

GENOA CHARTER TOWNSHIP BOARD
Special Meeting
February 24, 2016
1 p.m.

AGENDA

Call to Order:

Pledge of Allegiance:

Call to the Public (Public comment will be limited to two minutes per person)*:


1. Workshop session to discuss a Local Development Finance Authority/Tax Increment Financing/Smart Zone concept for the area around Cleary University.

Member Discussion

Adjournment

*Citizen's Comments- In addition to providing the public with an opportunity to address the Township Board at the beginning of the meeting, opportunity to comment on individual agenda items may be offered by the Chairman as they are presented.

MEMORANDUM

TO: Township Board
FROM: Michael Archinal 
DATE: 2/23/16
RE: Smart Zones Meeting

The purpose of tomorrow's meeting will be to consider a Local Development Finance Authority/Tax Increment Financing/Smart Zone concept for the area around the Latson Interchange. Recent legislation allows for an opportunity for Genoa to partner with the City of Sterling Heights as a satellite Smart Zone. Establishing a satellite Smart Zone extends the 15 year sunset for a parent Smart Zone. Applications to the Michigan Economic Development Corporation for consideration as a satellite are due by July 2016.

A Smart Zone is a tool with potentially significant tax capture intended to promote business development and retention with a focus on emerging technologies. This tool can also be used to finance other infrastructure investments within the district such as roads, water, sewer, grade separations and streetscapes. For example, if an LDFA had been in place the TIF could have been used to contribute to the Latson Interchange project and fund our \$200,000 contribution to the Grand Oaks paving project.

Smart Zones require a University partner. One of the reasons we are being considered as a satellite is the fact that Cleary University lies within Genoa Township. The business innovation and entrepreneur focus of this effort will be under the purview of Dr. Marlo Rencher with Cleary University. Dr. Rencher has provided an executive summary that would accompany our application.

Attached you will also find a letter from Sterling Heights Senior Economic Development Advisor, Luke Bonner. His letter explains the timeliness of this effort relative to HB 4226 and the necessity of the relationship between Sterling Heights and Genoa.

Other materials for tomorrow are a draft Smart Zone Capture Area Map and a spread sheet showing the potential tax increment capture over a fifteen year period with an assumed 5% increase in taxable value. I believe a 5% appreciation in value is realistic given the large amount of vacant land within the proposed capture area. At 5% property value appreciation the LDFA would capture \$15,511,290 over the fifteen year term.

Pat McGow esq. is an Attorney who is expert in Local Development Finance Authorities and Smart Zones. He will be in attendance to assist us in this effort.

Sorry for the delay in getting this information to you. Tomorrow is a workshop session so we will have plenty of time to answer any questions you may have.

CLEARY UNIVERSITY

Livingston County Satellite SmartZone Opportunity Summary

Prepared by the Center for Innovation and Entrepreneurship at Cleary University

Dr. Marlo Rencher, Executive Director

February 22, 2016

Identify the unique characteristics and specialties offered by the public and private resources available in the satellite SmartZone.

Livingston County is a community of more than 180,000 residents which has three strong employment sectors in health care, retail/hospitality, and manufacturing. As a residential community, Livingston County has seen an increase in the interest in entrepreneurship and in the number of entrepreneurs for the past several years. The County enjoys a strong network of business development services buoyed by three engaged chambers of commerce (Brighton, Hartland and Howell), a local business library network, economic development services through Ann Arbor SPARK, strong business advisors through SCORE, and a dedication to business development by Cleary University. Cleary University is the location of the Center for Innovation and Entrepreneurship (CIE) and has hosted LegUP Livingston, (an information/networking event for entrepreneurs) since 2011.

Identify the benefits to regional cooperation and collaboration.

Livingston County leaders have made the region a model for collaboration. In 2011, stakeholders from around Livingston County engaged in a vision-mapping process (Advantage Livingston) to identify what assets Livingston County has, and determine how it could grow. One of the core messages of that process was the need to develop entrepreneurial opportunity and growth in the County. Another was to “collaborate, consolidate and cooperate,” including in a regional way.

