

Community and University Podcast Series

Interviewee: Ashley Bellant, Safe and Just Michigan

Interviewer: Emma Gilbert, REI Research Assistant

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Emma Gilbert: Hello, and welcome to Community and University, the MSU Center for Community and Economic Development podcast aimed at providing outreach to both community members and students throughout the state of Michigan. The Michigan State University U.S. Economic Development Administration University Center for Regional Economic Innovation's (REI) mission is to stimulate innovative economic development in the most distressed communities within Michigan.

The **REI University Center** embraces a culture of regional collaboration and knowledge sharing between economic development professionals and committed scholars. The Center's model provides responsive community engagement, strategic partnerships, and collaborative learning to support the creation and identification of innovative tools, models, and practices to increase the number of small businesses; create access to job skill development; improve public infrastructure; advance high-growth entrepreneurship, and; encourage global competitiveness to strengthen underserved communities and historically excluded citizens.

The **REI University Center's** most recent award focuses on four key pillars of community and economic development that together will build up the resilience, sustainability, and equity within the communities in which it partners. The four pillars include, resiliency planning, financial resilience, circular economies, and 21st Century communications. The **University Center** will work with community partners to address these themes in Michigan Economic Development Corporation's identified Redevelopment Ready Communities containing opportunity zone census tracts and/ **OR** large concentrations of ALICE populations—or those who are asset-limited, income-constrained employed.

I'm Emma Gilbert and I'm one of the hosts for community and university. Today we will be spotlighting Co. Learning plan authors Ashley Bellant, who is working on a project entitled "Regional Tax Base Sharing". The project is aimed at stimulating the implementation of regional tax base sharing in the Lansing, East Lansing metropolitan area so that residents, advocates, and policymakers in financially strained localities make better informed decisions. Co-Learning plan authors research innovative economic development tools, models, strategies, policies, and practices and their findings and recommendations serve as a key resource for economic development practitioners and policymakers. In Michigan, welcome to the CCED podcast, Ashley.

Ashley Bellant: Thank you, thanks for having me.

Emma Gilbert: It's wonderful to have you here. So before we get started into really the nitty gritty of your actual work within the center, just introduce yourself for the audience and kind of provide maybe a little bit of background on your educational as well as professional experience up to this point.

Ashley Bellant: Yeah, so I. I grew up in Lansing, went to Lansing schools. I attended Michigan State as an undergrad, got a degree there in social work and from there I moved directly. Following that I moved to New Orleans, LA and I was doing a lot of nonprofit development. Really, in the aftermath of Katrina. When, as time passed on and those disaster recovery funds started to diversify, I took a position writing and managing grants for a very large Human Services organization down there, and what was really cool about that is I got to research, I was writing and managing grants for 30 different programs, so I got to research so many different topic areas, foster care, elderly care immigration refugee. But one of those subjects we had was a pretty large prison ministry, and so as I became more involved in criminal justice reform, learning about it. It's just that even as a social worker, somebody who's supposed to be familiar with, you know oppressive forces in our society and stuff. The things I was learning just absolutely shocked me to the point that I was like I have to do something. I was like I have to work in this field so I decided to go back to school. I moved back to Michigan. I just finished up an MSW there and I'm kind of working in forensic social work which is a term for social workers working in criminal justice.

Emma Gilbert: so I know that I have read on your profile that you work for safe and just Michigan. Is that right?

Ashley Bellant: Yeah, yeah.

Emma Gilbert: So how does like your experience working with Katrina and you know, like criminal justice, reform and social work, kind of lead you into working with safe and just Michigan and eventually economic development, you know?

Ashley Bellant: yeah, so Safe and Just Michigan, they do research, organizing, advocacy and lobbying. And they were on my radar for a long time, because when I was in Louisiana, writing grants for my reentry programs, I was actually using at the time their name was different, but I was using safe and just research in my proposals. So I knew that they were putting out this great work and then a program that I was a part of in Louisiana, a reentry program was actually modeled after a program that happened in Michigan. So, they were kind of already on my radar, and basically I saw that they had an opening and I just thought they were awesome, and I really wanted to work for them and I took it so. But as far as the what kind of brought me into economic development, I would just say that I think as a macro social worker, it's like I almost feel like we could work in any field because it's really about taking the whole big picture of a person or whoever your client, is person a community and looking at the big picture, the whole environment looking at society, looking at the laws looking at I mean even physical surroundings and how does that affect that person? So economic development to me, just kind of seems like a natural thing to be interested and involved with any sort of just advocacy for marginalized people.

