



TO: Economic Development Council of Livingston County



FROM: Ann Arbor SPARK

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

3rd Quarter 2014 (July – September 2014)

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BRYLLAN EXPANDS TO PHARMA MANUFACTURING FACILITY IN BRIGHTON TOWNSHIP



With support from Ann Arbor SPARK, Bryllan, LLC, a contract manufacturer of pharmaceutical products for global biotechnology and pharmaceutical companies, is expanding to a facility in Brighton Township. As part of its move, Bryllan will invest more than \$5 million and create 50 new jobs in the next two years.

The new operations will be the first site in U.S. on the scale that Bryllan intends to expand, and the company expects to generate interest from global pharmaceutical companies as a result. From its location at 12501 Grand River in Brighton Township, Bryllan will be the only facility able to handle several different specific vaccines. Bryllan's highly experienced team plans to recruit from all over country. Its hires will span a range of jobs, from management to technical.

Bryllan's work at its new facility has just begun, and more information will be provided to the EDCLC Board and stakeholders in the near future.

ANN ARBOR SPARK AND LIVINGSTON COUNTY MICHIGAN WORKS! HOST GRANT WORKSHOP

In August, Ann Arbor SPARK and Livingston County Michigan Works! hosted an overview of workforce development grant opportunities, including the Skilled Trades Training Fund, a competitive \$10 million grant opportunity through the State of Michigan. Last year, eight Livingston County companies were awarded nearly \$500,000 in grants through the program. Over 50 people attended the session, which had 28 companies represented. Several companies have begun the application process, which opened on October 1, 2014.

The Skilled Trades Training Fund (STTF) program is designed to assist companies in training their employees for necessary skills that they may not currently have in the labor market. "The STTF provides competitive awards for employer responsive-training that enhances talent, productivity, and employment retention, while increasing the quality and competitiveness of Michigan's businesses. The STTF ensures Michigan's employers have access to the talent they need to compete and grow, and individuals have the skills they need for in-demand jobs. Collaboration between the Michigan Works! Agencies (MWAs), economic development, and educational partners are essential to achieve demand-driven training that addresses talent shortages hampering the growth of Michigan's priority industries."

In addition, other federal and state grant opportunities were discussed, including On-the-Job Training, and Incumbent Worker Training.

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ANOTHER SUCCESSFUL YEAR FOR LIVINGSTON COUNTY MICHIGAN WORKS!

Livingston County Michigan Works! (LCMW) has had another successful year working with area businesses and job seekers. During the period of July 1, 2013 – June 30, 2014, LCMW continued to focus on demand-based training. By serving employers as our primary customer, LCMW have used various training funds to support our local businesses and assist them in their expansion doing so in a cost-effective, responsible manner.

The Skilled Trades Training Funds (STTF) is a flexible program that allows employers to use a variety of training methods and their choice of vendors. On-the-Job Training (OJT) is another tool to help job seekers gain the necessary skills for a job while lowering the cost of training for employers. By providing a way to train potential employees to their own specifications, OJT can be a more cost-effective approach to filling the job openings of our local employers. Both of these successful programs have been a WIN-WIN for the business and the employee.

Some additional major achievements were:

- Eight area employers were awarded more than \$495,931 in Skilled Trade Training Funds to upgrade the skills of over 670 employees
- Ten employers used OJT training to assist with a faster and more cost-effective training and hiring process for a total of 78 employees
- More than 1,080 job seekers found new jobs
- More than 80 companies received assistance with filling positions

THE GREATER ANN ARBOR REGION HOSTS SITE SELECTORS



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

In early October, the Greater Ann Arbor Region hosted site selectors from around the country in a familiarization tour of the region. Site selectors are professionals who work with companies on their location decisions. Over the past two years, the Michigan Economic Development Corporation and the Greater Ann Arbor Region have worked to build relationships with these professionals. Eight site selectors attended and represented companies like KPMG, Atlas Insight, Cushman & Wakefield, and others. The tour involved a number of activities including:

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- Access to Zingerman’s stakeholder meeting, and ZingTrain, Zingerman’s training company that teaches participants how to provide amazing customer service like that found within Zingerman’s Deli in Ann Arbor.
- Discussions with CEOs and leaders from around the region with Business Leaders for Michigan, an organization dedicated to making Michigan a “top ten” state. Doug Rothwell, the president & CEO, served as host and facilitator.
- Site tours of facilities and companies in the Greater Ann Arbor Region.
- A discussion on the unique workforce collaborations that are happening within the Greater Ann Arbor Region.

