

Comprehensive Economic Development Strategy Review Draft

Washtenaw County, Michigan |
April 2010

**Washtenaw County
Economic Development and
Energy Department**

Comprehensive Economic Development Strategy

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Section 1: Introduction and Purpose

Sustained economic growth is a driving force behind creating jobs for residents, decreasing the social impacts of a poor economy, and providing the tax base needed for public services and for increased quality of place assets. A Comprehensive Economic Development Strategy (CEDS) is designed to bring the public, private, education and not-for-profit sectors together to create an economic roadmap to a diverse and strong local economy. The Strategy should provide the flexibility to adapt to global economic conditions, fully utilize the community's unique advantages to attract private investment and maximize economic opportunity for our area.

There are numerous benefits of developing and maintaining a CEDS:

- A CEDS provides public, private, education and not-for-profit decision makers with information needed to target their fiscal and human resources in meeting economic and talent needs and taking advantage of economic opportunities in the region.
- The U.S. Department of Commerce Economic Development Administration (EDA) requires the development of a CEDS in order to apply for EDA's *Investment Programs*. These programs are intended to help distressed communities upgrade physical infrastructure, encourage business expansion, conduct technical planning studies, support local economic development strategies, encourage university/government partnerships, receive trade adjustment assistance, attract private capital investment and higher-skill, higher-wage job opportunities and to promote the successful long-term economic recovery of a region (*see Appendix B for a summary of EDA Assistance Programs*).
- The community profile information contained in this document can be used by numerous agencies in developing grants, providing information to clients and business prospects and developing business plans. The profile in this document will be updated annually and available on the County and other agency websites.

This document, which will be reviewed on an annual basis and periodically updated, contains the following information:

Section 2: Community Profile contains socio-economic, economic development and quality of life data and trends for Washtenaw County. This information serves as the basis for identifying economic assets and issues. The community profile information contained in this document is derived from several key sources of information including the Bureau of Labor Statistics, Census Bureau, University of Michigan Regional Economic Forecasts, and Wadley Donovan Labor Assessment.

Section 3: Economic Actors, Services, Partnerships and Incentives identifies the current economic development and talent development services provided by numerous agencies within the County. This section also overviews the extensive collaborations and partnerships formed to meet economic needs.

Section 4: Analysis of Assets, Challenges and Opportunities identifies our unique assets that we can build on to achieve sustained economic growth and the unique problems we need to address. This analysis forms the basis for developing the region's economic development vision and strategies.

Section 5: Vision, Strategies and Actions for the region is based on the assessment in Section 4 and the numerous existing economic development and talent development plans promulgated by various actors in the community. Included in this section is a comprehensive set of actions the region should pursue to improve economic conditions. The economic vision, goals and strategies in this CEDS are based largely on the work undertaken by regional stakeholders and further refined by our CEDS Committee. The existing economic documents used to develop goals and strategies include the A2Success Strategy, Eastern Washtenaw County Business Plan for Revitalization, Local Government Comprehensive Plans, City of Ypsilanti Economic Development Action Plan, Washtenaw County ETCS 2007 Annual Report and 2010 Briefing Booklet, Washtenaw County Comprehensive Plan, SPARK annual goals, and Mega-P Annual Report.

Sections 6: Action Plan identifies the most critical specific short term actions to take along with funding sources, metrics and responsible parties. By focusing our resources on these actions, the region will make the most progress toward our economic vision.

When you take into consideration the various economic strategies in the region on which this CEDS is based, over 200 community leaders and experts have contributed in some way to the development of this document (see Appendix A).

Special thanks go to the Washtenaw County Community Action Board for funding this assessment and the CEDS Steering Committee and Technical Review Committee for their long hours of review and edits.

Section 2: Community Profile

Washtenaw County, Michigan

Jurisdiction and Location: Washtenaw County lies within the region of Southeast Michigan, bordering the western side of Detroit's Wayne County. Washtenaw County contains twenty townships, three villages, and five cities. The City of Ann Arbor (population 114,529) and the City of Ypsilanti (population 20,683) are Washtenaw's largest cities and Ypsilanti Township (population 53,663) and Pittsfield Township (population 35,355) are the most populous townships.

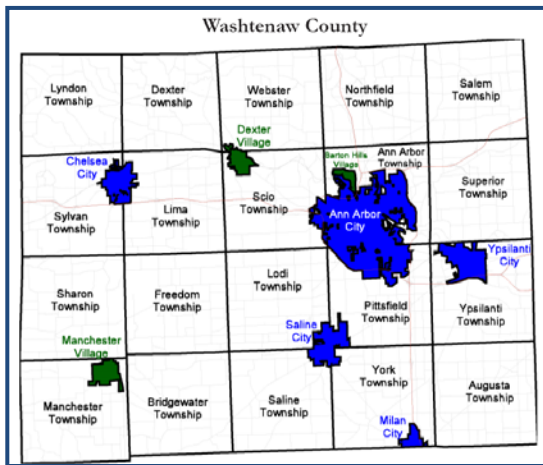


Figure 1: Washtenaw County Municipalities

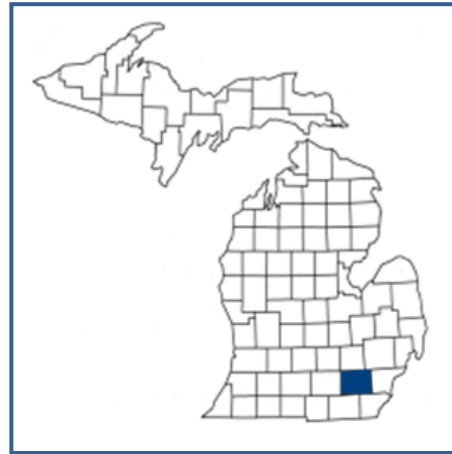


Figure 2: Washtenaw County, Located in SE Michigan

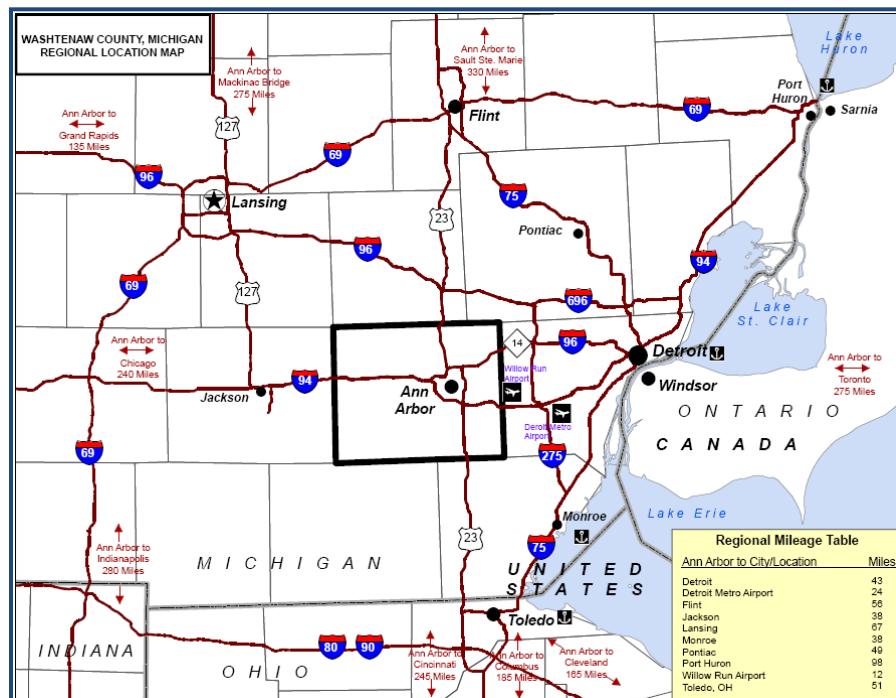


Figure 3: Washtenaw County, Michigan Regional Location Map

2.1. Geography and Access

Airport Access and the Aerotropolis: Washtenaw County is in close proximity to two large airports: Detroit Metropolitan Airport (DTW) and Willow Run Airport (YIP). Detroit Metro Airport, 30 minutes east of Ann Arbor, has two passenger terminals and 145 gates. In 2007, it supported 17 scheduled passenger airlines and had approximately 467,000 flight operations, ranking it eleventh for carried capacity in North America. DTW supports direct flights to 24 domestic cities and nine international destinations. About 36 million passengers board flights there annually, of which over 3 million are international passengers. Cargo shipped in 2007 totaled approximately 514 million pounds. The latest figure from the Wayne County Airport Authority measuring economic impact places DTW at \$7.6 billion annually and at least \$20.8 million daily. The airport employs over 18,000 people. Airports Council International deemed DTW the most operationally capable airport in the Midwest in 2008.

Nearby Willow Run Airport serves freight, corporate and general aviation clients. The airport logs 210,000 charter, corporate, and private passenger annually, and supports the transportation of 316 million pounds of cargo. Its economic impact is judged to be \$200 million annually, \$100 million of which impacts Detroit's Wayne County directly eastward of Washtenaw. It employs 1,100 people.

Both Detroit Metropolitan Airport and Willow Run Airport connect directly to an international highway corridor, an integral economic passageway discussed next in this section. An Aerotropolis development area overlaid on I-94 is planned to further solidify connections between the two major airports and encourage growth throughout the region. Most importantly, the creation of this transportation zone coincides with a regional master plan to move goods and people efficiently, opening up new markets for Detroit-made products and creating a stronger link between Southeast Michigan and the global economy. [Source D.22]

Located within Washtenaw County, the Ann Arbor Airport serves public and business flights, medical flights, flight instruction and charter services. The Airport is home to over 170 aircraft and handles about 65,000 operations (take-off/landings) per year. These aircraft are housed in 150-hangars and a few other hangars owned and leased out by the Airport. Smaller, private airparks existing in Washtenaw County include Cackleberry Airport, Larson Airpark, and Rossettie Airpark.

Interstates, Roads, and Border Crossings:

Interstate I-94 passes directly through Washtenaw County; I-94 is part of the northern portion of the Midwest trade corridor between Canada and Mexico. The Michigan-Canada connections at the Blue Water (at Port Huron) and Ambassador Bridges (at Detroit) represent the largest trade volume and value of any border crossing in the United States. According to a 2004 study, 150,000 jobs and \$13 billion in annual production depend on the river crossing connecting Detroit to Windsor. In 2004, the total American trade with Ontario alone was \$407 billion, 28 percent of which (\$113.3 billion) crossed the Detroit River. [Source D.21]

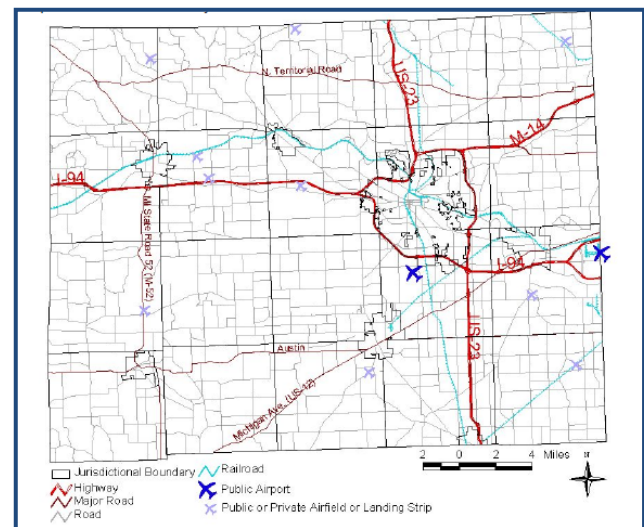


Figure 4: Washtenaw County Transportation Routes

Washtenaw County is also connected with U.S. 23 running north-south from Toledo to Mackinac Bridge and connections to Canada and to the southern U.S. via I-75. Washtenaw County is also connected to an extensive network of local, state and federal roadways (including US-12, M-14, M-17, M-52, and M-153). This network accounts for the diverse commuting pattern to and from several adjacent counties.

Rail: Five rail lines serve the major cities and towns in the area, including Amtrak, Ann Arbor Railroad, Norfolk Southern, and Great Lakes Central Railways. Amtrak has daily service to Chicago and Detroit/Pontiac. Federal plans for high speed rail to Chicago promise to make the region increasingly integrated into national infrastructure and commerce. A planned Fall 2010 commuter rail connection between Ann Arbor and Detroit represents an historic investment in the region's connectivity, as does a later planned installment of a Washtenaw-Livingston Rail Line (WALLY). Regional leaders have risen to the occasion despite funding challenges to initiate these regional rail projects, [Source D.25] and assistance from the federal government via a December 2009 Senate defense bill recognizes the impact of this rail connection. [Source D.28]

Fresh Water Ports: Fresh water ports are located 38 miles away in Monroe at Lake Erie, and 43 miles away in Detroit at the Detroit River. The Detroit and Wayne County Port Authority moved over 17 million tons of cargo in 2005, providing 10,356 jobs and generating over \$201 million in state and local taxes and over \$164 million in business revenue. [Source D.23]

2.2. Age, Population, and Migration Demographics

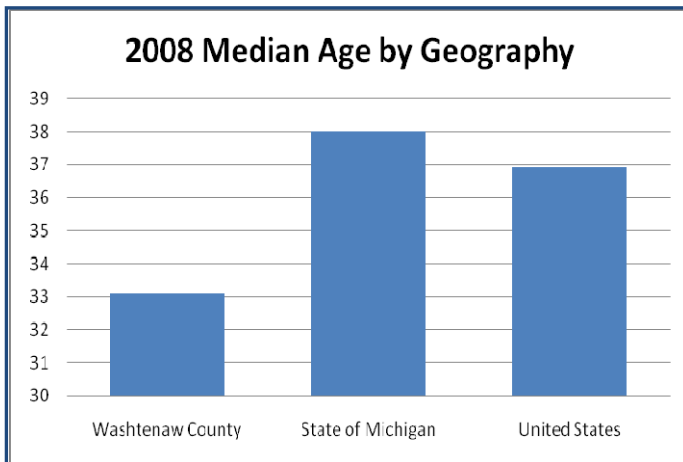


Figure 5: Median Age by Geography
Source: United States Census Bureau, American Community Survey, 2008 One-Year Estimates.

Age: In keeping with national and statewide trends, our region's population is aging. However Washtenaw County has a younger population than the state and nation. Washtenaw County is home to large academic institutions that draw the region's median age downward, due to college-age students residing in the area. The County's median age in 2008 was 33.1 years, younger than the state's median age of 38 years and the national median age of 36.9 years. Southeast Michigan's proportion of persons 65 and older in 2005 was 11.7 percent compared to the national rate of 12.4 percent. In Washtenaw County, the 45 to 64 population cohort was 23.8 percent (versus 20.6 percent in 2000) which is a significant consideration as the region prepares for future workforce availability. [Source D.3]

Population: Washtenaw County is the sixth most populous county in Michigan. In 2008, the County population was estimated to be 347,376 persons, an increase of 24,481 persons (7.6 percent) since 2000. Washtenaw saw its first decrease in population just recently between 2007 and 2008; a decrease of 593 persons (-0.2 percent). [Source D.24]

International Immigration and Population:

The estimated population gain in Washtenaw County due to international migration was nearly 15,000 persons between 2000 and 2008. Foreign-born residents make up a sizeable portion of the County population: 11.4 percent (or 39,687 people), largely due to the presence of large universities and their global research draw. Of this foreign-born segment of the population, 58.3 percent have been residing here for eight years or more, having entered the County roughly at or before the new millennium and 35.1 percent of our foreign-born population is now naturalized as U. S. citizens. Of the total foreign-born population, naturalized and not naturalized, the highest proportion hails from Asia (56.4 percent), followed by Europe (18 percent) and Latin America (13 percent). [Source D.5]

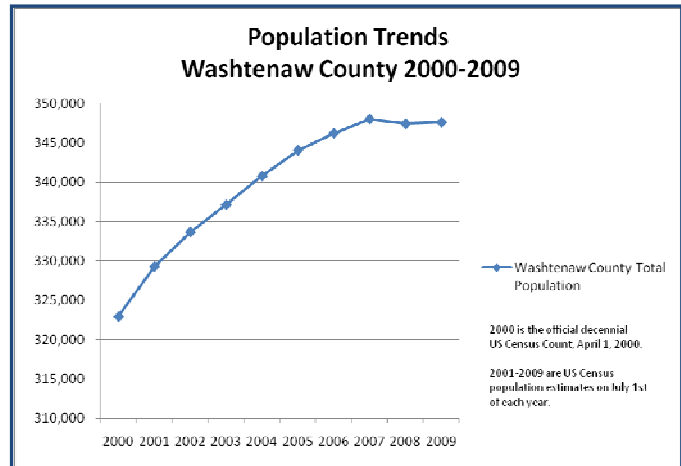


Figure 7: Washtenaw County Population, 2000-2009
Source: United States Census Bureau, 2000 Census and American Community Survey, 2000-2009 One-Year Estimates.

