



March 10, 2022

Michigan Economic Development Corporation
Attn: FOIA Coordinator
300 N. Washington Square
Lansing, MI 48913
medcfoia@michigan.org

Via E-mail

Stephen Delie
Mackinac Center Legal Foundation
140 West Main Street
Midland, MI 48640
delie@mackinac.org

Re: Demand for Compliance with the Freedom of Information Act, MCL 15.231 et seq.

To Whom it May Concern,

My name is Stephen Delie, and I am writing you on behalf of the Mackinac Center Legal Foundation. Over the past months, the Mackinac Center has repeatedly attempted to obtain input assumption worksheets used by Tourism Economics with IMPLAN, and output produced from modeling efforts. Those records have not been produced, despite MEDC's obligations under the Michigan Freedom of Information Act, MCL 15.231 *et. seq.* As such, please treat this letter as a formal demand that MEDC adhere to the requirements of FOIA by promptly responding to the Center's current FOIA request.

On November 6, 2020, the Mackinac Center made a request for a number of records, including "the input assumption worksheets used by Tourism Economics and any related 'direct, indirect and induced impacts' output produced directly from its modeling effort for the MEDC/MSF Strategic Marketing and Research Insights report '2019 Michigan Ad effectiveness Study' and/or its "Economic Impact of Advertising-Generated Tourism in Michigan – 2018 report." **Exhibit A, November 6, 2020 Request.** After correspondence with MEDC, portions of the Center's request were clarified on November 19, 2020. **Exhibit B, November 19, 2020 Clarified Request.** MEDC responded on February 1, 2021 by granting the Center's request in part. **Exhibit C, February 1, 2021 MEDC Response.**

Although MEDC's response cites MCL 15.243(1)(a) as an exemption, no information was provided as to what specific information fell within that exemption. *Id.* Similarly, the response stated that certain records were withheld on the basis that no documents existed, but without specifying which portion of the Center's request lacked responsive records. *Id.*

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The Center challenged MEDC’s response on the basis that the Corporation had failed to provide a legal and factual basis for withholding records. **Exhibit D, February 23, 2021 Mackinac Center Rebuttal.** In that response, the Center noted:

As with the aforementioned bullet points, I received no explanation for why I did not receive requested records relating to the following portions of my request: ... The input assumption worksheets used by Tourism Economics and any related “direct, indirect and induced impacts” output produced directly from its modeling effort for the MEDC/MSF Strategic Marketing and Research Insights report “2019 Michigan Ad Effectiveness Study,” and/or its “Economic Impact of Advertising-Generated Tourism in Michigan – 2018” report.

With respect to the bullet immediately above, I also added: just “the input worksheets and related output. However, if Tourism Economics has not provided you with the above referenced worksheets/direct output, I would like to politely request that the MEDC ask Tourism Economics for these items for the state and Mackinac Center’s behalf.”

Id. After further correspondence with MEDC, the Center followed up again on March 31, 2021. **Exhibit E, March 31, 2021 Follow Up.** In this correspondence, the Center again noted that MEDC had failed to address the portion of the Center’s request seeking input assumption worksheets. *Id.* MEDC acknowledged this correspondence on April 8, 2021, but did not produce the requested records. **Exhibit F, April 8, 2021 Correspondence.** The Mackinac Center again attempted to obtain the requested input assumptions on April 21, 2021, but did not receive a response. **Exhibit G, April 21, 2021 Correspondence.** On May 28, 2021, the MEDC directed the Mackinac Center to Chris Pike of Oxford Economics to obtain the requested records. **Exhibit H, May 28, 2021 Correspondence.**

The Mackinac Center and Chris Pike exchanged a number of e-mails in June and July of 2021, but input assumption worksheets were not produced. On August 3, 2021, the Center again requested input assumption worksheets. **Exhibit I, August 3, 2021 Request.** The Center did not receive a response, and reiterated its request on August 20, 2021. **Exhibit J, August 20, 2021 Follow Up.** The Center, again, did not receive the requested records. A subsequent request on January 18, 2022 also did not result in the production of input assumption worksheets. **Exhibit K, January 18, 2022 Follow Up.**

It has now been 489 days since the Mackinac Center made its initial request for input assumption worksheets and output produced from modeling efforts. Responsive records have not been produced, despite the Center’s repeated attempts. In addition, no adequate legal explanation has been provided for why these records cannot be produced.

We hereby demand that the MEDC immediately respond to the Center’s requests by providing the requested input assumption worksheets and output produced from modeling efforts. It should not be necessary for any FOIA requestor to engage an attorney to receive a response to their request.

MACKINAC CENTER LEGAL FOUNDATION

The logo features three vertical red bars of varying heights. The tallest bar on the left has a small blue square with a white star at its top.

The MEDC's ongoing failures to satisfy FOIA harms not only the Mackinac Center, but the public at large, who deserve government transparency.

Please note that, should the MEDC fail to remedy the legal errors identified in this letter, we are prepared to file a legal complaint. Thank you for your consideration.

