



# There are Great Things Happening in Michigan

July 2008

# MICHIGAN GIVES YOU THE UPPER HAND



Dear Friends,

Of the many developments featured in this month's chronicle of Michigan's economic transformation, one stands out: Mascoma's commitment to build a cellulosic ethanol plant in the Upper Peninsula, leaving no doubt as to Michigan's leadership in alternative energy innovation.

No less far-reaching is the collaboration underlying the choice of Michigan by Mascoma Corporation for its, and Michigan's, first biorefinery to produce liquid fuel, called cellulosic ethanol, from wood, paper pulp, straw and agricultural waste on a commercial scale. The Massachusetts-based leader in biomass-to-ethanol technologies, working with the MEDC, will make use of Michigan State University's expertise in renewable energy crops, and Michigan Tech University's automotive engineering labs for analysis of the biofuels produced at the new plant to be built in Chippewa County. Mascoma was courted by MEDC as an outgrowth of our Technology Cluster Initiative to identify technology platforms capable of significant development building on existing assets and resources, in this case, abundant timberlands, automotive technologies related to ethanol engines, and university-based research apparatus. It's a good match.

In June, the MEDC announced 11 projects expected to create and retain 3,901 jobs and generate \$179.1 million in new investment in the state. It's a star-studded line-up, including Azentek, a high-tech company in Grand Blanc that was honored at the Consumer Electronics Show last January for its "Hottest Car Tech & GPS Product" for 2008 and is investing \$3 million to expand and create new jobs in Michigan instead of China. Medical device maker Orchid Unique Orthopedic Solutions is expanding in Bridgeport Township, adding 142 jobs to the 632 employees they already have statewide. Auto supplier MAHLE is undertaking expansions in Farmington Hills and St. Johns, while Italian braking systems supplier Brembo North America is consolidating at a new headquarters in Novi. Priceline.com is considering locating a call center in Wyoming near Grand Rapids, and Precision Engineering is creating and retaining 436 manufacturing jobs in Jackson. Rayconnect is investing \$14.5 million in a new plastics injection molding plant in Rochester Hills. Brownfield rehabilitation projects in Muskegon and Detroit are redeveloping obsolete properties for new retail and commercial activity. Michigan's world-class brownfield program is working as intended, supporting new business activity and revitalizing older properties.

Among the rest of this month's Good News: Made-in-Michigan solar panels have their day in the sun in Spain; 21st Century Investment Fund support for a company making advanced composite materials used in construction; new Renaissance Zones in Jackson and Kalamazoo; a groundbreaking in an Agricultural Processing Ren Zone; an \$11-million supplier expansion in Coopersville; and infrastructure assistance to St. Johns to support another supplier expansion.

Watch us grow!

James C. Epolito, *President and CEO*

Michigan Economic Development Corporation<sup>SM</sup>

## AWARDS AND ACHIEVEMENTS



### MASCOMA AGREEMENT PUTS MICHIGAN AT FOREFRONT OF NEXT GENERATION FUELS

Governor Jennifer M. Granholm and Mascoma Corporation CEO Bruce A. Jamerson announced that the Massachusetts-based company has entered into a series of strategic relationships to further Mascoma's efforts to build its first commercial-scale cellulosic ethanol plant in Michigan's Upper Peninsula. Agreements with the Michigan Economic Development Corporation<sup>SM</sup> (MEDC), JM Longyear, and alliances formed with Michigan State University (MSU) and Michigan Technological University (MTU) will help bring the plant to Chippewa County, south of Sault Ste. Marie, where clean-burning, fuel-grade ethanol will be produced from wood fiber. The agreements build on Mascoma's decision announced last July to locate in Michigan. Engineering work is underway to finalize the site that will be secured through a land swap under negotiation with the Michigan Department of Natural Resources.

