

STATE OF THE COUNTY ADDRESS
OAKLAND COUNTY EXECUTIVE L. BROOKS PATTERSON
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INTRODUCTION

Just a few short months ago the voters of Oakland County gave me an opportunity to serve another four-year term as County Executive. I'm delighted with that vote of confidence. I'm also delighted to once again stand before you this evening and declare, unabashedly, that the state of Oakland County is excellent and our future is blindingly bright.

There are many reasons for my optimism: our budget is balanced for 2005 and 2006; last month Wall Street reaffirmed our coveted AAA bond rating; last year we added more than 17,000 new jobs, leading the state in job creation; Site Selection Magazine again ranked Oakland County as the number one county in Michigan for new plants and expansions; and recent surveys show that of the 50 largest counties in America, Oakland County delivers government services at the lowest cost based on personal income.

Oakland County continues to be the economic engine for the State of Michigan. At a time when Michigan has lost more than 300,000 manufacturing jobs since 2001 and the state unemployment rate has been consistently higher than the national average, Oakland County has had the economic strength to buck the trend and continue to provide the spark that will ultimately lead the State of Michigan out of the recession. In fact, Manpower Employment Outlook Survey ranked Oakland County as one of the top ten growth markets in the entire nation.

My economist friends tell me this phenomenon of good news begetting more good news is called "cumulative causation" – and we're the stronger and wealthier for it.

YEAR IN REVIEW

Let me start tonight by very quickly highlighting the major successes of the 2004 calendar year, later in my remarks I intend to spend a fair amount of time on three major initiatives, one of which is well underway and the second two we will unveil in detail tonight.

I consider 2004 to be a great year for Oakland County. As I review our accomplishments, it may sound like I'm bragging, but as Dizzy Dean once said: "It ain't bragging if you can back it up."

- Chief Information Officer (CIO) Magazine, a national publication focusing on IT, selected Oakland County as the only county in America among its top 100 award recipients for 2004 – 97 corporations, two cities and Oakland County.

The great team at IT has been led by its Director Phil Bertolini who continues to rack up his own prestigious awards. He was asked this past year to serve on a select eGovernment Steering Committee at the John F. Kennedy School of Government at Harvard University. Next month he will travel to Dubai with the Harvard team as a guest lecturer on eGovernment practices.

Because of Phil Bertolini's leadership and guidance combined with the support of his outstanding team, Oakland County is a recognized national leader in eGovernment.

What exactly is eGovernment? In its simplest form, eGovernment is the high-tech deliverance of government services and information quickly and efficiently through its website to citizens, businesses and organizations.

eGovernment allows anyone with a computer to go online and pay delinquent property taxes; apply for birth, death and marriage certificates; acquire a vehicle permit; or pay traffic tickets, to name but a few of the many services available.

From the user's standpoint, the Oakland County website has proven to be the most popular feature of eGovernment. Our website is packed with over 13,000 pages of content.

During 2004 there were 830,000 visitors to our site, 7.3 million page views, and 1.6 million documents downloaded. We expect even more robust activity this year.

Also developed in Phil's shop is the OakVideo Project. OakVideo is Oakland County's new video arraignment system which debuted in the Ferndale District Court this past November. OakVideo, linked by our 380 miles of fiber optic cable, makes possible instantaneous live point-to-point or multi-point communication to all district and circuit courts in Oakland County, as well as the Prosecutor's Office, the jail booking facilities, and other law enforcement agencies.

While other communities may have point-to-point arraignment capabilities, very few places in America today enjoy Oakland County's range of multi-point functions which also integrates document management and digital signatures. Video arraignment reduces prisoner transport time, shortens the arraignment process from several days to a matter of hours, and reduces law enforcement costs while enhancing court security.

- Main Street, as you may recall, is a national historic preservation program operated out of Washington, D.C. This private venture focuses on the rejuvenation of America's history – specifically our downtowns. Oakland County's affiliation with Main Street continues to be a real success story. Nationally, Main Street has welcomed over 2,200 cities into its program, and it's important to note tonight that only one county has been invited to join: that's Oakland County. We are proud of this very unique distinction. We now operate as the portal to bring our local communities into the program. Presently ten communities share the benefits of the Main Street experience in Oakland County. Most recently Oxford and Ortonville were added. Ferndale was readmitted last month, thanks in no small measure to the efforts of Ferndale Commissioner David Coulter.

Oakland County Main Street in 2004 extended its record of success by racking up more than \$97 million in total new public/private investment in these ten communities, adding more than 198,000 square feet of floor space, establishing 25 new businesses and creating 238 new jobs. Main Street is a program that truly delivers. Since launching our Main Street program four years ago a total of \$273 million has been reinvested in the downtowns of the participating communities.

- 2004 was the inaugural year of “Count Your Steps,” my pedometer program targeting childhood obesity. A couple of years ago I heard a lecturer say that America’s children today are becoming so obese that for the first time in history we are raising a generation of children who may not outlive their parents.

When I heard that dire prediction I met with my Health Department and we came up with the Oakland County “Count Your Steps” program. The program is privately funded by six of our great corporate citizens: General Motors, Pontiac Osteopathic Hospital, Flagstar Bank, Blue Cross Blue Shield, Art Van and WJR.

We raised over a quarter of a million dollars last year to buy 29,000 pedometers for all third and fourth grade students in Oakland County. It was a five week program where schools challenged schools, and classes challenged classes. Ultimately more than 220 schools, 1,200 classrooms and some 29,000 third and fourth grade students participated in this first “Count Your Steps” challenge. The top performing students, classrooms, schools and school districts were awarded prizes for their efforts, including trips to the zoo and to our Oakland County parks.

