eCITIES

eCities 2022 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 260 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 2022, 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

In addition to the quantitative data collection and analysis, all communities were invited to participate in a brief, virtual interview to discuss the impact of the COVID-19 pandemic on their city or township. More specifically, community leaders were asked the following questions:

1. What are some of the challenges or barriers your community faced as a result of the pandemic?
2. Describe how leadership continued to support the business community despite these hurdles.
3. Responding to pandemic challenges has been a learning experience. Are there things your community tried that went well versus efforts that did not go as planned?
4. Based on your community's experiences, what are the top lessons you have learned over the past 2 years?
5. In the next 12 months, what are next steps for your community as it relates to businesses, economic development, etc?

The goal from these conversations was to share unique experiences and highlight success stories to aid other Michigan communities in similar situations. In total, 7 communities participated in interviews and their stories are detailed below.

The City of Wixom

The COVID-19 pandemic caused businesses and supply chains to shut down, and resulted in workforce loss in the City of Wixom. In response to these challenges, Wixom leadership put a number of programs into place – including providing personal protection equipment and hand sanitizers, and loosening ordinance requirements for outdoor dining. In addition, they created grant programs for heaters for outdoor dining. One local business, Drafting Table Brewing Company, took advantage of the new opportunities provided by the City and began offering outdoor dining in their parking lot. In addition, they created a beer garden that is now a permanent fixture in the community. Further, the City of Wixom focused on promoting downtown Wixom by creating a social district, a walkable area where patrons can participate in events, visit bars and restaurants, and ultimately encourages people to get outside.

Over the past two years, Wixom leadership has learned that business practices and how people work are changing. More specifically, the City is learning how to adapt land use standards given the increase in remote work. Interestingly, they have also experienced increase demand for mini storage units.

Looking ahead, the City of Wixom plans to continue their development efforts, both big and small, including redeveloping a former Ford plant. They also intend on revisiting zoning ordinance requirements and investments in downtown Wixom. Additionally, they are determining how to best approach housing, as the City has experienced more than a 25% population increase since 2010.

The City of Coldwater

Due to the COVID-19 pandemic, the City of Coldwater experienced challenges with consistency of raw materials and logistics, which made it difficult to plan for demand. For example, an order that would typically take two weeks to come in, instead took a month and half to fulfill. In addition, they experienced issues with staffing availability.

In response to these issues, the City took a three-prong approach – inform, assist, and create additional opportunities. To inform the community, City leadership consistently updated their website with programs and information from the government, sent direct emails (thanks in part to a well-managed contact list,) participated in radio interviews, and provided relevant content in the newspaper. City of Coldwater leadership played an active role in providing technical assistance to businesses trying to apply

for programs and developed their own programming. For example, the Coldwater DDA set aside funding and reimbursed businesses for eligible costs. A local salon, Pure Envy, was able to benefit from the City's support by receiving a grant and using incentives to maintain their staff.

Since the onset of the pandemic, the City of Coldwater has learned that business functions are very unique, and that creativity is key. They also learned the benefits of working together during unprecedented, challenging times.

Looking ahead, the City of Coldwater's next steps include focusing on longevity and strategic planning for efficiency and stability, supporting a nonprofit established by the local farmer's market, and an RRC program. Further, the City plans to focus on downtown housing and corridor enhancement.

The City of Dexter

As a smaller, more close-knit community, the City of Dexter fared better during the COVID-19 pandemic compared to some of its larger counterparts. During this time, Dexter leadership focused on getting information about loans, grants, programs, etc. out quickly through the use of their business database. They also adapted ordinances, such as an accessory dwelling unit for increased housing in the City, which provided short-term rentals for visitors. The City of Wixom and the DDA worked together to pass an emergency ordinance to expand outdoor seating. In 2021, zoning ordinances were updated to transition some parking lots/sidewalks into outdoor dining and common areas, which helped to bring vitality to downtown Wixom. Pre-pandemic, this option was never considered. Further, City leadership reimagined sidewalks into a social district, as streets cannot be closed on a long-term basis. Fortunately, the City of Dexter did not lose any businesses during the pandemic – instead, new businesses opened, including a tattoo parlor and hair salon. Most importantly, Dexter residents pulled together to support the business community.

Over the past two years, the City of Dexter has learned to never take anything for granted. Further, they have learned that there is never a lack of great ideas, however implementation has proven to be more challenging. Moving forward, the City is focused on redeveloping the Mill Creek Park to expand Downtown Dexter.

Flint Township

As a result of the COVID-19 pandemic, Flint Township experienced business closures, an increase in vacant spaces, and a decline in the workforce across multiple industries, including truckers, retail, and restaurants. On the other hand, however, the Township also experienced an increase in entrepreneurs, an increase in employees working from home, and the continuation of building investment projects, including investments from national companies.

