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TO: Conan Smith
Chair, Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Anthony VanDerworp
Director, Strategic Planning

DATE: March 18, 2009

SUBJECT: Intergovernmental Agreement for the Creation of the Aerotropolis Development Corporation.

BOARD ACTION REQUESTED:

It is requested that the Washtenaw County Board of Commissioners adopt an intergovernmental agreement to create an Aerotropolis Development Corporation (ADC) through the Urban Cooperation Act (P.A. 7 of 1967). The creation of an ADC reflects the first step to formally institutionalizing the efforts of the member governments to work as partners to attract business to the region, to create jobs, to master plan the Aerotropolis region, and to work cooperatively, not competitively, to build a better future for the region and the State of Michigan.

BACKGROUND:

The Detroit Region Aerotropolis is an exciting initiative being implemented by Detroit Renaissance, Wayne County, Washtenaw County, The Wayne County Airport Authority, leading business executives in Michigan, and seven local communities surrounding Detroit Metro and Willow Run airports. The Aerotropolis is a proposed airport city encompassing approximately 60,000 acres of land in Wayne and Washtenaw Counties. The airport city concept involves the clustering of air-commerce linked businesses adjacent to—and surrounding—the airports. As vested stakeholders, all participating entities have embraced the regional collaboration necessary to make the Aerotropolis vision a reality. The intergovernmental agreement among jurisdictions is the first step to institutionalize the work done to date and allow the project to move from planning to implementation. To date, the following municipalities have executed the Interlocal Agreement: City of Ypsilanti, Ypsilanti Township, City of Taylor, Van Buren Township and the City of Belleville. Huron Township and the City of Romulus have meetings scheduled on this item for the week of March 23rd.

DISCUSSION:

The Aerotropolis initiative presents an enormous opportunity for Southeast Michigan. A study completed by Jones Lang LaSalle, an industry leading real estate money management and services firm, confirms the potential of the Aerotropolis as an economic engine for the region. With an aggressive business attraction effort, over time the Aerotropolis could attract 64,000 jobs to the region and more than \$10 billion of additional annual economic activity and production within the thirteen primary development sites covering approximately 5,000 acres of land. This number could grow as development expands outside the primary locations.

Dr. John Kasarda, world-renowned airport cities expert of the Kenan Institute of Private Enterprise at the University of North Carolina, completed another study that benchmarked the Detroit Aerotropolis against competitor regions and global best practices. Study findings show that the Detroit region has the elements to become a world-class aerotropolis:

- Two major airport facilities (Detroit Metro and Willow Run)

- Significant available and developable land

- A strong labor force with key skill sets

- An advantageous geographical location with ready access and a shorter flight distance to a majority of the North American consumer markets, including Asia

- A developed infrastructure connecting the transportation ports

In order to successfully compete with other regions throughout the United States, Europe and Asia, we must have local and regional cooperation, strong government support at all levels, one-stop shopping and a user-friendly environment for potential developers and businesses that are willing to consider locating within the area. With the completion of a four-step plan, we expect to begin aggressively marketing the Detroit Region Aerotropolis in 2009. The four steps are:

- Work with the state to develop business incentives that make the region globally competitive

- Form an Aerotropolis Development Corporation through an interlocal agreement with surrounding municipalities to market and oversee development within the region

- Complete a business attraction plan targeting potential developers and businesses

- Develop a marketing and communications plan that brands the Aerotropolis nationally and internationally.

The economic opportunity of the Aerotropolis is vast. With continued success, it will be a catalyst for significant new investment throughout the region and the state of Michigan.

Interlocal Agreement

Since the formation of the Task Force in 2007 and the commissioning of four studies designed to help formulate a strategy for implementation and as a result of countless meetings related to governance of the Aerotropolis effort, the local governments have agreed to draft and adopt an intergovernmental agreement to create an Aerotropolis Development Corporation (ADC) through the Urban Cooperation Act (P.A. 7 of 1967). The creation of an ADC reflects the first step to formally institutionalizing the efforts of the member governments to work as partners to attract business to the region, to create jobs, to master plan the Aerotropolis region, and to work cooperatively, not competitively, to build a better future for the region and the State of Michigan.

