

## Appendix

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# APPENDIX



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## **APPENDIX A:** MARKET STUDY REPORT





## **Appendix A**

## Evaluation of Demographic, Workforce and Market Conditions

**Prepared by Millier Dickinson Blais Inc** 

November 2014



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## **Preamble**

Appendix A presents an evaluation of Pontiac's demographic, workforce and market conditions. Within Appendix A the following elements were evaluated:

- Demographic profile
- Inventory of existing workforce in Pontiac
- Inventory of existing businesses by type in Pontiac

The following data sources were obtained to complete the analysis:

- Census Summary Files 2000
- American Community Survey Estimates<sup>1</sup> 2010, 2012, 2013
- The Southeast Michigan Council of Governments 2040 Forecast
- Occupational Employment Survey Estimates 2000-2014
- County Business Patterns 2008, 2012
- Business Dynamic Statistics 2014

Part of the evaluation also involves comparing Pontiac against similarly sized cities. For the purpose of this appendix, Pontiac has been compared against the following geographies and for the following reasons:

- The City of Southfield known as Detroit's upscale office market; represents a significant Oakland County community
- The City of Troy the largest city in Oakland County; ranked as one of the top places to live in the United States
- The City of Novi one of the fastest growing cities in Michigan; one of the fastest growing cities for business creation
- The City of Farmington second largest city in Oakland County; recently renovated downtown
- The City of Royal Oak one of southeast Michigan's prominent cultural centres
- **Oakland County** Pontiac's County
- Macomb County; Wayne County Detroit's County; adjacent to Oakland County; A
  part of the Tri-County Region
- Michigan and United States

<sup>&</sup>lt;sup>1</sup> Inherent in the design of the American Community Survey (ACS) is a tradeoff between timeliness, accuracy, and geographic specificity; given limited resources and therefore a limited sample size, it's impossible to have all three of these desirable properties simultaneously.

To give researchers better control over how exactly these tradeoffs are calibrated, the ACS provides estimates of demographic characteristics in terms of 5-year, 3-year, and 1-year timeframes.

Given that we are dealing with midsize cities, the choice was really between the 3-year and 5-year estimates. (1-year estimates are available for most cities, but omit Pontiac as well as several cities used for comparison. Further, as will be explained below, cities that barely met the population thresholds for inclusion in the 1-year data may suffer from high margins of error that would make their use questionable.)

To make the decision between the 3-year and 5-year data, we follow the Census Bureau's advice and look at a metric known as the Coefficient of Variation (CV). The Bureau emphasizes that an acceptable CV should ultimately be a function of the estimate's intended use. As such all ACS source data tables are intended to be recognized as estimates.

## **Demographic Profile**

## **1.1 Population**

In 2000, the population of Pontiac, Michigan was 66,337 and represented 5.5% of Oakland County's population of 1.2 million people, but as the table below demonstrates it was comparable in size to neighboring cities such as Royal Oak. By 2010, however, it is estimated to have declined by 6,822 since 2000 to a population of 59,515 with continued population declines out to 2040. Recent estimates however, suggest that the city of Pontiac is slowly rebounding with 191 residents added from 2010 to 2013.

Municipalities								Counties	
Year	Pontiac	Farmington Hills	Novi	Royal Oak	Southfield	Troy	Oakland County	Macomb County	Wayne County
2000	66,337	82,111	47,386	60,062	78,296	80,959	1,194,156	788,149	2,061,162
2010	59,515	79,740	55,224	57,236	71,739	80,980	1,202,362	840,978	1,820,584
2013	59,706	80,760	56,939	58,543	72,570	82,168	1,221,103	848,455	1,789,819
2020	57,180	78,546	57,805	57,794	71,420	81,362	1,218,449	863,378	1,700,779
2030	56,063	81,034	57,761	58,000	71,892	81,577	1,230,755	884,865	1,664,635
2040	55,870	81,897	57,897	59,105	72,418	82,062	1,246,863	905,390	1,656,931

#### TABLE 1: HISTORIC AND FORECASTED POPULATION, 2000-2040, WITH 2013 ESTIMATES

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates; SEMCOG 2040 forecast

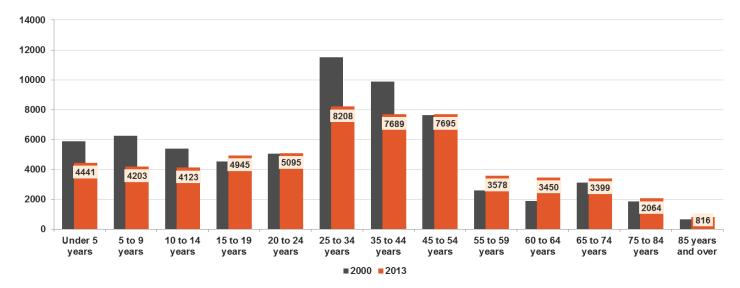
Although the city of Pontiac only represents a small percentage of the population in Oakland County, the projected population decline of the city, in comparison to the forecasted growth of the county overall, is indicative of a local economy that is not able to attract and retain its population. As the chart below demonstrates the city of Pontiac is not matching the population growth of neighboring communities.

#### TABLE 2: CHANGE IN HISTORIC AND FORECASTED POPULATION, 2000-2040, WITH 2013 ESTIMATES

	Municipalities							Counties			
Year	Pontiac	Farmington Hills	Novi	Royal Oak	Southfield	Troy	Oakland County	Macomb County	Wayne County		
2000 to 2010	-10.3%	-2.9%	16.5%	-4.7%	-8.4%	0.0%	0.7%	6.7%	-11.7%		
2010 to 2013	0.3%	1.3%	3.1%	2.3%	1.2%	1.5%	1.6%	0.9%	-1.7%		
2013 to 2020	-4.2%	-2.7%	1.5%	-1.3%	-1.6%	-1.0%	-0.2%	1.8%	-5.0%		
2020 to 2030	-2.0%	3.2%	-0.1%	0.4%	0.7%	0.3%	1.0%	2.5%	-2.1%		
2030 to 2040	-0.3%	1.1%	0.2%	1.9%	0.7%	0.6%	1.3%	2.3%	-0.5%		

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates; SEMCOG 2040 forecast

As seen in Table 2, between 2000 and 2010 many of the surrounding communities around the city of Pontiac have experienced population declines, however, none as severe as the city's 10.3% decline. Over the past thirteen years between 2000 and 2013 it is estimated the most significant population change in the city of Pontiac has been a decrease, or an out-migration, of individuals between the ages 25 to 34 years. The future retention of the city's youth should be seen as key to its future success.



#### FIGURE 1: POPULATION BY AGE, PONTIAC, 2000 AND 2013

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates; generated by Millier Dickinson Blais Inc; (November 6 2014)

In comparison, over the same time period the city of Novi has exceeded the growth of surrounding communities, with population growth of 16.5%, and has exceeded the projected growth of the county as well. Over the long term Oakland County is projected to grow by almost 53,000 residents. If the continued contraction of the city of Pontiac continues as other cities grow as forecasted it will become the smallest of the compared cities by 2020 and therefore needs to take a proactive approach to halt the continued decline and capture some of the growth that is forecasted across the county.

Despite this outward migration one of the advantages that the city of Pontiac does have is that it still has a relatively young population with 30% of its population under the age of 19. In comparison only 25% of Oakland County's population is under the age of 19, and both Michigan and the United States have 26% of their population under the age of 19. This younger population results in a younger median age of 33.4 years for the community, well below 40.7 years for Oakland County, and 39.4 and 37.4 years for Michigan and the United States, respectively.<sup>2</sup> Only 11% of the city's population is 65 years or older, which is 3% lower than the percentage of the population of Oakland County and the United States (14%). This has important implications regarding local education opportunities for residents and to ensure that Pontiac and Oakland County will have the educated and skilled workforce necessary to be successful in the future.

<sup>&</sup>lt;sup>2</sup> SEMCOG, 2013 ACS Three Year Estimate, Pontiac, MI, Oakland Country, MI, Michigan, and the United States.



## **1.2 Educational Attainment**

For the city of Pontiac to leverage this competitive advantage of its younger population it will need to ensure that it can retain the skilled and educated workforce that is in demand by today's employers. Since 2000 the city has made great strides in increasing the number of attaining a high education by the age of 25.

	Pontiac		United States		Pontiac	United States	
	2000	2013	2000	2013	%∆ <b>200</b>	0-2013	
Less than 9th grade	9.2%	7.0%	7.5%	5.8%	-23.6%	-22.6%	
9th to 12th grade, no diploma	21.8%	15.0%	12.1%	7.9%	-31.1%	-34.7%	
High school graduate	32.5%	34.4%	28.6%	28.0%	5.7%	-2.0%	
Some college, no degree	21.5%	26.4%	21.0%	21.2%	22.9%	0.7%	
Associate's degree	4.6%	6.2%	6.3%	7.9%	34.5%	25.5%	
Bachelor's degree	7.2% 7.8%		15.5%	18.2%	8.0%	17.0%	
Graduate or professional degree	3.1%	3.1%	8.9%	10.9%	0.9%	23.3%	

#### TABLE 3: EDUCATIONAL ATTAINMENT RATES, POPULATION 25 YEARS AND OVER, 2000 AND 2013

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates

Between 2000 and 2013 the city of Pontiac has successfully decreased the number of people dropping out of high school from 21.8% to 15% however it still remains well above the national rate of 7.9%. What should be an area of concern is the lack of skilled workers who have completed successfully attained a post-secondary education. As the economy continues to move away from a manufacturing based economy and towards a more service based knowledge economy it will be important to attract and retain skilled talent.

Currently, less than 18% of the city's population over the age of 25 has successfully graduated from either a college or university. In comparison, 35% and 37% of Michigan's and the United States, respectively, working age population has completed some type of post-secondary education. This leaves the city at a competitive disadvantage in attracting employers that would require a highly skilled and educated workforce.

Although 34% of city's working aged population has graduated from high school, as noted above they have not continued to pursue a post-secondary education. 26.4% have attended, but not completed; a college degree, only 6.2% have an Associate's degree, 7.8% a bachelor's degree, and 3.1% hold a graduate or professional degree. Examining opportunities for retraining, or 'upskilling' the current workforce should be considered a priority when looking at future economic drivers.

## **1.3 Migration Patterns**

Migration into the city of Pontiac as means of attracting talent should also be a consideration. As the table below indicates there is room for improvement in order to be as competitive as neighboring cities.

	Pontiac	Farmington Hills	Novi	Royal Oak	Southfield	Troy	Oakland County
Same house	77.2%	82.4%	87.8%	83.0%	80.8%	87.1%	85.9%
Different house - Same county	18.0%	7.9%	5.0%	10.9%	9.8%	6.0%	8.3%
Different house - Different county - Same State	3.4%	6.2%	4.0%	3.4%	7.2%	4.0%	3.8%
Different house - Different State	1.1%	2.2%	1.8%	2.4%	1.4%	0.9%	1.3%
Abroad	0.3%	1.4%	1.4%	0.3%	0.8%	2.1%	0.8%

#### TABLE 4: ESTIMATES ON PLACE OF RESIDENCE, ONE YEAR AGO, 2013

Source: U.S. Census Bureau; ACS 2013, 3 Year Estimates; generated by Millier Dickinson Blais Inc; (November 6 2014)

77.2% of city's population resided at the same house over the course of the past year, but 18% resided at a different house, but in the same county. This indicates a local population that is more mobile in comparison to neighboring cities, the county, the state, and the United States. However, people are not migrating from other parts of the country. Only 4.4% of new residents in the city of Pontiac relocated from outside the county or state, and 0.3% migrated from abroad; resulting in the lowest in-migration of compared cities and lower than both Oakland County and Michigan. In comparison, all other comparable cities had higher rates of their local population residing within the same house and rather than attracting new residents from within the county, they were able to attract migrants from other parts of Michigan, the country, and abroad. All of these are indicators that the city of Pontiac is not perceived as a desirable city to relocate to and is having difficulty attracting residents to the city.

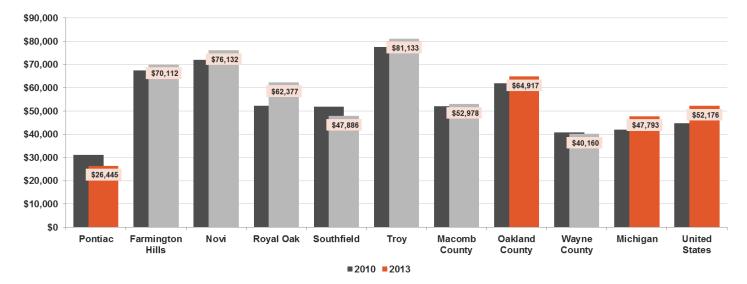
## 1.4 Household Income

One of the most important indicators that dictate the wellbeing of a community is the household income of its residents. As Figure 2 suggests, the city of Pontiac is lagging behind surrounding cities and is well below both the state and national median income levels.

In 2010 the median household income in the city was \$31,207. By 2013, that had declined to an estimated \$26,445; well below the median income of Oakland County at \$64,917. The already low and continued decline of wealth in the community is better understood when look at a detailed breakdown of household income in Figure 3.

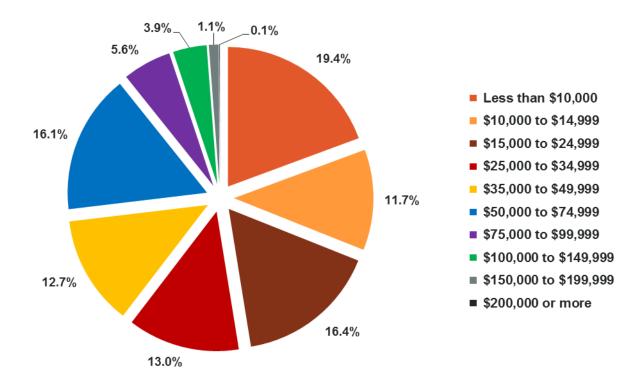
The median household income in the city is concentrated in households that are earning less than \$25,000 with almost a complete lack of households earning more than \$100,000. The potential advantage that this offers the city is the ability to provide lower labour costs than many surrounding cities or communities across the state.





#### FIGURE 2: MEDIAN HOUSEHOLD INCOME, 2010 AND 2013

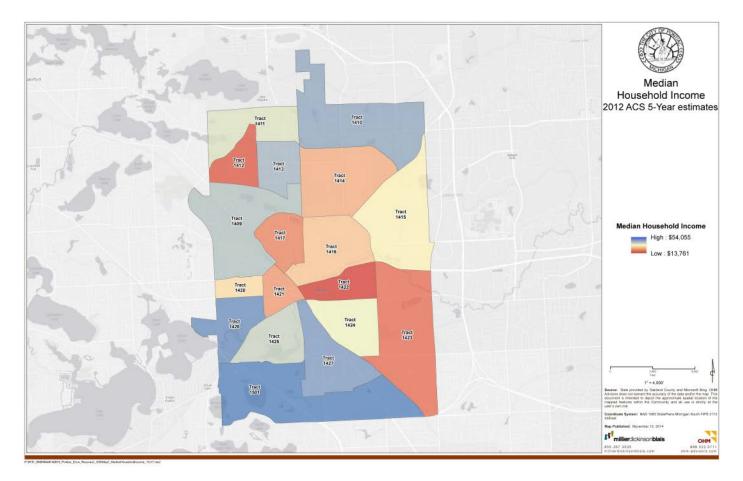
Source: U.S. Census Bureau; ACS 2013, 3 Year Estimates



#### FIGURE 3: ESTIMATED HOUSEHOLD INCOME, 2013

Source: U.S. Census Bureau; ACS 2013, 3 Year Estimates

An in-depth look at the city of Pontiac's median household income by census tract illustrates a disparity between parts of the city. Areas approaching the city center are estimated to have a lower median household income. Traditionally, these areas have focused on industrial and retail development. Traditional suburban homes (residential neighborhoods situated to the south, west and north of the city center) remain highly above the average county rate.



#### MAP 1: MEDIAN HOUSEHOLD INCOME BY CENSUS TRACT, 2012 5 YEAR ESTIMATES

Source: U.S. Census Bureau; ACS 2012, 5 Year Estimates

## **1.5 Race and Ancestry**

In 2012, the population of Oakland County was estimated to be 79% White 14% African American, 6% Asian, and the remaining 1% comprised of other minorities. However, when we examine the population of the city of Pontiac and compared cities it can be seen that many of the local communities have distinct racial compositions.

	Pontiac	Novi	Farmington Hills	Royal Oak	Southfield	Troy	Oakland County
White	41%	76%	70%	94%	27%	75%	79%
Black or African American	53%	7%	17%	3%	71%	4%	14%
Asian alone	3%	17%	12%	3%	2%	20%	6%
Some other race	3%	1%	1%	1%	1%	1%	1%

#### TABLE 5: TOTAL POPULATION BY DETAILED RACE, 2012

Source: SEMCOG Region

Over half the population of the city of Pontiac is Black or African American compared to Farmington Hills, Novi, Royal Oak, and Troy that are all cities that are mainly White. The only other city in the surrounding area that also has a predominately Black or African American population is Southfield. It is therefore important that any development plans moving forward look for active community engagement.

Based on percentage of the total population the largest ethnic groups in the city are German (7%) and Irish (5.4%) and American (3.1%) ancestry. In Oakland County, the largest ethnic groups are German (17.8%), Irish (11.7%), Polish (10.1%), and English (9.4%). Interestingly, the city of Pontiac's neighbors represent a higher proportion of German and Irish ancestry, with Southfield having a similar outlook as Pontiac. This may be a direct relation to the cities of Pontiac and Southfield being traditionally working class and less suburban residential in composition.

## **Workforce Profile**

## 2.1 Labour Force Characteristics

In 2000, the city of Pontiac had a total labour force of 29, 716 people. By 2013 it was estimated that city's labour force had declined by 7.3% with an estimate of 5,527 individuals unemployed. From 2000 to 2013 it is estimated that the city's unemployed population has increased by 80%. While considerably high, the change in unemployment is lower in the city of Pontiac when compared to comparator cities in Oakland County, the county, the state and the national average.

#### TABLE 6: CHANGES IN THE TOTAL LABOUR FORCE. 2000 AND 2013

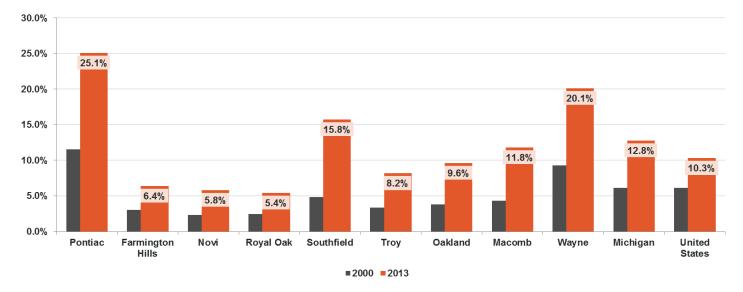
	Pontiac			Fa	rmington H	lills	Novi			
	2000	2013	∆%	2000	2013	$\Delta$ %	2000	2013	∆%	
In the Labour Force	29,716	27,538	-7.3%	43,481	43,571	0.2%	26,552	31,121	17.2%	
Employed	26,640	22,011	-17.4%	42,200	40,920	-3.0%	25,956	29,416	13.3%	
Unemployed	3,069	5,527	80.1%	1,269	2,623	106.7%	596	1,705	186.1%	
Not in the Labour Force	18,105	18,236	0.7%	21,905	23,036	5.2%	9,311	13,619	46.3%	
Participation Rate	62.1%	60.2%	-2.0%	66.5%	65.4%	-1.1%	74.0%	69.6%	-4.5%	
Unemployment Rate	11.5%	25.1%	13.6%	3.0%	6.4%	3.4%	2.3%	5.8%	3.5%	

	Royal Oak				Southfield	I	Тгоу		
	2000	2013	$\Delta \%$	2000	2013	$\Delta$ %	2000	2013	$\Delta$ %
In the Labour Force	36,360	37,568	3.3%	41,656	35,670	-14.4%	43,464	42,417	-2.4%
Employed	35,487	35,577	0.3%	39,714	30,776	-22.5%	42,032	39,136	-6.9%
Unemployed	873	1,932	121.3%	1,922	4,849	152.3%	1,423	3,201	124.9%
Not in the Labour Force	14,284	12,444	-12.9%	21,790	23,561	8.1%	18,894	23,597	24.9%
Participation Rate	71.8%	75.1%	3.3%	65.7%	60.2%	-5.4%	69.7%	64.3%	-5.4%
Unemployment Rate	2.5%	5.4%	3.0%	4.8%	15.8%	10.9%	3.4%	8.2%	4.8%

	Oa	kland Cour	nty		Michigan		Uı	nited States	
	2000	2013	∆%	2000	2013	$\Delta$ %	2000	2013	∆%
In the Labour Force	637,937	652,535	2.3%	4,926,463	4,835,348	-1.8%	138,820,935	158,624,461	14.3%
Employed	614,377	594,743	-3.2%	4,637,461	4,283,896	-7.6%	129,721,512	142,888,751	10.2%
Unemployed	23,436	57,247	144.3%	284,992	547,772	92.2%	7,947,286	14,725,319	85.3%
Not in the Labour Force	288,531	325,202	12.7%	2,704,182	3,056,420	13.0%	78,347,142	89,929,514	14.8%
Participation Rate	68.9%	66.7%	-2.1%	64.6%	61.3%	-3.3%	63.9%	63.8%	-0.1%
Unemployment Rate	3.8%	9.6%	5.8%	6.1%	12.8%	6.6%	6.1%	10.3%	4.2%

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates

The city of Pontiac's unemployment rate in 2013 is estimated to be approximately 25%. The city has one of the highest unemployment rates in Oakland County, Michigan and the United States. In comparison, Oakland County had one of the lowest unemployment rates across the state indicating a strong regional economy within Michigan. A high unemployment rate is an indicator that the city has not been able to attract investment into the community to create local jobs.



#### FIGURE 4: UNEMPLOYMENT RATES, 2000 AND 2013

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates

#### Self-Employment

Entrepreneurs base their decision to start a business on a range of factors, from age, education and assets to economic conditions. Self-employed worker rates present an interesting lens as many researchers have noted correlations between increased unemployment and increased desire to enter self-employment<sup>3</sup>. It is estimated that 4% of the city of Pontiac's total labour force is self-employed. In comparison, other county municipalities had total self-employed labour forces ranging between 4-6% of their total labour force. Interestingly, aside from the city of Novi, the city of Pontiac was the only city to have an increase in self-employed laborers from 2000 to 2013 among the comparator cities. This might be a direct correlation related to the amount of job opportunities available in the city enticing unemployed to enter self-employment. It is important that the City of Pontiac make available programs that improve and enhance self-employed business opportunities that in turn can grow and hire local laborers.

The City of Novi provides a great example on how a city can support self-employed workers. Novi has doubled its self-employed labor force since 2000 through local implementation of current State-wide programs. In 2011, the City of Novi approved a memorandum of understanding (MOU) between the City and the Michigan Opportunities and Resources for Entrepreneurs Program (MORE) to promote the Statewide Entrepreneurship Support System (SESS)<sup>4</sup>. The MOU provided self-employed workers in Novi

<sup>&</sup>lt;sup>3</sup> Employment Transitions among the Self-Employed during the Recession; Julia Beckhusen, Social, Economic & Housing Statistics Division, U.S. Census Bureau, Washington, DC 20233

<sup>&</sup>lt;sup>4</sup> City of Novi: Invest in Novi, http://investnovi.org/News/2011/110208MORE.asp

access to resources necessary to move their ideas forward. The result led to increased self-employment across the city's labor force and the retention and expansion of ongoing self-employed practices within the city.

#### TABLE 7: CHANGE IN CLASS OF WORKER FROM 2000 TO 2013

		Pontiac		Farn	nington Hi	lls		Novi	
	2000	2013	$\Delta$ %	2000	2013	$\Delta \%$	2000	2013	$\Delta \%$
Private wage and salary workers	23,197	19,014	-18%	36,565	34,899	-5%	23,237	25,461	10%
Government workers	2,613	2,162	-17%	3,210	3,851	20%	1,789	2,190	22%
Self-employed workers in own not incorporated business	775	817	5%	2,259	2,126	-6%	874	1,765	102%
Percent of Total Labour Force (2013)		Pontiac		Farm	nington Hi	lls		Novi	
Private Wage and Salary Workers		86%			85%			87%	
Government Workers	10%		9%			7%			
Self-employed Worker		4%		5%			6%		

	F	Royal Oak		S	Southfield			Troy		
	2000	2013	$\Delta \%$	2000	2013	$\Delta \%$	2000	2013	$\Delta \%$	
Private wage and salary workers	30,894	31,497	2%	32,705	25,259	-23%	36,623	34,028	-7%	
Government workers	2,702	2,285	-15%	5,023	4,219	-16%	3,283	3,329	1%	
Self-employed workers in own not incorporated business	1,854	1,720	-7%	1,840	1,235	-33%	2,058	1,741	-15%	
Percent of Total Labour Force (2013)	F	Royal Oak		S	Southfield			Troy		
Private Wage and Salary Workers		89%			82%			87%		
Government Workers	6%			14%			9%			
Self-employed Worker		5%			4%			4%		

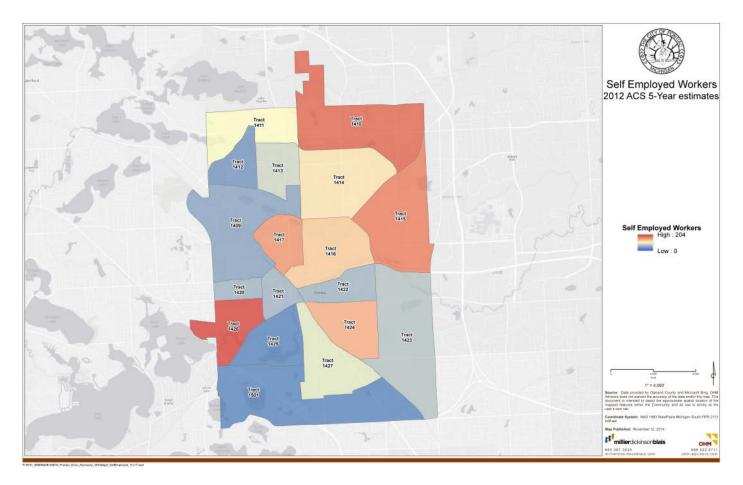
Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates

A more in-depth look at self-employed workers in the city of Pontiac reveals that in 2012 approximately 40% of all self-employed workers participated within the construction sector and about 17% worked in other services (personal services). Interestingly, 14% and 12% of the total self-employed labor force was respectively employed in the education and professional services fields. Building self-employment opportunities in these fields will increase the attraction of talented self-employed workers looking for a significant cluster of activity to grow and learn along with their peers.

Understanding the concentration of self-employed workers across the city of Pontiac allows for the examination of city environments that are more likely to promote self-employment. Understanding the

pros and cons of these areas can lend itself to promoting a city wide entrepreneurship program that can merge economic development initiatives with placemaking initiatives.

Map 2 illustrates that self-employed workers are concentrated in residential neighborhoods. Interestingly, there are also a few blocks situated around the city center that are home to self-employed workers.



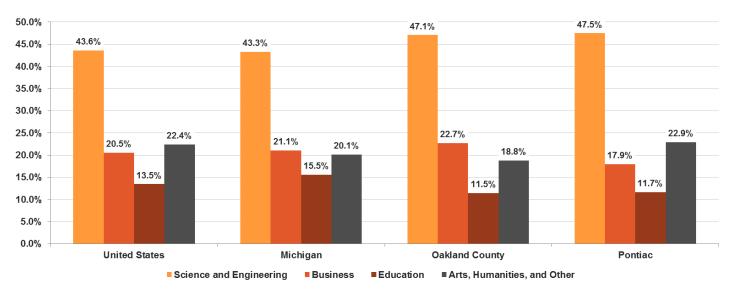


Source: U.S. Census Bureau; ACS 2012, 5 Year Estimates

#### **Field of Study**

In 2013, it was estimated that city of Pontiac's population over 25 years of age had predominantly studied within the science and engineering fields on par with the county, and similarly with the state and national averages. Interestingly, the city did showcase a larger proportion of people with a concentration in the arts and humanities field - approximately 23% of the total population over 25. In comparison, Oakland County had a proportion of 18.8%. 17.9% of the city's population over 25 also has an education related to the business field. That number is significantly lower than both the county and the state further supporting the notion that the city is not a desirable hub for financial activity within the county.





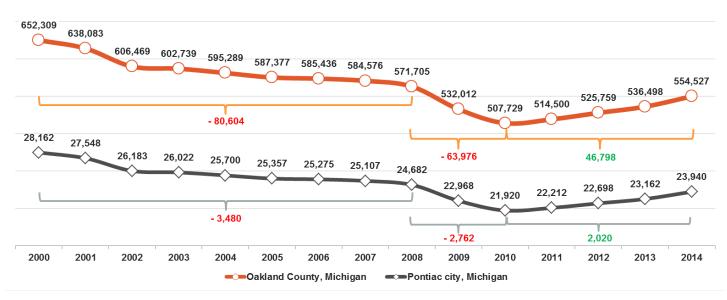
#### FIGURE 5: FIELD OF STUDY, POPULATION OVER 25, 2013

Source: U.S. Census Bureau; ACS 2013, 3 Year Estimates

#### Job Growth

Oakland County and the city of Pontiac have both experienced a similar decline and growth in jobs within the last 14 years. Job loss was a constant trend leading up to the 2008 recession. During the recession both Oakland County and the city witnessed their job loss nearly match that of the first eight years of the new century. Presently, as the economy continues to recover both the county and city have reach prerecession job levels with a positive continued forecast of job growth.

#### FIGURE 6: ANNUAL JOB GROWTH/LOSS, JANUARY 2000 TO JANUARY 2014



Source: Bureau of Labour Statistics; Local Area Unemployment Statistics; January 2000-2014

The Southeast Michigan Council of Governments (SEMCOG) in 2012 issued a study to forecast economic performances for each city and county within the region. Within the study, the city of Pontiac's job growth was forecasted to grow 13% from 2010-2040. Of all comparator cities, the city of Pontiac was forecasted to have a lower proportion of job growth allocated within its city borders. With nearly 200,000 jobs forecasted for the entire Tri-County Region (Oakland, Macomb and Wayne counties), the city of Pontiac is in a prime position to modify and build its economy to attract a larger proportion of job growth into the area.

Year	Po	ontiac	Farmingt	on Hills	Novi	Royal Oak	Southfield	d Troy	
2010	36	5,836	82,6	50	37,928	35,755	138,475	129,361	
2040	41	,631	94,405		44,227	40,523	158,408	152,129	
$\Delta$ %	1	3%	149	%	17%	13%	14%	18%	
	F	orecasted	Job Growth	(Addition	al Jobs add	ed since 2010)			
2010-2015	2,	,167	4,42	20	2,974	2,658	6,578	11,277	
2010-2020	2,	,956	6,62	26	3,491	3,408	11,593	14,579	
2010-2025	3,	,299	8,37	77	4,021	3,786	14,577	17,045	
2010-2030	3,	,980	9,17	74	4,554	4,367	17,375	19,539	
2010-2035	4,	,385	10,2	95	5,453	4,515	19,366	22,362	
2010-2040	4,	,795	11,7	55	6,299	4,768	19,933	22,768	
Year		Oakland	County	Масон	nb County	Wayne C	County	Tri-County	
2010		842	,222	362,517		8574	104	2,062,143	
2040		970	,797	40	09,886	897155		2,277,838	

13%

14,599

17,464

24,700

32.722

40,881

Forecasted Job Growth (Additional Jobs added since 2010)

5%

22,675

23,180

26,121

30.637

37,102

39,751

10%

96,271

119,955

145,522

172.759

200,220

215,695

#### TABLE 8: 2040 JOB FORECAST

 2010-2040
 128,575
 47,369

 Source: U.S. Census Bureau and SEMCOG 2040 Forecast produced in 2012

15%

58,997

79,311

94,701

109,400

122,237

### **2.2 Employment Characteristics**

#### **Employment by Industry**

 $\Delta$ %

2010-2015

2010-2020

2010-2025

2010-2030

2010-2035

It is estimated that between 2000 and 2013 the city of Pontiac has seen a decrease of 17.4% across all employment sectors. To no surprise, the manufacturing sector saw the largest decrease in persons

working. In comparison, Oakland County witnessed a decrease of 3.2% across all employment sectors. This suggests that the city's employment was largely concentrated in a limited amount of sectors.

