FROM THE DIRECTOR

Welcome to the Winter 2006 edition of our newsletter, designed to keep you informed of the numerous resources, services, and activities of the University of Michigan’s Center for Local, State, and Urban Policy (CLOSUP).

CLOSUP’s mission is to foster society’s understanding of the problems facing states, cities, and metropolitan areas and to seek effective solutions to them. To meet this mission, the Center serves as a focal point for research and teaching on state and local policy within the Gerald R. Ford School of Public Policy and across the University of Michigan. CLOSUP functions as an information clearinghouse for academics, policymakers, students, the media, and the public. The Center provides resources and creates new opportunities for scholars to conduct policy relevant social science research, and it works to establish effective mechanisms of communication between academic researchers and the decision makers, analysts and public officials dealing with today’s local and state policy issues.

After reviewing this newsletter, we hope you will visit the CLOSUP website (www.closup.umich.edu) and bookmark it for future reference. The frequently updated website serves as our main medium for providing resources and keeping you informed of our activities. We would appreciate your thoughts on how we can better integrate the University and the policy community. Please feel free to contact us by phone (734-647-4091) or email (closup@umich.edu).

Elisabeth R. Gerber, Ph.D.
Director

FOCUS ON RESEARCH: NEW CLOSUP-DIRECTED PROJECT EXPLORES THE IMPACTS OF ECONOMIC DEVELOPMENT TOOLS

An integral part of CLOSUP’s mission is to carry out research projects on important topical policy issues. CLOSUP has recently initiated a new project to analyze how firms respond to state and locally administered economic development tools.

Economic development tools, such as tax credits, grants and loans, have increasingly played a prominent role in state and local efforts to spur economic activity. State and local policymakers seek to encourage companies and developers to relocate, expand, or remain in their jurisdictions by offering them financial incentives.

In fact, the state of Michigan spends billions of dollars each year on economic development programs and awards. While many public officials argue that these costs yield net benefits, existing academic studies do not strongly support such claims. Numerous analyses of the effects of tax rates, tax credits, and grants on firm location decisions have yielded inconclusive results. These ambiguous findings may indicate the difficulty involved in isolating the outcomes of economic development efforts.

The new CLOSUP study will address these difficulties through a carefully designed analysis that acknowledges the various factors that influence whether communities attract and retain businesses. This project will utilize data on the use of major state and locally administered economic development programs in Michigan over the past 5 years, as well as data on key social, economic and political characteristics in Michigan communities. The study will use changes in the taxable value of commercial and industrial property wealth to measure the effects of economic development tools on firm location and expansion behavior. Results from the study will contribute to the debate on the efficacy of development incentives and may help state and local government officials design economic growth policies in a more informed and efficient manner.
CLOSUP maintains an extensive website to disseminate information and provide resources to researchers and policy practitioners. The website includes a listing of over 30 links to policy-relevant data sources from organizations such as the Michigan Economic Development Corporation and the Michigan Department of Treasury. The data cover a wide variety of social and economic trends and issues in Michigan; the table below lists examples. In addition to providing links to data sources, CLOSUP’s website hosts a Policy Events Calendar and a Faculty Experts Database; these resources can help you find lectures and seminars across the University’s campus and put you in touch with over 100 UM faculty and research staff who engage in state and local policy research. The CLOSUP website also provides links to numerous working paper series and hundreds of Michigan’s local, county, and state government websites. Finally, our website also includes faculty profiles of academics who conduct policy-relevant research, as well as policy reports that summarize original research conducted by CLOSUP-affiliated faculty. See www.closup.umich.edu for more information.

FOCUS ON FACULTY: PROFILING UM FACULTY

Over the past several months, CLOSUP has been profiling UM faculty who study and analyze state and local policy issues. The profiles are featured on our website and include faculty from a wide range of disciplines, including political science, economics, sociology, social work, urban planning, law, and environmental studies. In November, we profiled Assistant Professor of Urban Planning, Richard K. Norton; one of his current research projects analyzes the relationship between the spread of ex-urban schools and suburban sprawl. Other faculty profiles include Margaret Dewar (pictured below), Professor of Architecture and Urban Planning and Director of the Ginsberg Center for Community Service and Learning; Barry Checkoway, Professor of Social Work and Urban Planning; Robert Marans, Professor Emeritus of Architecture and Urban Planning; Joel Slemrod, Professor of Economics and Director of the Office of Tax Policy Research; and Roderick Hills, Professor of Law and an expert on land-use regulation and federalism. The profiles highlight the many ways that faculty members interact with and learn from policy practitioners, as well as demonstrate how academic research contributes to public policy debates. Our website features new faculty profiles each month.

