



Internal Memo

February 6, 2020

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator 

SUBJECT: February 2020 Information Update

1. Communications/Marketing Plan Whiteboard Session – Please be reminded that the kickoff to the Communications/Marketing strategy is scheduled for Wednesday, February 19, 2020 at 2:00 pm in the large conference room a City Hall. City-selected consultant, Revel, will lead the City Council and staff members in this initial exercise.
2. MML Capital Conference – Please be reminded that the MML Capital Conference will be held March 24-25, 2020 at the Lansing Center in Lansing, MI. Please contact Administrative Assistant Taylor Hobby to register.
3. FEMA Fact Sheets – Attached are two Fact Sheets provided by Muskegon County Emergency Manager Rich Warner. Things to note in the first sheet under Declaration Process for Public Assistance is that Federal law requires FEMA to consider individual events, not seasons, cyclical conditions or multiple events over an extended period of time. This may affect whether the City could receive resources from FEMA. Also, the document does not reference assistance for private property owners. Eligible work is classified into several categories most of which refer to public infrastructure. However, under Emergency Work, Category B, Emergency Protective Measures, the information refers to actions taken to save lives, protect public health, safety or improved property and/or eliminate immediate threat of additional damage. This may assist our residents who have experienced flooding along Mona Lake. Staff will continue to vet this possibility. The second piece relates to the National Flood Insurance Program.

Again, staff is currently working with Muskegon County Emergency Management regarding a hazardous mitigation plan which is a prerequisite for FEMA assistance.

Lastly, we were informed by Senator Gary Peters office this week of a new FEMA program called Building Resilient Infrastructure in Communities (BRIC) program which will be available next year and may offer some assistance.

4. Storyville – Attached is a MuskegonChannel.com story regarding the recently opened Storyville Village and early literacy initiative at the Norton Branch Library. If you get on Muskegon Channel's website you can also watch an interview with Norton Shores

Early Literacy Coordinator for the Library. Congratulations to the MADL board and staff for seeing this venture through which has been seven years in the making.

5. Governor Whitmer's State of the State Address – Last week Governor Whitmer delivered her State of the State Address to the Legislature. Her focus continues to be on road funding. Attached is the Michigan Municipal League's synopsis of her comments. There was very little to no emphasis placed on local governments in her speech. In a related matter, the Michigan State Transportation Commission approved \$3.5 million in bonds for state highways. It should be noted that none of these funds will assist local governments in repairing major or local streets. Attached is a synopsis of the bond program which quotes the Governor as referencing the Republican legislature joining her to develop a long-term solution to repair local roads. On a positive note, the US House approved an infrastructure bill with the persistence of the National League of Cities. The bill marks the beginning of the reauthorization of the Fixing America's Surface Transportation (FAST) Act.
6. Micro transit – At last week's work session, Muskegon County's Muskegon Area Transit System staff presented proposed changes to the system including introduction of micro transit services. Attached is an article regarding Birmingham, Alabama's recently launched micro, on-demand, transportation system.
7. Burlington Locates in Lakeshore Marketplace – Attached is a MLive story regarding Burlington opening at the Lakeshore Marketplace. Staff has been working with the building owner on the interior build for several months. However, we have not been advised by the corporate entity regarding an opening date or ribbon cutting ceremony. Stay tuned!
8. Fire Department Trains on Former Restaurant – Attached is a MuskegonChannel.com story regarding the Fire Department using the soon-to-be-demolished building, formerly Johnny Carino's restaurant, for training utilizing our newly acquired aerial ladder truck. Staff expects the building to be demolished soon, making way for the construction of Chick-Fil-A.
9. Taxable Value Trends – Attached is an MLive article regarding trends in taxable value from 2008 – 2019. It shows how Proposal A and the Headlee Amendment limit the amount of taxable value growth. Ten years post-recession and Norton Shores' taxable value in 2019 is still less than it was in 2008.

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Attachments

FEMA Region V: Great Lakes


FEMA

Elevated lake levels and wave hazards continue to threaten communities along the Great Lakes. Understanding the Federal Emergency Management Agency's disaster declaration process and programmatic requirements can help communities more efficiently respond to and recover from a disaster.

Declaration Process for Public Assistance

After a disaster, tribal or local officials are the first responders who protect the community's health and safety. In some cases, a state of emergency may be declared to provide additional resources.

If damage to public infrastructure is beyond tribal, state and local capabilities, damage assessment data and supporting documentation may be used to request joint FEMA-State or FEMA-Tribal Preliminary Damage Assessments (PDAs) for Public Assistance (PA).

The tribe or state then coordinates with FEMA staff to conduct the PDA. They begin by defining the incident and period when damage was sustained. Keep in mind: federal law requires FEMA to consider singular events, and not seasons, cyclical conditions or multiple events over an extended time period.

The Public Assistance PDA teams also consider multiple factors, including damage to public infrastructure and impact to government services as well as the community. All data collected during the PDAs is then provided to the tribe or state.

