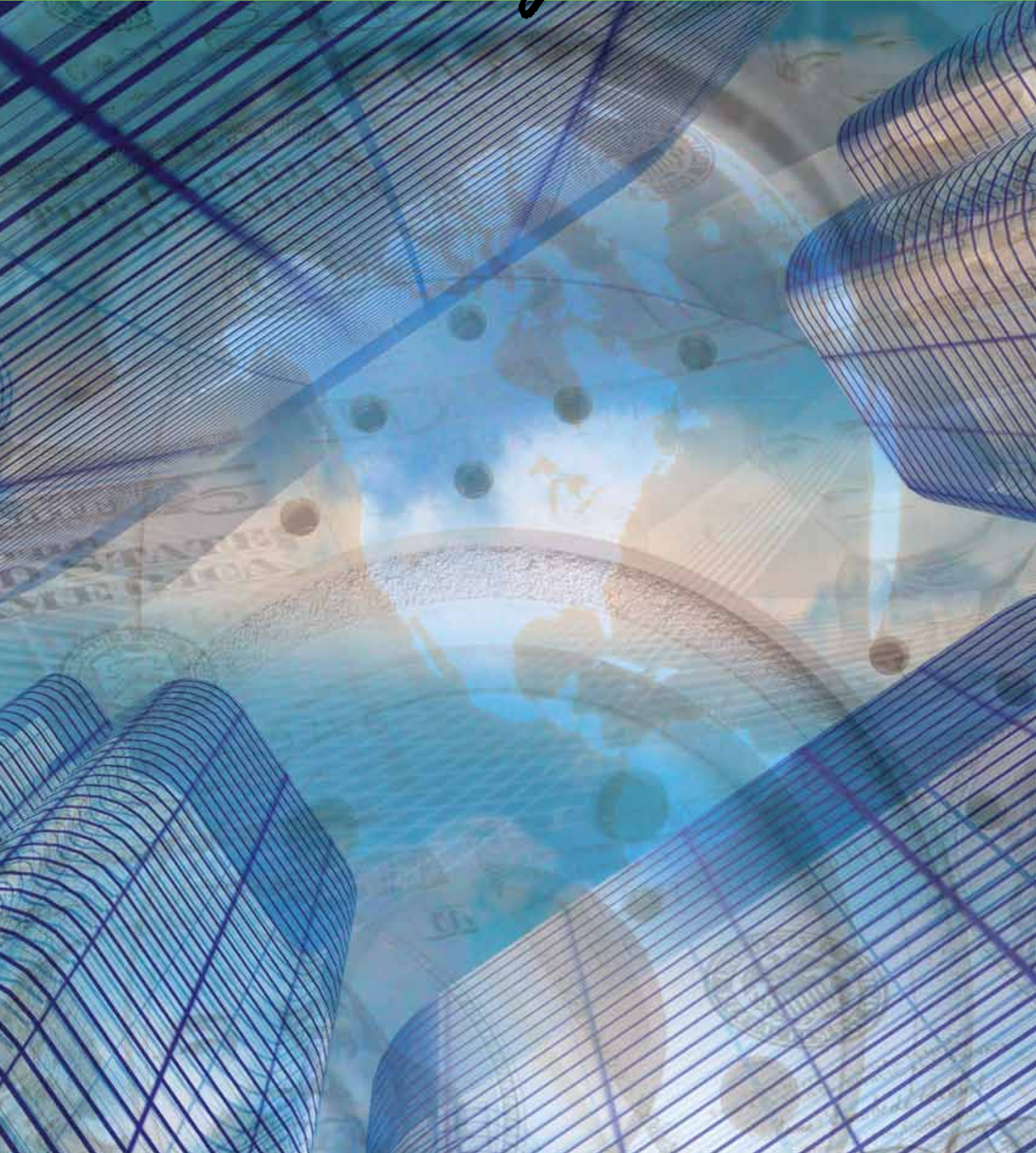


MICHIGAN *Good News*

a monthly update brought to you by the Michigan Economic Development Corporation
December 2009





Dear Friends,

Michigan has a rich legacy of entrepreneurship. It goes back to the early years of the automobile industry and in fact, was so successful that our start-up car companies turned into giant corporations. Today, we are igniting the spark of self-enterprise once again. In November, the second annual Global Entrepreneurship Week was celebrated in 87 countries. In Michigan, as many as 92 organizations, schools and businesses—more than in any other state—sponsored activities aimed at inspiring young and young-at-heart Michigianians to go into business for themselves. As part of the push to diversify and revitalize the state economy, we are partnering with small business development centers, local economic development organizations and chambers of commerce around the state to help would-be entrepreneurs take positive steps toward building their own companies.

