



TechTown Detroit

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TechTown opens a space for entrepreneurs to work

by Frank Witsil
 January 7, 2014



TechTown Detroit, a business incubator, is opening a coworking space for entrepreneurs in its newly renovated offices in Midtown in early January 2014. The new space, named Junction440 (four-forty), is on the first floor of TechTown's historic building at 440 Burroughs St. The name comes from the address, 440, as well as its proximity to a railroad spur. Junction, TechTown's President and CEO Leslie Smith said, also is a play on words as a place to bring people and ideas together. Picture received Jan. 7, 2014 from TechTown Detroit. / TechTown Detroit

TechTown Detroit, a business incubator, is opening a co-working space for entrepreneurs in its newly renovated offices in Midtown.

The new space, named Junction440, is on the first floor of TechTown's historic building at 440 Burroughs St.

The name comes from the address — 440 — as well as its proximity to a railroad spur. Junction, TechTown's President and CEO Leslie Smith said, also is a play on words as a place to bring people and ideas together.

“It really is a cool, hip space,” she said.

However on Tuesday — the day of the official opening — the offices were closed on account of freezing temperatures.

“The plan was to get the news out as soon as the holiday break was over,” Smith said, pointing out that the renovations were completed in November. “Unfortunately, old man winter is delaying us by an additional day.”



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Junction440

TechTown's co-working space is for entrepreneurs who need office space for the day or month. The name of it comes from the building address as well as its proximity to a railroad spur. Junction also is a play on words as a place to bring people and ideas together.

Address: 440 Burroughs St.

Area: 20,000 square feet

Membership cost: A daily membership is \$20 or 10 days for \$150. Monthly memberships range from \$250 to \$375.

Website:

www.Junction440.com

Open house: 6 p.m., Jan 21. To register, go to: www.junction440openhouse.eventbrite.com



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TechTown is expected to be open Wednesday.

Co-working — putting several, small independent companies and professionals under the same roof — has been a concept that has been growing in metro Detroit and nationwide. There are several other co-working spaces in metro Detroit and other Michigan cities.

The trend has been driven largely by technology, enterprising 20-somethings and, in Michigan, workers who started small businesses after being downsized and need places to work at a low cost and with a short-term commitment.

To use the space at Junction440, entrepreneurs buy daily or monthly memberships. A daily membership is \$20 or 10 days for \$150. Monthly memberships range from \$250 to \$375, depending on what kind of space is needed.

To create Junction440, TechTown renovated about 20,000 square feet on the first floor of its 1927 Albert Kahn-designed building. It spent about \$1.5 million from the U.S. Department of Housing and Urban Development. Of that amount, half was a grant and the other a loan.

In addition to desks and offices for entrepreneurs, the space also includes space for public events — and a kitchen. Amenities also include: bike racks, fresh-brewed coffee, lockers, wireless Internet access, printing services — and free parking.

So far, Smith said, there are about two dozen members, but there still is room for several dozen more.

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Leslie Smith

By Amy Kuras
December 16, 2013

When TechTown launched in 2000, it was a product of its time – tech-focused and heady with the promise of this new fad called the Internet. We all know how that story ends –but TechTown’s latest chapter is just beginning.

When the tech bubble burst, TechTown found itself in a position of working with more lifestyle businesses – the kind of things that make for a vibrant city life, but were not the wow-inducing technological and scientific spinoffs TechTown originally was founded to nurture.

With the arrival of President and CEO Leslie Smith in 2010, they began to shift their focus back toward helping launch and accelerate new tech businesses coming out of the universities as well as taking their expertise on helping small businesses into the neighborhoods which have been largely left out of the excitement of the renaissance happening downtown and in Midtown.

It’s all part of sending the ripples of economic development at the city’s core toward the far-flung neighborhoods of the city, says Smith. “We decided, why not take all of that expertise at Tech One and provide it to the neighborhoods?” she says. “At the same time, understanding we are living in a city that does not provide a transportation infrastructure, we had to bring access to the neighborhoods.”

SWOT City is designed to do that. SWOT City is not only a major retail attraction program, but a grassroots initiative designed to be sustainable and allow neighborhoods to attract and retain the businesses they most need. They don’t even begin working with business until they have developed partnership with a neighborhood-based community agency and conducted a SWOT (Strengths, Opportunities, Weaknesses, and Threats) analysis on a neighborhood level. This helps them create an neighborhood-wide engagement plan that will help the neighborhood retain and attract business after SWOT CTY winds up its work.