If it is determined that the losses are beyond tribal or state and local capabilities, the tribe or state may submit a formal disaster declaration request to the FEMA regional office. FEMA and the Department of Homeland Security headquarters offices refer the request to the President. If a major disaster declaration is approved, it could make available funding through FEMA's PA Program to aid public and certain non-profit entities for emergency work and/or the repair or replacement of infrastructure and tribal or public facilities.



Public Assistance Cost Considerations

Eligible work must be as a result of the disaster, within the declared area and the legal responsibility of the eligible applicant. Eligible work is classified into the following categories:

Emergency Work

Category A: Debris removal

Category B: Emergency protective measures

Emergency work includes actions taken immediately to save lives, protect public health, safety or improved property, and/or eliminate an immediate threat of additional damage. **Eligible work must be specific to the incident or in anticipation of the incident.**

Permanent Work

Category C: Roads and bridges

Category D: Water control facilities

Category E: Public buildings and contents

Category F: Public utilities

Category G: Parks, recreational, and other facilities

Permanent work is work required to restore a facility to its pre-disaster design. For additional information about eligible work and costs under the PA program, visit www.fema.gov/public-assistance-policy-and-guidance.

Other Types of FEMA Assistance:

- **Individual Assistance:** aid to individuals and households, and/or
- **Hazard Mitigation Assistance:** funding for measures designed to reduce future losses to public and private property



FAQ: Flood Insurance and NFIP Policy Coverage

Elevated lake levels and wave hazards continue to threaten communities along the Great Lakes. As Region V states and local communities look for ways to resolve or mitigate damage to shoreline properties, many questions have been raised about FEMA's National Flood Insurance Program (NFIP) policy coverage as it relates to these high water events.

Am I eligible to purchase flood insurance?

Individual property and business owners, renters, and condo associations are eligible to purchase a NFIP standard flood insurance policy (SFIP) if the building they wish to insure is located within a participating community. A list of participating NFIP communities can be found in the community status book located at: www.fema.gov/national-flood-insurance-program-community-status-book.

Who do I contact if I want to purchase a flood insurance policy?

Flood insurance can be purchased through an insurance agent or an insurer participating in the NFIP. If your insurance agent does not sell flood insurance, you can contact the NFIP Help Center at 800-427-4661 for assistance.

How long does a SFIP take to go into effect?

In general, it takes 30 days from the day you purchase a new SFIP for it to go into effect. Any flood damage that occurs prior to the effective date of the policy would not be covered. It is not possible to buy a SFIP to cover past flood damage or flood damage that occurs from a flood event that is in progress at the time the policy goes into effect.

What is a flood-in-progress?

Flood-in-progress is an exclusion in the SFIP. The SFIP does not insure a loss caused by a flood that existed before the policy became effective or coverage is added at a policyholder's request.

Because flood conditions, and characteristics, and damages are specific to each claim, a claim should be filed even if the policyholder recently purchased

a policy to allow an adjuster to assist the insurer in determining eligibility.

What is covered by a NFIP policy?

NFIP flood insurance is a single peril insurance product. This means that the SFIP-covers only direct physical loss by or from flooding as defined in the policy. The following examples are typical items that would and would not be covered:

Examples of building coverage

- The electrical and plumbing systems
- Furnaces, water heaters, heat pumps and sump pumps
- Refrigerators, cooking stoves and built-in appliances such as dishwashers
- Permanently installed carpeting over an unfinished floor
- Permanently installed paneling, wallboard, bookcases and cabinets. The damage must be directly caused by flood water. Cabinets that were not damaged by flood water are not



covered, even if they match cabinets that were damaged by flood water.

- Window blinds
- Foundation walls, anchorage systems and staircases attached to the building.
- A detached garage that meets the policy definition of a building, has a garage door or opening large enough to accommodate an entire automobile within the building, and that is not used or held for residential, business, or farming purposes. Up to 10 percent of the building coverage limit can be used but will reduce the total amount of building coverage available.
- Cisterns and the water in them
- Fuel tanks and the fuel in them, solar energy equipment and well water tanks and pumps

Examples of contents coverage

- Personal belongings such as clothing, furniture and electronic equipment
- Portable and window air conditioners (easily moved or relocated)
- Portable microwave ovens and portable dishwashers
- Carpets not included in building coverage (carpet installed over wood floors, etc.)
- Laundry washers and dryers
- Certain valuable items such as original artwork and furs (up to \$2,500)
- Food freezers and the food in them

Examples of non-covered items/situations for building or personal property

- Damage caused by moisture, mildew or mold that could have been avoided by the property owner or which are not attributable to the flood
- Additional living expenses, such as temporary housing, while the building is being repaired or is unable to be occupied
- Loss of use or access to the insured property
- Financial losses caused by business interruption
- Property and belongings outside of an insured building such as trees, plants, wells, septic

systems, walks, decks, patios, fences, seawalls, hot tubs and swimming pools

- Currency, precious metals and valuable papers such as stock certificates
- Most self-propelled vehicles such as cars, including their parts and equipment (see Section IV.5 in your policy)

Does a SFIP cover erosion?