As an aside, my IT Department maintained the database for all the steps counted and it may surprise you to know that 29,000 students logged in more than 3.2 billion steps, with the Rochester School District taking first place with 410 million steps. The winning school for “Count Your Steps” was Shrine of the Little Flower Grade School in the City of Royal Oak.

All the kids I met during the course of this program were excited and had fun, but none more so than the kids from Shrine who took first place. When I went down to give the award to Shrine I was entertained by the “Shrine Steppers,” a group of kids who actually wrote a rap song about getting up, getting off the couch, and start moving for a healthier lifestyle.

(The Shrine Steppers are introduced.)

Given this kind of excitement, you know we’re going to come back with “Count Your Steps” again this April, and I have a hunch that Shrine will be leading the way again.

- In my State of the County Address for 2001 you may recall that I made the following statement: “While the infant mortality rate for all children born in Oakland County is 5.3 per 1000 live births, in Pontiac the African/American infant mortality rate is 23.5. This is totally unacceptable.”

I announced on that evening in 2001 that my Health Department was embarking upon a challenge to reduce the African/American infant mortality rate in Pontiac. Tonight I’m delighted to report to you that we’ve had very encouraging results from that effort. Under the able guidance of Dr. Tom Gordon and Health Department Manager George Miller, backed with a \$300,000 grant from the Nurse Family Partnership, a program that identifies at-risk mothers, our community health nurses fanned out to homes in Pontiac to provide counseling, prenatal care, maternal care and other assistance over the last couple of years.

As I said, the effort has produced promising results. Between 2002 and 2003 the infant mortality rate for African-American citizens in Pontiac dropped from 23.5 per 1,000 live births to 9.8. Now 9.8 is still far too high, but the numbers are headed in the right direction.

- Oakland County's perhaps the only county in the nation to offer two high-quality prescription discount programs to its citizens. We have more than 24,000 seniors now enrolled in the Oakland County Prescription Savings Program who are saving somewhere between 15% and 40% on their drug purchases. That money remains in the pockets of our citizens totaling over \$2.5 million in savings just last year alone.

We launched a Prescription Relief Program in 2004 that costs the participant only \$7.00 for each prescription for maintenance drugs, assuming you meet the income thresholds. This is a program directed at the working poor who make less than \$31,000 per family or \$19,000 or less as an individual. Qualified individuals who are in need of a maintenance drug and do not have insurance coverage can apply.

Participants pay \$7.00 a month for each prescription and have a choice from more than 1,500 name brand and generic maintenance drugs. Recently we received a letter from a lady in Hazel Park who joined our program. I'd like to read a couple of her comments to you tonight.

Dear Mr. Patterson:

I am a grateful recipient of Oakland County's Prescription Relief Program which came to me in the nick of time. When I received your letter, I was actually trying to consider exactly which of my medicines I could discontinue without causing further disability or even death.

You see, when I was forced to retire in 1998 due to health problems precipitated by a car accident in 1986 in which I was an innocent victim, I had more than \$50,000 which I had thought would last me for several years. However, the \$800 plus monthly that I had to pay out-of-pocket for years [for prescriptions] finally depleted my nest egg. There was no way I could survive.

However, now because of your Prescription Relief Program, my medication is only costing me \$60 - \$70 a month.

Thank you very much for the Prescription Relief Program...it is surely a Godsend!”

Those letters make it all worthwhile. Much credit goes to Risk Manager Julie Secontine and Senior Citizen Advocate Lynn Alexander for their hard work.

- In 2004 we officially dedicated the Great Lakes National Cemetery in Holly Township which graces a picturesque 544-acre bucolic landscape set among rolling hills and two beautiful lakes. The cemetery is being built in phases: 10,000 burial plots are planned for Phase I between 2006 and 2010. Over the next 25 years the cemetery will serve as a final resting-place for 127,000 area veterans. The Great Lakes National Cemetery will use only upright marble headstones to mark the gravesites, similar to those at the Arlington Cemetery befitting the quiet elegance and solemnity of this hallowed ground. I congratulate Mike Zehnder, my director of Public Services, again for his hard work in making this cemetery, only the second in Michigan, a reality.

- As I look back on 2004, my Department of Management and Budget and the Fiscal Services Division were awarded for the 13th consecutive year the Certificate of Achievement for Excellence in Finance Reporting by the Government Finance Officers Association of the United States and Canada. Also this past year the GFOA once again presented Fiscal Services with its Distinguished Budget Presentation Award and the Popular Annual Financial Report Award.

These prestigious awards have been awarded so regularly for so long that we are in danger of underestimating the significance of such awards and the talent of the people who earn them. The Department of Management and Budget is directed by a very capable woman named Laurie VanPelt and her Manager of Fiscal Services is Tim Soave.

With such quality leadership in the Department of Management and Budget, as well as in Fiscal Services, it is little wonder that Oakland County has been awarded, for the sixth straight year, a AAA bond rating from Wall Street.

In the January 18, 2005 transmittal letter announcing the AAA bond rating, Moody's wrote: "The County's sound financial management is further evident in the continuous proactive measures it takes to address challenges for future fiscal years. Moody's believes that institutionalized conservative budgeting processes bolster the County's ability to mitigate unfavorable variances."

And finally, my favorite line from the transmittal letter: "Moody's believes that Oakland County will continue its role as an economic engine..."

