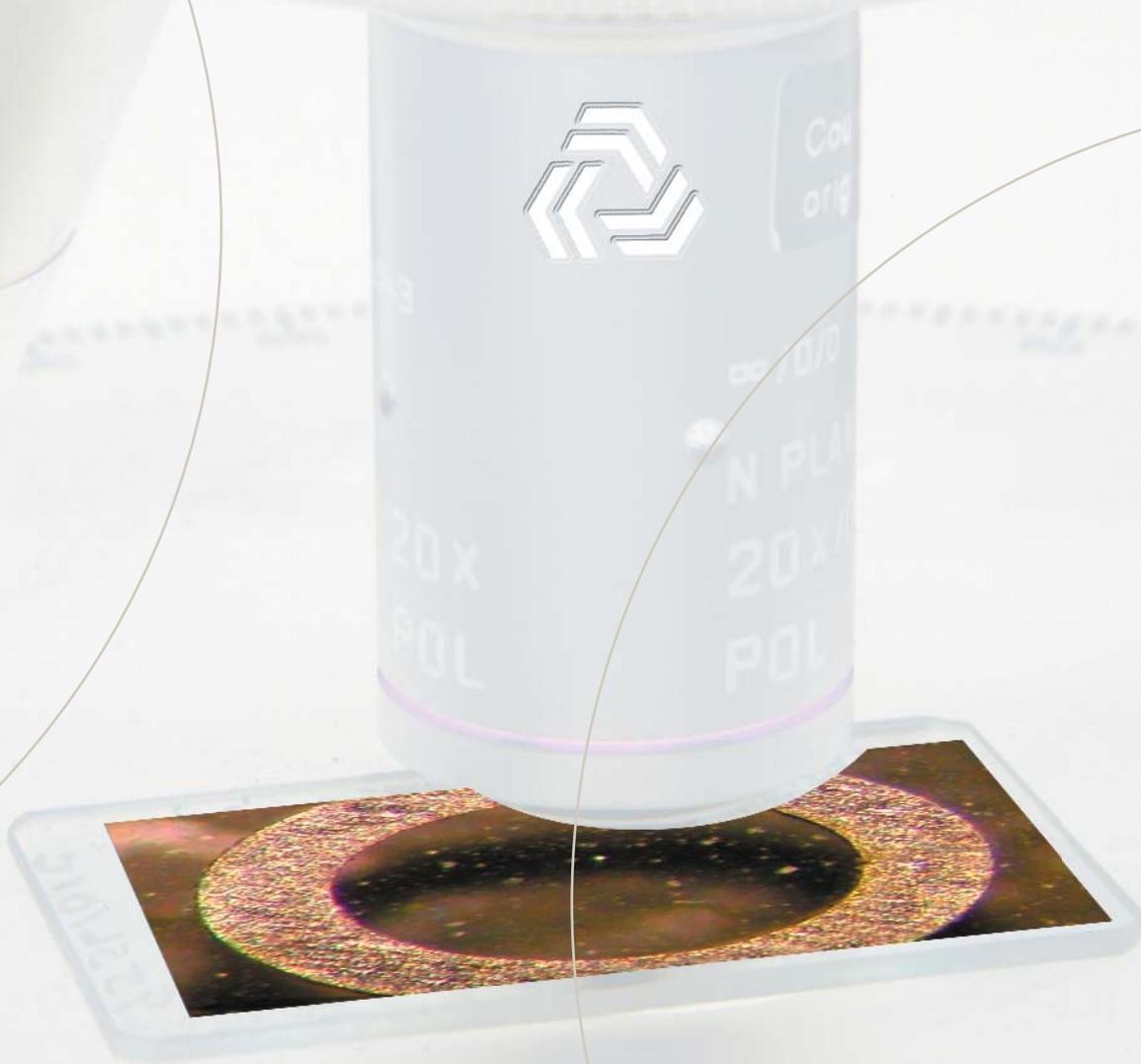
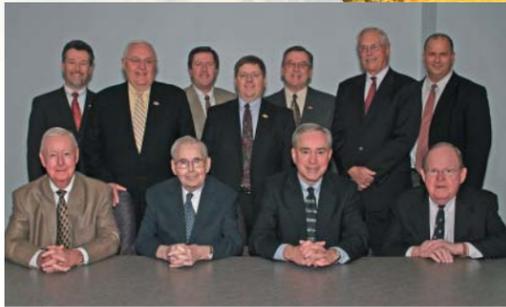
