

Ep.14 - Kevin Johnson of the Detroit Economic Growth Corpora...

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SPEAKERS

Announcer, Ed Clemente, Kevin Johnson

A Announcer 00:01
Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

E Ed Clemente 00:28
Welcome to The Michigan Opportunity brought to you by the Michigan Economic Development Corporation. Hello, my name is Ed Clemente. I'm your host today for the show. And we're very fortunate to have Kevin Johnson, President and CEO of the Detroit Economic Growth Corp. Thanks again for being here today, Kevin.

K Kevin Johnson 00:45
Thanks. And thanks for having me appreciate it.

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Ed Clemente 00:48

And actually, this is a extra pleasure for me, because I don't think we've formally ever met, but I like the idea that you came on the show today and I hear really good things about you, and your program and all the new things you're doing over there. But when people who don't know what the DEGC is, and obviously people love acronyms, what do you tell them you do for your job sort of?

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Kevin Johnson 01:14

Well, we tell them that we are an essential partner with the City of Detroit and managing and directing their economic development efforts as we work with individual companies, small businesses, to create an environment so that investment and job creation can occur. We utilize a variety of tools, both state and local, to facilitate economic growth in our city and our main function is to do that in a very efficient and professional manner, with a great team of people that stand behind this organization to make those types of transactions happen.

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Ed Clemente 01:58

Yeah, and I know, having very familiar with Detroit having both I live my house is a mile from the border, but also, I was a trustee for Wayne County Community College, and I had all of Southwest Detroit in my district back then. So I was pretty familiar with it, but worked with Mayor Duggan and a lot of things in the past former State Rep. And I know that the DEGC, you've had some really good, you know, current successes. But I know for example, do you want to touch a little bit about the Fiat Chrysler plant? They thought that was pretty exciting when that came out, and I know it's a little bit back now. But

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Kevin Johnson 02:39

Yeah, but you know, it does, it still has impact in our community. I mean, from the supply chain alone, where we are working with people who manufacture the seats and the door panels and the bumpers. And, you know, I think a lot of you know, the general public doesn't understand just the sheer amount of support that an operation of that magnitude has that is non-Fiat Chrysler affiliated. So, you know, it was the biggest project manufacturing project in the United States. It still has a growth trajectory that can help facilitate 1000s of more jobs, in addition to the, you know, the 4000 jobs that was announced at the time that, you know, the project came to fruition. And, you know, our role in that went through land acquisition, we helped support the Detroit At Work mechanism to identify Detroiters that would qualify for the jobs that FCA needs to fill. We

work closely with MEDC, to on the incentives that would would have what was required in order to make the deal happen. So there was a lot of touch points that the DEGC had in that whole project. And I think the City of Detroit is better for it. Southeast Michigan is most certainly better for it. And State of Michigan, really kind of said to the world, we can still attract, you know, automotive manufacturing in our state and in this part of the United States. That helped I thought balance what the news cycle was saying about manufacturing in, in the Midwest and in Michigan. Many of the automotive manufacturers, as you know, were were making investments in an area where I came from, and that is certainly with Fiat Chrysler's investment, saying that we were still open for business for manufacturing.

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Ed Clemente 05:04

Yeah, let's do a little bit of I know you came. I thought most recently from Atlanta, right? (Yes) And I remember one time I was on a taskforce back in the legislature where Detroit was kind of benchmarking itself a little bit with Atlanta is a city with similar sort of challenges and opportunities. Has that transition from there to here, have you noticed, similarities?

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Kevin Johnson 05:30

I've noticed some, what I'd call cultural similarities. And that's a big that's big for for Detroit and Atlanta that have the cultural similarities. There are certainly challenges in urban cores around the country, Detroit notwithstanding Atlanta notwithstanding. But from an economic development perspective, I think that we have a lot of ground that has been, I think, uncultivated, meaning it was once cultivated, it went dormant. Now, it's in a position where it can be regenerated to allow for projects such as a Fiat Chrysler Stellantis to happen. And I think we now are in a position with the investment that the federal government is making in states to utilize some of the resources that I know you're very familiar with, with American Rescue Plan to help advance those types of regenerative projects, to position a Detroit for more investments in the future, on an industrial and a commercial scale.

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Ed Clemente 07:02

Yeah, let's go a little further with that. I think I noticed, you know, in some of the mission for the DEGC, is that your international investment as well and you kind of touched on it a little bit when you're saying, you know, with the automotive, but Detroit is a unique sort of economic or ecosystem right unto itself. Could you elaborate why it's attractive, you think even globally too?

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Kevin Johnson 07:26

I think because, you know, with whether our, you know, politically or economically we want to embrace this, but this is a global, this, this city, among many others around the United States, but this one in particular, relies on a global supply chain, there's no getting around it. You can, you can talk all you want, this city relies on a global supply chain, from Detroit, to Windsor, that's a global supply chain, right? The chips that are missing out of our cars right now, global supply chain, so we can talk, you can make all that noise and that political mess, all you want to, but the fact of the matter is, we are attractive, because we are a tremendous customer for that global supply chain, as well as us being an exporter, into cities, states and countries around the world. So this this city, is well positioned to be a large, significant player on a scale that we should embrace. We shouldn't be thinking about shrinking, we should be thinking about expanding and making our products more attractive to the global marketplace even more than they are now. So we're talking a lot about mobility and battery manufacturing, and the electrification of vehicles. All of that says to the world, that we have products that are going to be attractive for the foreseeable future, but we are all interlinked. And that's why Detroit is such a strong brand for the state of Michigan and for the United States of America.