Participants were welcomed by Greg Burkhart, a site selector and Green Oak Township resident, who provided an overview of the region via email to his peers. We have included an excerpt from his email below:

“Colleagues – Welcome to Michigan! Lisa and I live just up the road in Brighton, the home to Michigan’s newest Vail Resort. Yes, Vail purchased our Mt. Brighton and turned our little ski hill -- where the chair lifts doled out splinters and middle-schoolers shared their first kisses – into a Midwestern Zermatt. For empty nesters like us, the après activities are a welcomed reminder of our youth.

You picked a great time to visit Michigan. Governor Snyder and Mike Finney, both residents of Ann Arbor, have done a great job of turning around our business climate. Last summer, the Tax Foundation ranked Michigan as having the 14th best overall business tax climate in the country. That ranking is going to improve quickly for two reasons: (1) The UI rate is a drag on our overall ranking but Michigan’s surplus in the Unemployment Insurance Trust Fund will enable the state to reduce its UI tax; and (2) our recently passed personal property tax elimination will reduce the property tax burden. By turning deficits into surplus, our state won’t be in a hurry to raise taxes any time soon.

Our Ann Arbor region is a lousy place for football but a great place for R&D. With average wages of only \$80,500 per year, Ann Arbor has the largest collection of reasonably priced and talented engineers of any city in the country. Most people think of SE Michigan as catering to automotive R&D – probably because we have the R&D centers for Toyota, Nissan, Hyundai, Lotus, Ford, and GM in our backyard – but Ann Arbor has a large concentration of biomedical engineering talent, too.”

Following the tour, site selector Dean Barber of Barber Business Advisors, LLC, wrote a story about his experience. You can read the full piece here: <http://deanbarber.wordpress.com/2014/10/06/a-comeback-story/>. An excerpt:



“The big story, the over-riding story of Michigan, and not just of the Ann Arbor region, is one of comeback. And everybody loves a comeback or a turnaround story as it plays to the dramatic narrative. [...]

During my few days in Michigan last week, I came away with my own story based on hearing stories from others. I know this place now is a far bigger than Detroit alone, where a very positive story is playing out.

And while much of Michigan’s economy is tied to automotive manufacturing, there is a much wider diversity of companies making and doing other things. Michigan is the home of such prominent names as Whirlpool, Steelcase, Domino’s Pizza, Stryker Corp., Dow Chemical, Quicken Loans, and La-Z-Boy. And Google has initiated a growing tech cluster in downtown Ann Arbor.”

ANN ARBOR SPARK & ECONOMIC DEVELOPMENT COUNCIL OF LIVINGSTON COUNTY RECOGNIZED AS A BEST PRACTICE FOR ECONOMIC DEVELOPMENT PARTNERSHIPS



In August, Ann Arbor SPARK presented an overview of the relationships with Livingston County as a best practice to the Michigan Economic Developers Association (MEDA) Annual Meeting. MEDA’s Annual Meeting brings hundreds of economic development professionals from around the state to meet on topics of interest for the industry. Economic development partnerships have become more important to the industry over the past several years, and the Ann Arbor SPARK / EDCLC relationship was highlighted as one way to effectively conduct regional economic development.

CONGRATULATIONS TO RECIPIENTS OF INC. MAGAZINE’S 5000 FASTEST-GROWING PRIVATE COMPANIES IN AMERICA

Each year, Inc. Magazine publishes a list of the top 5,000 fastest-growing privately-held companies in America. This year’s list included over 130 companies from Michigan, and three based in Livingston County:

- Total Security Solutions (Fowlerville): 55% Growth, \$12.5 million in Revenue
- iVantage Group (Brighton Township): 134% Growth; \$8.7 million in Revenue

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- Armor Protective Packaging (Howell): 76% Growth; \$18.2 million in Revenue

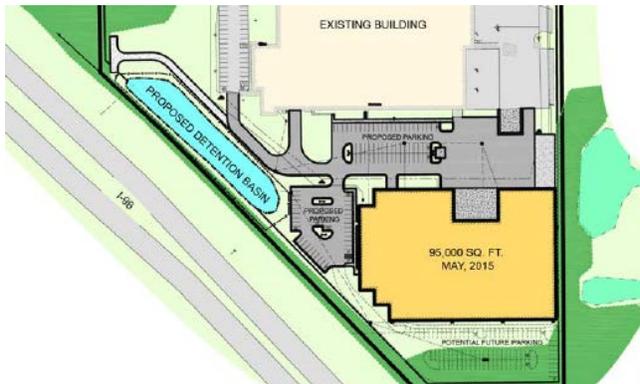
Each of these firms has been part of Ann Arbor SPARK's retention call program. Outcomes from these relationships included training grants, access to business development opportunities, resumes for job opportunities and information on Michigan's change tax structure, among others.

