



COUNTY ADMINISTRATOR
220 NORTH MAIN STREET, P.O. BOX 8645
ANN ARBOR, MICHIGAN 48107-8645
(734) 222-6850
FAX (734) 222-6715

TO: Felicia Brabec, Chair
Ways & Means Committee

THROUGH: Verna J. McDaniel
County Administrator

FROM: Mary Jo Callan, Director
Office of Community and Economic Development

DATE: August 6, 2014

SUBJECT: **Approving 2014 Act 88 local economy projects**

BOARD ACTION REQUESTED:

It is requested that the Board of Commissioners approve the 2014 Act 88 local economy projects as recommended by the Act 88 Advisory Committee.

BACKGROUND

The Washtenaw County Board of Commissioners has identified building our local economy as a high policy priority and mechanism to strategically and meaningfully impact the community. Local economic development goals include local business expansion and job creation; an economy with less reliance on larger, non-local corporations for job formation; and an increase in local wealth where local spending on products and services flows to local businesses rather than flowing out of the region to national and international corporations.

The Board of Commissioners adopted Resolution No. 13-0193 establishing the Act 88 Advisory Committee charged with reviewing applications for funding. The Act 88 Advisory Committee is comprised of the following representatives:

- Ronnie Peterson, Board of County Commissioners
- Alicia Ping, Board of County Commissioners
- Conan Smith, Board of County Commissioners
- Todd Clark, President United Bank and Trust
- Art Serafini, Chair Ypsilanti Convention and Visitors Bureau

In 2014, the County allocated \$91,753 in funding for grants to eligible entities to assist in delivering products, services and research that promotes the growth and development of our local economy. The County issued RFP 6786 to solicit proposals for the following products, services and research:

- Accelerating community capital investment and the development of local capital investment vehicles
- Increasing purchasing of local products and services through local product suppliers and buyer matchmaking, web-based portals and other means
- Identifying growth opportunities in local food manufacturing, packaging and distribution through research and preparation of business plans
- Local food manufacturing, packaging and distribution start-up and expansion projects
- Establishing worker-owned cooperatives and other business models to support small business growth and/or provide higher paying jobs for local workers
- Agricultural-based tourism to attract spending to our area and to create jobs; and
- Other projects that help grow economic sectors that are underrepresented in our region and which have a high job formation potential

Under this RFP, funding is intended to provide one-time funding for research, product or service costs and not ongoing operational costs. Furthermore, applicants were required to be a not-for-profit entity that does not already receive an annual allocation of Act 88 funding from the County. Preference was given to applicants located within Washtenaw County.

DISCUSSION:

The Committee received nine proposals totaling \$ 148,795 and the Committee ranked those proposals based on the following criteria:

- Act 88 eligibility
- Job creation
- Degree to which the proposal helps build local economy infrastructure
- Leveraged funding
- Sustainability
- Qualifications of proposer

Based on these scoring criteria, the Committee recommends that the Board of Commissioners approve \$87,760 in funding for the following six projects:

Michigan State University Product Center - Study on Enhanced Food Processing, Distribution and Packaging \$10,060

This study will outline the potential for enhanced food processing, packaging and distribution industries in Washtenaw County. This will include an analysis of the

current state of farming in Washtenaw County as well as surrounding counties. An inventory of food processing, distribution and packaging facilities in the region will also be conducted. A particular emphasis of this deliverable will be an analysis of the potential for enhanced local meat as well as fruit and vegetable production and processing.

Michigan State University Product Center - MarketMaker Education \$12,700

MarketMaker is a national partnership of land grant institutions and State Departments of Agriculture dedicated to the development of a comprehensive interactive database of food industry marketing and business data designed to connect buyers and sellers. It can be used by businesses as a powerful market research tool. Types of businesses included in MarketMaker are eating and drinking establishments, farmers, farmers markets, agritourism operations, fisheries, food retailers, food processors, wholesalers and wineries. The goal will be to increase the enrollment in this program in Washtenaw County which will enhance the purchase of locally produced agricultural and food products in the county as well as assist county businesses in marketing their products to other areas of the state or country as MarketMaker is a program with nationwide connections in 19 states. This deliverable will be accomplished by conducting educational programs. Local organizations such as Farm Bureau will be utilized in outreach efforts. <http://mi.foodmarketmaker.com/>

Growing Hope/Reconsider - Accelerating Community Capital \$20,000

Deliverable 1 – Community Education Events: The 2-hour discussions will be scheduled in communities across Washtenaw County (Ann Arbor, Ypsilanti, Saline, Chelsea, Dexter, Manchester, Milan) in partnership with local organizations and community and faith-based leaders. Objective is to share information about the new MILE Act (Michigan Invests Locally Exemption), to introduce the concept of ‘Community Capital’ as was outlined in the 2013 OCED report, and to engage citizens in a dialogue about capital in their specific community.

Deliverable 2 – Local Investment Fund Feasibility Study: There has been much discussion about how to make investing in Washtenaw County businesses easier for those local investors (both accredited and non-accredited investors) who are so inclined to support such businesses. Reconsider outlined opportunities and potential challenges in the 2013 Community Capital report. This topic deserves additional study and detailed recommendations that map out the specific opportunities and partnerships that could make a local investment fund feasible in Washtenaw County. Tracking outcomes: follow up surveys, increase in Washtenaw County MILE Act notice filings, local investment platforms, Michigan Venture Capital Association, and various Angel investment groups in the County to determine the increase in private investment in local companies and how much of that could be attributable to the events held across the County.