Table 9 confirms that the city's main employment sectors in 2000 were based in manufacturing and education. If the manufacturing sector in the city is removed from the total, the city of Pontiac's economy has only slight decreased.

		Po	ontiac			Oaklan	d County	
	2000	2013	Net Gain / Loss	∆%	2000	2013	Net Gain / Loss	∆%
Agriculture, forestry, fishing and hunting, and mining	108	34	-74	-68.5%	919	1,790	871	94.8%
Construction	1,543	1,156	-387	-25.1%	32,622	23,061	-9,561	-29.3%
Manufacturing	6,629	2,641	-3,988	-60.2%	134,003	102,681	-31,322	-23.4%
Wholesale trade	538	346	-192	-35.7%	24,045	16,557	-7,488	-31.1%
Retail trade	2,873	2,807	-66	-2.3%	72,807	61,759	-11,048	-15.2%
Transportation and warehousing, and utilities	969	817	-152	-15.7%	16,460	16,075	-385	-2.3%
Information	495	252	-243	-49.1%	16,635	11,842	-4,793	-28.8%
Finance, insurance, real estate, and rental and leasing	1,157	1,115	-42	-3.6%	43,838	46,380	2,542	5.8%
Professional, scientific, management, administrative, and waste management services	2,702	2,149	-553	-20.5%	81,511	82,568	1,057	1.3%
Educational, health and social services	4,775	5,027	252	5.3%	112,790	137,081	24,291	21.5%
Arts, entertainment, recreation, accommodation and food services	2,524	3,753	1,229	48.7%	38,212	52,268	14,056	36.8%
Other services (except public administration)	1,293	1,272	-21	-1.6%	25,165	25,641	476	1.9%
Public administration	1,034	642	-392	-37.9%	15,370	17,040	1,670	10.9%
Total All Sectors	26,640	22,011	-4,629	-17.4%	614,377	594,743	-19634	-3.2%
Total All Sectors (except manufacturing)	20,011	19,370	-641	-3.2%	480,374	492,062	11,688	2.4%

#### TABLE 9: CHANGE IN EMPLOYMENT BY INDUSTRY FROM 2000 TO 2013

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates

Interestingly, the city of Pontiac's arts, entertainment, recreation, accommodation and food services sector witnessed a dramatic increase in its total labour force. Being one of Metro Detroit's premier historic downtowns, the City of Pontiac has been able to retain several of its creative and historic amenities within its municipal borders and downtown core. The Pontiac Creative Arts Center, Michigan School for the Arts and the Arts & Technology Academy of Pontiac provide community examples of rooted-initiatives that support and grow the arts community and placemaking activities across the city. Noteworthy is that the sector continues to grow despite the loss of a major tenant in the city's largest entertainment venue the Pontiac Silverdome. Similar to the city of Pontiac, Oakland County experienced a significant growth within the arts sector (see Table 9).



In 2012, the Kresge Foundation commissioned a report on the creative vitality of the Detroit region which included the county of Oakland<sup>5</sup>. The analysis revealed that the cultural sector across the Detroit region represented a resilient segment of the overall economy, faring much better than many other sectors over the last decade of economic setbacks. This resiliency is a strong indication of the flexible nature of the cultural economy. Cultural workers have the versatility to work across the public, private and non-profit sector, as small-business owners or cultural workers in larger industries. The cultural sector also supports and advances a more diversified local and regional economy than has been the case in the past through new technologies and practices. The City of Pontiac should look to continue to support its local artist community and encourage new artists to take residency within the city by providing opportunities and activities that attract cultural workers.

#### **Concentration of Employment by Industry**

A location quotient (LQ) analysis allows for a closer look into the concentration of a sector in one level of geography relative to that same concentration in reference geography. In Table 10, LQs were employed to examine employment by industry between the city of Pontiac and comparator communities against the county, as well as the city of Pontiac against the state and nation.

LQs greater than one indicate that the characteristic is more concentrated in the local geography than the nation, while LQs less than one indicate it is less concentrated. For example, the 2013 LQ of construction in the city of Pontiac against Oakland County is 1.35. This means that the share of construction employment in the city is 1.35 times greater than the county share<sup>6</sup>.

In 2013, it is estimated that the city of Pontiac has a greater concentration of employment (when compared to other Oakland County communities) in transportation, construction, other services and arts, entertainment, recreation sectors. When comparing the city's concentration of employment against the state and nation, the city of Pontiac continues to have a higher concentration of employment within the arts and entertainment sector. This analysis further reflects the important to the City of Pontiac's maintenance of its current cultural amenities and initiatives to continue to foster opportunities and attract new opportunities for cultural economic development across the community.

		LQs Ag	gainst O	akland Co	unty		LQs Against MI	LQs Against US
Community	Pontiac	Farmington Hills	Novi	Royal Oak	Southfield	Troy	Pontiac	Pontiac
Agriculture, forestry, fishing and hunting, and mining	0.51	0.22	0.17	0.46	0.00	3.07	0.12	0.08
Construction	1.35	0.78	0.60	0.89	0.79	0.74	1.11	0.86
Manufacturing	0.69	0.90	1.42	0.87	0.73	1.05	0.69	1.14
Wholesale trade	0.56	0.83	1.57	1.13	0.91	1.07	0.65	0.58
Retail trade	1.23	1.08	0.93	0.93	0.93	0.73	1.11	1.10
Transportation and warehousing, and utilities	1.37	0.91	1.09	0.83	2.12	0.72	0.90	0.75

#### TABLE 10: LOCATION QUOTIENTS BY INDUSTRY, 2013 ESTIMATES

<sup>5</sup> The Kresge Foundation, Creative Vitality in Detroit report, 2012, http://kresge.org/sites/default/files/Creative-Vitality-in-Detroit-2012-revised071713.pdf <sup>6</sup> Mathematically, a LQ is a representation ratio defined by the following equation: ( Local Employment In Industry / Total Local Employment) / ( Base Area Employment In Industry / Total Base Area Employment)

Information	0.57	1.19	0.93	1.26	1.57	0.99	0.73	0.54
Finance, insurance, real estate, and rental and leasing	0.65	1.11	1.12	1.19	0.93	1.11	0.93	0.77
Professional, scientific, management, administrative, and waste management services	0.70	1.09	0.96	1.12	0.78	1.26	1.04	0.90
Educational, health and social services	0.99	1.02	0.81	1.01	1.24	1.05	0.95	0.99
Arts, entertainment, recreation, accommodation and food services	1.94	0.98	0.80	0.97	0.81	0.75	1.80	1.79
Other services (except public administration)	1.34	0.96	0.74	1.05	0.88	0.98	1.19	1.16
Public administration	1.02	1.02	1.17	0.89	2.01	0.86	0.79	0.60

Note: Bold = High Concentration

Source: U.S. Census Bureau; ACS 2013, 3 Year Estimates

#### **Employment by Occupation**

It is estimated that between 2000 and 2013 the city of Pontiac has seen decreases across all types of occupations except for service-based occupations. Service based occupations were estimated to have grown by 20.7% since 2000. Interestingly, despite the increase in industry employment within the art sector; management, business, science and art occupations saw a slight decrease in employment since 2000 but still represent a large part of the city's employed labour force. This suggests that the city has been able to retained most of its managers, and knowledge based workers but needs to continue to place emphasis on attracting new talent into the area. In comparison, Oakland County has been able to attract an additional 2% of knowledge based workers since 2000.

#### TABLE 11: CHANGE IN EMPLOYMENT BY OCCUPATION FROM 2000 TO 2013

		Po	ontiac		Oakland County				
	2000	2013	Net Gain / Loss	∆ <b>%</b>	2000	2013	Net Gain / Loss	$\Delta$ %	
Management, business, science, and arts occupations	4,937	4,091	-846	-17.1%	273,909	279,422	5,513	2.0%	
Service occupations	5,689	6,869	1,180	20.7%	65,499	88,243	22,744	34.7%	
Sales and office occupations	6,653	5,853	-800	-12.0%	164,531	145,269	-19,262	-11.7%	
Natural resources, construction, and maintenance occupations	2,641	1,800	-841	-31.8%	43,312	29,195	-14,117	-32.6%	
Production, transportation, and material moving occupations	6,720	3,398	-3,322	-49.4%	67,126	52,614	-14,512	-21.6%	
Total All Occupations	26,640	22,011	-4,629	-17.4%	614,377	594,743	-19,634	-3.2%	

Source: U.S. Census Bureau; Census 2000, Summary File 1; ACS 2013, 3 Year Estimates

#### **Concentration of Employment by Occupation**

In Table 12, LQs were undertaken to examine employment by occupation between the city of Pontiac and comparator communities against the county, as well as the city of Pontiac against the state and nation.

In 2013, it is estimated that the city of Pontiac has a greater concentration of employment (when compared to other Oakland County communities) in service, production and natural resources

(construction) based occupations. An apparent weakness is the concentration of city's management and business related occupations when compared to the county, state and nation. This trend suggests that the city of Pontiac has not been able to attract high level talent into the city, despite its creative and cultural amenities.

		LQs Ag	gainst O	akland Co	unty		LQs Against MI	LQs Against US
	Pontiac	Farmington Hills	Novi	Royal Oak	Southfield	Troy	Pontiac	Pontiac
Management, business, science, and arts occupations	0.40	1.12	1.15	1.14	0.85	1.26	0.54	0.51
Service occupations	2.10	0.89	0.72	0.78	1.20	0.84	1.69	1.70
Sales and office occupations	1.09	1.01	1.07	0.99	1.12	0.76	1.10	1.09
Natural resources, construction, and maintenance occupations	1.67	0.68	0.42	0.78	0.79	0.69	1.06	0.91
Production, transportation, and material moving occupations	1.75	0.69	0.83	0.80	1.24	0.71	1.02	1.27

#### TABLE 12: LOCATION QUOTIENTS BY OCCUPATION, 2013 ESTIMATES

Note: Bold = High Concentration

Source: U.S. Census Bureau; ACS 2013, 3 Year Estimates

The knowledge economy (also often referred to as the creative economy) is an economy driven by knowledge and innovation - by people paid to think; it is as much about architects as artists, programmers as potters, bohemians as brokers, entertainers as entrepreneurs. The knowledge economy is industry-agnostic and employs knowledge workers who work across all industries and sectors.

The innovation and knowledge-based economy has become a major driver of economic growth in urban areas around the world. As a result, the roles of cities and regions in a global economy are being redefined and reshaped. The transformation that is emerging is as significant and as challenging as the transformation made from agriculture to industry. Most significant is the move away from jobs based on physical activity or repetitive tasks to ones that require analytical skills and judgment.

Central to this paradigm shift is the fact that creativity, knowledge, and innovation and access to information have become the key to driving economic growth and promoting economic development in a globalized economy. Creativity in this context refers to the formulation of new ideas and the application of these ideas to scientific inventions and technological innovations and works of art across all aspects of today's economy.

Understanding the city of Pontiac's position in the knowledge economy is essential to how the city will position itself in a time of global transformation. In the past, the cities of Pontiac and those in the Detroit region were seen as leading creative centers in an industrial economy; today they are often seen as bystanders whose industry has been decaying for the past 50 years. If the city of Pontiac is to reimagine itself it will need to capitalize on the fundamental shift in the economy.

The knowledge economy is often defined according to occupations, in order to better reflect what work people actually do. Though there are multiple definitions, a definition developed by Dr. Richard Florida

and Dean Roger Martin of the Rotman School of Management at the University of Toronto places creative occupations within four broad types of work:

- Knowledge occupations (Knowledge Class) the growing number of people who are paid to think. These include scientists and technologists, artists and entertainers, and managers and analysts
- Service occupations (Service Class) where work involves little autonomy, and occupations are focused on the delivery of services, including food-service workers, janitors, and clerks
- Physical occupations (Working Class) consisting of people who use physical skills and carry out relatively repetitive tasks, such as tradespersons, mechanics, crane operators, and assembly line workers
- Resource occupations (Farm, Fishing, Forestry Class) consisting of occupations in fishing, farming and agriculture, forestry (FFF) and mining

Using the above definition, Figure 7 illustrates a class breakdown of occupations for the Warren-Troy-Farmington Hills Metropolitan Division. From 2000 to 2013 it can be seen that the knowledge class has grown within the metropolitan division while service class has declined. Comparatively, the percentage of knowledge class workers in the Metropolitan division is higher than both the state (~25%) and the nation (~31%). This trend suggests that the Metropolitan division is attractive for knowledge based workers. This is also significant from an economic development perspective as well; traditionally knowledge workers both generate and inject more wealth into the local economy than workers in other occupational classes.

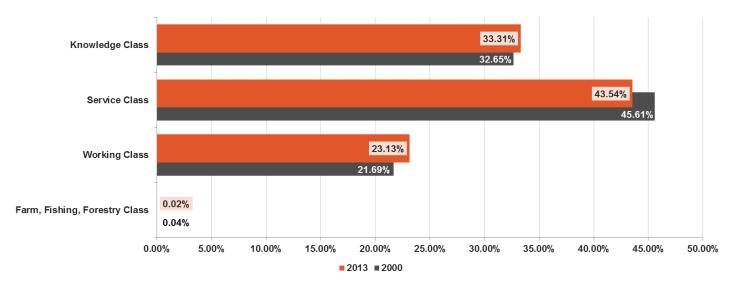


FIGURE 7: LABOUR FORCE BY OCCUPATIONAL CLASS, 2000 AND 2013, WARREN-TROY-FARMINGTON HILLS MD

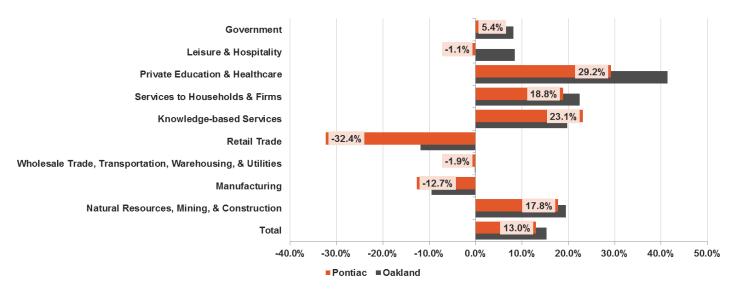
Source: Bureau of Labour Statistics; Occupational Employment Survey; 2000, 2013; definitions based on 2010 standard occupational classification codes defined by the 2012 Kresge Foundation Creative Vitality in Detroit report



#### Job Forecast by Industry

Based on the 2040 SEMCOG forecast, the city of Pontiac is projected to have significant growth in knowledge-based services, private education and healthcare. These industries are traditional employers of knowledge based workers. Oakland County is also projected to have significant growth within these industries, further suggesting that the economies of the city of Pontiac and Oakland County are projected to continue transforming from an automotive and manufacturing base to a more service-based knowledge based economy. An example of this includes Oakland County's EDGA (an arm's length economic development organization for the City of Pontiac and surrounding municipalities) declaration of emerging sectors across the county.

Emerging sectors for Oakland<sup>7</sup> include industries and businesses in Advanced Electronics and Controls, Advanced Materials and Chemicals, Aerospace, Automotive, Communications and Information Technology, Film and Digital Media, Robotics and Automation, Defense and Homeland Security, and the expansion of Oakland County's Medical Main Street. Each of these industries requires a large amount of knowledge based workforce capacity.



#### FIGURE 8: 2040 JOB FORECAST BY INDUSTRY

Source: SEMCOG 2040 forecast produced in 2012

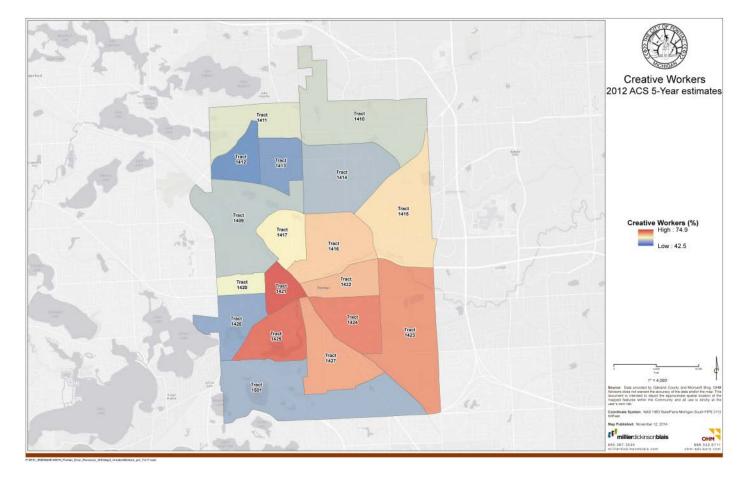
#### **Concentration of Knowledge Based Workers**

An in-depth look at the concentration of knowledge workers within the city of Pontiac will provide indication of where social contexts supportive of knowledge based work might be found. These social contexts can provide great examples as to how the City can duplicate those efforts between neighborhoods.

Map 3 illustrates that knowledge workers are concentrated near the city center and along the Woodward Corridor. Both areas are situated near a hospital and surrounding health care industries. Additionally, the GM Truck Group headquarters are also situated in the southeast quadrant.

<sup>&</sup>lt;sup>7</sup> Advantage Oakland, http://www.advantageoakland.com/Expand/EmergingSectors/Pages/default.aspx





#### MAP 3: KNOWLEDGE WORKERS BY CENSUS TRACT, 2012 ACS 5-YEAR ESTIMATES

Source: U.S. Census Bureau; ACS 2012, 5 Year Estimates

## **2.3 Commuting Patterns and Place of Work**

The place of work characteristics for the city of Pontiac's labour force is quite different from comparator cities and the county average. The city of Pontiac has a much larger proportion of labourers that work within the county (91%) than those that work outside the county (9%). In comparison, comparator cities have above 25% and up to 50% of their total labour force working outside county borders. This may be attributed to the distance between adjacent county communities such as the cities of Detroit and Warren.

Additionally, when examining commuting patterns it can be seen that nearly 30% of all residents work within the city's borders, with an additional ~20% working in adjacent communities of Auburn Hills and Waterford. Interestingly, while the city of Auburn Hills pulls a significant amount of labourers from the city the same cannot be said for the reverse as the city of Pontiac attracts a substantially lower amount of workers from the city of Auburn Hills. This suggests that workers have identified greater employment opportunities outside of the city as close as their adjacent neighbor.



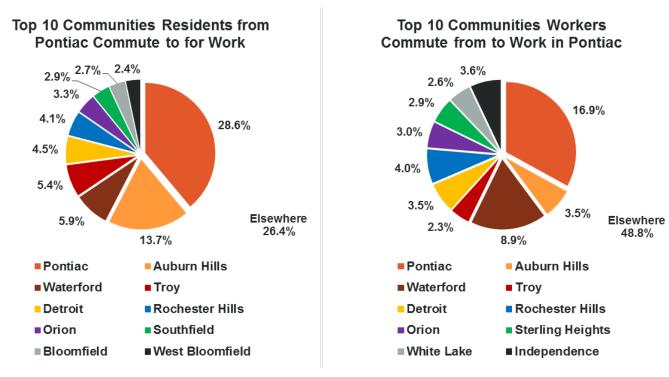


FIGURE 9: COMMUTING PATTERNS, 2010 ESTIMATES

Source: U.S. Census Bureau; 2010 ACS 5-Year Estimates

Based on 2013 estimates, approximately 2% of the city of Pontiac's employed labour force works at home. Over 80% of home based workers in the city work either in the professional, scientific, and management field or educational services and healthcare services.

## **Business Base Assessment**

In addition to demographic and workforce profiles, the preparation of an economic development strategy also requires an examination of the current composition of a community's business base. This section offers insight into the recent composition and characteristics of the city of Pontiac's business base in comparison to characteristics at the County and State levels, in an effort to identify key patterns of change and existing and emerging areas of strength.

## **3.1 General Business Characteristics**

The city of Pontiac was home to approximately 936 business establishments in 2012, or roughly 2.4% of the total number of business establishments across Oakland County. Like other areas of Michigan, the city of Pontiac has experienced a decline in the number of establishments since the onset of the global recession. From 2008 to 2012, the number of establishments in the city declined by 9.7%; a rate faster than declines at the County (4.8%), State (5.2%), and national (2.2%) level over the same time period. In addition to business decline, the city experienced associated declines in employment and annual payroll as well.

<b>Business Characteristics</b>	2008	2009	2010	2011	2012
Paid Employees	30,348	25,243	21,672	22,661	19,564
First-quarter Payroll (\$000s)	455,889	358,801	270,485	306,140	244,783
Annual Payroll (\$000s)	1,812,665	1,386,049	1,118,439	1,280,101	1,016,976
Total Establishments	1,037	996	973	980	936

#### TABLE 13: GENERAL BUSINESS CHARACTERISTICS, 2008 TO 2012

Source: US Census Bureau, County Business Patterns, 2008-2012

Despite overall decline though, it should be noted that the city of Pontiac's business base has been able to somewhat maintain its positioning in the region, and compared to the broader economy. The city of Pontiac accounted for approximately 2.6% of businesses in Oakland County in 2008, a proportion that has stayed relatively stable to 2012 (2.4% of businesses in Oakland County). Further, the city's business establishments maintain a higher than average annual payroll per employee. The city's business establishments maintain an average payroll of approximately \$52,000 per employee, above average payroll levels at the State (\$44,000) and national level (\$47,000). Further, average payroll levels per establishment in Pontiac (\$1.08 million) remained well above average payroll at the County (\$897,000), State (\$700,000), and national (\$729,000) levels in 2012.

#### **Industry of Activity**

To further understand the present structure of the local economy, the business base can be broken down by primary sector of activity, as defined by the North American Industry Classification System (NAICS). The figure below provides an indication of the present structure and recent growth trends in the business base across the city of Pontiac, Oakland County, and Michigan. As noted previously, the business base in the city has declined slightly since 2008, with key industries in both services-producing (e.g. professional services) and goods-producing (e.g. manufacturing) sectors experiencing declines in the number of establishments.

However, several sectors have experienced an increase in business establishments over the last several years:

- Educational services (200%)
- Real estate and rental and leasing (17%)
- Health care and social assistance (3%)

In all three examples, the city of Pontiac's business base in that sector grew at a faster rate than both the County and the nation over the same time period. In addition to these growth trends though, there are several other observations that can be made about the comparative performance of Pontiac's business community. Though the number of business establishments declined in areas like construction and retail trade, the city of Pontiac lost businesses at a slower rate than at both the County and national level, suggesting that the city's business base may be slightly more stable.

Generally speaking, it would appear that the city of Pontiac's business base is continuing to shift to a more service-oriented economy, based on those growth trends. In 2012, four broad sectors held over half of all businesses in the city:

- Retail trade (20%)
- Health care and social assistance (17%)
- Other services (except Public Administration) (11%)
- Accommodations and food services (11%)

In part, the concentration of business establishments in retail trade, health care, and other services mirror trends at the County and State level, where those three sectors accommodated notable shares of business establishments in 2012. However, both Oakland County and Michigan illustrated notable shares of business activity in the professional, scientific, and technical services sector in 2012, which holds a range of key knowledge-based business activities. In large part, this sector has declined in the city since 2008. In particular, Oakland County's business base has a notable presence of establishments in architecture, engineering, and related services; computer systems design and related services; management, scientific, and technical consulting services; and scientific research and development services.

Sector (NAICS)	Por	ntiac	Oakland	County	Michigan	
Sector (NAICS)	2008	2012	2008	2012	2008	2012
Total	1,037	936	40,092	38,243	229,310	217,440
11- Agriculture, forestry, fishing, and hunting	0	0	20	15	561	533
21 - Mining, quarrying, and oil and gas extraction	0	0	12	15	399	379
22 - Utilities	3	3	21	19	397	389

TABLE 14: NUMBER OF BUSINESS ESTABLISHMENTS BY INDUSTRY, 2008 AND 2012

Sector (NAICS)	Рог	ntiac	Oakland	County	Mich	igan
Sector (NAICS)	2008	2012	2008	2012	2008	2012
23 - Construction	53	50	2,971	2,466	21,708	18,129
31-33 - Manufacturing	51	44	1,793	1,675	13,342	12,482
42 - Wholesale trade	57	49	2,806	2,721	11,806	11,523
44-45 - Retail trade	190	187	5,013	4,882	36,381	34,901
48-49 - Transportation and warehousing	31	26	515	547	5,663	5,695
51 - Information and cultural industries	25	15	879	782	3,716	3,253
52 - Finance and insurance	40	34	3,176	2,697	15,258	13,560
53 - Real estate and rental and leasing	36	42	1,677	1,597	8,236	7,594
54 - Professional, scientific, and technical services	56	39	6,280	6,136	22,341	21,668
55 - Management of companies and enterprises	13	11	409	431	1,560	1,561
56 - Administrative and Support, waste management and remediation services	81	52	2,602	2,432	12,277	11,262
61 - Educational services	3	9	439	465	2,223	2,323
62 - Health care and social assistance	158	163	5,023	5,144	25,948	26,339
71 - Arts, entertainment, and recreation	15	10	514	486	3,608	3,385
72 - Accommodation and food services	110	99	2,776	2,735	19,623	19,490
81 - Other services (except public administration)	114	103	3,104	2,972	23,702	22,803
99 – Industries not classified	1	0	62	26	561	171

Source: US Census Bureau, County Business Patterns, 2008-2012

The city's business base continues to have a presence in more industrial areas of the economy as well. The construction (5%), manufacturing (5%), wholesale trade (5%), and transportation and warehousing (3%) sector all still hold notable shares of business activity in 2012.

#### **Employment Size**

In addition to general characteristics and sectors of activity, examining the business base by employment size can provide a sense of where a community may need to target its business assistance activities. The figure below offers an overview of the city of Pontiac's business base by size. Overall, the business base of the city is composed of small to medium-sized businesses. Just over half (51%) of all business establishments in the city employed between one and four people in 2012, with establishments employing less than 50 people making up 94% of the business base. This is generally consistent with trends at the County and State level, in terms of establishments employing fewer than 50.

Consistent with trends in business decline across the city since 2008, the number of establishments in each employment classification declined since 2008 (with the exception of the 500-999 employment classification, which maintained its one establishment in health care and social assistance). However, while the number of smaller employers stayed relatively stable in the city (e.g. employers of one to four people declined by just 3%), the number of large employers in the city exhibited the highest rates of decline.

#### TABLE 15: BUSINESS ESTABLISHMENTS BY SIZE, 2012

Industry (NAICS)	Total	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1,000+
Total	936	480	189	129	85	25	23	2	1	2
22 - Utilities	3	1	0	0	1	0	1	0	0	0
23 - Construction	50	24	9	6	7	3	1	0	0	0
31-33 - Manufacturing	44	23	4	7	2	5	2	1	0	0
42 - Wholesale trade	49	23	8	9	6	1	2	0	0	0
44-45 - Retail trade	187	104	42	27	12	1	1	0	0	0
48-49 Transportation and warehousing	26	13	1	2	6	2	2	0	0	0
51 - Information	15	6	1	3	2	0	3	0	0	0
52 - Finance and insurance	34	22	8	1	3	0	0	0	0	0
53 - Real estate and rental and leasing	42	26	12	1	3	0	0	0	0	0
54 - Professional, scientific, and technical services	39	22	6	5	5	1	0	0	0	0
55 - Management of companies and enterprises	11	5	2	0	1	1	1	0	0	1
56 - Administrative and support and waste management and remediation services	52	35	5	1	4	5	2	0	0	0
61 - Educational services	9	3	1	2	1	0	2	0	0	0
62 - Health care and social assistance	163	74	38	28	12	2	6	1	1	1
71 - Arts, entertainment, and recreation	10	5	2	1	2	0	0	0	0	0
72 - Accommodations and food services	99	32	26	25	13	3	0	0	0	0



Industry (NAICS)	Total	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1,000+
81 - Other services (except Public administration	103	62	24	11	5	1	0	0	0	0

Source: US Census Bureau, County Business Patterns, 2008-2012

Several other sector-specific conclusions can be made as well. While the manufacturing sector has declined in terms of total establishments, several employment classifications have maintained or increased their number of establishments, as businesses restructure to meet changing economic conditions (and are thus retained in Pontiac). The city of Pontiac has seen growth of the number of manufacturers employing one to four, 10 to 19, and 50 to 99 employees since 2008. Though the city has seen decline in larger employers (and a net loss of jobs, as noted in the previous section), a small and resilient base of manufacturing companies remain.

The health care and social assistance sector has been a source of business growth at most employment size ranges. In particular, the city has seen growth of business establishments in the sector at the one to four (7%) five to nine (12%), and 100 to 249 (20%) employee ranges.

Further, in sectors like arts, entertainment, and recreation; accommodations and food services; other services; and retail trade, several small to medium-sized employment classifications saw an increased number of business establishments. The next section will further ground these business concentration and growth trends within the regional context for Pontiac.

## **3.2 Comparative Business Performance**

In order to determine the level and degree of business and industrial specialization, thus the economic diversity that may be developing in the city of Pontiac, location quotients (LQs) have been calculated to identify and measure the concentration of industry/business activity by major sector. For the purposes of this study location quotients that compare the city of Pontiac's industry sector business establishment concentration relative to the County and State have been calculated.

Compared to Oakland County, the city of Pontiac's business base shows a high concentration of business establishments in a number of goods- and services-producing sectors in 2012:

- Utilities (LQ 6.45)
- Transportation and warehousing (LQ 1.94)
- Retail trade (LQ 1.57)
- Accommodations and food services (LQ 1.48)
- Other services (LQ 1.42)
- Health care and social assistance (LQ 1.29)

Based on that comparative level of concentration, the city of Pontiac can be considered a regional center for these types of business services in Oakland County, and there may be competitive advantages in the

city that would lead to additional business investment or expansion. Only the wholesale trade and finance and insurance sectors exhibited low relative concentrations of business activity in the city in 2012.

Compared to Michigan, the city of Pontiac illustrated comparative concentrations of business activity in the following sectors in 2012:

- Utilities (LQ 1.79)
- Management of companies and enterprises (LQ 1.64)
- Health care and social assistance (LQ 1.44)
- Real estate and rental and leasing (LQ 1.28)

Both utilities and health care and social assistance represent comparatively high concentrations of business activity when considering both the County and State levels as a benchmark. In both sectors, the city of Pontiac has managed to raise its comparative concentration of business activity since 2008 as well. In many ways, these industries might be considered existing strengths in the city. As such, the activity generated in these sectors may allow the city of Pontiac to begin to forge a competitive positioning within some of the County's emerging sectors, particularly the Medical Main Street initiative and alternative energy and power generation initiatives.

	vs. O	akland	vs. Michigan		
	2008	2012	2008	2012	
22 - Utilities	5.52	6.45	1.67	1.79	
48-49 - Transportation and warehousing	2.33	1.94	1.21	1.06	
44-45 - Retail trade	1.47	1.57	1.15	1.24	
72 - Accommodation and food services	1.53	1.48	1.24	1.18	
81 - Other services (except public administration)	1.42	1.42	1.06	1.05	
62 - Health care and social assistance	1.22	1.29	1.35	1.44	
53 - Real estate and rental and leasing	0.83	1.07	0.97	1.28	
31-33 - Manufacturing	1.10	1.07	0.85	0.82	
55 - Management of companies and enterprises	1.23	1.04	1.84	1.64	
56 - Administrative and Support, waste management and remediation services	1.20	0.87	1.46	1.07	
71 - Arts, entertainment, and recreation	1.13	0.84	0.92	0.69	
23 - Construction	0.69	0.83	0.54	0.64	
61 - Educational services	0.26	0.79	0.30	0.90	
51 - Information and cultural industries	1.10	0.78	1.49	1.07	
42 - Wholesale trade	0.79	0.74	1.07	0.99	

#### TABLE 16: BUSINESS ESTABLISHMENT LOCATION QUOTIENTS, 2008 AND 2012

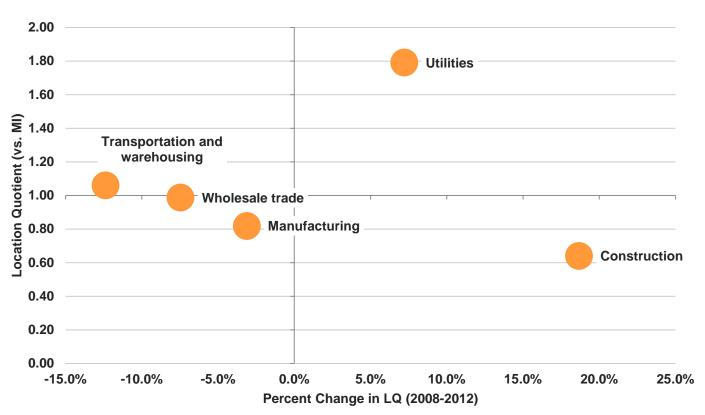
	vs. Oakland		vs. Mic	vs. Michigan	
	2008	2012	2008	2012	
52 - Finance and insurance	0.49	0.52	0.58	0.58	

Note: Bold = High Concentration

Source: U.S. Census Bureau, County Business patterns 2008 - 2012

Looking at LQs and the change in LQs over a certain time period can offer some insight into a community's competitive positioning in each sector, and as such, the economic development tactics that can be used to support business growth and investment. Figures Figure 10 and Figure 11 illustrate the performance of each sector in Pontiac based on business activity from 2008 to 2012, compared to the state of Michigan. The assessment classifies performance of a sector in four ways – each with its own implications on economic development targeting and tactics:

- Existing strengths: sectors with comparatively high concentrations of business activity paired with increasing levels of concentration. The strength of these sectors can often be further leveraged to encourage economic development activity.
- Mature sectors: sectors that have a high comparative concentration of activity, but decreasing levels of comparative concentration. These sectors are often declining at rates that make them a lower priority economic development target, with the exception of niche subsectors of activity that might offer new opportunities for the mature sector identified through business retention and expansion activities.
- Emerging strengths: sectors with a low comparative concentration of business activity, but increasing rates of business concentration. These sectors are often considered to have notable growth prospects, but often require assistance to leverage and develop activities in the sector into economic development activities (e.g. incubation, small business support)
- Transforming sectors: sectors with a low (and decreasing) comparative concentration. Identifying and support economic development activity in these sectors is often challenging based on rates of decline, and can require more niche-oriented approaches to supporting sector development in specific areas (e.g. small business development, entrepreneurship).



