

## Detroit Free Press

### Grants aim to park Michigan start-ups - Initiative to target health, seek a creative corridor

BY TOM WALSH March 1, 2009

As Michigan's battered economy skids from bad to awful, many companies are in pure survival mode. How do we even think about growth, about creating jobs, when we're trying so hard to save what we've got?

"This economy is beating things into dust. As we think about how to foster new and different economic activity, we need to hang onto our core infrastructure. That includes our talent base," says Steve Hamp, chair of the governing council of the New Economy Initiative for Southeast Michigan, a \$100-million effort by 10 foundations to diversify the local economy and boost innovation.

NEI plans to announce its first round of \$11 million in grants this week.

The funding focus

The aim is to spur more entrepreneurial start-ups and accelerate activity in the health-biotech sector and a creative corridor of arts, design and technology firms.

"What are the basic enablers of a high-flying economy?" asks John Austin, executive director of NEI. "It's entrepreneurship, talent and capital."

Among the initial NEI grants are:

\$2.5 million to the University Cultural Center Association to help develop an arts district in the Sugar Hill neighborhood near art museums and the Detroit Medical Center.

\$3 million to the College for Creative Studies for the Argonaut Project, transforming the Alfred Kahn building in New Center into a center of learning and business incubation in the arts, media and design.

\$1.5 million to the Michigan Initiative for Innovation and Entrepreneurship, a consortium of 15 public universities, to accelerate the movement of ideas from university research to job-producing new enterprises. The grant will support 20 start-up businesses.

**\$950,000 to double enrollment at Bizdom U, an entrepreneurial boot camp created by Quicken Loans founder Dan Gilbert. Bizdom trains young adults and helps them launch new businesses in Detroit.**

\$1.9 million to the Detroit Regional Chamber to support a statewide internship program for 25,000 Michigan college students, increasing the odds that they will stay in the state after graduation.

And a \$750,000 grant to Ann Arbor SPARK to open the Michigan Life Sciences and Innovation Center, a business incubation complex in Plymouth. Roger Newton, cofounder of blockbuster drug Lipitor, was a key figure in the Plymouth incubator project. Newton decided last year to buy back Esperion Therapeutics, a firm he had sold to Pfizer five years earlier. Newton partnered with the Ann Arbor SPARK agency and the state of Michigan to buy the Plymouth building from Pfizer.

Esperion and Lycera, another pharmaceutical firm, are already based in the Michigan Life Sciences and Innovation Center. Two other small firms have committed to move in, and SPARK is talking with other

prospective tenants. Michigan was not even on the map a decade ago as a place to get venture capital for new life-science firms, but more than \$350 million has flowed into the state since then.

"They're stopping here now," Newton says of the VC firms. In the next round of grants, Austin expects NEI to help auto suppliers diversify into defense, energy and other areas.

Good idea. Let's hope it happens quickly, because if anything is certain about the current economic crisis, it's that Michigan's auto industry will be smaller when it's over.