

**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION  
A PUBLIC BODY CORPORATE**

**RESOLUTION TO ADOPT THE CHIEF EXECUTIVE OFFICER'S  
FISCAL YEAR 2002 BONUS**

**BY THE EXECUTIVE COMMITTEE**

**RESOLUTION 2002-18**

At a meeting of the Michigan Economic Development Corporation Executive Committee held on November 5, 2002, at the Victor Corporate Center in Livonia, Michigan,

**PRESENT:** John W. Brown, Dr. David E. Cole, JoAnn Crary, Steven K. Hamp, Hayden H. Harris, Dewitt J. Henry, Paul Hillegonds, David C. Hollister, Michael J. Jandernoa, Philip H. Power, S. Martin Taylor, Peter S. Walters

**ABSENT:** Facundo del Valle Bravo, Matthew P. Cullen, Governor John Engler, Birgit M. Klohs, Dr. Irvin D. Reid

WHEREAS, the Executive Committee has previously decided that compensation for Senior Executives of the Corporation shall include an annual performance bonus; and

WHEREAS, the Executive Committee considered the performance of the Corporation in meeting or exceeding its FY 2002 corporate performance measures when determining the performance bonus of the CEO; and

WHEREAS, the Executive Committee desires to award the CEO with a performance bonus for FY 2002;

BE IT RESOLVED, that the Executive Committee hereby approves a 30% bonus, specifically \$59,550, for the CEO's performance in FY 2002.

**ADOPTED:**

In Favor: 12

Opposed: 0

November 5, 2002  
Livonia, Michigan

# MEDC FY 2002 Corporate Performance Measures & Results Year-End Report

## 1. ENSURE THE CONTINUITY OF ECONOMIC DEVELOPMENT IN MICHIGAN:

WITHDRAWN

- a. **Achieve a 90% positive perception of the MEDC from key stakeholders.**

**RESULT:** Due to the election cycle, it was determined to not conduct a formal survey this year. However, the MEDC continues to enjoy strong local support as evidenced by the “white paper” prepared by local economic developers.

EXCEEDS

- b. **Achieve a 96% customer satisfaction rating.**

**RESULT:** An overall customer satisfaction rating of 97% was achieved.

MET

- c. **Increase the number of interlocal partners to 60.**

**RESULT:** The MEDC was successful in forming 60 interlocal partnerships with economic development corporations throughout the state.

EXCEEDS

- d. **Increase the number of corporate partners to 40.**

**RESULT:** Outreach and marketing activities resulted in 46 corporate partnerships being formed.

EXCEEDS

- e. **Conduct at least four Local Official Academies.**

**RESULT:** Held 5 Local Official Academies.

EXCEEDS

- f. **Conduct at least 12 Technical Assistance Seminars.**

**RESULT:** Held 16 Technical Assistance Seminars.

## 2. RETAIN AND ATTRACT SMART BUSINESSES AND PEOPLE:

EXCEEDS

- a. **Rank among the top five states for new business locations and expansions.**

**RESULT:** Site Selection magazine ranked Michigan first in the nation.

EXCEEDS

- b. **Recruit 900 high-tech college graduates for Michigan jobs.**

**RESULT:** Over 2,700 students posted resumes and applied for jobs on the MEDC website as a result of on-site recruitment efforts at college campuses.

MET c. **Develop a strategy to increase in-migration among 25-34 year olds.**

**RESULT:** The report was presented to the Executive Committee in September.

3. **BUILD A SMART BUSINESS INFRASTRUCTURE:**

EXCEEDS

a. **Implement the LinkMichigan telecommunications infrastructure plan.**

**RESULT:** \$2.75 million in local planning grants covering 70 counties has been awarded. The MEDC led the formation of the new Broadband Development Authority, which will move forward with developing Michigan's telecommunications infrastructure.

EXCEEDS

b. **Foster the growth of Michigan's emerging business sectors.**

**RESULT:**

- Awarded the third year of funding for the life sciences program. Michigan is now ranked 6<sup>th</sup> in the U.S. for the number of life sciences businesses, up from 10<sup>th</sup> three years ago.
- A statewide automotive R&D directory was developed.
- The MEDC led the development of two angel funds.
- Visits were made to 190 gazelle companies.
- The MEDC hosted the following three conferences in 2002: Commercialization of Microsystems, State Science and Technology Institute, and the Great Midwest Venture Capital Conference.
- An IT Association Executives Council was created.
- The MEDC funded the establishment of a MEMS Consortium.
- The MEDC funded a program to establish a network of entrepreneurship institutes through the University of Michigan.
- A business organization directory, including almost 8,000 businesses, was established and is available on the MEDC's website.