Growing Hope/Revalue - Local Investor Education Events \$13,000

Educating and empowering the average citizen with information about how to invest in their own community is the best way to catalyze a shift in capital. Revalue is proposing two (2) Local Investor Education events, in Chelsea and Ann Arbor during Fall 2014. Events are focused on helping investors determine how to integrate local investment offerings into their existing financial plan. Financial planners generally do not offer these services, books and websites talk about it only in general terms, and Angel groups/Venture Capital funds exclude non-accredited investors (93% of the public). Our solution is to deliver practical education to help demystify local investing. This course is designed as an interactive, high value, full day educational event for investors.

Growing Hope - Growing Economic Impact / Food Access at Washtenaw Farmers Markets \$13,000

Create a feasibility study to explore efficiencies, coordination, training, and services needed to increase food assistance sales at farmers markets in Washtenaw County. Food assistance includes SNAP, Farmers Market Nutrition Program (in Michigan known as WIC Project FRESH and Senior Market FRESH), Double Up Food Bucks, Prescription for Health, Hoophouses for Health, and any similar programs providing low-income or disabled persons vouchers/coupons/tokens to shop at farmers markets. The study will explore the financial, operational, and capacity considerations for Growing Hope to provide food assistance services to farmers markets across Washtenaw County, with a pilot among western Washtenaw farmers markets, including Chelsea, Dexter, and Manchester.

Create tools and technical assistance materials to aid in marketing, evaluation and food assistance administration. Food Assistance training manual. This will be the basic how-to-guide for best practices in administering food assistance at farmers markets. Evaluation tools and guides made available to Washtenaw Farmers Markets to assess their economic impact, community impact, and health impact. This includes sample surveys, data, collection tools, sample data collection policies and procedures, and a Powerpoint overview of evaluation methods meant for market managers.

Growing Hope - Ypsilanti Farmers MarketPlace and the Ypsilanti MarketHub: Planning for Micro-Distribution of Local Food to Increase Food Access \$19,000

Growing Hope and partners are developing an Ypsilanti Farmers MarketPlace, and planning for development of co-located Ypsilanti MarketHub, with the purposes of increasing year-round access to healthy, local food, increasing the viability of farm and food businesses, and spurring economic development and community vitality in downtown Ypsilanti.

Ypsilanti Farmers MarketPlace - Year-round, permanent, indoor and outdoor market facility. Funding is for initial planning phases of that plan which includes planning, preparation, and presentation/submittal to the Ypsilanti Planning Commission, Ypsilanti Historic District Commission, and Ypsilanti Zoning Board of Appeals. Architecture and Engineering services will be donated. MarketHub- Growing Hope, Food Gatherers and Zilke Vegetable Farm will collaborate to develop the Ypsilanti MarketHub. The focus is not the same as a larger food hubbing operation that aim to meet broad agricultural community aggregation and distribution needs; the MarketHub, instead aims to fill gaps by providing micro-distribution in the Ypsilanti community in places underserved, or even unserved, by even those distributors focusing local food. It also aims to fill a crucial gap in processing, by planning for an incubator and teaching kitchen. Activities being considered include micro- distribution to corner stores, a mobile pantry, neighborhood farm stands, CSA-style boxes to SNAP participants, an incubator and processing kitchen, and expanded aggregation/wash/pack facilities. Funding is for data collection, best practice research, interviews and focus groups and business plan development.

If approved by the Board, the Committee will review project progress at their monthly meetings and provide progress reports to the Board of Commissioners. Additionally, since the projects do not use all of the allocated funding for local economy projects, the remaining \$3,993 in project funding will be maintained in the Act 88 Fund for future projects.

IMPACT ON HUMAN SERVICES:

None

IMPACT ON BUDGET:

Funding is available in the 2014 Act 88 fund.

IMPACT ON INDIRECT COSTS:

None

CONFORMITY TO COUNTY POLICY:

This request conforms to all county policies.

A RESOLUTION APPROVING THE 2014 ACT 88 LOCAL ECONOMY PROJECTS IN WASHTENAW COUNTY

WASHTENAW COUNTY BOARD OF COMMISSIONERS

August 6, 2014

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, the County Board of Commissioners through adoption of Resolution 13-0193 established the Act 88 Advisory Committee to review applications for funding local economy projects; and

WHEREAS, up to \$91,753 in Act 88 funds for grants to promote the growth and development of our local economy has been budgeted; and

WHEREAS, the Act 88 Advisory Committee issued a Request For Proposals (#6786) and received nine proposals in response; and

WHEREAS, the Act 88 Advisory Committee evaluated proposals based on Act 88 eligibility, job creation, extent to which proposals build local economy infrastructure, amount of funds leveraged, sustainability, and qualifications of proposer; and

WHEREAS, the Act 88 Advisory Committee recommends funding of six projects based on evaluation of proposals.

NOW THEREFORE, BE IT RESOLVED that the Washtenaw County Board of Commissioners approves the following awards totaling \$87,760 in grant funding to the following projects as recommended by the Act 88 Advisory Committee:

- Michigan State University Product Center - Study on Enhanced Food Processing, Distribution and Packaging (\$10,060)
- Michigan State University Product Center - MarketMaker Education (\$12,700)
- Growing Hope/Reconsider - Accelerating Community Capital (\$20,000)
- Growing Hope/Revalue - Local Investor Education Events (\$13,000)
- Growing Hope - Growing Economic Impact / Food Access at Washtenaw Farmers Markets (\$13,000)
- Growing Hope - Ypsilanti Farmers MarketPlace and the Ypsilanti MarketHub: Planning for Micro-Distribution of Local Food to Increase Food Access (\$19,000); and

FURTHERMORE BE IT RESOLVED that the Office of Community and Economic Development is directed to execute contracts pursuant to this action.