Sincerely,

Steve Delie (P80209)
Mackinac Center Legal Foundation

Exhibit A

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Friday, November 06, 2020 9:31 AM
To: medcfoia@michigan.org
Cc: LaFaive, Michael D.
Subject: Freedom of Information Act Request - Travel Michigan/Pure Michigan

November 6, 2020

FOIA Coordinator
Michigan Economic Development Corporation
300 North Washington Square
Lansing, MI 48913

Dear FOIA Coordinator:

Pursuant to the Michigan Freedom of Information Act, MCL 15.231 et seq., and any other relevant statutes or provisions of your agency's regulations, I hereby request the following records:

- The most recent "Sole Source Justification" document involving Tourism Economics and/or its parent company, Oxford Economics, and the MEDC/MSF.
- The most recent "Sole Source Justification" document involving D.K. Shifflet & Associates and the MEDC/MSF.
- The most recent purchase orders approved by the MEDC/MSF for Tourism Economics/Oxford Economics and D.K. Shifflet & Associates and contracts related to those
- The most recent "Notice of Intent to Purchase" document involving Tourism Economics or its parent, Oxford Economics.
- Expenditure data for the 2019 and (if available) 2020 data provided by D.K. Shifflet for the MEDC.

I would prefer to receive this data in an electronic format.

- The most recent license agreement between D.K. Shifflet and the MEDC/MSF.
- Any Requests for Proposals issued by the MEDC/MSF for the purpose of locating and choosing a vendor to perform the Pure Michigan campaign insights research most recently performed by Strategic Marketing and Research Insights, whose agreement will be in effect after December 31, 2020. In the alternative, any e-mails indicating why a new RFP or contract for such services have not been let.
- Any single document that would identify a winning vendor for the RFP referenced immediately above. An example of such a document would be a "Request to Award Contract" memo, such as the one previously authored by Lauren Branneman and sent to the MSF on September 26, 2017.
- Any estimate of the "percentage of State taxes generated for every dollar spent" provided to Strategic Marketing and Research Insights by Travel Michigan/MEDC/MSF for its most recent (2020) report. Previously, this information could be found in a 2017 Michigan Office of the Auditor General letter to two lawmakers explaining that it is the MEDC that makes this information available to its contractor (then, Longwoods International).

- The responses received by Strategic Marketing and Research Insights in the course of its research for the MEDC/MSF for their most recent (2020) report “2019 Pure Michigan Advertising Effectiveness” study for questions Q4 and Q6-Q19.

If your contractor has not provided the survey results to you in a discrete format I ask that you request that of them and provide me with a copy.

- The input assumption worksheets used by Tourism Economics and any related “direct, indirect and induced impacts” output produced directly from its modeling effort for the MEDC/MSF Strategic Marketing and Research Insights report “2019 Michigan Ad Effectiveness Study,” and/or its “Economic Impact of Advertising-Generated Tourism in Michigan – 2018” report.

To be clear, I am not requesting the Effectiveness Study or Economic Impact reports themselves. Just the input worksheets and related output. However, if Tourism Economics has not provided you with the above referenced worksheets/direct output, I would like to politely request that the MEDC ask Tourism Economics for these items for the state and Mackinac Center’s behalf.

- Fiscal Year 2019 Travel Budget, including any updates.
- Fiscal Year 2019 PO Summary.
- A list of “MEDC Procurement Contracts” hired or paid by MEDC/MSF in 2019 and 2020.
- Any single document evidencing the location and dates of the 2021 Pure Michigan Governor’s Conference on Tourism.
- The 2019 Pure Michigan “Partnership Contact List/Contribution.”

I have requested very similar data in the past, and would be happy to clarify any portion of my request. I can do so telephonically at 989-430-8669 or by e-mail at lafaive@mackinac.org. I would be happy to provide examples of the documents I am requesting that have been provided by the Department in previous years, if you believe those examples would be helpful. I would also be happy to work with the Department to minimize the administrative burden associated with the request, so please do not hesitate to contact me if you believe I could clarify any questions you may have.

If the documents I have requested are not disclosable in their entirety, I request that you release all nonexempt portions of the documents that may be segregated and all parts of the documents that can be rendered disclosable by redaction. As to any portion of the documents that you withhold, ***please state with specificity the legal and factual basis for withholding such portion, as well as the nature of the information being withheld.***

If non-exempt material can be separated from exempt material, the Department is responsible for doing so. *Herald Co, Inc v Ann Arbor Public Schools*, 224 Mich App 266, 275 (1997). This includes identifying those records that are being withheld, or the nature of any information being withheld. *Id.* Specific citations to the precise portions of FOIA justifying an exemption are also required. MCL 15.235(5)(a)-(c); *Peterson v Charter Township of Shelby*, 2018 WL 2024578 (Mich Ct App). Further, if no responsive documents exist for a particular portion of this request, please clearly identify which portions of this request have been denied for that reason.

Pursuant to MCL 15.234(1)(c), I respectfully request this data be provided to me in an electronic format. I would prefer that the documents I have requested be sent to me via PDF or the electronic records in a useable format, such as Excel. However, if that is not possible than I ask that they be sent to my alternative work address at: 1370 Saffron Circle, Traverse City, MI 49696.

Sincerely,

Michael LaFaive
Senior Director of Fiscal Policy
Mackinac Center for Public Policy
Midland, MI

Exhibit B

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Thursday, November 19, 2020 10:23 AM
To: 'Karen Wieber (MEDC)'
Cc: Christin Armstrong (MEDC); Amy Lum (MEDC)
Subject: Documents Attached
Attachments: MEDC Documents for Clarification.pdf

Hi, Ms. Wieber:

Attached, please find example documents to clarify my request for the Fiscal Year 2019 Travel Budget, Fiscal Year 2019 PO Summary and the list of MEDC Procurement Contracts for 2019 and 2020.