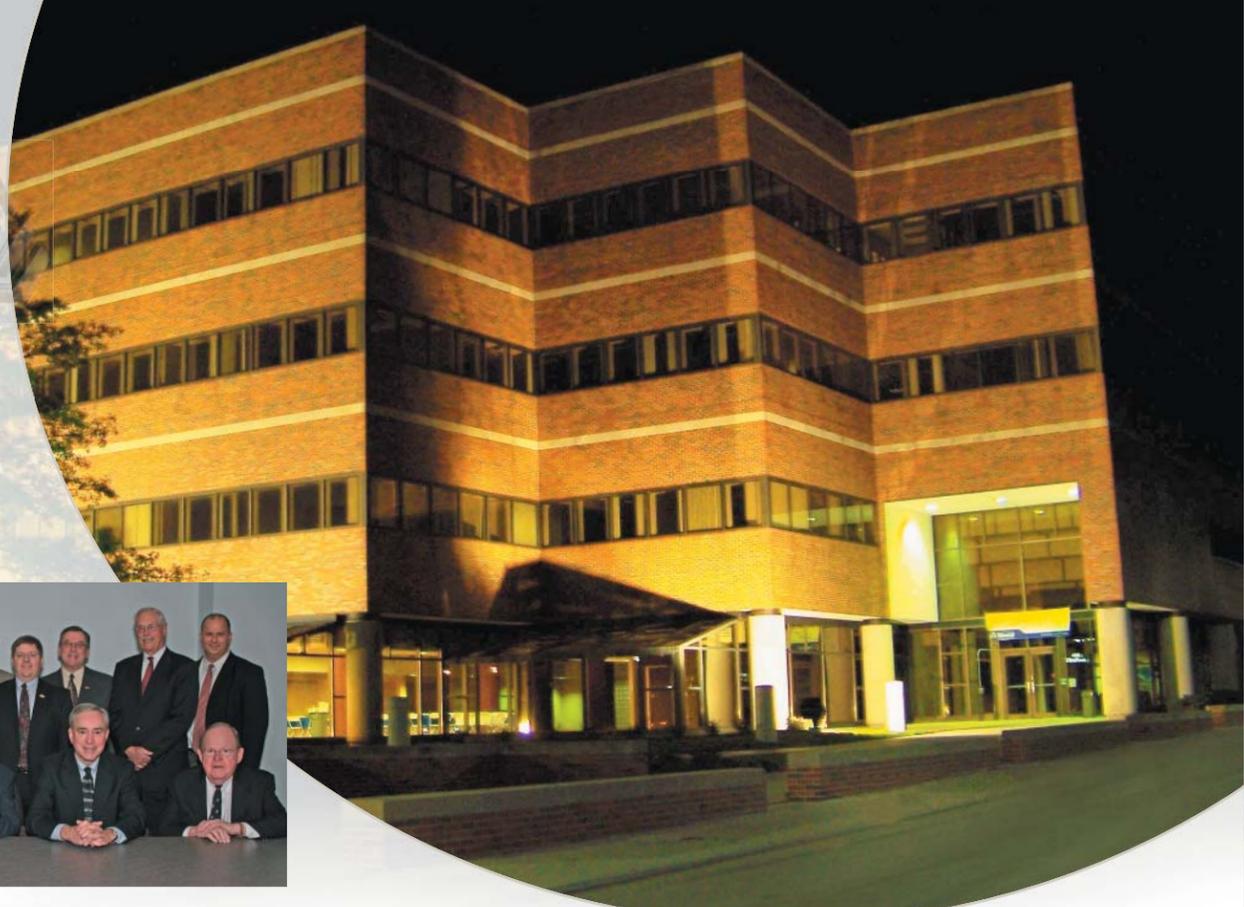


