

Ann Arbor SPARK-Livingston Quarterly Report

3rd Quarter 2013 (July-September 2013)

TO: Economic Development Council of Livingston County



FROM: Ann Arbor SPARK

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

QUARTERLY HIGHLIGHTS

2013 Annual Meeting Highlights Lake Trust Credit Union's \$30 Million Investment; Awards for Livingston County on Broadband Connectivity

On Thursday, September 19th, the Economic Development Council of Livingston County (EDCLC) held its second annual meeting at the Johnson Center at Cleary University.

Over 110 attendees heard from David Snodgrass, the CEO of Lake Trust Credit Union on their planned \$30 million in Brighton Township, which will employ over 250 people. Snodgrass discussed the reasons for choosing Livingston County, including its convenience for their current workforce and the support they have received from the local community. They anticipate opening in late 2015. An overview of Snodgrass's keynote [may be found here](#) (courtesy of the Livingston Press & Argus).



In addition, Connect Michigan presented their "Connected Community" award to Livingston County. Connected Communities are a select group that has undertaken a technology review related to the availability of broadband. This process began with Advantage Livingston. A review of broadband service in Livingston County may be [found here](#).



Other speakers at the Annual Meeting included Paul Krutko, President & CEO of Ann Arbor SPARK; Mike Kennedy, Chairman of the EDCLC; and Bill Sleight, Director of Livingston County Michigan Works! who provided an overview of the importance of talent in economic development.

Commercial Construction Inc. Moves into New Space in Green Oak Township



Commercial Construction Inc. (CCI), a full service installation, repair and maintenance company for industrial facilities, is moving into a new facility on Kensington Road in Green Oak Township this fall. The company, which currently employs over 50 people, (including eight at their local operation), works with customers like Ford Motor Company, General Motors, DTE Energy and the Detroit Metro Airport.

The company has additional growth plans, including adding two new people, with a focus on power generation, automotive, food &

beverage, and equipment installation projects throughout the Midwest and south. Some of their existing workforce lives in Livingston County, and they are strong supporters of the region. They are also involved in charitable work with Toys for Tots, Lacasa, Big Brothers Big Sisters of Livingston County, and the Brighton Masonic Lodge.

Ann Arbor SPARK has provided assistance to CCI through their location process, including during a land split as well as identification of potential B2B sales opportunities, local internship programs, and feasibility assistance with capital and other incentive programs.

Chassix Grows in Livingston County with Assistance from Livingston County Michigan Works!

Chassix, formerly known as Diversified Machine, Inc. (DMI) and SMW, LLC (SMW), is increasing its employment base at its facility in Howell, Michigan, with assistance from local workforce development initiatives. Faced with new business opportunities, Chassix connected with local economic development organizations, such as Ann Arbor SPARK and Livingston County Michigan Works! (LCMW) to explore the workforce initiatives available. Finding employees has not been an issue for Chassix; however, finding the workers with the right advanced manufacturing skillset proved to be a challenge.

LCMW is helping Chassix identify their training needs as well as helping them identify funds that will help pay for the training. Among the training funds LCMW recently approved, is an Incumbent Worker Training Grant that will help the company update the skills of their current workers. In addition, LCMW has worked with the company to help train their new hires through the On-the-Job Training program, a program that reimburses companies for up to 50% of a new hire's wages for a negotiated period of time. To date, Chassix has hired three new employees utilizing this program, and anticipates utilizing the program further in order to hire more than eight additional employees in the near future. "Using on-the-job training has been a helpful way for us to identify manufacturing talent, and assist us in hiring new employees in Howell," said Cathy Janis at Chassix. "Working with local organizations like Livingston County Michigan Works! has allowed us to access new talent in a cost effective way."

In addition, LCMW is helping Chassix explore other potential resources to help them with their recruiting and training needs, including the Skilled Trades Training Fund. This is a new State of Michigan program to address the growing shortage of skilled workers which threatens our economic competitiveness.

"We are pleased that Chassix has chosen to grow in Howell, and we look forward to continuing to work with them on supporting that growth," said Bill Sleight, Director of Livingston County Michigan Works!

WARN Notices in Livingston County

The "Worker Adjustment and Retraining Notification" Act (WARN) requires that employers notify employees 60 days in advance of mass layoffs or plant closings. Livingston County received one WARN notice this quarter, for Applied Power Inc. in the City of Brighton. The layoff will affect 30 production workers at the end of this year.