2.3. Workforce and Employment

Employment:

Like the nation at large, Washtenaw County has seen its total employment numbers fall; this trend began most noticeably in 2005, beginning a string of years in which employment continued to fall. Total employment in 2007 was 179,925, and was expected to increase to 186,600 jobs in 2008. This did not come to pass. Instead, the County lost 4,200 jobs in 2008. Appendix C.2 details employment change annually from 2002 to 2009 and the trend is pictured at right.

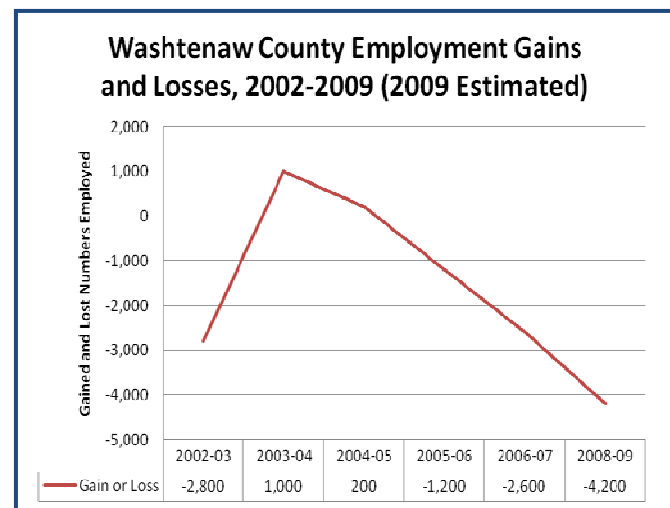


Figure 6: Washtenaw County Annual Employment Gains and Losses, 2002-2009 (Estimated)
Source: Fulton, G., Grimes, D. (2009). The Economic Outlook for Washtenaw County in 2009-10. Institute for Research on Labor, Employment, and the Economy (IRLEE). University of Michigan. March 2009.

Table 1:
Washtenaw County Job Losses Per Firm, 2005 – 2007

Employer	Jobs Lost
Pfizer Inc & Esperion Therapeutics	2,160
General Motors Corp. Willow Run Facility	1,135
Automotive Components Holdings LLC	1,000
Flint Ink Corp	275
Pall Corp	260
TCF Bank	250
Citigroup Inc.	207
M-Care	200
Saline Metal Systems	156
Tecumseh Products Co	100
Borders Groups Inc.	90
Ann Arbor Public Schools	70
Ave Marie Law School	50
Ryder	50
TOTAL JOB LOSSES:	5,643 Positions

Source: Wadley-Donovan Growth Tech, LLC, (2008). Workforce Assessment of Washtenaw County, Michigan. April 2008.

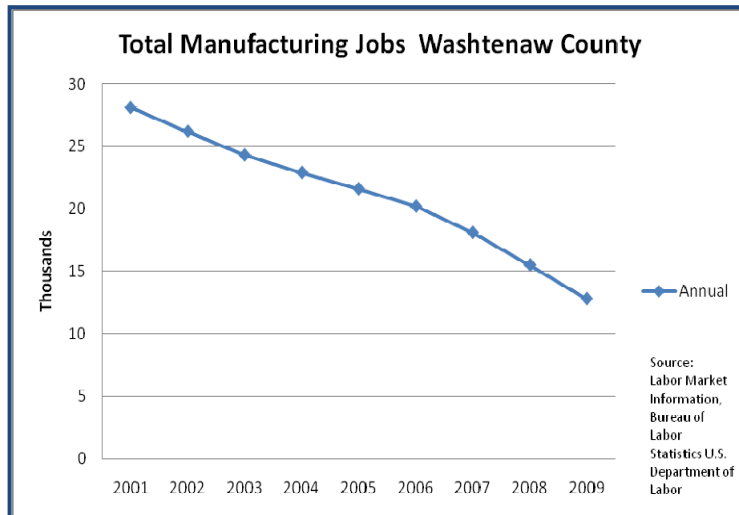


Figure 8: Total Employment in Manufacturing in Washtenaw County, 2001-2009
Source: Labor Market Information, Bureau of Labor Statistics, US Department of Labor.

Additional projected job losses through 2010 are likely to be 29 percent in manufacturing, between 1 percent and 6 percent in the retail, professional and leisure sector, and less than a 1 percent gain in education and health services.

This history of employment declines in recent years has been driven largely by the outmigration of major private sector employers such as Pfizer, General Motors and Automotive Components Holdings (formerly Visteon). Table 1 at left shows job losses by major employers between 2005 and 2007.

Appendix C.3 details a forecast of employment in the County by major industrial division after 2007. Growing industries include optical instruments and lens manufacturing, temporary help services, landscaping, offices of physicians, home health care services, and beauty salons. As expected, the highest percentage of job loss is in the motor vehicles manufacturing area which also had the highest median wage. It is estimated that the County's share of auto industry jobs will drop from 14,500 in 2002 to 3,700 in 2010. Job gains are noted in transport, health services and government. [Source D.1]

Manufacturing Jobs:

Manufacturing jobs have steadily decreased in the County, losing 13,914 jobs since 2001. The City of Ypsilanti and Ypsilanti Township have collectively lost a substantial number of jobs from plant closures - ACH (1,000), Exemplar (110) and the Willow Run GM Facility (4,000).

Unemployment

The unemployment rate in Washtenaw County has historically out-performed the State and National rates. However, in the recent economic downturn, the County experienced rates above the national average. The number of people unemployed in Washtenaw County has steadily increased over the past 7 years, ending in 2009 with nearly 16,000 unemployed persons (based on estimates from January to November 2009).

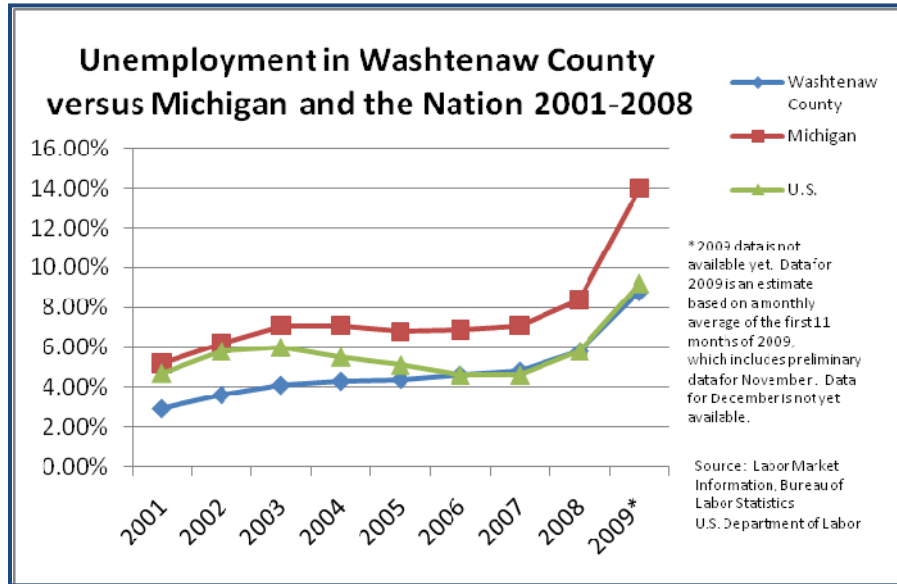


Figure 9: Unemployment in Washtenaw County versus Michigan and the Nation, 2001-2008
Source: Labor Market Information, Bureau of Labor Statistics, US Department of Labor.

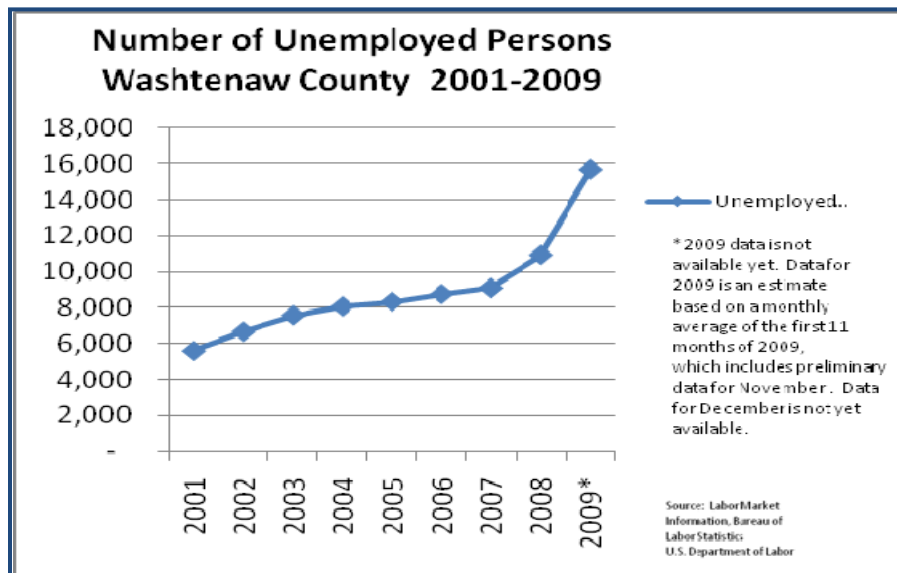


Figure 10: Number of Unemployed Persons in Washtenaw County, 2001-2009
Source: Labor Market Information, Bureau of Labor Statistics, US Department of Labor.

Employment by Sector

In 2007, the diagram below demonstrates the historic reliance of the County on public sector employment. Manufacturing employment numbers have been scaled back in years since 2007 due to plant closings.

The highest ranking in government is due to the presence of two major universities, as public education employees are categorized as state government employees. Compared to 32 similar U.S. counties in 2007, Washtenaw's share of employment in government, public colleges and universities, and public hospitals ranked first. Of an estimated employment base of 163,800 in 2008 through 2009, approximately 46,222 jobs, or 28 percent of total employment, were associated with the University of Michigan Education System and the University of Michigan Health Centers.

Employees working in Washtenaw County also tend to be affiliated with large organizations; fifty-four percent of county employment occurred at organizations with 500 or more employees. [Source D.1]

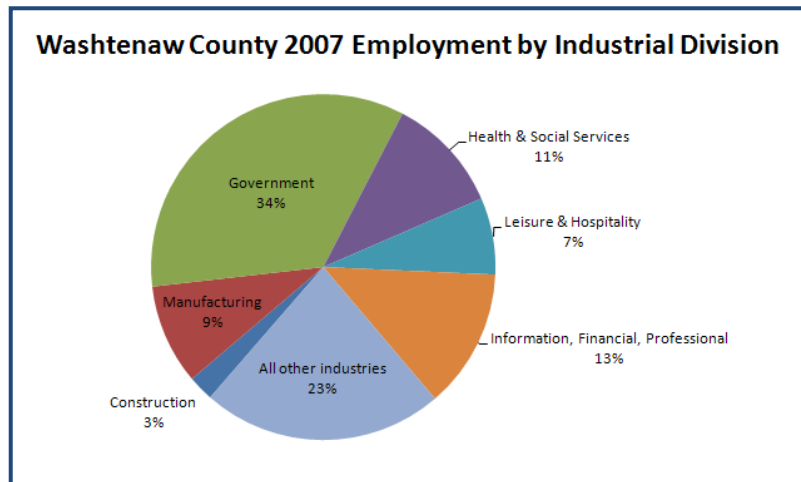


Figure 11:

Source: Fulton, G., Grimes, D. (2009). The Economic Outlook for Washtenaw County in 2009-10, Table 5. Institute for Research on Labor, Employment, and the Economy (IRLEE), University of Michigan. March 2009.

Note: Natural Resources, Mining, and Construction sectors are labeled "Construction" in the chart above, due to low employment levels in Natural Resources and Mining sectors in Washtenaw County.

Table 2: Washtenaw County Major Employers, 2008

Major Employers	Location	Employees	Type
University of Michigan Education System	Ann Arbor	29,165	Higher Education
University of Michigan Health Centers	Ann Arbor	11,865	Health Care
St. Joseph Mercy Hospital (Trinity)	Ann Arbor	5,670	Health Care
University of Michigan Medical School	Ann Arbor	5,554	Health Care
Automotive Components Holdings	Ypsilanti, Saline	5,000	Manufacturer
General Motors Corp**	Ypsilanti	3,820	Manufacturer
Ann Arbor Public Schools	Ann Arbor	3,820	Public Education
Eastern Michigan University	Ypsilanti	2,005	Higher Education
Ford Motor Company	Ypsilanti	2,000	Manufacturer
Thomson Reuters	Scio Township	1730	Software/IT
Washtenaw Community College	Ann Arbor	1,500	College
Washtenaw County Government	Ann Arbor	1,300	Government
Veterans Health Administration	Ann Arbor	1,235	Healthcare
Chelsea Community Hospital	Chelsea	1,000	Healthcare
Toyota Technical Center	York Township	1,060	Research
US Postal Service	Ann Arbor	923	Government
Borders Group Headquarters	Ann Arbor	825	Information/Print
ABN AMRO Mortgage Group	Ann Arbor	786	Mortgage Financing
City of Ann Arbor	Ann Arbor	780	Government
Ford Motor Company	Ypsilanti Township	800	Manufacturer
ProQuest	Ann Arbor	619	Software
Saline Public Schools	Saline	613	Public Education
NSK Corp.	Ann Arbor	540	Manufacturer
Dominos Pizza Headquarters	Ann Arbor Twp.	550	Retail Corp. HQ
Detroit Edison	Ann Arbor	500	Electric Utility
Terumo Life Sciences	Ann Arbor	500	Life Science

** Closed.

* Source : SPARK, and Ann Arbor.com Business review (Jan 24, 2010).

Commutation Patterns

Washtenaw County sees many of its workers commute into the area from other counties, running a positive balance versus the number of people who leave the County for work. According to the 2000 Census, nearly 70,000 workers commute into Washtenaw County while 40,000 commute out. The 2008 American Community Survey Census estimated mean travel time to work for County residents was 22 minutes. In 2005, the percentage of Washtenaw County residents living and working inside the county was 76.7 percent.

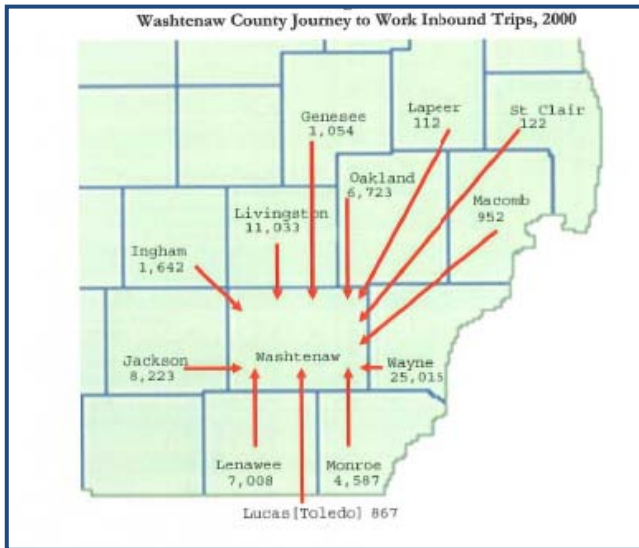


Figure 12:
Washtenaw County Journey to Work, Inbound Trips, 2000
Source: Transit Plan for Washtenaw County, Washtenaw Area
Transportation Study (WATS), Ann Arbor, Michigan, 2007.

