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# IT a key to 'cool cities' initiative in Lansing

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## IT a key to 'cool cities' initiative in Lansing

By DANIEL STURM

Kevin Schoen is an unreserved supporter of Gov. Jennifer Granholm's move to attract hip, well-educated young techies and professionals through the Michigan "cool cities" initiative.

The CEO of ACD.net, an Internet service provider located in Meridian Township, said that most of his IT friends left the Lansing area after graduating from Michigan State University. "It's difficult to keep talent around here. A lot of people leave Michigan for hipper places."

Only 1.5 percent, or 3,800, of the Greater Lansing area's 240,000 jobs, are in the information technology sector, whereas more than 130,000 are offered in areas related to local, state and federal governments. Meanwhile, the manufacturing sector, which is the second largest employment base, has been continuously shrinking. In 1973 there were 22,800 General Motors jobs in Lansing. This number decreased to 20,000 in 1988, and has since sunk to 10,500 jobs, where it remains today.

Schoen believes Lansing can diversify its economy away from the current dependence on manufacturing and government by moving it towards high-tech jobs. The 33-year old entrepreneur said that a cornerstone strategy for retaining the "creative class" is to have affordable, attractive housing and a rich entertainment base. Schoen believes that Old Town would be a perfect place to attract IT professionals. Every other week Schoen goes to a concert at the Creole Gallery in Old Town, which he thinks comes closest in Lansing to Granholm's vision of a hip community.

The Howell native said most of his 23 employees live in Lansing. And if Lansing would only begin to advertise the beauty of Old Town more aggressively to Michigan State University students, many more would consider the area more attractive.

ACD.net was the first to bring DSL to mid-Michigan, in the fall of 2000. The IT firm also has 20,000 customers with 56k dial-up connection, operates MSU's dial-up network, and offers full network planning, deployment, training and support.

Schoen believes Michigan's decision to establish so-called Smart Zones could be another key component to boosting high-tech in the area. Last week, the IT executive testified at a Senate committee hearing in support of legislation to create such a tax-free enterprise zone. Lansing and East Lansing leaders hope the Smart Zone will help attract cutting-edge software, biomedical, robotical and other high-tech companies.

Smart Zone communities are supposed to challenge high-tech "hot spots" such as California's Silicon Valley, Route 128 in Massachusetts, and the North Carolina Research Triangle.

Today, Lansing theoretically has two Smart Zones, at the University Corporate Research Park, and the Ottawa Power Station in downtown Lansing. But neither one is up and running.

Although the high-tech industry is just opening up, Lansing has already been able to attract a major IT institution. The Michigan Broadband Development Authority, a funding arm set up to advance the infrastructure of high-speed Internet connections throughout the state, recently moved its offices from Ann Arbor to Lansing, at 735 E. Michigan Ave.

The decision to move Michigan Broadband was made by the director of the state Department of Consumer and Industry Services, David Hollister, Lansing's former mayor. The move saves the authority some \$250,000 a year in rent.

Michigan Broadband is working on an \$8 million project that will expand the broadband infrastructure, creating a fiber backbone to connect the eastern Upper Peninsula with the rest of the state.

A 2001 study commissioned by the Michigan Economic Development Corp. showed that development of a comprehensive statewide broadband network could create 497,000 jobs and add \$440 billion to Michigan's gross state product over 10 years.

Schoen said many different groups exist in the Lansing area that try to foster high-tech businesses. However, a more coordinated effort under one single umbrella could be helpful.

Four years ago the Lansing Regional Chamber of Commerce launched a TechConnect Program to promote and facilitate technology careers and provide education and networking opportunities for its members, in order to increase productivity and profits. Work is underway to provide a searchable database of IT businesses and resources in mid-Michigan.

In 2001, then-Mayor Hollister, formed the IT Initiative Group, with the purpose of making IT available to everyone who lives, works, performs business, and attends school in the Lansing area.

In October 2003, the city's IT Initiative, the Lansing School District, and ACD.net launched the "Get Connected" pilot project, to offer Dwight Rich Middle School and Riddle Middle School students and their families within Lansing either free dial-up Internet access or high-speed Internet access at a reduced rate of \$30 per month for one year. "Studies show that students with access to a computer and the Internet at home do better at school and are better prepared for advanced education after high school," said Patricia Cook, manager of the Lansing Economic Development Corp. and coordinator of the city's IT Initiative.

At the end of the program, those participants who chose high-speed Internet access will revert to ACD.net's normal monthly market rate. The IT initiative hopes to prove that high-speed Internet users will pay the market rate for service once they see the inherent value in a high-speed Internet connection, such as faster download times and a constant connection.

A Nov. 19 forum at the Lansing Center will offer the opportunity to further discuss these issues, and to network with members of Lansing's IT community. Speakers include Bob Filka from the Michigan Broadband Development Authority, Schoen, Christine Shopper of Innovative Business Logistics and Vision Creative, and a speaker from RED Team, Inc.

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