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Ed Clemente 09:30

You know, it's funny you say that too, because even though I work for the MEDC, whenever I travel internationally, nothing against Michigan but more people know, Detroit, you know, and it has a lot to do with you their automotive capital Motown history, you know, there's just like,

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Kevin Johnson 09:46

Yeah, I mean, I came from a city like that, that was Atlanta. People knew Atlanta didn't know, Georgia. They, you know, that's where Georgia is, you know. So, and there are a lot of cities around not a lot, but they're there several cities around the country that have that distinction. Our job, and what we want to do more of is to leverage it more than we ever have not sit on the lead of a brand like Detroit, but to expand it, to share with the world, that we are this place that you need to know. And we're doing that in ways that we haven't done in a long time.

A

Announcer 10:29

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Ed Clemente 10:46

Well, let's let's go from that macro picture to a micro picture a little bit. And you and I have a similar background. We are both Presidents of Chambers of Commerce. I think yours is a lot cooler. You are the President of the Athens, Georgia Chamber of Commerce, home of the University of Georgia, but a lot of music scene down there too.

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Kevin Johnson 11:07

Yea, a lot.

E

Ed Clemente 11:08

Oh, I mean, I tell you, I used to go down there and B-52s, REM, yeah, you were there at a good time to I imagined, um, but the small business is really what sort of, I think drives Detroit and Michigan, too. And I know you work really hard on sort of the neighborhood small sort of business growth. And, you know, as someone who used to chair a DDA and like Lincoln Park, I know how important that those ecosystems are to to you guys, as well as to the city's fabric, right.

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Kevin Johnson 11:43

100%. And as you know, with the pandemic raging, small businesses were under, you know, they were under threat. And in measures that we can't imagine. We were, you had to recognize the importance of small business, to the economy, to employment, to neighborhood development, to community cohesiveness. These are the this is what makes the fabric of a Detroit and as you know, Detroit, Detroit is a big city full of multiple neighborhoods that people hold with distinction and pride. But the fabric of those neighborhoods aren't, you know, subdivision gates, they are commercial corridors that make up those neighborhoods. And with that being under threat, during the pandemic, we stood up a new entity within the DEGC called Detroit Means Business. And it was literally in response to making sure that our small business communities had access to information, access to capital, online commerce, training, mentoring, trying to drive local procurement. But there was this need to consolidate multiple business service organizations under one space so that, you know, Joe and Mable's Bar and Grill that's a fictional, my people always, always use that. But Joe and Mable's Bar and Grill, knew where to go for resources, whether that's PPP, whether that's trying to get, you know, at the time getting grants from the MEDC, to you know, all those things that were raging and

available during the time at the height of the pandemic. So we were trying to consolidate that those that information and make it easy for Joe and Mable to know where to go to get that information. And now, we're kind of elevating Detroit Means Businesses as a place that we can now make available to our small business community post-pandemic. And that's a very important function.

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Ed Clemente 13:58

Yeah. And I've heard you've had good success with it from just some of the local people. I think I've mentioned before Invest Detroit. They're talking about how they're working with you on some of those projects as well. So I know, by the way, I should have mentioned that, like, I know, you have a lot of partners and board members, but is there any stakeholders else you want to mention, that's on your board that are very helpful for your process.

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Kevin Johnson 14:20

Well you know, I get nervous when when I start ...

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Ed Clemente 14:23

Okay, don't forget anybody's name.

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Kevin Johnson 14:25

Yeah. I will just say that there is there are there are a coalition of about 60 prominent business and community organizations that made up Detroit Means Business, and they still are engaged. Utilities, private sector, foundations, partners, like Invest Detroit and Tech Town here in Detroit. You know, NEI, you know, founded again, you know, it we couldn't have done this just standing up DEGC and ringing the bell, it had to be a coalition effort. And that's what made it so special.

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Ed Clemente 15:09

Well, I want to give you also another shout out. I also am on a board in Detroit called Global Ties Detroit, but we bring in international delegations, they work with quite a few of your staff. And I give tours, like unofficial tours, walking tours downtown and different neighborhoods. And they all love it. I mean, they think of America very like, especially if they're coming from like Eastern Europe or Africa, or I've given tours from Saudi Arabia people. And I think it's not the it's not the America people see always on TV in other

countries. And I think when they really see that Detroit's a lot like where they come from, sometimes, it's actually more important to them, I think, than what they would have thought like what you see in the movies, right?

