

Increasing Jobs and Prosperity in Southeast Michigan

Southeast Michigan's Economic Development Initiatives Summary of Interviews

SEMCOG, the Southeast Michigan Council of Governments, and the Metropolitan Affairs Coalition (MAC) recently released a regional economic development strategy - *Increasing Jobs and Prosperity in Southeast Michigan*. A task force composed of business, government, labor, education, economic and workforce development representatives guided development of this action-oriented strategy.

Interviews with representatives of Southeast Michigan economic development organizations provided the bed-rock information for development of the regional strategy. The original interviews have been updated and summaries are being presented herein as a standalone publication that can be consulted by those seeking more information on economic development programs.

The full version of *Increasing Jobs and Prosperity in Southeast Michigan* can be viewed online at <http://www.mac-web.org> or <http://www.semco.org>.

November 9, 2010

Business Attraction

	Ann Arbor Spark	Automation Alley	Detroit Economic Growth Corp
1. What industries or clusters of industries are you targeting for business attraction ?	Advanced automotive manufacturing & materials; Aerospace engineering & manufacturing; Clean technologies & Alternative energy; Information technology & software; Life sciences; Optics; and Printing & publishing (particularly IT based).	Automation Alley’s focus is on the technologies that are moving Michigan forward, including life sciences, advanced automotive, manufacturing materials, homeland security and defense technology, alternative energy, and information technology.	Two major areas of special focus: alternative energy and creative economy sectors. In addition to state targeted sectors (defense, life sciences, advanced manufacturing), focusing on some city-specific strengths and opportunities: professional/business services, IT, food processing, logistics and distribution.
2. What industries or clusters of industries are you targeting for business expansion ?	Same.	Same as above, but also including an increased interest in the defense industry as evidenced by our opening a second office in Macomb County dedicated solely to defense/military.	Working with manufacturers that might be prime for diversification into new sectors. Also, identifying companies that might take advantage of procurement opportunities from major anchor companies/institutions. In recent years have seen expansion of food processors and consolidation of regional companies within the city.
3. Are you targeting any industry types to geographically specific locations ?	Manufacturing and heavy research steered to existing infrastructure in I-94/ Aerotropolis region; IT & software targeted to core cities of Saline, Ann Arbor, and Ypsilanti.	Automation Alley’s reach extends throughout all of Southeast Michigan, including Genesee, Livingston, Macomb, Monroe, Oakland, St. Clair, Wayne, and Washtenaw counties and the City of Detroit.	The only geographic targeting is associated with the creative economy recruitment effort, which is targeted to greater downtown. Large office users, including research and development functions, are naturally targeted to the greater downtown because of the availability of suitable real estate and proximity of key assets. Industrial uses are steered to the most appropriate sites within key industrial corridors throughout the city.

Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
<p>Automotive/Automotive R&D; Advanced Manufacturing; Alternative Energy/Renewable Energy; Aerospace; Defense; Transportation/Distribution/Logistics; Life Sciences/Medical Devices</p>	<p>Plastics, advanced automotive manufacturing and materials, defense and homeland security, transportation/logistics, R&D/product testing, information/technology, battery (energy storage) and business start-up through entrepreneurial and intreprenurial product development.</p>	<p>Defense/Homeland Security; Advanced manufacturing; Advanced Automotive; Alternative Energy.</p>	<p>Focusing on the alternative energy sectors: proactive and reactive. Proactive: battery (advanced energy storage), wind, solar, bio-fuel, defense. Focus for the next 6 months is the supply chain side for alternative energy and defense industries. Reactive side: respond accordingly to inquiries.</p>
<p>Automotive/Automotive R&D; Advanced Manufacturing; Alternative Energy/Renewable Energy; Aerospace; Defense; Transportation/Distribution/Logistics; Life Sciences/Medical Devices</p> <p>The Partnership's Open Innovation program also helps companies in these and other sectors diversify their markets.</p>	<p>Through an aggressive business retention program, we identify and assist our auto supply base and every industry previously mentioned in new market development, intreprenurial product development, and advanced manufacturing and management techniques aimed at stabilizing, diversifying and growing new business.</p>	<p>Same, with emphasis on defense industries.</p>	<p>Same.</p>
<p>The 10 counties of Southeast Michigan</p>	<p>Advanced manufacturing, and product testing to western Livingston along the I-96 corridor. Defense, homeland security, transportation/logistics county-wide. Entrepreneurial and intreprenurial product development county-wide, and battery and information/technology east Livingston.</p>	<p>No geographic targeting. Communities are treated the same.</p>	<p>Not really. Have affinity to urban areas (e.g. Brownfield or extra years on MEGA); Diversification strategies in medical device industry and aeronautics.</p>

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

Business Attraction

	Monroe IDC	Oakland County	St. Clair County
1. What industries or clusters of industries are you targeting for business attraction ?	Not eliminating anybody - open to all comers. Not eliminating any area of industry.	Emerging Sectors: Advanced electronics & controls; Advanced materials & chemicals; Alternative energy & power generation; Automotive R & D; Biotechnology; Communications & information technology; Film and video production; Homeland security; Medical devices & instrumentation; Micro/nanotechnology; Robotics & automation. Also, Medical Main Street.	The County and Economic Development Alliance of St. Clair County (EDA) are partners. (EDA's Business Attraction). Areas include: Alternative Energy, Homeland security/Defense; There's also been talk about Medical/Bio-medical. Also, emphasis on growing your own jobs (local businesses/manufacturing) to expand, become more successful - mostly service sector.
2. What industries or clusters of industries are you targeting for business expansion ?	Same.	Same.	Mostly the same. EDA is working with existing industry to branch out into new endeavors/diversifying. Currently working with automotive sectors to diversify.
3. Are you targeting any industry types to geographically specific locations ?	Not targeting industry type as long as have infrastructure already available. US-23 would have to expand utilities, if needed.	No. Look at whole county. Businesses tend to arc from Orion/Auburn Hills west to Wixom/Milford.	Emphasis on steering development to existing industrial parks and structures, and along transportation hubs (freeway, rail) and offering water/sewer advantages. County master plan is consistent with this. Also, local and county incentives to steer commercial/service jobs to traditional downtowns.