Emma Gilbert: I was just going to ask like what are those intersections that you see, but you already identified them. You know, like thinking about, you know urban planning. For example, as another, you know, like kind of intersection. How, you know, does placemaking effect like a person's like kind of comfortability and living? We don't really think that placemaking connects with economic development until voila, here you are. Yeah, so I think that it's honestly really like kind of deeply kind of extrospective of you or I don't know what the word is, but very observant of you, I should say to like understand that you know we shouldn't pigeonhole because you got a degree in one area that you know. That is where you work and this is specific job you get, but then all of these issues kind of bleed together and create our larger kind of socioeconomic situation. So yeah, I think that's very fascinating. Well kind of moving in from the introduction about yourself and some of your background? Let's get into your Co-Learning plan. Can you provide our audience with an overview of your project, some of the research that you're conducting, and how you hope it might be implemented?

Ashley Bellant: Yeah, so my project is around the concept of regional tax base sharing and so what that is, typically a taxing municipality taxes, their businesses, their properties. They take that money in and then they provide services for that municipality, fire departments, roads, public parks. So typically, that's the way it works. So regional tax based sharing has multiple taxing municipalities all paying into the same pot and then redistributing that revenue back out to those communities. Obviously there's a lot more than that, but essentially that's what tax base sharing is. And so, we're trying to think. Okay so I don't want to jump ahead in your questions or anything, but the reason I'm researching regional tax base sharing, a lot of times this has only actually been implemented in two places in the country. One is the Twin Cities in Minneapolis and one is an area of New Jersey, so it's not a common thing, but part of why this is really interesting I think for Michigan, and really for the Rust Belt, is because this is a common brought up solution to shrinking urban cores and the spreading suburbs around it. So what happens is with, you know, a lot of our cities in the Rust Belt were built around like a single employer single industrial employer, so with globalization happening deindustrialization, if that single employer moves out of that town, say you know like a Flint kind of situation, people are going to move, so they're taking the tax revenue from the business, but then they're also taking tax revenue. The people who move away because they don't have a job any longer, so then they can't provide the same level of services. So then people don't want to move there. So it's like a vicious cycle and you could raise taxes to provide the same level of services, but then you have low income people paying high tax rates and you're also disincentivizing anybody to move to your area. So it's kind of this vicious cycle, so a lot of times with tax base sharing is kind of thought of as a solution to is an urban core that's shrinking and surrounding suburbs. So I'm not sure if that answered all of your questions. I could go on.

Emma Gilbert: Yeah, I'm sure we'll go on more, but I think you know, maybe a starting point is, what did you observe and kind of maybe looking at those other programs or other like mechanisms that they've set-up in the Twin Cities, or in that area of New Jersey are mentioning that kind of attracted you to say, okay, maybe this is replicable in some areas of Michigan?

