



TO: Mayor and Council

FROM: Larry Collins, Fire Chief
Derek Delacourt, Community Services Area Administrator
Matt Horning, Interim CFO
Craig Hupy, Public Services Area Administrator
Michael Nearing, Acting City Engineer

CC: Tom Crawford, Interim City Administrator

SUBJECT: Council Agenda Responses

DATE: 6/20/16

CA-4 – Resolution to Authorize Transfer of Six Properties and Contract from Washtenaw Community Health Organization to Washtenaw County

Question: The cover memo mentions that a Community Mental Health Agency model was implemented by the County Commissioners in October 2015, but that a Community Mental Health Authority structure (which would include St Joes) could be adopted. Can you please explain what is operationally different between an Agency model and an Authority? Also, now that the original partnership (WCHO) with UM is dissolved, is UM participating in the new County organization/effort and if so, in what capacity? (Councilmember Lumm)

Response: The Agency model, which has been operating since 10/1/15, has these behavioral health services provided by a Washtenaw County department, the Washtenaw County Community Mental Health department. Previously, the County provided some similar services, as the Community Support and Treatment Services (CSTS) department, functioning as a contractor to the WCHO. With an Authority model, a similar arrangement of services would be provided, however, it would be performed as a separate legal entity. This would still be differentiated from the WCHO model, as the separate legal entity (authority) would receive the funds *and* provide the mandated services. The Washtenaw County Board of Commissioners authorizes the membership

to the CMH Board, and would continue to do so if the County spun off to an authority model. The University of Michigan and St. Joseph Mercy Health make recommendation for CMH Board representation that is ultimately authorized by the Board of Commissioners. The primary distinction with an Authority vs. an Agency model is the governance structure (e.g., BOC appoints and approves actions under agency model vs. County BOC appoints CMH Board who takes independent actions under Authority model).

CA – 7 – Resolution to Approve No 1 to the Master Subscription Agreement with TriTech Software Systems for Fireview Dashboard (\$10,500.00 Amendment/\$35,499.00 Total Contract)

Question: Will this software allow periodic reporting for metrics to Council?
(Councilmember Warpehoski)

Response: Yes.

CA-8 – Resolution to Approve a Professional Services Agreement with Fishbeck, Thompson, Carr & Huber, Inc. for the Nichols Arboretum Sewer and Siphon Rehabilitation Project (\$152,823.21)

Question: The cover memo indicates that although the City has an as-needed services contract with this firm, a separate contract is being used for this. Are the costs/hourly rates in this contract the same as those agreed in the other as-needed contract with the firm? (Councilmember Lumm)

Response: Yes. The hourly rates for the personnel engaged in the work of this agreement are the same (and in two instances lower) as the agreed upon rates contained in the 2016 General Services Agreement.

CA – 17 – Resolution to Amend Ann Arbor City Budget for Fiscal Year 2016 (8 Votes Required)

Question: This budget amendment shows us the bad news of higher-than-anticipated expenses. How do revenues look? (Councilmember Warpehoski)

Response: Revenues are projected at \$99.9 million versus budgeted revenue of \$100.9 million. Budget amendments are not normally made at year-end for revenue changes because the requirement is that expenditures should not be more than what's authorized by Council.

CA-19 – Resolution to Approve a Contract with Ann Arbor SPARK for Economic Development Services (\$75,000)

Question: The last resolved clause referencing the City’s working with SPARK and the Washtenaw County Act 88 Advisory Committee on improved metrics and reporting was also in last year’s resolution. Did the groups meet and have there been any changes to the metrics and reporting requirements as a result? Also, what is the status of the Council Economic Collaborative Task Force and are there any updates from that group? (Councilmember Lumm)

Response: Washtenaw County took a very aggressive step in this area and added a new coordinating effort. Washtenaw County Commission approved a new “Economic Development Coordinating Committee” on October 7th <http://www.ewashtenaw.org/government/departments/community-and-economic-development/workforce-development/economic-development-coordinating-committee-1>

This approval was a part of the Commission’s deliberations on the merger of the Ann Arbor and Ypsilanti Convention and Visitor Bureau and approval of the County’s Act 88 economic development funding recommendations that included \$500,000 in funding for programs to be administered by SPARK in calendar 2016. Including in this funding is a significant allocation for development incentives in Ypsilanti and Ypsilanti Township. In December, the County Commission approved the appointment of seventeen community leaders to the Coordinating Committee including Paul Krutko representing the Eastern Leaders Group. Conan Smith is the chair of the Coordinating Committee and Amanda Evans is also an appointed member. Brett Lenart is the principal County staff to the Committee. The Committee began meeting on a monthly basis on the first Friday of the month beginning in January 2016 and has established a topic agenda for discussion at each meeting.

Given the leadership transition at City of Ann Arbor (city administrator) and at Washtenaw County (county administrator), and that several of the members of the Economic Health Advisory Group are actively involved in the County’s Economic Development Committee, SPARK is asking that a meeting be organized soon after the appointment of the new Ann Arbor City Administrator and the new County Administrator, and County Commissioner Conan Smith to discuss the possibility of aligning these efforts around the common goals of supporting activities to advance the economic health of the City of Ann Arbor and the region and in particular the role of the Economic Health Advisory Group.

Question: Attachment D to the contract with SPARK lists good reporting metrics and performance measures and indicates the City will be provided reports on the data twice a year. That attachment D was also in last year’s contract so did we receive the reports stipulated and if so, can you please share them (perhaps you already have and I missed it). (Councilmember Lumm)

Response: Yes, see attached reports for 1. FY16 – First Half and 2. FY16 – Jan – April. In addition, attached is a report with the combined results for FY16 July 2015 - April 2016. In the future, staff will insure these reports are added to Legistar.

B-1 – An Ordinance to Amend the Code of the City of Ann Arbor by Adding a New Chapter, Which Chapter Shall Be Designated Chapter 71, Pavement Sealant, of Title VI, Food and Health, of Said Code (Ordinance No. ORD-16-12)

Question: In response to a question I asked at first reading on other examples where sworn, notarized statements were required, the response was that the requirement is modeled after City Code Chapter 70, Manufactured Fertilizer (e.g. Commercial fertilizer applicators are required to register with the City). In that manufactured fertilizer ordinance in Chapter 70, are individual homeowners held responsible/liable for violations as they will be in this pavement sealant ordinance? Also what are the maximum fines for violation of that manufactured fertilizer ordinance (to applicators and/or to homeowners that “allow” application of a prohibited chemical)? (Councilmember Lumm)

Response: In Chapter 70, Manufactured Fertilizer, Homeowners are held responsible for violations. Each violation of this chapter will be a civil infraction punishable by a fine no less than \$250.00 and up to \$1,000.00.

Question: In response to my question at first reading if there were any other instances in the city where fines for violation are as much as \$10,000 the two examples cited both related to development and developers. Are there any examples in city code where an individual homeowner can be fined as much as \$10,000 for something (other than major criminal activity). (Councilmember Lumm)

Response: Chapter 63 applies to all property owners (including homeowners) completing work that would necessitate a grading permit. Thus, Chapter 63 can fine homeowners up to \$10,000 per day of noncompliance. This is in compliance with the Federal Clean Water Act and the State’s Natural Resources And Environmental Protection Act (NREPA). Chapter 33, Stormwater System, a property owner who violates the provision of that chapter may be fined up to \$10,000 per day of violation.

