

Rochester Hills Annual SmartZone Report



October 13, 2008

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Partners in the Automation Alley SmartZone

- City of Rochester Hills
- City of Southfield
- City of Troy
- Oakland County
- Automation Alley
- Lawrence Technological University
- Oakland University
- Michigan Economic Development Corporation

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Oakland Automation Alley SmartZone

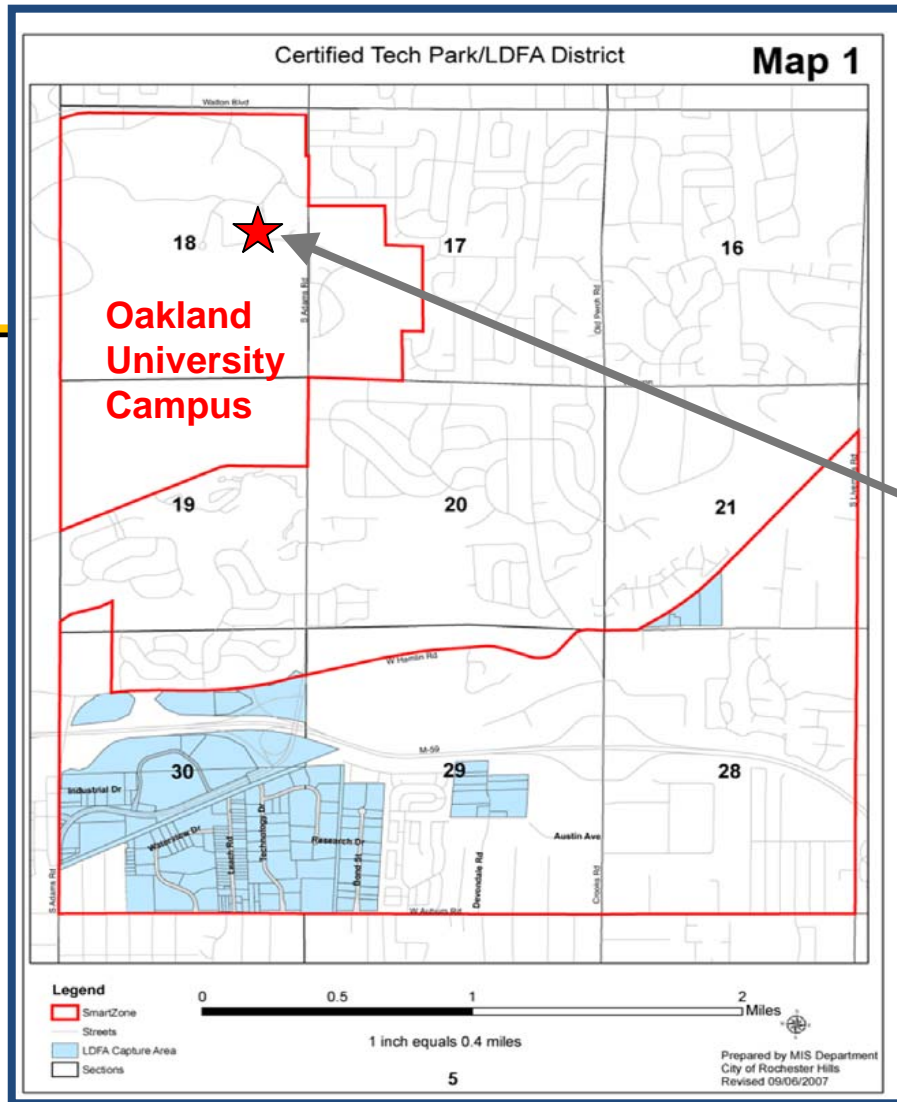
- There are two Certified Technology Parks in Oakland County
 - 1.) Automation Alley Certified Technology Park
 - 2.) Rochester Hills Certified Technology Park
- A Coordinating Council consisting of one appointee from each of the partners oversees the Oakland Automation Alley SmartZone

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SmartZone Boundaries



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Rochester Hills SmartZone Growth

- 2003 Baseline Companies: 128
- Total Companies: 184
- Jobs Created: 1,362
- Jobs Retained: 3,124
- Public Investment: \$10,308,500
- Private Investment: \$123,128,500

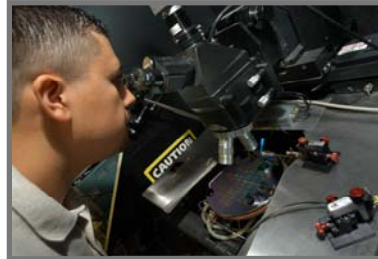
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Many Successes!