#### FIGURE 10: LOCATIONS QUOTIENTS AND CHANGE, KEY INDUSTRIAL SECTORS, 2008-2012

The majority of industrial sectors in Pontiac fall within the mature (transportation and warehousing) or transformative (wholesale trade, manufacturing) classification based on recent business performance. As such, identifying and supporting opportunities in these sectors requires a more nuanced approach, identifying emerging trends in broader and connected sectors, and identifying the subsectors that can best connect to those emerging areas of growth. For example, though the city's manufacturing sector continues to transform, there may be opportunities for metal and machinery fabrication industries in Pontiac to transition away from the automotive supply chain to areas like advanced materials, aerospace, alternative energy, health care, and defense.

Both the utilities and construction sectors represent strengths for Pontiac based on recent business activity; the former a current strength, and the latter an emerging strength. The fact that Pontiac holds establishments in water, wastewater, and electricity distribution gives it a comparatively high local specialization of business activity not common across Michigan. This likely provides the municipality with an element of control over its utilities, and as such, opportunities to encourage activity in areas like alternative energy and power generation. Though construction is not typically a high priority economic development target for a city, Pontiac can build on emerging growth trends in the sector to identify new areas of economic development opportunity. In particular, the city can leverage the notable presence of specialty trade contractors to support the growth of many other sectors, such as alternative energy (through retrofit and construction of energy efficient structures) and advanced materials (through installation and use of new advanced structural materials produced in Oakland County).

Source: U.S. Census Bureau, County Business patterns 2008 - 2012

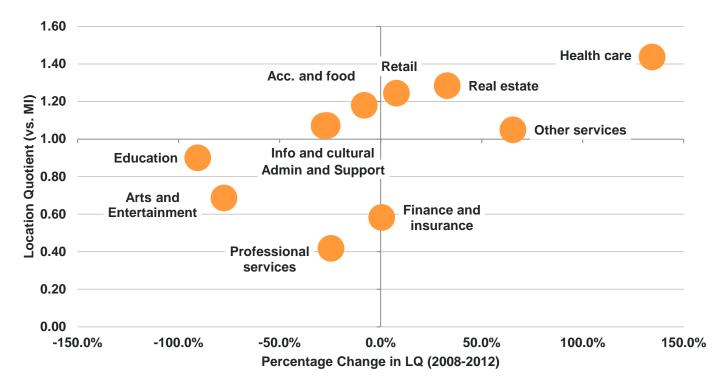


FIGURE 11: LOCATION QUOTIENTS AND CHANGE, KEY KNOWLEDGE-BASED AND SERVICE SECTORS, 2008-2012

Source: U.S. Census Bureau, County Business patterns 2008 - 2012

Knowledge-based and service sectors in Pontiac exhibit a range of characteristics. Based on recent business trends, the majority of knowledge-based sectors of the economy exhibit characteristics of a mature or transformative sector in the city of Pontiac. Both the information and cultural industries sector and administration and support, waste management and remediation services sector exhibit characteristics of a mature sector. Further, educational services and professional, scientific, and technical services continue to exhibit transformative characteristics in the city, perhaps requiring new approaches to identifying and supporting economic development opportunities in those areas.

One of the key insights from the assessment is the continued performance and growth prospects of the health care and social assistance sector. The sector continues to be an economic strength for the city of Pontiac – at both the County and State levels – and may offer opportunities for Pontiac to further grow its knowledge-based sectors of activity and contributions to County-level economic development initiatives. As such, growth in the health care sector warrants further consideration and examination of the potential to leverage these growth trends into positive economic development impacts.

# 3.3 Business Dynamics and Job Growth

Much of the discussion about job creation in economic development has focused on small business over the last several decades. It is widely believed that small businesses contribute more to job creation across the United States than their larger counterparts. While there are empirical studies to support this perception, a number of studies have emerged to counter it as well, raising issues around the lack of suitable data to prove the perceptions, the failure to distinguish between net and gross job creation, and statistical problems with size classification and regression. One of the key issues of the analysis though has been the absence of firm age in the analysis, or the impact of firm births on job creation.

A 2010 study completed by the National Bureau of Economic Research (NBER) found that young firms and start-ups generate the majority of new job growth in the United States<sup>8</sup>. Since new firms tend to be smaller, the inverse relationships that are often pointed to between net job growth and firm size are instead primarily influenced by young firms and start-ups, rather than small businesses more generally. As a result, policies focused on supporting the development of start-ups and growth of young firms – which have comparatively higher exit rates and levels of volatility than their mature small and large counterparts – often yield the highest rate of return in terms of job creation.

In many cases, young firms in the economy illustrate an "up or out" pattern of development. In other words, the first few years of a company's existence present high potential for either failure or rapid growth. In total, it is estimated that 47% of jobs created by start-ups in the US are eliminated by firm exits in the first five years<sup>9</sup>. However, should those firms survive to become young businesses their comparative employment growth rates often exceed those of older counterparts (with the exception of large, 1,000+ employee companies that often generate significant amounts of net employment growth)<sup>10</sup>. As such, it is useful to look at the entry and exit rates of new firms in a community, to gather an understanding of the community's capacity to generate new business start-ups and sustain their growth. Business Dynamics Statistics (BDS) produced by the US Census Bureau offer annual measures of business dynamics (e.g. establishment births and deaths, job creation or destruction) down to the Metropolitan Statistical Area (MSA).

Generally speaking, the Detroit-Warren-Livonia MSA has been a center of business establishment creation and business start-up for Michigan over the last several decades. From 1992 to 2012, the share of new business establishments in Michigan based in the MSA rose from 46% to over half (approximately 52%). Though that share fluctuated somewhat from 1992 to 2004, the MSA's share of total business establishment start-ups across Michigan has been on a steady rise since then. Overall, the MSA has played a key role in the state's business start-up environment over the long term.

In some ways, there are anecdotal trends that describe this phenomenon. Over the last several years, the Detroit metropolitan area has continued to develop and incubate a business start-up culture, supported by the work of a range of government and non-government organizations focused on business development (e.g. Grow Detroit). Further, this start-up culture has been differentiated from other areas of the Country, building on the hard-working industrial culture cultivated in the area over the last century, and trends towards the re-urbanization and revitalization of Detroit. This has led to the emergence of a range of new start-ups and associated business support structures (e.g. venture funds) in the metropolitan area, suggesting that the area continues to have more prominence in the state's business development prospects.

<sup>&</sup>lt;sup>8</sup> Haltiwanger, J., Jarmin, R., and Miranda, J. (2010). Who Creates Jobs? Small vs. Large vs. Young.

<sup>&</sup>lt;sup>9</sup> Ibid.

<sup>&</sup>lt;sup>10</sup> Ibid.





#### FIGURE 12: SHARE OF TOTAL ESTABLISHMENT BIRTHS, DETROIT-WARREN-LIVONIA MSA, 1992-2012

Unsurprisingly, the MSA has also outperformed the State in terms of new business establishments. From 2008 to 2012, the MSA has been home to an estimated 26,093 establishment start-ups (despite the onset of the global recession and only slow recovery of the economy since that time). Figure 13 illustrates the number of new establishment start-ups per 1,000 existing establishments at the state and MSA level. Over the last several years, the Detroit-Warren-Livonia MSA has averaged 60 new business establishments per 1,000 existing establishments per year, compared to an average of 52 new establishments (per thousand existing) at the state level. In line with the previous figure, the gap between the MSA and state is widening of late as well. Overall, the MSA continues to outperform the broader state in terms of new business start-ups.

Source: US Census Bureau, Business Dynamics Statistics, 2014

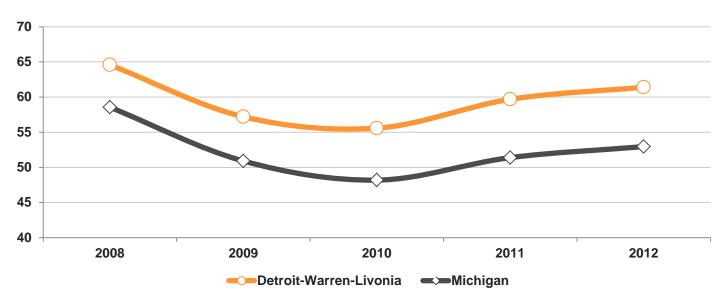


FIGURE 13: ESTABLISHMENT START-UPS PER 1,000 EXISTING ESTABLISHMENTS, DETROIT-WARREN-LIVONIA MSA, 2008-2012

Source: US Census Bureau, Business Dynamics Statistics, 2014

However, it is also necessary to look at the sustainability of these establishments. While the MSA outperforms state averages in terms of business start-up, that information should be balanced with data about business survival. Figures 14 and 15 illustrate establishment exit rates (i.e. the rate of exit for establishments from year to year as they age) over key time periods for business start-ups – during the first year of operation, and over the first five years of operation.

Establishment exit rates over the first year at both the MSA and state levels have been declining over the last five years, in line with the findings suggesting a more vibrant business development culture in the MSA. First year exit rates at the MSA level have moved from 29.2 in 2008 to 22.9 in 2012, compared to movement from 28.3 in 2008 to 24.0 in 2012 at the state level. Since the economy started its recovery in 2010, establishment exit rates at the MSA level have moved below (and have declined further) than rates at the state level.

For establishments five years old and younger, the pattern is quite similar. Though the MSA exhibited higher average annual rates of establishment exit than Michigan in 2008 (for companies less than six years old), those average rates have declined to slightly below the state averages in 2012. In other words, the MSA is continuing to improve in supporting the growth of its vibrant start-up base through the first five years of operation, to the point that exit rates are much more in line with (and most recently below) state levels. In keeping these establishments beyond the five year level, there is likely a greater amount of positive net employment in the MSA as a result of the success of these firms.

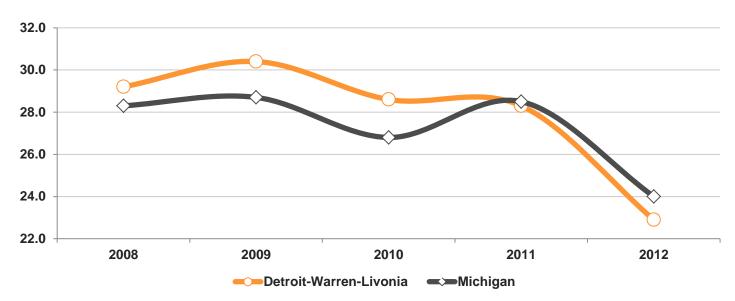


FIGURE 14: ANNUAL ESTABLISHMENT EXIT RATES FOR ONE YEAR OLD ESTABLISHMENTS, DETROIT-WARREN-LIVONIA MSA, 2008-2012

Source: US Census Bureau, Business Dynamics Statistics, 2014

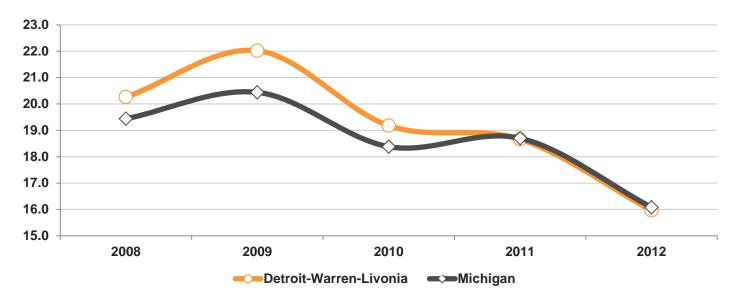


FIGURE 15: AVERAGE ESTABLISHMENT EXIT RATES FOR ESTABLISHMENTS FIVE YEARS OLD AND YOUNGER, DETROIT-WARREN-LIVONIA MSA, 2008-2012

Source: US Census Bureau, Business Dynamics Statistics, 2014

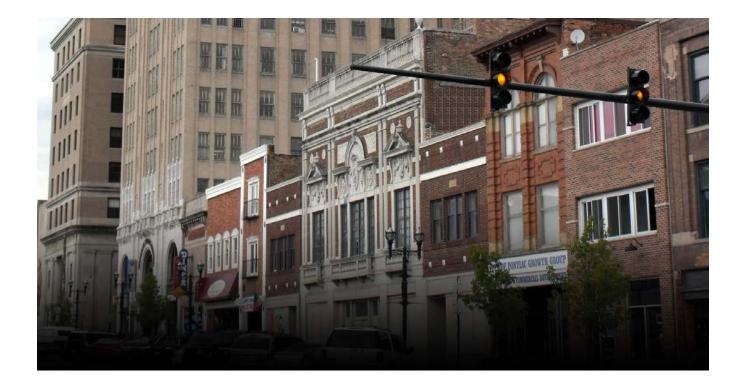
In the context of the NBER discussion above, the high-level business dynamics findings across the MSA have several implications for economic development and community revitalization across the region:



- The Detroit-Warren-Livonia area remains a key center for the state's start-up activity, largely based on the resurgence of innovative and creative businesses in Detroit and the surrounding Tri-County area
- The MSA has strong recent performance in supporting the development of new business establishments, with the number of new establishments per 1,000 existing establishments rising since 2009 and presently sitting higher than comparative state averages
- The MSA is increasingly developing the business support structures needed to guide new business establishments through the critical first years of operations over the short- to mediumterm, with failure rates consistently declining to rates below state averages

Though characteristic of the entire MSA (and thus influenced heavily by the city of Detroit), the trends above offer some important considerations for the city of Pontiac in its plans for economic development and revitalization. Most importantly, the data illustrates that there are positive business and employment growth trends that the city of Pontiac can leverage to realize economic development impacts – particularly the growth of young, employment generating firms to offset the losses of employment experienced over the last several decades. The key to realizing these opportunities though is to establish connections to the organizations and structures that are driving this positive change across the metropolitan area.

# APPENDIX B: SURVEY REPORT



Pontiac Mi

Pontiac, Michigan Resident Survey

December 16, 2014



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# METHODOLOGY

Respondents	Residents within the Pontiac city limits
Interviewing dates	December 3-7, 2014
Type of survey	Telephonic
Number of completed interviews	300
Average length	12 minutes
Margin of error	+ /- 5.60% with 95% confidence

The city-wide survey conducted from December 3-7, 2014, was designed to gain citizen feedback on a wide range of important issues and priorities being considered in the City's ongoing planning process. The survey also provides baseline metrics upon which city officials can measure future performance and the impact of plans and initiatives. The survey questions were developed by Aimpoint Research in collaboration with representatives of OHM advisors and members of the Pontiac Steering Committee.

In general, surveys of this type are intended to take a snapshot of public opinion at a specific time and on specific issues. The survey results provide a conduit for public opinion to be considered in planning and communications initiatives. It is important to note that respondents react to questions with top-of-mind responses and are not privy to in-depth supporting information nor do they have the luxury of debating the questions with experts. Therefore the survey results provide general guidance for planning purposes, but should not be interpreted as a referendum on complex policy and planning decisions.

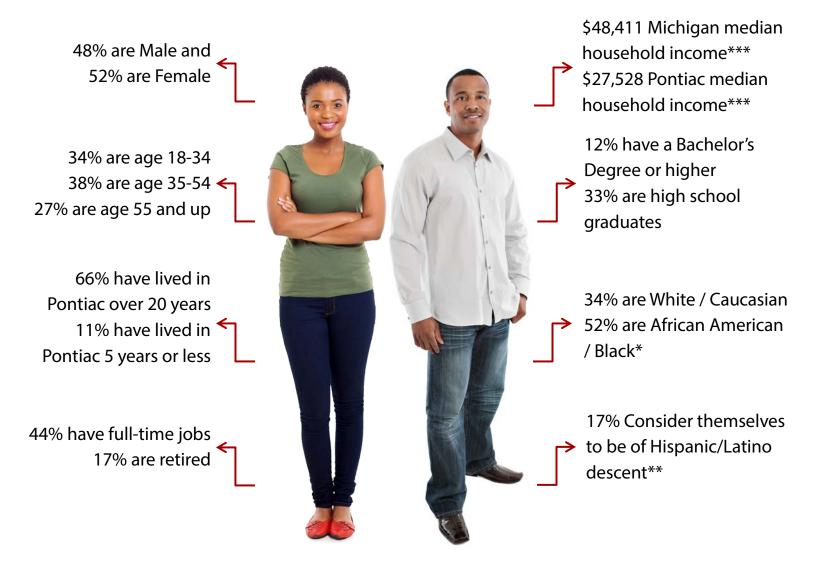
Voters in Pontiac, Michigan were randomly selected and interviewed telephonically. 300 interviews were completed over five days and results are statistically sound within a 5.60% margin of error 95% of the time. The survey took the average respondent 12 minutes to complete.

The following report presents the results of the survey. Word clouds are reflective of the answers received from open-ended survey questions. The larger the word appears, the more frequently that response was received. Due to rounding, the values indicated in graphs may not necessarily add up to 100%. Adjustments were made to weight the results toward demographic and geographic characteristics of the district, in order to account for under- and over-sampling that normally occurs as a result of the random selection process, and to ensure that all major sub-groups are represented in proportion to their actual percentages. Like all polls, this opinion survey research is subject to other possible sources of error, such as unintentional bias in the wording of questions, data-entry error and nonresponse bias.

# **KEY CONCLUSIONS**

- While there is some disparity in right direction versus wrong track by district, there is a universal lack of consensus on the current direction of the City.
- The current community instability will challenge leaders seeking to build consensus around a plan.
- Citizens who believe the City is going in the right direction (41%) point to police department, government and infrastructure improvements.
- Citizens that believe the City has gotten off on the wrong track (42%) point to unemployment, poor schools, infrastructure, government and a high crime rate.
- A majority believe existing neighborhoods and the downtown should be the City's highest priority for redevelopment.
- Citizens strongly believe there are a lack of educational and training opportunities in Pontiac. They believe the first step is to improve the public schools.
- Citizens overwhelmingly approve the plan to redevelop vacant schools.
- Nearly 1/3 of the population feels unsafe in Pontiac. Continued improvement and visibility of the police department is essential.
- The majority overall, and nearly 2/3 of women want to preserve the Phoenix Center.
- Conversion of 1-way to 2-way streets in the downtown will require additional public information and communication.
- Citizens strongly support residential growth in the downtown.
- Citizens seek new retail and entertainment opportunities in the downtown.

# DEMOGRAPHIC PROFILE

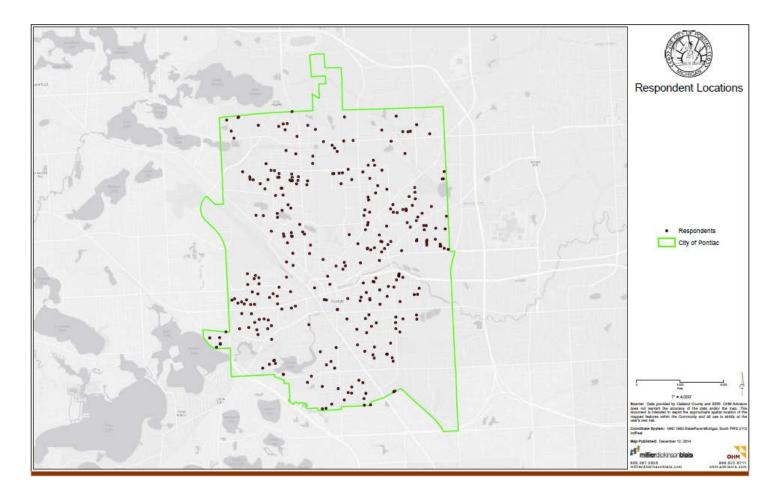


(\*) Includes persons reporting only one race.

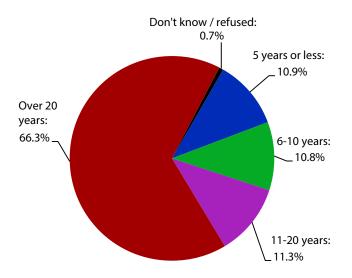
(\*\*) Hispanics may be of any race, so also are included in applicable race categories.

(\*\*\*) U.S. Census Bureau American Community Survey

**Geographic Location of Respondents** 

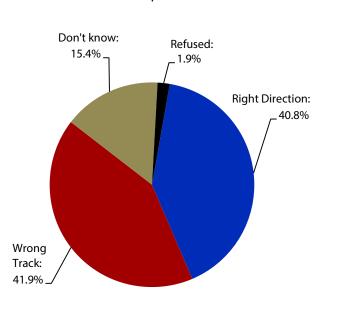


Years in Pontiac

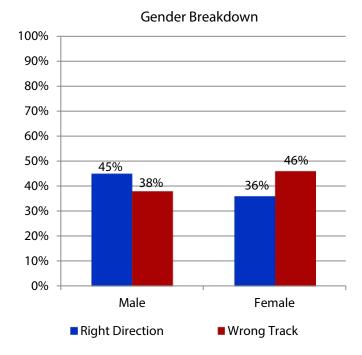


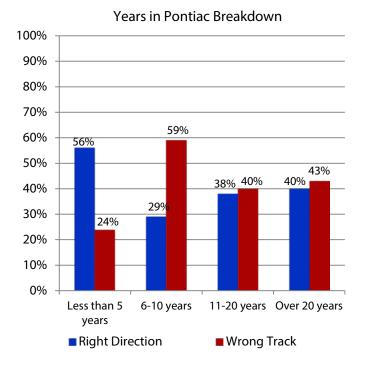
# SURVEY RESULTS

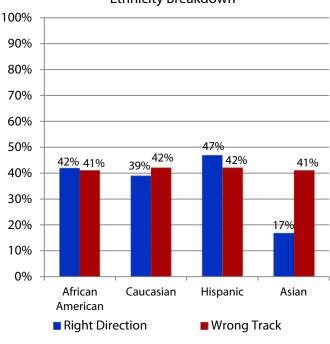
Generally speaking, would you say that things here in Pontiac are going in the right direction, or have they gotten off on the wrong track?



**All Respondents** 

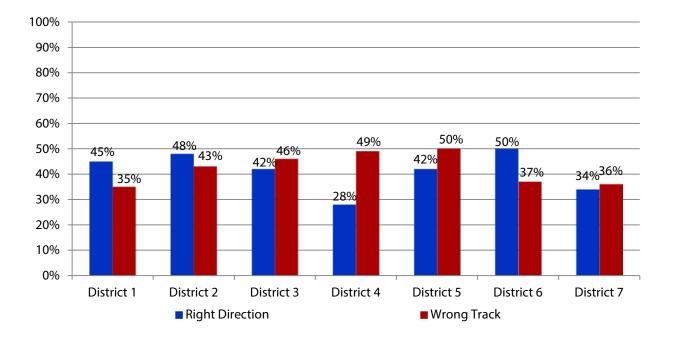


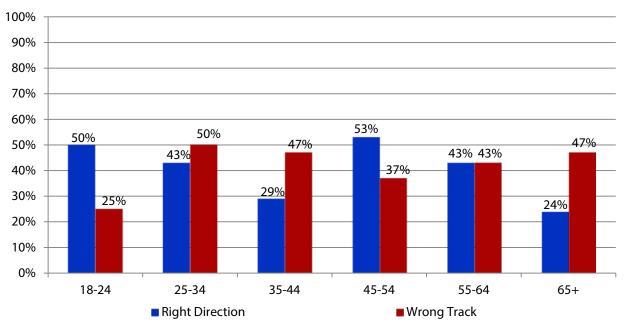




Ethnicity Breakdown

District Breakdown





Age Breakdown

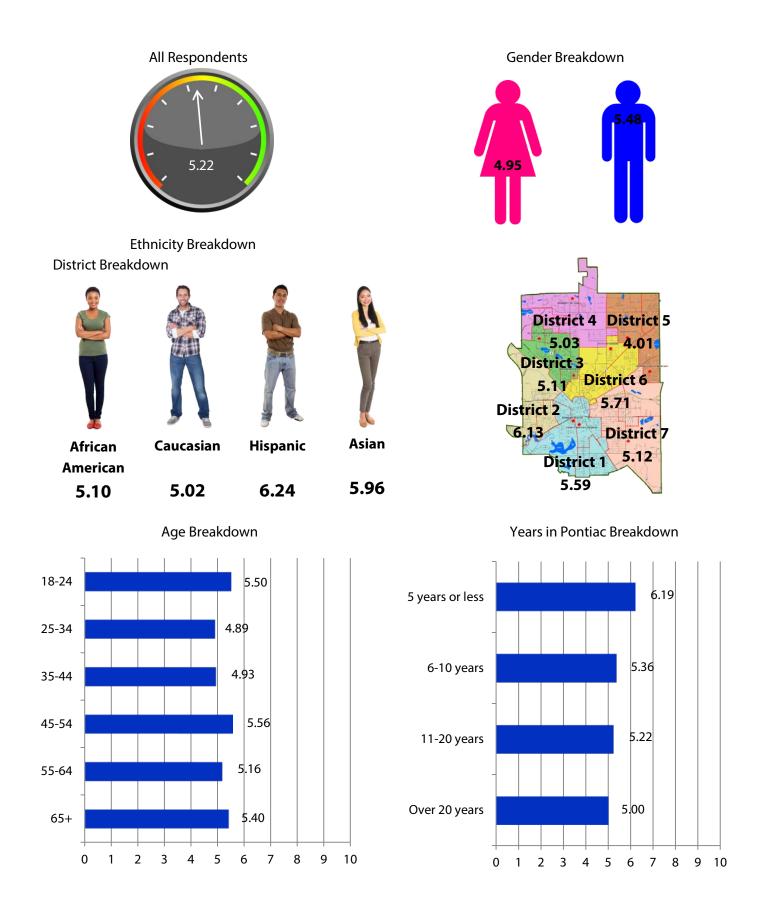
What is the primary reason you feel Pontiac is going in the right direction?



What is the primary reason you feel Pontiac has gotten off on the wrong track?

Poor leadership frastructure Vacant property **Yoor** s svste n crime Inmelessness 0V Corruption High taxes Poor governing Poor community opportu

On a scale of 0-10, with 0 being poor and 10 being excellent, how would you rate the quality of life in Pontiac?



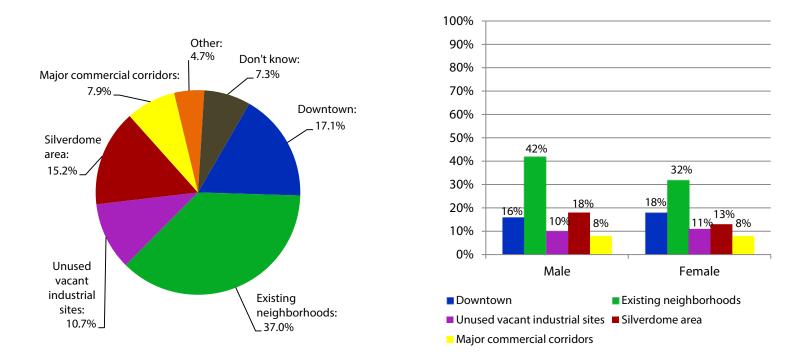
What is the one thing that the city of Pontiac could focus on that would most improve your quality of life?



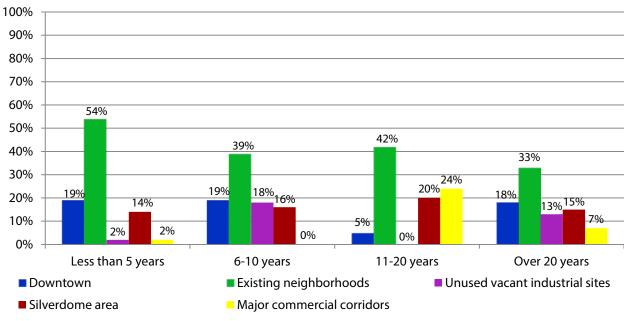
What part of the city do you believe should be the highest priority for redevelopment?

All Respondents

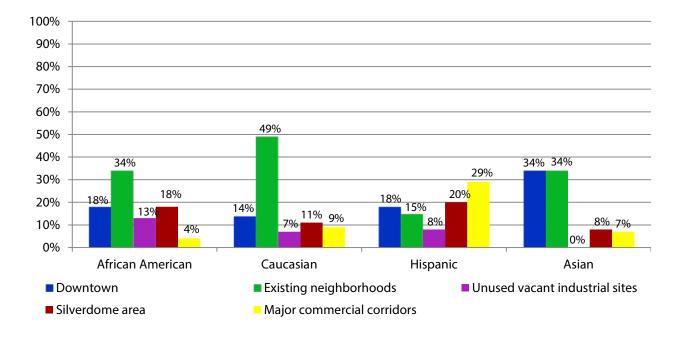
Gender Breakdown

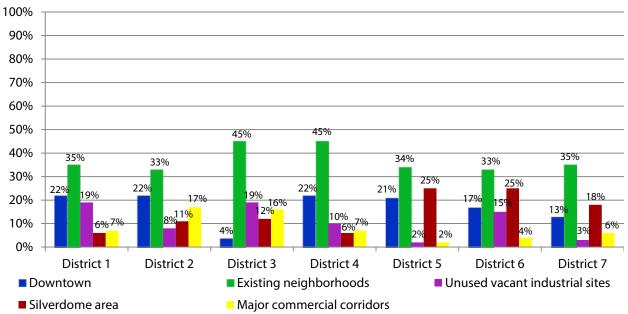






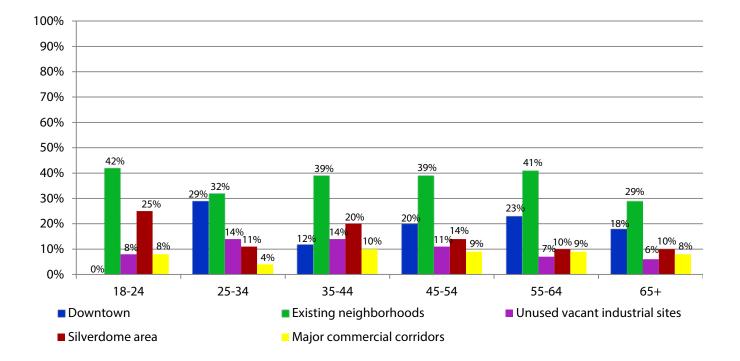
**Ethnicity Breakdown** 



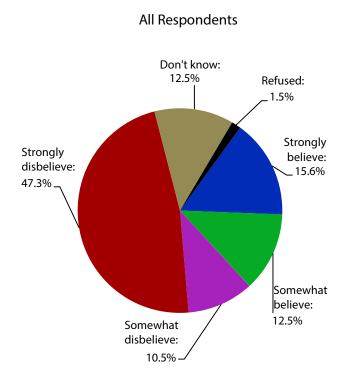


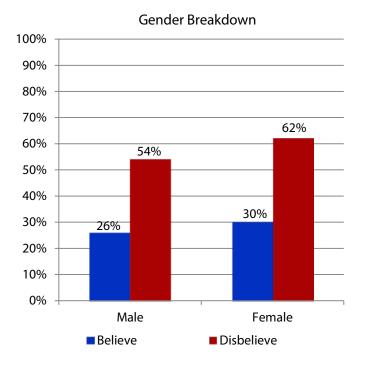
District Breakdown

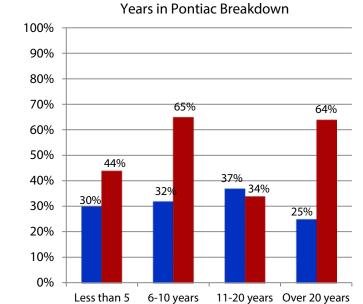
Age Breakdown



District Court West side Education System East and West side Education System Residential Do you believe or disbelieve that Pontiac residents have access to educational and training opportunities in Pontiac necessary to be competitive in the current job marketplace?





