made to the index analysis have been made to reflect changes to state level policy.

eCities strives to collect, measure, and analyze data that aids participating communities in as many ways possible. As such, eCities 2016 marked significant contributions to fulfilling this mission by continuing to evaluate Best Practices communities with a new panel of entrepreneurs and experts. To participating communities, the eCities best practices review panel provides a unique perspective and personal evaluation of the community's "pitch" to potential entrepreneurs or investors. This panel included:

**Amy Cell**, CEO, Amy Cell Talent

**Daniel Duggan**, Managing Editor, Crain's Detroit Business

**Jim Geisler**, CEO, Geisler Enterprises, Inc.

**Marcus Harris**, Director of Innovation, Springboard-Henry Ford Learning Institute

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

**Kevin Johnson**, Senior Policy Development Planner, SEMCOG

**Meredith Kerekes**, CEO, Working Titles Ventures

**Kyle Mazurek**, External Affairs Manager, Comcast

**Kris Pfaehler**, CEO, Sand Dollar Global Advisor LLC

**Jeff Rinvelt**, Principal, Venture Capital Fund

**Debi Scroggins**, Founder, Bearclaw Coffee Company

**Rod Sturgeon**, Retired Property Tax Manager, Exxon Mobil

## 2016 Best Practices Communities

For the 2016 project, over 80 communities participated in the study, with 76 completing the process to



receive benchmarking and overview reports. Out of the 76 communities, the 2016 study recognized six communities based on their innovative and successful efforts at fostering entrepreneurship and encouraging economic development. Each community, once they completed the quantitative survey, was eligible to respond to the Best Practice survey in which each community was given an opportunity to articulate their specific efforts; each response was reviewed by a panel of entrepreneurs. This year's Best Practices Communities are: the City of Farmington Hills, the City of Grand Blanc, the City of Hillsdale, the City of Romulus, the City of Sault Ste. Marie and the City of Tecumseh.

### City of Farmington Hills

The City of Farmington Hills facilitates pre-development meetings for new businesses to present their expectations to all the relevant departments and get feedback. Additionally, the City has a retention strategy that includes regular meetings with existing businesses to gather their feedback. Closely working



with the Chamber of Commerce, they host educational campaigns and information sessions to highlight the local, state and federal resources available to businesses and assist with their growth needs.

### City of Grand Blanc

The City of Grand Blanc's strategy to attract and retain business ventures is not restricted to tax incentives and availability of downtown real estate. They also leverage the workforce talent coming from the institutes and universities located in the area and its proximity to Interstate 75, Interstate 69, and US 23. Fostering economic diversification, their innovative approach and forward-thinking offers special financing programs to new businesses and small businesses, while the Business Center @ GDL provides wide range of services to help them thrive.



### City of Hillsdale

The City of Hillsdale, has a history of being home to small, specialty manufacturers supplying to the automotive sectors. It's fiber-optic connectivity makes them "a gig-a-bit community" that has the unique capability of hosting high technology and telecommunication businesses while still retaining the quiet, small-town lifestyle. Additionally, the city-owned airport and Board of Public Utilities, and a 400 acre Manufacturing Park & Technology Park are great advantages to businesses.



### City of Romulus

Located between Ann Arbor and Detroit, the City of Romulus offers a variety of parcels of property with direct access to Interstate 94. They believe in "speed-to-market" through the development stages and are committed to streamlining and simplifying the permitting process. The proximity to Detroit Metropolitan Airport and its employees, passengers, and cargo capacity positions the City to welcome businesses from various industries.



### City of Sault Ste. Marie

Sault Ste. Marie has forged many critical partnerships and collaborations to elevate the business community. Their targeted efforts provide support through incubation services, technical assistance, job training, product development, entrepreneurial support services, and commercialization activities. They focus on manufacturing and international trade because of the logistical resources in the region on both sides of the border.



### City of Tecumseh

The City of Tecumseh has partnered with several agencies at the regional and state level to have the services in place to assist firms with growth. This includes access to necessary knowledge, resources, workforce, and training. Not only do they aim at being a successful workplace but also want to give their talent-rich residents a quality of life unique to their community with the thriving downtown district and recreational spaces and activities.



### 2016 Five-Star and Four-Star Communities

Beyond the six Best Practices communities, 45 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 making up the top places for business.

