

MINUTES



June 4, 2008

Present: Tom Barrett, Willie Hines, Harold Mester (for Lee Holloway), Mark Jaeger, David Lynch, William McReynolds, Larry Nelson, Cory Nettles, Stephanie Phillips, Nancy Russell, Carol Schneider, Steve Smith, Dr. Robert Spitzer, Richard Telfer, Herb Tennes, John Torinus, Scott VanderSanden, Dan Vrakas, Scott Walker, Ed Zore

Absent: T. Michael Bolger, Mark Cronce, Jack Fischer, Michael Grebe, Suzanne Kelley, Gale Klappa, Dennis Kuester, Joel Quadracci, Carlos Santiago, Steven Stanbrook, Mary Ellen Stanek, Phillip Neuenfeldt

Staff Present: Dean Amhaus, Julie Granger, Wendy Hauser, Shelley Jurewicz, Pat O'Brien, Jim Paetsch, Tim Sheehy, Julia Taylor, Marjorie Yoshida, Jim Zehner

Ed Zore, President/CEO of Northwestern Mutual and co-chair of the Milwaukee 7 Council, welcomed all to the second Milwaukee 7 council meeting of the year which took place in Racine County at CATI.

Mr. Zore introduced William McReynolds, Racine County Executive, who gave a brief welcome to Racine County. County Executive William McReynolds then introduced Mike Batten, President & CEO at Twin Disc, Inc. who presented the new Racine County workforce development strategic plan entitled "Higher Expectations: A Workforce Development Strategy for Racine County."

Mr. Zore summarized M7's financials:

- A total of 63 investors with a 5-year pledge totaling more than \$6.4 million.
- Two new investors are CKPR (\$52,000) and BVK. Both new investors were thanked for their in-kind support of the Milwaukee 7.
- M7 has 100% investor renewal in its campaign. All were thanked for their continued support.
- To-date, M7 has expenditures of just over \$4 million through Fiscal '08, both cash and in-kind.
- \$1,819,463 (45%) of M7 funds were dedicated to growing, expanding and attracting businesses.
- \$1,172,542 (29%) spent on marketing and branding.
- \$1,051,245 (26%) spent on efforts to improve the region's business climate.

Mr. Zore proceeded with updates in the three core competency areas.



Business Growth, Expansion and Attraction

- CEO Call Program: 500 visits with local CEOs have been completed to date. Reports will be presented on the Water Industry, Financial Services and our second round of Milwaukee Downtown calls (which are companies with fewer than 20 employees) at our fall meeting.
- Prospects Highlights:
 - 10 companies that have new or expanded operations, with a regional impact of more than 3,800 jobs and a \$323 million benefit to the region as measured by direct and indirect wages.
 - Working with 13 other companies for a combined impact of 3,235 jobs.
 - Worked with 6 companies, representing 1,800 new jobs and 200 existing jobs, that chose to locate elsewhere.
 - Recent win: Clifton Gunderson, national accounting firm with 50 offices around the U.S.
 - In April, Clifton Gunderson announced it was considering moving its headquarters from Peoria to Chicago or Milwaukee.
 - A move to Chicago would have meant the loss of 30 jobs here.
 - The Milwaukee 7, serving as a single point of contact, was able to present real-time data and analysis that was specific to the firm's needs and helped Clifton Gunderson make the decision to move its corporate headquarters here.
 - The relocation added 10 new jobs.
 - Deloitte Consulting
 - In mid-May, M7 hosted Deloitte Consulting's international site selection team for their annual meeting, which was combined with several special sessions with the Milwaukee 7 that focused on the region and our economic development strategies.
 - Great opportunity to showcase our region and get valuable feedback from an expert perspective.
 - Four qualities identified as competitive strengths for our region:
 - **Quality of Life – Stepping Beyond Places Rated and Forbes Perception**
 - Big league/college sports and other recreation
 - Thriving arts culture
 - Reasonable cost of living
 - Easy access to Chicago (airport, activities)

- **Education**
 - Top-level universities and close to Madison
 - Research
 - Secondary education
- **Skills**
 - Long-standing reputation for innovation and craft
- **Water**
 - Industry and recreation
- A panel from Deloitte addressed site selection trends, weighed in on our region's assets and liabilities, and offered advice on how to best position our region.



➤ Major Location Decision Factors

Short Term

- Prepared to handle expansion and attraction inquiries
 - Targeted real estate information
 - Targeted training resources

Medium Term

- Regional marketing
 - Industry targeting and economic development approach clarity
 - Quality of life advertising/lobbying
 - Website development
- External marketing (consultants, companies, trade shows, etc.)