Part of that process involved the engagement of Ann Arbor SPARK to work on economic development activities for the entire region. In other ways, Livingston County government has taken on regionalization through shared services and by engaging neighboring county governments to serve its residents. Historically, Livingston County has been a fiscally responsible area, and it recognizes the inherent benefits of regional collaboration as a result.

This collaboration undertaken by the region extended beyond operational collaboration to collaborative leadership development. Cleary University, chambers of commerce, and other County partners have provided leadership development programs for two decades and recently added a program targeted at leadership development for youth. This tradition of learning and shared growth experience could prove to be a helpful path to follow for introducing new tech-based learning opportunities to the region.

If the application is granted and the satellite SmartZone is created, the university anticipates forming a committee led by Genoa Township and including the cities of Brighton and Howell and other governmental entities that might participate in funding. Other participating entities could include the Economic Development Council of Livingston County and Ann Arbor SPARK to ensure the program is responsive to funding communities as well as the entire region.



Identify how the satellite SmartZone adds value to the mission of the host SmartZone

The Sterling Heights SmartZone is focused on developing businesses in advanced manufacturing—a key area for Livingston County. The County’s business development ecosystem is currently not as mature as what can be found in Sterling Heights. We would like Livingston County companies to be served by the satellite while accessing the more developed resources of the host SmartZone. We also believe that we can connect smaller Livingston-based company owners with more established Macomb owners as peer mentors. With a compatible industry focus and complementary business support services, the combined efforts of the Sterling Heights SmartZone and a potential Livingston County satellite represent a continuum of

Summary of the intent of the satellite to stimulate the growth of technology-based businesses and jobs by capitalizing on public and private resources.

The CIE includes Livingston County's first business incubator. The incubator provides office space, support services, access to business and professional consultation, and a virtual incubator for those seeking access to consultative services, but not in need of physical space.

The CIE coordinates the Livingston Entrepreneurs Group United for Prosperity (LegUP). LegUP is a collaborative effort between Cleary University, SCORE, the Michigan SBDC and the Howell, Brighton, and Hartland Chambers of Commerce. It is designed to assist early-stage entrepreneurs with educational, networking and resource opportunities. Over 1,500 duplicative attendees have participated in the program since its inception.

The CIE currently provides oversight for baccalaureate and associate degrees in entrepreneurship. An entrepreneurship certificate program has recently been approved, along with an MBA in Analytics, Technology and Innovation. We plan to also offer intensive technology-based entrepreneurship course offering that blend coding, digital marketing, analytics and entrepreneurship.

Location

The Satellite Smart Zone will be located within the Center for Innovation and Entrepreneurship on the Livingston Campus of Cleary University. Services of the SmartZone will be provided regionally throughout the county, with targeted responsiveness to the taxing entities providing additional support.

Budget

Cleary University has budgeted approximately \$250,000 toward the Center for Innovation and Entrepreneurship and the Satellite Smart Zone, including lease space and utilities, direct salaries and benefits, training, campus space rental, administrative support and indirect staff. This budget will be supplemented by revenues from a tax increment finance authority to be used for expansion of services. The university will seek guidance from the proposed SmartZone steering committee regarding priorities for the use of additional revenues. Preliminarily, the university anticipates funding to support additional service staff and virtual and physical expansion of incubation services.



Management team

The executive director of the Center for Innovation and Entrepreneurship is Dr. Marlo Rencher, an entrepreneur and educator with two decades of experience in startup and small business development. She worked for more than seven years in Detroit tech incubators and entrepreneurial development agencies. She is also the faculty chair of Cleary University's Entrepreneurship department.

A Michigan State University graduate with a BA in marketing, Rencher has a MBA from the Ross Business School at the University of Michigan, and a Ph.D. in business anthropology from Wayne State University. Her research interests exist at the intersection of entrepreneurship, design, technology and culture. Dr. Rencher has founded or co-founded three tech companies and is working on a fourth. She is a past Tedx and SXSW Interactive speaker. She is also a 2012 digitalundivided FOCUS Fellow and designed their FOCUS Fellowship program (2014, 2015).

