

Presentation to the
Michigan House of Representatives



Commerce Committee

April 1, 2009

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WAYNE STATE UNIVERSITY RESEARCH & TECHNOLOGY PARK

TECHTOWN

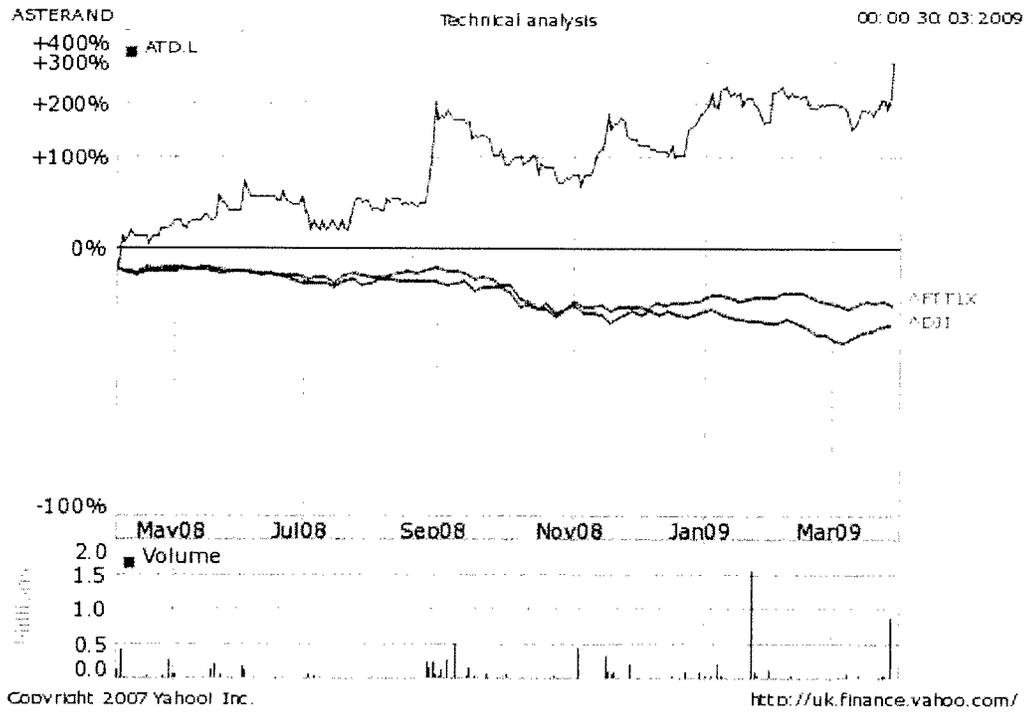
WHERE MINDS AND MEANS CONNECT

Growth in a challenging environment

- TechTown, established August 2004
- 100,000 sq ft
- 67,000 sq ft built out
- \$20+ million invested
- 79 companies
 - Over one new company a month
- Over 360 jobs created
- First tenant, Asterand, public in 2006 – top share in 2008 on London Stock Exchange



One Year Stock Performance March 30th 2008 to March 30th 2009



- Asterand
- FTSE Med Tech Index
- Dow

Driving Detroit in a new direction

- Developing business incubators
- Support for small businesses
- Attracting foreign business
- Changing business culture
- Training for a new economy
- Using our unique location
- Using our existing assets
- Centers of excellence to drive innovation
- Tax incentives



Developing business incubators



Wet and dry labs, offices,
conference facilities,
business center



Everything for
entrepreneurs – from a
mailbox to fully furnished
office suites



Job #1: Make the incubator work

Forecast revenue 2009 \$1.6M
Forecast building expenses \$1.1M
Margin to repay interest \$500K

<u>Date</u>	<u>Tenants</u>	<u>Monthly revenue</u>
Dec 07	34	\$ 67K
Sep 08	43	\$ 95K
Mar 09	79	\$126K



