

MICHIGAN

JANUARY/FEBRUARY 2002

BUSINESS REPORT



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

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News Briefs

Michigan No.1 For New Business Sites and Expansions

Plants Sites & Parks magazine presented Gov. Engler with the "Tiffany Cup" on December 20th, honoring Michigan as the No.1 state for new business sites and facilities. The rating was published in the December issue of *Plants Sites & Parks*. The magazine's annual "Hot Spots" ranking is a comprehensive examination of new office and industrial projects throughout the United States. The magazine surveyed all the states for details about projects announced, built or opened from July 2000 through June 2001. Michigan ranked ahead of New York (2nd), California (3rd), North Carolina (4th) and Ohio (5th).

New MIOSHA Regulations Affecting Michigan Businesses

There are new regulations altering how companies keep records of accidents and illnesses at their facilities. Effective January 1, 2002, the regulations impact an estimated 65,000 Michigan businesses and are designed to improve the system employers' use to track and record workplace injuries and illnesses. For more information on MIOSHA's breakdown of the new requirements, visit the Consumer and Industry Services website at www.cis.state.mi.us/bsr/divisions/cet/recsys.htm.

Michigan Ranked Third Best Workforce Development

Michigan's workforce development program was recently ranked the third best in the nation. *Expansion Management* magazine's third annual ranking selected programs that were flexible in use, lessened bureaucracy, cost to the employer and customized to fit a particular company's need. Michigan was recognized for its extensive changes to its workforce program, including the reduction of paperwork required in the process and use of community colleges in conjunction with Michigan Technical Education CentersSM to provide training. Georgia was ranked first, followed by North Carolina (2nd), South Carolina (4th) and Kentucky (5th).

2002 Host Committee Events

The committee has met and the events have been scheduled. The 2002 Host Committee goal is to make visitors feel welcome by implementing marketing plans for targeted, high visibility Michigan events in order to portray a positive impression of Michigan throughout the nation. The committee is chaired by Steve Hamp and Peter Walters and includes Michigan business leaders and experts on the travel industry. The 2002 proposed activities include the North American International Auto Show and the Society of Automotive Engineers World Conference both in Detroit, the Society of American Travel Writers Conference on Mackinac Island, the U.S. Amateur Golf Tournament in southeast Michigan and the Management Briefing Seminars (formerly OSAT) in Traverse City.

Michigan 7th in Overall Business Climate Rankings

Site Selection magazine ranked Michigan's business climate seventh in the nation. The state's ranking was based on being the number one spot for new business and expansions over the last four years. The overall ranking is a combined average of actual corporate site location achievements and an annual survey of corporate real estate executives. In the survey portion, Michigan ranked 17th on business climate factors – ahead of neighboring Ohio (22nd) and Indiana (19th). The state's business climate is better than it ever has been in these surveys. This fact combined with our new investment and expansions, have catapulted Michigan into national prominence as an economic development leader.

Correction: Watervliet, MI was misspelled in the CAT article published in the November/December issue.

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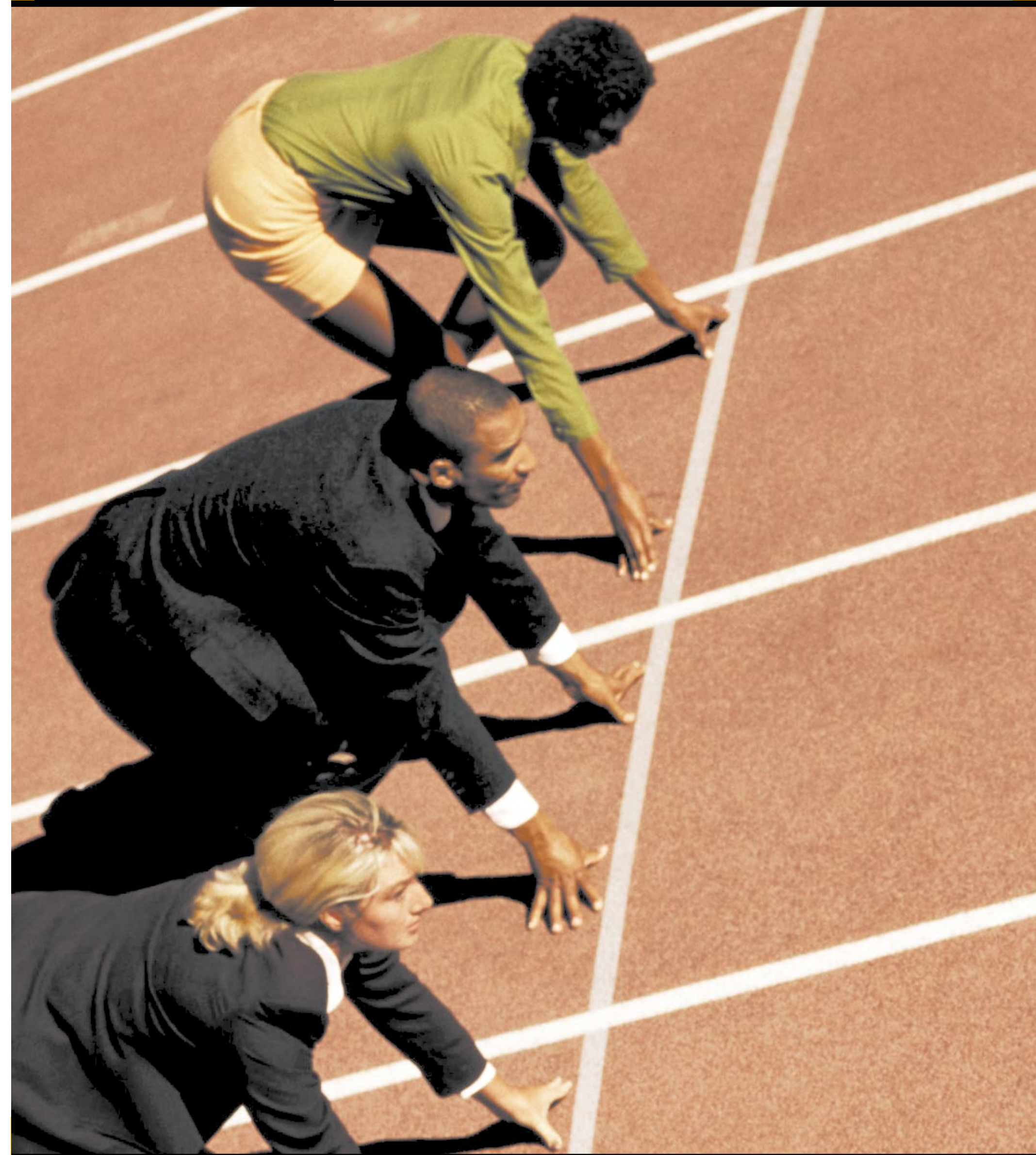
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MISSION
The Michigan Economic Development Corporation, a partnership between the state and local communities, promotes smart economic growth by developing strategies and providing services to operate and retain good jobs and a high quality of life.

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Michigan in the 21st Century

Doug Rothwell

President, Michigan Economic Development Corporation

Happy New Year and welcome to the Michigan of the 21st Century. In New Year's tradition, we've resolved to leave behind the old image of Michigan as a smokestack, industrial rust-belt state. We invite you to feel confident in the fact that Michigan's economy is weathering the current national economic situation. Please join us in a resolution to continue to build Michigan's prominence and stature.

If you had not noticed, Michigan has transformed itself. The state is economically stronger, more diverse, growing and competitively agile. Michigan remains the automotive capital of the world with 98 percent of all North American auto research and development done here. However, the state has spread its wings and invested in the emerging industries and developments such as information technology, advanced manufacturing and life sciences.

Did you know that Michigan has the fourth largest high-tech workforce in the nation, according to a University of Michigan study? More than 50 percent of all jobs created in the past year were in the high-tech fields of engineering, life sciences and business services. This means that nearly 350,000 Michigan residents are employed in a high-tech occupation.

Businesses would not choose Michigan if we did not possess the skilled manpower needed to be successful in the global marketplace. With the creation of these high-tech positions, attracting and retaining skilled workers to the state is a key factor in our ability to remain competitive.

Through a survey conducted by the MEDC and the Presidents Council, State Universities of Michigan, we found that Michigan retains 79 percent of graduates in the fields of life sciences, information technology and engineering who have gone to work in high-tech jobs. The study tracked the patterns of an estimated 30,000 life sciences, information technology and engineering graduates from 1997 through 2000. The compiled data showed that 55 percent of students in these fields who attend a Michigan public



university from out-of-state remain here to work after graduation. Michigan is one of only 11 other states in the nation that can claim this high of a retention rate.

However, our job is not done. The spring campaign of the Michigan Recruitment Alliance will focus on increasing the number of out-of-state graduates choosing to relocate to the state. Over the last year, the Alliance participated in 22 career fairs at 13 targeted Midwest universities. Alliance members met with more than 5,000 students discussing the many great Michigan employment opportunities in the fields of engineering, life sciences and information technology.