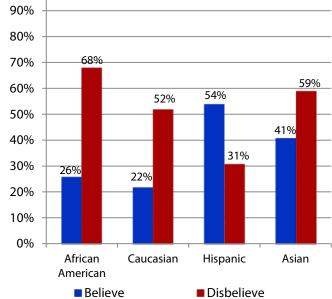


Disbelieve

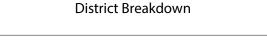
years

Believe

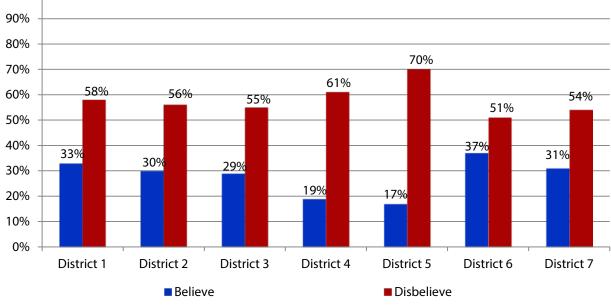
100%

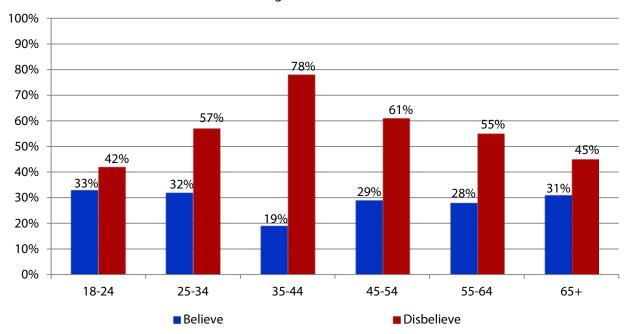


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100%



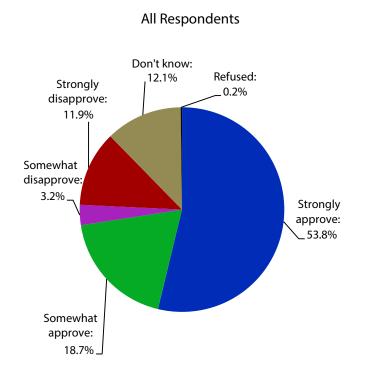


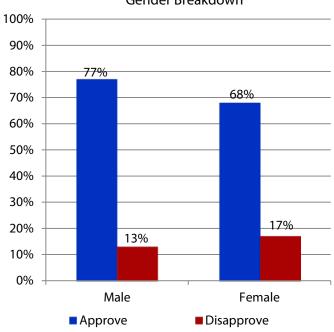
Age Breakdown

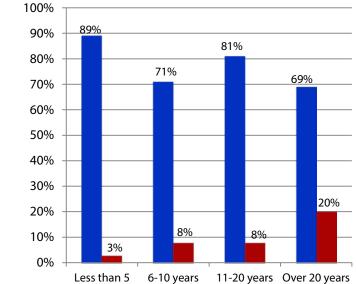
What kinds of educational and training opportunities would you most like to see Pontiac attract more of in the future?



Currently, there are a number of historic vacant schools in the community. Would you approve or disapprove of a plan to sell these properties to allow for redevelopment?







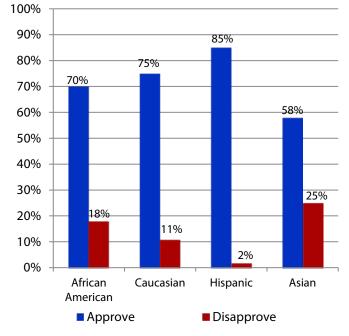
Disapprove

years

Approve

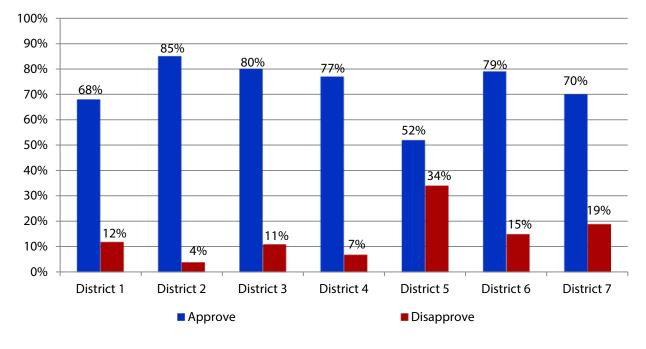
Years in Pontiac Breakdown

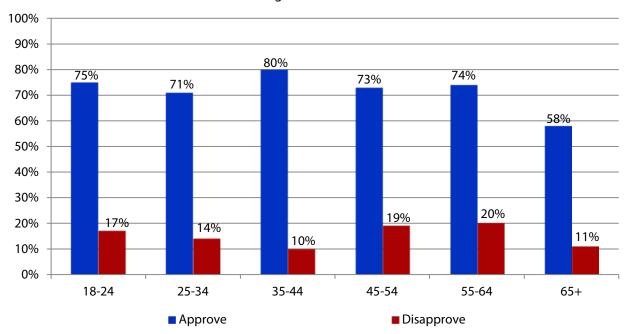
### Ethnicity Breakdown



#### Gender Breakdown

**District Breakdown** 





Age Breakdown

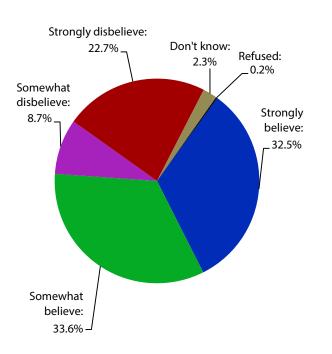
Why do you approve of a plan to sell these properties?



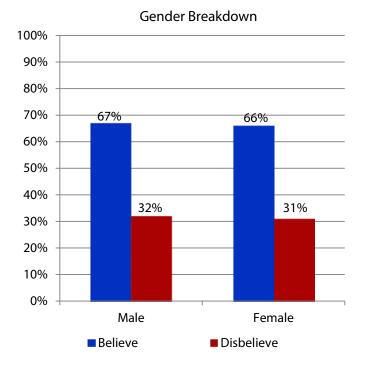
Why do you disapprove of a plan to sell these properties?

# Should be for children

Do you believe or disbelieve that you are safe and secure in the City of Pontiac?



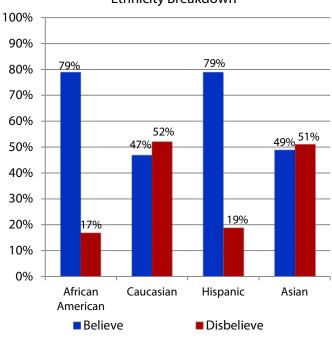
**All Respondents** 



#### Years in Pontiac Breakdown 100% 90% 80% 75% 68% 70% 67% 60% 51% 49% 50% 40% 30% 30% 30% 25% 20% 10% 0% Less than 5 11-20 years Over 20 years 6-10 years years

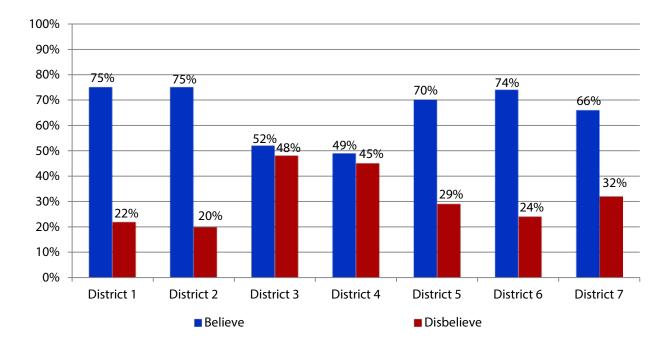
Disbelieve

Believe



**Ethnicity Breakdown** 

District Breakdown



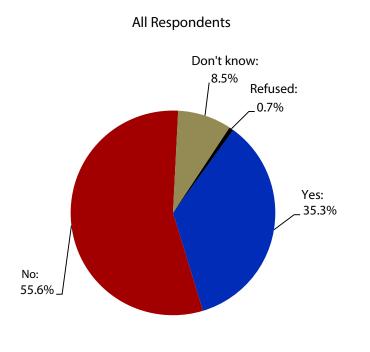
100% 90% 80% 77% 75% 71% 70% 66% 60% 54% 52% 50% 46% 45% 40% 27% 30% 25% 23% 21% 20% 10% 0% 18-24 25-34 35-44 45-54 55-64 65+ Believe Disbelieve

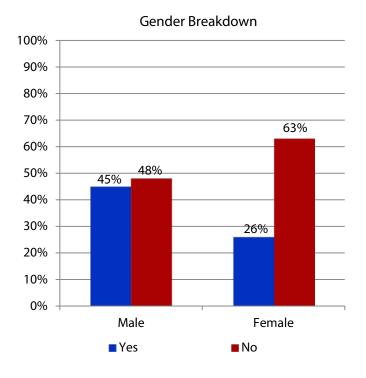
Age Breakdown

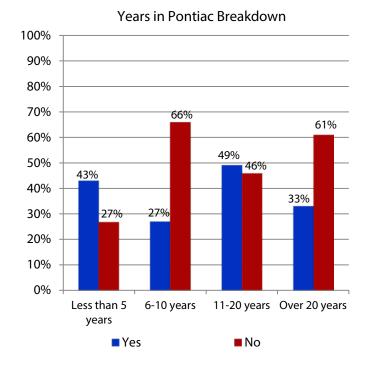
#### What makes you feel unsafe?

Robbery Crime Shootings Lack of law enforcement

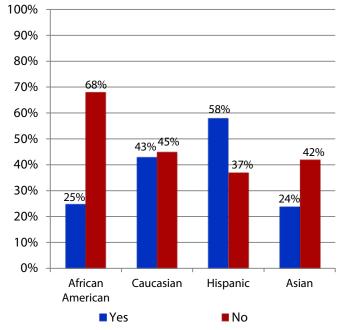
A recent court ruling halted the demolition of the Phoenix Center because it provides parking for nearby office buildings. Do you believe the Phoenix Center should be torn down to create an opportunity for redevelopment in the downtown area?

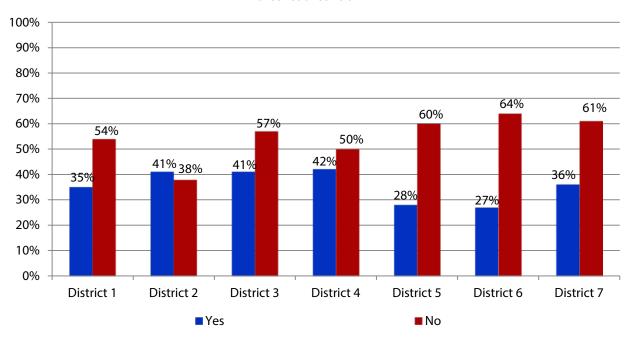


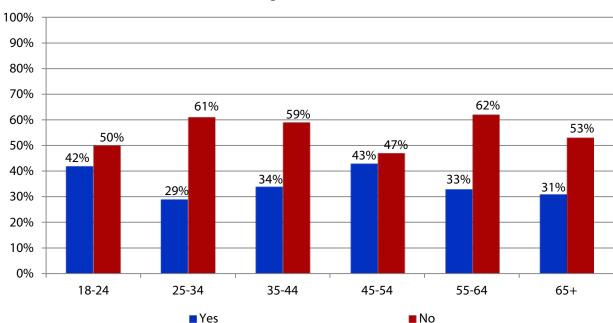




Ethnicity Breakdown





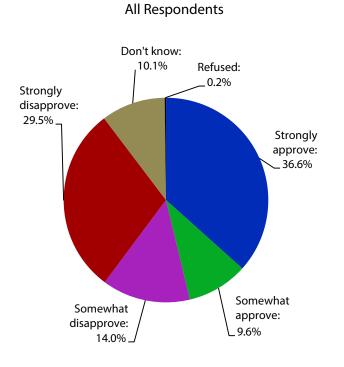


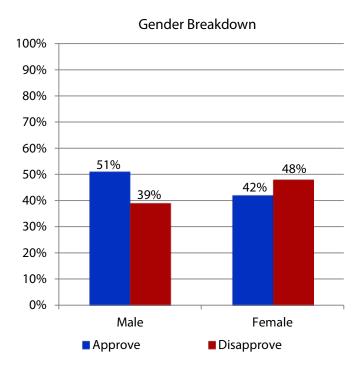
#### Age Breakdown

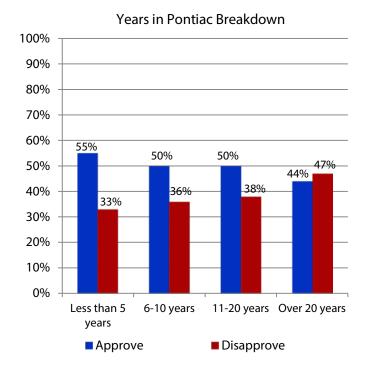
How do you believe the Phoenix Center site should be used in the future?

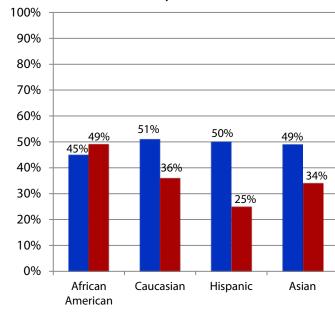


Studies show that one-way traffic in downtowns can reduce traffic congestion. However two-way traffic can improve access to businesses. Do you approve or disapprove of an initiative to convert Woodward Avenue in the downtown to a two-way traffic pattern making it less of a barrier to the neighborhoods?







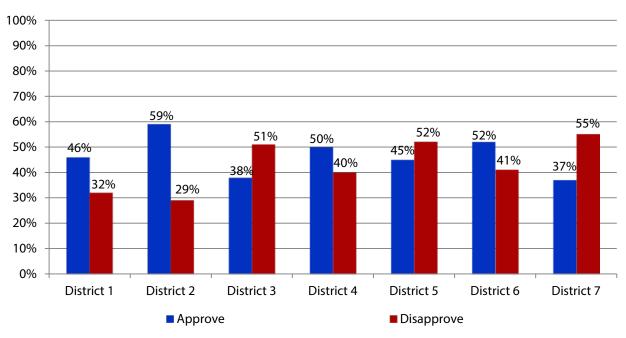


Disapprove

Ethnicity Breakdown

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Approve

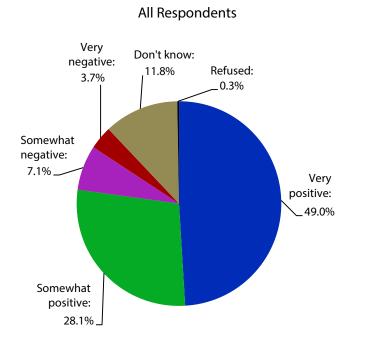


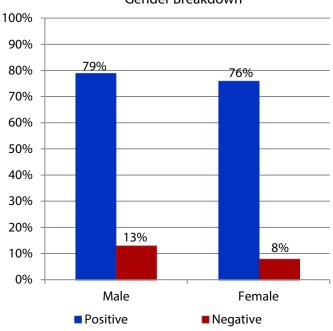
100% 90% 80% 70% 67% 57% 60% 56% 54% 53% 52% 50% 40% 38% 40% 36% 33% 27% 30% 25% 20% 10% 0% 35-44 18-24 25-34 45-54 55-64 65+ Approve Disapprove

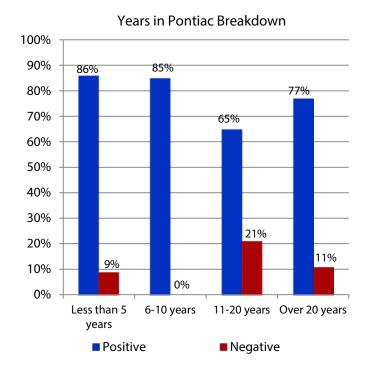
Age Breakdown

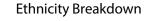
#### **District Breakdown**

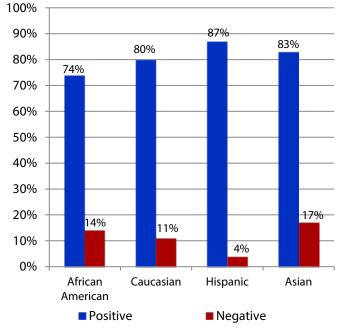
The downtown currently has over 200 residential dwellings with the capacity to grow. Do you feel more people living in the downtown is positive or negative for Pontiac?



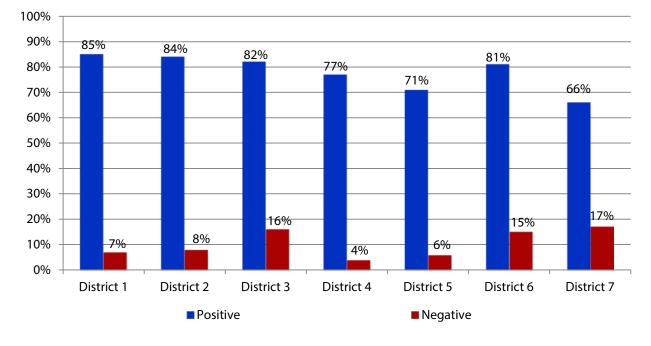


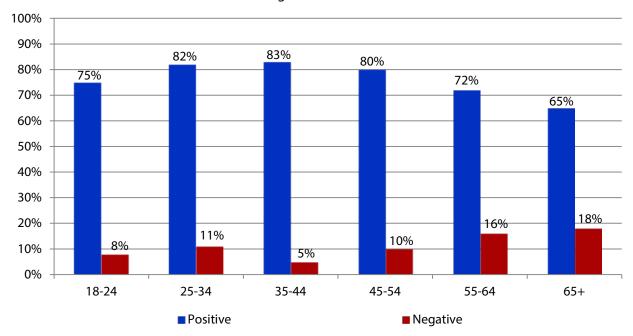






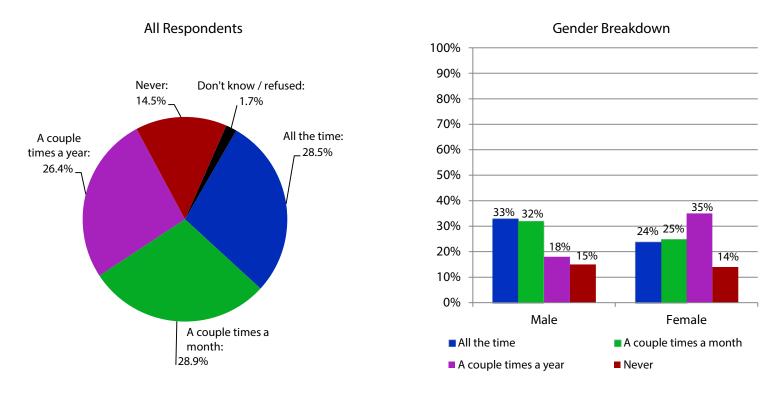
#### **District Breakdown**



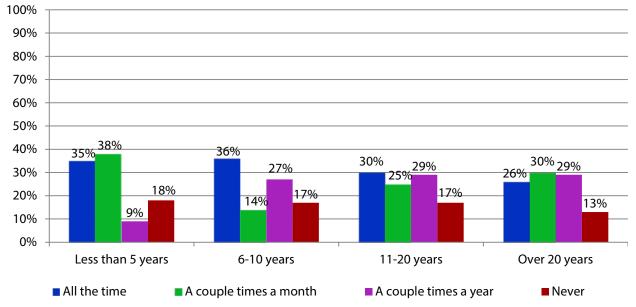


Age Breakdown

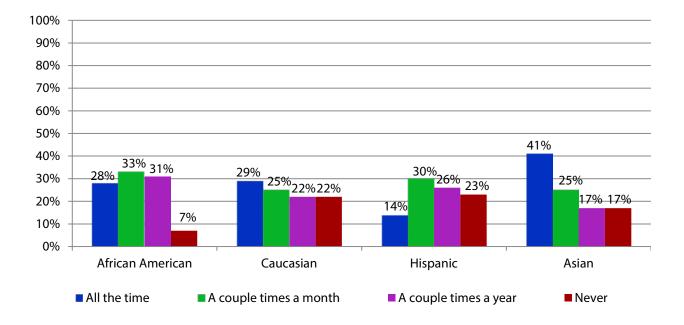
#### How frequently do you visit downtown Pontiac?

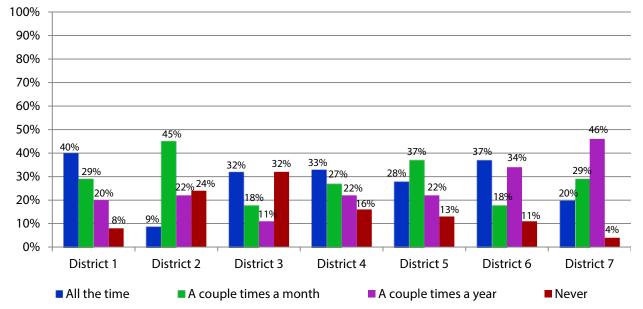


# Years in Pontiac Breakdown



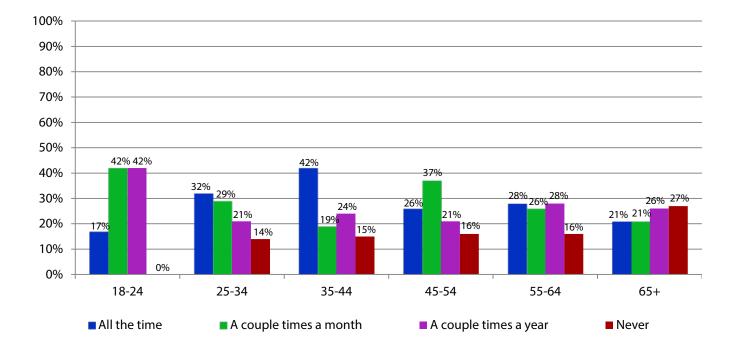
**Ethnicity Breakdown** 





District Breakdown

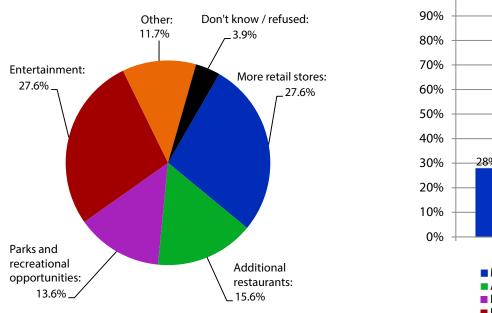
Age Breakdown

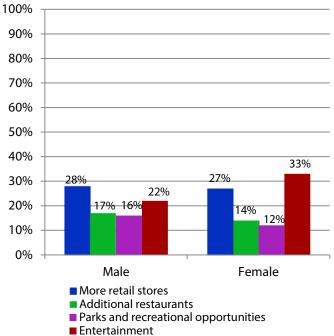


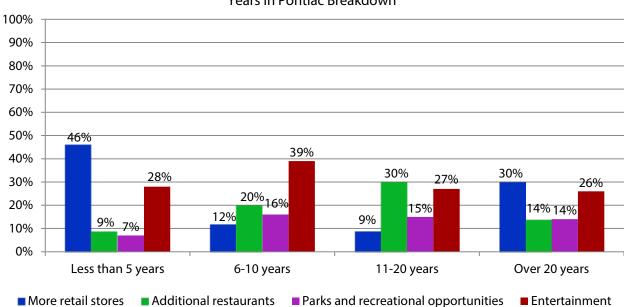
What would most encourage you to come downtown more often?

#### **All Respondents**



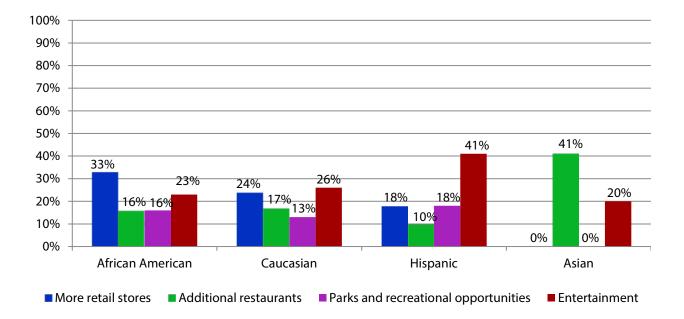


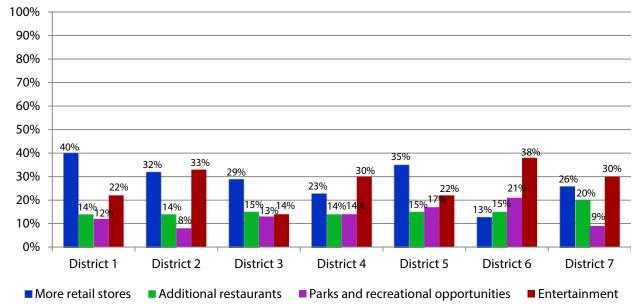




Years in Pontiac Breakdown

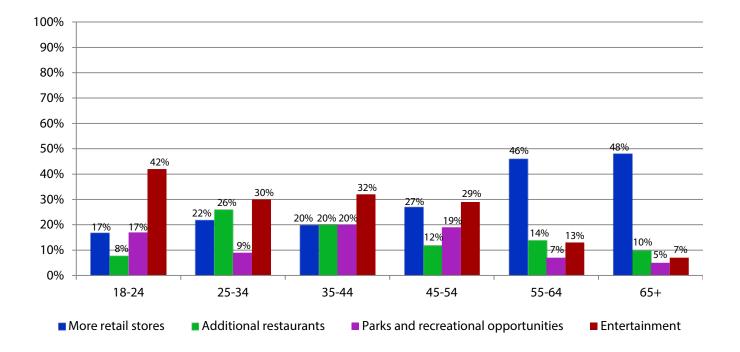
**Ethnicity Breakdown** 





District Breakdown

Age Breakdown



# Clothing Church Hospital Dining Medical marijuana dispenser To pay my bills

# **APPENDIX C:** WORKFORCE PROGRAMS INVENTORY



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# **Appendix: Workforce Support Programs**

# Overview

The "human capital endowment", defined as individual's skills, capacities put to productive use on behalf of society, has become an important determinant of long-term economic success. Therefore, there are growing needs and emphasis on workforce development support at all levels of government in the U.S.

In general, workforce development programs in the U.S. are aimed to address the key issues facing the country, including long-term unemployment, skill gaps, and the gaps between labour force supply and demand. Federal programs in the U.S. range from those targeted to special populations (i.e. veteran's employment and training) to those designed to meet the needs of the general population and employers.

The current policy framework is based on the Workforce Investment Act of 1998 (WIA). The system established under WIA was designed to meet the employment and training needs of jobseekers and employers through its one-stop delivery system. In exchange for the Federal funding and support, each State needs to establish its workforce investment boards to design and implement the workforce investment efforts. However, with Federal funding declining and structural limitations in place, the Federal system cannot reach all communities across the country. This led to the growing need for the State and Local municipal workforce programs to take the lead and leverage resources to meet the requirements of local workforce development.

Recognizing that need the Federal government passed the Workforce Innovation and Opportunity Act (WIOA) in 2014 that supersedes WIA and provides streamlined workforce development to meet the needs of the 21st century. By aligning workforce development with economic development and education initiatives, WIOA intends to empower local workforce investment boards in order for them to tailor services to the region's employment and workforce needs. Under the new system, the State will develop a single and comprehensive State plan to break down silos, reduce administrative costs, and streamline reporting requirements.

Through WIA and now WIOA the State of Michigan created the Governor's Talent Investment Board (GTIB). The GTIB's vision is to promote a flexible, innovative, and effective workforce system by providing thought leadership around talent gaps and employment issues but more importantly empowering local economic development corporations, workforce boards, and Small Business Development Centers. These regional partnerships allow local boards to put in place specific workforce development programs that are geared towards local community challenges. In Oakland County's case, Oakland County's Workforce Development Division (a division of Economic Development and Community Affairs (EDCA)) has created an employer-based training program designed with four opportunities: on-the job essentials training; customized training to meet a special requirement; registered apprenticeships; and incumbent worker training designed to support employers wanting to upgrade the skills of their existing workforce.

The City of Pontiac Master Plan updated and adopted in 2014, reflects the need to continue accessing and promoting these local and regional workforce development opportunities. The Plan calls for Pontiac to continue supporting, when capable, organizational capacity among businesses through regular training and technical assistance workshops (in partnership with EDCA), administration of grant programs (in



partnership with Michigan Works), and the visibility of programs through marketing support (in partnership with State and Regional agencies).

The following appendix provides an overview of workforce development support programs in place at the Federal, State, and Regional level.

# Federal Programs

# **Policy Framework**

# Workforce Investment Act of 1998 (WIA)

Managed by the United States Department of Labour, Employment and Training Administration (DOLETA), WIA was designed as American's primary public workforce investment system providing access to all other services and programs. The WIA aims to consolidate, coordinate and improve employment, training, literacy and vocational programs for youth and adults. Key goals of the WIA are to streamline services, create greater accountability, provide greater accessibility, and give state and local government greater flexibility in procuring employment and training services.

At the local level Workforce Investment Boards (WIBs) plan and procure all WIA funded services. WIBs are organized at either the city or county level and are primarily made of private sector members. Each WIB manages at least one full service facility known as a One-Stop Center. At One-Stop Centers, job seekers can find wrap-around services including employment services for adults and youths, education and vocational training, welfare-to-work services, employment services targeted at veterans, unemployment benefits, and more connections to social services.

# Workforce Innovation and Opportunity Act (2014)

Workforce Innovation and Opportunity Act (WIOA) was passed in 2014. WIOA supersedes the Workforce Investment Act of 1998 and amends the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. In general, the Act will take effect on July 1, 2015, the first full program year after enactment, unless otherwise noted. WIOA represents bipartisan legislation and bicameral support to improve America's workforce competitiveness for the new century.

WIOA will consolidate job training programs under WIA into one funding stream. It will eliminate 15 existing programs, apply a single set of outcome metrics to every federal workforce program under the Act, create more strategic state and local workforce development boards, and allow local areas to better meet the unique need of individuals.

WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labour market and to match employers with the skilled workers they need to compete in the global economy. As a job-driven system, WIOA is aimed to respond to the needs of employers and prepare workers for jobs that are available now and in the future.

The goals of this Act are:

To increase, for individuals in the United States, particularly those individuals with barriers to employment, access to and opportunities for the employment, education, training, and support services they need to succeed in the labour market.



- To support the alignment of workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system in the United States.
- To improve the quality and labour market relevance of workforce investment, education, and economic development efforts to provide America's workers with the skills and credentials necessary to secure and advance in employment with family-sustaining wages and to provide America's employers with the skilled workers the employers need to succeed in a global economy.
- To promote improvement in the structure of and delivery of services through the United States workforce development system to better address the employment and skill needs of workers, jobseekers, and employers.
- To increase the prosperity of workers and employers in the United States, the economic growth of communities, regions, and States, and the global competitiveness of the United States.
- To provide workforce investment activities, through statewide and local workforce development systems, that increase the employment, retention, and earnings of participants, and increase attainment of recognized postsecondary credentials by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of employers, and enhance the productivity and competitiveness of the Nation.

# **Federal Workforce Support Programs**

# The National Registered Apprenticeship program

The National Registered Apprenticeship program provides a framework for employers who are experiencing skilled worker shortages to improve recruitment, retention and the quality of their workforce through on-the-job training and classroom instruction.

Apprentices "earn as they learn" and upon graduation receive a nationally recognized certificate of completion from the U.S. Department of Labour. While the program does not provide grants or funding to employers, it does provide a nationally recognized framework for training that may attract previously untapped worker pools such as high school students. The program also improves the quality of training, which may lead to increased retention.

