

Ann Arbor SPARK-Livingston Quarterly Report

1st Quarter 2013 (January-March 2013)



TO:



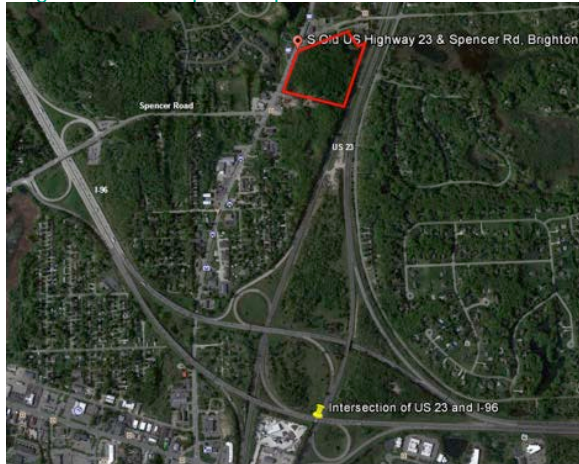
FROM:

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Board Members of the Economic Development Council of Livingston County

QUARTERLY HIGHLIGHTS

Lake Trust Credit Union announces new \$30 million Brighton Township headquarters



In March, Lake Trust Credit Union announced plans to build a new \$30 million headquarters on approximately 17-acre site adjoining US 23 just north of I-96 near Brighton. The planning and construction process for the new Lake Trust Credit Union headquarters could be completed by 2015 and will include a new 100,000 square foot building designed to more efficiently and effectively join a workforce currently split between Lansing and Plymouth.

"The new Lake Trust headquarters will be the best place to work in Michigan," says Lake Trust Credit Union CEO David Snodgrass. "Brighton and nearby Ann Arbor are vibrant growing communities, and this location simply makes the most business sense for our organization. Our new headquarters will be equipped with the latest high-tech operating systems, all in an ideal open plan, daylight filled setting, at a great location. It's a win-win-win plan for Michigan, for Lake Trust employees and for our members."

"Lake Trust's new headquarters in Livingston County is great news for the region, and we're thrilled to have been a part of the company choosing to locate here," said Ann Arbor SPARK president and CEO Paul Krutko, "Ann Arbor SPARK connected with the company early in its process, promoted the region's assets and showed how this region can meet Lake Trust's needs now and in the future. The company chose to make this significant investment in Livingston County because they recognized that Livingston offers a low cost of doing business, easy access for its employees and the ideal property where a campus can be built to specification. Lake Trust is a great example of how Ann Arbor SPARK's work has a tremendous impact on economic opportunity in the region." More on this project can be found [here](#).

Steady Job Growth Predicted for Livingston County

In February, the University of Michigan's Institute for Research on Labor, Employment, and the Economy released a regional employment study that showed an impressive growth plan for the area. The study covered Genesee, Lapeer, Livingston, Macomb, Oakland, St. Clair, and Shiawassee counties. The study may be read [here](#). Here are some highlights from the study:

- By 2012, Livingston had recovered all of the jobs it lost during the recession, and Lapeer is expected to do so by early 2015.
- The most rapidly growing counties on a percentage basis during the recovery period are Lapeer and Livingston, which are expected to add at least 1,500 new jobs each year through 2015.
- Job growth is accompanied by slowly declining unemployment and relatively tame price inflation. The unemployment rate in the region, which has improved each year since 2009, will continue to drop from last year's 9.4 percent clip to 9.1 percent this year, 8.3 percent next year and 7.3 percent in 2015. Inflation will hover around 2 percent or less throughout the forecast horizon.

Why Livingston County?

The Ann Arbor region continues to be an attractive area for companies to grow and prosper. In conversations with established firms in Livingston County, and firms looking to expand in the region, many have named history/experience in the area, available real estate, close proximity to various markets, low cost of doing business, and the abundance of talent as significant factors affecting their location decisions.

Questions about Property Tax Abatements?

Look to this [link](#) for templates, best practices, draft resolutions and samples of existing community policies on PA 198 tax abatements.

Government Contracting 101 & Health Care Reform

Ann Arbor SPARK held three events this quarter – two on government contracting opportunities with local, state and federal agencies and an update on the new health care reform. The contracting events featured speakers from the [Procurement Technical Assistance Center \("PTAC"\)](#), as well as Livingston County's procurement team. The health care event featured speakers from [UHY Advisors](#) and discussed implications of the health care reform for second stage companies. The events combined reached 70 individuals and were held in conjunction with the Greater Brighton Area Chamber of Commerce; the Hartland Area Chamber of Commerce; and the Howell Area Chamber of Commerce.

LIVINGSTON MICHIGAN WORKS! UPDATES

2013 Livingston Regional Job Fair

SPARK has been involved in planning for the 2013 Livingston Regional Job Fair, taking place on Wednesday, April 17th at the Crystal Gardens Banquet Center in Howell, MI. Over fifty employers recruit at this event every year, and a list of this year's exhibitors may be found [here](#). From the list, we can see that retail, service-oriented, health care and manufacturing positions are still the highest in demand in our region.

2012 Incumbent Worker Training Results

By the end of 2012, Livingston Michigan Works! granted over \$50,000 dollars in [incumbent worker training grants](#) and trained 61 employees from five different companies. Another \$65,000 in grants has been awarded to six companies in Livingston County.

