

**Community Collaboration Work Group**  
**Meeting Minutes**

Wednesday, September 5, 2012 – 7:30 a.m.  
Room 310 - County Administration Building

**MEMBERS PRESENT:** County Commissioner Jim Saalfeld (Chair); Grand Rapids City Commissioner Rosalynn Bliss (Vice-Chair); President of the Grand Rapids Chamber of Commerce Rick Baker; Attorney Jim Brown; Grand Rapids Township Supervisor Mike DeVries; County Commissioners Carol Hennessy, Dan Koorndyk, and Mike Wawee Jr.; Grand Valley State University Professor of Economics Paul Isely; President & CEO of The Right Place, Inc. Birgit Klohs; Walker City Manager Cathy Vander Meulen

**MEMBERS ABSENT:** Grand Rapids City Commissioner Jim White; President & CEO of the Hispanic Center of Western Michigan Maria Gonzalez-Cortes

**ALSO PRESENT:** County Administrator/Controller Daryl Delabbio; Assistant County Administrators Wayman Britt and Mary Swanson; Kent County Corporate Counsel Dan Ophoff; County Commissioner Harold Mast; Executive Assistant to the Board Jamie Groom; Grand Rapids City Manager Greg Sundstrom; Deputy City Manager Eric DeLong; County Management Analyst Jen DeHaan; State Business Ombudsmen MEDC Amy Banninga; W.E. Upjohn Institute Consultant George A. Erickcek; Grand Rapids City Planning Director Suzanne Schulz; Scott Atchison

**NEWS MEDIA:** David Czurak, Grand Rapids Business Journal

Mr. Saalfeld called the meeting to order at 7:32 am.

I. **APPROVAL OF THE MINUTES**

The minutes from August 1, 2012, were reviewed and approved.

II. **SUMMARY OF MAJOR FUNCTIONS OF GOVERNMENT – Planning and Zoning**

Ms. Swanson talked about the differences in the Michigan statute for planning on the county level versus what is written for cities and townships. There is no county zoning in the law, and planning is generalized. The statute specifically speaks to zoning enabling; if a township has a zoning ordinance, it is not subject to any county ordinance. Local units are the decision makers.

County plans can create a metropolitan planning commission for things such as watershed planning or trash collection. These are things which facilitate cooperation and coordination across boundaries. They are intergovernmental coordinations, or mechanisms for reviews of plans and changes of plans as they come up against corporate boundaries. This happens very informally, but the planning commissions put a formal mechanism to it and allows it.

A county development plan has a broader perspective. It performs a build-out analysis looking at all the property in the county zoned for commercial, and then looks to

balance it out when looking at the county as a whole. The county can provide county-wide planning resources which allows planning across boundaries and gives tools to local units to share information for use in their planning. Cities and townships are left with the authority for planning/zoning, but the county is available to assist with the process if desired.

States treat planning differently, and other states will not share the same statues as Michigan. As an example, Lancaster, PA has a 41-member planning staff which serves as staff to all the local units. This helps, because the same people interpreting plans are also creating them. The final decision rests with the local units.

The Grand Valley Metro Council has some ability to do planning in Kent County and has the ability to bring resources to the local units as well.

Mr. Brown cited Mason County, Michigan (Ludington) as an example of county-zoning. Over half the county is entirely county-zoned. While some of the townships have their own zoning ordinances, many have never created their own. This form of planning/zoning was ceded to the County by the inaction of the townships.

Mr. DeLong introduced Ms. Suzanne Schulz, Planning Director for the City of Grand Rapids.

Ms. Schulz distributed a memorandum about how the City Planning Department has transformed over the last decade. She explained that some communities in Kent County have part-time staff or a consultant who does planning for them. On occasion consultants are used, however there become issues with consistency in interpretation, application and enforcement. These are issues that need to be controlled in-house to be well managed.

Ms. Schulz feels that because Kent County does not have a planning department, there is some danger in not having a more comprehensive view for the County. Infrastructure costs more and there is a loss of long-term vision.

Ms. Schulz stated that a planning department exists to identify community priorities and implement a vision by consistency of application and deliberate implementation. It works to put communities in alignment to move forward in a way the community supports. It also allows municipalities to be able to anticipate issues and be proactive rather than reactive.