Since its inception in 1977, the program has primarily focused on construction and manufacturing industries. However in the past few years, this focus has expanded to include apprenticeships in health care, including long-term care. Today, more than a quarter million employers offer registered apprenticeships, representing approximately 440,000 apprentices.

## **Career Pathways**

Career Pathways are to tailor education and training for more employable skills and place graduates in high-demand, high-opportunity jobs. It has been widely adopted by the federal, state and local partners to increase education, training and learning opportunities for the current and especially the emerging trend of workforce demand. Career Pathways partners include community colleges, primary and secondary



schools, workforce and economic development agencies, employers, labour groups and social service providers. Most of the training programs are coordinated by the community colleges and funded by multiple government agencies.

# Job Corps

Administered by the U.S. Department of Labour, Job Corps is the largest residential training and education program for at-risk youth, aged 16 to 24 years old and qualified as low income. Job Corps provides the all-around skills needed to succeed in a career and in life. Through the program, students earn their general education diploma (GED), learn a vocational trade, and develop employment related skills. They also receive a host of supportive services, including on-site housing, transportation, meals, clothes and a stipend. There are 125 Job Corps centers in service in the U.S now.

# **O\*NET**

Sponsored by the U.S. Department of Labour, the Occupational Information Network (O\*NET) is a database of occupational requirements and worker attributes. The information helps support the creation of industry competency models and has been widely used by various stakeholders in workforce development.

The O\*NET System promotes business efficiency and talent development, supports education of the workforce through skills training and curriculum design for regional economic development, and facilitates career guidance and career advancement accounts.

The O\*NET system includes the O\*NET database, O\*NET OnLine, and the O\*NET Career Exploration Tools. The O\*NET database is a comprehensive source of descriptors, with ratings of importance, level, relevance or extent, for more than 900 occupations that are key to the U.S. economy. Powered by the latest database, O\*NET OnLine is a web-based viewer that provides easy public access to O\*NET information. The O\*NET Career Exploration Tools are a set of career exploration and assessment tools that help individuals (workers and students) identify their work-related interests and abilities and what they consider important on the job, so that they can explore occupations that match their interests, abilities, and preferences.

## Board of Governors of the Federal Reserve System-Community Development

The Federal Reserve's Community Development function promotes economic growth and financial stability for low- and moderate-income communities and individuals through a range of activities, including convening stakeholders, conducting and sharing research, and identifying emerging issues. As households and communities contend with limited resources and persistent challenges, Community Development is focusing on the structural barriers to getting people back to work and restoring their financial stability.

Low-income and hard-to-employ individuals represent diverse segments of the population, each requiring unique policy considerations. Historically, youth, the less-educated, and minority workers have been over-represented among both the unemployed and the persistently unemployed. Currently, older workers, women, and those with college educations are also disproportionately facing long-term unemployment and low wages. The Community Development staffs also recognize the unique challenges faced by hard-to-employ populations such as the disabled, the homeless, and ex-offenders.

# National Occupation & Information Coordinating Committee (NOICC)

This committee reviews the need for and application of all operating national data collection and processing systems related to labour market information, implements and maintains national standardized definitions with respect to labour market information, and provides technical assistance to States relating to labour market/occupational supply and demand information.

# National Skill Standards Advisory Board (NSSB)

The NSSB serves as a catalyst in stimulating the development and adoption of a voluntary national system of skill standards and assessment and certification of attainment of skill standards that will serve as a cornerstone of the national strategy to enhance workforce skills and increase productivity, and that can be used by the Nation and by industries.

# **OPM Federal Training and Development Wiki**

The Training and Development Policy Wiki (Wiki) was created by OPM for Federal government training and development practitioners in 2011. The Wiki is an online platform for users to learn, share relevant information, and collaborate across the government on all matters related to Federal training and development. The OPM Wiki is open to everyone to view, search for content, and provide comments on topics. But only Federal Government employees may register and post content tools, resources and best practices directly onto the wiki.

# Worker Profiling and Reemployment Services (WPRS)

The services are to build a nationwide reemployment system. State unemployment insurance, labour exchange and training partners are implementing WPRS systems in all states. Amendments to the Social Security Act require that unemployment insurance claimants who are identified through profiling methods as likely to exhaust benefits and who are in need of reemployment services to transition to new employment, participate in reemployment services, such as job search assistance.

## **Veteran Services**

Veterans are the special population group facing complicated issues when reintegrating back into society. Workforce development for the special group is to provide trainings and job opportunities to help the veterans gain self-sufficient skills and long term employment. Several federal agencies work together to provide various veteran programs to address the issues. The programs include:

- Vocational Rehabilitation and Employment Service is provided by the Department of Veterans' Affairs to set up and implement vocational plans for veterans at regional offices. Vocational plans include: the Individualized Employment Assistance Plan (IEAP) which outlines the steps that will be taken to assist the veteran in obtaining the skills needed for employment; the Individualized Extended Evaluation Plan (IEEP) which is used to determine if the veteran is able to obtain and maintain employment; the Individualized Written Rehabilitation Plan (IWRP) which outlines the training and education to be completed by the veteran leading towards employment.
- Vocational Educational Counseling provides vocational-educational counseling to veterans and certain dependents. They serve members still on active duty, as well as veterans and dependents who are eligible for one of the VA's educational benefit programs. These services are

designed to help an individual choose a vocational direction and determine the course needed to achieve the chosen goal.

- Employment Resources Program is offered by the Vocational Rehabilitation and Employment Service branch of the Department of Veterans' Affairs to leverage resources for suitable employment. The resources include: assistance in finding employment, job-seeking skills training, on-the-job training and apprenticeships, vocational training, one-year certification programs, twoyear diploma programs, two and four-year post-secondary training programs.
- Administered by the office of Veterans' Employment and Training, Disabled Veterans' Outreach Program (DVOP) develops jobs and job training opportunities for disabled and other veterans through contacts with employers and other community agencies and organizations.
- Homeless Veterans Reintegration Program (HVRP) is to help reintegrate homeless veterans into meaningful employment within the labour force and stimulate the development of effective service delivery systems to address the complex problems facing homeless veterans. Competitive grants are awarded to state or local governments, WIBs, and non-profit or faith-based organizations.
- Veterans Workforce Investment Programs (VWIP) builds the capacity of employment and training programs through grants or contracts to meet the specific employment needs of veterans with service-connected disabilities, veterans who have significant barriers to employment, veterans who served in active duty in the armed forces during a campaign or expedition for which a campaign badge has been authorized, and recently separated veterans. At a minimum, 80 percent of the funds provide training, retraining, education, job placement, and support services including testing, counseling, and formal classroom and on-the-job training. These programs complement services generally provided by the states through mainstream WIA program operators.

# Federal Funding Streams for Workforce Development Programs

The federal government provides funding to support workforce development activities through a wide range of agencies and administrations. In general, federal funding is used to support the construction and rehabilitation of educational and training facilities, planning for workforce development, the implementation of work-readiness and skills-based training programs and a number of work related support services.

# American Apprenticeship Grants (AAG)

Managed by the Department of Labour, AAGs are used to develop and implement innovative, high-quality registered apprenticeship programs. This grant competition will help more Americans become apprentices, a proven path to quality employment and the middle class. The AAG funding specifically aims to fund projects that create career pathways that encompass American Apprenticeship and align with other post-secondary educational offerings; and leverage and develop public policies that increase demand for American Apprenticeship and support sustainability.



# **Employment and Training Administration Funded Programs**

The Employment and Training Administration (ETA) operates the federal government job training and worker dislocation programs, federal grants to states for public employment service programs, and unemployment insurance benefits. These services are provided through state and local workforce development systems.

ETA funded programs include:

- Adult Training Grants are a formula-based program, operated at local level by the Oakland County Michigan Works! Agency (MWA) to provide training, education, and employment services to economically disadvantaged adults.
- Adult Employment and Training Activities provides formula-based funding to states and territories to design and operate training programs for adults, including low-income individuals and public assistance recipients.
- Dislocated Worker Assistance is a program that is locally -operated by the Oakland County Michigan Works! Agency (MWA) and provides reemployment services and retraining assistance to individuals permanently dislocated from their employment. These funds can also provide immediate services to workers affected by mass layoffs and plant closures.
- Skills Shortage Grants are funding for competitive grants to local workforce boards and national skill alliances to identify skill shortages and target resources on industries struggling to fill jobs, identify workers needing training, and provide training and job placement services.
- Youth Training Grants are a formula-based program, locally-operated by the Oakland County Michigan Works! Agency (MWA) that provides training and related education and employment services to economically disadvantaged youth, both in school and out of school.
- Summer Youth Employment & Training is a formula-based program, locally-operated by the Oakland County Michigan Works! Agency (MWA) that provides temporary summer employment and academic enrichment to disadvantaged youth.
- Youth Opportunity Grants provide funds to increase the long-term employment of youth who live in empowerment zones, enterprise communities, and similar high poverty areas.
- Rewarding Youth Achievement Grants provide funding to low income youth with extended summer employment opportunities and end-of summer bonuses for high academic achievement and job performance.
- Migrant Youth is a youth employment and training program for migratory and seasonal farm work.
- Native Americans program is designed to improve the economic wellbeing of Native Americans Indians, Eskimos, Aleuts, and Native Hawaiians, through job related training and employment services.
- Migrants and Seasonal Workers Program is designed to serve members of economically disadvantaged families primarily engage in migratory and other forms of seasonal farm work.



- Veterans Employment provide grants and service to meet unique employment and training needs of disabled, Vietnam era and recently separated veterans.
- Labour Market Information budget is distributed to the States through reimbursable agreements to promote the use of labour market information for media releases, publications, seminars, packaged public or commercial software, or on-line delivery systems.
- Research & Evaluation funds evaluation of ETA programs and demonstration initiatives, development and refinement of performance standards and standardized program information, research on worker assessment and testing, and other research that promotes understanding of ETA policy and program improvement.
- Pilots, Demonstrations is to award grants or contracts to conduct research, pilots, or demonstrations that improve techniques or demonstrate the effectiveness of programs.
- Technical Assistance is to provide, coordinate, and support the development of appropriate technical assistance, staff development, and other activities, including assistance in replicating programs of demonstrated effectiveness.
- Incentive Grants are awarded to states that exceed state adjusted levels of performance for WIA Title I state programs, WIA Adult Education and Literacy programs, and Carl T. Perkins Title I programs.
- H1B Skill Training Grants use part of the employer-paid user fee which companies pay when using employees under H1B visas to establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.
- School-to-Work Opportunities Act provides American youth with the knowledge and skills they need to make an effective transition from school to a first job in a high-skill, high-wage career.
- Women in Apprenticeship were mandated by the Women in Apprenticeship and Non-traditional Occupations Act to provide technical assistance to employers and labour unions to encourage employment of women in apprentice occupations and non-traditional occupations.
- Glass Ceiling Commission examines issues raised by the Glass Ceiling Initiative to focus greater attention on the importance of eliminating artificial barriers to the advancement of women and minorities to management and decision-making positions in business, and promote workforce diversity.
- Welfare-To-Work Jobs is a welfare benefit grant, used to provide many welfare recipients with the job placement services, transitional employment, and other support services they need to make the successful progression into long-term unsubsidized employment.
- Community Service Employment for Older Americans finances Federal project grants to public and private non-profit national-level organizations and to units of State government. These projects promote part-time employment opportunities in community service activities for unemployed, low income individuals who are age 55 and over, and foster increased prospects for their economic self-sufficiency.
- Unemployment Insurance Program provides for funding the administration of State unemployment compensation programs which have been enacted pursuant to the Federal



Unemployment Tax Act (Chapter 23, Internal Revenue Code) and Title III of the Social Security Act.

- Employment Service Program is a formula-based program, locally-operated by the Oakland County Michigan Works! Agency (MWA) that provides no-fee employment services to individuals seeking employment and to employers seeking workers.
- Reemployment Service Grants finance the reemployment needs of unemployed workers who lose their jobs through no fault of their own and who need extra help finding a job.
- One-Stop Career Centers fund competitive grants to states to improve access to employment and training services.
- Work Incentive Grants provide competitive grants to improve access to and coordination of information, benefits, and services to enable individuals with disabilities to return to work.
- Alien Labour Certification provides funds for State certification of certain classes of permanent employment-based immigrant and non-immigrant foreign workers.
- Technical Assistance Training (TAT)/Capacity Building Program provides funding for responding to priorities in support of the integration of the Employment Service into the One-Stop Career Center system and transition to a new workforce development system.
- Work Opportunity Tax Credit provides funds for the administration of the federal income tax credit to employers that provide on the-job experience to the job seekers most in need of employment.
- America's Agricultural Labour Network (AgNet) funds the information system devoted to the agriculture industry that connects growers and workers with employment opportunities.
- Trade Adjustment Assistance (TAA) provides benefit payments to workers partially or totally separated from firms which make products or provide certain services affected by imports. It also provides funds for training, job search allowances, and job relocation allowances to workers certified by DOL as adversely affected by trade imports.
- North American Free Trade Agreement (NAFTA) provides weekly adjustment benefit payments to workers partially or totally separated from firms which make products or provide services affected by imports from Mexico or Canada or which moved operations to Mexico or Canada. This program also provides funding for training, job search allowances, and job relocation allowances to workers certified by DOL as adversely affected by imports from Mexico and Canada or whose employers moved operations to Mexico or Canada.
- Advances to the Unemployment Trust Fund provides general fund advances to several trust and general fund accounts for the purposes authorized under various Federal and State unemployment compensation laws whenever the balances in such accounts prove insufficient or whenever reimbursement of an account for expended funds is provided for by law.
- Grants for Intermediaries provide grants for non-profit, community-based and/or faith-based organizations to help connect with other smaller organizations and the people they serve to the local One-Stop delivery system.



# Job Access and Reverse Commute (JARC)

The program provides new and expanded transportation services to enable low income individuals to access job training and work. To receive funds, states and metropolitan areas must develop and maintain Job Access and Reverse Commute plans, cooperated with human service and job training agencies. Federal funds from any other agency may be used to match JARC funds, as long as transportation is an eligible expense.

# State of Michigan

Under the umbrella of the Michigan Department of Talent and Economic Development, the Michigan Talent Investment Agency is the organization that leads the workforce development activities in Michigan.

# **Michigan State Resources**

# Michigan's Regional Skills Alliances (MiRSAs)

Launched in 2004, the Michigan's Regional Skills Alliances (MiRSAs) is a public-private partnership to address workforce needs in specific industry clusters at the regional level. MiRSAs adopt a sectoral approach for workforce development, which allows local stakeholders to work together to plan for and solve the region's workforce challenges in innovative ways. The program has benefited the State with improved business climate, increased competitiveness, and a better workforce system.

# **Governor's Talent Investment Board (GTIB)**

Created by Executive Order 2011-13, the Governor's Talent Investment Board (GTIB) is Michigan's workforce investment board under the WIA framework. The GTIB provides a vital role in bringing citizen involvement, engagement, and oversight to the state's talent enhancement effort. It serves as a catalyst for talent enhancement and economic development entities and recommends policies to the Governor and state departments that guide workforce investment and training at both the state and local levels.

The GTIB's vision is to promote a flexible, innovative, and effective workforce system within the State of Michigan. The Board's mission is to provide thought leadership around critical talent gaps and employment issues and support the development of a strategy ensuring a pipeline of talent that will attract and retain businesses in Michigan.

## **Business Solutions Professional Network**

It is a professional network representing workforce development, economic development, education, and community development professionals who are trained and certified in leveraging state and local resources to provide solutions to meet business demand centered around talent, business growth and decline, infrastructure, and other challenges preventing the business from competing globally.



# Labour Market Information (LMI)

The one-stop source provides reliable information on recent employment trends, wages, detailed industries, and jobs in demand. It is also a great source of economic information on Michigan regions and counties.

# Michigan State University-Center for Community and Economic Development

Michigan State University (MSU) is the nation's premier land-grant university. The MSU Center for Community and Economic Development (CCED) is committed to developing and applying knowledge to address the needs of contemporary society.

Student, faculty, and community involvement is a crucial element of the CCED's mission. Since its establishment, CCED has partnered with public and private organizations to conduct numerous innovative programs that address local concerns and build the capacity of students, scholars and communities to address future challenges. The CCED focuses its resources on the unique challenges of distressed communities throughout the state of Michigan.

Mission of the CCED:

- Create and support an innovative learning environment for collaborative learning in community and economic development
- Provide training and direct assistance designed to increase the capabilities of community-based organizations, private enterprises and public institutions
- Conduct research that assists in the development and implementation of effective problemsolving strategies
- Provide a multidisciplinary capacity to respond to the complex, interrelated issues of distressed communities
- And promote and expand MSU's capacity to provide needed training, direct assistance, and research to address the issues of communities

## **Small Business Development Center Programs**

The programs provide guidance to start-up and small business in general and Michigan-specific. In general, their services include:

- Steps and process for starting a business;
- Different forms of business organization;
- Key elements of a business plan;
- Complying with federal, state and local tax obligations;
- And basics related to management, hiring, marketing, and more.



# **Michigan Works! Association**

The Michigan Works! Association is an organization that represents and serves the state's 24 Michigan Works! Agencies (MWAs), including Oakland County."

# **Regional Prosperity Initiative**

The Regional Prosperity Initiative is a voluntary competitive grant process that is included in the Governor's FY 2014 Executive Budget Recommendation to encourage local private, public and non-profit partners to create vibrant regional economies. The legislature approved the recommended process and the Regional Prosperity Initiative was signed into law as a part of the FY 2014 budget (59 PA 2013).

# **Skilled Trades Training Fund (STTF)**

The program is to target the skill mismatch problems in Michigan. To address the issue, the Governor recommended and the Legislature supported the creation of the Skilled Trades Training Fund (STTF) in 2014 and 2015 to assist companies in meeting their talent challenges.

# Labour Supply/Demand Profiles by Cluster

These Labour Supply / Demand Profiles and Labour Shed Studies cover five of the targeted Workforce Development Clusters by analyzing several measures of labour demand (establishments, employment, real-time occupational demand, and occupational outlook) and labour supply (commuting patterns, labour force, unemployment, jobseekers, and jobseeker occupations) for highlighted labour sheds around the state.

# Michigan Industry Cluster Workforce Reports

These industry cluster briefings analyze several labour market measures including employment concentration, trends, and forecasts; key occupations; education program completers; real-time job ads; and workforce demographics.

## Youth and Young Adults and the Michigan Labour Market

This study examines the important topic of teens and young adults in the labour market. This report provides workforce development professionals with timely, relevant, and accurate information on subjects including: demographics, labour force, and unemployment; industry and occupational employment; educational attainment and job market success; migration of youth; and employment and skill outlook.

# **Career Education Consumer Report (CECR)**

CECR is Michigan's guide to better education and training.

# Michigan Economic Development Corporation (MEDC)

The MEDC partners with businesses and organizations across the state to engage in a variety of activities, including financing, matchmaking, site selection, resources for companies and assisting entrepreneurs.

The MEDC has a series of programs supporting the workforce and business development.



- Michigan Emerging Technologies Fund matches federal funds for exceptional research and technical innovation generated in Michigan.
- Michigan Manufacturing Technology Centers provides Michigan's small- and medium-sized manufacturers and food processors with operational assessments, process improvement training, mentoring services, website technical assistance and market diversification tactics.
- Michigan Smartzone Network connects universities, research organizations and corporations to stimulate the growth of technology-based businesses and jobs.
- Michigan Technical Education Centers include 18 state-of-the-art-centers associated with Michigan's community college system. They provide educational, training, and workforce development infrastructure for Michigan's businesses.
- Pure Michigan Business Connect is focused on helping Michigan businesses to grow. PMBC helps companies find resources to expand their supply chain, discover new business opportunities, access a business-to-business network and provides services like legal and accounting assistance at little or no cost.

Talent support programs include:

- Pure Michigan Talent Connect is a database for employers and job seekers to search job openings, post and view resumes and jobs, view upcoming job fairs and tap into a variety of specialty career services.
- Prosperity Regions Talent Map is an interactive tool designed to allow employers and talent system resources to more easily collaborate and connect in order to meet employer needs.
- Michigan New Jobs Training Program assists businesses that are creating new jobs in Michigan through the community college system.
- Michigan Advanced Technician Training is a three-year, no-cost program for high school seniors. It provides hands-on experience in an in-demand field and can lead to an associate's degree. Apprentice employees earn money while employers gain a skilled worker.

# The Michigan Talent Investment Agency (TIA)

The Michigan Talent Investment Agency's vision is to promote a flexible, innovative, and effective workforce system within the State of Michigan. To accomplish this, the TIA supports a demand driven workforce system, assists the structurally unemployed with financial independence, advocates for the integration of workforce development into the K-12 school system, and supports the alignment of workforce development with economic development efforts.

Major programs include:

Career Education Consumer Report (CECR) Training Search is an online tool to find providers and programs that meet specific needs.

- Career Exploration include Career Matchmaker, a tool to search for a job that fits individual abilities; and Career Investment Calculator, a tool to estimate the educational need and future salary for certain career choice.
- Fidelity Bonding Program was created to assist high-risk, but qualified, job seekers who have bona fide offers of employment. These job seeks include ex-offenders, former substance abusers, and other individuals who have questionable backgrounds as high-risk and potentially untrustworthy workers.
- Food Assistance Employment and Training (FAE&T) Program helps those, who volunteer, to participate in employment and training activities that will assist the individual in obtaining and retaining employment.
- Michigan Works! is a state-wide system to meet the diverse talent demands of local employers, unique to each community. The System is composed of 24 local Michigan Works! Agencies (MWAs), including the Oakland County MWA, whose programs the Oakland County Executive and the Oakland County Workforce Development Board oversee. The fundamental qualities of all the agencies include locally-responsive and demand-driven, governed by a Workforce Development Board comprised of private sector representatives and local elected officials, and skill and talents match.
- Migrant, Immigrant & Seasonal Worker Services are collaborated with Michigan Works! One-Stop Service Center to provide services for jobseekers and employers in job search assistance and placement, registration assistance, testing, counseling, training opportunities, referrals to support services, job development, and farmworker rights and labour law information.
- PATH (formerly JET) program features a 21-day application eligibility period (AEP) during which Michigan Works! Agencies (MWAs) assess, evaluate and more effectively prepare applicants to attain employment, meet federal work participation requirements and work towards selfsufficiency. PATH is to identify barriers and help participants connect to the resources they need to obtain employment and help Michigan reach the federally mandated fifty-percent (50%) work participation rate.
- Veterans' Services is to deliver intensive employment services to a targeted veteran population with the Michigan Works! Agency and the Jobs for Veterans State Grant program.
- Workforce Investment Act (WIA) Adult Program provides participants with workforce investment activities that increase employment, retention, earnings and occupational skill attainment. The program is to improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the economy.
- Powered by WorkKeys, a nationally recognized skills assessment tool developed by ACT, Inc., Michigan National Career Readiness Certificate (MI NCRC) verifies to employers anywhere in Michigan and the United States that an individual has core job skills that apply to work in Applied Mathematics, Locating Information, and Reading for Information – skills that are highly important to the majority of jobs in the workplace. In addition, individuals earn employability skills in effective communication, teamwork, problem solving and critical thinking.



- Skilled Trades Training Fund (STTF) provides competitive awards for employer responsivetraining that enhances talent, productivity, and employment retention. The program is to increase the quality and competitiveness of Michigan's businesses. The program is collaborated with the Michigan Works! Agencies (MWAs), economic development agencies, and educational partners to achieve the demand-driven training that addresses talent shortages hampering the growth of Michigan's priority industries.
- Rapid Response is a demand driven system for both dislocated workers and employers. The program acts as both a provider of direct reemployment services and as a facilitator of additional services and resources to help laid-off workers quickly transition to new employment. Successful Rapid Response strategies include Informational and direct reemployment services for workers, convening, facilitating, and brokering connections, networks, and partners, and solutions for business in transition, growth and decline.
- Trade Adjustment Assistance (TAA) is a federal program that assists U.S. workers who have lost or may lose their jobs as a result of foreign trade. This program provides adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed.
- Workforce Investment Act (WIA) Dislocated Worker Program provides workforce investment activities that increase the employment, retention and earnings of participants, and increase occupational skill attainment by participants. The program is to improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the economy.

# **Oakland County**

Oakland County's Workforce Development Division administers state and federally funded workforce programs and services for the Oakland County Michigan Works! Agency (MWA), on behalf of Oakland County Executive L. Brooks Patterson and the Oakland County Workforce Development Board.

# **Oakland County One Stop Shop Business Center**

Whether starting a business or expanding, Oakland County's One Stop Shop Business Center's consultants work with small for-profit businesses and advanced technology companies to:

- Develop feasibility studies
- Create realistic monthly cash flow projections
- Find appropriate level financing
- Refine business and marketing plans
- Define failsafe processes

# Advantage Oakland-Workforce Development

Oakland County's Workforce Development Division administers state and federally funded workforce programs and services on behalf of Oakland County Executive L. Brooks Patterson and the Oakland County Workforce Development Board. They work in partnership with other economic and community

development agencies, businesses and learning institutes as well as other Michigan Works! agencies in Southeast Michigan to ensure a pipeline of talent that meets employers' needs.

# Oakland County Employer-based training program

The training programs include

- On-the-job training helps a participant gain the knowledge or skills essential to the full and adequate performance of the job.
- Customized training is designed to meet the special requirement of an employer or group of employers.
- Registered Apprenticeships offer workers employment and a combination of on-the-job learning and related instruction. Apprentices are employed and work through a series of defined curricula until the completion of their apprenticeship programs.
- Incumbent Worker Training provides support to employers wanting to upgrade the skills of their existing workforce.

# **Oakland County Michigan Works!**

Eight Oakland County Michigan Works! (One Stop) Service Centers provide free workforce services to businesses and talent. The services include talent attraction, management and retention for businesses and career management, training and placement for job seekers. Every day, more than 1,200 people visit Oakland County Michigan Works!

Pontiac's Michigan Works! Service Center is known as the JobLink, whose fiduciary is Oakland Schools. The center provides various employment services, includes internet access with job boards, resume assistance, application and interview skills assistance, technical services and other trainings toward self-sufficiency.

# SHARE Network-Oakland County

SHARE is a statewide system to help customers become self-sufficient. It brings together workforce development partners, faith-based organizations, community organizations, and businesses and government agencies. Its services range from adult employment and training to youth service.

The program in Pontiac is to provide low income women with learning opportunities and advocacy skills to become self-sufficient and to improve their quality of life.

# Skills Needs Assessment Report for Oakland County on Advanced Manufacturing (2013)

This report provides an in-depth look at advanced manufacturing, how educators can best prepare their curricula and students for employment in that field, and what skills and education job seekers need to qualify for one of a host of attractive advanced manufacturing opportunities.



# Skills Needs Assessment Report for Oakland County on Health Systems (2014)

This report provides an in-depth look at the specific needs of health systems in Oakland County and the region, how educators can best prepare their curricula and students for employment in that field and what skills and education job seekers need to qualify for one of a host of attractive health care opportunities.

# City of Pontiac

# City of Pontiac 2014 Master Plan (P69)

The City of Pontiac Master Plan builds on existing partnerships with non-profits and Community Based Organizations (CBOs), Oakland County and the State of Michigan (MSHDA and MEDC) to develop complementary and joint initiatives to support implementation of Neighborhood Economic Development. The Plan also seeks opportunities to expand the role of housing and workforce training, focused CBOs into business districts and small business technical assistance.

Specific areas of current and future work with partners include support for organizational capacity among business districts citywide, regular training and technical assistance workshops, administration of grant programs and increased visibility of districts through marketing support.

## 2011-2015 Strategic Plan

Areas of interest for the Strategic Plan in relation to workforce support include:

- The Continuum of Care will continue to link all providers with workforce development and ARRA funded agencies for employment and training.
- Employment Assistance is provided through the Workforce Development act and the county's workforce Development Division.
- HOME funds are available to assist with the Home Repair program and to help provide financing for workforce housing development.



# **Additional Resources**

Retrieved from Pure Michigan Talent Connect: <u>http://www.mitalent.org/employer-other-resources/</u> May 20, 2015

#### **Virtual Career Fairs**

MiVirtualCareerFair's are the State of Michigan's hottest new way to connect talent to opportunity. MiVirtualCareerFairs are online career events where jobseekers can meet and network with hiring Michigan companies in an interactive, live, virtual environment! Employers and jobseekers can communicate via chat, upload, view, and search for job postings and resumes and network with other event participants in the event networking lounge. To learn more about Pure Michigan Talent Connects MiVirtualCareerFairs visit: http://www.mitalent.org/virtualcareerfair/.

#### **Michigan Works! Agencies**

Visit the Michigan Works! Agencies website to find skilled workers and training opportunities to upgrade workers' skills.

Twenty-four Michigan Works! Agencies oversee a statewide network of Michigan Works! Service Centers. Business partners can connect locally with Michigan Works! Agencies to find skilled workers and access training opportunities to upgrade workers' skills.

A variety of services are available to employers, ranging from basic resume searches and writing effective job postings, to providing online job advertisements, recruitment, and resume sorting.

## **Employer Toolkit**

Are you a company of one and ready to hire your first employee? Or, maybe you're a small business in need of some general human resources information. The Employer Toolkit was designed with micro and small businesses in mind, and provides a variety of resources to help grow your business.

## **Employer Internship Toolkit**

The founding partners of the Michigan Internship Initiative, Hello West Michigan and the Prima Civitas Foundation (PCF), have focused the initiative on connecting employers, educational institutions and workforce development, while providing employers with the resources necessary to build a successful internship program. There are several tools and initiatives aimed at connecting interns (talent) to employers, but it is imperative that the right structure is in place to make that connection a success.

# MAT<sup>2</sup>

The Michigan Advanced Technician Training (MAT<sup>2</sup>) Program is an educational model that allows your company to "grow its own" employees and ensure a future pipeline of qualified talent. A partnership between the State of Michigan, industry leaders, and colleges, MAT<sup>2</sup> directly involves employers in creating highly skilled, capable and readily employable graduates. The program currently offers four programs: Mechatronics, IT, Technical Product Design, and CNC.

## Michigan Industry Cluster Approach (MICA)

MICA creates a framework in which many employers within a single industry engage with the workforce system to identify their demand. In this approach, talent issues may be handled more efficiently through multi-company, industry-focused training programs. Regionally, Michigan Works! Agencies (MWAs) convene employers along with education providers, economic development organizations, and other groups associated with workforce development to solve talent challenges. Local industry clusters are formed based on local needs and are led by employers.

## Michigan eLibrary Business Gateway

Find enriching intelligence and easy-to-navigate resources to support any business research. Michigan eLibrary (www.mel.org) provides access to eBooks and Journals, demographics, market/industry information and legal forms, all available at no cost to Michigan residents.

## Hire a Vet

When you employ veterans, you are employing a unique pool of employees who have demonstrated integrity, a commitment to excellence, a desire to do the best job possible and give you a clear edge on the competition. Veterans typically possess a level of training, maturity and discipline rare in the civilian workforce. Find out more about the great qualities and benefits that veterans can bring to your organization.

# **Community Ventures**

Community Ventures is a public-private nonprofit partnership created to hire at least 1,000 structurally unemployed residents from distressed neighborhoods.

## **Global Talent**

The Global Talent Retention Initiative (GTRI) effort targets outreach to international students and employers in Michigan. GTRI provides international students and local employers with training and resources on relevant immigration regulations, information on finding a job and

working in Michigan, and help with cross-cultural issues that both employers and international applicants may experience during the hiring process.

# Work Opportunity Tax Credit (WOTC) Program

The WOTC is available to private-for-profit employers who hire from specific targeted groups of people that have in the past experienced difficulty in securing employment. The WOTC allows a maximum credit for the first year of employment of \$2,400 for ex-felons. To qualify, their felony conviction or release date can't be more than one year prior to the hire date.

A new qualifying hire must also work at least 120 hours for the employer to claim a 25% credit and at least 400 hours for the employer to claim a 40% credit on the first gross wages paid in the first year of employment. The maximum first gross wages paid in the first year of employment is \$6,000.

# **Fidelity Bonding Program**

Sponsored by the Workforce Development Agency, State of Michigan, the Fidelity Bonding Program was created to assist high-risk, but qualified, job seekers who have bona fide offers of employment.

