

Testimony  
Before the Joint Hearing of the  
Senate Committee on Economic Development  
and the  
House Committee on Commerce  
University of Detroit Mercy  
Monday August 5, 2013

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**Mr. Erulkar:** Good morning. I am Ben Erulkar, Vice President for Economic Development, New Development Strategies for the Detroit Regional Chamber. I am very pleased to be joined this morning by my colleagues, Maureen D. Krauss, Vice President for Economic Development, Business Attraction, and Brad Williams, Vice President for Government Relations.

We greatly appreciate the opportunity to testify at this joint hearing on the future of Detroit's economic development. At the Detroit Regional Chamber, we guide our work through four strategic pillars designed to fulfill our organizational mission, to "power the economy of Southeast Michigan:"

- Economic Development – we operate a range of specific programs whose goal is to produce targeted, measured results that create

jobs, produce capital investment, develop a competitive 21<sup>st</sup> century workforce and provide new business opportunities for established businesses;

- Regional Collaboration – we operate through the proven maxim that economic development works best through a platform of regional collaboration, unbound by political jurisdictions, as truly productive economies function throughout the world.
- Education Reform – While we are not career experts in education, nor are we education policy experts, we participate actively through carefully targeted education programs to provide a voice for the business community in this vital area.
- Value to Our Members – Like any organization that depends primarily on our membership for our funding, we operate programs that add value and enhance the business and economic prospects of our members.

These four strategic pillars define the important niche in economic development that the Detroit Regional Chamber fills. We do not compete with the Detroit Economic Growth Corporation, the various county economic development departments, and other excellent organizations such as Automation Alley and TechTown. Rather, we collaborate with them, coordinating, supplementing and enhancing their work by promoting them as assets of a region that competes successfully in the domestic and global economy. We coordinate travel efforts on international investment missions, convene the various public partners monthly to share information and market the entire

region domestically and globally. This brochure, styled “Detroit: A Region Where Things Get Done” and crafted with the input of our principal regional public partners, is one example of this approach.

To fund this work, we rely primarily on the support of the private sector, with substantial additional support from each of our participating counties, MEDC and some limited state and federal economic development grants. This regional business model has been successfully implemented throughout the country by other regional chambers of commerce in Dallas, Houston, Atlanta, Cleveland, Columbus and Pittsburgh, to name just a few examples. Last year, we launched and successfully completed the Detroit Regional Prosperity Campaign, a regional fundraising effort that raised more than \$2 million. Co-chaired by Gerry Anderson of DTE Energy and Chip McClure, and bolstered by significant investments from DTE Energy, Blue Cross Blue Shield of Michigan, the GM Foundation, Wayne County and JP Morgan Chase, the success of this campaign demonstrates that the Detroit region is ready and willing to support collaborative, coordinated economic development. In the coming year, we will continue to build on this success, as our focus now shifts to producing the program results that justify this investment.

To speak to the principal program that will produce these results, and the promise that it holds for this region, I am pleased now to introduce my colleague Maureen Krauss, who is responsible for implementing our Business Attraction program.

**Ms. Krauss:** Good morning. As Ben stated, our priority this year at the Chamber is to produce tangible economic results through targeted programs that will produce jobs and increase capital investment

throughout the region. Let me describe briefly the principal program through which we do this, our Business Attraction program.

Our Business Attraction efforts position the Chamber as a regional convener to bring new opportunities to Detroit and the 11-county region we serve. We coordinate travel for domestic and international trade and investment missions and shows, meeting with site selectors and other key investment decision-makers to promote our region. We also host the visits of these decision-makers to the Detroit region, using the North American International Auto Show, the World Series and the other significant attractions that our region offers. We have coordinated Governor Snyder's travel on three separate occasions to Europe and Asia. On average, we host two foreign delegations per month in the region. In sum, we encourage potential investors interested in our region to "start here" at the Chamber, in order to make their investment decision-making process more simple, efficient and effective.

We do all of this in coordination with all of our public and private partners, collecting and coordinating follow-up with and by them on the many investment prospects that this region attracts. Currently, we are tracking 115 investment prospects, while we are working on 12 active projects of companies that are actively looking to relocate or expand their operations in the Detroit region.

In general, our extensive interactions with investment decision-makers reveal a disconnect between the image that Detroit has outside the region and the reality of the investment climate here. Very often, these decision-makers hold the impression that our region is a high-cost, inefficient locale for business, only to find a completely different – and

more positive -- picture when they actually visit the region and the businesses that work here. Overall, the investment profile of our region has clearly improved over the past two years, but there is clearly a great deal more work to do.

In this respect, the bankruptcy process that the City of Detroit is now undergoing serves as an illustrative example. While the national and international media reaction to the filing has generally portrayed this event as the end of the road for Detroit, the key business and site selector decision-makers who know this region see Detroit's bankruptcy as a serious but necessary measure to build a robust and competitive business environment. In fact, we were heartened that on the very day of Detroit's bankruptcy filing, we received a number of calls from site selector consultants asking for talking points on the bankruptcy because they wanted to continue to promote their projects in the region. While it is too early to predict exactly what effect the bankruptcy will have on economic investment in the region, we can report that most of our key target investment prospects continue to consider their prospects here very seriously.

For our part at the Chamber, we will continue to pursue our original business attraction strategy seriously and without interruption or change in emphasis. We are currently planning and coordinating travel and business recruitment to Atlanta, Las Vegas, Chicago, Frankfurt (for the Frankfurt Auto Show), Beijing and Tokyo.

I'll turn it back to Ben for some closing thoughts.

**Mr. Erulkar:** Thanks, Maureen. This emphasis on regional Business Attraction is vital to our region's economic well-being, and is supplemented by three other programs at the Chamber:

- The MICHauto program that aims to promote, grow and retain the automotive sector in Michigan;
- The Translinked program, which recognizes and develops the logistics and supply chain sector as a driver of regional economic competitiveness; and
- The Connection Point and InnoState programs, which partner strategically with MEDC's Pure Michigan Business Connect program to provide increased procurement opportunities for Michigan suppliers.

In addition, we are orienting our existing programs and developing new ones to develop the great promise of the growing entrepreneurship community in the region.

In close, we strive to position the Detroit Regional Chamber as the “go to” voice for business in the region. We take our name – the Detroit Regional Chamber – quite literally. We are certainly Detroit - Detroit is the calling card for the region, and perhaps even the State - we recognize that. But today's successful economies are regionally based and extend beyond city boundaries. We “sell Detroit” just as we sell the business base and booming medical cluster in Oakland County, the Defense corridor and water assets of Macomb County and all the other assets that stretch from Monroe to Flint.

Finally, as the voice of business for southeast Michigan, we are quick to say that while it is unfortunate that Michigan's largest city had to file bankruptcy, it is better than the alternative - a status quo that was not working very well for anyone. As our CEO Sandy Baruah frequently says, the “best way to solve a PR problem is to solve the problem” and

we believe that bankruptcy provides us a tool to solve problems. If the City can use this tool to create better service delivery and stabilize city government, our job of selling southeast Michigan to outside business investors will become much easier.

Thank you for the opportunity to present this testimony today, and we look forward to answering your questions.