Additional support to the CIE is provided by Grace Farley, JD/MBA, Community Outreach Director for Cleary University. Farley has decades of experience as an entrepreneur and attorney. As the program director of the Leadership Livingston and Leadership Livingston Youth programs which have graduated dozens of the region's most dedicated leaders since 2010, she is an essential link to the community. The experience and expertise of Cleary University President Jayson Boyers and Provost and Chief Academic Officer/Dean of the College of Graduate, Adult, and Professional Studies Dr. Lance Lewis will be additional assets available for companies.

The adjunct faculty of Cleary University largely consists of business professionals with deep subject matter expertise across relevant business fields from project management and operations to digital marketing. We are confident that we will be able to support a wide range of business types at every stage of growth.

Technology focus

The Center for Innovation and Entrepreneurship is actively working to transform the regional culture of Livingston County towards a more technology-enabled perspective towards entrepreneurship. The CIE produced the first Startup Weekend in Livingston County. Startup Weekend is a global event that has been produced in 150+ countries around the world. At these dynamic events, participants produce startups from scratch over a weekend, competing for the best idea via a prototype and pitch. Most of the business ideas are technologically focused. The winner of the 2015 Startup Weekend Livingston County was Grabsome, a mobile application currently incubated at the CIE. We seek to deepen and expand our technology focus by offering app development courses and training coders and digital marketers to help grow existing tech startups across the region.

Support to technology businesses and entrepreneurs (ability to provide support and what type of support)

Support to technology businesses and entrepreneurs are available through consultation and services from the university's faculty and various community partners; through student interns, and through graduate assistants. Additionally, a local financial institution anticipates funding support for satellite Smart Zone technology businesses and entrepreneurs. Of course, physical office space and administrative support services are also provided.



We anticipate additional resources under a SmartZone program, we would leverage available regional resources to assist businesses in the SmartZone. Specifically, we envision:

- Expansion of incubator services
 - Business development mentoring
 - Business feasibility studies
 - Business planning
 - Market analysis
 - Interns
- Deployment of management and technology (e.g. coding) training
- Expansion of incubator to include prototyping capabilities
- Expansion of CIE services, for example:
 - Networking events
 - Entrepreneurial training
 - Grant writing assistance
 - Product development assistance
 - Technology assessments and roadmapping
 - Venture capital preparation and introductions
- Data collection and analysis
- Small Business Innovation Research (SBIR) assistance
- Small Business Technology Transfer (STTR) assistance



CITY OF
Sterling Heights
InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council

<i>Mayor</i>	Michael C. Taylor
<i>Mayor Pro Tem</i>	Joseph V. Romano
<i>Councilwoman</i>	Deanna Koski
<i>Councilwoman</i>	Maria G. Schmidt
<i>Councilman</i>	Nate Shannon
<i>Councilman</i>	Doug Skrzyniarz
<i>Councilwoman</i>	Barbara A. Ziarko

TEL 586.446.CITY (2489) FAX 586.276.4077
cityhall@sterling-heights.net | www.sterling-heights.net
facebook.com/cityofsterlingheights | twitter.com/sterling_hts

City Manager Mark D. Vanderpool

December 5, 2015

Mr. Michael Archinal
Township Manager
Genoa Township
2911 Dorr Road
Brighton, MI 48116

RE: SmartZone Expansion

Dear Mr. Archinal:

On July 15th, 2015 Governor Snyder signed into law House Bill 4226. This legislation allows for up to 9 existing SmartZones extend tax capture for an additional 15 years to provide early stage company support services. In the city of Sterling Heights 2015 Economic Development strategy, one goal was to consider a long term funding solution to support the existing incubator programs. A 15-year SmartZone extension would certainly provide a part of that solution.

The primary condition for an existing SmartZone (city of Sterling Heights) to qualify for a 15-year extension is to collaborate with another community outside of Macomb County, which also has the desire to create a SmartZone of their own. This partner community is considered a "satellite" SmartZone location and would only be eligible to get such designation if it collaborates with an existing SmartZone (Sterling Heights).