Ms. Schulz said that Grand Rapids has had a lot of challenges due to reduced budgets. There were 24 planners in the Grand Rapids Planning Department; today there are nine. Services have not decreased in this time. Using the master plan, the Department rewrote zoning ordinances to streamline for use by the development community and to make it as positive of an experience as possible. As a result, the process in Grand Rapids is very efficient. With limited staff, there is little room for give. If an employee is out of the office, everyone in the Department feels it, and permit review time is lengthier when staff is out. Grand Rapids tracks all permitting activity: 1300 permits were issued in 2011 – 5% over the past 3 years, and there were about 400 lot splits, 6,000 phone calls, and 5,600 e-mails. One adjustment made was to have a sign inspector dedicated to deal with signs which regulates a whole industry. Grand Rapids went from 100 permits in a year to 300 permits in a year.

Ms. Schulz feels that from a community standpoint, zoning/planning is not well managed. It is a challenge to not have a regional perspective in how Grand Rapids' efforts are lining up with the communities next door. For the sustainability of the region and future of economic growth, having a regional perspective is important.

Ms. Schulz said that Grand Rapids has cut down its processes as much as possible. Rules are hard and fast, and are flexible based on conditions. Standards can be applied to make it easier for the develop community to do business in Grand Rapids. There is a defined set of expectations. More developers want to invest, because Grand Rapids has its act together.

Mr. Saalfeld asked how many projects a year Grand Rapids is doing with communities who share their borders. Of those, is it up to the applicant to work out the details, or does Grand Rapids collaborate with the neighboring community?

Ms. Schulz said that most collaborations are with Grand Rapids Township in the Knapp's Corners area. Mostly Grand Rapids refers to the Township, or the Township is referring to the City rather than sitting down together on projects which border one another.

Ms. Klohs added that companies do not recognize borders. They are interested in logistics, workforce, zoning regulations, water/sewer, etc. and are not interested in government. Kent County needs to get a grip on cross border development and make it easier for developers. For the site consultants scouting the area, the more transparent the process, the easier it is to get the project.

Mr. Baker asked if there is a centralized location where all of the zoning in the County can be pieced together and viewed. For example, to see if zoning on one side of the street matches that of the other side of the street.

Mr. DeVries said that there is an overlay district.

Ms. Schulz said that the East Beltline has a common zoning district which does not happen everywhere. She said that Grand Rapids has four industrial districts left; some of the old ones have been rezoned to mixed-use. There are few places for manufacturers to go. There are transit options for the City which is what keeps businesses in the City.

Mr. Brown added that the Planning Enabling Act passed in 2008 made a provision for communities to notify other communities when they are revising their plans. Dependent upon the case, communities have between 42 and 63 days to propose their plans to their neighbors. This has made the process longer and more complicated to amend the master plan, even slightly, and he would like to see this changed.

Ms. Vander Meulen asked what the role is of the West Michigan Regional Planning Commission (WMRPC).

Ms. Swanson said that they are under resourced, and their boundaries have not been changed since the 1970's. They don't recognize the economic demographics that exist.

Ms. Klohs added that the WMRPC's boundaries do not line up at all with the Grand Valley Metro Council boundaries.

Ms. Schulz also added that regional planning has no authority.

### **Summary Points on Economic Development, Community Development and Planning/Zoning.**

- **Economic Development:** Birgit Klohs (The Right Place or "TRP") reported on economic development for the area. Nearly every community is an investor in TRP (Grand Rapids has an economic development office but it deals with local issues, for example, liquor licenses, retail issues, etc.). 60% of new inquiries come to TRP via site consultants. They look at the area regionally - not segmented by municipal boundaries. Klohs recommends a common designation when it comes to zoning (e.g., not common zoning, but that a common meaning for terms/designations). Tax rates are "No. 10" on the list of what is important. The work force, infrastructure and incentives are the "Top 3". The State's move away from offering incentives has hurt local development efforts. Public services or "Quality of Life" items are not as important as many think. Transparency and evenness of rules/regulations are the key to making the area competitive. Rick Baker (GR Area Chamber of Commerce) agreed. He has been through attempts to unify zoning, and it is a long (5 years plus) and difficult process. And after, challenges remained on enforcement (due to varying interpretations).
- **Community Development Grants:** Grand Rapids and Wyoming are entitlement communities that administer their federal funds (e.g., block grants). Kent County is the pass through for the rest of the county. Discussions are underway on consolidating the administration among these three government entities - they do essentially the same thing (a great opportunity for consolidation). That would free-up more funds for projects vs. administration costs. Consolidating the work of the housing commissions, on the other hand, would be difficult as allocations are based on specific jurisdictional needs.
- **Planning:** Only a few counties have county-based planning (e.g., Mason). Most county efforts are more in the area of community planning and administration - not establishment of county-wide planning/zoning unless the local units have ceded this function. Under law, counties cannot override city and township planning and zoning. The Zoning Enabling Act does require communities to notify other neighboring communities when Master Plan changes are happening - but this really has been effective in affecting what happens. Metro-county planning has been found to be more useful for infrastructure, trash disposal, watershed issues, and general coordination (i.e., the broader perspective issues where there is a shared/common vision). Actual local land use is one area where local residents do NOT

want to cede authority to another entity (e.g., it is one of the main reason people chose to live in a particular community).