ANN ARBOR SPARK SUPPORTS TOYOTA'S EXPANSION IN THE REGION AND HIGHLIGHTS HOUSING OPPORTUNITIES IN LIVINGSTON COUNTY

As part of the Toyota Technical Center's \$32.5 million expansion in York Township, Ann Arbor SPARK has worked closely with Toyota's team members as they consider moving to Michigan. In addition to helping Toyota through the incentives process, Ann Arbor SPARK has been active in the company's efforts to relocate and hire talent in the region.

SPARK's work has included trips to Toyota's Erlanger, Ky., facility, from which the company is relocating staff. While at the facility, SPARK presented information on the Ann Arbor region to employees. Ann Arbor SPARK also continues to lead tours of employees visiting Michigan as they considered relocation, including locations around Livingston County.

LIVINGSTON COUNTY'S INDUSTRIAL REAL ESTATE MARKET POISED FOR CHANGE



Colliers International's latest quarterly report on the industrial real estate market continues to indicate a tight market. As the report indicates, "...this [quarter] marks 14 straight quarters of positive trends in the marketplace, a sign that confidence in the overall economy and in the Metro Detroit area is increasing. The one 'problem' for Detroit's industrial market is the lack of quality space. Quality buildings are more difficult to find, as the market vacancy rate currently stands at 8.6%." This is especially true along the I-96 corridor, which includes Livingston County, which has a 6.2% vacancy rate in industrial real estate. Many of the job-creating projects seeking real estate are classified as industrial, making it difficult for the region to compete simply because of a lack in appropriate real estate options.

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The local market, however, is signaling a change. Recently, a 95,000 square foot speculative industrial building was announced in the City of Howell. The building is being constructed along McPherson Park Drive by Brio Development, and could represent some of the first speculative industrial space in the market in many years.

In addition, the former Liquid Manufacturing site in Green Oak Township was recently purchased by a developer and will be available for lease in the near future. The facility provides around 130,000 square feet of new industrial space to the region. The availability of these facilities will help provide new options for companies seeking industrial space in the region.

PAUL KRUTKO HIGHLIGHTS TAKING CHANCES IN HIS LATEST FOR THE LIVINGSTON PRESS& ARGUS

Reprinted from the July 19 2014 edition of the Livingston Press & Argus

During a press conference a number of years ago, the then-serving secretary of defense coined a brand-new phrase about our own awareness — or lack thereof. The secretary happened upon the phrase “the unknown unknowns,” meaning the things that we do not know even exist.

To move forward, we need to become aware of new opportunities, new ideas and unusual perspectives. We need to take the “unknown unknowns” and make them known. Often, this process can lead us outside of our comfort zones, but looking for new ideas can also be the source that allows a person to find a new job, or a company to grow its revenue by 20 percent. Consider taking a chance on some of the resources that might be unknown to you. Take CAE Inc. in Hamburg Township, which over the past few years has utilized a program called Shifting Gears, which connects midcareer job seekers with growing companies. The job seekers, who often have experience at large firms, can provide new skills and a new focus.

“The folks we’ve worked with through Shifting Gears have brought a different perspective, plus a level of experience, that we could not have otherwise afforded,” said Rhonda Fackert of CAE. “Their work has covered a range of areas for us, from creating a new sales campaign, implementing an export plan, to strategic planning. It’s great to have an outside resource that can add to our internal capabilities.” Or, take Mitch Lipon of Brighton Township’s Ignite XDS, who enrolled in a business acceleration program through Goldman Sachs. The opportunity provides him with the opportunity to learn and to meet his peers who are also focused on growth. Growth can often be a “good problem to have” for businesses, and managing those hurdles can be the difference between a great business and a struggling one.

As Mitch said, “I truly feel that participation in this program will be a real game-changer for our company. With all the exciting things we have on the horizon for 2014, the education, peer group, mentorships and potential funding opportunities will certainly play a key role in our expansion plans.” There are plenty of opportunities — many are even free — that can help

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expand a business' capabilities, understanding of the world, and develop new tools or ways to help provide value to their customers and employees. Sometimes, it's watching a new TED talk online. Other times, a friend introduces us to an old book that has helped him or her grow. Regional economic development resources can also provide help in identifying and teasing out where a business can get its biggest "bang for its buck" — or where it should invest some time. Looking to start a business? Check out SPARK's new Virtual Business Advisor, an online assessment that can identify unknown resources to help a business get started. Looking to grow by working with larger companies? Consider getting involved in one of the statewide Pure Michigan Business Connect summits. Have a capital need? Let's think through all of the options, programs and providers to determine the best fit. Need employees? Let's determine what works for you and then develop new ways to identify a viable pipeline of candidates.

