

Federal Reserve Bank of Chicago
Third Summit on Regional Competitiveness
October 23, 2015

Federal Departments, Region V,
Priorities and Grant Opportunities

MS. DEBRA FORD: So, we're going to take just a moment. I think the great staff here at the Federal Reserve Bank, they're going to clear the tables. So, we're going to give them a chance to do that. But, I see this happening. What I'd like to encourage you to do is to exchange business cards. There's not a whole lot of time for the conversation, so, particularly at your tables, so that you can connect after the summit. So, take a few minutes to do that, and we will get started in just a couple of minutes.

Okay, if everybody could take their seats, we're going to go ahead and get started. Thank you all again very much for your participation. Just as a quick reminder, remember, share your thoughts, photos from the summit in social media. And also, because we had a few folks that were engaged in some great conversations, remember to share your business cards and so that's the way we broaden our

network here. And, I also want you to join me in thanking Ed Morrison; Ed and his work with Strategic Doing is certainly one of the assets that we have here in our region. So, Ed, thank you so much for inspiring us, sharing with us, and we're happy to be a partner with you at UW Parkside. Let's give him a round of applause.

So now it's time to start our next panel and I'm sure you're ready to go to hear from our afternoon guests. It is such a privilege for us to meet and learn from the Federal Government Region V Administrators. They are here today to share insights into their department priorities, some new funding opportunities, which I know all of us are interested in learning about, and to discuss the benefits that we can reap by working together and working collaboratively.

So to lead this panel, we have Jeremiah. So, let me tell you a little bit about Jeremiah. Jeremiah, as the Community Affairs Managing Director here at the Federal Reserve Bank of Chicago, and the project manager for Chicago Fed's Industrial Cities Initiative. Jeremiah has a keen interest and understanding of the economic, demographic and social trends shaping industrial cities in the Midwest. So, ladies and gentlemen, please welcome back to the podium, our friend, Jeremiah Boyle, who will lead

the session, Federal Departments, Region V, Priorities and Grant Opportunities, Jeremiah.

JEREMIAH BOYLE: Well hello again. We've met. I hope to remain friends with the folks on the panel at the end of this panel, but I just had to, in the briefing right before we came on, indicate that I'm really going to be sort of cracking the whip up here on time, because as I hope many of you know from at least one of these panelists, if not all of these panelists, that any one of them themselves could fill the next hour with all of the things that one individual department of the federal government is doing in this region.

And so, we want to encourage people to get to know these individuals, their staffs and the programs that they have available to support economic development throughout the region. But we want to sort of narrow down the scope of what they normally cover, to address specifically what we're here to discuss.

So, first of all, let me just say that there are materials on the credenzas in the back of the room here that are hand-outs that have a much wider range of all of the resources that the federal agencies bring to economic development and the sort of infrastructure development projects that we've been hearing about today. And I hope

you all take the time to pick those up on your way out so that as you get to know the people who are doing this, that you'll also get a better sense of the range of programs that are available, and that will help to sort of cultivate some of the conversations that we'll need to have as we proceed out of today's conference.

The second thing I want to do is remind people, because of the introduction, with myself as the project manager for the Industrial Cities Project, the Federal Reserve of Chicago has been doing that project for close to four years now. And there were fifteen different contributors to that project who were out in the field covering five states interviewing 170 different people, many of them multiple times, bringing in a lot of data analysis and doing a lot of writing and that kind of thing.

So, again, I get to stand up here with the privilege of being introduced as the ICI guy and the Fed guy, but I'm really doing that on that part, on behalf of a number of people in this room, who were much more important contributors to that project than I was in the end.

But that also put us in a position, when the OECD report came out, and through some challenges on the table to the leaders in the region, to be more responsive to these challenges on a cross-sectoral and

interjurisdictional cooperative basis.

And, I have to tell you, for being in community development for 25 years, and having a lot of interaction with federal agencies over those 25 years, I have to say I was more than a little surprised, and very pleasantly surprised, that the very first meeting that I attended in response to the OECD report, was the federal agencies. They were the first ones to say, hey look, this is a high profile challenge that's been given to the region and our resources will either support or inhibit the response of this region to those challenges. So, what we can we as federal agencies, do together so that we're sending unified messages and it makes sense for more of us to be working together to have projects cross these state lines, cross these county lines, cross these, from one urban center to the other. How can we make sure that we're in a position to be able to do that?

So, this panel sort of comes full circle from that starting point to say, okay, we've been at the table with you, we, the federal agencies, and by the way, technically the Federal Reserve Bank of Chicago is not a federal agency, but we are fully cooperative with the federal agencies throughout our district. The federal agencies who are at the table to begin with, have been at the table from

the beginning and now have their own perspective on the way that they are applying the many resources that they have available to these regional challenges.

So, with that, I am not going to introduce every individual, because that would take up half of our time. I'm simply going to introduce you to the individual panelists. Susan Hedman is with the U.S. EPA; next to her Antonio Riley, with the U.S. Department of Housing and Urban Development; next is Marisol Simon with the Department of Transportation; Jeannette Tamayo is next and she is with the U.S. Department of Commerce, Economic Development Administration. And, by the way, it was Jeannette who called together that first meeting that I was talking about, and we were glad to be able to support her in that effort. And, last, but certainly not least, the Department of Labor, which as you may know, is under new legislation promoting a lot of interjurisdictional collaboration as well.