A New Look. A New Life.



Miamisburg Mound Community Improvement Corp.
2006 Progress Report



Letter from the MMCIC Board

Dear Stakeholder,

This year we have chosen “extreme makeover” as the theme for our annual progress report. Although we have borrowed this term from pop culture’s reality television, we believe it accurately describes the historic transformation that has taken place at Mound since 1993, when the facility was closed by DOE. The differences in the site this community “inherited” and what now stands in its place – the Mound Advanced Technology Center – are nothing short of remarkable.

The icons of the past – security fences, imposing water towers and military-style, no-frills structures – are gone. In their place you can see the most attractive of buildings, new construction sites and spacious parking areas against a backdrop of rolling hills and lush, green open space.

Achieving this dramatic transformation was no simple task. Our community was the first in the country to pursue the commercialization of a DOE facility, so the process was untried. From the legalities of transferring federal property to the details of environmental cleanup, we were met with new complications at every turn. But with the support of our stakeholders, the commitment and long-term vision of this community, and a spirit of collaboration among all involved, we have documented greater makeover success than any other DOE site in the country.

We are pleased to present the remarkable details of what has been accomplished at the Mound Advanced Technology Center. Indeed, the makeover has been extreme, but the changes are far from over.

Sincerely,

Board of Trustees
Miamiisburg Mound Community Improvement Corporation



Nip.
Tuck.
Trim.
Touch up.

Anything is possible in today’s world of extreme makeovers.

With the right tools, skills, vision and desire, even the most radical transformations are within reach.

The dream of what could be is a powerful motivator. The promise of a new look – and a new life – inspires extraordinary efforts to improve. In Miamiisburg, it drove a community to pursue a bold plan of action.

When the Department of Energy announced the closure of its Mound facility in 1993, city officials were quick to recognize that the future of the 306-acre site was at risk. An environmental legacy and 50 years of ad hoc construction could render the site unfit for reuse. Forced to choose between forever padlocking the facility and restoring it, they picked the latter. In so doing they took the first of many steps toward Mound’s new future.

As 2006 closed, the transformation was nearly complete, and the change has been dramatic. Gone are the razor wire, security guard posts, overhead utility lines, smoke stacks and towering water tanks, all symbols of the time when Cold War battles were fought – and won – right here in the Dayton area. In their place are winding roadways, attractive buildings, lush landscaping and stunning vistas that assert a role for the Mound Advanced Technology Center as an ideal location for businesses focused on technological advancement and innovation.

While the makeover results are extreme, the methods were not. As the organization responsible for reinventing and redeveloping Mound, MMCIC brought together the right mix of tools, skills, vision and desire, and step by step, set in motion the process of an extreme makeover unlike any other in the country.



Step One: Environmental Cleanup

2006 represented a milestone in the makeover process: the environmental cleanup contract was fulfilled. As of June, 9.5 million cubic feet of contaminated soil and rubble had been removed, 66 buildings had been razed, and nine buildings had been prepared for reuse.

Only one small area of contamination, four acres known as Operating Unit 1, is left, and its cleanup is scheduled for completion in the fall of 2007.

Step Two: Ownership

DOE has transferred the various parcels of Mound property to MMCIC as they have been cleaned up and prepared for reuse. At the end of 2006, MMCIC had taken ownership of 127 of the site’s 306 acres. The remaining parcels (with the exception of OU-1’s four acres) are scheduled for title transfer in 2007. In the interim, buildings are being transferred via lease.



Step Three: Improvements

From the beginning of our makeover process, we have focused on physical enhancements to transform Mound from a no-frills defense installation into a modern business environment that would appeal to company owners and their employees.

2006 Improvements

Capital improvement expenditures in 2006 totaled \$1.1 million. The single largest project involved enhancements in and around 480 Capstone Circle, the 82,000-square-foot former DOE administration center for Mound. In addition to interior painting and general maintenance, the nearby guard post and security fences were removed, storm sewers and telecommunications lines were installed, 193 new parking spaces were added and the courtyard was restored.

Overall Achievements

To date, \$17.8 million has been invested in Mound's extreme makeover, specifically in achieving these dramatic improvements:

- the construction of 2.5 miles of roadways to improve accessibility and circulation in and around the campus
- the addition of more than 775 new parking spaces convenient to existing buildings
- the reinstatement of more than 297,400 square feet of building space for laboratory, office and manufacturing uses
- the connection of all buildings to conventional utility sources, making them separate and standalone
- the installation of 13 new, energy-efficient heating and cooling systems, and
- the enhancement of entryways and open spaces with professional landscaping, architectural features and a pond with a fountain.

2007 Plans

The makeover process will continue in 2007 with these projects:

- \$400,000 will be spent to build a new cul-de-sac on the roadway adjacent to the newly refurbished 930 Capstone Drive. This will improve traffic circulation and access to other site locations as well as parking lot ingress and egress. This project will also include the addition of 60 new parking spaces to service two existing buildings, 965 and 930 Capstone Drive.
- Nearly \$2 million will be invested in a total facility upgrade of the 50,000-square-foot office building, 460 Capstone Circle. Renovations will include the addition of a new entrance with open-air plaza, a new façade, a designated parking lot and landscaping.
- An investment of nearly \$675,000 is planned for the interior and exterior refurbishing of 885 Mound Road, a 45,000 square-foot building that features office and mixed industrial space. A new entrance, upgraded parking and landscaping will be added to prepare this building for market.

Step Four: Economic Development

The primary goal of Mound's extreme makeover is to drive its redevelopment as a thriving center for companies focused on technological innovation. The priority is to attract businesses that specialize in the areas of emerging energy, energy-related advanced materials and advanced manufacturing.