SALES OF MUNICIPALLY-HELD PROPERTY SIGNALS GROWTH ALONG US-23 CORRIDOR

This quarter, Hartland and Tyrone Townships reduced their land ownership by selling properties of significant size to developers. As reported by *WHMI* in July, "A land sale by Tyrone Township has eliminated some back taxes while making the municipality some extra money. The property consists of 43 acres on US-23 north of White Lake Road. It went to tax sale last fall after three years of being delinquent, and the township bought it for \$65,000. Clerk Keith Kremer says buying the land ensured that it would not go into delinquency under new owners, which would add to the \$300-400,000 in lost taxes from its special sewer assessment. Last week, the township closed on a deal to sell the property for \$700,000. With the cost of the property and its back taxes paid, the extra money will go into the township's fund balance."

In addition, Hartland Township "...signed a \$1,618,998 purchase agreement with East Lansing, Mich.-based Mayberry Homes for 108.5 acres of Township-owned properties: 78.5 acres at the southwest corner of M-59 and Pleasant Valley Road and 30 acres at the northwest corner of M-59 and Fenton Road. The monies received from the sales will be dedicated to the Township Sewer Fund, as required by statute, and are not available for General Fund purposes."

Tyrone Township engaged with a private real estate broker to market the site to potential buyers; Hartland Township had listed their properties for sale with signage and Ann Arbor SPARK had listed the properties for sale on www.CPIX.net, the Commercial Property Information Exchange. Ann Arbor SPARK can list any municipally-owned properties on CPIX at no cost.



LIVINGSTON COMPANIES TAKE ADVANTAGE OF PURE MICHIGAN BUSINESS CONNECT TO INCREASE SALES OPPORTUNITIES



Companies from across Livingston County continue to participate in the Michigan Economic Development Corporation's (MEDC) Pure Michigan Business Connect program, which is designed to provide opportunities for Michigan-based companies to find new customers. More than 27 companies in Livingston County received invitations to participate in two recent supplier summits – one of which focused on the domestic automotive OEMs in Michigan, and the other through Business Leaders for Michigan, an organization comprised of some of Michigan's largest companies.

Ann Arbor SPARK actively markets these sales opportunities through our retention call program, direct referrals to companies of interest, email campaigns and through our partner organizations (e.g. chambers of commerce, Michigan Works!).