SEMCA	ULI Detroit	Wayne County
<p>SEMCA part of broader economic development targeting - but not the lead. Michigan Works will work with employers willing to hire Michigan Works customers. MEDC or Wayne County Economic Development comes to SEMCA with targeted companies. Limited training funds used for those on high demand occupational list - each Michigan Works agency defines their own list, and the state has one, too.</p>	<p>The ULI promotes best practices in land and real estate. It is not a lobbying organization or supportive of any particular sector other than real estate at large. The real estate industry realizes that there are opportunities in sustainable industries (especially energy and environmental). The ULI is trying to help the real estate industry to understand the needs of these growing industries - many of whom deal with industrial space (strong industrial legacy).</p>	<p>Alternate Energy; Creative Industries/Film Design (includes video game design)/Arts; Advanced Auto Manufacturing/R&D; Life Sciences; High Technology; Advanced Communications; IT; Logistics; Homeland Security; Aerospace; Healthcare.</p>
<p>Each of the six Michigan Works agencies in Southeast Michigan determines its own targeted industries. Generally, all are emphasizing new economy industries such as advanced manufacturing, alternative energy, green construction/manufacturing, health care and life sciences.</p>	<p>Same.</p>	<p>Same.</p>
<p>NA.</p>	<p>Service area traditionally SEMCOG region but recent activities in Grand Rapids, Traverse City, and Flint. Urban areas.</p>	<p>Aerotropolis is a focus for logistics as a locational environment. Advanced technology more in the Northville and Plymouth communities. Also, life sciences R&D in these areas.</p>

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

Ann Arbor Spark

Automation Alley

Detroit Economic Growth Corp

4. Where are you **geo-graphically** reaching out for business attraction?

Domestically: California (Silicon Valley to San Diego); Texas, Atlanta, Florida, North Carolina (Raleigh-Durham), New York, Massachusetts/ Boston. Regionally: Chicago, some from Madison, Wisconsin, and a fair amount from Ohio. Internationally: Europe (Germany and Spain being the most obvious)

Automation Alley has narrowed its focus on the BRIC nations - Brazil, Russia, India and China - as those best to pursue. The organization is also expanding its reach within the United States with the introduction of domestic trade missions.

Continue to market Detroit regionally to companies/brokers considering a Southeast Michigan location to be on site selection lists. Do not have resources for international trade missions, but do participate with groups that do, and leverage their efforts to generate leads. Some limited national attraction efforts geared towards trade shows and site selection consultants, but also rely on partners to help with referrals for national leads.

5. What **tools** are you using in business attraction?

Extensive in-house research; university alumni networks; limited advertising.

Automation Alley primarily uses its successful trade mission program to attract businesses. To date, Alley trade missions have garnered \$151 million in contracts for the region and participating companies as well as creating 730 new jobs. Automation Alley also collaborates closely with local chambers of commerce with international focus, as well as offering meeting space at its Troy Headquarters for prospective businesses.

Using the standard tool box of tax incentives, workforce development incentives, etc. Also have developed a special incentive program for creative economy recruitment to help close gaps. Additionally, work with a variety of financial intermediaries to help close financing gaps. Leveraging local universities, companies to help identify and talk to potential leads.

6. Which appear to be most effective?

University relations open doors to senior officials; talent to some degree.

A combination of the above is the most effective.

Brownfield, MEGA, and workforce development.

Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
Europe (primarily Western Europe); Asia (South Korea, Japan, China, India); Canada; United States.	Through networking contacts we attract companies and investment globally from Brazil, Europe, Japan and Canada. Nationally, we have been successful in attracting new investment from California, Minnesota, Wisconsin, Ohio and Virginia.	Canada, China, Europe.	China, Japan, Europe. Follow-up with Business Attraction department.
Business attraction missions to the target regions; Participation in trade shows and expositions; The full range of state and local programs and incentives.	While we do not have a specific attraction budget, we leverage contacts and networking through existing businesses, brokers, banks, attorneys, builder/developers, and site consultants to market the I-96 corridor through Livingston County. Recently, we aggressively used our website and emails to market properties at bargain basement prices. Additionally, we use every state and local incentive available, and market our local workforce talent.	Trade missions; International Business Associations in Detroit area; Group events (Detroit Regional Chamber, Business Leaders for Michigan, Automation Alley); Typical incentives/tools used by most; County assists companies in understanding local site planning and development processes.	Tools include MEGA (most popular, but need legislature to authorize more credits), tax abatements, CDBG for infrastructure. Still the intellectual center of auto industry; not just about incentives, but also the brain capital.
The MEGA incentives are the most effective for those companies which qualify. The appropriate mix depends on the needs of the client company.	Networking, website, email, MEGA and tax abatement.	Tax abatements; Relationship building; MEGA tax credits.	MEDC Business Attraction efforts.

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

Monroe IDC

Oakland County

St. Clair County

4. Where are you **geo-graphically** reaching out for business attraction?

General. Reaching out any-place/any industry. Primarily to Midwest but open everywhere.

Europe (especially west Europe): Germany, Italy, France, U.K., Sweden. Asia: China and also Korea, Japan. North America: U.S. and Canada.

Looking all over the world - certainly focus on locations along existing corridor/routes (e.g., Canada/places farther west U.S.).

5. What **tools** are you using in business attraction?

Basically, any and all available through the state (MEDC). No local area tools that are unique to Monroe County (i.e., everyone has tax abatement).

Generate own contacts and relationships; MEDC; Automation Alley. Trade shows, individual meetings or off-site at trade show. Event or two for trade offices and officers representing companies from around the globe covering this area. The incentives work for everyone - the tools good for retention seem good for attraction.

State incentive programs; Job training programs to insure workforce properly trained; Many communities giving away land (see St. Clair City and Marysville). Essentially anything state allows, and getting creative. Creative loan programs with banks. The key: partnerships - anyone willing to collaborate. Aside from manufacturing, developing retail mkt. analysis tool to work with DDAs and downtowns, and also with entrepreneurs and business owners: Location analysis, Comparative analysis/ what works (computerized ESRI-based).

