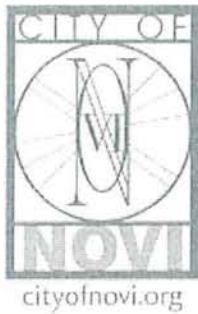


MEMORANDUM



TO: CLAY J PEARSON, CITY MANAGER
FROM: ARA TOPOUZIAN, ECONOMIC DEVELOPMENT DIRECTOR
SUBJECT: NOVI CHAMBER ADOPTS AEROTROPOLIS RESOLUTION 3-16-08
DATE: MARCH 16, 2009

To: Mayor and City Council Members

FYI. *[Signature]*

On March 12, 2009 a presentation on the **Detroit Region Aerotropolis** was presented to the Novi Chamber of Commerce Board of Directors. The presentation was made by Marsha Ennis, a DTE Energy executive on loan to Wayne County as the Detroit Region Aerotropolis Manager.

Ms. Ennis discussed the concept of Aerotropolis and how it can spark economic development throughout the Detroit region. The objective is to leverage Detroit Metro and Willow Run Airports and the geographic land in between to create a logistics hub which can function as a world gateway off for business.

The Novi Chamber Board unanimously approved a resolution of support for the Detroit Region Aerotropolis. *

c: Pam Antil, Assistant City Manager

Aerotropolis: Region prime to become a mobility hub

There it is – a ray of economic hope, hiding in plain sight.

Michigan today is desperate for anything offering any solid hope of economic development – especially if it involves jobs.

So we should be turning our gaze to Detroit Metropolitan Airport and the newly merged airline created by the merger of Delta and Northwest. They hold the key to what could turn out to be one of the nation's biggest competitive assets.



Phil Power

With the merger, Delta Air Lines looks like one of the few airline companies with a fighting chance to survive the financial crisis. True, size isn't always everything in the airline business.

Southwest has prospered as a small niche carrier, thanks to its nimble management and bare-bones operating costs.

But most of the time, being big certainly helps. A big airline can use its marketing muscle to drive passenger traffic through its spoke-and-hub system. A big airline can match existing aircraft to passenger needs. And a big

airline can take millions in costs out of its operating statement – just by eliminating redundant functions.

Part of the advantage of size is marketing and branding. Here in Michigan, the transition from Northwest to Delta is in full swing. Planes are being repainted; seat covers and carpets following suit. Inside the terminals, ticket counters are being consolidated under the Delta nameplate. Delta says it will start rebranding Detroit Metro as its second-biggest hub later this spring.

But to succeed, a big airline needs first class facilities.

Detroit Metro may well be the best airport in the country, now that the spiffy new North Terminal has replaced the shabby, down-at-the-heels corridors of the past. Further improvements are on the way.

That puts us miles ahead of Northwest's old home base in Minneapolis/St. Paul. Anyone who has tried to make a connection there knows that terminal needs a lot of work. I'd guess Delta will keep that hub.

Yet looming over it all is a possibility with enormous potential: The Michigan Aerotropolis, the dream of creating a big "airport city" with two logical "book-

ends." On the east, serving passenger traffic, Detroit Metro. On the west, for freight, Ypsilanti's Willow Run.

Between the two is a vast expanse of land, 27,000 acres of it, running along I-94. Much of it looks very much the way it did in 1934.

And the development prospects are enormous.

What the region's developers needed to do was frame the concept of the Aerotropolis as a "mobility hub" linking air with road, rail and even water. After all, the Detroit River and, through it, the Great Lakes and the St. Lawrence Seaway are within easy reach.

Looked at that way, the promise of the Aerotropolis puts Michigan among the best potential big development sites in the world.

So what's happening?

Maddeningly, after a good start, forward movement on the Aerotropolis appears to have stalled.

Part of the problem: Local politics.

In order for Willow Run to become a world-class freight facility, it needs to add another half mile to its main runway. But the folks in Canton Township are up in arms.

Why? They fear at the noise.

Another barrier: Regional politics. Willow Run sits on the border between Wayne and Washtenaw counties. But Wayne controls the purse strings for much of the development money, and their county commission is hardly going to put a lot of money into Willow Run if Washtenaw gets most of the benefits.

Another problem: Patterns of land ownership. Much of the land around Detroit Metro is owned by government, either Wayne County or the local townships. The main incentive that leads anyone to take the risk of developing vacant land is the possibility of big profits.

But governments are, sadly seldom motivated along these lines. The pattern seldom varies: Little private land ownership means slow economic development. Case closed.

Last, state government has never made the Aerotropolis a top economic development priority, even though the area has the biggest known potential for generating tens of thousands of jobs.

Fortunately, Detroit Renaissance – the high-level business leadership group – has made this potential "Airport City" one of its main priorities. Here's a novel idea: State lawmakers of both parties ought to consider holding hearings on

the site, where it would be so much easier to glimpse and point to the development potential.

Not to mention pin-pointing areas where progress has been held up. Granted, the world of today's financial crisis wouldn't seem to be a great climate for a big new development like the Aerotropolis.

But greatness lies in the ability to see around corners and not do what's expected.

With two enormous, distinctive competitive advantages right under its nose – Detroit Metro and Delta Air Lines – Michigan needs to wake up and smell the coffee.

And then get its economic development priorities right.

Former newspaper publisher and University of Michigan regent **Phil Power** is a longtime observer of Michigan politics and economics, and a former chairman of the Michigan chapter of the Nature Conservancy. He is also the founder and president of The Center for Michigan, a centrist think-and-do tank which publishes the Michigan Scorecard. The opinions expressed here are Power's own and do not represent the official views of The Center. He welcomes your comments at ppower@thecenterformichigan.net.



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THE NOVI CHAMBER

OF COMMERCE

Resolution of Support
Detroit Region Aerotropolis

Whereas, the **Detroit Region Aerotropolis** is intended to become a creative logistics hub that moves people, products and information; it will be a magnet for economic growth, community development and neighborhood development, throughout the Detroit Region, while having the potential to catalyze significant new investment throughout Michigan;

Whereas, the Novi Chamber of Commerce, an organization promoting the growth and sustainability of business, recognizes the **Aerotropolis** initiative as an engine of economic development within the Detroit Region.


Whereas, the City of Novi will benefit by providing the appropriate commercial environment needed by a growing number of firms, in an expanding set of industries; by offering air access to national and global markets; by embracing a “freshly global culture;” by obtaining an advantage in the “survival of the fastest;” and by concretely symbolizing a commitment to building competitiveness in a 21st century economy increasingly shaped by speed, agility, and global connectivity;

Whereas, there is a need to combine talents and come together in unison in order to create and build an economic transformation.

Therefore, be it resolved that the Board of Directors of the Novi Chamber of Commerce, on behalf of its member businesses, supports the advancement of the **Detroit Region Aerotropolis**, and will dedicate the determination and commitment necessary for it to take flight.

Furthermore, when developed responsibly, the **Detroit Region Aerotropolis** can lead the economic transformation and revival of the entire Detroit Region, including the City of Novi into one of the world’s great regions.

Approved by unanimous vote of the Board of Directors, Novi Chamber of Commerce, Novi, Michigan, on this day of 12 March of 2009.



Robert Thorne

Chairperson, Novi Chamber of Commerce



Linda Daly

Executive Director, Novi Chamber of Commerce