



There are Great Things Happening in Michigan

October 2008

MICHIGAN GIVES YOU THE UPPER HAND



Dear Friends,

When we imagine what life as a king must be like, a few things come to mind: Lavish receptions. Castles. Crown jewels. Hob-nobbing with heads of state and other members of the world's elite. Celebrating a wastewater treatment facility in Flint? If we're talking about Sweden's King Carl XVI Gustaf—yes!

Governor Granholm and I welcomed the king to Michigan to celebrate the opening of one of our state's first Centers of Energy Excellence. The project, which a collaboration between Swedish Biogas International, Kettering University and the city of Flint, will produce alternative energy from waste removed from the city's wastewater treatment plant. You can read about the project in detail on the following pages. His Majesty Carl XVI Gustaf also co-hosted a clean energy summit in Dearborn attended by international business and academic leaders in the field of alternative energy. The summit drew hundreds of people and was a smashing success. It was my honor and pleasure to host the king on his first-ever visit to our great state.

Speaking of Centers of Energy Excellence (COEE), the Michigan Strategic Fund also approved alternative energy partnerships in Ann Arbor and Kinross. The COEE program is designed to bring companies, academic institutions and the state together to support cutting-edge research and development and pioneer new alternative-energy technology. In Ann Arbor, Sakti3 and the University of Michigan will partner to establish a center focused on next-generation lithium battery technologies and processes. In Kinross, Mascoma will join with Michigan State University and Michigan Technological University to establish a cellulosic ethanol center. The MEDC worked hard with the Legislature and the governor to get these programs up and running, and I look forward to approving more partnerships in the future.

In September, I also welcomed more than 300 venture capitalists to the first National Association of Seed and Venture Funds annual conference held in Detroit, then accompanied Governor Granholm on her third investment mission to Japan, where we visited 23 companies in three cities in three days. Returning home, we celebrated the announcement of General Motors' plans for construction of a new factory in Flint to make engines for the energy-efficient Chevrolet Volt electric car and the Cruze compact.

Again, it is my pleasure to announce another good month for attracting new business development, with the MEDC helping 17 companies locate or expand in September. In combination, the projects are expected to create and retain 21,602 jobs and generate more than \$1 billion in new investment. Industries represented by all that activity, besides the auto-making detailed above, include biotech, snack food, household products, furniture, tool and die, software and Web security, auto supply, vehicle-related R&D, high-tech call center, advanced materials and thoroughbred racing.

I am pleased to say it was another exciting month for Michigan!

Enjoy!

James C. Epolito, President and CEO
Michigan Economic Development CorporationSM



James C. Epolito and His Majesty
Carl XVI Gustaf, King of Sweden

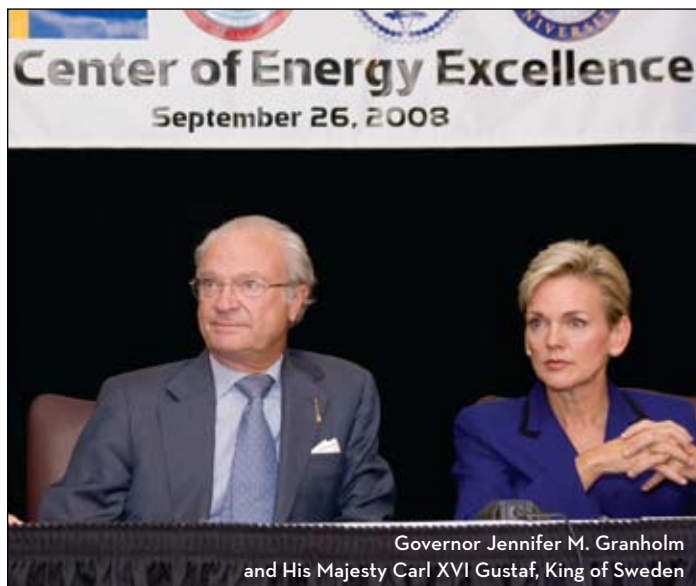
AWARDS AND ACHIEVEMENTS



GOVERNOR, KING OF SWEDEN DEDICATE FLINT BIOGAS CENTER OF ENERGY EXCELLENCE

Governor Jennifer M. Granholm and His Majesty Carl XVI Gustaf, King of Sweden dedicated one of the state's first Centers of Energy Excellence (COEE) in Flint. The project, which will produce alternative energy from waste removed from the city's wastewater treatment plant, is a collaboration of **Swedish Biogas International** (SBI), Kettering University and the city of Flint with support by the C.S. Mott Foundation, Swedish agencies and the MEDC.