For businesses looking to enhance and improve technical skills of their current workforce, training is readily available. The MEDC has invested more than \$60 million in the creation of 18 Michigan Technical Education CentersSM (M-TEC). M-TECs are the future of high-tech, technical skills training in Michigan. They are designed to train workers in a variety of technical positions.

Michigan is growing and diversifying our economy to broaden our horizons. There are more than 7,000 information technology firms and more than 300 life sciences firms located in the state. Michigan has developed a climate in which businesses can flourish. Factors contributing to this include the designation of 11 SmartZonesSM strategically placed across the state. The SmartZones stimulate the growth of technology-based businesses and jobs by aiding in the creation of recognized clusters of new and emerging businesses. Companies have already moved into the zones and six of the zones have incubators to house high-tech startups. (See the SmartZones article on page 9)

In retrospect, 2001 was challenging for Michigan. But, persistence and hard work has resulted in a Michigan ready to weather any storm. As we enter into 2002, Michigan has a firm foundation, a new image as a state whose economy has transformed and is well prepared to face the challenges that lie ahead.

Kalamazoo, We Have Lift-Off

Thanks to software firm I/NET Inc., Kalamazoo's products may soon blast into space

Over the years, workers in Kalamazoo have manufactured practically everything; cars, stoves, pharmaceuticals, plastics and paper products. Countless other goods have been made in the small southwest Michigan city and used just about everywhere.

Now, thanks to software firm I/NET Inc. and the National Aeronautics and Space Administration (NASA), Kalamazoo's products may soon blast their way into space.

NASA has awarded the Kalamazoo-based software firm a six-month, \$70,000 contract to develop a conversational interface for the Complex Event Recognition Architecture (CERA) technology I/NET created under a previous contract. Created to manage life-support systems on space missions, CERA can recognize and analyze complex situations, either prompting operators to act or making corrections on its own. The new conversational interface, as I/NET President and CEO Stephen Markee describes it, uses voice commands to provide a "kinder, gentler" way to interact with the CERA system.

"We like to say that our conversational interface allows users to talk with computers and equipment, not at them," he said. "Whereas older systems only recognize specific words and phrases, our software can monitor and analyze the context of an entire conversation, which makes it far more versatile and easier to use."

On space missions, CERA would allow astronauts to operate onboard systems with voice commands—and do it in a

much more natural, conversational way than is possible with traditional voice recognition systems. For instance, if an astronaut asked the computer, "How much air is in the tank?" the computer would be able to infer from the context of the conversation that the speaker was referring to the oxygen tank.

Natural Interaction

"When people talk naturally, they use a lot of ambiguous words like 'he, she, it,' etc. If you spoke that way to a traditional voice recognition system, it wouldn't be able to understand you," Markee said. "Our system can analyze the context of a conversation to decipher what a user is saying."

The technology would enable astronauts to use voice commands as another tool for running onboard systems, making routine tasks easier and letting astronauts concentrate on making decisions instead of operating equipment.

The new contract is the second that NASA has awarded to I/NET; the first was awarded in early 2001 to fund the initial development of CERA. The latest contract will allow I/NET to make the system easier to use by integrating it with a conversational interface. Both contracts were awarded as part of the federal Small Business Innovation Research Program, which allows small businesses to conduct research for government agencies.

Hands on the Wheel

Markee doesn't expect the uses for the new technology to be limited to space travel. I/NET is also developing a conversational interface for cars that will allow motorists to use voice commands to operate everything from seat heaters to stereo systems. The benefits to drivers would be similar to those experienced by astronauts; with fewer controls to operate, drivers could do a better job of keeping their hands on the wheel and their eyes on the road. Markee said he has spoken with automakers that are receptive to the new technology.

"The key is really to get the technology to the point where drivers can operate vehicle systems intuitively," Markee said. "If you don't have to stop and think about how to operate something, you'll be safer behind the wheel."

While some voice recognition technology is already being used in automotive applications, Markee expects advanced conversational interfaces to begin to make their way into cars within the next 12 to 18 months. As for the research that I/NET is conducting for NASA, several aspects are already being put to use. That should go a long way toward guaranteeing that I/NET and Kalamazoo will continue to hold their ground as top innovators—both here on Earth and beyond.



A simple idea: provide Michigan's most promising entrepreneurs with business expertise, inject some friendly competition, and watch what unfolds.

On a Quest

The idea behind the Great Lakes Venture Quest is simple: provide business expertise to help a group of Michigan's most promising entrepreneurs turn their great ideas into promising business plans, inject a note of friendly competition, and watch what unfolds. Last year's Venture Quest helped ventures like Osteomics, Xoran Technologies and Eberwhite Technologies get the funding and expertise they needed. Now in its second iteration, the MEDC-sponsored contest recently doled out \$60,000 in awards in a December 5 ceremony held on the campus of Grand Valley State University.

The Phase One competition was divided into three regions—Eastern, Western and Northern, with a \$10,000 grand prize and two \$5,000 runner-up prizes for each region. The grand prize winners from Phase Two will move on to a statewide competition where they will compete for a \$50,000 grand prize and two \$25,000 runner-up prizes. New entrants for Phase Two competition are still welcome, as are volunteers who would like to act as coaches to participants. The deadline for Phase Two entry has been extended to March 15, 2002.

The phase one grand prize winner in the Northern region is Agen BioSense, a company working to develop a new generation of sensors that will detect bacteria and viruses like salmonella, anthrax and listeria. Under development at Michigan State University's Biosystems Engineering Department, the sensors would work far more quickly than traditional disease detection methods, lowering testing costs and increasing survival rates. Northern region runners-up are TJ Pulse, a Midland company commercializing a compact electrical energy device, and Intellicon, an East Lansing company developing a suite of software to control electrical power grids.

Bright Ideas Advance

In the Eastern region, Dexter-based Neural Intervention Technologies took top honors for its commercialization of a technology for the treatment of brain vessel defects. Capable of communicating directly with the brain, the technology shows promise for replacing lost brain function and treating brain defects like tumors, neurovascular lesions and aneurysms. Eastern region runners-up were Mobius, a Detroit company pioneering new technology for combining digital and analog technologies, and Adaptive Materials, an Ann Arbor company that manufactures solid-oxide fuel cell modules.

The Western region winner is Spinal Cord Regeneration, a Kalamazoo company working to develop and commercialize a treatment for spinal cord injuries. Western region runners-up are SmartWriter, a Norton Shores company creating an interactive software application to teach college-level writing, and SiteLive, based in Grand Rapids, which provides a service that will allow car dealers to provide instant message answers to customer questions over the Internet.

Runners-up from all three regions will receive \$5,000 awards, while grand prize winners will receive \$10,000 awards and move on to phase two, the statewide competition.

More than Money

As participants in last year's competition can attest, the benefits of competing in Great Lakes Venture Quest go far beyond money. Michael Long of Osteomics, the winner of last year's grand prize and a member of this year's advisory committee, said that while the money has been helpful, the biggest benefits to his company have come from the coaching, the business contacts and the notoriety that Osteomics has gained as a result of its participation.

"Whether they win or not, every company that participates learns a great deal," Long said. "Learning the fine points of business plan development was incredibly valuable to us, and we had the opportunity to meet a lot of people, which has helped us with both fundraising and recruiting."

Venture Quest's coaching process allows contestants to request coaches with expertise in a variety of fields. Each participating company specifies the areas where they need help and contest organizers work to match them up with the right coaches from a pool of volunteers.

Long said this year's competition was shortened from three phases to two to allow participants and coaches to begin consulting right from the start. Last year's competition began with a business concept that contestants prepared and submitted without input from venture quest coaches. That stage was dropped from this year's competition, allowing coaches and contestants to begin working on business plans immediately.

"After we realized just how valuable the coaching process is for participants, we looked for ways to streamline the process and get contestants and coaches together right from the beginning," Long said. "The more interaction there is, the bigger the benefits for entrepreneurs."

Supporting Entrepreneurs

The model for Venture Quest came from a similar competition held in Pittsburgh. The MEDC liked what it saw and decided to adapt the competition to Michigan. The biggest challenge associated with moving the contest to Michigan was the logistical issues created by Michigan's formidable geographic size, according to Mike Finney, vice president of emerging business sectors at the MEDC. Putting much of the contest online helped bridge the long distances involved, as did this year's division of

West Region winners Michael Blowers and Allan Halpern of Spinal Cord Regeneration with Roger Newton, chair of the GLVQ Board of Directors



for New Ventures

phase one into three geographic regions. Those and other changes have given the competition the ability to grow along with Michigan's entrepreneurial community.

"We're trying to change the whole culture of entrepreneurship in Michigan," Finney said. "When we see this thing get much bigger and more fiercely competitive, that's when we'll know we've made our mark."

The Venture Quest serves not only as a direct source of capital, but also as a meeting place for entrepreneurs and potential funders. That's been the case for Frank Underdown, president of the Keweenaw Nanoscience Center located in the Upper Peninsula. While Underdown's venture didn't win funding directly from Venture Quest, he said his participation has attracted interest from a variety of potential funders.