In 2006, 100,000 square feet of available space was added to MMCIC's portfolio, which resulted in a decreased occupancy rate of 56 percent. Many of them are involved in cutting-edge initiatives that may eventually reshape the way we live, work and play.

Continuing Innovation

Just like their predecessors who built Mound's reputation as a center of innovation during the Cold War, the scientists of today's Mound-based companies are making their mark on history. Some have become key players in the state of Ohio's efforts to develop the fuel cell as a viable energy source. Mound Technical Solutions, for example, has developed a suite of fuel cell test instruments through the Third Frontier program. In this effort, the company has collaborated with another Mound business, Inorganic Specialists, as well as Case Western Reserve University, the University of Dayton Research Institute, EMTEC, MMCIC, Sinclair Community College and Battelle. Company officials plan to introduce the product line, which has now been patented, to the market in 2007.

The Mound Laser & Photonics Center has worked with various defense agencies, including the Air Force Research Laboratory, to develop applications for the company's specialized capabilities in laser joining, marking and microfabrication, thus breaking new ground in the area of advanced manufacturing. The company has enjoyed a successful business strategy based on the commercialization of technologies it develops for defense purposes.

Supporting Our Businesses

Long ago we made the commitment to nurture and support the businesses that choose to locate at the Mound Advanced Technology Center. We provide value-added benefits that help them minimize their risk as they grow and establish themselves in the marketplace. By contributing to their success, we create a win-win situation in which all of us benefit.

Many existing companies have taken advantage of MMCIC's menu of business acceleration services, which include favorable lease terms, assistance with grant acquisition and administration, equipment leasing, public relations services and business development assistance, among others.



Mound Technical Solutions

“Mound Technical Solutions is proud to participate in the Ohio Third Frontier Fuel Cell Program grant. This project has utilized synergy with another MATC tenant, Inorganic Specialist and leverages unique resources of MMCIC, which include equipment and facility lease assistance. The organization is not only our landlord, but a collaborator in this project.”

– Doug McClelland, President, Mound Technical Solutions



Step Six: Planning for the Future

Even though the visual impact of Mound’s “before” and “after” images reveals dramatic improvements, the site’s extreme makeover is still in progress. Pending the final approval of regulators, the remaining acreage will be transferred to us in 2007, and we will move forward with the capital improvements detailed in our comprehensive reuse plan.

Marketing will be a major thrust in 2007 as we work to fill the new building space being provided to us. The focus will be on building awareness and establishing the Mound Advanced Technology Center brand.

We anticipate the coming year to be a time of stability and steady momentum moving forward toward reuse of the site. After years of struggles and setbacks, we believe we have cleared the major obstacles that previously hindered progress and are prepared to tackle the more conventional challenges of building a successful business park.

The Mound Advanced Technology Center stands as dramatic proof of what can be accomplished when the right tools, skills and desire are brought together with unrelenting effort and a vision of what could be. While our makeover continues, we already have a new look, and a new life is close at hand. We’ve come a long way, and are at last prepared to seize tomorrow’s opportunities.

Step Five: Partnerships

Relationships are vital to MMCIC’s success, and so we have made strong efforts to create linkages between MMCIC and key organizations in our community. In this way, we can leverage our resources to promote the success of the redevelopment effort and our businesses.



Wright State University

We have partnered with the Raj Soin College of Business at Wright State University in projects that involve professor-led research as well as class assignments that address real-life problems of Mound businesses. The college took that relationship one step further in 2006 by announcing a Mound-based MBA program in innovation for students interested in business, technology and innovation.

Community Organizations

We also have worked to nurture mutually beneficial relationships with various development and professional organizations as well as other prominent regional entities. In this way we often can become a conduit for our clients, connecting them to critical services, capital and business opportunities. Among these organizations are the Dayton Development Coalition, CountyCorp, the National Association of Industrial and Office Parks and Wright Patterson Air Force Base, to name a few.

Mound Museum Association

The value of the work of the Mound Museum Association cannot be overstated. This corps of volunteers is committed to preserving the fascinating history of Mound’s impact on the course of history during its 50 years as a defense weapons laboratory. We support their efforts by providing the museum a home right on the Mound campus.



Mound Laser & Photonics Center

“As Mound Laser & Photonics Center Inc. continued to grow over the past several years, our relationship with MMCIC evolved from one of landlord-tenant to one of partnership. Although our missions are somewhat different, we are working together toward the common vision of developing this site and bringing advanced manufacturing to the Dayton region. This type of partnership may be somewhat unusual, but it illustrates how MMCIC has chosen to work with the businesses on the site.”

– Dr. Larry Dosser, President, Mound Laser & Photonics Center



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