Ladies and gentlemen, while other units of government are struggling to balance their books, Oakland County has balanced its books for 2005 and for 2006 and we are actually beginning to noodle the numbers for 2007. It's really not rocket science: when you look that far out on the horizon, you see problems which are molehills and you can address them before they become mountains. Or as I told the team, it's easier to cure a cold than it is to cure pneumonia.

The strength of Oakland County, our financial strength, our new programs which I will discuss shortly, may very well be the impetus that leads the region and the state out of the fiscal morass that tarnishes our image today.

- My administration has been as attentive to environmental stewardship as it has to economic development and budget issues. Responsible growth is balanced with the preservation and protection of our natural beauty which comprises more than 1,400 lakes, rivers and streams; 85,000 acres of pristine parkland and abundant undeveloped green space. The environment is a legacy that we will leave to our children. We have an obligation to be good stewards on their behalf.

Toward that end, I have a couple award winning programs to report on tonight. Oakland County is in the process of converting abandoned railroad rights-of-way into bike and walking paths. Seventy-three miles of the 241 mile County trail network have been completed providing citizens great exercise opportunities. It's now possible to take the Paint Creek Trail into downtown Rochester or the Polly Ann Trail into Oxford where residents can shop, dine at a local restaurant or grab a Cappuccino. The grand design is to link the entire county with trails, north and south, east and west. Eventually you might even be able to hop on your bike and peddle from Wixom to Port Huron.

Another one of our environmentally sensitive programs is our project we call "View From the Road." This program uses technology to visually depict a particular stretch of road as it is today and then how it could look tomorrow by adding trees, medians, brick crosswalks, shrubbery and other amenities.

Let me give you a couple of examples. Looking at the screen behind me you can see southbound Woodward in downtown Pontiac today...and what it might look like tomorrow. The image can be used to communicate the city's plans with developers interested in revitalizing the county seat.

The same for the Village of Holly looking north out of midtown now...and what it might look like tomorrow. This slide illustrates how new development can occur that is compatible with the historic downtown. We try to maintain the character while building up the local tax base at the same time.

Our environmental efforts have not gone unnoticed. A September 17, 2004 editorial in the Detroit News said: "The emphasis on green space and recreation reflects good planning. And it's one of the things that separates Oakland County from communities that develop willy-nilly without regard to quality of life."

Oakland County is not being paved over as some critics would have you believe. Industrial property takes up only 3.1% of the land in Oakland County while commercial buildings use an additional 3.1%. The largest segment of the land in Oakland County, about 39.2%, is devoted to single family homes. Another 13.3% is permanently dedicated to recreational uses, while we have almost 13.6% in vacant land available for quality development.

As a separate editorial in the Detroit News noted on that same day: “Growth isn’t choked off but is managed in a way that provides both green space and more homes.”

The editorial concluded with: “...Oakland is far from being a haven for unplanned, unchecked growth. Rather it is a model for smart growth.”

Frankly, ladies and gentlemen, that’s why I have a problem with groups like the Michigan Land Use Institute. A former New York Times reporter, Keith Snyder, founded this so-called Land Use Institute in 1995. After a year’s study that he entitled “Follow the Money,” he concluded: “The Detroit region is growing more slowly than almost any other major American metropolitan area. It is shedding manufacturing jobs by the thousands and losing droves of young adults tired of bad traffic, dead end jobs and centerless suburbs.”

He went on to say: “Sprawl cannot exist without massive public spending for roads, water, sewers, public buildings, and business development. These intense, taxpayer-financed intrusions into the market have distorted the landscape, ruined central cities, harmed the environment and reduced the quality of life.”

Where do I start to rebut this idiot?

Apparently, if you don’t have economic development and your tax base is eroding and jobs are fleeing the region, you look around and try to blame others for your failure. Folks, I’ve said it many times: sprawl is not bad. It’s in the eye of the beholder: if you

have it, you call it economic development. If you don't have it, you whine and call it "sprawl."

Another honest way to examine "sprawl" – or growth in the suburbs, if you will – is to understand the reasons for the exodus of City of Detroit residents. They move to the suburbs seeking fine communities with safe streets, decent schools for their kids, a lower property tax base, and credible municipal services.

In other words, sprawl may not be due to the allure of the suburbs, but rather to a collapse of the core city.

And Mr. Snyder's cheap shot at the suburban quality of life is a joke. What is it about our exemplary school systems, the low crime rates, a combined property value in Oakland County that exceeds \$144 billion, greater than the value of property in 17 individual states, the 75 golf courses, upscale nationally renowned shopping malls, the International Academy in Bloomfield Hills ranked as the number one school in America, the highly acclaimed Cranbrook Museum of Science, five star restaurants and hotels, etc. What is it about all of that, Mr. Snyder, that diminishes the quality of life in Oakland County?

If dueling was legal in Michigan, I'd smack Snyder across the face with my glove.

- As I complete my review of 2004 I would be remiss if I didn't make a comment about one of the hottest topics debated throughout the year: the expansion of Cobo Hall. I could spend all night on this one subject, but let me cut to the chase: there's a demonstrable need for a new Cobo Hall. The question remains: Who is going to pay for it?

The State of Michigan put \$65 million into the DeVos Arena in Grand Rapids during the Engler Administration, but today the State is cash-strapped, dealing with huge deficits – and has no money to put into an expanded convention center.

The condition of the City of Detroit’s finances is well known; it can’t come to the table with any meaningful financing.

The Big Three, who might logically benefit from an expanded convention center, are noticeably quiet. In fairness, they are dealing with their own financial issues.