A SFIP is designed to provide coverage to buildings and their contents and therefore does not cover the loss of land. Damage caused by earth movement even when flooding directly causes the earth movement is not covered.

Examples of earth movement that are specifically excluded include land subsidence, sinkholes, destabilization or movement of land that results from accumulation of water in subsurface land area, and gradual erosion. Since the cause of damage may not always be clear, a property owner with a SFIP should file a claim with their insurer, who will assign an adjuster to inspect the property and make recommendations to the insurer in accordance with the SFIP.

What if a claim is denied?

If a policyholder has a SFIP and receives a denial letter on a claim, they have the right to file an appeal to FEMA within 60 days of the date of the letter. For additional information about the claim appeals process, visit: <https://www.fema.gov/flood-claim-appeals-and-guidance>.

Where can I find more information about NFIP flood insurance?

Visit FloodSmart.gov or call 800-427-2419 to learn how to prepare for floods, how to purchase a flood insurance policy and the benefits of protecting your home or property investment against flooding. You can also contact your insurance agent for more information.

Muskegon Storyville - MADL Early Literacy Initiative

30 JANUARY 2020



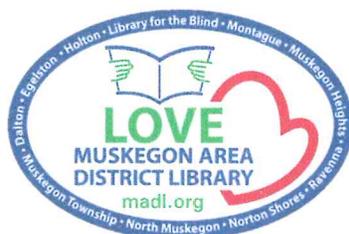
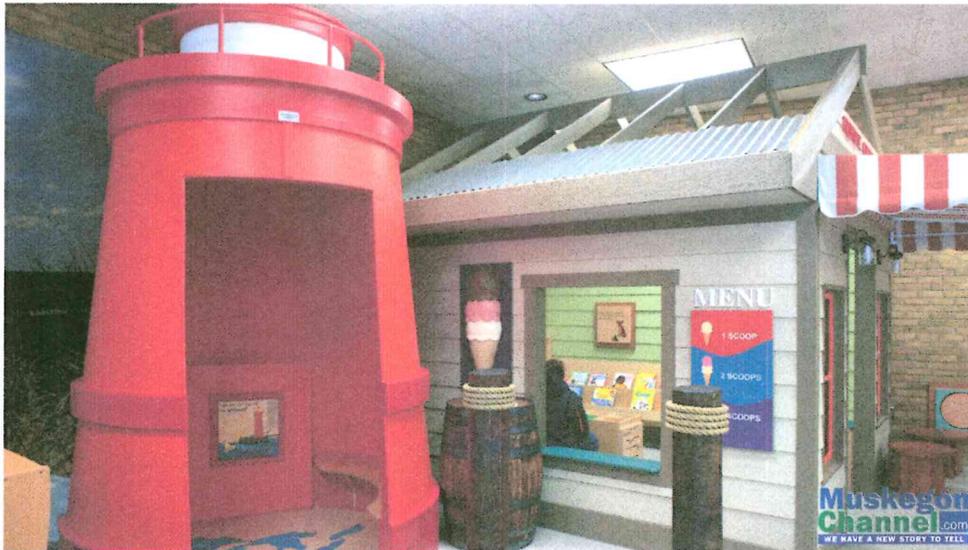
The Muskegon Area District Libraries (MADL) has committed to increase literacy skills for every age and are actively involved with this effort, one way to achieve this is through a new early literacy initiative called the Muskegon Storyville. The Storyville Villages are located in their Montague, Muskegon Heights, and Norton Shores branches. They are created to inspire children age zero to five.

As a caregiver of your child, you are their first teacher. These Villages allow children to learn, as we now know, they learn best through creative play, and with the people they learn from. Each of these Villages also offer activities from Every Child Ready to Read Practices. Muskegon area district Libraries partnered with Hackley Public and White Lake Community Libraries and received a \$150,000 grant to become Family Place Libraries. The focus will be on early literacy and to help the entire family to grow these skills.

Today I went to the Norton Shores Branch to meet with Doug Hughes who is the Chairman of the Board of the MADL and Karen Blackledge the Early Literacy Coordinator for the Norton Shores District Library. Doug along with a full board has been talking for years, about seven to be exact on how to improve the literacy skills in the county. The idea itself had come from another board member who had traveled to Baltimore and had come across a library with a play and learn center inside. He brought this idea to back to our board and from that moment on, they have been raising money and gaining the knowledge to build this right here in our local libraries. Doug spearheaded the fundraising for this project and through the majority of personal donors they were able to raise about one million dollars for this project.

Karen Blackledge was brought in about a year ago to help with the installation into the site. Karen's job as an Early Literacy Coordinator was key to help others have the knowledge with what the best additions would be. It is her job and passion to help you understand and experience Storyville to its fullest.

Like we have mentioned before currently three of the MADL branches has a village. Children must be accompanied by an adult while they enjoy creative and fun learning spaces. At the Montague Branch you will find Snider Beach, and at the Muskegon Heights branch you will be able to read on the front. And finally, as seen here today at the Norton Shores branch, your child will be able to play in three beautiful imagination blooming stations. Children must be accompanied by an adult while they enjoy creative and fun learning spaces. Please go to MADL.org to see this amazing site and all of the wonderful activities that you are able to experience while you are here.