## Wage and Hour Division (WHD)

The Department of Labor's Wage and Hour Division is committed to providing employers with the tools they need to operate in compliance with the variety of labor laws enforced by the Division. WHD offers a number of useful compliance resources intended to provide employers with readily accessible, easy-to-understand information relevant to both their rights and to their responsibilities under the law.

## The Michigan National Career Readiness Certificate

The Michigan National Career Readiness Certificate helps reduce hiring time and associated costs. It tells employers that workers have essential core employability skills critical for success in their organization. Individuals with higher scores are prepared for a greater range of jobs or training programs.

#### **Michigan Business One Stop**

Visit the Michigan Business One Stop website, a fast, easy, and simple way to begin your business relationship with Michigan.

Michigan Business One Stop is the official State of Michigan website where you can register to start a business and file for sales tax, licenses, and permits.



#### **Pure Michigan Business Connect**

Pure Michigan business connect is a **multi-billion dollar public/private initiative** developed by the Michigan Economic Development Corporation that connects Michigan businesses by introducing them into the purchasing pipelines of the state's larger companies. Through this Business-to-Business (B2B) network, Michigan companies are encouraged to increase their procurement spending within the state. Professional assistance is available to small businesses and startups at little or no charge, including legal, accounting, Web development and human resource assistance.

#### **Michigan Economic Development Corporation**

Visit Michigan's Official Site for Business, Talent & Jobs and Economic Growth, run by the MEDC, a public-private partnership serving as the state's marketing arm and lead agency for business, talent and jobs, tourism, film and digital incentives, arts and cultural grants, and overall economic growth.

#### Michigan Shifting Gears' Alumni are a Great Resource for Great Talent

Alumni of the Michigan Shifting Gears career-transition program who are actively seeking new career opportunities make up the exceptional pool of available Michigan Shifting Gears talent. These mid- and late-career professionals, who possess at least a 4-year degree or comparable combination of training and experience, bring a broad, deep wealth of skillsets, abilities, and experiences, and have a desire to bring value to the right company or organization...maybe yours? If you have professional career opportunities and are looking to get connected with great talent, contact shiftinggears@michigan.org to provide details about your specific talent needs, and learn how to tap into this incredible talent resource!

## Michigan Manufacturing Technology Center (MMTC)

Since 1991, MMTC has assisted Michigan's small and medium-sized businesses compete and grow. Through personalized services fitted to meet the needs of clients, MMTC develops more effective business leaders, drives product and process innovation, promotes company-wide operational excellence and fosters creative strategies for business growth and greater profitability.

#### **Talent Connect Newsletter**

Sign up to receive a bi-weekly newsletter with valuable information to help in your talent search.

# **APPENDIX D:** EDUCATIONAL OPPORTUNITIES RELATED TO TARGET INDUSTRIES

# ADVANCED MANUFACTURING

# • Oakland University:

- Engineering and Computer Science (Computer science, electrical and computer, industrial and systems, mechanical)
- Lawrence Technological University:
  - Architecture and Design (Industrial design, transportation design)
  - Arts and Sciences (Chemistry, chemical biology, computer science, mathematics, mathematics and computers)
  - Engineering (Computer, embedded software, mechanical and manufacturing, industrial operations, robotics)
  - Management (Business administration, information technology, entrepreneurial strategy)

# • Oakland Community College:

- Applied Science (Computer information systems, computer engineering technology, electrical trades, industrial electrical, machine tool numerical control, robotics, automated systems, technological sciences)
- o Business (Business administration)

# **RESEARCH CENTERS:**

# • Oakland University:

- Chrysler Learning and Innovation Center for Sheet Metal Forming
- o Fastening and Joining Research Institute
- o Automotive Tribology Center
- Center for Robotics and Advanced Automation

# • Lawrence Technological University:

- o Automotive Engineering Institute
- o Center for Innovative Materials Research

# **ENTREPRENEURS**

# • Oakland University:

• Business Administration (Accounting and finance, economics, marketing and management

# • Lawrence Technological University:

 Management (Business administration, information technology, entrepreneurial strategy)

# • Oakland Community College:

- Applied Science (Computer information systems, management development
- Business Administration (Business administration, accounting,
- o Liberal Arts (International commerce)

# **RESEARCH CENTERS:**

# • Oakland University:

- o Center for Applied Technology in Business
- Center for Integrated Business Research and Education

# • Lawrence Technological University:

o Center for Leadership

#### EDUCATION

#### • Oakland University:

- Education and Human Services (Counseling, human development and child studies, reading and language arts, teacher development and educational studies)
- Lawrence Technological University:
  - Arts and Sciences (Education technology)

#### • Oakland Community College:

• Applied Science (Early childhood education)

#### **RESEARCH CENTERS:**

- Oakland University:
  - o Galileo Institute for Teacher Leadership
  - Ken Morris Center for the Study of Labor and Work
  - Lowry Center for Early Childhood Education
  - OU Center for Autism Research, Education, and Support
  - Center for Excellence in Teaching and Learning

#### **HEALTHCARE**

#### • Oakland University:

- Arts and Sciences (Biological sciences, chemistry, biochemistry, physics, psychology)
- Education and Human Services (Counseling)
- Engineering and Computer Science (Computer science, electrical and computer)
- Health Sciences (Applied health sciences, exercise science, biomedical, diagnostic, and therapeutic sciences, occupational safety and health, physical therapy, wellness, health promotion, and injury prevention)
- o Medicine
- Nursing (Nursing, nurse practitioner, nurse anesthesia)

#### • Lawrence Technological University:

- Arts and Sciences (Chemistry, chemical biology, computer science, environmental chemistry, molecular and cell biology, physics, psychology)
- Engineering (Biomedical, embedded software, robotics)
- Management (Information technology)

#### • Oakland Community College:

 Applied Science (Computer information systems, dental hygiene, diagnostic medical services, emergency medical services, exercise science and technology, health care administration, hospital pharmacy technology, massage therapy, medical assisting, medical transcription, mental health/social work, nuclear medicine technology, nursing, radiation therapy technology, respiratory therapy, surgical technology)

#### **RESEARCH CENTERS:**

#### • Oakland University:

- o Center for Biomedical Research
- o Prevention Research Center
- Eye Research Center
- OUWB Institute for Stem Cell and Regenerative Medicine

#### SKILLED TRADES

#### Oakland Community College:

 Applied Science (Automobile servicing, electrical trades technology, industrial electrical trades technology, industrial technology, landscape horticulture, machine tool numerical control technology, robotics/ automated systems technology)

#### ARTS, CULTURE, AND ENTERTAINMENT

#### • Oakland University:

- Arts and Science (art and art history, music, theatre, dance, writing and rhetoric)
- Lawrence Technological University:
  - Architecture and Design (Architectural studies, game art, graphic design, interaction design, urban design)
  - Arts and Sciences (English and communication arts, media communication)

#### Oakland Community College:

- Applied Science (Architecture, ceramic technology, graphic design, landscape design, photographic technology)
- Liberal Arts (Broadcast arts technology, cinematic arts, music, theatre, fine arts/ visual)

#### **RESEARCH CENTERS:**

#### • Oakland University:

- Center for Applied Research in Musical Understanding
- o Meadowbrook Writing Project

## **APPENDIX E:**

#### MICHIGAN VACANT PROPERTY CAMPAIGN PONTIAC SITE VISIT REPORT AND TOOLBOX

# Michigan Vacant The Property Campaign

Site Visit Report: Pontiac, Michigan

May 2015







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#### A. Introduction

The Michigan Vacant Property Campaign (MVPC) exists to efficiently and effectively meet the needs of leaders in the state who are committed to turning the vacant properties in their communities into assets. MVPC is a collaboration between four organizations with unique expertise related to vacant

property issues: the Center for Community Progress, Community Economic Development Association of Michigan, Michigan Municipal League, and Michigan Community Resources. Created to develop a statewide network of practice and expertise, MVPC assists small, rural, suburban, and metropolitan areas. MVPC's core activities are to provide education and outreach, community and partner technical assistance, local campaign formation, and policy and systems development.

In working with a community, the role of MVPC is to learn about the challenges related to vacant and abandoned properties facing that community and to identify potential strategies, programming, and resources that may be effective in addressing those challenges.

This report provides an overview of the challenges that the residents and leaders of Pontiac shared with MVPC during a recent site visit and the potential strategies, programming, and resources that were identified for the Pontiac community during that site visit.

MVPC has included essential resources for handling vacant, abandoned, and problem properties developed by its member organizations in the report appendices. These include the following comprehensive guides to planning, organizing, implementing, and assessing strategies to return vacant, abandoned, and problem properties to productive use:

- Pontiac Vacant Property Toolbox
- Detroit Vacant Property Toolbox
- MVPC Blight Planning Toolkit

#### **B. Methodology**

On April 22, 2015, MVPC conducted a site visit in Pontiac, Michigan. MVPC was invited to Pontiac by Jill Robinson, Property Specialist, Oakland County Treasurer's Office; the Honorable Deirdre Waterman, Mayor, City of Pontiac; and Dayne Thomas, Chair, City of Pontiac Planning Commission.

The site visit included a tour of the city and stakeholder interviews to obtain an understanding of the issues facing Pontiac with respect to vacant, abandoned, and problem properties. The following individuals participated in the site visit on behalf of MVPC and its constituent members:

- Sarah Craft, Michigan Municipal League (MML)
- Stacy Esbrook, Michigan Economic Development Corporation (MEDC)
- Jill Ferrari, Michigan Community Resources (MCR)
- Samira Guyot, Michigan Community Resources (MCR)
- Julie Hales Smith, Michigan Vacant Property Campaign (MVPC)
- Laura Settlemyer, Center for Community Progress (CCP)
- Jamie Schriner Hooper, Community Economic Development Association of Michigan (CEDAM)
- Ellen Thackery, Michigan Historic Preservation Network (MHPN)

The MVPC site visit in Pontiac began with a tour of the city and its neighborhoods that highlighted specific issues and possibilities in each of the seven city council districts. Following the tour, MVPC facilitated a series of small-group meetings with residents and other stakeholders from city council districts. At the end of the day, MVPC facilitated a discussion with officials from Oakland County and the City of Pontiac, including members of the city council, the Mayor, and members of her administration.

During the site visit, MVPC, the City of Pontiac, and the Oakland County Treasurer's Office sought to achieve the following objectives:

- Hear from residents and government officials as to the issues in Pontiac related to abandoned, vacant, and problem properties;
- Identify and document current vacant-property strategies and blight-remediation efforts already underway;
- Identify current and potential partners and networks with capacity and willingness to lead campaigns addressing vacant, abandoned, and problem properties and quality of life issues; and
- Provide summary report of recommendations for Pontiac stakeholders to provide groundwork for blight remediation in Pontiac.

The Master Plan Implementation Committee invited representatives and stakeholders from each of the seven city council districts for the small-group meetings. MVPC facilitated three small-group meetings composed of representatives and stakeholders from City Council Districts 1 and 2, City Council Districts 3 and 4, and City Council Districts 5, 6, and 7.

Each meeting began with a brief introduction of MVPC, the site visit goals and process, and a welcome from Dayne Thomas, Chair of the City of Pontiac Planning Commission. Thomas highlighted top priorities identified by the new City of Pontiac Master Plan Update, adopted in the fall of 2014, which included strategies for blight remediation and elimination.

Each small group was asked to consider and answer the following questions:

- What are the biggest problems regarding blight/vacancy in the city?
- Who is currently taking action on blight and vacancy issues?
- Who or what could be done differently to address blight/vacancy?
- What are the highest priority blight/vacancy issues in your district?
- How can you and your neighbors work together to address blight; what help would you need?

The final meeting of the day was conducted with elected and appointed officials from the City of Pontiac and Oakland County. This group was asked to consider and answer a slightly different list of questions:

- What are your biggest or most challenging issues with vacancy and blight?
- What actions are you currently taking? What is working and what is not working, and why?
- Who is engaged in these efforts? Who are the existing or potential strategic partners?
- What do you think should be done to address these issues? What are your goals?
- Do you have any specific requests for technical assistance?

#### **C.** Observations

**Background**: According to the United States Census Bureau<sup>1</sup>, the city has a total area of 20.28 square miles (52.52 km<sup>2</sup>), of which 19.97 square miles (51.72 km<sup>2</sup>) is land and 0.31 square miles (0.80 km<sup>2</sup>) is water. The 2010 census reported there were 27,084 housing units. Vacancy continues to be a major issue, with 18% of all housing units reported as vacant. During the site visit, city and county officials reported that of these, the City owns 718 parcels, Oakland County owns 800, and the State Land Bank owns 180.

Pontiac was the home of General Motors automobile manufacturing plants, including Pontiac Motor Division, which in the city's heyday was the primary automobile assembly plant where the famed Pontiac cars were produced and named after the city. It is also home to the Pontiac Silverdome, the stadium that hosted the Detroit Lions from 1975 until 2002. Unfortunately today, most of those manufacturing sites and the Silverdome are vacant.

**<u>Feedback</u>**: Throughout the site visit, residents and government officials agreed that lack of communication and inadequate code enforcement resources are two of the most significant barriers to addressing blight and vacancy throughout Pontiac. In addition, many agreed that there appeared to be a lack of planning or strategy for managing abandoned, vacant, and problem properties. Also, a few noted that blight along the city's main corridors detracted from economic development and made the city appear unwelcoming and unsafe. Four key themes emerged from the discussions that occurred during the site visit:

- (1) Lack of communication between and among government officials (local, county, and state), residents, and neighborhoods: Pontiac residents are not aware of all that their government is doing to work on issues residents face with respect to abandoned, vacant, and problem properties. Residents and neighborhoods also do not necessarily communicate with each other about initiatives that are working or not working for them. Residents also complained that they do not know how to find out who owns properties, who is responsible for them, or who to contact with a problem or a solution.
- (2) Inadequate code enforcement resources: Currently the City of Pontiac effectively employs only three, part-time code enforcement officers (2 full time equivalent employees), which is extremely low for a city of its size. There are major problems with code violations in commercial and residential, single-family and multi-family, owner-occupied and rental properties that go unattended due to lack of staff and resources at the local government level. There also were complaints related to lack of consistent follow through by the courts. Landlords and property owners that are absentee are a big portion of this problem. Residents expressed frustration that even large, international corporations are not held accountable when their properties are not maintained.
- (3) Appearance of ineffective planning and strategies for dealing with vacant parcels and blight elimination: There is such potential for Pontiac's vacant parcels, unfortunately, there is no strategic or coordinated approach to eliminating blight. Currently, the City of Pontiac is demolishing blighted structures as they have funding available to do so, only to leave vacant land behind which quickly develops into illegal dumping grounds. Pontiac needs a plan that is broadly developed and communicated so that residents, neighborhoods, and community

<sup>&</sup>lt;sup>1</sup> United States Census Bureau, (8 July 2014) *State and County Quick Facts*: Pontiac, MI. Retrieved April 25, 2015 from http:// quickfacts.census.gov/qfd/states/26/2665440.html

groups know how to participate and what role they could play. In addition, scarce resources, including resources for code enforcement, nuisance abatement, and demolition, could be targeted to capitalize on specific opportunities and problem areas.

(4) Unwelcoming corridors: Pontiac has several major corridors that carry masses of traffic daily. These corridors exhibit some of the worse blighted and vacant properties in the entire city. The condition of these corridors is made especially stark when compared to some of Pontiac's immediate, upscale neighbors.

**<u>Entities Currently Working on Blight Elimination</u>:** Representatives and stakeholders identified the following entities that are currently working on blight elimination in Pontiac:

Entity	Activity	
Pontiac Residents	Take grassroots approaches to vacancy management and blight elimination—one group of District 2 leaders recently formed a non-profit organization, Better Pontiac, with the potential to help organize, seek grant funding, and serve as a model and resource for other neighborhoods. Other initiatives include: block clubs, the Pontiac Time Bank, gardening groups.	
Steering Committee of Economic Restructuring Strategy	Recently hired OHM Advisors to make economic development recommendations and is currently seeking grants and resources to address issues of blight and vacancy.	
Friends of Clinton River Trail	Organizes a successful annual community-wide cleanup event.	
Baldwin Community Center	Regularly conducts cleanups, has a surplus of volunteers, and is very willing to continue organizing and working in District 3 and helping out in other neighborhoods as well.	
Grace Center Church	Organizes a city-wide clean up and does some housing rehab.	
Week and Workday Alternative for Misdemeanors (WWAM)	Regularly works for non-profits to clean up public spaces.	

City of Pontiac	<ul> <li>Has a program to sell some city-owned property but struggling to get the word out</li> </ul>		
	<ul> <li>Has a reactive code enforcement program but few are actually carried through because of the slow court process</li> </ul>		
	<ul> <li>Has a residential vacancy registration ordinance, but very low compliance rate (estimated at about 10%) and no commercial property vacancy registration</li> </ul>		
Oakland County	Conducts property demolition through CDBG funds		
Michigan State Land Bank	Demolishes blighted structures.		
Community Housing Network	Assists with community organizing in Unity Park neighborhood.		
Oakland Livingston Human Service Agency (OLHSA)	Provides housing and financial counseling.		
Lee Industrials	Purchased several schools and looking to do redevelopment.		
Friends of the Parks	Adopt parks, organize clean-ups, and have implemented successful signage campaigns		
Westead Bible Church	Currently maintaining several blocks surrounding their church.		

#### Resident Response: What could be done differently?

- Work directly with landlords to help them find resources to clean up and improve their properties;
- Quickly eliminate graffiti to show that community does not tolerate;
- Repair/replace street lights along Woodward (work with residents to ensure that the dysfunctional streetlights are reported);
- Place trash cans at strategic places around the city;
- Make it easier for interested residents to identify and secure available property;
- Report problems on city website so there is a record and the responsible parties are held accountable;
- Explore more options for greening and urban agriculture;
- Empower residents to be proactive;

- Improve communication among neighbors and between community groups and local government; and
- Create a strategic approach to blight elimination and share it with the public and community stakeholders.

Resident Response: How can you and your neighbors work together to eliminate/prevent blight?

- Organize more than one city-wide clean up per year;
- Participate in and use the time bank;
- Expand and engage in the Friends of the Parks group; and
- Initiate a program where classes from the local schools adopt a lot to keep clean and cultivate.

#### **D.** Recommendations

MVPC has developed the following recommendations for the City of Pontiac and its residents based on the April 22, 2015 site visit and all the input MVPC heard from residents, government officials, and other community stakeholders.

### Issue #1: Lack of communication between and among government officials (local, county, and state), residents, and neighborhoods.

Examples:

- District residents are not aware of what is working or not working across districts, nor do they share information about resources or initiatives.
- Residents don't understand or are unable to find out who owns properties; who is responsible for them, or; who to contact with a problem or a solution.
- Pontiac residents are not aware of all that their government is doing to work on issues residents face with respect to abandoned, vacant, and problem properties.

**Goals:** Improve communication among local government entities, residents, and civic groups to coordinate, target, and increase the impact of blight remediation efforts. Break down barriers between surrounding local governments and the City of Pontiac.

#### Strategies:

• Convene a citywide monthly or quarterly meeting with organized groups and municipal representatives to discuss blight interventions and other projects improving quality of life. This regular convening can serve as an organizing hub for a variety of blight interventions across Pontiac and serve as an avenue for municipal representatives to communicate regularly with community groups. Invite municipal representatives to regularly attend this meeting and communicate how the city is addressing various quality of life issues and provide resources where possible.

Create a citywide calendar of anti -blight initiatives underway citywide (purchase-a-lot program, Citizen's Request for Action, clean-up days, etc.); calendar will increase awareness, participation and collaboration in intervention projects.

- Provide monthly blight elimination trainings for neighborhood residents and stakeholder groups. Offer information on various areas of organizing and neighborhood level blight prevention and elimination strategies and local ordinances. Use trainings as a secondary communication forum among districts. Ensure that meetings are held at accessible times and locations (not necessarily in city hall or a government building).
- Increase connections with municipal leaders from neighboring jurisdictions to drive additional collaboration and sharing of resources. Schedule individual meetings with bordering municipalities (including community development officers, supervisor, assessor, land use departments, etc.) to gain a better understanding of their blight elimination priorities. Find out about the programs nearby communities are using. Assess opportunities to leverage similar resources or programming in Pontiac.
- Municipal leaders should increase focus on participating in the work of regional organizing entities currently driving regional policy and improvement initiatives, like the Regional Transit Authority, SEMCOG, and Metro Matters (formerly the Michigan Suburbs Alliance).

#### **Next Steps:**

• Encourage and support new nonprofit Better Pontiac to act as a communication hub for neighborhood and community events, particularly clean ups and beautification projects. Encourage the entity to support the district groups by acting as a convener and coalition builder.

**Resources:** Look at Community Development Advocates of Detroit as an example: <u>http://cdad-online.org/about/what-we-do/</u>. CDAD serves as a citywide advocacy voice for neighborhoods and community development organizations, provides strategic framework and planning services, and offers information-sharing and access to resources.

#### Issue #2: Inadequate code enforcement resources.

#### **Examples:**

- Currently the City of Pontiac effectively employs only three part-time code enforcement officers, which is extremely low for a city of its size.
- There are major problems with code violations in commercial and residential, single-family and multi-family, owner-occupied and rental properties that go unattended due to lack of staff and resources at the local government level. Landlords and property owners that are absentee are a big portion of this problem. Renters do not have the resources to maintain property. Where schools are decommissioned, they are no longer maintained by the Pontiac School District and quickly fall into disrepair.
- Residents expressed frustration that even large, international corporations are not held accountable when their properties are not maintained. There also were complaints related to lack of consistent follow through by the courts.
- Disposal of land to responsible owners/locating property owners.

**Goal:** Strengthen municipal capacity to address blight and vacancy issues.

#### Strategies:

- Focus financial resources. With limited financial resources and capacity, the City of Pontiac will need to focus resources strategically. The City of Pontiac and other public entities that own or control vacant and blighted properties, such as Oakland County and the Michigan State Land Bank, may consider a strategic allocation of financial resources geographically or programmatically. Focusing financial resources geographically (see Appendix 1) can ensure that the city achieves a whole block or neighborhood outcome as opposed to parcel-level outcome. Focusing at the individual parcel level (e.g. 10 worst properties spread throughout a city) rarely yields a deep enough impact to catalyze additional work or achieve the previously set out goal. Focusing financial resources programmatically can be done by implementing citywide programs such as a rental registration program. By coupling geographic and programmatic allocation strategies, all residents can benefit from blight elimination.
- **Pair resources with interventions.** It is necessary for the city to research available local, state, and federal financial resources available for property blight elimination. The ability to secure funding for particular projects and programs may assist the city with prioritizing their efforts.
- Support resident driven, community based code enforcement and get the community involved in nuisance abatement. Building a coalition of stakeholders to lead ongoing blight intervention activities can ensure blight and vacancy issues continue to be addressed. A strong team of stakeholders to lead ongoing blight intervention activities can ensure blight and vacancy issues continue to be addressed and build local capacity.
- Empower residents, community groups, and businesses to maintain and improve vacant properties. Encourage churches, other anchor institutions, and nonprofit groups in Pontiac to become responsible for a few blocks or a few miles within their jurisdiction.
- Seek corporate sponsorships for assistance to property owners to resolve code violations that require substantial funding, such as roof repair.

#### Next Steps:

- Research local, state, and federal financial resources available for property blight elimination. MVPC recommends researching the following entities to determine their past, present, and future financial resource regulations and availability:
  - City resources such as any available CDBG,HOME, or other funds previously received from the U.S. Department of Housing and Urban Development (HUD) through the state; revenue generated by municipal fees and fines; the general fund;
  - County resources such as delinquent tax revolving loan fund, general fund;
  - State resources such as MSHDA, MEDC, MDEQ;
  - Federal resources such as HUD, FEMA, EPA; and
  - Private resources such as foundations and Community Reinvestment Act funds.
- Empower Better Pontiac or a similar group to lead citizen-led initiatives. See Appendix 2 for examples of do-it-yourself strategies for residents.

#### **Resources:**

- Community-driven nuisance abatement in Detroit: <u>http://placemaking.mml.org/community-driven-nuisance-abatement/</u>
- Eight Mile Boulevard Association's Corridor Keeper Program: <u>http://www.eightmile.org/corridor\_keeper</u>
- Explore contracting options with Community Champions, or similar organizations, who manage property registration: <u>http://cchampions.com/about/</u>

### Issue #3: Appearance of ineffective planning and strategies for dealing with vacant parcels and blight elimination.

**Example:** As Pontiac properties become blighted, no matter where they are located, the city uses CDBG funding to take down the structure, leaving vacant, under-maintained land behind. One resident said they hesitated to complain about a blighted structure because they knew it would just look worse if the house was demolished and dumping started.

- No current resources for nuisance abatement program
- Pontiac has a residential only voluntary vacant property ownership program. Of 2,000 estimated vacant residential parcels, only 10% are registered.

**Goals:** Target scarce resources such as code enforcement, nuisance abatement, and demolition to capitalize on specific opportunities and high priority areas in Pontiac. Build new institutional and community partnerships to help manage vacant and underutilized land.

#### Strategies:

- City staff should develop a strategic plan for blight intervention and remediation through a civic engagement process. Through this process residents would take part in directing priority investment areas and understand what role they could play.
- Implement internal municipal improvements. Complete Redevelopment Ready Communities certification through the Michigan Economic Development Corporation. The Redevelopment Ready Communities Program is a statewide certification program that supports communities to become development friendly and development ready. Participating communities commit to a rigorous assessment and then work to meet criteria tied to successful community economic development. Pontiac is investigating this opportunity.
- Streamline code enforcement administration and ticketing processes. Pontiac officials announced that code enforcement would soon be moved into a separate blight court to streamline processing and enforcement. This may improve tracking and response to code violations considerably.
- Build capacity to address blight by fostering formation of district stakeholder groups. A strong team of stakeholders to lead ongoing blight intervention activities can ensure blight and vacancy issues continue to be addressed and build local capacity. Empower residents, community groups, and businesses to maintain and improve vacant properties. Encourage churches, other anchor institutions, and nonprofit groups in Pontiac to become responsible for a few blocks or a few miles within their jurisdiction. These organized groups can help address seasonal issues like snow removal and community clean-ups. There are already organized community clean-ups happening citywide on an annual or semi-annual basis, but explore opportunities to do weekly clean-up activities in a fun, social way such as regularly scheduled meet-ups to do "mini clean-ups" of individual blocks, streets, or neighborhoods. Look to the Baldwin Center to be a leader in establishing this type of program.
- Support professional development and educational opportunities for staff and elected officials.

**Next Steps:** Create a standing committee citywide and/or in each district. Steering committee members should include a diverse group of community leaders that include: residents, business owners, nonprofits, artists, churches, school leaders, students, seniors, disabled residents, city officials, DDA representatives, and others.

**Resources:** See successful examples from nearby communities:

- In Detroit's Grandmont Rosedale neighborhood, neighbors organized "Trash Talkin' Clean Up" where each week they meet for coffee, socialize, and then go out and clean up a block: <u>http://mygrandmontrosedale.org/events/trash-talkin-clean-up-2/</u>
- Nonprofit Focus: HOPE's HOPE Village: <u>http://www.focushope.edu/page.aspx?content\_id=3&content\_type=level1</u>
- Ann Arbor Snow Removal Program: <u>http://www.citylab.com/cityfixer/2015/02/a-community-approach-to-clearing-snow-from-sidewalks/385173/?utm\_source=nl\_daily\_link2\_020615</u>

#### Issue #4: Unwelcoming corridors.

**Example:** Pontiac has many major corridors that daily carry masses of traffic. These corridors exhibit some of the worst blighted and vacant properties in the city. The condition of these corridors is made especially stark when compared to some of Pontiac's immediate, upscale neighbors.

**Goal:** Create corridors that are aesthetically pleasing and functional to residents, welcoming to visitors, and create a stronger identity for the city of Pontiac. Features like complete streets, vibrant businesses, and creative landscaping should be implemented.

#### Strategies:

- Become a more welcoming place to do business.
  - Create an accurate, straight-forward guide of how to start a business in Pontiac.
  - Evaluate local policies and business ecosystems to identify ways to streamline processes for starting a business in Pontiac.
  - Encourage nearby small business and entrepreneurship groups (from within Pontiac and neighboring cities and communities) to host networking events and meetings in Pontiac to raise awareness.
- **Promote placemaking educational opportunities to city staff and residents.** See examples from across the state: <u>http://placemaking.mml.org/placemaking-how-to-guides/</u>.
- Work with local media to develop positive press about Pontiac. Publish positive articles about Pontiac in the paper, online, and in social media. Build relationships with media, put out press releases about what residents are doing, new city-led campaigns, and other stories about great things happening in Pontiac.
- Focus on ten main corridors.

Next Steps: Coordinate activities and prioritize actions based on the strategies listed.

#### **Resources:**

- Oakland County Main Street Program: <u>http://www.advantageoakland.com/cpha/msoc/Pages/default.aspx</u>
- MIplace.org: <u>http://miplace.org/node/999</u>
- MML.org: <u>http://www.mml.org/events/calendar.htm</u>
- National League of Cities toolkit for supporting entrepreneurs and small business: <u>http://www.nlc.org/Documents/Find%20City%20Solutions/Research%20Innovation/Economic%</u> <u>20Development/RI\_SmallBizToolkit%202012.pdf</u>
- Social media guidelines from ICMA: <u>http://icma.org/en/icma/knowledge\_network/topics/kn/Topic/281/Social\_Media</u>
- Look to entrepreneurship ideas from:
  - Detroit SOUP: http://detroitsoup.com/
  - Revolve Detroit: http://revolvedetroit.com/

#### **E.** Conclusion

Vacant, abandoned, and problem properties contribute to neighborhood and community decline, drive up crime, and negatively impact the quality of life for residents. Vacant properties also become liabilities for local governments; they can detract businesses from investing in a city and, while not raised as a specific issue in Pontiac, can mean less revenue generated for schools and local governments when property taxes also go unpaid.

With limited capacity and resources, it is increasingly difficult for local governments to adequately maintain property and foster a strong community. The dedication of the residents of Pontiac, the City of Pontiac, and their many partners was evident in the small-group interviews. Leadership in the community appears to be supportive of the effort to engage new partners, eradicate blight, develop a plan of action, and attract people and businesses to the city.

This report contains strategies, programs, and initiatives to help return vacant property in Pontiac to productive use. These will only be effective if carried out as part of a coordinated, comprehensive approach in which all community stakeholders are working together to pursue common goals for the community. This assessment can serve as the catalyst for change by challenging outdated assumptions and rethinking existing systems. The City of Pontiac should be commended on taking the first step in requesting the assessment. The next step is to translate the recommendations into action. Ideally, the City of Pontiac and participating stakeholders will review this document, adopt it, and initiate a community-wide planning process to devise priorities and action steps in collaboration to move this forward.

#### **F.** Appendices

Appendix 1: Focusing Financial Resources Geographically

Appendix 2: Do-it-yourself Strategies for Neighborhood Residents

Appendix 3: MVPC Blight Elimination Guidebook

Appendix 4: Pontiac Vacant Property Toolbox (see attached)

**Appendix 5: Detroit Vacant Property Toolbox (see attached)** 

#### **Appendix 1: Focusing Financial Resources Geographically**

The City of Pontiac could develop a geographic strategy to deploy its limited blight elimination resources. This strategy could take into account both the current market information as well as future land use vision for the area. Below is a general example of how some strategies could be paired with this information.

- Strong and functioning market: future vision is for stable residential
   Interventions could focus on preservation of stock (code enforcement, landlord incentives,
   home purchase incentives, home repair programs, neighborhood marketing) and commercial
   revitalization.
- Mid-market with signs of increasing stability: future vision is for stable residential
  - Interventions could focus on preservation of stock (code enforcement, landlord incentives, nuisance abatement actions, vacant property maintenance, home purchase incentives, home repair programs, home rehabilitation programs, infill development, acquisition, disposition, neighborhood marketing) and commercial revitalization. Community-led place making initiatives can be used as a tool to rejuvenate the community and increase activity. See placemaking.mml.org or miplace.org for more information and ideas.
- Mid-market with signs of decreasing stability: future vision is for green residential/reuse Interventions could focus on security and maintenance (vacant property maintenance, nuisance abatement actions, home repair programs, demolition, house swap programs, acquisition, and vacant lot reuse).

#### • Weak market: future vision is for green reuse

Interventions could focus on security and maintenance (vacant property maintenance, home repair programs, demolition, house swap programs, acquisition) and alternative land use (acquisition, disposition, environmental assessment/clean up).

