

Sterling Heights 'incubator' lures defense office

Tuesday, May 18, 2010

By Chad Selweski, Macomb Daily Staff Writer

Macomb County's attempt to diversify the local economy, with less emphasis on disappearing auto jobs, took another step forward Monday as officials announced a new effort to bolster the "defense corridor" along Van Dyke and Mound roads.

More than 200 business leaders and elected officials came together to celebrate the opening of a defense office at the county's "business incubator" in Sterling Heights. The new facility will serve as a go-between for auto-based manufacturers seeking to broaden their customer base and Pentagon officials scurrying to replace parts on aging military vehicles and weapons systems.

"Southeast Michigan has become a hotbed for the nation's defense industry. This year alone, the region will receive nearly \$6 billion from the National Defense Authorization Bill (adopted by Congress) for dozens of projects," said Ken Rogers, director of Automation Alley, a regional business group.

With two-thirds of Michigan's defense contractors located in Macomb, and the U.S. Army Tank-Automotive Command — the TACOM complex in Warren — housing one of the nation's largest military research facilities, Rogers said the decision to locate at the Macomb incubator was easy.

With some aging weapons systems in the 30- to 40-year-old range, and some parts no longer manufactured, the defense office will specifically coordinate a program known as Diminishing Manufacturing Sources and Material Shortages.

According to Automation Alley, which has more than 1,000 private-sector members across southeast Michigan, the DMSMS program is looking for firms with experience in areas ranging from hydraulic systems to advanced design processes to mechanical and electrical equipment.

A website created to build up a database of potential business partners, dmsms-tardec-army.com, has already attracted 8,000 companies. More than 350 companies have been introduced into the potential market for defense contracts.

The business office was established on a temporary basis at the Automation Alley headquarters in Troy last fall and has a four-person staff. In addition, two high-ranking retired military officers serve as consultants.

Macomb County and Oakland University created the incubator at a former factory on 14 Mile Road last year. A second, 18 Mile Road location, which will receive assistance from Macomb Community College and nearby General Dynamics Land Systems, one of the nation's largest defense contractors, will expand the effort to help start-up companies blossom.

Officials are particularly proud that the blooming of new defense contractors adheres to the Macomb County heritage as the “Arsenal of Democracy” during World War II.

When the first incubator was opened last July, officials proclaimed that it might generate 55 companies and 600 jobs by 2015. But the 145,000-square-foot facility is already nearly full and moving full speed ahead.

The incubators will focus on companies with a niche in advanced manufacturing and defense but will also seek firms in the “emerging sectors” of alternative energy, life sciences, robotics and information technology.

To help fledgling firms, the incubators offer guidance and business solutions in a number of ways, including access to research facilities and laboratories, and assistance with market research, a business plan and capital investment.

The two facilities are located within a so-called “SmartZone,” a 6-square-mile area which offers state tax breaks to budding companies.

The Macomb-OU incubators received an initial lift from a bipartisan collaboration by Michigan lawmakers on Capitol Hill who arranged federal “seed money.” A \$4.4 million allocation allowed for the defense office operations.

Among the officials on hand at Monday’s event were Sen. Carl Levin, a Detroit Democrat; Rep. Candice Miller, a Harrison Township Republican; and Rep. Gary Peters, a Bloomfield Township Democrat.

In addition to creating jobs and new employers, Miller said the business office will serve a larger purpose.

“We have to keep in mind,” the congresswoman said, “who the beneficiaries are of all these products. And, of course, that’s the war fighter.” With U.S. troops now facing threats such as improvised explosive devices, or IEDs, Miller said the vehicles and equipment manufactured in Macomb “really have made the difference between life and death.”

URL: <http://www.macombdaily.com/articles/2010/05/17/news/doc4bf2154dcb70a272795302.prt>

© 2010 macombdaily.com, a **Journal Register** Property