Job #2: Develop scalable programs

- A plan is in place to drive TechTown towards self-sustainability
- Four part mission:
 - *SmartStart* for new Detroit businesses
 - Soft Landings to attract foreign companies
 - Programs to change the culture
 - Centers of excellence to drive innovation



Support for small businesses

- *SmartStart*
 - Based on nationally-recognized training programs from the Kauffman Foundation
 - Full-time staff plus 40 mentors
 - Current capability 25 new companies every six months; 100 by end of 2010



SMART  START



Attracting foreign businesses

- Soft Landings
- Fully equipped offices backed by business concierge services
- First client: 
 - Mexican Ministry of the Economy
 - 27 high-tech Mexican companies seeking Michigan partners
- Other visitors from Canada, China, Hungary



Changing business culture

First Friday Networking Events

China Business Club

Faith-Based Business Club

New Economy News

India Business Club

CEO Boot Camps

Monthly entrepreneur breakfast meetings

Partnerships with Industry

Campus-wide collaboration



New website



Training for a new economy

- Entrepreneurial events for students
- Internship programs
- Student business creation challenge
- Arts students working with arts companies
- Student PR and marketing agency
- Partnership with Bizdom U



Using our unique location

- North American Public Health Institute
 - Additional partners include University of Windsor, Michigan Department of Community Health
- Cross border studies on children's health issues including car safety, obesity, violence in the home, family medicine, air quality



Using our existing assets – the Great Lakes

- Great Lakes environmental online digital data library
 - Partners include Macomb, Oakland and Wayne counties, plus First Nation
 - Information on water quality for research, government and the public
 - Accessible to all at no cost
 - Online data analysis and visualization tools
 - Searchable



Using our existing assets – research

- The Kauffman Foundation rates Michigan the #2 state in the U.S. in overall research investment
 - The University Research Corridor and Michigan's other research universities
 - Example: The Michigan Neonatal BioTrust
 - Auto industry research that can be applied to other industries
 - Example: SpaceForm, a TechTown company that used auto industry technology to develop new approaches to industrial welding



Centers of excellence to drive innovation



Bio-Banking Center of Excellence

- o Partners include
 - o National Institutes of Health
 - o Michigan Department of Community Health
 - o Henry Ford Health System
 - o Van Andel Institute
 - o private business
- o Objective: develop and discover new cures for diseases
- o Support WSU spin-outs and research



Tax incentives

- Corporate taxes
- Payroll taxes
- Capital equipment
- New market, Brownfield, and historic tax credits
- Free trade zones



Finance for a new economy

Funding for entrepreneurial programs

- o SmartStart \$ 3.110 M [3 yrs]
- o Soft Landings \$ 0.466 K [3 yrs]
- o Programs for entrepreneurs \$ 0.780 K [3 yrs]
- o Programs for students \$ 0.450 K [3 yrs]

TOTAL: \$ 4.80 M

Funding for Centers of Excellence

- o BioBanking \$ 1.146 M [2 yrs]
- o NAPHI \$ 10.500 M [5 yrs]
- o Great Lakes \$ 0.860 K [3 yrs]