In Michigan, celebration of entrepreneurship was marked by several related events in November. More than 200 entrepreneurs, venture capitalists, traditional financiers, strategic service providers, economic developers, government partners and education leaders attended the inaugural 21st Century Jobs Fund Symposium in Lansing. Innovative, high-tech companies like Ann Arbor-based NanoBio Corp., Lycera Corp. in Plymouth Township and Detroit-based Asterand were recognized for helping to diversify Michigan's economy and extend our state's entrepreneurial reach.

A new "Buy Michigan" public service campaign that will feature public service announcements (www.michigan.gov/buymichigan) starring well-known Michigan residents and products was launched in November. Produced by McCann Erickson with support from the MEDC, Michigan Department of Agriculture, Michigan Housing and Development Authority and Michigan Department of Management and Budget, the first "Buy Michigan" PSA focuses on the "Sounds of Pure Michigan," such as biting into a Michigan-grown apple, revving a Michigan-built motorcycle and playing a Michigan-made guitar.

Some of the notable Michigan residents starring in the spots include MSU men's basketball coach Tom Izzo; *Detroit Free Press* columnist Mitch Albom; Detroit rapper Black Milk; Red Wing great Steve Yzerman; businessman Peter Karmanos; Joe Faris of *Project Runway*; a group of Detroit Derby Girls featured in the recent film *Whip It*; Jason Stollsteimer of the rock group the Von Bondies and more. All of the participants in the campaign donated their time.

In November, 12 projects were announced representing 2,245 new jobs and 11,254 retained jobs on more than \$791 million in new investment in the state. They include an expansion by a high-tech electronics and aerospace company in Walker, a new facility in Battle Creek for a manufacturer in the advanced-battery sector—a project that is the direct result of the governor's investment mission to Japan in September—and brownfield redevelopments that will transform abandoned and contaminated sites into new centers of economic growth and activity.

These stories and more are detailed on the pages that follow. Enjoy!

A handwritten signature in black ink that reads "Greg Main". The signature is fluid and cursive, with a large initial "G" and "M".

Greg Main, President and CEO
Michigan Economic Development CorporationSM



LET IT SNOW! LET IT SNOW! LET IT SNOW!

Michigan has had a flurry of good news on the snow front. Crystal Mountain Resort & Spa is the only Midwest resort on *Parents* magazine's new list of Ten **Best Winter Resorts for Families**. Previously ranked the top resort in the Midwest by *SKI* magazine, the family-owned property in the northwest Lower Peninsula near Thompsonville boasts 45 downhill ski and snowboard trails; 40 kilometers of cross-country trails; the Michigan Legacy Art Park; the award-winning Crystal Spa; lodging; dining; golf; an alpine slide, and a one-acre water playground.

Mount Bohemia, in the northern reaches of the UP on the Keweenaw Peninsula, was just named Best in the Midwest in *Skiing* magazine's 2010 Resort Awards. Expert skiers and snowboarders are welcome to tackle the 900-foot vertical and 71 runs, and 17 backcountry runs.

As some of us start thinking about being bundled up for the winter, Michigan's resorts and ski areas are putting the finishing touches on upgrades and packages for this winter season. Outdoor enthusiasts can look forward to a fun-filled winter with plenty of places to enjoy Michigan's snow-filled slopes and trails. Ski areas are always looking for ways to increase enjoyment for skiers and snowboarders. Through the years, slope maintenance

and snowmaking capabilities have improved dramatically, so much so that even if there is no snow at home, the ski slopes can be covered when the weather turns cold.

Just remember, even if the ground in your backyard is bare there may be several inches of snow on the slopes in Michigan. This winter hit the slopes, make fresh tracks, take a lesson and make it a Pure Michigan winter.