If you have any further questions please do not hesitate to contact me via email, or on my cell at 989.430.8669. That number is good 24/7.

Sincerely,
Mike

Exhibit C



**MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION**

February 1, 2021

Michael D. LaFaive
1370 Saffron Circle
Traverse City, MI 49696
LaFaive@Mackinac.org

Via E-Mail

Dear Mr. LaFaive:

This written notice is issued in response to your email request dated November 6, 2020 to the Michigan Economic Development Corporation (MEDC), received November 9, 2020, for information under the Freedom of Information Act (FOIA), MCL 15.231 *et. seq.*

We are in receipt of your check number 39943 in the amount of \$432.97, and check number 40086 in the amount of \$279.65. Your request is granted in part and denied in part.

Documents responsive to your request are available as follows:

- Freedom of Information Act Request – Travel Michigan/Pure Michigan

After diligent search and inquiry, it has been determined that some of the information requested does not exist in the name you requested or in any other name reasonably known to the MEDC. Therefore your request is partially denied.

Your request for information is also denied in part because portions of the document are exempt from disclosure pursuant to Section 13(1)(a) of the FOIA, which exempts information of a personal nature that would constitute a clearly unwarranted invasion of an individual's privacy.

As to the partial denial of your request, pursuant to section 10 of the FOIA, you may do either of the following:

1. Appeal this decision, in writing, to Mark Burton, CEO, Michigan Economic Development Corporation, 300 North Washington Square, Lansing, Michigan 48913. Your written appeal must specifically state, using the word *appeal*, that it is an appeal of this decision and must specify the reasons you believe the denial should be reversed. Mr. Burton or his designee must respond to your appeal within 10 business days of its receipt. Under unusual circumstances, the time for response to your appeal may be extended by 10 business days.
2. File an action in circuit court to compel disclosure of the records. The action must be filed within 180 days after the date of the final determination to deny the request. If you prevail in such an action, the court is to award reasonable attorney fees, costs, and disbursements. Further, if the court finds the denial to be arbitrary and capricious, you may receive punitive damages in the amount of \$1,000.

As to the partial granting of your request, copies of the nonexempt documents are attached.

PURE  MICHIGAN®

Sincerely,

Karen Wieber

Karen Wieber
MEDC FOIA Coordinator

Attachments

Exhibit D

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Tuesday, February 23, 2021 3:46 PM
To: 'burtonm8@michigan.org'
Subject: Mackinac Center Letter to Mark Burton

February 23, 2021

Mr. Mark A. Burton
President and CEO
Michigan Economic Development Corporation
300 N Washington Square
Lansing, MI 48913

Dear Mr. Burton:

My name is Michael LaFaive, and I am writing to ask for your help regarding the rejection of certain documents related to my Pure Michigan-specific FOIA request, which includes the failure of the Michigan Economic Development Corporation to follow proper case law related to such requests. I would be happy to discuss the matters below by phone if that would resolve this matter sooner.

By way of background, I sent a Freedom of Information Act request to the Michigan Economic Development Corporation on November 6, 2020. I was looking for documents that were generally related to the Pure Michigan program. I did not receive a number of them and I believe there is a violation.

Specifically, the MEDC failed to explain in its response to me precisely why part of my request was denied, which I find concerning given that my request specifically asked for denials to state: **“with specificity the legal and factual basis for withholding [information], as well as the nature of the information being withheld.”** Our original FOIA request contained this language, in bold, and yet after a nearly three-month wait for less than 70 pages of documents, the MEDC’s response to my FOIA failed to specify what was rejected or why. Here is a quote from my November 6 FOIA request to your agency:

As to any portion of the documents that you withhold, *please state with specificity the legal and factual basis for withholding such portion, as well as the nature of the information being withheld.* If non-exempt material can be separated from exempt material, the Department is responsible for doing so. *Herald Co, Inc v Ann Arbor Public Schools*, 224 Mich App 266, 275 (1997). This includes identifying those records that are being withheld, or the nature of any information being withheld. *Id.* Specific citations to the precise portions of FOIA justifying an exemption are also required. MCL 15.235(5)(a)-(c); *Peterson v Charter Township of Shelby*, 2018 WL 2024578 (Mich Ct App). Further, if no responsive documents exist for a particular portion of this request, please clearly identify which portions of this request have been denied for that reason.

After comparing my original request to the MEDC’s official response I have identified the following items that were apparently denied.

- The most recent “Sole Source Justification” document involving D.K. Shifflet and Associates and the MEDC/MSF.

D.K. Shifflet & Associates was a no-bid contractor of the MEDC and provided economic data in the past. I have subsequently learned that this contractor is no longer providing such services, but that should not preclude the MEDC from sending the most recent document. As I am in possession of a previous "Sole Source Justification" type document, I know that such a document exists. At this point, however, I am more interested in such documents as might be related to the firm(s) hired to provide similar or the same services after D.K. Shifflet.

- Expenditure data for the 2019 and (if available) 2020 data provided by D.K. Shifflet for the MEDC.

I understand why this was not made available to me, as D.K. Shifflet no longer provides such information. On both items above, and on any licensing agreement, however, I would like this information for the contractor that replaced D.K. Shifflet in providing data used by the MEDC/Travel Michigan/SMARInsights in its analysis of tourism in Michigan. I have not yet learned the name of the new contractor(s), and the MEDC didn't volunteer this information in its partial denial of February 1. At this time, I would respectfully request that these documents be supplied to me for the contractor, if any, that was hired to replace D.K. Shifflet.

