

BROOKINGS

EVENT BRIEFING

Event: The Business Council
Date: Thursday, May 8th
Location: Park Hyatt, Washington, DC

KEY ATTENDEES

**Those who are highlighted are current Metro Prospects. All others are current Metro donors.*

Robert H. Benmosche, President & CEO, American International Group, Inc.

Brookings Activity:

- AIG total giving to Brookings is \$600,160;
- Last gift of \$100K on 1/6/14 went to IFP Metro GenOPs;
- AIG is a Met Council Member;
- Robert Benmosche has no Brookings giving history.



Robert H. Benmosche joined American International Group, Inc. as President and Chief Executive Officer in August 2009, when he was also elected to the AIG Board of Directors. Mr. Benmosche retired as Chairman and Chief Executive Officer of MetLife, Inc. in 2006 after an eleven-year career during which he led the transition of MetLife from a mutual to a public company in April 2000. Before joining MetLife, Mr. Benmosche spent more than 13 years at PaineWebber Group Incorporated, where he served in several capacities. These included Senior Vice President of Marketing, CFO of the Retail Brokerage Division, and as Executive Vice President from 1989-1995, serving as the head of Operations and Technology and Director and Sales Manager for over 1,500 retail investment advisors. He also directed the merger of Kidder Peabody into PaineWebber in 1994. Earlier in his career, Mr. Benmosche was a Chase Manhattan Bank Vice President and a staff consultant with Arthur D. Little.

Mr. Benmosche received his bachelor's degree from Alfred University and served in Korea as a Lieutenant in the United States Army Signal Corps. He is a member of the Board of Directors of Credit Suisse Group AG. He has also served on the Boards of Directors of the New York Philharmonic and Alfred University. He is a native of Brooklyn, New York.

Lloyd C. Blankfein, Chairman & CEO, The Goldman Sachs Group, Inc.- ID

Brookings Activity:

- Goldman has no direct funding to Brookings, but many executives donate individually.
- Lloyd Blankfein does not have a Brookings giving history.



Lloyd Blankfein has been the Chairman and Chief Executive Officer of The Goldman Sachs Group, Inc. since June 2006, and a Director since April 2003. He serves as a member of the Goldman Sachs Management Committee and Board of Directors. Previously, he had been the firm's President and Chief Operating Officer and prior to that, from April 2002 until January 2004, he was a Vice Chairman of Goldman Sachs, with management responsibility for Goldman Sachs' Fixed Income, Currency and Commodities Division (FICC) and Equities Division. Prior to becoming a Vice Chairman, he had served as Co-Head of FICC since its formation in 1997. From 1994 to 1997, he headed or co-headed the Currency and Commodities Division. Mr. Blankfein is not currently on the board of any public company other than Goldman Sachs. He is affiliated with certain nonprofit organizations, including as a member of the Dean's Advisory Board at Harvard Law School, the Board of Dean's Advisors of Harvard, the Dean's Council of Harvard University, the Advisory Board of the Tsinghua University School of Economics and Management, the Board of Overseers of Weill Cornell Medical College and the Board of the Partnership for New York City.

BROOKINGS

Ursula M. Burns, Chairman & CEO, Xerox Corporation

Brookings Activity:

- Xerox has given a total of \$427,300 to Brookings;
- Last gift was \$10K to corporate unrestricted funding;
- Ursula Burns has no Brookings giving history.



Ursula M. Burns is chairman and chief executive officer of Xerox. When Burns joined Xerox in 1980 as a mechanical engineering summer intern, the company was the leader in the global photocopying market. In 2000, Burns was named senior vice president, Corporate Strategic Services, heading up manufacturing and supply chain operations. In April 2007, Burns was named president of Xerox, expanding her leadership to also include the company's IT organization, corporate strategy, human resources, corporate marketing and global accounts. At that time, she was also elected a member of the company's Board of Directors. Burns was named chief executive officer in July 2009 and shortly after, made the largest acquisition in Xerox history, the \$6.4 billion purchase of Affiliated Computer Services, catapulting the company's presence in the almost \$600 billion business services market and extending the company's reach into diverse areas of business process and IT outsourcing. On May 20, 2010, Burns became chairman of the company, leading the more than 140,000 people of Xerox who serve clients in more than 180 countries.

Burns earned a Bachelor of Science degree in mechanical engineering from Polytechnic Institute of NYU and a Master of Science degree in mechanical engineering from Columbia University. In addition to the Xerox board, she is a board director of the American Express Corporation and Exxon Mobil Corporation. Burns also provides leadership counsel to community, educational and non-profit organizations including FIRST - (For Inspiration and Recognition of Science and Technology), National Academy Foundation, MIT, and the U.S. Olympic Committee, among others. She is a founding board director of Change the Equation, which focuses on improving the U.S.'s education system in science, technology, engineering and math (STEM). In March 2010, U.S. President Barack Obama appointed Burns vice chair of the President's Export Council.

H. Lawrence Culp Jr., President & CEO, Danaher Corporation- AI prospect

Brookings Activity:

- Danaher does not have a giving history with Brookings;
- H. Lawrence Culp Jr. does not have a history of giving to Brookings.



Mr. Culp is President and Chief Executive Officer of Danaher, a position he has held since May 2001. Mr. Culp has played a key role in the creation of the Company's strategic vision, including the evolution of Danaher's portfolio to a leading science and technology company. Mr. Culp has also played a leadership role in the development of the Danaher Business System, the common operating philosophy and model deployed across Danaher. During Mr. Culp's tenure, Danaher's revenues and market capitalization have increased fourfold to nearly \$20 billion and \$50 billion, respectively.

Mr. Culp began his Danaher career in 1990 at Veeder-Root where he became President in 1993. He subsequently became a Group Executive and Corporate Officer in 1995 where he had primary leadership responsibility for Danaher's Environmental and Test and Measurement businesses. In 1999 he was appointed Executive Vice President and became Chief Operating Officer in 2000. Prior to joining Danaher, Mr. Culp held positions with Accenture.

Mr. Culp is a member of the Board of Visitors and Governors for Washington College and chair of the Board of Trustees for Potomac School. He is also a member of the Business Roundtable and The Business Council. Mr. Culp earned his B.A. from Washington College and his MBA from Harvard Business School.

James Dimon, Chairman & CEO, JPMorgan Chase & Co.

Brookings Activity:

- Total of \$17 million given to Brookings;
- Latest payment of \$1.7 million came 12/31/14;
- James does not have a giving history with Brookings.



Mr. James Dimon, also known as Jamie, has been the Chairman, Chief Executive and President of JPMorgan Chase & Co. since December 31, 2006, December 31, 2005 and July 1, 2004 respectively. Mr. Dimon served as the Chief Executive Officer of Bank One Corporation from March 27, 2000 to July 2004. He served as the Chief Executive Officer and Chairman of Bank One Wisconsin. Mr. Dimon served as Co-Chief Executive Officer of Salomon Smith Barney Holdings Inc., a subsidiary of Citigroup Inc. from October 1998 to November 1998. He served as the President of Citigroup Inc., from October to November 1998. From November 1993 to October 1998, he served as President and Chief Operating Officer of Travelers Group Inc., as well as serving in several other executive positions with Travelers' subsidiaries Smith Barney Inc. and Salomon Barney Inc.

Mr. Dimon serves as Director of Kennedy Center Corporate Fund, The Partnership for New York City, Inc., and Catalyst Inc. He also serves as Vice Chairman of The Business Council, Director of College Fund/UNCF and Harvard Business School Trustee of The University of Chicago and New York University Medical Center and a Director of the National Center for Addiction and Substance Abuse. He served as a Director of Chicago Clearing House Association and Director of The Federal Reserve Bank of New York. He serves as Co-Chair of Commission to Enhance Competitiveness for Financial Services Roundtable. He is Member of Executive Committee at Business Roundtable, The. Mr. Dimon graduated from Tufts University in 1978 and received an MBA from Harvard Business School in 1982.

Charles O. Holliday Jr., Chairman, Bank of America

Brookings Activity:

- Bank of America has given a total of \$1.5 million;
- Last gift was \$250K in June, 2013, of which Metro received \$125K;
- Charles does not have a giving history with Brookings.



Charles O. Holliday, Jr. is chairman of the board, Bank of America Corporation, a position he has held since April 2010. Since 2012 he has also served as chairman of the National Academy of Engineering. Holliday previously served as chairman of the board of DuPont from January 1999 until his retirement in December 2009. In 1990, Holliday became vice president and then president of DuPont Asia Pacific, based in Tokyo, Japan. Holliday was elected director and then president of DuPont in 1997. He served as chief executive officer beginning in February 1998, and chairman and chief executive officer beginning in January 1999. He retired as chief executive officer in January 2009.

Besides serving on the board of Deere & Company and chairing the board of directors for Bank of America Corporation, Holliday serves as chairman of the National Academy of Engineering, of which he has been a member since 2004, and director of CH2M HILL Companies, Ltd. and Royal Dutch Shell plc. He is a director of the National Geographic Foundation-Education, the STS Forum, and the World Wildlife Fund. Holliday also serves as chairman of the World Business Council for Sustainable Development, the Council on Competitiveness Worldwide Federation, the Yale University Environment Advisory Board, and the U.N./World Bank-Sustainable Energy for All. He is chairman emeritus of the U.S. Council on Competitiveness. Additionally, Holliday is a founding member of the International Business Council.

BROOKINGS

Jeffrey R. Immelt, Chairman & CEO, General Electric Company

Brookings Activity:

- GE has given a total of \$61K to Brookings;
- The last gift of \$25K in 2011 went to IFP Clean Energy;
- Jeffrey does not have a giving history with Brookings.

Mr. Immelt has held several global leadership positions since coming to GE in 1982, including roles in GE's Plastics, Appliances, and Healthcare businesses. In 1989 he became an officer of GE and joined the GE Capital Board in 1997.

Mr. Immelt has been named one of the "World's Best CEOs" three times by Barron's, and since he began serving as chief executive officer, GE has been named "America's Most Admired Company" in a poll conducted by Fortune magazine and one of "The World's Most Respected Companies" in polls by Barron's and the Financial Times.

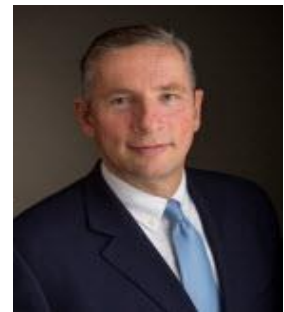
Mr. Immelt was the chair of President Obama's Council on Jobs and Competitiveness. He is a member of The American Academy of Arts & Sciences. Mr. Immelt earned a B.A. degree in applied mathematics from Dartmouth College in 1978 and an M.B.A. from Harvard University in 1982. He and his wife have one daughter.



Klaus Kleinfeld, Chairman & CEO, Alcoa Inc.

- Alcoa has given a total of \$226K to Brookings,
- Last gift of \$50K in 2013 went to corporate unrestricted;
- Klaus does not have a giving history with Brookings.

Klaus Kleinfeld is chairman and chief executive officer of Alcoa. He joined the company in 2007 as president and chief operating officer, and seven months later assumed CEO responsibilities. He has served on Alcoa's board of directors since 2003 and was named chairman in April 2010. Before Alcoa, Mr. Kleinfeld had a 20-year career with Siemens, where he served as chief executive officer of Siemens AG starting in 2005. Prior to his service on the Managing Board of Siemens AG, Mr. Kleinfeld was president and chief executive officer of the U.S. subsidiary, Siemens Corporation, which represents the company's largest region.



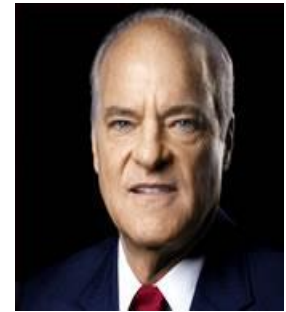
In addition to serving on Alcoa's board, he is a member of the Supervisory Board of Bayer AG and the Board of Directors of Morgan Stanley. In 2009, Mr. Kleinfeld was appointed Chairman of the U.S.-Russia Business Council (USRBC), which is dedicated to promoting trade and investment between the United States and Russia. He is a member of the Brookings Institution Board of Trustees, as well as a member of the Board of Directors of the World Economic Forum USA.

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Henry R. Kravis, Co-Chairman and Co-CEO, Kohlberg Kravis Roberts & Co.

Brookings Activity:

- KKR has given a total of \$350K to Brookings;
- Last gift came in on 3/27/14 for \$150K to Metro;
- Henry has donated \$75K to Brookings, most going to the individual unrestricted fund.



Mr. Kravis co-founded KKR in 1976 and is Co-Chairman and Co-Chief Executive Officer. He is actively involved in managing the Firm and serves on each of the regional Private Equity Investment and Portfolio Management Committees. Mr. Kravis currently serves on the boards of First Data Corporation and China International Capital Corporation Limited. He also serves as a director, chairman emeritus or trustee of several cultural, professional, and educational institutions, including The Business Council, Claremont McKenna College, Columbia Business School, Mount Sinai Hospital, Partnership for New York City, Partnership Fund for New York City, Rockefeller University, Sponsors for Educational Opportunity and Tsinghua University School of Economics and Management. He earned a B.A. from Claremont McKenna College in 1967 and an M.B.A. from the Columbia Business School in 1969. Mr. Kravis has more than four decades of experience financing, analyzing, and investing in public and private companies, as well as serving on the boards of a number of KKR portfolio companies.

Ellen J. Kullman, Chair of the Board & CEO, E.I. du Pont de Nemours and Company- AI Prospect

Brookings Activity:

- DuPont has given a total of \$733K to Brookings;
- Last gift of \$20K came in 2001;
- Ellen does not have a giving history with Brookings.



Ellen Kullman has been the chair of the board of directors and chief executive officer of DuPont since 2009. She was named CEO on Jan. 1 and board chair on Dec. 31, 2009. She is the 19th executive to lead the company since DuPont was founded in 1802. A native of Wilmington, Del., Ellen has championed the power of DuPont science and global market knowledge to transform industries. Prior to being appointed chair of the board and chief executive officer, Ellen served as president, executive vice president and a member of the company's office of the chief executive. During her 25-year career with DuPont, Ellen has led the company's focus on growth in emerging international markets, led double-digit growth of the company's Safety & Protection business portfolio, started-up two successful high-growth businesses known today as DuPont Industrial Biosciences and DuPont Sustainable Solutions and run several industrial businesses, including White Pigment & Mineral Products. Ellen began her career at DuPont in 1988 as a marketing manager for the DuPont medical imaging business. Prior to joining DuPont, Ellen worked for Westinghouse and General Electric.

She is a board director of United Technologies Corp. Ellen is chair of the U.S. China Business Council and member of the U.S. India Business Council. Ellen is executive committee member of the Business Council and board member of Catalyst, Inc, board member of Change the Equation (CTEq), a national coalition of more than 100 CEOs committed to improving science, technology, engineering and mathematics learning (STEM) for U.S. pre-kindergarten to grade 12 students. Ellen is on the board of trustees of Tufts University and the board of overseers for Tufts School of Engineering.

Andrew N. Liveris, Chairman & Chief Executive Officer, The Dow Chemical Company- AI Prospect

Brookings Activity:

- Dow has given a total of \$168K to Brookings;
- Last gift of \$10K in 2008 went to JEP;
- Andrew does not have a giving history with Brookings.



Andrew N. Liveris is President, Chairman and Chief Executive Officer of The Dow Chemical Company, global specialty chemical, advanced materials, agrosiences and plastics company based in Midland, Michigan with 2012 annual sales of approximately \$57 billion. He joined Dow in 1976 in Australia, and spent a large proportion of his career in Asia where his formative roles included 14 years in Hong Kong, general manager for the company's operations in Thailand, and president of all Asia-Pacific operations. Liveris became a member of Dow's Board of Directors in February 2004, and was named CEO in November 2004. He was elected as Chairman of the Board effective April 1, 2006.

An advocate for the criticality of manufacturing to the long-term health of a nation's economy, Liveris is the author of *Make It in America*, a book which presents a comprehensive set of practical policy solutions and business strategies to achieve the Company's vision of an 'Advanced Manufacturing' economy (updated in paperback January 2012), and serves as co-chair of U.S. President Obama's Advanced Manufacturing Partnership in the United States. He sits on the board of directors of IBM and the Special Olympics, is chairman of the U.S. Business Council, vice chair of the Business Roundtable, and a member of the U.S. President's Export Council. Liveris is a member of the U.S. China Business Council, the U.S.-India CEO Forum, the Peterson Institute for International Economics and the American Australian Association. He serves on the board of trustees for the California Institute of Technology and the United States Council for International Business. In 2012, Liveris co-founded *The Hellenic Initiative*, to support economic renewal in Greece through entrepreneurship, business development and investment, and serves as chairman of the Board.

William R. McDermott, Co-Chief Executive Officer, SAP AG

Brookings Activity:

- SAP has given a total of \$200K to Brookings;
- Last gift of \$50K in February 2013 went to Metro;
- William does not have a giving history with Brookings.



Bill McDermott was appointed co-CEO of SAP alongside Jim Hagemann Snabe in February 2010. McDermott was first named to the SAP Executive Board in 2008 to manage global field operations, a responsibility he continues to maintain as co-CEO. Prior to his role on the SAP Executive Board, McDermott led SAP's operations in the Americas (United States, Canada, and Latin America) and Asia Pacific Japan regions. Before joining SAP, McDermott served as executive vice president of Worldwide Sales and Operations at Siebel Systems, and president of Gartner, Inc., where he led the company's core operations. He spent 17 years at Xerox Corporation, where he progressively rose through the ranks to become the company's youngest corporate officer and division president.

McDermott is a member of several external boards, including the boards of ANSYS, a company that designs and develops engineering simulation solutions used to predict how product designs will behave in manufacturing and real-world environments; and Under Armour, a performance apparel company dedicated to technologically advanced products. He is also a member of the Dean's Advisory Council for Villanova School of Business and an active member of the Business Roundtable and the Business Council, associations of chief executive officers of leading global companies.

BROOKINGS

Matthew K. Rose, Executive Chairman, BNSF Railway Company- Infrastructure

Brookings Activity:

- BNSF has given \$35.5K to Brookings;
- Last gift of \$5K came in 1990;
- Matthew does not have a giving history with Brookings.



Matthew K. Rose is Chairman of the Board of Burlington Northern Santa Fe, LLC (a freight rail system based in Fort Worth, Texas and a subsidiary of Berkshire Hathaway Inc., formerly known as Burlington Northern Santa Fe Corporation) and has served in this capacity since 2002, having also served as Chief Executive Officer until 2013 and as President until 2010. Before serving as its Chairman, Mr. Rose held several leadership positions there and at its predecessors, including President and Chief Executive Officer from 2000 to 2002, President and Chief Operating Officer from 1999 to 2000, and Senior Vice President and Chief Operations Officer from 1997 to 1999. Since 2002, Mr. Rose has also been Chairman of BNSF Railway Company (a subsidiary of Burlington Northern Santa Fe, LLC), having also served as Chief Executive Officer until 2013 and as President until 2010. He earned his B.S. in marketing from the University of Missouri. Mr. Rose has been a Director of AT&T since 2010. He is a member of the Corporate Governance and Nominating Committee and the Human Resources Committee. Mr. Rose is also a Director of BNSF Railway Company; Burlington Northern Santa Fe, LLC; and Fluor Corporation. He previously served as a Director of AMR Corporation (2004-2013) and Centex Corporation (2006-2009).

David T. Seaton, Chairman and CEO, Fluor Corporation- Infrastructure

Brookings Activity:

- Fluor does not have a giving history with Brookings;
- David does not have a giving history with Brookings;



David Seaton is chairman and chief executive officer of Fluor Corporation, one of the world's leading and largest engineering, procurement, construction and maintenance services companies. He was elected to the role of chairman in February 2012. He was named CEO and became a member of Fluor's board of directors in February 2011. Since joining the company in 1984, Mr. Seaton has held numerous positions in both operations and sales globally. Prior to assuming his current position, Mr. Seaton served as Fluor's chief operating officer. He has served as the senior group president over Energy & Chemicals, Government and Power Groups and was responsible for Fluor's activities in China and the Middle East. He led the company's global business activities in the upstream, downstream, pipeline, offshore, gas processing, oil and gas production, chemicals, integrated petrochemical and petroleum refining industries including ICA Fluor, the company's joint venture in Mexico. Mr. Seaton has also served as senior vice president and group executive for Fluor's global corporate sales function.

Active in a variety of professional and business organizations, Mr. Seaton serves on the board of directors of The Mosaic Company (NYSE: MOS) and is a member of the Business Roundtable and the International Business Council. He is a board member of the American Petroleum Institute (API) and the U.S.-Saudi Arabian Business Council. He is an active leader and board member of the World Economic Forum's Partnering Against Corruption Initiative, the co-chair of the Forum's Global Agenda Council on Corruption, and the chairman of the PACI Vanguard initiative. He is also the chairman for the Boys and Girls Clubs of America, Southwest Region.

BROOKINGS

Frederick W. Smith, Chairman, President & CEO, FedEx Corporation

Brookings Activity:

- FedEx has given a total of \$310K to Brookings;
- Last gift of \$100K in March, 2014 went to IFP Practice Work and Metro PLC;
- Frederick does not have a giving history with Brookings.



Frederick W. Smith is chairman and chief executive officer of FedEx Corporation. Smith is responsible for providing strategic direction for all FedEx Corporation operating companies, including FedEx Services, FedEx Express, FedEx Ground and FedEx Freight. Since founding FedEx in 1971, Smith has been an active proponent of regulatory reform, free trade and "open skies agreements" for aviation around the world. Most recently, he has advocated for vehicle energy-efficiency standards and a national energy policy.

Smith is co-chairman of the Energy Security Leadership Council, a Trustee for the United States Council for International Business and a member of the Business Roundtable. He served as chairman of the U.S.-China Business Council and is co-chairman of the French-American Business Council. Smith has served on the boards of several large public companies and the St. Jude Children's Research Hospital and Mayo Foundation Boards. He was formerly chairman of the Board of Governors for the International Air Transport Association and the U.S. Air Transport Association. Born in 1944 in Marks, Miss., Smith attended Yale University, where he earned a B.A. in 1966. Smith served as an officer in the U.S. Marine Corps from 1966-1970.

BROOKINGS

Bruce Katz

JP Morgan Notes & Next Steps
July 20, 2011

Follow-up & Next Steps

- 1) Peter Scher 'Reality-check with Jamie D' -- Peter is speaking with CEO Jamie Dimon on Thursday, July 21. Key Q's:
 - a. Is there support for a JP Morgan-Brookings multi-year Global Metro partnership at the level of \$10M+ (\$2 million/year is Brookings' threshold for co-branding)
 - b. Could a partnership be funded, at least in part, by the JP Morgan Foundation? (vs. JP corporation or research branch)
 - c. Peter also checking in with lawyers to make sure JP-Brookings partnership will not conflict with JP's services with cities and lending commitments

- 2) MPP to send Peter proposal on "U.S. Metros in a Global Context" by Wed. the 27th:
 - a. JP Morgan Global Fellows, Forums and Convenings; possibly a lecture series; travel w/JP Morgan associates; and overall trends work undergirding the collaboration
 - b. Potential role for Richard Daley?
 - c. Also, send Peter 2-pager on Rockefeller?

- 3) Bruce notes to Crandall C. Bowles (JPM [Audit Committee](#)) and Ellen Futter (JPMC [Public Responsibility Committee](#) & [Risk Policy Committee](#)). Dana drafting

- 4) Jamie Dimon will be in DC on September 22, 2011

- 5) Note to Jeff Boslin -- CO Forum invitation and overview (Peter S. already invited); also, send Business Plans

- 6) Emilia I. to connect with Terry Belton about research. (he runs fixed-income research).

Brookings | JP Morgan Meeting
New York City
July 19, 2011

Meeting Attendees:

- Bruce, Carrie, Sue, Emilia, Dana (MPP)
- Peter Scher, EVP, Global Relations and Public Policy
- Jill Blickstein, VP, Policy
- Jennifer Hanley, Managing Director, Corporate Responsibility (Communications)
- Priscilla Almodovar, Managing Director, Community Development Banking
- Karen Koegh, Managing Director and Head of State Government Relations
- Michael Nevins, NY Market Manager for Government, Non-Profit and Hospital (GNPH) Lending
- Jeff Boslin
- James ?

Bruce presented an overview of the next economy, including the practice work – business and export plans – metros of interest and state work. These plans build off of specific assets, advantages and attributes of place and are evidence-driven. Goal to get 25 metros to be globally-fluent and restructure economies.

Main areas of interest:

- Global Metros: Global Fellows, Int'l Forums and Convenings (branded)
- Economic and trends work (not co-branded): comparative analyses and best practice policy reports to place U.S. metropolitan areas in the global context to include work on exports, trade relations, emerging markets, FDI, and immigration; also, interest in infrastructure/clean economy banks and P3s.

Opportunities for Brookings-JP Morgan collaboration:

- A relationship with JPMC could be based on a thought leadership platform: as thought leaders and an institution, Brookings is helping cities and metros restructure their economies.
- JPMC is interested in a major initiative on global cities
- JP Morgan would like to establish itself as the major financial institution that has the capacity and leadership to grow U.S. cities
- Bottom-line: growing metro economies is good for the nation and for JPMC; also, many U.S. cities are JPMC clients – motivation to support them and their clients.
- JPMC has been largely focused on domestic work and has substantive lending commitments to cities, including hospitals. (Peter mentioned \$100B in available capital).
- JP Morgan is also very interested in building relationship with Esade and Latin America

Other Notes

- Peter recently briefed Jessica, Jamie, Todd, Zane, and Public Responsibility Board on potential Brookings partnership
- JP is very skilled at bringing together PPPs but they cannot play an advisory role due to legal stipulations.
- JPMC is interested in strengthening its relationship with the U.S. metro leadership class
- Securing financing for PPPs is a very different concept from trying to grow a next economy that is self-sustaining, productive and low carbon, etc.

Global Cities Initiative

September 12, 2011

STRICTLY PRIVATE AND CONFIDENTIAL

JPMORGAN CHASE & CO.

GLOBAL CITIES INITIATIVE

Executive Summary

- The top 100 metropolitan areas represent two-thirds of the U.S. population and three-quarters of U.S. GDP. They concentrate the assets that drive economic success – and they are also under immense financial pressure as federal and state government support wanes.
- JPMC is one of the leading banks financing cities, and we are uniquely positioned to help U.S. metropolitan centers plan for future economic growth, using both our balance sheet and our expertise.
- The Brookings Institution is a highly-respected policy think tank, with 15 years of experience working with U.S. cities. Brookings has a multi-year agenda to elevate the economic position of U.S. cities in the global marketplace.

Financing Commitment

- [\$XX] billion in 2012 (relative to expected \$XX billion in 2011) to lending and equity investments in U.S. metro areas
- Clear evidence of the firm's commitment to use its balance sheet and expertise to help drive economic growth and job creation
- Includes Public Finance, GNPH, TOI, and Community Development Banking

JPMC-Brookings Partnership

- \$10 million over 5 years to finance research on economic growth potential in the top 100 metro areas and business planning in selected cities
- 4-5 major regional conferences each year to convene key civic and business leaders to drive discussion, consensus and action about the region's potential for economic growth
- Chaired by Richard Daley

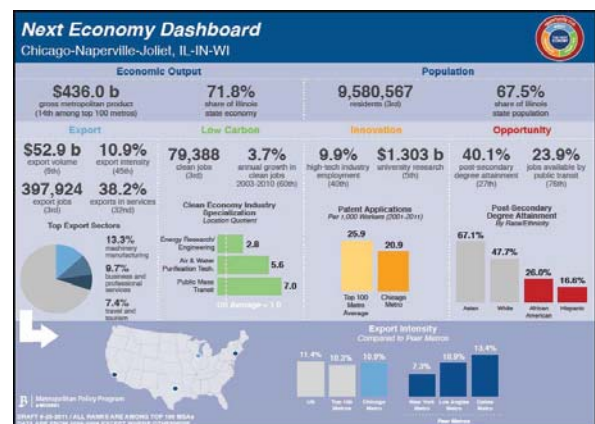
Public announcement in Sept/Oct 2011

JPMC'S INVESTMENT IN CITIES

- Throughout the financial crisis and in 2010 alone, JPMC provided tens of billions of dollars in credit to cities across the U.S. Across each line of business, JPMC has longstanding relationships with cities and is uniquely positioned to support an initiative that would be an economic catalyst for metro centers.
- JPMC has a current total debt exposure of **\$XX billion** and equity exposure of more than **\$X billion** to U.S. cities in addition to the numerous retail and T&SS services we provide to U.S. cities.

BROOKINGS METROPOLITAN POLICY PROGRAM

- Over the last 15 years, the Brookings Institution – a highly-respected policy think tank – has worked closely with key city leaders to design plans for economic growth that are focused on developing tradable industries and trading partnerships with cities abroad.
- Brookings provides city leaders with detailed **research** on exports, trading partners, commercialization of new technologies, employment in high-tech industries, workers’ skills, and potential to attract new business and R&D investment, and other topics.
- The research drives Brookings’ work with local leaders to develop detailed **business plans** for economic development. The business plans are detailed operational and finance plans with performance metrics around a single, lead investment initiative.
- Brookings is also working with cities on **export plans** that focus on building tradable industries.
- Los Angeles Mayor Antonio Villaraigosa – the new President of the U.S. Conference of Mayors – last month encouraged the top 50 mayors to work with Brookings to make 25 cities export-ready as soon as possible.



JPMC-BROOKINGS GLOBAL CITIES PARTNERSHIP

Our 5-year partnership with Brookings would finance:

- **5 major conferences per year to drive the discussion about economic growth and showcase our financing commitment**
 - Conferences in 3-4 U.S. cities and 1-2 global cities, convening local civic and business decisionmakers in a data-driven discussion about economic growth and the development of export-driven industries; conferences will produce actionable ideas/recommendations and provide opportunities to amplify JPMC's contributions to U.S. cities (lending, CDFIs)
 - Include participation across the LOB's with business goals in these regions, connecting them with decisionmakers
- **Research on the economic potential of U.S. and global cities**
 - Major research projects would include (but not limited to) the performance of U.S. cities in key export markets, trading relationships between U.S. and global cities, the role of foreign-owned companies in U.S. cities, immigration trends, and the flow of goods and services between the U.S. and emerging markets in Latin America and Asia
 - Collaboration between JPMC (Terry Belton) and Brookings research teams

Leadership role for Richard Daley

- Mayor Daley would chair the JPMC-Brookings Global Cities Partnership and host the conferences, advising other metropolitan areas based on his achievements in Chicago, including his role in structuring global investments
- Daley to convene mayors across the country to share ideas and best practices ("Deer Valley for Mayors")
- Daley would also host smaller meetings in a broader set of cities with clients and local leaders, as well as promote our Global Cities Initiative at major JPMC conferences

BENEFITS AND NEXT STEPS

Benefits

- Financial and intellectual commitment to growth of U.S. cities demonstrates our dedication and capacity to serve the country and our communities
- Deepens/extends relationships with important client base among business and civic leaders both in the U.S. and abroad
- Emphasis on export relationships coincides with JPMC's international growth strategy

Next Steps

- Gain Operating Committee approval for initiative scope and components
- Formalize partnership with Brookings
- Finalize 2012 financing commitment (dollar-level and components)
- Plan public announcement of both the Brookings partnership and the financing commitment for Sept/Oct with Brookings and Mayor Daley

Cities Initiative Working Group

Public Finance	CB	TSS	CFS	Asset Mgmt	Corporate
Jeff Bosland	P. DeCorrevont	David Maya	Kristin Lemkau	John O'Shea	Mark Rigdon
James Lansing	Will Williams	Mary Sedarat			Jonathan Teplitz
	Priscilla Almodovar				Karen Keogh

POTENTIAL CONFERENCE CITIES

U.S. REGIONS/CITIES WITH LOB PRIORITIES IDENTIFIED

YEAR ONE	PF/TOI	CB	CFS Branches	CFS Mortgage
Southern California (LA, San Diego)	✓	✓	✓	✓
Florida (Jacksonville, Miami/Ft. Lauderdale, Orlando, Tampa)	✓	✓	✓	✓
Greater NY Metropolis (New York, Newark)	✓	✓	✓	✓
Ohio (Columbus, Cincinnati, Cleveland, Dayton)	✓	✓	✓	
YEARS 2-5 – LIST MAY BE EXPANDED BEYOND THESE CITIES				
Northern California (Sacramento, San Jose)	✓	✓	✓	✓
Midwest (Chicago, Indianapolis, Milwaukee)	✓	✓	✓	✓
Heartland (St. Louis, Kansas City, Omaha)	✓	✓		
Intermountain West (Denver, Las Vegas, Salt Lake)	✓	✓	✓	
Kentucky (Louisville, Lexington)	✓	✓		
Michigan (Detroit, Grand Rapids)	✓	✓		✓
New England (Hartford, Boston, New Haven, Providence)	✓	✓		
New York (Buffalo, Rochester, Syracuse)		✓		
North Carolina (Charlotte, Raleigh/Durham)		✓		
Pacific NW (Portland, Seattle)	✓	✓	✓	
Pennsylvania (Philadelphia, Pittsburgh)	✓	✓		
Tennessee (Knoxville, Memphis, Nashville)	✓	✓		
Texas (Austin, Houston, Dallas)	✓	✓	✓	✓

GLOBAL REGIONS/CITIES

- Latin America (Buenos Aires, Bogota, Lima, Sao Paulo)
- Delhi, Bangalore
- Munich
- Shanghai
- Mexico City

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

The Brookings Institution and JPMorgan Chase Gift Agreement

This Gift Agreement (the "Agreement"), dated as of October 20, 2011 ("Effective Date") sets forth an agreement between JPMorgan Chase & Co. (hereafter called the "Donor") and the Brookings Institution (hereafter called "Brookings"), a tax exempt 501(c)(3) organization under the U.S. Internal Revenue Code of 1986, as amended (the "Code") whereby the Donor agrees to contribute \$10 million toward "Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase" as part of the Brookings's *Second Century Campaign*. This Agreement states the purpose, payment schedule, recognition, and administration of the Donor's gift. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, Donor and Brookings hereby agree as follows:

I. **PURPOSE.** The Donor wishes to support Brookings's Metropolitan Policy Program's initiative to help metropolitan areas elevate their economic position in the global market through a robust research agenda and a series of national and international convenings. The details of the projects and activities to be undertaken by the parties in connection with Donor's pledged donation, and any rights and responsibilities of the parties with respect to such activities are subject to a Memorandum of Understanding (an "MOU"), which is being negotiated in good faith by the parties and will be executed no later than December 31, 2011 or such other date as is agreed upon in writing by the parties. In the event that the parties, working in good faith, are not able to execute the MOU by such date, then this Gift Agreement shall be void.

II. **PAYMENT SCHEDULE.**

The Donor will fulfill the pledge of \$10 million to support the "Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase" by contributing \$8.5 million in cash and \$1.5 million in in-kind contributions.

The Donor agrees to pay the \$8.5 million cash contribution to Brookings according to the following payment schedule:

\$1,700,000	on or before	December 31, 2011
\$1,700,000	on or before	December 31, 2012

\$1,700,000	on or before	December 31, 2013
\$1,700,000	on or before	December 31, 2014
\$1,700,000	on or before	December 31, 2015

Brookings will provide the Donor with a written invoice no less than 31 days before the payment due date. The Donor will fulfill the pledge of \$1.5 million in in-kind support by paying for \$300,000 worth of travel, lodging, and event organizing expenses annually over the five years of the project. Any in-kind support in excess of this annual amount must be agreed upon in writing by the parties. The MOU will detail the types of expenses that will count toward the \$1.5 million in in-kind support. The Donor will provide an accounting of expenses to be applied to this amount on a quarterly basis. Brookings will comply with any reasonable reporting requirements agreed upon in writing by the parties with regard to its use of the donation.

Brookings will use the donation only for charitable, scientific, literary or educational purposes and will not use the donation: (i) to attempt to influence legislation or regulation; (ii) to influence the outcome of any specific public election or to carry on, directly or indirectly, a voter registration drive; (iii) to make a grant to another organization (other than to public charities or exempt operating foundations complying with the requirements of Code Section 4945(d)(4)(A)); or (iv) as collateral.

- III. **RECOGNITION.** Brookings will acknowledge the Donor for its gift in Brookings's Annual Report "Honor Roll of Contributors," as well as other Brookings publications related to the *Second Century Campaign*, when appropriate. All acknowledgments of Donor by Brookings in connection with this Agreement will be given to "JPMorgan Chase" unless otherwise agreed by the parties.

Additionally, JPMorgan Chase will draft a press release announcing the gift and will work with its network of media contacts to encourage news coverage of the project.

Brookings will take the lead in developing a logo to brand the initiative, which will appear on publications, invitations, signage and other initiative-related material. Brookings and JPMorgan Chase will mutually agree on the final design of the logo. Brookings will prominently feature the initiative on its website with a link to a dedicated webpage for the initiative. The design for the dedicated webpage is subject to JPMC's review and approval, not to be unreasonably withheld or delayed.

Except as set forth herein or in the MOU, each party will not: (a) use the name or trademark, logo or other identifying marks of the other party or any member of the other party's staff, in any publicity without the prior written approval of the other party, or (b) issue any press release, interviews or other public statement regarding this Agreement or the MOU without the prior written consent of both the JPMC Corporate Marketing and Communications Department and Brookings's Office of Communications.

Brookings represents, warrants and agrees that no goods or services have been or will be provided by Brookings to Donor or its affiliates in consideration for the donation hereunder, except acknowledgements provided pursuant to the above in this Article III.

- IV. **ADMINISTRATION.** All contributions will be used and administered in accordance with the Donor's

wishes, subject to Brookings regulations governing gifts and policies relating to the management and investment of funds as well as applicable state and federal law.

In the event: (i) of a material change in circumstances that, at the determination of the parties, greatly reduces or eliminates the need for the funds for the purpose set out above; (ii) Brookings's use of the funds becomes a violation of then-current law; or (iii) that if for a reason agreed upon in writing by the parties, the funds may not be spent for the purposes set forth above, Brookings will work in consultation with Donor to redirect the employment of the funds to another Brookings project in the best interest of the parties and as close to the Donor's original intent as possible.

The Vice President of the Brookings Metropolitan Policy Program or his designee will be charged with administering this account.


- V. **CHARITABLE QUALIFICATION.** By letter dated June 10, 2005, the United States Internal Revenue Service has confirmed Brookings (federal tax identification number 53-0196577) is a duly qualified charitable organization under the Code. Brookings represents and warrants that as of the effective date of this Agreement it is a duly qualified charitable organization under the Code and will be so for as long as Donor's contributions are held by Brookings.
- VI. Brookings will not directly or indirectly communicate with any party for the purpose of obtaining or retaining municipal securities business for Donor or its affiliates.
- VII. **NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, INCLUDING LOST PROFITS, REGARDLESS OF THE FORM OF THE ACTION OR THEORY OF RECOVERY, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES.**
- VIII. This Agreement will be governed and construed in accordance with the applicable laws of the State of New York, without giving effect to the principles of that state relating to conflicts of laws. This Agreement constitutes the entire agreement of the parties, superseding all prior agreements and understandings as to the subject matter, notwithstanding any oral representations or statements to the contrary, and cannot be amended without the written consent of the parties.

IN WITNESS WHEREOF, Donor and Brookings agree to be bound by the terms and conditions of this Agreement as of the date first written above.

SIGNED this 20 day of October, 2011.

JPMorgan Chase & Co.

By:


James E. Staley
Managing Director

AGREED TO this 22 day of October, 2011.

By:


Strobe Talbott
President


Bruce Katz
Vice President and Director of Metropolitan Policy Program

Please sign and return this Gift Agreement to Kimberly Churches, Vice President for Development, at 1775 Massachusetts Avenue NW, Washington DC 20036. Please keep a copy for your records. If you have questions, please contact the Brookings Development Office at development@brookings.edu or (202) 797-6220.

DRAFT Agenda for March 20/21/22, 2012 Los Angeles - San Diego, CA GCI convening
As of 11.30.11

PRE FORUM

As we prepare for the domestic forums, we need to prepare background materials (for participants, media, etc) that identify 3-5 firms that are part of the metro export scene. These "case stories" will help ground our call for enhanced metropolitan and state action on trade, investment, logistics, etc. These stories could include 1-2 major global companies (e.g., Boeing, SONY Pictures) that are leading trade in the region as well as 2-3 small and medium sized enterprises that are seeing an uptick in exports and/or increase in foreign investment. To the greatest extent practicable, we should identify firms that exemplify important themes (e.g., a SME that is now trading to multiple countries rather than one; an immigrant owned firm now trading back to the home country, etc.).

TUESDAY, MARCH 20, 2011

12:00 noon to 3:00 p.m.

Export related tour, possibilities:

- Port of Los Angeles (include meeting with LA Regional Export Council and Mayor Villaraigosa)
- Visit to firm that exports w/ Mexico-Latin America (Amy/Brad suggest working with LA Chamber to identify firm)
- Attendees on tour could include: Brookings and JPMC traveling delegation; LA JPMC leadership; other appropriate appointed/elected officials
- NOTE: must factor in significant travel time to the port

4:00 p.m. to 5:30 p.m.
clients

Meeting with JPMC Los Angeles leadership and

7:00 p.m.

Private dinner, possibilities:

- Hosted by BI board member at their residence (Abernethy or S. N. Johnson)
- @ a Beverly Hills or area restaurant (probably too far to drive to Santa Monica or Malibu)
- Invite BI team; JPMC leadership; all speakers at Forum the next day; possibly Nutter/Smith/USCM reps
- Do you invite any leadership from Columbus/Miami?

WEDNESDAY, MARCH 21, 2011

USC

Davidson Conference Center

- 9:00 a.m. Global Cities Initiative Forum
USC President Max Nikias welcome to USC (invited)
- 9:15 a.m. Mayor Antonio Villaraigosa remarks (Confirmed, times not nailed down)
- 9:30 a.m. JPMC leadership remarks
- Why global trade and investment matters for job growth
- 9:50 a.m. Bruce Katz presentation
- 10:20 a.m. Panel
Los Angeles Next Economy/Exports Panel – Response
- Moderator, Kai Rysdall (NPR)
 - Panelists:
 - o Manufacturing CEO (possibly one who is on the Export Council – could JPMC help with this?)
 - o Port of LA: Geraldine Knatz
 - o Lt. Gov. Gavin Newsom
 - o Tracy Ratner, BizFed (represents sme’s and biz federation)
 - o Labor: Wilhelm/Madeline Janis/other
 - o Bruce Katz to participate in the panel
 - Go w/ 4 panelists in the end
- 11:20 a.m. Audience Q/A
- 11:50 a.m. Break
- 12:00 noon Lunch
- 12:45 p.m. JPMC LA leadership rep – intro luncheon program
- 12:50 p.m. Villaraigosa
Moderated Dialogue with Mayor Richard Daley and Mayor
- Suggested Moderator: Mickey Kantor
- 1:50 p.m. Adjourn
- 2:00 p.m. Possible Press Conference
- In this forum and others, we need to decide how to announce/enable (a) action steps that state and metro leadership already intend to undertake and (b) other "next steps" that emerge from the

forum. This relates to Julie's finding that the most successful initiatives always have an outcome at the end. The key focus, we think, should be on creating/strengthening this special trade institution. That is a step that can be sustained. Could Mayors Nutter/Smith participate in an announcement? Could the State of CA?

OTHER QUESTIONS:

- What is the role of other city and county elected officials from LA, particularly those that intend to run for Mayor in 2013? It would be great if we could get buy in from major electeds beyond Villaraigosa.
- We should start thinking through how our media strategy will affect the structure and flow of the forum. Should the LA Times be a partner on the forum? How should we use social media to engage a broader audience? Will the forum be webcast ... and will there be any strategy for purposefully engaging an audience beyond those in the room. Is local cable television an option?

Afternoon

BI/JPMC Take Amtrak to San Diego

7:00 p.m.

Dinner with San Diego Mayor Saunders; Mayor Daley; BI delegation; JPMC delegation, clients, leadership

THURSDAY, MARCH 22, 2012

8:00 a.m. to 10:00 a.m.
leadership; BI; JPMC

Breakfast/meeting with Mayor Sanders; San Diego

Head to Airport mid morning

NOTES RE: SAN DIEGO

--JPMC is intrigued with the idea of doing a separate event/s in San Diego, they did bring up budget issues. We think this can be done in a lower key, smaller way that will not break the budget. The upside of giving San Diego the individual attention they deserve is worth the extra cost. JPMC does consider San Diego a very important market.

1.17.12 update

Global Cities Initiative/Los Angeles-San Diego Tuesday, March 20, Wednesday, March 21, 2012 & Thursday, March 22

LA Study Tour - Tuesday, March 20, 2012

Goals:

- Allow the GCI delegation to understand the trade/export, freight, manufacturing landscape from the ground-up
- Provide an atmosphere for free flowing (off the record) dialogue with key players in the LA region
- Encourage GCI national delegation to understand the economic advantages and challenges of unique metropolitan regions

Schedule:

<i>a.m. tbd</i>	<i>Mayor Daley/P. Scher meeting with JPMC LA clients - JPMC to provide additional information</i>
12:30 p.m.	Tour Port of Los Angeles via boat with high level port officials and freight/shipping/infrastructure experts
2:15 p.m.	Depart Port
3:00 p.m.	Tour/meeting at manufacturing/exporting firm
4:30 p.m.	Depart firm
5:15 p.m.	Arrive Omni for brief downtime
5:45 p.m.	Depart Omni for dinner

Participants:

- Daley; Katz; Scher; JPMC LA leads; Brookings scholars & key staff; JPMC key staff
- LA/Long Beach port officials
- Freight/infrastructure experts
- Total: approximately 20 or less

LA Private Dinner - Tuesday, March 20, 2012

Goal:

- Allow off-the-record dialogue and networking with key speakers, panelists and stakeholders at the 3.21.12 GCI event

Schedule:

6:00 p.m.	Reception/dinner @ Marriott LA/Live
6:45 p.m.	Brief pre dinner remarks by Katz/Daley
7:30 p.m.	Post dinner program (tentative, for discussion)
	<ul style="list-style-type: none">• Katz, M.C.• Scher/JPMC LA rep• Villaraigosa
8:45 p.m.	Dinner Concludes
9:00 p.m.	RON

Participants - total: 25 to 30

Daley; Katz; Scher; all speakers/panelists at the LA GCI forum; Mayor Villaraigosa; Brookings board members; JPMC high level bank leadership & key clients; key high level stakeholders from LA region in the business, civic, philanthropic community; key BI/JPMC scholars/staff (staff will be limited)

LA GCI Forum - Wednesday, March 21, 2012**Event title:**

Going Global: Boosting the Economic Future of Greater Los Angeles

Event Goals:

- Offer a vision and pathway for metropolitan led economic growth and prosperity in the post-recession global economy
- Illustrate how “global fluency” and intentional regional planning will jumpstart the LA economy
- Present LA regional leaders with a data driven dashboard of the region’s key competitive assets in the global economy

- Raise awareness and motivate greater private and public sector leadership support for specific existing or proposed regional actions to further exports, foreign investment, and global economic competitiveness

Event Agenda:

- 8:30 a.m. Breakfast available
- 9:05 a.m. Welcome and remarks by USC President Max Nikias, acknowledging the USC stake in global connectivity and economic growth in Los Angeles
- 9:15 a.m. Remarks by the Honorable Richard M. Daley, setting up the GCI Initiative's goals and action plan
- 9:30 a.m. Peter Scher, brief remarks & intro Katz
- 9:35 a.m. Bruce Katz presentation -- a vision of how metropolitan economies make up the global economy
- Offer a vision of how national/metro economies operate
 - Situate Greater LA in the global economy
 - Offer strategies for how Greater LA can bolster its global position
- 10:00 a.m. Understanding the global context and climate in Southern California
- Panel 1 -- Title: Greater Los Angeles in the Global Economy (*title not final*)
 - Panelists:
 - o USC Professor Dick Drobnick (*likely to accept*)
 - o Bob Hertzberg - LAEDC Chair, LA Chamber Board, Think Long

Committee, CA Forward chair,
former CA Assembly Speaker (*to be invited*)

- o CA Exports/finance expert : David Fisher (*tentative - JPMC vetting*)
- o Honorable Luis Moreno, President Inter American Development Bank (*invitation in process*)
- o Bruce Katz
- o Moderator: Chrystia Freeland, Reuters (*invited and considering*)

11:00 a.m.

Measuring progress and identifying opportunities in LA region

- Panel 2 -- Title: Regional Strategies towards Global Opportunities
- Panelists - need to narrow down panelists:
 - o LA Chamber of Commerce rep (*CEO or Vice President, tbd*)
 - o Labor: Maria Elena Durazo, LA County Federation of Labor, LA Coalition for Economy and Jobs, Jobs 1st Coalition (*to be invited*)
 - o Long Beach business leader (*to add regional diversity - name tbd*)
 - o Infrastructure: Matt Rose, Burlington Northern Sante Fe Railroad, President's Jobs and Competitiveness Council (*to be invited*)
 - o State leader: Michael Rossi (Governor's Jobs Czar), or CA Senate President Darrell Steinberg,
 - o Moderator: Kai Ryssdal, American Public Media and host of "Marketplace" or Geneva

Overholser, Director of USC
Annenberg School of Journalism

- 12:00 noon Buffet lunch/networking
- 12:45 p.m. Post Luncheon keynote session
- Mayor Villaraigosa and Mayor Richard Daley
 - Title: Reflections from the Road (*title not final*)
 - Moderator, Mickey Kantor (*being invited by Strobe*)
- 1:50 p.m. Bruce Katz wrap up
- 2:00 p.m. Conclude
- 2:30 p.m. Depart via van to San Diego
Participants: Daley; Katz; Scher (tentative);
C. Brown; B.Finch; MGootman; EOchs
- 5:00 p.m. Arrive San Diego
Hotel: US Grant Hotel
362 Broadway/San Diego, CA 92101

SD Private Dinner - Wednesday, March 21, 2012

Goal:

- Allow off-the-record dialogue and networking with San Diego Mayor Jerry Sanders, surrounding key business leaders, key JPMC bankers/clients

Participants:

- 14 (private room capacity - very limited staff)

6:00 p.m. Dinner at US Grant Hotel - Grant Grill -
private room

8:15 p.m. Conclude

8:30 p.m. RON

SD GCI Forum - Thursday, March 22, 2012

Goals:

- Bring together key San Diego region stakeholders to present an overview of GCI, presentations from Mayor Daley & Bruce Katz
- Provide a forum to discuss San Diego's economic assets and challenges, and opportunities to compete in the global economy
- Invite key, limited reporters to listen in and potentially have one-on-one opportunities to spend time with Mayor Daley and B. Katz

Participants:

- Approximately 30/35 key stakeholders in the region, including Daley; Katz; Scher (tentative); 2 JPMC San Diego bankers & clients; Mayor Sanders, San Diego Chamber leadership and key business leaders; SD Council on Competitiveness; limited Brookings/JPMC staff

Schedule:

8:15 a.m. Check out U.S. Grant Hotel - walking distance to next venue

8:30 a.m. Networking Breakfast and meeting with San Diego economic leadership

- Mayor Sanders welcome & remarks
- Bruce Katz presentation
- Mayor Daley remarks
- Informal panel response
- Discussion

11:00 a.m. Conclude

- Possible media

GCI Brookings and JPMorgan Delegation

Richard M. Daley

Former Mayor, City of Chicago
Senior Advisor, JMPC

Patrick R. Daley

Tur Partners

Carol Brown

Office of Mayor Richard M. Daley

JPMORGAN CHASE

Peter Barker

Chairman of California
JPMorgan Chase

Jill Blickstein

Executive Director, Corporate
Responsibility
JPMorgan Chase

Karl Brier

Senior Vice President
JPMorgan Chase

Alex Burnett

Managing Director
JPMorgan Chase

Kari Decker

Vice President, Government Relations
JPMorgan Chase

Brian Finch

Vice President
JPMorgan Chase

Paul Kaufman

Chief Executive Officer
Middle Market Banking
JPMorgan Chase

Gary Kishner

Spokesperson
JPMorgan Chase

Joe Loose

Vice President

Corporate Events, Management &
Protocol
JPMorgan Chase

Karen Persichilli Keogh

Managing Director
JPMorgan Chase

Pedro Ramos

Associate
JPMorgan Chase

Peter Scher

Executive Vice President
Head of Corporate Responsibility
JPMorgan Chase

Peter Villegas

Vice President, Community
Reinvestment
JPMorgan Chase

BROOKINGS METRO PROGRAM

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Senior Fellow and Research Director
Brookings Metropolitan Policy Program

Susan Brodsky Burnett

Senior Development Officer
Brookings Metropolitan Policy Program

John Fairbanks

Senior Media Relations Officer
Brookings Metropolitan Policy Program

Marek Gootman

Director of Strategic Partnerships
Brookings Metropolitan Policy Program

Bruce Katz

Vice President and Founding Director
Brookings Metropolitan Policy Program

Carrie Kolasky

Deputy Director and External Affairs
Officer
Brookings Metropolitan Policy Program

Jessica Lee
Senior Policy Analyst
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Amy Liu
Senior Fellow and Co-Director
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Brad McDearman
Non Resident Senior Fellow
Brookings Metropolitan Policy Program

Mark Muro
Senior Fellow and Policy Director
Brookings Metropolitan Policy Program

Ellen Ochs

Director of Special Initiatives
Brookings Metropolitan Policy Program

Rob Puentes
Senior Fellow and
Director, Metropolitan Infrastructure
Initiative
Brookings Metropolitan Policy Program

Audrey Singer
Senior Fellow
Brookings Metropolitan Policy Program

Owen Washburn
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Brookings Metropolitan Policy Program

Jenny Murphy
Senior Vice President
Glover Park Group



WORLD TRADE CENTER® KANSAS CITY

FOR IMMEDIATE RELEASE
October 14, 2015

CONTACT:

Ivry Karamitros, (816) 374-5469, karamitros@kcchamber.com
Anthony Fiano, (202) 238-3113, afiano@brookings.edu

Kansas City's Global Cities Initiative Releases Export Market Assessment, Positioning Region for Growth in Global Marketplace

KANSAS CITY, Mo., October 14, 2015 – Kansas City has released an export market assessment, a critical step in its development of a regional export strategy that will outline specific steps local business, civic, and government leaders can take to increase their exports and grow global engagement. This strategy is the centerpiece of the Global Cities Initiative, a joint project of the Brookings Institution and JPMorgan Chase.

“Smart economic development leaders are reorienting their efforts from a one-dimensional focus on domestic business attraction toward a broader array of strategic growth initiatives that includes regional collaboration to strengthen international connections and competitiveness,” said Marek Gootman, Brookings Metropolitan Policy Program director of strategic partnerships and global initiatives. “The market assessment enables Kansas City to understand its position in the export game so it can develop a global trade strategy that will adapt to rapidly changing dynamics and contribute to regional business growth and job creation.”

With an estimated 95 percent of consumers living beyond U.S. borders, exports are a critical component of a regional economic development strategy. Yet exports are an under-utilized economic development tool — only five percent of U.S. firms currently export. This export strategy will help Kansas City businesses increase their exports and capitalize on the growing global consumer market.

Led by the World Trade Center Kansas City, participation in the Global Cities Initiative is an essential international element of KC Rising. “The completed export plan will be an important component of the KC Rising strategies for growing the region’s economy. We appreciate the leadership of the Global Cities Initiative Steering Committee and the opportunity to work collaboratively to ensure a positive economic future for the region,” says Scott Smith, Co-Chair, KC Rising, and former President and CEO of HNTB Infrastructure.

The Global Cities Initiative committee surveyed area businesses to evaluate the region’s current export economy and its potential for growth. Key findings from Kansas City’s market assessment include:

- Exports are growing nationally, which presents local opportunity
- Small & mid-size enterprises are ripe for export expansion
- Few area businesses actively engage in export activity
- Exports have not been a priority for area businesses
- Area businesses are unaware of the numerous export resources available
- Robust transportation & logistics assets are a regional strength and competitive advantage
- Local economic development agencies have great potential for partnership

“The market assessment is the necessary first step in our ultimate goal of growing Kansas City exports,” explains Greater Kansas City Chamber of Commerce President and CEO Jim Heeter. “The report shows both the challenges and opportunities we have as a business community and will serve as a solid foundation for what will be a thoughtful – and actionable – strategic plan. Our ultimate goal: to increase the number of products and services we send beyond our borders and ultimately expand the Kansas City economy.”

“International trade and investment represent a promising pathway for local businesses to create jobs, attract capital and grow our economy,” adds Ward Nixon, a JP Morgan Chase executive director based in Kansas City.

