

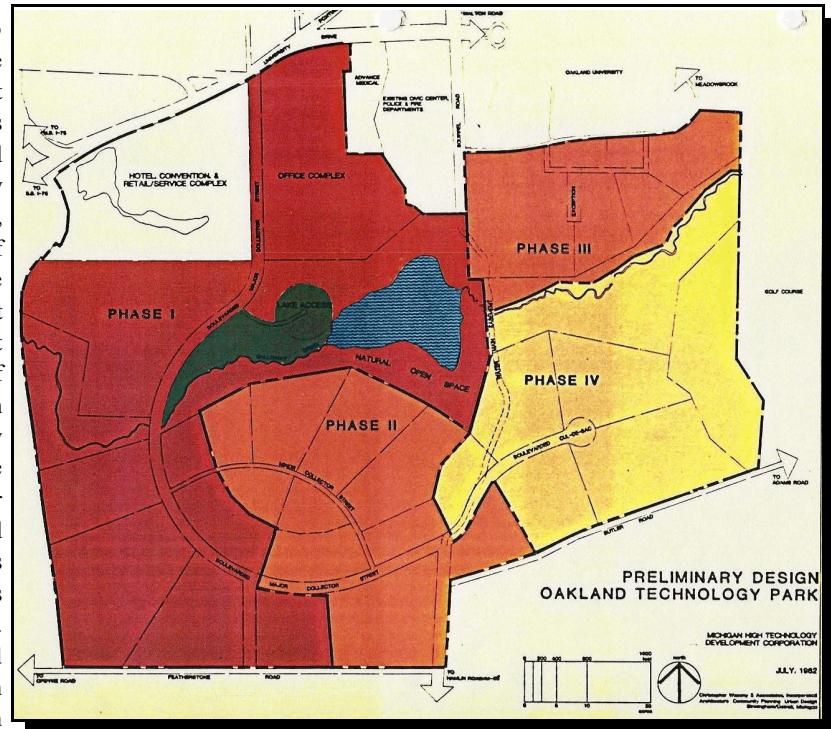
Oakland Technology Park

Statement of Problem

The state was in a state of severe recession. Unemployment was high. Governor Milliken organized a High Tech Task Force to work toward diversification of the state's employment base. The Task Force and the governor decided that the state needed a technology park similar to the Research Triangle in North Carolina to attract new industries. I was recruited from my job as Director of the Office of Economic Development to undertake a special assignment of implementing it.

Solution

1. The first steps I initiated was to determine the best location for the park. Different people had different choices. Ann Arbor was the obvious choice followed by a political compromise of a location equally located from Wayne State University, Michigan State, and University of Michigan. I determined that we needed to do a market study that would clearly document the best location. We organized a survey of every technology and research firm in the state of Michigan using every source we could find that listed these firms. The auto companies and major suppliers with research labs were all part of the survey as well as pharmaceutical firms. The surveys came back with surprising results. Ann Arbor was second and preferred primarily by small pure research firms. The success of the Research Triangle was that it attracted the manufacturing of high tech products as well as the engineering and design folks. The preferred location was along I-75, near Oakland University. As a precursor of the future, one of the firms indicating their future was Chrysler - their Engineering Director selected the I-75 corridor.
2. My study of research and technology parks indicated that pure research parks were generally small with small research firms. That is why we came up with the title Technology Park instead of Research Park. The larger ones included office facilities and manufacturing as part of its permitted use. Another key was that it needed to be located near a university. It does not have to be as elite as University of Michigan. It needed to have computer programming and engineering advance degrees to permit the technical staff continue their education in masters and doctorate degrees.
3. The next step was to look for a site. As these things go I happened to be a speaker at the Oakland University where one of the professors indicated that the school was having discussions in regard to selling a small part of the university for a research park (375 acres). I indicated that wasn't enough land. We then discovered



that the 750 acres next to the University was for sale. I entered into negotiations to purchase the private property. We negotiated a price of \$6,000/acre, payable as developed with a minimum of 40 acres being bought each year. Land price would increase with CPI. During this period Comerica purchased 225 acres adjacent to the southern boundary of the site for its Computer Center - a good adjunct.

As part of selling the entire Vision to the high Technology Task Force and to estimate total cost, we hired a firm to prepare a likely site plan under our direction. That initial design assumed that the Oakland University property would be included in the Park. This would create a 1,130 acre technology park. The proposed description is attached.

4. We had the concept, we had the acquisition. At this stage the governor decides not to run for office again. The task force decides not to proceed with the acquisition since they could not know what the position of the new governor. Comerica, who had already purchased property for their computer center on an adjacent parcel asked the task force for permission to implement the plan. We had created a Vision so strong that it was implemented by them. See attached article.

