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August 27-29, 2009 Grand Rapids, Michigan







Participants in the Chamber's 16th annual Community Leadership Visit to Grand Rapids, Michigan on the rooftop of the JW Marriott, Grand Rapids.

List of Participants

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Dean Thompson Director - Economic Development City Utilities

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Rusty Worley Executive Director Urban Districts Alliance "Community Leadership Visits provide a unique opportunity to study how peer communities are dealing with similar issues and emerging trends. In some instances we have come away with fresh ideas to bring home and implement; in others we have affirmed that we are on the right track. These visits provide a great forum for brainstorming amongst our own group in a venue away from our day to day responsibilities. We learn much about our own community while touring others."

> - Andy Lear Chamber Chairman Partner, BKD, LLP





Introduction - Grand Rapids - A Study in Contrasts

In August 2009, 33 business, government and education leaders from the Springfield area traveled to Grand Rapids for the Chamber's 16th annual community leadership visit. During the three-day visit, the Springfield delegation heard from business and community leaders through seven program sessions and panel discussions in an effort to bring home fresh approaches to the challenges shared by both communities.

The second largest city in Michigan, Grand Rapids is located in Western Michigan on the banks of the Grand River and is near the beaches of Lake Michigan. Grand Rapids, not unlike Springfield, is known for its unique combination of urban amenities and small-town warmth. The City of Springfield recently identified Grand Rapids as one of ten peer communities they will benchmark. The two communities share very comparable demographics, a significant university population, and a history of entrepreneurial spirit in the community. While in Grand Rapids, the delegation heard from Grand Rapids Mayor George Heartwell who shared that his city has both tremendous successes to celebrate and major challenges to overcome. "It is the best of times, and it is the worst of times. Grand Rapids has a vital, dynamic, growing and very concentrated downtown business sector with tremendous capital investment in recent years, and yet we struggle with 12 percent unemployment and have had a deficit-challenged city budget for the last eight consecutive years," said Heartwell.

Additionally, Grand Rapids is challenged in the delivery of public education. The proliferation of charter, private, and parochial schools has led to a significant reduction in the number of





students in the public system, down to 20,000 from 30,000 just a few years ago. More importantly, 82 percent of those currently in the public school system are from disadvantaged households as evidenced by enrollment in the free and reduced lunch program. In fact, community leaders noted that the challenge of middle class flight to private schools from the public school system has become the single largest barrier in recruiting world class researchers, physicians, professors and other life sciences professionals.

The overarching story of the Grand Rapids economy is one of transformation from its past role in the "old economy," which consisted of being a leading manufacturing cog in the automotive industry supply chain and a world-renowned center for furniture making. Despite the challenges it has faced, Grand Rapids has had tremendous success in realigning itself to meet the competition in a new "knowledge-based" economy.

Three specific aspects stood out as the Springfield delegation studied the region's transition into the new economy: private

summed up the formula for Grand Rapids' success as "vision + philanthropy + collaboration."

The people of Grand Rapids are quick to explain that their part of the state is different from the Detroit area and Eastern Michigan. Some mention the area's Dutch roots and spirit of entrepreneurship. Others make reference to the conservative nature of the people, and quickly add that President Gerald Ford came from their city. From a marketing standpoint, Grand Rapids is working hard to distinguish itself as the second largest metro area in Michigan and the state's top economic engine. Efforts to brand the region as "West Michigan" are intended to reinforce that message.

There is a distinct sense of pride among the citizens of Grand Rapids and a strong conviction that it is a great place to live, work and raise a family today. Most importantly, there is a spirit among the community that they will continue to work collaboratively to make it an even better place tomorrow.

sector leadership, a commitment to sustainability and the emergence of the life sciences sector. It was evident that these three components are truly intertwined and have collectively driven much of the economic growth of the region. One Springfield participant

From left to right: Jim Anderson, President, Springfield Area Chamber of Commerce; Jeanne Englehart, President, Grand Rapids Area Chamber of Commerce; Peter Varga, Chairman, Grand Rapids Area Chamber of Commerce; Andy Lear, Chairman, Springfield Area Chamber of Commerce; Jim O'Neal, Mayor, City of Springfield; George Heartwell, Mayor, Grand Rapids.





