

* **Volunteers in Michigan Cities**

Michigan Downtown Conference
September 14, 2011

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* Citizens Research Council of Michigan

- * Founded in 1916
- * Statewide
- * Nonpartisan
- * Private not-for-profit
- * Promotes sound policy for state and local governments through factual research
- * Relies on charitable contributions from Michigan foundations, businesses, organizations, and individuals

- * Where we've been
- * Current condition of economy for local governments
- * What does this mean for local governments?
- * DDAs/Economic Development
- * Need for volunteers

*Today's Agenda

*** Michigan's
Prolonged
Recession**

* The Last Decade was an Economic Disaster for Michigan

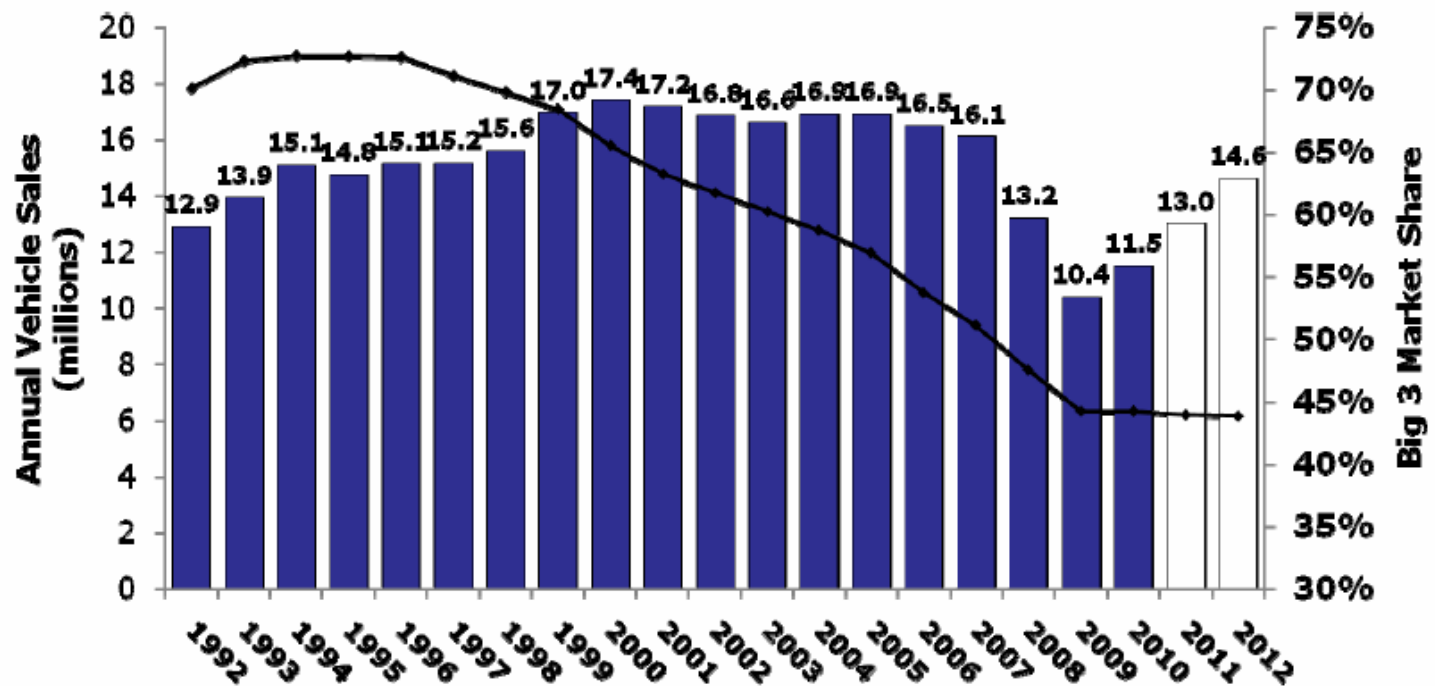
	<u>Growth 2000 to 2010</u>		<u>Michigan</u>
	<u>U.S.</u>	<u>Michigan</u>	<u>Rank</u>
Population	9.5%	-0.2%	51
Real Per Capita GDP*	6.7%	-6.4%	50
Employment	-1.5%	-17.4%	51
Real Per Capita Income**	5.7%	-4.4%	50

*Georgia is 51st with a decline of 6.7%.

**Nevada is 51st with a real decline of 5.7%

Source: BEA and CRC calculations.