Mascoma and Marquette-based JM Longyear, a leading natural resource company, entered into a strategic relationship to combine Mascoma's technology with JM Longyear's significant project development experience, including its recent \$1.6 billion Minnesota Steel project and its deep natural resource experience. Mascoma is collaborating with research partners globally to identify and patent additional biomass-to-ethanol technologies. MSU will provide expertise in pretreatment technology for cellulosic ethanol production and assistance with

renewable energy crops that can be utilized by the biorefinery. MTU will contribute its knowledge of sustainable forestry management practices and access to its automotive engineering laboratories for analysis of the biofuels produced at the project site—part of its “wood to wheels” initiative.

### WORLD'S LARGEST SOLAR ROOFTOP FEATURES MADE-IN-MICHIGAN PANELS

Solar Laminates Highlights State's Leadership in Renewable Energy—Uni-Solar brand thin film flexible solar laminates produced by Rochester Hills-based Energy Conversion Devices will power the world's largest rooftop solar system. The 12-megawatt system using more than 85,000 solar laminates will be installed on General Motors' assembly plant in Figueruelas, Zaragoza, Spain, later this year, making it by far the largest installation worldwide. The solar power system is built, owned and operated by VEOLIA Environnement, world leader in environmental services and very active in Michigan, and Clairvoyant Energy S.L., the solar energy developer, with the participation of the Aragon government. When fully operational, the solar laminates used to power the system will be capable of producing about 15 million kWh of “green” power annually, sufficient to power 5,000 homes. The Uni-Solar brand is a leader in building-integrated and commercial rooftop photovoltaics, the fastest growing segments of the solar power industry. For more information, please visit [ovonic.com](http://ovonic.com).

### MICHIGAN.ORG SETS RECORD TWICE IN THREE DAYS

Michigan's tourism Web site, [michigan.org](http://michigan.org), continues to attract potential travelers to Michigan in record numbers. Monday, June 23 was the biggest single day in the site's history, setting a new record for volume with 57,432 visits and 35,182 click-throughs to Michigan tourism industry Web sites. Wednesday's numbers were even higher, with 69,573 hits and 39,777 click-throughs. In addition, [michigan.org](http://michigan.org) regained the top spot for the most traffic to any state tourism Web site in the country in May, according to Hitwise, an international

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company which tracks traffic to major Web sites. A TV ad highlighting Michigan's world-class golf debuted in April, while the remainder of the campaign launched in Chicago, Indianapolis, Cleveland, Cincinnati, Columbus, Dayton, St. Louis, Milwaukee and Ontario, Canada, plus Michigan, in May. Pure Michigan commercials can be viewed online at [michigan.org/Topics/Pure-Michigan-Ads/Default.aspx](http://michigan.org/Topics/Pure-Michigan-Ads/Default.aspx). Travel Michigan is a division of the MEDC and the state's official tourism promotion agency.

### NCMS TO LEAD 21ST CENTURY JOBS FUND COMPETITION PEER REVIEW

Ann Arbor-based National Center for Manufacturing Sciences (NCMS) has been selected by the Strategic Economic Investment and Commercialization (SEIC) Board to administer the independent peer review process for the 2008 21st Century Jobs Fund Business Plan Competition. Founded in 1986, NCMS is a not-for-profit industrial organization with over 150 corporate members drawn from a wide variety of industrial, research, academic and manufacturing sectors. Proposals will be accepted only from for-profit companies that demonstrate a viable and sustainable business opportunity in the competitive-edge sectors of life sciences, alternative energy, advanced automotive materials and manufacturing, and homeland security and defense. The 2008 competition closed on June 30. Awards will be announced in October.