The satellite zones have a commitment to work with the partner zone on joint projects of interest. No exchange of resources or control of revenue collected in either zone is required in the partnership agreement.

Cleary University in Howell, in partnership with either the city of Brighton, or the city of Howell, and Genoa Township has expressed interest in collaborating with the city of Sterling Heights. This partnership allows these communities to create a satellite SmartZone of their own with Cleary University as their 4-year university partner, which in turn allows the city of Sterling Heights to extend its current SmartZone an additional 15 years.

In October of 2008 the city of Sterling Heights SmartZone was approved. The Sterling Heights SmartZone has approximately 9 years left to capture



CITY OF
Sterling
Heights

InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council

<i>Mayor</i>	Michael C. Taylor
<i>Mayor Pro Tem</i>	Joseph V. Romano
<i>Councilwoman</i>	Deanna Koski
<i>Councilwoman</i>	Marla G. Schmidt
<i>Councilman</i>	Nate Shannon
<i>Councilman</i>	Doug Skrzyniarz
<i>Councilwoman</i>	Barbara A. Ziarko

TEL 586.446.CITY (2489) FAX 586.276.4077
cityhall@sterling-heights.net | www.sterling-heights.net
facebook.com/cityofsterlingheights | twitter.com/sterling_hts

City Manager Mark D. Vanderpool

taxes for incubator programs. There may appear to be no sense of urgency to apply for a 15 year extension, however as HB 4226 was just passed it does provide a window of opportunity that may not exist in the future.

On October 26th, the cities of Sterling Heights, Howell, Brighton, and Genoa Township, along with Cleary University met to discuss opportunities to collaborate on a SmartZone program.

The city of Sterling Heights desires to move forward with an application to the Michigan Economic Development Corporation for a 15 year extension and is committed to working with you and your partners to become a satellite.

If you have any questions or comments, please contact me at your earliest convenience at 734-846-9746 or Luke.Bonner@BonnerAG.com, or Mark Vanderpool, City Manager Sterling Heights at mvanderpool@sterling-heights.net or 586-446-2301.