“As we worked our way through the market assessment process, we were pleased to see that export service providers in the region were highly regarded by the companies that use them. Black & Veatch uses the services of many of these providers and we give the ones we use an A-plus rating,” states Paul Weida, Black & Veatch vice president of government affairs and co-chair Global Cities Initiative committee. “The U.S. Commercial Service Kansas City Export Assistance Center and World Trade Center Kansas City are examples of such service providers, yet most companies in the area are unaware of these organizations, giving us a great opportunity to create connections with prospective exporters and export service providers.”

“My hope is that the export plan generated from Kansas City’s participation in the Global Cities Initiative will encourage small and mid-sized businesses, many of which have limited resources, to proactively pursue an export strategy to grow their business,” said Anthony Hancox, Garmin director of finance and analysis and Global Cities Initiative committee member.

In the coming months, the Kansas City team participating in the Global Cities Initiative team will be working to develop strategies and recommendations to address these findings. If you would like to be involved or learn more about this process, please contact Ivry Karamitros at the World Trade Center Kansas City.

The Global Cities Initiative is a joint project of the Brookings Institution and JPMorgan Chase to help business and civic leaders grow their metropolitan economies by strengthening international connections and competitiveness. GCI activities include producing data and research to guide decisions, fostering practice and policy innovations, and facilitating a peer learning network. For more information, see <http://www.brookings.edu/projects/global-cities.aspx> or www.jpmorganchase.com/globalcities.

World Trade Center Kansas City serves domestic and international companies within the Kansas City region as well as international companies that want to do business in Kansas City through a variety of services from internships and education to networking events and seminars. World Trade Center Kansas City is a partnership between the Greater Kansas City Chamber of Commerce, KC SmartPort and Kansas City Area Development Council — three organizations well versed in the critical importance of improving our region’s competitiveness in the global economy. For more information, please visit www.kcchamber.com/World-Trade-Center/Home.aspx.

KC Rising is a regional, collaborative, business community-led effort to develop a path for the KC region to reach its full economic potential. KC Rising will develop strategies for accelerating the region’s economic growth and ensure its continued competitiveness in the global economy. KC Rising is supported by the leadership and staff of the Civic Council of Greater Kansas City, Mid-America Regional Council, the Kansas City Area Development Council and regional chambers of commerce. www.kcrising.com.

###



GLOBAL CITIES INITIATIVE
A Joint Project of Brookings and JPMorgan Chase

Elaine Agather
Chairman, Chase Dallas

Anne Motsenbocker
President, Chase Dallas

cordially invite you and a guest to a seated dinner and panel presentation

featuring

Honorable Richard M. Daley
Former Mayor of Chicago,
Senior Advisor to JPMorgan Chase

Bruce Katz
Vice President and Founding Director,
Brookings Metropolitan Policy Program

and

Todd Maclin
Chairman,
Chase Commercial and Consumer Banking

Wednesday, May 15, 2013
6:30 p.m.

Dallas Country Club
4155 Mockingbird Lane
Dallas, Texas

Please reply to Amie Mayes at jpmc.dallas.events@jpmorgan.com
or 214.965.2016 by Monday, May 13, 2013.

Honorable Richard M. Daley

The longest-serving mayor in Chicago's history, Richard M. Daley has earned an international reputation as a leading innovator in urban development, fiscal policy and government stewardship. As mayor, Mr. Daley enhanced Chicago's quality of life, improved the public school system and infrastructure, strengthened the economy, reduced crime, improved transportation and made Chicago one of the most environmentally friendly cities in the world. He is now a senior advisor to JP Morgan Chase and chairs the "Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase," which is an effort to help cities identify and leverage their greatest economic development resources.

Bruce Katz

Bruce J. Katz is a vice president at the Brookings Institution and founding director of the Brookings Metropolitan Policy Program. He is also co-author of *The Metropolitan Revolution* (Brookings Press, 2013), a distillation of his work on the emerging metropolitan-led "next economy" and its practitioners around the country working to produce more and better jobs driven by innovation, exports and sustainability. Katz regularly advises federal, state, regional and municipal leaders on policy reforms that advance the competitiveness of metropolitan areas. He counsels on shifting demographic and market trends as well as on policies critical to metropolitan prosperity (e.g. innovation, human capital, infrastructure, housing) and new forms of metropolitan governance.

If you are an elected or public official and any state law or local ordinance prohibits you from accepting this complementary event and requires you to pay for the cost of your food and beverage, the cost of food and beverage is estimated to be \$100 per person. Checks should be made payable to JPMorgan Chase and will be accepted at the entrance when you arrive. If you have questions, please call Brian Finch at (202) 585-3764.

Big Picture Objective (for 2014-2015 programming):

- To strengthen the base of core GCI activities while simultaneously experimenting with new partnership activities and looking ahead to the endgame for 2016

Goals of the Meeting

1. Agree on what success looks like in 2016. *What impact do we want to have achieved? What do we want the media to say about what we did?*
2. Identify and agree on the key strategies required to get us there, including global expansion through international roundtables between now and 2016.
 - a. *Share what we learned in Cannes and begin to forecast our vision for a "T40" like network. (understanding that JP may decide this won't be their goal, but it is good for them to understand what we are thinking and where we'd like to be headed as a Program)*
3. Make decisions on the following:
 - b. Chicago summit in 2016 (culminating event)
 - c. London export plan as second international GCX engagement (there is a possibility that JP doesn't understand that the work of creating an export plan is not a GCEP like Chicago/MC, so we need to be clear on this point in this meeting)
 - d. Yes/no on Seoul as the global forum site for 2015, and if no, what is the next global metro to focus on.

Progress toward Outcomes

1. Outcome: *There are dozens of U.S. metros taking leadership on trade as a key source of economic growth, acting in line with business today and delivering results.*
Progress:
 - We've defined a new paradigm for economic development through original research and numerous new publications, which have been cited in approximately 400 media clips since 2012.
2. Outcome: *Federal and state leaders, as well as public/private sector entities, recognize the importance of U.S. metros and metro leaders in advancing global economic growth.*
Progress:
 - While this is clearly an opportunity area, our events, which in part target these audiences, have yielded 100+ media hits, with 97% of them referencing GCI and 90% referencing JPMorgan; by the end of this year, we will have held events in 13 domestic markets and 9 international markets.
3. Outcome: *An informal network of U.S. and international cities emerges, one interested in partnering together to advance global trade and commerce.*
Progress:
 - With the launch of the Exchange last year, the network has been formally established.
 - There are 12 metros actively involved in designing export plans with eight more in the pipeline; six metros will produce FDI plans this year.
 - More needs to be done to:

- o Connect JPMC banking services/expertise to successes in Exchange cities
 - o Help U.S. metros understand the resources available from JPMC commercial bank
 - o Align JPMC philanthropic investments to ensure plans succeed (e.g. Louisville)
- Several international metros are also forging global engagement strategies, and we are actively working with Mexico City on its Global Cities Economic Partnership with Chicago. We are also interested in working with London on their regional export plan.

JP Morgan Chase awards \$200,000 to create BEAM-Kentucky export program

Posted Date: 12/17/2013 9:45 AM



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Today, the JPMorgan Chase Foundation awarded \$200,000 to create the BEAM-Kentucky Export Promotion Program. BEAM, the Bluegrass Economic Advancement Movement, is a regional economic growth partnership between Louisville and Lexington that encompasses 22 counties.

The newly launched, BEAM-Kentucky Export Promotion program will offer grants up to \$4,500 for the purpose of connecting small businesses in Kentucky and Southern Indiana to export and business development resources. Eligibility requirements and applications are available at www.lexingtonky.gov/beam.

"We are grateful to JPMorgan Chase, who shares our vision to build a world class manufacturing hub here in Central Kentucky," Mayor Jim Gray said. "This program targets small businesses, working with them to become powerful exports of Kentucky goods. That's how jobs are created, and we are excited to help make that happen."

In 2012, Gray and Louisville Mayor Greg Fischer launched a goal to increase export successes by 50% in five years, measuring the number of companies that begin

selling outside of the United States for the first time and/or the number of new countries to which companies begin selling. There have been 327 export successes counted to date out of the 290 needed to meet the goal for the end of 2013.

"Today's award from the JPMorgan Chase Foundation will continue to support efforts to reach this goal, and provide our small businesses with the encouragement they need to take the next step and grow into foreign markets," said Paul Costel, President of the Kentucky Chase Bank.

The BEAM Regional Export plan was also released today. This plan outlines activities such as targeted outreach, trainings for economic development professionals and promoting the sale of Kentucky-made products to the world. All of these efforts have contributed to increasing exports around the region. The Regional Export Plan was produced after Louisville and Lexington were selected to participate in the Brookings Institution Metropolitan Export Exchange along with seven other cities including: Charleston, SC; Chicago, IL; Columbus, OH; Des Moines, IA; San Antonio, TX; San Diego, CA; and Tampa Bay, FL.

"This unique and innovative program will support the growth of small businesses here in Louisville and around the region," Fischer said. "By diversifying and expanding customer bases, small businesses are more likely to last through generations, employ more people and become bigger companies."

In addition to the award, it was announced that the Louisville-Lexington region has been selected to participate in the Global Cities Exchange, a new program of the Global Cities Initiative: A Joint Project of the Brookings Institution and JPMorgan Chase, that will serve as a four-year learning and action network in which regions will develop and implement strategies to boost global trade and investment. The Louisville-Lexington, BEAM region will also host a Global Cities forum in June 2014.

Applications for the BEAM Export Promotion grant are available at www.lexingtonky.gov/beam. A copy of the regional export plan is also available.

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What Can San Diego Teach the World?

By Bruce Katz, Vice President, Brookings Institution | October 14, 2014

Metropolitan areas are home to large-scale innovation, quality jobs and global economic opportunities — and, now, the majority of the world’s population. By 2050, 70% of the global population will call urban areas home.¹ Despite their scale, metropolitan areas also produce a disproportionate amount of output for the United States. In fact, the top 100 U.S. metro areas (there are close to 400 in total) occupy 12% of the nation’s landmass, and yet they generate 68% our jobs, 75% of our national GDP, and are home to 65% of the population.²

Bruce Katz, co-director of the [Global Cities Initiative](#) and vice president of the Brookings Institution, has called this shift the “metropolitan revolution.” The U.S. economy is really made up of all of its individual metropolitan economies so driving progress in metro areas leads to growth for the nation as a whole. The Global Cities Initiative, a joint initiative of the Brookings Institution and JPMorgan Chase & Co., aims to help leaders in U.S. metropolitan areas reorient their economies toward greater engagement in world markets.

JPMorgan Chase & Co. recently spoke to Bruce Katz about capitalizing on the potential for metropolitan

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areas to be the engines of economic prosperity and social transformation in the United States.

Q: Why are cities and metropolitan areas so important to the U.S. right now?

Bruce Katz: In the U.S., cities and metropolitan areas have important roles and responsibilities— land use, zoning, managing our children’s education and housing our institutions of higher education as well as our biggest private companies and leading-edge entrepreneurs. All that taken together is the innovation ecosystem that drives economies forward. So, when our national government is adrift and our states begin to wander, cities and metros can step up.

Cities and metropolitan areas are succeeding because they have the assets that the economy requires and the infrastructure to move people, goods, energy, services and ideas. They’re home to incredible innovation — not just idea generation but also production, advanced manufacturing and skilled workers. We’re a preeminent economy in the world precisely because we’re a metropolitan economy. There really is no American economy, frankly. What we are is a collection of metropolitan economies. When they’re humming, when they’re focused in strategic ways on their own distinctive economies, then the country as a whole does well.

Q: What impact has the economic downturn had on the metropolitan economy?

Bruce Katz: After the downturn, cities and metropolitan areas realized they had to go back to basics. Pre-recession they were focused on what we would call the consumption economy — home building, coffee chains, and sports stadia. Post-recession, they’ve really begun to focus on those things that drive consumption — innovation, production, exports, foreign direct investment and investments in infrastructure. So, they really have begun to focus on leveraging their own distinct position in the global economy through smart and strategic investments.

Q: How can cities make smarter economic development decisions?

Bruce Katz: We have 100 metropolitan areas that really power our economy forward. They all have really distinct economic profiles — what they make, the services they provide, what they trade, who they trade with. Buffalo is not like Boston. San Diego is not like Syracuse. In the great words of Dolly Parton: “find out who you are and do it on purpose.” Cities should invest in those things that will really power their distinct economy forward — in some places that might be an investment in a port or an airport. Everywhere it will require an investment in skills but it needs to be really customized to the kind of

economy you have.

Q: How can cities become strong global competitors?

Bruce Katz: U.S. metros not only need to grow more jobs to make up the jobs they lost during the recession, they need to grow better jobs — jobs that pay decent wages, provide decent benefits. Many of those jobs are going to be in the STEM economy: science, technology, engineering, and math. Those are the kind of the jobs we desperately need in the U.S. so that both places and people prosper and thrive.

Q: Why is San Diego a great example of a metropolitan area succeeding with these new approaches?

Bruce Katz: San Diego exemplifies the metropolitan revolution. It's got a great platform for a productive, innovative and sustainable economy. They're attracting life sciences and biotech, telecom, and clean technology, because they have a great base of innovative companies and talented workers and advanced research institutions. A lot of this was intentional. Individuals, CEOs, major philanthropists came together and made smart bets for the future of their region — attracting talented workers and growing talented workers from within through training. You don't attract investment from around the world unless you are really good at what you do, and that's the San Diego story, as it is in many parts of the United States. They sharpen their distinctive edge in the global economy and then they push goods or services abroad or attract investment from elsewhere.

The second thing about San Diego is they collaborate to compete. It's not government against business. It's not business against universities. It's all of them coming together to power the region forward. San Diego is the 17th largest metropolitan area in the U.S., but when you look at what matters — talented workforce, patents and other signs of innovation — they're consistently in the top five or the top ten. San Diego is punching above its weight, and that's because these different sector's institutions are working together.

The [Global Cities Initiative](#) is a five-year collaboration between the Brookings Institution and JPMorgan Chase that aims to help leaders in U.S. metropolitan areas reorient their economies toward greater engagement in world markets. The Initiative aims to equip business, civic and government leaders with the information, policy ideas and connections they need to help their metropolitan areas thrive in the global economy. The Global Cities Initiative is helping city and metropolitan leaders become more

globally fluent by providing an in-depth, data-driven look at their regions' standings on crucial global economic measures, highlighting best policy and practice innovations from around the world and, through the Global Cities Exchange, developing and implementing regional strategies to boost global trade and investment.

The Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase. For more information, visit www.jpmorganchase.com or connect with us on [YouTube](#) and [Twitter](#).

¹ [UN State of World Cities report](#)

² [MetroPolicy: Shaping a New Federal Partnership for a Metropolitan Nation](#), The Brookings Institution, 2008

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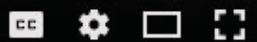
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BRUCE KATZ
VP, Brookings Institution &
Director, Metropolitan Policy Program

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Global Cities Initiative: A Joint Project of Brookings and JP Morgan Chase

London Strategy Session Summary and Key Takeaways

Meetings in London, UK, December 18-20, 2011

Participants

Jill Blickstein; Brian Finch; Richard Kaye; Carol Lake; Bruce Katz; Jim Johnson; Carrie Kolasky; Amy Liu; Julie Wagner; Alan Berube; Rob Puentes; Mark Muro; Marek Gootman; Ellen Ochs; Pamela Puchalski; Greg Clark; Dieter Laepple; Sue Burnett (via phone)

Overview

Key members from JPMorgan Chase and the Brookings Institution's Metropolitan Policy Program met at JPMC London HQ for a strategy and planning session on the Global Cities Initiative. The objectives of the meeting were: to reiterate the high level goals and ambitions for the Initiative; to receive feedback on the GCI work plan; and to begin to strategize on press and communications. Due to time constraints, the discussion pertaining to press and communications were postponed until later in January 2012.

Bruce opened the session by articulating the overarching goals of GCI, which are: to successfully make the case that metros drive trade and investment; to enhance the global fluency of U.S metros, whose leadership class tends to be insular; and to catalyze action, particularly with regards to emerging markets as Brazil, India and Turkey. The day's agenda was primarily organized around the GCI Workplan's four areas of work: research, domestic forums, global forums, and networks. The group discussed three of the four work areas, leaving networks aside due to time constraints.

At the onset of the discussion on research, domestic forums, and global forums, different members of the Brookings Team gave a brief overview of the work, offering a rationale for its current design. Julie Wagner discussed the initial research conducted to determine the number of global initiatives underway and the extent to which they were successful in reaching their goals. Overall, she learned that in most cases, these initiatives did not succeed in meeting all of their goals particularly in cases where there was an intention to have measureable impact.

Described below are key outcomes gleaned from the highly engaging and thought provoking session. Note that in some cases, next steps are identified.

Outcomes

OUTCOMES REGARDING GOALS AND MEASURES OF IMPACT AND THE OVERALL GCI FRAME:

- **Recommendation to articulate a "higher" level of goals and "loftier" measures of success for the entire GCI project.**

Jim Johnson specifically noted that the goals and measures of success seem more process oriented and need to be bigger and bolder. One way to do this, he added, is to articulate what are the distinctions between a city engaged in GCI and a city not engaged in GCI.

Next Steps: Brookings to hold an internal strategy session on goals and measures. Revisions to the GCI matrix will be made following this session.

OUTCOMES REGARDING RESEARCH:

- **Recommendation to incorporate an updated definition and description of “global cities.”**

Dieter Laepple offered that the phrase “global city” is an outdated definition, suggesting we use the phrase “globalizing cities,” which more accurately reflects cities in a globalizing world. Global cities were originally described as command and control centers for finance and other key industries. Literature has evolved greatly on this topic, now focusing on all cities undergoing a process of globalizing in response to a globalizing economy. Dieter and others suggested conducting a literature review regarding this advancement in understanding, incorporating the work of scholars such as Saskia Sassen. This research needs to be explicit, respectful, confident and articulate of the advancement within the field

Next Steps: Conduct a literature review and write a narrative describing global cities.

As part of a broader communications strategy, develop a tagline that accurately reflects globalizing cities or cities within a globalizing world.

- **Recommendation to determine if U.S. cities, which are intentionally increasing their focus globally and on the global market are ultimately moving up the “value chain” given their evolution and adaptability.**

Next Steps: Alan Berube to assess and include in research as applicable.

- **Consider incorporating a range of other recommendations regarding the research agenda.**

A variety of suggestions included: adding the research dimension of “institutions” into the overall research agenda given their role in advancing innovation and other key aspects fundamental to metropolitan economies; exploring more deeply the investment and foreign institutional investors link between exports and FDI; conducting case studies on global leaders; understanding the growing niches in mature economies and growing niches in emerging markets; understanding the adaptability and resilience of cities (historical and prospective); exploring the interconnectedness of manufacturing and services (map flow of people, capital, etc.); showcasing examples of “visitor economy” vs. “tourism economy”; having JPMC conduct specific research as it relates to private

equity flow and broader research on the upcoming global city; if applicable, examining linkages between U.S. metros and metros in mature economies; and exploring WTO/OECD data.

Next Steps: Alan Berube to assess and include in research as applicable.
Brookings to prepare a list of data questions for JPMC.

OUTCOMES REGARDING DOMESTIC FORUMS:

- **Focus on keynote speakers as an important draw.**

In walking through the general template of the domestic forums, the group reacted that one of the most strategic moves is to determine keynote speakers to lure key leaders and actors. Time was devoted to identifying specific names for consideration.

Next Steps: Determine if Jamie Dimon is available for Columbus as the keynote [since confirmed]. For other forums consider: a corporate CEO/leader; Federal Reserve leaders; Hillary Clinton or Tim Geithner; Hennessy, Yudof, Solana, and OECD Head Angel Gurria.

- **Recommendation to engage Tom Nides, Mike Froman, Tom Donilon, and additional ambassadors from specific global cities of interest for global and domestic forums.**

Next Steps: Include in planning sessions throughout 2012.

- **Recommendation to clarify the extent to which U.S. metros are to make specific commitments as part of GCI.**

There was considerable debate on whether U.S. metros should come to the table with tangible commitments given the additional support and advice they are to receive as a GCI City. Some questioned whether it is realistic for GCI cities to make commitments this first year, during a year of significant ramp up. This group suggested waiting until year two or to make announcements at a national convening (a new proposal). Another group argued that it is indeed feasible to identify "low hanging fruit" such as a component of LA's Export Plan as commitments for the first year. One suggestion in guiding future commitments was to link GCI to all future export planning undertakings (it is plausible that 25 U.S. cities may start export plans). It was also noted that JPMC could play a leadership role in commitments in specific metros. One person also expressed that publicly signing up as a GCI city is a commitment unto itself.

Next Steps: Brookings will design a strategy regarding commitments; first, identifying if there should be a year one strategy and, second, defining a strategy for subsequent years. Brookings to evaluate the merits of holding a national convening between years 2 and 3.

OUTCOMES REGARDING GLOBAL FORUMS:

- **Confirmation that providing international metros with a new paradigm on the role of metros in advancing trade and investment, as a key aspect of the Next Economy, is a tangible takeaway.**

The development of a global narrative on why metros matter to trade and investment is a real tangible take away for global metros. There is "an appetite around the world for this kind of thinking," shared Greg Clark, who has worked extensively with cities in all global regions. He further offered that all global cities and metros are looking for ways to articulate this message and engage through a strategic framework.

- Revisit the idea of creating a Global Scorecard, but instead create a list of traits that we feel are necessary for a metro to have to be considered "globally fluent."

Understanding that a proper scorecard would encompass a large number of factors and a huge amount of research (some of which is not of relevance to our scope of work), the group felt it made the most sense to abandon the idea of creating a scorecard. In its place, the more appropriate document would be a list of the characteristics or traits needed to operate in a more globally-related way.

Next Steps: Begin to develop this list of what it means for a metro to be "globally fluent."

- **Revisit the selection of the Global Forum**

After considerable debate, the group agreed that Mexico City as the host of the first global forum needs to be reassessed. Through a series of discussions, some members of the group shared that they felt that the political transition during the end of November and early December could be disruptive. Brian Finch noted that there have been problems in prior years, indicating that a precedent exists. All agreed it is important that the first global convening must be heralded as a success. Discussions followed suggesting other possible host cities in Latin America and their pros and cons.

Next Steps: Brookings to offer JPMC a set of suggestions on how best to proceed in light of the discussions, offering a recommendation on a city or a set of cities for JPMC to consider.

- **Recommendation to develop a clear set of criteria for selecting future global cities.**

The criteria could include: high probability of success; JPMC market needs; market potential; metro best practices (potential for study tour or special case scenarios); strong institutional partnership (i.e.: ESADE); existing free trade agreements; existing research criteria; logistics/safety, visibility, and access to decision-makers

Next Steps: JPMC/Brookings Team to develop a process to shaping criteria in early 2012.

- **Recommendation to tap expertise of others when gathering data, intelligence on actors, key policies, and programs of importance.**

Next Steps: Conduct research to determine the extent of existing research and analysis by actors such as the Global Competitiveness Council, the Institute of Trade Development at the UN, the World Bank, OECD, and others.

- **Recommendation of the possibility of study tours** (i.e.: German manufacturing tour)

The group discussed the possibility of organizing additional small delegation study tours in years 2-5, outside of the prescribed four forums per year. No final decision was made.

GCI in Europe and Asia 2014 to 2017

First thoughts from Greg Clark.

1. Introduction.

The GCI initiative that JPMC and Brookings have established as a partnership is in excellent shape. The detailed evidence based thought leadership, engagement from senior 'statesmen', and high level corporate leaders, combined with ambitious events and superb publications mark it out as a serious endeavor that is cutting new ground and gaining momentum and traction. Congratulations!

Taking the GCI forwards in Asia and Europe will require considering many alternative options. There will be more opportunities than can be accommodated, so careful thought about what is worthwhile will be required. This must mean a marriage between JPMC corporate interests, Brookings continued thought leadership of the framework of thinking and evidence and the building of a wider network of partnerships.

This note tries to set out some of those choices and make some suggestions about goals and aims in the 2-3 years ahead combined with a focus on next year 2014.

Orientation.

The theme of global and globalising cities is a hallmark of our time and it will be a strong theme of the new business cycle that it now developing. In the last cycle many cities beyond the traditional set of global cities started the journey into a more global world, and these will seek to consolidate and expand those paths in this cycle, as other new groups of cities also join in.

Much of the focus of GCI in N America has been on 'Trade' and this has been both correct and challenging. US metros have been too focused on the US Economy as their main source of demand and too few of them have developed reach into global markets beyond NAFTA, Europe, and Latin America. The framework of thinking developed by Brookings over many years and with rigorous attention to evidence is a very sound basis for the whole global programme, and there will be many distinctive nuances both between different continents and different cities.

'Trade' in its purest sense covers many other aspects of how a city internationalizes and not just cross border buying and selling of goods and services. Thus trade can include the building of an international visitor economy, the growth of international dimensions to higher education and research, and the growing influences of different locations as hubs of ideas, cultural content, decision making, and an international information and business services economy.

In Europe and Asia there are some specific challenges in seeking to do this that may not be so severe in the USA. The USA has very good foundations in building the conditions for market economies such as international talent attraction,

capital flows, attraction of FDI, entrepreneurial business climate, and the translation of economic success into quality of life. These are not all so easily achieved in all part of Europe and Asia. Therefore the same common framework that Brookings have developed will work well in Europe and Asia, but it may produce distinctive priorities for action. The Ten Traits Reports articulate these broader challenges well. A simple analysis with some illustrations is offered below:

Region	Challenges for globalizing cities	Solutions to promote global cities.
USA	<ul style="list-style-type: none"> i. Single country with largely pro market and pro trade macro business climate. ii. Over dependence on domestic demand and established trade relationships. Lack of knowledge and orientation towards growth markets. iii. Fragmented metropolitan governance that needs to be galvinised and shaped for economic development leadership. iv. Very large numbers of global corporations and very high levels of international talent attraction and largely global universities. 	<ul style="list-style-type: none"> • Focus on how US metros can learn to trade with growing markets and partner with metros in emerging economies. • Focus on building ‘metros’ as the most effective organizing unit for economic development.
Europe	<ul style="list-style-type: none"> i. Multiple countries with different macro-economic and business climates and lack of clarity at EU level about economic policy. ii. Recent history of EU integration has led to substantial experience in cross border trade and labour flows. iii. Many cities and metros have been steadily internationalizing and some are world leaders. iv. Large variation in the capabilities of metros to engage with global business and capital. v. Despite high levels of urbanisation there are many smaller cities and metros and several countries still restructuring from soviet era. 	<ul style="list-style-type: none"> • Focus on how leading cities can become world leaders in specialist fields and how European Metros can increase talent attraction and retention and support new world beating firms. • Focus on how successful global cities can continue to lead and adjust to new opportunities and realities (eg London, Paris, Frankfurt, Amsterdam, etc)
Asia	<ul style="list-style-type: none"> i. Very rapid period of industrialisation and urbanisation and huge growth in domestic economies, talent, and capital accumulation. ii. High levels of trade with most of rest 	<ul style="list-style-type: none"> • More Asian cites need to develop ‘open’ business environments and achieve the human capital dimensions of global fluency including quality

	<p>of world based on comparative advantages of Asian production.</p> <p>iii. But only a few metros really rank as Global in nature (Singapore, Hong Kong, Tokyo perhaps) due to weak international business climates, low levels of open-ness to capital and talent flows, weak cultural diversity, and absence of 'soft power' systems.</p> <p>iv. Successful cities now starting to see externalities /problems of success.</p> <p>v. Many large Asian cities also still struggling with fundamentals of housing, health, infrastructure etc.</p>	<p>of life.</p> <ul style="list-style-type: none"> • Many Asia metros will move into trading services in the new business cycle and they may need to consider how to develop 'quality' standards and brands. • The Asian system of metros is still emerging and there will be important adjustments in terms of comparative specialisation so strategies for specialisation in globally traded sectors will become important to a broader range of metros. • Poorer Asian cities will face the challenge to build productive economies and may need to work harder on business climate and skills /knowledge systems.
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These illustrations should begin to demonstrate that the core set of ideas generated by GCI so far are appropriate to all metros in most contexts, but they may give rise to observing different challenges and potential solutions.

2. Building GCI models for Asia and Europe.

The core framework of ideas and thinking is already developed and does not need to be re-worked or re-visited. What may be needed is continued evolution of the ideas so that they are applied in different contexts. This has been started in Sao Paulo and Mexico (and Beijing?). The International version of the Ten Traits also tried to do this.

In the next year I think the main priority should be:

- i. Hosting some local forums in target cities where a combination of different aspects can be achieved:
 - o Introduction of review of progress of global city agendas in that city.
 - o Presentation and discussion of GCI thinking so far.
 - o Debate and discussion of key successes and 'stretch agendas' in the metros concerned.
- ii. Presenting the GCI thinking at a wider range of events and conferences where multiple cities are present as a contribution to the debate about the role of cities in the new global cycle and the features of success.

An approach like this will help to both present GCI thinking and build in feedback from European and Asian metros so that the framework of ideas can continue to evolve.

In general I think there could be 5 main activities:

- i. Further research that illustrates and develops the GCI thinking in the Asia and Europe contexts, and with particular cities.
- ii. GCI Forums in Individual Cities where JMPC has major presence.
- iii. Participation at major conferences and congresses to communicate GCI thinking and recruit engagement.
- iv. Partnership with some networks and institutions that can bring reach and other capacity.
- v. Some engagement with National Governments (there are c 100 in Asia and Europe) where there is an opportunity to extend GCI thinking into national policies and approaches for countries of different sizes where there is less developed frameworks than in the USA.

Things to avoid:

My advice would be that it is important to avoid some potential traps:

- I would not seek to engage another thought leadership group alongside Brookings. Firstly, I do not think there is any group that is able to do that to the same quality and depth apart from, perhaps, OECD, WEF, and maybe The Competitiveness Institute. The problem with all of these is that they are much less productive and flexible to partner with and will seek to develop an alternative approach which will be unhelpful.
- I would avoid too many labour intensive events at the beginning but would leverage existing events and only set up a small number of single purpose events.

3. Programme activities. First Thoughts:

2014

Papers: 2 papers: one on GCI and Europe, one on GCI and Asia: focus on managing the path to successful global cities. Brookings and one or more collaborators.

Fora Europe Munich, Frankfurt (already planned)

(A Frankfurt Forum could focus on Frankfurt's future: what kind of financial centre and what kind of city. It is a de facto global city because of the institutions there but there is not vision about the future, only that it must be efficient and liveable).

Follow up with London on Financial Centres and National benefits theme (How does a global city help a nation state?)

Asia Hong Kong (with Asia Society) (as you know Hong Kong famously does not have a future strategy as such, so an agenda about plotting the future of Hong Kong as a global city would work very well)

Mumbai / Tokyo (with Asia Society). I think that Tokyo would be more fruitful at this point. They have a strong appetite to re-establish their credentials as a global city. The issue is that other cities have emerged whilst they have been in the doldrums. So the key question is about Tokyo's role in the wider system of Asian Global cities (eg viz Hong Kong, Singapore, and Seoul, and with Shanghai, Beijing, and Mumbai). (this could be the theme of the paper suggested above).

Events I would also suggest that GCI is presented at some other events in 2014:

World Cities Summit in Singapore: June 2014.

Eurocities Annual Conference Munich Nov 2014 (I assume this is why GCI Munich is in November, dates are 5-8, one leads nicely into the other).

One or more of the conferences of European Investment Bank, Asia Development Bank, to engage a wide range of cities plus national policy people.

2015 to 2017

Over these years I would continue with the local GCI foras started in 2014 and would reach

Paris

Madrid

Barcelona

Mumbai

Sydney

Singapore

These are all good cities to work with and represent an interesting variety of challenges and opportunities.

In addition, it would be useful to continue with the other formats suggested above:

Research and Publications: I would suggest a discussion with Brookings about a long list of ideas. Some fall out naturally from existing work:

- The role of the private sector/ Universities / Financial Sector in helping to lead the globalisation process in a city.
- The different strategies for cities at distinct points in the globalisation process.
- The issues facing very large Asian metros.
- The role of Tourism in globalising cities.
- National Policies for Globalising Cities, especially in smaller countries.

Networks and Institutions

In addition to Eurocities, The Asia Society, where you already have contacts and activities beginning, there could be a more developed partnership with World Cities Summit, Asia Pacific Cities Summit, WEF Cities Group.

In addition to the EIB and the ADB mentioned above GCI might also find that there is scope to work with other Development Banks in Asia. However, this depends upon how far you want to get into working with poorer cities.

National Governments

It is important to remember that many National Governments are much more hands on in terms of city development than the US Government is. Smaller nations in particular tend to have a more defining role. There could great scope to engage with some national events such as in:

- Poland
- Spain
- Switzerland
- Korea
- Malaysia
- Australia

These national GCI events might prove to be more productive than doing events with single cities in certain contexts. National Government often have more resources and capability to bring to the table.

GCX Cities Selection Matrix

	JPMC Priority Markets	Current GCI Sites	Potential GCI Cities	Current Exchange Metros	Potential GCX Cities
Overlap with potential GCX Cities	<i>Atlanta</i> <i>Boston</i> <i>Dallas</i> <i>Denver*</i> <i>Houston</i> <i>Indianapolis</i> <i>Jacksonville</i> <i>Las Vegas</i> <i>Miami</i> <i>Milwaukee</i> <i>New Orleans</i> <i>Philadelphia/Wilmington</i> <i>Phoenix*</i> <i>Sacramento</i> <i>Salt Lake City</i> <i>Seattle/Tacoma*</i>	<i>Atlanta</i> <i>Denver</i> <i>Houston</i> <i>Miami</i>	<i>Las Vegas</i> <i>Phoenix</i> <i>Seattle</i>		<i>Atlanta</i> <i>Boston</i> <i>Dallas-Ft. Worth</i> <i>Denver</i> <i>Houston</i> <i>Indianapolis</i> <i>Jacksonville</i> <i>Las Vegas</i> <i>Miami</i> <i>Milwaukee/Madison</i> <i>New Orleans</i> <i>Philadelphia</i> <i>Phoenix</i> <i>Sacramento</i> <i>Salt Lake County</i> <i>Seattle</i>
Overlap with current Exchange metros	<i>Chicago*</i> <i>Columbus</i> <i>Los Angeles</i> <i>Louisville-Lexington*</i> <i>Portland</i> <i>San Antonio</i> <i>San Diego</i> <i>Syracuse*</i> <i>Tampa</i>	<i>Columbus</i> <i>Los Angeles</i>	<i>Portland</i>	<i>Chicago</i> <i>Columbus</i> <i>Los Angeles</i> <i>Louisville-Lexington</i> <i>Portland</i> <i>San Antonio</i> <i>San Diego</i> <i>Syracuse</i> <i>Tampa Bay</i>	
No overlap	<i>Bay Area (SF, Oak, SJ)</i> <i>Detroit*</i> <i>New York City*</i> <i>Orlando</i> <i>Providence*</i> <i>Rochester</i> <i>Washington DC</i>		<i>New York</i> <i>Washington DC</i>	<i>Charleston</i> <i>Des Moines</i> <i>Minneapolis-St. Paul*</i>	<i>Boise</i> <i>Charlotte</i> <i>Fresno</i> <i>Greenville SC</i> <i>Inland Empire (Riverside/San Bernardino)</i> <i>Nashville*</i> <i>NE Ohio*</i> <i>New England</i> <i>Orlando</i> <i>Wichita</i>

The Global Cities Initiative: Proposed Communications and Engagement Strategy

Introduction

This communications and engagement plan endeavors to provide a comprehensive strategy for elevating the Global Cities Initiative. A long-term partnership such as this one, which entails significant research, teaching, and practice components, has a lifespan: Each global and domestic forum, each research project, each relationship begun and nurtured builds upon what has come prior. It is incumbent upon us to tell this story, using the evidence we have. The plan offers strategies to aggregate all of the components of GCI in a way that tells this narrative with the primary goal of drawing the attention of national and international media and policymakers.

We see this as a working document that provides the basis for discussion and will be updated over time.

The document is structured as follows:

- I. Goals
- II. Messages
- III. Audiences
- IV. Audience-Specific Goals
- V. Branding
- VI. Strategies
- VII. Tactics and Process
- VIII. Fall Rollout (September — December 2013)

I. Communications and Engagement Goals

- ◆ Communicate the basic notion, in the United States and select global markets, that metro areas are the engines of the global economy and the locus of trade and commerce.
- ◆ Change the economic debate regarding how the global economy can best be revitalized and sustained over the long term by making the case that metro global fluency – that is, global economic understanding, reach, and capability – is essential.
- ◆ Help targeted U.S. and international metropolitan areas adopt global trade and commerce strategies through tools, resources, and peer-to-peer networks and help individual firms in these areas become more globally competitive.
- ◆ Elevate and brand the Brookings Institution’s Metropolitan Policy Program and JPMorgan Chase as institutional sources of information and expertise on how cities can make the global connections necessary to thrive in the global economy, both in the United States and in targeted international markets.

II. Messages

- ◆ Cities and metropolitan regions are the drivers of the global economy.
- ◆ The world is being remade as a network of globalizing metro areas that trade together based on distinctive clusters of firms, specialized expertise, and cultural affinity.
- ◆ To achieve economic growth, cities and metropolitan regions must capitalize on their distinctive assets and expand upon their global trade and investment strategies.
- ◆ The Global Cities Initiative equips metropolitan leaders around the world with the best information, policy ideas, and on-the-ground practices they need to strengthen their position in the global economy.

III. Audiences

- ◆ National and international media, particularly business and economic reporters and columnists, including those at non-English-speaking outlets.
- ◆ Local and regional business and economic media.
- ◆ Domestic and international metropolitan leaders and future leaders in the government, business, labor, civic, and university spheres, including past GCI forum participants.
- ◆ Federal and state policymakers in targeted foreign countries and the United States.
- ◆ International institutions such as the World Bank, International Trade Administration, the Inter-American Development Bank, Eurocities, and The New Cities Foundation.
- ◆ JPMorgan Chase market presidents, commercial, and investment bankers.
- ◆ Private-sector firms who are engaging or could engage globally.

IV. Audience-Specific Goals

While the goals listed above apply to all audiences, some goals can be more finely tuned for specific audiences. These are detailed here:

- ◆ National and international media, particularly business and economic reporters and columnists.
 - Goal: Achieve “breakthrough” stories, opinion and editorial pieces that explore the economic growth model GCI promotes and the successes that it has helped to produce.
- ◆ Local and regional business and economic media.
 - Goal: Maintain track record of thorough, high-quality local and regional media coverage.
- ◆ Current and future metropolitan leaders in the government, business, labor, civic, university spheres, including past forum participants, in the United States and targeted global cities.
 - Goal: Help city and metropolitan leaders better understand and leverage their global position by providing research on key global indicators and innovative global engagement strategies.
 - Goal: Persuade metro leaders that international trade and commerce must be an essential component of regional economic development and show them how to implement key action strategies.
- ◆ Federal and state policymakers in targeted foreign countries and the United States.
 - Goal: Position JPMorgan Chase and the Brookings Institution as a resource on how the global economy can be revitalized and sustained by encouraging metro areas to adopt global trade and commerce strategies.
- ◆ International institutions such as the World Bank, International Trade Administration, the Inter-American Development Bank, Euro-Cities, and the New Cities Foundation.
 - Goal: Persuade key decision makers that the adoption of global trading strategies by cities and metro areas is essential to sustained, long-term economic growth.
- ◆ Private-sector firms who are or could engage globally.
 - Goal: Persuade firms that they would benefit financially by expanding into global markets.
- ◆ JPMorgan Chase market presidents and commercial and investment bankers
 - Goal: Position GCI as a smart and helpful resource of information that will help them perform their jobs better by elevating their position as thought leaders in their communities.

V. Branding

In order to communicate the joint nature of the GCI partnership, the full name of the initiative and/or the logo will be incorporated into Initiative materials, including research products (e.g. papers, metro profiles), event materials (e.g. invitations, agenda, signage), and press materials (e.g. advisories and press releases). Specifically, on research and content products solely supported by GCI, the full name of the project will be used on the title page of the work, and the GCI logo will be used on the back cover, when there is one.

VI. Strategies

The first two years of GCI have been marked by programmatic, communications, and engagement achievements. It is now time to integrate the different components of GCI in order to convey its successes and promise to a national audience. GCI's framework is bringing about critical change on the ground in cities and metropolitan areas, and we are approaching the time when we can make the case to national and international media, opinion leaders, and policymakers that the economic model upon which GCI is based is a proven model for job creation and economic revitalization. We will show that the GCI economic model is a groundbreaking trend.

The following strategies are suggested ways to impart both the theory behind and the evidence of GCI's information, ideas, and action proposals. We feel they are the path to national media coverage and public recognition by opinion leaders and policymakers. Once we've chosen which of these strategies to pursue, deployment would require close collaboration between the Brookings Institution and JPMorgan Chase.

- ◆ Ensure that research related to GCI is branded and promoted as such.
- ◆ Continue to seek elite media and policymaker attention for research of national interest.
- ◆ Release a GCI paper (possibly with a set of case studies) that summarizes mid-point key outcomes and conveys impact.
- ◆ Host an event at the Brookings Institution where cumulative learning and on-the-ground change would be highlighted, and the paper referenced above would be released.
- ◆ Blue sky idea worth considering per Mayor Daley: Persuade the Obama administration to host a public event and private dinner with mayors from fifty cities.
- ◆ Seek speaking opportunities for high level Brookings Institution and JPMorgan Chase leadership at high profile events, such as Davos and the Aspen Ideas Festival.
- ◆ Engage government leaders (e.g. senior administration officials, senators, and governors) in GCI events.
- ◆ Write and seek placement for joint Brookings Institution and JPMorgan Chase op-ed in high profile outlet.
- ◆ Use the Brookings Institution and JPMorgan Chase in house capabilities to produce engaging, shareable digital products (e.g. interactive web features, infographics, videos, or motion graphic animations) that explain the GCI worldview.
- ◆ Explore additional social and new media channels, such as YouTube, Facebook, LinkedIn, Google+ and Google Hangout.
- ◆ Make current online presence stronger and more useful to GCI audiences.
- ◆ Invite targeted reporters to travel to forums, particularly international forums.
- ◆ Explore the possibility of a media partnership for some aspect of the Initiative, for example, on a series of roundtable discussions or print profiles of regional successes.
- ◆ Develop materials designed to appeal to a broader audience, such as one-pagers on completed region plans.
- ◆ Toward close of project, release closing report and host event in Washington D.C.

VII. Tactics and Process

The Brookings Institution will use all communications and engagement tools available to ensure that GCI products and events receive strong media coverage and encourage metro leaders to take action. Specific preliminary communications plans for upcoming research and events follow, incorporating the following:

- ◆ Traditional media strategies, such as press advisories and releases, opinion pieces, editorial board meetings, press conference calls, radio actualities, and press availabilities;
- ◆ Digital media strategies, such as the Brookings Institution website, *The Avenue* blog, social media, and e-newsletters;
- ◆ Engagement strategies, such as public events, private roundtables, webinars, and one-on-one meetings with stakeholders.
- ◆ Stakeholder outreach, such as distributing e-newsletters to past participants on the day of events.

Similarly, JPMorgan Chase will leverage the appropriate communication tools at their disposal.

Once a release date for a project is finalized, the Brookings Institution will develop a communications and engagement plan for the project. Below is a template timeline we will employ with each event and research release to ensure close collaboration:

12 weeks prior	** Share prospectus with JPMorgan Chase
7 weeks prior	** Share communications and engagement plan draft with JPMorgan Chase
	** Determine possible JPMorgan Chase executive expertise and involvement
6 weeks prior	** Finalize plan
4 weeks prior	** Share draft media list
3 weeks prior	** Begin outreach to top media targets, draft media outreach materials
2 weeks prior	** Finalize media outreach materials
1 week prior	** Distribute materials to media under embargo, schedule interviews
1 week following	** Finalize communications and engagement report

2 weeks following ** Assess ways to incorporate research and forum outcomes into future activities to build to a greater whole

VIII. Fall Rollout (September – December 2013)

In the final four months of 2013, the Global Cities Initiative will release a number of newsworthy papers and hold events in London, England; Queretaro, Mexico; and Mexico City, Mexico. Below are brief descriptions of some of these upcoming papers with proposed communications and engagement strategies. We will still develop detailed plans surrounding the London and Mexico engagements.

Brookings will take the lead on crafting and executing these strategies and will share detailed plans with JPMorgan Chase well in advance of each release and each event. We will work with JPMorgan Chase to utilize other resources, such as video capabilities and foreign public relations firms.

We will develop a detailed plan for GCI London, the Global Ten Traits paper, and the Ten Traits Workbook when more details have been finalized.

Salon Dinner Draft Concept Paper
9/24/2013

Basic concept: We know that metropolitan areas lead the country on innovation, job growth, economic policies, human capital development, etc. There are several elected leaders at the federal level who, based on their experience as locally-elected officials, know what it means to solve problems and produce results regardless of the political climate. These dinners would serve to bring together two former mayors with influence who can, along with a short list of esteemed guests, generate new ideas.

Parameters:

- Small, private dinners hosted by Bruce and Peter (not so much a Brookings or JPMC event but more building upon the relationships of each).
- Ideal make up is two electeds (senators, reps, gov's or mayors), one senior Administration person, two senior scholars, two JPMC execs or clients (i.e. CEO of company in New Jersey who is client of JPMC), two former federal gov't leaders, plus Peter and Bruce (10-12 people, maximum).
- First invitation would go to Senator-elect Corey Booker (D-NJ) from Bruce. Then, most likely, to Senator Bob Corker (R-TN)
- At a restaurant in DC, paid for by Brookings (need to confirm since JPMC, for compliance reasons, will need each elected or administration person pay for their own meal – need to confirm).
- Purpose is to discuss the nature of US global competitiveness, the work of GCI, but most importantly, how ideas/innovations/pressure from cities & metros can help provide examples and strategies for change at the federal level.

Next Steps:

- Bruce will reach out to Corey Booker after the election.
- Likely timing will be December or January.

A Report on JP Morgan Chase's Interactions with Brookings
*(Organized by Program, does not include the Metro Program)***Economic Studies**

April 8th, 2013: Fellow Doug Elliott met with Adam Gilbert (Head of Regulatory Affairs). They talk several times a year about financial regulatory issues.

March 20, 2013: March 2013: Economic Studies Vice President Ted Gayer and Development Vice President Kim Churches met with Blythe Masters (Managing Director and Head, Regulatory Affairs, Corporate and Investment Bank) at Brookings's request to discuss the Economic Studies Program.

June 28th 2012: Pierce Scranton (Executive Director, Global Government Relations & Public Policy) Bernadette Branosky and Robert McCormick (from JP Morgan's HR department) joined ES's conference call on the Supreme Court Decision on the Affordable Care Act.

Foreign Policy

November 4, 2012: Senior Fellow and Director of the John L. Thornton China Center in Beijing Feng Wang met with JPMC Derek Berlin in Beijing, China.

April 4, 2013: Senior Fellow and Director of the John L. Thornton China Center in Beijing Feng Wang and Senior Fellow and Director of the China Center in DC, Jonathan Pollack had a follow-up call with JP Morgan about the possible GCI event in China.

February 28th, 2013: Jonathan Pollack, Feng Wang, Assistant Director of the China Center, Kevin Foley, Sue Burnett and China Center Outreach Manager Teresa Hsu met with Brian Finch (Vice President, Government Relations and Public Policy) Derek Berlin (Vice President, International Government Relations) and Emily Beizer (Managing Director, International Government Relations) to discuss funding for a GCI panel and roundtable event in Beijing.

Global Economy and Development

May 21st, 2013: Senior Fellow and Director of the Center for Universal Education (CUE) Rebecca Winthrop met with Mary Pang (Trusted Advisor and Senior Banker), who has several clients interested in education, at the recommendation of Atiya Weiss.

April 2013: Rebecca Winthrop and CUE Associate Director Xanthe Ackerman had several conversations with Atiya Weiss (JPMorgan Private Bank's Philanthropy Center) and Rebecca Eastmond (Head of Philanthropic Services EMEA at JP Morgan, based in London) to discuss CUE's events and the possible participation of the Philanthropy Center's clients.

March 4th, 2013: Erin Hogan (a member of JP Morgan Philanthropy's DC office) and Atiya Weiss met with Rebecca and Anne Snouk-Hurgronje at Brookings. This was to introduce Erin to Rebecca and CUE.

February 13th, 2013: Rebecca Winthrop spoke with Atiya Weiss and Jacqueline Elias (Managing Director J. P. Morgan Private Bank) before Jacqueline's planned trip to Central and Latin America.

December 5th and 6th: Atiya Weiss attended the CUE events at Brookings that featured Gordon Brown.

November 28th, 2012: Rebecca Winthrop met with Atiya, Celeste Rodgers (Advisor, Securities), and Diane Whitty (Executive Director) and Jacqueline to discuss CUE's work and opportunities for working with the Philanthropy Center.

June 26th, 2012: Kristina Server met with Atiya at the JP Morgan office in New York to discuss Atiya's clients' interests.

~~Metro (SUE & CARRIE: Lindsey added these but I think we said we'd keep them separate — Just let me know — fyi I didn't edit these so they have everything but the kitchen sink in them.)~~

April 29th, 2013: Metro had a call with Brian Finch to begin drafting MOU and Gift Agreement

March 1, 2013: Metro had a conversation with Brian Finch and Jill Blickstein on Metro's Global Cities Exchange concept.

February 13th 2013: Carrie Kolasky met with Peter Scher (Executive Vice President, Global Government Relations) while she was in New York.

January 24th, 2012: Metro had a dinner meeting with Peter Scher, Jill Blickstein, Emily Beizer, Brian Finch to discuss planning for GCI's second year.

January 14th 2013: Metro had a call with Jill Blickstein and Brian Finch on Global Exchange

December 5th, 2012: Senior Fellow and Co-Director of Metro Amy Liu to speak to an internal meeting of JP Morgan's corporate responsibility team in New York.

December 3rd, 2012: Bruce Katz & Peter Scher hosted a dinner featuring Rhode Island State Treasurer Gina Raimondo.

November 27th, 2012: Mark Muro gave talk about the election's impact on Metros to JP Morgan-Cities executives.

September 25th, 2012: A meeting was held to review the first year of the Global Cities Initiative (attendees unknown).

April 2012: Mark Muro met with Martin Granville (Executive Director, Environmental Affairs) and Colin Fenton (Head of Global Commodities Research and Strategy) to discuss energy and EE issues and risk.

March 14th, 2012: Amy Liu participated in a JP Morgan Town Hall Meeting in New York with Todd Maclin (CEO, Consumer and Business Bank) as part of JP Morgan's Global Voices speakers series;

March 6, 2012: Meeting listed, no details (S Burnett, B Katz, C Kolasky)

November 17th, 2011: Carrie and Sue will meet with Brian Finch, who was designated our main point of contact for the Global Cities Initiative

October 27th and 28th: Charles Giffen (Executive Director, Public Finance, Debt Capital Markets) attended the 10/27-28 CO Forum.

October 7th, 2011: Bruce Katz, Sue Brodsky Burnett and Dana Chieco met with JP Morgan's Peter Scher, Matthew Arnold (new Managing Director of Sustainability), and Emily Beizer (Managing Director of International Government Relations). This was for Bruce to introduce himself to Matthew Arnold and Emily Beizer, and touch base with Peter Scher. Bruce followed up with more information about the Clean Economy report and the upcoming, 10-18 green bank workshop. He also sent the Metro Business Plan for Puget Sound.

Central Brookings

May 15, 2013: Brookings President Strobe Talbott and Kim Churches met with Phyllis Campbell (Vice Chairman of the Pacific Northwest Region) to discuss the upcoming Brookings Board meeting in Seattle.

May 9th, 2013: Camilla Seth (Executive Director in the Office of Environmental Affairs) and Sunserae Smith (Senior Consultant, Environmental Strategy) participated in the conference call for Brookings Council members on green growth.

January 29th, 2013: Strobe Talbott had a casual dinner with Jamie Dimon, Peter Scher, Haley Barbour and Mack McLarty.

June 11, 2012: Peter Scher attended the Brookings Council event in DC hosted by Kay Enokido featuring Tom Mann, Sarah Binder and Karen Tumulty discussing the election.

April 25th 2012: Peter Scher and Jill Blickstein (Managing Director, Corporate Responsibility) attended the Brookings Council breakfast in New York hosted by John Popp and featuring Tammy Wittes and Cheng Li discussing The Arab Uprising and China's Leadership Change.

March 30th, 2012: Pierce Scranton worked with Mary Ellen Fraser to arrange a phone call for JP Morgan colleagues to discuss health care and the Supreme Court trial with Hank Aaron, Russ Wheeler.

June 26th, 2012: Tara Cardone attended the Brookings Council breakfast in New York hosted by Jonathan Schaffzin that featured Rebecca Winthrop speaking on Global Education.

BROOKINGS

1775 Massachusetts Avenue, NW
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August 16, 2013

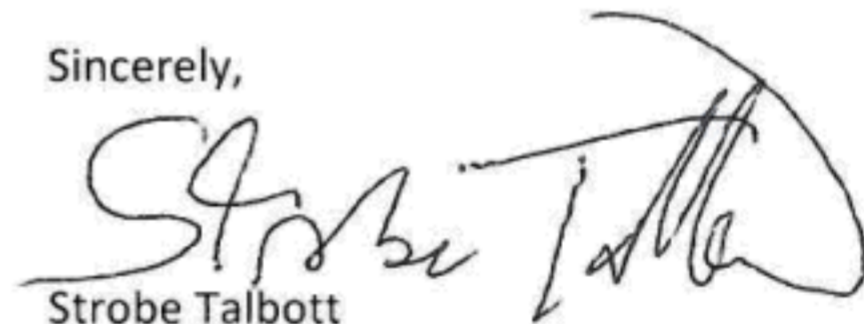
Mr. Peter L. Scher
Executive Vice President, Global Government Relations
J.P. Morgan Chase & Co.
North Building, 601 Pennsylvania Avenue, NW
Suite 250
Washington, DC 20004

Dear Peter:

On behalf of the Board of Trustees, I want to offer my most sincere thanks to JPMorgan Chase & Co. for its generous commitment of a \$5,450,000 grant to the Brookings Institution. This transformational, four-year gift supports expanding the important work of the Global Cities Initiative by helping targeted metros create actionable trade and investment strategies, and is exactly the kind of impact that we at Brookings are striving to achieve.

This is an extraordinary grant and we are grateful for JPMorgan Chase's substantive and collaborative involvement with the Metropolitan Policy Program and with the wider institution. I know that Bruce, Amy and the Metro team look forward to continuing their work with you and your colleagues. Thank you, again, for your leadership and generous investment in this important project.

Sincerely,



Strobe Talbott
President

cc: Ms. Alexis Bataillon
Ms. Jill Blickstein
Ms. Michelle Grasso

In compliance with the Revenue Reconciliation Act of 1993, we confirm that no goods or services are received in exchange for your gift, making it fully deductible within the limits of the law.

Schedule to the Sponsorship Agreement
Dated August 15, 2013 between
JPMorgan Chase Bank, National Association
and
Brookings Institution

This Schedule ("Schedule") is entered into as of August 15, 2013 ("Schedule Effective Date") between JPMorgan Chase Bank, National Association ("JPMC") and Brookings Institution ("Brookings"), and together with the Sponsorship Agreement, dated August 15, 2013 between JPMC and Brookings (the "Agreement"), constitutes an agreement pursuant to which JPMC will act as a sponsor in support of the Brookings' project known as the Global Cities Exchange ("Exchange") which is a component of the "Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase" ("GCI"). In exchange for JPMC acting as a sponsor for the Exchange, Brookings shall provide certain sponsorship benefits as more fully described below.

I. INCORPORATION OF AGREEMENT.

The terms and conditions of the Agreement shall apply to this Schedule and such terms and conditions are fully incorporated by this reference. Capitalized terms not otherwise defined in this Schedule will have the meanings ascribed to them in the Agreement. Unless otherwise specifically noted, all references in this Schedule to Sections, Exhibits or Attachments will refer to the Sections, Exhibits or Attachments of this Schedule.

II. TERM.

The term of this Schedule shall commence on July 1, 2013, and shall continue in full force and effect until June 30, 2017 ("Term").

III. PURPOSE OF EXCHANGE

The goals of the Exchange are to: (1) undertake a four-year research and peer learning effort to help both domestic and international metropolitan areas become more globally fluent; (2) work with U.S. metropolitan areas to create actionable trade and investment strategies that enhance local economies and establish global connections; (3) help key political, business, and civic leaders in targeted non-U.S. cities advance a core economic development priority that builds on such city's distinctive position in global trade and investment; and (4) capture and communicate innovations emerging from this effort to inform new policies and practices in cities and institutions in emerging markets.