DISCOVERY CHANNEL TO FEATURE MOTOR CITY MOTORS, FILMED IN MICHIGAN

Motor City Motors, the **first national television series to be filmed entirely in Michigan**, will make its debut on the Discovery Channel on Monday, December 28. The weekly series follows renowned fabricators and custom-bike builders Dave and James Kaye, founders of Detroit Bros. Custom Cycles. Each week, with their father John, they tap into the Detroit-based talent and assemble a team of builders and specialists. Together they push the boundaries of automotive engineering to create one-of-a-kind vehicles, limited only by the ingenuity and imagination of the Detroit Brothers and their crews, with a five-day limit for each build. From turning a 1929 Model-T into one of the coolest gassers in the city to transforming a 1992 GMC Suburban into pothole filler,



the Kayes hope the series gives the local community, as well as their own struggling business, a much needed boost.

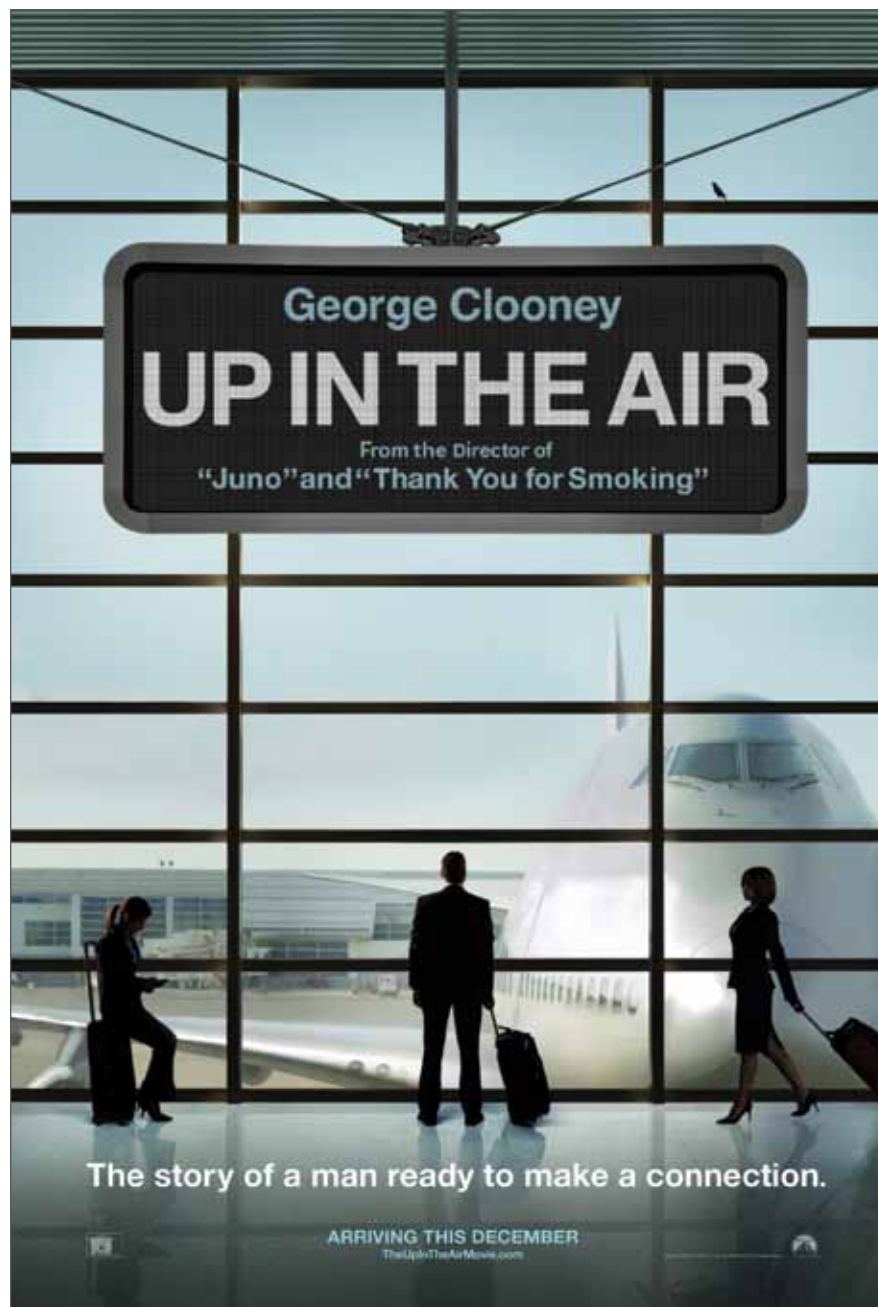
MANUFACTURING DIVERSIFICATION SUMMITS HELP SUPPLIERS FIND NEW MARKETS

The MEDC partnered with the Holland Area Chamber and Lakeshore Advantage on November 18 for the **Automotive Diversification Summit** at the Haworthy Inn in Holland, the 12th of 13 summits being held throughout Michigan. An audience of more than 135 learned about strategies for converting capacity to advanced energy technology, medical device, aerospace and homeland security/defense manufacturing. To date, the statewide summits have attracted 2,300 participants representing more than 1,600 companies and the MEDC has awarded training grants valued at over \$3.5 million to