High-tech park brings high hopes

Largest of kind in Michigan

By TOM WALSH
Free Press Staff Writer

Almost three years ago, with the economy limping and state leaders agonizing over a brain drain from Michigan, Joe Champagne and Al Bogdan jumped in a Jeep and took a momentous ride.

Champagne was the new president of Oakland University.

Bogdan headed the Michigan Commerce Department's economic development office.

"It happened almost by accident," Champagne recalls. "I was making a speech here, and we got to talking about high-technology parks.

"I said, 'Hey, we've got some awfully good land here.' We hopped in a Jeep that day and drove around the property."

DOWN BUMPY dirt roads, like Squirrel and Butler, through rolling countryside in Auburn Hills and Avon Township, along busy highways like I-75 and M-59 they drove.

Some of the land was owned by Oakland University; some by Troy developer Sam Frankel; and some by partnerships of wealthy investors such as financier Max Fisher and federal judge Avern Cohn.

Today, 1,500 acres of that land is controlled by Southfield developer Schostak Brothers Inc., as a site for Michigan's largest high-technology

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story**

park.

Schostak Brothers chairman Jerome Schostak says his firm will design and market the park on behalf of a "consortium" that includes Oakland University, Oakland Community College, Sam Frankel and Comerica Inc.

PLANS FOR the Oakland Technology Park include:

- Development of land, bounded by I-75 to the west; M-59 and Oakland Community College to the south; Adams Road to the east; and Oakland University to the north, for use by companies in computers, robotics and related fields.
- Creation of approximately 20,000 jobs.
- Use of 350 acres owned by Oakland University as a "common area" for tenants of the park. A conference center and some transient housing for visitors may be built.

Comerica is the park's first tenant. Its \$20 million computer operations center will be ready for occupancy by 200 employees in June, and that number will increase to 1,000 next year, says Bruce Gibson, president of Comerica Realty Co.

SPIN-OFF BENEFITS from the park will provide a boost to OU, OCC and the surrounding communities.

"Even before the park was put together, just the talk about it really triggered some activity," says Avon Township assessor Leonard Kutschman.

"We've got a builder who's going to build



Free Press Photo by DAYMON J. HARTLEY

Schostak Brothers Inc. chairman Jerome Schostak says his firm will design and market the park on behalf of a "consortium."

two new subdivisions this year," he says.

For Oakland University, says Champagne, the park means "more consulting jobs for our faculty, co-op and intern programs for our students."

WHY LOCATE this park in Oakland, rather than near Ann Arbor and the University of Michigan, where three smaller research and technology parks are planned?

The two most important factors, Champagne says, were a study done by Bogdan and the 1982 decision by Comerica to locate in Auburn Hills (then called Pontiac Township).

"Comerica was like the goose that laid the golden egg," Champagne says. "They are a high class, high technology firm, and placing their computer facility here gives an anchor to the park."

Comerica bought 210 acres last year and started to build a four-story operations center on a 30-acre parcel. The other 180 acres are available for sale or lease to new tenants of the high-tech park.

It's uncertain, however, whether future park tenants will receive the same 50 percent tax

See PARK, Page 10A

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PARK, from Page 1A

break and other government incentives that stirred controversy when they were granted Comerica last year by Pontiac Township.

Comerica's vacant 210-acre parcel was included as the largest part of the township's Downtown Development District and Redevelopment Area, a move that raised howls of protest from some legislators in Lansing.

They claimed that Comerica and Pontiac Township were "subverting the intent" of laws created to assist rundown cities, by using downtown development legislation to "develop a cornfield."

Rep. Michael Bennane, D-Detroit, and Sen. Harry DeMaso, R-Battle Creek, both accused Pontiac Township of misusing economic development incentives to "pirate" jobs and businesses like Comerica away from Detroit.

House Bill 4547 — which contains an anti-raiding clause and a provision that areas included in a downtown development district must have been used "principally for business for at least five years" — was introduced by Bennane last year and passed the House last month. It awaits action before DeMaso's economic development committee in the Senate.

Greg Mann, aide to Bennane's urban affairs committee, says the bill "wouldn't undo what was done for Comerica, but it would ensure that it doesn't happen again."

DeMaso REQUESTED an opinion from Michigan Attorney General Frank Kelley last year on the legality of the Comerica-Pontiac Township arrangement, but has not yet received it.

"What I want to prevent is this animosity when one Michigan community robs from another. That's not what the legislation was intended for," DeMaso said in a recent telephone interview.

"What Comerica and Pontiac Township did wasn't right. Downtown development laws weren't passed to help develop cornfields."

"But maybe they used that law because there isn't legislation on the books that specifically addresses incentives for high-technology companies to locate here. Maybe if we tighten up the downtown development laws (with H.B. 4547), we should prepare some other legislation to assist in the high-tech field," DeMaso said.