I received no documents associated with either of the following bullet points and no explanation as to why.

- Any Requests for Proposals issued by the MEDC/MSF for the purpose of locating and choosing a vendor to perform the Pure Michigan campaign insights research most recently performed by Strategic Marketing and Research Insights, whose agreement will be in effect after December 31, 2020. In the alternative, any e-mails indicating why a new RFP or contract for such services have not been let.
- Any single document that would identify a winning vendor for the RFP referenced immediately above. An example of such a document would be a "Request to Award Contract" memo, such as the one previously written by Lauren Branneman and sent to the MSF on September 26, 2017.

It is certainly possible that the existing contract for Strategic Marketing and Research Insights was extended and somehow didn't fall under my RFP or "Request to Award Contract" type of communication. I was, however, offered no explanation by the MEDC with respect to these requests. Had MEDC officials done so, I could have easily clarified in without the need to subject the Corporation to a subsequent FOIA.

Could I please trouble you to ask the proper MEDC officials to provide me with any contract or contract extension for the contractor who is performing the same role still or previously performed by SMARInsights?

As with the aforementioned bullet points, I received no explanation for why I did not receive requested records relating to the following portions of my request:

- Any estimate of the "percentage of State taxes generated for every dollar spent" provided to Strategic Marketing and Research Insights by Travel Michigan/MEDC/MSF for its most recent (2020) report. Previously, this information could be found in a 2017 Michigan Office of the Auditor General letter to two lawmakers explaining that it is the MEDC that makes this information available to its contractor (then, Longwoods International).
- The responses received by Strategic Marketing and Research Insights in the course of its research for the MEDC/MSF for their most recent (2020) report "2019 Pure Michigan Advertising Effectiveness" study for questions Q4 and Q6-Q19.
- The input assumption worksheets used by Tourism Economics and any related "direct, indirect and induced impacts" output produced directly from its modeling effort for the MEDC/MSF Strategic Marketing and Research Insights report "2019 Michigan Ad Effectiveness Study," and/or its "Economic Impact of Advertising-Generated Tourism in Michigan – 2018" report.

With respect to the bullet immediately above, I also added: just “the input worksheets and related output. However, if Tourism Economics has not provided you with the above referenced worksheets/direct output, I would like to politely request that the MEDC ask Tourism Economics for these items for the state and Mackinac Center’s behalf.”

It is my hope that you will be able to assist me in obtaining this information. While I realize that the law does not compel the state to create any documents for me or necessarily ask a contractor to do so, I believe it is in the interest of government transparency that this information be made available. As such, I would very much appreciate it if MEDC could arrange for me access to such documents. The input assumption worksheet alone would be useful.

As you may be aware, it has been the Mackinac Center’s long-running desire to obtain an understanding of how the state generates its return-on-investment claims. The information I have requested will help provide not only the Center, but also the citizens of Michigan, with a deeper understanding of precisely how Pure Michigan’s ROI claims are generated.

Mr. Burton, my original request took nearly three months to process. It is my hope that — with your prompt attention — I can at least receive specific explanations as to why I was denied certain information so that I will be able to submit another formal request with more precise language. That said, I would more than welcome the disclosure of records from MEDC without the need to burden its staff with a second request, and I am more than happy to resolve this matter informally if it would lead to prompt disclosure.

I’m happy to help clarify this letter, or any portion of my request via a phone call or even a personal visit with you or a designee. Thank you in advance for considering my request.

Sincerely,

Michael LaFaive
Senior Director of Fiscal Policy
Mackinac Center for Public Policy

Exhibit E

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Wednesday, March 31, 2021 3:41 PM
To: Otie McKinley (MEDC)
Cc: LaFaive, Michael D.
Subject: FW: FOIA responsive documents

Hi, Otie:

I'm just writing back to follow up on our discussion regarding your letter (Email) of March 16, and in particular, answer number two. It involves Tourism Economics.

The Mackinac Center has repeatedly and over many years attempted to obtain information on the modeling efforts of Tourism Economics. We know from past conversations with an MEDC contractor that Tourism Economics contributes to the final tax return on investment calculation for the Pure Michigan program.

That is why I asked for the estimate of the "percentage of state taxes generated for every dollar spent" for the Pure Michigan program in my November 2020 Freedom of Information Act request and for:

The input assumption worksheets used by Tourism Economics and any related "direct, indirect and induced impacts" output produced directly from its modeling effort for the MEDC/MSF Strategic Marketing and Research Insights report "2019 Michigan Ad Effectiveness Study," and/or its "Economic Impact of Advertising-Generated Tourism in Michigan — 2018" report.

As you know, the first response that I received from the MEDC on Feb. 1, 2021, denied my request and offered no explanation. That is why I subsequently wrote a letter to the MEDC's president asking for help. The initial nonresponsive response I received to questions involving Tourism Economics was particularly unhelpful.

I recognized in my November 2020 FOIA that it was possible that Tourism Economics had not provided the MEDC with any of the inputs (to its modeling) that I had requested. That's why I wrote, **"I would like to politely request that the MEDC ask Tourism Economics for these items for the state and Mackinac Center's behalf."**

Part of the MEDC's response to my letter (your email of March 16) was helpful in some ways, but it completely failed to address the subject of my request for the input assumption worksheets (evidence of assumptions used in the model), etc., that I detail in the offset paragraph, above. There's no mention at all of it.