### 21ST CENTURY INVESTMENT FUND HELPING TO GROW MICHIGAN COMPANIES

The Michigan Strategic Fund board has approved a co-investment of up to \$2.5 million through the Michigan 21st Century Investment Fund to Auburn Hills-based Microposite Inc. Founded in 2006, Microposite is an early-stage company that designs, develops and manufactures advanced composite materials for applications in the construction industry. In April 2007, a state tax credit helped convince Microposite to expand in Michigan instead of competing sites in Kentucky and Mississippi. The project is expected to create over 100 new Michigan jobs, including 62 directly by the company. The 21st Century Investment Fund is investing in Microposite along side venture

capital firm Nth Power, a firm that invests in cleantech/alternative energy companies. Nth Power has received an investment from the 21st Century Investment Fund and has opened an office in Detroit. The \$109 million 21st Century Investment Fund seeks to strengthen and diversify Michigan's economic base by fostering the creation and growth of new jobs, new businesses, and new industries within the state through investments in private equity, venture capital mezzanine funds and co-investments in individual companies alongside these funds. The Michigan Strategic Fund contracts with Credit Suisse to develop and administer investment programs under the Michigan 21st Century Investment Fund. More information is available at [michigan21stcenturyinvestmentfund.com](http://michigan21stcenturyinvestmentfund.com).

### ANN ARBOR ONE OF NATION'S BRAINIEST PLACES TO RETIRE

Ann Arbor is ranked as one of the top 10 "Brainiest Places to Retire" by *U.S. News & World Report*, along with Berkeley, Calif.; Boulder, Colo.; Brookline, Mass.; Chapel Hill, N.C.; Hoboken, N.J.; Lake Oswego, Ore.; Reston, Va.; Upper St. Clair, Pa.; and West Lafayette, Ind.



### MEDC LAUNCHES PUSH TO SPUR WATER TECH INNOVATION

The MEDC has launched the Michigan Water Technologies Cluster Initiative to position Michigan as a center of excellence for water-related R&D and a competitor in the growing multi-billion dollar global effort to assure the availability of clean water. The MEDC has analyzed and identified technology platforms capable of significant development, including cellulosic ethanol and wind energy, and will create Centers of Excellence to accelerate their growth.

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### NEW RENAISSANCE ZONES AID BUSINESS EXPANSIONS IN JACKSON, KALAMAZOO

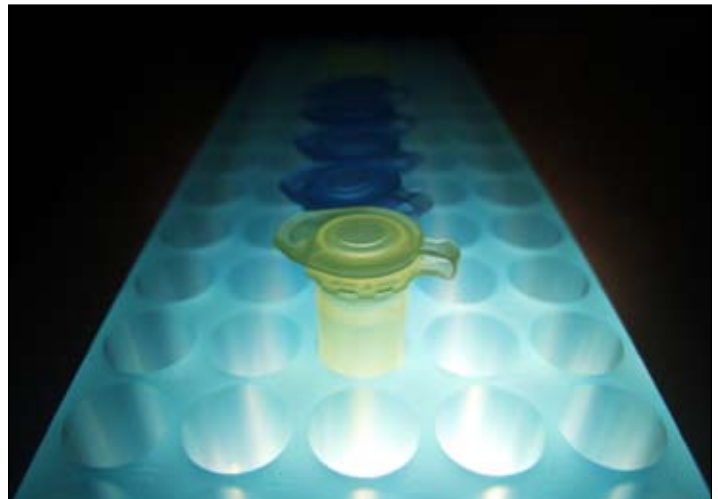
The Michigan Strategic Fund board approved a new Pharmaceutical Recovery Renaissance Zone for an expansion by **MPI Research Inc.** in Kalamazoo and nearby Mattawan expected to create 3,300 new jobs and spin off another 3,300 indirect jobs. In Jackson, a new 33-acre subzone will support an expansion by Production Engineering Inc. which is expected to create and retain a total of 436 jobs. Renaissance Zone designation allows a company operating within the zone to operate free of virtually all state and local taxes. Michigan's 1996 Renaissance Zone Act as amended gives the Michigan Strategic Fund Board the authority to add new subzones to existing Renaissance Zones through December 31, 2011. Michigan's Renaissance Zone program is administered by the MEDC.