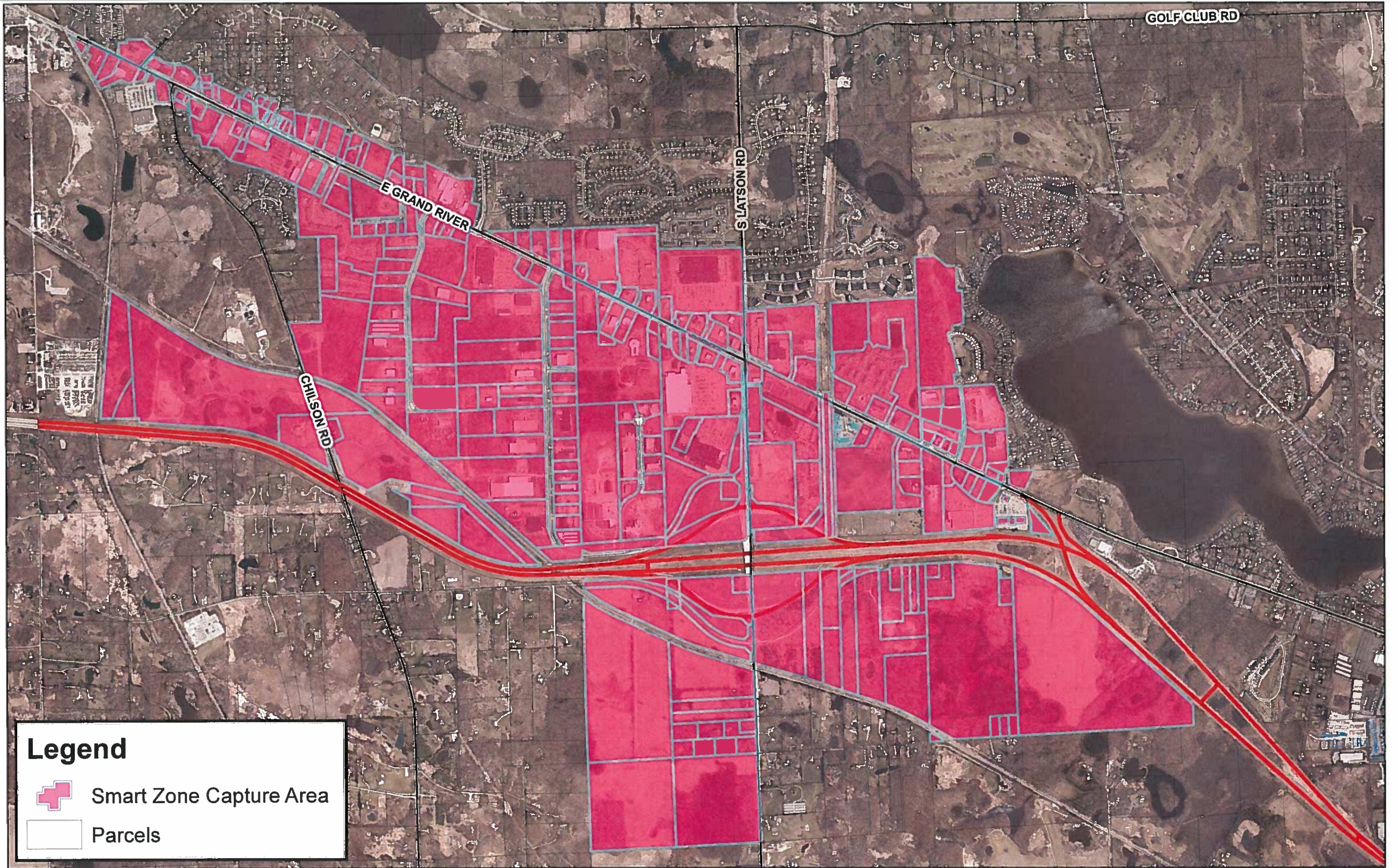
Sincerely,

Luke Bonner
Senior Economic Development Advisor
City of Sterling Heights

CC: Mark Vanderpool, City Manager City of Sterling Heights


Year	Fiscal Year	Base Value	New Taxable Value 5% Increase	Captured Taxable Value	Twp. Allocated	County Allocated	Howell Sch. Operating	Livingston ISD	State Ed. Tax	BAFA	HCMA	Howell Library	Veteran's Relief	County Ambulance	Total Annual Capture
					0.0008146	0.003389	0.018	0.0023	0.0060	0.0013	0.0002146	0.001092	0.00005	0.0000299	
1	2016/2017	101,245,853	\$ 106,308,146	\$ 5,062,293	\$ 4,124	\$ 17,156	\$ 45,561	\$ 5,908	\$ 15,187	\$ 6,328	\$ 1,086	\$ 5,528	\$ 253	\$ 151	\$ 101,282
2	2017/2018	101,245,853	\$ 111,623,553	\$ 10,377,700	\$ 8,454	\$ 35,170	\$ 93,399	\$ 12,111	\$ 31,133	\$ 12,972	\$ 2,227	\$ 11,332	\$ 519	\$ 310	\$ 207,628
3	2018/2019	101,245,853	\$ 117,204,731	\$ 15,958,878	\$ 13,000	\$ 54,085	\$ 143,630	\$ 18,624	\$ 47,877	\$ 19,949	\$ 3,425	\$ 17,427	\$ 798	\$ 477	\$ 319,291
4	2019/2020	101,245,853	\$ 123,064,967	\$ 21,819,114	\$ 17,774	\$ 73,945	\$ 196,372	\$ 25,463	\$ 65,457	\$ 27,274	\$ 4,682	\$ 23,826	\$ 1,091	\$ 652	\$ 436,537
5	2020/2021	101,245,853	\$ 129,218,215	\$ 27,972,362	\$ 22,786	\$ 94,798	\$ 251,751	\$ 32,644	\$ 83,917	\$ 34,965	\$ 6,003	\$ 30,546	\$ 1,399	\$ 836	\$ 559,646
6	2021/2022	101,245,853	\$ 135,679,126	\$ 34,433,273	\$ 28,049	\$ 116,694	\$ 309,899	\$ 40,184	\$ 103,300	\$ 43,042	\$ 7,389	\$ 37,601	\$ 1,722	\$ 1,030	\$ 688,910
7	2022/2023	101,245,853	\$ 142,463,083	\$ 41,217,230	\$ 33,576	\$ 139,685	\$ 370,955	\$ 48,101	\$ 123,652	\$ 51,522	\$ 8,845	\$ 45,009	\$ 2,061	\$ 1,232	\$ 824,637
8	2023/2024	101,245,853	\$ 149,586,237	\$ 48,340,384	\$ 39,378	\$ 163,826	\$ 435,063	\$ 56,413	\$ 145,021	\$ 60,425	\$ 10,374	\$ 52,788	\$ 2,417	\$ 1,445	\$ 967,151
