

MIDLAND TOMORROW GROWING OUR FUTURE

PRESIDENT'S AND CEO'S MESSAGE

Midland Tomorrow's economic development philosophy of "Economic Gardening" maintains that while it is important to plant new "seeds" in our economic garden (attracting new investment and jobs), we must also nurture our existing "crops" (current Midland County businesses). This year, this dual-focus philosophy led to steady economic growth in a number of areas, from assisting with expansions at the world's largest chemical company to extending potable water to businesses along M-30 as well as partnering with Michigan universities to assist entrepreneurs and develop second-stage technology companies. We were pleased to assist with economic development expansions in industry sectors such as printing, manufacturing, research, pharmaceuticals and chemicals.



To ensure a productive garden, we aligned our ideology with our strategic plan. To better assist industry, we began utilizing a new business information system to analyze data collected during the 65 retention visits conducted since January. To enhance communication with prospects and

Mission Statement:

To enhance the quality of life for Midland County residents through the retention and creation of good jobs and the diversification of the economic base.

investors, we redesigned our website and launched an electronic newsletter. Our clients view the

Midland/Bay/Saginaw area as a region, so we partnered with our peers to develop a Tri-County Community Profile to be distributed to prospects, and we hosted a tax seminar led by Congressman Dave Camp. Midland Tomorrow also led a life sciences conference that attracted 150 participants from the Midwest. And, we have organized and participated in numerous meetings with residents, health officials, legislators and government representatives to help insure the resolution of the dioxin situation in the Saginaw Valley is based on sound science.

A diverse garden requires diverse resources to flourish. Recently, we successful-

ly completed the first phase of our "Catalyst for Growth" campaign. The three-year campaign engineered to increase investor support from both the public and private sectors will provide us with a stable financial foundation.

Our garden thrives because many skilled gardeners work together to cultivate our crops. Thanks to our economic development partners and investors for their support and to our Board of Directors for their leadership. Working together, we will continue to work to help Midland's economic garden grow.

David B. Ramaker, *President*

Jenée L. Velasquez, *Chief Executive Officer*

PROJECT HIGHLIGHTS

The Dow Chemical Company – Project Daytona

The Dow Chemical Company is the world's largest chemical company and the third largest revenue company in Michigan. When Dow had to suspend a \$230 million site rehabilitation project, they worked with Midland Tomorrow, the City of Midland, and the Michigan Economic Growth Authority to secure tax abatements and Brownfield Single Business Tax credits necessary to consolidate three of their automotive urethane production facilities to new facilities in Midland. The consolidation, dubbed Project Daytona, will create and retain a total of 109 jobs by 2009 and provide \$132 million in new investment.



The M-30 Water Project

Since the mid-1990's, International Engineering & Manufacturing, Inc.'s expansion plans have been constrained by the lack of potable water. In 2004, Midland Tomorrow assisted with securing a \$350,000 Community Development Block Grant and \$590,000 in additional funding that was used to extend approximately



four and one-half miles of 12-inch water main from Water District

#1 to Edenville, Hope, Jerome and Lincoln Townships. Construction is completed and 25 new jobs have been added at International

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TREASURER'S MESSAGE

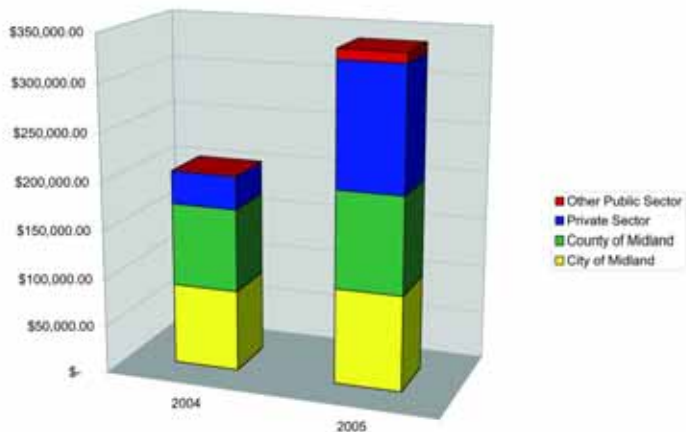
In 2003, we prepared financial projections through 2009. By the end of our analysis, we concluded that between 2007 and 2008, sales of lots in our industrial parks would no longer provide sufficient funding for our operations.

We addressed this financial challenge with two initiatives. First, we requested conveyance of the balance of a parcel of property east of Eagle Ridge Industrial Park, held by The Dow Chemical Company. We plan to proceed to develop the infrastructure to prepare the parcels for future sale.