ALTHOUGH LANSING has yet to produce any legislation to help attract high technology, it was there that the first seeds were sown for what finally became the Oakland Technology Park.

Long before Comerica's move, Bogdan had developed the blueprint for the park.

"Gov. Milliken had formed his high-tech task force, and they wanted to look at technology parks," says Bogdan,

Largest of kind in Michigan

who left the Commerce Department last November to do private consulting work.

"I took a nine-month leave of absence from Commerce back in 1981 to see if we could replicate the North Carolina Research Triangle concept here in Michigan."

WHAT BOGDAN discovered was that Oakland County had a greater concentration of high-technology companies than the Ann Arbor area.

"Of all the computer company jobs in Michigan, 54 percent were in Oakland County, compared to 24 percent in the Ann Arbor area," he says.

"Also, they had a smaller park under way near Ann Arbor, and in terms of the available work force, Ann Arbor's needs were pretty well taken care of."

Selection of the site near OU was a natural, he says. "There was a lot of land, and only three or four property owners, which made it easy to assemble," he explains.

In mid-1982, Bogdan's recommendation for the Oakland Technology Park was endorsed by the governor's task force.

"Initially," he says, "we were thinking that the state might set up a non-profit corporation to develop to park, like parks in other states."

"But the task force didn't really have a budget. And with a change in administrations coming too, the state decided it didn't want to be in the land development business.

"So the task force decided to seek out a private developer. And that's when Comerica came on the scene."

THE TECHNOLOGY PARK took shape last year when OU, OCC, Comerica and Sam Frankel formed a "loose confederation," Champagne says.

An option was acquired to buy a 750-acre parcel east of I-75 that was owned by a 19-member partnership including Avern Cohn, Max Fisher, Sam Frankel and several partners in the large Detroit law firm Honigman, Miller & Schwartz.

Comerica pledged the remaining 180 acres of its 210-acre parcel to the park. Frankel's Avon Township property east of the Comerica site was also included, along with Oakland University land for the "common area."

Champagne met with Oakland County Executive Daniel Murphy and Joseph Joachim — now director of the county's economic development group — to start planning the park's road and sewer systems.

And last August, the consortium hired Schostak Brothers, Michigan's largest commercial real estate developer, to assemble the land, design the park and then sell it as a site to high-tech firms.

PHIL HOUDEK, manager of the Oakland Technology Park project for

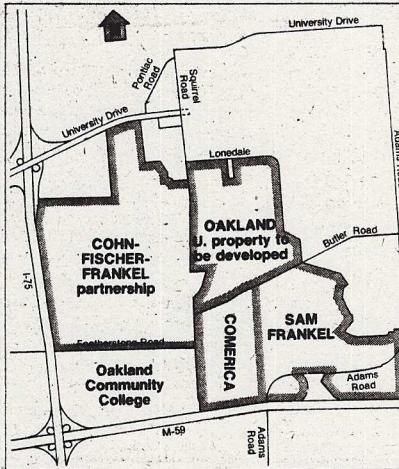
manufacturing operations for companies that specialize in emerging technologies.

"The emphasis would be more on applied technology than on pure research," he says, "companies that could use the technical schools in the area to provide advanced degrees for some of their employees."

Bogdan's plan, subject to modification by Schostak, calls for a low-density development.

"These high-tech companies like a lot of open space," Bogdan says. Buildings would make up 20 percent or less of the whole park, he says, with the natural setting preserved as much as possible.

"I'm very confident that the project is feasible," Bogdan says. "From the standpoint of impact on the region, it's phenomenal. It can change the whole image of the area."



Free Press Map by ROY BEAVER

Major land parcels of Oakland Technology Park.

"Comerica was like the goose that laid the golden egg," says Oakland University president Joe Champagne.

AREA DESCRIPTION

The 1,130 acre Oakland Technology Park is located in Pontiac Township, between the entrances to Oakland University and Oakland Community College.

I-75 acts as its westerly boundary and provides easy and fast access to downtown Detroit, and North to Michigan's ski areas and vacation areas. M-59, which is easily reached from the southern edge of Oakland Technology Park, provides easy west-east access, bringing Livingston County and St. Clair County to within one hour.

The location of the Silverdome, a domed stadium to the southwest of the site, and the Meadowbrook Festival to the northeast, means that the roads system has been designed to carry large numbers of people over a short period of time. The location allows commuters to travel easily, generally in the opposite direction of the normal traffic flow to Detroit.

Within a one-half hour drive of the site is located a full variety of reasonably priced housing and life-styles suitable to everyone's taste. To the north are rural areas with an abundance of farms, state and regional parks, and wide open spaces. Nearby we have the prestigious communities of Bloomfield Hills and Birmingham, and the very attractive residential areas of Avon Township, Rochester, and Troy. Next door is the small urban center of Pontiac, with a large urbanized residential area to the south, along the I-75 corridor into Detroit.

