



Business & Beyond

A Quarterly Publication of Saginaw Future Inc.

Spring 2000

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Eaton Corporation Announces Major Investment

Eaton-Saginaw has great news. Major OEM engine builders have awarded the firm significant new business. To accomplish the increased workload, Eaton plans to invest \$17 million in new capital equipment and will add up to 100 new employees. Year-end employment is projected to be 635.

Eaton-Saginaw Plant Manager, Bruce S. Barlow, stated, "This is the first step in our plans to aggressively pursue new products to be made in our Saginaw plants. The great partnership

we share with our workforce helped make this happen."

SFI facilitated meetings to coordinate an incentive package for the company. The Michigan Economic Development Corporation provided workforce development and recruitment incentives for the project. The City of Saginaw is considering approval of a PA 328, personal property tax abatement and is assisting with traffic and safety-related issues.

Dixie Cut Stone to Invest in the County

Dixie Cut Stone plans to take advantage in the reuse of a brownfield site to meet the growth of its business.

The company purchased the former Vlastic building last December in Bridgeport. It is currently in the process of remodeling the building to consolidate and expand its limestone & marble businesses. SFI worked with the company to meet its expansion needs through financial packaging and helping them take advantage of brownfield incentives to reuse existing properties.

The company is planning to invest over \$2 million in new equipment and remodeling the site. It is anticipated that fifty new jobs will be added in Saginaw County.

JoAnn Crary, SFI President, stated that she was greatly encouraged with Dixie Cut Stone's expansion in that, "The company has demonstrated its continued commitment to Saginaw County and the local community. In addition, the investment shows how communities can succeed in re-developing brownfield sites to strengthen competitiveness."

Saginaw Riverfront Grant Awarded

Governor Engler

awarded a \$980,000 Clean Michigan Initiative grant to the City of Saginaw for riverfront development. Funding will be used to reclaim and revitalize waterfront property to maximize economic and public value. Plans call for the grant money to acquire property along Washington Avenue and demolish the former Genesee Packaging facility. In its place, a two-story medical office facility will be constructed, with plans for a second building in the future.

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2000

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Wright-K Technology to Increase Production

Wright-K Technology plans new investment in equipment, inventory, and employment to meet recent sales increases. Established in 1982, Wright-K Technology is a top-25 employer in the county with a workforce of 320 employees. The company has grown into an emerging leader in the special machine tool building industry and offers, manufacturing services, quality assurance training, engineering services, systems engineering, product engineering, and prototyping and integration.

The total amount of the investment is anticipated to exceed

over a million dollars and create 36 new jobs in Saginaw County. SFI assisted with securing additional capital from the Saginaw County Revolving Loan Fund.

SFI Vice President Steve Jonas stated, "The success of this project represents the efforts of many organizations working together for the development of our local economy".

Wright-K Technology's investment is significant in that the jobs created are high paying technical positions that contribute additional economic benefits to our community.

The Printing Edge Sharpens Its Competitiveness

Remaining competitive in an ever-changing world of graphical printing services requires state of the art technology. Jeffrey Czymbor, President of the Printing Edge, states that his company is ready for the challenge.

The multi-media company offers offset printing, design services, variable data imaging, and bar coding services. The Printing Edge has recently undertaken an expansion by purchasing and renovating the former Carrollton Grocer on N. Michigan in Carrollton Township. Investment in the building is expected to exceed \$250,000. SFI assisted The Printing Edge in obtaining a tax abatement to spur the investment.

Business & Beyond

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If you would like more information about articles in **Business & Beyond** or about Saginaw Future, write SFI at 301 E. Genesee, 3rd Floor, Saginaw, MI 48607, or call (517) 754-8222. Saginaw Future's fax number is (517) 754-1715.

NOTE: We use multiple lists to mail **Business & Beyond**, and it is not always possible to cross-check these lists. As a result, you may receive a duplicate of this publication. Please pass it on to an interested associate.

Brady Township Gains Auburn Bean & Grain

Auburn Bean & Grain Company announced plans to grow their operations with a 4.5 million dollar expansion project in Brady Township. The agricultural services company, headquartered in Auburn, Michigan, currently owns and operates two Saginaw County elevators in Hemlock and Oakley. In addition, the diversified agricultural company operates five John Deere retail outlets, a sugar beet pulp business, and seed and fertilizer businesses.

The development project will consist of site improvements on 79 acres and the construction of a grain elevator including seven corn storage bins. The project will also include a small office and an enclosed rail siding. The operations at the site will

clean, dry, sort, store, and ship grain.