C – 1- An Ordinance to Amend Sections 2:42.5 and 2:42.6 of Chapter 28 (Sanitary Sewer) of Title II of the Code of the City of Ann Arbor

Question: For some of the recently-completed developments, what would the cost of developer offsite mitigation have been based on the \$3,000/gpm calculation in the draft guidelines? (Councilmember Warpehoski)

Response: See attached - *Cost Example.PDF*

Question: What is the basis for the fee in the draft guidelines? (Councilmember Warpehoski)

Response: The fee was based on the average cost of flow removal performed by the City in the past (i.e. City's Footing Drain Disconnection Program). A detailed *Cost Basis.PDF calculation is attached for reference*. Going forward as the City undertakes new projects to remove flow, the experience may influence the average cost charged per gallon either upward or downward.

Question: On September 17, 2012, Council passed a resolution temporarily suspending the mandatory Footing Drain Disconnect program. Can you tell me the current status of that temporary suspension and whether the administration has any plans to address the mandatory FDD program in a permanent manner? (Councilmember Eaton)

Response: FDD program was suspended in the original 5 study or target areas. Subsequent studies showed the removals done before the suspension were sufficient to provide a level of protection to 4 of the 5 areas. The fifth area requires additional study to determine the flow sources. In addition to study in the fifth area, four new areas have been identified for examination.

When the nature of the flow sources in the fifth area along with the four additional areas is understood, there will be recommendations for mitigation. Whether FDDs are recommended or not for mitigation is not yet known. The City is not currently undertaking any FDDS. Any recommended mitigation would come before City Council before implementation. If FDDs were to be considered for any future mitigation, the program would be reviewed for potential adjustments.

Question: The cover memo indicated there was meeting June 6th with members of the development community where the ordinance was reviewed. Can you please provide a summary of the key comments/takeaways from that discussion? (Councilmember Lumm)

Response: The focus of the June 6th meeting with the development community was specific to the payment in lieu alternative which will be adopted as part of the ordinance amendment. The development community expressed support of the payment in lieu alternative as it provides an option which is predictable and consistent. Some comments were received indicating frustration with the overall high cost to develop in Ann Arbor, and that it is contrary to the City's goal of affordable housing.

C-2 – An Ordinance to Amend Sections 7:402, 7:405, 7:406 and 7:407 of Chapter 93, Alarm Systems, of Title VII of the Code of the City of Ann Arbor

Question: The cover memo mentions a couple of areas where financial hardship waivers are considered. Can you please provide a list of all the areas where hardship

waivers are considered as well as data on how many requests have been received over the last couple of years and how many were granted? (Councilmember Lumm)

Response:

- A. Chapter 40, Trees and Other Vegetation, Section 3:18 Financial hardship, provides that the Administrator may authorize charges assessed to a property owner who has failed to maintain the property lawn extension requiring the City to have the work done to bring it into compliance to be paid in installments or to be reduced be subject to Council approval
- B. Chapter 49, Sidewalks, Section 4:62, Financial hardship, provides that the Administrator may authorize charges for snow and/or ice removal incurred by the City and charged to the property owner to be paid in installments, to be reduced, or to be cancelled.
- C. Chapter 103, Historic Preservation, Section 8:417, Evidence of undue financial hardship, provides that evidence supporting undue financial hardship can be submitted by an applicant in conjunction with an application for work which is considered by the Historic District Commission.

Statistics for that information are not available.

Question: The cover memo indicates that the decision on granting a waiver will be the Administrators, but it is not clear what specific criteria will be considered – can you please provide a bit more detail on the criteria that will be used and what standards/thresholds are likely to be used in granting a waiver? (Councilmember Lumm)

Response: Under the terms of the Ordinance proof of financial hardship must be submitted to the Administrator in conjunction with annual registration or filing of an appeal or in the case of a false alarm response within ten days of receipt of the invoice for its costs. Proof of financial hardship as stated in Section 7:402(3)(b) of the proposed Ordinance amendment includes financial information (income and expenses) as well as the special circumstances associated with the request.

Question: How much are the current annual alarm registration fees and the fines for false alarms (for first time and subsequent occurrences)? Also, I had asked a question related to a specific constituent email (not related to a waiver) about how much revenues are generated from false alarm fees and would appreciate a response to that question being included along with these others – specifically, how much revenue would be foregone if the city did not charge a false alarm fee at all for a first time occurrence? (Councilmember Lumm)

Response: City Council Resolution R-275-7-03 established the fee schedule for the Alarm Ordinance. The annual registration fee for an alarm system is \$37.00. The false alarm response fee for Police is \$82.00 per incident. The false alarm response fee for Fire is \$250.00 per incident. An alarm registration fee is automatically added to the first false alarm in a calendar year. As of 6/20/16, \$73,841 has been received from alarm registration fees, with no additional revenue expected in FY16 As of 6/20/16,

\$119,597 has been received from Police False Alarms in FY16, with an additional \$13,000 anticipated before the end FY16. As of 6/20/16, \$59,331 has been received from Fire False Alarms, with an additional \$4,600 anticipated before the end of FY16.

Question: Have we ever done any benchmarking of other communities with regard to hardship waivers for everyday fines and fees? Do we know if other communities have hardship waiver provisions and how frequently they approve them? (Councilmember Lumm)

Response: No benchmarking was done in connection with the proposed ordinance amendments.

Question: The cover memo indicates that the ordinance would “limit a waiver for payment of annual registration to 1yr”. Does that mean there is only one registration waiver per person or mean that that a granted waiver just lasts for a year and that a person could get more than one, but just needs to submit a new hardship request? (Councilmember Lumm)

Response: Section 7:402 of the proposed amendment provides that a hardship request in connection with an annual registration fee is only applicable for and if granted only applies to the requested year. Subsequent year fees would be access at the rate established by Council unless a new hardship waiver request was submitted and granted for the subsequent year.

DC – 2 – Resolution to Approve Contract with The Conservation Fund for Greenbelt and Parkland Acquisition Program Administration and Consulting Services

Question: Is the scope of work changing at all with this contract renewal and how much is the city currently paying the Conservation Fund annually for these services? (Councilmember Lumm)

Response: The scope of work has changed to include processing farmstead applications and preparing 10 year baseline updates at the request of the City. We currently pay approximately \$83K per year to the Conservation Fund.

DC-3 - Resolution Authorizing a Commitment to Making the City of Ann Arbor a Solar Ready Community

Question: Can you provide us with an update on the status of the proposed state energy legislation regarding “net metering”? (Councilmember Eaton)

Response: Legislators are on recess until the end of summer. There has been no further action/approval on changes to net metering or any energy legislation and none anticipated until fall/winter earliest.

Question: What impact would the state net metering legislation have on our efforts to encourage solar energy infrastructure? (Councilmember Eaton)

Response: If draft legislation passed (unchanged) in the future there is indication from the installer community that it would harm the solar industry greatly. Net metering may not be around in the long term and eventually incentives for solar likely will phase out, but in the short term it would severely slow the growth of solar in MI as well as the rate of uptake.

