

ROCHESTER HILLS BUSINESS REPORT

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Hi-Lex Relocation Brings Engineers and R&D to City

On Tuesday, July 18, Mayor Bryan K. Barnett announced that Hi-Lex North American Group will be relocating and expanding its Tech Center operations to Rochester Hills. Hi-Lex recently acquired 2911 Research Dr., an 80,000-square-foot warehouse facility located in the Rochester Hills SmartZone™ and Great Lakes Interchange (GLI), for \$4,100,000.

“I am very pleased to welcome Hi-Lex to the SmartZone and Rochester Hills community,” Mayor Barnett said at the Welcoming Ceremony. Behind him, a large banner read, *The City of Rochester Hills Welcomes HI-LEX.*

Speakers at the Ceremony included Cynthia Grubbs from the Michigan Economic Development Corp., who read a letter from the Governor; Oakland County Economic Development Director Doug Smith, Rochester Regional Chamber’s Vice-Chairman Tim Crawford, Oakland University representative David Spencer, and the president of Hi-Lex America Inc. Katsuaki Shima. The Mayor also presented the president of Hi-Lex Controls, Inc., Takuji Murayama, with the Keys to the City. Other dignitaries in attendance included Chamber Executive Director Sheri Heiney; Frank Kramarczyk, president of Sanyo Machine America Corp; Ken Abe from FANUC Robotics; and Oakland County Economic Development Director Doug Smith.

Hi-Lex began its search one year ago, first looking for a replacement building in the City of Troy. Later it broadened its search to Rochester Hills and Auburn Hills.



Katsuaki Shima, President of Hi-Lex America Inc. receives the Key to the City from Mayor Barnett.

“The building allows us room for growth,” said company President Murayama. “We undertook an exhaustive search and ultimately selected this building because of its proximity to the new interchange and its location in a state-designated SmartZone.”

The company will invest about \$3.5-million to expand the office space to 28,000 square feet. The remaining 52,000 square feet will be used for research and development. Hi-Lex will initially employ 93 people in Rochester Hills and will have room to add 50 additional jobs in the future.

Hi-Lex is a subsidiary of Hi-Lex Corporation, Inc. Its Tech Center houses a sales team, engineering groups, CAD design and new product development for North America. In the lab area, Hi-Lex’s primary function is design validation and prove-out of new products. In addition, Hi-Lex has the ability to retrofit OEM owned vehicles with new Hi-Lex products to support their integration efforts.

The company’s lab has the capabilities to test products under a variety of environments; from minus 40 Celsius to plus 120 Celsius and up to 100% humidity. It contains six environmental chambers with the capability to test almost anything from small components to a complete vehicle. New product development and next generation systems also are developed in the lab.

Today, Hi-Lex’s primary North American customers include General Motors, Honda, Ford, DaimlerChrysler, Toyota, Nissan and Subaru.

“In today’s environment, projects like this one are difficult to win,” said Mayor Barnett. “I’m very happy that Hi-Lex will soon be calling Rochester Hills its home.”

Hi-Lex President Murayama said that plans for the building’s modifications have already been submitted to the City. Occupancy is expected to occur in early 2007.



Local Road Report

Crooks Road:

The Crooks Road boulevard construction project is underway. Construction of a four-lane, divided boulevard between Square Lake Road and M-59 will take two years to complete and include improvements at the Crooks/Auburn and Crooks/South Boulevard intersections.

Stage 1 of the project will conclude in mid-November 2006. It consists of construction of new southbound lanes, including improvements at the South Boulevard intersection. The new south bound lanes will be constructed west of the existing Crooks Road.

During construction there will be one through lane open in each direction. There will be a center left-turn lane continuously from Auburn Road to M-59 and at major intersections south of Auburn.

Adams Road:

The Adams Road realignment project also is underway.

The project includes intersection improvements at Auburn and Adams Roads and reconstruction of pavement northward along the existing Adams. The new portion of Adams will connect to the existing road just north of Unisource and, at the other end, to the newly constructed M-59 interchange.

This project also includes the paving and connection of a portion of Leach Road to the new Adams Road and Waterview Dr. to Leach Road.



SmartZone™ Report Highlights New Jobs

The Great Lakes Interchange (GLI) released its bi-annual report to the Michigan Economic Development Corp. and reported strong growth in its technology cluster.

The GLI reported that ten new companies had located in the Rochester Hills SmartZone, creating ____ new jobs. In addition, 209 new jobs were created from existing companies. Total investment in the SmartZone totaled more than \$9.3-million; however, numerous companies reported that they were planning to make large fourth quarter investments in new equipment.

New companies in the SmartZone included Hi-Lex, which is relocating its engineering and research operation from nearby Troy into a vacant 80,000-square-foot building. Coating Specialists, manufacturer of high-tech sports turf fiber, and GS2, an automotive and government engineering firm, also were new to the SmartZone.