Saginaw Future is assisting in the expansion project with grant preparation and processing of a working capital loan request. Steven Black, Assistant Vice President, assisted with the project and stated, "Auburn Bean & Grain's increased investment in Saginaw County is a welcome addition to the area. It will further increase the efficiencies of area farmers allowing them to remain competitive and have a positive effect on our local economy." The expansion project is expected to be completed this September creating 4 new jobs for the area.

Hi-TechSteel Plans Further Expansion

Hi-TechSteel Treating has always placed emphasis on helping its customers meet the ever-increasing quality demands required to remain competitive. Founded in 1983 the heat-treating processor has made an impact sticking to the basics of quality, innovation, and service.

The company is planning to continue that tradition by expanding its facility with a 3,000 square foot addition and investment in equipment. Saginaw Future Inc. assisted the company with a tax abatement to facilitate the \$120,000 investment creating 2 jobs for our community.

Hi-Tech Steel Treating provides hardening, straightening, and deep-freezing operations in addition to heat-treating services for the automotive and precision manufacturing industries.

Over the past few years, the company added close to one million in building expansion and capital equipment at its Saginaw location.

Fast-Tek Moves Swiftly into Saginaw

Saginaw welcomes the arrival of a new corporate citizen to the area. The Bluffton, Indiana based Fast-Tek is making a \$350,000 investment in the area to provide support services for the auto industry. Fast-Tek is a sorting and inspection service specializing in providing OEM part quality certification services that are necessary to meet industry standards. The company located in the former Hiser Building in Buena Vista's Morley Industrial Park.

Fast-Tek's move is anticipated to create 20 new jobs in our community. SFI President JoAnn Cray stated, "Fast-Tek's approach to investment in our area has been very impressive. They are very community oriented and will make a great corporate citizen."

SFI ACTIVITY BRIEFS

SFI Accountant Sabrina Dore recently completed the Michigan Leadership Development Institute's leadership development course. The ten-week interactive training series provided instruction to mid-level leaders to develop and improve their leadership skills. The program was offered through the Office of Continuing Education at Saginaw Valley State University.

Michigan to Leverage Marketing Resources

Jessie Martinez, SFI's Marketing and Information Manager, was named to the Board of the Michigan Global Partnership, Americas Division sponsored by the Michigan Economic Development Corporation. The Board's goal is to develop a strategy for leveraging the State and local economic development group's marketing efforts to increase effectiveness and avoid duplication. The Board also provides a forum to share information on new trends in site location and incentive legislation. The Americas Division covers all of North and South America.

SFI ACTIVITY BRIEFS

SFI Executive Vice President Steve Jonas met with national site consultants during the bi-annual Site Consultants seminar conducted by the Michigan Economic Development Corporation. The three day event held in northern Michigan provided excellent networking opportunities for site consultants and local economic development specialists. Mr. Jonas stated, "The event provides an excellent opportunity to share with these decision makers the many benefits a location in Saginaw County offers." Mr. Jonas was on a panel presenting the changing landscape of incentives in the State of Michigan, including Renaissance Zones, and how businesses can benefit from them.

SFI's Marketing and Information Manager, Jessie Martinez, participated in the Society of Automotive Engineers (SAE) World Congress in Detroit, Michigan. SAE 2000 is the automotive industry's most technically comprehensive exhibition of the future of automotive design and development. The tradeshow was well attended with over 49,000 participants and 1,200 exhibitors. Delphi Automotive Systems display was well attended as it unveiled 14 new technologies including a vehicle navigation system. The trade event provided an opportunity to witness first hand new cutting edge technology available in the industry. SFI shared information on the competitive advantages a location in Saginaw County could offer.

In February, Jessie Martinez, SFI's Marketing and Information Manager, attended the International Development Research Council (IDRC) Site Selection and Location Analysis Course in Chicago, Illinois. The one day course provided an in depth overview of the processes that companies undertake when considering a relocation or expansion. Jessie stated, "The course was very informative because it provided insights on what companies are looking for in a location and the type of information they use in their decision making process. From a marketing standpoint this information is invaluable, in that once you understand how the decision is made we can concentrate our marketing efforts on information that not only highlights our strengths but will also make their job easier, keeping our area on their list longer and increasing our opportunity for success." The course covered community planning factors, site specific issues, company organizational structure and international relocation projects.

PROCUREMENT & EXPORT ACTIVITIES

SBA HUBZONE Empowerment Contracting Program

In 1997 the Committee on Small Business authorized funding for the HUBZONE Empowerment Contracting Program. This program provides federal contracting opportunities for qualified small businesses located in distressed areas. Fostering the growth of these federal contractors as viable businesses, for the long term, helps to empower communities, create jobs, and attract private investment.

