

FOCUS ON

livingston county

Economic Development Council of Livingston County



FROM: Ann Arbor SPARK

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

4th Quarter 2013 (October – December 2013)

QUARTERLY HIGHLIGHTS

Livingston County Companies Receive More Than \$235,000 in Skilled Trades Training Funds

Four Livingston County companies are among more than 90 companies statewide that have received training funds from the state's Workforce Development Agency, as part of the new Skilled Trades Training Fund program. Area companies awarded grants include CRW Plastics USA, Inc., (\$95,000), Thai Summit America Corporation (\$90,035), Total Security Solutions, Inc. (\$17,936) and Brighton NC Machine (\$33,000). Together, these companies plan to hire more than 200 new workers in the next year.

The Skilled Trades Training Fund program provides funding for employer-led training projects in an effort to better align talent with employer needs. A variety of training options are available including traditional classroom programs, apprenticeship programs, and customized training programs. The program is available for any occupation where there is a documented talent need.

"The Skilled Trades Training Fund allows employers access to workers who possess the skills needed to grow their business," said Workforce Development Agency director Christine Quinn

"Employers are involved in every step of the process, including identifying key skill sets and recommending the appropriate type of training. This level of involvement translates into job growth for the business and job opportunities for workers."

A total of \$10 million has been allocated for the Fiscal Year 2014 Skilled Trades Training Fund program. Grants will be awarded on an ongoing basis until all funds are committed. As of November 22, the Workforce Development Agency reported \$5.7 million of the \$10 million allocation had been committed.

According to William Sleight, director of Livingston County Michigan Works!, "These training funds will improve our local economy by helping companies increase the skills of their current and future employees. We are pleased that we can help these companies address their talent needs."

Other companies interested in applying for these funds should do so quickly, Sleight said. "We expect that the entire \$10 million state allocation will be committed soon. However, even when these funds are gone, Michigan Works! will continue to have access to other resources to help companies find and develop their workforce

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Spotlight on a Referral: Xspond Joins Goldman Sachs 10,000 Small Business Program



Mitch Lipon of Xspond in Brighton Township has been accepted into the Goldman Sachs 10,000 Small Businesses initiative program. The program, focused on growing small businesses in southeast Michigan, is centered on three aspects: business education, capital and access to business support services.

SPARK has helped Xspond since 2012, providing Mitch access to an engaging peer network and information on appropriately scaling his business. SPARK referred Mitch to the 10,000 Small Business Initiative, which includes an intensive business education and peer mentoring exercise.

"At this point, there are 24 participants, and they expect the program/class to grow to 35-40," Mitch said of his experience. "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."

"I hope to work with SPARK to share my experience with other local second tier companies," he added. "I can't imagine this county without the services SPARK provides. It's an incredible asset."

Chassix Finds Continued Success with the On-The-Job Training Program

As previously reported, Chassix in Howell has continued to utilize the On-the-Job Training program through Livingston County Michigan Works! with success. The company has hired 13 of these employees since starting with the program earlier this year.

Livingston Michigan Works! reports that six months ago, Richard Manning was a general laborer with a local manufacturer in Howell, Michigan. When he came to the Livingston County Michigan Works! office, he participated in the Workforce Investment Act Adult program. As a result of a partnership between Howell-based Chassix and Livingston County Michigan Works!, Richard is currently enrolled in an On-the-Job Training (OJT) program learning to become a machine operator at Chassix. Chassix is a leading global manufacturer of high quality

automotive chassis components, which include engine blocks, wheel hubs, exhaust manifolds and many other products.

As a participant in the OJT program, Richard has increased his income and been able to add to his existing skill set. Richard's OJT program will run for a period of 7 weeks and consists of safety, assembly, fixture loading and inspection. While in training, Richard will be earning several dollars an hour more than he did in his previous job and will see another increase in pay upon successfully completing his training.



Photos Courtesy of: Bill Lovelady, Livingston County Michigan Works!

