

Lean and Green

EFFICIENCY DRIVES REDEVELOPMENT

Can one 300-acre business park make a difference?



Dear Friends:

A leader is a dealer in hope.

From the folklore of ancient warriors to yesterday's news about modern heroes, history repeats this idea time and again.

It really strikes a chord with those of us who have traveled the journey of Mound's redevelopment. Armed with the vision of Mound as a thriving business and technology park and the support of a hopeful community, the Mound Development Corporation has been able to lead the former defense site to a bright and productive future.

Recently we took on another challenge: an initiative to promote energy independence for our country through conservation, demonstration, community education and support for the development of alternative energy technologies.

The program, which began with the installation of a "green" heating, ventilation and air conditioning system in a single Mound building, has grown to include additional campus buildings, systems and technologies. In total, these improvements have resulted in a 14 percent reduction in usage, along with savings passed on to Mound tenants.

Further, to encourage energy education and networking, MDC has sponsored seven forums that have brought together companies, innovators, end users, financial experts and policy makers – 750 people in all – who have connected with each other around the goal of conservation. And our local electric provider, DPL, has installed a solar array on the Mound campus. Finally, MDC staff has provided leadership to the Energy Communities Alliance in the effort to guide national policy regarding the reuse of former Department of Energy sites as energy parks.

Do leaders deal in hope? We think so. MDC's efforts to lead change in the way energy is used have been fueled by a vision of stability and independence for our country as well as business growth, innovation and prosperity for the Dayton Region.

Our experience with Mound's transformation has opened doors to new opportunities for leadership. We welcome them with hope, tenacity and commitment to the notion that even one 300-acre business park can make a difference.

Sincerely,

Board of Directors

Mound Development Corporation



Lean and green: Efficiency drives redevelopment

2011 was transformative for the Mound Advanced Technology Center. As an economic development organization, we at the Mound Development Corporation were at last able to channel all our energy into redevelopment and the creation of a new brand identity for Mound as a modern business and technology park where innovative companies thrive.

During 2011, our **focus was on redevelopment**. We were determined to pursue only those initiatives and activities that would support our existing tenants and make the site more attractive to new businesses. As board and staff, we examined the best ways to do this in alignment with our resources and core capabilities.

Providing the best value

Our conclusions were surprisingly simple: MDC could best serve both existing and potential clients by providing the best value in terms of facilities, services and business environment to help them maximize their bottom line.

Efficiency, then, became the driver. We focused on lean and “green” strategies, zeroing in on those projects that would result in minimizing MDC’s expenses and passing those savings along to tenants. We also partnered with several Mound companies to maximize their opportunities to attract research funding, new business, growth and prosperity.

Reducing energy consumption by 14 percent

In 2011, MDC used grant funds to implement “green” projects that reduced energy costs by 14 percent. The good news for tenants is that these **savings have been passed along** to them. At the same time, the lower costs will help to make the site more attractive to prospective clients.

Marketing is another area with opportunities to implement green efficiencies. By increasing our use of electronic media to communicate with our stakeholders, we were able to reduce material and costs.

2011 was a year of positive steps toward building the Mound Advanced Technology Center brand as a business and technology park that focuses on providing value to its clients and energy leadership to the community.

In the new Mound’s inaugural year, we designated **“lean and green” as our approach to driving redevelopment**, because it’s good for our organization, our clients, our prospects and our country.

In 2011, all the priority areas of our operation were viewed through the lens of efficiency. The following report describes our progress in these key areas and our plans for the immediate future.



Key Area: Economic Development

MDC measures redevelopment success in terms of businesses located, jobs created and space leased at the Mound Advanced Technology Center. By the end of 2011, we had **facilitated the creation of 841 jobs since the Mound development project’s inception**, and 13 companies were operating at the site. Last year all existing leases were retained, with a total of 169,816 square feet of space under lease at the end of 2011.