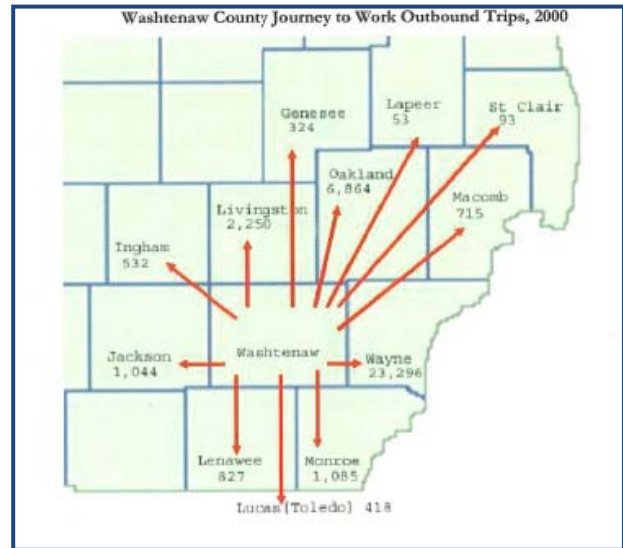


Figure 13:
Washtenaw County Journey to Work, Outbound Trips, 2000
Source: Transit Plan for Washtenaw County, Washtenaw Area
Transportation Study (WATS), Ann Arbor, Michigan, 2007.

2.4. Economic Clusters

Knowledge-based industries, a common focus for contemporary economic development strategies, generally include wholesale trade, information, financial activities, professional and technical services, management, education, healthcare and social assistance, and government. These industries are well represented in the County's major industrial and service sectors as noted below (Source: SPARK). Further analysis of regional economic clusters will be needed to refine the economic development strategy in terms of marketing, training, business assistance, and identification of site and infrastructure requirements.

Automotive – Design, Research, Engineering, Component Manufacture

Michigan is home to 215 of the world's vehicle research and development centers; 67 percent of all North American vehicle-related activity is conducted in Michigan. The Ann Arbor area is a center of automotive research as well as components manufacture. More than 100 firms are engaged in automotive research, design and engineering, CAD/CAM/CAE/simulation, and component manufacturing. The largest automotive employers include:

- Ford: 800 workers
- Automotive Components Holdings: 2,000 workers
- Toyota Technical Center: ,1060 workers
- Chrysler Proving Grounds: 375 workers

- Hundai Technical Center: 175 workers

Life Sciences/Biotech

More than 80 firms are engaged in pharmaceutical research and development, disease treatment and management, biopharmaceuticals, proteomics, bio-MEMs, medical device manufacture, diagnostics, tools and instruments, and medical imaging. The life sciences firms are supported by local contract research organizations, reagent suppliers, consulting firms, and a medical testing laboratory.

The largest Life Science employers in Washtenaw County are:

- Terumo Life Sciences: 500 workers
- Cayman Chemical: 175 workers
- i3: 116 workers

Software/Customer Service IT

Approximately 300 firms are engaged in Web design/hosting/accessibility, customer relationship management, internet service provision (ISP), and programming services. In 2006, Google announced the location of its AdWords headquarters to Ann Arbor from Mountain View, California. As a result of Google and other businesses, Washtenaw County's employment in knowledge-based occupational groups exceeds national averages. [Source D.3] The largest Software/Customer Service IT employers in Washtenaw County are:

- Thomson Reuters: 1730 workers
- Fry Multimedia: 210 workers
- HealthMedia/Johnson and Johnson: 138
- Google: 250
- Foresee Results: 90
- Barracuda Network: 70

Information/Print and On-line

Washtenaw County is the short-run book publishing capital of the U.S.; Harry Potter and the Goblet of Fire was printed by Edwards Brothers locally. In addition, three major automotive journals are published here. Online media are also represented. The largest Information/Print/Online employers include:

- Borders Group Headquarters: 825 workers
- ProQuest: 475 workers
- All Media Guide: 140 workers
- McNaughton & Gunn: 200 workers

Imaging/Vision

Twenty companies are involved with imaging in the areas of optics, machine vision, medical imaging, and biometrics. The largest Imaging and Vision employers are:

- General Dynamics Advanced Information Systems: 300 workers
- L-3: 135 workers

Headquarters Operations

Borders Group, Inc., Domino's Pizza, Google AdWords, ProQuest, Zingerman's Deli, Jiffy Mix, and Conway are all headquartered in Washtenaw County.

- Borders Group: 825
- Dominos: 550
- Google AdWords: 250
- ProQuest: 619
- Conway: 285

Health Care

Health care and related industries represent a significant portion of employment in Washtenaw County. Segmented by organization below, nearly 22,000 employees work within this sector.

Major Hospitals and Health Centers:

- University of Michigan Health Center: 11,865 workers
- University of Michigan Medical School: 5,554 workers
- St. Joseph Mercy Health System: 5,670 workers
- Veterans Administration Hospital: 1,235 workers
- Chelsea Community Hospital: 1,000 workers

2.5.8. Emerging Industry Sector – Alternative Energy

Additional growth is expected in the alternative energy sector following the recent announcement of University of Michigan's Michigan Memorial Phoenix Energy Institute. The Institute will launch with \$9 million to recruit top-tier energy research facility and will coordinate University departments, activities, and resources. U-M's existing portfolio of energy research includes \$35 million in ongoing research projects in areas of clean energy, advanced power generation and advanced power train systems. Examples of Alternative Energy employers include:

- EnCel – AMTEC: conversion
- PermoDrive: regenerative energy systems
- A123: advanced battery technology, lithium-ion
- Adaptive Materials: portable solid oxide fuel cells

2.5. Income and Cost of Living

Washtenaw County's upper income tiers are stronger than those of the state and nation on average and fall in the midranges of comparably sized American counties. The proportion of households in the County with income below \$35,000 was 31.1 percent compared to 35.9 percent and 33.7 percent for the state and nation respectively in 2008. The County's median income, \$57,848, was 19 percent greater than the state average (\$48,591) and 11 percent higher than the national average (\$52,029) in 2008. This ranked 16th in comparison with 32 similarly sized U. S. counties in 2008. Additionally, the percentage of households earning greater than \$75,000 was 39.2 percent compared to 29.8 percent and 33.4 percent for the state and nation. [Sources D.1, D.3 and D.13]

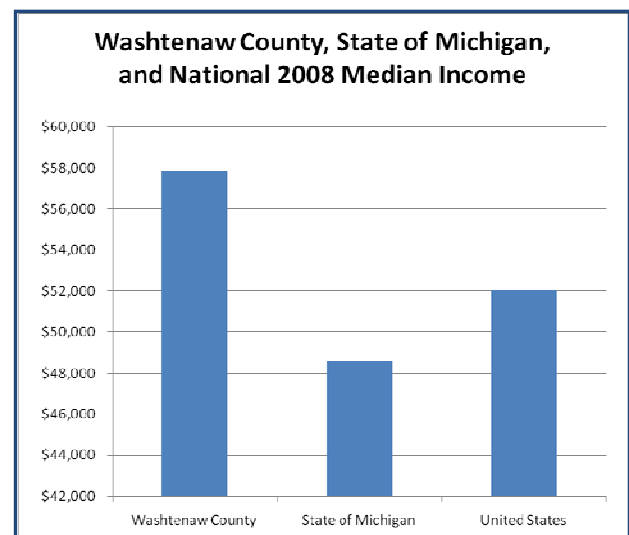


Figure 13 : Washtenaw County, State of Michigan, and National 2008 Median Income

Source: U.S. Census Bureau, American Fact Finder Survey, 2006-2008

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Washtenaw County is experiencing greater declines in per capita income than the national average. The steep decline in per capita income in Ypsilanti Township could be caused by the loss of higher paying manufacturing jobs.

Table 3: Change in Per Capita Income, 2000 to 2008

Community/Area	Per Capita Income 1999*	Per Capita Income 2006-2008	% Change
Ypsilanti City	\$ 21,572	\$ 21,014	-2.6%
Ypsilanti Township	\$ 29,685	\$ 24,038	-19.0%
Washtenaw County	\$ 35,117	\$ 31,895	-9.2%
Michigan	\$ 28,648	\$ 25,651	-10.5%
United States	\$ 27,898	\$ 27,466	-1.5%
*1999 Per Capita Income is adjusted for CPI to 2008\$			

Source: American Community Survey, US Census Bureau, US Department of Labor BLS CPI Calculator

Note: Data is only available for cities, villages, townships and counties over 20,000 in population

2.6. Housing Prices

Washtenaw tends to be a more expensive county in which to live. Washtenaw's cost of living index is higher than state and national averages. The County's composite Economic Research Institute (ERI) cost of living is 111.6 while that of the state and nation calculates at 106.1 and 100. [Source D.3]

In 2007, housing prices in the County were 56 percent higher than the state and 31 percent higher than national averages (respectively averaged at \$125,613 and \$172,914). The financial crisis impacted Washtenaw County quite negatively as it did the rest of the nation. While the average sale price in 2007 was \$217,012, by 2009 that figure had fallen to \$154,015. Between 2005 and 2009, the number of home sales dropped by 19 percent and the average price dropped by 40 percent. The figure above shows the five year downward trend for home sale prices.

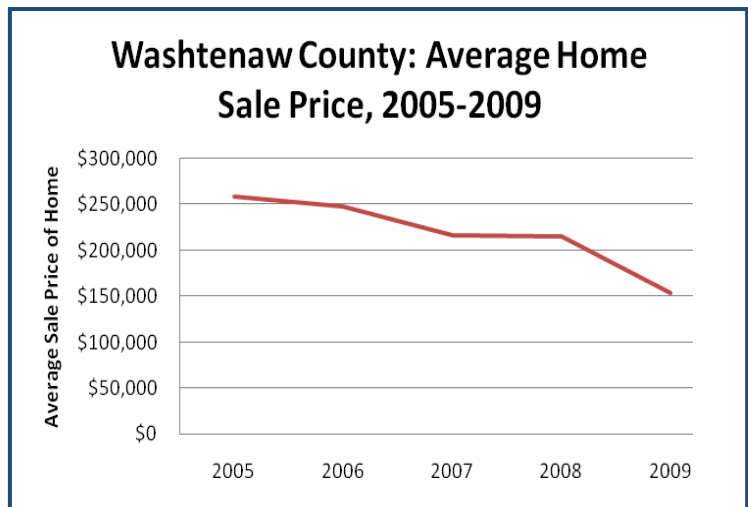


Figure 14: Washtenaw County, Average Home Sale Price 2005-2009
Source: Ann Arbor Board of Realtors. April 2009.

2.7. Taxable Value

Washtenaw County's taxable value declined by 2.29 percent in 2008; the first decline since the beginning of Equalization in 1959. This period represented a loss of nearly \$566 million in value. While Agricultural, Commercial and Personal property showed slight increases, Residential and Industrial property declined by an average 6.9 percent. Appendix C.7 details the current tax base composition, and can be observed in the pie chart below.

The County is experiencing a downward trend in taxable value and new construction, shown in Figure 15 through Figure 17, as well as in Table 4 and in Appendices C.8, C.9, and C.12.

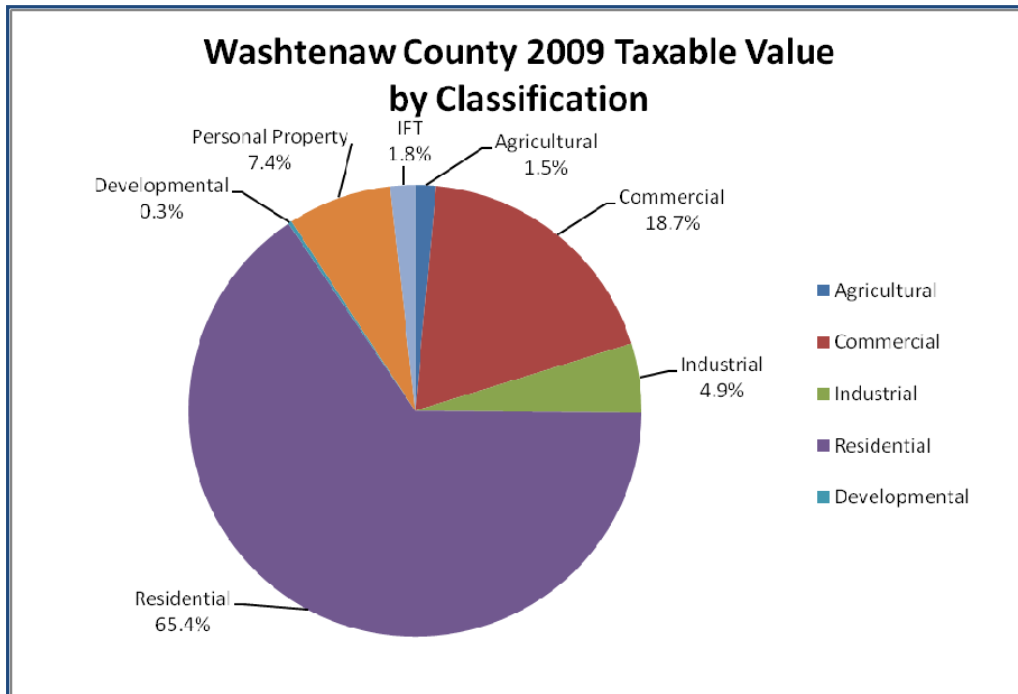


Figure 15: Washtenaw County Percentage of County Total Value by Property Classification, 2009
Source: Washtenaw County Equalization, April 2009.

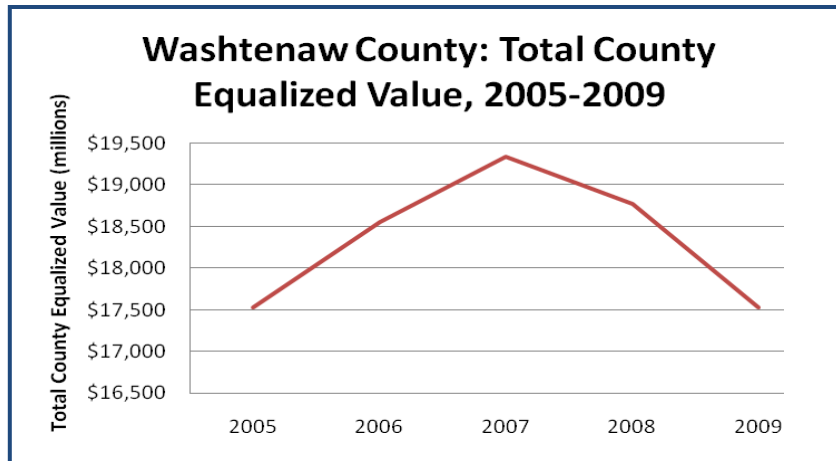


Figure 16: Washtenaw County Total Equalized Value, 2005-2009
Source: Washtenaw County Equalization. April 2009.