"I've talked to several VCs [venture capitalists] who expressed interest after seeing our entry on the Venture Quest Web site, so there's no doubt that the experience has been valuable," he said. His participation has also helped him recruit employees for his new company; since entering the competition, he has received a steady stream of resumes from as far away as Belgium.

Venture Quest judges and phase one winners are now gearing up for phase two, preparing for more evaluation of business plans, along with oral presentations by the contestants. The final awards ceremony is slated to take place April 8, 2002 at Hale Auditorium, University of Michigan Business School.

In the meantime, all of this year's participants are reaping the benefits of participation, in the form of networking opportunities, free business expertise and newfound notoriety—both in Michigan and elsewhere.

MEDC Celebrates Its 30,000th Retention Visit

Michigan's Innovative Sales Force on the Front Lines

On November 9th 2001, Michigan Economic Development Corporation (MEDC) commemorated a milestone by celebrating its 30,000th Michigan retention visit at Wolverine Carbide Die Company in Troy.

The MEDC has developed an aggressive business retention and expansion program and visits over 4,000 Michigan companies each year, offering customized business services. Although, MEDC also courts companies outside of Michigan, it has always concentrated on the companies that already have a foothold in Michigan to make sure they stay and grow in Michigan.

"We made a strategic decision to focus our efforts on assisting the businesses that we already have in the state grow and succeed," said Doug Rothwell, president and CEO of the MEDC. "The results of this first class service to our in-state customers have been tremendous. Our state has been named the number one site for new business developments and expansions for the past four years in a row. Much of this growth can be directly attributed to our home grown companies."

Since 1999, the MEDC has helped to create over 59,000 jobs and has assisted over 700 Michigan-based businesses with expansion plans. The MEDC has one of the most experienced staff dedicated to business retention and expansion, ensuring that Michigan remains a viable place for companies to locate in a highly competitive environment.

The key to the MEDC's service delivery system is the account manager assigned to companies in Michigan. Account managers are the MEDC's sales force. They are assigned to geographic areas within the state and serve as a single point of contact coordinating all state and local services required to meet Michigan business customer's needs.

Not all of MEDC's client are big...yet

Though the MEDC gets accolades for servicing larger companies like the "Big 3" and others, it also services smaller companies. Not all of MEDC's clients are big – yet. Wolverine Carbide Die Company is an excellent example of the smaller companies the retention program services.

Kathy Kleckner, the account manager for Wolverine Carbide, makes yearly visits to their headquarters in Troy and has built a strong business relationship assisting them with regulatory and training needs. Kleckner serves as their point of contact for any business issue that they have with the state. Wolverine Carbide currently has 30 employees and has applied for an Economic Development Job Training Grant (EDJT) through the MEDC to assist with further growth.

"As a manufacturer of metal forming tools to the automotive industry, Wolverine Carbide has strived to stay ahead of the global competition through many innovative practices that we discovered at the Michigan Economic Development Corporation," said Nick Stavropoulos, vice president of Wolverine Carbide Die Company. "I want to congratulate Governor Engler for his vision and the people of the MEDC for their dedication to excellence in providing small companies with the tools



From left to right:
Mark Stavropoulos, Kathy Kleckner (MEDC), Jim Donaldson (MEDC), Gus Stavropoulos (President, Wolverine Carbide) Rep. Pappageorge, Nick Stavropoulos, Michael Stavropoulos.

"Our state has been named the number one site for new business development and expansion for the past four years in a row. Much of this growth can be directly attributed to our home grown companies."

necessary to build future success in the manufacturing industry."

The MEDC offers a variety of incentives for companies considering relocation, but it's not always about money. Sometimes a company only needs assistance with a regulatory issue or the knowledge of how to navigate through other local government regulations to make a new project possible. This type of collaboration with communities and local economic development

agencies is essential to delivering quality business services.

"The success of our business retention program is a result of our unique partnership with local economic development agencies across the state," said Rothwell. "By jointly calling on companies, we are able to coordinate state and local efforts to service our customer, Michigan businesses."

Wellington Industries in Belleville stands as a testament to the ability of the MEDC to help with local issues.

Through a routine retention visit, account manager Karen Lee discovered that Wellington was on the brink of moving its entire operation to Ohio because of a local road ordinance that impeded expansion. Lee and the MEDC staff worked with the local officials to cut through the red tape. Wellington stayed, retaining 40 existing jobs and creating an additional 50 for the community.

The Michigan Business Retention Program is one of the most innovative retention programs in the country. National publications such as *Site Selection* magazine agree and have recognized the MEDC as one of "America's leading development groups." It has been said that Michigan is the state to emulate in its aggressive approach to retaining business and facilitating further growth.

The most amazing part of the business retention program is that the services are free. If your firm would like to have an account manager call on you, call 517-373-9808.



Michigan's SmartZones

Move Beyond Concept Stage

"It's companies that make communities, and the best companies don't move to communities, they're built there."

around the state are beginning to see some very tangible benefits. For businesses, SmartZones are an economical way to gain access to state-of-the-art research facilities. They also encourage the development of the support networks that small companies depend on to grow their business while keeping costs down. For cities, SmartZones make



Kalamazoo SmartZone rendering

marketing easier and more efficient, while providing a way to gather diverse resources into a cohesive structure.

In Mount Pleasant, the SmartZone concept has helped attract Dendritic Nanotechnologies, a U.S. spin-off of Starpharma. Based in Australia, Starpharma is the only company in the world that's involved in the design,

synthesis and commercialization of dendrimers as pharmaceutical compounds. Dendrimers are synthetically produced molecules that act as a microscopic framework for new medications. Researchers can insert other, smaller molecules into that framework to form new compounds that combat disease in ways that were once impossible.

Dendritic Nanotechnologies will take advantage of Central Michigan University's (CMU) wet lab space and expertise in dendrimer research to help develop new medications for a variety of maladies, from human immunodeficiency virus (HIV) and hepatitis to food poisoning.

Not long ago, Michigan's SmartZonesSM existed only in the imaginations of Michigan legislators and entrepreneurs in cities like Mount Pleasant, Kalamazoo and Grand Rapids. Signed into law by Governor John Engler, SmartZones use tax increment financing to attract clusters of high-tech businesses, including life-science research labs, high-tech manufacturing outfits and dot.coms. The tax revenue generated by new development is captured and used to fund infrastructure improvements, new facilities and marketing and promotion in the new zones, which are located across Michigan.

Now, a little over a year later, Michigan's SmartZones are taking shape in much more tangible ways. As a result, businesses and municipalities

"With traditional medications, scientists are limited to working with one molecule at a time," said Tim Grogan, manager of commercial development at Starpharma. "But dendrimers make it possible to combine several molecules into new compounds that react with the body in a completely different way."

Grogan says the Mount Pleasant facilities of Dendritic Nanotechnologies will enable the production of a much wider variety of dendrimers in larger volumes than were possible in the past. Having more dendrimers to work with will make for faster research and faster commercialization.

"A chief advantage of dendrimers is that they're very consistent and predictable," Grogan said. "That makes quality control very important—we need to make absolutely sure that we can manufacture large volumes of dendrimers while keeping the quality consistent."



division, Perrigo and Stryker, as well as a host of smaller companies. That background has helped the city land Nephrx, a newly established pharmaceutical research and development firm, as one of the first tenants in its Business Technology and Research Park.

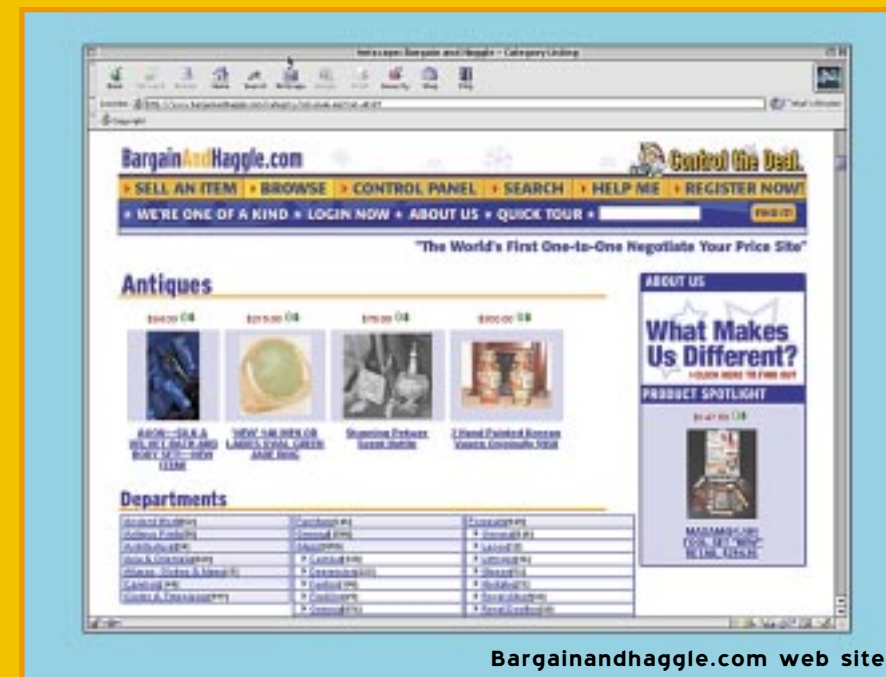
Originally conceived at the University of Chicago, the company is developing new treatments that will use synthetically produced versions of natural hormones to treat kidney and gastrointestinal disease.