I see that you did mention that the "percentage of state taxes generated for every dollar spent" was provided directly to SMARInsights by Tourism Economics. That's good news, because we can lump these two requests into one for today's request for assistance:

Would the MEDC please contact Tourism Economics and obtain for me both the "percentage of state taxes generated for every dollar spent" and any input assumption worksheets and methodological explanation of its modeling efforts that contribute to the final ROI for the Pure Michigan program as reported by SMARInsights in its "2019 Michigan Ad Effectiveness Study"?

In your March 16 email you note in reference to the percentage figure, "we do not have access to the working documents they produced," but the state's contract with them suggests that the work product of the contractor is "the sole property of the MSF. ..." That suggests to me the state has a legal claim on it and can request that it be provided.

The Mackinac Center has been very transparent about its desire to see precisely how the Pure Michigan ROI claims are generated. The Tourism Economics contribution is clearly key to these claims. That is why I am asking your assistance. We want to know more and believe the public deserves to know more, too.

I would ask Tourism Economics for its assumptions/methodology myself, however, the MEDC's contract with them may prohibit the firm from disclosing (with some exceptions) "economic development analyses, computer programs, databases" and more "without the prior written consent of the MSF or the MEDC. ..."

Thank you for your time and attention. I deeply appreciate your willingness to try and help me obtain this information and look forward to your response.

Sincerely,
Mike

From: LaFaive, Michael D.
Sent: Tuesday, March 16, 2021 5:02 PM
To: 'Otie McKinley (MEDC)' <mckinleyo@michigan.org>
Subject: RE: FOIA responsive documents

Otie,

Thanks. I've got to run now for a meeting across town but will follow up as soon as possible.

Talk to you soon.

--Mike

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Sent: Tuesday, March 16, 2021 5:00 PM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: FOIA responsive documents

Greetings –

Absolutely, what can I help you with? I can't promise how quickly I can get you an answer, but I will do my best. Thank you for the editor's note as well. We try very hard to make sure we are being as responsive as possible.

Thanks!

Otie McKinley
Media and Communications Manager
Michigan Economic Development Corporation & Travel Michigan
300 N. Washington Square | Lansing, MI 48913
Mobile: 517.930.8049
mckinleyo@michigan.org

From: LaFaive, Michael D. <LaFaive@Mackinac.org>
Sent: Tuesday, March 16, 2021 4:56 PM
To: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Subject: RE: FOIA responsive documents

Otie,

Many thanks for this. It's a very helpful explanation.

It is my hope that I might be able to ask one more follow-up question or so, particularly with regard to part of your response "2."

On another note, because of your communication with me I had an editor's note added at the top of my blog today recognizing that the MEDC did get back to us on part of our request.

Thank you,
Mike

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>

Sent: Tuesday, March 16, 2021 4:28 PM

To: LaFaive, Michael D. <LaFaive@Mackinac.org>

Subject: FOIA responsive documents

Good afternoon Michael –

If you haven't already received the documents in response to your most recent FOIA, you should expect them shortly. I did want to clarify a couple of things.

1. Your request for RFPs issued by the MEDC/MSF for the purpose of locating and choosing a vendor to perform the Pure Michigan campaign insights research request do not exist. Because there was no campaign in 2020 to measure effectiveness off, as a result of having no appropriated budget, there was also not a need for an effectiveness study during that timeframe.
2. Regarding your request for any estimate of the "percentage of State taxes generated for every dollar spent" provided to Strategic Marketing and Research Insights by Travel Michigan/MEDC/MSF for its most recent (2020) report: this is provided by Tourism Economics directly to SMARInsights, and while we have a basic understanding of their method for estimating the percentage used, we do not have access to the working documents they produced.
3. Finally, in regards to your inquiry about the replacement for DK Shifflet. While we do have access to an online database with travel information through the Longwoods Travel USA dataset, as indicated by responsive documents you received (or will,) we did not provide any such data to SMARInsights for their study. SMARInsights used data garnered from their own survey – not data provided by us or related to this Longwoods database. So that is not a dataset we can provide.

Thank you and have a great evening.

Otie McKinley

Media and Communications Manager

Michigan Economic Development Corporation & Travel Michigan

300 N. Washington Square | Lansing, MI 48913

Mobile: 517.930.8049

mckinleyo@michigan.org

Exhibit F

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Thursday, April 08, 2021 2:54 PM
To: Otie McKinley (MEDC)
Subject: RE: FOIA responsive documents

Otie,

Good afternoon!

I hope you are well.

Thanks much for reaching out and letting me know.

Cheers,
Mike

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Sent: Thursday, April 08, 2021 2:50 PM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: FOIA responsive documents

Good afternoon Michael –

First off, my apologies that I am just getting back to you on this. I am working on this, and I will get back to you as quickly as I can.

Thank you sir.

Otie McKinley
Media and Communications Manager
Michigan Economic Development Corporation & Travel Michigan
300 N. Washington Square | Lansing, MI 48913
Mobile: 517.930.8049
mckinleyo@michigan.org

From: LaFaive, Michael D. <LaFaive@Mackinac.org>
Sent: Wednesday, March 31, 2021 3:41 PM
To: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Cc: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: FW: FOIA responsive documents

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The Mackinac Center has repeatedly and over many years attempted to obtain information on the modeling efforts of Tourism Economics. We know from past conversations with an MEDC contractor that Tourism Economics contributes to the final tax return on investment calculation for the Pure Michigan program.