Long Term

- Local incentive structure (within State of Wisconsin regulations)
- Partnership with local and regional higher education
- Sound infrastructure
 - Regional transit
 - Roads, rail & port access
 - Airport access

www.choosemilwaukee.com

- Solicited a proposal from Deloitte to help the region's attraction and expansion efforts by focusing on industries most suited to our strengths. This work product will help shape the agenda for the region.
- International
 - Our focus has expanded from outbound investments – trade missions helping the region's companies export – to inbound investments – marketing the region to international investors looking to the U.S.
 - The Milwaukee 7 was successful in gaining approval for the Immigrant Investor Program. This federal program allows foreign investors to qualify for permanent resident visas by investing \$1 million (or \$500,000 in high unemployment areas) and creating, directly or indirectly, 10 jobs in the region.
 - The Milwaukee Region is the only urban investment center designated in the Midwest.
 - Since our program was launched in May 2007, 7 investors have filed plans to invest \$3.5 million in projects in the region and another 15 with \$7.5 million of investments are pending.
 - Two investment funds with the potential to attract significant additional investment are also in the process of applying.
 - In another showcase to attract investment, the region will play host to the 40th annual Midwest U.S. – Japan Association Conference in September. The conference is a great opportunity to expose the region to more than 400 business leaders from around the U.S. and Japan.

Product Improvement and Business Climate

- Next Generation Manufacturing Council
 - The vision of the Next Generation Manufacturing Council is for the region to serve as a center of excellence for next generation manufacturing operations – firms that are technology driven, innovative, lean, agile and skilled.
 - Lead partners have been designated to align resources.

Workforce Development

**Michael Mortell, RWA
Shelley Jurewicz, FUEL Milwaukee**

Transitioning Existing Manu. Capabilities

Mike Klonsinski, WMEP

Technology and Innovation

**Colin Scanes, UWM &
Mike Klonsinski, WMEP**

International Manufacturing Support

Pete Beitzel, MWTA

Marketing/Branding

Dean Amhaus, Spirit of Milwaukee

Secure Public Policy

Steve Baas, M7 Policy Committee

- Eureka Winning Ways, a specially designed program for manufacturers to reduce costs and increase revenues through innovation, has been launched. 56 companies have indicated interest in the program
- The NGM Council is refining the definition of next generation manufacturing, defining base metrics and developing a benchmark study.
- Water Council
 - The Water Council's goal is to make the region the global leader for freshwater companies, innovation and research
 - Helping UWM as they work to establish the first and only School of Freshwater Sciences in the U.S. The proposal will go before the Board of Regents the first week in June.
 - A second Water Summit is set for the Pilot House at Discovery World on July 14. We'll have more than 100 water-related companies and 88 scientists from a variety of academic institutions, corporations and research facilities. Special guest will be Fred Dubee, a Senior Advisor from the UN Global Compact.
- Regional Workforce Alliance
 - Continues to use the WIRED initiative to align education, economic development and workforce development systems in the Milwaukee 7 region.
 - An industry specialist is working with area technical colleges and our Next Generation Manufacturing Council to develop new certifications that better match skills to jobs.
 - Round 1 of the WIRED Innovation Fund made \$500,000 available for investment; 30 proposals were submitted, requesting nearly \$1.5 million. Round 1 investments are scheduled to be announced June 26.
 - Round 2 of the WIRED Innovation Fund begins in July and will make about \$1 million of investments in innovative workforce solutions.
 - EMSI is a web-based data resource that profiles occupations in the region through government data. This software tool helps decision-makers like site selectors and employers pinpoint strengths in a regional workforce. The tool also identifies cross-occupational skills, allowing companies to better target compatible occupations to meet their needs. The tool also maps the wage scale and potential growth of each occupation.
- FUEL Milwaukee's HR Executive Council is creating a series of survey questions that will benchmark, measure and track FUEL's strategic progress and success.

- Public Policy Committee.
 - We pushed to get the region off the list of “areas not in compliance” with the federal ozone standards. We have been unsuccessful due to ozone readings higher than the federal standard at the monitoring site on the state line. At the end of this summer, barring a horrible ozone season this summer, all monitoring sites in the region – including the Kenosha site – should be comfortably within attainment levels, allowing us to successfully resubmit our redesignation request.
 - The Governor’s Grow Wisconsin agenda and its new incentives for growth and development have taken a back seat with the state facing a budget deficit this spring.
 - Wisconsin’s tax burden dropped to 11th highest in the nation, marking the first time since 1980 the state has been out of the top 10.
 - Working to produce a definitive report on the region’s transit needs, both bus and KRM, and adopt a common agenda for funding these necessary improvements to the region’s infrastructure.