- Bosch Rexroth
- Hi-Lex Controls
- Motoman
- Ovonyx
- Plymouth Technology
- Ritter Technology
- Tesla Motors
- Tomcar



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Oakland University SmartZone Business Incubator



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Rochester Hills - OU SmartZone Business Incubator

The Rochester Hills OU SmartZone Business Incubator “OU INC” is committed to commercializing technology and life sciences innovations emerging from the university, SmartZone businesses and the regional high-technology industry.

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Emerging Sectors Areas of Focus

- Automotive & Advanced Manufacturing Technology
- Life Sciences Technology
- Communications and Information Technology
- Alternative Energy Technology
- Homeland Defense Technology

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Key Partner Alliances

- City of Rochester Hills
- Oakland County Government
- State of Michigan/MEDC
- Automation Alley
- Intellitrends
- SBTDC Network
- Plymouth Management Company
- Great Lakes Angels
- Biotechnology Business Consultants

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Types of Client Membership Programs

- On-site Tenant Program
- Affiliate Client Program
- Corporate Accelerator Program

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On-site Tenant and Affiliate Client Program

Start-up and emerging companies seeking:

- Business Development
- Commercialization Services
- Access to Capital Funding
- Leased Space

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Corporate Accelerator Program

Existing corporations seeking:

- Business Development
- Commercialization Service
- Spin-off's
- New Intellectual Property Products and Services

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Additional Services OU INC Collaboratory

Merging electronic meeting support with traditional facilitating methods to heighten group communication in sessions such as strategic planning, business process reengineering, quality improvement, focus groups and process analysis.



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Technology & Business Services

- Applied research & technology development
- Intellectual property management
- Technology transfer & commercialization
- Business & marketing planning
- Financing & capital acquisition for “start-up” and “spin-off” businesses
- Continuing education & professional development
- Access to OU academic programs, faculty, students & research staff

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Kitchen Cabinet Advisory Boards

- 8-12 member volunteer advisory board
- Meets quarterly with designated client company
- Reviews the company's business plan milestones, financial performance and product/services development progress.

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Client Companies Engaged

- Automotive & Advanced Manufacturing Technology
 - Advance Sensing Techniques
- Communications and IT
 - Applied EMAG
- Life Sciences Technology
 - NeuMedicine International
- Homeland Defense Technology
 - JADI
 - GS Engineering
 - ARGUS Security Technologies
 - General Dynamics
- Anchor Tenants
 - EdEn Inc.
 - Great Lakes Angels
 - Plymouth Venture Partners II

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Capital Investment Plymouth Management



- PVPII@OU is currently in the capital raising stage
- Committed \$30 million fund
- Concentration Southeast Michigan
- Deal Range \$500,000 - \$2,000,000

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Capital Investment Great Lakes Angels



- Angel investment alliance program
- Public-private sector initiative
- Accredited investors
- Direct capital funding for entrepreneurs, early stage and growth companies
- Deal Range \$25,000 - \$500,000

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Corporate Partners Program

- High quality services at a discounted price
- Serve on the Kitchen Cabinet Advisory Board
- Financial contributions for sponsorship

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Corporate Partner Categories Include:

CPAs

Law Firms

Banks & Investment Firms

Insurance Companies

Marketing Companies

HR Companies

Venture Capital Firms

Angel Investors

IT Companies

Business Consulting Firms

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Corporate Partners



Contract CFO Services Inc.



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Corporate Partners



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Corporate Partners



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OU Incubator Growth

- Companies Assisted: 124
- Commercial Readiness Assessments: 106
- Access to OU Facilities/Labs: 9 Companies
- Business Counseling: 22 Companies
- Jobs Created: 60
- Jobs Retained: 20

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Company Funding

SmartZone Pre-seed Fund

- \$8 million from 2007-2008
 - JADI, Inc. - \$250,000 awarded
 - 3 company applications pending
- \$1.5 million 2008 (bridge fund)

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Rochester Hills Tax Growth

LDFA Plan

2003: \$440,000
2008: \$950,000
2009: \$990,000 est.