202 companies. The last summit of the year will be held Oakland University, co-hosted by the City of Rochester Hills. Details are found at www.ousummit.org. For further information about the MEDC's diversification efforts, visit www.MichiganAdvantage.org/diversification.

DETROIT-METRO AIRPORT HELPS LATEST GEORGE CLOONEY PICTURE TAKE OFF

Up In The Air, filmed partially in Michigan at Detroit-Metro Airport, is now in limited release and opens in Detroit area theatres on December 18 with a national release date of December 25. The film stars Oscar® winner George Clooney as a corporate hatchet man who loves his life on the road but is forced to fight for his job when his company downsizes its travel budget. The movie was recently named **Best Picture** by the National Board of Review.





house R&D, engineering, computer applications and prototype development. CRI currently has 11 employees in Michigan. The project will create 96 total jobs, including 50 directly by the company plus an additional 46 indirect jobs. State and local incentives valued at \$873,915 over seven years helped encourage the company to expand in Michigan over a competing site in Alabama.

AKEBONO ADDING CAPACITY AFTER ACQUISITION OF BOSCH BRAKE BUSINESS

The Akebono Engineering Center based in Farmington Hills is a subsidiary of Akebono Brake Industries, the 80-year-old brake manufacturer serving the automotive, motorcycle, wind turbine and rail transportation markets (including the Bullet Train in Japan) with North American headquarters in Kentucky. The company currently has 114 full-time employees in Michigan. Akebono is acquiring brake and corner module business from Bosch, and will invest \$28 million to add new lab space and testing equipment at the Farmington Hills facility. The project will create 279 total jobs, including 118 directly by the company and an additional 161 indirect jobs. State and local incentives valued at \$1.8 million over five years were approved to encourage the company to expand in Michigan over a competing site in Kentucky.

TODA AMERICA BRINGING FIRST U.S. BATTERY PLANT TO BATTLE CREEK

Toda America Inc. plans to invest \$70.1 million to produce materials for lithium-ion batteries in Battle Creek. The company, based in Schaumburg, Ill., is a subsidiary of Toda Kogyo, founded in 1823 and the world's leading manufacturer of iron oxide and mixed metal oxide particles. The project will create 148 total jobs, including 57 directly by the company plus 91 spin-off jobs. State and local incentives valued at \$1.6 million over 12 years helped persuade Toda America to locate its first U.S. company in Michigan. Governor Granholm met with the parent company during her September 2009 investment mission to Japan.

LEAR CORPORATION RETAINING, EXPANDING JOBS IN THREE MICHIGAN COMMUNITIES

The fourth-largest U.S.-based automotive supplier, based in Southfield, plans to invest \$14 million in its electrical and electronics divisions in Southfield and Taylor and its seating systems division in the Village of Roscommon/Higgins Township in Roscommon County. The project will create 768 total jobs, including 224 directly by the company plus another 544 indirect jobs. The project will also retain 1,836 jobs. State and local incentives valued at \$7.1 million over five years helped to encourage the company to expand in Michigan over competing sites in Indiana, Tennessee, Mexico, Spain, China, India and the Philippines. Lear, one of the world's top ten auto suppliers,

CHRYSLER GROUP'S GEMA CONTINUES GROWTH IN DUNDEE

Chrysler Group plans to invest \$179 million to launch a new fully integrated, robotized engine-manufacturing plant in Dundee to manufacture engines for its growing line of fuel-efficient vehicles. The engine program is a collaboration between Chrysler and Fiat to reduce engine emissions and improve fuel economy. The manufacturing plan includes production of block, head and crank components as well as full-scale engine assembly turning out up to 250,000 engines annually. The project will create 573 new jobs, including 155 directly by the company and an additional 418 indirect jobs. State and local incentives valued at \$4.6 million over 10 years helped convince the company to locate in Michigan over a competing site in Mexico. The village of Dundee is considering tax abatement in support of the project.