The layoff is a result of the production moving to Mexico. The affected employees are eligible to receive benefits through Trade Adjustment Assistance (TAA), which includes relocation allowances, training, income support and other benefits. TAA is a federal benefit program. More information [may be found here](#).

Livingston County Michigan Works! and Ann Arbor SPARK participated in Rapid Response Services at the company in July, which outline the available services for job seekers in the area. Some of those services include:

- Determine what services are needed by the employees and what is being offered by the employer (and union, if applicable);
- Provide an overview of available dislocated worker services;
- Provide general information about unemployment benefits

More information on Rapid Response Services [may be found here](#). In addition, Ann Arbor SPARK provided the opportunity for interested individuals to have their information sent to other local employers that are seeking new employees. Two individuals were engaged in this process at the time of publication; one of which is currently finalizing a local opportunity with another employer.

\$10 Million in Training Now Available for Businesses

In September, the Michigan Workforce Development Agency announced the creation of the Skilled Trades Training Fund (STTF), a competitive training program available for employers that need to fill jobs with a "document need for talent." This could include industries like manufacturing, health care, agriculture, informational technology and energy, among others. The funding is not exclusive to the traditional "skilled trades." The funding is intended to provide funding for short-term training opportunities to help grow the business or retain existing employees. Basic information on the program [may be found here](#).



Employers in Livingston County have been notified of the opportunity. In addition, Livingston County Michigan Works! is holding an informational session on October 17th at 3:00 pm for interested participants. Funding through this program is expected to be used quickly throughout the state of Michigan.

Six Counties Form Greater Ann Arbor Region Collaborative to Attract Growing Businesses



**Hillsdale • Jackson • Lenawee
Livingston • Monroe • Washtenaw**

Hillsdale, Jackson, Lenawee, Livingston, Monroe and Washtenaw counties have joined together in an effort to attract businesses to the region. The counties are targeting businesses that are seeking a destination for relocation or expansion.

"Each of the counties involved in the 'Greater Ann Arbor Region' marketing push brings unique strengths and assets to the table, but it's in the combination of assets that a strong, compelling story emerges," said Paul Krutko, president and CEO of Ann Arbor SPARK. "This collaborative effort to promote the Greater Ann Arbor Region shines a spotlight on the importance of regionalism and how, by working together with our peers and neighbors, we can drive our economy forward."

With a grant funded by the Michigan Economic Development Corporation, the group's collaborative efforts will center on marketing the Greater Ann Arbor Region to company executives and site selectors considering new business locations. These efforts are designed to highlight the region's unique assets, specifically in manufacturing, life sciences, automotive, software, and IT. Outreach efforts will also promote the Greater Ann Arbor Region's robust University and College system. To kick off its outreach efforts, Greater Ann Arbor Region partners have created a [new website](#) that includes a robust suite of research data, available properties and other tools that businesses can use to evaluate location options. The website also features case studies of successful regional businesses, including VenTower of Monroe, C. Raker and Sons of Hillsdale, and NuStep of Ann Arbor.

In coming months, the partners will kick off a targeted email and social media marketing campaign in order to create awareness of

the Greater Ann Arbor Region. Efforts will also include hosting site selectors for tours of the region.

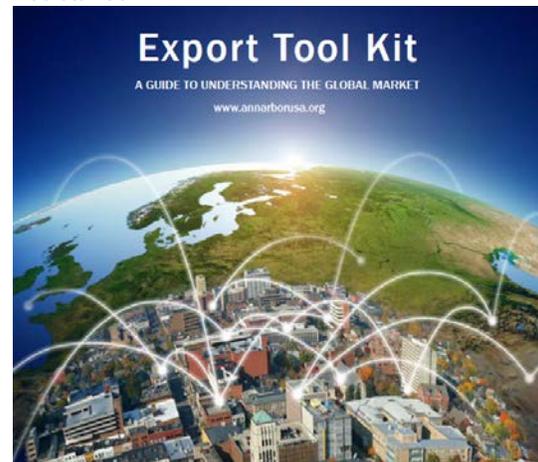
Capital Area Manufacturing Council's Expansion into Livingston County



Last quarter, the Capital Area Manufacturing Council (CAMC) announced its expansion into Livingston County. The CAMC is a consortium of C-level executives from manufacturing firms throughout mid-Michigan, tasked with working together to improve Michigan's manufacturing competitiveness by addressing and tackling common issues.