So, with that, I'd like to turn this over to Susan to sort of give us a couple of highlights of what your department is doing to support, again, the regional collaborations.

SUSAN HEDMAN: Thank you. Good afternoon. Often in discussions about the environment and the economy, there is

a temptation to set up those two topics as if they're a dichotomy in competition with one another. And I would suggest that that is a false choice. That, in fact, we can't have a strong economy without a healthy environment. And no more is that true than in this region, where we have water resources that are so abundant that are an opportunity for economic growth, if we protect those water resources.

Our Great Lakes are one of the biggest opportunities that we have that sets us apart from the rest of the nation and the rest of the world. It's the largest surface fresh water system in the world.

At EPA, we work with communities all around the Great Lakes to clean up sites that are legacy sites, legacy contamination sites, so that they can be redeveloped. The Great Lakes Restoration Initiative, which was launched by President Obama and now enjoys broad bipartisan support, has started to address the areas of concern, the most contaminated areas on the lake and get them cleaned up.

Those sites were identified in 1987. Only one site was cleaned up before the Great Lakes Restoration Initiative. Since then, we have cleaned up six of those sites, including one in Sheboygan, one in Waukegan, one in -- near Muskegon, White Lake; all of which are now new

opportunities for economic development. And we see that at all of the areas of concern around the lakes. Communities have economic development plans. They're just waiting to get those sites cleaned up.

There are a lot of other sites all around the region that are not on our waterways. Brownfield sites, where often these sites are left undeveloped for many years because of uncertainty about what level of contamination is there. The EPA has a Brownfields Grant Program that helps communities try to eliminate that uncertainty by doing assessments to determine exactly what's on the site and how much clean up needs to be done before a site can be redeveloped.

The materials in the back of the room talk about our Brownfield Grants Programs. These are programs that can be a major catalyst for a community to do economic development and often these brownfield sites are some of the best sites for a city to develop. The utilities are there, transportation routes are there. If we can eliminate that uncertainty, they are great places to redevelop.

So, EPA would like to work with you to do that. We also work, especially with HUD and DOT, in partnerships in communities to redevelop these areas where there is often urban blight and contamination. And, through the Great

Lakes Restoration Initiative, we work with sixteen federal agencies to address contamination problems around the Great Lakes.

And I know you heard from Mayor Dickert a little earlier; Racine is one community where we have been able to add a little bit of EPA expertise and financial resources, and the city has been able to do transformative things with that, working with private developers.

MR. BOYLE: Thank you. Before I move on to Antonio, I think I'm going to do this for every speaker. Let's take a quick show of hands, how many people in the room were familiar with the programs that were just referenced and have had a chance to work with them? How many people were not? For whom was that news?

Okay, again, resources are in the back for contact information, other programs that are available. The first key partner that you may want to work with, the EPA, will come back around if you want to introduce or name some individual staff, we can do that. But, I think that's what we need to get at, is if there are resources here that you're not yet familiar with, we'd like to make sure that you have an opportunity to connect with those resources. So, thank you. Antonio?

ANTONIO RILEY: Thank you Jerry, and to all of our

friends as well. On behalf of Secretary Castro, thank you for the opportunity. I'm going to try and be brief and get into the bread and butter of the conversation, but one of the ways that we started using HUD resources to try and encourage communities to think more globally, more regionally about their challenges and opportunities. Because when you think about it, housing, transportation, all those things they go together. And there are different things that impact on how communities develop or don't develop.

That's why early on in the administration, the President formed what we call the Office of Sustainability, which is a partnership between EPA, HUD and DOT, looking at how we invest in communities and that sort of thing. Through that office, we've done about 143 regional planning grants, about \$270 million dollars total covering about some 40 percent of the U.S. population, about \$43 million, or 16 percent of that, went to grantees here in this region.

Now why do I start out by talking about the Office of Sustainability? Because a lot of that work has led to a lot of the various regional planning strategies around housing, transit-oriented development, and that sort of thing. And here in metropolitan Chicago, a great example

of that also would be what we did here in Cook County called the Built in Cook Fund, which is financed through our Section 108 program through the Community Development Block Grant Program. Those funds are being used to do transit-oriented development and economic-development housing along those corridors of those communities that were grantees as part of the Sustainable Communities Program.

So, that link is a way of saying look, you're walking the talk, we want to make sure we're being flexible with our resources to assist you in doing that.

The other opportunity that I think that we have also coming up, and I can say this although the NOFA is on the street, people are competing for this, is our Disaster Resilience Program. This is going to be a program to where the grantees will receive about some \$800 million dollars and it is meant to help communities that have suffered disaster, that sort of thing, to talk about, not just how do you plan to prevent another, be prepared for another natural disaster, a thing of that sort, but how do you make that community more economically resilient?

And here in our area, we have a number of grantees who are finalists for that \$800 million dollar award. And so that's going to give us a great opportunity to talk about

how do we leverage that kind of investment to the best extent possible.