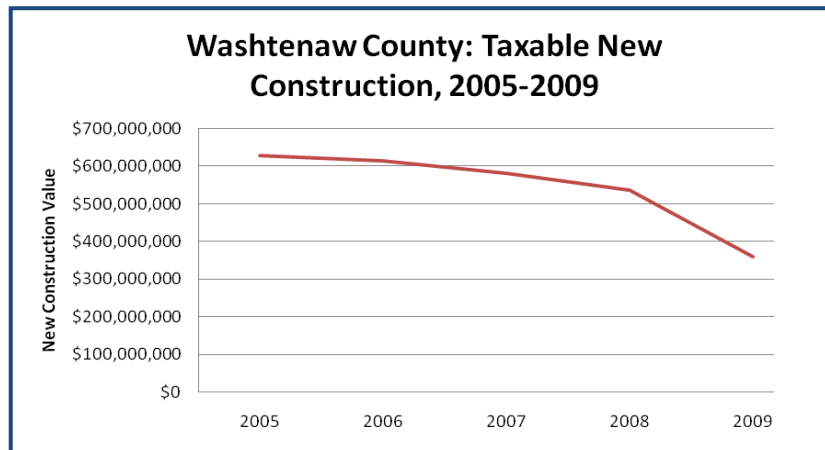


Figure 17: Washtenaw County Taxable New Construction, 2005-2009
Source: Washtenaw County Equalization. April 2009.

Table 4: Reduced Tax Collection Available for Public Services, 2009

Jurisdiction Type	Reduced Property Tax Revenue for Services
Local Units of Government (all jurisdictions)	\$2.7 Million
Washtenaw Community College	\$1.2 Million
Washtenaw Intermediate School District	\$1.3 Million
Washtenaw County Government	\$1.9 Million

Source: Washtenaw County Department of Economic Development and Energy, April 2009.

2.8. Education

Washtenaw County outperforms the state and nation in the percentage of its population base 25 years and older attaining a high school degree. In 2008, 93.4 percent of the County's population aged 25 and over was, at minimum, a high school graduate, a higher rate of attainment than observed at the state and national levels (87.6 percent and 84.5 percent respectively). The tables at right illustrate Washtenaw County's educational attainment levels compared to the nation.

Washtenaw County also tends to outperform the state and nation in bachelors and graduate degree attainment. In 2008, 24.6 percent of Washtenaw residents had attained a bachelor's degree as their highest educational attainment. Beyond this base, 26.6 percent of residents had attained a graduate degree or a professional degree. The percentage of Washtenaw County residents over 25 years of age with 16 or more years of education was 51.3 percent in 2008 compared to 24.7 percent and 27.4 percent respectively for the state and nation. The share of the population aged 25 to 64 with bachelor's degree or more was 53.4 percent in 2008, ranking the County first in comparison with 32 similar U.S. counties. [Source: D.1]

There is a notable portion of our population base that has not graduated high school or completed their secondary schooling, although it is not as high as state and national numbers. In 2008, about 6.4 percent of the Washtenaw population has no high school diploma, and 17 percent has only a high school diploma. This compares with 12.4 percent and 32 percent within the state and 15.5 percent and 29.6 percent at the national level, respectively. As seen in Table 5, there is some geographic disparity in drop out and graduation rates in the County.

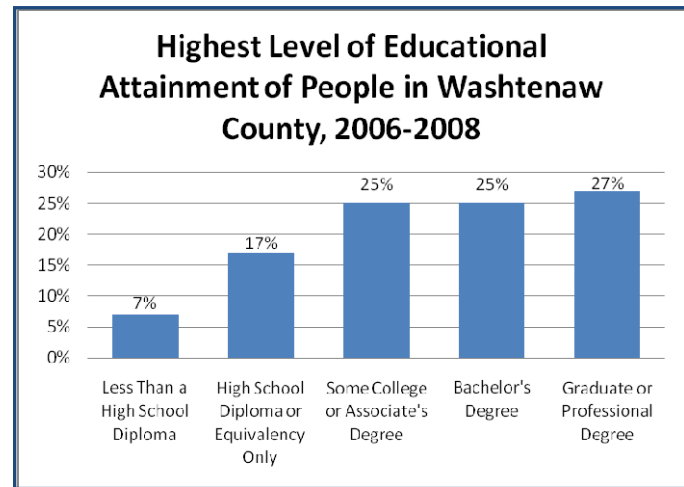


Figure 19: Washtenaw County Highest Level of Educational Attainment
Source: U.S. Census, American Community Survey, 2006-2008.

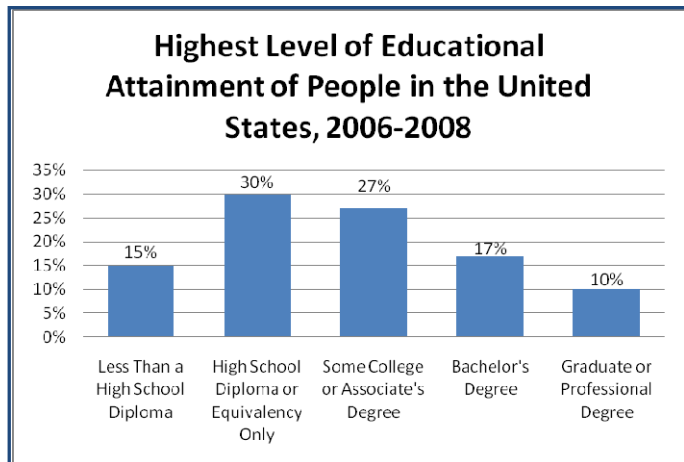


Figure 20: United States Highest Level of Educational Attainment
Source: U.S. Census, American Community Survey, 2006-2008.

The County has a strong base of post-secondary school students that can provide a pool of part time employees, interns, and trained graduates to employers. The institutions providing these students include the University of Michigan; Eastern Michigan University; Concordia University; Cleary University; Thomas Cooley Law School; and Washtenaw Community College. The University of Michigan, being one of the largest public universities in the nation as well as a world-renown research university, enrolled 41,028 students in 2008.

Table 5: Washtenaw County Public School Drop-Out and Graduation Rates, 2006 – 2007

School District	2006-2007 Drop-Out %	2007 Graduation %
Dexter	1.6	96.5
Saline	1.4	93.2
Chelsea	2.2	91.4
Manchester	0.5	89.7
Ann Arbor	7.1	86.9
Whitmore	5.8	81.8
Lincoln	12.1	81.1
Milan	12.6	79
Ypsilanti	26.7	66.8
Willow Run	36.1	51.8

Table 6: Washtenaw County Student Enrollment by Post-Secondary Institution, 2008

Institution	2008 Enrollment
University of Michigan, Ann Arbor	41,028
Eastern Michigan University, Ypsilanti	22,032
Concordia University, Ann Arbor (private)	896
Cleary University, Ann Arbor (private)	857
Cooley Law School*, Ann Arbor (private)	n/a
Washtenaw Community College, Ann Arbor	12,912
Total	77,725

**Note: Cooley Law School opened September 2009. Enrollment figures not available. Cooley Law School replaced Ave Maria Law School which closed in 2009 and had 302 students in 2008. Source: National Center for Educational Statistics, US Department of Education, 2008.*

2.9. Quality of Living

Washtenaw County's quality of living is defined by its world class entertainment, extensive parks and open space system and by its variety of urban, village and rural landscapes. Some of these amenities are described below along with links to follow for more detailed information.

Ann Arbor:

Although the Ann Arbor area is geographically small, it is renowned for its cultural offerings, from world-class museums like the newly renovated University of Michigan Museum of Art (UMMA) to one-of-a-kind music venues, such as downtown Ann Arbor's The Ark.

The aforementioned UMMA and The Ark are just the tip of Ann Arbor's cultural iceberg. In addition, The Ann Arbor Hands On Museum provides a unique learning experience for families. Organizations like The University Musical Society, The Ann Arbor Symphony Orchestra, and The Performance Network Theater add to Ann Arbor's cultural scene by providing numerous opportunities for citizens and visitors to experience high quality performances. The Ann Arbor Art Fairs are nationally recognized arts venues, drawing thousands of domestic and international tourists to the region each summer.

The University of Michigan enhances Ann Arbor's cultural scene with museums, libraries, public art, open lectures, and more. The University's renowned department of Music, Theater, and Dance provides Ann Arbor residents the opportunity to experience performing arts at affordable prices. In addition, the University maintains the Nichols Arboretum and the Matthaei Botanical Gardens both excellent resources for recreational activities.

The City of Ann Arbor has a wonderful parks and recreation system, including beautiful Gallup Park with a canoe livery and paved and unpaved trails. Several city parks also offer outdoor ice skating and sledding during the winter months and outdoor pools during the summer months. Washtenaw County also operates the Meri Lou Murray Recreation Center, located in Ann Arbor. This center offers cardio machines, a weight room, an indoor track and pool, plus a full gym. A series of county-owned parks and natural preservation areas add to the extensive open space network in the county.

Ann Arbor also has several citizen operated interest groups dedicated to recreation and common interests. Examples include the Ann Arbor Bicycle Touring Society and The Ann Arbor Science Fiction Association. Additionally, there is an enthusiastic group of Ann Arborites who produce ArborWiki and the professionally edited ArborWeb, both helpful resources for residents and visitors. ArborWiki provides information including where to get a free meal on your birthday, where to buy a used bicycle, where to find lunch under \$5, and more. Also, Ann Arbor's online newspaper, AnnArbor.com, has a comprehensive events calendar outlining nearly every event, meeting, and class happening in the area.

Learning experiences for all ages are abundant as well. The aforementioned Parks and Recreation Department offers standard programs for seniors, adults, and children. Private institutions such as the Zingerman's Community of Businesses offer gourmet baking and cheesemaking classes, and the specialty stationary store Hollander's offers both cooking classes and bookbinding classes. The LifeLong Learning program at Ann Arbor's Washtenaw Community College has a wide range of classes in art, music, dance, language, food and drink, and

much more. And, of course, The University of Michigan and Eastern Michigan University offer many opportunities for residents to pursue the world of academia.

Chelsea:

The city of Chelsea, located 15 miles west of Ann Arbor, is a charming community offering many opportunities to enjoy the arts. Examples include The River Gallery of Fine Art and The Purple Rose Theater, a professional theater dedicated to producing new American plays. Nearby Waterloo Recreation Area is the largest park in the lower peninsular with 20,000 acres and a Discovery Center and is a local favorite for hiking and other outdoor activities.

Dexter:

The Village of Dexter, located 10 miles west of Ann Arbor boasts The Encore Musical Theatre, a hybrid of professional and community theater. There are also many opportunities for outdoor recreation, including Dexter Huron Metropark, a 122-acre site on the Huron River, ideal for canoeing, cross country skiing, picnicking, and hiking.

Manchester:

Manchester Village is a small, closely-knit community that provides cultural resources for residents of the Village and adjacent rural townships. Community organizations in Manchester sponsor regular events that have become important traditions in Village social life, like the Manchester Riverfolk Festival and the famous Chicken Broil.

Saline:

Saline's downtown has an eclectic array of historic and modern buildings, housing, fun and interesting stores and restaurants. The town hosts the annual Saline Celtic Festival, Saline Summerfest, Holiday Parade and the Harvest of the Arts Oktoberfest. Saline also provides resources like the Two Twelve Arts Center, an entity that enhances the cultural life of the residents of Saline by supporting a full schedule of classes, programs, performances and exhibits. In addition, Saline's Parks and Recreation Department operates a Senior Center and Recreation Center complete with an indoor pool, cardiovascular equipment, an outdoor trail, classes for adults and children. Interesting museums to visit include the Depot Museum and Rentschler Farm Museum.

Ypsilanti:

Ypsilanti boasts great history and creative, youthful population, is one of the largest historic districts in the state and one of the most historic cities in Michigan. The Ypsilanti Automotive Heritage Museum, the Michigan Firehouse Museum, and The Ypsilanti Historical Society Museum all portray Ypsilanti's story in different ways. Juxtapose that with a youthful population (80% are 45 years of age or younger) and the presence of Eastern Michigan University, the 5th largest university in Michigan. Ypsilanti is also a very artistic community; an example is the Riverside Arts Center, a multi-purpose cultural arts venue providing performance, exhibit, studio, office and reception space for artists and arts and cultural organizations as well as SPUR Studios which has leased out all available studio space for local artists in less than one year. Ypsilanti also hosts several cultural events at Riverside Park during the summer months, including the Orphan Car Show, Michigan Elvis Fest, the Shadow Art Fair, Michigan Brewers Guild Summer Festival and the Ypsilanti Heritage Festival.

Milan:

Milan Parks & Recreation offers a wide range of programs, activities and special events throughout the year, including softball leagues and arts and crafts classes. Senior Citizen and Community Activity Center is home to the Parks and Recreation Offices as well as home to the Milan Senior Citizen programs. The building includes a large reception hall, a full commercial kitchen, a senior craft and exercise room and attractive surroundings for outdoor usage. The Saline River flows nearby which offers the ambiance of nature's splendid beauty in all seasons. The Milan Area Historical Society also adds to the area's cultural fiber, maintaining historic landmarks like the Hack House and Old Fire Barn.

County-wide Parks and Natural Areas:

Washtenaw County is home to over 175 lakes, three rivers including the Huron River (a State-designated Natural River), and numerous opportunities for recreation in over 350 state, regional, county and local parks. The County's water resources are spread across five watersheds, the Huron River, River Raisin, Grand River, Rouge River and Stony Creek Watersheds. Major County river systems include the Huron River and River Raisin, with the remaining watersheds containing numerous tributaries or creeks. There are 372 miles of river and streams and 377 lakes in the County.

Within the County there are 23,206 acres of public park and recreation lands operated by governmental agencies. Included are seven State parks ranging in size from a few acres for water access sites, to over 7,000 acres for larger natural areas. Washtenaw County and the Huron Clinton Metropolitan Authority own and operate 16 regional facilities. The County also operates an indoor recreation center, golf course and 114 acres of active farmland.

All cities and villages in Washtenaw County provide recreational facilities and services facilities for frequent, short-term use by local residents, ranging from half acre mini parks to 535-acre preserves, equipped with trails, athletic fields and picnic grounds. Twelve of the 20 townships provide local recreational facilities as well.

The County currently has more acres of parkland than the 6 to 10 acres of developed parkland for 1000 resident recommended by the National Recreation and Parks Association. There will be approximately 66 acres of parkland per 1,000 people in the County even accounting for population growth.