IV. SPONSORSHIP BENEFITS.

In recognition of the JPMC's support of the GCI and the Exchange, JPMC is entitled to the benefits afforded to Brookings' most generous donors. Kim Churches, Vice President of Development, and Mary Ellen Fraser, Senior Director of Corporate and Foundation Relations, will work closely with JPMC executives to create a customized suite of special benefits. These will include but not be limited to the following:

1. Donor Recognition Wall: JPMC will be prominently listed on the donor recognition wall in perpetuity in the 1775 Massachusetts Avenue lobby of Brookings' main building. JPMC will be recognized as "**JPMorgan Chase & Co.**" at the "\$10 million and above" level.

2. Special Event: Brookings will hold a special event to recognize JPMC's new investment in the Exchange. The special event will be attended by Brookings' President Strobe Talbott, select trustees, Exchange staff, relevant Brookings scholars, JPMC executives and clients, experts, as well as other relevant stakeholders. The subject and details of this special event will be determined jointly by Brookings and JPMC.
3. Website and Annual Report: In recognition of JPMC's generous support, Brookings will prominently feature JPMC in its Annual Report and will include a donor profile story, found under the "Support Brookings" section of its website, in concert with and at the express written approval of JPMC.
4. Access to Senior Leadership: JPMC will receive one private meeting with Strobe Talbott, President of Brookings, annually in Washington. In addition, Strobe Talbott or another senior executive of Brookings will be available for one private meeting a year outside of Washington, D.C. Please note that Brookings will work with JPMC on scheduling and timing of these meetings, as travel schedules are subject to change and advance notice is necessary.
5. Interactions with Brookings' Scholars: JPMC will have the opportunity to request nine (9) private briefings or conference calls with Brookings' scholars in Washington, D.C., three (3) briefings in New York, NY and three (3) opportunities to invite Brookings' scholars to participate in private events outside of DC or New York on an annual basis. Scholar travel may incur additional costs, depending on the individual request. Additional requests will be considered on a priority basis, but may require compensation in addition to scholar travel.
6. Special Invitations: Invitations to an exclusive reception and dinner with Strobe Talbott and members of the Brookings' Board of Trustees and International Advisory Council featuring a distinguished guest speaker; an invitation for a senior JPMC executive and a guest to join Strobe Talbott and other Brookings scholars on an international study tour, and invitations for senior executives to join high-level private events both here and abroad.
7. Exclusive Benefits in the Chairman's Circle of the *Brookings Corporate Council*: JPMC executives will be included in the weekly emails to all Corporate Council members, which include invitations to public events, where JPMC will receive reserved VIP seats. Additionally, these executives will receive invitations to private Brookings Corporate Council events in DC, New York and other locations in the U.S.
8. Quarterly Reports on JPMC and Brookings Interactions: Brookings' Central Development Office will prepare quarterly reports detailing chronological interactions with JPMC executives outside of the GCI and Exchange work with the Exchange. The activities tracked include attendance at events, briefings, one-on-one meetings and conference calls.
9. JPMC shall have the opportunity, as appropriate and practicable, to provide relevant experts to participate in discussions and events, as well as to provide data to support the Exchange activities and goals.

V. BRANDING & VISIBILITY

1. Branding and Placement

- (i) The official name of the Exchange is: “*The Global Cities Exchange: A Joint Project of Brookings and JPMorgan Chase*” (“**Project Name**”).
- (ii) The Exchange will be a component of GCI and will be described and branded as a component of GCI.
- (iii) Brookings agrees the GCI name and GCI logo shall be used in connection with the Exchange to the greatest extent possible.
- (iv) Subject to the terms and conditions under this Schedule, use of the individual logos of JPMC or Brookings shall be governed by the applicable party’s brand guidelines, which in some instances prohibit the use of a party’s trademarks on certain materials. Use of JPMC’s Trademarks is governed by Sections 4.1-4.2 under the Agreement and any branding for JPMC relating to the Exchange will be “JPMorgan Chase” unless otherwise directed by JPMC. Any use of a party’s marks in any manner outside of the terms of this Agreement or applicable brand guidelines shall require the prior written consent from the applicable party before implementing any such use.
- (v) The GCI name and logo shall be used on non-research GCI and Exchange materials including but not limited to:
 - (a) Invitations
 - (b) Agendas
 - (c) Signage
 - (d) Event materials
 - (e) Follow up and thank-you letters
- (vi) Brookings agrees to prominently feature the GCI name on the title page and the GCI logo on the back page of research and content product which is supported by JPMC as part of GCI or the Exchange. Brookings will also use the GCI name or GCI logo where appropriate on any research, white papers, practitioner guides, case studies, metro dashboards or other similar products where the content for such material was supported by GCI or the Exchange.
- (vii) The parties agree to feature GCI and Exchange products on their respective websites. Brookings’ website shall refer to the complete name of GCI.
- (viii) Brookings shall retain copyright to intellectual property created in connection with the Exchange (“**Copyrights**”). Brookings grants to JPMC a perpetual, transferable, royalty-free, fully paid-up, non-exclusive, irrevocable, non-commercial, worldwide license with a right to use, exploit, publish, display, reproduce, distribute, copy or assign to the public and display the Copyrights in any media whether now known or subsequently developed.
- (ix) JPMC and Brookings are permitted to use the GCI name and logo in association with projects and events related to metropolitan economic growth and trade that either party may initiate with other partners/organizations. Creation of such projects or events and use of the GCI name and logo by one party will be subject to the other party’s review and approval, not to be unreasonably withheld or delayed.

2. Communication and Independence.

- (i) The parties agree to develop and implement a joint communications plan for the Exchange. The plans will emphasize acknowledgment of JPMC's partnership and substantive contributions.
- (ii) Brookings and JPMC will explore new and innovative ways to connect with and reach new audiences both for the GCI and the Exchange. For the purposes of timely and effective planning, a comprehensive plan will be developed by September 2013 and will include but is not limited to:
 - (a) Announcement: The parties will come to a mutually agreed upon plan and timing for the announcement of the creation of the Exchange including creation of press releases to be released simultaneously. Both Parties will work with their networks of media contacts to encourage news coverage of the Exchange. Formal oral or written announcements or communications about the Exchange whether public or private will be mutually reviewed and approved by the parties.
 - (b) FAQ: The parties will create a jointly-approved list of Frequently Asked Questions that will be made available to a list of mutually approved individuals. The FAQ will include links to appropriate supporting materials which will be updated as needed by the parties. Use by the Parties of materials from the FAQ in response to press queries and in press interviews will not require prior approval of the other Party.
 - (c) Sustained engagement: The parties agree to develop and implement strategies for sustained engagement and communications with each Exchange metro over the term of the Agreement.
- (iii) JPMC acknowledges Brookings' quality and independence and agrees that Brookings will have full control over the topics, methodology, and conclusions of the research and the structure and content of the convenings and peer-to-peer learning process and events.
- (iv) On approved materials related to GCI and the Exchange including research, content and meeting materials, a standard statement that lays out the Brookings' mission, acknowledges JPMC's support yet disclaims influence on the final research (the "disclaimer") will be prominently displayed:

"The Brookings Institution is a private non-profit organization. Its mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations for policymakers and the public. The conclusions and recommendations of any Brookings publication are solely those of its author(s), and do not reflect the views of the Institution, its management, or its other scholars.

Support for this [project/publication] was generously provided by the Global Cities Initiative: A Joint Project of Brookings and JPMorgan Chase or (when appropriate) Support for the Global Cities Initiative was generously provided by JPMorgan Chase.

Brookings recognizes that the value it provides is in its absolute commitment to quality, independence and impact. Activities supported by its donors reflect this commitment.”

VI. DELIVERABLES

1. U.S. Metros in the Exchange

- (i) The Exchange will launch a four-year effort establishing a network of practitioners from 28 U.S. metropolitan areas to learn about enhancing trade and investment together and to develop and implement concrete strategies to strengthen their economies. The format and curriculum of the domestic Exchange will center on a metropolitan area’s core commitment to develop or refine an exports strategy or an integrated exports/foreign direct investment strategy. The first year of the Exchange will engage 20 U.S. metropolitan areas – 12 metropolitan areas with existing export strategies and eight new metropolitan areas. The Exchange will incorporate eight additional metropolitan areas in its second year, resulting in a total of 28 U.S. metropolitan areas creating, adopting and implementing trade and investment strategies by the end of the four-year Exchange process.
- (ii) To facilitate that outcome, the Exchange will execute two core working convenings in each of its first two years, with varied in-person engagement in subsequent years. The first convening of the first eight metros will involve an interactive two-day format to help participants learn the necessary steps to develop a metropolitan-driven trade and investment strategy, starting with exports. The second convening of the first eight metros will enable the metropolitan areas to present their draft strategies or report on their progress and challenges to date, and receive feedback from their peers, Brookings scholars, and other experts. At each convening, state and federal leaders will be invited to participate, in addition to non-U.S. economic experts, non-U.S. city leaders, and embassy representatives.
- (iii) In the first two years, the twelve (12) metros with existing export plans will use the Exchange as an opportunity to expand upon their global work to date. In addition to furthering implementation of their export strategies (and providing lessons for new exchange metros), these 12 metro areas will also more strategically integrate foreign direct investment (“**FDI**”) strategies into their base plans. As the FDI component is developed, the Exchange may convene one or more sessions dedicated to help those metros to integrate FDI into their export plans.
- (iv) In years three and four, the Exchange will a) convene one session dedicated to help new metros integrate FDI into their export plans; and b) convene a second session bringing all participating metros together to learn lessons from implementation as well as other strategies that can help the regions become more globally fluent. As appropriate, Brookings and JPMC may invite leaders from non-U.S. cities to participate, especially where there is natural mutual interest in FDI and other aspects of global competitiveness.
- (v) Throughout the duration of the Exchange, participants will be asked to join periodic conference calls and webinars organized by Brookings to check-in, solve problems together at key points of the planning or implementation process, and learn about new tools, new data, or policy changes to refine their strategies. In subsequent phases, the Exchange will reconvene participants to integrate new components into their strategies and assist with implementation issues. Brookings will execute ongoing, regular programming

– at a minimum on a calendar quarterly basis – to maintain engagement with the Exchange metros outside of the more intense and less frequent phases of export and FDI plan development. This regular programming may include webinars, conference calls, and social networking to keep the metros engaged and learning between convenings and strategy development phases. The Exchange programming will incorporate JPMC experts, expertise and materials where mutually determined appropriate by JPMC and Brookings.

- (vi) This Agreement includes \$4,500,000 for Brookings’ work with U.S. metros in the Exchange.
- (vii) Over the course of the Exchange, JPMC may host up to two (2) receptions or briefings per year for groups of metro leaders who are attending meetings in D.C., such as national organizations of mayors or county officials. JPMC will coordinate all logistics, including arrangements with the national organizations and invitations, and will pay for any hard costs, such as facilities and food/beverage incurred for these events. Subject to availability, Brookings will provide a speaker to provide a brief update on GCI and the progress made under the Exchange.

2. Non-U.S. Metros in the Exchange

- (i) In order to expand, widen and deepen current GCI engagement and to provide follow up and action, the Exchange will help networks of leaders and practitioners in Sao Paulo and Mexico City design an actionable economic development strategy that leverage their distinctive position in global trade and commerce.
- (ii) Following the GCI forum, the Exchange will hold a conference or similar event in each city with the local leadership (mayors or governors, business, civic, non-profit leaders) as well as JPMC executives who will enable GCI to engage locally and help advance action on a topic related to global trade and commerce. At this working session, the Exchange will bring in other U.S. and non-U.S. metros that have relevant experience.
- (iii) Brookings will produce a report on the outcomes, best practices, or implications for action emerging from the non-U.S. conference or similar event for distribution to the participants and to a broader audience; the report will be released within a mutually agreed upon timeline.
- (iv) This Agreement includes \$650,000 for Brookings’ work with Sao Paulo and Mexico City in the Exchange.

3. Global Cities Roundtables

- (i) To satisfy the demand for GCI content, JPMC may organize 1-2 hour roundtable events with local business, civic, and government leaders to discuss the development of their local economies in the areas of trade and competitiveness in the global economy. A senior scholar from Brookings’ Metropolitan Policy Program will travel if requested by JPMC to make a presentation to and facilitate the discussion at such a roundtable event. This Agreement includes \$300,000 for roundtable events at a cost of \$25,000.00 per event.
- (ii) The parameters of these U.S. domestic GCI Roundtables are:
 - (a) Events are initiated, planned, organized and run by JPMC.

- (b) Metro scholar is to attend the event/gathering as part of approximately a half-day on the ground.
 - (c) Scholar is to plan for either a GCI-like presentation or speech and will participate in a roundtable discussion.
 - (d) JPMC will set up and implement the program including all outreach to and preparation of other speakers and participants.
 - (e) A roundtable event will require approximately one-half of a day of a Brookings (Metro Program) scholar's time at the roundtable location.
 - (f) Metro will cover all scholar and staff time (including preparation and customization of the research, data and presentation, plus administrative and travel time) and all costs associated with travel to and from domestic metro.
- (ii) Outside the U.S., JPMC will host up to three (3) conferences, briefings, receptions, or other events each year with other research partners on GCI topics. Brookings will assist in the development of the event by helping JPMC identify an appropriate research partner; assisting with development of the agenda to help ensure consistency with the intellectual framework of GCI; and providing other guidance for such events. As appropriate and if mutually agreed upon, a Brookings scholar will participate in these events. Any financial payments from JPMC to Brookings for these events will be separately determined as amendments to this Agreement.

4. Products

The Parties anticipate products to be developed from the Exchange events and available on the Exchange Website, including:

- (i) An informational piece on the Exchange that includes a description of the work and Exchange activities as well as integration of Exchange information into GCI materials.
- (ii) Brookings and JPMC will jointly develop branding rules and product ownership disclaimer language to be incorporated into each reports or strategic plans from the U.S. cities participating in the Exchange.
- (iii) Reports detailing and analyzing the outcomes emerging from the working sessions held in non-U.S. metros participating in the Exchange will be delivered on a mutually-agreed upon timetable. In addition, Brookings will send a "thank you" note or other appropriate follow-up communications from the working sessions within one (1) week of such session
- (iv) The Exchange will also capture and communicate innovations emerging from this effort to inform new policies and practices in cities and institutions in emerging markets. It is anticipated this will result in a series of blogs, white papers, case studies, practitioner how-to guides and other practitioner materials that will be relevant, useful and available to other domestic and international metro cities.
- (v) Relevant market data, planning guides, tools and resources for U.S. and international practitioners will be published, as they become available.

5. Reports

- (i) Brookings will provide JPMC reports on activities related to the Exchange on a semi-annual basis or as reasonable requested by JPMC.
- (ii) Brookings' Central Development Office will prepare monthly reports detailing chronological interactions with JPMC executives outside of the GCI and the Exchange

work with the Exchange. The activities tracked include attendance at events, briefings, one-on-one meetings and conference calls.

6. City Selection and Application Process

- (i) In order to make sure each metro has a high level of preparedness and commitment, the process of selecting metros to participate in the Exchange will be run by Brookings. Brookings will consult with JPMC on city selection and will give strong consideration to JPMC's feedback in the final selection of cities for the Exchange.
- (ii) JPMC will seek to participate in any "steering" committee established to advise and guide each metro's participation in the Exchange.

VII. KEY EXCHANGE PERSONNEL

- 1. For the Exchange work related to the domestic metros, Brookings will provide:
 - (i) Leadership: executive leadership and engagement from Amy Liu (setting overall agenda, initial relationship management, and initial project design and direction).
 - (ii) Research/Scholars: dedicated senior-level scholar (on staff and contracted supplemental) and analyst to coach metros and oversee peer-to-peer sessions and conduct FDI research; support from research assistants.
 - (iii) Initiative Management: time from events staff (for peer-to-peer gatherings); project management; metro partnership office, and coordination with GCI.
 - (iv) Support: Allocation of finance/administration and communications staff.
- 2. For the Exchange work related to the international metros, Brookings will provide:
 - (i) Leadership: executive leadership and engagement from Bruce Katz, Amy Liu, Alan Berube (setting overall agenda, initial relationship management, participation in non-U.S. cities workshops, and initial project design and direction).
 - (ii) Research/Scholars: dedicated senior-level staff person with non-U.S. experience to facilitate engagement and work with non-U.S. metros; support from research assistants.
 - (iii) Initiative Management: Support from events staff (for non-U.S. working sessions) and project management; coordination with GCI.
 - (iv) Support: Allocation of finance/administration and communications staff.

VIII. PAYMENT

In support of the Exchange, JPMC agrees to pay Brookings a sum total of \$5,450,000. JPMC will make four payments on an annual basis ("**Annual Payment**") as follows:

\$1,525,000 will be due within thirty (30) days following the Schedule Effective Date;

\$1,525,000 will be due August 1, 2014;
\$1,200,000 will be due August 1, 2015; and
\$1,200,000 will be due August 1, 2016.

Brookings agrees to provide JPMC with an invoice for the Annual Payment at least sixty (60) days prior to the payment date for such applicable year.

Duly authorized representatives of each of the parties have executed this Schedule as of the Schedule Effective Date.

~~JPMorgan Chase Bank, National Association~~

By: _____

Name: Peter L. Scher

Title: Executive Vice President

~~Brookings Institution~~

By: _____

Name: Strobe Talbot

Title: President

SPONSORSHIP AGREEMENT

This Sponsorship Agreement (“**Agreement**”) is made as of August 15, 2013 (“**Agreement Effective Date**”) and is entered into by JPMorgan Chase Bank, National Association (“**JPMC**”) with an office located at 270 Park Avenue, New York, New York 10017 and Brookings Institution (“**Recipient**”) having its place of business at 1775 Massachusetts Avenue, NW, Washington, DC 20036.

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree to the foregoing and as follows:

ARTICLE 1 AGREEMENT STRUCTURE

Section 1.1 Overview.

This Agreement represents the terms and conditions pursuant to which JPMC will provide a financial commitment to Recipient for purposes of sponsoring an event, exhibit, program or other activity (“**Program**”) pursuant to the schedule or in exchange for those items set forth in the Schedule (“**Schedule**”) developed under this Agreement. The Schedule will be deemed to incorporate all of the terms and conditions of this Agreement.

Section 1.2 Order of Precedence.

If a term in the Schedule conflicts with a term in this Agreement, the terms of this Agreement will prevail unless the Schedule specifically states that the term in the Schedule will prevail.

ARTICLE 2 COMMUNICATIONS

Section 2.1 Notices.

All notices must be in writing and will be deemed given only when sent by first class mail (return receipt requested), hand-delivered or sent by documented overnight delivery service to the party to whom the notice is directed, at its address indicated below or in the Schedule. Notices to be given “promptly” will be given, in any event, within five (5) days. A party may change its address for notices by sending a change of address notice using this notice procedure. Recipient will send a copy of each notice required under this Agreement to JPMC to:

To JPMC:

JPMorgan Chase Bank, N.A.
Corporate Responsibility, NY1-K705
270 Park Avenue, 4th Floor
New York, NY 10017
Attn: Jill Blickstein

With copies to:

JPMorgan Chase Bank, N.A.
[REDACTED]

Attn: Contracts Manager

To Recipient:

Brookings Institution
Attn: Amy Liu
1775 Massachusetts Avenue, NW
Washington, DC 20036

With copies to:

Brookings Institution


Section 2.2 Publicity.

Except as otherwise allowed under this Agreement and as set forth in Recipient's Donor Recognition Guidelines, Recipient will not: (a) furnish the name, trademark, logo or other identifying marks or proprietary indicia of JPMorgan Chase & Co., or any "Affiliate" thereof, in any advertising, announcements, sales, marketing, promotional or publicity activities (including testimonials, quotations, case studies and other endorsements) or in any other medium or other forms or materials; or (b) issue any press release, interviews or other public statement regarding this Agreement or the parties' relationship. No exceptions are granted without the prior written consent of the Global Media Relations Department of JPMorgan Chase & Co., such consent to be granted or withheld in the sole and absolute discretion of JPMorgan Chase & Co. For purposes of this Agreement, the term "Affiliates" will mean an entity owned by, controlling, controlled by, or under common control with, directly or indirectly, a party. For this purpose, one entity "controls" another entity if it has the power to direct the management and policies of the other entity (for example, through the ownership of voting securities or other equity interest, representation on its board of directors or other governing body, or by contract).

ARTICLE 3
CONFIDENTIALITY

"**Confidential Information**" means information exchanged by the parties that is not generally known to the public and at the time of disclosure is identified as, or would reasonably be understood by the receiving party to be, proprietary or confidential including but not limited to any information relating to any JPMC customers (current, former or prospective), and employees (current, former or prospective) or its customers' customers (current, former or prospective) or employees (current, former or prospective) and supplier information. Confidential Information may be disclosed by a party in oral, written, visual, electronic or other form. The party receiving any such Confidential Information ("**Receiving Party**") will use the same care and discretion to avoid disclosure, publication or dissemination of any Confidential Information received from the party disclosing such Confidential Information ("**Disclosing Party**") as the Receiving Party uses with its own similar information that it does not wish to disclose, publish or disseminate (but in no event less than a reasonable degree of care). Except as otherwise expressly permitted under this Agreement, the Receiving Party shall not: (a) disclose, duplicate, copy, transmit or otherwise disseminate in any manner whatsoever any Confidential Information of the Disclosing Party; (b) use the Confidential Information of the Disclosing Party (i) for the Receiving Party's own benefit or that of any third party, (ii) to the Disclosing Party's detriment, or (iii) for any purpose other than

performance of this Agreement; (c) commercially exploit any Confidential Information of the Disclosing Party; or (d) acquire any right in, or assert any lien against, the Confidential Information of the Disclosing Party. Confidential Information shall also include the terms of this Agreement. This paragraph shall survive the termination of this Agreement.

ARTICLE 4 INTELLECTUAL PROPERTY AND APPROVALS

Section 4.1 Trademark License.

Upon the terms and conditions set forth in this Agreement, and in consideration of Recipient executing this Agreement, JPMorgan Chase & Co with its Affiliates grants to Recipient a nonexclusive, non-transferable, revocable license ("**Trademark License**") to use those trademarks, trade names, service marks, copyrights and logos (whether registered or not) in accordance with JPMC's brand guidelines at jpmorganchasebrandguidelines.com solely in connection with the Program or as otherwise approved by JPMC (collectively the "**Trademarks**"). The Trademark License shall terminate immediately upon the termination of this Agreement for any reason, with or without cause. Recipient shall not incorporate any Trademarks, any derivative of the Trademarks or any mark which is similar to any Trademark, into Recipient's name, and shall not use any Trademark or any mark similar to any Trademark, in the promotion of any products or services other than as authorized under this Agreement or in the promotion of any individual or entity other than JPMorgan Chase & Co. or its Affiliates. Notwithstanding anything in this Agreement to the contrary, JPMorgan Chase & Co., at any time in its sole discretion, may modify or eliminate Trademarks subject to the Trademark License, or limit or terminate the Trademark License, with or without cause.

Section 4.2 Approvals.

All materials including, advertising, web and collateral materials, produced by or for the Recipient containing any Trademarks ("**JPMC Materials**") will be sent to JPMC for review prior to printing/posting/fabrication. All JPMC Materials will be sent to: Jill Blickstein at the address set forth in **Section 2.1**.

Section 4.3 Recipient's Registered Marks.

JPMC will be permitted to publicize JPMC's sponsorship of Recipient and to use Recipient's registered marks for the purpose of publicizing the sponsorship and Program provided that any and all materials relating to the sponsorship and Program or using Recipient's registered marks are sent to Recipient for review prior to printing/posting/fabrication.

ARTICLE 5 GOVERNING LAW AND WAIVER OF JURY TRIAL

Section 5.1 Compliance with Laws.

Recipient will perform all of its obligations to JPMC and will use any funds it receives under this Agreement in compliance at all times with all United States federal, state and local laws, rules, statutes, enactments, orders and regulations, including those related to terrorism, ethics, bribery and corruption and money laundering or of any governmental agency, and all interpretations of and changes, supplements or replacements to, any of the foregoing that are applicable to Recipient in performing its obligations to

JPMC. Recipient is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for ownership or leasing of assets or the transaction of business of the character transacted by it except where the failure to be so licensed, authorized or qualified would not have a material adverse effect on Recipient's ability to fulfill its obligations under this Agreement and the Schedule.

Section 5.2 Status.

Recipient represents and warrants that it is a not-for-profit organization exempt from federal income taxation under Code Section 501(c)(3) and agrees that it will be so exempt for so long as any funds it receives under this Agreement are held by Recipient. Recipient agrees it will also provide to JPMC a tax receipt that meets the requirements of a contemporaneous written acknowledgement described in Section 170(f)(8) of the U.S. Internal Revenue Code of 1986, as amended, and the underlying Treasury Regulations.

Section 5.3 Representation Regarding Affiliations in Appendix A.

Recipient represents and warrants that the information in Appendix A regarding its affiliation with Covered Official(s) (as defined in the Appendix) is accurate and complete.

Section 5.4 Use of Funds.

Recipient will use any money it receives under this Agreement only for charitable, scientific, literary or educational purposes and will not use such funds: (i) to attempt to influence legislation or regulation; (ii) to influence the outcome of any specific public election or to carry on, directly or indirectly, a voter registration drive; (iii) to make a grant to another organization except for sub-contracts to carry out the activities authorized by this Agreement; (iv) to make grants to individuals for travel, study or other similar purposes by such individuals (such as scholarships, fellowships or grants for research); or (v) as collateral.

Section 5.5 Governing Law and Waiver of Jury Trial.

(a) This Agreement will be governed by and construed in accordance with the applicable laws of the State of New York, without giving effect to the principles of that State relating to conflicts of laws. Each party irrevocably agrees that any legal action, suit or proceeding brought by it in any way arising out of this Agreement must be brought solely and exclusively in, and will be subject to the service of process and other applicable procedural rules of, the state or federal courts in the state of New York, and each party irrevocably submits to the sole and exclusive personal jurisdiction of the courts in New York, generally and unconditionally, with respect to any action, suit or proceeding brought by it or against it by the other party. Notwithstanding the foregoing, claims for equitable relief may be brought in any court with proper jurisdiction within the United States.

(b) Both parties agree to waive any right to have a jury participate in the resolution of the dispute or claim, whether sounding in contract, tort or otherwise, between any of the parties or any of their respective affiliates arising out of, connected with, related to or incidental to this Agreement to the fullest extent permitted by law.

ARTICLE 6
INDEMNITY; LIMITATION OF LIABILITY

Section 6.1 Indemnification.

(a) Recipient will indemnify, defend (with counsel reasonably satisfactory to JPMC) and hold harmless JPMC and all of its direct and indirect officers, directors, employees, agents, successors and assigns (each, a “**JPMC Indemnified Person**”) from any and all third party claims, demands, actions or threat of action (whether in law, equity or in an alternative proceeding and whether groundless or otherwise), losses, liabilities, damages (including taxes), and all related costs and expenses, including reasonable legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties (collectively, “**Losses**”), and threatened Losses due to, arising from or relating to: (i) acts or omissions that occur on any property owned, controlled or utilized by Recipient; (ii) any actual or alleged infringement, violation or misappropriation of the Intellectual Property Rights of any third person by Recipient or the use thereof; (iii) the negligent, willful or reckless acts or omissions of or by Recipient; or (iv) death, personal injury, bodily injury or property damage caused by Recipient (“**JPMC Indemnified Claim**”). For purposes of this Agreement, “Intellectual Property Rights” means patent, copyright, trade secret, trademark or other intellectual property or proprietary rights of JPMC or any third party.

(b) If Recipient fails to defend a JPMC Indemnified Person as provided in this Section after reasonable notice of an Indemnified Claim, Recipient will be bound: (i) to indemnify and reimburse the JPMC Indemnified Person for any Losses incurred by such Indemnified Person, in its sole discretion, to defend, settle or compromise the Indemnified Claim; and (ii) by the determination of facts common to an action and subsequent action to enforce the JPMC Indemnified Person’s reimbursement rights. No settlement or compromise that imposes any liability or obligation on any Indemnified Person will be made without the Indemnified Person’s prior written consent (not to be unreasonably withheld).

(c) JPMC will indemnify, defend (with counsel reasonably satisfactory to Recipient) and hold harmless Recipient and all of its direct and indirect officers, directors, employees, agents, successors and assigns (each, a “**Recipient Indemnified Person**”) from any and all third party claims, demands, actions or threat of action (whether in law, equity or in an alternative proceeding and whether groundless or otherwise), losses, liabilities, damages (including taxes), and all related costs and expenses, including reasonable legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties (collectively, “**Losses**”), and threatened Losses due to, arising from or relating to: (i) acts or omissions that occur on any property owned, controlled or utilized by JPMC; (ii) any actual or alleged infringement, violation or misappropriation of the Intellectual Property Rights of any third person by JPMC or the use thereof; (iii) the negligent, willful or reckless acts or omissions of or by JPMC; or (iv) death, personal injury, bodily injury or property damage caused by JPMC (“**Recipient Indemnified Claim**”). For purposes of this Agreement, “Intellectual Property Rights” means patent, copyright, trade secret, trademark or other intellectual property or proprietary rights of Recipient or any third party.

(d) If JPMC fails to defend a Recipient Indemnified Person as provided in this Section after reasonable notice of an Indemnified Claim, JPMC will be bound: (i) to indemnify and reimburse the Recipient Indemnified Person for any Losses incurred by such Indemnified Person, in its sole discretion, to defend, settle or compromise the Indemnified Claim; and (ii) by the determination of facts common to an action and subsequent action to enforce the Recipient Indemnified Person’s reimbursement rights. No settlement or compromise that imposes any liability or obligation on any Indemnified Person will be made without the Indemnified Person’s prior written consent (not to be unreasonably withheld).

Section 6.2 Limitation of Liability.

(a) NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY, FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES, INCLUDING LOST PROFITS, REGARDLESS OF THE FORM OF THE ACTION OR THEORY OF RECOVERY, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THOSE DAMAGES.

(b) The limitations and exculpations of liability set forth above in **Section 6.2(a)** shall not apply to: (i) Recipient's indemnification obligations under this Agreement or a Schedule; (ii) Recipient's repudiation of its obligations under this Agreement or the Schedule; (iii) Recipient's breach of its obligations of confidentiality set forth in this Agreement or the Schedule; and (iv) claims against Recipient involving fraud, gross negligence or willful misconduct.

ARTICLE 7
GENERAL

Section 7.1 Assignment.

Neither party may assign any rights or delegate any obligations under this Agreement without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed. However, JPMC may assign this Agreement, any Schedule, or any of its rights under each of the preceding, in whole or in part, with Recipient's consent: (a) to any existing or future JPMC entity; or (b) to another JPMC Affiliate or to an acquirer or successor-in-interest to JPMC or one of its Affiliates in the case of a JPMC merger, acquisition, divestiture, consolidation or corporate reorganization (whether or not JPMC is the surviving entity). The Recipient shall have the right to assess, renegotiate or terminate the agreement should such a transaction fundamentally alter the relationship. Any assignment or attempted assignment contrary to this **Section 7.1** will be a material breach of this Agreement and null and void. This Agreement and each Schedule will be binding upon the successors, legal representatives and permitted assigns of the parties. For purposes of this **Section 7.1**, any merger or other combination by operation of law with respect to Recipient constitutes an assignment requiring consent.

Section 7.2 Insurance.

Recipient will, at its own cost and expense, maintain in full force and effect while this Agreement is in effect (and thereafter as may be required) the insurance policies listed on the Insurance Exhibit.

Section 7.3 Force Majeure.

Each party shall be excused from performance under this Agreement and shall have no liability to the other party for any period it is prevented from performing any of its obligations, in whole or in part, as a result of material delay caused by the other party or by an act of God, war, terrorism, civil disturbance, court order, or natural disaster (each, a "Force Majeure Event"), but specifically excluding: (a) labor and union-related activities, and (b) the non-performance of Recipient (unless such non-performance is due to a Force Majeure Event). If any of the above-enumerated circumstances prevent performance of Recipient's obligations under this Agreement, Recipient agrees to refund to JPMC all monies or fees paid to Recipient under this Agreement.

Section 7.4 Diversity.

In the application of its resources to serve the public interest, JPMC gives high priority to the realization of equality of opportunity for all members of society. Accordingly, it is JPMC's expectation that in utilizing the JPMC's sponsorship, Recipient will make commercially reasonable efforts with respect to the inclusion of members of protected groups in its activities and to the extent required under law and regulations applicable to Recipient, make its services available to those with disabilities.

Section 7.5 Miscellaneous.

This Agreement may be executed in two or more counterparts (including by facsimile), each of which will be considered an original but all of which together will constitute one agreement. They are not to affect the interpretation of this Agreement. No amendment, modification or change of this Agreement will be valid unless in writing and signed (not in electronic form) by an authorized representative of the party to be bound. Unless expressly stated otherwise in this Agreement, all rights and remedies provided for in this Agreement will be cumulative and in addition to, and not in lieu of, any other remedies available to either party at law, in equity or otherwise. If any provision of this Agreement conflicts with the law under which this Agreement is to be construed or if any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, that provision will be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law. The remaining provisions of this Agreement and the application of the challenged provision to persons or circumstances other than those as to which it is invalid or unenforceable will not be affected, and each of those provisions will be valid and enforceable to the full extent permitted by law. This Agreement, including the Exhibits and Appendices attached to this document, and the Schedule executed under this Agreement are fully incorporated into this Agreement and constitute the entire agreement of the parties, superseding all prior agreements and understandings as to the subject matter, notwithstanding any oral representations or statements to the contrary. Any JPMC rights not expressly granted are reserved by JPMC. Any Recipient rights not expressly granted are reserved by Recipient.

Duly authorized representatives of each of the parties have executed this Sponsorship Agreement as of the Agreement Effective Date.

JPMORGAN CHASE BANK,
NATIONAL ASSOCIATION

BROOKINGS INSTITUTION

By: 

By: 

Name: Peter L. Scher

Name: Strobe Talbott

Title: Executive Vice President

Title: President

JPMorgan Chase Bank, N.A.

Brookings Institution

Insurance Exhibit

Recipient, within five (5) "Business Days" (meaning, Monday through Friday, excluding any official JPMC holidays) after the execution of this Agreement, shall procure and maintain, at its own expense, the following required insurance of the following kinds and limits, with companies carrying a financial strength rating of not less than "A-" and in a financial size category of Class VIII or better, each as rated in the most current Best's Insurance Reports, and permitted to insure risks in each jurisdiction where a claim or claims might arise or who are otherwise acceptable to JPMC. Should Recipient at any time neglect or refuse to provide the required insurance, or should such insurance be canceled, JPMC shall have the right to procure such insurance and the cost thereof shall be deducted from monies then due or thereafter to become due to Recipient. Recipient may carry, at its own expense, such additional insurance as it may deem necessary. Recipient shall not be deemed to be relieved of any responsibility by the fact that it carries insurance.

A. REQUIRED INSURANCE.

Commercial General Liability Insurance written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage) covering the Program, the performance and provision of the Program and everything incidental thereto, with limits of not less than \$2,000,000 per occurrence, or in whatever higher amounts as may be requested by JPMC from time to time and mutually agreed, in writing, by the parties, and extended to cover: (a) Contractual Liability, with defense provided in addition to policy limits for indemnitees of the named insured; (b) if any obligations under this Agreement are subcontracted, Independent Contractors Liability providing coverage in connection with such portion of the obligations which may be subcontracted; (c) Broad Form Property Damage Liability; (d) Products & Completed Operations; (e) Personal and Advertising Injury Liability and (f) Hired and Non-Ownership Automobile Liability, if not covered under Automobile Liability Insurance. The policy will include: (x) a waiver of subrogation against all parties named as additional insureds, (y) a severability of interest provision and (z) "JPMorgan Chase & Co. and any and all subsidiaries, directors, officers, employees, and agents as their interest may appear" as additional insureds. If such Commercial General Liability insurance contains a general aggregate limit, it will apply separately to the location or project that is the subject of the applicable Schedule. The Commercial General Liability Insurance required under this paragraph will be raised to not less than \$5,000,000 per occurrence combined single limit if Recipient's provision of the Program, in the ordinary course, involves hazardous trades (e.g., mechanical, electrical, plumbing or construction services or trades requiring the use of heavy machinery). The required limit of liability may be satisfied through a combination of primary Commercial General Liability and Umbrella Liability insurance.

Additional insured status for JPMorgan Chase & Co. and any of its subsidiaries, directors, officers, agents, employees or any other party required to be named as additional insureds under this Agreement will extend to the full limits of liability maintained by the Recipient even if those limits of liability are in excess of those required by this Agreement.

Recipient's insurance will be primary and all insurance carried by JPMorgan Chase & Co. is strictly excess and secondary and will not contribute with Recipient's insurance.

The requirements of this Agreement as to insurance limits and acceptability of insurers and insurance to be maintained by Recipient are not intended to and will not in any manner limit or qualify the liabilities and obligations assumed by Recipient under this Agreement.

B. CERTIFICATES OF INSURANCE.

In the event of any renewal, termination, cancellation, or expiration in any policy of insurance required under this Agreement, Recipient will deliver to JPMC a Certificate of Insurance with respect to any such renewal, termination, cancellation, or expiration, as the case may be prior to inception of any such coverage.

Certificates must disclose all applicable policy deductibles and self-insured retentions (“**SIR**”). Recipient agrees to be liable for all costs within the deductibles and SIR. Any self-insured retentions or deductibles maintained by Recipient must be approved in writing by JPMC.

With respect to additional insured endorsements, coverage will be no less broad than one or the other of the following alternatives: (a) the coverage afforded to the named insured under the policy with respect to the Program to be provided or performed under this Agreement; or (b) the coverage afforded by Insurance Services Office Endorsement entitled (“Additional Insured – Designated Person or Organization”).

Recipient will, on request, permit JPMC to examine original insurance policies.

Where allowed or required by law to allow indemnification for “action-over” claims, Recipient specifically and expressly waives any immunity that may be granted it under the applicable State workers compensation/Industrial Insurance Act. Further, the indemnification obligation under this Agreement will not be limited in any way by any amount or type of damages, compensation or benefits payable to or for any third party under workers compensation acts, disability benefit acts, or other employee benefits acts; provided Recipient’s waiver of immunity by the provisions of this paragraph extends only to “action-over” claims against Recipient by JPMC, and does not include, or extend to, any claims by Recipient’s employees directly against Recipient.

If the Program is administered by persons other than Recipient who are not parties to any Agreement with JPMC, Recipient will arrange to have such subcontractors furnish to Recipient evidence of insurance, subject to terms and conditions determined adequate to satisfy Recipient, at least two weeks prior to commencing with the performance or provision of the Program. It is understood and agreed Recipient’s determination of adequate insurance carried by subcontractors in no way relieves Recipient from liability assumed by Recipient or insurance required of Recipient.

APPENDIX A
Federal Official Affiliation Disclosure

The parties acknowledge that JPMC is required to report information regarding grant recipients' affiliations with certain federal officials, referred to as "*Covered Officials*." This requirement derives from the *U.S. Honest Leadership and Open Government Act of 2007* (the "*HLOGA*").

Affiliations to be Reported:

Recipient will provide the name of each Covered Official who (a) participated in the establishment of Recipient or (b) as of the date of this Agreement, participates in the direction and control of Recipient by sitting on its board of directors or acting as a director or chairperson.

"Covered Official" means any current: Member of Congress; Congressional staffer; employee of the Executive Office of the President; employee of the Office of Management and Budget; Presidential Appointee (Deputy Assistant Secretary level and above) and his/her "Schedule C" Assistants of any executive branch agency or department; or military officer ranking Brigadier General, Rear Admiral or above.

Recipient's Affiliations:

In the *first box* below is Recipient's response (if any) from its Grant Proposal regarding its Covered Officials. **Prior to signing this Agreement, Recipient will update/revise this information as needed by crossing out any names/titles in the *first box* below, and adding any additional names/titles of Recipient's Covered Officials in the *second box* below. If Recipient does not have an affiliation with any Covered Officials, please write "N/A" in the *second box*.** Reference below to "Title" is to a person's government title, not that person's position with Recipient.

None

Name:	Title/Nature of Affiliation:
<u>N/A</u> _____	_____
_____	_____
_____	_____

Recipient acknowledges and agrees that the information it provides in this Appendix will be reported to government authorities under the HLOGA and will become public information.

Global Cities Initiative Exchange| **JPMC MOU Review**
As of 6/2/14

Discussion Guide:

- What did we say we would do?
- What did we do?
- What else are they asking for?

Overall Purpose and Goal of the Exchange:

GCX MOU	Deliverables per the MOU (listed in order of appearance):	Work Plan	
<p>Central Brookings Benefits</p>	<p>1. Donor Wall: JPMC will be listed in 1775 as "JPMorgan Chase & Co." at the "\$10 million and above" level.</p> <p>2. Special Event: Brookings will hold a special event, details to be jointly determined, to recognize JPMC's new investment in the Exchange, attended by President Strobe Talbott and relevant trustees, Exchange staff, Brookings scholars, JPMC executives, clients, experts, stakeholders.</p> <p>3. Website and Annual Report: Brookings will feature JPMC in its Annual Report and will include a donor profile story, found under the "Support Brookings" section of its website, in concert with and at the express written approval of JPMC.</p> <p>4. Access to Senior Leadership: JPMC has a private meeting with Strobe Talbott, President of Brookings, annually in DC. Additionally, Strobe Talbott or other Brookings senior executive will have 1 private meeting/year outside DC. Scheduling, timing, and cost requires advance notice.</p> <p>5. Interactions with Brookings' Scholars: JPMC can request 9 private briefings or conference calls with Brookings' scholars in Washington, D.C, 3 briefings in NY and 3 opportunities to invite Brookings' scholars to participate in private events outside of DC or New York on an annual basis.</p> <p>6. Special Invitations: Invitations to reception and dinner with Strobe Talbott and members of the Brookings' Board of Trustees and International Advisory Council featuring a distinguished guest speaker; an invitation for a senior JPMC executive and a guest to join Strobe Talbott and other Brookings scholars on an international study tour, and invitations for senior executives to join high-level private events both here and abroad.</p> <p>7. Chairman's Circle of the Brookings Corporate Council: JPMC executives will receive communication to all Corporate Council members, including invitations to public events (JPMC has VIP seats). Invitations to Brookings Corporate Council events in DC, New York and other locations in the U.S.</p> <p>8. Quarterly Reports on JPMC and Brookings Interactions: Brookings' Central Development Office will prepare quarterly reports detailing JPMC/Brookings attendance at events, briefings, and one-on-one meetings and conference calls.</p> <p>9. JPMC may provide experts for discussions and events, as well as data to support Exchange activities and goals.</p>	<p><u>GOAL:</u></p> <p><u>MEASURES OF SUCCESS:</u> (1) (2)</p> <p>GCI research will analyze (#) trade dimensions:</p> <ul style="list-style-type: none"> • Research inquiries for GCI will take # forms: • 	<p>Products: (1)</p>
<p>U.S Metros in the Exchange</p>	<p>1. 4 year effort establishing a network of practitioners from 28 U.S. metropolitan areas to learn about enhancing trade and investment together and to develop and implement concrete strategies to strengthen their economies, centered on exports strategy or integrated exports/FDI. (a) Year 1: 20 US metros - 12 with existing export strategies and eight new metropolitan areas. (b) Year 2: 8 more metros adopting and implementing trade and investment strategies by the end of the Exchange process.</p> <p>2. Exchange will execute two core working convenings in each of first 2 years, with varied in-person engagement in</p>		

GCX MOU	Deliverables per the MOU (listed in order of appearance):	Work Plan	
	<p>subsequent years. Focus on city sharing and developing export strategies. At each convening, state and federal leaders will be invited to participate, in addition to non-U.S. economic experts, non-U.S. city leaders, and embassy representatives.</p> <p>3. 12 metros with existing export plans will use the Exchange to expand upon their global work. These twelve metros will also integrate FDI strategies into their plans. As FDI component develops, the Exchange may convene sessions to help metros integrate FDI into their export plans.</p> <p>4. In years three and four, the Exchange will have a session dedicated to integrating FDI into export plans and a second session bringing all participating metros together to learn how regions become globally fluent. Brookings and JPMC may invite leaders from foreign cities to participate, especially where there is natural mutual interest in FDI and other aspects of global competitiveness.</p> <p>5. Periodic conference calls and webinars organized by Brookings (at least quarterly) to check-in, solve problems together, and learn about new tools, data, or policy changes to refine their strategies. Appropriate JPMC experts and materials mutually determined by JPMC and Brookings.</p> <p>6. This Agreement includes \$4,500,000.00 for Brookings' work with U.S. metros in the Exchange.</p> <p>7. JPMC may host 2 receptions or briefings per year for groups of metro leaders in DC, such as organizations of mayors or county officials. JPMC will coordinate logistics and pay hard costs. Brookings will provide a speaker to brief on GCI and Exchange progress if available.</p>		
Non U.S. Metros in the Exchange	<p>1. Exchange will help networks of leaders and practitioners in Sao Paulo and Mexico City design an actionable economic development strategy.</p> <p>2. Following GCI forum, the Exchange will hold a conference or similar event in each city with the local leadership and JPMC executives to engage locally and advance action on a topic related to global trade and commerce. Working session will bring in other metros with relevant experience.</p> <p>3. Produce a public report on the outcomes, best practices, or implications for action emerging from foreign conference. Release coordinated.</p> <p>4. This Agreement includes \$650,000.00 for Brookings' work with Sao Paulo and Mexico City in the Exchange.</p>		
Global Cities Roundtables	<p>1. JPMC may organize 12 2-hour roundtables with local business, civic, and government leaders to discuss the local economic development in global trade and competitiveness. A senior MPP scholar will travel if requested by JPMC to present and facilitate discussion.</p> <p>2. Domestic GCI Roundtables are initiated, planned, organized and run (including outreach) by JPMC. Scholar has a half-day on the ground. MPP covers all scholar and staff time and travel.</p> <p>3. Outside the US, JPMC will host up to 3 conferences, briefings, receptions, or other events each year with other research partners on GCI topics. Brookings will identify an appropriate research partner, assist with agenda to ensure consistency with GCI framework. If mutually agreed upon, a Brookings scholar will participate. Any financial payments from JPMC to Brookings for these events will be separately determined as amendments to this Agreement.</p>		
Products	<p>1. Informational piece on the Exchange, including description of the work, activities, and integration of Exchange information into GCI materials.</p> <p>2. Brookings and JPMC will jointly develop branding rules and product ownership disclaimer language.</p>		

GCX MOU	Deliverables per the MOU <i>(listed in order of appearance):</i>	Work Plan	
	<p>3. Reports detailing and analyzing the outcomes emerging from the working sessions held in non-U.S. metros participating in the Exchange will be delivered on a mutually-agreed upon timetable.</p> <p>4. The Exchange will capture and communicate innovations emerging from this effort to inform new policies and practices in cities and institutions in emerging markets in a series of blogs, white papers, case studies, practitioner how-to guides and other practitioner materials that will be relevant, useful and available to other domestic and international metro cities.</p> <p>5. Relevant market data, planning guides, tools and resources for U.S. and international practitioners will be published as they become available.</p>		
Reports	<p>1. Brookings will provide JPMC reports on activities related to the Exchange on a semi-annual basis or as reasonable requested by JPMC.</p> <p>2. Brookings' Central Development Office will prepare monthly reports detailing chronological interactions with JPMC executives outside of the GCI and the Exchange work with the Exchange, including attendance at events, briefings, one-on-one meetings and conference calls.</p>		

**Global Cities Initiative
January 31, 2014
Semi-Annual Report
Detailing Activities from July 1, 2013-December 31, 2013**

Concluding our second year of research and convenings with our November Global Forum in México and release of four new research products, we made substantial progress through the second half of 2013 on GCI goals of connecting and convening domestic and global leaders and promoting enhanced dialogue and awareness of global connections. Moreover, launching The Exchange and supporting the signing of an innovative Global Cities Economic Partnership between Chicago and México City, we also made substantial progress translating GCI themes into action and helping metropolitan areas engage with global partners and opportunities.

Research & Communications

With four additional research products, we continued to make the case that metros drive global trade and investment. In doing so, we helped individual metros frame their global engagement efforts and understand their starting points in global trade and investment. As detailed below, this research drove media coverage about GCI themes and informed the November Global Forum in México and the Exchange. These products were:

- **[Export Nation 2013](#)** by Brad McDearman, Ryan Donahue, and Nick Marchio (September 2013).

Research: Like our previous *Export Nation 2010* and *Export Nation 2012* releases, *Export Nation 2013* provided detailed metropolitan-level data on goods and services exports by point-of-production, allowing metropolitan leaders to pinpoint their trade strengths and weaknesses. But improving on the previous releases, here we utilized more specific services industries categories, breaking larger categories into smaller, more logical groupings. Related to tourism exports, for instance, Brookings divided activity into sub-industries, including spending on restaurants and entertainment. The new report also provided added context on a subset of U.S. metros, including New York and Las Vegas, where services have been the main export growth area since the recession.

Communications & Impact: “Export Nation 2013” received 45 unique news stories. There were several prominent regional stories, including in *Los Angeles Times*, *Dallas Morning News*, *Tampa Tribune*, and *St. Louis Post-Dispatch*. On Twitter, 178 tweets contained a link to the report page, and 30 tweets contained a link to the co-author’s [blog](#). Influential tweeters included the U.S. Department of Commerce, the International Trade Association, Mehmet Simsek (Turkey’s Minister of Finance), and urbanist Richard Florida. Website traffic for the report was strong with 7,985 report pageviews and 1,758 report downloads.

Coinciding with the release, then-Under Secretary of Commerce for International Trade Francisco Sanchez [released a highly supportive statement](#) regarding the report and our exports practice work

- [**An international version of the “10 Traits of Globally Fluent Metropolitan Areas” paper**](#) adapted by Greg Clark and Tim Moonen from the original June release by Clark, Brad McDearman, and Joseph Parilla. This version of the paper has been downloaded over 500 times on our website and was mentioned in [Planetizen](#), [UBM’s Future Cities Blog](#), and [Bloomberg](#).
- [**Metro Freight: The Global Goods Trade that Moves Metro Economies**](#) by Adie Tomer, Joseph Kane, and Robert Puentes (October 2013).

Research: This release—which includes two papers—was the first-ever measurement of goods exchange at the subnational scale, based on innovative freight data alluded to by Paul Krugman [in a post on the New York Times website](#) in advance of the release . Mapping metropolitan goods flows, the research finds that among the top 100 metropolitan areas, 85 percent of trade by value is domestic. Meanwhile, international trade, while only 15 percent of trade by value, typically includes the most valuable goods. Armed with this new data, metropolitan areas are now increasingly empowered to gain a more nuanced understanding of their economic status and potential, while also making infrastructure investments to support further growth.

Communications & Impact: The release received 7,267 pageviews and 2,155 downloads on our website and 16 media clips, including in [Dallas](#), [Seattle](#), [Denver](#), and [Atlanta](#) outlets. Following the release, Tomer, Kane, and Puentes presented the research to Department of Transportation Undersecretary for Policy Polly Trottenberg, Deputy Assistant Secretary for Transportation Policy Beth Osborne, and roughly 20 other DOT staff. The authors have also provided expanded data to practitioners in Colorado and New York, building on their pre-release engagement with a range of regional leaders and practitioners in markets such as Portland, San Diego, New York, Miami, and Minnesota.

- [**Metro North America: Cities and Metros as Hubs of Advanced Industries and Integrated Goods Trade**](#) by Joseph Parilla and Alan Berube (November 2013).

Research: A first-ever analysis of production and trade among North American metropolitan areas, this report identifies the top metropolitan trading relationships across the U.S., Canada, and México twenty years after the enactment of the North American Free Trade Agreement. Released in advance of our November Global Cities Initiative Forum in México, the report informed discussions and sessions at that event.

Communications & Impact: *Metro North America* attracted 32 instances of media coverage from outlets including the [Dallas Morning-News](#), [Charlotte Business Journal](#), and [Arizona Daily Star](#). The authors have also since been quoted in outlets including [NPR](#) and [The Economist](#) related to the report's themes and met with Texas Congressman Beto O'Rourke in December to discuss the report. The report was viewed over 10,000 times and downloaded over 1,000 times on our website.

In addition to releasing these reports, we also sought opportunities to substantively engage with the media, practitioners, policymakers, and other stakeholders through shorter written pieces and op-eds. For example, in December, Bruce Katz and Joseph Parilla authored ["NAFTA helps poise Houston to grow trade"](#) for *The Houston Chronicle*.

We also built on our larger research releases by producing several blog series and webinars related to the themes of those products. These included:

- Following the June release of the *10 Traits of Globally Fluent Metros* we published a series of posts by Brookings scholars and researchers further examining each of the traits. The blogs altogether had more than 12,000 total page views and more than 8,000 unique visitors, indicating a strong, engaged audience. Some individual blogs were very popular; three received more than 1,000 page views, which is very strong for a Brookings blog. The blogs also directed traffic to the original 10 Traits report and infographic, which together received more than 8,000 page views. These blog posts were: ["Toronto's Well-Played Global Hand"](#) by Greg Clark and Tim Moonen; ["It's time for Regionally Traded Sectors to Go Global"](#) by Amy Liu and Joseph Parilla; ["To 'Go Global' Metro Areas Need to Roll with Global Change"](#) by Mark Muro; ["Helsinki's Innovative Capacity"](#) by Jonathan Rothwell; ["Immigration, Opportunity, and Appeal"](#) by Audrey Singer and Jill Wilson; ["International Connections in a Global Era"](#) by Adie Tomer; ["Ability to Secure Investment for Strategic Priorities"](#) by Greg Clark and Tim Moonen; ["Mayors as Catalysts of Global Trade and Investment"](#) by Brad McDearman; and ["Barcelona's Compelling Global Identity"](#) by Greg Clark and Tim Moonen.
- In July, Brookings' Brad McDearman led a GCI webinar on the *10 Traits* paper. Approximately 300 people registered for and over 150 participated in the session.
- Following the release of *Metro Freight*, we published [a series](#) of short pieces on our website by regional practitioners, relating the research to work in their areas. These were: ["Minneapolis-Saint Paul's Intersection of Freight and Economy"](#) by Minnesota Department of Transportation Multimodal Transportation Planner Matthew Pahs; ["San Diego: Linking Up](#)

[Innovation and Local Manufacturing](#)” by San Diego Director of Planning, Neighborhoods, and Economic Development William Fulton; [“Assessing Atlanta’s Position in Global Commerce”](#) by Georgia Center of Innovation for Logistics Executive Director Page Siplon; and [“Chicago: Manufacturing and Freight Co-location to Drive Economic Growth,”](#) by Chicago Metropolitan Planning Council Executive Vice President Peter Skosey and Director Chrissy Mancini Nichols.

- Our Infrastructure Team also led a GCI webinar on the freight research in October.

Stakeholder Engagement

In support of GCI forums, events, and research, we regularly engaged with key public, private, and civic stakeholders throughout the second half of 2013.

Examples include:

- In October, Brookings’ Marek Gootman participated in the Seattle Global Cities: Increasing International Engagement & Global Competitiveness Leadership Conference. This event involved the Seattle Metropolitan Chamber of Commerce, Trade Development Alliance of Greater Seattle, Washington Council on International Trade, and Boston Consulting Group.
- Following GCI Houston and leading up to GCI México, Brookings Latin America expert Diana Negropte met with Rice President David Leebron and scholars from the Baker Institute’s México Center.
- Building on our strong working relationship with the Department of Commerce, in December, Francisco Sánchez, the former Undersecretary of Commerce for International Trade at the U.S. Department of Commerce’s International Trade Administration, joined Brookings as a nonresident senior fellow to advise the Global Cities Initiative.

We also discussed our research and various topics of interest with JPMC officials several times at JPMC’s request. For instance, in August, Brookings Policy Director Mark Muro discussed economic clusters on a call with JPMC’s Dana Prozano and Mark Rigdon. In September, Bruce Katz spoke to JPMC’s Karen Keogh regarding Detroit and shared several published and draft research products about the city. And in October, our Infrastructure Team discussed big data issues with JPMC officials.

Forums

In the second half of 2013, we followed the year’s earlier Atlanta (March), Houston/Dallas (May), and Denver (June) forums and GCI roundtables in Seattle (April) and Beijing (June), with global events focused on London (October) and México City (November).

London

In late October, Brookings’ Bruce Katz, Jody Franklin, and Sue Brodsky Burnett attended the London roundtable, where Katz presented on the GCI framework and work to date. As discussed above, this event featured the release of the international version of the “10 Traits of Globally Fluent Metropolitan Areas”

paper. The event, meanwhile, received media coverage from the [Financial Times](#) and the [London Evening Standard](#). And @BrookingsMetro tweets during the forum received 60 retweets with a potential reach of over 200,000 viewers.

