NOTES FROM FIRST OUMI ADVISORY GROUP MEETING

TUESDAY, 13 DECEMBER 2011, 2:00-3:30PM

I. Opening remarks provided by Harvey Hollins thanking everyone for agreeing to serve.

II. Everyone introduced themself. **In attendance were**:

Karen Aldridge-Eason, Office of Foundation Liaison
Rob Collier, Council of Michigan Foundations
Linda Jo Doctor, Kellogg Foundation
Dave Egner, Hudson-Webber Foundation
Dan Gilmartin, Michigan Municipal League
John Rakolta, Jr., Walbridge
Bill Rustem, Governor's Office
Olga Stella, Detroit Economic Growth Corporation
Tim Terrentine, Southwest Michigan First
Laura Trudeau, Kresge Foundation
Arnold Weinfeld, Michigan Municipal League

Unable to attend:

Doug Rothwell, Business Leaders of Michigan
Sam Cummings, CWD Real Estate Investment
Michael Finney, Michigan Economic Development Corporation
Shirley Stancato, New Detroit, Inc.
Aileen Webb, Kellogg Foundation

III. Harvey Hollins provided an overview of the Office of Urban and Metropolitan Initiatives (OUMI). It is a creation of a joint effort of the Council of Michigan Foundations (CMF) and the State of Michigan (SOM) Governor's Office. While the office is new, the relationship between the CMF and the CMF has existed for 25 years. The OUMI is based in Detroit and will have satellite offices in Flint and Grand Rapids. Key stakeholders in Kalamazoo see the importance of urban areas and are willing to fund their own OUMI. This first meeting will be about discussing strategy. Subsequent meetings will be about putting words into action and implementing the strategy.

IV. Jennifer Bradley, is a Brookings Institute fellow and co-director of the Great Lakes Economic Initiative (GLEI) at the Metropolitan Public Policy. Jennifer gave a PowerPoint presentation on"Michigan Urban and Metropolitan Strategy" and provided an overview of recommendations (see attached document).

V. What role does the state play in establishing policies to create a strategic framework for urban economic development in Michigan?

John Rakolta

- creating a higher standard of work
- serve as convener of getting information on paper
- help to right-size the budgets of Wayne County, Detroit and the DPS
- create an environment for business to be successful
- Governor Snyder is different from the governors in Wisconsin and Ohio as he sets policies and gets things done
- Create a cohesive vision before policy is presented

Arnold Weinfeld

- Rakolta is correct about government being the host of the party
- The state has resources and needs to move forward to set the state for investment to help business and local government with business development
- State has the resources to create an investment agenda and help investment in the system

Olga Stella

- The key is centralizing the workforce
    - Who are we training – low skill or high skill
    - Policy does matter
    - Money is being wasted and not fully utilized

Dan Gilmartin

- Michigan cities must be competitive or economic strategy does not work
- A core investment strategy must be in place

Laura Trudeau

- Cohesion and coherence are necessary but cannot be done first
- What do you do first and what do you do along the way to address the state's challenges
- There is a lack of priority investment in core areas
- Policy drives investment and privatization
- She is encouraged by the Governor saying these urban cities are important and matter

Tim Terrentine

- Kalamazoo has had to reinvent its story over the years
- The Kalamazoo Promise made the difference and represented a "win"
- Winning strategies are needed to create growth and the strategy is different for each city

Rakolta

- Cohesion cannot be forced
- Investment must go downtown

Trudeau

- Cohesion should be done intentionally and not passively
- The state has the power to prioritize investment logically in the urban core cities
- Investment in the core cities must be accessible

Stella

- The state must be clear about decisions and where the money is spent

Karen Aldridge-Eason

- The Kalamazoo Promise said "we value the city and its citizens"
- Current policies make core urban cities second-class
- The regionalism argument has not been about core cities

Terrentine

- All 3 major initiatives in Kalamazoo after the Promise were private and philanthropic efforts
- The state must understand that philanthropic investment is necessary to drive development
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- **What can the state do to build on philanthropic investment?**

Dave Egner

- Regarding the Live Detroit Initiative – MSHDA could do more to help to provide incentives for housing
- State should align policies and existing money to philanthropic investment
- Subsidies are needed to make investment and marketing work
- Policies based on the auto culture and code enforcement are outdated
- Community Development Corporations (CDC's) could assist with code enforcement

Trudeau

- Capital stocks (type of funding) are being done

Jennifer Bradley

- 21st Century Jobs Fund is a model of investment
- What is smart "$"?
- What is the next series of "bets" that Michigan can make?

Bill Rustem

- State has invested in roads, bridges and export
- $1.46B is needed
- State is seeking to spend more in cities
- All must figure out a way to create critical mass and sharing of vision for regions
- All must build on opportunities
- Rather than the state picking winners it should enable local decision making
- Government is not good at creating and predicting the future
- The private sector will make decisions and government will enable it

Rakolta

- Each business has different needs

Bradley

- Brookings encourages Michigan to see where the "sweet spot" is

Linda Jo Doctor

- It is necessary to align money with policies

Weinfeld

- The ICC is getting to coordinating and creating cohesion with state policy

VI. Next Steps: OUMI Advisory Group will work with Innovatrium to construct a working model for state engagement

Chris Mueller of Innovatrium

- Innovatrium's concepts
  - Innovation -- create a safe space for people to think outside of the box
  - Momentum – not spend a lot of time and money
  - Sustain - see one, do one, touch one
- Next meeting should be a jumpstart workshop – innovation boot camp

Final Note

- Next meeting was supposed to be in April 2012. However, based on consensus of members in attendance, there is an urgency to work being done so **next meeting will be an all-day working session on Friday, February 17, from 9:00am – 4:00pm at Innovatrium's offices in Ann Arbor.**
- A save-the-date notice was sent to all members on December 22, 2011.