The Natural Areas Preservation Program (NAPP) was approved by residents in November 2000. Approximately 1,500 acres of land has been purchased in Ann Arbor, Bridgewater, Dexter, Freedom, Lima, Manchester, Scio, Sylvan, Superior and York Townships. In addition to this county-wide program, local government initiatives and land trusts offer significant opportunities to preserve important natural features as part of public open space programs. The Ann Arbor Parks and Greenbelt program, Ann Arbor Township Purchase of Development Rights program, Scio Township Purchase of Development Rights program, and Webster Township Purchase of Development Rights program and several other land preservation efforts such as the Legacy Land Conservancy, Southeast Michigan Land Conservancy and Raisin Valley Land Trust programs can be combined to develop interconnected systems of open space. To date there are over 36,000 acres of protected lands in the County, including farmland, natural areas, parks and preserves. [Source D.11]

Area Rankings

Best in the Nation

- 2009 Business Week, **"Best Small Cities for Start-ups", Ann Arbor #1 city in Michigan**
- 2006 Wall Street Journal, **Stephen M. Ross School of Business was named the No. 1 business school in North America**
- Expansion Management, 2007 Knowledge Worker Quotient, **Top 10 Knowledge Worker Metros, Ann Arbor #1**
- Reliastar Financial Corporation rated Ann Arbor as the **"#1 City in the United States to Earn and Save Money"** in 2000
- 2009 Forbes magazine, Ann Arbor **"Best College Sports Town"**
- 2009 Library Journal, **"America's Star Libraries," Ann Arbor Public Library 5-star (highest rank)**
- 2008 AARP Magazine **"Healthiest Hometowns"** Ann Arbor #1
- **Ann Arbor City #1 in "Top 10 Brainiest Small Cities"**, Bizjournals 2006 (Ann Arbor 69.2% bachelor's degree and beyond) Ann Arbor smartest small city
- **The University of Michigan C.S. Mott Children's Hospital was ranked as the top hospital in the state** by Child magazine, 2007 "Best Hospital" ranking
- CNNMoney.com ranks Ann Arbor 1st in the category **"Best Place to Live in Michigan"**
- *Ladies Home Journal* ranked Ann Arbor the #1 **"Most Woman-Friendly City"** in the United States in both 1998 & 1999
- *Reader's Digest* polled 1,000 parents and selected Ann Arbor as one of the **"Best Places in the Country to Raise a Family"** in their 1997 survey
- *Outside Magazine* ranked Ann Arbor the **"Best Place to Raise a Family"** based on the high quality schools and the numerous activities available for families in 1999
- 2007 Expansion Management magazine Educational Quotient **Gold Star awarded to Ann Arbor Public Schools**

Top Ten in the Nation

- 2009 Midwest Living Magazine, Ann Arbor **"Best Midwest Food Town"**
- 2008 US News & World Report, **"Brainiest Places to Retire," Ann Arbor**
- 2007 Site Selection Magazine, **Ann Arbor #4 Smaller City for Venture Capital Deals**
- Expansion Management, 2007 Knowledge Worker Quotient
- Top Metros for College-Educated Workers, Ann Arbor #10
- ReliaStar Financial Corp., a Minneapolis-based financial services company ranked southeast Michigan, including Ann Arbor, as the **"10th Best Place to Earn and Save Money"** in 1998.
- Employment Review Magazine rated Ann Arbor the **10th best city in the nation to live and work in June 2002.**
- 2009 Princeton Review 2009 Best Colleges: Region by Region, **Eastern Michigan University one of "Best in Midwest"**
- 2007 SmallTimes Media **"Top 10 University for Nanotechnology" University of Michigan #3**
- 2008 US News and World Report, **"America's Best Colleges 2008" U-M #4 "Top Public National Universities"**

- 2007 US News and World Report “**America’s Best Colleges**” **#4 Public University**
- US News and World Report 2007 **America’s Best Colleges** , U-M **Best undergrad business programs #3**;
- 2006 Forbes.com **Ann Arbor one of the 10 Smartest Cities in the U.S.**
- 2006 MSNBC **Ann Arbor #3 Smartest City**
- Ann Arbor ranked in **10 spot in The Princeton Review ranking of the best college towns in the nation** in September 2001.
- 2010 Daily Beast Media Gallery, **Smartest College Towns, Ann Arbor #2**
- 2009 League of American Bicyclists, Ann Arbor **Silver ranking for bicycle friendly community**
- 2008 Prevention Magazine, “**Best Walking Cities**,” Ann Arbor #3
- 2008 Bicycling Magazine, “**21 Best Cycling Cities in the US**,” Ann Arbor #3
- 2007 Fast Company Fast Cities “**Cities on the Verge**” Ann Arbor is **Start-up Hub**
- 2007 Sperling’s **Best Places to Live, Ann Arbor #5**
- 2007 Frommer’s “**Cities Ranked & Rated**,” Ann Arbor #5
- 2006 Bicycling Magazine, **Ann Arbor #3 “Best Cycling Cities** (population 75,000 – 200,000)
- Ann Arbor ranks **5th in the category “Top 5 Places to Retire”** by Good Morning America (2005)
- *Golf Digest* ranked Ann Arbor the “**4th Best Mid-Sized City for Golf** ” out of 309 US cities in 1998.
- *Money Magazine* ranked Ann Arbor “**6th Best City to Live**” in the Midwest in 1998.
- *Ladies Home Journal* named Ann Arbor the “**10th Best City for Women**” in 1997.
- Readers of 20-something magazine *Swing* voted Ann Arbor the nation's “**3rd Best Place**”
- 2006, PETA “**America’s Best Vegetarian-Friendly Small Cities**,” **#10 Ann Arbor**
- Ann Arbor, Michigan is the **second healthiest city for pregnancy** according to BabyFit.com’s list of Top 100 Cities for Healthy Pregnancies.

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Section 3. Economic Agencies, Services, Partnerships and Incentives

3.1 Economic Development and Talent Development Agencies and Services

The County has several agencies providing economic development services. These services are overviewed in Table 7, with a description of each service provided on the following pages of this report.

Table 7: Washtenaw County Economic Agencies and Services

Entrepreneurial Services	
U-M <i>Center for Entrepreneurship</i>	<i>SPARK Business Accelerator</i>
U-M <i>Tech Transfer</i>	<i>SPARK Entrepreneur 1.0: Launch Program Series</i>
U-M <i>Business Engagement Center</i>	<i>SPARK Entrepreneur Boot Camp Program</i>
U-M <i>Zell Lurie Institute for Entrepreneurial Studies</i>	<i>SPARK Cantillion-Online Business Planning</i>
EMU <i>Center for Entrepreneurship</i>	<i>SPARK Mingle & Match</i>
EMU <i>Community Partnerships Committee</i>	
Entrepreneurial Infrastructure	
SPARK <i>Michigan Innovation Equipment Depot</i>	Michigan Research Institute
SPARK <i>Central Incubator</i>	U-M Tech Transfer Venture Center
SPARK <i>East Incubator</i>	SPARK <i>Michigan Innovation Equipment Depot</i>
SPARK <i>Michigan Life Science and Innovation Center</i>	
Start Up and Business Services	
MI-Small Business and Technology Development Center	EMU <i>Small Business Institute</i>
SPARK <i>Business Accelerator</i>	Washtenaw County Biz Resource Center
SPARK <i>Starting Your Own Business</i>	U.S. Export Assistance Center
SPARK <i>Marketing Roundtable</i>	
Workforce Development	
ETCS <i>No Worker Left Behind</i>	Where Hospitality Works!
ETCS <i>New Jobs Training Program</i>	Early College Alliance at Eastern Michigan University
Center for Transitional Talent	
Job Placement	
SPARK <i>Hot Shots</i>	ETCS <i>Youth Services</i>
SPARK <i>Talent Search</i>	ETCS <i>Jobs, Education and Training Program (JET)</i>
SPARK <i>Career Catalysts</i>	ETCS <i>Special Target Group Job Services</i>
WCC <i>Employment Services Center</i>	SPARK <i>Mingle & Match</i>

Entrepreneurial Services

Great Lakes Entrepreneurs Quest A nonprofit program that awards prize money in an annual competition aimed at encouraging and educating entrepreneurs on the creation and early growth stages of high-growth businesses.

New Enterprise Forum A service linking entrepreneurs with management expertise, potential joint venture partners, investors, and other professional services through monthly presentations.

SPARK Entrepreneur Boot Camp Program A compressed business training program covering such topics market research, developing business model strategies, validating intellectual property, marketing and sales initiatives, identifying key employee needs and opportunities, preparing business plans and financial analyses, and reviewing product plans and validation steps.

SPARK Entrepreneur 1.0: Launch Program Series A group of business development programs to help train entrepreneurs in the art and science of business formation.

SPARK Cantillion-Online Business Planning A computer-based business formation course coupled with one-on-one mentoring combined to offer a 24/7 option for entrepreneurial business development.

SPARK Mingle & Match A bi-monthly networking event that puts entrepreneurs in the spotlight and gives them the opportunity to connect with interested partners.

U-M Tech Transfer This organization is responsible for handling all research discoveries from research from the University. Staffed with professional skills in assessment, patenting, market research, licensing and business formation, U-M Tech Transfer helps to commercialize new inventions by licensing to new and established businesses. This unit also includes the Michigan Venture Center, the central hub for entrepreneurs and venture partners looking for new venture opportunities based on U-M technology. U-M Tech Transfer creates an average of 9 new ventures annually, well within the top 10 of all universities.

U-M Business Engagement Center This division works to strengthen the University of Michigan's ties to business and the community, providing a visible hub for business and community partners to engage with the University. Businesses can maximize their growth potential by identifying and accessing the University's vast resources, including research discoveries, new technology, faculty expertise, student and alumni talent, continuing education programs, and strategic giving opportunities.

U-M Zell Lurie Institute for Entrepreneurial Studies This center at the University of Michigan's nationally lauded Ross School of Business drives program initiatives and hosts conferences and symposia to educate the next generation of Business School entrepreneurs. It is able to immerse students in real-time, real-world entrepreneurial, seed and venture capital investment experiences.

U-M Center for Entrepreneurship This unit is located at the University of Michigan – College of Engineering to assist student in their pursuit of entrepreneurial ventures. The Center also provides resources to assist new student ventures and stages regular educational seminars featuring local successful entrepreneurs.

EMU Center for Entrepreneurship Established in 1986 as a co-curricular program of the College of Business which strives to encourage innovative business creation and growth and vitality in small business development in southeast Michigan.

EMU Community Partnerships Committee Formed in 2007 to increase the interest in entrepreneurship among students in K-12, community college and the university. The Committee serves primarily as a forum for information exchange and generating ideas for collaboration and development.

Entrepreneurial Infrastructure

SPARK Michigan Innovation Equipment Depot (MIED) provides equipment to qualified companies and is a unique collaborative effort of Pfizer Global Research and Development, Ann Arbor SPARK, MichBio, and Michigan's Smart Zones.

SPARK Business Incubator Network Comprised of two business incubators and one wet lab incubator. The incubators provide physical space, essential business services and business development guidance at lease rates that are affordable for start-up companies. SPARK Central Incubator located in Ann Arbor and SPARK East Incubator located in Ypsilanti, Michigan, offer professional, staffed business space which includes private cubicles, meeting and conference space and business amenities. The Michigan Life Science Innovation Center has state-of-the-art life science and biotech research space in a collaborative entrepreneurial environment with established tenant interaction and support.

U-M North Campus Research Center (NCRC) has over 2 million square feet of research facilities centered on 174 acres, purchased by the University from Pfizer in 2009. Plans are underway to establish the Venture Center Accelerator (part of U-M Tech Transfer) to extend the service to enhance the venture creation capabilities of the Venture Center.

Business Start Ups and Assistance

SPARK Business Accelerator This resource for start-ups is designed to shorten the time required to attract capital and other resources as well as customers. The program provides intensive one-on-one coaching where experienced professionals and industry specialists help companies sharpen their business focus, construct a milestone plan, and manage deliverables. It also puts executives in touch with sources of capital, management talent, professional services firms, key suppliers, and first customers.

Michigan Small Business and Technology Development Center (MI-SBTDC) partially funded by the U.S. Small Business Administration, the Center operates in conjunction with local partners in MI-SBTDC Region 12 (Washtenaw, Jackson, Lenawee and Hillsdale Counties). It provides counseling, training, research and advocacy for new ventures, existing small businesses and innovative technology companies.

SPARK Starting Your Own Business Offers seminars for prospective entrepreneurs covering the basics of business formation.

SPARK Marketing Roundtable This series aims to help start-ups and second-stage companies market their businesses and products more effectively.

SPARK IT Users Groups SPARK provides support for a number of user groups including DRUPAL, AGILE and RIA/FIES.

SPARK Financing Resources Assistance Among the variety of funding opportunities available to new and expanding business ventures facilitated by SPARK introductions are the Venture Capital and Angel Network, Small Business Administration Loans, Industrial Development Revenue Bonds, and conventional banking professionals.

Washtenaw County Biz Resource Center . Since 2001, the Center has operated the BRC for start-up and early state businesses to gather information for their business plans. The BRC is operated in partnership with the Washtenaw Community College MI-SBTDC office.

U.S. Export Assistance Center located in Ypsilanti, this center supports the promotion of goods and services overseas particularly by small businesses and medium-sized businesses, provides counseling to export-ready businesses from Washtenaw County, and facilitates access to Department of Commerce programs.

EMU Small Business Institute engages advanced students under faculty supervision to provide consulting to small business and non-profit owners and managers as part of their educational training.

WCC Business & Industry Assistance Center Offers customized employee and management training seminars to address specific client needs at either on campus or site locations.

Procurement Technical Assistance Center The Procurement Technical Assistance Centers (PTACs) of Michigan are not-for-profit organizations funded by the [Defense Logistics Agency \(DLA\)](#), the Michigan Economic Development Corporation (MEDC) and local funding partners. The PTACs support our national security by ensuring a broad base of capable suppliers for the defense industry and other agencies, thereby increasing competition, which supports better products and services at lower costs. The mission of the Procurement Technical Assistance Centers (PTACs) of Michigan is to enhance national defense and economic development of the State of Michigan by assisting Michigan businesses in obtaining and performing on federal, state and local government contracts. With 13 offices located throughout Michigan, the PTACs of Michigan offer marketing, technical consulting and training to businesses in the state

Talent Development

ETCS No Worker Left Behind This program enables workers to acquire the skills necessary to succeed in the Twenty-First Century economy. The program offers up to two years of free tuition to any Michigan community college, university or other approved training program in pursuit of a degree or certificate in a high-demand occupation or emerging industry, or in an entrepreneurship program.

ETCS New Jobs Training Program This program allows the state's 28 community colleges to incur debt, such as selling bonds, to finance training programs for companies adding new jobs or new businesses coming into the state. With this tool, a company can increase worker productivity and company profitability through these short-term, tailored training programs. The bonds are repaid through income taxes withheld from employers on the new jobs generated so careful screening of the businesses before commitment is important.

Center for Transitional Talent A resource center that targets dislocated auto workers and experienced C-level talent transition into a new job or career. Career counselors link transitioning workers to entrepreneurial and business development resources.

Where Hospitality Works! A Michigan Regional Skills Alliance program funded by the state to address the critical training and employment needs in the hospitality and tourism industries in Southeast Michigan.

Early College Alliance at Eastern Michigan University A public early/middle college program in partnerships with local school districts offering college credits while students finish high school.

SPARK Mingle & Match, a bi-monthly networking event that puts job-seekers in the spotlight and gives them the opportunity to connect with interested partners.

Job Placement

SPARK Hot Shots Monthly career fair to connect job seekers with growing companies.

SPARK Talent Search Online job post newsletter reaching 3,000 weekly recipients.

SPARK Career Catalysts This new program is designed to assist active job seekers.

WCC Employment Services Center Provides students and alumni skill advancement opportunities and other job obtainment services.

ETCS Youth Services Offers mentoring, tutoring, career counseling, on-the-job experience for economically disadvantaged youth and other youth with barriers to employment.

ETCS Jobs, Education and Training Program (JET) Provides job search assistance, career counseling, training and support services for persons receiving public assistance.

ETCS Special Target Group Job Services Provides career counseling, training, testing and job search assistance to veterans, persons with disabilities, and returning prisoners.

3.2 Partnerships

The desire and ability of Washtenaw County's major educational, governmental, non-profit and business organizations to work together is an important component of the economic development strategy. Partnership collaborations are strong and continually gaining momentum and regionalism is increasing in popularity. State government has been supportive of local initiatives by creating an environment for business success touting lower taxes and less regulation.

MEGA-Partnership Agreement [Source D.12] is a partnership committed to integrate workforce education and training resources more effectively by coordinating service delivery and identifying critical roles for each agency. The partners include: Washtenaw County Michigan Works! Agency/Workforce Development Board, Eastern Michigan University, MI-SBTDC, Washtenaw Community College, SPARK, Inc., Washtenaw County Government, and the Ann Arbor-Ypsilanti Regional Chamber.

Eastern Leaders Group (ELG) [Source D.10] is a collaborative effort by civic and community leaders to meet the immediate and long-term needs of Eastern Washtenaw County. The ELG includes Eastern Michigan University, Washtenaw County, the City of Ypsilanti, Ann Arbor SPARK, Washtenaw Community College, U.S. congressional offices, and over 30 local businesses. The ELG has developed a five part action plan which covers both redevelopment opportunities and educational reform.

A2Success [Source D.7] is a group of leaders from the Ann Arbor-Ypsilanti Regional Chamber of Commerce, Washtenaw County Board of Commissioners, the University of Michigan, Ann Arbor SPARK, the Ann Arbor Area Community Foundation, Ann Arbor News, the City of Saline, Pittsfield Township, Eastern Michigan University, the City of Ann Arbor, Washtenaw Land Trust, Detroit Renaissance, and several other corporations and non-profits. This group has focused on actionable plans and achievable goals for attracting talent, driving innovation, and linking government and nonprofits.

