

News

REL08-071



FOR IMMEDIATE RELEASE
July 7, 2008

Contact: Phil Frame
Office of Public Affairs
586-469-7239
phil.frame@macombcountymi.gov

Partners seek SmartZone designation for Macomb County business incubator

MOUNT CLEMENS, Mich. – Macomb County advanced its plans for a jobs-creating business incubator by partnering with Sterling Heights and Oakland University to apply for one of three new SmartZones in Michigan.

If approved by the state, Macomb County, Sterling Heights and Oakland University will launch and manage a business incubator that will stimulate the growth of technology-based businesses and jobs.

“Our business incubator will be a place where entrepreneurs can obtain office space and access to laboratories so they can research their ideas and receive critical services to help them launch new companies that create jobs,” said Stephen Cassin, executive director of the Macomb County Planning & Economic Development Department (MCPED).

Under the partnership, Macomb County’s new business incubator will be located in Sterling Heights and the city obtains the SmartZone designation for the site. SmartZones require a university’s involvement, so the county and city sought out Oakland University because of its expertise with its own business incubator and proximity to the new site.

The 12 existing SmartZones across Michigan are intended to stimulate the growth of technology-based businesses by creating clusters of new and emerging companies that are mainly focused on commercializing ideas, patents and other opportunities surrounding university or private research institute research and development.

– more –

Public Act 104, passed by the state legislature in April, allows three new SmartZones to be established by the end of 2008. SmartZones are funded mainly through the capture of increased local and state property tax revenue in the designated area.

Macomb County, Sterling Heights and Oakland University leaders worked over the past 40 days to create the framework for the business incubator and submit the application to the Michigan Economic Development Corp. by the July 1 deadline.

The new incubator in Sterling Heights will provide support to businesses related to defense, homeland security, advanced manufacturing and other targeted industries.

“This joint effort between our city, Macomb County and Oakland University is a huge opportunity to help foster economic growth in our community,” said Sterling Heights Mayor Richard J. Notte. “With the expansion of defense companies like BAE Systems and General Dynamics in Sterling Heights, this incubator can help create other new companies in that business sector.”

Oakland University faculty and research staff and its business incubator, OU INCubator, will manage the facility and give tenants access to services that help them bring products to market.

OU INC also will assemble “Kitchen Cabinet Advisory Boards” made up of eight to 12 business leaders with specific expertise in technology, business and patent law, business planning and management, financing, accounting and marketing. The teams will meet with incubator clients at least four times a year.

“With the support of business leaders in our targeted industries, we can establish our region as Michigan’s foothold for new business development in defense and advanced manufacturing,” said David Spencer, executive director of OU INC.

MCPED will provide an economic development specialist and a certified business consultant associated with the Michigan Small Business & Technology Development Center.

Luke Bonner, economic development manager for Sterling Heights, identified the site for the incubator and negotiated a price to acquire the facility that will make space highly affordable for future tenants.

A \$282,000 appropriation awarded to the county by the U.S. Small Business Administration through Congressman Sander Levin will be used to legally formalize the establishment of the SmartZone.

“The most critical component for this project now is the recommendation the MEDC will make to state legislators about awarding a SmartZone designation,” Cassin said.

Sterling Heights began the process of establishing a Local Financing District Authority to capture future tax revenue increases within the zone. The captured funds provide revenue for the incubator’s ongoing costs for support services to tenants.

About Macomb County

Macomb County is an enriching community in Southeastern Michigan that has one of the state’s fastest rates of growth. Its 836,000 residents make it Michigan’s third-largest county, with direct access to Lake St. Clair and Anchor Bay, and a host of cultural and entertainment options. Its highly skilled workforce and investment in new and expanding businesses make it open to enterprise. An increasingly diverse population and high quality of life make Macomb County accessible to all.

#

Reporters & editors:

Contact Steve Cassin, executive director of Macomb County Planning & Economic Development, at 586-469-5285.