The Swedish Biogas International project in Flint is a result of Governor Granholm's investment mission to Sweden in August 2007. She met with government and company officials in an effort to develop alternative energy partnerships and encourage investment in Michigan. Sweden is a recognized global leader in renewable fuels with more than 65 percent of heating needs of all buildings derived from biomass waste.



GRANHOLM AND KING OF SWEDEN HOST CLEAN ENERGY SUMMIT IN DEARBORN

Governor Jennifer M. Granholm and His Majesty Carl XVI Gustaf, King of Sweden hosted a **clean energy summit** in Dearborn focused on issues ranging from global climate change to advanced energy solutions with business, academic and international leaders in the field. Advanced and alternative energy experts highlighted the potential for Michigan to create jobs and diversify its economy by focusing on this growing sector.

Sweden is recognized as a world-leader in alternative energy development. The country has established the ambitious goal of being completely oil-free by 2020. Granholm's Centers of Energy Excellence (COEE) program grew out of her visit last year to Sweden.



The Royal Palace in Stockholm, Sweden



CENTERS OF ENERGY EXCELLENCE IN BATTERY, BIOFUEL TECHNOLOGIES ANNOUNCED

The Michigan Strategic Fund approved **alternative energy partnerships** in Ann Arbor, Flint and Kinross (Eastern Upper Peninsula) to be designated the state's first **Centers of Energy Excellence**. The program is designed to bring companies, academic institutions and the state together to support cutting-edge R&D and pioneer new alternative-energy technology.

The Centers of Energy Excellence are:

- **Sakti3** — This Ann Arbor-based company will receive \$3 million to establish a center focused on next-generation lithium battery technologies and processes. The proprietary technologies enable the manufacture of battery cells in Michigan instead of overseas. The University of Michigan will contribute research on battery lifecycles.
- **Swedish Biogas International** — SBI will utilize \$4 million to launch a waste-to-energy/biomethane center at the city of Flint's waste water treatment facility. The project will draw upon Swedish Biogas' 15 years of experience in operating three waste-to-energy facilities. Flint's Kettering University is a partner in the project and will collaborate with Linköping University in Sweden in adapting municipal vehicles so that they can utilize the bio-methane as fuel. The Kettering incubator will also serve as the initial headquarters for SBI's North American operations, providing a launching point for expanding the use of this technology throughout

Michigan and North America. The c.s. Mott Foundation and Swedish agencies are also partnering on the project.

- **Mascoma Corporation** — The Cambridge, Mass.-based company will use \$20 million to establish a cellulosic ethanol center in Kinross. The center will utilize the abundant timber resources in the area, producing fuel from nonfood, cellulosic crops (wood). Michigan State University and Michigan Technological University will focus on improving the supply chain for woody biomass feedstock.

Legislation enacted in July authorized the MSF to allocate up to \$45 million administer the COEE program which will match companies with universities, national labs, and training centers to accelerate next-generation research, workforce development, and commercialization.

U.K. TRAVEL WRITERS EXPLORE MOTOWN AND MORE

Travel Michigan, through its Great Lakes North America affiliation and in partnership with convention and visitors bureaus and others, hosted **four travel writers from the U.K.** During their three-day dash across Michigan, they had a chance to visit The Henry Ford, the Gilmore Car Museum in Hickory Corners and Kalamazoo's Air Zoo, and enjoy the fall beauty of New Buffalo. This visit was the latest of several international media familiarization tours that have been scheduled this year, primarily involving writers from the U.K. and Germany. Travel Michigan, a business unit of the MEDC, is the state of Michigan's official agency for the promotion of tourism.