### OID MILK PROCESSING PLANT EXPANDS IN AG PROCESSING RENAISSANCE ZONE

A groundbreaking at the **Michigan Milk Producers** facility in Ovid (Clinton County) marks the beginning of a \$35 million expansion. Upon completion, the plant's estimated processing capacity will increase to more than five million pounds of milk per day, about a two million pound increase. Sales from the Ovid plant in 2007 were more than \$200 million. The plant currently employs 92 and will add at least 10 more with the expansion. The area surrounding the manufacturing facility was designated an Agricultural Processing Renaissance Zone through the MEDC, providing the framework to allow for the project. MMPA, formed in 1916 by a group of dairy farmers, owns and operates an additional facility in Constantine. It serves about 2,300 farmers in Michigan, Ohio, Wisconsin and Indiana.

### SATURN ELECTRONICS' \$11 MILLION EXPANSION IN COOPERSVILLE CREATES 26 NEW JOBS

A \$500,000 grant to the city of Coopersville in Ottawa County will support an expansion by **Saturn Electronics & Engineering Inc.** Help with the cost of new machinery



and equipment is being made available by the MEDC with funds provided by the federal Community Development Block Grant program. The expansion is expected to generate over \$11 million in capital investment and create 26 new jobs. Assistance provided by the MEDC helped convince the company to expand in Michigan over a competing site in China. Auburn Hills-based Saturn Electronics is a supplier of automotive electronics, electrical wiring and electromechanical components. The company has 117 employees producing solenoids for the auto industry in Coopersville, its only manufacturing facility in Michigan, and more than 1,500 worldwide in China, the Philippines, and Mexico.

### CDBG ASSISTANCE APPROVED FOR \$18 MILLION MAHLE EXPANSION IN ST. JOHNS

A \$462,000 grant to the city of St. Johns is supporting an expansion by **MAHLE Engine Components USA** as the Tier 1 auto supplier gears up for increased piston ring production. Last month, company and local officials joined Governor Granholm in St. Johns to announce the \$18.2-million project expected to create 534 new jobs, including up to 150 directly by the company. The grant is made available by the MEDC with funds provided by the federal Community Development Block Grant program. MAHLE Engine Components, part of the Germany-based MAHLE GmbH group of businesses engaged in manufacturing components for the automotive and heavy duty engine industries, is adding 30,000 square feet of

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manufacturing space to its St. Johns facility. The expansion will require construction of a new 875-foot public street and improvements to a public drain. The city of St. Johns will contribute \$51,400 to support the project.

### LIQUID WEB PLANS NEW WORLD HQ NEAR LANSING

Lansing-based **Liquid Web Inc.**, an IT consulting firm, has started work on a new multi-million-dollar headquarters and data center in Delta Township. The \$80 million, 90,000-square-foot expansion will have enough space to support 25,000 new high performance Web servers and 600 new high-tech jobs. The private firm, founded in 1997, has already doubled its work force to 140 since opening its second data center in 2006 and has 12,000 clients worldwide.

### IN-CAR MULTIMEDIA COMPUTER MAKER EXPANDING IN GRAND BLANC

**Azentec**, the designer and developer of in-vehicle infotainment systems located in Grand Blanc Twp. (Genesee County), will invest \$3 million to consolidate current operations and expand in Grand Blanc, creating

198 new jobs including 78 directly by the company. Based on the MEDC's recommendation, the Michigan Economic Growth Authority (MEGA) approved a state tax credit valued at \$1.5 million over 10 years to win the project over a competing site in China. Grand Blanc Township is considering a six-year abatement valued at \$36,065 to support the project.

### MEDICAL DEVICE MAKER CONSOLIDATES OPERATIONS IN BRIDGEPORT TOWNSHIP

**Orchid Unique Orthopedic Solutions**, a single-source manufacturer of surgical cutting accessories, instruments and implants will invest \$3.5 million to consolidate operations and expand its facility in Bridgeport Township (Saginaw County), creating 142 jobs, including 60 directly by the company. Orchid Orthopedic Solutions, founded in 2005, has 632 employees statewide, including 320 in Bridgeport. MEGA approved a state tax credit valued at \$763,000 over seven years to win the project over competing sites in Tennessee and California. Bridgeport Township is considering a 12-year abatement worth \$183,258 to support the project.

