



April 15, 2019

Pittsfield Planning Commission, c/o Utilities and Municipal Services  
6201 W. Michigan Avenue  
Ann Arbor, MI 48108

Dear Planning Commission,

Ann Arbor SPARK strongly supports Wacker's new North American Headquarters and Research and Development Innovation Center in Pittsfield Township.

Wacker's proposed building site is located within the Avis Farms South Business Park and is adjacent to the Thomson Reuters' facility along the State Street Corridor. This new facility would make Wacker one of the largest private employers in Pittsfield and would serve as an important R&D headquarter anchor. Pittsfield Township is home to dozens of R&D and development centers that make it one of the leading communities in Michigan for research, a testament to our region's commitment to higher education. Pittsfield Township is home to over 7,300 office, R&D and knowledge-based jobs, and we have actively worked with Wacker over the past several months to welcome them to our community.

Prior to Wacker's purchase of this site, the site had been vacant for more than a decade. The proposed regional headquarters building will bring over 300 new high paying jobs to Pittsfield and over \$60 million will be invested in the facility and surrounding area. Our analysis indicates that this project will generate millions of dollars of tax impact for the Township, County and school district, in addition to generating and supporting additional new jobs as a result of the location of this project in Pittsfield Township.

We appreciate the significant work that the Township Staff, Planning Commission and company have made to ensure that this project fits within the character of our community. We hope this project can win your support through this process.

Please feel free to contact me if you have any additional questions or want to discuss this important project.

Sincerely,

Paul Krutko FM HLM  
President and Chief Executive Officer  
Ann Arbor SPARK

**board of directors**

David Parsigian (Chair)  
Honigman Miller Schwartz and Cohn LLP  
David Ruud (Vice Chair)  
DTE Energy  
David Snodgrass (Treasurer)  
Lake Trust Credit Union  
Dr. Rose Bellanca (Secretary)  
Washtenaw Community College  
Cynthia Wilbanks (Past Chair)  
University of Michigan  
Ric DeVore  
PNC  
Scott Griffith  
Griffith Realty  
Charles Gulash  
Toyota Motor North America  
Paul Krutko  
Ann Arbor SPARK  
Bhushan Kulkarni  
GDI Infotech, Inc.  
Trevor Lauer  
DTE Electric at DTE Energy  
Jonathan S. Newpol  
IBM Watson Health  
Ken Nisbet  
University of Michigan  
Mark Schissel  
University of Michigan  
Richard B. Sheridan  
Menlo Innovations LLC  
James M. Smith, Ph.D.  
Eastern Michigan University  
Chris Taylor  
City of Ann Arbor

**executive committee**

David Parsigian (Chair)  
Honigman Miller Schwartz and Cohn LLP  
David Ruud (Vice Chair)  
DTE Energy  
David Snodgrass (Treasurer)  
Lake Trust Credit Union  
Dr. Rose Bellanca (Secretary)  
Washtenaw Community College  
Cynthia Wilbanks (Past Chair)  
University of Michigan  
Rob Casalou  
Trinity Health Michigan  
Greg Dill  
Washtenaw County  
Tiffany Ford  
University of Michigan Credit Union  
Leigh R. Greden  
Eastern Michigan University  
Mandy Grewal, Ph.D.  
Pittsfield Charter Township  
Jeff Hauptman  
Oxford Companies  
Alan P. Jesiel, CFP®  
PNC Wealth Management  
Brian Kelly  
ZCorp Technology, Inc.  
Paul Krutko  
Ann Arbor SPARK  
Andy LaBarre  
Washtenaw County Commissioner  
Howard Lazarus  
City of Ann Arbor  
Lon Lowen  
Arbor Networks  
Timothy G. Marshall  
Bank of Ann Arbor  
Joanne Rau  
Fifth Third Bank  
Paul Roney  
Domino's Farms  
Ann Marie Sastry  
Amesite  
Kelly Sexton  
U-M Office of Tech Transfer  
Matt Sharp  
MLive Media Group  
Christine Sing  
Rehmann  
Brenda Stumbo  
Ypsilanti Township  
Robert Young  
Toyota Technical Center

# Wacker - Impact Report

## Investment and Job Growth by Wacker in Pittsfield Township



Prepared By: Ann Arbor Spark

### Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Ann Arbor Spark using Impact Dashboard, a customized web application developed by Impact DataSource, LLC.