Certainly the suburbs cannot shoulder the burden of a \$665 million proposed expansion, the cost of a 225,000 square foot addition.

By way of history, ladies and gentlemen, you should know that since 1985 Oakland County has kicked in more than \$183 million in hotel, motel and liquor taxes to pay off the bonds on the first Cobo Hall and expansion. To make matters worse, we’re on the hook through 2015, until those bonds are paid.

There is some expectation that Oakland County will simply re-up for another 30 years. Let me be very clear tonight: after long and serious review of the Cobo Hall issue, the expenses associated with Cobo Hall, its operating deficits, its \$200 million deferred maintenance bill, its unfunded pension liabilities, and more financial questions being raised every day, it is clear that I cannot and will not commit Oakland County taxpayers to 30 more years of such indefensible mismanagement.

Please understand this is not anti-Detroit rhetoric, this is prudent fiscal management talking. I am your elected County Executive and I have a fiduciary responsibility to you as taxpayers of Oakland County to spend your tax dollars wisely.

Ladies and gentlemen, the jury is in. Such studies as the recent Brookings Institution Report entitled “Space Available: The Realities of Convention Centers as Economic Development Strategy” have cited that spending public dollars for convention facilities is risky policy. The number of tradeshow are down and there is a glut of exhibition center space now available in the market.

This report underscores a point I have been making for a year: if there is going to be a new or expanded Cobo Hall in the City of Detroit, it will have to come from the private sector. Thirty-five percent of all convention centers in the United States are privately owned and 55% of them are managed by the private sector.

As all of you know, word leaked out a few weeks ago about a private sector venture that several of us have been working on behind the scenes for close to eight months. I can't go into detail tonight but suffice it to say that I can confirm that the deal centers around the acquisition of an existing casino license in Detroit which in turn would be the vehicle to fund the building of a new convention facility and hotel somewhere in the City.

There are still a lot of hurdles to clear, a lot of due diligence to be performed – it's a long way from being a done deal – but in the final analysis this private sector approach is the last best hope for the replacement of the aging Cobo Hall in Detroit. Stay tuned.

One final point, ladies and gentlemen. According to the Michigan Department of Treasury, Oakland County sends slightly under \$11 million of its hotel, motel and liquor taxes annually to the Convention Facility Development Fund to help retire the debt on Cobo Hall. (Wayne and Macomb have their own bill to pay.)

When we get off the hook in the year 2015, I have a plan: I propose cutting those existing excise taxes in half, lessening the burden on the taxpayers, and diverting the balance of those taxes into a yet-to-be defined fund in Oakland County dedicated totally to maintaining and expanding our road infrastructure. Such a dedicated source of revenue could be leveraged 13:1 and would significantly help solve our perennial maintenance and congestion problems that confront motorists every day. This will have to be accomplished with the support of our friends in the Michigan Legislature.

AWARDS/ADMINISTRATION CHANGES

In a State of the County Address, you can't talk about the great successes of Oakland County government without giving credit where credit is due – and that's to the men and women who serve on the front lines. Year in and year out the contributions of Oakland County employees bring honor to themselves and pride to the organization which they so faithfully serve.

Their achievements are recognized nationally.

Last year in 2004 Oakland County received six more awards from the National Association of Counties, NACo for short.

The Department of Information Technology walked off with three of these awards recognizing this department for its creative and innovative technology programs.

The Solid Waste Resource Management Division earned a NACo award for its North Oakland Household Hazardous Waste Consortium, a program that coordinates the pickup and safe disposal of hazardous materials.

The Oakland County Health Department won a national award from NACo for winning the war against the West Nile Virus. Part of the reason was the Health Department's "Mosquito Smarts Program" for which the award was given.

The County's Central Services Division took home a NACo award for its mail processing system. The mail center purchased a mail sorting machine which enabled the County to automate and bar code all first class mail in-house. Last year alone this County department saved more than \$139,000 in postage costs with this new system. Good work Todd Birkle.

Oakland County Parks and Recreation, a department managed by the Board of Commissioners, earned six awards from the Michigan Recreation and Park Association, all enhancing our quality of life.

While I'm on the subject of Oakland County employees, there's another side to these good folks I would like to tell you about. They are as generous and caring as they are talented. Since 1993 employees have contributed more than \$400,000 to the Casual Day Fund. Each Friday throughout the year a \$1.00 donation can be placed in the "jean jar" which entitles the employees to wear leisure attire to work on that day. At the end of the year the money collected, usually in the neighborhood of \$30,000, is divided up among local charities.

Then there are also special casual days for special causes. For example, in the past money has been collected and given to flood victims in the midwest; to a Pontiac man who lost his entire family in a house fire; and to the family of a county employee whose child underwent a series of cancer operations.

Recently the Casual Day Fund contributed \$6,600 to our troops serving in Iraq and Afghanistan through Operation U.S.O. Care Package.

Last month we dipped into the Casual Day pot again and wrote a \$10,000 check, the biggest single donation from the fund so far, to a non-profit organization called "Save the Children" to assist with the Tsunami Relief Effort in South Asia.

The Casual Day Fund is supported entirely by generous employee contributions and absolutely no taxpayer dollars are used.

PROMOTIONS

A domino effect occurred in the upper echelon of my Administration late last year when Deputy County Executive Doug Williams announced his retirement. He was my longest serving deputy and he is sorely missed. His departure however set off a chain reaction within the ranks of my deputies and directors. Gerald Poisson, an assistant deputy, was promoted to succeed Doug Williams while Phil Bertolini, formerly director of Information Technology moved into Jerry's spot as Deputy County Executive.

