

Ann Arbor SPARK-Livingston Quarterly Report

3rd Quarter 2012 (July-September 2012)

TO: Economic Development Council of Livingston County

FROM: Ann Arbor SPARK

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

QUARTERLY HIGHLIGHTS

Site Selection Marketing / Pure Michigan 400 Event

In August, the Ann Arbor Region, in conjunction with the Michigan Economic Development Corporation and Southwest Michigan First, hosted several site selectors for the Pure Michigan 400. Site selectors are firms hired by large businesses to make facility investment decisions.

Ann Arbor SPARK worked with its partners in "Region 9" (Hillsdale, Jackson, Monroe, Livingston, Lenawee and Washtenaw counties), with grant support from MEDC of \$20,000, to develop a region-wide identity and pitch for the visitors. The pitch was delivered to guests during a tour of the University of Michigan, given by Ken Fischer of the University Musical Society.

The MEDC funding will support a "full circle" marketing and communications plan with site selector contacts that SPARK has made during the last year.

Signed MOU with Livingston County Michigan Works!

Ann Arbor SPARK and Livingston County Michigan Works! signed a memorandum of understanding ("MOU") to provide business and talent services to companies in Livingston. The partnership is mutually beneficial – providing short-term access to talent services for employers, and allowing Livingston County Michigan Works! to gather real-time information on workforce needs.

Redevelopment Ready Communities® Program

In September, staff from the Redevelopment Ready Communities® program, part of the Michigan Economic Development Corporation, briefed Livingston community partners on best practices to encourage development.

The program, originally part of the Michigan Suburbs Alliance, provides guidelines to municipalities seeking to become competitive in today's economy by promoting the effective use of development strategies.

Ogihara's Investment & Thai Tour of Livingston

In September, Ogihara announced a \$35 million investment and the addition of 78 jobs in Howell. In addition, the Board of Investment of Thailand, the government's principal agency for

encouraging investment, visited Livingston County to tour Ogihara's facility and others in Michigan. These actions represent an encouraging development in the relationship between Livingston and Thailand.

Ann Arbor SPARK President, CEO, Elected Chair of International Economic Development Council

Ann Arbor SPARK president and CEO Paul Krutko was recently elected chair of the International Economic Development Council's (IEDC) board of directors. In his role as IEDC's board chair, Krutko will lead the organization's efforts to help economic development professionals create high-quality jobs, develop vibrant communities and improve the quality of life in their regions. More than 4,000 economic development professionals belong to IEDC.

UPCOMING PROJECTS

Association of the United States Army

In October, the Michigan Economic Development Corporation, Automation Alley, Ann Arbor SPARK and several Michigan-based businesses will attend the annual meeting of the Association of the U.S. Army in Washington, DC. The meeting includes an exposition and affords the opportunity for companies in the defense and government contracting space to find new business and consider investment decisions.

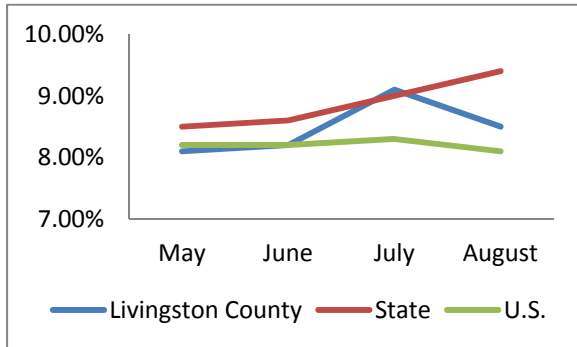
Agricultural Economic Development

"Region 9" includes tremendous agricultural assets. Our partners, in conjunction with the Michigan Department of Agriculture & Rural Development, will increase its focus on economic development within the agricultural industry, specifically related to export opportunities for these businesses.

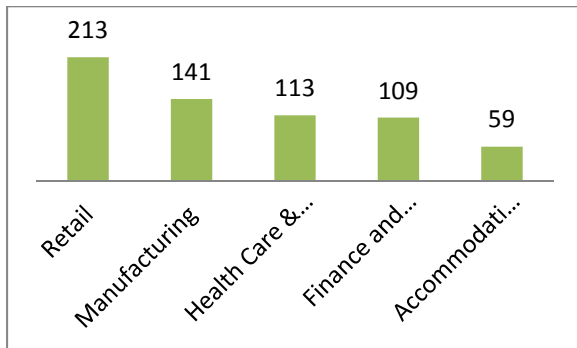
Ann Arbor SPARK Strategic Plan for Business Development

Ann Arbor SPARK's Business Development team has developed a strategic plan for 2013, which will be presented to the Economic Development Council of Livingston County before the year's end.