México

In November, we held our second annual Global Forum in México City and Querétaro, México. With high-level participants from the U.S., Canada, and México, the forum explored key drivers of the North American economy, such as advanced industries, innovation, and human capital, during the lead up to the twentieth anniversary of NAFTA in early 2014. As described earlier in this report, our *Metro North America* report by Joseph Parilla and Alan Berube set the context for the event.

Preceding the Forum's official opening in México City, the delegation convened in Querétaro, where participants attended a welcoming event hosted by Governor José E. Calzada, which featured remarks by Calzada and Mayor Daley. That evening, the delegation also attended a reception and dinner, hosted by the Governor, featuring remarks by Calzada, Bruce Katz, JPMC's Gina Luna, Tennessee Department of Economic and Community Development Commissioner William Hagerty, and Colorado Lieutenant Governor Joe Garcia. The next day, prior to departing for México City, participants toured the Aeronautical University in Querétaro (UNAQ) and a local Bombardier plant following a briefing from Bruce Katz, JPMC Senior Economist Gabriel Lozano, Querétaro Secretary for Sustainable Development Marcelo Lopez, UNAQ President Jorge Gutierrez de Velasco Rodriguez, and Bombardier México Vice President of Operations Joelle Cournoyer.

Following the Querétaro visit, the delegation assembled in México City for two days of high-level discussions and panels. Events during this period included:

- A [Delegation Networking Reception](#) with remarks by Brookings Latin America Initiative Nonresident Senior Fellow Diana Negroponte and JPMC Head of Commercial Banking for México Raul Freyre. This event also included a recognition of elected officials at the event—Columbus Mayor Michael Coleman, Windsor, Canada Mayor Eddie Francis, and Mesa, Arizona Mayor and President of the U.S. Conference of Mayors Scott Smith.
- [Workshops on Sub-National Strategies to Strengthen Advanced Industries](#), held in collaboration with the Mexican Institute for Competitiveness (IMCO). One workshop, "Human Capital- Aligning Post-Secondary Education with Advanced Industries," was moderated by Amy Liu and featured remarks from Economic Development Council of Seattle and King County President & CEO Jeff Marcell, UNAQ President Jorge Gutierrez de Velasco Rodriguez, and Director of the National School of Aeronautics Edouard-Montpetit College in Quebec M. Serge Brassat. Bombardier México Country Chief Representative Alfredo Nolasco served as a respondent at the session. The other workshop, "Innovation—Bolstering the Innovative Capacity of Firms in Advanced Industries," was moderated by IMCO General Director Juan Pardinás and featured remarks by Tennessee Department of Economic and Community Development Assistant Commissioner Ted Townsend, Nuevo Leon Research and

- Technology Innovation Park official Jaime Parada, and University of Ontario Institute of Technology President and Vice-Chancellor Tim McTiernan. Tennessee Department of Economic and Community Development Commissioner William Hagerty and Government of Nuevo Leon Undersecretary of Economic Development Rolando Zubiran served as key respondents for the session. The workshops were followed by a combined wrap-up session featuring Alan Berube, Liu, and Pardinás.
- A Moderated Dialogue between Brookings' Strobe Talbott and De La Calle, Madrazo & Mancera Founder and CEO Luis de la Calle. This dialogue was moderated by Grupo Expansion Editorial Director Alberto Bello and introduced by JPMC Chairman of Southeast & Latin America Mel Martínez.
 - A Global Cities VIP Dinner for U.S., Mexican, and Canadian Leaders featuring remarks from JPMC head of Local Markets for México J. Oriol Bosch, Kimberly Clark México CEO and Brookings International Advisory Council Member Pablo Gonzalez, Mayor Daley, Mexican Automotive Association Chairman Eduardo Solís, U.S. Ambassador to México E. Anthony Wayne, Embassy of Canada in México Minister Counselor and Senior Trade Commissioner Francois Rivest, ProMéxico Director General Francisco Gonzalez Diaz, and State of Chihuahua Governor Cesar Duarte.

The public portion of the Forum, held on Thursday, November 14, featured the following events:

- Welcoming remarks from IMCO's Juan Pardinás;
- Introductory remarks by JPMC's J. Oriol Bosch;
- A keynote address from Kimberly Clark México Chairman of the Board Claudio X. Gonzalez;
- Chairman's Remarks from Mayor Daley;
- A presentation by Bruce Katz on *Metro North America*;
- A panel on Subnational Trade, Productivity, and Competitiveness moderated by Amy Liu, featuring Windsor, Ontario Mayor Eddie Francis, Siemens Mesoamerica CEO Louise Goeser, President and CEO of Ford of México Gabriel M. López, and Mesa, Arizona Mayor and President of the U.S. Conference of Mayors Scott Smith; and
- A welcome on behalf of President Peña by Mexican Secretary of Economy Ildefonso Guajardo Villarreal with introductory remarks from JPMC's Mel Martínez (Villarreal's office later requested copies of slides from the Forum).

Finally, the forum concluded with the announcement from Chicago Mayor Rahm Emanuel and México City Mayor Miguel Ángel Mancera of the [Global Cities Economic Partnership](#), a new agreement to strengthen and formalize the economic ties between México City and Chicago. The announcement included an introduction from Kimberly Clark's Pablo Gonzalez, a signing ceremony, and a Q+A with Mayors Mancera and Emanuel moderated by JPMC Executive Vice President and Head of Corporate Responsibility Peter Scher.

Several high-profile Chicago media outlets covered the partnership announcement, including the *Chicago Tribune*, [NBC Chicago](#), and [CBS Chicago](#).

Preceding the signing of the agreement, Amy Liu met with key Chicago leaders in October to discuss key industrial synergies with México City and existing city-to-city relationships to frame the potential collaboration. Participants in that discussion included Jeff Malehorn, CEO of World Business Chicago; Steve Koch, Deputy Mayor of Chicago; David Spielfogel, Chief of Policy and Strategy for Chicago; Glenn Tilton, Midwest Chairman of JPMorgan Chase; and others. Earlier, in July, Bruce Katz discussed the idea of potential opportunities for a more advanced “Sister Cities” relationship between Chicago and México City with Tilton. We also convened a private working session, facilitated by Amy Liu, on the day prior to the México Forum. México D.F. Secretary for Economic Development Salomon Chertorivski and World Business Chicago CEO Jeff Malehorn co-led that session. Since the announcement, we have continued working with partners in Chicago and México City to develop a 12-month workplan and priorities for the partnership.

In the interest of disseminating the forum’s key messages beyond the delegation and attendees, we also posted extensive related content on our website. These items were:

- To coincide with GCI México, Joseph Parilla and Alan Berube authored four México and *Metro North America*-focused blog posts. The first, [“The United States’ 10 Most North American Metro Areas,”](#) built on *Metro North America* by highlighting “the 10 metro areas for which trade with Canada and México accounts for the largest share of total metro goods trade.” The second, [“How Queretaro Goes Global,”](#) tied Queretaro’s economic gains to the leveraging of several of the traits identified in “10 Traits of Globally Fluent Metropolitan Areas” paper. The third, [“North American Cities: From a Constellation to a Network,”](#) describes some of the themes of the discussions underway at GCI México. The fourth, [“A New Vision for North America’s Cities,”](#) described three ways North American metropolitan leaders can boost global engagement
- Following the signing of the Chicago-México City Global Cities Partnership, Amy Liu and Ryan Donahue authored a blog post, [“Chicago and México City Cut New Kind of Trade Deal,”](#) describing the significance of the new agreement and why Chicago and México City are ideally suited for this kind of arrangement. Brookings also translated and posted this blog in Spanish.
- We also posted video of several of the forum’s key moments, Bruce Katz’s presentation, and the agenda and other important documents [on the Brookings website](#). The forum’s event page has attracted 2,445 page views.
- Following strong social media activity surrounding the Forum, we also created a [Storify presentation](#) displaying social media highlights.

Finally, we also engaged with media outlets both in the United States and México. The forum received 48 media clips in American, Mexican, Canadian, and French media outlets including [The Windsor Star](#), [East Valley Tribune](#), [La Prensa](#), [El Economista](#), [El Universal Queretaro](#), [Gala TV Queretaro](#), [Codice Informativo](#), [amtelevision de Queretero](#), [Queretaro TV](#), [El Informante](#)

[Queretaro](#), [Quadratin](#), [Express Queretaro](#), [Radio Ingro](#), [RegroNexion](#), [Ciudad y Poder](#), [Que Pasa Informativo Regional](#), and [El Sol de México](#). As described previously, the Chicago-México City Partnership signing received strong coverage from Chicago outlets, including the *Chicago Tribune*, [NBC Chicago](#), and [CBS Chicago](#).

Follow Up in Earlier GCI Metros

Related to our global cities work past and present, Brookings was involved in the following activities over the past six months:

Los Angeles

- We advised Mayor Garcetti's staff on GCI-related economic development themes, including involvement in local export strategy implementation, mayoral trade trips, and potential links with Asian metros.
- LA plans to apply to join the first MFI cohort.

San Diego

- We briefed Interim Mayor Todd Gloria and City Council members regarding GCI and export strategies.
- Representatives from San Diego attended the December Exchange cohort meeting.
- San Diego plans to apply to join the first MFI cohort.

Columbus

- We included Columbus officials, including Mayor Coleman, in GCI México.
- Brookings' Jennifer Bradley presented at the Columbus 2020 Economic Development Conference in December
- Columbus plans to apply to join the first MFI cohort.

Miami

- We are advising the planning of the next Florida Trade and Logistics Forum.

Tampa

- We continue to assist Tampa with its exports effort. In doing so, we facilitated an executive level discussion regarding endorsement and execution of the export strategy.

Atlanta

- Atlanta has since joined the Global Cities Exchange and we are working with regional leaders on this effort. Additionally, the Brazil outreach trip Mayor Reed announced at the forum has now been slated for April 2014.
- We have also maintained contact with the Atlanta Regional Council regarding the airport taskforce relaunched at the forum

Houston/Dallas

- We provided Houston’s workforce development project consultant with data and information requested regarding executing the workforce project discussed at the forum.
- We also worked with both Houston and Dallas to organize and understand the value of export plans, surrounding the launch of the Exchange. Ultimately, Dallas decided to delay and will apply for the next round. Houston is also considering applying for the second round.

Denver

- We included Denver officials, including Lieutenant Governor Joe Garcia, in GCI México.

Cross-Cutting Interaction

- We met with Congressional delegations from LA, San Diego, and Tampa to discuss GCI-related themes.
- We participated in discussions with the U.S. Conference of Mayors regarding exports strategies and GCI.
- We continued outreach efforts regarding the proposed Regional Exports Accelerator Grant Program.
- The exports web tool we worked to develop with Crowe Horvath, Microsoft, and partners has been designed and will be implemented pending funding.

Exchange

During this reporting period, we launched The Exchange and held its inaugural convening.

In advance of the launch, we refined and distributed the application, one-pager, and other marketing materials. Brad McDearman also led a webinar with the current cohort of export plan metros to inform them of The Exchange launch. JPMC’s Brian Finch participated in this webinar on behalf of JPMC.

After announcing the first cohort of Exchange metropolitan areas— Atlanta; Greenville, S.C.; Indianapolis; Jacksonville, Fla.; Milwaukee; Phoenix; Sacramento, Calif.; and Wichita, Kan—in November, we hosted representatives from those sites and several existing partners for a two-day

working session in December. That event included a comprehensive overarching look at the mechanics of developing a plan, the implementation process, and how these efforts align with federal priorities and current international trade negotiations. Among other activities, we:

- Provided metros with context on the significance of this effort, the framework for their work over the next several years, and briefed the group on our upcoming foreign direct investment research,
- Facilitated opportunities for our existing partners from Minneapolis-Saint Paul, Syracuse, Portland, and Los Angeles to share their experiences developing and implementing their plans.
- Gave metros access to the federal trade and investment landscape, including hosting U.S. Department of Commerce Acting Undersecretary for International Trade Kenneth Hyatt, SelectUSA Executive Director Vinai Thummalapally, and International Trade Administration Executive Director for Export Policy, Promotion, and Strategy Michael Masserman for a panel discussion and networking.
- Worked with our colleagues in Brookings' Global Economy and Development program to provide a briefing on the implications of the ongoing Trans Pacific Partnership and Transatlantic Trade and Investment Partnership negotiations for regional exports efforts.
- Organized a small media lunch with reporters from *The Washington Post*, *Governing*, and Al-Jazeera America to introduce several Exchange metro leaders to a few national reporters. The launch itself was covered by the [*Columbus Dispatch*](#).



Global Cities Initiative Semi-Annual Report Detailing Activities between July 1, 2014 - December 31, 2014

During the second half of 2014, Brookings continued furthering its goals of progress on GCI objectives of producing research, undertaking demonstration projects, replicating best practices, convening catalytic dialogues, and building networks of networking domestic and international metro leaders to promote global connections and competitiveness. Major activities included:

1. Release of new reports analyzing foreign students and goods movement/freight networks;
2. Planning and execution of the Munich GCI study tour;
3. Organization of and participation in domestic roundtables in Philadelphia, Salt Lake, Fresno, and Orange County, CA;
4. Solicitation and selection of the last eight metro areas to join the GCI Exchange in the export planning phase;
5. Completion of all export plan market assessments with the current export cohort, continuing to advance strategy development for release of most final export plans within the first quarter of 2015;
6. Completion of the San Antonio FDI pilot project and release, continued work to finalize the five other FDI plans, and initiation of a new application process for the next metro FDI plan replication cohort;
7. Advancement of the Global Cities Economic Partnership activities with Chicago and Mexico City leaders;
8. Furthering of London and UK core cities collaborations in organizing a working session on export planning and other GCI themes; and
9. Completion GCI event programming for 2015.

Research

Major new Brookings GCI research activity centered on the release of two reports, “The Geography of Foreign Students in U.S. Higher Education” and “Mapping Freight,” the latter of which included a unique interactive tool to illustrate the movement of goods throughout the world. Both reports were complemented with releases of targeted, timely blog posts, webinars and other outreach throughout the second half of the year.

On August 29, Brookings published “[The Geography of Foreign Students in U.S. Higher Education: Origins and Destinations](#)” by Neil Ruiz, a first of its kind analysis of international students at the metropolitan level in the U.S. The analysis included measures of foreign student intensity, fields and degrees of study, country and city of origin, proportions studying for degrees in STEM fields, retention in each metro after graduation, and economic impact. The report also featured examples from select GCI Exchange metros, suggesting ways to leverage the presence of international students for economic development. Findings included:

- The number of foreign students on F-1 visas in U.S. colleges and universities grew dramatically from 110,000 in 2001 to 524,000 in 2012.
- Foreign students are concentrated in U.S. metropolitan areas.
- Most foreign students come from large fast-growing cities in emerging markets.
- Foreign students disproportionately study STEM and business fields.
- Forty-five percent of foreign student graduates extend their visas to work in the same metropolitan area as their college or university.

The report garnered significant national and regional media attention, with coverage in [The Economist](#), [Wall Street Journal](#), [Washington Post](#), [Boston Globe](#), [Chicago Sun-Times](#), [Philly.com \(Inquirer\)](#), [Atlanta Journal Constitution](#), [City Lab from the Atlantic](#), [WGBH News](#), [CareerIndia](#), [Times of India](#), [Knights Blog](#), [CNNMoney](#), [Savannah Morning News](#), [The Indian Express](#), [Saudi-US Trade Group](#), [Ohio Public Radio's The Sound of Ideas](#) and [India West](#). [Time](#) covered the report, highlighting the finding that Mexico is highly underrepresented in the U.S. foreign student population.

To complement these efforts, Brookings used the Avenue blog to continue to promote the report and connections to broader GCI themes, including:

- ["Top 10 Global Hometowns of America's Foreign Students"](#) by Neil Ruiz
- ["Top 5 Places Retaining Foreign Students"](#) by Neil Ruiz
- ["Who Are the Foreign Students Studying in U.S. Higher Ed?"](#) by Neil Ruiz
- ["A Global Role for Universities: Helping Firms Boost Exports"](#) by Owen Washburn and Brad McDearman

An op-ed, co-authored by Mayor Daley and Bruce Katz, was published in [Forbes](#) in late December 2014, coinciding with the President's announcement of executive action immigration reform.

Finally, Brookings led a webinar for GCI Exchange members prior to the report's release. The advance preview of the research created a platform for these audiences to interact directly with Brookings scholars, and further disseminate and apply the information.

On November 6, Brookings released the second installment in its Metro Freight series. ["Mapping Freight: The Highly Concentrated Nature of Goods Trade in the United States"](#) by Adie Tomer and Joseph Kane analyzed the trade networks that link the top 100 metro areas to other regions in the U.S. and around the world, with a focus on specific trading corridors, freight networks with connecting international trading groups, implications for policy and investment, and other related issues. The report featured a unique interactive tool that shows trade flows of all commodities among the 75 largest domestic markets and 25 largest global markets. Findings included:

- The country's 100 largest metropolitan areas drive national goods trade, with more than 80 percent of all goods either starting or ending in these areas.
- Just 10 percent of the country's trade corridors move 79 percent of all goods, the most valuable of which are concentrated in the country's 100 largest metropolitan areas.
- Every region of the country relies on at least one major network hub to move large volumes of goods along different corridors domestically and internationally.
- Metropolitan areas tend to trade more goods with each other when they are located close together, employ a sizable number of logistics workers, and house large populations.

- With over 77 percent of the nation’s freight moving between different states, the United States must establish a more coordinated freight strategy across all levels of the public and private sectors.

Given its scale and complexity, communications efforts for “Mapping Freight” prioritized reaching policymakers and targeted elite media. The report attracted attention from *The New York Times Upshot* in their weekly “[Stuff We Liked](#)” segment, *The Washington Post’s Wonkblog* in “[Name That Data](#),” and *The Houston Chronicle*. The report also received special attention from the prominent urbanism outlets [CityLab](#), [Fast Company’s Co.Exist](#) and [Planetizen](#), along with [Politico’s morning transportation report](#). Even without extensive regional pitching, local business journals and magazines in [Charlotte](#), [Charleston](#), [Indianapolis](#), [Jacksonville](#), [Pittsburgh](#), [Upstate SC](#), and other cities picked up the report, in part due to Exchange metro outreach.

Similar to “Foreign Students, Brookings used the Avenue blog to continue to promote the report and connections to broader themes. The posts included:

- “[What the Top Eight Freight Corridors Tell Us About Trade](#)” by Adie Tomer and Joseph Kane
- “[Place Central to Metropolitan Trade and Freight Investment](#)” by Adie Tomer and Joseph Kane

Through Brookings’s advance work with GCI Exchange metros, [Indianapolis](#) and [Upstate SC](#) issued press releases promoting regional findings and implications.

Forthcoming Reports

Brookings prepared a draft research paper on the German workforce development and manufacturing ecosystems to providing context for delegates participating in the Munich GCI study tour. An updated report, “Skills and Innovation Strategies: Lessons from Germany,” will be released as a practitioners guide, adding best practices and lessons learned from the trip. The latest version is undergoing external review, anticipated for release in the last week of February 2015.

With Brookings’s input and edits, Greg Clark and Tim Moonen completed “Munich: A Globally Fluent Metropolitan Area,” which was featured in the briefing book and at Munich events. Subsequently, it was featured on the Brookings GCI website.

Global MetroMonitor: The 2015 Global MetroMonitor will include an analysis of GDP per capita and employment changes by sector between 2013 and 2014 for the largest 300 metropolitan economies worldwide. After finalizing the data analysis and preliminary findings, Brookings circulated a first draft for internal and external review during the week of November 17. The report is targeted for publication on January 22, 2015, following a week-long embargo period for media and GCI Exchange use. The paper release will be followed by a corresponding blog series currently under development.

Global Profiles: Brookings developed a proposal to produce and disseminate new economic and trade profiles for six international metros, plus a comparative compilation slated for completion by a Global GCI Forum in 2016. The proposal also entails creation of an international database and template for analysis of global metro trade competitiveness and connections and metro-specific report content tailored to issues relevant in the selected regions. The effort will test the potential for an international network of research organizations and economic development practitioners focused on metro-level traded sector efforts. Brookings submitted a detailed staffing plan and project budget for discussion at the quarterly meeting.

Metro FDI Plan Guides: Brookings began to write a practitioner’s guidebook for developing a metro FDI plan. This guide, to be released at the Detroit GCI forum in April 2015, will capture learnings from the metro FDI pilot through a collection of themes that metro areas should think about when developing a global trade and investment plan, illustrated by case studies of companies and select metro areas. In addition, Brookings prepared two supplemental operational guides for the metro FDI pilot on how to develop the FDI market assessment and how to write a comprehensive global trade and investment plan. These drafts will be updated in 2015 for distribution at the Detroit GCI roundtable and the next FDI Exchange cohort.

“Export Nation 2014”: Brookings researchers completed an update of its metro-level export status studies using 2013 data, including analyses of new sources and adjustments to improve the accuracy of estimates. The statistics were shared with the GCI Exchange sites first for their internal use. Brookings will issue a GCI-branded public report using the latest data for both 2013 and 2014 in the first quarter of 2015.

Communications

In addition to promoting these reports, Brookings continued to pursue opportunities to substantively engage with the media, practitioners, policymakers, and influential stakeholders pitching, interviews, commentaries, and other interactions. As described later in this report, many of these opportunities aligned with the ongoing activities related to the GCI Exchange and Forums.

Finally, Brookings and JPMC communications teams met during this reporting period to discuss the GCI communications guidelines, GCI talking points, and 2015 communications focus areas. The meeting aligned both teams’ interests and set a clear path moving forward. With JPMC input, Brookings expects to finalize GCI communications guidelines by the end of January 2015.

Stakeholder Engagement

To expand the impact of GCI research, convenings, and Exchange, Brookings engaged extensively with key public, private, and civic stakeholders. These activities included educating federal officials about GCI themes; providing guidance to regional and state leaders; interacting with practitioners, business leaders, and constituent organizations; fielding inquiries regarding potential future GCI engagements; and following up on past GCI activities. For example:

Federal Engagement: Brookings undertook outreach to various federal agency and congressional policy influencers, including:

- Investing in Manufacturing Communities Partnership (IMCP) Summit / U.S. Department of Commerce – Brookings organized a workshop for 30+ IMCP designees and applicant regions on GCI lessons related to branding, marketing, and leveraging designation status. The session featured panelists and respondents from Portland, Wichita, Seattle, and Milwaukee; other Exchange attendees included representatives from Chicago, Los Angeles, Minneapolis, Indianapolis, San Diego, Phoenix, and Atlanta. Brookings staff also met with attendees from Charlotte, Mobile, and Butte to discuss GCI interests, and participated in a workshop on FDI attraction, with the Organization for International Investment representatives referencing GCI export and FDI projects during remarks.
- U.S. Economic Development Administration – Brookings briefed the new EDA Assistant Secretary and senior staff regarding GCI activities, and potentially leveraging GCI content and site connections in travel, public events, and publications.

- U.S. Department of Commerce – Brookings met with Commerce representatives from the Secretary’s Office, International Trade Administration, Trade Promotion Coordinating Council, and others on how GCI content and themes will fit into their two-year strategic plan. Brookings engaged the Census through data product reforms, as well as ITA on “Look South” initiative implementation. Brookings advised officials on GCI-related issues for a meeting between the Los Angeles Mayor and the Deputy Secretary.
- U.S. Trade Representative – Brookings met with external and intergovernmental affairs representatives regarding USTR interests in leveraging GCI content and site connections in travel, public events, and publications.
- Congressional Outreach – Brookings contacted staff to discuss the FDI data release, including the House Ways Means Committee, Financial Services Committee and Appropriations Committee; and the Senate Finance Committee and Commerce Committee. Brookings included House Ways & Means Committee and Senate Commerce Committee representatives in the FDI cohort meeting. Brookings met with Senator Gillibrand (NY)’s staff on potential export and FDI focused legislative proposals related to GCI themes. Brookings also met with Senator Feinstein’s staff to provide background on GCI activity throughout California. Brookings maintained contact with the Congressional Ports Caucus about trade initiatives and pending legislation.

City Engagement: Brookings interacted with state-level interests to advance alignment with and support for metro export and investment strategies, including:

- Los Angeles – Brookings met in Los Angeles with Mayor Garcetti, his senior staff, and local partners to discuss opportunities to participate in the FDI phase of the GCI Exchange, the US Conference of Mayors’ Trade and the Americas Task Force activities, and the Mayor’s upcoming trip to Korea. Brookings also presented on general economic development topics at the LA Business Council Mayoral Housing, Transportation, and Jobs Summit, mentioning GCI activity.

Site Inquiries: Brookings regularly responded to inquiries from local and state interests about joining future Exchange cohorts, replicating Exchange efforts, or otherwise engaging with GCI, such as:

- | | |
|--------------------------------------|-------------------------|
| • Fresno, CA | • Baltimore, MD |
| • Hampton Roads, VA (Virginia Beach) | • Little Rock, AK |
| • Madison, WI | • St. Louis, MO |
| • Houston, TX | • Kansas City, MO/KS |
| • Dallas - Ft. Worth, TX | • Charlotte, NC |
| • Philadelphia, PA | • Las Vegas, NV |
| • Mobile, AL | • Youngstown-Warren, OH |
| • Richmond, VA | • Dublin, Ireland |

Other Outreach:

- Brookings responded to GCI-related data and research questions from organizations and companies, such as UMass Donahue Institute on assessment of metro-level export data to inform a Massachusetts statewide exporting assessment, and DHL Global Forwarding on metro-level export data and freight mobility analyses.
- For the U.S. Conference of Mayors and National Association of Counties, Brookings connected with staff leads about incorporating GCI themes into their annual conferences in January and March 2015.

- Brookings provided feedback to the Kansas Secretary of Labor and Kansas Secretary of Commerce regarding their global trade and competitiveness agenda, following a GCI presentation to the Governor’s Council of Economic Advisors.
- Brookings responded to queries from the Chicago Council on Global Affairs regarding possible GCI participation in their 2015 international forum on Global Cities.

External Events: Brookings presented on GCI themes at high-profile external events, summits, and conferences, including:

- South Kansas Investing in Manufacturing Communities Partnership’s Leadership Meeting (Marek Gootman -- August 18) presentation at a working session with EDA representatives and local leaders about the fit between GCI efforts and the IMCP grant award, which will contribute some funding toward South Kansas’ export strategy for manufacturing companies;
- Johannesburg (SA) International Municipal Leadership Delegation (Marek Gootman -- August 17) speech to a group of economic development leaders and the Deputy Chair of the Mayoral Committee and Economic Development Committee in Johannesburg about GCI themes and interest in creating a regional export/FDI strategy, as well as U.S. municipal management, finance, governance, and growth models;
- Kansas Governor’s Council of Economic Advisors (Marek Gootman -- August 19): keynote on GCI themes and economic development strategies. The keynote was followed by a roundtable dialogue with the Governor and business councilmembers, plus separate meetings with the Governor and the Secretaries of Commerce, Transportation, and Labor. As a result, the Governor publicly directed the Commerce Secretary to report back on current state spending and suggest reallocations based on GCI growth models. Brookings consulted further with the Secretary in late September;
- International Trade Administration Strategic Partners Summit (Marek Gootman -- September 4) presentation on GCI to about 90 participants from businesses and trade associations with formal collaborations with ITA to increase SME exporting. The event led to 12 requests for follow-up discussions with representatives from transportation, financing, consulting, trade expo, and international chamber interests
- Greater Portland Inc. 7th Annual Economic Summit (Amy Liu -- October 13) keynote speech on GCI, which highlighted Portland’s participation in the Exchange.
- Brisbane Global Café (Alan Berube and Greg Clark -- November 11-16) participation in several panels and a keynote presentation at the Brisbane Global Café, an event hosted by the City of Brisbane to gather thought leaders from around the world in the areas of entrepreneurship and digital, life sciences, low emissions economies, food futures and tourism prior to the 2014 G20 Leaders Summit. Alan Berube also met with the vice chair of JPMorgan for Asia, Jing Ulrich, who spoke on several panels at the event, as well as many other global trade and industry experts who will be helpful additions to the GCI network. Greg Clark chaired the “Cities of the Future”, panel which focused on competitive middleweight cities that are using creative industries to launch themselves into the global economy.
- **Politico What Works Summit (Bruce Katz – December 3) moderated panel sponsored by JPMorgan Chase that focused on urban innovation and economic development topics.**

Convenings

In the second half of 2014, Brookings and JPMorgan Chase planned and executed the Munich GCI study tour, and organized and/or participated in three domestic GCI roundtables. All four of these

activities entailed major efforts around planning, logistics, and content development to catalyze high-level discussions and advance specific local actions.

Munich GCI: During the third week of November, Brookings brought 40 business, civic and government leaders from across the U.S., as well as 20 staffers from Brookings and JPMorgan Chase, to Munich and Nuremberg for a three-day study tour. The purpose of the trip was to learn and share best practices to support advanced industries through investments in skills and innovation.

The trip featured:

- reception at the Munich City Hall hosted by Lord Mayor Dieter Reiter
- tour of Siemens's factory and training center in Nuremberg
- reception at Siemens's headquarters, featuring U.S. Ambassador to Germany John Emerson and Louisville Mayor Greg Fischer
- roundtables and tours at two mid-sized companies (Seidenader and ESG) to discuss best practices in workforce and innovation, and
- tour and reception at BMW's global headquarters.

Prior to the study tour, Brookings provided all participants with briefing materials, including an overview presentation from Bruce Katz, the framing paper on German skills and innovation systems, and case study on "Munich: A Globally Fluent Metropolitan Area." Following the study tour, Brookings prepared a comprehensive [trip overview](#) to capture trip descriptions, blog posts, presentations, photos, and tweets.

The study tour received strong media coverage. [CNBC Europe](#) mentioned the Global Cities Initiative in their interview with JPMC Senior Country Officer, Martin Weismann. [San Diego Business Journal](#) wrote a piece on San Diego's participation in the learning tour. In addition, two German outlets, [Nuernberg Nachrichten](#) and [Handelsblatt](#), wrote about the delegation tour of the Siemens factory and the welcome reception at City Hall, respectively.

In addition, Brookings used the Avenue blog to promote the study tour, totaling several hundred views:

- [The Secrets of Munich's Success](#) by Joseph Parilla and Alan Berube
- [Nuremberg and Munich Lead German Economic Growth in 2014](#) by Joseph Parilla and Alan Berube
- [Training a Next-Generation Workforce in Nuremberg](#) by Joseph Parilla and Alan Berube
- [Talking Innovation in Munich: An Exchange](#) by Mark Muro
- [Importing the German Approach to Career Building](#) by Amy Liu

Domestic Roundtables

- Philadelphia (October 14) – Organized by the Greater Philadelphia Economy League and the World Trade Center, about 45 representatives from the state, the mayor's office, regional economic development groups, universities, and philanthropy gathered to discuss what an export strategy for Philadelphia would look like and their potential participation in the Exchange.

- Fresno (October 17) – At this roundtable organized by the Mayor’s office and the Regional Chamber Brookings and JPMorgan Chase briefed the group on GCI and Exchange opportunities and visited a local agricultural business, a water technology incubator, and Fresno State University Economic Development leads.
- Salt Lake City (November 14) – Brookings and JPMorgan Chase represented GCI at this roundtable conversation with city and state officials, which focused on Salt Lake City’s economic performance and how it can be enhanced through exports and FDI. The JPMorgan Chase market lead for the Northwest region was also in attendance. The event helped to drum up excitement amongst participants for their application to be part of the final Exchange cohort.
- Orange County (November 20) – Brookings Non-Resident Senior Fellow, Francisco Sanchez, represented Brookings at a roundtable discussion hosted by the Orange County Business Council and spoke on themes of global fluency with examples from the GCI Exchange metros.

Forthcoming Convenings

Domestic Forums: Brookings and JPMC agreed on the cities and dates for all 2015 domestic forums:

- Indianapolis (February 18-19) –The GCI forum for Indianapolis will coincide with the first working session of the final GCI Exchange export cohort. A private roundtable will preview the launch of Metro Indy’s Export Plan. The public forum, featuring Mayor Gregory A. Ballard, will focus on the export plan release, with messaging connected into reshaping the five-year regional economic development strategic planning effort underway, particularly emphasizing a shift to emphasize traded sectors, workforce needs, and global competitiveness. Several GCI Exchange participants will contribute to the roundtable and public forum to inform and validate that agenda.
- Detroit (April 21-22) –The Detroit Economic Club will host the GCI forum for Detroit, centered on development of a Detroit FDI plan. The event will begin with a private roundtable for those local stakeholders that will be involved in the FDI planning process, featuring new research on the Detroit FDI profile. The public forum will showcase lessons learned from the metro FDI pilots with a national expert panel, followed by a Detroit-specific discussion among local business, civic, and government leaders about application of that information to action.
- Salt Lake (June 10-12) – Brookings began internal planning discussions with Salt Lake counterparts regarding potential content, likely featuring release of the export market assessment findings. *[note that dates have changed to July 20-22, to coincide with the second export plan cohort meeting]*
- D.C. (September 29-30) – Brookings initiated preliminary contacts with some regional stakeholder groups, anticipating a general information session on GCI learnings and implications for leveraging global connections toward economic diversification. *[note that dates have changed to November 2-5 range, to accommodate involvement of David Rubenstein]*

Global Forum: After reassessing options for an Asia-Pacific focus in 2015, Brookings recommended involvement in two activities:

- Asia Pacific Cities Summit, and Sydney (July 5-8) – Brookings proposed to organize a GCI-branded plenary and workshop track at the Asia Pacific Cities Summit and Mayor’s Forum (APCS), a premier biennial conference for international city networks and business relationships, to be held in Brisbane, Australia. The summit offers an opportunity to present

GCI themes and strategies to about 1,000 government, business, and civic sector leaders from more than 100 Asia Pacific cities, and enable interested U.S. delegations from the Exchange to participate and interact with counterparts. The private APCS Mayors' Forum on the third day ensures GCI content and GCX leaders will be featured with about 70 Asia-Pacific mayors and deputy mayors in an information-sharing session, facilitated by Brookings Nonresident Fellow Greg Clark, followed by release of a Mayors' Accord that references GCI. The trip would include a potential stopover in Sydney for an event with a local partner, where interested Exchange participants already attending APCS can share their experience with Sydney stakeholders and make additional business connections.

- Singapore (November 12) – Given the JPMC commitment to a GCI activity in Singapore during fall 2015 and the JPMC-sponsored Asia Society Event around the same time, Brookings suggested including a GCI speaker as part of a panel during the Asia Society session, consistent with other international roundtables.

London Mayor Johnson's Visit: Responding to contacts from London seeking advice on the Mayor's upcoming U.S. trade mission in February, Brookings offered to host the mayor for a public event. As a result, Brookings will hold a GCI-branded dialogue between London Mayor Johnson and San Diego Mayor Faulconer on "Governing Global Cities" to be moderated by Bruce Katz with opening remarks from Peter Scher.

2016 National Summit: Following several rounds of staff edits, a small group from Brookings and JPMC met to discuss the latest draft of the 2016 National Summit Work Plan. The group agreed upon the outlined goals, measures of success, and a 2015 workplan that was presented at the December 15 quarterly meeting.

GCI Exchange

Brookings continued to make significant progress on the following Exchange activities:

- hosting the second working session for the metro FDI pilot (September 2014),
- working with the current Exchange export and FDI pilot metros to finalize their plans,
- soliciting and selecting the next export plan cohort, thus reaching the goal of 28 metros in the GCI Exchange network,
- preparing and releasing the application for the next FDI plan cohort,
- planning and executing next steps in the Global Cities Economic Partnership between Chicago and Mexico City, including a reverse business trip to Mexico City (Spring-Summer 2015), and
- planning a workshop on export planning and other GCI issues for U.K. city-regions and U.S. Exchange metros.

As mentioned above, Brookings worked with Exchange partners to develop and approve press releases, formal announcements, and other communications materials to maximize media coverage for key milestones.

Foreign Direct Investment Pilot: In September, Brookings convened the FDI pilot metros for a second two-day working session in Washington DC. At the session, metro teams presented the key findings from their market assessments, as well as their preliminary goals, objectives and strategies, for peer feedback and insight. Teams also learned how to develop a clear workplan for writing and championing their trade and investment plan, discussed the best metrics for tracking their plan's implementation, and heard from policy and practice experts involved in FDI. Materials from the working session were subsequently made available to participants [online](#).

Following the working session, Brookings continued to engage closely with the FDI pilot metros to provide feedback, guidance, and advice as they reached the milestones towards the completion of their plans:

- San Antonio released its final plan “San Antonio Trade and Investment Strategy 2015” in December at an event that included remarks from Brad McDearman.
- Seattle will release its final plan on January 15 at the Economic Development Council of Seattle and King County’s 43rd Annual Economic Forecast Conference, which will feature Amy Liu as the keynote speaker.
- San Diego will release its final plan on March 11 at a public event following the San Diego Economic Development Corporation board meeting, which will feature Bruce Katz.
- The remaining FDI pilot teams (Columbus, Minneapolis-St. Paul, and Portland) will release their plans in the first quarter of 2015.

Metro Export Plan Cohort: Following their second working session in Phoenix, Brookings continued to engage closely with export planning metros through conference calls, webinars, and one-on-one consultations to provide feedback, guidance, and advice as they reached the milestones towards the completion of their plans. In addition, Brookings developed communications guidelines and template press releases for those Exchange metros preparing to release their export plans in late 2014-early 2015.

- Brookings consulted with World Business Chicago, Cook County, and other stakeholders on updates to their operational development and public launch of the regional export accelerator effort in late September 2014.
- Jacksonville released their final market assessment in December 2014.
- Indianapolis will release its final export plan on February 19, 2015, at the Indianapolis GCI Forum.
- The other cohort metros (Atlanta, Milwaukee, Phoenix, Sacramento, Upstate SC, Wichita) will release their plans in the first quarter of 2015.

Next Export and FDI Plan Cohorts: Brookings undertook outreach and solicited applications for the final Exchange cohort that will develop a metropolitan export plan, responding to questions and requests for guidance from several metros. A total of 12 metro areas applied and were narrowed down to the following 8 metros: Baltimore, MD; Fresno, CA; Houston, TX; Kansas City, MO-KS; Philadelphia, PA; Salt Lake County, UT; Seattle, WA (currently in the FDI pilot). The selected metro areas were notified at the end of December. This group reaches the total of 28 metropolitan areas, thus meeting the original network goal.

After the selected metro areas were notified, the Brookings and JPMC communications teams developed a plan to help selected metros to publically announce their participation in the Exchange in early January 2015. Selected metros were provided with template press releases for their regional announcements.

In November, Brookings completed a new application and invited 14 current GCI Exchange metros to submit for the next cohort that will develop metro FDI plans. Final applications are due in mid-January 2015, and selected metros will be notified in February 2015. Thus far, metros indicating they intend to apply include Atlanta, Chicago, Des Moines, Indianapolis, Los Angeles, Louisville-Lexington, Milwaukee, Syracuse, Upstate SC, and Wichita.

Global Cities Economic Partnership: Following the May 2014, Mexico City delegation visit to Chicago, Brookings began working closely with Chicago and Mexico City officials to advance a

reverse business trip to Mexico City in 2015. Brookings drafted a proposal workplan for the trip that would focus on (1) promotion of trade, foreign direct investment (FDI), and exchange of human capital through business-to-business meetings, centered on IT and advanced manufacturing sectors, and (2) launch of a new public-private Mexico City economic development organization. The proposal was reviewed and approved by both World Business Chicago and the Mexico City Office of Economic Development. As a next step, WBC will assign the newly-hired lead for their metro export initiative (slated to begin work in January 2015) to further define and implement the trip.

Other specific progress since the Chicago trip includes:

- In November, Startup Mexico and 1871 announced a three-year partnership through which the two tech start-up incubators would share resources and benefits, and foster entrepreneur connections. [The Chicago Tribune](#) highlighted GCI's role in enabling this partnership.
- Mexico City's regional economic development plan continued to work with the McKinsey team completing a best practice review of plans from around the world. McKinsey identified Singapore as a helpful model and partnered with their Singapore office and lead writer of that plan to support the Mexico City effort. A final product reflecting the Chicago and Singapore approaches will be finished for launch in 2015.
- Brookings facilitated a request to Mexico City Mayor Miguel Mancera for a written interview that was included in a booklet highlighting JPMorgan Chase Corporate Responsibility initiatives in Latin America. The interview was distributed broadly after the International Council meeting in Mexico City in October.

London / UK GCI Project: Brookings engaged with JPMC, Centre for London, Greater London Authority, and other stakeholders to undertake a working session about export planning and other GCI themes for UK city-regions and GCI Exchange metros. Scheduled for February 26-27, the session will focus on: (1) sharing the US export planning model, strategies, and outcomes with UK regions, as well as early UK experience; (2) connecting UK metros and US GCI Exchange counterparts for longer-term economic linkages around common industry sectors; and (3) facilitating UK city action on devolution of economic development competencies. Brookings collaborated on content development, structure, supplemental research options, background material compilations, and media strategies. In addition, Brookings began to identify and engage relevant US GCI Exchange metro areas for participation.

Big Picture Objective (for 2014-2015 programming):

- To strengthen the base of core GCI activities while simultaneously experimenting with new partnership activities and looking ahead to the endgame for 2016

Goals of the Meeting

1. Agree on what success looks like in 2016. *What impact do we want to have achieved? What do we want the media to say about what we did?*
2. Identify and agree on the key strategies required to get us there, including global expansion through international roundtables between now and 2016.
 - a. *Share what we learned in Cannes and begin to forecast our vision for a "T40" like network. (understanding that JP may decide this won't be their goal, but it is good for them to understand what we are thinking and where we'd like to be headed as a Program)*
3. Make decisions on the following:
 - b. Chicago summit in 2016 (culminating event)
 - c. London export plan as second international GCX engagement (there is a possibility that JP doesn't understand that the work of creating an export plan is not a GCEP like Chicago/MC, so we need to be clear on this point in this meeting)
 - d. Yes/no on Seoul as the global forum site for 2015, and if no, what is the next global metro to focus on.

Progress toward Outcomes

1. Outcome: *There are dozens of U.S. metros taking leadership on trade as a key source of economic growth, acting in line with business today and delivering results.*
Progress:
 - We've defined a new paradigm for economic development through original research and numerous new publications, which have been cited in approximately 400 media clips since 2012.
2. Outcome: *Federal and state leaders, as well as public/private sector entities, recognize the importance of U.S. metros and metro leaders in advancing global economic growth.*
Progress:
 - While this is clearly an opportunity area, our events, which in part target these audiences, have yielded 100+ media hits, with 97% of them referencing GCI and 90% referencing JPMorgan; by the end of this year, we will have held events in 13 domestic markets and 9 international markets.
3. Outcome: *An informal network of U.S. and international cities emerges, one interested in partnering together to advance global trade and commerce.*
Progress:
 - With the launch of the Exchange last year, the network has been formally established.
 - There are 12 metros actively involved in designing export plans with eight more in the pipeline; six metros will produce FDI plans this year.
 - More needs to be done to:

- o Connect JPMC banking services/expertise to successes in Exchange cities
 - o Help U.S. metros understand the resources available from JPMC commercial bank
 - o Align JPMC philanthropic investments to ensure plans succeed (e.g. Louisville)
- Several international metros are also forging global engagement strategies, and we are actively working with Mexico City on its Global Cities Economic Partnership with Chicago. We are also interested in working with London on their regional export plan.

Statement from Peter Scher, chairman of the Washington, D.C. region, and head of corporate responsibility, JPMorgan Chase & Co

Overall Summary Quote

PETER: *We have a lot of economic challenges in this country. The private sector needs to be part of solving them. Corporations should be doing more of these types of initiatives.*

1. Is the Global Cities Initiative a branding exercise for JPMC and Brookings?

PETER: *This was about growing the economy and we are incredibly proud of the results of this initiative. We believe it's had a huge impact in more than 30 cities that are involved, and we look for ways to promote its impact so that more organizations are aware and can benefit from it.*

2. Where does the money for GCI come from – the Foundation or Corporate?

PETER: *All philanthropic contributions that go to Brookings for the Global Cities Initiative are paid by the corporation.*

BACKGROUND FROM JPMC: *The firm makes charitable contributions both directly and through its corporate foundation. The firm receives the same charitable tax deduction through either approach. We receive the same level of tax deduction whether the bank gives directly to a charitable organization or gives it to our foundation. The decision to fund from the bank or the foundation is based on practical considerations such as budget and timing of grants. Irrespective of whether the money is from the bank or directly through the foundation, the firm's charitable contributions are made in compliance with the Internal Revenue Code and applicable Treasury regulations.*

3. Is JPMC essentially paying Brookings for a reputational benefit?

PETER: *This was about growing the economy, and if the Global Cities Initiative strengthens the economic competitiveness of cities, it's a win for small businesses, job creation and everyone involved in these communities, including us.*

4. What is our role in city selection?

BACKGROUND FROM JPMC: *Brookings selects the cities. Of the 37 metro regions that the Global Cities Initiative has engaged, seven are locations where we have little or no presence. Ten markets are metros that Brookings had already engaged with prior to our support. We informed Brookings on the cities where we had the capacity to help support logistics needs, including the development of events.*

BROOKINGS RESPONSE:

QUESTION SEVEN AND QUESTION EIGHT: *The GCX cities selection matrix, (Chase Documents, page 56) is another of many documents that shows how JPMorgan's market priorities were a factor in selecting the cities where GCI was set up. Salt Lake City, for example, was added as a city after not being included in the original list after this matrix listed it as a JPMC Priority Market. Or when JPMorgan wanted some academic work it could pass out at events in Detroit, it simply amended the contract with Brookings, giving more money, and getting work for its planned Detroit events (Chase Documents page 115) What does this say about the integrity of the program?*

JPMorgan, from the start of conversations about GCI, made clear in a number of documents as the donation was being discussed that it saw the partnership with Brookings as a way to position itself as a "the major financial institution that has the capacity and leadership to grow US cities, (Chase Documents Page 2), and it listed the Lines of Business that it hoped could benefit from the partnership. A communications plan (Chase Documents Page 64) also talks about how the GCI will help elevate the brand of both Brookings and Chase. And (Page 65), that the program will position JPMorgan "as a resource on how the global economy can be

revitalized,” and how it would perhaps create “speaking opportunities” for JPMorgan executives at high profile events (Page 67).

The JPMorgan Chase documents also demonstrate how JPMorgan’s market priorities shape your work at the Metropolitan Policy Program, in terms of which cities are selected for the GCI, and where you hold events. For example, there is a specific reference to how JPMorgan sees San Diego as a “very important market” (CHASE DOCUMENTS PAGE 16), and it wanted Brookings to organize events on the ground there as part of the kickoff, as Brookings then agreed to do, even though such events were not previously planned. The schedule for San Diego then includes this language:

SD Private Dinner – Wednesday, March 21, 2012

Goal:

- Allow off-the-record dialogue and networking with San Diego Mayor Jerry Sanders, surrounding key business leaders, key JPMC bankers/clients

Invitation lists, which we also have, show that many JPMorgan Chase executives were then invited to these and similar events, with the bills for these gatherings paid for by JPMorgan, including airfare for Brookings staff. But it was Brookings’ presence that helped JPMorgan Chase gather such a high level group of business executives and government officials, in each of these locations, while Brookings worked to make sure that various Chase executives (Chase Documents Page 53) in charge of lending or public finance were included in events in their particular market areas.

You also provide regular updates on how many times news media mentioned JPMorgan Chase—like a public relations firm would—as part of your proof that the donation was worth the cost, (Page 110, among others).

The Oct. 2011 signed agreement says that Brookings is not going to play a role, directly or indirectly in helping Chase win public finance business. (Chase Documents page 12)

But taken together, the GCI—clearly an effort created to help cities expand their economies—also looks at times, at least in part, like a marketing, public relations, business development and government relations effort for JPMorgan Chase, facilitated for a large fee by Brookings. In short, this relationship has tangible and frequently reported by Brookings benefits for JPMorgan Chase—a return on its investment that benefited Chase specifically, and not just cities or lenders nationwide. Is this appropriate?

BROOKINGS RESPONSE:

These assertions misunderstand and/or misconstrue the goals of the Global Cities Initiative and the structure of this endeavor between Brookings Metro and JPMorgan Chase. It is important to understand that Brookings is the driver on the research, project design, city engagements and outreach. On all issues related to the project, Brookings retains the final say.

- The Global Cities Initiative is part of JPMorgan Chase’s Corporate Social Responsibility program. GCI is one of a number of their grants and initiatives to better local communities. JPMC may have benefited from its collaboration with Brookings by raising its profile as a good corporate citizen, but JPMC did not interfere with Brookings research, decide on cities, or promote their lines of business.
- GCI is designed to assist in the achievement of the economic objectives of local and regional communities.
 - Brookings conceived GCI to help metropolitan areas grow their economies through exports, foreign direct investment and global engagement. Using research, forums, and peer-to-peer learning, GCI has catalyzed the adoption of global trade strategies in more than two-dozen American metro areas. For many U.S. cities, GCI is a sought-after resource because it is viewed as an economic game changer – a clear public good.
 - The GCI strategies that these cities and metro areas are adopting, such as small business outreach, freight and logistics modernization, and collaborations with international business schools to tap talent and business counseling, are not focused on or designed to benefit any financial institution’s for-profit agenda, including JPMC.
 - **GCI is an outgrowth of work at Brookings Metro that pre-dated JPMC involvement.** Brookings had conducted research about the importance of exports as a source of economic growth for U.S. metropolitan areas in the wake of the Great Recession. With support from the Rockefeller Foundation, Brookings launched export-planning efforts in 12 U.S. metro areas. JPMC’s gift enabled Brookings to scale up its work, deepen and broaden its research, and extend its outreach and impact in cities across the United States.

RE: SELECTION OF CITIES FOR GCI

- Brookings Metro chooses and controls city participation in the Global Cities Initiative based primarily on local impact—the extent to which leaders in the city or metro area embrace the research findings and express interest in following up with local initiatives.
- JPMC’s designation of certain metros as “priority markets” is a consideration in that process, if JPMC’s presence supports local impact through their leadership in the community and support for the regional forums.
- Brookings—not JPMC—controls the city selection process in the 28-metro Global Cities Exchange (GCX).
 - The Global Cities Exchange is a peer-to-peer learning network. Participating metros develop regional export and FDI plans using data and advice from Brookings Metro.
 - Selection for the GCX is a competitive process run independently by Brookings Metro that requires each metro to complete a detailed application.²³
 - **JPMC has no role in receiving, reviewing, or evaluating applications.**
 - **Brookings selects winning applications using specific, rigorous criteria that demonstrate “commitment, readiness, and capacity” to effectively execute global trade strategies.²⁴ Brookings also considers the importance of geographic location, size, and economic diversity in the network.**
 - JPMC presence is not among the criteria. However, in cases where all other criteria have been met, Brookings does consider the potential of a JPMC presence as a local advantage. (e.g. Houston leaders named a JPMC market president to their local steering committee because the executive was chair of the Greater Houston Partnership, a leading civic organization.)
 - As part of the application process, Brookings actively encourages city applicants to include private sector participation in steering committees and core teams given the private sector’s role in exports. In some cases, private sector participation includes representatives from other financial institutions that are JPMC competitors. For instance:
 - In Sacramento, a Bank of America representative chaired the export planning steering committee.

²³ See Global Cities Exchange Application, September 2013; and Global Cities Initiative: Exchange - Metro FDI Plan Application, November 2015.

²⁴ Criteria include: clear rationale for participation; fit within an existing regional plan or efforts; clear organizational leads and capabilities; identified members of a core working group; definitive commitments by high-level government, civic, and business leaders as supporters and/or members of a steering committee.

- In Phoenix, the project funders and steering committee members included Alliance Bank and BBVA Compass, as well as JPMC.
- **The final set of GCX sites demonstrates that JPMC preferences were not a prerequisite for selection. Of the 28 metro areas in the Global Cities Exchange, one-third are not JPMC priorities:**
 - Nine are not markets that were labeled as JPMC priorities, and some of those have no JPMC presence whatsoever.
 - Nine other GCX metros are markets where Brookings Metro had engaged in helping promote exports and economic development prior to JPMC support (Chicago, Columbus, Los Angeles, Louisville, Phoenix, Portland, San Diego, Seattle, and Syracuse).
 - In all cases, Brookings actively encourages GCX metros to assemble the strongest steering committees and core teams to ensure the long-term success of the project. There is no requirement for, or expectation of, JPMC representation on the steering committees or core teams regardless of whether it is a JPMC “priority market.”
- Finally, Brookings makes the plans, data and planning tools, and lessons from the Global Cities Exchange publicly available so that any metro area can also benefit. These resources can be found at: www.brookings.edu/gci/exchange.

Re: Salt Lake City:

- **The assertion that Salt Lake City was considered on the basis of JPMC’s interest is factually incorrect.**
- The Salt Lake City metropolitan area, including Salt Lake County, was under consideration by Brookings for engagement before the GCI MOU was even signed.²⁵
- From the start, Salt Lake City regularly appeared on Brookings-generated lists of potential cities for participation in GCI because of geographic diversity and our long familiarity with the leaders and local priorities there.
- Like many cities, Salt Lake registered its own interest in being involved with Brookings Metro’s work as early as 2011, with the Economic Development Director

²⁵ Email from Salt Lake City official to Bruce Katz on October 21, 2011 “I’ve just learned about ...the Global Cities Initiative. Global trade and engagement is an important component of Salt Lake City’s economic development efforts. We would like to become involved and participate as you develop your plans for the initiative. ...We are very much interested in participating in GCI and wish to be considered as a location for one of the planned conferences.”

proactively sending a note requesting participation after learning of the launch of GCI.

- Mayor McAdams reached out to Brookings in 2013, immediately after his election to explore ways to engage with Brookings. That deep local interest is the reason why Brookings invited Salt Lake City to apply for the Global Cities Exchange.

Re: Detroit

- Contrary to Mr. Lipton's assertion, Brookings agreed to undertake Detroit GCI research and dissemination after the Mayor's Office, the Detroit Economic Growth Corporation, and the Detroit Chamber of Commerce demonstrated their interest in acting on foreign investment and trade opportunities as part of their economic revitalization agenda.
- The research undertaken responded both to local Detroit interests and an independent Brookings assessment of what was needed to advance foreign direct investment in a city struggling to emerge from the Great Recession.
- Adding resources to cover an expanding scope of work is common in any funder relationship and is not unique to JPMorgan Chase.
- The contract amendment and additional funding was for specific analysis on foreign direct investment in Detroit and a public forum and leadership roundtable that were not funded under the original GCI proposal.
- Brookings Metro's deep engagement with Detroit dates back more than a decade--at least five years before GCI was even contemplated--with support from the Kresge Foundation, Mott Foundation, and others.

Re: San Diego:

- The information on San Diego is incorrect and misinterpreted.
- As our records show, Brookings—not JPMC—wanted to add the roundtable session in San Diego after the Los Angeles forum where GCI was launched in 2012.²⁶
- Brookings has a long history of advising and learning from the leaders in San Diego, given that region's leadership in tech-based innovation, university-industry partnerships, and entrepreneurship.²⁷

²⁶ Email from Brookings employee to JP employee dated 11/22/11: "I think San Diego is weighty enough to stand on its own, and will be tough to engage adequately in an LA-centric event. Also, I talked with the Mayor's office about a first quarter economic summit several weeks back and this might fit their idea as well so that they would take more leadership in organizing for big impact."

- The original idea for the GCI launch in Los Angeles was to include significant participation by San Diego, but Brookings determined that was not feasible given the regional differences and geographic distance.
- The specific phrase that San Diego is a “very important market” was written by Brookings, not by JPMC.²⁸ San Diego is an important city because it is a bi-national region, with shared industries and infrastructure with Tijuana.
- Brookings organized the roundtable with three local economic development organizations, all of which Brookings independently worked with prior to GCI.²⁹ These groups contributed to the development of the agenda, identified participants, extended invitations and co-hosted the session.

Re: “Positioning” JPMC

- The quotation about JPMC “positioning” itself comes from notes taken during the first meeting between Brookings and JPMC, which took place three months before the gift agreement and MOU were signed establishing GCI (October 2011 and January 2012, respectively). None of this language can be found in either agreement³⁰, nor can it be found in the GCI Work Plan.³¹
- A PowerPoint prepared by JPMC for Brookings dated September 12, 2011 – also predating the gift agreement and MOU establishing the Initiative – included language about JPMC’s lines of business. This document was provided as a way to introduce JPMC to Brookings Metro. There is no reference to JPMC’s lines of business in the Brookings-JPMC MOU establishing the joint project, nor in the GCI Work Plan.

²⁷ The “Rationale for the San Diego Roundtable” (March 22, 2012) document demonstrates San Diego’s importance to Brookings.