MET

c. **Develop a Michigan Competitiveness Agenda that sets business climate priorities for the next decade.**

**RESULT:** The Benchmarking Report was completed and released in May at the Michigan Competitiveness Conference. The summary of findings and recommendations for future action were presented at the June Executive Committee meeting and the October Michigan Business Roundtable meeting.

4. **GROW SMART COMMUNITIES:**

MET

a. **Develop a Core Communities II Strategy.**

**RESULT:** A strategy was developed and presented to the Executive Committee that includes the following highlights:

- Introduce legislation to provide comprehensive area-wide redevelopment tools (i.e. land banks).
- Focus MEDC resources on regional economic development strategies.
- Work with the Michigan State Housing Development Authority to jointly fund several housing projects.
- Promote the aggressive use of state and federal historic rehab tax credits in conjunction with other incentives to stimulate market-rate housing.
- Improve local development systems and processes by offering self-assessment tools and best development practices resources.

MET

b. **Develop and implement a comprehensive rural development strategy.**

**RESULT:** The MEDC established a Rural Development Task Force that drafted 14 recommendations covering the areas of infrastructure, telecommunications, leadership, and finance. The MEDC's Community Assistance Team will work to implement these recommendations over the next fiscal year.

MET

c. **Build out SmartZones through incubators, accelerators, high-tech infrastructure and marketing.**

**RESULT:**

- Six incubators are underway and four more will be completed in 2003;
- Seven accelerator programs have been awarded;
- LDFA plans are in place in 8 of the 11 Zones;
- \$100,000 in local marketing grants and \$500,000 in statewide marketing resources have been utilized.
- To date, 20 companies have located in the Zones, representing over \$100 million in private investment.

5. **MARKET MICHIGAN AS A SMART STATE:**

BELOW  
EXPECTATIONS

a. **Market Michigan as a high-tech state.**

**Implement targeted-industry marketing strategies that improve positive perceptions by 10%:**

**RESULT:** Based on pre/post research in key geographic areas (Washington, D.C., San Francisco and Chicago), the perception of Michigan's life sciences industry increased 5.7%, Advanced Manufacturing increased 10% and Information Technology decreased 15.5%.

- WITHDRAWN**      **Launch an auto-industry re-branding campaign:**
- RESULT:** The MEDC met with executives from each of the Big Three auto companies and received general support for the overall concept. Governor Engler followed up with the Chairman/CEO of each company to gain full buy-in and commitment. Due to the current financial situation of the Big Three auto manufacturers, we did not receive support to implement the re-branding campaign this fiscal year.
- MET**      **b. Celebrate Michigan Milestones (Covisint, Midfield Terminal, Pfizer, #1 for New and Expanded Business Investment, new discoveries/products.).**
- RESULT:** Print ads and direct mail pieces targeting key site consultants and business executives were completed announcing the new Midfield Terminal, Covisint investment, Pfizer expansion, and that Michigan is #1 for new and expanded business investment for 2001.
- WITHDRAWN**      **c. Create a State of Michigan Alumni Association to increase positive perceptions of Michigan by 10%.**
- RESULT:** This objective was delayed in order to focus on higher priorities such as NextEnergy.
- EXCEEDS**      **d. Partner with state and local entities on a signature development project that would significantly improve the state's image.**
- RESULT:** A comprehensive plan involving MDOT, the Metro Detroit Convention and Visitors Bureau, Wayne County, City of Detroit, and Detroit business community to clean-up and re-brand the I-94 corridor from Metro Airport to downtown Detroit was announced. Funding agreements are in place to support development initiatives for the lower Woodward and east Riverfront areas. Agreements and funding are in place to develop and implement the Michigan Information Technology Center in Ann Arbor.
- WITHDRAWN**      **e. Develop a comprehensive plan that integrates the Great Lakes and other water resources into the state's economic development and tourism strategies.**
- RESULT:** This objective was delayed in order to focus on higher priorities such as NextEnergy. It is included in the draft objectives for fiscal year 2003.

**ADDITIONAL OBJECTIVE**

While the MEDC always takes on new initiatives during the course of the fiscal year, in FY02 it launched a major new initiative called NextEnergy. This initiative has become a new target industry for the state and has drawn international recognition as the most comprehensive initiative of its type.