

FOCUS ON

livingston county

TO: Economic Development Council of Livingston County



FROM: Ann Arbor SPARK

CC: Board Members of the Economic Development Council of Livingston County

2nd Quarter 2016 (April – June 2016)

QUARTERLY HIGHLIGHTS

Chem-Trend Expands Operations in the City of Howell



Chem-Trend announced it will expand its R&D facilities at the global headquarters in Howell, Michigan, to allow for continued growth of its research and development activities and increased capabilities to provide customer support. Chem-Trend's research and development facilities will expand by approximately 50 percent with the project at its existing campus in Howell, which is home to both the company's global and North American regional headquarters. The expansion is planned to accommodate additional world-class R&D facilities that include an applied research laboratory, an analytical laboratory featuring advanced chemical analysis equipment and state-of-the-art industry-dedicated laboratories that, in close collaboration with the company's additional R&D laboratories around the globe, develop innovative technologies and deliver technical service to Chem-Trend's worldwide customer base in the die casting, polyurethane, rubber, composites, tire, thermoplastics and wood composite industry segments.

Ann Arbor SPARK is working closely with the company, the City of Howell, and the MEDC on the initiative, which is set to begin construction in July 2016. Completion of the project is targeted for mid-2017. The project involves nearly \$4 million of investment, and over 15 new jobs for the company.

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Similar investments by Chem-Trend and its parent company Freudenberg Chemical Specialties (FCS) have been completed in recent years at its locations in Brazil, India and China, with an additional expansion just announced for facilities in Germany in 2017. FCS is a part of the Freudenberg Group, which includes innovation and customer orientation among its guiding principles. Chem-Trend operates facilities with R&D capability in China, Germany, Brazil, and India, meaning that the existing Howell R&D facility competes for research capital expenditure funding against each of these facilities. Domestically, Freudenberg has active expansion projects in Georgia, Indiana, Minnesota, Ohio and Texas also competing for capital expansion funding. SPARK's work with the City of Howell and the MEDC helped to ensure that Chrem-Trend was able to complete their expansion here in Livingston County rather than in one of Freudenberg's many other regions of operation.

C & B Machinery Locates in Green Oak Township



C & B Machinery, designers and builders of custom grinders for industrial applications, is relocating from its existing footprint in Livonia, to a renovated facility in Green Oak Township's Kensington Pines

Industrial Park. The building was the former home of Central Conveyor, which moved to Milford Township in mid-2015.

C & B Machinery is owned by Livingston County resident and commercial real estate developer, Joe Parker. The relocation of C & B continues the trend of Livingston County investments by Parker, which include the Heart of Howell redevelopment, as well as Frontal Lobe, a co-working space located in downtown Howell.

The \$3 million expansion is estimated to relocate 40 existing employees and create an additional 20 employees over the next couple of years.

ARMOR Protective Packaging Invests in the Howell Area



ARMOR Protective Packaging, makers of corrosion inhibiting and removal products, is expanding its production capacity at its Howell Township Headquarters. The \$750,000 expansion will include the addition of a second production line, and is expected to create an additional six new jobs. The line, which will operate as a coating line, applies ARMOR's patented, non-toxic, rust inhibitor solution onto rolls of paper, to be used for packaging and shipping of metal goods.

ARMOR engaged SPARK staff in mid-2015, during the early planning phases of the expansion, and have connected the company with a variety of service providers, including executive management training, the Michigan Manufacturing Technology Center



(MMTC), Skilled Trades Training Fund dollars, and the SPARK job portal. The combined effort to address ARMOR's hiring and talent needs helped tip the scales to favor an expansion in Michigan versus the company's other production facility in Ontario, Canada.

The second coating line is scheduled for installation in July, and should go live by mid-August.

Pinckney Community Schools Announces Cyber Security Node



In late June, Pinckney Community Schools (PCS) announced that they will host one of two new hubs of the Michigan **Cyber Range**, a set of specialized networking and computer infrastructure testing and training centers, in Southeast Michigan starting this fall, Ann Arbor-based Merit Network Inc. Wayne State and County's Pinckney Community High School the two schools chosen to host new facilities that include computing infrastructure, cybersecurity training exercises and product testing, after responding to a request for proposals from Merit earlier this year to replicate the training center hubs.

This node will be running on Merit Network infrastructure. Merit, a network technology nonprofit owned by Michigan's public universities, is a sub-recipient of the \$6 million Advance Michigan Defense Collaborative grant managed by the Workforce Intelligence Network for Southeast Michigan, to offer training assistance and other programs across a 13-county region. The Cyber Range, first proposed by Gov. Rick Snyder in 2011, is a private cloud network built on architecture supplied and operated by Merit.