Because of Phil's great achievements at IT and technology expertise, he also assumes the title of CIO. Phil's job at IT was taken over by Ed Poisson who served previously as my director of Human Resources. Ed brings strong IT credentials to his new job. Earning a promotion from HR manager to the director of HR is Nancy Scarlet, a well-respected veteran of the department.

Tom Law, the former chairman of the Oakland County Board of Commissioners, joined my administration as the manager of the Solid Waste Resource Management Division. Tom comes to the job with impeccable environmental credentials, including 20 years of experience serving on wetland and brownfield boards.

Further, I asked the Board of Commissioners to approve the creation of a fifth Deputy County Exec position. This new deputy is to be focused entirely on the important area of economic development, and in particular a new development initiative which I will announce in just a few moments. The Board of Commissioners unanimously agreed to my request.

Therefore, I had the opportunity a couple of weeks ago to promote my Director of Community and Economic Development Dennis Toffolo to the new Deputy County Exec post. Taking Dennis' place as director of that department will be Hayes Jones who served previously as the Deputy Director of Community and Economic Development. Hayes is a world-class individual in every way. We had a lot of fun last year when we celebrated the 40th anniversary of Hayes Jones' gold medal in the 110-meter hurdles at the Tokyo Olympics in 1964.

Last, but certainly no means least, among the personnel changes at the end of '04 and going into '05 was the departure of my long time secretary, my dear friend Delores Conaway. I met Dee in 1968 when I was a young assistant prosecutor and she was a court stenographer and we have been together ever since. Dee actually started with Oakland

County in 1959...the same year Alaska and Hawaii became states. The cost of a first class stamp was four cents. (You get the picture?)

Dee was with me for 37 of those 45 years. When she left for Naples last month we shed a few tears. But after 45 years in county government she certainly has earned the right to enjoy the warmth of the Florida sun.

Taking her place as my Administrative Assistant is Kelly Sleva, a very competent young lady. The first thing Kelly did when she became my secretary two weeks ago was to ask for a new computer and terminal. I asked her why. She said she couldn't get the "white out" off of Dee's computer screen.

MAJOR PRESENTATIONS

At this point in my State of the County report I'm going to depart from my normal presentation. (By the way, how many of you in the audience have been to previous State of the County Addresses? Well, then you will recognize what follows is a significant departure from my normal practice.)

I'm going to invite up three of my senior staff, all Deputy County Execs, to share the spotlight tonight and talk about very important major initiatives which I have assigned to each one of them.

I'm not given to hyperbole, but these three initiatives, either individually and/or combined, have the potential to position Oakland County as a national leader in the New Economy of the 21st Century. Predictions are always dangerous, but I have the confidence to say it again: these three initiatives, individually or in combination with each other, will shape the destiny and success of Oakland County, and the region, for decades to come.

First, let me invite Phil Bertolini, my newest Deputy who also carries the title of CIO, Chief Information Officer, to join me on stage.

Technology is the glue that holds together much of what we do here in Oakland County. Eighty-five percent of our businesses and 75% of our homes have access to a high speed internet connection, which makes Oakland County a more attractive place to live, work and establish a business.

Fifty or so years ago “high fidelity” – Hi-Fi – was the hottest thing in technology. But what’s new today is often obsolete tomorrow in the ever changing, fast pace world of high-tech. Today, “wireless fidelity” or Wi-Fi is the new frontier. Wi-Fi can add another layer to the solid technology infrastructure that has already been built in Oakland County.

One of my major goals as County Exec, and a new initiative that I am announcing tonight, is the challenge of creating a “tech cloud” over Oakland County. In other words, blanket Oakland County with wireless internet service. It’s never been done on a scale this size anywhere in America, and I want Phil Bertolini, Deputy County Exec and CIO, to explain this new program that we launch tonight.

Phil Bertolini, Deputy County Executive/CIO
“Wireless Oakland”

Thank you Brooks, we are very excited about the vision you have set and we are ready to charge ahead with the implementation of a program we call “Wireless Oakland.” We have three major goals.

Our first goal is to blanket the County with wireless internet access and provide free high speed internet access to every resident, business, and visitor. A wireless internet cloud throughout Oakland County will provide seamless access to the internet, email, and other internet services anywhere in the County.

Now, we are aware that many communities throughout the country have implemented government owned and operated wireless networks. These very same communities now find themselves in direct competition with private sector providers and struggling with continuous technology changes and long-term sustainability. To that end, Oakland County recently completed a national review of such initiatives and acknowledge that our project may not seem unique at first blush. But as we outline the details of this goal, we are confident it will be seen as one-of-a-kind.

We've taken the results of this national review, the lessons learned from many well documented implementations, and developed a truly unique approach for Wireless Oakland. Our approach is founded heavily on successful public/private partnerships, a mix of "free" and "for fee" services, and technology investments already funded by the residents of Oakland County. We realize that this is a lofty goal for a County of Oakland's size, but we're confident it's one that can be accomplished.

Now providing free high speed internet access to the residents of Oakland County is a major step forward for the county, and there is still plenty of work to be done. As many of you already recognize, Oakland County, through its very makeup, is a diverse community. There are populations of highly educated residents and also large populations of undereducated residents. At the same time, the County has populations of affluent residents and a segment of low-income residents. These are only two small illustrations of Oakland County's socio-economic diversity.

Statistics show that highly educated, affluent residents in the County are much more likely than undereducated and lower income residents, to possess the computer technology and skills necessary to meet the growing demands of high-tech employers.