The Ann Arbor-Ypsilanti Regional Chamber of Commerce is a recent consolidation of two previously separate Chambers of Commerce in the County. December of 2009 marked the merging of the larger Ann Arbor Chamber of Commerce with the neighboring Ypsilanti Chamber. While the new organization will maintain two offices to preserve local points of contact for area businesses, administration and strategy will forge on as a single unit.

Access Points is collaboration between ETCS and faith based organizations throughout the county to connect unemployed and underemployed persons to training and job opportunities. There are currently 34 Access Points in low income areas throughout the county.

Eastside Innovation Campus is a consortium of service providers located within a 2 block area on Michigan Avenue in downtown Ypsilanti. Facilities and services include the SPARK East Incubator, MI-Small Business and Technology Development Center, Procurement Technical Assistance Center, Eastern Michigan College of Business, Washtenaw County ETCS/Michigan Works!, Ann Arbor-Ypsilanti Regional Chamber, Ypsilanti Downtown Development Authority, the BIZ Resource Center, the Ypsilanti Library and Ypsilanti Area Convention and Visitors Bureau.

3.3 State and Local Incentives

Michigan Economic Development Corporation (MEDC)

The state offers one-stop business assistance. It provides business development managers, works with consultants, utilities, associations, communities and local economic development agencies to match businesses' needs with Michigan's opportunities. Products and services include the following:

<ul style="list-style-type: none"> • Advanced Battery Credits • Agricultural Processing Renaissance Zones • Brownfield Redevelopment Authority (P.A. 381) • Brownfield Tax Incentives • Business Improvement District • Business Tax Cell Manufacturing Application • Capital Access Program • CATEam (Community Assistance Team) Specialist Map • Centers of Energy Excellence (COEE) Program • Certified Business Parks • Charter One Job Creation Loan Program • Chief Compliance Officer, Office of the • Commercial Rehabilitation Act (P.A. 120) • Community Development Block Grant (CDBG) Program • Conditional Land Use Transfer (P.A. 425) • Consultation Education Training Service, (CET) • MIOSHA Defense Contracting MBT Tax Credit • Downtown Development Authority • Emerging Technologies Fund • Employee Training Under Michigan's Economic Development Job Training (EDJT) Program • Environmental Assistance Program • Forest Products Processing Renaissance Zones • Geographic Renaissance Zones • High-Tech MEGA Program • Historic Neighborhood TIFA • Industrial Property Tax Abatement (P.A. 198) • Local Development Financing Act (LDFA) (P.A. 281) • MEGA Retention Tax Credits • Corridor Improvement Authority (P.A. 280) • Defense Contract Coordination Center (DC3) 	<ul style="list-style-type: none"> • MEGA Standard and Rural Job Creation Tax Credit Program • Michigan Business Ombudsman • Michigan Manufacturing Technology Center (MMTC) • Michigan NextEnergy Authority • Michigan Talent Bank • Michigan Technical Education Centers (M-TEC) • Michigan Timely Application & Permit Service (MiTAPS) • Neighborhood Enterprise Zone • Neighborhood Improvement Authority • Obsolete Property Rehabilitation Act (OPRA) • Personal Property Tax Relief in Distressed Communities (P.A. 328) • Private Activity Bond Program (former IDRB) • Procurement Technical Assistance Centers (PTAC) • PTAC Map • Redevelopment Liquor License (P.A. 501) • Renewable Energy Renaissance Zones • SBA Certified Development Company (504) Loans • SBA Programs • SmartZones • Tax Increment Financing Authority (TIFA) • Taxable Bond Financing • Tool & Die Recovery Zones • Unemployment Insurance Services • Urban Land Assembly Program • Virtual Incubator - AME • Water Resource Improvement TIFA • Worker's Compensation Cost Control Service w/ Letter of Authorization
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Source: Michigan Economic Development Corporation. (2009).

Available at: <http://www.medc.org/Products & Services/A-Z Programs>

CORE COMMUNITIES

Core Communities are a list of qualified eligible communities in the State of Michigan for which expanded business and redevelopment incentives are offered as a means to revitalize urban core areas. In Washtenaw County, the Cities of Ann Arbor and Ypsilanti are designated communities which are eligible for the following incentives:

Ann Arbor/Ypsilanti LDFA Micro Loan Program

The Ann Arbor/Ypsilanti SmartZone and Ann Arbor SPARK have established the Ann Arbor Micro Loan Fund to support innovative, high-growth start-up companies in the City of Ann Arbor.

Ann Arbor/Ypsilanti SmartZone

One of 15 such zones established statewide, the Ann Arbor/Ypsilanti SmartZone seeks to accelerate technology-based businesses through mentoring, networking, grant writing, market analysis, and other services designed to assist in the growth of technology-based businesses and corresponding job creation. The Ann Arbor/Ypsilanti SmartZone is comprised of the DDA districts of the Cities of Ann Arbor and Ypsilanti. School Taxes are being captured by Ann Arbor as the Smartzone legislation enables it for Smart Zone support. School taxes are not available for capture in the Ypsilanti DDA as they are already being captured to pay off debt which was obligated prior to the prohibition of school taxes for DDA purposes.

Brownfield Redevelopment Incentives (PA 381 of 1996)

While this Act provides some tools available to all communities, an expanded set of eligible activities can be considered in Core Communities including site preparation activities. The result is an expanded list of potential Brownfield activities than available to non-core communities.

Obsolete Property Rehabilitation Act (OPRA) (PA 146 of 2000)

This act provides for the creation of districts and the issuance of certificates which abate taxes on rehabilitated properties that were formerly contaminated, blighted, or functionally obsolete. The Act allows communities the ability to freeze property taxes for up to 12 years on rehabilitated buildings (property is not abated).

Personal Property Tax Relief in Distressed Communities (PA 328 of 1998)

This allows “distressed communities” to abate all new personal property taxes in certain area for eligible projects include manufacturing, R&D, office operations, wholesale and trade.

Neighborhood Enterprise Zones (Public Act 147 of 1992)

Neighborhood Enterprise Zones were established to provide a tax incentive for the development and rehabilitation of residential housing. In Washtenaw County, the City of Ann Arbor or Ypsilanti can designate one or more areas in which the community will reduce the taxes on property for up to 15 years to promote the revitalization of designated neighborhoods. No such zones are currently designated in either community.

URBAN AREAS

Local Development Financing Act (PA 281 of 1986)

While this Act is used as the mechanism for the Ann Arbor/Ypsilanti SmartZone, it can be used by any City or Village in Washtenaw County, as well as Ypsilanti and Pittsfield Townships, to utilize tax increment financing to fund public infrastructure improvements.

EASTERN COUNTY

Aerotropolis

Pending State legislation labeled the Next Michigan Development Act intended to provide economic incentives to encourage investment in underutilized land and vacant warehouse facilities surrounding Detroit Metro and Willow Run Airports. The creation of up to 12 reduced-tax zones, the creation of new LDFAs, and the ability of designated economic development corporations to grant tax abatements, would all be used to support investment by companies engaged in the movement of products, information or services via air, roads, rail or water.

SPARK Eastern Washtenaw Micro Loan Fund to support innovative, high-growth start-up companies throughout eastern Washtenaw County as they near commercial viability. The focus is on companies that are creating innovative ideas and solutions in the areas of:

- Advanced automotive, manufacturing, and materials
- Alternative energy
- Homeland security and defense
- Life sciences
- Information technology
- Web 2.0
- B2B and B2C technology services and products

Center for Empowerment & Economic Development Eastern County Micro Loan Fund to assist existing and start up small businesses who cannot obtain conventional financing. The fund will focus on attracting women and minority business owners. Micro loans range from \$ 500 - \$ 35,000. The loan is initially treated as a line of credit. Payments are made to vendors directly, and very little funds if at all are given directly to the company as working capital.

COUNTYWIDE

American Recovery & Reinvestment Act of 2009/Recovery Zone Facility Bonds

These bonds can be used for commercial and industrial projects which historically would not qualify for tax-exempt financing, such as large manufacturing plants, distribution centers, hotels, and research parks. These bonds can be used to finance plant and equipment purchases for both commercial and industrial businesses.

Brownfield Redevelopment Incentives (PA 381 of 1996)

The Brownfield Redevelopment Financing Act has been used in multiple communities throughout Washtenaw County. This Act enables the use of tax increment financing and other incentives to encourage the reuse and redevelopment of brownfields. This act can be used in conjunction with grant and loan

funding available from the Michigan Department of Natural Resources and Environment and the Environmental Protection Agency.

Community Development Block Grant (CDBG) Program

Largely administered in Washtenaw County through the Washtenaw County Office of Community Development, this program can be used to support economic development projects in eligible areas. Such funding would be coordinated through the Urban County agreement for participating communities in Washtenaw County. Other CDBG funds may be available through competitive processes to other jurisdictions based on community need and qualification.

Downtown Development Authority Act (PA 197 of 1975)

This act provides for the creation of Downtown Development Authorities (DDAs) in communities to act as catalysts for the development of downtown districts. The Act provides for a variety of funding options, including tax increment financing to fund public improvements and the ability to levy a limited millage to support administrative activities. Several DDAs exist in Washtenaw County as indicated on Map ____.

Historic Property Tax Incentives

Several different options are available for rehabilitating historic properties in Michigan, including commercial properties and owner-occupied properties. These incentives are often combined with other tax credits, (such as low-income, brownfields , or obsolete property), to create an attractive financing package.

- *The Federal Rehabilitation Tax Credit Program* is available for income-producing properties. Rehabilitation work must meet the “substantial rehabilitation” test (generally at least \$1 more than acquisition price of building only) and comply with the Secretary of the Interior’s Standards for Rehabilitation. If approved, 20% of qualified rehabilitation expenditures can be credited against the federal income tax liability of the property owner. These credits can be carried forward 20 years.
- *The Michigan State Rehabilitation Tax Credit Program* is available for residential and income-producing properties. Rehabilitation work must comply with the Secretary of the Interior’s Standards for Rehabilitation. 25% of the rehabilitation expenditures can be credited to state income tax. These credits may be carried forward 10 years.

For income-producing properties, eligible to participate in both the Federal and the State tax credit programs, the state law requires that a project make use of the Federal tax credit first. Projects that receive the 20% Federal credits and are eligible to participate in the State credit program will receive a State credit equal to 25% for the qualified expenditure less the amount of Federal credit received. In practice, this results in a 20% Federal credit and a 5% State credit for the same work. Both Federal and State tax credits are eligible for syndication. Recent changes in the Michigan Business Tax Act have added two additional State credit opportunities, Enhanced State credits and Special Consideration State credits, which provide additional incentives through a competitive application process. These changes also allow for attractive tax credit syndication options.

Industrial Property Tax Abatement (PA 198 of 1974)

This permits municipal governments to offer special tax abatements for businesses up to 50 percent of the real and personal property tax for twelve years for expanding or renovating an existing building, building a new facility, or establishing research and development laboratories.

New Market Tax Credits

The New Markets Tax Credit (NMTC) program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.

Washtenaw County Economic Development Corporation/Tax Exempt Industrial Revenue Bonds

Industrial Revenue Bonds are issued by the EDC to finance the acquisition, construction, installation, or rehabilitation of “manufacturing” facilities including land, buildings, site work and equipment, plus certain soft costs and fees related to the financing. Manufacturing includes any facility which is used (1) in the manufacturing or production of tangible personal property or (2) in process which results in a change in the condition of such property.

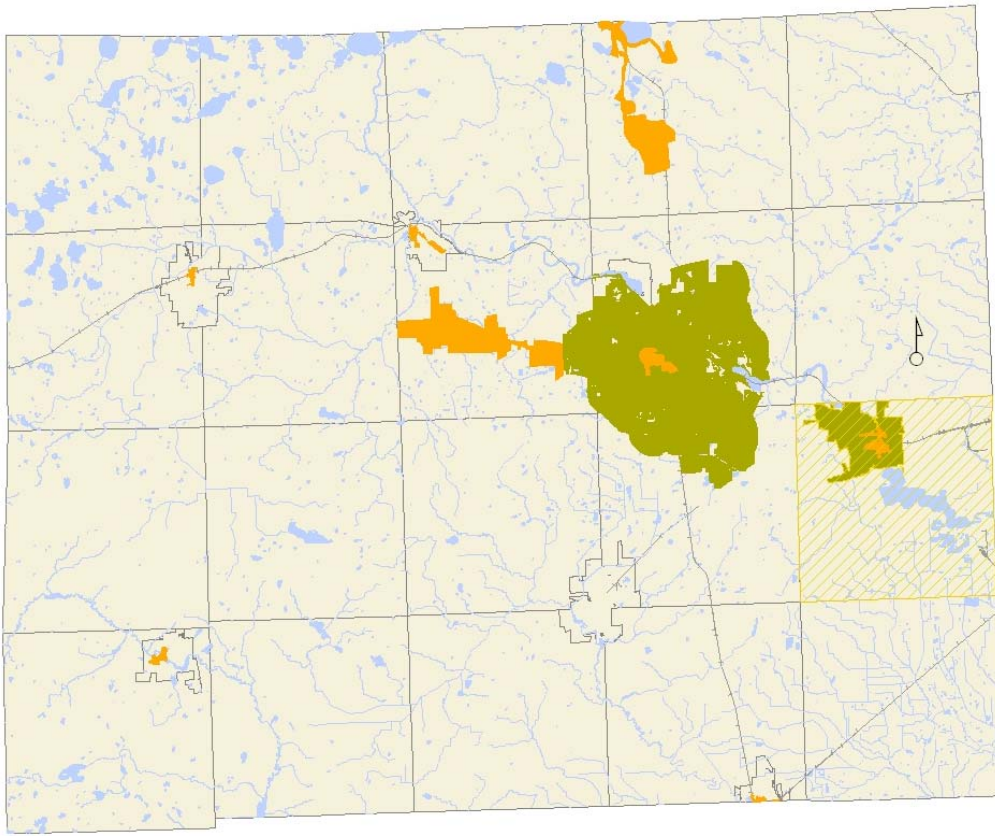


Figure 21: Economic Development Incentive Zones in Washtenaw County



Aerotropolis

Also known as the Next Michigan Development, this area would benefit from proposed legislation to support companies engaged in the movement of products, information or services via air, roads, rail or water. The proposed legislation would create up to 2,000 acres of Renaissance Zoned area and extend tax abatement authority to development corporations.



Local Government Downtown Development Authorities

Locally established downtown districts which use tax increment financing to conduct improvements to cultivate vibrant business districts. (Note: The Ann Arbor and Ypsilanti DDA boundaries comprise the Ann Arbor-Ypsilanti Smartzone, an LDFA district designed to support the attraction of technology companies to the downtown districts.)



Core Communities

Communities designated by the State of Michigan that are eligible to undertake additional brownfield activities and consider the establishment of Obsolete Property Rehabilitation Districts, which result in tax abatements for new investment.

Section 4. Analysis of Assets, Challenges and Opportunities

4.1. Economic Development Assets

Entrepreneurial Infrastructure

In 2009, Business Week Magazine voted Ann Arbor “The Best Small City for Start-ups” in Michigan. With **over \$1 billion in research funding annually** through our universities and additional private research funding, the region has strong innovation capacity and many new companies have been formed in the region based on this research. The County has **over thirteen programs and services designed to assist entrepreneurs** move from idea to production. There have been significant job gains in the County due to expansions within technology sectors and gains in knowledge-based occupations. This trend has been led by the arrival of Google, Aernnova Engineering, Toyota Research Institute and Technical Center, Hyundai Kia America Technical Center and other startups.