In order to continue supporting the business community, Flint Township leadership launched a marketing campaign in which they worked with community partners on events, advertising and radio promotions, and interactive Google maps to show which businesses were open. The weekly Flint Township radio show in particular was an opportunity for partnerships, a way to discuss community issues, and highlighted businesses via fifteen-minute business spotlights. These recorded spotlight clips were given to the businesses, and the promotion was completely free of charge. Even better, the radio show was commercial-free. Township leadership also coordinated a number of "events on the road" to allow the community to interact with businesses in unique ways while eliminating large crowds. These events included an Easter bunny trail, an Easter egg drop, a Christmas elf hunt, and a Halloween trunk-or-treat. Residents could even participate virtually, and had the opportunity to win gifts cards to local establishments. During the pandemic, Flint Township also modified zoning ordinances, and launched an anti-littering campaign.

The top lesson Flint Township learned over the past two years is that communication with businesses is key – whether it is to provide resources and information, or just to lend an ear. During this time, leadership found a new communication opportunity via email.

In the next 12 months, Flint township DDA and the Corridor Improvement Authorities plan to offer grant programs for parking lot improvements. Leadership is also planning a side lot program and they have plans to update the zoning ordinance for mixed use, for example, a two-story building with retail on the first floor and housing on the second.

The City of Sault Ste. Marie

The City of Sault Ste. Marie Economic Development Corporation (EDC) took many approaches within their own four walls to tackle challenges caused by the pandemic. In particular, the EDC hosted a skills trade fair and opened their conference room to students that did not have internet access for their remote courses/homework, and they are continuing to work on a broadband initiative today. In order to help businesses receive funding opportunities from the state and federal government, EDC leadership set up booths to help business owners' complete applications. The City also worked with the DDA, Chamber of Commerce, Small Business Development Center, and Convention and Visitors Bureau to strengthen their Economic Resource Alliance to eliminate silos and combine efforts to save money.

Additional efforts included working with a local university to expand their internship program, in which the local business community hired students to work part-time at no cost to the business owner. In many cases, the businesses hired the students full-time. Support provided to a local business by the EDC, Superior Coffee, allowed the business to open two retail locations, open a location within a popular grocery store, and hire nearly a dozen employees. The Sault Ste. Marie EDC has also done exceptional work welcoming Coast Guard families, known as the USCG Vinyl program, including providing details on housing and discounts at local businesses.

Despite the many hardships created by the pandemic, the City of Sault Ste. Marie Economic Development Corporation learned that patience is important, to appreciate the little things, and the importance of creativity.

Looking ahead, the Sault Ste. Marie Economic Development Corporation has plans for welcoming a Red Bull distribution center and continuing a temporary housing initiative.

The City of Tecumseh

The City of Tecumseh had to consider how to successfully keep the community and businesses connected during the pandemic. This included determining how to best communicate new interaction methods, how to get business owners necessary resources and guideline information, how to approach supply chain/staffing issues, and how to adapt to a new culture, like dining out instead of eating in.

Despite these hurdles, City of Tecumseh leadership maintained committed to supporting the business community. In particular, using a local t-shirt shop, they partnered with businesses to host a t-shirt fundraiser. Not only did they successfully raise $30,000, but they were also able to help a local struggling business at the same time. Additionally, City leadership rezoned an area for a local brewery for a beer garden to increase capacity.

Some of the most important lessons learned by the City of Tecumseh over the past two years included being flexible with rules, but not standards, and to be creative with your time. Work can be done differently, so it is important to think outside of the box.

Over the next six to twelve months, City of Tecumseh leadership plans to repurpose brownfield land into a large indoor/outdoor sports complex, a project that was halted due to supply chain issues. They also plan to repurpose a hospital for mental health resources and are looking forward to becoming the new United States headquarters of an Italian Company situated on a redeveloped industrial site. Lastly, the City plans to focus on maintaining the connection of its current residents and businesses.

West Bloomfield Township
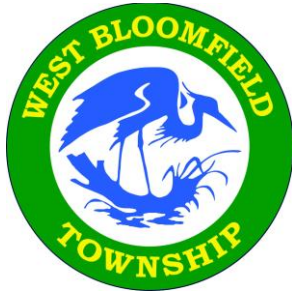
Just like many communities, West Bloomfield Township faced a number of pandemic challenges, including the closure of many small businesses and reluctancy from employees to return to work over fears of contracting COVID-19.

In order to address these challenges and to encourage health and safety, West Bloomfield Township devised several solutions to continue supporting the business community. Within their own building, the Township required face coverings, 6-foot social distancing, and temperature testing. Further, non-essential employees were given the option to work from home. In an effort to keep the workplace fun despite difficult times, West Bloomfield Township planned many events. Focusing on the well-being of their employees resulted in very little turnover, as Township leadership takes pride in viewing their employees as family. Leadership also hosted educational seminars and utilized a grant from Oakland County to support outdoor seating at local restaurants, like igloos, which are still offered today. In addition, small businesses were encouraged to bring coupons to the Township office for publicity and revenue. Overall, West Bloomfield Township learned that people are resilient!