The HUBZONE Empowerment Contracting program was enacted into law as part of the Small Business Reauthorization Act of 1997. The program falls under the auspices of the U.S. Small Business Administration. The program encourages economic development in historically underutilized business zones through the establishment of preferences.

Historically Underutilized Business Zone (HUBZONE)

A “HUBZONE” is an area that is located in one or more of the following:

- A qualified census tract
- A qualified “non-metropolitan county” with a median household income of less than 80 percent of the State median household income or with an unemployment rate of not less than 140 percent of the statewide average, based on U.S. Department of Labor recent data; or
- Lands within the boundaries of federally recognized Indian reservations.

How the HUBZONE Program Works

- The U.S. Small Business Administration (SBA) regulates and implements the program,
- Determines which businesses are eligible to receive HUBZONE contracts,
- Maintains a listing of qualified HUBZONE small businesses Federal agencies can use to locate vendors
- Adjudicates protests of eligibility to receive HUBZONE contracts, and
- Reports to the Congress on the program’s impact on employment and investment in HUBZONE areas.

Eligibility

A small business must meet **all** of the following criteria to qualify for the HUBZONE program:

- It **must** be located in a “historically underutilized business zone,”
- It **must** be owned and controlled by one or more U.S. Citizens, and
- At least 35% of its employees **must** reside in a HUBZONE.

To determine if your business is located in a HUBZONE please visit the SBA website at www.sba.gov, or you may call Delena Allen at (517) 754-8222.

E-Commerce Seminar a Success!

In March Saginaw Future Inc., in coordination with the Thumb Area Michigan Works and Genesee County Planning commission, sponsored an E-Commerce Seminar.

Experts from companies that have succeeded in competing in the new economy were on hand to answer questions and share with small businesses their insights on how to leverage their resources. Delena Spates-Allen, Saginaw Future Inc. Procurement and Technical Manager, stated “The seminar was a great opportunity for small businesses that are just getting started, as well as established businesses that were interested in expanding their market with E-Commerce”.

Businesses learned how to reach new customers and improve customer and supplier relationships with this new technology, as well as how to start a business using the internet. Raymond Gay, Business Development Manager of Microsoft served as keynote speaker and shared how to be a successful E-Commerce business.



**Saginaw Tops
Business Environment
for High Tech**

A recent study by the Anderson Consulting Group, which included cities inside and outside the state, found that Saginaw's low business cost environment provided the top returns on equity for private service firms.

Patrick L. Anderson, Managing Director of Anderson Economic Group, said in a Michigan Economic Development Corporation press release that he was "...impressed with how competitive cities like Saginaw and Grand Rapids can be for service sector and high-tech firms."

The cities benchmarked in the study included Ann Arbor, Saginaw, Grand Rapids, Auburn Hills and Delta Township (Lansing). Other areas looked at included Birmingham (AL), Indianapolis, Columbus, Madison (WI), Fort Wayne, Georgetown (KY), Burlington (CO), Fairfax County (VA), and Toronto, Ontario.

Corporate Watch Calls

Saginaw Future Inc. Visited 35 companies through the Corporate & Critical Watch programs between January 1, 2000 and March 31, 2000.

- | | |
|------------------------------|---------------------------|
| Ameritech | Machining Enterprises |
| Alchem Aluminum | Merrill Tool |
| Alfe Heat Treating | Merritech |
| Auburn Bean & Grain | Mistequay |
| Concentric Network | Mobile Medical Response |
| Consumers Energy | Oakley Elevator |
| Crowne Plaza | Professional Assembly |
| Delphi Automotive Systems | Saginaw Industrial Center |
| Diesel Truck Sales | Star of The West |
| Eaton Corporation | Stress Con |
| Fast Tek | The Printing Edge |
| Frankenmuth Mutual Insurance | Thompson Boat |
| GDP Meats | Thomson Saginaw |
| Glastender | Total Response |
| GM SMCO | U.S. Graphite |
| Hemlock Semi-Conductor | Wright-K Technology |
| Hi-Tech Steel Treating | Yeager Asphalt |
| J&G Tool | |

Covenant HealthCare Builds New Emergency Care Center

On Wednesday, April 5th Covenant HealthCare began construction on a new multi-million dollar emergency care center and skywalk that will link all five buildings at the medical facility's west side Saginaw city location. Slated for completion in Spring 2001, the new emergency care center will be over 163,000 square feet at an estimated investment of \$22 million. The facility will feature a pediatric emergency department, fast track express care, private treatment rooms, and offer the latest in state-of-the-art technology and medical care.