The final thing that I would just mention to you also again, how we try to encourage communities to think more regionally, more globally is something else that we're doing here in metropolitan Chicago, but we are now about to expand this to other parts of the country. We have eight housing authorities within the metropolitan area who are now working with us doing what we call the Placement of Section 8 Vouchers throughout the entire region. And that means we have seen since we've started doing that, we have seen an increase in the number of developments being done along those transit corridors throughout the metropolitan Chicago area.

And the other reason why that's important is the new Affirmatively Furthering Fair Housing Rule that every community in here will eventually fall under. We're phasing it in, but the new Affirmatively Furthering Fair Housing Rule says to communities now, they're going to have to certify, like all your other plans you have to certify to receive HUD funding. We want them to tell us, not just how are you dealing with issues of concentrated poverty in your high concentrated areas, but how are you dealing with those, how are you developing for low-income people in your

areas of opportunity?

That is going to really force communities to start thinking globally, right, about housing and economic development because they're going to have to now start submitting those plans to us. Now, in this area, I think Chicago's plan is up in 2017 or 2018. That's when you'll be falling underneath that new Affirmatively Furthering Fair Housing Rule. We have about some 22 communities so far around the country who are under it now.

But the purpose of that rule is to say these opportunities and challenges they just don't begin and end at a geographical boundary. How do we create a broader conversation? And that really supports the work, the ground work that was done through the Office of Sustainability. So, that's it.

MR. BOYLE: Thank you Antonio. And, thank you for the brevity. Mayor Dickert, I think he won the brevity award, but you did really well too. I've had conversations with many people about brevity today because of the agenda. So, let's do that again with Antonio's programs, how many people here have heard of and are familiar with the programs that he just talked about; show of hands? How many people heard something brand new in that? So, let's make sure that you especially get the handouts from HUD in

the background, and I know that Brian Gillen and probably others from HUD are here in the office. And I got to tell you, we've been through this Industrial Cities Project, we've been, we the Fed, have been showing in a lot of different cities around this region and almost invariably, the person sitting next to us is going to be a HUD staff person.

And it's been a really terrific partnership that we've been able to develop over the last several years in trying to help sort of weave together resources to support some of those cities. So, thank you Antonio. Marisol, please.

MARISOL SIMON: Thanks Jerry. So, I am the third triplet in the Sustainable Community trio and I am the fed with the deepest pocket. So, I am here representing U.S. DOT and it's a pleasure to be here representing Secretary Foxx. And on a personal level, it's a pleasure to be here with my colleagues.

So, and I say that we have, I have the deepest pocket because U.S. DOT administers a program worth over \$70 billion dollars a year. We do that with 62 different grant programs. And, I know that you wanted us to be brief, but I'm sure you're going to give me the time to go over each one of the 62 of them. I'm just kidding.

But, I did want to mention, because the mission of

U.S. DOT is so large, how U.S. DOT actually touches so many parts of our lives. So bear with me. The safety of the cars that you drive, your roads and your bridges, the movement of hazardous materials through our nation's pipelines, the safety of our trucks and our motor coaches, the safety of commercial aviation, the safety of railroads, research, bicycle and pedestrian access, movement of goods in and out of our Great Lakes. Now, our agency, I'm sorry, our department employs over 55,000 people, but right now I'm going to tell you the most important thing from my perspective that we do, that's my agency, the Federal Transit Administration. There are only 500 of us in the Federal Transit Administration, but we definitely punch above our weight.

So, that's what we do. And, we all know how important transportation is to the economy within a region. You guys have been talking about that all morning. So, if you have a high quality transportation network, you have a high performing economy as well. When your transportation systems are robust, your businesses can expand, they can manage inventories, they can transport goods more cheaply and more efficiently, and they can gain access to a variety of suppliers and markets.

For the families in a community, that means that

prices of goods will be lower. And for workers, if you have a good transportation network, that means that they can access more jobs which means that they can access jobs with higher wages.

This nation became a superpower in large part because the generations before us invested in our transportation infrastructure. In the early 1800's, we built the Erie Canal. Later in that century, we built the transcontinental railroad. In the 1950's, the crowning jewel of the transportation system, the federal highway system was built.

And I'm not going to belabor the sad picture of American transportation infrastructure today. Suffice it to say that ten years ago, the World Economic Forum ranked the U.S. number seven for our overall quality of roads. Today, we are number eighteen, which I don't know about you, but to me doesn't feel so good. You know, USA, USA, we're number eighteen, not so good.

But, this room I know is filled with doers, people who build a future and are not really interested in wringing their hands over the challenges of today or resting on the laurels of past generations.

So, you know, further in the discussion, I'm hoping that I can talk about some tools that I think that are

important for you to be aware of so that you can build that brighter future. But, I would start off by saying this, regardless of our federal programs, a process that you have to go through in order to access federal funding, is you have to participate in a planning process and in an environmental process. All that, and you heard from the MPOs this morning. So, I would say that a really important tool for you to have is to participate and to make sure that all of those folks who were up here this morning, from the MPOs, know your name. They know your needs. They know what your vision is for a bright future with a transportation that works for you, that works for your bottom line, that works for the needs of your family. So, that would be the first thing.

MR. BOYLE: Thank you, so I guess the vote here is, is there anybody in the room who was surprised that the Department of Transportation is the deep pockets on the panel? No?