- **Zoning/Planning:** Grand Rapids may use “conditional zoning” to help get solutions. Grand Rapids has a planner with a full time staff (which has reduced from 24 to 9). Most cities and townships have a planner (often part-time or contracted). Grand Rapids representatives noted that they have attempted to streamline the review processes and make it a “one-stop” process (more favorable to the business efforts). It was noted that infrastructure and development efforts do not recognize boundaries - jurisdictions need to be more tuned into this. Communities need to work together to promote economic development opportunities. For example, overlay zones exist to address this (e.g. East Beltline development).
- **Building Inspection:** As an example of collaborative efforts already underway, a schedule was provided that shows how all municipalities in Kent County handle building inspections (in-house, private company contracts or intergovernmental cooperation). Special attention was given to 8 jurisdictions (6 township and 2 cities) that share a single building inspector. It was noted that building standards are already unified and not dependant on local codes – so this is a great area where collaboration can make the process more effective and efficient.
- **Conclusions:** Economic development efforts are critical and we must work with TRP and Chamber to exploit the region’s viability. We need to work together and not let municipal boundaries get in the way. We recommend having common terms to describe our local zoning (particularly our non-residential zones). Continue to work with the Chamber and TRP to ensure our policies and ordinances promote economic development, and that they are transparent, even and consistent (meaning we should not change them often). If there is little money for incentives, consider other incentives (e.g., employee training to have a quality workforce, etc.). Consolidate community development admin. Zoning is by constitution and reflects the character of the local community. Efforts at consolidated zoning will most likely fail as “one size does not fit all.” However, we can work to have a common theme and we can also have common designations (particularly in the non-residential areas). We can also use “overlay zones” to promote common planning/zoning on the primary corridors (e.g, the East Beltline Corridor Zone) where most development occurs. Finally, continue to promote service functions that can be regionalized such as the single building inspector serving multiple jurisdictions.

III. SUMMARY OF MAJOR FUNCTIONS OF GOVERNMENT – Upjohn Institute Report

W.E. Upjohn Institute Consultant George Erickcek presented the Institute’s report which looked at opportunities for collaboration of local government. The Upjohn Institute is a non-profit, non-partisan research institute of economists looking at employment regionally,

nationally and internationally. They are located in Kalamazoo, know the area, and have a fresh perspective on the activity in Kent County.

Mr. Erickcek said that in their research, they identified characteristics correlated with government collaborations and looked at the historical impact of government collaborations across the nation. They are all very different and difficult to compare. They tried to develop as much data as they could and tease out anything in the data that would suggest a consolidated government has a positive and significant impact on growth, but it is not likely they will find this. This territory has been covered before by those who have been equal at econometrics.

Mr. Erickcek said that one key factor for successful collaboration initiatives that was identified again and again was trust. He complimented the mayors and managers from our cities for sitting down together and developing a good relationship. Its importance cannot be underestimated; trust can only be cultivated after years of personal relationships. That is what's happening in Kent County.

Mr. Erickcek discussed some of the characteristics of successful governmental collaborations. Successful partnerships build, but one bad experience can poison the water for many years. Strong but careful leadership is needed while taking care to not to be a bully. Partners also share a common vision and a sense of place.

Mr. Erickcek presented highlights of the Upjohn Report of April 14, 2012. Reducing costs has not been found in reviews of the literature, but improved services are the true outcome. Back-room functions which are not seen by the public, such as payroll, are easier to collaborate. Planning is a unique front-line activity and very difficult to broach especially when talking to townships. Townships feel a sense of identity in planning. Non-core activities are open to collaboration as are significant capital expenditures such as training where expertise can be shared.

Mr. Erickcek said intergovernmental collaborations are more likely to occur when partners share the same cost structure and perform similar services. It is easier for townships to work with townships and cities to work with cities. It is more difficult for a city to work with a township due to cost structure and the level of services. Cost structures also make it difficult for these types of organizations to participate. At the same time, Kent County should be proud that they have been able to boast a long list of partnerships between itself and the cities and townships. 104 different projects are listed in the Upjohn Report. The role of County can not be underemphasized, as it can see the moving parts more than others. There are also three types of agreements: horizontal, vertical and public-private arrangements.