Six months ago, Jorge Sarmiento-Corona was an employee with a Lansing-based company as a packer of military uniform products. He participated in the WIA Adult program at the Livingston County Michigan Works! office. He is currently enrolled in an On-the-Job-Training program (OJT) with Chassix where he is learning to become a machine operator.



Photos Courtesy of: Bill Lovelady, Livingston County Michigan Works!

Jorge's OJT program will run for a period of 7 weeks and consists of safety, assembly, fixture loading and inspection. While in training Jorge will be earning over two dollars per hour more than he did at the previous company where he worked, and will see another increase in pay upon successfully completing his training.

October: Launch of Latson Road Interchange Website

With the opening of the Latson Road interchange in Genoa Township, new development opportunities are now available in the region. Genoa Township officials, working with Ann Arbor SPARK, have created an online resource for information on the development area along the new interchange. The information presented was modeled after the Redevelopment Ready Communities[®] program which is administered by the Michigan

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Economic Development Corporation, and includes information on the master plan, available infrastructure, parcel maps, driving radius around the site, and other market information. The webpage can be visited at <http://genoa.org/home/latsonroad>.



October: Chinese Molding Trade Association Tours CRW Plastics in Genoa Township

In October, CRW Plastics hosted more than 20 delegates from the automotive die and molding industry in China at their facility in Genoa Township. The tour was organized by the Asian Pacific American Chamber of Commerce and Ann Arbor SPARK and was held with the purposes of increasing international trade, technical training, expert exchange, cooperation and procurement related to the automotive tooling and molding industries. The tour was part of a multi-day program that involved a conference in Livonia and tours of Michigan-based businesses in the automotive molding industry. CRW was a generous host, providing participants with an overview of their international business and a tour of their manufacturing space.

November: Ann Arbor SPARK Engages with Local Employer As It Closes Its Door

In November, Ann Arbor SPARK engaged with a firm in Howell Township that was in the process of closing, which would affect about 24 employees. The company, which also engaged with Livingston County Michigan Works! to identify resources, provided SPARK with resumes of employees interested in expanding their job search to other local firms. SPARK provided these resumes to several area businesses and received positive feedback from employers. Through this process, employers reached out directly

to candidates and scheduled interviews with the candidates.

October: Lake Trust Credit Union Proceeds with Headquarters Project in Brighton Township

In October, Lake Trust Credit Union received final approval from the Brighton Township Planning Commission for their planned headquarters project, as well as a development agreement that will provide public water to the site. Lake Trust Credit Union, Brighton Township, Ann Arbor SPARK and Christman Company have worked to finalize these plans. As WHMI reported on December 30th:

"Plans are in place and work is set to begin next year on the proposed Lake Trust Credit Union facility in Brighton Township. The company plans to relocate and construct its corporate headquarters in the township as part of a nearly \$2 million project. It had been in talks with the township government to extend the municipal water line from the Weber Street area to the construction site at Spencer Road and Old US-23. Township Supervisor Tom Murphy says an escrow agreement for the extension is now in place, construction documents are being put together, and the township plans to start on that project in the first part of spring. Murphy says the company has been an excellent partner, and he expects construction on the new headquarters facility to begin in 2014 as well. The township plans to contact homeowners and businesses along the route to see if they have a need or desire to hook in as well, which officials have said will not be a requirement. (TD)"

November: "Going Global: Tips for Entering the International Market"

In November, Ann Arbor SPARK's Business Development team hosted an event titled, "Going Global: Tips for Entering the International Market," which featured a panel of exporting experts that provided information on the state, federal, legal and financial implications of starting to export. The discussion helped launch the publication of SPARK's Export Toolkit, which identifies a variety of resources available to companies that export their products. The panelists included Jeanne Broad of the Michigan Economic Development Corporation, Richard Corson of the U.S. Department of Commerce, Joe Gustavas of Miller Canfield, and John Toles of the Export-Import Bank of the United States. The discussion included:

- What do I need to consider regarding export financing? Are there any unique considerations for foreign customers?