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GM TO BUILD NEW PLANT IN FLINT AS PART OF \$838 MILLION EXPANSION

State incentives have been approved to encourage General Motors to develop and produce the new **Chevrolet Volt** in Michigan along with additional advanced energy and conventional fuel vehicles and components. Pending company approval, GM is considering expanding facilities in Detroit-Hamtramck, Pontiac, Bay City and Warren and building a new facility in Flint. The project is expected to retain a total of 14,380 jobs in the state and 3,723 direct jobs at GM. The proposed \$838 million project includes upgrades to the Detroit-Hamtramck assembly plant, Pontiac Metal Center, Bay City Components Plant and the GM Technical Center in Warren. The project would also include the construction of a new facility on a brownfield site in Flint. The MEDC is working closely with the company as it weighs Michigan against competing locations in North America. Based on the MEDC's recommendation, the Michigan Economic Growth Authority (MEGA) board approved a state tax credit worth approximately \$122.5 million over 15 years and a brownfield tax credit valued at \$10 million to win the company's investment. The cities of Flint, Pontiac and Bay City have approved tax abatements to support the project.

CARACO MOVES FORWARD WITH \$22 MILLION EXPANSION IN DETROIT, WILL ADD 600 JOBS BY 2012

Generic drug maker Caraco is going ahead with the previously announced expansion of its New Center manufacturing plant in Detroit, where it has about 600 employees. The **\$22 million expansion** will add nearly another 600 jobs by 2012. Last year the MEDC, in partnership with the Detroit Economic Growth Corporation, won the competition with North Carolina and South Carolina to keep the biotech firm growing in Michigan, offering an incentive package totaling \$12.5 million. Caraco, majority-owned by India's Sun Pharmaceuticals, markets and distributes Sun's products in the United States. It had sales growth of 200 percent last year reaching \$350 million.



OHIO COOKIE AND CRACKER MAKER RELOCATING TO TECUMSEH

Ohio-based Consolidated Biscuit Company (CBC) will invest **\$12 million in a new manufacturing center** in Tecumseh, taking over the vacant Tecumseh Products plant. The CBC expansion, its first operation in Michigan, is expected to create 1,058 new jobs, including 500 directly by the company. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$5.4 million over 10 years to help convince the company to choose Michigan over Kentucky. In addition, the MEDC will make available up to \$125,000 in job training funds through the Economic Development Job Training program. To support the project, the city of Tecumseh is considering a 12-year tax abatement valued at \$867,000.

MEDICAL BILLING COMPANY BRINGING JOBS TO DETROIT, KALAMAZOO

Chicago-based Accretive Health LLC, a leading provider of revenue-cycle management services to hospitals, plans to **expand operations in Detroit and Kalamazoo**. The aggressive expansion is expected to create 650 jobs over the next five to seven years. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$5.4 million over seven years to win the company's expansion. To support the project, the city of Detroit is considering a three-year personal property tax abatement. In addition to tax

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abatements, the city of Detroit has offered the company parking incentives to accommodate their growing workforce needs. The city of Kalamazoo has proposed a three-year abatement worth \$14,000 and will work with the company to identify additional downtown parking. An economic analysis conducted by the MEDC estimates that increased economic activity created by the expansion will create 492 indirect Michigan jobs.

FLOOR CARE PRODUCT SUPPLIER EXPANDING, OPENING INNOVATION CENTER

Bissell, Inc. is one of the world's largest and oldest suppliers and manufacturers of floor-care products, including sweepers, vacuums, deep-cleaning machines, and cleaning formulas. The company, founded in 1876, plans to **invest approximately \$9 million in an expansion and the opening of an innovation center** at its facility in Walker. The innovation center would be a centralized location for research and development related to Bissell's new and existing product lines. The project is expected to create 214 jobs, including 106 directly by the company. An economic analysis conducted by the MEDC estimates the project will generate an additional 108 indirect jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$2.4 million to help convince the company to invest in Michigan over a competing site in China. The city of Walker plans to support this project with a tax abatement and a 12-year industrial facilities tax abatement.