The leadership team at PCS has been working with Ann Arbor SPARK for several months on responding to the request for proposal and gathering data to show that the region will support such a project. We look forward to seeing this project come to fruition.

Market Trends in National Site Searches

In late June, SPARK staff continued its efforts to build more robust and dynamic relationships with national and international site selectors. The feedback from the site selector community echoed trends that were heard from earlier engagements in January, which include:

- Top pick for sites are fully serviced and properly zoned greenfields or "light" brownfields;
- Modern real estate product (buildings with 36' clear ceilings) is incredibly scarce, and highly sought;
- Uncertainty in the market (i.e. Brexit, Presidential Election, Fed Interest Rate, etc.) has many projects on hold, but researching sites continues;



- So long as money is “cheap”, mergers and acquisitions will continue to thrive (meaning that companies are less inclined to build/expand when they could acquire a company that would fill the role of the expansion)

To further highlight the trends from the site selection community, here is some data illustrating some of the needs of projects recently asked of SPARK to identify sites within its service footprint:

PROJECT	Type	Building Space		Land Size		Est. Invest.	Jobs	Zoning	Utility/Infrastructure Req
		Min	Max	Min	Max				
ZAP	Automotive	100,000	150,000			\$70,000,000	500	Industrial	Not yet specified
RIO	Automotive			80	100	\$300,000,000	600	Industrial	Rail: Preferred Water: Min 10" line Sewer: Min 8" line Gas: High Pressure Electrical: Primary 3-phase Roads: Close proximity to interstate
CHROME	Food Processing	50,000	200,000			Unspecified	N/A	Lt. Industrial	Ceiling height: 24' Clear Min Fully serviced utilities
RATCHET	Automotive	280,000	350,000	50	N/A	\$120,000,000	300	Industrial	Ceiling height: 40'-45' Clear Water: 185,000 gal/day Gas: 25,000,000 cubic ft/mo Electric: 3,600,000 kWh/mo
DODGER	Automotive	190,000	250,000	20	N/A	Unspecified	N/A	Industrial	Ceiling height: 30' Clear Min Fully serviced utilities
CANARY	Advanced Mfg	250,000	300,000	N/A	N/A	Unspecified	500	Industrial	Ceiling height: high Rail: Required Electric: Substantial infrastructure Roads: Close proximity to interstate Transit: Access to public transit preferred Airport: Easy access to Metro Airport
BUBBLE	Agriculture	115,000	170,000	N/A	N/A	Unspecified	N/A	Lt. Industrial	Ceiling height: 22' Clear Min
PARALLEL	Automotive	45,000	50,000	7	10	\$12,000,000	60	Industrial	Ceiling height: 30' Clear Fully serviced utilities

Availability of buildings and/or sites that fit the criteria of companies seeking to locate in Livingston County is scarce. While incentives are not always a driving factor for companies in making location decisions, the significant costs of utility and infrastructure installation is a factor for companies in making a location decision.



SPARK staff will continue to monitor and share the most up-to-date trends and feedback from the site selector community as it learns of them.

Flint Mass Transportation Authority (MTA) Expands Routes into Western Livingston County



On June 20, after a series of meetings which included the Howell Chamber, Ann Arbor SPARK, the Governor’s “Mission: Flint” office, and Genesee-Shiawassee-Thumb Michigan Works Agency, the MTA expanded its regional routes into Livingston County, arriving in the City of Howell’s McPherson Industrial Park at 5:50 AM, with 15 employees destined for the morning shift at Thai Summit America Corporation. The expanded service runs three times daily, seven days per week.

The equipment used by MTA are new, state-of-the-art, over-the-road busses, fueled by compressed natural gas (CNG). Each bus, pictured to the right, seats 55 passengers. Just prior to the annual summer automotive “shut down”, ridership was averaging 30+ passengers on each trip.



MTA will launch another route into the McPherson Industrial Park to principally service Key Plastics beginning July 25. Key is currently adjusting shift times of certain staff to maximize the use of the transportation option, and has also offered to purchase a temporary shelter for employees who may be waiting for the bus.

Each route will remain a public bus route, not a dedicated charter, and therefore meaning anyone may ride the bus. As such, the staggering of the “Thai Summit” bus and the “Key Plastics” bus will create options for employees to work overtime or leave early, and still have a ride home.