#### Appendix 2: Do-it-yourself Strategies for Neighborhood Residents

- a) Consider creating a "paint patrol" to help spiff up facades of small businesses or homes that may just need a small makeover. Do this in the likely absence of a façade grant. Consider working with a local paint store to get their mistint or "oops" paint to help paint the facades.
- b) Consider doing plant exchanges and seed shares to help with vacant properties.
- c) When considering urban gardens, look at how you can connect this to health issues in order to find additional finding.
- d) Talk to Lowes and Home Depot about their small grants to help provide small dollar grants for the beautification program revitalization.
- e) Consider a mural program on large walls to begin to address graffiti or even a class on how to paint brick.
- f) Consider going door to door and talking to neighbors to get people together to do activities.
- g) Launch an Anti-litter Initiative
  - Tap into the artist community to paint informational signs in heavily littered areas or to create art with trash found on-site. Look to the Heidelberg Project in Detroit for an example: <u>http://www.heidelberg.org/.</u>
  - Communities as far as Alaska are struggling with this issue and here's an interesting article about changing the community's culture on litter: <u>http://www.theatlantic.com/health/archive/2014/08/littering-and-following-the-</u> <u>crowd/374913/.</u>
  - Work with schools to do special anti-litter educational campaigns with elementary students. The Ferguson Foundation offers an Anti-Litter Campaign template: <u>http://fergusonfoundation.org/trash-free-potomac-watershed-initiative/education/litter-prevention/resources/.</u>

#### **Appendix 3: Michigan Blight Elimination Guidebook**

The document is designed to provide municipal leaders with a variety of blight elimination resources and lead them through the development of a blight elimination plan. The guidebook is available online at **miblightguidebook.org**—making it an ever-changing document that compiles the most recent blight mitigation resources, opportunities, and ideas from across the state. It also serves as a primer for Michigan communities interested in developing a strategy to more effectively address blight with limited resources.

## Vacant Property Toolbox Pontiac, Michigan





Connecting Lawyers and Communities



Michigan State Housing Development Authority







#### Preventing Vacancy

Developing a Vacant Property Strategy
 Determining Property Ownership
 Preventing Damage to Vacant Properties
 Obtaining Control of Vacant Properties

#### Introduction

The crisis of vacant and abandoned property in the City of Pontiac requires a comprehensive approach and immediate action. Citizens can bolster the effectiveness of government systems by working with government as it allocates already scarce resources to this problem. Partnerships are required to enable neighbors and neighborhood associations to work most effectively with government, non-profits, Community Development Corporations (CDC), and others to maximize the impact of their efforts.

In most neighborhoods, residents want to take control to protect safety, stability, and housing values. However, all too often, concerned citizens encounter roadblocks to addressing issues related to vacant property such as determining ownership of properties or a lack of information about governmental resources, policies, and processes. This publication seeks to fill the information gaps and empower neighborhoods to take control in order to stabilize conditions.

#### The goals of this publication include:

- Educating homebuyers and homeowners about mortgage, property tax, and foreclosure processes to keep homeowners in their homes and avoid additional vacancies
- Helping neighbors develop a well organized Vacant
  Property Strategy which includes inventory and
  assessment of vacant homes
- Determining property ownership in order to hold owners accountable for the condition of their properties
- Preventing damage to vacant properties to retain home values
- Obtaining control of vacant properties so that repairs can be made and they can be marketed
- Getting vacant properties reoccupied
- Demolishing unsalvageable vacant properties to protect home values
- Managing vacant lots
- Building neighborhood capacity
- Retaining residents

These topics are presented here in abbreviated form. For more detailed information on these topics please request a copy of the full version of the related publication, the Detroit Vacant Property Toolbox from Community Legal Resources (CLR) by calling (313) 962-3171. You can also view the full version on our website, www.clronline.org.

This manual should be used as a reference. It is not legal advice. Nonprofit organizations are encouraged to contact Community Legal Resources or their own attorney for specific legal assistance.

#### **Preventing Vacancy**

Preventing future vacancies should be an integral part of any Vacant Property Strategy. Foreclosures often proceed because homeowners are unaware of how to communicate effectively with their lenders or are unaware of the mortgage and property tax foreclosure processes. For example, many homeowners are not aware





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that they may remain in their homes during the process of foreclosure which can provide time to make alternative arrangements and assist the neighborhood with handling the impending vacancy.

#### Possible Actions or Responses:

Many residents and community members are actively engaged in the education of homeowners about foreclosure. Action includes neighborhood-wide door-to-door campaigns, targeted campaigns that identify homeowners facing foreclosure, and establishing neighborhood based foreclosure task forces that can direct homeowners in need to certified foreclosure prevention counselors. Other communities have found it more effective to reach homeowners through other area organizations including churches, CDCs and social clubs.

## Some ways to reach homeowners include:

- Hold a neighborhood meeting. A neighborhood meeting provides a forum for community leaders to encourage and empower residents to remain in their homes. A neighborhood meeting may also connect residents with CDCs and other agencies that can assist residents by providing homeowner counseling and information about the tax and mortgage foreclosure processes. Residents can receive this information in a setting that preserves anonymity.
- Contact residents receiving foreclosure notices.
   Residents observing tax foreclosure notices posted on
   properties could attempt to contact the owner to share
   information and connect them with certified housing
   counselors in Pontiac. Neighborhood organizations could
   also use data from Access Oakland to contact residents
   facing tax foreclosure (*see Exhibit B*).

#### As soon as homeowners realize that they will have difficulty paying their mortgage they should begin to access all available resources.

Available resources will vary depending on the type of mortgage. For example, FHA backed loans may be available in some situations. Each program has different requirements so it is important to start the process as early as possible.



When facing possible foreclosure, the most important thing is that a homeowner is proactive. Often the best course of action is to contact a **certified non-profit foreclo**sure counselor.

(See Exhibit C). It is important to use a certified counselor because the foreclosure crisis has caused an increase in mortgage fraud. A homeowner should never pay for this type of assistance. A registered foreclosure coun-

selor can help a homeowner navigate this difficult period and avoid problems down the road.

#### When approaching neighbors in danger of foreclosure it is important to drive home the messages that:

- 1. The homeowner should act immediately – delay only worsens the situation.
- 2. The homeowner should seek help from a certified housing counselor who may be able to help them save their home. (See list of housing counselors at the end of this publication).
- 3. The homeowner should contact his or her lender and speak specifically with the loss mitigation department to attempt to make payment arrangements.





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**UPDATE:** New foreclosure prevention legislation requires the lender to send a notice of default to the borrower, at which time the borrower has 14 days to contact a housing counselor. If the borrower contacts a housing counselor within the 14 day period, the new law provides the borrower with 90 days to work out an agreement on the loan.

This law went into effect on July 5, 2009.



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#### Typical foreclosure timeline:

• First Month Missed Payment:

Upon missing a payment, the homeowner is in default on the mortgage. Typically, the mortgage company will wait before further action, but it is not legally required to do so.

#### • Second Month Missed Payment:

The mortgage company is likely to begin calling the contact numbers that they have for the homeowner in order to discuss why the homeowner has not made payment. It is important that the homeowner **not avoid their phone calls**. He/She should try to stay calm on the phone, explain her situation, and explain what she/he is trying to do to resolve it. The homeowner still **may be able to make one payment** at this time to prevent herself from falling three months delinquent.

#### Third Month Missed Payment:

At this point, the homeowner is likely to receive a letter from the mortgage company stating the amount the homeowner is delinquent and that the homeowner has 30 days to bring it current. This is called the "**Demand Letter**" or "**Notice to Accelerate**". If the homeowner does not pay the specified amount or make an arrangement by the date given, the lender can refer the homeowner to foreclosure or accelerate his mortgage. They are unlikely to accept less than the total due without arrangements if the homeowner has received this letter.

\*\*\* Foreclosure/Acceleration: This means that the lender forwards the account to its attorneys. The homeowner still has time to work something out with the mortgage company.

#### • Fourth Month Missed Payment:

Now the homeowner is usually nearing the end of the time allowed in the Demand Letter or Notice to Accelerate. If this time expires and the homeowner has not paid the full amount or worked out arrangements on the account the lender will refer the account to its attorneys.

At this time **the homeowner will incur attorney fees** and they will be included as part of the homeowner's delinquency. The attorney then schedules a **Sheriff Sale, which is the actual date of foreclosure**. The homeowner will be notified of this date by mail, along with a notice taped to his door. This is **NOT a move-out date**!

# **NOTE:** The law regarding homeowners' / tenants' rights, mortgage foreclosure, and eviction changes frequently in light of the current foreclosure crisis.

If you are facing an issue in these areas of law, CLR recommends that you contact us at (313) 962-3171 or your own attorney for the most current information.

#### Sheriff Sale Date:

This will be scheduled **approximately four weeks** after the attorney receives the homeowner's file. The homeowner has up until this date to work out arrangements with the mortgage company or to pay the total amount owed.

#### After the Sheriff Date:

If nothing is done to resolve the situation the homeowner enters the redemption period.

• Redemption Period: Michigan requires that this period be no less than 30 days and no more than 1 year. Most mortgages allow 6 months. The homeowner will be notified of the time frame on the same notice that states the Sheriff Sale date. This is still the homeowner's time to reside in the home.

In Michigan, homeowners can also lose their homes to tax foreclosure. If a homeowner is unable to pay property taxes she should contact Oakland County Equalization regarding current property taxes or the Oakland County Treasurer's Office regarding delinquent property taxes. (*See Exhibit C.*)

#### The property tax collection process:

- 1. A property owner will receive two tax bills each calendar year, a summer tax bill in July and a winter tax bill in December.
- **2.** Taxes must be paid to the City of Pontiac according to the following schedule:



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- Summer Payment due July 31 (Pontiac and 2/3 Oakland County Operating)
- Winter Payment due February 14

(Balance of Oakland County Taxes) Note: If full summer payment is not made by July 31, any remaining summer balance, (principal tax interest and 7% penalty) plus the winter balance are both due on Feb. 14. [Tax deferments should be applied for and approved by September 15. Taxes are deferred until February 14.]

- 3. The taxpayer has until the last day of February to pay taxes to the City of Pontiac for the previous year. On March 1<sup>st</sup> unpaid taxes are considered delinquent. At this point, the City of Pontiac will send them to the County Treasurer for collection and the Treasurer imposes additional penalties. The penalty is 4% and the interest is 1% per month during the first year of delinquency and 1.5% per month during the second year.
- 4. The following is a timeline of how the process will proceed once the City forwards the delinquent tax bill to the Oakland County Treasurer for collection.

[For more information, see the City's website: http://www. pontiac.mi.us/departments/finance\_treasurer.html]

## Oakland County forfeiture and foreclosure timeline for 2009 taxes:

- **March 1, 2011:** Property is **forfeited** to County Treasurer. State law requires the addition of a \$175 fee and \$20 in recording fees. Interest increases from 1% per month to 1.5% per month back to the date the taxes became delinquent.
- March 1, 2012: Circuit Court may enter a judgment of foreclosure. Property owners may redeem their property by paying the taxes, interest, and fees by March 31st or lose their property.
- April 1, 2012: Property may be foreclosed. Property owners may lose all rights. Title to the property may pass to the County Treasurer.
- August 2012: Property is offered at public auction.

## Remaining in the home during the redemption period:

Neighbors can make sure that a homeowner in mortgage or tax foreclosure is aware of the **redemption period**. In Michigan, most redemption periods last 6 months.



This period may be shortened to as little as one month if a home is vacant or abandoned.

#### During the redemption period, the homeowner can remain in the home, usually free of charge.

Helping the homeowner in foreclosure remain in the home will slow the vacancy of the home and allow time for neighborhood planning to maintain the home once it becomes vacant.

#### Developing a Vacant Property Strategy

Each neighborhood can develop a Vacant Property Strategy based upon its own unique characteristics and changing needs. Many neighborhood associations, non-profits, and community development corporations (CDCs) already engage in some sort of vacant property inventory and assessment. Neighbors spread news of new vacancies by word of mouth, take note of the condition of vacant properties, and note how those conditions change over time. While city and county governments have systems in place to address vacant and blighted properties, community-based organized systems of collecting, monitoring, and sharing data could maximize the impact of these governmental programs.

#### Possible Actions or Responses:

Neighbors, non-profits, or CDCs can gather data regarding vacant houses using the inventory and assessment form provided in this publication (*see Exhibit A*). In addition, community members can use the assessment tools provided to monitor and record the condition of vacant properties over time.







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This information provides a history that the residents can share with relevant government departments, private and public organizations, and elected officials. It will also ensure that as resident involvement changes over time, the information is not lost.

Neighborhoods utilizing inventory and assessment forms should attempt to update them regularly noting any change in conditions. The neighborhood should record information about all vacant structures.

## Signs that a property is vacant include:

- Severely neglected lawns
- Accumulated mail or flyers
- Posted "For Sale" signs
- Missing doors or windows
- Posted notices of mortgage or tax foreclosure or seizure of property
- Boarded windows or doors
- Burned out or significantly deteriorated structure
- Significantly tagged or vandalized structure
  Un-shoveled driveway or sidewalk during winter months

The neighborhood association should also assess the condition of the block where the vacant property is located to determine the most appropriate strategy for addressing it.

A neighborhood's plan for addressing vacant properties should include:

- 1. Prioritized action steps
- 2. A timeline for those action steps
- 3. The party responsible for the action step

#### Determining Property Ownership

There must be a system for holding owners of vacant and blighted property accountable for the condition of that property. However, the issue of ownership is difficult to unravel when a property is in the foreclosure process. In addition, awareness of changes in title is necessary because rapid changes in title may indicate that a property is the subject of a mortgage fraud scheme. Without identifying the owner of a property, the neighbors often bear the cost and responsibility of maintaining that property. Knowing the true owner of a property may provide the possibilities of access to the property, assistance with maintenance and repairs, and financial reimbursement.

#### Possible Actions or Responses:

Neighbors, non-profits, and CDCs can utilize the steps outlined in this publication to determine ownership of vacant houses. Community members can use the ownership information to hold the owner of a property accountable for its condition. The community members can accomplish this through direct communication and negotiation with the property owner or by providing the information to the appropriate departments or agencies such as:

- Police Department
- Department of Public Works and Utilities
- Building and Safety Department

Title information is available from a variety of sources at varying costs (*see Exhibit B.*)

## Preventing Damage to Vacant Properties

Damaged and blighted properties lower home values, decrease security, and affect the general feeling of well-being in a neighborhood. When vacant properties are open to trespass because of broken windows and doors, they become breeding grounds for squatting and illegal activity. These properties further destabilize neighborhoods as residents begin to flee fearing further decline in neighborhood safety and property values. Preventing damage to existing vacant properties and addressing damage quickly must be a goal of any successful Vacant Property Strategy.



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#### Possible Actions or Responses:

Residents in Pontiac and other similar communities take innovative approaches to preventing damage to vacant properties in their neighborhoods. Communities find that these types of actions are more beneficial to the preservation of property values than actual boarding:

- Hiring a paid security service
- Creating a volunteer security patrol
- Forming a code enforcement patrol
- Installing motion detectors
- Compiling a telephone and email contact list to be notified in the event of suspicious activity
- Working with city officials to install blockades reducing the number of entrances and exits in the neighborhood
- Hanging curtains
- Planting flowers
- Mowing lawns
- Moving trash containers
- Installing solar powered lighting
- Clearing handouts, garbage, and debris from the lawn
   and porch
- Placing potted plants or holiday decorations on the porch
- Removing snow and ice from walkways and driveways
- Painting over or removing graffiti

The neighborhood association can begin by prioritizing properties most in need of neighborhood intervention. Residents should also take stock of resources available in the neighborhood like snow blowers and lawnmowers. Neighbors can use volunteers from the neighborhood or collect money to pay workers to perform tasks such as raking leaves and mowing lawns.

Some of the strategies above involve what may be considered trespass, which could lead to arrest, or civil lawsuits filed against the alleged perpetrator. While we are not aware of trespassing charges being charged in these situations, CLR feels obligated to make interested parties aware of this information.

Alternatively, we have included information regarding identifying and working with the

field servicers or property preservation company associated with particular properties. **Mortgage companies often hire field servicers or property preservation companies to provide boarding and maintenance services on vacant properties owned by the mortgage company.** Agreements with the field servicers or property preservation specialists who are usually responsible for maintenance can make it possible

maintenance can make it possible for community members to gain lawful access to the vacant properties in their neighborhoods. (*See Exhibits C and D* for the contact information of many field servicers or property preservation specialists working in Pontiac.)

## Steps for identifying and working with a field servicer:

- 1. Check to see whether there is a sticker affixed to the property containing the field servicer's contact information.
- 2. If no sticker is affixed to the property, record the street number, street name, and 5-digit zip code of the property.
- 3. If the field servicer's information is not displayed on the vacant property, go to the Mortgage Electronic Registration System (MERS) website https://www.mers-servicerid.org/sis/ or use the MERS telephone system (1-888-679-6377) to determine who
- the lending institution is for that property's mortgage.
  Look up contact information for the field servicer for that lending institution by using Exhibit D or for that owner by using Exhibit C to see whether they are the field servicer on that particular property. Generally, interested parties should speak with a high-risk specialist but starting with customer service can also be helpful.
- 5. If the field servicer still cannot be identified, contact the real estate agent associated with the party to see if the agent has been made responsible for maintenance. Alternately, if the lender responsible for a house is known, use the field servicer contact list at the end of this section to identify the field servicer.
- **6.** Call the field servicer and request contact information for their local office.







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#### 7. Attempt to reach an agreement with the field servicer for an individual or group to have lawful access to the property to maintain and protect it.

Once a vacant house is open to trespass, it is important that the community utilize local code enforcement authorities to prevent crime (*see Exhibit C* for contact information). Neighbors should contact local code enforcement authorities to ask them to secure and board properties in a timely manner. Residents could make the boards more attractive by painting them to match the house or with murals.

When neighbors observe code violations they

should report them to the City by calling (248) 758-2800. The City will then channel the information to the appropriate Department.

### Some common code violations include:

- Failure to remove snow and ice from sidewalks
- Inoperable vehicles
- Rat infestation
- Illegal dumping
- Presence of solid waste
- Failure to maintain exterior of property
- Open and dangerous structure

If it is believed that there are squatters living in a vacant home, immediately report the house to the local police precinct. Communities that succeed using this process advise having multiple people contact the same police district office and if possible, the same officer many times. Neighbors should continue to report the squatters to the police until the matter is successfully resolved. If a neighbor believes that someone is illegally using electricity in the home, they should notify DTE by calling (800) 477-4747.

## Obtaining Control of Vacant Properties

Communities want to be able to control vacant properties in their neighborhoods. This control can take a variety of forms and allows a community to control the condition of vacant properties and act immediately when conditions deteriorate. This helps stabilize the community ensuring its attractiveness and preserving home values.

#### Possible Actions or Responses:

Some highly organized communities have programs in place to acquire and sell properties in their own neighborhoods. These programs usually operate through a CDC, non-profit, or some other organization established by the community. If managed successfully, this is a good strategy for obtaining control of vacant properties but requires careful thought and consideration. A community must be sure that it has adequate information and money to hold properties over time.

If an organization is interested in purchasing properties, it is important to consider resources such as land banks, which have the authority to extinguish taxes and other types of liens on property. If purchasing from a bank, it is important to examine the possibilities of short sales and Real Estate Owned (REO) sales to avoid over-paying for property in a down market.

While purchasing property is the surest way to absolute control, there are other means of controlling the condition of properties in a neighborhood. For instance, communities can utilize nuisance abatement programs to work with local authorities to control the condition of the properties.

#### VACANT PROPERTY LEGAL MANUAL

For more information on legal remedies and responses to vacant property, please see Community Legal Resources'Vacant Property Legal Manual at:

www.detroitvacantproperty.org/legal/CLR\_ VP\_Legal\_Manual.pdf



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This involves calling appropriate authorities early and often regarding deteriorating properties to ensure compliance with nuisance abatement statutes.

One form of control successfully used in other states is the legal remedy of receivership. While not true ownership, receivership allows the interested party to "step into the shoes" of the property owner for the purpose of correcting code violations. Receivership can potentially allow neighbors or other interested parties to access the property and make repairs as needed. We are exploring ways in which Michigan might strengthen its receivership law as a tool for providing communities with increased control over vacant properties. Additional information on receivership will be available in later editions of this publication.

#### Getting Vacant Properties Reoccupied

The ultimate goal of most residents is to get vacant properties reoccupied. Because Pontiac is losing population and gaining vacant houses, getting properties reoccupied is a difficult task. Neighborhood associations, CDCs, and other non-profits can take a role in selling houses in their neighborhoods by formulating or participating in marketing campaigns.

#### Possible Actions or Responses:

In other parts of the state, several communities in partnership with the local Board of Realtors are participating in the formulation and implementation of a neighborhood marketing campaign. The realtors work with residents of designated communities to highlight their most attractive homes, schools, churches, recreational centers, grocery stores, shopping, and other assets in the area while marketing their vacant properties. This approach shows the positive potential of vacant homes in the area and commitment to the neighborhood. Some communities work with particular realtors who have agreed to utilize their marketing plan. The communities designate these realtors "preferred realtors" and recommend them to anyone inquiring about purchasing property in the area.

Early organizing is important in creating a neighborhood marketing campaign. The neighborhood should involve residents, business owners, church leaders, and other area organizations. The neighborhood may want to form a committee to develop a vision and goals for the marketing campaign. Next, the neighborhood may want to create a "community profile" by setting geographic boundaries, researching the history of the neighborhood, and compiling stories about the neighborhood. As a next step, the neighborhood association may want to identify homebuyers, investors, and funders interested in investing in the neighborhood and invite them to take a tour. Implementation of the marketing plan could include distributing flyers and brochures, arranging tours which include homes, gardens,

> churches, and local activity centers. The neighborhood association should consider a neighborhood-wide clean up or beautification project prior to the tours.

















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#### Demolishing Vacant Properties

Homes that are substantially burned or otherwise in a severe state of disrepair present a major obstacle to communities attempting to manage their vacant properties. These homes substantially influence the value of surrounding homes and often present a threat to public safety. The demolition of these buildings is integral to preserving home values and safety and must be a part of a community's Vacant Property Plan.

#### Possible Actions or Responses:

Neighbors and CDCs can work together to determine the appropriateness of a property for demolition.

## Some factors that would make a structure appropriate for demolition include:

- Missing doors
- Missing windows
- Structure is open to the elements and/or dangerous in some other way
- Unstable outer structure such as collapsing roof, deteriorating bricks, siding that is coming off of the structure
   Structure has been partially or fully burned

Once community members identify a property as appropriate for demolition, the community members can:

Work with government departments to seek demolition

Contact City departments often and repeatedly about the same property

• Monitor the property as it enters and progresses through the demolition process

• Communicate with City officials to achieve a satisfactory outcome (see Exhibit C.)

#### Managing Vacant Lots

Vacant lots are both challenging and exciting in urban areas. Vacant lots can be either a liability or an asset to a neighborhood depending upon how neighbors or organizations manage and use them. Keeping lots safe and clean is one goal. Another is turning vacant lots into areas of cohesiveness, strength, and pride. In many neighborhoods, residents and organizations accomplish this through "greening", such as engaging in urban agricultural projects.

#### Possible Actions or Responses:

Neighborhoods can form code enforcement patrols, and they can monitor the condition of vacant lots and contact authorities immediately when there is suspicious activity or dumping has occurred.

#### Residents will also need to be vigilant about preventing illegal dumping which involves:

- Watching for illegal dumping
- Notifying the appropriate authorities when dumping is in progress or has already occurred. Call the Police Department if in progress, and the Building and Safety Department if it has already occurred.
- Recording information such as license plate numbers or the name of a company if printed on the vehicle if dumping is in progress

Some neighborhoods that experience dumping install cameras at frequent dumping locations.

Neighbors, CDCs, and other non-profits also incorporate the management of vacant lots into their overall Vacant Property Strategy. Community members can work with existing adjacent lot purchase or lease programs offered by the city, county, and state. In addition, community members can inquire about acquiring or using vacant lots that are located in their neighborhoods even when the adjacent neighbor is not interested in participating (*see Exhibit C.*)

Community members can explore using vacant lots to create extra yard space, create community gardens where neighbors work together to grow food or flowers, or pocket parks for residents of the neighborhood to enjoy.

Managing vacant lots requires an investment of time and energy. Communities may maximize their efforts by working with organizations already engaged in this process for information and guidance as well as the City's Office of Land Use & Strategic Planning. (*see Exhibit C.*)

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#### Building Neighborhood Capacity

Successfully implementing a Vacant Property Strategy requires capacity within a neighborhood or organization. To be successful, neighbors must commit to their neighborhood and to their neighbors. Neighborhood organizations help keep this type of commitment strong.

#### Possible Actions or Responses:

Neighborhoods can organize to deal with the issue of vacant housing and to implement a Vacant Property Strategy. The type of organizational structure that a neighborhood should adopt will vary based on the organizational history in a neighborhood, the availability of resources, and specific goals.

Neighbors might want to begin by forming block clubs. The existence of a block club strengthens neighborhood associations that are already in place and makes it possible to form neighborhood associations where they do not yet exist. Block clubs and neighborhood associations provide volunteers for many of the strategies presented in this publication, such as security and code enforcement patrols. Starting a block club can be as simple as getting a group of neighbors together who are willing to work toward a common vision for the neighborhood and to reach common goals.

Neighborhoods that already have a strong neighborhood association in place could examine the option of forming a non-profit organization. Forming a non-profit will increase the ability of the neighborhood or community group to solicit various types of donations and may provide certain tax benefits to donors.

A non-profit organization must conform to specific state and federal laws. Before establishing a non-profit, a group should carefully examine its intended mission and consult with an attorney or other professional with knowledge in this area. Free legal services are available to non-profits through Community Legal Resources, www.clronline.org.

#### **Retaining Residents**

Taking steps to retain residents helps slow the tide of vacancy in a neighborhood. Helping neighbors identify sources to obtain funding for needed repairs and stabilizing the rental housing in a community helps retain the residents currently living there.

Repair work such as reroofing or the installation of new windows sends the signal to the community and to potential buyers that a community is not giving up hope. It sends the message that the community is viable and that invested residents will sustain it. This signal of hope and commitment keeps other invested residents in the neighborhood.

#### Possible Actions or Responses:

The City of Pontiac offers various home improvement, weatherization, and lead abatement programs that improve the condition of occupied homes. In addition, the State of Michigan offers home improvement programs. Neighbors can assist eligible residents in need of property improvement funds with information about these programs (*see Exhibit C.*) Neighbors should make sure that rental units in their neighborhood are registered with the City and in compliance with the City of Pontiac Rental Registration Ordinance. Violations of the ordinance should be reported to the City's Building and Safety Department (*see Exhibit C.*)

In some neighborhoods, residents contribute supplies, resources, and money for needed property repairs. Neighbors can also donate their own labor to help with repairs. Residents can also approach hardware stores to see whether they offer assistance or donation programs in the area.







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### Exhibit Unoccupied Property Visual Indicators Survey



#### Address:

Date:

Survey Completed by:

Property type (check one; if duplex or multi-family, note upstairs or downstairs):

Single-family		
Duplex ( upst	airs	downstairs)
Multi-family (	upstairs	downstairs)
Commercial (	upstairs	downstairs)

\_\_\_Occupied \_\_\_\_Unoccupied

Below are listed a number of signs to look for when determining whether or not a property is currently occupied. Generally, no single indicator will solely determine whether a property is unoccupied. However, when considered together, they are useful for determining whether or not the property is currently occupied. **Circle the number of all applicable criteria**. In addition, be sure to photograph each property.

- 1. There is a posted notice on the door or windows of the building.
- Notes:
- 2. The building is boarded up. The windows, doors, and other openings are covered by plywood or other material. Note that only one floor may be boarded up and may indicate that only one floor of a duplex/multi-family structure is unoccupied. Notes:
- 3. Yard maintenance has been severly neglected. Lawn is overgrown and may be covering sidewalks. Significant vegetation appears to be dead. Notes:
- 4. Excessive mail is piling at the doorstep or mailbox. Advertisements, junk mail, and other mail may indicate vacancy. Newspapers may not necessarily be an indicator. Notes:
- 5. "For Sale" signs may be a sign that a property is unoccupied. Be especially mindful of houses that are for sale in property auctions. Notes:
- 6. The building is missing key structural components or doors and windows. Notes:
- 7. The building is burned out or shows significant deterioration. Major portions of the house may be exposed to the elements. Notes:
- 8. The building has been significantly tagged or otherwise vandalized. Notes:
- 9. Any additional factors not listed here. (Please explain on reverse side)

#### Property Conditions Checklist

#### Building Frame/Structure:

- **Minor:** Building is not leaning, but foundation is in need of minor repairs
- Major: The building is not straight leans or tilts. The foundation is in need of major repair or is missing a lot of materials.

#### \_\_ No problems

#### Roof/Chimney/Gutters:

- **Minor:** Minor deterioration, improper roof repair. Some mortar missing from chimney; gutters in need of repair.
- **Major:** A lot of deterioration, missing material, holes in roof, or sagging roof. A lot of mortar missing from chimney or chimney is leaning.



#### Windows/Doors:

- Minor: Window frames need replacing or paint is peeling.
- **Major:** Windows missing, doors missing or rotted.
- \_\_\_ No problems

#### Siding/Paint:

- \_\_\_\_ **Minor:** Some peeling or cracking paint.
- Major: (brick building) Building missing many bricks. (frame building) Wood siding is rotted.
- \_\_\_ No problems

#### Porch:

- **Minor:** Separation of the porch from the building, paint needed.
- **Major:** Significant deterioration; steps missing, porch sagging, supports holding up porch are rotted.
- \_\_\_\_ No problems









#### Definitions of Property Conditions:

\*Good: The building looks structurally sound and well maintained. It needs no more than two minor repairs. It is not leaning or tilted and the foundation is in good shape. The building may need some general maintenance, such as the replacement of window frames or painting.

\*Fair: The building is structurally sound, and may need three or more minor repairs, but no more than one major repair. The building could be rehabilitated fairly inexpensively to improve its rating.

\*Poor: The building may not be structurally sound, and needs two or more major repairs. The building may have broken windows or the porch may look like it is falling off the structure. Major repairs need to be made for this building to be safe, adequate housing.

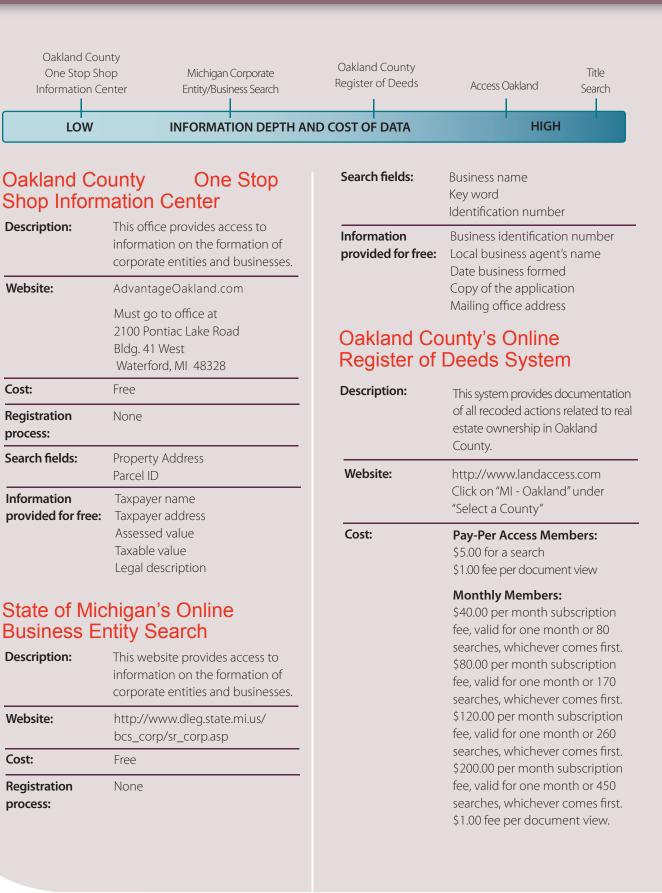
#### \*Should be demolished: This

building is not structurally sound and should not be lived in. It may have fire damage or it may be leaning.