### SUPPLY CHAIN MANAGEMENT FIRM INVESTING \$21 MILLION IN ADRIAN

**Venchurs Inc.**, a broad-based supply chain management and third party packaging and logistical services provider to the automotive and construction-agriculture industries, will invest \$21 million to expand its operations in Adrian. Through the assistance of an \$8 million incentive package, the project is expected to create up to 106 new jobs directly by the company including 50 by the end of 2010. The MEDC estimates an additional 46 spin off jobs will be generated by the project. MEGA approved a state tax credit valued at \$986,000 over seven years which allowed the company to choose Michigan over a competing site in Indiana. The city of Adrian is considering a 12-year abatement worth \$3 million to support the project. In addition, South Central Michigan Works! will work with the company to identify available job training resources.

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### PRODUCTION ENGINEERING INC. RELOCATING IN JACKSON

The manufacturer of precision machined components for wheel end, steering and drive train applications for specialty truck and construction equipment axles, will invest over \$11 million to relocate to the 440,000-square-foot former Goodyear warehouse in Jackson. **Production Engineering, Inc.** will revamp the building, including new electrical service enhancements, compressed air systems, lighting, water system, overhead cranes, offices and manufacturing support facilities. The project will create and retain 436 jobs, including 122 new jobs at the company and 112 retained. The MEDC estimates the project will generate an additional 202 indirect jobs. MEGA approved a state tax credit valued at \$3.4 million over 10 years to win the project over a competing site in Indiana. To support the project, the city of Jackson has proposed a 20-year abatement and Renaissance Zone designation for a combined value of over \$3.4 million.

### GERMAN-BASED AUTO SUPPLIER EXPANDING IN FARMINGTON HILLS

**MAHLE Industries Inc.**, the subsidiary of MAHLE GmbH, a leading global manufacturer of components for the automotive and heavy duty engine industry, will invest

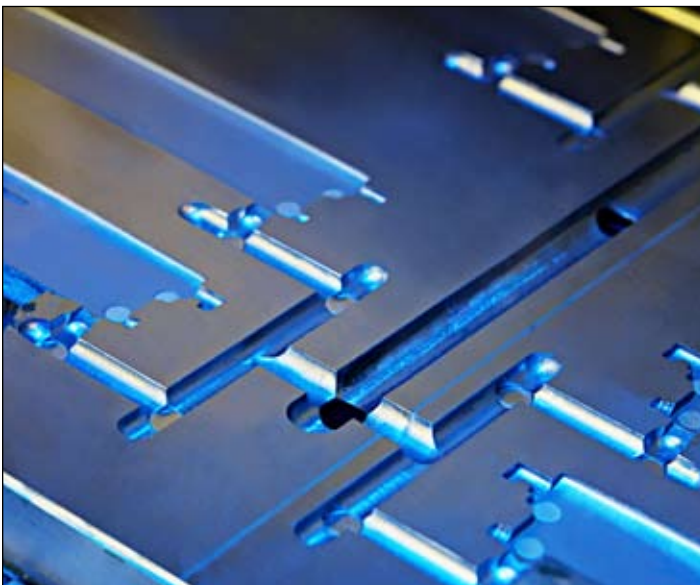
\$27.6 million in an initial 45,000-square-foot expansion in Farmington Hills. The investment will occur in two phases. Governor Granholm met with company officials in Stuttgart during her first investment mission to Germany in 2004 to encourage MAHLE to invest and grow in Michigan. The project is expected to create 324 new jobs, including 155 directly by the company. MEGA approved a state tax credit valued at \$2.5 million over seven years to win the expansion over a competing site in Tennessee. The city of Farmington Hills has approved local property tax abatements to support the project.