INTERNATIONAL LABOR ORGANIZATION CREATING MEMBER ACTION SERVICE CENTER

The new corporate subsidiary of Service Employees International Union (SEIU) plans to invest \$3 million to create a shared organization in Redford Township, Wayne County. The SEIU Member Action Service Center will provide administrative services for the two-million member SEIU and other local labor organizations. The project will create 322 new jobs, including 224 directly by the center, plus an additional 108 indirect jobs. State and local incentives valued at \$2 million over five years to help convince the company to expand in Michigan over competing sites in Missouri and Florida.

CONSOLIDATED RESOURCE IMAGING EXPANDING TO KENT COUNTY

The high-tech electronic and aerospace company serving government and private-sector customers plans to invest \$3 million to relocate its headquarters from Allendale (Ottawa County) to a larger facility in Walker which will



had \$14 million sales in 2008. It has 215 facilities in 35 countries, including 12 in Michigan, where it has 2,112 employees.

STEELCASE EXPANDING WORLD HQ IN GRAND RAPIDS

The manufacturer of office environments that support work wherever it happens around the globe plans to invest \$18.2 million to expand its global headquarters in Grand Rapids. Steelcase had sales last year of \$3.2 billion and currently has 3,214 employees in Michigan. The project will retain 707 total jobs, including 350 directly by the company and another 357 spin-off jobs. State and local incentives valued at \$4.7 million over eight years to encourage the company to expand in Michigan. The city of Grand Rapids is considering tax abatement in support of the project.

FORMER DELPHI STEERING DIVISION NOW DOING BUSINESS AS NEXTEER AUTOMOTIVE

The former steering division of Delphi Corporation, Steering Solutions Services, now operates in Saginaw under the Nexteer brand name. It is the only global Tier One automotive supplier focused on advanced steering and driveline systems technology. The company, wholly owned by General Motors, currently has about 2,850

employees in Michigan and plans to invest \$413 million to actively pursue diverse new business opportunities. The project will retain 8,711 total jobs, including 2,400 directly by the company and an additional 6,311 indirect jobs. State and local incentives valued at \$70.7 million over 10 years helped encourage the company to expand in Michigan over competing sites in Europe and China.

BATTERY MAKERS APPROVED FOR ANCHOR JOBS INCENTIVES TO ATTRACT SUPPLIER INVESTMENT

A123 Systems Inc, the Ann Arbor-based manufacturer of rechargeable lithium-ion batteries, and Midland-based Dow Kokam MI LLC, manufacturer of battery cells for electric and hybrid vehicles, have both been approved for Anchor Jobs incentives. Both were previously approved for state tax credits in April 2009. A123 received a tax credit on its \$600 million project to develop initial coating, cell manufacturing, and pack assembly expected to create 5,000 jobs. Dow Kokam MI LLC won approved of a tax credit on a \$665 million joint venture of The Dow Chemical Company, Kokam America Inc., and Townsend Ventures LLC, formed to construct and operate a large-scale battery and cell manufacturing facility. In total, the project will create 885 jobs.



MIDLINK BUSINESS PARK CELEBRATES 10 YRS Transformation of the former General Motors metal-stamping plant in Comstock Township (Kalamazoo) into the Midlink Business Park got underway in December 1999. Today it is at 75 percent of capacity, home to 13 businesses that employ more than 350 people. Two separate buildings were created from the two-million-square-foot former auto plant: Midlink East, an 854,526-square-foot structure suitable for manufacturing; and Midlink West, a 811,927-square-foot building available for warehousing and light industrial uses. The park spans 340 acres, of which 110 are in a virtually tax-free Michigan Renaissance Zone. Tenants are: Candlewood Suites extended-stay hotel, Erickson's Flooring, ESCO-Midwest, International Component Strategies, Kaiser Aluminum, Kenco Logistics, Landscape Form, Macomb Group, Maggie's Catering, Mann & Hummel Automotive, Purity Cylinder Gates, Tourney Consulting Group and W. Soule & Co. Midlink still has about 425,000 square feet of space available in the existing buildings and 230 acres of land ready for development.