The company decided to relocate to Kalamazoo after the MEDC and Southwest Michigan First found a former Pharmacia executive interested in becoming the company's CEO. Other major draws included the Southwest Michigan Innovation Center's abundant wet lab space and the center's burgeoning cluster of life-science companies.

"There's a real climate of understanding in Kalamazoo," said



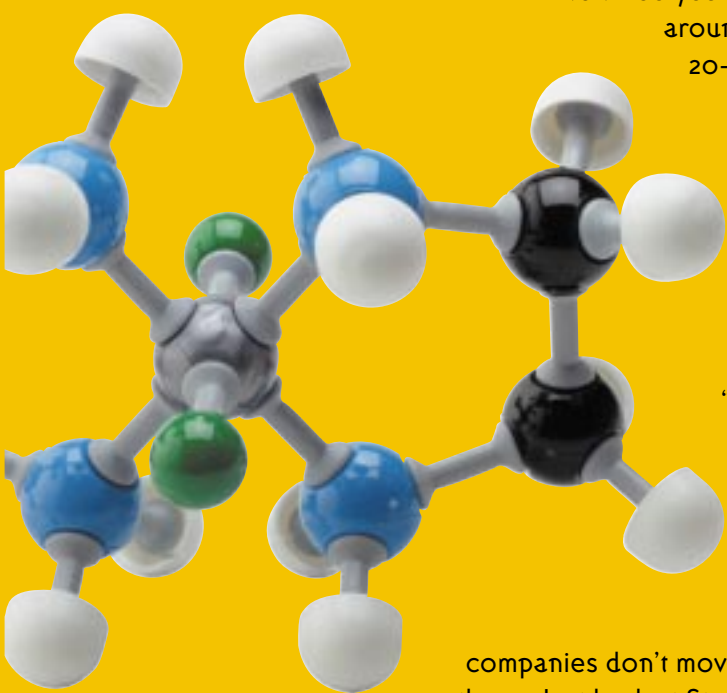
In Grand Rapids, Catherine Erringer, CEO of MindPepper LLC, found that the Grand Rapids SmartZone helped her take advantage of the city's well-developed infrastructure and its access to people and technology. Housed in a reconditioned former brass foundry that has become home to several online firms, MindPepper is the company behind Bargainandhaggle.com, an online commerce site positioned to challenge industry giants like eBay. Bargainandhaggle.com has carved out a unique niche by allowing sellers and shoppers to bargain one-on-one to negotiate prices. Originally a division of accounting firm BDO International, MindPepper's e-commerce site trails only eBay in number of unique visitors.



The new company will be headed up by Donald Tomalia, a University of Michigan alum who worked to organize the partnership with CMU.

"Donald went in and met with eight or nine key people at CMU, and it all went like clockwork," Grogan said. "They had the labs and they had the office space, so we were able to go straight in."

For now, Dendritic Nanotechnologies has set up shop in CMU's department of chemistry. The university is working to arrange permanent lab and office facilities, which the company will migrate into over the next two to three years. They plan to start out with around 15 employees and ramp up to 20-25 in the years that follow.



On the west side of the state, Kalamazoo's new SmartZone has helped it bring diverse resources together and pioneer a new approach to urban revitalization.

"We've changed the whole way we look at economic development," said Barry Broome, CEO of Southwest Michigan First. "It's companies that make communities, and the best

companies don't move to communities, they're built there. Just look at Steelcase and Meijers in Grand Rapids, or the automakers in Detroit. In Kalamazoo,

SmartZones have helped us focus on our unique resources—an established pharmaceutical infrastructure, a quality academic environment and a high quality of life—and put a system in place to take advantage of those resources in ways that other areas can't."

A center of pharmaceutical development for over a century, Kalamazoo is home to several major pharmaceutical players including Pharmacia's Animal Health



Peter Crodon, CEO of Nephrx

Peter Crodon, CEO of Nephrx. "They have made a real commitment to companies like ours here as far as making large amounts of resources available, and that hasn't happened in Chicago."

Nephrx also plans to take advantage of its proximity to Western Michigan University

(WMU) and its strengths in areas like clinical analysis and the commercialization of new technologies.

"WMU is a critical piece of the puzzle," Broome said. "They're very good at building systems to commercialize existing discoveries. And [WMU president] Elson Floyd has done a great job at finding new ways to help WMU work effectively with companies like Nephrx."

Crodon said locating in a SmartZone was an important consideration for Nephrx's founders because it will help form the cluster of supporting businesses that small companies often depend on for equipment and expertise.

"When you cluster in a SmartZone, you can make arrangements with neighbors to gain access to a lot of equipment that you need, but might not use that frequently. You also need experts like lawyers and accountants who understand your business, and clustering makes it easier to get those services without having to hire them in-house," Crodon said.

"When you cluster in a SmartZone, you can make arrangements with neighbors to gain access to a lot of equipment that you need."

Since BDO is one of the nation's largest tax accounting firms, it would have been easy to locate MindPepper's offices nearly anywhere in the country. But a variety of advantages led the company to Grand Rapids. MindPepper is situated in a location that's both a Renaissance Zone and a SmartZone, which means that MindPepper pays virtually no property taxes in addition to reaping the benefits of their location in a SmartZone.

"We found that Grand Rapids provides a very economical place to do business and a very reasonable cost of living for our employees," Erringer said. "People in Grand Rapids also tend to have a very good work ethic."

MindPepper also needed collocation facilities that would house their servers. The search was something of a challenge, since they needed a facility that would allow MindPepper to use its own engineers to configure its servers.

"That was one reason why we chose not to locate out west," Erringer said. "Out there, collocation facilities provide hosting services for companies all over the country, and they have their own staff of engineers who do the maintenance. Ultimately, we found what we were looking for just outside Grand Rapids."

Despite the dot.com shakeout of the past year, Erringer says MindPepper is growing steadily and on track to profitability by the next calendar year. While taking on established giants like eBay will be a challenge, she says she's looking forward to the advantages that the Grand Rapids SmartZone will provide once even more firms take advantage of it.

"The goal is to have a well-rounded community with the services, infrastructure and institutions that companies like MindPepper need to thrive," Erringer said. "Grand Rapids has gained a lot of ground in infrastructure, and as IT companies continue to multiply, the advantages to doing business here will multiply as well."

About three years ago, a small, five-person technology firm was formed in Grand Rapids to offer solutions in software, Internet and wireless technologies to mid-sized and large companies. It was the early, heady part of the technology glory days. Today, however, the so called "dot.com bubble" has burst, and companies spent too freely, grew too fast and disintegrated, remnants only to be studied by the business anthropologists of the future.

While that's the story that America has read repeatedly over the last six months, in too many cases, the cliché does not apply. Two Michigan companies are emblematic of the survival and growth that is possible even after the dot.com apocalypse.

Small Tech Firms Continue to Thrive

Despite "Bubble Burst," Many Michigan Firms Grow

That small company in Grand Rapids was Sagestone and they not only survived, but they've entered the tech elite. Their success as a company reached national scale when they were selected for the Microsoft Global Net Council, an exclusive group of 30 companies hand-selected by Microsoft that travel to Microsoft's headquarters for brainstorming meetings designed to solve technology problems. Sagestone is the smallest and youngest member of the council and their inclusion helps put Michigan on the map as a technology player.

"We help a variety of businesses with many different software needs. For example, for one of our clients that manages construction products, we created a software package that tracks their production and inventory from various plants," explained Keith Brophy, president and CEO of Sagestone. "We also partner with companies such as Provia – an outstanding software company. Provia wanted to complement their existing warehouse management system software with a new yard management system product. We were asked to partner with Provia to develop this new product."

Sagestone's success and national reputation in the technology sector is partly due to their Grand Rapids location, according to the company. There were several reasons for locating in Grand Rapids, including the availability of technology experts from top tech companies, as well as the ease of recruiting from some of the best universities in the country, including the University of Michigan, Michigan State University, Grand Valley and Western Michigan University. Sagestone was also attracted to Grand Rapids' dedicated workforce and their proclivity to stay in the area.

"We're very proud of our employees and I think they enjoy working at Sagestone. During the whole dot.com boom in the 90s the national turnover rate in this field was 40 percent. Sagestone's turnover rate was under five percent. We find these numbers to be exceptional and we attribute it both to the Grand Rapids area and Sagestone's work environment," Brophy said.