Project



SWOT City

techtowndetroit.org



440 Burroughs St.
Detroit, Michigan 48202

SWOT City also works with the community to find neighborhood-essential businesses that are on the verge of failure, and works with them to maximize revenues. In some cases, they've taken them from almost failing, to growing their revenues by two or three times what they were making, ensuring that they can stay in their neighborhood and even grow.

Sometimes those coaching aspects are simple – encouraging business owners to hire neighborhood residents as a way to create community connections, or simply make sure their signage is visible and the building and parking area are well lit. Sometimes it's more technical, such as introducing inventory management systems.

They also hold frequent “tune-ups” with would-be entrepreneurs and can develop custom programs, depending on what a neighborhood most needs, Smith says. “We're helping to create resources in the neighborhoods, but don't hold they key to all of them in our tool belt.”

TechTown recently was awarded an \$800,00 federal grant to expand the program to East Jefferson, Grandmont–Rosedale and Osborn.

“We want to show ways that we can kind of change the way inner city economic development is thought about,” says Smith.

Eventually, they'd like to have graduates from their tech developer program locate in some of the neighborhoods, creating higher-skilled, higher-wage jobs.

In refocusing on technological acceleration and development, TechTown also refocused on their role as a pipeline for development from the university research institutions, industrial partners and healthcare partners. “We saw that as critical opportunity and obligation for TechTown,” Smith says. “We really started working on uncovering some of the untapped potential in local universities and healthcare systems.” That means strengthening relationships with Wayne State, University of Detroit Mercy, and the College for Creative Studies, as well as the University of Windsor. That led to the Launch Detroit program over the summer, which brought together students from the local universities to work on potential entrepreneurial projects together. “What was really kind of beautiful about that was that it was not only technology from our local universities but all of the student teams had members from each school. It was a real blending of institutional talent,” Smith says.

They've also had one cohort go through their Venture Accelerator program, which is a rigorous, highly competitive program that takes businesses from early-stage to fully-fledged businesses. The second cohort is going through the program now.

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While these two paths of their work may seem divergent, they both speak to the missions of making the city a place of opportunity for everyone, Smith says, even with Detroit's multiple challenges. "People look at things as if there is a financial or mathematical formula, and the factor you can't plug into a mathematical forum is people, and community, and hope," Smith says. "You have an obligation to do multiple things at the same time while many of the elements of the equation are missing...but what you can't do is say, 'This problem is too hard.'"

All photos by Doug Coombe.

TechTown scores \$800,000 grant to grow Detroit small businesses

The federal grant will be used for SWOT City, which focuses on small businesses assistance and providing economic development in Brightmoor, Grandmont Rosedale, Eastern Jefferson Corridor and Osborn.

By Amy Haimerl | October 3, 2013



SUZETTE HACKNEY

TechTown's SWOT City program helped Motor City Java House owner Alicia George and other Brightmoor businesses to expand.

TechTown Detroit scored an \$800,000 grant from the feds to expand its SWOT City program -- which brings business and economic development to Detroit's neighborhoods -- into three new locations: Grandmont Rosedale, East Jefferson Corridor and Osborn.

The three-year grant from the **U.S. Department of Health and Human Services for Community Economics** comes just days after White House representatives announced a \$300 million package of grants and investment for the city.

“This is our first ever federal programmatic grant,” said TechTown President and CEO Leslie Lynn Smith. “So we were over the moon about that. Now we’re settling into the extraordinary amount of work and opportunity.”

TechTown is best known as a business incubator and accelerator that was spun out of **Wayne State University**, but it has expanded its mission beyond just growing technology firms. In 2012, it created the SWOT (strengths weaknesses, opportunities threats) City program to push business development and economic growth beyond just booming areas of downtown and Midtown.

The first neighborhood TechTown targeted was Brightmoor, on the city’s northwest side near Lahser and Telegraph roads. The TechTown team spent two months working with existing community organizations and business owners to identify the neighborhood’s overall opportunities and challenges.

Then they began working one-on-one with the small businesses to understand their needs, whether it was for new signs, new customers or to access capital for equipment purchases.