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- What type of marketing opportunities are available for getting my product into a new market?
- What are the legal considerations and ramifications of entering a foreign market?
- What type of federal and state support is available for going global?

Thirty people participated in the discussion, which was held at SPARK's Central Incubator. A video of the discussion may be [found online here](#).



December: Livingston County Talent Tour

In December, Intern Livingston held a "Talent Tour", which showcased the local manufacturing assets at Howell High School and Pinckney High School. The tour was sponsored by Ann Arbor SPARK and Livingston County Michigan Works! and brought over 45 people to tour the robotics lab at Pinckney High School, as well as the manufacturing center at Howell High School. Pinckney High School's robotics lab has produced nationally-recognized robotics teams, as well as state-recognized machining products. The tour provided students and local employers with an opportunity to interface and learn more about the high school curriculum in Livingston County.

Governor Snyder has been supportive of talent tours saying, "I would like to applaud this event that highlights talented students in Livingston County by recognizing their achievements in robotics, mechatronics, manufacturing, and computer design programs. Although I was unable to attend, I want to acknowledge this important occasion and thank organizations, such as the Livingston Business and Education Alliance for working to make this event a reality. Michigan's students are the future of our state, and I am happy to see that they are receiving recognition for their impressive accomplishments."

Paul Krutko's Guest Column in the Press & Argus:

"Business and education must be deliberate about our talent crisis. We have a problem. There is a big disconnect between the skills that our businesses need and the skills of our workforce. At least, that's how it seems. In Michigan, there are more than

60,000 positions available on Pure Michigan Talent Connect, the state's jobs posting website. At the same time, the latest unemployment figures put the state at nine percent. How can there be so many people looking for jobs when there are more than 60,000 available? There are plenty of explanations, but the reasons behind this are less important than steps we can take to improve this situation.

First, let's recognize that there is no silver bullet. Businesses and educational institutions can lead the way by collaborating on a deliberate effort to identify work-skills, and how the educational system can create valuable, agile employees who can learn quickly and continue to create value in a dynamic economy.

The good news is that there are terrific examples right here of these collaborations, including Lowry Computer Products. The company, based in Brighton, implements mobile technology solutions for business clients around the country. For the past few years, Lowry has partnered with Pinckney Community High School's New Tech program to provide internships for high school students, giving them an opportunity to see how a business operates, and what it takes to add value to an organization. At the same time, it provides Lowry with an opportunity to meet future leaders and potentially reconnect with those students in the future. Not accidental. But this type of collaboration is not accidental. Students at New Tech High School are required to participate in an internship before graduating from the program, and Lowry has made a deliberate choice to participate in this local program. But individual efforts like this could ultimately help strengthen our local companies and provide new opportunities for growth of local students.

"At Lowry, we feel as though it is important to give back to the community we live and work in," said Michael Lowry, CEO of Lowry Computer Products. "Today's high school students are the future of our society. Our partnership with New Tech is far more than we imagined when we started. The students are bright and energetic, allowing for our organization to learn just as much from them as they learn from us. We look forward to a longstanding partnership with this outstanding education program."

In order to be successful in the long term, business need to become active participants in the education process, and educators need to be proactive in their approach to the sector. With local collaboration, our businesses and schools can help create new opportunities for economic development, and reduce the gap between what businesses need and what our work force can offer.

December: "Job Creating Capital"

In December, Ann Arbor SPARK hosted a discussion on "Job Creating Capital". This discussion was aimed at commercial