THREE COMMUNITIES BENEFIT FROM HOME FURNITURE MANUFACTURER'S EXPANSION

Leggett & Platt d/b/a Genesis Seating plans to invest **\$9.1 million to expand operations in West Michigan**. Genesis will invest \$3 million to relocate from Cascade Twp. and expand in Kentwood. The project is expected to create 131 new jobs. Davidson Plyforms, which currently shares the facility with Genesis in Cascade Twp., will invest \$5.6 million to utilize the new space being vacated and create 45 new jobs. A third component of the project includes a \$620,000 expansion by Grand River Polishing (recently purchased by Leggett & Platt) at its Spring Lake Twp. facility. The Grand River Polishing project is expected to create 57 new jobs. Combined, the projects are expected to create 439 new jobs, including 233 directly by the company. An economic analysis conducted by the MEDC estimates an additional 206 indirect jobs will be generated. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$2 million over 10 years to help secure the expansions in Michigan over competing sites in Indiana. The city of Kentwood, Cascade Township and Spring Lake Township plan to support the project with property tax abatements.

SAN DIEGO BIOTECH TO ACQUIRE CENTER FOR MOLECULAR MEDICINE RESEARCH FACILITY IN GRAND RAPIDS

San Diego-based Sequenom is a genetics and molecular diagnostic company providing genetic analysis products and services as well as diagnostic tests addressing prenatal genetic disorders, oncology, and infectious diseases. The company is **creating a second research location** by purchasing lab space in Grand Rapids. The facility will be used to further develop its non-invasive prenatal tests, which will provide new abilities to test for genetic disorders as early as the first trimester of pregnancy. With additional growth, the company plans to build its own lab in Grand Rapids in the next few years. Sequenom was also considering purchasing labs in Tennessee and Indiana. The Right Place worked with the company as well as the city of Grand Rapids and

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the MEDC to develop an incentive package valued at \$20 million over 12 years. The project includes a capital investment of approximately \$20.25 million over five years and the creation of up to 523 jobs by 2013. An economic analysis conducted by the MEDC estimates the project will create 618 spin-off jobs.

HIGH-TECH MANUFACTURER LOCATING IN DOWAGIAC

Premier Tool & Die Cast Corporation plans to locate a **new, \$4.2 million facility** in Dowagiac. The project is expected to create 62 jobs at the company and an additional 46 spin-off jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$553,000 over seven years to win the company's investment over a competing site in New York. The city of Dowagiac is supporting the project by extending additional power capacity and anticipates approval of a tax abatement.

ANN ARBOR PREVAILS OVER INDIA, IRELAND

A2 Media Corporation d/b/a ICON Creative Technologies Group is an interactive agency developing enterprise-level software that lets marketing and communications professionals in the auto, biotech and financial services sector manage their digital activities.

The company will invest approximately **\$2.7 million in the relocation and expansion** of its current Ann Arbor site to a larger facility in the city. The project is expected to create 128 new jobs, including 63 directly by the company. An economic analysis conducted by the MEDC estimates that the project will generate an additional 65 indirect jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$1.26 million over ten years to win the project over competing sites in India or Ireland. The city of Ann Arbor will help cover administrative costs to support the project.

SILICON VALLEY WEB SECURITY FIRM EXPANDS ANN ARBOR R&D CENTER

Barracuda Networks, a leader in e-mail and Web security applications based in Campbell, Calif., plans to **expand its research and development center** in Ann Arbor. The project is expected to create 351 new jobs, including 185 directly by the company. An economic analysis conducted by the MEDC estimates the project will create an additional 166 indirect jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$1.4 million over eight years to win the project over a competing international site. The city of Ann Arbor will help cover administrative costs to support the project.