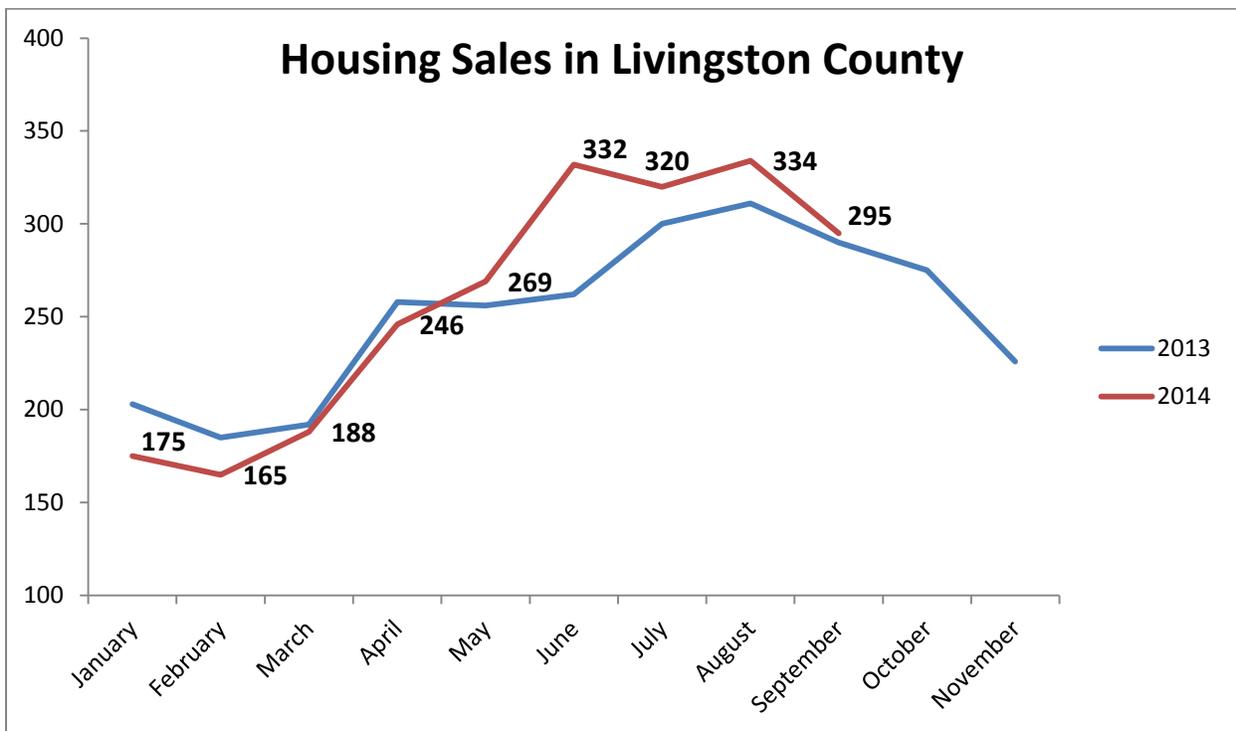
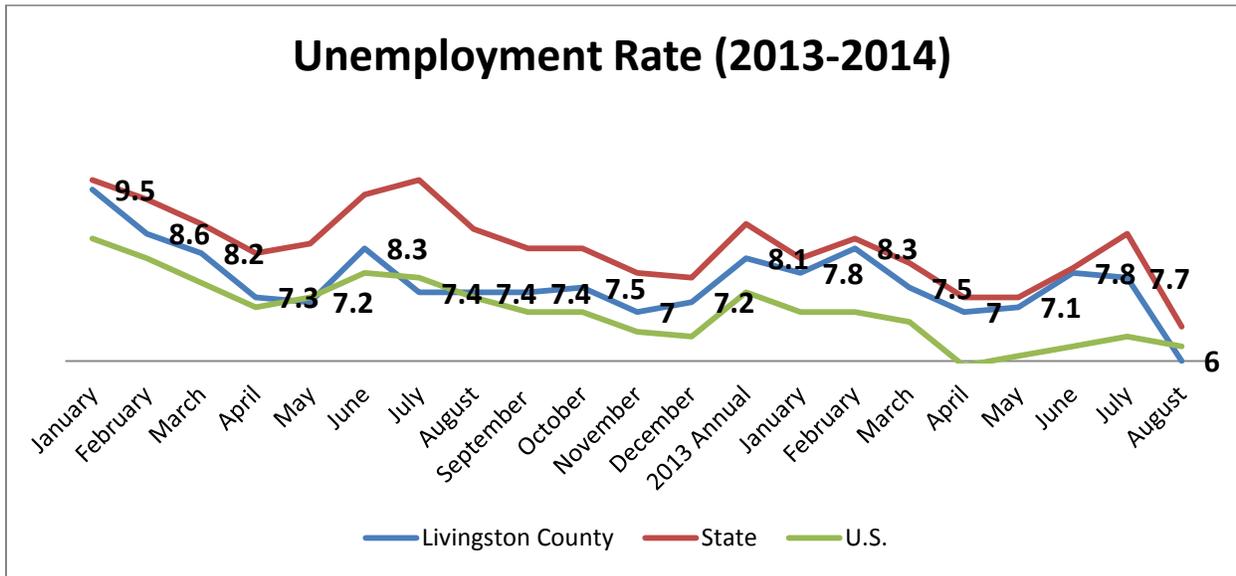
Companies included:

- Asahi Kasei Plastics North America (Fowlerville)
- Commercial Construction Inc. (Green Oak Township)
- Dakkota Integrated Systems (Genoa Township)
- Electro Power Systems - North America (Green Oak Township)
- Export Corporation (Green Oak Township)
- First Impression Print & Marketing (Howell)
- Lowry Solutions (Green Oak Township)
- Progressive Metal Forming (Hamburg Township)
- ToolWorx Information Products, Inc. (Genoa Township)
- Total Solutions Incorporated (Brighton)
- Work Skills Corporation (Brighton)