Private Sector Leadership - A Culture of Philanthropy

A defining characteristic of the community is the leadership and collaboration of the private sector in Grand Rapids. Much of what has become the community's shared vision began at the private sector level, rather than with local government. In Grand Rapids, the mindset is that sometimes the best thing government can do is "not get in the way of creative ideas." The private sector has confidence in the outcome from the very beginning and doesn't have to be "sold" on the merits of a proposed project or plan.

During our time in Grand Rapids, several speakers mentioned the community's distinctive culture of philanthropy. In fact,

they view philanthropic giving as "society's risk capital." The scope of private and philanthropic investment made by Grand Rapids business leaders is astounding, ranking them second nationally per capita in charitable giving. Of course, Grand Rapids has some very deep pockets that would make most other cities envious. As the home of Amway, Grand Rapids has benefited greatly from the generosity of the Van Andel and DeVos families - the company's founders. But many other business leaders have stepped up as well to create what the Springfield delegation perceived as "an expectation that people will give and an expectation that they will work together."

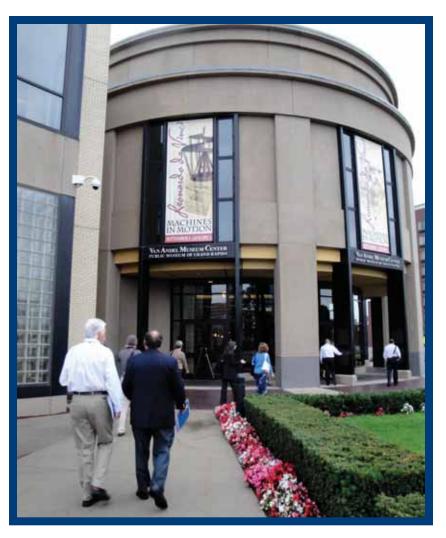


An example of the level of charitable giving in Grand Rapids, Frederik Meijer Gardens & Sculpture Park is comprised of 125 acres of meadows and botanical gardens, a world class sculpture park, children's garden and outdoor amphitheater; all made possible through philanthropic gifts.



We saw numerous examples in which private sector "venture capital" jump-started a project and helped to encourage the buy-in and collaboration with the public sector. The community has also successfully leveraged influence and impact through the collaboration of various philanthropic foundations. These non-profit community, corporate, and family foundations work together closely and allocate grant dollars based on the findings of an "essential needs" task force. It is also important to note that Grand Rapids' philanthropists don't simply put their money into a project on a whim. Each speaker made reference

to the level of research data and due diligence that is used to "make the case" for community improvement projects in Grand Rapids. This level of philanthropic giving creates a sort of peer pressure that has paid incredible dividends for Grand Rapids. The results are visible and impressive. An internationally known art and sculpture park, an 80,000 square foot premier heritage museum facility, a nearly 200,000 square foot convention center, a new children's hospital and a \$75 million arena are just a few of the venues we saw during our time in Grand Rapids that began with significant investment from the private sector and are now part of the community's fabric.



Participants toured the Van Andel Museum Center, West Michigan's premier heritage museum facility with 80,000 square feet of permanent exhibiton space. The accredited museum was made possible through a lead gift of \$3,000,000 and over 22,000 individual contributions.



Commitment to Sustainability - Environmental Integrity, Economic Prosperity, Social Equity

Grand Rapids takes pride in being a national leader in sustainability initiatives. Its business, community, governmental, and education leaders all identified these efforts as being tantamount to having a "livable" community. Mayor Heartwell acknowledged numerous reasons for being a sustainable community, but said "Most importantly, I'm a grandfather. I see the trajectory of the environmental challenges we will face unless we take action now."