Conversations are ongoing with MTA to explore the feasibility and viability of establishing a “hub and spoke” system, whereby smaller shuttles, potentially provided by L.E.T.S. could take smaller groups of workers to several of the other business parks throughout the county. Additionally, the Howell Chamber will be engaging the retail community and assessing the employments needs within that sector, and discuss how those needs may be able to be met using this service.



OPPORTUNITIES FOR LIVINGSTON COUNTY BUSINESSES

Mark Your Calendars:

Pure Michigan Business Connect Business Summit

On behalf of Ann Arbor Spark, Hillsdale County, Monroe County, Lenawee Now, Jackson Enterprise Group, and Pure Michigan Business Connect, we would like to invite your organization to attend the Greater Ann Arbor Buyer's Summit. The event will take place on Thursday, August 4th from 8 AM – 3:30 PM at the Weber Inn in Ann Arbor. The event will feature nearly 10 buyers looking to fill almost 70 diverse needs.

Registration for the event is open. Please make sure to register each company representative planning to attend individually using the link below. An agenda can be found by hitting the down arrow on the right side of the page. We look forward to seeing you on Thursday, August 4th.

Registration link: <https://www.messageblocks.com/greater-ann-arbor-buyer-s-summit>

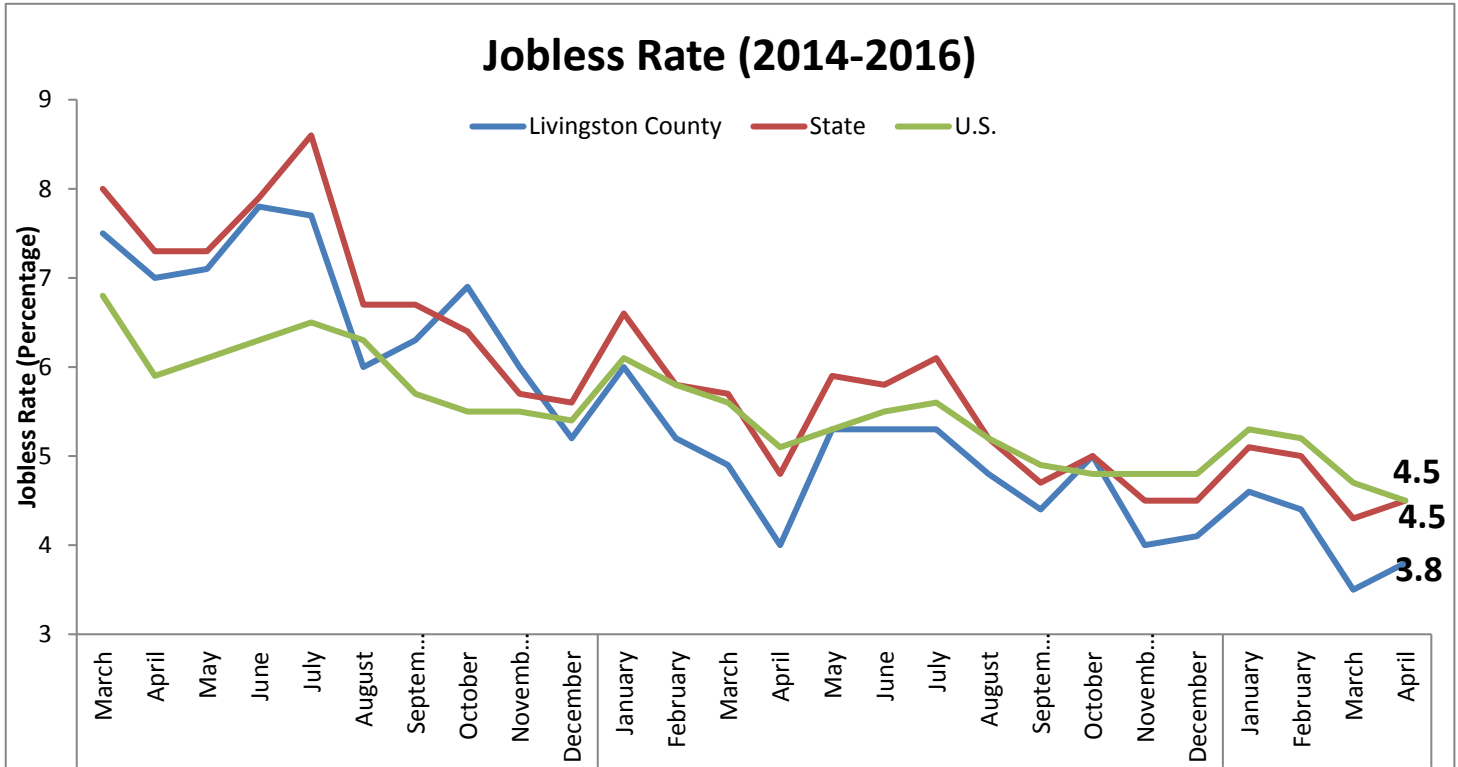
If you have any questions on the day, please do not hesitate to contact Mike Christ at Christm@michigan.org.