Ashley Bellant: Tax base sharing I would say does kind of three things, which would be very beneficial. I mean I, I just think of Detroit, you know that that's kind of the example, I think that almost anybody in the entire country would probably use when they're talking about, you know, a shrinking urban core. That city just had a huge population at one time. And so the three things that I think tax base sharing could be helpful in a in a city, somewhat like Detroit is of course the redistribution of tax revenue that is controversial, you know, people start saying words like socialism or you know, people just don't like redistribution. It doesn't mesenteric because there are some municipalities that technically do end up losing some funds within this model, but so beyond the redistribution of tax revenue, there's also other positives to this where I could see some of these suburbs that may be technically losing some of their funding could be attracted to this, so that there would be some political will to do this so the second benefit of regional based tax sharing is just in more efficient development within a region. So, when you have two taxing municipalities next to each other, say they can use their land in a more efficient and smart way. So if there's two tax administrative policies next to each other, and the state wants to put in a large public park, that's going to improve the quality of life, you know, help the environment that park is probably not going to be bringing in a lot of tax revenue. If anything, it's probably going to cost taxes, so you may have one urban core where you know it's all industrialized. It's all cities, it's all cement, and then you have a suburb that has all this beautiful land. It would make a lot more sense to locate that park in the suburb where that land is, but the suburb doesn't want it because it's not generating revenue, but now if you are sharing a tax base, you're going to be able to make the smartest decisions for where things should actually be located and not just purely base it just on the fiscal decisions. So that's the second benefit of regional tax base sharing. Some people call it the fiscalization of land use, and talking about making decisions on how to plan and how to use land purely just based on money which is not always great, especially for marginalized people. Then lastly the third benefit of regional tax base sharing I would say is it decreases competition between taxing municipalities to incentivize a new business to locate there, so I'm sure we're all familiar with, you know, Detroit, saying to this company, "Oh, put your factory here and you don't have to pay taxes for the next 15 years". And then Ionia comes in and they're like," Oh well, if you put your factor here, you won't have to pay taxes for 20 years". The regions don't actually have to be contiguous, but say Detroit and Ionia, we're sharing a tax base region. They would not then be competing against each other, offering these bigger, and bigger, and bigger incentives for those businesses to locate there. And so I see that as a positive because we want jobs, but we also want your tax money, you know if you're a big corporation and you're coming into the area. You know, I, I just think that it would probably be best for everybody if they paid their taxes, so I really like the idea of decreasing that competition between taxing municipalities.

Emma Gilbert: So it sounds like it's really an idea that's kind of, you know, again, going back to stopping the competition that is so deeply embedded in many of the systems in which we live in, in the United States. But really taking a step back and going back towards that community led or that collaborative planning kind of mechanism that once was strong, right, in our society few decades ago, many and reconceptualizing what it means to really be a community. Right? Like you were saying, you know Ionia and Detroit. They're not contiguous. They're not next to each

other, but they might have, you know, interests that align with one another. And kind of rethinking, you know, why would we compete when we can really create something together that is mutually beneficial? That's kind of what I'm getting out of, out of what you just said in my along the right lines.

Ashley Bellant: Yeah, and I'm think even just talking about it. I think you're expanding my thinking a little bit, but. Yes, because even tax based sharing can even involve like resources. If Lansing is sharing a tax base with Meridian Township, and we have all the water set-up and good to go, you know we can say we'll supply this new business water. So there's a lot of ways it just allows regions to work together and be a lot more efficient in their planning.

Emma Gilbert: That makes sense. There's something that was similar to that out in northern East Lansing, where there was an agreement you know between, I think it was Bath Township and East Lansing, where services were provided by 1 to extend the development of apartments out there for students, and over 50 years the city that got the agreement to have those services provided for 50 years. We'll then start paying again. It doesn't have to be like fiscal or you know brick and mortar, but maybe it could be in other ways, you were talking about a park.

Ashley Bellant: . Yeah, yeah it can be in those other ways and I would say we do have some mechanisms to do some things like that here in Michigan. What is it? I think the contract annexation it's like a PA 425 allows us to set-up contracts like that where we're sharing services and sharing the tax base, it's just tax base sharing would be essentially like a next step. It would be difficult...It would take a lot of work I would say to actually implement this, but that doesn't mean that it's not worth it. But yeah, it would have to go through the state, so I would say it's similar to that, but on a next level.

Emma Gilbert: Sounds like a very kind of maybe a step by step process like this isn't just a zero to one hundred thing that would happen, but there would be steps along the way to create that relationship. Maybe between those municipalities develop you know what our interests? What are our goals? What are our opportunities, our threats? And how can we come together and really create a plan that's beneficial in that regional tax base sharing environment?

Ashley Bellant: Yeah, yeah I would say so.

Emma Gilbert: In terms of the research that you're already. Conducting for your Co learning plan. Have you brought in any partners to help you with this work? Or have you used any resources that have been extremely helpful to you? Can you kind of share a little inside scoop on that kind of portion?