Promoting tenants’ success and prosperity

Mound’s success is measured on the vitality of the companies doing business here, and we’ve invested in helping them achieve it. Of the 13 companies located at the Mound Advanced Technology Center, six were started in the mid-1990s by Mound scientists-turned entrepreneurs and nurtured in the Mound business incubator. In 2011, **MDC focused tightly on efficiencies that would minimize tenants’ costs and help to position them for growth** or improved profitability.

In addition to sponsoring events that promote positive relationships with our tenants, we were pleased to contribute to the successes of these Mound companies in 2011:

INORGANIC SPECIALISTS

Five years ago, Inorganic Specialists began to research and develop silicon-coated carbon nanofiber paper that enhances the performance of energy-storage devices such as fuel cells and lithium ion batteries. Last year, the company received a \$1 million Ohio Third Frontier grant to demonstrate the potential for commercial manufacturing of this game-changing technology. The company relocated its production equipment to an existing, 3,000-square-foot facility at Mound from sites in California and South Carolina. **MDC provided \$50,000 in project management services and building improvements** to create the production space, designating this contribution as part of the local matching funds required by the state grant.

MOUND TECHNICAL SOLUTIONS

Over the years, Mound Technical Solutions has made a name for itself with its breakthrough advances in fuel-cell testing equipment. Most recently, **the company was one of four organizations partnering with Inorganic Specialists on the Third Frontier pilot project** for the commercial production of silicon-coated carbon nanofiber paper. The goal is to have the pilot-scale papermaking units to increase the size of the paper from the small squares created in the lab to continuous rolls of sheet material.

EXCELITAS

Excelitas Technologies Corporation, a company that develops and manufactures high-tech products for the aerospace and defense industries, grew from 45 employees in 2007 to 75 in 2011. Revenues also have seen dynamic growth. Last year, the company moved into newly renovated facilities made possible through **shared investments** by the company, MDC and the Montgomery County ED/GE Program. 2011 also saw **MDC begin design work** on a \$4.5 million road project, and **complete the removal of two buildings to allow for a 115-space parking lot** to be built for Excelitas. The completed project will give the company an attractive front door that better projects its high-tech character.

MOUND LASER & PHOTONICS CENTER

A leader in the manufacturing of next-generation medical devices, Mound Laser & Photonics Center enjoyed outstanding growth in 2011. After doubling sales in 2010, the company repeated its performance in 2011, while hiring ten new employees and bringing total employment to 42. To accommodate additional laser equipment and the need for a cleanroom, Mound Laser added laboratory facilities. MDC prepared the new space by restoring cleanroom capabilities, installing new plumbing, compressed air and a water-filtration system and upgrading lighting for energy efficiency. **The building improvement costs were shared by MDC and Mound Laser & Photonics Center.**

These technology areas reflect core competencies found historically at Mound Labs and are well represented by industry-leading, innovative companies located at the Mound Advanced Technology Center today.

Advanced Materials

Inorganic Specialties
Iya Technologies
Pinnacle Systems

Advanced Manufacturing and Testing

Mound Laser & Photonics Center
Precision Joining Technologies
Excelitas Technologies
National Discovery Center

Emerging Energy Technologies

Excelitas Technologies
Mound Technical Solutions
Inorganic Specialties
Environmental Technologies
EHS Technology Group
Westvaco

Information Systems

Montgomery County Regional
Dispatch Center



Inorganic Specialists improvement



Excelitas staff



Iya Technology Laboratories staff

IYA TECHNOLOGY LABORATORIES

Iya Technology Laboratories, a company that specializes in environmentally friendly chemical technologies, cemented an international business relationship with the Nigerian government in 2011. Through this agreement, Iya will evaluate the quality and safety of products and raw materials entering that country, where substandard, counterfeit products take a toll on the health and safety of its 150 million people. The project also promises to add 30 new jobs. **MDC helped the company plan and execute a media event** to mark the signing of the pact by Iya and Nigerian government officials.