Big 3 Market Share Plummet

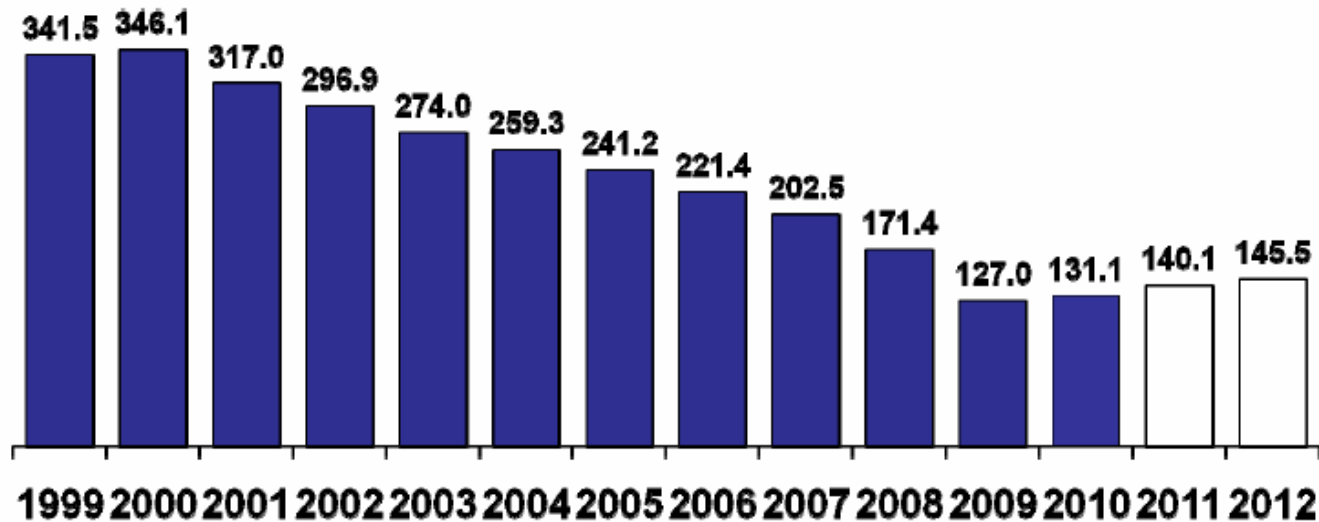


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Source: 2010-2012 sales are the May 2011 Cons. Estimates; 2010-2012 share MI Dept of Treasury

2 in 3 Auto Jobs Lost

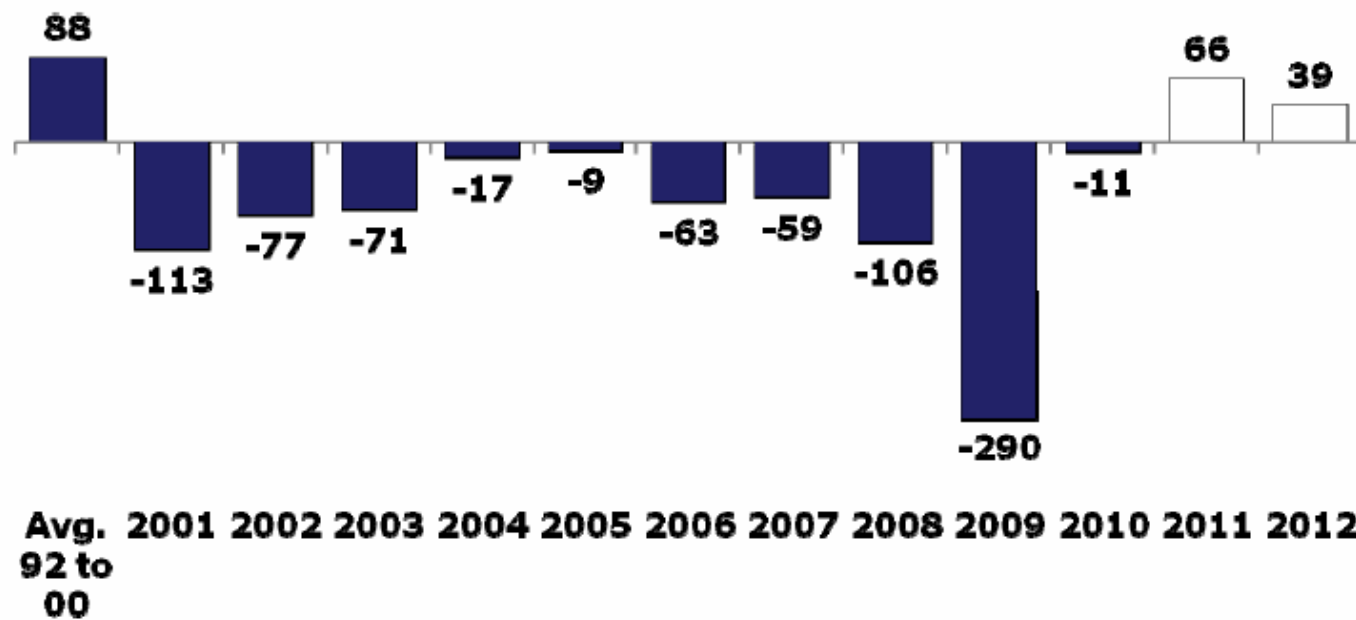
Michigan Transportation Equipment Employment
(In Thousands)



Source: Bureau of Labor Statistics. 2011-2012 estimates are the May Consensus estimates.