6. Which appear to be most effective?

Most beneficial: the popular state programs (MEGA, Brownfields).

Tax credits from MEGA; local tax incentives; job training assistance; job recruitment; or interviewing assistance; and personal service.

For Industry: Tax incentives & free land. For attracting people to downtowns: DDA's or partnerships with local foundations (e.g. startup grants); SBA Loans & Business planning.

SEMCA	ULI Detroit	Wayne County
NA.	Same.	Internationally, Italy, China and India. Nationally, partner with Detroit Regional Chamber and others to identify targets that fit with county's objectives. Participate in key national conferences (e.g., National Clean Energy, Green Technology, and Bio-tech Conferences).
NA.	Help members argue the case that the availability of good real estate is really important/ including marketing; otherwise does not apply. Land and property a vital element.	All of the standard incentives that are available. Local tools include PA 198 and PA 328. County developed TURBO to provide local benefits, especially when companies are unable to qualify under 198.
NA.	NA.	MEGA and TURBO have been the most effective, along with local tax incentives and job training.

Business Retention

	Ann Arbor Spark	Automation Alley	Detroit Economic Growth Corp
7. What strategies are you employing for business retention?	Very active retention program. Significant networking and business engagement programs.	Membership within Automation Alley affords local businesses the tools needed for success and growth. Specifically, Automation Alley offers seed funding to qualifying technology companies in Southeast Michigan as well as provides a local match for MEGA applications up to \$45,000.	Proactive calling program that focuses on (1) companies at risk of leaving the city or closing down, (2) companies that have growth potential, (3) companies with expiring leases. In addition, companies are prioritized based on sectors and size, but many small and medium-sized firms are included, especially if they represent long-term growth opportunities. In addition, begin to look at sectors that can take advantage of procurement opportunities from significant anchor employers.
8. What are you doing to build more opportunities for existing businesses?	Business Critical Introductions Program.	Diversification opportunities are one of the building blocks to Southeast Michigan's new economy. In particular, Automation Alley is focused on assisting manufacturers diversify into the lucrative military industry. Automation Alley works very closely with the military, specifically with TARDEC and the U.S. National Automotive Center to offer procurement opportunities to those who qualify.	Efforts are focused on expanding relationships with outside resources that can help individual businesses address business problems, unlock innovations and otherwise tap growth opportunities. In addition, focusing on building internal capacity to best assist companies with business to business connections.

Talent

9. What is your role in attracting and retaining educated workers?	Talent enhancement component with full-time connections for job seekers. Entrepreneurial Boot Camp.	Automation Alley works very closely with area colleges and universities to ensure that the needs of Southeast Michigan's high-technology companies are being met through its Workforce and Education Committee and a dedicated workforce development staff member.	Part of organization's role is to create a vibrant and welcoming physical environment that is attractive to talented workers, which takes place through a variety of district redevelopment initiatives. In addition, constantly exploring potential new services and connections that might help employers address talent attraction/retention issues.
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Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
<p>The Partnership collaborates with MEDC and local economic development organizations, which have the primary retention responsibilities in their markets.</p> <p>The Open Innovation program helps companies diversify their markets.</p>	<p>Strong, aggressive one-on-one business retention meetings coupled with a solid partnership with Michigan Works! Livingston County. We also use private sector partnerships with banks, brokers, attorneys, accountants, and local and state economic development tools to problem solve for business.</p>	<p>Retention program attempts to visit every business at least once per year - especially manufacturing industry; Host seminars on business diversification into related sectors.</p>	<p>Retention calls for companies over 100 employees; Retention MEGAs.</p>
<p>The Open Innovation program, which is expanding, identifies opportunities for businesses to serve new customers, primarily in the manufacturing sector, and matches regional suppliers with those opportunities. The opportunities can be in this region or anywhere in the world.</p>	<p>Assist with business planning, pre-work business training, cash identification techniques, financial assistance, and assist with diversification planning, strategies, and market identification. Business stabilization and sustainability are key in the current economy.</p>	<p>Diversification seminars.</p>	<p>The key thing is the diversification seminar effort; Michigan Diversification Loan Program (coming from 21st Century Job Fund); some retraining funds related to Diversification summits.</p>
<p>The Chamber is a convener for workforce training organizations and initiatives. The Chamber and its partners completed a successful series of projects through the Workforce Innovation for Regional Economic Development (WIRED) program funded by U.S. Department of Labor. The Chamber has also completed state-funded projects in the Regional Skills Alliances. Currently, the Chamber is leading the Intern in Michigan program to retain college-educated talent throughout the state. Another current focus is training for the Transportation/Distribution/Logistics (TDL) sector, where the Chamber will serve again as a regional convener. The Chamber Foundation is supporting the work of Global Detroit to attract skilled immigrants to Southeast Michigan.</p>	<p>We work in conjunction and partnership with the Livingston County Workforce Development Board, Livingston County Michigan Works, Livingston M-Tec, Mott Community College, Lansing Community College and Cleary University.</p>	<p>Working with community colleges and universities on relevancy of program offerings to manufacturers and others; county workforce development agency; MI Works office.</p>	<p>No Worker Left Behind Act; Through DELEG there are a lot of efforts retraining workers that have been laid off.</p>

Business Retention

Monroe IDC

Oakland County

St. Clair County

7. What strategies are you employing for business retention?

Regular calling on existing businesses. Always ask existing businesses if “anyone wants to move to MI” - this has been effective; personal relationship is most effective.

Targeted number of retention calls spread out among Emerging Sectors and Auto, partnering with MEDC and often local economic development person. Small business program through Business Center a big part of retention for small businesses includes one-on-one counseling, seminars, and other training.

EDA makes business retention calls and follow-up (at least on manufacturing side); For service sector - local chambers and DDAs making retention visits.

8. What are you doing to build more opportunities for existing businesses?

MEDC Diversification Conference (steering existing auto related companies into that program).