Gary Loster, City of Saginaw Mayor, and Spence Maidlow, President & CEO of Covenant HealthCare at the Covenant Ground Breaking April 5, 2000

Frankenmuth River Place Development Underway

The City of Frankenmuth was awarded \$2,759,000 to help fund the Frankenmuth River Place project. The State of Michigan provided a Waterfront Redevelopment Grant to demolish the former Heileman Brewery, construct a river walk, dock and pedestrian bridge across the Cass River.

The William (Tiny) Zehnder, Jr. family plans to create a European-themed area with water fountains, gardens, shops and courtyards. According to Mr. Zehnder, "The State's assistance will go a long way to providing a very worthwhile project for Frankenmuth—one that will create many construction jobs and permanent employment."

The City is currently investing over \$18 million in streetscape improvements and amenities to maintain its foothold as Michigan's #1 tourist destination. The Frankenmuth Convention & Visitors Bureau expects to increase visitor counts from three to four million people per year.

U.S. Graphite to Receive Grant for Training

U.S. Graphite has continuously placed great emphasis on having quality people with quality training to remain competitive. The company is a manufacturer of high quality, specialized carbon material that is used in aircraft, automobile, defense, nuclear and various other processes. Recently, the company, headquartered in Saginaw, Michigan, applied for and received a \$90,000 job-training grant from the Michigan Economic Development Corporation (MEDC). The grant will be used for new technology training through Delta Corporate Services.

Wage and Salary Survey On Its Way

Saginaw Future Inc. will again participate with the American Society of Employers (ASE) in their annual wage and salary survey for employers in the Mid-Michigan area. The questionnaire should hit the mail in early May and will be sent to member organizations of Saginaw Future as well as the membership of ASE, the Valley Society of Human Resource Managers, and Saginaw Valley Manufacturers' Association.

Last year 140 organizations participated in the survey. When your company receives its survey, your cooperation in completing the questionnaire would be appreciated. If you would like further information or have further questions please call Dan Matthews, ASE Regional Director, at 517-249-1949.

Saginaw County Ranks 13th Among Michigan Counties

1999 major business development projects by county as listed by the Michigan Economic Development Corp. Retail and Residential projects not included.

1. Oakland, 406
2. Wayne, 405
3. Macomb, 250
4. Kent, 198
5. Washtenaw, 123
6. Ottawa, 65
7. Ingham, 53
8. Genesee, 47
9. Livingston, 38
10. (tie) Muskegon, 36
10. (tie) Kalamazoo, 36
12. Allegan, 33
- 13. Saginaw, 32**
14. (tie) Calhoun, 24
14. (tie) Monroe, 24
16. (tie) Grand Traverse, 23
16. (tie) St. Clair, 23
18. Eaton, 22
19. Jackson, 21
20. Berrien, 20
21. (tie) Bay, 16
21. (tie) Lenawee, 16
23. (tie) Midland, 15
23. (tie) St. Joseph, 15
25. Branch, 12
26. (tie) Cass, 9
26. (tie) Gratiot, 9
26. (tie) Hillsdale, 9
29. (tie) Huron, 8
29. (tie) Lapeer, 8
29. (tie) Otsego, 8
29. (tie) Wexford, 8
33. (tie) Manistee, 7
33. (tie) Van Buren, 7
35. Emmet, 6

**King of The Hill
Third Straight
Year**

Michigan is once again the premier state in the nation for business relocation and expansion. Site Selection Magazine's Governor's Cup Award was won by Michigan for the third straight year. Nearing one billion dollars in facilitated investment since its existence, SFI was proud to play a significant role in keeping Michigan on top assisting in over 30 Major business development projects in 1999.

**Saginaw Future Inc.
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Grant Awarded *(continued from page 1)*

The City also received grant funds to acquire and develop a marina on the southwest side of the Saginaw River. Both projects are part of the City's new Riverfront Development Plan, unveiled at a recent City Council meeting. Chair of the Committee, Councilwoman Carol Cottrell stated, "This is a great opportunity for this community to experience a revitalization of its untapped riverfront." Saginaw Future staff serves on the Riverfront Development Committee and are working closely with City staff to implement the projects.

SFI 2000 Performance Report

	2000 GOAL	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	YTD TOTAL
Business Expansions	18	6	-	-	6
Businesses Attracted	6	1	-	-	1
Jobs Created	450	112	-	-	112
Jobs Retained	NGE	-	-	-	-
# of Gov't. Contracts	170	53	-	-	53
Value of Gov't Contracts	\$10M	\$2.3M	-	-	\$2.3M
Value of New Investment	NGE	\$8.31M	-	-	\$8.31M