EDCLC Microloan Funding Available:

There is still funding available through the EDCLC Microloan Fund, created in partnership between the EDCLC, First National Bank, and the Great Lakes Women's Business Council. Please keep this resource in mind as you are talking to small business owners in your networks, and reach out to Rick Scofield with possible loan candidates.

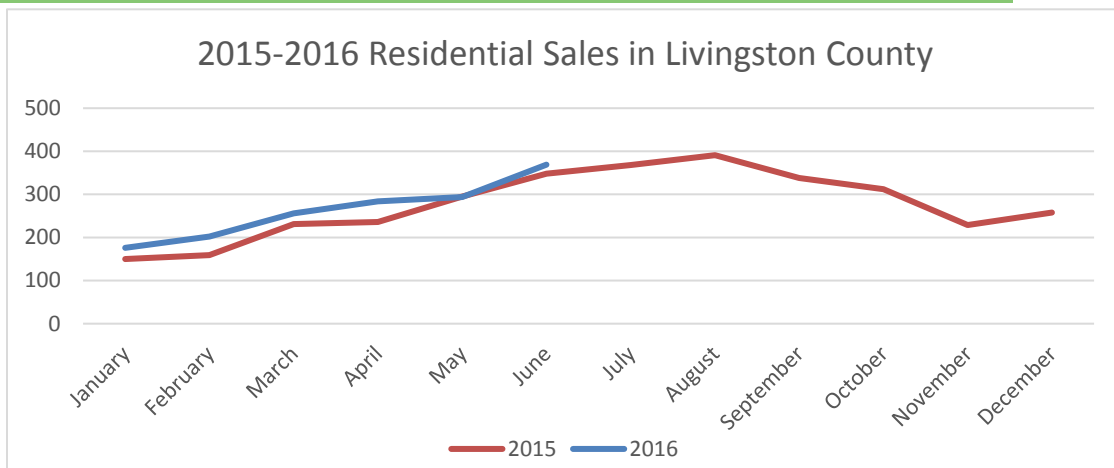


UNEMPLOYMENT RATE



Source: MI Department of Technology, Management & Budget