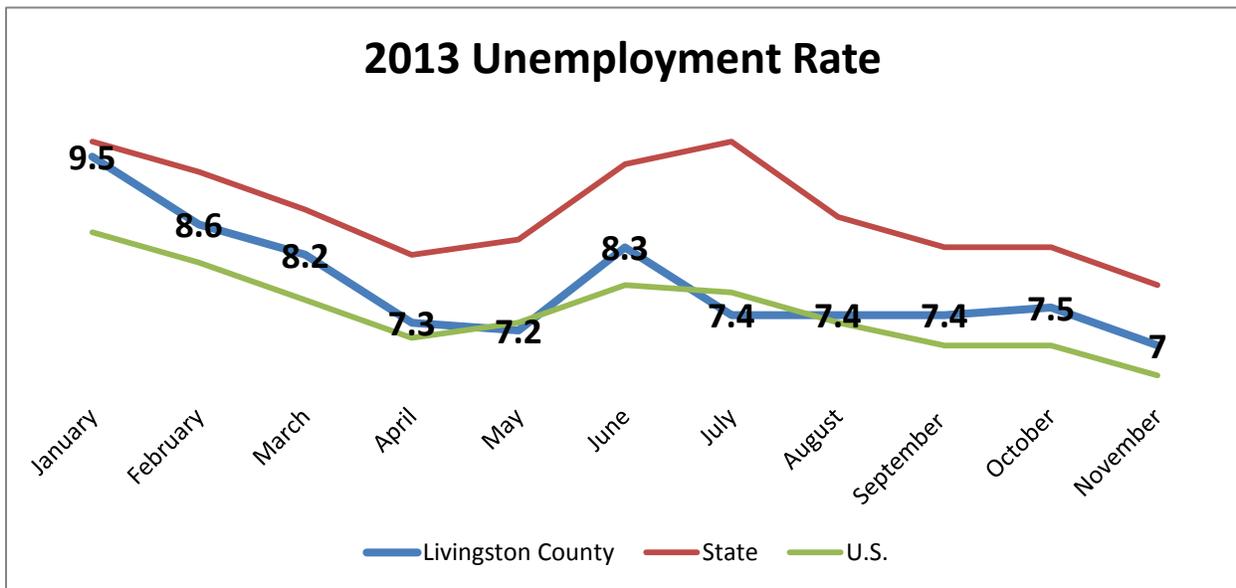
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lenders who cover the Livingston market. The discussion began as a way to encourage local lenders to consider using Livingston County's Revolving Loan Fund, which has a \$200,000 balance and can support job creating projects in the county. Asking commercial lenders to utilize these programs has proven successful around the state in finding deal flow for the program. The Great Lake Capital Fund now administers the Revolving Loan Fund, and was on hand to discuss the fund and its requirements.

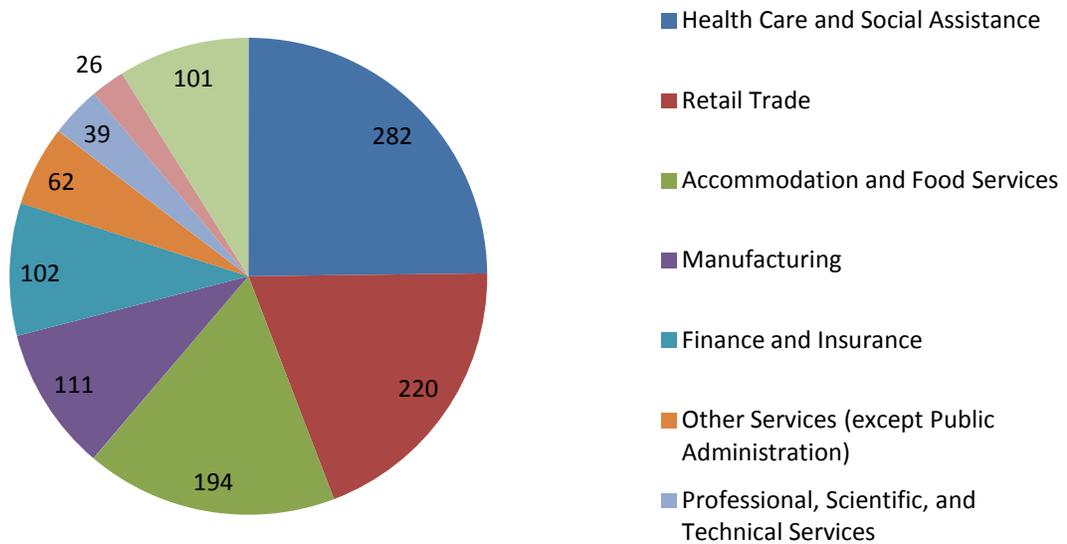
In addition, representatives were on hand to discuss the Small Business Administration's 504 Program; the Michigan Economic Development Corporation's (MEDC) business loan programs, the Grow Michigan Fund, and Michigan Saves, which provides financing for energy efficiency projects. About 20 people participated. Prospects for use for the Revolving Loan Fund were identified following the event. The event was held at the Howell Area Chamber of Commerce.