MS. SIMON: And I took more time.

MR. BOYLE: Jeannette?

JEANNETTE TAMAYO: Thank you. Good afternoon. On behalf of Secretary Pritzker, and Assistant Secretary Jay Williams, I'd like to congratulate you. Your being here today is the first step in having that conversation around

collaboration and innovation. The U.S. Economic Development Administration is the only federal agency whose exclusive mission is economic development. But, I'd like to start off by just sharing the definition that we use for economic development because it informs how we approach collaboration and innovation. Economic development creates the conditions for economic growth and improved quality of life by expanding the capacity of individuals, firms and communities, to maximize the use of their talents and skills to support innovation, lower transaction costs and responsibly produce and trade valuable goods and services.

Economic development requires effective collaborative institutions focused on advancing mutual gain for both the public and the private sector's success. It is essential to insuring our economic future and it's essential because regions are the new centers of competition in the global economy.

While we are a grant making agency, very often, we are much more of a systems integrator agency. And we use the convening power to help leverage national initiatives through multi-agency proposals. We have launched national competitions for grants that involve partnerships with the MEP, Department of Energy, Small Business Administration, every partner here, as well as, a number of federal

agencies who aren't represented.

And why are we launching these national partnerships? It's because we know that very often the problems and the challenges in the communities aren't applicable to one agency. They're a multi-agency challenge. And the only way that we can provide resources to the community is by partnering together, combining and leveraging our collective resources to make a significant difference in impact.

Some of the other ways in which we've been using the convening power, is to work with the international community. Earlier this year, we had the opportunity to bring forth 27 countries in partnership with the State Department, International Trade Administration Organization of American States, and give them a tour of the Midwest. And in that process, speak about economic development and the importance of having regional comprehensive economic development strategies and plans. Not just the plan that sits on the shelf, but the continuing conversation on how the communities would collaborate with each other to help identify projects of mutual interest, where they would contribute each other's assets to help the neighbor, not simply look at the neighbor as the competitor.

We also have been, as part of that convening power,

responding to the call to action that was mentioned in Strategic Doing. When the OECD report was launched, the question was, what will we do? As federal agencies, how will we respond to this fabulous opportunity that you have here in the Midwest? How can we change and transform the way that we do business in order to support the way that you would like to do business? To that effort, we created the Federal Tri-State Partnership. Some have called it the Freshwater Coast, but we have 12 federal agencies, Education, Commerce, Health and Human Services, HUD, Army Corps of Engineers, Employment Training Administration, EPA, Federal Highway, Federal Transportation, Small Business Administration, and the Chicago Federal Executive Board representing another 150, a toll of over 150 federal agencies who are regularly convening with each other and having a dialog on how we can combine our resources and our initiatives to help you throughout the communities.

I'd like to point out Colleen Callahan who is here from the USDA, because any conversation about Metropolitan Chicago or Milwaukee or Gary necessarily involves a conversation about rural America. Not everyone is living in the metro center, not every business is located there. And it's important that we consider where the talent pool is, because we know that the talent pool very often drives

where companies are located. That leads to the discussion around workforce development and the great importance that it has, whether you're speaking about economic development or any of the programs here.

The other impact is that when we talk about collaboration, it cuts across the local, the regional, the state, the federal government, the private sector, the civic institutions, but also the philanthropic community. It's a joint partnership in how we leverage all of our collective institutions to change the whole for the better. Thank you.

MR. BOYLE: Thank you Jeannette. So, I'll take a little bit of a poll again. How many people knew about the things that Jeannette was talking about, the collaborative arrangements that the EDA has been putting together? For how many people was this news today? So, again, some paperwork on the back that you can take with you; please make sure that you make contact with the EDA to follow up on some of those things because I think it will be a benefit to you because they are in the business of weaving together some of these networks that I think is; is Ed still in the room? He was talking about the new procedures all about these networks and building the strengths of the networks because the hierarchies don't really work anymore.

And I think the EDA has been really at the forefront trying to do that geographically and certainly throughout our region and I think also nationally as well. So, thank you Jeannette. Rose?

MS. ROSE ZIBERT: Good afternoon. I just want to start by thanking everyone for coming today. We've been talking about how coming together to have these conversations is vital and well, actually, let me start by just saying, that I see that on my name table tent here. My agency's name is not on here. I'm with the Employment and Training Administration. Most of the agencies within DOL are enforcement agencies. We are a grant making agency and we're in the business of developing a talent pipeline.

So, what we do is help people get the job training that they need and the industry-recognized credentials that will help them get a good job. So, we're the workforce arm of the public workforce system. And, as Jerry mentioned before, it's a very exciting time for us at ETA. We are in the process of rolling out our largest piece of workforce legislation that got passed last year. It's very exciting for us because it actually speaks very much to the conversations that have been happening here today which is around the fact that we need to be supporting the development of economic regions and sort of coming together

and breaking down the silos.