²⁸ See: Draft event schedule from 11/21/11 stating on page 2 that “we (Brookings) have not broached this extra day w/ JPMC yet,” clearly indicating that Brookings was advancing the concept of a San Diego session; Updated draft event schedule from 11/30/11 stating on page 2 “NOTES RE: SAN DIEGO -- JPMC is intrigued with the idea of doing a separate event/s in San Diego, they did bring up budget issues. We think this can be done in a lower key, smaller way that will not break the budget. The upside of giving San Diego the individual attention they deserve is worth the extra cost. JPMC does consider San Diego a very important market”

²⁹ These groups included: Office of the Mayor, San Diego Economic Development Corporation, San Diego Chamber of Commerce

³⁰ The Brookings Institution and JPMorgan Chase Gift Agreement, October 20, 2011

³¹ The GCI Workplan: An Integrated Strategy for Enhancing the Competitiveness of U.S. Cities and Metros in the Global Economy, February 2012

- The GCI Communications and Engagement Plan from 2013 is “a working document” and puts forth four goals, one of which includes elevating both the Brookings Metro Program and JPMorgan Chase³²
 - One of the related strategies includes seeking high profile speaking engagements “to impart both the theory behind and evidence of GCI’s information, ideas, and action proposals to key audiences.”
 - **The purpose of these strategies was to promote GCI, not JPMC’s business or bottom line.**
- **In addition to the Communications and Engagement Plan, Brookings produced GCI branding and communications guidelines and GCI communications policies specifically to protect the independence of the project and ensure GCI products were accurately and appropriately positioned in the media.** Sample guidance includes:
 - “JPMorgan Chase advertising about GCI can promote GCI but not JPMorgan Chase. For example, JPMorgan Chase can run ads that use the GCI logo, but the ads cannot also use the JPMorgan Chase name or logo except to communicate that JPMorgan Chase paid for the ad or that JPMorgan Chase funds GCI.”
 - Brookings cannot include quotes from JPMorgan Chase employees or representatives in press releases about research.

QUESTION NINE: *I have included copies we were provided by our sources—as recently as this month—on some of your internal policies, as well as your ongoing strategic planning effort. (Brookings Policies) Do any of the issues we raise in these questions or in the documents lead you to conclude that you should review your policies again regarding relationships with donors? Or do you believe you would do everything just the way you did it, in all these cases.*

BROOKINGS RESPONSE:

We review and evaluate our policies, practices, and rules on an ongoing basis. In fact, since the documents you procured were written, we have continued to clarify and further refine our policies and practices —and will continue to do so—to maximize our ability to fulfill our mission of serving the public good while maintaining the independence of our scholars and of the Institution as a whole.

³² The exact wording is: “Elevate and brand the Brookings Institution Metropolitan Policy Program and JPMorgan Chase as institutional sources of information and expertise on how cities can make the global connections to thrive in the global economy, both in the U.S. and in targeted international markets.”

Memo

To: Eric Lipton, New York Times
From: David Nassar, The Brookings Institution
Re: Response to the latest batch of Brookings documents
Date: July 5, 2016

In March you shared a number of Brookings documents with JPMC. Seven of those documents were not previously shared with Brookings. We have reviewed them. Similar to the other documents you provided us, we believe that you may be inaccurately identifying some of the documents or misunderstanding them. More context to help you more accurately understand these documents, is found below.

Doc 3— London Strategy Session Summary and Key Takeaways from Meetings in London, UK. December 18-20, 2011

You are conflating the terms “market potential” and “JPMC market needs.” They are separated by a semi-colon like the eight other *possible* criteria in the list because they are distinct.

“**Market potential**” is a term used by Brookings Metro for all our pilot projects: “market” refers to the relevant geography (locality, region or state), and “potential” refers to the capacity and likelihood for success in advancing our content. So this refers to internal Metro Program assessments of those regions, and has nothing to do with any JPMC business “market,” or interests.

“**JPMC market needs**” is a term referenced in informal meeting notes but these notes clearly say – “These criteria *could include*” and *NOT “will include.”* I imagine that *many* ideas are discussed at the New York Times but most are ultimately not acted on for any number of reasons. No organization should be held accountable for ideas generated in brainstorming sessions that are not part of the ultimate book of business. This program should be evaluated based on what we actually did, and we did not choose markets in order to benefit JPMC. .

Doc 4— GCI Brookings and JPMorgan Delegation (For Los Angeles Kickoff event)

You appear to imply that there is something inappropriate about inviting 15 JP executives and employees to the public kickoff event for GCI in Los Angeles.

More than 200 people attended this event, and more than 750 were invited by local organizations (e.g. Los Angeles Chamber of Commerce, USC, etc.). Of the JPMC staff that attended, five were leads on GCI and one was a logistics person.

Doc 8— (2013) GCI in Europe and Asia 2014 to 2017

This is not a Brookings document.

Doc 10— The International Global Cities Exchange: Engaging International Metros

This proposal was never executed nor implemented. The things you have underlined in the document include the type of language that we've already asserted is about elevating GCI, and not promoting JPMC. The proposal merely suggested that we need on the ground leaders in all sectors to have successful implementation of the work and to develop economic prosperity in cities.

Doc 12— GCI Mexico: Additional Briefing Notes on Select Attendees (Invite List)

This list simply provides context for Brookings attendees at the Mexico City event. It is intended to explain who the JPMC people are and how they relate to, oversee, or support different aspects of the very broad GCI project. As the document notes, there were many other people on the delegation besides JPMC executives.

Doc 13— GCI Bi-Weekly Digest February 27, 2014

Brookings was talking to Glover Park to set ground rules for Bruce Katz's involvement with the "What Works" series. Bruce participated in it because it was disseminating GCI ideas and learning. Bruce talked about GCI-related research findings and did not promote JPMC or its business interests in any way.

Doc 15— Global Roundtable Proposal

Similar to Doc 3, this proposal was also never executed nor implemented. Likewise, the sections you have underlined refer only to JPMC's ability to provide logistical support.

BROOKINGS

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July 29, 2010

Metropolitan Policy Program

Kofi Bonner
Executive Vice President, Lennar Urban
Lennar Corporation
1 California Street
San Francisco, CA 94111-5401

Christian Marlin
Deputy General Counsel
Lennar Corporation
700 NW 107th Avenue, Suite 400
Miami, Florida 33172

Dear Kofi and Christian:

I am extremely pleased with Lennar's commitment to join the Metropolitan Policy Program's Leadership Council. I am very grateful for your support, and I believe that your leadership and expertise will greatly enhance this initiative. As a member of the Metropolitan Leadership Council, you will advise and support the design and development of our work to advance systemic reforms that empower metropolitan areas to compete and prosper in the new century.

To give you further background on the benefits of joining the Met Council, please see the attached document, which also includes a list of other current members. Additionally, Carrie Kolasky, Metro's Director of Development, would be happy to speak with you further about the ways in which we can tailor your membership to best fit the needs of Lennar, so that this can become a productive, mutually beneficial relationship. If you have any questions regarding the Met Council, please do not hesitate to contact Carrie at (202) 797-6418 or ckolasky@brookings.edu.

Also, I would like to extend an invitation to our next Met Council strategy session to be held in New York City on the evening of October 26th, and on October 27th, from 8:00 a.m. to 3:00 p.m. (locations to be determined). These strategy sessions allow us the chance to hear from the Met Council and obtain valuable feedback on our message and approach. We will be in touch with additional information.

Thank you again for your support. It is a pleasure to have you as a member of the Metropolitan Policy Program Leadership Council, and I look forward to our future collaboration.

Sincerely,

Bruce Katz
Vice President and Director
Brookings Metropolitan Policy Program

BROOKINGS

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Metropolitan Policy
Program

September 13, 2010

Kofi Bonner
Executive Vice President, Lennar Urban
Lennar Corporation
1 California Street
San Francisco, CA 94111-5401

Dear Kofi:

I want to thank you for the receipt of your recent contribution to the Metro Program in the amount of \$50,000. As you know, your commitment means a great deal to me, as well as to the program, especially during these challenging economic times.

I hope that you will be able to join us for the next Met Council strategy session on October 27th from 8:30 a.m. to 4:00 p.m. at the Rockefeller Foundation in New York City. On the evening of October 26th, Brookings Trustee and Met Leadership Council Member, Cheryl Cohen Efron, will be hosting a reception at her home in New York City beginning at 6:30 p.m. The purpose of the strategy session will be to provide an overview of the Metro Program's three year agenda and work plan, and to preview the December 7-8, 2010, Global Summit agenda, presentation, communications strategy and follow-up (latest summit overview, attached). We will be sending out a formal invite, shortly.

Again, thank you for your support of the Metro Policy Program. I look forward to our future collaboration.

Sincerely,

[REDACTED]
Bruce Katz
Vice President and Director
Brookings Metropolitan Policy Program

Cc: Christian Marlin
Roberta Aachtenberg

HUNTERS POINT SHIPYARD & CANDLESTICK POINT

LOCATION: San Francisco, California

PROJECT SPONSORS: City and County of San Francisco, San Francisco Redevelopment Agency, and Lennar Urban

TYPE: Mixed-use Development, Innovation District

COST: \$2.7 billion

DESCRIPTION: Transformation of 800 acres of former military brownfields and underutilized land into a “green zone” that will serve as a clean technological hub and foothold for regional prosperity.

PROJECT OVERVIEW

The vision for the project is rooted in technological innovation and environmental sustainability—from the project’s physical footprint to its social, economic, cultural, infrastructure and residential components. The development will feature a “Clean Technology Hub” designed to be a 3 million square foot urban research and development campus focused on clean technology and related industries. The anchor tenant is the United Nations Global Compact Center that focuses on green technology, international tech transfer and climate change. The Hub will be surrounded by 12,100 residential units, with 32% offered at below market rates, including the reconstruction of the Alice Griffith public housing site. It also includes 352 acres of public parks and open space, and community serving facilities such as a new fire station and school. Lastly, the project will include an Arts District to integrate the existing artist community, as well as retail opportunities to improve access to goods and services in the community. Phase 1 is underway and entitlements for Phase 2 of the project have been secured.

PROJECTED BENEFITS

The project fulfills the region’s long-term economic strategy to focus high density infill development around existing transit infrastructure. The Clean Technology Hub is the culmination of the city’s strategy to create an Innovation Corridor that reinforces technological, intellectual, cultural and financial links among the city’s established and emerging companies and research institutions. The project will create more than 1,500 construction jobs annually throughout build-out and 12,200 permanent jobs across a wide range of industries and occupation levels. An \$18 million workforce development program will prepare residents from southeast San Francisco—an area of high poverty and unemployment—to access these jobs. The project incorporates \$83 million in community benefits including education scholarships, health facilities, aid for local community home ownership, and dedicated ground floor retail for local businesses and organizations. Bus rapid transit service to BART, Caltrain and light rail, as well as dedicated express service to downtown will reconnect the neighborhood with the region’s transportation infrastructure.

FINANCIAL ASSESSMENT

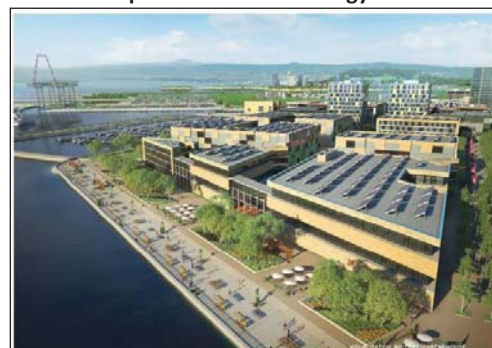
The project is a public-private partnership between Lennar Urban and the San Francisco Redevelopment Agency. Lennar is responsible for constructing the site’s horizontal infrastructure including wet and dry utilities, transportation improvements, public open spaces, and community facilities. In addition, the Project includes dedicated land and cash subsidies for affordable housing and a wide range of

community-based education and employment programs. The main source of funding will come from a combination of private capital and land-secured public financing. The private capital contribution will be \$1.1 billion (combined debt/equity). \$1.55 billion in land secured public financing will be generated by special taxes for Community Facilities Districts and tax increment allocation from new property tax revenues. Once the project has achieved a market-based return, subsequent revenue will be split between Lennar and a Community Benefits Fund established to support local community and economic improvement efforts.

BARRIERS

Due to its complexity, enormous scale, and extended construction period, the project is often ineligible or uncompetitive for federal, state, and local government grant programs which seek short-term results or have specific “readiness” requirements. For example, the U.S. Department of Transportation’s Transportation Investment Generating Economic Recovery (TIGER) program seeks to fund projects that deliver immediate increases in employment, which does not match the long-term economic development timeframe of this project. Similarly, while federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program funding may provide a low-interest funding source in early stages of development, the loan’s underwriting requirements make it difficult for projects like this to qualify for an investment-grade rating, prior to completion of horizontal development. Another barrier is the “significance threshold” for evaluating impacts under local and federal environmental review. These thresholds related to traffic, noise, air and water quality and other impacts are often incompatible with the goals of projects like this as they do not properly account for the environmental benefits which accrue from urban infill development.

Proposed Clean Technology Hub



Jennifer Thompson | 202-797-6403 | jthompson@brookings.edu

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TYPE: Mixed-use Development, Innovation District

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PROJECT OVERVIEW

Vision

For decades the site has been largely vacant and neglected; the neighborhood is characterized by high poverty and unemployment, aging infrastructure and significant environmental contamination. The vision of the project is to convert the former military lands and underutilized space into a hub of clean technology and innovation and a foundation for positive change at the local, regional and national levels. This vision for the project is rooted in sustainability—from its physical design to its social, economic, cultural, transportation, infrastructure and residential components. The project builds from the premise that what is locally transformative can be regionally and nationally transformative. In an effort to address the local conditions, the project incorporates an \$83 million community benefits package, one-for-one phased redevelopment of the Alice Griffith public housing site, and scholarship and workforce development programs for local residents.

‘Green Zone’ in San Francisco

The project is envisioned as a “green zone” in San Francisco, where the design, development, implementation, and practice of sustainable technologies is a dominant, celebrated theme. At the center of this strategy is a 3 million square foot “Clean Technology Hub,” an urban research and development campus focused on clean technology and other emerging industries. Plans for the Clean Technology Hub take a cue from the redevelopment of nearby Mission Bay, which uses the University of California to facilitate global thinking and collaborative competition. The first anchor tenant Clean Tech Hub will be the United Nations (UN) Global Compact Center. The UN Global Compact Center is a strategic policy initiative that focuses on green technology, international technology transfers, and climate change.



Future Hunters Point Clean Technology Hub

Opportunity for Neighborhood Residents

Integrated with the Clean Technology Hub will be 12,100 residential units, approximately one-third of which will be offered at below market rates. The residential program includes affordable and workforce housing which enables employees to live near their jobs. The early phases of the development plans also include the reconstruction of the Alice Griffith public housing site, which will provide one-for-one replacement of the existing public housing units that are beyond repair. The reconstruction is led by McCormack Baron Salazar in partnership with Lennar Urban and will use land adjacent to the site to ensure that existing residents are able to move directly into new homes as they are completed. In addition, the project will include:

- 352 acres (nearly 50 percent of project site) of public parks, recreational fields, open spaces, waterfront trails and plazas;
- New community services facilities, such as a fire station and school site;
- 225,000 square feet of new and renovated studio space for artists, including an arts education center to leverage the existing community of more than 300 artists; and
- 885,000 square feet of neighborhood and regional retail to improve access to goods and services in a historically underserved community.

Background and Current Project Status

Though designs for revitalization of the area have been under underway for more than 40 years, planning began in earnest following the passage of the Base Realignment and Closure Act (the Hunters Point Shipyard Naval Base closed in 1974), with the adoption of the first redevelopment plan in 1997. Work on Phase 1 of the project began in 2005 with conveyance of the first portion of the shipyard to the city’s Redevelopment Agency. In 2007 planning for Phase 2 of the shipyard was integrated with the nearby Candlestick Point stadium site, home to the San Francisco 49ers. In 2008 San Francisco voters approved a local ballot initiative that established the goals and principles that served as the basis for the current proposed project. In August 2010, all required local approvals and entitlements from the city’s Board of Supervisors, the Redevelopment Agency Commission and other city boards and commissions for the Phase 2 and Candlestick portions of the development. The development team is currently finalizing the permits as well as state and regional approvals needed to begin construction on the Phase 2/Candlestick Point project.

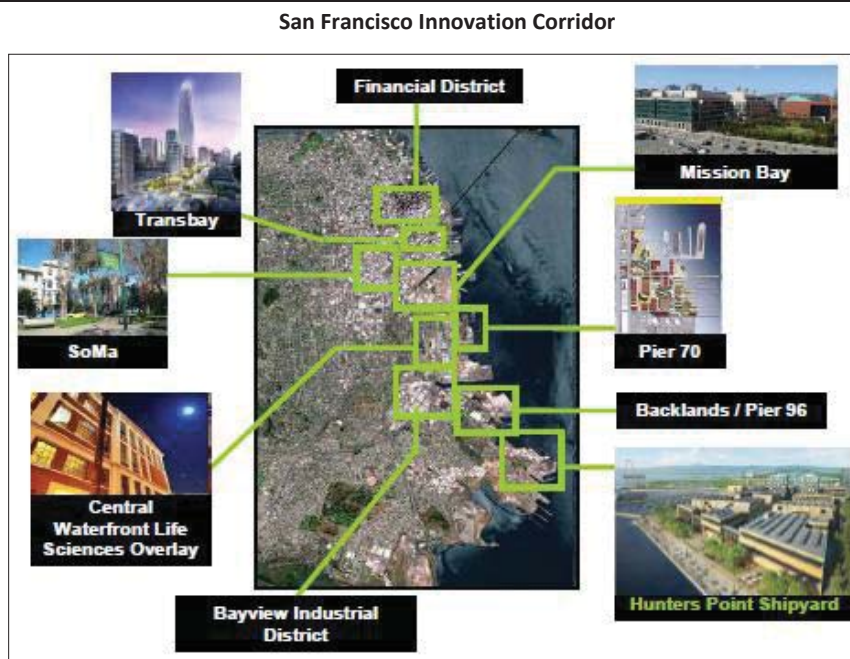
The project is a public-private partnership between the San Francisco Redevelopment Agency and Lennar Urban. Phase 1, the development of the Hilltop and Hillside areas of Hunters Point Shipyard, is underway. All of the infrastructure needed to support development in this area has been completed and construction of the first residential units is scheduled to begin by the end of 2011.

PROJECTED BENEFITS

Long-term Economic Development

The Hunters Point Shipyard/Candlestick Point project is aligned with the region’s long-term economic strategy for focused urban development around transportation infrastructure at the region’s core. The Clean Technology Hub is a culmination of the city’s long-term strategy to develop an innovation corridor that reinforces technological, intellectual, cultural, and financial links among established and emerging firms, organizations, and institutions from the Financial District through Mission Bay to Hunters Point. The project will have several long-term economic and employment benefits to the city:

- **Environment:** LEED-gold equivalent construction, innovations in public housing, waste management, environmental design, storm water management and energy efficiency.
- **Jobs:** Over a 25-year timeline, the project will create approximately 1,500 annual construction jobs due to the horizontal and vertical improvements through the build out. The project will create an additional 12,200 permanent jobs across a wide range of industries and occupations, from entry-level to advanced, leading to aggregate wages of more than \$1 billion per year.
- **Transit Accessibility:** The project is located in southeast San Francisco, a neighborhood that is underserved by transit connections to the larger regional network. The project aims to remedy this problem by ensuring that 75



percent of project residents are within a quarter mile of transit. Dedicated express bus service will provide residents with direct service to downtown San Francisco and Transbay Transit Terminal. Bus rapid transit will create high-frequency connections to regional BART, Caltrain, and the T-Third Light Rail line.

Regional and National Competitiveness of San Francisco Innovation Corridor

The project reinforces the city's vision of an innovation corridor within San Francisco that strengthens informal networks and creates spillover effects in the region's core. In recent years, the region has seen a shift to new companies opening offices in San Francisco, from information technology to green building and design, life sciences, and clean technology. Over 220 clean technology companies are located in San Francisco, and in 2009 more than 50 percent of venture capital investment in San Francisco was directed toward clean technology companies. Between 2003 and 2010, clean technology jobs grew at an average rate of 5.4 percent a year in San Francisco, ahead of 4.2 percent pace of job creation nationally (Figures are from The Brookings Institution 2011 report, *Sizing the Clean Economy: A National and Regional Green Jobs Assessment*).

Hunters Point Shipyard/Candlestick Point Community Benefits Plan

An integral part of this project is the Community Benefits Agreement, a legally binding agreement between the developer and community organizations (the San Francisco Labor Council, the San Francisco Organizing Project and Alliance of Californians for Community Empowerment) that sets forth conditions on the development of the project and ensures community support. Some of the proposed programs under the Community Benefits Agreement include:

- **Scholarship Fund/Education Improvement Fund:** Developer will contribute \$3.5 million to a scholarship fund that will support education opportunities for youths and adults (up to age 30) living in the district. The Education Improvement Fund provides \$10 million to be used for education enhancements (to facilities or existing resources) in the Bayview Hunters Point area.
- **Community First Housing Fund:** The contribution of \$28.7 million to be held by San Francisco Foundation to assist qualifying residents in the purchase of market rate homes through opportunities like payment assistance, rent-to-own, and others.
- **Community Facilities:** Dedicated space within buildings or dedicated land to provide community resources including social series, education, art, public safety facilities and other services.
- **Legacy Fund:** A Community Benefits Fund of approximately \$21.3 million that will be funded by contribution of .05 percent of the initial sale price of each market rate residential unit, deposited at close of escrow.
- **Workforce Development:** A contribution of \$8.9 million (with 100 percent in-kind match from the city) to the San Francisco Foundation to fund programs designed to create a gateway to career development for residents of the district.

Included in the Community Benefits Agreement is a plan for no less than 31 percent of new housing units to be sold or rented at below-market-rate, well beyond the city ordinance of 15 percent and the Bayview Hunters Point Redevelopment Plan benchmark of 25 percent. Fifteen percent of those units would be affordable housing rentals for families with incomes 60 percent below San Francisco average monthly income.

FINANCIAL ASSESSMENT

Project Costs

The total cost for horizontal development of the site is approximately \$2.7 billion. This includes the construction of the horizontal infrastructure including grading the site for development, building the backbone wet and dry utilities, building on and off-site public transportation improvements, completing public open space improvements, building new community and public facilities, and delivering sites for affordable housing and public housing projects to the Redevelopment Agency in developable condition. In addition, the U.S. Navy must complete almost \$1 billion (not included in project costs) in site remediation from contamination left by shipyard activities prior to the transfer of land to the Redevelopment Agency.

Financing Structure

The project is a public-private partnership, with funding coming from a combination of private capital and land-secured public financing. The private capital will be in the form of equity and debt amounting to \$1.1 billion. Land-secured public financing for the construction of public infrastructure and community benefits is expected to amount to \$1.5 billion. Land-secured financing uses tax-exempt financing tools made possible through the developer's investment of private capital to capture tax revenues that would otherwise not exist. The tax-exempt financing will take the form of levying of special taxes in designated community facility districts and issuance of bonds supported by those taxes, and allocation of property tax increment associated with the new property tax revenues and issuance of tax allocation bonds. The primary source of repayment to the developer for investment in horizontal infrastructure will be the sale or lease of finished horizontal lots for "vertical" market rate development.

Risk Sharing

The cost of the project is projected over a long timeline—the project is anticipated to take at least 16 years to build and could take 25 years or longer depending market conditions. Thus, significant capital is invested upfront with revenues not anticipated to be generated until much later. The financing structure allows the developer to receive a risk-adjusted market rate of return with no financial downside risk to the city.

BARRIERS**State and Federal Regulatory Barriers**

In June 2011, the Governor signed, ABXI 26 and 27 into law as a part of a large budget package to reduce the state's \$9.6 billion deficit. ABXI 26 eliminates all of California's redevelopment agencies effective October 1, 2011. ABXI 27 allows the city to avoid dissolution of the San Francisco Redevelopment Agency by opting into an "alternative voluntary redevelopment program" requiring substantial annual contributions to local schools and special districts. Opting into this program would constrain the city budget, costing \$20 million to \$25 million in fiscal year 2011-2012, and \$4 million to \$6 million annually after that. Recently, the Court has granted a stay on the ABXI 26 and 27 due to a pending lawsuit, and while this delays the possible dissolution of redevelopment agencies, it prohibits them from engaging in any new activity including issuing bonds, gaining land, or pursuing new projects.

The project also requires environmental review under the National Environmental Protection Act (NEPA) due to use of federal and state funds and the scale of the project. The NEPA review involves four different agencies, each with different interpretations and guidance. Working with the NEPA division offices causes significant delays (up to two years in some cases) due to the overwhelming task of the review. These thresholds related to traffic, noise, air, and water quality and other impacts are often incompatible with the goals of projects like this as they do not properly account for the environmental benefits which accrue from urban infill development.

Financing Barriers

In addition to private and local sources of funding, the project has also pursued federal and state grant programs. These grant programs are generally not calibrated for large complex, multi-year economic development projects. For example, the U.S. Department of Transportation's (DOT) Transportation Investment Generating Economic Recovery (TIGER) program funds projects that are "shovel ready" or will deliver immediate increases to employment, both which are out of step with the long-term timeline of a large urban development project like Hunters Point. Another U.S. DOT program, Transportation Infrastructure Finance and Innovation Act (TIFIA) allows an entity to secure financing early in the project development, before the project has generated enough revenue to pay back its loans, but it requires project to have an "investment grade rating" to do so. This is a challenge for the Hunters Point project because it is hard to determine the value of the land because horizontal infrastructure has to be built first.

On the state level, a \$2.85 billion bond measure for infill housing financial assistance was passed in California in 2006, but it requires the project to be completed in six years. The long-term timeline and structural nature of the project causes it to be left out of these types of grant programs that are looking for increases in jobs, economic impact and housing in the short term.

FOR IMMEDIATE RELEASE:

Friday, November 11, 2011

Contact: Mayor's Office of Communications, 415-554-6131

***** PRESS RELEASE *****

**HUNTERS POINT SHIPYARD – CANDLESTICK POINT PROJECT
RECOGNIZED AS NATIONAL TRANSFORMATIVE INVESTMENT**

Development Project Earns Top Recognition by Brookings Institution & Others

San Francisco, CA—Mayor Edwin M. Lee today announced that the Hunters Point Shipyard – Candlestick Point redevelopment project has been selected as one of just three *Transformative Investments in the United States* by the Brookings Institution.

“All of San Francisco should be proud that the Hunters Point Shipyard – Candlestick Point project is being recognized as a national model for new development,” said Mayor Lee. “Many residents, particularly from the Bayview and Hunters Point neighborhoods, have worked long hours to provide input and guidance for the much-needed redevelopment of this area, and the City will move forward without delay to transform the blighted shipyard to bring new housing, parks and thousands of jobs to the Southeast community.”

The Brookings Institution, a leading nonprofit public policy organization based in Washington, D.C., and Lazard, one of the nation's top financial advisory and asset-management firms, hosted a forum in October on *Transformative Investments in the United States*. Experts selected three projects currently underway as models for transformative physical, social and economic change toward a more productive, sustainable and inclusive economy, at either the metropolitan, regional or national scale.

“San Francisco's Shipyard project is both physically and economically transformative for the Bay Area and globally significant,” said Brookings Vice President and Director of the Metropolitan Policy Program Bruce Katz. “The effort is exceptional in its scale and scope by seamlessly integrating a new clean tech innovation district and broader urban revitalization. It is the result of creative private and public sector leadership, and extraordinarily inclusive community engagement in the planning and development process. This project promises to set a new paradigm for successfully conceiving, financing, and delivering transformative infrastructure projects in the United States.”

Hunters Point Shipyard – Candlestick Point is the largest redevelopment effort in San Francisco since the 1906 earthquake. This \$8 billion, 700-acre development project will transform a former military base into a thriving community of more than 25,000 residents in San Francisco's southeast corner. In addition to homes, the sustainable and green project will include office, research and development, retail and arts and community spaces, which will create more than

12,000 permanent jobs. Some 350 acres will be parkland. The project continues to attract interest from investors. The City's selected development partner, Lennar Urban, is continuing meetings with potential investors in China this month.

Recognition from Brookings is just the latest honor for the San Francisco project. Hunters Point Shipyard – Candlestick Point also received the prestigious Gold Nugget Grand Award at the Pacific Coast Builders Conference in San Francisco earlier this year and received the award for Best “On the Boards” Site plan, competing against national and international entries. The project also received the *Hard Won Victory* award from the American Planning Association's California chapter, which is given for a planning initiative “undertaken by a community, neighborhood, citizens group or jurisdiction in the face of difficult or trying circumstances.”

###

Francis Tsang
Chief Deputy Communications Director
Office of Mayor Edwin M. Lee
415.554.6467



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

1155 Market St., 11th Floor, San Francisco, CA 94103 • Tel. (415) 554-3155 • Fax (415) 554-3161 • TTY (415) 554.3488



EDWIN M. LEE
MAYOR

AGENDA ITEM #5a

ANSON B MORAN
PRESIDENT

ART TORRES
VICE PRESIDENT

December 9, 2011

ANN MOLLER CAEN
COMMISSIONER

FRANCESCA VIOTOR
COMMISSIONER

VINCE COURTNEY
COMMISSIONER

LETTERS RECEIVED FROM November 10, 2011 TO December 9, 2011

ED HARRINGTON
GENERAL MANAGER

RECEIVED FROM/SENT TO

SUMMARY

Mayor Ed Lee

November 11, 2011 Press release Hunters Point Shipyard – Candlestick Point Project recognized as national transformative investment

President Anson B. Moran

November 9, 2011 email to the Commissioners requesting their review and suggestions for updating the Commission’s Rules of Order

President Anson B. Moran

November 17, 2011 Letter to Mr. Mike Marshall Executive Director, Restore Hetch Hetchy regarding his request for a hearing

Ed Harrington, General Manager

November 10, 2011 the O’Shaughnessy Reservation Quarterly Report

Ed Harrington, General Manager & Dr. Don Q. Griffin, Chancellor, City College of San Francisco

November 17, 2011 Letter to Southeast Community Facility Commission re SFPUC and CCSF Collaboration and Commitment to the Southeast Community

Ivy Fine, Manager of Contracts

November 14, 2011 - Copy of memorandum regarding Contract Advertisement Report: November 22, 2011, meeting.

December 7, 2011 Copy of memorandum regarding Contract Advertisement Report: December 13, 2011, meeting

Alameda County
Supervisor Scott Haggerty &
Supervisor Nadia Lockyer

November 28, 2011 Letter regarding SFPUC activities in the Sunol Valley.



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Friday, November 11, 2011

Contact: Mayor's Office of Communications, 415-554-6131

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From Bruce

To: Chris Marlin

Cc: Roberta, Carrie, Marek, Sue

Chris,

I am really looking forward to seeing you at our Met Council meeting at which time I can thank you in person for Lennar's continued, and increased, commitment to the Metro Program. We really value and count on support from those whose vision and work matches our own, and it is helpful and validating to know Lennar will be with us.

Marek has shared with me that you feel Lennar cannot make a formal multi-year commitment as is our typical Met Council membership, which we understand. It is, however, our sincere hope that you view our work as contributing to the long-term health of Lennar and the U.S. economy, and therefore, while not in writing, will consider support for Metro beyond FY13. We have no doubt that Metro and Lennar will collaborate for the foreseeable future.

Let me know what questions you have for me. And I look forward to seeing you on November 14th.

Best,

Bruce

BROOKINGS

1775 Massachusetts Avenue,
NW
Washington, DC 20036
telephone 202.797.6000

INVOICE

November 2, 2012

Christian Marlin
Deputy General Counsel

Thank you for your support, which helps ensure Brookings's ability to conduct high-quality, independent research and provide innovative, practical recommendations to solve the world's greatest challenges.

DESCRIPTION AMOUNT

Payment to support the Metropolitan Policy Program and renew membership in the Metropolitan Leadership Council([REDACTED]) [REDACTED]	\$100,000
TOTAL	\$100,000

Please print below how you would like your name to appear in the Annual Report and other acknowledgment materials:

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tax-deductible as allowed by U.S. law. Thank you for your support.**

BROOKINGS

Participants: Bruce Katz and Kofi Bonner
Date/Time: Wednesday, March 19, 2014; Phone: [REDACTED]
Location: Bruce will call Kofi's assistant, Kitty, and be placed through

Call Purpose/Talking Points:

- o This call was scheduled as part of a recommendation from Roberta that Bruce make the **direct pitch to Kofi for Lennar's support of S.F.'s Innovation Districts Work at \$100K**
- o Kofi remarked to Roberta that he believes he can only do \$50,000; If he pushes back on the \$100K, Roberta thinks she could work with Bob Linscheid to raise, from a number of possible sources, the additional \$100K needed to realize the ID work in S.F.
- o **Bruce:**
 - 1) Good seeing you last month in Sacramento
 - 2) Sorry we didn't get a chance to really catch up but so glad that you have been granted non-resident scholar status- lots to do together (see below for outline of his role)
 - 3) I wanted to talk to you today about Lennar's support of our Innovation Districts work around Hunter's Point and really hope that you'll be able to make a \$100K contribution to the effort
 - 4) Provide update on the ID paper to be released this spring and the other IDs popping up around the country; talk about upcoming trip to Pittsburgh

Additional Background:

- o Kofi's role at Brookings was foreseen as:
 - o He would be a trusted advisor in the roll out of our innovation districts paper, with San Francisco and Hunters Point as key innovation districts to watch. We anticipated working closely with Lennar on this effort;
 - o Brookings would travel to San Francisco after the paper is released and discuss a major San Francisco play with Mayor Lee and major business stakeholders from Market Street, Mission Bay, and Hunter's Point;
 - o Co-authoring an op-ed on market potentials for innovation districts.

Recent Contacts with Kofi & Roberta:

- o February 26, 2014- Bruce saw Roberta and Kofi in Sacramento but not able to connect on Lennar's gift
- o January 23, 2014- Roberta met with Bruce, then Liza to discuss ID work, Lennar's contribution to the effort, and Kofi's designation as a non-resident scholar
- o September, 2013- Bruce and Liza spent lots of time with Kofi and Roberta in San Francisco, including reception at the home of Joyce Newstat and Susan Lowenberg

Lennar Giving to BI:

- o Lennar has given \$150K in total to Metro;
- o The last gift was in December 2012 for \$50K.

Former Expert

Kofi Bonner

Nonresident Senior Fellow, Metropolitan Policy Program

 [Print Bio](#)[Return to Kofi Bonner](#)

Full Biography

Kofi Bonner serves as regional vice president of Lennar Urban. In this role, Bonner oversees all land acquisition and urban development activities in Northern California, including the Hunters Point Shipyard, Candlestick Point and Treasure Island developments.

The Hunters Point Shipyard-Candlestick Point revitalization project is possibly the largest urban redevelopment project in the country with over 800 acres, 12,000 homes, 3,000,000 square feet of Business and Industrial space, and 800,000 sq. ft. of retail. This project has received numerous awards, including the Grand Award from the Pacific Coast Building Council, the Best Land Plan 2010, San Francisco, and recently has been named a finalist for the World Architecture Festival Award.

Located in the middle of the San Francisco Bay, the Treasure Island development includes 8000 homes, 200,000 sq. ft. of retail and commercial space and 300 acres of parkland. The sustainable aspects of the development plan have been widely acclaimed and have received the Clinton Global Initiative Sustainable Development Award. The Development received approval from the City of San Francisco in June 2011.

Born in Ghana, Bonner began his career as an affordable housing developer for Oakland Community Housing Inc., and then in 1989 served as head of redevelopment in Emeryville. In this capacity, he played a crucial role in planning and developing the public financing and infrastructure, and attracting key businesses that led to the successful transformation of Emeryville from an aging industrial city to a mixed use mecca for technology companies and high end retail and housing.

Bonner later held the positions deputy executive director of the San Francisco Redevelopment Agency and director of community and economic development for the City of Oakland. In 1995, he became the interim city manager for the City of Oakland where he helped lead efforts to revitalize the city's downtown neighborhood.

During his term as Mayor, the Honorable Willie L. Brown appointed Bonner to serve as his chief economic policy advisor. Bonner was in charge of leading the major redevelopment projects and economic growth in San Francisco, including planning and implementing the redevelopment of the City's Mission Bay neighborhood.

From 1998 through 2004, Bonner was the executive vice president and chief administrative officer for the Cleveland Browns where he was responsible for the business affairs of the team.

Additionally, he directed the construction of the \$400 million Cleveland Browns Stadium. Later, Bonner became the regional director and executive vice president of MBNA.

Bonner is a 2011 UC Berkeley College of Environmental Design distinguished fellow and a member of the Brookings Institution's Metropolitan Leadership Council, a non-profit public Policy "think tank" organization based in Washington, DC. He is also a member of Lambda Alpha International, a Land Economics society where he recently received the "2010 Member of the Year" Award. He serves on the boards of LISC, the Bay Area Council, UC Berkeley's College of Environmental Design Alumni Association, and Executive Committee of the San Francisco Chamber of Commerce.

Mr. Bonner frequently guest lectures and speaks upon requests from UC Berkeley Haas Business School, Urban Land Institute and the Executive Leadership Program at UC Davis.

Bonner, 57, received a Bachelor of Science degree with honors from the University of Science and Technology in Ghana. He holds Masters degrees in City planning and Architecture from the University of California, Berkeley. Bonner is married to Gladys and has three children.

Conference Call Agenda

April 14, 2014

1:15 PST / 4:15 p.m. EST

Liza will call Bob at: 415-352-8820

Bob Linscheid, President & CEO of the San Francisco Chamber of Commerce with
Liza Cole, Corporate Relations Manager of Brookings Metropolitan Policy Program

- I.** Overview of Brookings Innovation Districts work
 - i. Bruce's upcoming paper

- II.** Update on Brookings-Lennar partnership
 - i. Kofi as non-resident senior fellow
 - ii. Recent discussions

- III.** Potential role for the San Francisco Chamber of Commerce
 - i. Host forums, act as convenor, other opportunities?

- IV.** Role for universities- CSU and UC

- V.** Prospect Outreach
 - i. Wells Fargo
 - ii. Yingli Energy
 - iii. Medium/small tech start-ups (ie. Square)
 - iv. Ron Conway
 - v. Dick Blum and Diane Feinstein as validators/connectors

**The Brookings Institution
Lennar Call Briefing**

Meeting Participants: Bruce Katz, Jennifer Vey and Liza Cole with
Kofi Bonner and Roberta Achtenberg (Lennar) and Bob Linscheid (SF Chamber)

Date/Time: Tuesday, May 6, 2014

Location: Bruce's office; Phone: [REDACTED] Moderator, Bruce [REDACTED]

Purpose of the Meeting:

- Discuss specific opportunities for the Brookings-Lennar partnership around "Innovation Alley" (outlined in background section, below)

Talking points:

- Thank Lennar for its recent payment towards Met Council membership (\$50K received last week);
- Discuss Innovation Districts paper release on June 9th, excited to have Kofi's participation in the event (now at Brookings!); Bruce will send drafts of both long and short papers tomorrow (they are going through a round of edits this evening);
- Respond directly to Kofi's vision for our partnership;
- Discuss specific next steps for our collaboration, including possible trip to S.F. in September around the SF Forecast event; convenings with tech companies; and meetings with prospective funders

Background:

- Kofi sees Brookings' participation for the Innovation Alley as:
 - 1) **Creating the early narrative**
 - 2) **Putting the essential components together**
 - 3) **Branding it well and purposefully- something that will resonate locally and internationally**
 - 4) **Creating dynamic between the commercial side of the district and the housing side**
 - 5) **Convening forums in the City and Silicon Valley to highlight how the collaborations and plans provide 'value upon value' for the businesses, the City and the developers**
 - 6) **Establishing a system of metrics to measure success, and to provide opportunities to re-calibrate the plan as it expands into the remaining 2.5 million sf of entitled commercial space in the remainder of the Shipyard**
 - 7) **Creating a San Francisco Challenge with CEO participation (something we had previously discussed but not in his recent email)**
- Kofi highlighted 2 important upcoming changes that will aid the development of Innovation Alley
 - 1) Navy moving out and will hand off 40 acres
 - 2) Commercial market is experiencing a boom
- Kofi wants to include universities and schools into the mix
 - 1) San Francisco State University has interest in moving their engineering program
 - 2) Also interest from the school district to create a STEM high school at the Shipyard
- SF Chamber of Commerce is willing to act as the connector and convenor
- We discussed with Bob Linscheid his willingness to help reach out to possible prospects, including Wells Fargo Foundation, IBM and other board members of the Chamber

BI Giving History:

- Lennar has given a total of \$200K with a recent gift of \$50K

JUN

9

PAST EVENT

The Rise of Innovation Districts: A New Geography of Innovation in America

EVENT MATERIALS


 Uncorrected Transcript
363 KB


Video

Audio



Highlights

Full Event



Innovation Happens

Anywhere and Everywhere

Kofi Bonner, Lennar Communities: "Growing innovation" takes connectivity and capital. To the extent that innovation is present, bringing forward the connectivity and the capital should enable jurisdictions to create something, at least the

Summary

Details



The geography of innovation is shifting and a new model for innovative growth is emerging. In contrast to suburban corridors of isolated corporate campuses, innovation districts combine research institutions, innovative firms and business incubators with the benefits of urban living. These districts have the unique potential to spur productive, sustainable, and inclusive economic development.

On June 9, the Metropolitan Policy Program at Brookings released "The Rise of Innovation Districts," a new report analyzing this trend. The authors of the paper, Brookings Vice President Bruce Katz and Nonresident Senior Fellow Julie Wagner, were joined by leaders from emerging innovation districts across the country to discuss this shift and provide guidance to U.S. metro areas on ways to harness its potential.

[Join the conversation on Twitter using #InnovationDistricts](#)

Presentation by **Bruce Katz**

June 9, 2014

9:30 AM - 11:30 AM EDT

Brookings Institution

Falk Auditorium

1775 Massachusetts Avenue, N.W.



Map

FOR MORE INFORMATION

 Brookings Office of Communications
202.797.6105

THE BROOKINGS INSTITUTION

THE RISE OF INNOVATION DISTRICTS: A NEW GEOGRAPHY OF INNOVATION IN
AMERICA

Washington, D.C.
Monday, June 9, 2014

Opening Remarks:

BENJAMIN R. JACOBS
Senior Advisor and Co-Founder
The JBG Companies

Presentation:

BRUCE KATZ
Vice President and Director, Metropolitan Policy Program
The Adeline M. and Alfred I. Johnson Chair in Urban and Metropolitan Policy
The Brookings Institution

Moderator:

LYDIA DEPILLIS
Reporter
The Washington Post

Panelists:

KOFI BONNER
Regional Vice President
Lennar Communities

JOHN A. FRY
President
Drexel University

NICOLE FICHERA
General Manager
Boston District Hall

JULIE WAGNER
Nonresident Senior Fellow
The Brookings Institution

rooms that can be rented for different things. So it's really meant as a gathering place. We have quite a lot of co-working spaces and office spaces that give people a permanent place to call home. But it's a place to kind of strengthen strong ties and work on that kind of weak ties network that Bruce was really talking about and how can we bring those two together so we're building trust face-to-face as people connect with each other, see each other over and over again and you sort of understand that, yes, there really is a community here that we can connect into.

MS. DEPILLIS: Does it pay for itself or does the city just (inaudible)?

MS. FICHERA: No, it's actually it's privately funded and built so I would say it's a public private partnership with a triple capital P. It was a public vision from the Mayor's office to have this gathering place for the innovation district. It was privately funded and built by Boston Global Investors as part of their 23-acre Seaport Square development really as a community benefit as a part of their larger master plan. And then it's actually run by the Venture Café Foundation, which is the not-for-profit sort of sister organization to the Cambridge Innovation Center, which we've heard about today also. So it's really this kind of public vision, private funding and private operation that really keeps it going. But it's a civic space. We have sponsors. We're a non-profit space as well. So it's a combination of sort of event revenue along with sponsorship revenues that really keep us going and we've been open for, you know, eight months or something now so check back with us in a year and.

MS. DEPILLIS: All right, Kofi, so you're current baby is Hunters Point Shipyard. Tell us how big that is. What it means. Where it is in San Francisco, and how it fits in to some of the concerns we see with the tech economy, perhaps driving a little bit of inequality, and just a really inflated housing bubble in San Francisco.

MR. BONNER: Sure, thank you. I will say, Nicole, don't be surprised if I

steal the idea of District Hall and recreate it --

MS. FICHERA: You won't be the first one.

MR. BONNER: -- in the shipyard. I think it's fabulous. You're doing a great job there. So, yes, I am working in San Francisco in a fabulous property. It's 800 acres. Eight hundred acres about 15 minutes from the financial center of downtown and 10 minutes from the airport. It's in the southeastern part of the city and right on the edge of the Hunters Point Bayview Community. And to any of you that may know San Francisco, you would know that the Bayview-Hunters Point Community is a fabulously proud and historic community, but it is also the area that has a significant amount of underemployment and unemployment. And so we work very closely with the community there.

So 800 acres, the property was formerly a naval shipyard, a decommissioned naval shipyard. The property also includes the former home now of the San Francisco 49ers as they're moving down the street to Santa Clara. And the property also entails about a 300-home community that's a public housing development. So we are working with some fairly interesting properties in that portion of town.

What we're working on directly, we started construction, is building 12,500 homes in a variety of prototypes, from walk-up apartments, townhomes, to high rises. We also will be building about 800,000 square feet of not just regional serving retail, but also neighborhood amenities. And, of course, we'll be providing another three and a half million square feet of office and commercial space and R&D space in San Francisco. All these properties are linked with fiber, of course, all linked by 300 acres of Waterfront Park, and they're also linked by a bus rapid transit system.

I think perhaps what's most interesting and most pertinent perhaps to today's conversation, is those things that we're very purposefully doing. We're working

with the mayor's office and the Chamber of Commerce to really introduce some key components that we think are critical to the future sustainable development of this property. There's no question, as you mentioned, Nicole, that there are a number of very large developments that in and of themselves are livable. They're green, will lead and be gold, and they will essentially be sustainable. But I think the critical piece here is we're going out and looking for very specific components to bring to this community.

We're working with a major university in town to bring their STEM campus on the ground and we would hope that over the next six months, we'll be able to initiate the planning and programming for about 300,000 square feet of as I say, a STEM campus there. And the conversation so far has been quite exciting. There's a notion of introducing a high school adjacent to that university piece to also bring some talented high school folks onto the property.

We're also working very closely with some potential technology companies that are currently located in San Francisco, but unfortunately are feeling some of the pressures from the fairly significant growth in the tech industry there. It's no secret that San Francisco has become a fabulous tech hub over the last few years and more recently, many of the Silicon Valley companies are beginning to move their offices into San Francisco further exacerbating some of the pressures in the commercial space. So we have the opportunity to really work with some of those companies that perhaps haven't yet matured to the let's say the Ciscos and the Googles, et cetera, but are really doing innovative work in the city. And we're working with the Chamber of Commerce and the mayor's office to retain those companies and have them grow and thrive within the city, and we'd like to create those spaces.

We recently received approval for an artist studio. There are currently 300 artists working in the shipyard. Well, we just think that creative energy should be

retained as part of our overall development. So we've created and received approvals for a new artist studio and we'll obviously work very closely with the artists to bring that energy and sort of a hipness, if you will, to the shipyard.

So we think these key components in addition to sort of more than mundane redevelopment and community development type features that are already imbedded in the plan, will only, again, make sure that we add value, not only to the adjacent communities, but also to the city, and obviously to our bottom line too.

And I will add that as part of our relationship with the community, we're working very, very closely with a number of key non-profits within the community and a Citizens Advisory Commission that is located in the city. And we provide a significant amount of funding and opportunity to not only provide funding for variety of very important social needs, but we also have local hire requirements and job training facilities that we hope will enable the folks working through the unions to transition onto our properties and ultimately frankly not only work in our properties and gain a, you know, really sustainable wages, but ultimately to live on the properties and grow their families right there within the neighborhood in which they were born. So we're quite excited by the opportunities.

MS. DEPILLIS: Such a cool opportunity to be able to work with that amount of space. And I should also mention that Kofi worked on the Mission Bay, which is another giant rapidly developing space on the waterfront.

Julie comes to us from Europe, where she's worked in depth in a bunch of cities and so what are they doing that we're not? What can we learn from them? Anything or is it all a one way transaction?

MS. WAGNER: Oh, no, it's definitely two-way, definitely. They're learning as much from us as, frankly, as we can learn from them. So Europe has a number of innovation districts and they are highly distinctive from one another, which is a

make that adjustment? How do you pivot in a way that you make sure that you're standing true to your principles? I mean, this is really what they are -- this is how they are operating even still today. They are consistently reevaluating how they are doing and where they need to go.

MR. BONNER: So I have -- I have two, sort of, responses I think. One is sort of specifically with what we are doing. You know, we are fortunate in that we have 800 acres, and in the 800 acres we are building 12,500 homes. Within the 12,500 homes we have a variety of housing types. As I said earlier, we have town homes, we have podium products, we have apartments and we have high rises. And within some of the homes we also have what we -- multi-generational type facilities, so people, of various ages and maturities can live within the same home.

But I think the key point is, as part of the negotiation with the city and the community, we have 32 percent of those homes will be affordable. And the key with the city was to ensure that the affordability was over a very wide spectrum. It's not just the sort of public housing, low income, very low income families, but also the workforce families. And so we have -- of the -- as I said, 32 percent of the homes will be affordable, and it's, again, sprinkled in a -- almost exactly the same kinds of homes as the folks who will be living in the market-rate homes.

And I think that's important for any real thinking of development in a fairly significant scale. So that's how we are dealing with it, and obviously there are people who have the access to all the amenities living within the community. But there's no question, that housing is a significant issue. I mean, San Francisco is blessed with this wonderful surge in job growth, and with that creates a variety of issues that you are probably experiencing here.

But part of that problem, as somebody who used to work in the public

sector for many, many years, is the fundamental way we look at the creation and distribution of housing. We think of housing as a local asset, and we think of jobs as a local asset. Actually they are regional. If you think about, both housing and jobs are regional assets.

Unfortunately, the job that's created in San Francisco the person may be living in another city, and would like to live in San Francisco, and that's what we are trying to deal with, but the city in which they live may have a pretty politically stern policy against certain kinds of homes. And that happens in the Bay Area, unfortunately, quite a bit.

There are some cities that have some of the highest office rents, have a very low density of, say, housing policy. And I always sort of go back to how we think about these assets. So one of the reasons we are never done, is because we continue to think about them in a less-than-strategic fashion, and we tend to think about them --

MS. FICHERA: Well, that wasn't my point, but you know --

MR. BONNER: But that's how -- unfortunately that's the result of what happens if you -- if one city has to try to deal with the jobs-housing balance --

SPEAKER: Yeah.

MR. BONNER: -- and another city says, well we want the jobs, we don't want the housing. And another says, you know, we'll do the housing and we don't want -- you know, it goes on and on, you will never, in a region, ever get to that balance where everybody actually wants the jobs and the -- and the tax dollars associated with the jobs.

So I would just say that from within our development, we think we have a policy in place that is quite egalitarian in some respects, but even when we are finished, and we are hugely successful, this problem will remain.

MR. FRY: Right. Ad new shouldn't forget the importance of local

Innovation Districts
Opportunities for Support and Engagement
Presented to Lennar Urban
July 2014

I. EXECUTIVE SUMMARY

The Brookings Metropolitan Policy Program (Metro Program) respectfully requests that Lennar Urban consider a contribution of \$50,000 to the Metro Program’s Innovation District Initiative. This gift will allow the Metro Program to counsel Lennar as it realizes an “Innovation Alley” around Hunters Point.

Our proposed work with Lennar would be a key component of Brookings’ new research, policy, and network building initiative aimed at helping metropolitan areas—with support from state, federal, and private sector partners—take crucial steps toward creating and implementing **Innovation Districts**. Driven by a series of profound demographic, economic, and cultural forces, innovation districts are a cutting-edge, place-based economic strategy for cities and metropolitan areas pursuing an innovation-driven economy.

As part of the Innovation Districts Initiative, Brookings will directly engage with several cities that are seeking to establish innovation districts, or are already in various stages of development and implementation. Overall, we will continue to develop and disseminate the research and framework so stakeholders better understand the paradigm. This will provide cities and metropolitan areas the information and tools needed to establish and develop their own innovation districts. We will conduct research on financing models, and work with private sector partners to create tools or modify existing models to support the development of innovation districts. Additionally, we will connect these cities with their peers and to appropriate experts, both informally and through meetings and events. Support from Lennar, and other intellectual partners, will help Brookings accomplish these ambitious goals. More specifically, a formal collaboration with Lennar will allow Brookings to help Lennar realize its goals around the Hunters Point Innovation Alley.

II. SCOPE OF ENGAGEMENT WITH LENNAR

With the development of Innovation Alley, Lennar is at the cusp of delivering a unique and impactful economic, demographic, and social trend to the Bay Area. Lennar’s work at Hunter’s Point will provide a district full of flexible, affordable space around which collaborative and innovative ecosystems are built. Learning lessons from other re-imagined urban area models, Lennar can take advantage of best practices in other markets to incorporate into Innovation Alley. And, as it has done so well already, Lennar can continue to tap into San Francisco’s innovative climate to foster collaboration between entrepreneurs and global organizations.

Brookings can play a distinct and supportive role in the formation of Lennar’s Innovation Alley. First—and at the heart of this engagement—we can use our convening power, research expertise, network connections, and knowledge of innovative practices to help further drive the ultimate impact and success of Lennar’s Innovation Alley. Second, we can facilitate peer-to-peer learning and information exchange between San Francisco and other cities, both in the Bay Area and nationally, that are at various stages of designing and implementing an Innovation District Strategy. Finally, Brookings can engage with national media to develop stories that highlight Lennar’s innovative approach.

To these ends, the Brookings Metro Program will specifically:

- Conduct a **private assessment** of Lennar’s work providing feedback on successful components and identifying any “issue areas”;
- Provide **public validation** of San Francisco’s efforts through national and local media coverage, placement on Metro’s website as a best-in-class re-imagined urban area model, and Brookings’ participation at the Fall 2014 Forecast SF event;
- Provide **connections to and networking opportunities** with other organizations and practitioners engaged in Innovation District efforts across the country. This peer-to-peer learning will foster discussion on best practices in the development and implementation of innovation districts.
- Engage with regional economic development leaders in Fremont, Alameda, Vallejo, Oakland and Concord to identify **strategic opportunities** to promote economic growth in the East Bay.

III. CONCLUSION

We believe that Lennar is at the cusp of showing that the re-imagination of urban areas can be spearheaded by savvy developers working with business, civic, philanthropic, and educational leaders. Innovation Alley will serve as a template for future metropolitan areas to emulate as they strive to repurpose underutilized neighborhoods into hubs of innovation and economic growth. A collaboration with Brookings will provide Lennar with a private assessment of its work, public validation of its efforts in the Bay Area, and networking opportunities with leaders across the country. We look forward to continuing our discussions to further develop this synergistic relationship. Thank you for your consideration of our proposal.

BROOKINGS

1775 Massachusetts Avenue,
NW
Washington, DC 20036

July 9, 2014

Mr. Kofi Bonner
President
Lennar Urban
One California
27th Floor
San Francisco, CA 94111

Thank you for your support. This gift helps Brookings maintain its ability to conduct high-quality, independent research and analysis and provide innovative, practical recommendations to metro areas as they act on some of their greatest economic opportunities and challenges.

DESCRIPTION AMOUNT

Payment to support the Metropolitan Policy Program's Innovation District work in San Francisco	\$50,000
Reference: Metro	
Number: 7230-103376-7001	
TOTAL	\$50,000

Please print below how you would like your name to appear in the Brookings Annual Report and other acknowledgment materials:

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Kimberly Churches, Vice President for
Development

Funds may be wired directly to Wells Fargo:

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tax-deductible as allowed by U.S. law. Thank you for your support.**

Date: September 10, 2014

Location: Julia Morgan Ballroom – 465 California Street, San Francisco

Time: 7:00-11:00 AM

Theme: Managing Economic Success and Growing Innovation

Focus: The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy

Confirmed Speakers:

- **John Silvia** - Managing Director, Chief Economist – Wells Fargo
- **Bruce Katz** - Vice President at the Brookings Institution and Founding Director, [Metropolitan Policy Program](#) | The Adeline M. and Alfred I. Johnson Chair in Urban and Metropolitan Policy. Co-author of *The Metropolitan Revolution*

Panel on Innovation Districts:

- **Former Mayor Will L. Brown, Jr., President Leslie Wong, SF State, Nancy McFadden, Chief of Staff-Governor of California, Kim Majerus, Vice President, US Public Sector- Cisco Systems**
 - **Moderated by Kofi Bonner, Lennar Urban**

Draft Agenda:

7:00-8:00 AM	Registration, Continental Breakfast, Networking
8:10-8:20 AM	Welcome and Introduction
8:20-9:00 AM	John Silvia – <i>Managing Economic Success and Innovation Acceleration</i>
9:10-9:20 AM	Audience Q&A (prescreened written questions)
9:20-9:50 AM	Featured Speaker: Bruce Katz: <i>The Metropolitan Revolution: How Cities and Metros Are Fixing Our Broken Politics and Fragile Economy</i>
9:50-10:00 AM	Introduction of the Innovation District Panel and Moderator
10:00-10:05AM	Perspective on Innovation Districts from a development opportunity
10:05-10:30 AM	Panel Discussion: <i>Innovation Districts</i>
10:30-10:50 AM	Q&A
10:50-11:00 AM	Next Steps and Concluding Remarks

Top Sponsors: Wells Fargo, Dignity Health, Pacific Gas and Electric Company, Hathaway Dinwiddie, Kaiser Permanente, Lennar Urban, Webcor

August 25, 2014

BROOKINGS

1775 Massachusetts Avenue, NW
Washington DC 20036

web: brookings.edu

Metropolitan Policy Program

June 8, 2015

Mr. Chris Marlin
President
Lennar International

Dear Chris:

Thank you for Lennar International's commitment to the Metro Program, thereby securing your membership on the Metropolitan Leadership Council (Met Council). We are grateful for our continued partnership with Lennar.