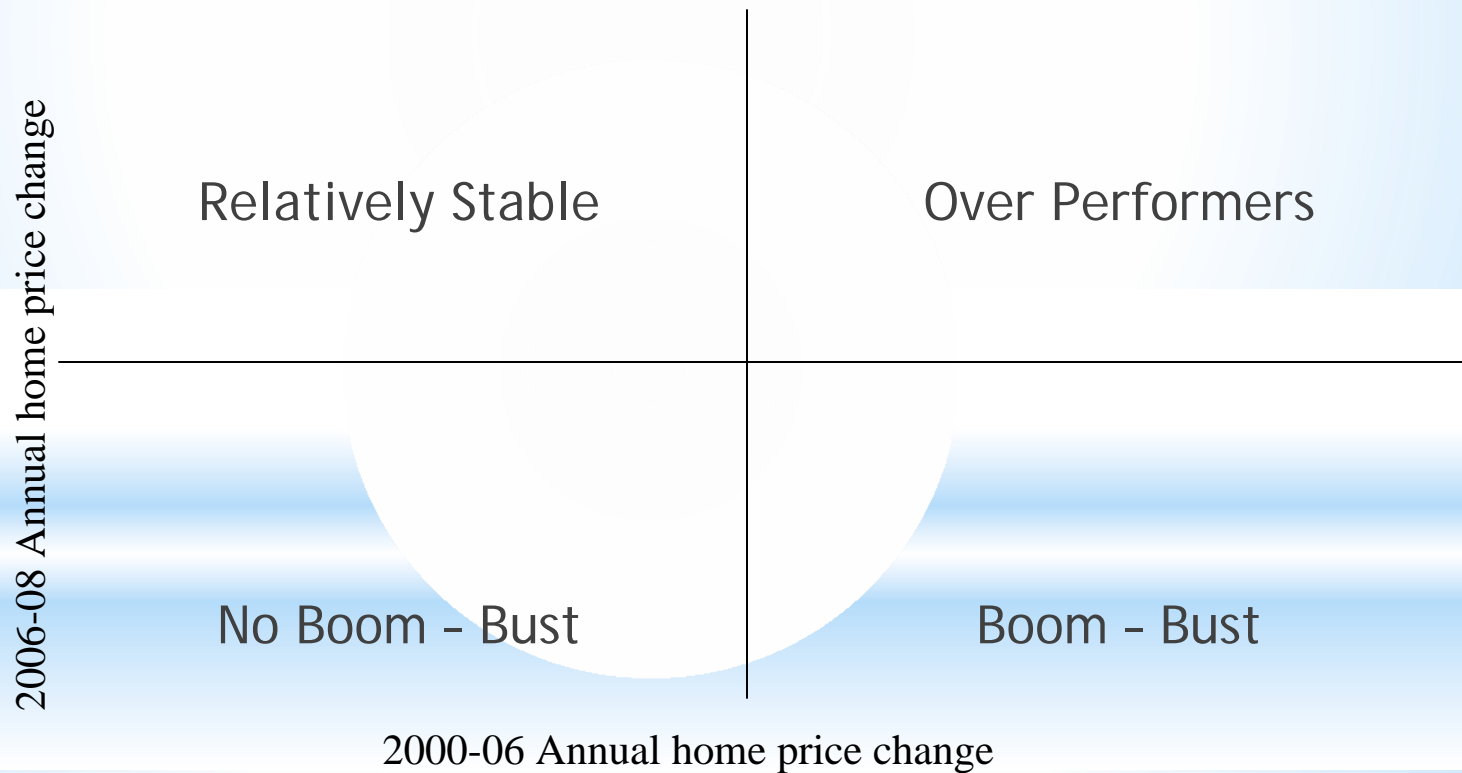
Michigan Employment Fell For 10 Straight Years

Annual Change in Wage and Salary Employment (000)