So, we are in the process of sort of taking a fresh look at our system and putting in place a new way of doing business. And one of the things that our previous legislation did is it encourage these things, sort of supporting strong regional economies, but I think our newest piece of legislation, the Workforce Innovation and Opportunity Act actually creates a very solid structure in which to do it. And one of the ways we've done it is by requiring governors to identify economic regions in their state and then to place these local workforce areas, which is the funding structure that ETA uses within those regions. And when we talk about these economic regions, they are not bound by the, you know, typical boundaries. These can be interstate and then actually under WIA again, it was encouraged, though not required, we have examples of where that's happening. And it's worked very well. One of them that I will just quickly mention is the Ohio-Pennsylvania Regional Planning Area where they put it together back in 2009, and have done some phenomenal things. And one of the ways they started that process was by bringing together 150 of the key stakeholders in that five-county area, and then putting together a regional plan on how they were going to bring, you know, more business

into their economic region.

So, I guess what I will say is that for us, being able to put the structure out in the system I think is going to go a long way. Now, it's going to mean that our local areas, or I should say, those local areas within these regions will be aligning governance, planning, service, delivery and they will be bound by the same core performance measures.

In terms of the partnerships, we are looking for workforce education, economic development and the business community to be at the table and, again, all of the other key stakeholders in that area. We've, as part of that legislation, given more functions to our state and local Workforce Boards, and we're requiring them to be more strategic. And they'll be required to do a lot of the things that I think will support regional economies to facilitate partnerships, engage employers, develop career pathways, foster innovation, make greater use of data to assess its system and then to strengthen those conversations among the partners in the area and really to govern their region as one system, as opposed to by program or to by jurisdiction.

When we talk about strong economies, you know, I mentioned that now there's going to be regions, it also

requires the development of a regional plan. And in that regional plan, it does have to have a common vision for the region. It has to include regional market data, any regional strategy for how they will engage employers and businesses.

It will also require that it identify what are the in-demand occupations and industries, among other things. I just want to quickly mention a couple of the funding streams in addition to the, you know, our main piece of legislation that you should follow. We also have, and I think Jeannette spoke about some of these, over the years put out competitive funding opportunities through what we call our H-1B funding. This is funding that we generate when employers apply for foreign workers, H-1B visas, and then what we do is turn around the money and put it into training programs and train Americans for those jobs.

So, as Jeannette mentioned, we've done Jobs Accelerator. We've also done a really interesting one where it was called Make It In America, where we are looking for U.S. companies to bring back their production if it was outside of the U.S., and also to support U.S. companies here in the U.S. to keep their jobs here at home and then we, as the workforce arm, build the pipeline to meet the needs of those employers.

The other area I wanted to mention in terms of funding would be our, what we used to call National Emergency Grants, but they've now under a new legislation, we now call them National Dislocated Worker Grants. But, we're doing some really interesting work there. This past spring, we put out a \$150 million dollars for sector partnership grants, where a quarter of the funding can be used for regional planning. So, that would be one for you to follow.

The other one would be, it's Power Initiative, and a lot of these again, you know, to Jeannette's point, are multi-agency initiatives. But our Power Initiative that supports the coal economy, so where there's been a downturn, ETA is putting out \$20 million dollars in program years, '15, '16 and '17, and we're going to have an open application process for those.

And then the other one I'll mention it which is probably a little less known, is that in this past spring, we put out what we call Youth Demonstration Grants also funded with these Dislocated Worker National Reserve Funds. And, basically, what we did is, we looked at communities that had high unemployment, high poverty and provided additional funding to test out new service strategies. So, we put out \$22 million dollars nationally into seven

communities, two of those are here in Region Five, which is the office I represent; \$5 million dollars went to the State of Michigan for Detroit, another \$5 million dollars went to the State of Missouri for the St. Louis area.

However, you know, we have that pot of money. I'm hoping that in this new fiscal year, we will also make more of those demonstration grants available. And really, I will tell you that Milwaukee comes to mind as a community that I think would be very deserving of such a grant, along with many others.

So, I think I'll stop there. We have a lot of other initiatives that are really interesting. We're supporting sector strategies, career pathways by doing national convenings and having those dialogs, putting out tools, but given the timeframe, I think I'll leave it there.

MR. BOYLE: Well, thank you. And, thank you for everybody on the panel for that first round with being very compliant. I appreciate that. I didn't have to cut anybody off. I'm going to do two things before I go back to the panel again. First is, as Jeannette mentioned, there are at least a few other federal agencies represented here in the room. She called out Colleen specifically. Colleen, can I ask you to stand up so the people can see you? And, any other federal staff who are in the room, if

you could stand up also, just long enough for people to get a look at you, so they know to go charging after you and get your business cards and that kind of thing.

Do we have somebody here from the Department of Education?

JEANNETTE: I think they're not here.

MR. BOYLE: Okay, all right, well thank you. And again, we do want to encourage people to interact with all of the people on the panel and the other individuals that just stood up because, and this is going to lead into my next question for the panelists.

The community development staff here at the Federal Reserve has had a great run of interaction with most of these agencies, I think all of these agencies, through the Strong Cities, Strong Communities Initiative that has been happening here in our district with Detroit, Flint, Rockford and Gary, Indiana.