Numerous companies renewed leases, including Magna Steyr, Ingersoll Rand and Wavecrest, which relocated its headquarters from Dulles, Virginia to Rochester Hills. In total, seven companies and 326 jobs were retained in the SmartZone.

OU INCubator reported that it had signed three tenants to the incubator since it opened in January. In addition, Oakland University is negotiating lease agreements with as many as five more companies.

New Accelerator Program Launched in Detroit Area

The Detroit Chapter of the “Entrepreneurs Organization (EO)” has scored a coup, selected as the first city in North America to host an international pilot program in the fall of 2006 that is targeted to help up-and-coming entrepreneurs make their first million dollars.

The EO, a global organization for entrepreneurial companies generating at least \$1 million per year in revenue, is successfully launching its Accelerator program in North America - initially launching in Detroit, New Orleans, and Vancouver.

Each quarter, beginning in November, participants will attend day-long training sessions on business topics ranging from sales and finance to human resources and strategic planning. The first session is scheduled for October 27, 2006; the venue has not been finalized to date. The fee is \$1,000 per person and only 25 participants will be selected. Applicants must be 36 or younger, own and run their own business and generate annual revenue of at least \$250,000.

Underwritten by Mercedes Benz Financial, the goal of the Accelerator program is to help first stage entrepreneurs achieve second stage at a faster pace, generating new jobs and opportunities in our communities.

For information about enrolling in the Accelerator program contact Dan Glisky, President, Compsat Technology and Global Chair, EO’s Accelerator program, at dglisky@compsat.com. The application deadline for the October session is Sept. 29, 2006.

The “Entrepreneur’s Organization” has over 90 member companies in southeast Michigan and is an extraordinary peer to peer organization dedicated to encouraging the success of entrepreneurs,” states Dan Glisky. “Globally, the organization has over 6,500 members in over 100 countries.” “The EO Accelerator program will be the premier incubator for the region’s newest emerging businesses and we are thrilled that Detroit was chosen to host the inaugural launch.”

REACH Workshop to Address New European Chemical System

REACH -- Registration, Evaluation, and Authorization of Chemicals — is the proposed overhaul of the European chemicals management system. Due to be in force in 2007, REACH will have important implications for U.S. firms exporting to Europe. In order to help U.S. companies prepare for REACH and move beyond the law toward sustainable chemicals management, the Michigan Department of Environmental Quality and Lowell Center for Sustainable Production are presenting a workshop on September 12, 2006 at the Doubletree Hotel at Detroit Metropolitan Airport. Workshop participants will learn about the key features of REACH and have a chance to ask experts how REACH will affect their companies. The workshop will also cover the Globally Harmonized System for the Classification and Labeling of Chemicals (GHS), which will be integrated into REACH; tools for more sustainable chemicals management, product design, and green chemistry; and how businesses can turn REACH around from a challenge to an opportunity. Attendees will receive a database of tools and resources to help them make informed decisions about chemicals and alternatives.

For complete conference agenda and registration information, go to www.chemicalspolicy.org/registration.shtml, scroll down to “September 12, 2006 – Detroit, Michigan” and click on “Registration Form” or “Preliminary Agenda.” Registration fee is \$100 and includes continental breakfast, lunch, and conference materials. For registration and information, contact Yve Torrie, at 978-934-3121.

2nd Annual Michigan Technology Conference Coming

On September 12, 2006, Automation Alley, the Detroit Regional Chamber and Michigan Economic Development Council will present the Second Annual Technology Conference: Imagine, Innovate and Integrate.

Nearly 300 technology professionals and solution providers will explore the future of Michigan’s technology industry. The latest trends will be discussed and business-related technological integrations will be celebrated.

Keynote speaker Andrew Zolli, founder of Z+ Partners, will anchor the “Imagine” general session and will share insights on how companies can understand and respond to complex change as it relates to culture and technology.

Conference topics include:

- Advanced manufacturing & alternative energy
- Biotechnology & life sciences
- Disruptive & pervasive technologies
- Commercialization & university tech transfer
- Internet & security
- Micro/MEMS/small tech
- New media marketing
- 21st Century Jobs Fund

The Michigan Technology Conference will provide an opportunity for technology business leaders to connect with fellow professionals on the cutting-edge of emerging technology sectors. Attendees can also expect to learn how Michigan innovations are changing the face of energy and health care, and impacting the global economy.

The event will be held at the Ford Conference and Event Center in Dearborn from 8 a.m. to 5 p.m.; the cost is \$45 for Automation Alley members and \$75 for non-members.

For more information or to register, visit the Detroit Regional Chamber website, at www.detroitchamber.com.

Ostby Wins Robotics Award

The Robotic Industries Association (RIA) has presented the 2006 Engelberger Robotics Award for Leadership to Kevin Ostby, vice president of Regional Operations for North and South America for FANUC Robotics America, Inc.