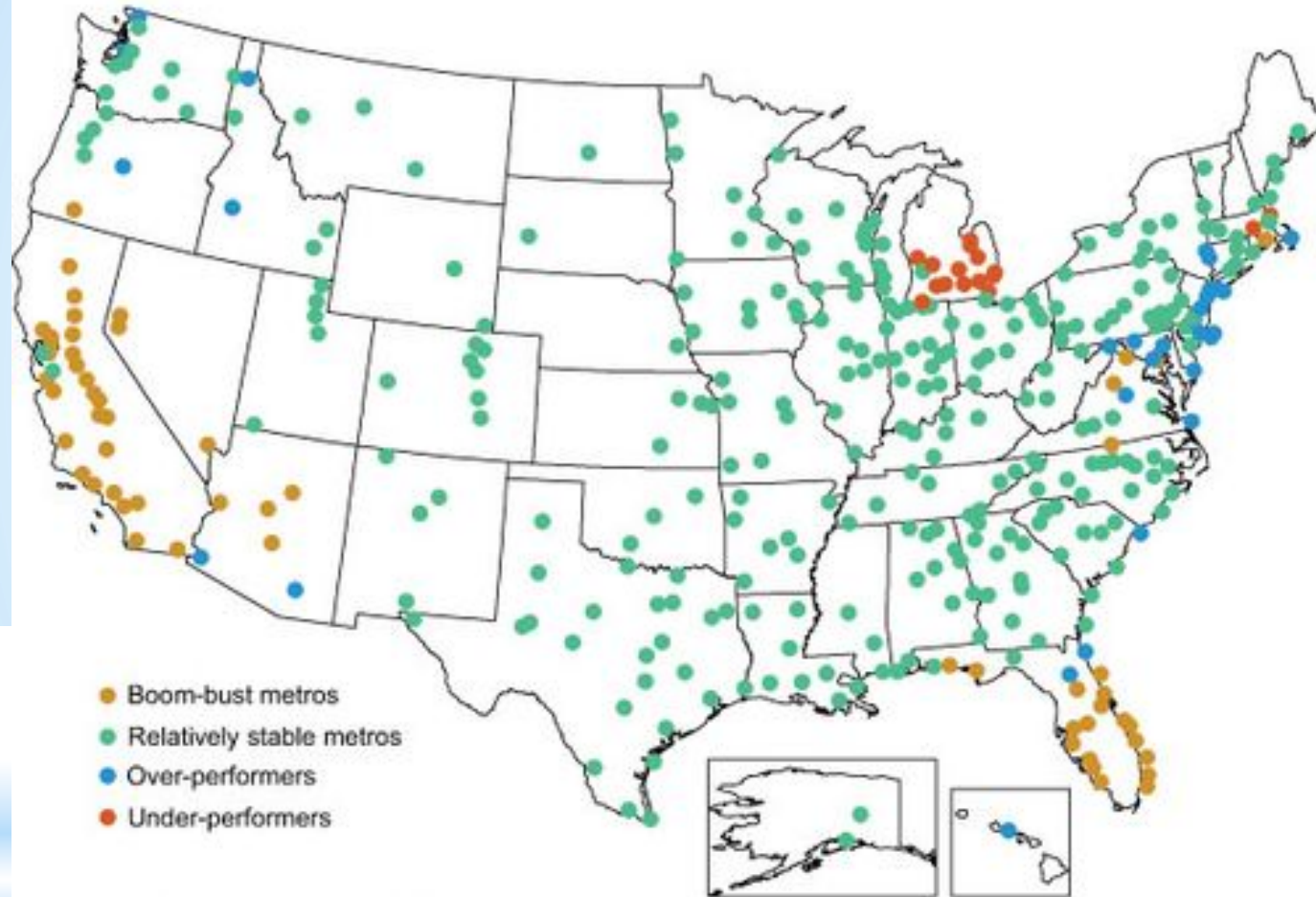
Source: Bureau of Labor Statistics and CRC calculations. FY 2011 and FY 2012 are the May 2011 Consensus totals.

*Real Estate Markets



Source: *Bypassing the Bust: The Stability of Upstate New York's Housing Markets during the Recession*, Abel & Deitz, Federal Reserve Bank of New York, Current Issues in Economics and Finance, Vol. 16, No. 3, Mar. 2010