Ashley Bellant: Yeah sure. I would say I don't I'm not working with anyone as a partner in an official capacity. No one else is like signed on necessarily, but the data needs for this. I'm trying to so the Minnesota State legislature has put out essentially a guide for other states. Other locations that if you wanted to implement something like this, here's a model of how you could do that, and so I'm trying to run that with two municipalities here in Michigan the data needs for that are pretty extensive and then also I'm finding in the state of Michigan, our governance is very, very complicated, just within Ingham County, I think there's 24 different taxing

municipalities because we have cities, townships and villages. So I'm kind of translating the model from Minnesota to what it would look like here in Michigan, just because it's very different, but so with those data needs I have been exploring GIS, I'm not super familiar with it honestly, but I am working with MSU's GIS librarian who is really just showing me the capabilities of it. And so once I understand that, then I'm hoping to be able to use that to get some of this data, or even just to visualize it because the work that I do for Safe and Just is I'm doing a lot of social media, so I'm doing a lot of like visualizations of data and I know it's very helpful for people to wrap their head around something. So I've been working with GIS, which is new to me through the MSU library, and I have been reaching out to Ingham County Equalization Office because obviously this is what they do. So I'm hoping that they can really just help me wrap my mind around what this hypothetical calculation this fiscal disparities calculation, that the Minnesota Legislature put out. How to even translate that to Michigan system of taxation. So yeah, so I've been working with Ingham County treasurer's office, and the GIS librarian at MSU, and so far they've been really helpful.

Emma Gilbert: That's wonderful and I agree with what you're saying. You know, with the explosion of social media and the pandemic really forcing everyone to just kind of stay home for so long and everyone being digitized you know or not everyone I should say, but many people in our society having access to technology in some way, shape or form. A lot of visualization can be really helpful for the digesting. Like I mean even when you were talking to me, you learn as you talk and you learn as you read. I mean, it's all kind of helping you even distill your ideas further as you go too. Yeah, so yeah, I'm happy you were connected with the GIS librarian, I love her as well. But you know, and getting back to previously your talk about you know how In looking at, you know Detroit and it how it specifically has you know, kind of been a sore spot in you know Michigan, or not just Michigan, I should say, but in our nation, in terms of, you know, the disparities, especially economic, environmental, social, that have all gone on for decades and have been neglected in many ways for a long time. You know, and looking at some really depressed or "marginalized" communities, which they are, how do you expect or how would you hope that If a regional tax base sharing model was adopted in Detroit with some other municipality, how would you hope that would impact community members themselves, rather than just the municipality and its tax base, but the actual community members?

Ashley Bellant: Just from the kind of just naturally following the logic of this and then also what I've been reading about, I'm doing case studies of the Twin Cities and the area in New Jersey, the Meadowlands. I really do think that you would start to see a difference in public services after just a couple of years because as we all know you know, I think it was a few years ago that Detroit filed for bankruptcy and so one of the reasons that people are not attracted to there is, you know, sewer, water, trash, fire, police, fixing roads. You know you don't... When you're bankrupt, you don't have a lot to address those issues, so I feel like people would really start to notice a difference in a couple years in the level of services that they're receiving, but without their property taxes going up. So I do think that this would really have an actual impact on these ALICE communities. There is another thing I thought of, so I think that it would start to affect services which would be great in these urban cores, but then also with that smart decision making around land use I'm not 100, I'm not 100% sure if I'm like stretching here or like making

a connection in my head that's not actually there, but I feel like this starts to get into a little bit of the not in my backyard kind of thing because a suburb does not want a affordable housing complex in their area, potentially because it's not generating any tax revenue. It's subsidized by the government. It's not a business. There's not a ton of employees coming in, so with the regional tax base sharing it may be easier or maybe just less difficult. Is just the way to say it of locating some say affordable housing in these suburbs or the other way around. Some of these kind of big box stores in the city, so it's really going to help people to have more options and choices of where they want to live, where their kids want to go to school. I just think that it would really affect these people living under the ALICE threshold to really have a lot more choices and I hope that attitudes and feelings would start to follow the money, so when these communities are sharing and working together fiscally, my hope would be that you know when you other somebody a lot of times it's because you don't have, you're just not in touch with them, you don't see them, maybe you see people that represent them on the news, but in working together people are naturally going to have to interact more. So I'm hoping that some of these there would be less Nimbyism as you say, with sharing the tax base in a fiscal sense. But I'm also hoping that it would evolve to start to change some of the social attitudes of the community as well.