With the exodus of manufacturing jobs from numerous industry sectors over the last decade, Grand Rapids' efforts to recreate itself have been built around being a sustainable community. Community leaders believe this focus has already resulted in a positive economic impact. They have moved beyond the need to convince people it's the right thing to do to an expectation in the community that sustainable measures will be inherent in all new construction. In fact, the philanthropic community prioritizes funding for new projects in which the plans call for sustainable practices with the goal of eventual LEED certification.

An amazing 18 percent of all LEED certified buildings in the country are in the Grand Rapids area, with more LEED certification per capita than any other city. And, the community takes great pride in many "firsts," including the nation's first LEED-certified public transit facility, art museum, YMCA and community foundation to name a few.

Business and community leaders seem to have embraced the concept of "triple bottom line" when establishing and evaluating sustainability practices. Grand Rapids views the creation of a



- George Heartwell Mayor, Grand Rapids on his commitment to sustainability





Sustainability Triple Bottom Line

sustainable City as achieving the "triple bottom line" goals of economic prosperity, environmental integrity, and social equity in order to sustain a positive quality of life for future generations.

To achieve these "triple bottom line" goals, the community leaders created a citywide master planning process known as "Green Grand Rapids" that focused on quality of life and the physical development of community infrastructure in six areas: greening, connectivity, natural systems, the Grand River, recreation and public health.

Their aggressive and collaborative approach has resulted in many notable accomplishments. For instance, Grand Rapids has seen a dramatic double-digit increase in transit riderships to over 10 million transit riders annually. The City has adopted a form-based zoning code that places more emphasis on high-density urban areas and pedestrians, and less emphasis on vehicle traffic. The City has also established a stated goal of 100 percent renewable energy use by the year 2020. According to Diana Sieger, president of the Grand Rapids Community Foundation, "Grand Rapids' successes in sustainability are the hallmark of what you can do when people catch a vision."

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- Diana Sieger President, Grand Rapids Community Foundation



The City of Grand Rapids' commitment to sustainability focuses on several areas:

Clean Environment

The natural environment is respected, improved, and pre-served for future generations.

Enriched Lives

experiences are abundant.

Prosperous Economy

The economic system fosters and sustains strong business and gainful employment.

Quality Community Design and Infrastructure

Community development is conducted in accordance with the City's Master Plan and infrastructure design is conducted in accordance with the City's Master Plan and governing rule and guidelines.

Responsible Government

The City is a "best in class organization" by which the man-agement of the City and the provision of services are con-ducted.

Safe Neighborhoods

Neighborhoods are free from crime and other threats to public safety.

Social Equity

Society embraces diversity and uses the power of diversity for positive change.



West Michigan - An Emerging Hub for Life Sciences

A central aspect of Grand Rapids' transition from the old economy into a knowledge-based economy has been the goal to establish West Michigan as a national leader in life sciences and biotechnology. The Van Andel Institute has been a catalyst for this vision since its establishment in 1996. Van Andel is an independent biomedical research and educational organization with two distinct components: the Van Andel Research Institute (VARI) and the Van Andel Education Institute (VAEI).

VARI has been successful in recruiting world renowned scientists and research clusters to Grand Rapids and this influx of talent and income has provided an economic stimulus to the community. The mission of VARI is to focus on "translational" research, which goes beyond seeking knowledge for knowledge's sake but rather endeavors to do research that can eventually become commercialized. One of VARI's most promising alliances is with the Translational Genomics Research Institute (TGen) of Phoenix. Dr. Mike Berens, senior investigator in the Brain Tumor Unit and director of the TGen's Cancer and Cell Biology Division, described the way this research contributes to the "overall ecosystem" of Grand Rapids by leading to the development of new technologies that improve human health and the local economy.