Our second initiative involved reducing our dependence on lot sales as our primary source of financing. In 2005, we instituted a three-year Catalyst for Growth fund development campaign to create a broader base of public and private support. Thanks to the leadership of our Board of Directors, staff and generous investors, the first year of the campaign exceeded the goal, and we are on the path to a more stable financial position.

Karl Tomion, *Treasurer*

Catalyst for Growth



EVENTS THROUGH THE YEAR

■ On June 23, 2005 Midland Tomorrow and the Midland Area Chamber of



Commerce hosted Michigan's First Gentleman Daniel Mulhern for two forum discussions about State issues and Gentleman Mulhern's mentoring initiative. The discussions were well attended and sparked lively dialogue.

■ Midland Tomorrow is collaborating with Saginaw Future and Bay Future to promote the Midland-Bay-Saginaw region, through an effort called Vision Tri-County. A Tri-County Community and Economic Profile has been developed for distribution to attraction prospects and educational institutions.



■ On October 3, 2005 we will host our third annual Awards Program. The program honors local businesses, organizations and individuals who have contributed their time and talent to help grow Midland County's economy.

■ Midland Tomorrow assisted the Rollin M. Gerstacker Foundation by organizing a trip for 40 community leaders to tour the Millennium Park and Meijer Gardens in Grand Rapids. Participants had the opportunity to learn how Kent County increased its recreational, educational and economic development opportunities along its riverfront.

■ On April 11, Midland Tomorrow and the Midland Area Chamber of Commerce hosted our second annual Legislative Luncheon. A panel consisting of Senator Tony Stamas and Representatives Dave Camp, John Moolenaar and Bill Caul discussed current initiatives in Michigan and national government with over 180 attendees.

Similarly, in a study by the Michigan State University Community and Economic Development Program, Midland County was ranked as an Overall Knowledge Economy Leader - the only county in mid-Michigan to receive this designation

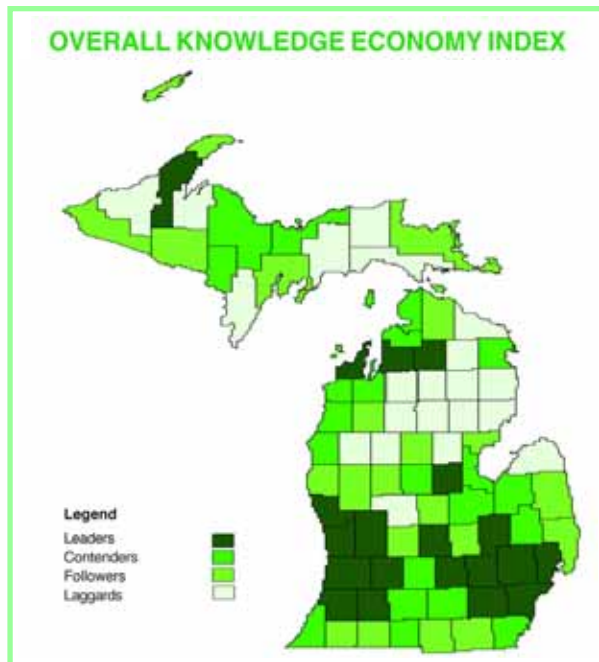


Photo Credit "MSU Knowledge Economy Research Group, a part of the Community & Economic Development Program at Michigan State University."

In the last five years, Midland County has had to deal with the effects of a stagnant economy. Our labor force and employment numbers were down in 2003 and 2004, and unemployment peaked in 2003. However, looking at the trends from 1970 to 2004 gives us a better perspective on today's economy. We have a strong labor force today with relatively low unemployment levels.



As we look toward the future, we see Midland well positioned for the new economy. One of the key new economy indicators tracked by economists is education levels. Midland has above the U.S. average number of degreed engineers, scientists, and professionals.

Education Attainment						
County	Bay	Midland	Saginaw	MSA	Michigan	US
Population over 25	74,146	53,497	135,198	262,841	6,415,941	52,168,981
High School Graduate or Equivalent	37.0%	30.0%	36.2%	35.1%	31.3%	28.6%
Some College, No Degree	23.3%	21.3%	22.1%	22.3%	23.3%	21.0%
Associates Degree	8.0%	8.4%	7.4%	7.8%	7.0%	6.3%
Bachelors Degrees	9.7%	17.6%	10.5%	11.7%	13.7%	15.5%
Graduate or Professional Degree	4.4%	11.6%	5.4%	6.4%	8.1%	8.9%

PROJECT HIGHLIGHTS continued

Engineering. Approximately 80 other residential and commercial water connections will also be made.