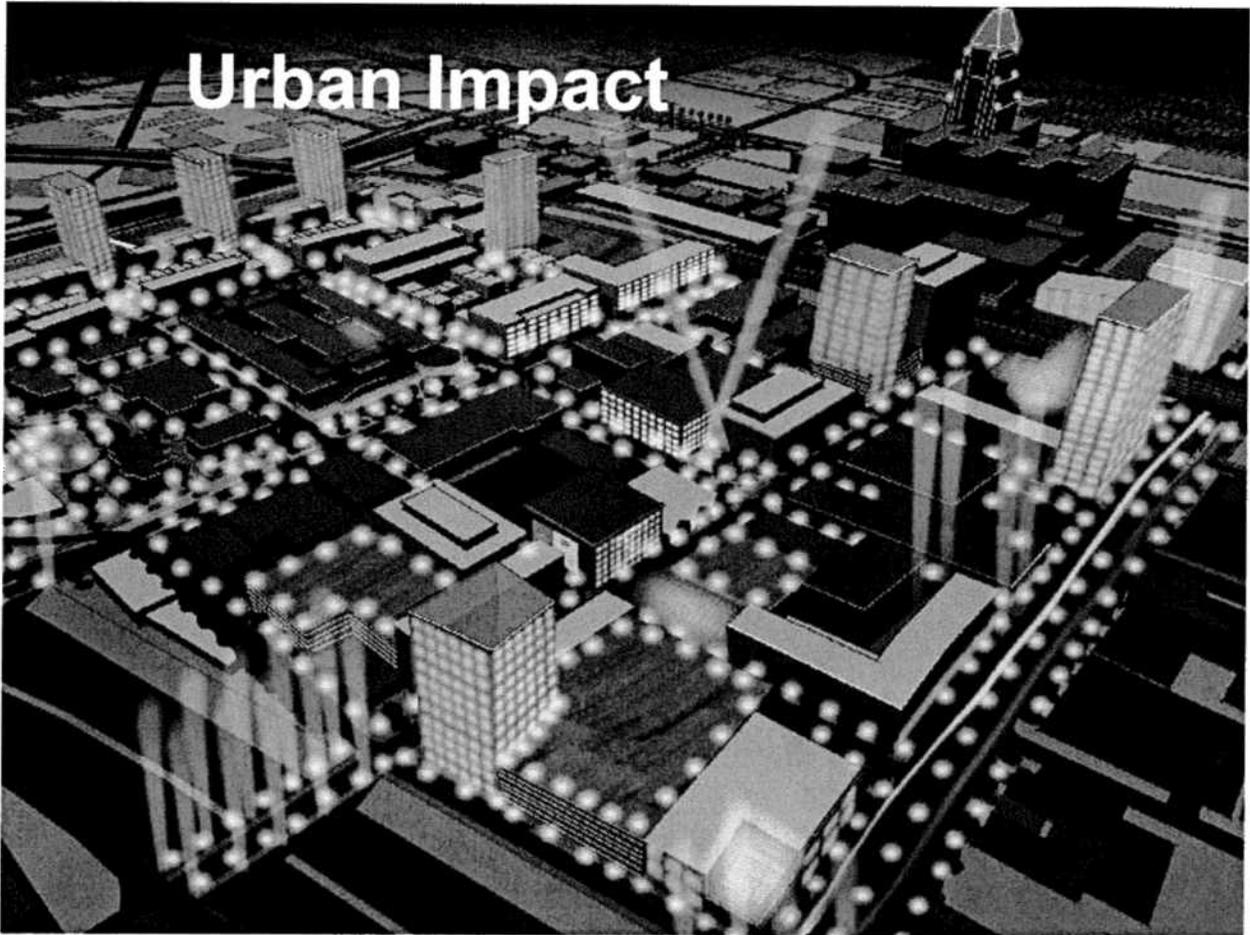
TOTAL: \$12.506 M



New buildings for new businesses

- Capital for build out
 - Finish TechOne Building – \$2.5 Million
 - Build out TechTwo Building – \$28 Million
 - Build out TechThree – \$22 Million
 - Car parking – \$25 Million
 - TOTAL CAPITAL REQUIREMENT: \$77.5 Million





Partners and Stakeholders

- Automation Alley
- *Corp!* Magazine
- Detroit Economic Growth Corporation
- City of Detroit
- Detroit Regional Chamber
- Detroit Renaissance
- Dow Foundation
- Henry Ford Health System
- Hudson-Webber Foundation
- Kauffman Foundation
- Kresge Foundation
- Macomb County
- Michigan Department of Community Health

- Michigan Economic Development Corporation
- Michigan State University
- Microsoft
- MI-SBTDC
- *MI-Tech News*
- U.S. Government-Department of Housing and Urban Development
- University of Michigan
- University of Windsor-Odette School of Business
- University Research Corridor
- Van Andel Research Institute
- Wayne County
- Wayne State University

