

eCITIES

eCities 2015 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 nearly 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 2015 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:

Addie Langford, Senior Accounts Manager, TechShop Detroit

Carolyn Benett, DTE Energy Economic Development Team

Crystal Scott, Associate Professor of Marketing, UM-Dearborn

Dan Duggan, Managing Editor of Custom & Special Projects, *Crain's Detroit Business*

Debi Scroggins, Founder, The Bearclaw Coffee Company

Fred Barringer, Regional Director, SBTCD at the University of North Carolina-Chapel Hill

Fred Hoffman, Former Chrysler Executive and State Official

Janice Molloy, Assistant Professor of Organizational Behavior and Human Resources Management, UM-Dearborn

John Breed, Assistant Lecturer and Entrepreneur in Residence Department of Entrepreneurship, Strategy & Information Systems, Florida State University

Marcus Harris, Operations Director, ARISE Detroit

Meredith Kerekes, Working Title Ventures

Rod Sturgeon, Retired Property Tax Manager, Exxon Mobil

2015 Best Practices Communities

For the 2015 project, over 130 communities participated in the study, with 66 completing the process to receive benchmarking and overview reports. Out of the 66 communities, the 2015 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 Grant Blanc, the City of Madison Heights, the City of Oak Park, Pittsfield Township, the City of Sault Ste. Marie, and the City of Tecumseh.

City of Grant Blanc



The City of Grant Blanc promotes an inviting community for both its residents and businesses. Grand Blanc has a forward-looking, innovative approach to development, while maintaining a keen eye on its rich history and heritage. Through community partnerships, Grand Blanc has coordinated its resources to facilitate meetings with local stakeholders and business. For instance, Grand Blanc has instituted an innovative Business Assistance Team consisting of cross-department specialists providing service information and technical assistance for local businesses. The City's pivotal location has also made this small city an attractive place residents and business alike.

City of Madison Heights



The City of Madison Heights has made a commitment to advancing economic growth. To realize this commitment, Madison Heights has implemented programmatic offerings that has specifically targeted entrepreneurs and industrial businesses. They have streamlined site selection with pre-development walk-throughs and have created matchmaking meetings and virtual introductions for new and existing businesses. This pro-business approach has been consistent with all levels of governance, with the goal of minimizing potential risks while saving valuable time and capital for potential developers.

City of Oak Park



The City of Oak Park is committed to maintaining a vibrant and diverse community while promoting economic development. Oak Park works with new businesses from the beginning to then end, by meeting with them through face-to-face meetings, business roundtable events, and chamber of commerce networking events. Oak Park is also committed to energizing public spaces, and has been engaging in Placemaking practices to create an environment that is highly attractive to new businesses and talent alike.

Pittsfield Charter Township



Pittsfield Charter Township has worked to promote collaboration and economic diversity. Pittsfield has focused on using its infill development to preserve its natural resources, while integrating its arts and culture into its public spaces. This has created an environment that is not only attractive to new talent, but also attractive to new businesses. Pittsfield is also committed to nurturing and retaining existing businesses, as well as using them as the basis to attract similar or complimentary businesses. Together, these businesses and public spaces cultivate a milieu of creativity around alternative energy development and information technology companies.

City of Sault Ste. Marie



Sault Ste. Marie has engaged in critical partnerships to elevate and promote its business community. Strategic services have been offered as an incentive to existing businesses looking to grow and create new jobs. Sault Ste. Marie has award-winning resources, talented partners, industrial incubators, and workforce training programs that are dedicated to supporting businesses, entrepreneurs, and early stage companies. Their targeted efforts have supported entrepreneurs, second stage companies, and mature companies through incubation services, technical assistance, job training, product development, and commercialization activities.

City of Tecumseh



The City of Tecumseh is a collaborative and proactive community. The City continues to create an environment for businesses that speaks to the community's culture while providing a high quality of life for its residence. The City works with county and state economic development agencies who are committed to helping businesses access talent, support, and training. In Tecumseh, businesses know their City officials and local leaders well because the City spends time with each business in crafting meaningful experiences which contributes to the overall entrepreneurial eco-system within the community.

2015 Five-Star and Four-Star Communities

Beyond the six Best Practices communities, 36 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

Cascade Charter Township	City of Mount Pleasant
City of Coldwater	Northville Charter Township
City of Dearborn	City of Novi
Delta Charter Township	Pittsfield Township
City of Dexter	City of Plymouth
City of Grandville	Plymouth Township
Kochville Township	City of Sault Ste. Marie
City of Marquette	City of Troy
City of Midland	City of Wixom