HOUSING SALES IN LIVINGSTON COUNTY – 2015-2016



Source: Livingston County Association of Realtors

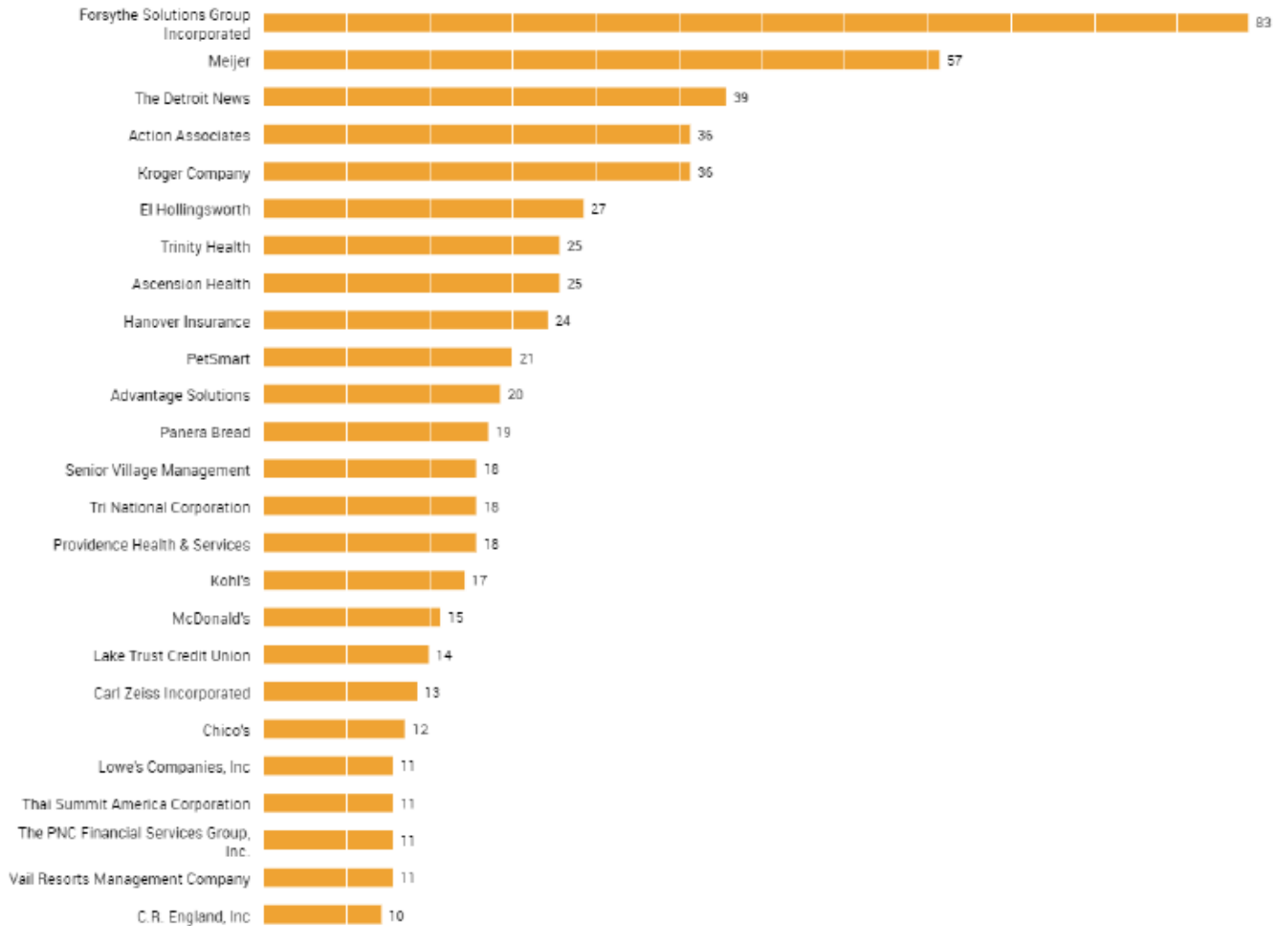
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TOP EMPLOYERS BY NUMBER OF POSTINGS (2016 – Q2)

Active Selections

Apr. 1, 2016 - Jun. 30, 2016 AND (County : Livingston, MI)



Source: Burning Glass & Workforce Intelligence Network

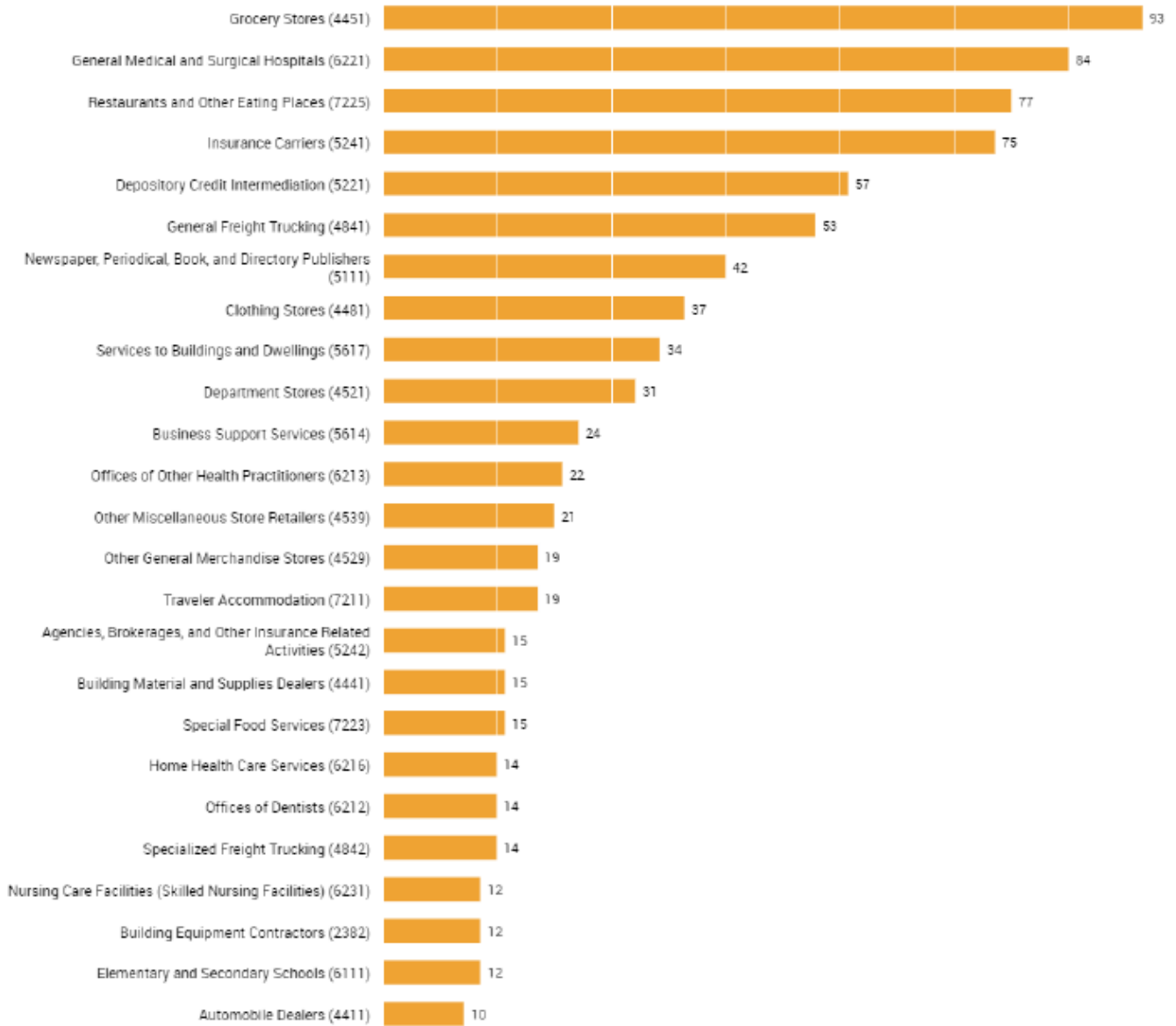
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TOP 20 INDUSTRY SECTORS BY NUMBER OF JOB POSTINGS (2016 Q2)