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Kevin Johnson 15:54

Yeah, I mean, it depends on where you took them, it can make them feel just like they feel at home. I mean, and unfortunately, Michigan, or fortunately, I should say, Michigan has this, this distinction of being, you know, this melting pot of multiple cultures and that makes Michigan such an attractive place. So we, we certainly appreciate that you do that because it just helps us as we go around the world, and we say the name Detroit, it's okay, we heard about it, and maybe one about it, when someone visited, we're just very excited that we have that distinction. And I think that's what that's one of the strengths of our of our city that we could we can do a lot more with as we go and try to use that as an attractive attraction tool.

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Ed Clemente 16:46

Right? Absolutely. Um, I also, you know, people said, when when we want to do a podcast about economic development, people usually don't know what it means. But I noticed you're even on the International Economic Development Council, which I know is a pretty important group for us economic development nerds. But would you explain a little bit what that does to I think it's pretty interesting to people.

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Kevin Johnson 17:08

Well, you know, IEDC is is, is our as our association and of economic developers, and we are the largest in the in the world and we use it as a platform, to for best practices, for training, for certification in our industry. I've had the good fortune of being on that board for, you know, three different occasions in my career. And I will tell you that it is more important than ever, that we have qualified people who really understand the business of economic development, because the work is too critical in communities. When, you know, I always ask the business leaders, you know, will they should have done such and so, right, you know, they should have, well, who is they? Well, they is us. and so, we want to be a real strong they, because they point us out all the time when things go bad. And they don't celebrate us when things go good. You know, so so we have to just take that and put out a thick skin on. But that work at IEDC is critically important for just those things alone and we can share best practices with each other and bring it back to our communities to hopefully make our communities stronger.

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Ed Clemente 18:32

Well, we appreciate you being on that board. Just so you know. We also just the last couple of questions for you. But is there any trends you're anticipating, obviously, besides COVID? But I mean, is there other things you see beyond what you've already highlighted that you might want to also mention, where you think you're going to grow or pushing a compass direction?

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Kevin Johnson 18:57

Well, I'll tell you, you know, there are a couple of what I call call to actions that we want to promote for us. And I think for the rest of our economic development colleagues around the country around the state. One is we have to lock down our strong position in the global marketplace. We have to get out of Michigan and go and tell the Michigan story and go tell the Detroit story. Two, we have to continue to push buy local, our small businesses are suffering and we can help with that with going out and buying local doing online commerce locally to make those things happen. We talked a little bit about it earlier, but we must use our ARP funding wisely, because it's transformational dollars that can change the trajectory of many cities in the state of Michigan, and will certainly it can change the trajectory of the future of Detroit. I think diversification is a way to future-proof our economy and not sitting on our leads on things that we are best in class at, but springing forth from those areas, into markets and into other industries that we're maybe not the leader in, but that has a distinct advantage of being a part of our own economic ecosystem. So I see the trends of diversifying our economy as the key and utilizing this is my pitch to legislators, we need new incentive tools. I'll say that one more time, for those that are listening. We need new incentive tools. I don't mind losing, but I hate not being able to compete.

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Ed Clemente 20:51

Yeah, that's a really strong point, obviously, at the MEDC. we we know that sort of a challenge that we all sort of got to embrace. It's a tough one. But we know, you know, it's it's sometimes hard to compete in today's sort of digitization world and Industry 4.0 other countries can leapfrog over you too, you know, pretty quickly, when before it was more of a methodical approach. Right?

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Kevin Johnson 21:16

You're right and you know, my definition of economic development is very simple, it's to fight for the right to be considered.

E Ed Clemente 21:24
Good point. On the last question,

K Kevin Johnson 21:28
Simply put, that's what it is.

E Ed Clemente 21:30
Well, the last question I know you've only I think you've only lived here three years now. Right? (Yes.) What is your favorite part so far of the three years you've been here, and if you've been anywhere else in the state beyond just Detroit, that's fine, too. But if you can point out a couple things you like about being here now.

K Kevin Johnson 21:49
I like the fact that I can stand up and look over to another country.

E Ed Clemente 21:53
Ah, good point.

K Kevin Johnson 21:55
I literally am looking over into Windsor, Canada right now. I love that. I love the you know, the magnificent golf courses. I'm a golfer, so they're just unbelievable, I'm surprised to be honest with you come from I'm a son of the south, proud son of the south, I just had no idea that some of Michigan's golf courses were so gorgeous. And I will tell you, there isn't a place that I've been in a state that I've not been amazed at its physical beauty. This a physically beautiful state. Now, a lot of people can say that. And the United States is a beautiful country, but when you break it down, to have the amount of water, being able to get in a river, getting the lake, go skiing, you know, it just has this diversity of landscape that I was just pleasantly surprised about. But I'll tell you the number one thing is I've been here three years and I've met lifelong friends.

E Ed Clemente 23:04
Well, we're gonna have to get you in a pure commercial, Pure Michigan commercial soon. You've done enough testimony, we can use those clips. But anyway, I want to thank again

Kevin Johnson, President and CEO Detroit Economic Growth Corp. And thanks, Kevin, you seem like a really nice guy. And I appreciate you doing this today too.



Kevin Johnson 23:23

Thank you for having having us and we appreciate you inviting DEGC to the party.



Ed Clemente 23:29

Look forward to meet you in person someday, too. Okay. Thank you.



Announcer 23:34

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