DASHBOARD



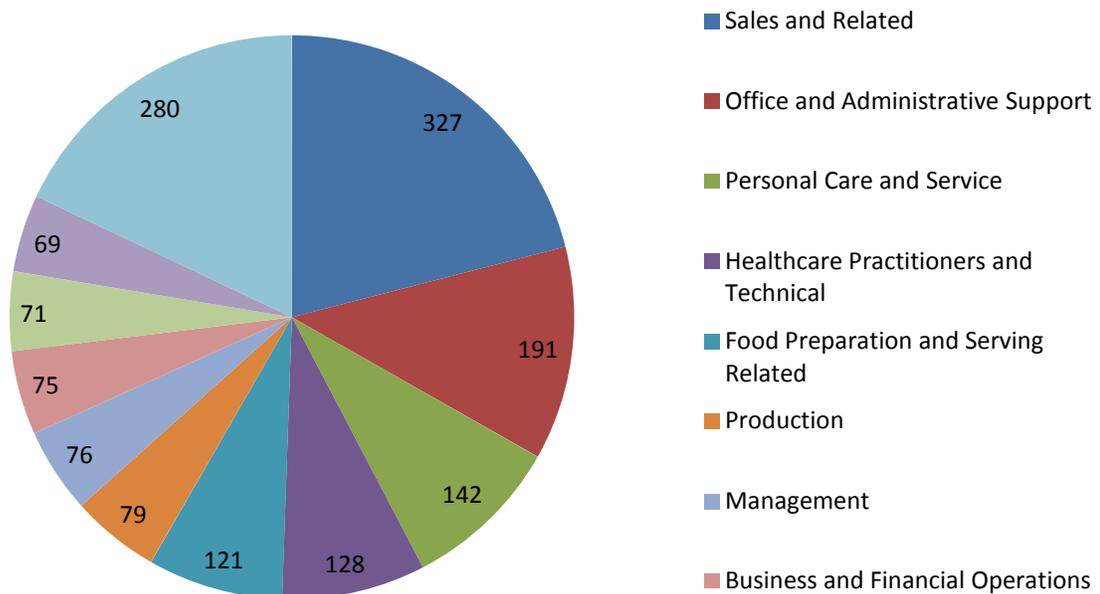
REAL-TIME JOB OPENINGS IN LIVINGSTON COUNTY IN THE 4TH QUARTER OF 2013

Total Number of Job Openings by Industry



(Source: Workforce Intelligence Network)