Active Selections

Apr. 1, 2016 - Jun. 30, 2016 AND (County : Livingston, MI)



Source: Burning Glass & Workforce Intelligence Network

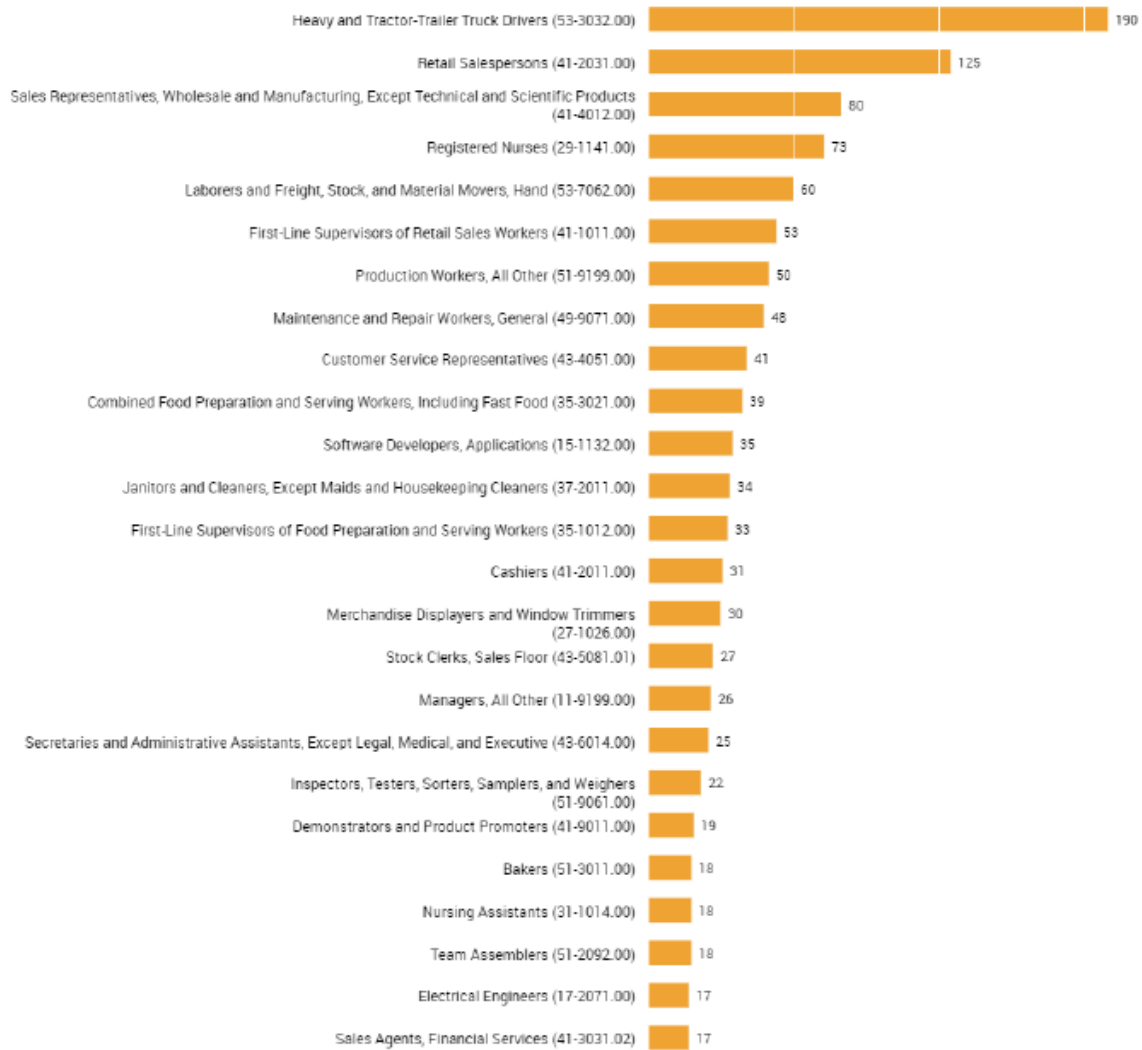
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TOP POSTINGS BY JOB OCCUPATION (2016 Q2)