### NEW PLASTICS INJECTION MOLDING PLANT COMING TO OAKLAND COUNTY

**Rayconnect Inc.**, the wholly owned subsidiary of A. Raymond Inc. will invest \$14.5 million in a new plastics injection molding and assembly/headquarters facility in Rochester Hills. The company designs, develops, manufactures and sells fluid handling products for the automotive, commercial and construction equipment markets. The project will retain 360 Michigan jobs, including 148 jobs at Rayconnect (60) and A. Raymond (88). The MEDC estimates that increased economic activity created by the project would save an additional 212 indirect Michigan jobs. MEGA approved a state tax credit valued at \$2.5 million over seven years to win the company's expansion over a competing site in South Carolina. In addition, the MEDC will provide up to \$120,000 in job training assistance through the Economic Development Job Training (EDJT) program. The city of Rochester Hills will consider a 12-year abatement worth \$862,000 to support the project.

### ITALIAN BRAKING SYSTEMS SUPPLIER CONSOLIDATES AT NEW NOVI HQ

The braking systems supplier **Brembo North America** will consolidate its corporate and technical groups from Northville, Farmington Hills and Costa Mesa, Calif. at a new headquarters to be built in Novi instead of competing out-of-state sites. The subsidiary of Bergamo, Italy-based



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Brembo S.p.A. will also expand capacity at its manufacturing facility in Homer (Calhoun County). The combined project is expected to retain and create 325 jobs directly by the company for a total of 1,049 Michigan jobs retained and created. MEGA approved state tax credits valued at \$3.5 million over 10 years to convince the company to expand in Michigan. In addition, the MEDC will provide EDJT assistance of up to \$500,000. To support the project, the city of Novi is considering a reduction/reimbursement of permitting fees and an expedited approval process. Albion Township has approved a 12-year abatement estimated at \$1.8 million.

### ST. JOHNS BENEFITS FROM \$18 MILLION SUPPLIER EXPANSION

**MAHLE Engine Components USA Inc.**, the member of the Germany-based MAHLE GmbH group of businesses, will invest \$18.2 million in a 30,000-square-foot expansion of its piston ring manufacturing plant in St. Johns. The expansion is expected to create 534 new Michigan jobs, including up to 150 directly by the company. MEGA approved a state tax credit valued at \$2.2 million over 12 years to win the company's expansion. In addition, the MEDC will make available up to \$100,000 in EDJT funds. The MEDC will also consider providing support for infrastructure improvements. The city of St. Johns has approved three abatements worth \$26.1 million to support the project.

### ASSISTANCE APPROVED FOR PRICELINE.COM INC. CALL CENTER

MEGA approved a state tax credit valued at \$3.9 million over seven years to encourage the online travel company **Priceline.com Inc.** to launch a new facility under consideration in Wyoming. In addition, the MEDC has offered up to \$200,000 in job training assistance through EDJT. To support the project, the city of Wyoming has approved a seven-year abatement worth \$1.1 million. The project, pending company approval, is expected to generate \$7.7 million in new capital investment and create 610 new jobs, including 424 directly by the company.

### NEW AUTO DEALERSHIPS SLATED FOR MUSKEGON BROWNFIELD SITE

State and local tax capture valued at \$1.3 million will support environmental clean up and redevelopment of 19 acres on the east and west sides of Henry Street in Muskegon by **Betten Automotive Group** to make way for rehab or creation of nearly 113,000 square feet of commercial space. An existing building on a nine-acre site on the east side will be renovated and expanded from 30,000 square feet to 68,000 square feet. On the remaining acreage on the west side, construction of two new auto dealership stores will replace the current used car sales office. The project will feature sustainable development elements including LEED (Leadership in Energy and Environmental Design) standards, improved storm water management and pedestrian friendly streetscape. The \$15 million project is expected to create 36 new jobs.

### FORMER DETROIT POLICE PRECINCT STATION IN BROWNFIELD REHAB

Developer **Grand River and Six Mile LLC** will use \$631,600 in local and school capture and private investment of \$5.5 million to redevelop the former Detroit Police 8th precinct station across from Redford High School. Two structures will be built on the site comprising 23,800 square feet of retail and commercial space. The project will lead to creation of 60 full-time jobs.