Total Number of Jobs by Occupation

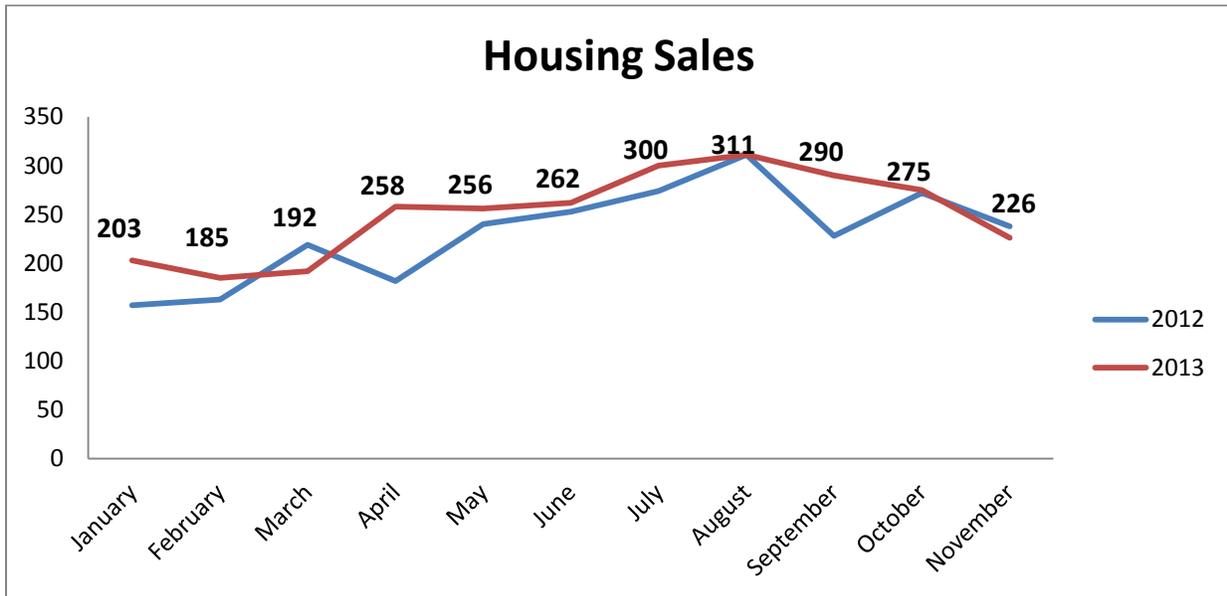


(Source: Workforce Intelligence Network)

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HOUSING SALES IN LIVINGSTON COUNTY (2012 VS. 2013)



(Source: Livingston County Association of Realtors)

2013 CALL PROGRAM

Account Name	Taxing Municipality
Five Sparrows, LLC	Hartland
Package Design & Manufacturing, Inc.	Green Oak
BD Electrical	Howell Township
Falcon Stamping	Genoa
Tribar Manufacturing	Howell Township
Wedge-Mill Tool Inc.	Green Oak
Sport View Technologies	Green Oak
Eastern Tool & Machine	Green Oak
Dewitts Radiators	Genoa
Ultimate Tube Bender Parts Plus, Inc.	Brighton
Magna Exteriors and Interiors	Genoa
Hug-A-Plug, Inc.	Brighton Township
JENOPTIK Laser Technologies	Green Oak
Michigan Rod Products	Genoa
Dun-Rite Machining, Inc	Genoa
Carl Zeiss Industrial Metrology, LLC	Green Oak
Total Security Solutions	Fowlerville Village
Lowry Computer Products, Inc.	Green Oak
Extreme Machine	Hamburg
Chassix	Howell Township
CRW	Genoa
Center PowerD Management, LLC	Green Oak
General Motors Milford Proving Grounds	Brighton Township
Concept Alloys, Inc.	Green Oak
LadderPort	Green Oak
Modern Content, Inc.	Brighton
Insulgard Security Products	Brighton

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ASTI Environmental	Brighton Township
Rhe Tech, Inc.--Fowlerville	Handy
Little Diablo Salsa	Howell City
Phoenix Environmental, Inc.	Green Oak
Xspond Inc.	Brighton Township
Citizens Insurance Company	Howell City
Excelda Manufacturing	Green Oak
BWI Group	Brighton Township
ElectroJet, Inc.	Green Oak
Mobileteer	Brighton
CEI Roofing, Inc.	Genoa
Electric Apparatus Company	Howell City
Datapak Services Corporation	Howell Township
Think! Social Media USA	Brighton
KW Corporation	Fowlerville Village
Clean Green Energy LLC	Green Oak
Dedoes Innovative Manufacturing, Inc.	Fowlerville Village
Chem-Trend	Howell City
RFM Inc.	Brighton
Bradhart Products Inc.	Green Oak
Ashland Aluminum Company, LLC	Fowlerville Village
MetPro Group	Howell Township
Brighton NC Machine Corporation	Green Oak
401K GPS	Brighton
AA Gear & Manufacturing	Howell Township
Energy Design Service Systems	Genoa
TG Fluid Systems	Brighton
Nextage Advanced Realty, LLC	Brighton
Eberspächer North America, Inc.	Brighton
CAE, Incorporated	Hamburg