As Grand Rapids leaders assessed the status of the region's emerging life sciences corridor, they found one critical shortcoming to be the absence of a medical school to help transition research from the lab to new forms of treatment. Three key constituencies shared this common goal, albeit for different reasons, according to Steve Heacock, chief administrative officer and general counsel of the Van Andel Institute. "Business was hoping for biotech spinoffs, the health care systems wanted



Participants visit the Van Andel Institute, an independent biomedical research institute at the heart of the region's growth in life sciences.



training for their future workforce, and researchers wanted facilities and teaching opportunities."

The pursuit of this audacious goal required some unique collaboration and hefty private investments - and the target was just down the road in East Lansing. Michigan State University's College of Human Medicine was founded in 1964 as the nation's first "community-based" medical school in that it does not have its own hospital but relies on community partners to provide a place to teach and practice. Grand Rapids leaders believed this philosophy would work in their community if they could convince Michigan State to relocate its medical school by adding a Grand Rapids presence.

In Grand Rapids, the community partners include Spectrum Health and St. Mary's Health Care - the two largest health care providers in town. While these two health systems compete in many ways, this project required them to share information and begin collaborating, especially in the area of research. Another key factor noted by members of the Springfield delegation was the use of "non-exclusive" agreements between the health care systems and physicians.

The results speak for themselves. The 2010 opening of the Secchia Center as the administrative headquarters and medical education building for the MSU College of Human Medicine will double the size of the College by adding 350 students in Grand Rapids with a program focused on research, clinical and service components.

While the partnership among competitors has been significant, the driving force of Grand Rapids' metamorphosis has been the vision and generosity of private sector donors. In the past decade, these community leaders have made more than \$1 billion in private and philanthropic investment in research and clinical infrastructure to create a "Medical Mile" that has changed the face of downtown Grand Rapids. This leadership role of the private sector in making things happen in Grand Rapids cannot be overemphasized. "We like to look internally first when we need to solve community problems," said Heacock of the Van Andel Institute. "It's a hallmark of our community."

In the case of the Grand Rapids' development as a "destination medical center," they did not look for government to lead the way but rather had business leaders and philanthropists articulate the vision and make it a reality.

"We like to look internally first when we need to solve community problems. It's a hallmark of our community."

> - Steve Heacock Chief Administrative Officer, Van Andel Institute





Grand Rapids Area Chamber of Commerce Unique Initiatives and Programs

"Grand Rapids started on this journey because it was the 'right thing to do' but today you should start it because it makes business sense."

- Sonya Hughes Vice President of Diversity Initiatives and Programs Grand Rapids Area Chamber of Commerce on the need to embrace diversity The Grand Rapids Area Chamber of Commerce has developed a number of unique programs that respond to community needs and proactively address the issues facing businesses in West Michigan.

Diversity Initiative

With an 86 percent white population, Grand Rapids is not a racially diverse city. One challenge created by this lack of diversity is the difficulty many businesses experience when they try to recruit minorities to work in the area. According to Sonya Hughes, the Chamber's vice president of diversity initiatives and programs, incoming recruits did not feel welcome in Grand Rapids and newcomers often described the feeling of "being on the fringe" and not truly involved in the community.

To address this challenge, the Grand Rapids Chamber created a number of innovative programs, services and resources to help businesses incorporate and embrace diversity in the workplace. The Multiracial Association of Professionals is a network with members of all races that work together to help welcome, retain and connect professionals of color and their families to the Grand Rapids area.

The Chamber also decided to tackle the more sensitive underlying issue of racism. In 1997, the Chamber began a program called the Institute for Healing Racism to eliminate individual and institutional racism in their community. Since then, 1,600 business professionals and community leaders have gone through the Chamber program. Similar programs now are offered in the religious and education communities as well.

"Grand Rapids started on this journey because it was the 'right thing to do' but today you should start it because it makes business sense," said Hughes. In a publication called *A Business Case for Cultural Competency*, the Chamber outlines four key business factors that must be considered:

- The buying power of various racial and ethnic groups is significant and growing;
- In a global marketplace, supplier diversity is an economic advantage;
- Ingrained diversity and inclusion policies/practices save a company money by cutting down on lost work time and high employee turnover due to workplace discrimination and incivility; and
- Attracting and retaining diverse talent is what the future of workforce development is all about.