Question: Can you please provide a rough estimate of the staff time (and any other financial resources) required to implement (1) this resolution and (2) the Energy Commission's second recommended immediate action which is "to provide the Energy Office with the financial resources, contractor support and overall capacity needed to assume primary responsibility for implementing a Solar Ready Community Plan that will meet the CAP solar goals"? (Councilmember Lumm)

Response: Staff hours should be within anticipated scope of work for the coming year, especially with additional temporary staff engaged and working already on the topic. 20-30 hrs per month estimated.

Energy Commission is supportive of the budget-approved funds for work in this area (climate & energy) and at the time of the Commission's original drafting of their resolution wanted to convey this to Council and that resourcing endure in the future, if or as specific funding needs emerge related to strengthening solar readiness as a way of reducing community greenhouse gases.

DC-4 – Resolution to Award a Construction Contract to L.J. Construction, Inc. (ITB No. 4424, \$1,370,405.00), Appropriate \$314,884.00 from the General Fund and \$306,000.00 from the Wheeler Center Fund Unobligated Fund Balances and Amend the Existing Maintenance Facility Construction Project for the W.R. Wheeler (Swift Run) Service Center PUD Non-motorized Improvements – Phase 1 (8 Votes Required)

Question: Regarding DC-4, the cover memo indicates the project is in the CIP (TR-AT-16-02) and it was in the FY16 adopted capital budget, but the amount shown (p. 485 of adopted budget book) is \$825K. Can you please reconcile that \$825K with the higher project costs (\$1.84M) referenced in the resolution? Also, how are the funding allocations determined (particularly the General Fund) and after this allocation is there any balance left in the various Wheeler Center funds? (Councilmember Lumm)

Response: The funding allocations are an apportionment of the construction costs and other project costs associated with the two major components of this project phase 1)

Ellsworth Rd sidewalk and 2) Stone School Rd boardwalk. The Ellsworth Rd sidewalk costs were calculated for each of the properties affected by this work based on their frontage lengths. These costs were allocated to the funding resources as follows:

Landfill property → Solid Waste Fund, Wheeler Service Center entrance property → Maint Facility Const Project/Wheeler Center Fund, and the three properties located in Pittsfield Twp → General Fund. The Stone School Rd boardwalk apportionment is based on the costs related to this work, and is included in the Maint Facility Const Project/Wheeler Center Fund allocation.



City of Ann Arbor Metrics – July 1, 2015-December 31, 2015

Ann Arbor SPARK's Business Development mission: *Maximize job creation and capital investment by growing the region's GDP through the retention and expansion of established driving industry companies that sell goods and services outside the Ann Arbor region, and through the targeted attraction domestically and internationally of similar companies that could succeed in our region.*

Ann Arbor SPARK's Business Development Metrics in the City of Ann Arbor:

1. Companies assisted
 - a. Number of retention visits: **18**
 - b. Number of attraction prospect site visits: **2**
 - c. Number of responses to attraction prospect or site consultant requests for proposals: **9**
2. Jobs
 - a. Projected to be created: **188 over the next three years***
 - b. Actual jobs created: **51.5 in the first 6 mos.**
 - c. Jobs projected to be retained: **492**
 - d. Actual jobs retained: **492**
3. Investment
 - a. Taxable value of new private investment: **\$5,389,025**
 - b. Total value of private investment: **\$10,778,050**
4. Number and value of investments leveraged through and including federal and state grants and incentives, foundations and other sources that assisted businesses or organizations: **One BDP credit for \$320,000**
5. Number of facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns: **see Attachment "A"**
6. Number of start-up businesses assisted (exclusive of LDFA): **0****
7. Status of the Economic Health advisory group convened by SPARK to further collaboration and alignment of economic development goals in the City and region:

The second meeting of this group was held on August 28, 2015. Councilmember Sabra Briere, Washtenaw County Commissioner Conan Smith, Amanda Edwards (Mayor of Ypsilanti), Mandy Grewal (Pittsfield Township Supervisor), Brett Lenart (Interim Director of the Office of Community and Economic Development at Washtenaw County and Steve Powers (Ann Arbor City Administrator). There was a general discussion about a number of other task forces active in Washtenaw County under various auspices that are focused on economic health (examples include Eastern Leaders Group, the Governor's Regional Prosperity Initiative, the Ypsilanti Area Taskforce on Economic Expansion chaired by State Representative David Rutledge). SPARK expressed a concern about its ability to participate



in and respond to all of this initiatives simultaneously and maintain its focus on its core mission of entrepreneurial development and early company support and the retention, expansion and attraction of GDP growing investments in the Greater Ann Arbor region (Washtenaw and Livingston Counties).

In particular, Washtenaw County Commission approved a new "Economic Development Coordinating Committee" on October 7th

<http://www.ewashtenaw.org/government/departments/community-and-economic-development/workforce-development/economic-development-coordinating-committee-1>

This approval was a part of the Commission's deliberations on the merger of the Ann Arbor and Ypsilanti Convention and Visitor Bureau and approval of the County's Act 88 economic development funding recommendations that included \$500,000 in funding for programs to be administered by SPARK in calendar 2016. Including in this funding is a significant allocation for development incentives in Ypsilanti and Ypsilanti Township. In December, the County Commission approved the appointment of seventeen community leaders to the Coordinating Committee including SPARK CEO Paul Krutko who is representing the Eastern Leaders Group. Conan Smith is the chair of the Coordinating Committee and Amanda Evans is also an appointed member. Brett Lenart is the principal County staff to the Committee. The Committee began meeting on a monthly basis on the first Friday of the month beginning in January 2016 and has established a topic agenda for discussion at each meeting.

Following the August 28th meeting, City Administrator Steve Powers announced his resignation. Given the leadership transition at City of Ann Arbor (city administrator) and at Washtenaw County (county administrator), and that several of the members of the Economic Health Advisory Group are actively involved in the County's Economic Development Committee, it is recommended by SPARK that a meeting be organized between the new Ann Arbor City Administrator upon appointment, the new County Administrator upon appointment, Councilmember Briere and County Commissioner Conan Smith to discuss the possibility of aligning these efforts around the common goals of supporting activities to advance the economic health of the City of Ann Arbor and the region.

**The jobs are projected to be added over the next three years, we will update these numbers as we interact with the companies and determine progress.*

***All businesses that are start-ups in the region are assisted by the Business Accelerator division of Ann Arbor SPARK, funded through the LDFA.*



Ann Arbor SPARK Metrics - Jobs

When companies apply for Local or State incentives they fill out applications that require both job creation and investment estimates. SPARK considers these projects a success after it is publicly announced, or when the proper approval process has taken place for the incentive sought by the company. SPARK's jobs and investments numbers are based on these project announcements provided by the companies. SPARK acts as project manager for both the communities it supports and the companies it serves. Our project management efforts can be fairly simple, such as conducting data analysis that a company may use in its business planning, or as complex as full project management for significant company expansions. This would include everything from:

- Connecting them to proper resources
- Working with the site selection community to help determine a location for a project
- Fully managing the tax incentive paperwork and the process it may require
- Creating communication plans
- Travelling to company locations outside of the state
- Making presentations to key public and private decision makers

SPARK supports a company directly or it supports the consultants the company utilizes during its expansion. Whatever role SPARK might play, we capture jobs and investments for projects that we have played an active role in helping a company make a decision to move forward.