57 Records

PROJECT PIPELINE

Unique ID	Probability	Investment	Job Creation
6785	75	\$4,550,000	144
4863	60	\$3,000,000	12
6479	50	\$0	6
4610	50	\$3,000,000	4
0090	45	\$1,200,000	TBD
6623	40	\$0	TBD
4837	30	\$0	4
4654	30	\$1,200,000	11
0101	25	\$33,500,000	250
6810	20	TBD	5
4703	20	\$1,100,000	TBD
2891	20	TBD	TBD
4866	15	TBD	57
6552	15	TBD	TBD
4633	10	TBD	TBD
6733	10	\$2,000,000	TBD
5579	10	TBD	200
6594	10	TBD	TBD

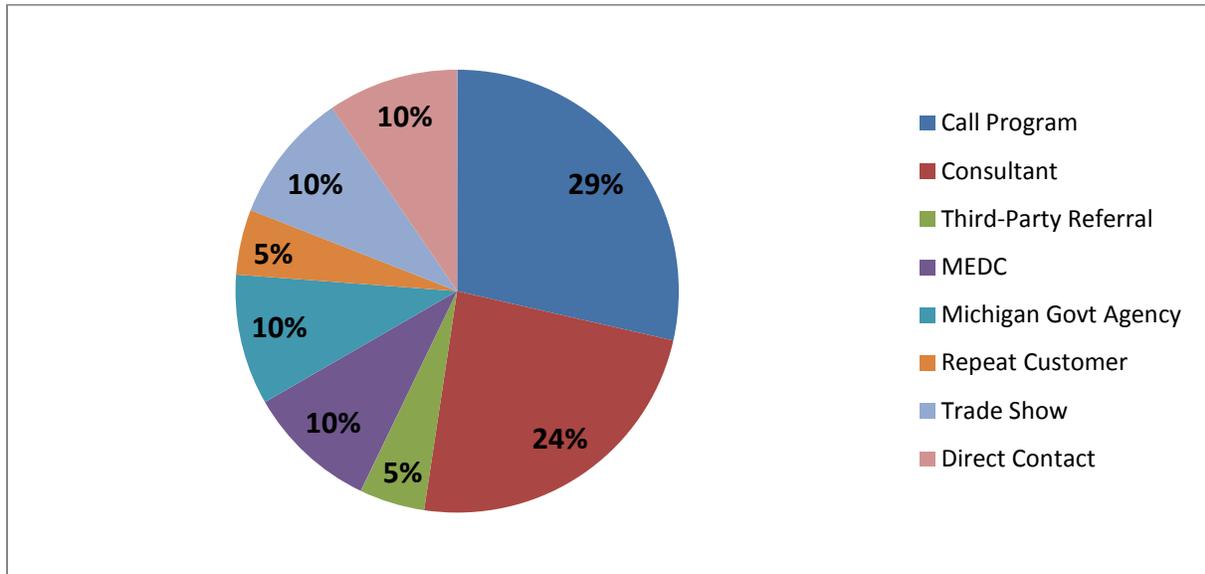
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4682	10	TBD	100
6555	Low	TBD	TBD
4633	Low	TBD	4
Total		\$49,500,000	797

*Note: Pipeline does not include projects which have a signed non-disclosure agreement in place.

LEAD SOURCE



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

2012	15.4%
2013	14.4%

(Source: Livingston County Equalization Reports)

PROJECT PIPELINE

Number of Projects	21
New Job Creation	797
Capital Investment	\$49.5 million
Average Age	208 Days

*Note: Pipeline does not include projects which have a signed non-disclosure agreement in place.

COMPANY VISITS, SUCCESSES & ON-GOING PROJECTS

Company Visits	57
Referrals	87
Number of Successes	8
Employment Multiplier of Successes	3.1
Job Creation Assistance	303
Capital Investment Assistance	\$31.85 million

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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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