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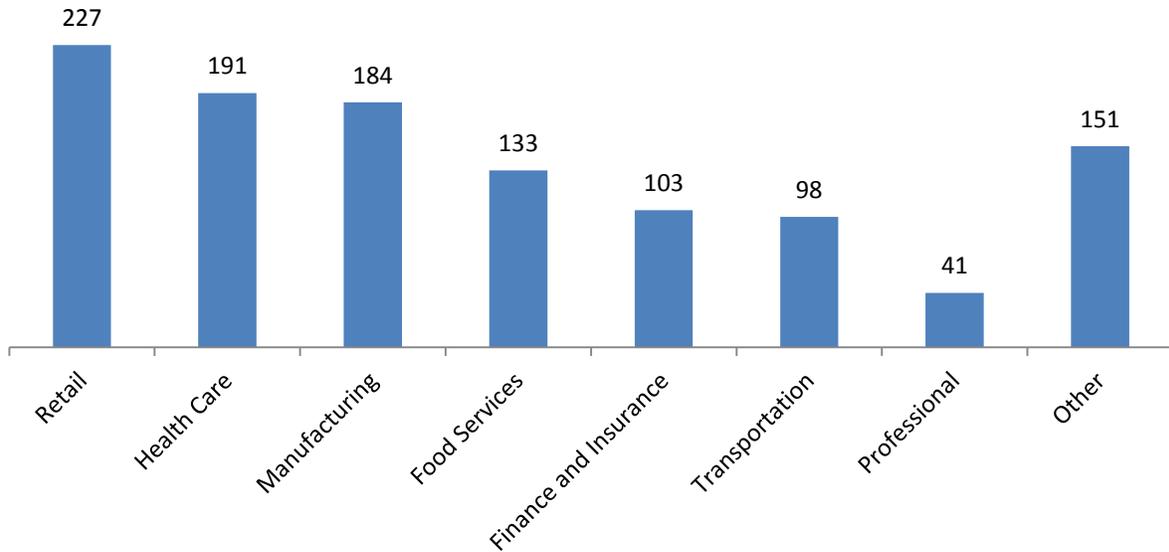


Source: Livingston County Association of Realtors

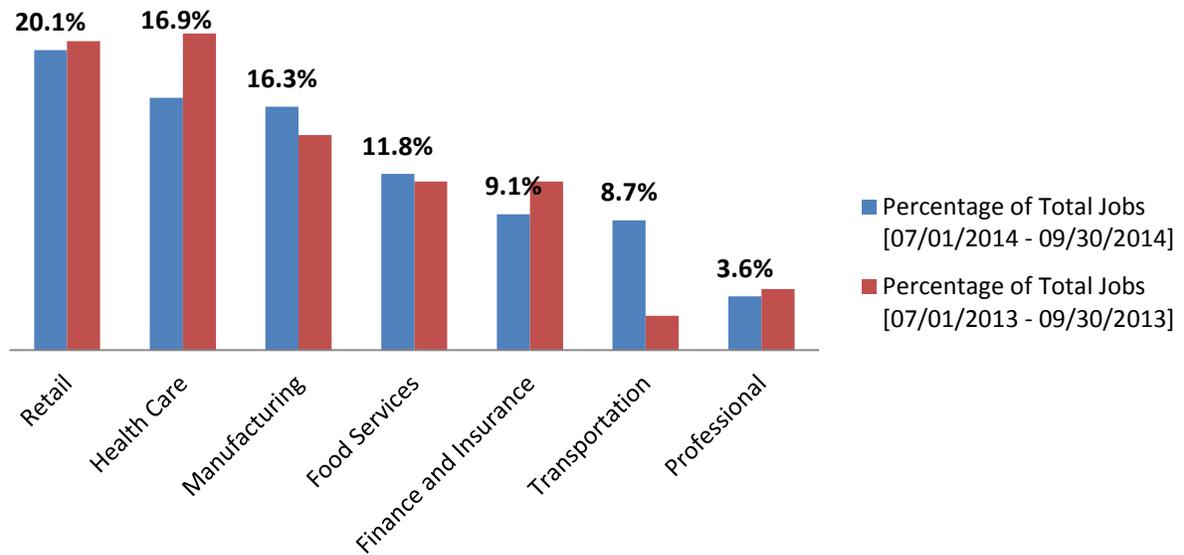
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Total Number of Job Openings by Industry (Q3-2014)