The Ann Arbor **SPARK Regional Incubator Network** is comprised of two business and one wet lab incubator. The incubators provide physical space, essential business services and business development guidance at lease rates that are affordable for start-up companies. SPARK Central Incubator located in Ann Arbor and SPARK East Incubator located in Ypsilanti, Michigan, offer professional, staffed business space which includes private cubicles, meeting and conference space and business amenities. **The Michigan Life Science Innovation Center** has state-of-the-art life science and biotech research space in a collaborative entrepreneurial environment with established tenant interaction and support. The **U-M North Campus Research Center** has over 2 million square feet of research facilities centered on 174 acres, purchased by the University from Pfizer in 2009. Plans are underway to establish the Venture Center Accelerator (part of U-M Tech Transfer) to extend the service to enhance the venture creation capabilities of the Venture Center.

Quality Labor Supply

The County has a **labor supply of approximately 71,000 residents** covering a mix of not-employed residents interested in employment, underemployed residents (**75 percent of who have at least a bachelor’s degree**), and graduates from the area’s two and four year colleges and universities. The County offers a large and growing population seeking employment. Within three 30 minute commute zones (US-23 and Plymouth Rd; I-94 and M-52, and I-94 and South Huron Street employment centers) reside 961,779, 235,545 and 799,345 persons respectively. [Source D.3]

County **employment in key knowledge-based occupational groups exceeds national averages**. These groups include management (10 percent in Washtenaw versus 9.4 percent nationally), education/training/library (9.6 percent versus 5.7 percent), architecture/engineering (4.5 percent versus 2.1 percent), computer and mathematical (4.6 percent versus 2.5 percent), arts and design (2.6 percent versus 1.9 percent), life, physical/social science (3.0 percent versus 0.9 percent), and healthcare practitioner/technician (6.6 percent versus 4.6 percent). The only two lagging occupational groups so characterized are installation/maintenance/repair (2.6 percent versus 4.0 percent) and legal services (1.0 percent versus 1.1 percent). This is evidence of employment base that attracts new high tech industry. [Source D.3]

The County also has a **base of post-secondary educational institutions that can provide part-time employees, intern, and graduates to area employers**. These institutions enroll approximately 77,360 students and graduate

16,886 annually. [Source D.3] **Washtenaw County also outperforms the state and nation in bachelors and graduate degree attainment.** In 2008, 24.6 percent of Washtenaw residents had attained a bachelor's degree as their highest educational attainment. Beyond this base, 26.6 percent of residents had attained a graduate degree or a professional degree. The percentage of Washtenaw County residents over 25 years of age with 16 or more years of education was 51.3 percent in 2008 compared to 24.7 percent and 27.4 percent respectively for the state and nation. **The share of the population aged 25 to 64 with bachelor's degree or more was 53.4 percent in 2008, ranking the County first in comparison with 32 similar U.S. counties.**

Washtenaw County ranks among the top five of 364 metropolitan statistical areas as a desirable location for young, well-educated workers. The median age in 2008 was 33.1 years, compared to 38 years in the State and 36.9 years in the United States. Washtenaw County residents have a much higher than average educational attainment, almost double the State and National averages. These are desirable demographics for companies wishing to access young talent with greater energy and ideas and lower benefit costs. A younger employment base also looks hopeful to regional employers interested in future expansion. [Source D.3]

Labor availability and the quality of job applicants are rated very high by Washtenaw employers. Occupations satisfactorily filled are in engineering, business, computer and mathematical, construction, management, and office/administration sectors. Occupations somewhat difficult to fill include computer security specialists, computer software engineers and computer systems engineers. The gap between labor demand and supply is very small with the exception of web developers, a skill set continually in demand. The 2007 Wadley-Donovan Labor Assessment concluded that **"from an employer's perspective Washtenaw County is one of the best labor markets we've seen in quite a while and highlighted the area as one of the nation's top five "Young and Educated" centers"**- the very population group that is in high demand by new economy employers. [Source D.3]

High Quality of Living

The region has a very high quality of place characterized by world-class arts and culture, excellent natural resources and outdoor recreation experiences, and cultural diversity. Residents can also access the arts, culture, sports and night scene of a major metropolitan area (Detroit) less than an hour away. As national youth are increasingly attracted to older urban centers to escape suburbia, the Ann Arbor and Detroit regions offer something different than other national metropolitan centers and consistently ranks in the top ten nationally for education, entertainment, sports, healthy environment and medical services.

Access to National and International Trade

Fast access to an international airports, interstate roads and rail lines connect Washtenaw's economy to the rest of the world. Washtenaw County is in close proximity to two large airports: Detroit Metropolitan Airport (DTW) and Willow Run Airport (YIP). Detroit Metro Airport has two passenger terminals and 145 gates. In 2007, it supported 17 scheduled passenger airlines and had approximately 467,000 flight operations, ranking it eleventh for carried capacity in North America. DTW supports direct flights to 24 domestic cities and nine international destinations. Willow Run Airport serves freight, corporate and general aviation clients. The airport logs 210,000 charter, corporate, and private passenger annually, and supports the transportation of 316 million pounds of cargo. Interstate I-94 passes directly through Washtenaw County; I-94 is part of the northern portion of the Midwest trade corridor between Canada and Mexico. Five rail lines serve the major cities and towns in the area, including Amtrak, Ann Arbor Railroad, Norfolk Southern, and Great Lakes Central Railways.

4.2 Economic Development Challenges

High Unemployment Rates

The unemployment rate in Washtenaw County has historically out-performed the State and national rates. However, in the recent economic downturn, the County experienced rates above the national average. **The number of people unemployed in Washtenaw County has steadily increased over the past 7 years, ending in 2009 with nearly 16,000 unemployed persons** (based on estimates from January to November 2009). A major challenge for the region is creating enough jobs for residents and for retaining the young and educated population.

Loss of Manufacturing Jobs and Declines in Median Income

Manufacturing jobs have steadily decreased in the County, losing 13,914 jobs since 2001. The City of Ypsilanti and Ypsilanti Township have collectively lost a substantial number of jobs from plant closures - ACH (1,000), Exemplar (110) and the Willow Run GM Facility (4,000). Washtenaw County is experiencing greater declines in per capita income than the national average. The steep decline in per capita income in Ypsilanti Township could be caused by the loss of higher paying manufacturing jobs.

Loss of Tax Base and Foreclosures

The ability of government to fund even basic public services such as public safety and transit has been stressed county-wide as officials and residents decline to tax themselves more for basic services, especially as the economy continues to suffer. **The eastern portion of the county has been impacted significantly.** The loss of taxable value in the City and Township of Ypsilanti has exceeded \$160 Million over the three year period of 2007-2009, *which translates to approximately \$2.6 Million in taxes that would have been used for service delivery* across these communities. [Source C.13] Since 2002, over 170 parcels have been foreclosed by the county for property tax non-payment. Ypsilanti Township and the City of Ypsilanti experienced 37% of all tax foreclosures in the County over this time period. Beginning in 2005, there has been a steady increase in mortgage foreclosures in the county. Of the 351 clients MSUE opened a file on during 2009, 40% were from Ypsilanti and Ypsilanti Township.

Education and Business Attraction

High quality education, from early childhood through postsecondary, is needed to develop skilled workers and attract companies and talent thinking of moving to our region. Companies thinking of expanding or relocating to our region need to know that their children can get the best education possible whether they live in our villages or urban core. **High school graduation rates are good in most areas of the county but eastern county attainment levels are below the state and national averages.**

4.3 Economic Development Opportunities

Based on our research of other successful communities and our own success assets, **the Region has the best ability in the state to have sustained economic growth and become a center of entrepreneurship and innovation.** We have a small but growing talent base of successful entrepreneurs and business consultants needed to accelerate growth of innovation based startup companies. We have major research universities to help bring innovative ideas to production and turn out the talent needed for innovation jobs and companies and a great network of entrepreneurial services and regional incubators. **To realize steady economic growth, particularly in startup companies, the region should increase the capital, management, grant assistance and marketing resources needed to make start ups successful.**

Knowledge-based industries show the most promise for future growth. Industries requiring above average education reported a 0.9% increase in job formation while below average education industries were down 2.6% from 2001-2007. Even in a troubled economic environment, education has a significant payoff. The long term forecast shows job growth in the knowledge economy to be about twice as fast as job growth in sectors requiring less education. **The region should strive to become even more successful in educating and training highly skilled workers in order to flourish in our transitional economy.**

High quality education systems (from early childhood through post-secondary) are needed to develop skilled workers and attract companies and talent thinking of moving to our region. Companies thinking of expanding or relocating to our region need to know that their children can get the best education possible whether they live in our villages or urban core. This is one of the key factors that site selectors assess when recommending sites for expansion and relocation. **High school graduation rates are good in most areas of the county but we need to consistently achieve high attainment levels in all school districts.**

Quality of place is just as important in attracting companies and talent as having good economic development programs. Technological advances have made it possible for companies and workers to be located anywhere in the world. What often is a tipping point for companies looking to locate or expand in a region is its ability to attract and retain talent and quality of place assets. We have a good quality of place to start with including world-class arts and culture, excellent natural resources and outdoor recreation experiences and cultural diversity. We can access the arts, culture, sports and night scene of a major metro area. However, other communities have stronger assets in some areas and our current assets need to be fully developed and new assets cultivated to have sustained economic growth. **A key in retaining and attracting talent will be vibrant urban centers with higher housing densities, transit options and 3rd places.**

A great transit system ensures that residents and workers can get to jobs, lifeline and leisure activities. It also permits businesses to locate throughout the county knowing that employees can get to work. Data indicates that the 20 and 30 year olds we want to retain and attract even expect public transit in the places they choose to live. **The Region should develop county-wide transit alternatives and commuter rail to Detroit and Metro Airport** and eventually expand north and south (initially Howell to Ann Arbor, but ultimately from Traverse City to Toledo and beyond), and to our west Michigan neighbors and Chicago. Enhanced transit between Ypsilanti and Ann Arbor is important in maintaining a high quality of living in the area.

Research of other successful communities and local focus group show a real need for third places to retain and attract talent. These “places you are when you are not at home or work” include a wide variety of affordable nightclub, street and park music events, affordable art from local artists, and the ability to walk or use public transit to access these events and venues. **The region has many great third places but could develop specific actions to further develop 3rd place assets.**

Arts and culture activities not only contribute to our ability to attract and retain talent, it is a significant contributor to our economic sector. **The region could benefit from events that are geared toward younger professionals as the current “scene” is geared mainly toward those residents with larger incomes and families with small children.** The economic impact of local artists could be enhanced by providing living/work space for local artists and providing services such as business skills training, arts incubators and micro loans.

Attracting foreign born knowledge workers is directly related to sustained economic growth and entrepreneurialism (a recent Duke University study determined that half of all startup companies in California have foreign born owners and investors). **With over 100 ethnic groups represented in our community, we can build on our diversity to attract foreign companies and investment in our region.** Cultural ambassador programs expedite trade among the international regions as well as help integrate company workers into the cultural and social fabric of their new community. We currently have programs for India and some mid-eastern and European regions.

Emerging economic sectors that have a high potential for growth in the County include energy, local food products, agricultural and historic tourism. Current assets for energy development include research funding and the Phoenix Institute which is focusing on new electrical sources, energy storage and transportation and fuels. Assets to increase tourism include the amount of preserved farmland, numerous cider mills, pumpkin patches historic farm districts and other resources can be used as the foundation for growing unique tourism opportunities

Section 5. Vision, Strategies and Actions

The visions, goals, recommended programs and actions were identified through the analysis of assets, problems and opportunities in the previous section of this report and from a review of the goals and projects contained in the following economic development related documents:

A2Success Strategy, 2009
 Eastern leaders Group Business Plan, 2009
 Washtenaw County Comprehensive Plan, 2004
 Local Government Comprehensive Plans, various dates
 City of Ypsilanti Economic Development Action Plan, 2009
 Eastern Washtenaw County Business Plan for Revitalization
 Washtenaw County ETCS 2007 Annual Report and 2010 Joint Annual Meeting Briefing Booklet
 Ann Arbor SPARK Annual Operating Plan
 Workforce Assessment of Washtenaw County, 2008
 Aerotropolis Development Plan, 2007

This information was used by the CEDS Steering Committee in developing the economic vision, strategies and actions presented below.

The Ann Arbor Region is the place where world changing innovation happens!

- **Strategy 1: Grow companies by converting innovative ideas into action and attracting investment to our region**
- **Strategy 2: Develop the talent needed for growing economic sectors**
- **Strategy 3: Develop quality of living assets needed to retain and attract talent.**
- **Strategy 4: Revitalize the eastern portion of the county.**

5.1. Strategy 1:

Grow companies by converting innovative ideas into action and attracting investment to our region.

Start Up Company Assistance

1. Increase capital funding (both private and public) to accelerate start ups and expansions; establish a revolving capital fund; and provide federal grant application training and preparation services.(A2S)
2. Secure long-term funding for the SPARK East incubator. (ELG)
3. Develop additional incubators in the county
4. Develop a pool of CEO level talent to assist startup companies within such programs as Entrepreneur in Residence and Manager in Residence. (A2S)

Attracting Companies and Investment

1. Identify needs for high growth / target industry sectors including facilities, workforce needs, venture capital and business assistance. (WCCP)

2. Attract foreign companies and investment by expanding the cultural ambassadors program.(A2S)
3. Provide assistance in obtaining visas to retain talent. (A2S)
4. Further leverage regional, national and alumni resources by developing and resourcing a comprehensive and coordinated regional events-driven business network. (A2S)
5. Develop an inventory of potential infill, redevelopment and new development sites (WCCP)
6. Develop a strategy to attract new businesses to the vacant manufacturing buildings County (WCCP)
7. Place a high priority on the use of Brownfield and DDA funds for preparing infill sites for development. (WCCP)
8. Provide wireless internet in the entire region to increase the amount of entrepreneurial networks. (WCCP, A2S)
9. Work with the Aerotropolis Corporation to attract companies into the eastern portion of the county.

New Markets

1. Develop a local food production target industry and identify short term market opportunities to 'jump start' this sector. (WCCP)
2. Alternative energy sector growth.

5.2. Strategy 2: Develop the talent needed for growing economic sectors.

Educational Attainment of County Residents

1. Improve performance in all K-12 schools (A2S,ELG)
2. Expand the Early College Alliance Program at EMU (A2S)
3. Implement the early childhood education (Success by Six Readiness Program) (A2S)
4. Develop creative education curriculum in all schools. (A2S)

Workforce Development

1. Identify training needs for high growth / target industry sectors. (WCCP)
2. Develop the placement programs to take advantage of target businesses direct and indirect jobs, and help residents at all socioeconomic levels to be gainfully employed. (WCCP)
3. Develop internship and mentorship programs to provide personalized skill development and connect employers to trained individuals. (A2S)
4. Develop skilled workers in health care in coordination with the Southeast Michigan Long-Term Health Care Regional Skills Alliance and the Early College Alliance for Health Care Careers; the hospitality sector in coordination with the Southeast Michigan Hospitality and Tourism RSA.; and the manufacturing sector to assist companies and their workforce transition to new markets; in coordination with the Southeast Michigan Advanced Manufacturing RSA. (ETCS)
5. Address the needs of small & medium sized businesses for entrepreneurial and C-Level executives' development.
6. Develop C-Level Executives by establishing a Center for Experienced Talent (ETCS)
7. Provide greater support to immigrants starting businesses possibly via a Center for Immigration. (ETCS)
8. Provide visas for graduate students to increase the region's skilled labor pool (A2S)

5.3. Strategy 3: Develop quality of living assets needed to retain and attract talent.

Quality of Living Assets

1. Expand the region's transit system including bus and commuter rail, provide better public transit, fixed rail investments, state funding legislation and support regional transit to Detroit and Metro Airport and other metro areas.(A2S)
2. Ensure high quality and affordable housing choices, infill higher density development in the urban center with transit and walk-ability access and connect residents and workers to existing open space and recreation facilities. (A2S)
3. Increase arts and cultural events geared toward young professionals, expand living/work space and provide services such as business skills training, arts incubators and micro loans to attract artists. (A2S)
4. Identify 3rd place opportunities, further develop 3rd place assets and market to existing networks and events for young professionals. (A2S)
5. Coordinate marketing efforts of arts, culture, entertainment, sports, open space, recreation assets. (A2S)
6. Identify current and future Ecotourism and Heritage Tourism opportunities in the County, develop a marketing strategy to grow this economic sector based on local desires and natural resource holding capacities, to provide jobs and tax base for local governments. (WCCP)
7. Develop downtown district economic development plans to maintain viability of city and village core economic areas (LG)
8. Promote the larger Detroit metropolitan area as one of our assets by helping to change perceptions. (A2S)
9. Further develop leisure and ecotourism opportunities in the county by through non-motorized trails, Border to Border Trail and agricultural tourism.
10. Continue efforts at public service collaboration to ensure high quality services in time of tight budgets.

