



To: Washtenaw County Board of Commissioners
From: Conan Smith
Date: September 6, 2012
Subject: Amending Act 88 Financing and Implementation

Members of the Board:

As I mentioned during our meeting on September 5, 2012, I am interested in amending both the content and management of our Act 88 millage to increase the available funds and the accountability and oversight of those dollars. Please find below some general discussion of two amendments to the proposal we passed through Ways & Means.

Amendment Proposals

1. Increase the millage amount from 0.050 mills to 0.060 mills;
2. Remove the allocations and direct the funds to the Office of Community and Economic Development to develop a distribution process and strategy.

Discussion

Since the County first adopted the Act 88 millage in 2009, the revenue generation power of the proposal has decreased approximately 9 percent, from \$765,000 to \$698,000 if measured against all of the County's ad valorem taxable values available from County Equalization.

	Total Ad Valorem Taxable Value	0.050 Mills	
2009	\$ 15,312,121,625	\$ 765,606	
2012	\$ 13,976,296,665	\$ 698,815	
Change	- \$ 1,335,824,960	- \$ 66,791	-9%

During the same period, according to U.S. Census figures, the median household income in the county increased 8 percent. So while overall personal prosperity continued to climb (acknowledging, of course, that this was not universally true) the County's ability to deliver services and meet the objectives of the economic development millage declined.

Over the past two years, the County also strategically consolidated community development, workforce development and economic development into a single department with the intention of increasing synergy among these three important functions. We have not, however, provided sufficient staffing to the economic development component of that transition to allow for effective programming – in fact, only two staffers from the Strategic Planning Department remain. While we have numerous grantees, subgrantees, and partners in economic development, due to the lack of staffing we often fail to take maximum advantage of the tools readily at our disposal. For example, our Economic Development Corporation has not met in two years and powerful opportunities for program development and bond financing for private sector projects has gone by the wayside.

Regarding the investments of Act 88 specifically, while the entities currently funded have been long and strong partners in achieving our economic development goals, there is a marked lack of direct oversight of those investments or strategic planning to ensure they are attending to the County’s economic development priorities.

To address these concerns, I propose increasing the millage by 0.010 mills and putting the Office of Community and Economic Development in an oversight and management role. The increased millage produces \$139,762 in additional revenue.

2012 at 0.050 Mills	\$698,814.83
2012 at 0.060 Mills	\$838,577.80
Change	\$139,762.97 20%

For the average homeowner in Washtenaw County, this represents an increase of approximately \$0.85 per year, bringing the average cost per home to \$5.10 per year. An attached spreadsheet details the impact on the average homeowner by jurisdiction, the highest increase being in Ann Arbor Township at \$1.78 annually and the lowest being \$0.42 in the City of Milan and Ypsilanti Township. Regarding distribution of the revenue increase, I propose that the decrease of \$66,791 since 2009 be restored and that OCED create a position to oversee the implementation and management of the millage and its integration with other economic, workforce and community development investments.

To manage the millage more effectively, I propose that OCED be tasked with developing an annual strategy for distributing the funds, a set of performance metrics for evaluating the impact of the investment and a proposal and reporting process to ensure the board’s continued engagement.

2012	RESIDENTIAL PARCEL COUNT	RESIDENTIAL TAXABLE VALUE	AVERAGE RESIDENTIAL VALUE	0.050 MILLS	0.010 MILLS	0.060 MILLS
WASHTENAW COUNTY	112,865	\$ 9,600,871,393	\$ 85,065	\$ 4.25	\$ 0.85	\$ 5.10
TOWNSHIPS:						
Ann Arbor	1,622	\$ 288,860,010	\$ 178,089	\$ 8.90	\$ 1.78	\$ 10.69
Augusta	3,178	\$ 158,882,378	\$ 49,994	\$ 2.50	\$ 0.50	\$ 3.00
Bridgewater	776	\$ 55,974,273	\$ 72,132	\$ 3.61	\$ 0.72	\$ 4.33
Dexter	3,333	\$ 274,273,275	\$ 82,290	\$ 4.11	\$ 0.82	\$ 4.94
Freedom	724	\$ 53,110,847	\$ 73,358	\$ 3.67	\$ 0.73	\$ 4.40
Lima	1,484	\$ 132,072,751	\$ 88,998	\$ 4.45	\$ 0.89	\$ 5.34
Lodi	2,278	\$ 315,011,204	\$ 138,284	\$ 6.91	\$ 1.38	\$ 8.30
Lyndon	1,496	\$ 111,110,403	\$ 74,272	\$ 3.71	\$ 0.74	\$ 4.46
Manchester	2,551	\$ 134,096,456	\$ 52,566	\$ 2.63	\$ 0.53	\$ 3.15
Northfield	3,996	\$ 236,533,021	\$ 59,192	\$ 2.96	\$ 0.59	\$ 3.55
Pittsfield	10,421	\$ 989,328,878	\$ 94,936	\$ 4.75	\$ 0.95	\$ 5.70
Salem	2,859	\$ 245,344,129	\$ 85,815	\$ 4.29	\$ 0.86	\$ 5.15
Saline	960	\$ 47,941,692	\$ 49,939	\$ 2.50	\$ 0.50	\$ 3.00
Scio	6,870	\$ 875,522,965	\$ 127,441	\$ 6.37	\$ 1.27	\$ 7.65
Sharon	739	\$ 63,163,431	\$ 85,471	\$ 4.27	\$ 0.85	\$ 5.13
Superior	5,506	\$ 454,181,095	\$ 82,488	\$ 4.12	\$ 0.82	\$ 4.95
Sylvan	1,462	\$ 125,874,659	\$ 86,098	\$ 4.30	\$ 0.86	\$ 5.17
Webster	2,908	\$ 341,245,114	\$ 117,347	\$ 5.87	\$ 1.17	\$ 7.04
York	2,726	\$ 270,342,199	\$ 99,172	\$ 4.96	\$ 0.99	\$ 5.95
Ypsilanti	18,539	\$ 776,109,452	\$ 41,864	\$ 2.09	\$ 0.42	\$ 2.51
Cities						
Ann Arbor	27,742	3,012,783,396	\$ 108,600	\$ 5.43	\$ 1.09	\$ 6.52
Chelsea	1,956	136,597,830	\$ 69,835	\$ 3.49	\$ 0.70	\$ 4.19
Milan	1,515	63,681,264	\$ 42,034	\$ 2.10	\$ 0.42	\$ 2.52
Saline	3,045	250,932,768	\$ 82,408	\$ 4.12	\$ 0.82	\$ 4.94
Ypsilanti	4,179	187,897,903	\$ 44,962	\$ 2.25	\$ 0.45	\$ 2.70