Mound Science and Energy Museum

MOUND SCIENCE AND ENERGY MUSEUM

The grand opening for the newly relocated Mound Science and Energy Museum was held in 2011. The **10,000-square-foot facility is being provided, rent-free, by MDC.** In exchange, the museum will refurbish and maintain the building as its permanent home. Already volunteers have invested thousands of hours collecting, identifying, organizing and moving the museum's vast collection. Museum officials plan to reconfigure the space and create state-of-the-art interactive displays where visitors learn about history, science, technology, engineering and math. Students of Wright State University's graduate program in public history are developing the plans.



Vanguard Boulevard improvements

Key Area: Improvements

Since the beginning of the Mound project, MDC has followed the steps identified in the Mound Reuse Plan, a redevelopment roadmap adopted at the beginning of our process in 1995. Since then, the plan has been revised once, and **more than \$23 million has been invested in making the improvements necessary to create an attractive site** competitive in the marketplace.

Carrying out capital projects

In 2011, MDC was deliberate in focusing on projects that would help attract new tenants, allow Mound companies to grow or improve their bottom line and keep site buildings in good repair.

Two years ago, **MDC competed for – and won – a \$3.5 million grant** from the Ohio Jobs Ready Sites Program for a capital project to further develop the high-functioning business environment important to our tenants' success. Thus, the design phase of the \$4.54 million Vanguard Boulevard extension was completed in 2011. This project will eventually improve site circulation and connect the northern and southern entrances to the Mound campus, adding 3,300 feet of paved roadway along with water, sanitary sewer, storm sewer, curbs, gutters, street lights, sidewalks and landscaping. The project also involved the removal of two buildings to make way for a parking lot to be built for Excelitas Technologies, located at 1100 Vanguard Blvd. The building demolition was completed in 2011, and roadway and parking lot construction will begin in 2012.

Making tenant improvements

What's good for our tenants is good for MDC. Thus one of our core competencies is the capacity to help tenants satisfy their building improvement needs. MDC's role may include planning, implementing and/or managing the projects as well as financial participation.

In 2011, we completed major tenant improvement projects for Excelitas Technologies, Inorganic Specialists and Mound Laser & Photonics Center.



Vanguard Boulevard improvements



Building 2 demolition

Key Area: Marketing

The big news for the marketing of the Mound Advanced Technology Center in 2011 was the **emergence of the new and improved, post-cleanup Mound brand.** With the site's Cold War environmental legacy overcome in 2010, Mound marked its new future with a new name, a new look and new messaging. Changes came in a number of areas:

- The Miamisburg Mound Community Improvement Corporation became the Mound Development Corporation, more clearly representing our marketing and economic development focus.
- The Mound website was redesigned to make a more powerful marketing tool.
- The Mound Advanced Technology Center logo was changed to align with that of MDC and reflect the site's new beginning.
- MDC's newsletter and other publications were updated to create a consistent image among communication tools.
- Updated signage, displaying the new Mound logo, was created to replicate the visual images found on the website and in publications.
- A new, flexible, modular trade show booth display was created and put into use at various events.

We were able to realize significant cost savings in marketing by implementing simple changes in delivering our publications and other communications. This simple strategy **eliminated thousands of dollars in printing and mailing costs while also preserving natural resources.**

Our marketing efforts will also get a boost in the near future with the completion of the Vanguard Boulevard project, which has been funded through the state's Jobs Ready Sites Program. At the end of that project, Mound will be added to a state database as **one of a select few sites to be promoted to Ohio prospects through the state's site-seekers' program.**



Key Area: Energy Leadership

Given the Mound site's history and the energy technologies under development by some of our businesses, leadership in energy education and demonstration are natural roles. In 2009, MDC committed to becoming "net zero" of external energy consumption through conservation and renewable energy measures. We believe that our energy initiatives are not only good for the environment and our nation's energy independence from foreign oil, they also help Mound businesses because **MDC can pass along the resulting cost savings** to them.