FOCUS ON RESEARCH: CLOSUP-SPONSORED PROJECTS

In addition to its in-house research and service projects, CLOSUP sponsors policy-relevant research, as well as policy reports that summarize original research conducted by CLOSUP-affiliated faculty. See www.closup.umich.edu for more information.
relevant research and outreach activities by other scholars at the University, through an annual funding competition (the Major Projects Program) and an ongoing funding opportunity (the Small Grants Program). Sponsored projects are designed to produce new knowledge to address important topical policy issues, foster interdisciplinary approaches to research, and increase linkages between the academic and policy communities. CLOSUP has recently awarded funding to six new projects through the Major Projects Program (MPP) and Small Grants Program (SGP).

**FOCUS ON OUTREACH: CLOSUP IN THE COMMUNITY**

CLOSUP interacts with the policy community on an ongoing basis through a wide variety of collaborative initiatives. Elisabeth Gerber, CLOSUP Director, serves as a consultant on numerous projects. Recent involvement includes Governor Granholm’s Centers for Regional Excellence Program and the Michigan Suburbs Alliance’s Michigan Universities Program, each of which is described in more detail below.

**FOCUS ON TEACHING: TRANSPORTATION POLICY**

Each January the Ford School of Public Policy holds a week-long school-wide policy simulation known as the Integrated Policy Exercise (IPE), with the 150+ Ford School Master’s students playing roles of various stakeholders negotiating a particular policy issue. The exercise is an intense week of researching, writing, negotiating and presenting stakeholder positions. The topic for January 2006 was the proposed expansion of the Detroit River International Border Crossing (DRIC). CLOSUP Director Elisabeth Gerber led this year’s IPE simulation.

The DRIC represents the busiest trade corridor between the U.S. and its largest bilateral trade partner, Canada. This trade is critical to the local, regional, and national economies of both countries. The attacks on September 11, 2001 highlighted the vulnerability of this border crossing, and its ability to meet long-term demand for the secure and efficient movement of goods and people has since come into question. In 2002, the Border Transportation Partnership of the U.S. Federal Highway Administration, Transport Canada, the Michigan Department of Transportation, and the Ontario Ministry of Transportation was formed to examine and plan for the possible expansion of this border crossing. The Partnership is carrying out the Detroit River International Crossing Project, which has identified numerous alternative border crossing expansion options.

Student participants in the 2006 IPE simulated the decision making process of the Border Transportation Partnership and evaluated several border crossing expansion options. The students acquired invaluable knowledge and insight into policymaking with the assistance of 26 expert stakeholder participants who met with the students to share their respective policy positions. The students ultimately voted to recommend a single proposal to the student forum. Project materials for the 2006 IPE can be found at: [http://sitemaker.umich.edu/ipe2006](http://sitemaker.umich.edu/ipe2006).

**CENTERS FOR REGIONAL EXCELLENCE PROGRAM: COLLABORATING COMMUNITIES ARE COMPETITIVE COMMUNITIES**

In 2005, the Governor’s Office created the Centers for Regional Excellence Program to encourage communities to collaborate on public service delivery. The goal of the program is to find creative and efficient responses to the fiscal pressures faced by many Michigan’s local communities. A diverse committee guides the program, with representatives from leading universities and state organizations, including the Michigan State Housing Development Authority, the Department of Labor and Economic Growth, the Michigan Association of Counties, the Michigan Townships Association, and the Michigan Municipal League. CLOSUP Director Elisabeth Gerber represents the University of Michigan. Using existing successful inter-jurisdictional collaborative public services as models, the Centers for Regional Excellence Program will support new regional approaches to service delivery through a series of pilot grants. The program also seeks to gather and disseminate information on best practices to aid other communities that are interested in collaborating on a multitude of public services, ranging from emergency dispatch to economic development, and much more.

**MICHIGAN SUBURBS ALLIANCE: MICHIGAN UNIVERSITIES PROGRAM**

In an effort to provide support for communities across southeast Michigan, the Michigan Suburbs Alliance has sought out the resources and expertise of public policy researchers at several Michigan universities, including the University of Michigan. CLOSUP Director, Elisabeth Gerber. Professor Gerber and other academics are exploring and proposing inno-
vative policy solutions to the fiscal constraints faced by Michigan’s suburbs. The Michigan Universities Program steering committee has been meeting since July of 2005. CLOSUP is committed to helping local governments find ways to streamline expenses while maintaining high levels of quality public services through the efforts of this project.

**UPDATE YOUR CONTACT INFORMATION**

Please take a moment to update your contact information so that we can keep you informed about developments at CLOSUP and around the University. Simply send an email to closup@umich.edu, call us at 734-647-4091, or use the form found on our web site homepage (www.closup.umich.edu) to make sure we have your latest contact information, including name, title, affiliation, email address, street address, phone and fax. Please also consider forwarding this newsletter to others who might be interested in joining the CLOSUP mailing list. We look forward to hearing from you.

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