FRENCH TIER ONE SUPPLIER EXPANDS IN AUBURN HILLS, TROY

Faurecia USA Holdings currently has 1,868 employees in nine locations around Michigan: technical centers in Auburn Hills and Troy, a research center in Holland, and manufacturing plants in Auburn Hills, Fraser, Shelby Township, Sterling Heights, and Lansing. The company plans to invest **\$23.3 million to relocate and expand** its Interiors Division tech center and North American headquarters, as well as increase staffing at its Troy location. The combined expansions will create up to 219 direct new engineering, technical, professional, managerial and clerical jobs, plus 192 spin-off jobs. Based on the MEDC's recommendation, the MEGA board

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approved a state tax credit valued at \$2.7 million over seven years to win the company's investment over a competing site in Ohio. The cities of Auburn Hills and Troy support the project and anticipate approval of state and local property tax abatements.

MANDO AMERICA CORPORATION CONSIDERING EXPANSION

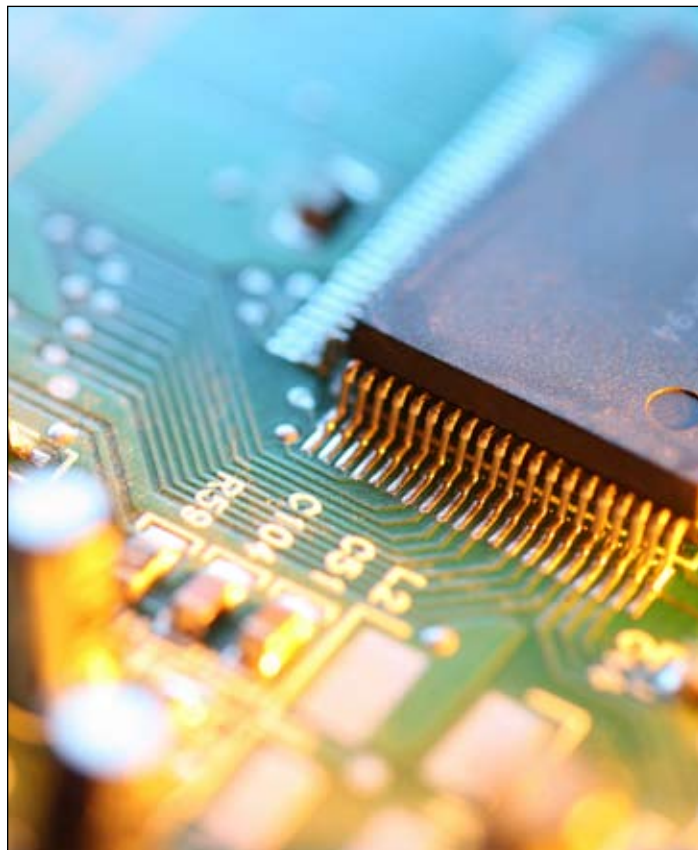
The manufacturer of brake, steering and suspension systems for the automobile and truck industries in North America, is planning to move its current Plymouth operations to Novi rather than out of state. Recent work by the state, county and Mando America have allowed the company to propose **moving the current research and development and test activities to a center in Novi**. If approved by Mando's senior executives in Korea, the proposed Michigan move would happen some time after the end of this year. The state's proposal will create 101 new direct jobs for Mando and the local community over the span of five to 10 years. The city of Novi has approved \$20,000 for public infrastructure improvements to support the project.

MANUFACTURING SOFTWARE DEVELOPER EXPANDING AT TWO AUBURN HILLS LOCATIONS

Plexus Systems Inc., the Auburn Hills-based software company, is **expanding its operations to support current and future development** of its Web-based solution, Plexus Online. Plexus Online provides manufacturers with all of the tools and information they need to maximize their operational efficiency and to achieve new levels of revenue growth and profitability. Plexus currently has 106 employees in Michigan. The company plans to invest \$3.9 million at two Auburn Hills locations. The project is expected to create 298 new direct jobs and 488 spin-off jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$7.98 million over ten years to win the project over competing sites in North Carolina, Washington and Arizona. The city of Auburn Hills will consider a property tax abatement to support the project.