The functions of the Aerotropolis Development Corporation will include:

- **Development Criteria** - The Corporation shall have the power to develop and establish development criteria and development-ready preconditions for the Parties for economic development assistance for application within the geographic territory of the Corporation.
- **Design Standards** - The Corporation shall promulgate specific design standards to be applied to property and developments which receive economic development incentives under this Agreement and relevant law. The design standards shall be submitted to the Local Government Parties for approval prior to implementation.
- **Master Plan/Zoning** - The Corporation shall have the power to promulgate a Master Plan for the orderly development of the geographic territory of the Corporation, including the designation of land uses under the Zoning Act, and to make recommendations to the Local Government Parties in respect of the Master Plan and land uses.
- **Infrastructure Planning and Development** - The Corporation shall have the power to work with State and local government officials in the planning and development of infrastructure within the geographic territory of the Corporation.
- **Site Selection** - The Corporation shall have the power to assist prospective developers and businesses with selection of development sites within the geographic territory of the Corporation
- **Marketing/Business Attraction** - The Corporation shall have the power to conduct marketing and business attraction efforts on behalf of itself and the Detroit metropolitan region.
- **Regulatory Assistance and Processing** - The Corporation shall have the power to provide assistance to prospective developers and businesses in respect

of applying for and obtaining any necessary or advisable licenses, permits or approvals from federal, State and local government entities.

- **Streamlined Permitting Processes** - The Parties recognize the need for uniform and streamlined local permitting processes, and therefore the Corporation shall have the power to promulgate and recommend for approval to the Local Government Parties streamlined permitting and approval processes for projects within the geographic territory of the Corporation.
- **Local Government Assistance** - The Corporation shall have the power to provide assistance to Local Government Parties with the implementation and coordination of economic development programs within the geographic territory of the Corporation.

IMPACT ON PERSONNEL:

No impacts are indicated for this resolution. The County's current level of participation would continue on the Aerotropolis Board and Task Forces.

IMPACT ON BUDGET:

The Intergovernmental Agreement includes financial support of local governments and business. The Washtenaw County commitment of \$50,000 annually will be funded from the ETCS fund for economic development in the eastern portion of the county.

IMPACT ON INDIRECT COSTS:

There will be no impact on indirect costs.

IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:

This action is consistent with the goals and objectives of the County Comprehensive Plan and the Eastern leaders Group.

CONFORMITY TO COUNTY POLICIES:

This action is in conformance with the goals and objectives of the Comprehensive Plan for Washtenaw County including revitalization of the eastern portion of the county; efficient use of existing infrastructure; promotion of commuter rail. This action is consistent with the goals and objectives of the Eastern Leaders Group.

The proposed Agreement has been reviewed by Corporation Counsel, Finance and County Administration.

ATTACHMENTS/APPENDICES:

Attachment A Intergovernmental Agreement

A RESOLUTION ADOPTING AN INTERGOVERNMENTAL AGREEMENT TO CREATE AN AEROTROPOLIS DEVELOPMENT CORPORATION THROUGH THE URBAN COOPERATION ACT (P.A. 7 OF 1967).

WASHTENAW COUNTY BOARD OF COMMISSIONERS

April 1, 2009

WHEREAS, the Washtenaw County Board of Commissioners supports regional efforts to provide jobs for county residents and revitalize the eastern portion of the county; and

WHEREAS, through the Urban Cooperation Act, the county is enabled to partner with neighboring jurisdictions to promote job growth throughout Washtenaw County and revitalize the eastern portion of the county; and

WHEREAS, the creation of an Aerotropolis Development Corporation is designed to accelerate job formation and revitalization through the development of an Aerotropolis master development plan, infrastructure development, design standards, site selection, marketing, business attraction and streamlined incentives and development approval processes; and

WHEREAS, development of airport-related businesses in western Wayne and eastern Washtenaw counties is consistent with community goals and objectives to provide jobs for our residents, make efficient use of existing infrastructure and promote the use of mass transit as adopted in the Comprehensive Plan for Washtenaw County; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, the Human Resources Department, the County Administrator's Office, and the Ways and Means Committee.

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners adopts the Intergovernmental Agreement to create the Aerotropolis Development Corporation and authorizes the Chair of the Board of Commissioners to sign the Agreement.

BE IT FURTHER RESOLVED that the Washtenaw County Board of Commissioners approves the annual membership fees to be paid out of ETCS funds directed toward economic development in the eastern portion of Washtenaw County.

BE IT FURTHER RESOLVED that should any section, clause or phrase of this Resolution be declared by the courts to be invalid, the same shall not affect the validity of this Resolution as a whole nor any part thereof other than the part so declared to be invalid.

BE IT FURTHER RESOLVED that all resolutions or parts of resolutions in conflict with any of the provisions of this Resolution are hereby repealed.