In one example, they found that the city had installed parking meters on Lahser Road, effectively killing off once-thriving businesses. TechTown worked with the community to convince the city to remove the meters.

So far, SWOT City has helped more than 20 businesses in Brightmoor and identified at least 18 others for assistance. Businesses such as **Motor City Java House**, **Slabbee’s Ribs & Soul** and **Sweet Potato Sensations**.

“One common thing we’ve seen is a lack of technology, for things like an accounting system or inventory system or a robust website,” Smith said. “There is also a real lack of sophistication of just general marketing of the business. So those things are really easy to fix.

“One of the really cool things we’ve found is other supply chain opportunities,” Smith added. “Our businesses think about selling out of a storefront only in the community where they sit. But we’ve been getting them to think about other distribution channels. Sweet Potato Sensations, for example, was in Whole Foods Detroit when it opened and now is looking at expanded grocery opportunities nationwide and a mail order business. Those opportunities are clear for many of the business.”

Now SWOT City is bringing those opportunities to three new neighborhoods: the East Jefferson Corridor, centered on Jefferson Avenue and Chalmers Street; Grandmont Rosedale; and Osborn on the far northeast side near 8 Mile Road and Van Dyke Avenue.

“These three neighborhoods have some really critical characteristics,” Smith said. “One is that they have really strong existing community development partners. These are really embedded, effective partners that give us scale. But it also gives us access and shows that we are delivering what the neighborhood wants. The second piece is existing commercial activity, and third is committed and engaged residents.”



TechTown President and CEO Leslie Lynn Smith

“These neighborhoods also happen to be places where philanthropy isn’t necessarily already at work,” Smith added. “So it allows us to harness our existing resources and really leverage them these neighborhoods.”

TechTown has already begun the neighborhood–assessment portion of the program and is preparing to hire three people to staff offices in each area.

As a result of the work, Smith anticipates at least 10 new businesses will be formed and at least 40 new jobs – paying \$23,000 per year – will be created and filled by neighborhood residents.

But the hiring won’t come from TechTown; the nonprofit is only bringing on four new staffers as part of the grant. The job growth in the neighborhoods is expected to come fully from the development and success of area businesses.

“They have been very real about suggesting things that are realistic,” Cassandra Thomas of Sweet Potato Sensations told my colleague Suzette Hackney. “They know we don’t have \$10,000 to throw into some project. They want to help with the things that are doable and those of us who are saying: ‘What about the rest of us out here? We have been here and we need help and advocacy, too.’”

TechTown incubator wins top prize at MiQuest entrepreneur contest

By Tom Henderson
Jan 31, 2014

Inventev, a company based in the TechTown incubator in Midtown Detroit whose technology allows commercial trucks to generate electricity for equipment at job sites, was the big winner Thursday night at the Annual Collaboration for Entrepreneurship, winning \$5,000 for having the best business plan.

Plymouth-based Phasiq Inc., which makes diagnostic tools for detecting protein biomarkers in biological samples, won the second-place award of \$3,000.

Campus Commandos, a Bizdom company based in Detroit, which helps major brands like Hewlett-Packard and Nike market their products to college students, won \$2,500 for finishing third.

In the competition for best new business idea, Kalamazoo-based Micro-LAM Technologies LLC, which makes tools to improve machining for ceramics, glass and metal, won top prize of \$2,000.

Sentinel LLC, a Detroit-based company that incorporates fingerprint technology into gun locks, won \$1,500 as runner-up. Wave Aircraft Inc. of West Bloomfield, which makes a hybrid airplane that combines features of amphibian planes with traditional planes to make aircraft that can land anywhere, won \$1,000 for finishing third.

Native Traits LLC, a Kalamazoo-based company that helps farmers use seed strains better suited to their soil and climate, was named as the best of the six finalists in the 3-minute elevator pitch contest.

The annual ACE event took place at the Burton Manor in Livonia. It was organized by Ann Arbor-based Great Lakes Entrepreneur's Quest, a nonprofit that earlier this week announced it had been rebranded as MiQuest after a merger with the Lansing-based Small Business Foundation of Michigan.

The event drew more than 1,000. In addition to the business-plan and elevator-pitch competitions, would-be entrepreneurs were able to meet all afternoon in 20-minute sessions with a wide variety of business experts, have access to would-be investors and attend breakout sessions on topics related to how to start and run a young business.

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