Active Selections

Apr. 1, 2016 - Jun. 30, 2016 AND (County : Livingston, MI)



Source: Burning Glass & Workforce Intelligence Network

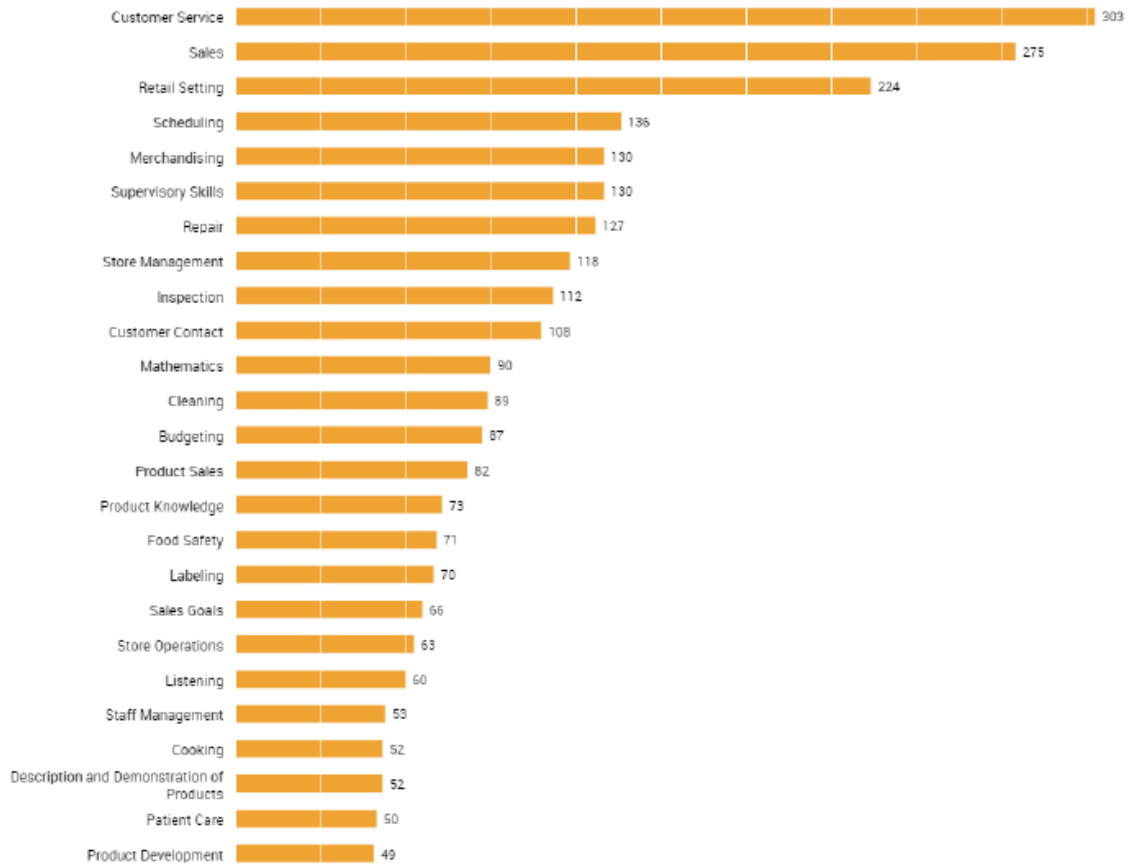
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TOP SKILLS INCLUDED IN JOB LISTINGS (2016 – Q2)

Active Selections

Apr. 1, 2016 - Jun. 30, 2016 AND (County : Livingston, MI)



Source: Burning Glass & Workforce Intelligence Network

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

2013	14.4%
2014	13.9%
2015	13.0%

Source: Livingston County Equalization Reports

WARN NOTICES

No new WARN notices in the region. “WARN” is the Worker Adjustment and Retraining Notification and helps ensure advance notice in cases of qualified plant closings and mass layoffs.