Your pledge of \$50,000 is payable to the Brookings Institution in two installments of \$25,000 each, by June 30, 2015 and December 31, 2015. If the terms of this agreement are satisfactory to you, please sign below and return it to the attention of Liza Cole at [REDACTED] or at the above address, at your earliest convenience.

Thank you again for your support, Chris, and I look forward to our collaboration.

Sincerely,

[REDACTED]
Bruce Katz
Vice President and Co-Director

Accepted:

[REDACTED]
Chris Marlin

6.13.15
Date

Hamburg Trip Itinerary

As of June 19, 2015

Tuesday, June 23, 2015

10:30 am –

11:30 am Coffee/Meeting with Roberta, Kofi , Chris, Danny, Sheryl and Julie
Meet in hotel lobby

3:00 pm –

6:00 pm **HafenCity Discussion and Tour**
Brigitte Witthoefft, Assistant to the Executives
HafenCity Hamburg GmbH
Osakaallee 11
D 20457 Hamburg
[REDACTED]

Go to the 1st floor reception desk

3:00 pm Presentation and theoretical background and the relevant information about HafenCity, followed by a discussion

4:30 pm –

6:00 pm Tour starting at HafenCity Hamburg GmbH, either guided by Jürgen Bruns-Berentag or colleagues, showing you the western and the central part of HafenCity (Sandtorhafen/Grasbrookhafen, possibly the Unilever building at the Elbe river, Grasbrookpark, Magdeburger Hafen, Lohsepark and the eastern development area of HafenCity, each with a stress on urban planning and sustainability).

Directions (5.8 km): Take a cab!

6:30 pm **Dinner with the whole group**
Fischereihafen Restaurant
Grosse Elbstr. 143
Hamburg, Hamburg, 22767
[REDACTED]

Reservation under Bruce Katz

Short Bios of Tour attendees:

Roberta Achtenberg

Roberta Achtenberg is the Advisor in Community Development for Lennar Urban. She is also a Commissioner on the United States Commission on Civil Rights, and Vice Chair of the Board of Directors of Bank of San Francisco. Achtenberg served in the Clinton Administration as Assistant Secretary for Fair Housing and Equal Opportunity at the U.S. Department of Housing and Urban Development.

Kofi Bonner

Kofi Bonner serves as regional vice president of Lennar Urban. In this role, Bonner oversees all land acquisition and urban development activities in Northern California, including the Hunters Point Shipyard, Candlestick Point and Treasure Island developments.

Danny Cooke

Danny Cooke is EVP in charge of development for Lennar Urban on The Shipyard, Hunters Point/Candlestick Point and Treasure Island. Cooke was educated and initially worked in architecture in Belfast, N. Ireland, immigrating in 1980 to northern California where he joined Turner Construction Company. During his career he became VP/Operations Manager for Turner's northern California division, successfully managing many project types and developments. Cooke was recognized with two Staff Awards, voted National Community Affairs Operations Manager of the Year and personally applauded by the Company President at an Annual Senior Management Meeting. In 2007, Cooke joined Sunset Development Company as SVP to manage the new San Ramon City Center project. During the recession he spent 2 years managing the New Zealand operation of a U.S. Company during the recovery from the 2011 earthquake. Cooke joined Lennar Urban in 2013.

Bruce Katz

Bruce Katz is a vice president at the Brookings Institution and co-director of its Metropolitan Policy Program. He is a co-author of *The Metropolitan Revolution* (Brookings Press, 2013). After the 2008 presidential election, Bruce co-led the housing and urban transition team for the Obama Administration and served as a senior advisor to Secretary of Housing and Urban Development Shaun Donovan for the first 100 days of the Administration. He is also a member of the RSA City Growth Commission in the UK and a visiting professor at the London School of Economics. Before joining Brookings, Bruce served as chief of staff to Secretary of Housing and Urban Development Henry G. Cisneros. Bruce has also served as the staff director of the Senate Subcommittee on Housing and Urban Affairs. He is a graduate of Brown University and Yale Law School.

Didier Manning

Didier Manning has been Global Program Director for Smart Cities at Bosch Software Innovations since November 2012. Previously, as key account manager for diesel projects worldwide in the commercial vehicle and off-highway areas, he has gained experience in complex ecosystems, one of the key prerequisites for working with cities of any size all around the world. Didier also has an in-depth knowledge of the Bosch Group: he has worked within several divisions in the past 15 years. After his mechanical engineering degree focusing on automotive technology in Bath (England) and Aachen (Germany), this certified engineer began his Bosch career in diesel systems and chassis systems where he worked as a project manager and application engineer.

Didier is fascinated by the interaction of organizational challenges with higher-level needs of the various stakeholders within Smart City projects. His multinational background helps him to adapt

quickly to new situations and build bridges between people. Didier is a keen musician, enjoys restoring vintage cars and spends a lot of time with his three children. He lives with his family near Stuttgart.

Chris Marlin

Chris Marlin is founder and President of Lennar International, a division of one of America's largest homebuilders, Lennar Corporation (NYSE:LEN). Lennar International focuses on foreign direct investment through traditional home sales and the United States' EB-5 immigrant investor program as well as matching foreign capital with Lennar's varied real estate interests including project level debt and equity and asset dispositions.

Chris is a member of the Brookings Institution's Metropolitan Leadership Council whose efforts focus on building strong cities in the United States. Chris was elected to serve on the Board of Directors for the leading immigrant investment association, Invest In the USA (IIUSA). He is a member of the U.S. Global Leadership Coalition and the Young Presidents' Organization, a global network of chief executives. He is a founding director of the FloridaNext Foundation – one of the state's leading think tanks. Close to his south Florida home, Chris serves as a director of the Zoological Society of Florida and the Thelma Gibson Health Initiative which provides health-related care and education to diverse and underserved groups. A former Director of the Florida Bar Foundation and Renaissance Institute attendee, Chris graduated from Emory University Law School where he was involved with the Conflict Resolution Program at the Carter Presidential Center. He also served as an adjunct professor at his undergraduate alma mater, the University of Central Florida.

Sheryl McKibben

Ms. McKibben serves as Vice President of Marketing and Sales for Lennar Urban. She is a results driven executive with thirty years of real estate marketing and management experience. Her leadership role oversees marketing, sales, and customer care. McKibben's expertise lends itself to Lennar Urban's place making efforts, and product programming. McKibben's background includes prior work with top developers, Essex Property Trust, Regis Homes, Prometheus and The Bozzuto Group.

Luise Noring

Luise Noring, Program Director, Copenhagen Business School; Luise is the founder of CBS' programs Sulp and GIC EEP. She holds a Ph.D. from CBS in partnerships and communities. Since then, she has focused on partnerships, communities and social innovation communities in sustainable cities. Luise also works on 'green field' projects, all of which are characterized by being cross-disciplinary, cross-institutional and cross-cultural.

Julie O'Donnell

Julie O'Donnell recently joined Lennar Urban as Director of Marketing. She came to Lennar Urban with over ten years of real estate and marketing experience. Prior to Lennar Urban, Julie worked for leading multifamily management and development companies including BRE Properties, Archstone Apartments and Essex Property Trust. Most recently Julie lead branding and marketing initiatives for Carmel Partners' robust development pipeline, in markets that include San Francisco, Los Angeles, Denver, Seattle and New York City.

Ute Weiland

Ute Elisabeth Weiland is the Deputy Director of the Alfred Herrhausen Society, Deutsche Bank's international forum. She joined the Alfred Herrhausen Society in 2003. Since 2004 she is member of the Executive Board of the Urban Age conference series at the London School of Economics, and from 2010

member of the Governing Board of LSE Cities. Ute E. Weiland has coordinated the deutsche Bank Urban Age Award from its beginning in 2007 in seven different cities. She co-edited the book “Handmade Urbanism – from Community Initiatives to Participatory Models” together with the architect Marcos Rosa.

Ute E. Weiland graduated from the Academy of Music in Weimar. After unification she became chief of staff to the Secretary of State for Education in Saxony. In 1997 she co-founded the Erich Pommer Institute for Media Law and Media Management at the University of Potsdam and was its deputy managing director until 2003.

Ute Weiland is a member of the German-Israeli Young Leaders Exchange of the Bertelsmann Foundation and young leader of the Atlantik Brücke.

Gabriel Wetzel

Gabriel Wetzel is responsible for the Product Group “Internet of Things and Smart City” at Bosch Software Innovations GmbH. Having been in various management positions during his career with Robert Bosch GmbH, Gabriel has extensive experience in project and product management of Bosch’s innovative products. Gabriel studied technical cybernetics at the University of Stuttgart and at the Ecole Centrale Paris.

Lennar-Brookings Innovation Districts Module for MIPIM 2016

May 4, 2015 version

Overall Session:

- 2 hour session on U.S. innovation districts on Tuesday 15th, Wednesday 16 or Thursday 17th

Proposed Roles During the MIPIM Module:

Master of Ceremonies	Lennar
Expert Presenter:	Brookings, 20-25 minute presentation max (20 is better).
Faciliator of Session:	Brookings
Panel:	Three U.S. innovation district leaders and three/four investors and/or developers engaged in these and other U.S. innovation districts.

Proposed Content:

- To share a new urban development trend: the rise of innovation districts in the United States and across all global regions (emphasis placed on the U.S.)
- To surface how this economy-shaping, placemaking, and networking building model is different compared to other urban development models.
- To distill how both development and investment leaders are viewing innovation districts as places of potential and profitability.
- To discuss how this emerging model is forcing various actors to think and act, and invest differently.

Proposed Sequence of Activities:

1. Either Lennar or Brookings opens the module introducing the concept and the panel (TBD).
2. Brookings presenter provides a 20-25 minute presentation on the rise of innovation districts.
3. Three panel presentations, each 15 minutes.
 - a. Each panelist outlines their work on an advancing an innovation district in the U.S. Emphasis will be placed on **the kinds of planning and investment that makes this type of urban model different from other urban models** (e.g., organized around commercial real estate; mixed use development projects, transit oriented development projects, convention/stadia projects). Each presenter visually shows plan and large investments anticipated over the next five years.

- b. After each panel, additional comments from investors/developers to signal how they are approaching this innovation district different as an investment proposition.
 - c. Expert from Brookings also weighs in. Aim here is to have some additional insights from others to help “complete the planning and investment picture,” before proceeding to the next case study.
 - d. Audience weighs in after each panel or after the third panel including 2-3 European innovation districts with practitioners in the audience (need to be identified in advance) will offer their insights from their work.
4. Brookings concludes with key insights gained from this module, where this emerging model is headed in the U.S., and how this is changing investment models.

Status on Speakers/Panelists:

Name, Affiliation	Role	Current Status
Chris Marlin, President, Lennar International	Master of Ceremonies and Panelist on investment	Confirmed and available for all three days
Bruce Katz, Brookings, Co-author of ID Paper	Expert Presenter and Commentor	Confirmed and available for all three days
Julie Wagner, Brookings, Co-author of ID Paper	Panel facilitator	Confirmed and available for all three days
Kofi Bonner, Regional Vice President, Lennar Urban	Presents case study: Hunter Point in San Francisco	Confirmed and available for all three days
John Fry, President, Drexel University	Presents case study: Drexel Innovation Neighborhood in Philly	Confirmed and available for all three days
Rip Rapson, President and CEO, Kresge Foundation	Presents case study: Detroit Innovation District in DT/MT Detroit	Confirmed and available for all three days
Tom Osha, Managing Director, Innovation and Economic Development, Wexford Science & Technology	Panelist on investment	All three days on hold; follow up to be conducted by Julie Wagner
Tim Rowe, Founder and CEO, Cambridge Innovation Center	Panelist on investment and providing intermediary services to IDs	Confirmed and available for all three days
Ken Mehlman	Panelist on investment	Formal invitation sent

Innovation Districts on the Rise

by Alex Lopez

DEC
17
2015

Mixed Use News International



Innovation districts are on the rise globally. Brookings Institution plans on shedding light on why.

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A new urban model is emerging giving birth to "innovation districts." By definition these geographic areas are where leading-edge institutions and companies cluster and connect with start-ups, business incubators and accelerators. These areas are also physically compact, transit-accessible, and technically wired and they offer mixed-use housing, office and retail for all inhabitants.



Cortex Master Plan (Innovation District), St. Louis

The trend can be traced back to locales such as Silicon Valley and is expanding into more areas while becoming a driver of the real estate sector. "Innovation districts are the manifestation of mega-trends altering the location preferences of people and firms and, in the process, re-conceiving the very link between economy shaping, place making and social networking according to a Brookings Institution white paper *The Rise of Innovation Districts*.



District Hall (Boston's Innovation District Hub)

At MIPIM 2016, one of the world's leading real estate market, conference and networking events, a session titled "Innovation Districts: A New Urban Development Model Emerging in the United States" will examine research findings on the creation of innovative urban developments conducted by Brookings Institution, a private nonprofit organization devoted to independent research and innovative policy solutions. The panel, which was made possible by sponsor Lennar International, will focus on the heightened clustering

of anchor institutions, companies and startups in small geographic areas of central cities, which are emerging across the United States, Europe, and other global regions.

"Lennar has worked with the Brookings Institution for years as they've developed their thinking behind what makes innovation districts in urban areas engines of progress and jobs producers of consequence," said Chris Marlin, president of Lennar International. "We are thrilled to bring this thinking—and the imaginations and intellects of Bruce Katz and our panel—to the MIPIM experience this year. It won't disappoint."

The conference session will examine three innovation districts and how a diverse set of city builders and investors are altering the way they design and develop districts to realize their full innovation potential.

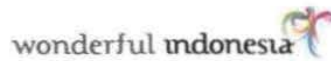
"The rise of innovation districts in urban areas around the world is both predicated on smart real estate and design

decisions and provides a tremendous opportunity for the real estate community going forward," said Bruce Katz, Brookings Institution vice president and co-author of *The Rise of Innovation Districts*. "These open-innovation economic hubs prosper when creative business, residential, and leisure spaces exist in close proximity; real estate is essential to their success."



Great Lake's Coffee, Detroit Innovation District

The "Innovation Districts" panel will take place on Wednesday, March 16th as part of MIPIM 2016 in Cannes, France, March 15-18, 2016, and will be moderated by Julie Wagner, nonresident senior fellow at the Brookings Institution and co-author of *The Rise of Innovation Districts*.



INNOVATION DISTRICTS: A NEW URBAN DEVELOPMENT MODEL EMERGING IN THE UNITED STATES

16 Mar 2016, 16:00 - 18:00

Ruby room, Palais 5

Innovation districts — the heightened clustering of anchor institutions, companies and startups in small geographic areas of central cities — are emerging across the United States, Europe, and other global regions. Cities in the United States are witnessing particularly robust growth, prompting district leaders and both international and national investors to alter traditional development and investment practices.

This session examines three innovation districts and how a diverse set of city builders and investors are fundamentally altering how they design and develop districts to realize their full innovation potential.

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EVENT THEME

- Innovation

EVENT TYPE

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KATZ BRUCE

Speaker
Founding Director, Metropolitan Policy Program
The Brookings Institution

Bruce Katz is a vice president at the Brookings Institution and founding director of its Metropolitan Policy Program. He is a co-author of The...



MARLIN CHRIS

Speaker
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OSHA THOMAS

Speaker
Managing Director, Innovation and Economic Development
Wexford Science and Technology

Thomas Osha is Managing Director of Innovation and Economic Development for Wexford Science and Technology. He guides Wexford's strategy and...



RAPSON RIP

Speaker
President & CEO
Kresge Foundation

Rip Rapson is president and CEO of The Kresge Foundation, a \$3.5 billion private, national foundation dedicated to expanding opportunities for...



ROWE TIM

Speaker
Founder and CEO
Cambridge Innovation Center

Tim is the Founder and CEO of Cambridge Innovation Center (CIC), the largest facility in the world dedicated to housing early stage technology...



WAGNER JULIE

Moderator
Nonresident Senior Fellow
The Brookings Institution

Julie Wagner, Nonresident Senior Fellow at the Brookings Institution, co-authored the paper "The Rise of Innovation Districts." Wagner also led the...

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INNOVATION DISTRICTS: A NEW URBAN DEVELOPMENT MODEL EMERGING IN THE UNITED STATES

Co-organiser: The Brookings Institution

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Chris Mallin
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Julie Wagner
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Kofi Bonner
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Bruce Katz
Founding Director, Metropolitan
Policy Program
The Brookings Institution



Keith Orris
Senior Vice President - Corporate
Relations & Economic Development
Drexel University



Thomas Osha
Managing Director, Innovation and
Economic Development
Wexford Software and Technology



Rip Rapson
President & CEO
Kresge Foundation



Tim Rowe
Founder & CEO



MR. LIPTON: Okay, sure. All right. So let's talk about Kofi --

MS. CHURCHES: Kofi Bonner. Yeah.

MR. LIPTON: Okay.

MR. INDYK: So he was appointed a non-resident senior fellow in February 2014.

MR. LIPTON: Right.

MR. INDYK: Then in June 2014 he was disappointed.

MR. LIPTON: Okay.

MR. INDYK: What's the word for -- is that the right word to say?

MS. CHURCHES: He completed his non-residency fellowship.

MR. INDYK: We did not reappoint him.

MS. CHURCHES: Right.

MR. LIPTON: Okay.

MR. NASSAR: He's not renewed.

MS. CHURCHES: Right.

MR. INDYK: The point, in the general terms, non-resident fellows and senior fellows are appointed on an annual basis and we review it on an annual basis. Okay?

MR. LIPTON: Okay.

MR. INDYK: The reason for appointing him was

because he was a nationally respected urban developer with considerable expertise and experience in urban development when it comes to the innovation districts. We appoint non-residents to these positions not just because they have some -- they are in university and have some academic expertise. The majority of them are in that category, but we also appoint people, particularly in the Metro program, because that's, as I said, it's a different methodology, we often appoint them because they have particular expertise that we want to draw on and we want to work with them.

We've given you three other examples of --

MS. CHURCHES: Bottom of Page 13.

MR. LIPTON: Okay.

MR. INDYK: -- people that fit into that category. Okay?

MR. LIPTON: Okay.

MR. NASSAR: Who are not donors?

MR. INDYK: Who are not donors, it's true. And in terms of merit, Bonner has all of the qualifications that would be necessary for appointing a non-resident scholar in terms of his experience and his education and background. So just to go over that there for you as well.

MR. LIPTON: Okay.

MR. INDYK: Okay. We're not aware of any

instance in which Kofi Bonner used his Brookings affiliation to promote the business interest of Lennar or published work using his Brookings non-resident scholar title. I don't believe he used it in any of those ways. He did appear as an expert panelist at a single Brookings event on June 9, 2014. That was the launch of Bruce's Rise of Innovation Districts White Paper which we've provided to you, and his affiliation with Lennar was clearly communicated at that event.

MR. LIPTON: Okay.

MR. INDYK: The reason that he was not reappointed was because Metro recognized that there was an appearance of a conflict of interest, and that was the reason he was not reappointed.

MR. LIPTON: Do you share that view?

MR. INDYK: Yes. One thing I want you to understand, this is a decision of the reseARch vice presidents. They decide who's appointed and who's not reappointed.

MR. LIPTON: But you, personally, also agree with those --

MR. INDYK: Yes, that there was a perception of conflict of interest, even though I believe that he was appointed on merit and there was justification for it.

Because he was, Lennar was a donor, it created an appearance of conflict of interest. So, yes, I think they did the right thing by not reappointing him.

MR. LIPTON: Is that something you will attempt to avoid doing in the future?

MR. INDYK: Yes. And I think we talked about it last time. We have been working on the issue of conflict of interest for non-resident scholars actively in the last year. That's what generated the whole Litan affair. Because we've instituted new rules that are designed to avoid not just conflict of interest, but the appearance of conflict of interest.

MR. LIPTON: What about that arrangement would reasonably create even an appearance from your perspective? What about that arrangement left you (inaudible)?

MR. INDYK: Because Lennar was a donor.

MR. LIPTON: Right.

MR. INDYK: He was getting a title, an affiliation with Brookings.

MR. LIPTON: Right.

MR. INDYK: So it created the impression that because Lennar was giving money he was getting the title.

MR. LIPTON: Right, okay.

MR. INDYK: That's why we did not -- Metro, it

was Metro's decision not to reappoint.

Mr. Lipton:

Thank you for the opportunity to answer your questions in writing and, specifically, the offer to respond with “any other thoughts/comments” about your reporting on the Brookings Institution. We are providing detailed responses and comments so that you and your editor can carefully weigh all of the facts before deciding whether to include Lennar Corp. as part of your story.

Per our conversation yesterday, we are responding in two parts. The first part consists of our off-the-record comments. We agreed that the off-the-record comments will not be published in print or posted online in any form and will not be shared outside *The New York Times*.

The second part consists of answers to your specific questions that, should *The Times* decide to include Lennar in a story about Brookings, are attributable to “a Lennar spokesman.”

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PART TWO: ON THE RECORD

Question 1: If someone observed this series of events and said it appeared as if Lennar was buying assistance from Brookings to help promote the Shipyard project domestically and internationally, before audiences that included government officials and potential investors in this project and others you are undertaking, how would you react

to that assertion? Is that a fair statement, and if not, why not?

Answer: Your assertion is unfair and misleading. Lennar's support of Brookings is entirely appropriate. Our donations to Brookings were not made to promote Lennar or any individual development. The Shipyard is a world-class project that enjoys strong support from federal, state and local governments as well as Lennar partners and investors. The project is fully entitled and has cleared all regulatory hurdles. Lennar has a public-private partnership with the City of San Francisco to develop the Shipyard. Thus, there was nothing needed in the way of assistance for Lennar to "buy" from Brookings.

Q2: Given this commitment, as described in this document and others like it, which detail services Brookings intended to provide in exchange for a request for a payment, is it fair to call this support for Brookings a charitable contribution or is it a fee-for-service consulting arrangement? Please explain your position on this one.

A: Lennar did not make contributions to Brookings as a "fee for service." Rather, we provided financial support because we believe the good work of Brookings improves the communities in which we do business.

Q3: Brookings has said it was a mistake, in hindsight, to have named Kofi Bonner as a non-resident senior fellow, at the same time as Lennar was making donations to Brookings, as it created the impression that such a title could be bought. Brookings feels Kofi was qualified and an appropriate expert to hold such a post. It is just the appearance it created was inappropriate, even if there was no real conflict. Was this a mistake?

A: There was nothing improper or inappropriate with Mr. Bonner accepting the Brookings position. Also, it is our understanding that Brookings representatives never stated the appointment was "a mistake" as you claim. We suggest you contact them directly.

Q4: Did Lennar pay the cost of travel for Brookings staff to attend the Cannes event in March 2016, an event that included potential international investors in your real estate investment projects?

A: No.

Q5: Do you think that your relationship with Brookings --payments made to a non-profit organization that they repeatedly took steps to highlight or promote your project --has been appropriate?

A: Lennar acted appropriately in all of our dealings with Brookings.

Q6: I see that the engagement with Brookings began around the time that concerns were being raised in the San Francisco community related to aspects of the Hunters Point/Shipyard project, more specifically, the commencement of the 2010-2011 Civil Grand Jury of the City and County of San Francisco regarding the project (see attached) and also to a complaint filed by the SLAM Coalition of Bayview Hunters Point Community Organizations concerning actions by EPA Region 9 officials regarding the project. Was the decision to engage with Brookings part of an effort to build positive press regarding the project that could counter this criticism?

A: The decision to support Brookings had nothing to do with these issues. We fail to understand the logic of how Brookings could provide any assistance regarding a civil grand jury proceeding or an EPA regulatory matter.

Q7: How much in total has Lennar contributed to Brookings since 2010? I want to make sure my count is accurate.

A: Our records indicate a total of \$400,000 in contributions to Brookings.

##

Participants: Bruce Katz and Kim Churches with:
Ken Mehlman, Managing Director and Head of Global Public Affairs,
 Kohlberg, Kravis and Roberts & Co. (KKR)

Date/Time: Wednesday, October 23rd at 1:00 pm

Location: KKR: [REDACTED]

Background

- Bruce spoke with Ken on October 8th. Afterwards, Ken requested a meeting to discuss how to continue a collaborative relationship between Metro and KKR, considering the firm's recent **substantial investments in real estate and infrastructure.**
- Ken had also proposed a co-written thought-leadership piece on P3s that would combine points made in *The Metro Revolution* with KKR's investor/operator perspective. The piece would be co-branded with Metro and the KKR Global Institute, and published in late November. Ken sent Bruce a draft outline (see attached.)
- **Meeting Goal: Renewed Engagement with KKR**

About Ken Mehlman

- Before joining KKR in April 2008, Mr. Mehlman was a Partner at Akin Gump Strauss Hauer & Feld LLP.
- He was chairman of the Republican National Committee from 2005 to 2007, and served as the campaign manager for George W. Bush's 2004 re-election campaign.
- Mr. Mehlman is a trustee of the United States Holocaust Memorial Museum and Franklin & Marshall College, a member of the Council on Foreign Relations, and serves on the Senior Advisory Committee of the Harvard University Institute of Politics, the American Enterprise Institute's National Council, the Robin Hood Veterans Advisory Board and is a member of the boards of directors at the American Foundation for Equal Rights and the IDEAL School of Manhattan.
- Mr. Mehlman received his undergraduate degree in 1988 from Franklin and Marshall College and his JD from Harvard Law School in 1991.

Giving History:

Total: \$200K (\$100K both in FY09 and FY 10) to Met Council

KKR Relationship with Brookings

- **July 2011:** Bruce met with Ken Mehlman to discuss KKR's renewal for the Met Council. They did not renew in FY11.
- **June 2009:** Bruce had a stewardship meeting with Ken Mehlman to discuss the shape of the Brookings KKR relationship.
- **December 2008:** Ken Mehlman became the point person for the Met Council after George Bilicic (former Manager Director and Head of Infrastructure), who began the relationship with Metro in June 2008, returned to Lazard. Ken met with Carrie Kolasky, Mary Ellen Fraser and Rob Puentes to discuss the KKR relationship with Brookings.
- **October 2008:** Ken Mehlman met with Strobe to discuss his interest in Brookings and KKR's alliance with the Environmental Defense Fund (see KKR

Philanthropy below). Prior to his meeting with Strobe, Ken met with Charley Ebinger, David Sandalow and Bill Antholis.

- **June 2008:** KKR joined the Met Council in FY09 through George Bilicic. George later participated in a panel discussion in Minneapolis on transportation at the invitation of Rob Puentes.

About the KKR Global Institute

- The Institute was founded in 2013, and announced the appointment of former General David Petraeus as Chairman in June.
- The Institute’s goal is to analyze economic forecasts, communications, public policy and emerging markets. It will also help the firm’s portfolio companies expand globally.
- Mr. Petraeus’s team at the Institute includes Ken Mehlman, and Henry McVey, KKR’s global head of macro and asset allocation.

KKR and Infrastructure

- In 2012, KKR announced it had gathered about \$4 billion to invest in infrastructure and energy deals as the firm looks beyond corporate takeovers.

Board Member	Start Date	Locations	Positions
Joseph Grundfest	2010	Stanford, CA	William A. Franke Professor of Law and Business, School of Law, Stanford University
John Hess	2011	New York, NY	CEO, Hess Corporation
Henry Kravis	-	New York, NY	Co-Founder, Co- Chairman and Co- CEO, KKR
Dieter Rampl	2010	New York, NY	Director, Board of Directors, KKR & Co. L.P.
George Roberts	-	Menlo Park, CA	Co-Founder, Co- Chairman and Co- CEO, KKR
Patricia “Pat” Russo	2011	New York, NY	Chairman, Board of Directors, Partnership for a Drug-Free America
Thomas “Tom” Schoewe	2011	Falls Church, VA	Director, Board of Directors, Northrop Grumman Corporation
Robert Scully	2010	New York, NY	Director, Board of Directors, KKR & Co LP

The Brookings Institution
KKR Call Briefing

Meeting Participants: Bruce Katz and Liza Cole with

Ken Mehlman, Global Head, Public Affairs
Travers Garvin, Director, Public Affairs
Justin Pattner, Director, Real Estate
Brett Kelly, Associate, Real Estate

Date/Time: Tuesday April 22, 2014 from 4:30 – 5:00 pm

Location: Bruce's Office

Call-in information: ([REDACTED])

Purpose of the Meeting:

To provide a detailed overview of our Innovation Districts work, which KKR has expressed interest in supporting along with our infrastructure work.

Talking points:

- Provide specific examples of IDs popping up around the country and ways that KKR might engage with leadership in those metros (they would like to connect with Pittsburgh and Detroit, in particular, and have connected with Houston's Ed Emmett- I think)
- Provide examples of real estate companies KKR might be able to connect to in those cities
- Pitch KKR on supporting our general Innovation Districts work with an additional investment of \$150K; we are happy to submit a formal proposal on what that engagement would look like in various cities (Pittsburgh, Houston, Detroit, San Francisco, Philadelphia)

Goal:

Get KKR to commit to supporting this body of work for one year, with a goal of engaging long-term

About Ken Mehlman

- Before joining KKR in April 2008, Mr. Mehlman was a Partner at Akin Gump Strauss Hauer & Feld LLP.
- He was chairman of the Republican National Committee from 2005 to 2007, and served as the campaign manager for George W. Bush's 2004 re-election campaign.
- Mr. Mehlman is a trustee of the United States Holocaust Memorial Museum and Franklin & Marshall College, a member of the Council on Foreign Relations, and serves on the Senior Advisory Committee of the Harvard University Institute of Politics, the American Enterprise Institute's National Council, the Robin Hood Veterans Advisory Board and is a member of the boards of directors at the American Foundation for Equal Rights and the IDEAL School of Manhattan.
- Mr. Mehlman received his undergraduate degree in 1988 from Franklin and Marshall College and his JD from Harvard Law School in 1991.
- Has given \$200K (\$100K both in FY09 and FY 10) to Met Council.

About Travers Garvin:

- Prior to joining KKR in 2008, Mr. Garvin was an attorney at Akin Gump Strauss Hauer & Feld LLP where he represented clients on public policy matters before Congress and the Administration.
- Before practicing law, he worked as a policy aide in the U.S. Congress focusing on issues before the Energy and Commerce committee.
- Mr. Garvin holds a B.A. from the College of the Holy Cross and a J.D., cum laude, from the George Mason University School of Law.
- Mr. Travers recently contributed \$250K to Norm Coleman's Senate campaign.

About Justin Pattner:

- Prior to joining KKR in 2011, Mr. Pattner was at Eton Park Capital Management where he focused on real estate and real estate related opportunities.
- Before going to Eton Park, he worked with Lehman Brothers Real Estate Private Equity and Lubert Adler Partners where he was involved in sourcing, evaluating and managing private real estate transactions.
- He holds a B.A., magna cum laude, from the University of Pennsylvania.

About Brett Kelly:

- Joined KKR real estate in 2013
- Before going to KKR, Brett worked with AREA Property Owners and Lazard Freses and Co.
- Graduated from Cornell with degree in Real Estate.

KKR General Information:

- Founded in 1976, KKR now controls \$70 billion in assets;
- KKR invests in a variety of sectors such as private equity, energy & infrastructure, and real estate;
- Total revenues and income have steadily risen the last 3 years with a sharp increase from 2011 to 2012;
- Current income for 2013 is near \$700 million;
- KKR started real estate investing in 2011 and commits around \$700 million in equity to 13 projects in the US and Europe;
- KKR has not invested in infrastructure for the last 40 months, leaving committed investments around \$1B;
- Investments through the infrastructure fund did not occur until 2011;

Recent BI contact:

- 1/24/14 meeting to discuss approval for \$450K/3yrs for infrastructure;
- 11/25/13 call to discuss January infrastructure piece;
- 10/23/13 Bruce and Kim met with Ken Mehlman.

Board of Directors:

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- George R. Roberts
- David Drummond
- Joseph A. Grundfest
- John B. Hess
- Dieter Rampl
- Patricia F. Russo
- Thomas M. Schoewe
- Robert W. Scully

**The Brookings Institution
KKR Call Briefing**

Meeting Participants: Bruce Katz and Steven Pearson with

Ken Mehlman, Global Head, Public Affairs
Travers Garvin, Director, Public Affairs
Justin Pattner, Director, Real Estate
Brett Kelly, Associate, Real Estate

Date/Time: Friday, May 2nd from 10:00 to 10:30 a.m.

Location: Bruce's Office
Dial-In [REDACTED]

Purpose of the Meeting:

To provide a detailed overview of our Innovation Districts work, which KKR has expressed interest in supporting along with our infrastructure work.

Talking points:

- Provide specific examples of IDs popping up around the country and ways that KKR might engage with leadership in those metros (they would like to connect with Pittsburgh and Detroit, in particular, and have connected with Houston's Ed Emmett- I think)
- Provide examples of real estate companies KKR might be able to connect to in those cities
- Pitch KKR on supporting our general Innovation Districts work with an additional investment of \$150K; we are happy to submit a formal proposal on what that engagement would look like in various cities (Pittsburgh, Houston, Detroit, San Francisco, Philadelphia)
- Update on the Infrastructure Essay: Rob Puentes talked to Travers on Tuesday evening, April 29, that the longer version will be co-authored by Bruce, Rob, Marc Lipschultz and Raj Agrawal. KKR will do all outreach and put on their website. Bruce/Rob will do Op-ed and link to longer essay for BI website.

Goal:

To have KKR commit to supporting the Innovation District work for one year, with a goal of engaging long-term. This would be in addition to the \$450K over 3 years support they are giving to our Infrastructure work.

About Ken Mehlman

- Before joining KKR in April 2008, Mr. Mehlman was a Partner at Akin Gump Strauss Hauer & Feld LLP.
- He was chairman of the Republican National Committee from 2005 to 2007, and served as the campaign manager for George W. Bush's 2004 re-election campaign.
- Mr. Mehlman is a trustee of the United States Holocaust Memorial Museum and Franklin & Marshall College, a member of the Council on Foreign Relations, and serves on the Senior Advisory Committee of the Harvard University Institute of Politics, the American Enterprise Institute's National Council, the Robin Hood Veterans Advisory Board and is a member of the boards of directors at the American Foundation for Equal Rights and the IDEAL School of Manhattan.
- Mr. Mehlman received his undergraduate degree in 1988 from Franklin and Marshall College and his JD from Harvard Law School in 1991.
- Ken was our contact when KKR gave \$200K (\$100K both in FY09 and FY 10) to Met Council.

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- KKR has not invested in infrastructure for the last 40 months, leaving committed investments around \$1B;
- Investments through the infrastructure fund did not occur until 2011;

Recent BI contact:

- 4/25 & 4/29/14 Rob P. in talks with Travers/KKR about Infrastructure Essay, details, authorship & promotion.
- **\$150,000 payment received 3/27/14 for support of MPP Infrastructure work.**
- 1/24/14 meeting to discuss approval for \$450K/3yrs for infrastructure;
- 11/25/13 call to discuss January infrastructure piece;
- 10/23/13 Bruce and Kim met with Ken Mehlman.

Board of Directors:

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- Joseph A. Grundfest
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THE WAY FORWARD

A New Economic Vision for America's Infrastructure

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Summary

Disruptive market, demographic, fiscal, and environmental dynamics are fundamentally reshaping America's economic landscape. In this new reality, the United States should think of infrastructure not in the general but in the specific, understanding the ways in which different infrastructure sectors—such as transportation, energy, and water—are governed, financed, and delivered. At the same time, metropolitan areas need to outline their priorities given their distinct economies, competitive advantages, and infrastructure needs. As public dollars become scarcer, we expect that the next generation of American infrastructure will require the public, private, and civic sectors to engage and partner in new ways. This white paper details the critical role infrastructure plays in the American economy, outlines the disruptive trends that are redefining the marketplace, and lays out a new path forward.

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Why Infrastructure Matters Today

We live in a pivotal decade. The United States faces an unprecedented number of economic, demographic, fiscal, and environmental challenges that compel both the government and the private sector to rethink the way they do business. While these new forces are incredibly diverse—including everything from the shale gas revolution to renewed consumer preferences for urban living—they share one underlying need: modern, efficient, and reliable infrastructure.

Tangible assets made of concrete, steel, and fiber-optic cable are essential building blocks of the American economy. Infrastructure enables global trade, powers businesses, connects workers to their jobs, creates new opportunities for struggling communities, and protects America from an unpredictable natural environment. From private investments in telecommunication systems, broadband networks, freight railroads, energy projects, and pipelines, to public investments in transportation, water, public buildings, and parks, America's infrastructure is the backbone of a healthy national economy.

Infrastructure also supports American workers, providing millions of jobs each year to build and maintain the structures and facilities that power our economy. Data from the Bureau of Labor Statistics reveals that approximately 14 million Americans are employed in fields directly related to infrastructure. From locomotive engineers, electrical power line installers and truck drivers to airline pilots, construction laborers and meter readers, infrastructure jobs account for nearly 11 percent of the nation's workforce, offering many employment opportunities that have low barriers to entry and are projected to grow over the next decade.¹

Infrastructure is necessary for the achievement of important national goals. It supports the growth of advanced industries, a high-value, manufacturing-intensive sector of the economy that needs reliable infrastructure to connect supply chains and efficiently move goods and services across domestic and international borders. Infrastructure also connects households across metropolitan areas to higher quality opportunities for employment, health care, and education. Investments in clean energy and public transit have the potential to reduce greenhouse gas emissions and help achieve resiliency and sustainability goals. This same economic logic applies to a range of different infrastructure assets, including broadband networks, water systems, and energy production and distribution.

Disruptive Factors Affecting Infrastructure Design

Today, a remarkable set of demographic and cultural changes, such as the aging and diversification of our society, shrinking household sizes, domestic migration, and an increasingly collaborative and ecosystem-driven work culture, place new emphasis on things like transportation alternatives and telecommunications to connect people and communities. For example, the percentage of licensed drivers among young Americans is the lowest in three decades, correlating with increased public transit use in some metropolitan areas and

new innovations such as car and bicycle sharing.² The prototypical family of the suburban era, a married couple with school-age children, now represents only 20 percent of households, down from more than 40 percent in 1970. A recent survey by the Urban Land Institute found that 55 percent of Generation Y respondents said close proximity of their home to public transportation is important.³

Moreover, the United States is still a growing country. We've added nearly 25 million people in the last ten years. This tremendous growth, concentrated in the nation's 50 largest metros,⁴ will place new demands on already overtaxed infrastructure assets, including water systems, transportation, and data networks. Metropolitan areas should be ready to adapt these systems, not only to serve millions of new customers, but also to maximize the potential for low-income residents who already face disproportionately high unemployment levels.

For example, a recent Brookings analysis found that only about one-quarter of jobs in low- and middle-skill industries are accessible via transit within 90 minutes for a typical metropolitan commuter.⁵ Successful metropolitan areas will be those that find innovative ways to connect workers to jobs and to overcome the digital divide between high- and low-income neighborhoods. Even though the White House points out that broadband speeds have doubled since 2009 and over 80 percent of Americans now have access to high-speed wireless broadband, adoption rates for low-income and minority households remain disproportionately low (about 43 and 56 percent, respectively).⁶

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These societal changes in our country are matched by the intensity of its economic transformation. Over 80 percent of global GDP growth is expected to occur outside the United States over the next five years and, due to rapid globalization, will be concentrated within cities.⁷ This development offers an unprecedented opportunity for American companies to export more goods and services and to create high-quality jobs at home. It also amplifies the role of our logistics infrastructure, such as seaports, air hubs, freight rail, border crossings, and highways. These assets move more than \$51 billion worth of goods each day quickly and efficiently in support of the complex supply chains that are integral to our modern economy.⁸

Our rapidly diversifying domestic energy portfolio is similarly disruptive for infrastructure. The windfall of unconventional natural gas necessitates new and traditional methods for energy transportation, requiring the accelerated growth of new truck, pipeline, and rail networks. Rooftop solar has rattled electric utilities as they scramble for new ways to incorporate and store the energy while keeping the grid operating. At the same time, we expect smart grid and clean energy challenges to remain complex as hundreds of thousands of small- and large-scale projects are projected to come to fruition in the coming decades.

As the United States continues its shift towards a more research- and development-intensive, innovation-based economy, businesses are seeking new ways to take advantage of proximity to boost their bottom lines. The spatial geography of innovation is shifting from isolated science parks and secluded corporate campuses to mixed-use, transit-connected urban enclaves. These “Innovation Districts” are where existing clusters of advanced research universities, medical complexes, and technology and creative firms are sparking business expansion, as well as residential and commercial growth.

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High-profile natural disasters, such as Superstorm Sandy, elevated the profile of America’s water infrastructure challenges. Overwhelmed wastewater systems, washed-out roads, shorted electrical circuitry, and flooded train stations not only highlighted the economy’s reliance on these networks, but also revealed the poor and aging condition of many of these important systems. Consequently, a whole range of new investments and practices are being deployed to rebuild the nation’s water systems. Cities are also working to capture and soak up storm and rain water rather than building expensive infrastructure to channel it away. For example, in a recent report, the Center for Urban Future describes how New York City plans to invest \$2.4 billion over the next 18 years in so-called “green” infrastructure, such as rooftop vegetation, porous pavements, and soils, to make the city more permeable.⁹

Disruptive Factors Affecting Infrastructure Funding and Finance

In addition to the types of infrastructure needed in the coming years, another set of disruptive forces is leading to a change in how projects are funded and financed.

Despite infrastructure’s fundamental and multifaceted role in maintaining national growth and economic health, the United States has underinvested in its infrastructure for decades. Today, infrastructure spending as a share of U.S. GDP is around 2.5 percent, much lower than the 3.9 percent in peer countries, such as Canada, Australia, and South Korea, while this figure for Europe is close to 5 percent, and between 9 percent and 12 percent for China.¹⁰ The McKinsey Global Institute estimates that the United States should spend at least an additional \$150 billion a year on infrastructure through 2020 to meet its needs. This investment is expected to add about 1.5 percent to annual GDP and create at least 1.8 million jobs.¹¹

The federal government has not taken the actions required to reinvest in our nation’s infrastructure and, in many cases, these infrastructure projects are the purview of state and local authorities. For the foreseeable future, federal support for infrastructure programs, such as the Highway Trust Fund and State Revolving Funds for water, will likely continue to face cuts and budgetary shortfalls. Other experiments, such as the National Infrastructure Bank (though noteworthy), seem too complex and politically challenging in the current legislative environment. Regulation and a pervasive “not-in-my-backyard” attitude also present hurdles. Furthermore, given the rise in interest payments, increases in entitlement spending, and decline in traditional sources of government revenue such as the gasoline tax, competition for limited resources is fierce.

A handful of states and a number of cities are developing new ways to select, fund, and build economically important projects. Unfortunately, many of these efforts remain hamstrung due to the lingering effects of the Great Recession. The 2008 financial crisis cut deep into both state and local government revenue streams. Many have dipped into rainy-day funds, took on additional debt, fired essential staff, and otherwise tightened their belts throughout the last several years.

Some cities and states now see budget surpluses due in part to increases in property tax revenues and state level sales tax collections. However, it will take years for most localities to build back their reserves, repay the additional debt incurred during the recession, and pay for deferred maintenance on a range of infrastructure assets. Meanwhile, insufficient retirement security, in the form of unfunded pension obligations for many Americans who are living longer, and other debt burdens facing government continue to limit the availability of public funds to pay for necessary infrastructure. And, though interest rates remain at historically low levels, the ability of many governments to borrow from the capital markets is hindered by debt caps and weak credit ratings. Finally, expectations of an ability to borrow at today’s low rates would likely create long-term challenges for governments should interest rates rise in the future.

Pressures on federal and state governments to become leaner and more efficient, along with financial challenges at the local level, are driving leaders to seek out new tools to deliver economically important infrastructure. However, innovation is particularly difficult considering that many communities have spent the last 50 years deferring their most pressing infrastructure challenges and pursuing stop-gap budgetary measures, instead of developing long-

term solutions. The American cities, metropolises, and states that will succeed in the next century are those that break the cycle of “short-termism” to develop new ways to invest in infrastructure.

The Current Infrastructure Narrative is Too Abstract

The United States has a long way to go to correct a half-century of bad habits and underinvestment and make new solutions for infrastructure the norm rather than the exception. There are three critical problems:

First, despite important progress over the last decade in framing infrastructure as a key economic driver, it remains an amorphous and simplistic discussion. Infrastructure is made up of interrelated sectors as diverse as a water treatment plant is from an airport, a wind farm, a gas line, or a broadband network. We believe the focus on infrastructure in the abstract led to unrealistic “silver-bullet” policy solutions that fail to capture the unique attributes of each of these critical enablers of the American economy. In reality, each of the individual sectors of infrastructure are very different in terms of project design, market attributes, and how they are governed, regulated, owned, and operated.

Second, we believe this generalization overemphasizes the federal role and fails to recognize the diverse and highly fragmented ways that America selects, builds, maintains, operates, and pays for assets as different as public transit, telecommunications, and water. For certain sectors, federal spending is relatively high, such as transportation and water for which federal spending averaged \$92.15 billion each year from 2000 to 2007.¹² But even for those sectors, the federal share of total spending was never higher than 27 percent during that time.¹³ For other sectors, such as freight rail, telecommunications, and clean energy, the federal role in funding and finance is actually quite limited (though they may be affected by federal regulations).

Third, this lack of precision means the United States failed to develop customized solutions to distinctive challenges, in our view. The United States should design infrastructure investments in service of the *next economy*, not the current or prior one. Over the last 25 years, many infrastructure investments were designed to support a post-industrial economic growth model that prioritized consumption and amenities over investments in innovation and production. Yet, one of the lessons we’ve learned from the Great Recession is the need to grow and support the tradable sectors—typically manufacturing and high-end services—that are concentrated in our metropolitan areas. Our 100 largest metropolitan areas house almost two-thirds of our population, generate 74 percent of our gross domestic product, and disproportionately concentrate assets like infrastructure that drive economic success.¹⁴

In our view, prioritizing metropolitan infrastructure around this *next economy* means, for example, making investments in freight connectivity to enable access to metropolitan markets through modern global value chains. It means making investments that support the transition to cleaner and more abundant domestic

energy sources. It means reimagining and redeveloping older industrial properties by leveraging their enviable location near waterfronts and downtowns and along transit lines. It means having a greater focus on green infrastructure to absorb and manage water rather than relying on costly over-engineered solutions.

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Yet even here, infrastructure priorities differ from one metropolitan area to another depending on the nature of its economy, physical location, past investments, growth trajectory and other factors. What Phoenix needs, for example, is likely quite different from what Portland needs, which is likely quite different from what Pittsburgh needs. By defining and designing infrastructure investments from the bottom up, the fundamentals of individual metropolitan economies can be taken into consideration and better matched to each area’s needs. This approach would help make clear what our infrastructure priorities really are and what stakeholders want. It also means enabling metropolitan leaders to work on ambitious and creative strategies to make their infrastructure goals a reality. These strategies include everything from multi-state infrastructure collaborations, to new partnerships, to special infrastructure trusts, and direct voter approval.

America Needs a New Path Forward

So what does all this mean for how America designs, finances, delivers, and governs its infrastructure?

We expect it means that almost all solutions will have a public and private character. As a country, we should endeavor to move beyond simplistic notions of “privatization” to a future of infrastructure with true partnerships between government agencies, private firms, financiers, and the general public. This is how many nations successfully develop infrastructure around the world today.

But here again, the nature and mix of public and private arrangements will likely be customized depending not only on individual transactions, but also on the nature of the particular infrastructure sector.

First, for some sectors like intra-metropolitan transportation (roads, bridges, and transit), we expect the lion’s share of revenue will need to be raised by public means or through innovative market mechanisms.

Capturing Value in Public Assets: Virginia Air Rights

As cities and states continue to look for sources of revenue, new efforts are emerging to capture the enormous value in the land the public sector already owns. Pioneered in the 1950s at New York's Grand Central Terminal, the idea of selling or leasing the right to develop real estate above an existing infrastructure asset—known as “air rights”—is attracting new interest across metropolitan America.

Recently, Boston used this value capture technique to derive revenue from the Central Artery/Tunnel Project (the “Big Dig”). New York pursued a similar contract to build out a portion of the Barclay's Center in Brooklyn. Today, an idea in Arlington, Virginia, could literally pave the way for a new, economically integrated, model of air rights development.

The idea of pursuing a partnership on air rights came out of a drive to secure new revenues for the state. Fortunately, Virginia's Office of Transportation Public Private Partnerships (OTPP) already has a strong track record in negotiating a wide range of risk and capital sharing projects between the state and the private sector. Notably, OTPP successfully negotiated the complex high occupancy toll lane project on Virginia's portion of the Washington beltway with a private partner, Transurban, as well as more than \$6.3 billion in other projects within the last two years. However, the air rights project required the state to fundamentally change the way it normally thinks about what it owns and controls, not just as a steward and a builder, but also as property owner and redevelopment partner.

An initial scan of the state's transportation assets surfaced a number of potential properties in dense urban areas. The most promising is above Interstate 66 in the Rosslyn area of Arlington. Directly across the Potomac River from Washington, D.C., Rosslyn is a business hub hosting a variety of different corporations, including Corporate Executive Board, IBM, and others. Unfortunately, this center of business

activity is isolated from the riverfront and the Capital by the busy urban freeway, limiting opportunities for Rosslyn's growth.

Through an internal analysis, and in consultation with the real estate investment firm Jones Lang LaSalle, the state determined that it could potentially “create” over 10 acres of developable land, drive hundreds of millions of dollars in private sector investment, provide \$24 million in additional tax revenue for the county, and generate several million dollars a year in recurring revenue for the state.¹⁶

potential to reduce its future road building costs.

Achieving these goals would require innovative partnerships between public agencies, all levels of government, private developers and local residents. This project is particularly complex given the multitude of federal approvals required from the Environmental Protection Agency, the National Park Service, the Bureau of Land Management, the Federal Highway Administration, and the Federal Aviation Administration. However, the common interest, alignment, and clear articulation of goals on key economic



In addition to revenue goals, the transportation department also took an expansive vision of its role by considering its work as an extension of regional economic development priorities. Further, the department recognized that Arlington's model for dense, walkable, and transit-oriented development has the

development priorities is moving the project forward.

While still in process, the Rosslyn air rights project demonstrates a new funding and financing future where public assets are used in tandem with private sector expertise and capital.

Ballot measures have traditionally played an important role in securing funds for infrastructure investment, particularly at the local level. Because such projects are often financed using general obligation bonds (which, in many places, require popular approval first), many municipalities go to voters for decisions on financing infrastructure projects. Many cities are also following this trend. This has especially been popular in the western United States where cities such as Los Angeles, Phoenix, and Salt Lake City are taxing themselves, dedicating substantial local money, and effectively contributing to the construction of the nation's critical infrastructure system.

Initiatives for intra-metropolitan transportation are popular among voters. According to the Center for Transportation Excellence, 73 percent of intra-metropolitan transportation measures passed in 2013, as did 79 percent in 2012.¹⁵ While state level ballot measures on infrastructure investments are far less common, in 2013, eight states voted to raise taxes to pay for infrastructure projects. This includes both conservative states like Wyoming and democratic controlled legislatures in states like Maryland.

At the local level, a number of cities are using market mechanisms that capture the increased value in land that accrues from certain infrastructure investments. This can provide a more targeted way to finance new or existing transportation projects by matching the benefit from infrastructure with its cost. These techniques include impact fees through which land developers are assessed a charge to support associated public infrastructure improvements, generally local roads and public works like sidewalks. The lease or sale of air rights is another practice that has been used to finance development around transit stations for decades, famously around Grand Central Station in New York, and more recently in Boston and Dallas.

Another growing trend is the use of tax increment financing (TIF) districts. TIFs support infrastructure projects by borrowing against the future stream of additional tax revenue the project is expected to generate. For example, a TIF was used to finance infrastructure improvements for the Atlantic Station project in Atlanta. A similar strategy was used to fund a streetcar in Portland, Oregon, by creating a local improvement district that leveraged the economic gains of nearby property owners. Furthermore, the city of Fort Worth, Texas, used a TIF in the mid-1990s to spur renewal projects that provide significant benefits to the downtown area today.

We believe that the federal government should allow greater flexibility for states and cities to innovate on projects that connect metros. For example, passenger facility charges, which are used to fund airport modernization, are artificially capped at \$4.50 and do not do nearly enough to cover the airport's operating and long-term investment costs. We believe the busiest passenger airports need to be empowered with the ability to meet their larger-than-average congestion and investment costs without federal impositions or caps. The archaic restrictions on tolling the Interstates should also be lifted, in our view. Metropolitan and local leaders (in conjunction with the states) are in the best position to determine which Interstate roadway segments are the strongest candidates for pricing strategies.

Second, there are other infrastructure classes and projects that we believe are potentially appropriate as public-private partnerships (PPPs). These are often complex agreements that allow the public sector to engage with private enterprises to take an active role in one or more aspects of the lifecycle of an infrastructure asset. PPPs can take a wide range of forms, but, at their heart, include risk and cost sharing in the design, building, maintenance, financing, or operations of an asset.

There is no doubt that public sector interest in these new partnerships is motivated by the funding and financial squeeze. In the post-recession United States, low-credit ratings, debt caps, and limited options for credit enhancements continue to burden many states and localities with high debt costs. These factors often make PPPs appealing, as issuing additional tax-exempt debt may be financially or politically unfeasible. While PPPs are not "free money," these innovative partnerships can offer cities a wide range of benefits including lifecycle cost savings, increased budgetary accountability, higher quality deliverables, and faster project delivery.

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Institutional investor interest in infrastructure PPP investments is also growing. For many of these investors, PPPs are often the best way to gain exposure to the American infrastructure market. Furthermore, infrastructure PPPs potentially provide large investors with access to stable, long-term cash flows, a hedge against inflation, low volatility, stable and predictable returns, and low correlation with other asset classes. In addition, many of these investors, such as those from the private equity sector, have long-term capital that can allow them to focus on results measured in years, not quarter to quarter. We believe this long-term focus aligns with public needs in that it allows for both significant operational improvements and for proper engagement with a wide variety of stakeholders who have an interest in the positive outcome of these investments.

However, not all infrastructure sectors or projects are appropriate for such risk/reward sharing arrangements between the public and private sectors. Some investments may not be profitable enough for the private sector, though they may meet a host of public policy priorities, such as certain green infrastructure or public parks without a revenue stream. For example, private conservancies provide maintenance and oversight for parks in cities such as New York, Pittsburgh, Houston, and St. Louis, but they are typically

Leveraging Private Sector Resources and Innovation: Bayonne Water PPP

Bayonne, New Jersey, is located on the western side of the Upper New York Bay across from Brooklyn. Given its geography, Bayonne has long been an industrial and manufacturing center, home to petroleum refineries and fishing operations. With the decline of those industries in the area, the city is working to rebuild its economy around technology, logistics, and transportation due to its proximity to the Port of New York and New Jersey.

rating and degraded its ability to raise the funds necessary to reinvest in an aging, neglected, and outmoded system. BMUA needed to reevaluate the way it did business in order to bring in new capital, talent, and technology to get things back on track. Fundamentally, the agency realized that, despite myriad problems, its assets held real economic potential. BMUA provided water for a growing community with a number of economic strengths, including one of the country's

excessive price fluctuations. Finally, BMUA wanted to ensure that the employees were treated fairly.

With these core requirements in place, the city determined that these needs could be fulfilled outside the existing structure of BMUA and through a partnership with the private sector. Through a competitive bid process, BMUA selected a proposed joint venture between United Water, a water service company, and KKR, an investment firm. In exchange for a 40-year concession with BMUA, United Water and KKR agreed to pay off \$125 million of the utility's debt, invest nearly \$110 million to modernize the system, retrain and bolster the utility's staff, and eventually save the utility an estimated \$35 million over the lifetime of the contract, based on the city's analysis. The deal also leveraged United Water's significant regional presence, bringing a larger pool of highly skilled engineers and high-tech equipment to the utility.