This quarter, CAMC held an Executive Meeting and a Workforce Development Meeting in Mid-Michigan, which included presentations on manufacturing-specific opportunities, networking and tours of local facilities. Three Livingston County firms have joined CAMC, including Asahi Kasei North America in Fowlerville, Bradhart Products in Green Oak Township, and Chassis in Howell.

Spotlight on a Referral: Going Global through Export Assistance



Livingston County businesses export about \$776 million worth of goods and services every year, according to the Brookings Institution. But in order to thrive over the long-term, businesses

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must be prepared to expand their focus on global opportunities. In fact:

- 96% of the world's consumers live outside the U.S.
- Small to mid-sized firms that export tend to grow and innovate more in products and processes than non-exporters.
- Americans working for firms that export earn over 11 percent more than workers at firms that do not export.

There are several regional, state and federal resources available for firms that are interested in selling their products outside of the United States. Some of these resources include:

- Ann Arbor SPARK's [export toolkit](#), which provides an overview of exporting and includes local service providers that can assist with "going global."
- [Assessment tools](#) to help determine where companies should focus before considering exports.
- [Gold Key Matching Services](#) that provides market research, identification of potential customers, and the ability to set up in-market meetings with those companies.
- Access to the [State Trade Export Program](#), which can provide cost sharing on attending foreign trade shows, translation services, or using the Gold Key Matching service.
- Significant marketing resources for agricultural producers in Michigan through their [International Marketing Program](#).

Four Livingston County firms have received cost sharing through the State Trade Export Program, and one firm is currently pursuing funding. This funding helped companies access markets in Brazil, Colombia, and Australia.

Spotlight on a Referral: Chem-Trend becomes a "GOemployer"



The Global Talent Retention Initiative (GTRI) is the first and only known program in the United States developed to retain international student talent as a strategy for

economic growth. The goal of GTRI is to provide international students and Michigan employers with training and resources on relevant immigration regulations, finding a job and working in Michigan, and the cross-cultural issues that both employers and international applicants may experience during the hiring process.

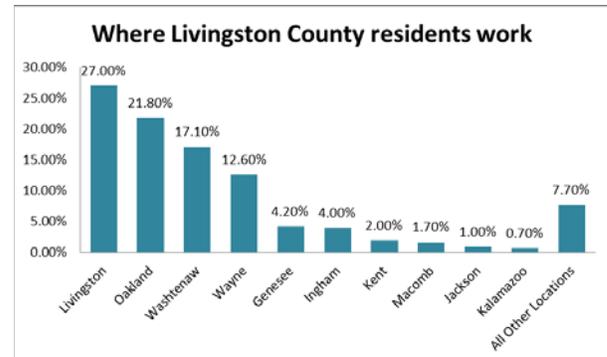
As part of their work, GTRI offers employers the opportunity to become a Global Opportunity Employer ("GOemployer"). Among others, this designation provides:

- Direct access to top international student talent studying at Michigan universities.
- Access to immigration and cultural resources relevant to hiring international students and other foreign nationals.
- Assistance with the immigration planning process and referrals to highly qualified immigration attorneys.

Recently, Chem-Trend in Howell became a GOemployer with an interest in retaining and developing international students at Michigan universities. Interested employers can learn more about the program here: <http://www.migtri.org/services/become-goemployer>.

Where do Livingston County residents work?

The Workforce Intelligence Network, a consortium of workforce development agencies and community colleges in southeast Michigan, recently released a one-page overview of the labor shed in the region. It included information on where Livingston County residents work, which is included below. The one-page document is attached to this report.



Pure Michigan 400 Brings Site Selectors to the Greater Ann Arbor Region



In August, the Michigan Economic Development Corporation hosted several site selectors from around the county to participate in the Pure Michigan 400 NASCAR race at Michigan International Speedway. The event brought a dozen location decision advisors to the region to showcase the state and meet with local employers. Location decision advisors or “site selectors” are professionals that help businesses make investment decisions around the world.

The Greater Ann Arbor Region itself hosted two site selectors during the weekend and provided access to major employers in the area. The other site selectors spent time with economic developers around the state. The event also featured race day participation at Michigan International Speedway and a meet-and-greet with some of the drivers.

