



COUNTY ADMINISTRATOR
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TO: Conan Smith
Chair, Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Nancy Thelen, Director, Washtenaw County MSU Extension
Anthony VanDerworp, Director, Strategic Planning

DATE: October 7, 2009

SUBJECT: Approving a tax millage of 0.0400 of a mill pursuant to Public Act 88 of 1913 (MCLA 46.161) to promote the Agricultural, Industrial and Tourist Advantages of Washtenaw County

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners use the authority provided to them by Public Act 88 of 1913 (MCLA 46.161) to approve an agricultural and economic development millage of 0.0400 mills to be levied in December, 2009 for use during calendar year 2010, with the proceeds of such millage to be placed into the County's Economic Development and Agriculture Millage Fund.

BACKGROUND:

In 1913, the Michigan legislature enacted Public Act 88 (MCLA 46.161) which allows counties to levy a millage not to exceed 5 cents on each \$100.00 of taxable value (0.0500), to promote economic activity in the county, region or state through several activities including advertising agricultural and industrial advantages, exhibiting products and industries, encouraging immigration and increased trade and advertising for tourists. The Act also specifies that a county board of commissioners may appropriate the millage funds raised to a not-for-profit organization which is engaged in advertising the advantages of conducting trade within the county, region or state. The power of a county to approve an agriculture and economic development millage under Public Act 88 is not subject to the requirements of the Headlee Amendment to the Michigan Constitution because the legislative authority to approve such a millage pre-dates Headlee by 65 years.

DISCUSSION:

Washtenaw County, along with the rest of Michigan, is experiencing an economic downturn that has resulted in high unemployment rates, the loss of over 8,000 jobs in the past three years, and reduced revenues for public needs. There is an opportunity to provide funding for attracting economic development to the County and promoting agriculture and expanding agriculture businesses by approving a small Public Act 88 millage. If the proposed 0.0400 millage is approved by the Board of Commissioners, the millage would generate approximately \$603,000 annually and would cost a homeowner \$4.00 for every \$100,000 of his/her home's taxable value. If approved, we are requesting that the \$603,000 be allocated as follows:

\$200,000 for economic activities provided by Ann Arbor SPARK, and \$50,000 for SPARK East, a non-profit organization committed to marketing business opportunities within Washtenaw County.

\$100,000 for the economic development activities of the Eastern Leaders Group.

\$137,000 to fund activities of the Washtenaw County Department of Economic Development and Energy to facilitate economic development and job creation in the County by coordinating economic resources, providing technical assistance and leveraging private, state and federal funding for specific economic development, re-use and revitalization projects.

\$15,000 for the Washtenaw MSUE Agricultural Innovation Counselor for identifying food and agricultural markets, gaps between market products/services and consumer needs, and developing strategies to effectively introduce products and services in the marketplace.

\$27,000 for Horticulture programming for the Washtenaw MSUE Horticulture Educator who delivers educational certificate programs that support and increase knowledge necessary for the expansion or startup of businesses, provides education and demonstration of new products and systems to encourage new business opportunities within the landscape industry, and promotes local agribusinesses and products.

\$59,000 for 4-H activities which include the allocation to the Washtenaw Farm Council for operating the Washtenaw County 4-H Youth Show and the 4-H agricultural programming delivered by the 4-H Extension Educator and the Extension Program Coordinator who work with youth agricultural projects and the promotion of agricultural products through the annual Youth Show exhibition.

\$15,000 to support the work of the Food System Economic Partnership (FSEP) to improve the viability of the regional food and agricultural system by helping farmers, entrepreneurs and businesses improve their marketing systems and create economic development opportunities.

IMPACT ON HUMAN SERVICES:

None

IMPACT ON BUDGET:

Approval of the Resolution will result in approximately \$603,000 in funding to market the agricultural and industrial advantages of doing business in Washtenaw County, either by County staff or a non-profit entity which is engaged in the business of advertising the advantages of doing such business in Washtenaw County. These funds will off-set monies from the County's general fund which had in previous years been used to fund these programs or special initiatives.

IMPACT ON INDIRECT COSTS:

None

CONFORMITY TO COUNTY POLICY:

This Resolution conforms to all County policies.

A RESOLUTION APPROVING A MILLAGE OF 0.0400 OF A MILL PURSUANT TO PUBLIC ACT 88 OF 1913 (MCLA 46.161) TO PROMOTE THE AGRICULTURAL, INDUSTRIAL AND TOURIST ADVANTAGES OF WASHTENAW COUNTY TO BE LEVIED IN DECEMBER, 2009 FOR USE IN CALENDAR YEAR 2010

WASHTENAW COUNTY BOARD OF COMMISSIONERS

October 21, 2009

WHEREAS, under Michigan law (Public Act 88 of 1913; MCLA 46.161), Michigan counties may levy a millage to promote economic activity in the county, region or state through several activities including advertising agricultural and industrial advantages, exhibiting products and industries, encouraging immigration and increased trade and advertising for tourists; and

WHEREAS, Washtenaw County and Michigan are experiencing an economic downturn that has resulted in high unemployment rates, the loss of over 8,000 jobs in the past three years, and reduced revenues for public needs; and there is an opportunity to provide funding for attracting economic development to the county and promoting agriculture and expanding businesses; and

WHEREAS, a levy of 0.0400 mills pursuant to Act 88 of 1913 would provide approximately \$603,000 annually in economic development revenue and cost a homeowner \$4.00 for every \$100,000 of his/her taxable value; and

WHEREAS, the County Board of Commissioners is considering the levy of this millage to ensure continued support of economic development activities while enabling a comparable amount of general fund dollars to be redeployed to other public projects and services; and

WHEREAS, it is now proposed that the Board of Commissioners approve a millage of 0.0400 mills to promote the agricultural, industrial and tourist advantages of Washtenaw County; and

WHEREAS, it is proposed that the 0.0400 mills, which will generate approximately \$603,000 be assessed and collected in December, 2009 to fund the following programs in calendar year 2010: \$200,000 for Ann Arbor SPARK; \$50,000 for SPARK East; \$100,000 for Eastern Leaders Group; \$59,000 for 4-H activities; \$27,000 for Horticulture Programming; \$15,000 for Agricultural Innovation; \$15,000 for the Food Systems Economic Partnership; and \$137,000 for the Department of Economic Development and Energy activities; and

WHEREAS, the approval of this millage is not subject to the popular vote requirement of the Headlee Amendment to the State Constitution (Article 9, Sec. 31), because the Legislative authorization for the agriculture and economic development millage predates the Headlee Amendment by 65 years.

NOW THEREFORE, BE IT RESOLVED that pursuant to the authorization of Public Act 88 of 1913 (MCLA 46.161), the Washtenaw County Board of Commissioners approves a millage of 0.0400 mills to be levied against all real property in the County, which will generate approximately \$603,000 to be collected in December, 2009 for use in calendar year 2010 to promote the Agricultural, Industrial and Tourist advantages of Washtenaw County with the proceeds of such millage to be placed into the County's Economic Development and Agriculture Millage Fund.