SPARK celebrates all projects that may have an impact on our region. We do not count jobs and investments where SPARK was not directly involved.

Companies assisted during previous contract period

Companies assisted 7/1/14 to 6/30/15:

Specific Projects (Unique ID#):	Projected New Jobs (2014-2016)	Actual new jobs (7/1/14 to 12/31/15)	Projected retained jobs	Actual retained jobs 12/31/15	Current FTE (As of last contact) 12/31/15
5510*	35	42	NA	NA	42
7098	5	2	13	13	15
5091	5	0	11	0	0
7184*	12	8	NA	NA	8
7152*	85	15	NA	NA	15
7511*	6	6	0	0	6
7162	1	1	1	1	2
6523	8	8	2	2	10
1717	9	0	10	10	10
0513	0	15	60	60	75
Total	166	97	97	86	183

*Attraction projects, company new to the area.



Companies assisted during this contract period

Companies assisted 7/1/15 to 12/31/15:

Specific Projects (Unique ID#):	Projected New Jobs (2015-2017)	Actual new jobs (7/1/15 to 12/31/15)	Projected retained jobs	Actual retained jobs 12/31/15	Current FTE (As of last contact) 12/31/15
7662*	1	1	NA	NA	1
794	20	20	180	180	200
7612*	7	7	NA	NA	7
7656*	1	2.5	NA	NA	2.5
7687*	2	2	NA	NA	2
3279	1	0	12	12	12
7728*	1	1	NA	NA	1
0704	0	0	175	175	175
4506	25	0	20	20	20
6289	80	18	45	45	63
0993	50	0	60	60	60
Total	188	51.5	492	492	543.5

*Attraction projects, company new to the area.

Ann Arbor SPARK Metrics - Investment

Investments are recorded based on publically available information of capital expenditures on real property, leasehold improvements, and furniture and fixtures. Companies may make additional capital investments that we are not aware of, or they may use alternative methods such as leasing equipment to acquire assets for growth opportunities. Recent changes to property tax law that allow for personal property exemptions make it less likely that a company would record all investment dollars at the time of an expansion or attraction project.

Companies assisted 7/1/15 to 12/31/15:

Specific Projects (Unique ID#):	Projected New Investment	Taxable value	Incentives
7662*	\$ -	\$ -	
794	\$ -	\$ -	
7748*	\$ -	\$ -	
7612*	\$ -	\$ -	
7656*	\$ -	\$ -	
7687*	\$ -	\$ -	
3279	\$ -	\$ -	
7728*	\$ -	\$ -	
0704	\$ -	\$ -	
4506	\$ 300,000	\$ 150,000	
6289	\$ 990,800	\$ 495,400	BDP credit (\$320,000)
0993	\$ 9,487,250	\$ 4,743,625	
Total	\$ 10,778,050	\$ 5,389,025	



Ann Arbor SPARK retention visit program

Ann Arbor SPARK's Business Development team identifies companies for our retention program based on the following criteria:

- 1) Top employers with 200+ employees, or top IT employers with 50+ employees
- 2) All SPARK successes for the previous two years
- 3) All firms from the previous year retention program with indicators of rapid growth (hiring, increased sales)
- 4) Firms with large infusion of capital or grant funding in the previous two years
- 5) Companies that were sold, or that are new to Ann Arbor
- 6) Companies that are having difficulty finding employees
- 7) Business Accelerator companies that have achieved sales or staff levels that graduate them to Business Development companies

Companies visited July 1, 2015 – December 31, 2015:

Company Name	Current FTE	Company Name	Current FTE
Human Element, Inc.	15	Duo Security	110
Snowday LLC	4	HookLogic	55
Rootoftwo	2	Synedoche	2
LLamasoft	200	OX Studio	16
Torrent Consulting	12	ETAS Inc.	65
Mercedes-Benz Emission Test Lab	25	Evigia Systems Inc.	8
ProQuest	650	OfferzNow, LLC	1.5
Lotus Engineering Inc.	32	Olark	6
Arbor Research Collaborative for Health	135	Omni Sciences, Inc.	5
Total: companies: 18		Total FTE as of visit: 1343.5	

Retention visit highlights:

Between July and December 2015, SPARK held retention visits with 18 companies in the City of Ann Arbor. These companies ranged in size from two to 650 employees. As shown in the chart below, 67% of companies are looking to expand. Talent and finding space continue to be areas where companies are in need of assistance. Highlights include:

- After meeting with Olark, SPARK was asked to provide assistance to area tech companies and arts organizations to help them market MittenSTART. This two-day conference, to be held in May 2016, will promote the tech and arts culture in the City



of Ann Arbor. SPARK will be working with the group on a job fair/talent mixer as well as marketing efforts.

- Llamasoft secured over \$50 million in Series B financing and SPARK worked with them to help promote talent mixer in November.
- HookLogic asked SPARK to provide assistance with talent recruitment promoting an upcoming event. SPARK also provided assistance with specific initiatives to help with talent recruitment.

Economic Indicators from Retention Visits (7/1/15 to 12/31/15)

Over the next 12 months the companies we visited project that they will:	Out of the 18 City of Ann Arbor companies visited:	Percent:
Increase Employees	12	67%
Invest Capital beyond maintenance	8	44%
Project sales growth	11	61%
Launch a new product/technology	4	22%
Have difficulty finding employees	8	44%

Ann Arbor SPARK Attraction prospect activity

When SPARK is contacted by the MEDC, consultants, individual firms, external referrals, and/or site selectors regarding attraction prospects and possible location requests we:

- *Respond with local area information: Demographics, industry sector information, university graduates, other info*
- *Respond to site requests by searching for buildings, space, and vacant land based on site requirement, using site databases, broker blasts, and our knowledge of local real estate*
- *Set up site visits with listing brokers and accompany company representatives on the site tour*
- *Make introductions to local municipality officials to discuss the project and possible tax abatement*
- *Work closely with MEDC on state incentives*
- *Connect the attraction prospect with university, banks, attorneys, and other contacts to assist with integration into the business community*

Between July 1, 2015 and December 31 2015, SPARK responded to 9 attraction prospect requests and facilitated 2 attraction prospect site visits.

Attraction project highlights:

SPARK

@nn arbor usa

- On September 14, 2015, Coyote Logistics announced they were investing \$990,800 and creating 80 new jobs. Coyote Logistics was an “attraction success” in 2013 and through continued support efforts by SPARK focused on talent, recruitment and marketing support, Coyote Logistics continues to expand.
- Conducted a site visit for a financial technology firm from the Eastern U.S. considering Ann Arbor as a knowledge center for the company. Discussions centered on the ability to access key talent in the region for their company as well as real estate options. As part of the site visit, SPARK spent two full days touring the City of Ann Arbor and setting up over 10 meetings with area companies. The company should make a location decision in the first quarter of 2016.



Facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns:

- Ann Arbor SPARK leads the “Greater Ann Arbor Region” initiative, a six county economic development effort that is focused on regional opportunities, and leveraging our region’s combined assets to pitch opportunities for national and international projects. These efforts include specific marketing materials and social media channels. Our efforts have resulted in the region’s ability to respond to new project opportunities (www.GreaterAnnArborRegion.org).
- Ann Arbor SPARK hosted several site decision maker consultants in a regional familiarization tour as part of our Greater Ann Arbor Region initiative. These are consultants that work specifically with companies on their growth projects, and the tour focused on the region’s unique assets and opportunities for growth from their clients. (October, 2015)
- Ann Arbor SPARK is a managing member of the Regional Prosperity Initiative, a statewide initiative focused on how our region can address transportation, talent, and education/workforce development systems efficiently. The work product is currently being developed, but more information may be found here: <https://sites.google.com/a/pscinc.com/r9-prosperity-initiative/home>. The Talent Council and Region 9 management team met several times during this period.
- U-M Tech Trek Immersion Tour: Ann Arbor has a herd of gazelle-like companies, picking up speed - and employees - with a dexterity that traditional, big-name companies just can't match. Current U-M students were able to discover what amazing opportunities lie just a few feet away from main campus when they joined us for a tour of these growing technology companies in downtown Ann Arbor. The students met the founders, toured amazing offices, interacted with new technology, and connected with recent grads. Participating companies included Menlo Innovations, Expedia, Llamasoft, Local Orbit, and local startups housed at SPARK Central. (October 23, 2015)
- Ann Arbor SPARK organized a legislative outreach to our local legislators in order to emphasize the importance of economic development, and of committing resources to support economic development in this region. This meeting was held at SPARK Central on July 13, 2015.
- Ann Arbor SPARK represented the Ann Arbor Region at a variety of site selection events: Pure Michigan Summit in Bay Harbor, Michigan (July 28-29), Consultant Connect event in Dallas, Texas (November 11-12).



- Ann Arbor SPARK worked closely with Washtenaw County companies to assist with applying for Skilled Trades Training Funds from MEDC. Lyons Consulting (a SPARK 2012 success) received \$40,400 from Michigan Works to train their employees.
- Ann Arbor SPARK joined Duo Security and other IT employers to promote a Tech Homecoming on Wednesday, November 25 - the goal was to reconnect talented out-of-towners in the tech industry with Ann Arbor and its vibrant tech ecosystem, which has produced hundreds of startups and billions in enterprise value in the last 5 years.
- Talent has always been a core focus for SPARK, and that need has grown. Forty percent of the companies the Business Development team visited this year identified talent as a key area where they require assistance. Talent is also a priority for our entrepreneurial community. To address the opportunities to attract and retain talent in this region, SPARK entered into a collaborative agreement with Amy Cell, LLC.

These opportunities are employer-driven and will ask that employers make an investment in this work. They include internship programs, customized consulting with companies looking to hire staff, and a variety of events and resources to support the connection of available talent with local employers.



City of Ann Arbor Metrics – January 1, 2016-April 30, 2016

Ann Arbor SPARK's Business Development mission: *Maximize job creation and capital investment by growing the region's GDP through the retention and expansion of established driving industry companies that sell goods and services outside the Ann Arbor region, and through the targeted attraction domestically and internationally of similar companies that could succeed in our region.*

Ann Arbor SPARK's Business Development Metrics in the City of Ann Arbor:

1. Companies assisted
 - a. Number of retention visits: **27**
 - b. Number of attraction prospect site visits: **1**
 - c. Number of responses to attraction prospect or site consultant requests for proposals: **3**
2. Jobs
 - a. Projected to be created: **425 over the next three years***
 - b. Actual jobs created: **18 so far**
 - c. Jobs projected to be retained: **205**
 - d. Actual jobs retained: **205**
3. Investment
 - a. Taxable value of new private investment: **\$1,530,000**
 - b. Total value of private investment: **\$3,060,000**
4. Number and value of investments leveraged through and including federal and state grants and incentives, foundations and other sources that assisted businesses or organizations: **Two State of Michigan incentives totaling \$3,000,000**
5. Number of facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns: **see Attachment "A"**
6. Number of start-up businesses assisted (exclusive of LDFA): **0****
7. Status of the Economic Health advisory group convened by SPARK to further collaboration and alignment of economic development goals in the City and region:

**The jobs are projected to be added over the next three years, we will update these numbers as we interact with the companies and determine progress.*



***All businesses that are start-ups in the region are assisted by the Business Accelerator division of Ann Arbor SPARK, funded through the LDFA.*

Ann Arbor SPARK Metrics - Jobs

When companies apply for Local or State incentives they fill out applications that require both job creation and investment estimates. SPARK considers these projects a success after it is publicly announced, or when the proper approval process has taken place for the incentive sought by the company. SPARK's jobs and investments numbers are based on these project announcements provided by the companies. SPARK acts as project manager for both the communities it supports and the companies it serves. Our project management efforts can be fairly simple, such as conducting data analysis that a company may use in its business planning, or as complex as full project management for significant company expansions. This would include everything from:

- *Connecting them to proper resources*
- *Working with the site selection community to help determine a location for a project*
- *Fully managing the tax incentive paperwork and the process it may require*
- *Creating communication plans*
- *Travelling to company locations outside of the state*
- *Making presentations to key public and private decision makers*

SPARK supports a company directly or it supports the consultants the company utilizes during its expansion. Whatever role SPARK might play, we capture jobs and investments for projects that we have played an active role in helping a company make a decision to move forward.

SPARK celebrates all projects that may have an impact on our region. We do not count jobs and investments where SPARK was not directly involved.

Companies assisted during this period

Companies assisted 1/1/16 to 4/30/16:

Specific Projects (Unique ID#):	Projected New Jobs (2015-2018)	Actual new jobs (7/1/15 to 4/30/16)	Projected retained jobs	Actual retained jobs 4/30/16	Current FTE (As of last contact) 4/30/16
4507	297	0	154	154	154
7748*	1	1	0	0	1
6926	75	0	51	51	51
1838	50	15	0	0	15
7341*	2	2	0	0	2
Total	425	18	205	205	221

**Attraction projects, company new to the area.*

Ann Arbor SPARK Metrics - Investment

Investments are recorded based on publically available information of capital expenditures on real property, leasehold improvements, and furniture and fixtures. Companies may make additional capital investments that we are not aware of, or they may use alternative methods such as leasing equipment to acquire assets for growth opportunities. Recent changes to property tax law that allow for personal property exemptions make it less likely that a company would record all investment dollars at the time of an expansion or attraction project.