Percentage of Total Job Openings 2013 v. 2014

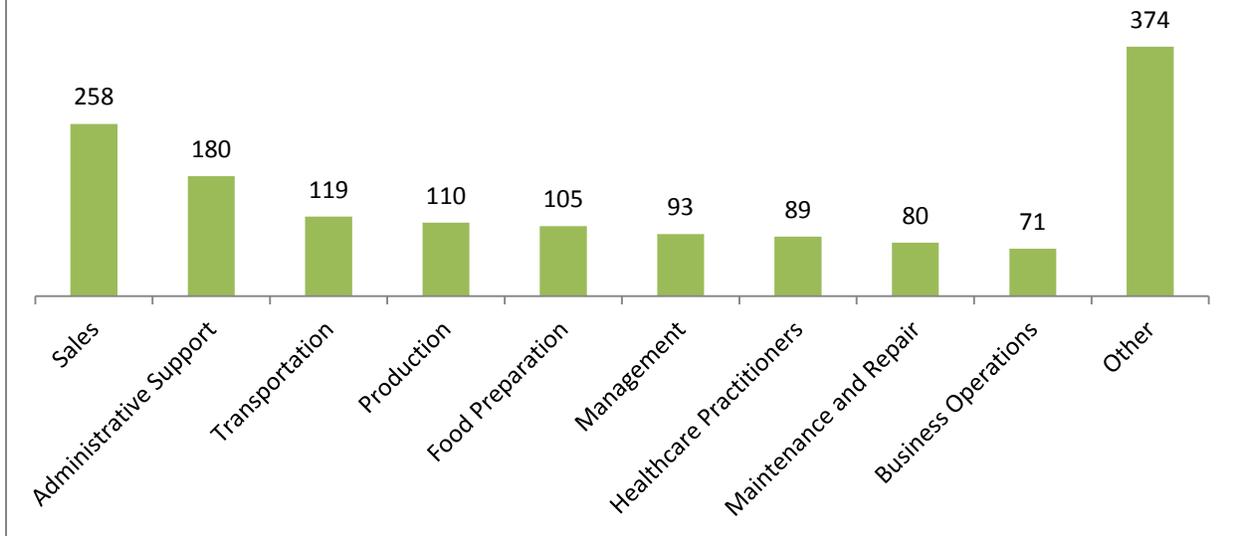


Source: Workforce Intelligence Network

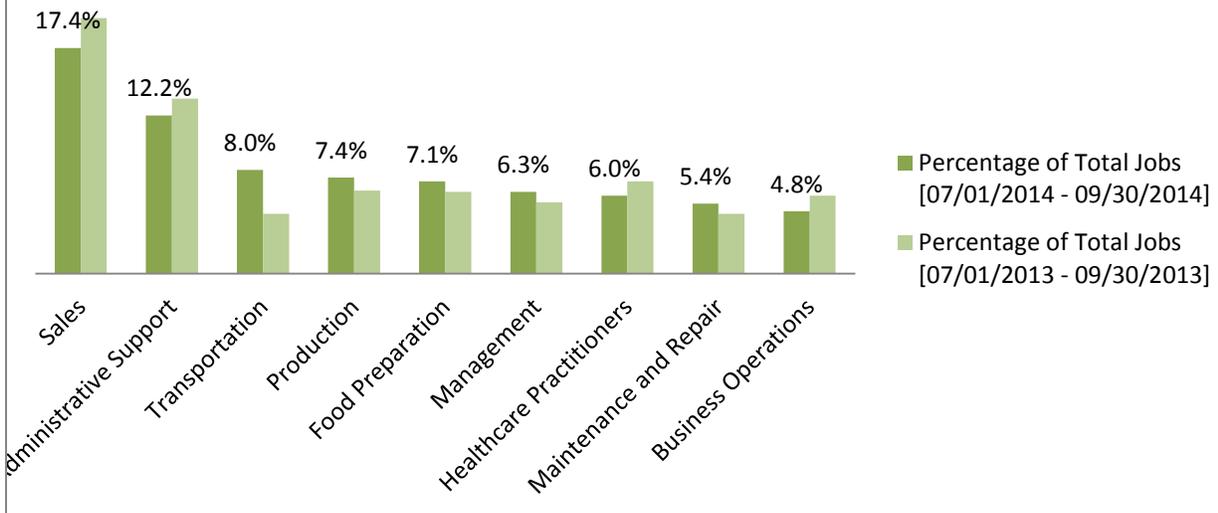
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Total Number of Job Openings by Occupation (Q3-2014)



Percentage of Job Openings by Occupation 2013 v. 2014



Source: Workforce Intelligence Network

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

2012	15.4%
2013	14.4%
2014	13.9%

Source: Livingston County Equalization Reports

WARN NOTICES & CLOSURES (Q3-2014)

NONE

2014 CALL PROGRAM

Company	Location
Modern Content, Inc.	Brighton
Dunnage Engineering	Brighton
Total Solutions	Brighton
Micro Works Computing, Inc	Brighton
Mobileteer, LLC	Brighton
Corrigan Oil Company	Brighton
Sunberry Limited, LLC	Brighton
Templar Integrated Security Solutions, LLC	Brighton Township
Lake Trust Credit Union	Brighton Township
ASTI Environmental	Brighton Township
iVantage Group	Brighton Township
Novi Precision Products, Inc.	Brighton Township
Hug-A-Plug, Inc.	Brighton Township
Nikon Metrology	Brighton Township
Asahi Kasei Plastics North America	Fowlerville Village
Ashland Aluminum Company, LLC	Fowlerville Village
Total Security Solutions	Fowlerville Village
Dedoes Innovative Manufacturing, Inc.	Fowlerville Village
CRW	Genoa
Precision Stamping	Genoa
Battery Solutions	Genoa
Triton Stormwater Solutions	Genoa
CenTech, Inc.	Genoa
ToolWorx Information Products, Inc.	Genoa
Chemco Products Inc.	Genoa
Dun-Rite Machining, Inc	Genoa
Three 60 Corp.	Genoa
Export Corporation	Green Oak

