



Medical school can boost Kalamazoo, business leaders say

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By **Olivia Pulsinelli | Business Review West Michigan**

KALAMAZOO -- In announcing the **\$100 million anonymous donation to Western Michigan University's medical school**, President John Dunn described it as a "historic moment" for both the university and the community.

"Places like Harvard, Yale, Princeton have never been able to share news of this magnitude with their constituents," Dunn said.

The cash gift is the largest ever made to a Michigan college or university. It's the seventh-largest cash gift to a public university in the U.S., and it's the 15th largest ever made to any college or university nationwide.

The gift provides foundation funding for WMU's private medical school, which Bronson Healthcare Group and Borgess Health are partnering on. It should open in 2013 or 2014.

Many leaders in the business community agree the significance of the donation reaches beyond the university and impacts the economic development potential for the region.

"It's a transformational era for this community, as we continue to explore the life sciences and build upon that proud, proud tradition," Dunn said. "Today's announcement not only sets the stage for the education and training for the next generation of physicians, but it also is a catalyst that strengthens the growing life sciences corridor and ensures a brighter future for our entire region."

The \$100 million gift also gives the medical school credibility that can draw more backers to project, said Scott Larson, Bronson's senior vice president for medical affairs and chief medical officer.

"It is validation," Larson said. "It's sending a message that this is rapidly becoming a reality and, hopefully, gets more people to want to jump on board."

WMU estimates it will need a **total of \$175 million to \$300 million** in funding for the school.



Photo by Scott Harmsen | Kalamazoo Gazette

Western Michigan University President John Dunn announced the anonymous \$100 million donation to the medical school on March 22.

Rob DeWit, president and CEO of the **Southwest Michigan Innovation Center**, believes that with the existing industry, the medical school can “stimulate a discussion on the focus of life science strategy for the region” that can help Southwest Michigan stand out from other areas of the country.

“If we can come together using the medical school as a focal point to energize all the life sciences people, that will stimulate additional activities in each of our independent areas,” he said.

The medical school is a “basic building block” of Kalamazoo’s future as a life science community, said Ron Kitchens, CEO of **Southwest Michigan First**.

“If you look at data that’s available, 42 percent of all federal research dollars from all divisions of the federal government go to communities that have medical schools in them,” Kitchens said. “So if we want to continue our legacy of pharmaceutical, life science and medical device research, then a four-year medical school is a component of that.”

The medical school will complete the “three-legged stool” of health care and life sciences in Southwest Michigan, Kitchens said. The academic component is a necessary addition to the combination of the region’s life sciences companies and nationally and internationally recognized hospitals.

“If you go back and look at the ‘50s and ‘60s, it was private companies that were doing research in health sciences,” Kitchens said. “But today, it’s the medical school community, the academic community. ... What we have to make sure is that we have that in place or we just won’t be relevant a generation from now.”

Although it’s a long-term strategy, that additional research capacity could add a significant number of jobs to the area, he said.

“If we gain a moderate share of the research dollars that should be gained by a facility of this standing, we should see in excess of 1,000 new research positions created in this community over a decade or so,” Kitchens said. “And as those positions are created, new ideas will be formulated and will require funding, which will grow our venture capital need in the community, will form spin-off companies and add the talent it requires to support that.”

A medical school should bring desirable talent into the community in a variety of ways. The obvious sectors will be medical students and medical educators.

“I happen to believe that highly educated people are one of the groups that make a community strong,” DeWit said.

Areas with higher per capita income often have higher proportions of adults with four-year degrees or more. Ann Arbor-based **Michigan Future Inc.**’s third annual “Michigan’s Transition to a Knowledge-based Economy” progress report found that in eight of the 10 most prosperous states, at least 30 percent of the population had a bachelor’s degree or higher.

The addition of students’ and faculty members’ families to Kalamazoo will also benefit the area.

"What our research tells us is the vast majority of health educators also have spouses who work in either health sciences or the academic sciences, so we're going to see an influx of those spouses coming into our community that will benefit the current companies and institutions," Kitchens said.

One area that certainly will benefit from additional talent is downtown Kalamazoo. Although **no location has been chosen for the school**, the downtown is home to Bronson and is halfway between WMU and Borgess. It likely will see more activity from that proximity and could become more of a "24/7 downtown," **Downtown Kalamazoo Inc.** President Ken Nacci said.

"When you begin to attract the brightest and the best, you get a diversity," Nacci said. "And I think you're going to find within that diverse group folks that appreciate the urban experience, not just for entertainment but also for living."

That diverse group could attract new businesses to downtown, which in turn could drive more people downtown, he said.

However, Nacci feels that Kalamazoo now should be considering how it can help make the medical school a success.

"That's how we should be thinking because if they do become successful, we know we're going to be benefiting from that success," he said.

One of the ways downtown Kalamazoo can help the medical school be successful is continuing to focus on improving "quality of life" issues, Nacci said. That will help students and educators see Kalamazoo as a place where they'd like to live.

"I think initially we can help just by doing what we're doing and increasing residents (downtown) and increasing retail opportunities that are unique, not national chains," Nacci said.

The medical school also will become a rallying point and a source of community pride, said Steward Sandstrom, president and CEO of the **Kalamazoo Regional Chamber of Commerce**.

"It won't on an ongoing basis have the splash that it had (from the donation announcement), but it will be far-reaching on an individual level," he said.

The announcement in and of itself inspired business owner Ryan Reedy.

"What's exciting about this community specifically and what's exciting about the opportunity to be in business here is we have got some seriously committed philanthropists who are going to keep Kalamazoo and this region moving forward no matter what," said Reedy, president of **Reedy Corp.**, which is expanding its entertainment offerings in downtown Kalamazoo.

Reedy hopes his company can also add to the economic momentum with new jobs as it expands into new industries.

DeWit agrees the donation is a “clear sign of a recommitment of the region.”

“A gift such as this stimulates excitement in a difficult economy and allows us to look forward instead of in the rearview mirror,” DeWit said. “And it’s way past time, in my opinion, to leave the rearview mirror alone and begin to look forward.”

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