Coleman Industrial Park

Midland Tomorrow assisted the Economic Development Corporation of the County of Midland with the establishment of an industrial park adjacent to US-10 in Coleman, consisting of 65 acres of fully serviced parcels that



range in size from 0.9 to 6.2 acres. The park is zoned Industrial-1 (light manufacturing) and is serviced by a new street and 10-inch

water and sewer mains. This quality infrastructure, combined with the park's proximity to a major highway as well as to international packaging company Huhtamaki, provides an ideal location for manufacturing companies of all sizes and stages of growth, from newly formed ventures to branches of established corporations. Contact Midland Tomorrow for more information about locating your business in this dynamic area.

Entrepreneur Support

Subsequent to the successful technology conference, MidTech Life Sciences and Beyond, staff members have used the Life Sciences Technology grant from the Michigan Economic Development Corporation for the benefit of Midland's entrepreneurs and second-stage companies. Three new clients have been given access to Michigan State University faculty and resources as part of program in 2005, in addition to the already established client base. Also as part of the program, staff collaborated and shared booth space at the fourth International Dendrimer Symposium in Mt. Pleasant with Dendritech, Inc.





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INVESTORS:

\$5,000 or more

Chemical Bank & Trust
City of Midland
County of Midland
The Dow Chemical Company
Dow Corning Corporation

\$1,000 - \$4,999

Andrews Hooper & Pavlik PLC
Burnside & Lang PC
CBM Services Inc.
Citizens Bank
Consumers Energy
Deloitte
Delta College
Fifth Third Bank
Fisher Contracting
Fisher Sand & Gravel
Gerace Construction & Design Services
McKay Press, Inc.
Midland Cogeneration Venture
MidMichigan Health
National City
North Coast Technology Investors, LP
RE/MAX of Midland
Saginaw Valley State University
Savant, Inc.
Three Rivers Corporation
Wolgast Corporation
Wolverine Bank
Yeo & Yeo PC CPAs

\$500 - \$999

Bailey Insurance Agency
Central Michigan University –
Research & Technology
City of Coleman
Homer Township
Hutamaki Plastics
leuter Insurance Group
Ingersoll Township
International Engineering &
Manufacturing, Inc.
ITH Staffing Solutions
Jerome Township
Larkin Township
Lee Township
McAlvey & Associates
McMahan Thomson & Associates
CPAs PC
Quality Air of Midland
Quick Reliable Printing
Rapanos Enterprises
The Rehmann Group
Rider Type & Design
The Rossman Group
SPACE, Inc.
Jenée and Christian Velasquez
Wolverine Interiors Inc.

Up to \$499

AFLAC
AGP & Associates Inc.
Allied Office Interiors
Allis Information Management Inc.
Allstate Insurance

AMPM Inc.
ARP Services LLC
Boychuck Insurance
Braun Kendrick Finkbeiner PLC
Caltech Industries Inc.
Corrosion Fluid Products
Corporation
Currie Kendall
Davenport University
Dow-Howell-Gilmore Associates Inc.
Edenville Township
Education & Training Connection
ElectroPanel
Envicare Consulting Inc.
Fairview Inn
Farm Bureau Insurance
First American Title Company
Geisler Enterprises Inc.
Geneva Township
Greendale Township
Holiday Inn
Hope Township
Lincoln Township
Liquid Molding Systems
Mar-Quest Research
Marriott Hotels & Resort
Mashue Printing
MBS Airport
McArdle Pontiac-Cadillac-GMC Truck
MCI Insurance
Michigan Insurance Associates/LRL
Inc.
Midland Country Club

Midland Motor Inn
Miller Insurance Group
Mills Township
Mt. Haley Township
Tim Nash
New Tech
Omni Tech
Pilgrim Technology
Pumford Construction
Saginaw Bay Underwriters
Spherion Staffing
Sullair Compressor Station
Village of Sanford
Warren Township
Wilcox Associates

The Catalyst for Growth fund drive campaign will continue through 2007. If you would like to learn more about becoming a Midland Tomorrow investor, please contact us at (989) 839-0340. Contributions are tax deductible as permitted by law.

Midland Tomorrow is a 501c(3) tax exempt organization, IRS Section 170(b)(2)(iii) for both federal and state tax purposes. Our federal tax identification number is 38-2600199. All contributions to our organization are tax deductible as provided under law.