NEW RESEARCH CENTER TO EXPAND CORN PRODUCT DEVELOPMENT, TESTING Pioneer Hi-Bred, a DuPont business, is expanding its research apparatus in Ithaca (Gratiot County) where it has had a presence since 1986. The new center will expand corn product development and testing efforts for farmers



in northern climates. Pioneer will maintain operations at both research centers when the new facility opens in mid-2010. There are eight full-time and two part-time employees at the site and additional full-time jobs will be added at the new center. In addition to corn research centers in Ithaca, Pioneer, based in Des Moines, Iowa, has a large seed corn production facility in Constantine and operates nearly 100 research centers worldwide. It provides access to advanced plant genetics in nearly 70 countries.

FEDERAL GRANTS APPROVED FOR COMMUNITY IMPROVEMENTS

Five Michigan communities have received Community Development Block Grant (CDBGs) funds from the U.S. Department of Housing and Urban Development for downtown development projects.

Grants totaling \$620,046 for **Lake County's Yates Township** will fund projects in the historic community of Idlewild, once one of the most popular African-American resort destinations in the Midwest: a feasibility study and development plan for the historic Flamingo Club site, and rehabilitation of the Henrietta Summers Senior Center to meet Americans with Disabilities Act accessibility requirements and provide services for the senior population.

In Montcalm County, grants totaling \$1 million to the **city of Greenville** and **village of Sheridan** will support local manufacturing expansions and more than 100 new jobs. A total of \$930,000 will support purchase of machinery and equipment by Zero 1 LLC to bring a production line to a leased facility in Greenville instead of China. The designer and manufacturer of contract furniture and performance seating has five employees in Michigan. It is investing \$3.4 million in the project expected to create 93 new jobs in two years. A grant of \$108,000 to Sheridan will allow injection-molder Wright Plastic Products to expand and operate more cost-effectively by hooking up to the village sewer system. The company, with 29 employees in Sheridan, will invest \$275,000 in machinery and equipment. The village will contribute \$14,100 toward the project expected to create 11 new jobs.

The **city of Marshall** will use a \$112,928 grant to support expansion by agricultural supplier Johnson System Inc. (JSI) to build towers for wind turbines. The project is expected to generate \$279,000 in private investment and create 15 new jobs. The funds will be used to connect the company facility to the city sewer system, and the city will provide a match of \$12,548 to support the expansion.

In **downtown Mt. Pleasant**, a grant of \$42,750 will help a local business, the Midori Sushi Restaurant and Martini Bar, occupy the vacant first floor of the historic 1930s building at 105 East Broadway. The city will use the grant for façade improvements including restoration

of historic brick and installation of new windows. The developer is investing \$60,000 in the project with the city contributing a matching \$42,750.

Michigan's CDBG funds, administered by the MEDC, are used to provide grants and loans to eligible counties, cities, villages and townships—typically those with populations less than 50,000—for economic development, community development and housing projects. Larger communities receive block grant funds directly from the federal government.