Therefore, our second goal of the Wireless Oakland initiative will directly address the County's "digital divide" and provide PC's and technology training to this vulnerable group of residents within Oakland County. This goal will target those populations of the

county that generally don't have access to PCs and the internet, thus rendering them poorly prepared for the economy and workforce of tomorrow. To make this goal a reality, foundations, grants, public sector partnerships, private sector partnerships, and the educational community in Oakland County will be brought together to bridge the "digital divide." Their long-term support will ensure that the County's workforce possess the technical skills necessary to compete in the global high-tech economy.

Finally, our third goal of the "Wireless Oakland" initiative will be to support continued high-tech investments in local governments and promote the integration of those investments with local community character and quality of life. This managed approach to economic development and high-tech investment is a critical component of Oakland County's future that will be facilitated through the development of a Telecommunication and Technology Planning Toolkit for Local Governments. This toolkit will be a resource for local government agencies within Oakland County looking to prepare their communities for future technology investments and educate them in local planning and zoning regulations.

While the technical benefits of this initiative stand on their own, I am confident Wireless Oakland will also support a broader range of benefits. In conjunction with Brooks' Emerging Sectors Initiative, it will enhance Oakland County's ability to attract and retain high-tech and nanotechnology corporations.

In addition, Wireless Oakland will also enhance the residential character of our local communities and further distinguish Oakland County as a great place to live, play and work. It will support a growing mobile workforce and elevate the technical knowledge of its current and future workforces.

And finally, I'm confident Wireless Oakland will play a key role in the transformation of government services throughout Michigan and support the continued development of Oakland County's eGovernment services well into the future.

As you can see, I'm very excited about this initiative. In response to Brooks' vision, I have preemptively assembled a team of county representatives to aggressively pursue each of the Wireless Oakland goals. In late February or early March of this year, we will hold a Wireless Oakland Summit with key partners involved in the initiative. Coming out of the Summit and in conjunction with our local government partners, focus will be placed on providing high-speed wireless internet service and the successful selection of private sector partners through a competitive bid process. This should occur in May or June of this year. Once the private sector partners have been selected, several willing local communities will then be targeted for a high-speed wireless internet service pilot project. As implementation of the wireless pilot projects continue through the summer and fall, implementation of Wireless Oakland's remaining goals will begin.

In closing, we would like to reiterate that Wireless Oakland will be founded on strong partnerships, and tonight we would like to publicly reach out to a list of future partners that includes: Oakland County's Board of Commissioners, local cities, villages and townships, county government agencies, the Michigan Broadband Authority, Automation Alley, private technology corporations, the educational community, and the legislature. With your help Wireless Oakland will be a reality.

Brooks, we have heard your call to action and we look forward to working with our partners to make your vision a reality.

Thank you, Phil.

Back in 1998 and early 1999, my staff and I confirmed through research what we had a sense was occurring: that over the last couple of decades Oakland County had become the site of significant high-tech investment. High-tech businesses obviously create high-tech jobs. "How many jobs?" was the question. Could we rival Silicon Valley

for example? Or could we challenge the high-tech investment of Boston’s famed Route 128?

Once we finished the research our suspicions proved correct: Oakland County was the site of the third highest number of high-tech workers in America. This information directly led to the birth of our high-tech consortium, Automation Alley. And the man I chose to be the midwife six years ago and to raise and nurture Automation Alley from a concept to a thriving nationally recognized program is Ken Rogers, my Deputy County Exec who also wears a second hat as Executive Director of Automation Alley.

To bring you up-to-date on this highly acclaimed endeavor and to outline the implications for Oakland County and the region’s future, I would like to have Ken make a brief presentation.

Ken Rogers, Deputy County Executive
“Automation Alley”

Thank you Brooks. It is a pleasure to be here and to introduce the exciting growth of Automation Alley...Southeast Michigan’s Technology Cluster.

Automation Alley is a 530-member partnership between business, government, and education.

Within the past five years, this region has become identified as one of the nation’s premier technology clusters with over 19,000 technology companies and a technology workforce of 568,000.

Nationally, Michigan ranks third in the number of engineering degrees awarded. Seventy-nine percent of these graduates stay and secure their first employment opportunity in Michigan.

That's because the opportunities here are numerous for those with engineering and technical degrees. We are the robotic manufacturing capital of the country. And southeast Michigan is the North American center for research and development for the automotive industry.

If you want to be connected with the automotive products of the future, you have to have a business address in Southeast Michigan. Automation Alley continues to showcase the region as the technology leader it is.

Recently, we moved into our new headquarters building in Troy. Members are offered the use of our meeting rooms and can reserve our Atrium area where they can videoconference, introduce new products and services, and attend educational seminars.

The headquarters now houses our four business centers within Automation Alley. They are the Membership Consortium, Technology Center, Export Center, and GLIMA.

Each business center achieved its goals and objectives for 2004.

Membership Consortium: Beth Utton is the director of the Member Consortium. With a continuous goal of assisting its members, the Consortium recently added several Web services. One is a Request for Proposal function. Members identify bid opportunities for the purpose of creating member-to-member business deals.

Another is the marketing toolbox. This helps members with everything they need to promote their businesses. With our press release function, our members publish their own press releases to over 700 subscribers, including other members and media outlets.

Members use our Web site to post current job openings. They receive Web posted resumes that match those job openings and last year alone, we received over 1000 resumes from around the world.

Our quarterly networking sessions are also continuing to grow. We now attract upwards of 300 people.

Technology Center: Dr. Tom Anderson is the director of the Alley's Technology Center. The objective of the Tech Center is to help companies commercialize new products and services. The staff can do everything from helping companies develop a strategic business plan to providing mentors who can help bring the company's products to market.