The Geography of the U.S. Housing Cycle

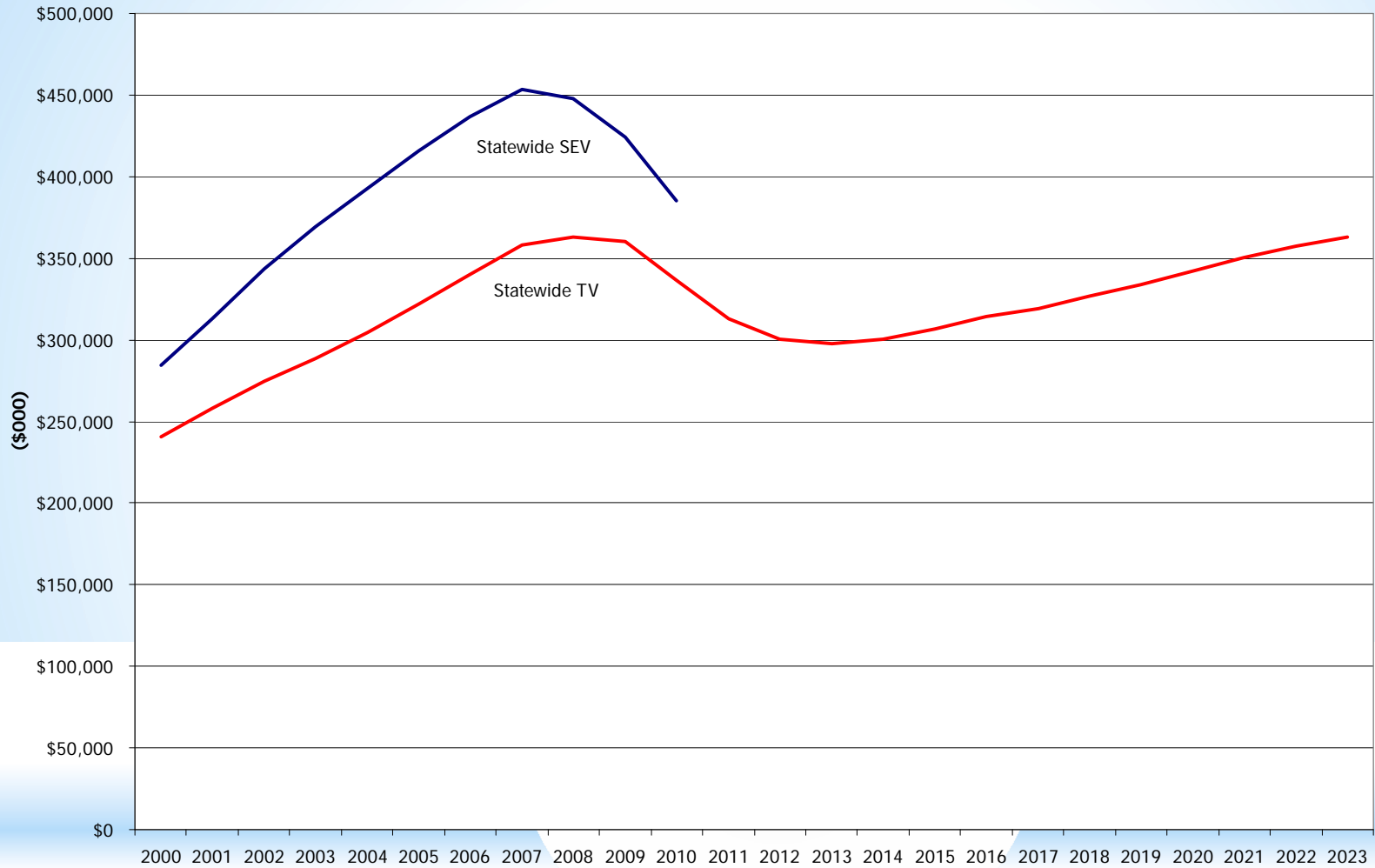


Source: CoreLogic Home Price Index.