Improving site systems

In 2011, **four major energy improvements to monitoring and controls of HVAC and lighting systems** were implemented in two buildings on the Mound campus. Funded by a \$260,000 Making Efficiency Work grant from the state of Ohio, the projects resulted in a 14 percent reduction in energy usage. These new efficiencies add to the savings realized through our first phase of energy-saving measures, implemented in 2008.

Moving forward, we will consider the results of 2011 building audits and continue to prioritize the projects implemented based on return on investment.

Educating and connecting the right people

In 2011, MDC sponsored and organized a seventh Energy Roundtable. The subject of the roundtable was financing energy-conservation projects, which gave dozens of policy makers, business owners, power company representatives, manufacturers and financial professionals **the opportunity to share ideas and information on financing energy** while also expanding their networks.

Advocating for DOE asset reuse

In 2010, MDC joined a nationwide campaign organized by the Energy Communities Alliance to encourage the Federal government to establish energy parks at former defense nuclear facilities. Even before such legislation was proposed, we seized this concept and introduced the Mound Energy Initiative in 2009. Proponents argued that such parks would allow DOE to reduce its footprint nationwide, while communities reuse valuable assets to create new jobs, economic development opportunities and private-sector partnerships. We agree.

Last year, the proposal came to fruition with the passage of the 2011 National Defense Authorization Act. The bill required the creation of a DOE task force on asset reutilization to outline directions and action steps. The task force has concluded its work, and DOE is using the group's recommendations to develop an implementation process.

As an early adopter of the energy park concept, **Mound is well positioned to take advantage of energy-related opportunities that may emerge from the task force's work.**

Key Area: Resources

Like most businesses in 2011, MDC faced budgetary constraints due to the worldwide financial crisis. But by adopting new, lean strategies, MDC has stayed financially viable. In a slow leasing market, we have found **ways to reduce operating and maintenance costs in leased and vacant buildings.**

Also, MDC's role has changed since the completion of environmental cleanup in 2010. With marketing as the organization's new focus, we were able to redefine responsibilities and trim costs. These **belt-tightening measures took organizational efficiency to new levels.**

Key Area: Strategic Partnerships

The right connections can help companies solve problems, save money and expedite growth. At MDC, we maintain strong networks with technical, educational and economic development groups, thus **providing a conduit for Mound tenants to connect with these powerful organizations.**

Since the beginning of the Mound redevelopment project, we have worked with organizations in and around the Dayton region to leverage their expertise.

Key Area: Planning

Looking to the near-term future, our priority will be to strategically invest in activities that will **leverage marketing benefits and generate the greatest return** in support of Mound tenants' success. Our priorities for Mound will be to

- Expand internal and external roadway access
- Capitalize tenant improvements
- Promote energy efficiency
- Provide economic development services
- Support tenants with Enterprise Assistance services
- Promote downtown Miamisburg's renaissance and STEM education with the Mound Science and Energy Museum.

With these priorities identified, we have the criteria to gauge every idea and initiative based on its alignment to MDC's lean and "green" goals. This will keep efficiency in the forefront of our thinking and guide our decision making.

2012 and beyond

2011 was a pivotal year for Mound. It was a year spent discovering, defining and building the Mound brand. While this identity is still evolving, certain dimensions of it are clear: We are a site where efficiency is seen as a means to enhancing tenants' success and prosperity. We are a site where energy conservation and leadership are priorities. And we are a site where innovation meets lean and "green" practices to drive redevelopment.





P.O. Box 232

Miamisburg, OH 45343-0232

Phone 937.865.4462

Fax 937.865.4431

info@mound.com

www.mound.com

PRESRT STD
U.S. POSTAGE

PAID
PERMIT NO. 1080
DAYTON, OH

