



## MEMORANDUM

**To:** Economic and Community Development Committee

**Date:** September 15, 2009

**From:** Annie Byrne, Assistant Regional Planner

**Re:** Summary of Subcommittee Meetings

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At the July Economic and Community Development Committee meeting, it was agreed a series of subcommittee meetings would take place throughout August to discuss recently completed economic development reports prepared for the *GO TO 2040* plan.

The purpose of these meetings was to discuss the recommendations in the reports prepared by RCF and the Delta Institute. Based on additional input and evaluation, some of the *GO TO 2040* plan's recommendations will include components of selected recommendations suggested in these reports. CMAP staff is interested in hearing feedback and suggestions on how to prioritize and further develop the recommendations. Worksheets that listed each recommendation along with a series of questions for CMAP to consider when evaluating these recommendations were provided at the meetings. Below is a summary of the discussions:

### **Report: Innovation**

Committee Members Present: John Greuling, JoAnn Eckmann, Gary Skoog, Consuela Brown, Rand Haas, and Judith Kossy.

CMAP Staff: Bola Delano, Brian Rademacher, Annie Byrne, Randy Blankenhorn, Brett Baden.

### **General and overarching comments:**

The subcommittee suggests that each recommendation include ongoing research, collaboration, and measurement. Currently, these activities are either embedded in some recommendations or are a standalone recommendation; instead, the subcommittee suggests these activities be highlighted as important components to the success of each recommendation.

**Recommendation:** Facilitate performance improvements of local technology transfer programs; consider consolidating tech transfer offices and shift focus from license fees to the number of licensing “deals” completed.

**Comments:**

- This recommendation should focus on enhancing tech transfer and improving the measurement; additional research is required to better understand the variety of strategies that can achieve this. It is suggested the existing program Global Connect be researched as a model.
- There are current initiatives and groups working to achieve this, including the Illinois Coalition for Manufacturing Innovation, which is a partnership between Argonne, Chicagoland Chamber of Commerce, and IIT. This pilot initiative seeks to improve models of innovation adoption through greater collaboration between research institutions and manufacturers. The Illinois Global Partners is another group that is involved in this type of work (more information on this group is needed).
- This effort should include the private and public sector, including DCEO. Regional policies may be an effective approach if state participation is not the preferred choice. CMAP’s role is to share the information.
- A main challenge in achieving this recommendation is the current lack of coordination and resistance to collaboration between tech transfer offices.
- A first step is to better understand what tech transfer collaboration looks like. It is suggested to start with an example in a specific industry; advanced manufacturing is a good candidate for a pilot.
- **This is a high priority.**

**Recommendation:** Assist growth of start-up firms; research the processes to take new products and services to the larger market, research the supply and demand for space for firms that graduate from tech parks, and expand public funding for technology park infrastructure to promising areas.

**Comments:**

- There needs to be policy changes that will allow this recommendation, for example state funding to match federal funding for the SBIR. There should be new and reformed public programs to support innovation in small firms.
- There is not a current initiative working to achieve this.
- DCEO should be the leading entity, but are not currently doing so.
- A main challenge is the lack of the culture of innovation; the region’s identity as a place for innovation needs to be elevated. Examples of where innovation has happened need to be marketed.
- A first step is additional research on what creates successful start-ups and research on the models used by more successful regions and states.
- **This is a medium-low priority.**

**Recommendation:** Encourage connections between advanced education and entrepreneurial programs with companies involved in innovation. This can begin by holding meetings and conferences with leaders in these fields to share goals and ideas.

**Comments:**

- This recommendation should be considered more broadly as encouraging and structuring a “culture of collaboration.”
- There are existing programs to build on. The universities and the Chicagoland Chamber are key entities to include. CMAP can act as a convener.
- A main challenge is having the universities talk to each other; competition prevents this, as do different focuses.
- A first step is to identify the areas where working together can be shown to be beneficial (and feasible).

**Recommendation:** Provide information on innovation developments; start with one industry and research how to provide local firms with information about useful discoveries that originate outside the region.

**Comments:**

- The industry chosen should be strategic; suggestions include health sciences, or industries highlighted in the cluster analysis.
- Review the industry selection method used in Atlanta (“After the Recession”) for an example.
- As an information provider, CMAP may serve an important role in this effort.

**Recommendation:** CMAP (or another agency) should assume leadership role in local innovation development.

**Comments:**

- CMAP can begin convening key entities and begin a regular quarterly meeting schedule for MEGA, Innovate Now, DCEO, others, and representatives from Industry. The role of the leader(s) and entities that should assume this role should be developed through discussions. The State should be the leader, but alternatives need to be considered.
- Innovate Now and MEGA are current initiatives that can be built upon.
- It may be best not to have a leader (leadership in innovation may actually run counter to how innovation happens).



## **Report: Export Promotion and Import Substitution**

Committee Members Present: JoAnn Eckmann, Chris Aiston, Rand Hass, Judith Kossy, Cynthia DeWitt (for Robin Kelly).