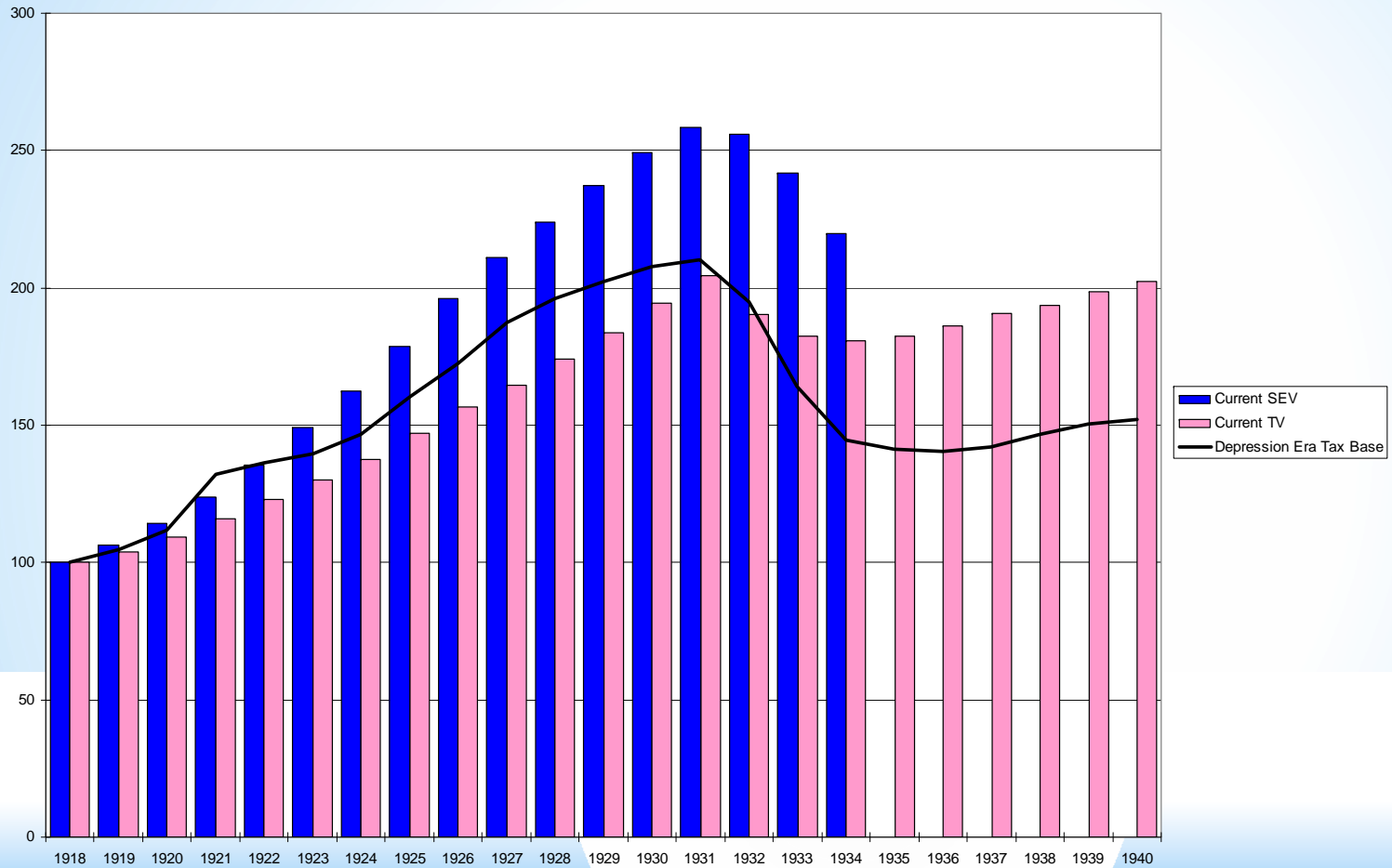
*** Housing Markets in Urban Areas**



* Local Government Revenues

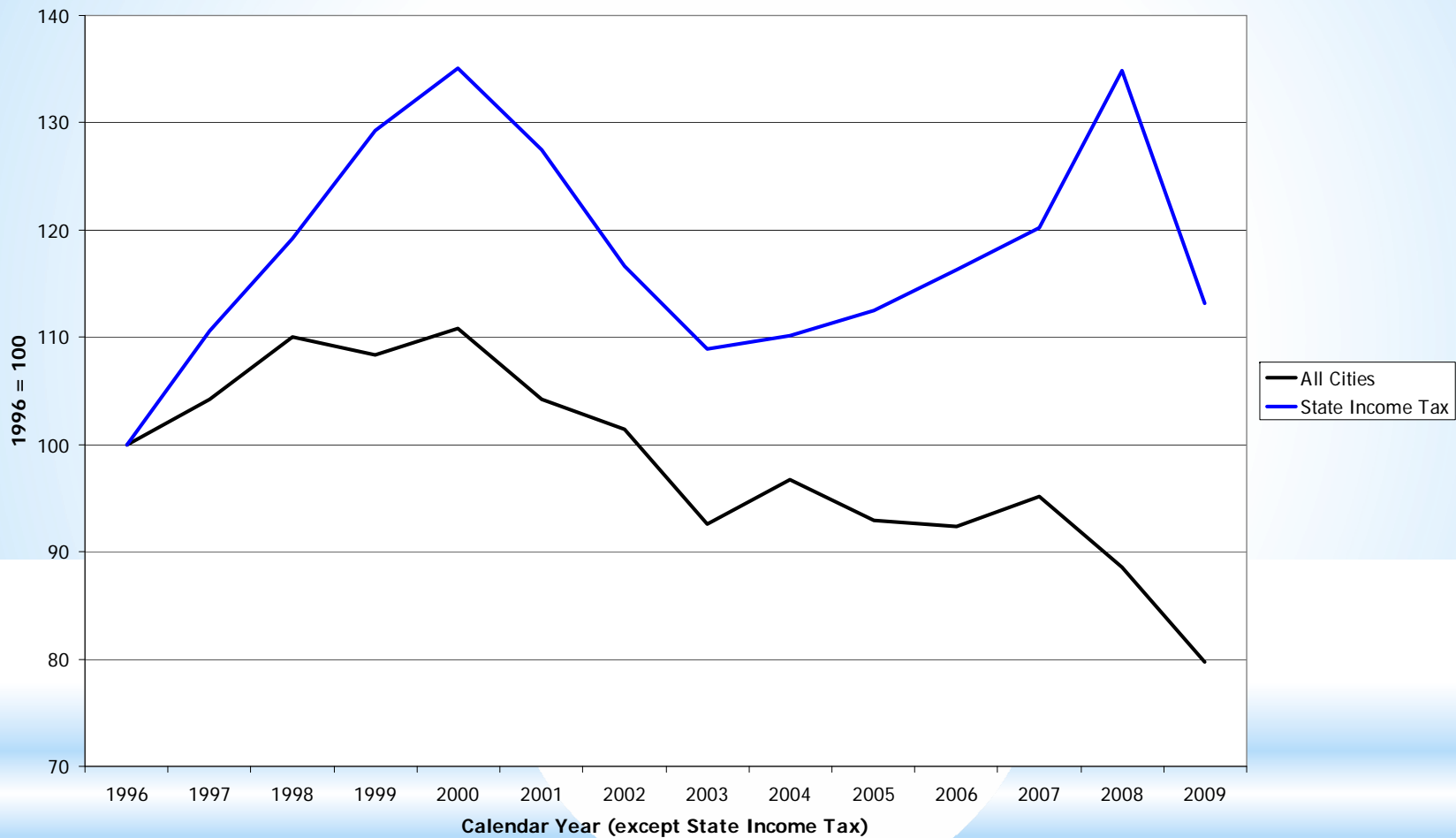


*** Prolonged Recovery**

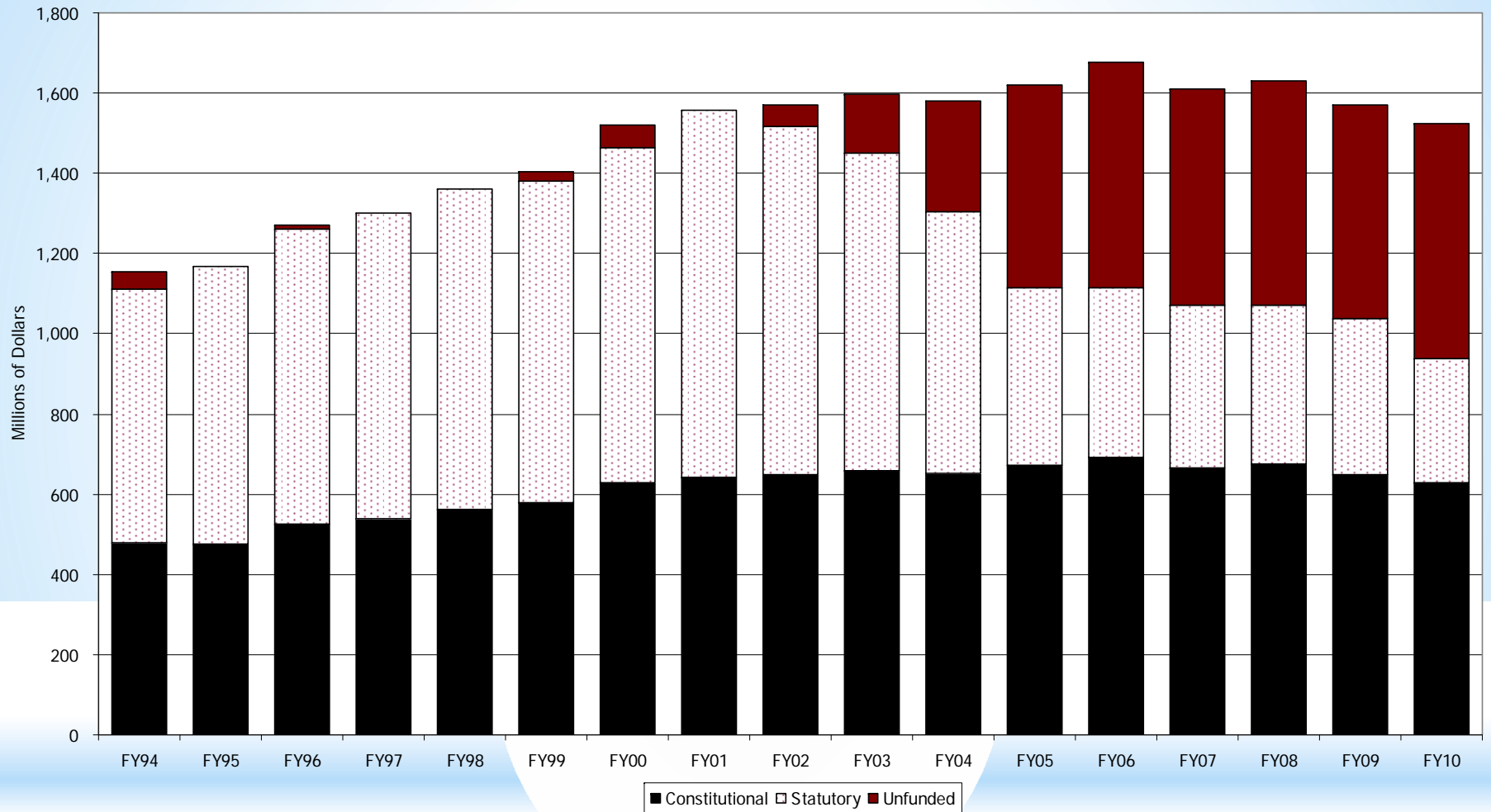


*** Decline in Property Tax Base**

Revenue Trends for Michigan City Income Tax Revenues



*** State and City Income Tax Revenues,
1996 - 2009**



*** Actual & Foregone
State Revenue Sharing**

*DDA Financing

- * DDAs possess the authority to levy one mill tax on downtown properties
- * DDAs possess the authority to capture growth in tax revenues