From: Inside 208 <donotreply@wordpress.com>
Sent: Wednesday, January 29, 2020 10:22 PM
To: Mark Meyers
Subject: [New post] Whitmer Delivers 2020 State of the State Address

John LaMacchia II posted: "The Governor delivered her second State of the State speech to the Legislature and expressed the need to focus on action and getting to work to fix Michigan's roads. The speech focused on four key themes, infrastructure, jobs and the economy, education an"

New post on Inside 208



[Whitmer Delivers 2020 State of the State Address](#)

by [John LaMacchia II](#)

The Governor delivered her second State of the State speech to the Legislature and expressed the need to focus on action and getting to work to fix Michigan's roads. The speech focused on four key themes, infrastructure, jobs and the economy, education and healthcare.

On infrastructure, she announced that she will be asking the State Transportation Commission to issue \$3.5 billion in state road bonds. Her Rebuild Michigan plan will add and expand 122 major new road projects and nearly double the amount available to fix state roads over the next five years. She directly acknowledged that these new projects will only address the worst of our most highly traveled state roads and that we still need the legislature to come up with a real, long term solution to fix local roads.

On jobs and the economy, she highlighted the deal with Fiat Chrysler, the Gordie Howe International Bridge, and the recently announced \$2.2 billion investment by GM in their Detroit Hamtramck Facility. The Governor also highlighted her directive to the Department of Labor and Economic Opportunity to expand the right to overtime pay to tens of thousands of Michigan workers.

On education, she discussed a partnership with the Community Foundation of Greater Flint, the Skillman Foundation, the Battle Creek Community Foundation and others, to help families navigate the Third Grade Reading Laws signed by former Governor Snyder. In 2019 the Governor set an ambitious goal to increase the number of Michiganders with a post-secondary credential to 60% by 2030. To get there, she offered her support to bipartisan legislation called Michigan Reconnect. This legislation would provide tuition free skills training and degree programs for adults.

On healthcare, Governor Whitmer called on the Legislature to do the right thing and work together to enshrine protections for people with pre-existing conditions into law. She also announced plans to create a task force focused on lowering the cost of prescription drugs and ensure every woman who chooses to have a child has the resources she needs for a healthy pregnancy, birth, and postpartum care.

From: Inside 208 <donotreply@wordpress.com>
Sent: Thursday, January 30, 2020 9:44 PM
To: Mark Meyers
Subject: [New post] State Transportation Commission Approves \$3.5 billion Bonding Program for State Trunklines and Highways

John LaMacchia II posted: "The day after the Governor announced her Rebuilding Michigan plan, the State Transportation Commission (STC) approved the \$3.5 billion bonding program. The program will add and expand 122 major new road projects and nearly double the amount available to f"

New post on Inside 208



[State Transportation Commission Approves \\$3.5 billion Bonding Program for State Trunklines and Highways](#)

by [John LaMacchia II](#)

The day after the Governor announced her Rebuilding Michigan plan, the State Transportation Commission (STC) approved the \$3.5 billion bonding program. The program will add and expand 122 major new road projects and nearly double the amount available to fix state roads over the next five years, from \$3.8 billion over five years to \$7.3 billion in a newly revised five-year road construction plan the STC approved to accompany Rebuilding Michigan.

The revised program contains projects that are new to the program or are from the previously approved program in October 2019 that have either an accelerated construction year, changed scope, and/or changed funding source. For a list of projects in the revised five-year program please [click here](#).

According to the Governor, the Rebuilding Michigan program objective is to rebuild the state highways and bridges that are critical to the state's economy and carry the most traffic. The investment strategy is aimed at fixes that result in longer useful lives and improves the condition of the state's infrastructure. In addition, this strategy allows the Michigan Department of Transportation to address key corridors and rebuild major segments of highly traveled interstates, such as I-69, I-75, and I-94, as well as several other busy freeways.

It is important to know that the Governor is using her executive authority to issues these bonds and is being done without the approval of the Legislature. As a result, the revenue from the bonds can only be used on state roads and are not eligible to be spent on city, village or county roads. This was mentioned in her State of the State speech and in an opinion piece she wrote for the Detroit Free Press. In that article, the governor says, "My plan will address state roads and bridges in highly traveled and economically significant corridors, which is only part of the problem. I can't fix local roads and bridges on my own. That will require the Republican-led Legislature to join me at the table to find a real, long-term solution to fix our local roads. I

invite the Legislature to step up and get serious about a funding solution that will get it done, and soon." to read the full article please [click here](#).

The League's efforts have begun in earnest to bring awareness to legislators that this is not a comprehensive solution and that cities and villages are being left behind. We are also actively pursuing and pushing for action by the Legislature to provide a sustainable new funding source to address the immediate and long-term needs of local road networks. Early indications based on the public comments of some legislators, and those that we have been able to meet with, are that this plan does not solve the problem and any plan they move forward will include funding for local roads.