Marketing/Branding

- choosemilwaukee.com
 - 170,000 unique visitors
 - 3.6 million hits since its launch a year-and-a-half ago
 - Several Web page enhancements are in the works
 - Updated home page with new photo treatments and a more prominent “news” section.
 - Expanded Next Generation Manufacturing section that will serve as a centralized resource for information.
- Resource Center continues to see significant activity.

Ed Zore introduced Bob Marcusse, president & CEO of the Kansas City Area Development Council. Bob focused on his very successful work of branding the Kansas City area.

What is KCADC?

- Kansas City Area Development Council is the region’s umbrella economic development organization in existence for 32 years
- KCADC represents 50 communities, 18 counties, and 2 states (4-5 core counties)
- KCADC is a non-profit corporation funded by the metro’s 250 top corporations (started with 65 funders)

What We Do...

- Promote the area to attract jobs, investment and talent to the region
- Position and market the KC region competitively against other major metros
- Assist KC area companies with tools to create a competitive advantage
- In two years, they doubled what is in the economic development pipeline

What is a brand?

- “A brand exists in your mind. Whether words, or images, or emotions... brands are the mental associations that get stirred up when a brand makes contact...”

Why “think”?

- Think implies a metro that is:
 - Innovative and thoughtful
 - Creative and sophisticated
 - Imaginative
 - Problem-solving
 - Possessing intellect
 - Thinking outside the box

Why “Red”?

- Iconic Associations
 - Vibrant
 - Rich
 - Powerful
 - Attention getting
 - Hot
 - Connotes passion

Why “KC”?

- Strong positioning statement
- Places us among
NY, DC, LA
- Recognized moniker
for our region

Examples of Usage (see presentation for examples)

- KCADC Brand Usage (all branches of government use it)
- Community Partner Brand Usage
- Corporate Partner Brand Usage

Ed Zore thanked Mr. Marcusse for his presentation and opened the floor for questions for Mr. Marcusse.

Next, Mr. Zore introduced Dean Amhaus, president of Spirit of Milwaukee. Dean has been leading the Milwaukee 7 Marketing Council and updated us on our region’s branding efforts and regional communications plan.

Marketing Council members:

Corry Joe Biddle, FUEL Milwaukee
Dave Fantle, VISIT Milwaukee
Dean Amhaus, Spirit of Milwaukee
Eric Paulsen, GMC
Gary Mueller, BVK
Gary Petersen, City of Milwaukee
Janet Slater, BloodCenter of Wis.
Jason Lusk, CKPR
Jeff Sherman, OnMilwaukee.com
Jill Morin, Kahler Slater
Julie Granger, MMAC

Milwaukee 7 Communications Plan

- Market to *businesses* with an emphasis on driver and emerging industries.
- Market to increase *talent* development, recruitment and retention.
- Execute a consistent brand message that *differentiates, promotes and improves* the perception of the Milwaukee region.

Current/Future Marketing Work examples

- Legislative FAM Tour – with “Influencers”
- Insider Briefings with corporate communications officials
- National/International News Placements

- Professional Media FAM Tour
- Speaker's Bureau

National & Regional Perceptions

- Overall Perceptions Improving
- Internal – Misperceptions Exist
- External – Lack of a Perception

Key Initiatives

- **Region Building – BVK, Gary Mueller, Creative Director**
 - Being a part of the international conversation
 - Changing our own dialog – creatively, resourcefully
- **National & International News – CKPR, John Mose, SVP & Director**
 - Targets: Leaders in driver industries
 - Talent to fuel those industries
 - Build relationships with key media
 - Establish source credibility
 - Monitor for opportunities and pounce
 - Train the Region's Spokespersons
 - Objective: Get communicators to discuss the region using similar language, key messages and proof points

Mayor Barrett stressed the importance of the M7 to the Milwaukee region. He then opened the floor for any new items of business for the council.

Mayor Barrett informed the Council that it is the M7's plan to return in November at the next meeting – and through input and discussion with our partners and investors – lay out the plan and assessment for funding and strategy for the next five-year program for the Milwaukee 7.

Mayor Barrett announced that the next council meeting will be held November 20 in Waukesha County, at GE Healthcare.

Mayor Barrett adjourned the meeting.