Sagestone is now expanding beyond the Grand Rapids area, and they're looking at the benefits of another Michigan city, Ann Arbor, to grow further. The company plans to open a new office in Ann Arbor later this year. The combination of cities gives them diverse assets. Grand Rapids has a strong manufacturing base, while Ann Arbor offers a zone of high-tech businesses, together affording Sagestone their best bet for continued success.

Sagestone began with five employees a little over three years ago. With their growth, they have swelled to 45 members of the Sagestone team.



A. David Vinson,
president and CEO
of Optate, Inc.

"Sagestone has an open culture and we work to stay leading-edge," Brophy explained. "I think Grand Rapids helps balance the intensity of our workload with an exceptional quality of life. Sagestone is like a family. There is a lot of close-knit support and that's how Sagestone stays at the brink of technological leadership."

Optimum Vision

Another technology company continuing to grow in Michigan is Optate, Inc. Optate began in 1999 with the vision of one man, now president and CEO, A. David Vinson. His vision centers around the idea of the "employer engaging the employee." The development of Optate's program, BenefitCompanion, has revolutionized the arena of employee benefits management. Optate is the Latin word for "to choose." This program allows employees to research benefits, find doctors and different coverage plans and receive factual ratings on plans and providers. Vinson and his team developed the technology and grew the company in Ann Arbor, where it remains today.

According to Vinson, Ann Arbor was the perfect educational, cultural and technological area for his business. Ann Arbor was so appealing, Vinson has been able to easily sell the area to many out-of-state prospective employees.

"Ann Arbor is a strong cultural and academic area. It was a key factor when recruiting from out-of-state. All of my investment dollars come from outside of Michigan and my investors recognized Ann Arbor as a strong emerging Midwest community," Vinson said.

Vinson's loyalties to Ann Arbor also stem from the resources provided by the University of Michigan. Many of Vinson's angel investors are affiliated with the nationally recognized institution. This aspect, as well as locating in the metro Detroit area, have helped Optate gain a very impressive client roster including Delta Airlines, Ford Motor Company, Visteon and Chrysler Corporation.

As Optate continues to create easy benefits management for its client's employees, Optate's own employees share in the same philosophy that work should be made easy.

"We feel that family time increases the level of productivity among Optate's employees. We give our employees additional hours off for family events, such as attending charity functions together. This kind of thing serves as the rent you pay for living," Vinson said.

Optate's vision is simple – to create happy and productive employees. David Vinson believes in this mission and his firm roots in Ann Arbor are a testament to the success of his company and the benefits of having his business in Michigan.

While the headlines in national publications cover the fall of so many technology companies, the growth of Sagestone and Optate show that solid business practices and intelligent growth are still succeeding for small technology companies across Michigan.

Life Sciences Corridor Scores Huge Win

Pfizer Investment Named Largest in Nation for 2001

Michigan's growing Life Sciences Corridor scored the biggest win of its short life when one of the nation's leading pharmaceutical manufacturers agreed to invest between \$600-\$800 million to grow in Ann Arbor. *Business Facilities* magazine calls it the No. 1 Big Deal in 2001. Pfizer was attracted by the state's \$1 billion commitment to growing life sciences in the state, a program put in place in 1999. The investment was not only the largest ever for the Life Sciences Corridor, but it was the single largest private investment project in the nation in 2001.

"This is a win-win-win solution that will benefit the state, the city of Ann Arbor and Pfizer," said David Canter, Pfizer senior vice president and director, Ann Arbor Laboratories. "Pfizer now will have the land we need to flourish. This will bring the city of Ann Arbor and the state of Michigan economic growth and new jobs in the research and development sector, strengthening the Michigan Life Sciences Corridor initiative. This success was made possible by the vision and commitment of many people, in particular Governor Engler, the Michigan Economic Development Corporation, the University of Michigan and the city of Ann Arbor."

Governor Engler and the state Legislature created the Michigan Life Sciences Corridor initiative in 1999 to attract and expand the research, development and commercialization of biotechnology applications in Michigan. The state has committed to investing \$1 billion over 20 years to encourage development of new life sciences technologies. The initiative is administered by the Michigan Economic Development Corporation. Pfizer's investment will create nearly 1,000 jobs, with up to 600 of those to be created by the company.

"Two years ago we launched the Michigan Life Sciences Corridor initiative with the vision of being one of the nation's premier life sciences centers," Engler said. "The announcement by Pfizer is a

welcome confirmation that Michigan is attracting the important companies and investments that will make the Life Sciences Corridor vision a reality."

Michigan had been competing with other states to win Pfizer's investment. The company was attracted to Michigan by the state's life sciences research institutions, existing company assets here and the ability to attract and retain high-tech employees.

"This opens what should be a great new chapter in our ongoing partnership with Pfizer," said Ann Arbor Mayor John Hieftje. "The future of life sciences research in our city is brighter than ever before."

The University of Michigan recently agreed to sell 55 acres of land near the school's North Campus to Pfizer for future expansion. Any new laboratories built by Pfizer will help the company to continue developing cutting-edge products for its worldwide market. Former University President Lee C. Bollinger noted that the school is anticipating useful collaboration with Pfizer's new scientists and researchers.

"The University of Michigan is committed to life sciences development serving our state and our world," said Bollinger. "We were pleased to work with Pfizer in its purchase of the land that will enable the company's expansion. We look forward to future collaboration that will bring promising research and scientific discovery, career opportunities for our graduates and technology transfer initiatives benefiting the state's economy and the well-being of its residents."

Pfizer Inc. discovers, develops, manufactures and markets leading prescription medicines, for humans and animals, and many of the world's best-known consumer products.

Profile:

SURVIVAL OF THE FITTEST

Marva C. Allen, senior executive vice president and co-founder of Universal Solutions, Inc. (USI), discusses the mega trends in information technology (IT), integrating creativity with IT solutions and surviving the ever-changing technology age.



Universal Solutions Founder Evolves to Grow

A Jamaican-born nurse and novelist is an unlikely figure to run one of Michigan's fastest growing technology companies. Education, hard work and flexibility have long been the calling cards of entrepreneur Marva Allen, the co-founder of Universal Solutions, Inc., a technology consulting firm that is growing exponentially from its Southfield base.

Allen moved to Michigan after receiving a degree in nursing from the Staffordshire General Infirmary in Staffordshire, England. She then tackled two more degrees—one each at the University of Michigan and the University of Detroit—related to the business and healthcare fields.

In 1983, Allen and her sister, Shirley Moulton, used Moulton's strong knowledge of computers and Allen's exceptional management skill to co-found Universal Solutions, Inc. In the early stages of the computer boom, their idea was to bring tech solutions to every household in America. Never did they expect the information technology age to take such rapid leaps from the early '80s to the present. The change that created many of the technology companies and then caused them to crumble instead forced Allen and her sister to reconsider the basis for their business.

"USI has gone through something of a Darwin theory of adaptability. Our premises were wrong to begin with. We thought we'd be in households and we ended up in corporations," Allen said.

The rapid change in the industry led to quick fix solutions with little substance, fads that gave rise to industry terminology like "vaporware." But USI didn't bite.

"USI had a great leadership response to fads. The fads taught us to maintain good business decisions while focusing on tech decisions. We gave meaningful solutions and survived," Allen said.

USI offers three core products to clients. Advanced Business Support helps clients manage their customer relationships with solutions like enterprise web integration. Product Fulfillment and Acquisition helps companies decide which hardware, software and networking products they need. Application Support provides IT staff for short or long-term deployment to help with programming, database development and network administration.

USI appears to have found a set of services in high demand, as their client roster has grown to include major Michigan players including Blue Cross/Blue Shield of Michigan and Comerica Bank. But Allen credits the decision to being in Michigan for a portion of the company's success.

Michigan — The Hub of IT

Allen didn't choose the company's Southfield location simply out of a lack of options. A well-traveled entrepreneur and novelist, Allen left her native Jamaica for England, then left England for Ann Arbor, where she lived for 25 years.

When it came time to choose a location, USI chose Southfield among thriving business locations. Allen describes Southfield as "a business vortex...a great location." Allen believes that southeastern Michigan, as a place to live and conduct business, has a positive impact on USI's corporate culture. Even her ability to see fads as fads and not business trends is a credit to the state, according to Allen.

"In Michigan we have time to evaluate outcomes and answer questions [about new technology], such as is technology rising or waning. Michigan offers a safety net...a trickle-down effect of hype."

Allen also has opinions on what the state needs to do in order to become an even stronger force in the technology sector. Allen's suggestions are two-fold — attracting young talent and having small companies maintain their IT adaptability. As her company is full of young tech-driven employees, Allen focuses on the importance of recruiting the best and the brightest from Michigan's great educational institutions. Her attention on the increased success of the information technology arena also revolves around small businesses.

"To enhance and excel in this industry we need small businesses in Michigan that are nimble to adapt to changes and are willing to be a part of the forward-thinking tech movement," Allen says.

