

**MINUTES
CITY OF FARMINGTON HILLS
ECONOMIC DEVELOPMENT CORPORATION
September 17, 2014 – Regular Meeting**

The Economic Development Corporation of the City of Farmington Hills held its Regular Meeting on Wednesday, September 17, 2014, in the Community Room at City Hall. Chairman Anhut called the meeting to order at 8:05 a.m.

Members present: Anhut, Brock, Elliott, Gatewood, Hartsock, Jacknow, Johnson and Sarafa

Members absent: Gatewood and Marcellino

Also present: Ms. Madhu Oberoi, Interim Economic Development Director

Chair Anhut introduced and welcomed new Economic Development Corporation member Norman Johnson. Mr. Johnson gave a brief overview of his background and his work with Bosch. He thanked the EDC and emphasized that retention should be the number one focus, and attraction is second—with a reputation for quality as the key.

APPROVAL OF AGENDA

MOTION by Brock, support by Jacknow, to approve the agenda as published.

Motion carried unanimously.

APPROVAL OF MINUTES

MOTION by Jacknow, support by Brock, to approve the meeting minutes of August 20, 2014 as published.

Motion carried unanimously.

CHAIRMAN'S REPORT

Chair Anhut introduced and deferred to Ms. Roeder, present to speak on behalf of the Michigan Economic Development Corporation. Several articles of interest were distributed.

NEW BUSINESS / OLD BUSINESS

**SPEAKER: MS. CHRISTINE ROEDER
MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

Ms. Roeder thanked the Economic Development Corporation and introduced Marie Briganti, Business Development Analyst for Michigan Retention and Growth. Ms. Roeder explained that the Michigan Economic Development Corporation (MEDC) is the state's marketing arm and lead advocate for business development, talent and jobs, tourism, film, and digital media incentives, arts and cultural grants, and overall economic growth. The MEDC offers a number of business assistance services and capital programs for business attraction and acceleration, entrepreneurship, strategic partnerships, talent enhancement, and urban and community development.

Ms. Roeder spoke about the various ways the MEDC has undergone reorganization relative to Michigan's retention and growth activities. She emphasized that they have recently transitioned to an asset-based economic development program in order to lead with Michigan's strongest existing assets. She said the MEDC has completed the Michigan Business Development Program, and that many companies in Farmington Hills have benefited from this program.

Ms. Roeder discussed the MEDC's cash grant program, which has been well-received by many companies. She said they still have many MEGA's on the books, and some companies are moving onto the grant program. She spoke about the transition for selling the state; and that another big push is the Pure Michigan Business Connect. She discussed how they have moved from more of a push system into a pull system. Ms. Roeder described their goals, many of which have been far exceeded.

Ms. Roeder spoke about the recent supplier summit held at Cobo Hall. She explained that businesses would express their needs on a website, get information out to smaller businesses. She said the business would proceed through the application process; and they are then vetted. She said it was a one-day interview pre-qualification process; so it is much more than a business fair. Ms. Roeder said this is the only program like this in the county; there are millions of dollars of facilitated revenue; and the MEDC has a team of six who work solely on this program. She stated that this is an exciting opportunity for smaller companies to connect with larger companies. For every \$200,000 contract received by a company it creates one or more jobs.

Ms. Roeder spoke about the MEDC's economic gardening program. She said that several companies across the state that have provided pro bono hours to assist smaller companies. She explained that this helps to sell services; they have partners donating time and effort, and they work with chambers of commerce in their promotion efforts.

Ms. Roeder discussed their Expert Program, which has activities in many other countries. She explained their export activities, and said there are grants through the Department of Commerce.

Ms. Roeder spoke about the Capital Programs. She said during the recession, capital purchases were down. The State of Michigan put in a collateral support program, which has now been copied at the federal level. She said the program is up to about \$80 million a year, and is active with venture capital, mezzanine funds, Ann Arbor Spark, and others.

Ms. Roeder said the MEDC is like the general practitioner of economic development. She said they meet with businesses, help them to identify needs, and bring them to the market that applies to their needs. She said that Farmington Hills is a great community partner at the MEDC. She said Farmington Hills was well represented and available to help. She invited the Economic Development Corporation to connect with MEDC at any opportunity.