JAPAN'S BIGGEST MAKER OF HEAVY-DUTY TRUCKS PLANS FARMINGTON HILLS R&D EXPANSION

Hino Motors Manufacturing (HMM) USA Inc., a wholly owned subsidiary of Japan-based Hino Motors Ltd, is considering **consolidating and expanding its administrative, R&D and quality assurance functions** at its facility in Farmington Hills. The proposed project will result in 34 new jobs at the company and an additional 31 spin-off jobs. Total capital investment is expected to be \$3 million. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$503,000 over seven years to win the company's investment over competing sites in West Virginia, Arkansas and California. Oakland County is considering providing job training assistance to support the project. Governor Granholm met with Hino officials in Japan during her investment mission to encourage the company to move forward with its expansion plans in Michigan.



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HIGH-TECH CALL CENTER COMING TO DETROIT

AT&T Internet Services, a subsidiary of AT&T, Inc., plans to build a high-tech call center that will take in-bound calls for high speed internet (DSL) customers in need of assistance with their internet service. The call center will be located in an existing facility in the city of Detroit and is expected to create 300 jobs. An economic analysis conducted by the MEDC estimates the project will generate an additional 110 indirect jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at more than \$1 million over five years to help convince the company to invest in Michigan over competing sites in other states. The city of Detroit plans to support this project with training assistance from the Detroit Workforce Development Department.

NYX INC. OPENING CORPORATE OFFICE, TECH CENTER AND MANUFACTURING OPERATION IN LIVONIA

The minority-owned market leader in automotive interior and under-hood products and five-time General Motors "Supplier of the Year" plans to open a new corporate office and technology center, along with a manufacturing operation, in Livonia. The project is expected to create 390 new jobs, including 168 directly by the company. An economic analysis conducted by the MEDC estimates the project will generate an additional 222 indirect jobs. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$1.67 million over six years to help convince the company to invest in Michigan over competing sites in Indiana and Tennessee. The city of Livonia plans to support the project with a 12-year tax abatement.

PINNACLE RACE COURSE DEVELOPMENT PROGRESSING IN HURON TOWNSHIP

Post It Stables is investing approximately \$72 million over three phases to develop the Pinnacle Race Course in the Pinnacle Aeropark area, south of the Detroit Metropolitan Airport in Huron Township.



The project consists of the development of 240 acres of a 320-acre site owned by Wayne County at the corner of Sibley and Vining roads. The race course will feature a one-mile track, grandstands, picnic area, clubhouse, horse barns, and grooms' quarters and will accommodate as many as 8,000 fans. The project is expected to create 71 jobs directly by Post It Stables and Post It Stables Hospitality LLC. Taking into account additional jobs created by others at the race course, the total employment is estimated to be up to 700 during the race season. Based on the MEDC's recommendation, the MEGA board approved a state tax credit valued at \$982,000 over 10 years.

Pinnacle Race Course is the first project approved for a new tax credit for businesses that are tourist attractions or lodging facilities under legislative changes approved by the Legislature and signed into law by Governor Granholm. In addition, the company has been approved for a state brownfield credit valued at \$5.3 million. Wayne County is expected to support the project through the issuing of more than \$28 million in public infrastructure bonds and \$7 million in revenue bonds for on-site infrastructure.

FRENCH HIGH-TECH FIRM EXPANDING IN BAY CITY

State assistance will support Carbone of America expand its Ultra Carbon Division in Bay City. The \$11.5 million project will add 65 new jobs and retain

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126 jobs. The MEGA board approved more than \$3 million in state and local tax capture in addition to a \$1.3 million brownfield tax credit to support the project. The project includes demolition and reconstruction of a functionally obsolete portion of the existing Carbone plant and purchase of new manufacturing equipment, including additional furnaces. Also included is reconstruction of a deteriorated section of Harrison Street between 32nd and 38th Streets and underground utility improvements to accommodate the expansion.

CITY OF HASTINGS TRANSFORMING KEY DOWNTOWN STREET CORNER

State and local tax capture valued at \$221,125 will support a proposed project by Developer Agree Limited Partnership to transform a site at the intersection of Broadway and State streets in downtown Hastings. The developer will **invest \$6 million in the project**, which will include the demolition of three current buildings and construction of a new 19,250-square-foot building that will result in new commercial space at the gateway to the city's downtown.