USI's Creative Force

To Allen, however, helping build a successful business is just one part of a fulfilling life. Allen has completed six romance novels, and published three, under the pen name C.C. Avram (which is Marva spelled backwards). The first novel, "Protégée," published in hardcover in 1993, follows the exploits of a successful business woman who builds a high-tech company that is respected worldwide. Autobiography? Probably not, as Allen's protagonist finds her carefully constructed world collapsing around her, leaving her to seek meaning in the midst of chaos.

Allen's experiences in high-tech and her world travels clearly come into play in the book, but the effort remains more about her philosophy on business and personal growth than her actual experiences.

Marva Allen remains confident in her company and the future of information technology in Michigan. Her management skills are backed by a long list of accomplishments. Allen's unique balance between being a technology leader and creative spirit seem to enhance her and her \$16 million company's success.

For several years, the State of Michigan ran an ad campaign routing Michigan as "state smart." The premise, which is still valid today, is that the state in which a company chooses to grow makes a difference to the success of that company. The ads featured smart companies—Compuware, Enlighten, Cybernet Systems—that are growing in Michigan.

Clearly someone noticed. In December, Gyricon Media, Inc., a spin-off of Xerox Corporation, announced that it would build the nation's first manufacturing facility to produce "SmartPaper." What better place than the smart state for a facility making smart paper?

Smart Signs

SmartPaper™ is a display material that is expected to revolutionize the handling and distribution of information in the next decade. It was developed at the famous Xerox research center in Palo Alto, California, and the commercialization of it is expected to employ as many as 800 people within three years of the opening of the new Scio Township facility. Work by the Michigan Economic Development Corporation and local economic development officials helped land the facility for the Ann Arbor suburb.

A reusable display material, SmartPaper has many of the properties of regular paper. It looks like paper and it stores an image. It's viewable in reflective light, without the backlighting associated with a computer screen. It's flexible, it can be easily read from a wide viewing angle and is relatively inexpensive. But it's not regular paper.

SmartPaper is actually two sheets of thin plastic, with millions of tiny beads embedded in between. Each bead is smaller than a grain of sand and has a different color on each of its halves. Each half of the bead also has its own charge, either positive or negative.

By applying voltage to the surface, the beads can be made to rotate, quickly and easily creating a new image on the paper. Imagine if when you finished this article, the dots on the page reconfigured themselves, and you were suddenly reading a new article. It's possible with SmartPaper.

The messages can be changed by using any popular HTML editor interfaced with MaestroWare, a software package that uses an encrypted wireless network. A networked version allows store managers or marketers to use radio waves to change each sign, using a unique address for each sign similar to an email address. The wireless capabilities of the signs could enable them to update news such as lottery numbers or sport scores instantly.

The current models of signs made with SmartPaper are 3/4" thick, including the housing. The company is currently offering signs with a size range from 3"x5" to 11"x14". Larger signs, up to 18"x28," are also available on special order.

Early Use is Signage

The early applications, however, are not for publications like



SmartPaper™ is a reusable display material that has many of the properties of regular paper.

SMART PAPER comes to Smart State

Michigan Business Report. At least not yet. Initially, SmartPaper will be used for displays in stores. Running for up to two years on only three AA batteries, the signs can be changed via remote control. One day, the sign could read, "Sale: Two for \$49." The next day, voltage is applied to the sign via the software housed in a remote location, and the sign instantly reconfigures itself to read, "New Arrivals: Sweaters \$36.95."

Currently, Gyricon is producing signs that offer a resolution of 100 dots per inch (dpi), which is more than enough to make signs clear and crisp. Within the next year, experts believe that the resolution will increase to at least 300 dpi.

Tremendous Advantages

One way experts anticipate the success of a new technology is by considering the advantages of its use by the target audience. For SmartPaper, the advantages are enormous. Stores could save substantial money by not printing thousands of quickly outdated signs. By centrally controlling the wording on signs, they can save on the staffing time required to manually change signs throughout the store. Chains like Target, for example, which deliver three planeloads of signs weekly to its individual stores, would increase its employees' productivity and save money in the long run.

The environmental benefits from reducing the use of paper and inks are great. Considering that the United States consumes 30 percent of the world's paper, which is more than the amount consumed by all of China, SmartPaper could end up reducing the amount of paper waste sent to landfills. Testing proves that SmartPaper signs can perform over five million image changes without malfunction or fading. They contain no toxic or hazardous substances, and require no special handling or disposal.

In addition to saving companies time and money, Smart Paper will also ensure price accuracy at the checkout counter. Currently, stores are fined when the prices assigned to products on the shelves do not match prices at the register. For example, in November 1999, a single Michigan JCPenny store incurred a \$100,000 penalty for checkout scanner error rates up to 61 percent, according to reports.

In April 2001, Gyricon formed a strategic alliance with Thomson-Leeds, a provider of point-of-purchase retail products, and Macy's East for uses of the company's SmartPaper technology along with MaestroSign Systems retail solutions. The Macy's Department store in Bridgewater, NJ, has installed the signs in its children's department. The store has 100 8"x10" aisle signs that provide pricing and product information that is updated from the manager's office, ensuring a match between register and signage.

"Researchers at Xerox started working with this idea way back in 1978. It took years of work, but this product is so effective and so well thought out, it will really change the world," said Doug Rothwell, president and CEO of the MEDC. "We're proud of Michigan's role with world changing

technology, from the automobile a century ago to nano-technology today. But to have another one as revolutionary as SmartPaper join the roster of products produced in Michigan, it's tremendously exciting."

Think Small

In a single 10.5" x 11" sign, there are approximately 30 million "Gyricon" beads. They are embedded in a flexible plastic sheet in small cavities and surrounded by liquid. When the external



electric field is applied, the bead rotates or gyrates (hence the name Gyricon) to the proper side. By including adhesive forces in the paper, Gyricon can ensure that the beads don't rotate again until a certain electric charge is exceeded. This is one of the reasons there is almost no power drain from the signs.

The future applications of the technology are enormous. The day when several hundred sheets of SmartPaper are bound into a book, with some electronics in the spine, could be nearer than we think. This would allow someone to carry an ever-changing library of materials in one book. Unlike current e-Books on the market, the experience wouldn't be like reading from a computer screen or a Palm device, but it would be very much like reading from a regular book, although perhaps one with plastic, rather than paper, pages.

Among one of Gyricon's future goals is the creation of a portable electronic newspaper. Currently, the company has visions of a cylinder, an inch in diameter and about 16 inches long, that has a constantly updated electronic newspaper inside, according to reports. Like the retail signs, the newspaper would be battery operated and be constantly updated by a wireless Internet connection.

With production costs that are dramatically lower than traditional computer devices, SmartPaper could be affordable throughout the income continuum. One possibility is that content could be broadcast over FM radio signals, allowing for even more versatile, un-rethered communications.

Building the Future Here

The company is investing \$50 million in building upgrades, machinery and equipment to ready the Scio Township facility for production. The company anticipates hiring up to 446 employees by the end of 2003 and up to 800 by the end of the third year of operation.

Note: SmartPaper and MaestroSign are registered trademarks of Gyricon Media.



New Developments



The following is a sampling of Michigan's recent development activity, as reported by local economic developers, the media and Michigan Economic Development Corporation account representatives. This is a partial list.

Bing Group

has invested \$22.8 million in its Detroit plant in Wayne County. The project will create 130 new jobs and retain 225 jobs.

Recticel N.A., Inc.

plans to invest \$48.8 million in a facility located in Independence Township, Oakland County. The project will create 286 new jobs and retain 30 jobs.

Lacks Enterprise, Inc.

is investing \$2.7 million in a new technology center in Kent County. The project will create 20 new jobs and retain 182 jobs.

Textron Automotive Company

will create 100 new jobs and retain 377 jobs with a \$2.5 million investment in new equipment for its Port Huron plant in St. Clair County.

Comcast

will create 400 new jobs and retain 300 jobs with a \$16.5 million investment project to create its new Internet Protocol Service Support Center in Washtenaw County.

Sekurit Saint-Gobain

will create 400 new jobs and retain 20 jobs with a \$19.6 million new facility in Shelby Township, Macomb County.



Local Partners Corner

The MEDC was formed by an alliance between state government & local economic development partners. The Local Partners Corner features cooperative efforts between the MEDC, businesses and its local partners.

Ontonagon County – On the Road to Economic Recovery

In 1995, the Copper Range mine at White Pine in Ontonagon County closed after nearly 50 years of providing jobs for thousands of the region's workers. The closure caused a potential exodus of 1,100 workers and their families.

Local officials didn't sit around wringing their hands over their misfortune. Ontonagon County's Economic Development Corporation (EDC) worked with the Michigan Economic Development Corporation (MEDC), federal and local units of government to find a way to mitigate the loss of the region's major employer. Acknowledging the commitment of these groups, the Copper Range Company agreed to transfer ownership of much of the mine's property to the EDC for an industrial park.

The mining company had always provided the community of White Pine's water and sewer services, so now the town had to find a way to fund the new infrastructure. In a joint venture with the Village of Ontonagon, a new regional water system will join the two communities. The new water treatment plant is located in the White Pine Industrial Park.

