

FINAL REPORT OF THE "BUSINESS FRIENDLY HARTLAND" COMMITTEE – JULY 2013

In response to membership concerns regarding the regulatory climate in Hartland Township, the Hartland Area Chamber of Commerce, in March 2012, formed a committee named "Business Friendly Hartland", or BFH for short. This Committee was tasked with exploring and objectively determining the extent or degree to which Hartland Township is "business" friendly. By recent action of the Chamber Board, BFH has been disassociated from the Chamber. This final report documents the work and findings of BFH to enable "lessons learned" for any future work regarding business friendly.

At the time of formation of this committee, the country, Michigan, and Livingston County were all experiencing business decline. Chamber management had indications that some businesses were frustrated and even irritated regarding the perceived restrictions of the Township's sign ordinance, apparent neglect of the Village, and perception that the Township was a difficult place to get a new business approved.

The matter of evaluating "business friendliness" of a community is a matter of perspective – that of *the entrepreneur*, and that of government agencies. Hence it is entirely possible, even likely, that determination of whether or not a community is "business friendly" will be different if that determination is made by the business community, or by the governing agencies.

Perspective of the Entrepreneur

First and foremost, every private enterprise business is created by an entrepreneur – someone who is willing to commit his/her time and energy and capital to creating a business. Each entrepreneur has a unique vision of his or her business and sets out to turn that vision into reality.

The entrepreneur faces many challenges on the path to bringing his/her vision to life. A business plan must be created and refined. Tentative locations must be chosen. Financing sources beyond the means of the entrepreneur generally must be found. Physical and marketing plans must be created. Regulations must be reviewed, evaluated, and either complied with – or a new location found. Generally the entrepreneur does not think of the regulations as negotiable. So the regulations must be evaluated from the perspective of how much they increase his/her cost, or risk, or both.

Finally, the entrepreneur has to evaluate all the information at his/her disposal, and make a series of decisions. Is there a location best suited for the business? Will he/she build, buy or rent? Will he/she be able to secure financing? Can the regulations be lived with? If, in his/her evaluation, enough answers to these questions are "NO", either the entrepreneur gives up, or re-plans the enterprise seeking changes that may let his/her plan succeed. Regulations and the welcoming nature of the community, have a great deal to do with the entrepreneur's actions. Very often the Township is unaware either that it is being evaluated as a location for a new business, or that it has been rejected during that process.

This decision process is not a one-time thing. The entrepreneur must make the above decisions many times throughout the lifetime of the business. Demographics change. Competitive challenges occur. Regulations change. The entrepreneur is faced with survival decisions regarding his/her business on a continuous basis.

Perspective of the Regulator

The Township's perspective is different than the entrepreneur's. One perspective is control – the Township must attempt to protect the public to the extent they are required by law. Beyond this, they may wish to implement a "vision" of their community – both by regulation and by process. They also have to satisfy the residents (voters) of the community to continue a "healthy relationship" between government and the governed.

Some regulators feel the measure of "business friendliness" is self-apparent if existing business structures are occupied and business is successful (longevity and profit). Other officials have communicated their belief that current regulations accurately reflect the needs and values of their constituency.

BFH believes that a healthy and profitable business community is vital for the future of Hartland Township. Accordingly, BFH believes that an important component of the Hartland Chamber's mission is to represent its

members with the Township on an overall basis — in a manner that they cannot do individually. One-on-one, a *member* can seldom cause change, without resorting to an expensive legal battle. As a whole, the Chamber *may* be able to assist its members by helping to bring about positive change for the overall benefit of the Hartland community *and* its businesses.

BFH Committee Process

In order to be objective, the committee chose to use a methodology proposed by Brian Crouse – based on internal surveys conducted over many years at Waldenwoods to evaluate member satisfaction. This methodology was believed to be readily adaptable to this new purpose - allowing Hartland’s businesses to evaluate the Township in meeting their expectations.