That is why I asked for the estimate of the “percentage of state taxes generated for every dollar spent” for the Pure Michigan program in my November 2020 Freedom of Information Act request and for:

The input assumption worksheets used by Tourism Economics and any related “direct, indirect and induced impacts” output produced directly from its modeling effort for the MEDC/MSF Strategic Marketing and Research Insights report “2019 Michigan Ad Effectiveness Study,” and/or its “Economic Impact of Advertising-Generated Tourism in Michigan — 2018” report.

As you know, the first response that I received from the MEDC on Feb. 1, 2021, denied my request and offered no explanation. That is why I subsequently wrote a letter to the MEDC’s president asking for help. The initial nonresponsive response I received to questions involving Tourism Economics was particularly unhelpful.

I recognized in my November 2020 FOIA that it was possible that Tourism Economics had not provided the MEDC with any of the inputs (to its modeling) that I had requested. That’s why I wrote, **“I would like to politely request that the MEDC ask Tourism Economics for these items for the state and Mackinac Center’s behalf.”**

Part of the MEDC’s response to my letter (your email of March 16) was helpful in some ways, but it completely failed to address the subject of my request for the input assumption worksheets (evidence of assumptions used in the model), etc., that I detail in the offset paragraph, above. There’s no mention at all of it.

I see that you did mention that the “percentage of state taxes generated for every dollar spent” was provided directly to SMARInsights by Tourism Economics. That’s good news, because we can lump these two requests into one for today’s request for assistance:

Would the MEDC please contact Tourism Economics and obtain for me both the “percentage of state taxes generated for every dollar spent” and any input assumption worksheets and methodological explanation of its modeling efforts that contribute to the final ROI for the Pure Michigan program as reported by SMARInsights in its “2019 Michigan Ad Effectiveness Study”?

In your March 16 email you note in reference to the percentage figure, “we do not have access to the working documents they produced,” but the state’s contract with them suggests that the work product of the contractor is “the sole property of the MSF. ...” That suggests to me the state has a legal claim on it and can request that it be provided.

The Mackinac Center has been very transparent about its desire to see precisely how the Pure Michigan ROI claims are generated. The Tourism Economics contribution is clearly key to these claims. That is why I am asking your assistance. We want to know more and believe the public deserves to know more, too.

I would ask Tourism Economics for its assumptions/methodology myself, however, the MEDC’s contract with them may prohibit the firm from disclosing (with some exceptions) “economic development analyses, computer programs, databases” and more “without the prior written consent of the MSF or the MEDC. ...”

Thank you for your time and attention. I deeply appreciate your willingness to try and help me obtain this information and look forward to your response.

Sincerely,
Mike

From: LaFaive, Michael D.

Sent: Tuesday, March 16, 2021 5:02 PM

To: 'Otie McKinley (MEDC)' <mckinleyo@michigan.org>
Subject: RE: FOIA responsive documents

Otie,

Thanks. I've got to run now for a meeting across town but will follow up as soon as possible.

Talk to you soon.

--Mike

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Sent: Tuesday, March 16, 2021 5:00 PM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: FOIA responsive documents

Greetings –

Absolutely, what can I help you with? I can't promise how quickly I can get you an answer, but I will do my best. Thank you for the editor's note as well. We try very hard to make sure we are being as responsive as possible.

Thanks!

Otie McKinley
Media and Communications Manager
Michigan Economic Development Corporation & Travel Michigan
300 N. Washington Square | Lansing, MI 48913
Mobile: 517.930.8049
mckinleyo@michigan.org

From: LaFaive, Michael D. <LaFaive@Mackinac.org>
Sent: Tuesday, March 16, 2021 4:56 PM
To: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Subject: RE: FOIA responsive documents

Otie,

Many thanks for this. It's a very helpful explanation.

It is my hope that I might be able to ask one more follow-up question or so, particularly with regard to part of your response "2."

On another note, because of your communication with me I had an editor's note added at the top of my blog today recognizing that the MEDC did get back to us on part of our request.

Thank you,
Mike

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Sent: Tuesday, March 16, 2021 4:28 PM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: FOIA responsive documents

Good afternoon Michael –

If you haven't already received the documents in response to your most recent FOIA, you should expect them shortly. I did want to clarify a couple of things.

1. Your request for RFPs issued by the MEDC/MSF for the purpose of locating and choosing a vendor to perform the Pure Michigan campaign insights research request do not exist. Because there was no campaign in 2020 to measure effectiveness off, as a result of having no appropriated budget, there was also not a need for an effectiveness study during that timeframe.
2. Regarding your request for any estimate of the "percentage of State taxes generated for every dollar spent" provided to Strategic Marketing and Research Insights by Travel Michigan/MEDC/MSF for its most recent (2020) report: this is provided by Tourism Economics directly to SMARInsights, and while we have a basic understanding of their method for estimating the percentage used, we do not have access to the working documents they produced.
3. Finally, in regards to your inquiry about the replacement for DK Shifflet. While we do have access to an online database with travel information through the Longwoods Travel USA dataset, as indicated by responsive documents you received (or will,) we did not provide any such data to SMARInsights for their study. SMARInsights used data garnered from their own survey – not data provided by us or related to this Longwoods database. So that is not a dataset we can provide.

Thank you and have a great evening.