Host seminars on business diversification; Programs for minority, women-owned, and small businesses; Annual government procurement seminar.

Retail market analysis tool; local incentive programs; collaboration; small business concierge; county & community foundation partnership

Talent

9. What is your role in attracting and retaining educated workers?

Relationships with local universities (EMU, U of M, University of Toledo) and Monroe County Community College

Supports local educational institutions. Workforce development program within department oversees Michigan Works. Visit headquarters of major employers and provide quality of life materials.

Master plan grounded in quality of life - places where people want to live, highlighting: amenities, recreation, traditional downtowns, water, and how this all ties together, leading hopefully to new businesses. Michigan Works job training initiatives; St. Clair Community College working toward emerging fields training including alternative energy.

SEMCA	ULI Detroit	Wayne County
<p>Business service reps make door-to-door visits to companies - increasingly, workforce development funding/ assistance is the “ask.” Southeast Michigan Leadership grant was an integral component for developing/ enhancing network of government, nonprofit, and businesses assisting companies to grow, preserve jobs, and develop collaborations. Directory of business service professionals in Southeast Michigan was developed (21st Century Report). Quarterly meetings of SEMWAC with collaboration of development/ business service professionals.</p>	<p>Reduce overall cost of doing business in Michigan - taxes. Also, regulatory environment (state, local) not conducive to retaining businesses.</p>	<p>Working in partnership with Business Diversification activities and attempting to strengthen companies historically relying on auto. State’s retention MEGA’s are important. Conduct retention calls based on set of criteria ranging from new target areas to traditional sectors (i.e., automotive manufacturing, suppliers).</p>
<p>Being part of the message that we have the skills already in our workforce, or if not there we can help fund enough people in the workforce to meet your needs. But, the demand now is greater than the resources, so must prioritize based upon what new industry/new technology is being brought to the table (e.g., lithium ion battery manufacturing).</p>	<p>Networking to illustrate new facilities (e.g., sustainability industry) and business opportunities to market facilities/ space to emerging industries.</p>	<p>Helping companies diversify into new sectors, and identifying companies that have been successful in doing so. Help companies with how to diversify and with funding sources available to support these efforts.</p>
<p>The go-to agency for both the training institutions and for companies not finding the skills in the workforce. Put the training institutions and companies together to customize programs.</p>	<p>ULI hosts education events throughout year to convey latest ideas for improvements that will help retain educated workers.</p>	<p>Promoting and selling the region along with targeted local marketing efforts. Work with universities to demonstrate career and educational opportunities. Support local workforce training and retraining efforts. Also working with our economic development partners to lure talent back to Michigan.</p>

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

Ann Arbor Spark

Automation Alley

Detroit Economic Growth Corp

10. How are workforce development efforts tied to your overall economic development efforts?

Strong relationship to Michigan Works program. MEGA-P Partnership focusing on high-value knowledge talent.

Automation Alley works very closely with Southeast Michigan's Michigan Works! offices, as well as The Southeast Michigan Community Alliance.

Work closely with the City's internal workforce development department. Try to match the training needs from employers (both attraction and existing ones) with the resources at the workforce development department (i.e., City's Workforce Board). Match the client directly to the workforce development department to tap into grant money. Also, similar for attraction. Economic development role is to provide this matching and help manage relationship.

Challenges and Opportunities

11. How is your economic development effort organized?

Public private partnership (501(c)3 and (c)6). Not a membership organization. Also, AA Spark manages several contracts (e.g., pre-seed fund).

Automation Alley has partnerships, both formal and informal, with The Southeast Michigan Community Alliance, area workforce development agencies and local municipalities.

Three functions. Physical place-making/physical redevelopment (infrastructure and building development); Business attraction and Business retention function; Larger economic development initiatives impacting the overall climate for businesses and the City (e.g., Cobo Hall, M-1 Rail). 501(c)(4) with a 501(c)(3) arm, provide staff services via contract to the city's public redevelopment authorities.

12. Who governs your effort?

Privately appointed Board of Directors.

Automation Alley is governed by an elected Board of Directors, which is comprised of the area's leading business, government and education leaders.

Private non-profit organization governed by a board. Contract with City of Detroit to manage its public development authorities, whose activities are governed by their own boards.

13. What are the three strongest selling points when attracting businesses?

Access to talent; Access to technology; Quality of living in region.

Talent, quality of life, and the strong infrastructure the region offers.

(1) Low barrier to entry in a significant American city with nationally recognized cultural and entertainment amenities; (2) Proximity to great centers of research and development and talented, underutilized workforce; (3) International border location and access to global markets.

Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
<p>The Detroit Regional Chamber's efforts are closely tied to the Partnership activities and are informed by the needs of employers in Southeast Michigan.</p>	<p>Very closely tied. Employee training and re-training are key business attraction and retention economic development tools.</p>	<p>Understanding availability of the workforce important to county - conducted CEO study on reasons for their location decisions - Key findings: Availability of a qualified workforce and Quality of Life.</p>	<p>Economic development job training program (currently out of money - hoping for reauthorization, but never enough); MI Works has federal funding opportunities; training programs through community colleges.</p>
<p>Detroit Regional Economic Partnership is a program that operates through the Detroit Regional Chamber Foundation. Investors and participants include businesses, regional economic development organizations, and MEDC. In consultation with these partners, the Chamber is re-evaluating the role of the Partnership and re-inventing its programs.</p>	<p>501(c) 3 non-profit with public sector contracts and private sector funding partnerships.</p>	<p>County Board of Commissioners.</p>	<p>Organized in terms of attraction and retention; Also, the New Markets area is part of this process, by looking at Michigan strengths/ talents; and how to attract a startup industry to attract a core that attracts others.</p>
<p>An advisory board of the investors.</p>	<p>Governing board of directors consisting of private/public sector stakeholders and community representatives.</p>	<p>Same.</p>	<p>Governed by a private/public board.</p>
<p>(1) The talent and skills of the workforce. (2) The presence of major worldwide headquarter operations, and the strong research and technical base of the automotive and university sector. (3) The quality of life in the region and the variety of living opportunities.</p>	<p>Great location and accessibility to major highways (I-96, US-23, M-59) and railroad (CSX), strong, educated, trained workforce, and business friendly local governments with low priced business and light industrial facilities and shovel ready property, local incentives, and a high quality of life.</p>	<p>Qualified & Trained Workforce; Quality of Life; Financial Incentives.</p>	<p>Talent; have reformed tax structure (about 27th in business tax burden) - very helpful for manufacturers.</p>

