

MEDC's Rothwell touts Michigan's high-tech future

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Michigan residents need to have a little more faith in their state and its evolving high-tech economic viability, says Doug Rothwell.

The head of the Michigan Economic Development Corporation admits that DaimlerChrysler's job cuts, plant closings and financial problems are "bad news."

"But put this in perspective as to where Michigan is today," he urges: 96 percent diversity in industry and jobs compared to 78 percent only 10 or 20 years ago.

"Over the last 10 years, over 700,000 jobs (have been) created, only 50,000 of which are in manufacturing," he says. "Of the remaining 650,000 jobs, all are in engineering or high tech areas."

Michigan is the No. 4 state for high tech jobs in the country and the top state for attracting and keeping businesses, he says.

"We're going to take our lumps," says the MEDC's president and chief executive officer. "But at the same time, we hopefully have enough momentum behind the change in Michigan that we can work our way through this."

A better idea

The Lansing-based Rothwell discussed Michigan economic issues Wednesday with reporters, editors and publishers from the Hometown Communications Network Inc., of Livonia, which publishes the Observer & Eccentric newspapers. He was invited by Philip H. Power, Hometown founder, owner and board chairman, who is also a member of Rothwell's MEDC board.

"I admire what Doug has done with MEDC," says Power, a Democrat who praised the MEDC as "one of the most effective initiatives of the (Republican Gov. John) Engler administration."

Power says past economic development efforts were "generally ... ineffective" because they focused on "how do you bribe companies to put plants in Michigan." Also, operations were "hindered" by civil service restrictions that thwarted hiring "competent people" and prevented functioning in a "private-sector" way, he says.

As a publicly chartered corporation, the MEDC escaped such restrictions and, Power hopes, will continue into the new administration in two years.

He notes that the MEDC led the United States three straight years in new or expanded site locations and also has earned Michigan laurels for having the best business attraction program in North America.

"This organization has succeeded in establishing a track record and a body of skill that says (it) should continue after the Engler administration because it is doing a good job and it's in the benefit of the state," Power says.

Not about politics

Rothwell says that economic development "really shouldn't be about politics." How companies grow and try to do business "doesn't conform very well to the political cycle."

The things MEDC does "are there to help every community grow," he says. "And communities are growing no matter who's in power. It (economic development) should be a win-win for everybody."

MEDC's contractual partnership between the state and some 40 Michigan government entities — including the economic development corporations of both Wayne and Oakland counties and those of the cities of Farmington Hills, Novi and Detroit — mean efforts to kill the MEDC would have to be approved by all 40, Rothwell says.



Outlining the future: Doug Rothwell, president of the Michigan Economic Development Corporation, presents his views to Hometown Communications editors. Behind Rothwell is Kathleen McMahon, MEDC director of communications.

STAFF PHOTO BY BILL BRUEHLER

MEDC's mission, he says, is "to serve the business community, to help them create and retain jobs, but also to work with the communities to help us prepare for growth in a smart way, in a way that's going to meet their local needs."

"And that's a fundamental respect we have for those communities: We do not want to impose our views on what communities should do or not. We really want to respect and help them develop their own plans for growth and really try to help them meet their objectives," Rothwell says.

Local control

That's not easy, he says, con-

sidering Michigan's strong Home Rule policy that allows governments to locate plants and other businesses seemingly without regard for, or cooperation with, neighboring communities.

Rothwell says the MEDC is working for regional cooperation by getting governments and planning commissions to "look at the impact" on surrounding communities. MEDC has even held seminars around the state for local officials.

The impact issue, he says, "has brought people together where there weren't programs that indicated that type of conversation in the past."

Rothwell says communities have to recognize their interde-

pendency.

A strong Detroit

Regarding Detroit Mayor Dennis Archer's complaint that Oakland County markets itself by saying, "Look at us and forget about Detroit," Rothwell says:

"I don't think Oakland feels they can be as successful as they want to be without a strong Detroit. And if they don't realize that, they're wrong. If we don't have a strong Detroit, this region will never be what it can be."

Rothwell says MEDC conditions its \$1 million aid to Detroit on the basis that titles to 1,800 properties needed for new development must be cleared or the money repaid.

The properties are an example of why Farmer Jack supermarkets may put its new \$2.5-million warehouse in Livonia: "Detroit has no property for it," says Rothwell.

New technology parks in Michigan, Rothwell predicts, will go hand-in-hand with urban redevelopment and be located mainly in downtowns, instead of the suburbs.

There's a need to attract young, technologically skilled people to Michigan to fill the high-paying jobs in information technology, engineering and medical science Michigan has and is trying to get, he explains. And those young people want to be where things are "happening."

To recruit them, MEDC is advertising — in Chicago and Cincinnati and on college cam-

puses — that "in Michigan, you cannot only get a great job, but a great life." It also encourages Michigan employers to offer paid internships.

MEDC also aims to improve the telecommunications and technology infrastructure in Michigan. It put all its own services on the Internet, making information available 24 hours a day.

The future

As for MEDC's future, Rothwell says, "We're trying to get a closer relationship with our universities," to get them to see that economic development is part of (their) mission.

"If you look around the country, a lot of the regions that have done well" have done so because "it's the universities leading the charge, not the government."

Here's what Rothwell says on other key issues:

■ Mass transit: "It would be great if we had more of it," but settling the competition between the Detroit and suburban systems comes first. However, the region's "dispersion of jobs and people is so great" that "I'm not sure a fixed rail system would work here," other than a line paralleling Woodward from Detroit to Pontiac. Buses and jitney systems would be the answer.

■ Automation Alley in Oakland County: MEDC is a member, "very involved in all activities and actually cosponsor a lot of things that they do ... These local efforts are critical because (Michigan is) not viewed as high-tech."

■ No union representation on MEDC: "Maybe there should be, but 'unions are having a declining influence right now' and only a small percentage of new Michigan companies are unionized. "But maybe that's something that we should do more of."

■ Helping laid-off workers find jobs in Michigan: Worker transition programs are available, but auto workers' contracts pay so well and the benefits are so good, many choose to wait for their old jobs to re-open.

■ Electric power: Michigan laws are not nearly as restrictive regarding power companies as are California's. Also, Michigan isn't as energy dependent. "We have been told by the Public Service Commission that we're going to be OK as long as we don't have a severe summer," but there will be brownouts — not blackouts — if it is severe.

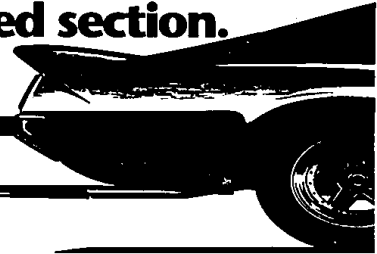
These days, Rothwell is getting to "enlighten" folks in black-out-ravaged California. He recalls the awful 1980s, when the economy was so bad, people were leaving The Mitten State in droves and a mean joke was making the rounds: "The last one in Michigan, turn out the lights."

Rothwell's MEDC is sending out flashlights with letters "to a bunch of high-tech companies in the Silicon Valley saying, 'The lights are still on in Michigan.'"

He explains that the flashlights are to help the California techies find their way into Michigan's once-again sunny — and increasingly technologically advanced — business climate.

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