#### The condition of this vacant property is:

- \_\_\_\_\_ Good
- \_\_\_\_\_ Fair
- \_\_\_\_\_ Poor
  - \_\_\_\_ Should be demolished

# Exhibit B: Spectrum of Data Sources for Property Ownership Information



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Registration process:	<ol> <li>Click on "Become a pay-per access user."</li> </ol>
	2.) Sign up – create a user name and password to access the system
	3.) Provide valid credit card information when accessing detailed reports
	4.) Log on - using account information
	5.) Search
Search fields:	Owner name Document # Liber / Page Pin # Subdivision Condominium Section / Land Consideration Assoc Liber/Page CVT Report Acreage Land Corners DocType Report Billing Activity
Information provided for a fee:	Owner name Ownership history Document type Dates transaction recorded Images of documents (i.e. liens, affidavits, mortgages, judgments of foreclosure)

## Access Oakland

Description:	This system provides access to public records online for a fee.		
Website:	http://www.oakgov.com/online_ services/		
	Scroll down to "Land and Property Services" and select a product		
Cost:	Residential Property Profile costs \$7.50 each. Residential Property Analyzer costs \$20.00 each. Delinquent Tax Statement costs \$2.00 each. Commercial and Industrial Property Profile costs \$12.50 each.		
Registration process:	No user ID is required. After searching for a property, you will be required to submit valid credit card information.		
Search fields:	Property Address Parcel ID		
Information provided for a fee:	Residential Property Profile provides a complete description of a specific parcel.		
	Residential Property Analyzer is a property search mechanism that enables searches on specific criteria chosen by the user.		
	Delinquent Tax Statement identifies outstanding property tax obligations by specific address or parcel numbers.		

# Exhibit B: Spectrum of Data Sources for Property Ownership Information

### **Title Search**

Description:	A title search results in a "title commitment" which lists the property owner, other interests in the property, and delinquent taxes. Title commitments <b>MUST</b> be performed when a party is considering property acquisition. Title commitments may also be useful when other sources do not provide accurate ownership information.
Cost:	Title commitments typically range from \$150 to \$250. However, some local title companies will offer lower prices to non-profit organizations and Community Development Corporations to help them with a public purpose.
Search fields:	Address Legal Description
Information provided for a fee:	Owner name Ownership history Document type Dates transactions recorded Images of documents (i.e. liens, affidavits, mortgages, judgments of foreclosure).

# Common Codes Encountered in Register of Deeds Searches

CODE:	CLAIM:	CODE:	CLAIM:
AFD	Aff. Lost / Destr Doc	LAC	Land Contract
AFF	Affidavit	LIN	Lien (Misc.)
AGR	Agreement	LSP	Lis Pendens
AMG	Amend Mortgage	MLC	Memo of Land
ALN	Asmt of Lien-Not		Contract
	MTG	MIS	Misc Document
AST	Asmt of Mortgage	MMG	Mod. of Mortgage
ASL	Assignment of Lease	MTG	Mortgage
ARE	Assignment of Rents	NCM	Notice of
ANL	Association of Lien		Commencement
CTR	Cert of Trust Agrmnt	ORD	Order
DTH	Death Certificate	PDM	Part Dis of Mortgage
DED	Deed	PAT	Power of Attorney
DAS	Dis of Assoc Lien	QDC	Quit Claim Deed
DAT	Dis of Attorney		(D/C Attached.)
	Lien	QDP	Quit Claim Deed
DML	Dis of Claim of Lien		(POA Attached)
DLP	Dis of Lis Pendens	QCD	Quit Claim Deed
DMI	Dis of MI Tax Lien	REL	Release of Anything
DUS	Dis of US Tax Lien	MIT	State MI Tax Lien
DJM	Dis of Judgment	SBA	Subordination
DIS	Dis, Sat, Release		Agreement
DLN	Discharge of Lien	SBM	Subordination Mtg
UST	Federal Tax Lien	WDD	Warranty Deed
JGM	Judgment	WDP	WDD w/ POA Attached
		WDC	WDD w/ D/C Attached







Connecting Lawyers and Communities 615 Griswold, Suite 1400 Detroit, MI 48226 Phone: 313-962-3171 Fax: 313-962-0797 www.clronline.org www.detroitvacantproperty.org



The Vacant Property Toolbox was made possible through the generous support of the Michigan State Housing Development Authority (MSHDA).



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# **APPENDIX F:** MASTER PLAN ENTREPRENEURIAL DISTRICTS

## MASTER PLAN ENTREPRENEURIAL DISTRICTS

Formerly called Potential Intensity Change Areas or PICAs (see 2008 Master Plan), these zones include properties that meet any of the following criteria:

- Have been identified by the community for neighborhood economic development
- Are large enough to accommodate significant redevelopment
- Are under-utilized or unused schools, industrial or manufacturing facilities
- Were historic neighborhood commercial nodes

In the 2008 Plan, these areas were "identified using the principles described in the Asset-Based Economic Development Strategy developed by the Land Policy Institute at Michigan State University. Intensity and uses within these PICAs focus on attracting New Economy development information technology (IT), medical and research, research and development, and leisure and entertainment. As detailed in the Asset-Based Economic Development Strategy, New Economy business seeks areas rich in talent educated workers. These workers are able to choose where they live, work and play, thus it is quality of life elements that become critical recruitment tools. To put it simply, place matters! Attracting this talent requires a focus on creating a "high-amenity" community in Pontiac that is one with vibrancy, opportunity, green infrastructure (parks, trails, bike paths etc.), culture, and diversity."

The proposed Entrepreneurial Districts provide greater flexibility in land use and design criteria so that redevelopment activities can be both context sensitive and market driven.

Many of the PICAs from the 2008 Plan remain undeveloped. For many of these, the goals for redevelopment remain the same. For others, more flexibility is needed to encourage redevelopment. Others still have to be completely rethought because of either market conditions or feasibility.

## 1. WOODWARD AVENUE / DOWNTOWN / NEAR DOWNTOWN

As discussed extensively in the Transportation chapter, the re-configuration of the Loop as recommended in the Downtown Pontiac Transportation Assessment is an on-going and long-term redevelopment project. As the City and County pursue state and federal funds necessary for construction, the entire perimeter of the Loop becomes an opportunity for redevelopment. Similarly, this project will have a positive and synergistic effect on the Downtown. Therefore, the entire Downtown and near-downtown neighborhoods are con-sidered Entrepreneurial Districts.

This Entrepreneurial Zone includes specific redevelopment opportunities that were called out individually in the 2008 Master Plan, including Lot 9, the Clinton River, the Phoenix Center and the Bagley-Congress Transit Oriented Development District. While these sites all remain important redevelopment opportunities, the context for potential redevelopment has changed.

#### **Clinton River**

The Urban Land Institute (ULI) prepared a feasibility study for daylighting (otherwise known as restoring to a more natural state and flow) the Clinton River through Downtown Pontiac. This study used the cost estimates developed in 2009 by the Oakland County Water Resources Commission, which pegged the cost for restoration at over \$47 million. The ULI study examined the potential economic and environmental benefits of daylighting and concluded that restoring the river through Downtown is not economically feasible. Instead, the study recommended a symbolic restoration of the river through downtown via a combination of public and privately-owned open space.

# Regional Transit and Transit Oriented Development

The 2008 Master Plan identified the area west of the current AMTRAK station for Transit Oriented Development, which is higher density mixed-use development adjacent to a transit station. Since the 2008 Plan was adopted, the discussion of regional mass transit has focused on creating a Bus Rapid Transit (BRT) route connecting Pontiac to the M-1 rail line in Detroit. During the last six years, the City has sold its facility at 55 Wessen Street and the adjacent Hayes Jones Center has become the Wessen Lawn Tennis Club. Furthermore, public input has expressed a clear consensus that any regional transit hub should be in or immediately adjacent to Downtown Pontiac.

For these reasons, the southern gateway portion of Downtown is a more realistic and appropriate location for a regional transit hub and associated Transit Oriented Development. The 2008 recommendation for the redevelopment of the Phoenix Center becomes more vital to connecting a potential regional transit hub, new housing and retail to Downtown. As in the 2008 Master Plan, there is no clear public consensus about the future of the Phoenix Center, however, re-connecting Saginaw Street remains an important long-term goal.

### Lafayette Square

The Lafayette Square District is another underutilized portion of Downtown. This area in the northwest corner of Downtown presents an opportunity for higher density and mixed use development. The previously discussed conversion of the Loop to twoway traffic will create considerable opportunity for commercial redevelopment, particularly along Woodward Avenue.

There is also considerable positive activity happening in this part of Downtown. Lafayette Place Lofts, in the old Sears building, was completed in 2011 and is fully occupied. Included in this development are the Lafayette Market, a grocery store, and Anytime Fitness. The existing building stock on Woodward Avenue (both sides) presents opportunities for a range of redevelopment activities. Potential uses may include (but are not limited to) retail, office, artisan studios, community kitchen, restaurant, and multi-family residential. This part of Downtown needs to expand and include property on the west side of Woodward east of the railroad right-of-way. It also needs a greater amount of flexibility so that entrepreneurs can better respond to changing market dynamics.

### 2. PONTIAC SCHOOL DISTRICT PROPERTY

As of the writing of this Plan, the Pontiac School District is operating under a consent agreement with the State of Michigan to resolve a deficit in excess of \$50 million. Over the last decade, Pontiac Public Schools have closed and consolidated a number of schools. The closed schools, in most cases, present wonderful opportunities for neighborhood economic development. Some of the facilities offer an opportunity for adaptive reuse of historic structures, while others are beyond salvaging.

All of the 17 school properties listed in Exhibit 38 can be better utilized to serve the residents of Pontiac. Redevelopment of these properties will take the vision of a committed group or developer and cooperation of the School District, State of Michigan and City officials. Funding will likely pull from several public and private sources. Flexibility is key in determining potential future uses for these sites, and the context of the neighborhood and the input of neighbors determines what will be appropriate uses and activities.

Moving forward, the City and School District must become partners and work together to market these properties for redevelopment. The City also needs to provide greater flexibility in use and site design regulations to allow for a greater range of options for potential redevelopment partners. Many of the 17 facilities were originally conceived and designed as the center of neighborhood activity. This history and context must be considered in evaluating potential reuse of these properties.

### 3. FORMER CRYSTAL LAKES HOMES/ PONTIAC HOUSING COMMISSION PROPERTY

The former Crystal Lake Homes public housing site is located along Crystal Lake, south of Gillespie and west of Bagley. The site still has the remnants of the original road network and infrastructure, though the condition of the underground utilities is unknown. This site has been the subject of much speculation over the last ten years. The Pontiac Housing Commission (PHC) funded the preparation of several potential site plans in 2006, each showing large lot, single family homes in a gated subdivision. None of these plans were ever implemented and the PHC began the process of getting approval from the US Department of Housing and Urban Development (HUD) to sell the property. Approval of the property disposition is expected during 2014.

This site is ideal for development of a traditional residential neighborhood. That is walkable, pedestrian-friendly and has a range of housing types. The neighborhood design needs to provide public access to the waterfront and should reflect the historic development pattern of traditional Pontiac neighborhoods. New Bethel Missionary Baptist, Providence Missionary Baptist, Newman AME and Trinity Missionary Baptist are four strong cultural and social anchors for the neighborhood and the location adjacent to Washington Park and the Links at Crystal Lake, less than a half-mile walk from Downtown encourages walkable urbanism. The foundation is here for a solid, well developed traditional neighborhood and future redevelopment needs to embrace these principles.

### 4. THE PONTIAC SILVERDOME

The long and complicated history of the Silverdome is tied to the City's financial decline. The facility was once a state-of-the-art arena that was the home of the Lions, the site of World Cup games and hundreds of concerts and other events, but once the Lions left in 2002, the building became a financial liability for the City, costing over a million dollars a year in maintenance and utilities alone. The City sold the facility in 2012 and the current owners have failed to maintain the structure. The building's seats, fixtures and equipment is being sold via auction signaling impending demolition.

The site retains considerable value for a wide range of potential uses. The location and ease of access to I-75 and M-59 makes it a desirable location for office, retail, and industrial/manufacturing uses. It could also include residential uses. This Master Plan will not identify one specific use for this site, rather flexibility will be built into the future land use map and plan so that the site may be redeveloped more quickly.

### **5. THE "DIAMOND TRIANGLE"**

Over the past decade or so, the property owned by GM in the Centerpoint area and dedicated to manufacturing has undergone a major shift. The GM bankruptcy in 2009 marked a significant shift in the use and po¬tential future use of the property.

Since 2009, major portions of the Diamond Triangle have been acquired by various private interests. New tenants include the Michigan Motion Picture Studio, Hewlett Packard, Ultimate Soccer as well as expanded GM research and development buildings. These new uses and tenants have reinvigorated the Centerpoint area and have become catalysts for other new investment and development.

To better facilitate additional redevelopment in and around the Diamond Triangle, more flexibility is needed in the use and site plan requirements.

## 6. VACANT RESIDENTIAL AND COMMERCIAL PROPERTY

Pontiac is both blessed and cursed to have an ample amount of vacant property, particularly within neighborhoods and at key intersections. These vacant parcels are the result of demolition activity. The parcels are either privately owned or owned by the Oakland County Treasurer or State Fast Track Land Bank Authority.

Regardless of ownership, these parcels become a detriment to the neighborhood if unmaintained. The City has limited funds available to maintain vacant lots, and is therefore not likely to provide basic maintenance. Therefore, Pontiac will take a less traditional approach to maintaining this inventory of vacant property. Instead of seeding and mowing, the City should work with Oakland County and the State Land Bank to develop alternative post-demolition specifications that use native plant and grass seed mixes to reduce the need for continual mowing.

Additionally, these lots may have short-term potential to be used for neighborhood-scale community gardens, which can serve as small neighborhood economic incubators. The City should encourage the CDCs and individual neighborhood organizations and non-profits to acquire or lease vacant properties to develop community gardens.

Community gardens are not the only agricultural-

related activity that's appropriate for these lots. Many lots, particularly if there are several contiguous properties, are ripe locations for forestry operations. These lots can be planted with appropriate species of trees which can be harvested and replaced on a regular schedule. Fruit and nut trees can also be planted to compliment community garden efforts.

These (and other) types of unique approaches to vacant land management accomplish several goals. First, they put land that otherwise may become a blighting influence to productive use that benefits the entire neighborhood. Second, these operations provide food for neighborhood residents. Third, these operations also provide job training and capacity building for neighborhood residents. Finally, these types of interim uses provide a profound ecological benefit for the entire community.

To empower residents and organizations to activate these spaces, the City needs to develop more flexible use regulations. Pontiac needs better articulated urban gardening/farming guidelines and it needs to partner with the Treasurer's office, MLBFTA service to develop post-demolition alternative specifications that do not result in lots simply being seeded with grass seed. Finally, the City should partner with MSU Extension and other non-profits (Growing Hope in Ypsilanti, the Greening of Detroit) to provide start-up resources and assistance.

Based on the inventory of vacant land within neighborhoods, Pontiac should be a leader when it comes to local food production and alternative land management strategies. These types of gardens and urban agricultural practices create positive experiences in spaces that have historically been negative spaces. This is "little 'p'" placemaking and helps to both improve quality of life for neighborhood residents and create new economic opportunities in distressed areas.

# **APPENDIX G:**

## **TEMPLATE RESOLUTION + LETTER OF SUPPORT**

## **RESOLUTION OF THE CITY OF PONTIAC**

WHEREAS, the City of Pontiac has submitted to the United States Economic Development Administration (EDA) an economic recovery strategy entitled *Pontiac Moving Forward*; and,

WHEREAS, the *Pontiac Moving Forward* report contains an implementation mechanism called the Pontiac Moving Forward Partnership which includes a Coordinating Committee to oversee the implementation of said recovery strategy: and,

WHEREAS, the Coordinating Committee will communicate to City Council and the Mayor on the status of the economic recovery actions; and,

WHEREAS, seven different strategies have been identified for this recovery, with each strategy having a strategy leader; and.

WHEREAS, each strategy leader will report back to the Coordinating Committee on progress and status of actions; and

WHEREAS, WHEREAS, due to the lack of current staff at the City of Pontiac strategy leaders and potential partners to assist in moving Pontiac forward will need to come from the private sector, non-profits, and other governmental and non-governmental organizations; and,

WHEREAS, these strategy leaders and potential partners have come forward to commit time and resources to help implement said strategies.

NOW THEREFORE, BE IT RESOLVED, that the City of Pontiac City Council acknowledges (name of strategy leader or potential partner's) aid in moving Pontiac forward and empowers (name of strategy leader or potential partner) to assist by convening meetings on behalf of the Pontiac Moving Forward Partnership, make recommendations, and take actions to implement the strategies outlined in the *Pontiac Moving Forward* report.

DATED:

## PARTNER RESOLUTION OF COMMITMENT

WHEREAS, the City of Pontiac has submitted to the United States Economic Development Administration (EDA) an economic recovery strategy entitled *Pontiac Moving Forward*; and,

WHEREAS, the *Pontiac Moving Forward* report contains an implementation mechanism called the Pontiac Moving Forward Partnership which includes a Coordinating Committee to oversee the implementation of said recovery strategy: and,

WHEREAS, seven different strategies have been identified for this recovery, with each strategy having a strategy leader; and.

WHEREAS, due to the lack of current staff at the City of Pontiac strategy leaders and potential partners to assist in moving Pontiac forward will need to come from the private sector, non-profits, and other non-governmental organizations; and,

WHEREAS, (organization) intend to support the adoption and implementation of the *Pontiac Moving Forward* as we view this as an important step in the city's recovery; and,

WHEREAS, due to our focus on (focus area), (name of Organization) is especially interested in the following strategy(ies) of the plan; and,

NOW THEREFORE, BE IT RESOLVED, we intend to support the implantation of this/these strategy(ies) by serving in the role of (role) and/or providing assistance in the form of (assistance type). We look to working with the City and others on this important initiative and are proud to play our part in *Pontiac Moving Forward*.

## LETTER OF SUPPORT

Date

Dr. Deirdre Waterman Mayor, City of Pontiac 47450 Woodward Avenue Pontiac, Michigan 48342

RE: Pontiac Moving Forward Implementation

Dear Mayor Waterman,

I am writing this letter on behalf of (name of organization) to express our support for the adoption and implementation of *Pontiac Moving Forward*. We view this effort as a crucial step towards Pontiac's economic recovery and long-term financial stability.

Due to our focus on (focus area), (name of organization) is especially interested in following project(s) and strategy(ies) of the plan:

- Project
- Project
- Strategy
- Strategy

We intend to support the implementation of this/these project/strategy(ies) by serving in the role of (role) and/or providing assistance in the form of (assistance type). (name of individual) will serve as lead from our organization on this endeavor and can be contacted by (phone number) or (email).

We look forward to working with the City and others on this important initiative and are proud to play our part in *Pontiac Moving Forward*.

Sincerely,

# **APPENDIX H:** INCENTIVES + FINANCING TOOLS

# INCENTIVES & FINANCING TOOLS

Sources: Michigan Municipal League, Michigan Economic Development Corporation (MEDC) Redevelopment Ready Communities (RRC), MIPlace

## LEGISLATIVELY ENABLED AUTHORITIES, CORPORATIONS, & DISTRICTS

- Downtown Development Authority (DDA) may be created to halt property value deterioration, to increase property tax valuation in the business district, to eliminate the causes of deterioration, and to promote economic growth. (1975PA 197, MCL 125.1651). http://www.michiganbusiness.org/ cm/files/fact-sheets/downtowndevelopmentauthority. pdf
- Local Development Financing Authority (LDFA) may be created to encourage local development, to prevent conditions of unemployment, and to promote growth. (1986 PA 281, MCL 125.2151). As of 2011, transit-oriented development and transit-oriented facilities are eligible to be part of LDFA's. http://www.michiganbusiness.org/cm/files/ fact-sheets/localdevelopmentfinancingactpa281.pdf
- 3. Brownfield Redevelopment Authority (BRA) may be created to clean up contaminated sites, thus allowing the property to revert to productive economic use. (1996 PA 381, MCL 125.2651). As of 2011, transit-oriented development and transitoriented facilities are eligible to be used by BRA's. http://www.michiganbusiness.org/cm/files/fact-sheets/ brownfieldredevelopmentauthoritypa381.pdf

- 4. Corridor Improvement Authority (CIA) may be created to redevelop a commercial corridor and to promote economic growth. (2005 PA 280 MCL 125.2871). As of 2011, transit-oriented development and transit-oriented facilities are eligible to be part of CIA's. In addition, municipalities can now set up transit TIF districts that do not require a community to wait for opt out's of tax capture from other governmental units (counties, libraries, community colleges, etc). http://www.michiganbusiness.org/cm/files/fact-sheets/corridorimprovementauthoritypa280.pdf
- 5. Neighborhood Improvement Authority (NIA) may be created to assist with economic development and economic growth in residential areas of cities and villages. (2007 PA 61, MCL 125.2911 et seq.) http://www.michiganbusiness.org/cm/files/fact-sheets/ neighborhoodimprovementauthority.pdf
- 6. Historic Neighborhood Tax Increment Financing Authority (Historic Neighborhood TIFA) may be created to halt property value deterioration and increase property tax valuation within the boundaries of a historic district. (2004 PA 530, MCL 125.2841). As of 2011, public facilities now include infrastructure improvements that are located within one half mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use. http:// www.michiganbusiness.org/cm/files/fact-sheets/ historicneighborhoodtifa.pdf
- 7. Economic Development Corporation (EDC) may be created to alleviate and prevent conditions of unemployment and to assist industrial and commercial enterprises. (1974 PA 338, MCL 125.1601). As of 2011, transit-oriented development and transit-oriented facilities are now part of the list of enterprises for which a project may be undertaken in the Act.

- Principal Shopping District (PSD), Business Improvement District (BID) or Business Improvement Zone (BIZ) may be created to develop or redevelop a more successful and profitable business climate in a defined area and to collect revenues, levy special assessments, and issue bonds to pay for its activities. (1961 PA 120, MCL 125.981). http://www.michiganbusiness.org/ cm/files/fact-sheets/businessimprovementdistrict.pdf
- 9. The Neighborhood Enterprise Zone (NEZ) Program was established by Public Act 147 of 1992, as amended. The program provides a tax incentive for the development and rehabilitation of residential housing in areas where it might not otherwise occur. The program also encourages owner-occupied housing and new investment in communities. A qualified local unit of government may designate one or more areas as a NEZ: http:// www.michiganbusiness.org/cm/files/fact-sheets/ neighborhoodenterprisezone.pdf

#### ECONOMIC DEVELOPMENT/ STABILIZATION PROGRAMS

- 10. Community Development Block Grant (CDBG) Program is a federal grant program utilizing funds received from the U.S. Department of Housing and Urban Development. Funds are used to provide grants to counties, cities, villages, and townships, usually with populations under 50,000, for economic development, community development and housing projects. The following are state CDBG programs that the City could mirror:
  - The Downtown Infrastructure program enables a community to improve downtown's infrastructure quality and reduce redevelopment costs to make a project feasible. The program is restricted

to providing public downtown infrastructure improvements that are tied to new commercial/ mixed-use development activities, which require the additional infrastructure to create new economic opportunities and job creation activity within a downtown area.

- Downtown Façade Improvement Grants are available for communities that seek to target areas of traditional downtown for façade improvements, which have a significant impact on the community. This program is based on the premise that exterior improvements in highly visible locations will stimulate private investment in commercial/mixed-use buildings and the surrounding area, attract new customers, and result in new economic opportunities. The minimum amount for individual grants is \$30,000. Qualified LMI communities with a population over 15,000 must have at least 5 participating properties with façade improvements. Those with populations of 15,000 or less must have at least 2 participating properties.
- The Blight Elimination program is structured to assist communities in removing blighted conditions that often hinder adjacent private investment in their community. Eligible under this activity would be property acquisition and demolition. Ineligible activities for this initiative include acquisition of privately owned, residential, historic, or state owned structures. Vacant, deteriorated buildings deemed detrimental to public health and safety with be given funding priority. No private match is required for this program though local funding is expected for proposed projects.
- Core Community Fund (CCF) was established in 2000 to spur private development in Michigan's urban communities and traditional centers of commerce. The program's incentives target critical

needs of older communities through a new housing development, redevelopment of obsolete facilities and development of contaminated properties. The CCF Guidelines (available from the CATeam upon request) provide an overview of the program requirements, including eligibility requirements and a more in depth look at priorities and considerations. *http://www. michiganbusiness.org/cm/files/fact-sheets/core\_ communities.pdf* 

- 12. Michigan Community Revitalization Program (MCRP) is designed to promote the revitalization of brownfield and/or historic properties that are located in traditional downtowns. The program provides gap financing in the form of a grant, loan and/or other economic assistance. The level and form of MSF support will be determined based on a needs analysis. http://www.michiganbusiness.org/ cm/files/fact-sheets/communityrevitalizationprogram. pdf
- 13. Urban Land Assembly Fund (ULA) provides financial assistance in the form of loans to eligible municipalities for the acquisition of certain real property for economic development purposes, including industrial and commercial projects. The program is directed toward revitalizing the economic base of cities and experience economic distress and decline. The ULA application (available from the CATeam upon request) provides an overview of the program requirements, including eligibility requirements and a more in depth look at priorities and considerations.

#### ARTS FUNDING

14. Michigan Council for Arts and Cultural Affairs (MCACA) grant program for Operational Support provides specific operational support to arts & cultural organizations only. Those eligible are organizations whose primary mission is to provide an experience, including a learning experience that is based in a specific arts or cultural discipline. These organization types are: Arts Education Organizations, Arts Services Organizations, Collecting or Material Organizations, Public Broadcasting Organizations, Literary Arts Organizations, Performing Arts Organizations and Visual Arts/Film/Video Organizations.

- 15. MCACA Capital Improvement grant program provides funding assistance to Michigan nonprofit arts & cultural organizations and municipalities to use towards cultural facilities, equipment and furnishing upgrades, or necessary equipment and instrument acquisitions. The improvements resulting from these grants enable citizens to enjoy more cultural events & increase their participation within their communities.
- 16. MCACA Minigrant Project Support operates partnership with regional regranting agencies throughout the state. These are special opportunities to address local arts & cultural needs as well as increasing public access to arts and culture. Arts Projects Minigrants provide up to \$4,000 for locally developed, high quality arts and cultural projects. Professional Development Minigrants provide up to \$1,500 to assist nonprofit organizations and arts professionals acquire services or skills to strengthen the administrative infrastructure of the organization.
- 17. MCACA Retention and Engagement grant program are grants offered through the New Leaders Arts Council of Michigan to support projects focusing on the retention and community engagement of young people in Michigan through arts and culture. Funding is available for projects that involve the creativity of young people:

their mentorship, project already in progress, ideas they have to make the community a better place, and projects that use arts and culture to: empower young people in Michigan, support an atmosphere of entrepreneurship and creativity, and encourage the retention of young people in their communities.

18. MCACA Program for Project Support funds arts projects conducted by non-profit organizations, municipalities, educational institutions and other organizations that utilize the talents of professional artists or educators in all arts. Funding may only be used for artist fees, salaries, wages, space rental, or marketing & promotional expenses directly related to the project, or project supplies and materials including performance or other production costs, project-related curriculum materials.

#### **BROWNFIELD CLEAN-UP**

- 19. Environmental Protection Agency (EPA) Brownfield Revolving Loan Funds are generally used to support the redevelopment of brownfield sites into commercial and industrial enterprises that generate new tax revenue and create jobs.
- 20. EPA Brownfield Assessment, Revolving Loan Fund, Cleanup (ARC) grants are used for assessment and cleanup activities at eligible hazardous substances and petroleum-impacted brownfield sites within their governmental jurisdictions or service areas. Assessments can be conducted on suspected or contaminated brownfield sites by the grantee. Cleanup activities can also be undertaken at contaminated brownfield sites by the grantee. Revolving Loan Funds may be disbursed to eligible borrowers/ subgrantees. The EPA ARC grants are used to

facilitate the redevelopment of brownfield sites to generate new tax revenue and create jobs.

21. Brownfield Redevelopment Authority (BRA) may be created to clean up contaminated sites, thus allowing the property to revert to productive economic use. (1996 PA 381, MCL 125.2651). As of 2011, transit-oriented development and transitoriented facilities are eligible to be used by BRA's. http://www.michiganbusiness.org/cm/files/fact-sheets/ brownfieldredevelopmentauthoritypa381.pdf

#### MICHIGAN LAND BANK OPPORTUNITIES

- 22. Assembling Property The Michigan Land Bank Fast Track Authority (MLB) may acquire and assemble property for local units of government, developers, and nonprofits in a strategic and coordinated manner to foster development of the property and to encourage and promote economic growth and community stabilization. In addition, the MLB will evaluate and assemble property in our inventory to aid in redevelopment that will enhance the community and create a sense of place.
- 23. Urban Gardening Garden for Growth Leases allows Michigan residents to lease Michigan Land Bank Fast Track Authority (MLB) properties to create urban gardens. Under a Garden for Growth Lease, any individual or nonprofit organization may lease an MLB property for the purpose of creating an agricultural space. Any types of gardening or agricultural activities qualify as long as they are not illegal and do not violate local zoning codes. This includes vegetable gardens, flower gardens, native plant gardens, and educational gardens.

24. The Michigan Land Bank Fast Track Authority, along with other state agencies, is working to eliminate blight. Part of that elimination plan involves the demolition of blighted structures with the goals of providing safer routes to and from school for children and fostering economic development for overall neighborhood stabilization. The program includes funding for blight elimination throughout Michigan.

#### NEIGHBORHOOD & HOUSING PROGRAMS

- 25. The Michigan State Housing Development Authority (MSHDA) MiNeighborhood Program works with neighborhood, local, and statewide organizations to identify and address neighborhood needs based on the premise of the Main Street Four-Point Approach<sup>®</sup>. The program connects existing and emerging opportunities to leverage resources in support of neighborhood revitalization.
- 26. MSHDA Pre-Development Loans are available to help nonprofit developers pay for pre-development expenses related to planning affordable housing developments from project conception through submission for financing (including the Office of Community Development, the Office of Rental Development and Homeless Initiatives, and the Low Income Housing Tax Credit Program).
- 27. Michigan Department of Transportation (MDOT) Safe Routes to School Program helps fund the planning of routes that are safe for walking or biking to and from school and is an easy way to get the regular physical activity children need for good health. Safe Routes to School initiatives also help ease traffic jams and air pollution, unite neighborhoods and contribute to students' readiness to learn in school.

28. Main Street Oakland County (MSOC) is an economic development program with a historic preservation philosophy and an emphasis on "sense of place." The program helps local government develop their downtowns as vibrant, successful districts that serve as the heart of their communities.

### MOBILITY

- 29. MDOT's Transportation Economic Development Fund (TEDF) can fund transportation improvements that enhance the ability of the state to compete in an international economy, promote economic growth and improve the quality of life in the state. The TEDF is broken up into five different programs: Category A, C, D, E, and F. Each of these categories has its own unique criteria as to the purpose for which money is awarded. The TEDF provides for the distribution of money to counties and municipalities through three formulaic and two grant programs.
- 30. MDOT's Transportation Alternatives Program (TAP) is a competitive grant program that funds projects such as bike paths, streetscapes, and historic preservation of transportation facilities that enhance Michigan's intermodal transportation system and provide safe alternative transportation options. These investments support place-based economic development by offering transportation choices, promoting walkability, and improving the quality of life. The program uses Federal Transportation Funds designated by Congress for these types of activities.

#### SMALL BUSINESS AND START-UPS

- 32. The Center for Empowerment and Economic Development-CEED is providing loans to small businesses in Pontiac. CE ED has committed to providing \$500,000 in loans for the next five years at a fixed interest rate of 5%. Loans up to \$50,000 can be used for machinery, equipment, inventory and some working capital.
- 33. The Oakland County SBA 504 Loan Program provides loans for healthy, expanding, for-profit businesses with a net worth of less than \$15 million. Eligible projects include land acquisition, land improvements, building acquisition, building construction, building renovation, machinery and equipment, and related soft costs.
- 34. The Oakland County Tax-Exempt Revenue Bond Program provides a tax free bond option to manufacturing business and not-for-profit organizations. Eligible projects include land acquisition, land improvements, building acquisition, building construction, building renovation, machinery and equipment, and related soft costs.
- 35. On December 20, 2013, Michigan enacted Public Act 264 and became one of four states to authorize pioneering intrastate crowdfunding legislation. Known as "investment crowdfunding", this is a powerful economic development tool for using local capital to support and grow local businesses, fund start-ups, and nurture an entrepreneurial environment in Michigan. The Michigan Municipal League is currently active with collecting and sharing information on crowdfunding: <u>http://www.crowdfundingmi.com/</u>.

# **APPENDIX I:** REDEVELOPMENT READY COMMUNITIES BEST PRACTICES