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

Monroe IDC

Oakland County

St. Clair County

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| <p>10. How are workforce development efforts tied to your overall economic development efforts?</p> | <p>Work closely with SEMCA and MI Works office, and use as an attraction tool, too.</p> | <p>Works with Michigan Works office to ensure qualified workforce for company - often conducts interviews on companies' behalf.</p> | <p>The County works with the EDA on this.</p> |
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Challenges and Opportunities

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| <p>11. How is your economic development effort organized?</p> | <p>Basically a partnership (formal/informal) with SEMCA, Workforce Development, and municipalities themselves.</p> | <p>Under County Executive - mostly funded by General Fund.</p> | <p>Through the EDA - local communities are members and some local businesses are members. Dues help pay bills. Board of Directors and General Board governs activity.</p> |
| <p>12. Who governs your effort?</p> | <p>Elected board primarily from business community from the Monroe County industrial area.</p> | <p>County Executive directly, as well as Board of Commissioners. Economic Development Corporation and Business Finance Corporation and the respective Boards also govern two fixed asset financing programs.</p> | <p>Partnership with Economic Development Alliance of St. Clair County (EDA).</p> |
| <p>13. What are the three strongest selling points when attracting businesses?</p> | <p>Availability of land along US-23 or I-75; location between Detroit/ Toledo/ and Ann Arbor (and related opportunities); Transportation (highway/rail-road).</p> | <p>Highly-educated workforce (talent); Quality of life and diversity of live/work space (suburban - urban - rural); concentration of technology and advanced manufacturing companies.</p> | <p>Incentives; Availability of land; Quality of life.</p> |

SEMCA	ULI Detroit	Wayne County
<p>The SEMWAC 21st Century Initiative is a key effort to unify workforce development efforts with traditional economic development efforts. MWAs are devoting more and more of their resources to the immediate needs of employers who are hiring.</p>	<p>NA.</p>	<p>No Worker Left Behind Initiative assists with retraining workers in emerging sectors. County assists the Workforce Boards by identifying companies' specific talent requirements and training needs. Wayne County continues to work closely with SEMCA and the county's 4-year universities and 2-year community colleges to identify and fill workforce development needs.</p>
<p>Coordinate regularly with economic developers.</p>	<p>Committee in place to connect ULI members with local community economic development efforts.</p>	<p>EDGE (Economic Development Growth Engine) is the principle department within Wayne County that oversees economic development initiatives. EDGE is multi-faceted and oversees efforts in areas related to real estate development, housing, community development, and redevelopment, as well as business attraction and expansion.</p>
<p>Each MWA has a Workforce Development Board; SEMWAC enhances collaboration; Steering Committee for the 21st Century Initiative.</p>	<p>Steering Committee of ULI Detroit District Council.</p>	<p>Wayne County EDGE Department is directly under the County Executive.</p>
<p>Our ability to assist employers with recruiting, screening, testing, and training new employees. Identifying/providing funding for on-the-job training.</p>	<p>Reaching out to provide services to organizations tangentially related to real estate in order to survive (e.g. finance, banking, legal) and networking with engineers, architects, and others - all involved with sustainability.</p>	<p>Aggressive incentive package; Expedited permitting process in conjunction with local communities; Leveraging physical resources including transportation, highway, ports, and rail; Promoting Wayne County's diversity and quality of life, and advanced workforce.</p>

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

	Ann Arbor Spark	Automation Alley	Detroit Economic Growth Corp
14. What are the three greatest impediments or barriers?	Need for “selling” Michigan first; limitations on entrepreneurial funding support; lack of equity funds.	Lack of access to capital, lack of a competitive state business tax structure, and restructuring of the auto industry.	(1) Very few large sites that are already assembled (i.e., greater than 50 acres); (2) Neighborhood blight; (3) Perception of crime.
15. What are the three strongest selling points for retaining businesses?	Access to talent; Access to technology/innovation; Quality of living in region.	Southeast Michigan has an incredibly talented workforce, in addition to a fantastic quality of life that’s second to none. It’s also important to note our strong advanced manufacturing cluster.	Proximity to university and other research/technical opportunities; Workforce; Opportunity to access global markets.
16. What are the three greatest impediments or barriers?	Dependency on manufacturing; traditional means for business are difficult; poor economic climate.	Emerging/start-up companies have a difficult time securing capital. In addition, the tax structure has proven to be a barrier, as well as an unpredictable political climate.	Access to capital; Shrinking local markets (i.e., lot of businesses were dependent on auto industry and it’s difficult making transition - the local market is shrinking to them); Complaints about city services.
17. Do you have strategies for attracting private investment capital for business start-ups or expansion?	For startups: \$17 million Small Cap Fund. Also \$1-1/2 million Micro Lending Fund (funded from variety of sources); working closely with financial institutions (primarily banks) for access to debt. For expansions: primarily venture capitalists (relationships throughout state and along coast). Also traditional tools like bonds, government tax incentives and a good network of angel investors.	Automation Alley’s Business Accelerator Program offers seed funding to qualified start-up technology companies. The fund offers companies in competitive edge technologies access up to \$250,000.	Leveraging existing partners and networks.

Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
Cost of doing business in Michigan; The image of Michigan and Detroit; Shortcomings in incentives packages.	Cost of doing business in Michigan (business tax, energy cost, medical insurance cost, employee cost), negative perception of the Michigan business climate in general and Detroit/Southeast Michigan specifically, and lack of local economic development and marketing resources.	Perception nationally of the Detroit area; Difficult making business case to outside companies; Concern with the state business tax system.	
The same advantages that attract new businesses to the region.	The logistics and cost of moving the business or manufacturing operation; access to trained, educated employees with a strong work ethic; and access to technology and innovation through our major universities.	Quality of life (Midwest/ Detroit area life style), but have reasonably priced land. Once they're here, able to keep them. Visits to them help - showing interest.	Talent; auto industry still very important here; supply base very strong.
Business costs; A weak entrepreneurial environment; Financing in today's environment.	The negative perception of the State and the greater Detroit area, lack of political collaboration, business costs (taxes, labor, energy, and healthcare), and financial capital for start-up, expansions and diversification. There is general concern that State government is focusing on assisting only certain manufacturing sectors.	Big barrier is state incentive program - based heavily on attraction.	Perception that we're a union town (only about 35% of firms are unionized); perception of weather; some of the costs of doing business are high (electric costs high).
The Partnership supports the programs of other organizations in this area.	Networking with local and regional banks promoting the SBA504 and 507 loan programs, identifying venture capital and angel investor resources, and working closely with our business and manufacturing companies on improving their current business practices and cash management. Workshops and management training have significantly improved many of our small companies' cash position and sustainability.	Macomb/Oakland University Incubator for startups and tie-into private venture capital.	Foster private investment; Venture Michigan Fund and 21st Century Fund; angel investment.

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

	Monroe IDC	Oakland County	St. Clair County
14. What are the three greatest impediments or barriers?	Infrastructure - lack road, water, sewer, interchanges.	Fall/decline of auto industry perception/reality of taxing environment - particularly the Michigan Business Tax; Perception of unions by outsiders and site location consultants - at least for business attraction.	Land; Media coverage; Sometimes workforce.
15. What are the three strongest selling points for retaining businesses?	Help them identify new clients or new potential business partners; work on commercial side with strong “Buy Local” campaign with chamber.	Workforce/talent/education system; quality of life via varied living environments and yet part of a major metro area; strong industry clusters.	Location (take advantage of border-crossing); transportation network; and quality of life.
16. What are the three greatest impediments or barriers?	Client base as the economy goes bad, so, move or perish.	Perception of unions; Michigan Business Tax; Decline of auto; Sometimes the regulatory environment (DEQ/DNR/Home Rule).	Lack of mass transportation; Strong tie to auto industry/and its fates and fortune; Workforce (lack of proper skills especially in service/retail sectors).
17. Do you have strategies for attracting private investment capital for business start-ups or expansion?	Small Business Technology Center (SBTC) for Monroe County; Relationship with local banks; Also, work with state for MEGA grant.	SBA 504 Certified Development Company offering fixed asset financing. Also offer tax exempt revenue bonds through the County EDC. Also, network with Automation Alley for Angel/ Seed Capital; keep aware of who else is out there in that early stage financing (Venture Capital or other seed funds - always keeping finger on pulse).	EDA - financial institutions and mechanisms; local trusts/ foundations providing startup capital; angel investors. Foundation and Chambers, DDAs working together to put incentives together (financial/ coaching).

SEMCA	ULI Detroit	Wayne County
Inadequate resources at times depending on asks/requests of employers. Also, skills not there yet to meet the specialized needs of employers.	See above.	Auto dominant economy; Limited Venture Capital resources; Negative perception of Michigan nationally as anti-business.
Our ability to assist employers with recruiting, screening, testing, and training new employees. Funding Incumbent Worker Training for small auto suppliers to re-skill their workforce, provide Quality Improvement training, and market their capabilities to potential new customers.	(1) The depth of business connection/networks. (2) Quality of life in the region. (3) Access to markets from businesses located in Southeast Michigan.	Work ethic; Large employment pool especially high-tech and engineering; Education institutions.
Availability of credit. Limited training funding.	See above.	Incentive packages that can compete with other states; Lack of capital/venture capital funding; Business taxation policies in Lansing/regulatory environment.
NA.	Do not have strategies for attracting - private.	Encouraging private sector Venture Capital pools (e.g., groups like Business Leaders for Michigan); Working with foundations and other institutions (e.g., New Economy Initiative); Identify state and federal resources; Promote local opportunities.

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Ann Arbor Spark

Automation Alley

Detroit Economic Growth Corp

18. What has been effective?

For large companies: the state incentives (millions of dollars of impact); For startups: pre-seed and micro lending funds as well as access to venture capital, angel investors, and banks.

Automation Alley's Business Accelerator program has been highly successful. To date, Automation Alley has invested \$5.5 million in 27 local companies, generating 550 new jobs. These 27 companies have raised an additional \$63 million in additional capital. In addition, the state's pre-seed fund has been successful, as well as the 21st Century Jobs Fund.

Relationships with some financial intermediaries that are Detroit-specific and have developed very good partnerships with them.

19. What are the challenges?

Not enough funds and meeting funding requirements.

Access to capital, venture capital in particular, has been a chief challenge.

The need is greater than the resources available.

20. Do you have partnerships with the education community?

Two major universities and a community college (U-M, EMU, Washtenaw CC) - the key partners on all startup activities (i.e., access to alumni), *Note: The Universities are a missed opportunity for many other economic development organizations - one of the biggest assets not being better deployed.

There are more than 40 members of academia that belong to Automation Alley, ranging from community colleges, universities, and intermediate school districts. We work with each to determine the needs of Southeast Michigan's business community.

Developing those partnerships, particularly with the three main research universities.

Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
NA.	Management training, turn around strategies, and networking with local and regional banks has been effective and successful.	Same.	The new loan program has been the most effective.
A lower level of overall economic activity; Shortage of capital for existing businesses and new deals.	Bank and investor funding requirements, negative perception of auto industry and supply base, devaluation of property, buildings, and equipment. Capital drain happened so quickly, many companies were caught off guard and our federal and state governments and public sector policies have created a huge impediment to business and employment recovery.	Funding is limited and venture capitalists concerned with risk - especially not wanting to invest in automotive-related manufacturing companies.	Get the banking sector to stop redlining Michigan.
In addition to the programs listed in Item #9, the Chamber partners with foundations, colleges, businesses, and individual contributors to help transform education in Detroit. The Detroit Compact provides college tuition for graduates of Detroit high schools who meet certain standards. The Chamber is partnering with Excellent Schools Detroit, which has a goal of opening 35 new high schools over the next 10 years. The Chamber has strong relationships with the community colleges and is building relationships with higher education, as well.	Yes, very strong partnership with Livingston County Michigan Works! and local workforce development board, the Livingston M-Tec, Mott Community College, Lansing Community College, Michigan State University, Cleary University, the Livingston ISD and five local school districts.	Workforce training; Oakland University incubator; Wayne State University logistics program; Michigan State University osteopathic medicine facility.	Work a lot with community colleges and to some degree universities with technology transfer for industries.

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

	Monroe IDC	Oakland County	St. Clair County
18. What has been effective?	SBTC (depending on size of business); and personal relationships.	SBA 504 program has been extremely effective historically (has been expanded to generally adjacent counties).	Same.
19. What are the challenges?	Money is tight right now - local banks will not fund projects that were funded five years ago.	Challenge educating lenders and making case; companies do not believe that help is there.	Getting the individual entities to work together; small business lack of understanding of business planning process making it difficult to attract funding.
20. Do you have partnerships with the education community?	The IDC's Director is the retired County Superintendent of Schools, so have close relationship with the schools. Also, taking advantage of new Act in Michigan that allows Community Colleges to bond for certain types of training programs.	Partnership with Oakland Intermediate Schools for Mandarin Chinese and Chinese culture; Annual Oakland County Economic Luncheon - with Fulton & Grimes (University of Michigan) and the longstanding co-host: Oakland Community College (25 years). with information used by O.C.C., Oakland Schools, Kelly Services and others to understand where jobs created & training programs/classes; Lots with O.C.C. in emerging sectors and with Workforce Development Division. Oakland University and Lawrence Technological University are strong partners on specific initiatives.	Dean of workforce development at college - working and growing relationship and the EDA, and more.

SEMCA	ULI Detroit	Wayne County
NA.	NA.	Life Science Innovation Center in Plymouth, a partnership between the State of Michigan, Wayne County EDGE, Ann Arbor SPARK, New Economy Initiative, Pfizer, and venture capitalist Esperion.
NA.	NA.	Gap in resources to support business accelerators and new startups.
Work very closely with career tech organizations, community colleges, proprietary schools, private colleges; group training/customized training for employers, as well as making sure the institutions understand what the employers are seeking. There are capacity issues (President Obama has mentioned this) - more people want this kind of training, but there are lab space and faculty constraints; Education Advisory Group (EAG) at each Michigan Works agency.	20 year long partnership with the University of Michigan. New formal connections with Central Michigan University and Wayne State University.	Partnerships in multiple forms, including with universities, community colleges, and other local institutions that support Business Attraction/Retention, Startups, Technology Transfer. Strong support for R&D initiatives.

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

	Ann Arbor Spark	Automation Alley	Detroit Economic Growth Corp
21. What have been the successes?	In the three years developing a brand, approaching nearly \$1 billion investment in companies (i.e., Google, Toyota, Aernnova Engineering, Barracuda); working with universities for jobs (8,000 range in new jobs and 6,000-7,000 jobs retained that would otherwise be lost); over 200 startups looking for all kinds of support (talent, research, introductions, Boot Camp, business planning).	Automation Alley has successfully collaborated on a number of workforce development initiatives, including our Global Trade Mission which simulates an international trade mission for high school students, our partnership with Lawrence Technological University to help train displaced automotive workers in the defense industry, and our efforts in working with the Defense Acquisition University in training university students to fill senior civilian positions by 'baby boomers'.	Collaboration with Techtown.
22. What are the challenges?	No serious challenges.	No serious challenges.	
23. What three things would you like to see changed at the state, regional or local level to enhance our economy?	Need long term commitment to Innovation-based talent; Commitment to Education System; and Investing long term in entrepreneurial culture.	Continued collaboration is key to enhancing Southeast Michigan's economy. A consistent business tax and strong leadership in Lansing is needed. Specifically: Create a Michigan Innovation Council of entrepreneurs and economic development leaders to ensure government resources and activities are coordinated, sustainable and transparent.; Rejuvenate MEDC's mission by supporting successful regional and innovation-led economic development entities/efforts; Enact "Economic Gardening" tax and incentive policies to increase business investment in R&D and institute ongoing reviews of tax and regulatory frameworks to ensure an environment that fosters innovation; Focus the mission of the 21st Century Jobs Fund to support high-growth technology companies capable of growing jobs, attracting new investment and diversifying our economy.	(1) Greater emphasis placed on re-using existing commercial and industrial sites as opposed to developing new ones; (2) Increased focus on investments and physical infrastructure (e.g., physical transportation infrastructure, physical site redevelopment; water & sewer; broadband); (3) State-wide recognition that strong central cities across the state are important to regional economic development with resources and policies to support that.