Four-Star Honored Communities

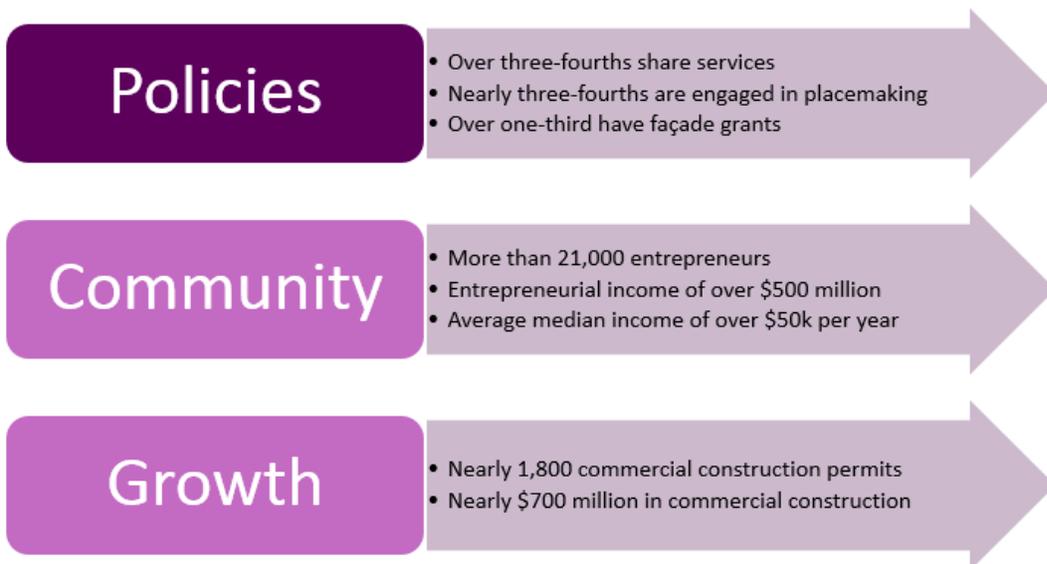
Village of Almont	City of Mason
Alpine Township	Charter Township of Meridian
Comstock Charter Township	City of Norton Shores
City of Farmington Hills	City of Rochester
Flint Charter Township	City of Romulus
Garfield Charter Township	Saginaw Charter Township
City of Grant Blanc	City of Sturgis
City of Grant Rapids	City of Saline
City of Madison Heights	City of Tecumseh
	Thomas Township

Highlights

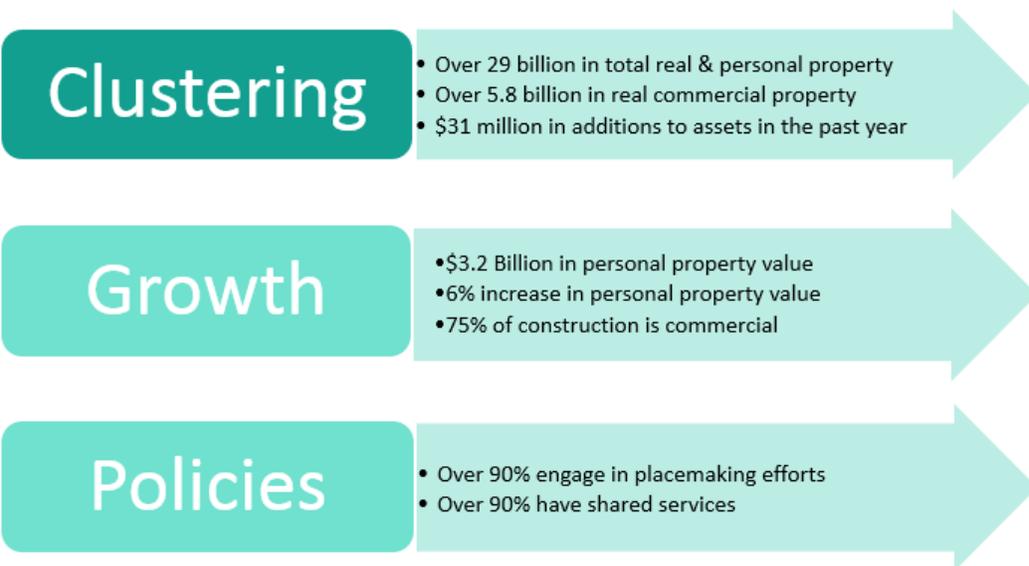
This year the 66 Participating Communities are from across the state and are home to more than 1/5th of Michigan's population. These communities are educated places, with almost 10% of the state's college graduates living in these specific communities. Within their borders, almost one third of the real commercial property value of the state and 2.7 Billion dollars of construction, most of which was commercial construction. Additionally, one-fifth of the Michigan's entrepreneurs live in these 66 communities and reported 1.8 billion dollars in self-employment income. Finally, nearly half had shared economic development services within their communities.

In 2015, eCities recognized 36 such municipalities as four- and five- star communities.

The four-star communities were recognized in for their efforts in eCities index factors such as policies, community and education, and incentives.



The **five-star communities** were recognized for their efforts in eCities index factors such as clustering, growth, and incentives.



Conclusion

eCities 2015 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 or 313.593.3991. eCities 2016 will launch in May 2016. Visit www.umdilabs.com/ecities for updates.