BROWNFIELD PROJECTS RENOVATE HISTORIC BELL BUILDING IN DETROIT, BATTLE CREEK SEMCO GAS FACILITY

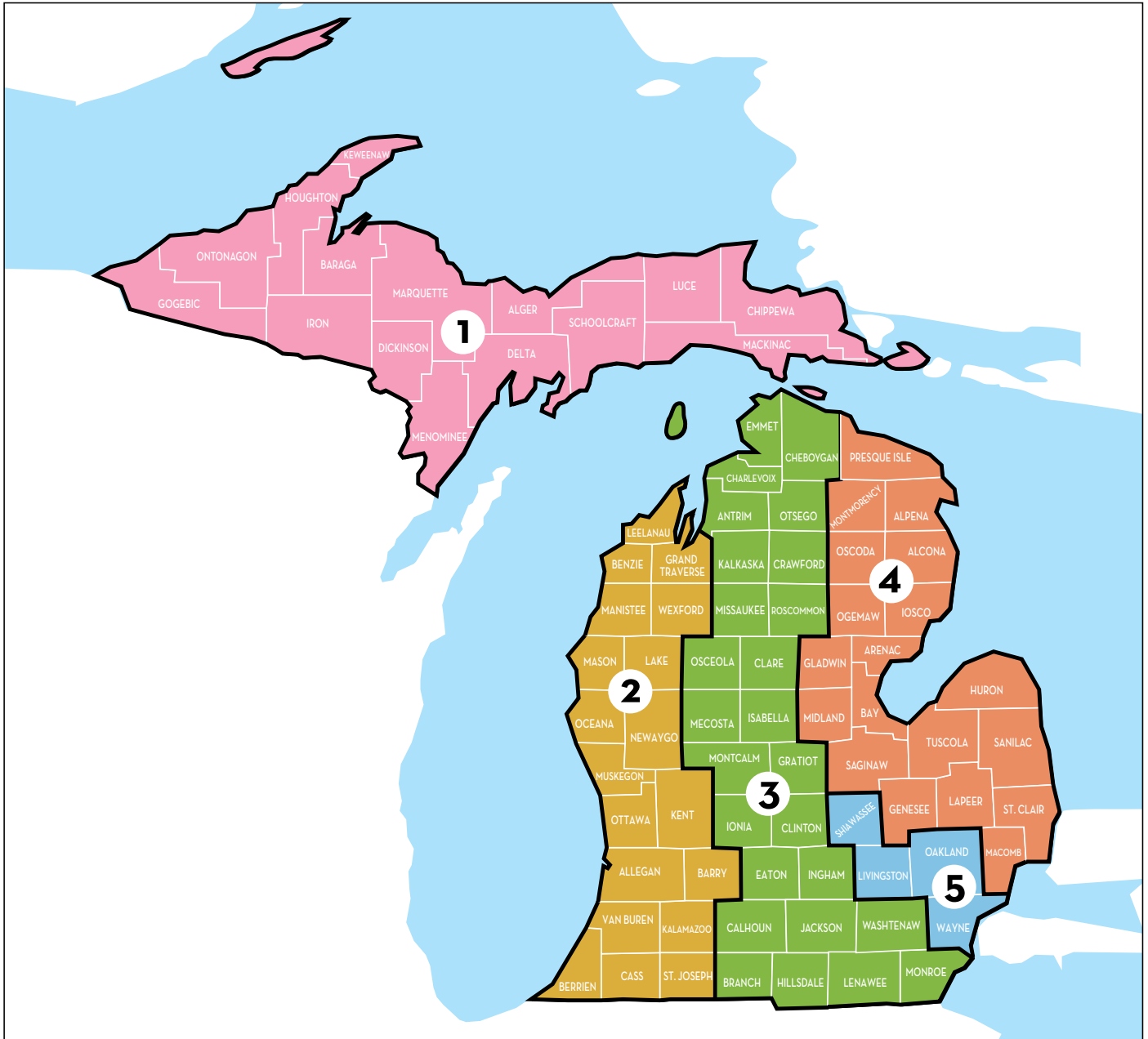
- **Detroit:** Neighborhood Service Organization (NSO), a nonprofit human service agency, through its affiliates NSO Bell Housing LDHA Limited Partnership and NSO Bell Commercial LLC, plans to invest approximately \$50 million in an innovative mixed-use renovation of the historic Bell Building located on Oakman Blvd. in Detroit. A state brownfield tax credit valued at \$7.1 million will support the project and create six jobs. For more than 50 years, the NSO has served homeless adults in metro Detroit, low-income families, individuals with mental illnesses and developmental disabilities, as well as individuals with addiction or substance abuse disorders. Part of the Bell Building will be renovated to house NSO's administrative and service headquarters, and the remainder to provide permanent supportive housing.

- **Battle Creek:** Covance Laboratories, the provider of a wide range of integrated product development services in the pharmaceutical, biotechnology and medical device industries, plans to invest \$15 million to renovate the former SEMCO Gas building. The company will provide analytical, microbiological, stability and sensor testing for numerous food service customers throughout the United States. A state brownfield tax credit valued at \$2.8 million will support the project expected to create 43 jobs.

Michigan's brownfield redevelopment program is among the most competitive in the country. Over the course of the last 10 years it has been instrumental in redeveloping over 500 sites throughout the state, generating an actual investment of \$2.5 billion. Brownfield redevelopment represents an opportunity to redesign and enhance our communities and often has a profound effect. The removal of a blighted building, increased tax revenue, job creation, downtown revitalization, or elimination of a contaminated site are all benefits communities can see through the use of this incentive. The continued investment in brownfield redevelopment will help Michigan's economic recovery and benefit our communities for years to come.

CONTACT YOUR CATeam SPECIALIST TODAY!

The CATeam is a part of the MEDC sales force, assigned geographically throughout the state. Your CATeam specialist serves as a community's single point of contact, coordinating all state and local services required to get the job done. CATeam members are just a phone call or click away to get you the information you need.



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