Detroit Reg Econ Partnership	Livingston County EDC	Macomb County	MEDC
<p>The Chamber has facilitated about 50 partnerships with high-performing K-12 schools. In the Excellent Schools initiative, two high schools opened for Fall, 2010, and four more are scheduled to open next year. The Detroit Compact provided tuition for 135 freshmen entering college in the 2010-2011 academic year and maintains about 400 students in college at any given time. Over the life of the Compact, about 2,500 Detroit students have entered four-year colleges in Michigan.</p>	<p>Building a collaborative network focused on identifying business and workforce needs and developing training programs that will lead to jobs in our communities. This community effort is also creating a better understanding of new technologies, innovative thinking, entrepreneurial spirit and how jobs are created.</p>	<p>Same.</p>	<p>Strong record of building curricula with community colleges - economic job training awards.</p>
<p>The scale of the issues confronting education at all levels in Michigan; The deeply-entrenched habits within the K-12 sector; The historical disconnect in public perception between education and economic performance; The era of more limited resources.</p>	<p>This is a slow, time consuming, and often frustrating exercise. Education is slow and often resistant to change. Livingston County does not have a community college and therefore it is hard to find a leader to promote the educational changes and job training required to move this process forward.</p>	<p>Funding.</p>	<p>Never enough money and certain restrictions on federal funds (not an impediment, but just not enough funds). More of a problem with smaller projects if not on a competitive basis.</p>
<p>A more aggressive, holistic approach by the state toward making Michigan a compelling place for business; Much stronger collaboration among the economic development organizations - state and local; A re-invigorated, re-invented, re-focused Detroit Regional Economic Partnership.</p>	<p>Our leaders need to look forward in a collaborative effort to market Michigan's resources globally, eliminate duplication and local/regional in-fighting and political turf wars. Michigan needs a cohesive economic development plan that will fund and strengthen local, regional and state economic developers so they can focus on growing our existing business and manufacturing base, attracting new global investment and creating and retaining sustainable jobs for our Michigan families. The state, regions and local governments need to dramatically reduce the cost of doing business in Michigan. Business develops, expands and creates jobs when it makes a profit. If business can't profit in Michigan, it will invest and create jobs elsewhere.</p>	<p>More incentives for existing/retaining businesses; Work together as region to attract industry and investment; Invest in education.</p>	<p>Improvements in coordination on a regional basis (lots of competition between counties and cities); Communications needs to be better (e.g., between counties and MEDC); some incentives need to be targeted - getting at business case and internal consistency in some of own policies; Also, lots of regional efforts (e.g. Det. Renaissance, Chamber, DEGC), but not a lot of trickling down of information to staff level (i.e., everyone seems to be moving in different directions).</p>

Economic Development Initiatives in Southeast Michigan Summary of interviews updated August – October 2010

	Monroe IDC	Oakland County	St. Clair County
21. What have been the successes?	Monroe Community College and the GEMA - Global Engine Manufacturing Alliance (joint venture with Chrysler, Hyundai, and Mitsubishi) - where every employee had to have at least an Associates Degree - grant for Community College for all the training.	Economic Forecast (25 years); Emerging sectors program resulting in \$1.5 billion in investment and 30,000 jobs created and/or retained since 2004; Stronger downtowns since 2000 in part due to Main Street Oakland County commercial revitalization efforts.	Startup business support; Entrepreneurial Expo through community college.
22. What are the challenges?	The education partner having the resources to get done what needs to get done (e.g., special training - have to help them go out and look for the money - Community College/Michigan Works/Grants through MEDC MEGA program.	Continual need for general public to strive for completion of high school and advanced education; Perception of our region locally and nationally.	Difficult building a unified front and growing from failure.
23. What three things would you like to see changed at the state, regional or local level to enhance our economy?	State level - (1) Michigan tax structure needs to be changed to be more friendly to business; (2) More money needs to become available for infrastructure work; (3) need to focus on investing in small businesses rather than being concerned with press releases on companies that have yet to be tied-up.	(1) Positive regional marketing campaign aimed towards ourselves (don't beat ourselves up); (2) More focus on business-friendly policies encouraging business investment; (3) Infrastructure is in need of repair.	(1) Tax reform; (2) Incentives built around the New Economy; (3) Look at Michigan as a whole & downtowns scattered about - need density, mass transit, transit-oriented development and development around stations (4) Level playing field - with state not picking geographic winners and losers (St. Clair County's joining the North County Alliance because of incentive tools provided to one region and not another is harmful to region as a whole); (5) Workforce should be tied to overall development.

SEMCA	ULI Detroit	Wayne County
<p>Providing funding to train incumbent and unemployed engineers to obtain certification in Hybrid Electric Vehicle Engineering. Henry Ford Hospital/Oakwood Hospital/Henry Ford Community College/Dearborn "ACCESS": SEMCA funded a program for work-eligible welfare recipients to be trained in a customized training program that hospital systems designed. SEMCA can provide a student that is certified and can have high prospects of being hired by the health system.</p>	<p>U-M/ULI Real Estate Forum connects to the Alumni and Ann Arbor - a good model.</p>	<p>Successful in attracting businesses like General Electric, Ricardo, Tempo Group, and IAV Corporation, reflecting a growing and diverse range of investments. \$2 billion in new investment in 2009.</p>
<p>Sustained commitment by employers to provide input; Funding.</p>	<p>Losing talent and fewer young people attending these programs. Tough keeping strong networks of younger people.</p>	<p>Matching academic goals/objectives with those of the private sector.</p>
<p>Skills of the New Economy are extremely critical - as Michigan shifts from traditional manufacturing to advanced technology manufacturing and other emerging industries, it is important that workforce understands need to upgrade, and for the education community to offer the right programs, and for the right amount of resources to be there. Otherwise, companies will be at a disadvantage when competing, or will go elsewhere where the right-skilled jobs are.</p>	<p>(1) See above regarding the tax environment; (2) Regulatory environment; (3) Members frustrated by lack of innovative thinking coming out of state level machinery of economic development.</p>	<p>Reduction in Rules/Regulations, Acceleration of Permitting, and Restructured Incentives (both State and Local levels). Improvement with regional cooperation. More effective pro-business marketing. Infrastructure investment/renewal.</p>

Economic development organizations web addresses

Ann Arbor Spark
www.annarborusa.org

Automation Alley
www.automationalley.com

Detroit Economic Growth Corporation (DEGC)
www.degc.org

Detroit Regional Economic Partnership
www.detroitchamber.com/drep

Economic Development Council of Livingston County
www.livingstonedc.com

Macomb County
www.MacombBusiness.com
www.macombcountymi.gov/mcped/

Michigan Economic Development Corporation
www.michiganadvantage.org

Monroe County Industrial Development Corporation
www.monroecountyidc.com

Oakland County
www.oakgov.com/peds

St. Clair County
www.cis.stclaircounty.org
www.sccedsp.com
www.edascc.com

Southeast Michigan Community Alliance
www.semca.org

ULI Detroit District Council
www.detroit.uli.org

Wayne County
www.waynecounty.com/edge