Ms. Klohs added that these are seen in economic development and are very important.

Mr. Erickcek said that collaborations are more feasible when the partnering governments use the same technology platform such as accounting and tax assessment software packages. The same is true when their services use the same delivery system. Some barriers found with collaboration are differences in the level of the quality of service and standards for service which can block neighboring governmental units from entering into a cooperative service

agreement. Another barrier is if one of the potential partnering governmental units perceives that it would suffer a significant loss of authority or autonomy with the agreement. Past actions can also have negative consequences on future initiatives; significant past disagreements or misunderstandings can hinder future partnership for decades.

Mr. Erickcek added that as more and more of a county's residents live outside its major cities, the ability of the core communities to provide services to all of its residents is threatened. While successful government collaborations have been shown to generate positive results; cooperative agreements between governmental units may not generate a unifying vision for the region. In addition, as housing stays longer than it should, the buildings (assets) that serve the residents decline and we see blight. It becomes more and more difficult for city cores to function in the fact that their assets do not meet the needs of the city population. Collaborations are good, but they may not see a unifying vision for the region. Fear is that these collaborations do not necessarily create a vision for the County, so the vision is still lacking.

Mr. Delabbio asked how 35 units of local government can develop a unified vision.

Ms. Vander Meulen asked if there are any areas in the United States where governmental entities have achieved the goal of working together.

Mr. Erickcek answered that it depends on what elevation you are looking from. When looking in-depth, cracks can be in the veneer where there are problems. So, from further away, there is list of areas that can be looked at as being successful, but when at ground level, it can be seen that those areas have conflicts.

Ms. Klohs cited Portland, Oregon as a city versus its outlying communities. It is beautiful and successful economically, however, they have a city economic development department. They tried to create a Right Place type organization but failed. There were big fights between the city and state. Partnerships are not always what they seem and what we're told they are.

Ms. Vander Meulen asked if Upjohn has looked at important factors in consolidation as opposed to collaboration.

Mr. Erickcek said that Upjohn was looking at areas for collaboration. Consolidation requires a look at funding mechanisms which is much more difficult. For example, Minneapolis has a tax-sharing model which is unique. He took that model and applied it to the Kalamazoo area, and the City of Kalamazoo broke out even. Using the same tax-sharing model, the City of Portage would have very negative results. There was not a tax-sharing model that would work for the City of Portage, either. What was found in the exercise is that it would be difficult to see if there would be one community that would really lose out in a financial activity.

Mr. DeLong said that the Upjohn Report made him consider whether the current state of Grand Rapids is the future state. If that's the case, a lot of what Mr. Erickcek says will stay the same; we'll always do things the way we've always done them. He wondered if the

current system will marginally improve and could anyone envision a different future. What is our vision for Kent County? If a different future is envisioned, he thinks Grand Rapids may see more improvement rather than if what is currently in use is played with. The current system is highly managed, but the problem is that the system is 100 years old and not made for the future.

Mr. Wawee asked if the current model is sustainable.

Mr. Erickcek said he worries about sustainability. The City of Grand Rapids is doing a great job as he sees it redeveloping the downtown and as a residential choice for young professionals and an urban landscape that is unique for the area. At the same time, we know when looking at the poverty statistics and burdens the City is being faced with in its inability to raise revenues to meet with the special needs population – it is not sustainable in the long-run. He also worries about the first-tier cities such as Kentwood and Wyoming. Are these cities looking aged themselves? Because cities are living organisms that expand beyond boundaries, it is a model that he worries about.

Mr. Saalfeld asked that if when you drill down in areas where there has been collaboration on a large-scale and the cracks can be seen, is there a reason to try to recreate that? Or is there some other goal that better sets us up for the future?

Mr. Erickcek welcomes questions from the panel to his e-mail:  
[Erickcek@upjohn.org](mailto:Erickcek@upjohn.org).

#### IV. OTHER BUSINESS/OPEN ITEMS

Meeting Schedule:

The next regularly scheduled meeting is October 10, 2012 at 7:30 am. A special extended session will be scheduled for November or early December. Dates will be circulated for members to indicate availability. With the special meeting and those that remain, he believes that the Work Group can wrap-up on-time.

#### V. PUBLIC COMMENT

Mr. Scott Atchison shared that he would like the metropolitan area to be called “Grand Kent.”

#### VI. NEXT MEETING

The next meeting is scheduled for Wednesday, October 10, 2012, 7:30 a.m.

#### VII. ADJOURNMENT

Mr. Saalfeld adjourned the meeting at 8:55 a.m.