Emma Gilbert: I mean, I think what you just said has so much merit because I mean you started off your whole kind. This whole conversation really was saying, you know, if you look at the history of many of Rust Belt cities, you see that the trickle-down effect or the collapse of the once you know glorified cities they were was because money started to leave the city, and so really what you said there about, you know, I hope people would just follow the money. Well, I think you know, I think that's really ingrained with how society at its core functions right? And so I think that is, honestly, a great train of thought and I hope that maybe you...

Ashley Bellant: I'm going to write that down.

Emma Gilbert: Yeah, I hope you maybe you kind of explore that more because you know, like you said, more of the maybe less segregation or maybe more you know like co-learning together through a different mechanism or a new mechanism. Where my mind went when I asked you the question was honestly thinking about that financialization of land use and how it leads to like excessive. like services, for example, in suburbs you know, okay, this section of the city who's really you know involved in that suburban community, advocates for a park. But then you know this area, which is the majority, they're rather silent because they have backyards, and they're not really interested. So it's like, you know, as an example, it like just stops kind of the waste of those, you know, resources and puts land, you know, and money to better use. Yeah, we all know that the environment you know with climate change, you know it's very important to conserve what we have. So I think that like this really is like a really broad kind of all intermingled or holistic kind of policy that could be adopted if people really kind of look at it in that way.

Ashley Bellant: Yeah, I would say that's kind of like the gift and curse of studying this. I'm like really trying to stick to my scope of work and just produce a product, but I'm so interested in all these other... caveats and what I can't think of the word...

Emma Gilbert: Tangents

Ashley Bellant: Tangents, yes thank you and I just keep finding myself just going off on tangents and then two hours later I'm studying like the effects of... So yes, yeah.

Emma Gilbert: I think that's fairly common, but it's great to be passionate about something right? I think that's also a gift too, because a lot of times I think people are confronted with issues they don't really, you know, want to deal with or aren't necessarily interested in and so therefore you know they might not feel so compelled to really get into the nitty gritty. Like you really like to have a passion for this and it's kind of exciting to like talk with you about it. So I'm glad that we got to have this conversation. Have you encountered any like specific challenges or barriers? I know possibly you know, just having two case studies that might be something you want to talk about. What else would you like to kind of dig through as you continue to finish and produce that final work?

Ashley Bellant: Yeah, I would say what's been the most difficult for me is just Michigan's very, very confusing system of governance and taxation. Really in my mind, I thought, you know, I could look at this formula from Minnesota, and their counties and their municipalities and just translate it to some of ours. But I am now realizing that I really need to... I'm having to fully understand how our townships and governance are formed in this state because it's different than a lot of other States and then how those taxing authorities are then formed. Because at first I was thinking, "oh, you know I may run this calculation on the Lansing, East Lansing metropolitan area", but then I realized how many taxing municipalities were within those four counties. I was just like, that's absolutely impossible. So really, I was thinking at first you know, oh maybe I'll run this with Ingham County versus Shiawassee County, and that was, very, very limited thinking because within Ingham County there's 24 taxing municipalities, so really just understanding our governance system here and then translating. Because this work is done and has been done in Minnesota, New Jersey, and then they tried it in California and didn't pass, but translating that somewhat limited research and somewhat limited hypotheticals are like feasibility studies. Translating that to work in Michigan is actually probably my biggest challenge I would say right now.

Emma Gilbert: I think that's a real challenge. I mean, just hearing you talk about different structures I didn't even...when you live here, you don't really think about the fact that most other states don't have townships and we have hundreds. Yeah, so I think that's very valid. It's interesting you know getting back to kind of like the larger mission of the REI Center and how your work really moves that mission forward. What about your project makes you really feel like it is innovative in this world where there is a lot of research going on?