UNEMPLOYMENT RATE



REAL-TIME JOB OPENINGS



(June to August 2012, Source: Workforce Intelligence Network)

ASSESSED VALUE OF COMMERCIAL AND INDUSTRIAL PROPERTY

	Real	Personal
2012	\$1,145,872,572	\$307,323,013

(2012, Source: 2012 County Equalization Report)

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

15.4%

(2012, Source: 2012 County Equalization Report)

PROJECT PIPELINE

Number of Projects	11
New Job Creation	192
Capital Investment	\$15.5 million

COMPANY VISITS & PROJECT SUCCESSES

Company Visits	22 (40 to-date)
Referrals	37
Job Creation	10
Assistance	
Capital Investment Assistance	\$2.5 million

PROJECT PIPELINE

Account ID	Probability	Investment	Job Creation
4998	80%	TBD	24
6167	50%	TBD	15
5587	50%	\$5,000,000	67
4608	50%	TBD	TBD
4610	30%	\$4,000,000	6
5627	20%	\$5,000,000	75
4607	10%	\$1,500,000	5
5596	10%	TBD	TBD
5095	10%	TBD	TBD
4992	10%	TBD	TBD
4737	10%	TBD	TBD
11 Records		\$15,500,000	192

COMPANY VISIT REPORT (3RD QUARTER)

Company Name	Municipality
Brighton NC Machine	Green Oak
Battery Solutions	Genoa
CEBOS Limited	Brighton Township
Conatus, Inc.	Brighton
Clean Green Energy LLC	Green Oak
BWI Group	Brighton Township
Energy Design Service Systems	Genoa
Dedoes Innovative Manufacturing, Inc.	Fowlerville Village
Truck-Tech Refurbishing Inc.	Howell Township
TG Fluid Systems	Brighton
Progressive Metal Forming, Inc.	Hamburg
Think! Social Media USA	Brighton
Chem-Trend	Howell City
Corrigan Oil Company	Brighton
Work Skills Corporation	Brighton
Machining Center, Inc.	Brighton Township
RFM Inc.	Brighton
Xcend Group	Brighton
Unified Industries, Inc.	Howell City
Dunnage Engineering	Brighton
Promess Inc.	Green Oak
Crosswinds Aviation	Howell Township
22 Records	

COMPANY TRENDS & OPPORTUNITIES

- **ACCESS TO TALENT:** Across industries, finding qualified talent continues to challenge businesses. Job openings and opportunities are available throughout Livingston County (see the table above for specific types of job postings); however, finding the right talent to fill those positions has proven difficult.

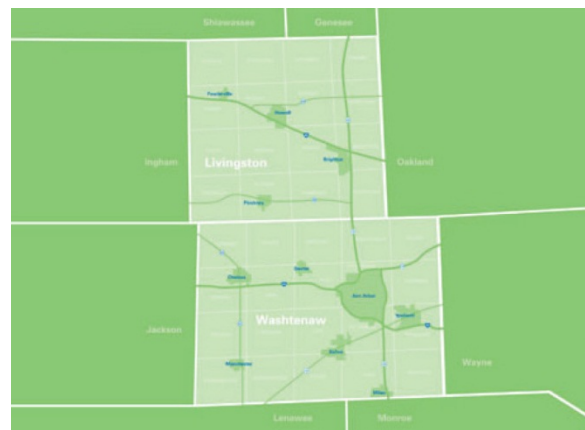
- **DEBT FINANCING:** Many companies continue to finance projects through owner equity, meaning less reliance on traditional debt for financing projects. This represents a unique trend, as federal and state mechanisms have been developed to increase the availability of debt financing, which is perceived as difficult to obtain.
- **DOING MORE WITH LESS:** Some businesses have returned to pre-recession revenue levels, but now have fewer employees. Employee productivity is high, although this provides fewer opportunities to train a new set of employees. This also creates interesting opportunities for existing worker training.
- **OPTIMISM:** Employers are cautiously optimistic about the future, with concerns over global and regional economies, political decision making and other factors causing some concern.

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.



Livingston County
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