One of our partners at the headquarters is the National Automotive Center, a department of the Army. Through this partnership Alley members can explore military research grants in order to create new products.

The Technology Center also helps its members obtain seed or angel funding, and receive federal grants for their projects.

Last year, with the help of U.S. Congressman Joe Knollenberg, we were awarded two grants totaling one million dollars. One of the grants awarded was to Automation Alley and member Altair Engineering. The purpose of the grant is to build a bus that is 34% lighter, 30" shorter, more fuel efficient, and allows for the simple exchange of parts through a modular design. If successful, the new buses will be built in Southeast Michigan.

The second grant was with the National Center for Manufacturing Services to create a Digital Network. The Network will bring state-of-the-art manufacturing technology to smaller companies in Southeast Michigan that normally couldn't afford it. The Tech Center is estimated to contribute \$15 million to the region's economy while creating approximately 100 new jobs.

Export Center: M. Dujon Johnson is the assistant director of the Alley's Export Center. With the goal of assisting small to midsize companies with global exporting opportunities, the Export Center continues to provide educational seminars to prepare companies to become export ready.

Last year, we held World Trade Week to teach companies how to grow their businesses globally. This year, the Export Center has a trade mission scheduled to Eastern Europe, including Poland, Slovenia, Slovakia and the Czech Republic.

GLIMA: Phil Bertolini is our director of the GLIMA statewide network for technology professionals. With GLIMA's growth, it is continuing to work on its objective of branding the state as a good location for employment in technology. Today, we have seven independent affiliates from Traverse City to Ann Arbor and membership is nearing 1000. Currently, we are working with Big Rapids, Lansing, Toledo, and Windsor, to start new chapters.

We have accomplished great things. In the next five years, Automation Alley will increase the value of the brand and continue to deliver an ROI...a return on member investment. And by doing so, we expect to grow our membership to 1000.

We will continue to work with our education and business partners to ensure tomorrow's workforce has all the necessary skills as required by one of the world's largest centers of technical excellence. We will continue to provide additional resources for the technology businesses in Southeast Michigan, including seeking further funding sources and helping to make them export ready.

Finally – and importantly – it will be the Automation Alley brand identity that, over time, will work to transform Michigan's image from Rust to Tech.

In closing, it was the vision and support by the Alley's founder, Brooks Patterson and the funding and personnel support provided by Oakland County government that made the Alley possible.

Without that concept and support there would not be an Automation Alley.

Thank you, Ken.

A couple of weeks ago, specifically on Thursday, January 27, I appeared before the Oakland County Board of Commissioners asking for a fifth Deputy County Executive position. The Board knew it was my intention to promote Dennis Toffolo from his position as director of Community and Economic Development to his new job and assign him the duties of managing a brand new program that we have trademarked as “Emerging Sectors.”

Job losses around the state have been horrific for the last few years. Since 2001 well over 300,000 jobs have either been rendered obsolete because of technology or have moved to cheaper labor markets in China and Mexico. In either respect, we know these jobs will not be coming back.

I asked Dennis a year ago December, 2003 to have his outstanding staff research for me what would be the likely sectors of job growth in the high-tech arena for the New Economy of the 21st Century. Where might we expect to find the good paying high-tech jobs? In what sectors are these jobs likely to occur? And then I told Dennis after you’ve identified the ten sectors (excluding automotive since we are already heavily invested in automotive in Oakland County) drill down and find me the top ten businesses within each of these sectors. And that universe of 100 companies will be our target. We will attempt to recruit those businesses to expand their operations into Oakland County and to create high paying, high-tech jobs for the future.

I truly believe that this program called “Emerging Sectors” will transform Oakland County’s employment mix and guarantee economic growth in the diversified high-tech arena for the next fifty years. I have already promoted Dennis Toffolo to the new deputy position and put him in charge of the “Emerging Sectors” initiative. Dennis comes from the private sector, seven years as President of the Marshall Fields retail chain, and holds a Master Degree in Finance. Ladies and gentlemen, I would like to have Dennis Toffolo come up here and give you the details on this exciting new program.

Dennis Toffolo, Deputy County Executive
“Emerging Sectors”

Thank you Brooks and good evening.

It’s an exciting time to be in Oakland County and I’m thrilled to be leading Brooks’ Emerging Sectors team.

Let me give you a brief outline of the strategy which we believe will ensure Oakland County’s economic health and stability in the 21st century.

To put it simply, it’s about jobs – high-quality, high-paying, long-lasting jobs ... the kind that are consistent with Oakland County’s solid foundation and its bright future ... the kind that will keep Oakland County a business leader in the state, the nation, and the world.

The attraction of these emerging companies is vital to helping the county remain the leader in job growth and business activity. We must offset the loss of manufacturing jobs and diversify our employer base to ensure our economic success.

In this aggressive strategy, we’ve identified the 10 technology sectors with the highest four-year growth rates related to new firms, employment and payroll.

We’ve listed the 10 sectors for your review. They include:

- Bio-technology
- Micro and nanotechnology
- Alternative energy & power generation...to name a few

But why should a company expand into Oakland County? We think the reasons are obvious: Oakland County is unmatched in its ability to meet the employment demands of the new technologies.

- We have more than five times the IT workers and twice the corporate research and development professionals compared to the national average.
- Forty-one percent of our residents have college degrees compared with just over 24% in Michigan and 26.5% nationally.
- More than 100,000 students are enrolled in the fifteen colleges and universities in Oakland County.