Impact Dashboard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Ann Arbor Spark.

This report, generated by the Impact Dashboard application, has been prepared by Ann Arbor Spark to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Ann Arbor Spark made reasonable efforts to ensure that the project-specific data entered into Impact Dashboard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Ann Arbor Spark and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

### Introduction

This report presents the results of an economic impact analysis performed using Impact Dashboard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 12-year period.

### Description of the Project

165,000 square foot building. This scenario assumes an IFT is provided on the real property and that the personal property is subject to property tax reform of 2012.

### Economic Impact Overview

The table below summarizes the economic impact of the project over the first 12 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 12 YEARS IN WASHTENAW COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Permanent jobs created	300.0	469.6	<b>769.6</b>
Salaries or wages paid to workers	\$345.67m	\$214.42m	<b>\$560.08m</b>

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 12 YEARS IN WASHTENAW COUNTY			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to Washtenaw County	60.0	77.5	<b>137.5</b>
New residents in Washtenaw County	156.0	201.4	<b>357.4</b>
New residential properties constructed in Washtenaw County	9.0	11.6	<b>20.6</b>
New students to attend local school district	30.0	38.7	<b>68.7</b>

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 12 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 12 YEARS IN WASHTENAW COUNTY						
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$374,798	\$417,150	\$17,500,000	\$0	\$17,917,150	\$18,291,948
2	\$764,587	\$425,493	\$17,850,000	\$7,500,000	\$25,775,493	\$26,540,080
3	\$1,169,819	\$434,003	\$18,207,000	\$11,750,000	\$30,391,003	\$31,560,822
4	\$1,590,954	\$442,683	\$18,571,140	\$10,500,000	\$29,513,823	\$31,104,776
5	\$2,028,466	\$451,537	\$18,942,563	\$9,250,000	\$28,644,099	\$30,672,565
6	\$2,482,842	\$460,567	\$19,321,414	\$8,000,000	\$27,781,981	\$30,264,823
7	\$2,532,499	\$469,779	\$19,707,842	\$6,750,000	\$26,927,621	\$29,460,120
8	\$2,583,149	\$479,174	\$20,101,999	\$5,500,000	\$26,081,173	\$28,664,322
9	\$2,634,812	\$488,758	\$20,504,039	\$4,250,000	\$25,242,797	\$27,877,609
10	\$2,687,508	\$498,533	\$20,914,120	\$3,000,000	\$24,412,653	\$27,100,161
11	\$2,741,258	\$508,504	\$21,332,402	\$2,500,000	\$24,340,906	\$27,082,164
12	\$2,796,083	\$518,674	\$21,759,050	\$2,500,000	\$24,777,724	\$27,573,807

## Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 12 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
Washtenaw County	\$1,350,367	(\$447,022)	\$903,345	\$658,683
Pittsfield Township	\$1,804,072	(\$1,016,199)	\$787,873	\$574,829
Saline Area Schools	\$3,967,292	(\$570,291)	\$3,397,001	\$2,476,709
State Education Tax	\$179,890	\$0	\$179,890	\$125,720
Washtenaw ISD	\$764,907	\$0	\$764,907	\$554,461
Washtenaw Community College	\$495,495	\$0	\$495,495	\$358,807
Saline Library District	\$146,334	\$0	\$146,334	\$106,760
<b>Total</b>	<b>\$8,708,356</b>	<b>(\$2,033,512)</b>	<b>\$6,674,844</b>	<b>\$4,855,968</b>

\*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.

Net Benefits Over the Next 12 Years