The Engelberger Robotics Award is the robotic industry’s ultimate honor. Four leaders were presented awards at the 37th International Symposium on Robotics, May 16, during AUTOMATICA in Munich, Germany. The awards — named for Joseph F. Engelberger, considered the “father of robotics” — recognize significant achievements in the areas of leadership, application, education and technology development.

“I’m honored to receive this prestigious award,” said Ostby. “I also extend my congratulations to the other recipients of the award, and my thanks to the RIA for their continuing efforts to promote the use of robotics to enhance North American competitiveness in manufacturing.”

Ostby has been a leader in the field of robotics for more than 30 years, 25 of those years with FANUC Robotics. In the early 1980s while at General Motors, he was responsible for the first robots installed at Buick Motor Division. After joining FANUC Robotics, Ostby



was responsible for the significant expansion of FANUC Robotics into a variety of markets including food, beverage, plastics, consumer goods, and others. Ostby is a leader within the RIA, including eleven years on the board of directors and a two-year term as president. He has been both board member and chairman of the Automation Technologies Council, and is currently chairman of the International Federation of Robotics Supplier Council. Ostby also serves in a variety of other leadership positions in robotic industry trade associations.

The Rochester Hills City Council honored Ostby’s achievement with a proclamation in August.

“We’re honored to have such a talented leader in the robotics field in this community,” said Mayor Bryan K. Barnett. FANUC, he noted, has been headquartered in Rochester Hills since 1984.

Automation Alley Update

Automation Alley Presents Its Business Finance Seminar

Automation Alley's Business Finance Solutions seminar series continues August 17 with "Finding Capital Between Start-up and Profit: Financing the Early Stage Entrepreneur." This panel presentation, featuring leading funding experts, will take place at Automation Alley's Headquarters in Troy from 8-10:30 a.m.

"Finding Capital Between Start-up and Profit" will be moderated by Mark Lundquist, president and CEO of Fulcrum Edge Inc., who will provide an analysis of the current funding market before presenting a variety of business financing scenarios to panelists for discussion. Panelists include Mike Semanco of Hennessey Capital on innovative commercial financing; Victor Sandy of Global Commercial Credit on credit insurance; Ron Reed of Endurance Ventures on venture capital; and Jim Recker of TIP Capital on leasing.

The focus of the Business Finance Solutions seminar series is how to best finance your company, whether it is just starting or already established. Topics include commercial financing, leasing, credit insurance and venture capital.

The event is informal with audience participation expected. Each participant will receive a packet of information on the topics covered.

"Finding Capital Between Start-up and Profit" and the Business Finance Solutions seminar series are coordinated by Automation Alley's Technology Business Committee and sponsored by Hennessey Capital, LLC and InStream Financial.

Cost for the event is \$10 for members, \$15 for non-members. The final seminar offered through the Business Finance Solutions seminar series will be held November 2. All seminars start at 8 a.m. Seating is limited. Register at www.automationalley.com or through the Automation Alley Resource Center at 1-800-427-5100.

Popular MMTC Series Returns

Michigan Manufacturing Technology Center (MMTC) is hosting its fourth series of the popular Lunch & Learn sessions at the Automation Alley headquarters in Troy. Throughout this series, subject matter experts will share how Michigan businesses have embraced proven business improvement methodologies to significantly impact their bottom-line.

Summer series topics will include:

· 08/23/06 Six Sigma: Forget the Fire Drill. Is your organization tired of fighting lost profits, overtime expense, missed deadlines, high scrap rate, perpetual rework, defect

sorting, customer dissatisfaction and "mystery" variation? Interested in forgetting the fire-drill approach to solving these problems? If yes, attend this session and learn how the implementation of Six Sigma can assist in putting these combustibles out for good.

· 08/30/06 Executive LEAN – Your 1st Lean investment = 3 to 1 ROI. MMTC asks as a company leader, if you're not driving your investment in LEAN, who is? Call it LEAN Leadership, Strategic Business Solutions or Policy deployment - all effective LEAN programs require direct managerial support and involvement. Learn why MMTC clients report a 3-to-1 return on their first Kaizen event, and up to 10 to 1 on their second.

· 09/13/06 Implement ISO to Improve System Operations. At this session, companies which have never formally registered a system can learn the basics of ISO, ask questions and get practical advice on moving forward.

Register early as these sessions book to capacity quickly. There is no charge for Michigan manufacturers to attend these working lunch sessions offered at the Troy headquarters of Automation Alley from 11:30 a.m. to 1:00 p.m.; however, registration is required and seating is limited. Two attendees per manufacturing company are required. To register, or for more information, visit the MMTC website at www.mmtc.org (click on seminars) or call 888-414-6682.



The following companies recently relocated to Rochester Hills:

Audi
Coatings Specialists
Eaton Corporation
GS2

Hi-Lex North American
Trilogy Communications
The Piperack



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