John LaMacchia is the Assistant Director of State and Federal Affairs for the League handling transportation, infrastructure, energy and environment issues. He can be reached at jlamacchia@mml.org or 517-908-0303.

[John LaMacchia II](#) | January 30, 2020 at 10:43 pm | Categories: [Uncategorized](#) | URL: <https://wp.me/p3wSLH-1Pn>

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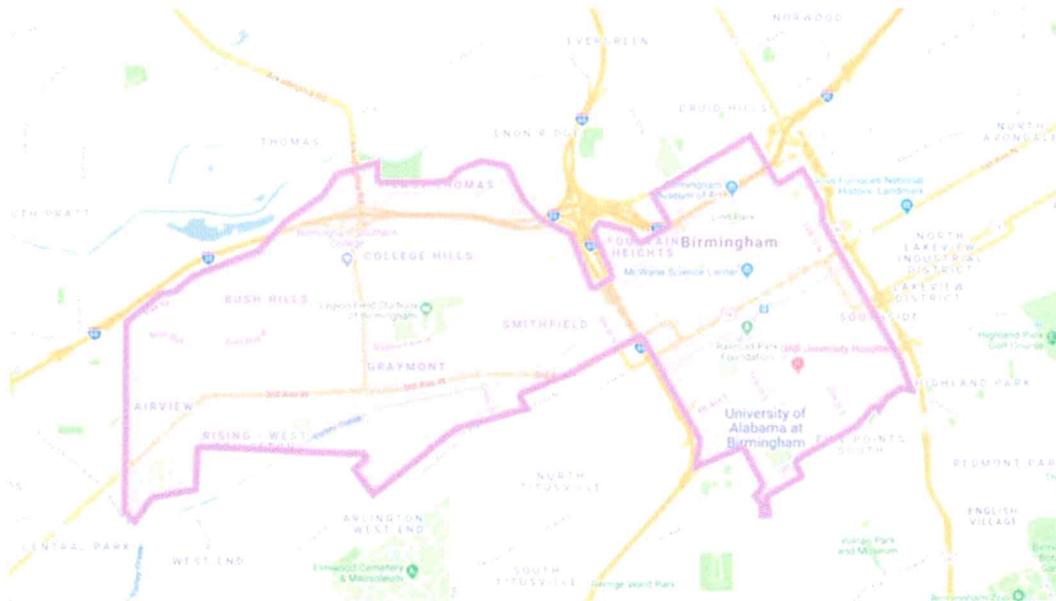
<http://blogs.mml.org/wp/inside208/2020/01/30/state-transportation-commission-approves-3-5-billion-bonding-program-for-state-trunklines-and-highways/>



AL: Ridership increasing on Birmingham's on-demand transit service

By Anna Beahm, Sourceal.com, Jan 23rd, 2020

Since the service launched on Dec. 3, weekly ridership has doubled, according to data provided by the Birmingham Department of Transportation. The data shows 3,072 rides have been taken.



Map of the Birmingham Direct microtransit pilot.

Officials say ridership on Birmingham's on-demand ridesharing service is growing and residents are anxious to see the service expand.

The service, Birmingham On-Demand, is different from traditional fixed-route transit, which uses large buses and moves a large group of riders. The service is on-demand, meaning riders don't have to wait for the bus or follow a bus schedule.

Birmingham On-Demand uses Mercedes Metris vans to take riders inside a 7 square-mile zone. Each ride is \$1.50. Riders request a ride through the Via app or by calling 205-236-0768.

Since the service launched on Dec. 3, weekly ridership has doubled, according to data provided by the Birmingham Department of Transportation. The data shows 3,072 rides have been taken. The most rides taken in a single day was recorded on Tuesday, with 143 rides.

"We're pleased we didn't lose gains and actually saw growth (after the holidays)," said Lakey Boyd, deputy director for strategy and innovation for the city transportation department.

While ridership has doubled since the service launched, pickup wait times have stayed consistent, with an average wait time of 7.3 minutes.

Some of the most popular pickup and drop off spots include the Crossplex, Publix in downtown, UAB Highlands, the bus-train station and Marino's Market.

While officials expected grocery stores and the hospital to be popular, Boyd said she's surprised Publix has remained among the most popular points. The data suggests riders in west Birmingham are using the Crossplex as a hub for rides into downtown.

Riders are also giving the service positive reviews, with the average rating of each ride 4.88 out of 5 stars. The biggest complaint is that the service doesn't cover the whole city.

"Residents are excited about it. I get calls and emails from them wanting to know when it will come to their area," said District 9 councilor John Hilliard, who also serves on the transportation committee. He said he hopes the services will expand to the neighborhoods of Dolomite and Sherman Heights--two neighborhoods that aren't served by a bus.

"It's important for residents to have transportation options," he said.

The cost of weekly and monthly passes will soon decrease. Boyd said she hopes dropping the price will show residents Birmingham On-Demand can be used as part of their daily transportation, not just a one-time service.

The cost of weekly passes will be dropped to \$10 from the current \$14. The cost of monthly passes will be dropped to \$35 from the current \$54. Each weekly or monthly pass covers up to four rides per day.