The benefits of the partnership are already evident. The completion of the investment helped the city of Bayonne to receive a credit upgrade from Moody's. Rates will increase modestly for the community, though the city projects it to be at a lower rate of increase than if it had continued to manage the system. Within the first year, the United Water-KKR joint venture made significant investments in upgrading pipes and equipment by installing advanced monitoring equipment across the entire system. These investments have helped to improve the system to provide better service. In addition, new fleet vehicles have been purchased, employees have received over 2,500 hours of training, and the system's first comprehensive asset management plan has been developed.

Although the Bayonne water investment is in its early days, it is representative of a new movement in American infrastructure investment in which cities are finding new ways to build partnerships that turn infrastructure liabilities into productive assets.

Bayonne's Municipal Utilities Authority (BMUA), the city's water and sewer utility, is also reinventing itself. In 2012, it installed the first wind turbine in metropolitan New York to supply power to its pumping stations. Also in 2012, the city finalized an innovative public-private partnership (PPP) to improve and operate the city's water system.

At the time of the PPP deal, BMUA was burdened with nearly \$125 million in debt, which dragged down its credit

largest ports, a major medical center, and a robust manufacturing and distribution sector. The water utility was an asset for the city, not a liability.

Making the most of this community asset required BMUA to draw up a key set of management priorities. First, it wanted to maintain ownership over the system. Second, it wanted to make sure that it identified and operationalized strong quality and reliability standards for the system. Third, it wanted to cushion ratepayers from



nonprofit organizations that exist for the sole benefit of the parks with no risk sharing between the public and private sectors.

In our view, infrastructure projects most ripe for PPPs include those with a clear revenue stream from rate-payers, such as water infrastructure. In these cases, there is ample opportunity for the private sector to increase capital investment, bring in new technologies, and improve services. Thoughtful infrastructure procurement can also open the door to a wide range of PPP projects that do not include ratepayers. We believe that nearly any asset may be suitable for a PPP as long as there is a mechanism to spread risk between the public and private sector, even without a user fee structure. So-called “availability payment models” can allow for the public sector to pay a recurring user fee for the use of an asset based on its condition and accessibility. These availability payments can come from gas taxes, general funds, or any other non-asset-specific revenue stream. In these cases, it is important that there is a real understanding of the underlying economics and an appropriate capital structure.

Strong candidates for successful PPPs also typically need stable policy environments and strong political leadership, clear and defined responsibilities for the partners, data to support financial planning and usage projections, and be large enough in scale to attract private sector interest.

Since there are no standards for contracts and pricing, risk sharing, and returns, a mix of public, private, and civic groups will likely have to help develop the models for this new path forward for infrastructure. An emerging example is the West Coast Infrastructure Exchange (WCX), which is partially supported by the nonprofit Rockefeller Foundation. The WCX is a collaborative effort between California, Oregon, Washington, and British Columbia to create a pipeline of investable projects and develop standards for important factors, such as transparency, contracts, labor and risk allocation, among others. The overarching goal is to build an organic marketplace of projects and to create a platform from which public, private, and nonprofit partners can learn. By sharing these details in a transparent and accessible manner, project finance and delivery methods can be scaled and replicated.

If successful, we think that the WCX could serve as a model for a series of state, city, and metro-led infrastructure exchanges across the United States. Each regional exchange would be able to focus on the infrastructure delivery and finance strategies best tailored to their own culture, traditions, and needs. An East Coast or Mid Atlantic Exchange may focus on infrastructure needs related to rebuilding coastlines and climate resiliency post-Superstorm Sandy, or on transit and transportation projects that cross state borders. A Midwestern Exchange may hone in on challenges of rebuilding water infrastructure in a largely slow growth environment. A Southern Exchange may focus on new infrastructure to accommodate fast growth and the new geography of manufacturing, supply chains, and goods movement. Irrespective of the precise focus, these individual exchanges could be linked up through a project clearinghouse to share data, information, and best practices.

Third, other sectors of infrastructure, such as energy,

telecommunications, and freight rail, will likely remain dominated by the private sector, typically with federal and state regulatory oversight. But we expect there will also be new types of public and private relationships in these sectors. For example, while broadband networks are still delivered by private sector companies, local governments recognize that network access is equally important to the economic success of households as well as businesses. As cities like Los Angeles and other markets explore ways to extend broadband access to all homes in order to take full advantage of modern computing capabilities, they are also working to figure out the financing arrangements and business opportunities for firms interested in developing those networks.

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Similarly, the country’s trade and logistics industry is highly decentralized, with private operators owning almost all of the trucks and rails, and the public sector owning the roads, airports, and waterway rights. Unlike some of our international peers, such as Germany, Canada, and Australia, the United States does not have a unified strategy that aligns disparate owners and interests around national economic objectives. That is why we think innovative partnerships are necessary to improve the efficiency and reliability of freight movements in and around major metropolitan areas. The Chicago Region Environmental and Transportation Efficiency Program (CREATE) aligns several of these interests in a metropolitan-wide effort to unblock freight and passenger bottlenecks that contributes to delays in the system. The \$2.5 billion for the program will come from a mix of traditional sources (federal grants), private investments (railroads), state loans (bonds), and existing local sources.¹⁷

Innovation Districts are another example of an emerging trend in blended public and private investment. These highly integrated redevelopment projects leverage a city’s existing civic, corporate, and philanthropic assets to take advantage of the shifting spatial geography of innovation mentioned earlier. Fundamentally, Innovation Districts knit together large institutions like hospitals and universities with large corporations, spin-off companies, business incubators, mixed-use housing, office, retail, and modern urban amenities to form clusters of economic growth. By their very nature, these ventures require constant access to a broad array of private, public, and civic capital. Leading examples of Innovation Districts around the United States are utilizing everything from commercial lending, to basic science and applied research grants, to place-based infrastructure investments, and even seed grants from philanthropies.

Public/Private/Philanthropic/Partnerships: A P4 for Detroit

While the widely reported narrative about Detroit's bankruptcy reflects the city's precarious fiscal outlook, it fails to recognize tremendous market momentum concentrated in the downtown and midtown areas of the city. Evidence of this resurgence—years in the making—can be seen throughout the city's urban core, manifested in new residents, new businesses, and a renewed sense of hope in the city's future.

Such activity did not occur by happenstance, but is the result of a new type of intentional, coordinated investments from private, civic, and philanthropic organizations, supported by targeted governmental action. According to the 7.2 Square Mile Report on Greater Downtown, approximately \$880 million was invested in the Detroit Central Business District (CBD), the adjacent Lafayette Park, and Rivertown areas between 2010 and 2012. An additional \$1.2 billion was invested in midtown during this period, with much of that investment concentrated in the North Cass and Medical Center areas.¹⁹

These investments are representative of a major shift in the way cities are working to fund and finance urban redevelopment and infrastructure. Traditionally, federal and state governments make direct or indirect investments in transit, roads, parks, and assisted housing, as well as in other capital improvements. States and cities also regulate building codes and standards of construction, establish how tax delinquent properties can be foreclosed, and dictate the ground rules for using eminent domain.

However, with increasingly tight budgets at all levels of government, cities like Detroit are finding new ways to comingle public, private, and philanthropic resources to fund physical and economic development projects and initiatives.

Private investors, spearheaded by Quicken Loans founder Dan Gilbert, are taking the lead in investing and revitalizing real estate throughout the

CBD. According to Opportunity Detroit, a nonprofit organization focused on revitalizing the city, Gilbert's Rock Ventures has acquired over 40 downtown properties, accounting for 4 million square feet of office and retail and space, and another 3.7 million square feet of parking. Since August 2010, approximately 100 companies have moved to or relocated to Rock Ventures-owned buildings in the CBD.²⁰

In tandem with both the private and philanthropic investments, major civic anchor institutions are leveraging their balance sheets to catalyze urban renewal. The Detroit Medical Center is currently investing \$850 million in upgrades, renovations, and expansions of its facilities. The Henry Ford Health System, Wayne State University, the College for Creative Studies, Michigan State, and the University of Michigan are



These investments build off of a significant philanthropic presence in Detroit. An analysis of the Foundation Center Grants Database conducted by the Reinvestment Fund found that between 2007 and 2011, foundations made 3,587 grants totaling approximately \$551 million to organizations in the District; this represented 78 percent of all philanthropic dollars invested in Detroit during this period.²¹ Some of the most ambitious philanthropic initiatives are tied to the Kresge Foundation's plan to invest in the M-1 light rail system that will run 3.3 miles through the heart of the city. With 11 stops along the way, the transit system will provide physical connections through the area and serve as a stimulant for more dense development in existing neighborhoods.

also making millions of dollars' worth of investments.²²

Furthermore, these investments are bolstered by governmental action on specific regulatory issues, such as revised zoning ordinances and targeted infrastructure improvements, including a street light replacement program. Partly as a result, from 2009 to 2011, the number of jobs in the CBD grew by 5 percent, while they declined 6 percent in the city as a whole.²³

The growing momentum in Detroit's core illustrates how the private, government, and nonprofit sectors can come together to meet mutual goals. Such focused, intentional partnerships should provide a model for other metros.

There are several examples of Innovation Districts. New York City deployed millions in municipal capital for necessary investments in infrastructure to lure universities and private tech firms to its Roosevelt Island redevelopment area; Detroit benefited from local and national philanthropies' support and creation of innovation funds for start-ups in the city's Midtown and Downtown neighborhoods; and, in St. Louis, a business model is being developed to install gigabit-speed fiber optic cable under the street at the same time construction is underway for a planned trolley line to serve the city's Innovation District.¹⁸ While healthy skepticism exists concerning the public sector's role in traditional real estate development, the openness and transparency surrounding these new arrangements stand in sharp contrast to what is normally a highly compartmentalized lending, planning, and public policy.

Regardless of the funding arrangement, we think it is clear that projects are getting more complex. There is no universally ideal mix of funds; it depends on the specific time and place and the particulars of each project. Any public revenue source should be balanced among administrative efficiency, equity, political acceptability and other factors. The level of private engagement would depend on market and business opportunities.

But in the end, traditionally public funded sectors like water and transportation are including more private interests while private sectors like energy and telecommunications are exhibiting public attributes. This tends to shift the notion of public-private partnerships away from individual transactions towards the nature and purpose of the infrastructure asset. In this way, the different sectors of infrastructure come together in an integrated manner as metropolitan areas implement and replicate tailored strategies that promote productive, inclusive and resilient economic growth.

Conclusion

In many respects, we believe America's ability to fully realize its competitive potential depends on making smart infrastructure choices. These choices should be responsive to game-changing economic, demographic, fiscal, and environmental realignments that will fundamentally alter the kind of infrastructure America needs for people, places, and businesses to thrive and prosper. At the same time, we should recognize the financial and political challenges ahead and the complexities inherent in today's infrastructure investments.

”

We believe America's ability to fully realize its competitive potential depends on making smart infrastructure choices.

”

At stake is our nation's economic future. We believe that a better understanding of the role of the public and private sectors, as well as the partnerships between them, will serve to provide Americans with the reliable and modern infrastructure they need to build greater economic opportunity and create more and better jobs. As a result, metropolitan areas would be better connected to global and domestic marketplaces, and better supported by improved water, telecommunications, and public infrastructure. A greater variety of energy sources would be available to households and businesses, and all sectors will be made more resilient to natural and economic shocks. But this will only happen if new solutions for the delivery, design, and financing of infrastructure become the norm rather than the exception. It is time for a new path forward for infrastructure in America.

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Acknowledgments

The authors wish to thank Patrick Sabol, Adie Tomer, and Joseph Kane from the Brookings Institution for their contributions to this white paper.

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**The Brookings Institution
KKR Call Briefing**

July 2014

Meeting Participants: Bruce Katz, Steven Pearson and Liza Cole with

Ken Mehlman, Global Head, Public Affairs
Travers Garvin, Director, Public Affairs
Justin Pattner, Director, Real Estate
Brett Kelly, Associate, Real Estate

Date/Time: Wednesday, July 2nd from 3:30 to 4:30 p.m.

Location: Bruce's Office

Dial-In: [REDACTED]

Purpose of the Meeting:

To re-connect following KKR's recent trips to Detroit and Philly, and to further discuss Metro's work plan around Innovation Districts.

Talking points:

- Ask Ken about his conversations /meetings with local stakeholders in Detroit and Philly; hope they were helpful to you
- Discuss our work plan moving forward in Detroit, Philly, Pittsburgh, Houston, Baltimore and other cities of interest to KKR
- Pitch investing \$150K in our Innovations Districts work for FY '15 ON TOP OF Infrastructure, for a total of \$300K annually

Goal:

Have KKR commit to supporting the Innovation District work for FY '15 (\$150K), with a goal of engaging long-term. This would be in addition to the \$150K annual support they are giving to our Infrastructure work.

Recent Engagement with KKR:

- Liza provided Travers with information on history and current situation and where we see the city going for their trip to Detroit.
- Introduced KKR to Dave Egner (of the NEI), Mark Coticchia (VP and CIO of the Henry Ford Health System), and Sue Mosey (of Midtown Detroit Inc.) for KKR's trip to Detroit.
- KKR met with John Fry (Drexel President) on Friday, June 6, right before he made his appearance at Metro's June 9th ID event.
- 6/9/14 Travers Garvin attended the Innovations District event
- 5/12/14 Travers Garvin attended Infrastructure Week events including the May 16th Brookings Forum
- 5/2/14 spoke with Bruce before KKR trip to Detroit
- 4/25 & 4/29/14 Rob P. in talks with Travers/KKR about Infrastructure Essay, details, authorship & promotion.
- **\$150,000 payment received 3/27/14 for support of MPP Infrastructure work.**
- 1/24/14 meeting to discuss approval for \$450K/3yrs for infrastructure;
- 11/25/13 call to discuss January infrastructure piece;
- 10/23/13 Bruce and Kim met with Ken Mehlman.

About Ken Mehlman

- Before joining KKR in April 2008, Mr. Mehlman was a Partner at Akin Gump Strauss Hauer & Feld LLP.
- He was chairman of the Republican National Committee from 2005 to 2007, and served as the campaign manager for George W. Bush's 2004 re-election campaign.
- Mr. Mehlman is a trustee of the United States Holocaust Memorial Museum and Franklin & Marshall College, a member of the Council on Foreign Relations, and serves on the Senior Advisory Committee of the Harvard University Institute of Politics, the American Enterprise Institute's National Council, the Robin Hood Veterans Advisory Board and is a member of the boards of directors at the American Foundation for Equal Rights and the IDEAL School of Manhattan.
- Mr. Mehlman received his undergraduate degree in 1988 from Franklin and Marshall College and his JD from Harvard Law School in 1991.
- Ken was our contact when KKR gave \$200K (\$100K both in FY09 and FY 10) to Met Council.

About Travers Garvin:

- Prior to joining KKR in 2008, Mr. Garvin was an attorney at Akin Gump Strauss Hauer & Feld LLP where he represented clients on public policy matters before Congress and the Administration.
- Before practicing law, he worked as a policy aide in the U.S. Congress focusing on issues before the Energy and Commerce committee.
- Travers holds a B.A. from the College of the Holy Cross and a J.D., cum laude, from the George Mason University School of Law.
- Travers recently contributed \$250K to Norm Coleman's Senate campaign.

About Justin Pattner:

- Prior to joining KKR in 2011, Mr. Pattner was at Eton Park Capital Management where he focused on real estate and real estate related opportunities.
- Before going to Eton Park, he worked with Lehman Brothers Real Estate Private Equity and Lubert Adler Partners where he was involved in sourcing, evaluating and managing private real estate transactions.
- He holds a B.A., magna cum laude, from the University of Pennsylvania.

About Brett Kelly:

- Joined KKR real estate in 2013
- Before going to KKR, Brett worked with AREA Property Owners and Lazard Freses and Co.
- Graduated from Cornell with degree in Real Estate.

KKR General Information:

- Founded in 1976, KKR now controls \$70 billion in assets;
- KKR invests in a variety of sectors such as private equity, energy & infrastructure, and real estate;
- Total revenues and income have steadily risen the last 3 years with a sharp increase from 2011 to 2012;
- Current income for 2013 is near \$700 million;
- KKR started real estate investing in '11 and commits ~\$700M in equity to 13 US and European projects;
- KKR has not invested in infrastructure for the last 40 months, leaving committed investments around \$1B;
- Investments through the infrastructure fund did not occur until 2011;

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Brookings Metro Program and KKR Meeting

July 24, 2014

1:00pm-3:00pm

Kohlberg Kravis Roberts & Co. L.P.



- | | | |
|------|---|-----------------------------|
| I. | Welcome and Introductions | KKR and Brookings Teams |
| II. | Overview of KKR's Real Estate Work | KKR |
| III. | Overview of Brookings's Innovation Districts Initiative | Bruce Katz/
Jennifer Vey |
| | i. Framing the National Paradigm | |
| | ii. Building Networks | |
| | iii. Providing Resources | |
| | iv. Developing Financing Models | |
| | a. Investment Prospectus | |
| IV. | Overview of Innovation Districts Inventory | Bruce Katz/
Jennifer Vey |
| | i. Priority Markets | |
| | ii. Secondary Markets | |
| V. | Questions/Next Steps | KKR and Brookings Teams |

KKR Responses

Was Brookings providing services in exchange for donation?

- No. As we've said before, Metro's work is focused on improving metro areas, i.e. providing a public good in cities across the United States. Part of the methodology is to build public-private partnerships at the local level. Any introductions are made with that purpose in mind and for the benefit of those communities. The introductions made (referenced in July 2nd memo) were *not/not* to government officials. The article you reference was also intended to benefit communities by reaching audiences through KKR's networks.

Is it appropriate for Brookings to help a donor prepare a corporate public relations briefing paper?

- The paper you reference was by any reasonable person's standards not a public relations paper. It was a study published by the KKR Global Institute that benefited metro areas with contributions from Brookings scholars and KKR experts in the field.
- Research focused on public private partnerships has been a focal point for our infrastructure initiative for many years, long before conversations with KKR in 2013 around a co-produced paper. Here are three examples, among many, of Brookings publications focused on PPPs:
 - [Promises and Pitfalls in Public-Private Partnerships for Transportation](#) By Robert Puentes (July 2009)
 - [Moving Forward on Public Private Partnerships: U.S. and International Experience with PPP Units](#) By Emilia Istrate and Robert Puentes (December 2011)
 - [Private Capital, Public Good: Drivers of Successful Infrastructure Public-Private Partnerships](#) By Patrick Sabol and Robert Puentes (December 2014)

Is this a fee for service relationship?

- No, Brookings does not engage in "fee-for-service" arrangements. The purpose of the projects funded by KKR is to benefit the communities and metro areas that are the focus of Brookings Metro Program work.

How much in total has KKR contributed from 2009 until today?

- \$650,000

**Brookings Institution
Meeting Briefing**

2012

Participants: Bruce Katz, Rob Puentes, Jeff Bader, Sue Brodsky Burnett and Mary Ellen Fraser with representatives of Hitachi Ltd.:

Mr. Takashi Hatchoji, Group Chairman for the Americas

Mr. Okuyoshi (title unknown)

Norihiro Suzaki, Deputy General Manager, DC Office

Rei Tsuchiya, Researcher

Date/Time: Friday March 9th at 3:00 pm

Location: Constitution Room

Schedule: 3:00 to 3:30: Bruce, Rob, Sue and Mary Ellen
3:00 to 3:45: Rob, Sue and Mary Ellen
3:45 to 4:15: Jeff and Mary Ellen

Meeting Background and Objective

- Mr. Hatchoji requested this meeting to discuss how Hitachi can be substantively involved with Metro and the Met Council and to discuss China.
- Metro notes:
 - o Rob and Mary Ellen visited Hitachi's Smart City Group while they were in Japan for the IIES conference in mid-February. There they met with Michi Kohno (Senior Chief Engineer, Smart City Business Management) and Yutaka Saito (Vice President and Executive Officer, President of Information and Control Systems) and other members of the Smart City Group. During this meeting, Hitachi announced they had approved Metro's proposal for \$300K over three years.
- China notes
 - o Mr. Hatchoji would like to discuss the "Obama and China's Rise" event on March 8th (he is not attending).
 - o He would also like your views on the World Bank's recent report on China.
- Note that Lori Gage (Hitachi's Senior Manager, Community Relations) will attend the Global Cities Initiative event in LA on March 21st.
- Prior to this meeting, Mr. Hatchoji is attending the Japan earthquake anniversary event in Falk.

Hitachi Giving History

- Total giving: **\$1.52M** since 1991
- **FY12:** Oral commitment of \$300K to Metro
- **FY12:** \$26.5K to support the Brookings/Hitachi/AAAS Forum (split between ESI and Metro)
- **FY12:** \$10K corporate unrestricted
- **FY11:** \$25K (oral pledge) to support the Brookings/Hitachi/AAAS Forum in May 2010
- **FY10:** \$10K corporate unrestricted
- **FY09:** \$50K to Foreign Policy

Brookings Institution Meeting Briefing

- **FY09:** Provided in-kind support for the climate change study and workshop in Tokyo (unknown amount).
- **FY08:** \$600K to climate change study and workshop in Tokyo (\$500K for the study and \$100K for the workshop) **FY07-FY12:** \$100K annually for IAC membership (member since 2006). Mr. Takashi Kawamura (Representative Executive Officer, Chairman and CEO) replaced Kazuo Furukawa, who left Hitachi to head the New Energy and Industrial Technology

Recent Contact with Hitachi

- **February 2012:** Rob Puentes and Mary Ellen Fraser visited with Hitachi's Smart City Group in Tokyo. Afterwards, Rob and Mary Ellen had dinner with Yushi Akiyama (former Representative and Senior Manager, DC Office) and Yasuo Tanabe (Vice President and Executive Officer).
- **February 2012:** Charley Ebinger, Richard Bush and Kim Churches met with Toshiaki Kuzuoka (Senior Vice President and Corporate Officer) who was visiting from Tokyo. Atsushi Doi (Senior Manager of Legal Department), Tak Ohde (Corporate Officer and General Manager, Corporate Office, DC), and Nori Suzaki (Deputy General Manager, Hitachi Corporate Office, DC) accompanied Mr. Kuzuoka. This was Kim's first meeting with Hitachi.
- **January 2012:** Mary Ellen Fraser had lunch with Nori Suzaki to discuss follow-up regarding Mr. Hatchoji's meeting with Bruce Katz the previous day. Both meetings concerned Metro's proposal with Hitachi for support of the Next Metropolis Initiative.
- **November 2011:** Mr. Hatchoji attended the Alice Rivlin Council event in New York.
- **October 2011:** Strobe Talbott and Rob Puentes had dinner with Takashi Kawamura, Takashi Hatchoji, Tak Ohde, Dr. Alan Leshner (AAAS) and Dr. Albert Teich (AAAS) after the AAAS meeting. Strobe discussed the Japan Studies program, and Tak Ohde, who has been helping DEV find other funders for the program, expressed Hitachi's interest in supporting it.
- **September 2011:** Mary Ellen Fraser, Rob Puentes, Carrie Kolasky and Sue Brodsky Burnett met with Tak Ohde, Nori Suzaki and other Hitachi representatives over the course of the month to discuss the proposal for Metro's Next Metropolis Initiative.
- **July 2011:** Strobe and Mary Ellen met with Mr. Hatchoji, Rei Tsuchiya (Researcher, DC Office) and Norihiro Suzaki. Mr. Hatchoji had recently been appointed to his position as Group Chairman for the Americas at the time of this meeting.
- **June 2011:** Mr. Kazuo Furukawa participated in a panel on energy at the IAC meetings. Mr. Hatchoji accompanied Mr. Furukawa during the meetings.
- **May 2011:** Bruce Katz, Robert Puentes, Carrie Kolasky and Sue Burnett met with Mr. Hatchoji, Mr. Furukawa, Tak Ohde and Rei Tsuchiya for breakfast at the Hay Adams Hotel. The October 2011 Brookings/Hitachi/AAAS forum agenda was discussed and retooled to be about "Rebuilding Sustainable Cities."
- **March 2011:** Mr. Tsukada and Yushi Akiyama (former Representative and Senior Manager, DC Office, Hitachi Ltd.) met with Ken Lieberthal to discuss Brookings's China work.
- **March 2011:** Bruce Katz, Rob Puentes, Carrie Kolasky and Mary Ellen Fraser met with Tadahiko Ishigaki, (former Chief Executive for the Americas), Tak Ohde and Yushi Akiyama to discuss Metro's proposal for a \$600K gift to the Next Metropolis Initiative.
- **February 2011:** The US-China Clean Energy Forum Roundtable was held in Tokyo. Charley Ebinger, Jonathan Pollack, Kevin Massy and Leah Wu visited Hitachi and organized the Roundtable, which was held at the Keidanren. Mr. Tsukada and Mr. Hatchoji attended the Roundtable in March 2011, and Mr. Hatchoji made a presentation on behalf of Hitachi.
- **February 2011:** Mary Ellen Fraser met with Tak Ohde to discuss the IAC, while Charley Ebinger and Jessie Montgomery, and Carrie Kolasky, Robert Puentes and Sue Burnett had two

Brookings Institution Meeting Briefing

separate meetings with Tadahiko Ishigaki and Yushi Akiyama to discuss (respectively) the Tokyo roundtable and the Metro proposal.

- **February 2011:** Bruce Katz, Rob Puentes, Sue Brodsky Burnett and Mary Ellen Fraser travelled to Tokyo at Hitachi's invitation to observe best practices in green transportation.
- **January 2011:** Jonathan Pollack met with Tak Ohde and Yushi Akiyama to discuss the ESI Forum on Trilateral Energy Cooperation in Tokyo, which took place at the end of February. Jonathan spoke at the event in place of Ken Lieberthal, who wasn't able to attend.

Recent Hitachi News

- Hitachi would like to increase its China-sales revenue by 60% (to \$25B over five years). China accounted for 13% of Hitachi's sales last year.
- Hitachi suffered its worst year in 2009 with a percentage loss that set a record for a Japanese manufacturer. Hitachi began a massive reorganization, and announced in April it would divide into five business units as part of that reorganization.

March 26, 2012

Policy

Metropolitan
Program

Mr. Kensuke Oka
President and CEO
Hitachi Americas, Ltd.
50 Prospect Avenue
Tarrytown, NY 10591

Dear Mr. Oka:

We are delighted to welcome Hitachi, Ltd as one of our intellectual, substantive and financial supporters of the Brookings Metropolitan Policy Program. As a member of the Metropolitan Leadership Council, Hitachi will receive the following benefits and opportunities for engagement with the Metro Program:

- Membership in a network of elite metropolitan leaders from both the business and philanthropic sectors.
- Invitations to attend public forums and private events hosted by the Metropolitan Policy Program, including public report releases in Washington, DC, and around the country.
- Briefings for Hitachi executives when they are visiting Washington, DC.
- An annual consultation with Bruce Katz, as well as his participation in meetings with Hitachi executives either in Washington, DC or in New York.
- Briefings with Robert Puentes and other Metro Program scholars on research, policy and legislative discussions, particularly in areas of interest.
- Advance copies of all Metro Program publications, including groundbreaking research and policy briefs.
- Participation in annual Met Council strategy sessions.
- Formal acknowledgement in Brookings' publications of Met Council members as advisors and supporters.
- Regular updates on areas of interest and substantive impact.
- Customized benefits developed through dialogue with Brookings Metropolitan Policy Program staff.

More specifically, in our proposal dated December 14, 2011, the following deliverables and activities are planned for the next 18 months as part of the Next Metropolis research and convenings agenda:

- A set of research papers and policy briefs that collectively aim to identify the most promising city-building/reshaping efforts underway around the world, distill the implications of these efforts, and provide specific policy lessons for the United States. We anticipate the first of these papers will be informed by the industry roundtable we plan to convene at the suggestion of Mr. Kohno as a forum to discuss technical standards for the development and deployment of smart cities technology in the US, to be drafted by the fall of 2012.
- A signature integrative piece co-authored by Bruce Katz and Robert Puentes on the Next Metropolis that presents a vision for an American metropolis that is economically productive,

environmentally sustainable, technologically enabled and socially inclusive. The timing of this is yet to be determined.

- A small gathering in the U.S., of which Hitachi executives would be a part, in early 2013 to critique the initial Next Metropolis vision/action statement.
- A roundtable forum in Japan in 2013 to present the Next Metropolis paper, sharpen and refine our understanding of the current state of urban/metro innovation, and identify barriers and solutions hindering progress in America and the world. (Please note: this event would require that the Metro Program seek additional funding from Hitachi and/or other supporters in Japan).

Hitachi group companies will have the right to share the aforementioned deliverables and products within the company.

Lastly, members of the Brookings project team who will be principally responsible for executing the planned activities include:

- Bruce Katz, Vice President and Co-Director of the Metro Program
- Carrie Kolasky, Deputy Director & External Affairs Officer
- Rob Puentes, Senior Fellow and Director of Metropolitan Infrastructure Initiative
- Susan Brodsky Burnett, Senior Development Officer
- Adie Tomer, Senior Research Analyst
- Jennifer Thompson, Senior Policy/Research Assistant

As a supporter of the Metropolitan Policy Program, Hitachi's \$300,000 pledge to the Metropolitan Leadership Council will be paid in three annual installments of \$100,000 each. The first installment can be paid at your earliest convenience, but no later than June 30, 2012. The second and third payments will be due by June 30, 2013, and June 30, 2014, respectively, which follows the Brookings Institution's fiscal calendar.

If the terms of this agreement are satisfactory to you, please sign this letter, retain a copy for your records, and return the original to the attention of Dana Chieco at your earliest convenience and to the above address.

Thank you again for your interest in the Metropolitan Policy Program. I look forward to our future collaboration.

Sincerely,



Bruce J. Katz
Vice President and Director

Accepted:

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July 17, 2012

Mr. Takashi Hatchoji
Group Chairman for the Americas
Hitachi America, Ltd.
90 Park Avenue, Suite 200
New York, NY 10016

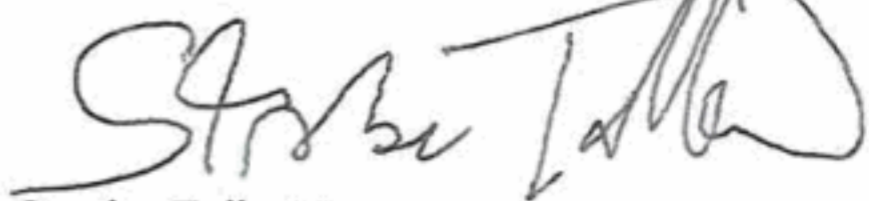
Dear Hatchoji-san:

On behalf of the Board of Trustees, I would like to thank Hitachi for its generous commitment of \$300,000 over three years to the Brookings Institution. This contribution will support the work of the Metropolitan Policy Program, which is led by Vice President and Founding Director Bruce Katz. I am also pleased to acknowledge receipt of \$100,000 as the initial payment on this grant.

In addition to welcoming Hitachi to the Metropolitan Leadership Council, we are pleased to continue Hitachi's place on the Chairman's Circle of the Brookings Corporate Council. We are grateful for Hitachi's investment in the Institution and we continue to value your engagement, especially your participation at this year's International Advisory Council meeting. Through your personal efforts and those of your colleagues, the Hitachi-Brookings relationship continues to strengthen.

I look forward to continuing our collaboration on the Hitachi-AAAS-Brookings Forum this fall. In the meantime, I hope to see you at Brookings again soon.

Warm regards,



Strobe Talbott
President

cc: Mr. Shoji Okuyoshi
Mr. Takashi Ohde

In compliance with the Revenue Reconciliation Act of 1993, we confirm that no goods or services are received in exchange for your gift, making it fully deductible within the limits of the law.

July 22, 2012 via email

From Michi

I will prepare the following material for the discussion.

- (1) Hitachi's concept of smart cities
- (2) Issues in smart cities -- financial models, approach to municipalities, and residents' acceptanc
- (3) Update of ISO activities
- (4) Hitachi's framework of identifying metrics in smart urban infrastructures

(1) and (4) are for your understanding of Hitachi's thoughts and will be the basis of the future discussions. (2) is a material for organizing workstreams in the future discussions (future meetings), and (3) is for making you updated with the progress of the standardization activities.

I will accompany one or two guys from my division to the meeting to establish an organizational approach to the subjects to be discussed in the future.

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A Note on Brookings - Hitachi Smart City Discussions

1 Hitachi's Expectations on Brookings Metropolitan Policy Program

1.1 Enhancement of Hitachi's theory and concept on "Smart Cities" through the discussion with Brookings experts and their peer professionals

1.1.1 Introduction of American flavor of "Sustainable Growth" of urban economy against the environment (low carbon) biased approaches in Europe and China

1.1.2 Establishment of the business (financial) models of smart cities

1.1.3 Discussion on such non-technological issues in achieving smart cities as acceptance by residents, and the roles of municipality, financial industry and technological industry

1.1.4 Discussion on the approach to municipalities and local governments, which are generally separated in silos, in promoting the smart cities

1.2 Input of ideas and experiences from American industry and academia into the discussion of the standardization of “Smart Community Infrastructure”, which is being discussed in ISO TC268/SC1

1.2.1 Enhancement of the framework of introducing the definition of the “Smartness” of urban infrastructures and the indicators to measure the smartness, which is being proposed by Japan to ISO

1.2.2 Discussions on the model of urban functions, which forms the basis of metrics consideration

1.2.3 Road-testing of proposed metrics by American industries and municipalities, while the working draft of the standard is being discussed in the ISO arena

2 Envisaged Activities

2.1 Theory and concept of smart cities

2.1.1 Internal discussions with Brookings visionaries - separate sessions for each subject

2.1.2 Jam session type of discussion including external experts, excluding competitors

2.1.3 “Smart City Roundtable” including executive(s) from Hitachi

2.2 Standardization

2.2.1 Internal discussions with Brookings visionaries on the framework of introducing metrics

2.2.2 Phase 1 [2012 - first half of 2013]: Discussions on the framework with limited members of US industry and institutions including NIST - Consensus building towards the working draft discussions at ISO TC268/SC1/WG1

2.2.3 Phaset 2 [Second half of 2013 and beyond]: Road-testing of the working draft by US industries and municipalities, and feedback to ISO discussions

3 Provisional Schedule

3.1 Theory and concept of smart cities

3.1.1 Oct , 2012: Internal discussion (1) - Discussions on Hitachi’s concept

3.1.2 Nov, 2012: Internal discussion (2) – Discussions on business models

3.1.3 Dec, 2012 – Jan, 2013: “Smart Cities Roundtable 1” – “Smart Cities Roundtable” is to be repeated on the annual basis

3.1.4 March, 2013: First report issued

3.1.5 April 2013 - : Second round of discussions based on the report and new subjects

3.2 Standardization

3.2.1 Oct – Nov, 2012: Internal discussions with Brookings on the framework of introducing metrics

3.2.2 Jan – Feb, 2013: First Phase 1 discussions on the framework with limited members

3.2.3 Apr – May, 2013: Second Phase 1 discussions on the framework with extended members

**Brookings Institution
Meeting Briefing**

Participants: Bruce Katz, Rob Puentes, Adie Tomer and Sue Burnett with:

Mr. Takashi Hatchoji, Group Chairman for the Americas, Hitachi
Mr. Shoji Okuyoshi, a member of Mr. Hatchoji's staff
Mr. Asim Zaheer, Hitachi Data Systems

Date/Time: Tuesday, January 15th from 3:30 to 4:00 pm

Location: January Room

Meeting Background and Objective

- Mr. Hatchoji and Mr. Okuyoshi would like to introduce the importance of Big Data in the Metropolitan Program, and Hitachi's role in developing and applying these rapidly developing technologies.
- They would like this to be the first of several discussions, which would eventually include additional members from Hitachi Data Systems teams.
- Mr. Hatchoji and Mr. Okuyoshi will be meeting with Jeff Bader and then Mireya Solis immediately after this meeting.

Hitachi Giving History

- Total giving: **\$1.53M** since 1991
- **FY06-FY13:** \$10K annually in corporate unrestricted funds
- **FY07-FY12:** \$100K annually for IAC membership (Mr. Takashi Kawamura, Chairman and CEO, is the IAC representative)
- **FY11-FY13:** \$25K annually split between Metro and ESI to support the Brookings/Hitachi/AAAS Forum in May 2010
- **FY12:** \$300K to Metro for the Next Metropolis Initiative
- **FY09:** \$50K to Foreign Policy
- **FY09:** Provided in-kind support for the climate change study and workshop in Tokyo (unknown amount).
- **FY08:** \$600K to climate change study and workshop in Tokyo (\$500K for the study and \$100K for the workshop)

Metro Contact with Hitachi

- Metro has held nine meetings and several conference calls in the past six months with executives from Hitachi's water, transportation, and data business lines and are collaborating more fully on defining what it means to be a "Smart City" and how international bodies would provide huge benefit to corporations by creating uniform standards for Smart Cities components.

Timeline of Metro Collaboration (September 2012-January 2013):

- September 12: Panel preparation for Hitachi/AAAS/Brookings Forum on water
- September 26: Standards/metrics for smart cities
- September 27: Hitachi/AAAS/Brookings Forum, "Eco-Engineering: Addressing Water Challenges"
- September 28: Intelligent water systems in urban areas
- September 28: Smart transportation systems

Brookings Institution Meeting Briefing

- November 7: Smart Cities
- November 14: Shoji Okuyoshi attended the Met Council mtg
- November 20: Water plant technology
- December 5: Smart cities
- January 15: Big data
- January 18: Smart transport

Other Contact with Hitachi

- **December 2012:** Mary Ellen Fraser and Elisa Glazer met with Tak Ohde and Norihiro (Nori) Suzuki (Deputy General Manager, Washington office) to discuss ESI.
- **September 2012:** During the AAAS Forum, Dr. Shinjiro Ueda (Representative Director, Executive Vice President and Executive Officer, Hitachi Plant Engineering) met with Rob Puentes, Adie Tomer and Liza Cole. He also met with Charley Ebinger and Mary Ellen Fraser. Takashi Tanaka (Senior Manager, Project Incubation Division, Water & Environment, Solution Management Group, Hitachi Plant Technologies Ltd.), Ryosuke Tanno (Assistant Manager, Government & External Relations Division), Sonoko Sakai (Assistant Manager, International Strategy Division), and Nori Suzuki joined the meeting with Charley and Mary Ellen.
- **September 2012:** Mr. Hatchoji, Mr. Okuyoshi and Nori Suzuki met with Martin Indyk and Elisa Glazer, and then with Mireya Solís and Christina Logothetis.
- **September 2012:** Mary Ellen Fraser had a lunch meeting with Tak Ohde (Corporate Officer and General Manager, DC Office) to start a discussion about the Brookings Second Century Campaign.
- **June 2012:** Charley Ebinger, Jonathan Pollack and Jessie Montgomery met with Minoru Tsukada (President, Hitachi Research Institute), Tak Ohde, and Nori Suzuki to discuss US and global energy issues.
- **June 2012:** Bruce Katz, Rob Puentes and Sue Brodsky Burnett had breakfast with Mr. Hatchoji and Mr. Okuyoshi during the IAC meetings. Rei Tsuchiya (Manager, Government and External Relations) attended Metro's Global Cities Initiative event in Miami on June 19th.
- **June 2012:** Mr. Hatchoji attended the IAC meetings as the representative for Mr. Kawamura.
- **February 2012:** Rob Puentes and Mary Ellen Fraser visited with Hitachi's Smart City Group in Tokyo. Afterwards, Rob and Mary Ellen had dinner with Yushi Akiyama (former Representative and Senior Manager, DC Office) and Yasuo Tanabe (Vice President and Executive Officer).
- **February 2012:** Charley Ebinger, Richard Bush and Kim Churches met with Toshiaki Kuzuoka (Senior Vice President and Corporate Officer) who was visiting from Tokyo. Atsushi Doi (Senior Manager of Legal Department), Tak Ohde and Nori Suzuki accompanied Mr. Kuzuoka.
- **January 2012:** Mary Ellen Fraser had lunch with Nori Suzuki to discuss follow-up regarding Mr. Hatchoji's meeting with Bruce Katz the previous day. Both meetings concerned Metro's proposal with Hitachi for support of the Next Metropolis Initiative (pledge received June 2012).
- **October 2011:** Strobe Talbott and Rob Puentes had dinner with Takashi Kawamura, Mr. Hatchoji, Tak Ohde, Dr. Alan Leshner (AAAS) and Dr. Albert Teich (AAAS) after the AAAS meeting.

About Takashi Hatchoji

- Mr. Hatchoji joined Hitachi in 1970, after receiving his degree in Commerce from Hitosubashi University.

**Brookings Institution
Meeting Briefing**

- He was appointed to his current position in February 2011. Prior to that, he was Executive Vice President and Executive Officer in Hitachi, Ltd. from 2006-2007, Senior Vice President and Executive Officer from 2004-2006 and Vice President and Executive Officer from 2003-2004.
- In 2003 he was appointed as General Manager of Legal and Communications, and COO and CTO of the Information & Telecommunication Systems Group from 2002-2003. Previously, he was Executive General Manager of the Business Solution System Division in 2001 and appointed as General Manager of the Corporate Planning & Development Office in 1997.
- He also served as President and Director of Hitachi Research Institute, Ltd. from 2007-2009.

Participants: Bruce Katz, Rob Puentes and Mary Ellen Fraser with representatives of **Hitachi:**

Takashi Hatchoji, Chairman, Hitachi America, Ltd.
Yushi Akiyama, Director, Strategic Business Planning Office

Date: Monday, May 19th at 2:30 pm

Location: Hitachi Office: 90 Park Avenue (between 39th and 40th Streets)
Mary Ellen Fraser's cell phone [REDACTED]

Purpose and Background

- To thank Hitachi for their support of Metro's Infrastructure work (the 3-year grant expires in June) and ask for their support for a renewal.
- Thank Hitachi for their final payment on the previous 3-year commitment (just came in 5/15 for \$100K).
- Discuss the ways that Metro has been a critical partner to Hitachi over these past three years (see detail below).
- Present the Infrastructure Power Point to Mr. Hatchoji to talk about Metro's unique approach to understanding and helping metros develop strategies to drive economic development.
- Yushi saw this presentation in January at a meeting with Bruce Katz, Rob Puentes, Adie Tomer, Mary Ellen Fraser, and Sue Burnett. Mr. Hatchoji then joined the group for dinner after the meeting.
- Note that Hiroaki Nakanishi replaced Takashi Kawamura as Chairman and CEO of Hitachi in March 2014. Bruce met with Mr. Nakanishi when Hitachi's board visited Brookings in December 2013.

TALKING POINTS:

Brookings Institution Meeting Briefing

Pretext: Metro Program

- Our nation faces huge challenges: we need more and better jobs, but at the same time cyclical and structural forces have left the federal government ineffective.
- Metros need to step up—and they can because they are powerful.
- As a program we have targeted six levers that we focus on to maximize the impact of metropolitan policy innovation.
- **Today we will focus on infrastructure**

1. Infrastructure work we have done with Hitachi support:

- Freight- exposed critical metro role in AIs, including trade levels with Japan
- Rail -- Key Amtrak statistics; pushing for a more financially stable system to help promote further corridor investments
- Air -- Sky-high growth in international aviation, which can include metro connections to/from Japanese metros
- Smart Cities -- Understanding the governance issues blocking cities from making major investments with private sector solutions
- Through all these topics areas ... we have engaged Hitachi through:
 - More than 10 in-depth meetings with Hitachi executives from Japan and the U.S.
 - Including Hitachi executives in four GCI forums (Columbus, Miami, Houston, Dallas), plus introducing Mr. Hatchoji to Gov. Calzada of Queretaro at Feb 26th lunch at Brookings.
 - Two sets of extensive review of Hitachi materials including meetings and conference calls.
 - Production and participation in four other Hitachi-sponsored events/convenings (3 AAAS forums, 1 board meeting).
 - Upcoming Hitachi/AAAS/Brookings Eco-Engineering forum will have Gov. Terry McAuliffe as keynote, and the Metro-organized panel on Big Data and Transportation will have Hitachi's Dr. Umeshwar Dayal as speaker (he's their Big Data Research director).

2. Evolution of how we think about Infrastructure

- Major disruptive forces are changing how we design, deliver, finance and govern infrastructure in the United States.
- These dynamics require a rethinking of infrastructure that eschews the overgeneralization that plagues current policy
 - Introduce the seven pillars
 - Disaggregating infrastructure along these pillars is critical, because each requires its own unique 'solutions'

3. The MPP value to Hitachi moving forward

- Highlight activities around a few pillars:
 - Water -- importance of new investment to create usage efficiencies
 - 100-metro scan in the work, plus new relationship with Pat Mulroy
 - Broadband -- Understanding how to unlock US economic growth through expanded broadband access

Brookings Institution Meeting Briefing

- 100-metro scan, plus relationship with GigU and Blair Levin
- o Smart Cities/Big Data –
 - As cities monitor more and more of how their regions function—from traffic on the roads to the energy buildings use—big data technologies will become increasingly important to effectively manage the data streams and to improve city operations. This is a growth opportunity for big data firms.
- o Energy -- Following changing power generation trends in the U.S., with a particular eye on renewables and the critical financing instruments for them.

Recent and Upcoming Contact with Hitachi

- May 28-29: Mr. Hatchoji will attend the IAC meeting.
- May 9: Farewell luncheon for Tak Ohde that Rob Puentes attended.
- May 7: Brookings Trustee Jim Murren met with Toshikazu Nishino (Senior Vice President and Executive Officer) as a courtesy while he was travelling in Japan.
- Feb 26: Mr. Hatchoji attended the luncheon with Governor Calzada of Queretaro at Brookings.
- April 26: Mary Ellen Fraser attended the farewell reception for Tak Ohde at his home.
- January 30: Bruce Katz, Rob Puentes, Adie Tomer, Mary Ellen Fraser, and Sue Brodsky Burnett met with Yushi Akiyama to discuss Metro's work, and then had dinner with Mr. Hatchoji and Yushi to discuss continued support for Metro.
- December 3: Brookings hosted the Hitachi board, which included a Council lunch and sessions with Charley Ebinger, Bruce Katz, and Darrell West
- November 20-23: Takashi Hatchoji attended the IAC Study Tour as Hitachi's representative.
- October 16: Brookings/Hitachi/AAAS Forum (5th annual). The title of the year's Forum was "How Shale Gas is Shaping Energy Security and Environmental Issues across the World".

Giving History

TOTAL to Brookings: **\$1.8M since 2006**

TOTAL Campaign: \$1.03M

Commitments Last Five Years

FY14: \$100K IAC
 \$10K corporate unrestricted
 \$25K to Metro (for AAAS)
 \$10K to ESI for Tokyo Roundtable
 \$10K to FP for hosting the Hitachi board
 \$10K to GS for hosting the Hitachi board
 \$5K to Metro for hosting the Hitachi board
 \$25K split between ESI and Metro (for AAAS)
 \$1.5K ESI (writer's fee, part of AAAS funding)
 \$20K for IAC Study Tour

FY13: \$100K IAC
 \$10K corporate unrestricted
 \$25K split between ESI and Metro (for AAAS)
 \$1.5K ESI (writer's fee, part of AAAS funding)

FY12: \$300K Metro Next Metropolis Initiative
 \$100K IAC
 \$10K Corporate unrestricted
 \$25K split between ESI and Metro (AAAS)
 \$1.5K ESI (writer's fee, part of AAAS funding)

FY11: \$10K Corporate Unrestricted
 \$100K IAC
 \$25K split between ESI and Metro (AAAS)
 \$1.5K ESI (writer's fee, part of AAAS funding)

FY10: \$10K Corporate unrestricted
 \$100K IAC



About Hitachi

- Hitachi Ltd. reported \$96B in sales in 2013. The company's highest revenues come from Information and Telecommunications, specifically semiconductors, servers, mainframes, and ATMs.
- Hitachi is interested in acquiring Alstom units that might be sold off if GE's bid for Alstom is approved. Hitachi Chairman Hiroaki Nakanishi was quoted as saying "We will reach out anytime if we can find a good company to globally expand our social innovation businesses,' [meaning Hitachi's] infrastructure, IT and health care businesses. 'We don't have a major cap on how much money to spend.'"

About Takashi Hatchoji

- Mr. Hatchoji was appointed to his current position in 2011 after serving as the Executive Vice President and Executive Officer, in charge of Urban Planning and Development Systems Business, Defense Systems Business, Corporate Planning, Environmental Strategies, Human Capital, Legal & Corporate Communications, Corporate Brand and Corporate Auditing, General Manager of Supervisory Office for Business Infrastructure, Hitachi Group Chief Environmental Strategy Officer, General Manager of Supervisory Office for Product Environmental Information.

- He served as President and Director of Hitachi Research Institute, Ltd. from 2007-2009.
- Prior to that, he was Executive Vice President and Executive Officer from 2006-2007, Senior Vice President and Executive Officer from 2004-2006 and Vice President and Executive Officer from 2003-2004. In 2003 he was appointed as General Manager of Legal and Communications, he was also assigned COO and CTO of the Information & Telecommunication Systems Group from 2002-2003. Prior to that, he was assigned as Executive General Manager of the Business Solution System Division in 2001 and appointed as General Manager of the Corporate Planning & Development Office in 1997.
- Mr. Hatchoji joined Hitachi in 1970 after receiving his BA in Commerce from Hitotsubashi University.

About Yushi Akiyama

- Yushi was appointed to his current position of Director, Strategic Business Planning Office in 2013.
- Deputy General Manager based in Tokyo from 2011 – 2013.
- From 2007 – 2011, he was in charge of overseeing Hitachi's public affairs and government relations, specifically in the areas of energy, climate change, and U.S and Japanese relations. He was also one of our main contacts for the AAAS Hitachi Lecture Series.
- From 2005-2007 Mr. Akiyama was Manager of Hitachi America's Executive Office in New York.
- In 2000 he was given a research assignment at Hitachi's Corporate Planning and Communications office in the UK.
- Yushi began his career with Hitachi in 1995 in the Tokyo office.
- He has a BA in International Management from Nanzan University.
- Yushi spent much of his childhood in California and is a surfer.

The Brookings Metropolitan Policy Program An Opportunity for Support and Collaboration Submitted to Hitachi *June 11, 2015*

About Brookings

The Brookings Institution is a nonprofit public policy organization based in Washington, DC. Our mission is to conduct high-quality, independent research and, based on that research, to provide innovative, practical recommendations that strengthen American democracy; foster the economic and social welfare, security and opportunity of all Americans; and secure a more open, safe, prosperous and cooperative international system.

How the Brookings Metro Program Works

At the Metropolitan Policy Program (Metro Program), our mission is to deliver research and solutions that help cities and metropolitan regions build an advanced economy for all. We embrace an affirmative vision of what's possible in everything we do, exemplifying Brookings' values of quality, independence, and impact. As the Metro Program prepares to enter its third decade, we are providing leaders in our cities and metro areas the tools they need to foster a vibrant economy. These tools include:

- Empirical research. We study critical issues facing cities and metropolitan areas, providing data and analyses that shape solutions and inform decision making.
- Action-oriented insights. We partner with city and metro leaders to translate our research into on-the-ground knowledge and action, and pilot new strategies that ultimately lead to solutions that can be adapted and scaled.
- Public and private-sector reforms. We encourage federal and state governments, and private-sector firms and philanthropies, to adopt policy reforms and actions that facilitate metropolitan innovations and solutions.
- Innovative networks. We convene and empower cross-sector networks of government, business, and nonprofit, leaders who work together to solve problems, develop new solutions, and advocate for broader reforms.

We organize our work around the fundamental components of metropolitan economies: the **firms and industries** that generate jobs, output, and wealth; the **workers and families** that contribute to and benefit from innovation and productivity growth; and the **infrastructure** that supports and enables the advanced economy to flourish. We further examine how these components come together within metropolitan areas to create vibrant communities where people want to live and work.

Our Networks

- Federal, state, and international collaboration. The Metro Program has worked with leaders in over 30 cities and metropolitan areas and more than a dozen states to help them design and implement economic growth strategies that build on their distinctive assets. Our research products and experts have informed federal policy reforms in areas such as exports, manufacturing, transportation, housing, land use, and education that help city and metro leaders capitalize on their assets. And we have engaged with dozens of cities and metro areas globally to identify and apply the best urban practices and policies for economic growth, and to forge new city-to-city relationships for trade and investment.

- The Metropolitan Leadership Council (Met Council). The Met Council is our network of elite business, civic and philanthropic thought-leaders that act as financial and intellectual partners of the Metro Program. The Metro Program relies heavily on this group of stakeholders to help advance and support bipartisan solutions that leverage the unique economic drivers of our metro areas so they can help America prosper. While many of our members act globally, they retain a commitment to the vitality of their local and regional communities, a rare blend that makes their civic engagement even more valuable.

The Metropolitan Infrastructure Initiative

The Metro Program believes social and industrial infrastructure is the backbone of the economy. It enables global trade, powers businesses, connects workers to their jobs, and protects America from an unpredictable natural environment. This includes public investments in transportation, water, and clean energy as well as private investments in information technology, telecommunication systems, and factory automation.

It is clear that the solutions are largely driven by innovative firms like Hitachi, but we must do more to understand the needs of places and how the public and private side can interact and collaborate better. Because as we go forward it is clear that infrastructure solutions in the coming decades will consist of true partnerships between government agencies, financiers, and the general public and innovative firms and businesses.

To be successful, these leaders need an independent and practical source of information that fills the gap between academics and advocacy. They need proven models of delivering and financing major infrastructure projects and the smart policy ideas to support them. Finally, they need the cross-sector, cross-disciplinary networks that collectively champion for change at all levels of government.

The Brookings Metro Program is well situated to provide new research, fresh policy ideas, on-the-ground assistance, and networks to design, finance, and deliver transformative infrastructure projects. With over 15 years of groundbreaking work on our nation's built environment, Brookings is the only research group that analyzes infrastructure in the service of broader economic, social, and environmental goals both domestically and globally. We are the only think tank that successfully combines research and policy development across multiple levels of government (federal, state, local) and sectors (corporate, civic, university and finance).

Brookings/Hitachi Relationship

Brookings Metro has enjoyed the support and partnership from Hitachi since 2010. The most recent commitment, secured in 2012, was a three year pledge of \$100,000 per year to our Met Council. This partnership has allowed for exciting collaboration with impactful results.

Eco-Engineering Forum: Brookings, along with the American Association for the Advancement of Science, has partnered with Hitachi for six years to produce an annual forum. This much-anticipated event aims to provide a platform for key U.S. opinion leaders and technological experts to actively discuss issues regarding the sustainable development of urban communities. These fora have focused on building smart cities, innovative water practices, big data, and shale gas. They have brought together national experts for a substantive discussion and features high level keynote speakers such as Virginia Governor Terry McAuliffe, U.S. Energy Secretary Steven Chu, among others.

Smart Cities: Beginning in 2012, Brookings provided advice and guidance as Hitachi worked to develop its *Vision of the Smart City*. This included in-person meetings with Hitachi officials, teleconferences connecting us with officials in Japan, and a thorough review of a draft white paper document and direct feedback to Hitachi. The nature of our review included suggestions to provide a more direct economic frame, a clear distillation of the complex governance structure of U.S. cities and metros, and shaper messaging that would better appeal to an

American audience. We also provided an ongoing list of smart city events happening in the U.S., which we keep apprised through our extensive network.

Transportation: Brookings has advised Hitachi officials about the landscape for transportation solutions in the U.S. Hitachi's comparative advantage in supplying technological solutions for vehicles, railways, and roadways is of great interest to U.S. policy makers as they seek modern approaches to existing challenges. Brookings helped describe their areas of focus and concern including traffic management and control, vehicle safety and navigation systems, and railway operation. By providing specific advice on which American cities and metros are most interested and well-positioned Brookings helps achieve impact by building relationships between our corporate and civic partners.

Water: Brookings and Hitachi have also collaborated on issues related to water resource management. These collaborations have generally taken the form of face-to-face meetings between Brookings experts and Hitachi officials, which we followed up with materials to help Hitachi better understand the regulatory and investment landscape in the U. S. We have provided our perspectives on these issues to Hitachi and, in turn, we have been able to better help officials directly solve some vexing problems. This included work on water resources in dry places like Las Vegas and California, as well as areas with flooding concerns such as those in the Southeast.

Big Data: We also discussed issues related to how vast amounts of data and information creates new opportunities to understand how places function and how industries prosper. We met with officials from Hitachi's Big Data lab in California to understand the firm's business model which helped us understand the connection between big data and health care opportunities in places like Phoenix that wish to position themselves as leaders in this field.