The site's infrastructure, which was outdated and not suited for individual business units, has all been replaced. The MEDC assisted the county with funding for the infrastructure replacement project. Most of the property in the new park has now been sold, and the EDC plans to add an additional 40 acres. Several new businesses have joined the White Pine Copper Refinery at the site to create 100 new jobs. While these 100 are only a fraction of the 1,100 that were lost when the mine closed, there is strength in numbers of small employers instead of a single, large company subject to the cycles of its industry.

Ontonagon County is also home to Renaissance Zone sites offering excellent state tax breaks available for new business development. Good marketing is expected to attract developers and new business to these sites.

If you can't travel there in person, please visit the Ontonagon County EDC's website at www.ontonagonedc.bresnanlink.net.

Traverse City Makes Good Use of Brownfield Act

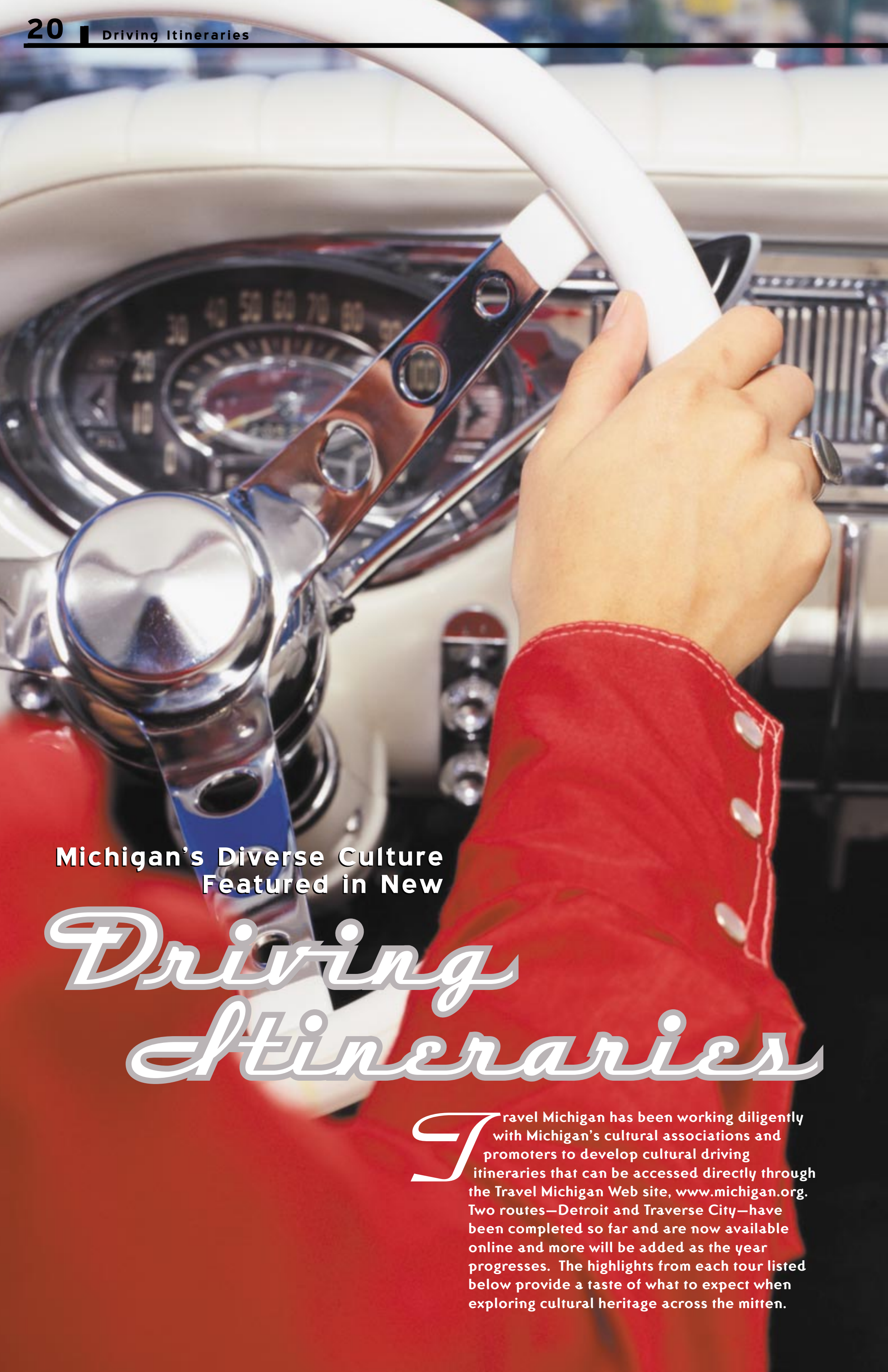
Traverse City, on Michigan's Tech Coast, has made good use of the Brownfield Redevelopment Act.

"The fact that Traverse City leads the state in successful brownfield projects is a tribute to our successful public-private partnerships and the level of cooperation developed with the MEDC," said Charles Blankenship, president, Traverse Bay Economic Development Corporation.

One of the projects is the Park Street Parking Deck and Radio Center Building, part of a mixed-use project. The four-story building currently under construction will house 40,000 square feet of retail and office businesses. The River's Edge site has been redeveloped as an example of new urbanism, higher density and less dependence on cars. The developer, River's Edge was assisted with the burden of building on an old ironworks site. Public infrastructures for this project will include a river walk addition. The River's Edge community has been recognized by local, state and national organizations as a model redevelopment community.

"The ability to apply for and receive grants to clean up and stabilize core properties is an invaluable and necessary tool for the redevelopment of contaminated sites," said Tim Burden, chairman, River's Edge Development. "The River's Edge Community is a prime example of public and private dollars with a tremendous long term return in jobs, tax base and beautification of a blighted property."

The lead agency for brownfield projects is the countywide Grand Traverse County Brownfield Redevelopment Authority. Peter Strom, authority chairman, said, "We look forward to helping more projects downtown and other brownfield sites in the county."



Michigan's Diverse Culture
Featured in New

Driving Itineraries

Travel Michigan has been working diligently with Michigan's cultural associations and promoters to develop cultural driving itineraries that can be accessed directly through the Travel Michigan Web site, www.michigan.org. Two routes—Detroit and Traverse City—have been completed so far and are now available online and more will be added as the year progresses. The highlights from each tour listed below provide a taste of what to expect when exploring cultural heritage across the mitten.



Michael Jackson's hat and glove

Sparks of Creativity

The Metro Detroit area, or the Motor City as it is affectionately nicknamed, provides endless opportunities for automotive history buffs to get their fill. The Sparks of Creativity cultural tour of Metro Detroit and the surrounding areas, made possible by the Institute of Museum and Library Services and the Michigan Council for Arts and Cultural Affairs, makes stops at a variety of attractions, including:

Detroit Historical Museum, Detroit

An 8,000-square foot Motor City exhibit celebrates 100 years of automotive heritage and features an actual working body drop (used to lower a car body onto a chassis) taken from the General Motors Cadillac Clark Avenue facility.

Motown Historical Museum, Detroit

Before making Diana Ross and The Supremes, Michael Jackson and Stevie Wonder household names, Berry Gordy, Jr., founder of Motown Records, worked on the line at Ford Motor Company. No matter what the industry in Detroit, it can probably be connected to the area's automobile heritage!

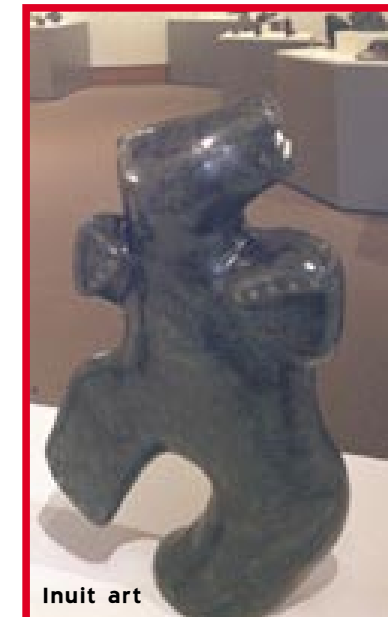


Yankee Air Museum, Ypsilanti

During World War II, Henry Ford converted his Ypsilanti plant from auto production to the manufacturer of B-24 Liberator Bombers. Today, a hangar from the plant houses dozens of historic aircraft as well as special display rooms.

Ella Sharp Museum and Park, Jackson

Stop by the Ella Sharp Museum for a detailed itinerary of auto-related attractions in Jackson—like the old Michigan State Prison, where the first license plates were stamped. Culture seekers can also enjoy the 562-acre park by taking a stroll or playing a round of mini-golf or by squeezing in 18 holes at the golf course rated one of Golf Digest's "hidden gems."