Companies assisted 1/1/16 to 4/30/16:

Specific Projects (Unique ID#):	Projected New Investment	Taxable value	Incentives
4507	\$2,485,000	\$1,242,500	State of MI credit (\$2.5M)
7748*	\$ -	\$ -	
6926	\$575,000	287,500	State of MI credit (\$500,000)
1838	\$ -	\$ -	
7341*	\$ -	\$ -	
Total	\$ 3,060,000	\$1,530,000	\$3,000,000

Ann Arbor SPARK retention visit program

Ann Arbor SPARK's Business Development team identifies companies for our retention program based on the following criteria:

- 1) Top employers with 200+ employees, or top IT employers with 50+ employees
- 2) All SPARK successes for the previous two years
- 3) All firms from the previous year retention program with indicators of rapid growth (hiring, increased sales)
- 4) Firms with large infusion of capital or grant funding in the previous two years
- 5) Companies that were sold, or that are new to Ann Arbor
- 6) Companies that are having difficulty finding employees
- 7) Business Accelerator companies that have achieved sales or staff levels that graduate them to Business Development companies

Companies visited January 1, 2016 – April 30, 2016:

Company Name	Current FTE	Company Name	Current FTE
ANSYS, Inc	75	Manistee Group LLC	5
Arbor Networks	145	Menlo Innovations LLC	13
ArborMetrix	35	Michigan Innovation Headquarters	1
Berghof Systems	1	NetWorks Group	22
Camis USA	10	Online Tech Corp.	62
Centric Learning	3	Pinkerton	30
Coyote Logistics	78	RightBrain Networks, LLC	22



Danlaw, Inc. Ann Arbor	1	SkySpecs, Inc.	10
Enlighten	75	SRI Technology Group	35
HookLogic	62	TD Ameritrade	51
Ithaka	145	Universal Marketing Group-Ann Arbor	146
Longbow Advantage	3	The Whole Brain Group, LLC	12
Lyonscg AA	39	Zomedica Pharmaceuticals Inc.	8
Magnetic	85		
Total: companies: 27		Total FTE as of visit: 1174	

Retention visit highlights:

Between January, 2016 and April, 2016 SPARK held retention visits with 27 companies in the City of Ann Arbor. These companies ranged in size from one to 146 employees. As shown in the chart below, 67% of companies are looking to expand. Talent and finding space continue to be areas where companies are in need of assistance. Highlights include:

Economic Indicators from Retention Visits (1/1/16 to 4/30/16)

Over the next 12 months the companies we visited project that they will:	Out of the 27 City of Ann Arbor companies visited (some companies visited twice during period:	Percent:
Increase Employees	18	67%
Invest Capital beyond maintenance	6	22%
Project sales growth	18	67%
Launch a new product/technology	8	30%
Have difficulty finding employees	8	30%

Ann Arbor SPARK Attraction prospect activity

When SPARK is contacted by the MEDC, consultants, individual firms, external referrals, and/or site selectors regarding attraction prospects and possible location requests we:

- *Respond with local area information: Demographics, industry sector information, university graduates, other info*
- *Respond to site requests by searching for buildings, space, and vacant land based on site requirement, using site databases, broker blasts, and our knowledge of local real estate*
- *Set up site visits with listing brokers and accompany company representatives on the site tour*
- *Make introductions to local municipality officials to discuss the project and possible tax abatement*



- *Work closely with MEDC on state incentives*
- *Connect the attraction prospect with university, banks, attorneys, and other contacts to assist with integration into the business community*

Between January 1, 2016 and April 30, 2016 SPARK responded to 3 attraction prospect requests and facilitated 1 attraction prospect site visits.

Project highlights:

- **Duo Security:** In April 2016, Duo Security announced their commitment to grow in Ann Arbor by increasing their real estate footprint in downtown Ann Arbor and their intention to add an additional 297 new jobs over the next three years. Duo Security is a fast-growth company that has secured venture capital investment from around the country, and was at risk of expanding in another location, including San Mateo, California or Austin, Texas, where they have existing operations. Ann Arbor SPARK worked with the Michigan Economic Development Corporation to bring a \$2.5 million performance-based grant to help secure their growth in Ann Arbor. SPARK is also working with Duo to support new ways to access talent pipelines in Ann Arbor.
- **Toyota Research Institute:** Toyota already has a large presence in Washtenaw County through their facilities in York Township and Ann Arbor Township; however, a new opportunity arose with the Toyota Research Institute which is focused on future mobility technologies, including autonomous vehicles. Toyota Research Institute and the University of Michigan are partnering on a series of projects related to that initiative and needed real estate close to North Campus to facilitate that project. Ann Arbor SPARK was able to conduct a review of the real estate options in that region and provide those options to TRI, where they ultimately landed. This project helps underscore our region as a center for mobility research & development.
- **Zoller:** Zoller's project received site plan approval, setting the stage for a new building on Research Park Drive. The company is based in Germany and SPARK was able to leverage the relationship through Ann Arbor's City Sister in Tuebingen to meet with company leadership and discuss their potential plans for expansion, which ultimately led to their decision to grow. The new project allows Zoller to grow and remain in the Ann Arbor region.



Attachment A

(1/1/2016 to 4/30/16)

Facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns:

American Center for Mobility

Others??



City of Ann Arbor Metrics – July 1, 2015-April 30, 2016

Ann Arbor SPARK's Business Development mission: *Maximize job creation and capital investment by growing the region's GDP through the retention and expansion of established driving industry companies that sell goods and services outside the Ann Arbor region, and through the targeted attraction domestically and internationally of similar companies that could succeed in our region.*

Ann Arbor SPARK's Business Development Metrics in the City of Ann Arbor:

1. Companies assisted
 - a. Number of retention visits: **37**
 - b. Number of attraction prospect site visits: **3**
 - c. Number of responses to attraction prospect or site consultant requests for proposals: **12**
2. Jobs
 - a. Projected to be created: **613 over the next three years***
 - b. Actual jobs created: **89 so far**
 - c. Jobs projected to be retained: **697**
 - d. Actual jobs retained: **697**
3. Investment
 - a. Taxable value of new private investment: **\$6,919,025**
 - b. Total value of private investment: **\$13,838,050**
4. Number and value of investments leveraged through and including federal and state grants and incentives, foundations and other sources that assisted businesses or organizations: **Three State of MI incentives totaling \$3,320,000**
5. Number of facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns: **see Attachment "A"**
6. Number of start-up businesses assisted (exclusive of LDFA): **0****
7. Status of the Economic Health advisory group convened by SPARK to further collaboration and alignment of economic development goals in the City and region:

The second meeting of this group was held on August 28, 2015. Councilmember Sabra Briere, Washtenaw County Commissioner Conan Smith, Amanda Edwards (Mayor of Ypsilanti), Mandy Grewal (Pittsfield Township Supervisor), Brett Lenart (Interim Director of the Office of Community and Economic Development at Washtenaw County and Steve Powers (Ann Arbor City Administrator). There was a general discussion about a number of other task forces active in Washtenaw County under various auspices that are focused on economic health (examples include Eastern Leaders Group, the Governor's Regional Prosperity Initiative, the Ypsilanti Area Taskforce on Economic Expansion chaired by State Representative David Rutledge). SPARK expressed a concern about its ability to participate



in and respond to all of this initiatives simultaneously and maintain its focus on its core mission of entrepreneurial development and early company support and the retention, expansion and attraction of GDP growing investments in the Greater Ann Arbor region (Washtenaw and Livingston Counties).