Our goal is to meet with the owners of Emerging Sector companies wherever they are – Europe, Asia, North America – and convince them to expand their operations to Oakland County.

Besides attracting new companies, we're working hard to support the existing high-tech companies which already realize that Oakland County is the preferred business location.

International companies already recognize that Oakland County is a global community. Each month for the past 12 years, nearly twice a month on average, a foreign-owned firm has expanded its operations into Oakland County. In total, 648 foreign-owned firms now have business locations here.

We're only months into the actual emerging sectors strategy and already it's paying dividends. In November, the business development team accompanied Brooks to Germany for a weeklong trade mission.

The results are impressive.

- During the trip; PGAM Advanced Technologies announced it was adding 117 jobs and \$15 million dollars in new investment to its Auburn Hills facility.
- The expectation is that more than 600 new jobs will be created by five additional companies in the next 18 months.

- According to the Federal Reserve Board, every 15 jobs has an economic impact of \$3 million dollars the first year and \$2 million dollars each year thereafter.

Representatives from three companies that are part of Oakland County's Emerging Sector's economy – with investment and economic impact of more than \$30 million dollars - are here tonight. Brooks and I want to recognize them for the contributions they're making to the Oakland County economy and our communities.

I'd like to welcome Ray Wagner, Vice President of Marketing Services for Cobasys, to the stage. [Alternative energy]

Next, Michael Kurilla, Programs Manager for Ceradyne, would you come forward please. [Advanced material]

Finally, Ulrich Herter, Chief Executive Officer of Incat, would you come forward please to accept your award and our congratulations. [Robotics/automation]

Thank you, Dennis.

I hope you are as excited about the presentations made by Phil, Ken and Dennis as I am. You've just had a glimpse of my style of management: take talented individuals, such as these three men, and then test them with nearly insurmountable challenges.

I asked one to construct a wireless network that would encompass the entire 910 square miles of the county and separate Oakland County from the other 3,248 counties in America, thereby distinguishing us as a unique place to do business...I asked a second to build Automation Alley into a consortium that has the potential to transform Michigan's lethargic rustbelt image into a high-tech powerhouse region...and I asked a third to

launch a program called “Emerging Sectors” which has researched the future job growth markets in the world and then recruit those leading companies to invest here.

Ladies and gentlemen, these three programs have the potential to drag this region and the state screaming and kicking into the sunlight of a healthy robust economy once again.

KUDOS TO THE BOARD

Before I close tonight, I want to comment about how things get done at 1200 North Telegraph, the seat of county government. The reason Oakland County is successful is that we have a long history of partnership and collaboration between my Administration, representing the Executive Branch, and the Board of Commissioners, the Legislative Branch.

An example of our mutual respect is the unanimous vote, 24 to zero, for the creation of the Deputy County Executive position for Dennis Toffolo just two weeks ago. I’ve worked hard, and so has the Board, to develop a professional relationship based upon mutual respect which in turn yields huge dividends to you, our citizens. Whether it’s Automation Alley or Emerging Sectors or the significant investment in information technology that exceeds \$100 million over the past 12 years, the County Board of Commissioners and the Administration have been able to see eye-to-eye many, many more times than we differ. Of course there will be times of disagreement, but even in those rare instances both sides have shown that we can disagree without being disagreeable.

I would like to publicly thank the Board for its cooperation over the past 12 years. I look forward to continuing my close working relationship with the new Board, including the five freshman commissioners and incoming chairman Bill Bullard.

Would the commissioners who are in attendance tonight, please stand and be recognized.

On behalf of the citizens of Oakland County I would like to thank each of you for all you have done in the past and will do in the future to make this great County a desired place in which to live, work, recreate and raise a family.

I'd also like to take one moment to recognize one of your own, County Commissioner Eric Coleman from Southfield, who was recently elected to a national post as second vice president of the National Association of County Officers. Having one of our own serve at such a high level within this nationally recognized association is a huge compliment to you as well as to our county.

CLOSING

In closing, let me say I'm not sure what brings out this overflow crowd to this auditorium year after year. I'd like to think it's the eloquence of my remarks, but I figure it's due more to the open bar afterwards. I even got some of the Democrats on the County Board to come tonight because I told them there would be a pool table in the banquet hall following the speech...I'm just kidding.

I do want to close tonight with one last recognition and a well-deserved one, and that's to all of you in the audience. You have supported me and my capable team unwaveringly through 12 years, and now into my fourth term.

I know all of you in the audience, we are personal friends. And I know you sense how proud and excited I am to serve Oakland as County Executive.

I look forward to coming to work on Mondays – I really do. There are 202 Mondays left in my fourth term and you know that I will come in every week excited by the challenges that lie before us: to pound away on Emerging Sectors so we can have good jobs for our children and our grandchildren... excited about the challenges of

technology as Oakland County pulls away from the competition...helping to beat back the West Nile Virus that threatened our public health...fighting childhood obesity, a national epidemic according to the surgeon general, devising a fun program to meet that challenge...and when so many others are panicked or worse, defeated by budgetary challenges. I relish being part of a Budget Task Force that thrives on the weekly debates in the conference room as we hammer out long term approaches to successful financial problem solving.

So I thank you for the opportunity to be excited every Monday morning for the next four years. I pledge to you tonight that I, along with my talented team of deputies, directors and 4,200 experienced and dedicated county employees, in conjunction with our good friends on the Board of Commissioners, will continue to deliver a quality product that will propel the fortunes of Oakland County to even greater heights in the years to come.

Thank you and good night.