

# **Bangor Daily News**

DEANS OF BUSINESS

## **Bloomberg's bold bid: Lessons in economic development**

By Joseph McDonnell, Special to the BDN  
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After a yearlong competition involving 17 major universities, New York City Mayor Michael Bloomberg recently announced that Cornell University and its partner, Technion-Israel Institute of Technology, had been selected to build a graduate applied science and engineering school in the city.

The project, estimated to cost \$2 billion, with as much as \$400 million in real estate and infrastructure coming from the city, is intended to transform New York's economy by making it a world leader in computer engineering and other high-tech fields. The school is expected to begin classes in September.

Cornell ran away from other competitors by combining its top 10 rated College of Engineering with Technion's extensive experience in incubating start-up companies. It sealed the deal with a \$350 million gift from alumnus Charles F. Feeney and a \$150 million venture fund from its endowment.

While only a few cities in the world could engage in an undertaking of this scale, the project provides important lessons about economic development for other cities and states, including Maine.

### *Lesson 1*

New York understands that universities with the right programs strengthen its businesses and open up new industries for a region. Universities provide faculty with expertise and a fresh supply of highly trained workers.

Great cities view their universities as investments in their economic future. New York is known as a center for finance, communication, entertainment, education and tourism. It is far from being a "silicon alley," but New York's leaders are convinced the city can become a center of technology by aligning its university programs with its economic development objectives. Policymakers in Maine ought to think about such an alignment between its universities and its economy — whether in technology, tourism, international trade or tree farming.

The best public universities, and many private ones, do not just educate students but play a vital role in the region's economy. These universities take seriously their public mission to serve their communities by helping to improve local schools, providing health and social services to area residents, attracting grants to protect the environment and working with the business community to spur economic development.

### *Lesson 2*

New York sees university students as valued contributors to the city's economy. The city is a magnet for students from throughout the world who come to its many public and private universities. Like long-term tourists, student spending boosts the city's economy. Many graduates leave after graduation only to be replaced by new students – but many bright, well-educated graduates stay and provide human capital to invigorate the city's businesses.

Maine's top private schools do a great job in importing students to this state, but its public universities attract relatively few students from other states and countries. It will take bold measures to reverse this trend but such changes could have significant upside for the region's economy. Students from throughout the world are drawn to high-quality universities in attractive places with reasonable tuition and desirable programs. There is no reason Maine's universities couldn't be destinations of choice.

### *Lesson 3*

Economic development takes place with public-private partnerships. The applied sciences school in New York would not have happened without city leadership and resources. By combining his public spirit with his entrepreneurial mindset, Mayor Bloomberg believes he can reshape the city's economic landscape. This school and the businesses it promises to spawn will place New York at the frontier of transforming science into commercial applications.

Bold ideas attract investors as well as philanthropists. By putting forward \$150 million to serve as a venture fund, Cornell's endowment hopes to enjoy significant gains by getting in on the ground floor of young businesses with great potential. Donor Charles F. Feeney explained his rationale for contributing \$350 million to this project as a "once-in-a-generation opportunity to create economic and educational opportunity on a transformational scale."

### *Lesson 4*

Leaders must be strong enough to withstand the criticism that comes with bold plans. Critics of this plan have argued that it would have been better to put money into the engineering programs at the schools already operating in the city, that an economic downturn is no time to commit scarce city resources to developing a future economy and that this school simply will not produce the results promised. It takes leadership from both the public and private sectors to build support for far-reaching proposals.

It will take targeted investment and public-private partnerships to transform Maine's public universities into economic engines. Maine's public officials and its business community would

be wise to take a page from the playbook of other states that are building their economic futures with such university partnerships.

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