Ashley Bellant: I feel like an obvious answer would be just that only two places are doing this in the country. But just you know that there's more to it than that. You know if two places were doing something that's not good, and the reason nobody's replicating it is because it doesn't work, then you know that would make sense. I just think that, sorry okay... How does this relate to REI's bigger mission? I would say that this is extremely practical or related to financial resiliency planning for cities, you know? In kind of saving, potentially saving or whatever word

you want to use, some of our urban cores that are experiencing this these kind of collapse. I know I'm kind of hoping that the green industry comes in and picks up where some of the auto industry left off, but you know, I don't think that just relying on a single industry that's not a good financial resiliency planning. So I think that a tool like this could potentially help us Rust Belt states move away from...It's just a creative idea, another way to think about sustainability, and kind of the long term financial resiliency rather than, who can we, You know, who can we give huge cuts to so that they'll come and locate in their town just for them to you know? Who knows? Everybody's working from home now for them to move out of the town. You know, in 10 years or something. So I think that it's very applicable to financial resiliency planning. One of the things that I think as far as being innovative, you know, like I said, only implemented in two areas. I think part of it is potentially the way that people are viewing it, so if you just purely look at the numbers, it's going to, you know redistribution is not popular politically with a lot of people and folks and sectors. So I think that we can't talk about it that way. I think if we take kind of just like everything else, take a more holistic view of what regional tax base sharing could be and that it truly does have benefits for municipalities that may technically not be gaining anything or even slightly losing some revenue, I think that if we can look at it from a different perspective and get, you know? My life is an advocate I just feel like I'm going to have to talk to different people differently. You know if I can appeal to somebody who's like morality and their compassion, and good heartedness, and to help little babies. You know some people will respond to that. Some people will say, "okay , well why would I spend all this money when you know what's the return on investment?" So I just think that I want to frame this in a way that it's attractive to a lot of different spaces and in a holistic view of how this is beneficial for the entire region participating in it. Right? So maybe, maybe, like moving away from just looking at the financial kind of implication of like adopting a program that really like seeing that like long term vision that you were talking about for a while.

Emma Gilbert: Yeah, I totally see how that is a very innovative way to look at, you know, idea that has been implemented but hasn't been widely tested. But there's opportunity there, and kind of jumping off the point of there being opportunity, and talking about the fact that maybe it isn't so politically you know attractive to talk about redistribution or things of that nature. You know what potential if you could forecast do you see of a program kind of becoming implemented in a Michigan community or in a region of Michigan perhaps?

Ashley Bellant: So as part of my Co learning plan I'm just to be honest, I'm still actually figuring out what legislative steps would be needed to actually implement this, so I'm not entirely sure of all the legal steps that would be needed. I do know that this would involve state legislature, even if so, it would be higher than local. So I think the angle I want to take on this is, so we're already doing something somewhat similar on a much smaller scale through these this contract annexation, so people that have the power to implement this should already be familiar with some of the benefits of something similar to this. So I think that if we could spin this and kind of point out very clearly like the differences and the similarities between something like PA 425. I think that would give Michigan lawmakers like a much better starting point because then they're not coming from, you know what is this idea? I don't know what you're talking about. It gives them a piece of context, and it's not so scary, so I do think that's a good angle to take. And then,

of course. It's not like nobody's, of course I'm sure the municipalities that need the revenue would probably be pushing for this as well, so.

Emma Gilbert: Well, I think that that's all the questions that I have for you, but do you have anything else that you would like to share? Any exciting news? Anything that we didn't touch on that you feel is really relevant to share with the audience before we wrap up today's conversation?

Ahsley Bellant: You know, I feel like we covered most of it I'm definitely excited to...I know that the REI center is going to try to, you know we have the summit. I know they published this, but I'm really excited and I'm going to try to get this out to as many people that will listen to me. So you know if this the product should be should be wrapped up, you know before September so just you know if anyone else is interested, I'd be happy to talk to them about it.

Emma Gilbert: Yeah, and they can find your contact information on the REI website, so that's perfect. It's already available. Well, thank you for joining us today, Ashley. We look forward to the completion of your research and this has been Community and University with Ashley Bellant discussing her project Regional Tax Base Sharing to Build Financial Resilience in the Greater Michigan Area. Tune in next time for another interview with an REI project leader.