Regional Public Policy Conference

In late 2008, the Grand Rapids Area Chamber of Commerce partnered with chambers of commerce from throughout the region to host the first event of its kind to bring together local and state lawmakers and West Michigan business leaders. Years in the making, this public policy conference was intended to develop and strengthen regional policy goals in



order to influence policymakers from the entire West Michigan region.

In its first year, the two-day conference drew over 600 business and community leaders and elected officials from around the region. At the conclusion of the conference, participants were given the opportunity to vote on a variety of public policy issues. Based on that feedback, the Chamber is taking the region's pro-business agenda to the state capitol.

The West Michigan region has experienced significant economic growth in recent years. Community leaders felt strongly that it was time to heighten awareness of that growth and continue to build grassroots advocacy for the future. The not-so-subtle message to lawmakers around the state: There's more to Michigan than manufacturing cars and trucks. They pride themselves on having a unique business climate, vastly different from the eastern side of state.

With an admission cost of \$600 per person for the 600 attendees and sponsorships that totaled well over \$500,000, the conference was clearly viewed as the means to establish common regional policy goals that could be set in motion.

The Grand Rapids Chamber intends to continue to host future policy conferences every two years.

Family Business Alliance

The Grand Rapids Area Chamber of Commerce has long understood the importance of supporting the hundreds of family-owned businesses that are a vital component of the region's economy. In fact, West Michigan has the second highest per capita concentration of family-owned businesses in the country. Consequently, several years ago, the Chamber was instrumental in establishing the Family Business Alliance. The Family Business Alliance is a unique model of cross-sector cooperation that draws the best from research, expertise, practice, and service delivery for the benefit of family-owned businesses located in West Michigan.

The Alliance is spearheaded by the Grand Rapids Chamber and the Family Owned Business Institute of Grand Valley State University's College of Business. It is supported by membership investment of family-owned businesses and sponsorships from firms that provide services to the members of the Family Business Alliance. The Alliance offers workshops, mentoring programs, one-to-one assistance, small group sessions and networking opportunities, all focused on the distinct challenges family businesses face. Membership in the Family Business Alliance is separate and distinct from membership in the Grand Rapids Chamber.



Sonya Hughes of the Grand Rapids Area Chamber of Commerce discusses diversity programs with Andy Hosmer of the Springfield Delegation.

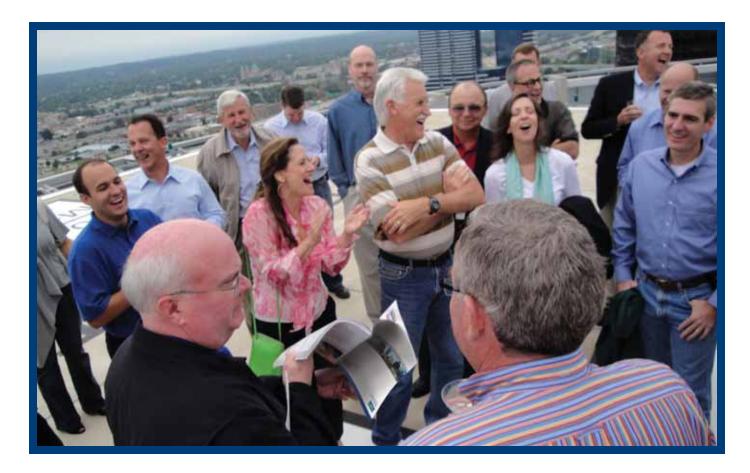


Conclusion

Like many past community leadership visits, the 2009 Grand Rapids trip provided several "take-homes" for the Springfield delegation. Some of those included a renewed appreciation for the things the Springfield area is doing well. In particular, the delegation noted the Springfield area's transportation infrastructure and process for investing in capital improvements as a strength we should not take for granted.