City officials haven't determined the future of the service. Boyd said they're working to determine that. If the service continues growing, Boyd said the city may have to consider adding additional vans. Currently there are five.



Burlington store coming soon to Muskegon area

By Anya van Wagtendonk | avanwagtendonk@mlive.com



MUSKEGON COUNTY, MI -- Burlington, a national discount retailer, will open a new location in a Norton Shores strip mall in March, according to the company's website. Burlington Stores, formerly Burlington Coat Factory, will open at 5159 Harvey St. in Norton Shores, previously a Gordmans department store.

The official opening will take place in March, according to job listings for open positions at the upcoming store.

There will be a job fair for prospective employees on Wednesday, Feb. 12, and Thursday, Feb 13, from 9 a.m. to 4 p.m. at Muskegon's Fairfield Inn, 1520 E. Mt Garfield Road.

The 33,731-square-foot location will join Target, Hobby Lobby, TJ Maxx, Petco and other national retailers at the Lakeshore Marketplace strip mall, just northwest of the Lakes Mall. It will sell clothing, accessories, toys, furniture and other home goods.

The Norton Shores store will be the company's 19th Michigan location. Other west Michigan stores are in Grand Rapids and Holland.

The Burlington company launched as an outerwear wholesaler in 1924, and opened its first store in Burlington, New Jersey, in 1972.

Norton Shores Fire Department Roof

Ventilation Exercise 03 FEBRUARY 2020

Developers of an old restaurant formerly known as Johnny Carino's on Harvey Street kindly donated the building to the Norton Shores Fire Department. They used this Building to perform ventilation exercises on a clay tile roof which is uncommon to the area.

The Norton Shores Fire Department invited us to view their training with their brand-new ladder truck - Ladder 443 on location at the soon to be demolished restaurant. Captain Andy Casperson explained to us step by step what the process was that they used to cut the ventilation holes in the roof. Ventilation is a part of firefighting tactics, and involves the exhaustion of heat and smoke from a burning building, making it more efficient for firefighters to safely find trapped individuals and tend the fire. If a large structural fire is not properly ventilated, not only will it be harder to fight, but it could also build up enough poorly burled smoke to create a smoke to create a smoke explosion or enough heat to create a flashover.

Afterward the ventilation exercise we headed inside where one of the Firefighters lovingly known as "Butters" showed us how to climb through a small hole between studs in case they find themselves disoriented in a fire.

One of the Norton Shores Fire Department Inspectors Ben Novak showed us how the kitchen hood fire suppression system works if there were ever a fire in the kitchen. Some of us were saying that it smelled like rubbing alcohol and some said it smelled like crayons. The first system that they showed us the liquid came out clear the second came out green like antifreeze in your car.



A special thanks to the Norton Shores Fire Department.



As Michigan real estate values rebound, property tax revenues continue to lag

By Julie Mack | jmack1@mlive.com and Scott Levin | slevin@mlive.com

After a rough decade in regards to real-estate values, property assessments in Michigan communities such as Troy, Wyoming and Portage are finally above pre-recession levels.

But the property tax revenues are not.

The 2019 property tax billings for the city of Troy were down 4% compared to 2008, even though the city's millage rate has increased from 9.9 to 10.3 mills. Wyoming, in suburban Grand Rapids, is still down 10% drop in property-tax billings compared to 2008. Portage, a suburb of Kalamazoo, is down 11%.

Blame Michigan's law, which has no floor on how much property valuations can fall for tax purposes, but caps annual increases. That meant property-tax revenues plummeted during the recession, but are taking much longer to return to previous levels. "It's an absolutely broken system for funding local government," said Anthony Minghine, deputy executive director for the Michigan Municipal League. The property tax structure "is built in such a way that some communities will never be able to fully recover."

At issue are two provisions in state law. One is the Headlee Amendment, adopted by Michigan in 1978 and which requires communities to automatically roll back millage rates if and when the value of existing properties increase faster than inflation.

