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News

## 900 science, tech jobs coming

Engineering, pharmaceuticals drive growth

By Chad Halcom

3:01 am, August 20, 2007

Last week's announcement that three companies will add 900 new scientific and technical jobs in metro Detroit over the next few years may reflect a trend toward more such sought-after employment growth.

"There's such a large talent pool here, and with the current economy affecting engineering, a lot of that talent pool is unemployed and available for us," said John Jacobson, general manager for **Bolton & Associates L.L.C.**'s Southfield offices. "If all goes well we could end up being like an India of the north, with so much work outsourced here from our other locations."

Bolton & Associates is a Maryland-based civil engineering and land surveying firm that plans to expand from a dozen employees to more than 150 over the next four years.

The expansion will involve spending \$1 million on computers, equipment and personal property improvements at its Southfield Town Center offices.

"Work would come here from out of the Maryland corporate office, from the North Carolina sales office, all our other offices," Jacobson said.

Also announced last week:

- Generic drugmaker **Caraco Pharmaceuticals Ltd.** plans to add 598 jobs as part of a \$14.5 million, 140,000-square-foot expansion of its southwest Detroit manufacturing operations.

- German auto supplier **Kolbenschmidt Pierburg AG** plans to create 153 new jobs at its new KSPG North American Technical Center in Auburn Hills.

All three companies had considered competing locations in the Carolinas, among others.

Michael Shore, chief communications officer for the **Michigan Economic Development Corp.**, said the new KSPG tech center is among more than 300 business facilities and

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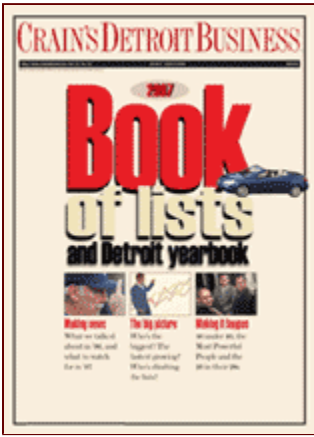
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startups devoted to research and development or laboratory work statewide. And those are just the ones his department knows about.

"There is no specific requirement to register or certify research work with the state," he said. "We don't necessarily know all that's going on."

Many of the projects are automotive-related and part of an ongoing shift away from labor and manufacturing to more scientific and technical affiliations with automakers.

"The car companies have always got to be doing R&D, regardless of where they are in the business cycle," he said. "You can close a plant in a downturn, but you don't close R&D unless you're in trouble. That means more stability."

The three proposals come in exchange for more than \$15 million in tax credits and abatements over several years approved last week by the **Michigan Economic Growth Authority**.

The KSPG site in Auburn Hills would become one of three global tech centers planned by Kolbenschmidt: one for North America, one in Germany and one in Japan.

A high-tech manufacturer of powertrain parts and a division of Germany-based **Rheinmetall AG**, KSPG is establishing a local tech center partly because of that global strategy and partly because North American OEMs have shown increasing demand for parts built to stringent European standards, Paul Klapproth, director of marketing for KSPG, said.

Kenneth Dalto, founder and owner of consulting firm **Kenneth J. Dalto & Associates**, said KSPG seems to be part of a trend toward new and developing companies helping American automakers acquire the technical or safety-rating edge of some European and Japanese counterparts. He also agreed that research and development is the new growth sector in auto.

"If you're a heavy metals or plastics producer, there's too much capacity with the automakers right now. The automakers are trying to shed some of those suppliers," he said. "The focus now is on companies that can help them make their cars more aerodynamic, more technologically advanced and reliable, and basically can help them compete."

And, for KSPG, growth has meant a need for space. The company currently has 45 employees in Southfield who will move to Auburn Hills.

"We need elbow room. Right now, we are practically on a system where we're counting on one person to be out of (the) office part of the day so someone else can use his desk," Klapproth said. "So we want to move this along. But we'd rather have that than the opposite problem, as a company."

After renovations to accommodate lab equipment, the company will lease more than 60,000 square feet, or two-thirds of the building, with an option to expand into the remaining third, he added.

Some of the jobs on the site will be new ones, and others will be transferred from other Kolbenschmidt operations elsewhere in North America.

Caraco CEO Daniel Movens said his company's expansion should be complete before the end of 2008 and would house mostly manufacturing and some storage space, allowing the company to give up a nearby facility it currently leases.

The company had considered a move to the Carolinas, but "to build there would be a transfer process of up to six months to establish licensing down there, and that would be an additional expense," Movens said. "And we are working to hold the line on expenses."

That, and the ability to keep established Detroit business connections and partnerships with local colleges for internships and employee programs outweighed the benefits of lower taxes in the Carolinas.

The company needs to expand mainly because it has more business. It hopes to increase production from 300 million pills per month in 2007 to 400 million per month by 2008.

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Paul Marcus, vice president of corporate development at **Spalding DeDecker Associates Inc.**, said the expansions at Caraco and KSPG reflect a local development trend toward more technically driven development projects — or a need for new office buildings or renovations to accommodate specific equipment and scientific needs.

“Caraco is kind of a specialty, but it comes under the greater umbrella of what we're seeing in development for the life-sciences and health industry,” he said. “But that's a success story of a company that went from (fewer than 10) employees a few years ago to hundreds, because of an infrastructure and support from the city and local partnerships.”

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