2012 Training Grants Awarded	\$50,090
2012 Training Grants Spent	\$48,354
Training Grants in Progress	\$64,877

UPCOMING EVENTS

Financing Your Growth (April 24th, 2013)

Ann Arbor SPARK is partnering with [Bodman PLC](#), [Cascade Partners](#) and the [Growth Capital Network](#) for the first event of SPARK's *Continuous Innovation: A Leading Series for Mature Stage Companies*. Representatives will be discussing the in's and out's of strategies, risks, benefits, and preparation for dividend recapitalizations and other similar transactions. Future topics will include "Commercial Lending and Michigan Economic Development Capital Markets Programs," "Attracting Foreign Direct Investment or Private Equity Partners," and "Seeking Out Joint Venture Partnerships."

When: April 24, 2013

PURE MICHIGAN[®] Business Connect (May 2nd, 2013)

The [Pure Michigan Business Connect](#) team will be in Livingston County to discuss their Business-to-Business web platform. DTE Energy and Consumers Energy will also be on hand to overview their procurement process for local businesses. Attendees will have the opportunity to meet with business service providers to explore the different resources available to them.

Where: Crystal Gardens Banquet Center

When: May 2, 2013

TARDEC Dual Use Technology Briefing

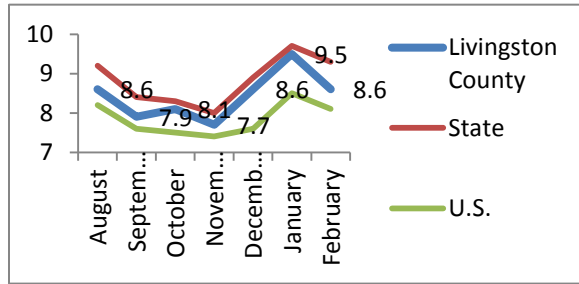
(May 22nd, 2013)

Ann Arbor SPARK is partnering with the [U.S. Army Tank Automotive Research, Development and Engineering Center \(TARDEC\)](#), the [Procurement Technical Assistance Center \(PTAC\)](#) and a number of other organizations for a Dual Use Technology Briefing to be held at Washtenaw Community College. Participants at this event will learn about the Army's [Small Business Innovation Research \(SBIR\)](#) program and TARDEC's [Cooperative Research and Development Agreement \(CRADA\)](#) program. The purpose of this event is to help businesses understand how the SBIR and CRADA programs work and how to participate. These programs allow for interested organizations to collaborate with the government on research initiatives. Partner organizations such as PTAC and Ann Arbor SPARK, among others, will discuss business services available to participants.

Where: Washtenaw Community College

When: May 22, 2013

UNEMPLOYMENT RATE



REAL-TIME JOB OPENINGS

Total Job Openings	1,268
Retail Trade	19% of job openings
Manufacturing	15.5%
Health Care	11.1%
Finance & Insurance	8.5%

(Source: Workforce Intelligence Network)

	Real	Personal
2011	\$7,684,847,114	\$511,004,824
2012	\$7,435,910,644	\$531,433,094

(Source: 2011 & 2012 Livingston County Equalization Report)

PERCENT OF COMMERCIAL AND INDUSTRIAL PROPERTY AS TOTAL REAL PROPERTY TAX BASE

15.4%

(Source: 2012 Livingston County Equalization Report)

PROJECT PIPELINE

Number of Projects	17
New Job Creation	354
Capital Investment	\$58 million

COMPANY VISITS & PROJECT SUCCESSES

Company Visits	12
Referrals	16
Job Creation Assistance	250
Capital Investment Assistance	\$30 million

PROJECT PIPELINE

Account ID	Probability	Investment	Job Creation
4998	80%	TBD	24
5627	50%	\$15,000,000	51
4610	30%	\$4,000,000	6
4837	30%	TBD	4
6348	25%	TBD	8
6393	25%	TBD	TBD
5597	25%	\$30,400,000	172
6438	20%	\$100,000	10
5587	10%	\$5,000,000	67
4737	10%	\$500,000	TBD
1752	10%	\$3,000,000	12
267	Low	TBD	TBD
4922	Low	TBD	TBD
6324	Low	TBD	TBD
4866	Low	TBD	TBD
4620	Low	TBD	TBD
6528	Low	TBD	TBD

COMPANY VISIT REPORT (1ST QUARTER)

Company Name	Municipality
Carl Zeiss Industrial Metrology, LLC	Green Oak
Center PowerD Management, LLC	Green Oak
Dewitts Radiators	Genoa
Dun-Rite Machining, Inc	Genoa
Extreme Machine	Hamburg
Falcon Stamping	Genoa
General Motors Milford Proving Grounds	Brighton Township
LadderPort	Green Oak
Lowry Computer Products, Inc.	Green Oak
Modern Content, Inc.	Brighton
Ultimate Tube Bender Parts Plus, Inc.	Brighton
Wedge-Mill Tool Inc.	Green Oak
12 Records	

COMPANY TRENDS & OPPORTUNITIES

Increase in Greenfield Development

Greenfield development continues to be a significant opportunity for the region. With the announcement of two new headquarters this quarter (Lake Trust Credit Union headquarters and Dakkota Integrated Systems LLC), the willingness for businesses to consider building new facilities is beginning to increase.

Lack of Available Real Estate

While greenfield space is available; the existing inventory for real estate in sizes and conditions desired by interested parties is more limited. This is the largest factor affecting the region's exclusion in site searches.

QUARTERLY REPORT DEFINITIONS

COMPANY VISITS: Meetings with local businesses regarding their current business outlook. This is a core "economic gardening" strategy that provides opportunities for referrals like workforce development training, state-level resources, tax incentives, business development opportunities, cost reduction strategies, access to capital, etc.

PROJECT PIPELINE: The project pipeline represents potential projects that have been identified, along with their current status and probability of completion.

REFERRALS: Referrals to outside resources or value-added services provided by staff. This could include a referral regarding a state-level program, a review to determine the feasibility of entry into a new sector, or technical assistance with local or state-level programs.



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