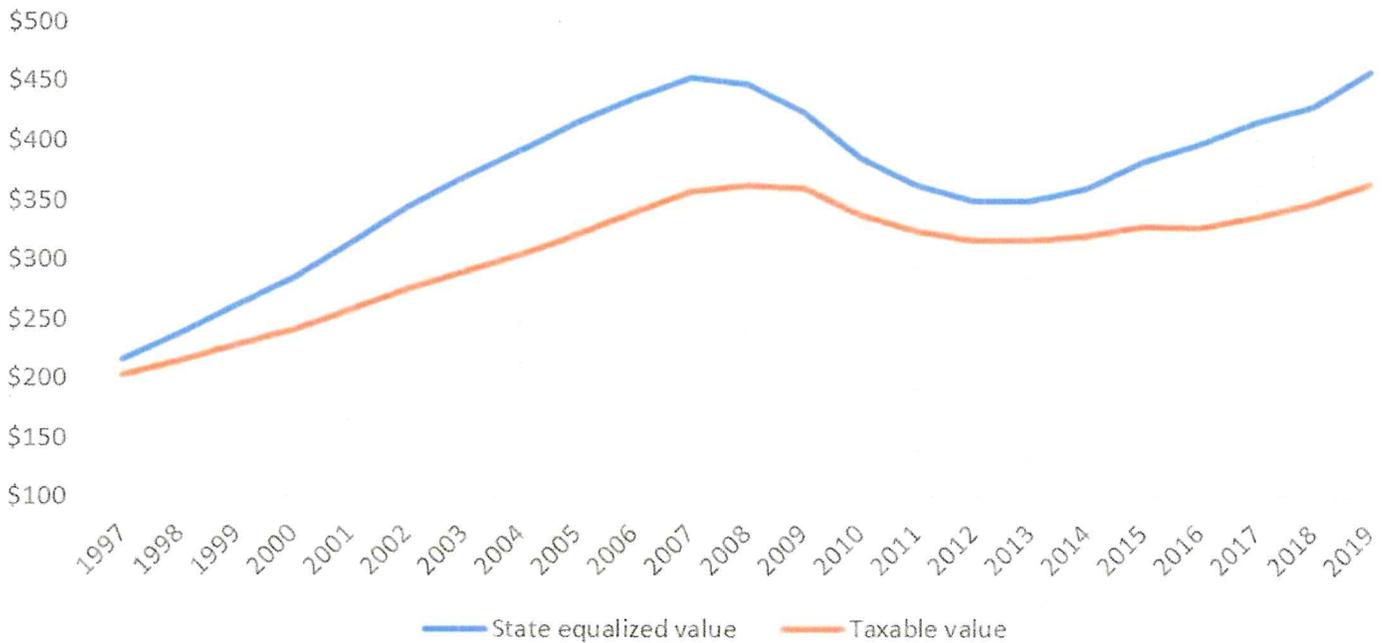
The other provision is Proposal A, which overhauled Michigan's school-funding system in 1994. Proposal A created a new category of "taxable value" to calculate property tax. It's based on state equalized value, which is roughly equivalent to half of a property's market value. But unlike SEV, annual increases in taxable value are limited to inflation or 5%, whichever is less. That means properties typically have a taxable value below the SEV.

Neither Headlee nor Proposal A "really took into account what happens if you have a huge drop in property value, which is what we saw during the Great Recession," said Derek Melot, spokesman for the Michigan Association of Counties.

Here's how that has played out in Troy: In 2008, the city has a total SEV of \$6.2 billion and a total taxable value of \$5.6 billion. Those numbers fell to \$4.4 billion and \$4.3 billion by 2012. In 2019, Troy's SEV was back up to \$6.5 billion, 5% above 2008 levels, but the city's taxable value was at \$5.1 billion, 8% below 2008. Troy isn't an outlier. In 2008, Michigan had a total SEV of \$448 billion, and a total taxable value of \$363.2 billion, which dropped to \$349 billion and \$316 billion respectively by 2012. By 2019, the state's total taxable value was back to \$459 billion, but taxable value was at \$363.5 billion, just barely above the 2008 number.

This shows the trend of property assessments in Michigan. State equalized valuations are roughly half of market value. Taxable values are based on SEV, but annual increases on existing developed properties are capped at inflation until they are redeveloped or sold. Taxable value is the number used in calculating property taxes. (Source: Michigan Department of Treasury)

Michigan's total SEV compared to taxable value, 1997 to 2019 (in billions of dollars)



And realize a stagnant taxable value means stagnant property tax revenues unless the community approves a millage increase. In total, Michigan county and local governments levied \$14.6 billion in property taxes in 2018, at an average rate of 41.98 mills. That compares to \$14.1 billion levied in 2008 at an average rate of 38.9 mills. "Imagine if you were trying to live in 2019 with the same income as 2008," Minghine said. "It's very difficult."

Property taxes are the single largest revenue source for county and local governments, funding everything from police and fire protection, to local road repair and maintenance, to county jails and courts, to local libraries, to school building projects, to county animal shelters and juvenile homes. And the problem, Minghine said, is that when even property tax revenues fall or stagnant, "the service demands stay the same," and there's not a correlating drop in expenses.

"There's a big disconnect there, and it's very problematic," he said. "It's not just cities, but any entity that lives off property-tax revenues. It's a big flaw in our system."

To be sure, not all governmental units are equally impacted. Some have thrived in recent years, especially communities with new residential or commercial growth such as Ann Arbor, since new development is excluded from the caps imposed by Proposal A and Headlee.

That's one reason that James Hohman, director of fiscal policy at the Mackinac Center for Public Policy, defends the limits imposed by Headlee and Proposal A.

Property tax is the state’s largest tax, he said, and even with Headlee and Proposal A, “taxable values from 2000 to 2008 kept increasing and kept increasing faster than the inflation rate to the point where Michigan was losing jobs.” He added that property tax revenues dropped more slowly than other taxes, such as sales and income tax. And while he acknowledged that some local governments have seen a drop in property-tax revenue, he noted that local governments can ask voters to approve overrides of the Headlee Amendment; they can reset a property’s taxable value to the SEV whenever a property is sold, and new construction is exempt from Headlee. “Those are important things” that have allowed the tax base to grow in many communities, he said.