Ms. Briganti spoke about the grants and incentives programs. She said the MEDC is able to decline projects early on in the process which fail to meet the criteria. She said they have a set amount of funds available for the entire state for the each year. She said the average is about \$4,000 a job; but they put on the table whatever is needed. Spoke about the vetting process and the on-line portal. She said projects are reviewed by a leadership team. She said they do not want to string companies along, and that the previous process was quite laborious. Ms. Briganti said this is more efficient and represents a shift in how things are done.

Discussion took place regarding the significant shortage of skilled engineering trades. Ms. Roeder said this was a challenge for Michigan, and spoke about the MEDC's efforts in this regard and that they did a nationwide social media reach out to help identify workers.

Discussion ensued regarding the shortage of skilled engineering trades, and the need for a shift in elementary school education for students to become stronger in math skills at an earlier age.

Discussion continued regarding the challenges faced by Michigan and the entire country in terms of education, stem programs and first robotics programs, etc.

Mr. Johnson mentioned the growing demand. He said it is a connected, software-based world and he asked of the State was aware of the specific threat posed by Mexico.

Ms. Roeder said that the State and the MEDC was aware of this situation.

Chair Anhut mentioned a recent article in Forbes telling Detroit to look out, as Mexico could be the next car center of the world.

Discussion continued about the need to strengthen the educational system in our country to better prepare students to be tomorrow's workers. Ms. Roeder mentioned that the CEO of the MEDC is Mr. Flannigan, who oversees the Michigan Workforce Development Agency.

Discussion took place regarding the mentor program in Farmington Hills; and Mr. Johnson spoke about a program started by Bosch where teachers were brought into manufacturing plants. He emphasized the need for revolutionary change in terms of education.

Ms. Briganti gave a brief overview of her background and her passion for what makes companies successful.

Chair Anhut thanked Ms. Roeder and Ms. Briganti for addressing the Economic Development Corporation.

CHAIRMAN'S REPORT

Chair Anhut reported on the following:

- The recent Biotech project was progressing
- Works continues on the Starbucks at 12 Mile and Orchard Lake Roads
- A Burger King may be proposed at the same corner
- There is a potential for a new project for the West River Theater at the shopping mall
- The Suburban car dealership was fabulous and has invested \$7 million in the facility
- The former Cedar's Restaurant on Grand River Avenue was being revamped, and could become a used car dealership
- The Botsford Beaumont health deal was approved as of September 2nd, and is a positive for Botsford Hospital

Mr. Hartsock spoke about new performance-based focus for Botsford Hospital. He said economy of scale is important and with the consolidation of health care providers, a huge transformation will be seen.

Chair Anhut spoke about the expansion at Duffy Petrosky in Farmington Hills. He said they are adding 200 more jobs. He said it is a remarkable story of retention, and that Blue Cross Blue Shield and Pure Michigan are some of their clients.

Discussion took place regarding the Grand River Academy at 8 Mile and Grand River Avenue. The charter school is located in the former shopping center, and has about 350 students.

Mr. Elliott said that the real estate market has been very active recently, and the hospital merger is good for southeast Michigan in that it creates a lot of interest in the area. He said medical market is getting a lot of attention and vacancies have improved considerably,

Ms. Jacknow said the CPA business was doing well, and there is another upcoming deadline in October.

Mr. Johnson said the automobile market is doing well; Bosch is taking on a lot more of the energy space building technologies.

Chair Anhut noted that the 2014 millage for public streets and roads should be placed on the next Economic Development Corporation agenda.

TREASURER'S REPORT

Ms. Jacknow said for August, there was a positive net income.

MOTION by Sarafa, support by Elliott, to accept the financial reports for June, July and August, 2014, as published.

Motion carried unanimously.

Chair Anhut said the next Economic Development Corporation meeting was scheduled for October 15, 2014.

ADJOURNMENT

There being no further business, Chairman Anhut adjourned the meeting at 9:07 a.m.

Respectfully submitted, City Manager Steve Brock
Secretary, Economic Development Corporation