SmartZone Plan

2006: \$96,510
2007: \$226,450
2008: \$251,270
2009: \$453,851 est.

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SmartZone & Incubator Revenue

January 2006 - September 2008

Rochester Hills LDFA (State of Michigan)	\$558,438
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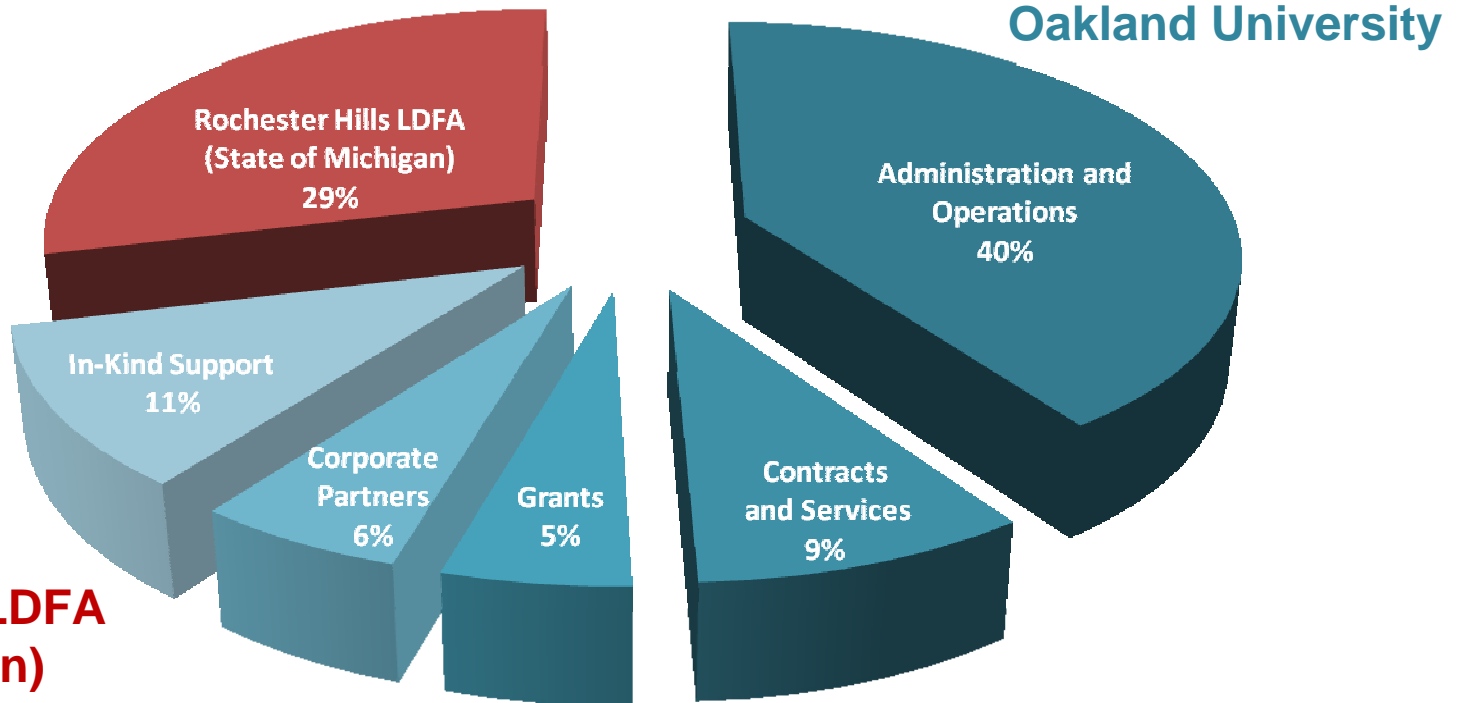
A. Administration and Operations	\$778,960
B. Contracts and Services	\$176,093
C. Grants	\$98,100
D. Corporate Partner Sponsorships	\$110,500
E. In-Kind Support	<u>\$210,000</u>
	\$1,373,653

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Source of Revenues



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Client Company: JADI Inc.

President, JADI Inc.



G. Edzko Smid, Ph.D

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