And it's been compelling in a number of ways. Number one that we were working in those local jurisdictions and there were a vast number of federal agencies who were at the table with those local jurisdictions. But once you're in that, you sort of get a peek behind the curtain also because you're included in email strings where these federal agencies' staffs are taking the information that

they're gathering and they're trying to piece together the different parts of the federal government that might intersect to fully and appropriately respond to the challenges that are being raised from the most local levels here. And it's been a very interesting experience to do that. And I know that that's just one of many programs that this administration has been saying, I hate to use the buzz words, but let's break down the silos and make sure that whatever we're doing, we're leveraging the resources that we have in the most effective and efficient way to respond to what is being asked for at the local level.

I'm sure all of you could raise your hand and contradict that if that's what's needed, but that's the sense that I have. And so, one of the things that I'm wondering about for the folks here who are trying to figure out how to really sort of energize the attempt to bring together those coalitions to be able to address things. You've had exposure to this kind of thing throughout our region and throughout the country. And I know one of the panels earlier today specifically referenced a collaboration around Denver on transportation issues. I've referenced the SC2, the Ohio-Pennsylvania Partnership was highlighted the Tri-State Federal Agency Group. So, there are lots of sort of examples of this that may not be well

known to this audience.

So, I'm going to go back to the panelists again with sort of a quick, if you could pick out sort of one sort of regional or interjurisdictional collaboration that you have been involved with that you think is a good example for this audience of how it came together and why it seems to be working. I think this group would probably benefit from that. So, would it be wrong to put you on the spot right away, or?

MS. HEDMAN: That's fine.

MR BOYLE: Okay.

MS. HEDMAN: I'm tempted to talk about SC2, but I think I might leave that one to Antonio and Marisol. And instead, talk a little bit more about the Great Lakes Restoration Initiative.

I have the privilege of leading the Great Lakes Restoration Initiative which brings together 16 federal agencies to implement projects to protect and restore the Great Lakes. And since that initiative was stood up five years ago, we've implemented over almost 3,000 projects all around the Great Lakes region. In the past, those agencies did their Great Lakes work pretty much on their own. Now, instead of asking, what is our agency's agenda, we ask what do the Lakes need? And part of the way we get that answer

is by reaching out to, for instance, the mayors of the cities around the Lakes, to NGOs, to business groups to find out what their priorities are for restoration and protection of the Great Lakes. And then, this group, once we establish those objectives, we do a budgeting process that maximizes those objectives. That's a completely transformative way from the way we used to do these things in the past where we did things pretty much in isolation.

So, what we have unprecedented amounts of resources to protect the Great Lakes, we now also have an unprecedented degree of collaboration between 16 federal agencies. And it has enabled us to be able to in a unified way go out and get input about where we should prioritize and to make a difference. And, I have to say that because of that, the Great Lakes Restoration Initiative enjoys this really broad bipartisan support. And, that is unusual in this day and age. It is something where there is a clear understanding that by working together to protect the lakes, we are actually I think protecting one of the strongest economic engines we have in this region.

MR. BOYLE: Thank you, Antonio?

MR. RILEY: That's a loaded question, I can talk about every single community and pull out a lot of examples, but the one that I just, that came to mind is the work that

we're doing through the Strong Cities, Strong Communities effort in Northwest Indiana. That has proven to be extremely transformational. The plans originally had called for shutting down the two transit stops in the City of Gary and building a large parking right on the edge there and that's to try and speed up the trains from Chicago and the like. But working with the mayor and local community, we came up with another alternative and we're able to present that the transit folks and the train folks and what not and they saw value in it.

Then we took the idea to Governor Pence and presented to Governor Pence and he saw, he liked the idea as well. And now we have a TIGER Grant sitting before DOT to help us launch that. Now once that is launched, if we're successful there, TIGER Grant or not, we're going to pursue the work. Once we're successful there, that is going to be so transformational, not just for the City of Gary, Indiana. It is going to have a huge regional impact on that entire northwestern corridor of the State of Indiana. And that is important because through CMAP, Metropolitan Planning folks here in Chicago as we move toward that area. So, in a real sense, our regional vision here in Chicago, is part of that strategy with the transit system around the Marquette area and Gary, Indiana. So, that is a real

transformational project. And frankly speaking, outside of the Federal Partnership and the way we all work together, I don't know if we would be there. Because there was an agreed plan initially that the communities step forward and say, we want to rethink this. And it was the Federal Partnership working alongside of them to help them to get to a better place. And now if we're successful, well not if; we are going to be successful, TIGER Grant or not, we're going to implement this new plan in Northwest Indiana. It's going to be very transformational.

MR. BOYLE: Thanks Antonio. Marisol?

MS. SIMON: So, you know, I think it's telling about this Sustainable Communities Partnership among the federal partners, that Antonio who is a housing guy, is talking about TIGER, which is a transportation, one of those grant programs. So, we've worked very closely, the three of us actually with the local elected officials and community groups in Northwest Indiana and I'm really proud of the work that we've done there.

But the funny thing about bringing down silos and working as communities and expanding your reach through relationships with other agencies and other people, the -- my license plate says BUSLADY because buses is what I do, but for a while I was thinking that Antonio was actually

the bus guy because he knew more about the bus service in Gary, Indiana than I did.

