

Luepnitz, Ann (Treasury)

From: Luepnitz, Ann (Treasury)
Sent: Thursday, January 14, 2016 1:23 PM
To: 'Lynne Feldpausch (MEDC)'
Subject: RE: Flint Water Crisis Economic Impact

Thanks Lynne.

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From: Lynne Feldpausch (MEDC) [mailto:feldpauschl@michigan.org]
Sent: Thursday, January 14, 2016 1:12 PM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: FW: Flint Water Crisis Economic Impact

Good afternoon!
Here is the information that Jay shared with Jarrod and Greg.

Thank you,
Lynne

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From: Tedder, Greg (TED) [mailto:TedderG@michigan.gov]
Sent: Tuesday, January 12, 2016 4:06 PM
To: Lynne Feldpausch (MEDC)
Subject: Fwd: Flint Water Crisis Economic Impact

FYI from Jay

Sent from my iPhone

Begin forwarded message:

From: "Wortley, Jay (Treasury)" <WortleyJ1@michigan.gov>
Date: January 12, 2016 at 4:02:11 PM EST
To: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>
Cc: "Tedder, Greg (TED)" <TedderG@michigan.gov>, "Bakkal, Steve (MEDC)" <bakkals@michigan.org>
Subject: Flint Water Crisis Economic Impact

Hi Jarrod,

I think the most significant immediate negative impact will be the economic effects of such things as decreased property values, lost business activity (new businesses will not move to Flint and existing businesses that rely on clean water like restaurants will be hurt), lost employment, population loss (renters will leave the city). Residents and businesses are also having to pay extra for bottled water, so the extra spending on water will take away from other spending. It is relatively easy for residents to move some of their economic/spending activity outside the city, so the Flint economy will be hurt. These impacts will create an economic downturn in Flint. In terms of personal income losses, a three to four percent loss in nominal personal income in the City of Flint seems reasonable, which would equal a negative impact of \$85 million to \$115 million per year in lost economic activity. Long-term there would be the cost of a new water system, which would have a significant cost. Direct health related costs would be on top of this estimate.

This is a very rough estimate. I would need a lot more time and a lot more information/data to develop a more thorough estimate.

Jay