The Township's police service, as well as the Township Hall, are located on property abutting the site on Squirrel Road. The Township is expected to be incorporated as a city in early 1983.



PROJECT DESCRIPTION

The Oakland Technology Park is being designed as a high quality campus style exclusive office, industrial research park. The park design will require maximum preservation of the forested area, the terrain and open spaces. It is our intent to design the most attractive, prestigious, and exclusive technology park in the mid-west.

The Oakland Technology Park has a rolling, wooded topography, with Galloway Creek bisecting in a west-east direction. The terrain is perfectly suited for a technology oriented campus style manufacturing/office/research park. The plateaus and soil conditions are adequate for building roads, parking, and buildings except in the lowlands and narrow flood-plains along Galloway Creek. Galloway Creek acts as the storm drain for the area.

Our plan calls for the construction of a four lane (155 ft. wide) divided boulevard which will bisect the project in the north-south direction. The road will enter from University Drive, which serves as the entrance to Oakland University, and from Featherstone, opposite the entrance to Oakland Community College. It will be designed to flow with the terrain with minimum disturbance of land and trees. The grassy landscaped divides will be lighted throughout. It will be designed to discourage through traffic - the Oakland Technology Park is a destination.

All internal streets will be curvilinear and designed in harmony with the natural topography and drainage. A lake will be established in the lowland area by damming Galloway Creek. The creek and the lake will act as the retention pond for the "Park". The creek and the lake will become natural boundaries between different tenants.

The site is presently served with a sixteen inch water line running north-south along Squirrel Road. A major sewer line serves the site and runs generally along Galloway Creek. Telephone and gas service is also available. Electricity will be provided underground from two separate substations to each site in order to assure uninterrupted power for computer operations and other operations dependent on assured power. Switching would be performed by each tenant.

All utilities will be extended along the internal road structure to provide ready access to all tenants.

Discussions are underway presently to have Michigan Bell wire the site with fiber optics to provide the latest technology in telecommunications.

Covenants have been established to protect all tenants and to assure that all site plans and buildings are compatible with the high quality design of the Oakland Technology Park. All tenants will be required to meet the following minimum standards:

- . No more than 25% of the site surface can be covered by buildings.
- . No buildings may be higher than four stories or 50 ft., whichever is lower.
- . No less than 35% of the site must be kept in a natural state or as landscaped open space.
- . Minimum setbacks will be 125 ft. on all four sides with no parking or structures except signs and internal roadways allowed in the area.
- . Buildings will be setback from common internal roadways an additional 25 ft. for each additional story added to the building above the first.
- . Signage will be controlled.
- . All site plans and building designs will have to be approved by a design review committee, made up of tenants and owner representatives.
- . Parking will be landscaped either through the use of berms or trees, so as not to be visible by a driver sitting in an automobile on any of the roadways except on internal streets on the tenant's site.
- . Lots can not be smaller than 10 acres.
- . Limitations will be placed on noise, odor, vibrations, etc., as measured at the property line.
- . The destruction of trees or disturbance of the natural terrain must be minimized by the site design.

All site boundaries shown on the site plan are for initial planning purposes. Property boundaries will be established using natural separations and terrain to the extent feasible. For instance, Galloway Creek will be one probable site boundary, the lake will be another. In all cases the design will act to improve the aesthetic appeal of the site.

To assure control over site design and to reinforce the Oakland Technology Park as an exclusive prestigious location, sites will only be available on a 99 year prepaid lease basis. This will assure life-long control of the design of the Oakland Technology Park.



INCENTIVES

The staff of the Oakland Technology Park will work with you to assure that all incentives offered to business in Michigan are offered to its tenants. Some of the incentives include:

Property Taxes

The Oakland Technology Park will be established as an Industrial Development District under Public Act 198 of 1974. Under this act firms having manufacturing operations in Michigan or establishing a manufacturing operation in the "Park" will be eligible to obtain a 50% reduction in their property taxes on their new investments for a period up to 12 years. However, if jobs will be relocated from other Michigan communities, permission must be obtained from the other community before the tax break can be granted by Pontiac Township.

Financing

Tax free industrial revenue bond financing can be obtained from the Oakland County Economic Development Corporation or the Michigan Job Development Authority if the total capital cost of the project is less than \$10,000,000.

Labor Training

The Michigan Department of Labor, at no cost to you, will design a training program suited to your needs. The State will prepare training manuals, recruit workers, and train them both in classrooms and on the job, to your specifications. Audiovisual aids including slides, video or film will be prepared as required.

Your own personnel will be hired to perform the training, if necessary. A community college normally becomes a full partner in the process. The location of Oakland Community College adjacent to Oakland Technology Park makes them a convenient and appropriate partner.