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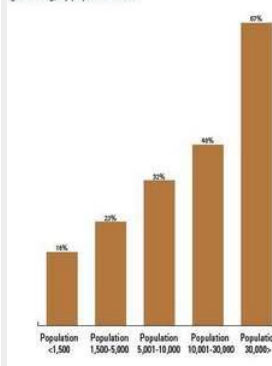
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Local governments pay lip service to growing local businesses, foundation says

By Marti Benedetti

Economic Gardening in Michigan

Figure 1
Percentage of jurisdictions that report engaging in economic gardening, by population size



Source: The Center for Local, State, and Urban Policy

Fred Calero still gets a little frustrated when he thinks about the struggles he had getting his growing business, Enovate IT, noticed by state and local economic development officials.

"There is a sense that they don't pay attention to good companies under their noses, and they don't help good companies move ahead," said Calero, president of the Ferndale-based company.

Enovate IT, a manufacturer and seller of wall-mounted and mobile computer work stations for the health care industry, is growing fast, creating jobs and in the process of buying and moving to a larger building in Canton Township. That all could have been happening sooner, he said, if a local or state government had given Enovate IT the kind of support becoming known as economic gardening.

With this approach, a town chooses to use its resources to help grow its existing second-stage companies rather than to attract businesses from outside the community.

One in four Michigan municipalities say they are engaged in economic gardening, according to a recent survey by the Center for Local, State and Urban Policy (CLOSUP),

a research unit at the University of Michigan's Gerald R. Ford School of Public Policy.

More than half, 55 percent, of the officials surveyed agreed that economic gardening can be an effective economic development tool. Larger cities had higher percentages indicating interest and practice in economic gardening.

But the truth is few municipalities in Michigan are doing any kind of economic gardening, and most don't understand what it is, said Mark Lange, executive director of the Cassopolis-based Edward Lowe Foundation.

He said the foundation wants to help organize a network in Michigan to promote the concept, and which would include organizations such as the Michigan Economic Development Corp., the Small Business Administration of Michigan, the Michigan Economic Developers Association, the Michigan Small Business Technology & Development Center and universities. The foundation is waiting for the incoming Snyder administration to get settled before discussing a pilot program for Michigan.

The foundation's economic-gardening efforts in Florida have paid off for 150 to 200 companies, creating 300 jobs, and its work in Kansas recently got an economic-gardening network off the ground.

"The heart and soul of economic gardening is putting together competitive information for your local companies," Lange said.

Lange's example of this information: A regional economic-gardening team in Florida interviewed the CEO of a pump-manufacturing company and found out the company needed specific information about water tables. The geographic information the team gathered helped the company provide the right kind of pump at a better price point than its competitors.

Economic gardening has been around awhile. It originated in Littleton, Colo., in the late 1980s after the city's major employer, Martin Marietta, cut thousands of jobs. Besides gathering customized market research, steps include tried-and-true methods, such as tax abatements, launching "buy local" initiatives, fostering business networking through chambers of commerce and other local organizations, and providing infrastructure such as roads and transportation.

Rob Fowler, president and CEO of the Small Business Association of Michigan in Lansing, is another advocate of economic gardening. "We've been hunting to get companies to come to Michigan. This is gardening, which requires a new set of

tools," he said.

The tools are contained in a blueprint for economic gardening called "Propelling a New Economic Direction for Michigan," which his organization gave to Gov.-elect Rick Snyder the day after the November election.

Meanwhile, the Edward Lowe Foundation stresses the importance of small business by reporting that most of Michigan's new jobs from 1993 to 2007 came from businesses with less than 100 workers.

Enovate IT is one of those. Founded in 2005, it has 126 full-time and 44 part-time employees. Thirty-five of those full-timers were added during November, Calero said.

Seeking support for his growing business, he went to the state, Oakland County and Ferndale but got nowhere. After several attempts, he got the attention of MEDC and received a \$1.1 million MEGA grant.

In the end, it was Canton Township that came through, wooing Enovate IT to relocate to a 76,000-square-foot building in an industrial park there. It also gave economic gardening-style support by providing demographic information when Calero needed it.

"Canton Township officials have been exceptionally helpful and business friendly," he said.

Township Supervisor Phil LaJoy said the attitude the township brings to the table is, "We want you. The answer is yes." The directive given to the township's economic development manager is to work as a partner to make a business successful.

"We look at a company's needs and concerns and try to match those with this community," he said. "We've developed a program we think is very good."