

cityofnovi.org

CITY of NOVI CITY COUNCIL

Agenda Item 1
April 27, 2009

SUBJECT: Approval and adoption of a resolution in support of Detroit Region Aerotropolis, consistent with the Novi's economic development goals set forth by City Council.

SUBMITTING DEPARTMENT: Neighborhood & Business Relations

CITY MANAGER APPROVAL: 

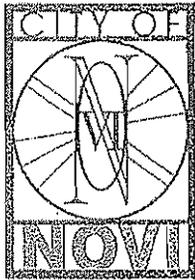
BACKGROUND INFORMATION:

The Detroit Region Aerotropolis is intended to become a creative logistics hub that moves people, products and information; it will invigorate the State of Michigan's current economy with significant new commercial investment. The real potential of a Detroit Region Aerotropolis will create an engine of economic development which allows the creation of logistical businesses to locate and relocate in Michigan like Ryder System in Novi. The topic of Aerotropolis is included as part of the adopted 2009 Economic Development Goals under Business Attraction #1.0. this past March, the Novi Chamber of Commerce adopted a similar resolution in support of Aerotropolis.

RECOMMENDED ACTION: Approval and adoption of a resolution in support of Detroit Region Aerotropolis, consistent with the Novi's economic development goals set forth by City Council.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Burke				
Council Member Crawford				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				



City of Novi
Oakland County Michigan

4/8/09
To: Mayor and City
Council Members
Drafted for 4/27 Council
and edits welcome.
[Signature]

Resolution of Support of Detroit Region Aerotropolis

At a meeting of the City Council for the City of Novi, Oakland County, Michigan held on the 27th day of April, 2009 at the City Hall, 45175 West Ten Mile Road, Novi, Michigan 48375.

CITY COUNCIL

Mayor
David B. Landry

Mayor Pro Tem
Bob Galt

Terry K. Margolis

Andrew Mutch

Kathy Crawford

Dave Staudt

Brian Burke

City Manager
Clay J. Pearson

City Clerk
Maryanne Cornelius

The following resolution was offered by _____ and supported by _____

Whereas, the **Detroit Region Aerotropolis** is intended to become a creative logistics hub that moves people, products and information; it will invigorate the State of Michigan's current economy with significant new commercial investment; and

Whereas, adopting a resolution in support of a **Detroit Region Aerotropolis** is consistent with Novi's economic development goals set forth by the City Council; and

Whereas, the real potential of a **Detroit Region Aerotropolis** will create an engine of economic growth allowing for creation of logistical businesses to locate and relocate in Michigan such as Ryder System in Novi; and

Whereas, the City of Novi concurs with the Novi Chamber of Commerce's position of support, will benefit by providing the appropriate commercial environment needed by a growing number of firms, in an expanding set of industries; and

Whereas, the City of Novi recognizes that a regional Aerotropolis can create an abundance of 60,000 new jobs with a \$10 billion in annual economic impact by the time the project is built over 25 years; and

Whereas, there is a need to "cooperate intensely" with one another in order to lead to economic transformation;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Council of the City of Novi, supports the advancement of the **Detroit Region Aerotropolis** and **seeks to partner with the appropriate agencies and businesses to realize the full potential of this initiative to create investment and jobs for the region.**

CERTIFICATION

I, Maryanne Cornelius, duly appointed Clerk of the City of Novi, Oakland County, Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held the 27th day of April, 2009.

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.