Perceptions of Michigan: The Site Selector Perspective

This quarter Ann Arbor SPARK traveled to Atlanta as part of the Michigan Economic Development Corporation’s site selector marketing effort. The meetings included a panel discussion with site selectors on their perceptions of the state as a location. Some thoughts:

- The perception of Michigan is still one of a high-wage state.
- Site selectors appreciate the long-term thinking and proactive outreach to site selectors throughout the country.
- The Midwest is considered to have “good people” in general; logistics and transportation are opportunities for the Midwest
- At the state level, North Carolina is doing a good job in marketing itself, as is South Carolina, which is entrepreneurial in addressing project needs.
- Fully discretionary incentives like the state’s Business Development Program do not provide a lot of certainty to

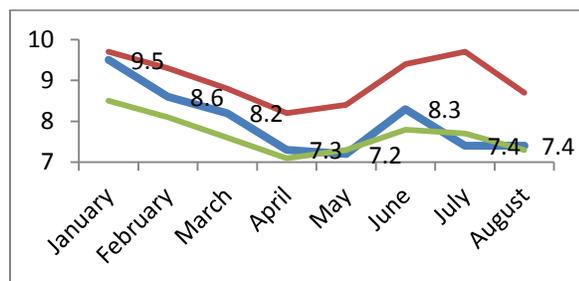
clients, and that’s what they want many times - certainty, not negotiation.

- It is best when regional economic development organizations, locals and the state are on the same page and work together to complete projects.
- Case studies are important - how big is the deal, how did it happen, etc.
- They prefer quarterly calls with consultants to help describe what is happening in Michigan.

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UNEMPLOYMENT RATE



— Livingston County
— State
— U.S.

OCCUPATIONS IN DEMAND IN LIVINGSTON COUNTY (3RD QUARTER 2013)

Occupation	Job Openings	% of Total Openings
Retail Salespersons	217	9.4%
First-Line Supervisors Of Retail Sales Workers	94	4.1%
Customer Service Representatives	58	2.5%
Maintenance And Repair Workers, General	56	2.4%
Combined Food Preparation And Serving Workers, Including Fast Food	54	2.3%
Registered Nurses	44	1.9%
Sales Representatives, Wholesale And Manufacturing, Except Technical And Scientific Products	42	1.8%
Tellers	41	1.8%
First-Line Supervisors Of Food Preparation And Serving Workers	40	1.7%
Janitors And Cleaners, Except Maids And Housekeeping Cleaners	38	1.7%
Secretaries And Administrative Assistants, Except Legal, Medical, And Executive	38	1.7%
Physical Therapists	38	1.7%

Source: Workforce Intelligence Network

CORE SKILLS IN DEMAND IN LIVINGSTON COUNTY (3RD QUARTER 2013)

Skill cluster	Job Openings
Common Skills: Communication and Coordination	842

Common Skills: Business Environment Skills	671
Common Skills: Problem Solving	367
Software and Programming Skills	362
Customer Service: Basic Assistance	341
Sales: General	267
Admin Support: General	168
Health: Therapy	158
Customer Service: Sales	143

Source: Workforce Intelligence Network

PROJECT PIPELINE

Number of Projects	24
New Job Creation	756
Capital Investment	\$32.3
Average Age	183 Days

PROJECT PIPELINE

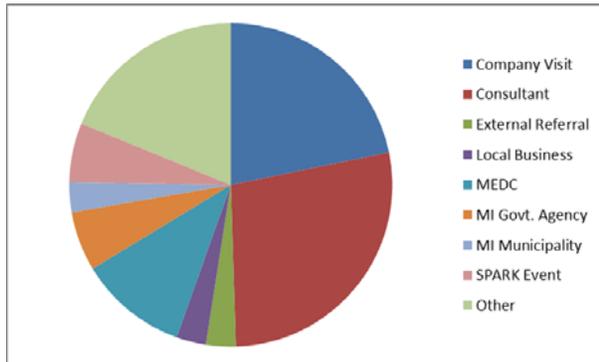
Account ID	Probability	Investment	Job Creation
5627	Mid	\$15,000,000	51
4863	Mid	\$3,000,000	12
6479	Mid	TBD	6
4610	Mid	\$3,000,000	4
0090	Mid	\$1,200,000	TBD
4866	Mid	TBD	57
4837	Mid	TBD	4
4654	Mid	\$1,910,000	11
6823	Low	TBD	160
6785	Low	TBD	TBD
6810	Low	TBD	5
6733	Low	\$2,000,000	TBD
6552	Low	TBD	TBD
5587	Low	\$5,000,000	67
6698	Low	TBD	15
6551	Low	TBD	10
6811	Low	TBD	100
5579	Low	TBD	200
6594	Low	TBD	TBD
6661	Low	\$1,200,000	50
4922	Low	TBD	TBD

*Note: This does not include projects which have an executed Non-Disclosure Agreement in place.