Otie McKinley

Media and Communications Manager

Michigan Economic Development Corporation & Travel Michigan

300 N. Washington Square | Lansing, MI 48913

Mobile: 517.930.8049

mckinleyo@michigan.org

Exhibit G

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Wednesday, April 21, 2021 2:34 PM
To: Otie McKinley (MEDC)
Subject: FW: FOIA responsive documents

Hi, Otie:

I hope this email finds you well.

I just wanted to write and follow up with you on the exchange below.

Any progress?

Mike

From: LaFaive, Michael D.
Sent: Thursday, April 08, 2021 2:54 PM
To: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Subject: RE: FOIA responsive documents

Otie,

Good afternoon!

I hope you are well.

Thanks much for reaching out and letting me know.

Cheers,
Mike

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Sent: Thursday, April 08, 2021 2:50 PM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: FOIA responsive documents

Good afternoon Michael –

First off, my apologies that I am just getting back to you on this. I am working on this, and I will get back to you as quickly as I can.

Thank you sir.

Otie McKinley
Media and Communications Manager
Michigan Economic Development Corporation & Travel Michigan
300 N. Washington Square | Lansing, MI 48913
Mobile: 517.930.8049
mckinleyo@michigan.org

Exhibit H

LaFaive, Michael D.

From: Otie McKinley (MEDC) <mckinleyo@michigan.org>
Sent: Friday, May 28, 2021 1:01 PM
To: LaFaive, Michael D.
Subject: FOIA request

Good afternoon Michael –

You have likely received the response to your FOIA request. Chris Pike from Oxford Economics, cpike@oxfordeconomics.com, would be someone you might want to reach out to.

Thank you, and I hope you have a fantastic Memorial Day weekend.

Otie McKinley

Media and Communications Manager

Michigan Economic Development Corporation & Travel Michigan

300 N. Washington Square | Lansing, MI 48913

Mobile: 517.930.8049

mckinleyo@michigan.org

Exhibit I

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Tuesday, August 03, 2021 8:33 AM
To: Chris Pike
Subject: RE: Questions

Hi, Chris:

Thank you again for sending me this. In my original email I had asked for "any input assumption worksheets you may have used for 2019 and its related output ..."

You didn't mention those sheets in your response so I wanted to follow up and ask again if you could provide those to me.

Thank you for your time in advance.

Mike

From: Chris Pike <cpike@oxfordeconomics.com>
Sent: Thursday, July 22, 2021 11:59 AM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: Questions

Michael,

Good afternoon to you. Sorry for the late response – appreciate your understanding. I've gone from end-of-year crunch to July 4th vacation to a conference (for the first time since the pandemic hit). So, it hasn't meant much time in the office.

Anyway, regarding what Tourism Economics does for Pure Michigan regarding the modeling of the ad-spend ROI calculations. Simplifying the process down to a couple of steps, it would be:

- Receive the ad-supported visitor spending estimates from SMARI. These are usually broken out into somewhere between 5-8 spending categories, usually including something like: lodging, food, recreation, transportation, retail. Sometimes there may be some further breakouts of recreational spending but those five are considered to be the basic spending categories that come out of surveys
- Break out those aggregate spending categories into more specific industries for analysis of impacts
 - Essentially, we take those five-eight categories and break out that direct spending into 25-30 different industries to allow us to calculate impacts
 - As an example, we'll take food & beverage spending and break it out into the major food industries – including grocery stores, full-service restaurants, limited service restaurants and other food & beverage businesses. The breakouts will be a function of the general understanding of ad-influenced traveler spending, the region's economic industry breakouts and other understanding of the market – there is no set ratios. Breakouts will change both by region and over time.
 - As you note the major modeling software groups below – we lean towards IMPLAN – which is used in this case.
- Provide the analysis to Pure Michigan/SMARI

To your point about capital/labor-supply elasticities – we don't model it explicitly in this project but, what we subscribe to in IMPLAN is the latest year of models. IMPLAN does include those changes in the economy – understanding that, for

example, the employment needed to support \$1 million in lodging sales is going to be different in different years as productivity changes, the hotel base changes etc. etc. There certainly isn't a one-to-one change between spending growth and employment growth.

And, while I don't think I am able to send you IMPLANs multipliers, I can say that for most of the industries modeled, output multipliers are in the 1.6 to 1.8 range – of course with the understanding that retail multipliers are only on the retail margins, not the total spending/sale.

As to how SMARI uses the results from Tourism Economics – that'd be a question for SMARI. I am not involved in that part of the work.

Hope this gets you answers to your questions. Please let me know if there is anything else I can help you with.

Regards,
Chris

Christopher Pike
Director, Impact Studies
Tourism Economics
610.995.9458 office
215.760.9884 mobile

From: LaFaive, Michael D. <LaFaive@Mackinac.org>
Sent: Thursday, July 15, 2021 10:27 AM
To: Chris Pike <cpike@oxfordeconomics.com>
Subject: FW: Questions

Hi, Chris:

I'm just checking in to see if you can get back to me soon. It has been a month since my initial email and three weeks since your last response.

Thanks,
Mike

From: LaFaive, Michael D.
Sent: Friday, July 09, 2021 9:49 AM
To: Chris Pike <cpike@oxfordeconomics.com>
Subject: FW: Questions

Hi, Chris:

I'm just writing to follow up on your email about getting answers from you. You had mentioned the end of the quarter was keeping you busy. I'm just checking in to see if you've had a chance to get that busy period behind you.

Best,
Mike

From: LaFaive, Michael D.
Sent: Thursday, June 24, 2021 10:38 AM
To: Chris Pike <cpike@oxfordeconomics.com>
Subject: RE: Questions

Chris,

Thanks for the update. I'm very grateful.