#### Five-Star Honored Communities

- |                              |                             |
|------------------------------|-----------------------------|
| Ann Arbor Charter Township   | City of Midland             |
| Cascade Charter Township     | City of Mount Pleasant      |
| Charter Township of Meridian | City of Novi                |
| Charter Township of Plymouth | City of Oak Park            |
| City of Ann Arbor            | City of Romulus             |
| City of Coldwater            | City of Sault Ste. Marie    |
| City of Dexter               | City of Sturgis             |
| City of Farmington           | City of Wixom               |
| City of Grandville           | Delta Charter Township      |
| City of Madison Heights      | Kochville Township          |
| City of Marquette            | Pittsfield Charter Township |



## Four-Star Honored Communities

Bath Charter Township	City of Portage
Charter Township of West Bloomfield	City of Swartz Creek
City of Adrian	City of Tecumseh
City of Dearborn	City of Trenton
City of Farmington Hills	City of Ypsilanti
City of Grand Blanc	Comstock Charter Township
City of Livonia	Flint Charter Township
City of Mason	Northville Charter Township
City of Mount Clemens	Saginaw Charter Township
City of Norton Shores	Thomas Township
City of Plymouth	Village of Oxford

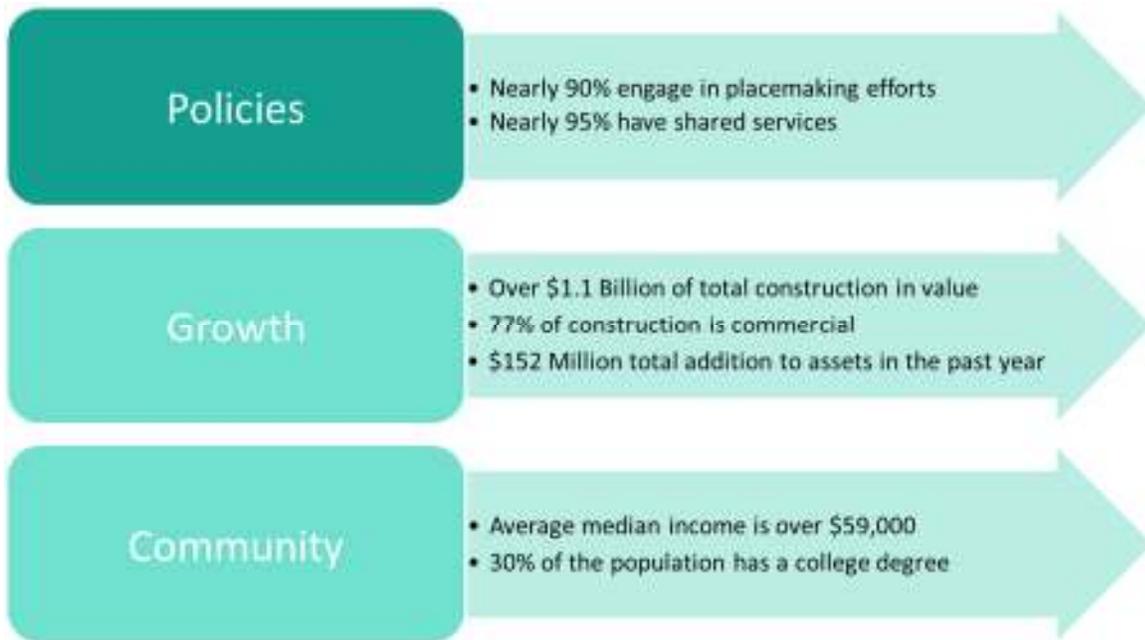
## Highlights

This year the 76 Participating Communities are from across the state and are home to more than 1/4th of Michigan's population. These communities are educated places, with almost 30% of the state's college graduates living in these specific communities. Within their borders, 2.5 Billion dollars of construction, over half of it being commercial. Additionally, a fifth of the Michigan's entrepreneurs live in these 76 communities and reported close to 2 billion dollars in self-employment income. Finally, these communities also supported 2.4 million dollars of economic development services last year.

In 2016, eCities recognized 45 such municipalities as four- and five- star communities.



**The Five-star Communities** were recognized for their efforts in eCities index factors such as growth, policies and community.



**The Four-star Communities** were recognized in for their efforts in eCities index factors such as clustering, growth, policies, and community.



## Conclusion

eCities 2016 continues the tradition of helping communities to improve the state's entrepreneurial climate by collecting and sharing the Best Practices 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 Best Practices 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 [umd-ilabs@umich.edu](mailto:umd-ilabs@umich.edu) or 313.593.3991. eCities 2017 will launch in May 2017. Visit [www.umdilabs.com/ecities](http://www.umdilabs.com/ecities) for updates.