In particular, Washtenaw County Commission approved a new "Economic Development Coordinating Committee" on October 7th

<http://www.ewashtenaw.org/government/departments/community-and-economic-development/workforce-development/economic-development-coordinating-committee-1>

This approval was a part of the Commission's deliberations on the merger of the Ann Arbor and Ypsilanti Convention and Visitor Bureau and approval of the County's Act 88 economic development funding recommendations that included \$500,000 in funding for programs to be administered by SPARK in calendar 2016. Including in this funding is a significant allocation for development incentives in Ypsilanti and Ypsilanti Township. In December, the County Commission approved the appointment of seventeen community leaders to the Coordinating Committee including SPARK CEO Paul Krutko who is representing the Eastern Leaders Group. Conan Smith is the chair of the Coordinating Committee and Amanda Evans is also an appointed member. Brett Lenart is the principal County staff to the Committee. The Committee began meeting on a monthly basis on the first Friday of the month beginning in January 2016 and has established a topic agenda for discussion at each meeting.

Following the August 28th meeting, City Administrator Steve Powers announced his resignation. Given the leadership transition at City of Ann Arbor (city administrator) and at Washtenaw County (county administrator), and that several of the members of the Economic Health Advisory Group are actively involved in the County's Economic Development Committee, it is recommended by SPARK that a meeting be organized between the new Ann Arbor City Administrator upon appointment, the new County Administrator upon appointment, Councilmember Briere and County Commissioner Conan Smith to discuss the possibility of aligning these efforts around the common goals of supporting activities to advance the economic health of the City of Ann Arbor and the region.

**The jobs are projected to be added over the next three years, we will update these numbers as we interact with the companies and determine progress.*

***All businesses that are start-ups in the region are assisted by the Business Accelerator division of Ann Arbor SPARK, funded through the LDFA.*



Ann Arbor SPARK Metrics - Jobs

When companies apply for Local or State incentives they fill out applications that require both job creation and investment estimates. SPARK considers these projects a success after it is publicly announced, or when the proper approval process has taken place for the incentive sought by the company. SPARK's jobs and investments numbers are based on these project announcements provided by the companies. SPARK acts as project manager for both the communities it supports and the companies it serves. Our project management efforts can be fairly simple, such as conducting data analysis that a company may use in its business planning, or as complex as full project management for significant company expansions. This would include everything from:

- Connecting them to proper resources
- Working with the site selection community to help determine a location for a project
- Fully managing the tax incentive paperwork and the process it may require
- Creating communication plans
- Travelling to company locations outside of the state
- Making presentations to key public and private decision makers

SPARK supports a company directly or it supports the consultants the company utilizes during its expansion. Whatever role SPARK might play, we capture jobs and investments for projects that we have played an active role in helping a company make a decision to move forward.

SPARK celebrates all projects that may have an impact on our region. We do not count jobs and investments where SPARK was not directly involved.

Companies assisted during this period

Companies assisted 7/1/15 to 4/30/16:

Specific Projects (Unique ID#):	Projected New Jobs (2015-2018)	Actual new jobs (7/1/15 to 4/30/16)	Projected retained jobs	Actual retained jobs 4/30/16	Current FTE (As of last contact) 4/30/16
7662*	1	1	NA	NA	1
794	20	20	180	180	200
7612*	7	8	NA	NA	8
7656*	1	0	NA	NA	1
7687*	2	2	NA	NA	2
3279	1	0	12	12	12
7728*	1	7	NA	NA	7
0704	0	0	175	175	175
4506	25	0	20	20	20
6289	80	33	45	45	78
0993	50	0	60	60	60
4507	297	0	154	154	154
7748*	1	1	0	0	1
6926	75	0	51	51	51
1838	50	15	0	0	15
7341*	2	2	0	0	2
Total	613	89	697	697	787

*Attraction projects, company new to the area.



Ann Arbor SPARK Metrics - Investment

Investments are recorded based on publically available information of capital expenditures on real property, leasehold improvements, and furniture and fixtures. Companies may make additional capital investments that we are not aware of, or they may use alternative methods such as leasing equipment to acquire assets for growth opportunities. Recent changes to property tax law that allow for personal property exemptions make it less likely that a company would record all investment dollars at the time of an expansion or attraction project.

Companies assisted 7/1/15 to 4/30/16:

Specific Projects (Unique ID#):	Projected New Investment	Taxable value	Incentives
7662*	\$ -	\$ -	
794	\$ -	\$ -	
7748*	\$ -	\$ -	
7612*	\$ -	\$ -	
7656*	\$ -	\$ -	
7687*	\$ -	\$ -	
3279	\$ -	\$ -	
7728*	\$ -	\$ -	
0704	\$ -	\$ -	
4506	\$ 300,000	\$ 150,000	
6289	\$ 990,800	\$ 495,400	State of MI incentives (\$320,000)
0993	\$ 9,487,250	\$ 4,743,625	
4507	\$2,485,000	\$1,242,500	State of MI incentives (\$2.5M)
7748*	\$ -	\$ -	
6926	\$575,000	287,500	State of MI incentives (\$500,000)
1838	\$ -	\$ -	
7341*	\$ -	\$ -	
Total	\$ 13,838,050	\$6,919,025	\$3,320,000

Ann Arbor SPARK retention visit program

Ann Arbor SPARK's Business Development team identifies companies for our retention program based on the following criteria:

- 1) Top employers with 200+ employees, or top IT employers with 50+ employees
- 2) All SPARK successes for the previous two years



- 3) All firms from the previous year retention program with indicators of rapid growth (hiring, increased sales)
- 4) Firms with large infusion of capital or grant funding in the previous two years
- 5) Companies that were sold, or that are new to Ann Arbor
- 6) Companies that are having difficulty finding employees
- 7) Business Accelerator companies that have achieved sales or staff levels that graduate them to Business Development companies

Companies visited July 1, 2015 – April 30, 2016:

Company Name	Current FTE	Company Name	Current FTE
ANSYS, Inc	75	Manistee Group LLC	5
Arbor Networks	145	Menlo Innovations LLC	13
Arbor Research Collaborative for Health	135	Mercedes-Benz Emission Test Lab	25
ArborMetrix	35	Michigan Innovation Headquarters	1
BEAL Properties		NetWorks Group	22
Berghof Systems	1	Online Tech Corp.	62
Camis USA	10	Pinkerton	30
Centric Learning	3	ProQuest	650
Coyote Logistics	78	RightBrain Networks, LLC	22
Danlaw, Inc. Ann Arbor	1	Rootoftwo	2
Enlighten	75	SkySpecs, Inc.	10
HookLogic	62	Snowday LLC	4
Human Element, Inc.	15	SRI Technology Group	35
Ithaka	145	TD Ameritrade	51
LLamasoft	200	The Whole Brain Group, LLC	12
Longbow Advantage	3	Torrent Consulting	12
Lotus Engineering Inc.	32	Universal Marketing Group-Ann Arbor	146
Lyonscg AA	39	Zomedica Pharmaceuticals Inc.	8
Magnetic	85		
Total: companies: 37		Total FTE as of visit: 2249	

Retention visit highlights:

Between July, 2015 and April, 2016 SPARK held retention visits with 37 companies in the City of Ann Arbor. These companies ranged in size from one to 650 employees. As shown in the chart below, 67% of companies are looking to expand. Talent and finding space continue to be areas where companies are in need of assistance. Highlights include:

- After meeting with Olark, SPARK was asked to provide assistance to area tech companies and arts organizations to help them market MittenSTART. This two-day



conference, to be held in May 2016, will promote the tech and arts culture in the City of Ann Arbor. SPARK will be working with the group on a job fair/talent mixer as well as marketing efforts.