*** DDAs/Economic Development**

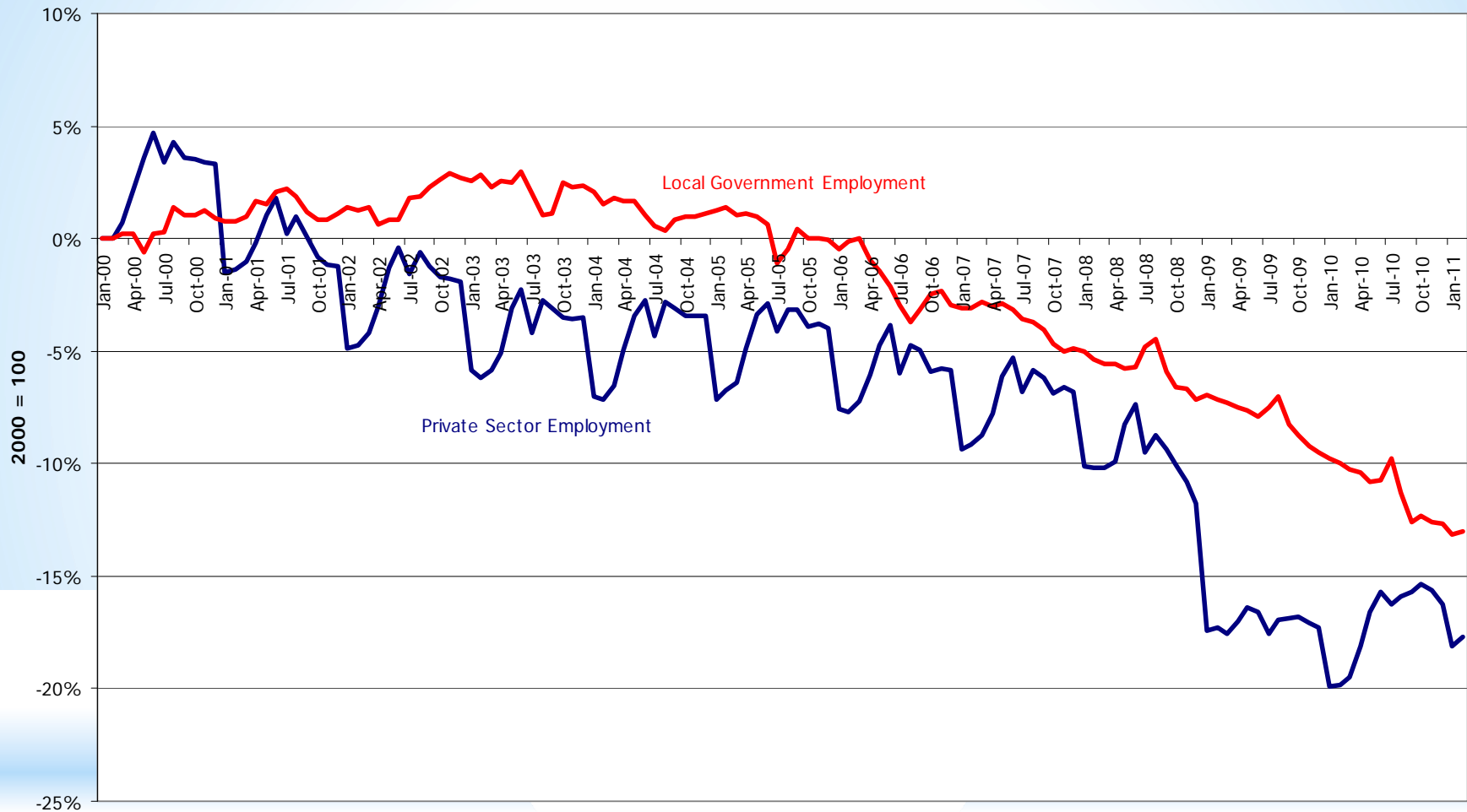
- * Subject to same erosion of tax base as other areas/taxes
- * Proposals to exempt personal property from taxation
 - * Primarily commercial and industrial properties
- * Used to fund administration, minor downtown improvements, etc.

*** DDAs - 1 mill tax**

- * Major revenue source and most important aspect of DDAs
- * TIF allows for the capture of property tax revenues from the levy by all local gov'ts on the increase of taxable value in the district over the base year
- * Primarily used for infrastructure improvements in the district
 - * Bonds sold to be repaid with captured tax revenues

* DDAs - Tax Capture

*** How are Local Governments Reacting?**



*** Local Government Response to Date - Downsize**

- * Libraries
 - * Whole libraries (Troy)
 - * Library branches (Dearborn)
- * Parks & Recreation programs
- * Foregone infrastructure maintenance/improvement

* Elimination of Some Services

- * Fewer police and firefighters than in 2001
- * Less frequent grass cutting in summer
- * Parking lines repainted once every 10 years instead of 5 years
- * Single street sweeping

*** Performance of Some Services on a
Less Frequent Schedule**

* A Call to Action

The Need for Volunteers

- * This recession is changing the face of local government in Michigan
- * Many more services will either be
 - * ended
 - * scaled back
 - * provided collaboratively with neighboring communities
 - * provided with the help of volunteers
- * This is not universally understood
 - * Need to share your city's story to get the word out to those from whom you want to draw volunteers

*** A Call to Action**

- * Infrastructure

 - * Parks

 - * Streetscapes

 - * Street/Sidewalk Cleaning

- * Think adopt-a-highway type programs

*** How can Volunteers Help?
What are the needs?**

- *Economic Development
- *Ambassadors

***Need for Volunteers**

- * City Business Functions

- * Clerical

- * Human Resources

- * IT/Website

- * Janitorial

- * Other City Services

- * Parks & Rec Programs

- * Library

*** Need for Volunteers**

*Thank You for your attention

Questions?

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