

June 12, 2024

Imagining an Urban Agenda for Michigan

In a Nutshell

- Michigan lacks an urban agenda. As a result, state activities do not always coordinate with local government efforts.
- The lack of an urban agenda contributes to inefficient government operations. Without it, people and businesses have sprawled, governments have had to spend extra to lift the people and places left behind, and Michigan’s cities have struggled to create thriving places young adults seek.
- An urban agenda would reform local governance, economic development, and transportation policy.

Body Recently, Governor Whitmer announced the economic development strategy “Make it in Michigan.” Details of the plan are expected in the upcoming weeks, but it has thus far called for investments in education, new economic development tools for community revitalization, and a Transformational Brownfield fund. It’s a good starting place that recognizes not only how past strategies haven’t worked, but also why the state needs to enact an urban agenda. An urban agenda will make Michigan better able to retain and attract current and future residents and improve the efficiency of government by coordinating state and local efforts, abating the need to spend extra on the people and places left behind by urban sprawl, and better using the state and local tax dollars collected.

An urban agenda is a somewhat elusive concept that could take many forms, but here are three areas the state could reform that bring us closer to an urban agenda: local governance, economic development, and transportation policy.

Governance

Good governance is essential to thriving communities and is the foundation of economic development. Right now, Michigan’s local governments operate in a policy environment that drives fiscal distress. In many ways, the state has taken the position that local fiscal distress is a local problem rather than a symptom of an ineffective local government finance system often created by the state. The state must recognize that local governments need the organizational and technical capacity to deal with increasingly complicated issues, like zoning, climate resiliency, and public health. As it relates to local governance, the major elements of an urban agenda might include:

- Tax policies that reward economic activity and disincentivize urban sprawl.
- A state revenue sharing system that reflects the fiscal capacity of local governments and the demand for services caused by density and a lack of community wealth.
- A state boundary commission with the power to make decisions that are best for a given region in particular and the state at large.
- A K-12 education finance system that more completely recognizes the additional costs of educating different students such as those from impoverished homes.
- Greater state involvement in funding school facilities to equalize the capacity to improve learning environments.

Economic Development

Smart economic development can contribute to the revitalization of communities throughout the state and lead to infill development and lessen sprawl. However, a poorly designed state economic development strategy can also exacerbate existing inequalities and lead to further development sprawl, especially if the tools are available to communities with varying degrees of economic hardship. If a developer can receive the same incentive for investing in an area that is doing relatively well compared to another that is challenged, the developer usually prefers the better community. The state's economic development strategy needs to contend with this reality and make some tools available to only truly distressed communities. Effective community targeting is only one element of an urban agenda. Other elements might include:

- State economic development activities that recognize the cost and capacity issues related to location decisions. Locating plants in "greenfields" without the nexus of people to fill jobs will create cost pressures to build new subdivisions, build new infrastructure to support it, and increase the local government workforce to serve the new population.
- A finance system that imposes cost on new development that reflects increasing demand for public services.
- Management of water and sewer systems in ways that do not subsidize sprawl.

Transportation

The impact of transportation policy on urban decline and suburban sprawl cannot be overstated. Detroit's early embrace of limited-access highways and wide arterial roads imposed noise pollution, air pollution, and safety concerns, and likely contributed to many residents' decision to leave the city for suburban communities. Current policies support an auto-centric sprawling development pattern, despite research that shows people with places to walk are the most satisfied with their quality of life. The state employs outdated techniques for evaluating system performance to determine the need for capacity increases and the primary funding mechanism (Public Act 51) does not do a good job of allocating resources to areas of the state with greatest needs. This is a major detriment to the state's prosperity and quality of life. Responsible capacity increases and state support for walkable neighborhoods are just two possible elements of an urban agenda. Other elements might include:

- Development of robust mass transit.
- A road funding system that directs state funding to places of population density and commercial and industrial business concentrations.
- A state plan to address the negative impacts of the transportation system on urban neighborhoods.

An Urban Agenda is Key to Michigan's Prosperity

An urban agenda can contribute to the prosperity of Michigan's communities and help to control the growth of state and local taxes. In the absence of such an agenda, communities on the urban fringes have had to increase taxes to fund municipal services at the same time older cities struggle to serve the people and businesses that remain. State and local resources are stretched thinner addressing the cost of infrastructure and service provision. The collective cost of local government increases faster than inflation or other standard measures of economic growth.

An urban agenda isn't a panacea for Michigan's population loss. Regardless of any policy changes, Michigan can't yet compete with states like Florida or North Carolina on weather. However, an urban agenda that focuses on reforming local governance, economic development, and transportation will allow Michigan to compete where it can: culture, thriving cities, natural resources, and education.

ABOUT THE AUTHOR

Chelsea Dowler - Research Associate, Local Government Affairs



Chelsea Dowler joined the Research Council in 2023 as a Research Associate focusing on local affairs. Previously, Chelsea was a nonpartisan Research Analyst at the Michigan Legislative Service Bureau where she specialized in the policy areas of alcohol, cannabis, housing, public utilities, and transportation. Chelsea received her bachelor's degree in economics and master's of public policy from Michigan State University.

Founded in 1916, the Citizens Research Council of Michigan works to improve government in Michigan. The organization provides factual, unbiased, independent information concerning significant issues of state and local government organization, policy, and finance. By delivery of this information to policymakers and citizens, the Citizens Research Council aims to ensure sound and rational public policy formation in Michigan. For more information, visit www.crcmich.org.

Southeast Michigan

38777 Six Mile Rd. Suite 208, Livonia, MI 48152
(734) 542-8001

Mid Michigan

115 W Allegan St. Suite 480, Lansing, MI 48933
(517) 485-9444
Detroit (313) 572-1840
West Michigan (616) 294-8359

A Fact Tank Cannot Run on Fumes

Do you want to ensure better policy decisions and better government in Michigan? A donation to support our organization will help us to continue providing the trusted, unbiased, high-quality public policy research Michigan needs. We also accept charitable bequests. Click the gas tank to donate or learn more about planned giving.