- Llamasoft secured over \$50 million in Series B financing and SPARK worked with them to help promote talent mixer in November.
- HookLogic asked SPARK to provide assistance with talent recruitment promoting an upcoming event. SPARK also provided assistance with specific initiatives to help with talent recruitment.

Economic Indicators from Retention Visits (7/1/15 to 4/30/16)

Over the next 12 months the companies we visited project that they will:	Out of the 37 City of Ann Arbor companies visited (some companies visited twice during period:	Percent:
Increase Employees	25	67%
Invest Capital beyond maintenance	11	31%
Project sales growth	24	64%
Launch a new product/technology	10	27%
Have difficulty finding employees	13	36%

Ann Arbor SPARK Attraction prospect activity

When SPARK is contacted by the MEDC, consultants, individual firms, external referrals, and/or site selectors regarding attraction prospects and possible location requests we:

- *Respond with local area information: Demographics, industry sector information, university graduates, other info*
- *Respond to site requests by searching for buildings, space, and vacant land based on site requirement, using site databases, broker blasts, and our knowledge of local real estate*
- *Set up site visits with listing brokers and accompany company representatives on the site tour*
- *Make introductions to local municipality officials to discuss the project and possible tax abatement*
- *Work closely with MEDC on state incentives*
- *Connect the attraction prospect with university, banks, attorneys, and other contacts to assist with integration into the business community*

Between July 1, 2015 and April 30, 2016 SPARK responded to 12 attraction prospect requests and facilitated 3 attraction prospect site visits.



Project highlights:

- On September 14, 2015, Coyote Logistics announced they were investing \$990,800 and creating 80 new jobs. Coyote Logistics was an “attraction success” in 2013 and through continued support efforts by SPARK focused on talent, recruitment and marketing support, Coyote Logistics continues to expand.
- Conducted a site visit for a financial technology firm from the Eastern U.S. considering Ann Arbor as a knowledge center for the company. Discussions centered on the ability to access key talent in the region for their company as well as real estate options. As part of the site visit, SPARK spent two full days touring the City of Ann Arbor and setting up over 10 meetings with area companies. The company should make a location decision in the first quarter of 2016.
- Duo Security: In April 2016, Duo Security announced their commitment to grow in Ann Arbor by increasing their real estate footprint in downtown Ann Arbor and their intention to add an additional 297 new jobs over the next three years. Duo Security is a fast-growth company that has secured venture capital investment from around the country, and was at risk of expanding in another location, including San Mateo, California or Austin, Texas, where they have existing operations. Ann Arbor SPARK worked with the Michigan Economic Development Corporation to bring a \$2.5 million performance-based grant to help secure their growth in Ann Arbor. SPARK is also working with Duo to support new ways to access talent pipelines in Ann Arbor.
- Toyota Research Institute: Toyota already has a large presence in Washtenaw County through their facilities in York Township and Ann Arbor Township; however, a new opportunity arose with the Toyota Research Institute which is focused on future mobility technologies, including autonomous vehicles. Toyota Research Institute and the University of Michigan are partnering on a series of projects related to that initiative and needed real estate close to North Campus to facilitate that project. Ann Arbor SPARK was able to conduct a review of the real estate options in that region and provide those options to TRI, where they ultimately landed. This project helps underscore our region as a center for mobility research & development.
- Zoller: Zoller’s project received site plan approval, setting the stage for a new building on Research Park Drive. The company is based in Germany and SPARK was able to leverage the relationship through Ann Arbor’s City Sister in Tuebingen to meet with company leadership and discuss their potential plans for expansion, which ultimately led to their decision to grow. The new project allows Zoller to grow and remain in the Ann Arbor region.



Facilitations, advocacy initiatives, and communication efforts by SPARK to address economic development needs and concerns:

- Ann Arbor SPARK leads the “Greater Ann Arbor Region” initiative, a six county economic development effort that is focused on regional opportunities, and leveraging our region’s combined assets to pitch opportunities for national and international projects. These efforts include specific marketing materials and social media channels. Our efforts have resulted in the region’s ability to respond to new project opportunities (www.GreaterAnnArborRegion.org).
- Ann Arbor SPARK hosted several site decision maker consultants in a regional familiarization tour as part of our Greater Ann Arbor Region initiative. These are consultants that work specifically with companies on their growth projects, and the tour focused on the region’s unique assets and opportunities for growth from their clients. (October, 2015)
- Ann Arbor SPARK is a managing member of the Regional Prosperity Initiative, a statewide initiative focused on how our region can address transportation, talent, and education/workforce development systems efficiently. The work product is currently being developed, but more information may be found here: <https://sites.google.com/a/pscinc.com/r9-prosperity-initiative/home>. The Talent Council and Region 9 management team met several times during this period.
- U-M Tech Trek Immersion Tour: Ann Arbor has a herd of gazelle-like companies, picking up speed - and employees - with a dexterity that traditional, big-name companies just can't match. Current U-M students were able to discover what amazing opportunities lie just a few feet away from main campus when they joined us for a tour of these growing technology companies in downtown Ann Arbor. The students met the founders, toured amazing offices, interacted with new technology, and connected with recent grads. Participating companies included Menlo Innovations, Expedia, Llamasoft, Local Orbit, and local startups housed at SPARK Central. (October 23, 2015)
- Ann Arbor SPARK organized a legislative outreach to our local legislators in order to emphasize the importance of economic development, and of committing resources to support economic development in this region. This meeting was held at SPARK Central on July 13, 2015.
- Ann Arbor SPARK represented the Ann Arbor Region at a variety of site selection events: Pure Michigan Summit in Bay Harbor, Michigan (July 28-29), Consultant Connect event in Dallas, Texas (November 11-12).



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- Talent has always been a core focus for SPARK, and that need has grown. Forty percent of the companies the Business Development team visited this year identified talent as a key area where they require assistance. Talent is also a priority for our entrepreneurial community. To address the opportunities to attract and retain talent in this region, SPARK entered into a collaborative agreement with Amy Cell, LLC.

These opportunities are employer-driven and will ask that employers make an investment in this work. They include internship programs, customized consulting with companies looking to hire staff, and a variety of events and resources to support the connection of available talent with local employers.

<u>Project</u>	<u>Payment In Lieu Cost</u>
116-120 W. Huron Hotel	\$ 282,000
Traverwood Apartments	\$ 567,000
Davis Row Condominiums	\$ 15,000
Bank of Ann Arbor Addition	\$ 6,000
Dusty's Collision	\$ 9,000
MAVD Financial Building (State St)	\$ 3,000

Average Footing Drain Disconnection (FDD) costs per home (2010):					
FDD Construction Cost	\$ 4,345				
FDD Construction Management Cost	\$ 1,760				
Exterior Drainage Piping Cost (i.e. curb drain) (includes installation & construction management cost)	\$ 3,484				
City FDD Program Management Cost	\$ 500				
TOTAL (2010 dollars)	\$ 10,090				
TOTAL (2016 dollars)	\$ 11,906		(ENR cost fwd factor 1.18)		
1 FDD = 4 gallons per minute flow removal					
Average Cost for 1 gallon per minute flow removal	\$ 2,976				