CMAP Staff: Annie Byrne, Brett Baden, Bola Delano, Brian Rademacher

### **General and overarching comments:**

This report includes six recommendations, three of which are addressed in much greater detail in other CMAP reports and initiatives. This report specifies which industries should be targeted to increase exports and suggests six recommendations on how to support export promotion and import substitution. The report identified specific industries that are likely to yield the greatest impacts. The report includes the recommendation to improve basic and advanced education infrastructure specifically for the export industries; there is a strategy report on workforce development and a report on higher education, prepared by other agencies through our partnership with the Chicago Community Trust. The authors of this report recommend enhancing innovation specifically for the identified industries for export promotion. The authors also recommend enhancing transportation infrastructure to allow for greater exports. As these three topics are researched in-depth through other efforts, the discussion focused on the three recommendations that are unique to this report.

**Recommendation:** Expand the state's International Trade Centers to include promotion of the export of services and promotion of all exports to the rest of the U.S. OR create a Chicago Export Bureau.

### **Comments:**

- The subcommittee suggests eliminating from the recommendation the creation of a Chicago Export Bureau.
- World Business Chicago or MEGA may be the best leader for this type of initiative; MEGA's forthcoming strategic plan will provide more insight on how and where MEGA should focus its efforts. The Illinois Convention and Tourism Bureau may be a good organization to emulate.
- There is a significant lack of expertise in international business and this is an important consideration. Educational programs should orient toward this.
- The role of the Port Authority should be more closely considered, so as to allow for greater coordination.

**Recommendation:** RCF views as a tentative recommendation to embark on import replacement efforts; the simulation studies suggest a large possible payoff, although a better understanding of the opportunities is necessary.

### **Comments:**

- This recommendation should be connected to another recommendation in the report: "Initiate a discussion of ways and means of promoting exports from the metropolitan

areas to the rest of the nation as part of a more comprehensive economic development strategy.”

- The Chicagoland Chamber of Commerce currently contacts all new companies, and this may be a mechanism to build on to market locally produced goods and services. Other entities that should possibly be involved include World Business Chicago and the Chicago Federal Reserve.
- Research should be done on what types of services are contracted for outside of the region (why do industries use outside suppliers for goods and services available in Chicago region?), and which of those could be changed through improvements within the region. One idea is to get corporate headquarters to use local services more extensively.
- The main challenges to this recommendation include the adverse effects of regulations and lack of information. There needs to be better understanding of the regulatory barriers, as well as what type of reform is necessary. New communication bases are needed to facilitate better information sharing.
- It is suggested a case study on a specific industry be completed to show in-depth the challenges faced, as well as what works well.



## **Report: Green Economic Development**

Committee Members Present: John Greuling, JoAnn Eckmann, Bob Gleeson, Gary Skoog, Rand Hass, Tracy Bosman, Ed Sitar, Lori Clark, Chris Aiston, Judith Kossy, Ivan Baker, Consuela Brown, Leslie Page-Piper (for John Schneider).

CMAP Staff: Annie Byrne, Bola Delano, Brian Rademacher

### **General and Overarching Comments:**

Chris Slattery of the Delta Institute attended the meeting and presented a summary of the Green Economic Development Report. In addition to the recommendations, specific strategies for CMAP were presented; these were not framed as such in the report and include:

- Collect and disseminate information on existing businesses in emerging green sectors to county and sub-regional economic development staff.
- Update and disseminate information on state and local incentives for investment in renewable energy and energy efficiency improvements.
- Work with partners and industry groups to identify and develop shared resources to support green businesses.

It was noted there are some existing efforts on each of these activities, some lead by business groups, but these efforts need to be more comprehensive and coordinated.

The report includes five recommended goals, each with several objectives and strategies described to achieve the goal. The sub-committee’s conversation focused on the first recommendation.

**Recommendation:** Develop and implement a regional sustainability plan.

**Comments:**

- The subcommittee suggests renaming this as the regional green action plan.
- For this to happen, the state needs to set in place goals, and a legal framework supported by funding. If this is not possible, an alternate leader needs to be identified and needs to have proper authority.
- The role of the private sector and the barriers presented in the process of implementation need to be an important focus.
- Delta described a new effort to begin the development of a regional sustainability plan, although greater regional representation is needed. CMAP is involved in this effort.
- A main challenge is the lack of State leadership; philanthropic agencies may be able to provide an important role to help overcome this challenge.
- Elected officials need a clear goal with concrete actions to follow in order to develop and implement a regional green action plan.
- A first step is to conduct outreach and engage the private companies that are actively pursuing green practices.
- The subcommittee suggests creating a database to track baselines, studies, statistics, and trends.
- **This is a high priority.**

Time did not allow for full discussion on the other recommendations, although it was noted that the second recommendation to increase capital funding for green businesses should be linked to the fourth recommendation to create or improve existing incentives, policies, regulations and standards.

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**Report: Infrastructure to Support Economic Development**

The purpose of this report was for RCF to utilize their modeling capabilities to estimate the effects of investment in certain types of infrastructure. CMAP has experience and ongoing work in transportation, water and other infrastructure; the value added of this report is the quantitative analysis and summary of the productivity effects of infrastructure on other industries.

This report does include many recommendations; some may support recommendations produced through other research, but none will be a leading cause for a recommendation in the plan. Therefore, a discussion of these recommendations was decided to be unnecessary. The committee asked it be made clear these recommendations as they are will not be adopted by CMAP.