

# High-tech company expands downtown

## Strickland and Plusquellic applaud move by APS to Akron's biomedical corridor

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On a day when Ohio announced its unemployment rate climbed to 10.5 percent, Gov. Ted Strickland and others gathered in Akron to celebrate a tiny high-tech company's plans to create jobs.

The hope Friday morning was that small startup company Akron Polymer Systems and its 13 employees turn into a big deal.

The company, also known as APS and founded by two University of Akron researchers, is moving into a soon-to-be renovated city-owned site off North Summit Street. That makes the company part of the city's new biomedical corridor, where the company will soon break ground on laboratory and headquarters space next door.

Company co-founder Frank Harris said much of the business' early success — and reason for staying in Akron — can be attributed to efforts by public officials, including money from the \$1.6 billion Ohio Third Frontier commission that helps fund high-tech ventures.

South Carolina tried wooing Akron Polymer Systems, but local and Ohio officials persuaded the company instead to move from its location off Gilchrist Road to downtown Akron.

Harris formed the company in 2002 with Stephen Cheng, dean of the University of Akron's College of Polymer Science and Polymer Engineering and the firm's chief technical adviser.

"Obviously, it's a very important moment for our company," said Harris, who is the APS president and chief executive. "And I feel it's a very important moment for the city of Akron, a very important moment for the state of Ohio. . . I hope that what we are doing here today is adding to the economic development, the creation of new jobs in Northeast Ohio."

The company celebrated the initial steps into its first stand-alone facility with Strickland, Akron Mayor Don Plusquellic, University of Akron President Luis Proenza and George Newkome, vice president for research and dean of the graduate school at the university.

The company's biggest claim to fame so far is the invention of a special polymer film that allowed the creation of large-screen liquid crystal display televisions. The transparent optical film has led to about \$1 billion in sales for other companies, according to the university.

Akron Polymer Systems' primary mission is to develop and commercialize polymer materials, with wide-ranging research involving such things as fuel cells, solar power and biomedical and military applications. Twelve of its employees have Ph.D.s, with all but two graduates from the University of Akron.

The governor has continued to support and emphasize the importance of the Third Frontier program, Harris said.

"It's really one of the, if not the main reason, we are still in the state of Ohio," Harris said. "High tech is being sought after by a lot of states and locales."

While South Carolina made a strong pitch, it has nothing like the Third Frontier program to offer businesses, Harris said.

The state and local financing help is intended to retain employees and add 30 or more over the next two to three years. APS is investing \$350,000 of its own in the new facilities.

Loan, tax credit given

In late September, the state announced that APS was awarded a \$1.2 million loan and a job creation tax credit for six years, valued at \$163,737. APS received \$349,644 in 2008 from Third Frontier to develop a highly specialized

membrane for use in fuel cells and is taking part in a solar energy project led by a Toledo company that received nearly \$1 million from Third Frontier.

"We want the Third Frontier renewed," Strickland said. He is pushing for the funding program to get a \$1 billion injection to be spent over five years.

"That will make the existing program even more robust. That needs to be on our spring ballot for our citizens to give approval," Strickland said. "It will keep us so well positioned to continue these vital investments to make Ohio a continuing innovator and leader in so many fields."

Slow economic recovery

Strickland said the APS groundbreaking is the latest sign of "a slow but, I believe, a certain economic recovery" in the state.

"Ohio may have been knocked down, but we're not staying down," Strickland said. "What we are doing here this morning is but one response to these challenging times."

Harris said he was looking at moving APS into a new building in Ascot Industrial Park in northern-most Akron.

But Plusquellic persuaded the company to move downtown instead, where it is within walking distance of the university as well as downtown restaurants, he said. "That's not to be underestimated," he said.

Plusquellic said he was glad that the APS executives listened closely to what he and his staff had to say. Having APS downtown will help create and keep jobs here, he said.

"We're very happy to not see more jobs going south," he said.

Harris noted that Akron Polymer Systems recently received its first royalty check.

The amount: \$50.

"We probably won't cash that check," Harris joked. "We're probably going to put that up on the wall."

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Frank Harris, the CEO and President of Akron Polymer Systems (right) shakes the hand of George Newkome, (left) the vice president for Research and Dean of the Graduate School at the University of Akron as they stand at the podium with Luis Proenza, the president of the University of Akron, Akron Mayor Don Plusquellic and Ohio governor Ted Strickland after the groundbreaking ceremony for the Akron Polymer Systems Headquarters. (Karen Schiely/Akron Beacon Journal)