Inuit art

More than 40 attractions and restaurants make up the Sparks of Creativity driving itinerary, available on www.michigan.org. For more information about the Metro Detroit area's automotive attractions, visit the Metro Detroit Convention & Visitors Bureau online at www.visitdetroit.com or call (800) DET-ROIT (338-7648).

Books, Art and Wine: Pursuits of the Heart

Nearly 20 attractions, dining and lodging establishments compose the Pursuits of the Heart driving tour of the Grand Traverse Region, designed with the assistance of the Traverse Area Arts Council. Among the featured destinations on the tour are:

Denno Museum Center, Traverse City

More than 900 pieces of Inuit art are on display here, located conveniently on the campus of Northwestern Michigan College.



Interlochen Center for the Arts

Arts camps and festivals provide year-round entertainment for art and music lovers. Tickets are available for performances and visitors are encouraged to observe rehearsals and classes while visiting the grounds.

Black Star Farms Winery and Bed & Breakfast, Suttons Bay

Black Star Farms is a winery, distillery, creamery and inn all in one. Established to bring a little bit of Europe to northern Michigan, Black Star Farms classic "agritourism" offers the visitor an opportunity to observe winemaking and cheese making, sample the wines and stroll through the vineyards.

Leelanau Historical Museum, Leland

The largest collection of Swedish fisherman, painter and craftsman Hans W. Anderson's work is on display at the Leelanau Historical Museum.

To find out more about the Grand Traverse Region's cultural heritage, visit the Traverse City Convention & Visitors Bureau online at www.mytraversecity.com or call (800) TRA-VERS (872-8377). For the complete Pursuits of the Heart itinerary, visit www.michigan.org.

2 for 1 Ski Coupons Return

For the fifth winter in a row, Travel Michigan has teamed up with 17 Michigan ski areas and the Michigan Ski Industry Association (MSIA) to promote the MSIA 2 for 1 Midweek Ski Coupon, available on the Travel Michigan Web site. With just a few mouse clicks a coupon appears and can be sent directly to your personal printer, avoiding the hassle of waiting for the coupons to arrive through the mail. Visit



www.michigan.org to print your personalized 2 for 1 Coupon today, and head to one of these fantastic participating Michigan ski areas:

- Alpine Valley, White Lake, (248) 887-2180
- Apple Mountain Ski Resort, Freeland, (517) 781-6789
- Boyne Highlands Resort, Harbor Springs, (800) 462-6963
- Boyne Mountain Resort, Boyne Falls, (800) GO-BOYNE
- Caberfae Peaks Ski & Golf Resort, Cadillac, (231) 862-3000
- Cannonsburg Ski Area, Cannonsburg, (616) 874-6711
- Crystal Mountain Resort, Thompsonville, (800) 968-7686
- Indianhead Mountain Resort, Wakefield, (800) 346-3426
- Mount Brighton Ski Area, Brighton, (810) 229-9581
- Norway Mountain, Norway, (800) 272-5445
- Pine Mountain, Iron Mountain, (800) 553-7463
- Shanty Creek Resort, Bellaire, (231) 533-5621

- Ski Brule, Iron River, (800) 362-7853
- Snow Snake Ski & Golf, Harrison, (517) 539-6583
- Swiss Valley Ski Area, Jones, (616) 244-5635
- The Homestead, Glen Arbor, (231) 334-5100
- Timber Ridge Ski Area, Gobles, (616) 694-9449

To find out more about both downhill and cross-country skiing in Michigan, visit www.michigan.org/ski.



Snowmobiling in Cadillac

Snowmobilers, Start Your Engines!

Michigan's 6,000-plus miles of snowmobile trails rank among the best in the nation. Named "America's best overall snowmobiling area" in *Snow Goer* magazine's People's Choice Awards, praising the "generous snowfall, gorgeous scenery, plentiful accommodations and a wide variety of eateries and night spots."

In the Upper Peninsula (U.P.), snowmobile routes weave over logging tracks, old rail beds and forest trails on the Keweenaw Peninsula, where you are never far from

crystal waterfalls and inland lakes or the crashing waves on Lake Superior's shoreline. Marquette, to the east of the Keweenaw, offers backcountry routes and untamed wilderness to explore on winter excursions.

Cadillac, surrounded by the Manistee National Forest in Michigan's northern Lower Peninsula, is its honorary snowmobiling capital. Some 600 miles of trails and routes cover an area with a 35-mile radius centered in the city, about 100 miles north of Grand Rapids. For great information about snowmobiling in Michigan, visit www.michigan.org/snowmobile.

For all your Michigan travel needs, visit www.michigan.org, or call Travel Michigan toll-free at (888) 78-GREAT.



Calendar of Events

The following list has activities conducted by/sponsored by both the Michigan Economic Development Corporation (MEDC) and its local economic development partner organizations throughout the state. For more detailed information on any of these activities, please call the contact person/phone number given for a specific event.

MARCH

4-7 SOCIETY OF AUTOMOTIVE ENGINEERS CONFERENCE Detroit, MI

Society of Automotive Engineers (SAE) conference, where MEDC has a major presence.
Contact: Tim Daman at the MEDC, (517) 241-9537
e-mail: daman@medc.org

5 MEGA Board Meeting MEDC Offices, Lansing, MI

A monthly meeting of the Michigan Economic Growth Authority to consider awarding Single Business Tax (SBT) credits as incentives for job creating business expansions in Michigan.
Contact: Karen Ammarman at the MEDC, (517) 335-4418
e-mail: ammarmank@medc.org

11 ACADEMY FOR LOCAL OFFICIALS Northern Michigan University, Marquette, MI

Visit with local officials to increase understanding of economic development.
Contact: Tricia Tucciarone at the MEDC, (517) 241-4441
e-mail: tucciaronet@medc.org

11-14 SMALL TECH CONFERENCE Phoenix, AZ

MEDC will have a booth and also be a sponsor of this MEMS conference.
Contact: Tim Daman at the MEDC, (517) 241-9537
e-mail: daman@medc.org

15 MICHIGAN LIFE SCIENCES CORRIDOR STEERING COMMITTEE Holiday Inn North Campus, Ann Arbor, MI

The Michigan Life Sciences Corridor (MLSC) Steering Committee makes funding decisions for MLSC Fund awards based on competitive applications for life sciences research, development and commercialization projects.
Contact: Todd Zahn at the MEDC, (517) 241-0368
e-mail: zahnt@medc.org

19 INTERACTIVE SITE LOCATION SERVICES FORUM

This event is a videoconference, with the "nerve center" of the conference being Michigan Virtual University. Participants will attend the conference at one of these five locations:

- Michigan Virtual University, Lansing, Michigan
- Bay De Noc Community College M-TEC, Escanaba, Michigan
- Oakland County Community College F Building, Auburn Hills, Michigan
- Northwestern Michigan College M-TEC, Traverse City, Michigan
- Kalamazoo Valley Community College M-TEC, Kalamazoo, Michigan

Dr. Ellen Hughes-Cromwick, chief economist at Ford Motor Company, will discuss Michigan's economic outlook and give an update on the LinkMichigan Initiative.
Contact: Lois Malhado at the MEDC, (517) 335-0526
e-mail: malhadol@medc.org

21 MICHIGAN STRATEGIC FUND BOARD MEETING MEDC Offices, Livonia, MI

A monthly meeting to review and approve applications relative to the Industrial Development Revenue Bond (IDRB) program, Community Development Block Grant (CDBG) and other relevant issues.
Contact: Diane Cranmer at the MEDC, (517) 373-2778
e-mail: cranmerd@medc.org

22 MICHIGAN TRAVEL COMMISSION MEETING Grand Rapids, MI

The Michigan Travel Commission meets to discuss strategic initiatives to increase the tourism industry in Michigan. The focus is on attracting in-state and out-of-state visitors to the many recreational and cultural activities in Michigan.
Contact: Daiva Devereaux at the MEDC, (517) 335-1866
e-mail: devereauxd@medc.org

APRIL

2 ACADEMY FOR LOCAL OFFICIALS Kalamazoo Valley Community College M-TEC, Kalamazoo, MI

Visit with local officials to increase understanding of economic development.
Contact: Tricia Tucciarone at the MEDC, (517) 241-4441
e-mail: tucciaronet@medc.org

9 ACADEMY FOR LOCAL OFFICIALS Oakland Community College M-TEC, Auburn Hills, MI

Visit with local officials to increase understanding of economic development.
Contact: Tricia Tucciarone at the MEDC, (517) 241-4441
e-mail: tucciaronet@medc.org

16 MEGA BOARD MEETING MEDC Office, Lansing, MI

A monthly meeting of the Michigan Economic Growth Authority to consider awarding SBT credits as incentives for job creating business expansions in Michigan.
Contact: Karen Ammarman at the MEDC, (517) 335-4418
e-mail: ammarmank@medc.org

17 ACADEMY FOR LOCAL OFFICIALS Central Michigan University, Mt. Pleasant, MI

Visit with local officials to increase understanding of economic development.
Contact: Tricia Tucciarone at the MEDC, (517) 241-4441
e-mail: tucciaronet@medc.org

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