So, I will give another example, also an SC2 example, this one in Detroit, Michigan which was a Strong Cities, Strong Communities city. And each one of the cities that were chosen for the SC2 program, one of the federal departments was made the lead. In Detroit it was U.S. DOT and specifically the Federal Transit Administration. Public transit in Detroit was seen as a huge challenge for the residents there and their ability to make a living wage. So, we did a lot of work there, but I am reminded of one particular small story that I will share with you about how collaborating can really, really pay off.

So, Detroit, like many urbanized areas, has this leap split between the suburbs and the intercity. You see that played out all over the country. So, in Detroit, there is a suburban bus system which is pretty much a commuter service that goes in and out of Detroit and into the suburbs. And then you have the City's bus system. And they were both applying for, or they both wanted to apply for a Competitive Grant Program because they both needed new buses. The City system had a lot of buses that they needed to retire because they were irreparable and so did the suburban system. And they were both going to compete

for this program separately. So, I brought both general managers together and I said why don't we think about this a little differently? Why don't you guys make a joint application because if you do, I have a feeling that your application is going to rate higher and there's going to be a greater chance that you will be successful. And all of these programs are highly, highly competitive. We have probably ten times the applications than we have money to fund. And so, this day we have new buses on both systems because that application was successful. And I think part of the reason why it rated well is because on the federal level and I wasn't part of the judging process, but on the federal level, I'm sure it was like great, collaboration between the city and the suburbs. That's a good thing.

MR. BOYLE: Thank you, Jeannette?

JEANNETTE TAMAYO: I'd like to highlight the Investing and Manufacturing Communities Partnership which actually has two excellent examples in this region. One happening in Milwaukee, and one happening here in Cook County. This was a national competition whereby initially twelve communities were selected, and part of this selection involved being guaranteed additional scoring points in national competitions among the twelve federal agencies that were able to score points; or priority order in the

applications. So, there was this tremendous incentive for communities to gather together, identify a specific cluster and submit an application.

Well, once that application gets submitted, and everyone is getting along, the designation occurs and all of a sudden, very often what we hear about is the competition, the competition for dollars. What we didn't hear about in Milwaukee and in Cook County was that competition because they chose to put aside their differences and the Cook County example actually involves all seven counties in the Chicago Metropolitan area. It's considered the Chicago Metro Medals Consortium. Not only did they decide to share the leadership around the implementation of a collaboration grant, they decided to share the decision making in terms of the various buckets that they would focus on, whether it was innovation or workforce or transportation. This is a very different model than has been used in other parts of the country. And one of the, has really, has a huge opportunity for success.

The other is Milwaukee which focused on the food and beverage and water as their two industry clusters. And instead sending an application that was strictly City of Milwaukee or Milwaukee County, they actually expanded the

region to insure that they were including all of the participants that might be part of those clusters. They have a different governance model, but what it has allowed them to do is focus on the relationship building and the collaboration and to look at the entire supply chain and identify all of the entities that impact the supply chain, what they need from the workforce development perspective, as well as what they need from the federal government perspective for support to grow that supply chain.

Both of these examples with the IMCP focus on collaboration. The competition was not for dollars. The competition was for recognition that you can work together, that you have a plan of action, you have committed partners across the full spectrum, and that at the end of the day, you've agreed on achieving an outcome. When the conversation earlier spoke about what you do in Strategic Doing; what will we do, how can I help you? Those are questions that the IMCP applicants answered and the way that they answered it was by sharing their assets, instead of looking at their deficits and competing with each other. That would be our example.

MR. BOYLE: Thank you.

MS. ZIBERT: I think some of the examples that come to mind have already been discussed, Strong Cities, Strong

Communities. I wanted to just add to some of the work that was done in Detroit. I know Marisol talked about bringing in buses. I mean, it's pretty impressive to Jerry's point earlier about the commitment of this Administration, the Obama Administration to community development. And I know for us, at ETA, we've been very fortunate to be able to work with mayors in Gary, Indiana, Rockford, Illinois, Detroit, Michigan, among others, again, many of the ones that have been brought up. As it relates to the Detroit work that we've done, you know, when we look at what holistically has, in terms of what resources have come to that community, I think it's pretty impressive. So, Marisol mentioned the buses, Treasury Department brought in TARP funds which then paid for the demolition of abandoned buildings, which was one of the big problems, and has continued to be a big problem in Detroit.

The Department of Energy installed something like 30,000 street lights that were out which obviously created a very eerie feeling in the downtown area. And then ETA obviously has been working on the workforce needs of the city attracting businesses into the area, Hire Detroit was one of the big initiatives there. So, again, you know, we look forward to continuing to work on those initiatives which we really believe are making a difference in these

communities.

MR. BOYLE: So, thank you. As I ask for people to grab the microphone so that we can take questions from the audience, I'm just going to point out quickly, Mayor Dickert and I were having a conversation out in the hallway during the break about Mayor Daley for whom I worked and for whom was a peer and a friend, and who was a peer and a friend of, who is a peer and a friend of Mayor Dickert's. And, we were talking about what a treat it was in non-public settings to have been able to just essentially be in conversation with him. And to get the kinds of discussion going like we began to have here.