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Vectorall Manufacturing, Inc.	Green Oak
Aspen Technologies Inc.	Green Oak
Brighton NC Machine Corporation	Green Oak
Zero Gravity Filters	Green Oak
Excelda Manufacturing	Green Oak
Lowry Computer Products, Inc.	Green Oak
Electro Power Systems, SpA	Green Oak
Commercial Construction Inc.	Green Oak
CGE Energy	Green Oak
Benecor	Green Oak
eSigns.com	Green Oak
Gordon Food Service	Green Oak
Wedge-Mill Tool Inc.	Green Oak
Extreme Machine	Hamburg
TwoSix Digital	Hamburg
CAE, Incorporated	Hamburg
Koppert	Hartland
Citizens Management Inc.	Howell City
Citizens Insurance Company	Howell City
Intertwine Corporation	Howell City
Key Plastics	Howell City
Thai Summit America Corporation	Howell City
Armor Protective Packaging, Inc.	Howell City
Rex Materials	Howell Township
Crosswinds Aviation	Howell Township
Ideal Setech Share-The-Spare, LLC	Howell Township
Performance Fabricating, LLC	Howell Township
MetPro Group	Howell Township
Carcoustics USA, Inc.	Howell Township
Munsell's Poultry Processing	Iosco
TRW	Tyrone Township

*59 records

PROJECT PIPELINE*

Number of Projects	20
Potential New Jobs Creation	856
Potential Capital Investment	\$109 million
Average Age	150 days

*As of October 1, 2014

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COMPANY VISITS, SUCCESSES & ON-GOING PROJECTS

Company Visits	59
Referrals	100
Number of Successes	4
Employment Multiplier of Successes	3.0
Job Creation Assistance	206
Capital Investment Assistance	\$60.9 million

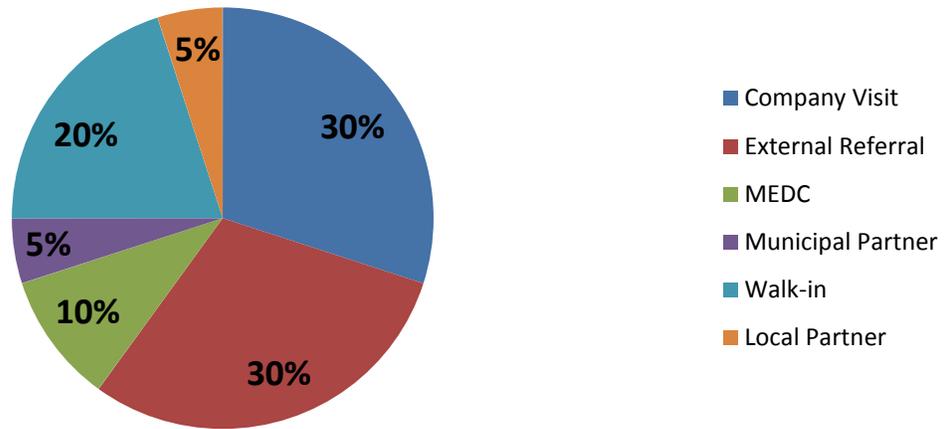
PROJECT PIPELINE*

Unique ID	Probability (%)	Potential Investment	Potential Job Creation
4866	90	\$12,900,000	36
4704	80	\$9,200,000	5
5093	50	\$350,000	TBD
0090	45	\$1,200,000	TBD
4706	25	TBD	TBD
6938	25	TBD	TBD
7222	25	TBD	TBD
6279	25	TBD	TBD
7052	20	\$10,000,000	50
4845	20	\$900,000	10
7178	20	\$10,000,000	40
4697	20	TBD	TBD
2891	20	TBD	100
2891	20	TBD	50
4665	20	TBD	70
7126	20	\$1,500,000	50
4610	20	TBD	TBD
7001	20	TBD	TBD
4700	20	\$13,000,000	TBD
4643	5	\$50,000,000	445

*As of October 1, 2014



Pipeline Lead Sources



REMOVED FROM THE PIPELINE

Unique ID	Reason for removal from the pipeline
4633	On hold
4936	Lack of appropriate real estate options
5591	Lack of incentives



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.