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LEAD SOURCE



COMPANY VISITS & ON-GOING PROJECTS

Company Visits	60
Referrals	64
Job Creation Assistance	303
Capital Investment Assistance	\$31.85 million

"WARN" Notices

Company Name	Jobs Affected
Applied Power Inc.	30

COMPANY VISIT REPORT

Company Visit	Municipality
401K GPS	Brighton
Ashland Aluminum Company, LLC	Fowlerville Village
Bradhart Products, Inc.	Green Oak
CEI Roofing, Inc.	Genoa
Chassix	Howell Township
Chem-Trend	Howell City
Citizens Insurance Company	Howell City
Clean Green Energy, LLC	Green Oak
Dedoes Innovative Manufacturing, Inc.	Fowlerville Village
Electric Apparatus Company	Howell City
Energy Design Service Systems	Genoa
Five Sparrows, LLC	Hartland
Hug-A-Plug, Inc.	Brighton Township
KW Corporation	Fowlerville Village
Magna International	Howell Township

MetPro Group	Howell Township
Michigan Rod Products	Genoa
RFM, Inc.	Brighton
TG Fluid Systems	Brighton
Think! Social Media USA	Brighton
Tribar Manufacturing	Howell Township
Total	22 Records

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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Think Regionally: Southeast Michigan's Labor Shed

Our region's labor shed highlights why, when it comes to talent, we must think regionally: Our workforce is mobile. Although **90.5% of the region's workforce live and work¹ in a nine-county area**, not all residents work in their own county. It is not uncommon for workers to commute one or two counties over for work. This means that the residents in Livingston County should be ready for the job demands of employers hiring throughout Southeast Michigan.

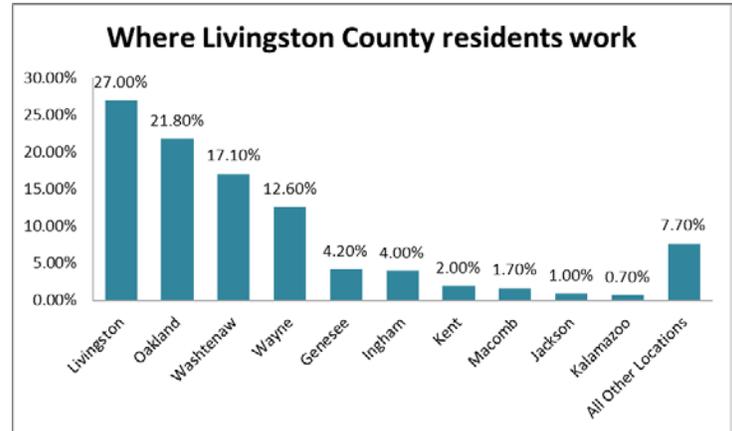
LIVINGSTON COUNTY SNAPSHOT

In 2012 there were approximately:

- **4,058 business establishments²;**
- **5,446 job postings; and**
- **52,202 people** working with the county limits³.

Livingston County is a **commuting community**:

- 27.0% of workers live and work in Livingston County;
- 54,861 workers from Livingston County (73.0%) have jobs outside their home county;
- 28,196 Livingston employees (58.2% of the county workforce) live outside its borders; and
- 8.8% of residents travel more than 50 miles to go to work.



SOUTHEAST MICHIGAN⁴ SNAPSHOT

- 90.5% of the Southeast Michigan regional workforce lives and works within a nine-county area.
- There were 307,400 job postings in 2012.
- Approximately **112,780 business establishments** exist in the WIN region.
- There were **2,316,202 workers** throughout the region.
- A total of 188,893 workers who live outside the nine counties commute into the region for work.
- A total of 186,259 residents in the region commute outside the region for work.

¹ This and labor shed statistics throughout this brief are analyzed from the U.S. Census On the Map, Center for Economic Studies. 2011 data.

² Establishments are defined as a physical location of economic activity, as recorded by the QCEW. A single company may have multiple establishments.

³ The number employed includes QCEW employment, non-QCEW employment, and self-employed. It does not include self-employment in jobs that are not the primary source of income.

⁴ The WIN Southeast Michigan region includes the following nine counties: Genesee, Livingston, Macomb, Monroe, Oakland, Shiawassee, St. Clair, Washtenaw, and Wayne.