2016 CALL PROGRAM

Company	Taxing Municipality
Joshua Tree Products	Brighton Township
Surgical Safety Scanner	Brighton Township
Advantage Pharmacy Services	Brighton Township
FlexDex Inc.	Brighton Township
Ignite XDS	City of Brighton
Medical Comfort Specialists	City of Brighton
Dunnage Engineering	City of Brighton
Dakkota Integrated Systems, LLC	City of Brighton
TG Fluid Systems	City of Brighton
Corrigan Oil Company	City of Brighton
Asahi Kasei Plastics North America	Village of Fowlerville
Boss Engineering	Genoa Township
CRW	Genoa Township
Smart Technologies, LLC	Genoa Township
Precision Stamping	Genoa Township
Fibertec Environmental Services	Green Oak Township
Michigan CNC Tool	Green Oak Township
AIRman Products, Inc.	Green Oak Township
Promess Inc.	Green Oak Township
Additive Manufacturing Solutions LLC	Hamburg Township
Extreme Machine	Hamburg Township
Rhe Tech, Inc.--Fowlerville	Handy Township
Fowlerville Proving Grounds	Handy Township
Five Sparrows, LLC	Hartland Township
Spiral Industries	Hartland Township
Frontal Lobe Coworking	Howell City
Chem-Trend	Howell City

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Pepsi Bottling	Howell City
Key Plastics	Howell City
Thai Summit America Corporation	Howell City
Hatch Stamping Company	Howell Township
Datapak Services Corporation	Howell Township
Tribar Manufacturing	Howell Township
ZF TRW Automotive	Tyrone Township

34 Records

PROJECT PIPELINE

Number of Projects	19
Potential New Job Creation	552
Potential Capital Investment	\$138 million
Average Age	252 Days

COMPANY VISITS, SUCCESSES, & ON-GOING PROJECTS

Company Visits	34
Total Full Time Employees at Companies Visited	5,312
Referrals	109
Number of Successes	5
Employment Multiplier of Successes	3.0
Job Creation Assistance	277
Capital Investment Assistance	\$53.7 million

PROJECT PIPELINE

Unique ID	Age (Days)	Probability (%)	Total Project Cost	Total Opportunity New FTE Jobs
6502	163	20	TBD	TBD
7629	379	50	TBD	TBD
4635	29	20	TBD	TBD
4659	94	5	TBD	TBD
4864	108	20	TBD	TBD
4647	164	25	TBD	TBD
7011	849	95	TBD	18
7645	370	20	\$7,000,000	12
7702	94	20	TBD	TBD
0101	164	10	TBD	TBD
0101	177	10	TBD	TBD
4863	282	90	TBD	15
7753	265	90	\$5,500,000	67
4700	167	75	\$100,000,000	175
7971	101	25	TBD	TBD

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4622	167	90	\$3,920,000	16
4727	23	90	\$1,568,176	100
3280	618	25	\$15,020,000	129
4618	569	25	\$5,000,000	20
	252		\$138,008,176	552

19 Records

REMOVED FROM THE PIPELINE

Unique ID	Reason for Removal
7266	Located outside region
6279	Located outside region
7559	Located outside region
101	Located outside region
101	Located outside region
101	Located outside region
4937	Located outside region
101	Located outside region
101	Located outside region
2891	Located outside region
101	No response from company
101	No response from company
2891	No response from company
101	No response from company
7178	On hold
4648	On hold
7126	Project not moving forward
4665	Project not moving forward
7304	Project not moving forward
4696	Project not moving forward

20 Records

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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.

EMPLOYMENT MULTIPLIER: Figure calculated by economic modeling through Regional Economic Models, Inc., which quantifies the indirect assistance provided through new job creation. For example, an employment multiplier of 2.0 would indicate that 1 new job would affect 2 total jobs (the new job itself, and another indirect job). Employment multipliers are based on the company’s industry and investment, among other factors.

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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