Case for Continued Support

Brookings Metro clearly sees benefit from Hitachi's support. Beyond being a financial partner, our relationship has enabled us to bring the perspectives of one of the most innovative firms on the planet to addressing real world challenges in cities and metros. As a direct result, Brookings is more relevant in these places.

We also believe the relationship is mutually beneficial to Hitachi. Brookings produces rigorous quantitative research products that expose the unique infrastructure characteristics of metro areas across the country, and then situates those metrics across key market-based indicators like industrial output and demographic changes. Those insights have helped inform and educate Hitachi officials to better design infrastructure solutions that benefit markets' specialized needs by uncovering the chief economic and social concerns that will motivate future infrastructure investment.

Brookings' unsurpassed expertise in how U.S. cities and metros operate and govern themselves also helps firms like Hitachi navigate complex relationships with key decision makers. Many of the decisions around infrastructure investment are made at the local level and, though our extensive network of partners, we help build public and private relationships, especially in the 100 largest metros. We also have deep understanding of federalist systems which is especially important when considering the multiple actors involved in designing and financing projects, and how those projects often involve vertical and horizontal intergovernmental relationships.

Therefore, Brookings respectfully requests a \$100,000 renewed membership in our Met Council and support of the Metropolitan Infrastructure Initiative. This support will enable Brookings and Hitachi to collaborate on several critical priorities for both organizations over the next year.

Brookings will work with our advisors and others to identify the places that are poised to "leapfrog" the rest of this nation by demonstrating new thinking and provocative ideas. Places

within the U.S., such as Raleigh-Durham for high speed broadband deployment, Austin for smart grid and energy innovations, Denver for green transportation projects, and Philadelphia for water management, are a few examples. We welcome Hitachi's input into further identifying these metropolitan leaders.

We also intend to extend the identification of these smart cities internationally to places like India, Latin America, and South Korea. U.S. metros are increasingly recognizing the value of working internationally, not as a matter of foreign policy, but to capture and share worldwide innovations with respect to the future physical form and function of places. Therefore, our goal is to highlight those places moving aggressively on technological deployment with an emphasis on transferability and economy-boosting applications. We would seek to work with, and plug Hitachi into, our extensive and growing network of global cities.

We appreciate Hitachi's support of the Metro Program and thank you for your consideration of this request.

*

Brookings scholars, in conformity with its mission of developing independent, non-partisan analysis and recommendations that reflect objective and rigorous scholarship, will make the final determinations regarding the scholarly activities supported by its funders, including, the research agenda, content, product, outcomes, use and distribution of resulting publications; as well as the selection of personnel associated with this initiative.



Imagining the Next Metropolis

BY ROBERT PUENTES | February 4, 2011



Here in Tokyo this week it would be easy (and expected) to write about how the United States lags when it comes to infrastructure. From rapid and reliable transit, to renewable energy production, to modern gleaming airports, the evidence is literally all around. Most Americans probably suspect this is true but until you see it firsthand it is hard to appreciate how wide the gap is between our two countries.

But just as amazing is how highly integrated Japanese infrastructure is. Executives from Hitachi, Ltd. discussed with

Bruce Katz and me that company's "Smart City" efforts to deploy advanced infrastructure as part of a total urban system that is not only more efficient but also helps meet a variety of social and policy goals.

This means smart grid and energy management systems for both the home and the community to promote low carbon, high quality, and economical power while dealing with challenges such as electric vehicle adoption. It means smart transportation to seamlessly integrate people and information among modes. And it means smart phone and payment technology so your handheld device can pay your transit fare, buy your coffee when you leave the station, and get you through security as you enter the building where you work.

So our initial takeaway from this trip is that in the United States neither public sector agencies, nor our political leadership, operate in such an integrated fashion. We are compartmentalized instead of holistic.

Instead of wringing our hands about the fact that the United States has no bullet trains, or that our energy grid is not as reliable as it could be, we should take a page from corporations like Hitachi, IBM, Cisco, Siemens, and SAP. Companies like this are leading efforts around smart and intelligent cities precisely because they can take a total systems approach, and there are many, many efficiencies to be had. So for the United States, the global megatrend to watch when it comes to the "Next Metropolis" is all about integration: the kind of infrastructure you don't see.

Eco-Engineering Forum 2014: The New Eco-System of Information: Harnessing the Potential of Big Data



June 10, 2014 marked the sixth anniversary of a joint annual forum presented by Hitachi, Ltd., the American Association for the Advancement of Science (AAAS), and the Brookings Institution. The focus of this year's forum was "The New Eco-System of Information: Harnessing the Potential of Big Data." The forum was held at the AAAS headquarters in Washington, D.C., and featured a keynote presentation from Virginia governor Terry McAuliffe. Two panel discussions on subtopics related to big data followed: one on the transportation applications for big data, and the other on how big data can be used to meet environmental challenges.

To view/download Eco-Engineering Forum 2014 Summary Report, please click the link below:

[Download Forum Summary Report \(PDF format, 396KB\)](#)

Event Details

Date:	Saturday, February 20, 2016
Venue:	American Association for the Advancement of Science (AAAS) Auditorium 1200 New York Avenue, NW, Washington DC 20005
Organizer:	AAAS, The Brookings Institution and Hitachi, Ltd.

Opening Remarks

Edward Derrick

Chief Program Director
Center of Science, Policy, and Society Programs
American Association for the Advancement of Science (AAAS)

Bruce Katz

Vice President and Co-Director
Metropolitan Policy Program
The Adeline M. and Alfred I. Johnson Chair in Urban and Metropolitan Policy
The Brookings Institution

Masahiko Yamaguchi

General Manager
Hitachi Corporate Office, DC
Hitachi, Ltd.

Keynote Address

The Honorable Terry McAuliffe

Governor
Commonwealth of Virginia

- Hitachi in the U.S.A.
- Corporate Brochure
- Corporate Social Responsibility
- U.S.A Directory
- Hitachi America
- Hitachi Events
- Hitachi Social Innovation Forum 2015 in North America
- Eco-Engineering Forum 2014**
- 2014 Bloomberg New Energy Finance Summit
- How to Utilize Technology and Information to "Take the Lead" in Racing and Fortune 500 Businesses
- 2013 World Business Forum Luncheon Program with Sam Palmisano
- 2013 U.S.-Japan Council Annual Conference
- Keeping Up With The Quants - HBR webinar
- Eco-Engineering Forum 2013
- Eco-Engineering Forum 2012
- Eco-Engineering Forum 2011
- Climate Change Forum 2010
- Climate Change Forum 2009
- Video Gallery
- Hitachi Illustrated Insights
- Hitachi Global

Visit Us   

Climate Change Forum

Three Keys to Sustainable Urban Communities: Water, Power and Transportation

The second annual climate change forum sponsored by Hitachi, featuring panels organized by the American Association for the Advancement of Science and The Brookings Institution.

Details for the Event

Date:	Thursday, May 27, 2010
Venue:	American Association for the Advancement of Science (AAAS) Auditorium
Address:	1200 New York Avenue NW, Washington, DC 20005

Forum Schedule

Thursday, May 27, 2010

12:00 - 1:00 p.m.

Registration Opens

1:00 - 1:30 p.m.

Welcome and Opening Remarks

Master of Ceremonies	- Dr. Vaughan Turekian, Chief International Officer, AAAS
Opening Remarks	- Dr. Alan Leshner, Chief Executive Officer, AAAS and Executive Publisher, Science - Bruce Katz, President and Director of Brookings' Metropolitan Policy Program, The Brookings Institution - Tadahiko Ishigaki, Chief Executive for the Americas, Hitachi, Ltd.

1:30 - 3:00 p.m.

Panel One: "Electricity/Energy"

Moderator	- Dr. Charles Ebinger, Senior Fellow and Director, Energy Security Initiative, The Brookings Institution
Panelists	- Michael Miller, Director, Environment and Renewables, Electric Power Research Institute - William Parks, Senior Technical Advisor, U.S. Department of Energy - Naofumi Sakamoto, Chief Researcher, Hitachi Research Institute

3:00 - 3:30 p.m.

Coffee Break

3:30 - 4:00 p.m.

Keynote Presentation by the Honorable Lisa Jackson, Administrator, U.S. Environmental Protection Agency

4:00 - 5:30 p.m.

Panel Two: "Transportation"

Moderator	- The Honorable Dave McCurdy, President and CEO, Alliance of Automobile Manufacturers (former Congressman)
Panelists	- Matthew J. Klein, President, Akridge - Dr. Michael Meyer, Director, Georgia Transportation Institute, Georgia Institute of Technology - Robert Puentes, Senior Fellow, Metropolitan Policy Program, The Brookings Institution

5:30 - 5:45 p.m.

Closing Remarks

5:45 - 7:30 p.m.

Sushi and Sake Reception

[↑ page top](#)

Bruce:

This is the full briefing prepared for all the BI scholars/staff for the Hitachi events. I wanted you to see the full day that the Hitachi folks will be experiencing. **Your role for today is as Host, lead introducer and, in the case of the two panels, moderator.** (As you know, for Hitachi, this is a hugely important day given that this is their Board of Directors and the first time they have met in the U.S.) There are talking points included in this packet (attached) for your welcome and introduction of Mr. Kawamura, and then talking points for the two panels. Please review to see if you'd like to add anything.

Hitachi Ltd. Brookings Council Event & Board Visit December 3, 2013

Timeline for Scholars

No Bruce Katz

Event 1: **Private Briefing - *The US Economic and Political Climate***

Location: The Brookings Institution, Somers Room

Time: 11:30 a.m. - 12:00 p.m.

Event 2: **Brookings Council Lunch - *US Energy Security: Risks and Opportunities with the Electricity Grid***

Location: Falk Auditorium

Time: 12:00 p.m. reception/12:20 p.m.- 1:30 p.m. lunch

Event 3: **Private Panel Sessions - *Lessons Learned from US Policy and Business Trends***

Location: Somers Room

Time: 2:00 p.m. - 4:00 p.m.

Event 4: **Evening Reception - *Big Data***

Location: The Japanese Ambassador's Residence

Time: 6:00 p.m. - 8:00 p.m.

Note: *January has been reserved all day as a private room for Hitachi guests.*

**Private Briefing - The US Economic and Political Climate w/
Thomas Mann**

The Brookings Institution, Somers Room

11:30 a.m. briefing

- 11:15 a.m. Hitachi guests, scholars begin to arrive
- 11:30 a.m. **Hitachi Executive** welcomes guests and introduces Thomas Mann
- 11:35 a.m. Thomas Mann provides remarks
- 11:48 a.m. Courtney Dunakin gives Thomas Mann two minute warning
- 11:50 a.m. Thomas Mann opens the discussion for Q&A
- 12:00 p.m. Session concludes.

Brookings Council Lunch - US Energy Security: Risks and Opportunities with the Grid w/ Bruce Katz, Charlie Ebinger, and Jone-Lin Wang

Falk Auditorium

12:00 p.m. reception/12:20 p.m. lunch with presentation and Q&A

- 11:45 a.m. Dr. Ebinger and Dr. Wang arrive at Falk. Nora Shuler and Sophia Greenbaum greet scholars and walk through event
- 12:00 p.m. Reception begins
- 12:20 p.m. Guests are seated in Falk
- 12:23 p.m. Sophia Greenbaum cues Bruce Katz, Charley Ebinger, and Jone-Lin Wang with 2-minute warning
- 12:25 p.m. Charley Ebinger and Jone-Lin Wang take their seats on the stage
Bruce Katz provides welcoming remarks and introduces Takashi Kawamura
- 12:27 p.m. Takashi Kawamura provides welcoming remarks
- 12:33 p.m. Tak Ohde introduces Charley Ebinger and Jone-Lin Wang
- 12:35 p.m. Charley Ebinger gives remarks from his seat
- 12:50 p.m. Jone-Lin Wang gives remarks from her seat
- 1:05 p.m. Charley Ebinger moderates the Q&A session with Jone-Lin Wang
- 1:20 p.m. Sophia Greenbaum signals Charley Ebinger for final question
- 1:25 p.m. Final question

- 1:30 p.m. Bruce Katz makes concluding remarks
- 1:30 p.m. Event concludes. Hitachi guests make their way to Somers and take 30 minute break.

Private Panel Sessions - Lessons Learned from US Policy and Business Trends w/ Bruce Katz, Charlie Ebinger, and Bruce Katz

Somers Room

2:00 p.m. discussion

- 1:50 p.m. Panelists and Hitachi representatives arrive at Somers
- 2:00 p.m. **Hitachi Executive** welcomes the group and introduces Bruce Katz
- 2:05 p.m. Bruce Katz introduces panel 1
- 2:10 p.m. Julia Nesheiwat provides remarks and PowerPoint presentation
- 2:20 p.m. Charley Ebinger provides remarks and PowerPoint presentation
- 2:30 p.m. Tatsuro Ishizuka and Masaaki Nomoto provide remarks and PowerPoint presentation
- 2:40 p.m. Bruce Katz moderates Q&A session
- 2:45 p.m. Darrell West arrives at Somers
- 3:00 p.m. Break
- 3:10 p.m. Bruce Katz introduces panel 2
- 3:15 p.m. Darrell West provides remarks and PowerPoint presentation
- 3:25 p.m. Masaya Watanabe provides remarks and PowerPoint presentation
- 3:35 p.m. Jack Domme provides remarks and PowerPoint presentation
- 3:45 p.m. Bruce Katz moderates Q&A session
- 3:58 p.m. **Hitachi Executive** provides closing remarks
- 4:00 p.m. Event concludes

Evening Reception - Big Data

The Japanese Ambassador's Residence

6:00 to 8:00 p.m. reception

**Hitachi Private Panel Sessions:
Lessons Learned from US Policy and Business Trends
Featuring Panels on T&D and Big Data
Bruce Katz Introduction of Panel Sessions
The Brookings Institution
Tuesday, December 3, 2013**

2:00 p.m. – Session Begins. Hiroaki Nakanishi, President of Hitachi welcomes the group.

2:05 p.m. – Bruce Katz introduces Panel 1: T&D

Thank you, Nakanishi-san.

Good afternoon and welcome back. I hope you found our lunch discussion as thought-provoking as I did. We'll have two sessions this afternoon. The first will dig deeper into the U.S.'s power infrastructure and specifically our aging transmission and distribution systems and the second will take a close look at another subject, Big Data. Each of our speakers will provide a ten minute presentation, after which we'll open the floor to your questions.

We'll hear first from **Julia Nesheiwat**, who is the Deputy Assistant Secretary of State for Implementation within the Bureau of Energy Resources at the U.S. State Department. She'll be followed by **Charley Ebinger**, director of Brookings's Energy Security Initiative, who will

identify the current challenges for transmission and distribution, which may shed light on innovation opportunities for the future. **Tatsuo Ishizuka** and **Masaaki Nomoto** of Hitachi will then examine some of the unique business opportunities in North America.

First, let me give you some brief background on Julia. With support from Hitachi, she served as a Council on Foreign Relations Fellow in Japan from 2010 to 2011, including the period following the Fukushima nuclear disaster, where she conducted energy and economic policy research evaluating U.S. and Asian energy policies. She will kick off our conversation by addressing the state of electrical interconnection in the Americas.

Julia -

2:10 p.m. – Julia Nesheiwat provides remarks and powerpoint presentation.

2:20 p.m. – Charley Ebinger provides remarks and powerpoint presentation.

2:30 p.m. – Tatsuro Ishizuka and Masaaki Nomoto provide remarks and powerpoint presentation.

2:40 p.m. – Bruce Katz moderates Q&A session

We've now had the opportunity to hear from representatives of the federal government, the research community, and the private sector.

With this in mind, Charley, I'd like to ask you a question to begin our conversation. Who do you foresee being primarily responsible for investments in transmission and distribution upgrades/additions in the next 10 years?

(open the floor to questions)

3:00 p.m. – Break

3:10 p.m. – Bruce Katz introduces Panel 2: Big Data

Welcome back everyone. We'll now turn our attention to Big Data, an area with equally important implications for infrastructure as well as for education, health care, and information technology.

Companies can use Big Data to serve their customers better, but, at the same time, they must consider questions of privacy, data sharing across networks, and interoperability.

Darrell West, vice president and director of Governance Studies at Brookings and the founding director of the Center for Technology Innovation, will begin this conversation with a look at data collection, the availability of data, and new applications for this methodology.

Following his presentation **Masaya Watanabe** of Hitachi will make the case for utilizing data and acquiring analysis capabilities. And finally, **Jack Domme**, CEO of Hitachi Data Systems, will describe the new areas that Hitachi Data Systems is exploring both in the U.S. and abroad.

Darrell -

3:15 p.m. – Darrell West provides remarks and powerpoint presentation.

3:25 p.m. – Masaya Watanabe provides remarks and powerpoint presentation.

3:35 p.m. – Jack Domme provide remarks and powerpoint presentation.

3:45 p.m. – Bruce Katz moderates Q&A session

What a wonderful discussion. It's clear that the world of Big Data is a shifting and evolving landscape. Darrell, as you look ahead, what do you see as the future of Big Data for corporations? How can they use Big Data effectively to serve their customers?

(open the floor to questions)

3:55 – Bruce Katz takes final question

3:58 p.m. – Hiroaki Nakanishi thanks speakers and guests for attending

BROOKINGS

EVENT BRIEFING

Event: DC Brookings Council Lunch
Host: Hitachi, Ltd. with **Bruce Katz**
Scholar: Charles Ebinger and Jone-Lin Wang, IHS CERA
Date: Tuesday, December 3, 2013

TIMELINE/FORMAT:

12:23 p.m. Sophia Greenbaum cues Bruce Katz, Charley Ebinger, and Jone-Lin Wang with 2-minute warning

12:25 p.m. Charley Ebinger and Jone-Lin Wang take their seats on the stage

Bruce Katz provides welcoming remarks and introduces Takashi Kawamura

12:27 p.m. Takashi Kawamura provides welcoming remarks

12:33 p.m. Tak Ohde introduces Charley Ebinger and Jone-Lin Wang

12:35 p.m. Charley Ebinger gives remarks from his seat

12:50 p.m. Jone-Lin Wang gives remarks from her seat

1:05 p.m. Charley Ebinger moderates the Q&A session with Jone-Lin Wang

1:20 p.m. Sophia Greenbaum signals Charley Ebinger for final question

1:25 p.m. Final question

1:30 p.m. **Bruce Katz** makes concluding remarks

1:30 p.m. Event concludes. Hitachi guests make their way to Somers and take 30 minute break.

HOST

Hitachi Ltd.

- Hitachi gives annually \$100K to IAC, \$10K unrestricted and \$25K ESI/Metro split for the AAAS conference, and joined the Met Council in FY12 at \$100K annual for three years.
- We received Hitachi's FY14 \$10K unrestricted gift on November 18.
- Chairman Takashi Kawamura is a member of the IAC.
- See full briefing for additional Hitachi information.
- Attendees from Hitachi include:
 - o **Takashi Kawamura**, Chairman, Hitachi
 - o **Takashi Hachoji**, Chairman, Hitachi America

BROOKINGS

- **Michijiro Kikawa**, Chairman, Hitachi Construction Machinery
- **Hiroaki Nakanishi**, President, Hitachi
- **Kenji Nakamura**, President, Hitachi America
- **Jack Domme**, CEO, Hitachi Data Systems
- **Umeshwar Dayal**, Hitachi America
- **Yushi Akiyama**, Hitachi America
- **Kevin Eggleston**, Hitachi Data Systems
- **Carl Green**, Hitachi
- **Kazumasa Ide**, Hitachi
- **Tatsuro Ishizuka**, Senior VP and Executive Officer, Hitachi
- **Takafumi Kimishima**, Hitachi
- **Toshiaki Kuzuoka**, Senior VP and Executive Officer, Hitachi
- **Toshikazu Nishino**, Senior VP and Executive Officer, Hitachi
- **Masaaki Nomoto**, Corporate Officer, Hitachi
- **Takashi Ohde**, Corporate Officer and General Manager, DC Office, Hitachi
- **Yoshiyuki Ohno**, Hitachi America
- **Akira Shimizu**, VP and Executive Officer, Hitachi
- **Norihiro Suzaki**, Deputy General Manager, Hitachi
- **Yasuo Tanabe**, VP and Executive Officer, Hitachi
- **Rei Tsuchiya**, Manager, Government and External Relations
- **Masaya Watanabe**, VP and Executive Officer, Hitachi
- **Masahiko Yamaguchi**, Senior Deputy General Manager, Hitachi
- **Yasuo Yonedia**, Hitachi
- **Masafumi Yoshida**, Hitachi
- **George Buckley**, Hitachi Board Member (Chairman, Arie Capital Partners)
- **Cynthia Carroll**, Board Member (Retired, former CEO of Anglo American)
- **Stephen Gomersall**, Director, Hitachi (Retired)
- **Takashi Miyoshi**, Director, Hitachi
- **Harufumi Mochizuku**, Board Member (Retired)
- **Tohru Motobayashi**, Board Member (Partner, Ihara and Motobayashi)
- **Yoshie Ota**, Board Member (Retired)
- **Philip Yeo**, Board Member (Chairman, SPRING Singapore)
- **Masafumi Yoshida**, Hitachi
- **Hiromi Chino**, Translator
- **Sanae Sasajima**, Translator
- **Julia Nesheiwat**, US Department of State

PROSPECTS

AES Corporation

Andy Vesey, Executive Vice President and COO

- AES is an FP prospect for a clean energy project in the China Center.
- They gave \$25K to FP in FY10 and FY11, but did not renew in FY12 or FY13.

BROOKINGS

Diane Damskey

Global Investment Specialist, JPMorgan Chase & Co.

- Diane is a Council prospect and has attended several Council events. She has not been solicited for a gift.
- Prior to joining JPMorgan, she was a Senior Investment Consultant with UBS Miami and Senior Portfolio Manager with Northern Trust.
- She is a Member of the Kennedy School of Government's Executive Council and a former member of the Women's Fund of Miami-Dade County and Dolphin Aid.
- Known giving includes at least \$1K to the Women's Fund of Miami-Dade County.
- She was recommended to Brookings by **Alan Batkin**.

CORPORATE AND FOUNDATION DONORS

Bank of Tokyo-Mitsubishi UFJ

Terry Terasawa, Chief Representative

- The Bank has been an unrestricted donor since 1984, most recently at \$20K annual.

Barrick Gold

Christina Erling, Director, Federal Affairs

- Barrick Gold joined the Council at \$100K unrestricted in FY13.

Caterpillar Inc.

Joe Allen, Director, Energy Policy

- Caterpillar has given \$326.5K to Brookings since 1978, most recently at \$10K unrestricted.

Citigroup, Inc.

Holly Koepfel, Partner and Co-Head, Citi Infrastructure Investors

- Citi has given \$1.3M to Brookings since 1980. In FY13, Citi gave \$100K split between ES, FP, Global, and unrestricted.

Coca-Cola Company

Janine Kellner, Senior Manager, Government Relations

- Coca-Cola has given \$315K unrestricted to Brookings since 1979, most recently at \$25K annual.

Control Risks

Fabian Olarte, Consultant, Global Risk Analysis

- Control Risks gave \$10K to FP in July.

Cummins Inc.

Erik Prince, Director, Government Relations

- Cummins gave \$25K to Global in FY13 and FY14 for the Center for Universal Education.
- They are also being cultivated for LAI's work on Cuba.

Honda North America

Naofumi Sakamoto, Vice President

- Honda has given \$10K-\$25K unrestricted annually since 1995, most recently at \$20K.

BROOKINGS

ITOCHU International Inc.

Izumi LaPointe, Manager, Research and Analysis

- ITOCHU has given \$672.5K to Brookings since 1980, including \$10K unrestricted annual since FY09.

Japan Bank for International Cooperation

Yasushi Sunouchi, Representative

Takayuki Sato, Representative

Izumi Yamanaka

- JBIC has given \$185K unrestricted to Brookings since 2002, most recently at \$25K annual.

Japan International Cooperation Agency

Hiroto Kamiishi, Senior Representative

- JICA currently supports Global's work on Global Poverty and on Arab Economies. They pledged \$400K in FY14 and \$365K from FY12-FY13.

Mitsubishi Heavy Industries America, Inc.

Ayako Aoi-Flor, Office Administrator and Research Assistant

Jon Gallinger, Director, Government Affairs, Mitsubishi Power Systems Americas, Inc.

Mike Ivey, Assistant General Manager

- Mitsubishi Heavy Industries has been a \$25K annual donor to CNAPS since FY11.

Mitsubishi International Corporation

Kazuko White, Manager, Government Affairs

- Mitsubishi International has been a \$10K annual unrestricted donor since 1996. They have also given \$50K to the ESC since FY11, which currently supports Yasuyuki Sugiura's membership.

Northern Trust

Michael Orfini, Senior Vice President

- Northern Trust has been a donor since FY10 at \$10K annual unrestricted. We received their FY14 gift on November 25.
- They are also being cultivated for an additional gift to ES.

Occidental Petroleum Corporation

Talley Cross

- Occidental gave \$25K to FP in FY12 and FY13.

Siemens Corporation

Lauren Grabell, Special Assistant, Washington DC Office

Richard Reisig, Director, Energy and Environment

- Siemens joined the Met Council in FY13 with a gift of \$100K. They also gave \$75K to the China Center's Clean Energy Forum from FY10 – FY12.

Sojitz Corporation of America

Nicole Uehara, Global Business Researcher

Andrea Wert, Research Assistant

- Sojitz has given \$349K to Brookings since 1985, including \$10K annual to CNAPS since FY09.

BROOKINGS

StatoilHydro

Kevin Massy, Director, International Affairs

- StatoilHydro has been a \$50K annual donor to FP since FY10.

Tata Sons Ltd.

Samir Menon, Head, Eco Sustainability Services, Americas

- Tata has been a donor to Brookings since 2006.
- In FY14, they gave \$50K, split between FP and Global.
- Tata is also a member of the India Initiative's Founder's Circle.

TRUSTEES

Antoine van Agtmael

Senior Advisor, Garten Rothkopf

- Antoine joined the board in 2005. He is a member of the Budget and Finance, Investment, Development, and Executive Committees. He is also co-Chairman of the IAC.
- He committed \$700K to the campaign in December 2011; including \$500K to the India Initiative and \$200K to the IAC. He committed an additional \$300K to the IAC in April.

INDIVIDUAL DONORS

Joanne Barker

- Joanne has been a \$10K annual unrestricted donor to Brookings since FY08. She was solicited for renewal this fall.

Robert and Sylvia Blake

- The Blakes joined the Council in FY13 with a gift of \$5K in April.

Lee Folger

Chairman, Folger Nolan Fleming Douglas Inc.

- Lee supports CNAPS annually (\$20K-\$25K) and generally gives \$10K unrestricted annual. He gave \$10K unrestricted on November 5.

Marion Guggenheim and Harry Thayer

- Marion has given \$2K unrestricted in FY11-FY13. She joined the Council at \$10K in FY03.
- In 2004, she mentioned putting Brookings in her will, but we do not have documentation.

Malcolm and Celia Lovell

- The Lovells have given \$10K unrestricted annually since FY10. They gave \$10K unrestricted in October.

Marie Ridder

- Marie has been a Council member at \$5K annual since 2004.

Marjorie Sonnenfeldt

- Marjorie has been a low-level donor to Brookings since FY04. We received her \$1K unrestricted gift on November 22.

BROOKINGS

Peggy Tomlinson

- Peggy has given \$10K unrestricted annual since FY11.

GUESTS

Edison Electric Institute

Ed Comer, Vice President, General Counsel, and Corporate Secretary

- Ed was invited by FP.
- Edison pledged \$223K, of which \$91K was eventually written off, to ES in FY09 for a project on climate and energy economics .

Paul McQuade

- Paul is a guest of **Joanne Barker**.

Alison Williams

Vice President and Director, Policy, Garten Rothkopf

- Alison is a guest of **Antoine van Agtmael**.

From: **Nagamoto, Tamie** [REDACTED]
Date: Thu, Jun 23, 2016 at 9:09 PM
Subject: RE: Speaking with someone at Hitachi
To: "Lipton, Eric" [REDACTED] >

Dear Mr. Lipton,

I apologize for the late reply.
Please find the answers to your questions as follows.

++ What is Hitachi's goal when it funds think tanks, like say the Brookings Institution, and what benefits does it gain, given that Hitachi has contributed at least \$1.8 million to Brookings over the last decade?

Hitachi participates in activities and events of leading think tanks in order to expand its understanding of U.S. and global issues and policies. The U.S. is an important market for Hitachi and the US Government is an important actor globally. It is important for Hitachi to understand and try to anticipate what the future holds in markets where Hitachi provides technologies and services, such as energy and the environment, smart transportation systems, transportation infrastructure, healthcare, etc. Please note Hitachi does not engage in lobbying activities in the US.

Hitachi has a long-standing relationship with the Brookings Institution. We understand it to be a common practice for think tanks, and other academic research institutions to receive financial contributions from corporations that participate in their programs.

++ Is it proper for Hitachi to get benefits from think tanks, such as private advice on corporate strategy, or assistance in networking with US government officials through events that think tanks convene, in exchange for your contributions?

Hitachi does not seek any private advice from any think tanks on corporate strategy or assistance on networking with government officials. Moreover, the Brookings Institution does not provide any proprietary information to Hitachi. Hitachi supports the independent research and mission of the Brookings Institution, the results of which are also available to the general public.

++ Do these services rendered as a result of the donation mean that this is in fact not a charitable contribution but instead, and it should be recorded as a business expense?

Your question regarding contributions and business expenses appears to refer to the US Internal Revenue Code. It is our Japanese parent company, Hitachi, Ltd., which has made contributions to the Brookings Institution. Hitachi, Ltd is not a U. S. taxpayer and has not claimed any U.S. charitable deduction.

++ Are donations to think tanks like Brookings part of an effort to try to influence the United States government or to promote your products here?

No, the contributions to Brookings are not part of any effort to influence the United States Government in any way. Neither are they part of an effort to promote Hitachi products in the United States. Promoting Hitachi products and technologies in the United States is done through numerous traditional marketing channels entirely separate from the relationship with Brookings or other think tanks.

Thanks very much and regards,

Tamie Nagamoto
Hitachi America, Ltd.

**BROOKINGS INSTITUTION
RESPONSES TO QUESTIONS FROM ERIC LIPTON
1/28/16**

QUESTION ONE:

How is it appropriate for Brookings to be making written commitments to help for-profit companies that are major contributors--like Hitachi and Lennar--to help them pursue their corporate agendas in the United States? Brookings offered access to its scholars and, in the case of Hitachi, also organized a special private briefing at Brookings headquarters that included a State Department official and executives from Hitachi, as the documents show. How is that not a fee-for-service arrangement?

Brookings's relationship with corporate and other funders is to advance our mission, which is to conduct objective, independent research and, based on that research, provide recommendations for policymakers, community leaders, and the public. Helping corporate donors pursue their for-profit agendas is *not* part of our agenda.

The Metropolitan Policy Program at Brookings (Metro) is focused on promoting innovative and inclusive growth in cities. Metro works with a broad range of players, including business associations, universities, developers, philanthropies, corporations, and nonprofit institutions, to address major urban economic challenges.

Working with these coalitions, Metro provides a public benefit by designing solutions that support growth and job creation, increase affordable housing, and improve the urban environment.

We have clear rules of conduct for all Brookings scholars as they engage with the private and public sectors:

- Research conducted must be objective and independent. It may be informed—but not directed or manipulated—by outside actors, regardless of whether those actors provide funding to Brookings;
- The results of Brookings research are not proprietary to any donor and are made available to all stakeholders and the general public;
- Brookings does not engage in “fee-for-service” arrangements. The purpose of the projects funded by JPMorgan Chase, Hitachi, and Lennar is to benefit the communities and metro areas where Brookings works.

LIPTON'S EXAMPLE: FROM Hitachi document, Page 38

May 19, 2014

Review of services delivered to Hitachi in past three years [reporter's characterization]

"Discuss the ways that Metro has been a critical partner to Hitachi over these past three years..."

We have engaged Hitachi through:

- *More than 10 in-depth meetings with Hitachi executives from Japan and the U.S.*
- *Including Hitachi executives in four GCI forums (Columbus, Miami, Houston, Dallas), plus introducing Mr. Hatchoji to Gov. Calzada of Queretaro at Feb 26th lunch at Brookings.*
- *Two sets of extensive review of Hitachi materials including meetings and conference calls.*
- *Production and participation in four other Hitachi-sponsored events/convenings (3 AAAS forums, 1 board meeting).*
- *Upcoming Hitachi/AAAS/Brookings Eco-Engineering forum will have Gov. Terry McAuliffe as keynote, and the Metro-organized panel on Big Data and Transportation will have Hitachi's Dr. Umeshwar Dayal as speaker (he's their Big Data Research director)."*

LIPTON'S EXAMPLE: FROM HITACHI DOCUMENT, Page 45

The Brookings Metropolitan Policy Program

An Opportunity for Support and Collaboration

Submitted to Hitachi

June 11, 2015

Smart Cities: Beginning in 2012, Brookings provided advice and guidance as Hitachi worked to develop its Vision of the Smart City. This included in-person meetings with Hitachi officials, teleconferences connecting us with officials in Japan, and a thorough review of a draft white paper document and direct feedback to Hitachi. The nature of our review included suggestions to provide a more direct economic frame, a clear distillation of the complex governance structure of U.S. cities and metros, and shaper messaging that would better appeal to an American audience. We also provided an ongoing list of smart city events happening in the U.S., which we keep apprised through our extensive network....

We also believe the relationship is mutually beneficial to Hitachi. Brookings produces rigorous quantitative research products that expose the unique infrastructure characteristics of metro areas across the country, and then situates those metrics across key market-based indicators like industrial output and demographic changes. Those insights have helped inform and educate Hitachi officials to better design infrastructure solutions that befit markets' specialized needs by uncovering the chief economic and social concerns that will motivate future infrastructure investment...

Brookings' unsurpassed expertise in how U.S. cities and metros operate and govern themselves also helps firms like Hitachi navigate complex relationships with key decision makers. Many of the decisions around infrastructure investment are made at the local level and, though our extensive network of partners, we help build public and private relationships, especially in the 100 largest metros. We also have deep understanding of federalist systems which is especially important when considering the multiple actors involved in designing and financing projects, and how those

projects often involve vertical and horizontal intergovernmental relationships. Therefore, Brookings respectfully requests a \$100,000 renewed membership in our Met Council and support of the Metropolitan Infrastructure Initiative. This support will enable Brookings and Hitachi to collaborate on several critical priorities for both organizations over the next year.

BROOKINGS RESPONSE RE HITACHI:

- Brookings did not advance the corporate agenda of Hitachi— something that would have been antithetical to its mission.
- The bullets extracted by Mr. Lipton from the May 19, 2014 document mischaracterize those as “services delivered.” The May 19th document is a briefing memo, produced for internal use only, that summarizes the past and upcoming smart infrastructure research that the Hitachi contribution is supporting. The bullets in question detail ways Hitachi has been directly engaged in the project, including participation in public education forums. These do not reflect services promised, rendered, or requested.
- Brookings Metro scholars regularly interact with a range of stakeholders. Corporate donors, along with foundations and individuals support the Brookings Metro program because they see it as a catalyst for impactful change.
- Reviewing a draft white paper written by Hitachi on smart cities was a natural part of Metro’s interaction with the corporations involved with smart cities. Brookings had nothing to do with the publication or dissemination of Hitachi’s paper.
- Hitachi’s gift to Brookings after its Board of Directors visited Brookings on December 3, 2013 did not constitute a fee-for-service arrangement.
 - In the summer of 2013, Brookings asked Hitachi, to consider hosting a Brookings Council event in the fall.
 - Brookings Council events are substantive programs for Brookings-wide donors and, as evidenced by the event briefing (page 24), are attended by a wide range of donors. Hosts for Brookings Council events typically pay for the event expenses and provide welcoming remarks. It is routine for individuals and corporations to serve as hosts for Council events.
 - Hitachi identified December 3, 2013 as a date they would be interested in hosting a Brookings Council lunch since their Board of Directors was scheduled to have a meeting in the United States at that time.
 - Hitachi then asked to hold their Board of Directors meeting at Brookings, also on December 3rd. When space is available, Brookings allows its rooms to be used for non-

Brookings events. In this case, the space was available, so we allowed Hitachi to use it on a cost-reimbursable basis.

- **This was a Hitachi event and should not be confused with the Brookings Council lunch that was held on the same day.**
- Hitachi reimbursed Brookings \$5,300 for the Brookings Council luncheon and \$1,900 for expenses related to its Board of Directors meeting (catering, room fee and AV costs).
- Hitachi requested scholar briefings for their Board meeting. Metro's director, Bruce Katz acted as a facilitator during those briefings. Brookings scholars regularly brief donors and other visitors to Brookings, including the media and foreign government officials.
- One week later, Hitachi provided Brookings with an additional \$25,000 gift. **Brookings did not request this gift and it was not part of any understanding with Hitachi related to the events of December 3.**
- **Contrary to the reporter's assertion, Brookings did not arrange for Julia Nesheiwat, who, at the time, was a Deputy Assistant Secretary of State, to give a private briefing for Hitachi.**
 - Hitachi took the initiative to invite Ms. Nesheiwat (see email dated October 11, 2013). Brookings was not involved in the invitation.
 - Hitachi had a prior relationship with Ms. Nesheiwat, who had previously served as the Hitachi Fellow at the Council on Foreign Relations (see Hitachi docs page 21).
- **Brookings Metro's work on "smart cities" with Hitachi was not designed to help it advance its corporate agenda; rather it was designed to better understand** how investments in digital infrastructure can enhance urban services, promote economic opportunity, and improve citizen engagement.
 - Five years ago, Brookings's infrastructure experts at Metro decided to conduct research on "smart cities," and that project required an understanding of the practices of leading corporations in the "smart cities" field.
 - Metro approached Hitachi to learn more about its smart city work because it was a pioneer in the field. At the time, Hitachi was a corporate member of the Brookings International Advisory Council, providing unrestricted support to the Institution as well as support to other programs.
 - Metro also engaged other corporations with similar expertise. Some were existing donors (IBM, Microsoft, SAP) and others were not (Alstom, Nissan, Pegasus, Phillips, Valmont, Audi, Schneider Electric).
 - **As evidence that Brookings was not supporting Hitachi's corporate agenda, Brookings's scholars ultimately recommended a city-led, bottom-up strategy for**

smart cities that was antithetical to the corporate-led, top-down approach typically favored by corporations in this field. Examples of Brookings scholars who made that point:

- Adie Tomer and Robert Puentes: “Our technology-first approach has failed the city of the future. [By] focusing on the cutting-edge technologies themselves and **relying on private companies to move forward**, we have lost sight of what we even want our cities to achieve with all that tech.”¹
- Amy Liu and Robert Puentes: “A technology-first approach to smart city development, without a clear map of a city’s future direction, will often lead to **new technology that will fail to result in sustained, community-wide change.**”²
- Shamika Ravi and Robert Puentes: “From the perspective of individual private firms, **a smart city is often whatever that firm happens to be selling.**”³

¹ Adie Tomer and Robert Puentes, “Here’s the Right Way to Build the Futuristic Cities of our Dreams,” *Wired*, April 2014.

² Amy Liu and Robert Puentes, “Delivering on the Promise of India’s Smart Cities,” Brookings, January 2015,

³ Shamika Ravi and Robert Puentes, “Uniqueness of India’s Smart Cities,” Brookings, December 2015.

LIPTON'S EXAMPLE:

From Lennar Document, Page 6 *"First—and at the heart of this engagement—we can use our convening power, research expertise, network connections, and knowledge of innovative practices to help further drive the ultimate impact and success of Lennar's Innovation Alley. Second, we can facilitate peer-to-peer learning and information exchange between San Francisco and other cities, both in the Bay Area and nationally, that are at various stages of designing and implementing an Innovation District Strategy. Finally, Brookings can engage with national media to develop stories that highlight Lennar's innovative approach"*

"To these ends, the Brookings Metro Program will specifically: Conduct a private assessment of Lennar's work providing feedback on successful components and identifying any "issue areas."

- *Provide public validation of San Francisco's efforts through national and local media coverage, placement on Metro's website as a best-in-class re-imagined urban area model, and Brookings' participation at the Fall 2014 Forecast SF event;*
- *Provide connections to and networking opportunities with other organizations and practitioners engaged in Innovation District efforts across the country. This peer-to-peer learning will foster discussion on best practices in the development and implementation of innovation districts.*
- *Engage with regional economic development leaders in Fremont, Alameda, Vallejo, Oakland and Concord to identify strategic opportunities to promote economic growth in the East Bay"*

BROOKINGS RESPONSE RE: LENNAR

- Since 2011, Metro has been creating a network of city builders, helping them work with city governments to develop world class "innovation districts" based on Brookings's objective analysis of market trends and independent assessments of best practices.
- Brookings research focuses on developing effective strategies to expand job opportunities for local residents, increase the supply of affordable housing, and help revitalize surrounding neighborhoods.⁴
- Lennar, like many other public, private and civic entities involved in building innovation districts, is applying Brookings research and observations to its Shipyard Project.
 - For example, Brookings has written extensively about the central role that universities and educational institutions play in innovation districts. Lennar

⁴ This research is best exemplified by *The Rise of Innovation Districts* report published by Brookings in June 2014. See also: Tom Ashbrook, "*Innovation Districts: Reshaping Our Cities, Changing Our Economies*" *WBUR's On Point with Tom Ashbrook*, July 2014; Bruce Katz and Julie Wagner, "*The Rise of Innovation Districts: A New Geography of Innovation in America*", June 2014; Fred Dewes and Elina Saxena, "*Innovation Districts Are a Clear Path Forward for Cities and Metros*", June 2014.

adjusted its development plans to attract San Francisco State University and other educational offerings to the Shipyard Project.⁵

- Lennar does not receive exclusive benefits or any proprietary research products from Brookings.
- No research and writing has been conducted exclusively for Lennar or the Shipyard Project

QUESTION TWO: *The terms of the agreements here in several cases look more like a consulting firm or public relations firm that is providing services to clients than a think tank that is soliciting donations to help the public and industry players at large to address societal issues. Is that the case? And if not, how do you characterize the relationship?*

Again this language (Lennar Documents, Page 6):

“To these ends, the Brookings Metro Program will specifically: Conduct a private assessment of Lennar’s work providing feedback on successful components and identifying any “issue areas”;

- *Provide public validation of San Francisco’s efforts through national and local media coverage, placement on Metro’s website as a best-in-class re-imagined urban area model, and Brookings’ participation at the Fall 2014 Forecast SF event;*

BROOKINGS RESPONSE:

- Brookings engages with corporations—donors and non-donors—on projects that help communities. Brookings does not do public relations work for Lennar or any other corporation.
 - Brookings has provided the same assessments and advice to Lennar that it provides to other cities, districts and developers. In all cases, the advice is based on research and observations that already exist in the public domain.
 - Metro scholars have provided advice to for-profit and non-profit developers of projects who are not donors to Brookings (e.g. University of Alabama/Birmingham⁶, University of South Florida in Tampa⁷, Rock Ventures in downtown Detroit⁸, Argent in London’s Kings Cross⁹, and Vulcan Real Estate in Seattle’s South Lake Union¹⁰).

⁵ Emily Fancher, “SF State University wants to expand at Hunters Point”, *San Francisco Business Journal*, September 2014.

⁶ Mark Kelly, “You’re on Your Own”, *Birmingham Weld*, October 2015.

⁷ Robert Trigaux, “Brookings advocate Bruce Katz stops by to encourage Tampa’s emerging innovation district”, *Tampa Bay Times*, October 2015.

⁸ Natalie Broda, “Detroit launches Innovation District to spur job growth”, *Crain’s Detroit*, June 2014.

⁹ Bruce Katz and Greg Clark, “Forget big suburban campuses, innovative corporations are moving downtown”, *Quartz*, May 2014.

¹⁰ “FOSTERING INNOVATION THROUGH NEIGHBORHOOD DEVELOPMENT”, *Vulcan Inc.*, May 2014.

- Brookings has provided peer-to-peer learning opportunities for leaders of innovation districts from across the country irrespective of whether they are donors to Brookings (e.g., Midtown Atlanta, Brooklyn Navy Yard, Detroit Innovation District).
- **Brookings scholars' judgment and commentary on Lennar's Shipyard Project are based on merit and reflect a broader strategy by Brookings to identify and publicly validate the best practices of innovation districts around the United States.**
 - **Metro scholars regularly write about the merits of projects in particular cities regardless of whether any actors involved are donors to Brookings** (e.g. Atlanta's Tech Square.¹¹ Buffalo's Niagara Medical Campus,¹² Chattanooga's downtown innovation district,¹³ St. Louis's Cortex District,¹⁴ and Sheffield's Advanced Manufacturing Research Park¹⁵).
 - As one of the largest urban regeneration projects in the United States, Lennar's innovative practices at the Shipyard Project are highly relevant to similar revitalization efforts underway elsewhere.
 - Lennar's Shipyard Project has been recognized by regional and national organizations for the quality of its design and scale of its ambitions.¹⁶ Lennar was **already** innovating – on community benefit agreements, affordable housing commitments, and mixed use design -- **before** they provided funding to Brookings. Given the high profile of the Shipyard Project, Brookings would be writing about these innovations irrespective of whether the Institution received funding from Lennar.¹⁷

¹¹ Audie Cornish, "Innovation Districts' May Be Cornerstones Of New Urban Economy" *NPR's Morning Edition*, July 2013.

¹² Bruce Katz, "Delivering the Next Economy in the Buffalo-Niagara Region" *Brookings Speech*, June 2012.

¹³ Bruce Katz, "An innovation district grows in Chattanooga" *Brookings The Avenue Blog*, September 2015.

¹⁴ Brian Feldt, "St. Louis' Cortex highlighted in Brookings report on innovation districts" *St. Louis Business Journal*, June 2014.

¹⁵ Bruce Katz and Kelly Kline, "An advanced manufacturing innovation district grows in Sheffield, England" *Brookings*, March 2015.

¹⁶ Kristy Wang "At Last, Thousands of New Housing Units on the Way in SF" *SPUR*, December 2014.; Jeffrey Betcher, "Bayview Hunters Point: NEN Comeback Neighborhood-winner?" *Bayview Footprints*, December 2015; "Straight Talk with Kofi Bonner" *Urban Land Institute*, April 2013.

¹⁷ In 2012, for example, Metro scholars were highlighting the international financing that was being considered for the Shipyard Project. See Bruce Katz and Robert Puentes, "The Future of U.S. Redevelopment Financing: China?", *Atlantic Cities*, July 2012.

QUESTION THREE: *In Brookings most recent Form 990, and in forms filed over the last four years, it has consistently reported \$0 dollars of PROGRAM SERVICE REVENUE, which is on the first page of the 990, line 9. A private sector non-profit lawyer who I asked to review some of these documents, with companies like Hitachi and Lennar, said that based on the terms of the donation agreements that he read, his assessment was that Brookings should have recorded some of the donations as program service revenue.*

Most pointedly, the donations that related to the visit by the Hitachi board to Brookings were made to cover these costs, as direct compensation for a series of private briefings and events organized for the company and its executives. Brookings did work, as part of a payment agreement with Hitachi and Lennar, to provide specific deliverables, such as helping Lennar do public relations work on its San Francisco project and helping Hitachi shape its Smart Cities marketing plan. Brookings is entitled to serving as a consultant to these for profit ventures. How is that not program service revenue?

BROOKINGS RESPONSE:

- **Brookings is confident that it properly reported its revenue in the Form 990s.**
 - Brookings consulted a leading nonprofit tax specialist, Douglas Varley, of Caplin and Drysdale, LLP, a prominent tax law firm, which has had no previous relationship with Brookings. After reviewing the documents provided by the *New York Times*, as well as interviewing key Brookings personnel, Mr. Varley and his colleague Sharon P. Want concluded:

Based on our review and the analysis presented below, it is our opinion that, given the applicable legal standards, Brookings has reported the payments from Hitachi, JPMorgan Chase and Lennar appropriately on its Form 990. When viewed in the context of all the facts and circumstances, Brookings' conclusion that all of these activities it engaged in with these donors primarily benefited the public rather than the donors is consistent with the applicable federal tax standards.

- Brookings also consulted its external auditors, RSM. After reviewing all of the documents provided by the *New York Times*, RSM affirmed that Brookings appropriately classified its revenue in its Form 990s.
- Brookings has had a four-star rating from *Charity Navigator* and a perfect score on its Accountability and Transparency Metrics every year since FY10.
- Regarding Brookings's relationships with Hitachi and Lennar, see answers to previous questions.

QUESTION FOUR: *The documents show that you introduced or set up meetings at which company officials from Hitachi, Lennar and JPMorgan had an opportunity to interact with senior US government officials, local and state officials, as well as officials from Mexico and other nations, as part of the agreements you made with these donors. You also at times provide detailed briefings to the donors on government relations work, such as a July 1, 2014 - December 31, 2014 memo, (Chase Document page 121). At one point, you discuss setting up private “salon” meetings,(Chase Document page 77) between Brookings/JPMorgan and members of Congress, Senators Corker and Booker. During the Hitachi board visit, you arranged a private briefing for the company with a State Department official. How do you distinguish this from lobbying?*

BROOKINGS RESPONSE:

- **Brookings does not lobby and does not request meetings with government officials on behalf of donors.**
- To advance its mission, Brookings scholars routinely meet with government officials, testify before Congress, and host events that often involve government officials.
- Engagement of Brookings scholars with government officials is explicitly tied to the objective of informing policy in order to improve governance.
- During meetings with government officials, Brookings scholars share data, information, and ideas, but are proscribed from endorsing or advocating for any specific legislation.

Re: JPMorgan Chase

- The Global Cities Initiative (GCI) is designed to help cities across the United States generate growth through exports to the global economy and foreign direct investment.
- GCI does not promote the business interests of JPMorgan Chase (JPMC).
- Brookings did not conduct any outreach to government officials at the request of JPMC.
- **No “salon” dinners were organized by Brookings. The Metro Program considered organizing dinners with stakeholders for brainstorming on strategies for increasing the impact of GCI. However, Metro chose not to proceed with this idea to ensure compliance with Brookings’s policies and guidelines.**
- Government officials at the local, state and federal levels regularly interact with Brookings scholars involved in GCI. Those officials initiate requests to Brookings

scholars to provide expert analysis by government officials and entities, as was the case in all the instances provided by Mr. Lipton.¹⁸

- When discussing GCI with government officials, Brookings scholars always disclose that it is funded by JPMC, but note that the research, activities, and findings are Brookings's independent work products.
- The semi-annual grant reports to JPMorgan Chase do not cite any examples of introductions to government officials made on behalf of JPMC.
- Reporting to donors on scholar interactions with government officials does not constitute making introductions for those donors or constitute evidence that Brookings sought to influence the officials on behalf of those donors.
- It is standard practice to provide donors a list of all activities that the program accomplished during the relevant funding period. The reports to JPMC on GCI activities were the same as other Brookings reports to donors, including reports to foundations.
- As part of its mission, Brookings routinely disseminates GCI research and findings to a range of Congressional and Administration contacts with a likely interest in these issues, as well as local philanthropic, civic, and business leaders.

Re: Lennar

- Brookings's introduction of Lennar personnel to other innovation districts practitioners, and Brookings's meetings with economic development leaders in the Bay Area accord with our long history of working with local leaders to promote peer-to-peer learning and share our research.
 - Brookings participated in a meeting with economic development officials from various Bay Area cities in fall 2014. This session, convened by the San Francisco Chamber of Commerce and Wells Fargo (with representatives from Lennar present), enabled Brookings to communicate the findings of our innovation districts work to a group of interested stakeholders.

¹⁸ Examples of requests from government officials or entities for briefings by Brookings Metro scholars on their GCI research include: House Ports Caucus staff; Congressional Caucus for Middle Market Growth; House Small Business Committee; Senator Gillibrand's staff (seeking advice on export promotion and input on advanced manufacturing); Senator Wyden's Finance Committee staff (seeking advice on the experience of GCI localities in working with federal export assistance providers on regional export planning and implementation); and U.S. Department of Commerce staff.

Re: Hitachi

- Brookings does not arrange meetings for its donors with government officials at any level representing any country.
- Brookings did not arrange for Julia Nesheiwat, who at the time was a Deputy Assistant Secretary of State, to give a private briefing for Hitachi.
 - Hitachi invited Deputy Assistant Secretary Nesheiwat¹⁹
 - Hitachi had a prior relationship with Ms. Nesheiwat, who had previously served as a Council on Foreign Relations²⁰ International affairs fellow in Japan, sponsored by Hitachi 2009-2010.
- Brookings learned that Mexican Governor Calzada of Queretaro would be in Washington and agreed to host him.
 - Brookings regularly hosts foreign government officials in Washington to speak at events which, in many cases, are open to the public and to which Brookings invites a wide array of contacts, many of whom are not donors. Recent high-level foreign government officials who have spoken at Brookings include:
 - President Joko Widodo of Indonesia
 - President Juan Orlando Hernández of Honduras
 - Susana Malcorra, Chef de Cabinet United Nations
 - Prime Minister Stefan Löfven of Sweden
 - Abdullah Abdullah, Chief Executive Officer of Afghanistan
 - Federica Mogherini, High Representative of the European Union and Vice-President of the European Commission
 - Metro's relationship with Governor Calzada was established in 2013 when a GCI delegation traveled to Queretaro to study Mexico's role in the North American aerospace supply chain in light of the 20th anniversary of NAFTA.
 - The Calzada luncheon at Brookings was jointly hosted by the Metro, Foreign Policy and Global Economic Development programs at Brookings and was not organized on behalf of any Metro donors.
 - Among the many invitees, a Hitachi executive was invited and attended the event along with other Brookings donors as well as non-donors with interests in the subject, as is standard practice.²¹

¹⁹ Email dated October 11, 2013 from Hitachi employee to Brookings employee "Today, we received an message from Ms. Julia Nesheiwat, deputy assistant secretary, Bureau of Energy Resources, that she is happy to accept our [Hitachi] proposal that is being part of a 12/3 (Tue) Brookings Hitachi session in the afternoon."

October 11, 2013.

²⁰ CFR link: <http://www.cfr.org/staff/b15506>

- As a major employer in Queretaro with an established presence since 1994, Hitachi has no need to have Brookings “introduce” the firm to the governor.²²

QUESTION FIVE: *Brookings, in the course of negotiations (Lennar documents page 4) with Lennar over a donation, agreed to name a Lennar executive who was negotiating the donation to Brookings as a nonresident scholar at Brookings. This title gave the Lennar executive a certain platform to promote the company’s work, on its San Francisco project. How is that not a conflict of interest?*

BROOKINGS RESPONSE:

- Mr. Bonner was a Nonresident Senior Fellow from February 2014 until June 2015.
- Mr. Bonner was appointed because he is a nationally respected urban developer with considerable expertise and experience in urban development.
 - Brookings regularly draws on the specialized knowledge and experience of outside experts, often appointing them as nonresident scholars because of their ongoing involvement with a particular research project. These experts are drawn from academia, other think tanks, the non-profit sector and the for-profit sector.
 - Mr. Bonner was eminently qualified to be appointed a non-resident scholar. He had served as Redevelopment Director for the City of Emeryville, Director of Community and Economic Development for Oakland, Interim City Manager for Oakland, and Chief Economic Policy Advisor to San Francisco Mayor Willie Brown. He also holds a Masters in City planning from UC Berkeley.
- Metro has appointed several Nonresident Senior Fellows who, like Kofi Bonner, are respected urban practitioners rather than traditional scholars and researchers:
 - **Andy Altman**, one of the most respected city planners in the United States and Europe, former head of the Olympic Legacy Corporation in London, former Deputy Mayor of Economic Development in Philadelphia, and former head of the Department of Planning in Washington, D.C.
 - **Jeremy Nowak**, one of the most respected innovative urban financiers in the United States, founder of The Reinvestment Fund in Philadelphia, one of the largest community development financial institutions in the United States.

²¹ See email BI_Calzada Lunch_Guest List 022514, January 31, 2014; List of Participants, Lunch in Honor of Jose Eduardo Calzada Rovisrosa, February 25, 2014; and Gov. Calzada Luncheon 2.25.14, Invitation List.

²² See: http://www.hitachi.us/about/hitachi/corporate-brochure/hitachi-in-mexico/#P24_2493

- **Wolfgang Nowak**, former high level official in the federal and state governments in Germany, former head of the Alfred Herrhausen Society in Berlin which was the initial funder of the Urban Age Program at the London School of Economics.
- Brookings is not aware of any instance in which Mr. Bonner used his Brookings affiliation to promote the business interests of Lennar or published work using his Brookings nonresident title.
 - He appeared as an expert panelist at a single Brookings event on June 9, 2014, the launch of *The Rise of Innovation Districts* white paper. His affiliation with Lennar was clearly communicated at that event.