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TO: Felicia Brabec  
Chair, Ways & Means Committee

FROM: Verna J. McDaniel  
County Administrator

DATE: October 16, 2013

SUBJECT: Approving a tax millage of 0.070 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 0.070 mills to be levied in December, 2013, for use during calendar year 2014, 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 (0.050), 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 voting requirement of the Headlee Amendment to the Michigan Constitution, because the legislative authority to approve such a millage pre-dates Headlee by 65 years. The Washtenaw County Board of Commissioners has annually approved a Public Act 88 millage beginning in the fall of 2009.

**DISCUSSION:**

Washtenaw County, along with the rest of Michigan, continues to experience an economic recovery best described as stagnant, slow job growth, 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 0.070 millage is approved by the Board of Commissioners, the millage would generate approximately \$972,635 annually and would cost a homeowner \$7.00 for every \$100,000 of his/her home's taxable value. If approved, County Administration is requesting that the \$972,635 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
- \$423,135 to fund activities of the Washtenaw County Office of Community & Economic Development 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 4-H activities, which include the allocation to the Washtenaw Farm Council for operating the Washtenaw County 4-H Youth Show
- \$82,500 to operate the MSU Extension 4-H Program
- \$52,000 to promote Heritage Tourism in Washtenaw County
- \$50,000 for the Detroit Region Aerotropolis

**IMPACT ON HUMAN SERVICES:**

None

**IMPACT ON BUDGET:**

Approval of the Resolution will result in approximately \$683,095 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 0.070 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, 2013, FOR USE IN CALENDAR YEAR 2014

WASHTENAW COUNTY BOARD OF COMMISSIONERS

November 6, 2013

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 recovery best described as stagnant, slow job growth, 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 0.070 mills pursuant to Act 88 of 1913 would provide approximately \$972,635 annually in economic development revenue and cost a homeowner \$7.00 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, the Office of Community & Economic Development will be responsible for administration of Act 88 funds, including execution of contracts in accordance with this resolution; and

WHEREAS, it is now proposed that the Board of Commissioners approve a millage of 0.070 mills to promote the agricultural, industrial and tourist advantages of Washtenaw County; and

WHEREAS, it is proposed that the 0.070 mills, which will generate approximately \$972,635 be assessed and collected in December, 2013, to fund the following programs in calendar year 2014:

- \$200,000 for Ann Arbor SPARK;
- \$50,000 for SPARK East;
- \$100,000 for Eastern Leaders Group;
- \$423,135 to fund activities of the Washtenaw County Office of Community & Economic Development;
- \$82,500 to operate the MSU Extension 4-H program;

- \$15,000 to fund the 4-H Youth Show;
- \$52,000 to promote Heritage Tourism in Washtenaw County
- \$50,000 for the Detroit Region Aerotropolis

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 0.070 mills to be levied against all real property in the County, which will generate approximately \$972,635 to be collected in December, 2013, for use in calendar year 2014 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.