In Grand Rapids, community leaders invest heavily in agreedupon community priorities, as exemplified by the nearly \$1 billion in individual giving in the last few years alone. **However, the public education system there faces significant challenges.** Families of financial means choose schools outside the public school system, and a "shadow" school system has emerged. The Springfield community should appreciate the strong public school system we have, continue to embrace it, invest in it, and encourage creative learning opportunities within the system.

In learning from Grand Rapids, now is the time to ensure Springfield Public Schools remains strong and viable, able to contribute to our area's continued growth and economic development. The lack of public school support in Grand Rapids has created a form of class stratification, lessening community interaction and limiting opportunities for children. The same disconnect has the potential to emerge here due to Springfield's embarrassingly high percentage of children living in poverty. Springfield must keep its core strong and the public schools are a crucial part of the city's core.





Conclusion

Other items on the "take-home" list point to opportunities for improvement in Springfield. There were abundant examples in Grand Rapids of **the private sector leading the way** by establishing a vision, organizing a structure, contributing generously to make the vision a reality and bringing government along in a support role. By contrast, in Springfield the government often leads the visioning process, proposes funding solutions and pulls the private sector along. The right balance is probably somewhere in the middle between the "Grand Rapids way" and the "Springfield way." To reach that middle ground, we encourage increased engagement by local business leaders in helping city and county officials envision our community's future.

The scope of private and philanthropic investment made

by Grand Rapids business leaders is astounding and it dwarfs the level of private giving in Springfield. To put the difference in perspective, one member of the Springfield delegation referenced the "45 vs. 5" figure - Grand Rapids has 45 individuals with a net worth over \$100 million, while Springfield has approximately five. Even though Springfield does not have as deep of a pool of philanthropists, there is certainly room to improve the level of private support for community initiatives.

The **power of collaboration** was an important theme in nearly every session, but was particularly apparent during the discussion on the emerging life sciences sector. Much like in Grand Rapids, health care is a driving force in the Springfield region's economy. The potential for greater collaboration between CoxHealth and St. John's Health System, especially in the area of medical research, could significantly boost Springfield's standing in the competitive field of life sciences and biotechnology.

Grand Rapids has **invested in sustainability** through numerous initiatives. It is no longer a political debate. There is broad agreement that sustainability efforts result in a true business advantage and not merely just the right thing to do. Community leaders wisely recognized several years ago that a strong emphasis on sustainability and the ability to market that as an asset would be one component of being well-positioned for the new economy. One tangible way this has manifested itself is through the commitment to have a strategically walkable community. While efforts have been made in this area in Springfield in recent years, our community can do more. As was noted by one of the panelists during our visit, "You learn sustainability by walking down the street to see what someone else is doing, not from books or seminars."

Embracing diversity has been one of the building blocks for Grand Rapids' success. According to Sonya Hughes of the Grand Rapids Chamber, "A community that is 92 percent white had better be focused on diversity for economic development prosperity. If you are not, your future is pretty cloudy." If our community hopes to succeed in the global economy, Springfield leaders should begin planning today for how to create a community culture that is less isolated and more open to racial and ethnic diversity.

Springfield is now facing an economic development crossroads not unlike the one recently encountered by Grand Rapids. They chose to adapt, invest and move forward into the new knowledge-based economy. With a strategy focused on health care, life sciences and sustainability, Grand Rapids is following the mantra they recited to us: "think boldly, plan collaboratively, have a sense of urgency and be persistent."

Springfield has many strengths to build on, including a regional economy already driven by health care, higher education and entrepreneurship. Some efforts currently underway, like the Roy Blunt Jordan Valley Innovation Center and IDEA Commons, show great promise. Springfield's public and private leadership must continue working together to follow the Grand Rapids example and position our community for success in a very competitive new economy.

Photo credits Dan Chiles Jeff Seifried



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