The caps imposed by Proposal A and Headlee “ensure that people aren’t taxed out of their homes when the value of their neighborhood increases, and it’s fair to local governments because when houses do sell, those values reset,” Hohman said. “I think they are proper protections. ... People are very, very concerned about the ability of property tax to drive people out of their homes.” The median property tax on an owner-occupied home in Michigan was about \$2,400 in 2018, compared to about \$2,300 in 2008, an increase due to millage rate increases.

Minghine said that Michigan’s local governments have been pushing the Legislature for reforms to address the issue of stagnant taxable values. “We have a system where there’s no limit to how far things can fall, but we have two limits on upward mobility,” he said. “That’s very problematic. You need a system that moves both ways.”

One possible fix is a return to allowing millage rates under Headlee to roll both upwards and downwards, which was in place before Proposal A, Minghine said. Another is excluding property sales when calculating Headlee rollbacks. Currently, when taxable values increase because of property sales, that can trigger in an automatic rollback of the millage rate, “essentially negating that gain” from a tax-revenue purpose, he said.

“Those are two changes that we could actually make today,” Minghine said, adding state lawmakers seem to be warming to the idea of some reforms, with Senate Majority Leader Mike Shirkey saying “he thinks this is an issue that needs to be looked at.” One problem is that “most people don’t understand the issue,” Minghine said. “It’s pretty complicated.”

But the fact is, he said, “right now we’re in a booming economy, and people might expect that local government would be enjoying really great economic times -- and they’re not, because of how we built the system.”

Below is an online database that allows readers to look up the total taxable value of property in any Michigan city or township for 2008 compared to 2019.

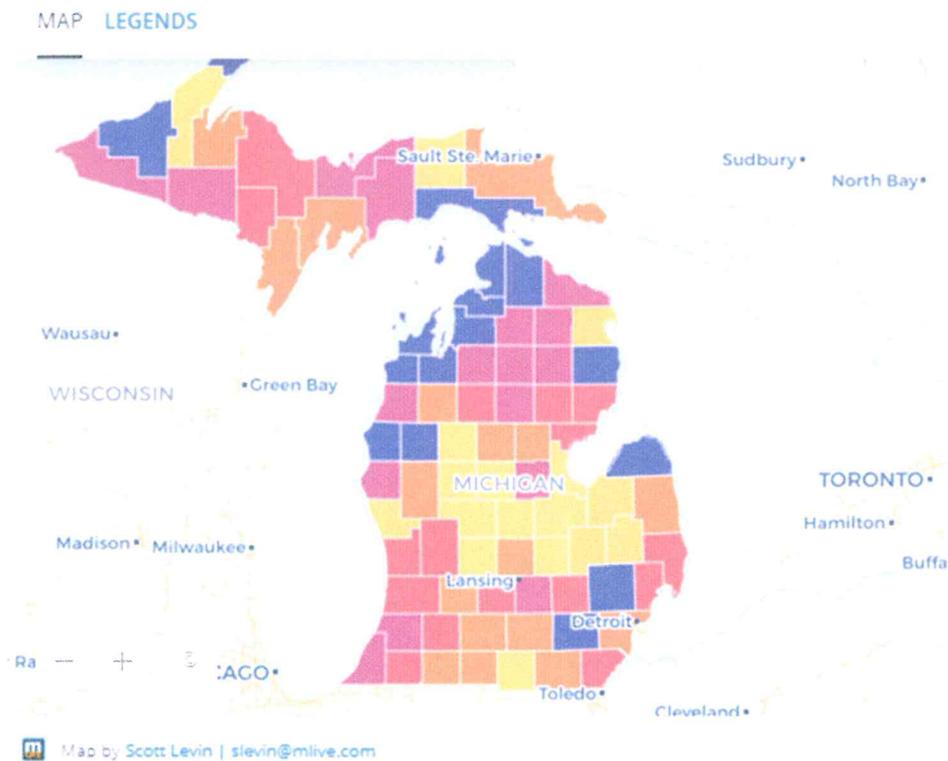
Taxable value by city or township, 2008 compared to 2019

<u>County</u>	<u>City/twp.</u>	<u>2018 pop.</u>	<u>2008 total taxable value</u>	<u>2019 total taxable value</u>	<u>% change</u>	<u>Taxable value per capita in 2019</u>
Muskegon	Norton Shores	24,357	\$925,950,710	\$911,842,833	-1.5%	\$37,437

Next is a database that allows you to look up the total property taxes levied in each Michigan county in 2008 compared to 2018.

Total property taxes billed in 2008 compared to 2018

County	2008	2018	% Change
Muskegon	\$182,984,019	\$197,301,238	7.8%



<https://www.mlive.com/news/2020/02/as-michigan-real-estate-values-rebound-property-tax-revenues-continue-to-lag.html> for a map that shows the total property tax levy per capita in 2018. It gives an idea of how much government units are collecting in property taxes compared to population size.