Best,
Mike

From: Chris Pike <cpike@oxfordeconomics.com>
Sent: Thursday, June 24, 2021 10:04 AM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: Questions

Michael,

Good morning to you. Just quickly wanted to send my apologies for not getting to this yet. Alas, it is end-of-month/end-of-fiscal year for many of our clients with projects moving quickly. It is my goal to provide you what I can but my reply will likely be delayed into July at this time.

Thanks for your understanding.

Regards,
Chris

Christopher Pike
Director, Impact Studies
Tourism Economics
610.995.9458 office
215.760.9884 mobile

From: LaFaive, Michael D. <LaFaive@Mackinac.org>
Sent: Thursday, June 17, 2021 2:21 PM
To: Chris Pike <cpike@oxfordeconomics.com>
Subject: Questions

EXTERNAL EMAIL >> PLEASE TAKE CARE

Mr. Pike:

Thank you for your email of June 15 and your willingness to field my questions.

I've had an interest in the contributions of Tourism Economics to the larger ROI calculation for Pure Michigan since at least 2015, when the head of Longwoods International told me in an email that "D.K. Shifflet provides expenditure data to MEDC, and Tourism Economics, a division of Exford Economics does the modelling." What was left unspoken was precisely what type of modelling you do. That is why I am writing today.

Could you please describe for me the work that goes into providing (then Longwoods) SMARInsights with output that allows them to complete their studies for the Michigan Economic Development Corporation?

Specifically, do you employ an off-the-shelf model to do the modelling Longwoods International was referencing? If so, is it IMPLAN, REMI or a different model? Do your estimations make assumptions about capital supply elasticity or labor supply elasticity? In your response, could I also trouble you to tell me of any model multipliers or coefficients?

I would much appreciate your providing to me any input assumption worksheets you may have used for 2019 and its related output or other related methodological explanations.

Thank you for your time in advance.

Sincerely,
Michael LaFaive
Senior Director of Fiscal Policy
Mackinac Center for Public Policy



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Exhibit J

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Friday, August 20, 2021 11:52 AM
To: Chris Pike
Subject: FW: Questions

Hi, Chris:

I'm just following up on my request for any input assumption worksheet you may have used for your 2019 Pure Michigan-SMARI work.

I look forward to hearing from you.

Thanks,
Mike

From: LaFaive, Michael D.
Sent: Tuesday, August 03, 2021 8:33 AM
To: Chris Pike <cpike@oxfordeconomics.com>
Subject: RE: Questions

Hi, Chris:

Thank you again for sending me this. In my original email I had asked for "any input assumption worksheets you may have used for 2019 and its related output ..."

You didn't mention those sheets in your response so I wanted to follow up and ask again if you could provide those to me.

Thank you for your time in advance.

Mike

From: Chris Pike <cpike@oxfordeconomics.com>
Sent: Thursday, July 22, 2021 11:59 AM
To: LaFaive, Michael D. <LaFaive@Mackinac.org>
Subject: RE: Questions

Michael,

Good afternoon to you. Sorry for the late response – appreciate your understanding. I've gone from end-of-year crunch to July 4th vacation to a conference (for the first time since the pandemic hit). So, it hasn't meant much time in the office.

Anyway, regarding what Tourism Economics does for Pure Michigan regarding the modeling of the ad-spend ROI calculations. Simplifying the process down to a couple of steps, it would be:

- Receive the ad-supported visitor spending estimates from SMARI. These are usually broken out into somewhere between 5-8 spending categories, usually including something like: lodging, food, recreation, transportation, retail. Sometimes there may be some further breakouts of recreational spending but those five are considered to be the basic spending categories that come out of surveys

Exhibit K

LaFaive, Michael D.

From: LaFaive, Michael D.
Sent: Tuesday, January 18, 2022 11:59 AM
To: Chris Pike
Subject: Input Assumption Worksheet Request
Importance: High

Dear Mr. Pike:

You may remember me. My name is Michael LaFaive and I work for the Mackinac Center for Public Policy in Midland, MI.

I am writing you again today in search of the input assumption worksheet(s) I repeatedly requested of you/Tourism Economics last year as part of its modeling for 2019 "ad-spend ROI calculations" for SMARInsights/State of Michigan. I wrote you several times last year starting on June 15. I know that modeling work you do with IMPLAN is provided to another contractor for their own reports to the state of Michigan.

On July 22 I received a very helpful explanatory email about the methodology used by Tourism Economics for its ROI modeling. Then, as now, I appreciate it. What was conspicuously absent from that email was any response to my request for the actual input assumption worksheets.

I responded on August 3 and noted that you had not mentioned the sheets in your response and I asked again "if you could provide those to me." Having heard nothing for nearly three weeks I followed up again on August 20 and repeated my request again. I received no response.

Maybe this is just a coincidence, but I have also endured non-response responses from the MEDC and specifically with regard to input assumption worksheet questions. They ultimately suggested I reach out to you directly but doing so has not helped me obtain the critical piece of information that I seek.

I ask again, "Will you/Tourism Economics kindly provide them to me? I would be grateful if you could respond to me by this time next week so that I know whether or not I have to pursue alternative avenues of obtaining the documents.

Thank you for your time in advance. I look forward to your response.

Sincerely,

Michael LaFaive
Senior Director of Fiscal Policy
Mackinac Center for Public Policy