5.4. Strategy 4: Revitalize the eastern portion of the County.

Revitalization and Business Incentives

1. Create the urban design, business climate and cultural identity to make the eastern portion of the county the "Gateway to Washtenaw County with particular attention to landscaping and signage at Ypsilanti Interchanges, Washtenaw Ave, Water Street/Spring Street, Huron River Drive and East and West Michigan Avenue. Includes pedestrian connections between the City and the Township. (ELG)
2. Revitalize and promote the City of Ypsilanti's historic buildings, downtown and Riverside Park as "the place" for innovation companies and the creative class to locate, supported by business and arts incubators to provide local jobs and attract national attention. (ELG)
3. Revitalize the Water Street and EMU/West Cross Street Area.
4. Develop an inventory of existing buildings, infill development sites and new development opportunities for economic development and community redevelopment needs, and the capital needed to make these sites suitable for target businesses (such as the Smith Building, Motorwheel, Huron River drive buildings, Railroad Street, ACH and the Willow Run GM Assembly plant). (ELG)
5. Expand the micro loan programs
6. Pilot green treatments (e.g., green roofs, solar panels etc.) on historic buildings to provide energy efficiency and cost savings further encouraging adaptive reuse.
7. Seek to expand available office space to encourage more informal incubator space that has been successful in downtown Ypsilanti.

Section 6. Action Plan

Implements the vision and strategies of the CEDS occurs through specific projects and programs containing timelines, funding, actors, measures and outcomes relative to specific area problems and opportunities. A listing of proposed programs, projects and actions is provided in Table 8. For each near-term / high priority project, the following will be developed:

A Business Plan for each of the most important actions including the following components:

1. Clear description of outcomes and measures of success.
2. Appointment of project champions (public and private) to ensure steady progress.
3. Formation of implementation teams with community leaders and experts to identify actions and bring resources to the effort.
4. Appointment of project managers to assist the champion and implementation teams.
5. Detailed actions, resources, metrics and timelines needed to achieve the outcomes.

Metrics for measuring success and gauging progress such as:

1. Number of net new jobs created in the region
2. Number of jobs retained
3. Amount of public and private investments
4. Unemployment rate as compared to the national average rate
5. Increase in per capital income and increase in percentage of young professional households.
6. Unique measures for each project to include, for example, increased transit miles, increased transit frequency and rider-ship, graduation rates of high school students, foreign capital investment and so forth.

Table 8: Strategic Projects, Programs and Activities

Start Up Company Assistance			
Project Description	Project Cost	Funding	Project Lead
Michigan Pre-seed Fund Microloan This fund supports innovative, high-growth start-up companies in Washtenaw County and throughout Michigan as they near commercial viability. The focus is on companies that are creating innovative ideas and solutions in the areas of: <ul style="list-style-type: none"> Advanced automotive, manufacturing, and materials Alternative energy Homeland security and defense Life sciences Information technology Web 2.0, social networking B2B and B2C technology services and products The purpose of the Fund is to accelerate company development by providing access to early-stage capital to extend the personal investment of entrepreneurs and their own finance network during the critical stage when they are developing their businesses to the point of readiness for outside investment and sales.	\$1.5 M/ year	Ann Arbor/Ypsilanti LDFA Washtenaw County State of Michigan	Ann Arbor SPARK
SPARK East Incubator Continuation Funding Established in March 2009 as a high-tech business incubator in downtown Ypsilanti. The incubator, known as SPARK East, is leased and operated by Ann Arbor SPARK with an initial five-year term. Reduced rent and business accelerator services will help foster new innovative companies and employment in the area. The new incubator tenants will generate sales for local businesses along Michigan Avenue.	\$300,000/yr	EDA Economic Adjustment Assistance Program funding for long term operation. Funds Committed 3–5 years: MEDC - \$250,000 EMU - \$300,000 Washtenaw County - \$250,000 Ypsilanti Township - \$15,000 City of Ypsilanti - \$15,000 Ypsilanti DDA - \$15,000	Ann Arbor SPARK
Additional Business Incubators Develop additional business incubators in the county. Studio space and supportive business services for students and artists has been identified as a community-wide need and is under development.	Under development	EDA Economic Adjustment Assistance Program funding Local funding	Washtenaw County Economic Development & Energy Arts Alliance
Center for Empowerment and Economic Development Micro Loan Program Expansion Eastern Washtenaw Micro Loan Fund to assist existing and start up small businesses who cannot obtain conventional financing. Micro loans ranging from \$500 to \$35,000 and treated as a line of credit with payments made to vendors directly will allow companies to growth their products and services and create new jobs.	\$225,000 continuation funding	EDA Economic Adjustment Assistance Program funding for micro loans after first year. \$50,000 County funds for 1 st yr.	CEED
SPARK Eastern County Micro Loan Program Expansion Eastern Washtenaw Micro Loan Fund supports innovative, high-growth start-up companies throughout eastern Washtenaw County as they near commercial viability.	\$225,000 continuation funding	EDA Economic Adjustment Assistance Program funding for micro loans after first year. \$225,000 County funds for 1 st yr.	Ann Arbor SPARK
C-Level Talent Pool Connecting startup companies to CEO level talent is critical to ensure initial success and continued expansion. Entrepreneur in Residence, Manager in Residence and Shifting Gears programs leverage career experience and education of CEO level talent to help small businesses grow. A pool of CEO level talent in the region should be identified, trained and recruited to assist companies. Funding is needed to pay for C-level talent services.	\$500,000/yr	Client fees ETCS training funds EDA Economic Adjustment Assistance Program funding	

Attracting Companies & Investment			
Project Description	Project Cost	Funding	Project Lead
County Wide Target Industry Sector Analysis Assessment of training, incentives, buildings and other assets needed to grow target businesses.	\$100,000	EDA Planning Program funding for technical and professional services	Washtenaw County Economic Development & Energy
Cultural Ambassadors Program Expansion Attract foreign companies and investment by expanding the cultural ambassadors program	Under Development		Ann Arbor SPARK
Vacant Industrial Plants, Available Buildings and Industrial Park Inventory and Assessment Comprehensive and maintained inventory of industrial plants and available buildings to: 1) identify existing sites for expansion of phase 1 companies; 2) help relocating company site searches currently done on an ad hoc basis; and 3) identify gaps in inventory and strategies for the region.	\$50,000	EDA Planning Program Investments funding for technical and professional services	Washtenaw County Economic Development & Energy
Vacant Manufacturing Building Re-Use Strategy Develop a strategy to attract new businesses to the vacant manufacturing buildings County.	\$50,000	EDA Planning Program Investments funding for professional and technical services	Washtenaw County Economic Development & Energy
Visa Assistance Provide assistance in obtaining visas to retain talent.	Under Development		
Commercial Incentives Program Grants, loans, tax incentives to rehabilitate and rent up vacant and dilapidated commercial buildings.	\$100,000	CSBG EDA Planning Program Investments funding for professional and technical services	Washtenaw County Economic Development & Energy
Regional Events-Driven Business Network Further leverage regional, national and alumni resources by developing and resourcing a comprehensive and coordinated regional events-driven business network.	Under Development		
Wireless Washtenaw Action Plan Provide wireless internet in the entire region to increase the amount of entrepreneurial networks (100 of 720 sq. miles in county is covered with projects in Saline, Manchester and Ann Arbor).	\$2 M to complete rural deployment. \$10 M for total county-wide deployment.	Private funding	20/20 Communication/ Washtenaw County IT
Aerotropolis Business Attraction Partner with the Aerotropolis Corporation to attract companies into the eastern portion of the county through an aggressive marketing program.	\$100,000 / yr	EDA Economic Adjustment Assistance Program funding Local Governments	Aerotropolis Development Corporation
Aerotropolis Infrastructure Willow Run Airport transportation access improvements: Wiard Road /I-94 Interchange improvement Denton Road access improvements Freight intermodal rail improvements.	\$6.5 M interchange improvements \$2.5 M rail improvements	MDOT funding EDA Public Works and Economic Adjustment Assistance Program funding	Detroit Metro Airport/ Aerotropolis Development Corporation

New/Expanded Markets			
Project Description	Project Cost	Funding	Project Lead
Alternative Energy Infrastructure Develop local incentives and infrastructure to grow and attract alternative energy companies into the region. Actions include facilities, equipment, capital funding and job training.	\$ 2 M	MEDC EDA EPA USDOL DELEG Foundations (e.g., New Economy Initiative)	Ann Arbor SPARK U-M
Local Food Production Target Industry Identify high growth local food sectors; develop distribution systems, incentives and other measures to grow the sector.	\$75,000	State EDA Planning Program Investments funding for professional and technical services	FSEP
Institutional Local Food Buyers Connect local food producers to institutional purchaser in region including schools, hospitals, restaurants, correctional facilities, and others.	\$50,000	USDA Private Foundations	FSEP
Farm Incubation and Farmer Residency Program Create Farm Incubation and Farmer Residency program on public-owned land to teach necessary skills to farm profitably, create jobs in local food production, and scale up production of local food.	\$150,000	Michigan Dept of Energy, Labor & Economic Growth USDA Rural Development USDA Beginning Farmer & Rancher Program EDA	FSEP
Farm Business Micro-Loans Develop micro-loan lending program for new and existing food and farm businesses.	\$75,000	USDA Business Enterprise Program EDA	FSEP
Increase Local Food Supplies Provide assistance to farmers in expanding the growing season through construction of passive solar greenhouses (hoop houses) and cold storage techniques to create year-round jobs in local food production. Develop growers' cooperative focused on hoop house production to supply institutional purchasers with year-round produce.	\$25,000 \$25,000	USDA Specialty Crop Block Grant EDA USDA Rural Development	FSEP FSEP
Marketing Local Foods Develop local food guide (brochure and on-line) for region to connect consumers to sources for local food, increase sales for farmers, build awareness. Listings to include farmers' markets, on-farm markets, CSA's, restaurants, distributors, and grocers.	\$50,000	Private Foundations	FSEP
Food Distribution Network Connect food distribution companies to local producers to increase supply of local food into marketplace and meet growing demand.	\$15,000	Private Foundations	FSEP

Educational Attainment and Workforce Development			
Project Description	Project Cost	Funding	Project Lead
K-12 Performance Develop programs to ensure that students consistently achieve high attainment levels in all school districts. Expand Secondary high options.	Under development	State Local	WISD/Local School Districts
Expand Early College Alliance @ EMU Increase the number of high school students that earn college credits during high school with the Early College Alliance SM ; develop skilled workers in key growth areas like science, technology, mathematics and medicine.	Under development	State Local	Early College Alliance
Implement Success by Six Coordinate community resources and support that can serve all Washtenaw County families and children as they grow through the first years of life, and enter school ready to succeed, regardless of income, geographic community, language or culture.	Under development	Local Foundations	Success by Six
Creative Education Curriculum A creative education is a skill set that many companies are seeking in today's entrepreneurial environment. Arts, dance, music and drama education in our schools (targeted at new economy jobs) can prepare our residents for jobs and provide additional labor pool for new and expanding companies.	Under development	Local	WISD/Arts Alliance
County Wide Target Industry Sector Analysis Identify high growth potential target businesses and perform an assessment of training, incentives, building and other assets needed to grow target businesses.	\$100,000	EDA Planning Program Investments funding for professional and technical services	ETCS
Develop Skilled Workers in Health Care, Advanced Manufacturing and Hospitality	Under development		ETCS

Quality of Living Assets			
Project Description	Project Cost	Funding	Project Lead
Regional Commuter Transit Develop a transit system that ensures all County residents and workers can get to jobs, lifeline, and leisure activities via transit service. Build East-West commuter rail stops and trolley route within the urban core.	\$15M	MDOT EDA Public Works and Economic Adjustment Assistance funding	AATA WATS SEMCOG
Re-Imagine Washtenaw Ave Promote economic growth in the region by redeveloping Washtenaw Avenue as a compact, walkable, mixed-use transit corridor providing an array of housing types connected to employment and educational centers. Infrastructure along Washtenaw Avenue needed to accommodate increased office, commercial and residential (affordable places for talent to live in close proximity to regional jobs).	\$745,000 (4.7 miles sidewalks) \$6M - \$8M (9 Super Stops for bus transit service improvements)	TIF CDBG MDOT EDA Public Works and Economic Adjustment Assistance funding	Washtenaw County Economic Development & Energy
Expand Heritage Tourism Promote economic growth in the region by expanding 4 existing heritage driving tours to local historic sites and the creation of additional heritage routes focused on Underground Railroad, Civil Rights, Automotive Heritage, etc. Enhance existing partnerships with Ann Arbor and Ypsilanti Convention and Visitors Bureaus, as well as local merchants, restaurateurs and hoteliers.	Under development	SHPO CVBs	Washtenaw County Economic Development & Energy
Increase Arts and Culture Geared Toward Young Professionals Develop specific strategies and incentives including living/work space, artist studios, business services and micro loans.	Under development	EDA Planning Program funding State Local	Arts Alliance

Revitalize the Eastern Portion of the County			
Project Description	Project Cost	Funding	Project Lead
Reuse of Vacant and Underutilized Manufacturing Buildings Technical assessment of buildings and properties to determine re-use feasibility and site improvements needed. Funding assistance to make needed site improvements (e.g., ACH, Motorwheel)	\$50,000	EDA Planning Program funding EDA Public Works and adjustment assistance funding to make the site reusable.	
Willow Run GMC Plant Closing Technical assessment of building and property to determine re-use feasibility and site improvements needed. Funding assistance to make needed site improvements.	\$50,000	EDA Planning Program funding EDA Public Works and Economic Adjustment Assistance funding	
University/ Cross Street Area Revitalization Revitalize the areas surrounding EMU and along Cross Street to make these areas more appealing for commercial businesses and to provide good housing opportunities for faculty and staff. Includes alternative traffic pattern to make Cross Street 2-way.	\$70,000 Traffic Engineering	DDA CDBG State MDOT	Ypsilanti DDA
Water Street Redevelopment Acquisition is completed. Additional funding is needed to complete demolition and to construct site infrastructure.	\$1.5M site infrastructure \$2.0M linear park \$1 M Michigan Ave Streetscapes, \$1 M Pedestrian Connection,	DDA Private Investment Parks Commission EDA Public Works EDA Economic Adjustment Assistance Program funding CDBG EPA NSP Downriver Brownfield Consortium	City of Ypsilanti
Additional Commercial Districts Development and redevelopment of commercial properties along Huron River Drive to support neighborhood developments in the area.	Under development		City of Ypsilanti
County Gateway Improvements Create a more positive perception of Eastern Washtenaw County in order to attract new companies and more visitors to the area. Landscaping and signage along Huron and Hamilton to Michigan Ave. Includes intersection landscaping, street trees, sidewalk enhancements and non-motorized facilities.	\$825,000 (1999 est.)	MDOT	ELG Subcommittee
Eastern County Image Create a more positive perception of Eastern Washtenaw County in order to attract new companies and more visitors to the area. Includes landscaping, signage and other visual improvements along Washtenaw Ave, Water Street/Spring Street, Huron River Drive and East and West Michigan Avenue.	\$1M	MDOT Local	ELG Subcommittee