The BFH methodology attempted to answer the following *types* of questions relative to businesses considering either locating or expanding in Hartland. (*To keep all this in perspective, this may be the first look by the Chamber on these issues – it may take several years to complete the assessment.*)

- 1) Do regulations result in unnecessary costs and/or unnecessarily increase the risk for businesses considering expanding or locating in Hartland, because
 - a. the regulations preclude innovative architectural design,
 - b. Impose a higher than normal standard for construction and development,
 - c. Prevent businesses from carrying through on adequate branding and marketing,
 - d. Impose constraints (for example strict restrictions on signs) on the business plan of the enterprise which might decrease the likelihood of business success.
- 2) Are the regulations so sound that the Township would not consider exempting *itself* from compliance?
- 3) Should the Township be prioritizing investments that might make Hartland a better place for businesses, such *as*:
 - a. Investing in improvements, such as the Village improvement plan.
 - b. Investing in road improvements.
 - c. Improving the Township's response to crime.

Although government meetings in Hartland are mostly open to the public, very few, if any, representatives of the public choose to attend meetings. The Township website had meeting information posted, but it was difficult to find. The BFH Committee began taking a more active role in the Township, becoming familiar with Township operations by

- attending Township meetings
- preliminary review of existing and proposed ordinances
- understanding the Township’s capital and operating budgets
- exploring perceived problems affecting businesses
- surveying Chamber members regarding their perceptions and experiences

As a result of these actions, BFH has found the Township open and willing to discuss any and all matters. The Committee was able to meet with representatives of the Township several times over the last several months, generally in a friendly and cooperative manner. The Township has revised the location of meeting minutes, agendas, etc. on its web site, making these documents easier to find.

While Township officials seem to be quite certain they have created a business-friendly environment, a survey of businesses actually experiencing Township regulations would provide a more accurate barometer of the business climate. If businesses believe the regulations are too onerous and that they increase business risk, they will locate elsewhere — within the county, state, or country. If already here, they may be hindered in achieving success. The Township continuously creates new ordinances that affect business. It is probably incumbent on businesses to attend meetings, review proposals, and make their views known. Unfortunately, after a business opens, usually the owner is so busy operating his/her business that attending Township meetings is a low priority. There should be a regular or systematic way Hartland Township seeks or gains input from the business community, or for the business community to know about and understand regulatory changes that may affect them.

BFH believes that review and comment on existing regulations and new proposals *should be sought from and offered by* the business community. It was hoped that the establishment of the Business Friendly Hartland committee would be welcomed by the Township and to date, it has produced positive results.

In conclusion, even though active work by BFH has ceased, some past members decided to prepare a report for the Chamber Board, providing an overview of experiences and learnings during the past 15 months. It is the committee's expectation that an overview of this report could be shared with the membership. Some of the most important "findings" covered in this report are:

- **Definition.** There is no commonly accepted definition of "business friendly". BFH created a very usable **working definition** (below), which may be improved over time. It is called "Characteristics of a Business Friendly Community". Without such a *working definition*, it is difficult or even impossible to change so that Hartland can become a more business friendly community. Further, this definition could help, over time, bring the differing perspectives of government and business closer together.
 - a) Businesses feel welcome and are perceived by Township officials to be valuable contributors to the community.
 - b) Businesses are accepted as unique from one another. The Township accepts such diversity, and does not prevent each from implementing unique branding and marketing methodologies.
 - c) The commissions and boards avoid making actual business decisions which are best made by the owner of the business whose capital is at risk.
 - d) Existing and proposed regulations are reviewed for necessity, to assure protection of the public and to assure its convenience. Regulations or standards that exist to establish and maintain community values are clearly articulated and analyzed for competitive impact.
 - e) The Township submits itself to all regulation and approval processes that it requires of businesses and citizens of the community.
 - f) When market or business conditions change, potentially threatening the future of one or more businesses, the Township can be counted on to respond in ways that may allow its businesses to continue to compete.
 - g) The Township is one that has low taxes, low fees, few and fair regulations, provides for educational and/or training opportunities, and last but certainly not least assures a safe environment for business and their customers.
- **Business Advocacy.** BFH believes the Township wants to be business friendly – however, BFH believes it will never reach that goal without cooperation and input from the business community. Such input cannot reasonably be accomplished by individual businesses, but rather BFH suggests that the Hartland Chamber be this voice. The Chamber is a strong organization including over ~180 members, and is in a position to fulfill a *business advocacy* role.

Respectfully submitted,

Richard Krueger

Frank Crouse