9	2024/2025	101,245,853	\$ 157,065,549	\$ 55,819,696	\$ 45,471	\$ 189,173	\$ 502,377	\$ 65,142	\$ 167,459	\$ 69,775	\$ 11,979	\$ 60,955	\$ 2,791	\$ 1,669	\$ 1,116,790
10	2025/2026	101,245,853	\$ 164,918,826	\$ 63,672,973	\$ 51,868	\$ 215,788	\$ 573,057	\$ 74,306	\$ 191,019	\$ 79,591	\$ 13,664	\$ 69,531	\$ 3,184	\$ 1,904	\$ 1,273,912
11	2026/2027	101,245,853	\$ 173,164,767	\$ 71,918,914	\$ 58,585	\$ 243,733	\$ 647,270	\$ 83,929	\$ 215,757	\$ 89,899	\$ 15,434	\$ 78,535	\$ 3,596	\$ 2,150	\$ 1,438,889
12	2027/2028	101,245,853	\$ 181,823,006	\$ 80,577,153	\$ 65,638	\$ 273,076	\$ 725,194	\$ 94,034	\$ 241,731	\$ 100,721	\$ 17,292	\$ 87,990	\$ 4,029	\$ 2,409	\$ 1,612,115
13	2028/2029	101,245,853	\$ 190,914,156	\$ 89,668,303	\$ 73,044	\$ 303,886	\$ 807,015	\$ 104,643	\$ 269,005	\$ 112,085	\$ 19,243	\$ 97,918	\$ 4,483	\$ 2,681	\$ 1,794,003
14	2029/2030	101,245,853	\$ 200,459,864	\$ 99,214,011	\$ 80,820	\$ 336,236	\$ 892,926	\$ 115,783	\$ 297,642	\$ 124,018	\$ 21,291	\$ 108,342	\$ 4,961	\$ 2,966	\$ 1,984,985
15	2030/2031	101,245,853	\$ 210,482,857	\$ 109,237,004	\$ 88,984	\$ 370,204	\$ 983,133	\$ 127,480	\$ 327,711	\$ 136,546	\$ 23,442	\$ 119,287	\$ 5,462	\$ 3,266	\$ 2,185,516
					\$ 631,551	\$ 2,627,455	\$ 6,977,604	\$ 904,763	\$ 2,325,868	\$ 969,112	\$ 166,377	\$ 846,616	\$ 38,764	\$ 23,181	\$ 15,511,290

Twp. Allocated	County Allocated	Howell Sch. Operating	Livingston ISD	State Ed. Tax	BAFA	HCMA	Howell Library	Veteran's Relief	County Ambulance
0.8146	3.3890	18.0000	2.3340	6.0000	1.2500	0.2146	1.0920	0.0500	0.0299



Legend

-  Smart Zone Capture Area
-  Parcels


 1 inch = 1,300 feet

Smart Zone Capture Area - First Draft

Parcel lines are approximate. Not intended for survey purposes.