So, Kelly's not in the room, but I'm going to sort of put this on the record that I think the next time this group comes together, first of all I'd like to have more mayors than just Mayor Dickert here and ready to be participating in this. But I think it would be very useful, I was thinking during this panel that it would be great to have Mayor Dickert here in conversation with all of you. The application of what you are doing and talking about to an individual geography, but to be able to do that to a number of different, with a number of different cities around the region. So, I think I may challenge the Alliance to think about that for the next time. And with

that, I think we have about, between five and ten minutes for audience participation, so, we'll start right over here.

Q Okay, I'm sure since you're federal agencies, you're all familiar with NAICS codes. I'm curious if, you know, there's only one answer. If you could only pick one industry and you have to name that industry, which industry sector do you think is the most important to drive prosperity for our country?

MR. RILEY: Yeah, I don't -- I think it's very hard to try and say which industry cluster is more important to drive prosperity for our entire country because regions are unique, but yet there are different advantages for -- I'll give you a good example, Rockford, Illinois all right? Rockford, Illinois has a proposal right now having to do with their airport. There's about a \$10 million dollar we estimate gap in terms of funding to make that happen. We're focused on the federal partnership, how do we solve that problem? But, that's going to have a huge impact on Beloit, Wisconsin as well. So, when you say I think the beauty of the study that was done as it looks at the tri-state region, they kind of identify various industry clusters, right? That the three states could potentially look at and strategize, how are we going to leverage this

into economic growth? But to say which industry for the country, that's a little tough for me to --

Q Just which sector? I mean you have financial services, you have insurance, you have manufacturing.

MR. RILEY: All of it, all of it is important.

Q It's all important, but is there one driving?

MR. RILEY: I can't answer that.

MR. BOYLE: I'm going to jump in here and just say, any opinion I give is mine and not that of the Federal Reserve. But, I think we heard earlier today even from MarySue Barrett, that even at a regional level the strength comes not from picking one, but being diverse. So, any one of them can be a driver in any location. The important thing is to identify what the assets are and let those assets drive the growth. I think, you know, I can't speak for anybody else, I can barely speak for my wife and my kid.

But, the general sense that I get in this conversation today and in other conversation is that it's to try to avoid the trap of what's the one big home run and to be able to cultivate a sort of an entrepreneurial local growth model. So, to do it at the national level, you know, again, it's the diversity of the economy that drives the strength of the economy much more than sort of picking

winners so to speak. So, I hope that sort of goes where you want it to.

MS. TAMAYO: Jerry, if I can just add to that. You know, one way to look at it is trade. One of the key goals that we have for the national economy is trade. And everything that impacts on trade. So, that's innovation, entrepreneurship, manufacturing, talent and every element that helps impact the trade because ultimately, we're competing on an international stage. And that's what we have to drive towards.

Q That was, I was going to sort of rephrase it as, looking at our trade deficit, you know, how do we solve that problem? How are we going to solve that problem and what industry can help solve it the most? Maybe that would be another way to rephrase it.

MR. BOYLE: (Inaudible 1:03:56)?

Q For the Secretary of Labor, thank you all for being here. Obviously, you're amazing people and we appreciate your dedication. We're at a point now where we're getting, with unemployment going down, we're getting to a pool of people that are not ready for work. And I'd love to hear your advice on some ways to start dealing with the social side of that labor pool.

MS. ZIBERT: Now, and you're right. One of the things

that we are -- one of our big priorities is around registered apprenticeship and we realize not everyone is ready for an apprenticeship program. So, pre-apprenticeship would be an area that I would point you to. That would include some remedial training to sort of bring people up to the level in order to do some of our other programs to be competitive in our other programs.

You know, one of the, of Obama's priorities right now is to double the number of registered apprentices within the next five years. So, we've been looking at Germany and some other countries overseas because I think here there may be people who are not ready for a four-year education, but then, you know, there's vocational training and in this country up until now, vocational training has been, sort of been looked at, as, oh well, you're not good enough for, you know, the four-year university and we're trying to change that conversation to say it's okay and it's actually a great path to go down, very good money to be made, portable credentials. The employment rate of people who complete registered apprenticeship programs is very high.

So, you know, again, we're doing a lot of work in that area and I'm happy to talk more about that with you.

MR. BOYLE: So, Antonio's going to get the final word here on this panel, so, go ahead.

MR. RILEY: Oh, I'm sorry. On that point, in our place-based SC2 work throughout the region, one thing that kept coming up is workforce development. And, recently, all the different federal agencies who do have some workforce development requirements, small business requirements, we all begin to get out teams together so that our goal is to come up with in a real sense a platform where we can go work with any community right, to say, here are your workforce development concerns, here is the platform of different federal strategies, how we can work with you. That is something that we are now taking on across federal agencies in a new way. It's kind of like an off-shoot of our place-based work. In a real sense, when you're doing place-based work, you've got to be nimble, right? You're going to come in with a plan, but as you get on the ground and start learning what communities need, certain things are going to start popping up. And workforce development was one of those.

MR. BOYLE: So, again, I would just like to point out that I want to thank this panel because I sort of forced them into almost like choosing among their children about who they like best. In a very public way, by saying, you really need to limit that.

MS. SIMON: I have 61 other children.

MR. BOYLE: But let me just remind everybody that there are further resources available on the credenzas. These folks are going to be here for a little while yet. And please join me in thanking this panel for a very (inaudible 1:07:19) conversation.

-END-