Moving forward, West Bloomfield Township is constructing a 5-story apartment building and has plans to purchase hybrid vehicles for the municipality. Additionally, as a "green" community, the Township is working on ways to reduce their carbon footprint with various carbon neutrality goals, including the installation of electric car chargers. They are also requiring all new businesses to follow "green" guidelines.

2022 Five-Star and Four-Star Communities

183 communities were 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 seen the strongest growth in business development over the past five years, while controlling the costs of doing business in town.

Five-Star Honored Communities

Ada Township	City of Grosse Pointe	Orion Township
City of Albion	City of Grosse Pointe Park	City of Owosso
Allendale Township	City of Grosse Pointe Woods	Pere Marquette Township
Alpine Township	Hamburg Township	City of Perry
Antwerp Township	Harrison Township	Plainfield Township
Armada Township	Hartland Township	City of Pontiac
Atlas Township	City of Hazel Park	City of Reading
Benton Township	Highland Township	City of Rochester
City of Birmingham	Holland Township	City of Rochester Hills
Blendon Township	City of Holland	City of Romulus
City of Brighton	Holly Township	City of Royal Oak
Byron Township	City of Houghton	Saugatuck Township
Caledonia Township	City of Hudsonville	Shelby Township
Cascade Township	Huron Township	Spring Lake Township
Chesaning Township	City of Lansing	City of St. Clair
Commerce Township	Lawrence Township	City of St. Johns
Davison Township	Leighton Township	City of St. Louis
City of Detroit	Macomb Township	City of Sterling Heights
DeWitt Township	Manchester Township	Superior Township
East Bay Township	City of Marshall	Texas Township
City of Farmington	City of Marysville	Thomas Township
City of Farmington Hills	City of Melvindale	Traverse City
Fenton Township	Milford Township	City of Troy
City of Ferndale	Mount Morris Township	Tyrone Township
Gaines Township	City of New Baltimore	City of Utica
Georgetown Township	City of Niles	Vassar Township
Grand Blanc Township	Northville Township	Washington Township
Grand Haven Township	City of Novi	Waterford Township
City of Grand Haven	City of Oak Park	City of Wixom
City of Grand Rapids	Oakland Township	City of Wyoming
Grand Rapids Township	Oceola Township	Ypsilanti Township
Green Oak Township		City of Zeeland

Four-Star Honored Communities

City of Adrian	City of Eastpointe	Meridian Township
City of Allen Park	Elmwood Township	City of Milan
City of Alma	Emmet Township	City of Mount Clemens
Ann Arbor Township	City of Fenton	Mundy Township
City of Auburn Hills	City of Flint	City of Muskegon
Bangor Township	City of Frankenmuth	City of Norton Shores
Bay City	City of Fraser	Oshtemo Township
Bedford Township	Garfield Township	Oxford Township
City of Belding	Genoa Township	Paradise Township
City of Berkley	City of Grand Blanc	Park Township
City of Big Rapids	City of Grand Ledge	City of Petoskey
Blackman Township	City of Grandville	City of Plymouth
Brandon Township	City of Greenville	Port Huron Township
Bridgeport Township	City of Grosse Pointe Farms	City of Port Huron
City of Burton	City of Hamtramck	City of Portage
City of Cadillac	City of Howell	City of Rockford
Cambridge Township	City of Huntington Woods	City of Roseville
Cannon Township	Imlay City	City of Saline
Canton Township	Independence Township	Scio Township
City of Center Line	City of Kalamazoo	City of South Lyon
City of Charlotte	City of Kentwood	Sylvan Township
City of Clawson	City of Laingsburg	City of Three Rivers
Clinton Township	City of Lapeer	Van Buren Township
City of Coldwater	City of Litchfield	Vienna Township
City of Dearborn	City of Livonia	City of Walker
City of Dearborn Heights	Lyon Township	City of Walled Lake
Delhi Township	City of Madison Heights	City of Warren
City of East Grand Rapids	Marine City	West Bloomfield Township
City of East Lansing	City of Menominee	City of Williamston

Highlights

This year, the 277 eligible communities from 54 counties span the state of Michigan and are home to 71% of its population. Over the five-year period of 2017-2021, these communities increased their capital assets by an average of 3.4% per year by investments such as new libraries, new community centers, and infrastructure improvements. Further, these places are home to 86% of Michigan's real commercial property and have 64% of the state's total property value.

In 2022, eCities recognized 183 municipalities as four- and five-star communities. These communities vary in size, with some being the most populated places in the state, to others being home to just over 2,000 residents. From 2017-2021, these communities were able to grow property values (up an average of 6%) and capital assets (up an average of 4.9%), while only increasing taxes by .38%.

Conclusion

eCities 2022 marked more than 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 kporembi@umich.edu or visit the eCities website.

COLLEGE OF BUSINESS
iLABS
DEARBORN | UNIVERSITY OF MICHIGAN-DEARBORN